

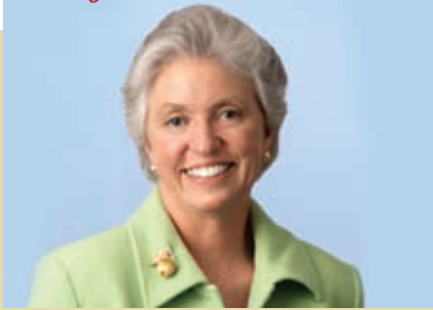
Trust

The Pew Charitable Trusts

VOLUME 12/NUMBER 2/SPRING 2010



The Clean Energy Economy: Poised for Growth
Credit Cards: Giving Consumers Fair Play
The Pew Health Group: Purpose and Portfolio
Philadelphia Examined



Comparisons

Ed Koch, New York City mayor during the 1980s, wasn't afraid of comparisons. "How am I doing?" he would ask, inviting anybody to judge his performance against his predecessors', his own accomplishments or his campaign promises. Comparisons may make us feel competitive or insecure, but, done well and with the right motives, they can provide useful information about strengths, weaknesses and how people or organizations stack up against their peers.

Comparisons play heavily in the work featured in this edition of *Trust*. In assessing the strength of the nascent "green" economy in America, staff from the Pew Center on the States and the Pew Environment Group concluded that the measure that mattered most was a comparison between the growth of green jobs over the decade preceding the current recession and the growth of jobs more generally. In the groundbreaking *Clean Energy Economy: Repowering Jobs, Businesses and Investments Across America*, they defined their terms conservatively, counting only verifiable businesses and jobs—a labor-intensive effort. The result: The number of jobs in this emerging corner of the economy grew nearly two and a half times faster than overall jobs between 1998 and 2007.

Progress was not uniform across the nation, however, and the authors of the report made sure that policy makers and journalists in each state could easily measure their state's standing against 49 others. Colorado, Oregon and Tennessee were early winners, and the governors of these and other states that did well touted the findings. Others vowed to do better in the future. In a year with little en-

couraging economic news, the report highlighted an area that seems ripe for growth. Future research will determine whether America is seizing that opportunity—and which states seem to have the upper hand.

Comparisons also played an important role in the work of the Pew Safe Credit Cards Project, which, in 2007, launched an effort, in partnership with the Sandler Foundation, to address growing concerns about unfair practices in the credit card industry and promote responsible management of debt. The project examined all general-purpose consumer credit cards offered online by the largest 12 issuers, which control more than 88 percent of credit card debt in America. Every single card—400 in all—contained one or more practices that the nation's central bank, the U.S. Federal Reserve, had classified as "unfair or deceptive."

The initiative's team also met with credit card providers and consumer groups to identify mutually acceptable ways to improve the card agreements. The result was the Pew Safe Credit Card Standards, many of which became part of the Credit CARD Act of 2009.

The project continued to track the industry's actions in the period between the signing of the law last May and 2010, when most of its terms take effect. Unfortunately, this research produced no exemplars. Across the board, unfair practices were endemic, with some becoming even more widespread. Thus, the best hope in this arena appears to lie not with competitive pressure to raise standards, but with a new law that requires companies to treat consumers more fairly.

Over the years, Pew periodically commissioned reports to illuminate challenges facing Philadelphia, our hometown. Interest in the findings was often high and, given the research orientation of so much of our national work, we were encouraged to do more. In late 2008 we created an in-house unit, the Philadelphia Research Initiative, which is tasked

with producing a steady stream of reports on matters of local import.

In just over a year, the project has produced a graphics-rich "state of the city" report that gauges civic health broadly and drills deep on specific issues—from the city's preparations for the 2010 census to how it is wrestling with a recession-induced fiscal crisis. One feature of virtually all the reports to date is comparisons with peer cities. How does Philadelphia's poverty rate, crime statistics or educational attainment compare against other major American cities? How many other cities decided on a major tax increase to forestall significant cuts in services? How do pension and health benefits of city workers look against those of workers in Chicago or Atlanta or Baltimore?

This kind of benchmarking gives citizens and decision makers a yardstick for determining how well or poorly the city is doing. In effect, we're asking Ed Koch's memorable question on behalf of the city itself. While the primary motive behind these comparisons is to help Philadelphia wrestle with its challenges, we have been happily surprised to find the reports getting a lot of attention in the comparison cities. It turns out the folks in Pittsburgh, Phoenix and Boston are just as interested as Philadelphians in seeing how they measure up.

Finally, a few words to honor a man of words. Marshall Ledger is *Trust's* founding editor, and he retires with this issue. Since 1998, he has gathered top-notch writers, artists, photographers and designers, orchestrating these creative elements to produce this magazine. And how well it has told Pew's story! *Trust* is accurate, attractive and, especially, reader-friendly—because Marshall is, at heart, a "reader's editor." Since Pew deals with major issues of our time, engaged readers will do their own comparisons in deciding which publications to read. Marshall has always wanted you to choose *Trust*, and, year in and year out, he has given you good reason to do so.

Rebecca W. Rimel
President and CEO

Trust

Published twice a year by
The Pew Charitable Trusts
© 2010 The Pew Charitable Trusts
ISSN: 1540-4587

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Editorial Assistants Anahi Baca Renee S. Wagoner

One Commerce Square
2005 Market Street, Ste. 1700
Philadelphia, PA 19103-7077
Phone 215.575.9050

901 E Street NW, 10th Floor
Washington, DC 20004-2037
Phone 202.552.2000

On the Internet:
www.pewtrusts.org

Design/Art Direction:
Lewis & Nobel Design

Cover: ©Jupiterimages Unlimited

Clean Counts

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Jobs in the new clean energy economy grew at nearly two and a half times the rate of U.S. jobs overall between 1998 and 2007. The future is here.



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A credit card is, essentially, a contract. Thanks in part to the Pew Safe Credit Cards Project, the consumer has better standing in the deal.



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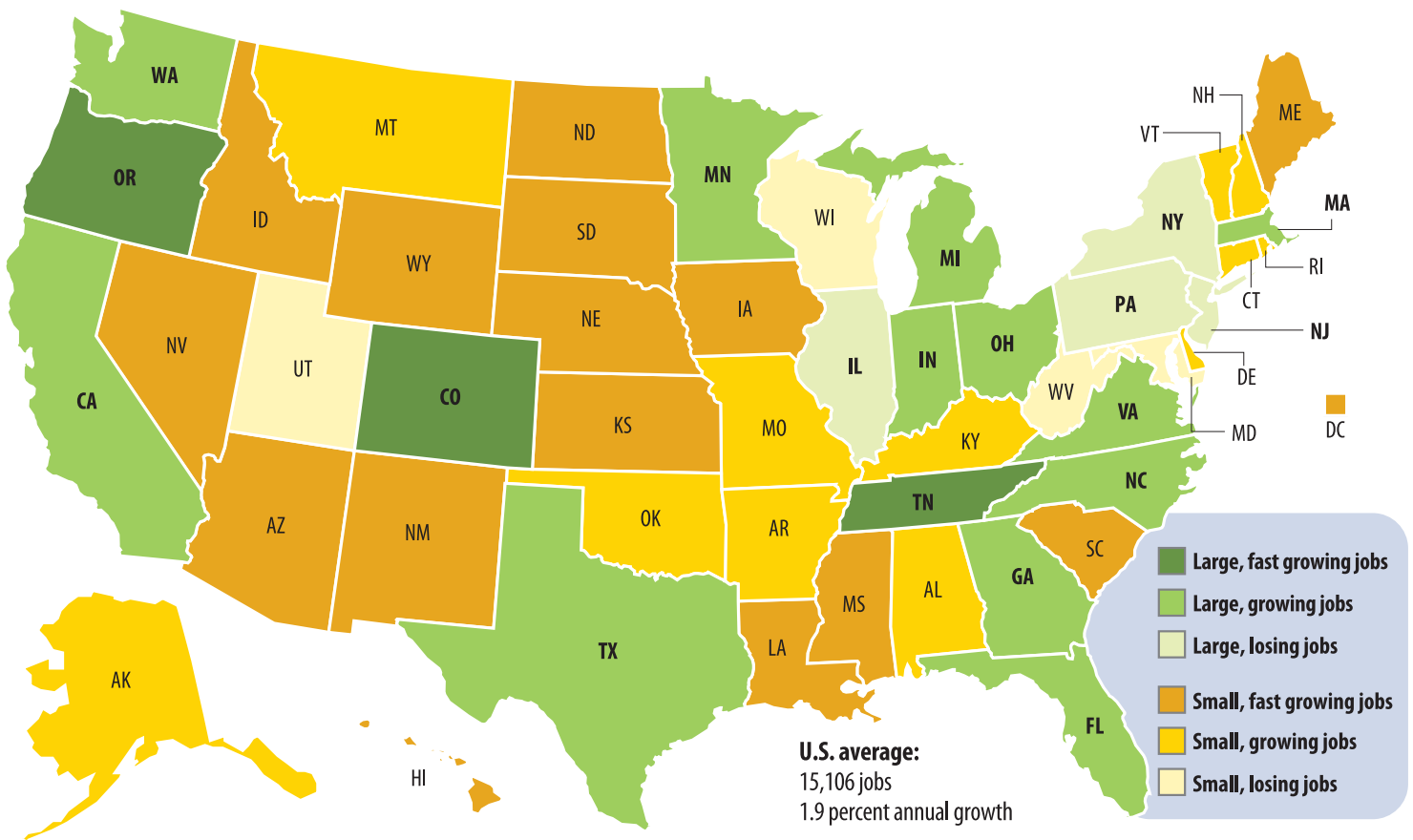
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The Pew Charitable Trusts is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public and stimulate public life. Headquartered in Philadelphia and Washington, D.C., Pew will invest about \$270 million in fiscal year 2010 (not including donor funds) to provide organizations and citizens with fact-based research and practical solutions for intractable issues.

An independent nonprofit, Pew is the sole beneficiary of seven individual charitable funds established between 1948 and 1979 by two sons and two daughters of Sun Oil Company founder Joseph N. Pew and his wife, Mary Anderson Pew.

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CLEAN

By Ken Edelstein



Map: where the jobs were in the clean energy economy between 1998 and 2007. “Large” and “small” refer to the total number of jobs, followed by the average annual growth rate (over or under the 1.9 percent national average).

Left, below: wind turbines in Wasco County, Ore.

Right: the 60,000-square-foot photovoltaic array that converts sunlight directly into electricity atop the Moscone Center, San Francisco’s convention facility. It saves more than \$200,000 a year over conventional electric sources.

Right, below: from the cover page of the report.



A Pew study defines “clean energy job” precisely—and then tallies the jobs in that category. The conclusion: impressive growth, outpacing the increase in U.S. jobs overall.

C O U N T S

On a Thursday morning last June, just before he walked into his weekly meeting with state legislative leaders, Tennessee Governor Phil Bredesen got a bit of unpleasant news.

Bredesen is a centrist Democrat, a wealthy, retired businessman who in his first term gained credibility among fiscal conservatives by cutting health-care spending. One of his pet projects, though, breaks a stereotype: He’s pushing for Tennessee to become the solar power capital of the nation.

“You always struggle with this green energy stuff because people are trying to figure out, ‘Is this some sort of airy, global-warming thing, or is this a down-

to-earth strategy that can help the people of Tennessee?” the governor says in an interview. “The solar initiative wasn’t just a nice thing to do. It was a way to drive the economy.”

Solar power might have been a tougher sell in a conservative Southern state if Bredesen hadn’t had his popularity going for him. He won re-election



Repowering Jobs, Businesses and Investments Across America



Hemlock Semiconductor Group bought a site in Clarksville, Tenn., to make polysilicon for the solar industry. The investment will amount to \$1.2 billion, creating 500 full-time jobs and more than 800 construction jobs. The gray material (above) is polysilicon, or polycrystalline silicon. In solar applications, it is the cornerstone material used to produce solar cells that harvest renewable energy from light rays. The material is also used in the production of semiconductor devices.

in 2006 with more than two-thirds of the vote. At the same time, though, Republicans took control of the state Senate. Then the state's 2009 budget dropped into a tailspin.

On June 10, Senate leaders worked into the evening on a radical rewrite of the governor's spending proposal. Early the next morning, his aides briefed him on the details.

Gone were tens of millions of dollars for pre-kindergarten, universities and bridges. But Senate leaders swung a particularly heavy ax at Bredesen's sustainable-power idea: They chopped away all \$62.5 million of federal stimulus money he'd proposed spending on a solar research center in the eastern part of the state and a solar energy farm in the west.

The usually tactful governor digested the news, walked into his breakfast with lawmakers and told them their budget plan was "stupid."

Bredesen's rough morning coincided with an event in Washington, D.C. The previous year, two divisions within The Pew Charitable Trusts—the Pew Center on the States and the Pew Environment Group—had joined forces on a study designed to quantify actual jobs, businesses and investments in the "clean energy economy." It so happened that the study was

released in Washington on the very day that Tennessee lawmakers staged their budget revolt. And Pew was scheduled to hold a press event with Bredesen the next afternoon in Nashville to herald the state's successful clean-energy economy efforts.

On a national stage, the timing of *The Clean Energy Economy: Repowering Jobs, Businesses and Investments Across America* was nearly as providential. The report came out just as the U.S. House of Representatives was gearing up to vote on the historic Waxman-Markey climate change bill. Claims and counterclaims about green jobs were being fired from Washington's political trenches: They'll save the economy! They're a total mirage! Hey, wait a second—what are "green jobs," anyway?

The facts provided by *The Clean Energy Economy* were the ideal tonic for the debate, and unsurprisingly the study drew an astounding amount of attention. Within two weeks, it generated newspaper reports in every state and at least 400 headlines, not to mention comparable interest from bloggers, local TV and the national networks.

"We were lucky enough to be in the right place at the right time," says Phyllis Cuttino, director of the Pew

Environment Group's Global Warming Campaign. "Everybody was really hungry for real data."

Hunting for numbers

When Pew researchers began their study in mid-2008, they already seemed to be on a hot topic. A conviction seemed to be growing that the nation needed to reduce its reliance on fossil fuels. Americans were dealing with the steepest gasoline price hikes in a generation. Both parties' presidential nominees were talking about cutting greenhouse gas emissions and transforming the energy sector. And most important, a growing number of states were seeking to expand their economies by attracting businesses focused on products, services and technologies that help sustain the environment.

Pew staff were aware that plenty of reports had been issued on "green jobs." The problem was that nobody actually had performed a credible count of them. A hard count wouldn't be good merely for policy deliberations. It also might provide investors with a better idea of where business was headed in the future.

"Everyone had talked about and lauded green jobs, but no one had defined what a green job was," says Kil Huh of the Pew Center on the States, who oversaw much of the research. (Fourteen staff members from the center and the Global Warming Campaign worked with Huh on the project, along with several contractors and an advisory panel of experts.)

Early on, the researchers concluded that green jobs should be defined as those that are part of the "clean energy economy." They in turn described the clean energy economy as one that "generates jobs, businesses and investments while expanding clean energy production, increasing energy efficiency, reducing greenhouse gas emissions, waste and pollution, and

conserving water and other natural resources.”

Counting such a diverse workforce wouldn't be easy. Government agencies don't gather statistics the way Pew needed them, so Huh and company worked with a contractor, Collaborative Economics, which had performed similar research for the state of California. They gathered public and private databases that allowed them to make sense of employment figures within the definition. They poured over lists from industry groups, business directories, government programs and venture capital associations. They cross-referenced those lists with lists of similar companies. They even hired a software contractor to run a special “search-bot” to flag Web sites that used clean energy terms.

Not only did the researchers need a current job count, but they also had to track job growth over time, so they had to analyze the numbers from 1998 through 2007. To understand trends, they compiled information on patents and venture capital. And to grasp how the government was affecting clean energy growth, they catalogued state and federal policies.

“All of our reports are pretty intensive,” says Lori Grange, deputy director of the Pew Center on the States who oversees its research and information cluster. “I would say this was at a level of complexity that we hadn't dealt with before.”

What researchers learned surprised them: The clean energy economy was more firmly established than they'd imagined. Pew placed 68,000 independent companies and divisions of larger companies in the clean energy economy. In 2007, those business units employed 770,000 people. From 1998 to 2007, the sector's work force grew at more than two and a half times the rate of the larger economy.

The numbers may have dropped a bit during the recession. Still, there's reason to believe even more rapid

growth is around the corner. Venture capital investment in the sector skyrocketed from \$360 million in 1999 to \$5.9 billion in 2008. Most of it came after 2005, which indicates that many of the new jobs haven't even arrived yet.

The Pew team used information it collected about shifts in investments and patent registrations to clarify the direction in which the clean energy economy was headed. The patent count, for example, showed a move away from solar and traditional battery technologies and toward wind and fuel cells.

All in all, advocates for clean energy had to be happy. Pew had used conservative methods to demonstrate with very hard data that “green jobs” already were a vibrant force in the economy. The numbers were impressive. In fact, they were closing on employment figures in the nation's vast oil and gas industry, and they appeared to be ramping upward.

“I got totally charged about what America can do in an energy-innovation race,” Cuttino says, “and frankly I think this is what we need to renew our prosperity.”

Small companies and big ones

Cuttino is particularly impressed with the range of companies that are part of the clean energy sector.

At one end of the spectrum sit companies that fit the stereotype many people might have of “green job” enterprises.

Take Project FROG, based in Northern California, only three years old and founded with no less an objective than to change the way buildings have been constructed for thousands of years. “This is what I'm doing because I believe in it,” CEO Adam Tibbs says.

The company was formed by architects and product designers who became convinced that preparing building parts in factories is more efficient than constructing buildings on site in the customary way. They weren't the

first people to get that idea. But Project FROG went further than most by developing designs, using materials and relying on practices that emphasize energy efficiency. They've also focused on an increasingly eco-conscious market: schools.

Rather than shipping building parts across the country, Project FROG contracts with manufacturers that fabricate the pieces according to specifications sent to them electronically. A contemporary design template—slanted roofs opening up to wall-to-ceiling windows—can be tweaked for energy performance according to the

The clean energy report is an environmental story—but equally an economic and fiscal story. Its findings show that the United States could be a leading contributor to energy innovation, with extraordinary results.

site and climate. The buildings, says Tibbs, are completed with about one-twelfth the energy of comparable conventional schools; once complete, they use no more than half the energy that code permits.

A self-described “serial entrepreneur” with an environmental bent, Tibbs was recruited to run Project FROG in 2007. In 2008, he helped convince RockPort Capital, a venture-capital firm with a track record of environmental investments, to advance

\$8 million to help Project FROG expand. The pitch was pretty straightforward: “We have essentially designed a new building typology. . . . We believe the way that we’re doing things now is the way that everyone will be doing it in 20 years.”

Whether that new “typology” is about to change the world is an open question. But Project FROG appears to be doing well for itself. The company employs only 20 people, but outsourcing to manufacturers allows production to scale up quickly. For each \$10 million in contracts, Tibbs says, 109 contractor jobs are created. Project FROG has completed projects in California, Hawaii and New England—“excellent growth,” he says.

At the other end of the spectrum of companies that Pew identified sits Johnson Controls. The 124-year-old Milwaukee-based industrial giant might have been a poster child for the Rust Belt if it hadn’t drawn its own map for established industry’s transition to the clean energy economy.

Business reporters typically refer to Johnson Controls as an auto-parts maker. But its Building Efficiency division is larger than its Automotive Experience unit. The company’s third division, Power Solutions, is heavily involved in the development of more efficient automobile batteries.

“I would argue that we’ve always been an energy business,” says Clay Nesler, Johnson Controls’ vice president for global energy and sustainability. The company’s founder, he points out, invented the electric thermostat.

Johnson Controls got a big boost in August when the Power Solutions unit won a \$299-million federal grant from the Advanced Battery Manufacturing Initiative, which is intended to help the U.S. auto industry find cleaner ways to power cars. Most of Johnson Controls’ growth in clean energy, however, has had little to do with government grants and a lot to do with the market.



The roof of Cinema West’s Livermore (Calif.) Cinemas, which has a solar-power system from Solyndra Inc., a manufacturer of photovoltaic systems designed to optimize solar electricity production on commercial rooftops. Courtesy of Solyndra.

Nesler points back to the 1980s, when Ohio school systems began to include future energy expenses in their cost-accounting for new projects. As more clients began to look at the long-term operating costs of

ing projected to cut energy use by 38 percent.

Aside from the prestige of revamping the nation’s most iconic office tower, Johnson Controls’ green direction seems to be bearing fruit financially. The Building Efficiency division produces many kinds of high-efficiency systems for buildings, serves as a commercial contractor and manages properties. Worldwide, it employs 54,000 and does \$14 billion annually. In August, *Barron’s* ran an approving article about Johnson Controls, which centered on its “green” opportunities. A stock analyst quoted in the story summed up the sentiment this way: “This is a company that’s firing on all cylinders, and it is taking even more of a market leadership position.”

In Chattanooga—celebrated in song for an Age of Steam “choo-choo”—leaders have looked ahead, not back, by emphasizing the environment as a development strategy. Indeed, the state more broadly is taking part, setting a national example.

their buildings, the company began to view its products and services as tools to make buildings more efficient.

“Our growth and focus on this has really been driven by our customers,” Nesler says. He proudly adds that the company is the lead contractor in a renovation of the Empire State Build-

State-by-state stories

The Pew report uncovered similarly compelling stories about the states. Some conclusions weren’t surprising. Colorado, Minnesota and the Pacific Coast states—each of which offers energy-efficiency incentives and requires utilities to rely in part on renewable power—were among the biggest clean energy winners. Oregon was the only state in 2007 whose clean energy workforce totaled more than 1 percent of all of its workers; that said, jobs in the state’s clean energy economy grew nearly seven times



Gary Brasch/www.braschphotography.com

A solar field, part of Kramer Junction Company's Solar Electric Generating System, in Southern California's Mohave Desert. The parabolic mirrors heat an oil that makes steam to run turbines.

faster than total jobs between 1998 and 2007.

In the Rust Belt, where manufacturing jobs have been disappearing for decades, clean energy provided a ray of hope. Ohio's total job count shrunk by 2.2 percent from 1998 to 2007, but clean energy jobs grew by 7.3 percent. In Michigan, the overall number dropped 3.6 percent while clean energy jobs rose 10.7 percent.

The report offered other surprises. Texas, the heart of the nation's oil-and-gas complex, turns out to have 55,000 clean energy workers—partly because it generates more wind energy than anywhere else.

Tennessee may provide the most counter-intuitive story. It was one of three states with both a "large" clean energy economy and a rapidly growing one, beating the national averages for total jobs and average annual growth. While total jobs grew by 2.5 percent, Tennessee's clean energy sector added 18.2 percent.

There were plenty of reasons. Green businesses flocked to Chattanooga in the 1990s, when leaders there began to emphasize the environment as a development strategy. Oak Ridge National Laboratory, originally a nuclear energy facility, also has become a magnet for innovative energy companies. But the full impact of Gov. Bredesen's clean energy push wasn't even reflected in Pew's findings. Early

in 2009, for example, a green-energy tax credit helped lure two large manufacturers of material for solar photovoltaic panels to the state.

Before the Pew report was ready to release the report, staff members got in touch with governors who were likely to be proud of their state's results. Tennessee was near the top of that list.

Emily Bryan, a contractor for the Pew Environment Group, gave a heads-up call on the state's high rankings to Will Pinkston, an adviser to the governor. Pinkston says he relayed the news to Bredesen, who immediately saw it as an opportunity to give momentum to his solar initiative.

The governor's aides invited clean energy companies to the state capitol for a presentation of the findings. Pew's Lori Grange got set to head down to Nashville for the press conference. Then, a week later—the evening before the report's launch—Senate leaders decided to whack the solar plan.

Even as he prepared for his lawmakers' breakfast, though, Bredesen figured he'd be able to restore the money. It helped that a press event was scheduled that afternoon to trumpet good news about precisely the kinds of programs Senate leaders had suggested cutting: After all, sound research demonstrated jobs-and-growth success stories.

"He walked into the breakfast, pointed out that Pew was going to be

here and said 'I wanted all you guys to participate,'" Pinkston recalls.

By the afternoon, lawmakers who'd pushed for the solar cuts were backing down. The lieutenant governor asked why Bredesen hadn't said earlier that the initiative was tied to economic development. A key committee chairman was quoted the next morning promising to push for a "clarifying amendment." Ultimately, the legislature approved the governor's proposal to use \$62.5 million on the solar initiative, and after a few tweaks, the U.S. Department of Energy approved Tennessee's application for the stimulus money.

"I can't believe," the governor says, "that there's anyone who wouldn't agree that green jobs and alternative sources of energy won't produce more jobs in the future."

An immediate impact

In Washington, policy debates seldom wrap into such a neat ending. But the Pew study at least avoided the heated reception that has greeted other green jobs reports.

"One of the things that we were happiest about was that it wasn't covered only as being about the environment," Grange says. "It was covered as an economic and a fiscal story."

Because of a dearth of substantial criticism, I solicited a conservative economist who'd criticized other green jobs reports to critique the Pew study. Robert Murphy of the Institute for Energy Research took issue with one point: Researchers hadn't accounted for jobs that might disappear elsewhere because taxes had to be raised or deficit spending increased to fund aid to clean energy employers.

"The Pew statement is wrong for implying that we can have our cake and eat it too," Murphy wrote in an e-mail after studying the report.

Economist Joel Yudken, a member of the Pew advisory panel and princi-



Project FROG's pre-engineered building for the Jim Russell Racing Drivers School in Sonoma, Calif. *FROG* stands for "flexible response to ongoing growth." Courtesy of Project FROG.

pal at High Road Strategies, acknowledges that environmentalists often "underplay the transition costs" of a shift to clean energy. At the same time, he says, free-market economists too readily dismiss productivity gains that often follow public spending on innovation.

"You invest now. Over time, you can make the economy more efficient," Yudken says. "You might see a lot of growth because of that."

More broadly, Yudken argues, the Pew study actually was "very conservative." Researchers limited their numbers by not counting clean energy workers who weren't employed by clean energy business units. They also stayed away from projecting ripple effects on the larger economy. "If anything," Yudken says, "the report understates."

That understatement may be one reason the study quickly became a tool for policy makers considering climate change legislation; they could point out that even a conservative count showed impressive numbers. In the heat of the U.S. House debate, Pew's findings appeared on fact sheets around Capitol Hill. Parts of the report were entered into congressional testimony.

The study may play a larger role in the Senate, where the legislation's passage remains in doubt. Democratic senators from states that produce coal or rely on it for most of their electricity are wary of voting for a climate bill that could increase coal's cost. But

their support will be needed for the bill to pass.

So a leading Senate supporter is relying on the Pew report to convince fence sitters that the bill has an upside. Senator John Kerry "has been

The report lays it out frankly: "Policy makers who act quickly and effectively could see their states flourish, while others may lose opportunities for new jobs, businesses and investments."

very specifically" showing colleagues Pew data that compare overall job growth in their states to clean energy job growth, an aide to the Massachusetts Democrat says. "That's the number one stat he's using when he's talking to these senators."

The study itself stopped short of endorsing policies. As the authors pointed out, many clean energy policies were too new to have been evaluated before the report was published. Cuttino notes that the data will serve as a baseline to examine policies in the future rather than a tool to judge policies now.

At the same time, it was difficult for the researchers not to notice the way the wind is blowing. They observed, for example, that most states with renewable portfolio standards (requirements that utilities get some power from clean energy) have benefited from clean energy growth. And specific federal actions—waste disposal laws, Energy Star appliance certifications and the stimulus bill of 2009, for examples—have nurtured parts of the clean energy economy.

"Although every state has a piece of today's clean energy economy, clear winners and losers will emerge going forward," the report concluded. "Policy makers who act quickly and effectively could see their states flourish, while others may lose opportunities for new jobs, businesses and investments."

Among the strongest advocates for such policies are the companies that employ clean energy workers.

Johnson Controls is one of several large corporations that now advocate for national policies to reduce greenhouse gas emissions; the company is also a member of the Business Environmental Leadership Council, created by and based at the Pew Center on Global Climate Change.

Project FROG's idealistic CEO, Tibbs, calls for strong climate change legislation. In true "act locally" fashion, however, he points to a commonplace set of policies that could affect his corner of the clean energy world. If states simply tightened building codes to require more energy efficiency, he says, Project FROG's competitors would be encouraged to follow suit.

"It may sound mundane," he says, "but sometimes you can really move the needle with the most basic things." ■

For the complete report, go to www.pewtrusts.org/cleanenergyeconomy.

Ken Edelman is an Atlanta-based environment writer.



Consumers can make better-informed decisions on card use when the contract is fair. The new law helps restore balance by banning some of the worst industry practices.



showed that a borrower's finances had gotten shakier and that he or she had thus become a greater risk.

"Millions of people were entering into these contracts with teaser interest rates and other attractions," Bourke says. "What underpinned the card companies' ability to make those offers was the ability to change the contract later. Credit cards have lots of legal language around them, but they were one-sided agreements. We wanted to restore the sanctity of the contract so that people could make informed decisions."

Some card provisions seemed almost designed to drag people deeper into debt. Pew, in a report released in March 2009, found that all of the 400 cards it surveyed included provisions that the U.S. Federal Reserve, the nation's central bank, had classified as "unfair or deceptive."

As card use grew, these questionable practices were touching more and more Americans. The U.S. Census Bureau has predicted that, by 2010, 181 million Americans will have credit cards, up from 159 million in 2000. About half of families with cards carry balances, with the average balance reaching \$7,300 in 2007, according to the Federal Reserve.

Critics have said that the new reform law will hurt consumers by restricting the availability of credit. Without the ability to quickly change rates and terms, the reasoning goes, card issuers won't lend to riskier borrowers. Some people thus won't qualify for cards, and others may see their credit limits lowered. Banks might also get stingier with rewards programs as they strive to protect their profits.

Minor changes are likely, says Travis B. Plunkett, legislative director for the Consumer Federation of America, but nothing in the new law

should prompt the wholesale abandonment of a business that will still yield healthy margins. Pew, Plunkett's group and a coalition of consumer advocates aimed to end a handful of harmful practices, not kill credit cards.

"The credit card is a valuable tool for many Americans," he says. "Transactors like me—people who pay off their balance each month—get a good deal, and it's a convenience that I depend on. We were never involved in this debate for any reason other than believing consumers needed to be treated more fairly."

Jeffrey Wigand—portrayed by Russell Crowe in the film *The Insider*—famously blew the whistle on cigarette makers. His testimony that they knew they were addicting customers to a deadly product doomed them, not only because Wigand was a scientist with inside information but also because he'd once been a believer.

Pew's campaign to improve credit cards has a Wigand of its own, and his name is R. Dwane Krumme. Like Wigand, Krumme is a former executive who concluded that his industry had erred. Unlike him, Krumme couldn't be portrayed as a malcontent bent on revenge, as the tobacco industry had done to Wigand.

Krumme has had a distinguished career. Starting in the 1970s, he ran the credit card division for a California bank called First Interstate, which was acquired by Wells Fargo. At First Interstate, he pioneered the use of credit scores in granting cards. Later, he oversaw the North American credit-card operation for a Japanese company called JCB International Credit Card Co. Since his retirement, he has continued to observe U.S.

card companies' practices. What he'd begun to see over the last few years gnawed at him.

"I felt that the industry was becoming greedy," he says. "In my mind, some of the leading banks should've drawn some lines. But nobody did. I have no problem with a profit motive. I have a big problem with exploitation and greed.

"The biggest issue for me was the changing of interest rates on existing balances. Someone could be an hour late with a payment, and an issuer would pop a penalty rate on them." Once card companies applied those higher penalty rates to accounts, they rarely relaxed them.

Michael Roster, former general counsel of Golden West Financial and an adviser to the Sandler Foundation, introduced Krumme to the staff at Pew. Roster knew that Pew sought someone with Krumme's expertise to lead its credit-card reform effort because the Sandler Foundation was an early partner in the work, initially helping to fund it. Roster also introduced Bourke, a former consultant with Visa, to Pew and Krumme. The Sandler Foundation brought not only contacts and money but also expertise: Its founders, Herbert M. and Marion O. Sandler, built Golden West into one of the country's largest savings and loans before selling their bank to Wachovia.

Initially, the Safe Credit Cards Project's goal was to persuade at



Getty Images, photographed by Maria Tejero

Linda Sherry, director of national priorities for Consumer Action, says that she welcomed Pew joining the push for fairer cards. The institution brought credibility and resources to an issue that her group had pushed, with little success, for nearly two decades. “Pew has instant name recognition,” she says. Plus, its reputation for reasonableness gave it access to industry executives who might’ve been reluctant to meet with consumer groups.

Krumme and Bourke poured a year and a half into dialogue with the big banks but couldn’t persuade anyone to issue the certified card.

One financial executive isn’t convinced that a certified card would’ve made much difference, even if a big bank had embraced it.

Jim Blaine runs the State Employees Credit Union in North Carolina, the second-largest credit union in the country. Blaine has long been recognized as an innovator in his industry, and he acted as an informal adviser to Krumme and Bourke. Brainy and outspoken, he also loves to evangelize about the benefits of credit unions over banks. For years, he and the chair of the North Carolina Bankers Association sniped at each other in a public, but mostly good-natured, feud about whether credit unions, because they’re tax-exempt, represent unfair competition to banks.

Yet when talk turns to credit cards, Blaine can sound much like a banker. He says that credit cards’ prodigious fees and quicksand policies arose not because banks are greedy but because consumers pay attention to only two things when shopping for a card: the advertised initial interest rate and the rewards. They fail to read, or heed, the fine print.

Blaine concluded this because State Employees Credit Union has conducted, in effect, a large multi-year experiment. It offers a card resem-

bling Pew’s proposed certified one. The card has no annual or over-the-limit fees. Its late charge is \$5. Its interest rate varies according to a published schedule, so cardholders don’t face surprise increases. And the credit union doesn’t increase credit limits unless customers ask and show they can manage higher ones; people thus aren’t lured into spending beyond their means.

But Blaine’s members haven’t scooped up this good-guy card. Despite being the second-largest credit union in the country, SECU ranks only 20th among credit-union card issuers. In other words, many of its members are going elsewhere for their plastic.

Blaine believes that they’re flocking to the same teaser rates and rewards that seduce everyone else. “If we play it straight with our card—and I think we do—with what’s going on in the market, we always lose,” Blaine says. “Our members go ahead and take those crazy cards because of the rewards or the zero interest rate for the first 90 seconds.”

From Blaine’s point of view, better laws will help consumers more than a certified card could have done. Laws give consumers tools they need to protect themselves: By banning the most egregious practices, they restore the fairness of contracts and let people make informed decisions.

When confronted with pushes for reform, business people often argue that the market will solve the problem. Once consumers start to complain, they say, an entrepreneur will figure out a way to capitalize on that dissatisfaction by dreaming up something better.irate consumers, in other words, provide an incentive for someone. Thus when airline fares got too high and ticket policies too restrictive, Southwest Airlines and other discount carriers emerged, and travelers scurried to them. And when people got sick of late fees on video rentals

least one of the biggest card issuers—10 banks control about 90 percent of the market—to issue a pro-consumer card—that is, one certified not to have any of the penalty rates and punishing provisions that can lead to a spiral of indebtedness. The idea was that having a major issuer like, say, Capital One or Citigroup offer a certified card would change the dynamics of the industry, forcing other banks to follow.

Krumme and Bourke, with the help of a consulting firm and a clutch of advisers, including Elizabeth Warren, a leading advocate for credit card reform and a professor at Harvard Law School, laid out what they believed were reasonable parameters for such a card. They understood that companies had to be able to make healthy profits and protect themselves from borrower defaults. They thus spent 18 months talking with the banks and refining their guidelines in response to the concerns that they heard.

“We had many conversations talking through the tradeoffs. If we were inflexible, then nobody would have adopted the card,” Krumme says.

Krumme, Bourke and their advisers didn’t just confer with lenders. They had to create something that key consumer groups would support. If consumer advocates attacked the card and the media aired their complaints, Pew and its partners would look as though they had been co-opted by the industry.

to cheer when the Federal Reserve finalized its consumer protection rules in December. But even then they were disappointed, especially because the rules would not take effect until mid-2010. "Much more needed to be done," said Bourke, "and more quickly."

In early 2009, Representative Maloney reintroduced a version of her bill that closely matched the Federal Reserve's rules but would speed up their implementation. This time, the Senate responded. Connecticut's Christopher J. Dodd, who chairs the Senate Banking Committee, offered up an even tougher measure. In arguing for it, Dodd cited research Pew published in March, pointing out that Pew's report found that, in one year, "card companies raised interest rates on nearly one out of every four accounts, nearly 70 million cardholders, who were charged \$10 billion in extra interest rates."

His arguments met a receptive audience among his fellow senators. Last May, they passed the Credit Card Accountability Responsibility and Disclosure Act of 2009 by a vote of 90 to 5. House members, too, voted strongly for reform. President Obama—who'd called on the Congress to act on credit cards before Memorial Day—promptly signed the measure into law. "We don't begrudge [credit card companies] turning a profit," he said at the signing ceremony. "We just want to make sure that they do so while upholding basic standards of fairness, transparency and accountability."

The campaign to make credit cards safer for consumers isn't completed. The new law represents a real victory for the coalition of Pew and consumer groups and, more important, for Americans who use credit cards.

But some people who've already watched their debts swell because of

hefty fees and penalty rates won't see immediate relief. The new law wasn't retroactive, and much of it has yet to take effect. Its first part took effect last August, and the rest will be phased in by August of this year.

Pew is continuing its research and advocacy to ensure that forthcoming regulations hew to Congress's intent to stamp out the most abusive practices. "The law says that penalty fees and charges must be 'reasonable and proportional,' so the Fed needs to hear from organizations that don't represent the industry to help it identify what 'reasonable and proportional' means," Bourke says. "The long-term benefits of the new law will depend significantly on what the Fed does next."

Meanwhile, around the country millions of people ("a record high," says Plunkett of the Consumer Federation of America) continue to struggle to catch up with their loans or avoid defaulting.

Lynn Acheson, in Elyria, Ohio, near Cleveland, is one person who found herself in financial straits. She lost her job at Barnes & Noble when the recession sapped her store's sales. To cope, she slashed her spending and found two part-time jobs. Even so, she could make only the minimum payments on her credit cards. She managed to keep the accounts up to date, paying on time. She nonetheless saw the interest rates on two of her accounts rise.

"They didn't give any reason," she says. "I called Capital One, and they said it was nothing personal. They were doing it to everybody."

Her only alternative to accepting the rate hike, the bank's telephone operators told her, was canceling the card. But she feared trying to get along without plastic in a world where cash has become nearly as retro as rooftop TV antennas.

Situations like Lynn Acheson's are far too typical, Pew's ongoing research shows. According to a report re-

leased by the project last fall, advertised interest rates on 400 credit cards studied had risen 20 percent on average between December 2008 and July 2009, even as the federal funds rate, a key benchmark for bank lending rates, fell to near-zero percent. The report also revealed that 100 percent of credit cards offered online by the leading bank-card issuers indulge in practices that will become illegal once the Credit CARD Act fully takes effect.

Yet consumers like Acheson won't have to tolerate these kinds of increases much longer. As Bourke points out, they can already close their accounts without fear, in most cases, of being cut off from credit. And because the credit card industry remains profitable and competitive, people will continue to have choices. At the same time, once the act totally kicks in, they'll no longer have to worry about issuers unilaterally raising rates on money they already borrowed.

"Going forward, contracts will be real contracts," Bourke says, summing up. "Over-the-limit fees will become much less common and less severe—they may even go away. Hair-trigger and permanent penalty interest-rate increases will be banned. And if the rate people pay on new purchases goes up because of a drop in their credit scores, they will have to come down later as the scores improve. Credit cards will be much safer and more transparent." ■

For more on Pew's Safe Credit Cards Project—reports, invited congressional testimony, comments submitted to the Federal Reserve, media attention and press releases—go to www.pewtrusts.org/creditcards.

Tim Gray, a freelance writer based in the Boston area, has won editorial-excellence awards for his articles on business and management practices.

Risk and Reward

An Interview with the Pew Health Group's Shelley Hearne

By Elizabeth Pitts

In September, at an event in Iowa focused on food safety oversight, U.S. Senator Tom Harkin hailed Pew as “a true national treasure” and “a major source of light—and enlightenment.” That sentiment reached the core of the Pew Health Group’s commitment to improving public policy and informing the public by conducting rigorous analysis and developing fact-based solutions.

Trust asked managing director Shelley Hearne to describe the strategy behind her multifaceted program, which ranges from enhancing food safety oversight and eliminating medical conflicts of interest to reform of credit-card industry practices.

Trust: *The Pew Health Group defines “health” in such a comprehensive way. There must be so many different issues that fall within your purview.*

Hearne: There are, but we narrow things down by focusing on how to limit unnecessary health risks in the products that consumers use every day—from food to financial services.

Trust: *There are products that people use every day that pose obvious risks—like cigarettes—but what are the unnecessary risks that you are focusing on?*

Hearne: We take the same approach with all of our projects: identify preventable hazards and create a system of accountability to minimize those risks.

Take, for example, our Pew Prescription Project, which is bringing more transparency to help the public

and policy makers follow the financial relationships between pharmaceutical companies and health care providers. When I go to a doctor’s office, I want to trust that I get what’s best to make me healthier.

Credit-card industry practices pose risks to health as well. Data show that your economic well-being will influence how long you and your children live as well as the quality of your life as you reach your retirement years.

It’s fairly simple: Hidden fees and predatory practices by credit card companies can be detrimental to a family’s economic well-being and, in turn, greatly impact health. The Safe Credit Cards Project, which was initially a one-year undertaking with the Sandler Foundation, has addressed the growing concerns about the credit card industry and how to ensure a safe and fair product for everyone. [For a detailed story, see “Taking Charge,” starting on page 9 of this issue.]

Trust: *What else is the Pew Health Group working on?*

Hearne: One is food safety. Millions of people get sick every year due to food-related illness, but until it’s your child, it can be difficult to focus in on the realities and implications of what *E. coli* or other deadly pathogens mean to everyday Americans.

Trust: *Maybe I shouldn’t admit this, but when I’m at the grocery store, I’m not typically thinking about deadly pathogens. Should I be?*



Hearne: If we do our job right, you shouldn’t have to worry when you go to the market. You should have confidence that the peanut butter you’re picking off the shelf is not going to have some unknown pathogen lurking in it that could cause grave sickness. That’s why we want to make sure the U.S. Food and Drug Administration inspects factories producing food more often than the current average of once per decade.

The FDA also needs to have the power to recall contaminated foods, ensure that imported foods are strictly regulated and require that food companies test their food and report any contamination to the FDA. These are a few of the many necessary reforms we’re working to put in place.

Trust: *They don’t have that authority now?*

Hearne: No. Right now, for example, the FDA has to ask a company to

Illustration: part of an ad sponsored by Pew and its partners to limit the use of antibiotics in animal agriculture to treating diagnosed diseases.

voluntarily withdraw the product, which takes time. If the company declines or stalls, that kicks off a laborious, time-consuming process, and more people could get sick or die in the interim.

Remember the outbreak that took place early in 2009 involving contaminated peanut butter? I personally call it a “Keystone Cop” incident: Who’s really watching out for the food supply? Ultimately, it was a story about layer upon layer of contractors, consultants and agencies missing the problem.

The frequencies of inspection would be funny if the consequences were not so serious—the agency’s own data show the FDA is currently equipped to inspect about one percent of the imported products it regulates.

The FDA needs clear authority and resources to do its job of keeping people safe. Again, it’s pretty simple. However, we haven’t had any major reform of the FDA’s food safety law in over 70 years.

Trust: *How are you addressing the situation?*

Hearne: Earlier this year, we helped establish the Make Our Food Safe coalition, which includes victims of previous food-borne illness outbreaks as well as major consumer and public health organizations. We’re supporting bipartisan legislation called the Food Safety Enhancement Act.

This bill would restore the checks and balances to prevent contaminated foods from getting to your kitchen table—which includes strengthening the FDA’s ability to inspect and recall contaminated foods.

It has been an incredibly powerful experience working with people who have lost loved ones to these outbreaks. We’ve organized a number of events where parents and children have spoken, and, together, we even delivered reusable lunch bags to members of Congress. Instead of

a real sandwich, there was a booklet inside that gave specific examples of the risks associated with common lunch items like lettuce, tomatoes and cheese.

We want those bags to be daily reminders that we know how to fix this problem. People shouldn’t have to worry about the lunch they send with their kids to school.

Trust: *What keeps you up at night?*

Hearne: Losing our antibiotics. As a public health scientist, I am extremely concerned about the infectious dis-

The Pew Health Group addresses policies that oversee products that people use or consume in their daily lives—for instance, credit cards, food and pharmaceutical drugs. In that way, its managing director points out, it is having a significant effect on the public’s health and well-being.

eases that are increasingly resistant to the very drugs we developed to battle them. Two million Americans acquire bacterial infections in U.S. hospitals each year, and 90,000 die as a result. About 70 percent of those infections are resistant to at least one antimicrobial drug, and resistance is growing.

Whether it’s in the food supply—such as *Salmonella* becoming resistant to antibiotics—or antibiotic-resistant staph infections, diseases that were easily treatable just 10

years ago are now causing greater suffering and death in healthy, vibrant members of our population. More and more, our antibiotics are not doing the trick.

Trust: *Why not?*

Hearne: Biology 101: The more you use it, the more you lose it. Bacteria are smart little bugs, and they share what they learn with their friends. So when bacteria come into contact with an antibiotic, if they survive, they have learned how to resist that drug.

Trust: *Are you saying that doctors shouldn’t prescribe these drugs?*

Hearne: Antibiotics should only be prescribed by a doctor or veterinarian when patients are ill or in imminent danger. But antibiotics are being used injudiciously, not to treat sick people or animals, but to speed up growth in animals on industrial farms.

If you ever go to visit one of these facilities, it is mind-boggling. Think of wire cages the size of a file desk drawer crammed with chickens, stacked 40 feet high and as long as a football field. This is not a bucolic setting. This is as stressful as you can imagine.

Science tells us that the more a human or animal is under stress, the more vulnerable they become to disease and sickness. These settings are potential breeding grounds not only for antibiotic resistance, but also for novel viruses that are what a public health scientist worries about most: the emergence of a new deadly virus or bacteria that we’re not able to handle.

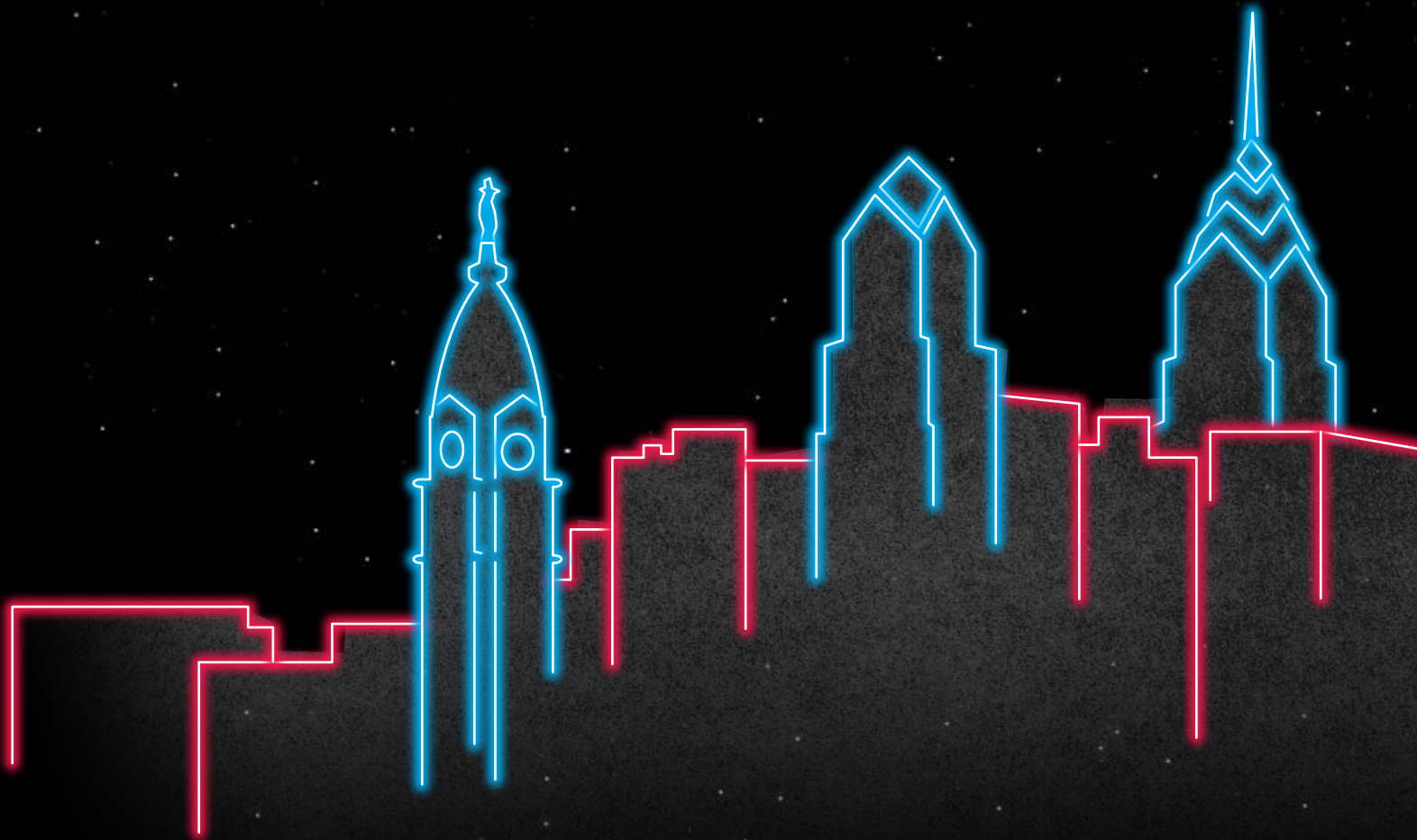
It is a danger like this that keeps me and my colleagues focused and committed to our work. ■

For the full scope of the Pew Health Group’s work, go to www.pewtrusts.org and click on Health in the left-hand column under Improving Public Policy.

Elizabeth Pitts is an officer in Pew’s Executive Office.

THE TOUGH LOVE OF FACT-BASED

*THE PHILADELPHIA RESEARCH INITIATIVE
TRENDS NEW GROUND WITH REPORTS
THAT ARE READ CLOSELY WITHIN THE
CITY AND BEYOND.*



DATA

By Pat Loeb

As a veteran of internal government reform efforts, Claire Shubik spent years learning how to conduct research in a political milieu—making sure whom she could talk to, getting someone else to make the initial contact if need be, carefully shaping questions to avoid any unseen hazard, what she calls “the political third rail.”

So she was a little bit intimidated last spring by her first assignment for Pew’s Philadelphia Research Initiative: cold-calling budget officials in major cities and asking for all manner of information about their finances and spending.

On the other hand, her colleague Laura Horwitz, coming out of community organizing for faith-based organizations, had no qualms about contacting public-employee unions for a report on the fiscal impact of employee pensions and health benefits. After all, she was used to sitting down at a table with people of disparate interests and finding common ground to build on.

Both women were in for a big surprise and a lesson in the power of the Pew name.

For Shubik it was a pleasant surprise.

“I’m convinced I’m going to ask for information and people are going to



say no,” she says. “But no one did. I was totally delighted.”

She spoke with budget officials, citizen watchdog groups and journalists who cover the budget process. She had only to identify herself and explain the Philadelphia Research Initiative, and doors opened, phone calls were returned.

“We’ve got the reputation,” she says, “by virtue of being Pew.”

Horwitz had a similar experience on the budget report, but on her next assignment, when she sought information on city employee contracts, she unsuspectingly hit a stone wall. The unions in Philadelphia either wouldn’t answer or responded with hostility. She concluded they feared the impact of a Pew report as they entered contract talks with the city.

“They would really rather we didn’t weigh in at all,” she says.

Shubik and Horwitz were gathering information intended to help Philadelphia—its citizens and its leaders—make better-informed decisions about the issues the city faces. They constitute half the staff of the Philadelphia Research Initiative, led by veteran political-reporter-turned-project-director Larry Eichel and project manager Thomas Ginsberg, also a former journalist.

The idea that Pew could help the financially troubled city with facts and data was the brainchild of Donald Kimelman, managing director of Information Initiatives as well as the Philadelphia Program at Pew.

“Pew does a lot of policy-relevant research,” says Kimelman. “We see the impact. We’re known for it nationally and globally, so we wanted to bring some of that expertise to our hometown.”

Kimelman first began to see the possibilities a decade ago when he commissioned consultant Basil Whiting to compare Philadelphia to six other cities in terms of its prospects



Looking West on Cresson Street Toward St. Johns, Manayunk by Stuart Shिल्s (oil on paper mounted on board, 8" x 13", 1992). Courtesy of the artist (www.stuartshिल्s.com).

and challenges. The study was intended strictly for internal use, but, realizing it would be valuable to policy makers, the staff produced a public version, which, though sobering, was very well received.

The report had coincided with the beginning of the administration of Mayor John Street, and as that era drew to a close in 2007, Kimelman says, he thought it might prove instructive to invite Whiting back to assess what had changed in eight years—what was better, what was worse, what challenges seemed most pressing.

Again pleased with the response, Kimelman commissioned another

report, this one in collaboration with the Economy League of Greater Philadelphia. Called *The Quiet Crisis*, it zeroed in on the cost of city employees’ pension and health benefits. That was followed by another joint effort with the Economy League, looking at chronic inefficiencies and ownership options at the Philadelphia Gas Works. (In July, the Gas Works study won the Governmental Research Association’s 2009 Most Distinguished Research Award.)

His appetite whetted, Kimelman took stock. “I thought, ‘This is good, but it’s hard,’” he says, referring to the fact that each study was its own mini-project. “Every time we did one

of these things, we had to figure out who could do the heavy lifting, and it made me a little nervous because we're dependent on outside consultants although, in the end, it is Pew's credibility that is on the line."

So Kimelman went to the Pew board with a proposal: Make these research reports a regular feature of what Pew does in Philadelphia. Create our own internal capacity to do this work and add elements such as polling to bring a public voice to the issues. Kimelman felt he had a strong case. But he also knew it would be stronger if he could identify the right leader to run the new unit.

Hearts were heavy in *The Philadelphia Inquirer* newsroom the day Larry Eichel left, in November 2008. "Larry's departure was a watershed day for the *Inquirer*," says executive editor Bill Marimow. Eichel had been one of the paper's stalwarts and stars for 34 years, covering city hall, elections, politics—the highest-profile stories and the most important events. Soft-spoken and slim-built, he was nonetheless a hefty presence on the second floor. His dark hair and beard and heavy-framed glasses had become a reassuring sight to his colleagues through the turmoil of the newspaper's sale and subsequent layoffs, and his reporting was one of the treasures that had survived. "To me, he epitomized the best of our reporters," says Marimow. "His departure was a major, major loss for the *Inquirer*."

One of his last stories, page one on November 5, the day after the presidential election, began: "Step back for a moment and consider what happened yesterday. The people of the United States have elected an African-American man named Barack Obama as their president." To capture the enormity of the moment in such deceptively simple prose takes a pro

at the top of his game. And to lose him was gut-wrenching for his editors. At a struggling paper in a beleaguered industry, it seemed like the end of something.

Eichel was the project leader Kimelman wanted.

"I had some conversations with Larry even before the board approved [the initiative]," says Kimelman. "I thought he had just the right kind of skills and temperament for the job. He's rooted in the city but also senior enough and mature enough to navigate the shoals of city politics and keep us on the right course."

Eichel says he was intrigued right away. It was the spring before the

The initiative's staff is strong in gathering complicated information and explaining it clearly, and Pew is strong in policy-relevant research and public-opinion polling.

election, during perhaps the greatest story of his career. "I was covering the campaign, and I knew there was no plan [at the newspaper] for what was going to happen to me after the election, and I didn't see any great options," he says. "I kept trying to come up with reasons not to do it and couldn't."

Kimelman believes that being able to tell the board that Eichel would be the likely director of the project helped make it seem more tangible and doable.

Authorization came in September, but Eichel's one condition was that he not start until November. "No way was I missing out on the campaign [coverage]," he says. But as soon as the election was over, his focus shifted.

It wasn't nearly as difficult for Eichel to walk out of the newsroom that last time as it was for his colleagues to watch. He was not looking back as he left.

"I was thinking, 'I have to go do this other job now. It's different, and I haven't done anything different in a long time. I hope I don't screw it up.'"

The *State of the City*, the first major report from the Philadelphia Research Initiative, was already under way in November when Eichel took the helm. To get the ball rolling while Eichel was still caught up in campaign coverage, Kimelman hired former *Inquirer* columnist Tom Ferrick Jr., who has a talent for ferreting out data and making them accessible to readers. The result was a glossy, slightly oversized booklet of 54 pages, packed with charts and graphs, laying out where the city stands in terms of economy, crime, education, health, government and the arts.

For Eichel, the project he joined in-progress was an education in the differences between his old job and his new one.

Where he'd been used to turning stories around in a day, *The State of the City* took months. He was acutely aware of the importance of getting everything right. "This institution has a hard-earned reputation for being solid and reliable. When we say these are facts, they're facts," he says. "So you spend more time checking facts."

Still, he was surprised at how hard it was to get the report out without mistakes in it.

"Every time you looked at it, you'd see a different typo," says Eichel, who says he gained a new appreciation for the importance of copy editors. "At one point, we said there were 224 cultural institutions in the city. Then when we listed them, we realized there were 225. We figured out that there was one in the database that



Few Cities Taking the Hard Look

By Larry Eichel

The following op-ed on the city's budget crisis by the director of the Philadelphia Research Initiative appeared in The Philadelphia Inquirer's Currents section last fall.

You might think that the devastating impact the recession is having on municipal budgets would cause city officials around the country to take a hard look at how their governments function and which of their services are truly essential. But you'd be wrong.

For the last six months, we at The Pew Charitable Trusts' Philadelphia Research Initiative have been examining Philadelphia and 12 other major cities as they've gone about the prolonged and painful process of balancing their budgets in these challenging times. We've compiled two reports on their decisions and their struggles. And we've seen little public evidence that any of them are engaging in a fundamental review of operations.

A few mayors, like Dave Bing in Detroit, have talked about the need to consolidate departments, establish priorities, eliminate some services and privatize others. Even for him, though, it's just talk at this point. He's busy trying to make sure his troubled city can pay its bills from one month to the next.

Around the country, many city governments seem to be operating in the belief that their budget woes won't

last for long. If such optimism is well placed and the economy improves substantially in the months ahead, big cities may be able to return to something resembling business as usual. But the early indications are not promising.

New York, Los Angeles and Chicago already are projecting huge budget shortfalls for their next fiscal years. This year, Baltimore, Boston and Phoenix have been forced by falling revenue and cutbacks in state aid to revisit budgets that already had been put to bed. Philadelphia, it turns out, is not the only place where budget-balancing has become a year-round activity.

The hope that this era of tough choices will be short-lived helps explain the widespread appearance of a new phenomenon in many local governments—the unpaid furlough. In city after city, workers are being made to take furlough days, in some cases 10 or more per year, as a way to balance the books.

Philadelphia has instituted furlough days for some nonunionized employees. Whether the city will impose furloughs on anyone else depends on the new union contracts, which are to be worked out at the negotiating table for non-uniformed workers and through arbitration for police officers and firefighters.

Though less draconian than layoffs, furloughs amount to temporary pay

wasn't real, and we revised the list."

In other ways, the report played to his strengths. "I thought the thing I did best as a reporter was to take something complicated and explain it clearly," he says. "That was a really important skill. There's not a lot of

cuts. They also can have an impact on the level of services a city provides; in some places, city governments now have furlough days on which all government offices close for business.

But the attraction of the concept hinges on the idea that what's happening to city budgets now is a deviation from the norm and not the new norm. That's why a number of may-

"For officials in many big cities, the unpleasant task of matching revenue and expenses this year has been challenge enough, and they're reluctant to undertake a major restructuring unless absolutely necessary."

ors across the country, after initially threatening unionized workers with widespread layoffs, have settled for furloughs instead. It's why some union leaders have reluctantly come to view them as less objectionable than the alternatives.

"We're just between a rock and a hard place," Brenda Clayburn, head of a municipal union in Baltimore, recently told *The Baltimore Sun*, in reference to

flash to the writing, but it has to be accessible.”

A good example is the opening of the report’s chapter six, on health and welfare: “All of the data on wages and wealth in the city can be boiled down to a single declarative sentence.

a proposed furlough program there. “If we say ‘no,’ people get laid off.”

For officials in many big cities, the unpleasant task of matching revenue and expenses this year has been challenge enough, and they’re reluctant to undertake a major restructuring unless absolutely necessary. A few are beginning to think that they are reaching that point.

Meredith Weenick, associate director of administration and finance for the City of Boston, expressed skepticism that revenue from an economic rebound will solve the city’s financial problems. “We have to take a hard look at our service delivery,” she said, to ensure that Boston can pay its own way in the future and not become overly reliant on uncertain state aid.

In this regard, Philadelphia and Mayor Michael Nutter do have one factor working in their favor. This year, as every year, the city had to submit a five-year budget plan to the Pennsylvania Intergovernmental Cooperation Authority, the state watchdog agency. The requirement prevented the city from settling for the kind of one-year fix many other cities fashioned.

To make the five-year numbers work, Philadelphia cut back on some services and raised taxes, one of only four of the cities we studied that imposed a tax increase. The five-year increase in the sales tax here, combined with a delay in the city’s contributions to its pension funds, should allow the city to keep its current governmental structure largely intact.

That may create the space to engage in more long-term thinking. Or it may relieve the pressure to do so. ■

Philadelphia has a lot of poor people.”

Another significant element of the report was a poll, conducted in January 2009, on a variety of issues. This was a particular interest of Kimelman’s, a central part of his proposal for the initiative.

“I’m really influenced by Andy Kohut at the Pew Research Center,” Kimelman says, referring to the president of Pew’s subsidiary, a nonpartisan “fact tank.” He continues: “I believe there’s value in bringing a public voice into issues and doing it in a scientific way where you have a representative sample of the public involved.”

The poll results were broken out into two separate reports that were published online in February—one highlighting public opinion about the administration of Mayor Michael Nutter after two years on the job (the conclusion: generally favorable), and the other an overview of what Philadelphians like and dislike about their city. These findings fit neatly into *The State of the City*, augmenting the hard data.

The finished product was sent to Pew’s mailing list of influential Philadelphians as a means of introducing the Philadelphia Research Initiative.

“We’re not going to publish many things,” says Kimelman. “In this day and age we don’t need to do that. We can make stuff available online. But this seemed like a nice thing to have and a nice way to say, ‘Pew is now in this business.’”

In addition to issuing *The State of the City*, Eichel spent his first weeks at Pew hiring a staff and talking to people. “What should we be doing?” he’d ask. The city budget seemed to trump everything. In a city short by half a billion dollars with most expenditures fixed by employee contracts, the Nutter administration was facing stark choices with far-reaching ramifications.

Eichel’s instincts as a reporter told him this was the big story in the city and the one on which the initiative should shine its light. For the next poll, he constructed budget-related questions. One significant finding was that, to balance the budget, Philadelphians preferred cuts in services to tax hikes. A real-estate tax increase was considered particularly unpalatable, according to the poll, and a sales tax increase even more so.

While the pollsters did their work, Eichel and his staff began working

The multi-city comparisons have gained the Philadelphia Research Initiative lots of national coverage. “There aren’t a lot of other organizations that do this,” says Eichel.

on their first research report as a team, comparing Philadelphia’s budget woes to those in 12 other major cities. The report was very straightforward—the size of budget gaps (11 of the cities had one), the remedies local governments were seeking, the constraints each was under.

The Nutter administration appreciated it. “It’s always helpful to have outside sources of research,” says budget director Stephen Agostini. “Some of the data they pulled on services were helpful in informing the analysis we do internally.”

But what surprised the staff was how much other cities appreciated it. “Doing comparisons was useful from a policy perspective,” says project manager Ginsberg, “and for getting attention from outside Philly. The report got more ‘bumps’ outside the city than in.”

From 5th and Fairmount streets in Philadelphia: *Blue Windows* by Charlotte Schatz (oil stick, acrylic on canvas, 32" x 45", 2002). Courtesy of the artist (www.charlotteschatz.com).

For example, the mayor of Seattle issued a news release on it. The city of Atlanta put the report on its Web site, and the major newspaper, the *Journal-Constitution*, published a story on it.

The report even went international: *The Economist* devoted a full page to the report, and the news service Reuters picked it up.

"It had tremendous appeal," says Eichel. "We found there aren't a lot of other organizations that do this. There's a fair amount written about states but not cities. It made us think there's a niche here."

This was the report that had been such a pleasant surprise for senior associate Claire Shubik. "That was an awesome piece to work on," she says.

Research associate Laura Horwitz also enjoyed working on the report. "It was exciting to hit the ground running," she says. "It was amazing to show up, and, my second week here, I was talking to budget officials around the country."

The excitement of that experience, though, left her perhaps less prepared for what came next.

The *Quiet Crisis* made news when it was released in January 2008. It was on the front page of *The Philadelphia Inquirer*. *The Pittsburgh Tribune-Review* wrote about a possible statewide solution to the crisis since Pittsburgh's pension fund was the only one of the cities studied that was in worse shape than Philadelphia's. Business and financial writer Robert Samuelson cited the report in a column for *Newsweek*, "Promises They Can't Keep."

The report did not gloss over a dire situation. The number of retirees in Philadelphia exceeded the number of active workers. Annual costs for both pensions and benefits were high and rising sharply. The pension fund was only 52 percent



funded and had an unfunded liability of \$4 billion.

At the same time, the study offered a menu of "policy options" that could help, items such as increasing employee contributions to the pension fund and to their health benefits, both of which would have to be renegotiated when contracts expired.

While there was a general consensus on the accuracy of the report and the need for action, public employee unions, perhaps not surprisingly, denounced it as "fatally flawed."

More than a year later—well into 2009—some solutions had been proposed but none carried out. However, employee contracts were about to expire, opening a possibility for change. With the decision to focus on the budget, an update of the report seemed a natural task for the Philadelphia Research Initiative. Horwitz jumped right in.

She called each of the four municipal unions repeatedly. In one effort to establish her commitment to getting the facts, she sat through a full day of police arbitration hearings. They still wouldn't talk to her.

The one response she got—from District Council 47, which represents white-collar city workers—felt more like an ambush. The union's attorney took the questions but treated them with suspicion and hostility. From Thomas Ginsberg's perspective, the union's approach was "Every question revealed bias. Every fact we checked revealed some lack of

understanding." And then, he adds, "A week *before* the report came out, they denounced it" as full of errors—based on a memo the initiative had sent for fact-checking.

"It seemed to us there were other agendas driving them," says Cathy Scott, D.C. 47 president. "They said they wanted the report out before the contract expired so there would be 'more dialogue' at the negotiations. So what's the real purpose: information?—or impact on negotiations?"

Horwitz says she tried to make it clear she had no agenda, and she felt somewhat vindicated, a month and a half later, when Scott co-authored an op-ed piece in the *Inquirer* that cited the report to support her argument: "A recently released Pew study concluded that Philadelphia city workers' pension benefits are not out of line with those of other public employees."

"It was unexpected," Horwitz says. "On one hand, I was happy. On the other hand, it was frustrating that they ignored the inconvenient pieces."

The report was titled *Quiet No More: Philadelphia Confronts the Cost of Employee Benefits*, and the union wasn't alone in using it selectively. Two weeks earlier, the *Inquirer's* editorial board had also used the report to argue for union concessions on health benefits: "City workers enjoy a gold-plated benefits package. Taxpayers fund 100 percent of the health-insurance premiums for most of the city workers. By comparison, a Pew Charitable Trusts study found local

governments require single employees to contribute an average of 9 percent of the cost for health-care coverage and those with families to contribute 27 percent.”

Kimelman is philosophical. “People will always cherry-pick data, but the truth has a way of emerging,” he says. “When a debate is going on, one person’s use of the facts is going to be more persuasive than another’s. We don’t get involved in those debates. We just put out the facts.”

The Philadelphia Research Initiative’s next major report focuses on the prison system, a particular passion of Shubik’s. “I’m interested in seeing that government systems that have the power to deny people their liberty are run efficiently, effectively and fairly,” she says, noting that the budget for Philadelphia prisons has risen 80 percent in nine years.

Eichel is considering holding an event around the release of the report, something that would bring together various stakeholders in the system.

In the meantime, the staff continues to produce shorter reports on important local issues. A report by Ginsberg, released in October, found Philadelphia behind other cities in preparing for the 2010 census. Philadelphia has been losing population for decades, according to the Census Bureau, but many officials believe that the official figure is at least partly a result of undercounting.

Federal aid is based on population, and undercounting may be costing the city millions of dollars. Other cities have learned the power of maximizing local response to the census and challenging figures that work against them. Ginsberg senses that the administration needs to work harder on getting a full count and that local foundations can help.

Another recent study, *Layoffs, Furloughs and Union Concessions*:



City Hall, Philadelphia by Nancy Citrino (monotype print with collage and gauche additions, 40" x 32", 2000), from the 2001 exhibition "City Hall at 100: A Celebration." Courtesy of the artist.

The Prolonged and Painful Process of Balancing City Budgets, examined the choices that 13 cities made and tried to make during what has been a difficult time for the governments of many large American cities.

The continuing stream of reports is not what Kimelman envisioned as the initiative’s work. “We expected more of a stately progres-

sion of two or three polls, a state of the city and two or three in-depth reports a year,” he says. Instead, he adds, “We’ve done more smaller reports.”

That’s not to say he’s not pleased with the way the initiative has evolved. “The short reports have provided useful information at a time when things are not set in stone,” he says. “Timing is essential. You have to do good, in-depth, unassailable work, but you’ve got to get it out on a schedule where it’s going to be most meaningful.”

One reservation raised during Pew’s internal vetting of the initiative, Kimelman recalls, was whether Philadelphia is a place where good information matters: “I was asked, ‘In a place where fact-based decision-making has not been the tradition, is this work going to be truly influential?’”

Again, the timing was good. “We have, in the Nutter administration, a staff very interested in this kind of work. Whether or not it ultimately influences what transpires remains to be seen, but it’s not being ignored.”

Indeed, Mayor Nutter says he takes the reports “very seriously.”

“I think information, data and analysis are always helpful,” he says, “especially coming from an organization with the credibility of Pew. Comparing Philadelphia to other locales is educational to the public, and we learn a lot from those reports. I’m in favor of an educated public, and I think information coming from a good, credible source makes a difference.” ■

The Philadelphia Research Initiative’s work is available at www.pewtrusts.org/philaresearch.

In addition to the reports and shorter studies, you will find poll results of Philadelphians on key city issues and on their assessment of the city as a place to live. And you have access to a library of other authoritative documents and data on the city, downloadable as PDF files.

For updates on the initiative’s efforts, you can subscribe to a news feed, or sign up for the initiative’s e-mails to receive an alert on the day that a report is released.

Pat Loeb is a writer and a Philadelphian. Her work can be heard regularly on KYW radio.

Lifting the Burden of Student Debt

By Glee Holton

College debt can warp the career possibilities of new graduates. The Pew-supported Project on Student Debt helped the public understand the problem and also advanced common-sense, cost-effective policy solutions at the federal level to improve student loan programs. Here is an evaluation of the results, as well as an analysis of the project's approach, potentially useful to other initiatives.

College graduation has long symbolized a major educational achievement for youth and a critical first step to a productive future in the work place. However, an increasing number of graduates are leaving four-year colleges and universities with student loan debt, a financial burden that they carry forward as they attempt to launch their careers and begin life as independent adults.

For nearly two decades, rising college costs and limited grant aid have combined to produce a large increase in the demand for loans by students. Two-thirds (67 percent) of all four-year college graduates now have debt (compared with fewer than half in the early 1990s), and among these students, the average amount of debt has more than doubled over the 15 years from 1993 to 2008.

As a result, the young graduate ventures into the real world armed with a degree and filled with expectations, yet shouldering a debt that could very well equal a sizable share of a year's



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salary, a liability that is only likely to increase as interest builds year by year.

Recently, there has been an emphasis on the importance of public service, which encourages students

to employ their talent and education for the public good. Yet the very real burden of student debt can complicate the graduate's motivations and choices, and in response, some students will shy away from public service positions.

Debt also affects the lives of those who ultimately do not earn a degree. Borrowers who drop out of college typically earn lower incomes and face a high risk of accumulating unmanageable debt that is likely to result in forbearance, default or even bankruptcy. For these students, the debt burden and the inability to acquire a higher paying job compound each other.

In 2005, recognizing the public policy implications of such rapid increases in borrowing, Pew's Health and Human Services program—now known as the Pew Health Group—helped launch the Project on Student Debt, housed at the Institute for College Access and Success, an independent, nonprofit organization that works to make higher education more available and affordable for people of all backgrounds.

The project has two goals: (1) to raise awareness among the public and policy makers on the need to reduce the burden of student debt; and (2) to develop and advance practical federal policy options—not by advocating for one particular policy solution, but by identifying an array of policy solutions that could be achieved cost-effectively through reducing inefficiencies in the student loan program.

From 2005 to 2008, the institute and its partners helped inform and advance several federal policy chang-

es on student debt. These included (a) congressional action to close a loophole by which student loan companies used a government-subsidy program to earn a guaranteed 9.5 percent rate-of-return on student loans they issued (even as students, on the same loans, paid market interest rates as low as 3.37 percent); (b) loan repayment reforms that include the creation of an income-based repayment program in the 2007 College Cost and Reduction and Access Act; and (c) plans for simplifying the free application for federal student aid by using Internal Revenue Service data. They also made recommendations that were incorporated into both the House and Senate versions of the Higher Education Reauthorization bill, which was later passed and signed into law.

In 2008, at the request of the Pew Health Group, the Planning and Evaluation unit launched a review to examine the role of the Project on Student Debt in improving federal programs that reduce the student-debt burden for post-secondary students. The consulting team consisted of Derek V. Price, Ph.D., of DVP-PRAXIS, a firm that assesses and advises on organizational effectiveness; and Fred Galloway, Ed.D., associate professor in the School of Leadership and Education Sciences at the University of San Diego.

They conducted the review through interviews with stakeholders and informed observers, representatives of higher education associations, lenders and Capitol Hill staff, and they also examined records of project activities and coverage in the national media.

In sum, the evaluation concluded that the project was a key participant in the student-lending debate and had a substantial part in informing and advancing several policy changes to

reduce the burden of student debt. It played

- a decisive role in educating policy makers and the media on the problem of student debt and highlighted the long-term consequences of student debt on borrowers;
- an important role in the 2005 legislation to close a federal subsidy loophole through which student loan companies had exploited the outdated government program guaranteeing a 9.5 percent return from the U.S. Treasury, regardless of the interest rates students actually paid on those loans; and
- a decisive role in the enactment of income-based repayment legislation in the College Cost Reduction and Access Act of 2007. This legislation contained a new loan repayment option for student borrowers that caps monthly payments based on income and family size. For most borrowers, it would cap them at 10 percent of borrowers' income and forgive all remaining unpaid debt after 25 years.

The evaluation identified several aspects of the project's approach that were fundamental to its success:

- The project effectively repositioned the policy debate away from the issues of rising college costs or the role of lenders—issues that had formerly stalled policy conversations by polarizing stakeholders—and instead focused the debate on student debt.
- It engaged a strong, experienced and respected project director who was accessible to the media and had constructive relationships with Hill staff.
- It used high-quality nonpartisan research to develop a range of options for addressing student debt.
- It introduced the voices of students

themselves into the debate.

- It built a successful coalition that deployed a sophisticated communications strategy.

The features of the project's approach that the evaluators cited as important contributors to the campaign's success parallel those Pew has observed from other effective public policy efforts. These include (a) a knowledgeable, experienced and credible project director; (b) a compelling reframing of the policy debate that attracts support from an array of constituencies; (c) high-quality and nonpartisan research conducted by respected experts that addresses important questions and fills gaps in understanding; (d) new and credible voices that bring fresh perspectives to the discussions; and (e) a communications strategy that raises the visibility of the issue and informs key decision makers about significant developments and advances in knowledge.

This is not to suggest that advocacy work can be reduced to a simple formula, i.e., when an initiative meets a particular set of requirements, success is assured. After all, unanticipated developments in the real world far beyond a project's control have the potential to undermine the best-laid plans, the efforts of talented leaders and even the most impressive execution of strategy.

Yet Pew has seen concrete and positive change happen as a result of its work, suggesting that campaigns incorporating the key elements that guided the Project on Student Debt and other initiatives are crucial for success. ■

For more information on Pew's Planning and Evaluation unit, click on "About Us" at www.pewtrusts.org.

Glee Holton is a senior officer in Planning and Evaluation at Pew.



Pew's program investments seek to improve policy, inform the public and stimulate civic life through operating projects, which are managed by Pew staff; donor partnerships, which allow us to work closely with individuals or foundations and achieve shared purposes; and targeted grant making. For fuller contexts, complete reports and other relevant materials, visit www.pewtrusts.org.

The results of some recent work are highlighted here; not repeated are accomplishments described in other stories in this issue, including the report on the clean energy economy, the studies of Pew's Philadelphia Research Initiative and the Nobel Prize won by a Pew Biomedical Scholar.

The Obama administration places a moratorium on commercial fishing in virtually the entire Arctic Ocean. The landmark **Arctic Fishery Management Plan**, which is crafted by the regional fishery management council in Alaska, bans fishing in approximately 150,000 square miles of ocean, an

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Dawes Glacier in Alaska, at a moment of calving, when a piece breaks off and falls into the sea.

area five times greater than all U.S. national parks combined. The Pew Arctic program plays a significant role in garnering public attention and political support for the plan.

In addition, an Inuit organization signs a memorandum of understanding with the territory of Nunavut and the Canadian government to begin work on a **national marine conservation area in Lancaster Sound**, at the eastern edge of the Northwest Passage. The agreement, strongly supported by Pew's Oceans North Canada campaign, paves the way for a joint feasibility study that will recommend boundaries and management of the sound, home to enormous schools of Arctic cod, most of the world's narwhals and 40 percent of the world's beluga whales.

Australian Environment Minister Peter Garrett establishes a **Coral Sea conservation zone** in territorial waters east of the Great Barrier Reef Marine Park, comprising some 1 million square kilometers of ocean. Having moved to protect these waters, the Australian government will now consider whether to create one or several new marine reserves in the region, with a decision expected in late 2010. These developments are supported by the Pew Environment Group, Global Ocean Legacy and other partners.

In addition, Garrett and two indigenous ranger organizations announce the establishment of two globally significant conservation reserves in the Northern Territory of Australia. Known as the **Djelk and Warddeken Indigenous Protected Areas**, the reserves span 7,889 square miles, an area twice the size of Yellowstone National Park.

And the Western Australian government establishes a **4,000-square-kilometer marine park at Camden Sound**, one of the Kimberley Coast's largest bays and a key humpback-whale breeding site. Both steps are influenced by the Wild Australia Program, a partnership of the Pew Environment Group and The Nature Conservancy.

The New England Fishery Management Council votes to have 19 fishermen-run, community-based cooperatives fish by using **scientifically based annual catch limits** for cod, haddock, flounder and other groundfish, beginning in May 2010. It is the first time in 30 years that the council has voted to manage groundfish with a hard catch limit, rather than by the number of days a boat can spend at sea, and the decision is taken after an 18-month effort by the Pew Environment Group to end overfishing, rebuild fish stocks and help New England's historic fishermen regain profitability.

The Canadian province of Manitoba creates a trust to support the **establishment of a World Heritage Site covering**

more than 10 million acres of pristine boreal forest—a global treasure ranked by scientists as one of the world's top conservation priorities. Known as Pimachiowin Aki, the proposed site would be eight times larger than the United States' Grand Canyon National Park. Pew's boreal campaign has now secured protection of 125 million acres of the world's largest, most intact old-growth forest, an area stretching from Labrador to Alaska that surpasses the Amazon rainforest in size, ecological integrity and carbon storage.

An additional 200 million acres in Manitoba, Ontario and Quebec are expected to be designated as parks and refuges pending the fulfillment of previously made government commitments. When these areas are protected, the campaign will be nearly two-thirds of the way toward achieving its ultimate goal of preserving at least 500 million acres in perpetuity.

Pew establishes a partnership with the **Prince Albert II of Monaco Foundation** to support its conservation work, in particular preserving Canada's boreal forest and pressing for measures to stop the destruction of the world's oceans.

"The oceans and the forests play an important role in climate-change mitigation. It is through strong institutional partnerships that together we can improve this situation," says Prince Albert II in announcing the alliance during a speech at the National Press Club commemorating the 50th anniversary of the signing of the Antarctic Treaty.

As part of a recently launched campaign to stem the rapid decline of the world's sharks, **the Pew Environment Group gathers nine shark-attack**



Shark survivors as seen on Discovery News, a channel of Discovery Communications, and accessible on YouTube. *Inset:* Survivor Debbie Salamone, of the Pew Environment Group's Ending Overfishing in the Southeast campaign.

victims in Washington, D.C., who share their support for legislation that would strengthen the ban on shark finning in U.S. waters and encourage shark conservation around the world.

In interviews, the survivors note that recent reports classify 38 percent of all shark species as "threatened" or "near-threatened" with extinction, and that sharks' disappearance could disrupt the ocean ecosystem, which represents 70 percent of the planet. The participants praise the Shark Conservation Act of 2009, which previously is passed by the House of Representatives and introduced in the Senate.

In a separate action regarding sharks, Palauan president Johnson Toribiong, addressing the United Nations General Assembly, declares that **the waters surrounding his country will become the world's first national shark sanctuary**. While Palau is among the world's smallest countries, its territorial waters cover 240,000 square miles, an area roughly the size of Texas.

Legislation supported by both Republicans and Democrats who represent a quarter of the Senate and nearly half of the House of Representatives is submitted to **codify into law the 2001 Roadless Area Conservation Rule**, which would protect 60 million acres of national forests from road-building, logging and other development.

In particular, the Pew Environment Group and its campaign partners generate more than 200,000 messages opposing an effort by the State of Colorado to undercut the policy with a plan that would open up 4.4 million acres of pristine national forests to industrial activity, including coal mining and oil and gas development. This effort is complemented by a statewide "Don't Sell Colorado Short" tour, also supported by Pew, calling for protections that measure up to the national rule.

The United Nations Food and Agriculture Organization completes a treaty to **prevent, deter and eliminate illegal, unregulated and unreported fishing globally**. Ninety-one nations participate in drafting the agreement, which is adopted in November and takes effect when 25 countries ratify it. Once in force, governments will be obliged for the first time to inspect fishing vessels and close their harbors to those operating outside the law.

In advance of the treaty's completion, the Pew Environment Group provides United Nations delegates with legal analysis, scientific information and research documenting the need to strengthen existing measures to combat illicit fishing. Pew's research is now helping to guide regional fisheries management organizations as they begin to implement the provisional treaty.

The European Union Fisheries Council reaches agreement on a regulation that will **strengthen penalties to counteract illegal, unregulated and unreported fishing**. While previous measures were often so lenient that fishermen would simply add fines to their assumed operating costs, the new rules will ban boats after four infractions and impose fines on governments that fail to adequately enforce restrictions.

The agreement represents a major victory for the Pew Environment Group, which works closely with EU member states, the European Commission, members of the European Parliament and the media to raise awareness of the damages of overfishing. According to Pew estimates, such fishing was on track to cost EU member states \$15 billion in lost catches and \$12 billion in lost fishing stock value by 2020.

For the first time, the South Atlantic Fishery Management Council approves a measure that sets precautionary science-based limits to **end overfishing of nine imperiled species of snapper and grouper**, including two that are critically endangered and one that is vulnerable to extinction. The new plan, sent to the U.S. Secretary of Commerce for final approval, gives these species a strong chance at recovering from decades of overfishing.

It also represents a significant victory for the Pew Environment Group's Campaign to End Overfishing in the Southeast, which has worked closely with the council and embarked on extensive community and media outreach to coalesce public support. Following this success, the campaign will continue its efforts to ensure passage of a long-term red snapper recovery plan, including a soon-to-be-completed report that will outline the economic benefits of rebuilt fisheries.

The **Military and Overseas Voter Empowerment Act** becomes law and includes a provision incorporating key recommendations from the Pew Center on the States' *No Time to Vote* report. In accordance with Pew's recommendations, the legislation will expedite the transmission of absentee ballots to military personnel and civilians abroad to provide more time for them to vote in U.S. elections and return their ballots in time to be counted.

The Pew Center on the States releases a report demonstrating that **some of the same pressures that led to California's current economic difficulties are also affecting a number of other states**, with potentially damaging consequences for the entire country. The report, *Beyond California: States in Fiscal Peril*, looks at all 50 states, focusing primarily on the top 10 most troubled, which Pew's

analysis shows to be Arizona, Florida, Illinois, Michigan, Nevada, New Jersey, Oregon, Rhode Island and Wisconsin, in addition to California. The center hosts a Pew Perspectives event at Pew's Washington, D.C., offices to discuss the report.



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Thanks in large part to the Public Safety Performance Project's work to craft a package of **sentencing and parole reforms that will reduce the prison population**, Michigan Governor Jennifer Granholm's administration proposes to close eight corrections facilities, a step that would save \$118 million in taxpayer funds annually.

Following Arizona and Kansas, California becomes the third state to adopt the funding model offered in the project's *Policy Framework to Strengthen Community Corrections*. The state plans to establish an incentive fund to reward counties that reduce the number of adults who are sent to prison because of probation revocations; the counties will receive a portion of the incarceration costs avoided by the state and apply the grants to develop evidence-based community corrections practices such as intensive probation supervision and risk and needs assessments. In addition, the Illinois legislature passes the Crime Reduction Act of 2009, which includes aspects of the *Policy Framework*.

At the federal level, two bills emerge that would establish funding streams to advance many of the sentencing and corrections reforms that the Public Safety Performance Project has recommended. The first, the Criminal Justice Reinvestment Act of 2009, is introduced in both the Senate and House. Inspired by the success of Pew and its partners in states such as Texas and Kansas, this bipartisan legislation creates a significant grant program to support states in developing and implementing data-driven, fiscally responsible sentencing and corrections strategies.

The second, the Honest Opportunity Probation with Enforcement (HOPE) Act, is introduced in the House. It authorizes appropriations and creates competitive grants for pilots that replicate Hawaii's innovative and successful HOPE probation program, which uses swift, certain and appropriate sanctions to respond to those who violate the conditions of their community supervision. Research has shown that this approach significantly cuts new arrests, drug use and the use of prison space to house violators.

At the request of U.S. Attorney General Eric Holder, staff of the Pew Center on the States brief senior federal officials on how sentencing and corrections reform in the states could apply at the federal level. Holder praises Pew's work as "potentially transformative."

Even in these difficult economic times, Pre-K Now advocates are **successfully preventing drastic cuts to pre-kindergarten funding**. President Obama proposes a budget with measures to improve and increase early education opportunities nationwide.

Pre-K Now's report *Votes Count: Legislative Action on Pre-K Fiscal Year 2010* demonstrates that, even when facing budget gaps of up to 35 percent, legislators in 29 states and the District of Columbia vote to increase or protect funding for pre-kindergarten in 2009.

The report also shows that dollars added for existing and new programs create a modest national net gain in funding. In Tennessee, for example, the legislature votes to maintain previous levels of support for the state's voluntary pre-kindergarten program with general fund dollars, instead of less reliable lottery funds.

The Pew Center on the States and Capitolbeat, the association of statehouse reporters and editors, co-sponsor a series of **regional forums designed to inform journalists about current and long-term economic and fiscal challenges facing the states**.

The first two forums, held in Indianapolis, Indiana, and Pew's office in Washington, D.C., attract several dozen top reporters and feature expert presentations on topics such as the American Recovery and Reinvestment Act and national and regional economic forecasts.

More than 350 participants from 49 states and the District of Columbia attend a webinar hosted by the Pew Children's Dental Campaign, which focuses on a **state policy innovation that enables medical providers to be reimbursed for preventive dental care**. Because most children see doctors and nurses earlier and more often than they see

dentists, states have turned to these medical providers to deliver important dental health services such as fluoride application, oral health assessments and parent education.

The U.S. House of Representatives Energy and Commerce Committee unanimously passes the **Food Safety Enhancement Act of 2009**, a bipartisan bill that embodies virtually all of the core principles advocated by Pew and its food safety coalition. The bill is the first on comprehensive food safety reform to pass a congressional committee in more than 50 years.

In public statements, both Democratic and Republican committee members mention the victims of food-borne illness who have spoken at the launch of the Make Our Food Safe coalition, established by the Pew Health Group's Food Safety Campaign.

The **Physician Payments Sunshine Act**, the pharmaceutical industry disclosure bill that is a key deliverable of the Pew Prescription Project, is included in a major health reform bill passed by the U.S. Senate. The provision requires pharmaceutical and medical-device companies to publicly report their gifts and payments to physicians and other health-care entities. The project's staff work closely with congressional offices to fine-tune the legislative language.

The 2009 iteration of the **PharmFree Scorecard** is issued. It is a joint project of the Pew Prescription Project and the American Medical Student Association that assesses medical schools for policies ensuring that medical education, training and patient care are free of commercial bias. The scorecard shows that most U.S. medical schools still lack strong policies that would create a barrier between training and commercial entities. (Only seven of 150 schools evaluated receive grades at the A level).

In its continuing effort to direct public and policy-maker attention to the size and scope of federal subsidies, the Pew Economic Policy Group's Subsidyscope project disseminates **an analysis of Amtrak's financial performance on 44 routes nationwide**. Using a formula that includes depre-



Food diligence in 1937. Safety checks, of course, must begin long before the food reaches the shelves.

© David Wasserman/Brand X Pictures/JupiterImages



ciation and overhead when calculating loss or profit per passenger on each of its rail lines (an accounting practice used in other capital-intensive industries), Subsidyscope determines that 41 of the 44 routes lost money in 2008. According to the report, the rail line averages a loss of more than \$32 per passenger, a figure four times higher than projections using Amtrak's calculations.

Subsidyscope also launches a comprehensive, searchable database of all taxpayer-funded subsidies to the transportation sector. This first-of-its-kind online tool allows users to explore and sort federal assistance according to parameters such as grant recipient, state and government program.

After nearly three years of developing the most comprehensive facts, figures and trends about mobility and opportunity in the United States, the Economic Mobility Project releases ***Renewing the American Dream: A Road Map to Enhancing Economic Mobility in America***. The report makes more than 25 recommendations to improve education and workforce development outcomes (human capital), strengthen the bonds of family and community (social capital) and enhance Americans' ability to build assets (financial capital).

Old age is neither as difficult as younger people think it will be nor as rewarding as older adults would like, according to the Pew Research Center's Social and Demographic Trends Project. Its report, based on a survey of nearly 3,000 people, finds that on a series of negative benchmarks—including memory loss and struggles with loneliness and depression—seniors fare better than younger adults expect they will when they grow old.

At the same time, older adults report experiencing fewer of the benefits of aging that younger adults expect to enjoy in their senior years, such as engaging in hobbies, spending time with family or doing volunteer work.

The report's finding that 79 percent of those surveyed believe there is a generation gap—the highest figure since 1969—draws particular media attention.

According to a report by the Pew Internet & American Life Project and the California HealthCare Foundation, **61 percent**

of adults look online for health information. This figure represents a dramatic increase from 2000, when only 25 percent of adults did so. The report draws significant interest from health care professionals, including representatives from the National Institutes of Health and the Centers for Disease Control and Prevention, who request advance briefings on the findings.



The Berlin Wall in 1990, a few months after it "fell."

Twenty years after the fall of the Berlin Wall, the **populations of former Soviet Bloc nations** generally look back approvingly at the fall of Communism, according to a survey released by the Pew Research Center's Global Attitudes Project. Majorities in most former Soviet republics and Eastern European countries endorse the emergence of multiparty democracies and capitalist economic systems.

However, the initial widespread enthusiasm about these developments has diminished significantly over time, and in many nations, significant percentages of those polled now say that most people were better off under Communism. For example, in Russia, a majority agree that it is a great misfortune that the Soviet Union no longer exists.

The Pew Forum on Religion & Public Life presents a **comprehensive demographic study on Islam**, which finds that there are 1.57 billion Muslims of all ages living in more than 200 countries, representing 23 percent of an estimated world population of 6.8 billion. These findings lay the foundation for a 2010 report that will estimate growth rates among Muslim populations worldwide and forecast population growth for the future. A similar study of global Christianity is scheduled for 2010.

Both projects will be funded in part by a \$3-million grant from the John Templeton Foundation for the **Pew-Templeton**

Jim Abbott/www.jimabbott.com

Global Religious Futures Project, a major new initiative that aims to increase people's understanding of religion around the world.

Toward that end, the project releases **Global Restrictions on Religion**, the first quantitative study to measure how governments and private individuals, organizations and social groups infringe on religious beliefs and practices around the world. The analysis, based on an extensive number of sources that cover 198 countries and self-administering territories representing more than 99.5 percent of the world's population, finds that about one-third of countries have high or very high restrictions on religion. However, because some of the most restrictive nations are very populous, nearly 70 percent of the world's 6.8 billion people live in areas with high restrictions on religion, the brunt of which often falls on religious minorities.

In another poll, the Pew Forum finds that **many Americans mix multiple faiths**, engaging in multiple religious practices and mixing elements of diverse traditions. Many also blend Christianity with Eastern or New Age beliefs such as reincarnation, astrology and the presence of spiritual energy in physical objects. And sizeable minorities of all major U.S. religious groups say they have experienced supernatural phenomena, such as being in touch with the dead or with ghosts.

The Pew Forum finds that one-third of Americans say they regularly (9 percent) or occasionally (26 percent) attend religious services at more than one place; most of these (24 percent of the public overall) indicate that they sometimes attend religious services of a faith different from their own. Aside from their participation in special events such as weddings and funerals or periods of traveling, 3 in 10 Protestants attend services outside their own denomination, and one-fifth of Catholics say they sometimes attend non-Catholic services.

Tom Rosenstiel, director of the Pew Research Center's Project for Excellence in Journalism, testifies before **Congress's Joint Economic Committee hearing on "The Future of Newspapers: The Impact on the Economy and Democracy."** Rosenstiel discusses the newspaper industry's financial struggles and at times challenges popular misconceptions.

For example, while many people believe that audience declines are the primary cause of the industry's woes, Rosenstiel points out that, if both print and online editions are taken into account, many newspaper companies are seeing their audiences grow. Online growth, however, is not generating sufficient revenue to compensate for steep declines in print advertising.

Since the inception of the **Cultural Data Project**, an online management tool to strengthen arts and culture organizations, Pew raises more than \$9.5 million for state-specific efforts and \$2.2 million to expand the project's national reach. Recent donations include a second three-year grant of \$1 million from the Irvine Foundation to support the project in California and \$1.2 million from the Kresge Foundation to support nationwide expansion.



Jamara Griffin and Anthony Mackie star in *Night Catches Us*. Courtesy of Tanya Hamilton.

Night Catches Us, a film written and directed by **Tanya Hamilton**, 2004 Pew fellow in the arts, is chosen for viewing in the 2010 Sundance Film Festival, a major showcase for independent American cinema. She has worked on the project for more than a decade. An early draft of the screenplay won the top screenwriting award at the Urbanworld Film Festival in 1999. The plot is described as focusing "on the eventful return of a young man to the race-torn Philadelphia neighborhood where he grew up during the Black Power movement."

The Elmina B. Sewall Foundation gifts \$2.6 million for four land trust projects, all in the state of Maine and all within the Northeast Land Trust Consortium. These funds will help to preserve several coastal islands within reasonable reach of the mainland, the 37,000-acre Katahdin Iron Works property and the nearby Moose River parcel in the North Woods, as well as the Piscataquis Preserve, a 1,200-acre tract of conifer and deciduous forest in the Penobscot River Basin that includes a one-of-a kind grove of American chestnut trees. ■



Carol W. Greider, Ph.D., a 1990 Pew scholar in the biomedical sciences and now professor of molecular biology and genetics at the Johns Hopkins University School of Medicine, received the 2009 Nobel Prize in Physiology or Medicine, sharing the award with Jack W. Szostak of Massachusetts General Hospital and Elizabeth H. Blackburn of the University of California at San Francisco.

The three scientists solved the biology question of how chromosomes, which contain DNA molecules, can be copied in a complete way during cell division and how they are protected against degradation. They showed, as the Nobel Assembly put it, that “the solution is to be found in the ends of the chromosomes—the telomeres—and in an enzyme that forms them—telomerase.”

Blackburn and Szostak “discovered that a unique DNA sequence in the telomeres protects the chromosomes” and then Greider and Blackburn “identified telomerase, the enzyme that makes telomere DNA. These discoveries explained how the ends of the chromosomes are protected by the telomeres and that they are built by telomerase,” the assembly noted.

“If the telomeres are shortened, cells age. Conversely, if telomerase activity is high, telomere length is maintained, and cellular senescence is

delayed. This is the case in cancer cells, which can be considered to have eternal life. Certain inherited diseases, in contrast, are characterized by a defective telomerase, resulting in damaged cells. The award of the Nobel Prize recognizes the discovery of a fundamental mechanism in the cell, a discovery that has stimulated the development of new therapeutic strategies.”

More remains to be known, Greider says—for instance, how the telomeres maintain their length, or “length equilibrium,” since telomeres that are either too long or too short can cause damage.

Following the early-morning notice (she was folding laundry and getting her two children off to school when the Nobel Committee called), the editor-in-chief of Nobelprize.org asked Greider what attracted her to the telomerase question, “Curiosity,” she said, “drove me there.”

“Was it a difficult question to answer?”

“It was really unknown. It wasn’t clear whether it was going to be difficult or not,” she said, adding, “It was just, you know, diving into the unknown.”

The Pew Scholars Program in the Biomedical Sciences provides support that enables scientists in health fields to take calculated risks and follow unanticipated leads to maximize the

benefits of their research for society. Begun in 1985, the program has invested more than \$125 million to fund more than 460 individuals. Scholars have won three Nobel Prizes as well as MacArthur fellowships, Albert Lasker Medical Research Awards and other honors.

Greider was featured in the summer 2007 issue of *Trust*, which also contained an article on the biomedical scholars program as a whole. At www.pewtrusts.org, you can access the magazine from the menu on the home page. For more about the program, click on Emerging Science under Health in the left-hand column.

Marc Brodzik knows a good idea when he sees it. For instance, the senior citizens who caught his attention during his regular breakfasts at Sulimay’s Restaurant in the Fishtown area of Philadelphia.

“I would see these three characters talking, and they were like the stars at Sulimay’s,” he says. “You see that quality in people, and you can’t help but laugh into your pancakes.”

Brodzik, a 2009 Pew fellow in the arts, had just started working on Web-based video projects a couple of years ago, when he had an idea for a show that would feature senior citizens reviewing cutting-edge music. He discussed the concept with his producer and later approached the trio in the diner. They agreed.

The result is the viral phenomenon *Breakfast at Sulimay’s*, which airs weekly on Brodzik’s Web sites, Scapple TV (www.scapple.tv) and Woodshop Films (www.woodshopfilms.com) and is available on YouTube, where the most popular episode has over 100,000 views.

Joe Walker, 84, Bill Able, 75, and Ann Bailey, 66 (who replaced an original member who found early on that show biz was just not for him), are the capable stars of the show. They are filmed in short episodes, listening through ear buds to music—the latest in heavy



AP/Wide World Photos

Carol Greider receives the Nobel Prize medal from King Carl XVI Gustaf of Sweden.



Marc Brodzik: a star who sees the star in everyone.

edge. But while others struggle to imagine the future of journalism, he seems to have been there already and is back to tell the rest of us about it. In his large studio space in the Northern Liberties section of Philadelphia, a team of interns is shooting and editing videos destined for Scrapple TV. The Pew fellowship will provide the start-up capital, but he expects to sustain the operation with advertising revenue.

In its current state, Scrapple TV is an assortment of video clips. Some of his early work satirized mass consumerism through a series of mock advertising campaigns. Even when he is irreverent, however, his magic ingredient is the compassion with which he approaches his subjects, perhaps most evident in his 2006 film *Hard Coal: Last of the Bootleg Miners*, a documentary about family-owned anthracite coal mines in Pennsylvania.

Brodzik came into contact with the miners when he rode dirt bikes in small Pennsylvania towns and felt a deep and immediate connection. “At first I didn’t even realize it was coal I was riding on,” he recalls. “I would talk to [the miners] and relate to them, and they would tell me their hardship stories.”

With a partner, he was able to make the film on a shoestring budget. It has been screened at seven film festivals, winning Best Feature Documentary Award at the 2009 DIY Film Festival in Los Angeles, and is being considered for a reality-based show.

While *Hard Coal* is an example of Brodzik at his most subdued, there is something unsettling behind the humor of his early pieces based on commercial imagery. Aside from his considerable talent in figurative painting, there is a message to his art: People should trust in themselves, not in canned information or advertising campaigns provided by mass media.

Brodzik’s feel for art is largely self-developed. A graduate of a vocational high school who says he went to

advertising school to avoid the military as a career, Brodzik never studied art history. “I am the common guy,” he claims. “I started exploring art, looking at it from the common perspective and just re-spitting it out with my own slant.”

It is exactly this flair for showing us something new in the everyday that has made *Breakfast at Sulimay’s* the Internet sensation it is.

“I have the ability to connect with people, no matter who they are,” says Brodzik. “I see the star in everyone.”

Anahi Baca

Last summer, the Victims of Communism Memorial Foundation, based in Washington, D.C., launched an online **Global Museum on Communism**, and in a subsequent letter to Pew president and CEO Rebecca Rimel, Lee Edwards, Ph.D., the foundation’s chairman, described the launch and initial impact of the Pew-supported project.

“In less than two years,” he wrote, “the museum moved from an ‘inspired idea’ to a world-class Internet platform that will help educate this and future generations about the history, philosophy and legacy of communism. The museum has the potential to reach and teach people every hour of every day, regardless of where they are in the world.”

The site can be found at www.globalmuseumoncommunism.org. It contains global maps, timelines and essays as well as photographs, videos and audio recordings. Major sections include exhibitions arranged by nation, a Gallery of Heroes, a Hall of Infamy and a Victims Registry, telling “the heroic stories of everyday people who suffered under, and ultimately triumphed over, communist regimes,” Edwards noted.

In September, *Communication Arts* magazine chose the site as a “Web pick of the week,” and Edwards pointed out that since opening, the museum has received more than 50,000 unique visitors from over 100 countries.

metal, electronic dance music, whatever else is hot—after which they give their honest, and often unexpected, opinions (“This is music?”).

Breakfast at Sulimay’s is both comical and refreshing, and while it seems natural that it’s been covered locally in *The Philadelphia Inquirer* and *Philadelphia Weekly*, Brodzik is a bit surprised at just how far and wide the show’s notoriety has spread. It was recently featured on National Public Radio’s *All Things Considered* and has even garnered notice in England, with mentions in *Time Out London*, the *Guardian* and *The Independent*.

Despite its popularity, *Breakfast* is a small part of Brodzik’s repertoire of shows. All of them are part of Scrapple TV, a Web site he calls his “pirate TV station,” growing, he says, to fill the gap in local news coverage as local printed weeklies continue to downsize. The Web is the future of journalism, he is convinced. His interns “don’t read newspapers. They might look at magazines, but it’s rare,” he says, adding, “My children, who are 4 and 7, won’t know what a newspaper was.”

With his grizzly beard and denim overalls, Brodzik may not look cutting-

On the Record

For context and specifics, go to www.pewtrusts.org

“When Peter Benchley wrote *Jaws*, when Steven Spielberg turned it into a film more than 34 years ago, and when those of us who acted in it helped create the first summer blockbuster, nobody imagined the unintended consequences that would follow.

“*Jaws* intensified the public’s already existing fear of sharks, fueling misperceptions that have given cover to an industry which kills vast numbers of these magnificent creatures each year, thereby depleting a keystone predator that helps maintain the health of our oceans. . . .

“We can write a new chapter in the relationship between people and sharks, one based on an accurate portrayal of these creatures and the vital role they play. When Peter Benchley fully realized the plight of sharks, he devoted much effort toward the end of his life in trying to alter their image in the public eye. Peter was right. Rather than fearing sharks, we should fear for them.”

Richard Dreyfuss, actor, and **Joshua Reichert**, managing director, Pew Environment Group, in an op-ed in the *Miami Herald*.

“At a certain point, if you keep cutting and cutting, you start eating away at the fabric of what makes your city your city, what makes it different than other cities, what makes it a good place to live. There obviously is a tipping point.”

Larry Eichel, project director, Pew’s Philadelphia Research Initiative, in an article on budget cuts in Phoenix, Ariz., in *The Arizona Republic*.

“We need to extend the MOVE [Military and Overseas Voter Empowerment] Act’s improvements to state and local elections and fix an outmoded voter registration system that has failed to keep pace with technology. Overseas voters—just like their neighbors at home—deserve a system that works no matter what races are on the ballot.

“As states implement the changes required by the MOVE Act, they should make it easier for military and overseas voters to cast state and local ballots as well. At the same time, states should

modernize their registration systems to ensure that these highly mobile voters receive ballots and voting information at the correct address.”

Rear Adm. (Ret.) James J. Carey, senior policy adviser, Pew Center on the States, and founding chairman, National Defense Committee, in an op-ed in *The Washington Times*.

“All of our meetings confirmed that Denmark’s swine industry is successful and growing post-ban [i.e., the ban of the use of antibiotics in healthy food animals]. The pork producers and those who represent them are fiercely proud of how they raise their pigs.

“Contrary to U.S. agribusiness claims about the ban, the average number of pigs produced per sow per year has increased from 21 to 25 (this is an important indicator of swine health and welfare, according to veterinarians).

“Most important, total antibiotic use has declined by 51 percent since an all-time high in 1992. Plus, the Danish industry group told us that the ban did not increase the cost of meat for the consumer.”

Laura Rogers, project director, Pew Campaign on Human Health and Industrial Farming, in an online op-ed at the *Huffington Post*.

“[F]or a while, we were all told that deficits didn’t matter. As we’ve learned, they do matter. We may have not been able to avoid deficits in the past two years as the government tried to fix the economy, but I’m not worried about two years. I’m worried about the path that our debt is on, even after the economy gets better.”

Former U.S. Rep. Charlie Stenholm, co-chairman, Peterson-Pew Commission on Budget Reform and the Committee for a Responsible Federal Budget, in an op-ed in the Ft. Worth, Texas, *Star-Telegram*, upon release of the commission’s report *Red Ink Rising: A Call to Action to Stem the Mounting Federal Debt*.

“Minnesota is a couple of years ahead of a wave of activity across the states. It’s an idea that is sweeping the country.”

Shelly Gehshan, director, Pew Children’s Dental Campaign, in the *St. Paul Pioneer Press* about a new Minnesota program to license dental therapists.

“Presidents since Theodore Roosevelt have recognized that the Grand Canyon, America’s national icon, must be preserved for future generations to enjoy. Now it’s time for Congress to safeguard the Grand Canyon from threats posed by the 1872 mining law and permanently protect this natural wonder.”

Jane Danowitz, director, Pew Environment Group’s U.S. Public Lands Program, after the Department of the Interior received 98,355 messages for such action.

“We’re standing at an important crossroads for public health in the United States. Chronic diseases such as asthma and diabetes are increasing, and health-care costs are increasing along with them. . . .

“We now know that the social, environmental and economic conditions in communities are important drivers of health. If we’re going to address chronic disease, we need to create the conditions in communities where everyone can be healthy.”

Aaron Wernham, M.D., director, Health Impact Project, a collaboration of the Robert Wood Johnson Foundation and The Pew Charitable Trusts, on YouTube.

“People two, three or four years apart are having completely different experiences with technology. College students scratch their heads at what their high school siblings are doing, and they scratch their heads at their younger siblings. It has sped up generational differences.”

Lee Rainie, director of the Pew Internet & American Life Project, quoted in *The New York Times*.

“Our nation’s highway system benefits all Americans, even those who are not drivers. However, in recent years, user revenues are paying for a smaller share of the pie. That means the broader population is paying a bigger share.”

Marcus Peacock, director, Pew Economic Policy Group’s Subsidyscope, upon release of an analysis showing the funding sources of U.S. highways.

“State after state has looked at the data and made sensible investments in pre-kindergarten education. Now, federal lawmakers have a chance to make a new important investment in children’s earliest learning years.”

Susan K. Urahn, managing director, Pew Center on the States, in a *Forbes* commentary on strengthening the pending Early Learning Challenge Fund bill in Congress.

“I spent 30 years in the U.S. Senate working on behalf of our men and women in uniform serving our country and on the issues related to the impact of climate changes on their future military roles and missions. Leading military and security experts agree that, if left unchecked, global warming could increase instability and lead to conflict in already fragile regions of the world.

“We ignore these facts at the peril of our national security and at great risk to those in uniform who serve this nation.”

Former Sen. John Warner on panel discussions of the Pew Project on National Security, Energy and Climate.

“What’s really exceptional at this stage of Obama’s presidency is the extent to which the public has moved in a conservative direction on a range of issues. . . . Pew Research surveys throughout the year have found a downward slope in support both for an activist government generally and for a strong safety net for the needy, in particular.”

Andrew Kohut, president, Pew Research Center, cited in *The Weekly Standard*.

“Poetry has given people solace for thousands of years, entertained and nurtured them, but these days it seems odd to many of us. It doesn’t affect the stock market, and it can’t change the course of a war. Why read poetry?”

Jeanne Murray Walker, 1998 Pew fellow in the arts, discussing her latest book of poems, *New Tracks, Night Falling*, in the Wilmington, Del., *News Journal*.

In reply, Rimel described the special interest that one of Pew’s founders would have had in the museum. “Much of the history documented by your new virtual exhibitions was yet to unfold when J. Howard Pew succeeded his father as president of the Sun Company in 1912. He could have imagined neither the horrors nor the heroism that would accompany the rise and fall of communisms around the world over the next century.

“Indeed, his strong commitment to advancing the cause of individual liberty and free markets would be forged in the midst of this drama. His life and legacy were devoted to supporting political freedoms that encourage open competition in enterprise and individual involvement in civic affairs.”

Mr. Pew would surely have been one of the museum’s unique visitors, Rimel said: “He would have been deeply moved by its content and especially pleased by its universal availability.”

The Pew Research Center has begun a year-long series of original reports exploring the behaviors, values and opinions of today’s teens and twenty-somethings—the so-called millennial generation. The premise is that generations, like people, have personalities, and their collective identities can be seen when they reach the age when they can act on their values, attitudes and world views.

The series will raise such questions about the millennials as: Who are they? How are they different from, and similar to, their parents? How is their moment in history shaping them? And how might they, in turn, reshape America?

The first report came from the Pew Hispanic Center in December. Latinos are the largest and youngest minority group in the United States (never before in this country’s history has a minority ethnic group made up so large a share of the youngest Americans). By force of numbers alone, the kinds of adults



A Latino millennial considers the possibilities: self-portrait by Ignacio Guajardo. Courtesy of the artist.

these young Latinos become will help shape the kind of society America becomes in the 21st century.

The data are mixed, the study indicates. Young Latinos are satisfied with their lives, optimistic about their futures and value education, hard work and career success. Yet they are much more likely than other American youths to drop out of school and to become teenage parents. They are more likely than white and Asian youths to live in poverty. And they have high levels of exposure to gangs.

These are attitudes and behaviors that, through history, have often been associated with the immigrant experience, the report says. But most Latino youths are not immigrants, it notes. Two-thirds were born in the United States, many of them descendants of the big, ongoing wave of Latin American immigrants who began coming to this country around 1965.

The report explores the attitudes, values, social behaviors, family characteristics, economic well-being, educational attainment and labor-force outcomes of young Latinos.

Letters

Journalism becomes the story

I just received my [vol. 12, no. 1] copy of *Trust*. And, although I have not fully read this edition, I am glad to see you have an article on journalism in America ["Bleak House"]. A serious and timely subject.

You "guys" do such a wonderful job and have such credibility! Keep up the wonderful work.

DAVID BANNER
West River, Maryland

The editor responds: You may also be interested in the recent *How News Happens: A Study of the News Ecosystem of One American City* by the Pew Research Center's Project on Excellent in Journalism, found at www.journalism.org. This is from the report's introduction:

Where does the news come from in today's changing media?

Who really reports the news that most people get about their communities? What role do new media, blogs and specialty news sites now play?

How, in other words, does the modern news "ecosystem" of a large American city work? And if newspapers were to die—to the extent that we can infer from the current landscape—what would that imply for

what citizens would know and not know about where they live?

The questions are becoming increasingly urgent. As the economic model that has subsidized professional journalism collapses, the number of people gathering news in traditional television, print and radio organizations is shrinking markedly. What, if anything, is taking up that slack?

The answers are a moving target; even trying to figure out how to answer them is a challenge. But a new study by the Pew Research Center's Project for Excellence in Journalism, which takes a close look at the news ecosystem of one city, suggests that while the news landscape has rapidly expanded, most of what the public learns is still overwhelmingly driven by traditional media—particularly newspapers.

The study, which examined all the outlets that produced local news in Baltimore, Md., for one week, surveyed their output and then did a closer examination of six major narratives during the week, finds that much of the "news" people receive contains no original reporting. Fully 8 out of 10 stories studied simply repeated or repackaged previously published information.

And of the stories that did contain new information, nearly all, 95 percent, came

from traditional media—most of them newspapers. These stories then tended to set the narrative agenda for most other media outlets.

The editor adds: I have read many an editor's farewell message but never seen one added to a reader's letter. Yet this seems as good a place as any for me—who will retire in March—to say goodbye, since the context involves two elements that have so often made my day.

One prompted Mr. Banner's letter and many others through the years: Pew's thorough, relevant and pragmatic work on issues that matter—and (as seen in my remarks above) the way that Pew's initiatives, after they make their mark, can keep the ball rolling.

The other has been the privilege of conveying all that good stuff to readers in the most inviting way that I and my colleagues, plus a design firm and many other freelancers, could imagine.

As *Trust's* founding editor, I have had this credo: The magazine should stand as tall in its world as Pew's projects are in their fields. That *Trust* has indeed served as a publication the organization holds high is a sweet memory to carry into retirement.

Marshall Ledger

The full report, *Between Two Worlds: How Young Latinos Come of Age in America*, can be accessed at <http://pewhispanic.org>. All of the Pew Research Center's reports on millennials are available at <http://pewresearch.org/millennials>.

The national debt stands at \$7.6 trillion and is growing fast, rising by nearly \$2 trillion in 2009—an unsustainable rate and a threat to the economy, according to the report *Red Ink Rising: A Call to Action to Stem the Mounting Federal Debt*, issued in December by the Peterson-Pew Commission on Budget Reform. The commission calls on policy makers to enact both spending cuts and tax increases to shift our nation's fiscal course.

The group recommends that Congress and the White House

- adopt an ambitious, but achievable target that would reduce the public debt to 60 percent of the gross domestic product by 2018;
- negotiate a specific package of spending reductions and tax increases that are gradually phased in to protect the recovering economy; and
- create an automatic enforcement mechanism to keep revenues and spending on target.

The commission followed this report with *Budget Blueprint: Paths to 60%*, which demonstrates the types and magnitude of policy changes needed

to reach that figure in eight years.

The Peterson-Pew Commission on Budget Reform is a partnership of the Peter G. Peterson Foundation, The Pew Charitable Trusts and the Committee for a Responsible Federal Budget. It does not endorse specific tax and spending policies but aims to build bipartisan consensus for a core set of reforms.

The commission comprises former members of Congress, including co-chairs Bill Frenzel, Tim Penny and Charlie Stenholm, as well as former heads of the Office of Management and Budget, the Congressional Budget Office and the Government Accountability Office, plus other fiscal experts. To access all of its work, go to <http://budgetreform.org>.



An art exhibition you can see from an elevated train—that is *Love Letter*, a series of murals along Market Street in West Philadelphia, and probably best seen by the El that goes up and down that route.

The project includes 50 rooftop and street-level paintings, each depicting a love letter from one person to another, from an artist to his hometown and from local residents to their West Philadelphia neighborhood. Sometimes a single message “jumps” from one building wall to another, with the El rider following it as the train moves on.

The collection, which garnered articles in *The New York Times*, *The Philadelphia Inquirer* and the *Wall Street Journal*, is the brainchild of Steve Powers, Philadelphia native and former graffiti writer (known as Espo), who has become an established gallery artist, illustrator and Fulbright scholar; he now lives in New York City.

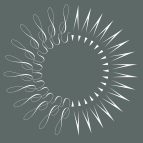
The murals were supported by the Pew Center for Arts and Heritage through the Philadelphia Exhibitions Initiative and completed with the city’s permission (and that of businesspeople and building owners along the corridor), in partnership with the city’s Mural Arts Program, which is supported in part by Pew’s Culture program and the Pew Fund for Health and Human Services in Philadelphia.

More than 30 artists participated. In addition, Powers recruited residents to help, and the Mural Arts Program offered a course in vinyl art painting, with students creating new signage for businesses on Market Street.

Love Letter is slated to be documented in two books, a film and a gallery exhibition. To download a map of the project so that you can take the tour, visit www.aloveletterforyou.com or www.muralarts.org. You can also follow the project on Twitter@aloveletter4u. ■

Emily Cheramie Walz





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Why should credit cards—an economic convenience—pose a risk to one’s health and well-being? In helping right a wrong, the Pew Health Group didn’t settle for “business as usual.”