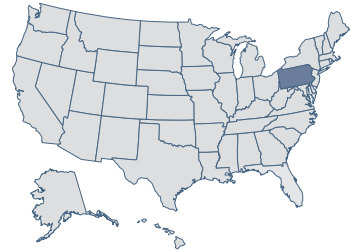


Pennsylvania

46 Economic Performance
Rank: 2009

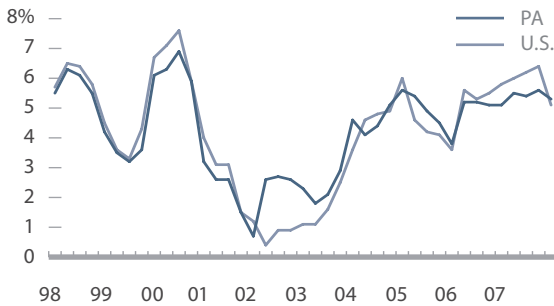
42 Economic Outlook
Rank: 2009



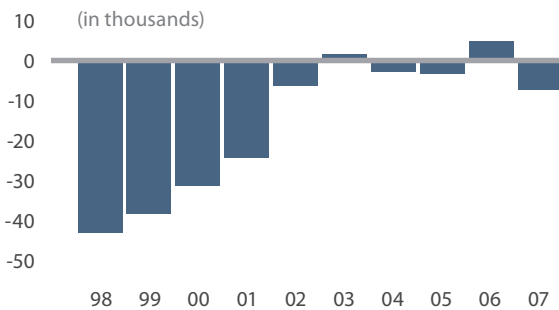
Economic Performance Rank (1=best 50=worst)

A historical measure based on a state's performance (equally weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

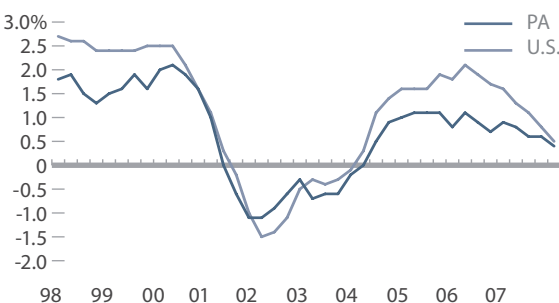
Personal Income Per Capita Cumulative Growth 1997-2007 **50.9%** **Rank: 30**



Absolute Domestic Migration Cumulative 1998-2007 **-148,979** **Rank: 42**



Non-Farm Payroll Employment Cumulative Growth 1997-2007 **7.2%** **Rank: 40**



Economic Outlook Rank (1=best 50=worst)

A forecast based on a state's standing (equally weighted average) in the 15 important state policy variables shown below. Data reflect state + local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison
2008 ECONOMIC OUTLOOK RANK

36

| Variable | Data | Rank |
|--|---------|------|
| Top Marginal Personal Income Tax Rate | 7.05% | 36 |
| Top Marginal Corporate Income Tax Rate | 13.97% | 49 |
| Personal Income Tax Progressivity (change in tax liability per \$1,000 of income) | \$0.00 | 2 |
| Property Tax Burden (per \$1,000 of personal income) | \$32.13 | 29 |
| Sales Tax Burden (per \$1,000 of personal income) | \$17.48 | 13 |
| Remaining Tax Burden (per \$1,000 of personal income) | \$24.00 | 41 |
| Estate/Inheritance Tax Levied? | Yes | 50 |
| Recently Legislated Tax Changes (2007 & 2008, per \$1,000 of personal income) | -\$0.42 | 19 |
| Debt Service as a Share of Tax Revenue | 9.3% | 41 |
| Public Employees Per 10,000 of Population (full-time equivalent) | 476.1 | 3 |
| State Liability System Survey (tort litigation treatment, judicial impartiality, etc.) | 57.8 | 36 |
| State Minimum Wage (federal floor is \$6.55) | \$7.15 | 32 |
| Average Workers' Compensation Costs (per \$100 of payroll) | \$2.68 | 36 |
| Right-to-Work State? (option to join or support a union) | No | 50 |
| Number of Tax or Expenditure Limits (0= least/worst, 3=most/best) | 0 | 29 |