

FIRST PRIORITY BANK SPONSORS PUBLIC REPORT ON AREA & NATIONAL ECONOMY

~~~~~  
Following is a reprint reporting on the Event  
From the West Chester Daily Local

Stocks B2

## BUSINESS

DAILY LOCAL NEWS

www.DailyLocal.com

# Speakers say economy is improving

### Pain from recession is still being felt, however

By **JIM CALLAHAN**  
Special to the Local News

**EAST WHITELAND** – The national economy should continue to improve but challenges remain for the short-term, a pair of observers told a bank seminar.

David R. Kotok, chairman and chief investment officer of Cumberland Advisors of Vineland, N.J., said markets and profits are projected to return to normal in the next year from the financial panic of late 2008 and early 2009.

Meanwhile state Sen. Majority Leader Dominic Pileggi, R-9th of Chester, said the state still faces budgeting challenges in the year ahead from revenue shortfalls due to the depressed economy.

The pair were guest speakers at a discussion Thursday afternoon at the Desmond Hotel and Conference Center sponsored by First Priority Bank.

The bank, headquartered in the Great Valley Corporate Center, promoted the meeting to discuss economic trends moving forward, and to pitch its product.

“The banking industry is on the mend,” said David E. Sparks, chairman and CEO of First Priority. The seminar, he said, was a chance to get to know the “community-sized bank.”

Kotok said the recession was every bit as serious as advertised. Unemployment had “no modern equivalent.” The number of underemployed, those in jobs for which they are overqualified, is frequently overlooked. The market for college graduates has not improved either.

“The job situation is not settled, and will take . . . time to resolve.”

The financial adviser took care to advise that in many cases forecasting involved best guesses. However, based on his analysis of statistics, he said things were getting better and would continue to get better.

Pileggi, whose Delaware County state senate district includes parts of Southern Chester County, noted that Pennsylvania has fared better than many in the recession but still has many issues.

Virtually every state in the union has budget problems and Pennsylvania is no exception. Revenues to the state in virtually every category are down.

The budget for the current fiscal year, which runs from July 1 to June 30, passed months late last year and is already forecast to run a deficit.

In his position as Republican majority leader Pileggi is closely involved in the budget process. He was not enthusiastic about

the final budget of outgoing Democratic Gov. Ed Rendell.

He believed Rendell’s proposal for spreading the state sales tax to exempt categories in the upcoming budget was dead on arrival. He also questioned the governor’s 3 percent revenue projection increases.

In the current budget, revenue was projected to run at a 0 percent increase during the current year – and the state appears off by \$300 million.

Based on that alone, Pileggi thinks Rendell’s projections for the next fiscal year are off.

One audience member suggested that because of the state’s continued problems of passing a budget, it should consider passing two-year budgets instead. It was also noted that budgets were passed late in every year of the Rendell administration.

Overall, Kotok said that the nation and world were threatened by the last financial crisis. He made a point of emphasizing that the blame for the meltdown deserves to go to the United States.

Despite problems, Kotok thought the world was working together toward a better future.

The event gave First Priority, which opened in 2005, a chance to boost its name and services. The bank advertises “concierge” services, emphasizing personal customer relationships.

In addition to its Malvern headquarters in the Great Valley Corporate Center, First Priority has locations in Bucks, Berks and Montgomery counties.



Staff photo by Tom Kelly IV  
David Kotok speaks during an event at the Desmond Hotel.



Staff photo by Tom Kelly IV  
Lynn Doyle, moderates a discussion at the Desmond Hotel.

~~~~~  
“... Sponsored by First Priority Bank.”
~~~~~

~~~~~  
“The banking industry is on the mend,”
said David E. Sparks, Chairman and CEO
of First Priority. The seminar, he said,
was a chance to get to know
the “community-sized bank.”
~~~~~