



NEWS

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CLEVELAND MAYOR CAMPBELL AND KEYBANK REVEAL CITY'S UNTAPPED \$828 MILLION CASH ECONOMY

Social Compact Study Draws Implications for Driving Economic Growth and Prosperity

CLEVELAND, October 18, 2004 – Mayor Jane L. Campbell and Bruce D. Murphy, president of KeyBank (NYSE: KEY) Community Development Banking today revealed an untapped urban cash economy in Cleveland totaling \$828 million, according to “The City of Cleveland Neighborhood Market DrillDown,” a major new study by Washington D.C.-based Social Compact.

Spearheaded and principally underwritten by KeyBank, with additional funding provided by The Cleveland Foundation and Fannie Mae, “The City of Cleveland Neighborhood Market DrillDown” is a catalyst for fueling the flow of private capital, and stands out as Social Compact’s first study to focus on an entire major metropolitan city.

The study arms the city and surrounding communities; public and private entities; and prospective business owners and developers with a unique set of dependable business-oriented data and market insights not accessible through traditional market sources. These findings are essential to informed business decision-making for future investment in Cleveland’s inner city and undervalued neighborhoods according to Social Compact CEO Karin Ottesen.

“Cleveland has far greater potential for business development and job growth than otherwise indicated by conventional research and Census reports,” says Ottesen. “Many of your city’s neighborhood markets are robust, growing and increasingly stable communities with a strong consumer and small-business base, and significant untapped market potential.”

Mayor Campbell sees the benefits of the Social Compact Study as a tool for encouraging greater investment in the city: “We have been aggressively marketing the city as a viable place for retailers and developers to do business,” said Mayor Campbell. “Credit goes to KeyBank as it reveals with this study that the city has much greater purchasing potential than what traditional figures have shown. We plan to use it as we continue our efforts to market the city.”

On behalf of Key, Murphy gifted the study to the City of Cleveland at a press conference this morning at Arbor Park Village, a residential redevelopment in the heart of Cleveland’s Central Neighborhood. He knows, first-hand, the potential for profitable and much-needed business and development in Cleveland’s urban communities.

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**ADD ONE - CLEVELAND MAYOR CAMPBELL AND KEYBANK REVEAL CITY'S UNTAPPED
\$828 MILLION CASH ECONOMY**

Murphy recently led Key to a distinct break from traditional banking practices by offering check cashing and free onsite financial education to unbanked individuals and families. Key's new program, KeyBank Plus, continues to receive national attention.

"This study validates what we've already come to know as a underserved and much more deserving market space," says Murphy, who is also a board member of Social Compact. "Although underserved, there are 'phoenixes' rising all around us. Arbor Park Village and nearby shopping center, Arbor Park Place, are prime examples and evidence of the rebirth in urban vibrancy. Those efforts continue to take place and are at their best when people and organizations work together."

Key has invested \$1 billion in the city over the last 12 years. Earlier this year, Key renewed its investment agreement with the City of Cleveland for \$460 million over the next four years. Additionally, many of the "phoenixes" Murphy can point to are efforts financed by his community development lending group, which totaled \$357 million in loans nationwide last year.

Urban business opportunities and needs are so compelling, says Murphy, that Key will establish a KeyCenter (branch) in Arbor Park Place next year in addition to broadening its check-cashing program from its current five KeyCenters to a network of 18.

Following the press conference, Ottesen presented the study's findings to local developers, business leaders and public officials; community development corporations; chambers of commerce; and area nonprofits, foundations and academia. She emphasized business and job growth other Social Compact studies have led to in Harlem, NY and urban areas in Chicago and Houston. Additional studies were recently conducted in Jacksonville, FL and Washington D.C.

To obtain a copy of the Cleveland study, call 216-828-8733.

Key findings of the "The City of Cleveland Neighborhood Market DrillDown," by Social Compact:

Population:

- 28.8% larger residential population than indicated by Census Trend Projection 2003 (588,362 versus 456,625)
- 15.8% greater household count than the Census Trend Projection figure (211,719 versus 182,898)

Household Assets and Income:

- 43.9% higher single-family home values than indicated by Census Trend Projection 2003 (median value of \$80,000 versus \$55,608)
- 12.5% appreciation in single-family real estate values over the past three years (Census 2000 value: \$71,100); 70.9% over Census 1990 figures, when accounting for inflation
- 10.2% higher median household income figures than Census 2000 findings (\$28,585 versus \$25,928, respectively)
- 6.1% higher average household income than the Census 2000 figure (\$35,879 versus \$33,812)
- 17.8% higher aggregate market income than the Census 2000 figure (\$7,596,282,893 versus \$6,445,769,089)

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ADD TWO - CLEVELAND MAYOR CAMPBELL AND KEYBANK REVEAL CITY'S UNTAPPED \$828 MILLION CASH ECONOMY

Cash Economy:

- \$828 million (conservatively estimated)

Concentrated Income:

- \$153,866 in adjusted aggregate income per acre, 9.8% more than Census Trend Projection 2003 and 17.8% more than Census 2000
- \$98,473,981 in income per square-mile, a 9.8% difference from Census Trend Projection 2003 and 17.8% from Census 2000

Neighborhood Safety and Stability:

- 39.75% decrease in crime over 1997 figures
- Higher levels of owner occupancy, up to 78.6% versus 51.6%, when measured at a building level as compared with a unit level

Business Market Strength:

- Approximately 19,100 documented businesses employing about 436,400 people. Challenging traditional stereotypes, these are relatively stable businesses, reflected by the fact that 12,500 or 65.1% of the businesses have overcome the three-year survival hurdle
- Aggregate business revenue in excess of \$63.7 billion
- \$5,309,801,742 in potential, or untapped, local buying power – with retail sales at \$4,427,000,000 there are \$882,801,742 potentially available in local buying power

Social Compact

Launched in 1990, Social Compact is a coalition of business leaders who have joined forces to promote successful business investment in undervalued communities for the benefit of current residents. Its goal is to ignite private business investment initiatives that will fuel the long-term competitive strength of lower-income communities. Social Compact has pioneered the Neighborhood Market DrillDown to address some of the key barriers to private investment in and around inner-city neighborhoods – namely undependable market information and negative stereotypes. The Neighborhood Market DrillDown is a unique market analysis model built on innovative sources of dependable, business-oriented data designed to reveal the fundamental business attributes and market characteristics of urban communities. unique characteristics of the inner city in order to capture density, hidden populations, cash economies and micro-market development patterns that exist below the radar of traditional market information sources. For more information, visit <http://www.socialcompact.org/>.

KeyCorp

Cleveland-based KeyCorp is one of the nation's largest bank-based financial services companies, with assets of approximately \$88 billion. Key companies provide investment management, retail and commercial banking, consumer finance, and investment banking products and services to individuals and companies throughout the United States and, for certain businesses, internationally.

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