



FOR IMMEDIATE RELEASE – MARCH 11, 2009

PEW'S SUBSIDYSCOPE UNVEILS NEW WEB TOOL TO TRACK TARP INVESTMENTS IN REAL TIME

WASHINGTON, D.C. –Certain Treasury Department investments under the Troubled Asset Relief Program (TARP) can now be tracked in real time using a tool introduced today by Subsidyscope. A project of The Pew Charitable Trusts, Subsidyscope provides detailed online data on federal subsidies, including efforts aimed at troubled financial institutions.

The Web site, www.subsidyscope.com, provides an interactive table that shows whether warrants obtained by Treasury from the 200-plus participants in TARP are “in the money” or “out of the money” based on the closing daily stock prices for each company. Warrants are options to buy shares of a company’s common stock at any point over a specific period. “In the money” means that the government is ahead – for the moment, at least – in terms of the warrants’ payoff; “out of the money” means it is behind. If stock prices rise, investments that are now behind can still come out ahead.

Based on the closing prices on Tuesday, March 10, all but four of the 234 warrants listed on Subsidyscope are out of the money, and about one-third have stock prices more than 50 percent below the point at which taxpayers would recognize gains – if the government exercised its rights today. Some of the biggest recipients of TARP funding are in the most difficult financial situations. For example, the stock price for AIG is 83 percent below the break-even point for the warrants that the government received on November 25, 2008; and Citigroup’s stock prices are more than 90 percent below the breakeven point for the warrants the government received on October 28, 2008.

Subsidyscope is raising awareness about the role of federal subsidies in the economy by creating a searchable database of federal subsidies and publishing the data online. Subsidyscope is guided by a broad and bipartisan advisory board of top experts in federal spending, taxes, and finance and supported by the project’s technology partner, the Sunlight Foundation.

The Pew Charitable Trusts (www.pewtrusts.org) 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 civic life.

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