
THE CIVIC FEDERATION



2006 AWARDS LUNCHEON

Wednesday, April 26

Hilton Chicago & Towers

A message from

SCOTT SAEF

CHAIRMAN OF THE BOARD OF DIRECTORS



Welcome to The Civic Federation's 2006 Annual Awards Luncheon. On behalf of The Civic Federation Board of Directors, I want to thank you all for joining us today as we honor the exemplary civic leadership of John W. Rogers, Jr. and the Allstate Corporation.

This event would not be possible without the dedication and generosity of our Awards Luncheon co-chairs: Lester Crown, James Farrell and Andrew McKenna. These men are civic giants in their own right, and their unwavering support for The Civic Federation is yet another testament to their commitment to improving our community.

I would also like to express my gratitude to The Civic Federation Board of Directors.

I am privileged to serve with such a dedicated and diverse group of people, whose involvement in The Civic Federation is at the heart of its efforts to improve state and local government in Illinois. I would especially like to acknowledge the leadership of the Executive Committee, particularly our vice chairs, Sarah Garvey, George Lofton and Barbara Stewart, and our treasurer, Joseph Starshak. The hours these individuals spend on The Civic Federation yield enormous dividends.

The Civic Federation's independent, non-partisan research and promotion of rational tax policies had a significant impact over the past year. The Federation continues to lead the call for comprehensive state and local pension reforms, including recommendations to reform the governance of public pension plans. This spring, we have opposed the proposed fiscal year 2007 state budget – a plan that reduces pension contributions while increasing funding for new and recurring programs. The Federation's analysis of the state budget and concerns over the pension system have been cited and embraced by many elected officials, rating agencies and the media but there is still much work to be done. State and local public pension funds are in crisis. Immediate action must be taken to slow the downward spiral of pension underfunding by addressing both benefit levels and contributions.

The Civic Federation analyzed and made its yearly recommendations on the budgets of the City of Chicago, Cook County and seven other local governments last year. This year, the Federation reviewed DuPage County's budget for the first time. The Federation appreciates the high level of cooperation it received from the leaders and financial officers of DuPage County and so many of the other governments with which it works. Those governments that showed progress in increasing transparency and efficiency before routinely turning to revenue increases earned high marks from the Federation.

The Federation's Transportation Committee continues its work to improve the financial stability of our transit systems and to explore modern ways to address the City of Chicago's and State of Illinois' growing infrastructure needs through privatization and other financial opportunities.

On these and many other issues, the voice of The Civic Federation is being heard. If you are not yet a member of The Civic Federation, I encourage you to join us in our efforts. Our success in improving government accountability and fiscal responsibility depends on the support of business and civic leaders.

Thank you for being with us today as we honor John W. Rogers, Jr. and The Allstate Corporation.

A message from
**CO-CHAIRS OF THE
AWARDS LUNCHEON**

LESTER CROWN, W. JAMES FARRELL
AND ANDREW J. MCKENNA

It is a pleasure for us to welcome you to The Civic Federation's 2006 Annual Awards Luncheon as we join together to recognize an outstanding Chicagoan and an outstanding Chicago corporation for their important and lasting contributions to our community.

This year, we are privileged to recognize two exceptional examples of civic leadership in Chicago:

- The **2006 Lyman J. Gage Award for Outstanding Civic Contribution by an Individual** is given to acknowledge the civic leadership and commitment of **John W. Rogers, Jr.**, Chairman and Chief Executive Officer of Ariel Capital Management.
- The **2006 Addams-Palmer Award** recognizes the **Allstate Corporation's** 75-year history of exemplary civic involvement in Chicago.

Since its founding 112 years ago, The Civic Federation has been a strong voice for responsible government, but it can only be as effective as we make it. Over the years, we have learned that our community can thrive and flourish only through the civic involvement of the individuals and corporations that call Chicago home. We sincerely appreciate the members of the Chicago business and civic community who have joined us today to honor these outstanding leaders and support their common goal of improving Chicago.

It has been a pleasure to serve as co-chairs of this special event. Thank you for your participation today and for your continued support of The Civic Federation.



LESTER CROWN
Chairman,
Henry Crown and Company



W. JAMES FARRELL
Chairman,
Illinois Tool Works Inc.



ANDREW J. MCKENNA
Chairman, McDonald's Corporation
Chairman, Schwarz

PROGRAM

INTRODUCTION

Lester Crown

SALUTATION

The Honorable Ann Claire Williams

United States Court of Appeals, Seventh Circuit

LUNCH

REMARKS

Scott Saef

Chairman, The Civic Federation Board of Directors

AWARDS PRESENTATION

2006 ADDAMS-PALMER AWARD

FOR EXEMPLARY CORPORATE CIVIC INVOLVEMENT

The Allstate Corporation

accepted by

Edward M. Liddy

Chairman and Chief Executive Officer

presented by **W. James Farrell**

and

2006 LYMAN J. GAGE AWARD

FOR OUTSTANDING CIVIC CONTRIBUTION BY AN INDIVIDUAL

John W. Rogers, Jr.

Chairman and Chief Executive Officer

Ariel Capital Management, LLC / Ariel Mutual Funds

presented by **Andrew J. McKenna**

SALUTATION SPEAKER

THE HONORABLE ANN CLAIRE WILLIAMS



With her appointment by President Ronald Reagan in 1985 at age 35, Williams became the youngest district court judge appointed in the Northern District of Illinois and one of the youngest judges ever appointed to the federal bench. In 1999, she was appointed by President William Clinton to the Seventh Circuit Court of Appeals, where she currently sits. She is the first and only African-American to serve on the Seventh Circuit.

After earning a bachelor's degree in Education from Wayne State University and a Master's degree in Guidance and Counseling from the University of Michigan, she graduated from the University of Notre Dame Law School. Following law school, Williams clerked for U.S. Circuit Judge Robert A. Sprecher of the United States Court of Appeals for the Seventh Circuit. She then became an Assistant U.S. Attorney in Chicago, serving for nine years trying major felony cases and appearing before the Seventh Circuit.

MENU

Sliced Cheeses
Cluster of Grapes
Fresh Strawberries
Gourmet Crackers & Lavosh

Grilled Herb Crusted Breast of Chicken
Served on a bed of Tabbouleh Salad with Firecracker of Grilled Vegetables and
Oven Roasted Red Skin Potato Salad with a Dijon Mustard and Garlic Vinaigrette
and Grilled Fresh Asparagus

Homemade Brownies
Assorted Homemade Cookies

Special thanks to The Civic Federation Board member Margaret Houlihan and United Airlines for their generous contribution to the special drawing which will be held after lunch.

THE ADDAMS-PALMER AWARD

Presented for the first time in 1995, this award honors Jane Addams and Bertha Honoré Palmer, two outstanding Chicagoans who served as founders of The Civic Federation. In their memory, the Addams-Palmer award is given each year in recognition of civic achievement by a corporation.

Nobel Peace Prize winner Jane Addams, who founded Hull House on Chicago's Near West Side, is remembered for her passionate dedication to social reform, both in Chicago and throughout the world. Miss Addams embodied the civic pride, altruism, optimism, energy and determination that characterized an entire generation of Chicago reformers. Through her heartfelt commitment to the immigrants served by Hull House, Miss Addams grew into a major force for change in Chicago politics. As a founder of The Civic Federation, she battled corruption in City Hall, joining forces with business leaders, social activists and other concerned citizens with the goal of making Chicago "the best governed, the healthiest and the cleanest city in the country."

The wife of Chicago's richest man, Bertha Honoré Palmer was the acknowledged leader of Chicago society, known for her superb taste, her generous philanthropy and her keen sense of social justice. She gained national prominence as the president of the Board of Lady Managers of the Columbian Exposition of 1892. Although the ladies' board was originally intended to be largely honorary, the ladies – under Mrs. Palmer's guidance – succeeded in creating one of the gems of the Exposition, the Women's Building. A friend of Jane Addams, Mrs. Palmer gave both time and money to support Hull House and joined with Miss Addams in launching The Civic Federation. After her husband's death in 1902, Mrs. Palmer took over active management of his \$8 million estate; she more than doubled the estate's value over the next decade. On her death, she left the Art Institute of Chicago more than 50 paintings by Cassatt, Monet, Renoir, Manet, Degas and many others; those works now make up the heart of the Art Institute's Impressionist collection.

PREVIOUS RECIPIENTS OF THE ADDAMS-PALMER AWARD INCLUDE:

1995	SEARS ROEBUCK AND COMPANY
1996	UNITED AIRLINES, INC.
1997	CHICAGO '96
1998	FIRST NBD CORPORATION
1999	BP AMOCO
2000	MCDONALD'S CORPORATION
2001	LASALLE BANK
2002	AON CORPORATION
2003	R.R. DONNELLEY
2004	EXELON CORPORATION
2005	WILLIAM BLAIR & COMPANY, L.L.C.
2006	THE ALLSTATE CORPORATION

ADDAMS-PALMER AWARD RECIPIENT



Allstate®

You're in good hands.

accepted by

EDWARD M. LIDDY, CHAIRMAN AND CEO

Established in Chicago seventy-five years ago, The Allstate Corporation is one of the nation's leading insurers and one of America's most admired companies. Allstate is known for its commitment to being a first-rate, flexible and diverse place to work, as well as an outstanding corporate citizen.

Apart from the help the company provides under its mission to protect the lives and possessions of its customers, Allstate has invested millions of dollars in Chicago and communities across the country through its philanthropic organization, The Allstate Foundation, and logged thousands of hours annually in volunteer work through its employees and agents. The Foundation focuses its efforts on three areas: safe and vital communities; economic empowerment; and tolerance, inclusion, and diversity. More recently, it launched two "signature programs" to empower victims of domestic abuse and promote safe teen driving across the nation.

Allstate takes a special interest in its home community, the Chicagoland area, and promotes its community service ethic in many programs. Understanding that communities must be safe to prosper and culturally vital to grow, The Allstate Foundation is a strong supporter of the community policing program of the Chicago Police Department, CAPS, the Chicago Children's Museum and many other organizations that help make Chicago and the region safer, stronger and a better place to live and work. In an ongoing effort to improve the lives of Chicago's youngest citizens, The Allstate Foundation is a long-time supporter of Junior Achievement of Chicago, Metropolitan Family Services and the Cara Program, which teaches children and adults economic literacy. Allstate also strongly supports Boys and Girls Clubs, especially in the Chicago area, and the gang prevention, diversity and tolerance programs they provide to the community.

Allstate's commitment to Chicago and the many communities it serves goes beyond corporate philanthropy. The Allstate Corporation leads by example. It supports and encourages the volunteer work its employees and agents do in their communities. Through the Helping Hands Grant Program and Agency Hands in the Community, the Foundation celebrates volunteerism by donating to charitable, social or humanitarian organizations where they volunteer.

THE LYMAN J. GAGE AWARD

In keeping with the civic commitment and vision of its first president, The Civic Federation annually presents the Lyman J. Gage Award for Outstanding Civic Contribution to an individual who has consistently demonstrated dedication to civic concerns in the Chicago area.

Lyman Judson Gage (1836-1927) was born in upstate New York. As a young man, he moved to Chicago and began working for The First National Bank, where he rose from cashier to bank president.

In 1889, Chicago's City Council launched a bid to host a World's Fair commemorating the 400th anniversary of Christopher Columbus' voyage to the New World. Gage was one of 100 prominent citizens appointed to a committee to promote Chicago's bid. At the time, public opinion was mixed on the wisdom of investing in such an extravagant undertaking. However, Gage saw the proposed Fair as an opportunity to showcase Chicago as a world-class city and led a \$10 million fundraising drive to build the World's Columbian Exposition. Although cynics predicted disaster, the 1893 Exposition was a great critical and financial success. More than 27 million people visited the Fair during its six-month run, and it provided an important source of jobs during a time of national economic depression.

In the wake of the Fair, Chicago confronted serious economic challenges compounded by widespread corruption in city government. In response, Gage helped to organize a series of conferences to address the problems of rampant poverty, gambling and prostitution. At one of the conferences, the featured speaker was journalist William T. Stead, author of the muckraking book, *If Christ Came to Chicago*. Stead's speech so electrified the audience that they resolved to join together to address Chicago's urgent need for reform. That group became The Civic Federation, which was formally incorporated in February 1894. Gage was elected president of The Civic Federation at its incorporation and was joined by Jane Addams and Bertha Palmer as the organization's first officers.

In 1897, Gage joined the cabinet of President William McKinley as Secretary of the Treasury. He was reappointed by President Theodore Roosevelt but left in 1902 to become the president of The United States Trust Company in New York. Gage retired in 1906 to San Diego, where he died in 1927.

PREVIOUS RECIPIENTS OF THE ADDAMS-PALMER AWARD INCLUDE:

1982	ALAN GREENSPAN	1995	HILLARY RODHAM CLINTON
1983	DONALD REGAN	1996	HENRY HYDE
1984	LAVERN W. KRON	1997	DANIEL E. MCLEAN
1985	PHILIP M. KLUTZNICK	1998	JAMES J. O'CONNOR
1986	JOHN E. SWEARINGEN	1999	RUTH M. ROTHSTEIN
1987	EDWARD A. BRENNAN	2000	CLARK BURRUS
1988	JAMES F. BERE	2001	JOHN M. BRYAN
1989	FRANK W. CONSIDINE	2002	ANDREW MCKENNA
1990	RICHARD M. MORROW	2003	WILLIAM A. OSBORN
1991	STANTON R. COOK	2004	LESTER CROWN
1992	ROBERT W. GALVIN	2005	W. JAMES FARRELL
1993	WILLIAM L. WEISS	2006	JOHN W. ROGERS, JR.

LYMAN J. GAGE AWARD RECIPIENT

JOHN W. ROGERS, JR.



John W. Rogers, Jr. is the Chairman, Chief Executive and Chief Investment Officer of Ariel Capital Management, LLC an institutional money management firm and mutual fund company he founded in 1983. Under his direction, Ariel has grown to manage more than \$19 billion in assets for corporate, public, union and non-profit organizations as well as individual investors.

Beyond Ariel, Mr. Rogers serves on the boards of four public companies: Aon Corporation, Bally Total Fitness Holding Corporation, Exelon Corporation and McDonald's Corporation. He also serves on the boards of many civic institutions including the Chicago Urban League, the University of Chicago, the John S. and James L. Knight Foundation and Rush-Presbyterian-St. Luke's Medical Center. He is a life trustee of the Chicago Symphony Orchestra and former President of the Board of the Chicago Park District.

A great believer in corporate responsibility and community involvement, Mr. Rogers promotes a "hands-on" commitment to the city of Chicago and his employees' communities. This led to the founding of the Ariel Education Initiative, a non-profit enterprise with the goal of "advancing educational opportunities in economically disadvantaged areas through innovative programs which integrate academic excellence, family involvement and community service." The main focus of the program is the Ariel Community Academy, a small Chicago public school in North Kenwood, serving over 400 students in pre-kindergarten through eighth grade. Ariel Community Academy was named a Magnet School of Excellence last year based on its high academic standards, innovative curriculum and diversity efforts. Mr. Rogers is actively involved in the school and so are Ariel employees who participate through mentoring, tutoring, painting, gardening and many other activities.

Mr. Rogers graduated from Princeton University with an AB in economics and was named one of Time magazine's "50 for the Future" in 1994.

A message from

LAURENCE J. MSALL

PRESIDENT



Thank you for attending The Civic Federation's 2006 Annual Awards Luncheon. As President of The Civic Federation, I want to express my heartfelt appreciation to everyone who made this luncheon event a success. I am especially grateful to our luncheon co-chairmen, James Farrell, Lester Crown and Andrew McKenna, all towering giants of civic involvement. Their support and involvement makes The Civic Federation and so many Chicago institutions even stronger.

Today we recognize one of Chicago's great civic statesmen, John W. Rogers, Jr., with the Lyman J. Gage Award for Outstanding Civic Contribution by an Individual. As the founder, Chairman and CEO of Ariel Capital Management, Mr. Rogers is a recognized leader in

Chicago's business community with an exemplary record of civic leadership and commitment to improving the quality of life for all Chicagoans.

It is also the Federation's privilege today to present the Addams-Palmer Award for Exemplary Corporate Civic Involvement to The Allstate Corporation. Allstate has won national acclaim for its efforts to protect the lives and possessions of millions of customers across America and it has been at the forefront of civic involvement in Chicago for 75 years.

The Civic Federation's efforts over the past 12 months have been productive and successful. A large part of that success is the result of the hard work of Lise Valentine, Roland Calia, Susan Charrette and the other hard-working staff of the Federation. Some of the Federation's most promising efforts include public pension funding and governance reform, property tax reform, privatization, rationalization of employee benefits, elimination of the wasteful and unnecessary Suburban Tuberculosis Sanitarium District and improved mass transit funding. Much of this work is also incorporated into our annual review of the budgets of the State of Illinois and ten local governments in northeastern Illinois. All of our work is available on our website, www.civicfed.org.

None of the Federation's success would be possible without the active support, participation and good counsel of the Civic Federation's members. We look to them to help us craft and deliver our century-old message of promoting efficiency and effectiveness in government operations. The Federation staff is particularly grateful to those members who participate in the work of our policy and Board committees and the chairpersons of those committees who give graciously of their time and talent. I would like to specifically thank the chairs of those committees: Thomas McNulty of the Tax Committee, Carol Garnant and Joseph Starshak of the State Tax Restructuring and State Budget Committees, Richard Ciccarone and James Spiotto of the Pension Committee, A.G. Anglum of the Research Committee, Burt Nuehring of the DuPage Committee and Joseph Starshak of the Transportation Committee.

In closing, I want to thank our Civic Federation Chairman Scott Saef for his steadfast commitment and leadership of The Civic Federation. Thanks to the efforts and continued support of our Board of Directors and every member of The Civic Federation, our mission of improving government operations in Illinois is much more attainable. Because of all of you, I feel truly honored to be a part of The Civic Federation.

THE CIVIC FEDERATION 2006 AWARDS LUNCHEON COMMITTEE

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Aon Corporation

Ariel Mutual Funds

Illinois Tool Works Inc.

GOLD TABLES

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Chapman and Cutler LLP

Jim Gordon
Edgewater Funds

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Molex Incorporated

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Northern Trust

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