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PhillyInc: Econsult, Fairmount Capital Advisors joined in new venture

By Mike Armstrong

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You may not have heard of the economics and litigation consulting firm **Econsult Corp.** or the financial advisory firm **Fairmount Capital Advisors Inc.**

But you may remember that the **Convention Center** underwent a sweeping change in labor rules several years ago. How about efforts in New Jersey and Pennsylv-

nia to put the finances of Camden and Chester in order? Then there are the ongoing discussions of how Philadelphia should adjust its tax structure.

Econsult and Fairmount have had a hand in all of the above.

Now, the two firms are combining their practices in a new venture called the **Econsult/Fairmount Group** following a transaction in which Econsult acquired a "significant minority position" in Fairmount, according to those involved.

Neither side would disclose how much Econsult paid, only that Econsult now has two of the five seats on the Fairmount Capital board.

Though they share some of the same clients, they aren't competitors. Putting the two firms together will provide opportunities to cross-market their services, said **David Crawford**, president of Econsult, which has offices in West Philadelphia.

The bigger firm will be able to provide clients services from strategic planning to actual financing, Crawford said.

"They do a lot of economic development work. We do a lot of recovery work with distressed municipalities," said **Rodney Johnson**, president of Fairmount Capital.

Econsult has 17 full-time employees, including former city finance and commerce director **Stephen P. Mullin** and **Richard P. Voith**, a former senior economist at the **Federal Reserve Bank of Philadelphia**. But a number of other professionals are affiliated with the firm. Many are economists who teach at the **University of Pennsylvania**, **Drexel University**, and other area colleges.

Fairmount Capital, founded in 1987 by Johnson, another former city finance director, has seven employees. He said the ranks are down a bit, thanks to the turmoil of the credit markets

in the last few years. The Center City firm has concentrated on health-care and higher-education finance, helping hospital systems and universities tap the bond markets for expansion projects.

While Econsult's name seems to be attached to all sorts of economic-impact and public-policy reports locally, it got its start in 1979 as a provider of expert testimony in litigation, especially employment discrimination. Crawford said its litigation work takes the company all over the country.

For now, the firms will maintain their separate locations, but they will be looking to put everyone under the same roof. There will be no layoffs associated with the combination, Crawford and Johnson said.

Given the budgetary stresses faced by municipalities and states, it would seem to be a prime time to be in the disciplines of economic and financial advising. And it is . . . to a point, Crawford said. "Some are facing such difficult challenges they can't afford help," he said.

Still, the downbeat economic outlook is providing new business opportunities for firms like Econsult/Fairmount. When it comes to financial health returning to state and local budgets, Johnson said, "we're a long way from being out of the woods."

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