



## City Controller's Office Monthly Economic Snapshot (Dec) 31-Dec-09

### Total Non-Farm Employment (in thousands)

Source: BLS

	Dec-09	Dec-08	Change	Nov-09
<b>City Total</b>	<b>647.7</b>	<b>665.4</b>	<b>-2.66%</b>	<b>650.3</b>
Manufacturing	24.4	26.3	-7.22%	24.5
Wholesale & Retail	61.3	65.2	-5.98%	61.0
Services	614.1	627.8	-2.18%	616.2
Construction & Mining	9.2	11.3	-18.58%	9.6
<b>MSA Total</b>	<b>2734.4</b>	<b>2804.2</b>	<b>-2.49%</b>	<b>2737.0</b>
Manufacturing	199.5	211.1	-5.50%	199.5
Wholesale & Retail	422.4	438.3	-3.63%	418.8
Services	2433.5	2477.9	-1.79%	2432.3

### Unemployment Rate (%)

Source: BLS

	Nov-09	Oct-09	Change	Nov-08
City	10.6	11.1	-6.33%	7.9
MSA	8.5	8.8	-5.08%	5.9
	Dec-09	Nov-09	Change	Dec-08
US	10.0	10.0	0.00%	7.2

### City Tax Collections (millions)

Source: Philadelphia Revenue Commissioner

Through 12/31/09	FY2010	FY2009	Change	% Budget
Sales	\$67.33	\$66.23	1.66%	48.3%
Wage/NPT/Earnings (City & PICA)	\$709.60	\$737.11	-3.73%	47.0%
<b>Tot City &amp; PICA Tax Revs</b>	<b>\$954.84</b>	<b>\$1,003.39</b>	<b>-4.84%</b>	<b>36.2%</b>

### Office Availability Rate (%)

Source: CB Richard Ellis

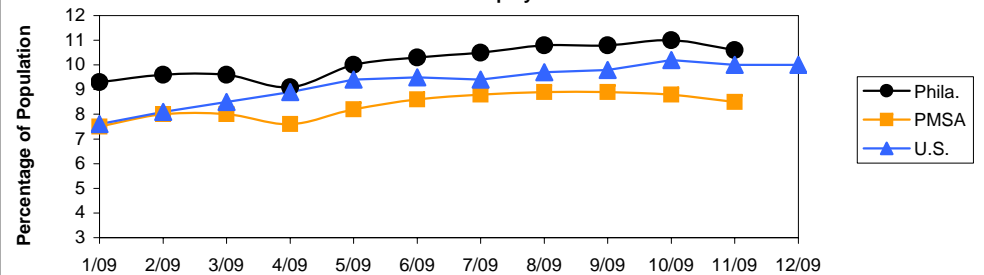
	4Q-09	4Q-08	Change	3Q-09
Central Bus. District	15.0	12.2	22.95%	14.4
Philadelphia Suburbs	22.6	19.1	18.32%	22.5

### Demographic And Socio-Economic Snapshot 2006 (Population/Demographics - 2006 Census American Community Survey)

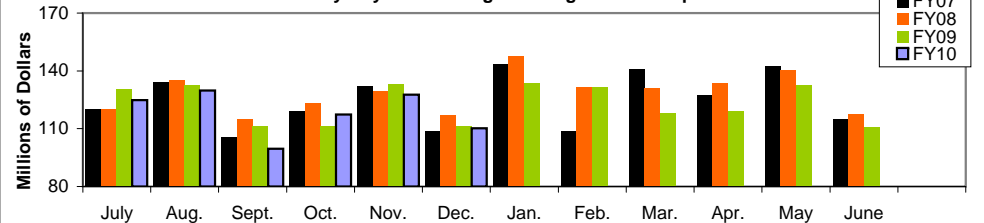
	Population	Male	Female	White	Af. Amer.	Asian	Other	Hispanic	Pov. Rate	Under 18	Over 65	Md Hse Inc
City of Philadelphia	1,540,351 *	46.78%	53.21%	41.83%	44.33%	5.30%	8.50%	10.46%	25.10%	25.58%	13.00%	\$ 33,229

**Highlights:** Sales tax collections in December of \$15.5M were 63% higher than the previous year and for the first time reflected the one percent increase implemented the first week of October. Because of the delay in reporting data, the impact of holiday sales will not be known for several months. Excluding sales taxes, Philadelphia general fund tax revenues declined 2.1 percent in December compared to last year. PICA notes movement toward stabilization in the wage and real estate transfer tax bases. Pennsylvania's seasonally adjusted unemployment rate rose to 8.9 percent in December, up four-tenths of a percentage point from November, but still below the national rate of 10%. Pennsylvania's rate has been at or below the national rate for 83 of the past 84 months. The statewide rate was up 2.5% from December 2008, while the U.S. rate was up 2.6% over the year. The Philly Fed's Business Outlook Survey for January shows continued improvement in the region's manufacturing sector, with firms optimistic about growth through the next six months.

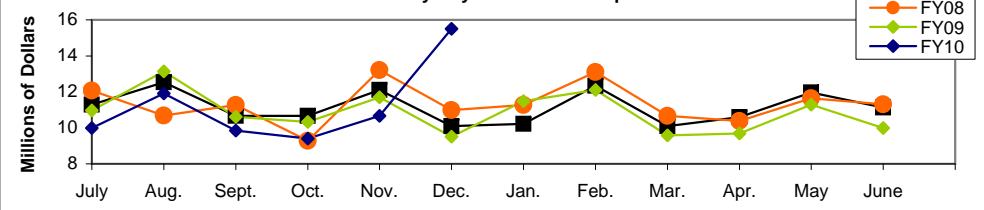
### Historical Unemployment Rate



### Monthly City & PICA Wage/Earnings/NPT Receipts




### Monthly City Sales Tax Receipts



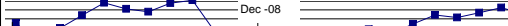
## Economic Forecasts

December 2009

Arrows ( $\Rightarrow$ ,  $\nRightarrow$ ,  $\approx$ ,  $\uparrow$ ,  $\downarrow$ ) indicate the change of the forecast over time, not the direction of the forecast itself

United States		Updates per Year	Last Update	Current GDP	2009 GDP		2010 GDP		2009 Consumer Price		Unemployment Rate	2009 Unemployment		2010 Unemployment			
2	economy.com — Precis: Metro/US	3	Sep-09		-2.6%	↗	1.8%	↗	n/a	○		9.2%	↗	10.0%	↗		
3	FRB Philadelphia — Livingston Survey	2	Jun-09		-2.8%	↗	1.1%	↗	-2.2%	○		9.9%	↗	9.8%	↗		
4	FRB Philadelphia — Survey of Professional Forecasters	4	Nov-09		-2.5%	↗	2.4%	↗	1.7%	↗		9.3%	↗	10.0%	↗		
5	National Association for Business Economics — NABE Outlook	4	Nov-09		-9.0%	↗	3.1%	↗	-0.8%	○		8.4%	↗	8.8%	↗		
6	The Conference Board — U.S. Leading Indicator *	12	Dec-09	<b>Level of Business Activity</b>	<b>Dec-09</b> 106.4											This chart tracks the Indicator for the last 12 months.	

Narrative: The American Bankers Association 4th Quarter Economic Discussion states flatly that "after four consecutive quarters of GDP contraction, it is likely that the recession has officially come to an end," though it warns that "headwinds and imbalances still exist that will likely dampen growth moving into the near to intermediate future." The Conference Board's Leading Economic Indicator for the U.S. increased sharply in December, continuing a steady rise for nine consecutive months. The six-month growth rate has picked up slightly to 5.2 percent (about a 10.8 percent annual rate) in the period through December, substantially higher than earlier in the year. In addition, the strengths among the leading indicators have remained very widespread in recent months. According to the Conference Board, the indicators point to an economy in early recovery. The coincident economic index shows slow expansion of economic activity through December. The leading economic index suggests that the pace of improvement could pick up this spring.

Regional (U.S. Northeast) & Local (Phila. Metro)			Updates per Year	Last Update	Current GRP/GMP	2009 GRP/GMP (percent change)		2010 GRP/GMP (percent change)		2009 Personal Income Growth		2010 Personal Income Growth		2009 Net Migration (thousands)		2010 Net Migration (thousands)				
7	economy.com — Précis: Metro/NORTHEAST		3	Sep-09	2747.0	N/A	↻	N/A	↻	-0.1%	↻	1.1%	↻	-94.4	↻	-68.3	↻			
8	economy.com — Précis: Metro/Philadelphia		3	Sep-09	146.0	-3.4%	↻	1.0%	↻	0.6%	↻	1.4%	↻	-5.7	↻	-5	↻			
					Current (2009) Employment	2009 Employment		2010 Employment		Cost of Doing Business (U.S. = 100)		Current (2009) Unemployment	2010 Unemployment		2011 Unemployment					
7	economy.com — Précis: Metro/NORTHEAST		3	Sep-09	28,635	-2.7%	↻	-1.2%	↻	109	⇒	8.3%	9.4%	↻	8.4%	↻				
8	economy.com — Précis: Metro/Philadelphia		3	Sep-09	1,875	-2.6%	↻	-0.5%	⇒	105	⇒	8.2%	9.1%	↻	8.1%	↻				
					Leading Indicator	Jan-07 to Dec-09												This chart tracks the Indicator for the last 24 months.		
10 FRB Philadelphia — Business Outlook Survey						12	Jan-09	15.2	↻											

Narrative: According to CB Richard Ellis, Greater Philadelphia's office market had positive total net absorption for the first time since the second quarter of 2008, an indication that the economy may be stabilizing. Ellis predicts that the local office market will remain sluggish through June 2010 but approach the "light at the end of the tunnel" by the end of 2010. The Philly Fed's Business Outlook Survey for January found that the future general activity index for firms in the Philadelphia region remained positive for the 13th consecutive month. Indexes for future new orders and shipments also improved in December. For the ninth consecutive month, the percentage of firms expecting employment to increase over the next six months (28 percent) exceeded the percentage expecting declines (14 percent). Firms also forecast increases in inventories, unfilled orders, and delivery times. The Philadelphia Fed notes that job losses in Pennsylvania in the closing months of 2009 were not as severe as they were earlier in the year.

1	American Bankers Association, ABA — Forecast and Outlook	This outlook delivers a one-year forecast for mostly banking-related indicators as well as general economic measures.
2, 7, 8	economy.com — Précis: Metro/US/Northeast/Philadelphia	These outlooks include five-year forecasts of eleven key indicators. There are separate tables for the US, the US-Northeast, and the Philadelphia area.
3, 4, 9, 10	FRB Philadelphia	Federal Reserve Bank, 3rd district, Philadelphia — covers eastern Pennsylvania, southern New Jersey, and the state of Delaware.
3	FRB Philadelphia — Livingston Survey	The Livingston Survey was started in 1946 by the late columnist Joseph Livingston. It is the oldest continuous survey of economists' expectations. It summarizes the forecasts of economists from industry, government, banking, and academia.
4	FRB Philadelphia — Survey of Professional Forecasters	The Survey of Professional Forecasters is one of the oldest (since 1968) quarterly survey of macroeconomic forecasts in the US.
9	FRB Philadelphia — Regional Employment Forecasts	This is a regional indicator predicting job growth and unemployment rate one year from now.
10	FRB Philadelphia — Business Outlook Survey	The Business Outlook Survey is a monthly survey of manufacturers in the Philadelphia area indicating the change in expected business activity six months from now. The index represents a percentage of respondents predicting an increase.
5	National Association for Business Economics — NABE Outlook	The NABE Outlook presents the consensus of macroeconomic forecasts made by a panel of 37 professional forecasters from the membership of the National Association for Business Economics. The survey originated in 1965.
6	The Conference Board — U.S. Leading Indicator	The Leading Indicator gauges the whereabouts of the US economy in nine months.