

## Office of the Controller

## City of Philadelphia

## **Financial and Policy Analysis Unit**

Economic Forecasts	March	2009								Arrow	/s(⇔ ⊘	<b>□ □ □</b>	) indicate the	e change of the forecast over time, not the direction of the forecast itself.
United States	Updates	Last	Current	20	09	20	10	20	09	Current	20	109		2010 Unemployment
United States	per Year	Update	GDP	GDP		GDP		Consumer Price		Unemployment	Unemployment			
American Bankers Association, ABA — Forecast and Outlook	2	Jun-08		3.5%	Ø	4.5%	Ø	3.7%	<b>⊘</b>		5.3%	Ø	5.7%	Ø
2 economy.com — Précis: Metro/US	3	Jan-09	4th Quarter 2008	-1.7%	₩	2.0%	2	n/a	0	Mar 2009	8.1%	Ø	8.9%	Ø
3 FRB Philadelphia — Livingston Survey	2	Dec-08	-6.2%	-2.2%	₩	1.8%	Ø	-2.2%	₩	8.5%	6.8%	Ø	7.6%	Ø
4 FRB Philadelphia — Survey of Professional Forecasters	4	Nov-08	-0.2%	-2.9%	∿	-1.1%	2	2.1%	₩	8.5%	6.6%	Ø	7.0%	O
5 National Association for Business Economics — NABE Outlook	4	Nov-08		-9.0%	₩	3.1%	Ø	-0.8%	0		8.4%	Ø	8.8%	Ø
						_	_						Mar-09	This chart tracks the Indicator for the last 12 months.
			Level of	Mar-09		Mar-08							*In March 2008, base year data changed from 1996=100 to 2004=100,	
6 The Conference Board — U.S. Leading Indicator *	12	Apr-09	Business Activity	98.1	2	war-c	16							limiting the availability of historical data to 11 months.

Narrative: Economists have become cautiously optimistic that the economy is starting to level off. Declines in key indicators (industry demand, empoloyment, capital spending and profitability) are slowing, suggesting that the economy is at an inflection point. Stock markets recover about six months before other economic indicators, so the recent rally on Wall Street may support the inflection theory. The impact of the Economic Stimulus program has yet to be felt, and is unlikely to have effect before late 2009 or early 2010. Likewise, as capital availabilty returns and confidence is regained, housing markets should recover in the same period as pent up demand is released.

Regional (U.S. Northeast) & Local (Phila. Metro)	Updates per Year	Last Update	Current GRP/GMP	200 GRP/GMP chan	(percent	20° GRP/GMP chan	(percent	200 Personal Grov	Income	20° Personal Grov	Income	20 Net Miç (thous	gration		2009 Net Migration (thousands)
7 economy.com — Précis: Metro/NORTHEAST	3	Jan-09	N/A	N/A	0	N/A	0	0.0%	Ø	2.4%	Ø	-53.9	Ø	-54.3	Ø
8 economy.com — Précis: Metro/Philadelphia	3	Jan-09	1.8%	1.2%	₩	1.7%	Ø	0.7%	⇧	1.9%	S	-4	Ø	-4.4	Ø
			Current (2009) Employment	-	2009 2010 Employment Employment		Cost of Doing Business (U.S. = 100)		. ,	2010 Unemployment		2011 Unemployment			
7 economy.com — Précis: Metro/NORTHEAST	3	Jan-09	28,822	-2.1%	Ŷ.	-0.3%	\text{\ti}\text{\ti}}}\tittt{\text{\text{\text{\text{\text{\texi}\text{\text{\text{\text{\texi}\text{\text{\text{\texi}\text{\text{\text{\text{\text{\texi}\text{\text{\texi}\text{\text{\text{\text{\text{\text{	108	₽	7.8	%	8.6%	Ø	7.3%	Ø
8 economy.com — Précis: Metro/Philadelphia	3	Jan-09	1,893	-1.4%	∿	-0.4%	$\Rightarrow$	119	$\Rightarrow$	8.0	%	8.9%	Ø	7.5%	Ø
10 FRB Philadelphia — Business Outlook Survey	12	Apr-09	Leading Indicator	Feb- to Fel 24.4		Mar-07			N	ar-08				Mar-09	This chart tracks the Indicator for the last 24 months.

Narrative: Regional manufacturers are showing a slowing of the decline in orders and capital expenditure in March, suggesting that declines may bottom out in the next six months. Building permits fell for the month while unemployment rose, indicating that recovery may lag. Declining economic activity continues to pull the region downward, suggesting contraction into the second quarter of 2009.

1	American Bankers Association, ABA — Forecast and	This outlook delivers a one-year forecast for mostly banking-related indicators as well as general economic measures.
	Outlook	
2,7,8	economy.com — Précis: Metro/US/Northeast/Philadelphia	a 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	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.
	Outlook	
6	The Conference Board — U.S. Leading Indicator	The Leading Indicator gauges the whereabouts of the US economy in nine months.



## City Controller's Office Monthly Economic Snapshot (March)

31-Mar-09

Total Non-Farm Employme	nt (in thousands	s)		Source: BLS
	Mar-09	Mar-08	Change	Feb-09
City Total	648.4	661.5	-1.98%	652.4
Manufacturing	25.1	27.6	-9.06%	25.3
Wholesale & Retail	60.9	63.3	-3.79%	60.7
Services	613.1	622.3	-1.48%	616.7
Construction & Mining	10.2	11.5	-11.30%	10.4
MSA Total	2724.6	2804.5	-2.85%	2721.5
Manufacturing	205.1	217.1	-5.53%	205.9
Wholesale & Retail	414.1	431.5	-4.03%	412.5
Services	2415.9	2465.6	-2.02%	2412.0

Because of changes within the BLS, employment data is now released after the snapshot is published. Hereafter, employment data will lag two months behind the current month.

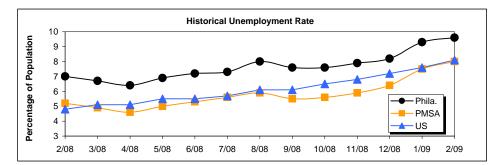
Unemployment Rate (%)				Source: BLS
	Feb-09	Feb-08	Change	Jan-09
City	9.6	7.0	37.14%	9.3
MSA	8.0	5.2	53.85%	7.5
	Mar-09	Mar-08	Change	Feb-09
US	8.5	5.1	66.67%	8.1

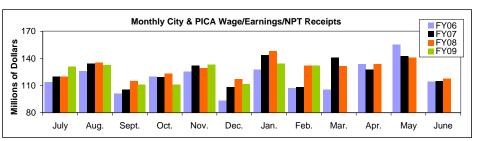
Because of changes within the BLS, local and regional unemployment data is now released after the snapshot is published. Hereafter, local and regional unemployment data will lag two months behind the current month.

City Tax Collections (millions)		Source: Philadelphia Revenue Commissione						
Through 03/31/09	FY2009	FY2008	Change	% Budget				
Sales	\$99.42	\$102.50	-3.00%	71.4%				
Wage/NPT/Earnings (City & PICA)	\$1,128.16	\$1,156.62	-2.46%	74.7%				
Tot City & PICA Tax Revs	\$1,827.64	\$1,880.76	-2.82%	75.4%				

Office Availability Rate (%)			Source:	CB Richard Ellis
	1Q-09	1Q-08	Change	4Q-08
Central Bus. District	13.0	12.4	4.74%	12.2
Philadelphia Suburbs	20.4	17.0	19.69%	19.1

Highlights of Note: Nation-wide unemployment went up to 8.5% in March with about 663,000 jobs lost. This rate is the highest since 1983, and brings the total number of jobs lost since Dec. 2007 to 5.1 million. Retail sales fell 1.1% for the month and 9.4% over the previous year. Sales of previously-owned homes fell 3%, although the median home price rose slightly for the month. New home starts fell 10.8% in March (down 48.4% for the year); building permits fell 9% for the month, or about 45% year-to-year. Consumer and producer price indexes both fell, by 0.1% and 1.2%, respectively, while the core rate of inflation (which exclude the price of food and energy) was 0.2%. Economists have become cautiously optimistic that the bottom of the downturn is near, pointing to increased lending between companies and slowing declines in national indicators. Wage, sales and realty transfer tax collections in Phila. were down in March compared to last year, although within the range of city projections; property and parking tax collectons were up. Because BPT collections are typically highest in April and May, its too soon to tell if they will meet projections.







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	1,448,394	46.78%	53.21%	41.83%	44.33%	5.30%	8.50%	10.46%	25.10%	25.58%	13.00%	\$ 33,229