



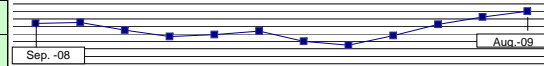
Economic Forecasts

August 2009

Arrows (↔ ↻ ↷ ↸ ↹ ↺) 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				
1 American Bankers Association, ABA — Forecast and Outlook	2	Jun-08	2nd Quarter 2009 -1.0%	3.5%	↻	4.5%	↻	3.7%	↻	5.3%	↻	5.7%	↻
2 economy.com — Précis: Metro/US	3	May-09		-3.0%	↻	1.4%	↻	n/a	↻	9.1%	↻	9.6%	↻
3 FRB Philadelphia — Livingston Survey	2	Jul-09		-2.8%	↻	1.1%	↻	-2.2%	↻	9.9%	↻	9.8%	↻
4 FRB Philadelphia — Survey of Professional Forecasters	4	Aug-09		-2.6%	↻	2.3%	↻	1.8%	↻	9.2%	↻	9.6%	↻
5 National Association for Business Economics — NABE Outlook	4	May-09		-9.0%	↻	3.1%	↻	-0.8%	↻	8.4%	↻	8.8%	↻

6 The Conference Board — U.S. Leading Indicator *	12	Aug-09	Level of Business Activity	Aug-09
			102.5	↻

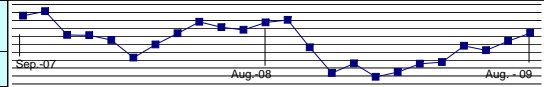


This chart tracks the Indicator for the last 12 months.

Narrative: According to respondents to the Federal Reserve's September Business Outlook Survey, manufacturing conditions are improving. For the second consecutive month, the survey's indicators for general activity, new orders, and shipments were positive, suggesting business growth. Employment, which typically lags other indicators, continued to decline. Firms expect conditions to improve over the next six months, and they expect modest growth in the third and fourth quarters of this year. The future general activity index remained positive for the ninth consecutive month but decreased from 56.8 in August to 47.8. The future shipments index increased eight points, and the future new orders index increased four points. For the fifth consecutive month, the percentage of firms expecting employment to increase over the next six months exceeded the percentage expecting declines. Firms' forecast for capital spending suggests that capital spending will be flat over the next six months.

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	May-09	N/A	N/A	↻	-0.3%	↻	-94.1	↻
8 economy.com — Précis: Metro/Philadelphia	3	May-09	1.8%	-3.1%	↻	-0.3%	↻	-5	↻

7 economy.com — Précis: Metro/NORTHEAST	3	May-09	Current (2009) Employment	2009 Employment	2010 Employment	Cost of Doing Business (U.S. = 100)	2009 Unemployment	2010 Unemployment	2011 Unemployment
7 economy.com — Précis: Metro/NORTHEAST	3	May-09	28,547	-3.0%	↻	109	8.6%	9.3%	↻
8 economy.com — Précis: Metro/Philadelphia	3	May-09	1,879	-2.3%	↻	105	8.1%	8.8%	↻



This chart tracks the Indicator for the last 24 months.

Narrative: Passage of the State's budget removes some uncertainty from the City's financial picture, but labor contracts remain to be negotiated. A Pew Report released this month surveyed how other cities are addressing labor negotiations: The Mayor of Detroit has threatened to lay off more than 1,000 workers, one-tenth of the City's workforce, unless the unions agree to have their members take 26 unpaid furlough days this year. In Los Angeles, officials avoided mass layoffs of non-uniformed employees by implementing an early-retirement plan funded in part by increased pension contributions from current and future workers. Meanwhile, according to a report by Stateline.org, at least 12 state governments are offering state tax amnesty programs to help close budget gaps. Connecticut estimates it will receive \$40 million, Maryland expect to receive \$5-\$10 million and New Jersey has already received \$725 million.

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.



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

Total Non-Farm Employment (in thousands)				Source: BLS
	Aug-09	Aug-08	Change	Jul-09
City Total	639.0	656.4	-2.65%	640.7
Manufacturing	24.7	27.2	-9.19%	24.6
Wholesale & Retail	60.4	64.4	-6.21%	60.5
Services	604.3	616.6	-1.99%	605.8
Construction & Mining	10.0	12.6	-20.63%	10.2
MSA Total	2697.1	2796.7	-3.56%	2707.6
Manufacturing	202.2	215.0	-5.95%	203.2
Wholesale & Retail	414.2	434.7	-4.72%	413.6
Services	2384.2	2451.3	-2.74%	2393.8

Unemployment Rate (%)				Source: BLS
	Jul-09	Jun-09	Change	Jul-08
City	10.5	10.3	2.74%	7.3
MSA	8.8	8.6	3.57%	5.6
	Aug-09	Jul-09	Change	Aug-08
US	9.7	9.4	5.26%	5.7

City Tax Collections (millions)				Source: Philadelphia Revenue Commissioner
Through 08/31/09	FY2009	FY2008	Change	% Budget
Sales	\$21.91	\$24.08	-9.03%	15.7%
Wage/NPT/Earnings (City & PICA)	\$254.64	\$263.61	-3.40%	16.9%
Tot City & PICA Tax Revs	\$340.46	\$353.53	-3.70%	13.1%

Office Availability Rate (%)				Source: CB Richard Ellis
	2Q-09	2Q-08	Change	4Q-08
Central Bus. District	14.4	12.4	15.76%	12.2
Philadelphia Suburbs	21.6	17.0	26.98%	19.1

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

Highlights: The Conference Board Leading Economic Index increased 0.6 percent in August for the fifth consecutive month, fueling optimism that the recession is bottoming out and that a recovery is very near, though "intensity and pattern of that recovery is more uncertain." In August, retail sales posted their strongest gain since January 2006, up 2.7 percent in the month. Cash for Clunkers drove 10.6% growth for vehicles, but sales at apparel, sporting goods, and department stores all posted strong gains as back-to-school shopping was stronger than previously thought. The Philly Fed's Business Outlook Survey's measure of manufacturing conditions, the diffusion index of current activity, increased from 4.2 to 14.1 in August. This is the highest reading since June 2007 and the second consecutive positive reading. In its annual report on the City's retail sector, the Center City District hailed the resilience of the sector, noting that 92 restaurants and 187 other retail businesses opened in the 12 months ending in September 2009.

