



Economic Forecasts

September 2009

Arrows () indicate the change of the forecast over time, not the direction of the forecast itself.

Economic Forecasts																			
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	3rd Quarter 2009 3.5%	3.5%	↕	4.5%	↗	3.7%	↕	5.3%	↗	↕	↗		
2	economy.com — Précis: Metro/US				3	May-09		-3.0%	↕	1.4%	↕	n/a	↕	9.1%	↗	↕	↗		
3	FRB Philadelphia — Livingston Survey				2	Jul-09		-2.8%	↕	1.1%	↕	-2.2%	↕	9.9%	↗	↕	↗		
4	FRB Philadelphia — Survey of Professional Forecasters				4	Aug-09		-2.6%	↕	2.3%	↕	1.8%	↕	9.2%	↗	↕	↗		
5	National Association for Business Economics — NABE Outlook				4	May-09		-9.0%	↕	3.1%	↗	-0.8%	↕	8.4%	↗	↕	↗		
6	The Conference Board — U.S. Leading Indicator *				12	Aug-09	Level of Business Activity	Sep-09 103.5	↗						This chart tracks the indicator for the last 12 months.				

Narrative: The Conference Board Leading Economic Index (LEI) for the U.S. increased 1.0 percent in September marking its sixth consecutive increase, it's highest pace since 1983. Except for average workweek and building permits, all the leading indicators contributed positively to the index this month. At the same time, the contraction in the coincident economic index has halted in recent months. Continued downtrend in employment is keeping this index of current economic conditions from rising faster. These numbers strongly suggest that a recovery is developing. However, the intensity of that recovery will depend on the pace of demand. The Conference Board Coincident Economic Index (CEI) for the U.S. was unchanged in September, following a 0.1 percent increase in both August and July. The Conference Board Lagging Economic Index (LAG) declined 0.3 percent in September, following a 0.2 percent decline in August, and a 0.6 percent decline in July.

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	○	N/A	○	-0.3%	↔	2.3%	↔	-94.1	↗	-65.0	↗		
8	economy.com — Précis: Metro/Philadelphia		3	May-09	1.8%	-3.1%	↘	-0.3%	↗	0.8%	↔	2.0%	↔	-5	↗	-4.5	↗		
					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	May-09	28,547	-3.0%	↘	-1.0%	↔	109	⇒	8.6%	↗	9.3%	↗	7.9%	↗		
8	economy.com — Précis: Metro/Philadelphia		3	May-09	1,879	-2.3%	↘	-5.0%	⇒	105	⇒	8.1%	↗	8.8%	↗	7.3%	↘		
					Leading Indicator	Oct-07 to Sep-09												This chart tracks the Indicator for the last 24 months.	
10 FRB Philadelphia — Business Outlook Survey						12	Oct-09	11.5	↘										

Narrative: The Philadelphia Fed's October 2009 Business Outlook Survey found that the future general activity index remained positive for the 10th consecutive month but decreased to its lowest reading since April. Despite losing ground in recent months, indicators of future activity remain near levels not seen since 2004. Indexes for new orders and shipments declined this month, falling 10 points and 17 points, respectively. For the sixth consecutive month, the percentage of firms expecting employment to increase over the next six months exceeded the percentage expecting declines (26% versus 19%). But just as the other broad future indicators have fallen, the future employment index fell 13 points. In special questions this month firms were asked about their plans for capital spending over the next six to 12 months. Over 35% of the firms indicated that they had revised their planned spending downward due to changing financial conditions; 14 percent indicated they had revised plans upward. The percentage of firms expecting to decrease their capital spending over the next six to 12 months narrowly exceeded the percentage expecting to increase spending. The Pennsylvania Dept. of Labor said that, while unemployment continues to rise in the state, the number of newly filed unemployment claims is trending downward.

Percentage Unemployed in Last Week Opening: The Conference Board's Leading Indicator is a composite of 11 indicators that are weighted and combined to predict the state of the nation's economy. It is a leading indicator of the nation's economy and is generally considered to be a leading indicator of the nation's economy.		
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 (Sept) 30-Sep-09

Total Non-Farm Employment (in thousands)

Source: BLS

	Sep-09	Sep-08	Change	Aug-09
City Total	642.9	659.4	-2.50%	638.7
Manufacturing	24.7	27.1	-8.86%	24.7
Wholesale & Retail	60.1	64.4	-6.68%	60.5
Services	608.6	620.1	-1.85%	604.0
Construction & Mining	9.6	12.2	-21.31%	10.0
MSA Total	2712.7	2809.3	-3.44%	2696.0
Manufacturing	201.3	213.9	-5.89%	202.1
Wholesale & Retail	409.3	432.3	-5.32%	413.1
Services	2403.3	2466.9	-2.58%	2383.2

Unemployment Rate (%)

Source: BLS

	Sep-09	Aug-09	Change	Sep-08
City	11.0	10.8	2.63%	7.6
MSA	8.8	8.9	-1.82%	5.5
US	9.8	9.7	1.64%	6.1

City Tax Collections (millions)

Source: Philadelphia Revenue Commissioner

Through 09/30/09	FY2009	FY2008	Change	% Budget
Sales	\$31.80	\$34.70	-8.36%	22.8%
Wage/NPT/Earnings (City & PICA)	\$354.28	\$374.76	-5.46%	23.5%
Tot City & PICA Tax Revs	\$471.80	\$516.86	-8.72%	15.5%

Office Availability Rate (%)

Source: CB Richard Ellis

	3Q-09	3Q-08	Change	2Q-09
Central Bus. District	14.4	11.8	22.03%	14.4
Philadelphia Suburbs	22.5	18.0	25.00%	21.6

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 region's manufacturing sector is continuing to show signs of recovery, though optimism about the future has moderated in recent months, according to the Philadelphia Fed's October Business Outlook Survey. The region's manufacturing executives expect business activity to increase over the next six months; however, expectations have moderated somewhat in the last several months. The 3rd quarter of 2009 saw the fifth straight quarter of increased availability in the Greater Philadelphia office market. However, the trend is softening compared to the previous two quarters which is a sign that the local economy is strengthening. The Conference Board Leading Economic Index (LEI) for the U.S. increased 1.0 percent in September marking its sixth consecutive increase, it's highest pace since 1983. A review of the largest U.S. cities' unemployment rates includes: New York City-10.3; Los Angeles-12.7; Chicago-11.3; Houston-8.5; Phoenix-8.5; Philadelphia-11; San Antonio-7.1; Dallas-8.3; San Diego-10.2; and San Jose-10.8.

