



Economic Forecasts

February 2008

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	2008 GDP		2009 GDP		2008 Consumer Price		Current Unemployment	2008 Unemployment		2009 Unemployment
1	American Bankers Association, ABA — Forecast and Outlook	2	Jan-08	4th Quarter 2007 .6%	5.5%	↗	4.0%	↘	4.0%	↗	Dec-07 5.0%	4.6%	⇌	5.2%
2	economy.com — Précis: Metro/US	3	Jan-08		2.2%	↘	3.4%	↗	n/a	○		5.2%	↗	5.1%
3	FRB Philadelphia — Livingston Survey	2	Dec-07		N/A	N/A	2.9%	↗	2.6%	↗		4.6%	↗	4.8%
4	FRB Philadelphia — Survey of Professional Forecasters	4	Feb-08		1.8%	↘	2.8%	○	2.2%	⇌		5.1%	↗	5.1%
5	National Association for Business Economics — NABE Outlook	4	Feb-08		1.8%	↘	2.9%	↗	2.5%	↗		5.2%	↗	5.2%
6	The Conference Board — U.S. Leading Indicator	12	Feb-08	Level of Business Activity	Feb-08 135.0		↘				Feb-08		This chart tracks the Indicator for the last 12 months.	

Narrative: The continued declines in the composite indexes from the Conference Board suggest that economic weaknesses are likely to continue as the consumer outlook for the next six months dropped to its lowest level since December 1973. For the first half of 2008, the NABE panel expects very little economic growth with a significant upswing in the second half of the year, with only 45% of its members believing that the nation will avoid a recession this year. Economic growth is expected to average about 0.75% before accelerating to a 2.8% annual rate in the second half of the year due to expected fiscal and monetary stimulus. NABE forecasts the continued decline in the housing slump to have a major negative effect on consumer spending in 2008 while economists expect net exports and government spending to rise in 2008. The Office of Federal Housing Enterprise Oversight index expects the year over year housing prices to drop 4% in 2008. In 2009, the NABE panel expects real GDP to grow 2.9%. Moreover, the FRB's outlook for the first half of 2008 is weaker than it was in November.

Regional (U.S. Northeast) & Local (Phila. Metro)		Updates per Year	Last Update	Current GRP/GMP	2008 GRP/GMP (percent change)		2009 GRP/GMP (percent change)		2008 Personal Income Growth		2009 Personal Income Growth		2007 Net Migration (thousands)		2008 Net Migration (thousands)
7	economy.com — Précis: Metro/NORTHEAST	3	Jan-08	N/A	N/A	○	N/A	○	2.8%	↘	3.9%	↘	-72.7	↘	-76.2
8	economy.com — Précis: Metro/Philadelphia	3	Jan-08	1.8%	1.7%	↘	2.8%	↗	2.8%	⇌	2.9%	↘	-6.5	⇌	-8.5
				Current (2007) Employment	2008 Employment		2009 Employment		Cost of Doing Business (U.S. = 100)		Current (2007) Unemployment		2008 Unemployment		2009 Unemployment
7	economy.com — Précis: Metro/NORTHEAST	3	Jan-08	29,405	0.4%	↗	0.6%	↘	108	⇌	4.4%		4.9%	↗	4.7%
8	economy.com — Précis: Metro/Philadelphia	3	Jan-08	1,917	0.3%	⇌	0.6%	⇌	119	⇌	4.3%		4.8%	↗	4.6%
9	FRB Phila — Regional Employment Forecasts	4	Feb-08	N/A	0.5%	↘	-1.0%	↘	N/A	○	N/A		4.4%	↗	5.6%
10	FRB Philadelphia — Business Outlook Survey	12	Feb-08	Leading Indicator	Feb-08 to Aug-08 -16.9		↘				Feb-08		This chart tracks the Indicator for the last 24 months.		

Narrative: The outlook for businesses in the region is less positive than previously reported by the FRB's Beige Book. In the next six months, manufacturers expect decreases in new orders, but increases in shipments. Retailers, auto dealers, and real estate agents all expect decreasing sales for 2008. FRB indicators in February, including the diffusion index of current activity, indicate continued declines in manufacturing in the region over the next six months. This also includes a notable decline in the future employment index, which fell below zero for the first time since 2001. Moody's Economy.com expects the Philadelphia economy to struggle for the first six months of 2008 as well due to layoffs in the financial industries, retail, and housing related industries. In the long term, Philadelphia's above average cost of business and living costs with low population growth, comparatively low per capita income, and old and aging infrastructure remain large hurdles for the future economic health of Philadelphia.

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 (February)

29-Feb-08

Total Non-Farm Employment (in thousands)

	Jan-08	Jan-07	Change	Dec-07
City Total	654.5	652.8	0.26%	669.4
Manufacturing	27.7	28.8	-3.82%	27.8
Wholesale & Retail	63.9	64.4	-0.78%	66.7
Services	615.5	611.7	0.62%	628.1
Construction & Mining	11.3	12.3	-8.13%	13.5
MSA Total	2776.3	2785.7	-0.34%	2868.4
Manufacturing	224.8	216	4.07%	223.2
Wholesale & Retail	442.7	437.6	1.17%	444.5
Services	2428.6	2448.4	-0.81%	2511.7

Source: BLS

Unemployment Rate (%)

	Jan-08	Jan-07	Change	Dec-07
City	7.0	6.9	1.45%	5.8
MSA	5.1	4.8	6.25%	4.1
US	4.9	4.6	6.52%	5.0

Source: BLS

City Tax Collections (millions)

Through 2/29/08	FY2008	FY2007	Change	% Budget
Sales	\$91.84	\$89.89	2.17%	67.6%
Wage/NPT/Earnings (City & PICA)	\$1,025.34	\$972.46	5.44%	65.9%
Tot City & PICA Tax Revs	\$1,623.10	\$1,611.94	0.69%	58.1%

Source: Philadelphia Revenue Commissioner

Office Availability Rate (%)

	4Q-07	4Q-06	Change	3Q-07
Central Bus. District	12.6	12.1	3.97%	12.6
Philadelphia Suburbs	17.4	19.3	-9.64%	17.4

Source: CB Richard Ellis

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 of Note: Total employment in the City increased slightly from the beginning of 2007 to the beginning of 2008, but employment in construction and manufacturing have all greatly decreased in the year time period. Despite the slight increase in overall employment, unemployment in Philadelphia is up 1.45% since January 2007 to 7.0%. The Philadelphia Metro region has seen a 6.25% increase in unemployment levels since January 2007, on track with national levels. The region's manufacturing showed continued weaknesses in February. Nationally, the Leading Index for February decreased for the fifth month in a row due to increased claims for unemployment insurance, building permits, and declining consumer expectations despite the large positive contributions from money supply and interest rates. On the upside, Philadelphia is experiencing strong tourism activity.

