



Economic Forecasts

June 2007

Arrows (⇌ ↗ ↘ ↙ ↚) indicate the change of the forecast over time, not the direction of the forecast itself.

United States			Current GDP	2007 GDP		2008 GDP		2007 Consumer Price		Current Unemployment Rate	2007 Unemployment		2008 Unemployment		
Updates per Year	Last Update														
1	American Bankers Association, ABA — Forecast and Outlook	2	Jun-07	1st Quarter 2007 0.7%	4.0%	↗	4.9%	⇌	3.2%	↘	May 4.5%	4.6%	↗	4.8%	⇌
2	economy.com — Précis: Metro/US	3	Apr-07		2.1%	↘	3.0%	↗	N/A	○		4.6%	↗	4.8%	↗
3	FRB Philadelphia — Livingston Survey	2	Jun-07		N/A	N/A	2.9%	↗	2.6%	↗		4.6%	↗	4.8%	↗
4	FRB Philadelphia — Survey of Professional Forecasters	4	May-07		2.1%	↘	3.0%	↘	2.3%	↘		4.6%	↘	4.8%	⇌
5	National Association for Business Economics — NABE Outlook	4	May-07		2.3%	↘	3.1%	⇌	2.9%	↗		4.6%	↘	4.8%	⇌
6	The Conference Board — U.S. Leading Indicator	12	Jun-07	Level of Business Activity	May-07 for 07	Dec-							This chart tracks the Indicator for the last 12 months.		

Narrative: After many years of strong performance, increasing mortgage rates and rising foreclosures of subprime borrowers will send the housing market into significant decline for the remainder of 2007. Rising debt service burdens, negative personal savings accounts, and large federal government budget deficits across the nation are contributing to the fiscal vulnerability of the nation's economy. While the nation experienced continued job cuts in manufacturing, retail, real estate, and legal services, these were overpowered by employment gains in health care, food services, government, and construction despite the notable housing slump. This month 132,000 more jobs were added to the nation's labor pool: 7,000 more than originally predicted by forecasters. As the national economy is maintaining a slow growth trend, the business sector remained strong in the first half of 2007 as corporate profits increased 6.5% from the same quarter in 2006 strengthening business investment spending in the economy.

Regional (U.S. Northeast) & Local (Phila. Metro)			Current GRP/GMP	2007 GRP/GMP (percent change)		2008 GRP/GMP (percent change)		2007 Personal Income Growth		2008 Personal Income Growth		2006 Net Migration (thousands)		2007 Net Migration (thousands)			
Updates per Year	Last Update																
7	economy.com — Précis: Metro/NORTHEAST	3	Apr-07	N/A	N/A	○	N/A	○	5.3%	↘	4.3%	↘	-110.5	↗	-81.9	↘	
8	economy.com — Précis: Metro/Philadelphia	3	Apr-07	2.7%	3.3%	↘	2.1%	↘	3.5%	↘	3.1%	↘	-7.6	↗	-6.5	↗	
7	economy.com — Précis: Metro/NORTHEAST	3	Apr-07	Current (2006) Employment	2007 Employment	2008 Employment	Cost of Doing Business (U.S. = 100)	Current (2006) Unemployment	2007 Unemployment	2008 Unemployment	2006 Unemployment	2007 Unemployment	2008 Unemployment	2006 Unemployment	2007 Unemployment	2008 Unemployment	
8	economy.com — Précis: Metro/Philadelphia	3	Apr-07	29,134	0.9%	⇌	0.6%	↘	108	↗	4.5%	4.4%	↘	4.4%	↘	4.4%	↘
9	FRB Phila — Regional Highlights	4	Jun-07	1,904	0.9%	↗	0.5%	↘	119	⇌	4.7%	4.0%	↘	4.0%	↘	3.9%	↘
9	FRB Phila — Regional Highlights	4	Jun-07	n/a	0.8%	↘	0.9%	↗	n/a	○	n/a	4.8%	↗	4.8%	↗	5.1%	⇌
10	FRB Philadelphia — Business Outlook Survey	12	Jun-07	Leading Indicator	June-07 for Jan-07	June-07 for Jan-07							This chart tracks the Indicator for the last 24 months.				

Narrative: The Northeast is the only region in the country to not yet show signs of economic slowdown because of strong growth in the financial and professional services industries. While the region expects to see an overall improvement in manufacturing over the next six months, there is still a threat to the economy in the region as the probability of businesses relocating out of the tri-state region rose from 2006 with cost of labor, taxes, subsidies, and availability of skilled workers as the chief factors. However, the biggest threat to the region is the continuing decline in the housing market. Northeast house price declines have been the steepest in the nation and will continue to greatly affect the region's economic vitality. Stronger business investment will help counter the housing weakness while increasing exports are expected to continue to help the region's overall 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 Highlights	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.