



Financial Forecast & Snapshot

Office of the City Controller
Financial & Policy Analysis Unit

APRIL 2010

Snapshot Highlights

The City's General Fund tax collections in April were \$362.5, an increase of 11.2 percent over last April.

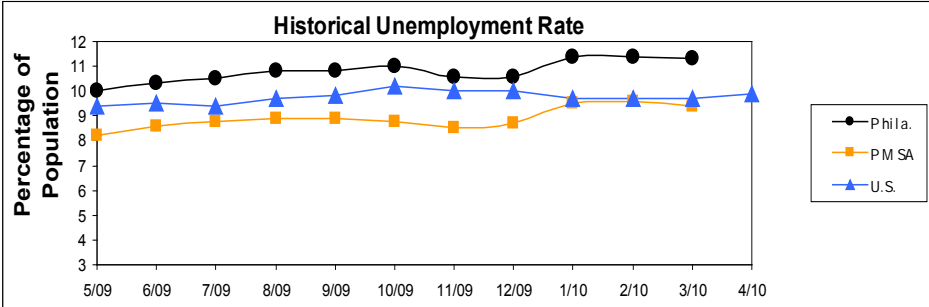
Overall, FY10 General Fund tax collections through April were \$1,933 million, approximately 1.5 percent higher than the same period last year.

It is projected that the General Fund will end FY10 with a fund balance of -\$50.9 million, according to the Quarterly City Manager's Report for the third quarter. This amount is lower than the previous quarter's projection of -\$48.6.

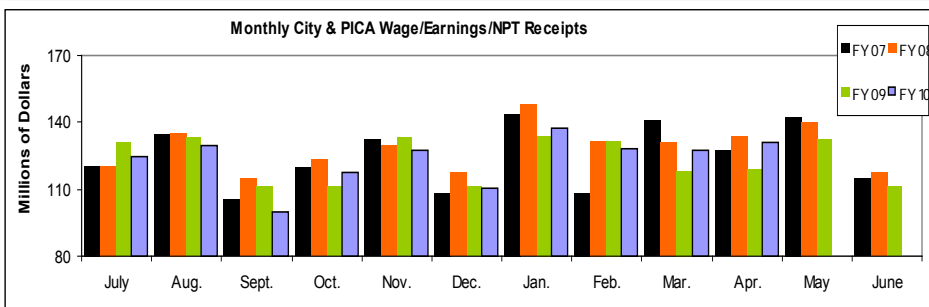
Sales taxes of \$18.3 million in April, though higher than the same period last year because of last October's one percent rate increase, continued to lag projections. PICA noted that the April's Sales tax revenues were higher than those for March, suggesting that the Philadelphia-based retail sales trend is beginning to move in a more positive direction following significant declines in the first three quarters of FY2010.

Unemployment in Philadelphia remained high, but dropped slightly to 11.3 percent in March, bucking national trends. Unemployment in the City for this same period one year ago was at 9.6%.

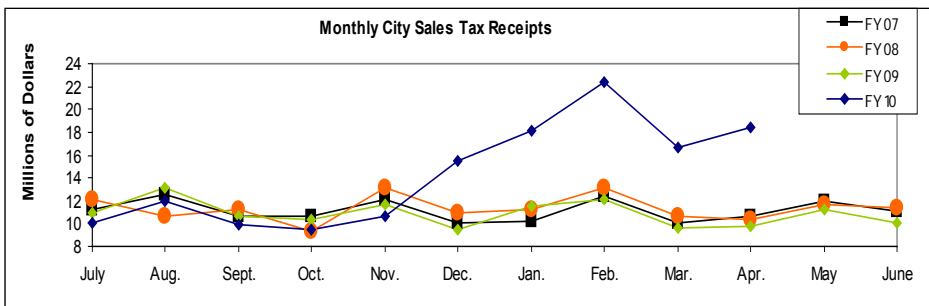
Real Estate sales for Philadelphia have increased 60% since January 2010. April tops out the four-month high with 1,067 sales.



	<u>Mar.10</u>	<u>Feb.10</u>	<u>Change</u>	<u>Mar. 09</u>
City -	11.3%	11.5%	-2.08%	9.6%
MSA -	9.4%	9.7%	-3.75%	8.0%
	<u>Apr.10</u>	<u>Mar.10</u>	<u>Change</u>	<u>Apr.09</u>
US -	9.9%	9.7%	2.25%	8.9%



(in millions)	<u>FY2010</u>	<u>FY2009</u>	<u>Change</u>
Wage/NPT/Earnings - (City & PICA)	\$1,233.80	\$1,247.13	-1.07%



(in millions)	<u>FY2010</u>	<u>FY2009</u>	<u>Change</u>
Sales -	\$142.80	\$109.11	30.88%

Key Trends



Sales Tax collections continue to lag projections; \$18.3 million for April 2010



FY10 General Fund projected at -\$50.9 million



Real estate sales up 60% since January



Unemployment rate drops slightly to 11.3%



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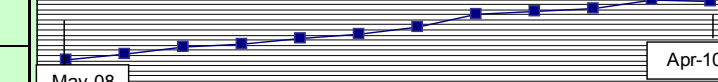
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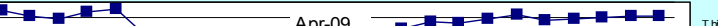
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Forecast Highlights

According to respondents to the Philadelphia Fed's May Business Outlook Survey, regional manufacturing activity continues to expand. All of the survey's broad indicators remained positive, and the responding firms reported some expansion in employment. Many firms, however, pointed to uncertainty about product demand and the cost of hiring workers, as well as low capacity utilization, as reasons for not increasing employment. Firms expect continued growth over the next six months, with well over half of the firms expecting growth in activity, new orders, and shipments.

The Conference Board of Leading indicators declined 0.1 percent in April for the first time in a year. The decline in April follows a 1.3 percent gain in March, and a 0.4 percent rise in February. According to the Conference Board, the results suggest that the recovery will continue through the summer, although it could lose a little steam. The U.S. Leading Indicator's six-month growth rate has moderated since December. The May 2010 Survey of Professional Forecasters found that the outlook for the U.S. economy improved over the preceeding three months. The Real GDP growth projection for 2010 was revised up from 2.7 to 3.3, with stronger labor market conditions accompanying the growth.

GROWTH:														
United States		Last Update	Current GDP	2010 GDP		2011 GDP		2010 CPI		Current Unemployment Rate	2010 Unemployment		2011 Unemployment	
2	economy.com—Précis: Metro/ US	Mar-10	1st Qtr. 2010 3.2%	2.8%	↗	3.7%	↘	n/a	○		10.1%	↘	9.7%	↗
3	FRB Phila—Livingston Survey	Dec-09		2.7%	↗	2.9%	↗	2.2%	↗		10.2%	↘	9.4%	↘
4	FRB Phila—Survey of Professional Forecasters	May-10		3.3%	↗	3.1%	↗	1.6%	↘		9.6%	↘	8.9%	↘
5	NABE Outlook	Feb-09		3.1%	○	3.2%	↗	2.1%	↗		9.9%	↗	9.2%	↗
6 The Conference Board—U.S. Leading Indicator *		Mar-10	Level of Business Activity	Mar-10		 <div>This chart tracks the Indicator for the last 12</div>								
				109.6										

Regional (U.S. N.E. & Phila. Metro)	Last Update	Current GRP/GMP	2010 GRP/GMP (percent)	2011 GRP/GMP	2010 Personal Income	2011 Personal Income	2010 Net Migration	2011 Net Migration
7 economy.com — Précis: Metro/NORTHEAST	Jan-10	2730.1	n/a	○	2.7%	2.8%	-68.3	-76.0
8 economy.com — Précis: Metro/Philadelphia	Jan-10	152.1	0.6%	↘	2.7%	↗	-4.9	-6.1
		Current (2010) Employment	2010 Employment	2011 Employment	Business (U.S. = 100)	Current (2010) Unemployment	2011 Unemployment	2012 Unemployment
7 economy.com — Précis: Metro/NORTHEAST	Jan-10	28,665	-2.7%	↗	1.0%	↘	109	↗
8 economy.com — Précis: Metro/Philadelphia	Jan-10	1,875	-0.1%	↘	1.3%	↗	105	↗
		Leading Indicator	May-08 to Apr-10					
10 FRB Philadelphia — Bus. Outlook Survey	May-10		21.4	↗	This chart tracks the indicator for the last 24			

RESOURCES

American Bankers Association - Forecast & Outlook	-outlook delivers a one-year forecast for mostly banking-related indicators as well as general economic measures
economy.com - Précis: Metro/US/Northeast/Philadelphia	-includes five-year forecasts of eleven key indicators
FRB Philadelphia	-3rd District - eastern PA, southern NJ and state of Delaware
FRB Philadelphia - Livingston Survey	-summarizes the forecasts of economists from industry, government, banking and academia
FRB Philadelphia - Professional Forecasters	-quarterly survey of macroeconomic forecasts in the U.S.
FRB Philadelphia - Regional Employment Forecasts	-regional indicator predicting job growth and unemployment rate one year from now
FRB Philadelphia - Business Outlook Survey	-monthly survey of manufacturers in the Philadelphia area indicating the change in expected business activity six months from now
NABE Outlook	-presents the consensus of macroeconomic forecasts by 37 professional forecasters from NABE
Conference Board - U.S. Leading Indicator	-gauges the whereabouts of the U.S. economy in nine months

DEMOGRAPHICS

PHILADELPHIA

Population	Other
1,540,351	8.50%
Male	Hispanic
46.78%	10.46%
Female	Pov. Rate
53.21%	25.10%
White	Under 18
41.83%	25.58%
Af. Amer.	Over 65
44.33%	13.00%
Asian	Md. Hse Inc.
5.30%	\$33,229

(2006 Census American Community Survey)



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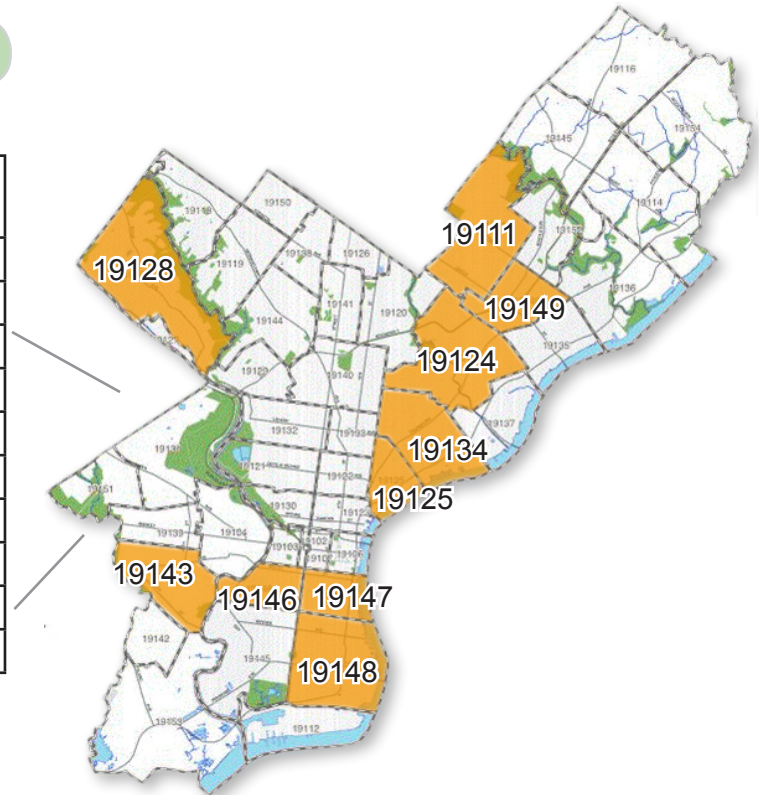
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CITY-WIDE REAL ESTATE SALES VS. FORECLOSURES

APRIL 2010 - Top 10 by Sales

ZIP Code	Sales	Foreclosures	% of Sales from Foreclosure
19124	60	8	13.3%
19148	56	2	3.6%
19146	54	6	11.1%
19149	52	6	11.5%
19147	50	8	16%
19134	45	6	13.3%
19111	38	1	2.6%
19125	36	2	5.6%
19128	36	1	2.8%
19143	36	11	30.6%

Based on information from TREND for the period
January 2009 through April 2010.



CITY REAL ESTATE: JANUARY - MARCH 2010

January 2010 - Top 10 by Sales

ZIP Code	Sales	Foreclosures	% of Sales from Foreclosure
19146	35	7	20%
19148	35	7	20%
19111	32	6	18.8%
19120	30	10	33.3%
19134	30	13	43.3%
19149	30	3	10%
19145	27	4	14.8%
19124	26	7	26.9%
19147	25	3	12%
19125	24	7	29.20

February 2010 - Top 10 by Sales

ZIP Code	Sales	Foreclosures	% of Sales from Foreclosure
19146	38	5	13.2%
19124	37	13	35.1%
19148	33	4	12.1%
19147	32	3	9.4%
19120	30	8	26.7%
19149	28	4	14.3%
19135	26	3	11.5%
19136	25	2	8%
19145	21	4	19%
19134	20	5	25%

March 2010 - Top 10 by Sales

ZIP Code	Sales	Foreclosures	% of Sales from Foreclosure
19146	56	4	7.1%
19148	44	5	11.4%
19111	41	1	2.4%
19134	40	14	35%
19124	37	7	18.9%
19136	37	3	8.1%
19120	36	9	25%
19125	36	8	22.2%
19135	36	5	13.9%
19147	36	4	11.1%

Based on information from TREND for the period January 2009 through April 2010.