



# Economic Report

## Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Snapshot Highlights

Tax revenues (City & PICA) for April totaled \$363.1 million, a less than 1% decrease from April 2011. This included \$326.2 million into the General Fund and \$36.8 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$154 million, which is an almost \$22 million more than what was collected in April 2011. According to PICA, the increase in Wage/Earnings/NPT reflects the timing of payments.

Monthly sales tax collections totaled \$20.1 million, a 2% increase from the same month last year. This month's collection marks the sixth consecutive month of increases over the prior year. Yearly collections totaled \$206.5 million, which is a less than one percent increase over last year's collections for the first ten months.

The Controller's economic report this month reviewed the latest Recovery.gov quarterly report of the American Recovery Reinvestment Act (ARRA) funds received directly by the City of Philadelphia, which covers Jan. 1 through March 31, 2012.

The Recovery.gov ARRA quarterly report indicates that the City of Philadelphia, the local government as the prime recipient, still had 17 projects that were not completed but were still receiving funds. These projects accounted for a total award amount of \$206 million.

Of the total \$206 million awarded directly to the City, about \$130 million, or 63 percent, has been received so far by the City. One of the top ARRA awarded projects that's less than 50% completed is the \$43.9 million Neighborhood Stabilization Program 2. An extended list of active projects is located on page 3.



#### REPORT FRAUD, WASTE & ABUSE!

Search "Philly WatchDog" on iTunes or the App store to download the free app and start protecting your tax dollars today!

### MONTHLY FEATURE:

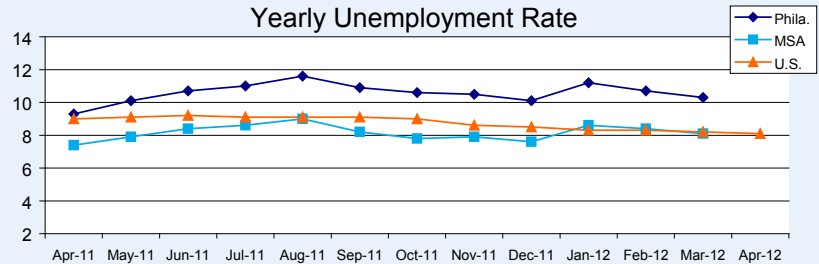


ARRA Funding: City of Philadelphia (prime recipient) had 17 active projects worth \$206 million that were still receiving funds

PAGE 3



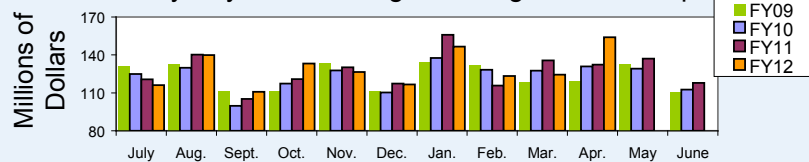
### Yearly Unemployment Rate



	Apr-12	Mar-12	Change	Apr-11
City -	9.6%	10.4%	-7.69%	9.9%
MSA -	7.4%	8.1%	-8.64%	7.8%
US -	8.1%	8.2%	-1.22%	9.0%

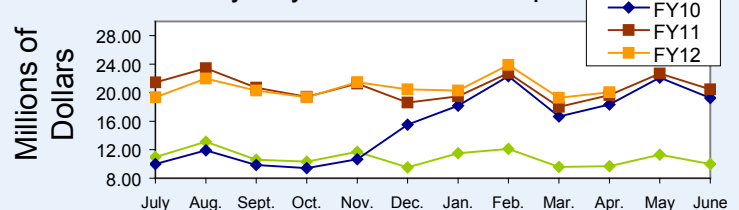
unemployment rates are non-seasonally adjusted

### Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2012	FY2011	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,292.00	\$1,274.00	1.41%

### Monthly City Sales Tax Receipts



(in millions)	FY2012	FY2011	Change
Sales (Yearly) -	\$206.48	\$204.74	0.85%

According to PICA, collections for a single month can be a misleading indicator due to monthly variability in collections

### Key Trends & Financials

↑ Sales tax collections: 6<sup>th</sup> consecutive month of increases over prior year

↑ Yearly Wage/Earn/NPT up 1.41% over same period from last year

↓ Manufacturing diffusion index of current activity fell from 8.5 to -5.8

↔ About \$76 million in ARRA funds still owed the City for active projects



# Economic Report

## Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Forecast Highlights

April 2012

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, manufacturing growth fell back from the pace of recent months. The survey's broadest measure of manufacturing conditions, the diffusion index of current activity, fell from a reading of 8.5 in April to -5.8 in May.

Firms' responses suggest a slight decline in employment this month. The current employment index, which had been positive for eight months, decreased 19 points, to -1.3. Indexes for prices paid and prices received both decreased; suggesting price pressures moderated this month.

The outlook among the reporting firms was notably less optimistic this month. Firms were asked to list the three most important factors restraining hiring – the most frequent reason was the expectation of slow sales growth. The need to keep operating costs low ranked nearly as high as expected low sales growth, and uncertainty about health-care costs and the inability to find skilled workers were also very important.

*1 The survey's results reflect data of the current month and/or the month that the Controller's economic report is released.*

Total Non-Farm Employment (in thousands)				Source: BLS
	Apr-12 (P)	Mar-12	% Change	Apr-11
<b>City Total</b>	663.3	656.0	1.1%	670.0
Manufacturing	23.1	22.8	1.3%	23.8
Wholesale & Retail	62.0	61.9	0.5%	62.1
Services	631.0	623.5	1.2%	636.2
Construction & Mining	9.2	9.1	1.1%	10.0
<b>MSA Total</b>	2731.9	2702.2	1.1%	2725.4
Manufacturing	185.4	185.2	0.1%	185.9
Wholesale & Retail	405.9	402.2	0.9%	408.0
Services	2447.3	2420.4	1.1%	2438.4
Construction & Mining	99.2	96.6	2.7%	101.1

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 - Precis: 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

PHILADELPHIA DEMOGRAPHICS

Population	1,526,006	Other	9.73%
Male	46.80%*	Hispanic	12.30%
Female	53.21%*	Pov. Rate	26.7%*
White	41.04%	Under 18	36.4%*
Af. Amer.	43.37%	Over 65	16.9%*
Asian	6.32%	Md. Hse Inc.	\$33,229

Data above is from the 2010 Census, unless noted \*based on 2010 American Community Survey



# Economic Report

## Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

April  
2012

### REVIEWING FEDERAL STIMULUS FUNDS: *City Projects Still Receiving ARRA Funding*

As a direct response to the recent economic crisis, United States Congress passed the American Recovery Reinvestment Act (ARRA) of 2009. This Act provided the economy with an initial \$787 billion in funds to accomplish three main goals: create new jobs, save existing jobs and spur economic activity and long-term growth.

In 2011, the Recovery Act expenditure estimate was increased to \$840 billion to coincide with President Obama's 2012 Budget and the changes made by the Congressional Budget Office. To allow for transparency and understanding of how the funds are spent, the Act required recipients of Recovery funds to report their expenditures every quarter: January, April, July and October.

In the latest Recovery.gov report covering the period of January 1 through March 31, 2012, the City of Philadelphia, the local government as the prime recipient, had 17 projects that were not completed and were still receiving ARRA funds. These projects accounted for a total award amount of \$206 million.

Of the total amount awarded directly to the City of Philadelphia, about \$130 million, or 63 percent, has been received so far by the City.

A few of the top ARRA grants awarded to the City of Philadelphia included the following: \$43.8 million for the Neighborhood Stabilization Program 2; \$25 million to fund EnergyWorks; \$21.5

**Latest Recovery.gov ARRA Reporting: (Jan. 1 - March 31, 2012)**

- \$206 million = total award amount for projects still receiving funds
- 362 = total number of jobs created by projects still receiving funds
- 17 = total number of projects not completed & still receiving funds

million for Homelessness Prevention & Rapid Re-Housing Services; and \$19.6 million to construct a passenger screening device at the airport. The top 10 projects by the highest award amount are listed in the table below.

### Top ARRA Grants Awarded to the City of Philadelphia

*Active Projects Reported as Still Receiving Funds*

\$ Amount	\$ Received	Award Date	Awarding Agency	# of Jobs	Description
\$43,942,532	\$26,715,956	1/14/10	Dept. of Housing & Urban Development	56	Neighborhood Stabilization Program 2: assist 256 affordable housing units
\$25,000,000	\$17,060,971	6/03/10	Department of Energy	10	EnergyWorks: scale up region's energy retrofit market by enhancing existing retrofit lending programs
\$21,486,240	\$19,057,288	8/24/09	Dept. of Housing & Urban Development	47	Homelessness Prevention & Rapid Re-Housing Services
\$19,550,422	\$4,302,013	6/15/2009	Transportation Security Administration	40	Construct an improved transportation structure and facilities to screen passengers' baggage for security at the airport
\$15,018,277	\$11,993,139	3/19/10	Centers for Disease Control & Prevent.	60	Establish policy and reform systems to improve food and physical activities in communities, schools, after-school and worksites
\$14,108,700	\$12,092,593	9/29/09	Department of Energy	6	Energy Efficiency & Conservation: replace traffic signals with LEDs, RFID readers to support city recycling program, etc
\$14,046,629	\$11,116,241	8/13/09	Dept. of Housing & Urban Development	1	Funds target strong businesses that have been severely hurt by the recession and has made credit almost impossible to obtain
\$13,544,604	\$11,168,408	7/08/09	Department of Justice	21	Initiatives focused on crime fighting resources, crime prevention and reentry, and retaining critical court employees at FJD
\$10,903,530	\$6,223,739	7/01/09	Department of Justice	47	COPS Hiring Recovery Program: funding directly to law enforcement agencies to hire and/or rehire career law enforcement officers
\$10,356,927	\$7,860,931	3/19/10	Centers for Disease Control & Prevent.	36	Funds to transform the social and policy environments in Philadelphia to decrease smoking, promote cessation and prevention

Data compiled from Recovery.org's State/Territory Summary for the period of Jan. 1 through March 31, 2012.