



# Economic Report

## Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Snapshot Highlights

Tax revenues (City & PICA) for August totaled \$177.8 million, a 9% decrease from collections in August 2011. This included \$149.4 million into the General Fund and \$28.4 million as the PICA portion.

City and PICA tax collections for the first two months of the fiscal year totaled \$361.3 million, which almost the same amount collected during the same period last year.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$123.1 million, which is a 12% decrease in what was collected in August 2011.

Monthly sales tax revenues totaled \$23.7 million, which is a 7% increase from August of last year. Sales tax revenues have been at or above the previous year's collections for the last 10 months. August marked the second highest monthly collection since Philadelphia adopted the 8% sales tax rate. February's collection of \$23.9 million is the most ever collected in one month.

Along with reporting tax revenues, this month's economic report reviewed the latest poverty data released by the U.S. Census Bureau, which indicated Philadelphia's rate increased from 26.7% in 2010 to 28.4% in 2011. This is almost double the national rate of 15%.

Philadelphia also has the highest poverty rate among the 10 most populated U.S. cities. Phoenix, similar in population size to Philadelphia, has a poverty rate of 22.9%, while New York City stands at 20.9%.

The median household income in Philadelphia is \$34,207, which is \$16,295 less than the national median.



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### MONTHLY FEATURE:

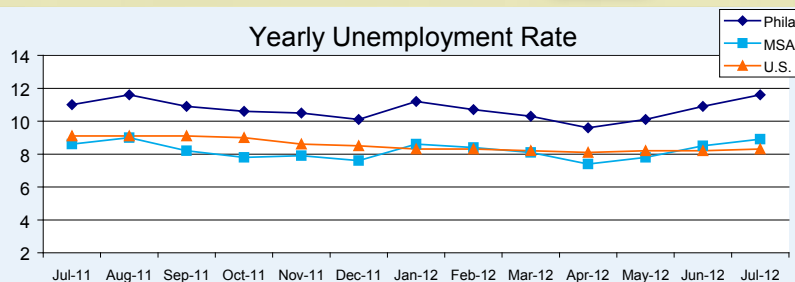


Philadelphia's 28.4% poverty rate almost double the national rate; median household income \$16,295 less than national median

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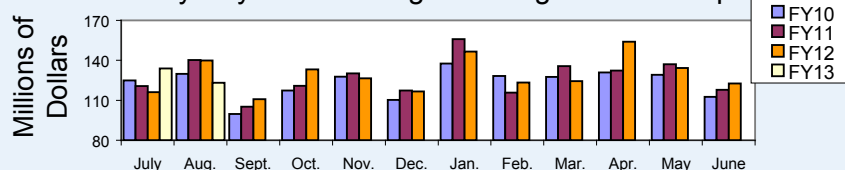
### Yearly Unemployment Rate



	July-12	June-12	Change	July-11
City -	11.6%	10.9%	6.42%	11.5%
MSA -	8.9%	8.5%	4.71%	8.8%
US -	8.1%	8.3%	-2.41%	9.1%

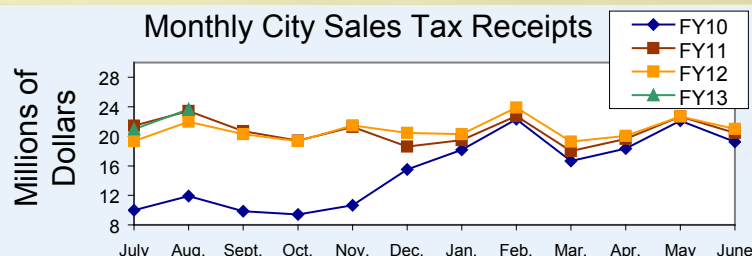
*unemployment rates are non-seasonally adjusted*

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



(in millions)	FY2013	FY2012	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$257.05	\$256.04	0.39%

### Monthly City Sales Tax Receipts



(in millions)	FY2013	FY2012	Change
Sales (Yearly) -	\$44.60	\$41.30	7.99%

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

### Key Trends & Financials



Sales Tax revenues continue to outpace previous year collections



Median household income in Philadelphia \$16,295 less than national median



Monthly real estate sales up 10% over same month last year



Philadelphia's poverty rate increased to 28.4% from 2010 to 2011



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### Forecast Highlights

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According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, the diffusion index of current activity increased five points to a reading of -1.9. While there was an increase with the survey's broadest measure of manufacturing conditions, it marks the fifth consecutive month of a negative reading for the index. The new orders index increased by seven points from last month and recorded its first positive reading in five months.

Firms reported paying higher prices for purchased inputs at the same time prices for their own final goods remained firm. The prices paid index decreased from 11.2 to 8, with 24 percent of the firms reporting input price increases. The percentage reporting an increase in product prices was offset by the same percentage reporting a decrease.

The future outlook shows that fifty percent of firms reported they are expecting increases in activity over the next six months, compared to nine percent that are expecting a decrease. The share of firms expecting to increase employment over the next six months, 32 percent, was greater than the share expecting to decrease, 11 percent.

*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
	August-12 (P)	July-12	% Change	August-11
<b>City Total</b>	645.8	648.2	-0.4%	647.1
Manufacturing	23.0	23.1	-0.4%	23.7
Wholesale & Retail	61.6	61.8	-0.3%	61.0
Services	613.4	615.5	-0.3%	613.2
Construction & Mining	9.4	9.6	-2.1%	10.2
<b>MSA Total</b>	2696.1	2700.2	-0.2%	2674.9
Manufacturing	188.4	189.4	-0.5%	186.8
Wholesale & Retail	407.5	409.4	-0.5%	405.6
Services	2406.9	2412.1	-0.2%	2381.6
Construction & Mining	100.8	100.7	0.1%	106.5

#### 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

#### DEMOGRAPHICS

PHILADELPHIA	Population	Other
	1,526,006	9.73%
	Male	Hispanic
	47.20%	12.30%
	Female	Pov. Rate*
	52.80%	28.4%
	White	Under 18
	41.04%	39.3%
	Af. Amer.	Over 65
	43.40%	17.3%
	Asian	Md. Hse Inc.
	6.32%	\$36,251

Data above is from the 2010 Census, unless noted  
\*based on 2011 American Community Survey



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### PHILADELPHIA'S POVERTY LEVEL:

*Poverty rates & income among  
the 10 largest U.S. cities*

The poverty level for U.S. households remained virtually unchanged at 15 percent from 2010 to 2011, according to the 2011 American Community Survey recently released by U.S. Census Bureau. The median household income across the country was \$50,502.

While the national poverty rate was unmoved, from 2010 to 2011, Philadelphia's poverty rate increased from 26.7

percent to 28.4 percent. When compared to the top 10 most populated U.S. cities, Philadelphia leads the pack with the highest poverty rate. The graphic below includes the top 10 cities and their respective poverty rates.

Dallas, a distant second from Philadelphia, has a poverty rate of 25.3 percent. Phoenix, which is similar to Philadelphia's total population, has a rate of 22.9 percent. New York City is at 20.9 percent and San Jose rounds out the top 10 with 12.2 percent.

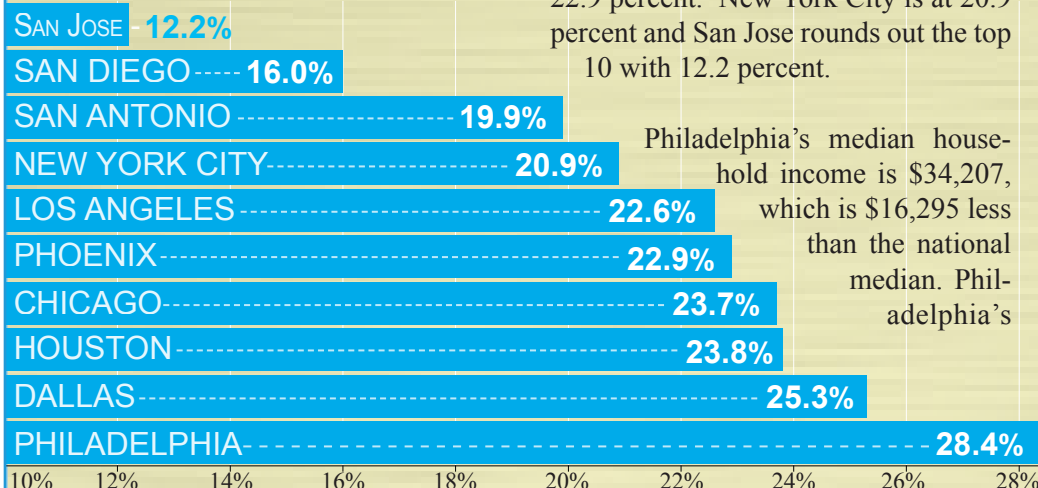
Philadelphia's median household income is \$34,207, which is \$16,295 less than the national median. Philadelphia's

### Median Income of Total Households

City	Median Income \$
San Jose	\$76,593
San Diego	\$60,797
New York City	\$49,461
Los Angeles	\$46,148
Phoenix	\$43,960
Chicago	\$43,628
Houston	\$42,877
San Antonio	\$42,613
Dallas	\$40,585
Philadelphia	\$34,207

median income is \$6,000 less than Dallas and almost \$10,000 less than Phoenix. Of the largest U.S. cities, San Jose has the highest median household income with \$76,593.

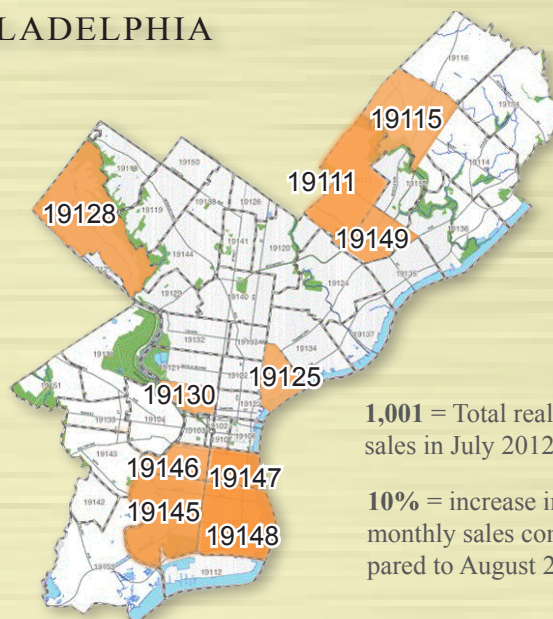
*All data was obtained from the recently released  
2011 American Community Survey Estimates  
provided by the U.S. Census Bureau*



### HOME SALES IN PHILADELPHIA

#### August 2012 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	71	8.50%	4.20%
19145	47	4.30%	4.30%
19149	45	6.70%	4.40%
19147	43	7.00%	4.70%
19128	42	2.40%	4.80%
19148	41	7.30%	2.40%
19115	38	2.60%	5.30%
19125	37	5.40%	2.70%
19111	36	16.70%	5.60%
19130	34	5.90%	0.00%



**1,001** = Total real estate sales in July 2012

**10%** = increase in monthly sales compared to August 2011

Based on information from TREND for August 2012.