



Economic Report

Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for December totaled \$194 million, an almost 16 percent increase from the same month last year. A breakdown of the total revenues includes \$165.3 million into the General Fund and \$28.7 million as the PICA portion.

After the first two quarters of FY13, City General Fund tax collections totaled \$922.1 million, which is an increase of more than \$44 million, or a five percent increase, over the same period last year. The higher tax revenues is due in part to the strong pace of collections for wage and earnings and sales taxes.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$130.2 million, an almost 12 percent increase compared to the same month last year. Monthly sales tax collections totaled \$21.9 million, a seven percent increase from December of last year.

Along with highlighting total tax collections, this month's economic report includes a review of the rise in food stamp eligibility in Philadelphia. From November 2008 to November 2012, those eligible for food stamps in Philadelphia increased from 348,545 to 477,878, a 37 percent increase. Currently 31.1 percent of Philadelphia's population is eligible for food stamps.

Although Philadelphia realized a significant increase in food stamp usage over the last four years, it has not been as high as its neighboring counties. Montgomery and Chester counties realized an almost 98 percent increase and Bucks an 80 percent increase.

MONTHLY FEATURE:

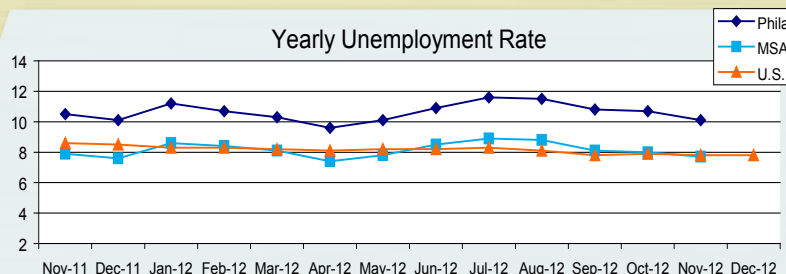
37% - increase in Philadelphians eligible for food stamps from November 2008 to November 2012.

December 2012

PAGE 3



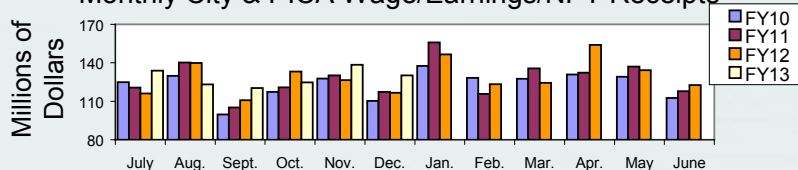
Yearly Unemployment Rate



	Nov-12	Oct-12	Change	Nov-11
City -	10.1%	10.7%	-5.61%	10.6%
MSA -	7.7%	8.0%	-3.75%	7.8%
US -	7.8%	7.8%	0.00%	8.5%

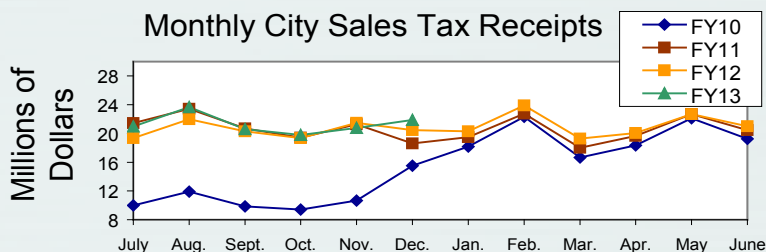
unemployment rates are non-seasonally adjusted

Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2013	FY2012	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$770.70	\$743.20	3.70%

Monthly City Sales Tax Receipts



(in millions)	FY2013	FY2012	Change
Sales (Yearly) -	\$127.67	\$122.93	3.86%

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

Key Trends



General Fund tax revenues up \$44M over same period last year



3.86% increase in yearly sales tax revenues over last year



37% increase in food stamp usage in Philadelphia from November 2008 to 2012



2003 to 2012 - City's population eligible for food stamps went from 18% to 31%

pg.1



REPORT FRAUD, WASTE & ABUSE!

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



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Forecast Highlights

December
2012

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, regional manufacturing activity declined for the month with many indicators reading in the negative. The diffusion index of current activity decreased from 4.6 last month to -5.8 this month. The demand for manufactured goods showed a slight decline as the new orders index fell from 4.9 to -4.3. The employment index went from -0.2 to -5.2, with the percentage of firms (16%) exceeding the percentage reporting increases (11%).

Although the current month's indicators were negative, manufacturing firms expect the declines to be temporary. The future general activity index increased from a 23.7 to 29.2, which is the second consecutive monthly increase. Future employment may not be as strong as the future employment index fell from 11.2 to 10.7. Only 22 percent of firms expect employment to increase over the next six months. The need to keep operating costs low and low expectations for sales growth was the main concern among it firms that plan to restrain hiring. Also, 37 percent of the firms indicated that federal fiscal policy developments have decreased hiring plans.

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
	Nov-12	Oct-12	% Change	Nov-11
City Total	656.8	657.0	-0.1%	663.9
Manufacturing	23.2	23.5	-1.3%	23.1
Wholesale & Retail	624.3	624.0	0.0%	631.1
Services	63.2	64.2	-1.6%	63.4
Construction & Mining	9.3	9.5	-2.1%	9.7
MSA Total	2759.5	2743.2	0.6%	2735.8
Manufacturing	186.4	186.5	-0.1%	186.2
Wholesale & Retail	419.3	409.3	2.4%	415.7
Services	2474.5	2457.3	0.7%	2445.0
Construction & Mining	98.6	99.4	-0.8%	104.6

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



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

RISE IN FOOD STAMP ELIGIBILITY

31% of Philadelphia's Population
Eligible for Food Stamps

December
2012

The number of Pennsylvanians eligible for the Supplemental Nutrition Assistance Program (SNAP), or known as food stamps, has increased from 1.3 million in November 2008 to 1.8 million in November 2012, a 45 percent increase. During the same time period, those eligible for food stamps in Philadelphia increased from 348,545 to 477,878, a 37 percent increase.

In November 2003, which is the earliest data available online by the Pennsylvania Department of Public Welfare, total Philadelphians eligible for food

stamps were 272,493, which accounted for 18.3 percent of the city's population. Currently, 31 percent of Philadelphia's population is eligible for food stamps.

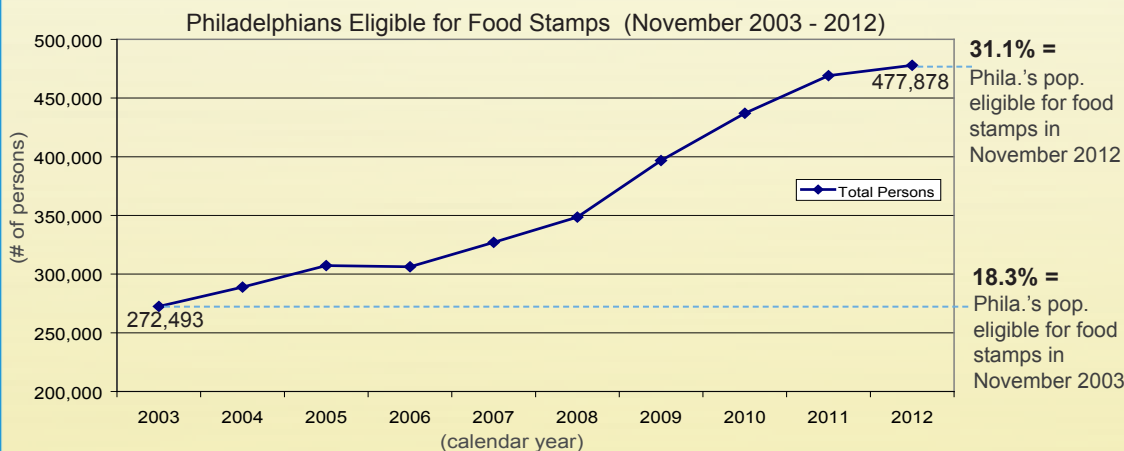
While the total number of persons eligible for food stamps in Philadelphia has increased significantly, especially over the last five years, the overall percentage has not been as high as some neighboring counties. In Chester and Montgomery counties, the number of persons eligible for food stamps over the last four years increase by 98 percent and 97 percent. Bucks County realized

Total Persons Eligible for Food Stamps
(November 2008 - 2012)

	2008	2012	% chg.
Bucks	21,477	38,576	79.6%
Chester	12,904	25,522	97.8%
Delaware	44,778	66,913	49.4%
Montgomery	25,380	50,088	97.4%
Philadelphia	348,545	477,878	37.1%
Pennsylvania	1,261,344	1,826,819	44.8%

an 80 percent increase since 2008. A breakdown of total persons eligible is included in the table above.

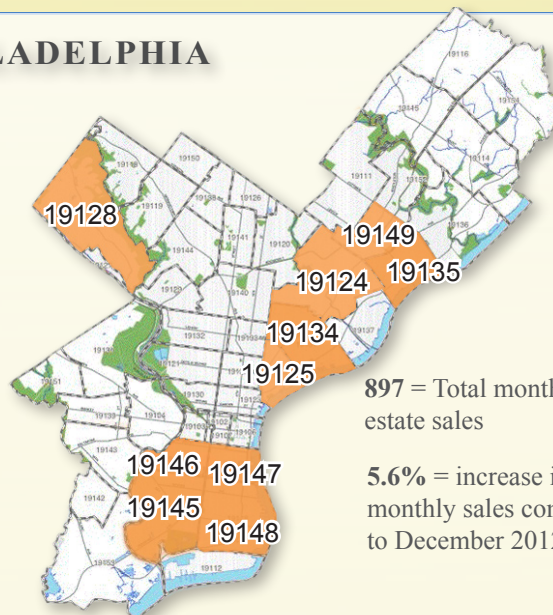
Over the last five years, the largest one-year increase in total persons eligible for food stamps in Philadelphia occurred between 2008 and 2009, which for many was during the height of the Great Recession. In this one year alone, there was an increase from the previous year of more than 48,000 Philadelphians who were considered eligible for food stamps.



HOME SALES IN PHILADELPHIA

December 2012 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	54	5.60%	0.00%
19147	53	3.80%	7.50%
19148	44	4.50%	2.30%
19125	40	10.00%	5.00%
19124	37	18.90%	10.80%
19128	37	0.00%	5.40%
19145	37	13.50%	5.40%
19149	35	5.70%	2.90%
19134	34	20.60%	11.80%
19135	31	25.80%	0.00%



897 = Total monthly real estate sales

5.6% = increase in monthly sales compared to December 2012

Based on information from TREND for December 2012.