



# Economic Report

## Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Snapshot Highlights

Tax revenues (City & PICA) for December totaled \$185.4 million, a four percent decrease from the same month last year. A breakdown of the total revenues included \$158.2 million into the General Fund and \$27.2 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$124.8 million, a four percent decrease compared to the same month last year. Total FY14 revenues for this tax category totaled \$784 million, which is almost a two percent increase over the same period last year.

Monthly sales tax collections totaled \$21 million, a four percent decrease from what was collected last December. Fiscal year sales tax revenues totaled \$131.5 million, which is a three percent increase over last year.

Along with highlighting total tax collections, this month's economic report reviewed the local job market where in November there were 32,934 advertised online job openings in Philadelphia. In addition, there were 63,800 estimated Philadelphians considered unemployed, representing an unemployed per job opening ratio of 1.94 for the City. This means that for every job opening in the city there are almost two unemployed residents.

Philadelphia's ratio ranked 22<sup>nd</sup> of the 67 counties in Pennsylvania for having the least number of unemployed per job opening. When compared to the region, Philadelphia ranks better than Delaware(23) and Bucks(26) counties, but not as low as Montgomery(6) and Chester(10) counties.

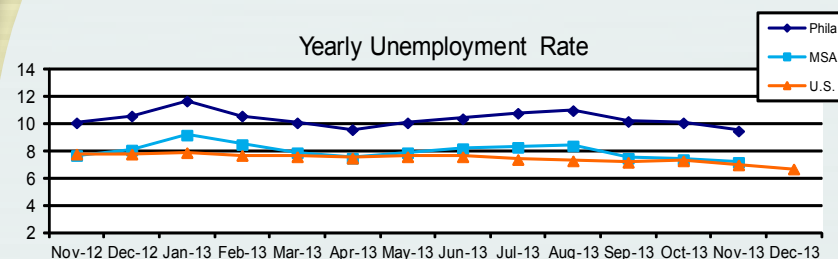
### MONTHLY FEATURE:

**HELP  
WANTED**

Philadelphia's unemployed per job opening ratio ranks 22<sup>nd</sup> in PA

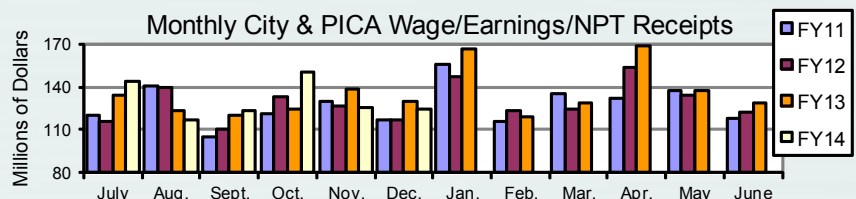
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**December  
2013**

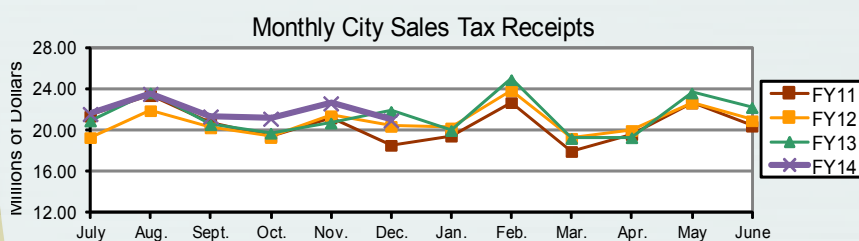


	Nov-13	Oct-13	Change	Nov-12
City -	9.5%	10.2%	-6.86%	10.4%
MSA -	7.2%	7.4%	-2.70%	7.9%
US -	6.7%	7.0%	-4.29%	7.8%

*unemployment rates are non-seasonally adjusted*



	FY2014	FY2013	Change
(in millions)			
Wage/NPT/Earnings - (City & PICA Yearly)	\$784.42	\$770.73	1.78%



	FY2014	FY2013	Change
(in millions)			
Sales (Yearly) -	\$131.51	\$127.68	3.0%

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

### Key Indicators



4% = decrease in monthly Wage/NPT/Earnings revenues over last year



4% = decrease in monthly sales tax revenues over last year



City unemployment rate drops to 9.5%, compared to 10.4% last year



9.5% = increase in monthly home sales in Philadelphia over last year



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### Current Jobs Data & Forecasted Conditions

December  
2013

#### Business Outlook Survey

According to the Federal Reserve's latest Business Outlook survey, manufacturing growth continued for the current reporting month.

The current employment index increased six points from the previous month, as 23 percent of firms reported increases, compared to 13 percent that reported decreases. Although, firms re-

ported reduced work hours, as the average work week index fell from 4.8 to -5.3. The future employment index remained unchanged as 25 percent of the firms are expecting to increase employment over the next six months.

While the majority of firms are expecting employment growth over the next year, they also indicated that the pri-

mary factors restraining hiring were the need to keep operating costs low, low expectations for sales growth and difficulty finding workers with required skills. Additionally, the uncertainty about the cost of health insurance was also a top factor for firms' hiring plans.

#### Total Non-Farm Employment (latest data available)

	November 2013	October 2013	% Chg.	November 2012
<b>City Total</b>	671,200	665,900	0.80%	669,200
Construction	12,400	12,500	-0.80%	11,000
Manufacturing	23,000	23,000	0.00%	23,300
Trade, Trans. & Utilities	93,500	91,800	1.85%	91,400
Information	11,800	11,800	0.00%	12,000
Financial Activities	41,200	41,400	-0.48%	41,100
Prof. & Business Svcs.	84,500	84,500	0.00%	84,300
Educ. & Health Svcs.	223,100	220,700	1.09%	218,500
Leisure & Hospitality	61,200	60,900	0.49%	61,900
Other Services	26,600	26,200	1.53%	26,600
Government	93,900	93,100	0.86%	99,100
<b>MSA Total</b>	1,935,600	1,921,400	0.74%	1,915,600
Construction	70,200	69,900	0.43%	66,000
Manufacturing	126,800	125,600	0.96%	127,000
Trade, Trans. & Utilities	343,100	334,100	2.69%	341,400
Information	37,100	36,900	0.54%	37,600
Financial Activities	131,400	133,000	-1.20%	131,800
Prof. & Business Svcs.	311,300	311,100	0.06%	306,100
Educ. & Health Svcs.	457,900	454,700	0.70%	446,800
Leisure & Hospitality	166,500	167,500	-0.60%	163,100
Other Services	85,900	86,000	-0.12%	85,800
Government	205,400	202,600	1.38%	210,000

#### City of Philadelphia Demographics

Population	Male	Female	White	Afric. Amer.	Asian	Other	Hispanic
1,526,006	47.20%	52.80%	41.04%	43.40%	6.32%	9.73%	12.30%
Pov. Rate	Under 18	Over 65	Md. Hse Inc.	Demographic data was compiled from the 2010 Census and the 2012 American Community Survey			
25.6%	39.3%	17.3%	\$36,957				



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December  
2013

## PHILADELPHIA EMPLOYMENT STATUS

The City of Philadelphia's non-seasonally adjusted unemployment rate for November, the latest reporting month, stood at 9.5 percent. This was a decrease from 10.2 percent recorded in the prior two months and almost a full point decline from November of last year.

The year-over-year decline is a positive indicator for Philadelphia's economy, as well as for the region. Surrounding Pennsylvania counties also realized lower unemployment rates and overall unemployment figures.

When reviewing the local job market, there were 63,800 estimated Philadelphians considered unemployed and 32,934 advertised online job openings in the city. This represents an unemployed per job opening ratio of 1.94, which means that for every job opening in the city there are almost two unemployed residents.

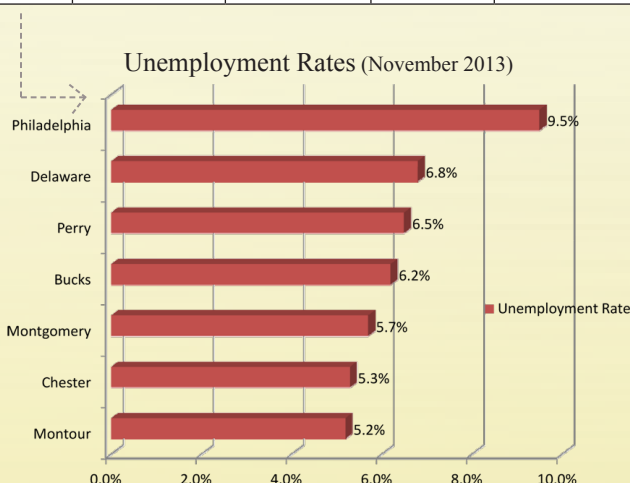
Source: PA Dept of Labor and Industry; Job Online advertised jobs data

Philadelphia's ratio ranks 22<sup>nd</sup> of the 67 counties in Pennsylvania for having the least number of unemployed per job opening. When compared to the region, Philadelphia ranks better than Delaware(23) and Bucks(26) counties, but not as low as Montgomery(6) and Chester(10) counties.

Prior to the recession, there were 1.44 unemployed Philadelphians competing for every one job in November 2008. Although, the current rate is a significant improvement from November 2009 and November 2010 when the rates were 7.15 and 5.32, respectively.

Number of Unemployed Per Job Openings Distribution  
Pennsylvania Counties

Pa. Rank	County	# of Unemployed Nov. 2013	Job Openings Nov. 2013	# Unemployed per Job Opening
1	Montour	600	1,388	0.43
6	Montgomery	26,700	25,235	1.06
10	Chester	15,900	12,867	1.24
<b>22</b>	<b>Philadelphia</b>	<b>63,800</b>	<b>32,934</b>	<b>1.94</b>
23	Delaware	20,600	10,173	2.02
26	Bucks	23,100	10,162	2.27
67	Perry	1,700	209	8.13

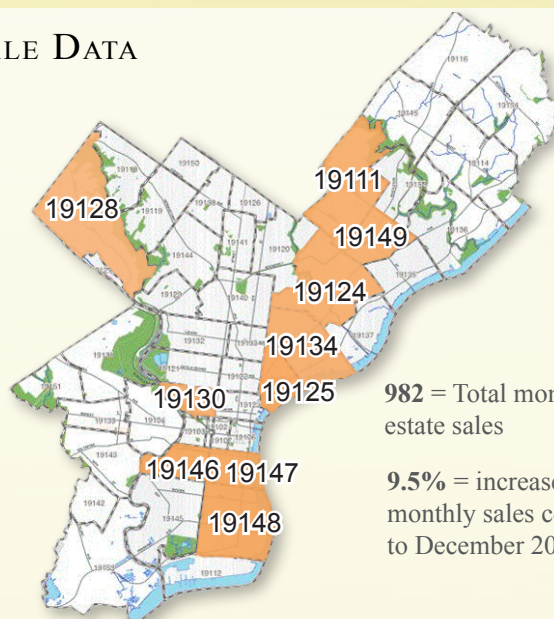


## MONTHLY HOME SALE DATA

December 2013 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19147	57	0.00%	1.80%
19146	55	5.50%	0.00%
19148	55	1.80%	3.60%
19125	45	6.70%	2.20%
19111	41	9.80%	0.00%
19134	39	15.40%	12.80%
19149	39	12.80%	12.80%
19128	37	0.00%	0.00%
19124	33	30.30%	12.10%
19130	33	6.10%	0.00%

Based on information from TREND for December 2013.



982 = Total monthly real estate sales

9.5% = increase in monthly sales compared to December 2012