



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for February totaled \$479.8 million, a less than one percent increase from the same month last year. A breakdown of the total revenues includes \$451.9 million into the General Fund and \$27.9 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$119 million, a three percent decrease compared to the same month last year. Yearly collections have totaled almost \$1.1 billion, a four percent increase over the prior year.

Monthly sales tax collections totaled almost \$25 million, which is a four percent increase from what was collected last February. Yearly collections have totaled almost \$173 million, a three percent increase over the prior year.

Along with highlighting total tax collections, this month's economic report includes a review of the employment situation in Philadelphia. While local job gains have not been as strong as the national pace, there have been signs of improvement over the last year.

Nonfarm employment in Philadelphia for February totaled 661,000, which indicates jobs were up 2,600 over the year. The Education and Health Services industry realized the largest year-over-year gain with 2,500 jobs.

The largest decrease from the payrolls was in government jobs, as there were 2,300 less than the prior year. Even though the city's year-over-year jobs gain was minimal, it's 10,100 more jobs than was recorded in February 2010.

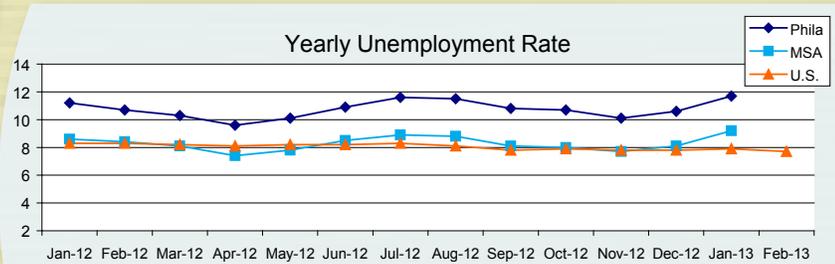
MONTHLY FEATURE:

February 2013



Jobs were up 2,600 over the year in the City of Philadelphia.

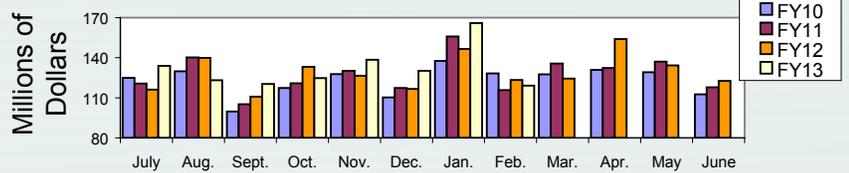
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	Jan-13	Dec-12	Change	Jan-12
City -	11.7%	10.6%	10.38%	11.2%
MSA -	9.2%	8.1%	13.58%	8.6%
US -	7.7%	7.9%	-2.53%	8.3%

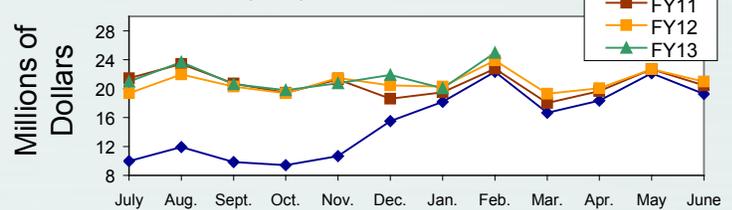
unemployment rates are non-seasonally adjusted

Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2013	FY2012	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,055.84	\$1,013.09	4.22%

Monthly City Sales Tax Receipts



(in millions)	FY2013	FY2012	Change
Sales (Yearly) -	\$172.69	\$167.14	3.32%

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

Key Trends



4% increase in yearly Wage/NPT/Earnings revenues over last year



3% increase in yearly sales tax revenues over last year



Unemployment rate climbs from 10.6% to 11.7% in one month



Total nonfarm jobs up 2,600 over the prior year



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Forecast Highlights

February 2013

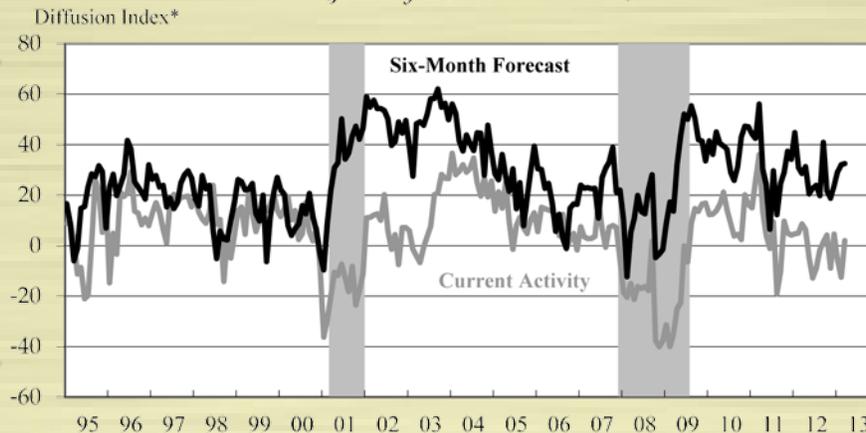
According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, after two months of negative readings for general activity and new orders, indicators show a slight increase in current activity. The diffusion index of current activity increased from -12.5 to 2.0 over the last month. The new orders index increased from -7.8 to 0.5. The employment index also recorded an increase from 0.9 to 2.7.

Over the next six months, firms are expecting growth in business as the future general activity index increased by almost half a point from the previous month. Although, the future new orders index decreased four points and the future employment index fell from 14.9 to 8.1.

When firms were asked about capital spending in 2013 compared to 2012, it was reported that most categories of planned capital spending were being scaled back this year, with the exception of noncomputer equipment. The reasons for not increasing capital spending included low sales growth, low capacity utilization and limited need for new capital.

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

Current and Future General Activity Indexes
(January 1995 to March 2013)



Source: Graph is from the latest Federal Reserve Bank of Philadelphia's Business Outlook Survey.

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	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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February 2013

PHILADELPHIA'S WORKFORCE: JOBS IN THE CITY

The latest U.S. jobs report indicated that 236,000 jobs were added to the economy in February. Along with the better than expected jobs numbers, the unemployment rate dropped slightly to 7.7 percent, adding an additional boost to economic confidence.

The employment situation in Philadelphia has not shown gains as strong as the national rate, but there have been signs of improvement over the last year to indicate that the local economy is heading in a positive direction.

Top Counties for Job Openings March 2013	
Allegheny	33,452
Philadelphia	24,565
Montgomery	16,379
Chester	8,824
Dauphin	8,100

Professional & Business Services industry added 1,100 jobs.

As some industries added jobs, others had dropped employees from the payrolls. The largest decrease was in government jobs with 2,300 less than the prior year. The Leisure & Hospitality industry dropped 900 jobs and Information Services declined by 100.

While the city's year-over-year jobs gain was minimal, it's 10,100 more jobs than what was recorded in

February 2010.

The latest monthly job count showed more than 24,300 job openings were advertised online in Philadelphia. The City comes second to Allegheny County's 33,340 for most job openings.

By reviewing the latest workforce information available from the Pennsylvania Department of Labor & Industry for the City of Philadelphia, jobs were up 2,600 over the year. Total nonfarm employment was at 661,000.

The Education & Health Services industry realized the largest year-over-year gain with 2,500 jobs. The



Current Employment Statistics

City of Philadelphia

Feb-13 Feb-12 Net Chg

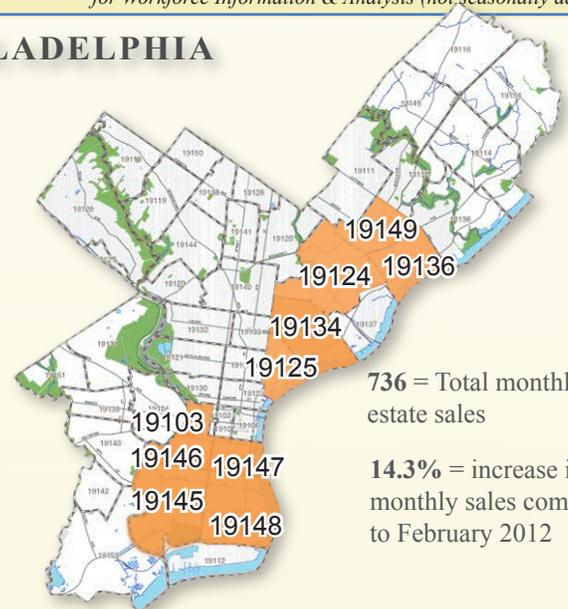
	Feb-13	Feb-12	Net Chg	
Total Nonfarm	661,000	658,400	2,600	↑
Education & Health Svcs.	219,400	216,900	2,500	↑
Government	98,800	101,100	-2,300	↓
Trade, Transp., Utilities	87,800	87,300	500	↑
Professional & Business Svcs.	83,800	82,700	1,100	↑
Leisure & Hospitality	57,800	58,700	-900	↓
Financial Activities	41,100	40,900	200	↑
Other Services	26,600	26,300	300	↑
Manufacturing	23,000	23,000	0	↔
Information	11,800	11,900	-100	↓
Construction	10,900	9,600	1,300	↑

Source: Pennsylvania Department of Labor & Industry Center for Workforce Information & Analysis (not seasonally adjusted)

HOME SALES IN PHILADELPHIA

February 2013 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	46	8.70%	2.20%
19125	37	8.10%	2.70%
19134	36	27.80%	2.80%
19147	36	2.80%	2.80%
19103	28	0.00%	3.60%
19124	28	25.00%	3.60%
19145	27	14.80%	0.00%
19149	26	15.40%	7.70%
19148	25	8.00%	4.00%
19136	24	12.50%	16.70%



736 = Total monthly real estate sales

14.3% = increase in monthly sales compared to February 2012

Based on information from TREND for February 2013.