



Economic Report

Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for July totaled \$183.5 million, an 11% increase from July 2011. This included \$153.1 million into the General Fund and \$30.4 million as the PICA portion.

Total City and PICA tax revenue for the current month is the highest amount recorded since just before the recent economic collapse. The last time July collections were near \$183.5 million was July 2007 with \$181.2 million.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$133.9 million, which is a 15% increase in what was collected in July 2011.

Monthly sales tax collections totaled \$20.96 million, which is an 8% increase from July of last year. Sales tax collections have been at or above \$20 million for the last four months.

Along with reviewing tax revenues, this month's economic report reviewed the current employment conditions in the City of Philadelphia. Over the last year, 1.8 million jobs nationally have been added to the payrolls. While U.S. employment data indicates positive job growth, the opposite has occurred in the City of Philadelphia.

In July 2011, there were 653,900 total jobs recorded in Philadelphia, compared to 648,400 in July 2012. The loss of 5,500 jobs represents a decline of just less than one percent -- at the same time the U.S. employment increased by 1.4%.

Some of Philadelphia's industries that realized job declines include: -2,000 in education and health services, -900 in professional and business services, and -300 in financial activities.

MONTHLY FEATURE:

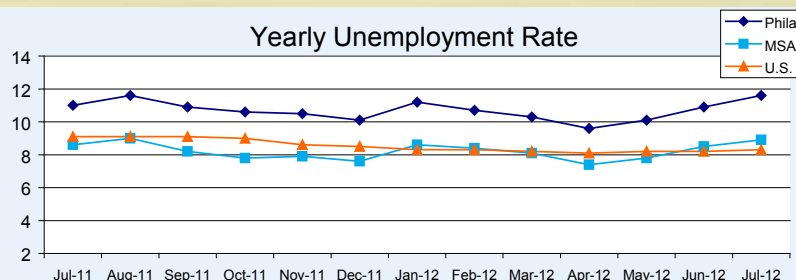


Philadelphia's total employment in July declined by 5,500 jobs from July 2011. Health & Education Services down 2,000.

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July
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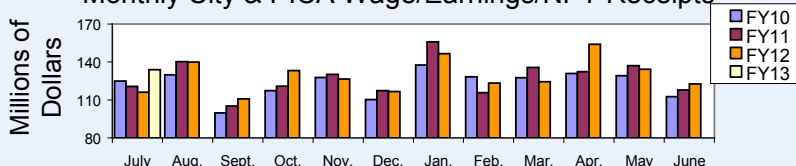
Yearly Unemployment Rate



	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 -	8.3%	8.2%	0.00%	9.1%

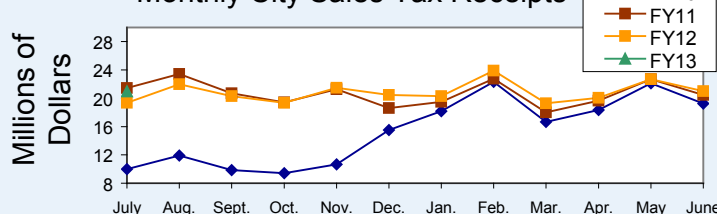
unemployment rates are non-seasonally adjusted

Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2012	FY2011	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$133.92	\$116.15	15.3%

Monthly City Sales Tax Receipts



(in millions)	FY2012	FY2011	Change
Sales (Yearly) -	\$20.96	\$19.36	8.3%

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

Key Trends & Financials



Total monthly tax revenues increased 11% over July 2011



Sales tax revenues up 8.3% over July 2011



Monthly real estate sales up 4% over same month last year



Philadelphia's employment down 5,500 jobs compared to July 2011



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Forecast Highlights

July
2012

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, general activity and new orders remained negative for the fourth consecutive month, however, both increased slightly from July. The survey's broadest measure of manufacturing conditions increased 6 points, to a reading of -7.1, the fourth consecutive negative reading but the highest reading since May.

Firms reported fewer hours worked this month; the average work week index increased 3 points but posted its fifth consecutive negative reading. The current employment index remained near the previous month's -8.6 reading.

The future general activity index decreased slightly, from 19.3 to 12.5. Firms were asked about the importance of seasonal factors in production; 43 percent of firms indicated that seasonal factors have a significant influence on monthly production levels, over 32 percent of firms scheduled shutdowns or slowdowns during July and August this year, only slightly more than the previous year.

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
	July-12 (P)	June-12	% Change	July-11
City Total	648.4	656.1	-1.2%	653.9
Manufacturing	23.1	23.3	-0.9%	23.6
Wholesale & Retail	61.8	61.7	0.8%	61.3
Services	615.7	623.3	-1.2%	620.2
Construction & Mining	9.6	9.5	1.1%	10.1
MSA Total	2698.3	2741.3	-1.6%	2685.1
Manufacturing	187.2	187.8	-0.3%	185.9
Wholesale & Retail	409.4	410.6	0.6%	407.1
Services	2410.7	2453.2	-1.7%	2394.1
Construction & Mining	100.4	100.3	0.1%	105.1

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

DEMOGRAPHICS

PHILADELPHIA	Population	Other
	1,526,006	9.73%
	Male	Hispanic
	47.20%	12.30%
	Female	Pov. Rate
	52.80%	25.1%
	White	Under 18
	41.04%	22.5%
	Af. Amer.	Over 65
	43.40%	12.1%
	Asian	Md. Hse Inc.
	6.32%	\$36,251

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



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July
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PHILADELPHIA EMPLOYMENT UPDATE: *Unemployment above 11%, 5,500 jobs lost over July 2011*

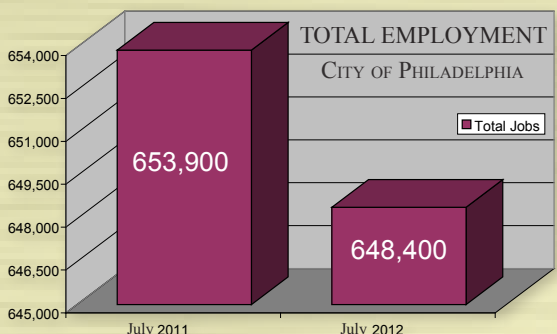
Total U.S. nonfarm payroll employment over the last month increased by 163,000 in July 2012, according to the U.S. Bureau of Labor Statistics. Many of the employment increases occurred in professional and business services, food services and drinking places, and manufacturing.

Since July 2011, total nonfarm employment in the United States rose by 1.8 million. During this period, the U.S. unemployment rate decreased by eight tenths, from 9.1% to 8.3%.

While national employment data shows signs of positive job growth, the oppo-

site has occurred in the City of Philadelphia. Along with July's seasonally adjusted unemployment rate inching up by four tenths over last month to 11.2% (11.6% non-seasonally adjusted), the City's total nonfarm employment has decreased by 7,700 jobs during the same period. From July 2011 to July 2012, Philadelphia's total employment decreased by 5,500.

In July 2011, there were 653,900 total jobs recorded in Philadelphia, compared to 648,400 in July 2012. Overall, total employment in Philadelphia declined by less than one percent, but at the same time U.S. employment increased by 1.4%.



Some of Philadelphia's industries that realized job declines include the following: -2,000, education and health services; -900, professional and business services; -300, financial activities; and -100, information/telecommunications.

Industry Highlights - # of Jobs City of Philadelphia

Industry	July 2012	July 2011	+/-%
Educ. & Health Servs.	205,500	207,500	-0.96%
Prof. & Bus. Srvs.	81,100	82,000	-1.10%
Financial Activities	41,500	41,800	-0.72%
Manufacturing	23,100	23,600	-2.12%
Food Srvs. & Drink Places	45,000	43,100	+4.41%
Retail Trade	46,200	45,700	+1.10%
Transport, Warehousing, & Utilities	24,500	24,400	+0.41%

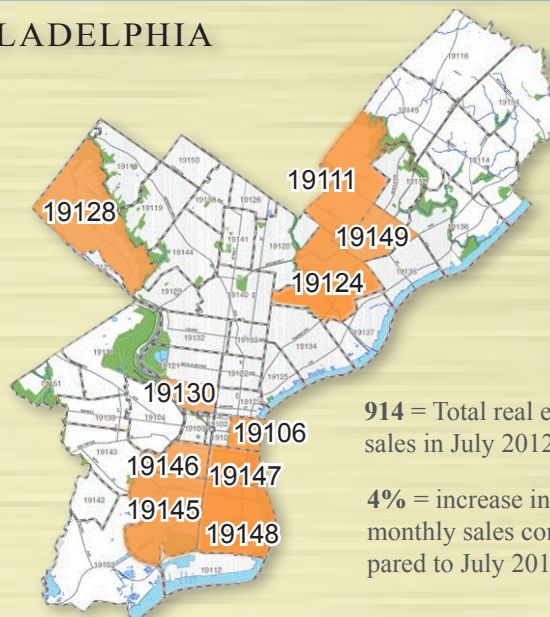
Data obtained from PA Department of Labor & Industry's July 2012 release

While Philadelphia realized more job decreases than increases, a few industries did realize employment growth such as retail trade (+500) and leisure and hospitality (+300).

HOME SALES IN PHILADELPHIA

July 2012 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19147	56	3.60%	0.00%
19146	52	7.70%	0.00%
19128	51	3.90%	2.00%
19111	43	9.30%	2.03%
19130	41	4.90%	9.80%
19145	39	12.80%	0.00%
19148	39	10.30%	0.00%
19124	34	23.50%	2.90%
19149	33	6.10%	9.10%
19106	28	3.60%	0.00%



914 = Total real estate sales in July 2012

4% = increase in monthly sales compared to July 2011

Based on information from TREND for July 2012.