



Economic Report

Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for July totaled \$201.86 million, a 10 percent increase from the same month last year. A breakdown of the total revenues included \$169.44 million into the General Fund and \$32.42 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled almost \$144 million, a seven percent increase compared to the same month last year. Monthly sales tax collections totaled \$21.6 million, a three percent increase from what was collected last July.

Along with highlighting total tax collections, this month's economic report reviewed the latest employment statistics for the City of Philadelphia that found the unemployed persons per job opening ratio was 1.77 in June 2013. This ratio represents how many unemployed persons on average there are for every job opening.

There were 37,975 job openings posted on-line in Philadelphia and 67,300 number of persons recorded as unemployed in June. The current rate is 74 percent lower than the 6.91 ratio recorded four years ago. Philadelphia's ratio in June was also lower than the U.S. ratio of 3.0.

In addition to job availability in the City, the entry level wage amount for listed job openings increased from \$21,395 in June 2008 to \$31,290 in June 2013, marking a 46 percent increase. The mean wage amount increased by \$14,000 during the same period.



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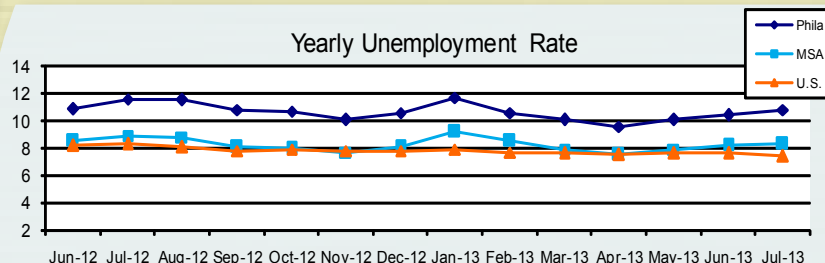
**HELP
WANTED**

MONTHLY FEATURE:

Philadelphia's Number of Unemployed
Persons Per Job Opening = 1.77

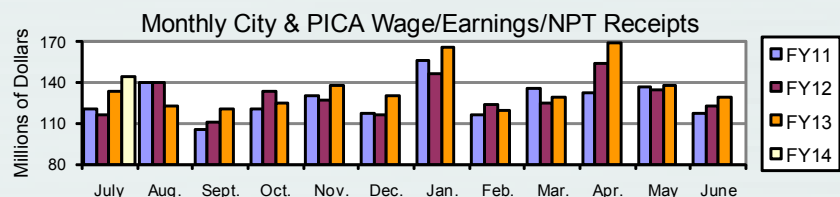
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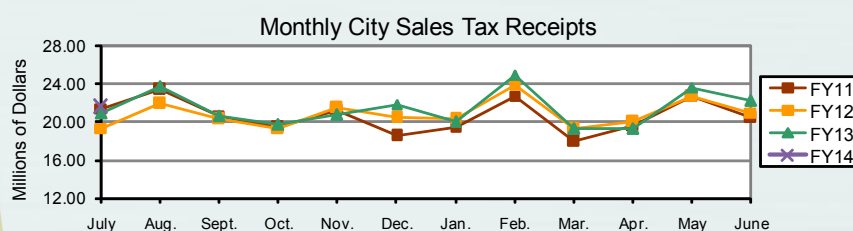


	July-13	June-13	Change	July-12
City -	10.8%	10.4%	3.85%	11.6%
MSA -	8.3%	8.2%	1.23%	9.0%
US -	7.4%	7.6%	-2.63%	8.2%

unemployment rates are non-seasonally adjusted



(in millions)	FY2013	FY2012	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$143.86	\$133.92	7.4%



(in millions)	FY2013	FY2012	Change
Sales (Yearly) -	\$21.64	\$20.96	3.24%

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

Key Trends



7.4% = increase in Wage/NPT/Earnings revenues over last year



3rd consecutive month of increased sales tax revenues over the prior year



Current job opening to employed persons ratio decreased by 74 percent since June 2009



Entry level wage increased by almost \$10,000 since 2008



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Forecast Highlights

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According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, manufacturing firms indicated that conditions remained positive over the month, but indexes fell from the prior month's readings. The diffusion index of activity decreased from 19.8 to 9.3. The new orders index fell from 10.3 to 5.3 and the current employment index, at 3.5, fell four points for the month. Nineteen percent of firms reported increases in current employment compared to 16 percent reporting decreases.

In addition to slight decreases in current conditions, future indicators fell back from the prior month's readings. The future activity index decreased six points, from 44.9 to 38.9. The future new orders and shipments indexes fell back this month, decreasing 19 points and 11 points, respectively. The future employment index also fell 14 points, from 36.2 to 22.3. Nearly 29 percent of firms expect increase in employment over the next six months, compared to 6.5 percent reporting decreases.

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 (most recent data available)				
	July 2013	June 2013	% Chg.	July 2012
City Total	649,300	662,100	-1.93%	652,000
Manufacturing	23,000	23,000	0.00%	23,300
Wholesale & Retail	64,000	64,600	-0.93%	63,900
Services	614,400	627,300	-2.06%	618,600
Construction & Mining	11,900	11,800	0.85%	10,100
MSA Total	1,889,800	1,917,500	-1.44%	1,872,300
Manufacturing	127,500	127,600	-0.08%	129,100
Wholesale & Retail	270,200	271,900	-0.63%	272,700
Services	1,692,100	1,721,400	-1.70%	1,676,700
Construction & Mining	70,200	68,500	2.48%	66,500

Source: PA
Dept. of Labor
& Industry

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 EMPLOYMENT CONDITIONS *Unemployed vs. Job Openings*

The U.S. Bureau of Labor Statistics' latest Job Openings and Labor Turnover Survey reported that there were 3.9 million job openings at the end of June 2013. The unemployed persons per job opening ratio was 3.0, which represents how many unemployed persons on average there are for every job opening.

The unemployed persons per job opening ratio for the United States has been declining since it reached a recession high of 6.2 in June 2009. Along with the country's significant

decline, the City of Philadelphia has realized a considerable decrease in the ratio between job openings and the unemployed. In June 2013, the City's ratio was 1.77, which is a 74% decrease from a ratio of 6.91 in June 2009. There were 37,975 job openings posted online in Philadelphia in June and 67,300 number of persons recorded as unemployed.

Prior to the Great Recession, in June 2008, there were 64,423 job openings and 43,900 persons unemployed in Philadelphia, marking an unemployed persons per job opening ratio of 0.68.

The ratios for both Pennsylvania and the Philadelphia MSA also increased in June 2009, but not as steep as the City's (see chart below). Although, Philadelphia's ratio remained at a much higher level for two years, its current rate is now almost aligned with the state and region.

Philadelphia: Number of Job Openings
June 2008 - June 2013

Year (June)	# of Unemployed	Job Openings	# of Unemployed Per Job Opening
2008	43,900	64,423	0.68
2009	62,900	9,097	6.91
2010	68,900	10,167	6.78
2011	69,500	30,134	2.31
2012	71,400	34,359	2.08
2013	67,300	37,975	1.77

In addition to job availability in the City of Philadelphia, the entry level wage amount for job openings increased from \$21,395 in June 2008 to \$31,290 in June 2013, a 46 percent increase. The mean wage amount increased by \$14,000 during the same period.

Source: Labor Market Statistics, Local Area Unemployment Statistics Program and Online Advertised Job Data

Wages for Job Openings

Year (June)	Entry Wage	Mean Wage	Exp. Wage
2008	\$21,395	\$57,281	\$101,430
2009	\$22,575	\$51,883	\$88,420
2010	\$26,553	\$72,000	\$124,617
2011	\$33,892	\$81,498	\$134,889
2012	\$35,116	\$78,671	\$127,544
2013	\$31,290	\$71,300	\$118,653

NUMBER OF UNEMPLOYED PERSONS PER JOB OPENING
(seasonally adjusted)

