



# Financial Forecast & Snapshot

Office of the City Controller  
Financial & Policy Analysis Unit



## JUNE 2010

### Snapshot Highlights

The City's General Fund tax collections for June were \$150.1 million, including \$16.5 million in revenue from the Tax Amnesty program. Total City tax revenues for FY10 totaled \$2.3 billion, which is a four percent increase from FY09.

Three of the City's largest tax revenue sources are down from one year ago; wage, real estate and business privilege.

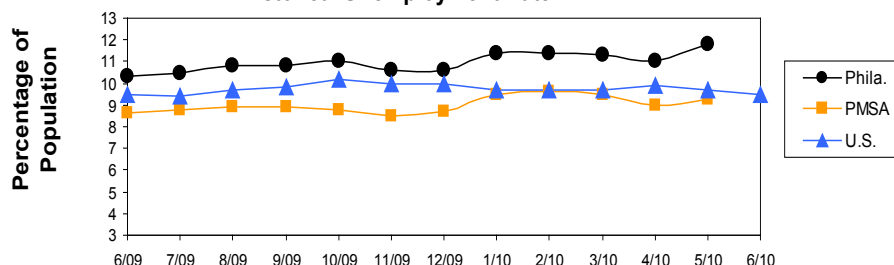
Sales tax collections in June were \$19.3 million, putting the monthly collection through the end of the fiscal year at \$184 million.

The City's Sales tax collections are for the period of September through August, meaning the City will need to collect \$21 million in each of the remaining two months to meet its current estimate of \$205 million. Collections have been at or above \$21 million only twice since the increased figure. The City's original estimate was \$235 million.

After two months of decline in the local unemployment rate, Philadelphia's 11.8 percent is the highest rate the City has realized during the current economic recession. One year ago, the rate was 8.2 percent. The national rate has declined over the last two months and currently stands at 9.5 percent.

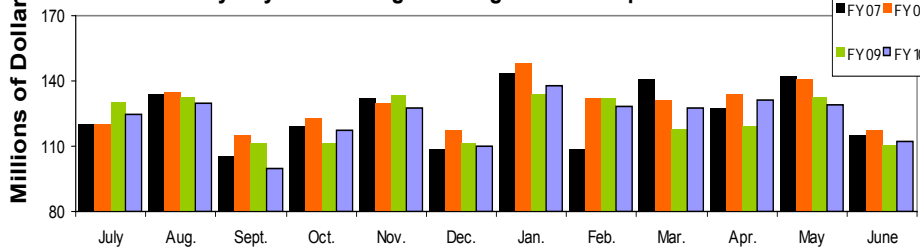
Summer travel is 35 percent less expensive than two years ago due to the lower fuel costs. A round trip to Wildwood, NJ cost \$6.31 less in a compact car; \$8.74 less in an SUV.

#### Historical Unemployment Rate



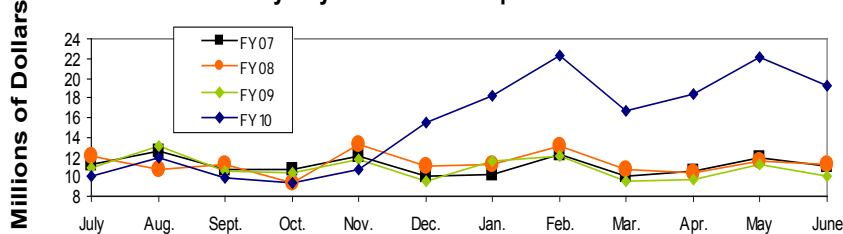
	<u>May-10</u>	<u>Apr-10</u>	<u>Change</u>	<u>May-09</u>
City -	11.8%	11.0%	7.27%	10.0%
MSA -	9.4%	9.0%	4.44%	8.2%
	<u>June-10</u>	<u>May-10</u>	<u>Change</u>	<u>June-09</u>
US -	9.5%	9.9.7%	-2.06%	9.5%

#### Monthly City & PICA Wage/Earnings/NPT Receipts



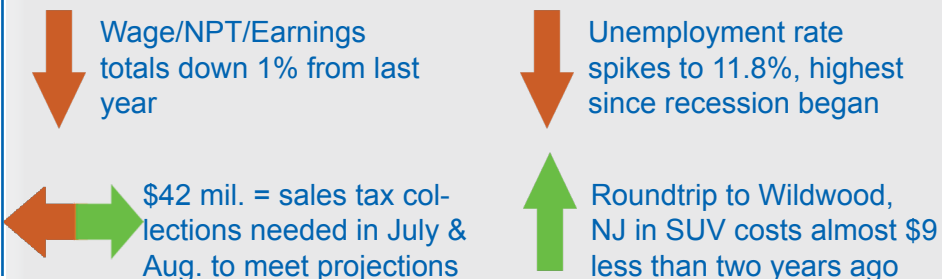
(in millions)	<u>FY2010</u>	<u>FY2009</u>	<u>Change</u>
Wage/NPT/Earnings - (City & PICA)	\$1,475.40	\$1,490.91	-1.04%

#### Monthly City Sales Tax Receipts



(in millions)	<u>FY2010</u>	<u>FY2009</u>	<u>Change</u>
Sales -	\$184.00	\$130.40	41.10%

### Key Trends





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## Forecast Highlights

According to the Philadelphia Fed's June Business Outlook Survey, regional manufacturing activity continues to expand in July but indicators for new orders and shipments have been suggesting a slowdown over the past two months. Firms expect continued growth in their manufacturing business over the next six months, but along with a slide in current indicators, confidence slipped noticeably this month. On balance, firms reported declines in prices for their own manufactured goods.

The Business Outlook Survey's broadest measure of manufacturing conditions, the diffusion index of current activity, decreased from a reading of 8 in June to 5.1 in July. While the index is still positive and suggests growth, it has fallen for two consecutive months. For the 15th consecutive month, the percentage of firms expecting employment to increase over the next six months (30 percent) exceeded the percentage expecting declines (17 percent).

Total Non-Farm Employment (in thousands) *			Source: BLS	
	Jun-10	Jun-09	Change	May-10
<b>City Total</b>	646.8	647.4	-0.10%	654.1
Manufacturing	25.2	25.7	-1.90%	25.1
Wholesale & Retail	61.1	61.2	-0.20%	60.8
Services	611.6	611.4	0.00%	619.3
Construction & Mining	10.0	10.3	-0.30%	9.7
<b>MSA Total</b>	2711.9	2732.1	-0.70%	2712.6
Manufacturing	184.9	195.4	-5.40%	184.2
Wholesale & Retail	413.0	412.5	0.10%	409.4
Services	2431.5	2430.4	0.00%	2435.3

## 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
1,547,297*	8.50%
Male	Hispanic
46.78%	10.46%
Female	Pov. Rate
53.21%	25.10%
White	Under 18
41.83%	25.58%
Af. Amer.	Over 65
44.33%	13.00%
Asian	Md. Hse Inc.
5.30%	\$33,229

(\*2009 U.S. Census figures)



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### Fuel Costs Tracker

With the summer travel season underway, many motorists are realizing there is less pain at the pump this year due to lower fuel costs. Fuel costs in the City and region are less than they were in 2008, when gas prices were above \$4. The following charts track fuel costs for various vehicles traveling round trip to many popular travel destinations.

Vehicle	Mileage (highway)	Avg. Gallon of Gas for Philadelphia		Wildwood, NJ (160 mi roundtrip)			Pocono Mountains (214 mi. roundtrip)			New York City (188 mi. roundtrip)		
		Current (July 15, 2010)	2008 (July 15, 2008)	Current	2008	Difference	Current	2008	Difference	Current	2008	Difference
Hyundai Sante Fe (SUV)	26	\$2.70	\$4.12	\$16.61	\$25.35	-\$8.74	\$22.22	\$33.91	-\$11.69	\$19.50	\$29.79	-\$10.29
Honda Civic (Compact)	36	\$2.70	\$4.12	\$12.00	\$18.31	-\$6.31	\$16.05	\$24.49	-\$8.44	\$14.10	\$21.51	-\$17.41
Chevrolet Avalance (Truck)	31	\$2.70	\$4.12	\$13.93	\$21.26	-\$7.33	\$18.64	\$28.44	-\$9.80	\$16.37	\$24.99	-\$8.61
Ford Mustang V6 (Sports Car)	29	\$2.70	\$4.12	\$14.90	\$22.73	-\$7.83	\$19.92	\$30.40	-\$10.48	\$17.50	\$26.71	-\$9.21

*Cheapest prices around the City*

Price	Station	Section
\$2.63	Eastcoast (13001 Bustleton Ave. & Byberry Rd.)	Northeast
\$2.71	Unbranded (3281 Fox St. & Abbottsford Ave.)	Northwest
\$2.75	Hess (1801 W. Hunting Park Ave. & Clarissa St.)	North
\$2.75	Hess (615 S. Borad St. & Bainbridge)	South
\$2.95	CITGO (6201 Lancaster Ave. & 62nd St.)	West

*Cheapest prices around the region*

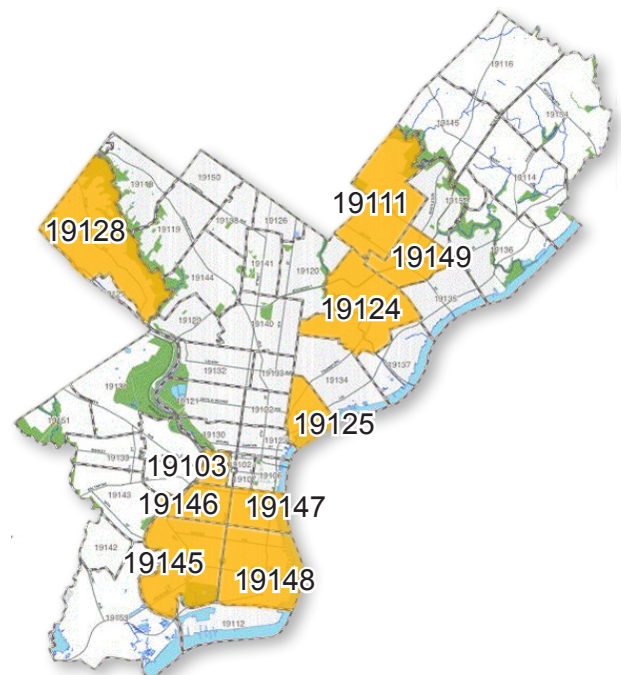
Price	Station	Location
\$2.60	Quality Gas	Levittown
\$2.61	Hess	King of Prussia
\$2.61	US Petro	King of Prussia
\$2.61	Eastcoast	Jeffersonville
\$2.61	Eastcoast	Exton

Prices for both City and region are for regular grade of gas and obtained 7/22/10. Source: [phillygasprices.com](http://phillygasprices.com)

### City Real Estate Sales

**JUNE 2010 - Top 10 Sales by Zipcode**

ZIP Code	Sales	Foreclosures	% of Sales from Foreclosure
19146	79	10	12.70%
19103	76	1	1.30%
19147	71	12	16.90%
19124	65	2	3.10%
19111	61	5	8.20%
19125	59	4	6.80%
19148	57	10	17.50%
19128	56	2	3.60%
19145	54	7	13.00%
19149	54	4	7.40%



Based on information from TREND for June 2010.