



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for June totaled \$184.3 million, a 4.6 percent increase from the same month last year. A breakdown of the total revenues included \$154.8 million into the General Fund and \$29.5 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$129 million, a five percent increase compared to the same month last year. Fiscal-year end collections totaled \$1.62 billion, an almost five percent increase over the prior fiscal year.

Monthly sales tax collections totaled \$22.2 million, a six percent increase from what was collected last June. Fiscal-year end collections totaled \$257 million, an almost three percent increase over the prior year.

Along with highlighting total tax collections, this month's economic report reviews the fiscal-year end general fund tax revenues. Tax revenues for fiscal year 2013 totaled \$2.75 billion, which was a \$204.4 million increase over fiscal year 2012.

Overall, the majority of tax categories realized increases over the year, including: realty transfer, 24 percent; business privilege, 19 percent; tobacco, 16 percent; and real estate, eight percent.

Year-over-year decreases included a 14 percent decline in amusement taxes, which is imposed on the admission fee for attending any amusement, and an almost two percent decline in the valet tax.



REPORT FRAUD, WASTE & ABUSE!

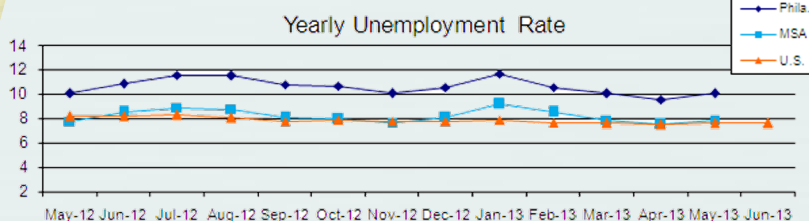
Search "Philly WatchDog" on iTunes or Google Play to download the **free** app and start protecting your tax dollars today!

MONTHLY FEATURE:

\$200+ million: year-over-year increase in general fund tax revenues

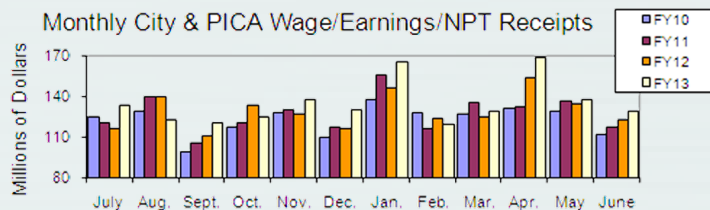
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June
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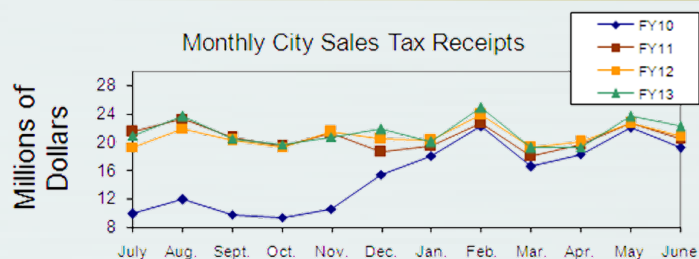


	May-13	Apr-13	Change	May-12
City -	10.1%	9.6%	5.20%	10.6%
MSA -	7.9%	7.5%	5.33%	8.2%
	June-13	May-13	Change	June-12
US -	7.6%	7.6%	0.00%	8.2%

unemployment rates are non-seasonally adjusted



(in millions)	FY2013	FY2012	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,620.27	\$1,548.34	4.6%



(in millions)	FY2013	FY2012	Change
Sales (Yearly) -	\$257.21	\$250.18	2.81%

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

Key Trends



\$200+ million increase in year-over-year general fund tax collections



2.8% increase in yearly sales tax revenues over last year



4.6% increase in fiscal-year end Wage/NPT/Earnings taxes over last year



Monthly real estate sales up 18.5% over June 2012



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Forecast Highlights

June
2013

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, indicators of future activity rose considerably for regional manufacturers, suggesting an increase in both employment and production. Nearly 41 percent of firms are expecting employment increases over the next six months. The future activity index increased 11 points as nearly 52 percent of firms are expecting increases in activity. In addition, the new orders and future shipments indexes increased 17 and 14 points, respectively.

All of July's broadest current indicators were positive, and most indicators showed improvement from last month. The survey's broadest measure of manufacturing conditions, the diffusion index of current activity, increased from 12.5 in June to 19.8, the highest reading in two years. Furthermore, the shipments index increased more than 10 points. The employment index, at 7.7, registered its first positive reading in four months, confirming the assumption that manufacturers are increasing employment.

Total Non-Farm Employment (most recent data available)				
	May 2013	April 2013	% Chg.	May 2012
City Total	666,000	669,500	-0.5%	666,600
Manufacturing	23,100	23,000	0.4%	633,400
Wholesale & Retail	64,200	63,900	0.5%	64,300
Services	631,400	635,000	-0.6%	633,400
Construction & Mining	11,500	11,500	0.0%	9,900
MSA Total	1,911,700	1,901,500	0.5%	1,900,400
Manufacturing	127,100	126,300	0.6%	128,400
Wholesale & Retail	270,400	269,500	0.3%	272,900
Services	1,717,900	1,718,700	-0.0%	1,707,400
Construction & Mining	66,700	65,500	1.8%	64,600

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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YEARLY CITY TAX REVENUES

Year-over-year city collections up \$200 million

Year-over-year General Fund city tax revenues increased by almost \$204 million, or eight percent, for fiscal 2013. This increase excludes the portion dedicated to PICA, which is remitted through the wage, earnings and net profits taxes.

Almost every tax category realized increases over the year, including: realty transfer, 24 percent; business privilege, 19 percent; tobacco, 16 percent; and real estate, eight percent.

The realty transfer tax increase is reflective of the 14 percent increase in homes sales during the same period. The four percent tax is levied on the sale or transfer of real estate located in Philadelphia. Three percent of the total tax goes to the City and the state receives the remaining one percent.

While most tax revenues increased over the last fiscal year, a few tax revenues did realize declines. This included the amusement tax with a 14 percent decline and the valet tax with an almost two percent drop.

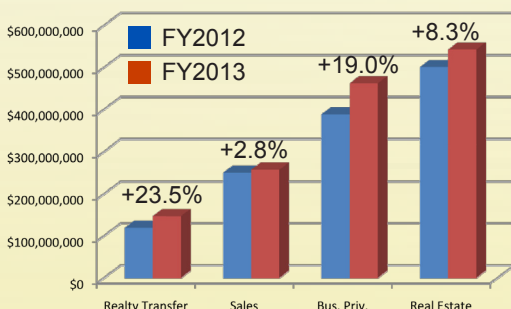
The lower amusement tax revenues can be attributed to Philadelphia's professional sports teams having shorter seasons and not entering the post-season, which results in less ticket sales due to a lack of

City General Fund Tax Revenues
FY12 vs FY13

Tax	FY12	FY13	% Chng.
Real Estate	\$500,710,024	\$542,383,450	8.3%
Wage	\$1,162,616,338	\$1,214,092,357	4.4%
Earnings	\$12,151,453	\$10,543,014	-13.2%
Net Profits	\$15,199,149	\$19,152,849	26.0%
Amusement	\$21,659,529	\$18,553,608	-14.3%
Business Priv.	\$388,285,600	\$462,143,822	19.0%
Parking	\$70,366,180	\$71,935,086	2.2%
Realty Trsnf.	\$118,930,347	\$146,858,361	23.5%
Valet	\$1,147,953	\$1,454,784	-1.7%
Sales	\$250,175,893	\$257,214,327	2.8%
Tobacco	\$628,302	\$728,783	16.0%
Other	\$2,534,312	\$3,165,689	24.9%
Total	\$2,544,737,080	\$2,748,226,130	8.0%

*Tax Revenues above exclude portion dedicated to PICA

Tax Revenue Increases FY12 vs FY13



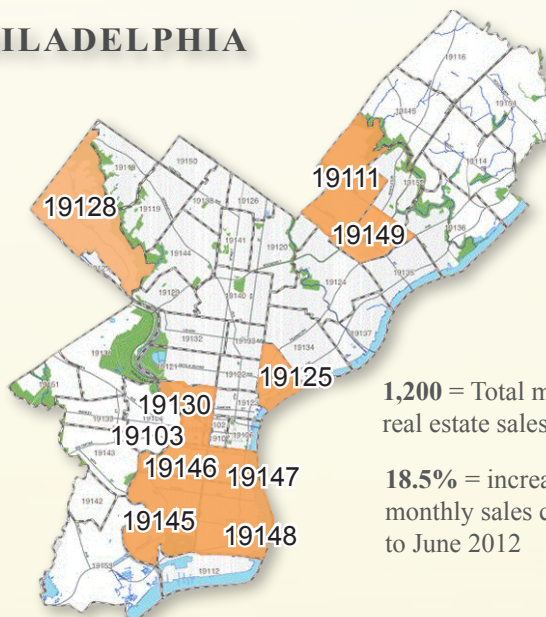
playoff games. The five percent tax is imposed on the admission fee charged for attending any amusement event in Philadelphia, including concerts, movies and athletic events.

HOME SALES IN PHILADELPHIA

June 2013 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	78	6.40%	1.30%
19147	72	1.40%	1.40%
19148	67	4.50%	4.50%
19125	62	3.20%	1.60%
19128	59	5.10%	1.70%
19130	50	0.00%	2.00%
19111	47	6.40%	12.80%
19103	44	4.50%	0.00%
19145	41	14.60%	4.90%
19149	41	14.60%	2.40%

Based on information from TREND for June 2013.



1,200 = Total monthly real estate sales

18.5% = increase in monthly sales compared to June 2012