



# Economic Report

## Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Snapshot Highlights

Tax revenues (City & PICA) for June totaled \$196.7 million, an almost seven percent increase over the same month last year. A breakdown of the total revenues included \$166.5 million into the General Fund and \$30.2 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$127.6 million, a less than one percent decrease over the same month last year. Total FY14 revenues for this tax category totaled almost \$1.7 billion, which is a three percent increase over the same period last year.

Monthly sales tax collections in May totaled \$22.1 million, a less than one percent decrease compared to last June. Yearly collections have totaled almost \$264 million, a 2.5 percent increase over last year's collections.

Yearly real estate tax collections into the General Fund have totaled more than \$540 million, a less than one percent increase from what was collected during the same period in FY2013.

Along with reviewing monthly revenue collections, a comparison of total collections tax dollars into the General Fund have increased by 22 percent from total revenue collections over four years ago. Collections for FY2010 totaled almost \$2.3 billion compared to the more than \$2.8 billion collected in FY2014, which is a difference of just more than \$500 million.

During this period, almost every major tax category realized double-digit percent increases including real estate, 34 percent; Business Privilege, 28 percent; and the Realty Transfer, 41 percent.



#### REPORT FRAUD, WASTE & ABUSE!

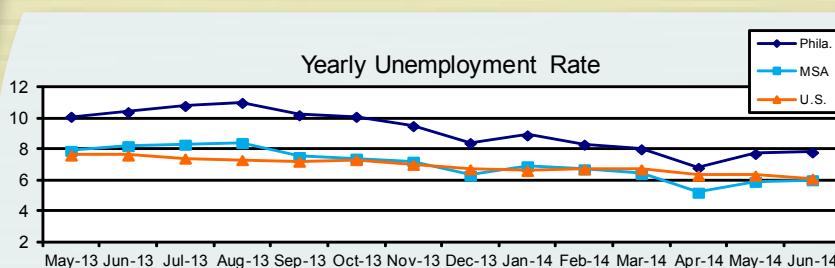
Search "Philly WatchDog" on iTunes or Google Play to download the **free** app and start protecting your tax dollars today!

### MONTHLY FEATURE:

FY14: 22% increase in City General Fund Tax Revenues over FY10

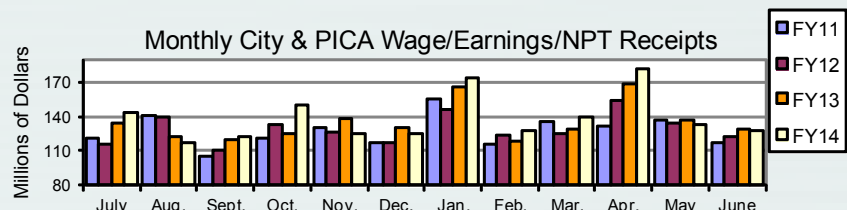
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June 2014

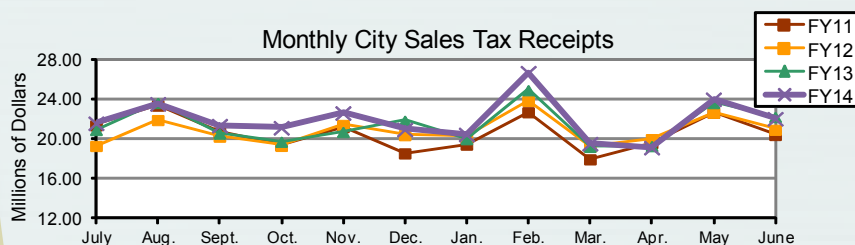


	June-14	May-14	Change	June-13
City -	7.8%	7.8%	-0.0%	10.3%
MSA -	6.0%	5.9%	1.7%	8.1%
US -	6.1%	6.3 %	-3.2%	7.6%

unemployment rates are non-seasonally adjusted



(in millions)	FY2014	FY2013	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,667.0	\$1,620.3	2.9%



(in millions)	FY2014	FY2013	Change
Sales (Yearly) -	\$263.70	\$257.21	2.5%

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

### Key Indicators



3% = increase in yearly Wage/NPT/Earnings revenues over last year



2.5% = increase in yearly sales tax revenues over last year



\$502M = Increase in tax revenue collections in FY14 compared to FY10



-0.25% = decrease in monthly home sales compared to June 2013



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### Current Jobs Data & Forecasted Conditions

June  
2014



#### Business Outlook Survey

According to the Federal Reserve's latest Business Outlook Survey, all current indicators were positive this month and realized a boost from June's readings.

The current index increases included the following: diffusion index of general activity increased six points over

the month to almost 24; the new orders and shipments increased 17 and 19 points, respectively; the employment index was less than one percent; and the workweek index increased five points.

Future indicators were also positive as the general activity index reached 58.1,

which is its highest reading since last October. Almost 33 percent of respondents reported an increase in the number of employees six months from now compared to only four percent who expect employment reductions. The remaining respondents expect there will be no change in future employment.

#### Total Non-Farm Employment (latest data available)

	June 2014	May 2014	% Chg.	June 2013
<b>City Total</b>	667,600	672,900	-0.8%	661,600
Construction	11,000	10,700	2.8%	10,900
Manufacturing	21,500	21,500	0.0%	21,800
Trade, Trans. & Utilities	91,300	91,200	0.1%	89,300
Information	11,400	11,500	-0.9%	11,600
Financial Activities	41,700	41,700	0.0%	41,300
Prof. & Business Svcs.	87,000	87,500	-0.6%	86,500
Educ. & Health Svcs.	206,400	212,200	-2.7%	202,000
Leisure & Hospitality	66,700	66,400	0.5%	65,400
Other Services	28,200	27,900	1.1%	27,900
Government	102,400	102,300	0.1%	104,900
<b>MSA (PA) Total</b>	1,926,500	1,922,200	0.2%	1,908,300
Construction	71,600	68,600	4.4%	67,600
Manufacturing	126,300	126,000	0.2%	127,300
Trade, Trans. & Utilities	337,500	336,000	0.4%	334,600
Information	36,100	36,100	0.0%	36,900
Financial Activities	133,400	131,900	1.1%	133,600
Prof. & Business Svcs.	310,900	312,400	-0.5%	312,400
Educ. & Health Svcs.	432,200	436,700	-1.0%	419,500
Leisure & Hospitality	181,400	176,800	2.6%	174,200
Other Services	86,000	84,300	2.0%	87,000
Government	211,100	213,400	-1.1%	215,200

#### City of Philadelphia Demographics

Population	Male	Female	White	Afric. Amer.	Asian	Other	Hispanic
1,526,006	47.20%	52.80%	41.04%	43.40%	6.32%	9.73%	12.30%
Pov. Rate	Under 18	Over 65	Md. Hse Inc.	Demographic data was compiled from the 2010 Census and the 2012 American Community Survey			
25.6%	39.3%	17.3%	\$36,957				



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June  
2014

### CITY TAX REVENUES: 22% INCREASE OVER FY2010

The upward tick in economic activity since the recent financial collapse has fueled more than just job growth, higher stock prices and improved consumer confidence. These activities and many more have also generated additional tax revenues for federal, state and local governments.

The City of Philadelphia has realized the benefits of this positive growth as tax dollars into the General Fund have increased by 22 percent from total revenue collections over four years ago. Collections for FY2010 totaled almost \$2.3 billion compared to the more than \$2.8 billion collected in FY2014, which is a difference of just more than \$500 million.

During this period, almost every major tax category realized double-digit percent increases including real estate, 34 percent; Business Privilege, 28 percent; and the Realty Transfer, 41 percent.

The business taxes, which include Wage, Earnings and Net Profits, posted the largest dollar increase by recording \$154 million more in FY14 than in FY10. The Amusement tax recorded a decline of almost \$2 million, or nine percent.

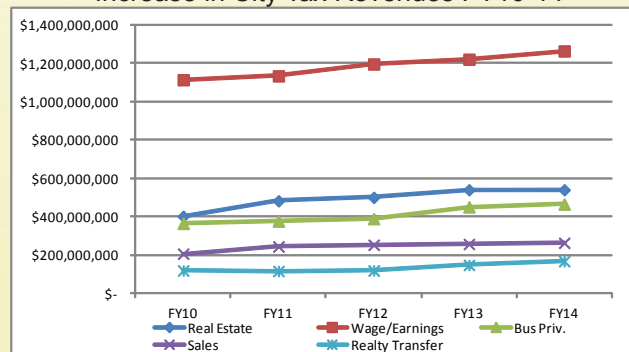
During this five-year period both the wage and net profits tax rates were reduced; whereas, during FY11, the real estate tax rate was increased.

Since the additional one percent in sales tax was implemented during FY10, it didn't have an entire year of collections at the higher rate. Sales tax revenues have recorded year-over-year increases since the rate went from seven to eight percent.

City General Fund Tax Revenues FY10-14  
(amounts in millions)

	FY10	FY14	\$ Diff.	% Diff.
Real Estate	\$402.2	\$540.4	\$138.2	34.4%
Wage/Earn/NPT	\$1,128.7	\$1,282.5	\$153.8	13.6%
Business Priv.	\$364.7	\$465.3	\$100.6	27.6%
Sales	\$207.1	\$263.7	\$56.6	27.3%
Realty Transfer	\$119.2	\$167.8	\$48.6	40.8%
Parking	\$70.5	\$73.6	\$3.1	4.4%
Amusement	\$21.9	\$20.0	-\$1.9	-8.5%
Misc.	\$2.4	\$5.6	\$3.2	3.2%
<b>Total</b>	<b>\$2,316.6</b>	<b>\$2,819.0</b>	<b>\$502.4</b>	<b>21.7%</b>

Increase in City Tax Revenues FY10-14

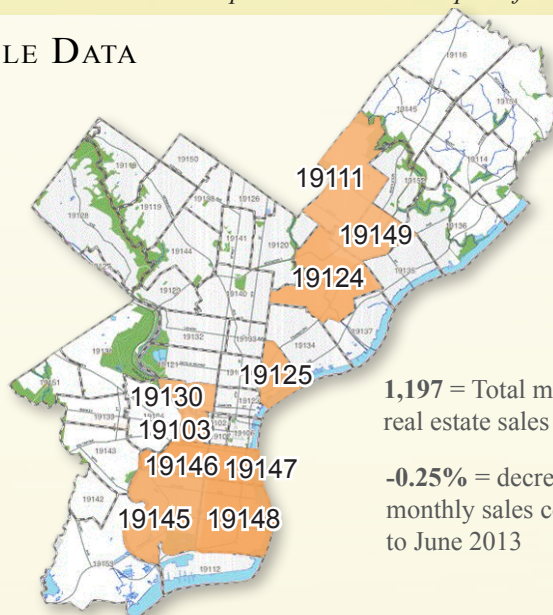


FY10-13 tax revenues were compiled from City CAFR reports. FY14 was compiled from FAMIS

### MONTHLY HOME SALE DATA

#### June 2014 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	84	2.40%	1.20%
19148	66	6.10%	0.00%
19147	65	1.50%	1.50%
19149	56	8.90%	5.40%
19125	52	7.70%	0.00%
19145	52	5.80%	1.90%
19130	50	2.00%	2.00%
19111	46	2.20%	2.20%
19124	42	19.00%	0.00%
19103	40	0.00%	0.00%



1,197 = Total monthly real estate sales

-0.25% = decrease in monthly sales compared to June 2013

Based on information from TREND for June 2014