



Economic Report

Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

March
2011

Snapshot Highlights

Tax revenues (City & PICA) for March totaled \$332.8 million, a 24% increase over the same month last year, but it was a 22 percent decrease from the previous month, which is consistent with a decrease in collections from prior years between these two months.

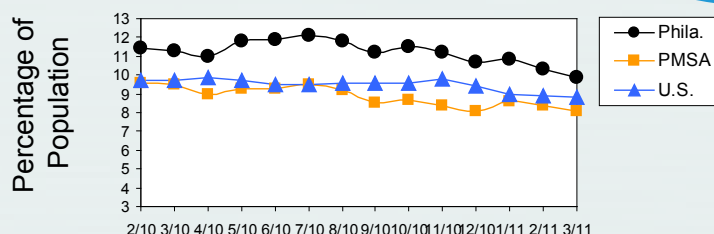
Wage/Earnings/NPT (City & PICA) collections for the month totaled \$135.57 million, a 6% increase compared to the same month last year, and a 17 percent increase from the prior month.

This month's sales tax collections totaled \$18 million, an 8 percent increase compared to March 2010. It also marked the lowest amount collected during the nine months of the current fiscal year.

With the latest Chained Consumer Price Index for All Urban Consumers, which is a special index to measure the actual cost of living for Americans, reaching a record high reading of 128.6 in March, this month's economic report features a look at the increased costs consumers in Philadelphia have incurred over the last decade.

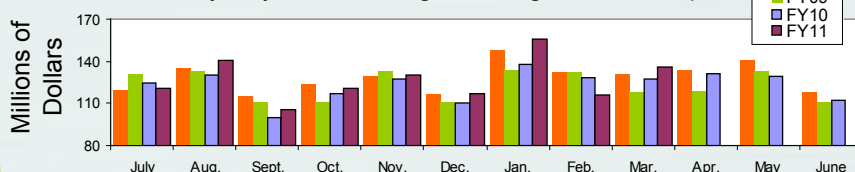
From 2000 to 2010, the average increases for certain costs in Philadelphia include the following: 117% for healthcare costs associated with congested heart failure; 69% for annual tuition at the City's universities; and 20% for a professional sporting event ticket. Also, an adult general admission ticket at the Philadelphia Museum doubled from \$8 to \$16.

Historical Unemployment Rate



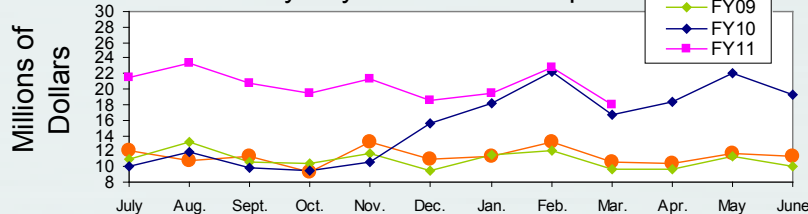
	Mar-11	Feb-11	Change	Mar-10
City -	9.9%	10.3%	-3.88%	11.3%
MSA -	8.1%	8.4%	-3.57%	9.4%
US -	8.8%	8.9%	-1.12%	9.7%

Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2011	FY2010	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,141.68	\$1,102.87	3.52%

Monthly City Sales Tax Receipts



(in millions)	FY2011	FY2010	Change
Sales (Yearly) -	\$185.12	\$124.48	48.71%

Key Trends



City's unemployment dropped to lowest rate since April 2009



Wage/Earn/NPT collections up 6% from same month one year ago



Avg. tuition costs at universities in the City have increased 69% over last decade



General admission ticket to Museum has doubled over last decade



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Forecast Highlights

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According to the latest Philadelphia Federal Reserve's Business Outlook Survey, many of the survey's indicators that have been reporting increases over the last several months have realized lower readings in April¹.

The diffusion index of current activity, which is the survey's broadest measure of manufacturing conditions, decreased from 43.4 in March to 18.5 this month. After seven consecutive months of increases, the new orders index fell 22 points - from 40.3 last month to 18.8 in the current month. Other decreases included 29 points in the future general activity index and 31 and 22 points for future new orders and shipments, respectively.

The current Business Outlook Survey found that 80 percent of firms indicated no adverse effects from the recent crisis in Japan or other international events on the availability of raw materials or other products.

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	
	Mar-11 (P)	Feb-10	%Change	Mar-10
City Total	663.2	657.9	0.8%	651.6
Manufacturing	24.8	24.1	2.9%	24.7
Wholesale & Retail	61.7	61.4	0.5%	61.2
Services	628.6	624.6	0.6%	617.4
Construction & Mining	9.8	9.2	6.5%	9.5
MSA Total	2682.6	2665.9	0.6%	2667.6
Manufacturing	183.5	183.0	0.3%	186.3
Wholesale & Retail	403.2	400.6	0.6%	402.3
Services	2405.9	2389.5	0.6%	2387.8
Construction & Mining	93.2	93.5	-0.2%	93.5

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
46.80%*	12.30%
Female	Pov. Rate
53.21%*	25.0%*
White	Under 18
41.04%	25.58%*
Af. Amer.	Over 65
43.37%	12.85%*
Asian	Md. Hse Inc.
6.32%	\$33,229

Data above is from the 2010 Census, unless noted
*based on 2009 American Community Survey



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INCREASED CONSUMER COST\$ IN PHILADELPHIA

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As the economy slowly looks toward recovery after the latest Great Recession, cost increases for many products and services could play a significant role in how well the United States recovers. The latest Chained Consumer Price Index for All Urban Consumers, which is a special index to measure the actual cost of living for Americans, reached a record high reading of 128.6 in March.

In light of this recorded index increase, this month's economic report features a look at the increased costs consumers in Philadelphia have incurred over the last decade.

When it comes to higher education costs at universities located within the city, the average annual tuition increase

over the last decade has been 69 percent for the universities that provided tuition costs for this report. For those having to pay medical bills covering healthcare costs associated with congested heart failure, there's been a 117 percent increase.

From 2000 to 2010, the average ticket price to a professional sporting event jumped 20 percent, and an adult general admission ticket to the Philadelphia Museum doubled, from \$8 to \$16.

Also of note, in April 2005 in Philadelphia, the average price for regular gas was about \$2.25 compared to the current \$3.90 - a 73 percent increase.

HIGHER-EDUCATION COSTS

Institution	2000	2010	% Change
Drexel Univ.	NP	\$38,000	-
St. Joseph's Univ.	\$19,680	\$35,080	78%
Univ. of Penn	\$22,682	\$34,868	54%
La Salle Univ.	\$18,020	\$32,500	80%
Philadelphia Univ.	NP	\$28,800	-
Temple Univ.	\$6,974	\$11,174	60%
Avg. Cost	\$16,839	\$28,406	69%

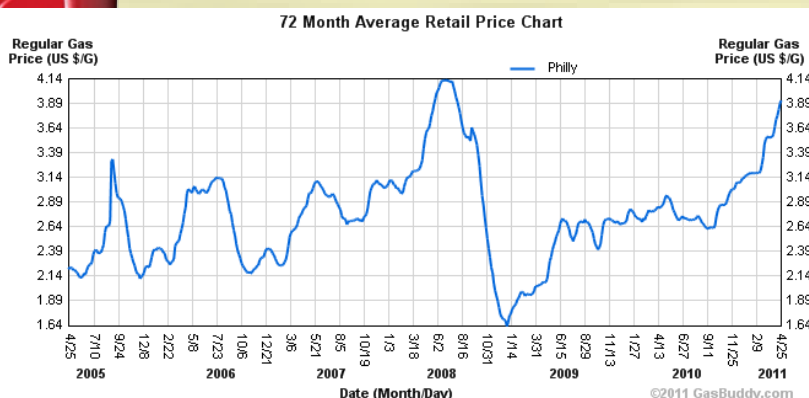
The above data includes only the annual undergraduate tuition costs that were gathered from either annual reports or by contacting the universities. NP means the cost could not be found and/or would not be provided.

HEALTH CARE COSTS

Hospital	2001	2009	% Change
Hahnemann Univ.	\$25,056	\$81,353	225%
Temple Univ.	\$31,103	\$76,033	144%
Jeanes	\$29,773	\$69,468	133%
Nazareth	\$24,020	\$51,904	116%
Thomas Jefferson	\$32,618	\$50,400	55%
Hospital of Univ. of PA	\$28,681	\$49,004	71%
Albert Einstein	\$22,151	\$36,702	66%
Roxborough Mem.	\$13,227	\$29,191	121%
St. Joseph's	\$10,765	\$26,856	149%
Avg. Cost	\$24,155	\$52,323	117%

The above data includes the costs associated with Congestive Heart Failure. The Pennsylvania Health Care Cost Containment Council provided the data and it was available up to 2009.

GAS PRICES IN PHILADELPHIA 2005 - PRESENT



The above chart was created by using PhillyGasPrices.com

PROFESSIONAL SPORTING EVENT

Pro Team	2000	2010	% Change
Eagles	\$43.89	\$69.00	57%
Flyers	\$62.31	\$60.89	-2%
76ers	\$50.12	\$41.00	-18%
Phillies	\$13.60	\$32.99	143%
Avg. Cost	\$42.48	\$50.97	20%

The above ticket prices for each professional sports team was provided by Team Marketing Research.