



Economic Report

Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for March totaled \$270.2 million, a 23% decrease from March 2011. This included \$241.8 million into the General Fund and \$28.4 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$124.5 million, which is \$11 million less than what was collected in March 2011. Total collections for the year are down less than one percent compared to the same period last year.

Monthly sales tax collections totaled \$19.3 million, a seven percent increase from the same month last year. This month's collection marks the fifth consecutive month of increases over the prior year. Yearly collections are slightly above last year's amount for the first nine months. Monthly collections will have to average more than \$21 million for the remaining three months of FY12 for the City to meet its \$250 million budget estimate.

The Controller's economic report this month examined median home sales prices over the last five years for some of the largest cities across the United States. With the global crisis doing most of its damage to U.S. real estate markets, Philadelphia's home sales price decrease was virtually unchanged during the economic calamity.

In April 2007, the median sales price was \$120,000 and in October 2011, which is the latest reporting period available for Philadelphia, it was \$115,000 - a four percent decrease.

Phoenix realized a 62 percent decline in its median home sales price and both Chicago and Los Angeles median sales price declined by about 45 percent.



REPORT FRAUD, WASTE & ABUSE!

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

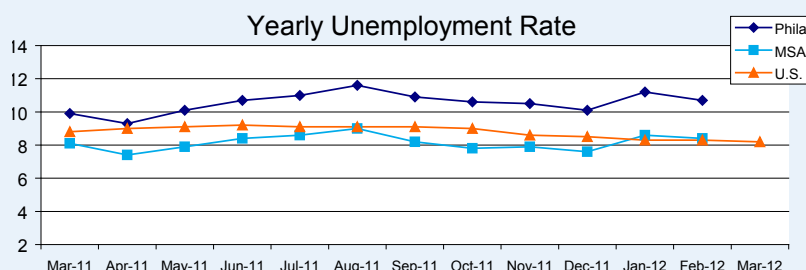


MONTHLY FEATURE:

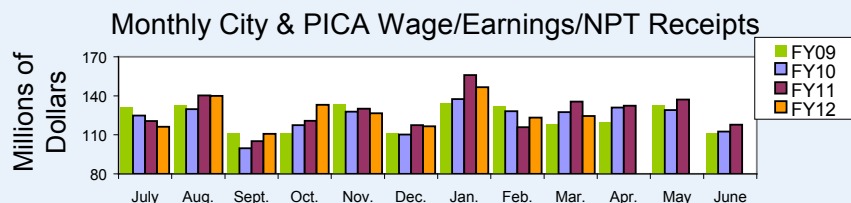
Philadelphia's median home sales price remained virtually unchanged at four percent over last five years.

PAGE 3

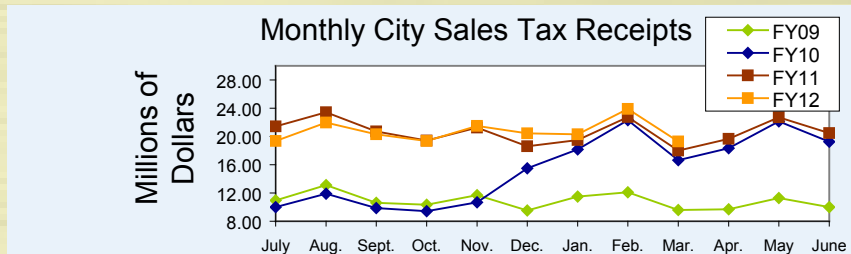
March
2012



	Feb-12	Jan-12	Change	Feb-11
City -	10.7%	11.2%	-4.46%	10.3%
MSA -	8.4%	8.6%	-2.33%	8.4%
	Mar-12	Feb-12	Change	Mar-11
US -	8.2%	8.3%	-1.20%	8.8%



(in millions)	FY2012	FY2011	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,137.55	\$1,142.00	-0.39%



(in millions)	FY2012	FY2011	Change
Sales (Yearly) -	\$186.43	\$185.09	0.72%

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

Key Trends & Financials



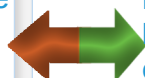
Sales tax collections: 5th consecutive month of increases over prior year



Wage/Earn/NPT \$11 million less than March 2011 collection



City unemployment rate drops back below 11% after spike from previous month



Philadelphia's median home sales price declines only 4% since 2007



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Forecast Highlights

March
2012

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, manufacturing firms indicated that regional manufacturing activity expanded modestly this month. Indexes for new orders and shipments remained positive but were slightly weaker than readings from the previous month. Indexes for current unfilled orders increased 14 points and returned to positive levels, suggesting a backlog of unfilled orders.

Firms' responses suggested higher levels in employment, as the current employment index increased 11 points, which is its highest reading in 11 months. Twenty-seven percent of firms reported an increase in employment compared to nine percent reporting declines.

Future outlook remains optimistic as indexes for future new orders and shipments remained within one point of the previous month's readings. The Future employment index also increased by six months.

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-12 (P)	Feb-12	% Change	Mar-11
City Total	655.8	654.7	0.2%	661.9
Manufacturing	23.3	23.0	1.3%	23.8
Wholesale & Retail	62.2	61.4	1.3%	61.3
Services	623.4	622.8	0.1%	628.9
Construction & Mining	9.1	8.9	2.2%	9.2
MSA Total	2701.8	2684.8	0.6%	2695.5
Manufacturing	185.0	184.2	0.4%	185.8
Wholesale & Retail	402.5	400.0	0.6%	404.5
Services	2420.2	2405.1	0.6%	2414.5
Construction & Mining	96.6	95.5	1.2%	95.2

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

PHILADELPHIA DEMOGRAPHICS

Population	Other
1,526,006	9.73%
Male	Hispanic
46.80%*	12.30%
Female	Pov. Rate
53.21%*	26.7%*
White	Under 18
41.04%	36.4%*
Af. Amer.	Over 65
43.37%	16.9%*
Asian	Md. Hse Inc.
6.32%	\$33,229

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



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

March
2012

EXAMINING U.S. REAL ESTATE PRICES: *Philadelphia Remains Almost Unchanged Over Last Five Years*

Along with causing economic havoc across the globe in just about every industry, the recent recession did most of its damage to many real estate markets across the United States. While many homeowners were faced with foreclosure due to mortgages they could no longer afford, others found themselves trapped with homes that were worth much less than what they were paying.

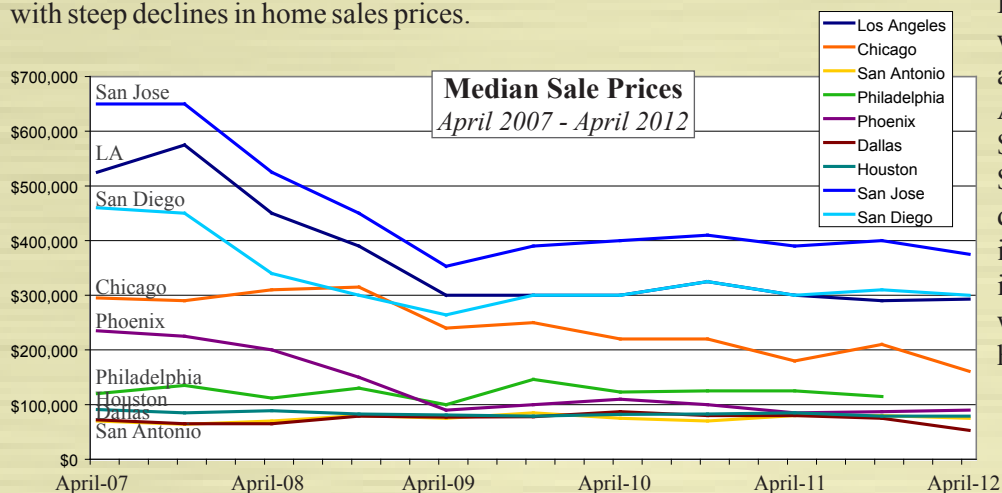
The real estate market collapse resulted in total home sales to plummet along with steep declines in home sales prices.

In comparing median sales prices over the last five years for nine of the largest U.S. cities, Phoenix's real estate market realized the largest decline with 62 percent, from \$235,000 in April 2007 to \$90,000 in April 2012.

Behind Phoenix for largest declines, Los Angeles and Chicago's median sales price declined by 45 percent each. Los Angeles' prices went from \$525,000 in 2007 to just below \$300,000 in 2012.

Median Sale Price Comparison

City	April-07	April-12	% Chg.
Phoenix	\$235,000	\$90,000	-61.7%
Chicago	\$295,000	\$161,000	-45.4%
Los Angeles	\$525,000	\$293,000	-44.2%
San Jose	\$650,000	\$375,000	-42.3%
San Diego	\$460,000	\$300,000	-34.7%
Dallas	\$72,000	\$53,000	-26.4%
Houston	\$91,000	\$79,000	-13.2%
Philadelphia*	\$120,000	\$115,000	-4.2%
San Antonio	\$70,000	\$75,000	+7.1%



Philadelphia's median home sales price was less affected during the recession as it declined by only four percent. In April 2007, the median sales price was \$120,000 and in October 2011* it was \$115,000. Over the last five years, the median sales price peaked around \$145,000 in the final quarter of calendar 2009. This increase was during the same time period when many cities realized an uptick in home prices before falling again.

(Data = Trulia's Market Trends)

*Trulia did not have data available for April 2012 for Philadelphia

HOME SALES IN PHILADELPHIA

MARCH 2012 - Top 10 Sales by Zipcode

ZIP Code	Sales	Bank Owned	% of Sales from Bank Owned
19148	61	3	4.90%
19147	45	1	2.20%
19146	44	5	11.40%
19124	38	10	26.30%
19145	36	3	8.30%
19135	33	4	12.10%
19120	32	7	21.90%
19149	31	2	6.50%
19111	28	2	7.10%
19128	28	1	3.60%



837 = Total real estate sales in March 2012

5% = increase in sales over March of last year

Based on information from TREND for March 2012.