



Economic Report

Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for March totaled almost \$345 million, a 15 percent increase over the same month last year. A breakdown of the total revenues included \$312 million into the General Fund and \$33 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$139 million, an eight percent increase over the same month last year. Total FY14 revenues for this tax category totaled \$1.2 billion, which is a more than three percent increase over the same period last year.

Monthly sales tax collections in March totaled \$19.6 million, a 1.6 percent increase over last March. Yearly collections through nine months totaled 198 million, or three percent more over last year's collections.

Monthly real estate tax collections totaled \$110.6 million, a 22 percent, or almost \$20 million increase from what was collected last March.

Fiscal year real estate tax revenues totaled \$492 million, which is a 2.5 percent decrease over last year. When compared to the City's General Fund projections as of Dec. 31, 2013, actual collections are \$6 million below the anticipated mark.

A review of the region's business outlook indicated that manufacturing activity has increased after realizing negative readings due to the harsh winter. When participating firms were asked to rank factors that were influencing their decisions to remain in the region, the top three answers included: availability of skilled labor, cost of labor, and taxes, subsidies and regulations.



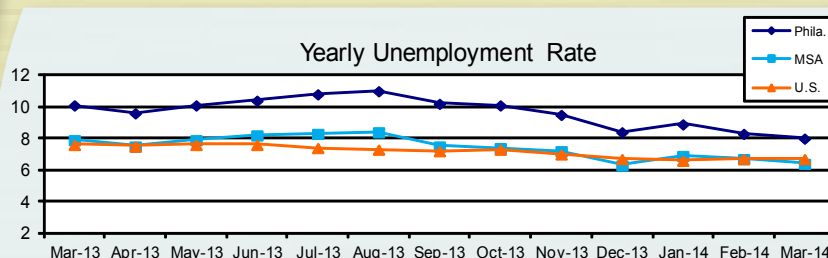
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MONTHLY FEATURE:

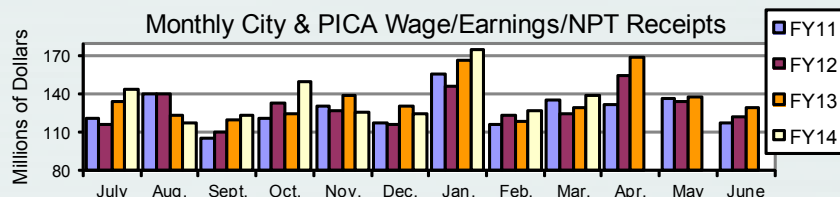
Fiscal Year 2014 Real Estate Tax revenues
\$13 million below last year's collections **PAGE 3**

March
2014

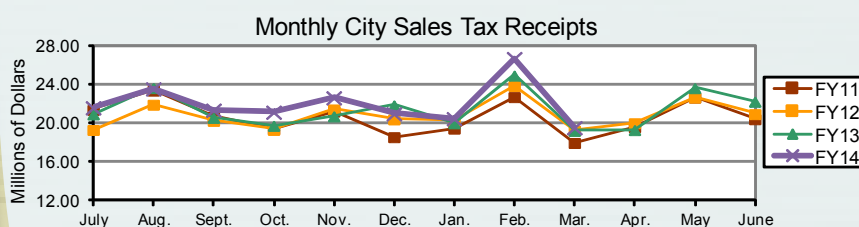


	Mar-14	Feb-13	Change	Mar-13
City -	8.0%	8.3%	-3.6%	10.1%
MSA -	6.4%	6.7%	-4.5%	8.0%
US -	6.7%	6.7%	0.0%	7.5%

unemployment rates are non-seasonally adjusted



(in millions)	FY2014	FY2013	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,225.5	\$1,184.7	3.4%



(in millions)	FY2014	FY2013	Change
Sales (Yearly) -	\$198.35	\$191.96	3.3%

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

Key Indicators



8% = increase in
monthly Wage/NPT/
Earnings revenues
over last March



3.3% = increase in
yearly sales tax rev-
enues over last year



8.1% = City unemploy-
ment down two points
from March 2013



Total City employ-
ment up 3,400 from
March 2013



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Current Jobs Data & Forecasted Conditions

March
2014

Business Outlook Survey

According to the Federal Reserve's latest Business Outlook survey, manufacturing activity in the region has increased after realizing negative readings due to the harsh winter.

The diffusion index of current activity increased from 9 to 16.6 for the current month. New orders and shipments also inched higher this month, increas-

ing 9 points and 17 points, respectively. Additionally, the employment index increased five points, recording its 10th-consecutive month of a positive reading.

When firms were asked to rank factors that were influencing their decisions to remain in the region, the top three answers included: the availability of

skilled labor; the cost of labor; and taxes, subsidies, and regulation. The proximity to distribution channels and the proximity to suppliers/raw materials were considered the least relevant when considering important factors to keep their business located in the region.

Total Non-Farm Employment (latest data available)

	March 2014	February 2014	% Chg.	March 2013
City Total	672,600	668,800	0.6%	669,200
Construction	9,900	10,200	-2.9%	10,600
Manufacturing	21,600	21,500	0.5%	21,600
Trade, Trans. & Utilities	90,400	89,400	1.1%	88,300
Information	11,400	11,400	0.0%	11,700
Financial Activities	41,800	41,800	0.0%	40,800
Prof. & Business Svcs.	86,600	85,500	1.3%	86,200
Educ. & Health Svcs.	214,800	214,200	0.3%	213,800
Leisure & Hospitality	64,900	64,300	0.9%	62,300
Other Services	27,400	27,200	0.7%	27,200
Government	103,800	103,300	0.5%	106,700
MSA (PA) Total	1,892,700	1,883,200	0.5%	1,890,800
Construction	65,300	63,500	2.8%	63,600
Manufacturing	125,200	125,300	-0.1%	125,800
Trade, Trans. & Utilities	330,800	328,500	0.7%	329,500
Information	36,000	36,100	-0.3%	37,000
Financial Activities	131,000	132,000	-0.8%	131,800
Prof. & Business Svcs.	303,500	303,400	0.0%	303,500
Educ. & Health Svcs.	437,900	437,300	0.1%	436,900
Leisure & Hospitality	164,900	160,300	2.9%	159,400
Other Services	83,200	82,100	1.3%	84,300
Government	214,900	214,700	0.1%	219,000

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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March
2014

REAL ESTATE TAXES AND TRANSFERS: IMPACT ON CITY'S GENERAL FUND

Real Estate Taxes are Philadelphia's second highest source of taxable revenue recorded in the City's General Fund. Under the current rate of 1.34%, less than half, or .6018%, is collected and placed into the City's coffers. The remaining amount is distributed to the School District of Philadelphia.

Current fiscal year (July through March 2014) collections recorded in the General Fund totaled \$491.8 million. This includes current and prior year real estate taxes owed. It's almost \$13 million, or 2.5%, less than what was collected during the same period last year.

With the filing deadline March 31, the bulk of the total tax revenue is collected during the months of January, February and March. FY14 Real Estate revenues were down almost \$15 million compared to last year during this three-month period.

Additionally, when compared to the City's General Fund projections as of Dec. 31, 2013, actual collections were \$6 million below the anticipated mark.

Along with Real Estate Taxes, the City also generates a significant amount of revenue from the Realty Transfer Tax, which is levied on the sale or transfer of real estate located in Philadelphia. The total rate is 4%, with 3% going to the City's General Fund and the remaining 1% to the Commonwealth.

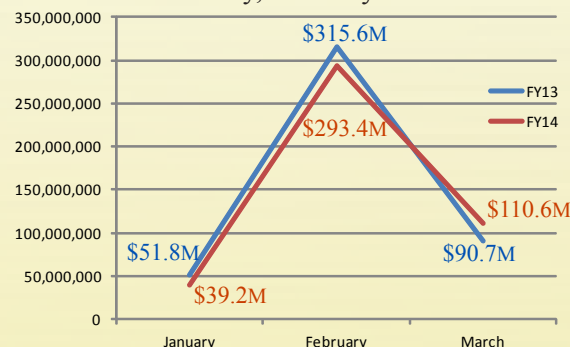
Fiscal Year 2014 collections for Realty Transfer totaled almost \$117 million, which is about \$10 million more than what was collected during the same period in fiscal year 2013. The increase in revenue can be attributed to the stronger home sales that were recorded in the first half of the year compared to last year.

Real Estate Tax Revenues
FY2013 vs. FY2014

Fiscal Year 2013	\$504.5M
Fiscal Year 2014	\$491.8M
\$ Diff.	-\$12.7M

Amounts recorded into the General Fund
from July through March

FY13 vs FY14 Monthly Collections
January, February & March

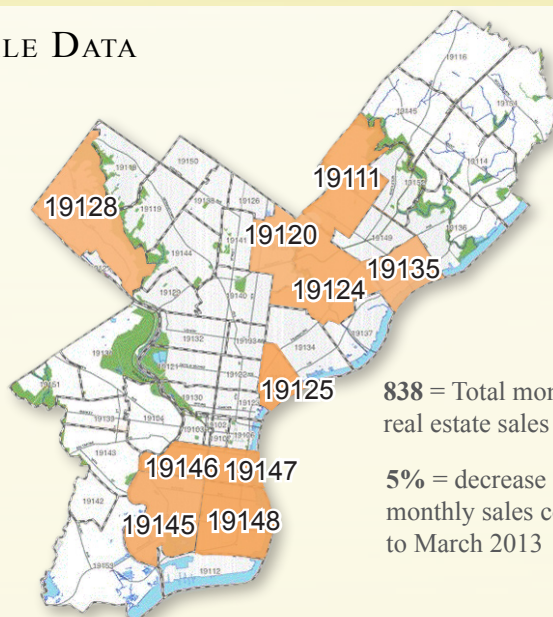


MONTHLY HOME SALE DATA

March 2014 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19148	47	4.30%	4.30%
19146	46	2.20%	0.00%
19145	39	12.80%	0.00%
19147	38	0.00%	2.60%
19125	34	11.80%	0.00%
19124	32	18.80%	0.00%
19111	31	9.70%	6.50%
19120	30	26.70%	0.00%
19135	29	20.70%	0.00%
19128	27	7.40%	0.00%

Based on information from TREND for March 2014.



838 = Total monthly
real estate sales

5% = decrease in
monthly sales compared
to March 2013