



# Economic Report

## Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Snapshot Highlights

Tax revenues (City & PICA) for May totaled \$288 million, a 24.8% increase from the same month last year, but a 21 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 \$137.12 million, a 1.1% increase compared to the same month last year, and a 31.4 percent increase from the prior month.

This month's sales tax collections totaled \$22.7 million, a 2.6 percent increase compared to May 2010. It also marked a 15.5 percent increase from last month's sales tax collections.

With summer vacations already underway for many Philadelphians, this month's economic report features a comparison of costs related to vacationing within the southern New Jersey beach region. It compares current costs (Summer 2011) with the cost for vacation expenses just before the Great Recession (Summer 2007).

Along with the price at the pump 26 percent higher than it was four years ago, other increases include a seven percent jump in roomrates at selected hotels from three separate beach towns, and a 13 percent increase in dining costs from selected restaurants at three separate beach towns. For more price comparisons to help you plan your vacation budget, see page 3.



#### 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:

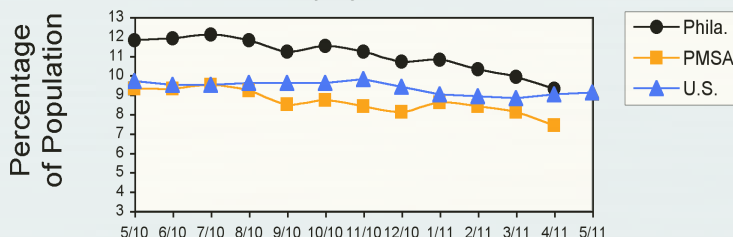


*Vacation costs for south Jersey Beaches have increased more than the 8.45% inflation rate change since 2007*

PAGE 3

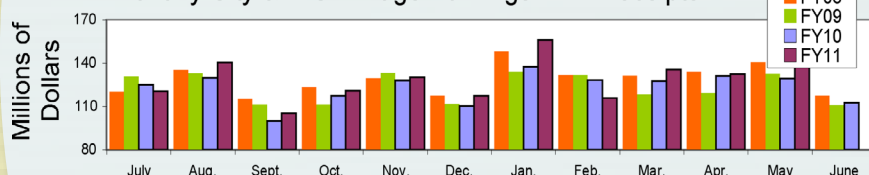
May  
2011

### Historical Unemployment Rate



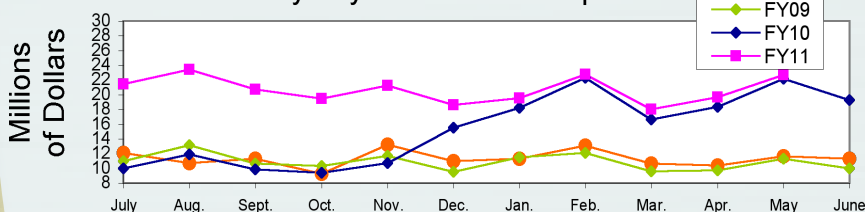
	Apr-11	Mar-11	Change	Apr-10
City -	9.3%	9.9%	-6.06%	11.0%
MSA -	7.4%	8.1%	-8.64%	9.0%
	May-11	Apr-11	Change	May-10
US -	9.1%	9.0%	1.11%	9.7%

### Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2011	FY2010	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,411.10	\$1,363.00	3.53%

### Monthly City Sales Tax Receipts



(in millions)	FY2011	FY2010	Change
Sales (Yearly) -	\$227.47	\$165	37.86%

### Key Trends



Sales tax revenues continue to remain above last year's collections



Yearly Wage/Earn/NPT collections up 3.53% over same period from last year



Unemployment rate in the City and the MSA down from last month and same period 2010



Sales tax receipts up 38% since same period last year



# Economic Report

## Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Forecast Highlights

May  
2011

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, manufacturing activity in the region weakened in June. Manufacturing activity was down, and the diffusion index of current activity, the survey's broadest measure of manufacturing conditions, decreased over the last month from 3.9 to -7.7. This figure is the lowest diffusion index reported through the survey since last October, and the first negative reading since that month.

Both the prices paid index and the prices received index declined from last month, and continue to moderate price pressures. Firms reported a rise in manufactured goods prices, with 17% of firms reporting higher prices for their own goods and only 12% reporting a drop in prices. When asked about cost increases for raw materials and energy, 54 percent of firms said that they've been unable to pass on cost increases. 47% of firms stated that they had increased base prices since the beginning of 2011.

*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	
	May-11 (P)	Apr-11	%Change	May-10
<b>City Total</b>	663.7	666.7	.45%	663.6
Manufacturing	24.3	24.2	.41%	24.9
Wholesale & Retail	62.2	61.3	1.5%	62.2
Services	629.4	632.5	-.49%	628.6
Construction & Mining	10.0	10.0	0.0%	10.1
<b>MSA Total</b>	2714.9	2707.5	.27%	2728.3
Manufacturing	182.6	182.6	-.0%	187.4
Wholesale & Retail	410.4	407.9	.61%	410.3
Services	2438.0	2428.3	.4%	2439.2
Construction & Mining	94.3	96.6	-2.38%	101.7

#### 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%*	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





# Economic Report

## Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

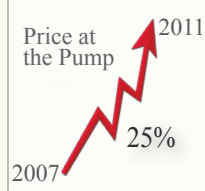


### VACATION COSTS

## Shore Escapes

May  
2011

There are 35 million people within a tank of gas from New Jersey's southern shore region. Cost of fuel and other travel costs will affect vacationers this summer as the financial impacts of the economy are still affecting households. This report's comparison of average vacation costs for certain expenses gives you a look at how your budget could be affected this summer, and where prices stood just prior to the Great Recession:



**Fuel - Filling up in Philly:** The current average roundtrip fuel cost for driving to Cape May in a compact car (32 miles/gal.) is \$21.68, compared to \$17.36 four years ago.<sup>1</sup>

**Lodging:** The overall average room-rate from selected hotels at Cape May, Ocean City and Wildwood increased by 7 percent since 2007.

**Dining Out:** Based on restaurants in Atlantic City, Wildwood and Cape May, the overall cost for various food selections increased by 13 percent.

**Attractions:** The total average increase for selected charter fishing trips along the southern shore increased by almost 16 percent.

**Looking to Buy?:** The beach towns that have realized the most significant decreases in median house prices include (excluding Atlantic City): Wildwood (-45%); Ventnor (-32%); Somers Point (-24%); and (Brigantine (-24%)).

*(cost comparisons were conducted by using prices and rates from selected entities' websites and by using the online "Way Back Machine" to get rates from Summer 2007)*

Item Cost	Beach Town	Avg. % Change ('07 - '11)
Dining Out	Atlantic City	6.79%
	Cape May	11.61%
	Wildwood	20.33%
Room Rates	Cape May	12.13%
	Ocean City	5.1%
	Wildwood	4.43%
Charter Fishing	charters located along southern Jersey Shore <sup>2</sup>	15.61%

Beach Town	Med. Price 2007	Med. Price 2011	% Change
Brigantine	\$408,333	\$308,750	-24%
Ventnor	\$338,667	\$231,090	-32%
Longport	\$612,261	\$742,500	21%
Somers Pt	\$260,533	\$198,000	-24%
Wildwood	\$330,000	\$181,250	-45%
Cape May	\$252,083	\$300,000	19%

Source: Kevin C. Gillen, PhD, "Jersey Shore House Price Indices," a joint Prudential Fox and Roach/Econsult/U. Penn Production

1. Gasbuddy.com & fueleconomy.com

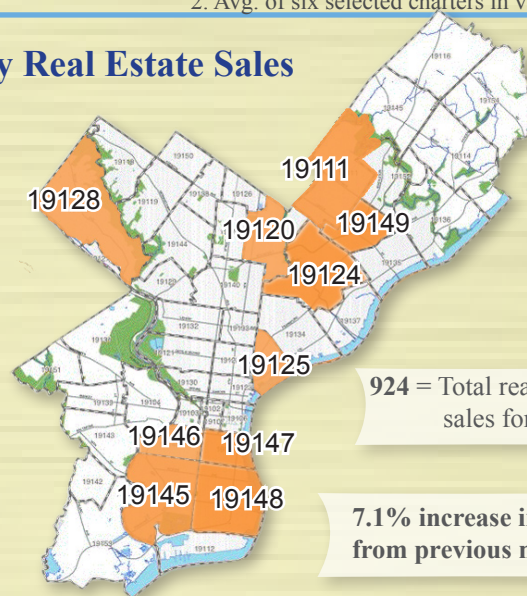
2. Avg. of six selected charters in various beach towns

### MAY 2011 - Top 10 Sales by Zipcode

ZIP Code	Sales	Bank Owned	% of Bank Owned
19146	66	3	4.5%
19147	51	2	3.9%
19148	51	7	13.7%
19149	42	5	11.9%
19145	37	4	10.8%
19120	36	12	33.3%
19124	36	10	27.8%
19125	35	9	25.7%
19128	32	3	9.4%
19111	31	7	22.6%

Based on information from TREND for May 2011.

### City Real Estate Sales



924 = Total real estate sales for April

7.1% increase in sales from previous month