



Economic Report

Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for May totaled more than \$296 million, an eight percent increase over the same month last year. A breakdown of the total revenues included \$262 million into the General Fund and \$34 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$34 million, a three percent increase over the same month last year. Total FY14 revenues for this tax category totaled more than \$1.5 billion, which is a three percent increase over the same period last year.

Monthly sales tax collections in May totaled \$24.1 million, a 1.6 percent increase compared to last May. Yearly collections have totaled \$241.6 million, an almost three percent increase over last year's collections.

Yearly real estate tax collections into the General Fund have totaled almost \$533 million, a less than one percent, or \$4 million, decrease from what was collected during the same period in FY2013.

Along with reviewing revenue collections, the Controller's monthly economic report compared Philadelphia total home sales by zip code in fiscal years 2004 and 2014.

While yearly home sales were down 24 percent compared to 2004, the largest declines occurred in the Lower Northeast, which are same neighborhoods that realized the highest number of sales one decade ago. Crescentville, Frankford and parts of Mayfair realized declines of more than 50 percent. Fishtown (19125) and Graduate Hospital/South Center City (19146) had increases of 45 percent and 34 percent, respectively.

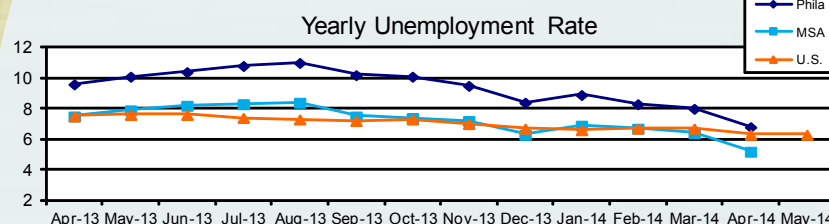


MONTHLY FEATURE:

Total home sales in FY14 down 24 percent compared to sales in FY04

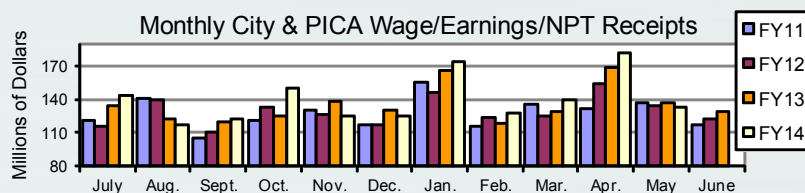
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May
2014

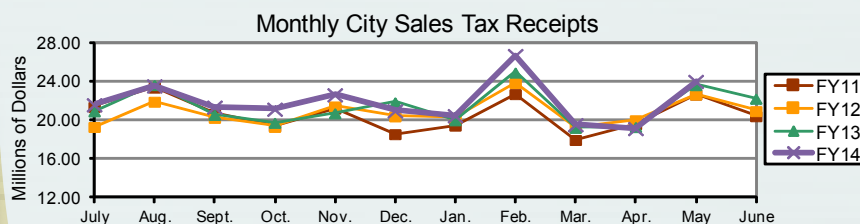


	Apr-14	Mar-14	Change	Apr-13
City -	6.8%	8.1%	-0.0%	9.5%
MSA -	5.2%	6.4%	-0.0%	7.4%
US -	6.3%	6.3%	0.0%	7.5%

unemployment rates are non-seasonally adjusted



(in millions)	FY2014	FY2013	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$1,539.4	\$1,491.2	3.2%



(in millions)	FY2014	FY2013	Change
Sales (Yearly) -	\$241.60	\$234.97	2.8%

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

Key Indicators



3% = increase in monthly Wage/NPT/Earnings revenues over last May



3% = increase in yearly sales tax revenues over last year



1% = decrease in yearly real estate tax collections over last year



10% = decrease in monthly home sales compared to May 2013



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Current Jobs Data & Forecasted Conditions

May
2014



Business Outlook Survey

According to the Federal Reserve's latest Business Outlook survey, respondents indicated that price increases for purchased inputs were more widespread this month.

The prices paid index increased 12 points, which contributed to the 24-point increase realized over the last two months. Thirty-six percent of firms reported higher input prices

this month compared with 25 percent last month. The prices received index, which reflect the firms' own final goods prices, declined from 17 to 14. The percent of firms reporting higher prices, 22 percent, exceeded the percentage reporting lower prices, eight percent.

Additionally, when asked how production increases would be accom-

plished in the second half of the year, 29 percent indicated that they would hire additional workers; 28 percent said the increases would be accomplished by increasing the productivity of the current workforce without hiring; and 12 percent indicated that they would increase the hours of existing staff without hiring additional workers.

Total Non-Farm Employment (latest data available)

	April 2014	March 2014	% Chg.	April 2013
City Total	675,800	671,800	0.6%	671,400
Construction	10,400	9,900	5.1%	10,700
Manufacturing	21,500	21,500	0.0%	21,600
Trade, Trans. & Utilities	90,900	90,400	0.6%	88,400
Information	11,400	11,400	0.0%	11,700
Financial Activities	41,700	41,800	-0.2%	40,900
Prof. & Business Svcs.	86,200	86,100	0.1%	86,100
Educ. & Health Svcs.	217,200	214,800	1.1%	213,000
Leisure & Hospitality	65,600	64,700	1.4%	65,900
Other Services	27,600	27,400	0.7%	27,300
Government	103,300	103,800	-0.5%	105,800
MSA (PA) Total	1,912,400	1,891,600	1.1%	1,903,600
Construction	67,200	65,900	2.0%	65,500
Manufacturing	124,600	125,200	-0.5%	125,800
Trade, Trans. & Utilities	332,400	331,200	0.4%	330,200
Information	36,000	36,000	0.0%	37,000
Financial Activities	130,800	131,000	-0.2%	132,200
Prof. & Business Svcs.	311,110	302,500	2.8%	308,000
Educ. & Health Svcs.	442,700	437,700	1.1%	435,900
Leisure & Hospitality	170,300	164,000	3.8%	166,400
Other Services	83,500	83,200	0.4%	84,400
Government	213,800	214,900	-0.5%	218,200

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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HOME SALES ACROSS PHILADELPHIA LOOKING BACK A DECADE

May
2014

Like many cities across the United States in 2004, the City of Philadelphia was in the midst of a housing bubble. There were various government regulations and lending practices that contributed to the home-buying surge. In fact, it was during this time that the U.S. home-ownership rate peaked at an all-time high of 69.2 percent.

From July 2003 through May 2004 (FY04), the City recorded 13,999 total home sales, according to TREND MLS.

The majority of these sales occurred in zip codes across the Lower Northeast, which included neighborhoods such as Lawncrest and Lawndale, Olney, Port Richmond and Frankford.

From July 2013 through May 2014 (FY14), the City recorded 10,660

total homes sales. The majority of sales during this time period occurred in zip codes across South Philadelphia.

FY04-14 Largest % Decreases

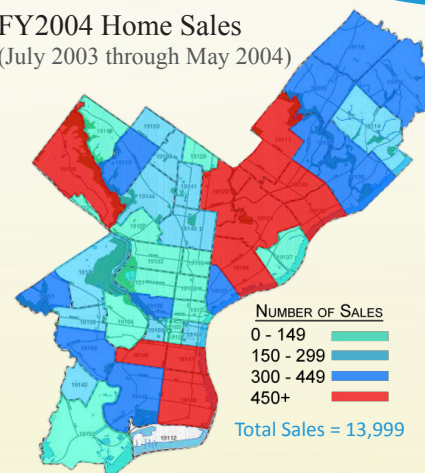
Zip Code	FY04	FY14	% chg.
19120	731	279	-61.8%
19124	989	396	-60.0%
19149	923	411	-55.5%
19151	332	162	-51.2%
19111	792	453	-42.8%
19140	202	116	-42.6%
19141	155	92	-40.6%
19134	661	396	-40.1%
19135	487	307	-37.0%
19142	269	170	-36.8%

While yearly home sales were down 24 percent compared to 2004, the largest declines occurred in the Lower Northeast, which are the same neighborhoods that realized the highest number of sales one decade ago. Crescentville, Frankford and parts of Mayfair realized declines of

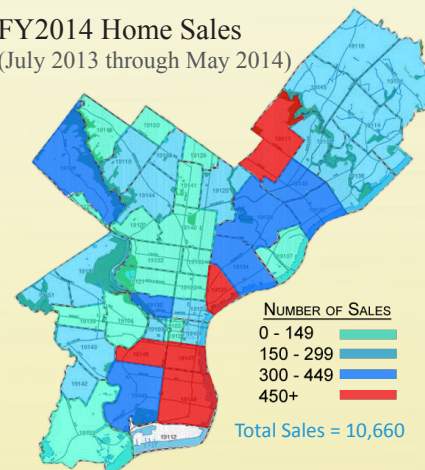
more than 50 percent.

In reviewing total sales by volume during this time period, noteworthy increases occurred in Fishtown (19125) and Graduate Hospital/South Center City (19146) at 45 percent and 34 percent, respectively.

FY2004 Home Sales
(July 2003 through May 2004)



FY2014 Home Sales
(July 2013 through May 2014)



MONTHLY HOME SALE DATA

May 2014 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	86	2.30%	1.20%
19148	57	7.00%	0.00%
19128	56	1.80%	0.00%
19134	50	20.00%	0.00%
19147	50	0.00%	0.00%
19130	49	4.10%	0.00%
19111	47	8.50%	6.40%
19149	42	4.80%	2.40%
19124	41	12.20%	4.90%
19103	39	0.00%	0.00%

Based on information from TREND for May 2014

