



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for November totaled \$167.4 million, an almost three percent decrease from the same month last year. This included \$138.4 million into the General Fund and \$29.0 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$126.6 million, an almost three percent decrease compared to the same month last year. Total collections for the current fiscal year are \$626.6 million, a 1.5% increase over last year.

Monthly sales tax collections totaled \$21.5 million, which is almost the same amount collected for November 2010. Total sales tax collections for the year are down 3.5% compared to the same period last year.

While the national unemployment rate has remained steady around 9.1% over the last 12 months, some of the country's largest cities have realized significant changes of highs-and-lows during this same period. Philadelphia followed a similar unemployment pattern as Los Angeles and Chicago, which included dropping to a low of 9.3% in April and then climbing to a high of 11.6% in August.

Philadelphia's current unemployment rate of 10.6% ranks fifth highest among the top 20 largest U.S. cities. While Philadelphia's unemployment rate dropped slightly over the last 12 months, its overall ranking remained unchanged from one year ago.

MONTHLY FEATURE:

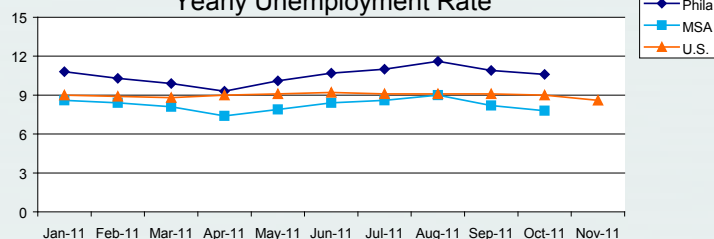
JOBS

Philadelphia's unemployment ranking among top 20 U.S. cities remains unchanged from one year ago

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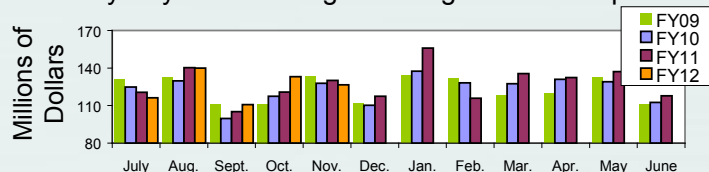
November
2011

Yearly Unemployment Rate



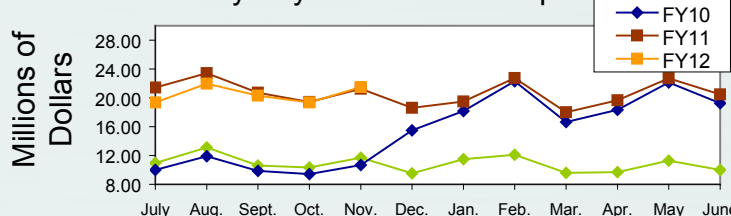
	Oct-11	Sep-11	Change	Oct-10
City -	10.6%	10.9%	-2.75%	10.5%
MSA -	7.8%	8.2%	-4.88%	8.7%
	Nov-11	Oct-11	Change	Nov-10
US -	8.6%	9.0%	-4.44%	9.8%

Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2012	FY2011	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$626.56	\$616.96	1.56%

Monthly City Sales Tax Receipts



(in millions)	FY2012	FY2011	Change
Sales (Yearly) -	\$102.48	\$106.25	-3.55%

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

Key Trends



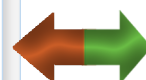
City's unemployment realizes second consecutive month of decline



Total yearly sales tax collections down 3.5% compared to last year



Total yearly Wage/NPT/Earnings taxes slightly above last year's collections



City ranks 5th for highest unemployment; same as last year



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Forecast Highlights

November
2011

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, business activity indexes suggest continued expansion and improvement among the firms responding to the latest survey. Twenty-five percent of firms reported increases in activity while 15 percent reported decreases. Labor market conditions continue to show overall improvement, as 20 percent of firms reported an increase in employment compared to 10 percent reporting a decrease.

Looking ahead, the six month indicators continue to improve as the broadest indicator of future activity increased two points, marking the fourth consecutive month of a reported increase and its highest reading in nine months. As for future employment opportunities, 24 percent of firms are expecting to increase employment over the next six months compared to 11 percent expecting to decrease employment. Firms also reported that they expect the largest annual increase in their costs will be due to health benefits, a 7.3 percent increase. Wages are expected to rise 2.1 percent and non-healthcare costs 2.5 percent.

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	
	Oct-11(P)	Sep-11	% Change	Oct-10
City Total	661.2	653.1	1.24	666.9
Manufacturing	23.8	24.1	-1.24	24.9
Wholesale & Retail	61.4	60.5	1.49	62.9
Services	627.3	618.7	1.39	631.7
Construction & Mining	10.1	10.3	-1.94	10.3
MSA Total	2718.2	2690.3	1.04	2721.5
Manufacturing	181.9	182.2	-0.16	186.6
Wholesale & Retail	412.3	407.6	1.15	411.4
Services	2436.4	2409.2	1.13	2431.9
Construction & Mining	99.9	98.9	1.01	103

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%*	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



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UNEMPLOYMENT TRENDS - LAST 12 MONTHS

Comparing Philadelphia to Largest U.S. Cities

Throughout the last 12 months, the national unemployment rate has remained relatively flat, hovering around 9.1% for most of the year. The most significant change occurred when it dropped by .8 points from November 2010 to January 2011.

Unlike the country's consistent rate, some of the largest U.S. cities have been realizing a roller coaster effect of highs-and-lows throughout the year. For example, among the five largest U.S. cities, Los Angeles (LA), which currently has the highest unemployment rate, started the year with a rate of 14.2%, then dropped to a low of 12.9% in April, before it climbed to a high of 14.6% in July.

All five of the largest cities realized a decrease in unemployment rates in the spring (either March or April) before making a steady climb into the summer where all but New York City peaked at their highest unemployment rates,

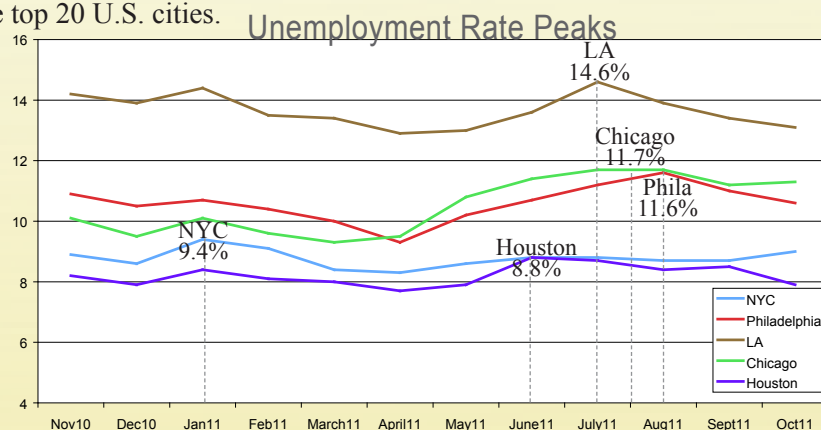
including Houston, 8.8%; Chicago, 11.7%; Philadelphia, 11.6%. Although Houston out performed all other cities as its unemployment started to decline in June, whereas many didn't peak until the end of summer, such as Philadelphia.

Philadelphia's current unemployment rate of 10.6% ranks third for the highest rate among the five largest cities. It did improve by one position, outperforming Chicago over the last 12 months. Philadelphia has the fifth highest rate among the top 20 U.S. cities.

Top 20 U.S. Cities Current Unemployment Rates

Detroit	19.2%	Phoenix	9.3%
LA	13.1%	NYC	9.0%
Chicago	11.3%	Charlotte	8.8%
Memphis	10.8%	Dallas	8.7%
Phila.	10.6%	Fort Wrth	8.2%
San Jose	10.5%	San Fran.	8.1%
Jcksvlle.	10.3%	Houston	7.9%
San Diego	9.7%	Columbus	7.8%
Indianpls	9.4%	San Anton.	7.3%
El Paso	9.4%	Austin	6.5%

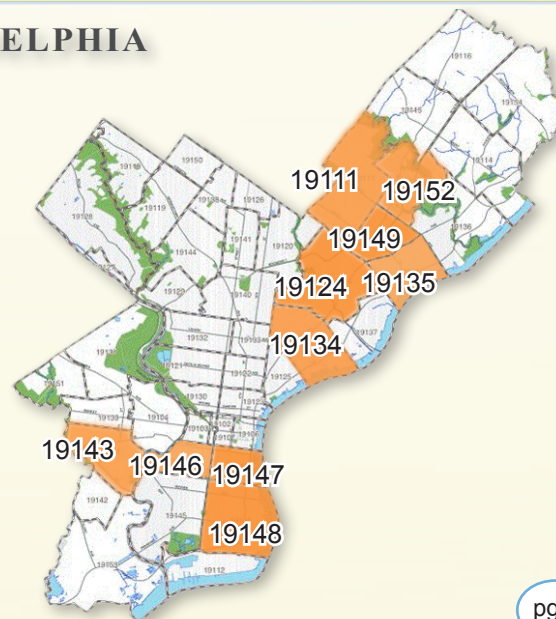
All unemployment data was compiled from the U.S. Bureau of Labor & Statistics



HOME SALES IN PHILADELPHIA

November 2011 - Top 10 Sales by Zipcode

ZIP Code	Sales	Bank Owned	% of Bank Owned
19148	43	4	9.3%
19149	42	9	21.4%
19124	39	8	20.5%
19146	38	6	15.8%
19147	33	2	6.1%
19111	30	6	20.0%
19134	30	7	23.3%
19143	27	7	25.9%
19152	27	0	0.00%
19135	26	5	19.2%



Based on information from TREND from November 2011.