



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for November totaled \$189.7 million, a 13 percent increase from the same month last year. A breakdown of the total revenues includes \$157.5 million into the General Fund and \$32.2 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$138.4 million, a nine percent increase compared to the same month last year. Total collections for the first five months of the fiscal year totaled \$640.5 million, a two percent increase over last year.

Monthly sales tax collections totaled \$20.8 million, a three percent decline from November's collection last year. After 12 consecutive months of sales tax revenues at or above monthly collections from the previous year, November marks the end of the outperforming collection streak.

Along with highlighting total tax collections, this month's economic report includes a review of non-tax revenues relating to fines and penalties that found revenues were down 11 percent over last year.

From July through November 2012, these revenues totaled \$6.6 million, compared to \$7.4 million collected last year. Some of these revenues included payments the City received for traffic fines, litter fines, code fines, false burglar alarm fines and penalties for bad checks.

Yearly collections for traffic fines alone totaled \$2.9 million, which is the largest source of revenue within this category of non-tax revenues.



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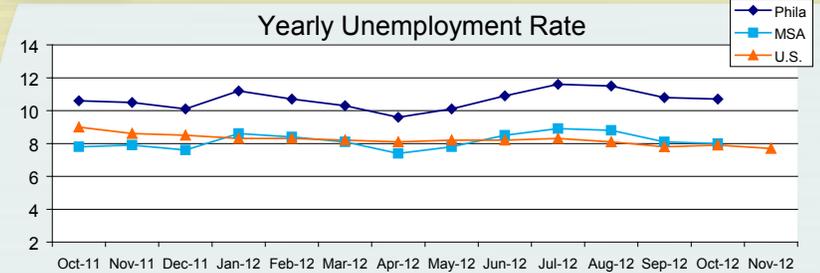


MONTHLY FEATURE:

Non-tax revenue collections for city fines & penalties down 11% over last year.

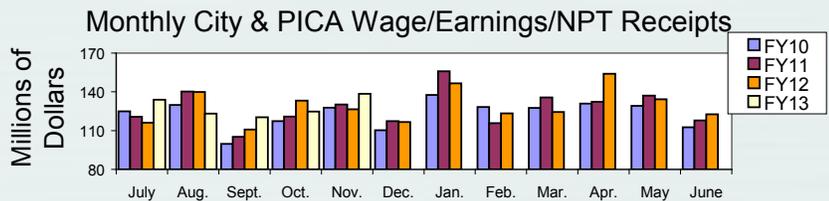
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November 2012

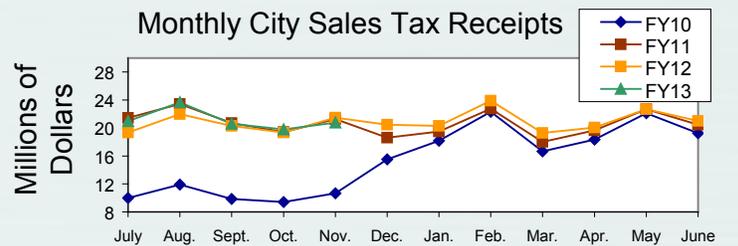


	Oct-12	Sept-12	Change	Oct-11
City -	10.7%	10.8%	-0.93%	11.1%
MSA -	8.0%	8.1%	-1.23%	8.1%
US -	7.7%	7.8%	-1.28%	8.7%

unemployment rates are non-seasonally adjusted



(in millions)	FY2013	FY2012	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$640.50	\$626.56	2.22%



(in millions)	FY2013	FY2012	Change
Sales (Yearly) -	\$105.78	\$102.48	3.22%

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

Key Trends

↑ Yearly Wage/Earnings/NPT revenues up slightly over last year's collections

↓ Monthly sales tax revenues 3% below November 2011 collections

↓ Revenues for fines & penalties down 11% over last year

↑ Monthly home sales up 22% from November 2011



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Forecast Highlights

November 2012

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, most of the survey's measures showed notable improvement this month after two months of declines. The diffusion index of current activity, the broadest measure of manufacturing conditions, increased over the last month from -10.7 to 8.1. The new orders index increased 15 points from the previous month, from -4.6 to 10.7. The current shipments index increased by 25 points and the current employment index increased to 3.6, which is the first positive reading in six months.

When asked about expectations for changes in various categories of input and labor costs for the coming year, firms' current responses indicate that the largest annual increase, about seven percent, will be for health benefits. Other labor costs such as wages and non-health-care benefits, are expected to rise by about two percent. When compared to responses from last year, the share of firms indicating that their costs would be higher in 2013 was greater than the share reporting that their costs would be lower.

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
	Nov-12 (P)	Oct-12	% Change	Nov-11
City Total	656.8	657.0	-0.1%	663.9
Manufacturing	23.2	23.5	-1.3%	23.1
Wholesale & Retail	624.3	624.0	0.0%	631.1
Services	63.2	64.2	-1.6%	63.4
Construction & Mining	9.3	9.5	-2.1%	9.7
MSA Total	2759.5	2743.2	0.6%	2735.8
Manufacturing	186.4	186.5	-0.1%	186.2
Wholesale & Retail	419.3	409.3	2.4%	415.7
Services	2474.5	2457.3	0.7%	2445.0
Construction & Mining	98.6	99.4	-0.8%	104.6

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	1,526,006	Other	9.73%
Male	47.20%	Hispanic	12.30%
Female	52.80%	Pov. Rate*	28.4%
White	41.04%	Under 18	39.3%
Af. Amer.	43.40%	Over 65	17.3%
Asian	6.32%	Md. Hse Inc.	\$36,251

Data above is from the 2010 Census, unless noted *based on 2011 American Community Survey



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November 2012

SNAPSHOT OF NON-TAX REVENUES

Revenues for Fines & Penalties Down 11% Over Last Year

During the first five months of the current fiscal year (FY13), city non-tax revenues related to fines and penalties were down almost 11 percent from the same period last year. From July through November 2012, these revenues totaled \$6.6 million, compared to \$7.4 million last year.

These revenues included payments the City received for traffic fines, litter fines, code fines, false burglar alarm fines, penalties for bad checks and other-related fees and/or penalties.

Payments for traffic fines alone accounted for the largest source of revenue for this category of non-tax revenues. Current fiscal year collections totaled \$2.9 million, which is about the same amount collected for traffic fines last year during the same period. Although, it was less than the \$3.8 million collected in the first five months of FY10 and the \$3.4 million collected in FY11.

Yearly revenues collected for litter fines totaled \$1.7 million in FY13. This was a 15 percent decrease from FY12 collections and a 22 percent decrease from FY11.

While payments for litter fines were down over the last two years, current revenues for false burglar alarm fines were up 12 percent compared to last year. In the first five months of FY13, the city collected \$809,509, compared to \$721,200 during the same period last year.

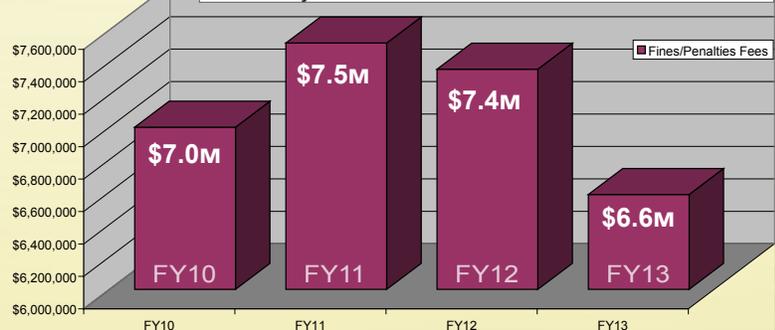
These non-tax revenues were compiled from FAMIS, which is the city's financial accounting system. This is a current snapshot of revenues, which have not been audited.

Non-Tax Revenues
Breakdown of Payments Received
(000 omitted)

	FY10	FY11	FY12	FY13
Traffic	\$3,745	\$3,381	\$2,844	\$2,870
Litter	\$1,235	\$2,241	\$2,054	\$1,742
False Burglar Alarm	\$797	\$799	\$721	\$810
Code	\$233	\$256	\$295	\$222
Other*	\$989	\$841	\$1,442	\$942

*includes non-tax revenues such as penalty for bad checks, bail forfeited, late filings/candidates financial reports, etc.

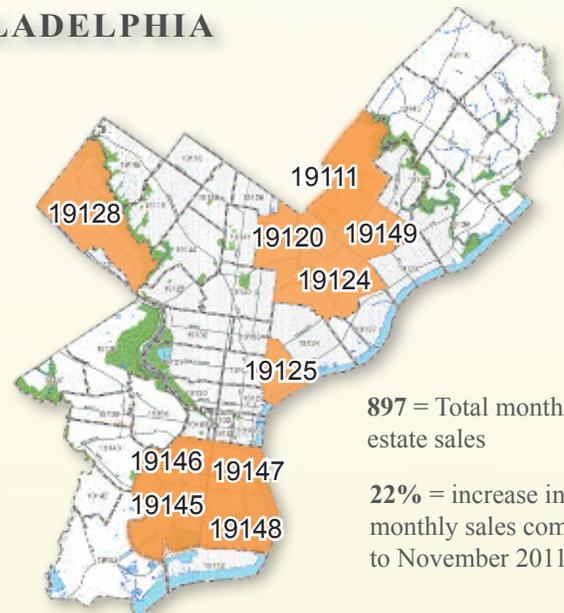
Non-Tax Revenues Related to Fines & Penalties
July - November Collections: FY10-FY13



HOME SALES IN PHILADELPHIA

November 2012 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	53	1.90%	1.90%
19111	46	4.30%	8.70%
19147	45	2.20%	4.40%
19148	45	4.40%	4.40%
19125	41	2.40%	2.40%
19149	39	7.70%	7.70%
19124	36	25.00%	5.60%
19128	32	6.30%	3.10%
19145	29	17.20%	6.90%
19120	28	25.00%	0.00%



897 = Total monthly real estate sales

22% = increase in monthly sales compared to November 2011

Based on information from TREND for November 2012.