



# Economic Report

## Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Snapshot Highlights

Tax revenues (City & PICA) for November totaled almost \$175 million, which is a two percent increase over last November. A breakdown of the total revenues included \$142.5 million into the General Fund and \$32.1 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$132.9 million, a six percent increase over the same month last year. Yearly collections for this tax category have totaled almost \$693 million.

Monthly sales tax collections for November totaled \$11.6 million, an almost 50 percent decrease compared to last November. Yearly collections have totaled \$77 million, an almost 30 percent decrease over last year.

Along with reviewing monthly tax revenues, the Controller's Economic Report includes a review of City expenditures paid to entities that provide services and resources from Fiscal Year 2014 through Fiscal Year 2015. Of the almost \$5.7 billion in expenditures, more than \$4 billion, or 70 percent, went to entities located within the City.

A large portion of the locally expended dollars went to entities located in the Center City and West Philadelphia areas. The highest paid entity, Community Behavioral Health Services located on East Market Street, received \$1.2 billion during the period reviewed. Other areas where large amounts of expenditures went included the Far Northeast (19116 and 19154), a section of North Philadelphia around Hunting Park, Germantown, and neighborhoods around the Southwest.

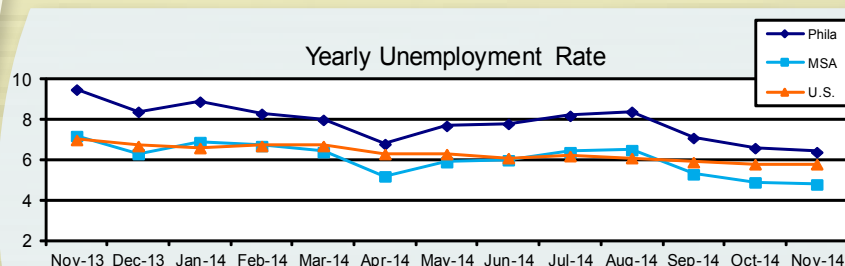
### MONTHLY FEATURE:



70% of City's \$5.7 billion in expenditures went to entities located within Philadelphia

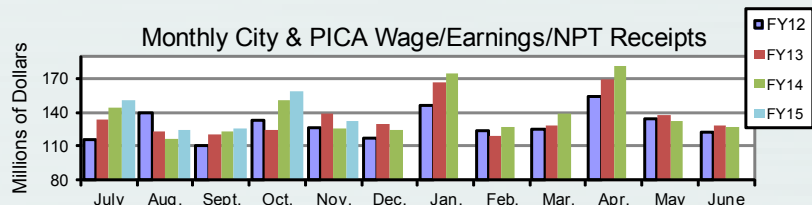
November  
2014

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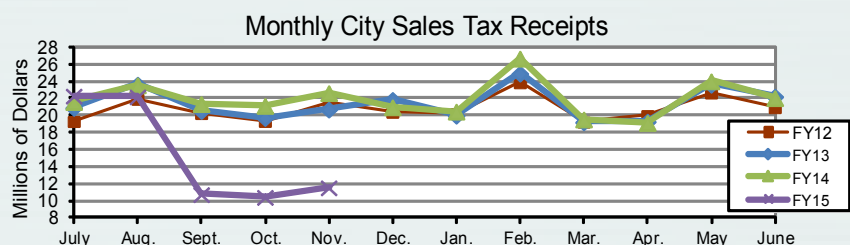


	Nov-14	Oct-14	Change	Nov-13
City -	6.4%	6.6%	-3.0%	9.1%
MSA -	4.8%	4.9%	-2.0%	7.3%
US -	5.8%	5.8%	0.0%	7.0%

unemployment rates are non-seasonally adjusted



(in millions)	FY2015	FY2014	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$692.62	\$659.63	5.0%



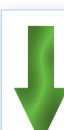
(in millions)	FY2015	FY2014	Change
Sales (Yearly) -	\$77.44	\$110.50	-29.9%

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

### Key Indicators



5.0% = increase in yearly Wage/NPT/Earnings revenues over FY14



-2.7 = unemployment rate down compared to last year



10.7% - increase in monthly home sales over November 2014



-5,200 = drop in total jobs in the City over last year



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### Current Jobs Data & Forecasted Conditions

November  
2014

#### Business Outlook Survey

According to the Federal Reserve's latest Manufacturing Business Outlook Survey, current conditions posted significant declines over the last month across all major indicators.

The diffusion index, the broadest measure of current conditions, decreased by 16 points over the last month to a

reading of 24.5. The new orders index decreased 20 points, from a reading of 35.7 to 15.7. Shipments dropped 16 points, from 31.9 to 16.1. Additionally, the current employment index fell 15 points.

While future indexes remained in the positive, manufacturers' responses

indicated declines over the last month. Future indicators also realized decreases over the last month but indexes remained in the positive. This included the following: general index for future activity, -6 points; new orders and shipments, -3 points; and future employment, -10 points.

#### Total Non-Farm Employment (latest data available)

	November 2014	October 2014	% Chg.	November 2013
<b>City Total</b>	672,900	672,800	0.0%	678,100
Construction	11,100	10,900	1.8%	10,700
Manufacturing	21,300	21,300	0.0%	21,900
Trade, Trans. & Utilities	92,500	92,100	0.4%	93,100
Information	11,300	11,200	0.9%	11,600
Financial Activities	40,900	41,100	-0.5%	41,000
Prof. & Business Svcs.	87,100	87,500	-0.5%	86,500
Educ. & Health Svcs.	216,100	215,300	0.4%	215,900
Leisure & Hospitality	64,200	65,100	-1.4%	66,200
Other Services	28,000	28,100	-0.4%	27,700
Government	100,400	100,200	0.2%	103,500
<b>MSA (PA) Total</b>	1,919,000	1,915,600	0.2%	1,935,700
Construction	73,200	73,100	0.1%	69,400
Manufacturing	125,000	125,200	-0.2%	126,900
Trade, Trans. & Utilities	344,400	339,300	1.5%	342,600
Information	36,000	35,700	0.8%	36,800
Financial Activities	132,300	132,400	-0.1%	132,000
Prof. & Business Svcs.	308,400	310,200	-0.6%	313,900
Educ. & Health Svcs.	443,000	439,800	0.7%	442,000
Leisure & Hospitality	164,500	168,500	-2.4%	169,600
Other Services	84,700	84,900	-0.2%	85,700
Government	207,500	206,500	0.5%	216,800

#### City of Philadelphia Demographics

Population	Male	Female	White	Afric. Amer.	Asian	Other	Hispanic
1,553,165	47.30%	52.70%	45.5%	44.2%	6.9%	3.3%	13.3%
Pov. Rate	Under 18	Over 65	Md. Hse Inc.	Demographic data was compiled from the 2013 U.S. Census Bureau and 2012 American Community Survey			
25.6%	39.3%	17.3%	\$36,957				



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November  
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### MAJORITY OF CITY'S EXPENDITURES STAYS LOCAL

70% of City's Payments Went to Entities Located within Philadelphia

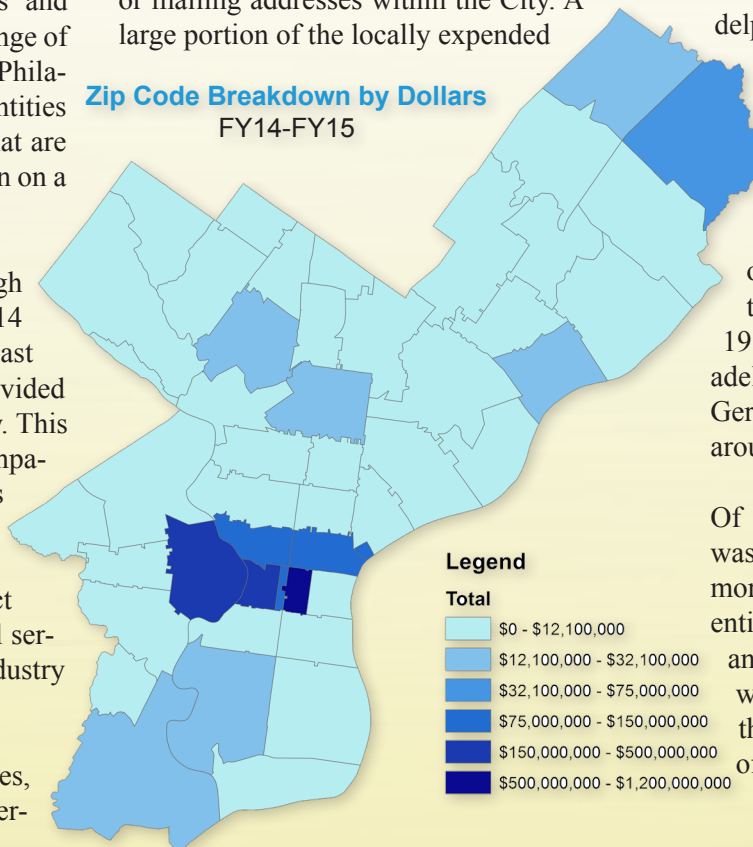
The City of Philadelphia relies on thousands of businesses, individuals and other entities to provide a wide range of services to meet the needs of all Philadelphians. In addition, these entities supply the City with resources that are essential for it to properly function on a daily basis.

Since July 2013 (FY2014) through the end of November 2014 (FY2015), the City expended at least \$5.7 billion to entities that provided services and resources to the City. This total includes payments to companies that administer the various employee health care plans, financial institutions that manage city accounts, the School District of Philadelphia, non-profits, legal services and hundreds of other industry areas.

Of the total amount paid to entities, more than \$4 billion, or 70 per-

cent, is paid to entities with offices and/or mailing addresses within the City. A large portion of the locally expended

Zip Code Breakdown by Dollars  
FY14-FY15



dollars went to entities located in Center City and West Philadelphia. The highest paid entity, Community Behavioral Health Services located on East Market Street, received \$1.2 billion during the period reviewed. Other areas where large amounts of expenditures went included the Far Northeast (19116 and 19154), a section of North Philadelphia around Hunting Park, Germantown, and neighborhoods around the Southwest.

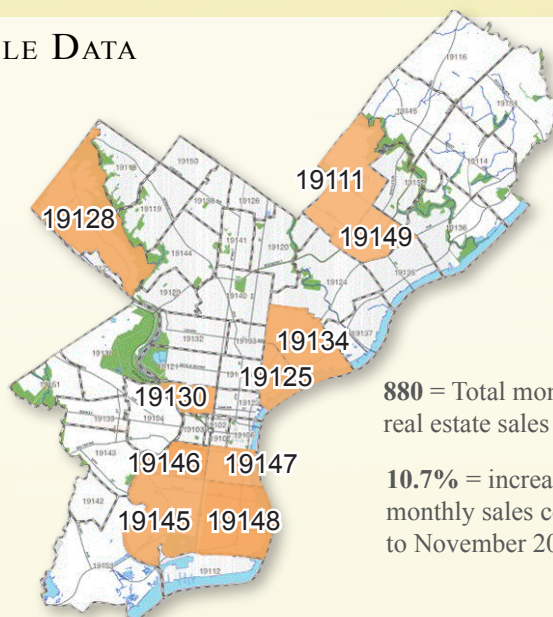
Of the almost \$1.7 billion that was not expended within the City, more than \$650 million went to entities located in Pennsylvania and the remaining \$1 billion went to those located across the country, as well as outside of the United States.

### MONTHLY HOME SALE DATA

November 2014 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19148	56	5.40%	0.00%
19146	45	4.40%	0.00%
19145	44	11.40%	0.00%
19134	42	19.00%	0.00%
19125	41	9.80%	2.40%
19111	38	7.90%	5.30%
19147	38	2.60%	0.00%
19149	37	13.50%	5.40%
19128	36	8.30%	2.80%
19130	33	6.10%	0.00%

Based on information from TREND for November 2014.



880 = Total monthly real estate sales

10.7% = increase in monthly sales compared to November 2013