



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

October 2010

Snapshot Highlights

Tax revenues (City & PICA) for October totaled \$168.7 million, an 8% increase from the previous month, and \$12.9 million more than collections in September 2009. Year-to-date revenue collections totaled \$708 million, a 12% increase compared to this collection period one year ago.

Wage/Earnings/NPT (City & PICA) collections totaled \$120.83 million for the month. This is a 14% increase from the previous month and more than \$3 million more was collected for the month compared to one year ago.

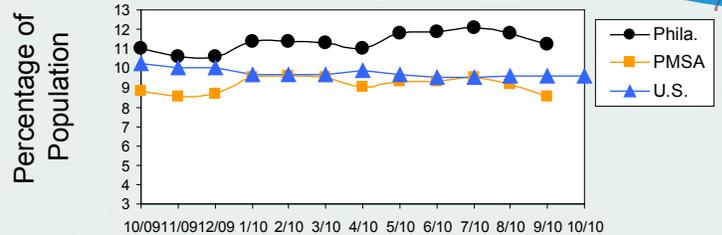
Monthly sales tax collections were \$19.43 million, a 7% decrease in collections from the previous month and the second-consecutive month of lower collections. October's recorded sales receipts trend toward lower collections compared to the previous three months.

Along with a look at monthly revenue collections, this month's report focuses on Philadelphia's foreclosure filings and how it compares up to other large cities.

One in every 389 homes across the United States received a foreclosure notice in October. Philadelphia is doing better than the national statistic with one in every 438 homes. In fact, Philadelphia is doing much better than the largest U.S. cities.

Chicago tops the list of total current foreclosures with 37,392; Philadelphia has 9,926. Phoenix, a city comparable in size to Philadelphia, has 3,913 current homes in some stage of foreclosure.

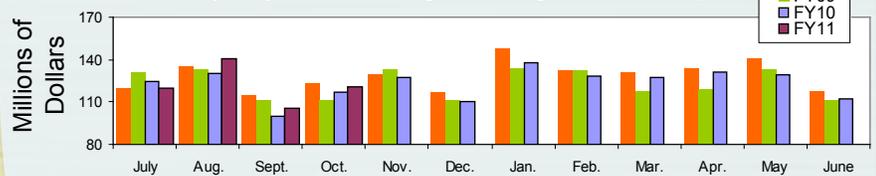
Historical Unemployment Rate



	Sep-10	Aug-10	Change	Sep-09
City -	11.2%	11.8%	-5.08%	10.8%
MSA -	8.5%	9.2%	-7.61%	8.9%

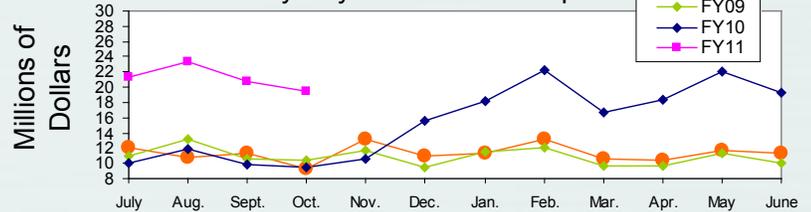
	Oct-10	Sep-10	Change	Oct-09
US -	9.6%	9.6%	0%	10.2%

Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2011	FY2010	Change
Wage/NPT/Earnings - (City & PICA)	\$486.78	\$471.67	3.20%

Monthly City Sales Tax Receipts



(in millions)	FY2011	FY2010	Change
Sales -	\$85.00	\$41.17	106.46%

Key Trends



Unemployment rate dropped for 2nd-consecutive month



Sales tax receipts dropped for 2nd-consecutive month



9,926 current foreclosures; still lower than other large cities



Home sales up from last month; so are foreclosure sales



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Forecast Highlights

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According to the Philadelphia Federal Reserve's Business Outlook Survey, manufacturing firms remain optimistic about growth over the next six months due to broad indicators of future activity. The diffusion index of current activity, which is the survey's broadest measure of manufacturing conditions, increased from 1.0 to 22.5 since last month. This is the highest reading since last December. Some growth in employment and longer work weeks were also reported by firms.

Twenty-nine percent of firms expect to increase employment over the next six months compared to seven percent expecting to eliminate jobs. When firms were asked about their plans for future capital spending, 38 percent expected to increase their capital spending on plant and equipment. This percentage was higher than the share planning reductions of 20 percent. The expected growth and degree of confidence over the next six months has improved notably over the past several months.

Total Non-Farm Employment (in thousands)			Source: BLS	
	Sept-10	Sept-09	Change	Aug-10
City Total	646.4	645.3	.2%	639.3
Manufacturing	25.2	25.6	-1.6%	25.2
Wholesale & Retail	60.7	61.3	-1.0%	61.0
Services	611.2	609.5	.3%	603.9
Construction & Mining	10.0	10.2	-2.0%	10.2
MSA Total	2676.3	2691.0	-.5%	2662.4
Manufacturing	184.2	191.5	-3.8%	184.1
Wholesale & Retail	405.6	406.5	-.2%	409.1
Services	2397.1	2395.1	.1%	2380.9
Construction & Mining	95.0	104.4	-9.0%	97.4

*Metropolitan employment data for October will not be released until Dec. 7, 2010

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	1,547,297*	Other	8.50%
Male	46.78%	Hispanic	10.46%
Female	53.21%	Pov. Rate	25.0%
White	41.83%	Under 18	25.58%
Af. Amer.	44.33%	Over 65	13.00%
Asian	5.30%	Md. Hse Inc.	\$33,229

(*2009 U.S. Census figures)



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FORECLOSURE FILINGS

Review of local & national stats for October

More than 330,000 homeowners across the United States received a foreclosure filing notice in October. One in every 389 U.S. homes received a foreclosure notice for the month.

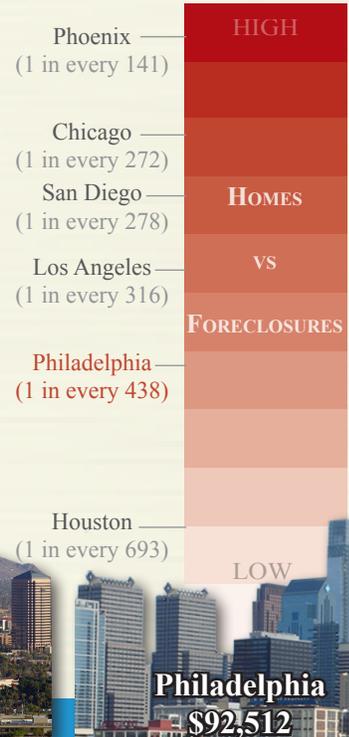
In Philadelphia, 1,512 Philadelphians received foreclosure filings in October whereas those in Chicago received 4,395 and those in Phoenix, a city comparable in total population to Philadelphia, received 3,913 notices.

	Total Current Foreclosures	October Filings
Chicago	37,392	4,395
Phoenix	26,878	3,913
LA	18,157	2,753
Houston	11,167	1,754
San Diego	10,240	1,733
Philadelphia	9,926	1,512

Overall, there are 9,926 Philadelphia homes currently in some stage of foreclosure. October marks the second highest month for foreclosures in the City since January 2010; 1,955 notices were recorded in August.

That means one in every 438 Philadelphia homes was in foreclosure in October. Phoenix topped this list with one in every 141 homes and Houston was at the low end with one in every 693.

(all foreclosure data was compiled from RealtyTrac)



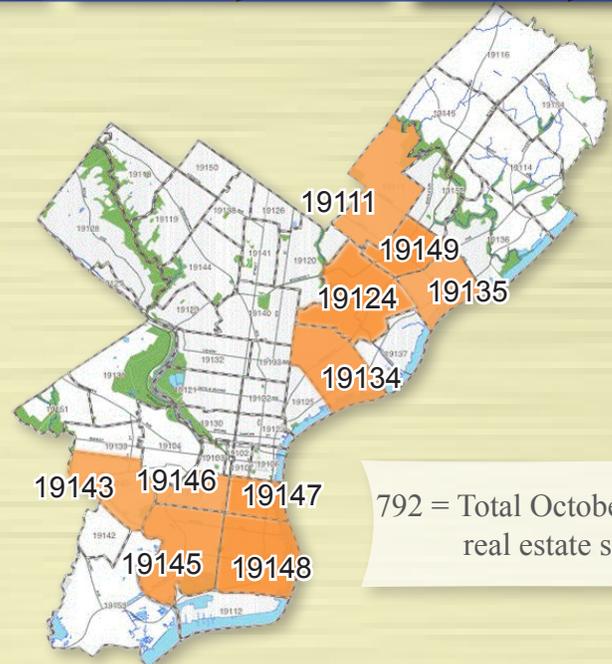
Avg. Foreclosure Sales Price



City Real Estate Sales

OCTOBER 2010 - Top 10 Sales by Zipcode

ZIP Code	Sales	Foreclosures	% of Sales from Foreclosure
19149	44	6	13.60%
19146	42	6	14.30%
19148	39	7	17.90%
19134	38	12	31.60%
19124	35	6	17.10%
19143	34	7	20.60%
19147	34	3	8.80%
19111	31	3	9.70%
19145	31	3	9.70%
19135	27	6	22.20%



792 = Total October real estate sales

Based on information from TREND for October 2010.