



Economic Report

Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for October totaled \$183.5 million, an 10 percent increase from the same month last year. A breakdown of the total revenues includes \$152.7 million into the General Fund and \$30.8 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$133.2 million, a 10 percent increase compared to the same month last year. Total collections for the first four months of the fiscal year totaled more than \$500 million, an almost three percent increase over last year.

Monthly sales tax collections totaled \$19.4 million, which is same amount collected for October 2010. Total sales tax collections for the year are down almost five percent compared to the same period last year.

Along with highlighting total tax collections, this month's economic report includes an analysis of the cost for a traditional Thanksgiving dinner for a family of 10 in Philadelphia. With national food prices soaring, it's no surprise that the cost for a holiday meal this year has increased by \$5.44 for Philadelphians.

While the total cost in Philadelphia increased to \$47.74 this year, it's still lower than the national average of \$49.20 for a holiday dinner.

Philadelphians serving pumpkin pie this year can expect at least a 10 percent increase in total costs to purchase the ingredients.

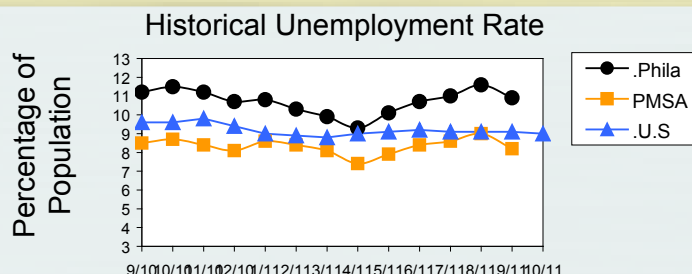


MONTHLY FEATURE:

Traditional Thanksgiving dinner will cost Philadelphians \$5.44 more this year compared to last year.

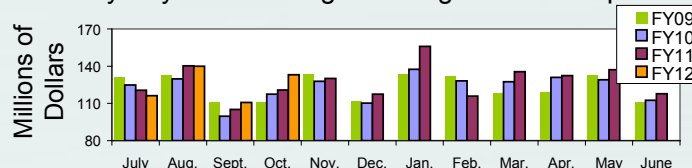
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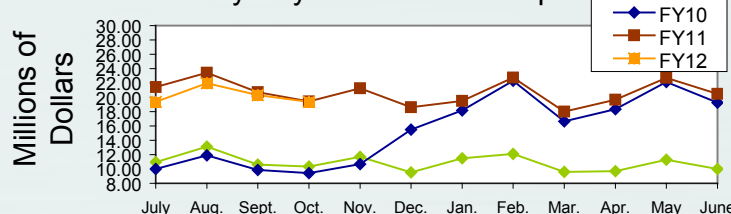
	Sep-11	Aug-11	Change	Sep-10
City -	10.9%	11.6%	-6.03%	11.2%
MSA -	8.2%	9.0%	-8.89%	8.5%
US -	9.0%	9.1%	-1.10%	9.6%

Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2012	FY2011	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$500.03	\$486.78	2.72%

Monthly City Sales Tax Receipts



(in millions)	FY2012	FY2011	Change
Sales (Yearly) -	\$81.00	\$84.99	-4.69%

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

Key Trends



-6% change in City's unemployment; first decrease in 4 months



Total yearly sales tax collections down 5% compared to last year



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



Thanksgiving Dinner: \$5.44 more for Philadelphians this year



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Forecast Highlights

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According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, manufacturing activity in the region continued to expand, as it did in October, but at a slower rate. The survey's broadest measure of manufacturing conditions, the diffusion index of current activity, fell but remained positive, shifting from 8.7 to 3.6. The current new orders index, which measures the demand for manufactured goods, also fell by 7 points. Despite these drops, firms had a more optimistic outlook about future growth and forecasted an improved hiring environment.

The prices for manufactured goods remained fairly steady. Firms reported slight increase in manufactured goods prices, with 15% of firms reporting higher prices for their own goods and 13% reporting a drop in prices. Future activity indicators increased, and the survey's future general activity index increased by almost 15 points and is at its highest reading in 8 months. When firms were asked if they expected to increase capital spending on plant and equipment, 35% said that they did compared to 33 percent who said that they anticipate reductions.

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	
	Sep-11(P)	Aug.-11	% Change	Oct-10
City Total	653.5	646.8	1.0%	658.6
Manufacturing	24.2	24.2	0.0%	24.9
Wholesale & Retail	60.9	61.0	-0.2%	62.1
Services	619.1	612.1	1.1%	623.4
Construction & Mining	10.2	10.5	-2.9%	10.3
MSA Total	2694.7	2665.4	1.1%	2695.5
Manufacturing	181.7	183.1	-0.8%	187.0
Wholesale & Retail	408.4	410.7	-0.6^	407.5
Services	2414.1	2383.0	1.3%	2405.2
Construction & Mining	98.9	99.3	-0.4%	103.3

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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COST OF **THANKSGIVING** FOR PHILADELPHIANS: Traditional Dinner Cost \$5.44 More This Year

With food prices projected to continue rising across the country according to the U.S. Department of Agriculture, it's no surprise that the average cost for a traditional Thanksgiving meal has increased by 13 percent for 2011.



According to the prices for main food items and ingredients selected from the American Farm Bureau Federation's (AFBF) annual assessment of Turkey Day costs, the average price to feed a family in of 10 in the United States is \$49.20, a \$5.73 increase from the average last year.



In the City of Philadelphia, the price for a holiday dinner also increased, but remained lower than the national

average. Last year, a Thanksgiving meal for 10 in Philadelphia cost \$42.30, compared to the \$47.74 it will cost this year. The \$5.44 increase is mainly due to the 22 percent increase in the cost for a 16-lb turkey.

For Philadelphians serving pumpkin pie this year the total cost has increased by at least 10 percent.

The cost analysis for Philadelphia was calculated by averaging the costs of food items from grocery stores around the city and applying the price increases determined by the AFBF. The prices for miscellaneous ingredients and a relish tray were excluded from the total costs for both the U.S. and Philadelphia.



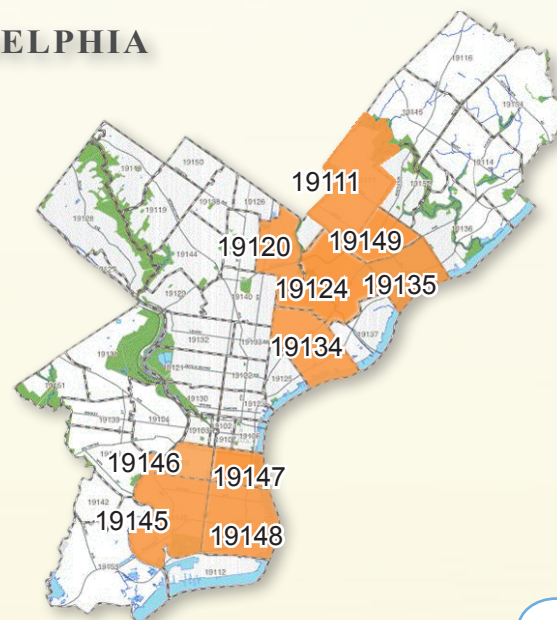
Item	2010	2011	\$ Diff.
16 lb Turkey	\$16.46	\$20.11	\$3.65
Whole Milk, 1 gal.	\$3.81	\$4.30	\$0.49
Pumpkin Pie mix, 30-oz	\$2.67	\$3.09	\$0.42
Whipping Cream, 1/2 pt	\$1.55	\$1.79	\$0.24
Cubed Stuffing, 14 oz	\$2.29	\$2.50	\$0.21
Green Peas, 1lb	\$1.22	\$1.42	\$0.20
Rolls, 12	\$1.61	\$1.75	\$0.14
Sweet Potatoes, 3lbs	\$4.17	\$4.26	\$0.09
Fresh Cranberries, 12oz	\$2.26	\$2.33	\$0.07
Pie shells (2)	\$2.27	\$2.33	\$0.06
Misc./Relish Tray*	\$3.99	3.86	-\$0.13
Total	\$42.30	\$47.74	\$5.44

*Prices the same as National averages

HOME SALES IN PHILADELPHIA

October 2011 - Top 10 Sales by Zipcode

ZIP Code	Sales	Bank Owned	% of Bank Owned
19134	40	12	30.0%
19148	36	1	2.8%
19124	34	13	38.2%
19145	30	4	13.3%
19147	29	0	0.0%
19125	27	3	11.1%
19111	26	2	7.7%
19135	26	2	7.7%
19149	26	6	23.1%
19120	25	7	28.0%



Based on information from TREND from October 2011.