



Economic Report

Financial Forecast & Snapshot



OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

Snapshot Highlights

Tax revenues (City & PICA) for October totaled \$177.2 million, a three percent decline from the same month last year. A breakdown of the total revenues includes \$148.4 million into the General Fund and \$28.8 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$124.8 million, a six percent decrease compared to the same month last year. Total collections for the first four months of the fiscal year totaled \$502.1 million, a less than one percent increase over last year.

Monthly sales tax collections totaled \$19.8 million, which is a two percent increase in October's collection last year. Sales tax collections have been at or above the previous year's collections for 12 consecutive months.

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.

Philadelphians can expect to pay \$0.68 more this year for their holiday dinner. This year the total average cost is \$48.42, compared to \$47.74 last year. While the cost of a 16-pound turkey remained the same, the cost for bread products, such as rolls and stuffing, and some vegetables have increased over the last year.

The average cost of a holiday dinner in Philadelphia is about \$1.06 less than the national average.



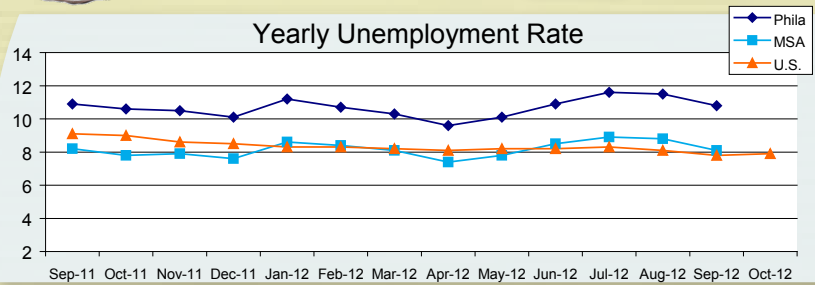
MONTHLY FEATURE:

Cost of traditional Thanksgiving dinner \$0.68 more than last year for Philadelphians

October 2012

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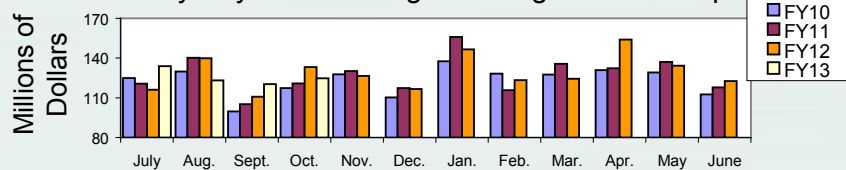
Yearly Unemployment Rate



	Sept-12	Aug-12	Change	Sept-11
City -	10.8%	11.5%	-6.09%	11.1%
MSA -	8.1%	8.8%	-7.95%	8.2%
US -	7.9%	7.8%	1.28%	8.9%

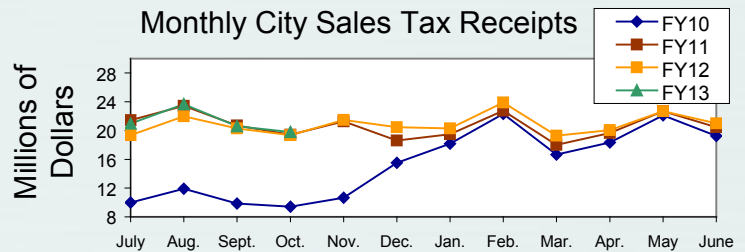
unemployment rates are non-seasonally adjusted

Monthly City & PICA Wage/Earnings/NPT Receipts



(in millions)	FY2013	FY2012	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$502.10	\$500.03	0.42%

Monthly City Sales Tax Receipts



(in millions)	FY2013	FY2012	Change
Sales (Yearly) -	\$85.03	\$80.10	6.12%

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



Regional manufacturer's report declines in overall activity



Sales tax revenues at or above last year's collections for 12 consecutive months



Thanksgiving Dinner: Average cost is up \$0.68 over last year in Philadelphia



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Forecast Highlights

October 2012

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, the region's manufacturers reported declines in almost all indicators of general activity. The diffusion index of current activity decreased 16 points, to a reading of -10.7. The demand for manufactured goods declined four points from last month and the index is currently at -4.6. Shipments also fell this month to a reading of -6.7.

The current employment index stands at -6.8, which is an improvement from last month's reading of -10.7. The current employment index has remained negative for the last five months. Twenty percent of firms reported decreases in employment compared to 13 percent reporting increases. The future employment index recorded its second consecutive month of decline, from 8 to 4.2.

Firms' expectations for future capital spending have also shown weakness in the last two months. The index registered its second consecutive negative reading.

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
	Sept-12 (P)	Aug-12	% Change	Sept-11
City Total	652.0	646.3	0.9%	653.4
Manufacturing	23.0	23.0	0.0%	23.6
Wholesale & Retail	61.0	61.4	-0.7%	60.6
Services	619.6	613.9	0.9%	619.9
Construction & Mining	9.4	9.4	0.0%	9.9
MSA Total	2717.1	2696.3	0.8%	2698.3
Manufacturing	187.1	188.4	-0.7%	185.9
Wholesale & Retail	405.1	408.2	-0.8	402.0
Services	2429.8	2408.0	0.9%	2406.4
Construction & Mining	100.2	99.9	0.3%	106.0

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

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



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COST OF **THANKSGIVING** FOR PHILADELPHIANS: Traditional Dinner Cost Up Slightly Over Last Year

Economists are predicting this past summer's severe drought will have a direct impact on future food prices. While there is some evidence of the drought's effects already occurring on a small scale, many Americans will not realize a significant price hike until after the holiday season.

According to the prices for main food items and ingredients selected from the American Farm Bureau Federation's (AFBF) annual assessment of Thanksgiving Day costs, the average price to feed a family of 10 in the United States is \$49.48, which is an increase of \$0.28 from 2011.

In the City of Philadelphia, residents can expect to pay \$0.68 more this year for their holiday dinner. The total average cost is \$48.42, compared to \$47.74 last year.



While Philadelphians will be paying a little more for Thanksgiving dinner this year, the total cost is still \$1.06 less than what most Americans will be paying.

Philadelphians can expect to pay about the same for a 16-pound turkey and significantly less for sweet potatoes. Although shoppers will see a spike in the cost of bread products, such as rolls and stuffing, along with an increase in prices for some vegetables.

Prices for food items and ingredients were compiled by averaging prices from various grocery stores located within Philadelphia. Prices are retail value and do not include discounts from bonus cards or other special discounts.



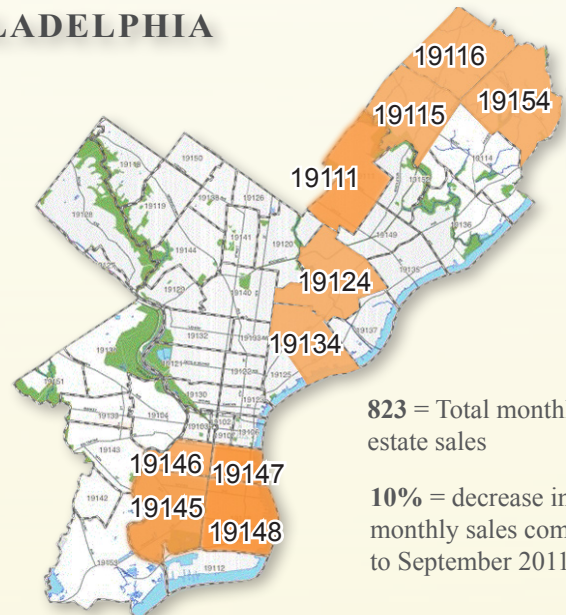
Item	2012	2011	\$ Diff.
16 lb Turkey	\$20.11	\$20.11	\$0.00
Whole Milk, 1 gal.	\$4.20	\$4.30	-\$0.10
Pumpkin Pie mix, 30-oz	\$2.99	\$3.09	-\$0.10
Whipping Cream	\$2.05	\$1.79	\$0.26
Cubed Stuffing, 14 oz	\$2.75	\$2.50	\$0.25
Green Peas, 11lb	\$1.56	\$1.42	\$0.14
Rolls, 12	\$2.66	\$1.75	\$0.91
Sweet Potatoes, 3lbs	\$2.85	\$4.26	-\$1.41
Fresh Cranberries, 12oz	\$2.66	\$2.33	\$0.33
Pie shells (2)	\$2.66	\$2.33	\$0.33
Misc./Relish Tray*	\$3.94	\$3.86	\$0.08
Total	\$48.42	\$47.74	\$0.68

*Prices are from AFBF's annual costs data

HOME SALES IN PHILADELPHIA

September 2012 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	49	6.10%	6.10%
19148	47	6.40%	0.00%
19149	37	18.90%	8.10%
19147	36	8.30%	0.00%
19124	35	20.00%	0.00%
19145	33	3.00%	3.00%
19111	32	25.00%	9.40%
19154	29	3.40%	3.40%
19116	28	21.40%	10.70%
19134	27	25.90%	3.70%



823 = Total monthly real estate sales

10% = decrease in monthly sales compared to September 2011

Based on information from TREND for September 2012.