



# Economic Report

## Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Snapshot Highlights

Tax revenues (City & PICA) for October totaled \$215.3 million, a 21.5 percent increase from the same month last year. A breakdown of the total revenues included \$180.9 million into the General Fund and \$34.4 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled almost \$150.3 million, a 20 percent increase compared to the same month last year. Total FY14 revenues for this tax category totaled \$534 million, which is a six percent increase over the same period last year.

Monthly sales tax collections totaled \$21.2 million, a seven percent increase from what was collected last October. Total FY14 sales tax revenues amounted to almost \$88 million, which is a three percent increase over last year.

Along with highlighting total tax collections, this month's economic report includes the Controller's annual cost for Thanksgiving dinner in Philadelphia. By averaging local prices for common holiday food items for a dinner party of 10, the total average cost to purchase the dinner in Philadelphia \$46.37.

This year's cost is \$2 less than last year's total price tag. On average, Philadelphians will pay less when purchasing most Thanksgiving food items over the prior year. Food shoppers will notice a considerable drop in price when purchasing dinner rolls, along with a decrease in the price of vegetables, milk, whipping cream and sweet potatoes.

The total cost in Philadelphia is about \$2.70 less than the national average.

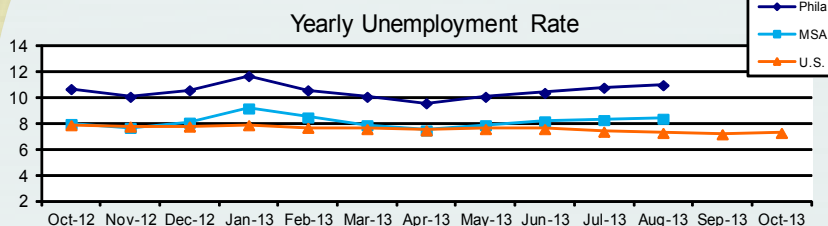


### MONTHLY FEATURE:

Cost for Thanksgiving meal in Philadelphia down \$2 over last year

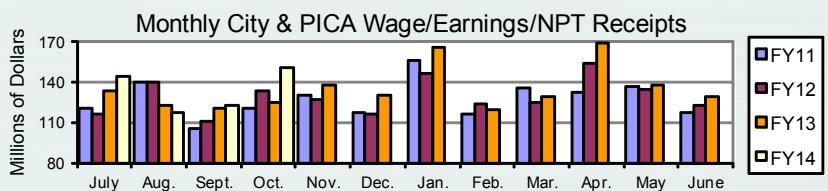
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October  
2013

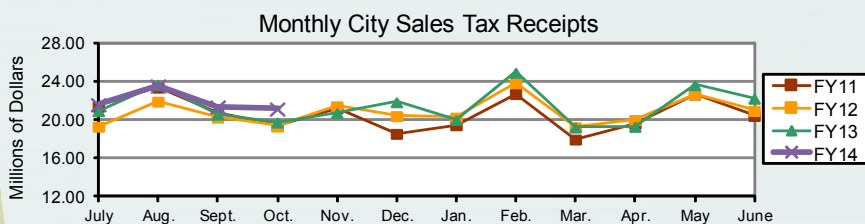


	Aug-13	July-13	Change	Aug-12
City -	11.0%	10.9%	0.92%	11.5%
MSA -	8.4%	8.3%	1.20%	8.9%
	Oct-13	Sept-13	Change	Oct-12
US -	7.3%	7.2%	1.38%	7.9%

*unemployment rates are non-seasonally adjusted*



(in millions)	FY2014	FY2013	Change
Wage/NPT/Earnings - (City & PICA Yearly)	\$534.04	\$502.10	6.4%



(in millions)	FY2013	FY2012	Change
Sales (Yearly) -	\$87.82	\$85.03	3.3%

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

### Key Indicators



6.4% = increase in Wage/NPT/Earnings revenues over last year



3.3% = increase in yearly sales tax revenues over last year



4.3% = decrease in cost of Thanksgiving dinner over last year



16.6% = increase in monthly homes sales over last year



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### Forecast Highlights

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2013

According to the latest Business Outlook Survey from the Philadelphia Federal Reserve, the manufacturing sector continued to show positive growth but realized decreases from the previous months' figures.

The survey's broadest measure of manufacturing conditions, the diffusion index of current activity, declined from 19.8 in October to 6.5 this month. The demand for manufactured goods fell 16 points and the shipment index also fell 15 points from the previous month. Furthermore, the employment index fell 14 points.

The survey also indicated that although future activity is still optimistic, indicators were not as encouraging as they were the last few months.

The future general activity index fell 15 points, to 45.8. Nonetheless, more than 55 percent of firms still expect increases in activity over the next six months. Nearly 35 percent of manufacturers expect to hire more employees over the next six months.

<sup>1</sup> 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 (most recent data available)				
	August 2013	July 2013	% Chg.	August 2012
<b>City Total</b>	649,100	650,500	-0.2%	651,000
Manufacturing	23,100	23,000	0.4%	23,400
Wholesale & Retail	64,200	64,400	-0.3%	64,100
Services	614,000	615,600	-0.3%	617,200
Construction & Mining	12,000	11,900	0.8%	10,400
<b>MSA Total</b>	1,893,500	1,894,300	-0.04%	1,872,000
Manufacturing	128,200	127,600	0.5%	129,200
Wholesale & Retail	270,500	270,500	0.0%	273,300
Services	1,695,000	1,697,000	-0.1%	1,675,800
Construction & Mining	70,300	69,700	0.9%	67,000

Source: PA  
Dept. of Labor  
& Industry

#### 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
47.20%	12.30%
Female	<b>Pov. Rate*</b>
52.80%	28.4%
White	Under 18
41.04%	39.3%
Af. Amer.	Over 65
43.40%	17.3%
Asian	<b>Md. Hse Inc.</b>
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 in Philadelphia Less than National Average

The American Farm Bureau Federation's (AFBF) annual informal price survey found the national average price for a traditional Thanksgiving Day dinner for 10 is \$49.04, a slight decrease of \$0.44 from last year. The survey included main food items and ingredients selected by the AFBF. A review of local prices found that Thanksgiving dinner is projected to cost even less for Philadelphians.

In the City of Philadelphia, residents can expect to pay approximately \$46.36 for Thanksgiving Day dinner, compared to \$48.42 last year. The total average cost is \$2.06 less than it was in 2012.

will notice a considerable drop in price when purchasing bread rolls, along with a decrease in the price of vegetables, dairy products such as milk and whipping cream and sweet potatoes.

However, Philadelphians are likely to realize price increases when purchasing other items like cubed stuffing and pumpkin pie mix. The price of a 16-pound turkey stayed almost the same as last year, only dropping \$0.31.

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



Item	2013	2012	\$ Diff.
16 lb Turkey	\$19.80	\$20.11	-\$0.31
Whole Milk, 1 gal.	\$4.02	\$4.20	-\$0.19
Pumpkin Pie mix, 30-oz	\$3.40	\$2.99	\$0.41
Whipping Cream	\$1.62	\$2.05	-\$0.43
Cubed Stuffing, 14 oz	\$2.98	\$2.75	\$0.23
Green Peas, 1lb	\$0.88	\$1.56	-\$0.68
Rolls, 12	\$1.91	\$2.66	-\$0.75
Sweet Potatoes, 3lbs	\$2.67	\$2.85	-\$0.18
Fresh Cranberries, 12oz	\$2.74	\$2.66	\$0.08
Pie shells (2)	\$2.34	\$2.66	-\$0.32
Misc./Relish Tray*	\$4.01	\$3.94	\$0.07
<b>Total</b>	<b>\$46.37</b>	<b>\$48.43</b>	<b>-\$2.06</b>

\*Prices are from AFBF's annual costs data

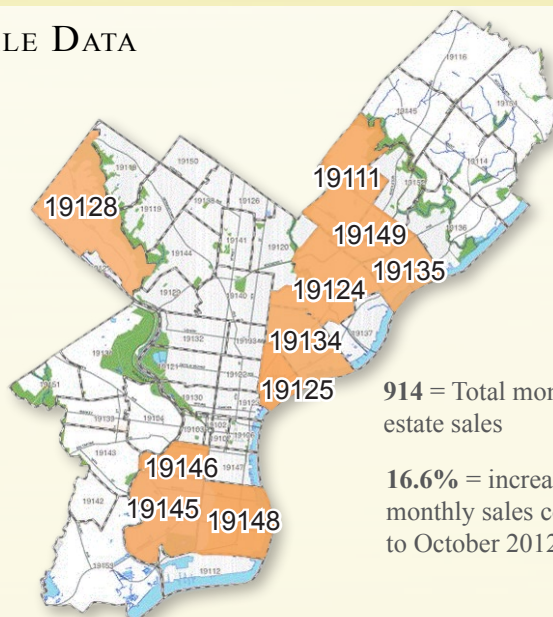


On average, Philadelphians will pay less when purchasing most Thanksgiving food items from the previous year. Consumers

### MONTHLY HOME SALE DATA

#### October 2013 - Top 10 Sales by Zipcode

ZIP Code	Sales	% of Sales from Bank Owned	% of Sales from Short Sales
19146	55	1.80%	0.00%
19148	43	16.30%	2.30%
19111	41	7.30%	4.90%
19135	41	26.80%	14.60%
19125	39	5.10%	2.60%
19124	38	21.10%	7.90%
19134	38	21.10%	2.60%
19149	38	21.10%	7.90%
19145	37	18.90%	0.00%
19128	35	11.40%	2.90%



914 = Total monthly real estate sales

16.6% = increase in monthly sales compared to October 2012

Based on information from TREND for October 2013.