



City Controller's Office Monthly Economic Snapshot (December)

31-Dec-07

Total Non-Farm Employment (in thousands)				
	Dec-07	Dec-06	Change	Nov-07
City Total	669.4	669.1	0.04%	672.5
Manufacturing	27.8	29.5	-5.76%	27.8
Wholesale & Retail	66.7	67.4	-1.04%	66.3
Services	628.1	626.9	0.19%	631
Construction & Mining	13.5	12.7	6.30%	13.7
MSA Total	2868.4	2842.6	0.91%	2867
Manufacturing	223.2	227	-1.67%	222.8
Wholesale & Retail	444.5	460.7	-3.52%	457
Services	2511.7	2484.9	1.08%	2508.1

Source: BLS

Unemployment Rate (%)				
	Nov-07	Nov-06	Change	Oct-07
City	5.6	5.7	7.02%	6.1
MSA	3.9	3.9	5.13%	4.1
US	4.7	4.5	4.44%	4.7

Source: BLS

City Tax Collections (millions)				
Through 12/31/07	FY2008	FY2007	Change	% Budget
Sales	\$67.46	\$67.33	0.19%	48.8%
Wage/NPT/Earnings (City & PICA)	\$745.71	\$720.12	3.55%	49.0%
Tot City & PICA Tax Revs	\$1,022.06	\$1,041.54	-1.87%	37.0%

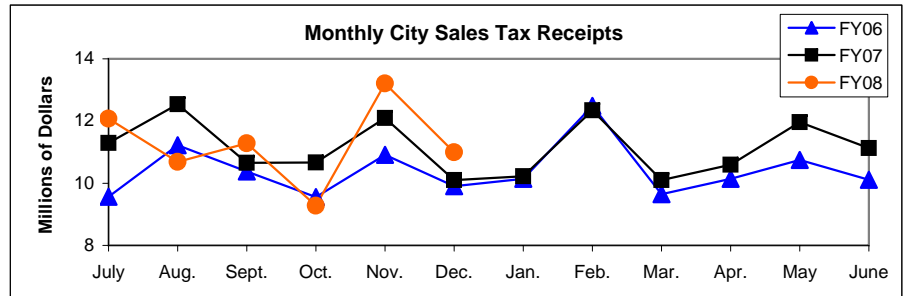
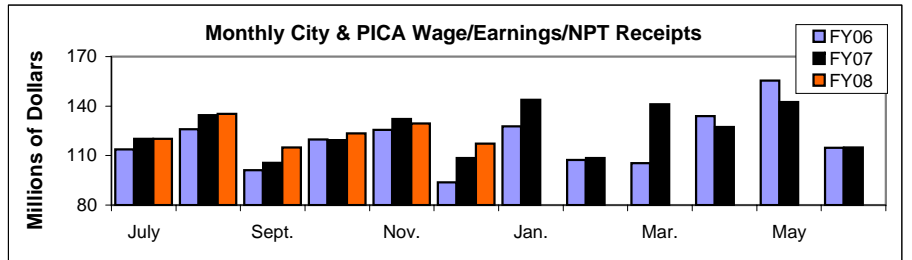
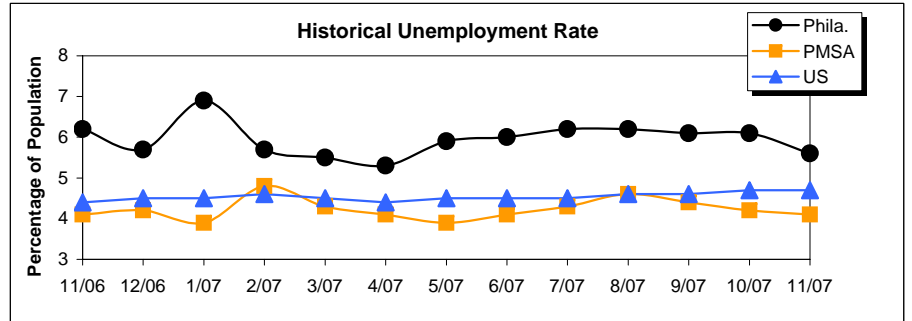
Source: Philadelphia Revenue Commissioner

Office Availability Rate (%)				
	4Q-07	4Q-06	Change	3Q-07
Central Bus. District	12.6	12.1	3.97%	12.6
Philadelphia Suburbs	17.4	19.3	-9.64%	17.4

Source: CB Richard Ellis

Demographic And Socio-Economic Snapshot 2006 (Population/Demographics - 2006 Census American Community Survey)												
	Population	Male	Female	White	Af. Amer.	Asian	Other	Hispanic	Pov. Rate	Under 18	Over 65	Md Hse Inc
City of Philadelphia	1,448,394	46.78%	53.21%	41.83%	44.33%	5.30%	8.50%	10.46%	25.10%	25.58%	13.00%	\$ 33,229

Highlights of Note: Home sales nationwide continue to plunge, as sales of single-family homes dropped 26% from 2006, the lowest drop since 1963. Single-family permits dropped 25.8% from November to December in the Northeast. December retail sales were the lowest in five years in the U.S. Financial services such as Citigroup, Inc. and Merrill Lynch & Co. have posted a combined \$20 billion loss for 4th Quarter 2007. "In view of a weakening of the economic outlook and increasing downside risks to growth," the Fed cut the interest rate five times since September to push off a recession. On a positive note, the Greater Philadelphia office market rate finished the year with four quarters of positive absorption and Center City's direct vacancy rate dropped below nine percent for the first time in six years.





Economic Forecasts

December 2007

Arrows (⇌ ↗ ↘ ↙ ↚) indicate the change of the forecast over time, not the direction of the forecast itself.

United States		Updates per Year	Last Update	Current GDP	2007 GDP		2008 GDP		2007 Consumer Price		Unemployment Rate	2007 Unemployment		2008 Unemployment	
1	American Bankers Association, ABA — Forecast and Outlook	2	Jun-07	4th Quarter 2007 .6%	4.0%	↗	4.9%	⇌	3.2%	↘	Dec-07 5.0%	4.6%	↗	4.8%	⇌
2	economy.com — Précis: Metro/US	3	Sep-07		2.0%	↘	2.3%	↘	N/A	○		4.6%	⇌	4.9%	↗
3	FRB Philadelphia — Livingston Survey	2	Dec-07		N/A	N/A	2.8%	↘	2.8%	↗		4.7%	⇌	5.0%	↗
4	FRB Philadelphia — Survey of Professional Forecasters	4	Nov-07		2.1%	↗	2.5%	↘	2.2%	⇌		4.6%	⇌	4.9%	↗
5	National Association for Business Economics — NABE Outlook	4	Nov-07		2.4%	↗	2.6%	↘	3.5%	↗		4.6%	⇌	4.9%	↗
6	The Conference Board — U.S. Leading Indicator	12	Dec-07	Level of Business Activity	Dec-07 136.3		↘						This chart tracks the Indicator for the last 12 months.		

Narrative: Projections about a U.S. recession continue to dominate the national economic news. Despite the housing and stock market downturns, economists disagree on the prospects of a U.S. recession in 2008. Experts warn that a federal stimulus package could already be late; we might already be in a recession. In addition to consumers, businesses, manufacturers, and the home sales market, city governments will experience a financial hit as declining home values depress real estate transfer tax collections. In December, the national manufacturing outlook for 2008 also fell again. On a more upbeat note, the Federal Reserve Bank of Philadelphia predicts that the U.S. economy will stay weak through the beginning of 2008 and strengthen "appreciably" in the second half of 2008.

Regional (U.S. Northeast) & Local (Phila. Metro)		Updates per Year	Last Update	Current GRP/GMP	2007 GRP/GMP (percent change)		2008 GRP/GMP (percent change)		2007 Personal Income Growth		2008 Personal Income Growth		2006 Net Migration (thousands)		2007 Net Migration (thousands)	
7	economy.com — Précis: Metro/NORTHEAST	3	Sep-07	N/A	N/A	○	N/A	○	6.8%	↗	3.8%	↘	-105.7	↗	-62.3	↗
8	economy.com — Précis: Metro/Philadelphia	3	Sep-07	2.1%	1.8%	↘	1.8%	↘	5.0%	↗	2.8%	↘	-7.6	⇌	-6.5	⇌
				Current (2006) Employment	2007 Employment		2008 Employment		Cost of Doing Business (U.S. = 100)	Current (2006) Unemployment		2007 Unemployment		2008 Unemployment		
7	economy.com — Précis: Metro/NORTHEAST	3	Sep-07	29,134	0.8%	↘	0.3%	↘	108	⇌	4.5%	↗	4.4%	⇌	4.6%	↗
8	economy.com — Précis: Metro/Philadelphia	3	Sep-07	1,905	0.6%	↘	0.2%	↘	119	⇌	4.7%	↗	4.2%	↗	4.3%	↗
9	FRB Phila — Regional Employment Forecasts	4	Nov-07	n/a	0.8%	⇌	0.6%	⇌	n/a	○	n/a	n/a	4.4%	↗	5.1%	↗
10	FRB Philadelphia — Business Outlook Survey	12	Dec-07	Leading Indicator	Dec-07 to Jun-07 7.7		↘						This chart tracks the Indicator for the last 24 months.			

Narrative: In the Philadelphia region, consumers' top financial concerns through 2010 are the costs of living, medical expenses and retirement, while businesses are concerned with attracting new customers, hiring qualified employees, and expanding into new markets. According to senior economists, because of its heavily service-oriented economy, Philadelphia will experience a softer economic downturn than the rest of the country. Philadelphia had a stronger Christmas shopping season than most regions in the country and the industrial sector saw stronger demand for exports. Furthermore, newly elected Mayor Michael Nutter is being seen as a great asset to the economic outlook of the Philadelphia hospitality industry.

1	American Bankers Association, ABA — Forecast and Outlook	This outlook delivers a one-year forecast for mostly banking-related indicators as well as general economic measures.														
2,7,8	economy.com — Précis: Metro/US/Northeast/Philadelphia	These outlooks include five-year forecasts of eleven key indicators. There are separate tables for the US, the US-Northeast, and the Philadelphia area.														
3,4,9,10	FRB Philadelphia	Federal Reserve Bank, 3rd district, Philadelphia — covers eastern Pennsylvania, southern New Jersey, and the state of Delaware.														
3	FRB Philadelphia — Livingston Survey	The Livingston Survey was started in 1946 by the late columnist Joseph Livingston. It is the oldest continuous survey of economists' expectations. It summarizes the forecasts of economists from industry, government, banking, and academia.														
4	FRB Philadelphia — Survey of Professional Forecasters	The Survey of Professional Forecasters is one of the oldest (since 1968) quarterly survey of macroeconomic forecasts in the US.														
9	FRB Philadelphia — Regional Employment Forecasts	This is a regional indicator predicting job growth and unemployment rate one year from now.														
10	FRB Philadelphia — Business Outlook Survey	The Business Outlook Survey is a monthly survey of manufacturers in the Philadelphia area indicating the change in expected business activity six months from now. The index represents a percentage of respondents predicting an increase.														
5	National Association for Business Economics — NABE Outlook	The NABE Outlook presents the consensus of macroeconomic forecasts made by a panel of 37 professional forecasters from the membership of the National Association for Business Economics. The survey originated in 1965.														
6	The Conference Board — U.S. Leading Indicator	The Leading Indicator gauges the whereabouts of the US economy in nine months.														