



City Controller's Office Monthly Economic Snapshot (Oct) 31-Oct-09

Total Non-Farm Employment (in thousands)				Source: BLS
	Oct-09	Oct-08	Change	Sep-09
City Total	649.6	665.7	-2.42%	642.5
Manufacturing	24.6	27.0	-8.89%	24.7
Wholesale & Retail	60.1	64.2	-6.39%	60.0
Services	615.3	626.5	-1.79%	608.1
Construction & Mining	9.7	12.2	-20.49%	9.7
MSA Total	2732.9	2832.5	-3.52%	2710.6
Manufacturing	200.2	213.2	-6.10%	201.4
Wholesale & Retail	412.2	435.0	-5.24%	408.9
Services	2426.3	2492.1	-2.64%	2401.4

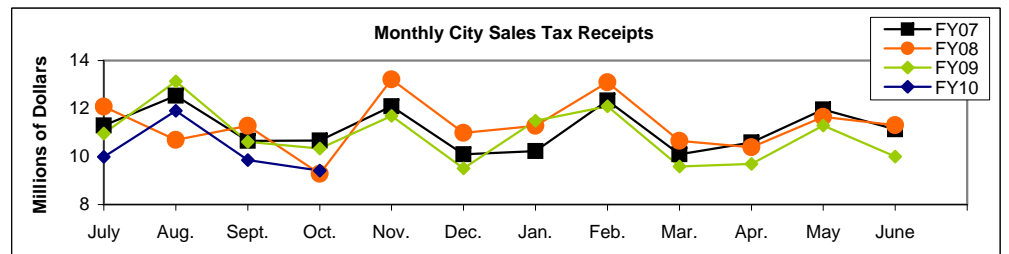
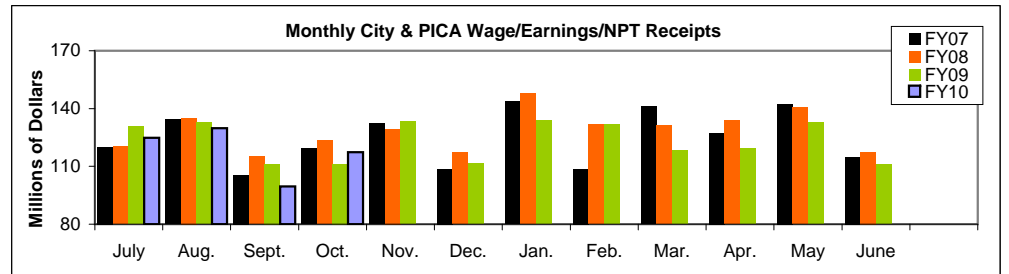
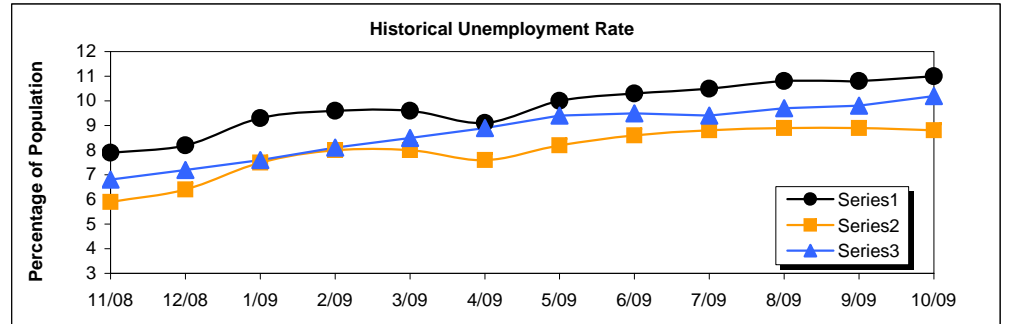
Unemployment Rate (%)				Source: BLS
	Oct-09	Sep-09	Change	Oct-08
City	11.0	10.8	2.63%	7.6
MSA	8.8	8.9	-1.79%	5.6
	Oct-09	Sep-09	Change	Oct-08
US	10.2	9.8	6.15%	6.5

City Tax Collections (millions)				Source: Philadelphia Revenue Commissioner
Through 10/31/09	FY2010	FY2009	Change	% Budget
Sales	\$41.17	\$45.03	-8.57%	29.6%
Wage/NPT/Earnings (City & PICA)	\$471.67	\$486.05	-2.96%	31.2%
Tot City & PICA Tax Revs	\$633.57	\$669.24	-5.33%	15.1%

Office Availability Rate (%)				Source: CB Richard Ellis
	3Q-09	3Q-08	Change	2Q-09
Central Bus. District	14.4	11.8	22.03%	14.4
Philadelphia Suburbs	22.5	18.0	25.00%	21.6

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: The expected boost from the federal Stimulus bill has still mostly not been felt in Philadelphia. The City reports it has spent less than \$1 million in Stimulus funds through October and federal appropriations are slow to trickle out to local recipients. The National Retail Federation predicts holiday sales nationally will decrease one percent compared to last year, to \$437.6 billion. Though grim, the projected decline is not as dramatic as last year's 3.4 percent drop in holiday retail sales and is brighter than the 3.0 percent drop in annual retail industry sales expected for all of 2009. The Philly Fed's Business Outlook Survey reported that manufacturing conditions are improving. The survey's indicators for general activity, new orders, and shipments were higher this month. PICA reported that though City tax collections were down compared to a year ago, October collections were relatively strong in comparison to recent months, driven by strong performance from the Wage Tax, which had its first positive year-over-year collection trend since February.





Economic Forecasts

October 2009

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	2009 GDP	2010 GDP	2009 Consumer Price	Unemployment Rate	2009 Unemployment	2010 Unemployment				
1 American Bankers Association, ABA — Forecast and Outlook	2	Jun-08	3rd Quarter 2009 3.5%	3.5%	↘	4.5%	↗	3.7%	↘	5.3%	↗	5.7%	↗
2 economy.com — Précis: Metro/US	3	Sep-09		-2.6%	↗	1.8%	↗	n/a	↘	9.2%	↗	10.0%	↗
3 FRB Philadelphia — Livingston Survey	2	Jul-09		-2.8%	↗	1.1%	↘	-2.2%	↘	9.9%	↗	9.8%	↗
4 FRB Philadelphia — Survey of Professional Forecasters	4	Nov-09		-2.5%	↗	2.4%	↘	1.7%	↘	9.3%	↗	10.0%	↗
5 National Association for Business Economics — NABE Outlook	4	Nov-09		-9.0%	↘	3.1%	↗	-0.8%	↘	8.4%	↗	8.8%	↗

6 The Conference Board — U.S. Leading Indicator *	12	Nov-09	Level of Business Activity	Oct-09	103.8	↗

Narrative: According to the Conference Board the recovery is unfolding and economic activity should continue improving in the near term. The data indicate that recovery is setting in. The Board expects slow growth through the first half of 2010. The pace of growth, however, will depend on how much demand picks up, and how soon. The National Association for Business Economics November Outlook predicts economic growth in 2010 and economic performance to exceed its long-term trend. NABE believes that while the recovery has been jobless so far, that should soon change. Within the next few months, companies should be adding instead of cutting jobs. NABE panelists predict a relatively sluggish consumer upturn but look for a sizable housing rebound, low inflation, and further rise in stock prices. Importantly, panelists are mostly (though not entirely) optimistic that the Federal Reserve's policies will not lead to higher inflation, though federal deficits remain a concern.

Regional (U.S. Northeast & Local (Phila. Metro)	Updates per Year	Last Update	Current GRP/GMP	2009 GRP/GMP (percent change)	2010 GRP/GMP (percent change)	2009 Personal Income Growth	2010 Personal Income Growth	2009 Net Migration (thousands)	2010 Net Migration (thousands)				
7 economy.com — Précis: Metro/NORTHEAST	3	Sep-09	2747.0	N/A	↘	-0.1%	↗	1.1%	↘	-94.4	↗	-68.3	↗
8 economy.com — Précis: Metro/Philadelphia	3	Sep-09	146.0	-3.4%	↘	1.0%	↗	1.4%	↗	-5.7	↗	-5	↗

7 economy.com — Précis: Metro/NORTHEAST	3	Sep-09	Current (2009) Employment	2009 Employment	2010 Employment	Cost of Doing Business (U.S. = 100)	2009 Unemployment	2010 Unemployment	2011 Unemployment				
7 economy.com — Précis: Metro/NORTHEAST	3	Sep-09	28,635	-2.7%	↗	109	↗	8.3%	↗	9.4%	↗	8.4%	↗
8 economy.com — Précis: Metro/Philadelphia	3	Sep-09	1,875	-2.6%	↘	105	↗	8.2%	↗	9.1%	↗	8.1%	↗

10 FRB Philadelphia — Business Outlook Survey	12	Nov-09	Leading Indicator	Nov-07 to Oct-09	16.7	↗

Narrative: According to respondents to the November Business Outlook Survey, manufacturing conditions are improving. The survey's indicators for general activity, new orders, and shipments were higher this month. Employment was nearly flat this month, and more firms reported an increase in work hours. Firms still expect continued improvement over the next six months, although future indicators suggest that optimism has waned somewhat in recent months. Capital spending plans are being held back by low plant utilization rates. For the first time since the start of the recession in December 2007, Select Greater Philadelphia's Leading Index turned up slightly in May 2009 and continued to increase through September. The September value of the GPLI was 97.8, up from the low values of 96.9 in March and April. Select Greater Philadelphia and IHS Global Insight predict that the bottom will likely be reached during the final quarter of 2009 with an economic recovery late this year or early in 2010. The one percent increase in the City's sales tax was implemented October 8, with revenues likely to reflect the increase beginning in December.

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.	