



Economic Forecasts

April 2008

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	2008 GDP		2009 GDP		2008 Consumer Price		Current Unemployment	2008 Unemployment		2009 Unemployment		
1	American Bankers Association, ABA — Forecast and Outlook	2	Jan-08	4th Quarter 2007 .6%	5.5%	↗	4.0%	↘	4.0%	↗	April 2008 5.0%	4.6%	⇌	5.2%	↗	
2	economy.com — Précis: Metro/US	3	Jan-08		2.2%	↘	3.4%	↗	n/a	○		5.2%	↗	5.1%	↗	
3	FRB Philadelphia — Livingston Survey	2	Dec-07		N/A	N/A	2.9%	↗	2.6%	↗		4.6%	↗	4.8%	↗	
4	FRB Philadelphia — Survey of Professional Forecasters	4	Feb-08		1.8%	↘	2.8%	○	2.2%	⇌		5.1%	↗	5.1%	○	
5	National Association for Business Economics — NABE Outlook	4	Feb-08		1.8%	↘	2.9%	↗	2.5%	↗		5.2%	↗	5.2%	↗	
6	The Conference Board — U.S. Leading Indicator *	12	Mar-08	Level of Business Activity	Mar-08										<p>This chart tracks the Indicator for the last 12 months. *In March 2008, base year data changed from 1996=100 to 2004=100, limiting the availability of historical data to 7 months.</p>	

Narrative: The Conference Board's leading indicator was up for the second month in a row, due primarily to positive movement in stock prices, the interest rate spread, and housing permits that outweighed negatives in consumer expectations and average weekly manufacturing hours. Real GDP growth in the 1st quarter of 2008 remained at 0.6%, the same as the 4th quarter of 2007, and better than expectations. Short-term economic growth expectations are weak, following a sharp decline in consumer spending growth to 1%. The Federal Reserve lowered short-term interest rates by a quarter point to 2% and left open the possibility of further reductions, hoping to promote growth. Economists are split over whether inflation or recession is the greater threat. Economic Stimulus Rebate checks began to go out in late April, earlier than initially planned.

Regional (U.S. Northeast) & Local (Phila. Metro)		Updates per Year	Last Update	Current GRP/GMP	2008 GRP/GMP (percent change)		2009 GRP/GMP (percent change)		2008 Personal Income Growth		2009 Personal Income Growth		2007 Net Migration (thousands)		2008 Net Migration (thousands)	
7	economy.com — Précis: Metro/NORTHEAST	3	Jan-08	N/A	N/A	○	N/A	○	2.8%	↘	3.9%	↘	-72.7	↘	-76.2	↘
8	economy.com — Précis: Metro/Philadelphia	3	Jan-08	1.8%	1.7%	↘	2.8%	↗	2.8%	⇌	2.9%	↘	-6.5	⇌	-8.5	↘
7	economy.com — Précis: Metro/NORTHEAST	3	Jan-08	Current (2007) Employment	2008 Employment		2009 Employment		Cost of Doing Business (U.S. = 100)		Current (2007) Unemployment		2008 Unemployment		2009 Unemployment	
8	economy.com — Précis: Metro/Philadelphia	3	Jan-08	29,405	0.4%	↗	0.6%	↘	108	⇌	4.4%	↗	4.9%	↗	4.7%	↗
9	FRB Phila — Regional Employment Forecasts	4	Feb-08	1,917	0.3%	⇌	0.6%	⇌	119	⇌	4.3%	↗	4.8%	↗	4.6%	↗
9	FRB Phila — Regional Employment Forecasts	4	Feb-08	N/A	0.5%	↘	-1.0%	↘	N/A	○	N/A	↗	4.4%	↗	5.6%	↗
10	FRB Philadelphia — Business Outlook Survey	12	Apr-08	Leading Indicator	Apr-06 to Apr-08										<p>This chart tracks the Indicator for the last 24 months.</p>	

Narrative: Employment in the region rose slightly, besting national numbers showing a decline. Housing similarly outperformed the nation, with regional prices down 1.1% compared to 8% nationally and 7.7% in the Northeast. The Survey of Professional Forecasters predicts continued price declines for the next two years, and weak but positive GDP growth. The survey also finds that regional economists revised their unemployment expectations upward, from an expected 5.2% to 5.5%. Foreclosures were up 70% regionally, with additional increases expected. Concerns were expressed about the temporary moratorium on foreclosures delaying the inevitable increase, although economists hope the impact of the measure will be positive. The Business Outlook Survey's future general activity index rebounded to 13.7, from -0.5 in March. Firms expect to maintain current employment levels, and manufacturers are cautiously optimistic.

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.	



City Controller's Office Monthly Economic Snapshot (April)

30-Apr-08

Total Non-Farm Employment (in thousands)

	Apr-08	Apr-07	Change	Mar-08
City Total	664.9	665.4	-0.08%	661.1
Manufacturing	27.5	28.3	-2.83%	27.6
Wholesale & Retail	63.6	63.2	0.63%	63.3
Services	625.8	625.5	0.05%	622.3
Construction & Mining	11.6	11.6	0.00%	11.6
MSA Total	2823.2	2812.3	0.39%	2804.5
Manufacturing	216.1	220.5	-2.00%	217.1
Wholesale & Retail	430.5	430.5	0.00%	431.5
Services	2482.6	2465.6	0.69%	2465.6

Source: BLS

Unemployment Rate (%)

	Mar-08	Mar-07	Change	Jan-08
City	7.0	6.0	16.67%	7.0
MSA	5.2	4.5	15.56%	5.1
US	4.8	4.5	6.67%	4.9

Source: BLS

City Tax Collections (millions)

Through 4/30/08	FY2008	FY2007	Change	% Budget
Sales	\$112.88	\$110.57	2.09%	83.1%
Wage/NPT/Earnings (City & PICA)	\$1,290.57	\$1,240.90	4.00%	82.9%
Tot City & PICA Tax Revs	\$2,278.39	\$2,255.26	1.03%	81.6%

Source: Philadelphia Revenue Commissioner

Office Availability Rate (%)

	1Q-08	1Q-07	Change	4Q-07
Central Bus. District	12.4	13.2	-5.47%	12.6
Philadelphia Suburbs	17.0	18.2	-6.28%	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: The national economy grew modestly (0.6%), but more than expected in the first quarter of 2008. On April 30th, the Federal Reserve cut the discount rate by 0.25%, to 2%. Employment in the Philadelphia area grew from March to April, as the region had a net gain of 2,800 jobs, in contrast to the nation which lost 20,000 jobs in the same month. For the quarter, regional employment is down 0.12%, or 12,300 jobs, most of which came from the construction sector, which is tied to the ongoing real estate downturn. Regional home sales in April were down 24% compared to April 2007, which is greater than the national decline of 17.5%. Median sales price was down 1.1%, compared to 8% nationally. Foreclosures in the Philadelphia area were up 70%, although Philadelphia still ranks No. 82 in foreclosures of the top 100 Metropolitan regions, with 1 in 527 properties receiving notice in the quarter.

