



**Economic Forecasts**

November 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	Jun-08	<b>3rd Quarter 2008</b> -1.1%	3.5%	↘	4.5%	↗	3.7%	↘	<b>Nov 2008</b> 6.7%	5.3%	↗	5.7%	↗
2	economy.com — Précis: Metro/US	3	Jun-08		1.5%	↘	3.0%	↗	n/a	○		5.4%	↗	6.0%	↗
3	FRB Philadelphia — Livingston Survey	2	Dec-08		-2.2%	↘	1.8%	↗	-2.2%	↘		6.8%	↗	7.6%	↗
4	FRB Philadelphia — Survey of Professional Forecasters	4	Nov-08		-2.9%	↘	-1.1%	↘	2.1%	↘		6.6%	↗	7.0%	○
5	National Association for Business Economics — NABE Outlook	4	Nov-08		0.2%	↘	0.7%	↘	4.2%	○		5.7%	↗	7.3%	↗
6	The Conference Board — U.S. Leading Indicator *	12	Dec-08	<b>Level of Business Activity</b>	<b>Nov-08</b> 99.0		↘						<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 11 months.</p>		

**Narrative:** The recession deepened in November as the nation posted record job losses, 533,000 bringing the unemployment rate up to 6.7%. Consumer confidence rose slightly, but remains low. Falling consumer prices, brought on by fuel prices and attempts by retailers to sell off inventory, brought concerns of deflation to the fore. Federal economic stimulus monies began to flow in November, causing oscillation in the markets as investors reacted to the daily news of success and failure. Economists expect the recession to last through the middle of 2009. President-elect Obama began to put together an economic stimulus plan of his own, focused on public works projects and infrastructure improvement. Congress and Mr. Obama hope to have a bill on the table in time for his inauguration.

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	Jun-08	N/A	N/A	○	N/A	○	2.9%	↘	3.2%	↘	-82.1	↘	-99.9	↘
8	economy.com — Précis: Metro/Philadelphia	3	Jun-08	1.8%	1.2%	↘	1.7%	↗	3.2%	↗	2.4%	↘	-8.5	↗	-9.9	↗
				<b>Current (2007) Employment</b>	<b>2008 Employment</b>		<b>2009 Employment</b>		<b>Cost of Doing Business (U.S. = 100)</b>	<b>Current (2007) Unemployment</b>		<b>2008 Unemployment</b>		<b>2009 Unemployment</b>		
7	economy.com — Précis: Metro/NORTHEAST	3	Jun-08	29,394	10.0%	↗	20.0%	↘	108	↗	4.3%	5.1%	↗	5.6%	↗	
8	economy.com — Précis: Metro/Philadelphia	3	Jun-08	1,919	50.0%	↗	30.0%	↗	119	↗	4.4%	5.3%	↗	5.7%	↗	
9	FRB Phila — Regional Employment Forecasts	4	Jun-08	N/A	40.0%	↘	-2.0%	↘	N/A	○	N/A	5.6%	↗	7.2%	↗	
10	FRB Philadelphia — Business Outlook Survey	12	Dec-08	<b>Leading Indicator</b>	<b>Nov-06 to Nov-08</b> -38.6		↗						<p>This chart tracks the Indicator for the last 24 months.</p>			

**Narrative:** The recession's impacts were felt in the region, as economic activity indexes fell throughout. Leading indexes, which forecast economic growth, were more positive, predicting moderate growth in coming months. Manufacturers, retailers, realtors and construction firms all reported that activity was down from last year. All but retailers agreed that activity was also down from last month, with retailers stating that activity was flat from October to November. Bankers found that loan volume was up slightly, but that credit quality fell. All groups expect December to be as bad if not worse than November, and for the next quarter to be difficult.

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 (November)

30-Nov-08

## Total Non-Farm Employment (in thousands)

	Nov-08	Nov-07	Change	Oct-08
<b>City Total</b>	<b>665.0</b>	<b>672.5</b>	<b>-1.12%</b>	<b>665.7</b>
Manufacturing	26.7	27.8	-3.96%	27.0
Wholesale & Retail	65.1	66.3	-1.81%	64.2
Services	626.5	631.0	-0.71%	626.5
Construction & Mining	11.8	13.7	-13.87%	12.2
<b>MSA Total</b>	<b>2835.5</b>	<b>2867.0</b>	<b>-1.10%</b>	<b>2832.5</b>
Manufacturing	212.1	222.8	-4.80%	213.2
Wholesale & Retail	442.4	457.0	-3.19%	435.0
Services	2498.4	2508.1	-0.39%	2492.1

Source: BLS

## Unemployment Rate (%)

	Oct-08	Oct-07	Change	Sep-08
City	7.6	6.1	24.59%	7.6
MSA	5.6	4.1	36.59%	5.5
US	6.5	4.7	38.30%	6.1

Source: BLS

## City Tax Collections (millions)

Through 11/30/08	FY2009	FY2008	Change	% Budget
Sales	\$56.72	\$56.46	0.46%	40.7%
Wage/NPT/Earnings (City & PICA)	\$651.92	\$628.44	3.74%	43.2%
<b>Tot City &amp; PICA Tax Revs</b>	<b>\$867.75</b>	<b>\$859.41</b>	<b>0.97%</b>	<b>27.6%</b>

Source: Philadelphia Revenue Commissioner

## Office Availability Rate (%)

	3Q-08	3Q-07	Change	2Q-08
Central Bus. District	11.8	12.6	-6.59%	12.1
Philadelphia Suburbs	18.0	17.4	3.51%	17.5

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 nation lost 533,000 jobs in November, the most in a single month since 1974, bringing the unemployment rate up to 6.7%. The Consumer Price Index fell 1.7%, leading to fears of deflation. Consumer confidence, as measured by the Conference Board's Consumer Confidence Survey, improved slightly, up 6.1 points, but remains low overall. Local unemployment remained flat while regional unemployment increased by 1 point, reflecting Philadelphia's relative stability with large medical and education services industries. Manufacturers in Philadelphia remain pessimistic, expecting continued declines over the next six months. The Mayor's latest 5-Year plan projection lowered the Realty Transfer Tax collections by \$30M, from \$185M to \$155M, but the city continues to experience difficulty meeting even that new budget projection.

