



Economic Forecasts

March 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 | | Current Unemployment | 2009 Unemployment | | 2010 Unemployment | | |
|---------------|--|------------------|-------------|-----------------------------------|---------------|---|----------|---|---------------------|---|--------------------------|-------------------|---|-------------------|---|---|
| 1 | American Bankers Association, ABA — Forecast and Outlook | 2 | Jun-08 | 4th Quarter 2008 -6.2% | 3.5% | ↘ | 4.5% | ↗ | 3.7% | ↘ | Mar 2009 8.5% | 5.3% | ↗ | 5.7% | ↗ | |
| 2 | economy.com — Précis: Metro/US | 3 | Jan-09 | | -1.7% | ↘ | 2.0% | ↘ | n/a | ○ | | 8.1% | ↗ | 8.9% | ↗ | |
| 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 | | -9.0% | ↘ | 3.1% | ↗ | -0.8% | ○ | | 8.4% | ↗ | 8.8% | ↗ | |
| 6 | The Conference Board — U.S. Leading Indicator * | 12 | Apr-09 | Level of Business Activity | Mar-09 | | 98.1 | | ↘ | | | | | | | <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: Economists have become cautiously optimistic that the economy is starting to level off. Declines in key indicators (industry demand, employment, capital spending and profitability) are slowing, suggesting that the economy is at an inflection point. Stock markets recover about six months before other economic indicators, so the recent rally on Wall Street may support the inflection theory. The impact of the Economic Stimulus program has yet to be felt, and is unlikely to have effect before late 2009 or early 2010. Likewise, as capital availability returns and confidence is regained, housing markets should recover in the same period as pent up demand is released.

| 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 | | 2008 Net Migration (thousands) | | 2009 Net Migration (thousands) | |
|--|--|------------------|-------------|----------------------------------|-------------------------------|---|-------------------------------|---|--|------------------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------|--------------------------------|--|
| 7 | economy.com — Précis: Metro/NORTHEAST | 3 | Jan-09 | N/A | N/A | ○ | N/A | ○ | 0.0% | ↘ | 2.4% | ↘ | -53.9 | ↘ | -54.3 | ↘ |
| 8 | economy.com — Précis: Metro/Philadelphia | 3 | Jan-09 | 1.8% | 1.2% | ↘ | 1.7% | ↗ | 0.7% | ↗ | 1.9% | ↘ | -4 | ↗ | -4.4 | ↗ |
| | | | | Current (2009) Employment | 2009 Employment | | 2010 Employment | | Cost of Doing Business (U.S. = 100) | Current (2009) Unemployment | | 2010 Unemployment | | 2011 Unemployment | | |
| 7 | economy.com — Précis: Metro/NORTHEAST | 3 | Jan-09 | 28,822 | -2.1% | ↘ | -0.3% | ↘ | 108 | ↗ | 7.8% | 8.6% | ↗ | 7.3% | ↗ | |
| 8 | economy.com — Précis: Metro/Philadelphia | 3 | Jan-09 | 1,893 | -1.4% | ↘ | -0.4% | ↗ | 119 | ↗ | 8.0% | 8.9% | ↗ | 7.5% | ↗ | |
| 10 | FRB Philadelphia — Business Outlook Survey | 12 | Apr-09 | Leading Indicator | Feb-07 to Feb-09 | | 24.4 | | ↘ | | | | | | | <p>This chart tracks the Indicator for the last 24 months.</p> |

Narrative: Regional manufacturers are showing a slowing of the decline in orders and capital expenditure in March, suggesting that declines may bottom out in the next six months. Building permits fell for the month while unemployment rose, indicating that recovery may lag. Declining economic activity continues to pull the region downward, suggesting contraction into the second quarter of 2009.

| | | | | | | | | | | | | | | | | |
|----------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 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 (March) 31-Mar-09

| Total Non-Farm Employment (in thousands) | | | | |
|--|---------------|---------------|---------------|---------------|
| | Mar-09 | Mar-08 | Change | Feb-09 |
| City Total | 648.4 | 661.5 | -1.98% | 652.4 |
| Manufacturing | 25.1 | 27.6 | -9.06% | 25.3 |
| Wholesale & Retail | 60.9 | 63.3 | -3.79% | 60.7 |
| Services | 613.1 | 622.3 | -1.48% | 616.7 |
| Construction & Mining | 10.2 | 11.5 | -11.30% | 10.4 |
| MSA Total | 2724.6 | 2804.5 | -2.85% | 2721.5 |
| Manufacturing | 205.1 | 217.1 | -5.53% | 205.9 |
| Wholesale & Retail | 414.1 | 431.5 | -4.03% | 412.5 |
| Services | 2415.9 | 2465.6 | -2.02% | 2412.0 |

Source: BLS
Because of changes within the BLS, employment data is now released after the snapshot is published. Hereafter, employment data will lag two months behind the current month.

| Unemployment Rate (%) | | | | |
|-----------------------|--------|--------|--------|--------|
| | Feb-09 | Feb-08 | Change | Jan-09 |
| City | 9.6 | 7.0 | 37.14% | 9.3 |
| MSA | 8.0 | 5.2 | 53.85% | 7.5 |
| | Mar-09 | Mar-08 | Change | Feb-09 |
| US | 8.5 | 5.1 | 66.67% | 8.1 |

Source: BLS
Because of changes within the BLS, local and regional unemployment data is now released after the snapshot is published. Hereafter, local and regional unemployment data will lag two months behind the current month.

| City Tax Collections (millions) | | | | |
|-------------------------------------|-------------------|-------------------|---------------|--------------|
| Through 03/31/09 | FY2009 | FY2008 | Change | % Budget |
| Sales | \$99.42 | \$102.50 | -3.00% | 71.4% |
| Wage/NPT/Earnings (City & PICA) | \$1,128.16 | \$1,156.62 | -2.46% | 74.7% |
| Tot City & PICA Tax Revs | \$1,827.64 | \$1,880.76 | -2.82% | 75.4% |

| Office Availability Rate (%) | | | | |
|------------------------------|-------|-------|--------|-------|
| | 1Q-09 | 1Q-08 | Change | 4Q-08 |
| Central Bus. District | 13.0 | 12.4 | 4.74% | 12.2 |
| Philadelphia Suburbs | 20.4 | 17.0 | 19.69% | 19.1 |

| 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: Nation-wide unemployment went up to 8.5% in March with about 663,000 jobs lost. This rate is the highest since 1983, and brings the total number of jobs lost since Dec. 2007 to 5.1 million. Retail sales fell 1.1% for the month and 9.4% over the previous year. Sales of previously-owned homes fell 3%, although the median home price rose slightly for the month. New home starts fell 10.8% in March (down 48.4% for the year); building permits fell 9% for the month, or about 45% year-to-year. Consumer and producer price indexes both fell, by 0.1% and 1.2%, respectively, while the core rate of inflation (which exclude the price of food and energy) was 0.2%. Economists have become cautiously optimistic that the bottom of the downturn is near, pointing to increased lending between companies and slowing declines in national indicators. Wage, sales and realty transfer tax collections in Phila. were down in March compared to last year, although within the range of city projections; property and parking tax collectors were up. Because BPT collections are typically highest in April and May, its too soon to tell if they will meet projections.

