



Economic Forecasts

May 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	1st Quarter 2009 5.7%	3.5%	↘	4.5%	↗	3.7%	↘	May 2009 9.4%	5.3%	↗	5.7%	↗
2	economy.com — Précis: Metro/US	3	May-09		-3.0%	↘	1.4%	↘	n/a	○		9.1%	↗	9.6%	↗
3	FRB Philadelphia — Livingston Survey	2	Jun-09		-2.8%	↘	1.8%	↘	-2.2%	↘		9.9%	↗	9.8%	↗
4	FRB Philadelphia — Survey of Professional Forecasters	4	May-09		-2.9%	↘	-1.1%	↘	2.1%	↘		6.6%	↗	7.0%	○
5	National Association for Business Economics — NABE Outlook	4	May-09		-9.0%	↘	3.1%	↗	-0.8%	○		8.4%	↗	8.8%	↗
6	The Conference Board — U.S. Leading Indicator *	12	Jun-09	Level of Business Activity	May-09 100.2		↗							This chart tracks the Indicator for the last 12 months.	

Narrative: The Organization for Economic Cooperation and Development, which tracks industrialized economies, revised upward its main growth forecasts for the first time in two years. The OECD revised its U.S. GDP estimates from a 4.0 percent contraction (in March) to a 2.8 percent contraction for the year. The organization forecasts 2010 growth at .9 percent, up from a previous forecast of zero growth. Other organizations are similarly revising expectations upward, with the American Bankers Assoc. saying the economy will return to growth in the third quarter. Despite the improved outlook, economists expect unemployment, a lagging indicator, to continue to rise. Recovering housing sales are leading to cautious optimism about the housing market, although economists are quick to caution that the housing recovery is very fragile.

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	May-09	N/A	N/A	○	N/A	○	-0.3%	↘	2.3%	↘	-94.1	↗	-65.0	↗
8	economy.com — Précis: Metro/Philadelphia	3	May-09	1.8%	-3.1%	↘	-0.3%	↗	0.8%	↗	2.0%	↗	-5	↗	-4.5	↗
				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	May-09	28,547	-3.0%	↘	-1.0%	↘	109	↗	8.6%	9.3%	↗	7.9%	↗	
8	economy.com — Précis: Metro/Philadelphia	3	May-09	1,879	-2.3%	↘	-5.0%	↗	105	↗	8.1%	8.8%	↗	7.3%	↘	
10	FRB Philadelphia — Business Outlook Survey	12	Jun-09	Leading Indicator	May-07 to May-09 -2.2		↗							This chart tracks the Indicator for the last 24 months.		

Narrative: The Philadelphia Fed's Business Outlook Survey's broad indicators of future activity showed improvement in May. The future general activity index was positive for the fifth consecutive month. The indexes for future new orders and shipments also improved. For the first time in eight months, the percentage of firms expecting employment to increase over the next six months exceeded the percentage expecting declines (26% vs 16%). The future employment index jumped 22 points to its highest reading since last September. The six-month capital expenditure index showed a modest improvement, increasing for the second consecutive month. Still, the largest percentage of executives (45 percent) indicated that they expected increases in demand for their products were six months or more in the future. Twenty percent said four to five months; and 14 percent said in two to three months.

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 (May) 31-May-09

Total Non-Farm Employment (in thousands)				
	May-09	May-08	Change	Apr-09
City Total	647.7	665.0	-2.60%	651.0
Manufacturing	24.9	27.5	-9.45%	25.0
Wholesale & Retail	60.5	63.9	-5.32%	60.0
Services	612.1	625.4	-2.13%	615.7
Construction & Mining	10.7	12.1	-11.57%	10.3
MSA Total	2747.3	2835.2	-3.10%	2739.1
Manufacturing	204.2	215.9	-5.42%	204.1
Wholesale & Retail	416.4	433.8	-4.01%	414.1
Services	2434.2	2492.7	-2.35%	2427.8

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 (%)				
	Apr-09	Apr-08	Change	Mar-09
City	9.1	6.4	42.19%	9.6
MSA	7.6	4.6	65.22%	8.0
	May-09	May-08	Change	Apr-09
US	9.4	5.5	70.91%	8.9

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 05/31/09	FY2009	FY2008	Change	% Budget
Sales	\$109.11	\$112.88	-3.34%	78.3%
Wage/NPT/Earnings (City & PICA)	\$1,247.13	\$1,290.57	-3.37%	82.6%
Tot City & PICA Tax Revs	\$2,197.47	\$2,278.39	-3.55%	90.6%

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: The National Association of Realtors said that sales of previously occupied homes rose 2.4 percent from April to May, the third monthly increase this year. The group warned, however, that signs of a housing recovery are still fragile, noting that the increase fell just short of industry expectations and prices dropped 16.8 percent over the previous year. Pennsylvania's seasonally adjusted unemployment rate rose from 7.8 percent to 8.2 percent in May, trailing the national rate of 9.4 percent. Hardest hit were jobs in goods-production industries, while jobs in education and health services increased 1.9 percent. The Philadelphia Fed announced that its survey of regional businesses found that indicators of future activity improved notably again in May, suggesting that the manufacturing executives are more optimistic that a recovery will occur over the next six months. Locally, tax collections are below last year's numbers, but well within the forecasted range.

