



Economic Forecasts

February 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%	↘	Feb 2009 8.1%	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	Feb-09	Level of Business Activity	Feb-09												<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: Indications are that the national and global economies will continue to weaken, with consumer confidence falling while prices rise. Officials with the World Bank expect the global economy to contract in 2009, for the first time since WWII. Meanwhile, Fed. Reserve Chairman Ben Bernanke expects the national recession to lift in 2010, provided policymakers take appropriate action. The Conference Board's Leading Index, a measure of 3-6 month future economic activity, fell in February, although less than expected. Concerns about inflation and deflation continue, as the Consumer Price Index and the Core Inflation Rate fluctuate.

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	Mar-09	Leading Indicator	Feb-07 to Feb-09												<p>This chart tracks the Indicator for the last 24 months.</p>

Narrative: The Phila. Fed's Leading Indicator (a measure of regional manufacturers' future outlook) crept up from January's -41.3, although at -35 it still indicates low expectations. Manufacturers report declining sales, new orders and employment. With federal stimulus funded projects expected to begin in the coming months, the region stands to see an increase in construction activity. Between SEPTA, PENNDOT and other regional transportation agencies, the region may receive as much as \$630 million in infrastructure funding. The region has been relatively insulated from the financial meltdown and may remain so during the foreseeable future due to our relative lack of exposure to the mortgage and housing crisis.

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 (February)

28-Feb-09

Total Non-Farm Employment (in thousands)				
	Jan-09	Jan-08	Change	Dec-08
City Total	649.1	654.5	-0.83%	660.9
Manufacturing	25.8	27.7	-6.86%	26.5
Wholesale & Retail	62.6	63.9	-2.03%	65.5
Services	612.7	615.5	-0.45%	623.2
Construction & Mining	10.6	11.3	-6.19%	11.2
MSA Total	2730.6	2785.7	-1.98%	2820.2
Manufacturing	208.3	216.0	-3.56%	210.5
Wholesale & Retail	419.8	437.6	-4.07%	446.1
Services	2414.3	2448.4	-1.39%	2490.8

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 (%)				
	Jan-09	Jan-08	Change	Dec-08
City	9.3	7.0	32.86%	8.2
MSA	7.5	5.1	47.06%	6.4
	Feb-09	Feb-08	Change	Jan-09
US	8.1	4.8	68.75%	7.6

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 02/28/09	FY2009	FY2008	Change	% Budget
Sales	\$89.82	\$91.84	-2.20%	64.5%
Wage/NPT/Earnings (City & PICA)	\$997.28	\$1,025.34	-2.74%	66.1%
Tot City & PICA Tax Revs	\$1,546.16	\$1,623.10	-4.74%	63.8%

Office Availability Rate (%)				
	4Q-08	4Q-07	Change	3Q-08
Central Bus. District	12.2	12.6	-3.02%	11.8
Philadelphia Suburbs	19.1	17.4	9.52%	18.0

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: Nationwide unemployment surged to 8.1%, it's highest level in 25 years; the local and regional unemployment rates continued their climb, to 9.3% and 7.5%, respectively. February's numbers bring the total number of jobs lost in the current recession to 4.4 million, nationwide. Indicating popular uncertainty about the economy and job prospects, the Consumer Confidence index fell to yet another all-time low in February, to 25 (1985=100), from 37.4 in January. The retail sector has suffered accordingly, while manufacturing output fell by 0.7% nationwide. Locally, manufacturers reported employment losses, while indexes of expectations remained negative. Feeding concerns about inflation, the Core Price Index rose in February, by 0.2%, or 3.9% from February 2008. Housing markets nationwide continued their decline, although new construction (housing starts) increased for the first time in 8 months, by 22%. Analysts attribute the unexpected gains to an increase in construction of apartment buildings, as well as to the end of the winter allowing delayed projects to get started. Some economists are cautiously saying that the economy is near or may have reached the bottom.

