



City Controller's Office Monthly Economic Snapshot (November)

30-Nov-07

Total Non-Farm Employment (in thousands)

	Nov-07	Nov-06	Change	Oct-07
City Total	672.5	669.3	-0.15%	668.3
Manufacturing	27.8	29.6	-6.08%	27.8
Wholesale & Retail	66.3	66.6	-2.10%	65.2
Services	631	626.9	-0.03%	626.7
Construction & Mining	13.7	12.8	7.81%	13.8
MSA Total	2867	2838	0.37%	2848.5
Manufacturing	222.8	227.9	-2.46%	222.3
Wholesale & Retail	457	450.6	-1.02%	446
Services	2508.1	2477.1	0.48%	2489.1

Source: BLS

Unemployment Rate (%)

	Oct-07	Oct-06	Change	Sep-07
City	6.1	6.2	-1.61%	6.1
MSA	4.1	4.2	-2.38%	4.2
US	4.7	4.5	4.44%	4.7

Source: BLS

City Tax Collections (millions)

Through 11/30/07	FY2008	FY2007	Change	% Budget
Sales	\$56.46	\$57.23	-1.35%	40.8%
Wage/NPT/Earnings (City & PICA)	\$628.44	\$611.60	2.75%	41.3%
Tot City & PICA Tax Revs	\$859.41	\$867.38	-0.92%	31.0%

Source: Philadelphia Revenue Commissioner

Office Availability Rate (%)

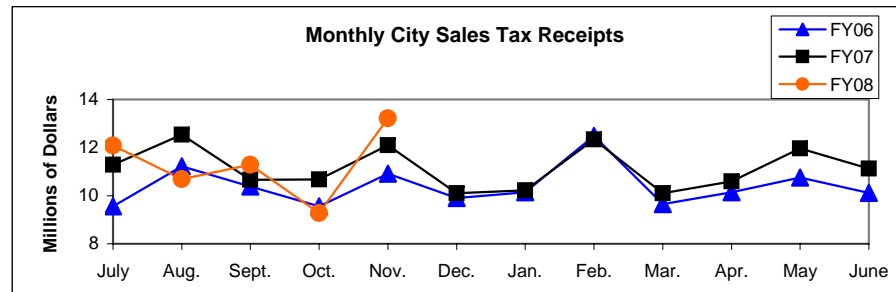
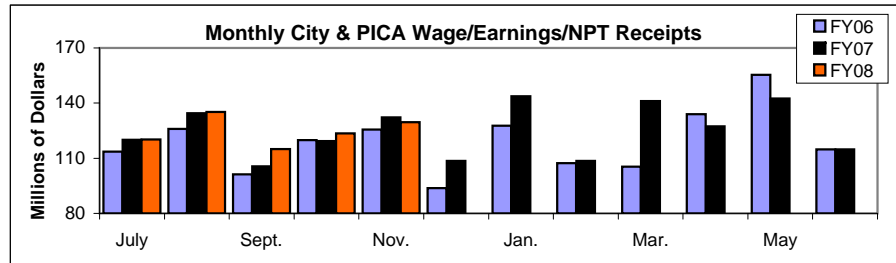
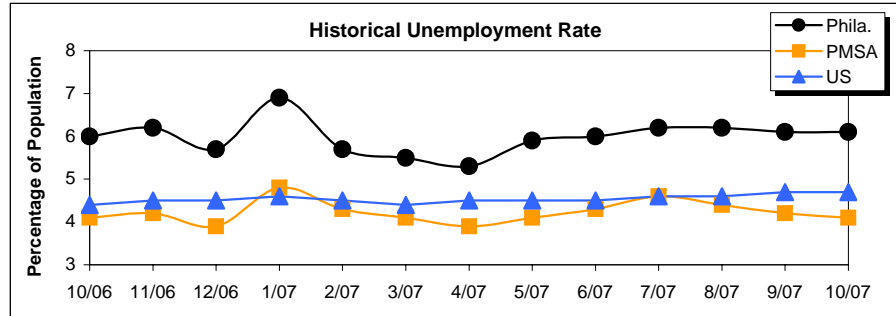
	3Q-07	3Q-06	Change	2Q-07
Central Bus. District	12.6	13.6	-7.13%	12.5
Philadelphia Suburbs	12.6	18.4	-31.36%	17.6

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 Beige Book reports that business activity expanded modestly in the Philadelphia region in November. Nationally, the housing slump was still a major factor in the economy as home sales were the lowest in twelve years. The U.S. leading economic indicator dropped again due to the falling stock market and rising initial claims for unemployment insurance. Input and output costs continued to rise for manufacturers, with benefit costs at the top of employers' concerns. U.S. manufacturing activity reached its lowest level in five years. Despite declines, GDP (at 4.9%) showed the strongest growth in four years due to exports, consumer spending, and inventory investment, and corporate profits continued to grow at a minimal 1.8 percent. However, economists expect a strong reversal in GDP growth next quarter.





Economic Forecasts

November 2007

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	2007 GDP		2008 GDP		2007 Consumer Price		Current Unemployment	2007 Unemployment		2008 Unemployment	
1	American Bankers Association, ABA — Forecast and Outlook	2	Jun-07	3rd Quarter 2007 4.9%	4.0%	↗	4.9%	⇌	3.2%	↘	Nov-07 4.7%	4.6%	↗	4.8%	⇌
2	economy.com — Précis: Metro/US	3	Sep-07		2.0%	↘	2.3%	↘	N/A	○		4.6%	⇌	4.9%	↗
3	FRB Philadelphia — Livingston Survey	2	Jun-07		N/A	N/A	2.9%	↗	2.6%	↗		4.6%	↗	4.8%	↗
4	FRB Philadelphia — Survey of Professional Forecasters	4	Nov-07		2.1%	↗	2.5%	↘	2.2%	⇌		4.6%	⇌	4.9%	↗
5	National Association for Business Economics — NABE Outlook	4	Nov-07		2.4%	↗	2.6%	↘	3.5%	↗		4.6%	⇌	4.9%	↗
6	The Conference Board — U.S. Leading Indicator	12	Dec-08	Level of Business Activity	Nov-07 136.3		↘							This chart tracks the Indicator for the last 12 months.	

Narrative: The twofold increase in the cost of oil since January 2007 is affecting many parts of the economy and will soon be hitting consumer's wallets hard in other sectors as well. The debate of a recession in 2008 continues, with NABE "paring back further its expectations for growth in the fourth quarter 2007 and in 2008 but...still not predicting a recession." However, many economists foresee a likely recession in the beginning of 2008 and even in the fourth quarter 2007, which will not be known until the data is available in a few months. In November, the NABE panel lowered estimates for all major sectors except for net exports and government spending. Kiplinger expects GDP growth, interest rates, inflation, job growth, housing sales, retail sales growth, and the trade deficit all to decline in 2008. In December, the economic outlook is unstable, and the FRB recognized that "the economic outlook [is] unusually uncertain [for 2008]."

Regional (U.S. Northeast) & Local (Phila. Metro)		Updates per Year	Last Update	Current GRP/GMP	2007 GRP/GMP (percent change)		2008 GRP/GMP (percent change)		2007 Personal Income Growth		2008 Personal Income Growth		2006 Net Migration (thousands)		2007 Net Migration (thousands)	
7	economy.com — Précis: Metro/NORTHEAST	3	Sep-07	N/A	N/A	○	N/A	○	6.8%	↗	3.8%	↘	-105.7	↗	-62.3	↗
8	economy.com — Précis: Metro/Philadelphia	3	Sep-07	2.1%	1.8%	↘	1.8%	↘	5.0%	↗	2.8%	↘	-7.6	⇌	-6.5	⇌
				Current (2006) Employment	2007 Employment		2008 Employment		Cost of Doing Business (U.S. = 100)	Current (2006) Unemployment		2007 Unemployment		2008 Unemployment		
7	economy.com — Précis: Metro/NORTHEAST	3	Sep-07	29,134	0.8%	↘	0.3%	↘	108	⇌	4.5%	4.4%	⇌	4.6%	↗	
8	economy.com — Précis: Metro/Philadelphia	3	Sep-07	1,905	0.6%	↘	0.2%	↘	119	⇌	4.7%	4.2%	↗	4.3%	↗	
9	FRB Phila — Regional Employment Forecasts	4	Nov-07	n/a	0.8%	⇌	0.6%	⇌	n/a	○	n/a	4.4%	↗	5.1%	↗	
10	FRB Philadelphia — Business Outlook Survey	12	Nov-07	Leading Indicator	Nov-07 to May-07 11.6		↘							This chart tracks the Indicator for the last 24 months.		

Narrative: The Philadelphia Federal Reserve's Beige Book and Business Outlook Survey predict continued but modest growth for the Third District. Steady demand for office and industrial space is expected into 2008 but unless employment numbers increase, there will be no large increase in leasing activity. In November, the six-month forecast prediction for businesses fell sharply to their lowest levels all year, dropping 30 points from October. Projections for higher unemployment rates in Philadelphia for 2008 were also made this month by the Survey of Professional Forecasters.

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.													