



# City Controller's Office Monthly Economic Snapshot (July)

31-Jul-09

Total Non-Farm Employment (in thousands)				Source: BLS
	Jul-09	Jul-08	Change	Jun-09
<b>City Total</b>	<b>640.8</b>	<b>659.4</b>	<b>-2.82%</b>	<b>640.8</b>
Manufacturing	24.9	27.3	-8.79%	24.9
Wholesale & Retail	60.5	64.6	-6.35%	60.5
Services	605.5	619.7	-2.29%	605.5
Construction & Mining	10.5	12.4	-15.32%	10.5
<b>MSA Total</b>	<b>2740.5</b>	<b>2808.7</b>	<b>-2.43%</b>	<b>2740.5</b>
Manufacturing	203.6	215.8	-5.65%	203.6
Wholesale & Retail	418.0	435.9	-4.11%	418.0
Services	2426.4	2463.2	-1.49%	2426.4

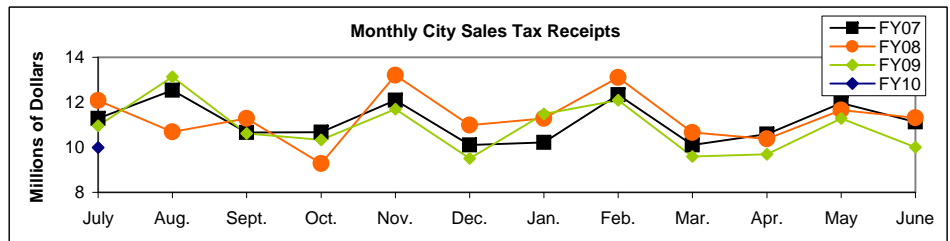
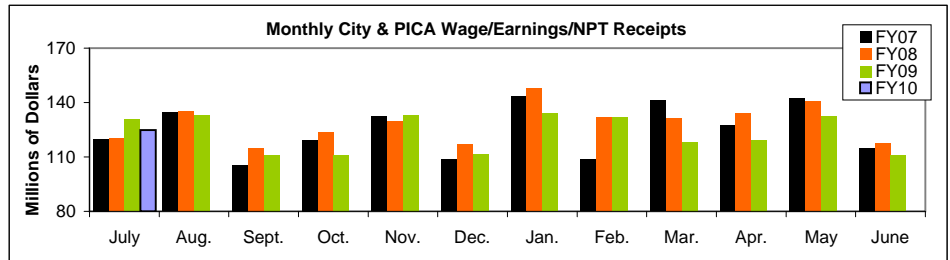
Unemployment Rate (%)				Source: BLS
	Jun-09	Jun-08	Change	May-09
City	10.2	7.2	41.67%	10.0
MSA	8.6	5.3	62.26%	8.2
	Jul-09	Jul-08	Change	Jun-09
US	9.4	5.7	64.91%	9.5

City Tax Collections (millions)				Source: Philadelphia Revenue Commissioner
Through 07/31/09	FY2009	FY2008	Change	% Budget
Sales	\$9.99	\$10.96	-8.83%	7.2%
Wage/NPT/Earnings (City & PICA)	\$124.88	\$130.73	-4.48%	8.3%
<b>Tot City &amp; PICA Tax Revs</b>	<b>\$164.40</b>	<b>\$171.26</b>	<b>-4.01%</b>	<b>6.4%</b>

Office Availability Rate (%)				Source: CB Richard Ellis
	2Q-09	2Q-08	Change	4Q-08
Central Bus. District	14.4	12.4	15.76%	12.2
Philadelphia Suburbs	21.6	17.0	26.98%	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 Philadelphia Fed's August Business Outlook found that the Philadelphia region's manufacturing sector is showing signs of stabilizing. Indexes for general activity, new orders, and shipments all registered slightly positive readings this month. Although firms reported continued declines in employment and work hours this month, losses were not as widespread. Most of the survey's broad indicators of future activity continued to suggest that the region's manufacturing executives expect business activity to increase over the next six months. Labor market conditions remain weak. Firms continue to report declines in employment and work hours, but overall job losses were not as large. Film production companies began to reconsider and even to abandon Philadelphia as a location as the state's budget impasse created uncertainty about the prospects for continuation of the state's film tax credit. The industry created \$300M in new business and 4,000 jobs over the last year, statewide.





**Economic Forecasts**

July 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	Unemployment Rate	2009 Unemployment	2010 Unemployment				
1 American Bankers Association, ABA — Forecast and Outlook	2	Jun-08	<b>2nd Quarter 2009 -1.0%</b>	3.5%	↘	4.5%	↗	3.7%	↘	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	Jul-09		-2.8%	↘	1.1%	↘	-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	Jul-09	Level of Business Activity	Jul-09
			101.6	↗

This chart tracks the Indicator for the last 12 months.

**Narrative:** The Conference Board Leading Economic Index for the U.S. increased 0.6 percent in July, following a 0.8 percent gain in June, and a 1.2 percent rise in May. The indicators suggest that the recession is bottoming out, and that economic activity will likely begin recovering soon. The Coincident Economic Index was flat in July reversing consistent monthly declines since October 2008. The Leading Economic Index, which has increased for four consecutive months, suggests that the CEI will turn positive soon. The Conference Board Coincident Economic Index for the U.S. was unchanged in July, following 0.4 percent declines in both June and May. The Conference Board Lagging Economic Index declined 0.3 percent in July, following a 0.7 percent decline in June, and a 0.6 percent decline in May. Thirty four forecasters surveyed by the Federal Reserve Bank of Philadelphia expect steady growth over each of the next four quarters. They also expect annual GDP growth to rise from -2.6 percent this year to 3.2 percent in 2012.

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	○	-0.3%	↘	2.3%	↘	-94.1	↗	-65.0
8 economy.com — Précis: Metro/Philadelphia	3	May-09	1.8%	-3.1%	↘	-0.3%	↗	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%	↘	109	8.6%	9.3%	↗	7.9%		
8 economy.com — Précis: Metro/Philadelphia	3	May-09	1,879	-2.3%	↘	105	8.1%	8.8%	↗	7.3%		

This chart tracks the Indicator for the last 24 months.

**Narrative:** The Philadelphia Fed's indicators of future activity improved slightly this month and continued to suggest that firms are expecting better conditions over the next six months. The future general activity index remained positive for the eighth consecutive month and increased from 51.9 in July to 56.8. Indexes for future new orders and shipments also edged slightly higher this month. For the fourth consecutive month, the percentage of firms expecting employment to increase over the next six months exceeded the percentage expecting declines (29 percent versus 16 percent). Firms' forecast for future capital spending remains subdued. The future capital spending index is at zero this month, very near its readings of the previous four months. A little over 44 percent of firms indicated that their current inventories are about right for prevailing conditions. Nearly 34 percent expect declines over the next three months, while only 19 percent expect to increase inventories. About 15 percent of the firms indicated that their inventories had been reduced in the current downturn and that a rebuilding would occur in the third quarter. Only 4 percent indicated that a rebuilding would occur in the fourth quarter.

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.		