















United States Economic Indicators

	<u>April</u>	<u>May</u>	<u>June</u>	
<p>Unemployment Rate The number of individuals unemployed divided by the labor force. Data are from the US Department of Labor - Survey of Households.</p>	8.1%	8.2%	8.2%	
<p>Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. Data are from the US Department of Labor - Survey of Establishments.</p>	156.7	96.0	75.0	
<p>Advance Retail Sales Year-over-year growth rate of retail sales based on latest three months of data. Includes purchases of gas and motor vehicles. Data are from the US Department of Commerce.</p>	6.1%	5.6%	4.7%	
<p>Residential Home Sales Year-over-year growth rate in residential home sales based on latest three months of data. Data are from National Association of Realtors.</p>	8.0%	8.7%	8.6%	
<p>Consumer Confidence Index A diffusion index that reflects consumer optimism. A declining index signals increasing pessimism. Data are from the University of Michigan - Survey of Consumers.</p>	76.4	79.3	73.2	
<p>Purchasing Managers Index (PMI) A diffusion index that reflects the relative health of the manufacturing sector. An index greater than 50 generally indicates that the sector is expanding. Data are from the Institute of Supply Management.</p>	54.8	53.5	49.7	
<p>Average Gas Price National average price for one gallon of unleaded gasoline. Data are from the Energy Information Administration.</p>	3.90	3.73	3.54	
<p>S&P 500 Index An index based on the stock prices of 500 top publicly traded corporations. Index values are from month end. Data are from Standard and Poor's.</p>	1,398	1,310	1,362	
<p>Consumer Price Index (CPI - U) Year-over-year change in average price level. Includes outlays for energy. Data are from the US Department of Labor.</p>	2.3%	1.7%	1.7%	




Pennsylvania Economic Indicators

	<u>April</u>	<u>May</u>	<u>June</u>	
Unemployment Rate The number of individuals unemployed divided by the labor force. Data are from the US Department of Labor - Survey of Households.	7.4%	7.4%	7.5%	▼
Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. Data are from the US Department of Labor - Survey of Establishments.	7.4	-1.8	0.5	▼
Sales-Use Taxes Year-over-year growth rate of sales taxes based on latest three months of collections. Excludes motor vehicle sales taxes.	6.5%	3.3%	2.5%	▼
Motor Vehicle Sales Taxes Year-over-year growth rate of motor vehicle sales taxes based on latest three months of collections.	10.2%	4.1%	3.9%	▼
Realty Transfer Taxes Year-over-year growth rate of realty transfer taxes based on latest three months of collections. Monthly residential sales data are not available at state level.	11.7%	17.5%	12.9%	▲
Current Business Outlook Index A diffusion index that measures the current outlook of manufacturing firms in the third federal reserve district (PA, NJ, DE). A negative number indicates increasing pessimism. Data are from the Federal Reserve Bank of Philadelphia.	8.5	-5.8	-16.6	▼
Average Gas Price Central Atlantic (PA, NY, NJ) average price for one gallon of unleaded gasoline. Data are from the Energy Information Administration.	3.93	3.74	3.51	▲
Consumer Price Index (PA-NJ-DE-MD) A measure of the average change in prices over the past year. Includes outlays for energy. Data are from the US Department of Labor and published on a bi-monthly basis.	2.0%	n.a.	1.3%	■

Quarterly United States Economic Indicators

	<u>2011.3</u>	<u>2011.4</u>	<u>2012.1</u>	
Real Gross Domestic Product (GDP) The quarterly annualized growth rate of the US economy. Excludes inflation. Data are from the US Bureau of Economic Analysis.	1.3%	4.1%	2.0%	
Personal Income The year-over-year growth rate of US personal income. Includes wages, interest, dividends, rents, pensions, business and transfer income. Includes any inflationary gains. Data are from the US Bureau of Economic Analysis.	4.7%	4.1%	2.8%	
Corporate Profits The year-over-year growth rate of domestic and foreign profits of US corporations. Data are from the US Bureau of Economic Analysis.	4.7%	9.2%	10.2%	
FHFA House Price Index An index that measures the average price change of residential homes whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac. Rate is the year-over-year change in the index. Data are from the Federal Housing Financing Authority.	-3.7%	-2.6%	0.5%	
Delinquent Debt Share of US consumer debt that is more than 90 days delinquent. Data are from the Federal Reserve Bank of New York.	7.1%	7.2%	7.0%	

Quarterly Pennsylvania Economic Indicators

	<u>2011.3</u>	<u>2011.4</u>	<u>2012.1</u>	
Personal Income The year-over-year growth rate of PA personal income. Includes wages, interest, dividends, rents, pensions, business and transfer income. Includes any inflationary gains. Data are from the US Bureau of Economic Analysis.	4.5%	4.1%	3.1%	
FHFA House Price Index An index that measures the average price change of residential homes whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac. Rate is the year-over-year change in the index. Data are from the Federal Housing Financing Authority.	-1.3%	-2.8%	0.2%	
Delinquent Debt Share of PA consumer debt that is more than 90 days delinquent. Data are from the Federal Reserve Bank of New York.	5.5%	5.2%	4.9%	

Snapshot: The Pennsylvania Labor Market

June marked the first month since July 2011 that the Pennsylvania unemployment rate increased. Many analysts have made comparisons to last summer, when labor market growth also decelerated. Are the underlying dynamics the same?

The unemployment rate is based on the US Department of Labor's monthly survey of households. The rate is equal to the number of unemployed individuals divided by the labor force. The labor force includes employed adults plus those who are actively seeking employment, but remain unemployed. In general, the labor force will grow each month due to an expanding population. If the unemployment rate increases, there exists three potential causes: (1) the number of employed and unemployed both increase, but the number of unemployed grows faster, (2) both decrease, but the number of unemployed shrinks less or (3) the number of unemployed increases while the number of employed de-

clines. The first outcome is not unusual during recoveries (even tepid recoveries) as individuals re-enter the labor force in search of jobs, but are unable to find employment.

This phenomenon drives much of the increase in the Pennsylvania unemployment rate for June. Although the household survey found that the number of employed residents increased, that change was insufficient to offset the larger increase in the number of unemployed individuals. Another survey performed by the US Department of Labor (the establishment survey) showed solid job gains for June. Hence, the recent uptick in the unemployment rate seems partly attributable to discouraged individuals who re-entered the labor force to find employment. That dynamic is different than last summer, when the household survey found that the number of residents employed declined in four consecutive months (April - July).

