










United States Economic Indicators

	<u>Nov-11</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov-12</u>	
Unemployment Rate The number of individuals unemployed divided by the labor force. ¹	8.7%	7.8%	7.9%	7.7%	
Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. ²	157.0	168.3	154.0	138.7	
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. ³	8.0%	4.8%	4.7%	4.2%	
Residential Home Sales Year-over-year growth rate in residential home sales based on latest three months of data. ⁴	12.0%	9.8%	10.0%	11.5%	
Consumer Confidence Index A diffusion index that reflects consumer optimism. A declining index signals increasing pessimism. ⁵	63.7	78.3	82.6	82.7 ¹⁰	
Purchasing Managers Index (PMI) A diffusion index that reflects the relative health of the manufacturing sector. An index greater than 50 indicates that the sector is expanding. ⁶	52.2	51.5	51.7	49.5	
Average Gas Price National average price for one gallon of unleaded gasoline. ⁷	3.38	3.85	3.75	3.46	
S&P 500 Index An index based on the stock prices of 500 top publicly traded corporations. Index values are from month end. ⁸	1,247	1,441	1,412	1,416	
Consumer Price Index (CPI - U) Year-over-year change in average price level. Includes outlays for energy. ⁹	3.5%	2.0%	2.2%	1.8%	

Sources:

1/ U.S. Department of Labor - Survey of Households.

2/ U.S. Department of Labor - Survey of Establishments.

3/ U.S. Department of Commerce.

4/ National Association of Realtors.

5/ University of Michigan - Survey of Consumers.

6/ Institute of Supply Management.









7/ Energy Information Administration.

8/ Standard and Poor's.

9/ U.S. Department of Labor - Bureau of Labor Statistics.

10/ December value fell to 72.9.

Pennsylvania Economic Indicators

	<u>Nov-11</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov-12</u>	
Unemployment Rate The number of individuals unemployed divided by the labor force. ¹	7.8%	8.2%	8.1%	7.8%	
Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. ²	3.6	10.8	13.1	11.8	
Sales-Use Taxes Year-over-year growth rate of sales taxes based on latest three months of collections. Excludes motor vehicle sales taxes. ³	5.2%	1.4%	1.6%	1.4%	
Motor Vehicle Sales Taxes Year-over-year growth rate of motor vehicle sales taxes based on latest three months of collections. ⁴	8.2%	5.8%	-4.9%	0.4%	
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. ⁵	4.2%	7.8%	12.5	18.1%	
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. ⁶	3.1	-1.9	5.7	-10.7	
Average Gas Price Central Atlantic (PA, NY, NJ) average price for one gallon of unleaded gasoline. ⁷	3.42	3.89	3.83	3.66	
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 published on a bi-monthly basis. ⁸	3.0%	1.4%	2.2%	2.2%	

Sources:

- 1/ U.S. Department of Labor - Survey of Households.
- 2/ U.S. Department of Labor - Survey of Establishments.
- 3/ PA Department of Revenue.
- 4/ PA Department of Revenue.

- 5/ PA Department of Revenue.
- 6/ Federal Reserve Bank of Philadelphia.
- 7/ Energy Information Administration.
- 8/ U.S. Department of Labor. For non-release months, values held constant.

Monthly Economic Report

December 2012



Quarterly United States Economic Indicators

	<u>2011.4</u>	<u>2012.1</u>	<u>2012.2</u>	<u>2012.3</u>	
Real Gross Domestic Product (GDP) The quarterly annualized growth rate of the U.S. economy. Excludes inflation. ¹	4.1%	2.0%	1.3%	3.1%	
Personal Income The year-over-year growth rate of U.S. personal income. Includes wages, interest, dividends, rents, pensions, business and transfer income. Includes any inflationary gains. ¹	4.1%	2.9%	3.0%	3.3%	
Corporate Profits The year-over-year growth rate of domestic and foreign profits of U.S. corporations. ¹	9.2%	10.3%	6.7%	7.5%	
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. ²	-2.5%	0.7%	3.2%	3.9%	
U.S. Delinquent Debt Share of consumer debt more than 90 days delinquent. ³	7.2%	7.0%	6.7%	6.6%	

Quarterly Pennsylvania Economic Indicators

	<u>2011.4</u>	<u>2012.1</u>	<u>2012.2</u>	<u>2012.3</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. ¹	3.5%	3.1%	3.1%	3.0%	
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. ²	-2.8%	-0.1%	-0.3%	0.0%	
PA Delinquent Debt Share of consumer debt more than 90 days delinquent. ³	5.2%	4.9%	5.1%	5.3%	

Sources:

1/ U.S. Bureau of Economic Analysis. 2/ Federal Housing Financing Authority. 3/ Fed. Res. Bank of New York.

Snapshot: Outlook for Retail Sales

As the year comes to an end, consumers are expected to have purchased more for the holidays. The National Retail Federation predicted that holiday sales would grow by 4.1 percent this year to \$586 billion. However, factors such as economic uncertainty and tax policy changes may dampen December sales. For example, MasterCard Inc.'s SpendingPulse unit released preliminary data for the eight weeks leading up to Christmas Eve that show retail sales growth of only 0.7 percent over last year. (Data exclude restaurant, automobile, gasoline and grocery sales.) Supporting the weak sales figures, the University of Michigan Consumer Confidence Index declined precipitously from 82.7 in November to 72.9 in December.

Despite weak retail sales, online shopping or “e-commerce,” continues to increase at a rapid pace. SpendingPulse estimates that online holiday sales increased by 8.4 percent over last year. In the third quarter of 2002, e-commerce comprised only 1.5 percent (\$11.6 billion) of national retail sales, but in the third quarter of 2012, e-commerce expanded to 4.9 percent (\$52.5 billion) of retail sales. The strong growth of e-commerce coupled with tepid overall sales suggests that certain brick and mortar store holiday sales were weak.

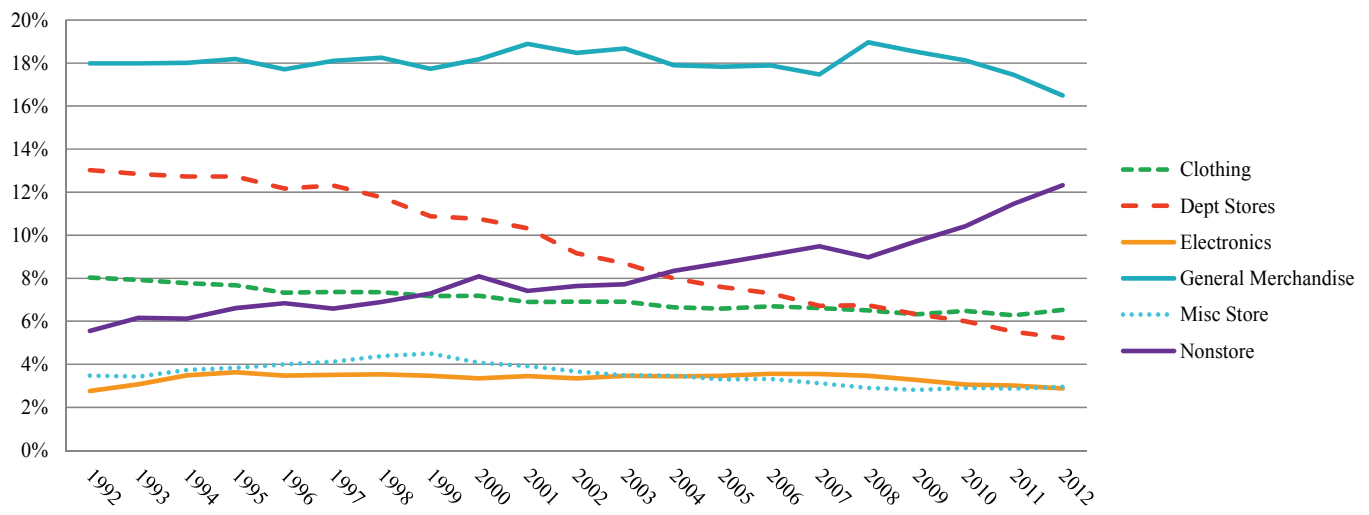
Another factor possibly affecting sales of wholesalers and retailers is reduced demand from businesses. According to the Bureau of Economic Analysis, the eco-

nomie profits of domestic nonfinancial corporations were up 5.1 percent in the third quarter of 2012 over last year. Regardless, corporations seem reluctant to spend, with the same data revealing a decline of 2.7 percent for certain business purchases of computers and other office equipment.

The U.S. Census Bureau recently released data on advance retail sales for November, which includes sales from “Black Friday.” In terms of nominal year-over-year growth from last November, retail and food services grew by 4.8 percent. In general, growth was below analysts’ expectations, with some industries showing gains and others showing losses. More specifically, general merchandise stores experienced the largest decline from last November (1.1 percent). The decline in department stores (0.9 percent), a subsector of general merchandise stores, is driving much of that weakness. Electronics and appliance store sales only grew by 0.2 percent from last November.

On the other hand, nonstore retailers, which include informational retailers, electronic catalogs, door-to-door sales and electronic shopping, grew by 12.4 percent. Other businesses that exhibited strong growth from last year include clothing stores (8.8 percent), furniture and home stores (6.5 percent), auto and other motor vehicle dealers (6.9 percent) and miscellaneous store retailers (7.6 percent). Retail sales data for December will be released on January 15th.

November U.S. Retail Sales by Type of Business as a Percent of Total Retail Sales



Note: Retail sales as a percent of total sales exclude motor vehicle and parts. Data are from the U.S. Census Bureau.