










United States Economic Indicators

	<u>Aug-12</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug-13</u>	
Unemployment Rate The number of individuals unemployed divided by the labor force. ¹	8.1%	7.6%	7.4%	n.a.	
Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. ²	135.0	187.7	175.3	n.a.	
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	4.4%	4.6%	5.2%	n.a.	
Residential Home Sales Year-over-year growth rate in residential home sales based on latest three months of data. ⁴	8.6%	12.1%	14.6%	n.a.	
Consumer Sentiment Index A diffusion index that reflects consumer optimism. A declining index signals increasing pessimism. ⁵	74.3	84.1	83.9	82.1	
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	49.6	50.9	55.4	n.a.	
Average Gas Price National average price for one gallon of unleaded gasoline. ⁷	3.72	3.63	3.59	3.57	
S&P 500 Index An index based on the stock prices of 500 top publicly traded corporations. Index values are from month end. ⁸	1,407	1,606	1,686	1,636	
Consumer Price Index (CPI - U) Year-over-year change in average price level. Includes outlays for energy. ⁹	1.7%	1.8%	2.0%	n.a.	

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.

Pennsylvania Economic Indicators

	<u>Aug-12</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug-13</u>	
Unemployment Rate The number of individuals unemployed divided by the labor force. ¹	8.1%	7.5%	7.5%	n.a.	
Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. ²	-2.4	2.4	0.8	n.a.	
Sales-Use Taxes Year-over-year growth rate of sales taxes based on latest three months of collections. Excludes motor vehicle sales taxes. ³	1.2%	1.6%	3.1%	2.7%	
Motor Vehicle Sales Taxes Year-over-year growth rate of motor vehicle sales taxes based on latest three months of collections. ³	3.3%	3.2%	4.3%	5.7%	
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. ³	10.2%	14.1%	15.0%	22.0%	
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. ⁴	-1.7	12.5	19.8	9.3	
Average Gas Price Central Atlantic (PA, NY, NJ) average price for one gallon of unleaded gasoline. ⁵	3.72	3.54	3.63	3.65	
Consumer Price Index (PA-NJ-DE-MD) Year-over-year change in average price level. Includes outlays for energy. Data are published on a bi-monthly basis. ⁶	1.4%	1.5%	1.5%	n.a.	

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/ Federal Reserve Bank of Philadelphia.




5/ Energy Information Administration.

6/ U.S. Department of Labor. For non-release months, values held constant.

Quarterly United States Economic Indicators

	<u>2012.3</u>	<u>2012.4</u>	<u>2013.1</u>	<u>2013.2</u>	
Real Gross Domestic Product (GDP) The quarterly annualized growth rate of the U.S. economy. Excludes inflation. ¹ Note: The GDP series was revised to include intangible assets (e.g., intellectual property).	2.8%	0.1%	1.1%	2.5%	
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	3.1%	5.8%	2.7%	3.0%	
Corporate Profits The year-over-year growth rate of domestic and foreign profits of U.S. corporations. ¹	6.3%	2.7%	2.1%	5.0%	
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	4.0%	5.5%	7.1%	7.2%	
U.S. Delinquent Debt Share of consumer debt more than 90 days delinquent. ³	6.6%	6.3%	6.1%	5.7%	

Quarterly Pennsylvania Economic Indicators

	<u>2012.3</u>	<u>2012.4</u>	<u>2013.1</u>	<u>2013.2</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	2.9%	4.5%	1.5%	n.a.	
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	-0.1%	2.8%	2.4%	3.7%	
PA Delinquent Debt Share of consumer debt more than 90 days delinquent. ³	5.3%	5.6%	5.4%	5.5%	

Sources:

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

Snapshot: Gross Domestic Product Revisions

Gross domestic product (GDP) is one of the most closely followed economic indicators because it provides insight as to whether a country is in a period of expansion or recession. Gross domestic product is a measure of total final output and is calculated by summing a country's investment, private consumption, government spending and net exports (exports minus imports). Despite the wide use of GDP, the measure has limitations. For example, GDP does not capture activity in the underground economy or certain types of production such as an individual who mows their own lawn.

The Bureau of Economic Analysis (BEA) estimates GDP and revises their methodology every five years to better reflect economic activity. The latest revisions, which occurred in July 2013, include statistical and definitional changes. Definitional changes include the accrual treatment of pension plans and the capitalization of certain intellectual property such as research and development, entertainment, literary and artistic originals. Capitalization implies that costs are deducted over many years, not immediately in the year the outlay is made. These revisions increased real GDP by \$501 billion in 2012. (See table.)

Statistical revisions to GDP include benchmark input-output tables for 2007, improved measures of implicit services of commercial banks, adjustment of proprietors' income for corporate partners, regulated investment company distributions and mortgage interest paid for housing. These changes increased real GDP by \$32 billion in 2012.

The BEA notes that the reasons for these changes are 1) the rising importance of intellectual property in productivity, 2) the exposed vulnerabilities of state and local pension plans during the recession, and 3) to facilitate consistency of GDP measures across countries.¹ These changes are reflected in the entire time series of GDP (1929 to 2013) and affect GDP growth rates for certain years.

Although historical changes affect the level of GDP, the implications for GDP growth rates are minor. The overall trends in business cycles remain the same. For Pennsylvania, these revisions may have an impact on Gross State Product, but the magnitude is unclear since those data are not currently available.

¹ See "Briefing: Results of the 2013 NIPA Comprehensive Revisions" at <http://www.bea.gov/national/pdf/2013briefingslides%20for%20web.pdf>.

Real Gross Domestic Product (billions of 2009 dollars)						
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Old GDP Growth Rate	1.9%	-0.3%	-3.1%	2.4%	1.8%	2.2%
GDP Revisions						
Intellectual property	412	423	411	429	440	449
Pension plans & transfer costs	89	66	59	68	56	52
Statistical changes	-37	-57	-26	-43	-52	32
Total Change	464	432	444	454	444	533
New GDP Measure	14,877	14,834	14,418	14,779	15,052	15,471
growth rate	1.8%	-0.3%	-2.8%	2.5%	1.8%	2.8%

Source: U.S. Bureau of Economic Analysis.