










United States Economic Indicators

	<u>Nov-12</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov-13</u>	
Unemployment Rate The number of individuals unemployed divided by the labor force. ¹	7.8%	7.2%	7.3%	n.a.	
Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. ²	181.7	163.3	201.7	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	4.8%	4.5%	4.0%	n.a.	
Residential Home Sales Year-over-year growth rate in residential home sales based on latest three months of data. ⁴	11.3%	13.0%	9.3%	n.a.	
Consumer Sentiment Index A diffusion index that reflects consumer optimism. A declining index signals increasing pessimism. ⁵	82.7	77.5	73.2	72.0	
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	49.5	56.2	56.4	n.a.	
Average Gas Price National average price for one gallon of unleaded gasoline. ⁷	3.45	3.53	3.34	3.24	
S&P 500 Index An index based on the stock prices of 500 top publicly traded corporations. Index values are from month end. ⁸	1,416	1,682	1,763	1,802	
Consumer Price Index (CPI - U) Year-over-year change in average price level. Includes outlays for energy. ⁹	1.8%	1.2%	0.9%	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.

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Pennsylvania Economic Indicators

	<u>Nov-12</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov-13</u>	
Unemployment Rate The number of individuals unemployed divided by the labor force. ¹	8.1%	7.6%	7.5%	n.a.	
Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. ²	3.2	3.4	2.5	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	1.4%	2.1%	2.9%	2.5%	
Motor Vehicle Sales Taxes Year-over-year growth rate of motor vehicle sales taxes based on latest three months of collections. ³	0.4%	8.0%	9.8%	5.4%	
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. ³	18.1%	26.5%	20.6%	19.6%	
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	-8.9	22.3	19.8	6.5	
Average Gas Price Central Atlantic (PA, NY, NJ) average price for one gallon of unleaded gasoline. ⁵	3.66	3.60	3.39	3.35	
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	2.2%	1.1%	1.1%	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.

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Quarterly United States Economic Indicators

	<u>2012.4</u>	<u>2013.1</u>	<u>2013.2</u>	<u>2013.3</u>	
Real Gross Domestic Product (GDP) The quarterly annualized growth rate of the U.S. economy. Excludes inflation. ¹	0.1%	1.1%	2.5%	2.8%	
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	5.8%	2.8%	3.0%	3.6%	
Corporate Profits The year-over-year growth rate of domestic and foreign profits of U.S. corporations. ¹	2.7%	2.1%	4.5%	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	5.5%	7.1%	7.5%	8.4%	
U.S. Delinquent Debt Share of consumer debt more than 90 days delinquent. ³	6.3%	6.1%	5.7%	5.3%	

Quarterly Pennsylvania Economic Indicators

	<u>2012.4</u>	<u>2013.1</u>	<u>2013.2</u>	<u>2013.3</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	3.9%	1.4%	2.2%	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	2.7%	2.3%	3.9%	4.8%	
PA Delinquent Debt Share of consumer debt more than 90 days delinquent. ³	5.6%	5.4%	5.5%	5.6%	

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

Snapshot: Petrochemical Manufacturing and Downstream Employment

The petrochemical manufacturing industry has received attention recently due to the possibility that Shell Chemical might invest in an ethane cracker in Beaver County. Ethane, a common component of the wet natural gas found in southwest Pennsylvania, can be converted into ethylene by an ethane cracker, and is a common feedstock used to produce plastics and resins. Proponents of the new ethane cracker assert that the abundance of cheap natural gas in Pennsylvania creates a comparative advantage for the industry and its downstream markets.

Currently, data suggest that the petrochemical manufacturing industry employs relatively few Pennsylvanians. For 2012, data from the U.S. Bureau of Labor Statistics show that the industry employed roughly 600 individuals. However, the average annual wage for this industry (\$76,930) was significantly higher than the statewide average for all private industries (\$48,150).

The Pennsylvania Economy League of Greater Pittsburgh estimates that the proposed ethane cracker could employ approximately 400 individuals once fully operational.¹ The American Chemistry Council (ACA) estimates that additional long-term employment gains from the proposed ethane

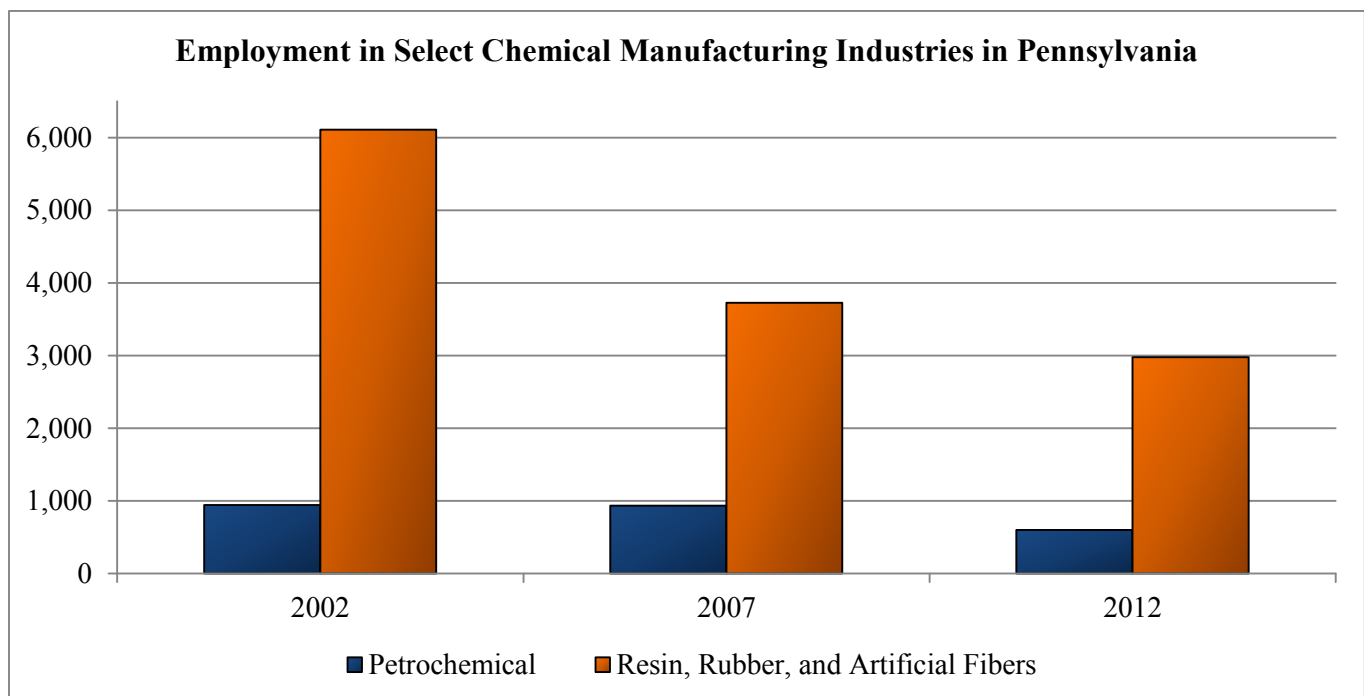
cracker could be realized downstream, in chemical industries such as resin, rubber, and artificial fibers manufacturing. The ACA estimates that nearly 2,400 jobs could be generated by the ethane cracker and downstream chemical industries.² Indirect employment in both studies varies based on construction and supply chain estimates.

Shell Chemical has yet to finalize plans for the project. If the ethane cracker is not constructed, wet natural gas from Pennsylvania could be delivered via pipeline to the Gulf Coast where significant petrochemical infrastructure currently exists. Other corporations have shown an interest in locating an ethane cracker in the region. Most recently, a Brazilian energy firm has developed preliminary plans for a facility in West Virginia.

¹ See <http://www.alleghenyconference.org/PennsylvaniaEconomyLeague/PDFs/Misc/PELGPEconomicImpactAnalysis091812.pdf>.

² Jobs figure based on a conversation with ACA official.

³ See <http://marcellusdrilling.com/2013/11/wv-announce-s-brazilian-company-to-build-ethane-cracker-complex/>.



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.