











Monthly Economic Report

May 2014

United States Economic Indicators

	<u>May-13</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	
Unemployment Rate Number of individuals unemployed divided by the labor force. ¹	7.5%	6.7%	6.3%	n.a.	
Monthly Net Job Gains (000s) Average net increase in payroll employment based on latest three months of data. ²	181.0	189.7	237.7	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	3.7%	2.5%	3.3%	n.a.	
Residential Home Sales Year-over-year growth rate in the number of residential homes sold based on latest three months of data. ⁴	11.2%	-6.6%	-7.1%	n.a.	
Consumer Sentiment Index A diffusion index that reflects consumer optimism. A declining index signals increasing pessimism. ⁵	84.5	80.0	84.1	81.9	
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	49.0	53.7	54.9	n.a.	
Average Gas Price National average price for one gallon of unleaded gasoline. ⁷	3.61	3.53	3.66	3.67	
S&P 500 Index An index based on the stock prices of 500 top publicly traded corporations. Index values are from month end. ⁸	1,631	1,872	1,877	1,920	
Consumer Price Index (CPI - U) Year-over-year change in average price level. Includes outlays for energy. ⁹	1.5%	1.5%	2.0%	n.a.	
10-Year Treasury Yield on 10-year U.S. Treasury note. ⁸	2.16%	2.73%	2.67%	2.44%	

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/ Market data compiled by the Wall Street Journal.
- 9/ U.S. Department of Labor - Bureau of Labor Statistics.

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Pennsylvania Economic Indicators

	<u>May-13</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	
Unemployment Rate Number of individuals unemployed divided by the labor force. ¹	7.5%	6.0%	5.7%	n.a.	
Annual Net Job Gains (000s) Average year-over-year net increase in payroll employment based on latest three months of data. ²	-0.3	23.1	25.5	n.a.	
Sales-Use Taxes Year-over-year growth rate of nonmotor and motor vehicle taxes based on latest three months of collections. ³	0.2%	0.0%	0.9%	2.5%	
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	11.6%	10.9%	8.2%	7.4%	
Housing Starts (Building Permits) Year-over-year growth rate (single units only) of privately owned homes upon which construction was initiated during the latest three-month period. ⁴	20.8%	-12.5%	-17.0%	n.a.	
Current Business Activity 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. ⁵	-1.7	9.0	16.6	15.4	
Average Gas Price Central Atlantic (PA, NY, NJ) average price for one gallon of unleaded gasoline. ⁶	3.53	3.59	3.66	3.72	
Commercial Traffic on PA Turnpike Year-over-year growth rate of the volume of commercial truck traffic on the PA turnpike. Based on latest three months of data. ⁷	2.3%	1.8%	3.0%	n.a.	
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. ⁸	1.1%	1.0%	1.4%	1.4%	

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/ U.S. Census Bureau - Building Permits.

- 5/ Federal Reserve Bank of Philadelphia.
 - 6/ U.S. Energy Information Administration.
 - 7/ Pennsylvania Turnpike Commission Reports.
 - 8/ U.S. Department of Labor - Bureau of Labor Statistics.
- For non-release months, values held constant.




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Quarterly United States Economic Indicators

	<u>2013.2</u>	<u>2013.3</u>	<u>2013.4</u>	<u>2014.1</u>	
Real Gross Domestic Product (GDP) The quarterly annualized growth rate of the U.S. economy. Excludes inflation. ¹	2.5%	4.1%	2.6%	-1.0%	
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	3.2%	3.8%	1.6%	3.5%	
Corporate Profits The year-over-year growth rate of domestic and foreign profits of U.S. corporations. ¹	4.5%	5.7%	6.2%	-3.3%	
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	7.5%	8.3%	7.6%	6.6%	
U.S. Delinquent Debt Share of consumer debt more than 90 days delinquent. ³	5.7%	5.3%	5.0%	4.8%	

Quarterly Pennsylvania Economic Indicators

	<u>2013.2</u>	<u>2013.3</u>	<u>2013.4</u>	<u>2014.1</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. ¹	2.7%	2.5%	1.4%	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	4.0%	4.8%	3.2%	2.6%	
PA Delinquent Debt Share of consumer debt more than 90 days delinquent. ³	5.5%	5.6%	5.5%	5.2%	

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

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Snapshot: New Quarterly GDP Statistics

On April 25, 2014, the U.S. Bureau of Economic Analysis released new quarterly statistics on how various industry sectors contribute to gross domestic product (GDP). Previously, industry data were only available on an annual basis. These new data allow researchers and analysts to gauge how certain sectors are performing compared to other sectors on a quarterly basis. The table below summarizes the quarterly year-over-year nominal growth rates for large industries within three broader categories of (1) private goods-producing industries, (2) private services-producing industries and (3) total government.

Of these three broad categories, private services industries comprise roughly two-thirds of total GDP. This category has been growing at a rate between 3.3 and 4.1 percent over the last four quarters. Within this broad category, the largest sectors are listed in the table in descending order of size. Professional and business services (4.2% growth in 2013:3 and 3.6% growth in 2013:4), health care and social services (3.9% in 2013:3 and 4.0% in 2013:4) and wholesale trade (4.0% in 2013:3 and

5.1% in 2013:4) have exhibited strong growth and are driving the expansion in private services industries.

Private goods industries comprise roughly one-fifth of total GDP. Within this category, manufacturing accounts for roughly 61 percent of total output. Manufacturing growth was stronger in 2013:4 (4.8%) than it has been in the previous four quarters (3.4% in 2012:4, 2.2% in 2013:1, 1.3% in 2013:2 and 0.7% in 2013:3). The strong growth rates in other private goods industries during 2013 were primarily the result of very strong growth in the agriculture, forestry, fishing and hunting sector (37.2% in 2013:1, 32.0% in 2013:2, 37.5% in 2013:3 and 28.5% in 2013:4) (not shown in table).

Total government includes federal, state and local levels. Government comprises roughly 13 percent of total GDP. In the recent past, the government sector has been a relative drag on overall GDP growth. However, in 2013:4 the government sector did expand slightly (0.3%).

**Quarterly Gross Domestic Product Year-Over-Year Growth Rates
by Selected Industry Sectors**

	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4
Manufacturing	6.8%	3.4%	2.2%	1.3%	0.7%	4.8%
Other private goods industries ¹	2.9	2.0	6.8	9.9	13.3	9.1
Total Private Goods Industries	5.3	2.9	3.9	4.5	5.3	6.4
Finance, insurance, real estate, rental, & leasing	6.4	5.4	4.7	3.7	3.3	3.5
Professional and business services	5.9	7.2	2.5	3.7	4.2	3.6
Health care and social assistance	4.0	4.5	3.4	3.6	3.9	4.0
Wholesale trade	6.7	4.4	2.7	3.1	4.0	5.1
Other private services industries ²	4.6	2.9	3.1	2.8	3.2	4.8
Total Private Services Industries	5.5	4.7	3.5	3.3	3.6	4.1
Total Government	0.7	0.9	0.0	-0.1	-0.2	0.3
Grand Total (U.S. Nominal GDP)	4.8	3.8	3.1	3.1	3.4	4.1

¹ Consists of agriculture, forestry, fishing, and hunting; mining; and construction.

² Consists of utilities; retail trade; transportation and warehousing; information; educational services; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Source: U.S. Bureau of Economic Analysis.