











# Monthly Economic Report

## April 2014

### United States Economic Indicators

	<u>Apr-13</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	
<b>Unemployment Rate</b> Number of individuals unemployed divided by the labor force. <sup>1</sup>	7.5%	6.7%	6.7%	n.a.	
<b>Monthly Net Job Gains (000s)</b> Average net increase in payroll employment based on latest three months of data. <sup>2</sup>	208.0	141.7	177.7	n.a.	
<b>Advance Retail Sales</b> Year-over-year growth rate of retail sales based on latest three months of data. Includes purchases of gas and motor vehicles. <sup>3</sup>	3.9%	2.4%	2.5%	n.a.	
<b>Residential Home Sales</b> Year-over-year growth rate in the number of residential homes sold based on latest three months of data. <sup>4</sup>	10.3%	-4.3%	-6.6%	n.a.	
<b>Consumer Sentiment Index</b> A diffusion index that reflects consumer optimism. A declining index signals increasing pessimism. <sup>5</sup>	76.4	81.2	80.0	84.1	
<b>Purchasing Managers Index (PMI)</b> A diffusion index that reflects the relative health of the manufacturing sector. An index greater than 50 indicates that the sector is expanding. <sup>6</sup>	50.7	53.2	53.7	n.a.	
<b>Average Gas Price</b> National average price for one gallon of unleaded gasoline. <sup>7</sup>	3.57	3.36	3.53	3.66	
<b>S&amp;P 500 Index</b> An index based on the stock prices of 500 top publicly traded corporations. Index values are from month end. <sup>8</sup>	1,598	1,859	1,872	1,879	
<b>Consumer Price Index (CPI - U)</b> Year-over-year change in average price level. Includes outlays for energy. <sup>9</sup>	1.2%	1.1%	1.5%	n.a.	
<b>10-Year Treasury</b> Yield on 10-year U.S. Treasury note. <sup>8</sup>	1.70%	2.66%	2.73%	2.66%	

#### 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>Apr-13</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	
<b>Unemployment Rate</b> Number of individuals unemployed divided by the labor force. <sup>1</sup>	7.6%	6.2%	6.0%	n.a.	
<b>Monthly Net Job Gains (000s)</b> Average net increase in payroll employment based on latest three months of data. <sup>2</sup>	1.4	0.7	0.3	n.a.	
<b>Sales-Use Taxes</b> Year-over-year growth rate of nonmotor and motor vehicle taxes based on latest three months of collections. <sup>3</sup>	-0.8%	-0.2%	0.0%	1.1%	
<b>Realty Transfer Taxes</b> 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. <sup>3</sup>	12.8%	-4.5%	10.9%	9.4%	
<b>Housing Starts (Building Permits)</b> Year-over-year growth rate (single units only) of privately owned homes upon which construction was initiated during the latest three-month period. <sup>4</sup>	14.4%	-3.4%	-12.5%	n.a.	
<b>Current Business Outlook Index</b> 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. <sup>5</sup>	1.0	-6.3	9.0	16.6	
<b>Average Gas Price</b> Central Atlantic (PA, NY, NJ) average price for one gallon of unleaded gasoline. <sup>6</sup>	3.58	3.48	3.59	3.66	
<b>Commercial Traffic on PA Turnpike</b> Year-over-year growth rate of the volume of commercial truck traffic on the PA turnpike. Based on latest three months of data. <sup>7</sup>	0.1%	1.6%	1.8%	n.a.	
<b>Consumer Price Index (PA-NJ-DE-MD)</b> Year-over-year change in average price level. Includes outlays for energy. Data are published on a bi-monthly basis. <sup>8</sup>	1.1%	1.0%	1.0%	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/ 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.




# Monthly Economic Report

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### Quarterly United States Economic Indicators

	<u>2013.1</u>	<u>2013.2</u>	<u>2013.3</u>	<u>2013.4</u>	
<b>Real Gross Domestic Product (GDP)</b> The quarterly annualized growth rate of the U.S. economy. Excludes inflation. <sup>1</sup> (Preliminary rate for 2014.1 is 0.1%).	1.1%	2.5%	4.1%	2.6%	
<b>Personal Income</b> 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. <sup>1</sup>	2.8%	3.2%	3.8%	1.6%	
<b>Corporate Profits</b> The year-over-year growth rate of domestic and foreign profits of U.S. corporations. <sup>1</sup>	2.1%	4.5%	5.7%	6.2%	
<b>FHFA House Price Index</b> 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. <sup>2</sup>	7.1%	7.5%	8.4%	7.7%	
<b>U.S. Delinquent Debt</b> Share of consumer debt more than 90 days delinquent. <sup>3</sup>	6.1%	5.7%	5.3%	5.0%	

### Quarterly Pennsylvania Economic Indicators

	<u>2013.1</u>	<u>2013.2</u>	<u>2013.3</u>	<u>2013.4</u>	
<b>Personal Income</b> The year-over-year growth rate of PA personal income. Includes wages, interest, dividends, rents, pensions, business and transfer income. Includes any inflationary gains. <sup>1</sup>	1.3%	2.7%	2.5%	1.4%	
<b>FHFA House Price Index</b> 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. <sup>2</sup>	2.3%	3.7%	4.4%	3.7%	
<b>PA Delinquent Debt</b> Share of consumer debt more than 90 days delinquent. <sup>3</sup>	5.4%	5.5%	5.6%	5.5%	

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

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## April 2014

### Snapshot: New Pennsylvania Economic Indicator

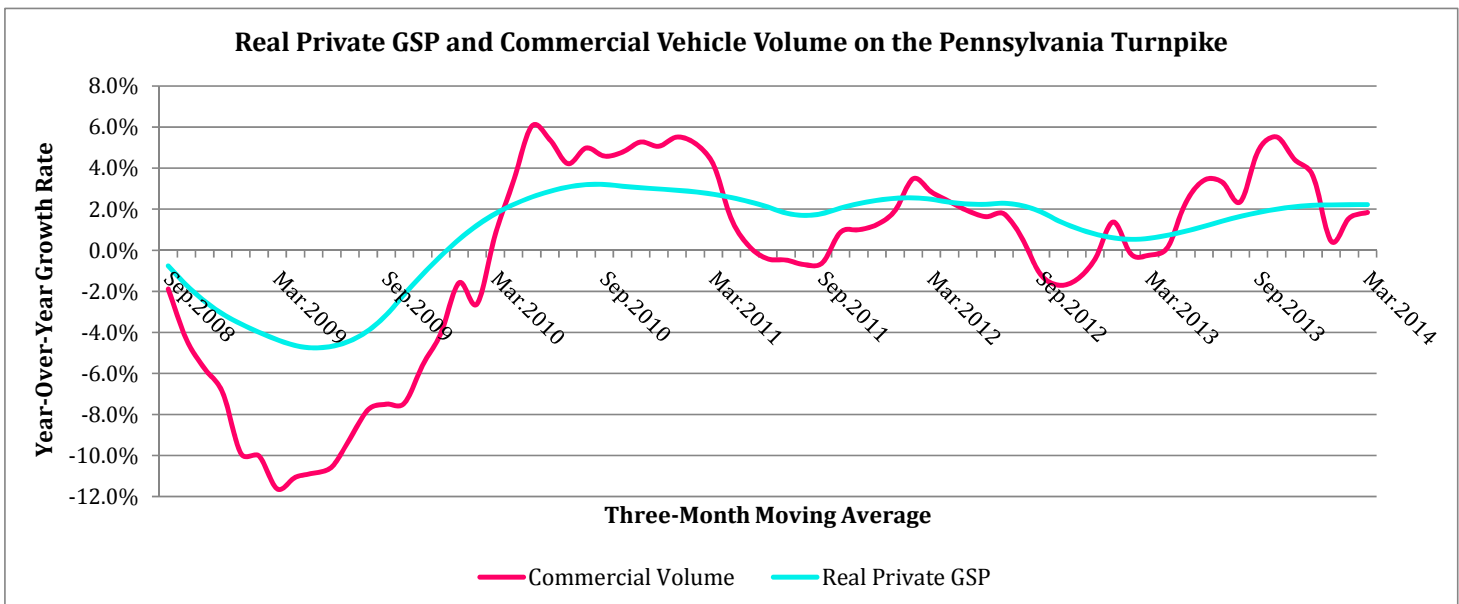
This month's report includes a new economic indicator for Pennsylvania: the volume of commercial vehicle traffic (truck classes 2-9) on the Pennsylvania Turnpike. The data, reported by the Pennsylvania Turnpike Commission, represent total monthly transactions from commercial vehicles that exit the turnpike system at one of the 67 interchanges throughout the state. Segments of the turnpike include: the mainline I-76, the northeast extension I-476 and highways such as PA-43.

The data capture the number of commercial trucks that use the Pennsylvania Turnpike and are therefore a good proxy for economic activity in the Commonwealth. A comparison of commercial truck volume to real private gross state product (GSP) for Pennsylvania supports this narrative. Real private GSP is total economic output excluding the government sector, which tends to be more stable and less responsive to business cycles. The graph below displays the year-over-year growth of the three-month moving averages of real private GSP and commercial

truck volume.<sup>1</sup> As shown in the graph, the commercial volume measure is more volatile than real private GSP, but the two series typically trend together.

The correlation between the growth rates of the two series is roughly 94 percent, which suggests that changes in the two series are motivated by the same factors. Since the two series trend in the same direction, they are positively correlated. Commercial volume appears to be a coincident measure of economic output because the series rises and falls with real private GSP. Currently, the U.S. Bureau of Economic Analysis (BEA) publishes state GSP data on an annual basis only. Moreover, the most recent GSP estimates typically lag current activity by one to two years. For example, the most recent estimate for Pennsylvania is for 2012. The BEA will not release the estimate for 2013 until June 2014. Turnpike data can provide useful and timely information regarding economic activity until those data are released.

<sup>1</sup> Real private GSP has been interpolated from quarterly to monthly data.



Source: U.S. Bureau of Economic Analysis and the Pennsylvania Turnpike Commission.