

Monthly Economic Report

April 2015

United States Economic Indicators

	<u>Apr-14</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	
Unemployment Rate Number of individuals unemployed divided by the labor force. ¹	6.2%	5.5%	5.5%	n.a.	
Monthly Net Job Gains (000s) Average net increase in monthly payroll employment based on latest three months of data. ²	247.7	264.7	197.0	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	3.5%	3.1%	2.6%	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	-6.7%	4.2%	6.2%	n.a.	
Consumer Sentiment Index A diffusion index that reflects consumer optimism. A declining index signals increasing pessimism. ⁵	84.1	95.4	93.0	95.9	
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	54.9	52.9	51.5	n.a.	
Monthly Average Gas Price National average price for one gallon of regular gasoline. ⁷	3.66	2.22	2.46	2.47	
S&P 500 Index An index based on the stock prices of 500 top publicly traded corporations. Index values are from month end. ⁸	1,884	2,105	2,068	2,086	
Consumer Price Index (CPI - U) Year-over-year change in average price level. Includes outlays for energy. ⁹	2.0%	-0.1%	0.0%	n.a.	
10-Year Treasury Yield on 10-year U.S. Treasury note. ⁸	2.67%	2.00%	1.96%	2.06%	

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.

Monthly Economic Report

April 2015

Pennsylvania Economic Indicators

	<u>Apr-14</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	
Unemployment Rate Number of individuals unemployed divided by the labor force. ¹	6.0%	5.2%	5.3%	n.a.	
Annual Net Job Gains (000s) Average year-over-year net increase in payroll employment based on latest three months of data. ²	22.3	67.7	62.3	n.a.	
Sales-Use Taxes Year-over-year growth rate of all sales and use taxes based on latest three months of collections. ³	1.9%	3.5%	2.9%	3.6%	
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 the state level. ³	8.2%	28.4%	15.3%	20.8%	
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	-17.0%	-10.6%	-16.5%	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	16.0	5.2	5.0	7.5	
Monthly Average Gas Price Central Atlantic (PA, NY, NJ) average price for one gallon of regular gasoline. ⁶	3.66	2.28	2.46	2.49	
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	3.0%	6.0%	n.a.	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	1.4%	-0.1%	-0.1%	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. Excludes transfers to or from the Enhanced Revenue Collection Account.
- 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>2014.2</u>	<u>2014.3</u>	<u>2014.4</u>	<u>2015.1</u>	
Real Gross Domestic Product (GDP) The quarterly annualized growth rate of the U.S. economy. Excludes inflation. ¹	4.6%	5.0%	2.2%	0.2%	
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	3.7%	4.0%	4.5%	4.3%	
Corporate Profits The year-over-year growth rate of domestic and foreign profits of U.S. corporations. ¹	0.1%	1.4%	-0.2%	n.a.	
FHFA House Price Index The year-over-year growth rate of an index that measures the average price change of residential homes whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac. ⁴	5.6%	4.7%	4.9%	n.a.	
U.S. Delinquent Debt Share of consumer debt more than 90 days delinquent. ⁵	4.5%	4.3%	4.3%	n.a.	

Quarterly Pennsylvania Economic Indicators

	<u>2014.2</u>	<u>2014.3</u>	<u>2014.4</u>	<u>2015.1</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	2.8%	3.5%	4.1%	n.a.	
Industrial Electricity Sales The year-over-year growth rate in megawatt-hours of electricity sold to industrial customers in Pennsylvania each calendar quarter. ²	-0.5%	-0.6%	-1.2%	n.a.	
Completed Home Sales (New and Existing) The year-over-year growth rate in the number of single-family properties, townhomes and condominiums sold. ³	-1.7%	0.3%	7.5%	10.7%	
FHFA House Price Index The year-over-year growth rate of an index that measures the average price change of residential homes whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac. ⁴	2.5%	2.1%	2.0%	n.a.	
PA Delinquent Debt Share of consumer debt more than 90 days delinquent. ⁵	5.2%	4.5%	4.7%	n.a.	

Sources: 1/U.S. Bureau of Economic Analysis. 2/U.S. Energy Information Administration. 3/Pennsylvania Association of Realtors. 4/Federal Housing Finance Agency. 5/Federal Reserve Bank of New York.

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Snapshot: Summer Gasoline Prices to Remain Lower than Last Year

According to the U.S. Energy Information Administration (EIA), drivers on the east coast are forecast to pay an average of nearly \$1.18 per gallon less for gasoline this summer (June through August 2015) compared to last year. The price of crude oil has declined dramatically, while local taxes and wholesale margins (the price differential between refineries and the pump) remain relatively unchanged.

The EIA forecasts that the price of North Sea Brent crude oil (the industry benchmark) will average \$60 per barrel this summer compared to \$107 last summer. The large decline is attributable to increased U.S. production from shale over the last two years. The EIA expects the trend to continue through 2015, with an average price of \$56 per barrel, as the three largest producers (the U.S., Saudi Arabia and Russia, respectively) continue to extract and store large quantities of oil to preserve their share of the market.¹

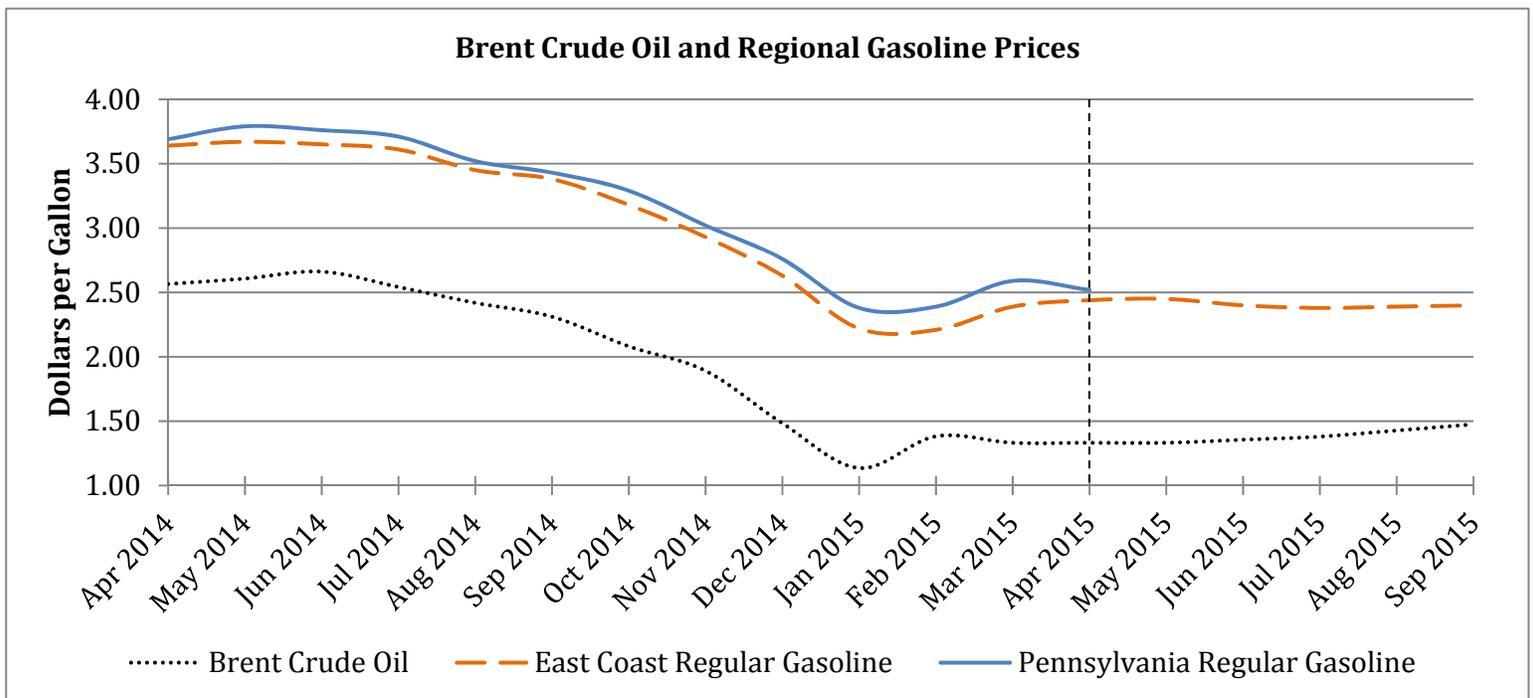
Drivers in Pennsylvania should benefit from lower gasoline prices this summer, estimated at approximately \$2.39 per gallon for the east coast (see chart below). However,

predicting gasoline prices after 2015 is more difficult due to a myriad of factors. For example, if international agreements are reached with Iran (another large oil producer) over its controversial nuclear program in the next three months, then oil-related sanctions could be lifted. This would usher more oil into world markets, further depressing prices in 2016.¹

In their baseline reference case, the EIA estimates that the price of crude oil will average \$76 per barrel in 2018. Over that same time period, motor gasoline consumption in the U.S. is expected to decrease by 20 percent because of higher fuel efficiency standards for vehicles. These estimates yield an average gasoline price of \$2.70 per gallon for the nation in 2018.² In an alternative scenario, higher demand from countries such as China and lower output from countries such as Saudi Arabia could result in higher oil and gasoline prices worldwide.

¹ EIA, Short-Term Energy and Summer Fuels Outlook, April 2015.

² EIA, Annual Energy Outlook, April 2015.



Source: U.S. Energy Information Administration and AAA Daily Fuel Gauge for Pennsylvania.