











Monthly Economic Report

June 2015

United States Economic Indicators

	<u>Jun-14</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	
Unemployment Rate Number of individuals unemployed divided by the labor force. ¹	6.1%	5.4%	5.5%	5.3%	
Monthly Net Job Gains (000s) Average net increase in monthly payroll employment based on latest three months of data. ²	284.0	190.7	186.7	221.3	
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	4.5%	1.8%	2.1%	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	-4.5%	7.7%	9.1%	n.a.	
Consumer Sentiment Index A diffusion index that reflects consumer optimism. A declining index signals increasing pessimism. ⁵	82.5	95.9	90.7	96.1	
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	55.7	51.5	52.8	n.a.	
Monthly Average Gas Price National average price for one gallon of regular gasoline. ⁷	3.69	2.47	2.72	2.80	
S&P 500 Index An index based on the stock prices of 500 top publicly traded corporations. Index values are from month end. ⁸	1,960	2,086	2,107	2,063	
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	2.53%	2.05%	2.12%	2.33%	

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

June 2015

Pennsylvania Economic Indicators

	<u>Jun-14</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	
Unemployment Rate Number of individuals unemployed divided by the labor force. ¹	5.7%	5.3%	5.4%	n.a.	
Annual Net Job Gains (000s) Average year-over-year net increase in payroll employment based on latest three months of data. ²	50.6	62.5	59.4	n.a.	
Sales-Use Taxes Year-over-year growth rate of all sales and use taxes based on latest three months of collections. ³	4.5%	3.6%	2.2%	3.3%	
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	7.4%	20.8%	12.3%	12.4%	
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	-10.6%	-18.7%	-24.1%	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	19.6	7.5	6.7	15.2	
Monthly Average Gas Price Central Atlantic (PA, NY, NJ) average price for one gallon of regular gasoline. ⁶	3.72	2.49	2.71	2.78	
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	3.4%	n.a.	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	1.8%	0.0%	0.0%	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. 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.






Monthly Economic Report

June 2015

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%	4.7%	4.5%	
Corporate Profits The year-over-year growth rate of domestic and foreign profits of U.S. corporations. ¹	0.1%	1.4%	-0.2%	4.5%	
FHFA House Price Index The year-over-year growth rate of an index that measures the average price change of residential homes with mortgages purchased or securitized by Fannie Mae or Freddie Mac. ⁴	5.6%	4.7%	5.0%	5.0%	
U.S. Delinquent Debt Share of consumer debt more than 90 days delinquent. ⁵	4.5%	4.3%	4.3%	4.3%	

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	2.9%	3.3%	4.0%	4.0%	
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%	-1.8%	
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 with mortgages purchased or securitized by Fannie Mae or Freddie Mac. ⁴	2.7%	2.0%	2.1%	2.7%	
PA Delinquent Debt Share of consumer debt more than 90 days delinquent. ⁵	4.8%	4.6%	4.3%	4.6%	

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.

Monthly Economic Report

June 2015

Snapshot: Real GDP Per Capita Growth by State

In June, the U.S. Bureau of Economic Analysis released statistics for real gross domestic product (GDP) by state. The release includes revised figures for 1997 to 2013 and an advance estimate for 2014. The growth of real GDP per capita is a useful metric to compare the performance of states because it represents total economic output (adjusted for inflation) and controls for changes in population, which can vary widely by state.

From 2007 to 2014, Pennsylvania real GDP per capita grew at an average rate of 0.5 percent per annum. Recent trends indicate that the Pennsylvania economy is gaining momentum, with real growth of 1.5 percent in 2013 and 1.7 percent in 2014. In both time frames, Pennsylvania's growth outpaced that of the U.S. by 0.4 percentage points (pp).

In the longer and shorter term, the health care, professional services and real estate industries have contributed roughly 0.8 pp to real GDP per capita growth. For 2014, economic growth was aided by gains in industries that were previously flat or negative: transportation (+0.1 pp), wholesale trade (+0.2 pp), mining (+0.2 pp) and nondurable goods manufacturing (+0.2 pp). The government (-0.1 pp) and construction (-0.1 pp) industries were the only industries that exhibited a decline.

Compared to other states, Pennsylvania ranked 13th overall for 2014 real per capita growth. Some adjacent states outperformed Pennsylvania: West Virginia ranked 1st in the nation (5.3 percent growth), New York ranked 8th (2.0 percent growth), and Ohio ranked 10th (1.9 percent growth). By comparison, Delaware, Maryland and New Jersey exhibited flat or negative growth and ranked in the bottom third of all states.

West Virginia had the most noticeable shift in recent real per capita GDP growth, increasing from -3.4 percent in 2012 to +5.3 percent in 2014. The state's mining industry was the primary contributor to the large increase in recent growth (+4.8 pp in 2014). For Maryland, the government (-0.3 pp), finance (-0.2 pp) and manufacturing (-0.1 pp) industries have been a recent drag on economic growth and offset gains in the real estate (+0.2 pp) and professional services (+0.4 pp) industries.

Although most states have shown signs of recent improvement, 24 states still have lower real GDP per capita than 2007. The states that were vulnerable to the housing crash (e.g., NV, AZ, FL) remain in negative growth territory and at the bottom of the rankings. Energy states such as North Dakota, Texas and more recently West Virginia, have exhibited the most improvement and are at the top of the rankings.

Real GDP Per Capita Growth by State

State	Annual				AAGR	
	2012	2013	2014	Rank	2007-2014	Rank
Delaware	-3.9%	-0.2%	0.1%	37	-1.3%	48
New Jersey	2.2%	0.5%	-0.1%	42	-0.4%	41
Maryland	-0.4%	0.0%	0.0%	41	0.1%	23
Ohio	1.6%	2.0%	1.9%	10	0.4%	15
Pennsylvania	0.5%	1.5%	1.7%	13	0.5%	11
New York	2.7%	0.6%	2.0%	8	0.9%	7
West Virginia	-3.4%	1.5%	5.3%	1	1.2%	5
United States	1.3%	1.1%	1.3%	n.a.	0.1%	n.a.

Note: AAGR denotes the average annual growth rate. Data for 2014 are preliminary.

Source: U.S. Bureau of Economic Analysis.