



LABOR FORCE PARTICIPATION RATES CONTINUE DOWNWARD TREND IN 2014

Labor force participation rates (LFPRs) are often viewed as a measure of the strength of the labor market. The Bureau of Labor Statistics (BLS) defines the LFPR as the labor force as a share of the civilian non-institutional population. The labor force includes those currently employed and those looking for work. The higher the LFPR, the larger share of the working-age population that is working or seeking employment.

Since 1999, Pennsylvania LFPRs have fallen for teens and young adults. For the 16-19 years old age group, the LFPR fell 11 percentage points (pp) from 1999 (51.9%) to 2014 (40.9%) for Pennsylvania and 18 pp (52.0% in 1999, 34.0% in 2014) for the U.S. (See table below.) Over that same time period, the 20-24 years old age group saw a decline in LFPRs of 6.2 pp (76.1% in 1999, 69.9% in 2014) for Pennsylvania and 6.8 pp (77.6% in 1999, 70.8% in 2014) for the U.S. While the factors behind these trends remain unclear, it is likely that higher college attendance negatively impacts the LFPR of these age groups.

LABOR FORCE PARTICIPATION RATE FOR SELECT AGE GROUPS OVER TIME				
	1999	2004	2009	2014
Pennsylvania				
16-19	51.9%	48.8%	44.4%	40.9%
20-24	76.1	73.9	74.3	69.9
25-54	84.1	83.7	83.4	81.4
55-64	60.2	63.3	66.1	67.3
65+	10.5	13.0	16.7	16.9
All Groups	64.4	64.5	64.3	62.4
United States				
16-19	52.0	43.9	37.5	34.0
20-24	77.6	75.0	72.9	70.8
25-54	84.1	82.7	82.6	80.9
55-64	59.3	62.3	64.9	64.1
65+	12.3	14.4	17.2	18.6
All Groups	67.1	66.0	65.4	62.9

Source: PA data: CPS, Center for Workforce Information and Analysis.
U.S. data: CPS, U.S. Bureau of Labor Statistics.

GENERAL FUND SNAPSHOT			
The Commonwealth collected \$2.14 billion in General Fund revenues for July, a decrease of \$111.1 million (-4.9%) compared to July 2014.			
See pages 3 and 4 for additional General Fund detail.			
	General Fund	Tax Revenue	Non-Tax Revenue
Jul 2015	\$2,135	\$2,097	\$38
Growth	-4.9%	5.1%	-84.9%
FYTD	\$2,135	\$2,097	\$38
Growth	-4.9%	5.1%	-84.9%
Dollar millions. Growth from prior year.			

While the middle-aged working population also saw LFPRs decline over the same 15-year period, the magnitude of the decline was less pronounced. For the 25-54 years old age group, the LFPR fell 2.7 pp from 1999 (84.1%) to 2014 (81.4%) for Pennsylvania and 3.2 pp (84.1% in 1999, 80.9% in 2014) for the U.S.

Unlike the young to middle-aged population, the older adult population's LFPRs have increased significantly. The LFPR for the 55-64 years old age group increased 7.1 pp from 1999 (60.2%) to 2014 (67.3%) for Pennsylvania and 4.8 pp (59.3% in 1999, 64.1% in 2014) for the U.S. The LFPRs have also increased for those in the 65 years and older age group by a similar amount (6.4 pp for Pennsylvania, 6.3 pp for U.S.). It is unclear if these higher LFPRs reflect a need or desire to work longer. Regardless of the reason, the data show that these trends were established long before the last recession.

MONTHLY ECONOMIC INDICATORS

	United States				Pennsylvania			
	Apr-15	May-15	Jun-15	Jul-15	Apr-15	May-15	Jun-15	Jul-15
Unemployment Rate ¹	5.4%	5.5%	5.3%	n.a.	5.3%	5.4%	5.4%	n.a.
Net Job Gains (000s) ²	187.0	254.0	223.0	n.a.	62.5	57.2	58.4	n.a.
Average Gasoline Price ³	\$2.47	\$2.72	\$2.80	\$2.79	\$2.49	\$2.71	\$2.78	\$2.76
Consumer Price Index ⁴	-0.1%	0.0%	0.2%	n.a.	0.0%	0.1%	0.2%	n.a.
Retail Sales ⁵	1.8%	1.9%	1.7%	n.a.	3.6%	2.2%	3.3%	3.2%
Consumer Sentiment Index ⁶	95.9	90.7	96.1	93.1	n.a.	n.a.	n.a.	n.a.
New Building Permits ⁷	10.0%	9.4%	10.5%	n.a.	-18.7%	-24.1%	-15.3%	n.a.

QUARTERLY ECONOMIC INDICATORS

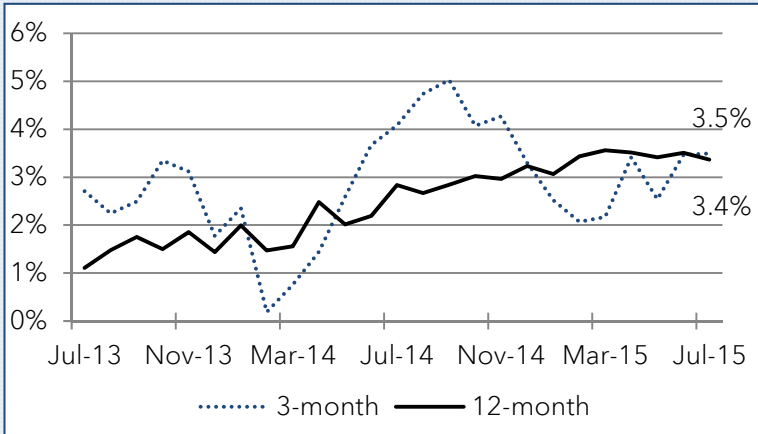
	United States				Pennsylvania			
	2014.3	2014.4	2015.1	2015.2	2014.3	2014.4	2015.1	2015.2
Gross Domestic Product ⁸	4.3%	2.1%	0.6%	2.3%	1.8%	1.8%	n.a.	n.a.
Personal Income ⁹	4.0%	4.7%	4.5%	n.a.	3.3%	4.0%	4.0%	n.a.
Completed Home Sales ¹⁰	-3.8%	2.9%	6.9%	8.3%	0.4%	7.7%	12.7%	10.8%
FHFA House Price Index ¹¹	4.7%	5.0%	5.0%	n.a.	2.0%	2.1%	2.7%	n.a.
Student Loan Debt ¹²	\$4,390	\$4,480	\$4,590	n.a.	\$5,070	\$5,180	\$5,330	n.a.
Industrial Electricity Sales ¹³	-1.4%	-1.3%	-0.5%	n.a.	-0.6%	-1.2%	-1.8%	n.a.

Notes:

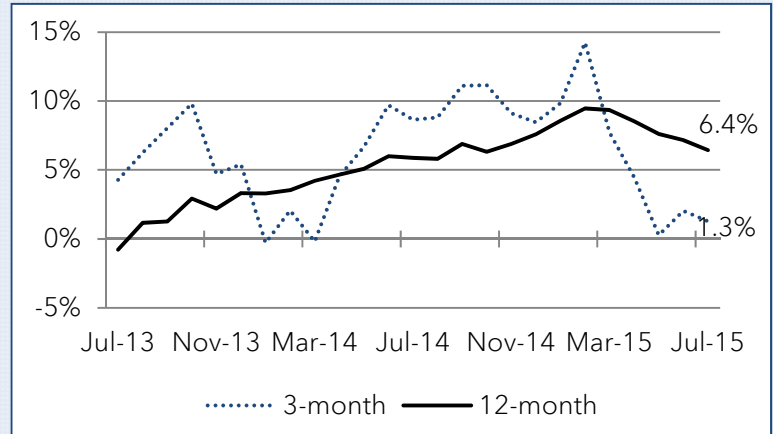
1. Source: U.S. Department of Labor–Survey of Households.
2. U.S.: Increase in monthly payroll employment compared to the previous month. PA: Average increase in annual payroll employment based on latest three months of data. Source: U.S. Department of Labor–Survey of Establishments.
3. Average price for one gallon of regular gasoline. Source: U.S. Energy Information Administration.
4. Annual change in average price level for U.S. and PA-NJ-DE-MD. Data for PA-NJ-DE-MD only published on a bi-monthly basis. For non-release months, values are an interpolation. Source: U.S. Department of Labor, BLS.
5. U.S.: Annual growth rate of advance retail sales based on latest three months of data. Includes purchases of gas and motor vehicles. Excludes services. Source: U.S. Dept. of Commerce. PA: Annual growth rate of sales and use taxes based on latest three months of data. Excludes transfers to or from the Enhanced Revenue Collection Account. Source: PA Dept. of Revenue.
6. A diffusion index that reflects consumer optimism. Source: UM–Survey of Consumers.
7. Annual growth of new, privately owned single-housing units authorized for construction based on latest three month of data. Source: U.S. Census Bureau.
8. The quarterly, annualized real growth rate of the U.S. economy. Excludes inflation. For PA, values are annual growth rates for the entire year as quarterly data are not available. Source: U.S. Bureau of Economic Analysis.
9. The annual growth rate of personal income. Includes any inflationary gains. Source: U.S. Bureau of Economic Analysis.
10. The annual growth rate of sales of existing single-family properties, townhomes and condominiums. (PA data contain some new properties.) Sources: National Association of Realtors and PA Association of Realtors.
11. The annual 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. Source: Federal Housing Finance Agency.
12. Per capita levels. Levels represent total student loan debt divided by number of consumers with a credit report. For Q4 2014, Pennsylvania has 10.7 million consumers (includes children). Source: Federal Reserve Bank of New York.
13. The annual growth rate in megawatt-hours of electricity sold to industrial customers. Source: U.S. EIA.

SELECT GENERAL FUND TAX REVENUES - ANNUAL GROWTH RATES

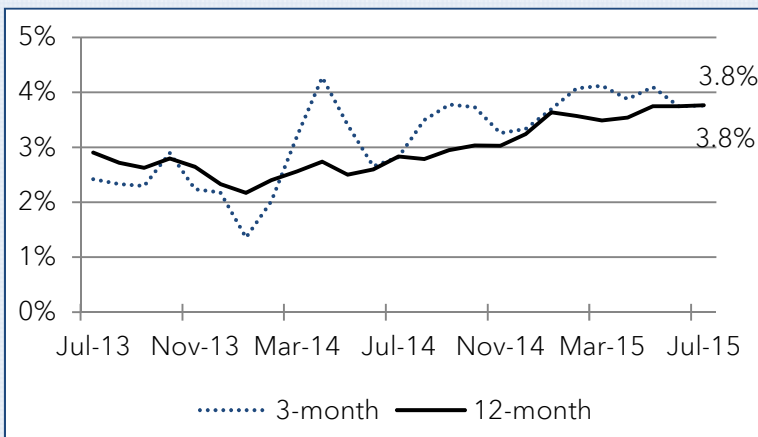
Sales and Use Tax – Non-Motor



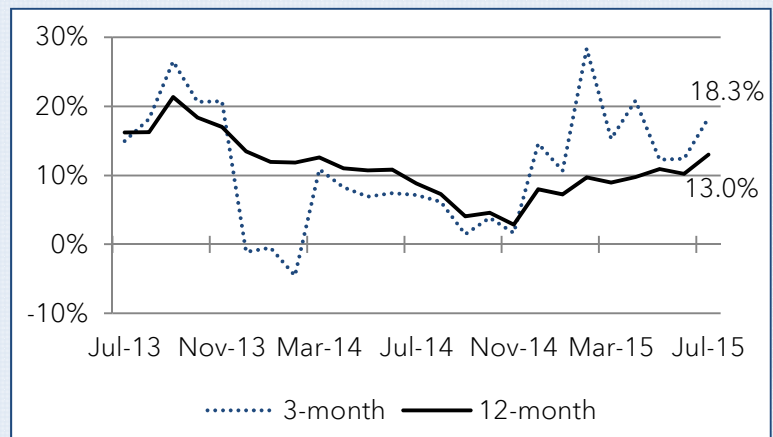
Sales and Use Tax – Motor



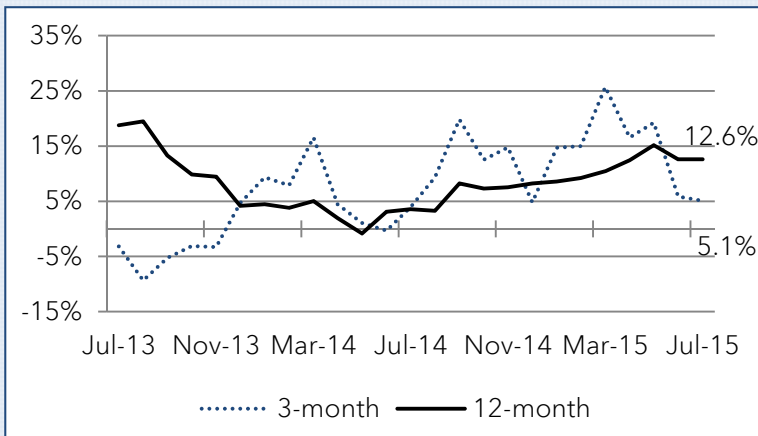
Personal Income Tax – Withholding



Realty Transfer Tax



Corporate Net Income Tax



Technical Notes:

- ↳ Non-Tax revenues declined from the prior year due to one-time transfers in July 2014.
- ↳ A transfer of \$26.1 million from the General Fund to the Enhanced Revenue Collection Account occurred in July. Sales tax (\$10.5 million) and personal income tax (\$11.3 million) accounted for most of the transfer.
- ↳ July does not contain major due dates for corporate taxes, and it is one of the smaller months for tax collections.
- ↳ Quarterly employer withholding payments were due on the last day of July.

Note: Three and twelve month annual growth rates are rolling averages relative to the previous fiscal year.

PENNSYLVANIA GENERAL FUND REVENUES SUMMARY

Revenue Source	Jul 2015	Jul 2014	Jul 2013	FYTD 2015-16	FYTD 2014-15	FYTD 2013-14	July 2015 Growth	FYTD Growth
Total General Fund	\$2,135.1	\$2,246.2	\$1,922.9	\$2,135.1	\$2,246.2	\$1,922.9	-4.9%	-4.9%
Total Tax Revenue	2,097.2	1,994.6	1,911.2	2,097.2	1,994.6	1,911.2	5.1	5.1
Total Corporation Taxes	74.1	80.8	76.0	74.1	80.8	76.0	-8.3	-8.3
Accelerated Deposits	0.0	0.6	-0.3	0.0	0.6	-0.3	-103.3	-103.3
Corporate Net Income	63.2	59.6	58.3	63.2	59.6	58.3	6.0	6.0
Capital Stock & Fran.	5.1	11.2	16.7	5.1	11.2	16.7	-54.7	-54.7
Gross Receipts	5.3	8.4	2.9	5.3	8.4	2.9	-36.6	-36.6
Utility Property	0.0	0.0	0.0	0.0	0.0	0.0	-35.3	-35.3
Insurance Premium	0.4	0.3	-1.7	0.4	0.3	-1.7	57.1	57.1
Financial Institution	0.0	0.4	0.0	0.0	0.4	0.0	-98.3	-98.3
Other Sel. Business	0.1	0.3	0.2	0.1	0.3	0.2	-74.8	-74.8
Total Consumption Taxes	995.1	953.2	904.9	995.1	953.2	904.9	4.4	4.4
Sales and Use - Total	901.9	862.0	809.9	901.9	862.0	809.9	4.6	4.6
Non-Motor	779.8	738.5	693.7	779.8	738.5	693.7	5.6	5.6
Motor Vehicle	122.1	123.5	116.2	122.1	123.5	116.2	-1.1	-1.1
Cigarette	62.6	62.8	68.1	62.6	62.8	68.1	-0.3	-0.3
Malt Beverage	2.5	2.2	2.4	2.5	2.2	2.4	11.2	11.2
Liquor	28.1	26.1	24.5	28.1	26.1	24.5	7.5	7.5
Total Other Taxes	1,028.0	960.6	930.3	1,028.0	960.6	930.3	7.0	7.0
Personal Income - Total	876.9	835.9	809.4	876.9	835.9	809.4	4.9	4.9
Withholding	823.4	789.3	758.3	823.4	789.3	758.3	4.3	4.3
Quarterly	37.6	33.3	34.5	37.6	33.3	34.5	12.7	12.7
Annual	15.9	13.3	16.6	15.9	13.3	16.6	19.5	19.5
Realty Transfer	52.9	41.4	40.4	52.9	41.4	40.4	27.8	27.8
Inheritance	84.6	76.0	73.3	84.6	76.0	73.3	11.4	11.4
Table Games	9.8	7.0	6.8	9.8	7.0	6.8	41.4	41.4
Minor and Repealed	3.8	0.4	0.4	3.8	0.4	0.4	802.3	802.3
Total Non-Tax Revenue	37.9	251.6	11.6	37.9	251.6	11.6	-84.9	-84.9
Liquor Store Profits	0.0	0.0	0.0	0.0	0.0	0.0	n.a.	n.a.
Lic, Fees & Misc.	30.3	244.8	7.8	30.3	244.8	7.8	-87.6	-87.6
Licenses and Fees	7.2	6.6	5.4	7.2	6.6	5.4	9.5	9.5
Miscellaneous	23.1	238.3	2.4	23.1	238.3	2.4	-90.3	-90.3
Treasury	0.4	3.6	1.5	0.4	3.6	1.5	-88.5	-88.5
Escheats	10.0	-5.6	-4.0	10.0	-5.6	-4.0	-279.0	-279.0
Other Miscellaneous	12.6	240.2	4.9	12.6	240.2	4.9	-94.7	-94.7
Fines, Pen & Int. - Total	7.6	6.8	3.9	7.6	6.8	3.9	12.1	12.1

Note: Values in \$ millions. Growth rates computed from the same time period from the previous year.