



Monthly Trends Report

January 2016

2015 JOBS SURPASS 2007 LEVELS

Calendar year 2015 marks the first year that Pennsylvania payroll employment surpassed its pre-recession level. Preliminary data for 2015 reveal average employment of 5.84 million payroll jobs, 43,000 higher than 2007.

The underlying detail reveals very different trends across sectors. In percentage terms, the mining sector (includes logging) recorded the most dramatic expansion, adding 15,300 payroll jobs (72.4% increase) since 2007. A recent contraction in the coal mining subsector was more than offset by gains in natural gas extraction. The mining sector now comprises 0.6% of total payroll employment.

In absolute terms, the healthcare sector (includes social services) added the most jobs, expanding by 106,800 payroll jobs (12.5%). This sector is typically the largest generator of jobs for the Pennsylvania economy and comprises 16.4% of total employment. The professional and business services sector (includes administrative and management) expanded by 60,500 payroll jobs (8.6%), and comprises 13.1% of total employment. The leisure-hospitality sector (includes food service) also recorded significant gains, adding 49,800 payroll jobs (10.0%).

GENERAL FUND SNAPSHOT

The Commonwealth collected \$2.50 billion in General Fund revenues for January, an increase of \$100.8 million (4.2%) compared to January 2015. Fiscal year-to-date revenues were \$15.9 billion, an increase of \$201.8 million (1.3%) from the prior year.

	General Fund	Tax Revenue	Non-Tax Revenue
Jan-16	\$2,499	\$2,433	\$66
Growth	4.2%	5.9%	-34.7%
FYTD	\$15,900	\$15,689	\$210
Growth	1.3%	3.1%	-56.0%

Dollar amounts are in millions.

For the sectors that contracted, manufacturing recorded the largest relative and absolute decline, contracting by 91,200 payroll jobs (-13.8%). However, since 2010, the sector has stabilized and added nearly 8,000 jobs. Despite impressive recent gains, the construction sector contracted by 24,100 jobs (-9.2%) while local government contracted by 36,500 jobs (-7.5%). Roughly three-quarters of the contraction in the local government sector was related to education; the residual was related to municipal functions.

These payroll data provide only a partial picture of employment trends for the Commonwealth. The data do not include self-employed individuals such as sole proprietors or independent contractors. It also excludes most partners employed in partnerships as well as owners of S corporations.

CHANGE IN PENNSYLVANIA PAYROLL EMPLOYMENT, 2007 TO 2015

	2015 Level		Change Since 2007	
	Number	Share	Number	Percent
Mining	36.4	0.6%	15.3	72.4%
Construction	238.3	4.1	-24.1	-9.2
Manufacturing	567.9	9.7	-91.2	-13.8
Wholesale-Retail	868.4	14.9	-26.5	-3.0
Transportation	256.8	4.4	17.6	7.4
Professional-Business	766.2	13.1	60.5	8.6
Healthcare	961.3	16.4	106.8	12.5
Leisure-Hospitality	549.7	9.4	49.8	10.0
Local Government	453.1	7.8	-36.5	-7.5
All Other	1,146.9	19.6	-28.7	-2.4
Total	5,845.0	100.0	43.0	0.7

Note: data are in thousands.

¹ U.S. Bureau of Labor Statistics, State Area Employment Database. Data exclude military personnel and agricultural workers.

MONTHLY ECONOMIC INDICATORS

	United States				Pennsylvania			
	Oct-15	Nov-15	Dec-15	Jan-16	Oct-15	Nov-15	Dec-15	Jan-16
Unemployment Rate ¹	5.0%	5.0%	5.0%	4.9%	5.1%	5.0%	4.8%	n.a.
Net Job Gains (000s) ²	295.0	280.0	262.0	151.0	50.1	43.2	41.8	n.a.
Average Gasoline Price ³	\$2.29	\$2.16	\$2.04	\$1.95	\$2.22	\$2.20	\$2.13	\$2.01
Consumer Price Index ⁴	0.1%	0.4%	0.7%	n.a.	-0.5%	-0.4%	-0.2%	n.a.
Retail Sales ⁵	1.9%	1.8%	1.8%	n.a.	2.9%	3.0%	3.8%	3.9%
Consumer Sentiment Index ⁶	90.0	91.3	92.6	92.0	n.a.	n.a.	n.a.	n.a.
New Building Permits ⁷	8.3%	10.5%	10.7%	n.a.	-7.9%	-10.1%	-12.4%	n.a.

QUARTERLY ECONOMIC INDICATORS

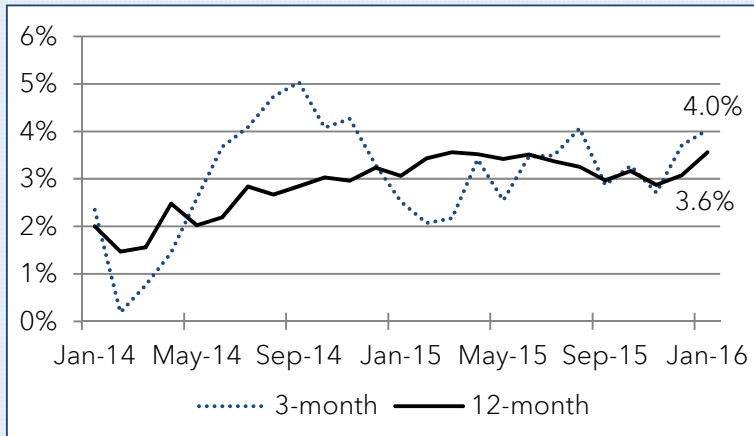
	United States				Pennsylvania			
	2015.1	2015.2	2015.3	2015.4	2015.1	2015.2	2015.3	2015.4
Gross Domestic Product ⁸	0.6%	3.9%	2.0%	0.7%	-0.7%	4.1%	n.a.	n.a.
Personal Income ⁹	4.5%	4.5%	4.7%	4.3%	3.4%	3.3%	3.6%	n.a.
Completed Home Sales ¹⁰	6.9%	8.2%	8.3%	2.2%	12.4%	11.8%	13.3%	5.0%
FHFA House Price Index ¹¹	5.3%	5.6%	5.7%	n.a.	2.7%	2.3%	2.7%	n.a.
Student Loan Debt ¹²	\$4,590	\$4,480	\$4,480	n.a.	\$5,330	\$5,180	\$5,170	n.a.
Industrial Electricity Sales ¹³	-3.1%	-3.8%	-4.0%	n.a.	-2.4%	-1.6%	-1.2%	n.a.

Notes:

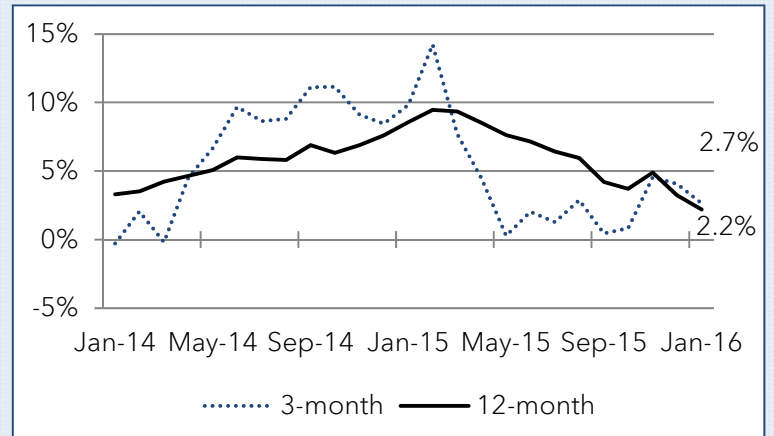
1. Source: U.S. Bureau of Labor Statistics—Survey of Households.
2. U.S.: Increase in monthly payroll employment compared to the previous month. PA: Average increase in annual payroll employment based on latest three months of data. Source: U.S. Bureau of Labor Statistics—Survey of Establishments.
3. 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. Bureau of Labor Statistics.
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 tax revenues 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 economy. Excludes inflation. 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

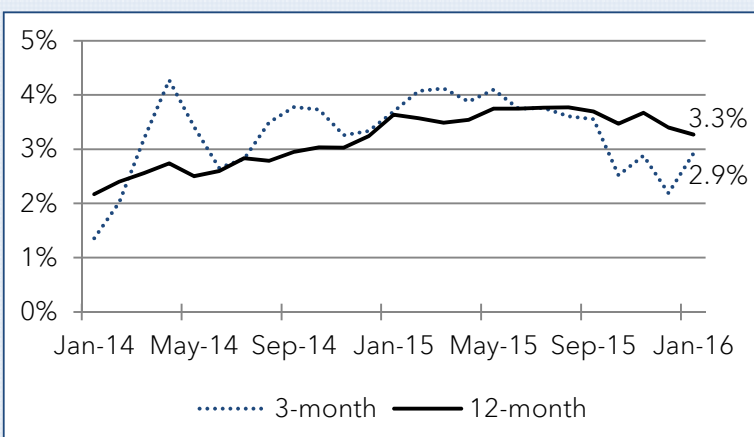
Sales and Use Tax – Non-Motor



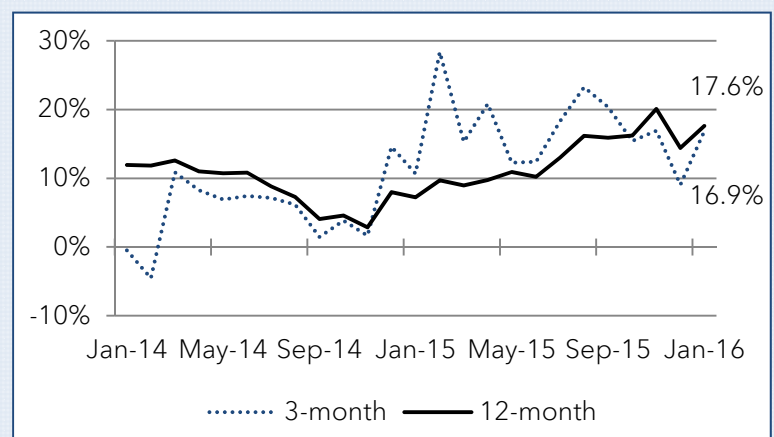
Sales and Use Tax – Motor



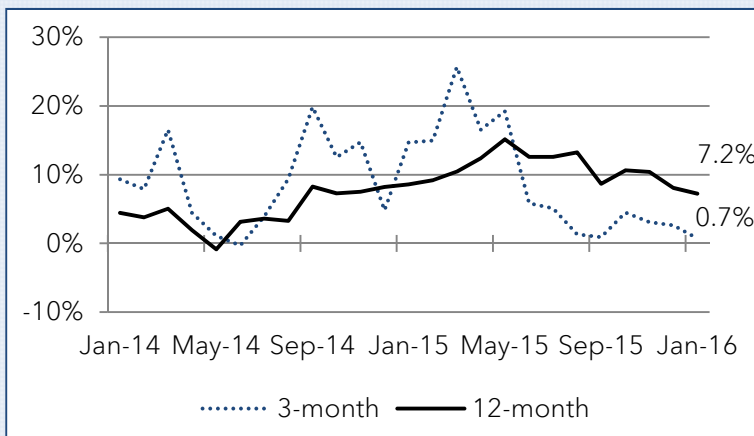
Personal Income Tax – Withholding



Realty Transfer Tax



Corporate Net Income Tax



Technical Notes:

- ↳ Transfers from the General Fund to the Enhanced Revenue Collection Account were \$18.5 million, an increase of \$10.6 million compared to January 2015.
- ↳ Personal income tax estimated payments for December and January (the final quarterly installment for calendar year 2015) were \$597.8 million, an increase of \$101.2 million compared to the prior fiscal year.
- ↳ Financial institutions deposits for January include a transfer of \$11.5 million to corporate net income tax to correct a misposting in December.

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

Pennsylvania General Fund Revenues Summary

Revenue Source	Jan 2016	Jan 2015	Jan 2014	FYTD 2015-16	FYTD 2014-15	FYTD 2013-14	Jan 2016 Growth	FYTD Growth
Total General Fund	\$2,499.0	\$2,398.3	\$2,360.8	\$15,899.6	\$15,697.8	\$14,646.4	4.2%	1.3%
Total Tax Revenue	2,432.8	2,296.8	2,335.3	15,689.3	15,219.6	14,512.3	5.9	3.1
Total Corporation Taxes	149.1	127.2	131.9	1,550.9	1,554.4	1,440.9	17.2	-0.2
Accelerated Deposits	-2.3	-26.9	0.5	0.3	4.2	3.2	-91.4	-93.9
Corporate Net Income	132.5	121.6	89.4	1,367.3	1,348.5	1,194.6	9.0	1.4
Capital Stock & Fran.	11.2	13.7	12.3	98.4	111.9	174.0	-18.4	-12.1
Gross Receipts	4.9	3.7	8.2	35.8	40.0	35.5	35.2	-10.7
Utility Property	0.1	0.0	0.0	2.8	2.1	2.3	932.8	34.2
Insurance Premiums	15.1	14.7	20.8	21.0	18.3	20.5	2.7	14.9
Financial Institutions	-11.3	0.1	0.4	23.5	27.6	8.3	-10,351.3	-15.1
Other Sel. Business	-1.1	0.2	0.2	2.0	1.9	2.5	-551.5	5.2
Total Consumption Taxes	963.4	919.6	894.6	6,583.7	6,401.2	6,169.6	4.8	2.9
Sales and Use - Total	890.2	844.5	814.2	5,829.8	5,646.7	5,391.4	5.4	3.2
Non-Motor	799.8	749.3	727.3	5,048.0	4,874.3	4,688.2	6.7	3.6
Motor Vehicle	90.4	95.2	86.8	781.8	772.4	703.2	-5.0	1.2
Cigarette	46.2	49.7	56.2	529.2	538.7	570.2	-7.0	-1.8
Malt Beverage	1.8	1.7	1.5	14.8	14.1	14.9	6.4	5.0
Liquor	25.2	23.7	22.8	209.9	201.7	193.1	6.1	4.1
Total Other Taxes	1,320.4	1,250.1	1,308.8	7,554.7	7,264.0	6,901.8	5.6	4.0
Personal Income - Total	1,201.2	1,108.4	1,197.8	6,666.2	6,322.2	6,130.2	8.4	5.4
Withholding	758.0	727.4	831.0	5,387.8	5,229.4	5,082.2	4.2	3.0
Quarterly	431.8	370.0	355.2	1,096.9	941.3	890.0	16.7	16.5
Annual	11.3	11.1	11.6	181.6	151.6	158.0	1.9	19.8
Realty Transfer	43.4	31.1	31.4	291.8	247.1	232.7	39.4	18.1
Inheritance	65.6	72.9	68.7	515.3	594.6	481.9	-10.0	-13.3
Table Games	9.8	9.6	8.7	58.5	55.9	52.9	2.5	4.7
Minor and Repealed	0.4	28.0	2.2	23.0	44.2	4.2	-98.6	-48.0
Total Non-Tax Revenue	66.2	101.4	25.6	210.3	478.2	134.1	-34.7	-56.0
Liquor Store Profits	50.0	80.0	0.0	50.0	80.0	0.0	-37.5	-37.5
Lic, Fees & Misc.	10.6	16.3	19.5	110.4	349.0	79.7	-35.2	-68.4
Licenses and Fees	7.2	10.8	10.9	62.5	61.3	61.5	-33.0	1.8
Miscellaneous	3.3	5.5	8.6	48.0	287.7	18.2	-39.5	-83.3
Treasury	6.9	0.2	-0.3	10.0	6.4	4.3	3,499.4	55.9
Escheats	-12.2	-1.2	5.7	-5.9	15.0	-15.0	924.4	-139.0
Other Miscellaneous	8.6	6.5	3.1	43.8	266.2	28.8	32.6	-83.5
Fines, Pen & Int. - Total	5.7	5.1	6.1	49.9	49.2	54.4	10.4	1.4

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