



# Monthly Trends Report

April 2017

## MILLENNIAL MIGRATION IN PENNSYLVANIA

The U.S. Census Bureau releases the American Community Survey (ACS) every year, which includes annual migration data between various states. These data can be narrowed down to show the migration of individuals aged 20-35 (millennials) moving to or from Pennsylvania, who obtained an associate's or higher degree. The graph below displays the top 10 states in 2015 that those with college degrees moved to (outflow) along with graduates who moved from those states (inflow) for Pennsylvania. Overall, there was a net outflow of 12,981 graduates in 2015.

The data reveal that over 47,000 graduates, who were living in Pennsylvania as of 2014, migrated to another state in 2015. Of those individuals, 9% have an associate's degree, 58% have a bachelor's degree, 26% have a master's or doctoral degree and all other professional degrees comprise the remaining 7%.<sup>1</sup> Studies show that those who obtain a higher education are more likely to move to urban areas, southern or coastal states, whereas those with a high school diploma are more likely to remain close to home. The graph confirms this trend, as the top five states where PA graduates migrated (California, New York, North Carolina, New Jersey and Maryland) contain large urban areas or are situated on a coast.

The outflow could also be attributable to graduates moving back home after college. The U.S. Census Bureau reported last week that one-third of people aged 18-34 live at home. Pennsylvania

## GENERAL FUND SNAPSHOT

The Commonwealth collected \$3.43 billion in General Fund revenues for April, a decrease of \$227.0 million (-6.2%) compared to April 2016. Fiscal year-to-date revenues were \$25.82 billion, a decrease of \$73.1 million (-0.3%) from the prior year.

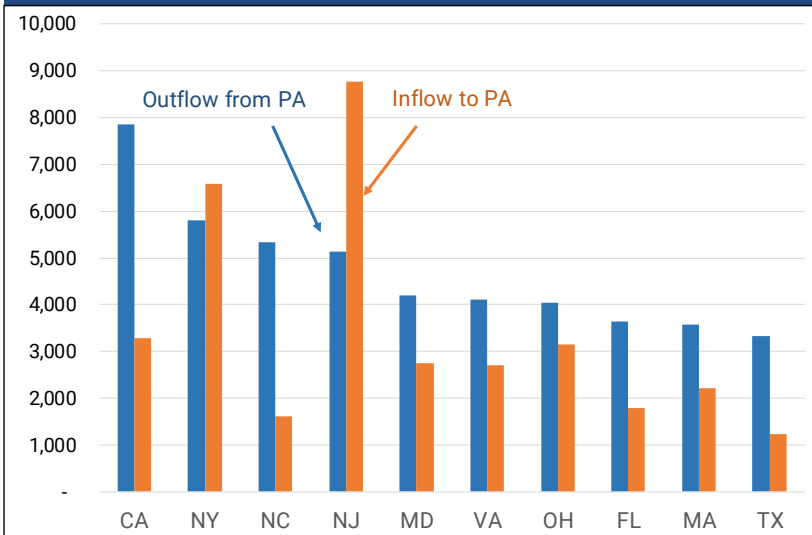
	General Fund	Tax Revenue	Non-Tax Revenue
<b>Apr-17</b>	\$3,429	\$3,214	\$215
<b>Growth</b>	-6.2%	-6.1%	-8.3%
<b>FYTD</b>	\$25,823	\$25,270	\$554
<b>Growth</b>	-0.3%	-0.2%	-3.6%

Dollar amounts are in millions.

ranks 2nd highest in the nation for student debt. For PA graduates with student debt, the average debt level is \$34,798.<sup>2</sup> The outflow of individuals leaving Pennsylvania includes those moving home after graduation to save money. Without rent or mortgage payments, more income can be used to pay down student loans.

Despite an outflow to other states, there were over 34,000 graduates who moved to Pennsylvania in 2015. New York and New Jersey were the only two states from which Pennsylvania recorded a net inflow. Relative to Pennsylvania, these states both generally have higher tax rates and a less affordable housing market. Despite the tendency for individuals with a higher education to move to urban or coastal areas, this inflow could reflect a new trend of graduates in search of a lower cost of living, which can be found in Pennsylvania.

## Pennsylvania Migration of Millennials in 2015



Source: U.S. Census Bureau, American Community Survey, 1-YEAR PUMS 2015.

<sup>1</sup> U.S. Census Bureau, American Community Survey, 1-YEAR PUMS 2015.

<sup>2</sup> The Institute for College Access & Success, College InSight, 2016.

## MONTHLY ECONOMIC INDICATORS

	United States				Pennsylvania			
	Jan-17	Feb-17	Mar-17	Apr-17	Jan-17	Feb-17	Mar-17	Apr-17
Unemployment Rate <sup>1</sup>	4.8%	4.7%	4.5%	n.a.	5.2%	5.0%	4.8%	n.a.
Net Job Gains (000s) <sup>2</sup>	216.0	219.0	98.0	n.a.	63.2	70.5	70.4	n.a.
Average Gasoline Price <sup>3</sup>	\$2.35	\$2.30	\$2.33	\$2.42	\$2.49	\$2.42	\$2.38	\$2.47
Consumer Price Index <sup>4</sup>	2.5%	2.7%	2.4%	n.a.	1.9%	2.1%	n.a.	n.a.
Retail Sales <sup>5</sup>	4.7%	5.1%	5.4%	n.a.	3.0%	4.2%	4.3%	2.6%
Consumer Sentiment Index <sup>6</sup>	98.5	96.3	96.9	97.0	n.a.	n.a.	n.a.	n.a.
New Building Permits <sup>7</sup>	13.4%	11.8%	13.4%	n.a.	16.9%	5.8%	6.7%	n.a.

## QUARTERLY ECONOMIC INDICATORS

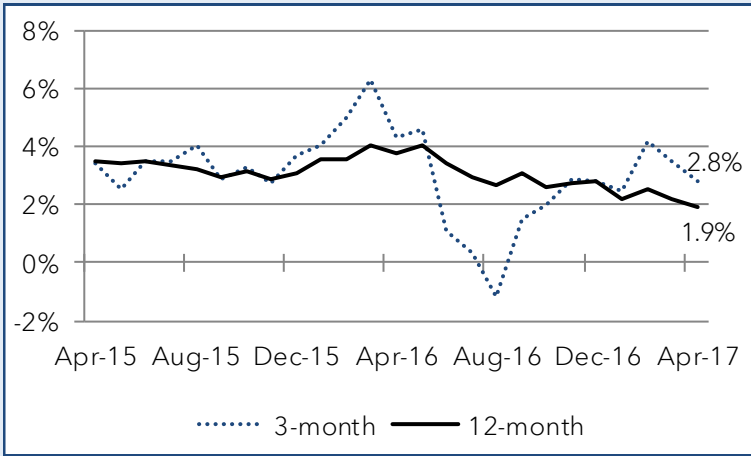
	United States				Pennsylvania			
	2016.2	2016.3	2016.4	2017.1	2016.2	2016.3	2016.4	2017.1
Gross Domestic Product <sup>8</sup>	1.4%	3.5%	2.1%	0.7%	0.5%	3.3%	n.a.	n.a.
Personal Income <sup>9</sup>	3.4%	3.6%	3.7%	4.4%	2.7%	3.4%	3.2%	n.a.
Completed Home Sales <sup>10</sup>	4.0%	0.8%	5.6%	5.1%	11.2%	2.8%	5.2%	n.a.
FHFA House Price Index <sup>11</sup>	5.9%	6.0%	5.9%	n.a.	3.3%	4.1%	4.0%	n.a.
Student Loan Debt <sup>12</sup>	\$4,690	\$4,830	\$4,920	n.a.	\$5,430	\$5,590	\$5,690	n.a.
Industrial Electricity Sales <sup>13</sup>	-6.1%	-4.9%	-4.9%	n.a.	-2.8%	-0.6%	0.8%	n.a.

### Notes:

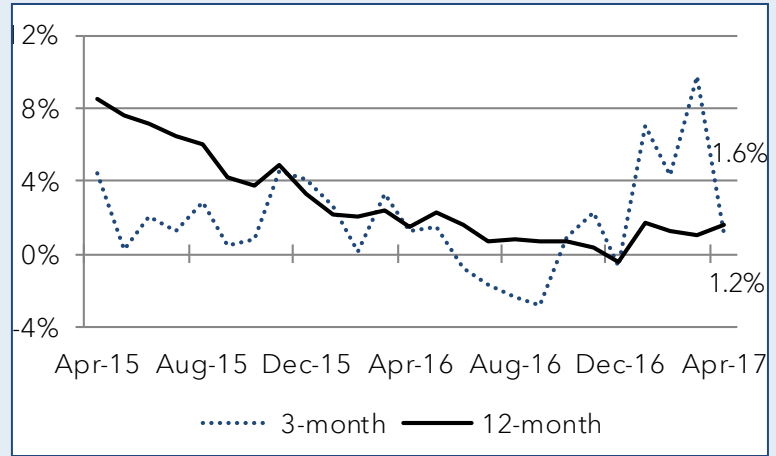
1. Source: U.S. Bureau of Labor Statistics—Survey of Households.
2. U.S.: Increase in payroll employment compared to the previous month. PA: Average year-over-year increase in payroll employment based on latest three months of data. Source: U.S. Bureau of Labor Statistics—Survey of Establishments.
3. 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 months 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 2015, Pennsylvania has 10.8 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

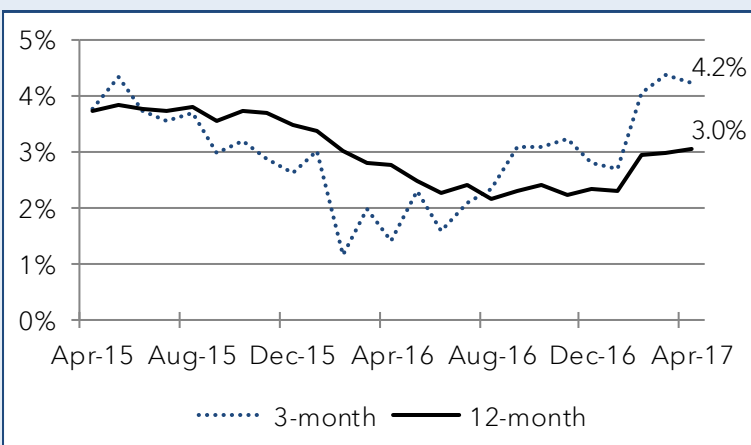
## Sales and Use Tax – Non-Motor



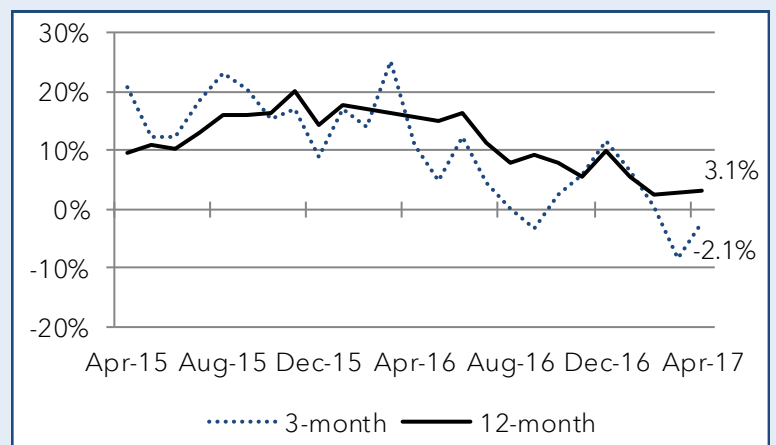
## Sales and Use Tax – Motor



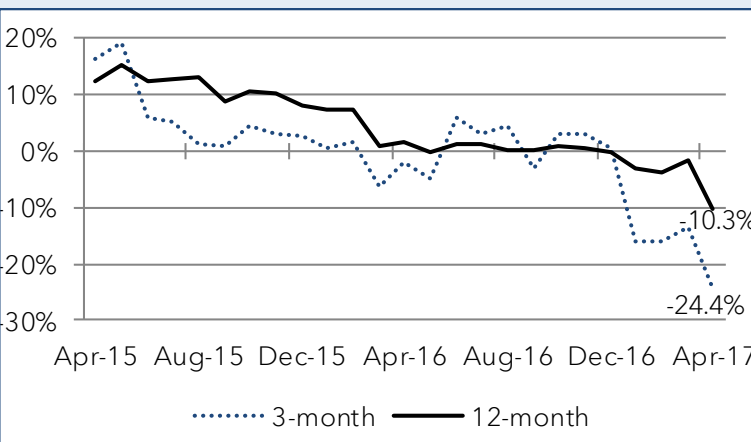
## Personal Income Tax – Withholding



## Realty Transfer Tax



## Corporate Net Income Tax



### Technical Notes (for revenue graphs and table on next page):

- ↳ Transfers from the General Fund to the Enhanced Revenue Collection Account were \$19.6 million including: \$7.7 million from personal income tax; \$5.6 million from sales and use tax; and \$3.1 million from corporate net income tax. (The graphs above correct for these transfers.)
- ↳ The personal income tax withholding collections year-over-year growth rate was impacted by a weekly filer due date (extra Friday) that occurred in April last year and in March this year. (The personal income tax withholding graph above corrects for this difference.)
- ↳ Corporate net income collections were impacted by a change to the filing deadline, which was moved from April 15 to May 15 for calendar-year filers effective for tax year 2016.

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

## Pennsylvania General Fund Revenues Summary

Revenue Source	April 2017	April 2016	April 2015	FYTD 2016-17	FYTD 2015-16	FYTD 2014-15	Monthly Growth	FYTD Growth
<b>Total General Fund</b>	<b>\$3,429.4</b>	<b>\$3,656.4</b>	<b>\$4,004.3</b>	<b>\$25,823.5</b>	<b>\$25,896.6</b>	<b>\$25,715.5</b>	<b>-6.2%</b>	<b>-0.3%</b>
<b>Total Tax Revenue</b>	<b>3,214.3</b>	<b>3,421.7</b>	<b>3,558.5</b>	<b>25,269.8</b>	<b>25,322.2</b>	<b>24,710.0</b>	<b>-6.1</b>	<b>-0.2</b>
<b>Total Corporation Taxes</b>	<b>238.5</b>	<b>481.9</b>	<b>442.5</b>	<b>3,934.8</b>	<b>4,492.8</b>	<b>4,429.6</b>	<b>-50.5</b>	<b>-12.4</b>
Accelerated Deposits	5.2	5.3	-2.1	8.1	7.2	21.6	-2.3	12.5
Corporate Net Income	190.8	386.9	361.2	1,928.9	2,254.1	2,259.4	-50.7	-14.4
Capital Stock & Fran.	2.8	27.2	37.9	32.5	139.2	187.6	-89.7	-76.6
Gross Receipts	3.7	6.5	1.5	1,210.1	1,293.5	1,239.5	-43.8	-6.4
Utility Property	2.8	19.9	8.2	5.7	22.7	10.3	-86.1	-74.9
Insurance Premiums	28.2	34.0	33.0	433.6	449.3	427.6	-17.1	-3.5
Financial Institutions	5.2	2.1	2.7	315.9	326.9	283.6	149.3	-3.4
<b>Total Consumption Taxes</b>	<b>983.3</b>	<b>952.3</b>	<b>936.2</b>	<b>9,608.8</b>	<b>9,147.0</b>	<b>8,877.0</b>	<b>3.3</b>	<b>5.0</b>
Sales and Use - Total	831.0	842.2	827.7	8,187.8	8,085.7	7,818.7	-1.3	1.3
Non-Motor	719.9	729.0	704.2	7,071.4	6,983.8	6,730.1	-1.3	1.3
Motor Vehicle	111.1	113.2	123.5	1,116.4	1,102.0	1,088.5	-1.9	1.3
Cigarette	111.0	79.8	79.7	1,034.5	748.7	758.6	39.1	38.2
Other Tobacco Products	11.0	0.0	0.0	64.2	0.0	0.0	n.a.	n.a.
Malt Beverage	2.0	2.1	2.2	20.0	20.5	19.9	-2.2	-2.5
Liquor	28.3	28.2	26.6	302.3	292.0	279.8	0.3	3.5
<b>Total Other Taxes</b>	<b>1,992.5</b>	<b>1,987.5</b>	<b>2,179.8</b>	<b>11,726.2</b>	<b>11,682.4</b>	<b>11,403.4</b>	<b>0.2</b>	<b>0.4</b>
Personal Income - Total	1,847.0	1,878.4	2,054.3	10,531.9	10,473.5	10,168.8	-1.7	0.6
Withholding	743.2	728.6	830.1	8,001.3	7,846.7	7,662.2	2.0	2.0
Quarterly	283.3	298.0	289.8	1,418.0	1,457.9	1,288.6	-4.9	-2.7
Annual	820.5	851.8	934.3	1,112.6	1,169.0	1,218.0	-3.7	-4.8
Realty Transfer	34.1	32.8	32.6	377.3	389.2	335.0	4.2	-3.1
Inheritance	80.2	67.2	92.4	771.6	769.6	831.8	19.3	0.3
Table Games	10.4	10.1	7.7	99.9	84.9	79.3	3.1	17.7
Minor and Repealed	20.7	-1.0	-7.2	-54.5	-34.8	-11.5	n.a.	-56.6
<b>Total Non-Tax Revenue</b>	<b>215.1</b>	<b>234.7</b>	<b>445.8</b>	<b>553.7</b>	<b>574.4</b>	<b>1,005.5</b>	<b>-8.3</b>	<b>-3.6</b>
State Store Fund Transfers	23.3	0.0	0.0	168.2	75.0	80.0	n.a.	124.3
Lic., Fees & Misc.	182.9	226.5	438.8	312.2	425.4	855.0	-19.3	-26.6
Licenses and Fees	12.7	11.7	24.6	115.3	110.9	107.2	8.4	4.0
Miscellaneous	170.2	214.8	414.3	196.9	314.6	747.8	-20.8	-37.4
Treasury	1.3	1.1	0.3	16.1	10.9	7.2	15.2	47.5
Escheats	136.7	193.1	407.4	77.2	223.4	457.7	-29.2	-65.4
Other Miscellaneous	32.2	20.5	6.6	103.6	80.2	282.9	56.8	29.1
Fines, Pen. & Int. - Total	9.0	8.2	6.9	73.3	74.0	70.5	9.2	-0.9

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