



IFO NEWS STAND

A monthly glimpse at the state of the economy

- November 2018 -

Pennsylvania News

PA Student Loan Debt Continues to Climb in 2018 Q3

On November 16, the Federal Reserve Bank of New York released [consumer debt data](#) for 2018 Q3. For Pennsylvania, the data show that per capita student loan debt across all consumers increased by 7.2% on a year-over-year basis. For other types of debt, the growth rates were as follows: auto (1.5%), credit cards (4.0%), primary mortgage (1.1%) and home equity loans (-5.8%). For total debt, the per capita increase was 1.8%.

PA Real Gross Domestic Product Surges in 2018 Q2

On November 15, the U.S. Bureau of Economic Analysis released preliminary state real [Gross Domestic Product](#) data for 2018 Q2. On a quarterly annualized basis, the Pennsylvania economy expanded by 3.6%. That rate is considerably higher than the prior two quarters: 2017 Q4 (0.1%) and 2018 Q1 (0.6%). The second quarter growth rate was higher than some surrounding states (West Virginia (3.4%), New Jersey (3.4%) and New York (3.1%)), lower than others (Virginia (4.2%) and Ohio (3.7%)) and the same as Maryland (3.6%).

Regional Hub Natural Gas Prices Spike in November

On November 14, a Wall Street Journal [article](#) noted that a sudden change in weather forecasts pushed natural gas futures to a four-year high. The article noted that natural gas prices “have climbed more than 50% this year – with most of that happening in the last month...” In Pennsylvania, spot prices at regional hubs, as tracked by Bentek Energy, show similar trends. For the month of October, the weighted average spot price was up 192.4 percent from the prior year. For the first three weeks of November, they are up 69.1 percent from the prior year.

National News

U.S. Manufacturing Sales Remain Strong

On November 15, the U.S. Department of Commerce released the [latest data](#) for manufacturing, retail and wholesaler sales for the month of September. On a year-over-year basis, the monthly data show strong sales growth for manufacturers (7.9%), moderate growth for retailers (3.8%) and strong growth for wholesalers (7.8%).

Which U.S. Workers Have Received Real Pay Raises?

An October [analysis](#) of Current Population Survey data by the website Governing finds that median (as opposed to average) real earnings for individuals with a bachelor's degree or high school diploma declined for the first two quarters of 2018. The analysis also finds that the decline was somewhat larger for women. The analysis cites higher inflation, declining union membership, less willingness to relocate for job-related reasons and domination of the labor market by larger firms as possible reasons.