

## PA Economic Update

Testimony for the House and Senate Appropriations Committees  
 Matthew Knittel | Independent Fiscal Office | February 18, 2020

| ANNUAL DATA          | Annual Growth Rate or Change |      |      |             |             |      |
|----------------------|------------------------------|------|------|-------------|-------------|------|
|                      | 2015                         | 2016 | 2017 | 2018        | 2019        | 2020 |
| Real GDP             | 2.2%                         | 1.3% | 0.6% | 2.6%        | 2.1%        | 1.9% |
| Inflation            | -0.1%                        | 0.6% | 1.3% | 1.3%        | 2.0%        | 1.8% |
| Payroll Jobs (000s)  | 46.2                         | 48.8 | 58.8 | <b>65.6</b> | 45.6        | 45.4 |
| Wages and Salaries   | 4.1%                         | 1.3% | 4.0% | 4.3%        | <b>4.4%</b> | 3.9% |
| UE Rate (level)      | 5.3%                         | 5.4% | 4.9% | 4.3%        | 4.0%        | --   |
| Consumer Debt        | 1.5%                         | 3.0% | 0.6% | 1.8%        | 3.7%        | --   |
| Existing Home Values | 2.6%                         | 3.8% | 4.5% | 5.4%        | 5.2%        | --   |

| QUARTERLY DATA       | Year-Over Year Growth Rate or Change |        |        |        |        |             |
|----------------------|--------------------------------------|--------|--------|--------|--------|-------------|
|                      | 2018.3                               | 2018.4 | 2019.1 | 2019.2 | 2019.3 | 2019.4      |
| Real GDP             | 2.7%                                 | 2.5%   | 2.8%   | 2.1%   | 1.9%   | --          |
| Inflation            | 1.7%                                 | 1.3%   | 1.5%   | 2.0%   | 2.3%   | 2.2%        |
| Payroll Jobs (000s)  | 64.1                                 | 60.4   | 50.8   | 49.4   | 37.3   | 41.1        |
| Wages and Salaries   | 4.3%                                 | 3.2%   | 4.6%   | 4.6%   | 4.3%   | 4.2%        |
| UE Rate (level)      | 4.2%                                 | 4.2%   | 4.0%   | 3.8%   | 3.9%   | <b>4.3%</b> |
| Consumer Debt        | 1.8%                                 | 1.8%   | 0.5%   | 4.3%   | 3.5%   | 3.7%        |
| Existing Home Values | 4.9%                                 | 5.5%   | 5.6%   | 5.1%   | 5.1%   | --          |

Note: Real GDP, Payroll Jobs and Wages-Salaries data for 2019 are preliminary and will be revised.  
 Sources: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, Federal Housing Finance Agency, Federal Reserve Board of New York. Forecasts by IFO.