Economic Update by Dorothy Jaworski

Fourth Quarter 2020

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I intentionally waited until after Election Day to write this update, not knowing it would become Election Week. I was hoping that the politics would have died down, but that was not to be. The markets are taking it all in stride, rallying strongly for most of this week and they seem more grateful for the prospect of a divided Congress, i.e, gridlock, where the Senate is retained by Republicans to counterbalance the Democratic House than by the outcome of the Presidential election outcome. The markets believe the chance of tax hikes, repeals of tax cuts, and gigantic initiatives are greatly diminished.

Stock prices are rising strongly, but bond prices have fallen from their highs. A great GDP growth number for the third quarter of +33.1% last week and a large, 1% drop in the unemployment rate to 6.9% today have left fixed income investors thinking that the worst may be over for the economy. But the ever present threat of COVID-19 lingers, with cases rising around the world.

The Ongoing Pandemic & The Economy

Strict lockdowns in our area were lifted in June, but there are still restrictions on many segments of the economy, such as bars, restaurants, the travel industry, entertainment, sporting events, and the like. Many schools are conducting hybrid and virtual classes. Life has gone on, but has not returned to normal. Our behaviors have changed

with fear of the virus. Did you manage a vacation over the summer? Many people would say, no, they did not want to travel.

Jamie Dimon, CEO of JP Morgan Chase, said recently that we need to reopen the economy, safely of course, and especially in New York City. Stop the economic devastation from the lockdowns. He encourages leaders to let businesses reopen, so they can generate revenues and rehire employees. He encourages those employees to go into the office, although he admits that some work-from-home will become a permanent change. He also thinks kids should return to their classrooms at school.

There are lingering effects that are restraining economic growth. Despite the improvement in the unemployment rate to 6.9% from its high of 14.7% in April at the height of the lockdowns, there still remain 10 million jobs lost since the pandemic began. That leaves many on unemployment compensation, unable to pay rent or mortgages. Small businesses are behind in rent and building owners have sought deferrals of their payments to lenders. If people can get their jobs back, they can possibly refinance their mortgages in this exceptionally low rate environment. Moody's estimates that there is $70 billion in back rent across the nation. Think for a minute about how huge that number is.

GDP surged by +33.1% (annualized) in the third quarter, after devastating declines of -31.4% in the second quarter and -5.0% in the first quarter. Our economy remains about 3.5% lower than its peak in the fourth quarter of 2019. The Federal Reserve estimates that fourth quarter growth will be +6.0%, so we may get back. By the way, our economy has done better than all other nations; for example, Europe is 4.3% under their fourth quarter peak. Even if we "get back" to earlier GDP dollar levels, it will have been an uneven recovery, with many individuals and businesses still struggling without adequate revenues. The Federal Reserve has pledged to keep interest rates low until we reach full employment, which I estimate at 4.0%, and inflation averages above its target of 2.0%.

This is very significant, in that Fed Chairman Powell finally threw out the Phillips curve. The Fed seemingly relied on this curve in that every time unemployment got low, they screamed inflation! So now they are prioritizing full employment and will switch to "AIT," or average inflation targeting, allowing the inflation rate to exceed their target for a period of time, rather than raising rates as they did from 2015 to 2018 chasing inflation that never materialized.

Bucks & Montgomery

Unemployment rates soared after the lockdowns began in March, 2020. Our area did not escape the devastation. The national unemployment rate peaked at 14.7% in April and has steadily declined to 7.9% in September and 6.9% in October. For a time, from April to August, our counties were trending 2% to 3% higher than the national average, which was worrisome. Thankfully, this has corrected at least into September, when the national average was 7.9%, Bucks was 7.1%, and Montgomery was 6.6%.

The housing market is robust across the nation. Prices on a year-over-year basis are accelerating, especially as people are migrating from cities to suburbs and state to state and are trading up to newer or larger homes as the pandemic progresses and they spend more time at home. The latest national CoreLogic home price index for September, 2020 was +6.7% year-over-year. Bucks and Montgomery counties are close to that for September, according to Zillow, at +6.4% and +5.5% year-over-year, respectively. Projections for 2021 are at about +7.0% for all, driven by new trends in migration, smaller than normal housing inventories, and extremely low mortgage rates.

Our regional economy, covered by the Philadelphia Federal Reserve's Third District, is doing well into the fourth quarter. Their published indices, the Philly Fed and Philly Fed Non-Manufacturing, both rose in October, to 32.3 and 25.3, respectively. Backlogs for both are lagging and weak, at 8.3 for the regular index and only 4.0 for the non-manufacturing one. Not surprisingly, the quick recovery could give way to slower growth as we move forward.

The Outlook

Federal Reserve Chairman Jerome Powell put it best: The outlook for the economy is "extraordinarily uncertain." When the election is finally behind us, we can work on the things voters said were their priority- the economy, the pandemic, and health care. A stimulus bill from Congress to aid individuals, small businesses, and devastated industries such as airlines, which have been completely crippled by COVID-19, seems a strong possibility before year-end. That may have factored in to the Fed's projection of +6.0% GDP in the fourth quarter, followed by +4.0% in 2021. Much hinges on the pandemic, therapeutics, and vaccines.

We will have low interest rates for at least three years, as promised by the Federal Reserve. Many economists think that rates will stay near zero for the next five to seven years. Remember, it took the Fed seven years to raise rates from the zero bound after the Great Recession of 2008. When they finally tightened in December, 2015, core inflation was at +1.5% and unemployment was at 5.0%. Thankfully, the Fed pushed the final Phillips curvers out!

COVID-19 is our number one uncertainty. Are vaccines on the way soon?

Four companies, including, Moderna, J&J, AstraZeneca, and Pfizer- have their vaccine in late stage clinical trials, and most are taking risk to produce vaccines in case they are successful and approved to save time in getting them to the people.

Now, I will continue my rant about huge amounts of debt being added by the US Government. Year-to-date, there was $4 trillion of new debt issued, bringing the outstanding total to $27.2 trillion, or 127.6% of GDP. Economic growth has been proven to slow when debt-to-GDP exceeds 90%. It is no coincidence that growth was in the low 2% range since 2009, when debt was sustained at over 90%. The one benefit of that time period was that it was the longest, although lowest growing, economic recovery since World War II at 127 months. If we managed to have growth of 2% during that time, I think once the "lockdown" rebound is over, and we resume "normal" growth, I think GDP will be less than 2%, due to the continuing increase in the debt-to-GDP ratio. That may be our new "normal."

Finally we are all weary and tired of lockdowns, capacity limits, and travel bans. I keep thinking of one of my favorite quotes by Ernest Hemingway: "There are only two places in the world that you can live happy. At home and in Paris." One can only dream!

Large Hadron Collider Update

For those of you who have known me and read my quarterly updates for years, you may remember my favorite machine, the Large Hadron Collider, the 17-mile long circular tunnel built deep under the mountains in Switzerland, where all kinds of physics experiments and smashing of atoms take place.

The Collider, which is now over 12 years old, was down for maintenance for the past several years, but news about its activity has started again. Previously, researchers in 2012 discovered its most famous particle, the Higgs Boson, which is a key building block of the universe. In October of this year, they observed the decay of these particles for the first time. They are now looking for mini black holes, and possibly parallel universes. Recently, scientists created matter from high speed light. And they are looking to take the power in the Collider up to 9.5 TeVs, or Tera-electron volts. Each TeV is one trillion electron volts. It's crazy how scientists can work with atomic particles. Stay tuned!

Thanks for reading!

Here We Are. & Here We Grow.

Inflationary Expectations That Are Built into the Markets:

Treasury Inflation Expectations:	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	30-Sep-20
10-year Treasury Yield	3.03%	2.18%	2.27%	2.44%	2.40%	2.68%	1.92%	0.67%
10-year Treasury TIPS Yield	0.76%	0.47%	0.71%	0.50%	0.45%	0.97%	0.13%	-0.99%
Implied Inflationary Expectation	2.27%	1.71%	1.56%	1.94%	1.95%	1.71%	1.79%	1.66%

Following Are Our Clues as to Whether the Fed Will Ease or Keep Interest Rates Low:

	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Sep-20
1) moderating inflationary expectations/leading indicators	yes	yes	yes	mixed	mixed	yes	yes	yes
2) any meaningful rise in unemployment or loss of jobs	no	no	no	no	no	no	no	yes
3) moderating labor costs	yes	yes	yes	yes	mixed	no	yes	yes
4) decent productivity growth	no	yes	no	no	no	no	no	no
5) economic growth that slips below 2%-2.5% potential	yes	no	yes	yes	yes	no	no	yes
6) a financial market crisis of some type	no	no	no	no	no	mixed	no	yes-virus
7) housing (existing homes) weak- inventory>6 mos	no-5.0mo	no-5.1mo	no-4.8mo	no-4.0mo	no-3.2mo	no-3.9mo	no-3.7mo	no-2.7mo
8) statements by the Fed promising easing/low rts	yes-U3+inflat	yes-U3+inflat	no-raised rts	no-raised rts	no-raised rts	no-raising rts	no-neutral	yes

Housing Market Indices:

- CaseShiller 20 City Index Aug yoy +5.2%, Jul yoy +4.0%, Jun yoy +3.4%, May yoy +3.5%; index at new high vs Jul, 2006 peak; +71.1% from Mar, 2012 low
- FHFA Index Aug yoy +8.0%, Jul yoy+ 6.5%, Jun yoy +5.8%, May yoy +5.0%; index at new high vs Apr, 2007 peak; +67.2% from Mar, 2011 low
- CoreLogic Home Px Index Sep yoy +6.7%, Aug yoy +5.9%, Jul yoy +5.1%, Jun yoy +4.3%; index at new high vs Apr, 2006 peak; +72.6% from Mar, 2011 low

Fed Z.1 HH NetWorth:

- 1Q09 (low) $56.0 trill; 4Q15 $81.6 trill; 4Q16 $97.1 trill; 4Q17 $106.0 trill; 4Q18 $107.2 trill; 4Q19 $118.6 trill; 2Q20 $118.9 trillion

Penn Community Bank Rate & Market History:

Bond Market Yields:		31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	30-Sep-20	Change 2019 12/19 vs 12/18	Change 2020 09/20 vs 12/19
Treasuries:	3 month	0.06%	0.04%	0.15%	0.50%	1.38%	2.45%	1.54%	0.09%	-0.91%	-1.45%
	6 month	0.09%	0.11%	0.46%	0.61%	1.53%	2.55%	1.58%	0.10%	-0.97%	-1.48%
	1 year	0.11%	0.20%	0.58%	0.81%	1.73%	2.62%	1.57%	0.11%	-1.05%	-1.46%
	2 year	0.38%	0.67%	1.06%	1.19%	1.88%	2.49%	1.57%	0.13%	-0.92%	-1.44%
	3 year	0.77%	1.09%	1.33%	1.45%	1.97%	2.46%	1.61%	0.15%	-0.85%	-1.46%
	5 year	1.74%	1.67%	1.77%	1.93%	2.21%	2.51%	1.69%	0.26%	-0.82%	-1.43%
	10 year	3.03%	2.18%	2.27%	2.44%	2.40%	2.68%	1.92%	0.67%	-0.76%	-1.25%
	30 year	3.97%	2.76%	3.02%	3.06%	2.74%	3.01%	2.39%	1.45%	-0.62%	-0.94%
Fed Funds Target Rate (average):		0.13%	0.13%	0.38%	0.63%	1.38%	2.38%	1.63%	0.13%	-0.75%	-1.50%
LIBOR Rates:	1 month	0.17%	0.17%	0.43%	0.77%	1.57%	2.52%	1.78%	0.15%	-0.74%	-1.63%
	3 month	0.25%	0.26%	0.61%	1.00%	1.69%	2.80%	1.91%	0.23%	-0.89%	-1.68%
	6 month	0.35%	0.36%	0.84%	1.32%	1.84%	2.87%	1.91%	0.27%	-0.96%	-1.64%
	12 month	0.58%	0.63%	1.17%	1.69%	2.11%	3.01%	2.00%	0.36%	-1.01%	-1.64%
FNMA Mortgage Posted Yields (30 day):											
	15 year	3.10%	2.61%	2.77%	2.90%	2.92%	3.53%	2.66%	1.25%	-0.87%	-1.41%
	30 year	4.15%	3.40%	3.58%	3.68%	3.51%	4.12%	3.29%	1.93%	-0.83%	-1.36%
Indicative Treasury yield curve spreads:											
	2 year minus 3 month	0.32%	0.63%	0.91%	0.69%	0.50%	0.04%	0.03%	0.04%	-0.01%	0.01%
	5 year minus 2 year	1.36%	1.00%	0.71%	0.74%	0.33%	0.02%	0.12%	0.13%	0.10%	0.01%
	10 year minus 3 month	2.97%	2.14%	2.12%	1.94%	1.02%	0.23%	0.38%	0.58%	0.15%	0.20%
	10 year minus 2 year	2.65%	1.51%	1.21%	1.25%	0.52%	0.19%	0.35%	0.54%	0.16%	0.19%
Indicative FNMA mortgage posted yield spreads:											
	15 year minus 5 year Treas	1.36%	0.94%	1.00%	0.97%	0.71%	1.02%	0.97%	0.99%	-0.05%	0.02%
	30 year minus 10 year Treas	1.12%	1.22%	1.31%	1.24%	1.11%	1.44%	1.37%	1.26%	-0.07%	-0.11%
Stock Market Indices:											
	Dow Jones	16,576.70	17,823.07	17,425.03	19,762.60	24,719.22	23,327.46	28,538.44	27,781.70	5,210.98	-756.74
	S&P 500	1,848.36	2,058.90	2,043.94	2,238.83	2,673.61	2,506.85	3,230.78	3,363.00	723.93	132.22
	Nasdaq	4,176.59	4,736.05	5,007.41	5,383.12	6,903.39	6,635.28	8,972.604	11,167.51	2,337.32	2,194.91

Selected Economic Data Releases
(in about the past month) which show:

Strength & Tendency Toward Higher Rates

- Payroll Employment Oct +638,000, Sep +672,000, Aug +1,493,000, Jul +1,761,000
- Private Co Payrolls Oct +783,000, Sep +892,000, Aug +1,028,000, Jul +1,526,000
- Household Employment Oct +2,243,000, Sep +275,000, Aug +3,756,000, Jul +1,310,000
- Unemployed Persons Oct -1,519,000, Sep -970,000, Aug -2,788,000, Jul -1,412,000
- Ave Hourly Earnings Oct $29.50, Sep $29.46, Aug $29.45, Jul $29.35; you +4.5%
- Average Workweek Oct 34.8, Sep 34.8, Aug 34.7, Jul 34.6, Jun 34.6, May 34.7
- Job Leavers Oct 7.0%, Sep 6.4%, Aug 4.4%, Jul 3.5%, Jun 3.2%, May 2.6%
- Civilian Labor Force Oct +724,000. Sep -695,000, Aug +968,000, Jul -62,000
- Those Not in Labor Force Oct -541,000, Sep +879,000, Aug -783,000, Jul +230,000
- ADP Payrolls Oct +365,000, Sep +753,000, Aug +482,000, Jul +216,000
- Real GDP 3Q20 +33.1%, 2Q20 -31.4%, 1Q20 -5.0%, 4Q19 +2.4%, 3Q19 +2.1%
- Real GDP 2019 +2.3%, 2018 +2.9%, 2017 +2.2%, 2016 +1.6%, 2015 +2.9%
- Nominal GDP 3Q20 +36.8%, 2Q20 -33.5%, 1Q20 -3.6%, 4Q19 +3.9%, 3Q19 +3.8%
- Real Final Sales 3Q20 +25.5%, 2Q20 -28.1%, 1Q20 -3.6%, 4Q19 +3.2%, 3Q19 +2.1%
- GDP PxDeflator 3Q20 +3.7%, 2Q20 -2.1%, 1Q20 +1.7%, 4Q19 +1.5%, 3Q19 +1.7%
- Core PCE 3Q20 +3.5%, 2Q20 -.8%, 1Q20 +1.6%, 4Q19 +1.3%, 3Q19 +2.1%
- InvChgGDP 3Q20 -$1. bill. 2Q20 -$287.0bill, 1Q20 -$80.9bill, 4Q19 -$1.1billion
- Job Openings JOLTs Aug 6.493mln, Jul 6.697mln, Jun 6.001mln, May 5.397mln
- Job Openings Rate Aug 4.4%, Jul 4.6%, Jun 4.2%, May 3.9%, Apr 3.7%
- Quit Rate Aug 2.0%, Jul 2.1%, Jun 1.9%, May 1.6%, Apr 1.4%
- HHNW 1Q20 $110.79trill, 4Q19 $117.34trill, 3Q19 $114.2trill, 2Q19 $113.15trilllion
- Retail Sales Sep +1.9%, Aug +.6%, Jul +.9%, Jun +8.4%, May +18.2%, Apr -14.7%
- Leading Economic Indics Sep +.7%, Aug +1.4%, Jul +2.0%, Jun +3.1%
- LEI 6 mos annualized Sep +22.4%, Aug +5.9%, July +11.8%, June -15.6%
- Personal Income Sep +.9%, Aug -2.5%, Jul +.4%, Jun -1.0%, May -4.2%
- Personal Savings Rate Sep 14.3%, Aug 14.8%, Jul 17.8%, Jun 19.2%, May 24.6%
- Personal Spending Sep +1.4%, Aug +1.0%, Jul +1.9%, Jun +6.2%, May +8.6%
- CoreLogic Home Px Sep yoy +6.7%, Aug yoy +5.9%; +72.6% from low
- FHFA Home Px Aug yoy +8.0%, Jul yoy +6.5%; from low +67.2%
- Case Shiller 10 City Aug yoy +4.7%, Jul yoy +3.5%, Jun yoy +2.8%
- Case Shiller 10 City Aug new high, +64.9% from low
- Case Shiller 20 City Aug yoy +5.2%, Jul yoy +4.0%, Jun yoy +3.4%
- Case Shiller 20 City Aug new high, +71.1% from low
- Existing Home Sales Sep +9.4%, Aug +2.0%; annual 6.54 million
- Median Sales Price Existing Homes Sep $311,800; yoy +3.0%
- Inventory Unsold Existing Sep 2.7mos, Aug 3.0mos, Jul 3.1mos, Jun 4.0mos
- New Home Sales Sep -3.5%, Aug +3.0%; annual 959,000
- Median Sales Price New Homes Sep $326,800; yoy +3.5%
- Inventory Unsold New Homes Sep 3.6mos, Aug 3.4mos, Jul 3.6mos, Jun 4.3mos
- Pending Home Sales NAR Sep -2.2%, Aug +8.8%, Jul +5.9%; yoy +21.9%
- NAHB/Wells Homebuilder Index Oct 85, Sep 83, Aug 78, Jul 72, Jun 58, Apr 30
- Housing Starts Sep +1.9%, Aug -6.7%, Jul +17.5%, Jun +21.9%; annual 1,415,000
- Building Permits Sep +5.2%, Aug -.5%, Jul +17.9%, June +3.5%; annual 1,553,000
- Consumer Confidence Sep 100.9, Aug 101.3, Jul 91.7, Jun 98.1, May 85.9
- NFIB Small Business Optimism Sep 104.0, Aug 100.2, Jun 100.6, May 94.4
- Construction Spending Sep +.3%, Aug +.8%, Jul +1.1%, Jun +1.0%, May -2.1%
- Moody's CNN Back-to-Normal Index Oct 82.7, Sep 80.3, Aug 79.0
- Philly Fed Index Oct 32.3, Sept 15.0, Aug 17.2, Jul 24.1, Jun 27.5
- Philly Fed Prices Pd Oct 28.5, Sep 25.1, Aug 15.3, Jul 15.7, Jun 11.1
- Philly Fed Backlogs Oct 8.3, Sep .4, Aug -.6, Jul 3.9, Jun -.1
- Philly Fed NonManuf Index Oct 25.3, Sep 20.4, Aug 17.9, Jul 23.7, Jun 7.3
- Philly Fed NonManuf Prices Paid Oct 17.9, Sep 17.1, Aug 10.1, Jul 9.9, Jun 2.0
- ISM Index Oct 59.3, Sep 55.4, Aug 56.0, Jul 54.2, Jun 52.6, May 43.1
- ISM Prices Paid Oct 65.5, Sep 62.8, Aug 595., Jul 53.2, Jun 51.3, May 40.8
- ISM Backlogs Oct 55.7, Sep 55.2, Aug 54.6, Jul 51.8, Jun 45.3, May 38.2
- ISM NY Oct 65.0, Sep 56.1, Aug 53.5, Jul 53.5, Jun 39.5, May 19.5
- Empire St NY Fed Index Oct 10.5, Sep 17.0, Aug 3.7, Jul 17.2, Jun -.2, May -48.5
- ISM Services Index Oct 56.6, Sep 57.8, Aug 56.9, Jul 58.1, Jun 57.1, May 45.4
- ISM Services Prices Pd Oct 63.9, Sep 59.0, Aug 64.2, Jul 57.6, Jun 62.4, May 55.6
- ISM Services Backlogs Oct 54.4, Sep 50.1, Aug 56.6, Jul 55.9, Jun 51.9, May 46.4
- Bankruptcy Filings yoy 3Q20 -26.6%, 2Q20 -40.5%, 1Q20 -5.9%, 4Q19 -.9%
- DXY Dollar Index 09/30/20= 93.89, 12/31/19=96.39, 12/31/18=96.17, 12/31/17=92.12
- Agriculture Prices Sep +.9%, Jul -2.0%, Aug +1.0%, May +3.9%, Apr -9.0%
- Factory Orders Sep +1.1%, Aug +.6%, Jul +6.5%, Jun +6.4%, May +8.0%
- Durable Goods Orders Sep +1.9%, Aug +.4%, Jul +11.8%, Jun +7.7%, May +15.7%
- Business Sales Aug +.6%, Jul +3.4%; Inventories Aug +.3%, Jul +.1%
- Vehicle Sales Wards Oct 16.50mln, Sep 16.34mln, Aug 15.19mln, Jul 14.52mln
- Vehicle Sales 2019= 16.97mln, 2018= 17.21mln, 2017= 17.14mln, 2016= 18.29mln
- Cass Trucking Shipments Sep +7.1%, Aug -1.0%, Jul +4.8%, Jun +.3%; yoy -1.8%

Weakness & Tendency Toward Lower Rates

- Unemployment Rate Oct 6.9%,Sep 7.9%, Aug 8.4%, Jul 10.2%, Jun 11.1%
- Augmented Unemployment Rate Oct 10.6%, Sep 11.8%, Aug 12.2%, Jul 14.4%, Jun 15.4%
- Bucks Co Unemployment Rate Sep 7.1%, Aug 9.8%, Jul 11.9%, Jun 13.1%, May 12.5%
- Montgomery Co Unemployment Rate Sep 6.6%, Aug 9.2%, Jul 11.1%, Jun 12.1%, May 11.4%
- Labor Force Participation Rate Oct 61.7%, Sep 61.4%, Aug 61.7%, Jul 61.4%, Jun 61.5%
- Pool of Available Workers Oct 17.749mln, Sep 19.807mln, Aug 20.535mln, Jul 24.070mln
- Soc Sec Disability Jun 8,316,566, May 8,331,213, Apr 8,340,089, Mar 8,345,077
- Consumer Credit Aug -$7.22bill, Jul +$14.67bill, Jun +$11.39bill, May -$14.38billion
- Corp Profits 2Q20 -10.3%, 1Q20 -12.0%, 4Q19+ 2.9%, 3Q19 -.7%
- Corp Profits 2019 +2.2%, 2018 +7.5%, 2017 +3.2%, 2016 -.1%, 2015 -3.0%
- Risk of Recession Aug 37%, Jul 41%, Jun 52%, May 77%, Apr 97%, Feb 21%
- Employment Cost Index 3Q20 +.5%, 2Q20 +.5%, 1Q20 +.8%, 4Q19 +.7%, 3Q19 +.7%
- St. Louis Fin'l Stress Index Oct -.28, Sep -.003, Aug -.47, Jul -.29, Jun .25
- FIBER Leading Inflation Index Sep 83.5, Aug 82.5, Jul 80.5, Jun 78.8, May 77.3
- FIBER Leading Inflation yoy chg Sep +1.5%, Aug +.2%, Jul -3.1%, Jun -4.9%, May -6.8%
- PPI Sep +.4%, core +.4%, yoy +.4%, core +1.2%
- CPI Sep +.2%, core +.2%; yoy +1.4%, core +1.7%
- US Govt Budget Deficit Sep -$124.61bill, Aug -$200.01bill, Jul -$63.0bill, Jun -$864.1billion
- US Govt Budget Deficit fiscal 2020= -$3.1trill, 2019= -$984.0bill, 2018= -$779.0billion
- Trade Deficit Sep -$63.9bill, Aug -$67.0 bill, Jul -$63.77 bill, Jun -$53.46 billion
- Nat'l Debt/GDP 3Q20 127.6%, 2Q20 123.0%, 1Q20 110.0%, 4Q19 107.0%, 3Q19 105.5%
- NonFarm Productivity 2Q20 +10.1%, 1Q20 -.3%, 4Q19 +1.6%, 3Q19 +.3%
- Unit Labor Costs 2Q20 +9.0%, 1Q20 +9.6%, 4Q19 +1.7%, 3Q19 -.4%
- Bloomberg Consumer Comfort Index Oct 46.3, Sep 49.3, Aug 44.3, Jul 44.3, Jun 43.3
- CoreLogic Negative Equity 2Q20 3.2% 1.7 mln homes, 1Q20 3.4% 1.8 mln homes
- Homeownership Rate 3Q20 67.4%, 2Q20 67.9%, 1Q20 65.3%, 4Q19 65.1%, 3Q19 64.8%
- MBA 90+ Delinq 2Q20 8.22%, 1Q20 4.36%, 4Q19 3.77%, 3Q19 3.97%, 2Q19 4.53%
- Moody's CMBS Delinq 60+days Aug 7.73%, Jul 7.95%, Jun 5.78%, May 2.68%
- Industrial Production Sep -.6%, Aug +.4%, Jul +4.2%, Jun +6.2%, May +1.4%
- Manufacturing Production Sep -.3%, Aug +1.2%, Jul +4.2%, Jun +7.6%, May +3.8%
- Capacity Utilization % Sep 71.5, Aug 72.0, Jul 71.6, Jun 68.7, May 65.1
- Philly Fed NonManuf Backlogs Oct 4.0, Sep 1.0, Aug 4.5, Jul 5.5, Jun -12.3
- Factory Backlogs Sep -.2%, Aug -.6%, Jul -.7%, Jun -1.4%, May +.1%
- Import Prices Sep +.1%, Aug +1.5%, Jul +.7%, Jun +1.4%, May +.8%; yoy -12.0%
- CoStar Com'l Prop GC Aug -.7%, Jul -.1%, Jun +.3%, May -.7%, Apr +.5%
- CoStar Com'l Prop GC yoy Aug -.6%, Jul +1.9%, Jun +3.0%, May +4.7%, Apr +6.5%
- Gas AAA 11/03/20= $2.12, 12/31/19=$2.58,12/31/18=$2.29,12/31/17=$2.49
- Crude Oil 11/04/20= $37.76, 12/31/19=$61.77, 12/31/18=$45.41, 12/31/17=$60.27
- CRB Index 11/03/20= 147.02, 12/31/19=186.92, 12/31/18=169.80, 12/31/17=193.86
- FDIC Problem Banks 2Q20= 52, 1Q20= 54, 4Q19= 51, 3Q19= 55, 2Q19= 56, 1Q19= 59

Our Mission

Penn Community Bank is committed to helping local residents, businesses and nonprofits achieve their financial goals, and to taking an active role in contributing to the overall prosperity of our communities.

Guided by our core values of integrity, transparency, service, and independence, we work to:

- Help businesses grow and prosper,
- Provide financial resources that meet the needs of individuals and families throughout their lifetimes,
- Strengthen our local economy.
- Partner with local organizations to improve quality of life,
- Operate for long-term success to ensure the continued strength and stability of our financial organization.