



# Arizona's Economy Hits the Pause Button

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Eller Economic Outlook

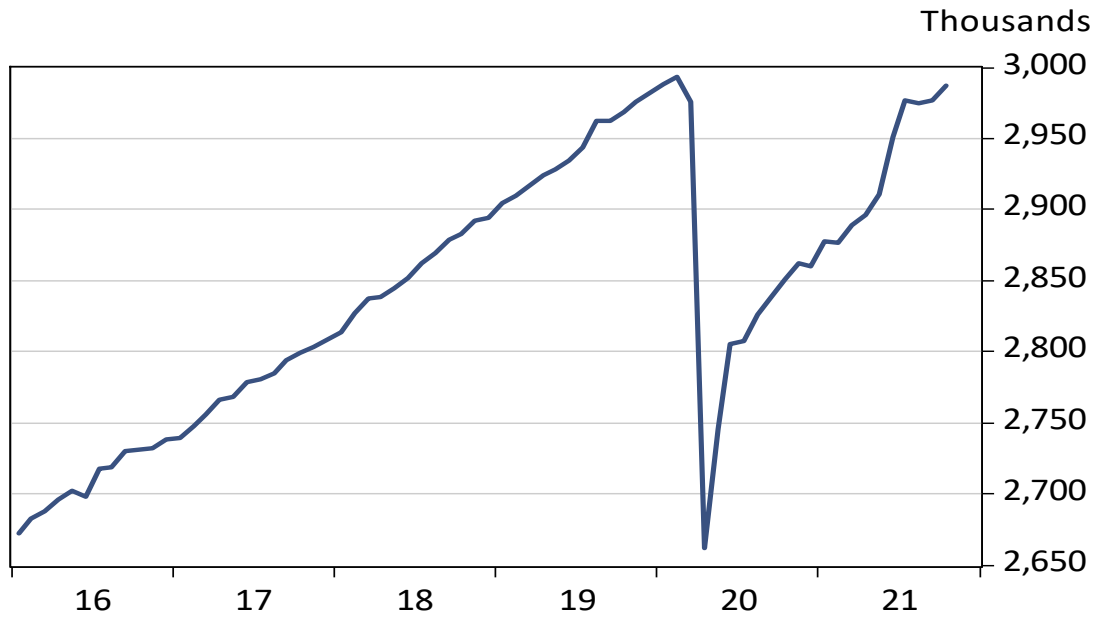
December 3, 2021



Eller College  
of Management

# Arizona Nonfarm Payroll Jobs

Seasonally Adjusted, Through October 2021



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# Arizona Jobs Recovery by Metro Area

Thousands, Seasonally Adjusted

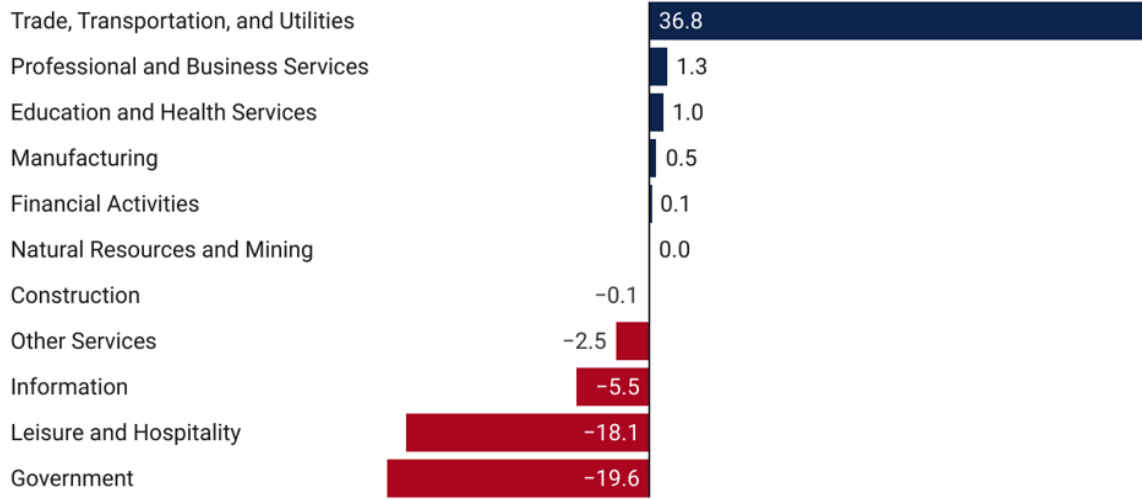
	Jobs Lost (000s) February-April 2020	Jobs Gained (000s) April 2020-Oct. 2021	Replacement Rate (%) October 2021
Flagstaff	-12.6	10.7	84.9
Lake Havasu City-Kingman	-6.1	7.1	116.4
Phoenix	-244.3	258.4	105.8
Prescott	-9.1	11.1	122.0
Sierra Vista-Douglas	-2.3	3.0	130.4
Tucson	-44.0	34.1	77.5
Yuma	-5.7	6.7	117.5
Arizona	-331.5	325.4	98.2
U.S.	-22,262.0	18,158.0	81.2

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# Arizona Jobs by Industry

Change from February 2020 to October 2021  
Thousands, Seasonally Adjusted

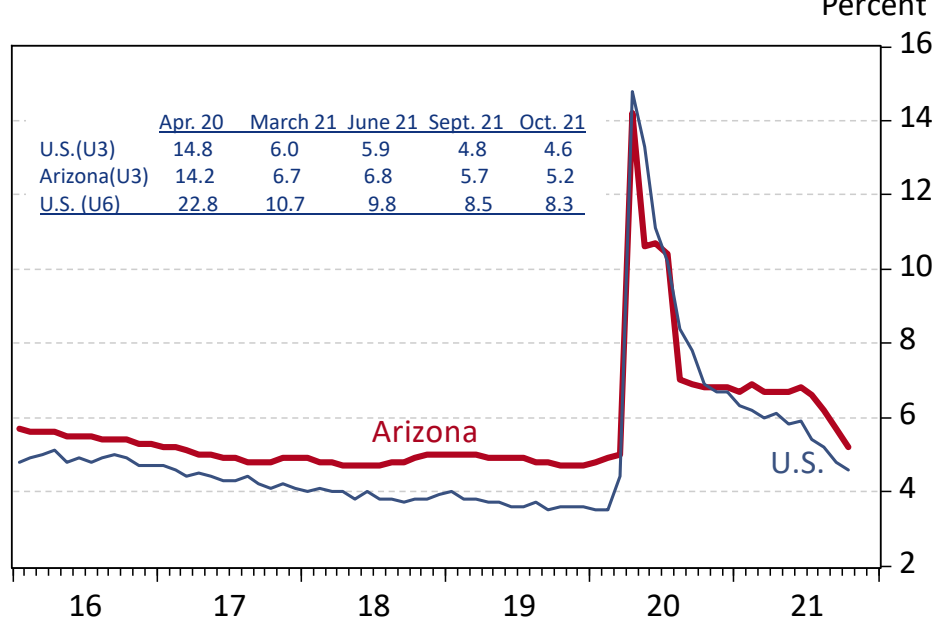


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# Arizona's Unemployment Rate Gap

## Arizona and U.S. Unemployment Rates, Seasonally Adjusted

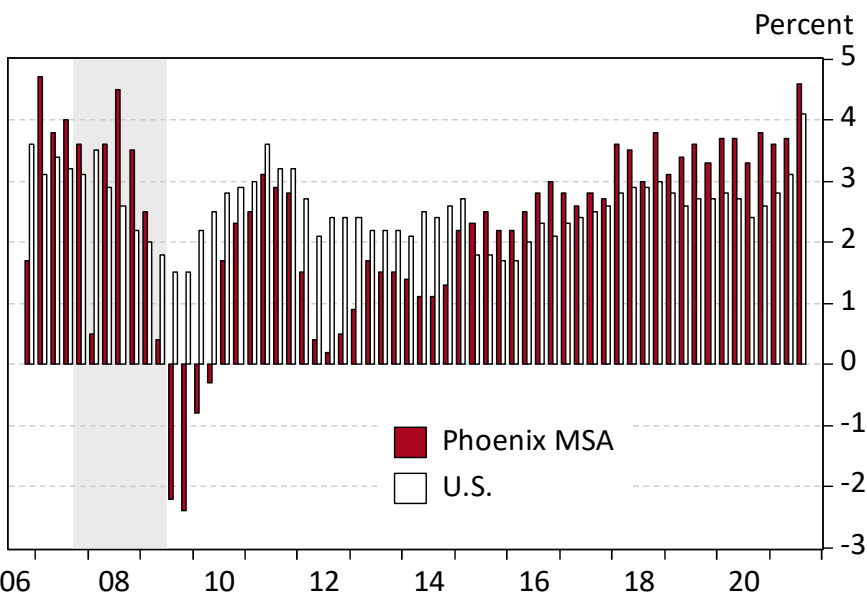


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# Employment Cost Index

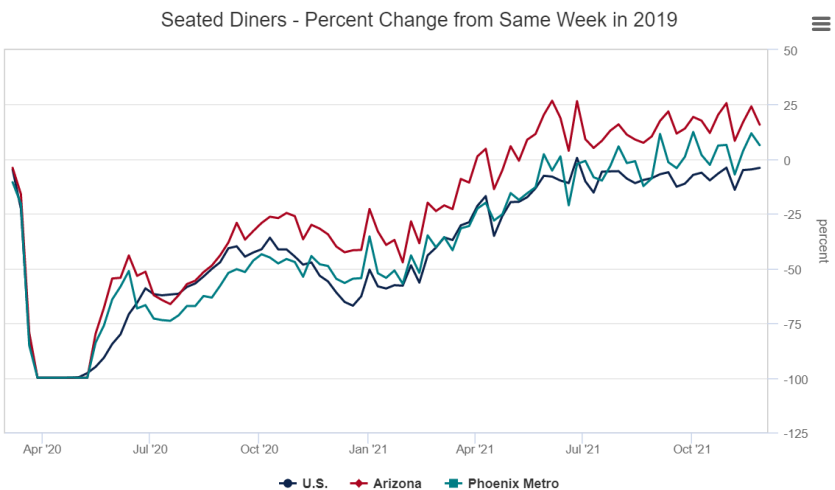
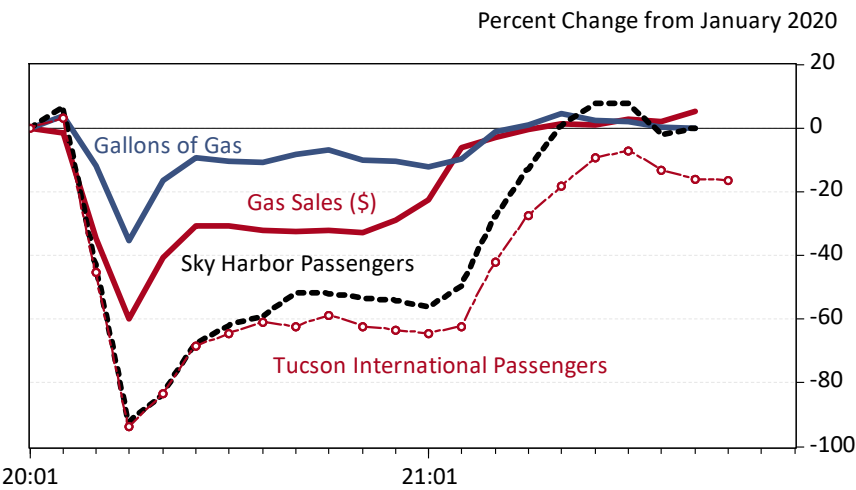
## U.S. and Phoenix MSA



[https://www.bls.gov/regions/west/news-release/employmentcostindex\\_phoenix.htm](https://www.bls.gov/regions/west/news-release/employmentcostindex_phoenix.htm)



# Travel and Tourism Indicators



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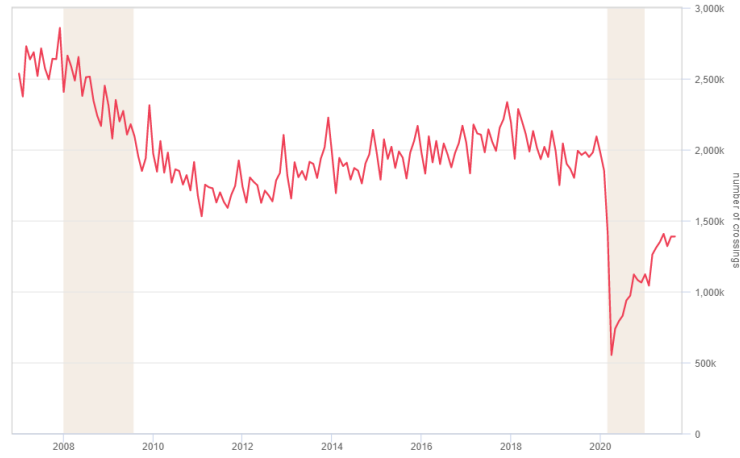


# Travel and Tourism Indicators

Google Mobility Index  
Percent Change from January 2020  
To Retail and Recreation Places



Northbound Border Crossings  
Pedestrians and Personal Vehicle Passengers



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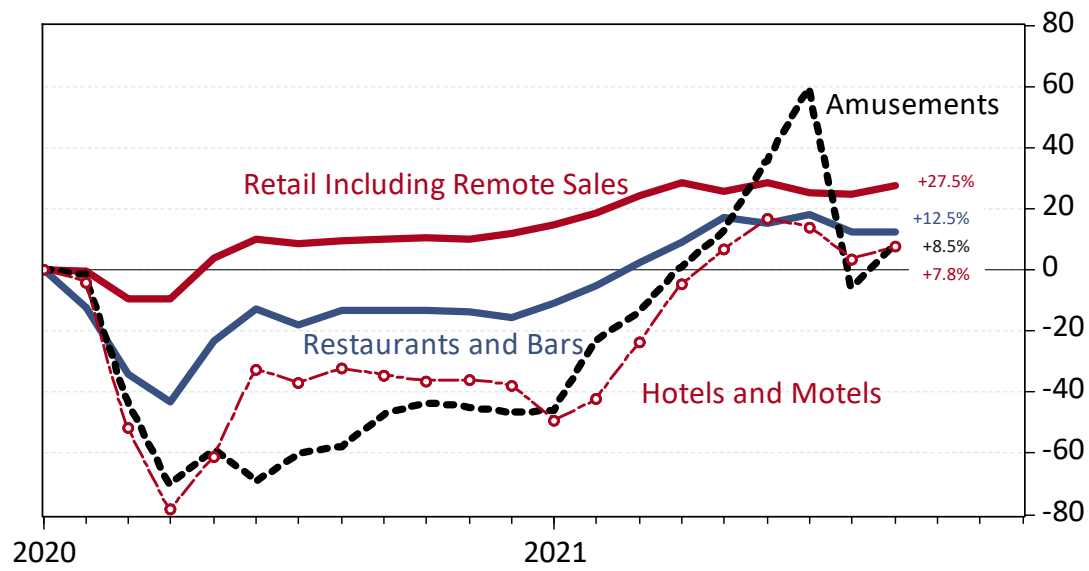




# Arizona Taxable Sales

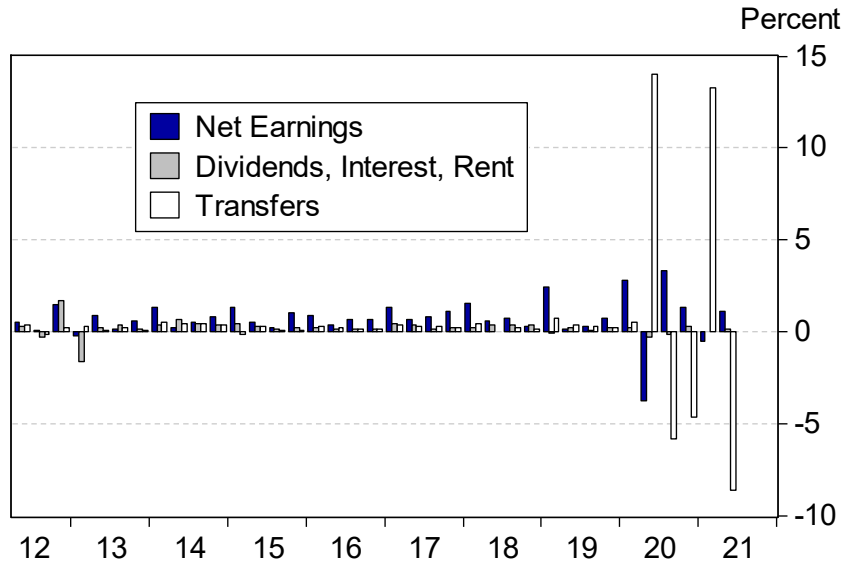
Relative to January 2020, Seasonally Adjusted, Accrual

Percent Change from January 2020



# Arizona Personal Income

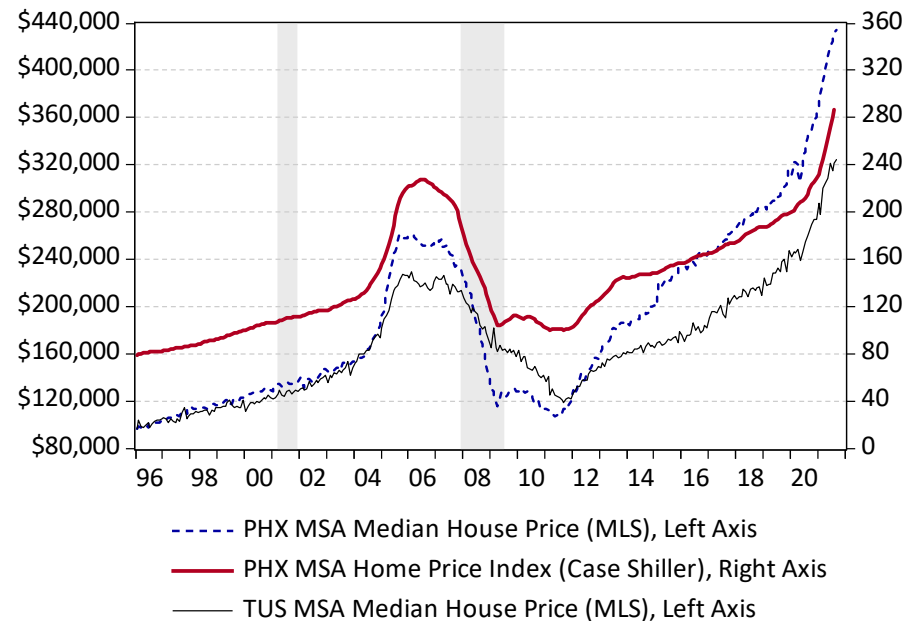
U.S. Bureau of Economic Analysis, Over-the-Year Growth



	Over-the-Year Growth (%)	
	2018-2019	2019-2020
Personal Income	5.8	10.3
Net Earnings	6.0	4.7
Div., Int., Rent	4.0	1.0
Transfers	7.1	36.2

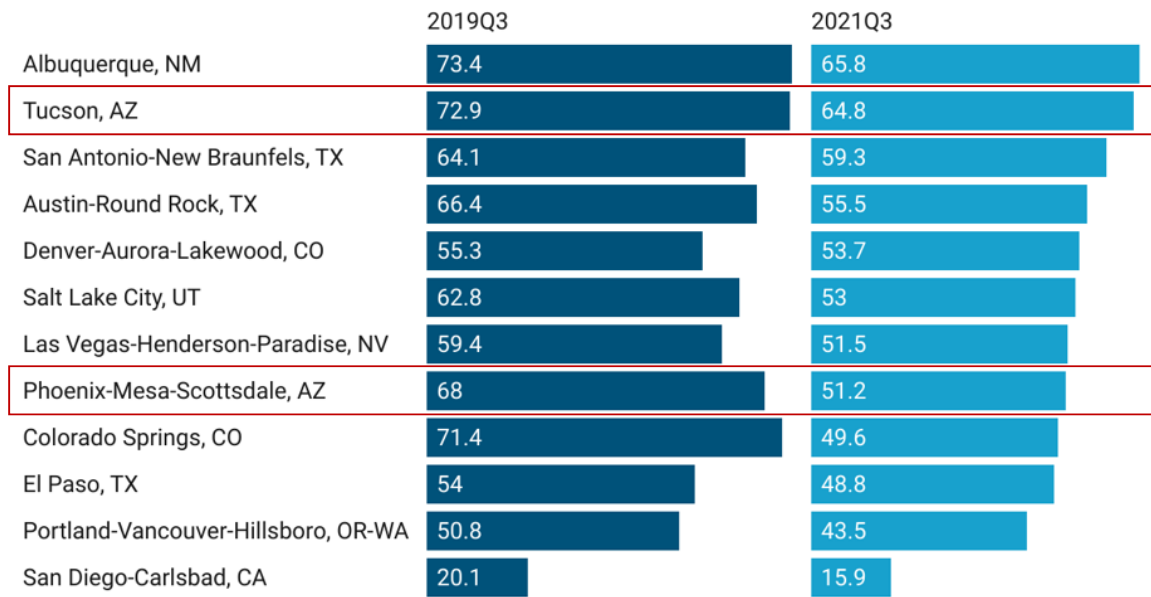
# House Prices Have Risen Rapidly

## Phoenix and Tucson



# Housing Affordability

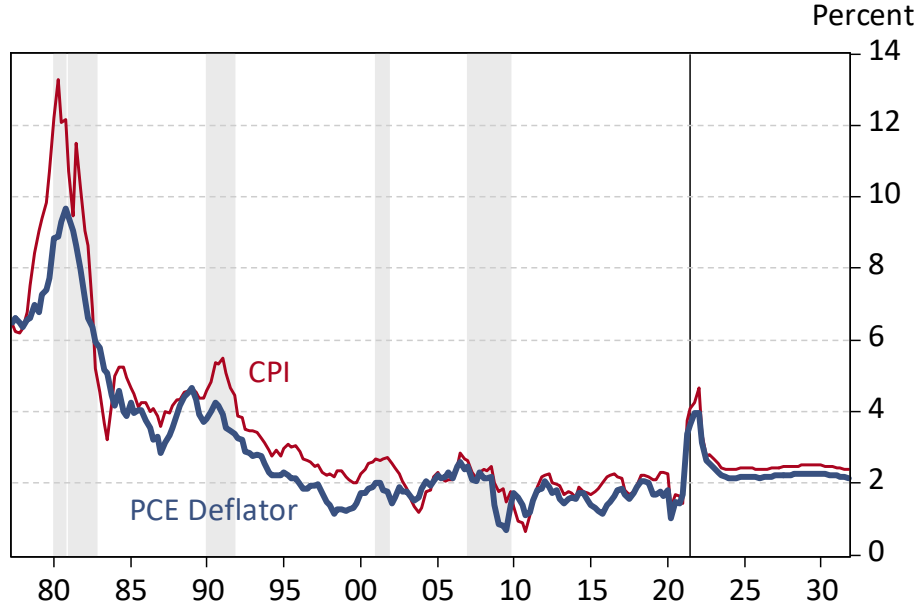
## NAHB-Wells Fargo



	2019Q3	2021Q3
Los Angeles	11.5	8.3
San Francisco	8.4	13.3
San Jose	18.4	22
Seattle	46.5	31.5
U.S.	63.6	56.6

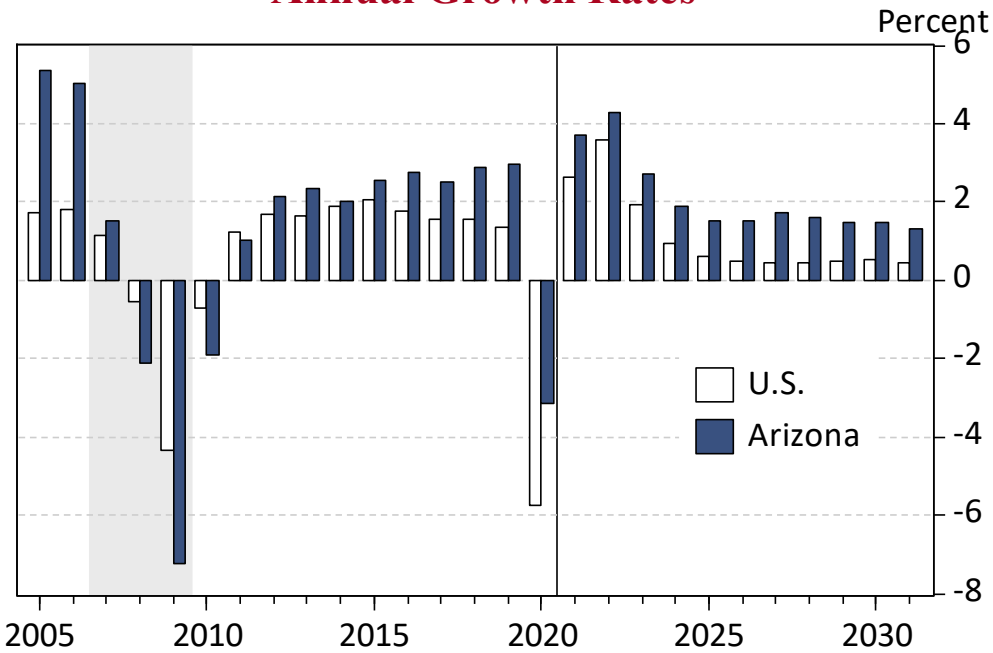
# U.S. Inflation

IHS Markit, October 2021



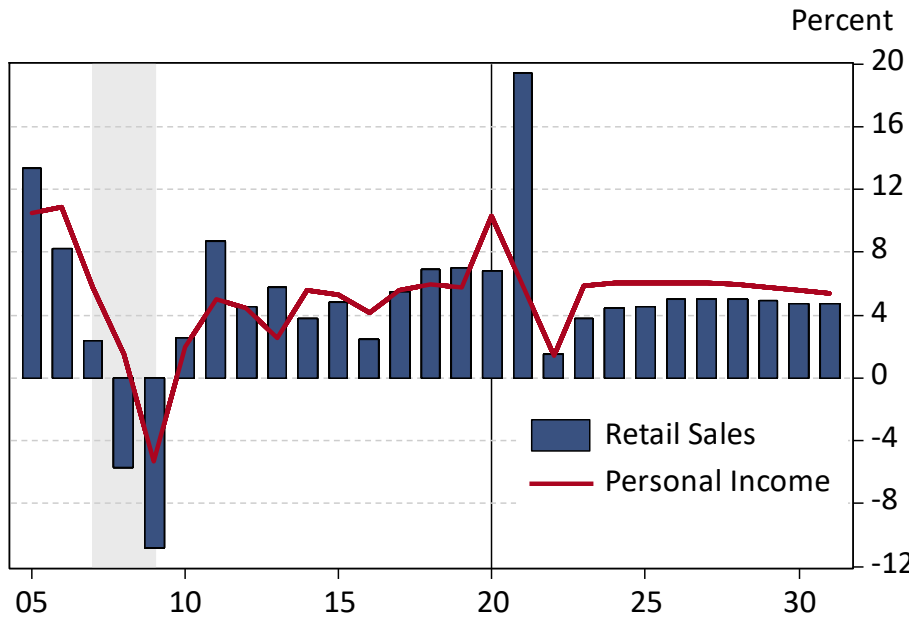
# Arizona Job Growth

## Annual Growth Rates



# Arizona Income and Sales Growth

## Retail Sales Broadly Defined



# Arizona Forecast Summary

## Fourth Quarter 2021

	Actual	Forecast		
	2020	2021	2022	2023
<b>Growth Rate</b>				
Nonfarm Jobs	-3.2	3.7	4.3	2.7
Personal Income	10.3	5.8	1.4	5.9
Retail Plus Remote Sales	13.8	17.8	0.2	4.7
Population	1.3	1.4	1.7	1.6
<b>Level</b>				
Unempl. Rate	7.9	6.4	5.5	4.7
Housing Permits	60,342	65,399	64,575	54,021





# Phoenix MSA Forecast Summary

## Fourth Quarter 2021

	Actual	Forecast		
	2020	2021	2022	2023
<b>Growth Rate</b>				
Nonfarm Jobs	-2.8	3.3	3.7	2.6
Personal Income	11.9	6.6	0.2	5.8
Retail Plus Remote Sales	14.0	18.0	1.2	4.7
Population	1.6	1.8	2.0	1.9
<b>Level</b>				
Housing Permits	48,219	50,465	50,339	45,847

Personal income is forecast in 2020.



# Tucson MSA Forecast Summary

## Fourth Quarter 2021

	Actual	Forecast		
	2020	2021	2022	2023
<b>Growth Rate</b>				
Nonfarm Jobs	-4.6	2.6	2.6	2.6
Personal Income	10.0	5.7	-1.2	5.9
Retail Plus Remote Sales	11.1	16.8	2.6	5.2
Population	0.7	0.9	1.2	1.1
<b>Level</b>				
Housing Permits	4,958	6,269	6,339	5,618

Personal income is forecast in 2020.





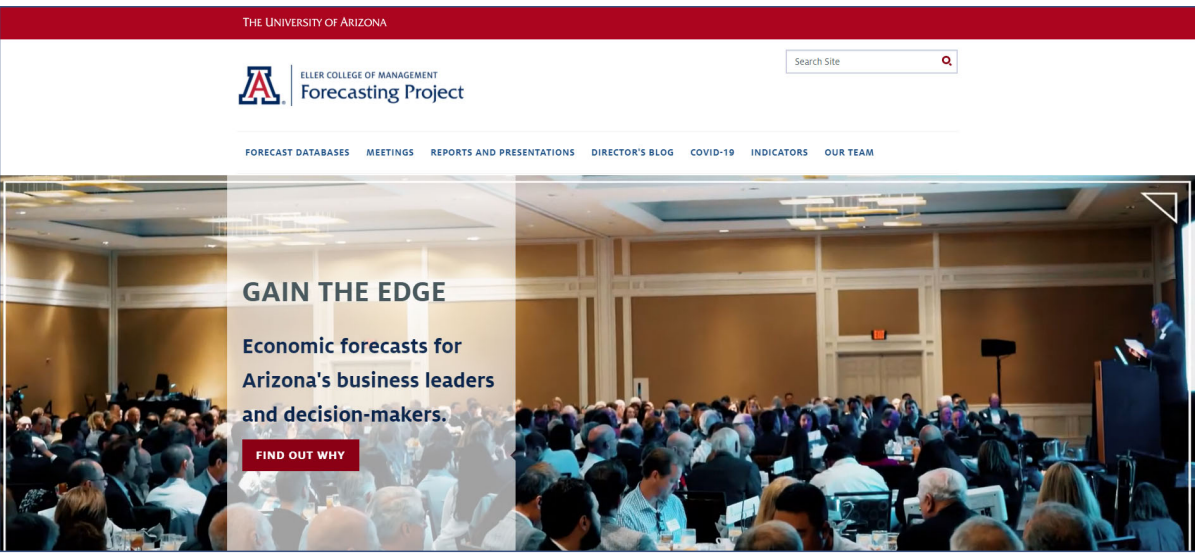
## Key Takeaways

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- ▶ **Arizona's labor market is recovering**
  - ▶ But remains in turmoil
- ▶ **Travel and tourism still making progress**
  - ▶ But jobs have a long way to go
- ▶ **Net migration will drive population growth**
  - ▶ Highlighting cost-of-living differences
- ▶ **Housing affordability will be increasingly important**
  - ▶ And has declined significantly recently
- ▶ **Arizona is on track to generate strong job gains**
  - ▶ Phoenix will drive gains, but Tucson expands as well



# Discover the Forecasting Project



## forecast.eller.arizona.edu



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# New features now available!

## The Arizona's Economy App

### Real-time data at your fingertips.



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# Learn about Southern Arizona.

## mapazdashboard.arizona.edu

**MAP** MAKING ACTION POSSIBLE  
for Southern Arizona

ECONOMY EDUCATION HEALTH & SOCIAL WELL-BEING INFRASTRUCTURE QUALITY OF PLACE WORKFORCE & DEMOGRAPHICS

**MEASURING PROGRESS, INSPIRING ACTION**

The MAP Dashboard project is intended to measurably improve Southern Arizona through data driven collective civic action and education.

LEARN MORE

**36 CORE INDICATORS**  
Tracked on the MAP Dashboard

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**PAG** Pima Association of Governments

**SALC** Southern Arizona Leadership Council

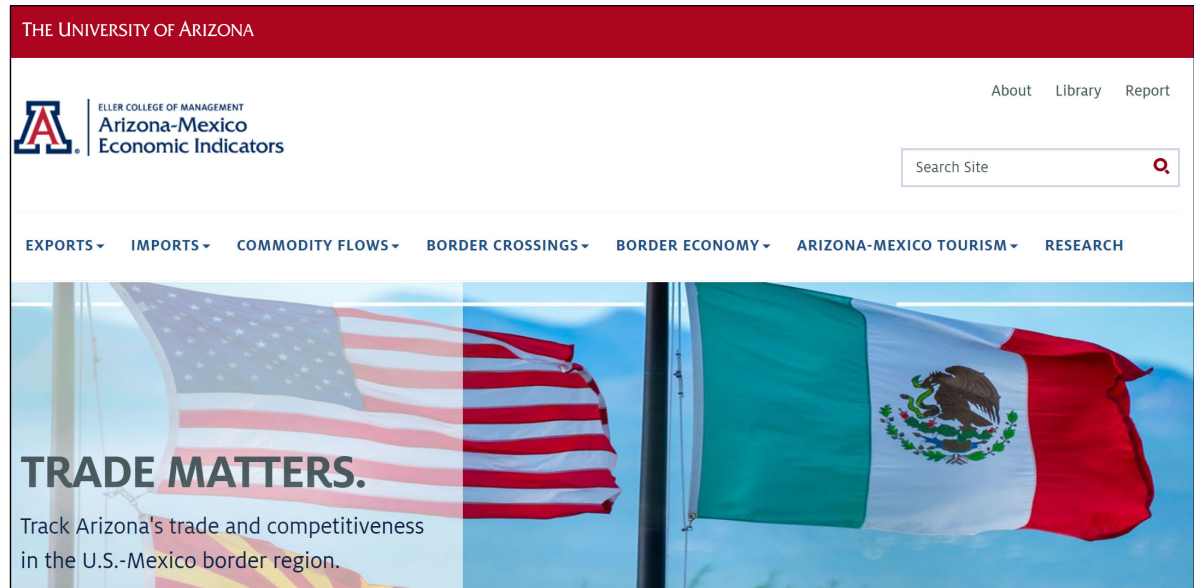
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