



ARIZONA'S Economy

Arizona's Economy: Finding a Second Wind?

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Arizona's economy coasted into 2017 with modest forward momentum. State job gains decelerated late last year and slower growth has persisted into early 2017. Nonetheless, the state continues to outpace the nation in job creation. In better news, the state's unemployment rate declined again last year, and is now back to a level last seen just before the Great Recession. Tightening labor markets are translating into faster wage and income growth and that should eventually boost retail sales. Overall, the outlook calls for the state to accelerate modestly in the near term, before growth slows as demographic forces (baby boom retirements) take hold.

Arizona Recent Developments

Official benchmark employment data for 2016 have been released by the U.S. Bureau of Labor Statistics (BLS). Arizona posted another year of solid gains, adding 68,300 net new jobs. That translated into 2.6% growth, close to the state's 2.5% growth rate in 2015, but well above the national rate of 1.7%. The Phoenix metropolitan statistical area (MSA) added 60,200 jobs last year, which generated 3.1% growth. That was slightly slower than the 3.2% pace in 2015. In contrast, job growth in the Tucson MSA accelerated significantly last year, from 0.8% in 2015 to 1.3% in 2016. Most of the job gains in Arizona were in Phoenix, which accounted for 88.1% of the state total. Tucson added 4,700 jobs, which accounted for 6.9%.

Statewide, job gains last year were concentrated in professional and business services; education and health services; leisure and hospitality; trade, transportation, and utilities; and financial activities (**Exhibit 1**). These five sectors together accounted for 84.5% of state job growth. The only sector

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"Arizona posted another year of solid gains, adding 68,300 net new jobs. That translated into 2.6% growth...well above the national rate of 1.7%"

"The state added 6,600 construction jobs last year and employment in this sector has increased by 23,500 since hitting bottom in 2011"

to lose jobs last year was natural resources and mining. This was caused by declines in copper production driven by low prices.

The state added 6,600 construction jobs last year and employment in this sector has increased by 23,500 since hitting bottom in 2011 (annual basis, **Exhibit 1**). Nonetheless, construction employment remained more than 100,000 jobs below its pre-recession peak in 2006. Recent gains in construction jobs have been driven in part by increased residential construction activity. Arizona housing permits increased 23.1% in 2016, with single-family permits up 11.4% and multi-family permits up 62.5%. Activity increased in the Phoenix MSA last year, with total permits rising 27.6%. That was fueled by both single-family (up 10.9%) and multi-family (up 75.6%) permits. Housing permits in the Tucson MSA rose 1.6% last year, with single-family activity up 8.7% and multi-family activity down 77.2%.

According to the latest data from the U.S. Bureau of Economic Analysis (BEA), state personal income increased 4.3% last year. With 1.1% population growth, as measured by the Arizona Office of Economic Opportunity, that translated into an increase in per capita income of 3.1%. Arizona's rate of increase last year was slightly above the national pace of 2.9%, but well above the national rate of inflation of 1.3%, measured by the national CPIU. That indicates a rising standard of living in Arizona.

Nonetheless, Arizona's per capita income remained well below the national average. Indeed, the percentage gap in 2016 was 17.7%, down slightly from 17.9% in 2015, but well above the gap ten years ago of 10.1%.

Arizona's merchandise exports to Mexico continued to fall in early 2017, with the value of exports down 8.3% over the year in the first quarter. Pedestrian and personal vehicle passenger border

Exhibit 2: Nearly All Sectors in Arizona Added Jobs Last Year

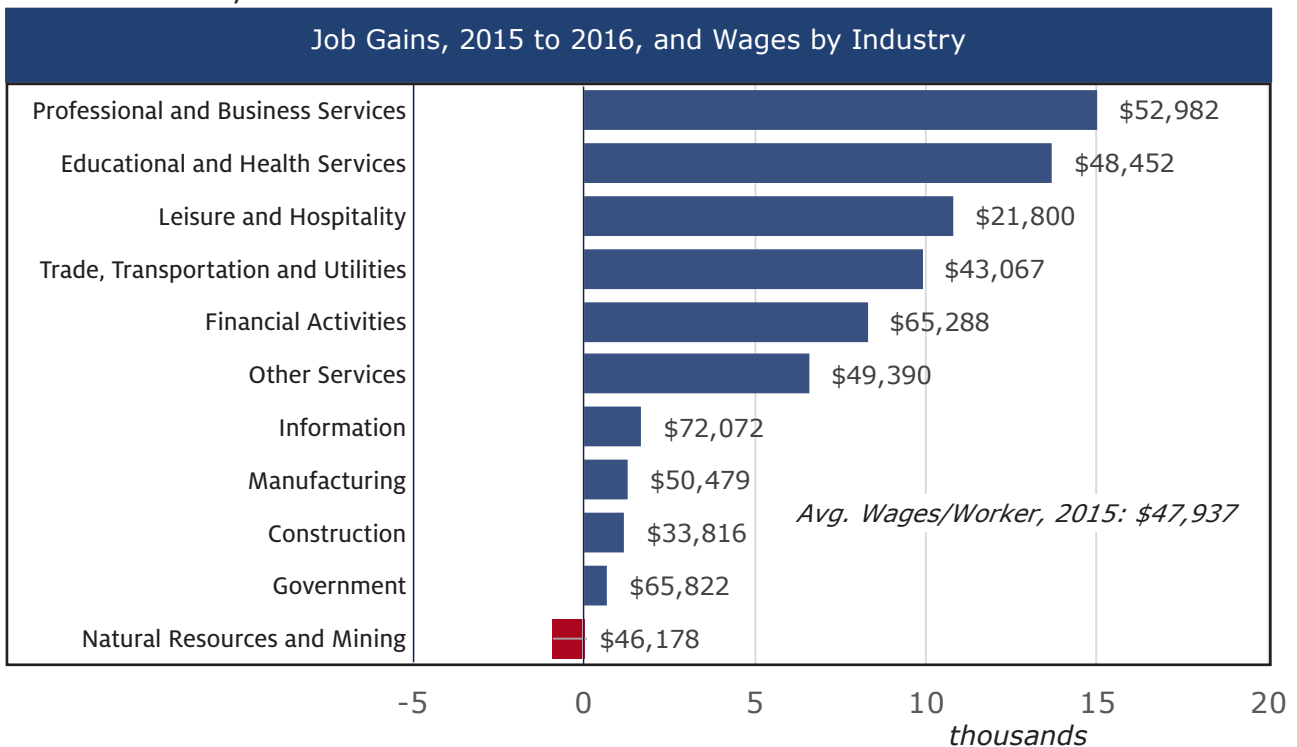
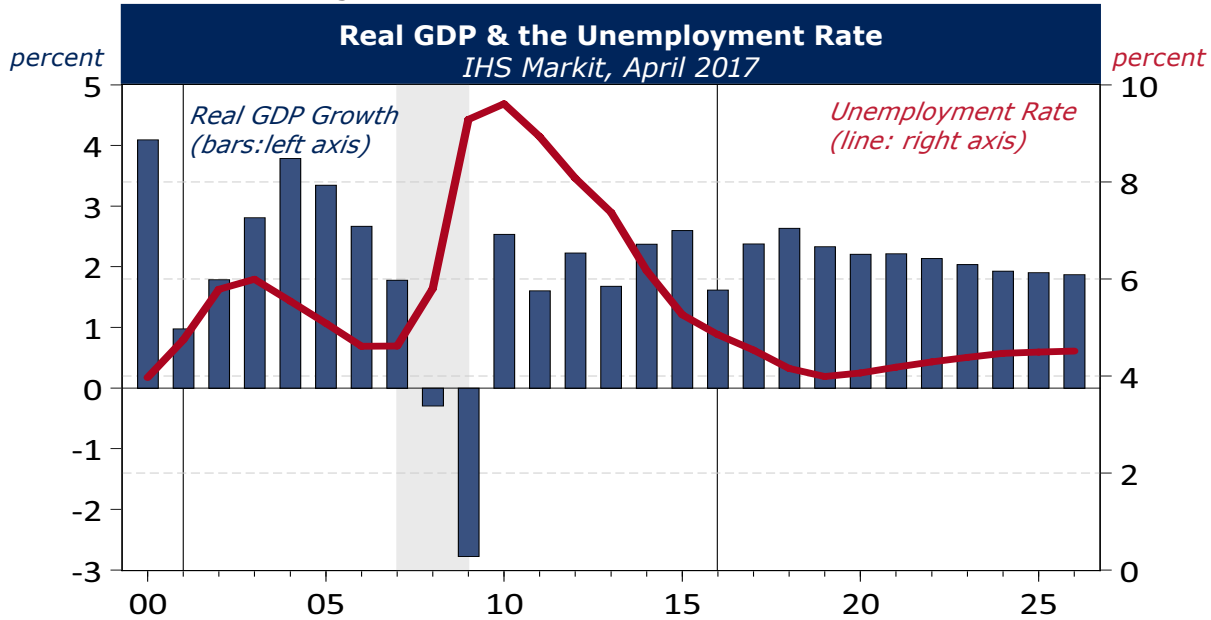


Exhibit 2: U.S. Real GDP Growth Accelerates in the Near Term While the Labor Market Tightens



crossings from Mexico to the U.S. through Arizona border ports rose last year, but at a slow pace. These trends were likely impacted in important ways by the major appreciation in the U.S. dollar versus the Mexican peso since mid-2014.

Arizona Outlook

The state outlook depends in part on future national economic performance. The national baseline forecast calls for the U.S. economy to continue to expand during the next decade. It also calls for a modest acceleration in the near term, with real GDP, our broadest measure of economic activity, expected to speed up from 1.6% growth last year to 2.6% growth by 2018. Growth slows thereafter to the 2.0% per year range, as demographic forces (baby boomer retirement) weigh on the labor force (**Exhibit 2**).

Continued steady improvement in the U.S. economy lays a solid foundation for gains in Arizona during the forecast. However,

while Arizona is forecast to continue to outpace the nation in job, population, and income growth, it is not likely to return to growth rates that were common during the 30 years before the Great Recession. **Exhibit 3** summarizes the current forecast for the state. Arizona’s job growth is expected to decelerate modestly this year, with the rate falling from 2.6% last year to 2.4% in 2017. Job gains accelerate in 2018, with faster U.S. growth, before gradually declining to the 2.0% per year range during the remainder of the forecast.

Arizona Outlook Summary

Sustained job growth means faster population gains, as Arizona draws migrants from other states. Overall, population growth is forecast to rise from 1.1% last year to 1.7% by 2018.

Income gains accelerate in the near term, with growth rising from 4.3% last year to 5.7%

"While Arizona is forecast to continue to outpace the nation in job, population, and income growth, it is not likely to return to growth rates that were common during the 30 years before the Great Recession."

Exhibit 3: Arizona Outlook Summary 2017q2

	Actual*		Forecast	
	2016	2017	2018	2019
Growth Rate				
Nonfarm Jobs	14:24	2.4	2.7	2.3
Personal Income	7:12	5.7	6.1	5.8
Retail Sales Less Food	0:00	3.4	4.6	5.2
Population	2:24	1.5	1.7	1.7
Level				
Unempl. Rate	4:48	4.7	4.3	4.2
Housing Permits	36,561	41,090	45,443	46,314

in 2017 and 6.1% in 2018. The large increase in 2017 is driven in part by the increase in the state minimum wage from \$8.05/hour to \$10.00/hour in 2017 and by tighter labor market conditions more generally. The forecast calls

for Arizona's unemployment rate to fall from 5.2% in 2016 to 4.2% by 2019. Stronger income growth is forecast to eventually translate into faster sales growth.

"Sustained job growth means faster population gains, as Arizona draws migrants from other states."

FORECAST TABLES

Arizona	2015	2016	2017	2018	2019	2020
Personal Income (\$ mil)	267,361	278,925	294,779	312,814	331,066	351,275
% Chg from Year Ago	4.5%	4.3%	5.7%	6.1%	5.8%	6.1%
Retail Sales (\$mil)	92,635	94,848	99,204	103,629	109,513	115,547
% Chg from Year Ago	4.7%	2.4%	4.6%	4.5%	5.7%	5.5%
Total Nonfarm Employment (000s)	2,635.7	2,704.0	2,770.2	2,846.4	2,913.2	2,982.5
% Chg from Year Ago	2.5%	2.6%	2.4%	2.7%	2.3%	2.4%
Population (000s), July 1st estimates	6,758.3	6,835.5	6,935.7	7,052.7	7,173.0	7,292.7
% Chg from Year Ago	1.4%	1.1%	1.5%	1.7%	1.7%	1.7%
Residential Building Permits (units)	28,910	36,561	41,090	45,443	46,314	46,121
% Chg from Year Ago	7.1%	26.5%	12.4%	10.6%	1.9%	-0.4%

Phoenix-Mesa-Glendale MSA	2015	2016	2017	2018	2019	2020
Personal Income (\$ mil)	186,693	196,521	208,879	222,782	238,135	254,182
% Chg from Year Ago	4.9%	5.3%	6.3%	6.7%	6.9%	6.7%
Retail Sales (\$ mil)	65,100	67,239	70,678	74,066	79,012	83,787
% Chg from Prior	5.1%	3.3%	5.1%	4.8%	6.7%	6.0%
Total Nonfarm Employment (000s)	1,912.8	1,972.9	2,031.7	2,099.5	2,164.0	2,222.9
% Chg from Year Ago	3.2%	3.1%	3.0%	3.3%	3.1%	2.7%
Population (000s), July 1st estimates	4,482.9	4,550.4	4,630.7	4,716.7	4,805.5	4,896.6
% Chg from Year Ago	1.8%	1.5%	1.8%	1.9%	1.9%	1.9%
Residential Building Permits (units)	22,402	28,207	30,656	32,338	33,102	33,894
% Chg from Prior	10.1%	25.9%	8.7%	5.5%	2.4%	2.4%

Tucson MSA	2015	2016	2017	2018	2019	2020
Personal Income (\$ mil)	38,922	40,090	41,742	43,815	46,089	48,400
% Chg from Year Ago	2.7%	3.0%	4.1%	5.0%	5.2%	5.0%
Retail Sales (\$ mil)	12,943	13,057	13,520	13,892	14,573	15,178
% Chg from Year Ago	3.1%	0.9%	3.5%	2.8%	4.9%	4.1%
Total Nonfarm Employment (000s)	368.6	373.4	378.7	385.9	392.7	398.7
% Chg from Year Ago	0.8%	1.3%	1.4%	1.9%	1.8%	1.5%
Population (000s), July 1st estimates	1,009.4	1,013.1	1,021.3	1,030.3	1,039.2	1,048.4
% Chg from Year Ago	0.2%	0.4%	0.8%	0.9%	0.9%	0.9%
Residential Permits (units)	2,428	3,048	3,658	3,911	3,960	3,987
% Chg from Year Ago	-25.3%	25.5%	20.0%	6.9%	1.3%	0.7%

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The Forecasting Project is a community-sponsored research unit within the Economic and Business Research Center producing quarterly economic forecasts for Arizona and its metro areas. These forecasts are recognized as among the most accurate in the Western states.

ARIZONA ECONOMIC INDICATORS

Arizona - Labor Force and Employment, SA	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
<i>Persons (000s, seasonally adjusted), Local Area Unemployment Statistics, BLS</i>					
Civilian Labor Force	3,260.5	3,277.8	3,302.1	3,324.0	3,330.9
% Chg from Year Ago	1.9%	2.2%	2.7%	3.3%	3.4%
Employment	3,098.5	3,114.2	3,134.1	3,157.1	3,165.6
Unemployment	162.0	163.6	168.0	166.9	165.3
Unemployment Rate	5.0	5.0	5.1	5.0	5.0
<i>Employees on Nonagricultural Payrolls (000s, seasonally adjusted), Current Employment Statistics, BLS</i>					
Total	2,735.4	2,731.2	2,739.9	2,736.1	2,745.8
% Chg from Year Ago	2.6%	2.2%	2.2%	1.9%	2.0%
Total Private	2,323.7	2,320.6	2,329.2	2,327.2	2,336.6
% Chg from Year Ago	3.0%	2.5%	2.6%	2.3%	2.4%
Goods Producing	309.3	309.1	309.9	310.4	313.5
Mining and Logging	11.5	11.5	11.7	11.6	11.4
Construction	136.4	135.7	135.2	137.2	139.7
Manufacturing	161.4	161.9	163.0	161.6	162.4
Durable Goods	122.3	122.5	123.0	122.5	122.6
Non-Durable Goods	37.9				
Service Providing	2,426.1	2,422.1	2,430.0	2,425.7	2,432.3
Private Service Providing	2,014.4	2,011.5	2,019.3	2,016.8	2,023.1
Wholesale Trade	93.1	94.3	95.3	95.5	96.0
Retail Trade	331.2	329.9	329.6	327.2	328.0
Transportation and Utilities	95.8	95.4	95.3	95.6	95.7
Information	44.7	44.6	44.6	44.8	45.4
Finance and Insurance	154.6	156.7	157.3	158.2	159.4
Real Estate and Rental and Leasing	51.3	50.8	51.5	51.1	50.7
Professional and Business Services	420.3	416.7	418.9	416.5	414.5
Professional, Scientific, and Technical Services	140.1	140.5	143.0	142.3	140.4
Management of Companies and Enterprises	32.4	32.0	32.0	32.1	32.2
Administrative and Support Waste Management and Remediation Services	247.8	244.2	243.9	242.1	241.9
Educational Services	59.4	59.0	59.1	59.0	60.4
Health Care and Social Assistance	357.8	358.3	360.4	359.9	361.5
Arts, Entertainment, and Recreation	42.3	41.7	41.2	39.9	41.1
Accommodation and Food Services	276.0	277.5	279.8	283.1	283.7
Other Services	87.9	86.6	86.3	86.0	86.7
Government	411.7	410.6	410.7	408.9	409.2
% Chg from Year Ago	0.3%	0.3%	0.2%	-0.4%	-0.3%
Federal Government	55.5	55.4	55.4	55.3	55.0
State Government	87.0	86.9	86.9	86.7	87.1
Local Government	269.2	268.3	268.4	266.9	267.1

ARIZONA ECONOMIC INDICATORS

Arizona - Earnings, Sales, Housing, Bankruptcy	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
<i>Average Hourly Earnings by Industry (\$, not seasonally adjusted), BLS</i>					
Total Private	24.06	24.71	25.03	24.69	25.25
% Chg from Year Ago	3.4%	4.9%	5.6%	4.1%	5.6%
Construction	25.72	25.82	26.27	25.82	25.70
Manufacturing	23.65	24.30	24.26	24.03	24.24
Financial Activities	27.96	28.55	28.78	28.25	29.17
Professional and Business Services	25.84	26.83	26.88	26.87	27.34
Trade, Transportation, and Utilities	22.34	23.54	23.85	23.77	24.78
Education and Health Services	26.25	25.73	25.71	26.18	26.21
Leisure and Hospitality	14.36	14.98	15.09	14.94	15.01
<i>Sales (\$000s, accrual), ADOR</i>					
Aggregate Retail Sales, EBRC*	9,586,531.4	8,238,536.2	7,800,679.2	8,766,762.9	
% Chg from Year Ago	5.5%	11.4%	1.3%	5.1%	
Retail Sales	6,801,712.1	4,975,045.1	5,005,936.1	5,714,988.3	
Food, EBRC**	1,105,079.3	1,110,518.8	1,115,964.5	1,118,173.7	
Restaurants & Bars	1,164,884.6	1,134,157.7	1,185,066.8	1,339,856.0	
Gasoline, EBRC***	514,855.5	1,018,814.7	493,711.7	593,745.0	
Gallons, ADOT	245,637.2	465,424.7	226,473.3	266,134.0	
Utilities	667,783.9	723,424.6	655,261.4	642,521.3	
Communications	164,471.5	170,308.9	172,990.9	168,479.7	
Amusements	115,473.2	104,502.0	117,161.2	148,883.6	
Rentals Personal Property	338,837.6	321,454.0	323,782.6	412,912.5	
Contracting	951,015.6	769,125.8	771,999.9	920,632.0	
Hotel/Motel	187,828.6	263,850.4	327,472.4	385,423.4	
Mining, Oil, & Gas Production	13,176.0	10,481.0	11,191.2	11,037.4	
Mining Severance	68,988.8	58,379.3	61,304.6	71,741.2	
Printing	19,054.9	17,207.4	18,228.2	20,052.6	
Publishing	6,904.7	8,525.2	6,326.3	7,267.5	
Use Tax	607,972.5	496,562.6	482,007.2	511,216.0	
<i>New Housing Units Authorized, Census C-40</i>					
Total Units	3,401	2,484	2,304	3,595	3,255
% Chg from Year Ago	24.7%	-10.4%	-3.5%	40.8%	26.3%
Single Family Units	1,916	1,745	1,989	2,627	2,382
% Chg from Year Ago	1.8%	7.5%	7.1%	12.6%	6.8%
2-4 Unit Structures	48	34	61	40	32
5-plus Unit Structures	1,437	705	254	928	841
<i>Bankruptcy Filings, U.S. Bankruptcy Court - Arizona District</i>					
Total	1,026	945	882	1,493	1,445
% Chg from Year Ago	-5.1%	11.7%	-14.5%	-2.0%	2.6%
Chapter 7	820	695	682	1,225	1,205
Chapter 11	15	17	11	4	10
Chapter 13	190	233	188	263	230

*EBRC estimates Aggregate Retail Sales by summing Retail Sales (ADOR), Food Sales estimated by EBRC (food is not taxable in Arizona), Restaurant and Bar Sales (ADOR), and Gasoline Sales estimated by EBRC using number of gallons sold in Arizona (ADOT) and current tax rate on gasoline (ADOR).

**estimated by EBRC.

***estimated by EBRC using gallons sold (ADOT) and tax rate (ADOR).

ARIZONA ECONOMIC INDICATORS

Arizona - Demographics and Vital Statistics	2012	2013	2014	2015	2016
<i>Demographics and Vital Statistics (July 1st Estimates, 000s), ADHS, ADOA & EBRC</i>					
Population*	6,498.6	6,581.1	6,667.2	6,758.3	6,835.5
% Chg from Year Ago	0.9%	1.3%	1.3%	1.4%	1.1%
Resident Births	85.7	85.0	86.6	85.0	84.2
Birth Rate**	13.2	12.9	13.0	12.6	12.8
Residents Deaths	48.5	49.9	51.1	54.2	56.2
Net Migration**	34.2	49.3	53.0	53.3	59.5

*This population figure is from the Arizona Dept. of Administration, rather than the official Census population count. EBRC feels this figure is more accurate.

**Birth rate and net migration are both calculated by EBRC using data from the Arizona Dept. of Health Services.

Arizona - Personal Income and Earnings	2012	2013	2014	2015	2016
Per Capita Personal Income (\$), EBRC*	36,349.6	36,799.8	38,356.5	39,560.7	40,805.2
% Chg from Year Ago	3.6%	1.2%	4.2%	3.1%	3.1%
Average Earnings per Job (\$), BEA**	48,170	49,070	50,083	51,002	
% Chg from Year Ago	2.9%	1.9%	2.1%	1.8%	

*Personal Income Derivation (\$ millions), BEA****

Total Personal Income	236,220.3	242,181.5	255,731.8	267,361.1	278,924.9
% Chg from Year Ago	4.6%	2.5%	5.6%	4.5%	4.3%
Earnings by place of work	158,853.5	165,510.0	172,673.2	180,699.2	190,186.0
Less: Contributions for government social insurance	16,540.0	19,323.9	19,999.4	20,974.3	22,008.6
Plus: Adjustment for residence	1,334.4	1,288.8	1,376.4	1,539.2	1,617.9
Equals: Net earnings by place of residence	143,647.9	147,475.0	154,050.2	161,264.1	169,795.3
Plus: Dividends, interest, and rent	44,501.6	44,902.3	48,316.7	49,793.4	50,819.4
Plus: Personal current transfer receipts	48,070.8	49,804.2	53,365.0	56,303.6	58,310.2

*Components of Earnings (\$ millions), BEA****

Total Wages and salaries	119,041.4	122,681.9	127,830.5	134,025.2	141,253.8
% Chg from Year Ago	4.7%	3.1%	4.2%	4.8%	5.4%
Supplements to wages and salaries	26,873.8	27,727.5	28,678.1	29,112.2	30,511.2
Proprietors' income	12,938.2	15,100.6	16,164.7	17,561.8	18,420.9
Farm	318.6	738.5	623.8	808.2	908.0
Nonfarm	12,619.6	14,362.1	15,540.9	16,753.6	17,512.9

*EBRC calculates per capita personal income using total personal income from BEA divided by population estimates from ADOA. ADOA counts differ from official Census counts, but EBRC considers them more accurate.

**Average earnings per job is total earnings divided by total full-time and part-time employment. Earnings is the sum of three components of personal income--wages and salaries, supplements to wages and salaries, and proprietors' income.

***for detailed definitions, see BEA table SA4 "Personal Income and Employment by Major Component"

Inflation and Prices - United States	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
<i>U.S. Consumer Price Indices (seasonally adjusted), BLS</i>					
All Urban Consumers: All Items	242.82	244.16	244.46	243.75	244.16
% Chg from Year Ago	2.1%	2.5%	2.8%	2.4%	2.2%
Western States - All Urban Consumers: All items	249.52	250.81	252.25	252.95	253.81
% Chg from Year Ago	2.5%	2.5%	3.0%	3.1%	2.9%
U.S. Producer Price Index for All Commodities (seas. adj.), BLS	188.20	190.60	191.10	191.30	193.00
% Chg from Year Ago	2.6%	4.4%	5.4%	5.1%	5.4%

ARIZONA ECONOMIC INDICATORS

Arizona - Travel and Tourism	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
<i>Employment (000s, 12-month moving averages*), BLS</i>					
Leisure and Hospitality	310.0	311.2	312.5	314.0	315.4
% Chg from Year Ago	3.6%	3.8%	3.9%	4.2%	4.4%
Accommodation	45.8	45.8	46.0	46.0	46.2
% Chg from Year Ago	1.3%	1.4%	1.5%	1.7%	1.9%
<i>Sales (\$000s, accrual, 12-month moving average*), ADOR</i>					
Hotel/Motel	243,696.6	244,937.0	246,210.6	245,771.2	
% Chg from Year Ago	5.1%	6.4%	6.4%	5.7%	
<i>Phoenix Sky Harbor International Airport (12-month moving averages*)</i>					
Total Passengers	3,615,294	3,615,717	3,611,831	3,610,569	3,619,066
% Chg from Year Ago	-1.4%	-1.5%	-1.8%	-2.0%	-1.7%
<i>Tucson International Airport (12-month moving averages*)</i>					
Total Passengers	273,804.5	274,667.2	275,123.8	277,302.5	279,925.8
% Chg from Year Ago	3.4%	3.3%	3.1%	3.9%	5.2%

*These data series are all quite volatile, thus the 12-month moving average yields more accurate information on trend.

Arizona - Travel and Tourism, cont.	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016
<i>International Border Crossings - Nogales District, Bureau of Transportation Statistics</i>					
Pedestrians	571,170	567,787	550,338	645,141	663,625
% Chg from Year Ago	8.7%	14.7%	-5.1%	1.9%	-2.2%
Personal Vehicles	733,927	707,492	764,669	751,761	770,281
% Chg from Year Ago	1.4%	1.9%	2.2%	-1.0%	3.7%
Personal Vehicle Passengers	1,396,210	1,307,610	1,425,482	1,399,858	1,504,678
% Chg from Year Ago	-1.6%	0.4%	1.9%	-1.8%	1.1%
Buses	1,122	1,009	1,092	1,133	1,217
% Chg from Year Ago	-6.6%	-0.8%	-2.8%	6.9%	14.2%
Bus Passengers	19,232	13,878	14,419	16,047	19,434
% Chg from Year Ago	1.8%	7.3%	3.9%	4.2%	24.0%
Trucks	22,039	22,053	28,585	33,205	35,421
% Chg from Year Ago	12.9%	4.2%	5.6%	11.2%	7.8%
Trains	62	59	50	57	63
% Chg from Year Ago	-7.5%	-3.3%	-23.1%	-1.7%	6.8%

*Figures are totals of all Arizona border ports of entry (Nogales District): Douglas, Lukeville, Naco, Nogales, San Luis. Crossings are from Mexico into the United States.

Park Visits, Arizona	Jul 1905	Jul 1905	Jul 1905	Jul 1905	Jul 1905
<i>Visits (000s) Arizona State and National Parks, NPS & ASPB</i>					
Total Arizona	19,030.6	19,221.3	20,703.7	22,427.9	23,438.1
% Chg from Year Ago	-1.6%	1.0%	7.7%	8.3%	4.5%
Northern Arizona	16,552.4	16,626.2	18,027.4	19,531.4	20,419.6
% Chg from Year Ago	-1.8%	0.4%	8.4%	8.3%	4.5%
Historical	1,147.4	1,070.3	1,114.5	1,177.8	1,158.9
Scenic	6,369.7	6,521.0	6,933.8	7,670.8	7,838.9
Water-based	9,035.3	9,034.9	9,979.1	10,682.8	11,421.8
Southern Arizona	2,478.2	2,595.1	2,676.3	2,896.5	3,018.5
% Chg from Year Ago	-0.2%	4.7%	3.1%	8.2%	4.2%
Historical	382.2	359.4	384.8	425.4	434.1
Scenic	1,729.7	1,869.3	1,903.1	2,059.9	2,160.9
Water-based	366.3	366.4	388.4	411.2	423.4

ARIZONA ECONOMIC INDICATORS - MSAs

Phoenix-Mesa-Glendale MSA - Monthly Data	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
<i>Persons (000s), Local Area Unemployment Statistics, BLS</i>					
Civilian Labor Force (000s), BLS	2,267.3	2,280.0	2,304.3	2,307.1	2,294.1
Unemployment Rate	4.1	4.5	4.4	4.1	3.9
<i>Employees on Nonagricultural Payrolls (000s), Current Employment Statistics, BLS*</i>					
Total Nonfarm Employment	2,032.6	1,990.9	2,013.0	2,017.3	2,023.4
Mining and Logging	3.2	3.2	3.2	3.2	3.2
Construction	104.7	103.9	104.2	107.2	109.2
Manufacturing	122.2	121.6	121.9	121.0	121.5
Trade, Transportation, & Utilities	403.4	391.0	387.9	387.9	387.4
Information	35.8	35.4	35.8	35.9	36.3
Financial Activities	180.0	179.5	181.2	181.6	182.0
Professional & Business Services	355.0	341.3	343.4	341.6	341.3
Education and Health Services	299.1	296.2	298.5	299.3	300.1
Leisure and Hospitality	221.4	221.0	227.7	232.0	233.6
Other Services	62.6	60.9	61.9	61.9	61.9
Government	245.2	236.9	247.3	245.7	246.9
Average Hourly Earnings, Private, \$, BLS	25.25	25.90	26.38	25.97	26.56
<i>Sales (\$ accrual), ADOR</i>					
Aggregate Retail Sales, EBRC	6,829,342,969	5,808,215,870	5,501,886,961	6,212,646,606	
Retail Sales	4,929,304,935	3,594,830,517	3,579,641,258	4,115,176,817	
Food	722	727	730	732	
Restaurants and Bars	849,174,856	835,117,977	874,070,488	984,071,019	
Gasoline, EBRC	329,288,842	651,149,990	318,431,192	381,025,063	
Amusements	87,861,216	85,447,836	94,049,745	113,046,469	
Hotel/Motel	112,808,510	178,339,498	235,584,078	287,522,409	
<i>New Housing Units Authorized, Census C-40</i>					
Total Units	2,064	2,614	1,971	2,449	2,367
Single Family Units	1,546	1,649	1,635	1,716	1,582
<i>Housing Sales and Prices, ARMLS</i>					
Units Sold	7,154	6,028	6,547	9,304	8,819
Average Price (\$)	281,840	282,593	287,079	289,417	292,124

*Go to www.azeconomy.org for a more detailed breakout of employment categories.

Phoenix-Mesa-Glendale MSA - Annual Data	2012	2013	2014	2015	2016
Population, ADOA*	4,273,897	4,338,672	4,404,888	4,482,906	4,550,388
% Chg from Year Ago	1.1%	1.5%	1.5%	1.8%	1.5%
Total Personal Income (\$000), BEA	163,407,229	167,760,664	178,064,720	186,693,084	
% Chg from Year Ago	5.7%	2.7%	6.1%	4.9%	
Per Capita Personal Income (\$), EBRC**	38,234	38,666	40,424	41,646	
% Chg from Year Ago	4.6%	1.1%	4.6%	3.0%	

ARIZONA ECONOMIC INDICATORS - MSAs

Tucson MSA (Pima Co.)- Monthly Data	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
<i>Persons (000s), Local Area Unemployment Statistics, BLS</i>					
Civilian Labor Force (000s), BLS	471,747.0	475,092.0	479,901.0	481,256.0	477,210.0
Unemployment Rate	4.4	4.8	4.7	4.4	4.2
<i>Employees on Nonagricultural Payrolls (000s), Current Employment Statistics, BLS*</i>					
Total Nonfarm Employment	379.3	372.7	375.9	378.2	378.1
Mining and Logging	1.6	1.6	1.6	1.6	1.6
Construction	14.8	14.6	14.7	14.9	15.0
Manufacturing	23.4	23.2	23.9	23.5	23.5
Trade, Transportation, and Utilities	61.4	60.0	59.2	59.1	59.4
Information	5.0	5.0	5.0	5.0	5.0
Financial Activities	17.4	17.2	17.3	17.5	17.7
Professional and Business Services	50.0	48.5	49.3	49.1	49.0
Education and Health Services	65.4	65.1	65.2	65.6	65.6
Leisure and Hospitality	46.0	45.4	45.4	47.4	46.9
Other Services	15.1	15.0	15.1	15.3	15.3
Government	79.2	77.1	79.2	79.2	79.1
<i>Sales (\$ accrual), ADOR</i>					
Aggregate Retail , EBRC	1,318,226,462	1,121,715,313	1,069,174,568	1,188,356,417	
Retail	929,342,813	666,302,859	676,871,614	772,271,268	
Food, EBRC	158,129,577	159,225,111	159,630,413	160,029,796	
Restaurants & Bars	160,017,032	155,725,459	164,536,436	176,927,677	
Gasoline, EBRC	70,737,040	140,461,885	68,136,105	79,127,676	
Amusements	10,883,603	7,326,905	10,512,797	14,220,471	
Hotel/Motel	23,593,131	39,990,957	40,569,260	47,077,969	
<i>New Housing Units Authorized, Census C-40</i>					
Total Units	205	167	216	276	223
Single Family	183	152	204	224	218
<i>Housing Sales and Prices, TAR</i>					
Units Sold	1,229	1,093	1,221	1,619	1,445
Average Price (\$)	226,598	217,144	225,032	224,815	232,988

*Go to www.azeconomy.org for a more detailed breakout of employment categories.

Tucson MSA (Pima Co.) - Annual Data	2012	2013	2014	2015	2016
Population, ADOA*	990,380	996,046	1,007,162	1,009,371	1,013,103
% Chg from Year Ago	0.4%	0.6%	1.1%	0.2%	0.4%
Total Personal income	35,985,709	36,453,218	37,893,093	38,922,402	
% Chg from Year Ago	3.6%	1.3%	4.0%	2.7%	
Per Capita Personal Income (\$), EBRC**	36,335	36,598	37,624	38,561	
% Chg from Year Ago	3.1%	0.7%	2.8%	2.5%	

ARIZONA ECONOMIC INDICATORS - MSAs

Flagstaff MSA (Coconino County) - Monthly Data	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	73.7	73.9	74.3	75.0	75.1
Unemployment Rate	6.0	6.4	6.1	5.6	4.9
Total Nonfarm Employment (000s), BLS	66.4	64.5	65.3	65.8	67.1
Private	47.0	45.1	45.6	46.0	47.2
Government	16.8	16.9	17.2	17.3	17.3
Average Hourly Earnings, Total Private, \$, BLS	18.38	18.83	18.72	18.69	18.47
Retail Sales (\$, accrual), ADOR*	122,763,823	87,918,196	92,917,681	106,698,097	
Total New Residential Permits (units), Census C-40	26	17	17	33	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Flagstaff MSA (Coconino County) - Annual Data	2012	2013	2014	2015	2016
Population, ADOA*	134,313	135,695	139,372	141,602	142,560
% Chg from Year Ago	0.1%	1.0%	2.7%	1.6%	0.7%
Total Personal Income (\$000), BEA	4,939,175	5,130,228	5,449,838	5,705,476	
% Chg from Year Ago	0.4%	3.9%	6.2%	4.7%	
Per Capita Personal Income (\$), EBRC**	36,773.6	37,807.1	39,102.8	40,292.3	
% Chg from Year Ago	0.3%	2.8%	3.4%	3.0%	

*Population counts as of July 1st. ADOA population estimates differ from official Census Bureau estimates. EBRC considers ADOA counts to be the most accurate.

**BEA total personal income divided by ADOA population estimates.

Lake Havasu City - Kingman MSA (Mohave County) - Monthly Data	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	79.7	81.0	81.8	81.8	81.7
Unemployment Rate	5.9	6.5	6.2	5.7	5.5
Total Nonfarm Employment (000s), BLS	48.5	47.8	48.5	48.6	49.0
Private	41.0	40.3	40.8	40.9	41.3
Government	7.5	7.5	7.7	7.7	7.7
Average Hourly Earnings, Total Private, \$, BLS	21.66	21.79	21.45	21.88	22.49
Retail Sales (\$, accrual), ADOR*	165,266,080	127,848,352	135,837,208	150,108,520	
Total New Residential Permits (units), Census C-40	57	70	73	87	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Lake Havasu City-Kingman MSA (Mohave County) - Annual Data	2012	2013	2014	2015	2016
Population, July 1st estimate, ADOA	77,683	77,900	77,922	78,269	78,135
% Chg from Year Ago	2.4%	0.3%	0.0%	0.5%	-0.2%
Total Personal Income (\$000), BEA	5,291,048	5,422,848	5,743,703	6,040,669	
% Chg from Year Ago	2.3%	2.5%	5.9%	5.2%	
Per Capita Personal Income, EBRC	26,055	26,636	28,155	29,364	
% Chg from Year Ago	1.0%	2.2%	5.7%	4.3%	

*EBRC considers the ADOA population estimates more accurate than official Census population estimates.

**BEA "total personal income" divided by ADOA population estimate.

ARIZONA ECONOMIC INDICATORS - MSAs

Prescott MSA (Yavapai County) - Monthly Data	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	100.3	101.3	102.2	102.4	NA
Unemployment Rate	4.5	4.7	4.8	4.5	NA
Total Nonfarm Employment (000s), BLS	62.9	61.6	62.9	63.3	64.0
Private	52.0	51.0	51.6	52.0	52.6
Government	10.9	10.6	11.3	11.3	11.4
Average Hourly Earnings, Total Private (\$), BLS	20.59	20.87	20.64	20.48	20.31
Retail Sales (\$, accrual), ADOR*	181,384,201	127,626,708	143,983,822	161,113,659	
Total New Residential Permits (units), Census C-40	331	74	98	121	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Prescott MSA (Yavapai County) - Annual Data	2012	2013	2014	2015	2016
Population, ADOA*	211,583	213,294	215,357	217,778	220,189
% Chg from Year Ago	0.2%	0.8%	1.0%	1.1%	1.1%
Total Personal Income (\$000), BEA	6,623,513	6,936,360	7,491,508	7,900,004	
% Chg from Year Ago	3.7%	4.7%	8.0%	5.5%	
Per Capita Personal Income (\$), EBRC**	31,305	32,520	34,786	36,275	
% Chg from Year Ago	3.5%	3.9%	7.0%	4.3%	

*Population counts as of July 1st. ADOA population estimates differ from official Census Bureau estimates. EBRC considers ADOA counts to be the most accurate.

**BEA total personal income divided by ADOA population estimates.

Sierra Vista - Douglas MSA (Cochise County) - Monthly Data	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	50.0	50.6	50.6	51.3	50.8
Unemployment Rate	5.3	5.9	5.8	5.3	5.2
Total Nonfarm Employment (000s), BLS	34.6	34.1	34.3	34.4	34.4
Private	23.0	22.8	22.8	23.0	23.0
Government	11.6	11.3	11.5	11.4	11.4
Average Hourly Earnings, Total Private (\$), BLS	19.74	19.78	19.15	18.95	19.24
Retail Sales (\$, accrual), ADOR*	80,236,485	58,432,074	61,396,825	70,833,641	
Total New Residential Permits (units), Census C-40	57	70	73	87	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Sierra Vista - Douglas MSA (Cochise County) - Annual Data	2012	2013	2014	2015	2016
Population, ADOA*	50,908	51,269	51,104	50,914	50,705
% Chg from Year Ago	0.0%	0.7%	-0.3%	-0.4%	-0.4%
Total Personal Income (\$000)	4,648,859	4,591,143	4,677,975	4,821,097	
% Chg from Year Ago	-2.2%	-1.2%	1.9%	3.1%	
Per Capita Personal Income (\$)**	35,555	35,072	36,088	37,340	
% Chg from Year Ago	-2.3%	-1.4%	2.9%	3.5%	

*Population counts as of July 1st. ADOA population estimates differ from official Census Bureau estimates. EBRC considers ADOA counts to be the most accurate.

**BEA total personal income divided by ADOA population estimates.

ARIZONA ECONOMIC INDICATORS - MSAs

Yuma MSA (Yuma County) - Monthly Data	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	92.9	94.6	92.1	96.2	96.6
Unemployment Rate	15.1	14.4	13.6	12.8	16.3
Total Nonfarm Employment (000s), BLS	56.1	56.1	56.5	56.5	55.9
Private	41.3	41.5	41.8	41.8	41.1
Government	14.8	14.6	14.7	14.7	14.8
Average Hourly Earnings, Total Private (\$), BLS	19.26	19.27	19.17	19.34	19.17
Retail Sales (\$, accrual), ADOR*	173,723,606	129,832,292	137,398,427	152,512,685	
Total New Residential Permits (units), Census C-40	83	60	58	92	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Yuma MSA (Yuma County) - Annual Data	2012	2013	2014	2015	2016
Population, ADOA*	61,500	63,007	63,718	64,180	64,018
% Chg from Year Ago	1.6%	2.5%	1.1%	0.7%	-0.3%
Total Personal Income (\$000)	5,593,053	5,926,507	5,954,316	6,449,702	
% Chg from Year Ago	-0.9%	6.0%	0.5%	8.3%	
Per Capita Personal Income (\$)***	27,260	28,313	28,085	30,000	
% Chg from Year Ago	-3.2%	3.9%	-0.8%	6.8%	

*Population counts as of July 1st. ADOA population estimates differ from official Census Bureau estimates. EBRC considers ADOA counts to be the most accurate.

***BEA total personal income divided by ADOA population estimates.

TABLES: SOURCES AND ABBREVIATIONS



ADHS: Arizona Department of Health Services
ADOA: Arizona Department of Administration, Office of Employment and Population Statistics
ADOR: Arizona Department of Revenue
ADOT: Arizona Department of Transportation
ARMLS: Arizona Regional Multiple Listing Service
ASPB: Arizona State Parks Board
BEA: Bureau of Economic Analysis, U.S. Department of Commerce
BLS: Bureau of Labor Statistics, U.S. Department of Labor
Census C-40: U.S. Census Bureau, U.S. Department of Commerce
Micropolitan SA: Micropolitan Statistical Area must have at least one urban cluster of at least 10,000, but less than 50,000 inhabitants.

Co.: County
EBR: The Economic and Business Research Center, The University of Arizona.
MSA: Metropolitan Statistical Area must have at least one core urbanized area of 50,000 or more inhabitants.
PSHIA: Phoenix Sky Harbor International Airport
SAAR: Seasonally adjusted at annual rates
TAR: Tucson Association of Realtors
U.S. Bankruptcy Court: District of Arizona
USCBP: U.S. Customs and Border Protection, U.S. Department of Homeland Security
BTS: Bureau of Transportation Statistics, U.S. Department of Transportation
NPS: National Parks Service

ARIZONA ECONOMIC INDICATORS - COUNTIES

Apache County Summary - Monthly	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	19.6	20.2	19.9	20.1	19.7
Unemployment Rate	10.7	11.7	11.5	10.5	9.7
Total Nonfarm Employment (000s), ADOA	17.6	17.5	17.4	17.5	17.6
Private	7.4	7.2	7.1	7.1	7.3
Government	10.2	10.3	10.2	10.4	10.2
Retail Sales (\$, accrual), ADOR*	10,501,192	8,866,202	8,564,158	8,976,061	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Gila County (Payson Micropolitan SA) Summary - Monthly	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	20.6	20.8	20.9	21.1	21.0
Unemployment Rate	6.5	7.0	6.7	6.1	5.8
Total Nonfarm Employment (000s), ADOA	14.6	14.4	14.6	14.5	14.7
Private	9.5	9.3	9.4	9.4	9.5
Government	5.2	5.1	5.2	5.1	5.2
Retail Sales (\$, accrual), ADOR*	30,166,689	21,462,904	23,824,091	26,201,754	
New Residential Permits (units), Census C-40	8	10	11	19	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Graham County Summary - Monthly	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	14.4	14.1	14.6	14.7	14.6
Unemployment Rate	5.7	6.7	6.2	5.8	5.4
Total Nonfarm Employment (000s), ADOA	8.8	8.3	8.7	8.7	8.8
Private	5.5	5.4	5.4	5.5	5.5
Government	3.3	2.8	3.2	3.2	3.2
Retail Sales (\$, accrual), ADOR*	23,957,276	18,951,179	18,887,278	21,974,603	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Greenlee County Summary - Monthly	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	3.8	3.8	3.9	3.8	3.8
Unemployment Rate	6.0	6.4	6.0	5.7	5.2
Total Nonfarm Employment (000s), ADOA	4.2	4.2	4.4	4.2	4.2
Private	3.8	3.7	3.8	3.7	3.7
Government	0.5	0.5	0.5	0.5	0.6
Retail Sales (\$, accrual), ADOR*	9,491,856	12,315,258	7,419,620	9,487,750	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

ARIZONA ECONOMIC INDICATORS - COUNTIES

La Paz County Summary - Monthly	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	8.4	8.8	8.6	9.2	8.9
Unemployment Rate	5.3	5.7	5.7	4.8	4.8
Total Nonfarm Employment (000s), ADOA	5.3	5.4	5.5	5.4	5.4
Private	3.0	3.2	3.3	3.3	3.2
Government	2.2	2.2	2.2	2.2	2.2
Retail Sales (\$, accrual), ADOR*	13,693,024	21,195,222	14,085,289	12,415,487	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Navajo County (Show Low Micropolitan SA) Summary - Monthly	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	40.9	41.0	41.3	41.9	42.2
Unemployment Rate	7.7	8.5	8.2	7.4	6.7
Total Nonfarm Employment (000s), ADOA	28.0	27.2	27.5	27.9	28.7
Private	18.5	18.1	18.2	18.6	19.2
Government	9.4	9.0	9.4	9.2	9.5
Retail Sales (\$, accrual), ADOR*	81,636,510	64,265,157	65,516,241	73,043,472	
New Residential Permits (units), Census C-40	7	5	10	24	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

Santa Cruz County Summary - Monthly	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Civilian Labor Force (000s), BLS	19.2	19.3	19.4	19.5	19.1
Unemployment Rate	8.6	8.8	8.2	7.8	7.2
Total Nonfarm Employment (000s), ADOA	13.3	13.1	13.2	13.2	13.2
Private	9.6	9.4	9.5	9.5	9.4
Government	3.7	3.7	3.7	3.7	3.8
Retail Sales (\$, accrual), ADOR*	37,603,062	23,899,378	25,507,692	29,830,415	
New Residential Permits (units), Census C-40	7	2	5	9	

*This retail sales figure does not include food, restaurant and bar, or gasoline sales.

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