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# BREAKFAST WITH THE ECONOMISTS

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**Welcome**



**Karthik Kannan**  
Dean  
Eller College of Management


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# Welcome




**Edmundo Gamillo**  
Executive Director for Commercial Banking  
Tucson and Southern Arizona  
JPMorgan Chase & Co.

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# Our world



**Anthony Chan**  
Chief Economist and Chairman  
Chan Economics LLC  
Former Chief Economist, JP Morgan Chase

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# Our region



**George Hammond**

Director  
Economic and Business Research Center



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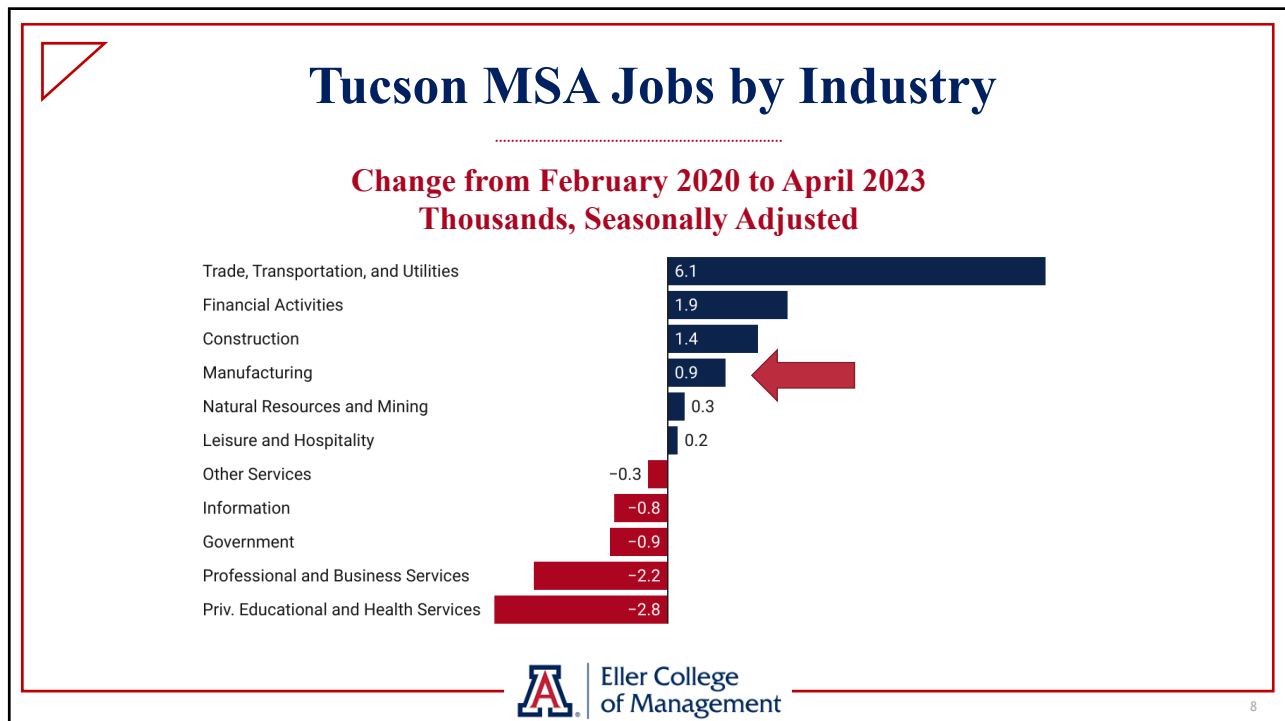
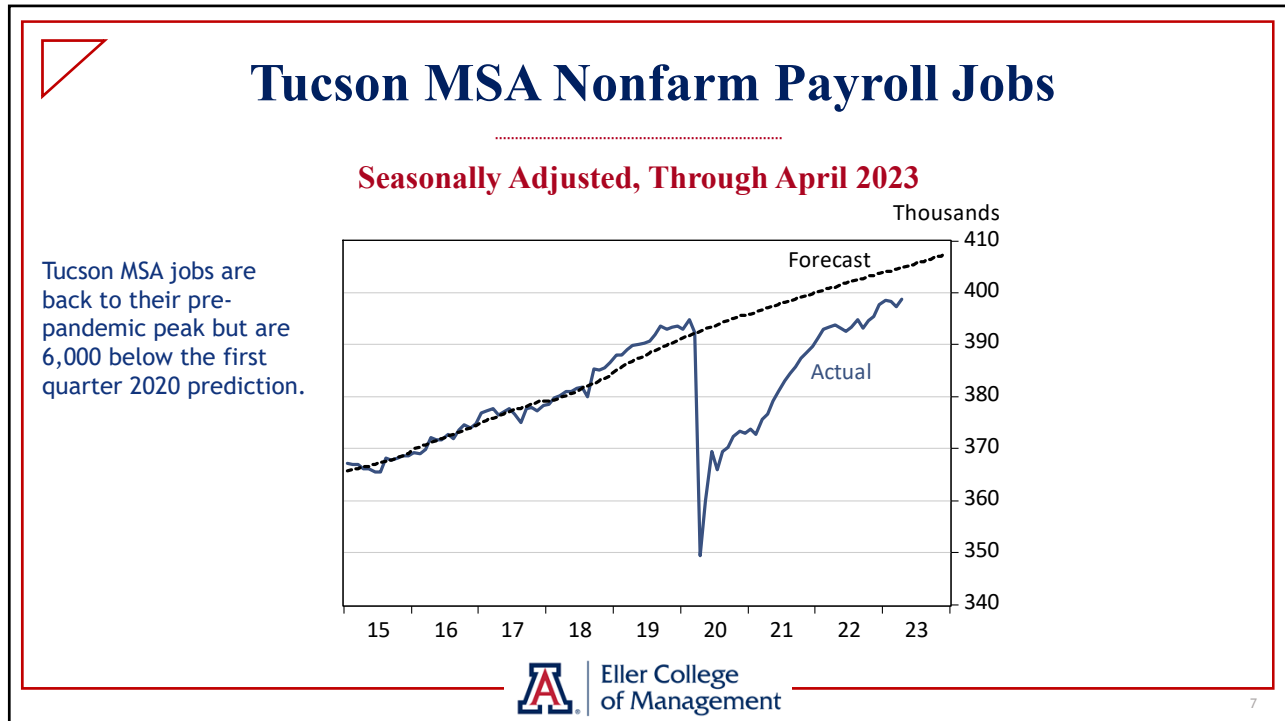
## Key Topics

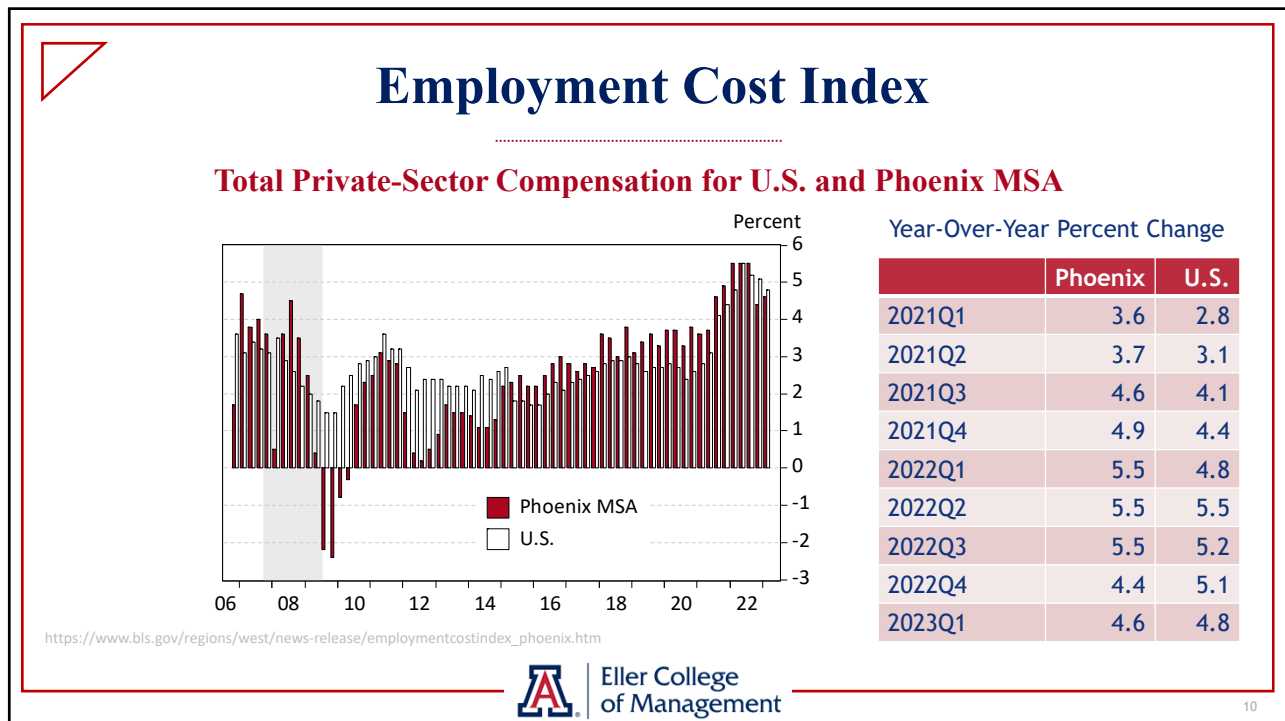
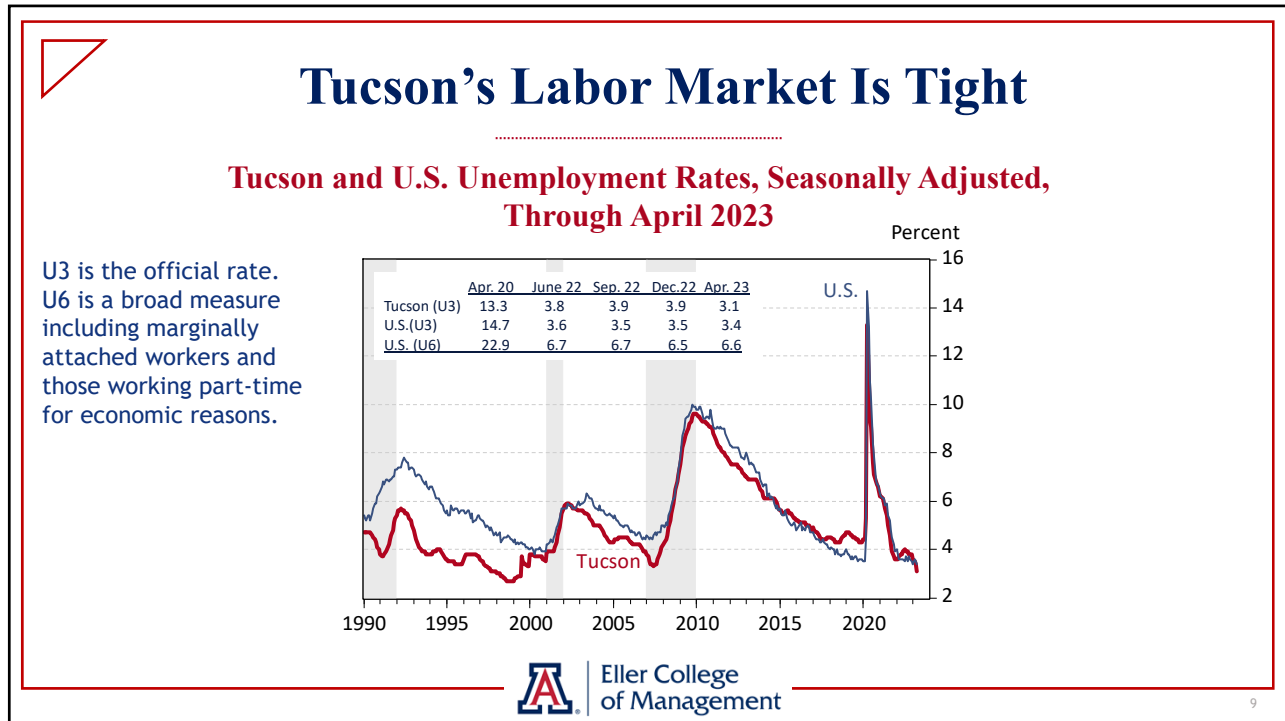
- ▶ **Tucson jobs have recovered**
  - ▶ But are still below their prior trend
- ▶ **Tucson's labor market remains very tight**
  - ▶ With rapidly rising wages
- ▶ **Phoenix inflation still hot but decelerating**
  - ▶ Arizona gas prices spiked recently
  - ▶ Housing affordability plunged last year
- ▶ **Tucson's baseline forecast calls for significantly slower growth**
  - ▶ U.S. forecast assumes slower growth but no recession

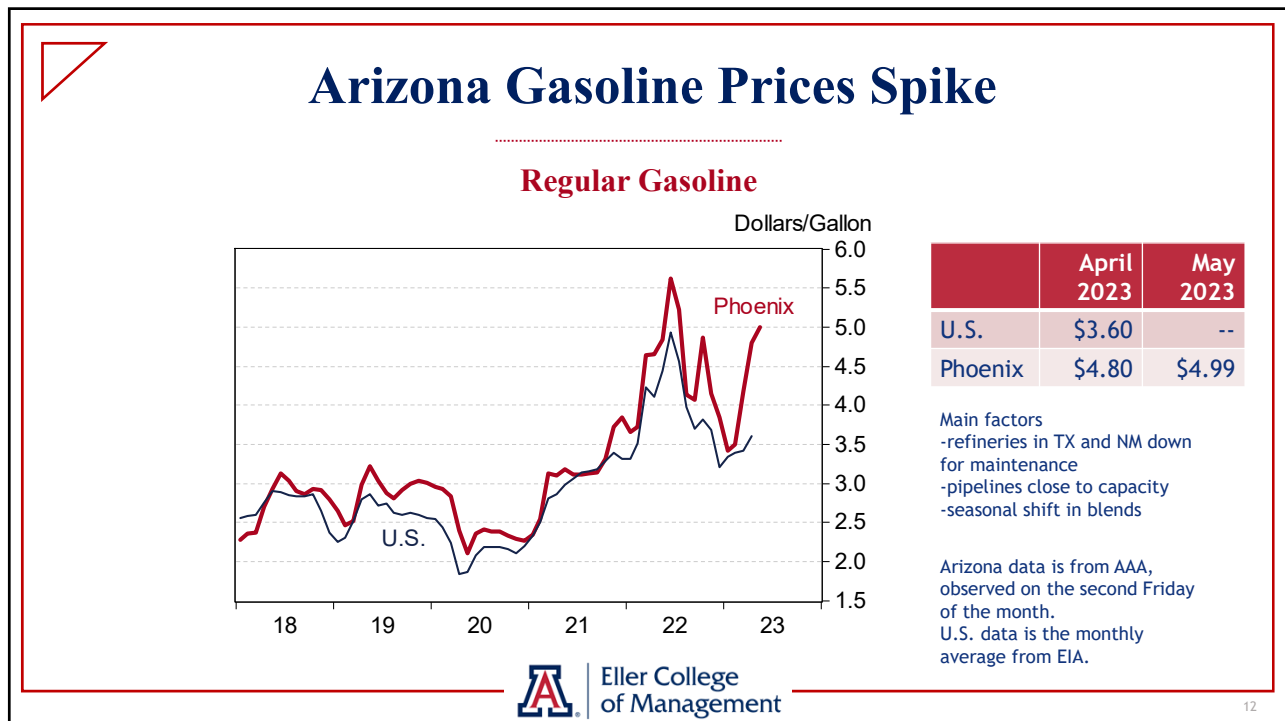
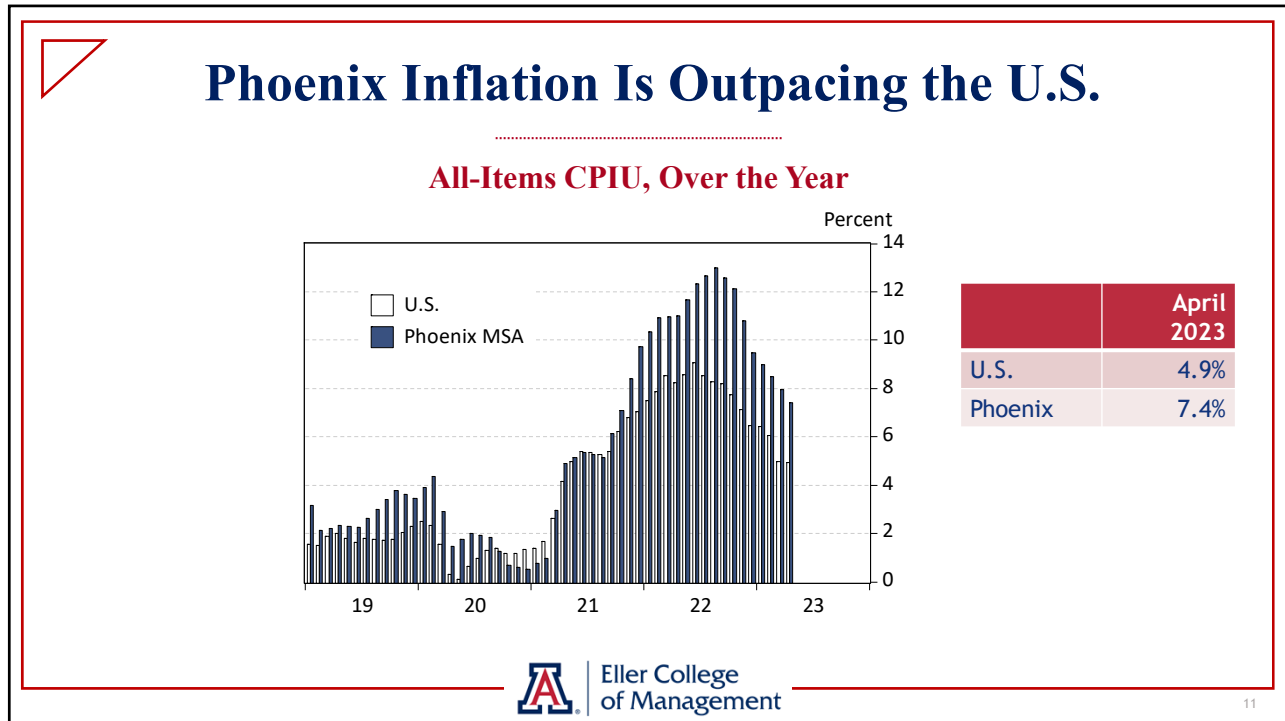


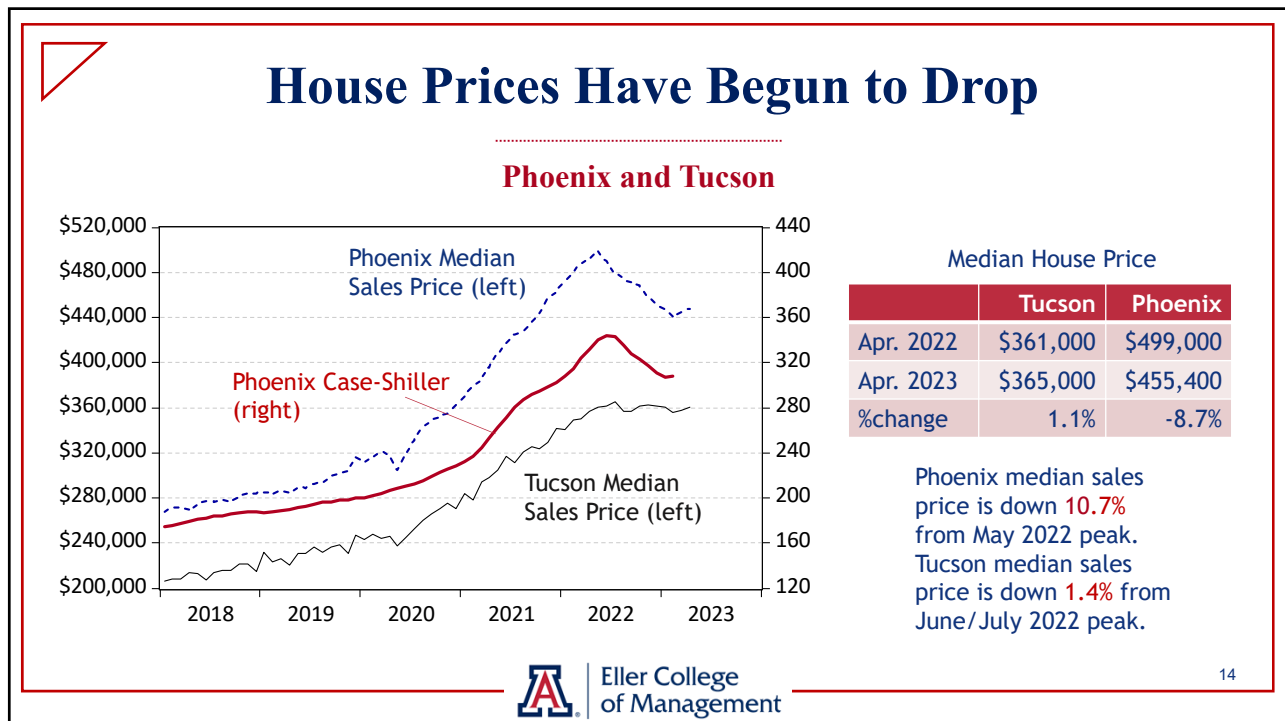
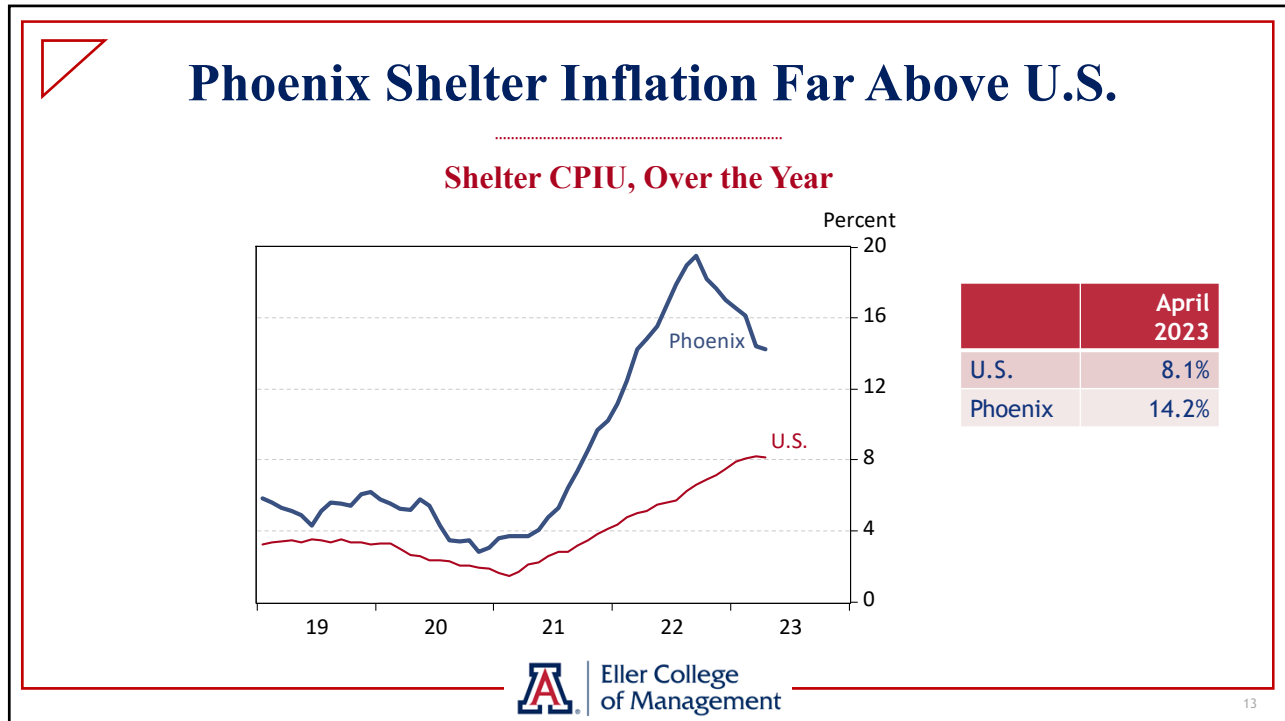
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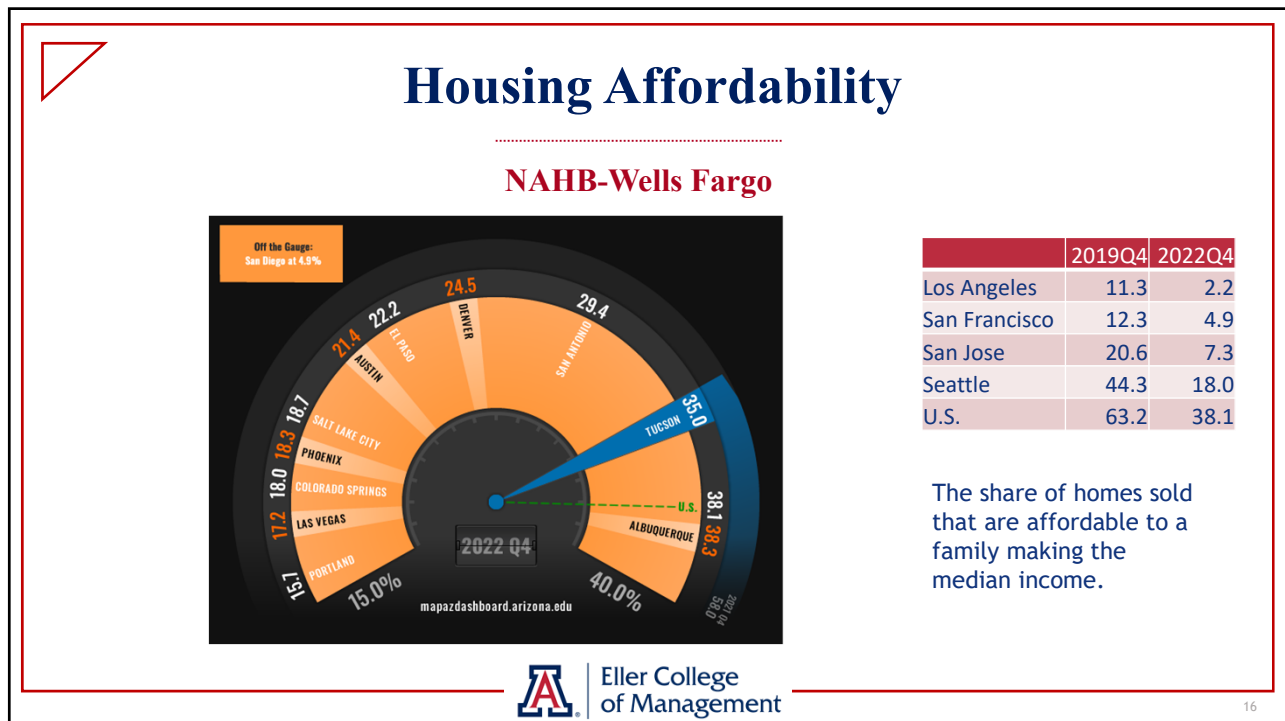
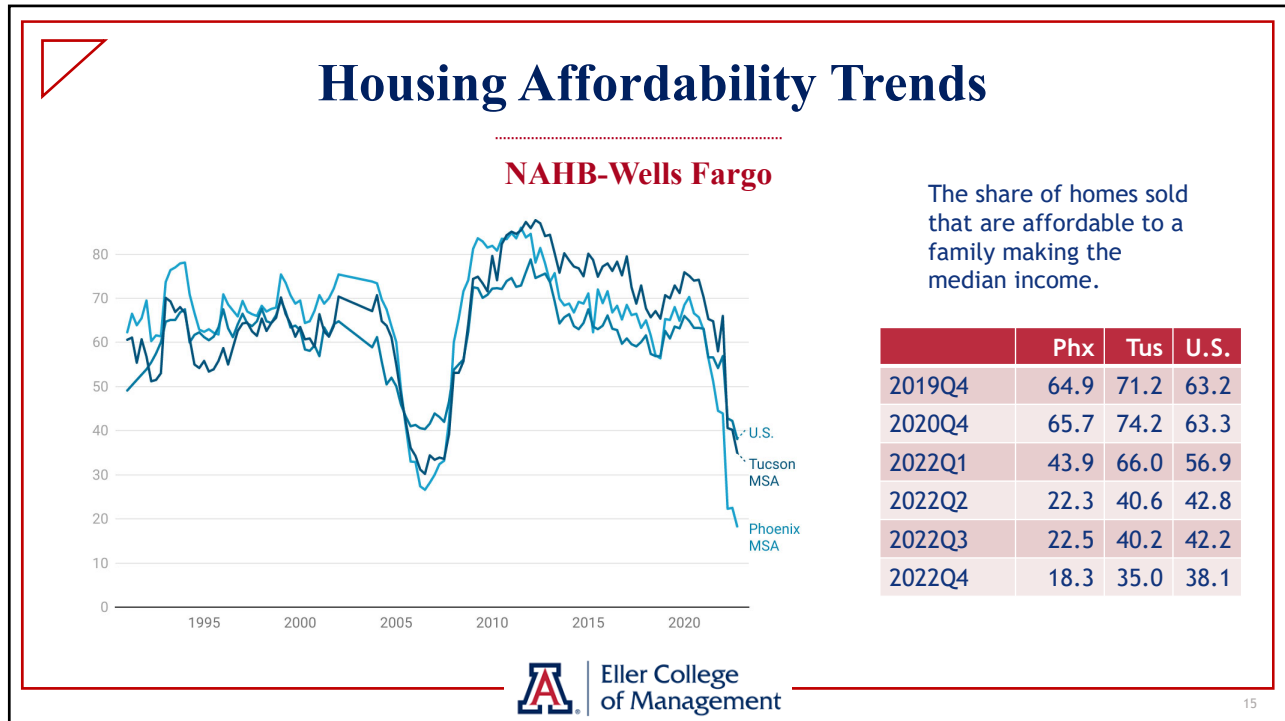
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## Tucson MSA Forecast Summary

**Second Quarter 2023**

	Actual	Forecast		
	2022	2023	2024	2025
<b>Growth Rate</b>				
Nonfarm Jobs	3.2	1.7	1.0	1.5
Personal Income*	1.3	5.6	5.6	5.7
Retail Plus Remote Sales	5.9	3.8	3.5	4.9
Population	1.3	0.9	0.6	0.7
<b>Level</b>				
Housing Permits	5,714	4,197	4,301	4,216


\*Personal income data are forecast in 2022.

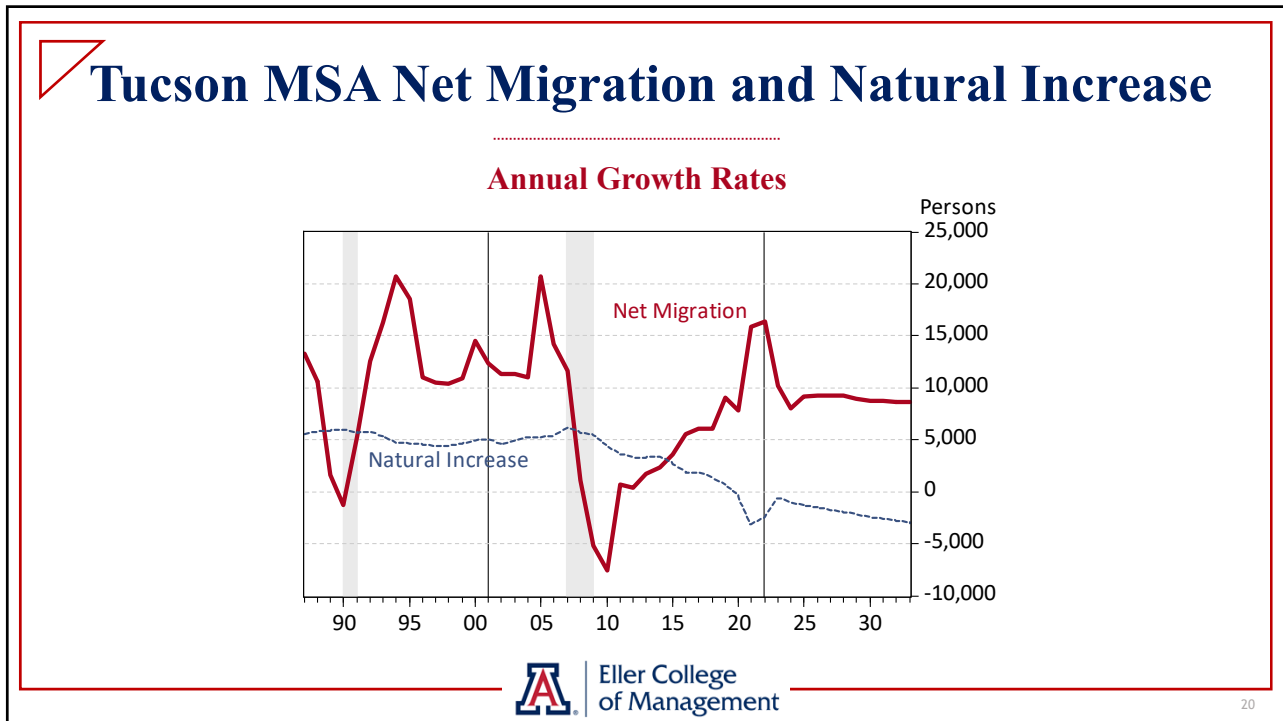
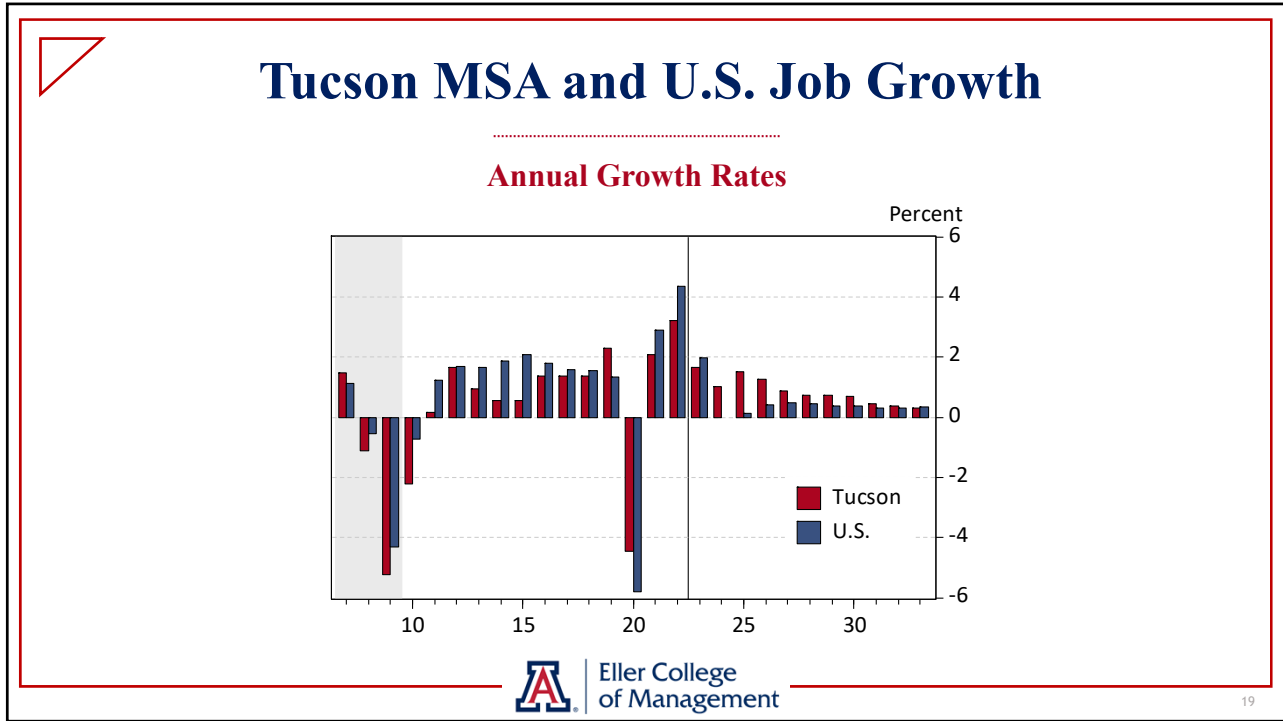


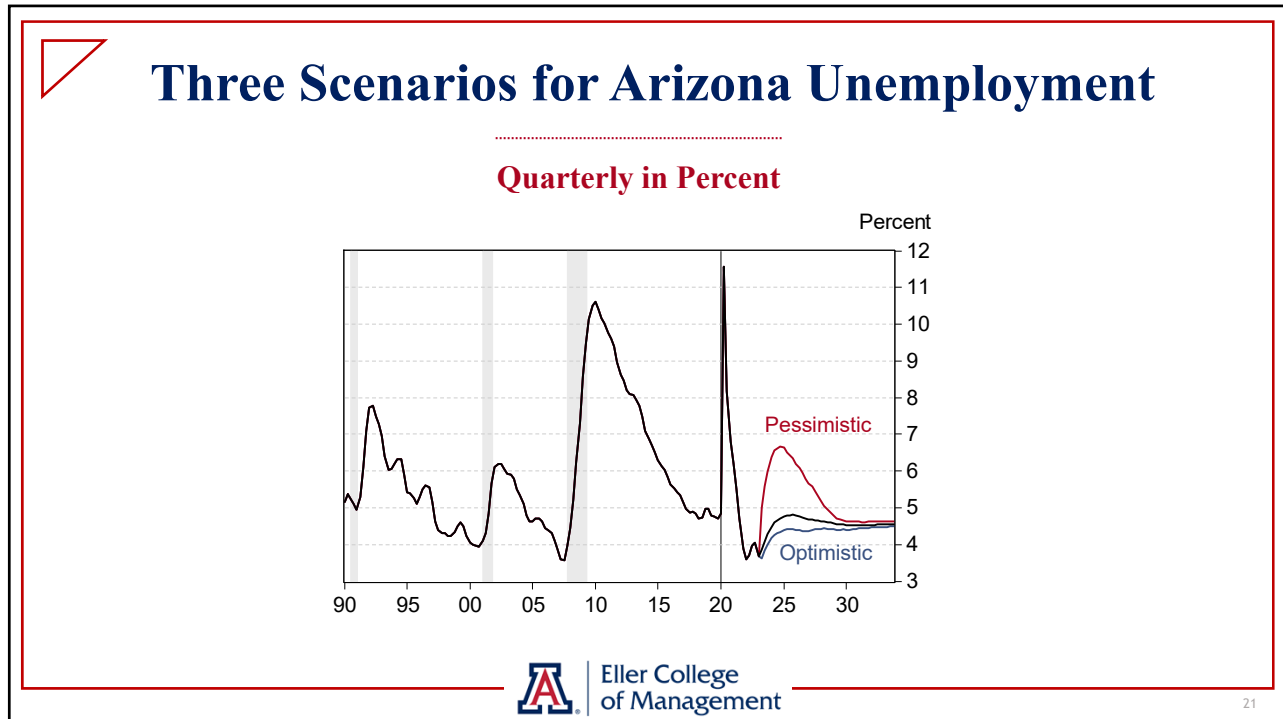
## Tucson MSA and U.S. Job Growth

**Annual Growth Rates**

Year	Tucson (%)	U.S. (%)
2000	1.5	1.5
2001	0.5	0.5
2002	-1.5	-1.5
2003	-5.5	-5.5
2004	-1.5	-1.5
2005	1.5	1.5
2006	1.5	1.5
2007	1.5	1.5
2008	1.5	1.5
2009	1.5	1.5
2010	1.5	1.5
2011	1.5	1.5
2012	1.5	1.5
2013	1.5	1.5
2014	1.5	1.5
2015	1.5	1.5
2016	1.5	1.5
2017	1.5	1.5
2018	1.5	1.5
2019	1.5	1.5
2020	-4.5	-4.5
2021	3.5	3.5
2022	5.5	5.5







## Key Takeaways

- ▶ **Tucson jobs are rising**
  - ▶ But struggle to get back on trend
- ▶ **The labor market is still squeezing employers**
  - ▶ Generating many opportunities for job seekers
  - ▶ Pushing labor compensation up
- ▶ **Inflation is decelerating, slowly**
  - ▶ House prices have declined from their peak, but affordability remains low
- ▶ **Tucson's growth slows under the baseline**
  - ▶ But outperforms the nation in the near term

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