

# Greater Phoenix Economic Snapshot

JULY 2022



ABOUT GPEC

# GPEC by the Numbers

Over the last 33 years GPEC has fueled the regional economy, racking up some impressive stats along the way.

**950+**  
Regional Locates

**174 K+**  
High-Quality Jobs

**\$36.6 B**  
Capital Investment

# A Public-Private Partnership

GPEC works with 22 member communities, Maricopa County and more than 190 private investors to accomplish its mission, and serve as a strategic partner to companies across the world as they expand or relocate.



**22**

Member  
communities



**190+**

Private  
investors

# Greater Phoenix Overview

As a state, Arizona's economy has a positive outlook for continued growth post-COVID. Greater Phoenix has had an increase in labor force, increase in employment rates, decrease in unemployment rates, increase in earnings, increase in nonfarm payroll jobs and an increase in the average hourly earnings compared to the previous 12 months.

## Consumer Spending

Prices in Greater Phoenix increased 3.1% for the two months ending June 2022. Over the last 12 months, the Consumer Price Index for all Urban Consumers (CPI-U) jumped 12.3%. Food prices increased 9.3%. Energy prices jumped 43.3%, largely the result of an increase in the price of gasoline. The index for all other items rose 10.2% over the year.

## Disposable Income

Since 1990, Arizona's annual per capita disposable personal income has increased. In 2021, the annual per capita disposable personal income was the highest, at \$48,732. This is a significant increase from 1990 levels, when personal disposable income was \$15,440. Despite this growth, increase in disposable income is still lagging the record high inflation rates.

## Housing Sector

The House Price Index for the Greater Phoenix region is still on the rise as the percentage change from one year ago is at almost 30%, albeit slower due to a decrease in the number of home sales and rising interest rates.

## Inflation

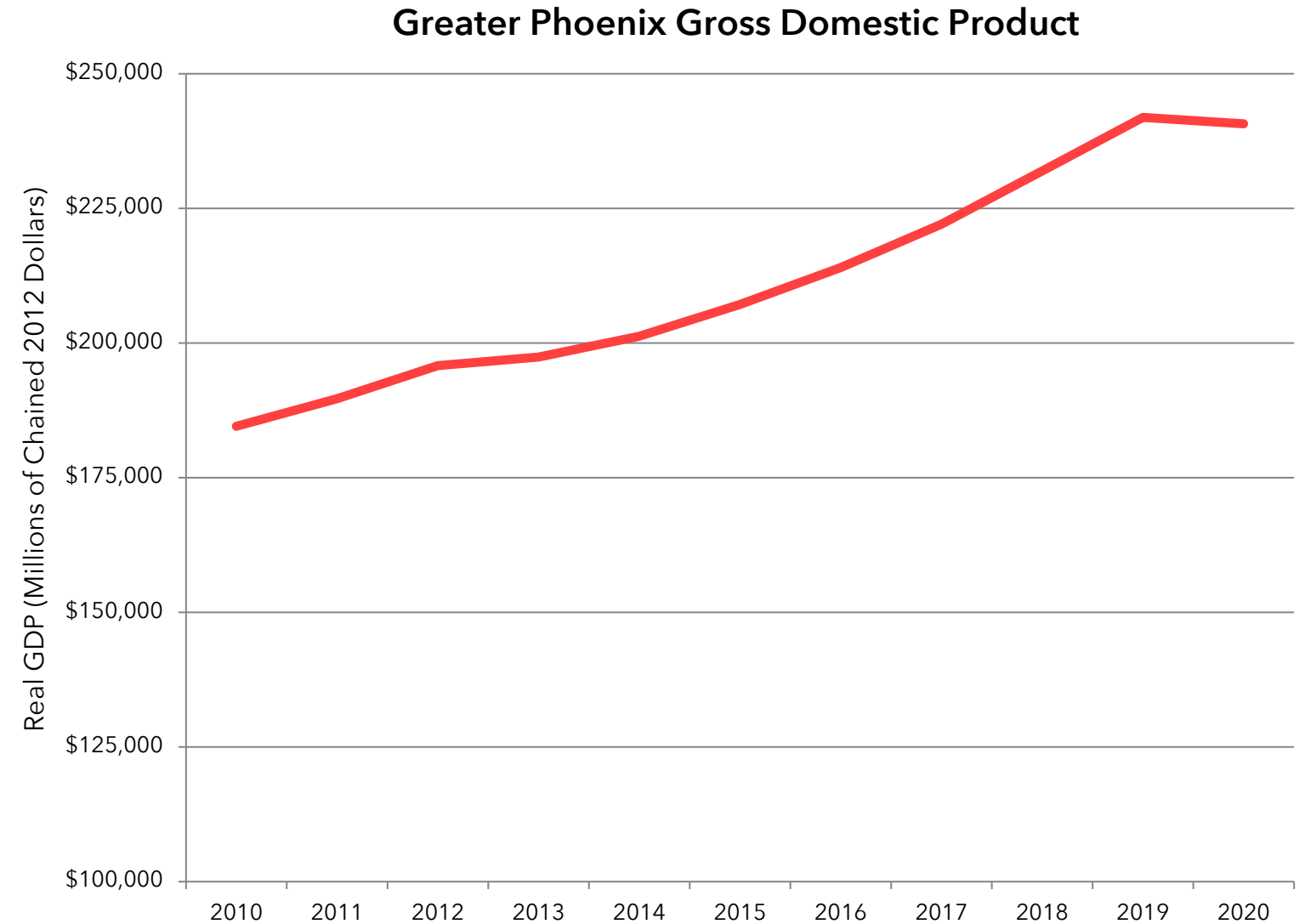
The recent surge in inflation suggests higher restrictive rates this year and a more restrictive monetary policy, which will likely contribute to a slower economic growth to Arizona and the nation.

The image features a high-angle, aerial photograph of a city skyline, likely Los Angeles, with numerous skyscrapers and dense urban development. The scene is bathed in a warm, golden light, suggesting either sunrise or sunset. On the left side of the image, there is a large, stylized graphic element consisting of two overlapping chevron shapes. The outer chevron is red, and the inner one is dark blue, separated by a thin white line. Centered over the cityscape is the text "Economic Activity" in a large, white, sans-serif font.

# Economic Activity

# Greater Phoenix Economy

- Greater Phoenix real GDP in 2020 was \$240.7 billion, contracting by 0.5% over the previous year
- Arizona real GDP contracted 1.0% from 2019 to 2020
- U.S. real GDP contracted 3.4% from 2019 to 2020



# Wage Growth

- In Greater Phoenix and Arizona, overall real personal income grew faster than the national average from 2019 to 2020
- In Arizona, real personal income per capita grew faster than the national average. Real personal income in Greater Phoenix did not

## Real Personal Income (millions of chained 2012 dollars)

	2019	2020	% Growth
Greater Phoenix	216,149	230,923	6.8%
Arizona	309,269	335,393	8.4%
United States	16,740,966	17,628,680	5.3%

## Per Capita Real Personal Income (chained 2012 dollars)

	2019	2020	% Growth
Greater Phoenix	43,623	45,638	4.6%
Arizona	42,413	45,193	6.6%
United States	50,988	53,504	4.9%

# Greater Phoenix Employment

Greater Phoenix’s pre-COVID peak was in December 2019 at 2,255,700 jobs

There has been a steady increase in the number of jobs in the metro

Current total nonfarm payroll employment is 2,272,500 jobs; unemployment rate is 3.4%



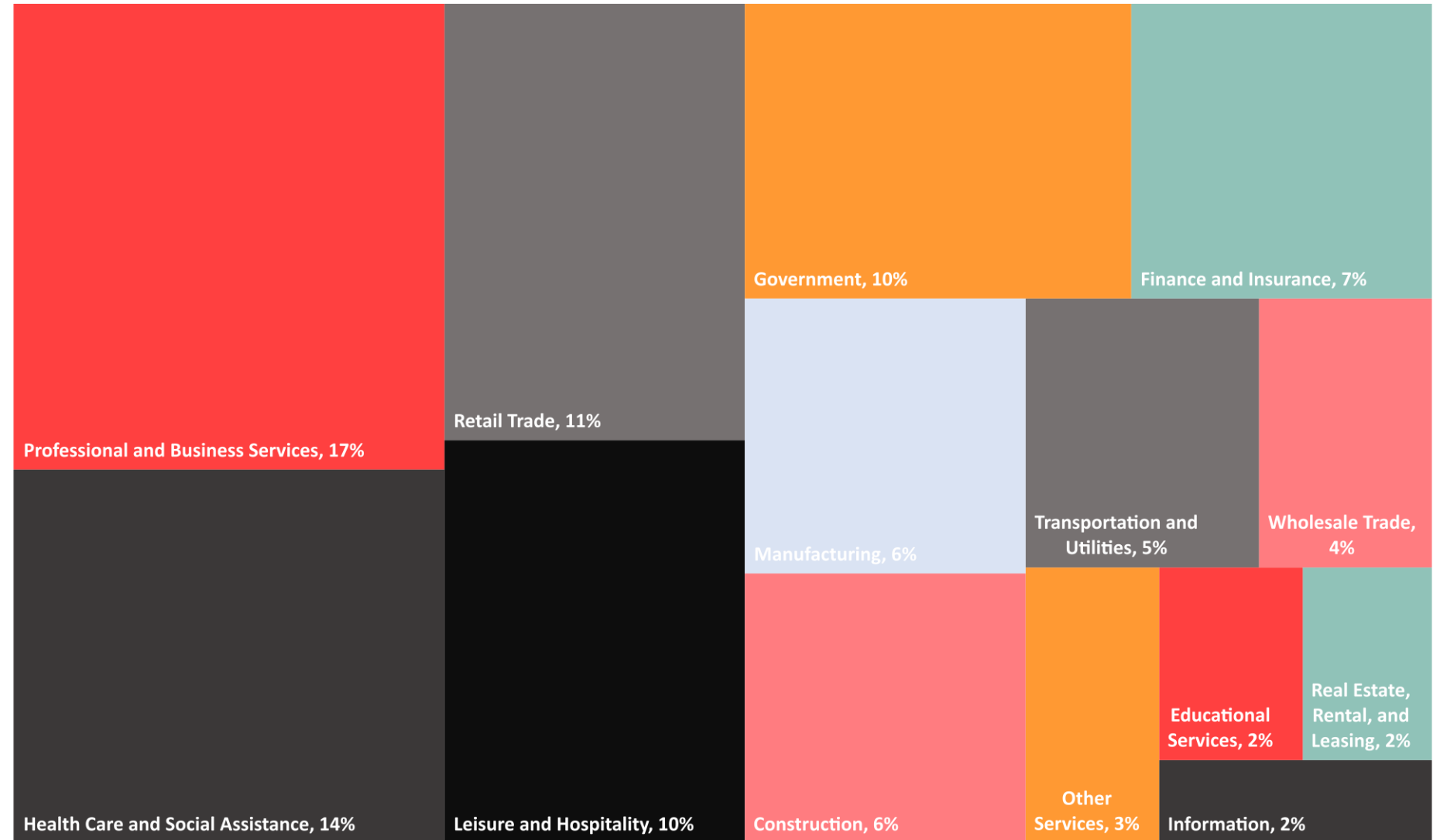
Source: AZ Office of Economic Opportunity Labor Statistics, August 2022, not seasonally adjusted, preliminary numbers



# Current Makeup of Industry

- The largest industries in Greater Phoenix are professional and business services and healthcare and social assistance
- Since the 2008 recession, the most significant changes are a relative growth in healthcare and social assistance and decline in construction and retail trade

Current Employment Diversity



# Drivers of Growth

- Home Health and Personal Care Aides, Laborers and Freight, Stock, and Material Movers and Fast Food and Counter Workers had the highest increase in the number of jobs between 2021 and 2022.
- The top three occupations that drove much of the region's recent employment growth were Insurance sales agents, Industrial truck and tractor operators, Restaurant cooks, and Home Health and Personal Care Aides.

## Greater Phoenix Fastest-Growing Occupations

Description	2021 Jobs	2022 Jobs	Change in Jobs (2021-2022)	% Change
Insurance Sales Agents	12,793	13,653	860	7%
Industrial Truck and Tractor Operators	14,886	15,837	951	6%
Cooks, Restaurant	19,300	20,488	1,189	6%
Home Health and Personal Care Aides	56,245	59,610	3,364	6%
Electricians	11,863	12,448	584	5%
Medical Assistants	14,682	15,396	714	5%
Fast Food and Counter Workers	37,319	39,128	1,810	5%
Software Developers	28,128	29,460	1,332	5%
Market Research Analysts and Marketing Specialists	12,876	13,437	561	4%
First-Line Supervisors of Food Preparation and Serving Workers	16,741	17,452	710	4%
Nursing Assistants	11,579	12,069	490	4%
Light Truck Drivers	14,743	15,366	624	4%
Laborers and Freight, Stock, and Material Movers, Hand	50,193	52,300	2,107	4%
Medical Secretaries and Administrative Assistants	11,671	12,147	476	4%
Management Analysts	12,368	12,822	453	4%
Accountants and Auditors	18,833	19,512	678	4%
Stockers and Order Fillers	39,319	40,734	1,415	4%
Automotive Service Technicians and Mechanics	11,379	11,787	408	4%
Registered Nurses	40,782	42,244	1,461	4%
Heavy and Tractor-Trailer Truck Drivers	29,233	30,215	982	3%

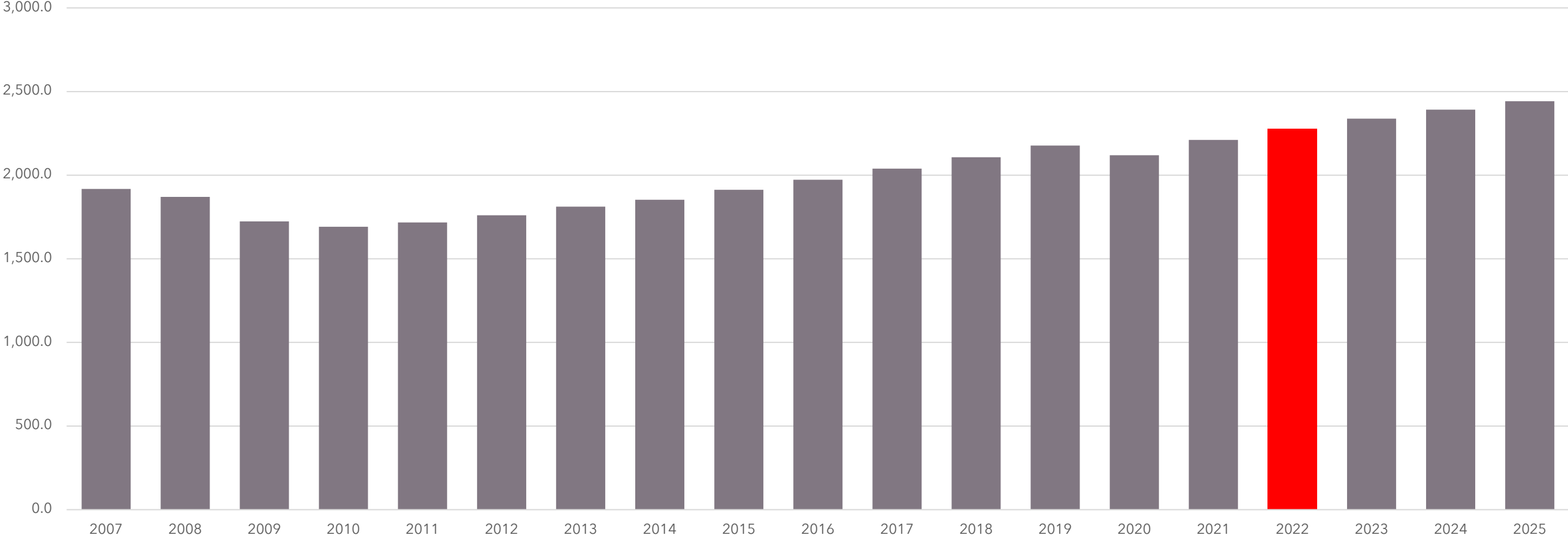
# Job Forecast

Greater Phoenix job growth is projected to be 2.7% from 2022 to 2023

Arizona job growth is projected to be 3.0% from 2022 to 2023

Greater Phoenix recovered all job loss caused by COVID-19 in 2021

Projected Non-Farm Employment Growth

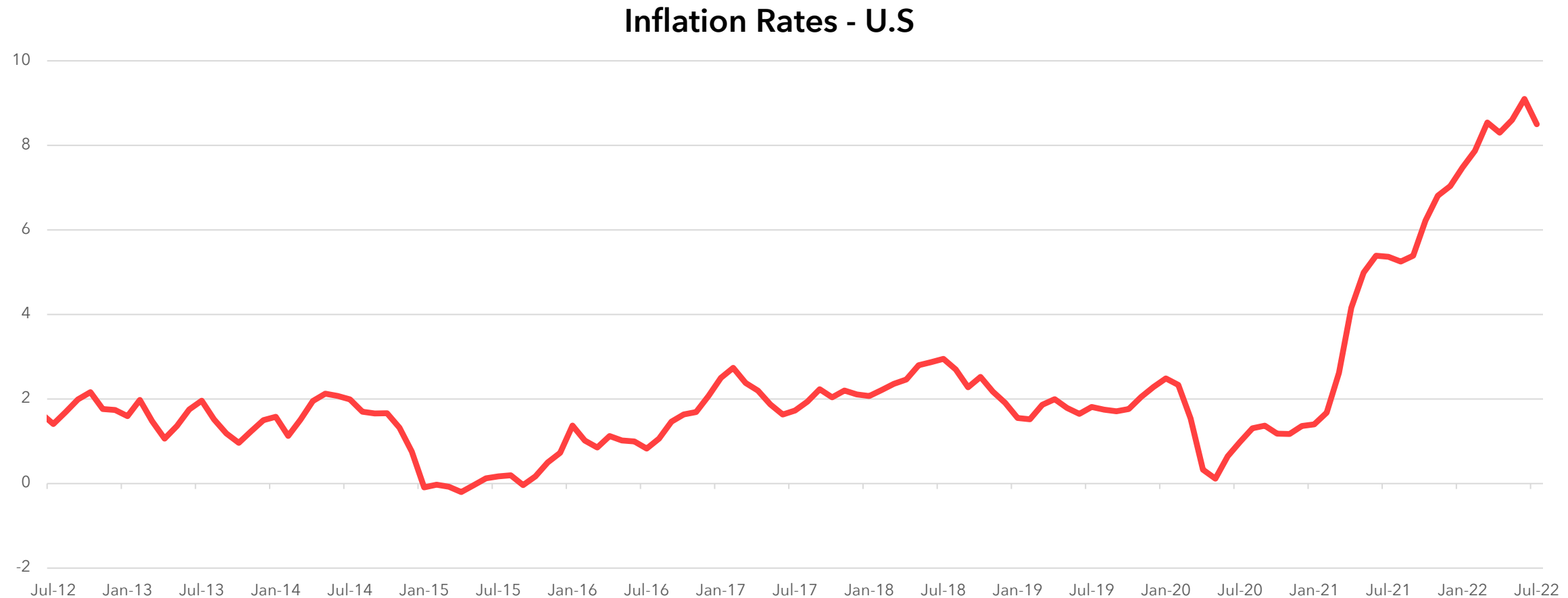


Source: University of Arizona Economic and Business Research Center, June 2022



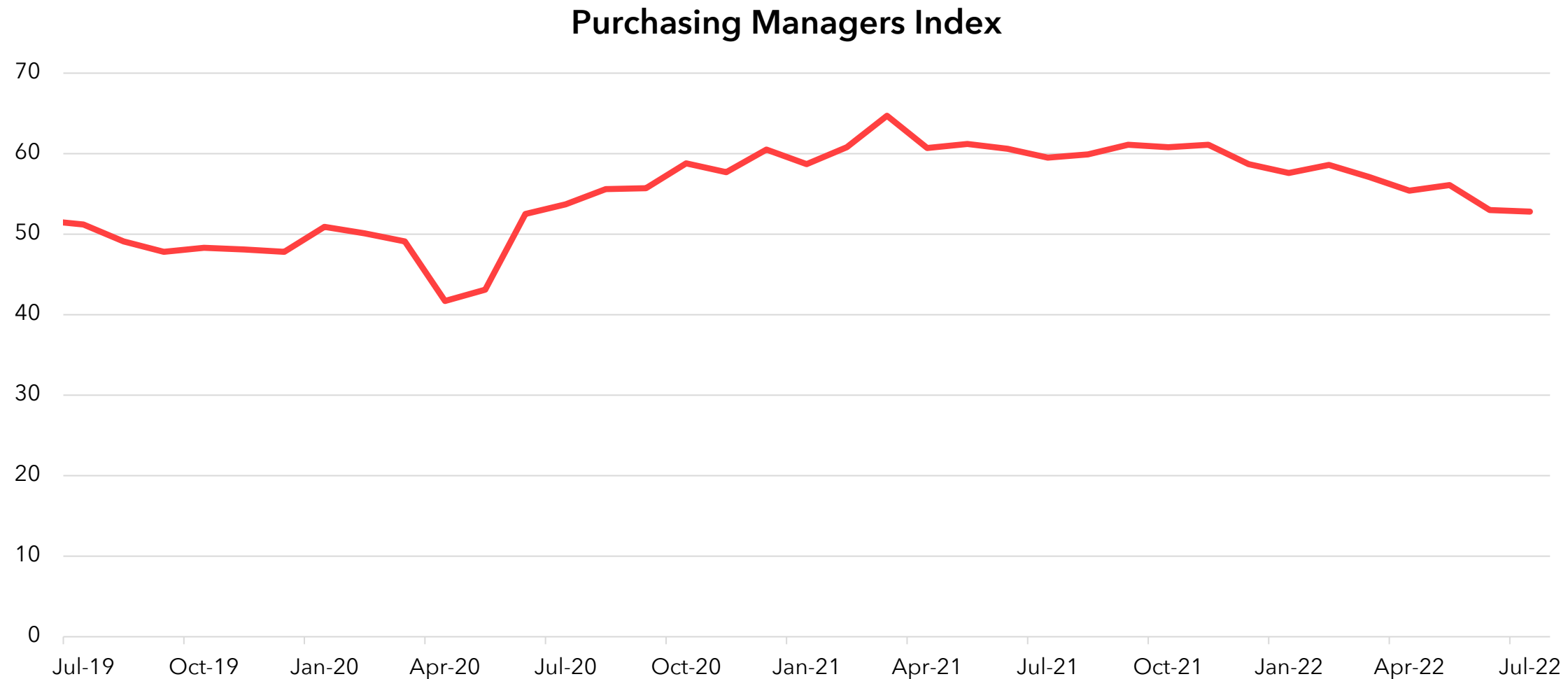
# Inflation and Prices (National)

- Inflation reflects the annual percentage change in the cost to an average consumer of acquiring a standard market basket of goods and services. The inflation rate presented below is the year-over-year percentage change which is a measure of the average monthly change in the overall price for goods and services paid by urban consumers
- In 2022 year to date, inflation has been at or near its highest rate in a decade



# Purchasing Managers Index (National)

- A manufacturing PMI above 48.7% generally indicates an expansion of the overall economy
- Average Index for 12 months is at 58.2. There has been a negative 0.2 percentage-point change from June's PMI of 53.0 to July's PMI of 52.8, an indication that the economic activity in the manufacturing sector grew slightly in the month of July as compared to the month of June.

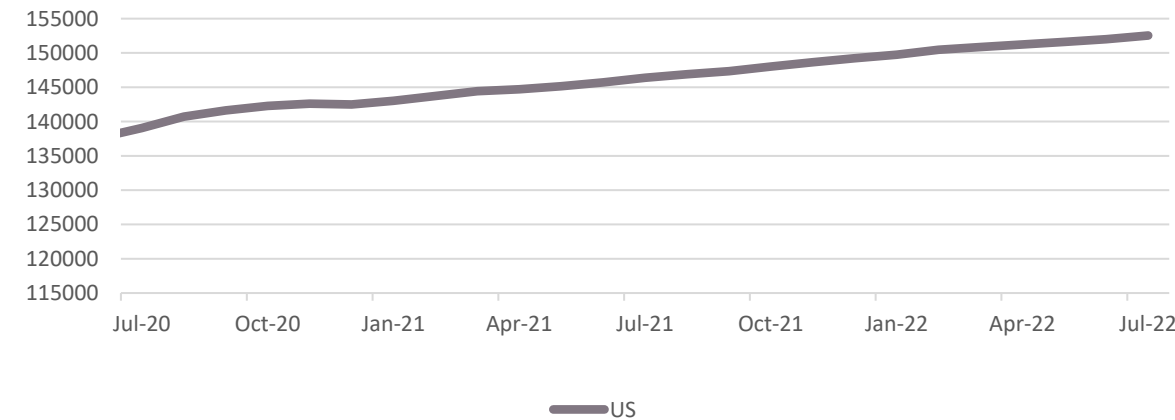


# Regional Comparisons

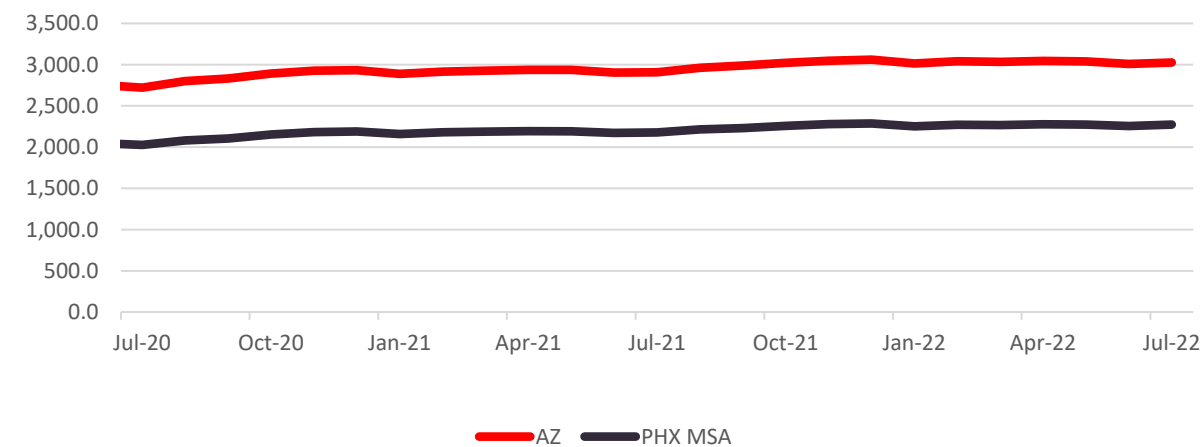
- Greater Phoenix has a lower unemployment rate than Arizona or the United States
- Employment rates have a consistent trend at the metro, state and national level

## Nonfarm Employment

United States Employment (000)

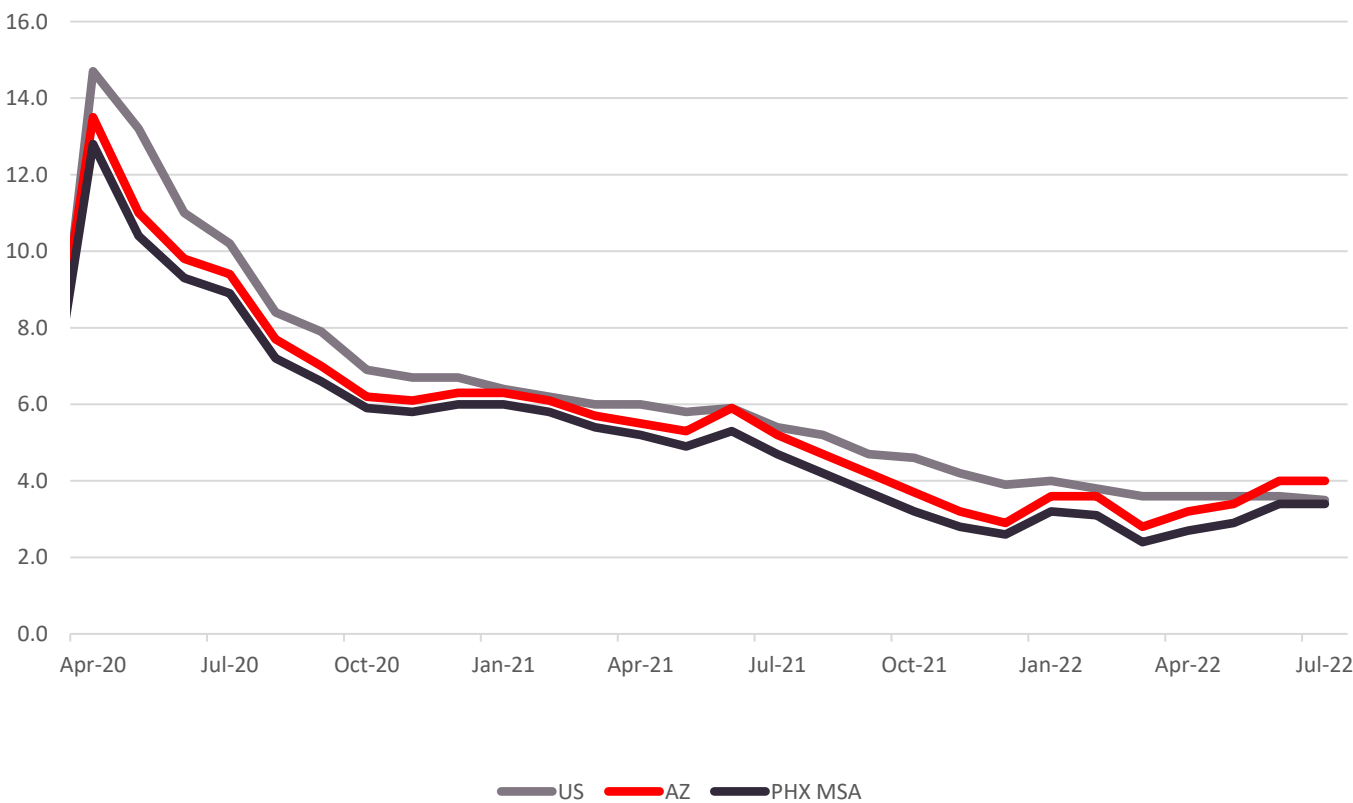


Local & State Employment (000)



## Unemployment Rates

Unemployment Rates



Source: University of Arizona Economic and Business Research Center, August 2022



# Households

# Cost of Living

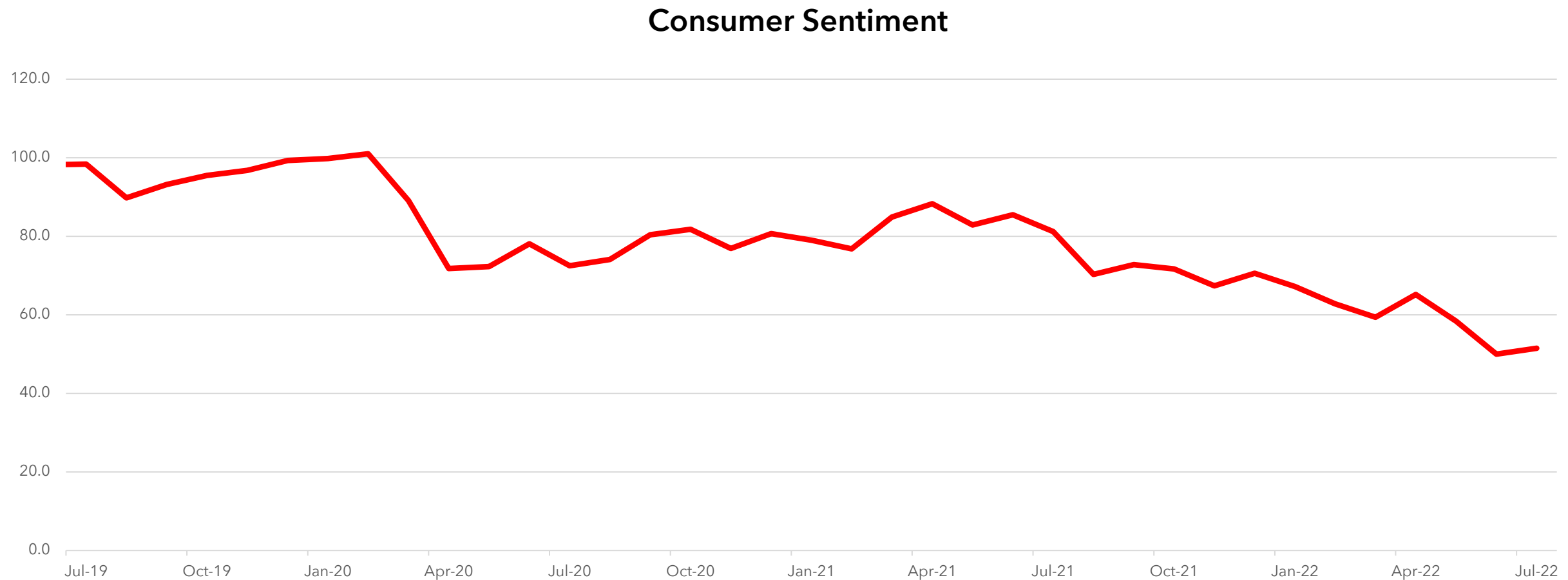
The overall cost of living in Greater Phoenix is 4.2% above the national average.

## Cost of Living Comparison for Select Markets

Region	100% Composite Index	17.26% Grocery items	30.9% Housing	10.21% Utilities	7.54% Transportation	4.42% Healthcare	29.67% Misc. Goods and Services
Houston TX	91.7	96.7	81.5	97.7	90.6	100.4	96.5
Albuquerque NM	92.4	100.2	87.4	92.2	90.7	88.3	94.2
Dallas TX	101.2	95.1	94.4	112.4	86.9	112.3	109.9
Austin TX	101.8	87.7	113.4	92.8	90.6	107.5	102.9
<b>Phoenix AZ</b>	<b>104.2</b>	<b>99.9</b>	<b>114.4</b>	<b>102.3</b>	<b>108.2</b>	<b>100.2</b>	<b>96.2</b>
Denver CO	110.0	93.3	129.0	86.5	98.2	100.7	112.3
Salt Lake City UT	110.5	106.3	126.3	93.0	105.9	94.3	106.0
Portland OR	127.4	109.4	165.8	93.0	120.9	103.5	115.0
San Diego CA	144.7	113.4	215.6	110.0	130.4	107.2	110.1
Arlington VA	147.1	110.6	232.0	97.7	110.0	114.4	111.3
Seattle WA	150.7	128.6	202.2	106.6	122.3	124.3	136.3
Boston MA	150.8	116.0	220.9	123.5	121.1	117.0	119.9
Los Angeles CA	151.9	113.7	234.0	109.9	126.0	115.0	115.2
San Francisco CA	184.2	129.8	306.4	133.8	141.6	133.9	124.3
New York (Manhattan) NY	237.8	144.4	482.7	103.3	117.6	107.9	133.1

# Consumer Sentiment (National)

- Consumer sentiment remains at or near its lowest level in the past decade
- Index is at 51.5 for the month of July

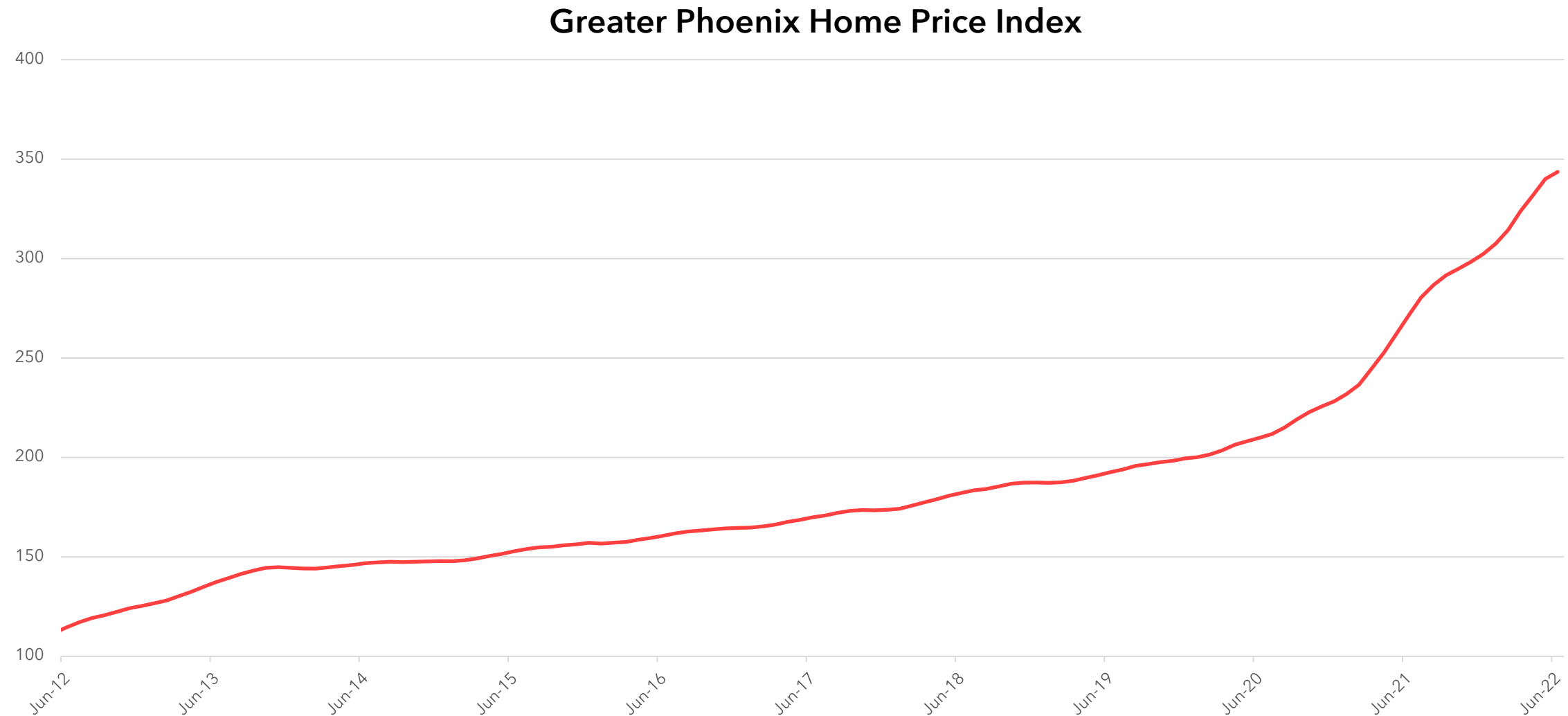


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# Housing Sector

# Housing Market Trends

- Home prices in Greater Phoenix have been increasing for the past decade with the month of June recording the highest index at 343.60 with an annual percentage change of 26.58%

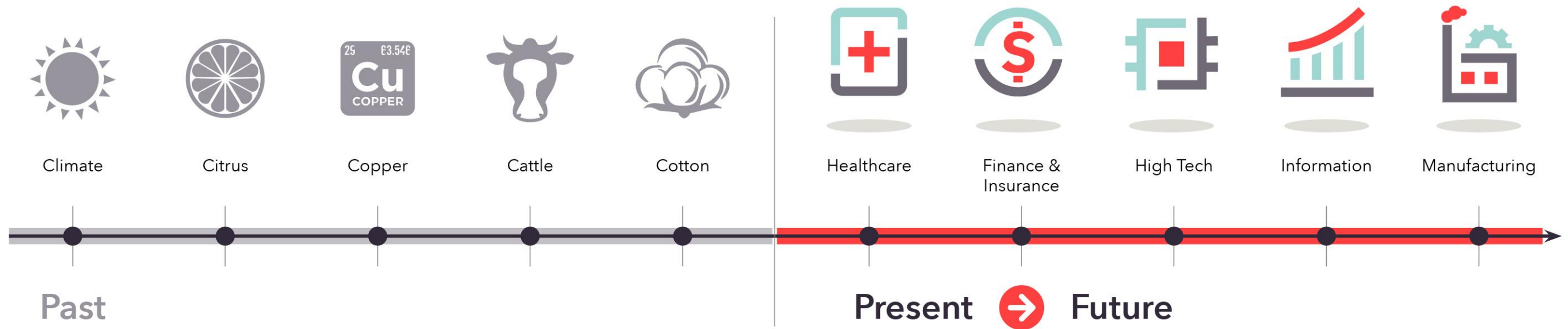


*\*An index value of 100 equals the home price in January 2000.  
Source: S&P/Case-Shiller Home Price Index, August 2022*

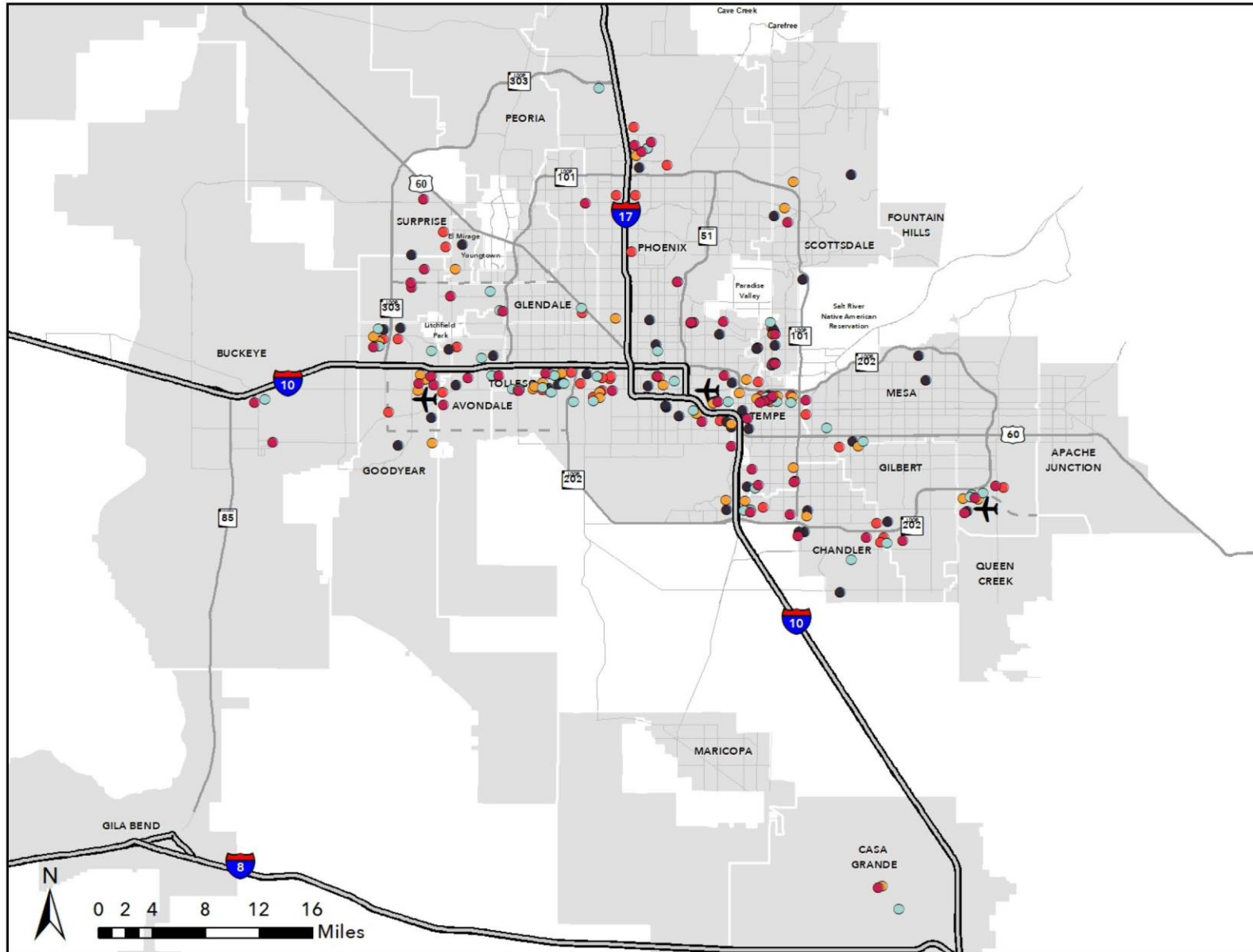


# Regional Overview




# Past. Present. Future.



# Locates: FY18 - FY22



## Legend

-  Airport
-  Existing Freeway
-  Planned Freeway Expansion

## Fiscal Years

-  FY18
-  FY19
-  FY20
-  FY21
-  FY22

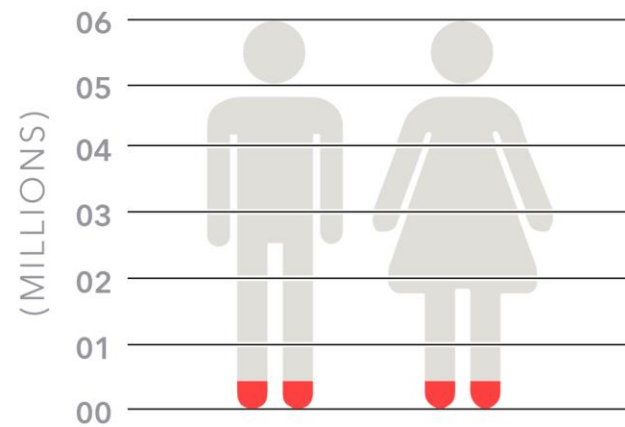
# Did you know?



**86,820**  
New Residents in 2020

Maricopa is the  
fastest-growing  
U.S. County from  
2010-2020

# Greater Phoenix Population Growth



**216,038**

Past (1950)



**4,946,547**

Present (2021)



**5,806,600**

Future (2031)

# Market Growth (2031)

## Greater Phoenix

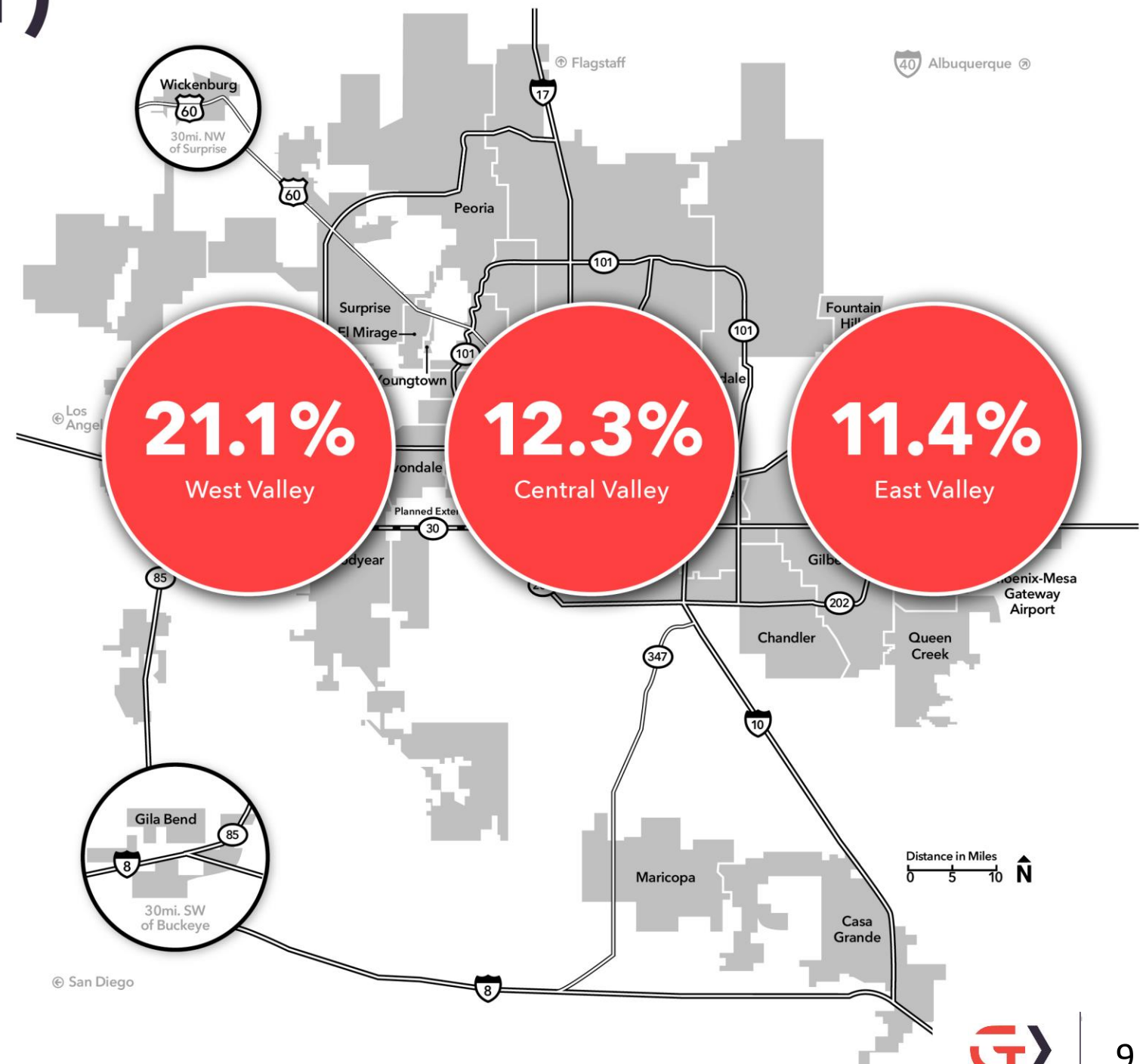
Projected Population Growth (2031)



**17.4%**



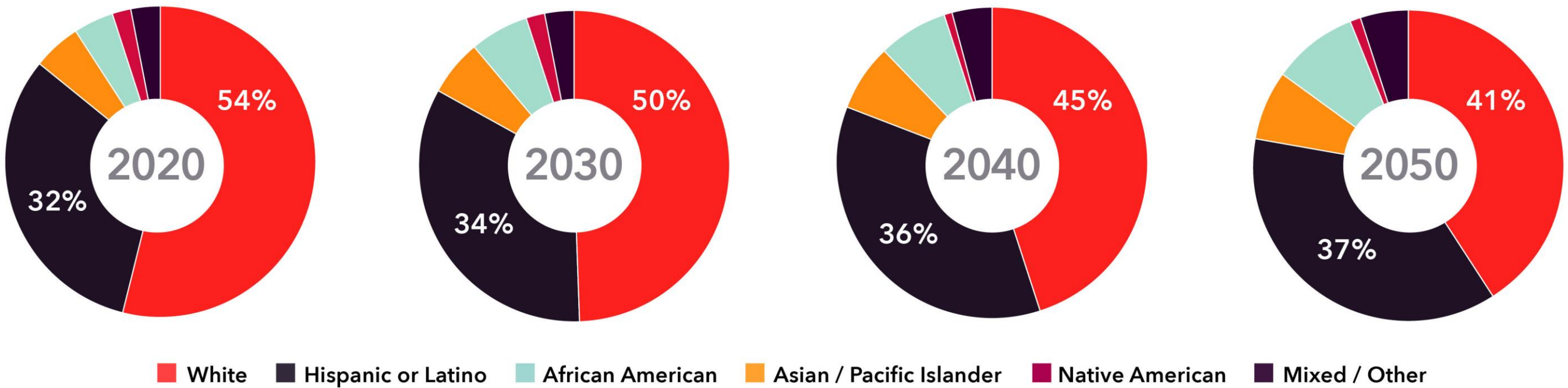
**5.81M**



Source: Arizona Office of Economic Opportunity



# Demographic Growth



Source: US Equity Atlas

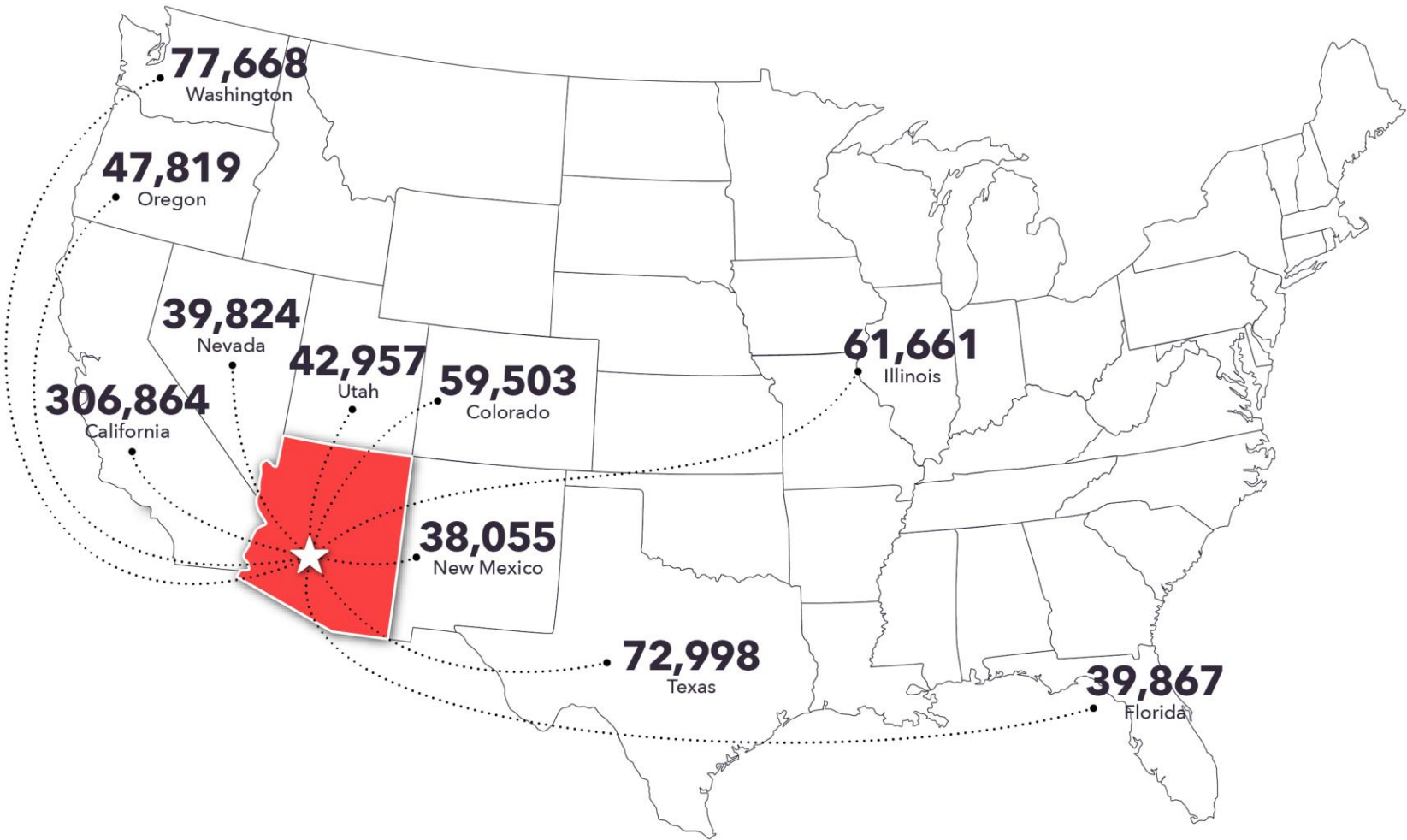
# Relocating to Arizona

The data below shows the total in-migration to Arizona by age from 2015-2019.

Age Group	2015-2019
1 to 17 years	218,992
18 to 24 years	221,833
25 to 34 years	246,333
35 to 44 years	154,439
45 to 54 years	120,979
55 to 64 years	152,096
65 and over	200,602

Source: ACS 2015-2019 1-Year Data

The data below shows the total in-migration to Arizona by state from 2015-2019.





# Reliable Infrastructure

# Reliable Infrastructure: Power & Telecom

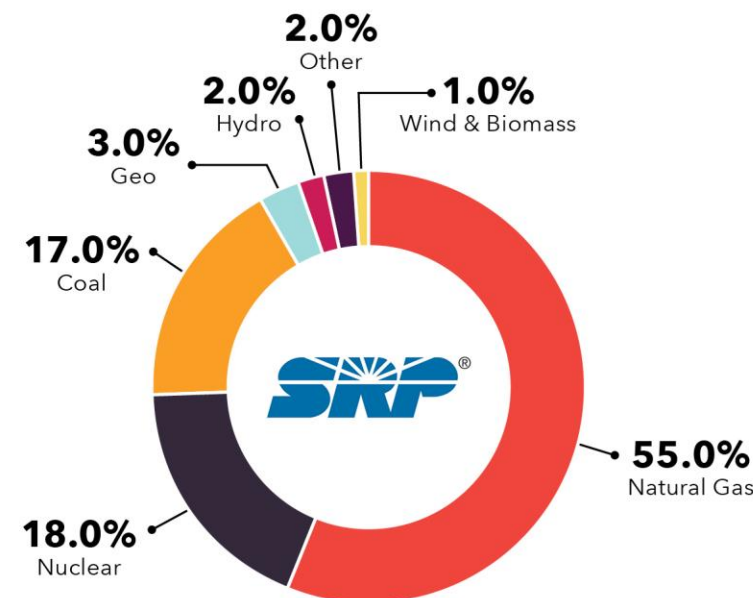
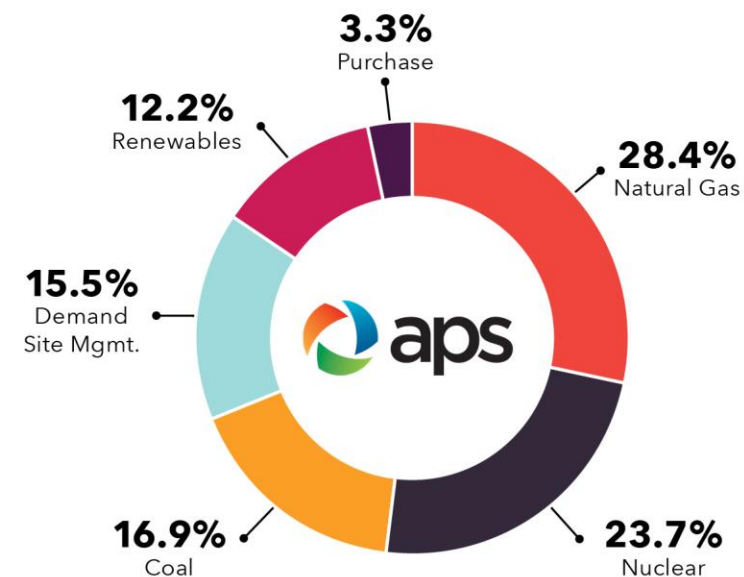
## Power

- Arizona Public Service (APS) & Salt River Project (SRP) are the region's primary electric companies.

- Ranked as top business service providers by J.D. Power & Associates (2021)



## Diverse fuel mix (2021), including:



## Telecommunications

- More than 60 fiber, telecom, broadband and wireless providers
- Robust fiber network with dependable telecom infrastructure including:



CenturyLink™





RELIABLE INFRASTRUCTURE

Photo credit: (far left & far right images) SRP.com

# Arizona's Water Position

Arizona leads the nation with rigorous water conservation efforts, and because of the 1980 Groundwater Management Act, Arizona has the legal and physical infrastructure that maintains a 100-year assured water supply to meet the current and future needs of residents and industry.

## Fast Facts:



Arizona is currently below 1957 water usage levels.



Arizona has 13.2 million acre-feet of water stored in reservoirs and underground.



Arizona has five times (5x) more water stored than it uses.



Arizona is far less reliant on the Colorado River than competitor markets:

Southern Nevada 90%

Southern California 60%

Colorado 30% - 40%

**Arizona 36%**

# Greater Phoenix Greater Together