



MAKING ACTION POSSIBLE
for Southern Arizona



MAP Talk: What's Hot and What's Not in Tucson's Economy

February 27th, 2020



**Explore Current Economic Trends for
Tucson in the Upcoming MAP Talk**

WEBINAR

February 27th
10am MST





MAKING ACTION POSSIBLE
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George Hammond

EBRC Director





Webinar Details

- ▶ **The MAP Talk will be recorded**
 - ▶ See the MAP Dashboard website for recordings
- ▶ **Conference mode**
 - ▶ Everyone muted except presenter
- ▶ **How to ask a question**
 - ▶ Email anytime to jkanipe@email.arizona.edu



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Tucson economy: MAP Dashboard

Monthly Stats	Change Year/Year
Non-farm jobs 391,700 (September 2019)	+1.9% ▲
Unemployment rate 4.1% (September 2019)	-0.4% pts. ▼
Median home price \$239,575 (September 2019)	+11.4% ▲
Housing permits* 261 (September 2019)	+4.8% ▲

*Single family permits, based on U.S. Census Bureau data

Tucson-area business growth still flat despite improvement since downturn

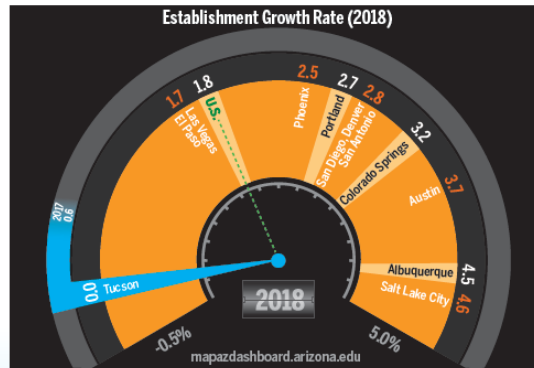
In 2018, the Tucson Metropolitan Statistical Area generated no growth in the number of establishments employing workers. This ranked Tucson 12th among peer western MSAs. Tucson's growth in business establishments was down from 0.6% in 2017. Despite Tucson's slow or non-existent growth over the past few years in business establishments this was a considerable improvement over the substantial decline during the Great Recession. Business growth reflects the change in the total number of establishments. Regions with strong business growth may generate correspondingly strong gains in jobs and income that contribute to an increased standard of living for local residents.

A project of the Economic and Business Research Center at the University of Arizona Eller College of Management

Real-time economic data is at your fingertips with the Arizona's Economy smartphone app. Available free on iTunes and Google Play.

About the MAP Dashboard
The MAP (Making Action Possible for Southern Arizona) Dashboard is produced by the UA Economic and Business Research Center in partnership with the Community Foundation for Southern Arizona, the Pima Association of Governments, the Southern Arizona Leadership Council, and Sun Corridor Inc. A portion is published monthly in the Arizona Daily Star. To view more data, go to mapdashboard.arizona.edu

10/27/19



Tucson's health: MAP Dashboard

In 2016, those living in the Tucson MSA reported 3.9 poor mental health days each month. This tied Tucson for eighth place with Portland among 12 peer western metros. Residents of Austin and Denver reported the least number of poor mental health days at 3.3, and Las Vegas residents reported the most at 4.3. Behavioral health is a key component of a person's well-being and can affect an individual's health, longevity and productivity. To learn more about mental health and other behavioral health conditions in Southern Arizona visit the MAP Dashboard.

Number of poor mental health days per month (2016)



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CHIARA BAUTISTA / ARIZONA DAILY STAR





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How Does Your Southern Arizona Community Compare?

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Tucson's Home Prices Near Pre-Recession Levels

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Understanding Chronic Disease Incidence and Prevalence

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Explore How Local Organizations Use the MAP

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Potential for Water Independence in Tucson's Communities

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Affordability in Tucson Varies Significantly By Income

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How Much Has Your Community Improved?

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Unleashing Growth: The Power of Innovation

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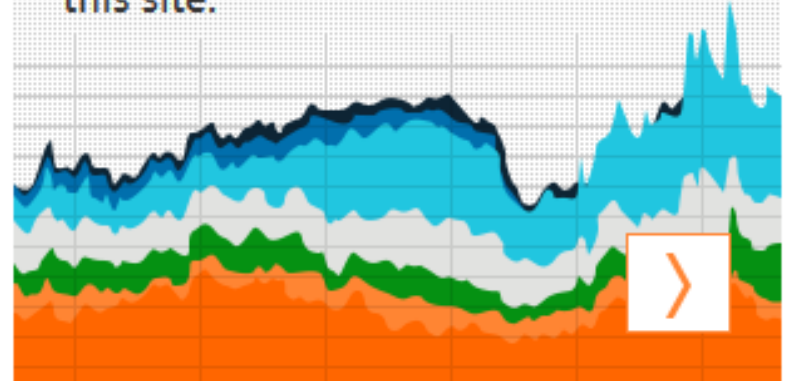
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Key Topics Today

- ▶ **The longest U.S. expansion marches on...**
 - ▶ ...as recession risks fade
 - ▶ Tucson is generating solid gains
- ▶ **While the outlook is positive, risks remain**
 - ▶ COVID-19
- ▶ **Arizona employment benchmark coming up next month**
 - ▶ U.S. job growth was revised down
 - ▶ Which way will the Tucson benchmark go?
- ▶ **Population growth still strong, driven by net migration**
 - ▶ Natural increase is fading as a source of gains
- ▶ **Demographic structures are changing**
 - ▶ That has implications for everyone

How Is Tucson Doing?

INDICATOR	HOW ARE WE DOING?	HOW DO WE COMPARE?	RECENT CHANGE
BUSINESS GROWTH	0.0% FROM 2017 TO 2018		▼
EMPLOYMENT GROWTH	1.2% FROM 2017 TO 2018		▼
HOUSING AFFORDABILITY	66.2%		▼
MEDIAN HOUSEHOLD INCOME	\$51,037		▲
PATENTS	17.4 PER 10,000 WORKERS		▼
REAL GDP	3.6%		▼

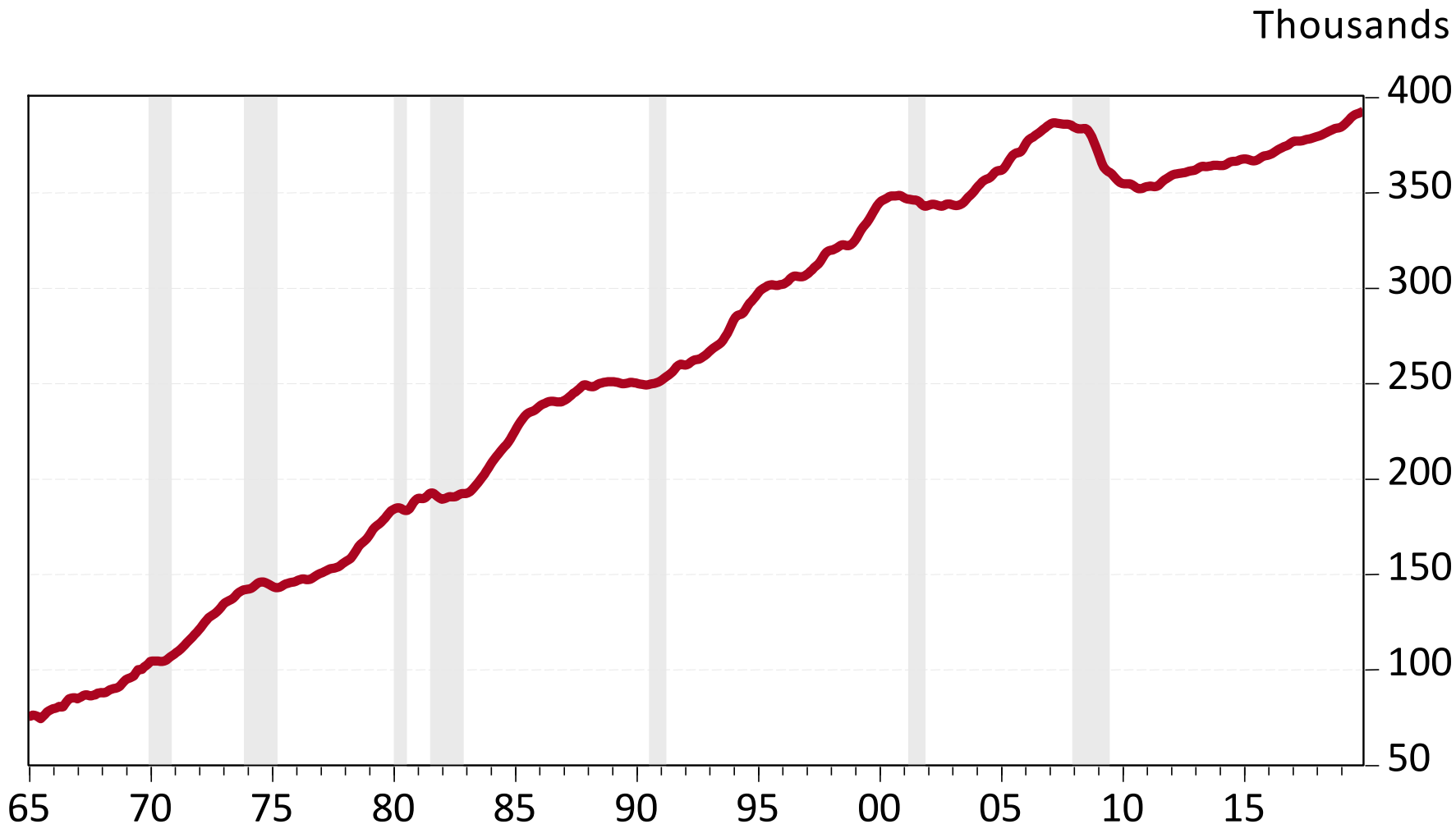
 Ranked in Top 1/3
  Ranked in Middle 1/3
  Ranked in Bottom 1/3
  Ranked Last

MAP Scorecard "How Do We Compare?" Rankings Are Relative To The Following Peer Metropolitan Areas:
 Albuquerque, Austin, Colorado Springs, Denver, El Paso, Las Vegas, Phoenix, Portland, Salt Lake City, San Antonio, and San Diego

mapazdashboard.arizona.edu

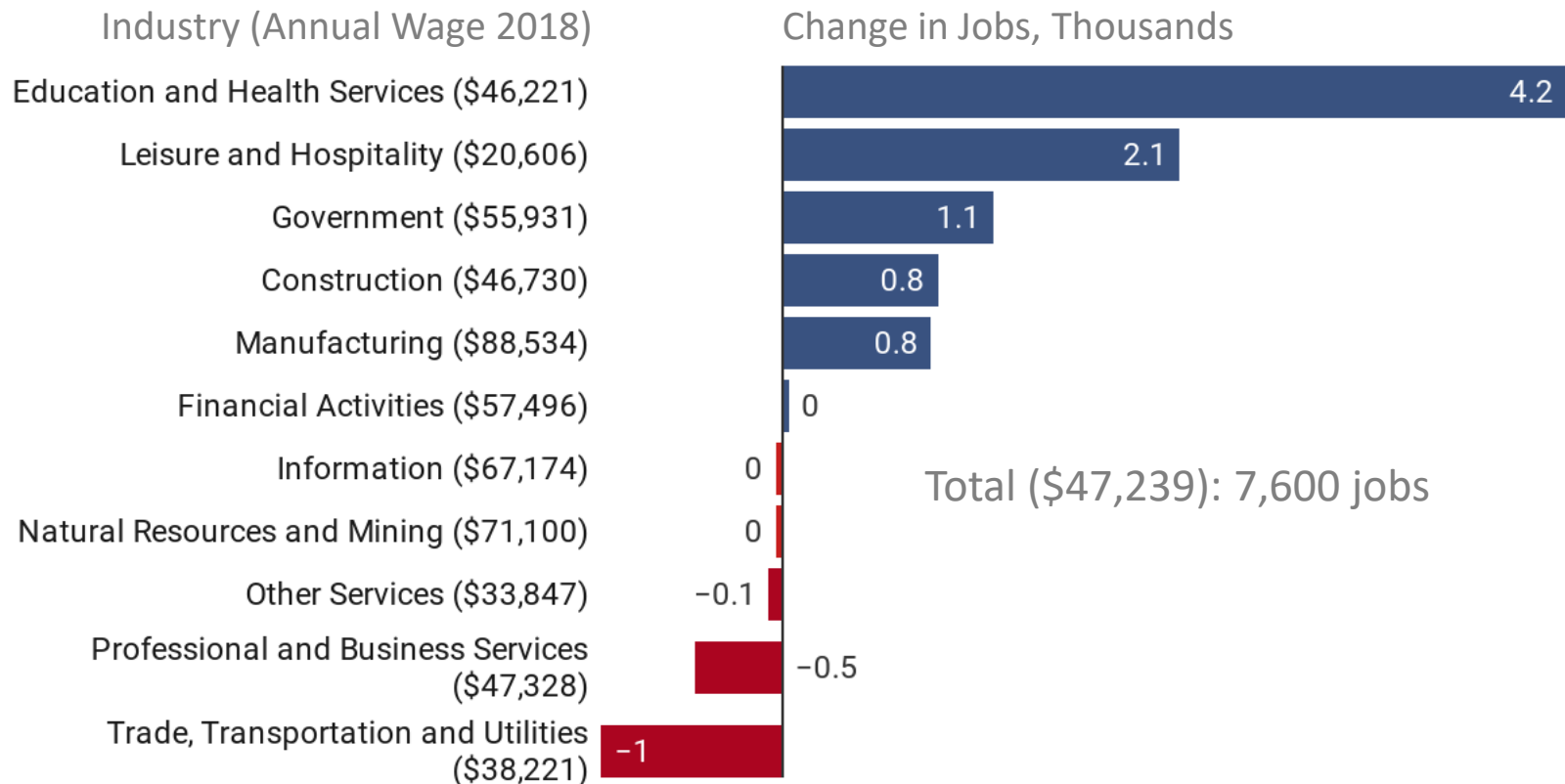
Tucson Jobs in the Long Run

Current Employment Statistics, Trend Cycle Component



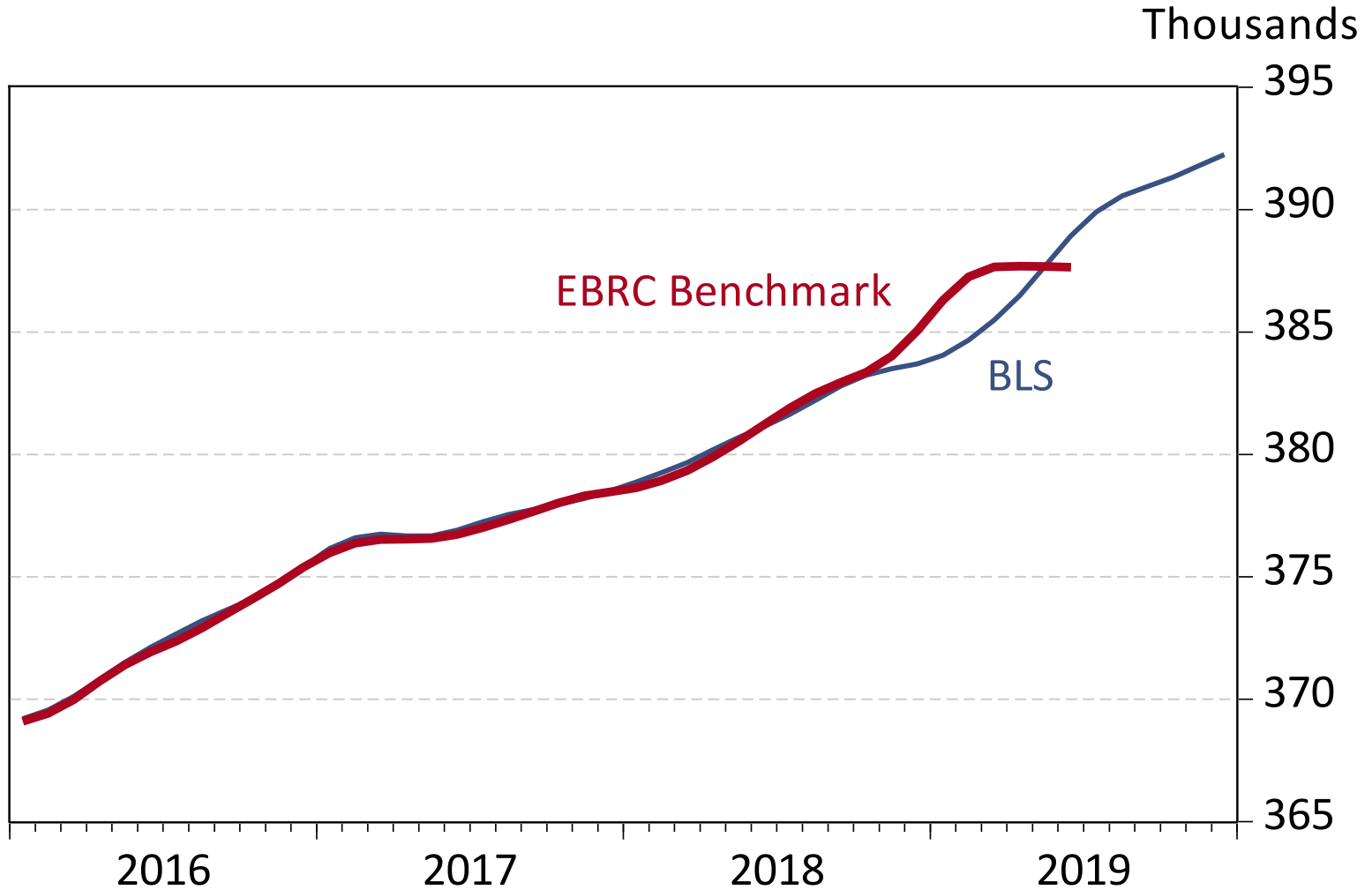
Tucson Job Growth

Over-the-Year Job Growth, 2019Q4-2018Q4, Preliminary



Tucson MSA Jobs

Preliminary BLS and EBRC Benchmark



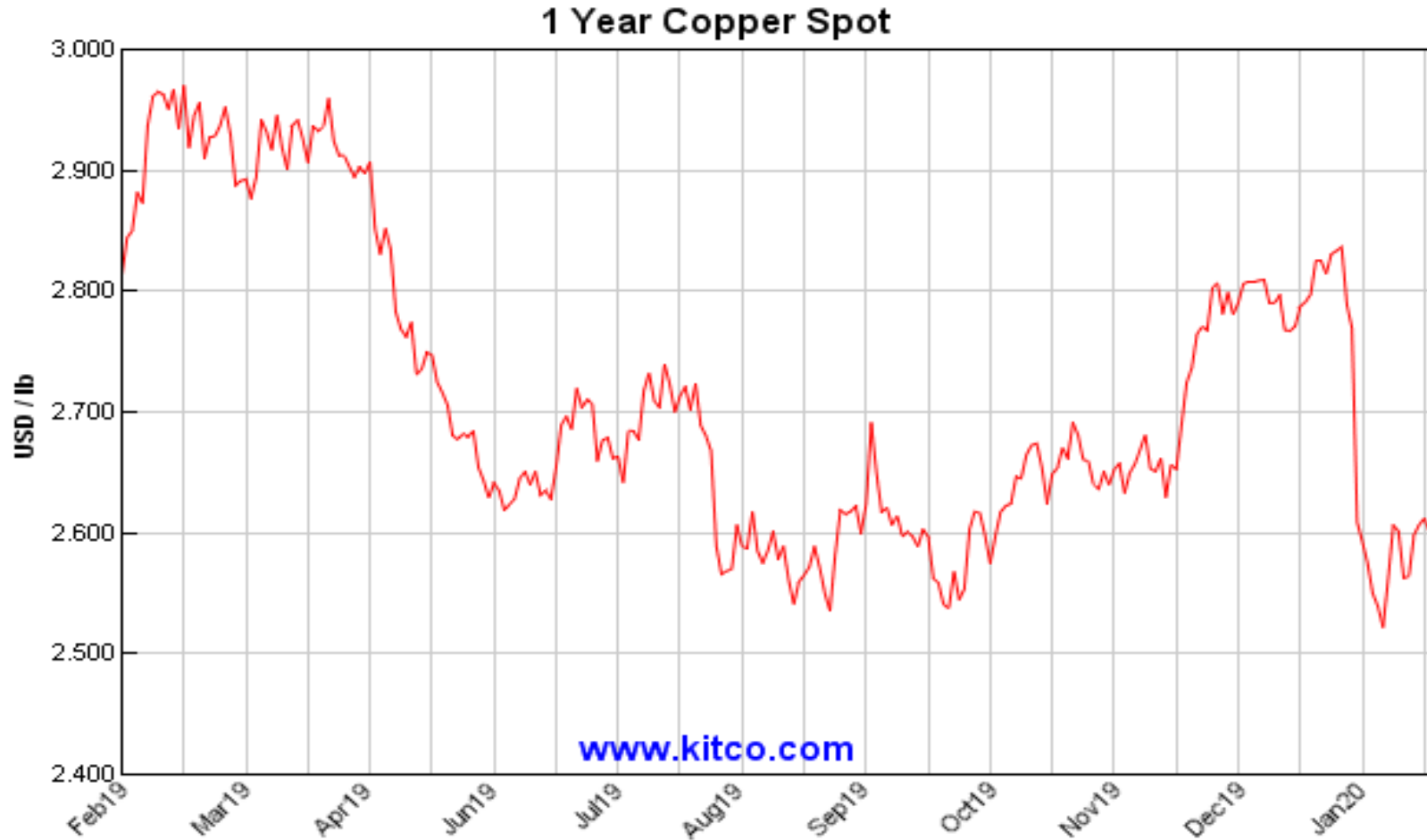
Novel Coronavirus (COVID-19)

Tracking Economic Impacts

- ▶ **The virus will spread around the world**
 - ▶ But remain concentrated in China
 - ▶ Hundreds of thousands worldwide likely to be infected with thousands of deaths
- ▶ **Economic impact channels**
 - ▶ Global supply chains
 - ▶ Chinese demand
 - ▶ Raw materials, intermediate, and finished goods
 - ▶ Travel and tourism
 - ▶ Financial impacts (risk premiums rise)
- ▶ **Impact estimates are imprecise**
 - ▶ Reduce Chinese real GDP growth by 0.8% in 2020
 - ▶ Reduce U.S. real GDP growth by 0.15% in 2020
 - ▶ <https://www.moodysanalytics.com/-/media/article/2020/china-coronavirus.pdf>

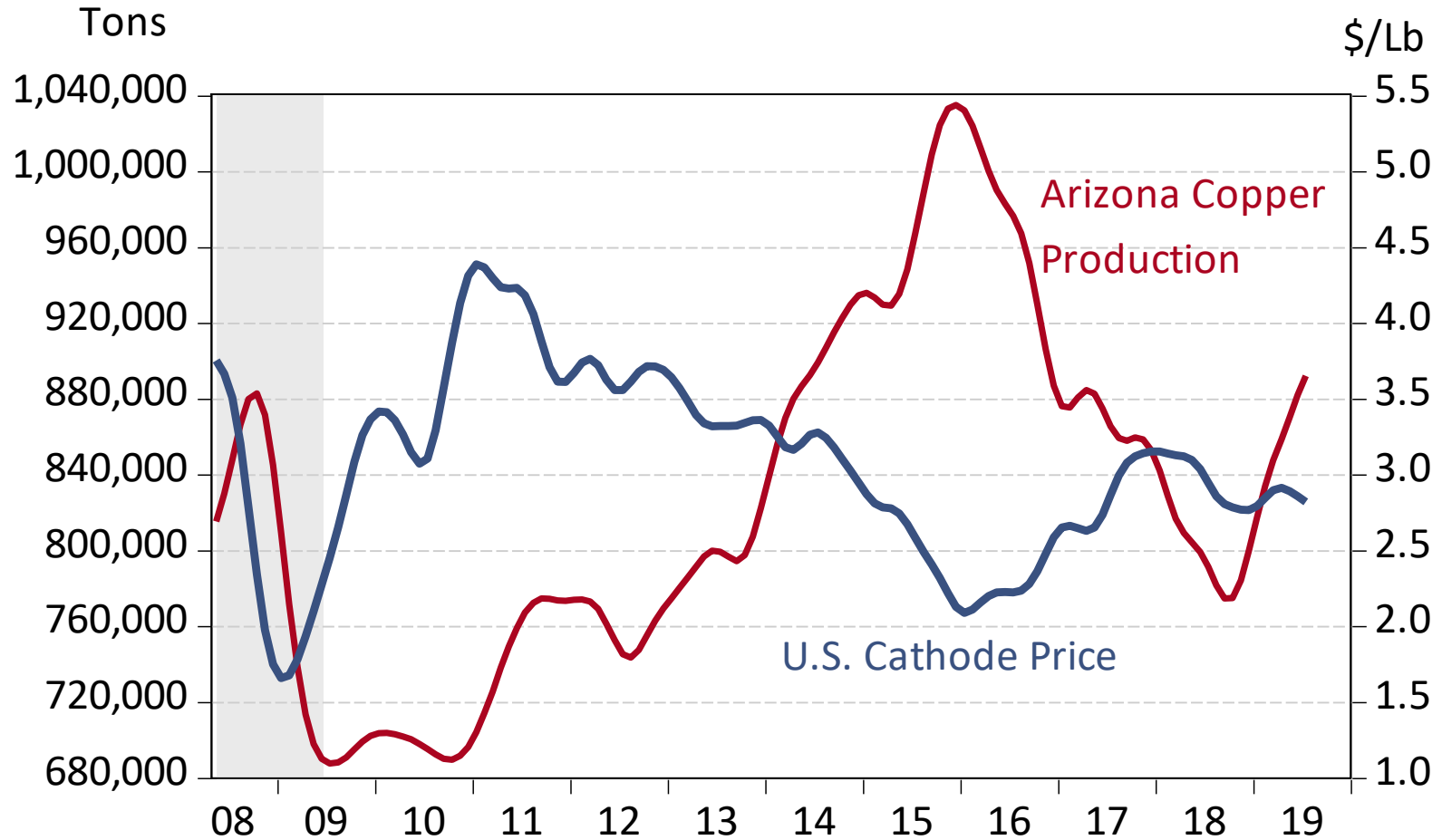
Spot Copper Prices Weaken

Spot Price for Copper



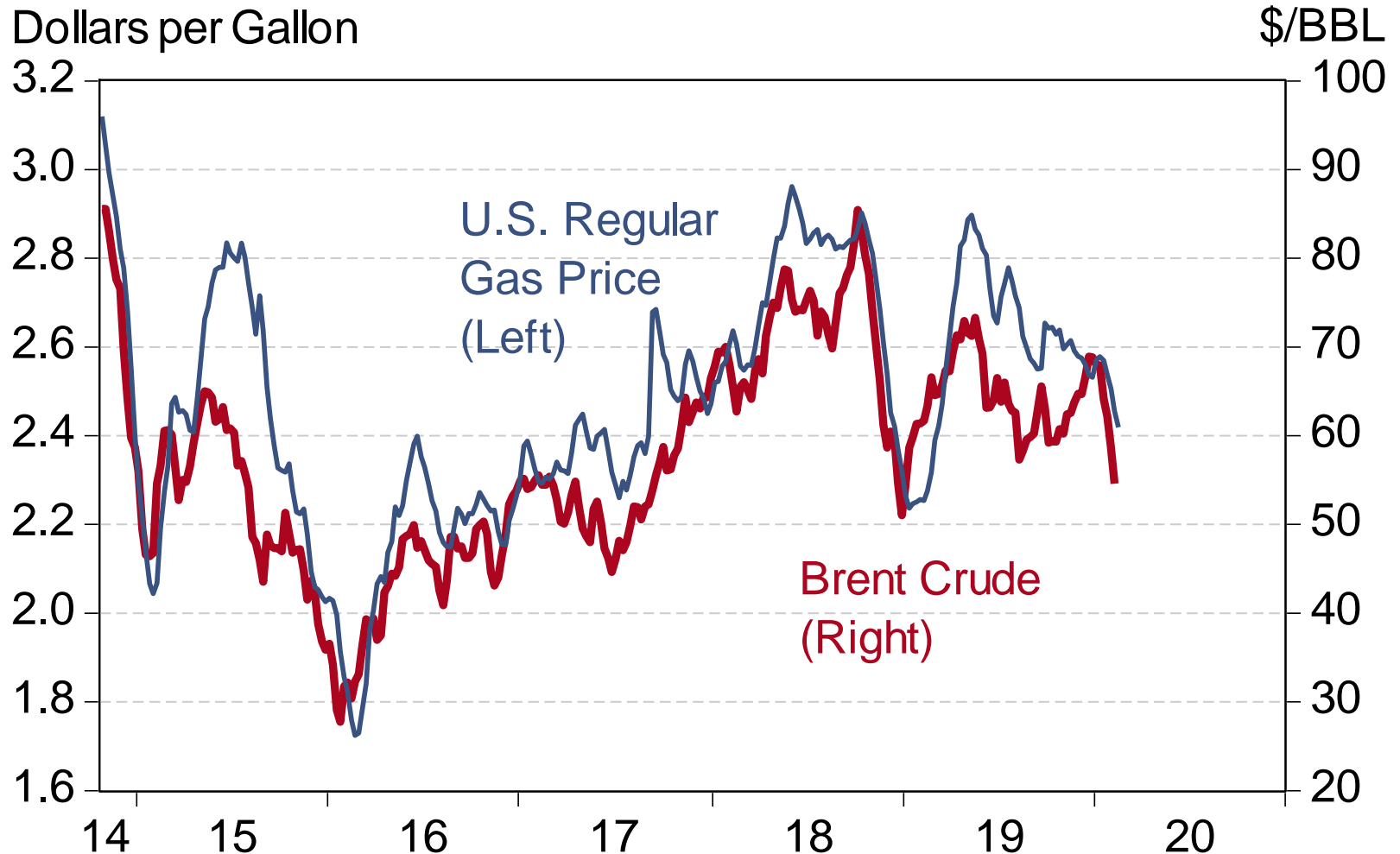
Arizona Copper Production

And U.S. Spot Price for Copper



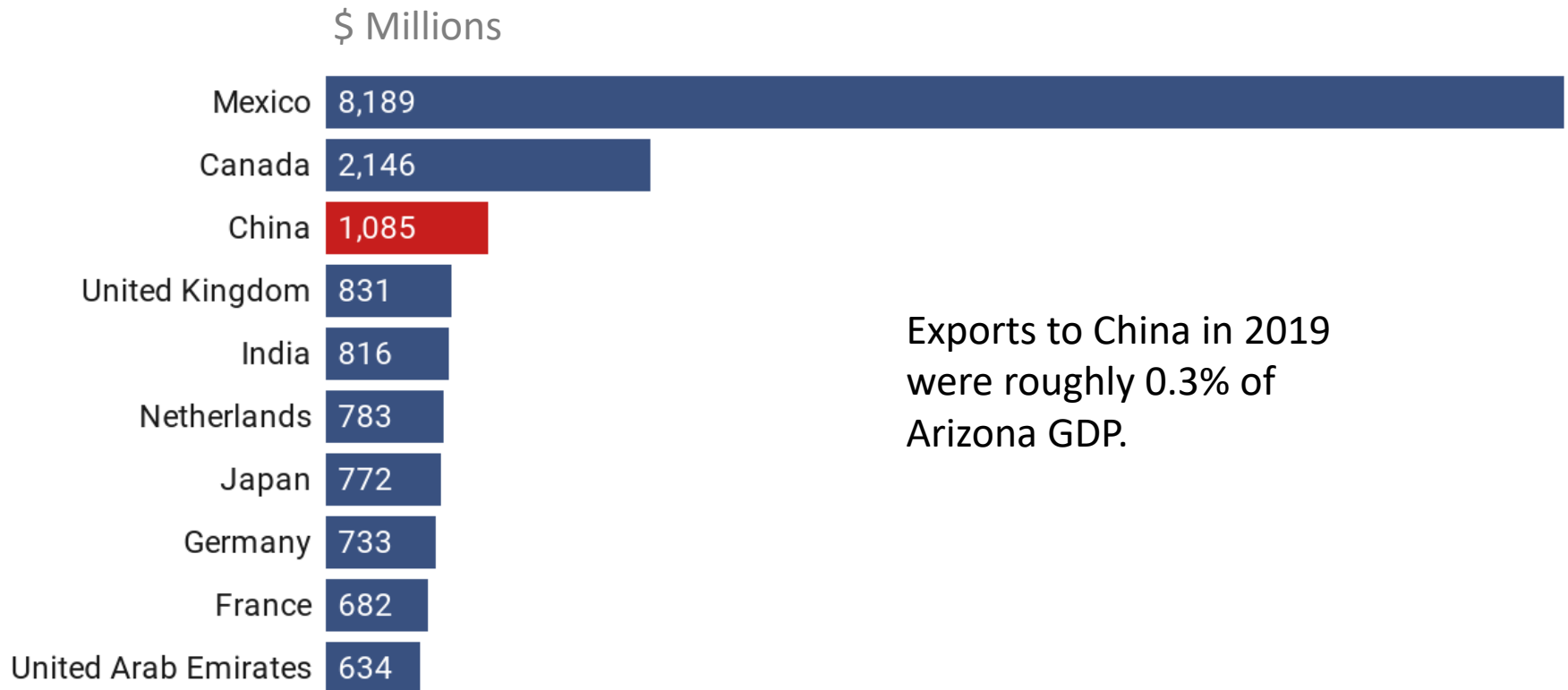
Crude Oil and Gasoline Prices Fall

U.S. Regular Gasoline and Brent Crude



Arizona Exports to the World

Top 10 Destinations by Country in 2019

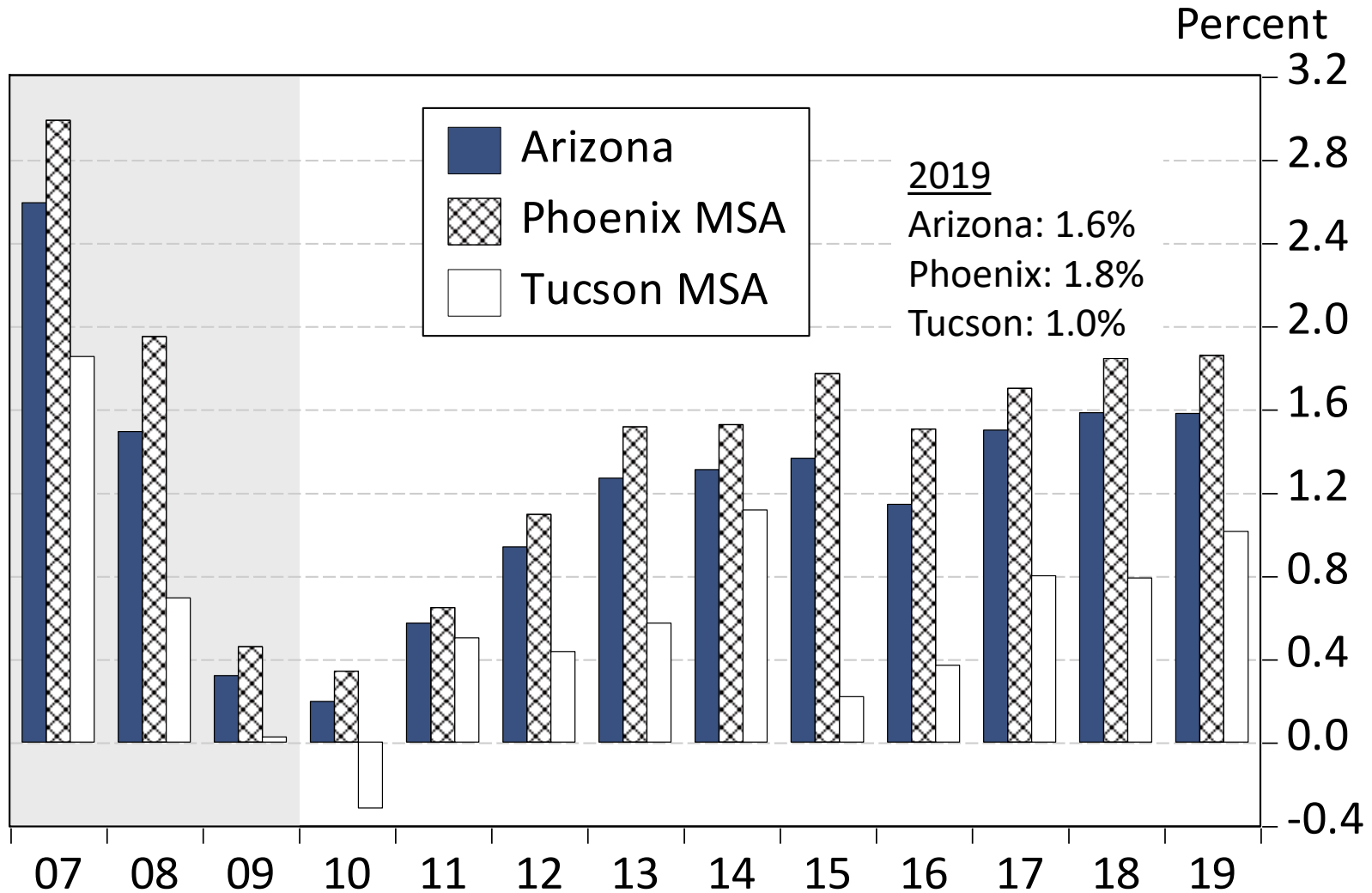


Exports to China in 2019 were roughly 0.3% of Arizona GDP.

Visualization from datawrapper.de

Arizona Population Growth

Arizona OEO Estimates, Method-Consistent Growth Rates



Arizona Population Growth

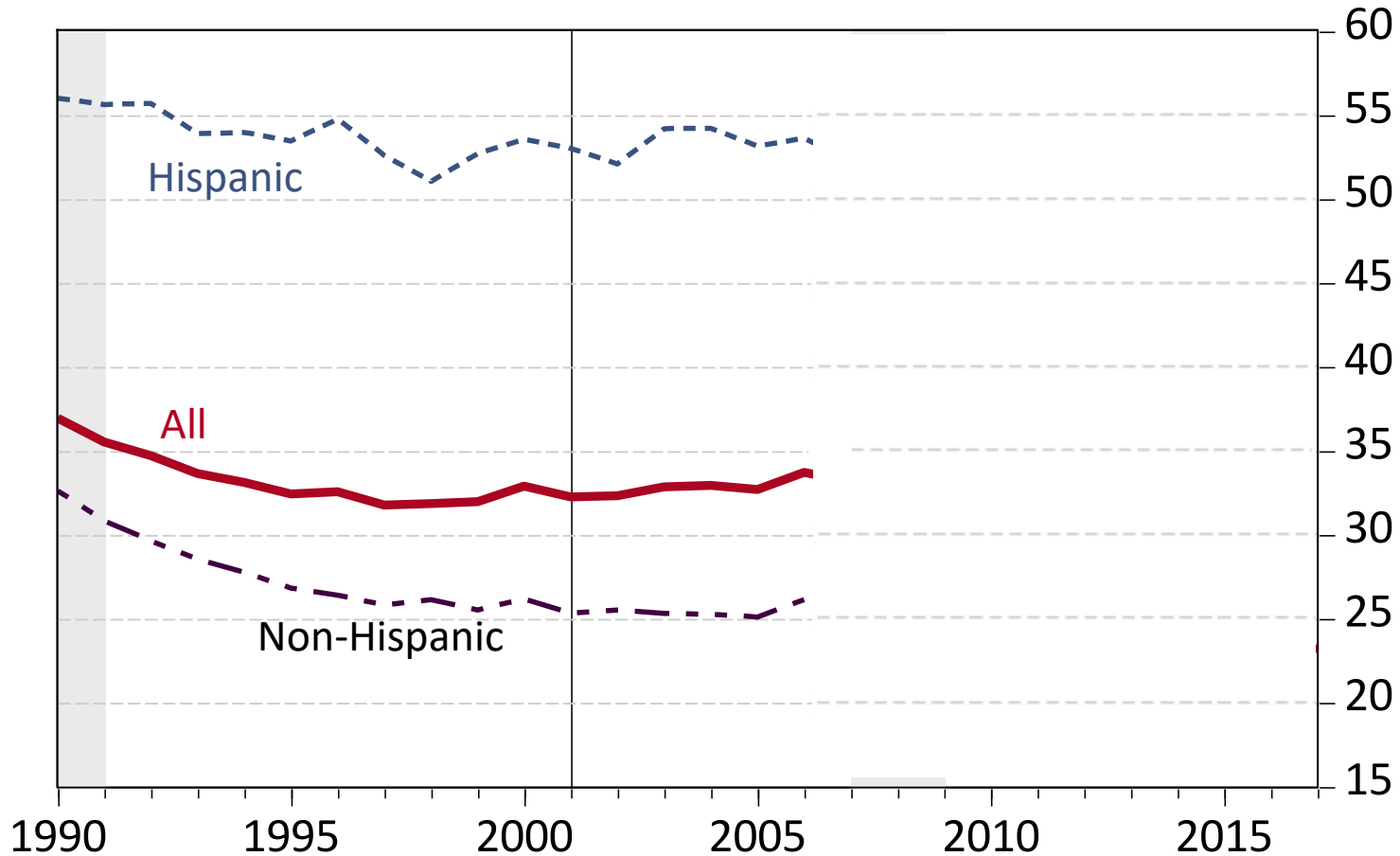
Arizona OEO, Components Of Population Change, 000s

	Arizona	Phoenix MSA	Tucson MSA
Population, 2018	7,076.2	4,735.1	1,034.2
plus:			
Natural Increase	21.1	21.0	0.6
equals:			
Births	80.1	56.1	10.5
minus:			
Deaths	59.0	35.1	9.9
plus:			
Net Migration	90.6	67.0	9.8
equals:			
Population, 2019	7,188.0	4,823.0	1,044.7

Arizona Birth Rate Trends

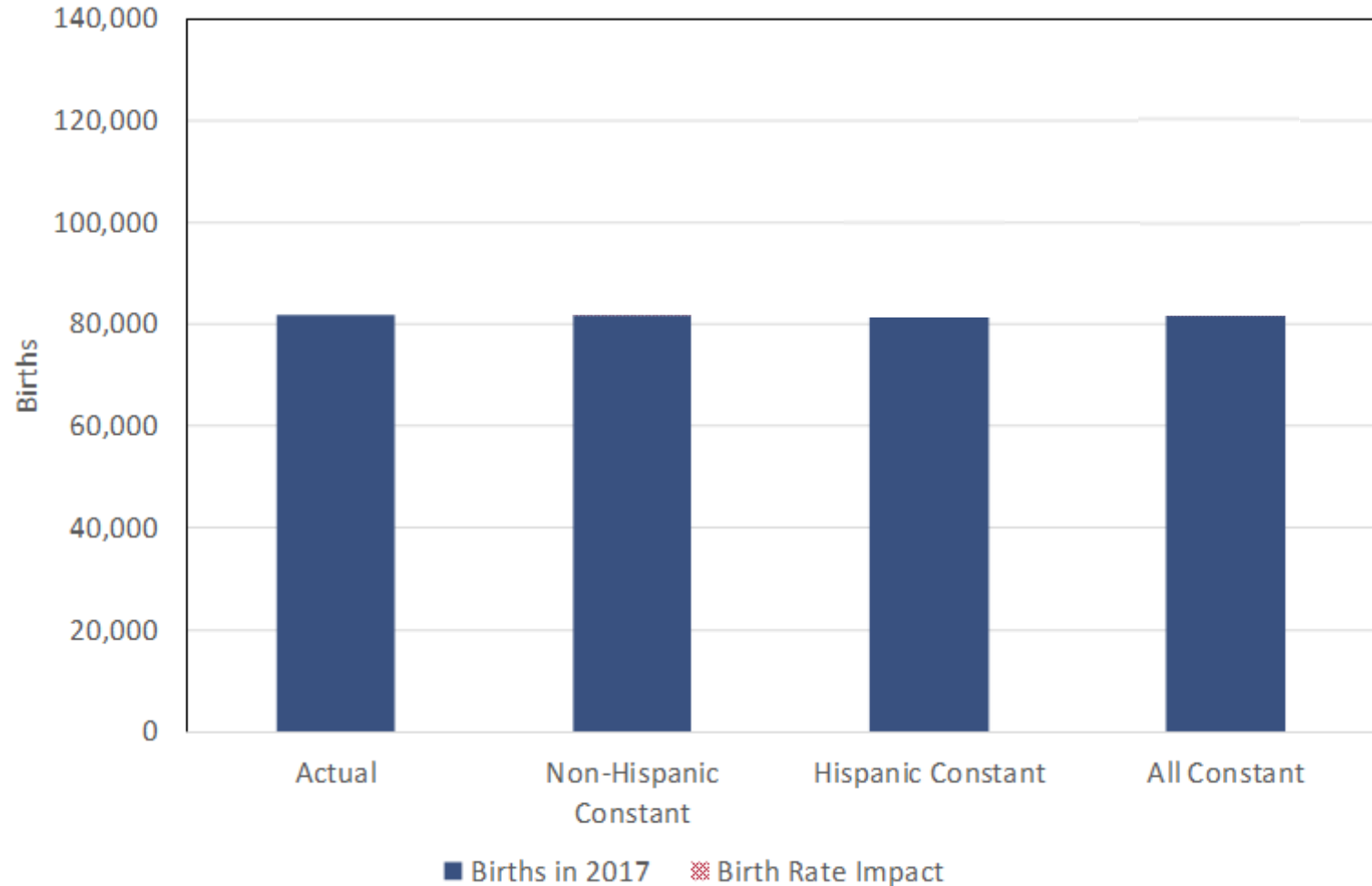
Arizona Department of Health Services and Census Estimates

Births Per 1,000 Women
of Childbearing Age



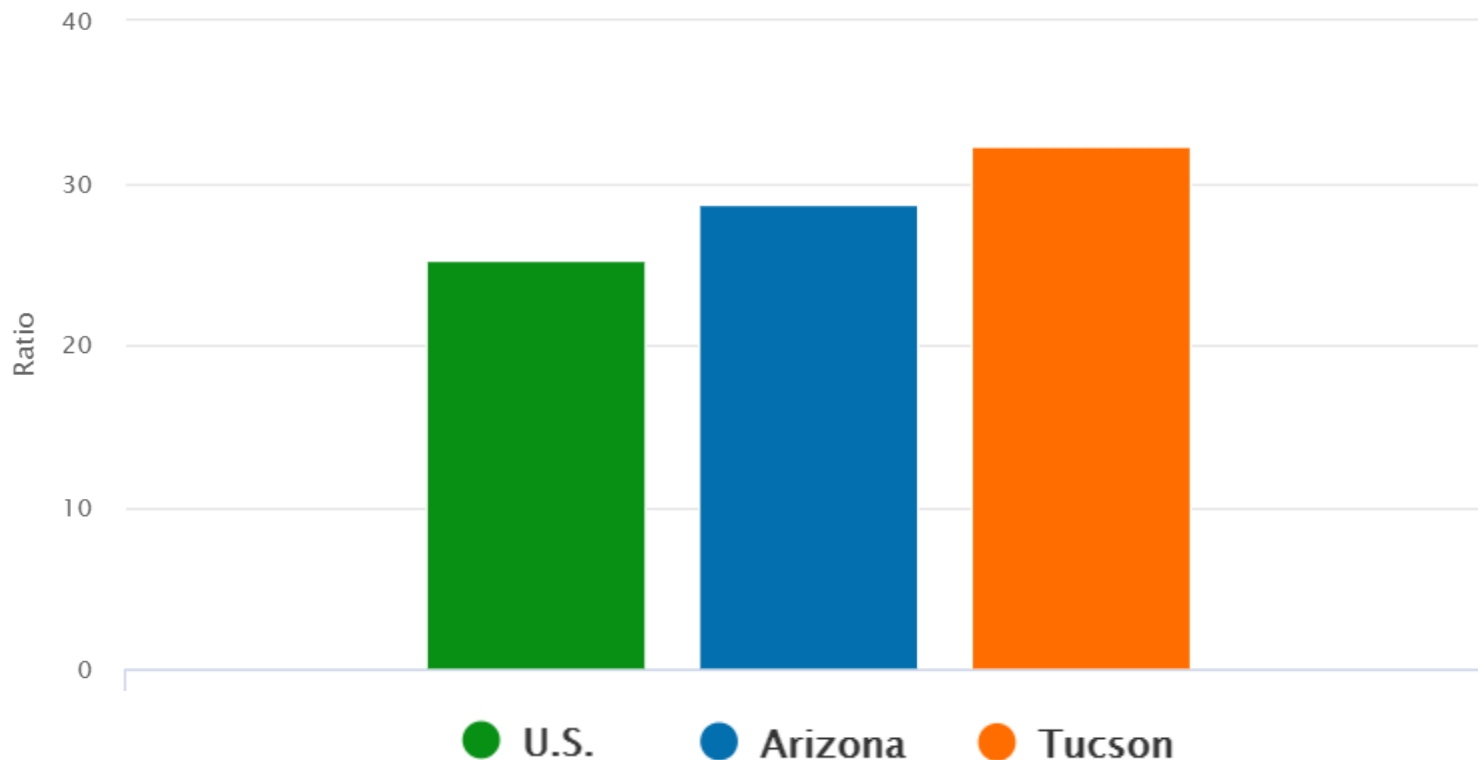
Arizona Birth Rate Impacts

Total State Births Under Alternative Scenarios



Old-Age Dependency Ratios

Tucson MSA, Arizona, and the U.S.

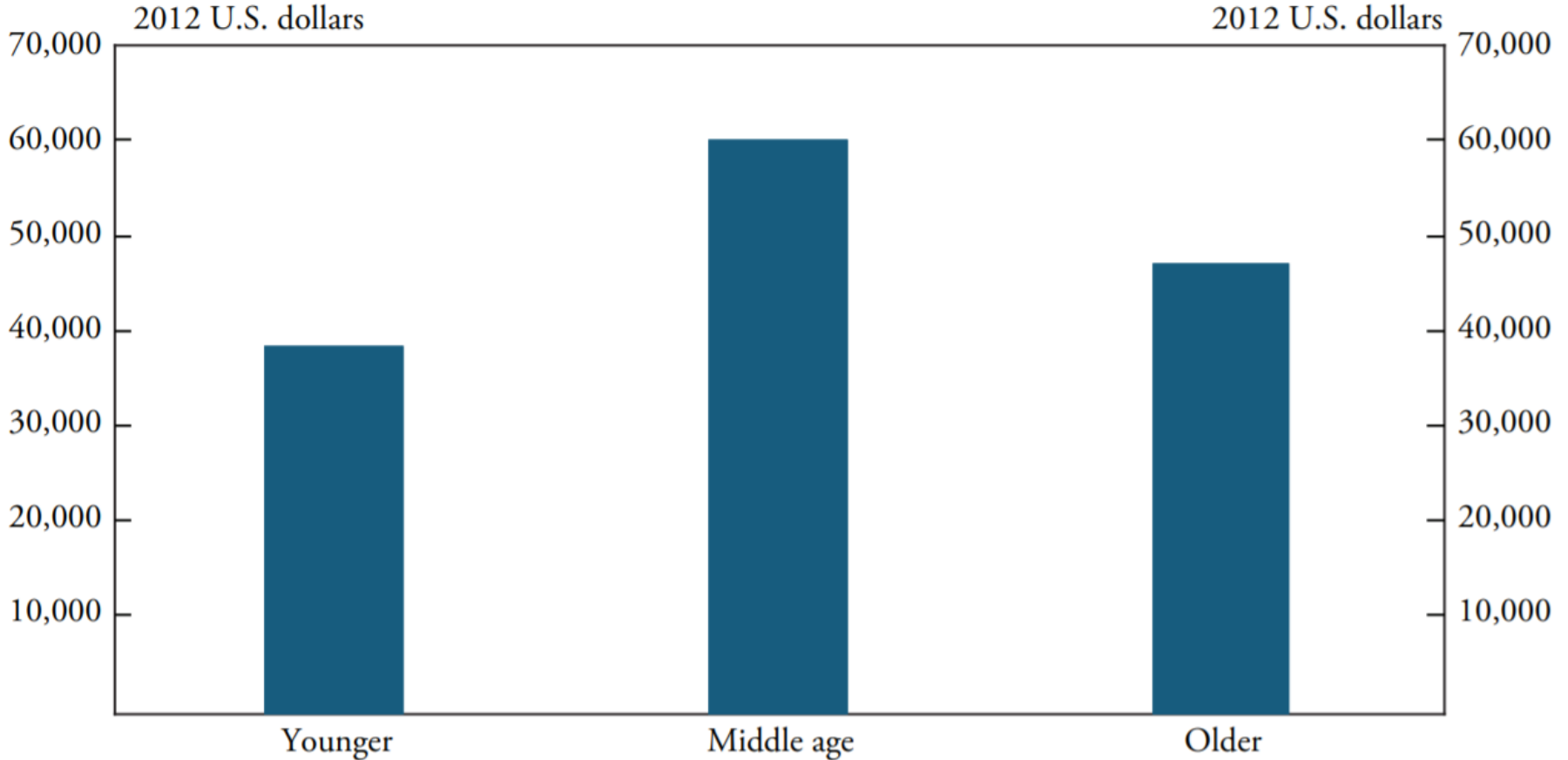


Shifting Demographics: Out with the New, In with the Old

<https://mapazdashboard.arizona.edu/article/shifting-demographics-out-new-old>

Average Real Spending: 1983-2018

By Age Group

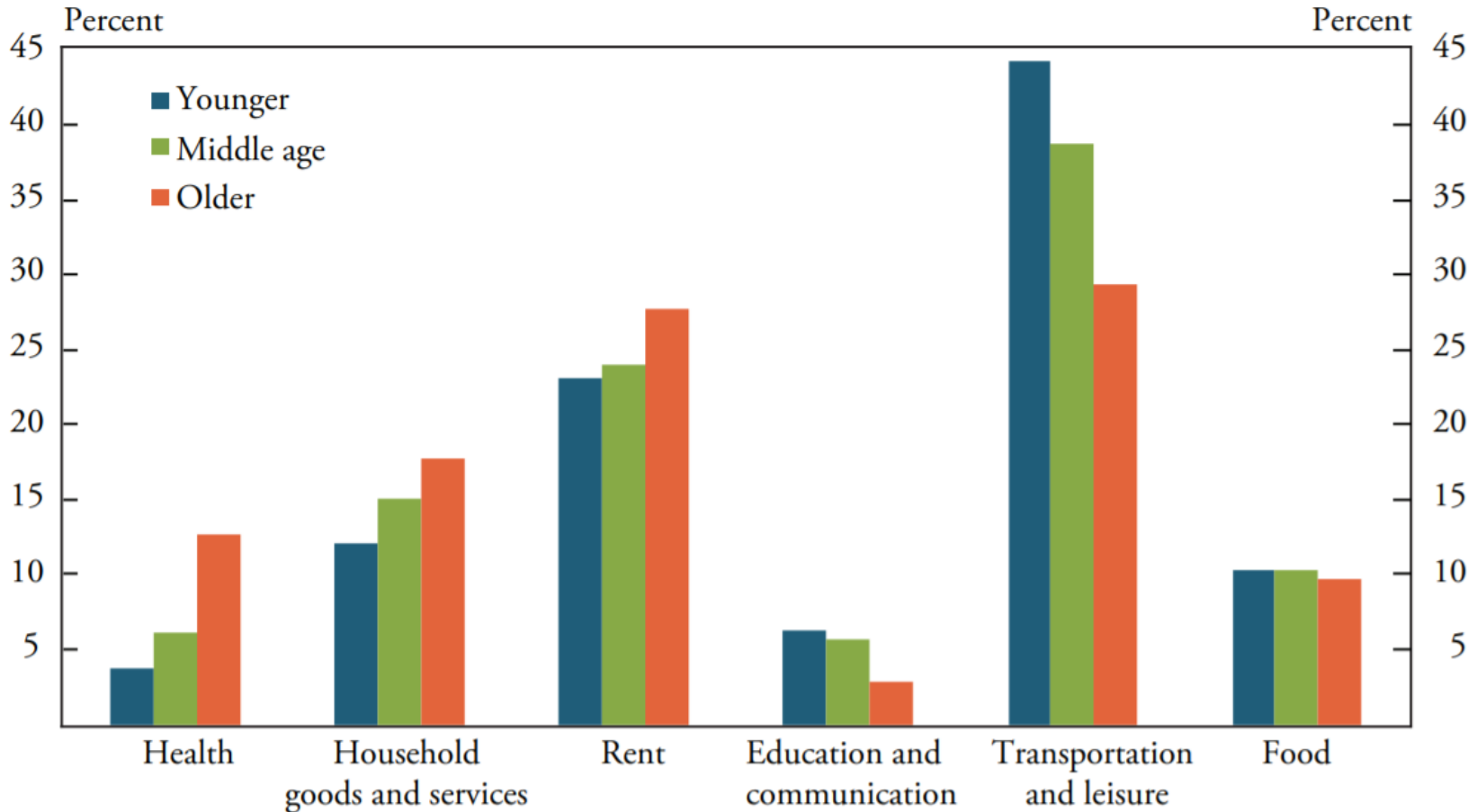


Sources: BLS, Inter-university Consortium for Political and Social Research (ICPSR), and authors' calculations.

<https://www.kansascityfed.org/~media/files/publicat/econrev/econrevarchive/2019/4q19niegautam.pdf>

Average Real Spending: 1983-2018

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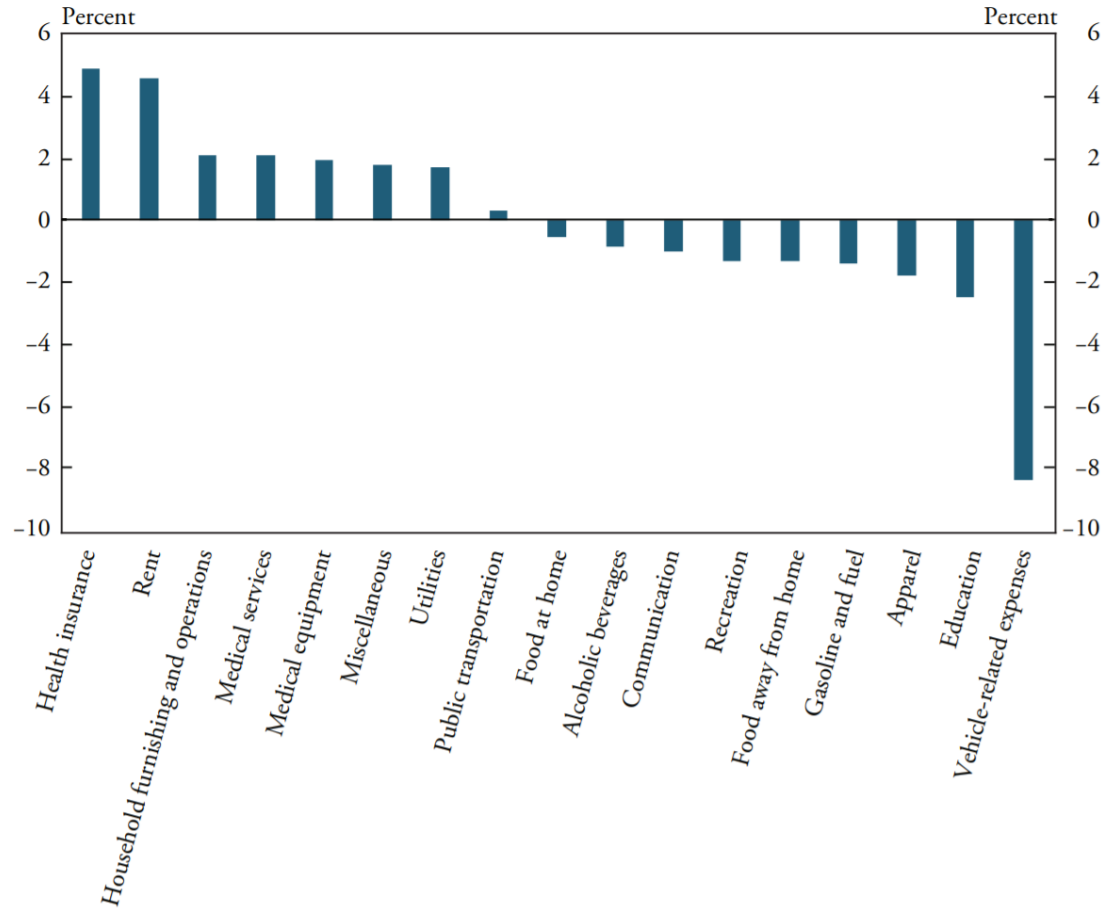


Sources: BLS, ICPSR, and authors' calculations.

<https://www.kansascityfed.org/~media/files/publicat/econrev/econrevarchive/2019/4q19niegautam.pdf>

Average Difference in Spending

Older Versus Younger Households: 1983-2018



Sources: BLS, ICPSR, and authors' calculations.

<https://www.kansascityfed.org/~media/files/publicat/econrev/econrevarchive/2019/4q19niegautam.pdf>

Key Takeaways Today

- ▶ **Tucson is generating solid job gains**

- ▶ Led by education and health services
- ▶ Retail trade jobs are declining

- ▶ **Recession risks have faded**

- ▶ A lot of uncertainty remains about the spread and impact of COVID-19

- ▶ **Population growth has been solid**

- ▶ Demographic structures are changing, with wide-ranging impacts

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

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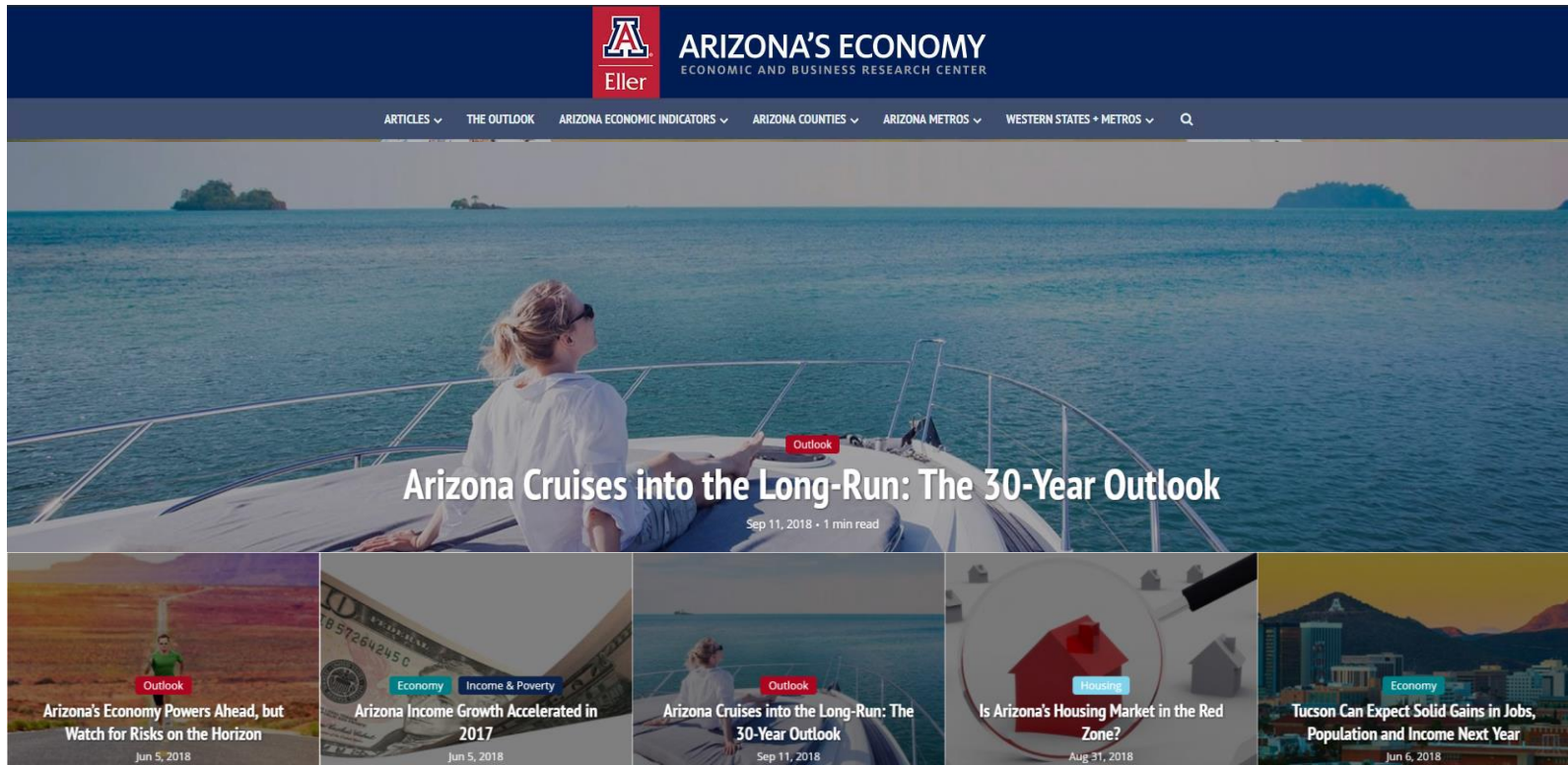
Billions of Tomatoes, Billions of Dollars

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Arizona Cruises into the Long-Run: The 30-Year Outlook

Sep 11, 2018 - 1 min read

Outlook

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Arizona's Economy Powers Ahead, but Watch for Risks on the Horizon
Jun 5, 2018

Economy **Income & Poverty**

Arizona Income Growth Accelerated in 2017
Jun 5, 2018

Outlook

Arizona Cruises into the Long-Run: The 30-Year Outlook
Sep 11, 2018

Housing

Is Arizona's Housing Market in the Red Zone?
Aug 31, 2018

Economy

Tucson Can Expect Solid Gains in Jobs, Population and Income Next Year
Jun 6, 2018

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