



**City of Phoenix**

# *Phoenix Economic Indicators Report*

*August 2015*

## **Executive Summary**

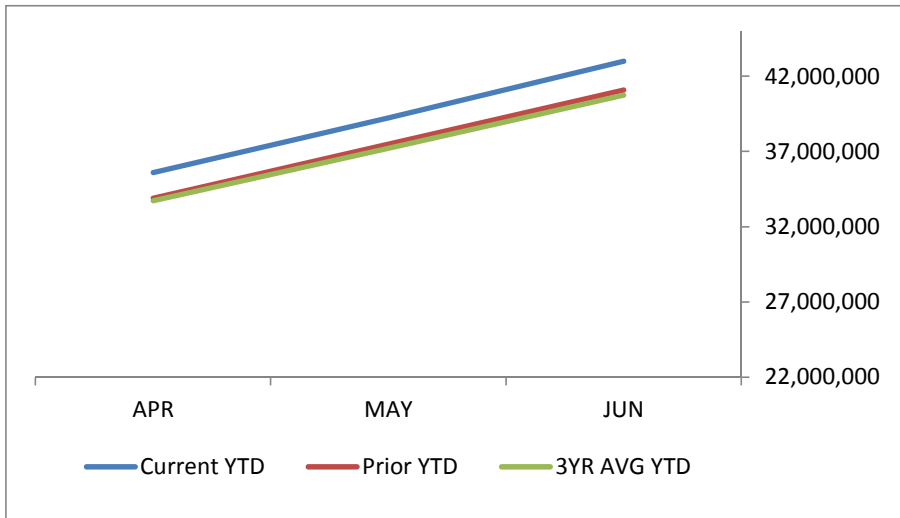
Economic indicators, such as those included in this report, provide measurements for evaluating the health of our economy, the latest business cycles, and how consumers are spending and generally faring. Included in this report are aviation, utility, new development, state and local sales tax, vehicle sales, property values, and employment statistics. Each statistic is shown through a graph presenting current year-to-date data (for measures using fiscal year, July 1 through the month prior to publishing), prior year-to-date, prior three year average of year-to-date data, and peak year data (if current year is not the peak year) over a sliding three month period. Each indicator has its own peak year where performance was at its highest since 2000. Each graph is accompanied by a description of the significance of the measure as an economic indicator, and a statement about the current year data in relation to prior years. Many of the statistics are updated monthly, but a few are only available quarterly or annually.

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## Phoenix Sky Harbor Airport Total Passengers

**Significance:** The number of passengers utilizing the Phoenix Sky Harbor airport can be an indicator for regional tourism and business activity.



### Current YTD Compared to:

Prior Year	+ 4.7%
3 Year Avg.	+ 5.5%
Peak Year	+ 0.0%
(FY2014-15)	

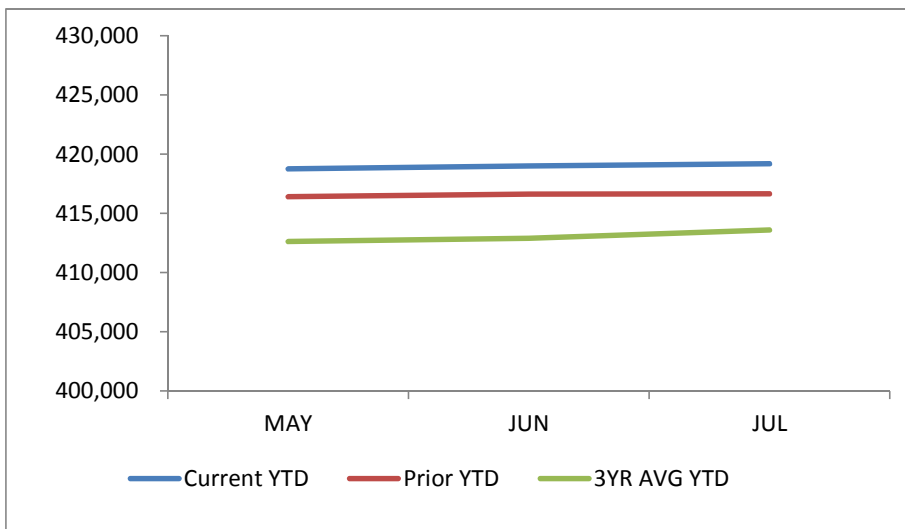
### Totals

CYTD	43,009,000
PYTD	41,093,000
3YRAVG	40,755,000
Peak Year	N/A
(FY2014-15)	

**Current Year:** Passenger Traffic for FY 2015 was the highest ever recorded, 4.7% over FY2013-14 and 2.7% over previous high (FY2006-07). Industry data lags two months. Peak year is N/A because the current fiscal year is the peak year. (Current fiscal data reflects July 2014 - June 2015.)

## Water Service Accounts

**Significance:** The number of water service accounts can be an indicator of changes in population and development.



### Current YTD Compared to:

Prior Year	+ 0.6%
3 Year Avg.	+ 1.4%
Peak Year	0.0%
FY2015-16	

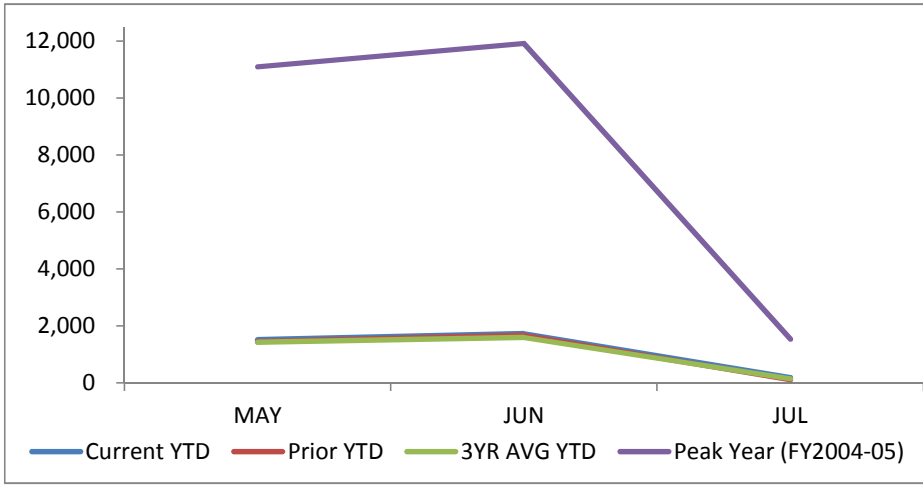
### Totals

CYTD	419,206
PYTD	416,662
3YRAVG	413,609
Peak Year	N/A
FY2015-16	

**Current Year:** Trend continues upward. Peak year is N/A because the current fiscal year is the peak year for July data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015).

## New Home Construction Permits Issued

**Significance:** New single family homes are a key economic indicator, reflecting local population growth as well as spill over benefits to other sectors of the economy such as demand for construction labor/materials, retail, manufacturing and utilities.



### Current YTD Compared to:

Prior Year	+ 68.7%
3 Year Avg.	+ 32.9%
Peak Year (FY2004-05)	-87.4%

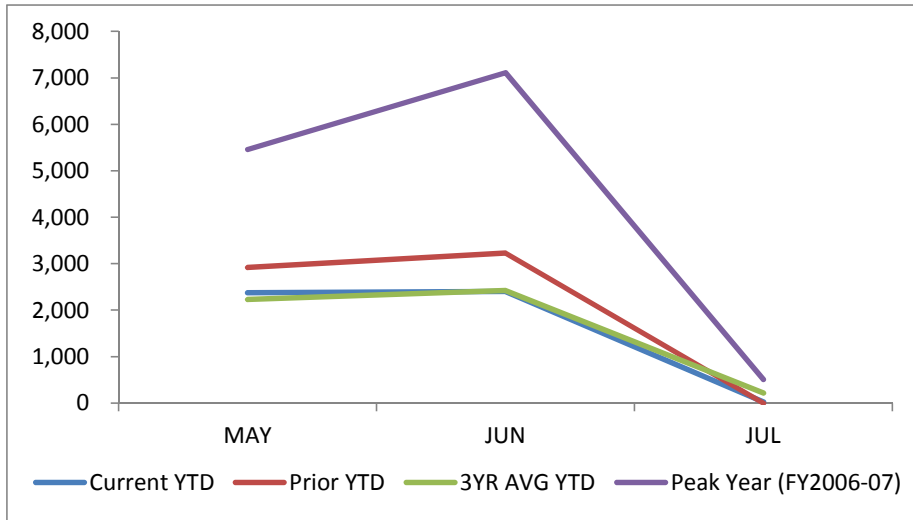
### Totals

CYTD	194
PYTD	115
3YRAVG	146
Peak Year (FY2004-05)	1,541

**Current Year:** Planning and Development is projecting modest growth in residential construction permits in 2015-16, based on State projections of 2% population growth for Maricopa County and 10% growth in new single family permits. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## New Multifamily Units Permitted

**Significance:** New multi-family construction is a key economic indicator of local population growth or shifts in housing preferences and its spill over benefits to other sectors of the economy such as demand for construction labor/materials, retail, manufacturing and utilities.



### Current YTD Compared to:

Prior Year	N/A
3 Year Avg.	-89.2%
Peak Year (FY2006-07)	-95.3%

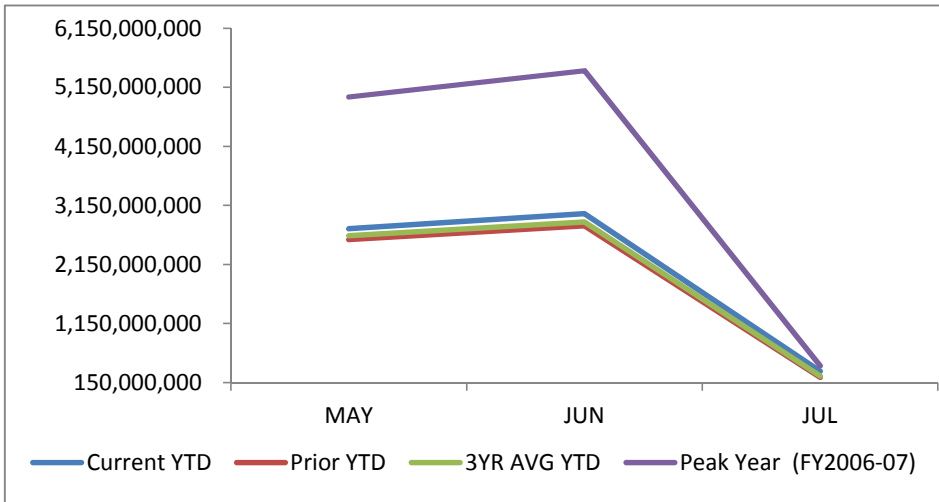
### Totals

CYTD	24
PYTD	0
3YRAVG	222
Peak Year (FY2006-07)	510

**Current Year:** Planning and Development is projecting continued strength in multi-family residential permits in 2015-16, based on State projections of 2% population growth for Maricopa County and interest in urban and infill residential development. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). Prior year comparison is N/A because there were no permits issued in July of last year. July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## Total Value of Permitted Activity

**Significance:** The valuation of new construction can be an indicator of one facet of Phoenix's economic strength because it reflects the permit value of new construction projects.



### Current YTD Compared to:

Prior Year	+ 42.5%
3 Year Avg.	+ 29.3%
Peak Year (FY2006-07)	-21.8%

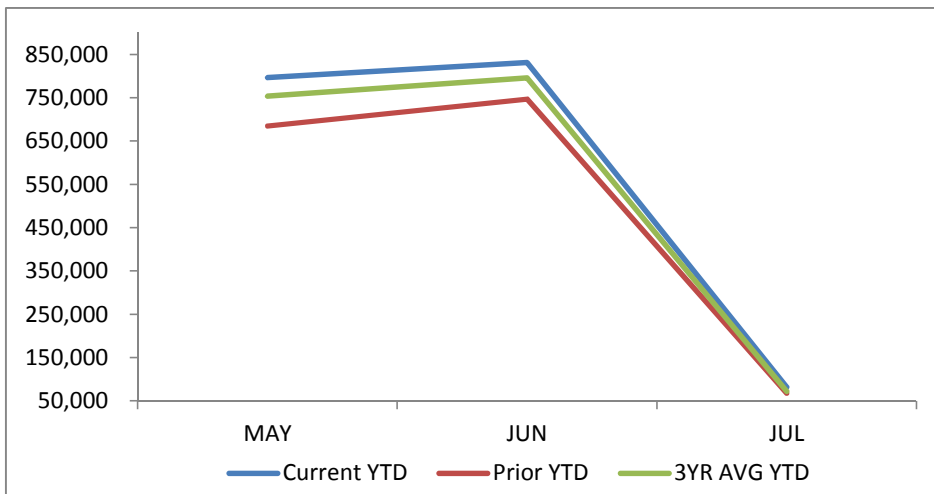
### Totals

CYTD	\$341,870,324
PYTD	\$239,939,791
3YRAVG	\$264,429,573
Peak Year (FY2006-07)	\$437,093,998

**Current Year:** Planning and Development is projecting modest growth in overall construction permits in 2015-16, based on State projections of 2% population growth in Maricopa County and continued recovery of the residential market. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## Solid Waste - Total Tonnage Collected

**Significance:** Tonnage is an indicator of growth within the City of Phoenix or environmental factors such as storms. Total tonnage includes landfill materials and green waste material that is not landfilled. Recyclable material is not included in this measure.



### Current YTD Compared to:

Prior Year	+ 20.7%
3 Year Avg.	+ 12.9%
Peak Year FY2015-16	0.0%

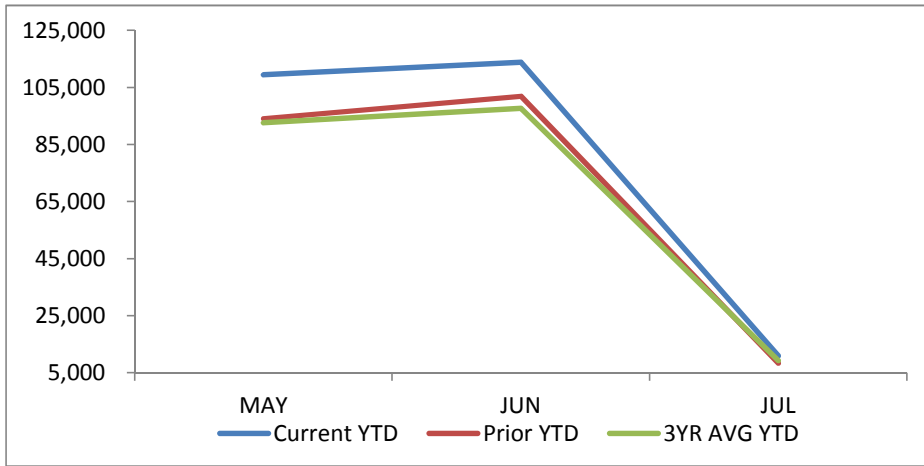
### Totals

CYTD	82,111
PYTD	68,004
3YRAVG	72,698
FY2015-16	N/A

**Current Year:** With the economy getting stronger and more vacant homes filling, the tonnage for trash and green waste is increasing. Additionally, given the time of the year the green waste is normally on the rise; however, the green waste is higher than normal due to the amount of rain late in the year. Peak year is N/A because the current fiscal year is the peak year for July data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## Solid Waste - Recycling Tonnage Collected

**Significance:** Recycling tonnage is one measurement of Solid Waste revenue generated through diversion and increased understanding by residents about how or what to recycle. Recycling tonnage includes materials processed at the materials recycling facility (MRF).



### Current YTD Compared to:

Prior Year	+ 30.3%
3 Year Avg.	+ 18.0%
Peak Year	0.0%
FY2015-16	

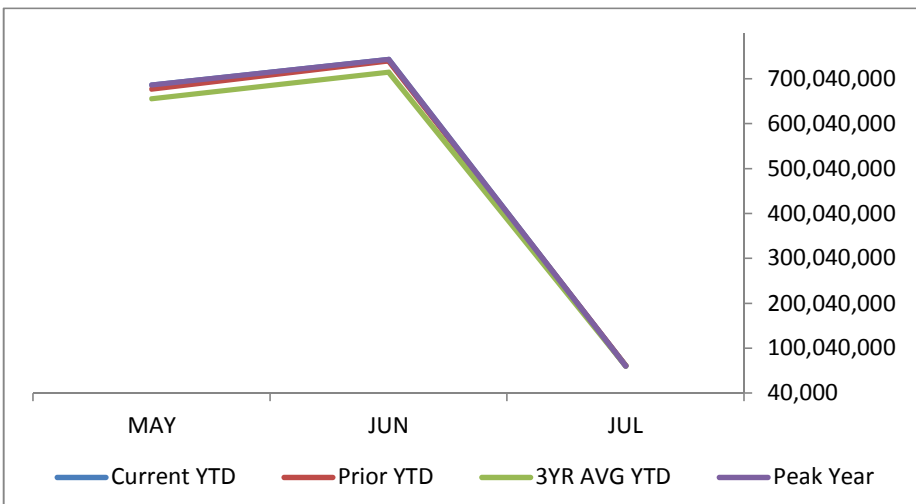
### Totals

CYTD	10,944
PYTD	8,402
3YRAVG	9,271
Peak year	N/A
FY2015-16	

**Current Year:** Recycling tonnage is up due to adding in new partners who previously were not providing recycling material to the City in prior years. Along with the recovery of the economy by filling vacant homes. Peak year is N/A because the current fiscal year is the peak year for July data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## City Sales Tax - Total

**Significance:** City sales tax (all funds including: General Fund, T2000, Public Safety, 3PI, Convention Center, Sports Facilities, and Capital Construction) represents overall local economic activity related to taxable sales. The Peak Year (2007-08) represents the highest year (excluding sales tax on food revenue).



### Current YTD Compared to:

Prior Year	-1.0%
3 Year Avg.	-0.7%
Peak Year	-0.5%
FY2007-08	

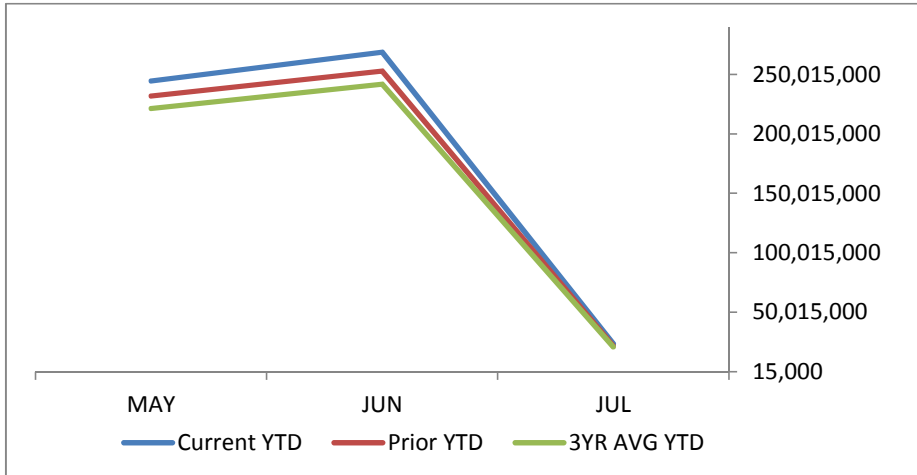
### Totals

CYTD	\$60,558,000
PYTD	\$61,141,000
3YRAVG	\$60,980,333
Peak Year	\$60,834,000
FY2007-08	

**Current Year:** Prior year data, including the three year average, includes revenue from the sales tax on food. The sales tax on food was reduced from 2% to 1% effective January 2014, which began impacting reported revenue in February 2014. The sales tax on food was eliminated effective April 2015, which began impacting reported revenue in May 2015. Peak Year FY2007-08 does not include sales tax on food. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## City Sales Tax - Retail

**Significance:** Retail sales tax represents retail sales, not including the sales tax on food.



### Current YTD Compared to:

Prior Year	+ 8.2%
3 Year Avg.	+ 12.9%
FY2015-16	0.0%

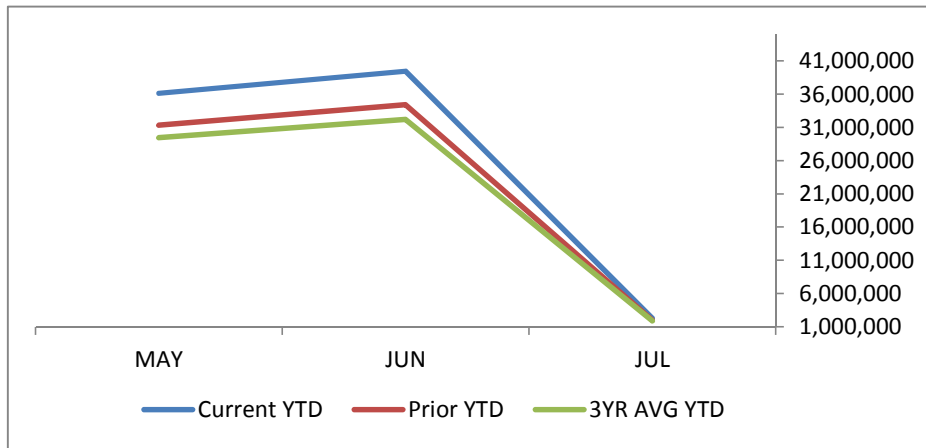
### Totals

CYTD	\$23,500,000
PYTD	\$21,721,000
3YRAVG	\$20,815,667
FY2015-16	N/A

**Current Year:** Peak year is N/A because the current fiscal year is the peak year for July data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## City Sales Tax - Hotel/Motel

**Significance:** Hotel/Motel sales tax revenue represents taxable sales for these businesses and is an indicator of tourism activity.



### Current YTD Compared to:

Prior Year	+ 15.5%
3 Year Avg.	+ 19.1%
FY2015-16	0.0%

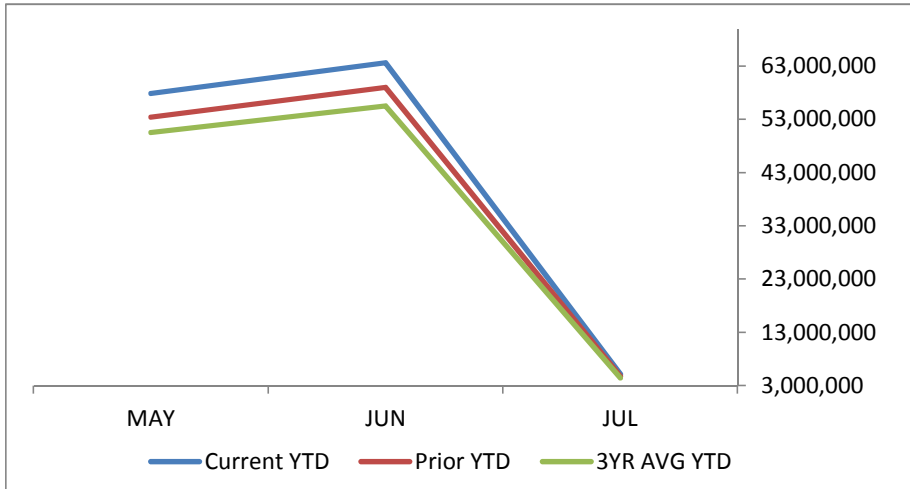
### Totals

CYTD	\$2,275,000
PYTD	\$1,970,000
3YRAVG	\$1,910,667
FY2015-16	N/A

**Current Year:** Peak year is N/A because the current fiscal year is the peak year for July data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## City Sales Tax - Restaurants/Bars

**Significance:** Restaurants/Bars sales tax revenue represents taxable sales for these businesses and is an indicator of economic strength, population growth, and tourism.



### Current YTD Compared to:

Prior Year	+ 9.0%
3 Year Avg.	+ 15.8%
FY2015-16	0.0%

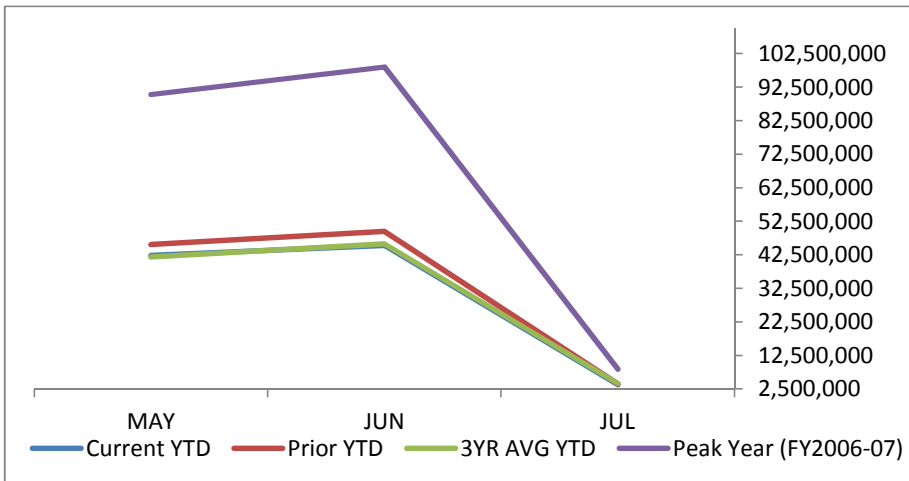
### Totals

CYTD	\$5,174,000
PYTD	\$4,748,000
3YRAVG	\$4,469,333
FY2015-16	N/A

**Current Year:** Peak year is N/A because the current fiscal year is the peak year for July data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## City Sales Tax - Contracting

**Significance:** Contracting sales tax revenue presents activity in the commercial, retail and residential construction markets.



### Current YTD Compared to:

Prior Year	-7.7%
3 Year Avg.	-8.9%
Peak Year (FY2006-07)	-55.4%

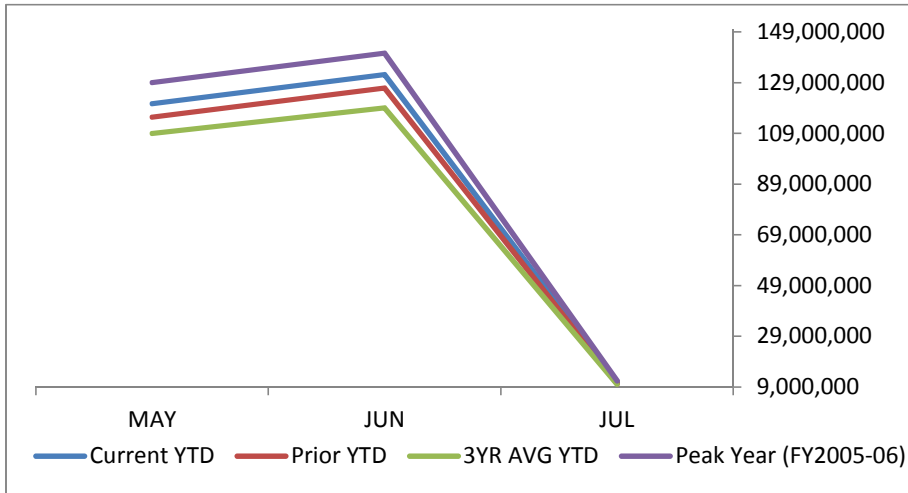
### Totals

CYTD	\$3,782,000
PYTD	\$4,099,000
3YRAVG	\$4,152,667
Peak Year (FY2006-07)	\$8,483,000

**Current Year:** Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## State Sales Tax - Total

**Significance:** State Sales Tax accounts for approximately 37.4% of Total State Shared Revenues based on the FY15/16 Budget. Total State Shared revenue is approximately 35% of total General Fund Revenue. The Peak Year (2005-06) reflects a time when the City received a higher percentage share (32.5%) of state-shared revenues. State shared sales tax revenues are distributed to cities and towns based on relative population share. The population share in FY 2000-01 was 33.7% and the current population share in FY 2015-16 is 28.8%.



### Current YTD Compared to:

Prior Year	+ 5.4%
3 Year Avg.	+ 8.7%
Peak Year (FY2005-06)	-4.9%

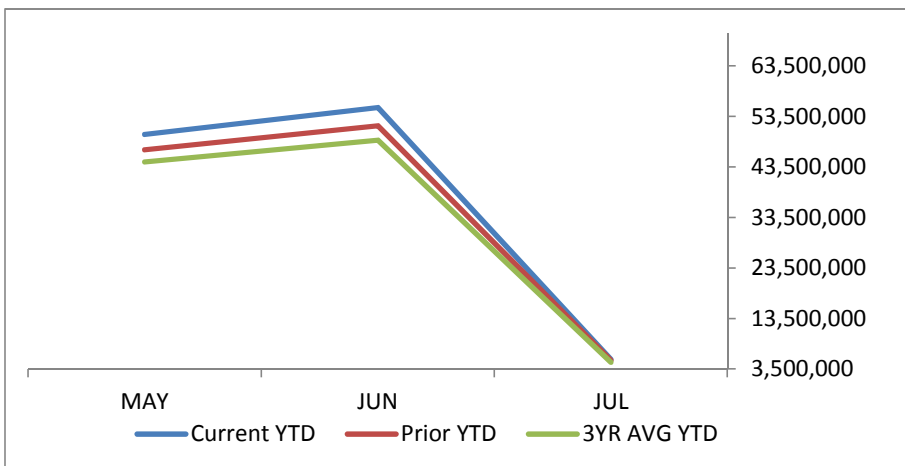
### Totals

CYTD	\$10,897,000
PYTD	\$10,340,000
3YRAVG	\$10,028,000
Peak Year (FY2005-06)	\$11,462,000

**Current Year:** July FY2015-16 State sales tax was \$10.9 million, representing 5.4% growth over FY2014-15. The retail category grew at 9.3%. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.

## State Vehicle License Tax

**Significance:** State Vehicle License tax accounts for approximately 15.2% of Total State Shared Revenues based on the FY15/16 Budget. Total State Shared revenue is approximately 35% of total General Fund Revenue. The Peak Year (2005-06) reflects a time when the City received a higher percentage share (46.1%) of state-shared revenues. State shared vehicle license tax revenues are distributed to cities and towns based on relative population share. The population share in FY 2000-01 was 48.5% and the current population share in FY 2015-16 is 40.95%.



### Current YTD Compared to:

Prior Year	+ 3.2%
3 Year Avg.	+ 11.8%
FY2015-16	0.0%

### Totals

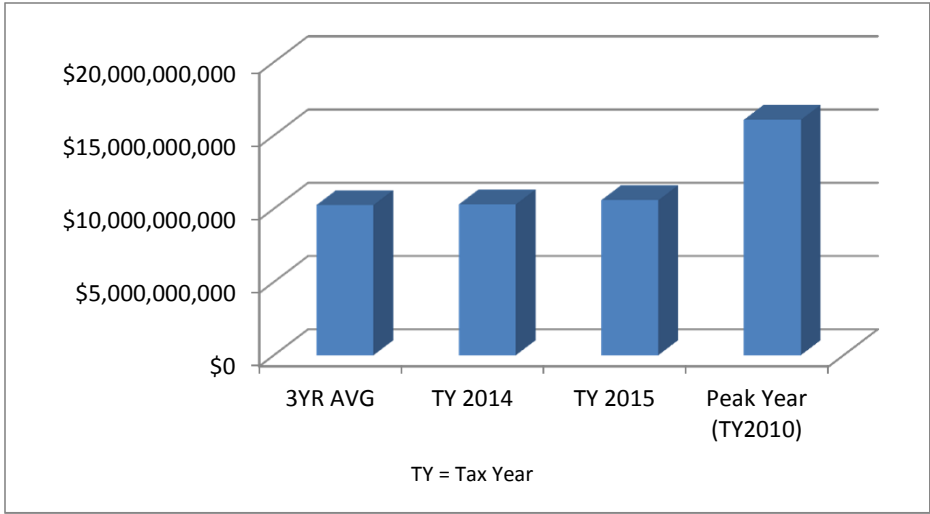
CYTD	\$5,417,612
PYTD	\$5,248,777
3YRAVG	\$4,847,025
FY2015-16	N/A

**Current Year:** Peak year is N/A because the current fiscal year is the peak year for July data. Current cumulative data displayed crosses two fiscal years: FY2014-15 (May - June 2015), and FY2015-16 (July 2015). July is the first month of the new FY and thus "resets" the current year-to-date (CYTD) count.



**Phoenix Assessed Valuation**

**Significance:** Phoenix's assessed valuation is based on the Primary Net Assessed Value (PNAV) which beginning in FY2015-16 is the single value used for calculating both Primary Property Taxes and Secondary Property Taxes. The assessed valuation provides an indicator of the basis for City property tax revenue.



**Calendar Year Compared to:**

Prior Year	+ 2.7%
3 Year Avg.	+ 3.1%
Peak Year (TY2010)	-34.2%

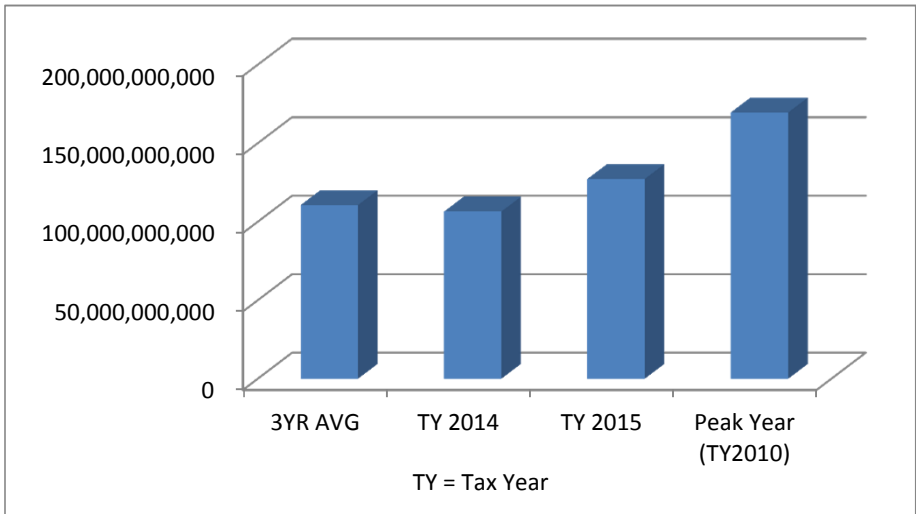
**Totals**

2015	\$10,577,031,724
2014	\$10,298,185,184
3YRAVG	\$10,255,005,231
Peak Year (TY2010)	16,063,200,689

**Current Year:** Tax Year 2015 (FY15-16) PNAV grew by 2.7% over the prior year; 1.8% of this is attributable to new property, and 0.9% is attributable to appreciation in previously-taxed property. Ongoing reductions in assessment ratios for commercial property, which will continue to occur through Tax Year 2016, played a large part in limiting real property appreciation to 2.9% rather than the theoretical maximum of 5.0%. Additionally, commercial personal property depreciated by 23.2%, and centrally valued property depreciated by 3.6%.

**Phoenix Full Cash Value**

**Significance:** Full cash value is an indicator of both commercial and residential property values, an important indicator of one facet of economic health. This statistic is updated once per year in February and lag market conditions by approximately one year. Due to assessed valuation growth limits and statutory changes in assessment ratios, however, trends in full cash value do not correlate to trends in the tax base for property taxes.



**Calendar Year Compared to:**

Prior Year	+ 19.5%
3 Year Avg.	+ 15.0%
Peak Year (TY2010)	-25.0%

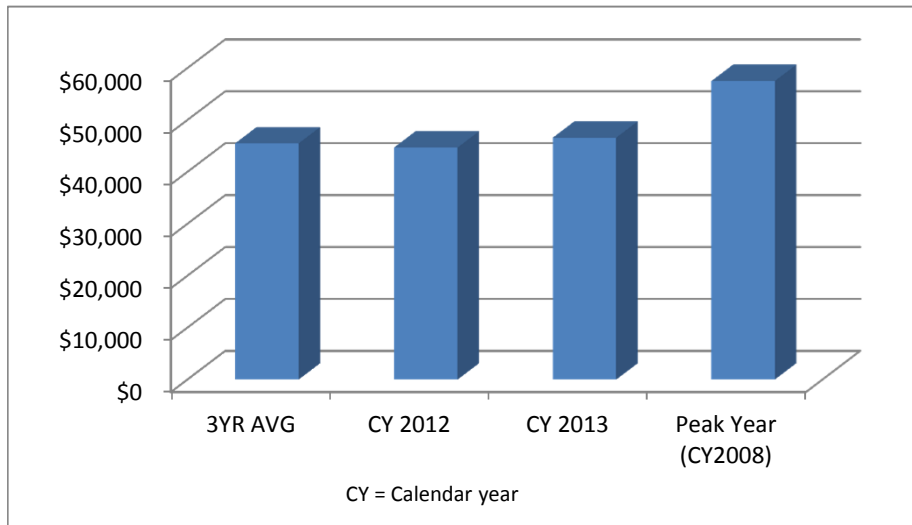
**Totals**

2015	\$127,280,069,634
2014	\$106,487,248,298
3YRAVG	\$110,653,274,620
Peak Year (TY2010)	169,661,389,554

**Current Year:** From tax year 2014 to tax year 2015, single and multi-family residential property values grew by 29%, while commercial property values grew by 8%.

## Phoenix Median Household Income

**Significance:** This measure includes the income of the householder and all other individuals 15 years old and over in the household. Median income is the amount that divides the income distribution into two equal groups, half at income levels above that amount, and half at income levels below that amount. This statistic is updated once per year in October.



### Calendar Year Compared to:

Prior Year	+ 4.3%
3 Year Avg.	+ 2.4%
Peak Year (CY2008)	-19.0%

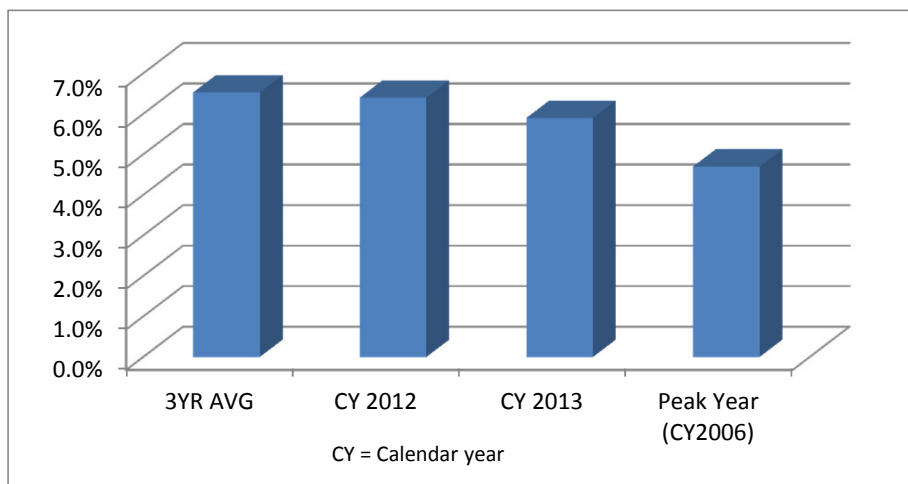
### Totals

2013	\$46,601
2012	\$44,688
3YRAVG	\$45,496
Peak Year (CY2008)	\$57,507

**Current Year:** The increase in 2013 over prior years is an indication of the slow to moderate recovery from the 2008 recession. Data is from the American Community Survey (U.S. Census Bureau) and reflects the highest since 2005 (the oldest readily available data set).

## Phoenix Unemployment Rate

**Significance:** This measures the percentage of the labor force that are unemployed. People are classified as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work. This statistic is updated once per year in October.



### Calendar Year Compared to:

Prior Year	-7.8%
3 Year Avg.	-9.6%
Peak Year (CY2006)	25.5%

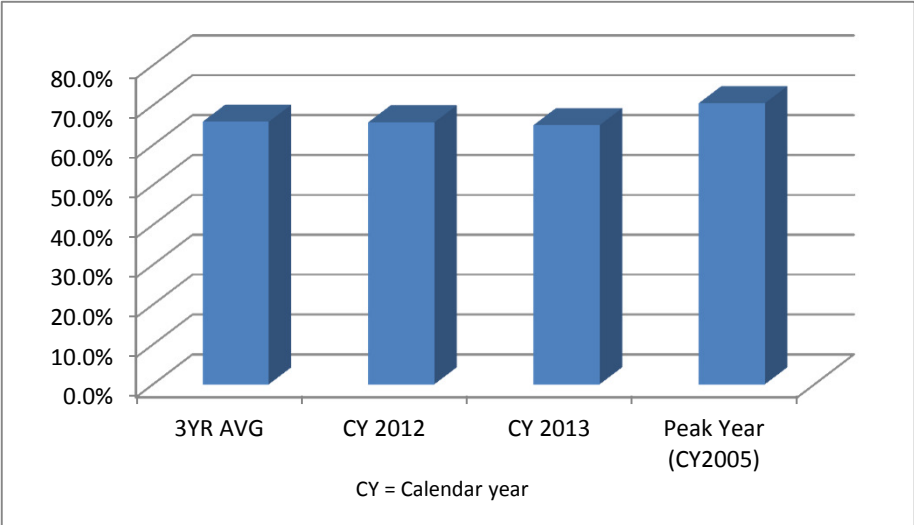
### Totals

2013	5.9%
2012	6.4%
3YRAVG	6.5%
Peak Year (CY2006)	4.7%

**Current Year:** The decrease in the unemployment rate over prior years may indicate growth in jobs and/or that fewer people who are available to work have been actively looking for work in the prior 4 weeks of the survey. Data is from the American Community Survey (U.S. Census Bureau) and reflects the highest since 2005 (the oldest readily available data set).

**Phoenix Labor Force Participation**

Significance: This measures the percentage of the population (16 and older) that is in the labor force. The labor force is defined as the total population of employed and unemployed people (16 and older). People are classified as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work. This statistic is updated once per year in October.



**Calendar Year Compared to:**

Prior Year	-1.1%
3 Year Avg.	-1.3%
Peak Year (CY2005)	-7.8%

**Totals**

2013	65.0%
2012	65.7%
3YR AVG	65.9%
Peak Year (CY2005)	70.5%

Current Year: The decrease in the labor force participation rate indicates a decline in the percentage of the population that is either employed or unemployed and actively looking for work. Data is from the American Community Survey (U.S. Census Bureau) and reflects the highest since 2005 (the oldest readily available data set).