



City of Phoenix

Phoenix Economic Indicators Report

May 2015

Executive Summary

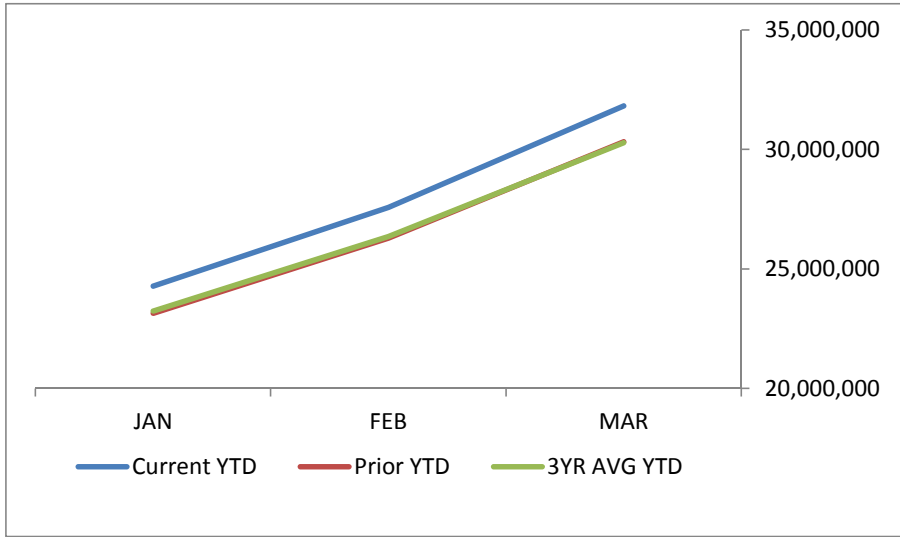
Economic indicators, such as those included in this report, provide measurements for evaluating the health of our economy, the latest business cycles, and how consumers are spending and generally faring. Included in this report are aviation, utility, new development, state and local sales tax, vehicle 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	+ 5.0%
3 Year Avg.	+ 5.1%
Peak Year	+ 0.0%
(FY2014-15)	

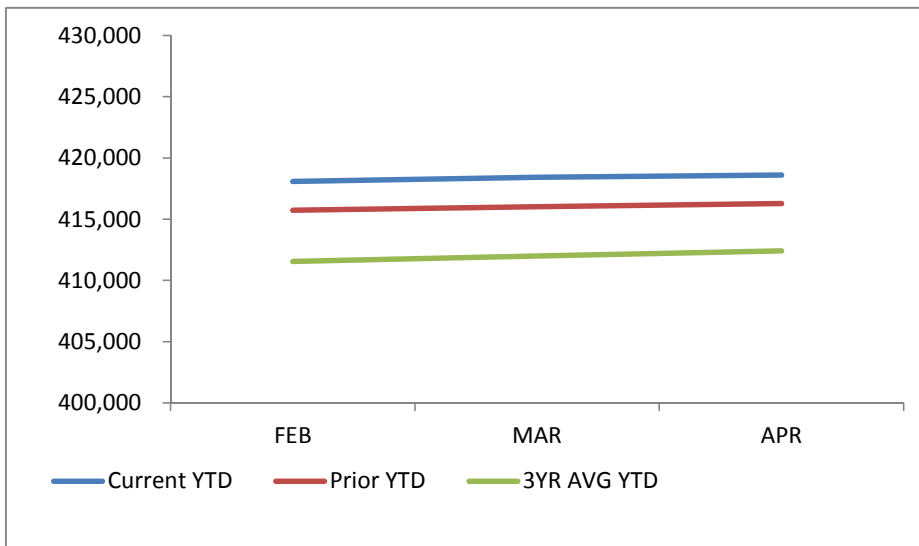
Totals

CYTD	31,832,000
PYTD	30,328,000
3YRAVG	30,287,000
Peak Year	N/A
(FY2014-15)	

Current Year: March 2015 data continues sixteen months of growth. 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 - March 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.	+ 1.5%
Peak Year	+ 0.0%
(FY2014-15)	

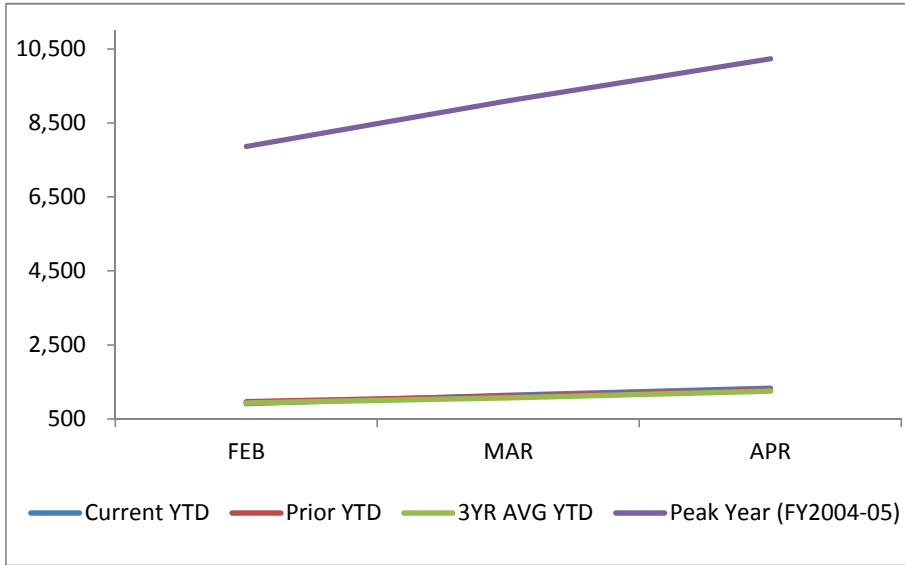
Totals

CYTD	418,602
PYTD	416,291
3YRAVG	412,409
Peak Year	N/A
(FY2014-15)	

Current Year: Trend continues upward. Peak year is N/A because the current fiscal year is the peak year. (Current fiscal data reflects July 2014 - April 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	+ 3.7%
3 Year Avg.	+ 5.7%
Peak Year	-87.1%
(FY2004-05)	

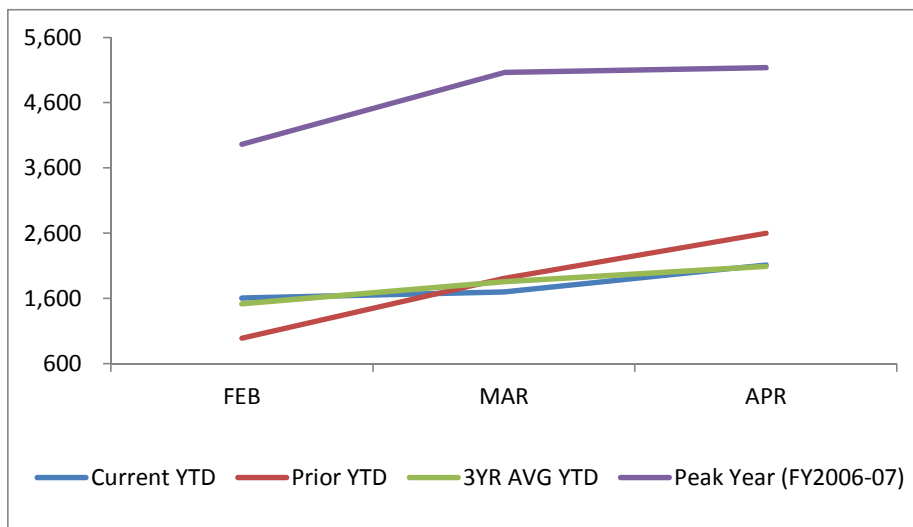
Totals

CYTD	1,325
PYTD	1,278
3YRAVG	1,253
Peak Year	10,233
(FY2004-05)	

Current Year: Planning and Development is projecting modest growth in overall construction permits in 2014-15, based on economic projections of low population growth, a slow recovery of the single family housing market, and continuing high vacancy rates in office, retail, and industrial buildings. (Current fiscal data reflects July 2014 - April 2015.)

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	-18.7%
3 Year Avg.	+ 1.2%
Peak Year	-58.8%
(FY2006-07)	

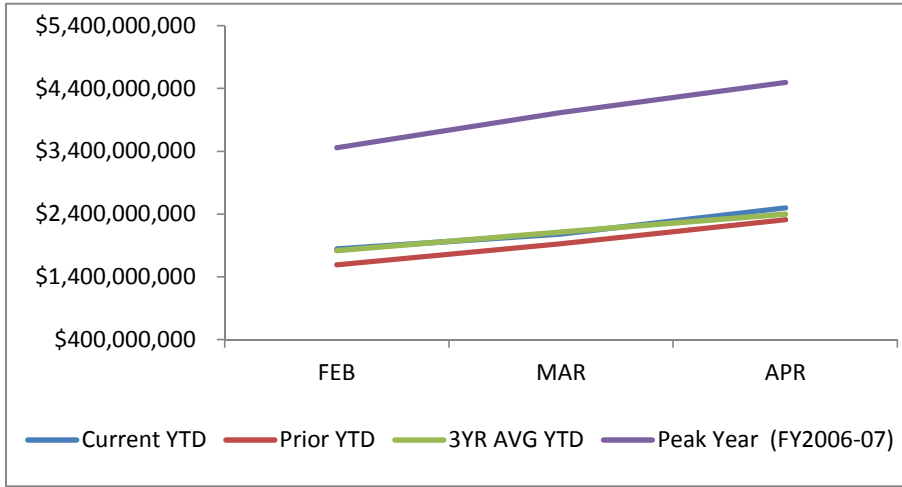
Totals

CYTD	2,114
PYTD	2,599
3YRAVG	2,089
Peak Year	5,135
(FY2006-07)	

Current Year: New Multifamily Units permitted can fluctuate significantly from month to month and year to year. (Current fiscal year data represents July 2014 - April 2015.)

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	+ 8.2%
3 Year Avg.	+ 4.2%
Peak Year (FY2006-07)	-44.4%

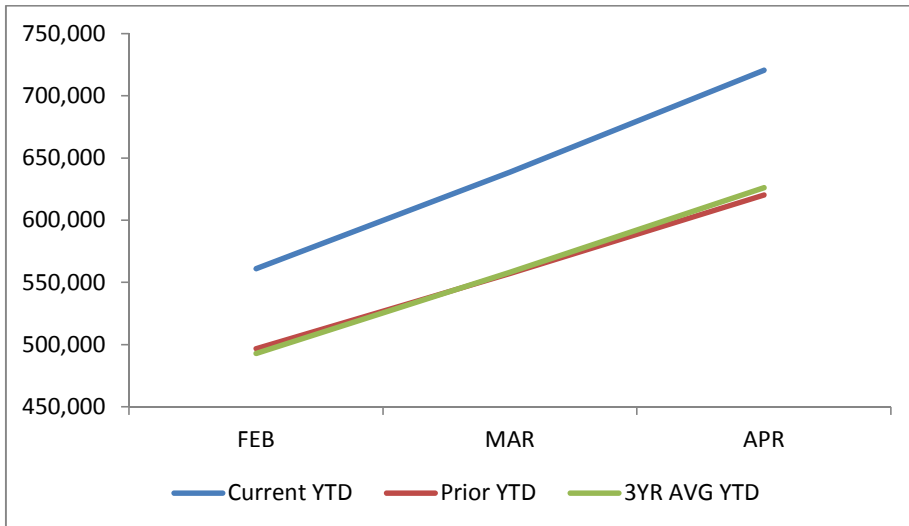
Totals

CYTD	\$2,500,112,997
PYTD	\$2,309,745,342
3YRAVG	\$2,398,302,580
Peak Year (FY2006-07)	\$4,499,576,561

Current Year: Planning and Development is projecting modest growth in construction permits in 2014-15, based on economic projections of low population growth, a slow recovery of the single family housing market, and continuing high vacancy rates in office, retail, and industrial buildings. (Current fiscal year data represents July 2014 - April 2015.)

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	+ 16.2%
3 Year Avg.	+ 15.1%
Peak Year (FY2014-15)	0.0%

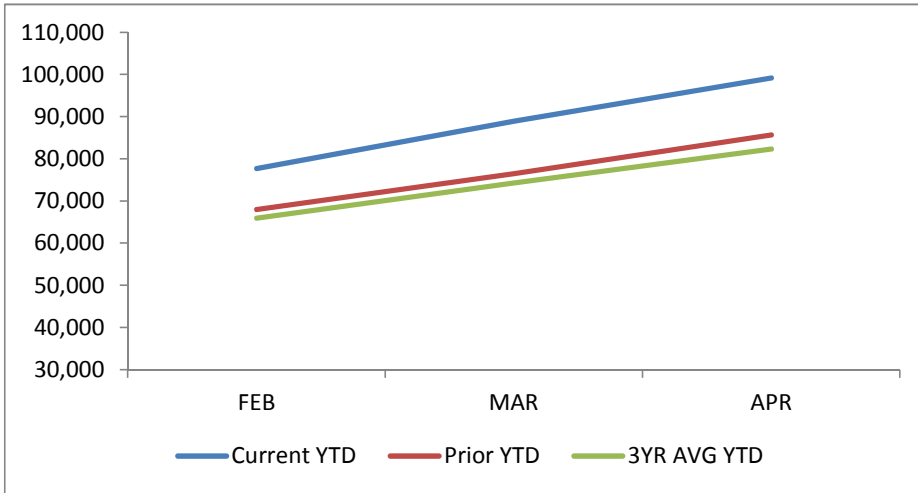
Totals

CYTD	720,590
PYTD	620,311
3YRAVG	626,184
Peak Year (FY2014-15)	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. (Current fiscal year data represents July 2014 - April 2015.)

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	+ 15.7%
3 Year Avg.	+ 20.4%
Peak Year	0.0%
(FY2014-15)	

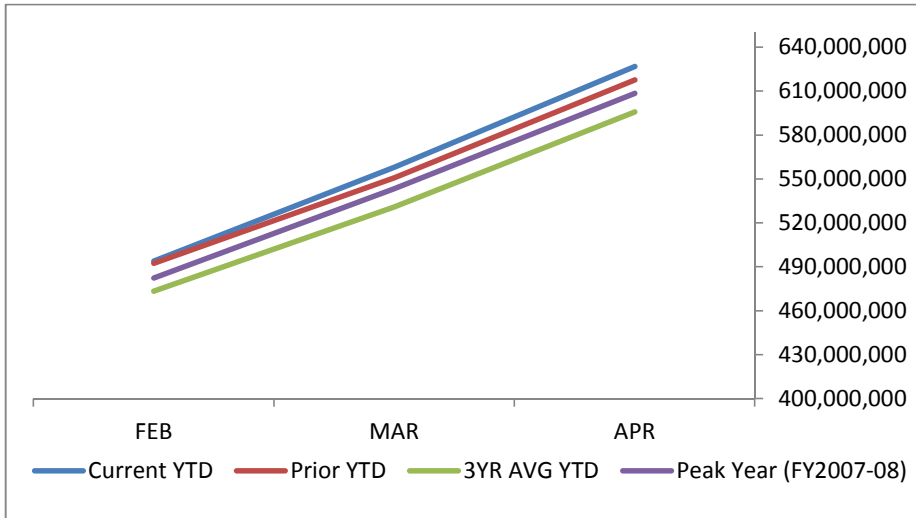
Totals

CYTD	99,182
PYTD	85,712
3YRAVG	82,362
Peak Year	N/A
(FY2014-15)	

Current Year: Recycling tonnage is increasing due to the addition of new partners, who previously were not providing recycling material to the City, and the filling of vacant homes as the economy recovers. Peak year is N/A because the current fiscal year is the peak year. (Current fiscal year data represents July 2014 - April 2015.)

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	+ 1.5%
3 Year Avg.	+ 5.2%
Peak Year	3.0%
(FY2007-08)	

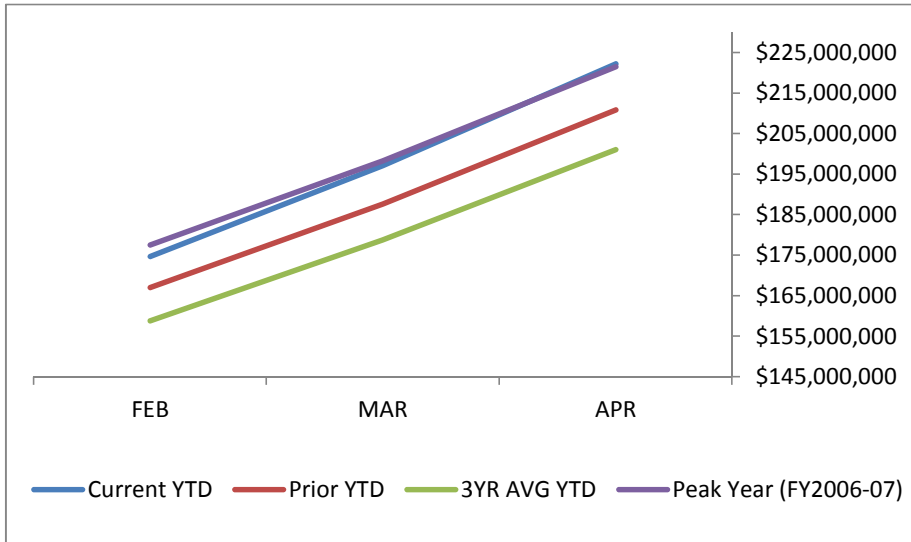
Totals

CYTD	\$626,800,000
PYTD	\$617,710,000
3YRAVG	\$595,869,000
Peak Year	\$608,634,000
(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 will be eliminated effective April 2015, which will begin impacting reported revenue in May 2015. (Current fiscal year data represents July 2014 - April 2015.)

City Sales Tax - Retail

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



Current YTD Compared to:

Prior Year	+ 5.4%
3 Year Avg.	+ 10.5%
Peak Year (FY2006-07)	0.3%

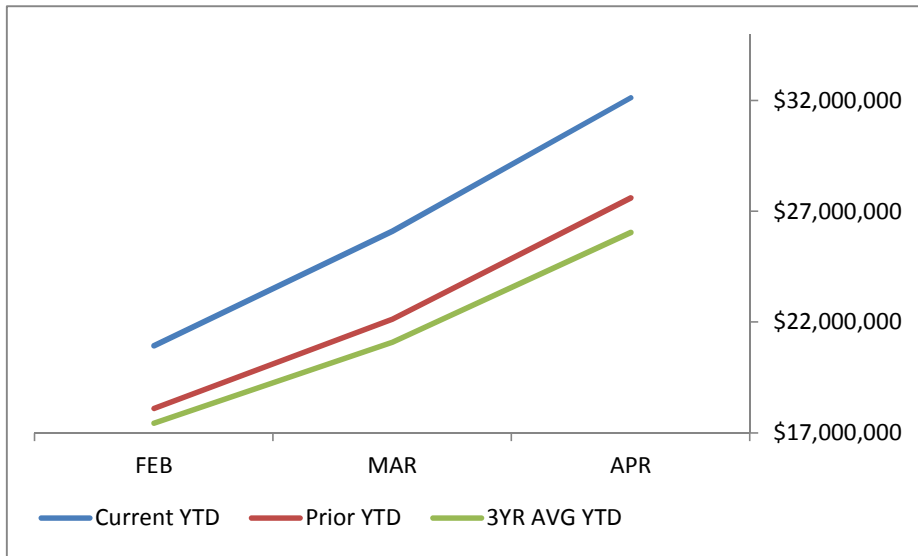
Totals

CYTD	\$222,280,000
PYTD	\$210,862,000
3YRAVG	\$201,088,000
Peak Year (FY2006-07)	\$221,520,000

Current Year: The current growth rate is expected to continue for the remainder of the year. (Current fiscal year data represents July 2014 - April 2015.)

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	+ 16.4%
3 Year Avg.	+ 23.3%
Peak Year (FY2014-15)	0.0%

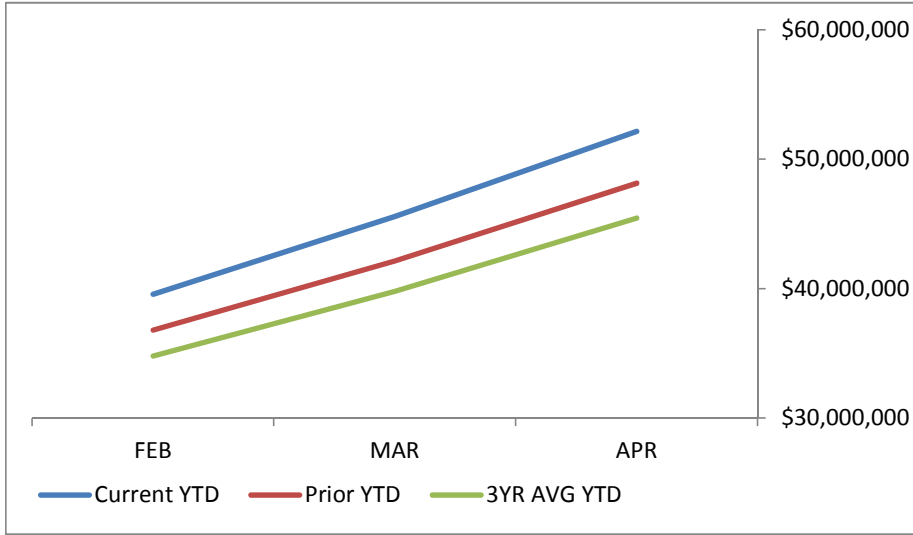
Totals

CYTD	\$32,129,000
PYTD	\$27,608,000
3YRAVG	\$26,057,000
Peak Year (FY2014-15)	N/A

Current Year: The current growth rate is expected to continue for the remainder of the year. Peak year is N/A because the current fiscal year is the peak year. (Current fiscal year data represents July 2014 - April 2015.)

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	+ 8.3%
3 Year Avg.	+ 14.8%
Peak Year	0.0%
(FY2014-15)	

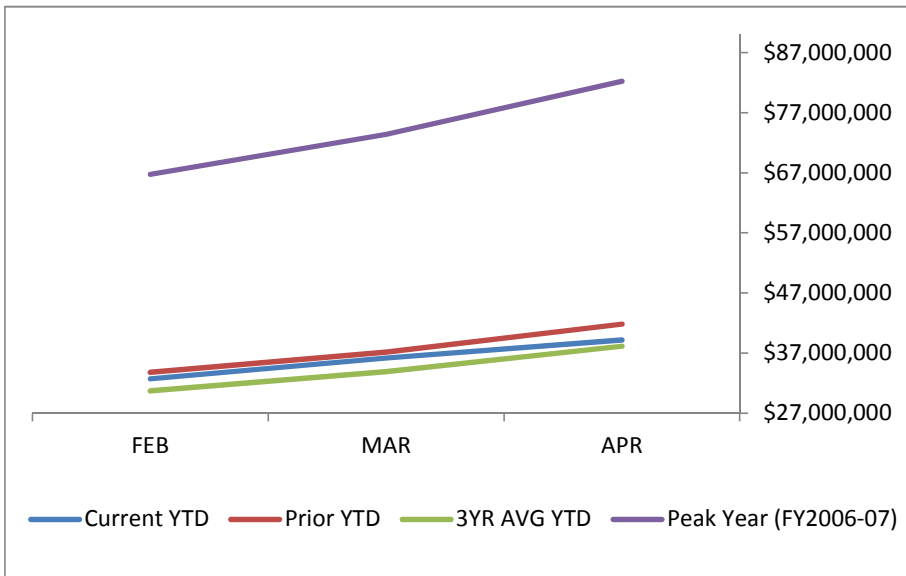
Totals

CYTD	\$52,159,000
PYTD	\$48,140,000
3YRAVG	\$45,447,000
Peak Year	N/A
(FY2014-15)	

Current Year: The current growth rate is expected to continue for the remainder of the year. Peak year is N/A because the current fiscal year is the peak year. (Current fiscal year data represents July 2014 - April 2015.)

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	-6.4%
3 Year Avg.	+ 2.6%
Peak Year	-52.4%
(FY2006-07)	

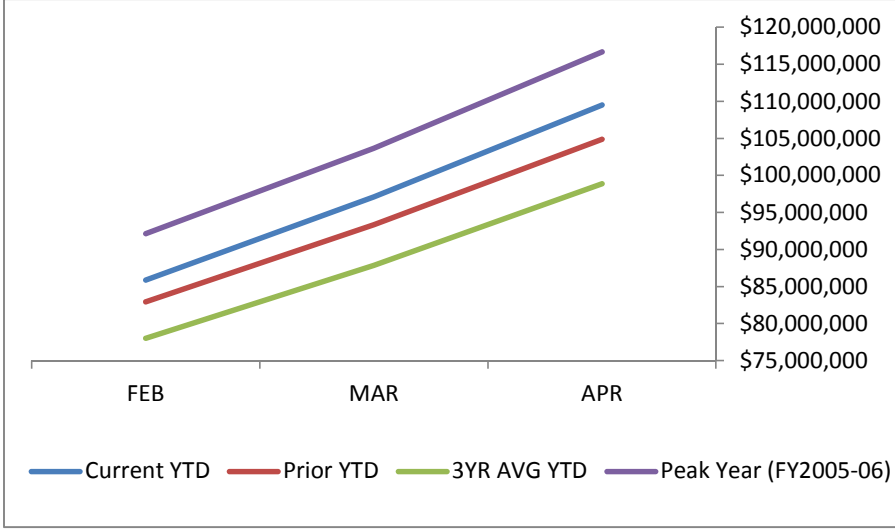
Totals

CYTD	\$39,160,000
PYTD	\$41,839,000
3YRAVG	\$38,156,667
Peak Year	\$82,270,000
(FY2006-07)	

Current Year: The current growth rate is expected to continue for the remainder of the year. (Current fiscal year data represents July 2014 - April 2015.)

State Sales Tax - Total

Significance: State Sales Tax accounts for approximately 36.5% of Total State Shared Revenues. Total State Shared revenue is approximately 34% of total General Fund Revenue. The Peak Year (2005-06) reflects a time when the City received a higher percentage share 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 48.51% and the current population share in FY 2014-15 is 40.95%.



Current YTD Compared to:

Prior Year	+ 4.4%
3 Year Avg.	+ 10.8%
Peak Year (FY2005-06)	-6.1%

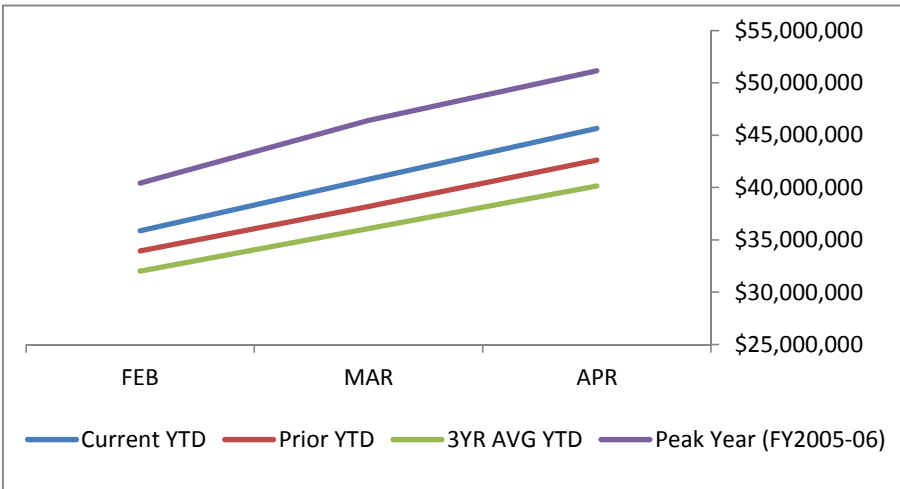
Totals

CYTD	\$109,536,000
PYTD	\$104,905,000
3YRAVG	\$98,894,000
Peak Year (FY2005-06)	\$116,667,000

Current Year: In the first ten months of 2014-15, State sales tax was \$109.5 million, representing 4.4% growth over 2013-14; this is slightly ahead this year’s revenue estimate of 3.7%. The retail category grew at 4.9%. (Current fiscal year data represents July 2014 - April 2015.)

State Vehicle License Tax

Significance: State Vehicle License tax accounts for approximately 14.9% of Total State Shared Revenues. Total State Shared revenue is approximately 34% of total General Fund Revenue. The Peak Year (2005-06) reflects a time when the City received a higher percentage share 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 48.51% and the current population share in FY 2014-15 is 40.95%.



Current YTD Compared to:

Prior Year	+ 7.1%
3 Year Avg.	+ 13.6%
Peak Year (FY2005-06)	-10.8%

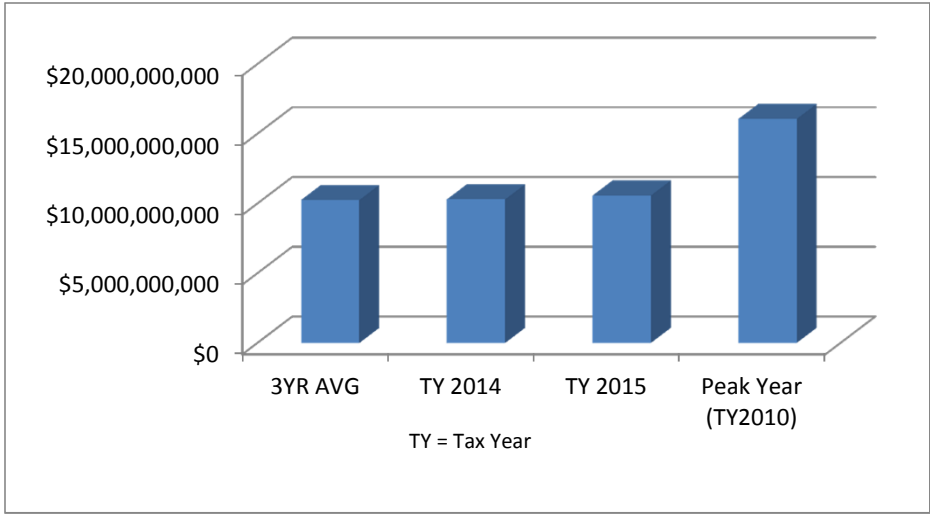
Totals

CYTD	\$45,656,270
PYTD	\$42,645,924
3YRAVG	\$40,179,282
Peak Year (FY2005-06)	\$51,177,929

Current Year: The current growth rate is expected to continue for the remainder of the year. (Current fiscal year data represents July 2014 - April 2015.)

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%

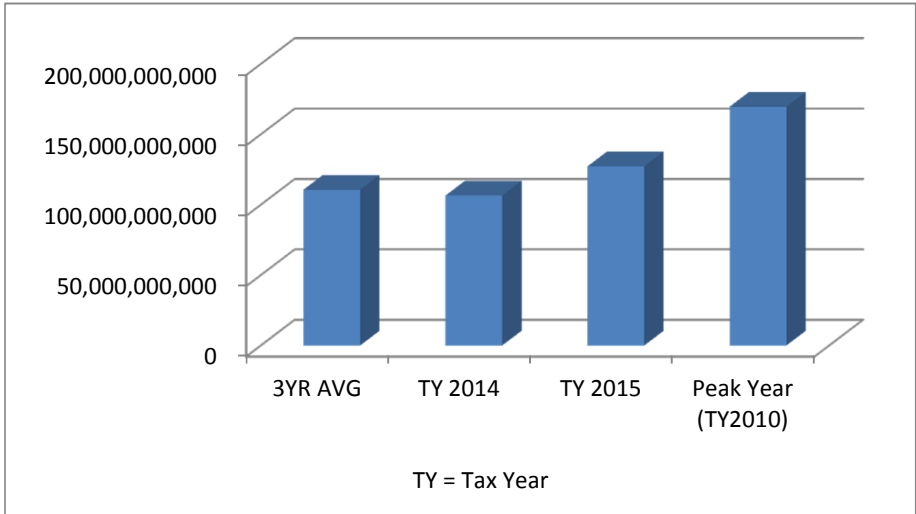
Totals

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%

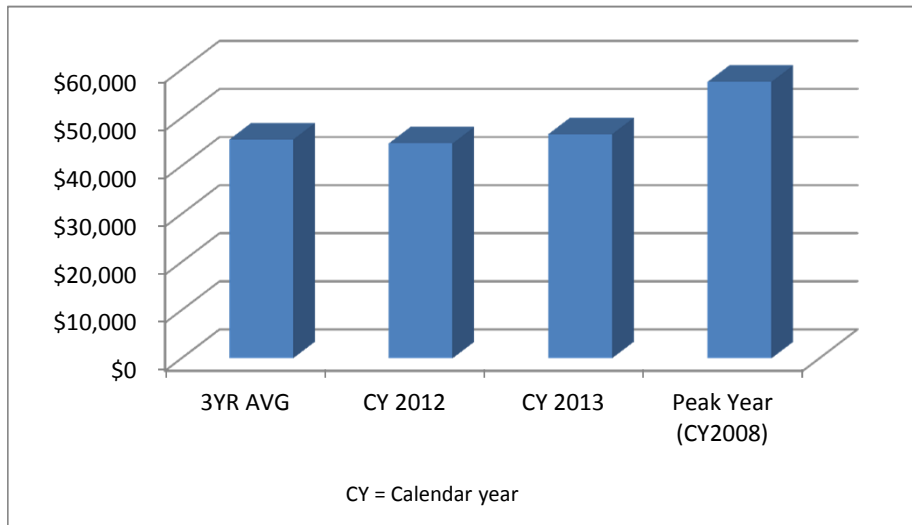
Totals

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%

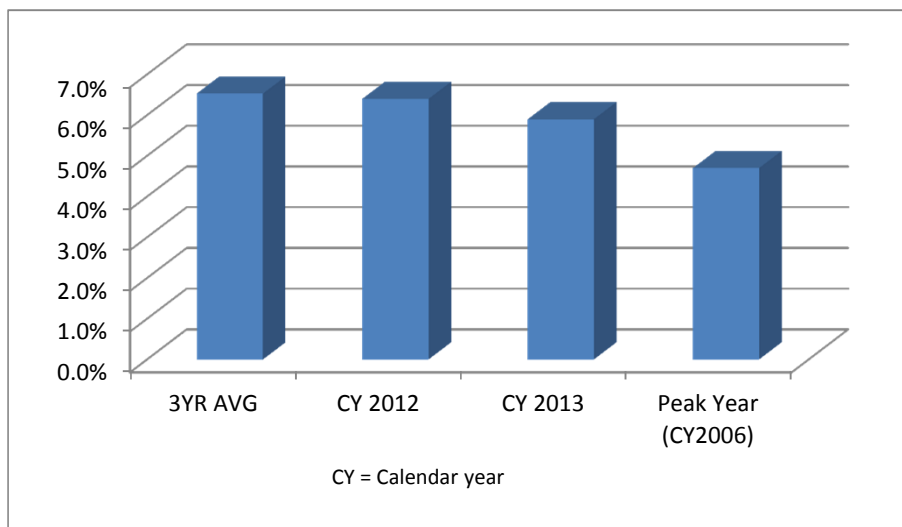
Totals

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%

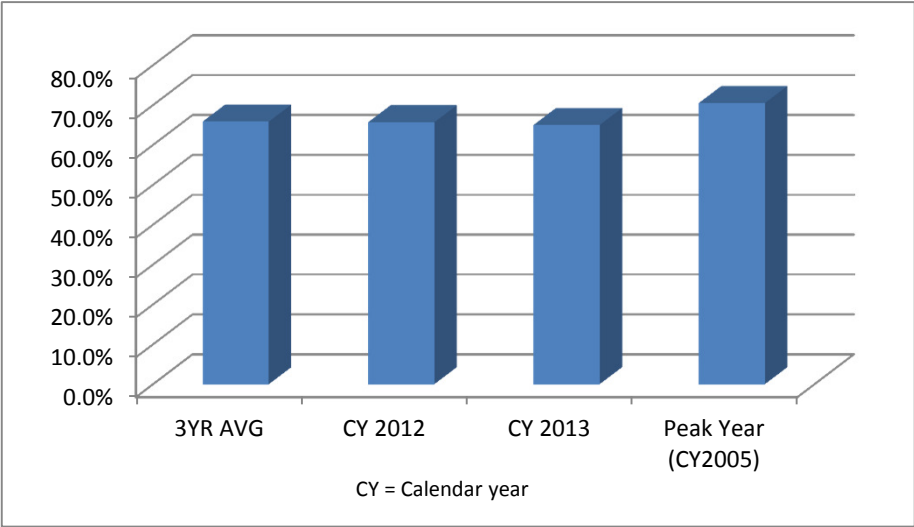
Totals

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).