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Update on the national, state, and local economies

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National

In 2016, the national economy added 2.2 million jobs for job growth of 1.6 percent (down from 2.7 million jobs/1.9 percent in 2015). The national unemployment rate in 2016 was 4.9 percent (down from 5.3 percent the year prior). The seasonally adjusted monthly unemployment rate in January 2017 was 4.8 percent (down from 4.9 percent in January 2016).

The nation's real Gross Domestic Product (the broadest measure of economic activity representing the inflation-adjusted value of all goods and services produced in the economy) was up 1.6 percent in 2016—the lowest level of annual growth since 2011. The years 2011 and 2016 were tied for the lowest levels of GDP growth since the end of the Great Recession in 2009.

Building permits for new single-family homes nationwide were up 10.8 percent in 2016—the fifth consecutive year of growth following declines in five of six years. According to data from National Association of Realtors, existing single-family home sales were up 4.1 percent in 2016 (following a 7-percent increase in 2015). The median home price nationwide in 2016 was \$235,500 (up 5.2 percent from 2015).

Arizona

Arizona gained 35,400 jobs in 2016 for job growth of 1.3 percent (down from 82,000 jobs/3.2 percent in 2015). Job creation in 2016 was led by the private sector, which added 35,200 jobs

(1.5 percent). Government added 200 jobs statewide for growth of less than one-tenth of a percent.

In 2016, the statewide unemployment rate was 5.5 percent (down from 6.1 percent in 2015). The seasonally adjusted monthly rate in December 2016 was 4.8 percent (down from 5.8 percent in December 2015).

Arizona's real GDP grew 0.9 percent in 2015 (half the 1.8 percent rate of growth of 2014). In the first three quarters of 2016, Arizona's GDP was up at a 2.8 percent seasonally adjusted annual rate (from the first three quarters of 2015).

Inflation-adjusted retail sales statewide were up 8.8 percent in 2015 and 1.5 percent in the first 11 months of 2016. Arizona's restaurant and bar sales were up 5.1 percent in 2015 and 6.3 percent from January through November 2016, while hotel/motel receipts were up 12.2 percent in 2015 and 3.8 percent in the first 11 months of 2016.

Building permits for new single-family homes statewide were up 7.9 percent in 2016 (on the heels of a 30.9 percent increase in 2015). New home construction was up in four of five years from 2012 through 2016 (following six consecutive years of decline).

According to data from Arizona Regional Multiple Listing Service, residential home sales by realtors statewide were up 5.3 percent in 2016 (following a 10.3-percent jump in 2015). The year 2016 was the second year of growth in home sales following three consecutive years of decline. The statewide median price for a single-family home in December 2016 was \$227,000 (up 5.6 percent from December 2015).

Cochise County

Cochise County lost 100 jobs in 2016 for annual job growth of -0.3 percent. All of the job losses were in the government sector, which declined by 0.9 percent (led by a 3.9-percent dip in federal employment). The countywide private sector saw job numbers stabilize in 2016. The year 2016 was the eighth consecutive year of job losses in Cochise County.

Cochise County's annual unemployment rate in 2016 was 6.4 percent (down from 7.4 percent in 2015). The unadjusted monthly rate in December 2016 was 5.4 percent (down from 6.6 percent in December 2015).

Cochise County's economy slipped into recession in 2011 with a drop in GDP of 0.8 percent. The countywide recession continued with GDP declines of 5.3, 5.1, 4.0, and 1.7 percent in 2012, 2013, 2014, and 2015, respectively. Cochise County's five straight years of declining GDP easily fit most economists' definition of an economic depression.

Retail sales countywide were up 2.4 percent in 2015, but down 4.5 percent for the first 11 months of 2016. Cochise County's restaurant and bar sales were up 3.9 percent in 2015 and 1.5

percent in the first 11 months of 2016, while hotel/motel receipts were up 8.2 percent in 2015 but down 1 percent from January through November 2016.

New residential construction in Cochise County was up 2.2 percent in 2016 (on the heels of a 24-percent decrease in 2015). New home permits were down in 9 of 11 years from 2006 through 2016, hitting a record low in 2015 (with records back to 1990). There were 139 new home permits issued countywide in 2016 (the second-lowest level on record, just off the record low of 136 the year prior).

There were 1,726 homes sold by realtors in Cochise County in 2016 (up 10.2 percent from 2015). Home sales were up in six of eight years from 2009 through 2016, following three consecutive years of double-digit percent declines. The median home price in Cochise County in 2016 was \$125,000 (up 1.2 percent from 2015). The year 2016 was the second consecutive year of home price increases following seven straight years of decline.

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