



## Center for Economic Research

901 N. Colombo Ave.  
Sierra Vista, AZ 85635  
Robert@CochiseEconomy.com  
www.CochiseEconomy.com

**CER PRESS RELEASE: July 13, 2017**

### Update on the national, state, and local economies

**By: Dr. Robert Carreira, Chief Economist**

#### **National**

In 2016, the U.S. economy added 2.2 million jobs for job growth of 1.6 percent (down from 2.7 million jobs/1.9 percent in 2015). In the first six months of 2017, the national economy added 1.1 million jobs (essentially unchanged from the first half of 2016).

The national unemployment rate in 2016 was 4.9 percent (down from 5.3 percent in 2015). The seasonally adjusted monthly unemployment rate in June 2017 was 4.5 percent (down from 4.9 percent in June last year).

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. In the first quarter 2017, U.S. GDP grew at a seasonally adjusted annual rate of 1.4 percent.

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). In the first five months of 2017, new home permits were up 10.5 percent (from the same period last year).

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). In the first five months of 2017, existing home sales were up 2.9 percent (from the same period last year).

The median home price nationwide in 2016 was \$235,500 (up 5.2 percent from 2015). In May 2017, the median home price nationwide was \$254,600 (up 6 percent from May 2016).

## **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). From January through May 2017, Arizona added 9,200 jobs (down from 29,600 new jobs in the first five months of 2016).

In 2016, the statewide unemployment rate was 5.5 percent (down from 6.1 percent in 2015). The seasonally adjusted monthly rate in May 2017 was 5.1 percent (down from 5.3 percent in May 2016).

Arizona's real GDP grew 2.1 percent in 2016 (up from 1.4 percent in 2015 and the highest rate of growth since 2012). Inflation-adjusted retail sales statewide were up 1.7 percent in 2016 but were down 0.6 percent in the first quarter of 2017 (the first quarterly decline in statewide retail sales since The Great Recession). Arizona's restaurant and bar sales were up 6.3 percent in 2016 and 1.4 percent for the first quarter 2017, while hotel/motel receipts were up 3.8 percent in 2016 and 3.2 percent in the first quarter 2017.

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). In the first five months of this year, new home permits in Arizona were up 12.3 percent (compared to the same period last year).

According to data from Arizona Regional Multiple Listing Service, 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. In the first half of 2017, home sales in Arizona were up 9.1 percent. The statewide median price for a single-family home in June 2017 was \$245,000 (up 6.1 percent from June last year).

## **Cochise County**

Cochise County lost 300 jobs in 2016 for annual job growth of -0.9 percent (the eighth consecutive year of job losses in Cochise County). In May 2017, the number of nonfarm jobs countywide was down by 100 (-0.3 percent) from May 2016.

Cochise County's annual unemployment rate in 2016 was 6.1 percent (down from 7.4 percent in 2015). The unadjusted monthly rate in May 2017 was 5.5 percent (down from 5.9 percent in May last year).

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 down 4.7 percent in 2016 and 4.9 percent for the first five months of 2017. Cochise County's restaurant and bar sales were up 2.3 percent in 2016 but were down 3.7 percent in the first five months this year, while hotel/motel receipts were down 0.1 percent last year but were up 6.3 percent from January through May this year.

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). In the first five months of 2017, new home permits in Cochise County were up 0.5 percent (compared to the first five months of 2016).

Home sales by realtors in Cochise County were up 10.2 percent in 2016. Sales were up in six of eight years from 2009 through 2016 (following three consecutive years of double-digit percent declines). In the first quarter this year, home sales countywide were up 25.9 percent (compared to the first quarter last year).

The median home price in Cochise County in 2016 was \$125,000 (up 1.2 percent from 2015). Last year was the second consecutive year of home price increases following seven straight years of decline. In the first quarter this year, the median home price countywide was up 3.3 percent (compared to the first quarter 2016).

***Dr. Robert Carreira is Chief Economist at Cochise College Center for Economic Research. He can be reached at [Robert@CochiseEconomy.com](mailto:Robert@CochiseEconomy.com). Visit the CER website at [www.CochiseEconomy.com](http://www.CochiseEconomy.com).***

# # #