



Center for Economic Research

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

CER PRESS RELEASE: September 28, 2017

By: Robert Carreira, Ph.D.

Dr. Robert Carreira is Chief Economist at Cochise College Center for Economic Research. He can be reached at Robert@CochiseEconomy.com. Visit the CER website at www.CochiseEconomy.com.

Update on the national, state, and local economies

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 eight months of 2017, the national economy grew by 1.4 million jobs (down from 1.5 million in the first eight months last year).

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 August this year was 4.4 percent (down from 4.9 percent in August 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 1.5 percent in 2016—the lowest level of annual growth since the end of The Great Recession in 2009. In the second quarter 2017, U.S. GDP grew at a seasonally adjusted annual rate of 3.1 percent (an improvement from the sluggish growth of 1.2 percent in the first quarter).

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 seven months of 2017, new home permits were up 9.5 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 last year (following a 7-percent increase the year prior). In the first eight months of this year, existing home sales were up 2 percent from the same period last year.

The median home price nationwide in 2016 was \$235,500 (up 5.2 percent from 2015). In August this year, the median home price was \$255,500 (up 5.6 percent from August last year).

Arizona

Arizona gained 69,700 jobs in 2016 for job growth of 2.6 percent (compared to 66,800 jobs/2.6 percent in 2015). From January through August 2017, Arizona added 15,700 jobs (down from 50,700 new jobs in the first eight 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 August this year was 5.0 percent (down from 5.1 percent in August 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). In the first quarter 2017, Arizona's GDP was up 0.9 percent (seasonally adjusted annual rate).

Inflation-adjusted retail sales statewide were up 1.7 percent in 2016 and 1.4 percent in the first seven months of 2017. Arizona's restaurant and bar sales were up 6.3 percent in 2016 and 2.8 percent for the first seven months of this year, while hotel/motel receipts were up 3.8 percent last year and 7.2 percent for the first seven months this year.

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 seven months of 2017, new home permits in Arizona were up 12.1 percent from the same period last year.

According to data from Arizona Regional Multiple Listing Service, home sales by realtors statewide were up 5.3 percent last year (following a 10.3-percent jump the year prior). Last year was the second year of growth in home sales following three consecutive years of decline. In the first eight months of 2017, home sales in Arizona were up 7.6 percent from the same period last year. The statewide median home price in August this year was \$245,000 (up 6.5 percent from August 2016).

Cochise County

Cochise County lost 300 jobs last year for annual job growth of -0.9 percent (the eighth consecutive year of job losses). In July 2017, the number of nonfarm jobs countywide was down by 800 (-2.4 percent) from July 2016. In the 13 months from July last year through July this year, Cochise County saw year-over-year job declines in five months, gains in four months, and stabilization in four months. That followed persistent job losses since the beginning of 2009.

Cochise County's annual unemployment rate in 2016 was 6.1 percent (down from 7.4 percent the year prior). The seasonally adjusted monthly rate in July this year was 5.5 percent (down from 6.0 percent in July 2016).

Cochise County's GDP increased 0.3 percent in 2016—the first year of growth following five years of decline. Cochise County's economy slipped into recession in 2011 with a drop in GDP of 1.1 percent, followed by declines of 6.2, 7.0, 4.9, and 0.8 percent in 2012, 2013, 2014, and 2015, respectively—easily fitting most economists' definition of an economic depression.

Retail sales countywide were down 4.7 percent in 2016 and 1.8 percent for the first six months of 2017. Cochise County's restaurant and bar sales were up 2.3 percent last year but were down 2.9 percent in the first half of this year, while hotel/motel receipts were down 0.1 percent in 2016 but were up 14.9 percent from January through June 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 seven months of 2017, new home permits in Cochise County were up 10.5 percent (compared to the first seven months last year).

Homes sold by realtors in Cochise County were up 10.2 percent in 2016. Home sales were up in six of eight years from 2009 through 2016 (following three consecutive years of double-digit percent declines). In the first half of this year, home sales countywide were up 16.3 percent.

The median home price in Cochise County last year was \$125,000 (up 1.2 percent from the year prior). Last year was the second consecutive year of home price increases following seven straight years of decline. In the second quarter this year, the median home price countywide was \$138,500 (up 10.8 percent from the second quarter last year).

#