

MAP MAKING ACTION POSSIBLE for Southern Arizona

MAP Talk Webinar

MAP Talk: Economic Update on COVID-19

September 10th
9:00 - 9:30am MST/PDT

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Webinar Details

- ▶ The MAP Talk will be recorded
 - ▶ See the MAP Dashboard website for recordings
- ▶ Conference mode
 - ▶ Everyone muted except presenter
- ▶ How to ask a question
 - ▶ Use Zoom Chat or Email anytime to ikanipe@arizona.edu

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Arizona Daily Star

Tucson economy: MAP Dashboard

Real estate jobs: 363,500 (July 2020) -3.0%
Unemployment rate: 10.9% (July 2020) +5.7% pts.
Median home price: \$292,500 (July 2020) +8.2%
Homeing permits: 447 (July 2020)* +42.5%

*New permits, not construction starts.

Tucson home prices top pre-recession levels as prices rise across West
 In the half of 2020, home prices continued to rise in the Tucson-Metropolitan Statistical Area (MSA) and across the western U.S. because of a combination of factors: the record number of 2020 job openings, the return to a 4.8% recession from the annual quarter of 2019, Tucson's median home price in the first half of 2020 surpassed the peak price point (before the Great Recession), when it peaked at \$297,000 in 2006, and the return to a 4.8% recession from the annual quarter of 2019. Home prices in the first half of 2020 surpassed the peak price point (before the Great Recession), when it peaked at \$297,000 in 2006, and the return to a 4.8% recession from the annual quarter of 2019. Home prices in the first half of 2020 surpassed the peak price point (before the Great Recession), when it peaked at \$297,000 in 2006, and the return to a 4.8% recession from the annual quarter of 2019.

Tucson's health: MAP Dashboard

Percent of Children Enrolled in the Free or Reduced Lunch Program (2018)

City	Percentage
Chandler	10.0%
Scottsdale	10.0%
Phoenix	10.0%
Tucson	10.0%
Flagstaff	10.0%
Yuma	10.0%
Maricopa	10.0%
Avondale	10.0%
Peoria	10.0%
Goodyear	10.0%
Glendale	10.0%
Surprise	10.0%
Apache Junction	10.0%
Chandler	10.0%
Scottsdale	10.0%
Phoenix	10.0%
Tucson	10.0%
Flagstaff	10.0%
Yuma	10.0%
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Peoria	10.0%
Goodyear	10.0%
Glendale	10.0%
Surprise	10.0%
Apache Junction	10.0%

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- How Do Renters Fare?
- Prevalence of Chronic Health Conditions in Tucson
- How Does Your Southern Arizona Community Compare?
- COVID-19 Impacts Food Insecurity for Children
- Economic Impacts on Arizona: 11.2% Tucson 2019 Employment in Leisure & Hospitality
- Potential for Water Independence in Tucson's Communities
- Affordability in Tucson Varies Significantly By Income
- How Exposed are Tucson's Industries to a COVID-19 Recession? 17.2% of Tucson Jobs in High-Risk Industries
- Explore How Local Community Members Use the MAP

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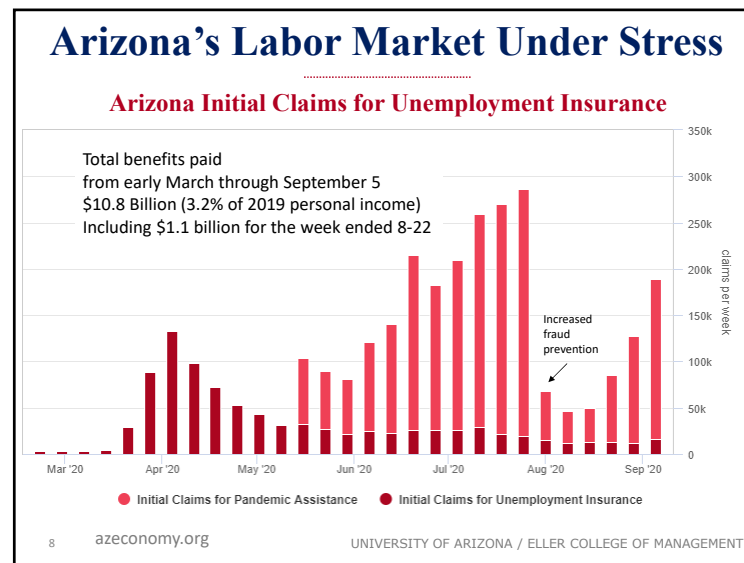
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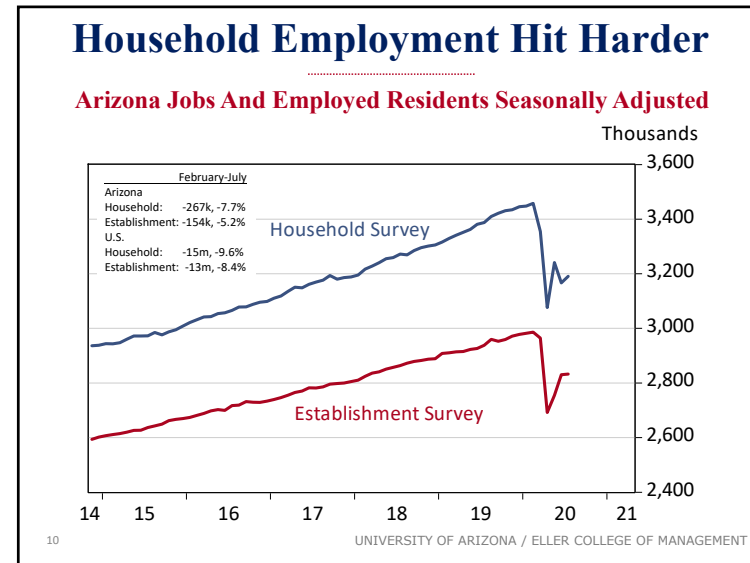
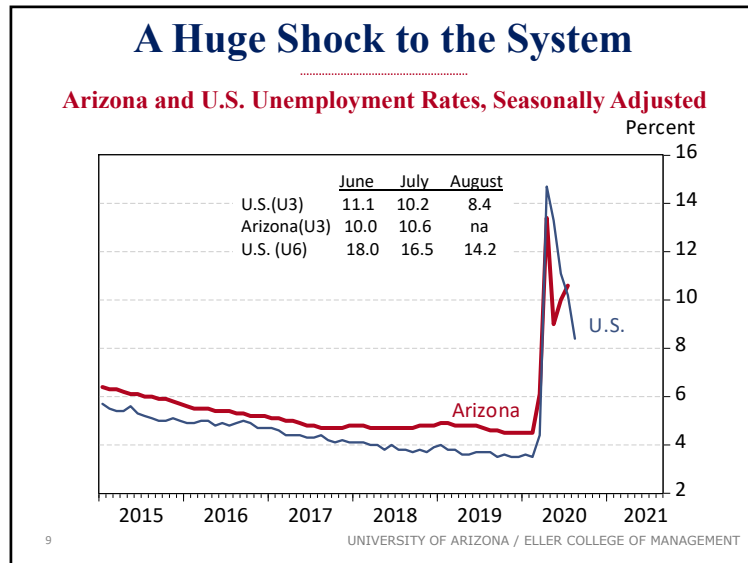
High Frequency Data
Track COVID-19 impacts here

Key Topics Today

- ▶ **Uncertainty dominates the outlook**
 - ▶ Will there be a resurgence of the outbreak?
 - ▶ How fast will the state recover?
- ▶ **Arizona was hit hard, but has outperformed many states, so far**
 - ▶ CARES Act has boosted the recovery
- ▶ **The short-run outlook depends on the outbreak**
 - ▶ If the recent surge is contained and no resurgence in the fall/winter, then look for continued recovery
- ▶ **The long-run outlook depends on demographics, innovation, education, infrastructure, tax/regulatory policy, water**
 - ▶ Arizona is well positioned to outpace the U.S., but growth will be slower than in the past

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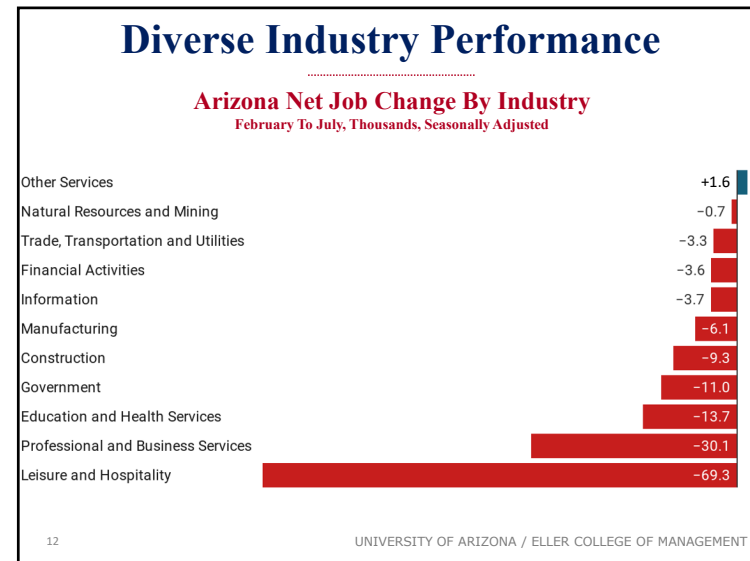


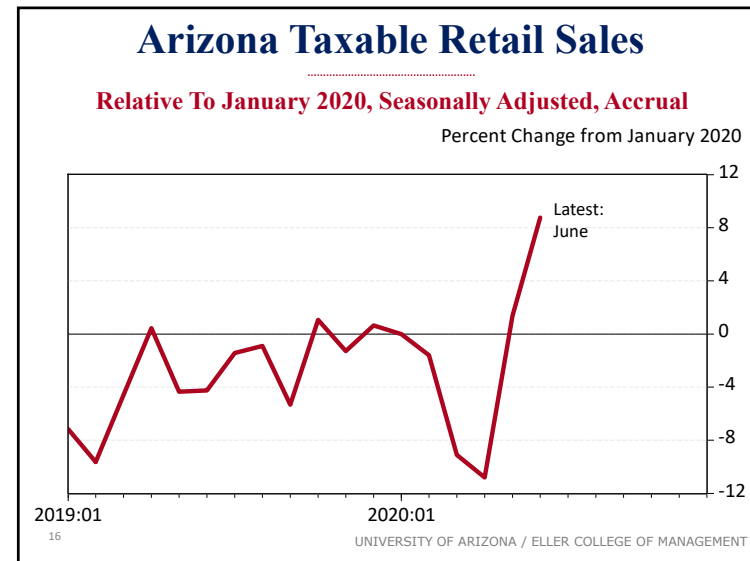
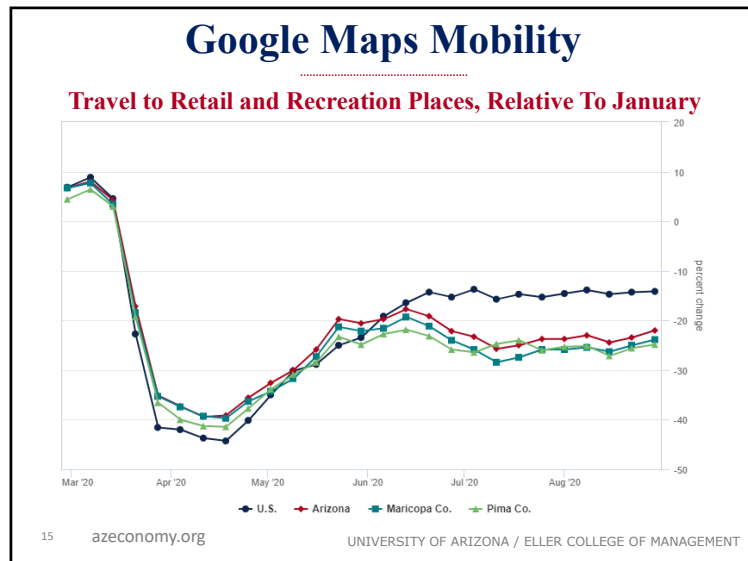
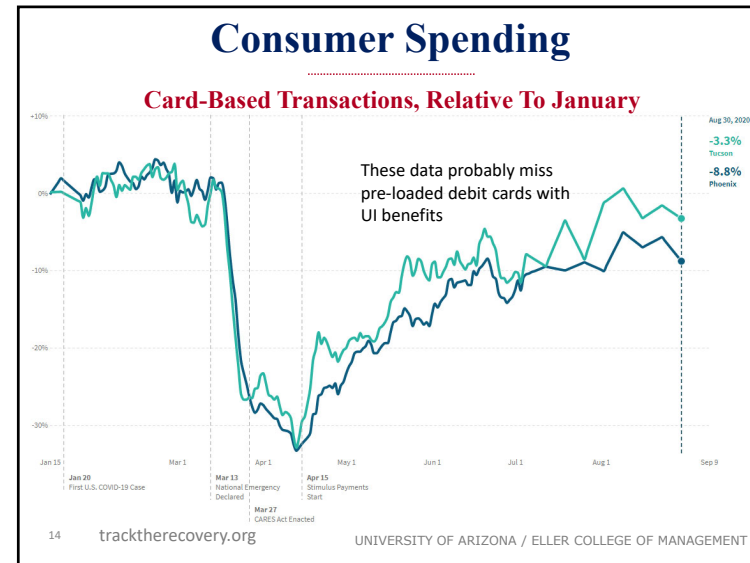
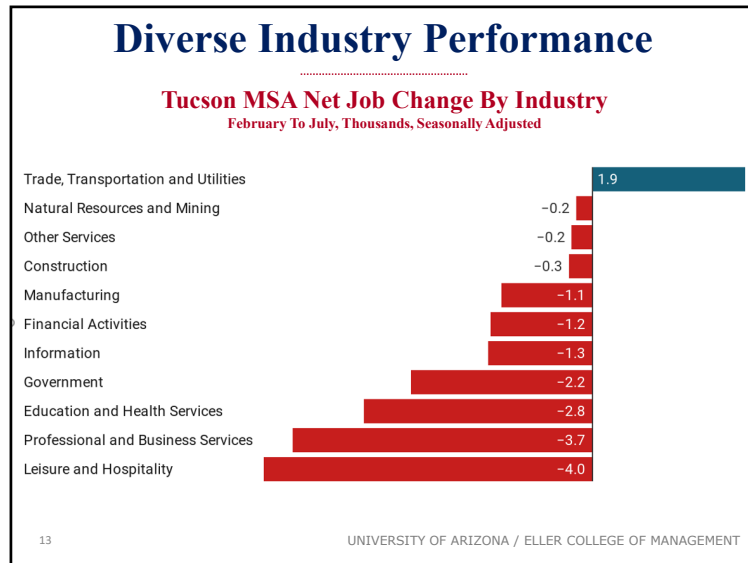
Arizona Jobs Rising

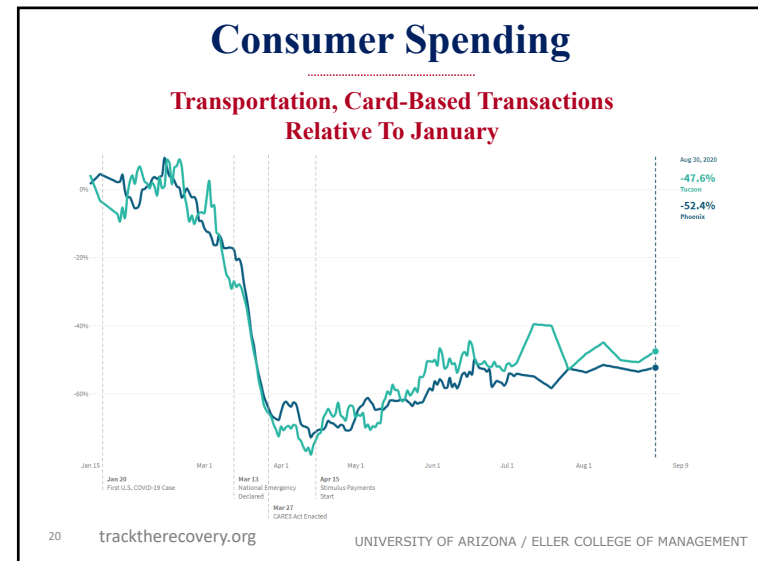
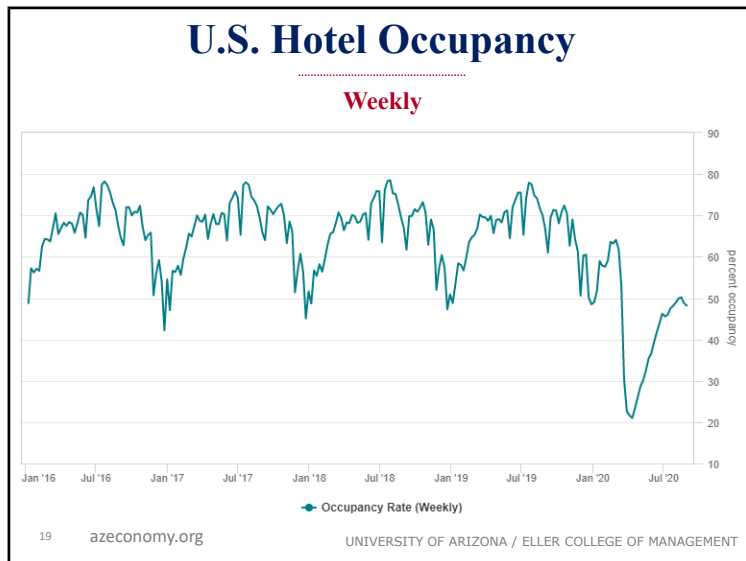
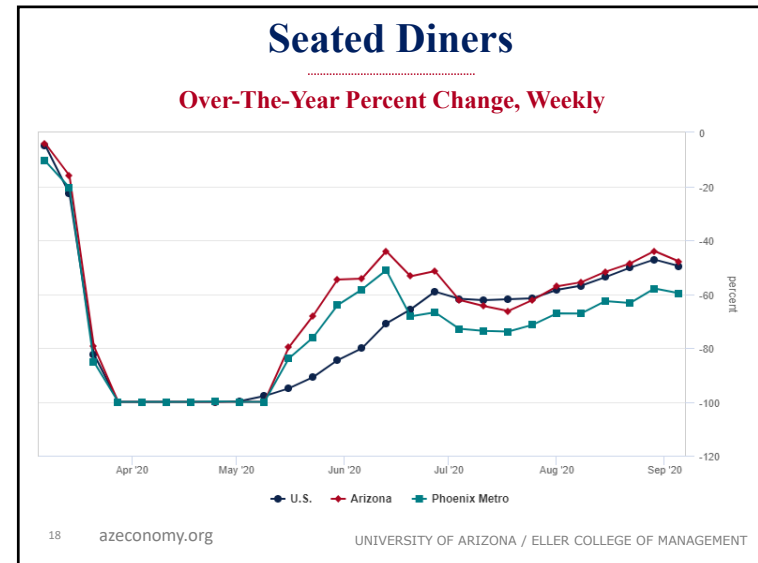
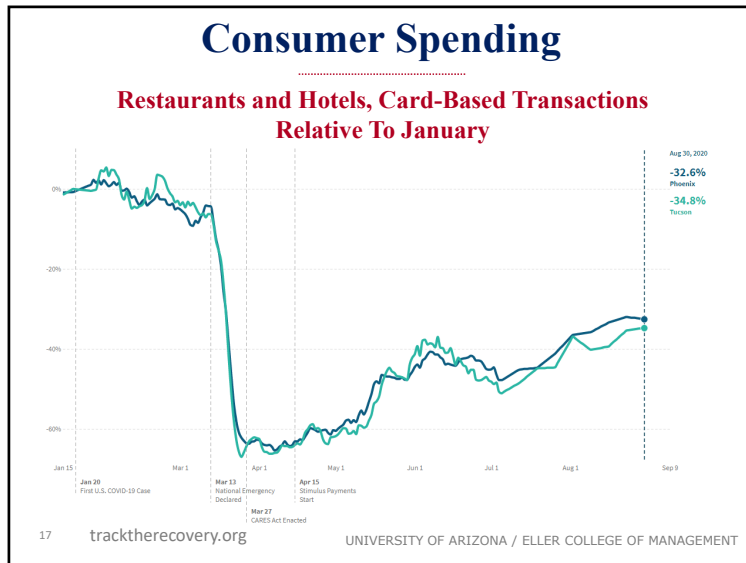
Nonfarm Payroll Jobs, Seasonally Adjusted

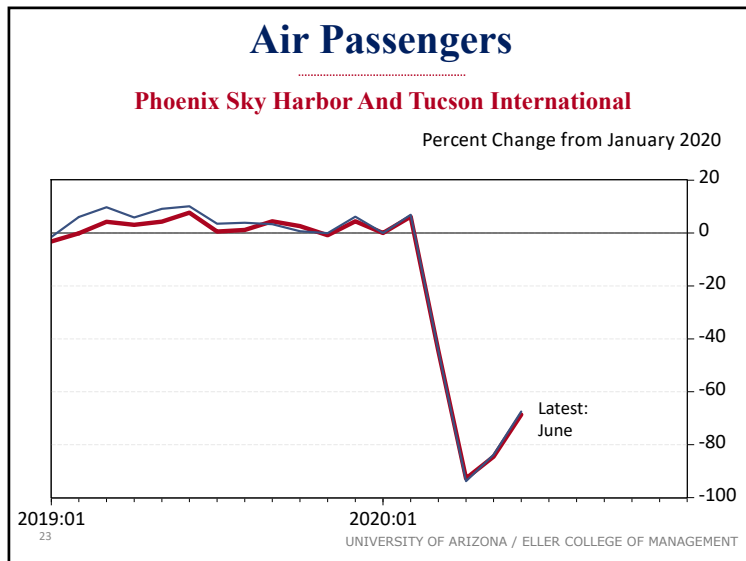
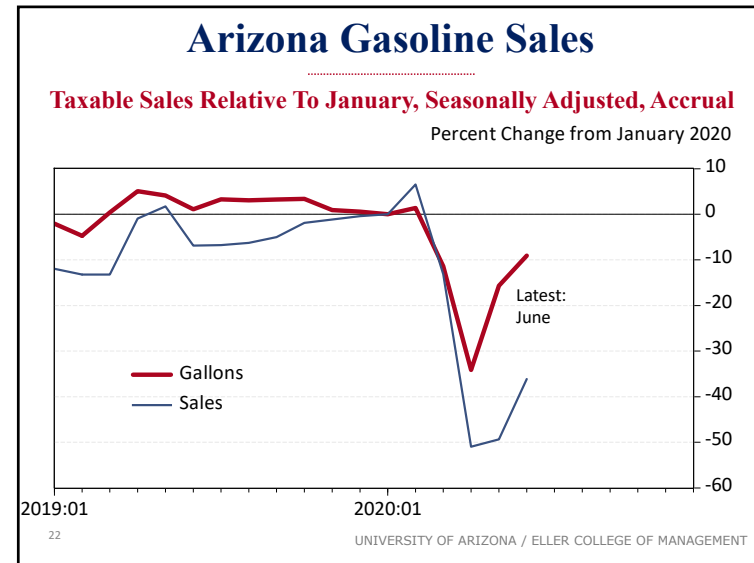
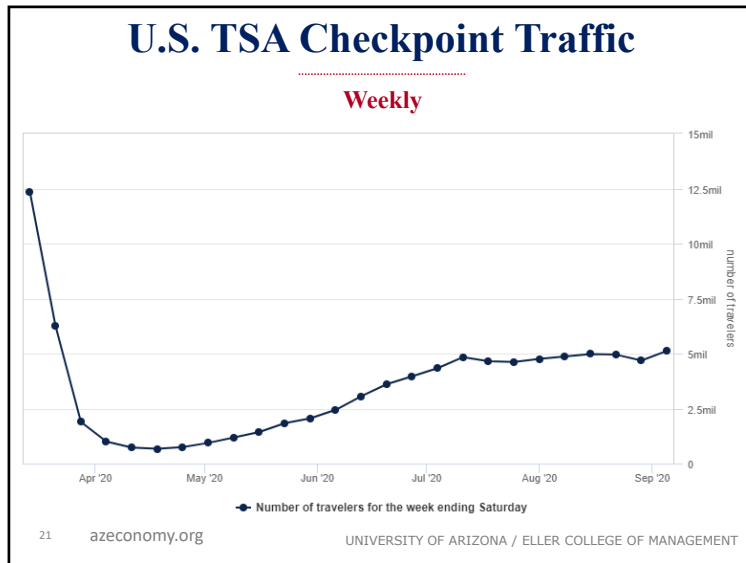
	Percent Change From February To			
	April	May	June	July
Flagstaff	-20.1	-18.9	-17.4	-18.5
Lake Havasu City-Kingman	-14.7	-10.0	-7.5	-7.3
Phoenix	-9.8	-8.1	-5.6	-5.6
Prescott	-7.3	-3.5	-1.5	-2.6
Sierra Vista-Douglas	-6.6	-2.3	-1.2	0.3
Tucson	-8.7	-6.4	-3.2	-4.0
Yuma	-10.4	-7.9	-7.6	-4.8
Arizona	-9.9	-7.8	-5.2	-5.2
U.S.	-14.5	-12.7	-9.6	-8.4

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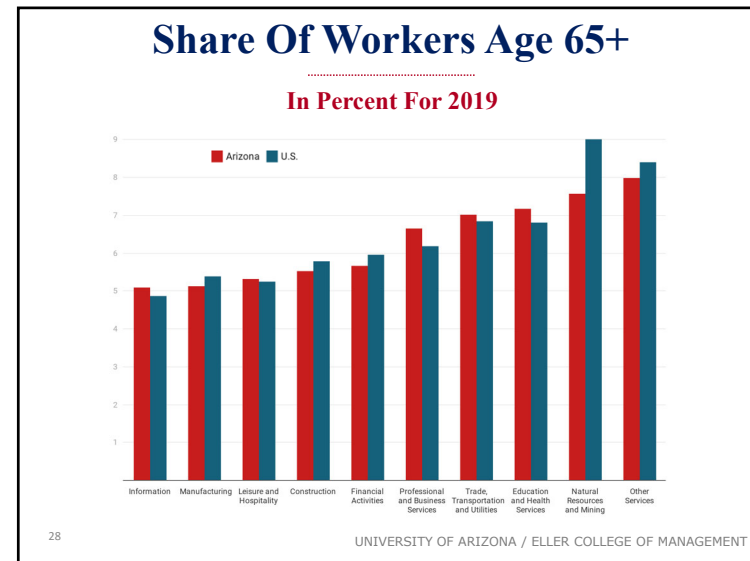
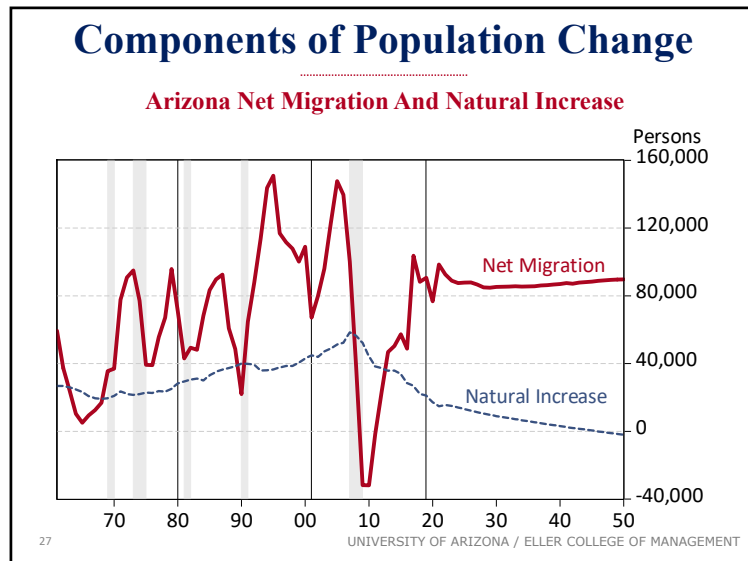
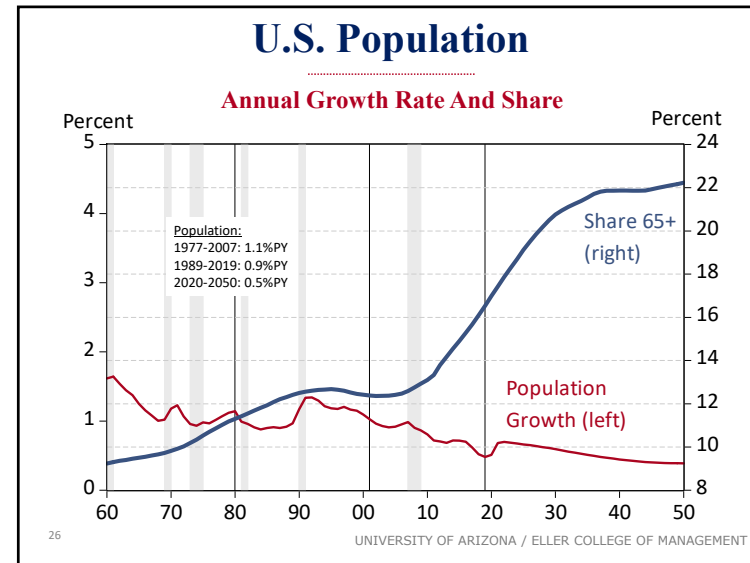


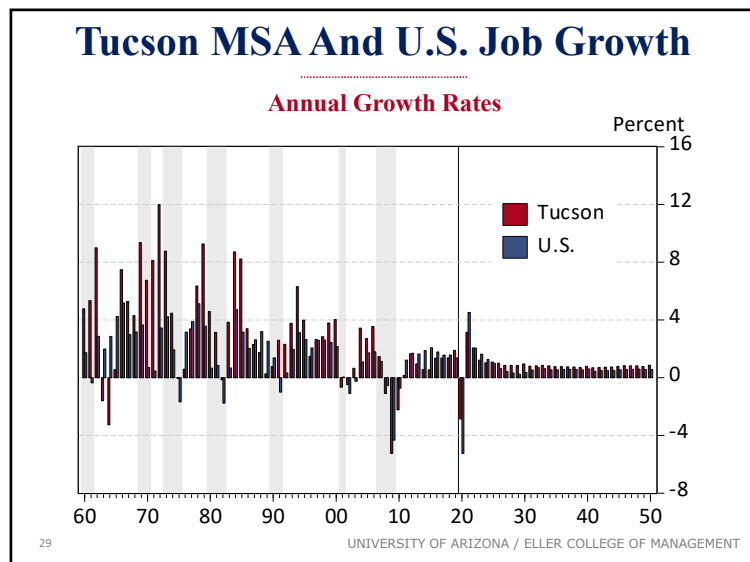
- ### Arizona, Phoenix, and Tucson Outlook
- ▶ **A solid recovery continues, with gradual improvement**
 - ▶ Assuming the latest virus surge is contained and no resurgence in the fall/winter
 - ▶ **Arizona jobs return to pre-pandemic levels in mid-2021**
 - ▶ **Personal income growth is modest this year and next**
 - ▶ Driven by the federal fiscal policy injection and withdrawal
 - ▶ **Population growth slows modestly this year and accelerates modestly next year**
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Long-Run Outlook

- ▶ **No assumptions on long-term impacts of COVID-19**
- ▶ **Demographic change means slower growth in the major aggregates**
 - ▶ Compared to prior 30 years
 - ▶ Population, jobs, personal income, sales
- ▶ **Innovation remains key, which makes education an important factor**

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COVID-19 Long-Term Impacts?

- ▶ **The longer the pandemic lasts, the more lasting will be the impact**
- ▶ **Migration flows**
 - ▶ Movement out of high-cost metropolitan areas in the west?
 - ▶ Arizona might benefit from relatively low cost of living
 - ▶ Will firms scale pay to cost of living for remote workers?
 - ▶ Will this boost innovation in Arizona?
- ▶ **Commercial real estate**
 - ▶ Remote work impacts office market?
 - ▶ Online sales reduce demand for retail space and increase warehouse activity
- ▶ **Residential real estate**
 - ▶ Shift further from city center?
 - ▶ Shift in mix of single family versus multi family?
- ▶ **Automation**

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Key Takeaways

- ▶ **Uncertainty dominates the outlook**
 - ▶ The pandemic will impact the outlook, particularly in the near term
- ▶ **The Arizona economy has recovered (so far) faster than the U.S. and many states**
 - ▶ In part because the initial decline was less severe
- ▶ **The outlook calls for the state to reach pre-pandemic levels in mid-2021**
- ▶ **The long-run outlook remains positive**
 - ▶ Arizona is likely to outpace growth for the nation and most states
- ▶ **Investments in education will be key to driving innovation**
 - ▶ Innovation is the main driver of long-run improvement in the state's standard of living

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