

Attachment A



City of Phoenix

Phoenix Economic Indicators Report

Third Quarter FY 2021-22

Executive Summary

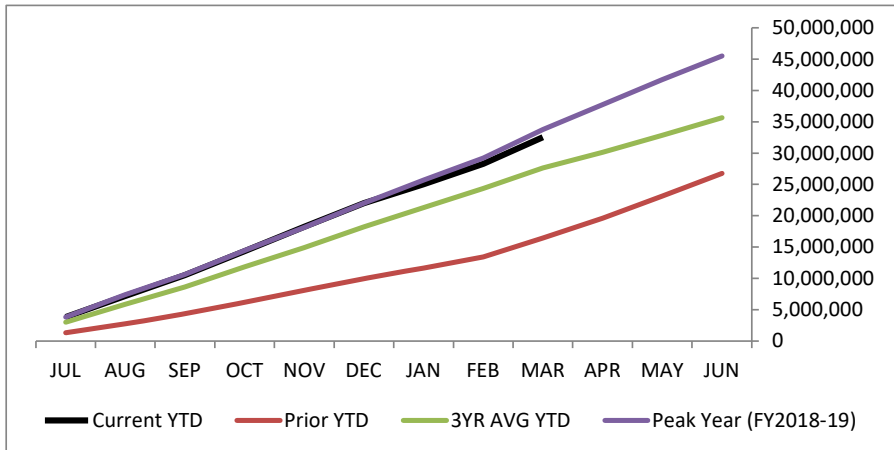
Economic indicators, such as those included in this report, provide measurements for evaluating the health of our economy, the latest business cycles, and how consumers are spending and generally faring. Included in this report are aviation, utility, new development, state and local sales tax, vehicle sales, property values, and employment statistics. Each statistic is shown through a graph presenting current year-to-date data (for data available on a monthly basis), 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) for a quarter of the current fiscal year (July 1 - June 30). 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 measured on a monthly basis, 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	98.3%
3 Year Avg.	17.8%
Peak Year (FY 2018-19)	-3.5%

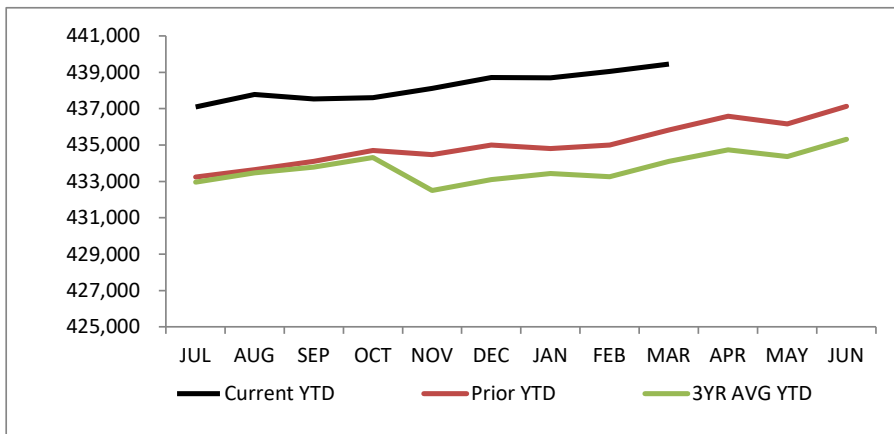
Totals

CYTD	32,570,000
PYTD	16,424,000
3YRAVG	27,644,000
Peak Year (FY 2018-19)	33,751,000

Current Year: Passenger traffic recovery has continued along the 2019 peak year trajectory, but has not increased past 2019. Industry data lags two months.

Total Single-Family Water Service Accounts

Significance: Single-family water services account growth is a measurement indicating revenue generated through services provided by the Water Services Department. The number of water service accounts can be an indicator of changes in population and development.



Current YTD Compared to:

Prior Year	0.8%
3 Year Avg.	1.2%
Peak Year (FY 2020-21)	0.8%

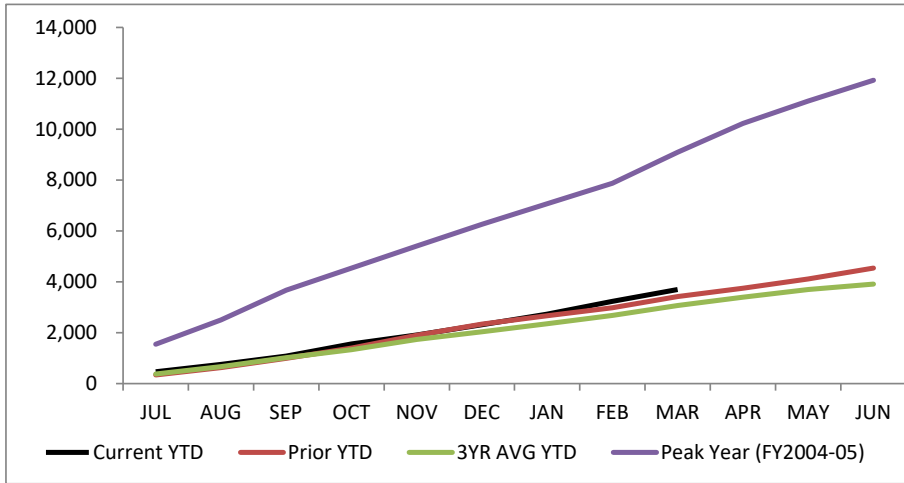
Totals

CYTD	439,452
PYTD	435,833
3YRAVG	434,099
Peak Year (FY 2020-21)	435,833

Current Year: Water service accounts reflect an upward trend in residential customers. Data for the prior year and three-year average were revised to reflect changes to customer categories and software that were not captured in the data source used previously.

Total 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 8.2%
 3 Year Avg. 20.3%
 Peak Year (FY 2004-05) -59.3%

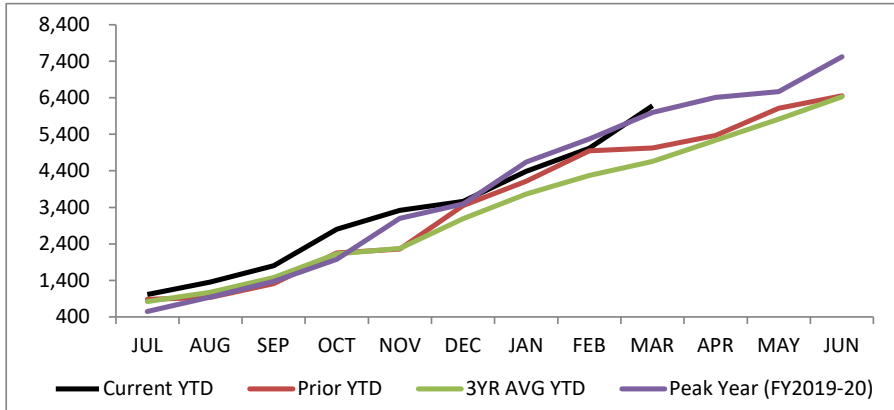
Totals

CYTD 3,701
 PYTD 3,419
 3YRAVG 3,076
 Peak Year (FY 2004-05) 9,100

Current Year: Planning and Development experienced an 8.2% increase in growth in residential construction permits year to date compared to the same time period in the prior year. Due to continued growth in the housing market, growth is anticipated.

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 22.9%
 3 Year Avg. 32.6%
 Peak Year (FY 2019-20) 3.1%

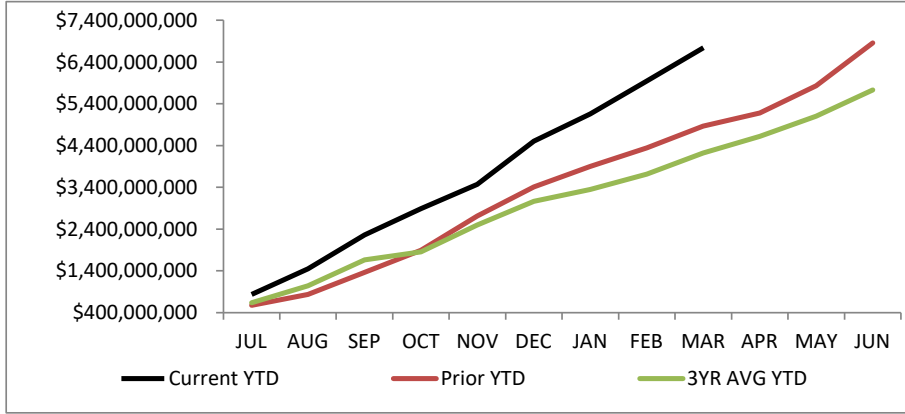
Totals

CYTD 6,181
 PYTD 5,030
 3YRAVG 4,661
 Peak Year (FY 2019-20) 5,997

Current Year: Planning and Development experienced a 22.9% increase in growth in multifamily housing units permitted year to date compared to the prior year. As the demand for housing continues, growth in this sector is anticipated to continue.

Total Value of Permitted Activity

Significance: The valuation of new construction is 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	38.6%
3 Year Avg.	59.7%
Peak Year (FY 2020-21)	38.6%

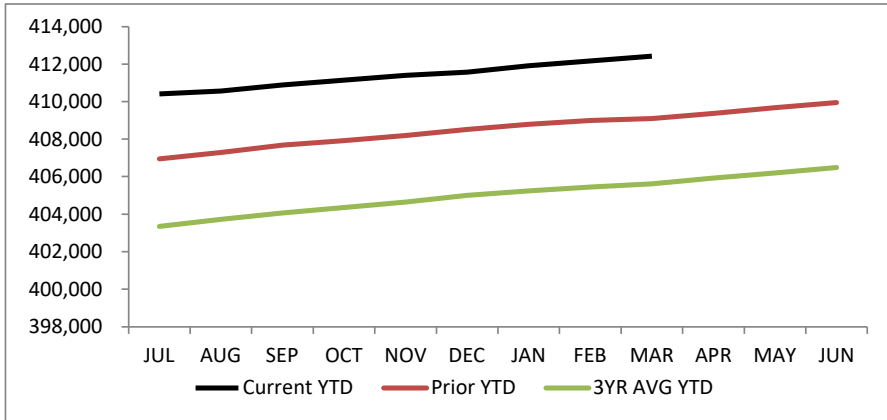
Totals

CYTD	\$6,743,065,676
PYTD	\$4,864,885,378
3YRAVG	\$4,221,153,426
Peak Year (FY 2020-21)	\$4,864,885,378

Current Year: Planning and Development experienced a 38.6% increase in permit valuation year to date compared to the same time period in the prior year. The increase is due to growth in the housing market as well as new largescale commercial projects including the TSMC semi-conductor project. Valuation is anticipated to remain strong through the fiscal year.

Solid Waste - Residential Customer Growth

Significance: Residential customer growth is an indicator of one facet of Phoenix's economic strength because it reflects the growth in households. The graph shows a consistent upward trend in the count of Solid Waste residential customers.



Current YTD Compared to:

Prior Year	0.8%
3 Year Avg.	1.7%
Peak Year (FY 2020-21)	0.8%

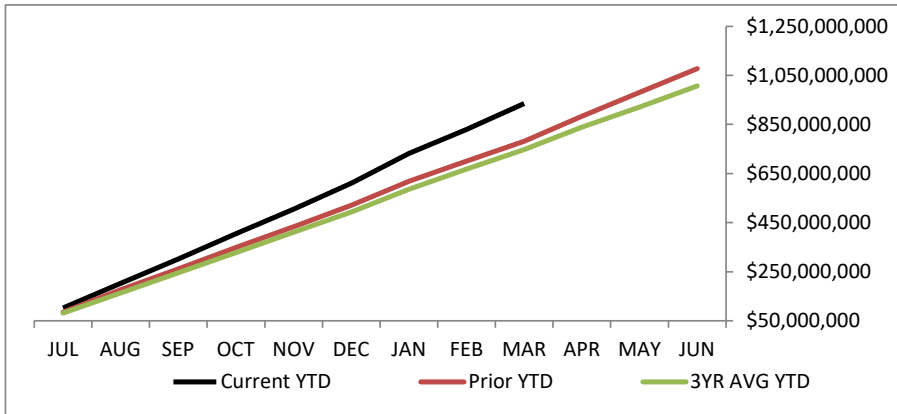
Totals

CYTD	412,424
PYTD	409,087
3YRAVG	405,612
Peak Year (FY 2020-21)	409,087

Current Year: The number of residential living units being serviced by the Public Works Department Solid Waste Division is consistently trending upwards.

City Sales Tax - Total

Significance: City sales tax (all funds including: General Fund, T2050, Public Safety, 3PI, Convention Center, Sports Facilities, and Capital Construction) represents overall local economic activity related to taxable sales.



Current YTD Compared to:

Prior Year	19.6%
3 Year Avg.	25.1%
Peak Year (FY 2020-21)	19.6%

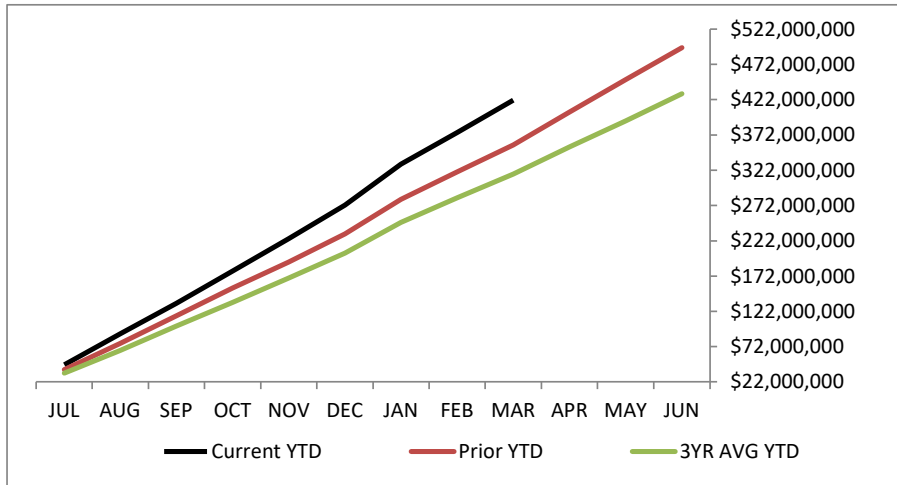
Totals

CYTD	\$934,921,000
PYTD	\$781,771,000
3YRAVG	\$747,617,333
Peak Year (FY 2020-21)	\$781,771,000

Current Year: Total City sales tax collections continued to experience positive growth in the third quarter compared to the same time period last fiscal year. Beyond solid growth in the retail and contracting categories, the hospitality and leisure categories, which were most adversely affected by the COVID-19 pandemic, have seen substantial increases. Prior year values have not been adjusted for inflation.

City Sales Tax - Retail

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



Current YTD Compared to:

Prior Year	17.7%
3 Year Avg.	33.2%
Peak Year (FY 2020-21)	17.7%

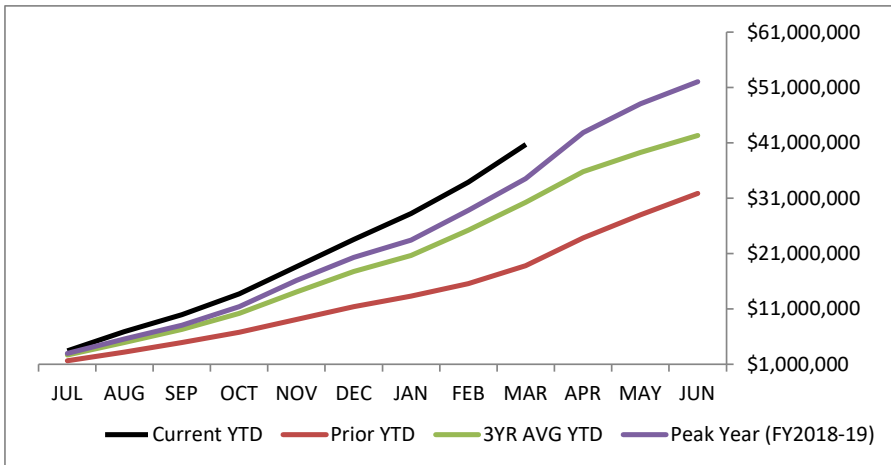
Totals

CYTD	\$421,252,000
PYTD	\$358,027,000
3YRAVG	\$316,370,333
Peak Year (FY 2020-21)	\$358,027,000

Current Year: City retail sales tax continues to experience positive growth, as it has throughout the COVID-19 pandemic due to shifts in consumer spending to taxable goods and overall growth in the economy. Current year growth also accounts for additional retail sales tax collected from online retailers which became effective October 2019. Prior year values have not been adjusted for inflation.

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	116.6%
3 Year Avg.	34.6%
Peak Year (FY 2018-19)	18.0%

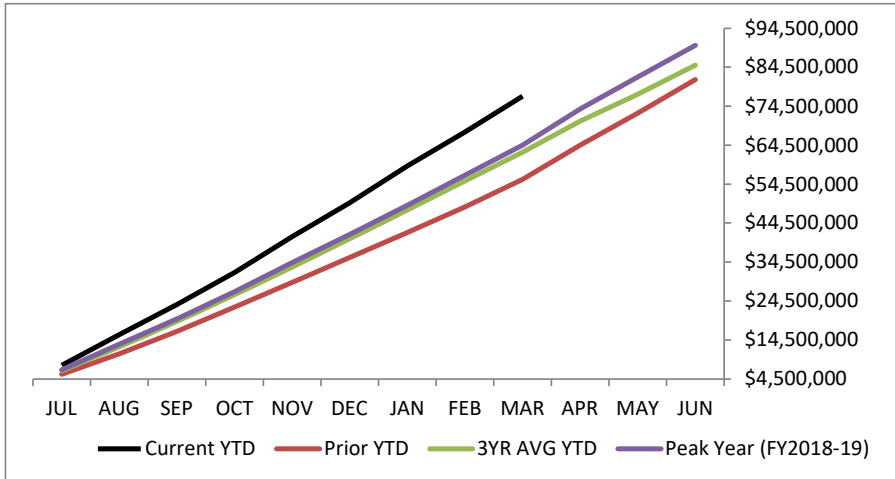
Totals

CYTD	\$40,731,000
PYTD	\$18,804,000
3YRAVG	\$30,253,333
Peak Year (FY 2018-19)	\$34,504,000

Current Year: Hotel/motel sales tax collections were negatively impacted by COVID-19 since the start of the pandemic. However, current year-to-date actuals are positive and growing compared to the first three quarters of the prior and peak fiscal years. Prior year values have not been adjusted for inflation.

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	38.3%
3 Year Avg.	23.0%
Peak Year (FY 2018-19)	19.5%

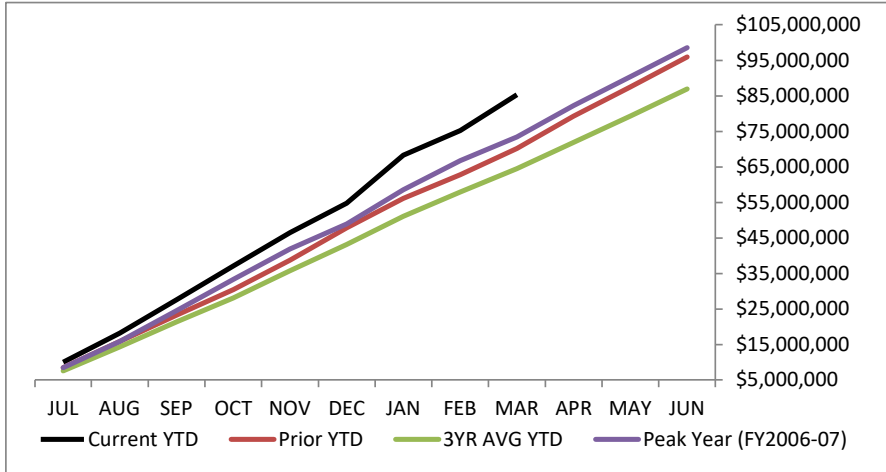
Totals

CYTD	\$77,095,000
PYTD	\$55,734,000
3YRAVG	\$62,665,000
Peak Year (FY 2018-19)	\$64,491,000

Current Year: Restaurants/bars sales tax collections were negatively impacted by COVID-19 since the start of the pandemic. However, current year-to-date actuals are positive and growing compared to the first three quarters of the prior and peak fiscal years. Prior year values have not been adjusted for inflation.

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	21.6%
3 Year Avg.	32.3%
Peak Year (FY 2006-07)	16.2%

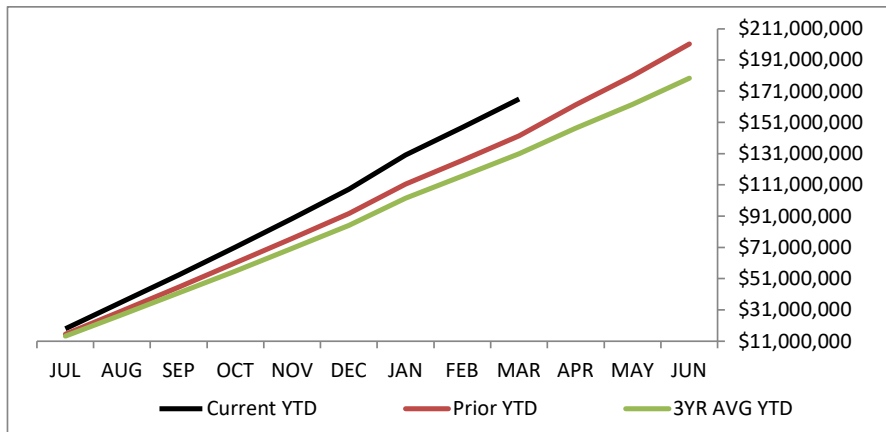
Totals

CYTD	\$85,341,000
PYTD	\$70,189,000
3YRAVG	\$64,516,000
Peak Year (FY 2006-07)	\$73,425,000

Current Year: Contracting sales tax collections continued to experience solid growth. Current year-to-date actuals are positive and growing compared to the first three quarters of the prior and peak fiscal years. Prior year values have not been adjusted for inflation.

State Sales Tax - Total

Significance: State shared sales tax revenues are distributed to cities and towns based on relative population share in Arizona. The population share in FY 2000-01 was 33.7%. The population share as of August 2021 was 28.07%, based on Census 2020 data.



Current YTD Compared to:

Prior Year	16.5%
3 Year Avg.	26.8%
Peak Year (FY 2020-21)	16.5%

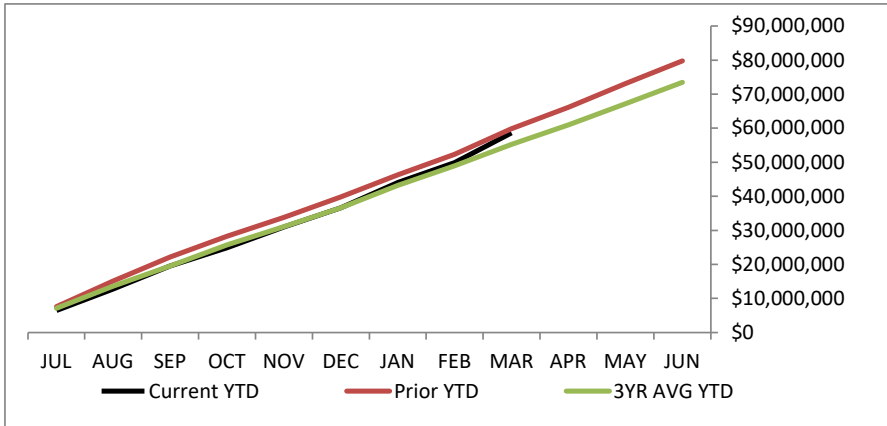
Totals

CYTD	\$165,982,000
PYTD	\$142,472,000
3YRAVG	\$130,908,667
Peak Year (FY 2020-21)	\$142,472,000

Current Year: State sales tax collections continued to experience positive growth in the third quarter compared to the same time period last fiscal year. Beyond the solid growth in the retail and contracting categories, the hospitality and leisure categories, which were most adversely affected by the COVID-19 pandemic, have seen substantial increases. Prior year values have not been adjusted for inflation.

State Vehicle License Tax

Significance: State shared vehicle license tax revenues are distributed to cities and towns in Maricopa County based on their relative population share of Maricopa County. The City of Phoenix's population share in FY 2000-01 was 48.51%, and the population share as of June 2021 was 40.41%. The latest Census 2020 data is not yet reflected in the distribution.



Current YTD Compared to:

Prior Year	-2.1%
3 Year Avg.	6.1%
Peak Year (FY 2020-21)	-2.1%

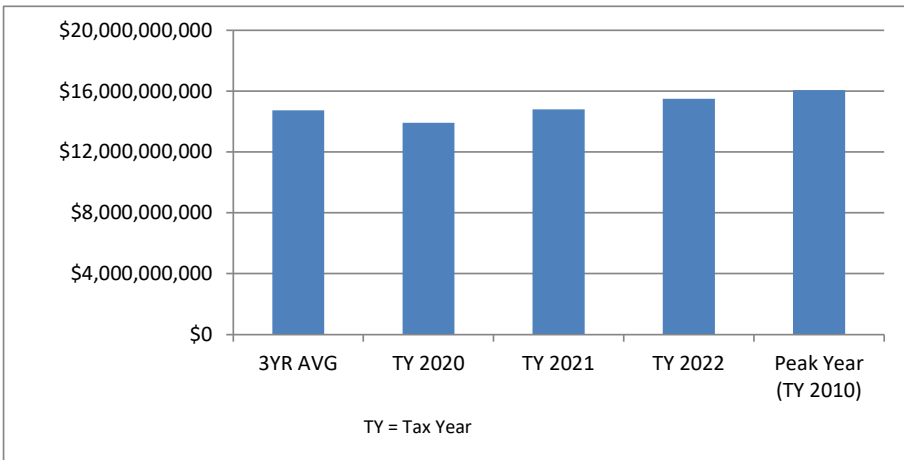
Totals

CYTD	\$58,576,494
PYTD	\$59,841,047
3YRAVG	\$55,209,177
Peak Year (FY 2020-21)	\$59,841,047

Current Year: State shared vehicle license tax (VLT) collections continued to experience negative growth because of the implementation of a new system by the Arizona Department of Transportation (ADOT) in 2020, which recognized revenues from FY 2019-20 in FY 2020-21 and artificially boosted revenue collections in August and September 2020. The decreased VLT collections might also be attributable to the supply chain shortages and declined car sales. Prior year values have not been adjusted for inflation.

Phoenix Primary Net Assessed Valuation

Significance: Phoenix's assessed valuation is based on the Primary Net Assessed Value (Primary NAV), which beginning in FY 2015-16, 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. This statistic is updated once per year, in February.



Calendar Year Compared to:

Prior Year	4.7%
3 Year Avg.	5.1%
Peak Year (TY 2010)	-3.6%

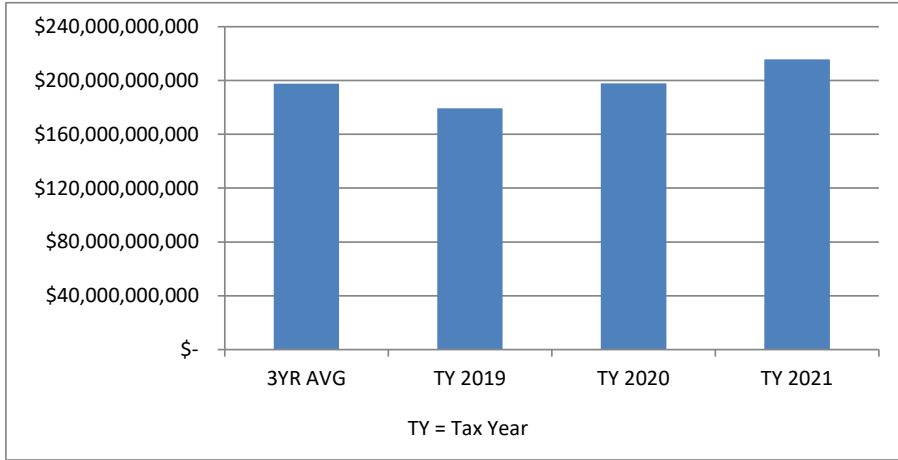
Totals

TY 2022	\$15,490,531,934
TY 2021	\$14,800,877,416
3YRAVG	\$14,738,198,423
Peak Year (TY 2010)	\$16,063,200,689

Current Year: Tax year 2022 (FY 2022-23) Primary NAV grew by 4.7% over the prior year; 2.1% is attributable to new property and 2.6% is attributable to appreciation in previously-taxed property. Prior-year values have not been adjusted for inflation.

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 lags 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	9.0%
3 Year Avg.	9.1%
Peak Year (TY 2022)	N/A

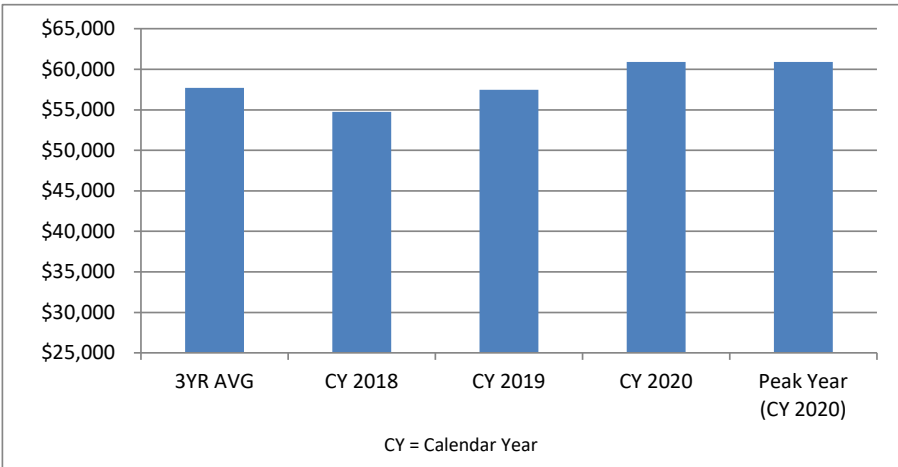
Totals

2021	\$215,741,892,809
2020	\$198,012,408,578
3YRAVG	\$197,724,137,082
Peak Year (TY 2022)	N/A

Current Year: Tax year 2022 (FY 2022-23) full cash value grew by 7.7% over the prior year. Total growth was most attributable to 10.7% growth in single and multi-family residential properties. Prior year values have not been adjusted for inflation.

Phoenix Median Household Income

Significance: This measure includes the income of the householder and all other individuals 16 years of age and older 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.



Calendar Year Compared to:

Prior Year	6.0%
3 Year Avg.	5.5%
Peak Year (CY 2020)	N/A

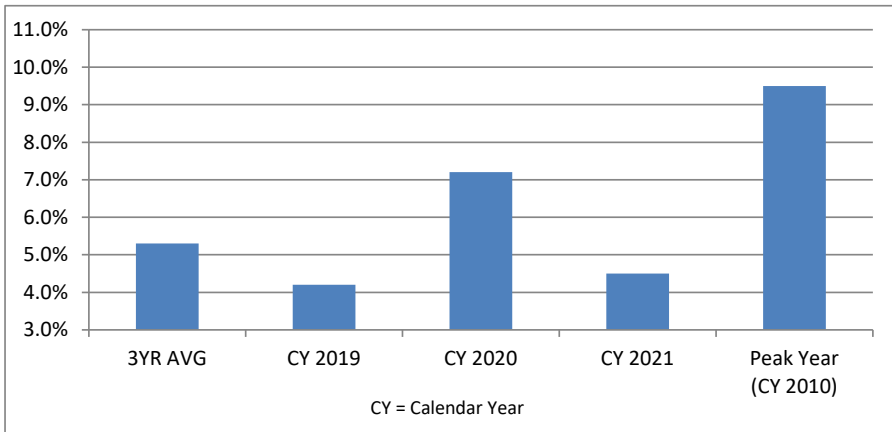
Totals

2020	\$60,914
2019	\$57,459
3YRAVG	\$57,713
Peak Year (CY 2020)	N/A

Current Year: Due to federal assistance, there is also no negative impact from COVID-19 on Phoenix Median Household Income in 2020. It exceeded the previous peak year of 2008 (\$57,507). Data is from the U.S. Census Bureau 2016-2020 American Community Survey Five-Year Estimates released in March 2022. Peak year 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. Those individuals (16 years of age and older) who do not have a job but are available for work, except in the case of temporary illness, and actively seeking work in the prior 4 weeks. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed. This statistic is updated once per year, in April.



Calendar Year Compared to:

Prior Year	-37.5%
3 Year Avg.	-15.1%
Peak Year (CY 2010)	-52.6%

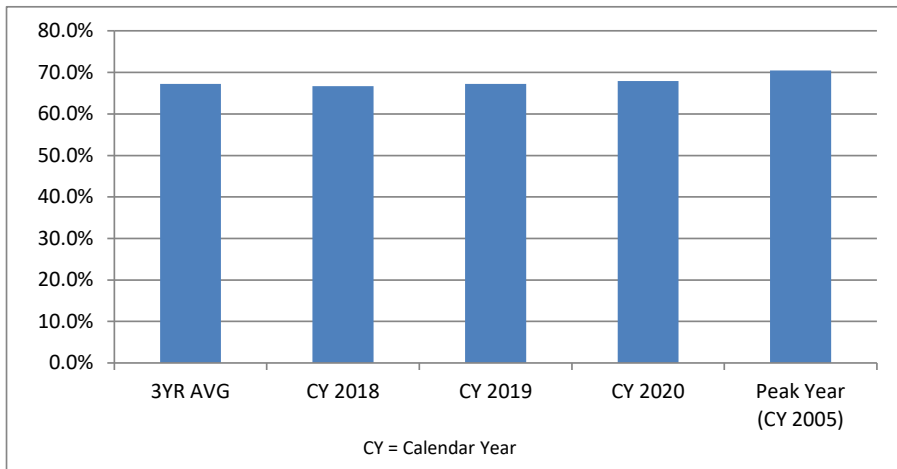
Totals

2021	4.5%
2020	7.2%
3YRAVG	5.3%
Peak Year (CY 2010)	9.5%

Current Year: The unemployment rate in 2021 decreased from the prior year which reflected recovery from the pandemic. Data is from the United States Department of Labor, Bureau of Labor Statistics. Peak year reflects the highest since 1990 (the oldest readily available data set). Data from 2010 through 2021 were revised by the federal government in April 2022.

Phoenix Labor Force Participation

Significance: This measures the percentage of the population (16 years of age and older) that is in the labor force. The labor force is defined as the total population of employed and unemployed people (16 years of age 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.



Calendar Year Compared to:

Prior Year	1.0%
3 Year Avg.	0.9%
Peak Year (CY 2005)	-3.7%

Totals

2020	67.9%
2019	67.2%
3YRAVG	67.3%
Peak Year (CY 2005)	70.5%

Current Year: The labor force participation rate increased slightly from 2019-2020, indicating an increase in the percentage of the population that is either employed or unemployed and actively looking for work. Data is from the U.S. Census Bureau 2016-2020 American Community Survey Five-Year Estimates released in March 2022. Peak year reflects the highest since 2005 (the oldest readily available data set).