



Economic Update

To:
MC Board of Supervisors

August 20th, 2012

By:
Jim Rounds
Elliott D. Pollack & Company

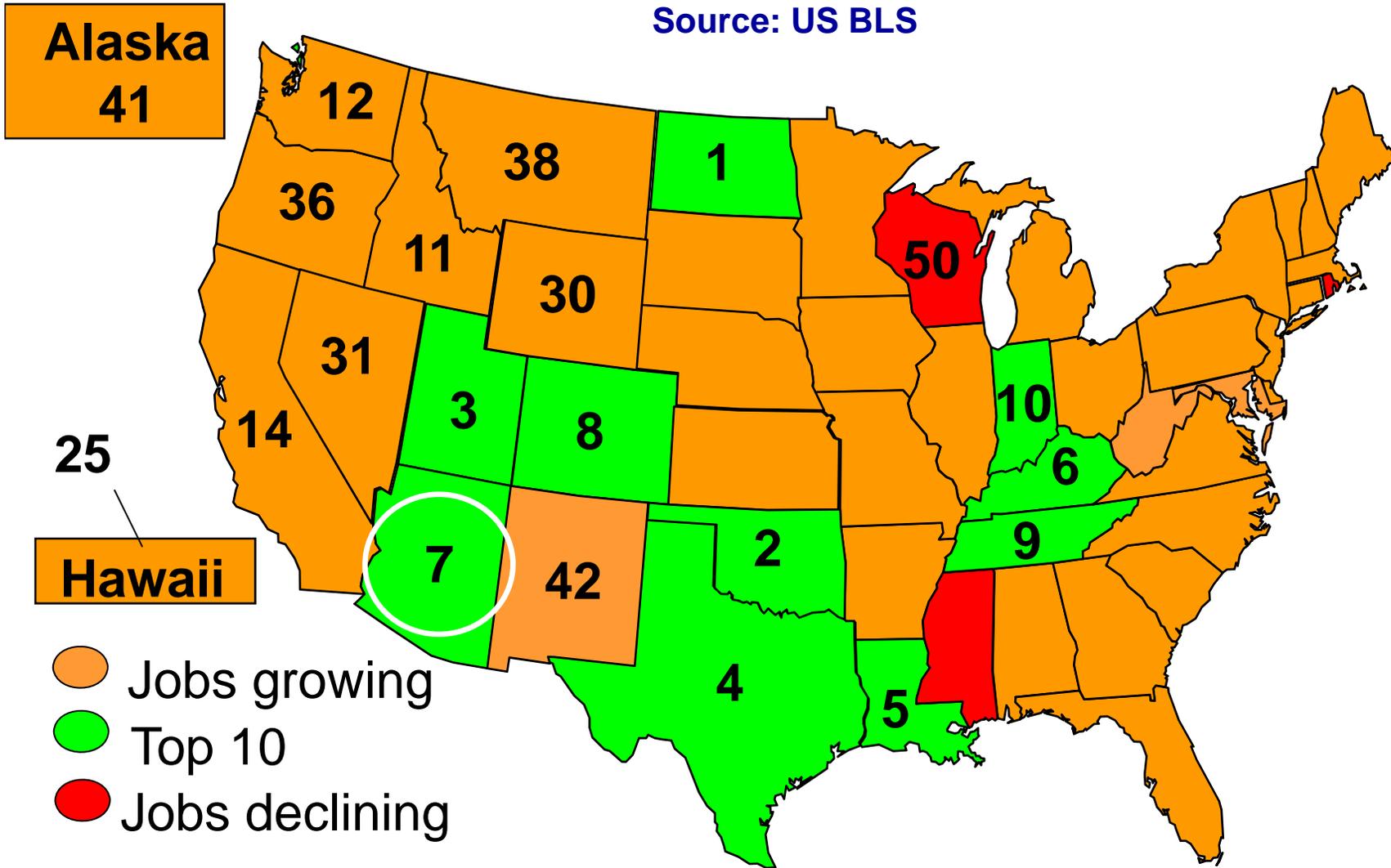


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Job Growth 2012

YTD June 2012 vs YTD June 2011

Source: US BLS



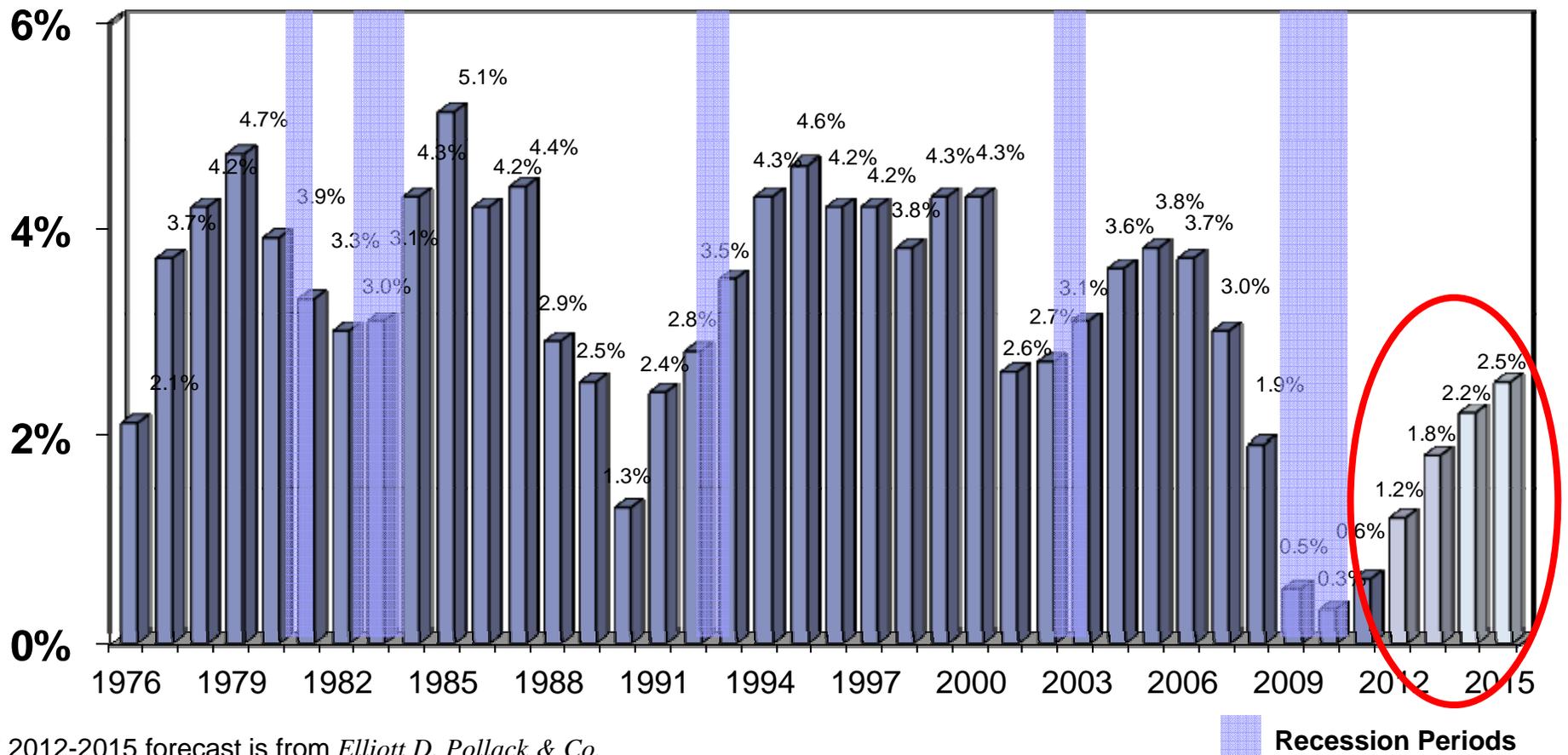
- Jobs growing
- Top 10
- Jobs declining



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Greater Phoenix Population Annual Percent Change 1976–2015*

Source: Arizona State University & Department of Commerce, Research Administration



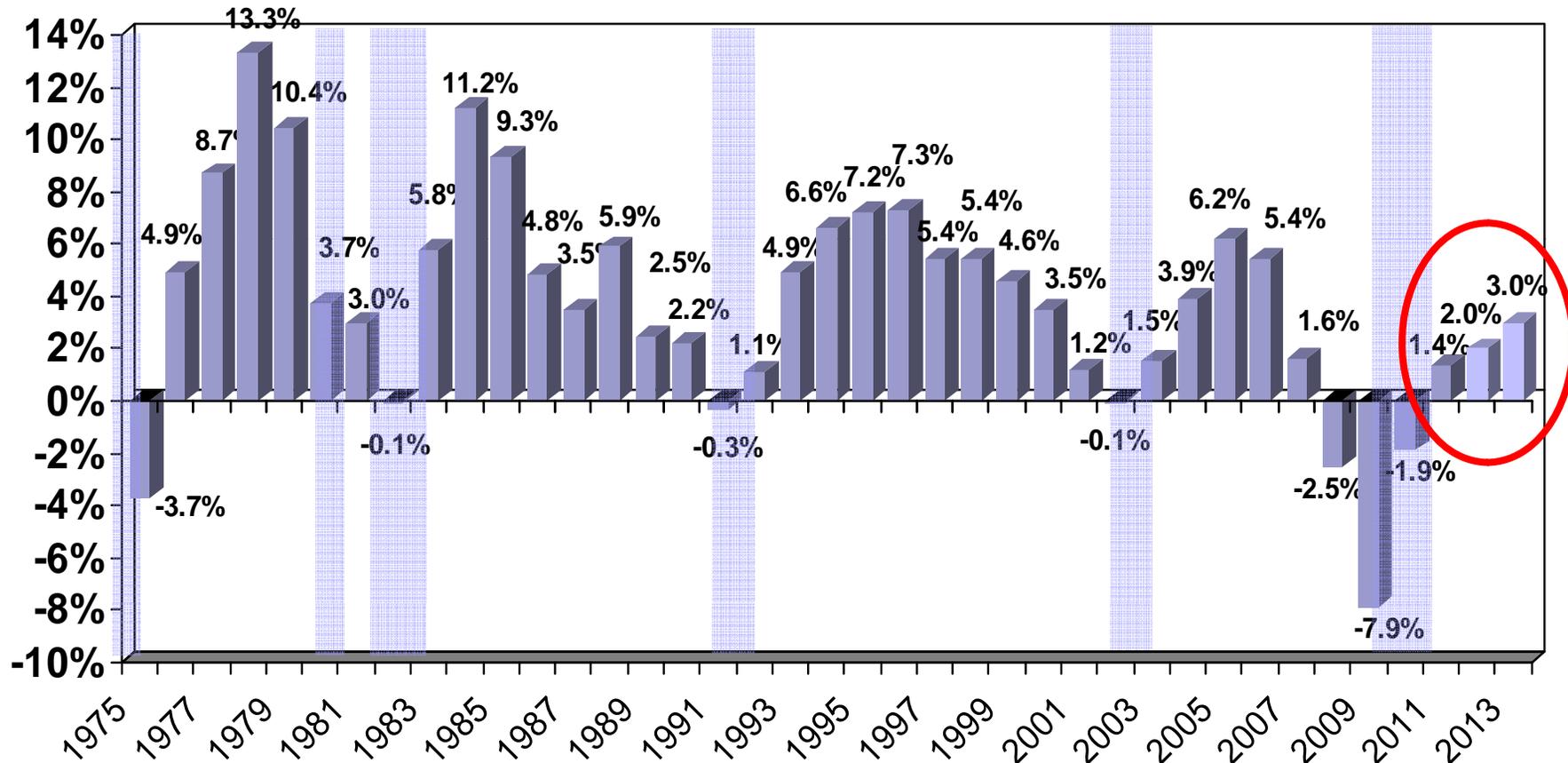
* 2012-2015 forecast is from *Elliott D. Pollack & Co.*



Greater Phoenix Employment*

Annual Percent Change 1975–2013**

Source: Department of Commerce, Research Administration



*Non-agricultural wage & salary employment. Changed from SIC to NAICS reporting in 1990.

** 2012 & 2013 forecast is from *Elliott D. Pollack & Co.*

Recession Periods

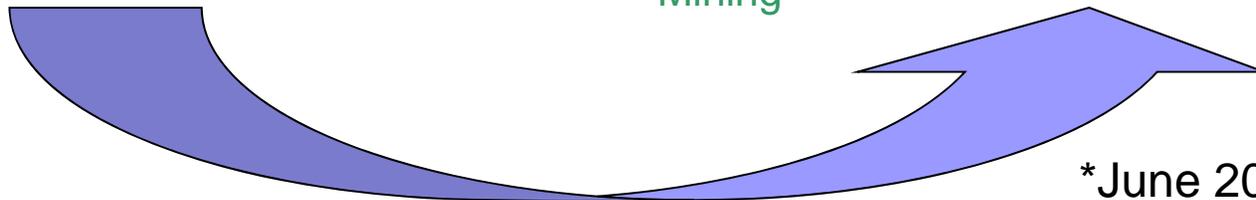


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Greater Phoenix Employment*

Source: Bureau of Labor Statistics

<u>Sectors in Decline</u>	<u>Net Change</u>	<u>Sectors Improving</u>	<u>Net Change</u>
Federal Government	-300	Education & Health Services	12,000
		Transp., Trade and Utilities	3,800
		Leisure & Hospitality	6,300
		Construction	6,200
		Prof. and Bus. Services	3,800
		Financial Activities	2,800
		State and Local Government	4,300
		Manufacturing	1,500
		Other Services	600
		Information	400
		Mining	0

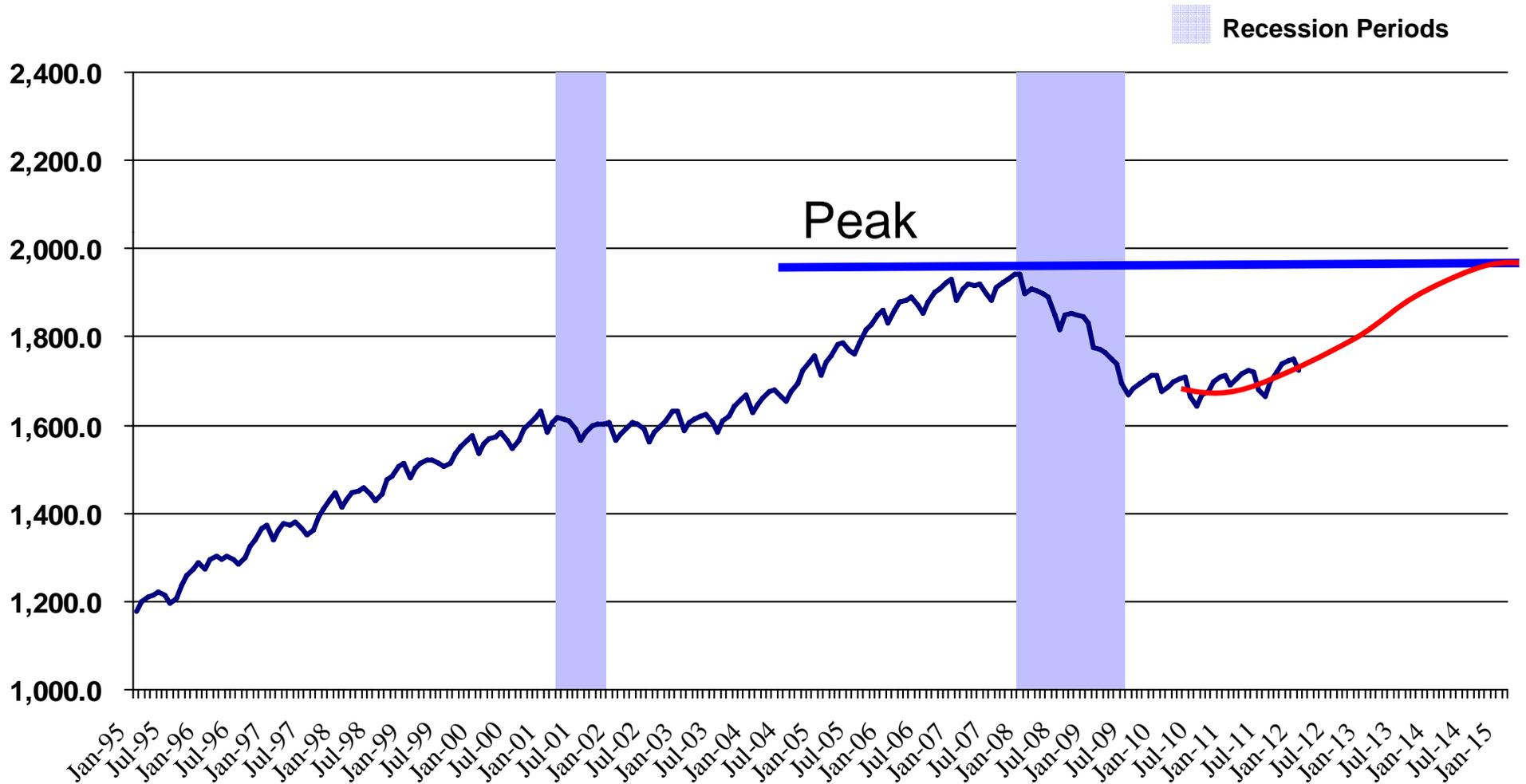


*June 2012 / June 2011



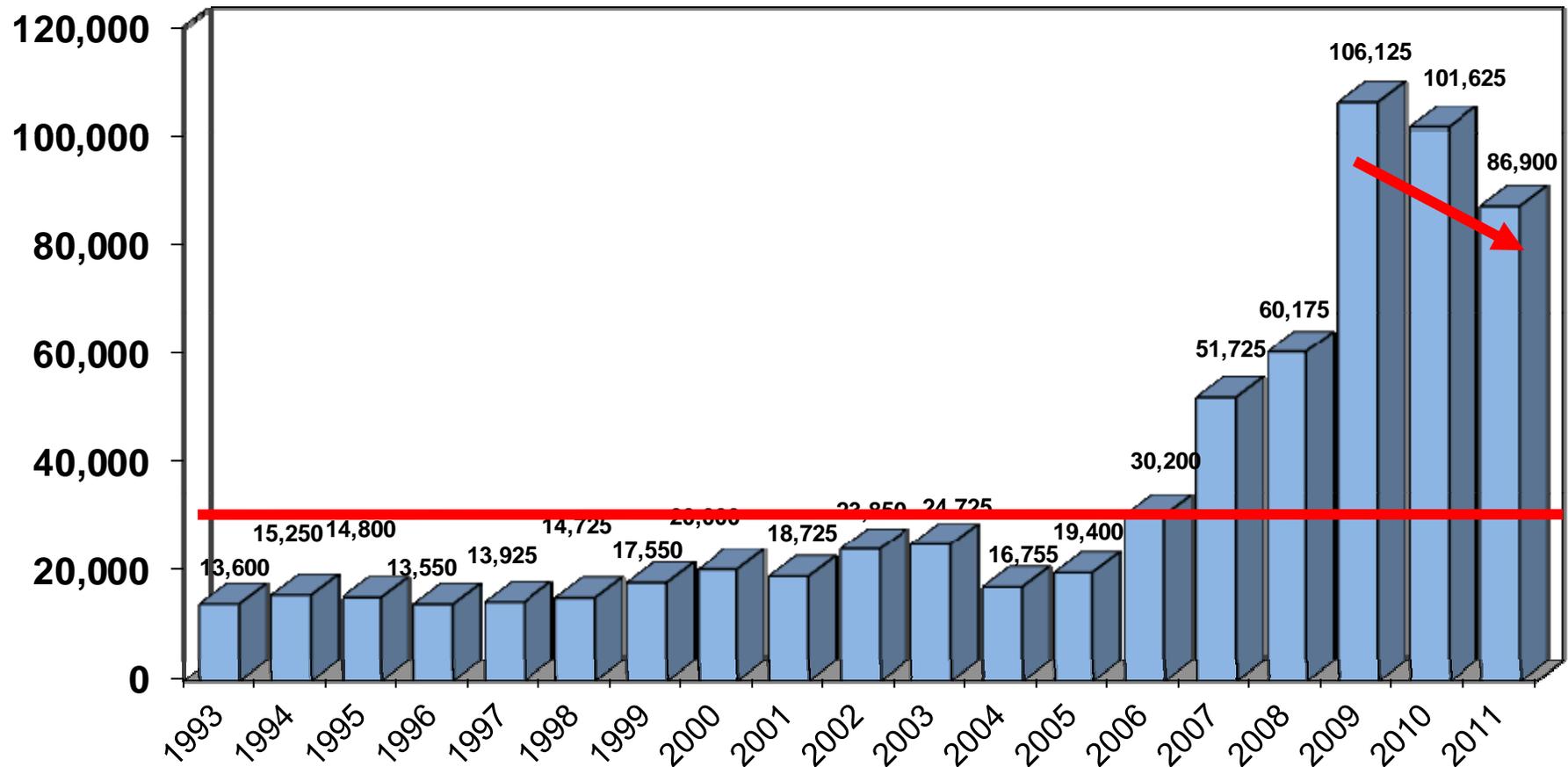
Employment Levels: Greater Phoenix back to Peak in 2015?

Source: ADOC



Single-Family Vacant Units Maricopa County 1993–2011

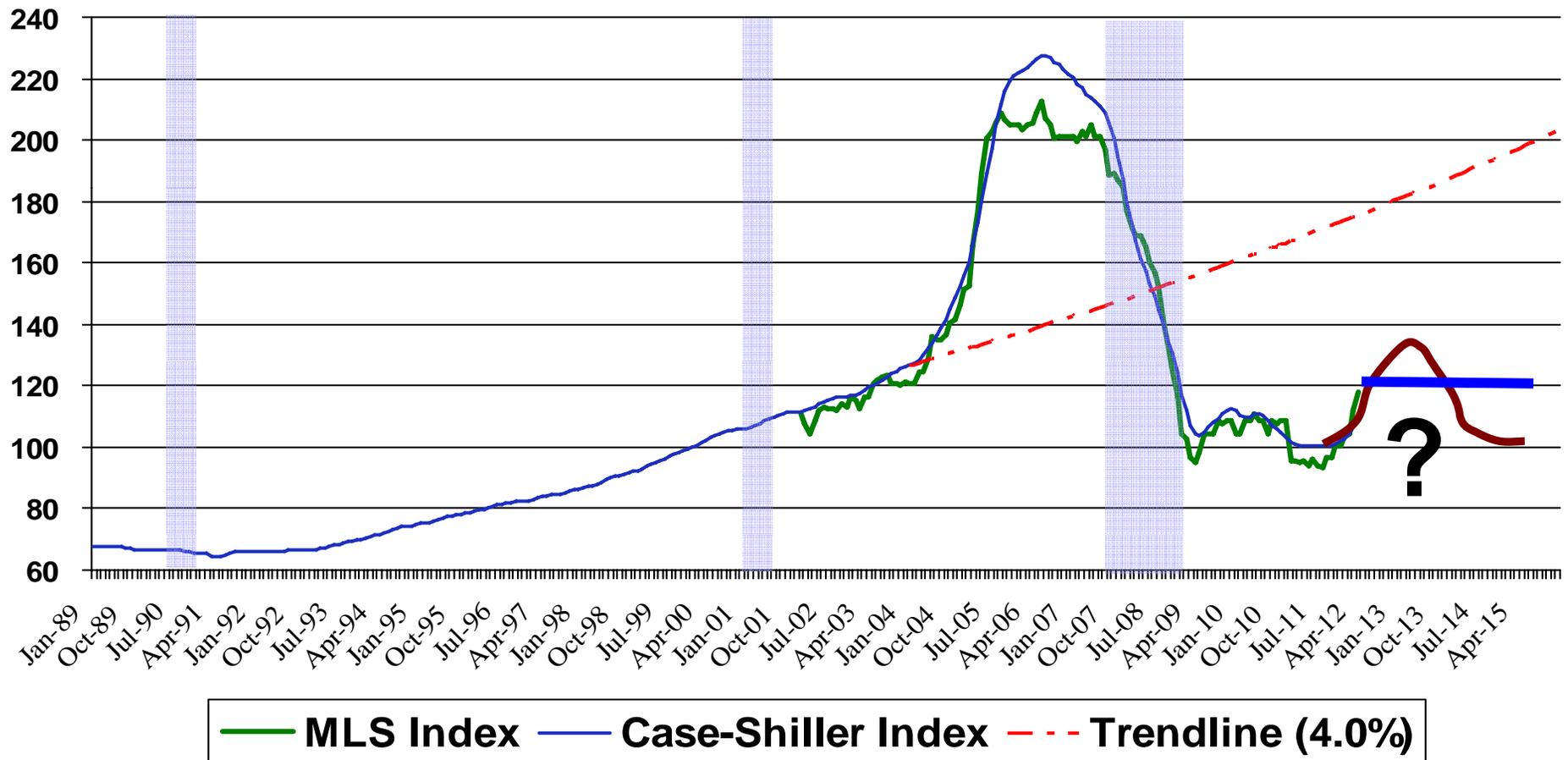
Source: PMHS



Home Prices Indices Greater Phoenix 1989 – 2012*

Source: Macro Markets, LLC; AMLS

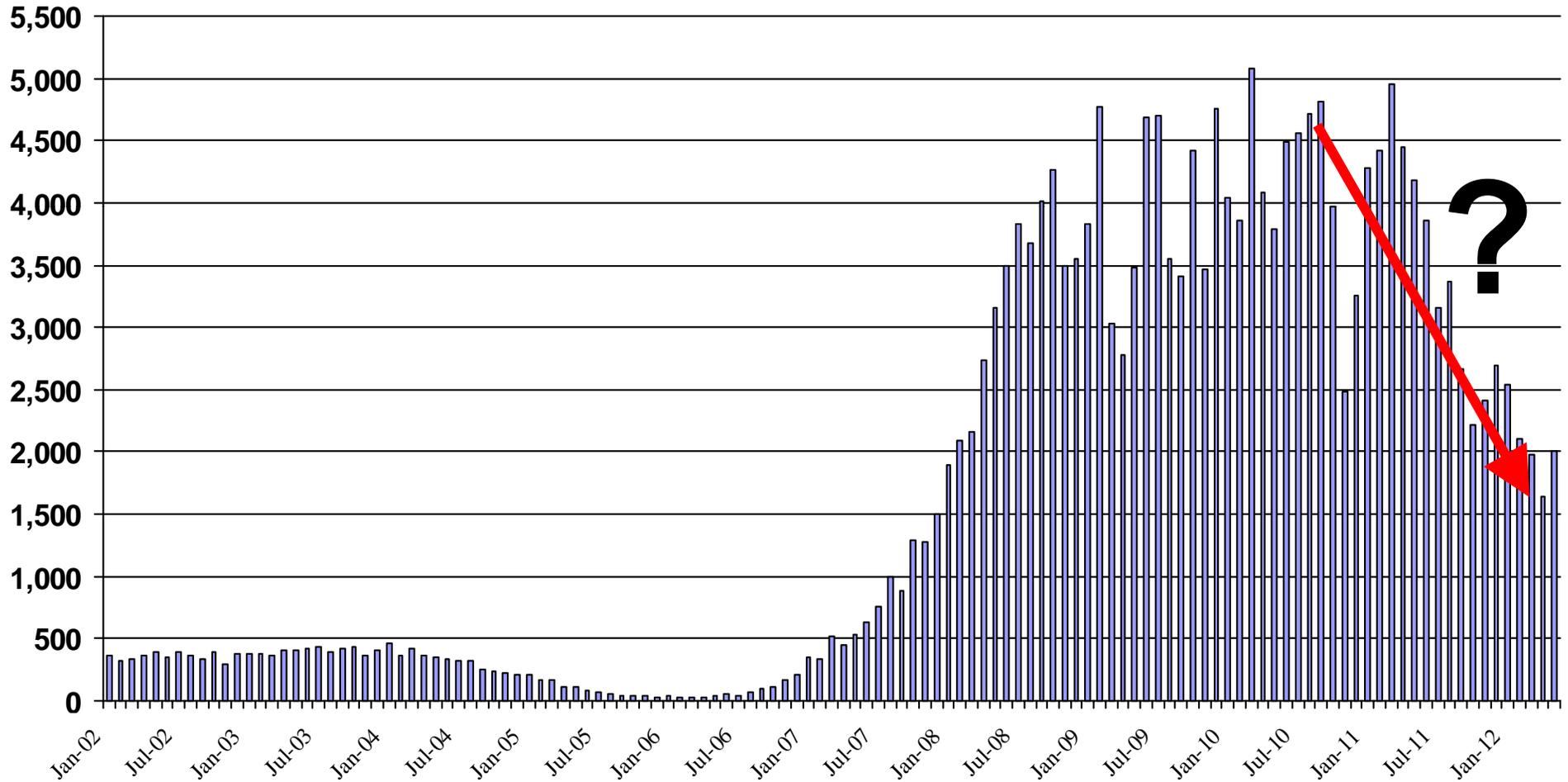
 Recession Periods



Maricopa County Foreclosures

2002 – 2012*

Source: The Information Market



*Filings through March 2012.



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Negative Equity in Homes Affects Ability to Sell or Buy (& Move!)

Source: First American Core Logic

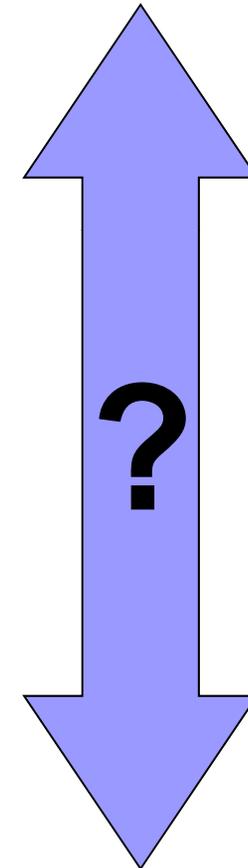
**But, just over 20% of
homes with mortgages in
U.S. have negative equity.**

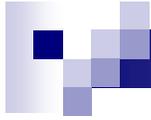
(AZ about 50%)



Maricopa County Forecast FY 2013 – FY 2014

<u>Indicator</u>	<u>FY 12</u>	<u>FY 13(f)</u>	<u>FY 14(f)</u>
Population	0.8%	1.5%	2.0%
Employment	2.0%	2.0%	3.0%
Retail Sales	5.6%	4.5%	4.8%
Building Permits (total)	40.0%	45.0%	22.0%





What does this all mean for REVENUES?

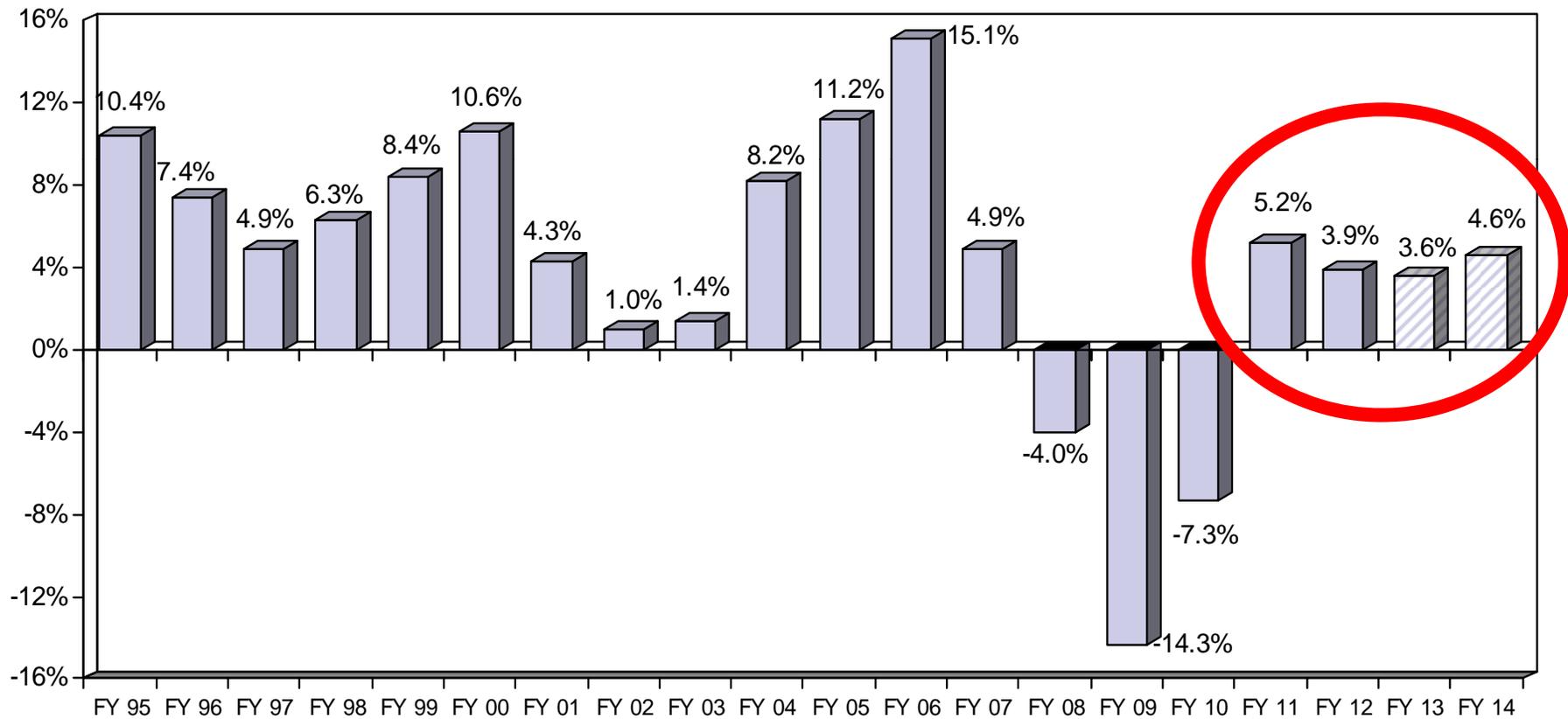


Maricopa County Sales Tax

Pessimistic Forecast as of August 2012

FY95– FY14

Source: MC OMB; EDPco

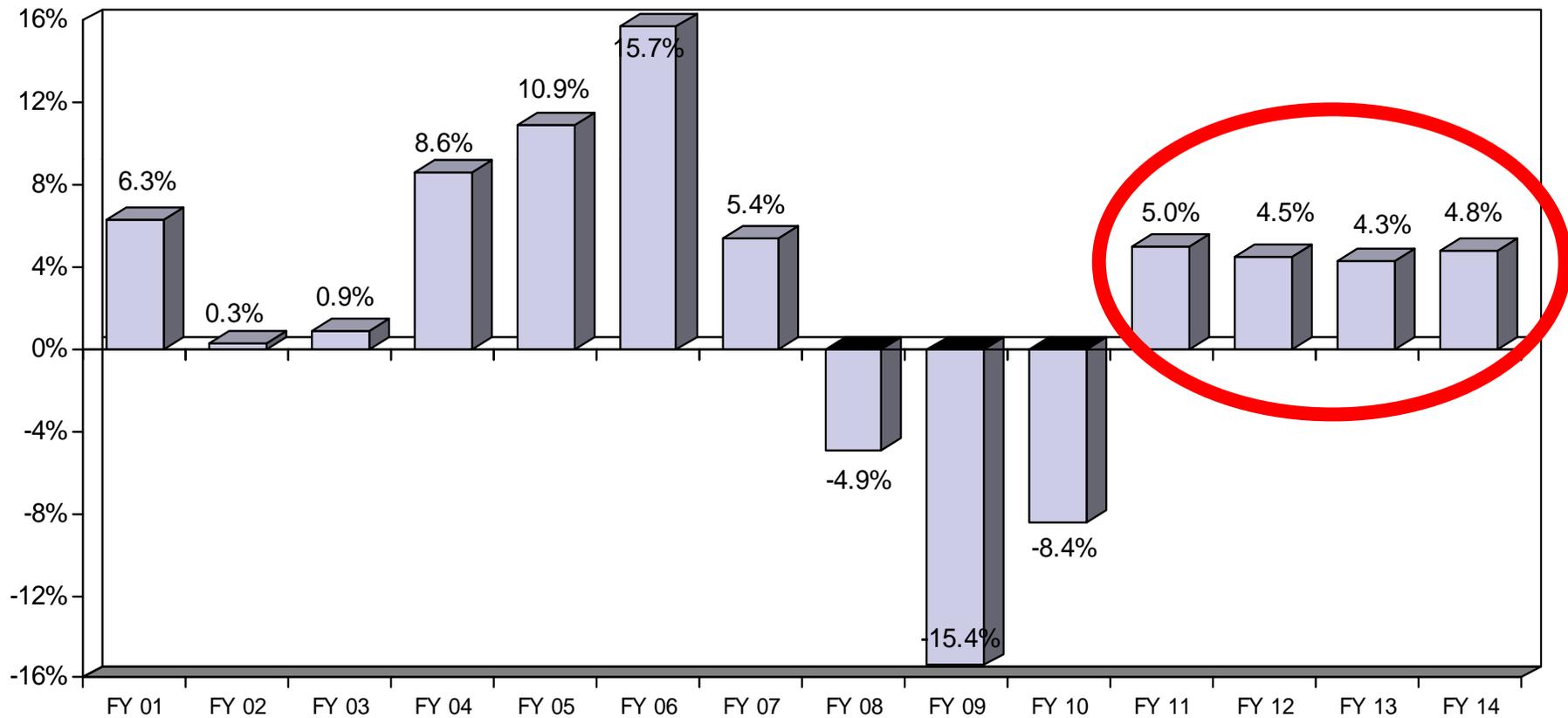


Maricopa County Jail Tax

Pessimistic Forecast as of August 2012

FY01– FY14

Source: MC OMB; EDPco

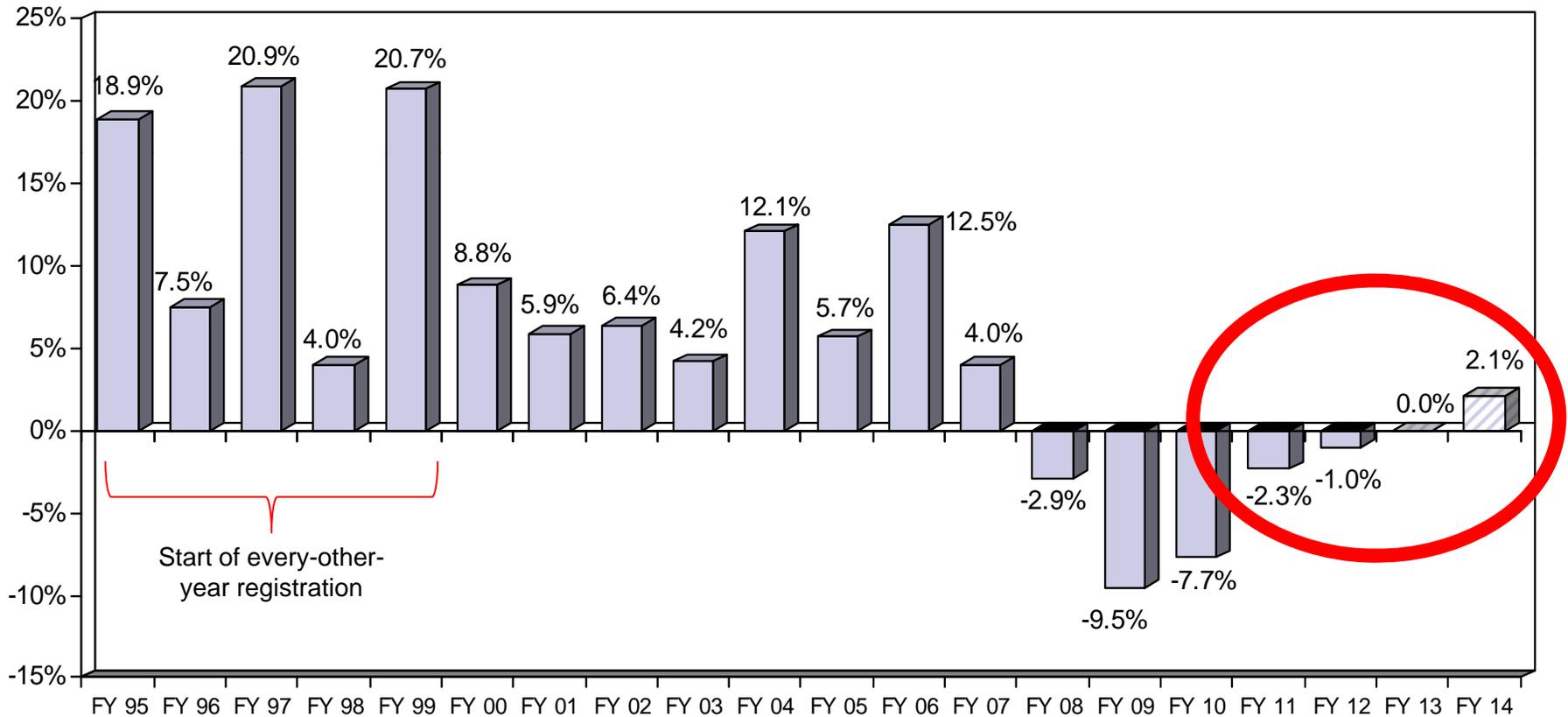


Maricopa County Vehicle License Tax

Pessimistic Forecast as of August 2012

FY95– FY14

Source: MC OMB; EDPco





PROPERTY TAX

Assessment Date	TAX YEAR	Fiscal Year	Secondary
June 30, 2009	2011	FY 12	-22.0%
June 30, 2010	2012	FY 13(f)	-11.2%
June 30, 2011	2013	FY 14(f)	-8.3%
June 30, 2012	2014	FY 15(f)	-3.7%
June 30, 2013	2015	FY 16(f)	2.5%





Recommendations:

The recovery is happening but will continue progress slowly for much of FY13.

You will see growth but it will be dampened a bit for the next several months.

Continue with your conservative budgeting.

You will know when it is appropriate to expand the budget.

