



Arizona Economic Update

August 19, 2016

Summary

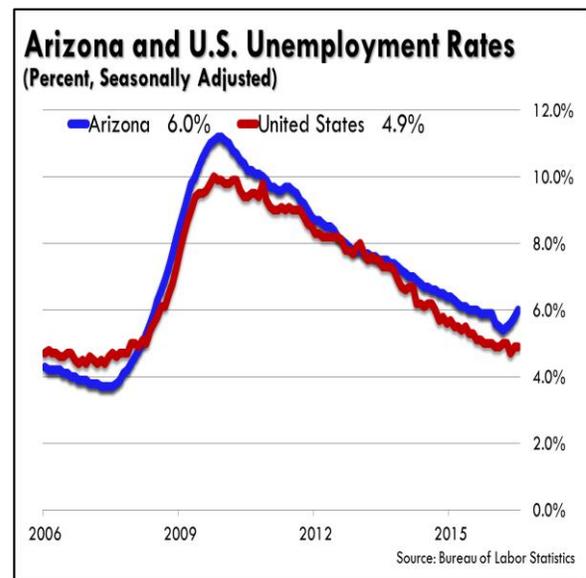
Nonfarm payroll employment in Arizona increased by 3,200 jobs and the unemployment rate rose to 6.0 percent in July according to data released by the Bureau of Labor Statistics (BLS).

Arizona Unemployment Rate

During July, the unemployment rate in Arizona increased by 0.2 percentage point to 6.0 percent. The number of people counted as unemployed rose by 4,991 in July to 192,261, while the labor force fell by 12,681 to 3,224,126. Among the 50 states and the District of Columbia, 45 posted lower unemployment rates for the month than Arizona. A year earlier, the unemployment rate in Arizona stood at 6.0 percent.

The 10-year peak for the unemployment rate in Arizona was 11.2 percent in December 2009. The series high for the unemployment rate in Arizona occurred in December 1982 when the unemployment rate reached 11.5 percent. The 10-year low for the unemployment rate was 3.7 percent in July 2007. This also represents the series low for the unemployment rate in Arizona. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in July. July's unemployment rate was 0.4 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Arizona Payroll Employment

Arizona nonfarm payrolls increased by 3,200 jobs, or 0.12 percent, on a seasonally adjusted basis during July. In the prior month, nonfarm payrolls increased by 9,700. Over the past 12 months nonfarm payrolls in Arizona increased by 67,300, or 2.55 percent. Arizona nonfarm payroll employment has increased in 11 of the past 12 months.

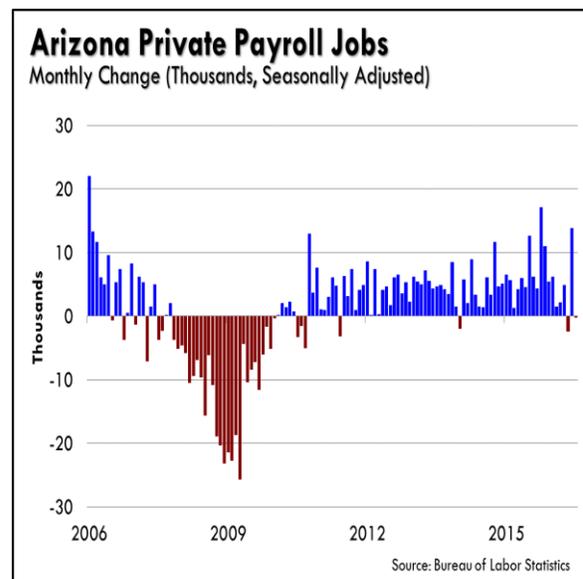
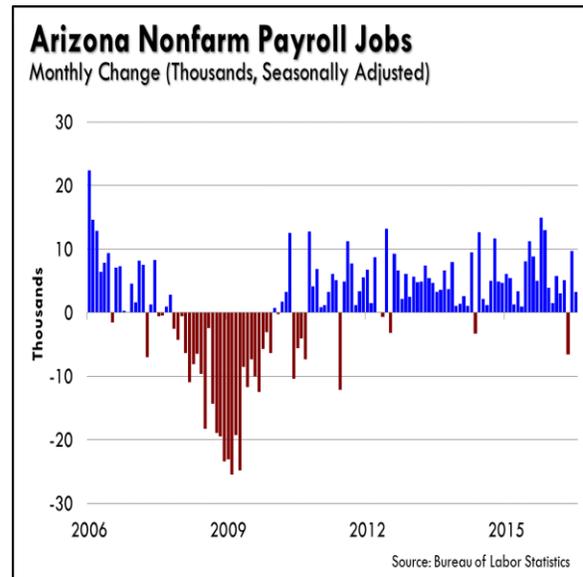
Nationally, nonfarm payrolls increased by 255,000 jobs in July, or 0.18 percent. Over the 12-month period ending July 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. Arizona ranks 8th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During July, Arizona private-sector payrolls declined by 300, or 0.01 percent. Private-sector payrolls increased by 13,800 jobs in the prior month. Over the past 12 months, private-sector payrolls in Arizona increased by 69,800, or 3.13 percent. Arizona private-sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 217,000 jobs in July, or 0.18 percent. Over the past 12 months, the nation's economy has added 2,293,000 jobs in the private sector, an increase of 1.91 percent. Arizona ranks 6th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

During July, total government payroll employment in Arizona increased by 3,500, or 0.87 percent. Federal government payroll employment declined by 100, or 0.18 percent. State government payroll employment declined by 3,300, or 3.85 percent, while local government payroll employment declined by 1,800, or 0.66 percent.

Over the past year, total government payroll employment declined by 2,500, or 0.62 percent. State government payroll employment declined by 200, or 0.24 percent. Local government payroll employment increased by 8,500, or 3.26 percent.



The best performing sectors on a seasonally adjusted basis during July were Total Government (+3,500) and Leisure & Hospitality (+1,200). The poorest performing sectors during the month were Information (-900) and Other Services (-800).

The best performing sectors during the last twelve months were Educational & Health Services (+17,700) and Professional & Business Services (+12,500). The poorest performing sectors during the last twelve months were Total Government (-2,500) and Mining & Logging (-1,200).

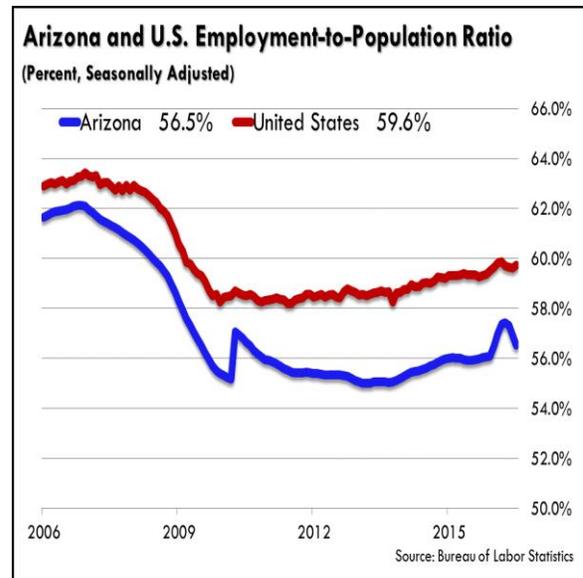
Other Arizona Labor Force Statistics

The labor force participation rate in Arizona declined to 60.1 percent in July from 60.4 percent the prior month. Among the 50 states and the District of Columbia, 40 have a higher labor force participation rate than Arizona. The labor force participation rate in Arizona is 0.6 percentage point higher than a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in Arizona was 64.7 percent in November 2006. The series high for the labor force participation rate in Arizona occurred in July 1995 when the labor force participation rate hit 66.9 percent. The 10-year low for the labor force participation rate was 59.4 percent in October 2013. This also represents the series low for the labor force participation rate in Arizona.

The national labor force participation rate rose by 0.1 percentage point to 62.8 percent in July, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Arizona civilian noninstitutionalized population 16 years and older counted as employed, declined to 56.5 percent in July from 56.9 percent the prior month. Among the 50 states and the District of Columbia, 41 have higher employment-to-population ratios than Arizona. The



employment-to-population ratio in Arizona is 0.6 percentage point higher than a year earlier.

The 10-year high for the employment-to-population ratio in Arizona was 62.1 percent in December 2006. The series high for the employment-to-population ratio in Arizona occurred in August 1995 when the employment-to-population ratio hit 63.3 percent. The 10-year low for the employment-to-population ratio was 55.0 percent in September 2013. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 53.2 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.7 percent in July. That rate was 0.4 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for August is scheduled for release on September 20, 2016. The national employment situation report for August will be released on Friday, September 2, 2016.