



Arizona Economic Update

November 18, 2016

Summary

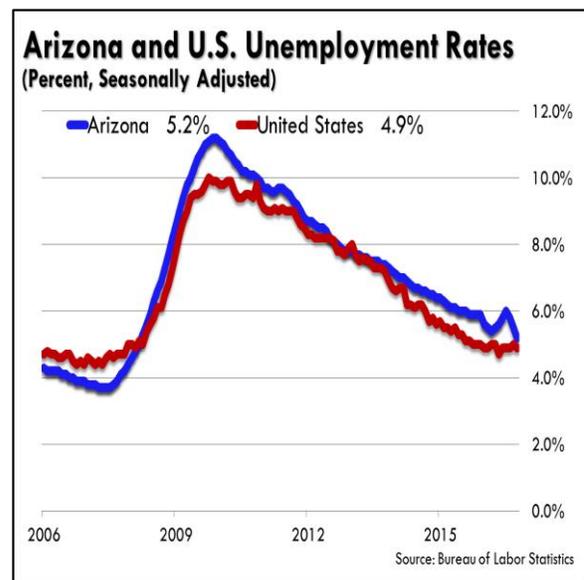
Nonfarm payroll employment in Arizona increased by 9,300 jobs, and the unemployment rate fell to 5.2 percent in October according to data released by the Bureau of Labor Statistics (BLS).

Arizona Unemployment Rate

During October, the unemployment rate in Arizona declined by 0.3 percentage point to 5.2 percent. The number of people counted as unemployed fell by 9,301 in October to 169,440, while the labor force grew by 14,636 to 3,236,617. Among the 50 states and the District of Columbia, 32 posted lower unemployment rates for the month than Arizona. A year earlier, the unemployment rate in Arizona stood at 5.9 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 declined by 0.1 percentage point to 4.9 percent in October. October's unemployment rate was 0.1 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 9,300 jobs, or 0.34 percent, on a seasonally adjusted basis during October. In the prior month, nonfarm payrolls increased by 5,700. Over the past 12 months, nonfarm payrolls in Arizona increased by 53,000, or 1.99 percent. Arizona nonfarm payroll employment has increased in 10 of the past 12 months.

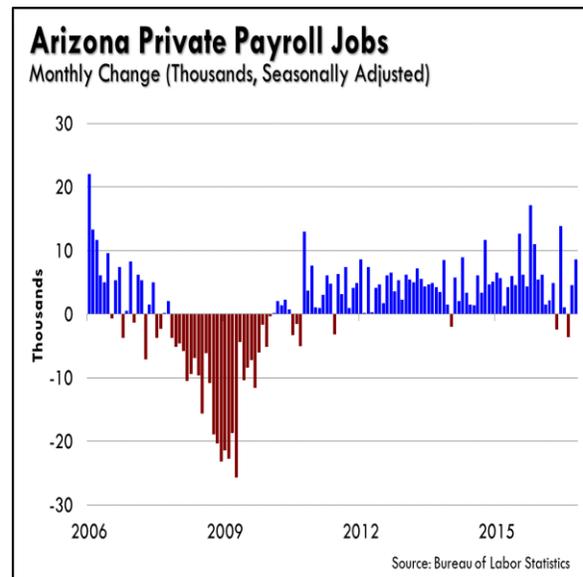
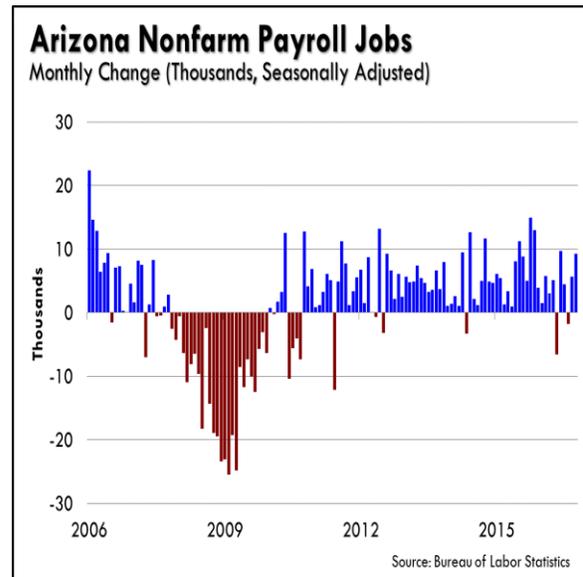
Nationally, nonfarm payrolls increased by 161,000 jobs in October, or 0.11 percent. Over the 12-month period ending October 2016, nonfarm payrolls grew by 2,357,000 jobs, or 1.65 percent. Arizona ranks 16th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During October, Arizona private-sector payrolls increased by 8,600, or 0.37 percent. Private-sector payrolls increased by 4,600 jobs in the prior month. Over the past 12 months, private-sector payrolls in Arizona increased by 53,200, or 2.36 percent. Arizona private-sector payroll employment has increased in 10 of the past 12 months.

Nationally, private-sector payroll jobs increased by 142,000 jobs in October, or 0.12 percent. Over the past 12 months, the nation's economy has added 2,149,000 jobs in the private-sector, an increase of 1.78 percent. Arizona ranks 16th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

During October, total government payroll employment in Arizona increased by 700, or 0.17 percent. Federal government payroll employment increased by 1,500, or 2.78 percent. State government payroll employment declined by 1,300, or 1.56 percent, while local government payroll employment was unchanged.

Over the past year, total government payroll employment declined by 200, or 0.05 percent. State government payroll employment declined by 1,400, or 1.68 percent. Local government payroll employment increased by 3,000, or 1.12 percent.



#N/A

The best performing sectors during the last twelve months were Educational & Health Services (+15,700) and Construction (+12,000). The poorest performing sectors during the last twelve months were Other Services (-2,300) and Manufacturing (-1,300).

Other Arizona Labor Force Statistics

The labor force participation rate in Arizona rose to 60.1 percent in October from 59.9 percent the prior month. Among the 50 states and the District of Columbia, 41 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 declined by 0.1 percentage point to 62.8 percent in October 2016, 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, rose to 56.9 percent in October from 56.6 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 0.9 percentage point higher than a year earlier.

The 10-year high for the employment-to-population ratio in Arizona was 62.0 percent in November 2006. The series high for the employment-to-population ratio in Arizona



occurred in August 1995 when the employment-to-population ratio hit 63.1 percent. The 10-year low for the employment-to-population ratio was 54.9 percent in March 2013. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio was 53.0 percent.

The national employment-to-population ratio declined by 0.1 percentage point to 59.7 percent in October. 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 November is scheduled for release on December 16, 2016. The national employment situation report for November will be released on Friday, December 2, 2016.

