



# Arizona Economic Update

August 21, 2015

## Summary

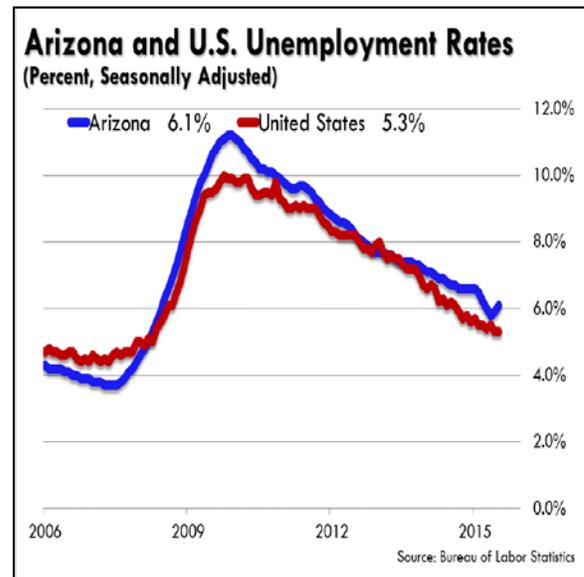
Nonfarm payroll employment in Arizona increased by 7,900 jobs and the unemployment rate rose to 6.1 percent in July according to data released by the Bureau of Labor Statistics (BLS).

## Arizona Unemployment Rate

During July, the unemployment rate in Arizona increased by 0.2 percentage point to 6.1 percent. The number of people counted as unemployed rose by 6,753 in July to 191,506, while the labor force fell by 10,278 to 3,145,952. Among the 50 states and the District of Columbia, 40 posted lower unemployment rates for the month than Arizona. A year earlier, the unemployment rate in Arizona stood at 6.7 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 5.3 percent in July. July's unemployment rate was 0.9 percentage point lower than a year earlier when the rate stood at 6.2 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



## Arizona Payroll Employment

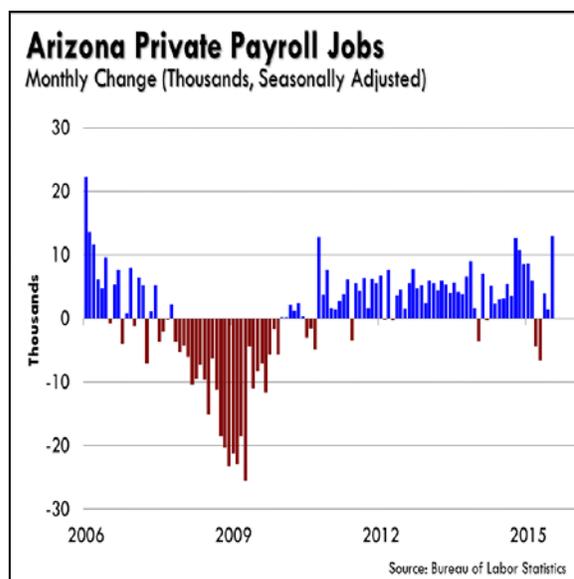
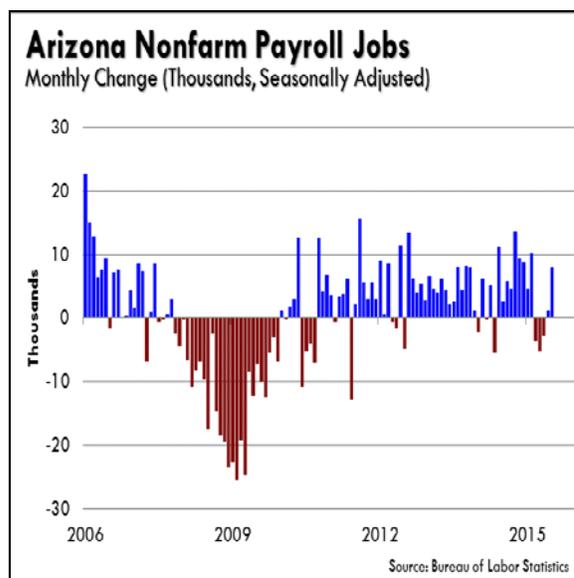
Arizona nonfarm payrolls increased by 7,900 jobs, or 0.30 percent, on a seasonally adjusted basis during July. In the prior month, nonfarm payrolls increased by 1,200. Over the past 12 months nonfarm payrolls in Arizona increased by 54,200, or 2.11 percent. Arizona nonfarm payroll employment has increased in 9 of the past 12 months.

Nationally nonfarm payrolls increased by 215,000 jobs in July, or 0.15 percent. Over the 12 month period ending in July 2015, nonfarm payrolls grew by 2,915,000 jobs, or 2.09 percent. Arizona ranks 15th 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 increased by 12,900, or 0.59 percent. Private sector payrolls increased by 1,400 jobs in the prior month. Over the past 12 months, private sector payrolls in Arizona increased by 62,600, or 2.90 percent. Arizona private sector payroll employment has increased in 10 of the past 12 months.

Nationally, private sector payroll jobs increased by 210,000 in July, or 0.18 percent. Over the past 12 months, the nation's economy has added 2,853,000 private sector payroll jobs, an increase of 2.43 percent. Arizona ranks 12nd 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 declined by 5,000, or 1.23 percent. Federal government payroll employment declined by 500, or 0.91 percent. State government payroll employment increased by 2,000, or 2.46 percent, while local government payroll employment declined by 5,400, or 2.05 percent.



Over the past year, total government payroll employment declined by 8,400, or 2.05 percent. State government payroll employment increased by 2,800, or 3.48 percent. Local government payroll employment declined by 15,800, or 5.77 percent.

The best performing sectors on a seasonally adjusted basis during July were Professional & Business Services (+3,700) and Trade, Transportation & Utilities (+3,000). The poorest performing sectors during the month were Total Government (-5,000) and Educational & Health Services (-600).



The best performing sectors during the last twelve months were Professional & Business Services (+16,600) and Educational & Health Services (+12,600). The poorest performing sectors for the year were Total Government (-8,400) and Mining & Logging (-300).

#### Other Arizona Labor Force Statistics

The labor force participation rate in Arizona declined to 59.8 percent in July from 60.1 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 unchanged from 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 July 2014. This also represents the series low for the labor force participation rate in Arizona.



The national labor force participation rate remained at 62.6 percent in July. That rate is 0.2 percentage point lower than a year earlier. The rate for June and July are the lowest recorded since October 1977.

The employment-to-population ratio, or the percentage of the Arizona civilian noninstitutionalized population 16 years and older counted as employed, declined to 56.2 percent in July 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 0.7 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 held steady at 59.3 percent in July. At 59.3 percent, the national employment-to-population ratio is below its level of 59.4 percent when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent 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 posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for August is scheduled for release on Friday, September 18. The national employment situation report for August will be released on Friday, September 4.

