

Greater Phoenix Greater Together

JUNE 2025

Greater Phoenix Overview

As a state, Arizona's economy has a positive outlook for continued growth post-COVID . Greater Phoenix is experiencing a slower increase in employment rates and nonfarm payroll jobs compared to the previous 12 months. A mild recession is anticipated for the overall US economy which will translate to a slower paced growth for the Greater Phoenix region and the state in the near-term future.

Consumer Spending

Prices in Greater Phoenix increased by 0.4% for the two months ending in April 2025. Over the last 12 months, the Consumer Price Index for all Urban Consumers (CPI-U) increased by 0.3%. Food prices increased 2.6%. Energy prices declined 7.9%. The index for all other items less food and energy rose 0.7% over the year.

Disposable Income

Arizona's annual per capita disposable personal income is currently \$56,293; a 38% increase from 2018 when personal disposable income was \$40,703. Despite this growth, increase in disposable income is still lagging the inflation rates.

Inflation

The nation reported an inflation rate of 2.4% in May; 0.1 percentage points increase from April. Greater Phoenix recorded a rate of 0.3% in April, a decrease of 1.5 percentage points from February. Despite national and regional Inflation rates slowing down, the nation is still experiencing high interest rates, implying a tighter monetary policy, which is likely contributing to slower economic growth in Arizona and the US.

Housing Sector

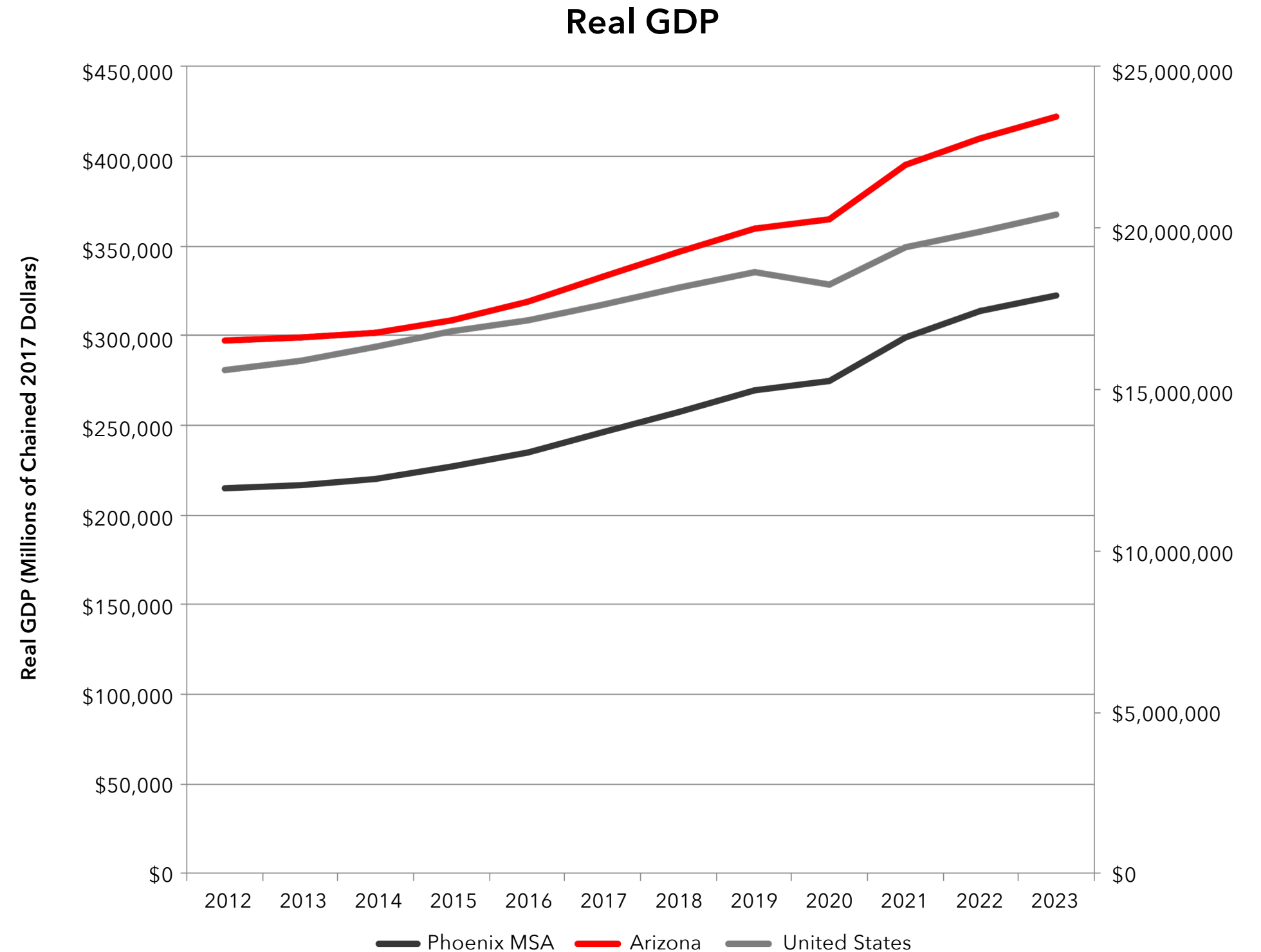
The House Price Index percentage change for the Greater Phoenix region from Q1 2024 is at 2.03%; home prices have been on the rise since Q1 2023.

An aerial photograph of a dense urban skyline, featuring numerous skyscrapers and buildings. A large, semi-transparent red arrow graphic points from the left towards the right, partially obscuring the city view. The text "Economic Activity" is overlaid in white, bold, sans-serif font across the center of the image.

Economic Activity

National, State & Greater Phoenix Economy

- ⊕ Greater Phoenix real GDP in 2023 was \$322.79 billion, expanding by 2.9% over the previous year
- ⊕ Arizona real GDP grew 3.0% from 2022 to 2023
- ⊕ U.S. real GDP grew 2.7% from 2022 to 2023
- ⊕ Most recent estimates of GDP indicate a slowing economic outlook, with a -0.5% annual growth rate in Q1 2025 nationally, a contrast to the 2.4% increase in Q4 2024.



Wage Growth



In Greater Phoenix and Arizona, overall real personal income grew slower than the national average from 2022 to 2023



The percentage growth in real per capita personal income from 2022 to 2023 in Greater Phoenix was modestly lower than the national average

Source: Bureau of Economic Analysis January 2025

Real Personal Income (millions of constant 2017 dollars)

	2022	2023	% Growth
Greater Phoenix	261,076	265,177	1.6%
Arizona	374,593	381,769	1.9%
United States	19,013,960	19,404,132	2.1%

Real Per Capita Personal Income (constant 2017 dollars)

	2022	2023	% Growth
Greater Phoenix	51,998	52,302	0.6%
Arizona	50,856	51,373	1.0%
United States	57,052	57,937	1.6%

Greater Phoenix Employment

- ⊕ Greater Phoenix's pre-COVID peak was in December 2019 at 2,255,700 jobs
- ⊕ Jobs have reduced by 15,400 compared to April, and rose by 14,300 year over year
- ⊕ Current total nonfarm payroll employment is 2,461,300 jobs; unemployment rate is 3.7%

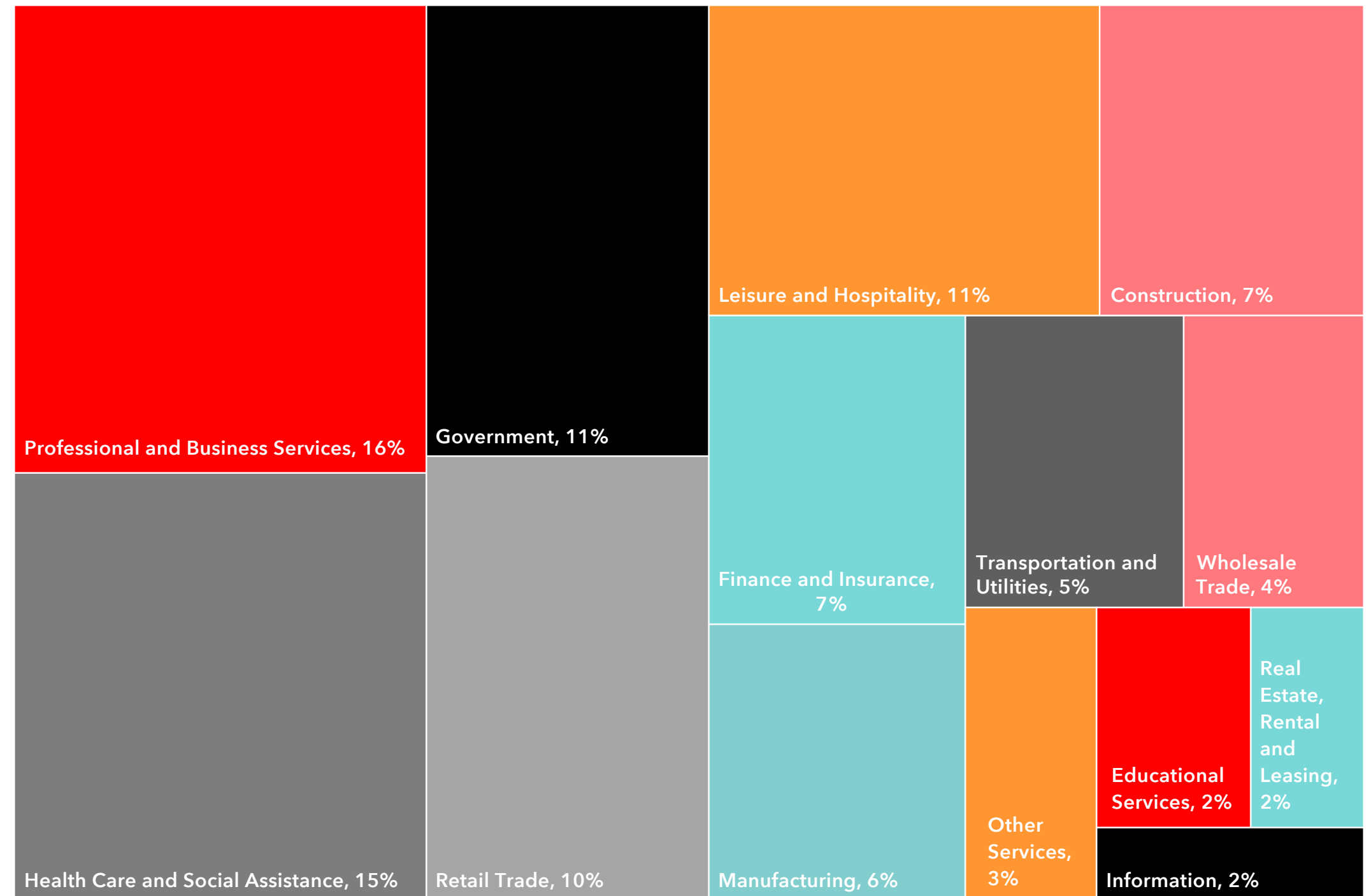
Greater Phoenix Job Growth



Current Makeup of Industry

- ⊕ The largest industries in Greater Phoenix are professional and business services and healthcare and social assistance
- ⊕ There has been significant growth in the healthcare and social assistance sector following the 2008 recession. Conversely, construction is experiencing very slow but gradual growth while there is a decline in retail trade as a share of total employment

Current Employment Diversity



Competitive Effect

- ⊕ The competitive effect measures the job change that occurs within an occupation and indicates how much of the job change within a given region is the result of some unique competitive advantage of the region
- ⊕ The Occupational Mix effect is the number of jobs we would expect to see added or lost within an occupation in our region, based on its national growth/ decline

Occupation	Job Change 2020-2025	Expected Change	Occupational Mix Effect	Competitive Effect
General and Operations Managers	32,567	22,528	17,310	10,039
Registered Nurses	8,539	4,413	(436)	4,126
Business Operations Specialists, All Other	4,603	2,285	1,472	2,318
Secondary School Teachers, Except Special and Career/Technical Education	4,559	1,050	(403)	3,509
Management Analysts	3,345	2,658	1,257	687
Construction Managers	3,323	1,219	646	2,104
Accountants and Auditors	3,253	2,724	547	529
Securities, Commodities, and Financial Services Sales Agents	3,219	912	(189)	2,308
Substance Abuse, Behavioral Disorder, and Mental Health Counselors	3,105	2,216	1,694	889
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	2,971	276	(409)	2,695
Personal Financial Advisors	2,370	973	571	1,396
Computer Hardware Engineers	2,366	169	70	2,197
Buyers and Purchasing Agents	2,052	1,075	263	977
Coaches and Scouts	1,384	550	247	834
Teaching Assistants, Postsecondary	1,378	155	(25)	1,223
Computer Occupations, All Other	1,323	736	331	587
Social Workers, All Other	999	115	(6)	884
Software Quality Assurance Analysts and Testers	874	299	24	575
Graphic Designers	743	216	(114)	527
Computer Programmers	592	(882)	(1,191)	1,473

To measure Competitive effect, we subtract expected change from the actual regional job change. NB; This effect can be positive even if regional employment is declining
The Occupational mix effect is calculated by subtracting the national growth rate of the overall economy from the national growth rate of the specific occupation
Education Level- Bachelor's degree
Source: Lightcast 2025 Q2 Dataset, June 2025



Job Forecast

Projected Non Farm Employment Growth



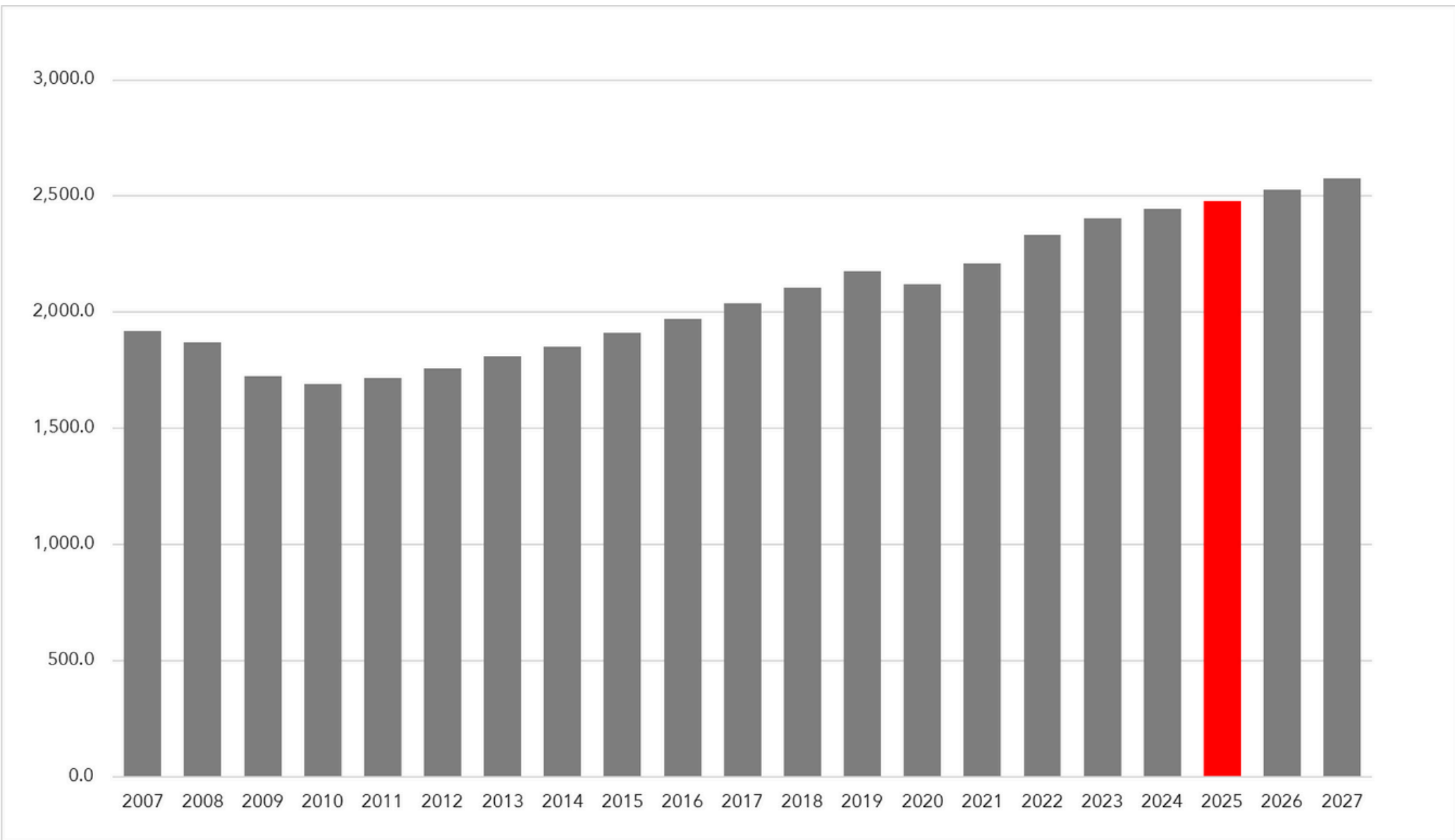
Greater Phoenix job growth is projected to be 2.01% from 2025 to 2026



Arizona job growth is projected to be 1.82% from 2025 to 2026



Greater Phoenix recovered all job loss caused by COVID-19 in 2021



Source: University of Arizona Economic and Business Research Center, June 2025

Inflation and Prices (National)

- ⊕ Inflation reflects the annual percentage change in the cost to an average consumer of acquiring a standard market basket of goods and services. The inflation rate presented below is the year-over-year percentage change which is a measure of the average monthly change in the overall price for goods and services paid by urban consumers
- ⊕ The most recent inflation rate was 2.4%, 0.1 percentage points higher than the month of April

Inflation Rates - U.S.



Composite Business Confidence (Manufacturing)

- ⊕ The Composite Business Confidence is an indicator for business tendencies, based on surveys measuring developments in production, orders and stocks of finished goods in the manufacturing sector. The indicator is exhibited as the percentage of net balances.
- ⊕ The net balances were at -3 in May, indicating slight pessimism towards economic activity in the future

Composite Business Confidence

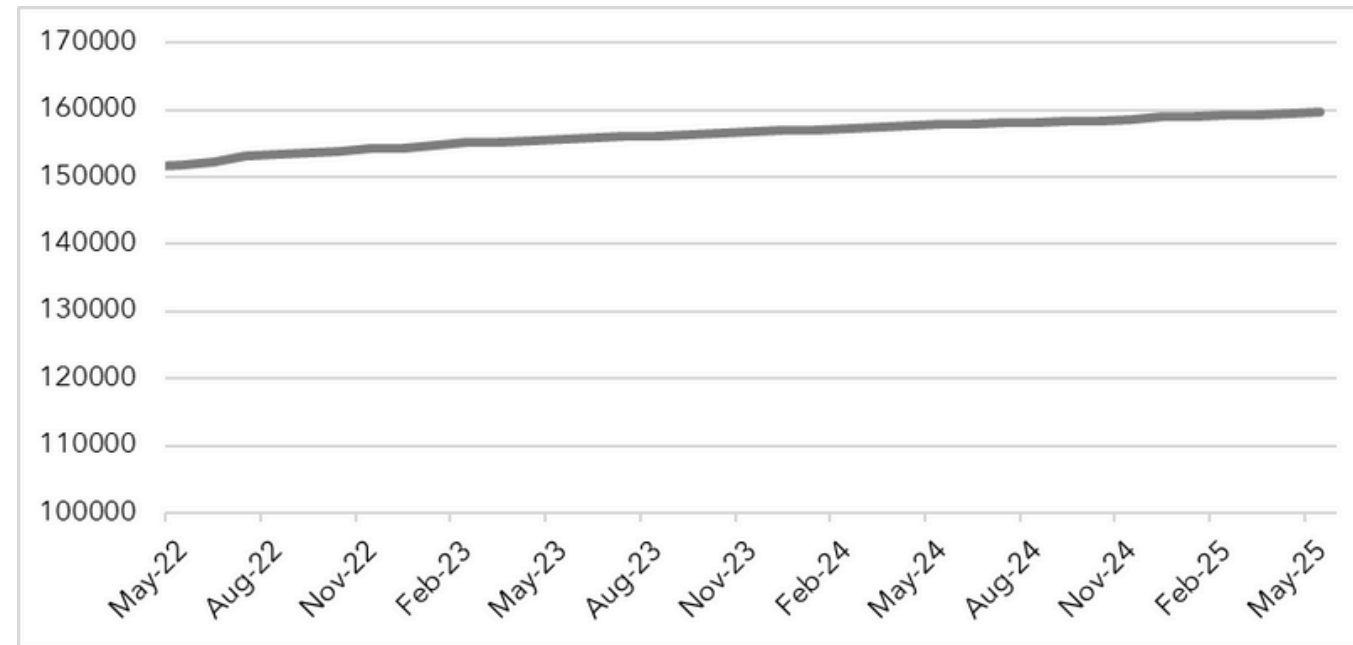


Regional Comparisons: Labor force

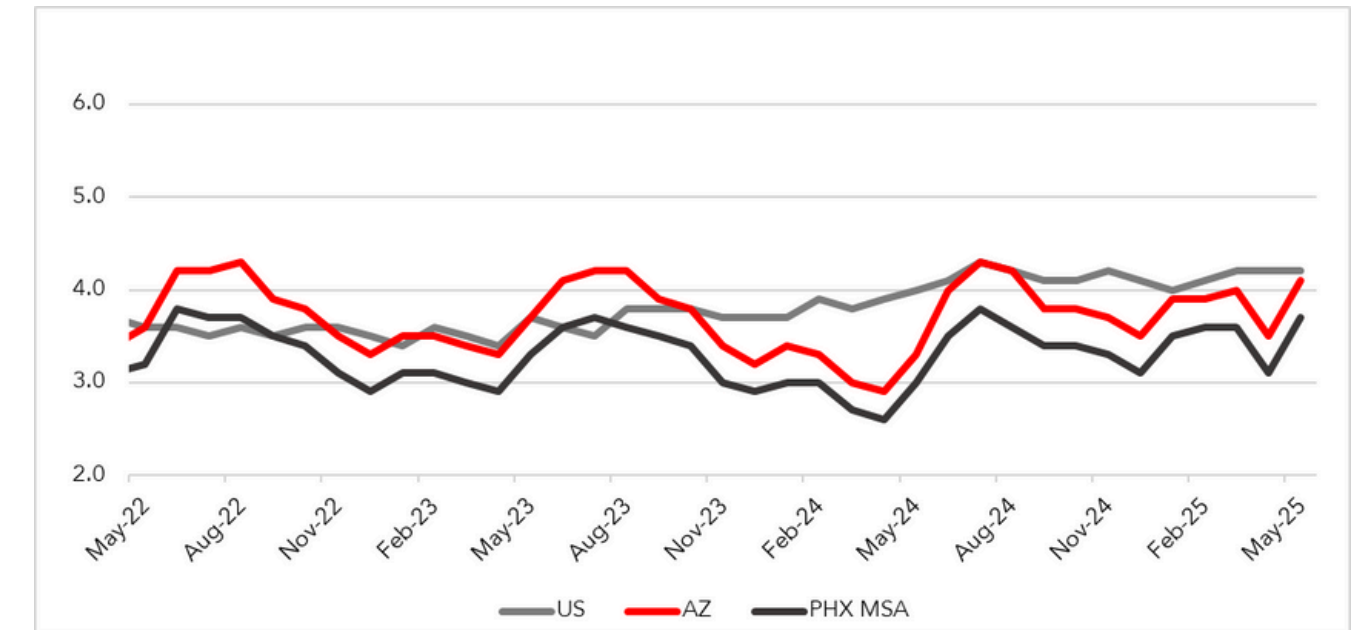


Presently, Greater Phoenix and the state exhibit a lower unemployment rate compared to the United States. Employment rates follow a consistent trend at the metro, state and national level

U.S. Nonfarm Employment (000)

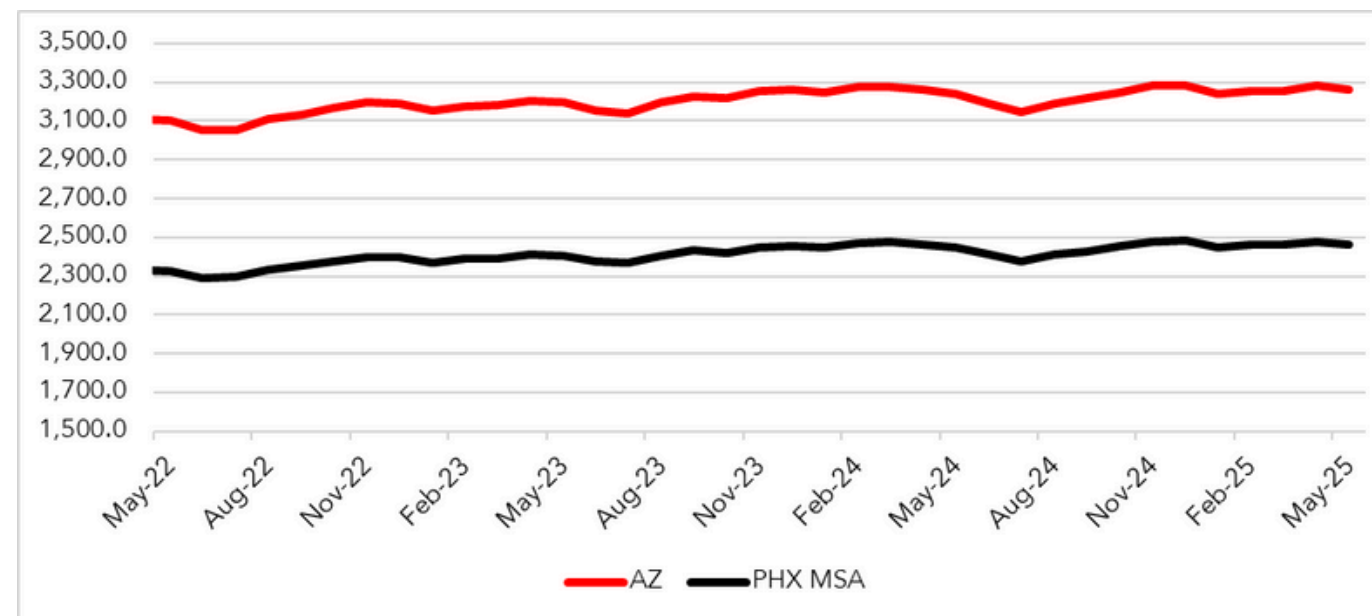


Unemployment Rates

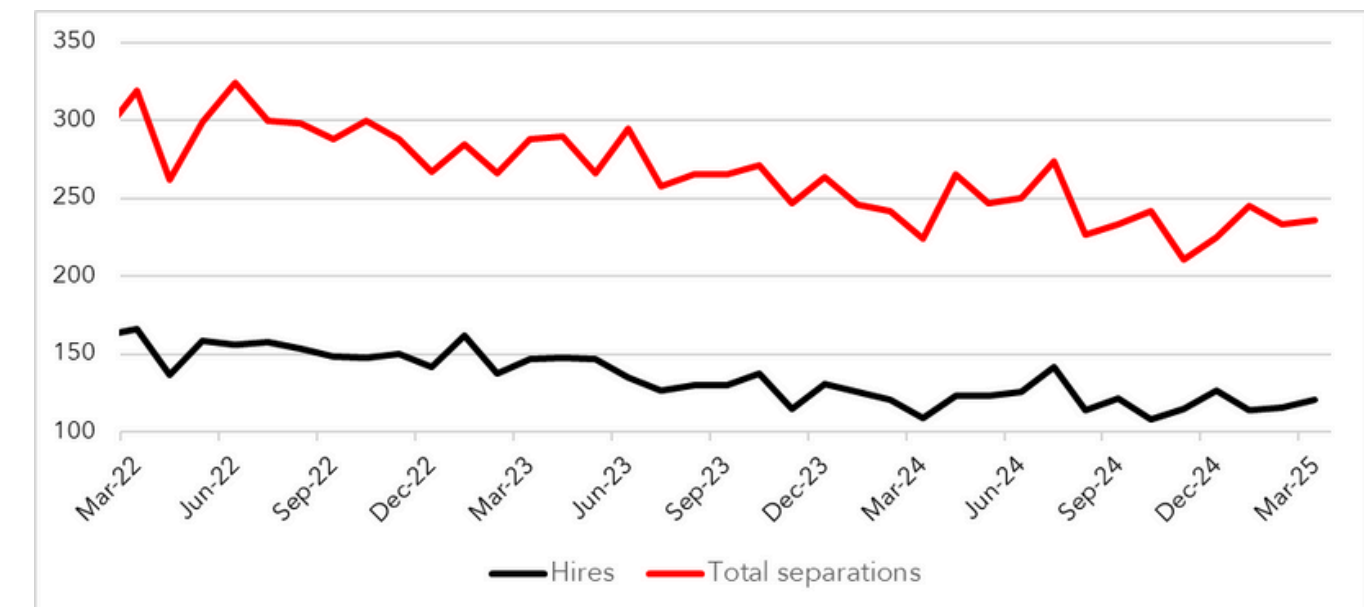


Among the March separations in Arizona, 67,000 were quits and 39,000 were layoffs and discharges compared to February's 71,000 quits and 36,000 layoffs and discharges

Local & State Nonfarm Employment (000)



Arizona Hires & Total Separations (000)



Source: AZ Office of Economic Opportunity Labor Statistics, June 2025, not seasonally adjusted, preliminary numbers. All US Data- BLS, June 2025, seasonally adjusted. Hires and separations, BLS, June 2025, seasonally adjusted.



Households

Cost of Living Comparison for Select Markets

The overall cost of living in Greater Phoenix is 6.8% above the national average.

Region	100% Composite Index	15.29% Grocery items	28.36% Housing	8.38% Utilities	8.8% Transportation	4.70% Healthcare	34.47% Misc. Goods and Services
Houston TX	93.7	97.9	81.3	93.6	93.8	101.2	101.0
Austin TX	95.7	95.2	99.6	99.1	93.1	91.3	93.1
Albuquerque NM	96.4	98.5	91.1	85.6	89.2	108.8	102.5
Dallas TX	98.6	98.4	90.0	113.6	90.3	99.8	104.1
Salt Lake City UT	105.8	98.6	120.5	90.9	106.7	91.2	102.4
Phoenix AZ	106.8	103.4	114.4	109.4	104.1	104.9	102.4
Denver CO	110.4	103.4	124.2	88.1	99.3	120.6	109.1
Portland OR	117.0	106.1	140.0	96.1	124.0	122.6	105.3
Arlington VA	131.9	108.9	197.5	92.4	102.1	124.3	106.5
Seattle WA	142.1	111.9	198.7	102.2	136.1	124.7	122.6
Boston MA	145.1	102.7	215.0	158.9	103.0	139.0	114.6
San Diego CA	146.3	111.7	210.3	148.8	143.1	99.3	115.7
Los Angeles CA	150.2	109.0	231.9	107.6	138.8	97.8	121.6
San Francisco CA	160.3	114.9	251.4	152.7	140.9	125.1	117.2
New York (Manhattan) NY	232.6	116.9	504.6	116.8	118.4	141.5	129.9

Source: C2ER Cost of Living Index 2025 Q1



Consumer Sentiment (National)

Consumer sentiment remains at or near its lowest level in the past decade.
The Index held constant at 52.2 in May compared to April

Consumer Sentiment



Housing Sector

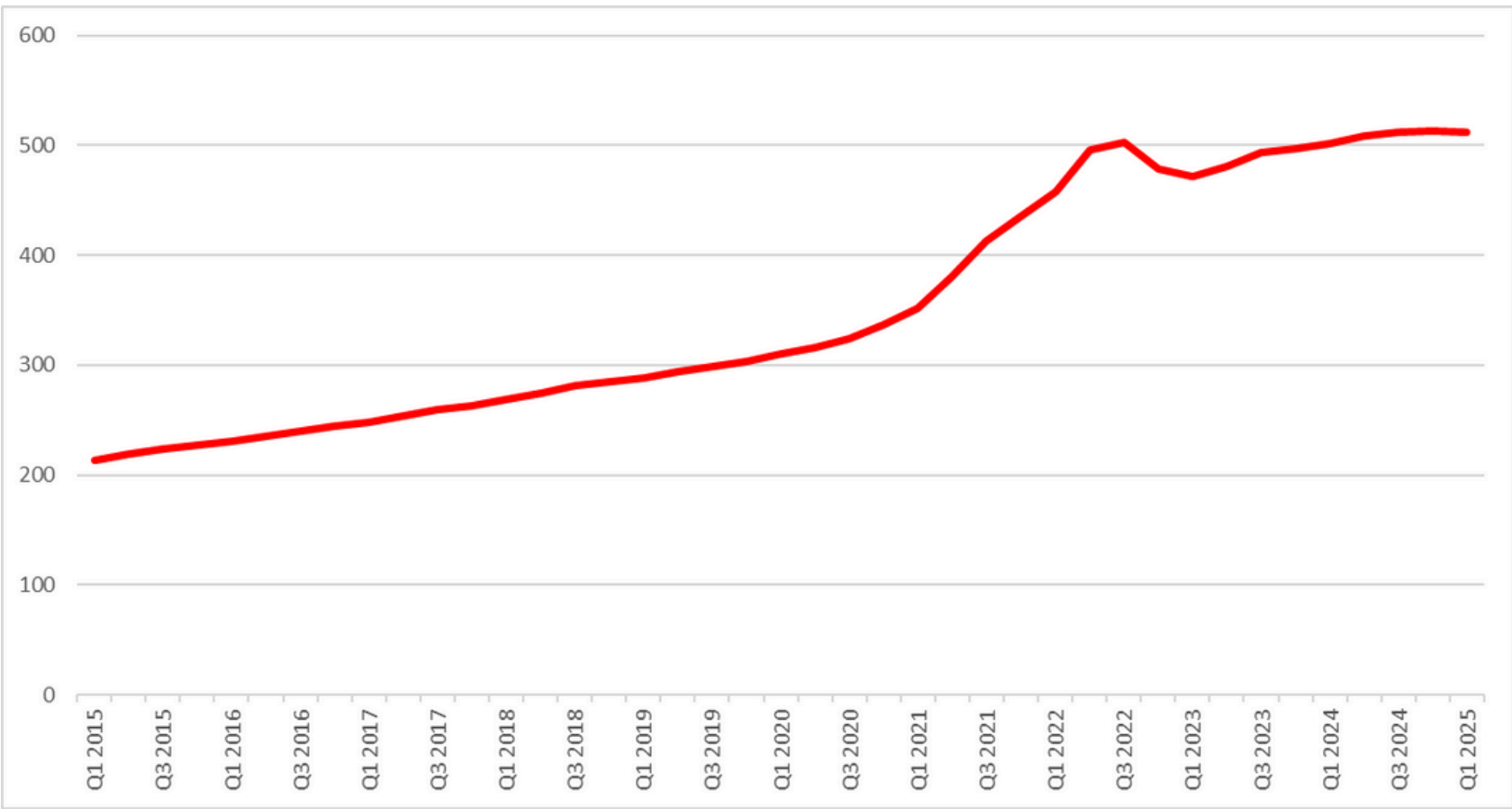


HOUSING SECTOR

Housing Prices

- ⊕ Home prices in Greater Phoenix increased for over a decade, reaching a peak in Q3 2022, with an index value of 502.39.
- ⊕ After a slight dip, there has been an uptick in home prices since Q1 2023. The YoY change is at 2.03% compared to Q1 2024.

Greater Phoenix Home Price Index



**An index value of 100 equals the home price in January 1995.
Source: US Federal Housing Finance Agency, All-Transactions House Price Index, retrieved from FRED*

Housing Costs

- ⊕ This index shows the portion of a typical family's income needed to make a mortgage payment on a median-priced home
- ⊕ The Q1 2025 reading for the Phoenix MSA indicates that 38% of a typical median family's income of \$109,600, was needed, to make a mortgage payment on a median-priced new single-family home of \$487,900
- ⊕ Nationally, 36% of a typical family's median income of \$104,200 was needed to make a mortgage payment on a median-priced new single-family home of \$416,900

Cost of Housing Index

