JUNE 2026

Economic Snapshot



Greater Phoenix Economic Council
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Greater Phoenix Overview

Arizona and the Greater Phoenix's economies are experiencing a slower increase in employment rates and nonfarm payroll jobs compared to the previous 12 months. This pace is also reflected in the overall US economy.

Wage Growth

From 2023 to 2024, Arizona's real personal income grew faster than the U.S. overall (3.3% vs 2.9%) .However, real per capita personal income growth was slightly lower than the national rate (1.8% vs 1.9%).

Inflation

Inflation rose to 4.2% nationally in May; up from 3.8% in April. Greater Phoenix recorded a rate of 3% for the two months ended in April; an increase of 1.3 percentage points from February. Despite 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 2025 is at 2.39%; home prices have been on the rise since Q1 2023.

Consumer Spending

Over the last 12 months, the Consumer Price Index for all Urban Consumers (CPI-U) in Greater Phoenix increased by 3%. Food prices rose 2.3% while Energy prices increased 22.9%. The index for all other items less food and energy rose 1.7% over the year.

Disposable Income

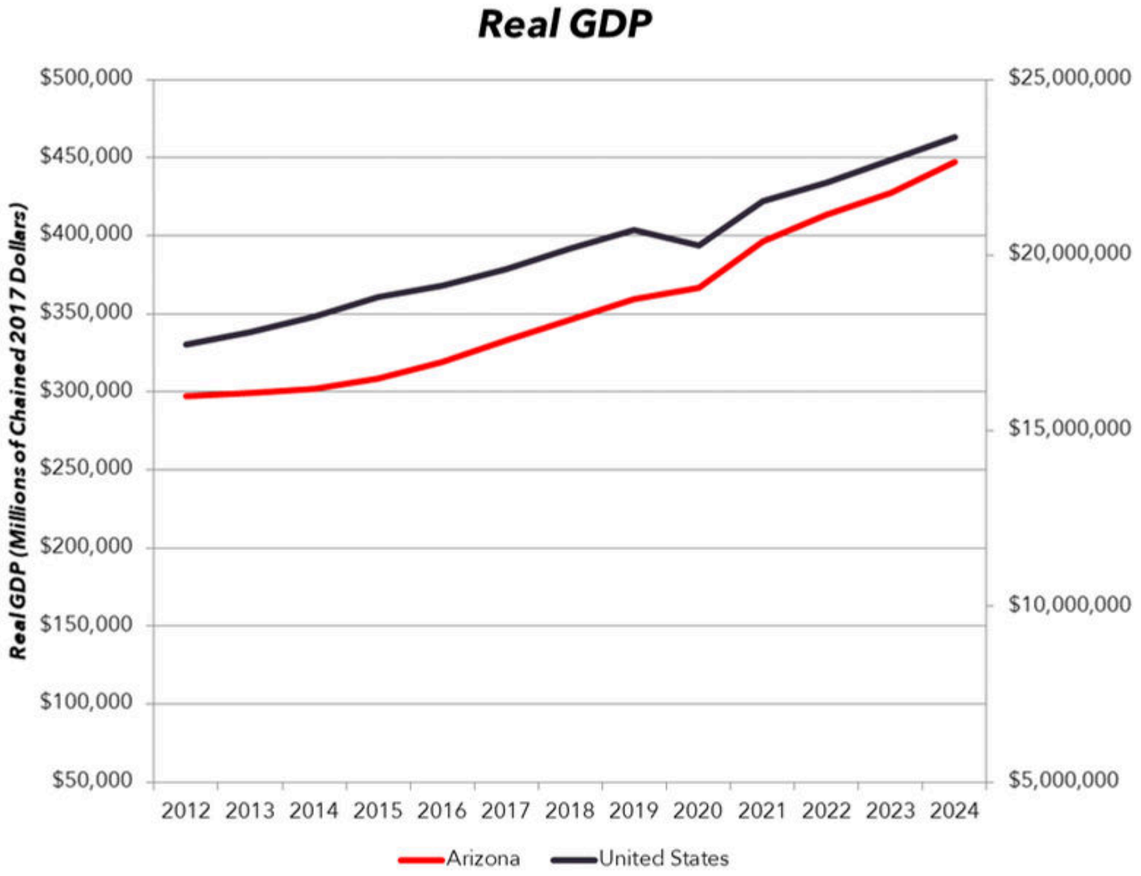
Arizona's annual per capita disposable personal income is currently $61,400; a 31% increase from 2020 when personal disposable income was $46,951. Despite this growth, increase in disposable income is still lagging the inflation rates.



Economic Activity

National and State Economy

- Arizona real GDP in 2024 was $446.97 billion, expanding by 4.5% over the previous year
- U.S. real GDP grew 2.8% from 2023 to 2024
- Recent estimates show that annual real GDP growth accelerated nationally from 0.5% in Q4 2025 to 2.1% in Q1 2026. On the other hand, the state's economy held steady in Q1 2026 at 0.4% from Q4 2025



Source: Bureau of Economic Analysis, June 2026
*****Publishing of annualized Total GDP for Metropolitan areas has been discontinued*



Greater Phoenix Employment

- Current total nonfarm payroll employment is 2,480,800 jobs; unemployment rate is 4.1%
- Jobs have decreased by 10,600 compared to April, and increased by 23,600 year over year
- Following an end-year peak of 2,496,000 non-farm jobs, Greater Phoenix employment declined in January before rebounding by March



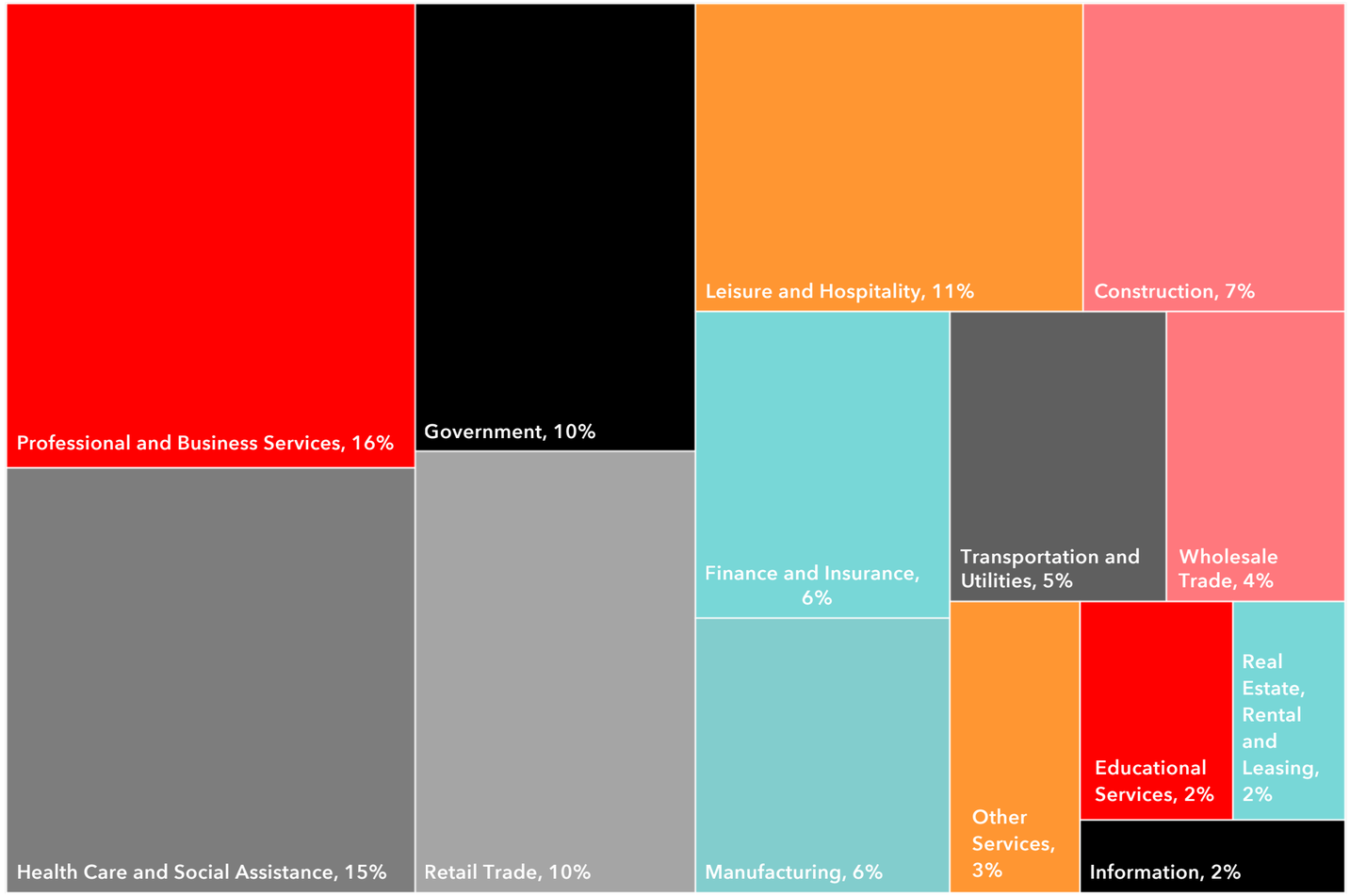
Source AZ Office of Economic Opportunity Labor Statistics, June 2026, not seasonally adjusted, preliminary numbers

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



Source: AZ Office of Economic Opportunity Labor Statistics, June 2026, not seasonally adjusted, preliminary numbers

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 2021-2026	Expected Change	Occupational Mix Effect	Competitive Effect
General and Operations Managers	16,307	11,560	5,794	4,747
Registered Nurses	8,216	4,642	585	3,574
Securities, Commodities, and Financial Services Sales Agents	3,831	1,024	183	2,806
Construction Managers	3,454	1,223	768	2,231
Computer Hardware Engineers	2,043	16	(80)	2,027
Secondary School Teachers	2,762	965	(400)	1,797
Miscellaneous Business Operations Specialists	2,662	869	28	1,793
Athletes, Coaches, Umpires, and Related Workers	1,802	899	610	903
Buyers and Purchasing Agents	1,575	828	117	747
Management Analysts	2,679	1,988	792	690
Miscellaneous Computer Occupations	1,294	607	282	687
Education and Childcare Administrators	1,936	1,323	572	613
Civil Engineers	1,399	823	435	577
Architectural and Engineering Managers	882	326	62	556
Sales Engineers	474	(45)	(107)	519
Diagnostic Related Technologists and Technicians	1,165	674	27	491
Tutors	786	306	150	480
Medical and Health Services Managers	2,835	2,421	1,811	414
Market Research Analysts and Marketing Specialists	2,475	2,065	884	410
Accountants and Auditors	2,189	1,790	(27)	399

Notes:

- *To measure the competitive effect, we subtract the 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 Q1 Dataset, May 2026



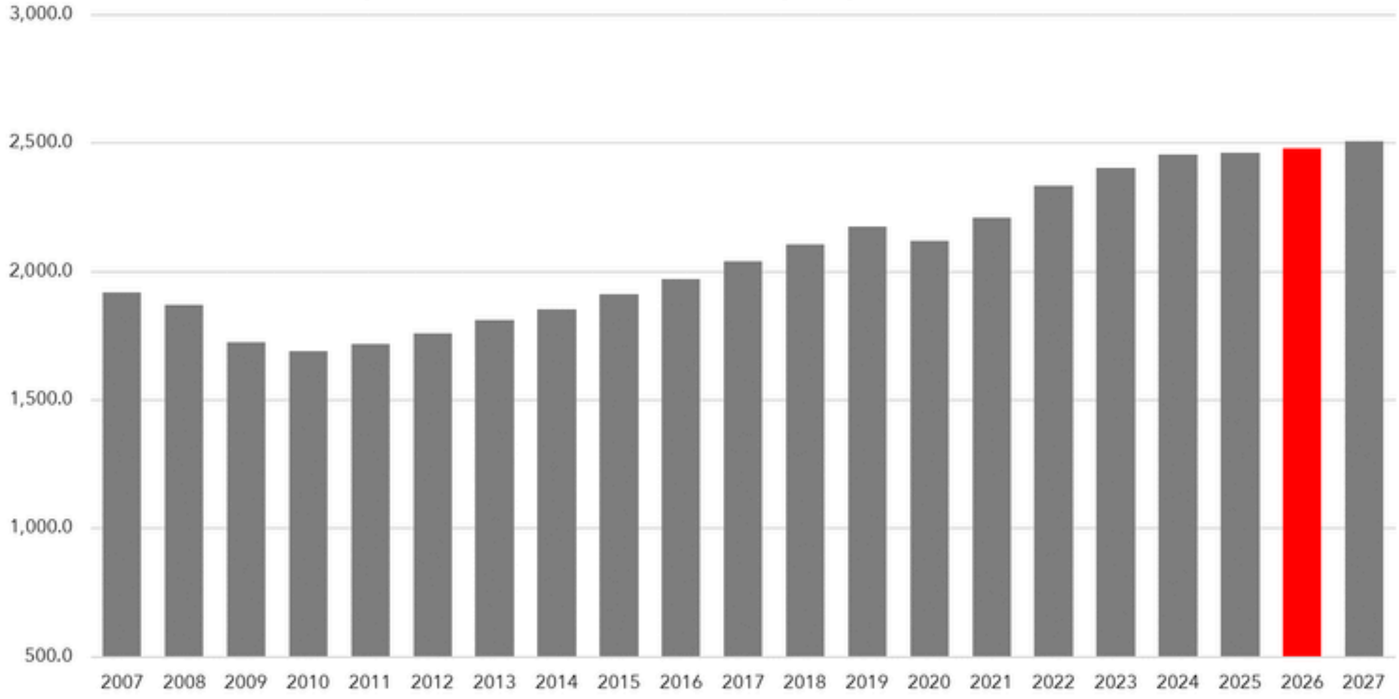
Job Forecast

Greater Phoenix job growth is projected to be 1.17% from 2026 to 2027

Arizona job growth is projected to be 1.04% from 2026 to 2027

Greater Phoenix is expected to outpace the state in job growth and overall employment activity

Projected Non Farm Employment Growth



Source: University of Arizona Economic and Business Research Center, June 2026



Photo Credit: Visit Phoenix

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 4.2%, up from 3.8% in April



Source: Bureau of Labor Statistics, June 2026, Not Seasonally Adjusted
****BLS did not collect data for October 2025 due to a lapse in appropriations*

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 8.0 in May, indicating slight optimism towards economic activity in the future

Note:

- *The Composite Business Confidence (CBC) for the manufacturing sector has replaced the Business Confidence Index (BCI) which used to measure the overall perception of businesses on the economy The percentage of net balances quantifies the overall sentiment or trend among respondents; A negative net balance indicates that more respondents are experiencing or expecting declines rather than improvements in the economy while a net balance of zero means that the percentage of positive and negative responses are equal, indicating a neutral outlook Source: OECD, June 2026*

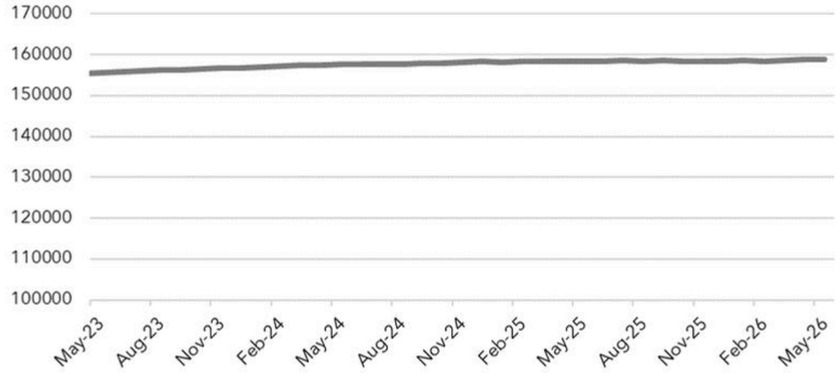
Composite Business Confidence



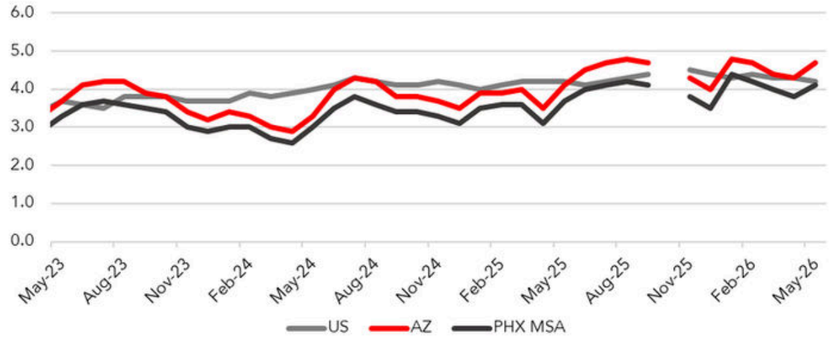
Regional Comparisons: Labor Force

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

U.S. Nonfarm Employment (000)

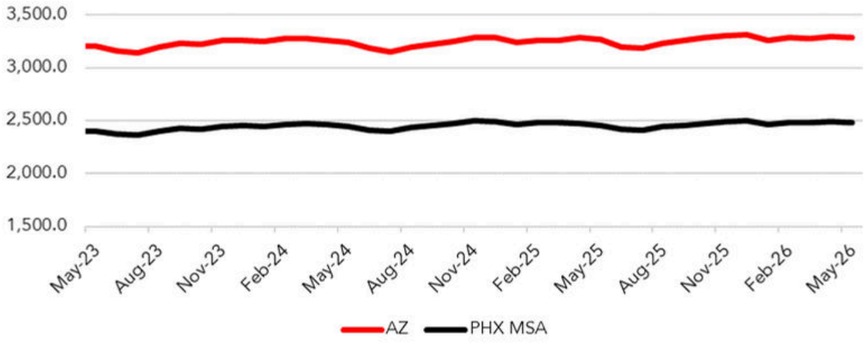


Unemployment Rates

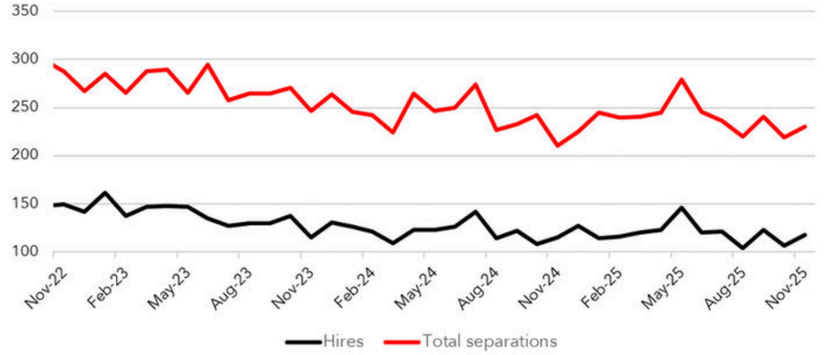


Among the November separations in Arizona, 73,000 were quits and 33,000 were layoffs and discharges compared to October's 65,000 quits and 39,000 layoffs and discharges

Local & State Nonfarm Employment (000)



Arizona Hires & Total Separations (000)



Source: AZ Office of Economic Opportunity Labor Statistics, June 2026, not seasonally adjusted, preliminary numbers. All US Data- BLS, June 2026, seasonally adjusted. Hires and separations, BLS, April 2026, seasonally adjusted.
****BLS did not collect survey data for October 2025 due to a lapse in appropriations*



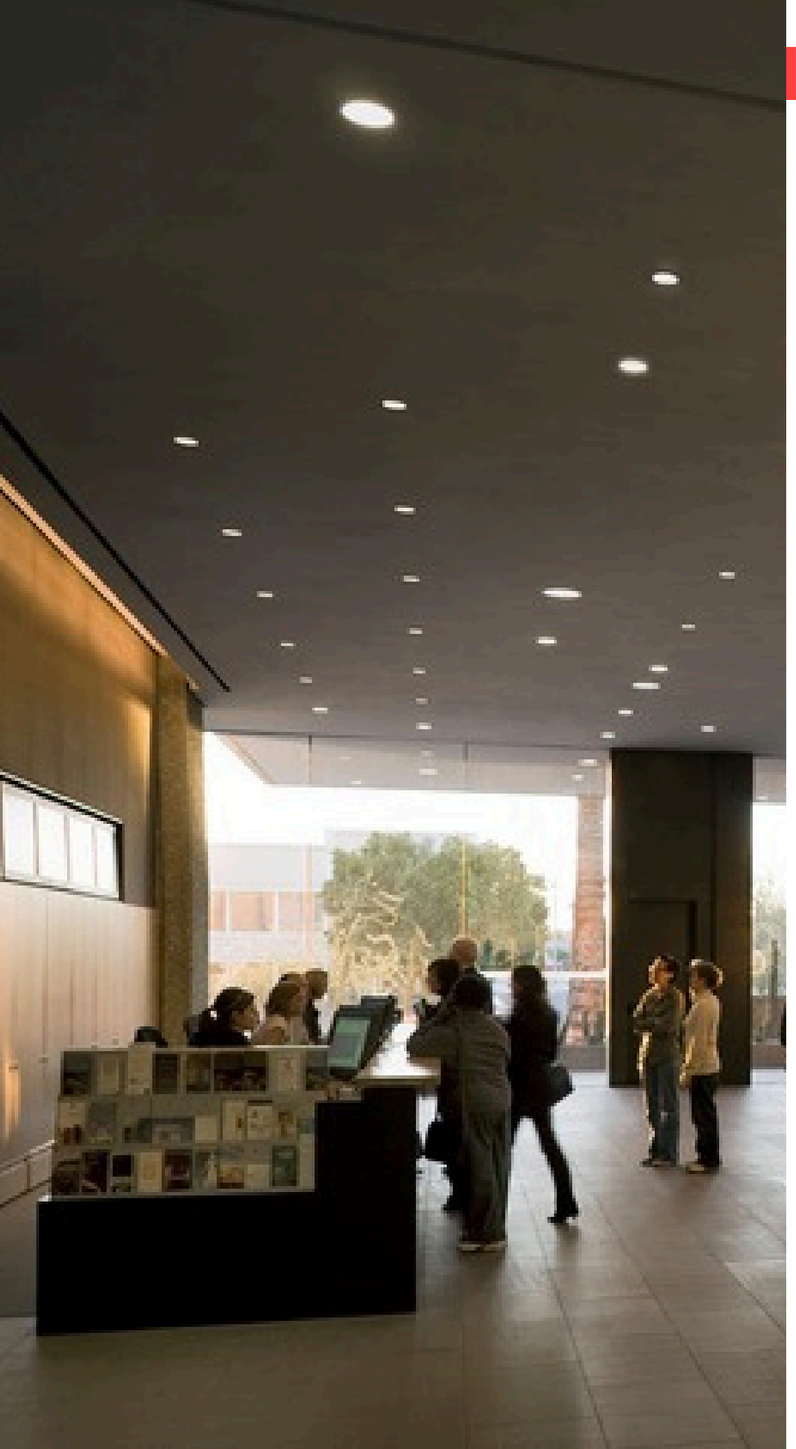
Households

Cost of Living Comparison for Select Markets

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

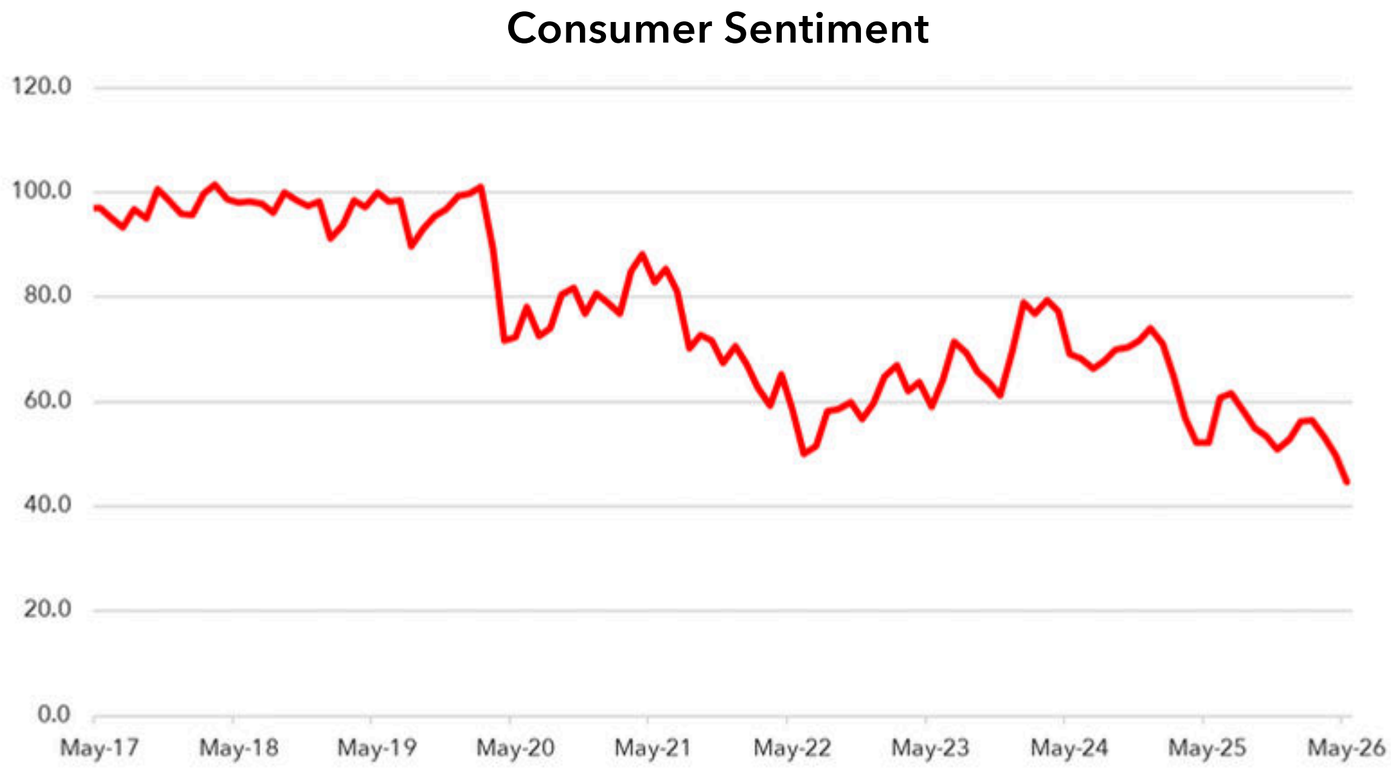
Region	100% Composite Index	15% Grocery Items	29.53% Housing	8.45% Utilities	8.71% Transportation	4.8% Healthcare	33.51% Misc. Goods and Services
Albuquerque NM	94.2	99.0	86.7	82.7	89.2	104.9	101.4
Houston TX	94.3	99.4	76.8	101.7	96.7	99.4	104.3
Austin TX	97.0	97.3	90.7	99.1	96.4	98.8	101.9
Dallas TX	98.4	99.9	86.0	111.1	84.7	108.2	107.6
Salt Lake City UT	103.7	99.8	119.7	81.8	95.2	91.3	100.9
Phoenix AZ	**103.8**	**103.2**	**104.4**	**107.6**	**114.2**	**99.1**	**100.4**
Denver CO	109.1	103.5	118.8	88.0	88.3	108.6	113.9
Portland OR	112.8	106.3	124.9	100.1	120.5	116.8	105.8
Arlington VA	138.7	109.2	209.4	97.4	109.4	112.8	111.5
San Diego CA	145.9	115.0	201.2	156.4	147.1	113.2	112.9
Seattle WA	146.8	109.7	211.7	98.4	138.1	118.7	124.5
Boston MA	147.8	106.8	217.5	143.9	108.5	131.8	118.3
Los Angeles CA	152.1	112.3	229.4	117.1	143.0	111.0	118.8
San Francisco CA	165.6	119.0	258.2	141.0	143.1	123.4	123.0
New York (Manhattan) NY	227.6	111.1	478.2	106.1	119.2	147.2	129.2

Source: C2ER Cost of Living Index 2026 Q1



Consumer Sentiment (National)

Consumer sentiment remains at or near its lowest level in the past decade
The Index decreased to 44.8 in May from 49.8 in April



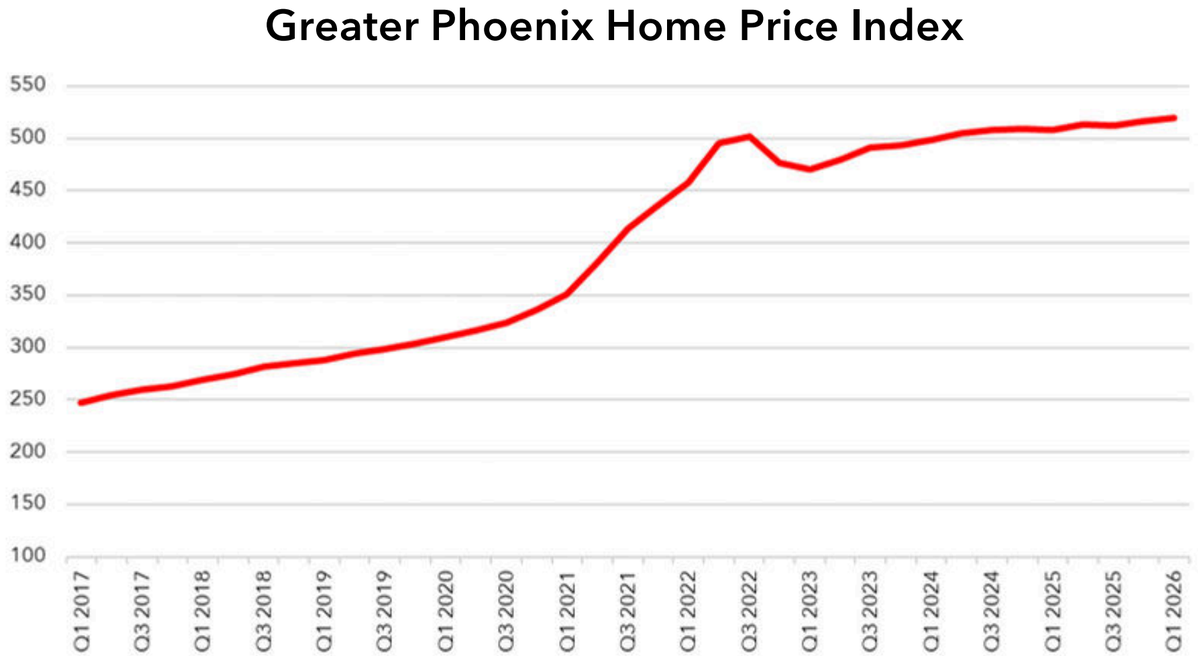
Source: University of Michigan, June 2026

Housing Sector



Housing Prices

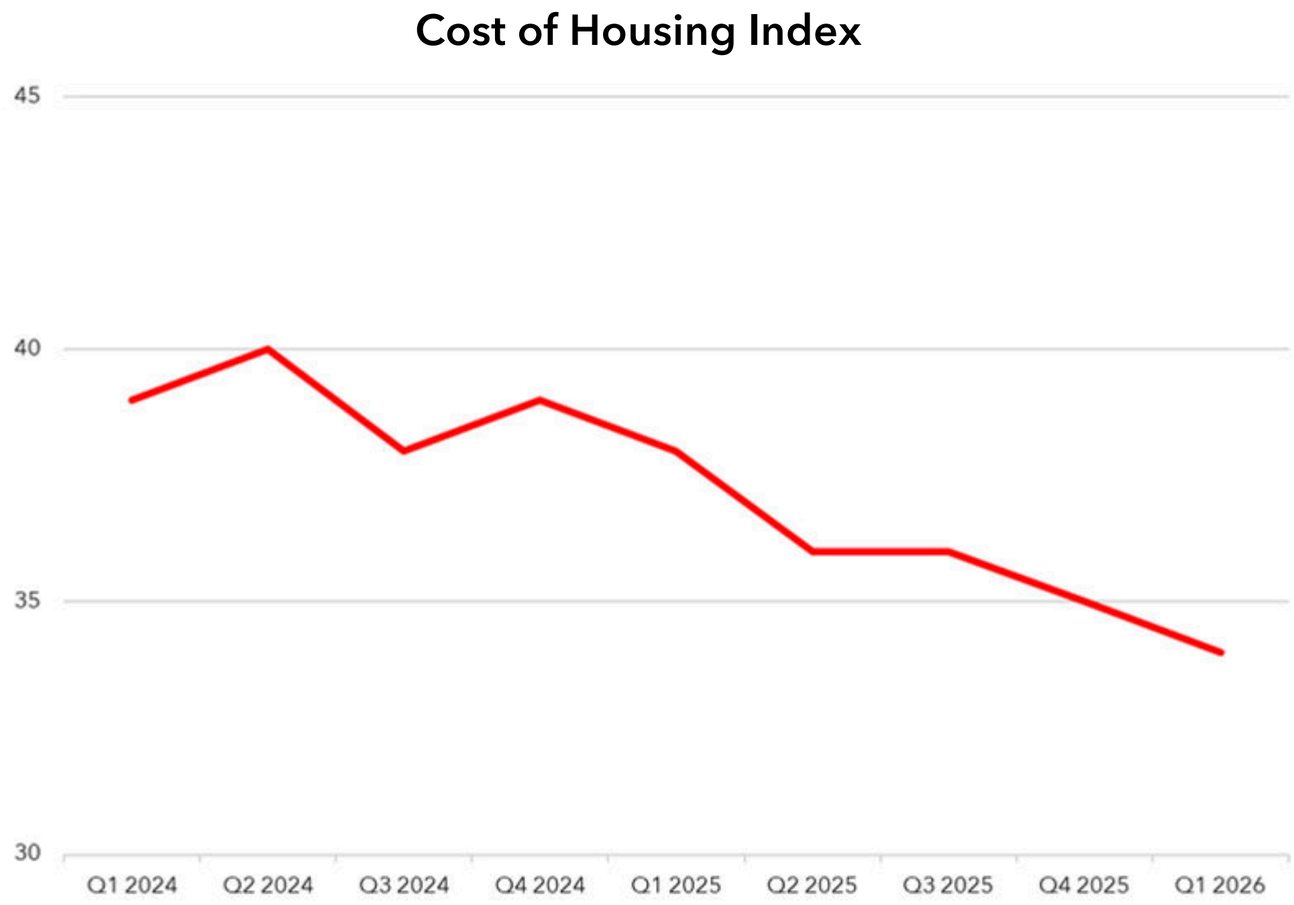
- After peaking in Q3 2022 with the index at 501.74, Greater Phoenix home prices briefly softened in 2023, rose steadily through 2024, and set a new high in Q1 2026 at 519.93
- The YoY change compared to Q1 2025 is 2.39% .



An index value of 100 equals the home price in January 1995.
Source: US Federal Housing Finance Agency, All-Transactions House Price Index, not seasonally adjusted, 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 2026 reading for the Phoenix MSA indicates that 34% of a typical median family's income of $112,400, was needed, to make a mortgage payment on a median-priced new single-family home of $479,600
- Nationally, 32% of a typical family's median income of $106,800 was needed to make a mortgage payment on a median-priced new single-family home of $403,200



The cost of Housing Index (CHI) replaced the Housing Opportunity Index (HOI) which showed the share of homes sold that would have been affordable to a household earning the local median income, based on the standard mortgage underwriting criteria Source: National Association of Home Builders, May 2026