



# **COVID-19 and Arizona's Economic Outlook**

**Where We Stand: Economic Impacts of COVID-19  
Sun Corridor, Inc.  
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# Key Topics Today

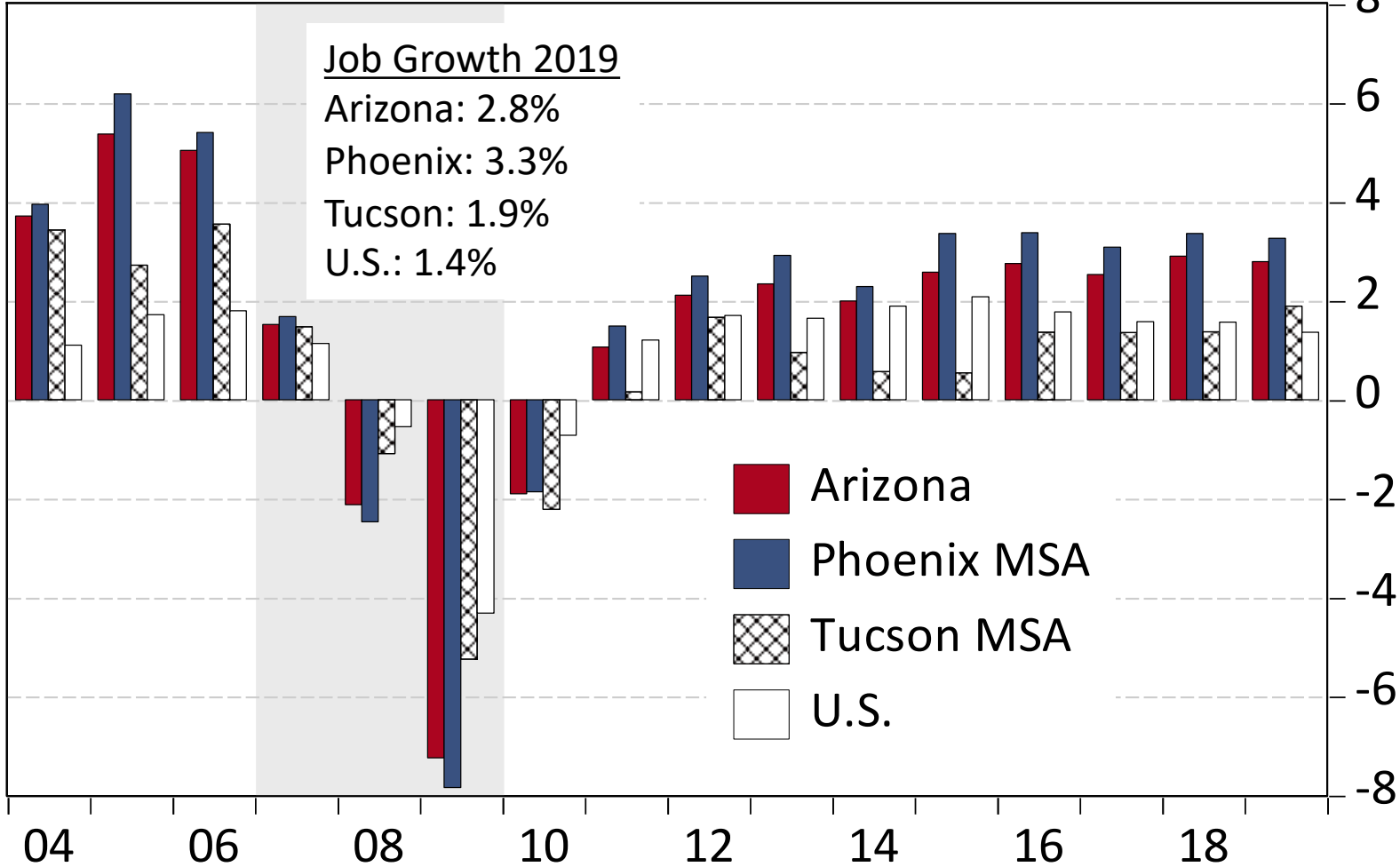
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- ▶ **Uncertainty dominates the outlook**
  - ▶ When will the outbreak be contained?
  - ▶ How severe will the economic downturn be?
  - ▶ When will the economic recovery begin and what will it be like?
- ▶ **The Arizona economy was strong before the outbreak**
  - ▶ Tucson economy added jobs at the fastest pace in more than a decade
- ▶ **The Arizona economy will suffer a major downturn**
  - ▶ Huge job losses in the near term, across all sectors
  - ▶ Travel and tourism hit first
- ▶ **Federal monetary and fiscal relief will help**
  - ▶ But not eliminate the downturn
- ▶ **Outlook calls for a gradual return to trend growth,**
  - ▶ once the outbreak is contained







# Arizona Job Growth





Annual

Percent



# How Was Tucson Doing?

INDICATOR	HOW ARE WE DOING?	HOW DO WE COMPARE?	RECENT CHANGE
BUSINESS GROWTH	0.0% FROM 2017 TO 2018		▼
EMPLOYMENT GROWTH	1.9% FROM 2018 TO 2019		▲
HOUSING AFFORDABILITY	66.2%		▼
MEDIAN HOUSEHOLD INCOME	\$51,037		▲
PATENTS	17.4 PER 10,000 WORKERS		▼
REAL GDP	3.6%		▼

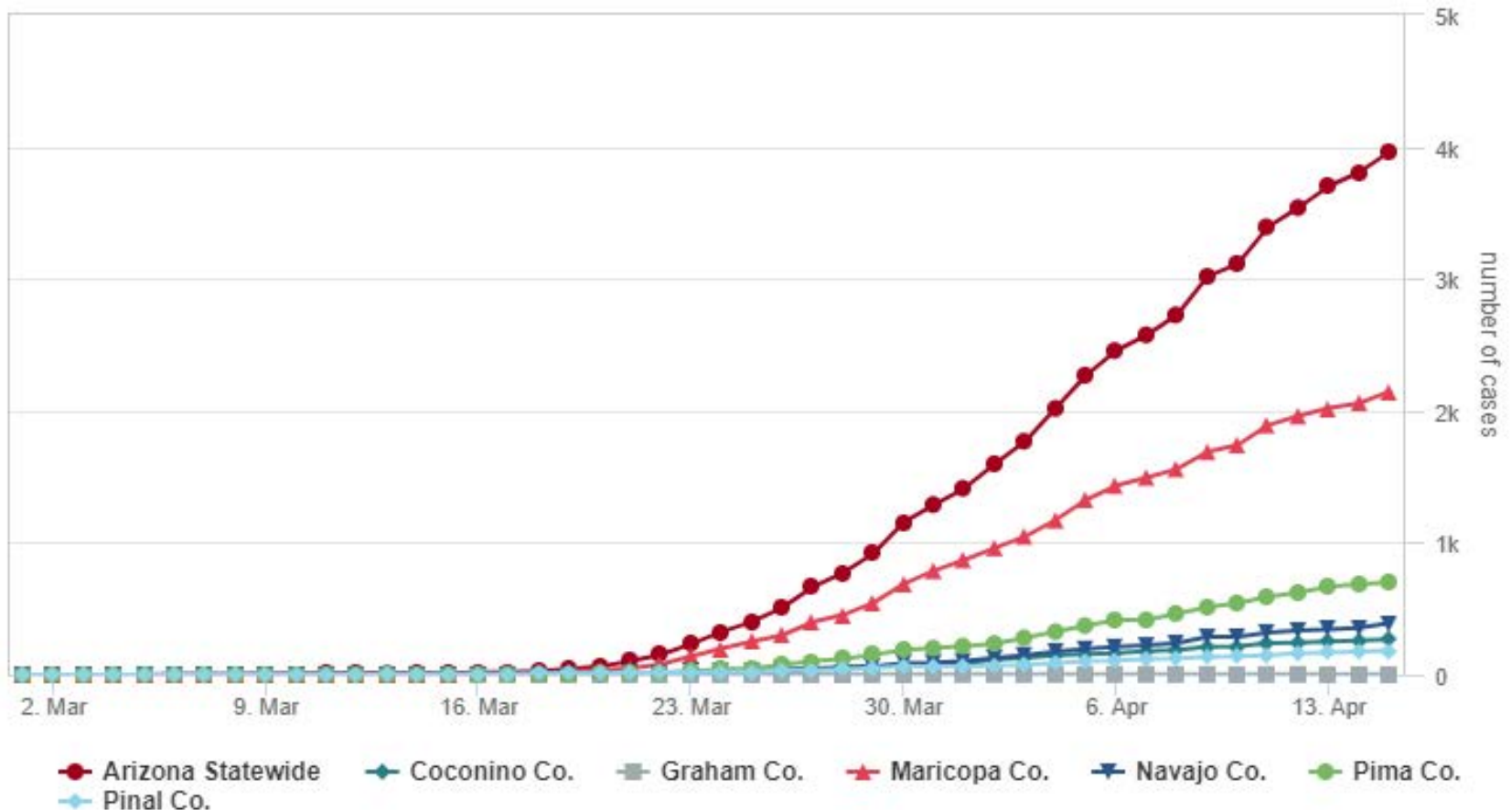
 Ranked in Top 1/3  
  Ranked in Middle 1/3  
  Ranked in Bottom 1/3  
  Ranked Last

**MAP Scorecard "How Do We Compare?" Rankings Are Relative To The Following Peer Metropolitan Areas:**  
 Albuquerque, Austin, Colorado Springs, Denver, El Paso, Las Vegas, Phoenix, Portland, Salt Lake City, San Antonio, and San Diego

[mapazdashboard.arizona.edu](http://mapazdashboard.arizona.edu)

# Arizona Coronavirus Cases

## Daily Data

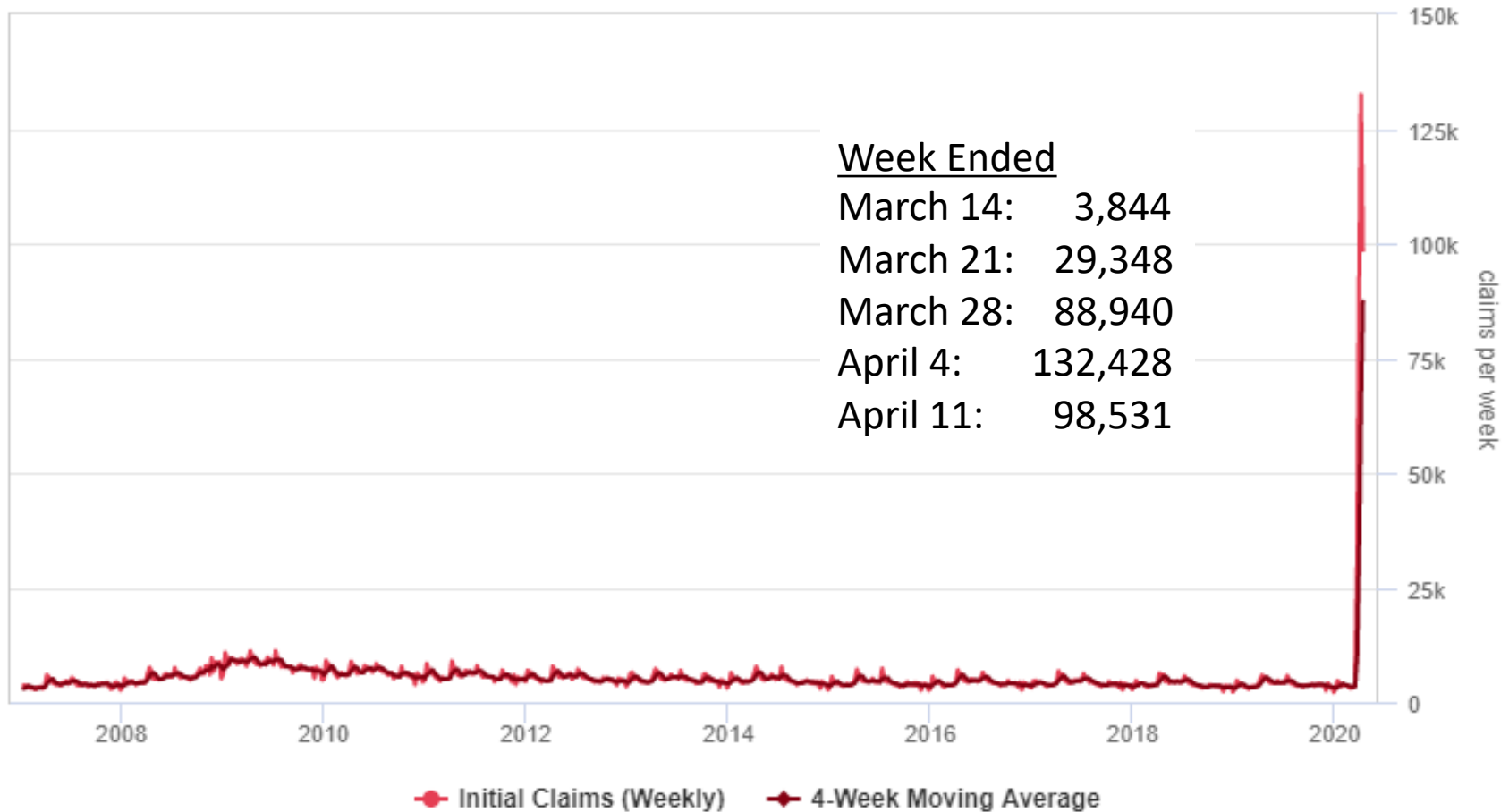


Source: USAfacts data from Johns Hopkins, the CDC and state/local agencies


Published by [Economic and Business Research Center](#).

# Arizona Initial Claims

## Unemployment Insurance, Weekly



Source: U.S. Department of Labor

Published by  [Economic and Business Research Center](#).

# Arizona, Phoenix and Tucson Outlook

## Forecasts in Progress

- ▶ **Huge job, income, and sales declines in the baseline**
  - ▶ Declines much worse than the 2008-2009 period
  - ▶ Peak-to-trough job losses around 15%
  - ▶ 469,000 jobs lost statewide
- ▶ **Unemployment rate peaks well above 2008-2009 high**
  - ▶ Which was 10.9% in 2009Q4
- ▶ **Population growth slows temporarily**
  - ▶ Which reduces housing activity
- ▶ **Recovery may begin late this year**
  - ▶ If the outbreak is under control
  - ▶ Late 2022 before the level of activity returns to pre-outbreak
- ▶ **Pessimistic scenario is almost as likely as baseline**

# Federal Economic Policy Responses

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## ▶ **Monetary policy**

- ▶ Interest rates near zero for the foreseeable future
- ▶ Increased lending facilities
- ▶ Return to Quantitative Easing

## ▶ **Fiscal policy**

- ▶ \$2.2 trillion CARES Act
- ▶ Direct payments to individuals/families
- ▶ Expanded unemployment insurance
- ▶ Small business loans
- ▶ Other support

▶ **Speed matters here, so support needs to reach individuals and businesses rapidly**

▶ **More will be needed**



# Learn about Southern Arizona.

## mapazdashboard.arizona.edu

**MAP** MAKING ACTION POSSIBLE  
for Southern Arizona

NEWSROOM | LIBRARY | RESEARCH

ECONOMY | EDUCATION | HEALTH & SOCIAL WELL-BEING | INFRASTRUCTURE | QUALITY OF PLACE | WORKFORCE & DEMOGRAPHICS

### MEASURING PROGRESS, INSPIRING ACTION

The MAP Dashboard project is intended to measurably improve Southern Arizona through data driven collective civic action and education.

LEARN MORE >

**36** CORE INDICATORS  
Tracked on the MAP Dashboard

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