

MAP MAKING ACTION POSSIBLE
for Southern Arizona

MAP Talk Webinar

What COVID-19 Means for Tucson's Economy

April 10th
9:00 - 9:30 am

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George Hammond

EBRC Director

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Jennifer Pullen

MAP Dashboard Coordinator
Senior Research Economist

George Hammond³
Director and Research Professor, EBRC
ghammond@eller.arizona.edu, 520-626-1679

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Webinar Details

- ▶ **The MAP Talk will be recorded**
 - ▶ See the MAP Dashboard website for recordings
- ▶ **Conference mode**
 - ▶ Everyone muted except presenter
- ▶ **How to ask a question**
 - ▶ Email anytime to jkanipe@email.arizona.edu

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Arizona Daily Star

Tucson economy: MAP Dashboard

Tucson's health: MAP Dashboard

Share of population age 65 and older (2018)

Percent of employment in leisure and hospitality (2019)

How Do Renters Fare?

Tucson's Demographics Make it Vulnerable to COVID-19

Economic Impacts on Arizona

Potential for Water Independence in Tucson's Communities

Affordability in Tucson Varies Significantly By Income

How Exposed are Tucson's Industries to a COVID-19 Recession?

Explore How Local Organizations Use the MAP

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Key Topics Today

- ▶ **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

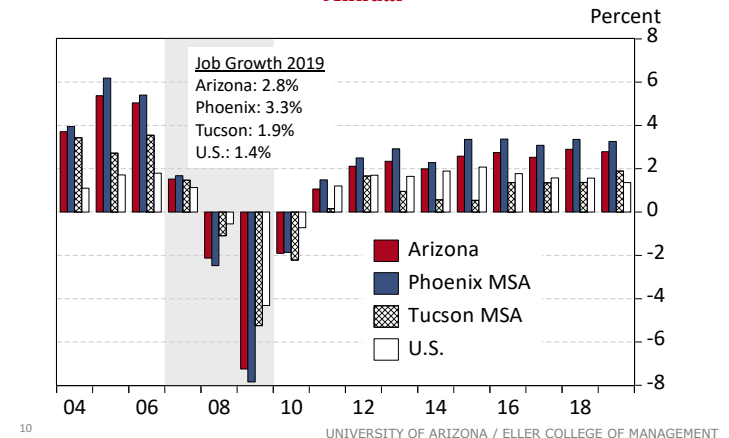
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Arizona Job Growth

Annual



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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

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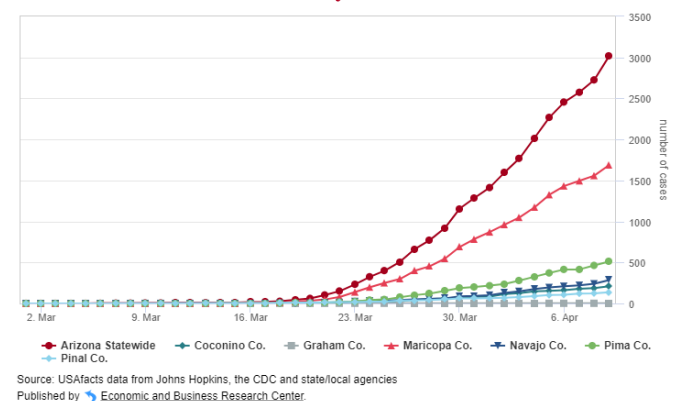
George Hammond

Director and Research Professor, EBRC

ghammond@eller.arizona.edu, 520-626-1679

Arizona Coronavirus Cases

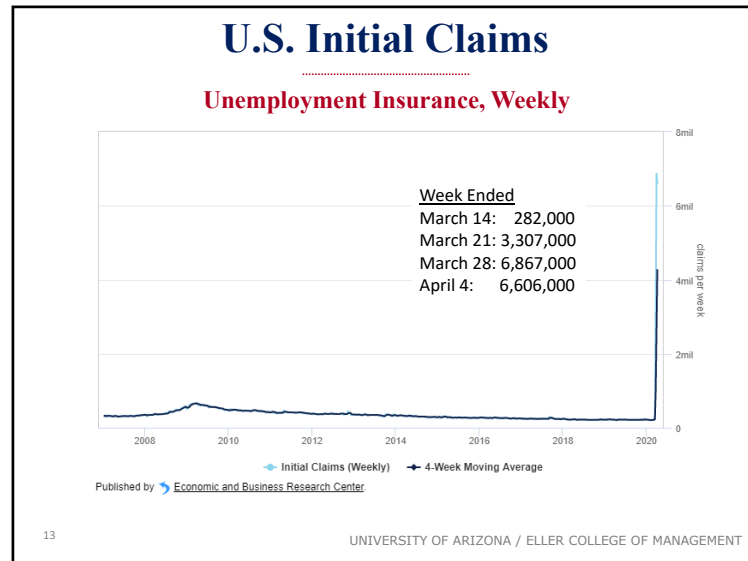
Daily Data



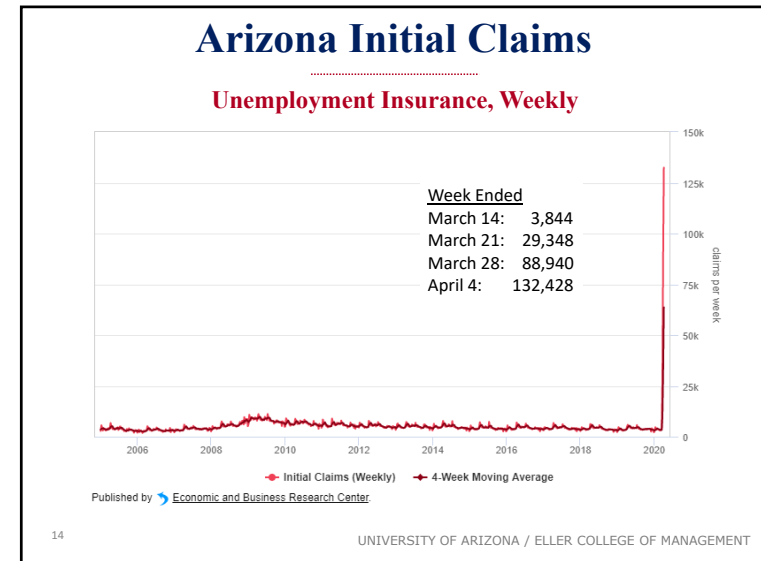
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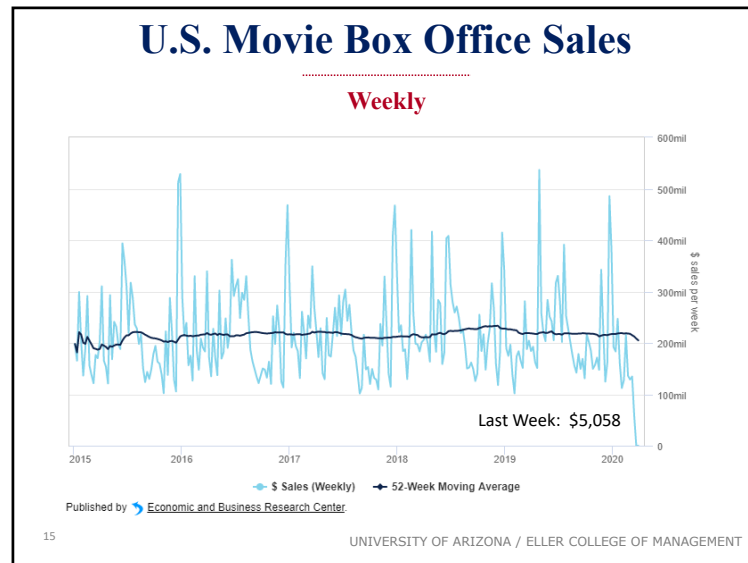
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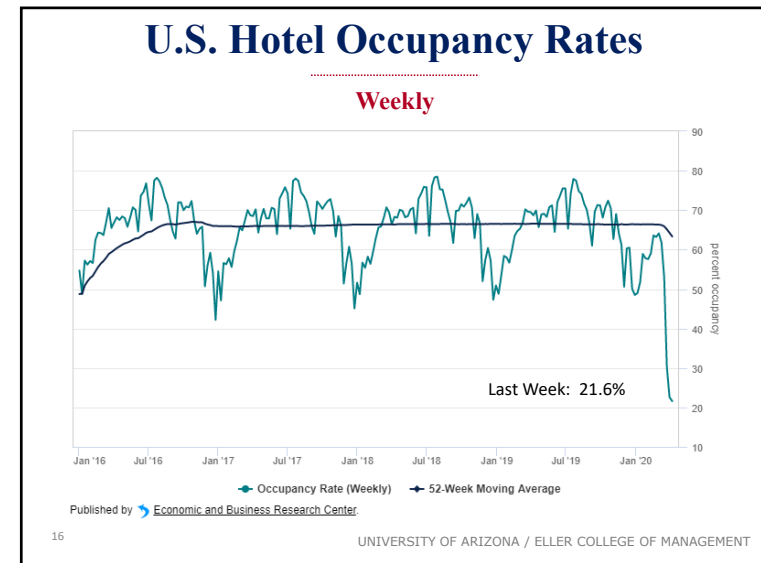
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George Hammond
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U.S. Outlook

IHS Markit, April 2020

- ▶ **Social distancing begins to ease in July-August**
- ▶ **U.S. Real GDP forecast to drop 8% from 2019Q4 to 2020Q3**
 - ▶ 26.5% decline in 2020Q2, SAAR
 - ▶ Hardest hit are travel and tourism expenditures
 - ▶ Auto sales drop dramatically as well
- ▶ **U.S. loses 14 million jobs during the downturn**
 - ▶ Unemployment rate rise to (at least) 10.3%
- ▶ **Pessimistic scenario calls for bigger declines**

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Arizona, Phoenix and Tucson Outlook

Updated Forecasts in Progress

- ▶ **Big job, income, and sales declines**
 - ▶ Declines at least as bad as the 2008-2009 period
 - ▶ Peak-to-trough job losses between 10%-20%
 - ▶ More than 300,000 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 2021 or 2022 before the level of activity returns to pre-outbreak

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Federal Economic Policy Responses

- ▶ **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**

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George Hammond
 Director and Research Professor, EBRC
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What Can Individuals Do?

- ▶ **Continue social distancing until instructed otherwise**
- ▶ **Support local small businesses where possible**
 - ▶ Take out/delivery
 - ▶ Gift cards
- ▶ **Make sure you and everyone in your business community knows that small business support is available**
 - ▶ Tucson Metro Chamber of Commerce
 - ▶ <https://tucsonchamber.org/>
 - ▶ Tucson Hispanic Chamber of Commerce
 - ▶ <https://www.tucsonhispanicchamber.org/>
- ▶ **Donate to charities where possible**

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 Real-time data at your fingertips.



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George Hammond²³
 Director and Research Professor, EBRC
 ghammond@eller.arizona.edu, 520-626-1679

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