GREATER PHOENIX
Blue Chip Economic Forecast
ASU W.P. Carey School of Business
Arizona State University
Seidman Research Institute
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# Economic Overview and Outlook

Third Quarter 2026, with Forecasts for 2026 and 2027

State and federal data available through September 30, 2026
Construction forecast updated October 30, 2026

## Executive Summary

Greater Phoenix enters the final quarter of 2026 in a phase of slow but positive expansion. Metropolitan payroll employment stood at 2.464 million in August 2026, 0.9 percent above a year earlier, which is a pace that is modest by the region's historical standards and well below the 2021–2023 cycle [1]. The regional forecasting community has converged on a view of gradual re-acceleration rather than either recession or a return to boom conditions: the September 2026 Greater Phoenix Blue Chip consensus calls for wage and salary employment growth of 1.0 percent in 2026 and 1.4 percent in 2027, alongside population growth of 1.5 percent in each year and personal income growth of 5.1 and 5.7 percent [6].

Beneath the aggregates, the economy is diverging along three axes. By sector, job gains are concentrated in education and health services, professional and business services, and construction, while leisure and hospitality and financial activities are shedding jobs. By activity, nonresidential and industrial construction tied to semiconductor and data-center investment is expanding at the same time that residential permitting has fallen to its lowest level of the decade. By geography, Maricopa County provides the region's employment and income base, while Pinal County is growing faster in percentage terms.

### Key findings

- **Employment growth is positive but thin and uneven.** Education and health services alone account for roughly 13,000 of the approximately 22,000 net jobs added over the year to August 2026; leisure and hospitality and financial activities together lost about 11,500 [1].
- **Construction has turned, but not because of housing.** Construction employment rose 3.8 percent year over year in August after contracting through May, while trailing twelve-month residential permits fell 12.9 percent to 35,224 units, the lowest combined reading since late 2019 [1][11].
- **Labor market slack has increased.** The metro unemployment rate (not seasonally adjusted) was 4.9 percent in August, compared with 4.3 percent a year earlier. Arizona's seasonally adjusted rate was 4.9 percent, against 4.1 percent nationally [1][10].
- **Housing affordability is the binding constraint on household formation.** Principal and interest on the median-priced home absorbs an estimated 42 percent of median household income versus a historical norm near 28 percent, even as resale inventory has risen to a balanced 4.3 months of supply [8][12].
- **Pinal County is the region's demographic growth frontier.** Census Vintage 2025 estimates show Pinal growing 4.6 percent to 539,380 residents, compared with Maricopa's 0.8 percent growth to 4,689,558. State population estimates use a separate series [4][5].

- **The housing forecast remains uncertain.** The third-quarter residential consensus totals 30,587 permits in 2026 and 31,218 in 2027, with substantial variation among panelists [20].

**Table 1. Current Indicator Dashboard, Greater Phoenix (Q3 2026)**

| Indicator | Latest value | Change | Interpretation |
|---|---|---|---|
| Nonfarm payroll jobs (MSA) | 2.464 million (Aug 2026, prelim.) | +0.9% y/y | Positive but below long-run trend |
| Unemployment rate (MSA, NSA) | 4.9% (Aug 2026, prelim.) | Up from 4.3% in Aug 2025 | Higher unemployment; NSA |
| Construction jobs (MSA) | 185,600 (Aug 2026) | +3.8% y/y | Strongest large-sector growth rate |
| Manufacturing jobs (MSA) | 148,100 (Aug 2026) | -0.1% y/y | Flat despite major capital investment |
| Covered jobs, Maricopa / Pinal | 2,297,478 / 81,073 (Mar 2026) | -0.5% / +0.7% y/y | QCEW weaker than CES survey |
| Avg. weekly wage, Maricopa / Pinal | $1,570 / $1,204 (Q1 2026) | +3.8% / +3.2% y/y | Both below U.S. avg. of $1,654 |
| Population, Maricopa / Pinal (OEO) | 4,787,790 / 502,071 (Jul 2025) | Separate from Census series | State annual estimates |
| Population, City of Phoenix | 1,709,489 (Jul 2025) | — | 32% of metro, 36% of Maricopa |
| Residential permits (T-12) | 35,224 units (Jul 2026) | -12.9% y/y | Lowest level of the 2020s |
| Median home sale price | $445,000 (Aug 2026) | +1.1% y/y | Prices flat; inventory 4.3 months |
| CPI-U, Phoenix | 191.724 (Aug 2026) | +2.5% y/y | Inflation moderating |
| Per-capita income, Maricopa / Pinal | $72,176 / $50,771 (2024) | — | Maricopa is the income center |

*Sources: BLS [1][2][21]; Arizona OEO [4]; U.S. Census Bureau [5]; Colliers [11]; PhoenixHomes.com/ARMLS [12]; FRED/BEA [15][16]. CES and LAUS data are not seasonally adjusted and subject to revision.*

# 1. Scope, Definitions, and Data Considerations

This report treats Greater Phoenix as the Phoenix-Mesa-Chandler Metropolitan Statistical Area, which is coterminous with Maricopa and Pinal counties. The City of Phoenix, the region's central city and the fifth-largest city in the United States, lies entirely within Maricopa County. Most high-frequency economic data, including monthly payroll employment, unemployment, and consumer prices, are published only at the metropolitan level. County-level detail is available from the Quarterly Census of Employment and Wages (QCEW) with a lag of roughly six months, and city-level detail is largely limited to population estimates and local permitting records. The treatment of the City of Phoenix in this report is therefore more structural than cyclical, and all forecasts are presented for the Greater Phoenix (MSA) level, with county detail provided where it adds analytical value.

Two data issues deserve emphasis for readers comparing this report with other sources. First, the monthly Current Employment Statistics (CES) survey and the QCEW currently tell somewhat different stories: CES shows metro payrolls up 0.9 percent over the year to August, while QCEW shows Maricopa County covered employment down 0.5 percent over the year to March 2026 [1][2]. QCEW is a near-census of employer tax records and forms the basis of annual CES benchmark revisions, so the gap signals that current payroll estimates may be revised downward. Benchmark revisions to Arizona payroll data have been unusually large in recent years, which argues for treating current monthly estimates with some caution. Second, the Arizona Office of Economic Opportunity (OEO) and U.S. Census Bureau population estimates differ in method and in their allocation of growth between the two counties; this report presents both where they diverge.

# 2. Labor Market

## 2.1 Payroll employment

Total nonfarm employment in the Phoenix MSA was 2,463,800 in August 2026 (preliminary), 0.9 percent higher than a year earlier. The September 30 BLS release reports a year-over-year gain of 22,300 jobs. On the same not-seasonally-adjusted basis, Arizona had 3,250,100 jobs, up 17,400, or 0.5 percent. The difference implies a net loss of about 4,900 jobs outside Greater Phoenix [1]. Statewide seasonally adjusted payrolls were 3,279,500, up 21,000 from August 2025, in the September 18 release [10].

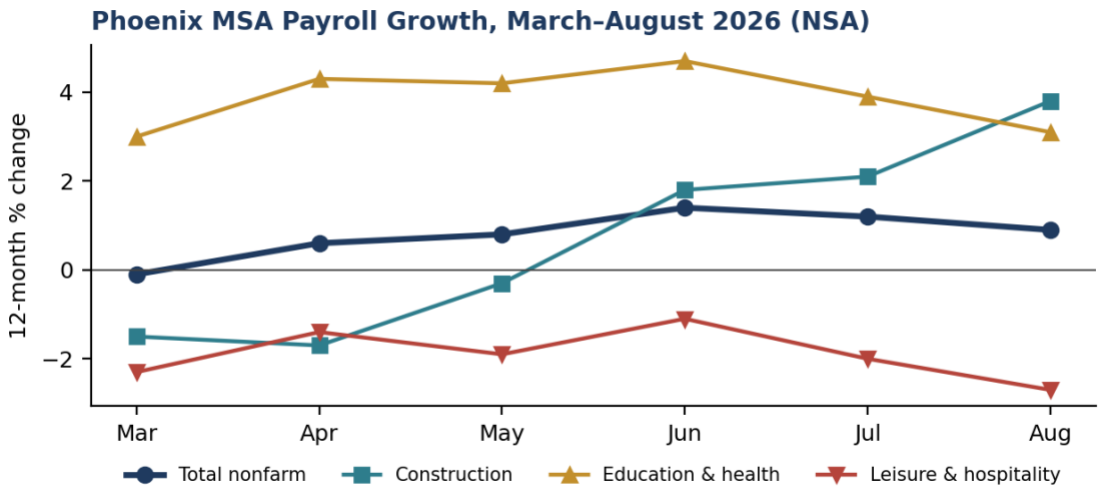



*Figure 1. Source: BLS, Economy at a Glance, Phoenix-Mesa-Chandler MSA [1]. Not seasonally adjusted; August values preliminary.*

## 2.2 Sector composition

Sector detail reveals that the region's growth is narrowly based. Education and health services, driven by health care, added an estimated 12,900 jobs over the year - more than half the regional total. Professional and business services (+7,600) and construction (+6,800) were the next largest contributors. On the negative side, leisure and hospitality lost about 7,100 jobs (-2.7 percent) and financial activities lost about 4,400 (-2.1 percent), continuing a contraction in the latter that has persisted throughout 2026 [1]. The weakness in leisure and hospitality is consistent with national softness in discretionary travel and with the affordability pressures on local households discussed below.

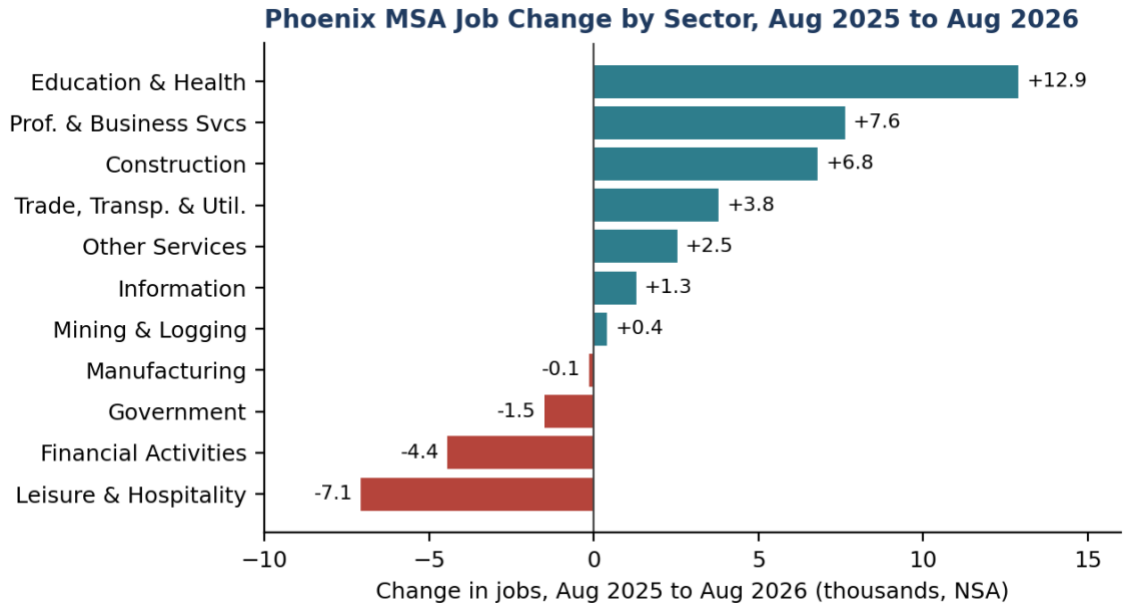



*Figure 2. Job changes derived by the Seidman Institute from BLS published August 2026 levels and 12-month percent changes [1]; totals may differ slightly from published net changes due to rounding.*

Two observations are especially relevant for economic development audiences. First, construction's acceleration, from a 1.7 percent year-over-year decline in April to a 3.8 percent gain in August, has occurred while residential permitting has been falling, which points to nonresidential activity (semiconductor fabrication, advanced packaging, data centers, and public infrastructure) as the driver. Second, manufacturing employment has been essentially flat at around 148,000 for the past six months, down 0.1 percent over the year [1]. The region's large manufacturing investments are, at this stage, generating construction and supplier activity more than direct production payrolls. TSMC reports that its first three Arizona fabs are expected to support about 6,000 direct jobs, with construction of a fourth fab and a first advanced packaging facility beginning in early 2026 [14]; these jobs will be phased in over several years rather than appearing as a single step change.

**Table 2. Phoenix MSA Employment by Sector, August 2026**

| Sector | Jobs (000s) | 12-mo. % chg. | Est. net chg. (000s) |
|---|---|---|---|
| Total nonfarm | 2,463.8 | +0.9% | +22.3 |
| Trade, transportation & utilities | 477.3 | +0.8% | +3.8 |
| Education & health services | 428.8 | +3.1% | +12.9 |
| Professional & business services | 389.0 | +2.0% | +7.6 |
| Leisure & hospitality | 254.8 | -2.7% | -7.1 |
| Government | 247.8 | -0.6% | -1.5 |
| Financial activities | 206.9 | -2.1% | -4.4 |
| Construction | 185.6 | +3.8% | +6.8 |
| Manufacturing | 148.1 | -0.1% | -0.1 |
| Other services | 79.3 | +3.3% | +2.5 |
| Information | 41.6 | +3.2% | +1.3 |
| Mining & logging | 4.6 | +9.5% | +0.4 |

*Source: BLS [1]. Not seasonally adjusted, preliminary. Net changes estimated by the Seidman Institute.*

## 2.3 Unemployment and labor force

The metro unemployment rate was 4.9 percent in August 2026, up from 4.8 percent in July and 4.3 percent in August 2025. The preliminary August estimate counted 129,958 unemployed residents in a labor force of 2,670,163 [1]. These figures are not seasonally adjusted. Arizona's seasonally adjusted unemployment rate remained at 4.9 percent, compared with 4.1 percent nationally. The state labor force was 3,701,822, down 105,768, or 2.8 percent, from a year earlier [10]. The state and metro measures use different seasonal treatments and should be compared separately.

## 2.4 Wages

QCEW data show average weekly wages of $1,570 in Maricopa County and $1,204 in Pinal County in the first quarter of 2026, up 3.8 and 3.2 percent from a year earlier. Both remain below the national average of $1,654. Statewide wage growth of 4.5 percent ranked Arizona tenth among states [2]. Phoenix-area inflation was 2.5 percent in August [21]; comparing that monthly reading with first-quarter wage growth does not provide a matched-period estimate of real wage growth. The persistent Maricopa–Pinal wage gap, roughly 23 percent, reflects Pinal's industrial mix and the fact that many higher-earning Pinal residents are counted at their

Maricopa workplaces. Pinal's employer base is nonetheless expanding: in the fourth quarter of 2025, its December-to-December covered employment growth of 3.0 percent ranked fourth among large U.S. counties, and its 6.4 percent wage gain was the fastest of Arizona's large counties [3].

## 3. Population and Migration

The latest annual Arizona Office of Economic Opportunity series available at the cutoff estimates the July 1, 2025, population at 4,787,790 for Maricopa County and 502,071 for Pinal County, for a metropolitan total of approximately 5.29 million. The City of Phoenix is estimated at 1,709,489, or about 32 percent of the metropolitan population and 36 percent of Maricopa County's [4]. Mesa (529,391), Gilbert (294,689), Chandler (288,299), Glendale (265,599) and Scottsdale (251,000) are the next-largest jurisdictions; in Pinal County, Casa Grande (69,405) and the City of Maricopa (78,194) are the largest incorporated places, though a large share of Pinal's population lives in the San Tan Valley area and unincorporated territory [4].

The Census Bureau's Vintage 2025 estimates, released March 26, 2026, put Maricopa County at 4,689,558 residents and Pinal County at 539,380 on July 1, 2025. Maricopa added 35,411 residents, or about 0.8 percent, while Pinal added 23,654, or 4.6 percent. Pinal ranked seventh for percentage growth among counties with at least 20,000 residents. The combined metro population was 5,228,938, up 59,065, or about 1.1 percent. These federal estimates differ from OEO's totals above and should be used as a separate series [5].

> **Analytical note: two estimates, one direction**
> OEO and Census publish separate population estimates with different methods and totals. This report retains OEO figures for state and local comparisons and presents Census Vintage 2025 growth separately. Pinal holds about 9.5 percent of the OEO metro population but about 3.4 percent of covered jobs. The Census series puts Pinal's population share at about 10.3 percent [4][5].

Several structural forces are slowing aggregate population growth. The second-quarter Blue Chip construction commentary identifies a sharp decline in net international migration to the United States, reduced housing turnover resulting from the mortgage-rate lock-in effect, delayed household formation among young adults, and slower interstate mobility [8]. Declining birth rates are also reducing natural increase. Even so, the September Greater Phoenix Blue Chip consensus holds metropolitan population growth at 1.5 percent in both 2026 and 2027 [6].

## 4. Housing and Construction

### 4.1 Residential permits

Residential permitting is the weakest major indicator in the region. According to Colliers' permit tracking, combined single- and multi-family permits totaled 35,224 units on a trailing twelve-month basis through July 2026, down 12.9 percent year over year and roughly equal to the long-term (2000–2026) average of about 35,600. That reading is the lowest of the 2020s and 34 percent below the March 2022 peak. Single-family permits stood at 22,672 (down 14.8 percent and about 14 percent below the long-run average), and multifamily at 12,552, 45 percent below its late-2023 peak [11].

Elliott D. Pollack & Company's third-quarter commentary stresses persistent affordability pressures and uncertain interest-rate relief [20]. The multifamily decline also reflects absorption of the earlier delivery wave; market observers expect concessions to persist while excess supply is absorbed [19].

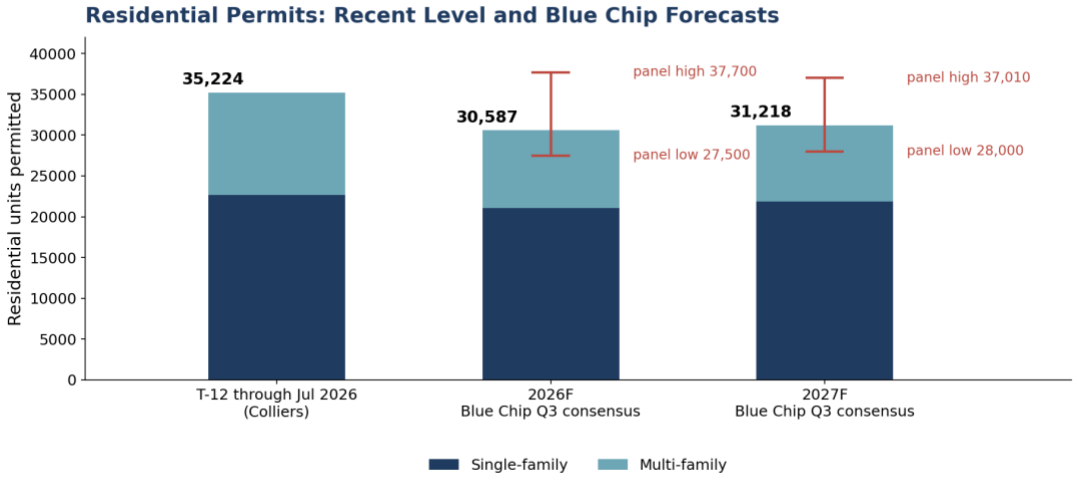



*Figure 3. Sources: Colliers [11] (trailing twelve months through July 2026); Greater Phoenix Blue Chip third-quarter 2026 residential panel [20]. Forecast totals and ranges are calculated from single- and multifamily permits. Periods differ.*

## 4.2 Resale market and affordability

The resale market has moved into balance rather than correction. The metropolitan median sale price was approximately $445,000 in August 2026, about 1 percent above a year earlier, with 23,406 active listings and 4.28 months of supply, a level conventionally regarded as balanced [12]. Earlier in the summer, Homes.com reported a June median sale price of $457,250, up 1.6 percent year over year, with single-family prices up 1.9 percent but condominium and townhome prices falling [13]. The 30-year fixed mortgage rate rose to about 6.76 percent in early September, its highest level in roughly thirteen months [12].

The affordability arithmetic explains why rising inventory has not revived demand. Elliott D. Pollack & Company's second-quarter commentary estimated that principal and interest on the median-priced single-family home absorbed about 42 percent of median household income, compared with a historical norm of about 28 percent [8]. The panel identifies lower rates, some decline in prices, and a shift by builders toward smaller, less expensive product as the conditions for recovery. In the Seidman Institute's assessment, in the near term builder incentives and rate buydowns are likely to remain the primary adjustment mechanism, which supports sales volumes at the expense of margins rather than producing a meaningful rebound in permits.

## 4.3 Nonresidential and industrial construction

Nonresidential construction is the region's principal source of construction momentum. TSMC's Arizona campus in north Phoenix is the anchor: the company describes plans for a multi-fab cluster, reports that construction of its fourth fab and first advanced packaging facility began in early 2026 and announced in July 2026 its intent to build additional 2-nanometer-and-below fabs and advanced packaging capacity [14]. The Greater Phoenix Economic Council estimates more than 140,000 jobs in semiconductor-relevant occupations in the metropolitan area [14]. Combined with continued data-center development and public infrastructure spending, this pipeline explains the divergence between construction employment and residential permits, and

it is a principal reason regional forecasters do not anticipate a construction-led downturn despite weak housing.

## 5. Income, Consumer Spending, and Prices

Personal income in the region is concentrated in Maricopa County. BEA data compiled by FRED show 2024 per-capita personal income of $72,176 in Maricopa County and $50,771 in Pinal County, with total personal income of approximately $337.3 billion and $26.1 billion respectively, or about $363.4 billion for the metropolitan area [15][16][17]. Pinal accounts for about 9.5 percent of metro population but only about 7 percent of personal income. The latest county income release at the cutoff was February 5, 2026; the next was scheduled for December 2, 2026 [17].

The September Greater Phoenix Blue Chip consensus calls for personal income growth of 5.1 percent in 2026 and 5.7 percent in 2027, up from 4.9 and 5.3 percent in the May survey [6][7]. Individual 2026 forecasts range from 4.0 percent (ASU Economic Outlook Center) to 5.7 percent (University of Arizona Eller College), with Elliott D. Pollack & Co., Rounds Consulting, and EconLit LLC clustered between 5.3 and 5.5 percent. For 2027 the range narrows toward the upper end, from 4.8 percent (The Maguire Company) to 6.3 percent (University of Arizona Eller College).

Consumer spending is expected to grow more slowly than income. The consensus calls for retail sales growth of 3.7 percent in both 2026 and 2027, up slightly from the 3.6 and 3.4 percent expected in May, with individual 2026 forecasts ranging from 3.2 percent (EconLit LLC) to 4.5 percent (University of Arizona Eller College) [6][7]. The gap between income and spending growth is consistent with households allocating a larger share of income to housing costs, and with the job losses in leisure and hospitality noted above. Phoenix-area CPI-U rose 2.5 percent over the year to August 2026, down from 3.0 percent in April, indicating a slower increase in living costs [21].

## 6. Geographic Roles: City, Core County, and Growth Frontier

The three jurisdictions covered in this report are best understood as a single labor and housing market in which each plays a distinct economic role. Table 3 summarizes the structural comparison.

**Table 3. Structural Comparison of the Region's Components**

| Dimension | City of Phoenix | Maricopa County | Pinal County |
|---|---|---|---|
| Population (Jul 2025, OEO) | 1,709,489 | 4,787,790 | 502,071 |
| Share of metro population | 32% | 90.5% | 9.5% |
| Recent population momentum | Moderate; infill and north Phoenix | +0.8% (Census, 2025) | +4.6% (Census, 2025) |
| Covered jobs (Mar 2026) | Not published at city level | 2,297,478 (-0.5% y/y) | 81,073 (+0.7% y/y) |
| Avg. weekly wage (Q1 2026) | — | $1,570 | $1,204 |
| Per-capita income (2024) | — | $72,176 | $50,771 |
| Primary economic role | Institutional, governmental, and advanced-manufacturing core | Employment, income, and retail center | Housing supply, land, and future labor force |

*Sources: Arizona OEO [4]; U.S. Census Bureau [5]; BLS QCEW [2]; FRED/BEA [15]. Shares computed by the Seidman Institute.*

For the City of Phoenix specifically, three features stand out. The city hosts the region's most consequential industrial investment, TSMC's north Phoenix campus, which will influence land use, infrastructure demand, and supplier location decisions along the I-17 and Loop 303 corridors for the balance of the decade. The city is also exposed to the multifamily supply overhang, with Downtown Phoenix among the submarkets expected to recover more slowly [19]. Finally, RealPage's July 2026 metro permit tracking shows the City of Phoenix permitting about 5,700 multifamily units on an annual basis, still among the top ten U.S. cities though declining [18].

For Pinal County, the policy agenda is dominated by the need to convert population growth into a local employment base. Pinal's share of metropolitan population is nearly three times its share of covered jobs, which implies heavy out-commuting to Maricopa. Pinal’s industrial land supply positions it to capture a share of manufacturing and logistics investment. The durability of Pinal's growth will depend on water availability for new subdivisions, transportation capacity, and the pace at which employers follow residents.

# 7. Outlook for Late 2026 and 2027

## 7.1 The Greater Phoenix Blue Chip consensus

The outlook presented here is anchored in the Greater Phoenix Blue Chip Economic Forecast, the quarterly consensus of regional forecasters convened by the Seidman Research Institute, most recently updated in September 2026 [6]. The economic panel includes the ASU Economic Outlook Center, EconLit LLC, Elliott D. Pollack & Co., Rounds Consulting, The Maguire Company, and the University of Arizona Eller College, with the Joint Legislative Budget Committee and Southwest Growth Partners also participating as panel members (neither submitted a September forecast). The third-quarter residential construction table includes forecasts from Elliott D. Pollack & Co., Griffin Consulting, Land Advisors, Nathan & Associates, Southwest Growth Partners, and the University of Arizona Eller College [20]. All forecasts refer to Greater Phoenix, defined as the Phoenix MSA (Maricopa and Pinal counties). Where the consensus does not cover an indicator, or where translating growth rates into levels is useful, the report provides Seidman Institute estimates and labels them as such.

**Table 4. Greater Phoenix Outlook Summary, 2026–2027**

| Indicator | Latest | 2026 forecast | 2027 forecast | Basis |
|---|---|---|---|---|
| Wage & salary employment growth | +0.9% y/y (Aug 2026) | +1.0% | +1.4% | Blue Chip consensus [6] |
| Implied net job additions | 22,300 y/y (Aug 2026) | ~24,000–25,000 | ~34,000–35,000 | Seidman Institute calculation |
| Construction employment growth | +3.8% y/y (Aug 2026) | +0.5% | +1.0% | Blue Chip consensus [6] |
| Manufacturing employment growth | -0.1% y/y (Aug 2026) | +0.3% | +1.4% | Blue Chip consensus [6] |
| Unemployment rate (MSA) | 4.9% (Aug 2026, NSA) | 4.6%–5.0% | 4.5%–5.0% | Seidman Institute estimate |
| Population growth | 5,289,861 (Jul 2025) | +1.5% (≈5.37M) | +1.5% (≈5.45M) | Blue Chip consensus [6] |
| Residential permits, total units | 35,224 T-12 (Jul 2026) | 30,587 (panel range 27,500–37,700) | 31,218 (panel range 28,000–37,010) | Blue Chip residential panel [20] |
| Single-family permits | 22,672 T-12 (Jul 2026) | 21,065 | 21,862 | Blue Chip residential panel [20] |
| Multi-family permits | 12,552 T-12 (Jul 2026) | 9,522 | 9,356 | Blue Chip residential panel [20] |
| Apartment vacancy (Q4) | — | 8.6% | 8.0% | Blue Chip residential panel [20] |
| Personal income growth | $363.4B (2024 level) | +5.1% | +5.7% | Blue Chip consensus [6] |
| Retail sales growth | — | +3.7% | +3.7% | Blue Chip consensus [6] |

*Notes: Implied levels apply consensus growth rates to the most recent published base and are illustrative. Residential forecasts use the third-quarter 2026 construction table [20]; economic forecasts use the September 2026 update [6]. Permit ranges sum single- and multifamily forecasts for each reporting panelist.*

**Table 5. Greater Phoenix Blue Chip Consensus: Revisions and Range of Panel Forecasts (% change)**

| Indicator | 2026 May | 2026 Sept | 2026 range (Sept) | 2027 May | 2027 Sept | 2027 range (Sept) |
|---|---|---|---|---|---|---|
| Population | 1.5 | 1.5 | 1.4 – 1.6 | 1.5 | 1.5 | 1.3 – 1.7 |
| Personal income | 4.9 | 5.1 | 4.0 – 5.7 | 5.3 | 5.7 | 4.8 – 6.3 |
| Retail sales | 3.6 | 3.7 | 3.2 – 4.5 | 3.4 | 3.7 | 3.0 – 4.6 |
| Wage & salary employment | 1.1 | 1.0 | 0.5 – 1.9 | 1.3 | 1.4 | 1.1 – 1.7 |
| Manufacturing employment | 0.2 | 0.3 | -0.5 – 1.6 | 1.2 | 1.4 | 0.5 – 2.3 |
| Construction employment | 0.4 | 0.5 | -0.5 – 1.9 | 0.4 | 1.0 | -0.3 – 2.0 |

*Sources: Greater Phoenix Blue Chip Economic Forecast, May 2026 [7] and September 2026 [6]. Ranges reflect the six panelists reporting in September.*

## 7.2 Employment

The consensus expects employment growth of 1.0 percent in 2026, trimmed slightly from 1.1 percent in May, and 1.4 percent in 2027, raised from 1.3 percent [6][7]. The panel is divided on 2026: the ASU Economic Outlook

Center and Rounds Consulting forecast only 0.5 percent, while EconLit LLC expects 1.9 percent; Elliott D. Pollack & Co., The Maguire Company, and the University of Arizona Eller College are at 1.0 percent. Views converge for 2027, between 1.1 and 1.7 percent, reflecting expected gains in manufacturing (consensus 1.4 percent) and construction (1.0 percent) as semiconductor projects move from construction toward operation. In the Seidman Institute's assessment, the risks to 2026 are tilted modestly to the downside because of the CES–QCEW gap described in Section 1: if the annual benchmark revision published in early 2027 aligns the monthly survey more closely with QCEW, reported 2026 growth could be revised toward the low end of the panel range. This is a measurement risk more than an economic one, but it will shape how the year is remembered.

### 7.3 Population

Forecasters are unusually closely aligned on population, with the September consensus at 1.5 percent for both 2026 and 2027 and individual forecasts ranging from 1.3 to 1.7 percent [6]. The Seidman Institute sees the risks as balanced to slightly downside, given continued weakness in international in-migration and the drag on household mobility from high mortgage rates. Within the metropolitan total, the county composition matters: if recent patterns persist, Pinal County will continue to grow at several times the metropolitan rate while Maricopa County grows more slowly in percentage terms. This is a geographic interpretation of recent population estimates, rather than a separate county forecast.

### 7.4 Housing permits

The updated residential table indicates a modest rise in total permits in 2027. The panel ranges are 27,500–37,700 in 2026 and 28,000–37,010 in 2027. Apartment vacancy is forecast at 8.6 percent and 8.0 percent, respectively. The published commentary describes opposite permit directions for 2027 from those implied by the table; this report follows the numerical table [20].

### 7.5 Personal income and spending

Personal income growth of roughly 5 to 6 percent annually is well supported by population growth, positive real wage gains, and transfer and investment income from the region's large retiree population. Retail sales growth near 3.7 percent implies that the share of income flowing to taxable goods spending will continue to decline, which has implications for municipal sales-tax revenue projections, particularly in jurisdictions reliant on retail and restaurant activity.

### 7.6 Upside and downside cases

The dispersion of panel forecasts provides a practical frame for alternative outcomes. A downside case, consistent with the lower end of the panel, would see employment growth near 0.5 percent in 2026 and personal income growth near 4 percent, driven by weaker consumer demand, elevated energy prices, and a further pullback in residential construction. An upside case, consistent with the upper end of the panel, would see employment growth approaching 2 percent and income growth near 6 percent, supported by stronger national demand and easier financial conditions. The Seidman Institute would add two region-specific upside factors: faster-than-planned staffing at semiconductor facilities, and a sharper-than-expected decline in mortgage rates that releases pent-up household formation.

## 8. Risks and Indicators to Monitor

- **Data revisions.** The March 2027 CES benchmark revision is the single most important scheduled event for the interpretation of 2026. The QCEW release for Q2 2026, scheduled for December 2, 2026, will provide an early read [2].
- **Mortgage rates and builder behavior.** Rates in the mid-6 percent range sustain the affordability gap; monthly single-family permit counts and builder incentive levels are the leading indicators of any turn.
- **Energy prices and geopolitics.** Elevated gasoline prices simultaneously inflate nominal retail sales and erode real discretionary spending, a particular risk for leisure and hospitality employment.
- **Semiconductor project timing.** Delays or accelerations at TSMC and its suppliers would shift both construction and manufacturing employment trajectories for 2027.
- **Water and infrastructure capacity at the edge.** Groundwater availability for new subdivisions, particularly in Pinal County and the far West Valley, is a structural constraint on where population growth can occur.
- **Migration flows.** Domestic and international migration affect population and labor supply. Census Vintage 2025 county and metro estimates, released in March 2026, remain the latest annual federal series at the cutoff; subsequent county components will be incorporated when released [5].

# Methodology and Data Notes

State and federal observations use releases available on or before September 30, 2026. August is the latest monthly employment and CPI period available at that cutoff; county wages refer to Q1 2026, annual population to July 2025, and county income to 2024. Later monthly revisions are excluded.

The separately updated construction forecast retains its stated vintage.

Current conditions are drawn from primary statistical sources (BLS CES, LAUS, QCEW, and CPI; Arizona Office of Economic Opportunity; BEA via FRED) wherever possible. Monthly metropolitan data are not seasonally adjusted, and year-over-year comparisons are used to control for seasonality.

Forecasts are taken from the Greater Phoenix Blue Chip consensus as published and are presented for Greater Phoenix (the Phoenix MSA); county-level discussion is analytical rather than forecast-based. Where the report presents implied levels, these are computed by applying consensus growth rates to the latest available base and are intended as order-of-magnitude guides.

Seidman Institute estimates for the unemployment rate are labeled explicitly and reflect professional judgment informed by the sources cited rather than a formal model.

Housing market statistics from private sources (Colliers, Homes.com, PhoenixHomes.com) are based on MLS and permit records and may differ from official series.

The 2024 per-capita and total personal income figures were checked against the February 5, 2026, BEA release and its FRED series. OEO and Census population estimates are identified separately; implied population levels in Table 4 use the OEO base.

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