

Clarkdale

FOCUS FUTURE Economic Overview



Summary of Economic Indicators



- The economic overview includes a variety of topic areas and benchmarks of economic performance over the past six years
- Data is indexed based on 2005 data relative to statewide trends in order to simplify comparisons
- Clarkdale experienced moderate growth in population, labor force, construction and other economic measures through 2007 but has suffered declines as a result of the recession since then. However, 2011 has brought slight increases in a number of measures potentially indicating the beginning of recovery.
- Strong basic economy that has weathered recession despite declines in construction activity and retail.

Index	2005	2006	2007	2008	2009	2010	2011
Population	100.0	98.0	102.6	102.5	102.1	101.9	100.9
Labor Force	100.0	100.8	100.0	97.3	95.4	94.4	92.5
Income	100.0	100.7	106.1	105.1	105.4	105.8	109.8
Economy	100.0	108.8	141.1	117.1	112.0	103.2	109.2
Construction	100.0	132.0	8.5	37.1	0.0	0.0	4.3
Assessed Value	100.0	109.8	107.5	129.1	89.6	100.2	116.3
Municipal Revenues	100.0	122.7	160.9	120.3	106.2	105.4	110.5
Quality of Life	100.0	105.4	112.8	115.1	91.4	121.1	na
Overall Index	100.0	109.8	104.9	102.9	87.8	91.5	91.9

Population

Population Trends

	2005	2006	2007	2008	2009	2010	2011
Town of Clarkdale	3,726	3,769	4,051	4,104	4,102	4,103	4,084
State of Arizona	5,924,476	6,116,409	6,274,981	6,368,649	6,389,081	6,401,569	6,438,178
Clarkdale Index *	100.0	98.0	102.6	102.5	102.1	101.9	100.9

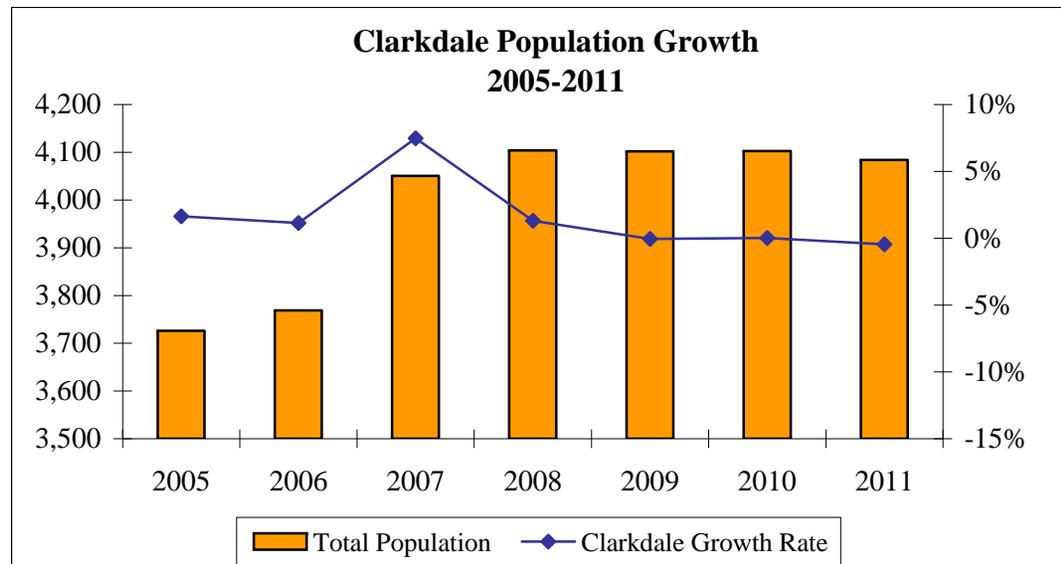
Annual Growth Rate

Town of Clarkdale	1.6%	1.2%	7.5%	1.3%	0.0%	0.0%	-0.5%
State of Arizona	3.5%	3.2%	2.6%	1.5%	0.3%	0.2%	0.6%

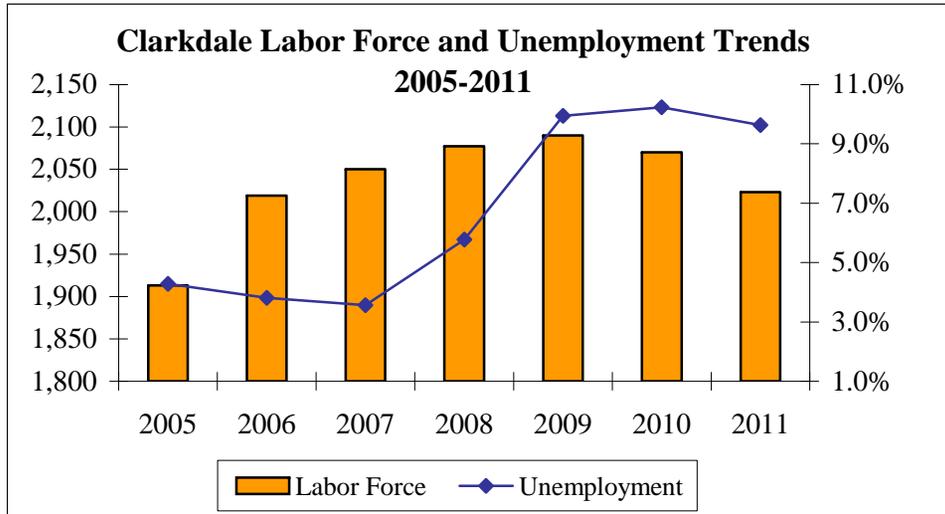
Source: Arizona Department of Administration.

*Clarkdale compared to Arizona in 2005 = 100

Clarkdale's population grew by about 10 between 2005 and 2010, with a large portion of that growth occurring in 2007. However, in the past year, there was a small decline of about 0.5 percent. This is in comparison to 8.7 percent growth statewide from 2005 to 2011, most of which occurred between 2005 and 2008 before the current recession. In terms of demographics, the town's share of population under 18 significantly lower than the state at 20 percent versus 26 percent. In contrast, the share of population over 64 is nearly twice the state average at 26 percent versus 14 percent. Given the aging of the overall population, it is not surprising that elementary school enrollment decreased about 5 percent between 2005 and 2010, although it has rebounded with an increase of 9 percent in this past year. High school enrollment increased through 2007 but is now back to about 2005 levels. School enrollment by level is often reflective of the type and price level of housing in the area.



Labor Force and Unemployment



The labor force in Clarkdale has grown moderately through 2009, increasing by 177 people or 9 percent. This is very consistent with population growth. Since that time, the labor force has declined by about 3 percent. Declines occurred at the state level as well, but the timing in Clarkdale was delayed. Employment peaked in 2007 in Clarkdale and has declined steadily since then back down to 2005 levels. Labor force participation in the town has remained steady at about 50 percent, which is almost identical to the state average despite the larger “over 65” population in Clarkdale.

Similar to the state, Clarkdale’s unemployment rate has increased significantly since 2007, peaking in 2010. The state went from a low of 3.6 percent unemployment in 2007 to a high of 10.2 percent in 2010, while Clarkdale went from 3.6 to 10.2 percent during that time period. This past year has shown modest improvement with about a 0.6 percent decline in unemployment locally, compared to 0.8 percent statewide. This next year is expected to show gradual decreases in unemployment statewide.

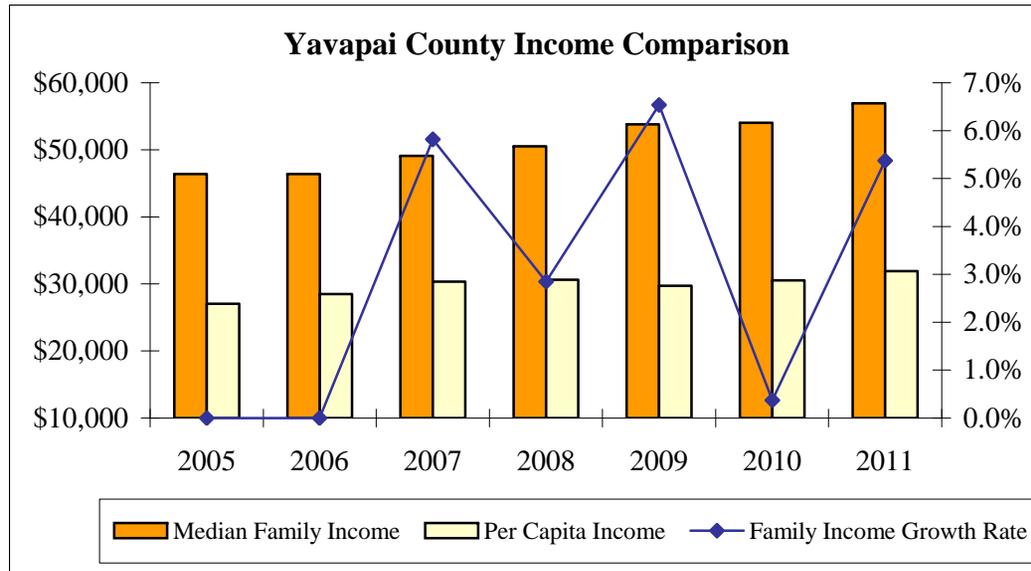
Labor Force and Unemployment

	2005	2006	2007	2008	2009	2010	2011
<i>Labor Force</i>							
Town of Clarkdale	1,913	2,019	2,050	2,077	2,090	2,070	2,023
State of Arizona (000)	2,859	2,958	3,018	3,117	3,157	3,176	3,168
Clarkdale Index *	100.0	102.0	101.5	99.6	98.9	97.4	95.4
<i>Annual Growth Rate</i>							
Town of Clarkdale	3.5%	5.5%	1.5%	1.3%	0.6%	-1.0%	-2.3%
State of Arizona	2.5%	3.5%	2.0%	3.3%	1.3%	0.6%	-0.3%
Clarkdale Index *	100.0	116.0	54.8	29.1	36.1	-112.0	-164.9
<i>Unemployment Rate</i>							
Town of Clarkdale	4.3%	3.8%	3.6%	5.8%	10.0%	10.2%	9.6%
State of Arizona	4.7%	4.1%	3.8%	5.9%	9.7%	10.0%	9.2%
Clarkdale Index *	100.0	98.4	97.2	93.1	89.1	89.0	87.4

Source: Arizona Department of Administration.

*Clarkdale compared to Arizona in 2005 = 100

Median Income



The most valid available measure of income at the local level is per capita income. Per capita income levels in the county increased 18 percent from 2005 to 2011, which is considerably more than the 13 percent increase experienced statewide. However, per capita income in Yavapai County is still only 88 percent of the state average. Some of this can be explained by the fact that the county has a larger than average retiree population whose is not living off current income and is not reflected the same way in the per capita income figures.

Median family income in Yavapai County increased by 23 percent during the 2005 to 2011 period, compared to 14 percent statewide. Median family income in La Paz County is was about 94 percent of the state average in 2011. Income data is not available at the city level for cities in Yavapai County.

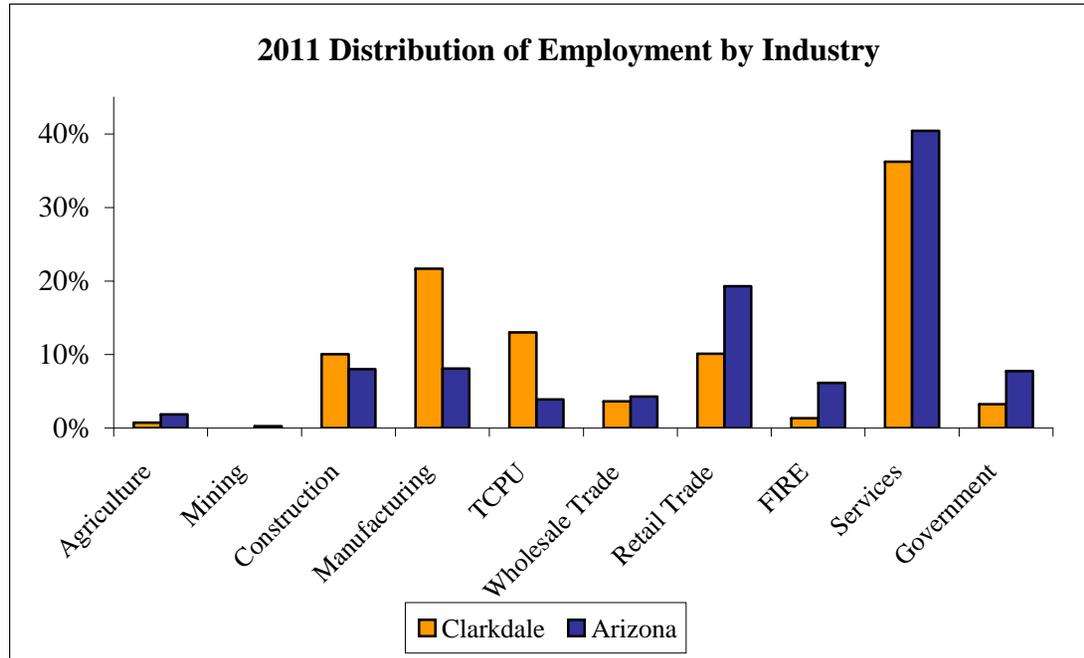
Income Growth

	2005	2006	2007	2008	2009	2010	2011
<i>Per Capita Income</i>							
Yavapai County	\$27,013	\$28,502	\$30,333	\$30,624	\$29,757	\$30,560	\$31,912
State of Arizona	\$32,223	\$34,326	\$35,441	\$35,661	\$34,530	\$35,132	\$36,427
Clarkdale Index *	100.0	99.0	102.1	102.4	102.8	103.8	104.5
<i>Annual Growth Rate</i>							
Yavapai County	8.4%	5.5%	6.4%	1.0%	-2.8%	2.7%	4.4%
State of Arizona	7.1%	6.5%	3.2%	0.6%	-3.2%	1.7%	3.7%
Growth Index **	100.0	71.8	168.0	131.3	75.8	131.5	102.0
<i>Mean Household Income</i>							
Yavapai County	\$62,095	\$65,736	\$69,797	\$70,671	\$68,957	\$69,992	\$72,834
Annual Growth Rate	8.5%	5.9%	6.2%	1.3%	-2.4%	1.5%	4.1%
Clarkdale Index *	100.0	105.9	112.4	113.8	111.1	112.7	117.3

Source: Woods & Poole, 2012.

* County compared to AZ in 2005 = 100. ** County growth rate compared to AZ.

Economy



During the last 7 years, Clarkdale has seen a moderate increase in the number of establishments with about 26 new establishments, although employment declined slightly over the same time period. Clarkdale has a significantly higher share of employment in manufacturing and transportation, and a much lower share of employment in retail. Services make up the largest share of total employment locally at 36%, followed by manufacturing at 22%. Typically, retail is the second largest sector. The share of people employed in basic industries, those that bring in wealth from outside the area, is about 22 percent, excluding retail and services, compared to roughly 10% for the state. The manufacturing sector has also remained fairly steady despite the recession.

Industry Employment

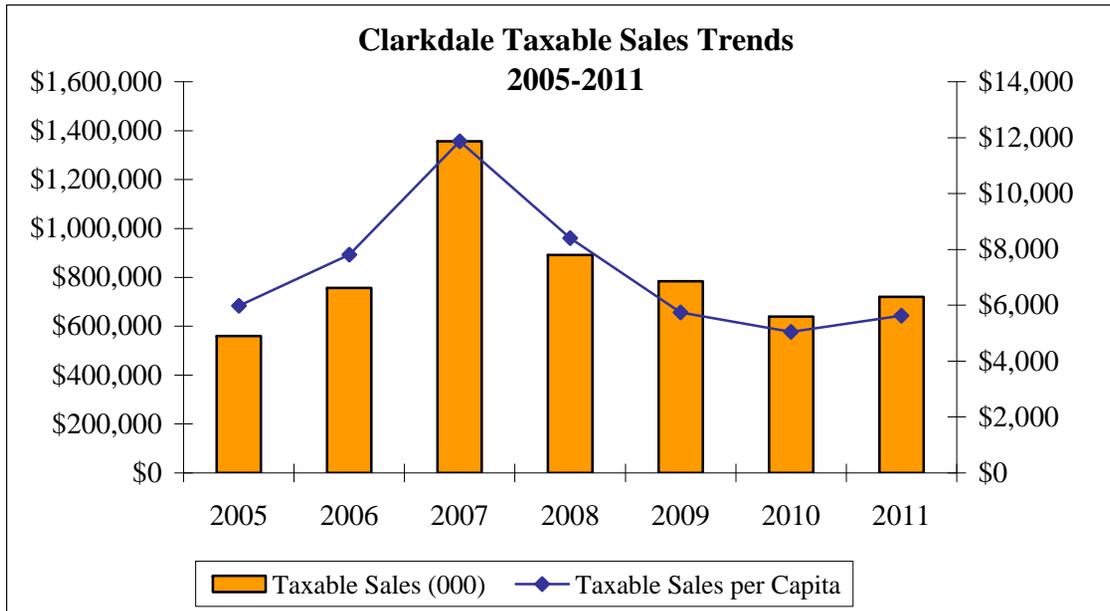
	2005	2006	2007	2008	2009	2010	2011
<i>Total Industry Employment</i>							
Town of Clarkdale	1,125	1,059	1,125	1,179	1,128	1,115	1,107
<i>Total Establishments</i>							
Town of Clarkdale	137	130	135	155	154	147	163
<i>Basic Industry Employment</i>							
Town of Clarkdale	228	227	238	246	251	240	248
Basic Industry Share**	20%	21%	21%	21%	22%	22%	22%
Clarkdale Index *	100.0	100.6	108.6	104.5	108.1	102.1	105.0

Source: Dun & Bradstreet, 2005-2011.

*Clarkdale compared to Arizona in 2005 = 100

**Basic sectors include agriculture, mining and manufacturing.

Retail Sales



After rising at a healthy pace in 2005 through 2007, sales tax collections declined 53 percent from 2007 to 2010. Statewide sales have dropped 23 percent since 2007. A large portion of that decline locally came from construction sales tax as construction activity ground to a halt. Previously construction had been the largest sector in terms of taxable sales. That said, retail also declined by 34 percent from 2007 through 2010 and has continued to fall in 2011, despite an increase in overall taxable sales. Unlike consumer industries, taxable sales in manufacturing, wholesale and communications actually increased during the recent recession. Taxable sales, excluding retail and construction, now make up 77 percent of the base in Clarkdale which is very unusual.

The level of taxable sales per capita in 2011 is about 41 percent of the statewide figure, down from 65 percent in 2007. The drop in per capita sales since the peak in 2007 has been about twice as much as the state, despite limited population growth, driven by a combination of construction and retail declines.

Economic Indicators

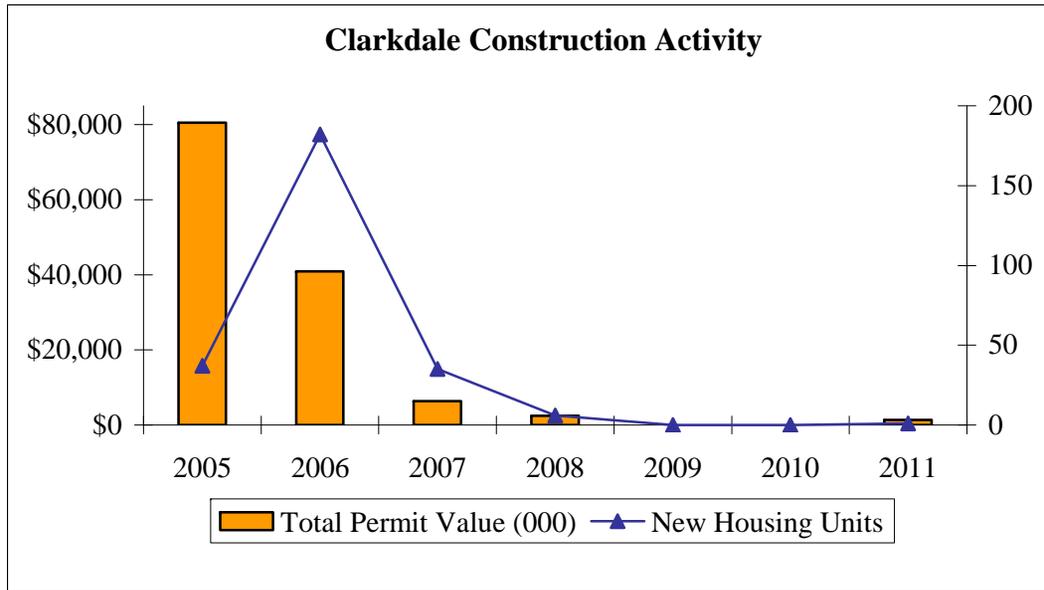
	2005	2006	2007	2008	2009	2010	2011
<i>Total Sales Tax Collections (000)</i>							
Town of Clarkdale	\$560	\$757	\$1,357	\$892	\$783	\$639	\$721
Non-Retail Share	55.2%	49.8%	29.1%	51.3%	54.2%	81.7%	76.9%
Growth Index **	100.0	135.2	242.4	159.2	139.9	114.1	128.7
<i>Taxable Sales per Capita</i>							
Town of Clarkdale	\$5,985	\$7,811	\$11,869	\$8,409	\$5,740	\$5,043	\$5,623
State of Arizona	\$15,710	\$17,774	\$18,372	\$17,633	\$15,076	\$13,657	\$13,865
Clarkdale Index *	100.0	115.4	169.6	125.2	99.9	96.9	106.5

Source: Arizona Dept of Revenue.

*Clarkdale compared to Arizona in 2005 = 100

** Clarkdale growth rate compared to AZ.

Construction



Construction activity in Clarkdale declined precipitously from 2005 to 2008, and halted completely in 2009 and 2010 which had no activity at all. The total value of permits issued fell from a high of \$80.5 million in 2005 to \$0 in 2009. This compares to a 68 percent drop in total permit valuation for the state during the same period. The vast majority of new activity in 2005 to 2008 was residential with only a few commercial projects in that period. The number of new housing units in the town peaked in 2006 at 182, which corresponds with the jump in population in 2007, and then declined sharply to 6 new units in 2008 and only one unit build since then in 2011. At the state level, construction activity showed a modest increase in the 4th quarter of 2011, following several years of minimal activity.

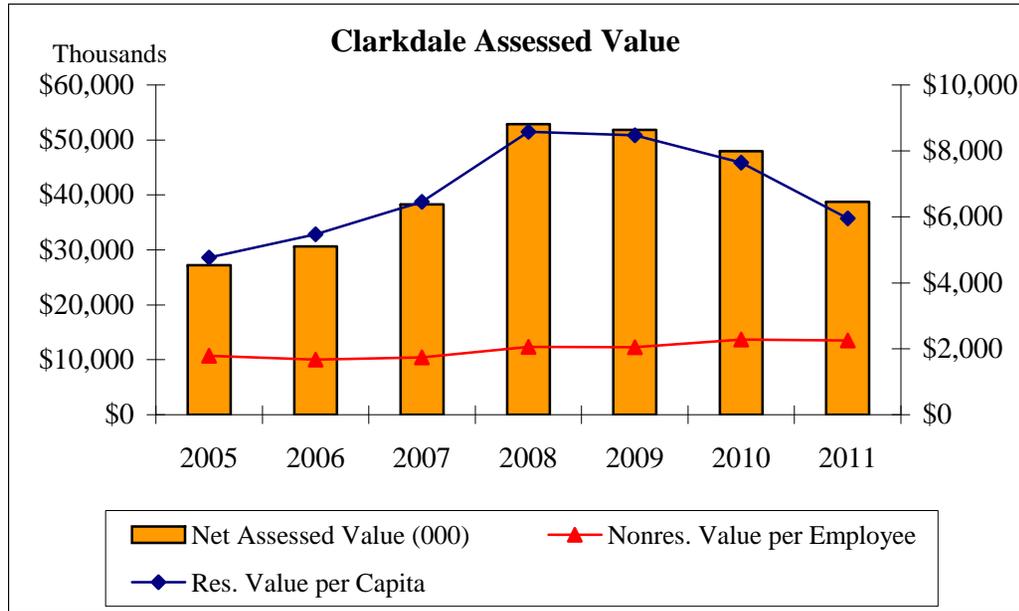
Construction Activity

	2005	2006	2007	2008	2009	2010	2011
Total Permit Value (000)	\$80,537	\$40,957	\$6,331	\$2,476	\$0	\$0	\$1,390
Residential	\$80,121	\$39,681	\$6,331	\$1,962	\$0	\$0	\$90
Commercial	\$416	\$1,276	\$0	\$514	\$0	\$0	\$1,300
Clarkdale Index *	100.0	60.2	10.3	5.3	0.0	0.0	7.6
New Housing Units	37	182	35	6	0	0	1

Source: Arizona State University, College of Business, Construction Activity Reports; Town of Clarkdale.

*Clarkdale compared to Arizona in 2005 = 100

Assessed Value



Total assessed value in Clarkdale rose steadily through 2009 and then dropped 25 percent over the past 2 years during to the housing market correction. Nonetheless, current value is still up 43 percent over 2005 levels. Statewide assessed value increased 26% during the same period. Residential values dropped most dramatically in 2011, although they are still up 37 percent over 2005 due to new construction in the earlier part of the period. This compares to an increase of 29 percent for the state during the same period. Commercial and industrial assessed values also grew during this period but at a slower rate, increasing about 26 percent in the town and 19 percent statewide. There was limited new nonresidential construction activity in Clarkdale even prior to the recession.

Assessed Value

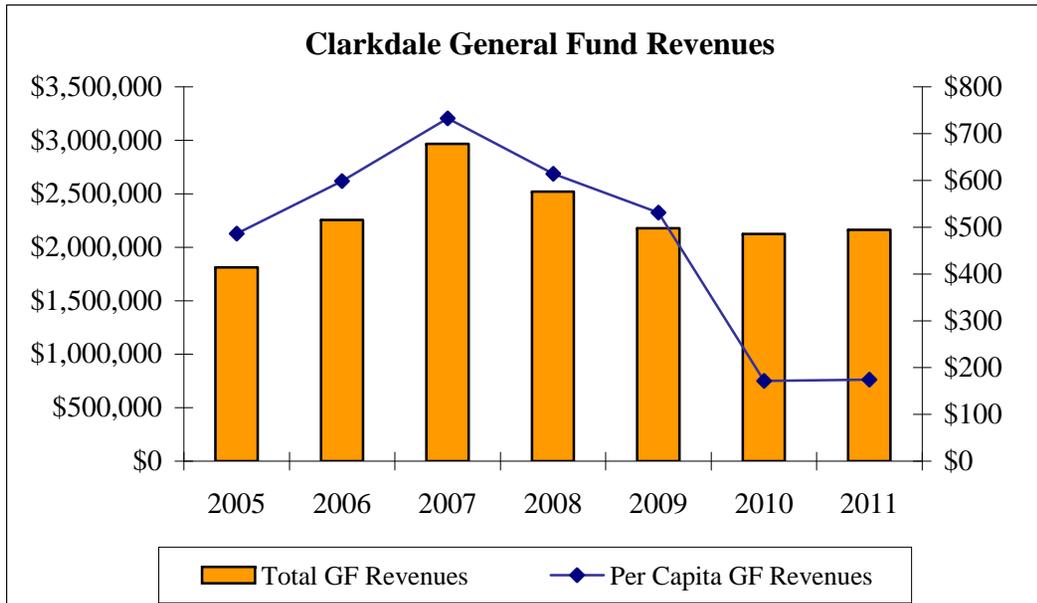
	2005	2006	2007	2008	2009	2010	2011
Total Net Value (000)	\$27,192	\$30,611	\$38,309	\$52,873	\$51,832	\$47,954	\$38,757
Growth Rate	6.6%	12.6%	25.1%	38.0%	-2.0%	-7.5%	-19.2%
Clarkdale Index *	100.0	101.2	96.0	110.4	107.8	114.1	112.9
Residential Net Value (000)	\$17,768	\$20,628	\$26,160	\$35,218	\$34,758	\$31,377	\$24,422
Per Capita Value	\$4,769	\$5,473	\$6,458	\$8,581	\$8,473	\$7,649	\$5,952
Clarkdale Index *	100.0	108.1	114.2	100.6	104.6	112.1	104.4
Comm/Ind Net Value (000)	\$3,275	\$3,246	\$3,431	\$4,026	\$3,850	\$4,232	\$4,113
Per Employee Value	\$1,789	\$1,671	\$1,735	\$2,057	\$2,046	\$2,278	\$2,250
Clarkdale Index *	100.0	86.6	98.9	86.7	75.0	86.9	111.2

Source: Arizona Department of Revenue, Abstract of the Assessment Role, 2005-2011.

*Clarkdale compared to Arizona in 2005 = 100

Residential values in the town currently represent about 63 percent of the total assessed value, a ratio that has held fairly steady over the past few years. Per capita residential valuation peaked in 2008, but is still up 25 percent since 2005 compared to 20 percent statewide. Commercial/industrial assessed value per employee has also risen since 2005 and is up 26% for both the state and the town.

Municipal Revenues



Total town general fund revenues increased 64 percent from 2005 to 2007, dropping significantly through 2010 but increasing slightly in 2011. Overall, general fund revenues are 19 percent higher in 2011 than they were in 2005.

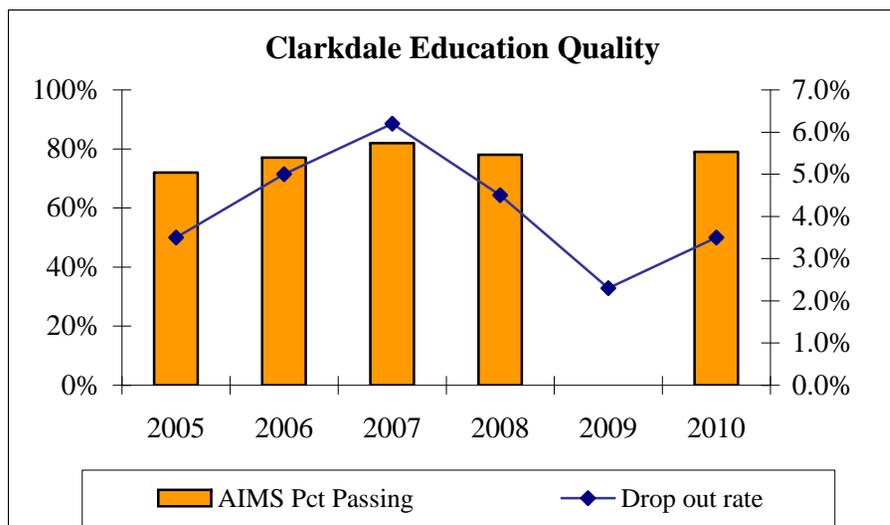
In terms of local tax collections in the general fund, sales taxes make up about 60 percent (down from 83 percent at the peak) and property taxes make up most of the remainder. Tax collections increased rapidly in 2005 through 2007 as construction sales tax grew, but declined thereafter due to the significant decline in construction coupled with overall poor economic conditions. Growth in revenues exceeded population growth during the boom period with per capita general fund revenues increasing significantly. However, since 2009 both population growth and revenue growth have slowed considerably and thus per capita revenues have leveled off. Despite the recession, per capita revenues are still 9 percent higher than they were in 2005. This is primarily due to continued growth in property tax revenues throughout the period despite declining sales tax.

Municipal Revenues

	2005	2006	2007	2008	2009	2010	2011
Local Tax Collections (000)	\$1,228	\$1,479	\$2,066	\$1,170	\$1,093	\$1,132	\$1,267
Annual Change	na	20.4%	39.7%	-43.4%	-6.5%	3.5%	11.9%
Growth Index	100.0	120.4	168.2	95.3	89.0	92.2	103.2
General Fund Revenues (000)	\$1,811	\$2,256	\$2,968	\$2,522	\$2,179	\$2,126	\$2,163
Annual Change	na	24.6%	31.5%	-15.0%	-13.6%	-2.4%	1.8%
Growth Index	100.0	124.6	163.9	139.2	120.3	117.4	119.4
Per Capita GF Revenues	\$486	\$599	\$733	\$614	\$531	\$518	\$530
Annual Change	na	23.1%	22.4%	-16.1%	-13.6%	-2.5%	2.2%
Growth Index	100.0	123.1	150.7	126.4	109.3	106.6	109.0

Source: Town of Clarkdale Annual Financial Statements & Independent Auditor's Report, 2005-2011.

Quality of Life



Quality of Life

	2005	2006	2007	2008	2009	2010
8th Grade AIMS Pct Passing	72%	77%	82%	78%	na	79%
Clarkdale Index *	100.0	109.6	114.7	105.0	na	110.6
Dropout Rate	3.5%	5.0%	6.2%	4.5%	2.3%	3.5%
Clarkdale Index *	100.0	148.9	206.7	175.0	111.0	181.5
Property Crime Rate	1,986.0	1,412.0	1,665.0	2,218.0	1,235.0	1,990.0
Clarkdale Index *	100.0	73.5	90.9	130.5	82.9	130.8
Violent Crime Rate	366.0	334.0	154.0	208.0	206.0	267.0
Clarkdale Index *	100.0	90.8	44.9	63.8	70.1	95.4

Source: Arizona Department of Education; Clarkdale-Jerome Elementary School District; FBI Uniform Crime Reports, 2005-2010; Arizona Department of Public Safety, Crime in Arizona Reports 2005-2010.

*Clarkdale compared to Arizona in 2005 = 100

Quality of life is also an important measure of the overall health of the community. In this section, we look at education and crime as well as cost of living.

In terms of education, drop out rates in Clarkdale are relatively low at 3.5 percent but still slightly above the state average of 2.7 percent. This represents a one year drop out rate for all high school grades. Graduation rates in the Mingus Union District are also slightly lower than the state average.

AIMS scores for 8th grade students are consistently above state averages in both reading and math. Last year, 74 percent of students met or exceeded standards in math compared to 54 percent statewide. In reading 84 percent met or exceeded compared to 71 percent statewide.

In terms of crime, Clarkdale is substantially safer than many of the urban areas in the state. The rate of violent crime per 100,000 population is about 58 percent of the state average while the rate of property crime is about 44 percent of the state average.

Other measures of quality of life include cost of living. As of 2010, the median value of existing homes in Clarkdale was just slightly above the state average. Clarkdale has an above average share of owner occupied housing which tends to make the community more stable.