

ARIZONA'S ECONOMY

FEBRUARY 1997

WINTER ISSUE

ARIZONA'S 1997/98 ECONOMIC OUTLOOK

Marshall J. Vest
Forecasting Project Director
January 3, 1997

This is a talk reprinted from the Economic Outlook 1997-98 luncheon, presented to Tucson community leaders on January 21, 1997, at the Westin La Paloma.

As 1997 begins, the expansion is nearing the end of its sixth year, making this the third-longest uninterrupted growth period in post-war history. The economy is at full employment and growing moderately. Several "late-cycle" phenomena are evident, but this does not mean that recession lies ahead. Although rising bankruptcies are a concern, a collapse in consumer spending is not in the cards. Consumers are still confident and as long as employment is growing and wages are increasing, they will continue spending.

Rising levels of debt and the satisfaction of pent-up demand, however, will produce only modest increases in consumer spending. Wages and prices are increasing at a rapid rate in Arizona, but remain tame in other parts of the nation. The outlook calls for continued expansion for the national and local economies. Moderate growth coupled with low inflation and low interest rates is expected. Job growth will slow and the tide of newcomers to Arizona should recede to more normal levels.

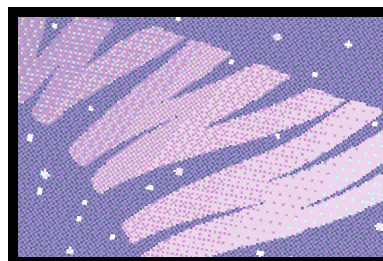


The year just past brought a number of revelations and paradigm shifts in the world of business. Restructuring, which has been the holy grail of management gurus of the 1990's, is *out* and strategic planning is *in*. A recent study of companies that restructured during the past several years found that downsizing and job slashing did *not* improve profitability in the long run. It simply produced a smaller company. Focus now has

shifted to questions of how to grow a company and how to retain valued employees.

A second major sea-change relates to the question of "what happened to economic anxiety?" This was a popular story that appeared in the business press a few months prior to the elections. With jobs plentiful and wages rising faster than inflation – coupled with continuing large gains in financial markets for the second year in a row and

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Business College: <http://www.bpa.arizona.edu>
EBER: <http://www.bpa.arizona.edu/ebr.html>

EXHIBIT 1
Total Bankruptcies – Arizona



EXHIBIT 2
Wage and Salary Employment Growth
Phoenix-Mesa & Tucson MAs

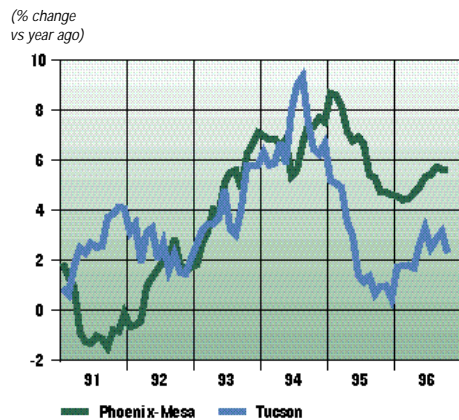
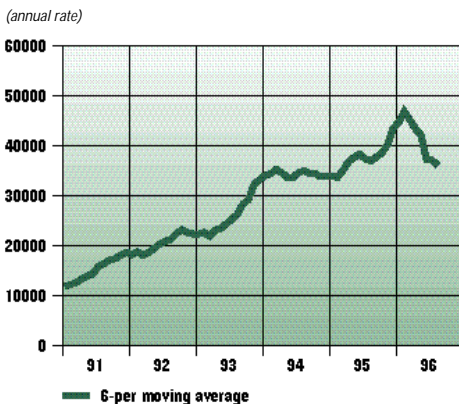


EXHIBIT 4
Building Permits – Total Units
Phoenix-Mesa MSA



faded memories of the last recession that ended almost six years ago – Americans became much more upbeat about their economic situation. According to the story, economic anxiety virtually disappeared.

A recent survey finds that Americans have reordered their list of major concerns. Now topping the list are crime and education, which have replaced the federal budget deficit and trade as the most important issues. Since President Clinton follows these polls closely, one might expect the administration's priorities during this second term to reflect these changes.

In Arizona, a milestone was reached for The University of Arizona during 1996 as it joined the top 10 public universities for research spending. A recent study found that when indirect and induced effects are included, the UA accounts for nearly 11% of local employment and spending.

One revelation with potentially significant consequences: We don't measure inflation very well. That's the finding of a Senate advisory panel headed by top economists, which concluded that the current measure of consumer prices overstates inflation by 1.1% per year. The panel estimated that substitution by consumers as relative prices change accounts for 0.4% of the difference. Consumers' increasing use of discount stores, which are not measured well in current sample methods, subtracts another 0.1%. The remaining over-statement, 0.6%, is due to quality improvements. For example, today's new car with air bags, anti-lock brakes, leather interior, high tech engine and upgraded stereo system is a vastly different product than a model of only few years ago. (Autos are a special case and an attempt is made to adjust for quality changes). Current methods don't address quality improvements and therefore overstate inflation.

FIXING INFLATION MATTERS

With inflation overstated, our view of the economy is distorted. If the new estimate of inflation is used, growth in the nation's output is currently closer to three percent than two percent and productivity growth is much stronger than believed – two percent per year, about double current estimates. A corrected measure also means that over the longer term, real median family income actually increased by 36% over 1973-95, rather than four percent as currently measured. And, average hourly earnings

have *risen* by 13% rather than *declined* by 13% over that same period.

Modifying the consumer price index (CPI) would not only give a clearer picture of the economy's performance, it would help balance the federal budget! A lower rate of inflation means smaller cost of living adjustments for Social Security recipients and other federal retirees. And, since the CPI is used to index federal income tax brackets and personal exemption amounts, fixing the CPI effectively raises taxes. It's estimated that if a corrected CPI were put in place, it would slash the federal budget deficit by \$200 billion over five years.

Not everyone agrees that the CPI is overstated by as much as the study panel found. Moreover, implementing any changes will be not only politically difficult but hard to accomplish technically. (How will quality adjustments be made?) Some have argued that if balancing the budget is the main motivation, it might be better to simply eliminate the indexation of Social Security. Doing so would balance the budget in only four years, according to The WEFA Group, a leading economic forecasting and consulting firm!

WILL CONSUMER DEBT DERAIL THE EXPANSION?

Consumer delinquencies on credit cards are rising and personal bankruptcies are soaring. Data for Arizona show that bankruptcies at year end are nearly 30% higher than one year ago (**Exhibit 1**), mirroring national trends. This upward surge is due largely to Chapter 7 filings by consumers, making the current situation very different from that of late 1980s. Then, business bankruptcies related to inflated (but collapsing) real estate prices were the driving force.

The perception that rising personal bankruptcies are the result of excessive accumulation of debt and financial mismanagement is not accurate. Contributing factors include divorce, uninsured losses, large medical bills, job loss, and fraud or abuse. Also contributing are increased marketing of personal bankruptcy services by the legal profession, ease of filing, increased social acceptance, ease of getting credit after filing and lenience of bankruptcy courts and judges. In short, bankruptcy is increasingly the first option rather than the last resort.

Unfortunately, this trend holds negative consequences for the economy because losses incurred by financial institutions,

EXHIBIT 3
Historical Job Growth
 (Tucson and Phoenix metro areas compared)

average annual increase (%)	PHX	TUS
1965-95 (30 yrs)	5.5	4.7
1975-95 (20 yrs)	5.2	3.8
1985-95 (10 yrs)	3.4	2.7
1990-95 (5 yrs)	3.6	3.7
the 70's	6.9	5.8
the 80's	4.5	3.1

retailers and other businesses get shifted onto consumers in the form of higher prices, higher interest rates and reduced access to credit.

Fortunately, this situation does not begin to compare to the late 1980s. There is no sign of serious construction loan problems. Moreover, most households are not over-extended. The value of household assets has risen dramatically in recent years and household balance sheets are in better condition now than any time in recent decades. Although credit card delinquencies are high, the overall delinquency rate on all consumer loans is considerably below previous peaks. The banking industry is healthy, profits are strong, overall non-performing loans are low, and the return on assets and equity are high. Therefore, there is no reason to expect a consumer-caused credit crunch in the foreseeable future. Growing problems with consumer debt will most likely have the effect of slowing growth in spending.

OUTLOOK FOR THE U.S. ECONOMY

The national outlook calls for moderate growth, comparable to what we saw in 1996. Real growth in the 2.0-2.5% range will keep inflation below three percent, which will keep interest rates relatively unchanged from year end levels. Housing and auto sales are no longer contributing to growth, and will move marginally lower from current high levels. Pent-up demand in the economy has been satisfied and consumption will be restrained by high levels of consumer debt and tightened lending standards. But there is no reason to expect a collapse in consumer spending – as long as confidence remains high and real wages continue rising. Barring a major shock to the economic system, this

is an environment conducive to continued expansion.

The probability of recession remains low. Should the Fed raise short term interest rates, the bond market would likely suffer a large sell off, thus boosting long term rates. This, in combination with a weak foreign sector and weaker auto and housing markets could bring a couple of negative quarters in 1997. The recession would be short and mild, and the economy would be recovering by year end.

TUCSON CONTINUES TO LEAD IN THIS CYCLE

Since the late 1980s, Tucson's economy has lead the Phoenix-Mesa metro area through the business cycle. Although Tucson's cycle is determined by a host of factors, including changes in the dollar-peso exchange rate and major plant expansions and layoffs, the defining factor in recent years has been the building cycle. In the late 1980s, as the savings and loan debacle unfolded, regulators forced financial institutions to mark down their portfolios to reflect (depressed) market values and the RTC began taking control of failed institutions. The effects were felt first in the areas outside of the state's financial center. It was not until a year or so later that the medicine was applied in the Phoenix area. Just as the downward correction in the building industry began a year earlier in Tucson, so did the recovery phase. By the time the national recession hit in 1990-91, Tucson's economy as measured by jobs was growing again (**Exhibit 2**). By contrast, the Phoenix-area job base declined in 1991.

From the end of the 1990-91 recession until 1994, both metro areas registered the

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strongest growth in a decade. Job growth peaked in mid-1994 in Tucson and came down quickly in response to the year-end peso devaluation, adjustments in home building to lower levels and a plateauing of manufacturing jobs. By the summer of 1995, Tucson's economy had nearly stalled. Job growth was barely positive. Then during 1996, Tucson's economy accelerated once again to near its long-term potential. In a sense, Tucson's economy came in for a soft landing in 1995 and in subsequent months rebounded to a new equilibrium rate of growth near its long-term averages. The new pace could last the remainder of this decade.

Job growth in Metro Phoenix peaked some six to eight months after Tucson's peak. Although the tempo subsequently slowed, Phoenix-area employment continued to expand at a strong pace – exceeding 4.5%. And, just as in the Tucson area, job growth accelerated during 1996, into the five to six percent range.

A major difference between the two metro areas during the past two years is that Tucson's construction industry has adjusted to a lower level that's more consistent with trend growth, while construction activity remains near peak levels in the Phoenix area. Although construction activity in Phoenix is being propped up by commercial building, we expect residential building to follow Tucson's lead and move to lower levels during 1997.

WHAT'S WRONG WITH TUCSON?

That's the question most often asked when pundits compare job growth figures for the Tucson and Phoenix-Mesa metro areas. Recently, figures for Tucson have been running in the 2.5-3.0% range, while the latter area records 5.5% growth. That begs the question of what is the "normal" relationship between these two economies. Moreover, what should one expect from the two areas at this stage of the business cycle?

As shown in **Exhibit 3**, Metro Phoenix has consistently grown more rapidly than Tucson. Only during the first five years of this decade, did Tucson match the Phoenix area. During the decade of the '80s, job growth in Tucson averaged 3.1% while the Phoenix area grew at a 4.5% pace. And over the past 10 years (1985-95), the comparison is 2.7% and 3.4%, respectively. So, normal

EXHIBIT 5
Consumer Confidence Index
(1985 = 100)

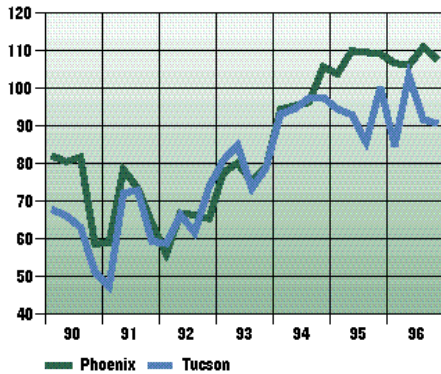


EXHIBIT 6
Consumer Price Inflation -
Metro Phoenix and US
(Seasonally Adjusted)

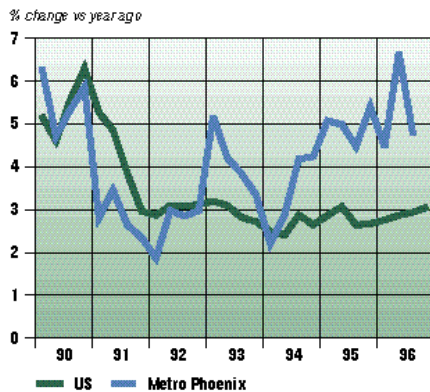
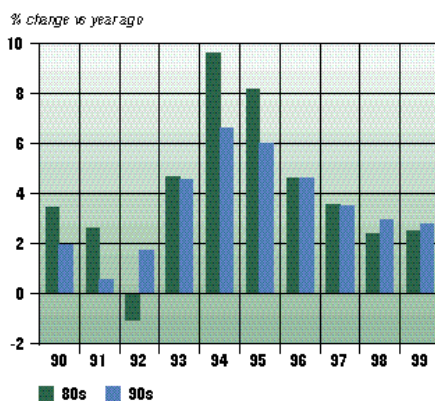


EXHIBIT 8
Wage and Salary
Employment Growth
The 90s Resemble the 80s



or “trend-line” growth is 2.5-3.0% in Tucson and 3.5-4.5% in the Phoenix area.

As 1996 came to an end, Tucson’s economy was growing at trend-line, and that’s about right for the mature stages of this business cycle. Growth in the Phoenix area, however, remains well above its long term potential. Rather than asking what’s wrong with Tucson, perhaps the question should be “*how long can Phoenix keep up this rapid pace?*”

HIGHLIGHTS FOR 1996

Arizona remained one of the nation’s “hot spots” during 1996, ranking near the top for employment, personal income and population growth.

Phoenix continued to be one of the fastest-growing metro areas. Even so, the metro Phoenix area is finally slowing. Although single family permitting activity last year was two to three percent higher than the strong 1995, permitting declined throughout most of the year after rising to an early peak (**Exhibit 4**). Likewise for retail sales. Double-digit increases early in the year receded to mid-single digit range during the summer and fall.

Consumers remain optimistic about their economic future. Arizona’s consumer confidence index, as measured in a study conducted by the Behavior Research Center for Stockton Capital Management & Trust, remained near its high point for this business cycle at a reading of 104 in the fourth quarter. The index has remained above 100 for nine straight quarters. Readings for the Phoenix area mirror the state-wide results with readings recently topping 110. In Metro Tucson, the index remained at a still-high 90.7 in the fourth quarter (**Exhibit 5**).

With or without an adjustment, inflation at the national level is benign today. Not so locally. The consumer price index for Metro Phoenix, published by the Center for Business Research at Arizona State University, has been running at nearly double the national rate for several quarters (**Exhibit 6**). Nationwide, consumer prices on an average annual basis increased by 2.9% in 1996 compared to 5.1% in Metro Phoenix. On a fourth-quarter to fourth-quarter basis, the increases were a preliminary 3.1% and 4.7%, respectively. Entertainment, housing, transportation and other goods and services registered increases in excess of 5.0% during the past year in Metro Phoenix.

WAGES TAKE A GIANT STEP

According to a recent release from the U.S. Department of Labor, the Tucson metro area recorded the fifth largest gain in average pay levels during 1995. The 6.0% gain boosts average annual pay to \$23,622. As shown in **Exhibit 7**, Tucson’s rank based on level of pay is 188th. The six percent gain was the largest in 15 years. Moreover, if the results are adjusted for inflation, the gain was the largest since 1972.

During 1995, average pay in the Phoenix-Mesa metro area increased 3.9% to \$26,748. Ranked by the level of pay, the Phoenix area occupies the 90th place on the list, while the percentage increase ranked 66th.

The Yuma metro area also was included in the rankings. Yuma’s pay levels rose 1.6% (a 272nd ranking) to \$18,286 (308th). Yuma ranks low because of its largely agricultural and tourism-based economy and because it is a labor surplus area. Yuma’s unemployment rate is chronically in the 20-30% range.

The study ranked some 311 metro areas on the basis of dividing annual payrolls of employees covered by unemployment insurance programs by the number of employees who work for wages and salaries. Differences from year-to-year reflect changes in occupational or industrial mix as well as rising wage levels. Problems counting wages of students on work study and the number of government workers may have overstated the increase between 1994 and 1995, but the increase was still large. Wages also rose solidly in 1994. The average across all 311 metro areas is \$29,105, up 3.5% during 1995.

THE 90’S LOOK LIKE THE 80’S

Economic growth this decade is following the pattern of the 1980s. Both decades began with recession: in the 1980s, the shortest recession on record – which lasted only from January through July of 1980 – was followed by a major recession stretching from July 1981 through November of 1982. The current decade began with a mild recession that lasted from July 1990 through March of 1991. Both decades brought recoveries with peak rates of growth in the fourth year (1984 and 1994). The remainder of the 1980s brought gradually slower rates of growth each year as the business expansion matured. Like-wise, so far, in the '90s. **Exhibit 8** shows this pattern as manifested

EXHIBIT 7
Average Annual Pay Levels, 1995

	1995	% chg 94-95	Rank by level	Rank by % chg
Phoenix-Mesa	\$26,748	3.9	90	66
Tucson	23,622	6.0	188	5
Yuma	18,286	1.6	308	272
US, All Metro	29,105	3.5	-	-

Source: US Department of Labor

in Arizona's employment growth. From 1994's 6.7% gain, job growth slowed to 6.0% in 1995 and to 4.6% last year.

The two decades differed in at least one major aspect. During the 1980's, the early years were accelerated by a tax-induced building boom in which an entire decade's supply of commercial properties was built in only three to four years. Vacancy rates soared and buildings stood empty. Subsequent changes in the tax law that removed these tax incentives, along with financial regulatory reform, severely depressed the building and lending industries. During the late 1980's, Arizona's saving and loan industry virtually disappeared and many developers sought bankruptcy protection.

By contrast, the 1990's have proceeded in a much more orderly fashion and few, if any, excesses exist today. Lending has remained cautious and based on cash flow rather than some arbitrary future value as in the '80s. New development has matched demand with little speculative building. Vacancy rates remain low in all commercial categories.

If the remainder of the '90s follows the '80s, one should expect the next three years to bring continued expansion at moderate rates of growth. There is a good chance that this expansion will go into the record books as the longest in history. If it lasts through November of 1998, it will replace the 1982-90 expansion as the second longest, and if it continues through January of 2000, it will exceed the longest expansion ever, which spanned nearly the entire decade of the 1960's.

**THE OUTLOOK CALLS FOR
"TREND-LINE" GROWTH**

Growth in the Phoenix metro area remained above trend in 1996, but was slowing as the year came to an end. The Phoenix-Mesa metro area economy (Maricopa and

Pinal Counties combined) will be moving toward a slower pace that is sustainable over the longer term. The residential building cycle is now past its peak and will drift downward throughout the next two years. Look for a decline of nearly 10% to under 35,000 units permitted. Commercial building will remain strong and prevent the building cycle from becoming a bust. Nonag employment will grow by some 50,000 (a 3.9% increase), down from nearly 68,000 in 1996. Manufacturing payrolls will receive a boost from new semi-conductor fab plants and continue to grow by about 4.0%, roughly the same as in 1996. Population gains will slow from over 90,000 to under 85,000 per year. And,

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sales gains will moderate from the Super Bowl-inflated 9.0-9.5% range of 1996 into the 4.5-5.0% range. Even with slower growth, the Phoenix metro area will likely remain one of the fastest-growing metro areas in the nation.

While Phoenix works on its "soft-landing" scenario, the Tucson metro area has already reached a stable equilibrium and is expected to turn in results similar to those experienced in 1996. Look for Tucson's economy to generate 9,000-10,000 new jobs this year, a growth rate of nearly three percent. Population will grow by 16-17,000. Residential home building will match last year's number with 6,500-7,000 units permitted. Retail sales and restaurant & bar sales will grow by four to six percent. The fastest-growing sectors are expected to be in communications and services.

The key to the local outlook in 1997 is population growth. Should migration flows remain strong, as they have during 1996, the economy could continue growing at a faster pace than described above. The Phoenix area could continue to grow at above-trend rates and Tucson could accelerate above trend-line. This uncertainty is complicated by measurement problems – there is a good deal of disagreement concerning how fast population is currently growing. Indicators of population growth, such as the gain in new residential electric customers, suggests that the inflow of new residents remains large.

DEVELOPMENTS TO WATCH

Deregulation promises to bring major changes to the banking, electric utility and telecommunications industries. Consolidation in the banking industry as geographic barriers vanish coupled with vast improvements in information technology are allowing banks to deliver (and set prices for) their services much more efficiently. Consumers will see the difference in the way they obtain money and loans, using outlets in grocery stores rather than traditional branches, which will become fewer in number. Bank mergers and new names are other signs of change. The most recent example in Arizona was the purchase of First Interstate Bank by Wells Fargo.

In an effort to further deregulate the electric utility industry, consumers will soon be given a choice of electricity providers. In the past, utilities have provided service to customers only within their service area.

Soon, utilities will find other companies marketing power to their traditional customers, and will be expanding their services to others' markets. Many details remain to be worked out here, and the next year or two promise to be quite interesting.

In the communications area, competition will soon increase in the cellular market as new companies with new technologies provide service. And, just as consumers were given a choice of long-distance providers, they soon will have a choice of who provides local service (or dial tone).

The impact on the local economy of deregulating these industries is unknown but may be rather large. In theory, as regulated industries are opened to competition, prices fall and that's good for consumers. As an example, the price of electricity in Arizona may decline by 20%, according to industry analysts. It also means fewer companies as the result of mergers, and that means fewer jobs as overlapping functions are eliminated. Where the remaining employees of the new enterprise are located will create some winners and losers among states and communities. New industries are likely to be born to employ these displaced workers. For example, who will provide the time-of-day metering that will be required for the delivery of electricity? Finally, these changes will require huge efforts to educate consumers so that they can make informed choices.

The outlook for the economy looks relatively tame, but the restructuring that's taking place within these industries makes this an exciting time for both consumers and industry employees. ■

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GROWTH AND WATER ISSUES TOP LIST OF CONCERNS FOR TUCSON LEADERS

Compiled by Maile Nadelhoffer, Research Specialist

At the 16th Annual Economic Outlook Luncheon held in Tucson on January 21st, attendees were asked to express their level of concern about a variety of local and national issues. Eighteen issues were considered, and attendees were asked to rate each issue on a scale of 1 to 10 in terms of the anticipated importance of each issue's impact on quality of life/standard of living in the Tucson community in 1997. The issues in this survey were suggested in part by topics of discussion raised during GroupSystems dialogue sessions at the Economic Forecasting Project's Annual Meeting, held at the UA College of Business and Public Administration on January 10th. Out of the approximately 450 people who attended the Outlook Luncheon, 106 turned in completed surveys. We do not pretend that this sample is representative of the Tucson population at large. However, these results do reflect the concerns of a large group of community and business leaders.

When the issues are ranked according to their mean ratings, the top five ranked issues are all growth related issues. "Tucson's vision for long term economic development" topped the list with a mean rating of 8.4, 36% of the respondents gave this issue the highest rating of ten, and more than half (54%) rated this issue at nine or better. "Tucson's water issues" followed very closely with a mean rating of 8.34. Respondents also expressed high levels of concern about Tucson's ability to attract high-tech industry and traffic congestion. The sixth issue was "tax equity", the only issue in the top third of the list not directly related to growth, however, this was followed closely by another growth related issue, "air quality", with a mean rating of 7.77. There is then a significant break in the ranking and the next issue, "Arizona's high tax on business equipment," follows with a mean rating of only 7.44. Concerns about education and worker skills and training appear in the middle third of the list.

Whereas last year national issues such as the size of the federal budget deficit were of primary concern to many Tucsonans, this year local issues appear to have taken president. In this survey "federal budget deficit" appears at the bottom of the middle third of the list with a mean rating of only 7.1, and "major stock market correction" appears in lower third of the ranking. "Foreign competition" finishes last.

The following is a list of the issues ranked in descending order according to their mean rating in the Economic Outlook Poll:

rank	issue	mean rating
1	Tucson's vision for long term economic development	8.40
2	Tucson's water issues	8.34
3	ability to attract and expand high-tech cluster industries	8.16
4	traffic congestion	8
5	attitudes towards growth	7.95
6	tax equity issues (how the State of Arizona shares its revenues with cities and counties)	7.84
7	air quality	7.77
8	Arizona's high tax on business equipment	7.44
9	financing education	7.41
10	finding skilled workers	7.29
11	focusing education on workplace skills	7.14
12	federal budget deficit	7.10
13	major correction in the stock market	6.75
14	impact fees	6.54
15	affordable housing	6.41
16	deregulation of the electric power, communications, and banking industries	6.26
17	this spring's bond election	6.17
18	foreign competition	5.85

Forecasts for Arizona

	1995	1996	1997	1998	1999
Personal Income (\$ mill)	86,419.5	93,947.7	100,309.9	106,687.3	113,167.5
percent change	9.4	8.7	6.8	6.4	6.1
Per Capita Personal Income	20,488.6	21,608.4	22,450.7	23,291.3	24,131.3
percent change	5.8	5.5	3.9	3.7	3.6
Aggregate Retail Sales (\$ mill)*	37,788.5	40,706.9	42,832.8	44,731.4	46,972.2
percent change	7.8	7.7	5.2	4.4	5.0
Population (000s, mid-year)	4,217.9	4,347.7	4,468.0	4,580.6	4,689.7
percent change	3.4	3.1	2.8	2.5	2.4
Net Migration (000s)	100.3	86.5	79.6	72.3	70.5
Wage & Salary Employment (000s)	1,793.8	1,876.4	1,941.8	1,999.0	2,054.4
percent change	6.0	4.6	3.5	2.9	2.8
Goods-Producing	326.5	341.5	348.9	349.3	350.6
percent change	5.1	4.6	2.2	0.1	0.4
Construction	119.9	128.0	128.9	126.2	124.9
percent change	10.6	6.7	0.7	-2.1	-1.0
Manufacturing	194.0	200.3	206.5	209.5	212.2
percent change	2.1	3.2	3.1	1.5	1.3
Service-Providing	1,467.2	1,534.8	1,592.9	1,649.7	1,703.8
percent change	6.2	4.6	3.8	3.6	3.3
Trade (Wholesale & Retail)	446.6	458.7	470.1	486.3	501.9
percent change	7.3	2.7	2.5	3.4	3.2
Services	526.0	560.1	591.7	619.9	647.0
percent change	8.5	6.5	5.6	4.8	4.4

Forecasts for Phoenix-Mesa Metro Area

	1995	1996	1997	1998	1999
Personal Income (\$ mill)	57,630.6	62,806.1	67,149.4	70,985.0	74,989.3
percent change	11.0	9.0	6.9	5.7	5.6
Per Capita Personal Income	22,480.5	23,662.3	24,515.4	25,229.1	26,017.8
percent change	7.1	5.3	3.6	2.9	3.1
Aggregate Retail Sales (\$ mill)*	24,961.2	27,285.3	28,621.7	30,006.4	31,418.7
percent change	9.0	9.3	4.9	4.8	4.7
Population (000s, mid-year)	2,563.6	2,654.3	2,739.1	2,813.6	2,882.2
percent change	3.6	3.5	3.2	2.7	2.4
Net Migration (000s)	64.1	64.7	58.0	46.9	40.7
Wage & Salary Employment (000s)	1,219.6	1,287.3	1,338.0	1,374.0	1,406.8
percent change	6.7	5.6	3.9	2.7	2.4
Goods-Producing	237.7	250.3	259.2	261.7	261.8
percent change	5.1	5.3	3.6	1.0	0.1
Construction	81.3	87.8	90.4	89.5	87.6
percent change	8.9	8.0	3.0	-1.1	-2.0
Manufacturing	151.4	157.5	163.8	167.2	169.1
percent change	3.2	4.0	4.0	2.1	1.1
Service-Providing	981.9	1,037.1	1,078.8	1,112.4	1,145.1
percent change	7.2	5.6	4.0	3.1	2.9
Trade (Wholesale & Retail)	297.9	311.8	321.4	329.4	337.2
percent change	6.2	4.7	3.1	2.5	2.3
Services	362.3	388.9	412.8	431.9	450.1
percent change	7.8	7.3	6.1	4.6	4.2

Forecasts for Tucson Metro Area

	1995	1996	1997	1998	1999
Personal Income (\$ mill)	14,480.3	15,329.2	16,196.5	17,069.8	17,984.7
percent change	6.6	5.9	5.7	5.4	5.4
Per Capita Personal Income	19,053.0	19,743.2	20,422.2	21,065.4	21,747.7
percent change	3.6	3.6	3.4	3.1	3.2
Aggregate Retail Sales (\$ mill)*	6,300.6	6,657.1	6,962.6	7,299.9	7,659.8
percent change	3.8	5.7	4.6	4.8	4.9
Population (000s, mid-year)	760.0	776.4	793.1	810.3	827.0
percent change	2.9	2.2	2.1	2.2	2.1
Net Migration (000s)	16.8	11.8	12.0	12.5	11.7
Wage & Salary Employment (000s)	302.4	310.2	319.9	328.9	336.4
percent change	2.7	2.6	3.1	2.8	2.3
Goods-Producing	50.0	51.0	51.7	52.2	51.9
percent change	5.5	2.0	1.3	1.0	-0.5
Construction	19.9	20.1	20.3	20.5	20.8
percent change	4.9	1.4	1.0	0.9	1.3
Manufacturing	27.9	28.6	29.1	29.4	28.9
percent change	5.7	2.3	1.6	1.2	-1.8
Service-Providing	252.4	259.2	268.3	276.7	284.5
percent change	2.1	2.7	3.5	3.1	2.8
Trade (Wholesale & Retail)	68.5	69.1	70.4	72.4	74.4
percent change	1.1	0.8	1.9	2.8	2.8
Services	93.0	95.8	101.0	105.7	109.9
percent change	5.2	3.0	5.5	4.6	4.0

* Aggregate Retail Sales includes retail, food, restaurant & bars and gasoline sales.

Source: Economic and Business Research Program, Karl Eller Graduate School of Management, College of Business and Public Administration, The University of Arizona

	AUG 96	SEP 96	OCT 96	NOV 96	DEC 96	% change versus year ago for:	
						most recent month	most recent 12-months
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES	72,400	72,275	68,700	66,575	63,025	3.2	-1.2
Employment	45,100	45,775	46,025	47,150	46,275	-5.7	-1.7
Unemployment	27,300	26,500	22,675	19,425	16,750	39.0	0.3
Unemployment Rate (%)	37.7	36.7	33.0	29.2	26.6	34.8	1.2
Employees on Nonagricultural Payrolls, ADES							
Total	34,800	35,700	36,300	36,900	36,800	-2.6	0.0
Mining	0	0	0	0	0	...	...
Construction	1,500	1,600	1,600	1,600	1,600	-5.9	-7.4
Manufacturing	1,300	1,300	1,300	1,300	1,300	-7.1	-8.1
Trans., Comm. & Publ. Util.	1,800	1,800	1,800	1,800	1,800	-5.3	0.0
Trade	11,200	11,300	11,600	11,900	12,000	-7.7	-3.6
Finance, Ins. & Real Estate	1,200	1,200	1,200	1,200	1,200	0.0	-5.4
Services	9,100	9,100	9,300	9,200	9,200	3.4	7.5
Government	8,700	9,400	9,500	9,900	9,700	0.0	1.3
Sales (\$000s) ADOR							
Gross Retail	53,988	60,472	70,072	76,689	...	7.0	0.7
Retail	42,736	48,899	56,699	63,197	...	6.2	-0.9
Restaurants & Bar	6,229	5,929	6,805	7,559	...	16.5	6.0
Gasoline, EBR	5,023	5,644	6,568	5,933	...	4.2	8.8
Gallons (000s) ADOT	3,751	4,386	5,240	4,983	...	-7.5	0.5
Contracting	11,731	11,724	9,897	7,524	...	-9.0	7.0
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	15,077	13,046	19,136	14,734	7,588	-66.0	-2.7
Residential Building	5,365	7,495	15,275	5,154	4,138	15.6	29.4
Non-Residential Building	5,159	4,366	951	8,635	2,147	-86.3	-38.2
Non-Building	4,553	1,185	2,910	945	1,303	-57.9	7.2
Number of Dwelling Units Awarded, F.W. Dodge							
Total	77	97	239	67	53	3.9	33.8
One Family Houses	77	97	99	67	53	8.2	14.0
MOHAVE-LA PAZ REGION							
Civilian Labor Force, ADES	68,800	69,025	70,750	69,100	70,000	4.4	5.3
Employment	64,200	63,925	63,975	65,150	65,300	4.4	5.4
Unemployment	4,600	5,100	6,775	3,950	4,700	5.6	3.8
Unemployment Rate (%)	6.7	7.4	9.6	5.7	6.7	1.1	-1.8
Employees on Nonagricultural Payrolls, ADES							
Total	37,900	37,800	38,100	38,100	38,000	0.5	0.7
Mining	200	200	200	200	200	0.0	4.3
Construction	2,600	2,600	2,600	2,500	2,500	-7.4	-8.8
Manufacturing	3,600	3,600	3,700	3,600	3,600	-2.7	-2.9
Trans., Comm. & Publ. Util.	2,000	2,000	2,000	2,000	2,000	0.0	7.1
Trade	11,300	11,200	11,200	11,300	11,300	-1.7	-0.1
Finance, Ins. & Real Estate	1,500	1,500	1,500	1,500	1,500	7.1	-2.7
Services	9,200	9,100	9,100	9,200	9,100	2.2	1.7
Government	7,500	7,600	7,800	7,800	7,800	5.4	5.3
Sales (\$000s) ADOR							
Gross Retail	83,060	71,763	81,227	80,699	...	10.3	10.7
Retail	59,360	52,489	58,972	60,727	...	8.5	9.0
Restaurants & Bar	10,446	10,161	10,570	9,421	...	3.1	6.3
Gasoline, EBR	13,254	9,113	11,685	10,551	...	31.5	24.3
Gallons (000s) ADOT	9,899	7,081	9,321	8,861	...	16.7	13.8
Contracting	15,564	15,711	15,733	13,673	...	9.2	-2.3
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	18,542	18,435	17,690	15,361	17,375	27.3	0.6
Residential Building	11,829	13,279	11,979	9,594	10,805	24.1	13.6
Non-Residential Building	3,123	3,774	4,333	4,052	4,904	82.9	-45.9
Non-Building	3,590	1,382	1,378	1,715	1,666	-26.4	31.3
Number of Dwelling Units Awarded, F.W. Dodge							
Total	130	164	141	114	121	10.0	8.9
One Family Houses	130	164	141	108	121	12.0	7.6

See notes at bottom of Arizona - Quarterly table.

	AUG 96	SEP 96	OCT 96	NOV 96	DEC 96	% change versus year ago for:	
						most recent month	most recent 12-months
COCHISE-SANTA CRUZ REGION							
Civilian Labor Force, ADES							
Employment	59,175	59,500	59,200	58,325	56,925	-0.3	1.5
Unemployment	50,975	50,350	50,025	50,350	50,000	-1.6	0.7
Unemployment Rate (%)	8,200	9,150	9,175	7,975	6,925	10.4	7.4
	13.9	15.4	15.5	13.7	12.2	10.7	5.7
Employees on Nonagricultural Payrolls, ADES							
Total	41,400	41,400	42,000	42,200	42,300	1.4	2.8
Mining	0	0	0	0	0	-100.0	-100.0
Construction	1,900	2,000	1,900	1,900	1,800	-10.0	0.4
Manufacturing	2,100	2,300	2,300	2,100	2,100	0.0	4.1
Trans., Comm. & Publ. Util.	2,300	2,200	2,200	2,400	2,400	4.3	4.1
Trade	10,700	10,800	10,800	10,900	11,100	-1.8	-2.7
Finance, Ins. & Real Estate	800	900	800	900	900	0.0	-12.0
Services	9,300	9,300	9,300	9,300	9,200	4.5	5.5
Government	14,300	14,300	14,700	14,700	14,800	4.2	7.7
Sales (\$000s) ADOR							
Gross Retail	58,724	56,430	59,656	60,976	...	7.5	2.9
Retail	45,604	46,105	45,647	48,617	...	8.1	3.1
Restaurants & Bar	7,672	6,900	7,845	7,572	...	4.5	1.0
Gasoline, EBR	5,448	3,425	6,164	4,787	...	6.2	3.6
Gallons (000s) ADOT	4,069	2,661	4,917	4,020	...	-5.7	-4.5
Contracting	11,055	10,872	10,178	8,959	...	-5.9	-12.4
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	20,976	23,035	28,514	15,887	5,896	15.2	54.3
Residential Building	9,229	6,466	12,381	9,753	4,294	-8.5	62.9
Non-Residential Building	6,278	9,200	13,734	890	1,602	1,502.0	67.9
Non-Building	5,469	7,369	2,399	5,244	0	-100.0	25.7
Number of Dwelling Units Awarded, F.W. Dodge							
Total	89	86	280	56	54	-10.0	24.4
One Family Houses	87	86	84	53	54	-10.0	4.2
GILA-GRAHAM-GREENLEE REGION							
Civilian Labor Force, ADES							
Employment	34,900	35,225	35,225	34,975	34,600	-3.1	1.3
Unemployment	32,050	32,150	32,050	32,250	31,950	-3.7	1.1
Unemployment Rate (%)	2,850	3,075	3,175	2,725	2,650	3.9	3.4
	8.2	8.7	9.0	7.8	7.7	7.3	1.8
Employees on Nonagricultural Payrolls, ADES							
Total	25,300	25,900	25,900	25,900	26,000	0.0	3.9
Mining	2,900	3,000	3,000	3,000	3,000	7.1	6.7
Construction	1,700	1,700	1,600	1,800	1,700	0.0	-0.5
Manufacturing	2,100	2,100	2,100	2,100	2,100	5.0	10.2
Trans., Comm. & Publ. Util.	800	800	800	800	800	0.0	5.5
Trade	5,400	5,500	5,500	5,400	5,400	-3.6	-3.4
Finance, Ins. & Real Estate	600	600	600	600	700	16.7	-1.4
Services	5,100	5,100	5,100	5,000	5,000	-2.0	8.7
Government	6,700	7,100	7,200	7,200	7,300	-1.4	5.1
Sales (\$000s) ADOR							
Gross Retail	40,084	37,151	40,493	37,859	...	4.2	5.6
Retail	30,398	29,681	31,015	29,950	...	4.3	6.0
Restaurants & Bar	5,494	5,023	5,280	4,512	...	-2.1	4.8
Gasoline, EBR	4,192	2,447	4,198	3,397	...	12.7	3.1
Gallons (000s) ADOT	3,131	1,901	3,349	2,853	...	0.1	-5.4
Contracting	11,667	14,665	18,287	10,226	...	7.7	25.4
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	8,504	9,730	14,111	3,736	4,964	28.8	-20.9
Residential Building	2,815	4,118	3,792	3,415	4,682	54.7	23.3
Non-Residential Building	1,409	5,040	8,499	0	0	-100.0	-46.6
Non-Building	4,280	572	1,820	321	282	-62.6	-38.5
Number of Dwelling Units Awarded, F.W. Dodge							
Total	35	38	37	33	39	21.9	11.9
One Family Houses	33	38	37	33	39	21.9	29.2

See notes at bottom of Arizona - Quarterly table.

	AUG 96	SEP 96	OCT 96	NOV 96	DEC 96	% change versus year ago for:	
						most recent month	most recent 12-months
APACHE-NAVAJO REGION							
Civilian Labor Force, ADES	52,325	51,350	51,325	50,350	50,575	0.5	1.1
Employment	43,375	43,050	42,875	43,100	43,325	-0.7	0.5
Unemployment	8,950	8,300	8,450	7,250	7,250	9.0	3.9
Unemployment Rate (%)	17.1	16.2	16.5	14.4	14.3	8.4	2.8
Employees on Nonagricultural Payrolls, ADES							
Total	40,800	41,300	41,400	41,400	41,700	2.5	3.1
Mining	900	900	900	900	900	-10.0	-10.0
Construction	1,800	1,800	1,800	1,800	1,800	5.9	12.2
Manufacturing	1,800	1,800	1,800	1,800	1,800	5.9	-0.9
Trans., Comm. & Publ. Util.	2,900	2,900	2,900	2,800	2,800	-3.4	-0.6
Trade	7,200	7,100	7,000	7,100	7,100	4.4	1.9
Finance, Ins. & Real Estate	1,500	1,500	1,500	1,500	1,500	7.1	8.4
Services	11,000	10,900	11,100	10,800	10,900	-2.7	1.2
Government	13,700	14,400	14,400	14,700	14,900	6.4	2.2
Sales (\$000s) ADOR							
Gross Retail	65,357	53,807	52,421	46,760	...	-5.5	-30.1
Retail	49,628	42,396	39,011	36,163	...	-7.6	-36.5
Restaurants & Bar	6,324	5,392	5,227	3,754	...	-2.6	4.6
Gasoline, EBR	9,405	6,019	8,183	6,843	...	5.4	2.0
Gallons (000s) ADOT	7,024	4,677	6,527	5,747	...	-6.4	-6.7
Contracting	11,054	13,955	8,920	7,227	...	-8.0	33.4
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	19,982	6,007	11,185	10,001	7,447	-60.1	-19.9
Residential Building	12,935	4,159	4,115	3,774	2,041	40.0	27.7
Non-Residential Building	41	1,248	5,286	4,063	5,034	-35.9	-35.1
Non-Building	7,006	600	1,784	2,164	372	-96.0	-41.4
Number of Dwelling Units Awarded, F.W. Dodge							
Total	156	46	43	38	25	47.1	37.8
One Family Houses	156	46	43	38	25	47.1	39.6
COCONINO-YAVAPAI REGION							
Civilian Labor Force, ADES	120,350	120,200	118,650	118,250	116,000	-3.6	-0.9
Employment	112,925	112,425	111,275	112,025	109,775	-3.4	-0.8
Unemployment	7,425	7,775	7,375	6,225	6,225	-6.7	-2.2
Unemployment Rate (%)	6.2	6.5	6.2	5.3	5.4	-3.3	-1.6
Employees on Nonagricultural Payrolls, ADES							
Total	90,100	91,700	91,400	92,200	90,800	-0.2	1.9
Mining	1,000	900	900	900	900	0.0	2.8
Construction	6,400	6,400	6,400	6,300	6,100	5.2	7.6
Manufacturing	5,400	5,500	5,500	5,500	5,500	-1.8	-5.9
Trans., Comm. & Publ. Util.	2,900	2,900	2,900	2,900	2,800	-3.4	-1.7
Trade	24,600	24,700	24,600	24,800	24,500	-1.2	0.1
Finance, Ins. & Real Estate	2,400	2,400	2,300	2,400	2,300	-4.2	-3.4
Services	24,100	23,900	23,600	23,400	23,700	2.6	1.6
Government	23,300	25,000	25,200	26,000	25,000	-2.0	5.8
Sales (\$000s) ADOR							
Gross Retail	175,036	169,423	164,556	148,429	...	6.7	6.9
Retail	124,082	126,512	116,703	110,348	...	5.4	7.0
Restaurants & Bar	31,725	31,743	29,823	24,311	...	9.9	7.8
Gasoline, EBR	19,229	11,168	18,030	13,770	...	12.7	4.3
Gallons (000s) ADOT	14,361	8,678	14,383	11,565	...	0.1	-4.9
Contracting	46,365	46,871	45,563	44,693	...	39.3	36.8
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	53,752	47,146	37,814	27,430	32,651	24.9	-1.3
Residential Building	32,016	23,536	24,690	20,113	19,784	-5.9	-8.9
Non-Residential Building	8,606	15,033	9,247	5,054	5,544	232.6	-27.3
Non-Building	13,130	8,577	3,877	2,263	7,323	112.4	79.1
Number of Dwelling Units Awarded, F.W. Dodge							
Total	469	228	249	244	177	7.3	1.1
One Family Houses	219	215	226	165	160	4.6	6.3

See notes at bottom of Arizona - Quarterly table.

	AUG 96	SEP 96	OCT 96	NOV 96	DEC 96	% change versus year ago for:	
						most recent month	most recent 12-months
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES							
Employment	1,388.2	1,398.1	1,397.3	1,416.9	1,412.4	2.2	2.5
Unemployment	1,334.9	1,340.1	1,341.9	1,369.6	1,368.5	2.0	2.5
Unemployment Rate, Seas. Adj. (%)	53.3	58.0	55.4	47.3	43.9	10.0	3.4
	3.8	3.9	3.6	3.3	3.2	6.7	1.0
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,263.5	1,291.9	1,302.2	1,324.1	1,324.8	5.0	5.1
Mining	5.1	5.1	5.1	5.2	5.1	-1.9	-1.1
Construction	90.3	89.1	90.8	91.0	90.3	6.0	7.3
Manufacturing	156.2	156.2	156.2	156.0	155.5	2.9	4.2
Durable	119.4	119.4	119.5	119.2	118.8	4.1	5.6
Nondurable	36.8	36.8	36.7	36.8	36.7	-0.8	-0.2
Trans., Comm. & Publ. Util.	66.0	65.9	66.3	66.4	67.0	3.4	1.9
Trade	322.0	325.8	332.2	341.9	347.0	7.2	5.4
Wholesale	79.4	80.0	81.6	82.9	83.8	10.7	8.5
Retail	242.6	245.8	250.6	259.0	263.2	6.1	4.5
Finance, Ins. & Real Estate	89.9	90.2	90.7	91.6	92.8	5.7	2.9
Services	386.3	388.5	392.0	396.4	397.6	6.0	6.6
Government	147.7	171.1	168.9	175.6	169.5	0.6	3.8
Sales (\$000s) ADOR							
Aggregate Retail Sales	2,117,361	2,157,492	2,253,474	2,273,121	...	7.9	9.5
Retail	1,505,265	1,517,084	1,545,841	1,591,821	...	7.4	9.1
Food, EBR	275,988	283,227	294,626	302,775	...	5.6	6.0
Restaurants & Bars	225,703	243,137	265,874	265,387	...	12.8	10.4
Gasoline, EBR	110,406	114,044	147,133	113,138	...	10.7	22.5
Contracting	459,484	469,697	465,588	442,838	...	11.5	23.6
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total Awards	642,023	746,751	517,278	562,324	555,843	-15.4	7.5
Residential Building	372,426	436,626	329,290	278,562	312,419	-9.3	11.7
Non-Residential Building	219,657	281,817	142,317	116,027	183,022	-35.6	-4.7
Non-Building	49,940	28,308	45,671	167,735	60,402	111.9	14.9
New Housing Units Authorized, Census C-40							
Total Units	2,487	3,554	3,202	1,893	...	-36.7	9.8
Single Family Units	2,397	2,323	2,133	1,722	...	-21.7	4.1
2-4 Unit Structures	32	16	33	71	...	20.3	-40.6
5-plus Unit Structures	58	1,215	1,036	100	...	-86.4	36.4
Housing Sales and Prices, ARMLS							
Total Sales (\$000s)	508,908	356,513	455,569	402,255	411,674	6.0	20.6
Total Units	3,856	2,808	3,585	3,170	3,108	-2.3	14.7
Average Price (\$)	131,978	126,963	127,076	126,894	132,456	8.5	5.5
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	2,544,393	2,301,864	2,647,839	2,376,390	...	2.2	8.8
Total Aircraft Movements	35,140	33,656	35,112	33,016	...	1.7	-10.2

	PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL) - QUARTERLY DATA					% change versus year ago for:	
	IV 95	I 96	II 96	III 96	IV 96	most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	2,597.6	2,620.3	2,642.9	2,665.6	2,665.6	2.6	3.3
Natural Increase	6.3	6.4	6.5	6.5	6.6	5.2	5.3
Births	11.4	11.5	11.6	11.7	11.8	3.9	4.0
Deaths	5.1	5.1	5.2	5.2	5.2	2.4	2.4
Net Migration	16.3	16.3	16.2	16.1	-6.6	-140.5	-35.3
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	59,617	60,865	62,159	63,453	64,747	8.6	9.0
Earnings by Place of Work	43,361	44,306	45,268	46,229	47,190	8.8	9.2
Less: Contributions for Social Insurance	2,641	2,699	2,752	2,805	2,858	8.2	8.2
Plus: Adjustment for Residence	-32	-32	-32	-32	-32	0.2	0.8
Plus: Dividends, Interest & Rents	9,804	9,996	10,206	10,416	10,626	8.4	8.9
Plus: Transfer Payments	9,125	9,294	9,470	9,645	9,821	7.6	7.9
Per Capita Personal Income (\$, SAAR) EBR	22,950	23,229	23,519	23,804	24,290	5.8	5.5

See notes at bottom of Arizona - Quarterly table

	AUG 96	SEP 96	OCT 96	NOV 96	DEC 96	% change versus year ago for:	
						most recent month	most recent 12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES							
Employment	367.6	370.8	371.1	372.8	373.6	-0.6	-0.0
Unemployment	354.2	355.9	356.1	360.0	361.5	-0.9	-0.3
Unemployment Rate, Seas. Adj. (%)	13.4	14.9	15.0	12.8	12.1	9.0	5.9
	3.7	3.8	3.7	3.5	3.4	13.3	7.1
Employees on Nonagricultural Payrolls (000s) ADES							
Total	302.5	309.8	311.8	314.2	315.5	2.0	2.3
Mining	2.4	2.3	2.3	2.3	2.3	0.0	5.7
Construction	20.5	20.2	20.4	20.2	20.2	-1.0	2.5
Manufacturing	27.7	28.0	28.2	28.3	28.2	1.8	1.3
Durable	22.7	22.9	23.0	23.1	23.1	2.7	2.2
Nondurable	5.0	5.1	5.2	5.2	5.1	-1.9	-2.5
Trans., Comm. & Publ. Util.	13.4	13.4	13.3	13.5	13.5	-2.2	0.4
Trade	68.7	69.0	69.8	71.0	71.5	0.7	1.7
Wholesale	10.4	10.4	10.4	10.5	10.5	6.1	6.3
Retail	58.3	58.6	59.4	60.5	61.0	-0.2	0.9
Finance, Ins. & Real Estate	12.2	12.3	12.3	12.5	12.6	5.9	3.5
Services	92.9	93.7	93.8	95.4	94.1	1.0	1.6
Government	64.7	70.9	71.7	71.0	73.1	5.8	4.4
Sales (\$000s) ADOR							
Aggregate Retail Sales	509,693	520,601	535,722	535,582	...	3.8	4.3
Retail	351,294	352,383	357,631	360,745	...	2.9	3.8
Food, EBR	73,664	75,596	78,639	80,814	...	2.8	3.1
Restaurants & Bars	57,367	61,156	60,784	60,734	...	5.0	5.3
Gasoline, EBR	27,368	31,465	38,668	33,289	...	14.2	10.9
Contracting	90,107	96,488	90,754	94,433	...	2.4	6.0
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total Awards	70,146	73,157	124,890	68,477	46,208	-28.8	-5.9
Residential Building	40,848	48,510	48,266	40,430	32,414	-29.7	-11.4
Non-Residential Building	23,757	17,593	66,589	21,892	9,529	-31.7	8.2
Non-Building	5,541	7,054	10,035	6,155	4,265	-11.6	-8.2
New Housing Units Authorized, Census C-40							
Total Units	440	412	390	341	...	-8.6	-19.7
Single Family Units	416	385	383	337	...	-9.2	4.0
2-4 Unit Structures	8	22	7	4	...	100.0	-42.9
5-plus Unit Structures	16	5	0	0	...	...	-69.0
Housing Sales and Prices, TAR							
Total Sales (\$000s)	92,080	80,714	82,259	69,046	...	-5.6	9.8
Total Units	722	626	629	532	...	-12.9	2.2
Average Price (\$)	127,534	128,935	130,778	129,785	...	8.4	7.5
Tucson International Airport, TAA							
Total Passengers	269,231	249,728	287,290	270,615	302,025	3.5	2.4
Total Aircraft Movements	19,588	17,995	20,114	19,671	18,468	-9.9	-0.9

	TUCSON METROPOLITAN REGION (PIMA) - QUARTERLY DATA					% change versus year ago for:	
	IV 95	I 96	II 96	III 96	IV 96	most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	766.1	770.3	774.4	778.5	778.5	1.6	2.1
Natural Increase	1.2	1.2	1.2	1.2	1.2	0.9	0.9
Births	2.8	2.8	2.8	2.9	2.9	2.1	2.0
Deaths	1.7	1.7	1.7	1.7	1.7	2.9	2.7
Net Migration	3.0	3.0	3.0	3.0	-1.2	-139.0	-46.3
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	14,790	15,011	15,223	15,435	15,648	5.8	5.9
Earnings by Place of Work	9,319	9,464	9,596	9,727	9,859	5.8	5.8
Less: Contributions for Social Insurance	582	593	601	610	619	6.2	6.0
Plus: Adjustment for Residence	121	123	125	128	131	8.3	8.9
Plus: Dividends, Interest & Rents	2,960	2,992	3,026	3,060	3,095	4.6	4.7
Plus: Transfer Payments	2,973	3,025	3,077	3,129	3,182	7.0	7.2
Per Capita Personal Income (\$, SAAR) EBR	19,304	19,488	19,659	19,827	20,100	4.1	3.7

See notes at bottom of Arizona - Quarterly table

	AUG 96	SEP 96	OCT 96	NOV 96	DEC 96	% change versus year ago for: most recent month	% change versus year ago for: most recent 12-months
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES							
Civilian Labor Force (000s) ADES	2,163.7	2,176.5	2,172.4	2,187.3	2,177.1	1.3	1.8
Employment	2,037.7	2,043.7	2,044.3	2,079.6	2,076.6	0.8	1.7
Unemployment	126.0	132.8	128.1	107.7	100.5	12.0	3.0
Unemployment Rate, Seas. Adj. (%)	5.4	5.6	5.5	5.3	5.0	8.7	1.1
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,838.4	1,875.9	1,889.7	1,914.2	1,916.8	4.0	4.3
Mining	12.6	12.5	12.5	12.5	12.6	1.6	1.4
Construction	126.6	125.7	127.1	127.4	125.7	3.7	5.5
Manufacturing	199.8	200.4	200.9	200.3	199.9	2.4	3.1
Durable	152.8	153.0	153.4	153.0	152.8	3.2	4.1
Nondurable	47.0	47.4	47.5	47.3	47.1	-0.2	-0.1
Trans., Comm. & Publ. Util.	93.3	93.2	93.4	94.0	94.8	2.7	1.9
Transportation	55.6	55.7	56.1	56.6	57.2	4.0	2.8
Trade	461.2	464.7	471.8	483.8	488.9	4.4	3.7
Wholesale	97.2	97.9	99.4	100.0	100.5	4.0	4.0
Retail	364.0	366.8	372.4	383.8	388.4	4.4	3.6
Finance, Ins. & Real Estate	109.1	109.9	110.6	111.0	112.3	4.2	2.0
Services	547.4	550.0	555.1	559.4	561.0	5.0	5.4
Government	288.4	319.5	318.3	325.8	321.6	3.1	5.1
Federal	44.9	45.1	44.2	44.5	45.5	1.1	2.4
State & Local	243.5	274.4	274.1	281.3	276.1	3.4	5.5
Schools	134.8	157.5	164.5	166.0	167.8	3.9	5.6
Hours Worked Per Week, Manufacturing, ADES	42.7	42.5	42.0	42.6	43.0	1.9	2.2
Average Hourly Earnings (\$) ADES							
Copper Mining	17.01	17.53	17.88	18.37	17.74	7.8	3.7
Construction	12.69	12.95	13.42	13.22	13.29	6.3	4.6
Manufacturing	11.62	11.70	11.68	11.86	11.80	3.6	1.8
Utilities	18.02	18.95	18.27	17.98	18.16	6.7	5.4
Retail Trade	10.62	11.05	10.62	10.51	10.87	5.0	3.2
Wholesale Trade	13.19	13.04	12.49	13.38	13.68	14.6	10.6
Sales (\$000s) ADOR							
Aggregate Retail Sales	3,198,088	3,224,407	3,358,805	3,364,097	...	7.2	7.4
Retail	2,208,367	2,215,549	2,251,519	2,301,568	...	6.3	6.4
Food, EBR	444,434	456,092	474,449	487,570	...	7.3	7.1
Restaurants & Bars	350,960	369,441	392,208	383,250	...	10.6	8.8
Gasoline, EBR	194,326	183,326	240,629	191,709	...	11.9	16.7
Gallons (000s) ADOT	145,128	142,455	191,951	161,005	...	-0.6	7.1
Utilities	513,023	479,358	401,321	325,724	...	6.2	4.5
Communications	131,221	137,592	135,559	147,297	...	20.6	12.2
Amusements	36,415	32,970	46,657	47,605	...	47.2	5.8
Rentals - Real Property	323,587	310,222	272,679	355,360	...	31.3	3.0
Rentals - Personal Property	202,207	205,533	216,536	215,359	...	23.2	6.4
Contracting	657,027	679,983	664,920	629,573	...	10.6	18.7
Mining - Metal, Oil & Gas	98,386	118,401	104,374	119,175	...	-27.1	-15.3
Hotel/Motel	84,692	105,458	132,014	118,518	...	21.2	12.1
Value of Construction Contract Awards (\$000s)							
Total Awards	849,002	937,307	770,618	717,950	677,972	-16.5	4.7
Residential Building	487,463	544,189	449,788	370,795	390,577	-9.8	8.6
Non-Residential Building	268,030	338,071	250,956	160,613	211,782	-35.1	-6.9
Non-Building	93,509	55,047	69,874	186,542	75,613	43.8	11.7
New Housing Units Authorized, Census C-40							
Total Units	3,518	4,619	4,250	2,675	...	-33.2	2.6
Single Family Units	3,329	3,266	3,058	2,437	...	-23.1	2.0
2-4 Unit Structures	73	69	93	101	...	12.2	-30.7
5-plus Unit Structures	116	1,284	1,099	137	...	-81.6	9.0
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	1,797	1,756	1,928	1,706	...	23.3	23.7
Chapter 7	1,315	1,278	1,452	1,270	...	21.0	25.4
Chapter 11	18	32	22	20	...	-37.5	-20.3
Chapter 13	463	446	453	416	...	37.7	22.9

See notes at bottom of Arizona - Quarterly table.

	IV 95	I 96	II 96	III 96	IV 96	% change versus year ago for:	
						most recent quarter	most recent 4-quarters
ARIZONA - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	4,268.8	4,301.2	4,332.4	4,362.9	4,393.2	2.9	3.1
Natural Increase	9.4	9.3	9.0	9.1	9.1	-2.5	-0.8
Births	18.4	18.4	18.0	18.1	18.2	-1.2	0.5
Deaths	9.0	9.1	9.0	9.0	9.0	0.1	1.8
Net Migration	23.8	22.4	21.7	21.2	21.2	-10.9	-13.7
Personal Income Derivation (\$mil, SAAR) EBR							
Total Personal Income	88,830	92,186	92,804	94,639	96,161	8.3	8.7
Earnings by Place of Work	61,333	63,788	64,143	65,424	66,421	8.3	9.0
Less: Contributions for Social Insurance	4,249	4,419	4,441	4,519	4,579	7.8	8.3
Plus: Adjustment for Residence	283	292	294	298	302	6.7	6.1
Plus: Dividends, Interest & Rents	15,745	16,335	16,244	16,536	16,843	7.0	8.2
Plus: Transfer Payments	15,719	16,191	16,564	16,899	17,175	9.3	8.0
Components of Earnings (\$mil, SAAR) BEA							
Wages and Salaries	49,711	51,733	52,704	...	...	11.1	10.2
Other Labor Income	5,878	6,051	6,082	...	...	7.2	8.1
Proprietor's Income	5,744	5,880	6,126	...	...	11.9	11.7
Farm	432	491	630	...	...	70.7	94.8
Nonfarm	5,312	5,388	5,496	...	...	7.6	7.6
Per Capita Personal Income (\$, SAAR) EBR							
Per Capita Personal Income	20,809	21,433	21,421	21,692	21,889	5.2	5.5
Average Wage Per Employee, Annual Rate (\$) E							
Average Wage Per Employee	27,008	27,653	27,987	...	...	6.8	5.9

Measures of Financial Institutions

Banks and S&Ls Combined (\$mil) ASBD

	IV 95	I 96	II 96	III 96	IV 96	% change versus year ago for:	
						most recent quarter	most recent 4-quarters
Assets	38,527	39,505	39,810	31,064	...	-14.8	3.9
Loans	23,303	23,735	24,161	21,266	...	-4.8	4.9
Liabilities	35,558	36,640	36,140	28,558	...	-14.7	3.7
Deposits	32,546	32,593	32,512	25,909	...	-15.8	-0.3
Equity Capital	2,969	2,865	3,670	2,506	...	-15.7	6.4
Capital:Asset Ratio (%)	8.6	8.1	10.1	8.9	...	NA	NA

MEASURES OF INFLATION AND PRICES

	IV 95	I 96	II 96	III 96	IV 96	% change versus year ago for:	
						most recent quarter	most recent 4-quarters
Consumer Price Index (1982-84=100) ASU & BLS							
Metropolitan Phoenix	161.3	162.9	168.4	167.6	168.6	4.5	5.1
Western Region (U.S.)	154.3	156.4	157.5	158.6	158.7	2.9	2.7
U.S. - All Urban Consumers	153.6	155.0	156.5	157.4	158.5	3.2	2.9
U.S. - Urban Wage Earners	150.9	152.3	153.9	154.6	155.8	3.2	2.9
Price Indexes (1992=100) BEA							
Gross Domestic Product	108.4	109.0	109.6	110.1	110.8	2.2	2.1
Personal Consumption Expenditures	108.3	108.9	109.8	110.2	110.9	2.4	2.2

MEASURES OF INFLATION AND PRICES - MONTHLY DATA

	OCT 96	SEP 96	OCT 96	NOV 96	DEC 96	% change versus year ago for:	
						most recent month	most recent 12-months
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	157.3	157.8	158.3	158.6	158.6	3.3	2.9
U.S. - Wage Earners	154.5	155.1	155.5	155.9	155.9	3.3	2.9

Sources and abbreviations:

ADHS: Arizona Department of Economic Security
 ADHS: Arizona Department of Health Services
 ADOR: Arizona Department of Revenue
 ADOT: Arizona Department of Transportation
 ARMLS: Arizona Regional Multiple Listing Service
 ASBD: Arizona State Banking Department
 ASPB: Arizona State Parks Board
 ASU: Arizona State University, College of Business, Research Centers

BEA: Bureau of Economic Analysis, U.S. Department of Commerce
 BLS: Bureau of Labor Statistics, U.S. Department of Labor
 Census C-40, Bureau of the Census, U.S. Department of Commerce
 EBR: Economic & Business Research Program, The University of Arizona
 F.W. Dodge, Division of McGraw Hill Information Systems Co. (proprietary data provided by special permission)
 NPS: National Park Service, U.S. Department of the Interior

NSCCC: Nogales-Santa Cruz Chamber of Commerce
 PSIA: Phoenix Skyharbor International Airport
 SAAR: Seasonally adjusted at annual rates
 TAA: Tucson Airport Authority
 TAR: Tucson Association of Realtors
 USINS: U.S. Immigration & Naturalization Service, U.S. Department of Justice
 U.S. Bankruptcy Court, District of Arizona
 USCS: U.S. Customs Service, U.S. Department of the Treasury

	JUL 96	AUG 96	SEP 96	OCT 96	NOV 96	% change versus year ago for: most recent month most recent 12-months	
TRAVEL AND TOURISM							
Visits to Parks & Other Recreational Areas, ADOT, NPS & ASPB							
Northern Arizona	2,793,180	2,543,342	1,977,342	1,756,978	1,079,010	-15.9	-5.9
Historical	211,403	209,966	200,159	178,249	104,975	5.2	-0.5
Scenic	969,857	828,292	669,722	543,390	287,789	10.9	-7.7
Water Based Recreation	1,611,920	1,505,084	1,107,461	1,035,339	686,246	-25.8	-5.8
Southern Arizona	177,363	149,024	191,242	226,341	229,557	11.5	-7.5
Historical	41,886	26,061	39,688	47,097	43,293	-6.5	-3.3
Scenic	87,853	86,272	122,346	151,082	166,932	20.4	-9.1
Water Based Recreation	47,624	36,691	29,208	28,162	19,332	-7.9	-5.2
International Border Crossings, USINS & USCS							
U.S. Citizens	588,032	609,724	669,717	706,664	836,221	2.0	3.3
Aliens	1,548,887	1,497,677	1,748,139	1,788,255	1,589,184	-9.1	-3.3
Vehicles	-1.5	-7.2

See notes at bottom of Arizona - Quarterly table.

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