ARIZONA'S ECONOMY

SEPTEMBER 1997 FALL ISSUE

ARIZONA TO REMAIN "A LAND OF POSSIBILITIES"

Marshall J. Vest, *Forecasting Project Director*
August 1, 1997

This quarter's forecast pushes the horizon out to the year 2020. Our annual visit of the long-term shows slightly more growth and higher numbers than what we published one year ago. This reflects recent boosts to current estimates for employment and population (so we're jumping off from a higher starting point) as well as the economy's amazing strength witnessed in the past four years, which prompts us to raise the rate of growth in the near term. These projections show that Arizona will continue to be a "land of possibilities" for many new residents.

The recent Ken Burns' PBS miniseries, *The West,* described the early western United States as "a land of possibilities – a place where a man could bring his family in hopes of making a better life." Since the early 1800's, when the first trappers headed west from St. Louis to make their fortunes in the fur trade, people have been moving west. The discovery of gold in California started a rush of migrants to its farthest reaches. Hordes came to harvest the bounty of a land rich in timber and buffalo and prairies covered with waist-high grasses. The prairies filled with cattle and the cowboys who tended them. More came to build the railroads, which opened the western United States to homesteaders and settlements. Mormons fled religious persecution to settle the Great Basin region. Perhaps one of the most vivid pictures of the westward movement was the Oklahoma land rush, with wagons pulled by teams of horses at break-neck speed leaving the starting line.

Today, Arizona and other mountain and pacific states continue to be "a land of possibilities," as large numbers of people continue to in-migrate. During the first half of this decade, the top five states for population growth were Nevada, Idaho, Arizona, Colorado and Utah, in that order. Arizona is the largest of these five states, with a mid-year 1997 population in excess of 4.5 million.

During *this century,* four of the fastest-growing states are in the west, with Florida as the only exception. Arizona ranks second only to Nevada, followed by Florida, California and Washington **(Exhibit 1).** During this century's first 95 years, the top five in each decade have included such widely-dispersed states as Alaska, Washington DC, New Mexico, New Jersey, Minnesota, Oklahoma, North Dakota, Montana and Wyoming. Most have brief visits to the winner's circle. In this horse race, the top states have consistently been there almost every decade, with the exception of Washington, which was never far out of the money.

At the beginning of the 20th century, only 124,000 people called Arizona home. Since then Arizona has consistently ranked among the fastest-growing states, failing to make the top five in only two decades: the aughts (1900-10) and the 30's. It ranked seventh in both decades. Over the first 95 years, Arizona's population growth has averaged 3.8% per year. The fastest growth recorded, 5.7% per year, came during the 1950's.

EXHIBIT 1
AZ is consistently One of the Fastest-Growing States

PERIOD	RANK	TOP 5 STATES
1900 - 95	2	NV, AZ, FL, CA,WA
BY DECADE		
1900 - 10	7	WA, OK, ID, NV, ND
1910 - 20	1	AZ, CA, MT, WY, DC
1920 - 30	4	CA, FL, MI, AZ, NJ
1930 - 40	7	DC, FL, NM, NV, CA
1940 - 50	2	CA, AZ, FL, NV, OR
1950 - 60	4	FL, NV, AK, AZ, CA
1960 - 70	3	NV, FL, AZ, AK, CA
1970 - 80	2	NV, AZ, FL, WY, UT
1980 - 90	3	NV, AK, AZ, FL, CA
1990 - 95	3	NV, ID, AZ, CO, UT

THE OUTLOOK

There is plenty of additional growth on the horizon. During the *next five years (1997-2001):*

- Arizona's population will increase by 587,300, or 117,500 per year. For the entire decade of the 1990's some 1.177 million new residents will be added. That's a larger gain than in the 1980s (989,000) or during the 1970s (943,000). By the year 2000, some 4.9 million persons will reside in Arizona. Arizona will gain at

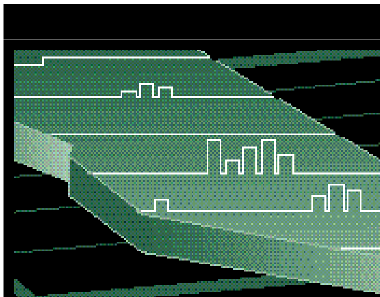

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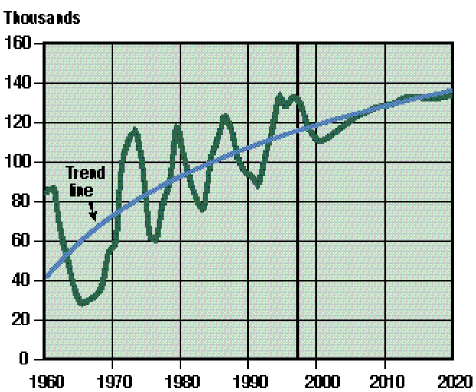
EXHIBIT 3
Projections to the year 2020

	1990	1995	2000	2005	2010	2015	2020
ARIZONA							
W&S Employment *(000s)*	1,483	1,795	2,139	2,479	2,893	3,340	3,800
Population *(000s)*	3,728	4,297	4,905	5,491	6,125	6,785	7,450
Personal Income *($ millions)*	60,852	86,420	122,261	169,658	236,117	328,141	452,541
Retail Sales *($ millions)*	26,722	37,789	49,317	64,399	85,133	112,912	149,710
PHOENIX-MESA MA							
W&S Employment *(000s)*	1,013	1,225	1,468	1,674	1,967	2,277	2,564
Population *(000s)*	2,293	2,658	3,067	3,463	3,936	4,450	4,963
Personal Income *($ millions)*	40,237	57,539	82,181	109,101	151,426	214,767	295,683
Retail Sales *($ millions)*	17,333	24,946	33,001	41,795	55,284	74,697	98,888
TUCSON METRO AREA							
W&S Employment *(000s)*	252	303	346	399	466	535	594
Population *(000s)*	670	758	846	943	1,057	1,177	1,284
Personal Income *($ millions)*	10,213	14,652	19,713	25,950	35,297	48,875	65,815
Retail Sales *($ millions)*	4,668	6,288	8,056	10,262	13,487	18,288	24,314

EXHIBIT 2
Annual Changes in Population, AZ



least two and most likely three additional seats in Congress.

- Some 298,000 new jobs will be created. Job growth will average 3.0% per year (compared to 3.9% during the 1980s).
- Personal income will grow by an average 6.8% annually, and will exceed $122 billion in the year 2000.
- Average annual wages will rise at a 4.0% annual rate and top $32,300 by 2000.
- Inflation in Metro Phoenix will average 3.3% per year.
- Per capita income will rise to nearly $25,000, an annual increase of 4.2%.

By the year 2020, Arizona is expected to add another three million residents, and population will approach 7.5 million. That's about as large as North Carolina and Georgia (the nation's 10th and 11th largest states) are today. As of 1995, Arizona's population ranked 24th, and with the magnitude of change predicted, Arizona will move up quickly in the rankings.

Population growth varies significantly over the business cycle as shown in **Exhibit 2.** During the recession in the early 90's, Arizona's population increased by less than 90,000 per year. From 1994-96, those numbers rose into the 130-135,000 range, as the economy soared. The forecast calls for a slowing through the rest of this decade to roughly 110,000 in the year 2000. Thereafter, population gains return to "trend line" with increases approaching 140,000 in the year 2020. Arizona's resident population should break the five million mark in 2001, six million in 2009, and seven million in 2017 **(Exhibit 3).**

Employment also varies greatly over the business cycle. From an average of nearly 105,000 net new jobs created in each of the past three years, job growth should cool to 50,000 or so by the end of this decade. Thereafter, job growth is forecast to return to "trend" of 80-85,000 net new jobs per year.

Per capita income (PCI) in 2020 will exceed $60,000. Arizona PCI as a percentage of national PCI is expected to be at 92% 25- years-hence, about five points higher than where it is today. In real terms, per capita income is expected to grow by 1.6% per year during the projection period. Earlier this year, total personal income surpassed a major milestone: $100 billion. In the year 2020, it will exceed $450 billion.

With population growing by 2.2% per year and employment increasing at a 2.9% annual rate, the state's employment to population ratio will continue to increase. While less than one-fourth of the population in 1960 was employed, by 1996 that ratio reached 43%. By the year 2020, over one-half of the population will be working.

To house Arizona's new residents, approximately 45,000 new housing units each year (on average) will need to be constructed. Roughly 30,000 will be single family units.

METRO AREA OUTLOOK

The Phoenix-Mesa metro area is undergoing a transformation and is quickly becoming a really large and diversified economy, serving a region that transcends Arizona's borders. With a mid-year 1997 population of 2.84 million, it is the "mega-city" of the southwest. During the next five years, some 390,000 additional people will be added. That's about 78,000 per year. A year 2000 population of 3.07 million is projected. Roughly 29,000 new housing units each year

EXHIBIT 4
Personal Income and Individual Income Tax Receipts, AZ

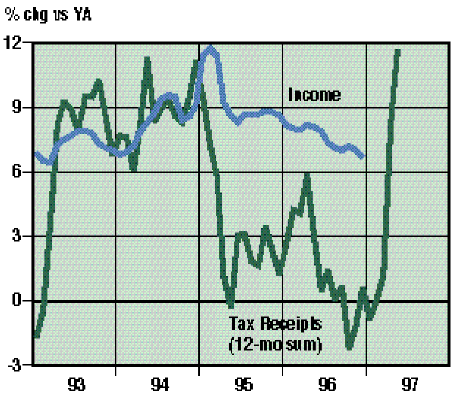


EXHIBIT 5
Wage & Salary Disbursements and Individual Withholding, AZ

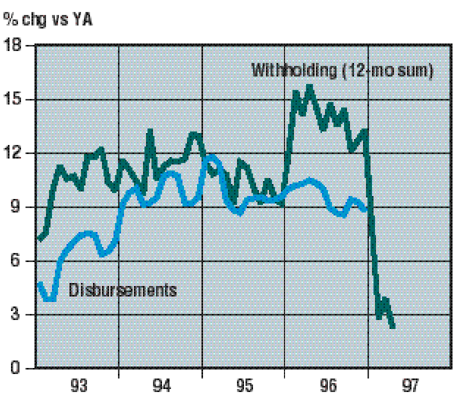
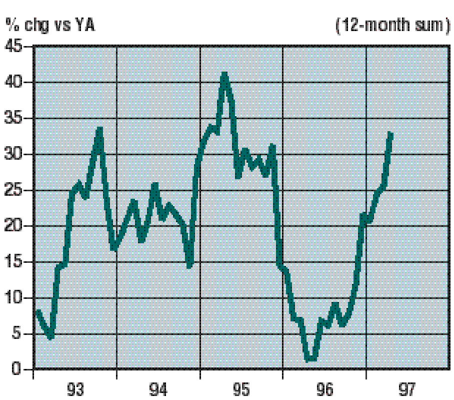


EXHIBIT 6
Corporate Income Tax Collections, AZ



will be needed to house the new residents. By the year 2020, almost five million persons will live in Metro Phoenix. That's about as large as today's Detroit-Ann Arbor-Flint and Dallas-Ft. Worth metro areas, the nation's 7th and 8th largest. Today, the Phoenix-Mesa metro area ranks 17th.

As the nation's 57th largest metro area, Tucson will continue to grow about half as fast as Metro Phoenix. Its population count rises from 794,000 today to 846,000 by the turn of the century. That is an average increase of 17,000 per year. Nearly 7,000 new housing units per year will be needed. By the year 2020, Tucson's population is projected to exceed 1.25 million.

Metro Phoenix will account for 73% of Arizona's new residents and 72% of the new jobs created through 2020. The Phoenix area will represent two-thirds of Arizona's population 25 years from now, up from 62% today.

RECENT EVIDENCE

Federal Reserve Board Chairman, Alan Greenspan, said it all in testimony to Congress in late July when he described the economy as "exceptional." After more than six years of expansion, the nation's economy will likely grow by nearly 3.5% this year. At mid-year, unemployment stands at a 24-year low, consumer confidence is the highest level ever recorded, and financial markets continue to amaze, establishing new records almost daily. Remarkably, inflation shows no signs of accelerating, and is expected to register only 2.5% or less this year at the consumer level. And remember, the consumer price index is a measure that the Boskin Committee recently found to be overstating actual inflation by 1.1%. So, inflation may be lower than we think, and real growth even stronger. Data covering the past two years for gross domestic product (GDP) will soon be revised significantly higher. That may help explain why income tax revenues are growing well beyond expectations, which may drive the federal deficit below $50 billion this year.

An old proverb states that "when things are too good to last, they eventually come to an end," but so far, there is nothing visible to suggest a reversal of *the best business climate since the 1960's*. The forecast assumes that policy-makers at the Fed will be able to slow growth in real GDP next year to 2.2%, a pace equal to the economy's long-term growth potential. This, in turn, is expected to keep inflation from re-accelerating.

Arizona's economy could hardly be better. After three consecutive years of very strong growth, the state's economy is still surging. Jobs continue to grow at a five percent annual rate, unemployment is at a 13-year low of 4.3%, consumer confidence stands at an all-time record high, housing markets are surprisingly strong, and tax dollars continue to pour into state coffers. Highlights of the *too-good-to-be-true* economy follow.

Nonag jobs increased 5.3% during the 12-month period ending in May. That's slower than the 7.5% rate of mid-1994, but still surprisingly strong given that this is the seventh year of this business expansion. In a ranking using data through April[1], Arizona's job growth was second only to Nevada. The Phoenix-Mesa metro area was the fastest-growing large metro market (over 750,000 workers), and the third-fastest when compared to all (some 291) metro areas.

The fastest-growing sectors during the past year are found in services, schools, transportation and mining, all registering job growth greater than 7.0% (comparing 12 months versus 12 months). Wholesale trade is up a strong 6.4%. Significantly, since both are notorious for wide swings, both the manufacturing and construction industries continue to add to payrolls. Construction jobs stand at an all-time record high 130,000. Likewise for manufacturing, with nearly 205,000.

Arizona's unemployment rate fell to 4.3% in June, well below the 5.0% rate recorded nationwide. Less than 110,000 were unemployed, down more than 30,000 during the past year. As Arizona's experiment with moving welfare recipients into jobs gets rolling during the next year, unemployment should fall further.

Tight labor markets are pushing up wages at the fastest pace in recent years in nearly every sector. Construction wages in May were up 15.2% from May of 1996, while copper mining wages rose 10.0%, and retail trade rose 8.8%. After falling during the summer of 1996, help wanted advertising in Metro Phoenix has moved back up to readings near the high point for this business cycle. The Conference Board compiles the help wanted index.

Arizona's home building industry remains remarkably strong. Building permits, after peaking in early 1996, have stabilized at a 48,000 unit annual rate. Single family permits peaked in early 1994, but after falling for better than a year shot up to establish a new peak in early 1996. So far this year, single family permits have been moving upward again to a 41,000 annual rate.

Both retail sales and restaurant and bar (R&B) sales are showing growth in the neighborhood of five to six percent. Growth rates for both peaked in 1994 and have been slowing as consumers satisfy their pent-up demand and as they use up available sources of credit. Special events including the Super Bowl affected last year's R&B numbers. The 12-month versus 12-month comparisons jumped by two percent as a result. At five to six percent growth, dollar sales are still healthy, growing at twice the rate of inflation.

The sales slowdown is spread pretty evenly across the various categories, according to breakouts provided by the Arizona Department of Revenue (DOR). During the twelve months that ended in April, sales at motor vehicle dealers rose only 3.9%. Apparel and furniture stores increased by like amounts. Miscellaneous stores and building materials registered the largest gains, posting 8.4% and 7.5%, respectively. General merchandise stores saw sales increase by less than one percent.

SO FAR, THERE IS NOTHING VISIBLE TO SUGGEST A REVERSAL OF THE BEST BUSINESS CLIMATE SINCE THE 1960'S.

WHY ARE TAX RECEIPTS SURGING?

Tax revenues are pouring into Uncle Sam's coffers, and there is a good chance that the federal budget deficit may fall below $50 billion this year. Surging income taxes are the reason. But economists are hard pressed to explain why. Income taxes are coming in faster than wages would suggest. A soaring stock market may be the answer. Over the past three years, market averages have posted total returns approaching 30% annually. Mutual funds must pay income to investors, who in turn must pay taxes on the proceeds, whether reinvested or received in cash. Taxes from last year's dividends and capital gains would be reflected on this year's tax returns.

Surging income tax receipts also are evident in Arizona. In May, individual income tax collections increased 31.9% from one year earlier. Comparing 12 months to 12 months, collections jumped by nearly 12% **(Exhibit 4).** Since this year's collections reflect liability for 1996, the strong flows suggest that official statistics for personal income are grossly understated. We expect these estimates to be revised upward, when BEA revises its estimates in September. Current personal income estimates show growth of only seven percent during the second half of last year. The dividends, interest and rents component (which contains the effects of movements in financial markets) currently shows a gain of only 4.7% for all of 1996. These numbers hardly reflect a booming stock market.

But, that's not the whole the story. Wage & salary disbursements and individual withholding also have diverged – but in the opposite direction! As shown in **Exhibit 5,** wage & salary disbursements have been increasing at a strong 9-10% annual rate during the past four quarters. In early 1996, withholding jumped well into double-digit territory. But early this year, gains fell into the 3-4% range. This reflects huge bonuses (averaging $5,000 per worker) paid during the first quarter of 1996 to workers in the copper mining industry. Those bonuses were not repeated in 1997, which accounts for the large fall. So, in addition to a strong stock market, one-time bonuses in 1996 also help explain the jump in this year's income tax collections.

So far this year, surging income taxes have kept state government tax collections growing at a high rate, even as collections from sales taxes have moderated. Will the income tax continue to carry the day as we go forward? The falloff in withholding portends disappointing individual collections next spring.

Meanwhile, corporate income taxes have increased nearly 35% during the past year **(Exhibit 6).** That may have as much to do with weakness during early 1996 as with strong corporate profits today. Most likely, corporate tax gains will settle in the neighborhood of 10% next year. $

[1] Blue Chip Job Growth Update: Ranking the States & MSA, *ASU College of Business, June 1997.*

A CORRECTION REGARDING POPULATION

In last quarter's report, we compared population estimates from three different sources: the US Census Bureau, the Arizona Department of Economic Security and Arizona State University. We stated in reference to the 1995 Special Census that "DES doesn't show this number because it does not revise previously published estimates." In fact, DES has revised its 1995 number to reflect the Special Census results. Moreover, they do revise estimates when they have data from a decennial or special census. Later this summer they will revise estimates for the 1991-94 period.

This does not change our conclusion, however: that the ASU estimates are the most realistic time series for the 1990-96 time period. Therefore, we continue to use the ASU estimates in our models. $

DATA SHORTCOMINGS CONFOUND COUNTY ANALYSIS

Marshall J. Vest, *Forecasting Project Director*
August 1, 1997

Analysts continue to be challenged to measure and understand what's happening in a rapidly transforming economy, while faced with inadequate budgets for statistical gathering and an increased unwillingness of business firms to provide important information.

IN SHORT... A growing number of companies with multiple locations are no longer providing the state with employee counts by county. As a result, their employee counts for the entire state are being reported in Maricopa County. This inflates growth in the Phoenix area, while seriously understating job creation in the remainder of the state. These companies are behaving rationally in the short term by minimizing compliance costs, since the state does not require this information (reporting is voluntary). However, in the long term, the quality of investment decisions will suffer as the data deteriorates, leading to a misallocation of resources. Isn't this a compelling reason for all companies to report individual county totals?

Tucson's economy slowed to a crawl in 1995, prompting many analysts to ask the question, *"What is wrong with Tucson?"* After all, Tucson's economy was on a roll in 1994 with job growth at a robust 6.3% (17,300 new jobs). But by mid-year 1995, job growth had receded to less than two percent. Meanwhile, statewide gains were running nearly three times that amount!

It was as if Tucson's economy had run into a wall. One possible explanation was the devaluation of the Mexican peso at the end of 1994, which negatively affected retail sales. The construction industry also was downsizing following modest overbuilding, particularly in the luxury apartment market. Thirdly, the large gains in manufacturing employment during 1994 turned into small losses. These explanations were the best that analysts had at the time, but Tucson's rapid change in fortune was still incomprehensible. Never before had the economy lost momentum so rapidly.

The mystery is now solved: *there were major problems with the data.* Revisions to the job numbers now show that Tucson's job base grew by 3.8% during 1995, not 2.4%. That is 11,200 new jobs rather than only 7,000 as reported. Although the new numbers still represent a slow down from the prior year, the economy's perceived health is not so grave.

There were a number of problems with the data (and some problems still remain). But first, a review of the revision process is helpful. In January of 1996, when the figures were in for all of 1995, the numbers showed Tucson's job base growing by 2.6% (7,500 jobs). A couple of months later, the preliminary numbers were revised as part of an annual "rebenchmarking." We expected a significant upward revision into the 4-5% range. But, estimates were revised *downward* instead, to show a 2.4% gain, or 7,000 jobs. Finally, in March of 1997 a second revision was released that boosts job growth to 3.8%, an 11,200 increase. These numbers could receive another boost next year.

Could the understatement of jobs be happening again, this time to the estimates for 1996? In January of this year, preliminary estimates for the entire year showed an increase of 2.3% or 7,000 jobs. A couple of months later, the estimates were revised *downward* to show a weak 1.8% gain, or 5,400 jobs. We won't know until the end of the first quarter of next year, when the annual revisions are again released, whether current estimates will hold or be revised significantly upward once again.

In addition to driving forecasters crazy, misstatements of this magnitude can have deleterious effects on investment decisions. Tucson currently has a serious shortage of available industrial properties, particularly in excess of 100,000 square feet. Yet speculative building remains nonexistent, because of lack of financing. Economic developers report losing a number of prospective new businesses during the past year because of the lack of available properties. Lenders rely heavily on job growth to judge the vitality of a community and whether to finance new projects. Understated job figures are no doubt partially responsible for giving lenders the impression that there is "something wrong with Tucson." This lack of building is, in turn, holding back the economy and depressing job growth.

A number of steps are being taken to improve the accuracy of employment data and lessen the size of future revisions. Adoption of probabilistic sampling techniques, a new touch-tone data entry system for employers, a new industry classification system that standardizes codes for the US, Canada and Mexico, and improved techniques to estimate *new* businesses are being implemented.

One major problem that will be hard to fix involves large retailers' unwillingness to report the number of employees by county. These are large department stores or other national or regional firms that have multiple outlets spread across the state. Firms are required by state unemployment insurance laws to report total wages paid in each calendar quarter when unemployment insurance premiums are remitted to the State. On the back of this form is an area that asks companies to voluntarily provide employment counts for each month of the quarter. For employers with multiple work sites, there is a second form that requests job counts *by county.* This also is voluntary. During the past year or so, several large department stores have stopped providing this information. For these firms, total state-wide employee counts have been "rolled up" into and reported in Maricopa County. The effect on Pima County data is that the general merchandise & apparel category sheds over 1,000 jobs during 1996, and "other retail trade" shows a cumulative decline of 1,100 over the past two years. As a result, Tucson's retail trade employment is reported to have dropped by 1.8% in 1996 while total dollar sales increased by 3.5%. In the Phoenix area, employment grew 4.6% while sales increased 8.3%. In short, job counts for Phoenix are overstated (slightly – the base is huge) while figures for other counties are seriously understated.

Business firms have legitimate concerns about the cost involved in reporting figures to the government, but it is important for businesses to provide this information. The payback for doing so is much more accurate data on which to base investment decisions. $

Forecasts for Arizona	1991	1996	1997	1998	1999	2000	2001	Compound Annual Growth Rates 91-96	96-01	91-01
Personal Income ($ mill)	63,767.8	93,454.2	100,792.7	107,852.2	114,903.6	122,316.5	130,051.3	7.9	6.8	7.4
percent change	4.8	8.1	7.9	7.0	6.5	6.5	6.3			
Per Capita Personal Income	16,710.6	21,095.8	22,101.8	23,048.4	23,974.4	24,941.3	25,920.3	4.8	4.2	4.5
percent change	2.4	4.9	4.8	4.3	4.0	4.0	3.9			
Aggregate Retail Sales ($ mill)*	27,490.9	40,369.0	42,410.8	44,539.5	46,829.8	49,312.2	52,053.8	8.0	5.2	6.6
percent change	2.9	6.8	5.1	5.0	5.1	5.3	5.6			
Population (000s, mid-year)	3,816.0	4,430.0	4,560.4	4,679.4	4,792.8	4,904.2	5,017.3	3.0	2.5	2.8
percent change	2.4	3.1	2.9	2.6	2.4	2.3	2.3			
Net Migration (000s)	56.7	94.2	86.1	76.3	72.3	72.7	74.4	10.7	-4.6	2.8
Wage & Salary Employment (000s)	1,491.4	1,898.3	1,972.2	2,032.4	2,084.9	2,141.6	2,202.4	4.9	3.0	4.0
percent change	0.6	5.7	3.9	3.1	2.6	2.7	2.8			
Goods-Producing	266.6	344.3	353.6	357.7	356.6	359.2	363.8	5.2	1.1	3.2
percent change	-4.9	5.5	2.7	1.2	-0.3	0.7	1.3			
Construction	77.2	127.0	126.7	125.7	124.2	124.7	127.1	10.5	0.0	5.1
percent change	-6.5	6.1	-0.3	-0.8	-1.2	0.4	2.0			
Manufacturing	176.1	202.9	212.2	216.8	217.0	219.0	221.2	2.9	1.7	2.3
percent change	-4.9	4.8	4.6	2.2	0.1	0.9	1.0			
Service-Providing	1,224.8	1,553.9	1,618.7	1,674.8	1,728.3	1,782.4	1,838.6	4.9	3.4	4.1
percent change	1.9	5.8	4.2	3.5	3.2	3.1	3.2			
Trade (Wholesale & Retail)	370.3	465.4	478.6	491.5	505.4	519.7	533.8	4.7	2.8	3.7
percent change	0.8	4.7	2.8	2.7	2.8	2.8	2.7			
Services	409.9	559.0	593.5	624.5	652.5	681.7	712.5	6.4	5.0	5.7
percent change	2.4	7.7	6.2	5.2	4.5	4.5	4.5			
Forecasts for Phoenix-Mesa Metro Area										
Personal Income ($ mill)	41,844.3	63,646.2	69,306.8	73,773.3	78,145.4	82,180.7	86,232.0	8.7	6.3	7.5
percent change	4.0	10.6	8.9	6.4	5.9	5.2	4.9			
Per Capita Personal Income	17,827.8	23,157.7	24,412.7	25,263.0	26,093.0	26,795.3	27,465.5	5.4	3.5	4.4
percent change	1.6	7.0	5.4	3.5	3.3	2.7	2.5			
Aggregate Retail Sales ($ mill)*	17,580.6	27,282.8	29,069.0	30,404.3	31,740.2	33,000.9	34,326.1	9.2	4.7	6.9
percent change	1.4	9.4	6.5	4.6	4.4	4.0	4.0			
Population (000s, mid-year)	2,347.1	2,748.4	2,839.0	2,920.2	2,994.9	3,067.0	3,139.6	3.2	2.7	3.0
percent change	2.3	3.4	3.3	2.9	2.6	2.4	2.4			
Net Migration (000s)	28.4	63.9	63.0	52.9	45.6	42.6	42.9	17.6	-7.6	4.2
Wage & Salary Employment (000s)	1,009.0	1,310.5	1,372.1	1,412.4	1,441.0	1,467.6	1,497.5	5.4	2.7	4.0
percent change	-0.4	7.0	4.7	2.9	2.0	1.8	2.0			
Goods-Producing	191.5	254.9	267.5	270.1	267.6	265.6	265.8	5.9	0.8	3.3
percent change	-5.7	6.7	5.0	1.0	-0.9	-0.8	0.1			
Construction	51.3	90.6	94.1	92.6	90.0	88.1	88.1	12.0	-0.5	5.6
percent change	-8.6	6.8	3.9	-1.6	-2.8	-2.1	0.0			
Manufacturing	134.7	157.4	166.6	170.7	170.8	170.6	170.8	3.2	1.6	2.4
percent change	-5.2	6.1	5.8	2.5	0.1	-0.1	0.1			
Service-Providing	817.5	1,055.6	1,104.6	1,142.3	1,173.4	1,202.0	1,231.6	5.2	3.1	4.2
percent change	0.9	7.0	4.6	3.4	2.7	2.4	2.5			
Trade (Wholesale & Retail)	251.2	322.2	334.4	342.3	348.1	353.2	358.5	5.1	2.2	3.6
percent change	-0.6	5.5	3.8	2.4	1.7	1.5	1.5			
Services	283.2	399.7	425.0	446.8	465.2	484.0	503.2	7.1	4.7	5.9
percent change	2.0	9.5	6.3	5.1	4.1	4.0	4.0			
Forecasts for Tucson Metro Area										
Personal Income ($ mill)	10,840.1	15,487.0	16,538.7	17,526.5	18,649.5	19,712.9	20,715.5	7.4	6.0	6.7
percent change	6.1	5.7	6.8	6.0	6.4	5.7	5.1			
Per Capita Personal Income	15,894.6	19,931.7	20,838.2	21,605.0	22,512.8	23,300.3	23,972.5	4.6	3.8	4.2
percent change	4.3	3.1	4.5	3.7	4.2	3.5	2.9			
Aggregate Retail Sales ($ mill)*	4,900.9	6,558.0	6,923.0	7,264.9	7,665.0	8,055.7	8,426.9	6.0	5.1	
percent change	5.0	4.3	5.6	4.9	5.5	5.1	4.6			
Population (000s, mid-year)	682.0	777.0	793.7	811.2	828.4	846.0	864.1	2.6	2.1	2.4
percent change	1.8	2.5	2.1	2.2	2.1	2.1	2.1			
Net Migration (000s)	6.4	14.5	12.0	12.7	12.0	12.1	12.5	17.9	-2.9	7.0
Wage & Salary Employment (000s)	258.3	309.9	320.1	328.8	337.1	346.2	355.5	3.7	2.8	3.2
percent change	2.6	2.4	3.3	2.7	2.5	2.7	2.7			
Goods-Producing	41.5	49.5	50.7	51.8	53.1	54.6	56.0	3.6	2.5	3.0
percent change	-3.1	-0.1	2.5	2.2	2.4	2.9	2.4			
Construction	14.1	19.7	19.5	19.5	20.0	20.9	21.8	6.9	2.0	4.4
percent change	-2.4	2.1	-1.3	-0.0	2.5	4.8	4.3			
Manufacturing	25.1	27.4	28.6	29.6	30.1	30.4	30.7	1.8	2.4	2.1
percent change	-4.2	-2.2	4.7	3.4	1.4	1.2	1.1			
Service-Providing	216.8	260.4	269.4	277.0	284.0	291.6	299.5	3.7	2.8	3.3
percent change	3.8	2.9	3.5	2.8	2.5	2.7	2.7			
Trade (Wholesale & Retail)	61.0	68.9	70.0	71.3	72.8	74.4	76.1	2.4	2.0	2.2
percent change	3.5	1.6	1.7	1.9	2.1	2.2	2.2			
Services	75.6	96.1	101.0	105.6	109.7	114.1	118.8	4.9	4.3	4.6
percent change	3.3	5.2	5.1	4.5	3.9	4.1	4.1			

** 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

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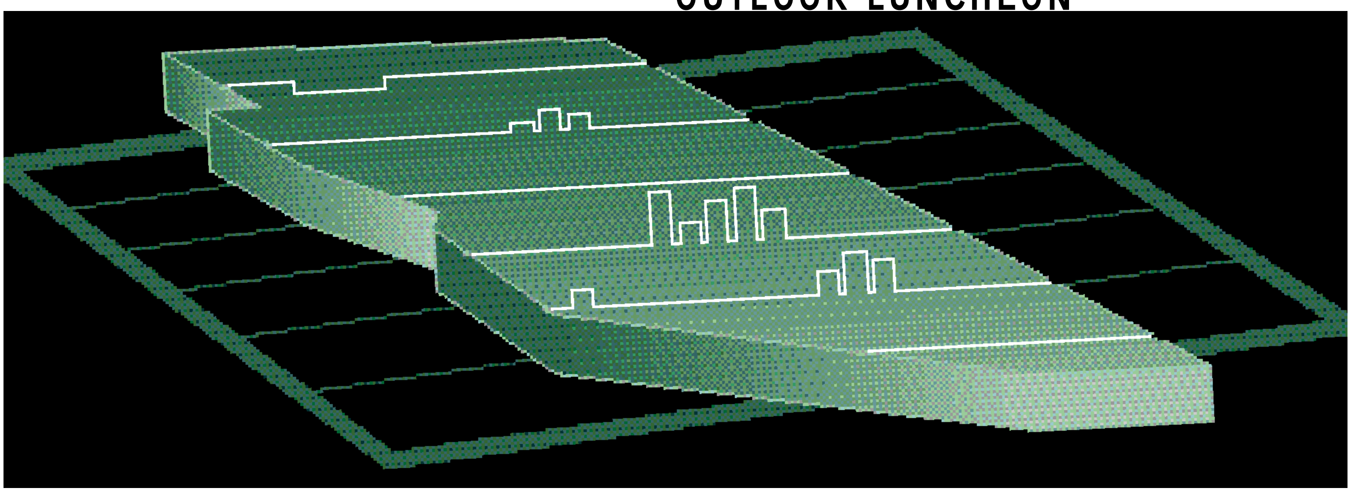

Presentations by
Marshall J. Vest
Economic and Business Research Program

Gerald J. Swanson
Economics Department

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The University of Arizona
Tucson Arizona

	MAR 97	APR 97	MAY 97	JUN 97	JUL 97	% change versus year ago for: most recent month	most recent 12-months
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES	60,775	65,675	68,000	69,675	70,350	-5.7	1.6
Employment	48,900	47,650	48,700	47,975	46,725	4.5	0.9
Unemployment	11,875	18,025	19,300	21,700	23,625	-21.1	3.4
Unemployment Rate (%)	19.5	27.4	28.4	31.1	33.6	-16.3	1.9
Employees on Nonagricultural Payrolls, ADES							
Total	38,200	37,300	36,600	36,000	34,500	4.5	3.8
Mining	0	0	0	0	0	...	...
Construction	2,100	1,900	2,000	2,000	2,000	5.3	9.0
Manufacturing	1,600	1,600	1,600	1,600	1,600	6.7	0.5
Trans., Comm. & Publ. Util.	1,900	1,900	1,900	1,900	1,900	11.8	0.4
Trade	12,200	11,800	11,200	11,100	10,900	5.8	1.4
Finance, Ins. & Real Estate	1,200	1,100	1,100	1,100	1,100	0.0	-7.9
Services	9,200	9,100	9,000	9,000	9,000	11.1	9.1
Government	10,000	9,900	9,800	9,300	8,000	-4.8	4.1
Sales ($000s) ADOR							
Gross Retail	83,050	66,976	65,228	60,888	...	110.2	8.7
Retail	63,186	54,066	50,240	48,053	...	198.3	9.5
Restaurants & Bar	10,059	7,400	7,743	6,338	...	9.9	7.0
Gasoline, EBR	9,805	5,510	7,245	6,497	...	-8.3	4.7
Gallons (000s) ADOT	7,394	4,093	5,616	5,211	...	4.9	-0.4
Contracting	11,332	11,081	12,064	11,200	...	17.4	-0.1
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	11,088	24,803	32,302	12,636	14,705	33.9	32.4
Residential Building	6,609	7,230	6,822	5,664	5,410	26.6	17.6
Non-Residential Building	3,222	16,583	23,317	5,132	4,468	30.3	107.2
Non-Building	1,257	990	2,163	1,840	4,827	47.4	-36.4
Number of Dwelling Units Awarded, F.W. Dodge							
Total	86	92	87	72	58	9.4	23.9
One Family Houses	86	92	87	72	58	9.4	10.3
MOHAVE-LA PAZ REGION							
Civilian Labor Force, ADES	69,575	69,475	70,475	71,675	72,100	3.2	2.8
Employment	65,725	66,175	66,925	68,025	68,525	6.0	3.5
Unemployment	3,850	3,300	3,550	3,650	3,575	-31.3	-5.5
Unemployment Rate (%)	5.5	4.7	5.0	5.1	5.0	-33.4	-8.2
Employees on Nonagricultural Payrolls, ADES							
Total	40,100	40,500	40,500	40,600	40,300	5.5	4.1
Mining	200	200	200	200	200	0.0	0.0
Construction	3,100	3,400	3,400	3,500	3,300	10.0	3.9
Manufacturing	3,000	3,000	3,100	3,100	3,100	3.3	-0.8
Trans., Comm. & Publ. Util.	2,000	1,900	1,900	1,900	1,800	-5.3	5.0
Trade	11,500	11,500	11,500	11,700	11,600	1.8	-0.4
Finance, Ins. & Real Estate	1,900	1,900	1,900	1,900	1,800	0.0	4.7
Services	10,600	10,700	10,700	10,800	10,700	10.3	11.2
Government	7,800	7,900	7,800	7,500	7,800	8.3	4.0
Sales ($000s) ADOR							
Gross Retail	93,256	85,200	93,593	85,272	...	3.9	4.6
Retail	67,248	61,561	69,398	63,380	...	12.1	6.2
Restaurants & Bar	12,527	11,441	12,188	10,323	...	-7.8	0.2
Gasoline, EBR	13,481	12,198	12,007	11,569	...	-19.3	0.6
Gallons (000s) ADOT	10,167	9,063	9,308	9,280	...	-7.6	-3.5
Contracting	17,754	17,760	16,471	17,108	...	16.9	10.6
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	35,848	20,407	20,580	16,744	29,248	40.3	16.9
Residential Building	12,305	12,112	14,545	11,972	10,719	-22.2	14.4
Non-Residential Building	4,250	6,773	5,029	940	1,686	493.7	79.7
Non-Building	19,293	1,522	1,006	3,832	16,843	148.5	-9.0
Number of Dwelling Units Awarded, F.W. Dodge							
Total	138	152	167	124	116	-32.9	6.3
One Family Houses	138	150	163	120	116	-4.1	10.8

See notes at bottom of Arizona - Quarterly table.

	MAR 97	APR 97	MAY 97	JUN 97	JUL 97	% change versus year ago for: most recent month	most recent 12-months
COCHISE-SANTA CRUZ REGION							
Civilian Labor Force, ADES	54,650	54,175	55,150	55,125	55,450	-3.5	-3.5
Employment	48,850	48,725	49,400	48,675	48,925	0.9	-3.5
Unemployment	5,800	5,450	5,750	6,450	6,525	-27.3	-3.2
Unemployment Rate (%)	10.6	10.1	10.4	11.7	11.8	-24.6	-0.1
Employees on Nonagricultural Payrolls, ADES							
Total	40,400	40,400	40,400	39,500	39,100	2.6	-0.3
Mining	100	100	100	100	100	0.0	0.0
Construction	1,600	1,600	1,600	1,700	1,600	-5.9	-6.2
Manufacturing	2,300	2,300	2,300	2,300	2,300	0.0	3.7
Trans., Comm. & Publ. Util.	2,300	2,300	2,300	2,300	2,300	0.0	3.0
Trade	11,700	11,900	11,900	11,200	11,200	1.8	1.3
Finance, Ins. & Real Estate	1,200	1,100	1,200	1,200	1,200	0.0	14.6
Services	8,200	8,200	8,200	8,500	8,500	0.0	-3.7
Government	13,000	12,900	12,800	12,200	11,900	8.2	-1.1
Sales ($000s) ADOR							
Gross Retail	71,128	64,050	70,506	67,973	...	9.9	6.0
Retail	54,796	48,270	54,426	53,872	...	16.6	8.2
Restaurants & Bar	8,507	8,083	8,407	7,419	...	-9.8	-0.3
Gasoline, EBR	7,825	7,697	7,673	6,682	...	-10.1	-2.2
Gallons (000s) ADOT	5,901	5,718	5,948	5,360	...	2.9	-6.7
Contracting	11,686	12,702	9,264	10,870	...	-14.8	-10.7
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	11,474	11,691	6,728	14,517	9,422	-26.9	10.4
Residential Building	5,260	6,903	5,715	7,682	8,000	39.5	-16.8
Non-Residential Building	765	2,357	221	6,782	60	-66.7	165.4
Non-Building	5,449	2,431	792	53	1,362	-80.5	22.6
Number of Dwelling Units Awarded, F.W. Dodge							
Total	64	84	82	83	75	0.0	-0.9
One Family Houses	60	78	82	81	75	0.0	-9.6
GILA-GRAHAM-GREENLEE REGION							
Civilian Labor Force, ADES	34,475	34,175	35,225	34,300	34,225	-2.8	-1.1
Employment	31,675	31,700	32,550	31,450	31,500	-1.2	-1.2
Unemployment	2,800	2,475	2,675	2,850	2,725	-18.0	-0.1
Unemployment Rate (%)	8.1	7.2	7.6	8.3	8.0	-15.7	0.9
Employees on Nonagricultural Payrolls, ADES							
Total	25,200	25,600	25,500	24,700	24,300	-0.4	3.4
Mining	3,000	3,000	3,000	3,000	3,000	0.0	3.7
Construction	2,000	2,000	2,100	2,000	1,900	-5.0	12.8
Manufacturing	1,900	1,900	1,900	1,900	1,900	-5.0	3.2
Trans., Comm. & Publ. Util.	900	900	800	800	800	0.0	7.7
Trade	5,700	5,800	5,600	5,900	5,900	0.0	0.6
Finance, Ins. & Real Estate	400	500	500	500	500	0.0	14.0
Services	4,000	4,000	4,000	4,000	4,000	-2.4	4.8
Government	7,300	7,500	7,600	6,600	6,400	3.2	1.6
Sales ($000s) ADOR							
Gross Retail	30,951	38,355	44,481	42,496	...	1.9	4.6
Retail	21,468	28,631	34,069	33,090	...	4.8	5.6
Restaurants & Bar	4,992	5,427	5,823	5,350	...	-1.7	0.2
Gasoline, EBR	4,491	4,297	4,589	4,056	...	-13.8	2.7
Gallons (000s) ADOT	3,387	3,192	3,557	3,253	...	-1.3	-1.9
Contracting	12,557	12,252	11,057	14,514	...	11.5	31.1
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	11,758	11,785	4,907	7,310	16,033	115.7	-20.0
Residential Building	10,881	8,013	4,397	3,102	5,650	36.2	11.0
Non-Residential Building	308	3,772	210	972	1,882	349.2	-29.1
Non-Building	569	0	300	3,236	8,501	196.7	-49.9
Number of Dwelling Units Awarded, F.W. Dodge							
Total	104	84	57	34	50	16.3	5.8
One Family Houses	62	68	38	34	50	16.3	-3.6

See notes at bottom of Arizona - Quarterly table.

	MAR 97	APR 97	MAY 97	JUN 97	JUL 97	% change versus year ago for: most recent month	most recent 12-months
APACHE-NAVAJO REGION							
Civilian Labor Force, ADES	51,550	50,975	52,325	53,075	52,350	-2.1	-2.2
Employment	42,975	43,275	43,900	42,575	42,200	3.6	-3.3
Unemployment	8,575	7,700	8,425	10,500	10,150	-20.2	3.2
Unemployment Rate (%)	16.6	15.1	16.1	19.8	19.4	-18.5	5.7
Employees on Nonagricultural Payrolls, ADES							
Total	40,800	41,100	41,300	39,600	38,600	4.9	0.5
Mining	900	900	900	900	900	0.0	-7.7
Construction	2,000	2,200	2,200	2,200	2,200	4.8	21.8
Manufacturing	1,700	1,700	1,800	1,800	1,800	5.9	-10.0
Trans., Comm. & Publ. Util.	2,600	2,600	2,600	2,800	2,700	3.8	2.3
Trade	7,100	7,200	7,100	7,300	7,300	-3.9	2.1
Finance, Ins. & Real Estate	1,200	1,200	1,200	1,200	1,200	-7.7	-6.5
Services	8,400	8,400	8,400	8,300	8,300	-1.2	5.2
Government	16,900	16,900	17,100	15,100	14,200	16.4	-2.7
Sales ($000s) ADOR							
Gross Retail	48,423	45,923	57,740	61,183	...	-2.4	-7.6
Retail	36,359	33,535	44,111	48,173	...	5.7	-8.4
Restaurants & Bar	4,573	4,682	5,800	6,656	...	-0.1	-0.5
Gasoline, EBR	7,491	7,706	7,829	6,354	...	-39.1	-7.5
Gallons (000s) ADOT	5,649	5,725	6,069	5,097	...	-30.3	-11.6
Contracting	5,948	5,839	8,418	8,817	...	-10.4	5.6
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	4,996	17,205	19,671	19,251	11,305	-21.8	4.0
Residential Building	2,774	11,978	4,042	4,409	4,953	-49.0	8.8
Non-Residential Building	791	597	9,003	3,423	2,380	95.1	6.0
Non-Building	1,431	4,630	6,626	11,419	3,972	12.6	-2.7
Number of Dwelling Units Awarded, F.W. Dodge							
Total	35	137	49	54	53	-36.1	22.5
One Family Houses	35	137	47	54	53	-36.1	22.1
COCONINO-YAVAPAI REGION							
Civilian Labor Force, ADES	122,050	123,875	125,375	126,700	128,450	0.7	0.8
Employment	114,900	117,425	118,375	118,200	120,225	2.1	1.1
Unemployment	7,150	6,450	7,000	8,500	8,225	-15.9	-3.2
Unemployment Rate (%)	5.9	5.2	5.6	6.7	6.4	-16.4	-4.0
Employees on Nonagricultural Payrolls, ADES							
Total	93,400	94,100	95,000	93,000	93,600	3.9	5.0
Mining	900	800	800	800	800	-11.1	-3.7
Construction	5,800	6,200	6,400	6,500	6,400	-3.0	3.9
Manufacturing	6,500	6,600	6,700	6,500	6,500	1.6	7.7
Trans., Comm. & Publ. Util.	2,900	2,900	2,900	3,000	3,100	-3.1	-3.0
Trade	24,800	25,500	25,600	26,000	26,300	2.7	3.5
Finance, Ins. & Real Estate	2,700	2,700	2,800	2,700	2,700	0.0	6.6
Services	25,200	26,000	26,200	26,400	26,700	5.5	7.9
Government	24,600	23,400	23,600	21,100	21,100	9.3	3.4
Sales ($000s) ADOR							
Gross Retail	164,281	163,261	181,664	183,257	...	4.6	6.8
Retail	115,206	114,797	132,331	134,532	...	9.5	7.3
Restaurants & Bar	31,494	31,091	31,262	33,135	...	2.6	4.8
Gasoline, EBR	17,581	17,373	18,071	15,590	...	-21.9	6.8
Gallons (000s) ADOT	13,259	12,907	14,009	12,505	...	-10.6	2.3
Contracting	34,746	35,429	39,198	40,868	...	-3.3	0.4
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	39,678	41,088	42,296	50,000	65,405	16.6	-13.3
Residential Building	23,134	20,997	26,402	25,865	25,261	-20.0	-9.0
Non-Residential Building	6,393	13,125	6,160	5,320	19,004	13.6	-30.2
Non-Building	10,151	6,966	9,734	18,815	21,140	172.4	-4.8
Number of Dwelling Units Awarded, F.W. Dodge							
Total	212	190	319	249	240	-44.2	-8.4
One Family Houses	187	188	226	245	220	13.4	7.3

See notes at bottom of Arizona - Quarterly table.

	MAR 97	APR 97	MAY 97	JUN 97	JUL 97	% change versus year ago for: most recent month	most recent 12-months
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES	1,479.9	1,477.8	1,495.8	1,505.0	1,515.7	3.0	2.3
Employment	1,436.3	1,437.8	1,452.4	1,459.5	1,470.7	4.2	2.5
Unemployment	43.6	40.0	43.4	45.5	45.0	-26.6	-2.5
Unemployment Rate, Seas. Adj. (%)	3.1	3.0	3.2	2.9	2.8	-28.2	-4.9
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,375.3	1,377.3	1,381.6	1,369.2	1,362.3	6.0	6.3
Mining	7.3	7.5	7.6	7.8	8.4	25.4	12.7
Construction	92.0	93.2	95.2	96.4	97.3	7.3	5.0
Manufacturing	155.0	155.6	156.5	158.5	159.8	3.9	2.0
Durable	117.6	118.1	119.0	121.0	122.4	5.3	2.8
Nondurable	37.4	37.5	37.5	37.5	37.4	-0.5	-0.2
Trans., Comm. & Publ. Util.	71.7	72.1	72.2	72.6	73.0	5.3	6.6
Trade	340.0	340.5	341.3	340.4	339.9	7.1	5.4
Wholesale	85.7	85.7	86.7	87.4	86.5	7.1	8.2
Retail	254.3	254.8	254.6	253.0	253.4	7.1	4.4
Finance, Ins. & Real Estate	101.1	101.4	101.9	102.9	103.5	8.9	9.1
Services	427.9	427.5	427.9	429.8	427.1	6.4	9.0
Government	180.3	179.5	179.0	160.8	153.3	1.3	4.6
Sales ($000s) ADOR							
Aggregate Retail Sales	2,564,332	2,448,433	2,422,577	2,474,779	...	7.8	6.5
Retail	1,775,709	1,683,687	1,688,584	1,776,011	...	10.7	6.1
Food, EBR	321,657	327,530	322,456	315,825	...	6.8	7.9
Restaurants & Bars	318,427	295,584	275,892	260,148	...	1.5	5.8
Gasoline, EBR	148,538	141,632	135,645	122,796	...	-12.2	10.5
Contracting	462,973	486,513	476,385	545,691	...	13.1	10.0
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total Awards	624,589	725,100	598,408	799,363	480,864	-13.7	5.4
Residential Building	380,798	413,079	388,684	377,567	340,981	-12.1	-4.0
Non-Residential Building	150,480	131,728	158,533	279,686	106,367	4.0	16.8
Non-Building	93,311	180,293	51,191	142,110	33,516	-50.0	36.0
New Housing Units Authorized, Census C-40							
Total Units	2,891	3,409	3,412	2,790	2,980	-11.0	-10.1
Single Family Units	2,586	2,890	2,746	2,576	2,888	6.4	-6.7
2-4 Unit Structures	47	26	8	29	8	-78.9	-8.2
5-plus Unit Structures	258	493	658	185	84	-85.9	-21.5
Housing Sales and Prices, ARMLS							
Total Sales ($000s)	524,503	510,735	610,086	536,833	625,098	28.0	9.0
Total Units	3,928	3,665	4,485	3,756	4,405	15.2	0.0
Average Price ($)	133,529	139,355	136,028	142,927	141,906	11.1	8.7
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	3,059,241	2,713,900	2,538,311	2,536,618	...	1.9	5.7
Total Aircraft Movements	38,448	35,228	36,232	42,118	...	25.8	9.0

PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL) - QUARTERLY DATA	II 96	III 96	IV 96	I 97	II 97	% change versus year ago for: most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	2,737.3	2,759.9	2,782.5	2,805.1	2,827.7	3.3	3.3
Natural Increase	6.5	6.6	6.7	6.8	6.9	5.6	5.7
Births	11.8	11.9	12.1	12.2	12.3	4.0	4.8
Deaths	5.3	5.4	5.4	5.4	5.4	2.1	3.7
Net Migration	16.3	16.1	15.8	15.8	15.8	-3.5	-0.8
Personal Income by Source ($mil, SAAR) EBR							
Total Personal Income	62,946	64,397	65,791	67,184	68,599	9.0	9.7
Earnings by Place of Work	45,898	47,002	48,037	49,068	50,127	9.2	10.0
Less: Contributions for Social Insurance	2,758	2,819	2,871	2,921	2,976	7.9	8.7
Plus: Adjustment for Residence	-32	-32	-32	-32	-32	0.4	0.3
Plus: Dividends, Interest & Rents	10,340	10,579	10,820	11,063	11,304	9.3	9.8
Plus: Transfer Payments	9,498	9,667	9,836	10,006	10,176	7.1	7.5
Per Capita Personal Income ($, SAAR) EBR	22,996	23,333	23,645	23,951	24,260	5.5	6.1

See notes at bottom of Arizona - Quarterly table

	MAR 97	APR 97	MAY 97	JUN 97	JUL 97	% change versus year ago for: most recent month	most recent 12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES	379.3	378.3	382.3	381.0	372.8	-2.0	-1.5
Employment	367.7	367.5	370.6	368.2	360.4	-1.2	-1.5
Unemployment	11.6	10.8	11.7	12.8	12.4	-21.0	-2.5
Unemployment Rate, Seas. Adj. (%)	3.2	3.2	3.3	3.2	3.1	-18.4	-1.2
Employees on Nonagricultural Payrolls (000s) ADES							
Total	317.6	317.5	318.3	311.6	301.2	0.9	2.3
Mining	2.4	2.4	2.4	2.3	2.5	4.2	2.5
Construction	18.0	18.1	18.2	18.8	19.2	-1.0	-2.7
Manufacturing	29.1	29.2	29.4	29.6	29.5	2.4	3.4
Durable	23.3	23.4	23.5	23.7	23.6	2.6	4.0
Nondurable	5.8	5.8	5.9	5.9	5.9	1.7	0.9
Trans., Comm. & Publ. Util.	13.2	13.4	13.5	13.6	13.4	0.8	-1.4
Trade	69.3	68.7	68.4	67.9	67.3	2.7	0.3
Wholesale	10.4	10.4	10.4	10.4	10.4	0.0	1.9
Retail	58.9	58.3	58.0	57.5	56.9	3.3	0.0
Finance, Ins. & Real Estate	12.7	12.6	12.6	12.5	12.6	1.6	0.6
Services	99.8	100.1	100.5	99.7	99.0	1.9	6.4
Government	73.1	73.0	73.3	67.2	57.7	-3.0	0.5
Sales ($000s) ADOR							
Aggregate Retail Sales	582,020	605,402	585,693	580,529	...	7.4	4.4
Retail	387,220	407,153	392,788	404,483	...	11.6	4.1
Food, EBR	81,805	83,298	82,008	80,321	...	4.7	4.6
Restaurants & Bars	75,131	74,406	70,741	61,856	...	-0.4	3.7
Gasoline, EBR	37,865	40,545	40,156	33,869	...	-13.8	8.4
Contracting	82,905	87,738	92,425	92,050	...	-1.8	-2.0
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total Awards	102,301	81,522	76,679	134,579	78,168	-29.6	-16.6
Residential Building	48,897	51,638	50,076	54,185	46,941	-18.3	-29.8
Non-Residential Building	23,436	21,953	20,396	75,755	21,096	-41.5	26.2
Non-Building	29,968	7,931	6,207	4,639	10,131	-42.0	-29.5
New Housing Units Authorized, Census C-40							
Total Units	438	609	441	562	392	-38.6	-24.6
Single Family Units	420	474	412	548	384	-9.6	-2.7
2-4 Unit Structures	18	18	29	5	1	-87.5	32.6
5-plus Unit Structures	0	117	0	9	7	-96.6	-90.6
Housing Sales and Prices, TAR							
Total Sales ($000s)	93,406	95,412	98,407	106,778	...	-4.9	-3.9
Total Units	720	762	760	805	...	-2.8	-8.3
Average Price ($)	129,730	125,212	129,483	132,643	...	-2.2	5.0
Tucson International Airport, TAA							
Total Passengers	363,357	315,643	313,488	277,970	280,818	4.4	0.5
Total Aircraft Movements	22,484	21,421	21,018	20,103	19,012	3.6	-4.1

TUCSON METROPOLITAN REGION (PIMA) - QUARTERLY DATA	II 96	III 96	IV 96	I 97	II 97	% change versus year ago for: most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	774.7	779.0	783.2	787.4	791.6	2.2	2.3
Natural Increase	1.1	1.1	1.1	1.1	1.2	3.6	1.1
Births	2.8	2.8	2.8	2.9	2.9	2.0	1.6
Deaths	1.7	1.7	1.7	1.7	1.7	0.9	2.0
Net Migration	3.4	3.2	3.1	3.1	3.0	-9.9	-16.6
Personal Income by Source ($mil, SAAR) EBR							
Total Personal Income	15,352	15,596	15,870	16,144	16,407	6.9	6.3
Earnings by Place of Work	9,661	9,826	10,015	10,202	10,381	7.5	6.5
Less: Contributions for Social Insurance	608	618	629	640	651	7.1	6.3
Plus: Adjustment for Residence	127	130	134	137	141	11.2	9.7
Plus: Dividends, Interest & Rents	3,072	3,111	3,158	3,207	3,251	5.8	5.4
Plus: Transfer Payments	3,100	3,147	3,192	3,238	3,284	5.9	6.4
Per Capita Personal Income ($, SAAR) EBR	19,817	20,021	20,263	20,504	20,727	4.6	3.9

See notes at bottom of Arizona - Quarterly table

	MAR 97	APR 97	MAY 97	JUN 97	JUL 97	% change versus year ago for: most recent month	most recent 12-months
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES	2,252.4	2,254.5	2,284.7	2,296.5	2,301.5	1.3	1.2
Employment	2,157.1	2,160.3	2,182.9	2,184.5	2,189.2	3.1	1.4
Unemployment	95.3	94.2	101.8	112.0	112.3	-23.6	-1.3
Unemployment Rate, Seas. Adj. (%)	4.8	4.8	4.7	4.4	4.1	-28.1	-2.4
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,973.2	1,974.2	1,980.2	1,952.4	1,932.7	4.3	5.1
Mining	14.7	14.7	14.8	14.9	15.1	2.7	5.9
Construction	126.6	128.3	131.0	132.8	133.7	4.9	4.1
Manufacturing	202.3	202.7	203.8	205.6	206.5	3.5	2.3
Durable	153.4	154.0	154.9	156.5	157.6	4.4	2.6
Nondurable	48.9	48.7	48.9	49.1	48.9	0.6	1.5
Trans., Comm. & Publ. Util.	99.1	99.2	99.7	100.1	100.2	3.9	5.1
Transportation	62.0	62.3	62.7	63.1	63.6	7.6	7.3
Trade	483.7	483.1	483.6	481.1	479.1	4.4	4.5
Wholesale	106.4	106.2	107.1	107.4	105.0	5.1	5.9
Retail	377.3	376.9	376.5	373.7	374.1	4.2	4.2
Finance, Ins. & Real Estate	121.1	121.4	122.0	123.0	123.8	7.1	6.7
Services	590.7	591.4	591.0	593.8	591.3	5.5	7.4
Government	335.0	333.4	334.3	301.1	283.0	1.3	3.6
Federal	42.5	42.8	43.1	41.7	41.1	-1.4	-2.6
State & Local	292.5	290.6	291.2	259.4	241.9	1.8	4.7
Schools	174.5	172.3	172.3	138.3	119.1	2.3	7.4
Hours Worked Per Week, Manufacturing, ADES	41.2	41.6	41.6	41.1	40.5	-4.9	-3.2
Average Hourly Earnings ($) ADES							
Copper Mining	17.34	18.85	18.12	18.89	15.25	-8.0	5.4
Construction	14.15	14.22	14.68	14.58	14.46	14.6	8.3
Manufacturing	11.67	11.68	11.67	11.70	11.94	2.7	3.4
Utilities	18.00	18.24	17.88	17.26	16.89	-8.0	6.7
Retail Trade	11.47	11.48	11.33	11.43	11.45	7.8	6.6
Wholesale Trade	13.06	13.08	12.87	13.28	13.34	2.1	3.0
Sales ($000s) ADOR							
Aggregate Retail Sales	3,731,872	3,613,753	3,616,146	3,649,094	...	7.1	5.7
Retail	2,521,192	2,431,700	2,465,947	2,561,594	...	10.6	5.5
Food, EBR	497,892	506,982	499,128	488,863	...	6.5	6.5
Restaurants & Bars	465,710	438,114	417,856	391,225	...	0.8	5.0
Gasoline, EBR	247,078	236,957	233,214	207,412	...	-14.7	7.8
Gallons (000s) ADOT	186,333	176,045	180,786	166,369	...	-2.3	3.1
Utilities	329,644	318,211	371,432	436,909	...	15.1	2.8
Communications	141,724	145,665	139,954	162,921	...	23.1	13.6
Amusements	72,498	60,612	50,323	...	...	15.1	36.3
Rentals - Real Property	272,879	324,965	275,852	...	...	6.2	16.1
Rentals - Personal Property	236,871	229,745	220,069	...	...	6.1	13.3
Contracting	639,901	669,314	665,282	741,118	...	9.3	8.2
Mining - Metal, Oil & Gas	136,540	121,622	134,128	137,769	...	19.4	-16.4
Hotel/Motel	198,565	159,176	130,294	...	...	10.3	9.7
Value of Construction Contract Awards ($000s							
Total Awards	841,732	933,601	801,571	1,054,400	705,150	-10.8	1.8
Residential Building	490,658	531,950	500,683	490,446	447,915	-12.9	-6.9
Non-Residential Building	189,645	196,888	222,869	378,010	156,943	-2.2	18.1
Non-Building	161,429	204,763	78,019	185,944	100,292	-13.3	13.7
New Housing Units Authorized, Census C-40							
Total Units	3,922	4,625	4,455	3,925	3,892	-15.9	-15.8
Single Family Units	3,507	3,910	3,715	3,645	3,777	3.1	-6.8
2-4 Unit Structures	152	82	66	54	19	-76.5	-19.2
5-plus Unit Structures	263	633	674	256	96	-89.1	-46.8
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	2,166	2,240	2,234	2,154	...	30.9	29.2
Chapter 7	1,660	1,770	1,766	1,699	...	34.9	28.0
Chapter 11	24	33	19	18	...	-30.8	-2.4
Chapter 13	482	436	448	436	...	20.8	35.6

See notes at bottom of Arizona - Quarterly table.

	II 96	III 96	IV 96	I 97	II 97	% change versus year ago for: most recent quarter	most recent 4-quarters
ARIZONA - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	4,413.4	4,446.6	4,479.6	4,512.3	4,544.5	3.0	3.0
Natural Increase	9.7	9.7	9.6	9.7	9.8	1.4	3.1
Births	18.4	18.6	18.5	18.7	18.8	2.1	1.2
Deaths	8.8	8.8	8.9	9.0	9.0	2.7	-0.8
Net Migration	23.6	23.5	23.2	22.9	22.1	-6.5	-4.0
Personal Income Derivation ($mil, SAAR) EBR							
Total Personal Income	92,401	94,278	96,038	98,154	99,966	8.2	8.0
Earnings by Place of Work	64,279	65,668	66,968	68,469	69,975	8.9	8.7
Less: Contributions for Social Insurance	4,437	4,522	4,601	4,704	4,797	8.1	7.8
Plus: Adjustment for Residence	294	299	304	308	313	6.4	6.4
Plus: Dividends, Interest & Rents	15,839	16,171	16,462	16,749	16,922	6.8	5.8
Plus: Transfer Payments	16,425	16,662	16,906	17,333	17,552	6.9	7.3
Components of Earnings ($mil, SAAR) BEA							
Wages and Salaries	52,317	53,382	53,733	54,485	...	5.6	8.2
Other Labor Income	6,035	6,130	6,129	6,112	...	1.3	4.3
Proprietor's Income	5,858	6,008	6,021	6,109	...	7.2	6.5
Farm	379	465	364	328	...	4.8	2.5
Nonfarm	5,479	5,543	5,657	5,781	...	7.3	6.8
Per Capita Personal Income ($, SAAR) EBR	20,936	21,202	21,439	21,753	21,997	5.1	4.8
Average Wage Per Employee, Annual Rate ($) E	27,341	27,373	27,276	27,426	...	0.8	2.8
Measures of Financial Institutions							
Banks and S&Ls Combined ($mil) ASBD							
Assets	39,810	31,064	32,145	24,226	24,230	-39.1	-27.6
Loans	24,161	21,266	22,699	15,812	16,419	-32.0	-18.5
Liabilities	36,140	28,558	29,791	22,528	22,470	-37.8	-27.1
Deposits	32,512	25,909	27,252	20,340	20,637	-36.5	-26.7
Equity Capital	3,670	2,506	2,354	1,698	1,760	-52.0	-33.3
Capital:Asset Ratio (%)	10.1	8.9	8.1	7.8	8.2	NA	NA

MEASURES OF INFLATION AND PRICES	II 96	III 96	IV 96	I 97	II 97	% change versus year ago for: most recent quarter	most recent 4-quarters
Consumer Price Index (1982-84=100) ASU & BLS							
Metropolitan Phoenix	168.4	167.6	168.6	171.3	173.9	3.3	4.4
Western Region (U.S.)	157.5	158.6	158.7	160.8	161.0	2.2	2.7
U.S. - All Urban Consumers	156.5	157.4	158.5	159.6	160.2	2.3	2.9
U.S. - Urban Wage Earners	153.9	154.6	155.8	156.7	157.3	2.2	2.8
Price Indexes (1992=100) BEA							
Gross Domestic Product	109.6	110.2	110.7	111.4	111.9	2.1	2.1
Personal Consumption Expenditures	109.8	110.2	111.0	111.6	111.9	2.0	2.3

MEASURES OF INFLATION AND PRICES - MONTHLY DATA	MAR 97	APR 97	MAY 97	JUN 97	JUL 97	% change versus year ago for: most recent month	most recent 12-months
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	160.0	160.2	160.1	160.3	160.5	2.2	2.8
U.S. - Wage Earners	157.0	157.2	157.2	157.4	157.5	2.1	2.7

Sources and abbreviations:

ADES: 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

	MAR 97	APR 97	MAY 97	JUN 97	JUL 97	% 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	1,561,051	1,800,648	2,131,384	2,221,820	2,677,087	-4.2	-5.1
Historical	208,133	193,193	201,673	203,491	211,370	-0.0	-1.1
Scenic	512,435	480,997	687,273	790,583	998,558	3.0	-3.6
Water Based Recreation	840,483	1,126,458	1,242,438	1,227,746	1,467,159	-9.0	-6.5
Southern Arizona	468,240	297,306	254,428	178,922	167,243	-5.7	0.3
Historical	96,671	56,709	44,183	28,426	26,978	-35.6	-1.3
Scenic	312,311	197,805	157,589	106,141	93,969	7.0	0.7
Water Based Recreation	59,258	42,792	52,656	44,355	46,296	-2.8	0.4
International Border Crossings, USINS & USCS							
U.S. Citizens	775,392	685,276	614,941	722,656	717,859	22.1	3.7
Aliens	2,074,294	1,826,179	1,551,744	1,873,859	1,874,132	21.0	-5.9

See notes at bottom of Arizona - Quarterly table.

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