

# ARIZONA'S ECONOMY

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## THREE MILLION MORE PEOPLE WILL CALL ARIZONA HOME BY 2020

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Forecasting Project Director  
September 1, 1998

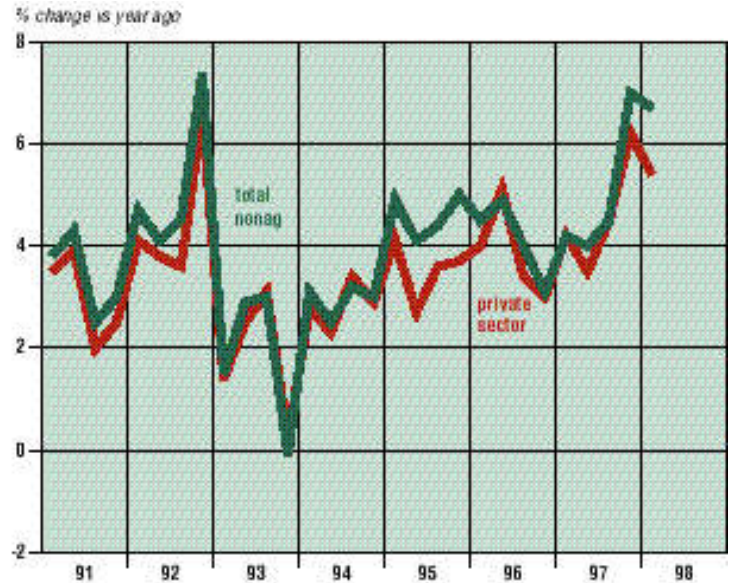
*This quarter's update pushes the forecast horizon out to the year 2020. Our annual visit of the long-term shows more growth and higher numbers than what we published one year ago. This reflects a higher trajectory for the Phoenix-Mesa metro area. At mid year, Arizona's economy continues to cook with only limited evidence that the pace may cool in the coming months.*

### ARIZONA'S ECONOMY AT MID-YEAR

The recent sell off in the stock market, a major strike at General Motors, Monicagate, political instability in Russia, bombing of American embassies, falling exports and a worsening situation in Asian countries have had little effect on Arizona's economy so far. At mid year, most measures of economic activity show continuing robust growth, with capacity constraints and shortages of labor being the major concerns. Strong consumer spending and a soaring construction industry are the factors currently fueling Arizona's rapid expansion.

Nonag jobs were 4.6% higher in the second quarter than one year earlier, and that ranks Arizona as one of the fastest growing states in the country. Year-over-year job growth slowed to only 3.8% last August before re-accelerating to current rates. During the past year, nearly 90,000 jobs have been created. In July, Arizona's unemployment rate fell to 3.7%, matching its record low. Unemployment

**EXHIBIT 1**  
Tight Labor Markets Lead to Skyrocketing Wages  
Wages & Salaries Per Employee, AZ



in Phoenix and Tucson stood at astonishingly low rates of 2.5% and 2.6%, respectively.

Manpower Inc.'s net hiring strength index stands near its cycle peak for metro Phoenix as does the Conference Board's index of help wanted advertising. Both indicate continuing strong demand for labor. Published estimates of job counts are likely to be revised upward next March. Inability to hire workers will no doubt limit the size of those revisions.

The boom in home building continues to amaze. Single family housing is being built at a rate of 47,000 units per year. That's the *fastest pace ever recorded*— eclipsing the previous record set in 1978. Adding another 13,000 multi-family units brings the total

number of new residential units to a 60,000 annual pace, the highest since 1987. Factors supporting the surge include: (1) favorable affordability enhanced by mortgage rates under seven percent, (2) plentiful jobs and rising real wages, (3) record high consumer confidence, and (4) a very competitive lending environment that is spawning programs designed to reach less-creditworthy borrowers.

Commercial construction projects also remain at a high level and are adding another element of demand for construction workers, concrete and building materials. Office space is once again under construction, in addition to numerous hotel, industrial and retail projects. The good news is that so far builders are not

**INSIDE**

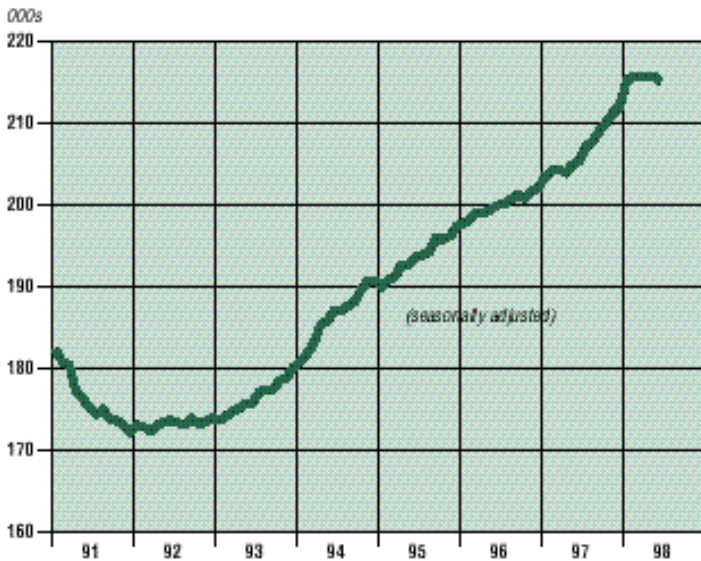
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## EXHIBIT 2

Manufacturing Payrolls have Levelled Off  
*Manufacturing Employment, AZ*



getting ahead of themselves, as vacancy rates remain low in each segment.

Mirroring a national phenomenon, Arizona's consumers have been on a spending binge, as evidenced by sales figures that have moved up smartly since last summer. Narrowly-defined retail sales gained 7.8% for the 12-month sum ending in May (12 months versus 12 months). That's much improved from the five-percent increase posted in May of 1997. Restaurant and bar sales gains are now back into the 6.5% territory, compared to only 4.5% last summer. Given inflation of less than two percent, these represent large gains in volume. Factors supporting the recent binge include booming mortgage refinancing activity that is putting more cash into consumers' pockets, gains in real wages, and consumers' willingness to tap recent stock market gains to finance expenditures.

Tight labor markets are boosting wages at the fastest pace seen in a decade. Private-sector wages and salaries per employee have risen by seven percent during the past year (**Exhibit 1**). Strong wage gains are contributing to large increases in aggregate personal income, which stood eight percent above year-earlier amounts as of the first quarter.

The "too-good-to-be-true" economy won't last forever, of course. Problems in Asia and recent financial volatility may be starting to have an effect. After growing by more than one-third last year to \$13.5 billion, Arizona's exports fell by 16% in the first quarter

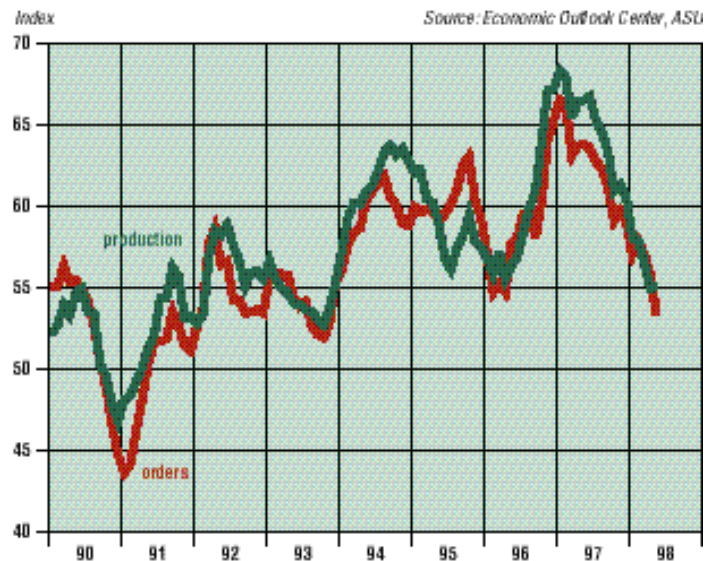
(compared to one year earlier). Exports to Asian countries fell by 30%. Japan is experiencing its worst recession in 50 years, and other countries such as Indonesia, South Korea, Thailand, Hong Kong and Malaysia are suffering severe recessions. Some believe that it could be a decade before these economies right themselves.

The effect is becoming visible on Arizona's manufacturers. Manufacturing jobs, after soaring last year, have leveled off in recent months (**Exhibit 2**). Both Intel and Motorola have announced layoffs totaling nearly 3,500 jobs (author's estimate) in the Phoenix area. This marks the end of the swell in high-tech manufacturing resulting from the siting of a half-dozen new "fab" plants in the Phoenix area during the 1990's. We have allowed for a loss totaling 6,000 direct jobs by mid-1999 in our BASE forecast.

TIGHTER  
LABOR MARKETS  
ARE BOOSTING WAGES  
AT THE FASTEST PACE  
SEEN IN A DECADE.

## EXHIBIT 3

Industry is Losing Steam  
*Purchasing Managers Survey, AZ*



A slowdown in the industrial sector is also in evidence in a survey by the Production Managers Association. Components measuring both orders and production have been falling since mid-1997 as the Asian turmoil began to unfold (**Exhibit 3**). With data through June, both indexes remain above 50, signifying that the industrial sector is still expanding. The national overall index recently fell below 50, and Arizona measures may soon follow.

Perhaps as a result of the announced cutbacks, consumer confidence in Phoenix dropped four points in July's survey. Even after the decline, confidence still remains at a high level with a reading of 110.8 state-wide (**Exhibit 4**). Additional declines in coming months will be necessary to seriously affect consumer spending. The study is conducted by the Behavior Research Center for Stockton Capital Management and Trust of Scottsdale.

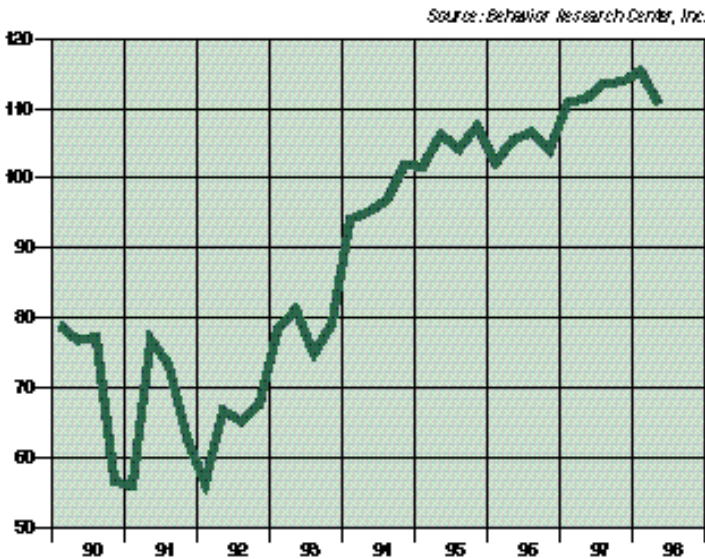
Last but not least is continuing evidence that population growth has slowed. The gain in residential electric customers is clearly past the bulge of 1996 when more than 50,000 new customer were being added per year. Recent gains have been running at roughly 43,000 per year – still a relatively high level of new customers but less than experienced two years ago. About half of the reduction is in the Metro Tucson area, although reporting peculiarities prevent reading too much into the numbers.

The near-term outlook calls for a reduction in Arizona's rate of growth during the second

## EXHIBIT 4

### Will Confidence Move Lower?

Consumer Confidence Index, AZ (1992=100)



half that extends through next year. Further cuts are envisioned among exporters, population growth will continue to slow, consumer confidence will move to lower levels and consumers' recent spending spree will abate. Construction activity also will retreat, although the fall should be muted when compared to the 1980's. That's because new construction has been well matched to demand during this expansion. As seen in **Exhibit 5**, residential permits per 1000 increase in population remain well below previous peaks that resulted from speculative construction. Having not soared as high, the industry faces less of a fall.

Looking at annual averages, 1998 will go into the record books as a strong year – even better than 1997. Next year's figures will be more indicative of the more-moderately-paced growth we expect in the coming months. After adding more than 105,000 new jobs in 1998, next year should bring 85,000 jobs. In percentage terms, that's growth nearer four percent as compared to more than five percent. Wages will increase in the 5-5.5% range this year and next. Retail sales should increase by less than six percent next year, compared to 7.7% this year. Although the residential building boom probably has room to run for a few more months, permits should slow from 57,000 this year to less than 50,000 in 1999 (see forecast table on page 5).

Chances are growing that the U.S. economy could slip into recession. In our CYCLE

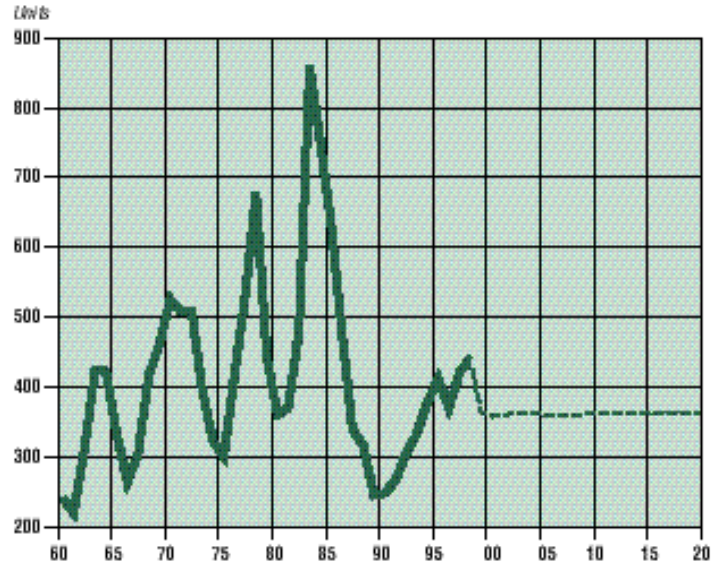
scenario, we assume that wage inflation nationwide rises above five percent and that the Fed pushes the Fed funds rate above eight percent to prevent an inflationary blowoff. The stock market crashes, which deflates both business and consumer confidence. Recession spreads to Latin America and U.S. exports plummet. The result is a moderate recession in the second and third quarters of 1999. The Arizona economy generates only 50,000 new jobs next year (2.5% growth), retail sales growth registers only a two percent gain, and building permits plummet by 25%. Over the longer term, recessions are assumed to occur also in 2005 and 2010 (**Exhibit 6**).

FURTHER CUTS  
ARE ENVISIONED  
AMONG EXPORTERS,  
POPULATION GROWTH  
WILL CONTINUE TO SLOW,  
CONSUMER CONFIDENCE  
WILL MOVE TO LOWER LEVELS  
AND CONSUMERS' RECENT  
SPENDING SPREE WILL ABATE.

## EXHIBIT 5

### New Supply Remains Well Matched to Demand

Residential Units Permitted Per 1,000 Increase in Population, AZ



## THE LONG-TERM OUTLOOK

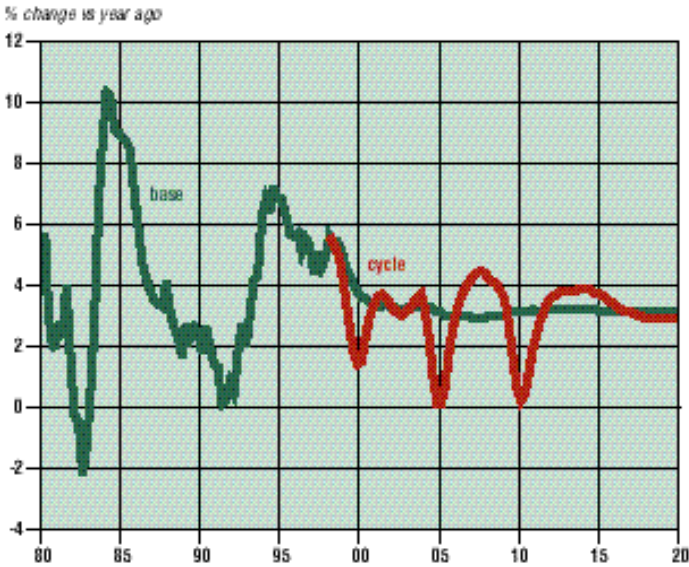
Arizona continues to be one of the fastest-growing states. Over the first seven years of this decade, Arizona ranked second on the basis of population growth. Rankings were 3rd and 2nd during the 1980's and 1970's, respectively.

There's plenty of additional growth on the horizon. Our BASE forecast projects that during the *five-year period from 1997-2002*:

- Arizona's population will increase by 637,700, or 127,500 per year. For the entire decade of the 1990's some 1.235 million new residents will be added. That's a larger gain than in the 1980s (989,000) or the 1970s (944,000). By the year 2000, over 5.0 million persons will reside in Arizona. The State will gain at least two and perhaps three additional seats in Congress.
- Some 418,000 new jobs will be created, or 83,600 per year. Job growth will average 3.9% (compared to 3.9% during the 1980s and 5.5% from 1992-97).
- Personal income will grow by an average 8.1% annually, and will exceed \$150 billion in the year 2002.
- Average annual wages will rise at a 4.6% annual rate and top \$35,800 by 2002. Inflation in Metro Phoenix will average 2.9% per year.
- Per capita income will rise to nearly \$29,000, an annual increase of 5.3%.

### EXHIBIT 6

Slowdown Could Turn into Modest Recession  
Wage & Salary Job Growth, AZ (Alternative Scenarios)



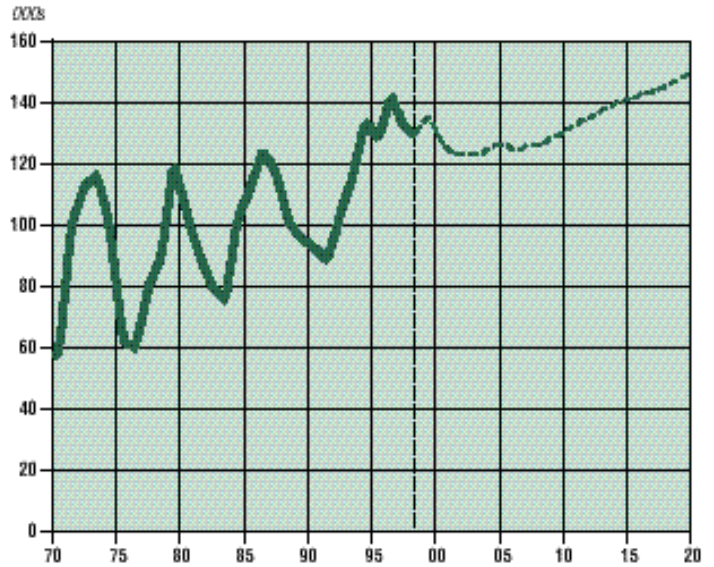
By the year 2020, Arizona will have added another three million residents, and population will approach 7.7 million. That's about as large as North Carolina and Georgia (the nation's 10th and 11th largest states) are today. As of 1995, Arizona's population ranked 24th, and with the magnitude of change predicted, Arizona will move up quickly in the rankings.

Population growth varies significantly over the business cycle as shown in Exhibit 7. During the recession in the early 1990'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 "trend growth" of roughly 125,000 in the year 2000. Thereafter, population gains return to "trend line" with increases approaching 150,000 in the year 2020. Arizona's resident population should break the five million mark in 2001, six million in 2009, and seven million in 2016 (Exhibit 8). \$

### EXHIBIT 7

Population Growth Returns to Trend Line  
Annual Changes in Population, AZ



### S P O N S O R S

Arizona Joint Legislative Budget Committee • Arizona Portland Cement • Arizona Public Service • Bank One Arizona • CB Richard Ellis • City of Tucson • Coldwell Banker Success Realty • Elliott D. Pollack and Company • Estes Homes/Kauffman & Broad • Pima County • Salt River Project • Territorial Newspapers • Tucson Electric Power Company • Tucson Newspapers • U S WEST Communications • U S WEST Dex

### EXHIBIT 8 Projections to the Year 2020

	1990	1995	2000	2005	2010	2015	2020
<b>Arizona</b>							
W&S Employment (000's)	1,483	1,796	2,251	2,639	3,063	3,580	4,173
Population (000's)	3,728	4,297	4,963	5,583	6,222	6,912	7,645
Personal Income (\$ millions)	61,222	87,527	130,408	184,048	253,942	353,846	497,419
Retail Sales (\$ millions)	26,774	37,774	51,606	68,524	90,615	121,267	163,628
<b>Phoenix-Mesa MA</b>							
W&S Employment (000's)	1,013	1,225	1,577	1,805	2,088	2,408	2,755
Population (000's)	2,293	2,662	3,123	3,542	4,005	4,505	5,039
Personal Income (\$ millions)	41,107	58,994	91,680	130,412	183,367	254,545	350,441
Retail Sales (\$ millions)	17,333	24,977	35,711	46,918	61,999	81,591	106,870
<b>Tucson Metro Area</b>							
W&S Employment (000's)	252	303	351	403	461	526	587
Population (000's)	670	758	849	939	1,033	1,133	1,225
Personal Income (\$ millions)	10,507	14,828	20,909	29,109	39,750	54,017	72,414
Retail Sales (\$ millions)	4,668	6,302	8,245	10,838	14,159	18,558	24,040

FORECAST TABLES

	1997	1998	1999	2000	2001	2002	2003
<b>Forecasts for Arizona</b>							
Personal Income (\$ mill)	102035.6	110791.9	120310.8	130408.4	140518.6	150620.9	161374.2
percent change	7.9	8.6	8.6	8.4	7.8	7.2	7.1
Per Capita Personal Income	22322.4	23568.7	24881.3	26278.4	27629.8	28917.2	30266.2
percent change	4.7	5.6	5.6	5.6	5.1	4.7	4.7
Aggregate Retail Sales (\$ mill)*	42958.2	45705.5	48583.3	51605.7	54714.9	57958.1	61338.6
percent change	6.3	6.4	6.3	6.2	6.0	5.9	5.8
Population (000s, mid-year)	4571.0	4700.8	4835.4	4962.6	5085.8	5208.7	5331.8
percent change	3.0	2.8	2.9	2.6	2.5	2.4	2.4
Net Migration (000s)	91.1	93.8	90.8	83.8	82.1	82.2	83.3
Wage & Salary Employment (000s)	1982.5	2089.0	2175.4	2251.2	2326.6	2401.4	2481.2
percent change	4.8	5.4	4.1	3.5	3.3	3.2	3.3
Goods-Producing	353.3	371.5	372.8	373.5	377.8	383.3	390.3
percent change	3.9	5.1	0.4	0.2	1.1	1.5	1.8
Construction	129.9	136.9	137.9	136.6	135.9	137.3	140.0
percent change	2.9	5.5	0.7	-0.9	-0.5	1.0	2.0
Manufacturing	209.4	220.7	220.9	222.6	227.6	231.8	236.0
percent change	4.7	5.4	0.1	0.8	2.2	1.8	1.8
Service-Providing	1629.2	1717.5	1802.6	1877.8	1948.9	2018.0	2090.9
percent change	5.0	5.4	5.0	4.2	3.8	3.5	3.6
Trade (Wholesale & Retail)	481.0	504.2	527.5	549.8	570.4	590.1	609.8
percent change	3.6	4.8	4.6	4.2	3.7	3.5	3.3
Services	602.4	646.3	688.5	728.4	768.3	807.2	848.0
percent change	7.4	7.3	6.5	5.8	5.5	5.1	5.1
<b>Forecasts for Phoenix-Mesa Metro Area</b>							
Personal Income (\$ mill)	70666.0	77670.1	84336.7	90896.7	97644.5	104678.0	112085.0
percent change	9.8	9.9	8.6	7.8	7.4	7.2	7.1
Per Capita Personal Income	24792.1	26373.2	27779.3	29136.3	30497.3	31865.0	33261.0
percent change	6.4	6.4	5.3	4.9	4.7	4.5	4.4
Aggregate Retail Sales (\$ mill)*	29301.0	31055.5	33102.2	35330.0	37435.1	39489.5	41559.9
percent change	7.2	6.0	6.6	6.7	6.0	5.5	5.2
Population (000s, mid-year)	2850.3	2945.0	3035.9	3119.7	3201.7	3285.0	3369.9
percent change	3.2	3.3	3.1	2.8	2.6	2.6	2.6
Net Migration (000s)	61.3	65.3	60.1	52.0	49.5	50.2	51.0
Wage & Salary Employment (000s)	1388.6	1465.2	1518.7	1560.0	1602.5	1646.7	1693.0
percent change	5.8	5.5	3.6	2.7	2.7	2.8	2.8
Goods-Producing	267.0	280.9	281.0	278.5	278.5	280.3	283.7
percent change	6.4	5.2	0.0	-0.9	0.0	0.6	1.2
Construction	97.1	102.0	100.9	98.5	96.7	96.9	99.0
percent change	7.6	5.0	-1.0	-2.4	-1.8	0.2	2.2
Manufacturing	163.5	172.6	173.7	173.7	175.5	177.0	178.2
percent change	5.9	5.6	0.6	0.0	1.0	0.9	0.7
Service-Providing	1121.6	1184.3	1237.7	1281.5	1324.0	1366.4	1409.4
percent change	5.7	5.6	4.5	3.5	3.3	3.2	3.1
Trade (Wholesale & Retail)	340.6	357.6	372.8	387.2	400.9	414.0	426.8
percent change	4.6	5.0	4.3	3.8	3.5	3.3	3.1
Services	433.8	462.8	488.8	509.8	530.3	551.5	572.6
percent change	7.6	6.7	5.6	4.3	4.0	4.0	3.8
<b>Forecasts for Tucson Metro Area</b>							
Personal Income (\$ mill)	16863.1	18089.1	19467.4	20886.9	22309.6	23720.9	25150.6
percent change	7.0	7.3	7.6	7.3	6.8	6.3	6.0
Per Capita Personal Income	21211.5	22236.6	23381.3	24557.3	25718.1	26843.1	27961.5
percent change	4.5	4.8	5.1	5.0	4.7	4.4	4.2
Aggregate Retail Sales (\$ mill)*	6937.2	7288.1	7727.5	8232.0	8708.6	9162.2	9593.7
percent change	5.3	5.1	6.0	6.5	5.8	5.2	4.7
Population (000s, mid-year)	795.0	813.5	832.6	850.5	867.5	883.7	899.5
percent change	2.3	2.3	2.4	2.2	2.0	1.9	1.8
Net Migration (000s)	13.6	14.3	15.0	13.7	12.7	12.0	11.6
Wage & Salary Employment (000s)	316.9	329.6	341.1	350.6	359.5	367.4	375.3
percent change	3.2	4.0	3.5	2.8	2.5	2.2	2.1
Goods-Producing	50.5	52.4	54.5	56.0	57.0	57.7	58.5
percent change	2.0	3.9	4.0	2.7	1.7	1.3	1.3
Construction	19.6	20.2	21.2	21.8	22.0	22.2	22.3
percent change	2.3	3.3	4.6	2.8	1.2	0.7	0.7
Manufacturing	28.5	29.5	30.4	31.0	31.6	32.2	32.8
percent change	1.5	3.8	2.7	2.1	2.0	1.8	1.7
Service-Providing	266.4	277.1	286.5	294.6	302.5	309.7	316.8
percent change	3.4	4.0	3.4	2.8	2.7	2.4	2.3
Trade (Wholesale & Retail)	68.6	70.6	72.7	75.2	77.5	79.4	81.2
percent change	2.5	2.8	3.0	3.4	3.1	2.6	2.2
Services	100.6	106.7	112.4	117.2	122.1	126.9	131.5
percent change	5.1	6.1	5.4	4.2	4.1	3.9	3.6

\* 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.

## RECENT MIGRATION FLOWS UNDERScore ARIZONA'S DIVERSITY

Marshall Vest  
Forecasting Project Director

*Data from federal income tax returns show that the gross flows of migrants are two to three times the net amounts we regularly report.*

Arizona's population growth this business expansion has been extraordinary. In *percentage terms*, the increases are smaller than in prior business cycle upturns, but the *numbers* of people are huge. During the past five years, the average annual increase is more than 133,000 people. Even more remarkable is that these high levels have been sustained for such a long time.

Data from the Internal Revenue Service provides an estimate of the *gross flows* of in- and out-migrants – and where they come from. A comparison of federal income tax returns for 1995 and 1996 shows that nearly 187,000 people moved *into* Arizona in 1996 (**Exhibit 1**). Another 128,000 moved out of the state, for a *net* effect of 59,000. Therefore, the *gross flows* associated with population growth are 2-3 times the *net* gain. This means that over a five-year period Arizona could have nearly a million newcomers — people who need to be informed about the issues facing the state.

The net increase from income tax records (59,000) is smaller than the 133,000 total change for two reasons: not all households

file income tax returns, and natural increase (births minus deaths) adds roughly 40,000 per year to the standing population. These data are compiled by comparing social security numbers for 1995 and 1996 from all federal tax returns. A taxpayer that filed in, say, California in 1995 and then filed in Arizona in 1996 is counted as an in-migrant into Arizona and an out-migrant from California. Included in the tabulations are the number of exemptions claimed (excluding old age and blind), which indicates the number of persons in the household. Also noted is the income reported on the return.

California provides the most newcomers and is, in turn, the preferred destination for many leaving Arizona. This shouldn't be surprising since California is so large and since the two states share a border. In 1996, California sent 45,600 people, accounting for nearly one in every four Arizona's in-migrants. That same year some 22,600 Arizonans left for California. The net effect is a gain of 23,000.

In and out migration from/to Texas, the state providing the second-largest flows, numbered 11,400 in and 10,600 out. The

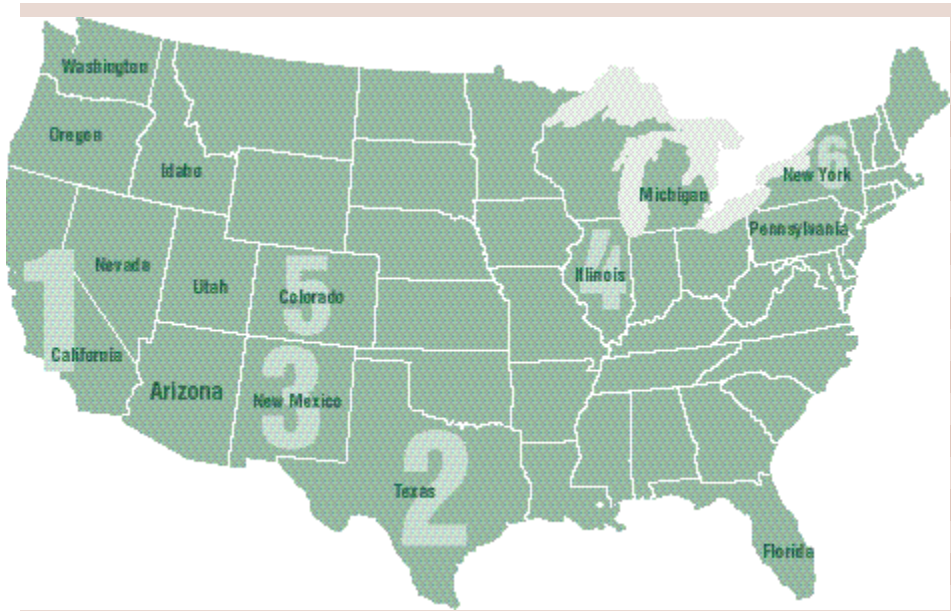
third most important state is New Mexico, which provided almost 10,000 in-migrants. In return, over 8,300 out-migrated to New Mexico.

Illinois, Colorado, New York, Washington, Foreign destinations, Florida and Nevada round out the top 10 states providing the most in-migrants to Arizona. Whereas Nevada sent nearly 5,100 people to Arizona in 1996, over 6,100 Arizonans moved to Nevada. Nevada was one of only seven states to which Arizona lost population in 1996.

It is noteworthy that migrants, whether moving into or out of the state, generally have lower incomes than resident non-migrants. Perhaps that is due to the fact that propensities to migrate are higher for young people (who tend to have lower incomes). A second point to note is that incomes of in-migrants exceed incomes of out-migrants. Therefore, the aggregate measure of incomes for all Arizonans receives a small boost from migration flows. (Median incomes of out-migrants exceeded incomes for in-migrants for only 10 states). Median money income reported by all Arizona non-migrating taxpayers in 1996 was \$24,551 (**Exhibit 2**). Median incomes of all OUT-migrants was \$17,289, ranging from a high of \$21,909 for those who moved to Virginia to a low of only \$12,787 for those bound for Rhode Island. For IN-migrants, median incomes were higher for new arrivals from only four states: Connecticut, Maryland, New Jersey and Virginia. The median income for all in-migrants was \$19,168.

The Statistics of Income data also provide data on county-to-county migration flows. In 1996, Maricopa County received nearly 129,000 in-migrants. That same year, 84,000 people left, so net migration was 45,000. Maricopa County received the most in-migrants from Los Angeles County, followed by Pima, Cook IL, San Diego, Orange, Pinal, Yavapai, Foreign destinations, Coconino and San Bernardino. The top ten destinations for people leaving Maricopa County in 1996 were Pinal, Pima, Yavapai, Los Angeles, San Diego, Clark NV, Coconino, Navajo, Gila, and Orange County.

This tremendous turnover of population produces a very dynamic society. New people with differing values lead to ever-changing attitudes about what is important. This underscores the continuing need to inform and involve new residents in an on-going dialogue of society's vision for Arizona's future. \$



## EXHIBIT 1

### Top 15 States Supplying In-Migrants to Arizona, '95 - '96

	Population			Net Rank
	Inflow	Outflow	Net	
<b>Aggregate Flows – All States</b>	<b>186,898</b>	<b>128,111</b>	<b>58,787</b>	
1 California	45,600	22,583	23,017	1
2 Texas	11,406	10,570	836	17
3 New Mexico	9,954	8,336	1,618	8
4 Illinois	9,251	3,768	5,483	2
5 Colorado	7,645	7,326	319	26
6 New York	6,404	2,187	4,217	3
7 Washington	6,319	5,062	1,257	11
8 Foreign	6,243	3,977	2,266	4
9 Florida	5,166	3,963	1,203	12
10 Nevada	5,078	6,135	-1,057	51
11 Utah	4,832	4,090	742	18
12 Michigan	4,400	2,655	1,745	7
13 Ohio	4,377	2,797	1,580	9
14 Pennsylvania	3,770	1,840	1,930	6
15 Oregon	3,762	3,752	10	44

Source: Internal Revenue Service, Statistics of Income

## EXHIBIT 2

### Median Incomes of Arizona Migrants, '95 - '96

#### Top 15 Population In-flow States

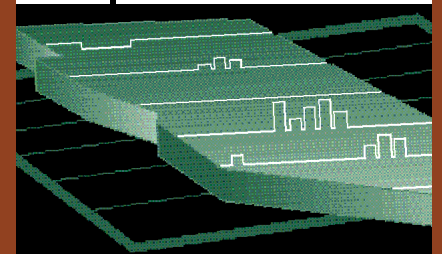
	In-Migrant	Out-Migrant	Difference
<b>State Non-Migrant</b>	<b>\$24,551</b>	<b>\$24,551</b>	<b>\$0</b>
<b>Aggregate Flows</b>	<b>19,168</b>	<b>17,289</b>	<b>1,879</b>
1 California	19,452	15,754	3,698
2 Texas	21,153	19,547	1,606
3 New Mexico	16,292	15,071	1,221
4 Illinois	22,011	17,592	4,419
5 Colorado	19,054	18,683	371
6 New York	19,475	14,752	4,723
7 Washington	19,704	17,162	2,542
8 Foreign	14,187	18,507	(4,320)
9 Florida	19,855	17,561	2,294
10 Nevada	18,456	19,157	(701)
11 Utah	18,960	17,277	1,683
12 Michigan	18,434	16,899	1,535
13 Ohio	18,446	16,517	1,929
14 Pennsylvania	19,185	16,848	2,337
15 Oregon	16,869	17,721	(852)

Source: Internal Revenue Service, Statistics of Income

# Can Prosperity Continue with the World in Financial Crisis?

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The University of Arizona  
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THE UNIVERSITY OF  
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	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	% change versus year ago for: most recent month	most recent 12-months
<b>YUMA METROPOLITAN REGION</b>							
<b>Civilian Labor Force, ADES</b>	58,100	64,450	68,525	70,375	69,750	5.1	-2.0
Employment	47,675	47,150	46,200	47,875	46,725	10.5	2.1
Unemployment	10,425	17,300	22,325	22,500	23,025	-4.3	-11.5
Unemployment Rate (%)	17.9	26.8	32.6	32.0	33.0	-8.9	-9.9
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	39,200	38,900	37,300	37,600	36,000	6.2	2.1
Mining	0	0	0	0	0	...	...
Construction	2,600	2,700	2,700	2,800	2,800	16.7	19.8
Manufacturing	1,800	1,700	1,800	1,800	1,800	0.0	1.4
Trans., Comm. & Publ. Util.	1,400	1,300	1,300	1,300	1,300	-13.3	-14.2
Trade	12,300	11,900	10,900	10,900	10,400	4.0	-1.4
Finance, Ins. & Real Estate	1,300	1,300	1,200	1,200	1,200	0.0	-0.7
Services	9,000	8,900	8,600	8,600	8,500	2.4	2.3
Government	10,800	11,100	10,800	11,000	10,000	14.9	4.9
<b>Sales (\$000s) ADOR</b>							
Gross Retail	92,537	72,040	63,684	66,849	...	9.8	7.0
Retail	73,964	56,177	49,693	53,608	...	11.6	7.6
Restaurants & Bar	11,029	8,647	6,905	6,887	...	8.7	3.3
Gasoline, EBR	7,544	7,216	7,086	6,354	...	-2.2	6.4
Gallons (000s) ADOT	7,282	6,443	6,016	5,704	...	9.4	14.0
Contracting	16,326	14,629	12,878	17,001	...	51.8	44.2
<b>Value of Construction Contract Awards (\$000s) F.W. Dodge</b>							
Total	23,987	13,594	21,167	16,165	13,155	-11.2	-9.1
Residential Building	10,428	7,515	6,483	8,025	8,153	47.7	-4.3
Non-Residential Building	2,862	5,013	13,379	7,412	2,238	-49.9	-30.9
Non-Building	10,697	1,066	1,305	728	2,764	-42.7	66.7
<b>Number of Dwelling Units Awarded, F.W. Dodge</b>							
Total	116	94	81	91	96	92.0	-8.7
One Family Houses	116	94	81	91	90	80.0	4.4
<b>MOHAVE-LA PAZ REGION</b>							
<b>Civilian Labor Force, ADES</b>	69,025	69,225	69,625	71,025	71,825	6.4	2.9
Employment	65,700	66,200	66,800	67,850	68,800	7.7	5.2
Unemployment	3,325	3,025	2,825	3,175	3,025	-17.1	-29.2
Unemployment Rate (%)	4.8	4.4	4.1	4.5	4.2	-22.1	-30.8
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	41,900	41,900	42,200	42,000	42,200	3.9	4.6
Mining	200	200	200	200	200	0.0	0.0
Construction	2,500	2,600	2,600	2,700	2,800	-6.7	-8.9
Manufacturing	3,200	3,200	3,300	3,300	3,300	3.1	1.3
Trans., Comm. & Publ. Util.	2,000	2,100	2,100	2,100	2,200	4.8	7.3
Trade	13,400	13,400	13,400	13,400	13,500	8.9	7.4
Finance, Ins. & Real Estate	1,200	1,200	1,300	1,300	1,200	-20.0	-8.2
Services	10,600	10,700	10,800	10,800	10,900	4.8	6.4
Government	8,800	8,500	8,500	8,200	8,000	2.6	6.1
<b>Sales (\$000s) ADOR</b>							
Gross Retail	96,591	92,286	94,321	93,202	...	9.3	3.5
Retail	72,395	69,746	70,001	70,268	...	10.9	5.6
Restaurants & Bar	12,774	11,908	12,570	11,567	...	12.1	4.4
Gasoline, EBR	11,422	10,632	11,750	11,367	...	-1.8	-7.1
Gallons (000s) ADOT	11,025	9,492	9,976	10,204	...	10.0	-0.7
Contracting	17,113	18,290	17,477	20,350	...	19.0	7.1
<b>Value of Construction Contract Awards (\$000s) F.W. Dodge</b>							
Total	30,689	18,143	20,684	31,235	23,865	-20.4	33.6
Residential Building	16,254	13,462	12,499	15,367	12,460	7.9	17.8
Non-Residential Building	859	4,009	4,829	8,771	1,686	0.0	59.8
Non-Building	13,576	672	3,356	7,097	9,719	-42.0	42.8
<b>Number of Dwelling Units Awarded, F.W. Dodge</b>							
Total	182	146	149	172	138	11.3	16.7
One Family Houses	178	144	137	168	138	11.3	15.1

See notes at bottom of Arizona - Quarterly table.

	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	% change versus year ago for: most recent month	most recent 12-months
<b>COCHISE-SANTA CRUZ REGION</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	53,525	53,175	53,175	54,600	55,500	2.7	-1.3
Unemployment	48,850	48,850	49,125	49,850	50,325	6.2	2.5
Unemployment Rate (%)	4,675	4,325	4,050	4,750	5,175	-22.5	-26.3
Unemployment Rate (%)	8.7	8.1	7.6	8.7	9.3	-24.5	-25.0
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	42,900	42,500	42,800	42,800	42,600	5.7	3.3
Mining	0	0	0	0	100	...	-80.0
Construction	1,900	1,800	1,800	1,900	2,000	5.3	5.5
Manufacturing	2,300	2,300	2,300	2,300	2,300	0.0	-0.4
Trans., Comm. & Publ. Util.	2,400	2,300	2,400	2,400	2,300	0.0	-0.4
Trade	12,300	12,200	12,200	12,200	12,100	9.0	5.9
Finance, Ins. & Real Estate	800	800	900	900	900	0.0	-14.5
Services	9,200	9,100	9,200	9,300	9,300	0.0	4.2
Government	14,000	14,000	13,900	13,800	13,600	8.8	3.1
<b>Sales (\$000s) ADOR</b>							
Gross Retail	74,877	74,480	77,351	70,102	...	3.1	9.7
Retail	58,699	58,885	61,102	55,986	...	3.9	10.8
Restaurants & Bar	9,231	8,799	8,829	7,750	...	4.5	8.9
Gasoline, EBR	6,947	6,796	7,420	6,366	...	-4.7	2.2
Gallons (000s) ADOT	6,706	6,067	6,300	5,715	...	6.6	9.1
Contracting	9,653	12,131	11,662	17,330	...	59.4	11.4
<b>Value of Construction Contract Awards (\$000s) F.W. Dodge</b>							
Total	14,046	9,262	11,285	12,180	9,500	3.0	-28.8
Residential Building	8,594	7,155	6,692	8,627	8,222	5.7	2.9
Non-Residential Building	4,276	2,107	4,299	262	637	649.4	-62.0
Non-Building	1,176	0	294	3,291	641	-52.9	-61.6
<b>Number of Dwelling Units Awarded, F.W. Dodge</b>							
Total	90	79	76	83	97	34.7	-4.2
One Family Houses	85	79	76	81	97	34.7	9.2
<b>GILA-GRAHAM-GREENLEE REGION</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	34,100	34,450	34,500	35,175	35,750	5.1	2.3
Unemployment	31,200	31,800	32,150	32,475	33,000	5.8	3.6
Unemployment Rate (%)	2,900	2,650	2,350	2,700	2,750	-1.8	-11.5
Unemployment Rate (%)	8.5	7.7	6.8	7.7	7.7	-6.6	-13.4
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	26,000	26,600	26,800	26,600	26,500	3.5	3.5
Mining	3,000	3,000	3,000	3,000	3,000	0.0	0.0
Construction	1,700	1,900	1,900	1,900	1,900	0.0	-5.6
Manufacturing	2,000	2,000	2,000	2,000	2,000	5.3	4.0
Trans., Comm. & Publ. Util.	800	800	900	900	900	12.5	3.1
Trade	5,800	6,200	6,300	6,300	6,300	8.6	3.8
Finance, Ins. & Real Estate	400	400	400	400	400	0.0	-4.2
Services	4,200	4,200	4,300	4,400	4,300	0.0	1.4
Government	8,100	8,100	8,000	7,700	7,700	2.7	8.4
<b>Sales (\$000s) ADOR</b>							
Gross Retail	41,096	40,925	41,887	44,143	...	3.9	2.4
Retail	32,998	32,262	32,027	34,023	...	2.8	3.7
Restaurants & Bar	4,903	5,003	5,534	6,031	...	12.7	2.2
Gasoline, EBR	3,195	3,660	4,326	4,089	...	0.8	-6.9
Gallons (000s) ADOT	3,084	3,267	3,673	3,671	...	12.8	-0.7
Contracting	12,132	12,732	10,904	12,581	...	-13.3	-8.8
<b>Value of Construction Contract Awards (\$000s) F.W. Dodge</b>							
Total	7,496	8,219	7,085	16,669	5,793	-66.3	-7.3
Residential Building	3,827	6,840	4,164	6,474	3,650	-46.6	6.0
Non-Residential Building	1,731	138	1,477	7,057	2,143	13.9	3.0
Non-Building	1,938	1,241	1,444	3,138	0	-100.0	-47.4
<b>Number of Dwelling Units Awarded, F.W. Dodge</b>							
Total	42	57	42	52	39	-27.8	9.3
One Family Houses	42	57	42	52	39	-27.8	16.0

See notes at bottom of Arizona - Quarterly table.

	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	% change versus year ago for: most recent month	most recent 12-months
<b>APACHE-NAVAJO REGION</b>							
<b>Civilian Labor Force, ADES</b>	49,625	49,575	49,650	51,250	52,125	2.4	-1.2
Employment	41,800	42,475	43,350	42,475	43,250	6.7	2.2
Unemployment	7,825	7,100	6,300	8,775	8,875	-14.5	-17.2
Unemployment Rate (%)	15.8	14.3	12.7	17.1	17.0	-16.5	-16.2
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	41,600	42,100	42,800	41,600	41,500	5.3	2.7
Mining	900	900	900	900	900	0.0	0.0
Construction	1,600	1,600	1,700	1,800	1,900	-5.0	-6.1
Manufacturing	1,700	1,700	1,700	1,700	1,700	0.0	3.6
Trans., Comm. & Publ. Util.	2,300	2,400	2,500	2,600	2,600	13.0	-5.2
Trade	7,100	7,000	7,400	7,600	7,600	0.0	1.0
Finance, Ins. & Real Estate	1,100	1,100	1,100	1,100	1,100	-8.3	-1.5
Services	8,000	8,400	8,500	8,500	8,300	-1.2	0.1
Government	18,900	19,000	19,000	17,400	17,400	13.7	7.5
<b>Sales (\$000s) ADOR</b>							
Gross Retail	52,228	50,810	51,416	65,999	...	7.9	4.8
Retail	42,607	40,195	37,203	52,539	...	9.1	9.0
Restaurants & Bar	4,335	4,690	6,162	6,291	...	-5.5	4.1
Gasoline, EBR	5,286	5,925	8,051	7,169	...	12.8	-15.8
Gallons (000s) ADOT	5,102	5,290	6,836	6,435	...	26.3	-10.1
Contracting	7,305	5,068	7,350	9,907	...	12.4	-7.1
<b>Value of Construction Contract Awards (\$000s) F.W. Dodge</b>							
Total	16,218	8,698	23,821	13,266	14,549	17.3	-7.5
Residential Building	4,341	6,423	4,680	7,465	6,787	12.1	-15.8
Non-Residential Building	9,479	1,100	4,362	2,191	7,152	200.5	19.0
Non-Building	2,398	1,175	14,779	3,610	610	-84.6	-18.1
<b>Number of Dwelling Units Awarded, F.W. Dodge</b>							
Total	40	62	54	82	69	19.0	-8.2
One Family Houses	40	62	50	64	69	19.0	-21.2
<b>COCONINO-YAVAPAI REGION</b>							
<b>Civilian Labor Force, ADES</b>	122,525	120,550	121,050	121,025	125,375	2.3	2.1
Employment	115,700	114,425	115,600	114,075	118,350	3.7	3.1
Unemployment	6,825	6,125	5,450	6,950	7,025	-16.1	-12.7
Unemployment Rate (%)	5.6	5.1	4.5	5.7	5.6	-18.0	-14.4
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	98,900	98,900	96,900	97,200	96,600	1.9	4.4
Mining	1,000	1,000	1,000	1,000	1,000	0.0	1.8
Construction	6,000	6,100	6,500	6,600	6,600	0.0	2.3
Manufacturing	6,600	6,500	6,500	6,500	6,600	0.0	0.4
Trans., Comm. & Publ. Util.	3,100	3,100	3,300	3,400	3,400	0.0	3.2
Trade	25,000	25,100	25,400	25,700	25,700	-1.5	1.8
Finance, Ins. & Real Estate	2,800	2,800	2,800	3,000	2,900	-3.3	5.2
Services	26,900	27,400	27,200	27,800	27,900	4.9	7.0
Government	27,500	26,900	24,200	23,200	22,500	4.7	6.4
<b>Sales (\$000s) ADOR</b>							
Gross Retail	157,584	170,701	187,222	189,386	...	3.3	2.2
Retail	119,684	125,992	133,077	140,453	...	4.4	4.4
Restaurants & Bar	27,458	31,934	39,377	34,910	...	5.4	3.7
Gasoline, EBR	10,442	12,775	14,768	14,023	...	-10.1	-15.5
Gallons (000s) ADOT	10,079	11,406	12,539	12,588	...	0.7	-10.1
Contracting	33,010	35,715	39,019	47,975	...	17.4	-1.7
<b>Value of Construction Contract Awards (\$000s) F.W. Dodge</b>							
Total	41,961	49,883	38,432	36,583	37,032	-43.0	-10.9
Residential Building	28,235	30,819	21,412	25,082	25,735	4.0	2.2
Non-Residential Building	9,084	12,994	9,106	5,967	8,048	-57.9	-3.5
Non-Building	4,642	6,070	7,914	5,534	3,249	-84.6	-49.2
<b>Number of Dwelling Units Awarded, F.W. Dodge</b>							
Total	336	284	219	229	232	17.2	13.1
One Family Houses	269	264	209	218	228	25.3	22.5

See notes at bottom of Arizona - Quarterly table.

	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	% change versus year ago for:	
						most recent month	most recent 12-months
<b>PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)</b>							
<b>Civilian Labor Force (000s) ADES</b>							
Employment	1,482.3	1,485.8	1,495.6	1,505.0	1,510.3	6.0	4.3
Unemployment	1,445.1	1,450.5	1,460.6	1,464.4	1,469.0	6.5	5.2
Unemployment Rate, Seas. Adj. (%)	37.2	35.3	35.0	40.6	41.3	-9.6	-19.6
Unemployment Rate, Seas. Adj. (%)	2.6	2.7	2.5	2.6	2.5	-16.7	-22.9
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	1,453.4	1,454.1	1,459.6	1,449.8	1,429.9	5.2	5.6
Mining	6.0	6.0	6.0	6.0	6.0	-10.4	1.9
Construction	95.8	96.4	98.0	99.7	99.8	5.3	4.4
Manufacturing	167.7	167.8	168.7	169.8	169.7	5.2	6.0
Durable	127.6	128.0	128.7	129.6	129.8	5.9	7.1
Nondurable	40.1	39.8	40.0	40.2	39.9	3.1	2.6
Trans., Comm. & Publ. Util.	72.6	73.1	73.6	74.3	73.8	5.3	4.7
Trade	355.9	355.5	354.8	352.3	348.7	5.2	4.7
Wholesale	88.4	89.0	88.8	89.5	89.2	5.2	5.3
Retail	267.5	266.5	266.0	262.8	259.5	5.2	4.6
Finance, Ins. & Real Estate	113.1	114.0	114.4	115.6	116.2	8.6	9.0
Services	458.1	458.4	459.9	462.0	459.7	5.9	6.8
Government	184.2	182.9	184.2	170.1	156.0	1.9	2.8
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	2,754,315	2,457,271	2,663,071	2,675,197	...	8.1	7.2
Retail	1,943,664	1,660,906	1,876,323	1,925,058	...	8.4	8.2
Food, EBR	343,425	349,429	344,088	337,222	...	6.8	6.3
Restaurants & Bars	344,266	321,177	308,275	295,287	...	13.5	8.1
Gasoline, EBR	122,961	125,759	134,385	117,631	...	-4.2	-5.2
Contracting	577,045	540,210	548,804	666,845	...	22.2	14.8
<b>Value of Construction Contract Awards (\$000s) F.W. Dodge</b>							
Total Awards	620,655	608,012	683,611	781,822	583,008	5.8	-8.4
Residential Building	393,914	427,933	382,054	415,168	423,255	3.2	-4.7
Non-Residential Building	146,683	99,742	199,358	248,373	113,025	6.9	-9.2
Non-Building	80,058	80,337	102,199	118,281	46,728	32.1	-23.1
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	3,850	4,567	3,222	4,753	4,526	22.4	25.2
Single Family Units	3,533	3,725	3,052	3,418	3,298	14.2	20.1
2-4 Unit Structures	0	16	29	32	68	750.0	-30.8
5-plus Unit Structures	317	826	141	1,303	1,160	1,281.0	61.6
<b>Housing Sales and Prices, ARMLS</b>							
Total Sales (\$000s)	659,518	646,537	776,539	670,259	747,301	19.5	24.0
Total Units	4,592	4,396	5,268	4,334	5,024	14.1	15.2
Average Price (\$)	143,623	147,074	147,407	154,651	148,746	4.8	7.7
<b>Phoenix Skyharbor International Airport, PSIA</b>							
Total Passengers	3,063,234	2,769,936	2,723,359	2,719,688	...	7.2	-0.1
Total Aircraft Movements	45,862	51,096	44,777	43,861	...	4.1	1.2

<b>PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL) - QUARTERLY DATA</b>						% change versus year ago for:	
	I 97	II 97	III 97	IV 98	98	most recent quarter	most recent 4-quarters
<b>Demographics &amp; Vital Statistics (000s, seas adj) ADHS &amp; EBR</b>							
Population	2,838.8	2,862.1	2,885.9	2,909.8	2,933.6	3.3	3.3
Natural Increase	6.8	6.9	7.0	7.0	7.1	4.7	4.6
Births	12.2	12.3	12.4	12.5	12.6	3.9	3.2
Deaths	5.4	5.4	5.4	5.5	5.5	2.9	1.5
Net Migration	15.6	16.4	16.9	16.8	16.7	7.0	7.4
<b>Personal Income by Source (\$mil, SAAR) EBR</b>							
Total Personal Income	69,967	71,767	73,567	75,348	77,138	10.2	10.3
Earnings by Place of Work	51,176	52,552	53,955	55,346	56,733	10.9	10.8
Less: Contributions for Social Insurance	3,533	3,615	3,697	3,778	3,860	9.2	9.2
Plus: Adjustment for Residence	-175	-172	-172	-174	-174	0.5	2.2
Plus: Dividends, Interest & Rent	12,362	12,677	12,981	13,281	13,587	9.9	10.1
Plus: Transfer Payments	10,137	10,325	10,500	10,673	10,852	7.1	7.3
<b>Per Capita Personal Income (\$, SAAR) EBR</b>	24,647	25,075	25,492	25,895	26,295	6.7	6.8

See notes at bottom of Arizona - Quarterly table.

	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	% change versus year ago for:	
						most recent month	most recent 12-months
<b>TUCSON METROPOLITAN REGION (PIMA)</b>							
<b>Civilian Labor Force (000s) ADES</b>							
Employment	367.80	367.30	369.60	368.50	365.80	4.5	1.4
Unemployment	357.4	357.6	360.3	358.1	355.6	5.4	2.1
Unemployment Rate, Seas. Adj. (%)	10.4	9.7	9.3	10.4	10.2	-19.0	-17.2
Unemployment Rate, Seas. Adj. (%)	3.0	3.0	2.7	2.7	2.6	-21.2	-17.3
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	324.1	323.1	324.7	320.2	312.2	4.2	2.5
Mining	2.3	2.3	2.3	2.3	2.3	-8.0	1.4
Construction	20.5	20.4	20.7	20.9	21.0	6.1	5.9
Manufacturing	28.9	28.9	29.3	29.5	29.4	4.3	1.8
Durable	22.7	22.7	23.0	23.1	23.0	3.6	1.0
Nondurable	6.2	6.2	6.3	6.4	6.4	6.7	4.7
Trans., Comm. & Publ. Util.	13.2	13.3	13.4	13.5	13.3	0.8	-1.4
Trade	70.4	70.2	70.1	69.2	68.5	2.7	2.6
Wholesale	10.9	11.0	11.0	11.2	11.2	5.7	4.9
Retail	59.5	59.2	59.1	58.0	57.3	2.1	2.2
Finance, Ins. & Real Estate	12.5	12.5	12.5	12.6	12.6	6.8	4.9
Services	101.3	100.8	100.9	100.6	99.9	2.1	2.3
Government	75.0	74.7	75.5	71.6	65.2	9.4	2.6
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	628,631	601,909	625,758	587,572	...	1.2	4.6
Retail	425,209	404,519	431,908	406,424	...	0.5	5.8
Food, EBR	84,437	85,914	84,600	82,912	...	3.0	3.2
Restaurants & Bars	85,546	78,018	75,487	67,250	...	8.7	8.0
Gasoline, EBR	33,439	33,458	33,763	30,986	...	-8.5	-10.0
Contracting	93,076	94,711	93,405	107,582	...	16.9	0.7
<b>Value of Construction Contract Awards (\$000s) F.W. Dodge</b>							
Total Awards	85,954	81,355	76,371	101,196	72,508	-18.9	-15.0
Residential Building	47,505	59,028	51,939	55,728	52,946	-1.7	-9.2
Non-Residential Building	26,975	16,864	19,127	35,089	14,762	-38.4	-27.3
Non-Building	11,474	5,463	5,305	10,379	4,800	-58.8	-6.5
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	494	527	476	543	589	50.3	14.8
Single Family Units	474	521	452	543	571	48.7	7.9
2-4 Unit Structures	20	6	24	0	18	1,700.0	-7.1
5-plus Unit Structures	0	0	0	0	0	-100.0	237.0
<b>Housing Sales and Prices, TAR</b>							
Total Sales (\$000s)	115,009	118,617	129,187	146,412	139,737	29.4	19.7
Total Units	833	856	902	967	1,015	24.5	12.7
Average Price (\$)	138,066	138,571	143,223	151,409	137,672	3.9	5.6
<b>Tucson International Airport, TAA</b>							
Total Passengers	341,553	315,201	293,561	275,023	280,169	-0.2	-0.9
Total Aircraft Movements	21,839	22,223	21,110	19,545	19,851	4.4	2.0

	TUCSON METROPOLITAN REGION (PIMA) - QUARTERLY DATA					% change versus year ago for:	
	I 97	II 97	III 97	IV 98	I 98	most recent quarter	most recent 4-quarters
<b>Demographics &amp; Vital Statistics (000s, seas adj) ADHS &amp; EBR</b>							
Population	792.8	797.2	801.6	806.0	810.3	2.2	2.3
Natural Increase	1.1	1.1	1.1	1.1	1.1	-3.5	-3.2
Births	2.8	2.8	2.8	2.8	2.8	0.1	0.3
Deaths	1.8	1.8	1.8	1.8	1.8	2.3	2.6
Net Migration	3.4	3.3	3.3	3.3	3.3	-1.1	-3.0
<b>Personal Income by Source (\$mil, SAAR) EBR</b>							
Total Personal Income	16,750	17,036	17,311	17,585	17,863	6.6	6.9
Earnings by Place of Work	10,280	10,477	10,667	10,853	11,043	7.4	7.5
Less: Contributions for Social Insurance	714	728	740	752	764	7.1	7.3
Plus: Adjustment for Residence	219	221	225	231	235	7.2	6.1
Plus: Dividends, Interest & Rent	3,696	3,743	3,790	3,838	3,885	5.1	5.5
Plus: Transfer Payments	3,268	3,322	3,369	3,415	3,464	6.0	6.6
<b>Per Capita Personal Income (\$, SAAR) EBR</b>	21,128	21,370	21,597	21,818	22,044	4.3	4.5

See notes at bottom of Arizona - Quarterly table.

	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	% change versus year ago for: most recent month	% change versus year ago for: most recent 12-months
<b>ARIZONA MONTHLY DATA</b>							
<b>Civilian Labor Force (000s) ADES</b>							
Employment	2,234.9	2,244.6	2,261.8	2,277.1	2,286.4	5.3	3.2
Unemployment	2,151.4	2,159.0	2,174.1	2,177.1	2,185.1	6.3	4.3
Unemployment Rate, Seas. Adj. (%)	83.5	85.6	87.7	100.0	101.3	-11.3	-18.1
	4.4	4.4	4.1	4.0	3.7	-17.8	-19.9
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	2,063.2	2,063.2	2,068.3	2,051.1	2,020.1	4.5	4.5
Mining	13.4	13.4	13.4	13.4	13.4	-6.3	0.2
Construction	132.2	132.4	134.4	137.2	137.7	3.4	3.7
Manufacturing	214.5	214.4	215.1	216.3	216.0	4.2	4.9
Durable	162.4	162.4	162.9	163.8	163.8	4.5	5.4
Nondurable	52.1	52.0	52.2	52.5	52.2	3.2	3.4
Trans., Comm. & Publ. Util.	97.3	97.6	98.3	99.3	99.0	3.6	2.7
Transportation	62.1	62.2	62.9	63.4	63.1	3.1	2.5
Trade	500.7	500.3	499.6	496.0	491.1	4.1	3.9
Wholesale	111.1	111.0	110.7	111.0	110.5	4.9	4.9
Retail	389.6	389.3	388.9	385.0	380.6	3.9	3.6
Finance, Ins. & Real Estate	132.4	133.3	133.6	134.7	135.1	6.3	7.2
Services	627.3	628.7	630.9	632.4	629.3	5.5	5.9
Government	345.4	343.1	343.0	321.8	298.5	4.2	2.5
Federal	42.8	42.9	43.9	43.0	43.1	-1.1	-0.9
State & Local	302.6	300.2	299.1	278.8	255.4	5.1	3.1
Schools	170.5	169.2	166.7	142.8	118.3	7.2	2.3
<b>Hours Worked Per Week, Manufacturing, ADES</b>	41.3	40.5	40.3	40.0	40.0	-1.7	-1.8
<b>Average Hourly Earnings (\$) ADES</b>							
Copper Mining	16.92	17.28	16.96	16.94	17.16	10.6	-1.6
Construction	14.82	14.76	14.70	14.34	14.29	-0.8	4.5
Manufacturing	11.85	11.90	12.08	12.40	12.37	4.9	2.2
Utilities	17.02	17.19	17.01	17.28	17.07	-1.3	-2.1
Retail Trade	11.43	11.35	11.19	11.78	12.15	6.2	4.6
Wholesale Trade	13.16	13.19	13.50	13.04	13.60	1.8	0.9
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	3,984,086	3,648,157	3,891,103	3,877,119	...	6.6	6.2
Retail	2,769,220	2,448,682	2,691,334	2,738,359	...	6.9	7.5
Food, EBR	514,088	523,077	515,081	504,803	...	5.8	4.9
Restaurants & Bars	499,542	470,176	463,139	435,973	...	11.4	7.5
Gasoline, EBR	201,236	206,222	221,549	197,985	...	-4.5	-6.7
Gallons (000s) ADOT	194,243	184,110	188,104	177,724	...	6.8	-0.4
Utilities	362,751	335,300	365,150	426,877	...	-2.3	4.1
Communications	165,150	167,482	173,306	171,648	...	5.4	14.7
Amusements	80,166	62,248	48,774	60,516	...	14.9	11.0
Rentals - Real Property	-56	8,888	9,853	20,007	...	-93.0	-96.2
Rentals - Personal Property	259,419	414,209	241,212	284,243	...	14.4	12.7
Contracting	765,660	733,486	741,499	899,571	...	21.4	11.3
Mining - Metal, Oil & Gas	97,601	99,257	86,572	89,938	...	-34.7	-14.1
Hotel/Motel	209,593	167,684	131,833	116,698	...	12.4	6.0
<b>Value of Construction Contract Awards (\$000s)</b>							
Total Awards	841,006	797,166	882,456	1,009,116	759,410	-3.8	-8.6
Residential Building	513,098	559,175	489,923	541,936	541,208	2.8	-4.3
Non-Residential Building	201,949	141,967	255,937	315,122	149,691	-6.0	-11.2
Non-Building	125,959	96,024	136,596	152,058	68,511	-33.9	-21.0
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	5,020	5,721	4,311	5,990	5,825	22.7	21.4
Single Family Units	4,599	4,818	4,058	4,606	4,513	19.5	16.6
2-4 Unit Structures	83	50	94	63	128	573.7	-0.6
5-plus Unit Structures	338	853	159	1,321	1,184	1,133.3	99.8
<b>Bankruptcy Filings, U.S. Bankruptcy Court</b>							
Total	2,102	2,159	2,046	2,081	...	-3.4	5.8
Chapter 7	1,665	1,738	1,645	1,674	...	-1.5	10.3
Chapter 11	25	28	48	32	...	77.8	18.8
Chapter 13	412	392	349	375	...	-14.0	-9.7

See notes at bottom of Arizona - Quarterly table.

	II 97	III 97	IV 97	I 98	II 98	% change versus year ago for:	
						most recent quarter	most recent 4-quarters
<b>ARIZONA QUARTERLY DATA</b>							
<b>Demographics &amp; Vital Statistics (000s, seas adj) ADHS &amp; EBR</b>							
Population	4,554.5	4,587.1	4,619.0	4,651.3	4,684.2	2.8	2.9
Natural Increase	10.2	9.9	9.7	9.8	10.0	-2.2	1.3
Births	19.0	18.8	19.0	19.2	19.4	2.2	1.2
Deaths	8.8	8.9	9.3	9.4	9.4	7.3	1.2
Net Migration	22.8	22.2	22.2	22.9	23.2	1.6	-2.9
<b>Personal Income Derivation (\$mil, SAAR) EBR</b>							
Total Personal Income	100,850	102,879	105,208	107,634	109,468	8.5	8.4
Earnings by Place of Work	69,541	71,101	72,984	74,757	76,113	9.5	9.1
Less: Contributions for Social Insurance	4,803	4,892	4,999	5,120	5,196	8.2	8.0
Plus: Adjustment for Residence	264	265	266	266	267	1.1	1.6
Plus: Dividends, Interest & Rent	18,495	18,822	19,139	19,493	19,846	7.3	7.0
Plus: Transfer Payments	17,352	17,583	17,819	18,238	18,438	6.3	6.8
<b>Components of Earnings (\$mil, SAAR) BEA</b>							
Wages and Salaries	56,923	58,226	60,085	61,681	...	10.5	9.7
Other Labor Income	5,779	5,858	5,965	6,055	...	6.0	4.9
Proprietor's Income	6,994	7,098	7,149	7,204	...	5.3	5.4
Farm	507	488	394	293	...	-36.4	-10.4
Nonfarm	6,487	6,610	6,755	6,911	...	8.3	6.6
<b>Per Capita Personal Income (\$, SAAR) EBR</b>							
	22,142.9	22,428.1	22,777.1	23,140.5	23,369.4	5.5	5.3
<b>Average Wage Per Employee, Annual Rate (\$) EBR</b>							
	28,405.5	28,777.1	29,352.4	29,755.7	...	5.6	5.0

	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	% change versus year ago for:	
						most recent month	most recent 12-months
<b>TRAVEL AND TOURISM</b>							
<b>Visits to Parks &amp; Other Recreational Areas, ADOT, NPS &amp; ASPB</b>							
Northern Arizona	1,300,369	1,790,164	2,064,913	2,427,813	2,572,312	-3.9	-4.0
Historical	161,014	193,764	193,514	204,256	197,518	-6.6	-5.8
Scenic	386,168	570,634	663,274	831,142	888,477	-11.0	2.4
Water Based Recreation	753,187	1,025,766	1,208,125	1,392,415	1,486,317	1.3	-7.1
Southern Arizona	442,884	382,626	245,890	183,003	130,793	-21.8	-5.2
Historical	88,263	61,312	42,006	27,218	25,219	-6.5	-7.3
Scenic	313,355	271,693	156,605	103,444	61,806	-34.2	-4.5
Water Based Recreation	41,266	49,621	47,279	52,341	43,768	-5.5	-5.6
<b>International Border Crossings, USINS &amp; USCS</b>							
U.S. Citizens	802,803	745,845	756,794	...	...	15.7	-0.1
Aliens	2,041,449	1,942,225	1,997,185	...	...	7.1	12.3
Vehicles	802,897	807,001	842,147	...	...	1.3	1.8

	MAR 98	APR 98	MAY 98	JUN 98	JUL 98	% change versus year ago for:	
						most recent month	most recent 12-months
<b>MEASURES OF INFLATION AND PRICES - MONTHLY DATA</b>							
<b>Consumer Price Index (1982-1984=100) BLS</b>							
U.S. - All Urban	162.2	162.5	162.8	163.0	163.2	1.7	1.7
U.S. - Wage Earners	158.7	159.1	159.5	159.7	159.8	1.5	1.5

**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

MEASURES OF INFLATION AND PRICES

	I 97	II 97	III 97	IV 98	I 98	% change versus year ago for: most recent quarter	most recent 4-quarters
<b>Consumer Price index (1982-84=100) ASU &amp; BLS</b>							
Metropolitan Phoenix	173.9	174.4	177.4	176.7	180.1	3.6	4.0
Western Region (U.S.)	161.0	162.1	162.8	163.3	164.2	2.0	2.1
U.S. - All Urban Consumers	160.2	160.8	161.5	161.9	162.8	1.6	1.8
U.S. - Urban Wage Earners	157.3	157.9	158.4	158.5	159.4	1.4	1.6
<b>Price Indexes (1992=100) BEA</b>							
Gross Domestic Product	112.3	112.7	113.1	113.4	113.9	1.4	1.6
Personal Consumption Expenditures	112.5	112.9	113.2	113.4	113.9	1.3	1.4

See notes at bottom of Arizona - Quarterly table.

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