

ARIZONA'S ECONOMY

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PROJECTIONS TO 2025 SHOW SLOWER GROWTH NEAR TERM

Recent data shows that Arizona's economy continues to grow rapidly at mid-year. During the first half, strong consumer spending more than offset weaknesses in some sectors such as agriculture, manufacturing and mining. The "too good to be true" economy is beginning to show signs of slowing, however. Our forecasts for 2000 call for growth rates of only half those experienced in the past few years.

Solid job and income growth, easy credit, and soaring capital gains continue to buoy consumers. Over the past three years, household net worth has increased by \$9.4 trillion, due mainly to a soaring stock market and rising home prices. Consumers have responded by allocating less to savings and more to consumption, and this has kept what will soon become the longest expansion on record growing at a heady clip.

During the past eight quarters, inflation-adjusted retail sales in Arizona have grown by a very strong 7.5%, much faster than the 20-year average of 3.2% (**Exhibit 1**). Current increases are not as strong as experienced in 1994, but the economy then was much different. Consumers were just beginning to satisfy pent-up demand from the recession of the early 1990's. No such pent-up demand exists today, just a near perfect environment in which consumers have raised their expectations for future income. As they have

allocated more to current consumption they have borrowed heavily, however. The sum of installment debt, home equity loans and auto leasing now equals more than 24% of after-tax income, implying that households today are more leveraged than anytime in the postwar period.

During the past year, consumer buying has accounted for more than 90% of economic growth. The risks of such imbalance are obvious. Should the perfect environment come unraveled and consumers retrench, the economy will lose its predominant prop. If the retrenchment turns into debt deflation, a nasty recession could ensue.

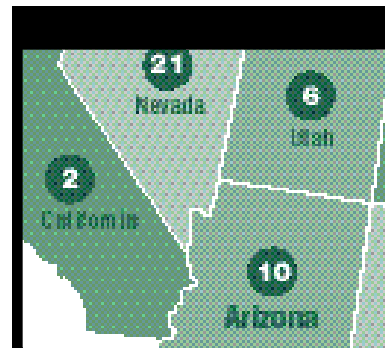
So far, consumer confidence remains near record levels even though concerns about higher interest rates pushed readings lower in the second quarter. The jump in mortgage rates to over 8.0% has not, as yet, affected home building or the resale housing market. Both remain at decade highs. Building permits moved up to a 70,000 unit annual pace in recent months and in June they were nearly 14% higher than one year earlier. In the Tucson area, resales have soared to an 11,000 unit pace (up 16.7% on a 12-month versus 12-month ending in June), while sales in the Phoenix area are running at a 57,000 annual pace (up 13.7%). Perversely, the recent jump in mortgage rates may have boosted these numbers as consumers buy now to lock in rates before they go higher. Fortunately, residential building remains well matched to population growth, so there are no inventories to work off when demand does wane.

EXHIBIT 1
Consumer Spending Soars
Real Retail Sales Growth, AZ



REVISIONS TO PERSONAL INCOME SHOW STRONGER 1998

At the end of July, the Bureau of Economic Analysis released revisions to its estimates for Arizona's personal income. In 1998, personal income totaled \$108.086 billion, an upward revision of nearly \$426 million. In percentage terms, personal income grew by 7.9% in 1998 rather than 7.5% originally reported. (Nationwide, personal income increased by 5.0% during 1998.) Revisions also show accelerating growth as the year progressed (**Exhibit 2**). As the year began, year-over-year growth registered 7.2%. By the fourth quarter, the gain was 8.5%, the strongest growth since the second quarter of 1996. These new estimates include unemployment insurance data through the fourth quarter, 1998. Year-over-



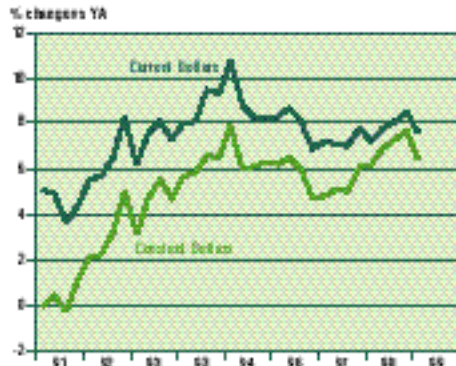
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EXHIBIT 2

Incomes Are Rising Rapidly

Personal Income Growth, Arizona



year growth for the first quarter 1999 of 7.6% is based on little actual data and will likely be revised upward. With strong income growth, it is not hard to see how consumers have been able to continue their spending ways.

HAS THE LONG-AWAITED SLOWDOWN BEGUN?

Arizona's economy continues to zip along, but growth is not well balanced. Agriculture, manufacturing and mining have lagged. Overall job growth is finally slowing—rapidly in the Phoenix-Mesa metro area, and commercial real estate construction is waning.

Although residential markets remain at all time record highs, commercial markets are slowing. Industry analysts around the country now believe that commercial real estate construction has passed its peak for this business cycle. According to data for Arizona compiled by the F. W. Dodge Division of McGraw Hill, non-residential building awards have plummeted in recent months from a \$2.7 billion annual rate to \$1.7 billion (**Exhibit 3**).

The retreat comes from very high levels, and many projects still remain under construction. As those projects are built out, construction activity in the aggregate will fall off dramatically. Nearly all of the downturn is in the Phoenix-Mesa metro area, which has seen the birth of a number of huge new projects in recent years including giant malls, sports parks, industrial facilities and high rise offices and hotels. The downturn may also reflect last fall's disruption in financial markets, during which the flow of financing dried up for commercial projects. Now that money is once again flowing, it is possible that this indicator could turn back up in coming months.

EXHIBIT 3

Commercial Awards Plummet

Real Nonresidential Building, Arizona
Millions of 1992 dollars, annual rate



Vacancy rates in commercial sectors are heading up, although vacancies remain well below those experienced earlier this decade. Data from CB Richard Ellis shows that Metro Phoenix office vacancies at the end of the second quarter stand at 10.6%, up from 9.5% at the end of last year. Office vacancies also increased in Tucson—to 9.7% from 8.9% (**Exhibit 4**). Forecasts from the Metro Phoenix Blue Chip, published by the College of Business at Arizona State University, predict that some three million square feet of new office space will be delivered in metro Phoenix during 1999 while the market will absorb 1.75 million square feet. That will boost office vacancies into the 11-12% range by year-end.

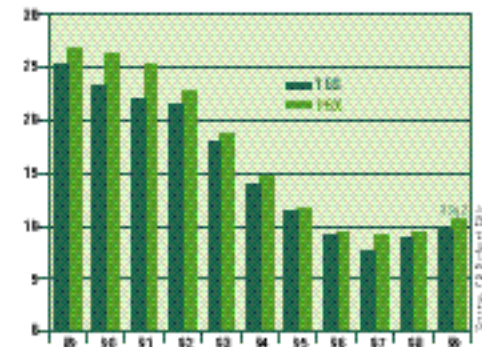
For industrial markets, vacancy rates are rising in the Phoenix area, but falling in metro Tucson. At the end of the second quarter, vacancies in Phoenix stood at 8.1%, up from 7.0% at year-end, while rates in Tucson are at 7.0%, down from 7.2%.

TWO RECENTLY RELEASED STUDIES CONCLUDE THAT ARIZONA AND ITS MAJOR METRO AREAS HAVE DONE A GOOD JOB DEVELOPING THEIR HIGH TECHNOLOGY BASE AND ARE WELL POSITIONED TO EXCEL IN THE "NEW ECONOMY."

EXHIBIT 4

Vacancies Low but Rising

Office Vacancy Rates (%), Phoenix & Tucson



Arizona's job market grew at a much slower pace in the second quarter, up only 3.5% from the prior year. That compares to 4.7% growth registered for all of 1998. Most of the slowdown is in the metro Phoenix area, where growth registered six percent only a year ago. It is not clear, though, whether this reflects sagging demand for labor or whether a shortage of labor is constraining job expansion. Indicators of demand such as help wanted advertising and a quarterly survey of hiring intentions conducted by Manpower, Inc. give conflicting signals. Help wanted advertising in metro Phoenix remains at record levels for this expansion while the Manpower survey shows a big drop to 15 from 35 only two quarters ago. The latter survey, however, shows a rise in hiring intentions in the Tucson area to record a level of 35.

Then again, the employment survey could be giving false signals. Estimates of current job levels are derived from a non-random voluntary sample survey of employers that has a tendency to undercount the number of jobs when the economy is growing rapidly. According to this data, most of the recent slowdown is explained by virtually no growth in manufacturing and by very weak growth in services and government. During the second quarter, government payrolls are only 2.2% higher than one year earlier. That seems unreasonably low given continuing high levels of population growth. In June, services employment was only 2.8% higher than one year ago, and that represents the smallest gain since early 1992. This sector, because of its size and new business formation, historically accounts for the lion's share of upward adjustments to previously published figures. This could be happening again, meaning

EXHIBIT 5 Leading Copper-Producing Mines in the United States, 1997

Rank	Mine	County, State	Operator	Capacity (000s metric tons)
1	Morenci	Greenlee, AZ	Phelps Dodge Corp.	495
2	Bingham Canyon	Salt Lake, UT	Kennecott Utah Copper Corp.	310
3	Chino	Grant, NM	Phelps Dodge Corp.	162
4	Sierrita	Pima, AZ	Cyprus Amax Minerals Co.	143
5	Ray	Pinal, AZ	ASARCO Incorporated	125
6	Mission Complex	Pima, AZ	ASARCO Incorporated	115
7	Bagdad	Yavapai, AZ	Cyprus Amax Minerals Co.	115
8	San Manuel	Pinal, AZ	BHP Copper Co.	147
9	Pinto Valley	Gila, AZ	BHP Copper Co.	76
10	Inspiration	Gila, AZ	Cyprus Amax Minerals Co.	73
11	Tyrone	Grant, NM	Phelps Dodge Corp. and Burro Chief Copper Co.	70
12	Robinson	White Pine, NV	BHP Copper Co.	70
13	Continental	Silver Bow, MT	Montana Resources Inc.	50
14	Continental	Grant, NM	Cobre Mining Co.	35
15	Flambeau	Rusk, WI	Kennecott Utah Copper Corp.	18
16	Tohono	Pinal, AZ	Cyprus Amax Minerals Co.	15
17	Miami	Gila, AZ	BHP Copper Co.	12
18	Silver Bell	Pima, AZ	ASARCO Incorporated	12
Total (98% of U.S. mine production)				2,043

that current measures of overall job growth are understated.

CONSOLIDATION IN COPPER MINING INDUSTRY

In July, building imbalances in world copper markets brought downsizing and layoffs for U.S. copper producers. Prior to recent cutbacks, the U.S. accounted for 18% of world copper production and Arizona (1.4 million tons in 1997) accounted for roughly two-thirds of U.S. production. **Exhibit 5** shows major U.S. mining properties.

Problems materialized in 1997 when inventories of refined copper began to grow as the result of increased supply and soft demand. Supply grew as new mining properties were developed in Chile, Indonesia, Mexico, Kazakhstan, Mongolia, Peru, South Africa and other countries around the world. Demand for copper weakened as the Asian financial crisis precipitated recessions across that region. Inventories surged from roughly 150,000 metric tons of refined copper to 650,000 in early 1999 (**Exhibit 6**). Rising inventories pushed the price of copper (here we use the London Metal Exchange) downward from nearly \$1.20 to 61 cents per pound. In inflation-adjusted terms, this represents the lowest price this century!

As the price fell, Arizona production

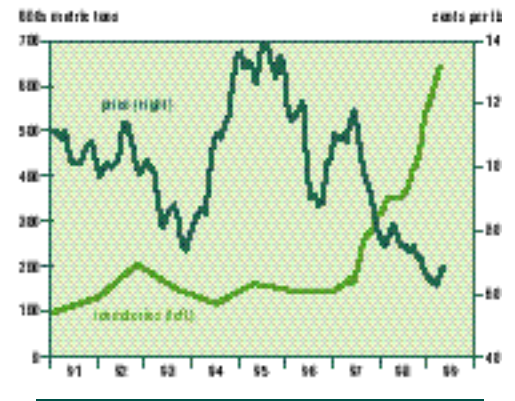
remained near record levels until a year ago as shown in **Exhibit 7**. In early 1998, Cyprus Amax cut production at its Bagdad and Sierrita Mines by 27,000 tons. BHP Copper Corp. halted its copper sulfide operations at Pinto Valley, laying off 447 employees. As a result, employment in Arizona's copper mining industry fell by nearly 1,000 during 1998.

Then in June of this year, BHP announced the closing of all North American copper mining operations. Its Pinto Valley Mine west of Miami and San Manuel operations north-east of Tucson will be closed by the end of this summer. Some 2,600 jobs are involved. Shortly after the BHP announcement, Phelps Dodge cut 250 jobs with the closing of a concentrator at its Morenci mine, and Asarco cut 150 at its Mission mine complex south of Tucson. These cuts will reduce Arizona mine production by roughly 400 million pounds annually, or about 15% of Arizona production.

In mid-July Asarco Inc. and Cyprus Amax Minerals Co. announced they were merging to form one of the largest copper mining companies in the world. With capacity to produce some 2 billion pounds of copper annually, the company will produce eight percent of the Western world's refined copper. Arizona mines owned by the combined company include Sierrita, Ray, Mission Complex, Bagdad, Inspiration, Tohono and Silverbell. Corporate headquarters will be based in New

EXHIBIT 6 Copper Inventories Surge and Prices Plunge

U.S. Refined Copper Inventories
and LME Cash Price



York, although its copper operations will be run from Tempe.

Then in August, Phelps Dodge offered to buy both Asarco and Cyprus Amax. The resulting company would be the largest single copper producer in the world, including the current leader, Chile's state-owned Codelco. Output would represent slightly less than 20% of global copper production.

Recent cutbacks and consolidation in the industry will not solve the oversupply of copper in world markets. On a positive note, demand from Asia is increasing as that region recovers. Coupled with new innovations that use copper rather than aluminum in integrated circuits and expanded usage in autos, demand is expected to increase by five percent or more annually. However, production is expected to grow by even greater amounts as new properties are developed around the world. More cutbacks among U.S. producers could be forthcoming.

Arizona's economy will easily absorb displaced workers, and the impacts of recent closings should be small. With labor in short supply, workers will be able to find jobs quickly in other industries such as construction, manufacturing and utilities. Unfortunately, it is unlikely they will find jobs that pay as well, as mining offered the highest wages of any industry in Arizona. The average wage per worker in mining was \$45,400 last year, compared to \$42,000 in manufacturing, \$36,500 in utilities and \$31,000 in construction. In 1998, before these cuts, some 12,900 workers (including 2,400 non-copper employees) earned \$580 million in wages and salaries statewide. This represents less than one percent of the total across all industries.

EXHIBIT 7
AZ Copper Production
Near Record Level
Copper Prices (LME Cash Price)
and Arizona Mine Production



Additional effects on the economic statistics that we monitor include employment levels, unemployment, sales and wages. Since the San Manuel mine is in Pinal county, which in turn is part of the Phoenix-Mesa metro area, the number of metro Phoenix employees in mining was cut nearly in half in July, falling by 2,200. However, a large number of those miners live and shop in the metro Tucson area, which will feel the brunt of any economic effects. Unemployment increased by 600 in the Phoenix-Mesa area in July while Tucson's unemployed jumped by 2,400. The impact on retail sales will fall most heavily on Tucson, although the effect will be small as most displaced workers are expected to find work rather quickly. The largest impact may be to constrain wage increases in the construction industry. During the past two years, construction wages have increased on average of 4.5%. With increased supply of workers from the mining industry, wages are likely to move up at only half that rate during the coming year.

THE 25-YEAR OUTLOOK

Arizona has consistently been among the top two or three states for population growth during the 1900's and there's plenty of additional growth on the horizon. However, the pace will be slower than during the past five years. Our BASE forecast projects that during the five-year period from 1999-2004:

- Arizona's population will increase by 566,300 or 111,250 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 during the 1970s (944,000). By the year 2000,

EXHIBIT 8
Projections to the Year 2025

	1995	2000	2005	2010	2015	2020	2025
Arizona							
W&S Employment (000's)	1,795	2,198	2,459	2,746	3,049	3,361	3,678
Population (000's)	4,297	4,955	5,507	6,086	6,685	7,291	7,901
Personal Income (\$ millions)	86,479	121,869	159,656	208,268	269,687	348,905	450,246
Retail Sales (\$millions)	37,777	50,277	63,112	79,700	100,570	126,517	159,134
Phoenix-Mesa MA							
W&S Employment (000's)	1,225	1,534	1,709	1,911	2,121	2,344	2,582
Population (000's)	2,662	3,126	3,508	3,918	4,344	4,783	5,235
Personal Income (\$ millions)	58,249	86,194	118,142	158,537	210,376	278,450	368,083
Retail Sales (\$millions)	24,981	34,688	45,961	59,844	77,232	99,651	128,980
Tucson Metro Area							
W&S Employment (000's)	303	349	381	416	454	490	522
Population (000's)	758	852	927	1,006	1,086	1,160	1,222
Personal Income (\$ millions)	14,616	20,006	26,776	35,061	45,693	59,274	76,334
Retail Sales (\$millions)	6,302	8,108	10,279	12,914	16,194	20,206	25,084

nearly 5.0 million persons will reside in the state. Arizona will gain at least two and perhaps three additional seats in Congress when new Census figures are available.

- Some 242,500 new jobs will be created, or 48,500 per year. Job growth will average 2.2% (compared to 3.9% during the 1980s and 5.0% from 1994-99).
- Personal income will grow by an average 5.6% annually, and will exceed \$150 billion in the year 2004.
- Average annual wages will rise at a 3.2% annual rate and approach \$36,500 by 2004.
- Per capita income will rise to over \$28,000, an annual increase of 3.4%.

By the year 2025, Arizona will have added nearly three million residents, and population will reach 7.9 million. That's about as large as North Carolina and Georgia (the nation's 10th and 11th largest states) are today.

Population growth varies significantly over the business cycle. In the recession of the early 90's, Arizona's population increased by less than 90,000 per year. During the past five years, annual increase have run in the 130-135,000 range. The forecast calls for significant slowing in the first few years of the new millennium into the 105-110,000 range before returning to "trend growth" of roughly 120-125,000 for the remainder of the forecast interval. Arizona's resident population should break the five million mark in 2001, six million in 2010, and seven million in 2018 (**Exhibit 8**).

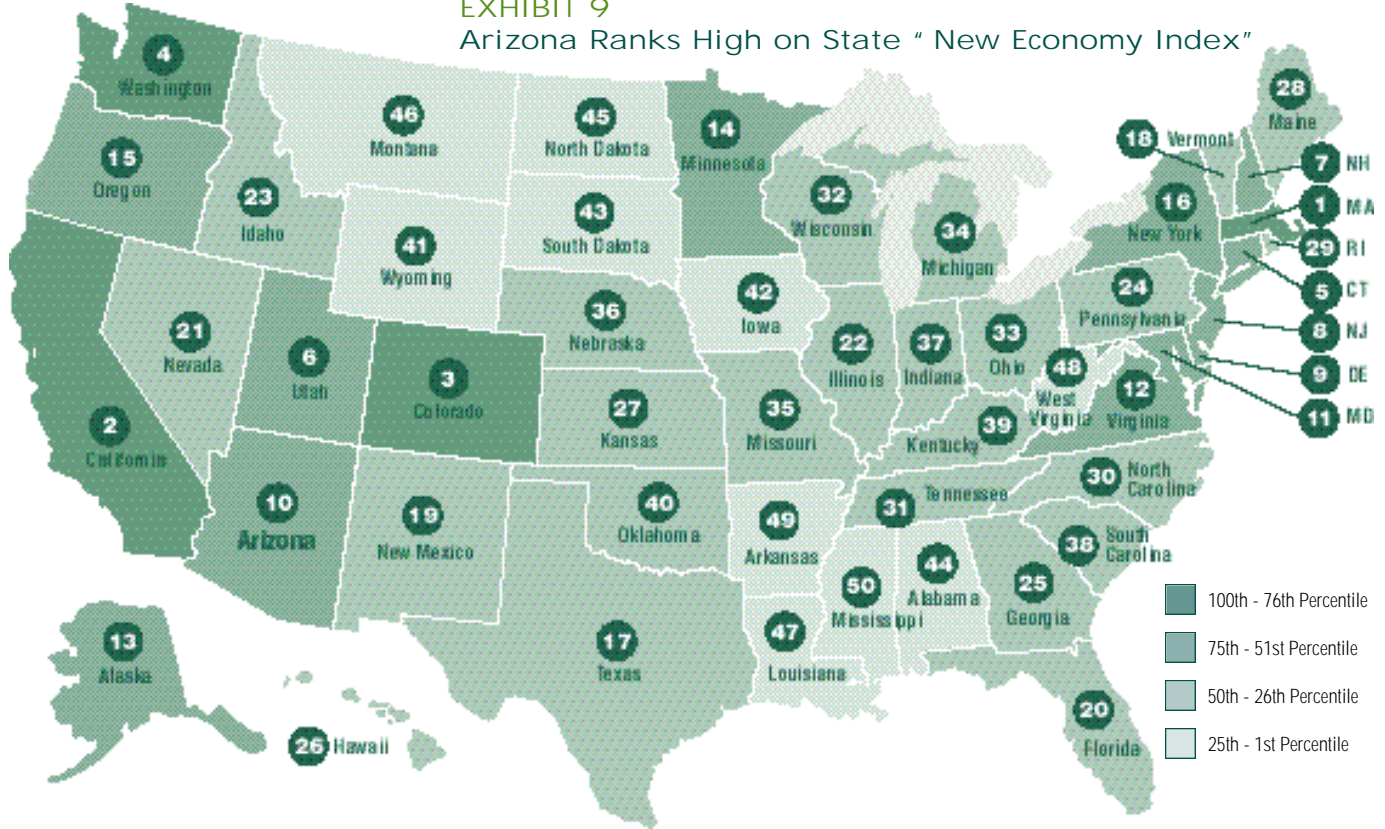
"NEW ECONOMY"
AND HIGH TECH INDEXES

Two recently released studies conclude that Arizona and its major metro areas have done a good job developing their high technology base and are well positioned to excel in the "new economy." The first, from the Progressive Policy Institute, titled "The State New Economy Index" ranks Arizona 10th on a composite of five factors: knowledge jobs, globalization, economic dynamism and competition, transformation to a digital economy, and technological innovation capacity (**Exhibit 9**).

Arizona received its highest rankings on the number of fast-growing "gazelle" companies, commercial Internet domains, job churn (a measure of new business start ups and business failures), and the export orientation of manufacturing (**Exhibit 10**).

According to the authors, low costs (and low wages), tax abatements or other financial incentives no longer drive growth. "In the new economy, states' economic success will increasingly be determined by how effectively they can spur technological innovation, entrepreneurship, education, specialized skills, and the transition of all organizations—public and private—from bureaucratic hierarchies to learning networks¹." The study also offers policy strategies for states:

EXHIBIT 9
Arizona Ranks High on State “New Economy Index”



Source: Progressive Policy Institute

1. Co-invest in the skills of the workforce
2. Co-invest in an infrastructure for innovation
3. Promote innovation and customer-oriented government
4. Foster the transformation to a digital economy
5. Foster civic collaboration

These rankings show that Arizona is well positioned to participate in the 21st century economy.

The second study, “America’s High-Tech Economy: Growth, Development and Risks for Metropolitan Areas²,” finds the Phoenix-Mesa metro area to be the 12th largest technology production center (or Tech-Pole). The rankings are based on an area’s high-tech concentration (or location quotient) and its share of national high-tech output. Tucson ranks 40th. The Phoenix area has a concentration in only one industry, while Tucson has five-such industries. Rankings for western cities are in **Exhibit 11**.

The study also offers rankings that show how well a community has developed its high-tech industries (**Exhibit 12**). The measure used is the percentage of a local economy’s total output that is attributable to high-tech. Flagstaff ranks 20th with Tucson a close

EXHIBIT 10
AZ’s New Economy Index Ranking by Component

Component	Rank
“Gazelle” Jobs	3
Commercial Internet Domains	4
Job Churning	5
Export Focus in Manufacturing	9
Educated Workforce	12
High Tech Jobs	12
Venture Capital	13
Digital Government	13
Online Population	14
Patents	16
Overall U.S. Ranking	10

Source: Progressive Policy Institute

22nd, both with 17%. Phoenix-Mesa ranks 30th with 13%.

This study notes that “costs of doing business measures (tax rates, incentives, wages, land and office space costs, energy costs, capital cost and perception of the business climate) are still important.” However, even more important for high-tech companies are “a trained workforce, close proximity to research institutions, a network of suppliers,

EXHIBIT 11
Technology Production Center Rankings

Milken Institute Tech-Poles Western Region
<http://milken-inst.org/mod30/summary.html>

Rank	City	#
1	San Jose, CA	10
3	LA-Long Beach	5
5	Seattle-Bell.-Ever.	6
7	Albuquerque, NM	3
12	Phoenix-Mesa, AZ	1
13	Orange County, CA	10
14	Oakland, CA	8
17	San Diego, CA	9
19	Denver, CO	3
22	San Francisco, CA	5
24	Boise City, ID	2
26	Portland-Vancouver	2
27	Boulder-Longmont	9
37	Sacramento, CA	6
40	Tucson, AZ	5
42	Colorado Springs, CO	9

is the number of industries with concentration (LOs > 1)

EXHIBIT 12

Arizona's Metros Rank High

High Tech Importance Western Metros

(as % of Total Output)

Rank	City	%
2	San Jose, CA	37
3	Albuquerque, NM	32
6	Boulder-Longmont	26
7	Boise City, ID	24
9	Richland, WA	22
11	Seattle, WA	19
14	Pocatello, ID	18
20	Flagstaff, AZ	17
21	Colorado Springs, CO	17
22	Tucson, AZ	17
29	Provo-Orem, UT	14
30	Phoenix-Mesa, AZ	13
32	Oakland, CA	13
33	Orange County, CA	13
34	Denver, CO	13
35	San Diego, CA	12

Milken Institute: High-Tech Economy, July 1999

access to venture capital, and a good quality of life. [In] the age of human capital, firms' location decisions will be increasingly based upon quality-of-life factors that are important to attracting and retaining this most vital economic asset."

Both of these studies show Arizona to be well positioned for the new millennium, even though the next two to three years are expected to bring much slower growth. \$

1 "The New State Economy Index: Benchmarking Economic Transformation in the States," Progressive Policy Institute, July 1999, <http://207.158.225.143/states/summary.html>

2 "America's High-Tech Economy: Growth, Development and Risks for Metropolitan Areas," The Milken Institute, July 13, 1999, <http://milken-inst.org/mod30/summary.html>

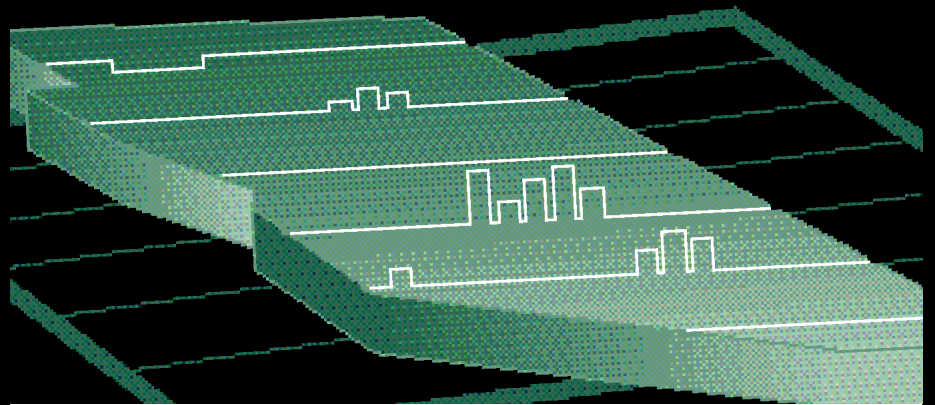
S P O N S O R S

- Arizona Joint Legislative Budget Committee*
- Arizona Portland Cement*
- Arizona Public Service Company*
- Bank One Arizona*
- CB Richard Ellis*
- City of Tucson*
- Coldwell Banker Success Realty*
- Elliott D. Pollack and Company*
- Estes/Kaufman and Broad*
- Merrill Lynch*
- Pima County*
- Salt River Project*
- Territorial Newspapers*
- Tucson Electric Power Company*
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FORECAST TABLES

Forecasts for Arizona

	1998	1999	2000	2001	2002	2003	2004
Personal Income (\$ mill)	107,738.3	115,058.4	121,868.6	128,397.8	135,190.2	143,047.6	151,414.5
percent change	7.6	6.8	5.9	5.4	5.3	5.8	5.8
Per Capita Personal Income	22,908.4	23,801.2	24,593.0	25,365.1	26,158.3	27,108.8	28,089.9
percent change	4.5	3.9	3.3	3.1	3.1	3.6	3.6
Aggregate Retail Sales (\$ mill)*	45,513.3	49,187.8	50,277.1	51,868.8	54,533.5	57,458.5	60,354.9
percent change	5.9	8.1	2.2	3.2	5.1	5.4	5.0
Population (000s, mid-year)	4,703.0	4,834.1	4,955.4	5,062.0	5,168.2	5,276.8	5,390.4
percent change	2.9	2.8	2.5	2.2	2.1	2.1	2.2
Net Migration (000s)	93.1	87.5	73.0	65.3	68.1	71.6	75.9
Wage & Salary Employment (000s)	2,078.4	2,157.3	2,197.7	2,237.5	2,281.8	2,337.6	2,399.8
percent change	4.7	3.8	1.9	1.8	2.0	2.4	2.7
Goods-Producing	371.9	376.8	372.3	370.5	370.6	376.8	386.3
percent change	5.4	1.3	-1.2	-0.5	0.0	1.7	2.5
Construction	141.6	149.8	144.6	137.6	134.8	136.7	141.3
percent change	7.5	5.8	-3.5	-4.9	-2.0	1.4	3.3
Manufacturing	217.4	215.9	217.9	222.9	225.8	230.2	235.0
percent change	4.8	-0.7	0.9	2.3	1.3	1.9	2.1
Service-Providing	1,706.5	1,780.5	1,825.4	1,867.0	1,911.2	1,960.7	2,013.5
percent change	4.6	4.3	2.5	2.3	2.4	2.6	2.7
Trade (Wholesale & Retail)	498.9	515.4	528.5	542.8	559.3	578.1	598.2
percent change	3.4	3.3	2.5	2.7	3.0	3.4	3.5
Services	628.6	664.6	682.1	700.5	719.3	739.0	759.8
percent change	5.4	5.7	2.6	2.7	2.7	2.7	2.8

Forecasts for Phoenix-Mesa Metro

	1998	1999	2000	2001	2002	2003	2004
Personal Income (\$ mill)	75,142.3	80,794.3	86,194.3	91,855.9	97,749.1	104,254.0	111,120.3
percent change	9.5	7.5	6.7	6.6	6.4	6.7	6.6
Per Capita Personal Income	25,448.9	26,503.6	27,572.4	28,713.0	29,859.1	31,119.5	32,409.0
percent change	5.7	4.1	4.0	4.1	4.0	4.2	4.1
Aggregate Retail Sales (\$ mill)*	31,448.5	33,713.3	34,688.0	35,981.1	38,586.9	41,246.5	43,683.8
percent change	7.3	7.2	2.9	3.7	7.2	6.9	5.9
Population (000s, mid-year)	2,952.7	3,048.4	3,126.1	3,199.1	3,273.7	3,350.1	3,428.7
percent change	3.6	3.2	2.5	2.3	2.3	2.3	2.3
Net Migration (000s)	75.2	66.5	47.5	42.4	43.9	45.6	47.3
Wage & Salary Employment (000s)	1,457.4	1,509.3	1,534.1	1,562.6	1,594.1	1,630.2	1,669.6
percent change	5.4	3.6	1.6	1.9	2.0	2.3	2.4
Goods-Producing	278.8	277.5	274.4	274.7	274.5	278.0	284.2
percent change	6.0	-0.5	-1.1	0.1	-0.1	1.3	2.2
Construction	106.1	110.5	104.5	99.0	96.2	96.6	99.6
percent change	11.5	4.2	-5.5	-5.3	-2.8	0.4	3.1
Manufacturing	166.6	162.0	166.0	171.9	174.4	177.5	180.7
percent change	3.2	-2.8	2.5	3.5	1.4	1.8	1.8
Service-Providing	1,178.7	1,231.8	1,259.7	1,287.9	1,319.6	1,352.2	1,385.4
percent change	5.2	4.5	2.3	2.2	2.5	2.5	2.5
Trade (Wholesale & Retail)	353.0	367.9	376.2	385.6	397.4	409.9	422.0
percent change	4.2	4.2	2.3	2.5	3.0	3.1	3.0
Services	455.9	477.0	484.7	494.6	505.4	515.3	526.3
percent change	5.6	4.6	1.6	2.0	2.2	2.0	2.1

Forecasts for Tucson Metro Area

	1998	1999	2000	2001	2002	2003	2004
Personal Income (\$ mill)	17,418.9	18,757.9	20,005.5	21,219.9	22,489.1	23,873.6	25,315.7
percent change	6.2	7.7	6.7	6.1	6.0	6.2	6.0
Per Capita Personal Income	21,451.9	22,529.4	23,491.3	24,491.4	25,539.1	26,662.6	27,790.8
percent change	3.9	5.0	4.3	4.3	4.3	4.4	4.2
Aggregate Retail Sales (\$ mill)*	7,260.5	7,733.0	8,108.0	8,479.9	8,934.9	9,381.4	9,827.4
percent change	4.7	6.5	4.9	4.6	5.4	5.0	4.8
Population (000s, mid-year)	812.0	832.6	851.6	866.4	880.6	895.4	910.9
percent change	2.1	2.5	2.3	1.7	1.6	1.7	1.7
Net Migration (000s)	12.5	16.3	14.6	10.2	9.5	10.2	10.9
Wage & Salary Employment (000s)	326.3	342.4	349.3	354.4	359.7	366.5	373.6
percent change	3.5	4.9	2.0	1.4	1.5	1.9	1.9
Goods-Producing	51.4	56.3	57.5	57.5	57.5	57.9	58.7
percent change	2.9	9.5	2.2	0.0	0.0	0.7	1.4
Construction	20.1	21.3	21.9	21.6	21.2	21.2	21.7
percent change	3.7	6.2	2.8	-1.6	-1.8	0.1	2.0
Manufacturing	29.1	33.0	33.8	34.1	34.4	34.7	35.0
percent change	3.0	13.3	2.3	0.9	0.9	0.9	0.8
Service-Providing	274.9	286.1	291.8	296.9	302.2	308.6	314.9
percent change	3.6	4.1	2.0	1.7	1.8	2.1	2.0
Trade (Wholesale & Retail)	70.3	72.5	74.6	76.3	78.0	80.0	82.0
percent change	1.6	3.1	2.9	2.2	2.3	2.5	2.6
Services	104.7	109.7	112.0	114.5	117.1	119.9	122.6
percent change	5.4	4.8	2.1	2.2	2.3	2.4	2.2

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

Source: Economic and Business Research Program, Eller College of Business and Public Administration, The University of Arizona.

	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	% change versus year ago for:	
						most recent month	most recent 12-months
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES							
Employment	62,875	72,050	78,750	75,275	74,525	4.5	8.1
Unemployment	52,975	53,450	51,550	50,000	48,250	5.6	9.9
Unemployment Rate (%)	9,900	18,600	27,200	25,275	26,275	2.6	3.4
	15.7	25.8	34.5	33.6	35.3	-1.8	-4.7
Employees on Nonagricultural Payrolls, ADES							
Total	43,200	43,225	42,300	40,375	38,850	6.4	9.1
Mining	n/a	n/a	n/a	n/a	n/a	...	...
Construction	2,575	2,700	2,750	2,800	2,925	17.0	9.4
Manufacturing	2,350	2,350	2,375	2,350	2,275	4.6	15.2
Trans., Comm. & Publ. Util.	1,825	1,800	1,800	1,800	1,725	-4.2	4.0
Trade	12,050	11,800	11,175	11,000	10,625	0.2	1.7
Finance, Ins. & Real Estate	1,250	1,250	1,200	1,175	1,125	0.0	-2.3
Services	8,150	8,225	8,000	7,875	7,850	3.0	-2.6
Government	15,000	15,100	15,000	13,375	12,325	15.2	26.6
Sales (\$000s) ADOR							
Gross Retail	96,612	84,887	71,893	73,445	...	9.9	6.4
Retail	75,457	63,854	55,791	59,189	...	10.4	6.0
Restaurants & Bar	10,444	10,459	8,244	7,414	...	7.7	7.6
Gasoline, EBR	10,711	10,574	7,858	6,842	...	7.7	8.0
Gallons (000s) ADOT	10,225	7,533	6,052	5,920	...	3.8	22.0
Contracting	16,751	13,708	14,857	17,978	...	5.7	-1.1
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	12,980	20,210	14,238	24,213	12,423	-7.5	-11.5
Residential Building	7,750	9,093	8,428	9,805	4,731	-43.9	7.3
Non-Residential Building	3,783	1,971	3,865	3,325	3,272	46.2	-49.3
Non-Building	1,447	9,146	1,945	11,083	4,420	59.9	29.4
Number of Dwelling Units Awarded, F.W. Dodge							
Total	97	103	97	107	54	-35.7	22.0
One Family Houses	97	103	97	107	54	-30.8	23.3
MOHAVE-LA PAZ REGION							
Civilian Labor Force, ADES							
Employment	71,950	71,700	72,400	73,450	73,700	7.2	7.1
Unemployment	68,200	68,350	68,875	69,875	70,325	7.2	7.6
Unemployment Rate (%)	3,750	3,350	3,525	3,575	3,375	5.5	-2.0
	5.2	4.7	4.9	4.9	4.6	-1.6	-8.7
Employees on Nonagricultural Payrolls, ADES							
Total	41,950	42,575	42,550	42,275	42,175	3.5	2.2
Mining	n/a	n/a	n/a	n/a	n/a	...	...
Construction	3,200	3,200	3,275	3,325	3,425	5.4	7.4
Manufacturing	3,700	3,700	3,675	3,675	3,675	5.0	7.0
Trans., Comm. & Publ. Util.	1,950	2,000	2,000	2,025	2,000	-2.4	-0.8
Trade	13,400	13,575	13,425	13,275	13,225	3.1	4.8
Finance, Ins. & Real Estate	1,425	1,500	1,525	1,525	1,525	0.0	0.6
Services	10,200	10,375	10,475	10,550	10,650	4.4	1.6
Government	7,900	8,050	8,000	7,725	7,500	3.8	-4.0
Sales (\$000s) ADOR							
Gross Retail	103,483	100,572	104,817	102,616	...	10.1	7.6
Retail	78,067	72,021	77,283	77,590	...	10.4	10.4
Restaurants & Bar	13,213	13,847	13,555	12,861	...	11.2	8.2
Gasoline, EBR	12,203	14,704	13,979	12,165	...	7.0	-8.0
Gallons (000s) ADOT	11,649	10,475	10,766	10,526	...	3.2	2.8
Contracting	24,804	24,967	22,987	22,812	...	12.1	27.3
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	35,211	29,063	24,538	20,458	23,285	-11.0	-15.4
Residential Building	18,246	16,660	18,136	17,476	17,584	19.1	15.9
Non-Residential Building	7,107	4,855	2,628	1,805	2,438	44.6	-41.4
Non-Building	9,858	7,548	3,774	1,177	3,263	-66.4	-44.8
Number of Dwelling Units Awarded, F.W. Dodge							
Total	201	171	189	189	178	14.1	12.1
One Family Houses	199	167	189	189	168	7.7	13.6

See notes at bottom of Arizona - Quarterly table

	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	% change versus year ago for: most recent month	most recent 12-months
COCHISE-SANTA CRUZ REGION							
Civilian Labor Force, ADES							
Employment	52,775	52,875	53,250	54,450	55,575	4.8	1.2
Unemployment	4,100	3,675	3,900	4,300	5,025	-12.2	-14.4
Unemployment Rate (%)	7.8	7.0	7.3	7.9	9.0	-16.2	-15.3
Employees on Nonagricultural Payrolls, ADES							
Total	41,750	41,850	42,250	42,125	42,200	5.5	0.9
Mining	n/a	n/a	n/a	n/a	n/a	...	...
Construction	2,150	2,125	2,175	2,250	2,500	20.5	5.4
Manufacturing	2,200	2,225	2,225	2,300	2,275	9.6	7.0
Trans., Comm. & Publ. Util.	2,450	2,450	2,450	2,425	2,350	1.1	1.7
Trade	11,600	11,625	11,675	11,475	11,500	1.8	0.2
Finance, Ins. & Real Estate	975	1,000	1,025	1,025	1,000	-2.4	2.8
Services	9,225	9,350	9,500	9,775	10,000	8.4	3.1
Government	13,150	13,075	13,200	12,875	12,575	5.0	-2.1
Sales (\$000s) ADOR							
Gross Retail	82,103	80,613	79,702	77,471	...	10.5	6.5
Retail	60,937	60,874	58,705	59,514	...	6.3	4.6
Restaurants & Bar	9,253	8,825	9,474	8,720	...	12.5	-0.3
Gasoline, EBR	11,913	10,914	11,523	9,237	...	45.1	31.4
Gallons (000s) ADOT	11,373	7,775	8,874	7,993	...	39.9	47.8
Contracting	16,981	15,714	17,461	18,052	...	4.2	18.2
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	9,799	10,282	13,609	11,202	19,732	-14.5	20.8
Residential Building	8,488	7,043	7,143	8,945	6,430	-16.3	-2.4
Non-Residential Building	833	1,200	5,900	1,598	1,824	186.3	81.3
Non-Building	478	2,039	566	659	11,478	-22.3	46.4
Number of Dwelling Units Awarded, F.W. Dodge							
Total	96	91	93	86	78	-9.3	-3.5
One Family Houses	92	91	81	86	67	-22.1	7.0
GILA-GRAHAM-GREENLEE REGION							
Civilian Labor Force, ADES							
Employment	33,200	33,925	33,850	34,500	34,275	2.9	0.2
Unemployment	30,525	31,500	31,450	32,000	31,800	4.1	0.5
Unemployment Rate (%)	2,675	2,425	2,400	2,500	2,475	-10.0	-3.1
Unemployment Rate (%)	8.1	7.1	7.1	7.2	7.2	-12.6	-3.3
Employees on Nonagricultural Payrolls, ADES							
Total	25,450	25,600	25,725	25,825	25,425	2.3	-1.6
Mining	n/a	n/a	n/a	n/a	n/a	...	...
Construction	1,975	2,050	2,050	1,975	1,950	5.4	13.1
Manufacturing	n/a	n/a	n/a	n/a	n/a	...	...
Trans., Comm. & Publ. Util.	825	800	800	800	775	-11.4	-5.0
Trade	5,625	5,575	5,675	5,900	5,900	3.1	0.1
Finance, Ins. & Real Estate	n/a	n/a	n/a	n/a	n/a	...	...
Services	4,450	4,375	4,475	4,575	4,550	6.4	2.0
Government	7,425	7,650	7,550	7,325	7,050	2.9	-7.1
Sales (\$000s) ADOR							
Gross Retail	41,132	42,456	45,525	45,140	...	2.3	0.8
Retail	31,944	31,800	33,913	34,288	...	0.8	-0.7
Restaurants & Bar	4,962	5,534	5,718	5,896	...	-2.2	0.7
Gasoline, EBR	4,226	5,122	5,894	4,956	...	21.2	12.8
Gallons (000s) ADOT	4,035	3,649	4,539	4,288	...	16.8	26.9
Contracting	10,492	10,788	10,325	13,691	...	8.8	1.1
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	13,693	9,908	13,332	9,496	9,977	30.1	-5.0
Residential Building	7,290	5,195	5,190	7,039	3,821	-30.9	-11.9
Non-Residential Building	5,153	4,250	7,885	51	1,775	-17.2	-12.2
Non-Building	1,250	463	257	2,406	4,381	...	46.8
Number of Dwelling Units Awarded, F.W. Dodge							
Total	57	44	54	51	35	-27.1	-13.5
One Family Houses	57	44	52	49	35	-27.1	-6.1

See notes at bottom of Arizona - Quarterly table

	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	% change versus year ago for:	
						most recent month	most recent 12-months
APACHE-NAVAJO REGION							
Civilian Labor Force, ADES							
Employment	50,800	51,050	52,250	52,975	53,600	2.2	-0.3
Unemployment	43,525	44,600	45,725	44,450	44,750	4.1	0.4
Unemployment Rate (%)	7,275	6,450	6,525	8,525	8,850	-6.3	-4.6
	14.3	12.6	12.5	16.1	16.5	-8.4	-4.3
Employees on Nonagricultural Payrolls, ADES							
Total	43,175	43,650	44,675	42,700	42,675	2.7	-1.7
Mining	n/a	n/a	n/a	n/a	n/a	...	...
Construction	1,775	1,850	1,975	1,975	1,925	-3.7	-1.5
Manufacturing	1,475	1,450	1,500	1,500	1,500	0.0	-2.6
Trans., Comm. & Publ. Util.	2,425	2,425	2,450	2,475	2,550	2.0	2.5
Trade	7,325	7,750	7,900	8,125	8,125	5.2	3.4
Finance, Ins. & Real Estate	1,100	1,150	1,150	1,150	1,150	-4.2	-0.7
Services	7,100	7,100	7,450	7,550	7,525	8.3	-0.4
Government	21,000	20,975	21,325	18,975	18,950	1.1	-4.4
Sales (\$000s) ADOR							
Gross Retail	55,613	58,723	65,628	74,164	...	12.4	6.9
Retail	43,323	44,081	49,519	58,377	...	11.1	8.2
Restaurants & Bar	4,025	5,325	6,042	6,857	...	9.0	4.9
Gasoline, EBR	8,265	9,317	10,067	8,930	...	24.6	0.2
Gallons (000s) ADOT	7,891	6,638	7,753	7,727	...	20.1	11.2
Contracting	10,285	10,574	9,676	12,920	...	30.4	38.8
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	9,452	8,146	11,770	11,565	22,372	35.6	0.8
Residential Building	5,157	6,227	10,397	6,019	9,077	12.3	38.5
Non-Residential Building	2,295	373	464	1,500	7,500	4.9	-28.4
Non-Building	2,000	1,546	909	4,046	5,795	359.9	-24.6
Number of Dwelling Units Awarded, F.W. Dodge							
Total	61	61	100	62	80	5.3	27.3
One Family Houses	61	61	72	62	80	5.3	41.0
COCONINO-YAVAPAI REGION							
Civilian Labor Force, ADES							
Employment	125,375	127,750	128,325	132,425	133,225	5.6	4.1
Unemployment	118,975	122,250	122,500	125,600	126,075	6.3	5.1
Unemployment Rate (%)	6,400	5,500	5,825	6,825	7,150	-5.3	-12.1
	5.1	4.3	4.5	5.2	5.4	-10.3	-15.7
Employees on Nonagricultural Payrolls, ADES							
Total	101,925	103,175	103,450	104,325	101,625	4.9	3.8
Mining	1,025	1,050	1,050	1,075	1,050	7.7	5.2
Construction	6,700	6,750	7,000	7,175	7,275	8.2	3.6
Manufacturing	6,600	6,500	6,500	6,600	6,350	-1.9	0.4
Trans., Comm. & Publ. Util.	3,150	3,275	3,375	3,475	3,550	3.6	3.4
Trade	26,000	26,575	26,950	27,400	26,725	2.6	2.3
Finance, Ins. & Real Estate	3,150	3,325	3,350	3,375	2,975	-5.6	5.6
Services	28,050	28,700	29,350	30,175	29,050	3.5	6.4
Government	27,250	27,000	25,875	25,050	24,650	12.2	3.2
Sales (\$000s) ADOR							
Gross Retail	177,412	182,359	204,124	213,020	...	12.5	5.5
Retail	130,407	129,945	144,630	155,037	...	10.4	5.5
Restaurants & Bar	29,896	32,460	37,404	39,084	...	12.0	6.8
Gasoline, EBR	17,109	19,954	22,090	18,899	...	34.8	3.0
Gallons (000s) ADOT	16,333	14,215	17,012	16,353	...	29.9	15.3
Contracting	41,425	45,199	41,606	55,052	...	14.8	16.6
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total	50,150	50,977	42,452	73,723	46,152	-9.1	10.5
Residential Building	29,568	24,270	30,636	34,674	34,231	-11.0	-2.8
Non-Residential Building	14,359	14,518	6,289	14,131	6,793	-25.1	-6.9
Non-Building	6,223	12,189	5,527	24,918	5,128	57.8	112.1
Number of Dwelling Units Awarded, F.W. Dodge							
Total	255	243	243	421	366	23.2	20.5
One Family Houses	246	223	235	299	258	-7.5	11.6

See notes at bottom of Arizona - Quarterly table

	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	% change versus year ago for: most recent month	most recent 12-months
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES							
Employment	1,573.0	1,578.5	1,587.6	1,597.3	1,602.1	5.5	6.9
Unemployment	44.0	43.0	48.0	50.4	51.0	15.3	12.0
Unemployment Rate, Seas. Adj.	3.0	3.1	3.2	3.1	3.0	20.0	8.5
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,503.4	1,505.0	1,508.6	1,495.2	1,485.1	3.5	4.4
Mining	5.5	5.6	5.6	5.5	3.3	-41.1	-8.8
Construction	111.5	111.4	112.0	114.7	115.6	8.2	10.1
Manufacturing	170.4	170.4	170.4	170.7	170.2	-0.4	1.6
Durable	130.8	131.1	131.2	131.1	130.9	-0.3	1.8
Nondurable	39.6	39.3	39.2	39.6	39.3	-0.8	0.9
Trans., Comm. & Publ. Util.	78.7	78.9	79.2	79.6	79.3	6.4	7.7
Trade	365.8	365.7	364.8	362.3	360.1	3.6	3.9
Wholesale	91.5	91.6	91.8	92.1	91.8	3.8	4.9
Retail	274.3	274.1	273.0	270.2	268.3	3.5	3.5
Finance, Ins. & Real Estate	122.3	122.7	122.7	123.2	123.9	4.9	8.0
Services	457.9	459.8	461.4	464.3	462.9	2.8	3.4
Government	191.3	190.5	192.5	174.9	169.8	5.2	4.2
Sales (\$000s) ADOR							
Aggregate Retail Sales	3,006,653	2,915,567	2,903,204	2,939,511	...	9.4	8.6
Retail	2,128,598	2,013,871	2,040,822	2,133,639	...	10.8	9.4
Food, EBR	367,416	374,347	366,357	357,766	...	2.3	6.9
Restaurants & Bars	363,827	364,739	335,152	317,539	...	7.5	8.2
Gasoline, EBR	146,812	162,611	160,873	130,568	...	11.0	2.9
Contracting	658,683	662,643	626,558	705,431	...	5.8	15.5
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total Awards	749,011	687,959	779,470	752,005	722,577	4.4	-7.3
Residential Building	523,048	490,740	544,827	482,756	470,391	-4.4	3.5
Non-Residential Building	142,544	88,042	195,945	202,101	124,666	-13.4	-37.1
Non-Building	83,419	109,177	38,698	67,148	127,520	127.1	22.2
New Housing Units Authorized, Census C-40							
Total Units	4,777	4,726	4,259	5,138	3,761	-16.9	7.4
Single Family Units	4,306	3,578	3,448	4,061	3,285	-0.4	11.6
2-4 Unit Structures	71	44	18	16	34	-50.0	76.0
5-plus Unit Structures	400	1,104	793	1,061	442	-61.9	-7.3
Housing Sales and Prices, ARMLS							
Total Sales (\$000s)	751,107	816,448	878,294	849,205	921,472	23.3	20.4
Total Units	4,910	5,142	5,601	5,258	5,881	17.1	14.0
Average Price (\$)	152,975	158,780	156,810	161,507	156,686	5.3	5.5
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	3,142,807	2,851,375	2,849,757	2,836,906	...	4.3	4.7
Total Aircraft Movements	49,034	46,949	47,835	46,372	...	5.7	3.3

	II 98	III 98	IV 98	I 99	II 99	% change versus year ago for: most recent quarter	most recent 4-quarters
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL) - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	2,940.4	2,964.8	2,988.7	3,012.6	3,036.5	3.3	3.4
Natural Increase	7.0	7.0	7.1	7.2	7.3	4.2	3.4
Births	12.4	12.5	12.7	12.8	12.9	3.4	2.8
Deaths	5.5	5.5	5.5	5.6	5.6	2.4	2.1
Net Migration	18.6	17.4	16.7	16.7	16.6	-10.5	-10.0
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	74,450	75,967	77,326	78,675	80,088	7.6	8.5
Earnings by Place of Work	55,872	57,055	58,128	59,196	60,308	7.9	8.9
Less: Contributions for Social Insurance	3,925	3,993	4,056	4,120	4,185	6.6	7.5
Plus: Adjustment for Residence	-147	-149	-148	-146	-146	0.6	-1.0
Plus: Dividends, Interest & Rents	12,184	12,422	12,613	12,800	13,007	6.8	8.0
Plus: Transfer Payments	10,466	10,631	10,789	10,944	11,104	6.1	6.3
Per Capita Personal Income (\$, SAAR) EBR	25,320	25,622	25,873	26,116	26,375	4.2	4.9

See notes at bottom of Arizona - Quarterly table

	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	% change versus year ago for:	
						most recent month	most recent 12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES							
Employment	389.6	391.0	389.5	394.9	391.7	5.8	5.4
Unemployment	380.2	381.9	379.2	383.8	378.2	5.2	5.8
Unemployment Rate, Seas. Adj.	9.4	9.1	10.3	11.1	13.5	25.2	-7.6
Unemployment Rate, Seas. Adj.	2.5	2.6	2.9	2.7	3.2	23.1	-10.5
Employees on Nonagricultural Payrolls (000s) ADES							
Total	337.8	337.6	335.1	334.3	326.1	3.1	3.2
Mining	2.1	2.0	2.1	2.1	1.9	-13.6	-6.4
Construction	21.4	21.6	21.6	22.0	22.3	9.3	6.9
Manufacturing	29.4	29.6	29.8	30.5	30.9	6.2	3.1
Durable	23.5	23.6	23.8	24.6	24.9	6.9	3.4
Nondurable	5.9	6.0	6.0	5.9	6.0	3.4	1.6
Trans., Comm. & Publ. Util.	13.4	13.5	13.6	13.6	13.6	0.7	-1.4
Trade	72.7	72.2	71.7	71.0	70.0	1.9	1.8
Wholesale	11.0	10.9	11.0	11.0	10.9	0.9	0.5
Retail	61.7	61.3	60.7	60.0	59.1	2.1	2.0
Finance, Ins. & Real Estate	13.3	13.4	13.4	13.4	13.4	0.0	6.3
Services	110.1	110.1	110.0	110.1	109.4	2.8	5.4
Government	75.4	75.2	72.9	71.6	64.6	3.4	1.3
Sales (\$000s) ADOR							
Aggregate Retail Sales	681,576	656,735	671,232	681,087	...	15.4	6.7
Retail	465,313	437,480	463,711	478,368	...	17.7	7.7
Food, EBR	90,912	92,626	90,649	88,524	...	3.2	5.4
Restaurants & Bars	84,607	80,304	78,904	74,286	...	10.5	5.1
Gasoline, EBR	40,745	46,325	37,968	39,909	...	28.8	2.1
Contracting	106,998	107,772	117,839	136,817	...	27.2	17.2
Value of Construction Contract Awards (\$000s) F.W. Dodge							
Total Awards	79,419	104,077	111,528	121,824	124,744	24.7	-12.1
Residential Building	53,841	56,923	70,421	73,905	53,374	-27.7	-21.8
Non-Residential Building	23,565	25,653	37,827	24,318	20,378	10.7	-15.2
Non-Building	2,013	21,501	3,280	23,601	50,992	554.6	67.6
New Housing Units Authorized, Census C-40 adjusted by EBR							
Total Units	698	830	1,122	867	769	3.1	16.6
Single Family Units	670	721	716	647	647	-7.2	12.9
2-5-plus Unit Structures	28	108	406	220	122	147.0	32.5
Housing Sales and Prices, TAR							
Total Sales (\$000s)	140,819	148,106	163,478	193,005	...	28.2	21.8
Total Units	938	1,049	1,064	1,208	...	20.6	16.7
Average Price (\$)	150,127	141,188	153,645	159,772	...	6.3	4.2
Tucson International Airport, TAA							
Total Passengers	348,257	322,435	293,649	278,974	...	1.4	0.4
Total Aircraft Movements	25,970	23,516	23,913	22,465	...	14.9	17.0

						% change versus year ago for:	
	II 98	III 98	IV 98	I 99	II 99	most recent quarter	most recent 4-quarters
TUCSON METROPOLITAN REGION (PIMA) - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	809.7	814.6	819.8	824.9	830.0	2.5	2.4
Natural Increase	1.1	1.1	1.1	1.1	1.1	-2.8	0.3
Births	2.8	2.9	2.9	2.9	2.9	0.3	0.4
Deaths	1.7	1.7	1.7	1.8	1.8	2.4	0.4
Net Migration	3.4	3.8	4.0	4.0	4.1	17.8	26.9
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	17,246	17,572	17,917	18,256	18,591	7.8	7.2
Earnings by Place of Work	10,810	11,063	11,330	11,592	11,852	9.6	8.8
Less: Contributions for Social Insurance	766	783	800	817	833	8.7	8.3
Plus: Adjustment for Residence	189	198	205	210	217	15.1	15.8
Plus: Dividends, Interest & Rents	3,643	3,679	3,722	3,765	3,805	4.4	3.9
Plus: Transfer Payments	3,370	3,415	3,460	3,505	3,550	5.3	5.3
Per Capita Personal Income (\$, SAAR) EBR	21,300	21,571	21,856	22,131	22,397	5.2	4.7

See notes at bottom of Arizona - Quarterly table

	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	% change versus year ago for: most recent month	% change versus year ago for: most recent 12-months
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES	2,359.2	2,378.8	2,395.5	2,415.2	2,418.7	5.4	6.1
Employment	2,272.1	2,286.7	2,288.2	2,302.7	2,301.1	5.3	6.3
Unemployment	87.1	92.1	107.3	112.5	117.6	7.6	2.6
Unemployment Rate, Seas. Adj.	4.2	4.4	4.6	4.3	4.2	10.5	-1.0
Employees on Nonagricultural Payrolls (000s) ADES							
Total	2,143.4	2,146.5	2,148.5	2,130.9	2,109.7	3.6	3.9
Mining	12.4	12.5	12.6	12.6	10.4	-19.4	-6.8
Construction	152.4	152.9	154.0	157.4	158.7	8.9	9.9
Manufacturing	217.6	217.6	218.0	219.3	218.5	0.4	1.8
Durable	166.4	166.6	167.2	168.1	167.6	0.5	2.0
Nondurable	51.2	51.0	50.8	51.2	50.9	0.0	1.3
Trans., Comm. & Publ. Util.	104.9	105.3	105.7	106.3	106.1	4.9	5.7
Transportation	67.6	67.9	68.3	68.7	68.2	5.7	7.0
Trade	516.5	516.4	515.2	512.4	508.6	3.4	3.5
Wholesale	114.4	114.4	114.4	114.7	114.5	3.4	4.5
Retail	402.1	402.0	400.8	397.7	394.1	3.4	3.2
Finance, Ins. & Real Estate	144.2	144.6	144.8	145.4	146.0	3.5	6.7
Services	641.3	644.0	645.4	648.7	645.5	3.1	4.3
Government	354.1	353.2	352.8	328.8	315.9	5.4	1.7
Federal	43.6	44.2	44.7	44.6	44.6	1.6	0.9
State & Local	310.5	309.0	308.1	284.2	271.3	6.0	1.8
Schools	170.8	169.6	166.5	138.4	125.5	9.1	0.8
Hours Worked Per Week, Manufacturing, ADES	40.3	40.3	40.2	40.3	40.7	0.7	-2.3
Average Hourly Earnings (\$) ADES							
Copper Mining	16.31	16.87	16.90	17.40	17.56	2.3	2.3
Construction	14.20	14.36	14.31	14.29	14.38	1.2	-0.4
Manufacturing	12.65	12.62	12.62	12.63	12.68	2.4	5.6
Utilities	17.57	17.46	17.64	17.46	17.80	3.5	-0.7
Retail Trade	11.67	11.72	11.61	11.65	11.56	0.7	0.8
Wholesale Trade	13.23	13.17	13.16	13.44	13.65	0.9	0.2
Sales (\$000s) ADOR							
Aggregate Retail Sales	4,342,730	4,221,876	4,243,956	4,301,990	...	10.9	7.9
Retail	3,014,046	2,853,926	2,924,374	3,056,002	...	11.6	8.6
Food, EBR	556,441	566,937	554,837	541,826	...	6.7	7.0
Restaurants & Bars	520,227	521,493	494,493	472,657	...	8.4	7.3
Gasoline, EBR	252,016	279,520	270,253	231,506	...	16.9	3.3
Gallons (000s) ADOT	240,588	199,131	208,127	200,316	...	12.7	16.0
Utilities	367,532	359,555	371,067	459,915	...	7.7	3.8
Communications	182,132	219,947	180,148	195,105	...	13.7	12.9
Amusements	73,851	62,229	52,507	...	...	7.7	-6.0
Rentals - Personal Property	280,588	277,912	277,571	...	...	15.1	9.0
Contracting	886,419	891,365	861,309	982,753	...	9.2	15.8
Mining - Metal, Oil & Gas	74,268	74,078	82,016	73,325	...	-18.5	-23.5
Hotel/Motel	217,020	167,737	148,672	...	...	12.8	4.3
Value of Construction Contract Awards (\$000s)							
Total Awards	959,715	920,622	1,010,937	1,024,486	981,262	5.5	-5.5
Residential Building	653,388	616,151	695,178	640,619	599,639	-7.6	0.5
Non-Residential Building	199,639	140,862	260,803	248,829	168,646	-9.0	-33.1
Non-Building	106,688	163,609	54,956	135,038	212,977	122.5	43.3
New Housing Units Authorized, Census C-40							
Total Units	6,015	6,055	6,088	6,819	5,067	-13.0	8.9
Single Family Units	5,521	4,849	4,793	5,309	4,478	-0.8	12.2
2-4 Unit Structures	89	87	127	61	83	-35.2	19.5
5-plus Unit Structures	405	1,119	1,168	1,449	506	-57.3	-3.6
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	2,062	2,069	1,906	2,174	...	3.4	-4.2
Chapter 7	1,688	1,682	1,543	1,773	...	5.9	-1.5
Chapter 11	11	22	20	25	...	-21.9	-26.6
Chapter 13	363	365	341	376	...	-5.1	-13.4

See notes at bottom of Arizona - Quarterly table

	II 98	III 98	IV 98	I 99	II 99	% change versus year ago for: most recent quarter	% change versus year ago for: most recent 4-quarters
ARIZONA QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	4,686.3	4,719.5	4,752.8	4,785.7	4,818.1	2.8	2.9
Natural Increase	9.8	10.0	10.7	9.9	9.9	1.2	3.7
Births	19.2	19.4	20.1	19.4	19.5	1.7	2.9
Deaths	9.4	9.4	9.5	9.5	9.6	2.3	2.1
Net Migration	23.7	23.1	22.7	22.6	22.2	-6.2	-4.6
Personal Income Derivation (\$mil, SAAR) EBR							
Total Personal Income	106,829	108,634	110,654	112,556	114,252	6.9	7.4
Earnings by Place of Work	75,844	77,233	78,923	80,350	81,696	7.7	8.3
Less: Contributions for Social Insurance	5,328	5,411	5,512	5,611	5,691	6.8	7.2
Plus: Adjustment for Residence	274	276	277	279	280	2.2	1.7
Plus: Dividends, Interest & Rents	18,123	18,412	18,662	18,858	19,082	5.3	5.8
Plus: Transfer Payments	17,917	18,124	18,304	18,681	18,885	5.4	5.5
Components of Earnings (\$mil, SAAR) BEA							
Wages and Salaries	62,864	64,743	66,629	67,343	...	10.0	10.8
Other Labor Income	5,890	5,997	6,135	6,144	...	6.1	6.6
Proprietor's Income	7,688	7,683	7,987	8,157	...	9.1	8.8
Farm	424	296	416	316	...	-10.7	0.3
Nonfarm	7,264	7,387	7,571	7,841	...	10.0	9.2
Per Capita Personal Income (\$, SAAR) EBR							
	22,796	23,018	23,282	23,519	23,713	4.0	4.4
Average Wage Per Employee, Annual (\$) EBR							
	29,875	30,401	31,114	31,249	...	6.0	6.2

	FEB 99	MAR 99	APR 99	MAY 99	JUN 99	% change versus year ago for: most recent month	% change versus year ago for: most recent 12-months
TRAVEL AND TOURISM							
Visits to Parks & Other Recreational Areas, ADOT, NPS & ASPB							
Northern Arizona	966,722	1,522,328	1,616,342	2,097,121	2,524,983	4.2	2.4
Historical	103,079	168,709	159,223	207,967	219,457	10.1	-1.1
Scenic	250,467	522,605	489,592	661,032	790,288	-4.9	-5.1
Water Based Recreation	613,176	831,014	967,527	1,228,122	1,515,238	8.8	7.5
Southern Arizona	303,431	430,130	296,143	237,566	166,206	-9.2	-6.7
Historical	71,002	89,602	59,147	39,565	26,348	-3.2	-1.8
Scenic	195,675	280,232	192,025	145,196	96,414	-6.8	-11.4
Water Based Recreation	36,754	60,296	44,971	52,805	43,444	-8.1	8.4
International Border Crossings, USINS & USCS							
U.S. Citizens	720,518	844,049	734,824	826,164	739,909	18.9	10.8
Aliens	1,961,302	2,173,695	1,941,296	2,101,124	1,901,570	11.4	1.6
Vehicles	746,785	891,834	822,700	882,995	863,591	9.6	5.6

	MAR 99	APR 99	MAY 99	JUN 99	JUL 99	% change versus year ago for: most recent month	% change versus year ago for: most recent 12-months
MEASURES OF INFLATION AND PRICES - MONTHLY DATA							
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	165.0	166.2	166.2	166.2	166.7	2.1	1.8
U.S. - Wage Earners	161.4	162.7	162.8	162.8	163.3	2.2	1.7

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

MEASURES OF INFLATION AND PRICES

	II 98	III 98	IV 98	I 99	II 99	% change versus year ago for: most recent quarter most recent 4-quarters	
Consumer Price index (1982-84=100) ASU & BLS							
Metropolitan Phoenix (*discontinued)	180.1	179.7	181.5	*	*	2.3	3.0
Western Region (U.S.)	164.2	165.1	165.8	167.3	168.3	2.5	2.2
U.S. - All Urban Consumers	162.8	163.4	164.0	164.6	166.2	2.1	1.7
U.S. - Urban Wage Earners	159.4	160.0	160.7	161.2	162.8	2.1	1.6
Price Indexes (1992=100) BEA							
Gross Domestic Product	112.6	112.9	113.1	113.5	114.5	1.7	1.1
Personal Consumption Expenditures	112.6	112.8	113.1	113.4	114.4	1.6	1.0

See notes at bottom of Arizona - Quarterly table.

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