ARIZONA'S ECONOMY

JANUARY 2002 WINTER ISSUE

Dear Readers,

As you may know, the State Legislature is requiring Arizona's universities to implement significant budget cuts.

In order to comply with these cuts, the Economic and Business Research Program(EBR) will not print and mail out the April issue of *Arizona's Economy*. The April issue will, however, be published on our website *http://ebr.eller.arizona.edu*.

We hope to resume printing and mailing of *Arizona's Economy* with the July 2002 issue.

If you would like to be notified by email when the April 2002 issue is available online, please fill out and return the postcard at the center of this newsletter. You may also use the postcard to update your mailing information or to let us know if you prefer to view future issues of *Arizona's Economy* online, which will further help us to reduce our printing and mailing costs.

If the postcard is missing, please call (520) 621-2155 or email EBRPublications@eller.arizona.edu. We'll be happy to add you to the email notification list for the April issue. Thank you for understanding our efforts to reduce costs.

– *Arizona's Economy* staff

2002|2003 ECONOMIC OUTLOOK

By Marshall J. Vest
Forecasting Project Director
November 30, 2001

Never, EVER, forecast a recession. That's rule number one in the "forecasters' handbook." It doesn't apply, however, when the economy is already in a recession, and there is no longer any doubt about that. The terrorist attacks delivered a huge shock to an economy that was precariously balanced between growth and contraction. The questions now are how long and how severe the recession will be. In this forecast update, we foresee a recession comparable to 1990-91 in duration and depth — perhaps a little deeper. The 1990-91 recession was relatively short and mild.

The economy has come a long way since 9/11, when commerce practically stopped for a week. However, three months later, activity has not fully recovered and a number of industries are still down 5-25%. Threats from anthrax, warnings of imminent terrorist attacks and the loss of another airliner over Queens, NY, presumably because of mechanical failure, have slowed any return to "normalcy."

In October and early November, consumer confidence plunged to levels not seen since the beginning of 1994, and worry has grown that consumers might stop spending. Retailers panicked and slashed prices to get shoppers back into the malls. Shoppers responded favorably. Auto manufacturers offered zero interest financing, and new car and light truck sales soared to record levels in excess of 21 million units in October. Unfortunately, auto sales will decline sharply as soon as the incentives are removed. So, consumers have shown a willingness to spend — even in the face of rising layoffs, but sales are weak. Excluding autos, retail sales nationwide were only 1.6% higher than the year earlier figure in October, the slowest growth in eight years.

Businesses are suffering from an unprecedented drop in corporate profits and have responded by slashing capital spending, implementing cost-control programs and laying off employees. There are more layoffs ahead. Cutting costs is the only way to improve earnings, since there is so much idle capacity worldwide and practically no pricing power. Businesses continue to attract customers by slashing prices. How can they counteract the resulting negative impact on profits? By firing or laying off workers?

INSIDE

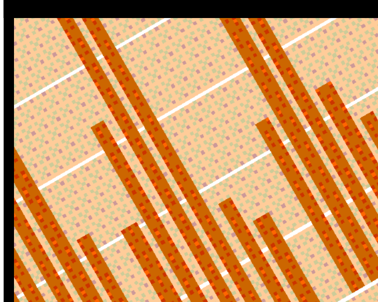
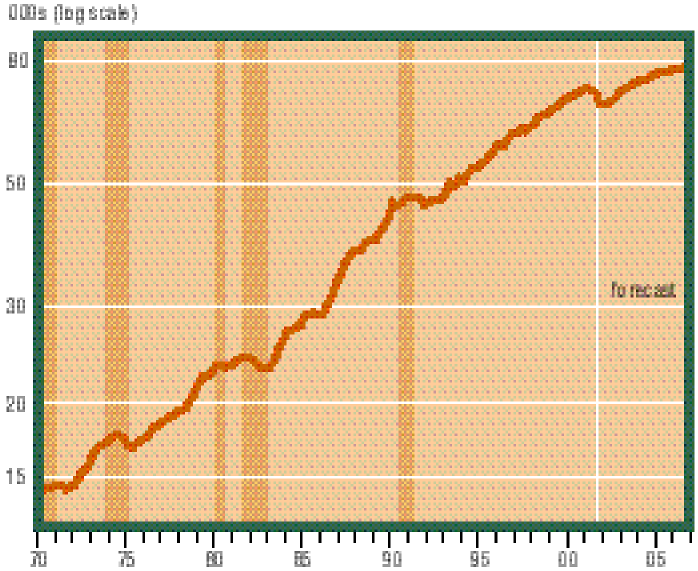


EXHIBIT 1

Airlines Lead Pullback

Transportation Employment, AZ
(seasonally adjusted)

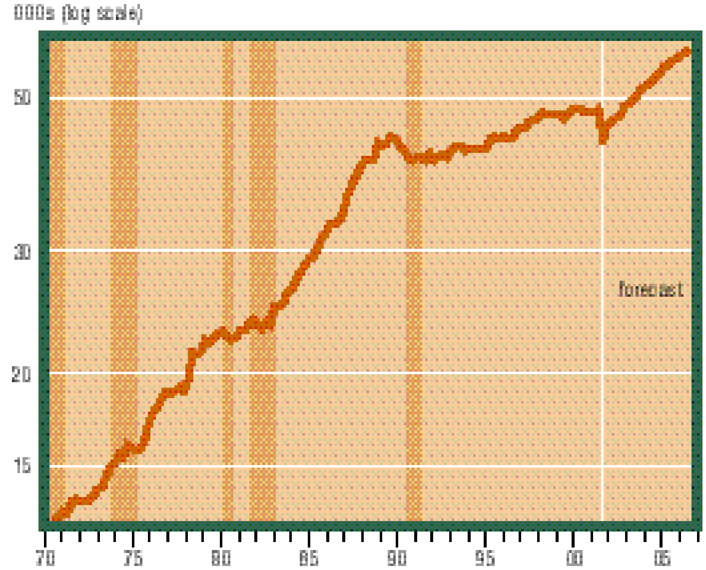


Shaded areas denote recession

EXHIBIT 2

A Sharp Fourth Quarter Drop

Hotel Employment, AZ
(seasonally adjusted)



In this environment, regulators have prodded lenders to adopt tighter lending standards, thereby raising fears of a credit crunch. It is not surprising that business decision makers in virtually every industry have adopted a “wait and see” attitude.

INDUSTRIES UNDER STRESS

Industries most affected — and the key industries to watch in coming months — include the airlines, hospitality/tourism, retailing, manufacturing, and construction.

The **airline industry** has been particularly hard hit. In the days following the attacks, most airlines cut capacity by roughly 20%, a forecast that has proved to be remarkably prescient. September passenger counts nationwide were off 25-30% and were still down 25% in early November, according to the Air Transport Industry Association. Early reports on travel over Thanksgiving showed travel down 20%. Phoenix Sky Harbor Airport reported a drop of over 25% in September and Tucson International over 28%. Arizona’s major airports appear to be doing much better than in other parts of the country. In October, Tucson’s counts improved to show a much better 14.2% drop; figures for Sky Harbor were not yet available.

New federal legislation for airport security will help, but it will take several months to put in place and for many people to become comfortable with flying again. In the meantime, both leisure and business travel will remain below levels of a year ago.

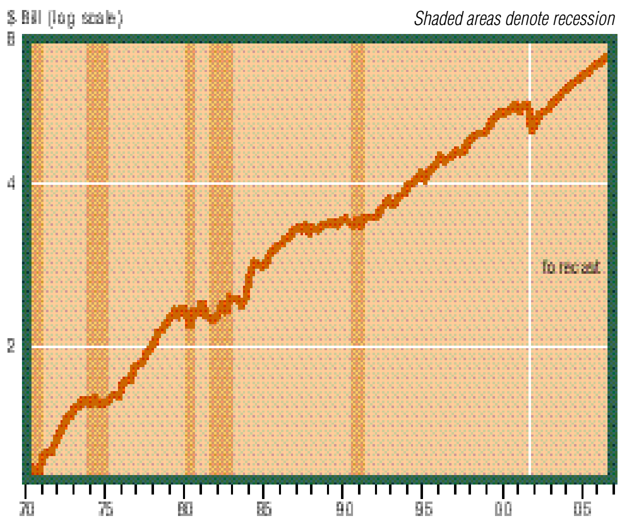
America West Airlines, which is headquartered in Phoenix and has one of the weakest cash positions of all major airlines, poses a significant risk to the Phoenix and Arizona economy should it significantly curtail operations further. America West employed nearly 10,000 workers prior to recent layoffs. Arizona is expected to lose as many as 5,000 jobs in the transportation industry before bottoming in the first quarter of 2002 **(Exhibit 1)**.

Because Arizona is a “fly-in” market, the **tourism/convention** business also is taking a hit. There are an estimated sixteen jobs in the tourism industry for every one in the airline industry, and there have been 100,000-airline industry jobs lost nationwide. Hotel occupancy at local destination resorts, which fell into single digits the week following the attacks, was running at 60% or so in early

EXHIBIT 3

Consumers Take Meals at Home

Restaurant & Bar Sales, AZ
(1996 dollars, annual rate)

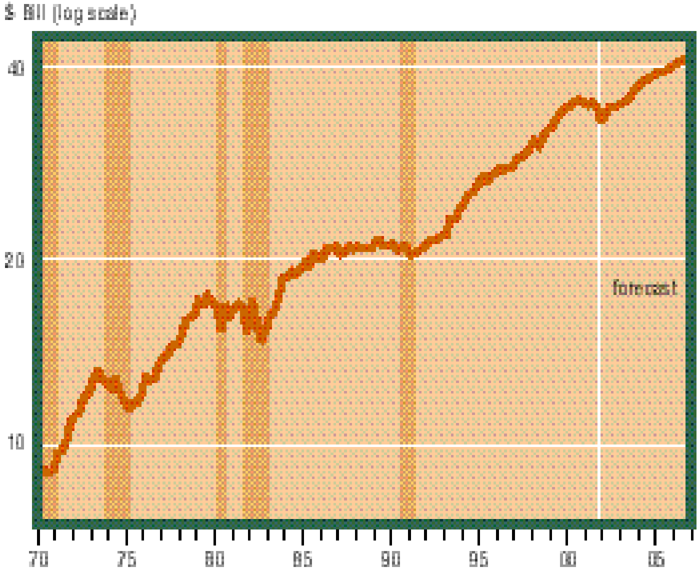


Shaded areas denote recession

EXHIBIT 4

Retailing Drop Will Be Moderate

Retail Sales, AZ
(1996 dollars, annual rate)

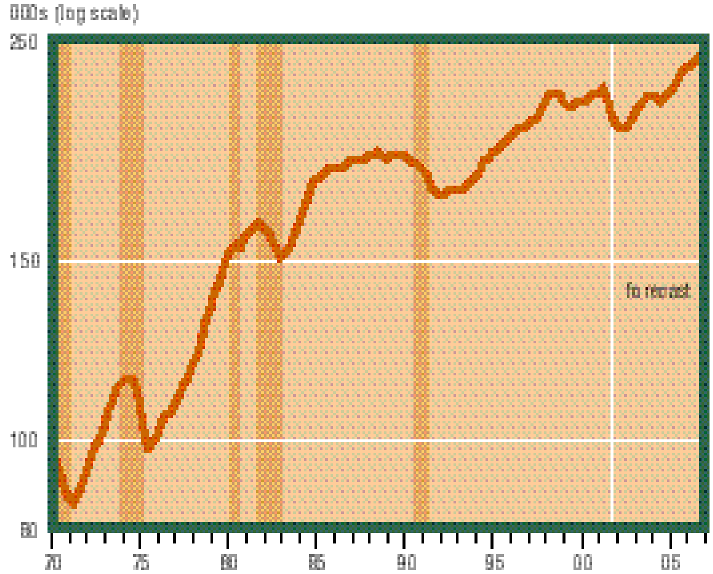


Shaded areas denote recession

EXHIBIT 5

Manufacturing Recession Will Intensify

Manufacturing Employment, AZ
(seasonally adjusted)



November compared to a more-normal 85%.

Other parts of the West also are feeling the pinch. In Las Vegas, occupancy in early November was at 65% compared to 95% normally; Attendance at the annual COMDEX show held each year in mid-November was down 25%. Winter Olympics organizers in Salt Lake City are justifiably worried.

Back in Arizona, visitation at the Grand Canyon, which has a major foreign component, was down 21.4% in October.

Looking forward, people are expected to remain close to home this winter, and that's bad for all tourism-related sectors. Arizona's "Snow Bird" season (influx of winter visitors) also is likely to be disappointing.

Hotel employment statewide is expected to drop by 5,000 or so on a seasonally adjusted basis during the fourth quarter, and then begin to recover — a process that will extend through the end of 2002 before employment returns to pre-attack levels. Resorts will suffer the most. Construction of several new destination resorts has been put on hold indefinitely **(Exhibit 2)**.

Restaurant and bar (R&B) sales received a boost from four World Series games in Phoenix (estimated to have pumped $80 million into the economy), but nevertheless, are expected to be down 10% from year-earlier levels during the fourth quarter and five percent the following quarter. For the current calendar year, Arizona's R&B sales will be little changed from 2000, and will grow by only one percent or so in 2002 **(Exhibit 3)**.

IT IS NOT SURPRISING THAT BUSINESS DECISION MAKERS IN VIRTUALLY EVERY INDUSTRY HAVE ADOPTED A "WAIT AND SEE" ATTITUDE.

Retailers are bracing for a disappointing holiday shopping season. The outlook is as much emotional as economic. Mounting layoffs will make consumers more cautious, of course, but people are likely to stay closer to home over the holidays and "cocoon" due to safety concerns, and that means more spending on home improvements and comfort items. Consumer electronics, particularly cell phones, will remain solid. High-end retailers and department stores will continue to lose ground to discounters.

Expenditures on big-ticket items, especially for the home and autos, will remain strong in the near term in light of new personal priorities. Many decided that life is uncertain and that it was time to buy that new car NOW. Promotions also helped by lowering the price of a car by some $4000. Auto sales will fade, however, as dealers run out of inventory and layoffs mount. In the coming months, worries about flying and terrorism will recede. Unfortunately, they will be replaced by concern for jobs and incomes.

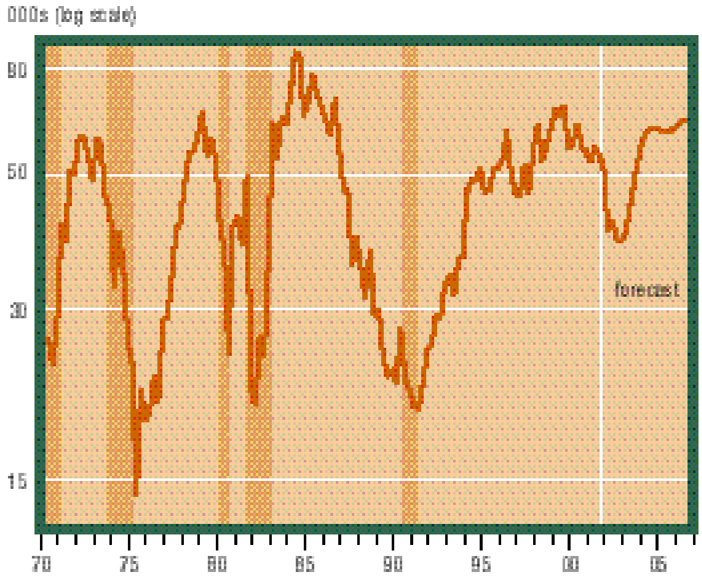
Fourth quarter retail sales are expected to show a drop of 6-7% from year earlier levels. In real terms, this represents the sharpest drop since the recessions of the early 1980s. Sales should improve but remain below year ago in the first and the second quarters **(Exhibit 4)**.

Arizona's **manufacturing** industry has trimmed nearly 10,000 jobs since peaking in January 2001. Nearly all of those losses have been in the Metro Phoenix area; Tucson's manufacturing payrolls, which are largely

EXHIBIT 6

A Muted Housing Cycle

Residential Permits, AZ (annual rate)

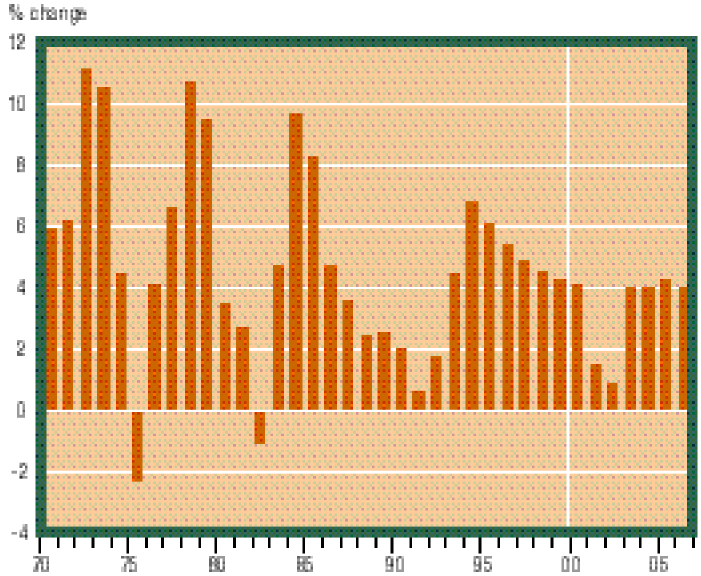


Shaded areas denote recession

EXHIBIT 7

Job Growth Comparable To 1990-91

Wage & Salary Job Growth, AZ



aerospace, missile, and optics related, match year-earlier readings. Inventories among high technology manufacturers nationwide were nearly corrected prior to the terrorist attacks and the industry was poised for a rebound. Now we have a cycle within a cycle as orders head lower and inventories worsen. Demand will increase for missiles over the longer term, of course, but the near term is decidedly negative for computers, semiconductors, electrical components, and commercial aerospace. We look for more layoffs in the months ahead — as many as 10,000 more before bottoming in the first quarter of 2002. The decline compares to those experienced in the recessions of 1974-75, 1981-82 and 1990-91 **(Exhibit 5)**.

In prior cycles, the **construction** industry has led the rest of the economy into recession. This time it will follow. The homebuilding industry has been providing support for the economy during the past year, as interest rates declined and home prices appreciated. Even though both new and resale markets remained surprisingly strong through mid-November, the industry is expected to soften in the coming months. What matters now are the softness in labor markets, reduced population growth, and much lower confidence. The good news is, the pullback should be quite muted compared to prior building cycles since vacancies are low. Residential construction will decline by ten percent this year and another 20% in 2002. Again, most of the correction is expected in the once red-hot Phoenix area — Tucson should fare much better **(Exhibit 6)**.

IRONICALLY, JUST AS THE ECONOMY COULD USE SOME FISCAL STIMULUS, AND AT A TIME WHEN DEMANDS ON THE GOVERNMENT ARE INCREASING TO PROVIDE SECURITY, INTELLIGENCE GATHERING, AND MONITORING OF PUBLIC FACILITIES AND HEALTH — STATE AND LOCAL OFFICIALS ARE CUTTING BUDGETS.

Unfortunately, commercial construction won't help as vacancies have been heading higher since early 2001 as high tech and the "dot-coms" tanked. As commercial projects currently being built are completed, construction activity will plunge. Street and highway construction also are likely to suffer due to budget limitations in state and local governments. We forecast a loss of roughly 10,000 construction workers by the end of 2002. That compares to a loss of nearly 40,000 jobs from early 1986 through the summer of 1991. Since it won't lose much, construction also won't be a source for strong growth in the recovery.

Overall, Arizona's economy will generate less than 20,000 new jobs in 2002, the fewest since 1991. Unemployment will rise to 6.5% by mid-year, up from 5.4% in October. However, the economy should be on the rebound by mid-year, setting the stage for the creation of over 90,000 jobs in 2003 **(Exhibit 7)**. See forecast tables on page 6.

The squeeze on corporate profits and sell-off in stock markets will eliminate year-end bonuses and income from stock options, and that will keep income gains well below that experienced in recent years. Personal income will grow by a meager 5.4% in 2001 and only 4.8% in 2002 compared to the 9.2% surge in 2000. This will drastically slow revenues from sales and income taxes and make budget balancing a major challenge at the state and local level. Ironically, just as the economy could use some fiscal stimulus, and at a time when demands on the government are increasing to provide security, intelligence gathering, and monitoring of public facilities and health — state and local officials are cutting budgets.

THINGS COULD BE MUCH WORSE

The recession should be short and brief. Here are the reasons.

- Oil prices have fallen and will remain weak. This provides a source for additional discretionary spending in households' budgets.
- The U.S. banking system is strong and there is no speculative bubble in real estate as occurred in the early 1990s.
- Federal fiscal and monetary policies are very stimulative. Congress is boosting overall spending by providing funds for cleanup and reconstruction, support for the nation's airlines, and homeland security as well as waging war on terrorism in Afghanistan. In addition, it is working on a second round of tax cuts to stimulate the economy. The Federal Reserve has injected a massive amount of liquidity into the economy by cutting interest rates ten times during 2001. The Fed Funds rate now stands at two percent, a forty-year low.

Together, current fiscal and monetary policies represent an unprecedented amount of stimulus that will lift economic growth by the second quarter. According to forecasts from DRI-WEFA, a leader in world-wide economic forecasting, by the end of 2002 real GDP should be growing at a strong five percent annual rate.

We should not expect the economy to return to the go-go days of the late 1990s. The high-end economy that developed during the Internet/dot-com bubble where price didn't matter — $500 per night hotel rooms, $100 per plate meals, and expensive cars — is gone for good. Hopping on an airplane to fly across the country for a fifteen-minute meeting won't return anytime soon either.

Businesses will adjust to the terrorist threat by devoting additional resources to building security, mailroom operations, computer system replication and backups, and decentralization of key operations. They also will replace just-in-time with just-in-case inventory systems, which means higher inventory carrying costs going forward. Since these reflect costs that do not produce additional output, productivity will suffer — more so in the near term as new systems are put in place.

We don't wish to tempt fate, but as this is written, it has been more than two months without a terrorist attack. That's very encouraging. Perhaps our efforts to combat this terrible cancer on the civilized world are eliminating the threat. An event-free passing of time will allow Americans to return to a more "normal" routine, even though life in America will never be the same. If we are confronted with another attack, then consumers may hunker down even more, business will further delay investment spending, and the rebound in economic activity will be delayed. We all will need to become students of probability. ■

S P O N S O R S

Arizona Joint Legislative Budget Committee
Arizona Portland Cement Company
Arizona Public Service Company
Bank One Arizona
CB Richard Ellis
City of Mesa
City of Tucson
Compass Bank
Elliott D. Pollack and Company
KB Home
Merrill Lynch
Northern Trust Bank of Arizona
Pima County
Qwest Communications
Qwest Dex
Salt River Project
Tucson Electric Power Company
Tucson Healthcare Council
Tucson Newspapers

UA'S ECONOMIC AND BUSINESS RESEARCH WEBSITE WINS NATIONAL AWARD

The Economic and Business Research Program (EBR) at the University of Arizona's Eller College of Business and Public Administration won the Website Award of Excellence at the annual meeting of the Association of University Business and Economic Research (AUBER). AUBER's national competition recognizes best practices in communications among AUBER's 100+ member institutions.

The site, ***http://ebr.eller.arizona.edu***, was developed and is maintained with the support of Bank One, Arizona. The site is accessible to the public and showcases a wealth of economic and business data, including an online version of *Arizona's Economy* and EBR director and economist Marshall Vest's quarterly forecasts.

With the website award, EBR has won recognition over the years in all four categories. Earlier awards of excellence were received for:

1) continuing publications for the *Arizona's Economy* newsletter,
2) single volume category for the *Arizona Statistical Abstract*, and
3) economic outlooks, special studies, technical or contract reports for the *Economic Outlook* booklets distributed at the December luncheon.

ebr.eller.arizona.edu

Forecasts for Arizona	2000	2001	2002	2003	2004	2005	2006
Personal Income ($ mill)	131,316.2	138,472.5	145,066.6	156,334.2	167,360.4	179,471.7	191,938.6
percent change	9.2	5.4	4.8	7.8	7.1	7.2	6.9
Per Capita Personal Income	25,498	26,169	26,825	28,291	29,470	30,754	31,998
percent change	6.1	2.6	2.5	5.5	4.2	4.4	4.0
Aggregate Retail Sales ($ mill)*	54,357.7	54,561.0	55,201.7	59,115.9	63,755.4	67,748.7	72,027.7
percent change	8.9	0.4	1.2	7.1	7.8	6.3	6.3
Population (000s, mid-year)	5,150.0	5,291.6	5,408.0	5,526.0	5,679.0	5,835.6	5,998.5
percent change	2.9	2.7	2.2	2.2	2.8	2.8	2.8
Net Migration (000s)	99.6	87.5	63.2	94.6	111	112.7	116.2
Wage & Salary Employment (000s)	2,250.8	2,282.6	2,301.1	2,392.9	2,488.1	2,593.7	2,697.2
percent change	4.1	1.4	0.8	4.0	4.0	4.2	4.0
Goods-Producing	386.6	389.8	375.2	386	400	419.6	436.9
percent change	2.3	0.8	-3.7	2.9	3.6	4.9	4.1
Construction	161.4	169.2	162.4	163	175.6	184.7	193.3
percent change	4.3	4.9	-4.0	0.4	7.7	5.2	4.6
Manufacturing	215.6	210.9	202.8	213.0	214.5	224.9	233.5
percent change	1.8	-2.2	-3.9	5.0	0.7	4.9	3.8
Service-Providing	1,864.2	1,892.8	1,925.9	2,006.8	2,088.1	2,174.1	2,260.3
percent change	4.4	1.5	1.7	4.2	4.0	4.1	4.0
Trade (Wholesale & Retail)	526.1	532.0	527.5	548.3	570.1	590.5	610.9
percent change	3.2	1.1	-0.9	3.9	4.0	3.6	3.5
Services	717.3	729.1	757.8	804.8	847.8	896.0	945.8
percent change	5.8	1.6	3.9	6.2	5.3	5.7	5.6

Forecasts for Phoenix-Mesa Metro Area	2000	2001	2002	2003	2004	2005	2006
Personal Income ($ mill)	90,641.6	95,764.7	99,876.4	107,661.6	115,978.9	125,483.2	135,635.7
percent change	8.9	5.7	4.3	7.8	7.7	8.2	8.1
Per Capita Personal Income	27,784	28,580	29,133	30,597	31,981	33,540	35,131
percent change	5.5	2.9	1.9	5.0	4.5	4.9	4.7
Aggregate Retail Sales ($ mill)*	37,294.7	37,715.9	38,408.9	41,044.0	44,398.3	47,890.0	51,300.9
percent change	8.5	1.1	1.8	6.9	8.2	7.9	7.1
Population (000s, mid-year)	3,262.4	3,350.8	3,428.3	3,518.7	3,626.5	3,741.3	3,860.8
percent change	3.2	2.7	2.3	2.6	3.1	3.2	3.2
Net Migration (000s)	69.6	55.3	44.4	58.0	74.4	80.4	84.1
Wage & Salary Employment (000s)	1,584.6	1,609.0	1,630.7	1,701.6	1,779.6	1,871.0	1,961.7
percent change	3.9	1.5	1.3	4.3	4.6	5.1	4.8
Goods-Producing	289.2	293.9	284.0	292.6	302.5	319.9	336.5
percent change	2.5	1.6	-3.4	3.1	3.4	5.8	5.2
Construction	118.3	123.8	119.7	120.0	128.1	137.3	145.9
percent change	4.1	4.7	-3.4	0.3	6.8	7.2	6.2
Manufacturing	168.2	167.3	161.5	169.9	171.5	179.8	187.9
percent change	2.2	-0.5	-3.5	5.2	1.0	4.9	4.5
Service-Providing	1,295.4	1,315.1	1,346.7	1,408.9	1,477.2	1,551.1	1,625.2
percent change	4.2	1.5	2.4	4.6	4.8	5.0	4.8
Trade (Wholesale & Retail)	373.6	377.5	379.1	392.4	410.4	429.7	449.0
percent change	2.9	1.0	0.4	3.5	4.6	4.7	4.5
Services	519.0	526.5	548.9	582.8	616.8	654.7	694.2
percent change	5.4	1.4	4.3	6.2	5.8	6.1	6.0

Forecasts for Tucson Metro Area	2000	2001	2002	2003	2004	2005	2006
Personal Income ($ mill)	20,715.4	21,938.6	22,912.0	24,462.9	26,077.2	27,775.2	29,579.5
percent change	7.8	5.9	4.4	6.8	6.6	6.5	6.5
Per Capita Personal Income	23,921	24,835	25,561	26,770	27,894	29,038	30,243
percent change	5.3	3.8	2.9	4.7	4.2	4.1	4.2
Aggregate Retail Sales ($ mill)*	8,502.1	8,601.5	8,743.9	9,289.5	9,831.8	10,395.6	10,962.5
percent change	8.2	1.2	1.7	6.2	5.8	5.7	5.5
Population (000s, mid-year)	866.0	883.4	896.4	913.8	934.9	956.5	978.1
percent change	2.4	2.0	1.5	1.9	2.3	2.3	2.3
Net Migration (000s)	15.3	12.4	7.9	12.1	15.7	16.3	16.0
Wage & Salary Employment (000s)	350.4	354.7	358.7	370.2	382.7	395.5	407.2
percent change	4.1	1.2	1.1	3.2	3.4	3.4	3.0
Goods-Producing	56.7	57.4	58.2	58.8	60.2	61.6	62.6
percent change	4.9	1.2	1.4	1.1	2.2	2.3	1.7
Construction	21.9	21.6	21.1	21.3	22.4	23.6	24.4
percent change	1.6	-1.3	-2.3	1.2	5.0	5.2	3.5
Manufacturing	33.0	34.0	35.5	36.0	36.3	36.6	36.9
percent change	7.8	2.9	4.6	1.3	0.9	0.7	0.8
Service-Providing	293.7	297.4	300.5	311.4	322.5	333.9	344.6
percent change	4.0	1.3	1.1	3.6	3.6	3.5	3.2
Trade (Wholesale & Retail)	72.6	72.7	72.1	74.5	77.6	80.4	83.1
percent change	2.5	0.3	-0.9	3.3	4.1	3.7	3.3
Services	119.3	120.9	125.0	131.2	136.8	143.1	149.1
percent change	5.7	1.3	3.4	5.0	4.3	4.6	4.2

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

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

	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES	70,175	69,825	69,925	67,100	64,425	-2.3	1.6
Employment	50,300	49,300	47,850	48,125	48,825	3.6	7.3
Unemployment	19,875	20,525	22,075	18,975	15,600	-16.9	-13.2
Unemployment Rate (%)	28.3	29.4	31.6	28.3	24.2	-15.0	-13.5
Employees on Nonagricultural Payrolls, ADES							
Total	39,400	38,300	39,025	39,575	40,350	0.4	3.2
Construction	2,800	2,825	2,900	2,925	2,900	0.0	2.4
Manufacturing	2,200	2,200	2,100	2,125	2,125	-4.5	-0.9
Trans., Comm. & Publ. Util.	1,525	1,500	1,450	1,450	1,475	-3.3	2.4
Trade	10,425	10,225	10,400	10,325	10,400	-3.5	1.4
Finance, Ins. & Real Estate	1,325	1,275	1,250	1,275	1,350	-1.8	3.8
Services	9,825	9,775	9,750	9,825	10,075	6.9	5.3
Government	11,300	10,500	11,175	11,650	12,025	0.4	4.3
Sales ($000s) ADOR							
Gross Retail	79,042	72,971	71,805	80,444	...	2.6	3.0
Retail	59,682	55,679	54,486	63,053	...	2.4	2.6
Restaurants & Bars	9,114	7,771	8,483	8,724	...	17.2	8.0
Gasoline, EBR	10,246	9,521	8,836	8,667	...	-7.4	1.3
Gallons (000s) ADOT	6,265	6,754	6,805	6,293	...	2.2	-6.4
Contracting	16,518	14,043	17,943	17,427	...	21.5	8.0
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	14,211	25,175	16,764	15,624	20,189	-34.0	-1.6
Residential Building	10,539	10,182	10,623	11,814	10,563	-58.4	-22.3
Non-Residential Building	1,492	13,329	3,109	1,682	4,257	-10.4	52.3
Non-Building	2,180	1,664	3,032	2,128	5,369	986.8	9.5
Number of Dwelling Units Awarded, F.W. Dodge							
Total	104	95	111	155	101	-25.2	-11.4
One Family Houses	104	95	111	75	101	-24.1	-11.1
MOHAVE-LA PAZ REGION							
Civilian Labor Force, ADES	75,750	75,775	75,725	75,625	74,650	4.4	6.2
Employment	72,400	72,825	72,475	72,400	71,525	4.1	6.4
Unemployment	3,350	2,950	3,250	3,225	3,125	10.6	1.5
Unemployment Rate (%)	4.4	3.9	4.3	4.3	4.2	6.0	-4.4
Employees on Nonagricultural Payrolls, ADES							
Total	47,850	47,425	47,575	48,025	47,850	-0.9	4.1
Mining (Mohave County only)	100	100	100	100	100	0	-4.0
Construction	4,000	3,800	3,725	3,650	3,500	-9.7	8.7
Manufacturing	3,600	3,600	3,600	3,625	3,625	-2.0	0.9
Trans., Comm. & Publ. Util.	2,475	2,475	2,475	2,500	2,475	4.2	6.6
Trade	13,875	13,750	13,725	13,800	14,000	-2.3	0.7
Finance, Ins. & Real Estate	1,375	1,400	1,375	1,375	1,325	-8.6	-4.8
Services	12,925	12,875	12,750	12,775	12,575	1.0	7.2
Government	9,500	9,425	9,825	10,200	10,250	2.2	5.5
Sales ($000s) ADOR							
Gross Retail	124,249	110,309	106,391	102,916	...	2.5	4.4
Retail	92,311	79,728	77,320	76,300	...	2.3	4.4
Restaurants & Bars	13,429	13,379	13,661	13,283	...	14.0	4.2
Gasoline, EBR	18,509	17,202	15,410	13,333	...	-5.6	4.6
Gallons (000s) ADOT	11,317	12,203	11,868	9,680	...	4.2	-1.6
Contracting	27,724	22,634	28,861	26,596	...	-22.2	-8.5
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	25,813	22,071	36,349	19,717	33,066	-22.1	8.3
Residential Building	18,524	18,103	18,002	15,086	15,584	-10.5	0.1
Non-Residential Building	4,459	755	6,499	1,544	3,773	-15.0	-30.2
Non-Building	2,830	3,213	11,848	3,087	13,709	-33.4	77.0
Number of Dwelling Units Awarded, F.W. Dodge							
Total	188	180	179	152	153	-10.5	1.2
One Family Houses	184	174	179	148	149	-10.8	1.4

See notes at bottom of Arizona - Quarterly table.

	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
COCHISE COUNTY							
Civilian Labor Force, ADES	40,800	40,850	40,675	40,950	40,850	2.5	3.3
Employment	39,025	39,200	39,000	39,200	39,000	2.1	3.5
Unemployment	1,775	1,650	1,675	1,750	1,850	12.1	-1.0
Unemployment Rate (%)	4.4	4.0	4.1	4.3	4.5	9.4	-4.1
Employees on Nonagricultural Payrolls, ADES							
Total	31,825	31,575	32,100	32,550	32,425	-0.8	1.2
Construction	1,875	1,925	1,875	1,875	1,825	-5.2	-2.5
Manufacturing	950	900	900	1,000	925	-24.5	-8.8
Trans., Comm. & Publ. Util.	1,300	1,325	1,325	1,300	1,300	2.0	3.5
Trade	7,575	7,600	7,675	7,650	7,675	-0.6	0.9
Finance, Ins. & Real Estate	750	775	775	750	800	3.2	3.4
Services	8,150	8,200	8,200	8,250	8,150	-1.5	-1.2
Government	11,225	10,850	11,350	11,725	11,750	2.4	4.5
Sales ($000s) ADOR							
Gross Retail	62,379	59,658	57,676	57,038	...	2.4	6.9
Retail	48,772	46,974	45,643	44,744	...	3.4	9.8
Restaurants & Bars	7,061	6,815	6,648	7,027	...	5.4	3.1
Gasoline, EBR	6,546	5,869	5,385	5,267	...	-8.2	-8.4
Gallons (000s) ADOT	4,003	4,163	4,147	3,824	...	1.4	-15.0
Contracting	11,457	13,026	10,385	10,076	...	-11.1	-13.3
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	10,332	9,352	6,941	9,132	12,245	-4.6	-33.2
Residential Building	7,703	3,676	5,275	4,111	6,033	-14.5	-10.0
Non-Residential Building	218	175	999	3,625	4,848	...	-50.9
Non-Building	2,411	5,501	667	1,396	1,364	-76.4	-45.5
Number of Dwelling Units Awarded, F.W. Dodge							
Total	84	38	59	46	58	-23.7	-10.9
One Family Houses	84	38	59	46	58	-23.7	0.5
SANTA CRUZ COUNTY							
Civilian Labor Force, ADES	13,700	13,850	14,525	14,475	14,600	2.5	3.9
Employment	12,200	11,975	12,025	11,825	11,800	3.3	6.9
Unemployment	1,500	1,875	2,500	2,650	2,800	-0.9	-13.8
Unemployment Rate (%)	10.9	13.5	17.2	18.3	19.2	-3.3	-16.6
Employees on Nonagricultural Payrolls, ADES							
Total	12,375	11,975	12,275	12,250	12,225	0.6	4.3
Construction	400	400	400	425	375	-6.3	3.8
Manufacturing	1,025	975	975	950	975	-4.9	4.1
Trans., Comm. & Publ. Util.	1,325	1,225	1,225	1,225	1,250	6.4	11.5
Trade	4,050	3,975	4,000	3,950	3,925	0.6	-5.2
Finance, Ins. & Real Estate	225	200	200	225	225	0.0	-4.5
Services	1,900	1,850	1,825	1,850	1,875	1.4	6.3
Government	3,450	3,350	3,650	3,625	3,600	0.7	14.4
Sales ($000s) ADOR							
Gross Retail	27,257	26,062	25,957	23,910	...	0.5	11.7
Retail	21,362	20,521	20,246	19,087	...	4.5	11.2
Restaurants & Bars	2,618	2,452	2,662	2,239	...	-13.1	6.5
Gasoline, EBR	3,277	3,089	3,049	2,584	...	-12.0	20.5
Gallons (000s) ADOT	2,004	2,191	2,348	1,876	...	-2.8	11.7
Contracting	4,607	3,978	4,620	4,039	...	-2.5	-3.5
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	7,212	2,885	5,175	2,206	4,413	-38.7	-18.6
Residential Building	3,432	2,586	4,427	2,131	4,173	-40.6	-14.7
Non-Residential Building	495	0	748	75	240	140.0	-57.6
Non-Building	3,285	299	0	0	0	-100.0	30.7
Number of Dwelling Units Awarded, F.W. Dodge							
Total	27	22	43	21	28	-77.6	-35.8
One Family Houses	27	22	43	21	28	64.7	1.7

See notes at bottom of Arizona - Quarterly table.

	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
GILA COUNTY							
Civilian Labor Force, ADES	17,600	17,500	17,625	17,250	17,425	2.0	0.9
Employment	16,600	16,575	16,650	16,425	16,425	1.7	1.0
Unemployment	1,000	925	975	825	1,000	8.1	-1.2
Unemployment Rate (%)	5.7	5.3	5.5	4.8	5.7	5.9	-2.1
Employees on Nonagricultural Payrolls, ADES							
Total	14,100	13,900	14,025	14,000	14,050	-1.2	-0.9
Mining	650	675	650	650	650	-3.7	-3.6
Construction	1,075	1,025	1,000	1,000	975	-9.3	1.8
Manufacturing	1,125	1,100	1,075	1,050	1,075	-2.3	2.3
Trans., Comm. & Publ. Util.	450	450	450	450	450	-5.3	-9.9
Trade	3,300	3,300	3,275	3,225	3,350	0.8	-2.0
Finance, Ins. & Real Estate	275	275	275	275	275	-8.3	0.8
Services	2,650	2,675	2,750	2,675	2,650	3.9	0.2
Government	4,575	4,400	4,550	4,675	4,625	-2.1	-0.7
Sales ($000s) ADOR							
Gross Retail	29,372	27,076	30,635	26,103	...	2.0	4.7
Retail	21,297	18,767	22,050	18,993	...	2.5	4.4
Restaurants & Bars	4,710	4,562	4,482	4,014	...	11.4	5.1
Gasoline, EBR	3,365	3,747	4,103	3,096	...	-10.5	5.5
Gallons (000s) ADOT	2,058	2,658	3,160	2,248	...	-1.2	-1.9
Contracting	9,123	7,037	9,717	9,891	...	21.4	10.1
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	5,304	5,295	14,642	5,339	35,599	1,133.9	12.2
Residential Building	4,910	2,576	5,333	4,411	2,555	-8.5	-18.6
Non-Residential Building	0	1,563	3,150	185	544	...	309.6
Non-Building	394	1,156	6,159	743	32,500	34,846.2	14.3
Number of Dwelling Units Awarded, F.W. Dodge							
Total	33	19	35	31	19	0.0	-22.0
One Family Houses	33	19	35	31	19	0.0	-20.3
GRAHAM-GREENLEE REGION							
Civilian Labor Force, ADES	15,075	14,775	14,450	14,550	14,675	1.9	2.3
Employment	13,875	13,725	13,500	13,575	13,600	0.4	2.2
Unemployment	1,200	1,050	950	975	1,075	26.5	4.1
Unemployment Rate (%)	8.0	7.1	6.6	6.7	7.3	24.1	1.7
Employees on Nonagricultural Payrolls, ADES							
Total	10,900	10,675	10,850	10,950	11,025	-3.1	-1.5
Mining (Greenlee County only)	2,375	2,400	2,375	2,350	2,325	-3.1	-4.4
Construction	725	675	675	650	625	-30.6	-6.0
Manufacturing	300	275	300	275	275	-8.3	-0.7
Trans., Comm. & Publ. Util.	200	200	200	200	200	0.0	-11.9
Trade	2,325	2,300	2,275	2,250	2,300	-3.2	0.9
Finance, Ins. & Real Estate	175	175	175	175	175	0.0	1.2
Services	1,750	1,675	1,750	1,750	1,700	-4.2	-2.2
Government	3,050	2,975	3,100	3,300	3,425	5.4	0.9
Sales ($000s) ADOR							
Gross Retail	18,838	19,632	21,141	18,695	...	-19.3	2.5
Retail	15,828	16,440	17,719	15,659	...	-20.7	4.6
Restaurants & Bars	1,735	1,490	1,713	1,619	...	-5.7	-6.5
Gasoline, EBR	1,275	1,702	1,709	1,417	...	-15.6	-6.3
Gallons (000s) ADOT	780	1,207	1,316	1,029	...	-6.8	-12.5
Contracting	4,302	5,803	3,178	7,094	...	159.9	6.3
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	4,018	1,913	539	1,325	197	-82.1	-17.1
Residential Building	526	513	539	653	197	-77.5	-22.3
Non-Residential Building	3,492	1,400	0	672	0	-100.0	-9.6
Non-Building	0	1,137	2,775	0	156	-42.6	66.7
Number of Dwelling Units Awarded, F.W. Dodge							
Total	5	6	5	5	2	-81.8	-49.3
One Family Houses	5	6	5	5	2	-81.8	-21.9

See notes at bottom of Arizona - Quarterly table.

	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
APACHE-NAVAJO REGION							
Civilian Labor Force, ADES	52,750	53,250	52,150	51,025	50,750	1.2	0.9
Employment	45,725	46,475	47,125	46,625	46,175	2.4	2.0
Unemployment	7,025	6,775	5,025	4,400	4,575	-9.4	-7.4
Unemployment Rate (%)	13.3	12.7	9.6	8.6	9.0	-10.5	-8.1
Employees on Nonagricultural Payrolls, ADES							
Total	45,475	45,650	46,725	46,700	46,275	-0.8	-0.1
Mining	900	925	900	925	875	-2.8	-1.6
Construction	2,175	2,075	2,075	1,950	1,900	-14.6	0.5
Manufacturing	1,175	1,150	1,100	1,100	1,075	-8.5	-3.2
Trans., Comm. & Publ. Util.	2,550	2,575	2,575	2,575	2,475	-2.9	0.6
Trade	8,325	8,375	8,300	8,325	8,325	-1.8	2.4
Finance, Ins. & Real Estate	1,325	1,350	1,350	1,350	1,325	-5.4	-1.2
Services	7,650	7,650	7,800	7,800	7,625	-2.6	-2.5
Government	21,375	21,550	22,625	22,675	22,675	2.7	-0.1
Sales ($000s) ADOR							
Gross Retail	79,436	76,221	76,043	74,005	...	2.4	-9.0
Retail	60,102	56,810	58,065	56,386	...	3.5	-11.7
Restaurants & Bars	7,115	7,416	7,477	7,099	...	8.1	1.9
Gasoline, EBR	12,219	11,995	10,501	10,520	...	-6.2	-0.1
Gallons (000s) ADOT	7,471	8,509	8,088	7,638	...	3.6	-6.3
Contracting	19,588	16,604	17,859	20,041	...	-17.4	3.3
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	36,951	19,789	24,492	15,046	37,562	-12.6	-19.5
Residential Building	13,681	9,680	20,971	7,345	11,000	3.7	-6.7
Non-Residential Building	4,024	769	871	4,278	14,779	-32.7	-43.3
Non-Building	19,246	9,340	2,650	3,423	11,783	13.3	-9.1
Number of Dwelling Units Awarded, F.W. Dodge							
Total	113	63	184	54	84	1.2	-6.3
One Family Houses	113	63	164	54	84	1.2	-8.3
COCONINO-YAVAPAI REGION							
Civilian Labor Force, ADES	137,625	137,875	135,750	137,500	137,300	3.7	4.8
Employment	131,825	132,550	131,075	132,925	132,475	3.6	5.1
Unemployment	5,800	5,325	4,675	4,575	4,825	6.0	-4.1
Unemployment Rate (%)	4.2	3.9	3.4	3.3	3.5	2.2	-8.4
Employees on Nonagricultural Payrolls, ADES							
Total	112,025	110,800	110,600	113,475	113,425	0.8	3.1
Mining	1,200	1,200	1,175	1,175	1,175	-2.1	6.5
Construction	8,750	8,700	8,775	8,850	8,850	3.5	9.2
Manufacturing	5,925	5,850	5,775	5,750	5,700	-4.6	-1.6
Trans., Comm. & Publ. Util.	3,025	3,075	3,100	3,050	3,100	3.3	2.1
Trade	27,325	27,325	27,200	27,350	27,425	-1.1	1.3
Finance, Ins. & Real Estate	3,175	3,125	3,100	3,225	3,250	5.7	3.3
Services	33,400	33,600	33,125	32,775	32,350	-0.3	5.6
Government	29,225	27,925	28,350	31,300	31,575	3.4	1.3
Sales ($000s) ADOR							
Gross Retail	241,345	231,779	234,501	216,153	...	-0.9	1.9
Retail	171,142	160,853	168,071	151,666	...	-0.2	2.3
Restaurants & Bars	42,336	40,636	41,234	40,259	...	2.5	-3.7
Gasoline, EBR	27,867	30,290	25,196	24,228	...	-9.7	8.7
Gallons (000s) ADOT	17,039	21,487	19,405	17,591	...	-0.3	1.8
Contracting	57,737	60,258	57,786	64,129	...	8.5	3.8
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	61,471	60,269	59,014	41,146	79,885	53.7	-4.5
Residential Building	31,706	38,637	41,698	30,894	54,679	42.6	6.6
Non-Residential Building	12,382	12,676	11,642	5,757	15,345	84.2	-27.1
Non-Building	17,383	8,956	5,674	4,495	9,861	86.1	-11.2
Number of Dwelling Units Awarded, F.W. Dodge							
Total	234	280	304	233	516	120.5	14.4
One Family Houses	228	264	284	193	271	17.8	6.3

See notes at bottom of Arizona - Quarterly table.

	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES	1,634.1	1,631.0	1,638.5	1,642.2	1,654.7	4.1	4.1
Employment	1,573.1	1,573.6	1,571.9	1,570.3	1,576.5	1.9	3.4
Unemployment	61.0	57.4	66.6	71.9	78.2	84.9	26.8
Unemployment Rate, Seas. Adj. (%)	3.6	3.3	3.7	4.0	4.6	76.9	20.7
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,579.2	1,561.5	1,572.4	1,586.9	1,596.1	-0.9	1.6
Mining	2.6	2.5	2.5	2.5	2.5	-3.8	-0.3
Construction	124.4	123.8	122.9	121.4	120.4	-2.3	3.2
Manufacturing	162.3	161.8	160.4	158.2	157.1	-5.4	-1.0
Durable	126.1	125.6	124.8	123.6	122.4	-5.1	-0.2
Nondurable	36.2	36.2	35.6	34.6	34.7	-6.2	-3.7
Trans., Comm. & Publ. Util.	85.1	84.9	84.8	84.7	83.7	-2.3	1.7
Trade	378.5	373.6	375.0	379.2	384.1	2.3	1.9
Wholesale	92.1	91.5	91.5	91.9	90.5	-0.9	1.6
Retail	286.4	282.1	283.5	287.3	293.6	3.3	2.1
Finance, Ins. & Real Estate	123.6	123.6	123.4	123.1	123.9	1.4	2.3
Services	517.3	509.8	509.9	508.7	510.1	-3.5	0.9
Government	185.4	181.5	193.5	209.1	214.3	3.6	3.6
Sales ($000s) ADOR							
Aggregate Retail Sales	3,224,307	2,867,301	2,955,898	2,947,896	...	-3.9	3.5
Retail	2,298,696	2,019,465	2,106,477	2,080,331	...	-4.7	2.5
Food, EBR	388,570	366,534	372,301	384,022	...	4.5	5.8
Restaurants & Bars	356,373	317,435	318,723	326,585	...	-4.6	4.5
Gasoline, EBR	180,668	163,867	158,397	156,958	...	-9.8	10.2
Contracting	787,765	698,924	715,874	668,849	...	-2.8	2.9
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total Awards	929,119	773,810	782,345	1,331,882	758,695	-9.3	-4.9
Residential Building	481,443	384,494	464,434	401,330	413,813	-15.4	-10.7
Non-Residential Building	216,030	314,545	154,195	173,375	222,794	-7.2	-10.1
Non-Building	231,646	74,771	163,716	757,177	122,088	13.7	41.8
New Housing Units Authorized, Census C-40							
Total Units	4,061	3,708	3,741	3,995	2,475	-26.6	-7.1
Single Family Units	3,170	2,919	3,223	2,753	2,375	-5.6	-1.0
2-4 Unit Structures	90	86	74	58	27	-60.3	2.0
5-plus Unit Structures	801	703	444	1,184	73	-90.7	-26.8
Housing Sales and Prices, ARMLS							
Total Sales ($000s)	1,151,374	980,131	1,000,462	851,218	...	8.1	13.7
Total Units	6,384	5,592	5,702	4,939	4,528	1.5	11.0
Average Price ($)	180,353	175,274	175,458	172,346	...	0.4	3.5
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	3,180,226	3,403,743	3,268,184	1,964,811	2,670,110	-9.5	1.0
Total Aircraft Movements	47,013	48,126	48,756	38,379	44,940	-6.8	-2.8

PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL) - QUARTERLY DATA

	III 2000	IV 2000	I 2001	II 2001	III 2001	% change versus year ago for: most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	3,272.9	3,297.0	3,319.1	3,340.0	3,360.0	2.7	2.8
Natural Increase	8.0	8.1	8.3	8.3	8.3	4.2	5.5
Births	13.9	14.0	14.3	14.4	14.4	3.8	4.4
Deaths	5.9	6.0	6.0	6.1	6.1	3.3	2.8
Net Migration	14.8	16.0	13.9	12.6	11.7	-21.3	-20.6
Personal Income by Source ($mil, SAAR) EBR							
Total Personal Income	91,406	92,579	94,272	95,267	96,249	5.3	6.3
Earnings by Place of Work	68,929	69,942	71,264	72,173	73,080	6.0	6.9
Less: Contributions for Social Insurance	4,355	4,426	4,513	4,578	4,642	6.6	7.3
Plus: Adjustment for Residence	-92	-92	-91	-91	-90	2.1	3.6
Plus: Dividends, Interest & Rents	16,851	16,829	17,067	16,955	16,835	-0.1	2.2
Plus: Transfer Payments	10,074	10,326	10,545	10,807	11,067	9.9	9.5
Per Capita Personal Income ($, SAAR) EBR	27,928	28,080	28,402	28,523	28,645	2.6	3.3

See notes at bottom of Arizona - Quarterly table.

	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES	397.7	393.0	395.8	401.9	404.3	4.7	2.9
Employment	385.1	380.9	382.9	387.5	388.6	3.5	2.9
Unemployment	12.6	12.1	12.9	14.4	15.7	49.5	5.3
Unemployment Rate, Seas. Adj. (%)	3.1	2.9	3.0	3.3	3.7	42.3	2.2
Employees on Nonagricultural Payrolls (000s) ADES							
Total	349.2	341.4	345.6	353.4	355.0	0.8	1.1
Mining	1.8	1.8	1.8	1.8	1.8	-5.3	-2.2
Construction	21.6	21.6	21.6	21.7	21.6	-1.4	-1.5
Manufacturing	33.7	33.9	33.9	33.7	33.6	0.0	2.1
Durable	28.8	29.0	29.1	29.0	28.9	2.1	4.0
Nondurable	4.9	4.9	4.8	4.7	4.7	-11.3	-8.0
Trans., Comm. & Publ. Util.	12.0	11.8	11.9	11.5	11.1	-6.7	-0.6
Trade	73.1	72.0	72.5	73.1	74.1	2.3	1.7
Wholesale	10.9	10.9	10.9	10.9	10.9	0.0	-0.2
Retail	62.2	61.1	61.6	62.2	63.2	2.8	2.0
Finance, Ins. & Real Estate	14.1	14.1	14.1	14.2	14.3	3.6	-0.2
Services	120.5	118.6	118.3	118.0	117.5	-1.2	1.1
Government	72.4	67.6	71.5	79.4	81.0	4.0	1.6
Sales ($000s) ADOR							
Aggregate Retail Sales	682,097	667,156	711,653	655,003	...	-4.1	3.7
Retail	462,961	459,491	500,246	444,261	...	-4.3	3.4
Food, EBR	94,260	88,915	90,314	93,157	...	2.1	4.3
Restaurants & Bars	80,148	74,222	78,249	76,568	...	-3.3	3.9
Gasoline, EBR	44,728	44,528	42,845	41,017	...	-15.0	5.8
Contracting	136,508	135,110	123,923	127,714	...	3.7	3.5
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total Awards	135,007	118,074	100,214	129,566	124,781	-24.7	-21.0
Residential Building	83,952	86,739	80,443	80,979	84,125	0.9	-9.7
Non-Residential Building	43,139	16,302	12,095	40,938	16,257	-61.3	-35.0
Non-Building	7,916	15,033	7,676	7,649	24,399	-39.6	-45.5
New Housing Units Authorized, Census C-40 adjusted by EBR							
Total Units	570	791	601	616	717	34.8	-7.3
Single Family Units	551	542	551	582	562	15.6	-2.2
2-5-plus Unit Structures	18	249	50	34	155	239.4	-28.7
Housing Sales and Prices, TAR							
Total Sales ($000s)	190,666	199,530	184,893	136,368	139,189	12.5	9.7
Total Units	1,175	1,192	1,102	857	910	11.0	4.9
Average Price ($)	162,269	167,391	167,779	159,122	152,955	1.4	4.6
Tucson International Airport, TAA							
Total Passengers	308,846	322,075	310,583	185,443	274,529	-14.2	4.4
Total Aircraft Movements	21,876	21,581	22,210	15,324	22,930	5.4	-0.4

TUCSON METROPOLITAN REGION (PIMA) - QUARTERLY DATA	III 2000	IV 2000	I 2001	II 2001	III 2001	% change versus year ago for: most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	868.1	873.1	877.5	881.3	884.8	1.9	2.1
Natural Increase	1.2	1.2	1.2	1.2	1.2	0.2	0.9
Births	3.1	3.1	3.1	3.1	3.1	1.4	2.0
Deaths	1.8	1.8	1.9	1.9	1.9	2.2	2.7
Net Migration	3.3	3.8	3.1	2.6	2.3	-30.9	-21.0
Personal Income by Source ($mil, SAAR) EBR							
Total Personal Income	20,887	21,178	21,566	21,821	22,065	5.6	6.3
Earnings by Place of Work	13,346	13,536	13,766	13,943	14,125	5.8	6.5
Less: Contributions for Social Insurance	799	811	825	836	848	6.2	6.8
Plus: Adjustment for Residence	149	152	155	158	162	8.4	7.0
Plus: Dividends, Interest & Rents	5,014	5,051	5,159	5,168	5,163	3.0	4.5
Plus: Transfer Payments	3,177	3,250	3,310	3,387	3,464	9.0	8.6
Per Capita Personal Income ($, SAAR) EBR	24,061	24,256	24,577	24,759	24,937	3.6	4.1

See notes at bottom of Arizona - Quarterly table.

	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES	2,455.3	2,447.7	2,455.1	2,462.6	2,473.5	3.9	3.8
Employment	2,340.1	2,337.1	2,334.5	2,338.9	2,344.8	2.3	3.6
Unemployment	115.2	110.6	120.6	123.7	128.7	42.7	9.5
Unemployment Rate, Seas. Adj. (%)	4.3	3.9	4.2	4.7	5.2	36.8	5.6
Employees on Nonagricultural Payrolls (000s) ADES							
Total	2,248.2	2,219.3	2,236.9	2,264.1	2,275.0	-0.4	1.6
Mining	9.6	9.5	9.5	9.4	9.4	-4.1	-2.4
Construction	168.1	166.9	166.1	164.3	163.1	-2.3	2.9
Manufacturing	212.9	212.0	210.9	208.6	207.2	-4.3	-0.4
Durable	166.2	165.6	165.1	163.8	162.3	-3.7	0.6
Nondurable	46.7	46.4	45.8	44.8	44.9	-6.1	-3.6
Trans., Comm. & Publ. Util.	110.0	109.8	109.6	109.2	107.7	-2.4	1.5
Transportation	73.2	72.9	72.8	72.4	71.0	-2.7	2.8
Trade	531.5	525.6	527.2	532.0	538.2	2.0	1.9
Wholesale	112.7	112.2	111.9	112.5	111.2	-0.8	1.4
Retail	418.8	413.4	415.3	419.5	427.0	2.7	2.0
Finance, Ins. & Real Estate	146.7	146.8	146.6	146.4	147.3	1.5	2.0
Services	719.0	709.5	708.9	707.3	707.7	-2.6	1.2
Government	350.4	339.2	358.1	386.9	394.4	3.7	2.8
Federal	47.1	47.2	47.3	47.1	46.8	1.1	-3.3
State & Local	303.3	292.0	310.8	339.8	347.6	4.1	3.7
Schools	146.8	134.0	155.5	185.2	192.7	4.6	3.8
Hours Worked Per Week, Manufacturing, ADES	40.0	39.9	39.9	39.8	39.7	-2.5	-0.8
Average Hourly Earnings ($) ADES							
Construction	15.24	15.24	15.00	15.15	15.28	-1.2	4.6
Manufacturing	13.07	13.21	13.24	13.43	13.38	5.4	2.0
Utilities	21.05	21.16	21.02	21.22	21.65	9.2	10.7
Retail Trade	11.50	11.59	11.71	11.95	11.88	5.8	-0.2
Wholesale Trade	14.35	14.21	14.27	14.20	13.79	-5.5	2.8
Sales ($000s) ADOR							
Aggregate Retail Sales	4,682,631	4,265,991	4,401,221	4,315,133	...	-5.4	3.3
Retail	3,252,153	2,934,728	3,070,323	2,970,480	...	-3.9	2.6
Food, EBR	597,138	563,275	572,137	590,150	...	3.0	5.7
Restaurants & Bars	524,639	476,178	483,332	487,417	...	-18.7	2.1
Gasoline, EBR	308,701	291,810	275,430	267,086	...	-10.3	7.8
Gallons (000s) ADOT	188,750	207,002	212,130	193,920	...	-0.9	0.6
Utilities	561,780	600,033	602,046	599,561	...	6.4	6.8
Communications	234,394	229,772	233,689	252,030	...	6.8	9.4
Amusements	60,342	61,962	47,524	44,520	...	5.2	-1.4
Rentals - Personal Property	333,800	274,698	279,136	290,454	...	-0.6	4.0
Contracting	1,075,329	977,417	990,146	955,856	...	-1.4	2.6
Mining - Metal, Oil & Gas	24,516	18,678	18,128	19,600	...	-61.4	-43.3
Hotel/Motel	133,377	96,062	102,417	100,761	...	-25.9	-2.4
Value of Construction Contract Awards ($000s)							
Total Awards	1,229,438	1,039,770	1,049,250	1,570,983	1,106,788	-7.4	-7.1
Residential Building	656,416	557,186	651,745	558,754	602,722	-11.6	-9.7
Non-Residential Building	285,731	361,514	193,308	232,131	282,837	-12.2	-14.3
Non-Building	287,291	121,070	204,197	780,098	221,229	16.0	20.6
New Housing Units Authorized, Census C-40							
Total Units	5,292	5,107	5,070	5,140	3,854	-14.1	-5.8
Single Family Units	4,291	4,106	4,479	3,849	3,574	-0.5	-0.5
2-4 Unit Structures	107	101	123	102	74	-15.9	4.0
5-plus Unit Structures	894	900	468	1,189	206	-74.5	-27.3
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	2,071	2,000	2,314	1,970	2,313	32.5	16.4
Chapter 7	1,665	1,599	1,880	1,565	1,850	26.1	16.3
Chapter 11	25	30	23	18	19	-24.0	-24.9
Chapter 13	381	371	410	386	444	75.5	21.3

See notes at bottom of Arizona - Quarterly table.

	III 2000	IV 2000	I 2001	II 2001	III 2001	% change versus year ago for: most recent quarter	most recent 4-quarters
ARIZONA QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	5,167.9	5,203.8	5,239.3	5,274.1	5,307.9	2.7	2.8
Natural Increase	10.9	11.4	11.3	11.3	11.2	2.6	4.4
Births	21.3	21.5	21.3	21.5	21.5	1.0	2.6
Deaths	10.4	10.0	10.0	10.2	10.3	-0.7	0.7
Net Migration	24.9	24.5	23.6	23.6	21.5	-13.5	-8.0
Personal Income Derivation ($mil, SAAR) EBR							
Total Personal Income	131,485	134,641	136,746	137,651	139,292	5.9	6.6
Earnings by Place of Work	93,715	96,260	97,887	98,699	99,868	6.6	7.2
Less: Contributions for Social Insurance	5,752	5,888	6,039	6,082	6,145	6.8	7.3
Plus: Adjustment for Residence	453	463	470	473	478	5.5	8.7
Plus: Dividends, Interest & Rents	25,809	26,239	26,248	26,039	26,213	1.6	3.0
Plus: Transfer Payments	17,259	17,567	18,180	18,522	18,878	9.4	8.7
Components of Earnings ($mil, SAAR) BEA							
Wages and Salaries	76,517	77,976	78,994	79,651	...	6.4	7.5
Other Labor Income	7,565	7,706	7,787	7,827	...	5.4	6.2
Proprietor's Income	9,761	9,799	10,003	10,111	...	4.6	5.6
Farm	435	361	427	335	...	-15.4	-11.7
Nonfarm	9,326	9,438	9,576	9,777	...	5.5	6.5
Per Capita Personal Income ($, SAAR) EBR	25,442	25,874	26,100	26,099	26,242	3.1	3.7
Average Wage Per Employee, Annual Rate ($) EBR	33,292	33,808	34,090	34,501	...	4.9	4.5

TRAVEL AND TOURISM - MONTHLY DATA	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
Visits to Parks & Other Recreational Areas, ADOT, NPS & ASPB							
Northern Arizona	2,280,289	2,557,572	2,438,480	1,732,281	1,275,019	-24.0	-5.4
Historical	160,531	165,229	148,773	128,767	124,478	-20.5	-6.4
Scenic	727,295	833,480	754,409	493,916	407,089	-19.4	-6.2
Water Based Recreation	1,392,463	1,558,863	1,535,298	1,109,598	743,452	-26.8	-4.9
Southern Arizona	167,968	174,738	145,938	137,612	180,599	-2.6	1.9
Historical	26,306	30,206	26,274	23,395	33,552	2.9	1.5
Scenic	97,589	93,894	82,482	79,188	113,899	-12.0	1.9
Water Based Recreation	44,073	50,638	37,182	35,029	33,148	41.5	2.3
International Border Crossings, USINS & USCS							
U.S. Citizens	660,078	640,828	655,384	542,812	708,237	-10.6	-11.1
Aliens	1,863,100	1,756,335	1,841,188	1,551,998	1,447,596	-31.0	-7.6
Vehicles	919,582	921,357	...	...	...	4.7	7.2

MEASURES OF INFLATION AND PRICES - MONTHLY DATA	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	% change versus year ago for: most recent month	most recent 12-months
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	178.0	177.5	177.5	178.3	177.7	2.1	3.1
U.S. - Wage Earners	174.6	173.8	173.8	174.8	174.0	2.0	3.1

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
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 -QUARTERLY DATA

	III 2000	IV 2000	I 2001	II 2001	III 2001	% change versus year ago for: most recent quarter	most recent 4-quarters
Consumer Price index (1982-84=100) BLS							
Western Region (U.S.)	176.6	177.1	180.1	182.0	182.5	3.3	3.9
U.S. - All Urban Consumers	173.1	174.0	175.7	177.5	177.8	2.7	3.2
U.S. - Urban Wage Earners	169.7	170.7	172.2	174.2	174.1	2.6	3.2
Price Indexes (1992=100) BEA							
Gross Domestic Product	107.3	107.8	108.7	109.2	109.5	2.0	2.2
Personal Consumption Expenditures	107.8	108.4	109.2	109.6	109.7	1.7	2.2

See notes at bottom of Arizona - Quarterly table.

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ARIZONA'S ECONOMY IS PUBLISHED QUARTERLY BY THE ELLER COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION, THE UNIVERSITY OF ARIZONA, TUCSON, ARIZONA 85721. 520-621-2155.

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