

ARIZONA'S ECONOMY

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SPRING ISSUE

BUSINESS CYCLE TURNS UP AT LAST

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February 27, 2004

Now that data for last year's second half is available, the question of whether recovery will ever materialize is moot. Measure after measure shows rapid acceleration in the Arizona economy, particularly during last year's summer (third) quarter. That includes measures for sales, tourism, wages, income, homebuilding, AND employment! These breathtaking gains are characteristic of an old-fashioned cyclical upturn.

Consider retail sales. Consumers celebrated the end of the war with Iraq by spending their tax rebate checks (and more). Arizona retail sales exploded during the third quarter of 2003, growing at a 20% seasonally adjusted annual rate. The fourth quarter saw a return to more normal, but still robust, growth in the 7-8 percent range (Exhibit 1).

Tourism also surged following the end of the Iraqi war, as people resumed traveling and enjoyed long-postponed vacations. Conventions and business travel also moved to a higher level as the economy improved and corporate profits surged. Arizona's restaurant and bar sales jumped at a 30% annual rate during the third quarter and continued growing at a double-digit rate in the fourth quarter. Hotel/motel sales grew at a 13.3% annual rate in the second half, fueled by a 30% surge during the summer (third) quarter, while airline passengers at Phoenix's Sky Harbor airport grew at an 18% annual rate.

Consumer's willingness to spend and travel received big boosts from higher confidence, cash-out mortgage refinancing, tax rebate checks, and rebounding household net worth due to large gains in financial markets and home price appreciation. Additional factors that will remain important going forward include solid wage gains, partly due to the return of incentive compensation (such as bonuses and stock options), and renewed employment growth.

Arizona consumer confidence, as measured by the Behavior Research Center, jumped nearly eight points in the survey for the fourth quarter, and added another half point during the first quarter.

Resale housing prices in metro Phoenix, after registering gains in the 7-8 percent range during the first half of 2003, surged at an annual rate of nearly 30% during the third quarter and by almost a 40% annual rate in the fourth quarter. For the whole

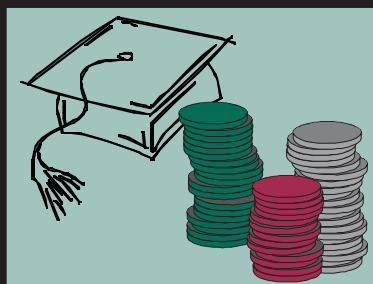
year, average home prices increased by 12.3%, the largest increase since 1981. The average price is calculated from sales data provided by local MLS boards, and does not control for quality, size or changes in the mix of homes sold. The number of units sold also moved up sharply and finished the year with a 17.5% gain in metro Phoenix, and 10.5% in metro Tucson.

Wages per employee, after gaining only 1.9% statewide in 2002, have accelerated to a 3.6% annual rate in last year's third quarter, the most recent period for which data is available. Anecdotally, a number of companies have resumed the awarding of bonuses following a two-year moratorium. Also, employees are finding stock options once again "back in the money" after strong gains in stock prices during the past year. Aggregate proprietors income, which largely reflects earnings by the self employed who are not included in the above statistics, exploded at a 20.3% annual rate in the third quarter, which lifted proprietors income 11.6% higher than the year before. With core inflation running at only 1.5%, income gains *in real terms* are quite healthy and will keep consumers spending freely in 2004.

As with resale housing markets, homebuilding activity soared during last year's second half. Residential building permits statewide grew at a 28% annual rate from July through December, which boosted the annual increase to nearly 13%. The new activity was largely in single-family construction, although multifamily counts bounced back a bit from very depressed levels (Exhibit 2).

The missing element since the recession ended in late 2003 has been the lack of job growth. That is no longer the case. Although non-farm jobs grew by only 1.0% for all of 2003, according to preliminary data reported by the Arizona Department of Economic Security, the pace quickened considerably during the second half. As shown in Exhibit 3, private sector payrolls grew at a 2.0% annual rate during the second half

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EXHIBIT 1

Consumers Spent Freely in 2nd Half

Retail Sales, AZ (seasonally adjusted annual rate, smoothed)

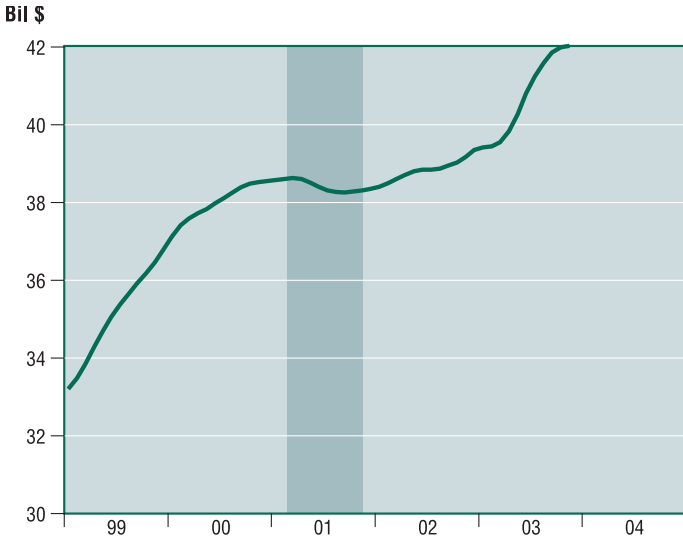
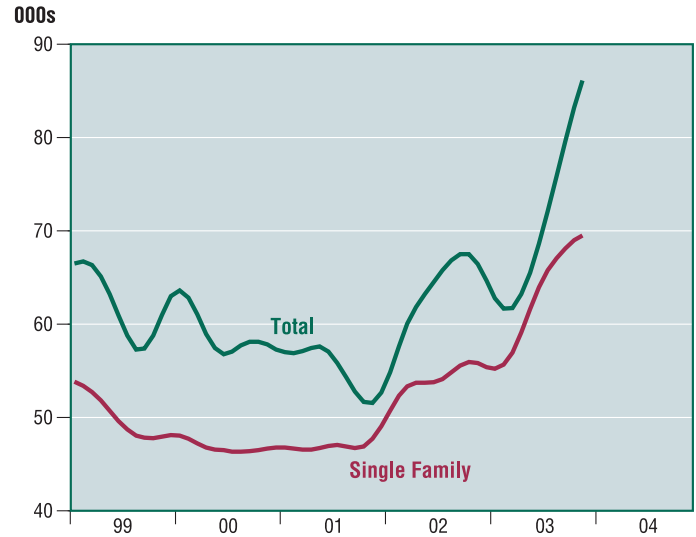


EXHIBIT 2

Residential Construction Headed Sharply Upward

Building Permits, AZ (seasonally adjusted annual rate)



and an even faster 4.2% annual rate during the fourth quarter! (Exhibit 3)

Government payrolls continue to expand very slowly – less than one-half of one percent for all of 2003. Gains in federal and education have been offset by declines in state & local administrative (non-ed) employment.

Industry sectors driving the upward surge include leisure & hospitality, professional & business services, education & health services, and construction. Although neither

has created many new jobs as yet, both manufacturing and information are no longer declining and appear poised to regain lost ground in 2004.

Recent trends in industry employment may be revised in the annual re-benchmarking process, but revisions will likely not change prospects for widely dispersed, solid growth going forward.

THE OUTLOOK

Rapid growth in last year's second half sets the stage for large gains in 2004, reminiscent of those experienced in 1994. Percentage increases are unlikely to approach ten-year ago figures, but the numerical increases may equal or surpass the earlier period. Nearly 100,000 net new nonfarm jobs will be created this year (growth of 4.2%), which compares favorably to 1994's gain of 107,000 (6.8%). Arizona's population will grow by 160,000, or 20,000 more than in 1994.

Educational services will be the fastest-growing sector with growth of more than ten percent. Professional and business services also will expand rapidly, especially temporary employment agencies. Finance and insurance, food services, construction, and trade will each register percentage gains exceeding four percent.

Anecdotally, a number of businesses already are experiencing shortages. Nurses, medical technicians, radiologists, pharmacists are hard to find. There is a huge shortage of teachers. Vehicle repair shops, long-haul trucking, home remodelers, security firms, manufacturers and information technology companies also will find it difficult to recruit skilled workers going forward. And things will get worse as time passes. By 2015, with baby-boom retirees checking out of the labor force, the US will see a shortfall of 10 million workers, according to one estimate.

The outlook for homebuilding will be affected by population growth as well as increases in interest rates. Population growth will move higher, and each time a new household is formed, a new housing unit is needed. Faster job creation also should bolster demand. Interest rates will head higher as the year progresses and that will have a negative effect on affordability. This is more likely to change the mix between single and multifamily construction than to effect aggregate units built. Interest rate increases should remain modest in 2004 as inflation remains low and the presidential election looms. We expect that increased household formation will more than offset rate increases and that homebuilding will exceed 2003 totals. Look for

ARIZONA CONSUMER CONFIDENCE, AS MEASURED BY THE BEHAVIOR RESEARCH CENTER, JUMPED NEARLY EIGHT POINTS IN THE SURVEY FOR THE FOURTH QUARTER, AND ADDED ANOTHER HALF POINT DURING THE FIRST QUARTER.

EXHIBIT 3 Private Sector Job Growth Returns

Private Employment, AZ (seasonally adjusted)

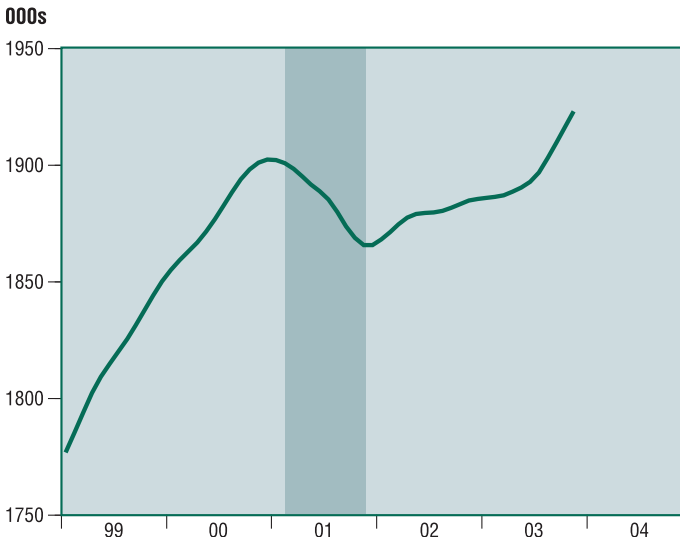
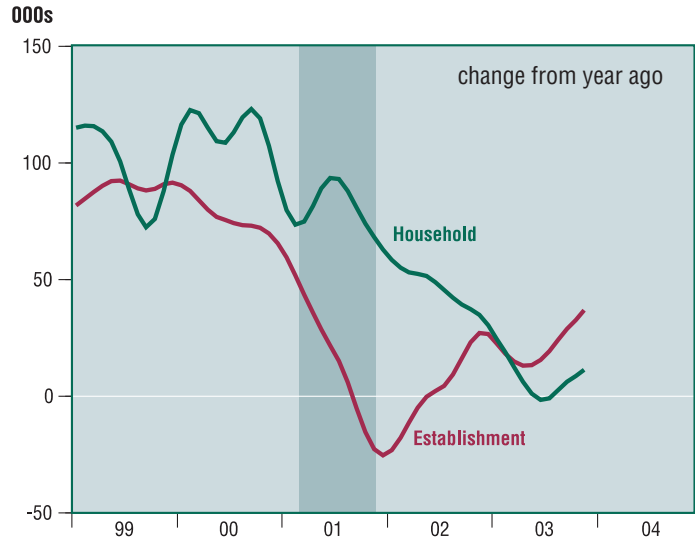


EXHIBIT 4 Which is More Accurate?

Household vs. Establishment Employment, AZ (seasonally adjusted, smoothed)



nearly 70,000 new residential units to be built statewide in 2004.

HOW MANY JOBS ARE BEING CREATED?

One of the knocks on the “recovery” is the lack of job growth, and this has become a major issue in the presidential campaign. Nationwide, the economy has shed some 2.1 million *nonfarm jobs* since the end of the recession, according to figures from the Bureau of Labor Statistics. There are, however, two different estimates of employment produced each month by the federal and state governments, and they show widely differing patterns.

Both are based on sample surveys; *non-farm employment* is based on a survey of establishments, and the *household* estimates are based on a survey of households. The major difference is that the former excludes self-employed, while the latter includes this large and dynamic group. A second difference is that the former counts *jobs*, while the latter counts employed *persons* (and therefore, multiple job-holding could account for variances). A third difference that can be important at the state or local level is that the former represents jobs by place of work, while the latter counts employment by place of residence (i.e., geographical coverage of the two measures is not the same).

While the nonfarm measure shows a nationwide loss of 2.1 million, the household measure shows a *gain* of nearly one million over the same period. That’s a huge gap.

In Arizona, the gap also exists but is not as pronounced. Since the recession ended, nonfarm jobs have grown by 34,000 compared to almost 110,000 in the household series. In recent months, however, the establishment survey shows the larger gain (Exhibit 4).

Some analysts argued that the nonfarm estimates would be revised significantly upward during the annual re-benchmarking process, which is to be expected since the establishment numbers do a terrific job at counting employment in large and existing firms but don’t as well estimating job creation in smaller firms or in new startups — particularly true in business cycle upswings. That didn’t happen when national numbers were revised in early February. (State revisions have not yet been released as this is written).

The most plausible explanation is that when layoffs were high, many workers became consultants or went into business for themselves. They dropped out of the establishment counts but were still counted in the household survey. Now that hiring has resumed, the process is reversed.

So, which measure is more accurate?

Economists strongly believe that the establishment numbers are the more reliable indicator of employment trends. This means that job counts are moving up nicely from the recent cyclical low and that Arizona will soon be creating 100,000 or more jobs annually. ■

FORECAST SPONSORS

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 Tucson Electric Power Company
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FORECAST TABLES

Forecasts for Arizona	2002	2003	2004	2005	2006	2007	2008
Personal Income (\$ mill)	142,541.2	150,522.1	161,566.2	173,585.9	185,535.0	198,214.5	211,917.9
percent change	3.8	5.6	7.3	7.4	6.9	6.8	6.9
Wage per Employee	35,378	36,388	37,513	38,848	40,222	41,748	43,372
percent change	1.8	2.9	3.1	3.6	3.5	3.8	3.9
Aggregate Retail Sales (\$ mill)*	56,188.1	60,177.6	64,422.3	68,397.3	72,060.8	75,640.7	79,479.5
percent change	1.4	7.1	7.1	6.2	5.4	5.0	5.1
Population (000s, mid-year)	5,472.8	5,629.9	5,790.2	5,973.9	6,157.1	6,321.7	6,479.0
percent change	2.9	2.9	2.8	3.2	3.1	2.7	2.5
Residential Permits	62,951	68,836	69,416	67,830	63,236	58,788	57,949
percent change	12.3	9.3	0.8	-2.3	-6.8	-7.0	-1.4
Non Farm Employment (000s)	2,264.9	2,312.8	2,410.5	2,521.6	2,601.9	2,671.7	2,741.1
percent change	0.0	2.1	4.2	4.6	3.2	2.7	2.6
Goods-Producing	365.5	364.4	376.2	388.0	397.2	401.2	404.7
percent change	-5.0	-0.3	3.2	3.1	2.4	1.0	0.9
Service-Providing	1,899.4	1,948.5	2,034.5	2,133.8	2,204.8	2,270.6	2,336.5
percent change	1.0	2.6	4.4	4.9	3.3	3.0	2.9
Trade, Trans., & Utilities	441.9	451.1	470.7	496.4	510.7	522.8	533.6
percent change	0.3	2.1	4.3	5.5	2.9	2.4	2.1
Prof. & Business Services	312.3	324.1	348.2	376.3	391.3	404.8	415.8
percent change	-2.4	3.8	7.4	8.1	4.0	3.4	2.7
Leisure & Hospitality	230.0	237.3	246.9	256.1	262.6	268.7	274.0
percent change	0.0	3.2	4.0	3.7	2.5	2.3	2.0
Government	388.2	392.0	399.3	409.2	419.3	427.1	434.4
percent change	2.8	1.0	1.9	2.5	2.5	1.9	1.7
Phoenix-Mesa Metro Area							
Personal Income (\$ mill)	99,242.6	104,486.4	111,857.9	120,458.0	130,076.6	140,369.7	150,990.2
percent change	3.3	5.3	7.1	7.7	8.0	7.9	7.6
Wage per Employee	37,215	38,137	39,321	40,815	42,492	44,334	46,233
percent change	1.9	2.5	3.1	3.8	4.1	4.3	4.3
Aggregate Retail Sales (\$ mill)*	38,114.2	41,168.9	43,764.3	46,698.7	49,747.8	52,771.7	55,916.0
percent change	0.6	8.0	6.3	6.7	6.5	6.1	6.0
Population (000s, mid-year)	3,488.6	3,602.2	3,728.9	3,858.8	3,989.8	4,114.3	4,234.4
percent change	3.2	3.3	3.5	3.5	3.4	3.1	2.9
Residential Permits	47,899	49,444	50,658	52,114	52,613	50,216	48,811
percent change	3.9	3.2	2.5	2.9	1.0	-4.6	-2.8
Non Farm Employment (000s)	1,599.2	1,639.8	1,713.0	1,796.2	1,868.4	1,935.8	1,997.4
percent change	0.1	2.5	4.5	4.9	4.0	3.6	3.2
Goods-Producing	270.5	270.5	278.6	291.0	302.5	311.3	316.3
percent change	-4.7	0.0	3.0	4.5	3.9	2.9	1.6
Service-Providing	1,328.8	1,369.4	1,434.5	1,505.2	1,565.9	1,624.5	1,681.1
percent change	1.1	3.0	4.8	4.9	4.0	3.7	3.5
Trade, Trans., & Utilities	326.7	334.1	346.1	364.2	378.2	390.4	400.7
percent change	0.7	2.2	3.6	5.2	3.8	3.2	2.7
Prof. & Business Services	254.0	263.1	282.0	300.1	315.7	329.7	341.0
percent change	-2.1	3.6	7.2	6.4	5.2	4.4	3.4
Leisure & Hospitality	152.4	155.9	163.5	171.3	176.2	181.2	185.1
percent change	-0.1	2.4	4.9	4.8	2.8	2.8	2.2
Government	211.6	215.0	221.2	227.2	233.2	238.3	243.3
percent change	4.0	1.6	2.9	2.7	2.7	2.2	2.1
Tucson Metro Area							
Personal Income (\$ mill)	22,331.8	23,368.8	24,936.8	26,621.0	28,671.0	30,953.0	33,313.1
percent change	4.4	4.6	6.7	6.8	7.7	8.0	7.6
Wage per Employee	30,535	31,519	32,686	33,795	34,971	36,176	37,440
percent change	1.6	3.2	3.7	3.4	3.5	3.4	3.5
Aggregate Retail Sales (\$ mill)*	8,707.2	9,313.9	9,836.5	10,327.8	10,900.5	11,526.4	12,159.5
percent change	0.6	7.0	5.6	5.0	5.5	5.7	5.5
Population (000s, mid-year)	890.5	910.8	932.7	955.1	979.4	1,005.3	1,032.0
percent change	2.3	2.3	2.4	2.4	2.5	2.6	2.7
Residential Permits	7,999	8,315	8,676	8,631	8,906	9,172	9,301
percent change	-1.9	4.0	4.3	-0.5	3.2	3.0	1.4
Non Farm Employment (000s)	347.7	353.1	366.6	383.3	400.6	420.0	438.6
percent change	0.1	1.5	3.8	4.5	4.5	4.8	4.4
Goods-Producing	56.3	55.5	56.4	58.2	60.4	63.2	65.7
percent change	-2.1	-1.5	1.7	3.3	3.6	4.7	3.9
Service-Providing	300.5	306.8	319.3	334.3	349.5	366.2	382.5
percent change	3.6	2.1	4.1	4.7	4.6	4.8	4.4
Trade, Trans., & Utilities	55.8	57.3	59.9	62.1	64.6	67.3	70.0
percent change	0.9	2.7	4.5	3.7	3.9	4.2	4.0
Prof. & Business Services	40.3	41.2	43.7	47.9	52.2	56.7	60.6
percent change	-2.5	2.3	6.1	9.6	8.9	8.7	6.8
Leisure & Hospitality	38.0	38.9	42.0	44.8	47.3	49.9	52.8
percent change	-0.5	2.3	8.1	6.6	5.6	5.6	5.8
Government	77.7	78.8	80.7	83.2	85.9	89.0	92.1
percent change	1.1	1.4	2.5	3.0	3.3	3.6	3.5

* 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

UNIVERSITY OF ARIZONA RESEARCH EXPENDITURES: GENERATING JOBS, WAGES AND TAX REVENUES IN THE LOCAL ECONOMY IN FY 2002

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University of Arizona Office of Economic
Development

The University attracted more than \$285.1 million in research funding in FY 2002. This figure includes only dollars specifically designated for use as research and represents approximately 73.6% of the \$373.9 million received in grants and awards received by the University in that year. Although the remaining \$88.8 grants and awards received by the university for instructional, public service and other purposes also generate economic impacts, the impact of those dollars are not assessed in this study.

University research awards and grants directly supported over 3,400 jobs at the University during FY 2002. These jobs included approximately 2,500 faculty, administrators, academic professionals and supporting staff positions directly involved in

research activity and approximately 900 jobs in research-supported activities and administration of research projects. The actual number of people supported by research dollars was larger than 3,400 because some of these jobs were part-time.

Research activity also directly supported over 1,400 full-time-equivalent (FTE) student positions. Because the majority of these research positions are part-time research positions filled by graduate students, the actual number of students supported by research was more than double the 1,400 figure.

The aggregate payroll for University faculty, students, and support jobs created by research activity was \$170.3 million. The majority of these wages and salaries circulated back into the local economy through purchases of local goods and services. University faculty, staff and students spend locally and generate close to 2,500 additional jobs, an additional \$36.4 million in wages and \$110.3 million in sales in Pima County.

The University spent \$51 million on research-related purchases of goods and

services in Pima County, such as computer components, high-tech equipment, professional and maintenance services, printing and photographic services and operating supplies. These local University research-related purchases and operating expenditures created an additional 1,500 jobs, \$27.2 million in wages and \$75.4 million in sales in Pima County.

Approximately \$15.8 million of University of Arizona research expenditures were spent in Arizona outside of Pima County either through a direct allocation to non-Pima County departments and outreach offices or through purchases that the main campus of the University made elsewhere in the state. The economic impact generated by these combined expenditures was more than 600 jobs, \$12 million in wages and \$28.7 million in sales in Arizona outside of Pima County.

University of Arizona research activities contributed over 9,500 jobs, \$246 million in wages, \$20.1 million in tax revenues to state and local governments, and \$385 million in sales to the state's economy. ■

FOR THE COMPLETE STUDY

Go to the EBR Web site under Special Studies or the UA Office of Economic Development Web site under Publications, Regional Development Program:

Economic and Business Research Program

http://ebr.eller.arizona.edu/ImpactStudies/ResearchExp/UA_Research_Impact.pdf

UA Office of Economic Development

http://oed.arizona.edu/pubs/regional-development/pubs/UA_Research_Impact.pdf

COMING SOON

In the Spring of 2005, we will be releasing the results of another University of Arizona impact study. That study will examine the economic impact of all University of Arizona expenditures (of which research is only a part), and the impact of student, faculty, staff and visitor spending.

MEETING THE CHALLENGE IN ARIZONA'S PUBLIC SCHOOLS: AN UPDATE

By Heather Peterson
Research Specialist

"A strong and effective system of education is one fundamental way to strengthen our economy and raise living standards¹," remarked Federal Reserve Board Chairman Alan Greenspan. In testimony before Congress, Mr. Greenspan also noted that with "the conceptual demands on our workers continuing to rise, substantial further progress needs to be made in raising the analytic competency of our graduating high-school seniors . . . so that our students can take advantage of the considerable opportunities that will exist in tomorrow's labor market. In that way, we can realize the potential of technological change for bringing substantial and lasting benefits to our economy²."

New Economy businesses require an educated, highly-skilled workforce. States compete in attracting these businesses and their high paying jobs in order to improve the standard of living for all the state's residents. In making location decisions, these companies consider the quality of the public school system, along with a myriad of other factors. Not only do they need a readily available skilled workforce to draw from, but in order to compete for the best workers, they must be able to offer such workers a good public school system for their children.

How are Arizona's public schools doing? Two influential national studies of public education have recently been released: "Measuring Up: 2000" from the Center for Public Policy and Higher Education, and *Education Week's* "Quality Counts 2004."

Arizona ranks 49th in educational spending per child according to *Education Week's* "Quality Counts 2004," <http://www.edweek.org/>, showing little improvement since the state was profiled in 2001. Per pupil spending increased from \$4,879 (1999-00) to \$5,278 in 2000-01, 72% of the national average of \$7,376, according to the National Center for Educational Statistics, http://nces.ed.gov/ccd/pub_rev_exp.asp.

This increase helped earn the state a D for "Resources: adequacy" on its "Quality Counts 2004" report card, an improvement over the F assigned in the last three reports. Using the NCES per pupil expenditures adjusted for regional spending differences, top ranking New Jersey spent \$9,762, with 25 states spending more than the US average. Arizona's adjusted per pupil spending was \$5,319 (placing the state 49th).

Also contributing to the higher grade was the passage of Proposition 301 in November 2000 instituting a 0.6% increase in the state sales tax, 88% of which was dedicated to funding K-12 education. These funds are now flowing to districts and are being used to increase both per pupil spending and teacher salaries.

Although still below the national average (\$38,510 vs. the US avg. \$44,367), teacher salaries have indeed improved with Arizona moving from 40th (1999-00) to 32nd (unadjusted) in the 2002 American Federation of Teachers teacher salary survey, <http://www.aft.org/research/survey02/SalarySurvey02.pdf>.

Nevertheless, the state's "Quality Counts" grade for "Improving Teacher Quality" (which considers education and certification requirements for teachers) slipped from D to D- and 49th place. In her recent State of the State address, Governor Napolitano promised to devote \$250,000 to establishing the Arizona Master Teachers program to assist teachers financially in obtaining training for master teacher status. According to "Quality Counts," Arizona does not financially support any ongoing professional development for teachers, including any form of mentoring. Furthermore, Arizona is one of only 19 states that do not require beginning high school teachers to hold a major or minor in the subject they will teach in order to be licensed. Only 52% of Arizona's secondary teachers majored in the core subjects they teach, compared to the US average of 64% and the high of 86% in Minnesota, dropping the state into 48th place.

Aiding education in the past two years was

a 2% increase in state aid required by Prop. 301 and the passage of Prop. 300, a measure designed to protect revenue generated by the sale of state school trust lands so that funds directly benefit classrooms. However, lawmakers borrowed more than \$300 million from a fund earmarked for school construction projects and instituted a program that would instead allow the state to spread the cost of the new schools over 20 years. Also, voters defeated Prop. 201, a measure that would have devoted a portion of Indian gaming revenues to education programs (See "Quality Counts 2003: Arizona," <http://www.edweek.org/sreports/qc03/templates/state.cfm?slug=17qcaz.h22>; "Quality Counts 2004: Arizona," <http://www.edweek.org/sreports/qc04/state.cfm?slug=17az.h23>).

How are Arizona's students doing? In the 2002 National Assessment of Educational Progress (NAEP), 25% of Arizona's 8th grade students scored at or above proficiency in reading, below the dismal US average of 30%, and placing the state 42nd. Top ranking Massachusetts had 43% of its 8th graders at or above proficiency. Thirty-three states scored 30% or better, with 18 states below the US average. Arizona 8th graders did worse in math, with only 21% at or above proficiency compared to a national average of 27%. This placed the state 40th with 31 states above the US average, and 19 below. Minnesota was in first place with a high of 44%.

In the biennial study by the National Center for Public Policy and Higher Education "Measuring Up: 2002," <http://measuringup.highereducation.org/2002/reporhome.htm>, Arizona placed 50th in the nation with only 73% of 18-24 year olds holding high school certificates, down from 77% and 48th in 2000. Maine had 95% of its young people receiving certificates, with nineteen states boasting at or above 90%, and only Arizona and Nevada falling below 80%. Arizona showed no improvement in the percentage of students enrolling in college immediately after high school, ranking 47th with 28%. The proportion of Arizona's young adults, ages 18-24, enrolling in college is 26%, slipping from 27% in 2000, and placing Arizona in 45th place. Forty-nine percent of Arizona's first-time, full-time students complete a bachelor's degree in 6 years, ranking Arizona 29th (44% finish within 5 years). Twenty-six percent of Arizona adults hold bachelor's degrees or higher, placing the state 29th.

Much of the data used in the preceding studies is from the Current Population Survey conducted jointly by the Bureau of Labor Statistics (BLS) and the US Census Bureau, as well as from surveys conducted by the National Center for Educational Statistics (NCES). The most exhaustive survey of the population is the decennial US Census, most recently completed in 2000. According to the 2000 Census, 69% of Arizona's 18 to 24 year olds held high school certificates (compared to the US average of 75%), and 24% of Arizona adults 25 and older held a bachelor's degree or higher (US average is 24%).

The high school drop-out rate is often cited as a measure of the effectiveness of the public school system. According to the 2000 Census, 15% of Arizona's 16 to 19 year olds were not attending school and had not completed a degree. The study "Kid's Count 2003," <http://www.aecf.org/kidscount/databook/>, derives a drop out rate of 17% from the 1989–2001 Current Population Surveys done by the BLS.

In an Arizona Center for Public Policy (ACPP) paper "Understanding before action: An explanation of Arizona public school dropout rates," <http://www.thinkaz.org/html/research/documents/DropoutPaper.pdf>,

David Garcia notes that this dropout rate generated by national surveys may be useful in profiling the workforce, but may not necessarily be a good indicator of the success of the school system. He remarks that data profiling schools is also collected at the state level by state departments of education. While states have the opportunity to collect and verify more detailed data than the national studies, there is at present a lack of consistency in the way different departments of education define and report the data making cross-state comparisons using this data difficult or invalid. However, such data, if collected rigorously and routinely, can indicate trends over time within the state and give a good indication of performance. Standardizing data collection between states could potentially yield more detailed and useful information than national surveys.

In other sections of its "Quality Counts" report card, for "School Climate" (which considers class size, school size, absenteeism, parent involvement, charter schools), Arizona's grade improved considerably from D- to B- and 10th place among the states. This was attributed to statewide open-enrollment and a strong charter school law as well as a high number of middle- and high-school students

attending small schools. The state improved to a C- and 33rd place from a D+ in "Resource Equity" (differences in per student spending among districts, equalization efforts); and increased to a B and 18th place from a C+ in "Standards and Accountability" (clear standards, accurate assessment, school accountability).

Our society has long valued educated citizens as the foundation of democracy and, clearly, education is a key to increasing our national quality of life, wealth, and productivity. Arizona clearly faces many challenges in offering the quality of education our children need to be creative, productive, and successful citizens of the future. However, the investment of our tax dollars and time to meet these challenges and improve our public schools will certainly yield the highest rate of return of any investment we could make. ■

¹ Greenspan, Alan. "Remarks by Chairman Alan Greenspan at the 33rd Annual Legislative Conference of the Congressional Black Caucus, Washington, D.C." September 26, 2003. <http://www.federalreserve.gov/boarddocs/speeches/2003/20030926/default.htm>

² Greenspan, Alan. "The economic importance of improving math-science education." Presented before the Committee on Education and the Workforce, U.S. House of Representatives. September 21, 2000. <http://www.federalreserve.gov/boarddocs/testimony/2000/20000921.htm>

ARIZONA'S REPORT CARD

Expenditure per Pupil, 2000-01 "Quality Counts 2004"				Student Achievement (K-12), NAEP 2002 (percent scoring at or above proficient)			
	(Adjusted for regional cost differences by "Quality Counts 2004") Expenditure/Pupil	(adjusted expenditure) Rank	NCES Expenditure/Pupil	8thgrade NAEP reading (2003)	Rank	8thgrade NAEP math (2003)	Rank
Arizona	\$5,319	49	\$5,278	25	42	21	41
United States	\$7,376		\$7,376	30		27	
Teacher's Salaries, 2002 American Federation of Teachers Salary Survey					Percent of 18- to 24-year-olds who have a high school credential Measuring Up: 2002		
			(adjusted using cost of living index)				
State	Average Salary	Rank	Average Adj. Salary	Adj. Rank	Percent	Rank	
Arizona	\$38,510	32	\$39,311	41	73%	50	
U.S. Average	\$44,367		\$44,367				

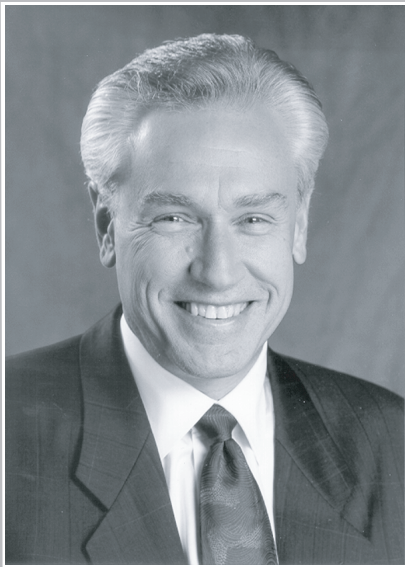
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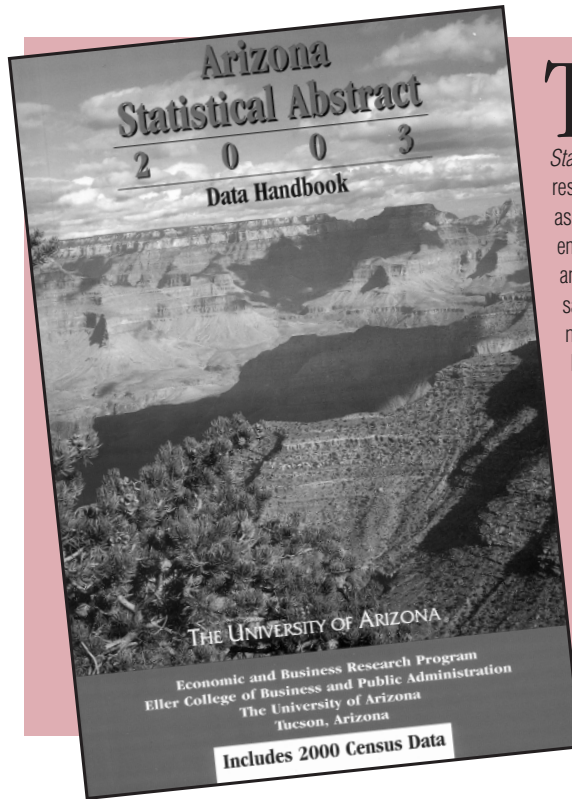
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ARIZONA ECONOMIC INDICATORS

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
APACHE COUNTY							
Civilian Labor Force, ADES							
Employment	21,925	21,150	20,675	20,375	20,575	-4.0	-1.5
Unemployment	18,500	18,425	18,050	17,900	17,925	-2.8	-2.5
Unemployment Rate (%)	3,425	2,725	2,625	2,475	2,650	-10.9	5.1
	15.6	12.9	12.7	12.1	12.9	-7.2	6.7
Employees on Nonagricultural Payrolls, ADES							
Total	18,825	19,000	18,725	18,675	18,750	-1.4	-1.7
<i>Total Private</i>	6,450	6,350	6,125	5,975	5,875	-6.4	-5.8
Goods-Producing	700	675	675	650	600	-17.2	-4.3
Service-Providing	18,125	18,325	18,050	18,025	18,150	-0.8	-1.6
Trade, Transportation, and Utilities	1,550	1,525	1,475	1,525	1,525	-10.3	-11.1
Other Private Service-Providing	4,200	4,150	3,975	3,800	3,750	-2.6	-4.0
<i>Government</i>	12,375	12,650	12,600	12,700	12,875	1.0	0.4
Federal Government	2,825	2,825	2,725	2,750	2,750	-1.8	-1.3
State and Local Government	9,550	9,825	9,875	9,950	10,125	1.8	0.9
Sales (\$000s) ADOR							
Gross Retail	11,641	10,973	10,476	8,895	...	5.0	10.6
Retail	4,692	5,221	5,139	4,407	...	-0.5	0.6
Restaurants & Bars	1,103	959	874	648	...	33.9	2.5
Gasoline, EBR	5,846	4,793	4,463	3,840	3,752	20.7	25.9
Gallons (000s) ADOT	2,728	2,587	2,719	2,455	2,500	4.8	-2.2
Contracting	3,939	7,008	11,237	8,503	...	73.8	18.8
Hotel/Motel	1,549	895	949	490	...	14.2	7.1
New Housing Units Authorized, Census C-40							
Total Units	8	9	9	8	2	0.0	18.3
Single Family Units	8	9	9	8	2	0.0	18.3
NAVAJO COUNTY							
Civilian Labor Force, ADES							
Employment	35,400	34,825	34,375	33,575	33,800	-1.6	-0.8
Unemployment	31,050	31,175	30,950	30,425	30,300	-1.0	-1.1
Unemployment Rate (%)	4,350	3,650	3,425	3,150	3,500	-6.7	1.6
	12.3	10.5	10.0	9.4	10.4	-5.1	2.4
Employees on Nonagricultural Payrolls, ADES							
Total	27,225	27,625	27,675	27,375	27,350	0.5	-0.4
<i>Total Private</i>	17,250	17,125	17,125	16,800	16,775	3.2	1.4
Goods-Producing	3,350	3,275	3,350	3,275	3,250	3.2	-1.7
Natural Resources and Mining	1,000	1,000	1,025	975	975	5.4	0.2
Construction	1,525	1,475	1,525	1,500	1,450	3.6	-3.6
Manufacturing	825	800	800	800	825	0.0	-0.5
Service-Providing	23,875	24,350	24,325	24,100	24,100	0.1	-0.2
Trade, Transportation, and Utilities	5,525	5,500	5,550	5,600	5,550	1.4	4.5
Information	600	600	600	625	625	19.0	9.4
Financial Activities	625	650	625	675	700	12.0	1.3
Professional and Business Services	825	825	825	800	825	0.0	3.5
Educational and Health Services	2,475	2,525	2,600	2,575	2,625	6.1	-1.2
Leisure and Hospitality	3,075	3,000	2,800	2,500	2,450	1.0	0.9
Other Services	775	750	775	750	750	0.0	-3.4
<i>Government</i>	9,975	10,500	10,550	10,575	10,575	-3.6	-3.1
Federal Government	1,525	1,525	1,400	1,375	1,400	-6.7	-9.2
State and Local Government	8,450	8,975	9,150	9,200	9,175	-3.2	-2.1
Sales (\$000s) ADOR							
Gross Retail	74,116	69,065	65,100	64,883	...	4.0	4.3
Retail	54,693	51,795	50,279	48,914	...	-5.2	-1.8
Restaurants & Bars	6,663	7,124	5,733	5,016	...	11.4	5.7
Gasoline, EBR	12,760	10,146	9,088	10,953	8,114	32.5	53.0
Gallons (000s) ADOT	5,956	5,476	5,536	7,003	5,405	15.1	18.4
Contracting	13,880	14,876	15,299	10,781	...	-23.9	8.1
Hotel/Motel	2,749	2,814	2,283	1,866	...	12.0	2.4
New Housing Units Authorized, Census C-40							
Total Units	36	38	42	31	19	58.3	-10.6
Single Family Units	36	38	42	31	19	58.3	-8.5

See sources and abbreviations at the bottom of Page 16.

ARIZONA ECONOMIC INDICATORS

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
GRAHAM COUNTY							
Civilian Labor Force, ADES							
Employment	10,475	10,575	10,600	10,450	10,325	-2.6	-7.8
Unemployment	9,650	9,825	9,925	9,850	9,700	-0.5	-7.0
Unemployment Rate (%)	825	750	675	600	625	-26.5	-16.5
Unemployment Rate (%)	7.9	7.1	6.4	5.7	6.1	-24.5	-9.5
Employees on Nonagricultural Payrolls, ADES							
Total	6,500	6,650	6,700	6,750	6,675	3.1	-5.0
<i>Total Private</i>	4,250	4,225	4,225	4,275	4,200	-1.2	-2.7
Goods-Producing	400	400	400	400	375	-11.8	-7.8
Service-Providing	6,100	6,250	6,300	6,350	6,300	4.1	-4.8
Trade, Transportation, and Utilities	1,500	1,500	1,500	1,525	1,525	1.7	2.0
Other Private Service-Providing	2,350	2,325	2,325	2,350	2,300	-1.1	-4.6
<i>Government</i>	2,250	2,425	2,475	2,475	2,475	11.2	-9.1
Federal Government	375	350	350	325	350	0.0	-2.4
State and Local Government	1,875	2,075	2,125	2,150	2,125	13.3	-10.2
Sales (\$000s) ADOR							
Gross Retail	14,894	13,533	13,813	14,359	...	-0.2	6.3
Retail	11,798	11,018	11,265	11,179	...	-6.2	5.4
Restaurants & Bars	1,425	996	942	1,730	...	46.0	-3.9
Gasoline, EBR	1,671	1,519	1,606	1,450	1,318	1.1	22.7
Gallons (000s) ADOT	780	820	978	927	878	-12.2	-5.2
Contracting	2,455	2,951	3,701	1,576	...	-56.4	-6.2
COCONINO COUNTY							
Civilian Labor Force, ADES							
Employment	68,625	67,350	65,800	64,525	63,850	-2.5	-2.0
Unemployment	64,025	63,350	62,175	60,825	59,700	-2.9	-2.6
Unemployment Rate (%)	4,600	4,000	3,625	3,700	4,150	3.8	8.2
Unemployment Rate (%)	6.7	5.9	5.5	5.7	6.5	6.4	10.2
Employees on Nonagricultural Payrolls, ADES							
Total	58,600	58,975	58,450	57,625	56,775	-1.5	-2.2
<i>Total Private</i>	40,375	39,650	39,500	39,200	38,825	-0.6	0.8
Goods-Producing	5,525	5,525	5,550	5,475	5,450	-0.9	-2.7
Natural Resources and Mining	125	125	125	100	100	-20.0	-4.9
Construction	2,250	2,250	2,300	2,275	2,250	1.1	-13.5
Manufacturing	3,150	3,150	3,125	3,100	3,100	-1.6	6.8
Service-Providing	53,075	53,450	52,900	52,150	51,325	-1.6	-2.2
Trade, Transportation, and Utilities	9,750	9,850	9,850	9,875	9,775	-3.9	1.6
Information	425	425	400	425	375	-11.8	-10.7
Financial Activities	1,400	1,400	1,325	1,375	1,375	-3.5	-4.8
Professional and Business Services	2,750	2,675	2,725	2,725	2,675	0.0	-2.2
Educational and Health Services	6,825	6,875	6,950	7,000	7,100	8.4	4.8
Leisure and Hospitality	11,875	11,075	10,900	10,550	10,325	-2.1	1.2
Other Services	1,825	1,825	1,800	1,775	1,750	-1.4	3.2
<i>Government</i>	18,225	19,325	18,950	18,425	17,950	-3.4	-8.2
Federal Government	3,450	3,450	3,150	2,975	3,050	-7.6	-8.1
State and Local Government	14,775	15,875	15,800	15,450	14,900	-2.5	-8.2
Sales (\$000s) ADOR							
Gross Retail	131,933	111,481	113,181	99,751	...	-1.2	0.5
Retail	84,310	71,512	75,331	70,069	...	-1.1	-0.4
Restaurants & Bars	25,347	23,500	22,396	18,160	...	3.7	3.0
Gasoline, EBR	22,276	16,469	15,454	11,522	11,670	-29.3	-2.5
Gallons (000s) ADOT	10,397	8,889	9,415	7,367	7,774	-38.6	-24.6
Contracting	29,130	33,782	27,401	26,917	...	29.3	9.9
Hotel/Motel	19,371	18,307	16,199	10,091	...	15.7	5.2
New Housing Units Authorized, Census C-40							
Total Units	60	330	72	76	94	51.6	38.6
Single Family Units	60	78	68	76	92	48.4	1.4

See sources and abbreviations at the bottom of Page 16.

ARIZONA ECONOMIC INDICATORS

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
GREENLEE COUNTY							
Civilian Labor Force, ADES							
Employment	3,900	3,800	3,700	3,625	3,600	-7.7	-5.6
Unemployment	3,600	3,525	3,450	3,400	3,375	-5.6	-3.7
Unemployment Rate (%)	300	275	250	225	225	-30.8	-24.3
Unemployment Rate (%)	7.7	7.2	6.8	6.2	6.3	-25.0	-19.8
Employees on Nonagricultural Payrolls, ADES							
Total	3,550	3,550	3,500	3,475	3,425	-4.2	-2.2
<i>Total Private</i>	3,025	3,000	2,950	2,925	2,875	-5.0	-2.6
Goods-Producing	2,375	2,375	2,350	2,325	2,300	-3.2	-2.4
Service-Providing	1,175	1,175	1,150	1,150	1,125	-6.3	-1.9
Trade, Transportation, and Utilities	250	250	250	250	250	-9.1	-4.5
Other Private Service-Providing	400	375	350	350	325	-13.3	-2.2
<i>Government</i>	525	550	550	550	550	0.0	-0.4
Federal Government	50	50	50	50	50	100.0	22.2
State and Local Government	475	500	500	500	500	-4.8	-2.1
Sales (\$000s) ADOR							
Gross Retail	6,074	5,991	6,083	4,847	...	-7.1	28.3
Retail	5,454	5,391	5,467	4,436	...	-7.9	30.3
Restaurants & Bars	199	183	289	135	...	-8.8	-7.2
Gasoline, EBR	421	417	327	276	371	62.7	28.3
Gallons (000s) ADOT	197	225	199	176	247	41.3	-1.5
Contracting	600	707	425	584	...	-77.0	-11.1
Hotel/Motel*	516	313	263	436	...	23.9	-8.0
* Includes Graham County data.							
YAVAPAI COUNTY							
Civilian Labor Force, ADES							
Employment	83,175	82,200	82,025	81,400	80,175	-1.2	1.9
Unemployment	80,450	79,550	79,500	79,050	77,800	-0.6	2.4
Unemployment Rate (%)	2,725	2,650	2,525	2,350	2,375	-16.7	-9.6
Unemployment Rate (%)	3.3	3.2	3.1	2.9	3.0	-15.7	-11.4
Employees on Nonagricultural Payrolls, ADES							
Total	54,275	54,500	54,850	54,800	54,275	0.6	2.4
<i>Total Private</i>	44,225	43,725	43,975	43,925	43,875	1.3	2.8
Goods-Producing	9,875	9,675	9,725	9,625	9,475	-1.6	0.3
Natural Resources and Mining	875	875	900	900	875	-2.8	-3.7
Construction	5,825	5,700	5,750	5,700	5,575	0.9	1.6
Manufacturing	3,175	3,100	3,075	3,025	3,025	-5.5	-1.0
Service-Providing	44,400	44,825	45,125	45,175	44,800	1.1	2.9
Trade, Transportation, and Utilities	10,150	10,175	10,400	10,450	10,550	3.2	2.4
Information	675	675	675	675	675	0.0	3.8
Financial Activities	1,875	1,875	1,850	1,825	1,850	2.8	4.9
Professional and Business Services	4,950	4,750	4,550	4,600	4,650	3.3	8.9
Educational and Health Services	7,675	7,650	7,850	7,850	7,850	4.7	3.0
Leisure and Hospitality	7,450	7,350	7,375	7,350	7,275	-0.3	4.9
Other Services	1,575	1,575	1,550	1,550	1,550	-7.5	-7.9
<i>Government</i>	10,050	10,775	10,875	10,875	10,400	-2.3	0.8
Federal Government	1,300	1,275	1,300	1,275	1,275	0.0	4.8
State and Local Government	8,750	9,500	9,575	9,600	9,125	-2.7	0.3
Sales (\$000s) ADOR							
Gross Retail	136,930	129,612	129,142	128,813	...	14.3	11.1
Retail	101,406	99,497	98,733	96,905	...	8.5	9.7
Restaurants & Bars	17,967	17,209	18,125	21,393	...	45.0	7.0
Gasoline, EBR	17,557	12,906	12,284	10,515	10,414	17.5	35.8
Gallons (000s) ADOT	8,194	6,966	7,483	6,723	6,937	2.1	3.8
Contracting	59,911	43,319	44,964	43,037	...	6.4	14.2
Hotel/Motel	6,745	6,483	7,838	5,557	...	6.8	-0.3
New Housing Units Authorized, Census C-40							
Total Units	219	208	243	208	222	20.0	-5.9
Single Family Units	209	189	226	182	209	16.8	11.4

See sources and abbreviations at the bottom of Page 16.

ARIZONA ECONOMIC INDICATORS

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
GILA COUNTY							
Civilian Labor Force, ADES							
Employment	18,475	18,200	18,050	17,825	17,625	-1.7	-4.5
Unemployment	16,950	16,775	16,725	16,625	16,425	-0.8	-4.5
Unemployment Rate (%)	1,525	1,425	1,325	1,200	1,200	-12.7	-4.7
	8.3	7.8	7.3	6.7	6.8	-11.2	-0.2
Employees on Nonagricultural Payrolls, ADES							
Total	13,375	13,350	13,450	13,450	13,350	0.0	-4.0
<i>Total Private</i>	8,725	8,650	8,850	8,875	8,850	2.3	-4.1
Goods-Producing	1,925	1,900	1,925	1,925	2,050	-3.5	-14.1
Service-Providing	11,450	11,450	11,525	11,525	11,300	0.7	-2.0
Trade, Transportation, and Utilities	2,000	2,000	2,050	2,075	2,075	-1.2	-6.6
Other Private Service-Providing	4,800	4,750	4,875	4,875	4,725	6.8	2.1
<i>Government</i>	4,650	4,700	4,600	4,575	4,500	-4.3	-3.9
Federal Government	525	525	450	400	350	-22.2	-16.5
State and Local Government	4,125	4,175	4,150	4,175	4,150	-2.4	-2.3
Sales (\$000s) ADOR							
Gross Retail	29,569	28,410	27,010	25,993	...	7.1	7.5
Retail	19,373	19,604	18,995	18,567	...	-0.6	2.1
Restaurants & Bars	4,361	3,887	3,826	4,017	...	23.3	4.0
Gasoline, EBR	5,835	4,919	4,189	3,409	3,233	24.9	50.6
Gallons (000s) ADOT	2,723	2,655	2,552	2,180	2,153	8.5	14.4
Contracting	7,370	8,069	8,540	8,931	...	17.7	-1.4
Hotel/Motel	1,055	943	807	707	...	-16.8	-0.4
MOHAVE COUNTY							
Civilian Labor Force, ADES							
Employment	76,925	76,525	76,250	76,025	75,700	2.2	1.5
Unemployment	72,975	72,875	72,700	72,675	72,400	3.0	2.2
Unemployment Rate (%)	3,950	3,650	3,550	3,350	3,300	-13.2	-11.0
	5.1	4.8	4.7	4.4	4.4	-15.0	-12.2
Employees on Nonagricultural Payrolls, ADES							
Total	45,700	45,900	46,200	46,650	46,725	3.9	2.6
<i>Total Private</i>	37,775	37,775	38,175	38,450	38,450	4.1	2.2
Goods-Producing	8,800	9,000	9,250	9,125	9,125	3.4	-0.8
Natural Resources and Mining	75	75	75	75	100	33.3	-14.0
Construction	5,600	5,750	5,950	5,850	5,775	0.9	-1.5
Manufacturing	3,125	3,175	3,225	3,200	3,250	7.4	1.0
Service-Providing	36,900	36,900	36,950	37,525	37,600	4.0	3.5
Trade, Transportation, and Utilities	9,975	10,000	10,050	10,325	10,325	2.0	0.3
Information	900	900	875	900	875	-2.8	0.0
Financial Activities	1,550	1,575	1,575	1,600	1,625	6.6	1.1
Professional and Business Services	3,300	3,250	3,300	3,425	3,400	7.1	5.6
Educational and Health Services	5,775	5,725	5,725	5,700	5,750	3.1	5.2
Leisure and Hospitality	5,300	5,175	5,175	5,175	5,125	9.6	5.5
Other Services	2,175	2,150	2,225	2,200	2,225	3.5	5.2
<i>Government</i>	7,925	8,125	8,025	8,200	8,275	3.1	4.6
Federal Government	475	500	475	475	500	0.0	-4.1
State and Local Government	7,450	7,625	7,550	7,725	7,775	3.3	5.2
Sales (\$000s) ADOR							
Gross Retail	127,554	122,771	117,710	120,837	...	12.2	9.3
Retail	91,528	93,980	90,222	96,488	...	14.7	7.2
Restaurants & Bars	13,841	13,485	12,686	12,735	...	-3.6	4.5
Gasoline, EBR	22,185	15,306	14,802	11,614	12,843	10.2	27.6
Gallons (000s) ADOT	10,355	8,262	9,018	7,426	8,555	-4.3	-1.8
Contracting	34,224	33,444	33,720	31,198	...	20.4	3.2
Hotel/Motel	4,171	3,209	3,166	2,177	...	5.9	5.9
New Housing Units Authorized, Census C-40							
Total Units	276	291	327	231	273	-0.7	24.5
Single Family Units	250	253	291	197	228	7.0	19.3

See sources and abbreviations at the bottom of Page 16.

ARIZONA ECONOMIC INDICATORS

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
LA PAZ COUNTY							
Civilian Labor Force, ADES							
Employment	6,950	6,800	6,725	6,625	6,675	-7.3	-3.6
Unemployment	6,450	6,350	6,325	6,275	6,275	-7.0	-4.5
Unemployment Rate (%)	500	450	400	350	400	-11.1	11.7
Unemployment Rate (%)	7.2	6.6	5.9	5.3	6.0	-4.1	15.8
Employees on Nonagricultural Payrolls, ADES							
Total	4,950	4,825	4,750	4,775	4,825	-3.5	-1.2
<i>Total Private</i>	2,475	2,375	2,350	2,350	2,350	-10.5	-6.6
Goods-Producing	275	225	225	200	200	-42.9	-19.6
Service-Providing	4,675	4,600	4,525	4,575	4,625	-0.5	0.2
Trade, Transportation, and Utilities	1,200	1,175	1,150	1,150	1,150	-9.8	-4.3
Other Private Service-Providing	1,000	975	975	1,000	1,000	0.0	-5.2
<i>Government</i>	2,475	2,450	2,400	2,425	2,475	4.2	5.1
Federal Government	175	175	150	150	175	0.0	8.1
State and Local Government	2,300	2,275	2,250	2,275	2,300	4.5	4.9
Sales (\$000s) ADOR							
Gross Retail	14,796	11,679	12,178	13,231	...	25.1	10.8
Retail	7,496	6,257	6,983	7,301	...	14.0	1.8
Restaurants & Bars	1,673	1,636	1,436	2,299	...	42.8	6.6
Gasoline, EBR	5,627	3,786	3,759	3,631	3,922	21.0	34.9
Gallons (000s) ADOT	2,627	2,044	2,290	2,322	2,612	5.1	3.0
Contracting	1,321	1,712	2,371	1,198	...	-19.0	-19.4
Hotel/Motel	526	452	439	321	...	-8.5	-2.5
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES							
Employment	79,175	75,050	71,400	69,475	68,900	-4.3	-1.6
Unemployment	52,400	52,925	54,550	55,650	57,400	-3.0	-2.1
Unemployment Rate (%)	26,775	22,125	16,850	13,825	11,500	-10.3	0.2
Unemployment Rate (%)	33.8	29.5	23.6	19.9	16.7	-6.3	2.6
Employees on Nonagricultural Payrolls, ADES							
Total	41,450	41,750	43,025	44,700	46,350	0.0	0.9
<i>Total Private</i>	28,825	28,950	29,975	31,475	33,125	0.6	0.5
Goods-Producing	5,475	5,450	5,600	6,050	6,500	11.6	4.2
Natural Resources and Mining	25	25	25	25	25	0.0	0.0
Construction	3,850	3,825	3,850	4,000	4,000	9.6	9.7
Manufacturing	1,600	1,600	1,725	2,025	2,475	15.1	-5.1
Service-Providing	35,975	36,300	37,425	38,650	39,850	-1.7	0.4
Trade, Transportation, and Utilities	7,425	7,575	7,775	8,525	9,350	-9.2	-5.2
Information	1,100	1,075	1,175	1,200	1,225	25.6	15.6
Financial Activities	1,350	1,350	1,425	1,475	1,450	1.8	6.7
Professional and Business Services	2,625	2,650	2,900	2,875	3,025	12.0	1.3
Educational and Health Services	5,375	5,425	5,525	5,625	5,700	2.7	5.5
Leisure and Hospitality	4,075	4,025	4,150	4,250	4,350	-6.5	-3.6
Other Services	1,400	1,400	1,425	1,475	1,525	1.7	-1.3
<i>Government</i>	12,625	12,800	13,050	13,225	13,225	-1.5	2.0
Federal Government	2,675	2,675	2,650	2,675	2,725	-0.9	-0.2
State and Local Government	9,950	10,125	10,400	10,550	10,500	-1.6	2.6
Sales (\$000s) ADOR							
Gross Retail	97,293	94,029	104,913	113,573	...	7.9	9.9
Retail	71,974	72,233	82,364	89,305	...	6.8	8.2
Restaurants & Bars	9,919	9,283	10,242	11,705	...	13.3	6.8
Gasoline, EBR	15,400	12,513	12,307	12,563	13,062	10.4	23.7
Gallons (000s) ADOT	7,188	6,754	7,498	8,033	8,701	-4.1	-5.1
Contracting	23,191	25,510	23,035	26,918	...	45.8	19.8
Hotel/Motel	2,309	2,594	2,635	2,623	...	5.4	15.7
New Housing Units Authorized, Census C-40							
Total Units	192	140	162	148	106	-43.6	12.5
Single Family Units	192	140	162	148	106	1.9	23.3

See sources and abbreviations at the bottom of Page 16.

A R I Z O N A E C O N O M I C I N D I C A T O R S

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
SANTA CRUZ COUNTY							
Civilian Labor Force, ADES							
Employment	15,175	14,975	14,775	14,475	14,550	0.7	-0.0
Unemployment	12,525	12,300	12,400	12,775	13,100	2.5	1.6
Unemployment Rate (%)	2,650	2,675	2,375	1,700	1,450	-13.4	-9.9
	17.5	17.9	16.1	11.7	10.0	-14.0	-9.3
Employees on Nonagricultural Payrolls, ADES							
Total	12,075	11,950	12,100	12,625	13,000	4.6	3.0
<i>Total Private</i>	8,875	8,800	8,925	9,450	9,775	5.7	4.8
Goods-Producing	1,325	1,325	1,300	1,300	1,275	-1.9	0.0
Service-Providing	10,750	10,625	10,800	11,325	11,725	5.4	3.4
Trade, Transportation, and Utilities	4,825	4,750	4,900	5,375	5,750	12.2	10.4
Other Private Service-Providing	2,725	2,725	2,725	2,775	2,750	-2.7	-2.1
<i>Government</i>	3,200	3,150	3,175	3,175	3,225	1.6	-2.1
Federal Government	1,125	1,125	1,125	1,125	1,150	2.2	-1.1
State and Local Government	2,075	2,025	2,050	2,050	2,075	1.2	-2.6
Sales (\$000s) ADOR							
Gross Retail	30,529	26,811	29,232	35,215	...	15.8	9.8
Retail	22,504	20,286	21,927	28,391	...	13.8	5.4
Restaurants & Bars	3,035	2,084	3,088	2,647	...	1.3	5.2
Gasoline, EBR	4,990	4,441	4,217	4,177	4,549	52.7	54.1
Gallons (000s) ADOT	2,329	2,397	2,569	2,671	3,030	32.6	18.2
Contracting	4,892	6,502	6,524	6,285	...	79.2	37.3
Hotel/Motel	672	637	900	620	...	-19.4	3.1
New Housing Units Authorized, Census C-40							
Total Units	31	50	44	47	46	109.1	15.8
Single Family Units	31	48	34	47	44	100.0	33.2
COCHISE COUNTY							
Civilian Labor Force, ADES							
Employment	46,100	45,650	45,725	45,275	45,075	-3.4	0.0
Unemployment	43,600	43,425	43,800	43,425	43,225	-2.3	0.3
Unemployment Rate (%)	2,500	2,225	1,925	1,850	1,850	-22.9	-4.7
	5.4	4.9	4.2	4.1	4.1	-20.2	-4.9
Employees on Nonagricultural Payrolls, ADES							
Total	33,725	33,975	34,425	34,300	34,350	-0.4	1.3
<i>Total Private</i>	22,625	22,400	22,750	22,600	22,625	-0.7	1.4
Goods-Producing	3,100	3,075	3,125	3,000	2,950	-5.6	0.3
Natural Resources and Mining	50	50	50	50	50	100.0	58.3
Construction	2,025	2,000	2,075	2,000	2,050	-4.7	-5.4
Manufacturing	1,025	1,025	1,000	950	850	-10.5	13.6
Service-Providing	30,625	30,900	31,300	31,300	31,400	0.1	1.4
Trade, Transportation, and Utilities	5,950	5,975	6,050	6,175	6,175	-0.8	0.3
Information	500	500	500	475	475	0.0	2.6
Financial Activities	875	875	875	875	900	5.9	2.0
Professional and Business Services	3,400	3,375	3,400	3,350	3,375	-2.2	-0.8
Educational and Health Services	3,650	3,600	3,675	3,650	3,675	3.5	1.8
Leisure and Hospitality	4,025	3,850	3,950	3,900	3,900	-3.1	5.4
Other Services	1,125	1,150	1,175	1,175	1,175	9.3	2.1
<i>Government</i>	11,100	11,575	11,675	11,700	11,725	0.0	0.9
Federal Government	4,650	4,675	4,675	4,675	4,725	3.3	2.8
State and Local Government	6,450	6,900	7,000	7,025	7,000	-2.1	-0.3
Sales (\$000) ADOR							
Gross Retail	72,985	68,704	68,340	70,612	...	10.9	7.7
Retail	57,463	53,194	52,973	55,811	...	11.2	9.8
Restaurants & Bars	7,937	7,717	7,845	7,809	...	7.1	-3.0
Gasoline, EBR	7,585	7,793	7,522	6,992	7,490	10.3	3.7
Gallons (000s) ADOT	3,540	4,207	4,582	4,470	4,990	-4.2	-19.9
Contracting	17,512	18,255	21,735	16,597	...	23.1	30.8
Hotel/Motel	2,030	1,916	2,103	2,150	...	15.2	2.2
New Housing Units Authorized, Census C-40							
Total Units	62	66	78	53	53	29.3	10.7
Single Family Units	62	66	78	53	53	29.3	11.2

See sources and abbreviations at the bottom of Page 16.

ARIZONA ECONOMIC INDICATORS

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent:	
						month	12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES							
Employment	427.7	428.5	430.1	429.8	429.4	4.3	5.9
Unemployment	407.7	410.0	413.4	414.4	414.2	5.1	6.2
Unemployment Rate, Seas. Adj. (%)	20.0	18.5	16.7	15.4	15.2	-13.6	-0.0
	4.6	4.2	3.9	3.6	3.5	-16.7	-6.1
Employees on Nonagricultural Payrolls (000s) ADES							
Total	343.3	350.7	356.0	358.2	359.8	2.0	1.0
Natural Resources and Mining	1.4	1.4	1.4	1.4	1.4	0.0	-9.7
Construction	23.5	23.9	24.0	24.2	24.0	4.8	5.4
Manufacturing	29.1	29.1	29.0	29.0	29.1	-1.4	-4.4
Computer and Electronic Prod.	5.6	5.7	5.6	5.7	5.7	1.8	-1.7
Aerospace Products and Parts	11.8	11.9	11.8	11.8	11.7	-4.1	-6.5
Wholesale Trade	7.2	7.2	7.3	7.3	7.3	1.4	-1.0
Retail Trade	40.2	40.0	40.8	42.4	43.0	0.2	2.3
Transp., Warehousing, and Utilities	7.7	7.7	7.7	7.8	7.8	0.0	1.2
Information	7.2	7.2	7.3	7.3	7.3	-5.2	-6.1
Financial Activities	14.8	15.0	15.3	15.3	15.5	9.9	4.6
Professional and Business Services	40.8	41.5	42.0	41.9	41.9	2.4	-1.2
Educational and Health Services	46.1	46.5	46.7	46.9	47.0	5.1	4.3
Arts, Entertainment, and Recreation	5.0	5.3	5.5	5.5	5.5	1.9	-0.6
Accommodation	7.3	7.3	7.6	7.6	7.7	1.3	-3.3
Food Svcs and Drinking Places	24.7	25.1	25.6	25.8	26.0	5.3	2.4
Other Services	15.0	15.1	15.0	15.0	15.0	2.0	2.7
Federal Government	9.6	9.5	9.8	9.7	9.8	2.1	3.3
State and Local Government	63.7	68.9	71.0	71.1	71.5	-0.4	0.2
State and Local Government Education	40.1	45.7	47.9	48.1	48.2	0.4	1.2
Sales (\$000s) ADOR							
Aggregate Retail Sales	785,064	734,139	748,057	764,068	...	6.9	5.0
Retail	532,926	488,241	500,651	529,614	...	8.8	3.4
Food, EBR	98,318	101,872	106,291	108,159	...	12.0	8.5
Restaurants & Bars	81,868	83,593	85,502	87,761	...	2.8	0.5
Gasoline, EBR	71,952	60,432	55,613	38,533	50,240	5.9	23.4
Contracting	152,708	141,121	141,745	140,952	...	6.5	8.3
Hotel/Motel	15,321	16,373	21,885	22,347	...	7.8	2.7
New Housing Units Authorized, Census C-40 adjusted by EBR							
Total Units	815	704	820	806	694	34.5	3.8
Single Family Units	800	690	795	729	656	32.0	18.1
2-5-plus Unit Structures	15	14	25	78	38	100.5	-65.4
Housing Sales and Prices, TAR							
Total Sales (\$000s)	229,975	224,634	218,531	166,475	189,934	1.5	16.4
Total Units	1,287	1,193	1,173	965	1,081	5.8	10.5
Average Price (\$)	178,691	188,293	186,301	172,513	175,702	-4.0	4.9
Tucson International Airport, TAA							
Total Passengers	265,330	246,490	288,878	288,367	308,589	-3.0	0.0
Total Aircraft Movements	17,473	18,847	20,106	18,220	18,187	-21.0	-9.5
TUCSON METROPOLITAN REGION (PIMA) - QUARTERLY DATA							
	IV 2002	I 2003	II 2003	III 2003	IV 2003	% change versus year ago for most recent:	
						quarter	4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	897.8	902.8	908.3	914.0	919.9	2.5	2.3
Natural Increase	1.2	1.2	1.3	1.3	1.3	7.8	10.0
Births	3.1	3.1	3.1	3.2	3.2	2.6	2.7
Deaths	1.9	1.9	1.9	1.9	1.9	-0.6	-1.7
Net Migration	3.5	3.9	4.2	4.5	4.6	31.9	13.0
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	22,450	22,696	22,930	23,164	23,398	4.2	4.2
Earnings by Place of Work	13,751	13,898	14,029	14,160	14,292	3.9	3.9
Less: Contributions for Social Insurance	842	853	863	873	883	4.9	4.8
Plus: Adjustment for Residence	112	114	115	116	118	5.2	4.8
Plus: Dividends, Interest & Rents	5,383	5,415	5,446	5,476	5,507	2.3	2.3
Plus: Transfer Payments	4,046	4,122	4,203	4,284	4,364	7.9	8.2
Per Capita Personal Income (\$, SAAR) EBR							
	25,007	25,138	25,246	25,344	25,436	1.7	1.9

See sources and abbreviations at the bottom of Page 16.

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES							
Employment	1,803.4	1,791.3	1,787.5	1,789.3	1,789.0	-0.5	-0.2
Unemployment	1,704.6	1,699.2	1,706.6	1,715.9	1,715.7	0.8	0.5
Unemployment Rate, Seas. Adj. (%)	98.8	92.1	80.9	73.4	73.3	-23.2	-12.1
Unemployment Rate, Seas. Adj. (%)	5.4	4.9	4.4	4.1	4.2	-22.2	-11.6
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,595.1	1,613.7	1,630.7	1,646.4	1,653.3	2.5	1.1
Natural Resources and Mining	2.3	2.3	2.4	2.4	2.4	4.3	-1.4
Construction	130.2	131.2	132.5	133.8	132.7	5.3	2.7
Durable Goods	103.0	102.5	102.1	102.2	102.2	-4.0	-6.8
Fabricated Metal Products	12.5	12.4	12.4	12.4	12.4	-4.6	-5.3
Computer and Electronic Prod.	38.3	37.9	37.7	37.8	37.7	-6.9	-9.9
Aerospace Products and Parts	15.3	15.4	15.4	15.4	15.4	0.0	-0.4
Non-Durable Goods	27.0	27.0	27.0	27.1	26.9	-3.2	-2.1
Wholesale Trade	76.4	76.3	76.4	76.6	76.6	-0.6	-1.2
Retail Trade	188.5	189.3	192.2	200.0	204.1	2.3	1.5
Utilities	7.4	7.5	7.5	7.5	7.5	-1.3	-4.2
Transportation and Warehousing	52.7	52.7	53.8	53.7	53.7	1.9	3.1
Information	35.8	35.8	35.9	36.0	36.2	-3.2	-6.7
Finance and Insurance	95.8	95.4	95.4	96.0	96.5	1.0	-0.8
Real Estate, Rental, and Leasing	34.6	34.7	34.9	35.1	35.6	3.5	2.7
Professional and Business Services	258.8	261.5	263.6	262.7	263.8	4.5	1.8
Educational Services	25.0	24.7	25.4	25.8	25.4	10.9	9.9
Health Care and Social Assistance	139.9	140.0	140.6	141.7	141.9	5.2	5.9
Arts, Entertainment, and Recreation	19.6	19.8	20.2	21.0	20.9	0.0	3.0
Accommodation	24.3	25.3	25.5	26.1	26.6	3.9	1.8
Food Svcs and Drinking Places	106.2	106.5	108.4	110.8	111.2	2.7	1.6
Other Services	63.4	63.6	63.7	63.8	64.0	4.7	3.5
Federal Government	21.7	21.8	21.9	21.9	22.6	0.0	4.7
State and Local Government	182.5	195.8	201.3	202.2	202.5	2.3	0.9
State and Local Government Education	88.2	101.8	106.2	107.7	107.7	4.4	3.3
Sales (\$000s) ADOR							
Aggregate Retail Sales	3,371,455	3,320,211	3,320,742	3,455,882	...	8.5	7.6
Retail	2,311,316	2,265,143	2,249,591	2,387,525	...	7.0	5.0
Food, EBR	419,515	434,682	453,536	461,508	...	15.6	11.9
Restaurants & Bars	357,262	387,237	392,370	417,609	...	10.9	6.5
Gasoline, EBR	283,362	233,149	225,245	189,240	205,314	16.1	32.8
Contracting	717,226	774,597	797,442	689,122	...	4.7	3.3
Hotel/Motel	49,042	59,230	86,674	104,368	...	25.5	9.9
New Housing Units Authorized, Census C-40							
Total Units	4,437	4,778	5,142	3,779	5,313	36.3	12.5
Single Family Units	4,160	4,236	3,911	2,927	4,441	65.2	14.8
2-4 Unit Structures	56	36	294	49	44	10.0	46.2
5-plus Unit Structures	221	506	937	803	828	-29.1	-4.8
Housing Sales and Prices, ARMLS							
Total Sales (\$000s)	1,493,575	1,297,492	1,833,100	1,086,033	1,277,588	22.2	31.8
Total Units	7,360	6,549	6,216	5,412	6,023	8.3	17.6
Average Price (\$)	202,931	198,121	294,900	200,671	212,118	12.9	12.3
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	3,255,811	2,758,216	3,147,895	2,979,452	...	3.5	6.8
Total Aircraft Movements	45,812	43,671	46,617	43,681	...	-3.8	0.3

See sources and abbreviations below.

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
 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
 NPS: National Park Service, U.S. Department of the Interior

PSIA: Phoenix Skyharbor International Airport
 SAAR: Seasonally adjusted at annual rates
 TAA: Tucson Airport Authority
 TAR: Tucson Association of Realtors
 U.S. Bankruptcy Court, District of Arizona
 USBCBP: U.S. Bureau of Customs and Border Protection, U.S. Department of Homeland Security

ARIZONA ECONOMIC INDICATORS

	IV 2002	I 2003	II 2003	III 2003	IV 2003	% change versus year ago for most recent: quarter 4-quarters	
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL) - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	3,529.7	3,557.9	3,587.5	3,618.3	3,649.9	3.4	3.3
Natural Increase	8.2	8.0	8.0	8.0	8.0	-1.8	-3.4
Births	14.6	14.5	14.5	14.6	14.6	0.7	-0.2
Deaths	6.4	6.4	6.5	6.6	6.6	3.9	4.0
Net Migration	18.6	20.2	21.5	22.9	23.5	26.6	14.6
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	101,143	102,520	103,831	105,142	106,453	5.2	5.3
Earnings by Place of Work	74,898	75,912	76,843	77,774	78,704	5.1	5.1
Less: Contributions for Social Insurance	4,758	4,828	4,893	4,958	5,023	5.6	5.6
Plus: Adjustment for Residence	-53	-53	-52	-52	-51	4.8	4.8
Plus: Dividends, Interest & Rents	18,050	18,194	18,339	18,483	18,628	3.2	3.2
Plus: Transfer Payments	13,006	13,294	13,594	13,895	14,195	9.1	9.6
Per Capita Personal Income (\$, SAAR) EBR	28,655	28,815	28,943	29,058	29,166	1.8	1.9

ARIZONA QUARTERLY DATA

Demographics & Vital Statistics (000s, seas adj) ADHS & EBR

Population	5,531.7	5,571.0	5,610.2	5,649.4	5,688.7	2.8	2.9
Natural Increase	11.8	12.1	12.4	12.0	11.9	0.7	7.2
Births	21.9	21.9	22.2	22.2	22.3	1.8	1.7
Deaths	10.1	9.9	9.8	10.1	10.4	3.0	-4.2
Net Migration	27.4	27.2	26.8	27.1	27.5	0.3	-1.0

Personal Income Derivation (\$mil, SAAR) EBR

Total Personal Income	144,821	147,312	149,053	151,562	154,162	6.4	5.6
Earnings by Place of Work	101,443	103,448	104,685	106,510	108,218	6.7	5.9
Less: Contributions for Social Insurance	6,378	6,567	6,652	6,778	6,902	8.2	7.4
Plus: Adjustment for Residence	608	616	622	630	637	4.8	4.2
Plus: Dividends, Interest & Rents	27,134	27,312	27,354	27,717	28,383	4.6	2.3
Plus: Transfer Payments	22,017	22,504	23,048	23,486	23,827	8.2	8.9

Components of Earnings (\$mil, SAAR) BEA

Wages and Salaries	81,124	82,612	83,448	84,624	85,970	6.0	5.0
Other Labor Income EBR	9,538	9,774	9,869	10,051	10,097	5.9	8.4
Proprietor's Income	10,964	11,130	11,309	11,845	...	11.7	8.5
Farm	607	665	568	733	...	64.3	22.2
Nonfarm	10,357	10,465	10,742	11,112	...	9.3	7.7

Per Capita Personal Income (\$, SAAR) EBR

Average Wage Per Employee, Annual Rate (\$) EBR	26,180	26,443	26,568	26,828	27,100	3.5	2.7
	35,175	35,212	35,894	36,092	...	3.5	2.8

TRAVEL AND TOURISM - MONTHLY DATA

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
Visits to Parks & Other Recreational Areas, NPS & ASPB							
Northern Arizona	2,237,591	1,663,612	1,454,489	1,450,472	1,371,444	81.5	8.0
Historical	146,089	136,468	140,411	133,514	121,425	70.2	6.2
Scenic	752,325	534,291	495,491	418,565	388,087	65.8	7.7
Water Based Recreation	1,339,177	992,853	818,587	898,393	861,932	91.4	8.4
Southern Arizona	154,796	126,598	184,021	444,950	520,515	143.1	16.1
Historical	20,819	20,051	30,129	58,271	77,131	98.9	10.4
Scenic	97,192	81,099	125,196	241,177	286,729	73.7	8.5
Water Based Recreation	36,785	25,448	28,696	145,502	156,655	1,421.5	57.5
International Border Crossings, USBCBP							
U.S. Citizens	729,747	698,074	734,593	748,329	694,438	-41.8	-14.4
Aliens	2,022,406	1,923,143	2,027,650	2,173,925	1,981,063	-6.8	-9.1

MEASURES OF INFLATION AND PRICES - MONTHLY DATA

Consumer Price Index (1982-1984=100) BLS

U.S. - All Urban	184.6	185.2	185.0	184.5	184.3	1.9	2.3
U.S. - Wage Earners	180.3	181.0	180.7	180.2	179.9	1.6	2.2

See sources and abbreviations at the bottom of Page 16.

A R I Z O N A E C O N O M I C I N D I C A T O R S

	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	% change versus year ago for most recent: month 12-months	
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES							
Employment	2,697.5	2,676.8	2,667.6	2,662.7	2,659.3	-0.8	-0.2
Unemployment	2,524.6	2,519.6	2,530.6	2,539.2	2,537.5	0.4	0.4
Unemployment Rate, Seas. Adj. (%)	172.9	157.2	137.0	123.5	121.8	-20.1	-9.4
	6.0	5.6	5.0	4.8	4.8	-18.6	-9.3
Employees on Nonagricultural Payrolls (000s) ADES							
Total	2,264.5	2,293.2	2,317.0	2,336.6	2,345.5	2.0	1.0
Natural Resources and Mining	8.6	8.5	8.5	8.5	8.5	-1.2	-4.3
Construction	179.3	180.7	182.4	183.9	182.6	4.8	3.2
Durable Goods Manufacturing	139.8	139.3	138.9	139.0	139.2	-2.6	-5.5
Fabricated Metal Products	16.8	16.7	16.7	16.6	16.7	-2.3	-2.8
Computer and Electronic Prod.	44.7	44.3	44.1	44.2	44.2	-5.8	-8.5
Aerospace Products and Parts	27.3	27.4	27.4	27.4	27.3	-1.4	-4.2
Non-Durable Goods Manufacturing	35.4	35.4	35.2	35.4	35.5	-2.2	-0.9
Wholesale Trade	92.2	92.3	92.7	93.4	94.3	-0.1	-0.7
Retail Trade	273.1	274.1	278.4	289.4	294.5	2.0	1.8
Utilities	10.9	10.9	10.9	11.0	10.9	0.0	-2.7
Transportation and Warehousing	66.3	66.2	67.5	67.5	67.7	2.1	2.8
Information	48.3	48.2	48.3	48.5	48.9	-2.2	-5.3
Finance and Insurance	109.1	108.6	108.7	109.4	110.2	1.6	-0.7
Real Estate, Rental, and Leasing	44.8	45.0	45.1	45.4	45.9	3.1	1.7
Professional and Business Services	319.6	322.8	325.3	324.5	325.2	3.6	1.1
Educational Services	34.7	34.5	35.6	35.9	35.2	5.7	6.9
Health Care and Social Assistance	214.6	214.9	216.3	217.5	218.1	5.0	5.6
Arts, Entertainment, and Recreation	28.6	28.9	29.6	29.9	29.8	0.0	1.6
Accommodation	41.4	41.9	42.3	42.9	43.2	3.1	-0.2
Food Svcs and Drinking Places	156.2	156.9	159.3	161.8	162.2	2.5	1.4
Other Services	88.5	88.7	88.8	89.0	89.3	4.3	2.5
Federal Government	51.1	51.2	50.9	50.6	52.0	0.8	2.8
State and Local Government	322.0	344.2	352.3	353.1	352.3	0.4	0.1
State and Local Government Education	162.9	186.1	193.5	195.0	194.0	1.4	1.5
Hours Worked Per Week, Manufacturing, ADES	40.1	40.0	40.1	40.8	41.1	3.0	0.6
Average Hourly Earnings (\$) ADES							
Construction	15.36	15.36	15.26	15.26	15.53	4.8	5.4
Manufacturing	14.54	14.44	14.42	14.51	14.60	0.7	1.7
Trade, Transportation, Utilities	13.45	13.64	13.60	13.93	14.08	7.6	3.2
Retail Trade	11.43	11.57	11.48	11.71	12.06	8.5	2.7
Wholesale Trade	17.19	17.32	17.63	18.11	17.89	8.4	7.1
Sales (\$000s) ADOR							
Aggregate Retail Sales	5,015,818	4,862,407	4,885,964	5,043,053	...	7.5	6.5
Retail	3,376,933	3,263,372	3,269,920	3,448,912	...	7.1	4.8
Food, EBR	628,819	651,553	679,814	691,763	...	8.0	5.3
Restaurants & Bars	532,600	558,893	565,354	593,664	...	10.1	5.2
Gasoline, EBR	477,466	388,589	370,876	308,714	336,292	12.3	29.1
Gallons (000s) ADOT	222,855	209,753	225,937	197,387	224,016	-2.4	-0.8
Utilities	675,183	674,521	569,056	428,186	...	4.7	2.8
Communications	232,543	224,631	229,856	230,888	...	-7.0	-1.7
Amusements	49,235	45,401	66,464	76,552	...	11.8	0.7
Rentals - Personal Property	227,868	260,303	271,289	258,508	...	-4.6	-6.7
Contracting	1,068,359	1,111,853	1,138,139	1,012,599	...	6.9	5.4
Mining - Metal, Oil & Gas	34,345	36,532	39,652	35,961	...	-38.0	29.2
Hotel/Motel	106,056	114,166	146,142	153,754	...	19.5	4.3
New Housing Units Authorized, Census C-40							
Total Units	5,994	6,497	6,797	5,241	6,706	31.9	12.2
Single Family Units	5,669	5,633	5,479	4,267	5,742	54.3	15.5
2-4 Unit Structures	99	96	366	84	116	41.5	28.7
5-plus Unit Structures	226	768	952	890	848	-33.9	-12.9
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	2,667	2,580	2,773	2,206	2,252	0.8	7.4
Chapter 7	2,180	2,042	2,257	1,745	1,780	2.9	8.4
Chapter 11	19	28	17	16	22	57.1	-2.3
Chapter 13	467	510	499	445	450	-8.2	3.8

See sources and abbreviations at the bottom of Page 16.

	IV 2002	I 2003	II 2003	III 2003	IV 2003	% change versus year ago for most recent: quarter 4-quarters	
MEASURES OF INFLATION AND PRICES - QUARTERLY DATA							
Consumer Price Index (1982-84=100) BLS							
Western Region (U.S.)	185.7	188.0	188.5	189.1	188.7	1.6	2.1
U.S. - All Urban Consumers	181.2	183.0	183.7	184.6	184.6	1.9	2.3
U.S. - Urban Wage Earners	177.2	179.1	179.6	180.3	180.3	1.7	2.2
Price Indexes (1996=100) BEA							
Gross Domestic Product	111.3	111.9	112.2	112.6	113.1	1.7	1.6
Personal Consumption Expenditures	111.9	112.6	112.8	113.5	114.0	1.9	2.0

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