

2006-2007 Outlook: Continued (and More Balanced) Growth Ahead

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December 1, 2005

Resilient. That's the best description for the U.S. economy. Neither price shocks nor supply disruptions nor natural disasters has derailed (or even slowed much) this expansion. Boom best describes the Arizona economy. Swelling population continues to be the engine of growth, boosted by turbo-charged real estate. The pace should slow a bit in 2006, but the economy will continue to expand above trend. A better balance across industries also should emerge – a stronger industrial sector and less reliance on growth itself.

Preliminary estimates show that the nation's economy grew by 3.5% in 2005, despite a series of devastating hurricanes, gasoline prices soaring to over \$3.00 per gallon, supply disruptions and much higher prices in many commodity markets, and rising interest rates. Perhaps we shouldn't be surprised, as the U.S. economy has shrugged off a number of shocks over the past several years, and each time, the economy took the blow and bounced back.

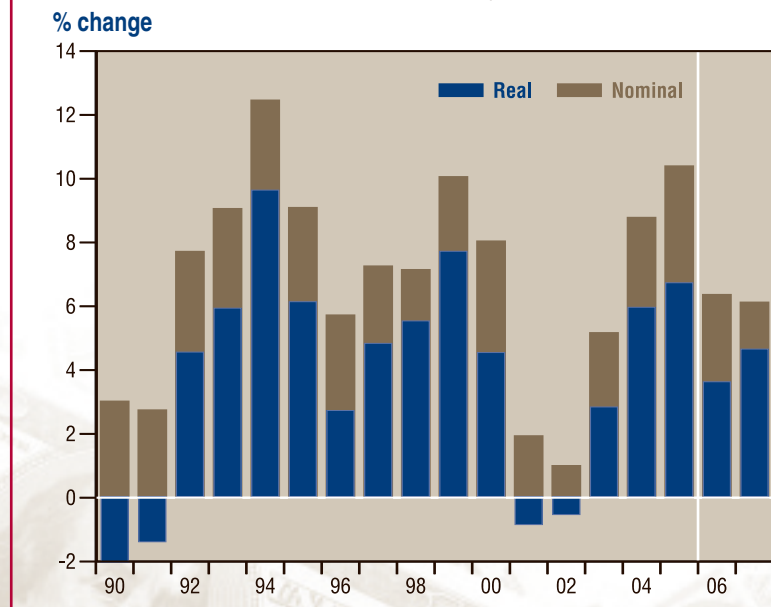
The recent hurricanes, although devastating to some cities, subtracted only a few tenths of a percentage point from nationwide GDP growth in the last two quarters. As reconstruction begins in the first half of 2006, GDP growth will receive a few tenths boost.

Global Insight, a worldwide leader in economic forecasting, predicts that the U.S. economy will expand by 3.4% in 2006 and 3.1% the following year. That's not bad for the fifth and sixth years of an expansion, and represents what economists believe to be "trend" growth. Gasoline prices already have retreated to less than \$2.50 per gallon and should end the year near \$2.25. That will help households pay for much higher home heating bills this winter (natural gas prices will be roughly 50% higher than a year ago).

A slowdown in consumer spending will be offset by increased business spending. Corporations have an abundance of cash, and as available capacity continues to get used up in many industries, businesses will boost spending for both equipment and new plant capacity.

Reconstruction related to the hurricanes, financed by the federal government and private insurance, also will help make up for the smaller contribution from consumers. Nevertheless, the housing market will cool in the face of reduced affordability, higher interest rates, and less investor interest in real estate.

EXHIBIT 1
Slower Spending Lies Ahead
Retail Sales Growth, AZ



Consumer inflation is running near the higher end of the Fed's comfort zone, and that means additional increases in short term interest rates – to 4.75% in March, followed by a period of stability. That will bring interest rates near the level considered to be "neutral," i.e., neither accommodative nor restrictive. Higher energy costs have boosted year-on-year "top-line" consumer inflation into the 4-5% range, but that measure will improve dramatically as gasoline prices fall. Excluding energy and food, inflation is running right at 2.2% – exceeding the high end of the Fed's 1.5-2.0% desired range. If energy prices bleed into core inflation more than what we've seen so far, the Fed will boost the Fed Funds rates, perhaps to 6% or above.

Deteriorating Consumer Fundamentals

Consumer spending remained remarkably strong in recent months, but an erosion of consumer fundamentals argues for a moderation – or maybe even a pull-back going forward.

High energy prices for gasoline and natural gas have left household budgets with less discretionary money after paying for transportation and utilities. Nationwide, consumer spending on energy is nearly 25% higher than a year earlier.

Households extracted some \$600 billion in capital gains from their homes in 2004 to support spending. As interest rates rise and the housing boom comes to an end, it will become much more difficult to tap the equity in homes.

In recent months, aggregate household savings has turned negative. Moreover, household debt stands at an all-time record high 124% of household after-tax income. Consumers soon will curtail spending and pay down their debt.

As interest rates move higher, debt service on adjustable debt will rise, pinching household budgets.

New bankruptcy laws now require households to pass an income test before filing for Chapter 7 liquidation, which essentially discharges debt. Failing the test forces them into Chapter 13, which requires them to repay the debt.

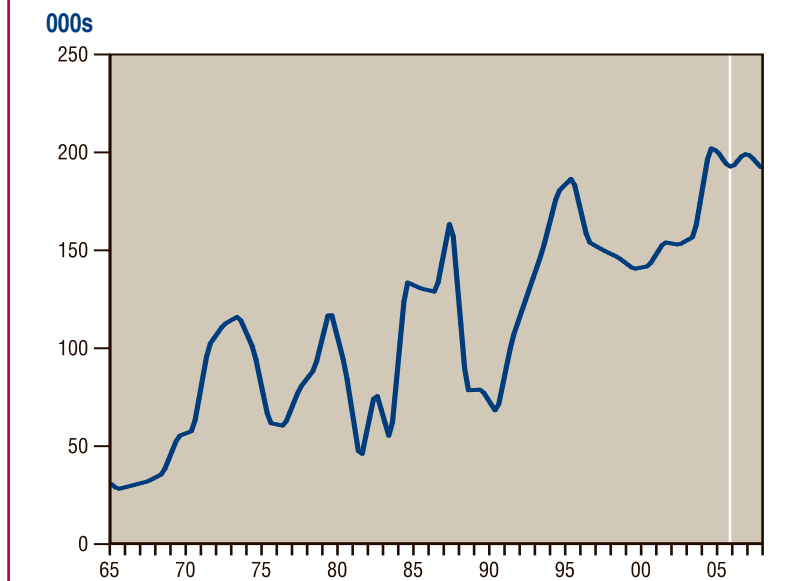
New regulatory guidelines for credit card issuers require lenders to boost minimum payments so they at least cover the interest due. In some cases, this will result in a doubling of the minimum monthly payment.

Consumer confidence dropped sharply following Hurricane Katrina and has remained depressed. Michigan's Consumer Sentiment Index dropped to a level last touched in 1992, while the Conference Board's Consumer Confidence Index fell to the lowest reading in two years.

Arizona consumers remain decidedly more upbeat than in other parts of the country and continued spending with abandon as fall approached, boosting year-on-year retail sales gains to 12% (12 months versus 12 months ending

EXHIBIT 2 Population Increases Move Higher

Annual Changes in Population, AZ



August). Moreover, spending grew at an accelerating pace. During June, July and August, the year-on-year gain averaged 18%.

All considered, consumers cannot continue living so far beyond their means, and will be forced to scale back spending in 2006. As a result, consumption gains will more closely match current income going forward. Look for spending as measured by retail sales to grow in the 6-6.5% range statewide during the next two years (Exhibit 1).

Population Growth

The primary driver of the Arizona economy during the first half of this decade has been outsized increases in the number of new residents. During the past recession, population growth remained at a historically high 150,000 persons per year, then moved even higher in 2003 to over 200,000. That's a percentage increase of 3.5% per year – fully three-and-a-half times faster than nationwide (Exhibit 2).

Arizona and its environs will continue to attract those looking for a warm climate that is not prone to natural disasters. Relatively inexpensive housing and the availability of jobs for those who want them also are strong draws. Retirees also favor Arizona's low taxes. With more than 6 million residents, Arizona is now the 16th largest state. By mid year 2006, the metro Phoenix area will top 4 million and a year later, metro Tucson's population will surpass the 1 million mark.

Is the Housing Boom Over?

Amid the drum roll in the media signaling the approaching end of the housing boom, Arizona's markets continue to move ever higher. According to the National Association of Realtors, Metro Phoenix leads the nation for the median price of existing single-family homes sold through the MLS. During the third quarter, the median price was \$268,000, up 55.2% from the third quarter of 2004. Metro Tucson recorded the second-fastest increase

*The primary driver of Arizona's economy
has been population growth.*

EXHIBIT 3 Home Price Appreciation, Selected Metros

Source: OFHEO
latest data = 2005 Q2

Metro Area	current Q annual rate	3 years	5 years
Riverside	19.2%	82.9%	124.3%
San Diego	10.9%	69.0%	118.3%
Los Angeles	21.9%	74.3%	115.1%
Las Vegas	18.7%	73.7%	96.1%
Prescott	47.2%	50.7%	70.6%
Phoenix	51.3%	48.9%	67.3%
Yuma	40.3%	55.4%	67.3%
Flagstaff	26.9%	46.7%	65.2%
Tucson	37.6%	43.3%	61.4%
Santa Fe	5.0%	32.2%	48.2%
Las Cruces	17.1%	31.0%	41.1%
Colorado Springs	10.3%	16.0%	32.9%
Albuquerque	21.2%	23.9%	32.5%
Denver	3.4%	10.4%	29.0%
Salt Lake City	15.8%	15.3%	22.9%
Omaha	3.7%	13.7%	22.8%
Dallas	5.0%	9.7%	21.4%
Austin	12.7%	8.4%	20.8%

in the West, with a 34.7% increase to \$242,300. Housing prices have undergone rapid acceleration over the past two years as investment money seeking "undiscovered" markets poured into the state.

This mirrors the kind of increases seen in Las Vegas a year before and in Southern California coastal cities the year before that. In short, money first spilled out of overvalued California markets into Las Vegas, then Phoenix, and then Tucson and out-lying areas of Arizona.

Using data from the Office of Federal Housing Oversight (OFHEO), which calculates a repeat-sales price index of resale housing, we find that prices have more than doubled in Southern California markets over the past 5 years. Prices have almost doubled in Las Vegas, while Arizona prices are up by roughly two-thirds. Generally, the further east one goes (excluding East Coast states), the smaller the increase. For example, prices in Albuquerque and Denver have increased by less than one-third while Dallas and Austin have seen increases closer to 20% (Exhibit 3).

During the past year, the rate of increase has slowed in California metros and Las Vegas, while prices have exploded in Arizona markets. Albuquerque and Las Cruces now appear to be on investors' radar screens, with Salt Lake City and Austin also beginning to move.

Anecdotes from those who make their living in real estate suggest that the frenzy of last spring is abating here in Arizona, and that markets are beginning to return to "normal." For example, there are reports that the lines of prospective homebuyers hoping to get their names on the list for the next lottery have disappeared. Bidding wars with multiple full-price-plus offers have disappeared, and houses are once again selling for less than asking price.

Arizona's housing boom is not over, but the frenzy of last spring will soon be just a memory. Home prices will soon plateau, but there is little chance of falling prices, due to favorable demographics and solid job growth. The number of homes under construction is expected to fall but only modestly from very high levels. The pullback will be partly demand related, but availability of labor and materials also will limit construction activity going forward.

The Outlook Brightens for High Tech

After suffering the worst losses in history – losing nearly 15% or 30,000 workers during three long years from 2001-03 – Arizona's manufacturing sectors are once again adding to payrolls. Strong capital spending by businesses for computers, electronic products and software, and other high tech goods has lifted the outlook for many Arizona manufacturers.

Arizona's recent strategic initiatives in the biosciences have put the state "on the map" in this most coveted "industry of the future." The quest for new industries is well underway and will benefit Arizona's economy in both the near and longer term.

During the past year, construction accounted for nearly 25,000 new jobs – almost one-fourth of nonfarm jobs created. In 2006, construction will add a projected 11,000 jobs, trailing professional and business services (27,200), trade, transportation and utilities (19,100), government (13,100) and financial activities (12,200). Educational and health services will add 10,400, leisure and hospitality 9,200, and manufacturing 3,800. All major industry sectors, including other services, natural resources and mining, and information will add to payrolls. This will be the first time this decade that has happened.

2006 promises to bring trend growth to Arizona's economy. Population will expand by another 200,000, and 110,000 new jobs will be created. The average wage per private-sector worker will rise by 4.9% and total personal income will grow by 9.4%, aided by a strong rebound of dividends, interest and rents. The pace will slow in 2007 as construction activity moderates and consumers spend more cautiously. (See Table 3)

Metro Phoenix will account for two-thirds of the state's new residents and 70% of the new jobs. Metro Tucson will add 25,000 new residents and nearly 14,000 new jobs. (See forecast table on page 4).

Solid momentum and resiliency promise to keep this expansion in "mid-cycle" mode. ■

FORECAST TABLES

	2005	2006	2007	2008	2009	2010	2011
Arizona							
Personal Income (\$ mill)	177,499	194,234	208,667	224,357	241,830	260,600	280,600
percent change	8.4	9.4	7.4	7.5	7.8	7.8	7.7
Wage per Employee	39,970	41,823	43,650	45,599	47,672	49,768	51,927
percent change	4.8	4.6	4.4	4.5	4.5	4.4	4.3
Aggregate Retail Sales (\$ mill)*	73,722	78,739	82,845	86,876	92,054	97,586	103,638
percent change	11.4	6.8	5.2	4.9	6.0	6.0	6.2
Population (000s, mid-year)	6,027.1	6,224.3	6,420.0	6,610.9	6,808.6	7,011.7	7,219.0
percent change	3.3	3.3	3.1	3.0	3.0	3.0	3.0
Residential Permits	85,333	79,346	78,285	76,688	79,047	81,269	82,983
percent change	-0.5	-7.0	-1.3	-2.0	3.1	2.8	2.1
Non Farm Employment (000s)	2,476.7	2,586.4	2,665.1	2,745.7	2,831.5	2,916.9	3,001.5
percent change	4.4	4.4	3.0	3.0	3.1	3.0	2.9
Goods-Producing	396.0	411.6	416.0	422.4	431.8	442.4	454.5
percent change	5.6	3.9	1.1	1.6	2.2	2.5	2.7
Service-Providing	2,080.9	2,175.0	2,249.4	2,323.5	2,400.0	2,474.8	2,547.3
percent change	4.2	4.5	3.4	3.3	3.3	3.1	2.9
Trade, Trans., & Utilities	480.4	499.5	514.6	529.3	545.1	560.7	575.5
percent change	4.2	4.0	3.0	2.9	3.0	2.9	2.6
Prof. & Business Services	358.6	385.8	400.1	416.4	434.0	450.6	467.6
percent change	7.7	7.6	3.7	4.1	4.2	3.8	3.8
Leisure & Hospitality	248.3	257.5	264.8	272.9	280.8	288.2	295.1
percent change	3.0	3.7	2.9	3.1	2.9	2.6	2.4
Government	411.5	424.6	435.3	443.8	453.0	463.0	473.5
percent change	2.8	3.2	2.5	2.0	2.1	2.2	2.3
Phoenix-Mesa Metro Area							
Personal Income (\$ mill)	124,268	135,108	145,270	156,950	169,964	183,725	197,858
percent change	9	8.7	7.5	8	8.3	8.1	7.7
Wage per Employee	46,051	48,158	50,436	52,935	55,511	58,131	60,822
percent change	5.1	4.6	4.7	5	4.9	4.7	4.6
Aggregate Retail Sales (\$ mill)*	50,646	53,835	56,642	59,914	63,798	67,567	71,452
percent change	11.6	6.3	5.2	5.8	6.5	5.9	5.7
Population (000s, mid-year)	3,883.4	4,015.2	4,141.2	4,270.3	4,406.1	4,545.4	4,685.3
percent change	3.8	3.4	3.1	3.1	3.2	3.2	3.1
Residential Permits	64,038	56,330	49,988	51,194	53,847	55,259	55,503
percent change	-1.9	-12.0	-11.3	2.4	5.2	2.6	0.4
Non Farm Employment (000s)	1,756.7	1,833.0	1,889.5	1,947.1	2,013.2	2,079.7	2,139.9
percent change	4.5	4.3	3.1	3.0	3.4	3.3	2.9
Goods-Producing	286.1	291.3	291.4	294.1	302.4	311.3	319.1
percent change	5.3	1.8	0.0	0.9	2.8	3.0	2.5
Service-Providing	1,470.6	1,541.7	1,598.2	1,653.0	1,710.9	1,768.4	1,820.8
percent change	4.4	4.8	3.7	3.4	3.5	3.4	3.0
Trade, Trans., & Utilities	356.2	370.3	381.6	393.3	405.8	417.8	428.8
percent change	4.5	4.0	3.0	3.1	3.2	3.0	2.6
Prof. & Business Services	284.1	304.8	318.5	330.0	342.8	356.5	369.9
percent change	5.6	7.3	4.5	3.6	3.9	4.0	3.7
Leisure & Hospitality	170.7	177.3	182.8	189.7	196.5	202.2	207.0
percent change	4.8	3.9	3.1	3.8	3.6	2.9	2.4
Government	229.1	236.4	242.0	246.5	251.8	258.0	264.7
percent change	3.3	3.2	2.4	1.9	2.1	2.5	2.6
Tucson Metro Area							
Personal Income (\$ mill)	26,465	28,797	30,847	32,907	35,044	37,305	39,679
percent change	7.7	8.8	7.1	6.7	6.5	6.5	6.4
Wage per Employee	38,235	39,904	41,579	43,249	44,910	46,589	48,356
percent change	4.8	4.4	4.2	4.0	3.8	3.7	3.8
Aggregate Retail Sales (\$ mill)*	10,848	11,455	11,959	12,497	13,083	13,682	14,311
percent change	9.6	5.6	4.4	4.5	4.7	4.6	4.6
Population (000s, mid-year)	955.8	981.6	1,005.5	1,029.1	1,053.2	1,077.9	1,102.3
percent change	2.6	2.7	2.4	2.3	2.3	2.3	2.3
Residential Permits	11,808	11,232	9,444	9,311	9,499	9,723	9,649
percent change	13.4	-4.9	-15.9	-1.4	2.0	2.4	-0.8
Non Farm Employment (000s)	372.8	386.5	396.4	404.7	412.8	420.9	428.5
percent change	3.8	3.7	2.5	2.1	2.0	1.9	1.8
Goods-Producing	56.4	59.3	60.3	60.4	61.0	62.1	63.2
percent change	4.2	5.1	1.7	0.1	1.2	1.8	1.8
Service-Providing	316.4	327.3	336.1	344.3	351.8	358.7	365.3
percent change	3.7	3.4	2.7	2.5	2.2	2.0	1.8
Trade, Trans., & Utilities	60.8	62.9	64.4	65.5	66.7	67.9	69.0
percent change	5.3	3.4	2.3	1.8	1.8	1.7	1.6
Prof. & Business Services	44.3	47.6	50.4	52.5	54.1	55.4	57.1
percent change	4.2	7.5	5.8	4.1	3.0	2.5	3.1
Leisure & Hospitality	41.4	43.0	44.2	45.5	46.6	47.5	48.2
percent change	6.0	3.9	2.8	3.0	2.4	1.8	1.5
Government	80.2	81.6	82.7	83.9	85.0	86.2	87.0
percent change	1.1	1.7	1.3	1.4	1.4	1.4	1.0

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

Source: Economic and Business Research Center, Eller College of Management, The University of Arizona

ARIZONA ECONOMIC INDICATORS

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent:	
						month	12-months
APACHE COUNTY							
Civilian Labor Force, ADES							
Employment	20,575	20,375	20,325	20,300	20,075	-2.8	-0.5
Unemployment	17,950	17,375	18,000	17,950	17,875	-3.2	0.6
Unemployment Rate (%)	2,625	3,000	2,325	2,350	2,200	1.1	-8.2
Unemployment Rate (%)	12.8	14.7	11.4	11.6	11.0	4.0	-7.8
Employees on Nonagricultural Payrolls, ADES							
Total	19,250	18,650	19,625	19,925	19,950	-1.6	1.6
<i>Total Private</i>	6,700	6,550	6,900	6,900	6,825	5.4	2.8
Goods-Producing	725	800	850	850	850	17.2	-2.3
Service-Providing	18,525	17,850	18,775	19,075	19,100	-2.3	1.7
Trade, Transportation, and Utilities	1,925	1,825	1,850	1,800	1,900	2.7	-1.1
Other Private Service-Providing	4,050	3,925	4,200	4,250	4,075	4.5	5.7
<i>Government</i>	12,550	12,100	12,725	13,025	13,125	-4.9	1.0
Federal Government	3,350	2,950	3,325	3,300	3,250	1.6	3.0
State and Local Government	9,200	9,150	9,400	9,725	9,875	-6.8	0.4
Sales (\$000s) ADOR							
Gross Retail	15,671	14,232	15,043	15,229	...	25.2	14.3
Retail	8,899	6,495	6,607	6,576	...	22.6	11.8
Restaurants & Bars	916	1,242	1,403	1,055	...	2.7	11.6
Gasoline, EBR	5,855	6,495	7,033	7,598	...	31.6	17.3
Gallons (000s) ADOT	2,636	2,736	2,698	2,610	...	-11.1	-2.5
Contracting	5,953	7,400	8,835	10,857	...	57.3	12.6
Hotel/Motel	1,145	1,528	1,475	1,373	...	8.1	26.0
New Housing Units Authorized, Census C-40							
Total Units							
Single Family Units							
Note: As of Jan 2005, Apache County no longer reports monthly permits.							
NAVAJO COUNTY							
Civilian Labor Force, ADES							
Employment	38,075	38,450	38,475	37,750	37,175	-0.1	-1.5
Unemployment	34,850	34,725	35,350	34,625	34,250	0.0	-1.0
Unemployment Rate (%)	3,225	3,725	3,125	3,125	2,925	-0.8	-6.4
Unemployment Rate (%)	8.5	9.7	8.1	8.3	7.9	-0.8	-5.0
Employees on Nonagricultural Payrolls, ADES							
Total	28,825	28,875	29,700	29,575	29,425	2.5	0.4
<i>Total Private</i>	18,300	18,500	18,800	18,400	18,250	1.0	0.6
Goods-Producing	3,375	3,475	3,400	3,150	3,225	-3.0	-1.0
Mining and Construction	2,475	2,550	2,475	2,425	2,500	2.0	-1.6
Manufacturing	900	925	925	725	725	-17.1	0.7
Service-Providing	25,450	25,400	26,300	26,425	26,200	3.3	0.6
Trade, Transportation, and Utilities	5,600	5,650	5,600	5,600	5,525	0.5	0.2
Information	675	675	675	650	650	4.0	0.0
Financial Activities	525	525	525	500	500	-13.0	-13.9
Professional and Business Services	1,225	1,275	1,325	1,275	1,275	15.9	12.9
Educational and Health Services	2,900	2,725	3,050	3,100	3,100	-0.8	0.8
Leisure and Hospitality	3,200	3,350	3,375	3,275	3,150	4.1	1.8
Other Services	800	825	850	850	825	3.1	-0.5
<i>Government</i>	10,525	10,375	10,900	11,175	11,175	5.2	0.1
Federal Government	1,750	1,775	1,825	1,875	1,775	10.9	0.9
State and Local Government	8,775	8,600	9,075	9,300	9,400	4.2	-0.1
Sales (\$000s) ADOR							
Gross Retail	85,701	90,729	85,591	88,252	...	12.8	10.4
Retail	64,762	66,916	62,636	65,198	...	9.2	9.4
Restaurants & Bars	7,768	8,913	7,613	7,361	...	7.9	9.2
Gasoline, EBR	13,171	14,900	15,342	15,693	...	34.2	15.6
Gallons (000s) ADOT	5,930	6,277	5,885	5,390	...	-9.3	-4.2
Contracting	23,196	19,319	20,073	20,491	...	29.1	25.5
Hotel/Motel	2,670	4,431	3,201	3,001	...	12.1	8.9
New Housing Units Authorized, Census C-40							
Total Units	81	34	74	59	63	80.0	21.0
Single Family Units	81	34	74	57	59	68.6	28.6

See sources and abbreviations at the bottom of page 12. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

ARIZONA ECONOMIC INDICATORS

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent:	
						month	12-months
GRAHAM COUNTY							
Civilian Labor Force, ADES	12,725	12,775	13,000	13,075	13,275	5.1	3.4
Employment	11,950	11,900	12,175	12,200	12,450	5.5	4.2
Unemployment	775	875	825	875	825	0.0	-6.4
Unemployment Rate (%)	6.1	6.8	6.3	6.7	6.2	-4.9	-9.5
Employees on Nonagricultural Payrolls, ADES							
Total	7,425	7,425	7,850	8,200	8,450	8.7	6.7
<i>Total Private</i>	4,425	4,450	4,500	4,525	4,475	2.3	-0.4
Goods-Producing	575	600	600	600	575	9.5	3.4
Service-Providing	6,850	6,825	7,250	7,600	7,875	8.6	6.9
Trade, Transportation, and Utilities	1,400	1,400	1,400	1,400	1,400	0.0	-2.3
Other Private Service-Providing	2,450	2,450	2,500	2,525	2,500	2.0	-0.2
<i>Government</i>	3,000	2,975	3,350	3,675	3,975	16.9	17.7
Federal Government	325	325	325	300	300	-7.7	-2.0
State and Local Government	2,675	2,650	3,025	3,375	3,675	19.5	20.1
Sales (\$000s) ADOR							
Gross Retail	18,158	16,860	19,153	18,669	...	17.4	14.8
Retail	14,649	13,093	15,119	14,600	...	17.4	13.4
Restaurants & Bars	1,672	1,674	1,573	1,643	...	12.7	15.6
Gasoline, EBR	1,837	2,093	2,461	2,426	...	21.1	24.7
Gallons (000s) ADOT	827	882	944	833	...	-18.2	4.3
Contracting	2,363	2,397	3,646	2,459	...	6.7	0.5
COCONINO COUNTY							
Civilian Labor Force, ADES	70,300	70,400	69,600	70,100	70,100	3.1	2.7
Employment	66,800	66,400	66,100	66,500	66,700	3.1	3.3
Unemployment	3,500	4,000	3,500	3,600	3,400	3.0	-6.9
Unemployment Rate (%)	5.0	5.7	5.0	5.1	4.9	-0.1	-9.5
Employees on Nonagricultural Payrolls, ADES							
Total	63,500	62,900	63,300	64,700	65,200	5.5	5.0
<i>Total Private</i>	45,300	45,000	45,100	45,100	45,300	6.1	6.2
Goods-Producing	7,600	7,700	7,900	7,900	7,900	9.7	17.5
Mining and Construction	3,900	4,000	4,100	4,100	4,100	10.8	15.8
Manufacturing	3,700	3,700	3,800	3,800	3,800	8.6	19.2
Service-Providing	55,900	55,200	55,400	56,800	57,300	4.9	3.4
Trade, Transportation, and Utilities	9,500	9,500	9,500	9,600	9,800	6.5	2.4
Information	500	500	500	500	500	0.0	7.1
Financial Activities	1,600	1,600	1,600	1,600	1,600	0.0	-2.1
Professional and Business Services	3,600	3,500	3,500	3,500	3,500	2.9	4.0
Educational and Health Services	7,000	7,000	7,200	7,300	7,400	8.8	4.7
Leisure and Hospitality	13,600	13,400	13,100	12,800	12,700	5.0	6.4
Other Services	1,900	1,800	1,800	1,900	1,900	0.0	0.9
<i>Government</i>	18,200	17,900	18,200	19,600	19,900	4.2	2.2
Federal Government	3,400	3,300	3,600	3,600	3,400	3.0	-1.0
State and Local Government	14,800	14,600	14,600	16,000	16,500	4.4	2.9
Sales (\$000s) ADOR							
Gross Retail	148,295	148,724	144,138	140,565	...	14.5	7.0
Retail	94,394	92,627	90,089	88,783	...	11.9	4.0
Restaurants & Bars	31,760	30,875	28,005	26,827	...	3.6	8.3
Gasoline, EBR	22,141	25,222	26,045	24,956	...	42.8	19.1
Gallons (000s) ADOT	9,969	10,625	9,991	8,572	...	-3.5	-1.1
Contracting	29,125	29,610	39,897	35,233	...	31.5	4.4
Hotel/Motel	23,728	25,324	21,804	21,394	...	7.0	6.2
New Housing Units Authorized, Census C-40							
Total Units	145	64	176	174	88	25.7	13.1
Single Family Units	75	64	67	90	88	25.7	-15.1

See sources and abbreviations at the bottom of page 12. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

ARIZONA ECONOMIC INDICATORS

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent:	
						month	12-months
GREENLEE COUNTY							
Civilian Labor Force, ADES							
Employment	3,650	3,625	3,675	3,750	3,775	4.9	3.4
Unemployment	3,450	3,425	3,500	3,525	3,575	5.1	4.3
Unemployment Rate (%)	200	200	175	225	200	0.0	-9.9
Unemployment Rate (%)	5.5	5.5	4.8	6.0	5.3	-4.6	-13.0
Employees on Nonagricultural Payrolls, ADES							
Total	3,750	3,775	3,750	3,750	3,775	6.3	5.8
<i>Total Private</i>	3,250	3,275	3,275	3,275	3,300	9.1	7.7
Goods-Producing	2,700	2,725	2,725	2,725	2,750	10.0	9.6
Service-Providing	1,050	1,050	1,025	1,025	1,025	-2.4	-2.7
Trade, Transportation, and Utilities	250	250	250	250	250	11.1	5.6
Other Private Service-Providing	300	300	300	300	300	0.0	-5.3
<i>Government</i>	500	500	475	475	475	-9.5	-4.7
Federal Government	50	50	50	50	50	0.0	9.5
State and Local Government	450	450	425	425	425	-10.5	-6.0
Sales (\$000s) ADOR							
Gross Retail	9,757	8,869	10,310	10,566	...	28.1	21.6
Retail	8,912	7,906	9,209	9,582	...	25.8	20.8
Restaurants & Bars	236	306	300	203	...	-3.0	4.7
Gasoline, EBR	609	657	801	781	...	86.0	44.6
Gallons (000s) ADOT	274	277	307	268	...	25.7	19.6
Contracting	1,049	1,635	1,479	5,038	...	232.6	11.2
Hotel/Motel*	367	695	524	668	...	79.4	16.3

* Includes Graham County data.

YAVAPAI COUNTY

Civilian Labor Force, ADES							
Employment	90,200	89,600	90,100	91,300	91,000	2.0	3.2
Unemployment	86,700	85,800	86,400	87,200	87,100	1.8	3.6
Unemployment Rate (%)	3,500	3,800	3,700	4,100	3,900	8.3	-5.5
Unemployment Rate (%)	3.9	4.2	4.1	4.5	4.3	6.2	-8.6
Employees on Nonagricultural Payrolls, ADES							
Total	58,200	57,800	58,700	60,200	60,400	4.7	5.2
<i>Total Private</i>	48,000	48,100	48,200	49,000	49,000	5.2	6.0
Goods-Producing	11,200	11,200	11,200	11,300	11,200	2.8	5.7
Mining and Construction	7,800	7,800	7,900	8,000	7,900	2.6	7.3
Manufacturing	3,400	3,400	3,300	3,300	3,300	3.1	2.3
Service-Providing	47,000	46,600	47,500	48,900	49,200	5.1	5.1
Trade, Transportation, and Utilities	11,500	11,700	11,600	11,800	12,000	7.1	9.1
Information	700	700	700	700	700	0.0	0.0
Financial Activities	2,000	2,000	2,000	2,100	2,100	10.5	5.4
Professional and Business Services	4,300	4,300	4,300	4,400	4,400	7.3	4.8
Educational and Health Services	8,300	8,100	8,400	8,500	8,600	3.6	3.9
Leisure and Hospitality	8,200	8,100	8,000	8,200	8,000	5.3	6.4
Other Services	1,800	2,000	2,000	2,000	2,000	5.3	1.8
<i>Government</i>	10,200	9,700	10,500	11,200	11,400	2.7	2.2
Federal Government	1,300	1,300	1,300	1,300	1,300	0.0	3.4
State and Local Government	8,900	8,400	9,200	9,900	10,100	3.1	2.1
Sales (\$000s) ADOR							
Gross Retail	171,145	173,126	173,539	171,561	...	19.5	15.8
Retail	131,756	132,314	131,506	130,071	...	18.1	15.5
Restaurants & Bars	22,450	22,379	21,434	20,529	...	8.7	13.8
Gasoline, EBR	16,938	18,433	20,599	20,960	...	44.7	20.4
Gallons (000s) ADOT	7,626	7,765	7,902	7,199	...	-2.2	-0.1
Contracting	69,546	62,428	69,880	62,935	...	14.5	21.1
Hotel/Motel	8,235	7,657	7,155	7,858	...	-10.3	17.2
New Housing Units Authorized, Census C-40							
Total Units	404	412	395	315	316	20.6	15.1
Single Family Units	385	410	386	311	302	17.1	23.7

See sources and abbreviations at the bottom of page 12. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

ARIZONA ECONOMIC INDICATORS

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent:	
						month	12-months
GILA COUNTY							
Civilian Labor Force, ADES	20,325	20,550	20,875	20,425	20,200	-1.1	-2.7
Employment	19,125	19,200	19,600	19,025	18,850	-1.4	-2.2
Unemployment	1,200	1,350	1,275	1,400	1,350	3.8	-9.6
Unemployment Rate (%)	5.9	6.6	6.1	6.9	6.7	5.0	-7.2
Employees on Nonagricultural Payrolls, ADES							
Total	13,550	13,475	13,950	13,700	13,650	-0.9	-1.7
<i>Total Private</i>	8,950	8,925	8,950	8,750	8,750	-1.7	-1.4
Goods-Producing	2,050	1,900	1,875	1,850	1,850	-7.5	-2.7
Service-Providing	11,500	11,575	12,075	11,850	11,800	0.2	-1.6
Trade, Transportation, and Utilities	2,275	2,250	2,250	2,200	2,200	3.5	2.2
Other Private Service-Providing	4,625	4,775	4,825	4,700	4,700	-1.6	-2.4
<i>Government</i>	4,600	4,550	5,000	4,950	4,900	0.5	-2.4
Federal Government	525	550	550	525	500	0.0	-4.8
State and Local Government	4,075	4,000	4,450	4,425	4,400	0.6	-2.1
Sales (\$000s) ADOR							
Gross Retail	37,687	38,481	35,944	35,140	...	22.2	14.3
Retail	25,196	25,701	23,754	23,801	...	24.7	12.4
Restaurants & Bars	5,698	5,340	4,683	4,665	...	7.2	7.0
Gasoline, EBR	6,793	7,440	7,507	6,674	...	25.3	28.0
Gallons (000s) ADOT	3,058	3,134	2,880	2,292	...	-15.3	7.0
Contracting	6,075	9,418	8,436	10,504	...	11.3	-12.6
Hotel/Motel	1,173	1,587	1,164	1,221	...	33.3	16.7
MOHAVE COUNTY							
Civilian Labor Force, ADES	87,100	87,600	87,100	86,675	86,475	2.4	3.0
Employment	83,850	84,000	83,625	82,750	82,750	1.9	3.3
Unemployment	3,250	3,600	3,475	3,925	3,725	14.6	-4.8
Unemployment Rate (%)	3.7	4.1	4.0	4.5	4.3	11.9	-7.7
Employees on Nonagricultural Payrolls, ADES							
Total	51,025	50,925	51,225	51,350	51,875	4.4	4.4
<i>Total Private</i>	44,000	44,100	44,000	44,025	44,525	5.3	5.6
Goods-Producing	10,175	9,950	10,025	9,925	9,975	0.0	2.0
Mining and Construction	6,450	6,275	6,400	6,325	6,400	2.4	1.4
Manufacturing	3,725	3,675	3,625	3,600	3,575	-4.0	3.1
Service-Providing	40,850	40,975	41,200	41,425	41,900	5.5	5.0
Trade, Transportation, and Utilities	11,600	11,625	11,400	11,525	11,675	5.2	8.0
Information	800	800	750	750	725	-9.4	-6.8
Financial Activities	2,200	2,275	2,250	2,175	2,200	10.0	9.9
Professional and Business Services	4,025	4,050	3,925	3,975	3,925	7.5	9.0
Educational and Health Services	6,525	6,550	6,750	6,850	7,025	8.1	7.0
Leisure and Hospitality	6,400	6,500	6,500	6,475	6,625	10.0	5.2
Other Services	2,275	2,350	2,400	2,350	2,375	6.7	1.2
<i>Government</i>	7,025	6,825	7,225	7,325	7,350	-1.0	-1.9
Federal Government	550	550	550	550	550	4.8	2.8
State and Local Government	6,475	6,275	6,675	6,775	6,800	-1.4	-2.3
Sales (\$000s) ADOR							
Gross Retail	173,935	174,439	173,886	179,625	...	28.8	18.8
Retail	129,213	125,476	125,716	136,105	...	32.1	17.3
Restaurants & Bars	17,883	18,049	16,796	16,183	...	1.5	13.8
Gasoline, EBR	26,839	30,914	31,374	27,337	...	33.4	31.2
Gallons (000s) ADOT	12,084	13,023	12,035	9,389	...	-9.9	9.4
Contracting	60,193	60,721	61,219	61,228	...	19.8	28.3
Hotel/Motel	4,282	5,453	4,213	4,316	...	11.0	7.5
New Housing Units Authorized, Census C-40							
Total Units	350	299	343	387	328	15.9	14.5
Single Family Units	340	295	326	380	316	15.8	19.3

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	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent:	
						month	12-months
LA PAZ COUNTY							
Civilian Labor Force, ADES							
Employment	8,100	8,025	8,025	7,600	7,425	1.7	0.7
Unemployment	7,575	7,450	7,500	7,025	6,900	1.5	0.8
Unemployment Rate (%)	525	575	525	575	525	5.0	-0.4
Unemployment Rate (%)	6.5	7.2	6.5	7.6	7.1	3.2	-1.2
Employees on Nonagricultural Payrolls, ADES							
Total	5,375	5,375	5,500	5,400	5,325	3.4	3.1
<i>Total Private</i>	3,125	3,125	3,150	3,100	3,025	6.1	6.5
Goods-Producing	425	425	375	375	375	15.4	3.3
Service-Providing	4,950	4,950	5,125	5,025	4,950	2.6	3.1
Trade, Transportation, and Utilities	1,375	1,425	1,425	1,400	1,325	3.9	5.9
Other Private Service-Providing	1,325	1,275	1,350	1,325	1,325	6.0	8.1
<i>Government</i>	2,250	2,250	2,350	2,300	2,300	0.0	-1.2
Federal Government	225	200	225	225	225	12.5	6.3
State and Local Government	2,025	2,050	2,125	2,075	2,075	-1.2	-1.9
Sales (\$000s) ADOR							
Gross Retail	18,219	19,056	17,462	16,167	...	19.5	20.5
Retail	10,423	9,559	8,739	8,581	...	17.0	19.3
Restaurants & Bars	1,960	2,585	1,840	1,854	...	8.2	11.0
Gasoline, EBR	5,836	6,912	6,883	5,732	...	27.8	26.5
Gallons (000s) ADOT	2,628	2,912	2,640	1,969	...	-13.7	6.9
Contracting	2,806	2,576	3,022	3,399	...	112.5	-14.4
Hotel/Motel	486	580	497	462	...	15.6	7.5
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES							
Employment	82,100	82,500	80,900	78,500	78,000	5.4	5.5
Unemployment	67,600	65,000	65,400	64,100	65,700	5.1	6.0
Unemployment Rate (%)	14,500	17,500	15,500	14,400	12,300	7.0	2.5
Unemployment Rate (%)	17.7	21.2	19.2	18.3	15.8	1.5	-3.3
Employees on Nonagricultural Payrolls, ADES							
Total	50,800	49,600	50,600	52,100	53,600	7.4	8.8
<i>Total Private</i>	36,800	36,200	36,300	37,200	38,200	7.6	9.1
Goods-Producing	7,300	7,200	7,300	7,300	7,500	5.6	6.7
Mining and Construction	5,200	5,200	5,300	5,300	5,400	14.9	19.1
Manufacturing	2,100	2,000	2,000	2,000	2,100	-12.5	-11.6
Service-Providing	43,500	42,400	43,300	44,800	46,100	7.7	9.2
Trade, Transportation, and Utilities	10,000	10,000	10,000	10,300	10,800	9.1	14.2
Information	1,200	1,200	1,200	1,300	1,300	8.3	8.2
Financial Activities	1,500	1,500	1,500	1,500	1,500	7.1	4.8
Professional and Business Services	3,400	3,300	3,300	3,600	3,600	12.5	2.0
Educational and Health Services	6,400	6,200	6,200	6,300	6,400	4.9	8.0
Leisure and Hospitality	5,300	5,100	5,100	5,100	5,300	6.0	9.6
Other Services	1,700	1,700	1,700	1,800	1,800	12.5	11.4
<i>Government</i>	14,000	13,400	14,300	14,900	15,400	6.9	8.0
Federal Government	3,100	3,200	3,100	3,100	3,100	6.9	5.2
State and Local Government	10,900	10,200	11,200	11,800	12,300	7.0	8.8
Sales (\$000s) ADOR							
Gross Retail	123,428	117,284	119,104	126,647	...	14.7	17.7
Retail	92,326	84,627	86,541	93,530	...	9.8	17.0
Restaurants & Bars	13,228	13,328	11,850	12,432	...	15.6	15.5
Gasoline, EBR	17,874	19,329	20,712	20,685	...	43.2	23.3
Gallons (000s) ADOT	8,047	8,142	7,945	7,105	...	-3.3	3.0
Contracting	42,100	39,043	49,980	39,617	...	24.3	30.5
Hotel/Motel	2,741	2,511	2,733	2,417	...	-5.9	11.3
New Housing Units Authorized, Census C-40							
Total Units	208	183	200	213	168	-32.3	-9.7
Single Family Units	203	178	195	208	168	-8.7	-4.8

ARIZONA ECONOMIC INDICATORS

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent: month 12-months	
SANTA CRUZ COUNTY							
Civilian Labor Force, ADES	16,025	15,450	15,450	15,475	15,250	-3.2	1.2
Employment	14,700	13,625	13,700	13,475	13,425	-3.6	2.1
Unemployment	1,325	1,825	1,750	2,000	1,825	0.0	-6.9
Unemployment Rate (%)	8.3	11.8	11.3	12.9	12.0	3.3	-7.6
Employees on Nonagricultural Payrolls, ADES							
Total	12,775	11,800	12,000	11,950	12,000	-1.4	3.8
<i>Total Private</i>	9,500	8,800	8,700	8,700	8,800	-0.8	5.7
Goods-Producing	1,025	975	975	925	875	-14.6	0.0
Service-Providing	11,750	10,825	11,025	11,025	11,125	-0.2	4.1
Trade, Transportation, and Utilities	5,150	4,600	4,525	4,500	4,525	-1.1	7.7
Other Private Service-Providing	3,325	3,225	3,200	3,275	3,400	3.8	4.4
<i>Government</i>	3,275	3,000	3,300	3,250	3,200	-3.0	-1.3
Federal Government	1,200	1,200	1,175	1,150	1,100	-6.4	0.4
State and Local Government	2,075	1,800	2,125	2,100	2,100	-1.2	-2.2
Sales (\$000s) ADOR							
Gross Retail	38,139	38,258	36,719	35,101	...	19.0	15.1
Retail	29,852	28,911	27,731	26,078	...	17.1	15.8
Restaurants & Bars	2,846	3,357	2,884	3,453	...	36.3	6.6
Gasoline, EBR	5,440	5,989	6,104	5,570	...	18.7	16.7
Gallons (000s) ADOT	2,449	2,523	2,341	1,913	...	-19.8	-2.0
Contracting	5,928	13,509	5,447	10,334	...	56.0	4.7
Hotel/Motel	1,021	1,044	768	888	...	-15.9	14.1
New Housing Units Authorized, Census C-40							
Total Units	52	45	55	64	48	0.0	8.1
Single Family Units	52	45	52	59	48	4.3	6.9
COCHISE COUNTY							
Civilian Labor Force, ADES	56,000	56,150	57,100	57,250	57,275	3.9	2.7
Employment	53,375	53,250	54,350	54,150	54,375	3.6	3.0
Unemployment	2,625	2,900	2,750	3,100	2,900	11.5	-3.4
Unemployment Rate (%)	4.7	5.2	4.8	5.4	5.1	7.3	-6.0
Employees on Nonagricultural Payrolls, ADES							
Total	36,025	36,200	37,300	37,825	38,250	6.5	4.7
<i>Total Private</i>	24,575	24,750	25,100	25,275	25,700	6.7	5.3
Goods-Producing	3,850	3,950	4,000	3,925	4,000	8.1	13.0
Mining and Construction	3,000	3,100	3,150	3,125	3,175	18.7	18.3
Manufacturing	850	850	850	800	825	-19.5	-2.7
Service-Providing	32,175	32,250	33,300	33,900	34,250	6.3	3.8
Trade, Transportation, and Utilities	6,250	6,200	6,275	6,375	6,400	-0.8	1.9
Information	525	525	500	525	525	5.0	1.6
Financial Activities	950	975	1,000	975	1,000	11.1	3.0
Professional and Business Services	3,800	3,875	3,925	4,050	4,325	23.6	6.7
Educational and Health Services	4,000	4,025	4,075	4,050	4,050	5.2	5.3
Leisure and Hospitality	4,075	4,075	4,225	4,250	4,275	5.6	4.9
Other Services	1,125	1,125	1,100	1,125	1,125	0.0	1.3
<i>Government</i>	11,450	11,450	12,200	12,550	12,550	5.9	3.6
Federal Government	4,900	4,950	5,000	5,000	4,875	1.6	2.9
State and Local Government	6,550	6,500	7,200	7,550	7,675	8.9	4.1
Sales (\$000) ADOR							
Gross Retail	84,550	82,500	82,463	79,841	...	12.6	7.8
Retail	64,394	60,992	59,775	57,853	...	8.8	5.5
Restaurants & Bars	8,712	8,742	8,982	8,626	...	8.9	2.4
Gasoline, EBR	11,443	12,767	13,706	13,362	...	35.6	27.1
Gallons (000s) ADOT	5,152	5,378	5,258	4,589	...	-8.4	6.8
Contracting	19,808	11,495	19,492	21,330	...	17.8	5.0
Hotel/Motel	2,517	2,664	2,479	2,601	...	29.6	11.6
New Housing Units Authorized, Census C-40							
Total Units	83	39	75	110	92	21.1	23.6
Single Family Units	83	39	75	108	90	18.4	22.9

See sources and abbreviations at the bottom of page 12. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

ARIZONA ECONOMIC INDICATORS

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent:	
						month	12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES							
Employment	443.1	439.5	442.7	450.3	450.8	1.5	1.8
Unemployment	19.1	21.1	20.2	22.6	21.3	7.6	-5.3
Unemployment Rate, Seas. Adj. (%)	4.1	4.6	4.4	5.0	4.7	4.4	-6.5
Employees on Nonagricultural Payrolls (000s) ADES							
Total	365.8	360.2	367.0	374.9	379.0	3.8	3.6
Natural Resources and Mining	1.5	1.3	1.3	1.3	1.3	-7.1	10.5
Construction	26.6	26.7	26.8	26.4	26.9	8.9	9.0
Manufacturing	28.6	28.7	28.9	28.6	28.5	0.4	0.1
Computer and Electronic Prod.	4.9	4.9	4.8	4.8	4.8	-4.0	-3.8
Aerospace Products and Parts	11.1	11.1	11.4	11.2	11.2	0.0	-1.5
Wholesale Trade	8.6	8.6	8.7	8.7	8.6	2.4	5.9
Retail Trade	42.8	42.8	42.7	42.7	43.3	3.6	3.9
Transp., Warehousing, and Utilities	8.6	8.6	9.0	8.9	9.2	8.2	4.2
Information	7.1	7.1	7.2	7.0	7.0	-6.7	-4.7
Financial Activities	18.2	18.5	18.7	18.8	19.0	10.5	10.8
Professional and Business Services	43.3	43.4	43.8	44.2	44.8	4.9	2.7
Educational and Health Services	49.4	49.4	50.2	51.0	51.3	4.9	5.0
Arts, Entertainment, and Recreation	5.5	5.3	5.1	5.2	5.5	7.8	4.2
Accommodation	8.3	8.3	8.3	8.4	8.3	9.2	12.3
Food Svcs and Drinking Places	26.4	25.9	26.6	27.1	27.4	4.2	3.2
Other Services	15.0	15.0	15.0	15.0	15.2	1.3	1.6
Federal Government	10.2	10.2	10.3	10.3	10.5	6.1	5.0
State and Local Government	65.7	60.4	64.4	71.3	72.2	0.6	0.6
State and Local Government Education	40.4	35.0	39.4	46.3	47.5	0.0	0.8
Sales (\$000s) ADOR							
Aggregate Retail Sales	920,910	844,331	933,550	910,011	...	15.8	10.4
Retail	625,536	562,703	615,176	587,212	...	11.5	8.3
Food, EBR	121,593	115,724	118,343	122,768	...	11.5	10.4
Restaurants & Bars	100,622	88,644	110,176	104,403	...	17.1	11.9
Gasoline, EBR	73,159	77,261	89,855	95,628	...	59.9	27.6
Contracting	183,880	156,581	194,683	186,483	...	18.9	13.8
Hotel/Motel	26,555	14,573	19,669	21,681	...	21.1	17.1
New Housing Units Authorized, Census C-40 adjusted by EBR							
Total Units	1,303	1,035	1,054	1,116	903	10.2	15.7
Single Family Units	1,159	913	920	956	789	12.0	17.8
2-5-plus Unit Structures	144	122	134	160	114	-0.7	0.5
Housing Sales and Prices, TAR							
Total Sales (\$000s)	497,024	412,306	477,376	354,531	355,266	29.9	38.9
Total Units	1,858	1,584	1,795	1,404	1,368	5.6	12.5
Average Price (\$)	267,505	260,294	265,947	252,515	259,698	22.9	23.8
Tucson International Airport, TAA							
Total Passengers	328,848	339,066	321,033	313,413	...	14.5	10.0
Total Aircraft Movements	23,835	22,834	24,977	23,941	...	24.8	11.5

TUCSON METROPOLITAN REGION (PIMA COUNTY) - QUARTERLY DATA

	III 2004	IV 2004	I 2005	II 2005	III 2005	% change versus year ago for most recent:	
						quarter	4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	934.5	940.2	946.4	952.7	959.1	2.6	2.6
Natural Increase	1.3	1.3	1.3	1.3	1.3	-0.8	0.4
Births	3.2	3.3	3.3	3.3	3.3	1.0	1.3
Deaths	1.9	2.0	2.0	2.0	2.0	2.1	2.0
Net Migration	4.6	4.5	4.9	5.0	5.1	10.0	22.6
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	24,800	25,282	25,631	26,166	26,732	7.8	7.4
Earnings by Place of Work	17,152	17,536	17,876	18,271	18,660	8.8	8.5
Less: Contributions for Social Insurance	1,940	1,983	2,019	2,064	2,110	8.8	8.5
Plus: Adjustment for Residence	117	120	122	125	128	9.8	9.3
Plus: Dividends, Interest & Rents	4,884	4,927	4,903	4,979	5,085	4.1	3.4
Plus: Transfer Payments	4,587	4,682	4,748	4,855	4,969	8.3	7.9
Per Capita Personal Income (\$, SAAR) EBR	26,539	26,889	27,083	27,465	27,871	5.0	4.7

ARIZONA ECONOMIC INDICATORS

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent: month 12-months	
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES							
Employment	1,888.6	1,894.5	1,895.0	1,901.9	1,909.4	2.2	2.1
Unemployment	1,813.9	1,812.6	1,816.4	1,813.7	1,826.1	2.1	2.6
Unemployment Rate, Seas. Adj. (%)	74.7	81.9	78.6	88.2	83.3	4.5	-7.9
	3.8	4.2	4.0	4.5	4.3	2.4	-10.2
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,722.7	1,714.5	1,737.1	1,759.4	1,778.7	4.4	4.2
Natural Resources and Mining	2.4	1.7	1.7	1.7	1.7	-19.0	2.5
Construction	157.5	159.4	160.6	162.4	165.1	13.0	11.8
Durable Goods	103.9	104.1	104.0	103.9	103.9	0.7	-0.1
Fabricated Metal Products	13.8	13.7	13.7	13.7	13.8	3.8	3.4
Computer and Electronic Prod.	38.3	38.6	38.7	38.6	38.5	1.3	-1.2
Aerospace Products and Parts	15.3	15.3	15.4	15.4	15.4	4.1	4.6
Non-Durable Goods	27.1	26.8	26.8	26.7	26.7	-1.1	0.2
Wholesale Trade	79.4	79.0	79.1	78.9	79.8	1.8	1.1
Retail Trade	211.9	213.6	214.4	214.1	216.3	7.2	6.5
Utilities	7.9	8.0	8.0	8.0	8.0	1.3	-0.0
Transportation and Warehousing	53.0	52.8	53.1	53.2	53.4	-0.6	1.5
Information	34.5	34.3	33.9	34.0	34.1	-1.7	-4.9
Finance and Insurance	107.1	107.4	108.2	109.3	109.1	4.7	3.4
Real Estate, Rental, and Leasing	35.0	35.0	35.2	35.2	35.7	4.1	2.9
Professional and Business Services	280.8	281.7	284.2	286.5	290.6	4.7	4.5
Educational Services	30.3	28.7	30.5	31.9	32.6	11.3	12.8
Health Care and Social Assistance	151.1	151.0	152.1	152.1	152.3	4.3	4.2
Arts, Entertainment, and Recreation	21.9	21.0	21.1	21.5	22.3	4.2	4.0
Accommodation	28.0	27.5	26.8	27.2	28.1	2.6	3.3
Food Svcs and Drinking Places	115.9	113.3	114.3	115.2	117.1	3.9	3.7
Other Services	64.3	65.4	66.2	66.4	66.7	3.1	1.2
Federal Government	21.9	21.9	21.8	21.7	21.8	-0.9	1.4
State and Local Government	188.8	181.9	195.1	209.5	213.4	2.3	3.6
State and Local Government Education	87.5	80.7	95.3	110.0	112.8	2.9	4.4
Sales (\$000s) ADOR							
Aggregate Retail Sales	4,334,022	4,163,783	4,313,942	4,296,273	...	16.8	13.4
Retail	3,011,668	2,892,981	2,966,336	2,878,748	...	13.7	13.0
Food, EBR	534,908	509,092	520,612	540,077	...	12.6	11.6
Restaurants & Bars	482,403	434,755	450,881	479,397	...	17.2	12.1
Gasoline, EBR	305,042	326,955	376,113	398,050	...	55.0	22.3
Contracting	1,254,685	1,092,723	1,139,362	1,204,574	...	29.1	27.7
Hotel/Motel	73,782	64,978	62,653	83,888	...	18.0	14.2
New Housing Units Authorized, Census C-40							
Total Units	5,743	5,100	5,753	5,263	5,433	3.7	-2.7
Single Family Units	5,188	4,229	4,740	4,350	3,889	-13.8	-7.0
2-4 Unit Structures	56	176	199	38	144	105.7	-20.2
5-plus Unit Structures	499	695	814	875	1,400	112.8	40.3
Housing Sales and Prices, ARMLS							
Total Sales (\$000s)	3,150,939	2,845,009	3,117,731	2,827,977	2,513,633	37.1	49.1
Total Units	9,861	9,065	9,703	8,871	7,751	-1.1	13.2
Average Price (\$)	319,535	313,845	321,316	318,789	324,298	38.6	31.5
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	3,570,023	3,726,021	3,502,098	3,130,240	3,451,033	1.8	4.9
Total Aircraft Movements	46,839	47,449	48,135	45,879	47,572	2.9	1.7

SOURCES AND ABBREVIATIONS:

ADES: Arizona Department of Economic Security	BLS: Bureau of Labor Statistics, U.S. Department of Labor	PSIA: Phoenix Skyharbor International Airport
ADHS: Arizona Department of Health Services	Census C-40: Bureau of the Census, U.S. Department of Commerce	SAAR: Seasonally adjusted at annual rates
ADOR: Arizona Department of Revenue	EBR: Economic & Business Research Center, The University of Arizona	TAA: Tucson Airport Authority
ADOT: Arizona Department of Transportation	NPS: National Park Service, U.S. Department of the Interior	TAR: Tucson Association of Realtors
ARMLS: Arizona Regional Multiple Listing Service		U.S. Bankruptcy Court: District of Arizona
ASPB: Arizona State Parks Board		USB CBP: U.S. Bureau of Customs and Border Protection, U.S. Department of Homeland Security
BEA: Bureau of Economic Analysis, U.S. Department of Commerce		

	III 2004	IV 2004	I 2005	II 2005	III 2005	% change versus year ago for most recent: quarter 4-quarters	
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL COUNTY) - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	3,760.2	3,796.9	3,832.0	3,866.0	3,899.4	3.7	3.8
Natural Increase	9.2	9.3	9.3	9.3	9.4	1.9	1.6
Births	15.6	15.7	15.8	15.9	16.1	2.8	2.5
Deaths	6.4	6.4	6.5	6.6	6.6	4.1	3.9
Net Migration	26.0	27.4	25.8	24.7	24.0	-7.8	-3.3
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	115,165	117,816	120,149	122,905	125,656	9.1	8.8
Earnings by Place of Work	92,351	94,666	96,741	99,122	101,459	9.9	9.6
Less: Contributions for Social Insurance	10,223	10,485	10,732	10,997	11,261	10.2	10.1
Plus: Adjustment for Residence	-45	-45	-44	-44	-43	4.2	3.4
Plus: Dividends, Interest & Rents	18,255	18,494	18,694	18,957	19,251	5.5	5.3
Plus: Transfer Payments	14,827	15,186	15,488	15,867	16,250	9.6	9.3
Per Capita Personal Income (\$, SAAR) EBR	30,627	31,030	31,354	31,791	32,224	5.2	4.8

ARIZONA - QUARTERLY DATA

	III 2004	IV 2004	I 2005	II 2005	III 2005	% change versus year ago for most recent: quarter 4-quarters	
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	5,857.2	5,907.0	5,955.8	6,003.5	6,051.2	3.3	3.4
Natural Increase	12.5	13.3	12.8	12.6	12.5	0.2	4.4
Births	23.3	23.8	23.4	23.9	23.8	2.2	3.0
Deaths	10.8	10.5	10.6	11.3	11.2	4.5	1.4
Net Migration	37.5	36.3	35.2	34.7	35.6	-5.2	-7.1
Personal Income Derivation (\$mil, SAAR) BEA & EBR							
Total Personal Income	164,530	170,260	171,835	175,879	178,826	8.7	8.8
Earnings by Place of Work	125,754	129,377	132,231	135,610	138,266	9.9	9.9
Less: Contributions for Social Insurance	13,963	14,311	14,773	15,107	15,354	10.0	9.9
Plus: Adjustment for Residence	624	643	658	676	690	10.5	10.4
Plus: Dividends, Interest & Rents	26,359	28,517	26,828	27,297	27,116	2.9	4.5
Plus: Transfer Payments	25,759	26,038	26,894	27,408	28,111	9.1	8.8
Components of Earnings (\$mil, SAAR) BEA & EBR							
Wages and Salaries	91,236	93,955	95,698	98,023	100,014	9.6	9.6
Other Labor Income EBR	20,193	20,872	21,644	22,279	22,659	12.2	12.6
Proprietor's Income	14,745	14,663	15,220	15,748	...	7.8	9.9
Farm	571	412	719	619	...	-17.6	-5.7
Nonfarm	14,174	14,251	14,501	15,129	...	9.2	10.6
Per Capita Personal Income (\$, SAAR) EBR	28,090	28,824	28,852	29,296	29,552	5.2	5.2
Average Wage Per Employee, Annual Rate (\$) EBR	37,751	38,532	38,835	39,340	...	6.1	5.6

TRAVEL AND TOURISM - MONTHLY DATA

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent: month 12-months	
Visits to Parks & Other Recreational Areas, NPS & ASPB							
Northern Arizona	2,492,620	2,342,875	2,108,659	1,579,277	1,394,300	0.4	-1.1
Historical	150,888	149,330	135,082	133,819	119,325	-10.0	-10.2
Scenic	797,838	851,679	784,421	559,871	486,432	-3.6	0.3
Water Based Recreation	1,543,894	1,341,866	1,189,156	885,587	788,543	4.9	-0.5
Southern Arizona	135,463	125,249	105,084	103,175	193,454	0.8	-1.3
Historical	22,616	22,710	19,186	20,093	30,898	3.0	6.2
Scenic	70,853	63,842	61,403	60,559	131,822	-2.6	-3.1
Water Based Recreation	41,994	38,697	24,495	22,523	30,734	15.8	-0.9
International Border Crossings, USBCBP							
U.S. Citizens	682,868	689,665	661,511	630,599	...	-2.3	-6.1
Aliens	1,781,771	1,768,295	1,464,779	1,716,005	...	-1.1	-11.8
Vehicles	863,396	843,523	-4.4	0.5

MEASURES OF INFLATION AND PRICES - MONTHLY DATA

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent: month 12-months	
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	194.5	195.4	196.4	198.8	199.2	4.3	3.4
U.S. - Wage Earners	190.1	191.0	192.1	195.0	195.2	4.7	3.5

See sources and abbreviations at the bottom of page 12. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

ARIZONA ECONOMIC INDICATORS

	JUN 2005	JUL 2005	AUG 2005	SEP 2005	OCT 2005	% change versus year ago for most recent: month 12-months	
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES							
Employment	2,837.1	2,839.3	2,842.4	2,854.3	2,860.2	2.1	2.1
Unemployment	2,705.9	2,693.1	2,704.6	2,703.9	2,719.6	2.0	2.6
Unemployment Rate, Seas. Adj. (%)	131.2	146.2	137.8	150.4	140.6	5.4	-6.4
	4.4	4.9	4.6	5.0	4.9	4.3	-8.2
Employees on Nonagricultural Payrolls (000s) ADES							
Total	2,437.3	2,420.3	2,456.3	2,491.6	2,518.8	4.2	4.1
Natural Resources and Mining	9.5	8.3	8.3	8.2	8.4	-3.4	6.6
Construction	212.8	215.2	216.7	218.4	222.5	12.6	11.1
Durable Goods Manufacturing	142.5	142.6	142.8	142.2	142.3	0.4	0.8
Fabricated Metal Products	17.9	17.8	17.8	17.8	18.0	3.4	3.5
Computer and Electronic Prod.	44.1	44.3	44.3	44.2	44.1	0.9	-0.9
Aerospace Products and Parts	27.0	27.0	27.3	27.1	27.1	3.0	1.9
Non-Durable Goods Manufacturing	33.8	33.6	33.6	33.4	33.5	-1.8	-1.6
Wholesale Trade	96.0	95.2	95.2	95.1	96.2	1.4	1.6
Retail Trade	304.2	306.0	307.0	306.9	310.4	6.6	6.5
Utilities	11.6	11.7	11.7	11.7	11.7	1.7	0.5
Transportation and Warehousing	66.6	66.5	66.7	66.8	67.0	-1.0	0.7
Information	46.2	45.9	45.6	45.7	46.0	-1.7	-4.7
Finance and Insurance	122.7	123.0	123.9	124.9	124.7	4.4	3.1
Real Estate, Rental, and Leasing	46.2	46.4	46.7	46.8	47.3	3.5	2.6
Professional and Business Services	347.9	349.3	351.7	354.3	358.5	4.7	4.6
Educational Services	40.4	37.8	41.1	43.1	44.3	10.8	10.9
Health Care and Social Assistance	231.7	231.9	233.7	234.8	235.6	5.0	4.7
Arts, Entertainment, and Recreation	33.3	32.2	32.0	32.6	33.4	9.5	7.9
Accommodation	46.8	46.0	45.1	45.5	47.1	5.1	4.5
Food Svcs and Drinking Places	171.0	168.6	170.3	172.0	174.1	3.7	3.4
Other Services	89.8	91.1	92.1	92.3	93.1	3.6	1.2
Federal Government	52.2	51.9	52.4	52.1	51.7	1.0	1.3
State and Local Government	332.1	317.1	339.7	364.8	371.0	1.3	2.7
State and Local Government Education	162.2	146.8	172.0	198.2	203.6	1.4	3.8
	40.8	41.8	42.8	42.4	43.1	4.6	3.1
Hours Worked Per Week, Manufacturing, ADES							
Average Hourly Earnings (\$) ADES							
Construction	16.03	16.09	15.98	15.96	15.84	3.2	2.9
Manufacturing	14.94	15.11	14.80	14.75	14.53	2.4	3.0
Trade, Transportation, Utilities	14.70	15.01	15.04	15.00	15.15	4.0	4.9
Retail Trade	12.13	12.34	12.36	12.15	12.07	-0.1	3.4
Wholesale Trade	18.71	19.27	19.06	19.28	19.42	6.9	2.2
Sales (\$000s) ADOR							
Aggregate Retail Sales	6,335,232	6,078,778	6,312,302	6,280,765	...	16.5	12.8
Retail	4,311,981	4,110,302	4,228,932	4,126,716	...	13.9	12.3
Food, EBR	812,117	772,921	790,411	819,964	...	10.6	10.4
Restaurants & Bars	698,155	640,188	668,422	688,631	...	15.6	11.8
Gasoline, EBR	512,979	555,367	624,537	645,453	...	50.9	23.0
Gallons (000s) ADOT	230,957	233,947	239,571	221,691	...	1.9	2.3
Utilities	690,270	765,935	810,445	779,801	...	10.2	8.1
Communications	256,626	257,057	261,529	256,987	...	8.7	4.7
Amusements	71,793	73,550	60,611	54,781	...	6.2	7.3
Rentals - Personal Property	295,300	265,879	281,690	281,046	...	12.7	2.9
Contracting	1,706,706	1,508,855	1,625,450	1,674,482	...	27.1	24.3
Mining - Metal, Oil & Gas	122,071	113,781	106,564	115,262	...	56.6	67.3
Hotel/Motel	148,691	133,026	128,336	151,767	...	14.2	13.7
New Housing Units Authorized, Census C-40							
Total Units	8,404	7,228	8,156	7,722	7,466	6.2	1.9
Single Family Units	7,654	6,266	6,908	6,584	5,812	-5.5	0.2
2-4 Unit Structures	105	198	251	83	199	111.7	-20.7
5-plus Unit Structures	645	764	997	1,055	1,455	84.6	34.9
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	2,909	2,524	3,491	4,966	11,133	355.2	41.7
Chapter 7	2,541	2,273	3,158	4,557	10,410	416.1	53.7
Chapter 11	18	11	12	13	20	11.1	-23.2
Chapter 13	350	240	320	396	703	71.0	-10.8

See sources and abbreviations at the bottom of page 12. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

	III 2004	IV 2004	I 2005	II 2005	III 2005	% 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.)	193.2	194.8	195.8	198.5	200.0	3.5	3.0
U.S. - All Urban Consumers	189.6	190.7	191.9	194.5	196.9	3.8	3.3
U.S. - Urban Wage Earners	185.1	186.4	187.4	190.1	192.7	4.1	3.4
Price Indexes (1996=100) BEA							
Gross Domestic Product	109.4	110.1	111.0	111.7	112.4	2.8	2.7
Personal Consumption Expenditures	108.5	109.3	109.9	110.8	111.9	3.1	2.8

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