

## Slowdown Spreads Beyond Housing

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*The initial estimate of fourth quarter GDP showing 3.5% growth significantly overstated the national economy's strength, and will be revised downward to nearer 2.0% in coming weeks. That's more consistent with Arizona's economy, which continued to lose momentum as 2006 came to a close. Spillover from the housing downturn is now clearly visible in both sales and employment data. Moreover, the slowdown in sales extends beyond housing components into general merchandise and apparel as well as autos. As 2007 begins, Arizona's high-flying economy is much closer to recession than most analysts realize.*

Some measures of Arizona's economy, as traditionally displayed, still look remarkably strong. But closer examination shows that the economy is losing momentum and is spreading across industry segments. The effect of a correction in homebuilding has spilled over into consumer spending, and is now visible in labor markets as well.

### Recession in Homebuilding

The homebuilding industry is in recession, and its plunge is beginning to look a lot like the roller-coaster cycles of the 1970s and 1980s. Since peaking in August of 2005, permits have fallen 57% through the end of 2006 (Exhibit 1).

Over the last 40 years, there have been four homebuilding recessions: the mid 1970s, the early 1980s, the mid 1980s, and the late 1990s (which

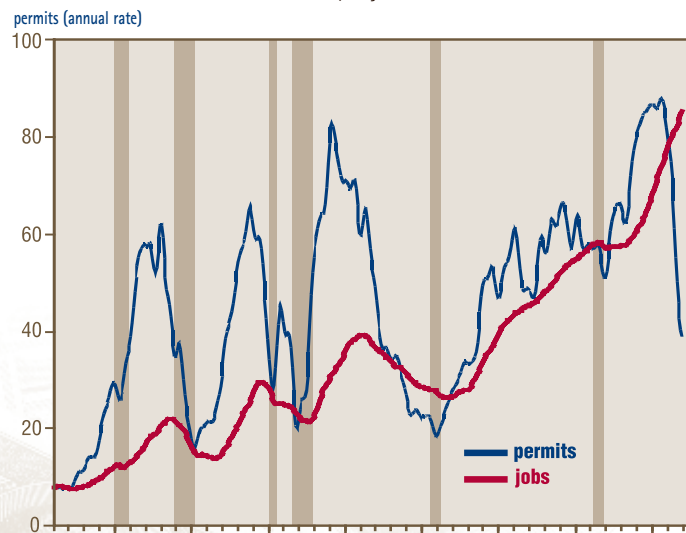
was quite muted by comparison). For this discussion, the 1980 recession is considered to be part of the 1981-82 recession since neither permits nor construction jobs managed to stage much of a recovery during the short period that separated the two recessions.

During the first three recessionary periods, residential building permits declined between 69% and 78% from peak to trough. The late 1990s downturn measured a very modest 11.6% decline. So far, permits in the current cycle are down 57% (data through December) and still declining. Each earlier downturn was followed by national recession (the gray shaded bars).

The graph also shows that residential permits are a leading indicator of employment levels.

### EXHIBIT 1 Plunging Permits Mark Beginning of Correction

Residential Permits Lead Construction Jobs, Arizona  
Seasonally Adjusted, 000s



### INSIDE:

Forecast Tables .....	5
The Role of Arizona Cities and Towns in the State's Economy .....	6
Arizona Economic Indicators.....	9

In the first two downturns, construction jobs continued growing for another 6-8 months after residential permits turned down. Lead time during the last two cycles was 24 and 28 months. With data through December, permits have declined for 17 months while construction jobs continue to grow.

Construction employment normally continues expanding after permits turn down because it takes several months for builders to complete homes already in process; non-residential construction continues at high levels since projects start later and take much longer to build; and public-sector spending on infrastructure projects, which lags even further behind, finally gets underway.

Given the record levels of unsold new and resale housing on the market, the current plunge in permitting likely will continue for a few more months. Construction jobs should peak very soon and start declining; loss of one-quarter of construction's work force would not be surprising. Currently, construction jobs comprise 9.5% of all nonfarm jobs – an all-time record high. During prior cycles, that ratio has fallen into the 5.5-6.0% range.

Construction workers are not the only ones who face the risk of job loss. Realtors, mortgage brokers, title company personnel, home inspection crews, engineers, and others whose job depends on growth are included. All combined, close to 20% of nonfarm jobs are growth related, Exhibit 2.

### Consumers Take a Breather

Retail sales statewide continued to tread water as 2006 came to a close. Since May, aggregate sales have been flat, registering practically no growth (Exhibit 3).

The slowdown is evident across nearly all categories. Auto sales, the largest component accounting for nearly 20% of the total, dropped last summer, then recovered in recent months to show gains approaching 5% compared to year-

## EXHIBIT 2 Sectors With a Direct or Indirect Tie to Construction Activity

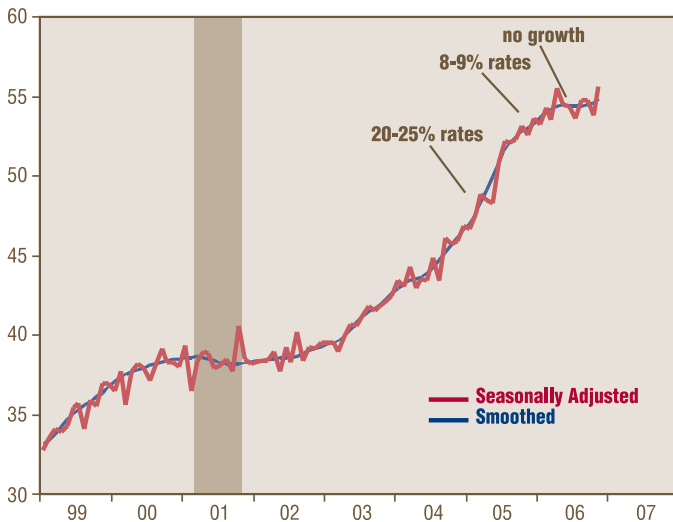
	# employees	% of total
<b>Total</b>	<b>2,044,134</b>	<b>100.0%</b>
<b>Construction</b>	<b>184,901</b>	<b>9.0%</b>
<b>Manufacturing</b>	<b>36,528</b>	<b>1.8%</b>
wood products	9,501	
cement & concrete	5,434	
cut stone	664	
architectural & structural metals	7,005	
construction machinery	191	
ventilation, heating, air conditioning	1,395	
electrical equipment, appliance & components	3,267	
furniture	9,071	
<b>Wholesale Trade</b>	<b>25,132</b>	<b>1.2%</b>
furniture & home furnishings	2,316	
lumber & construction materials	5,544	
electrical & electronic goods	10,611	
hardware, plumbing, heating	4,563	
construction machinery	2,098	
<b>Retail Trade</b>	<b>39,759</b>	<b>1.9%</b>
furniture & home furnishings	11,595	
appliance, TV other electronics	7,592	
building material & garden equipment	20,572	
<b>Finance</b>	<b>14,202</b>	<b>0.7%</b>
real estate credit	9,139	
mortgage & non brokers	5,063	
<b>Insurance</b>	<b>14,387</b>	<b>0.7%</b>
direct property & casualty	11,453	
direct title	2,934	
<b>Real Estate and Rental &amp; Leasing</b>	<b>30,944</b>	<b>1.5%</b>
lessors of real estate	8,763	
office of real estate agents & brokers	8,309	
property managers	9,381	
real estate appraisers	1,331	
other	1,637	
constr, trans, mining, & forestry equip leasing	1,523	
<b>Professional Scientific &amp; Technical Services</b>	<b>55,945</b>	<b>2.7%</b>
title, abstract & settlement services	970	
architectural engineering & related services	23,895	
janitorial services	15,161	
landscaping services	15,919	
<b>Subtotal</b>	<b>401,798</b>	<b>19.7%</b>

Source: 2004 County Business Patterns

*The effect of a correction in homebuilding has spilled over into consumer spending, and is now visible in labor markets as well.*

### EXHIBIT 3 Sales Are Flat

Retail Sales, Arizona  
Seasonally Adjusted Annual Rate



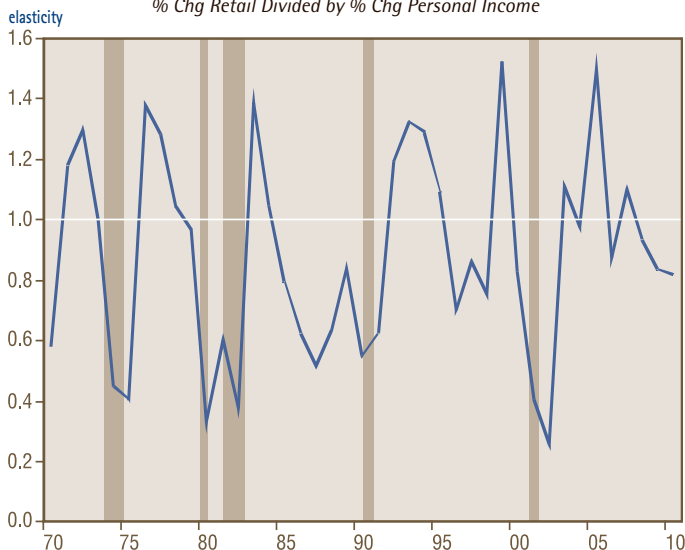
earlier sales. Categories related to building and furniture, which account for 8.3% and 7.0% of total sales, respectively, also have weakened significantly; both began to slow last spring, and by mid-summer growth had stopped.

The biggest surprise is that general merchandise and apparel categories also have weakened considerably. General merchandise (nearly 16% of the total) has been *declining since last March!* Apparel (6.1%) has recorded increases under 5% since June and has declined in three of the four most recent months. The slowdown in spending is far broader than commonly reported and has spread beyond the inventory correction in housing and autos.

Sales will continue in a flat trajectory for a few more months before modestly accelerating. We expect retail sales statewide to grow by a modest 5-6% in 2007 and 2008, compared to a gain of 8.4% in 2006 and 13.4% the year before.

### EXHIBIT 4 Volatile Consumer Spending Cycle

Income Elasticity of Retail Sales, Arizona  
 $\% \text{ Chg Retail Divided by } \% \text{ Chg Personal Income}$



### Income Affects Spending

It has been widely noted that consumer spending carried the economy in recent years, and that consumers have been able to spend well beyond their means by tapping accumulated wealth and augmenting normal income from other sources. Since the recession ended in November 2001, consumer spending has been supported by federal tax cuts, tapping equity in homes, realizing capital gains from asset holdings such as stocks and housing, and disbursements from retirement accounts. Consumers also borrowed heavily. *None of these items is included in BEA's measure of personal income.*

It's somewhat surprising then, given all the discussion, that the relationship between spending (as we are able to measure it at the state level) and personal income is not all that extraordinary. When compared to prior business cycles, the relationship between retail sales growth and personal income growth looks normal (Exhibit 4).

*The slowdown in spending is far broader than commonly reported and has spread beyond the inventory correction in housing and autos.*

During strong expansions, retail sales grow faster than personal income (the ratio is greater than one). For example, in calendar year 2005, retail sales grew by 13.4% and personal income by 8.9%; the ratio is 1.5. That's a little less than the record established in 1999, and compares to prior high points in the 1.3 to 1.4 range. During recessions (the shaded bars), spending grows more slowly than income as consumers postpone major purchases, pay down debt, and increase savings. During 2001, sales grew by 1.9% while personal income increased by 4.8%, producing a ratio of 0.4.

Our forecasts for this year show retail sales growing slightly faster than personal income, then a little more slowly in 2008 and beyond. The ratio compares to the 1996-98 period when growth slowed but the economy avoided recession.

The predictive value of personal income in determining retail sales (and individual income tax collections) could be augmented by including measures of consumer borrowing, mortgage equity extractions, realized capital gains from financial holdings, and retirement income. For example, mortgage equity extractions during 2005 added some \$600 billion to household finances nationwide, representing nearly 6.5% of after-tax income. Household borrowing reached 14% of disposable income, an all time record. Additionally, distributions from individual retirement accounts (IRAs), pensions and annuities, and social security payments comprised nearly 10% of taxable income in 2004. This amount will increase significantly as the Boomer generation enters retirement. Unfortunately, these measures are not readily available, especially at state or metro levels. Efforts to develop these data for Arizona lie ahead.

### Labor Markets Are Softening

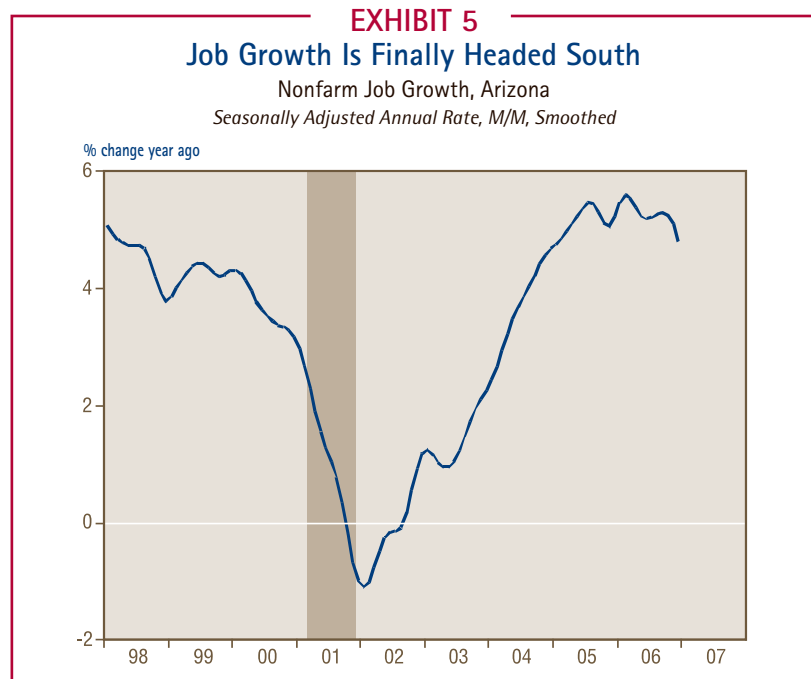
The recession in homebuilding and the slowdown in sales are finally beginning to affect labor markets. Although Arizona's unemployment rate in December is still a low 4.1%, that's a full half point higher than in August. Nonfarm payrolls statewide have begun to slow; after exceeding 5% for two years running, growth is headed toward 4% (Exhibit 5).

Four percent is still phenomenal growth, to be sure. But it will move much lower in coming months.

Diminished levels of building and layoffs in the "growth industry" will exert a significant

drag on the overall economy this year and next. Although we don't expect Arizona's economy (as measured by nonfarm jobs) to stop growing, the rate will be cut from over 5% to less than 2% this year and next.

There is a distinct possibility that the recent slowdown could turn into a recession (a contraction in the overall economy). It's also possible that we are already in one and just don't know it yet. If recession is avoided – and that's the best bet at this juncture – we're still looking at a period with the slowest growth since the last recession that ended in November of 2001. ■



*The recession in homebuilding and the slowdown in sales are finally beginning to affect labor markets.*

<b>Arizona</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Personal Income (\$ mill)	179,114.0	196,226.8	207,272.3	218,401.6	235,306.1	258,216.3	283,437.5
percent change	8.9	9.6	5.6	5.4	7.7	9.7	9.8
Wage per Employee	39,837	41,946	43,240	44,601	46,384	48,403	50,585
percent change	4.5	5.3	3.1	3.1	4.0	4.4	4.5
Aggregate Retail Sales (\$ mill)*	74,813.0	81,380.0	86,092.4	90,224.3	95,649.0	102,777.5	110,585.0
percent change	13.5	8.8	5.8	4.8	6.0	7.5	7.6
Population (000s, mid-year)	6,045.0	6,254.0	6,466.2	6,642.3	6,837.0	7,050.1	7,289.4
percent change	3.4	3.5	3.4	2.7	2.9	3.1	3.4
Residential Permits	85,857	55,760	30,944	42,000	70,643	87,718	97,438
percent change	0.1	-35.1	-44.5	35.7	68.2	24.2	11.1
Non Farm Employment (000s)	2,503.2	2,636.8	2,682.7	2,722.7	2,810.0	2,953.5	3,104.0
percent change	5.1	5.3	1.7	1.5	3.2	5.1	5.1
Goods-Producing	408.7	441.0	418.5	408.8	408.6	442.1	475.6
percent change	8.4	7.9	-5.1	-2.3	0.0	8.2	7.6
Service-Providing	2,094.5	2,196.0	2,264.4	2,314.0	2,401.5	2,511.7	2,628.5
percent change	4.5	4.8	3.1	2.2	3.8	4.6	4.7
Trade, Trans., & Utilities	488.2	511.5	517.4	522.3	545.1	576.8	610.0
percent change	5.5	4.8	1.2	1.0	4.4	5.8	5.8
Prof. & Business Services	366.3	396.5	412.0	416.4	431.9	456.7	486.2
percent change	8.2	8.2	3.9	1.1	3.7	5.7	6.5
Leisure & Hospitality	252.2	265.0	273.7	282.5	295.0	307.9	320.2
percent change	4.3	5.1	3.3	3.2	4.4	4.4	4.0
Government	403.3	410.6	421.9	429.5	438.3	449.5	459.9
percent change	1.0	1.8	2.7	1.8	2.0	2.6	2.3
<b>Phoenix-Mesa Metro Area</b>							
Personal Income (\$ mill)	126,066.1	138,531.9	148,080.6	156,569.5	168,026.2	184,308.0	204,182.7
percent change	9.0	9.9	6.9	5.7	7.3	9.7	10.8
Wage per Employee	45,670	47,970	49,569	51,410	53,501	55,653	57,907
percent change	3.5	5.0	3.3	3.7	4.1	4.0	4.1
Aggregate Retail Sales (\$ mill)*	52,025.1	56,670.6	59,986.4	62,912.5	67,310.0	73,326.3	80,287.7
percent change	14.7	8.9	5.9	4.9	7.0	8.9	9.5
Population (000s, mid-year)	3,895.2	4,043.7	4,171.9	4,294.1	4,430.2	4,594.0	4,779.1
percent change	3.7	3.8	3.2	2.9	3.2	3.7	4.0
Residential Permits	62,617	40,527	23,867	30,134	47,425	66,923	83,528
percent change	-4.0	-35.3	-41.1	26.3	57.4	41.1	24.8
Non Farm Employment (000s)	1,788.0	1,883.2	1,935.9	1,961.6	2,011.3	2,113.4	2,247.4
percent change	6.2	5.3	2.8	1.3	2.5	5.1	6.3
Goods-Producing	300.9	322.9	305.9	288.2	286.2	313.6	350.9
percent change	9.2	7.3	-5.3	-5.8	-0.7	9.6	11.9
Service-Providing	1,487.1	1,560.3	1,630.0	1,673.4	1,725.2	1,799.9	1,896.6
percent change	5.6	4.9	4.5	2.7	3.1	4.3	5.4
Trade, Trans., & Utilities	366.4	379.6	388.7	397.1	411.7	432.3	457.2
percent change	7.6	3.6	2.4	2.2	3.7	5.0	5.8
Prof. & Business Services	296.9	316.5	340.7	349.7	355.0	368.4	396.5
percent change	8.4	6.6	7.6	2.6	1.5	3.8	7.6
Leisure & Hospitality	169.7	180.9	185.8	191.8	200.4	209.8	218.7
percent change	4.8	6.6	2.7	3.2	4.5	4.7	4.2
Government	225.5	230.0	235.7	240.4	246.4	254.2	262.1
percent change	2.1	2.0	2.5	2.0	2.5	3.2	3.1
<b>Tucson Metro Area</b>							
Personal Income (\$ mill)	26,154.7	28,359.9	30,200.2	31,907.7	34,457.7	37,379.9	40,093.0
percent change	5.9	8.4	6.5	5.7	8.0	8.5	7.3
Wage per Employee	38,327	39,782	41,270	42,735	44,281	46,007	47,899
percent change	3.8	3.8	3.7	3.5	3.6	3.9	4.1
Aggregate Retail Sales (\$ mill)*	10,984.9	11,659.8	12,294.5	12,776.7	13,463.6	14,264.0	14,980.1
percent change	10.9	6.1	5.4	3.9	5.4	5.9	5.0
Population (000s, mid-year)	957.6	988.4	1,013.4	1,036.4	1,063.2	1,091.8	1,118.6
percent change	2.8	3.2	2.5	2.3	2.6	2.7	2.5
Residential Permits	11,913	8,340	6,001	9,412	10,970	11,736	10,976
percent change	14.4	-30.0	-28.1	56.8	16.5	7.0	-6.5
Non Farm Employment (000s)	365.0	382.3	390.9	395.1	406.9	422.3	433.6
percent change	1.4	4.8	2.2	1.1	3.0	3.8	2.7
Goods-Producing	55.4	58.6	57.1	55.4	57.5	60.7	61.7
percent change	3.1	5.8	-2.6	-2.9	3.7	5.7	1.7
Service-Providing	309.6	323.7	333.8	339.7	349.4	361.6	371.9
percent change	1.1	4.6	3.1	1.8	2.9	3.5	2.8
Trade, Trans., & Utilities	59.0	61.6	62.8	64.0	66.1	68.3	70.2
percent change	1.9	4.3	2.0	2.0	3.3	3.4	2.7
Prof. & Business Services	45.5	48.8	52.5	53.4	54.1	56.3	59.0
percent change	4.9	7.1	7.6	1.8	1.2	4.1	4.8
Leisure & Hospitality	39.4	42.3	43.3	44.5	46.4	48.4	50.0
percent change	0.8	7.2	2.5	2.7	4.2	4.2	3.3
Government	77.4	78.2	79.3	80.4	81.9	83.6	84.7
percent change	-3.2	1.1	1.3	1.4	1.9	2.0	1.3

\* 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

# The Role of Arizona Cities and Towns in the State's Economy

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*This article is a summary of a report which was prepared for The League of Arizona Cities and Towns in October 2006. The complete report is available at [http://ebr.eller.arizona.edu/research/Role\\_of\\_Arizona\\_Cities&Towns.pdf](http://ebr.eller.arizona.edu/research/Role_of_Arizona_Cities&Towns.pdf)*

Arizona's economic surge in 2005 went into the record books as the largest in state history. That surge was reflected in tax revenues worth \$11.3 billion to state coffers. What role did Arizona's cities and towns play in Arizona's record-setting economic output? Gross Metropolitan Product (GMP) is a term used to measure economic activity in metro areas in the United States. In the 2005 "State of the State Report: Arizona," statistics illustrate that Arizona's five metro areas—Flagstaff, Phoenix-Mesa-Scottsdale, Prescott, Tucson, and Yuma—produced 92.2 percent of Arizona's Gross State Product (GSP), far higher than the average of 86.3 percent in 26 other states.

This article describes the roles that cities and towns played in Arizona's economy in fiscal year 2004–2005. It reviews data on population, jobs, state transaction privilege taxes and income taxes generated within municipal boundaries, and describes features and policies of Arizona's municipalities that are crucial to attracting, retaining and creating jobs, businesses and firms.

## State Budget Revenues

Gross revenues collected by the state for FY 2004–2005 totaled \$8.9 billion. (This figure excludes gross revenues from corporate income taxes, transaction privilege taxes [TPT] collected for cities and towns, and revenue collected from the 0.6 percent TPT dedicated to education. Total state gross revenues were actually \$11.3 billion.) The major sources of revenue for the state's budget were the 5 percent TPT (excluding the .6 percent earmarked for education) and individual income tax. Those two taxes comprised \$8.45 billion, or 95 percent of all state revenues. Income generation and consumption patterns are key indicators of the vitality of a state's economy from year to year, and tax revenues generated by both economic activities reveal how important income and consumption are to a state's budget.

The population of the state of Arizona in 2005 was estimated to be 6,044,985. The combined populations of Arizona's 89 cities and towns (the town of Star Valley had not yet incorporated) totaled 4,987,312. Arizona residents residing in

municipalities comprised 82.5 percent of the state's total population. An even greater percentage of Arizona's non farm employed (excludes unemployed) resides—and files taxes—within city and town boundaries as well, 88 percent. Further, Arizona collected \$3.75 billion in income tax revenues in FY 2004–2005 (excluding corporate income taxes) and 91.4 percent, or \$84.1 billion, was generated in cities and towns. By using the most recent year for which income taxes by cities and towns have been reported is calendar year 2000. Making the assumption that the percentage of revenues from cities and towns has remained stable since 2000, the state collected \$3.75 billion in income tax in FY 2004–2005 we can assume that 91.4 percent was generated in cities and towns, or \$3.43 billion

Arizona's net taxable sales (TPT, use and severance tax) in FY 2004–2005 were \$93.1 billion. Total tax collections were \$4.635 billion, or just under 5 percent of taxable sales. In an earlier report, we calculated that the sales tax base for municipalities was approximately 93 percent that of the state tax

**TABLE 1**  
Cities and Towns and State Tax Revenues FY 2004–2005

	State total	Cities and Towns share	% of State
Population	6,044,985	4,987,312	82.5%
Non Farm Employment	2,796,633	2,471,580	88.0%
Income Tax	\$3.75 billion	\$3.43 billion	91.4%
Urban Revenue Sharing		\$373.1 million	
Transaction Privilege Tax	\$4.66 billion	\$4.34 billion	93.0%
TPT Sharing		\$376.2 million	

Source: Arizona Department of Revenue 2005 Annual Report; Arizona Department of Economic Security.

*Income generation and consumption patterns are key indicators of the vitality of a state's economy from year to year.*

base, and thus \$4.34 billion in state sales tax collections were generated in cities and towns.

### The Role of Cities and Towns in Tax Generation

Table 1 presents the findings of the contribution of cities and towns to the state's economy and budget. With 82 percent of the state's population and 88 percent of the jobs, cities and towns produce 91.4 percent of gross income and 91.4 percent of state income taxes. They contain 93 percent of taxable sales and produce 93 percent of TPT revenues. In those two taxes alone, cities and towns sent \$7.77 billion to state coffers. Through two revenue sharing programs, Arizona then returned to cities and towns a total of \$749.3 million, about 8.4 percent of total state revenues (\$8.9 billion) in 2005.

### How Cities and Towns Contribute to the State's Economy

Arizona's municipalities are clearly the economic engines of the state. Local officials understand that developing and nurturing robust economies is a critical responsibility—if not the most important—of their governance mission. Arizona's cities and towns—from the city of Phoenix to the town of Jerome—dedicate precious resources to creating vibrant economies. Basic services are a prerequisite for healthy local economies and for companies considering relocating to a particular city or town. Provided effectively, they form the essential foundation for economic success. Without them, a local economy would flounder and eventually dry up. A survey was distributed by mail to each city and seeking to learn what services, both basic and optional, were considered important with respect to developing and sustaining a healthy local economy. Table 2 lists basic and optional services considered essential by municipal officials.

**TABLE 2**  
Basic and Optional Services and Tools Vital to Economic Development

Basic Services	Optional Services and Tools
Police	Free pre-development meetings on project design and site development
Fire	Expedient plan review
Water	Full-time economic development specialist
Sewer	Funding the chamber of commerce
Wastewater treatment	Funding the regional economic development organization
Airport	Funding the convention and visitors bureau
Traffic circulation system	Departments of planning, development, building review
ISO rating of "3"	Main Street Program
Parks and recreation	Cultural arts programs
Snow removal	Long-range planning
Street sweeping	Sales tax rebates
Libraries	Technical assistance for start-up small businesses
High quality of life	Maps and plans
	Business and development outreach
	Public art
	Pro-active business development climate
	Department of economic development
	Small business resource center
	Urban planning and design
	Workforce development
	Parks, recreation and pools

*In Arizona, 92.2 percent of Arizona's Gross State Product is produced in the state's five major metro areas alone.*

Services to encourage economic growth require direct expenditures or result in a reduction of revenues. While basic services consume the majority of municipal budgets (all funds, but especially the general fund), optional economic development activities are not cheap.

### Conclusions

Cities and towns are the engines of economic growth throughout the U.S. and particularly in Arizona. In Arizona, 92.2 percent of Arizona's Gross State Product is produced in the state's five major metro areas alone. This is an astoundingly high percentage, considering that only 86.3 percent of the U.S. Gross Domestic Product is produced in metropolitan areas of the U.S.

Through the Urban Revenue Sharing and state-shared sales tax programs, cities and towns get back a relatively small 11 percent of state income tax revenues and 8.6 percent of state Transaction Privilege Tax revenues that they contribute. These state tax revenues (income and TPT) returned to them represent a small portion of state revenues but finance a big portion—if not all—of direct economic activities.

In order to be the growth engines of the state, local communities incur major expenses to attract, retain and expand businesses. First and foremost, they have to provide quality basic services. Basic services appear to be just as important to economic health as specific economic development services from the perspective of municipal officials involved in economic development. A strong public service foundation is necessary and, rightly so, is taken for granted by existing businesses and assumed by business prospects. Certain types of local programs, such as parks and recreation, are often referred to as discretionary. However, they are an important part of the quality of life in communities, a factor that can contribute to lower crime rates and that is an inherent part of the

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*Basic services are a prerequisite for healthy local economies and for companies considering relocating to a particular city or town. Provided effectively, they form the essential foundation for economic success.*

package that businesses and their workers expect.

In addition, cities and towns fund a wide variety of services that are directly geared to economic development. A wide spectrum of economic development activities and tools are utilized by cities and towns to support, promote, retain, expand and attract businesses. These include programs such as technical assistance for start-up small businesses, funding for regional economic development organizations, funding for chambers of commerce, and incentive policies, such as reductions in impact fees and local sales tax rebates. Most cities and towns play major roles in their own growth and development and, therefore, in the state's

growth and development.

It appears that Arizona's cities and towns are good investments for both the state and the business communities. The adage of the 21st century, "think globally, act locally," exemplifies the importance of local communities in a global economy as the world flattens. Thriving local economies reduce the costs of municipal (and state) government in the long run, as fewer residents require the services of the Department of Economic Security, AHCCCS, or the Department of Health. State policies that strengthen municipalities are a good investment and result in substantial increases to the state treasury. ■

*In order to be the growth engines of the state, local communities incur major expenses to attract, retain and expand businesses.*

# ARIZONA ECONOMIC INDICATORS

	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent:	
						month	12-months
<b>APACHE COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	20,275	20,150	19,400	19,625	19,750	0.0	0.6
Unemployment	18,275	18,250	17,550	17,675	17,600	-1.7	0.8
Unemployment Rate (%)	2,000	1,900	1,850	1,950	2,150	16.2	-1.2
Unemployment Rate (%)	9.9	9.4	9.5	9.9	10.9	16.2	-1.7
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	20,225	20,350	19,350	19,650	19,550	-1.9	0.9
<i>Total Private</i>	7,325	7,375	7,275	7,050	7,025	2.2	2.5
Goods-Producing	850	900	900	800	800	14.3	-5.1
Service-Providing	19,375	19,450	18,450	18,850	18,750	-2.5	1.2
Trade, Transportation, and Utilities	1,925	1,975	2,000	1,900	1,850	1.4	0.9
Other Private Service-Providing	4,550	4,500	4,375	4,350	4,375	0.6	4.8
<i>Government</i>	12,900	12,975	12,075	12,600	12,525	-4.0	0.0
Federal Government	3,325	3,300	3,250	3,225	3,175	1.6	2.6
State and Local Government	9,575	9,675	8,825	9,375	9,350	-5.8	-0.8
<b>Sales (\$000s) ADOR</b>							
Gross Retail	13,374	11,097	10,432	12,108	...	-9.1	0.8
Retail	6,922	5,036	6,029	7,174	...	2.4	4.0
Restaurants & Bars	1,122	1,030	622	639	...	-24.8	-3.8
Gasoline, EBR	5,331	5,031	3,780	4,295	...	-21.5	-1.8
Gallons (000s) ADOT	2,266	2,345	1,727	1,850	...	-27.0	-10.7
Contracting	8,867	9,355	3,610	4,320	...	-45.1	-18.1
Hotel/Motel	1,475	1,220	621	727	...	-19.6	1.3
<b>NAVAJO COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	38,325	37,700	37,375	37,300	36,875	-0.3	1.1
Unemployment	35,675	35,075	34,825	34,625	33,900	-0.7	1.7
Unemployment Rate (%)	2,650	2,625	2,550	2,675	2,975	4.4	-6.2
Unemployment Rate (%)	6.9	7.0	6.8	7.2	8.1	4.7	-7.2
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	30,500	30,050	29,775	29,825	29,150	-0.3	2.0
<i>Total Private</i>	20,400	19,975	19,750	19,650	19,350	2.4	5.0
Goods-Producing	4,200	4,200	4,100	4,075	4,000	8.1	8.6
Mining and Construction	3,275	3,275	3,200	3,200	3,125	13.6	10.8
Manufacturing	925	925	900	875	875	-7.9	2.1
Service-Providing	26,300	25,850	25,675	25,750	25,150	-1.6	1.1
Trade, Transportation, and Utilities	6,250	6,250	6,350	6,250	6,200	4.2	9.9
Information	850	825	825	825	850	9.7	6.3
Financial Activities	650	650	650	675	650	4.0	6.1
Professional and Business Services	1,150	1,100	1,025	1,025	1,050	-10.6	2.4
Educational and Health Services	3,375	3,375	3,425	3,425	3,375	4.7	2.0
Leisure and Hospitality	3,150	2,800	2,600	2,625	2,500	-6.5	-1.4
Other Services	775	775	775	750	725	-6.5	-7.3
<i>Government</i>	10,100	10,075	10,025	10,175	9,800	-5.3	-3.3
Federal Government	1,775	1,650	1,600	1,600	1,525	-3.2	1.1
State and Local Government	8,325	8,425	8,425	8,575	8,275	-5.7	-4.2
<b>Sales (\$000s) ADOR</b>							
Gross Retail	95,081	80,196	81,163	89,552	...	2.5	9.2
Retail	68,510	62,153	65,369	71,645	...	2.7	11.4
Restaurants & Bars	9,284	7,247	6,448	7,145	...	7.5	13.0
Gasoline, EBR	17,287	10,796	9,346	10,761	...	-1.9	-2.9
Gallons (000s) ADOT	7,349	5,033	4,270	4,635	...	-8.8	-11.0
Contracting	21,013	21,532	19,714	21,679	...	-9.2	18.5
Hotel/Motel	3,547	2,824	2,495	2,357	...	9.6	8.1
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	44	46	32	30	28	-44.0	-20.1
Single Family Units	40	46	32	30	26	-43.5	-19.8

See sources and abbreviations at the bottom of page 16. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

# ARIZONA ECONOMIC INDICATORS

	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent:	
						month	12-months
<b>GRAHAM COUNTY</b>							
<b>Civilian Labor Force, ADES</b>	13,800	14,050	14,100	14,050	13,975	13.8	10.2
Employment	13,150	13,425	13,475	13,425	13,275	14.7	11.4
Unemployment	650	625	625	625	700	0.0	-9.0
Unemployment Rate (%)	4.7	4.4	4.4	4.4	5.0	-12.2	-17.3
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	8,225	8,550	8,575	8,700	8,525	14.4	11.0
<i>Total Private</i>	5,375	5,625	5,650	5,775	5,800	17.8	12.8
Goods-Producing	900	1,050	1,100	1,150	1,175	74.1	48.6
Service-Providing	7,325	7,500	7,475	7,550	7,350	8.5	7.7
Trade, Transportation, and Utilities	1,675	1,675	1,675	1,700	1,675	8.1	12.7
Other Private Service-Providing	2,800	2,900	2,875	2,925	2,950	9.3	5.0
<i>Government</i>	2,850	2,925	2,925	2,925	2,725	7.9	7.7
Federal Government	425	425	400	400	400	23.1	29.3
State and Local Government	2,425	2,500	2,525	2,525	2,325	5.7	4.6
<b>Sales (\$000s) ADOR</b>							
Gross Retail	22,763	22,617	22,769	28,207	...	24.5	25.0
Retail	18,701	18,365	18,624	23,454	...	23.4	28.2
Restaurants & Bars	1,883	2,096	2,112	2,275	...	31.9	15.9
Gasoline, EBR	2,179	2,157	2,034	2,478	...	28.9	9.9
Gallons (000s) ADOT	926	1,006	929	1,067	...	19.9	0.4
Contracting	3,736	3,066	4,379	6,160	...	48.9	44.0
<b>COCONINO COUNTY</b>							
<b>Civilian Labor Force, ADES</b>	70,700	70,200	69,400	67,800	66,700	1.5	2.5
Employment	67,900	67,400	66,700	64,800	63,300	1.6	3.0
Unemployment	2,800	2,800	2,700	3,000	3,400	0.0	-7.0
Unemployment Rate (%)	4.0	4.0	3.9	4.4	5.1	-1.5	-9.2
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	66,200	66,000	65,200	63,400	62,000	2.6	3.5
<i>Total Private</i>	46,100	45,700	44,900	44,300	43,000	3.6	3.7
Goods-Producing	7,500	7,400	7,300	7,200	7,200	5.9	9.1
Mining and Construction	3,800	3,700	3,600	3,500	3,400	0.0	8.2
Manufacturing	3,700	3,700	3,700	3,700	3,800	11.8	10.1
Service-Providing	58,700	58,600	57,900	56,200	54,800	2.2	2.8
Trade, Transportation, and Utilities	10,000	9,900	10,000	10,000	9,600	2.1	2.8
Information	500	500	500	500	500	25.0	5.3
Financial Activities	1,800	1,800	1,800	1,800	1,700	6.3	2.9
Professional and Business Services	3,400	3,400	3,300	3,300	3,200	3.2	-0.7
Educational and Health Services	7,200	7,200	7,200	7,200	7,100	0.0	0.9
Leisure and Hospitality	13,700	13,500	12,900	12,400	11,800	4.4	4.6
Other Services	2,000	2,000	1,900	1,900	1,900	5.6	1.8
<i>Government</i>	20,100	20,300	20,300	19,100	19,000	0.5	2.9
Federal Government	3,000	2,900	2,700	2,700	2,600	-7.1	-4.7
State and Local Government	17,100	17,400	17,600	16,400	16,400	1.9	4.3
<b>Sales (\$000s) ADOR</b>							
Gross Retail	160,401	136,895	127,123	143,409	...	5.6	8.0
Retail	105,927	87,776	86,741	100,650	...	2.5	7.0
Restaurants & Bars	31,153	29,865	23,476	24,531	...	17.3	12.1
Gasoline, EBR	23,322	19,255	16,906	18,227	...	8.9	7.2
Gallons (000s) ADOT	9,914	8,976	7,724	7,851	...	1.2	-2.5
Contracting	33,059	39,410	31,555	34,353	...	-4.2	21.7
Hotel/Motel	22,946	19,804	12,384	11,709	...	11.2	5.9
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	72	79	27	39	35	-47.8	-9.8
Single Family Units	72	79	27	39	33	-50.7	-15.6

See sources and abbreviations at the bottom of page 16. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent:	
						month	12-months
<b>GREENLEE COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	3,950	4,025	4,025	4,000	4,000	14.3	10.6
Unemployment	3,800	3,875	3,875	3,875	3,825	14.2	11.5
Unemployment Rate (%)	150	150	150	125	175	16.7	-9.0
Unemployment Rate (%)	3.8	3.7	3.7	3.1	4.4	2.1	-17.6
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	4,650	4,725	4,725	4,600	4,625	20.1	16.4
<i>Total Private</i>	4,125	4,200	4,200	4,100	4,125	23.1	19.1
Goods-Producing	3,325	3,375	3,375	3,350	3,375	27.4	19.1
Service-Providing	1,325	1,350	1,350	1,250	1,250	4.2	10.0
Trade, Transportation, and Utilities	325	325	325	325	325	18.2	6.7
Other Private Service-Providing	475	500	500	425	425	0.0	29.3
<i>Government</i>	525	525	525	500	500	0.0	-1.2
Federal Government	50	50	50	25	25	0.0	5.6
State and Local Government	475	475	475	475	475	0.0	-1.8
<b>Sales (\$000s) ADOR</b>							
Gross Retail	9,684	10,126	-50,322	9,611	...	12.4	-36.9
Retail	8,978	9,271	-51,196	8,747	...	11.8	-42.4
Restaurants & Bars	246	240	284	239	...	12.8	10.2
Gasoline, EBR	460	615	589	625	...	20.5	14.9
Gallons (000s) ADOT	196	287	269	269	...	12.1	4.8
Contracting	5,680	7,787	7,215	9,425	...	197.1	285.1
Hotel/Motel*	687	631	1,119	407	...	-14.7	36.4

\* Includes Graham County data.

<b>YAVAPAI COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	97,900	97,700	97,900	96,700	95,400	3.7	5.7
Unemployment	94,000	93,900	94,200	93,100	91,000	3.5	6.1
Unemployment	3,900	3,800	3,700	3,600	4,400	7.3	-3.8
Unemployment Rate (%)	4.0	3.9	3.8	3.7	4.6	3.5	-8.9
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	65,400	65,300	65,600	65,300	63,500	4.1	6.9
<i>Total Private</i>	53,800	53,500	53,900	53,800	52,300	3.8	7.3
Goods-Producing	13,300	13,200	13,100	13,100	12,700	3.3	9.0
Mining and Construction	9,400	9,300	9,200	9,200	8,900	4.7	11.2
Manufacturing	3,900	3,900	3,900	3,900	3,800	0.0	4.3
Service-Providing	52,100	52,100	52,500	52,200	50,800	4.3	6.4
Trade, Transportation, and Utilities	12,400	12,300	12,700	12,600	12,400	4.2	6.2
Information	600	600	600	600	600	0.0	0.0
Financial Activities	2,400	2,400	2,500	2,500	2,400	4.3	8.6
Professional and Business Services	5,200	5,100	5,200	5,100	5,000	6.4	8.4
Educational and Health Services	9,400	9,600	9,500	9,600	9,200	5.7	7.3
Leisure and Hospitality	8,400	8,200	8,200	8,200	8,000	3.9	6.4
Other Services	2,100	2,100	2,100	2,100	2,000	-9.1	6.3
<i>Government</i>	11,600	11,800	11,700	11,500	11,200	5.7	4.9
Federal Government	1,300	1,300	1,200	1,200	1,200	9.1	1.4
State and Local Government	10,300	10,500	10,500	10,300	10,000	5.3	5.3
<b>Sales (\$000s) ADOR</b>							
Gross Retail	173,641	173,208	174,205	198,314	...	-0.2	7.3
Retail	132,190	133,830	138,711	156,196	...	-4.5	6.5
Restaurants & Bars	22,338	23,208	21,249	23,976	...	18.9	8.8
Gasoline, EBR	19,112	16,171	14,245	18,142	...	21.0	11.3
Gallons (000s) ADOT	8,125	7,539	6,508	7,814	...	12.5	1.6
Contracting	78,850	64,514	66,564	73,048	...	-10.0	14.9
Hotel/Motel	8,287	9,629	6,853	6,657	...	9.6	12.3
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	214	142	116	131	121	-51.2	-32.3
Single Family Units	178	139	112	127	121	-51.2	-33.5

See sources and abbreviations at the bottom of page 16. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

# ARIZONA ECONOMIC INDICATORS

	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent:	
						month	12-months
<b>GILA COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	21,075	20,875	20,950	20,750	20,500	0.6	1.4
Unemployment	20,000	19,825	19,925	19,775	19,350	1.0	2.0
Unemployment Rate (%)	1,075	1,050	1,025	975	1,150	-6.1	-9.7
Unemployment Rate (%)	5.1	5.0	4.9	4.7	5.6	-6.7	-10.9
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	14,650	14,550	14,625	14,575	14,200	1.2	2.8
<i>Total Private</i>	9,850	9,800	9,850	9,750	9,475	3.0	5.1
Goods-Producing	2,700	2,675	2,700	2,675	2,625	10.5	20.1
Service-Providing	11,950	11,875	11,925	11,900	11,575	-0.6	-0.3
Trade, Transportation, and Utilities	2,350	2,350	2,350	2,325	2,300	2.2	3.9
Other Private Service-Providing	4,800	4,775	4,800	4,750	4,550	-0.5	-1.1
<i>Government</i>	4,800	4,750	4,775	4,825	4,725	-2.1	-1.5
Federal Government	550	500	475	475	450	0.0	1.2
State and Local Government	4,250	4,250	4,300	4,350	4,275	-2.3	-1.9
<b>Sales (\$000s) ADOR</b>							
Gross Retail	35,988	35,105	36,186	40,692	...	3.3	9.3
Retail	24,741	24,466	26,408	29,822	...	1.9	11.0
Restaurants & Bars	5,264	5,349	4,684	4,676	...	11.7	8.1
Gasoline, EBR	5,983	5,289	5,094	6,194	...	3.9	4.2
Gallons (000s) ADOT	2,544	2,466	2,327	2,668	...	-3.4	-5.4
Contracting	8,804	11,557	8,270	13,363	...	38.0	25.0
Hotel/Motel	1,221	1,194	997	876	...	-1.6	6.7
<b>MOHAVE COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	92,575	91,750	92,550	92,100	93,150	2.4	4.2
Unemployment	88,625	87,675	88,525	88,000	88,225	1.7	4.1
Unemployment Rate (%)	3,950	4,075	4,025	4,100	4,925	18.7	4.8
Unemployment Rate (%)	4.3	4.4	4.3	4.5	5.3	15.8	0.6
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	55,650	55,175	55,650	55,575	55,425	1.7	4.5
<i>Total Private</i>	47,275	46,700	47,100	47,050	46,875	0.7	4.6
Goods-Producing	11,675	11,400	11,325	11,200	11,250	-2.4	1.8
Mining and Construction	7,675	7,425	7,475	7,350	7,350	-1.7	2.6
Manufacturing	4,000	3,975	3,850	3,850	3,900	-3.7	0.3
Service-Providing	43,975	43,775	44,325	44,375	44,175	2.8	5.2
Trade, Transportation, and Utilities	11,550	11,475	11,775	11,725	11,500	-1.5	2.4
Information	1,025	1,025	1,050	1,025	1,025	5.1	8.1
Financial Activities	2,675	2,625	2,650	2,675	2,650	12.8	16.0
Professional and Business Services	3,800	3,750	3,900	3,875	3,775	-5.6	2.9
Educational and Health Services	7,150	7,250	7,300	7,300	7,250	5.8	7.7
Leisure and Hospitality	6,825	6,575	6,500	6,650	6,775	3.4	5.1
Other Services	2,575	2,600	2,600	2,600	2,650	1.0	9.9
<i>Government</i>	8,375	8,475	8,550	8,525	8,550	7.5	3.6
Federal Government	525	500	475	500	500	0.0	-3.5
State and Local Government	7,850	7,975	8,075	8,025	8,050	8.1	4.1
<b>Sales (\$000s) ADOR</b>							
Gross Retail	155,069	157,513	163,061	186,419	...	2.5	4.1
Retail	115,052	119,107	128,104	145,502	...	1.2	4.6
Restaurants & Bars	17,577	17,497	15,847	18,689	...	17.6	4.2
Gasoline, EBR	22,441	20,910	19,111	22,229	...	-0.1	1.6
Gallons (000s) ADOT	9,540	9,748	8,731	9,575	...	-7.1	-7.4
Contracting	56,434	54,534	46,715	53,184	...	1.0	11.9
Hotel/Motel	4,407	3,743	2,821	2,681	...	-7.4	6.1
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	120	125	121	140	128	-51.7	-38.3
Single Family Units	112	99	92	130	118	-50.2	-46.5

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	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent:	
						month	12-months
<b>LA PAZ COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	7,900	7,700	7,750	7,850	7,925	2.9	1.4
Unemployment	7,450	7,275	7,350	7,425	7,425	3.1	2.4
Unemployment Rate (%)	450	425	400	425	500	0.0	-12.2
Unemployment Rate (%)	5.7	5.5	5.2	5.4	6.3	-2.8	-13.5
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	5,650	5,575	5,625	5,700	5,700	3.6	2.3
<i>Total Private</i>	2,950	2,900	2,900	2,925	2,900	-4.1	-1.8
Goods-Producing	475	475	475	475	500	5.3	14.0
Service-Providing	5,175	5,100	5,150	5,225	5,200	3.5	1.3
Trade, Transportation, and Utilities	1,350	1,350	1,375	1,375	1,325	0.0	1.1
Other Private Service-Providing	1,125	1,075	1,050	1,075	1,075	-12.2	-10.4
<i>Government</i>	2,700	2,675	2,725	2,775	2,800	13.1	7.5
Federal Government	325	325	325	325	325	8.3	40.5
State and Local Government	2,375	2,350	2,400	2,450	2,475	13.8	4.0
<b>Sales (\$000s) ADOR</b>							
Gross Retail	15,062	16,410	16,852	20,933	...	12.9	-3.3
Retail	7,935	8,333	9,064	10,906	...	-2.1	-8.9
Restaurants & Bars	1,548	2,528	2,108	2,520	...	20.5	-4.5
Gasoline, EBR	5,579	5,549	5,680	7,507	...	41.3	7.2
Gallons (000s) ADOT	2,372	2,587	2,595	3,234	...	31.4	-2.9
Contracting	2,172	5,786	2,784	2,544	...	-33.6	27.3
Hotel/Motel	461	404	425	461	...	12.6	9.3
<b>YUMA METROPOLITAN REGION</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	76,700	75,100	76,200	76,700	74,900	0.3	1.6
Unemployment	63,700	64,000	65,800	68,000	66,600	-0.4	2.7
Unemployment Rate (%)	13,000	11,100	10,400	8,700	8,300	6.4	-4.4
Unemployment Rate (%)	16.9	14.8	13.6	11.3	11.1	6.1	-5.9
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	50,900	51,700	53,200	55,100	53,900	-1.1	2.7
<i>Total Private</i>	36,300	36,900	38,200	40,300	39,800	-1.5	1.8
Goods-Producing	7,600	7,600	7,900	8,300	8,200	-6.8	1.0
Mining and Construction	5,200	5,300	5,300	5,200	5,100	-5.6	2.4
Manufacturing	2,400	2,300	2,600	3,100	3,100	-8.8	-1.8
Service-Providing	43,300	44,100	45,300	46,800	45,700	0.0	3.0
Trade, Transportation, and Utilities	9,600	9,800	10,400	11,700	11,400	-2.6	1.9
Information	1,200	1,200	1,200	1,300	1,300	18.2	8.3
Financial Activities	1,500	1,600	1,600	1,600	1,600	0.0	0.0
Professional and Business Services	3,600	3,600	3,600	3,600	3,500	-2.8	3.8
Educational and Health Services	6,000	6,100	6,200	6,300	6,400	4.9	1.4
Leisure and Hospitality	5,300	5,400	5,700	5,900	5,800	0.0	1.5
Other Services	1,500	1,600	1,600	1,600	1,600	-5.9	0.5
<i>Government</i>	14,600	14,800	15,000	14,800	14,100	0.0	5.0
Federal Government	3,300	3,300	3,400	3,300	3,300	3.1	6.3
State and Local Government	11,300	11,500	11,600	11,500	10,800	-0.9	4.7
<b>Sales (\$000s) ADOR</b>							
Gross Retail	124,369	136,578	153,906	191,987	...	3.5	5.9
Retail	96,618	105,212	124,655	153,165	...	2.6	5.9
Restaurants & Bars	13,293	14,593	15,691	18,225	...	6.6	8.7
Gasoline, EBR	14,458	16,773	13,560	20,596	...	7.7	3.5
Gallons (000s) ADOT	6,146	7,820	6,196	8,872	...	0.2	-6.2
Contracting	46,284	36,956	42,515	31,983	...	-21.5	1.4
Hotel/Motel	3,716	4,522	4,211	3,870	...	-0.1	18.1
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	113	107	94	86	62	-56.3	-34.4
Single Family Units	108	102	94	81	60	-57.7	-35.3

See sources and abbreviations at the bottom of page 16. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

# ARIZONA ECONOMIC INDICATORS

	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent:	
						month	12-months
<b>SANTA CRUZ COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	16,425	16,575	16,525	16,475	16,475	2.3	2.6
Unemployment	14,750	14,950	15,175	15,250	15,225	1.2	3.4
Unemployment Rate (%)	1,675	1,625	1,350	1,225	1,250	19.0	-6.3
	10.2	9.8	8.2	7.4	7.6	16.3	-8.7
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	13,225	13,500	13,675	13,900	13,825	1.7	4.1
<i>Total Private</i>	9,800	10,000	10,175	10,425	10,375	2.5	5.6
Goods-Producing	1,150	1,150	1,125	1,125	1,100	-2.2	12.5
Service-Providing	12,075	12,350	12,550	12,775	12,725	2.0	3.3
Trade, Transportation, and Utilities	4,750	4,950	5,200	5,425	5,400	0.5	1.0
Other Private Service-Providing	3,900	3,900	3,850	3,875	3,875	6.9	10.1
<i>Government</i>	3,425	3,500	3,500	3,475	3,450	-0.7	-0.1
Federal Government	1,350	1,375	1,375	1,400	1,375	12.2	9.2
State and Local Government	2,075	2,125	2,125	2,075	2,075	-7.8	-5.1
<b>Sales (\$000s) ADOR</b>							
Gross Retail	38,345	39,865	47,006	66,023	...	12.7	10.3
Retail	28,873	31,146	38,055	54,876	...	14.6	11.8
Restaurants & Bars	3,946	4,304	4,237	4,519	...	-0.5	15.5
Gasoline, EBR	5,526	4,415	4,713	6,628	...	7.5	-0.7
Gallons (000s) ADOT	2,349	2,058	2,153	2,855	...	-0.1	-9.6
Contracting	8,942	11,972	10,279	12,444	...	39.0	44.7
Hotel/Motel	779	963	911	934	...	-29.6	1.8
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	61	35	34	28	45	-64.8	-7.8
Single Family Units	58	35	34	28	45	-64.8	-9.0
<b>COCHISE COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	56,725	56,550	56,850	56,350	56,250	1.2	2.1
Unemployment	54,175	54,025	54,400	53,900	53,350	0.9	2.3
Unemployment Rate (%)	2,550	2,525	2,450	2,450	2,900	6.4	-2.4
	4.5	4.5	4.3	4.3	5.2	5.1	-4.3
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	37,850	37,925	38,075	37,975	37,525	1.4	2.7
<i>Total Private</i>	25,525	25,650	25,850	25,725	25,475	2.4	3.4
Goods-Producing	3,700	3,725	3,650	3,700	3,650	5.0	4.0
Mining and Construction	2,800	2,800	2,750	2,800	2,750	2.8	5.4
Manufacturing	900	925	900	900	900	12.5	-0.5
Service-Providing	34,150	34,200	34,425	34,275	33,875	1.0	2.5
Trade, Transportation, and Utilities	6,600	6,700	6,950	6,875	6,675	1.5	3.1
Information	425	425	425	425	425	-5.6	-3.2
Financial Activities	1,025	1,025	1,025	1,000	950	-5.0	1.4
Professional and Business Services	4,800	4,825	4,900	4,800	4,850	4.9	10.1
Educational and Health Services	3,975	4,025	4,025	4,100	4,075	3.2	0.4
Leisure and Hospitality	3,975	3,925	3,900	3,850	3,875	3.3	0.9
Other Services	1,025	1,000	975	975	975	-7.1	0.6
<i>Government</i>	12,325	12,275	12,225	12,250	12,050	-0.8	1.1
Federal Government	4,950	4,825	4,775	4,750	4,700	-4.6	-1.1
State and Local Government	7,375	7,450	7,450	7,500	7,350	1.7	2.7
<b>Sales (\$000) ADOR</b>							
Gross Retail	85,375	79,491	84,142	112,832	...	13.6	6.5
Retail	67,949	58,294	67,257	85,686	...	8.8	6.8
Restaurants & Bars	9,355	10,903	8,719	14,159	...	47.5	10.5
Gasoline, EBR	8,070	10,294	8,166	12,988	...	19.0	1.8
Gallons (000s) ADOT	3,431	4,799	3,731	5,594	...	10.6	-7.6
Contracting	25,741	24,448	23,533	27,621	...	21.1	28.6
Hotel/Motel	2,506	3,437	2,860	2,827	...	31.0	6.7
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	57	63	36	38	28	-53.3	-28.8
Single Family Units	57	63	36	38	28	-53.3	-28.5

See sources and abbreviations at the bottom of page 16. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent:	
						month	12-months
<b>TUCSON METROPOLITAN REGION (PIMA)</b>							
<b>Civilian Labor Force (000s) ADES</b>							
Employment	454.1	455.9	460.2	458.1	453.8	2.7	2.6
Unemployment	435.5	437.8	442.7	440.9	433.7	2.7	3.0
Unemployment Rate, Seas. Adj. (%)	18.6	18.1	17.5	17.2	20.1	2.6	-6.9
	3.7	3.9	4.0	4.1	N/A	N/A	N/A
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	384.0	387.4	389.7	391.0	383.3	3.2	3.5
Natural Resources and Mining	1.6	1.6	1.7	1.7	1.7	21.4	15.8
Construction	29.1	29.2	29.0	28.7	28.1	6.8	8.8
Manufacturing	29.1	29.2	27.8	27.9	27.8	-2.8	1.2
Computer and Electronic Prod.	4.3	4.3	4.2	4.2	4.1	-8.9	-7.6
Aerospace Products and Parts	11.8	11.8	10.5	10.6	10.6	-7.0	0.7
Wholesale Trade	9.4	9.4	9.5	9.6	9.5	5.6	8.1
Retail Trade	42.7	43.6	45.4	45.9	43.6	1.2	2.9
Transp., Warehousing, and Utilities	9.2	9.1	9.2	9.3	9.1	1.1	2.0
Information	6.9	6.8	6.7	6.6	6.5	-13.3	-4.6
Financial Activities	17.3	17.5	17.6	17.8	17.4	4.2	4.3
Professional and Business Services	49.5	50.2	50.5	50.8	50.5	6.8	6.8
Educational and Health Services	53.9	54.2	54.0	54.3	54.2	5.0	4.5
Arts, Entertainment, and Recreation	5.4	5.4	5.9	5.8	5.9	15.7	6.7
Accommodation	7.3	7.6	7.7	7.8	7.9	6.8	-1.7
Food Svcs and Drinking Places	27.5	27.8	28.2	28.4	28.4	4.4	3.0
Other Services	15.8	16.1	16.3	16.2	16.3	5.2	8.0
Federal Government	10.4	10.3	10.4	10.4	10.4	4.0	1.3
State and Local Government	68.9	69.4	69.8	69.8	66.0	0.5	-0.5
State and Local Government Education	42.8	43.4	43.7	43.8	39.9	-2.4	-3.3
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	896,763	916,932	981,599	1,194,196	...	3.3	6.0
Retail	595,369	579,459	669,434	856,342	...	2.0	6.7
Food, EBR	129,366	134,905	137,287	138,186	...	2.9	5.1
Restaurants & Bars	110,099	137,653	112,335	126,624	...	8.4	8.6
Gasoline, EBR	61,929	64,915	62,543	73,045	...	10.3	-1.9
Contracting	219,326	217,135	211,142	227,551	...	9.8	13.8
Hotel/Motel	20,945	28,917	30,552	27,736	...	13.1	4.9
<b>New Housing Units Authorized, Census C-40 adjusted by EBR</b>							
Total Units	483	520	427	404	352	-55.3	-34.2
Single Family Units	435	477	401	369	314	-55.7	-32.6
2-5-plus Unit Structures	48	43	26	36	38	-52.5	-48.5
<b>Housing Sales and Prices, TAR</b>							
Total Sales (\$000s)	273,322	292,205	262,678	256,382	251,602	-2.6	-11.1
Total Units	1,077	1,095	982	981	930	-1.5	-15.5
Average Price (\$)	253,781	266,854	267,493	261,348	270,540	-1.2	4.8
<b>Tucson International Airport, TAA</b>							
Total Passengers	299,914	357,124	357,276	355,122	351,381	1.6	1.8
Total Aircraft Movements	19,496	20,235	23,981	21,561	22,818	-6.3	-7.0

**TUCSON METROPOLITAN REGION (PIMA COUNTY) - QUARTERLY DATA**

	IV 2005	I 2006	II 2006	III 2006	IV 2006	% change versus year ago for most recent:	
						quarter	4-quarters
<b>Demographics &amp; Vital Statistics (000s, seas adj) ADHS &amp; EBR</b>							
Population	969.9	977.6	984.9	991.5	997.7	2.9	3.1
Natural Increase	1.3	1.3	1.3	1.3	1.3	0.3	-1.3
Births	3.2	3.2	3.2	3.3	3.3	1.3	0.5
Deaths	1.9	1.9	1.9	2.0	2.0	2.0	1.8
Net Migration	6.8	6.4	5.9	5.3	5.0	-27.1	-5.5
<b>Personal Income by Source (\$mil, SAAR) EBR</b>							
Total Personal Income	26,987	27,569	28,136	28,651	29,085	7.8	8.4
Earnings by Place of Work	18,691	19,119	19,522	19,874	20,146	7.8	8.7
Less: Contributions for Social Insurance	2,132	2,191	2,242	2,287	2,322	9.0	10.1
Plus: Adjustment for Residence	122	123	125	126	127	4.3	4.7
Plus: Dividends, Interest & Rents	5,161	5,271	5,390	5,506	5,613	8.8	9.1
Plus: Transfer Payments	5,146	5,247	5,341	5,432	5,521	7.3	7.7
<b>Per Capita Personal Income (\$, SAAR) EBR</b>	27,825	28,200	28,568	28,897	29,150	4.8	5.2

# ARIZONA ECONOMIC INDICATORS

	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent: month 12-months	
<b>PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)</b>							
<b>Civilian Labor Force (000s) ADES</b>							
Employment	2,034.3	2,042.2	2,060.5	2,059.9	2,055.0	4.8	4.8
Unemployment	1,961.0	1,971.1	1,991.9	1,991.4	1,973.9	4.9	5.4
Unemployment Rate, Seas. Adj. (%)	73.3	71.1	68.6	68.5	81.1	2.4	-8.4
	3.2	3.4	3.5	3.6	N/A	N/A	N/A
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	1,912.1	1,933.1	1,948.4	1,959.1	1,928.5	5.4	5.9
Natural Resources and Mining	2.8	2.8	2.8	2.8	2.9	16.0	23.3
Construction	190.4	192.6	191.8	190.8	187.4	8.8	12.2
Durable Goods	113.3	113.2	112.8	112.6	112.6	1.2	3.2
Fabricated Metal Products	15.0	15.2	15.2	15.5	N/A	5.4	5.2
Computer and Electronic Prod.	41.2	41.1	40.7	40.6	40.4	-0.2	3.3
Aerospace Products and Parts	14.8	14.7	14.8	14.7	14.6	-0.7	-1.0
Non-Durable Goods	27.3	27.2	27.2	27.2	26.6	-0.7	-0.5
Wholesale Trade	87.9	88.4	88.9	89.2	88.7	4.7	5.0
Retail Trade	225.9	229.3	238.5	242.9	235.4	5.5	5.3
Utilities	8.7	8.7	8.7	8.8	8.6	3.6	5.6
Transportation and Warehousing	56.1	56.2	56.1	56.4	55.5	0.5	2.1
Information	32.7	32.6	32.3	31.9	31.3	-5.4	-1.8
Finance and Insurance	115.6	116.4	116.3	117.0	116.6	4.3	4.5
Real Estate, Rental, and Leasing	39.5	40.5	40.8	41.4	41.0	5.7	5.8
Professional and Business Services	324.8	329.7	331.8	335.4	329.2	8.7	8.1
Educational Services	32.9	33.1	33.6	33.6	33.5	7.0	7.2
Health Care and Social Assistance	164.9	165.2	165.5	165.8	165.2	4.6	5.6
Arts, Entertainment, and Recreation	24.0	24.6	25.0	25.6	25.0	10.6	8.0
Accommodation	27.6	28.1	29.0	29.0	28.8	2.1	3.3
Food Svcs and Drinking Places	127.4	129.6	130.9	131.8	131.5	5.5	6.1
Other Services	73.8	74.1	74.3	74.8	75.5	7.1	10.3
Federal Government	22.0	21.7	22.1	22.3	21.8	0.0	-0.1
State and Local Government	214.5	219.1	220.0	219.8	211.4	4.8	2.8
State and Local Government Education	113.3	116.5	117.7	118.2	109.5	6.7	15.4
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	4,504,595	4,493,650	4,727,272	5,720,785	...	2.6	8.6
Retail	3,044,918	2,931,712	3,218,660	4,130,774	...	0.3	7.7
Food, EBR	593,926	619,359	630,293	634,419	...	7.2	9.5
Restaurants & Bars	523,086	618,041	550,358	591,120	...	6.8	10.6
Gasoline, EBR	342,665	324,536	327,962	364,471	...	18.0	13.1
Contracting	1,511,280	1,351,888	1,300,914	1,688,962	...	17.0	22.6
Hotel/Motel	90,433	121,734	133,730	104,817	...	2.4	6.8
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	2,707	2,158	2,031	2,395	2,709	-44.9	-33.7
Single Family Units	2,083	1,662	1,911	2,148	2,564	-28.6	-34.1
2-4 Unit Structures	28	100	41	124	33	-87.2	-9.4
5-plus Unit Structures	596	396	79	123	112	-89.5	-35.5
<b>Housing Sales and Prices, ARMLS</b>							
Total Sales (\$000s)	1,772,257	1,794,554	1,632,869	1,653,122	1,381,429	-19.8	-22.5
Total Units	5,423	5,371	4,691	4,816	3,909	-22.6	-29.9
Average Price (\$)	326,804	334,119	348,085	343,256	353,397	3.6	10.1
<b>Phoenix Sky Harbor International Airport, PSHIA</b>							
Total Passengers	3,041,533	3,367,020	3,412,552	3,407,513	3,375,510	2.0	0.3
Total Aircraft Movements	43,777	45,845	45,067	45,899	46,081	-0.6	-2.4

## SOURCES AND ABBREVIATIONS:

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

	IV 2005	I 2006	II 2006	III 2006	IV 2006	% change versus year ago for most recent: quarter 4-quarters	
<b>PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL COUNTY) - QUARTERLY DATA</b>							
<b>Demographics &amp; Vital Statistics (000s, seas adj) ADHS &amp; EBR</b>							
Population	3,953.3	3,990.7	4,026.2	4,059.5	4,091.7	3.5	3.7
Natural Increase	9.9	9.9	9.9	10.0	10.1	3.0	2.2
Births	16.4	16.4	16.5	16.7	16.9	3.2	2.7
Deaths	6.5	6.6	6.6	6.7	6.7	3.4	3.4
Net Migration	29.2	27.5	25.6	23.3	22.0	-24.4	-9.1
<b>Personal Income by Source (\$mil, SAAR) EBR</b>							
Total Personal Income	130,786	134,459	137,384	140,021	142,264	8.8	9.9
Earnings by Place of Work	106,310	109,825	112,267	114,361	115,994	9.1	10.7
Less: Contributions for Social Insurance	11,516	11,892	12,160	12,388	12,561	9.1	10.7
Plus: Adjustment for Residence	-74	-74	-75	-76	-76	-2.3	-2.0
Plus: Dividends, Interest & Rents	19,289	19,562	19,992	20,411	20,800	7.8	7.7
Plus: Transfer Payments	16,777	17,039	17,360	17,711	18,106	7.9	7.6
<b>Per Capita Personal Income (\$, SAAR) EBR</b>	<b>33,083</b>	<b>33,693</b>	<b>34,122</b>	<b>34,492</b>	<b>34,769</b>	<b>5.1</b>	<b>5.9</b>

<b>ARIZONA - QUARTERLY DATA</b>							
<b>Demographics &amp; Vital Statistics (000s, seas adj) ADHS &amp; EBR</b>							
	IV 2005	I 2006	II 2006	III 2006	IV 2006	% change versus year ago for most recent: quarter 4-quarters	
Population	6,121.9	6,173.3	6,226.7	6,281.3	6,336.0	3.5	3.5
Natural Increase	12.2	13.1	14.4	14.8	14.7	20.6	12.5
Births	23.9	24.9	25.4	25.6	25.9	8.1	6.2
Deaths	11.7	11.8	11.0	10.8	11.2	-4.9	-0.8
Net Migration	38.7	39.0	40.2	39.8	40.2	4.1	5.1
<b>Personal Income Derivation (\$mil, SAAR) BEA &amp; EBR</b>							
Total Personal Income	183,942	191,827	193,488	197,635	201,957	9.8	9.6
Earnings by Place of Work	141,261	148,506	149,043	151,790	155,417	10.0	10.3
Less: Contributions for Social Insurance	15,427	16,315	16,378	16,642	17,002	10.2	10.9
Plus: Adjustment for Residence	648	661	663	675	692	6.7	4.4
Plus: Dividends, Interest & Rents	29,325	30,090	30,722	31,628	32,386	10.4	9.3
Plus: Transfer Payments	28,134	28,886	29,439	30,186	30,465	8.3	7.3
<b>Components of Earnings (\$mil, SAAR) BEA &amp; EBR</b>							
Wages and Salaries	102,920	108,663	108,930	111,060	113,802	10.6	10.9
Other Labor Income EBR	22,561	23,565	23,775	24,242	24,815	10.0	9.9
Proprietor's Income	15,780	16,124	16,070	15,976	...	0.6	6.1
Farm	349	318	286	319	...	-19.0	-23.0
Nonfarm	15,432	15,806	15,784	15,657	...	1.1	6.9
<b>Per Capita Personal Income (\$, SAAR) EBR</b>	<b>30,047</b>	<b>31,074</b>	<b>31,074</b>	<b>31,464</b>	<b>31,874</b>	<b>6.1</b>	<b>5.9</b>
<b>Average Wage Per Employee, Annual Rate (\$) EBR</b>	<b>39,601</b>	<b>41,036</b>	<b>40,440</b>	<b>40,645</b>	<b>...</b>	<b>2.4</b>	<b>4.8</b>

<b>TRAVEL AND TOURISM - MONTHLY DATA</b>							
	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent: month 12-months	
<b>Visits to Parks &amp; Other Recreational Areas, NPS &amp; ASPB</b>							
Northern Arizona	1,592,239	1,413,261	962,028	629,115	770,748	-17.0	-1.9
Historical	128,652	130,651	87,873	58,783	61,470	-14.7	-4.3
Scenic	581,951	503,734	352,202	268,031	234,155	-10.9	-2.5
Water Based Recreation	881,636	778,876	521,953	302,301	475,123	-20.1	-1.2
Southern Arizona	170,346	185,250	232,006	209,825	271,540	-3.2	-2.0
Historical	19,041	26,565	30,901	36,672	42,790	-0.6	-10.6
Scenic	118,354	131,143	177,030	159,767	206,127	-2.0	-1.4
Water Based Recreation	32,951	27,542	24,075	13,386	22,623	-16.6	5.4
<b>International Border Crossings, USCBP</b>							
U.S. Citizens	594,983	574,105	754,349	729,319	643,143	1.9	-2.8
Aliens	1,611,054	1,671,874	2,028,830	2,239,147	1,927,787	4.6	1.5
Vehicles	690,701	733,551	752,152	760,662	730,888	-10.4	-10.3

<b>MEASURES OF INFLATION AND PRICES - MONTHLY DATA</b>							
<b>Consumer Price Index (1982-1984=100) BLS</b>							
	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent: month 12-months	
U.S. - All Urban	202.9	201.8	201.5	201.8	202.4	2.1	3.1
U.S. - Wage Earners	198.4	197.0	196.8	197.2	197.6	1.9	3.1

See sources and abbreviations at the bottom of page 16. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

# ARIZONA ECONOMIC INDICATORS

	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	% change versus year ago for most recent:	
						month	12-months
<b>ARIZONA MONTHLY DATA</b>							
<b>Civilian Labor Force (000s) ADES</b>							
Employment	3,004.7	3,010.5	3,033.7	3,028.0	3,014.6	4.0	4.2
Unemployment	2,877.9	2,888.7	2,916.4	2,912.3	2,880.6	4.0	4.7
Unemployment Rate, Seas. Adj. (%)	126.8	121.8	117.3	115.7	134.0	3.6	-7.1
	4.0	4.1	4.1	4.1	4.2	-4.3	-11.2
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	2,668.2	2,692.7	2,712.0	2,725.2	2,680.8	4.6	5.2
Natural Resources and Mining	10.3	10.4	10.5	10.5	10.6	17.8	16.1
Construction	252.8	254.6	253.6	252.1	247.7	7.8	11.3
Durable Goods Manufacturing	152.4	152.4	150.6	150.5	150.4	0.6	2.9
Fabricated Metal Products	19.4	19.3	19.3	19.6	19.5	4.3	4.2
Computer and Electronic Prod.	46.0	45.9	45.5	45.3	45.2	-0.4	2.2
Aerospace Products and Parts	27.1	27.1	25.9	25.9	25.9	-2.3	0.3
Non-Durable Goods Manufacturing	35.4	35.3	35.6	36.1	35.6	0.3	0.9
Wholesale Trade	105.8	106.5	107.5	109.2	108.5	4.8	5.4
Retail Trade	318.5	323.5	335.8	341.1	329.3	4.2	4.6
Utilities	12.4	12.3	12.4	12.5	12.3	2.5	4.2
Transportation and Warehousing	71.4	71.5	71.6	71.8	71.2	0.8	2.2
Information	44.4	44.2	43.8	43.4	42.6	-6.2	-1.9
Finance and Insurance	132.6	133.4	133.3	134.1	133.4	4.3	4.5
Real Estate, Rental, and Leasing	51.9	52.8	53.1	54.0	53.4	5.5	5.8
Professional and Business Services	398.8	405.1	408.0	412.1	405.3	8.4	7.9
Educational Services	43.8	44.3	44.8	44.7	44.6	5.4	5.7
Health Care and Social Assistance	250.6	251.3	252.0	252.4	251.6	4.7	5.2
Arts, Entertainment, and Recreation	33.6	33.8	34.0	34.7	34.1	9.3	6.9
Accommodation	46.6	47.1	48.0	47.9	47.3	3.1	2.2
Food Svcs and Drinking Places	185.3	187.1	188.7	189.8	189.1	4.5	5.0
Other Services	101.3	101.9	102.2	102.7	103.3	6.2	9.6
Federal Government	53.0	52.0	52.0	52.4	51.4	-0.2	0.5
State and Local Government	367.3	373.2	374.5	373.2	359.1	2.9	2.0
State and Local Government Education	196.2	200.8	202.1	201.1	186.2	2.3	1.7
	40.7	40.5	40.9	41.1	40.4	1.3	0.1
<b>Hours Worked Per Week, Manufacturing, ADES</b>							
Average Hourly Earnings (\$) ADES							
Construction	17.03	17.07	16.94	16.98	16.94	4.7	5.1
Manufacturing	15.32	15.14	14.76	14.63	15.03	3.5	2.5
Trade, Transportation, Utilities	15.40	15.58	15.39	15.32	15.68	3.6	2.7
Retail Trade	11.98	12.05	11.85	11.70	11.96	-3.3	-0.5
Wholesale Trade	18.69	18.63	18.96	19.47	19.78	8.4	-0.9
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	6,490,880	6,476,920	6,745,582	8,186,370	...	3.3	8.2
Retail	4,322,684	4,174,160	4,545,915	5,834,937	...	0.9	7.3
Food, EBR	883,661	921,502	937,769	943,909	...	8.4	10.7
Restaurants & Bars	750,193	874,554	768,170	839,336	...	8.4	10.1
Gasoline, EBR	534,341	506,704	493,729	568,187	...	14.7	8.6
Gallons (000s) ADOT	227,157	236,226	225,581	244,739	...	6.6	-0.7
Utilities	855,475	718,693	574,272	633,999	...	0.6	11.0
Communications	285,814	293,568	306,665	295,029	...	13.2	12.7
Amusements	67,007	66,304	90,869	77,484	...	-0.2	12.8
Rentals - Personal Property	300,857	324,034	319,789	335,239	...	12.5	11.2
Contracting	2,030,187	1,859,940	1,779,209	2,206,635	...	13.4	20.6
Mining - Metal, Oil & Gas	183,734	181,459	160,010	153,621	...	8.0	54.2
Hotel/Motel	161,410	199,022	199,981	166,058	...	4.7	6.9
<b>New Housing Units Authorized, Census C-40</b>							
Total Units	3,881	3,284	2,921	3,339	3,520	-47.3	-33.4
Single Family Units	3,159	2,717	2,747	3,002	3,332	-36.5	-34.2
2-4 Unit Structures	88	157	84	160	69	-77.9	2.8
5-plus Unit Structures	634	410	90	177	119	-89.3	-34.9
<b>Bankruptcy Filings, U.S. Bankruptcy Court</b>							
Total	582	687	646	539	592	95.4	-82.0
Chapter 7	466	520	490	367	410	93.4	-84.5
Chapter 11	8	10	10	12	14	75.0	-1.4
Chapter 13	108	157	146	160	168	102.4	-62.4

See sources and abbreviations at the bottom of page 16. • For additional detail and history, subscribe to *Arizona Economic Indicators Data Book*.

	IV 2005	I 2006	II 2006	III 2006	IV 2006	% change versus year ago for most recent: quarter 4-quarters	
<b>MEASURES OF INFLATION AND PRICES -QUARTERLY DATA</b>							
<b>Consumer Price index (1982-84=100) BLS</b>							
Western Region (U.S.)	201.3	202.7	206.2	207.3	206.5	2.6	3.4
U.S. - All Urban Consumers	197.6	198.9	202.3	203.4	201.7	2.1	3.3
U.S. - Urban Wage Earners	193.4	194.5	198.0	199.1	197.0	1.9	3.3
<b>Price Indexes (2000=100) BEA</b>							
Gross Domestic Product	114.0	115.0	115.9	116.4	116.9	2.5	2.9
Personal Consumption Expenditures	112.9	113.4	114.6	115.2	115.0	1.9	2.8

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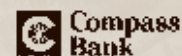
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