

## The Arizona Growth Machine

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*The Arizona population has been growing rapidly for more than a decade. This growth is creating a host of challenges and opportunities for local, county, and state officials. They must balance the positive benefits of economic growth versus the negative externalities, such as environmental degradation, urban sprawl, traffic congestion, and depletion of the natural resource base (particularly water).*

Public officials must also find ways to provide infrastructure in a timely manner and develop a large enough tax base to fund the necessary level of investment. These pressures are particularly intense for rural areas that, due to their limited economic base, and their small population and tax base, have a difficult time supporting rapid population growth.

The Phoenix Metroplex is a growth magnet, not only for the city, but also for the towns, communities, and counties surrounding it. Recently, Phoenix became the 5th largest city in the United States. Similarly, Maricopa County added 696,000 residents between 2000 and 2005, recording the largest population gain of any county in the United States.

The rapid population growth in Phoenix has radiated out to the surrounding communities. Currently, Phoenix and its suburbs account for nine of the ten largest cities in the state. Many of these cities have transitioned from a largely agricultural economy into an urban based economic structure within a very short period of time.

The Arizona population continues to grow faster than the national population, propelled by strong net in-migration. Arizona has been the second fastest growing state in the U.S. over the period 2000-2005. In fact, the Arizona population has been growing at a rate over three times that of the U.S. population since 1990.

The massive population in-migration into Arizona is the result of many factors. People move

here for many reasons, including employment opportunities, higher education, military assignment, winter relocation, and retirement.

The migrants into Arizona tend to come from California, the Midwest, New York, and the Pacific Northwest. California alone accounted for 30 percent of the total net migration into Arizona in 2000. According to the 2000 U.S. Census, Arizona had a positive net migration balance with all of the U.S. states except for Nevada, Georgia, and Arkansas. The net migration from Georgia and Arkansas is slightly negative, but it is virtually at a zero balance.

The population growth in Arizona is not distributed evenly around the State. Table 1 shows the population growth rates for the fastest and slowest three Arizona Counties, as compared the State.

The highest growth rate is in Pinal County, which has grown by 50 percent since 2000, largely due to its central location along I-10, between Phoenix and Tucson. At the other end of the spectrum is Greenlee County, which has lost nearly ten percent of its population in the last five years. While some smaller counties in the state are dealing with demands of rapid growth, others are struggling to survive economically due to lack of growth.

The rapid population growth rates experienced at the state and county levels are magnified at the local level. Table 2 shows the most

**TABLE 1**  
Top and Bottom Arizona Counties  
by Growth Rate, 2000-2005

County	%Change in Population
Pinal	50.8%
Mohave	24.5%
Yavapai	24.2%
State of Arizona	20.2%
Gila	1.7%
Graham	0.5%
Greenlee	-9.5%

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rapidly growing cities and towns in Arizona since 2000.

Some of these rapidly growing communities are experiencing a host of growing pains. For example, Sahuarita has outgrown its wastewater treatment capacity and is temporarily trucking sewage to Green Valley for treatment. Similarly, Marana is attempting to obtain treated effluent water to meet state requirements otherwise it could be forced to curtail growth. Many other communities are dealing with similar issues.

The Arizona population is going to continue to grow at a strong clip for the foreseeable future. State and local governmental agencies are going to have to have to plan ahead for this growth and provide adequate levels of public infrastructure. These government agencies must seek creative ways to finance the requirements of a larger population. Importantly, they must also find opportunities for smart growth and sustainable growth options. ■

**TABLE 2**  
**Most Rapidly Growing Cities and Towns**  
**in Arizona Since 2000**

<u>City or Town</u>	<u>%Change in Population</u>
Maricopa City	1,643%
Sahuarita	456%
Queen Creek	333%
El Mirage	329%
Buckeye	274%
Surprise	218%
Goodyear	163%
Marana	124%

## A New Report: A Strategic Assessment of the Economic Benefits of Investments in Research in Arizona

*Authors from The Economic and Business Research Center at the Eller College of Management and The William Seidman Research Institute at ASU's W.P. Carey School of Business have collaborated on a new report for the Science Foundation Arizona (SFAz) on economic benefits of investments in research.*

Although the U.S. economy – and that of Arizona – has shown tremendous growth over the past 15 years, serious concerns have been raised regarding scientific and technological foundations that have been essential to past economic success. The National Academy of Sciences has expressed "deep concern that the scientific and

technological building blocks critical to our economic leadership are eroding at a time when many other nations are gathering strength." Their report prescribes policy actions designed to bolster science education, increase federal investments in research, set targets for education and skill attainment in the workforce, and establish a fiscal/regulatory environment that fosters innovation. The Council of Competitiveness (compete.org) in its 2006 Competitiveness Index Study also notes a number of concerns, including the rapid growth in research and development (R&D) investments diverted to emerging economies; the decline in federal R&D investment as a share of total R&D; the reduction in the share of domestic students pursuing degrees in science

and technology; the concentration of venture capital in particular regions of the country; and the lagging performance of the U.S. educational system in terms of both attainment levels and test-score achievement.

These concerns are underscored by comparing the educational attainment of young workers (aged 25 – 34) with older workers (aged 45–54) in different countries. In Canada, France, Japan, Korea, and Mexico, younger workers are at least seven percent more likely to hold an associate's degree or higher than their older counterparts. In Germany, the United States and Arizona, older workers have a higher education attainment than younger workers. In Arizona, 37 percent of older workers have an associate's degree or higher, compared to only 30 percent of younger workers (for the U.S., comparable figures are 36 percent and 35

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percent for older and younger workers, respectively). This represents a serious erosion of the ability of the U.S. and Arizona to meet the global challenge head-on.

Within the U.S., Arizona ranks 22nd among states in the 2007 State New Economy Index. While this is a respectable ranking, concern arises over the fact that Arizona is among the states whose ranking has declined the most since the index was first compiled in 1999. The state's performance is very poor on some important measures, including the knowledge component of recent migrants from abroad, the importance of foreign direct investment in the state, and the index of innovative and entrepreneurial activity within the state.

Are Americans, and Arizonans in particular, achieving maximum levels of economic prosperity today? And even if recent overall performance is strong, are we prepared to compete in the global economy in a manner that maintains or improves future prosperity? The analysis in this technical report, *A Strategic Assessment of the Economic Benefits in Research in Arizona*, helps inform readers about these issues and builds an understanding of how a science and engineering foundation with an emphasis on research can ensure sustainable economic prosperity.

To better understand these issues, the report first provides perspective on some big issues, including competitiveness, the role played by productivity in achieving economic prosperity, and a strategic analysis of Arizona's economic development plans. Then attention is turned to the business plan for Arizona and how research investments can fit with the objectives of this overall plan.

The economic case for SFAz is laid out in Chapter 1 and an overview of SFAz's structure and programs is provided. Topics include the rationale for a local industrial policy in a knowledge economy; the importance of universities in

determining the location of innovative activity; evidence of local economic development from university research; and a discussion of conditions favoring the localization of benefits from university research.

Chapter 2 examines the economic effects of university research, including input-output or multiplier impact of research expenditures; patents, royalties, start-ups, and licenses connected to universities; university spin-offs and technology licenses; spillovers from university research to private-sector R&D; and the relationship between new firm formation, human capital, and university research.

The relationship between university research expenditures and economic performance is examined in Chapter 3 by comparing urban areas. The role of patents as a channel of research impact is also examined.

In Chapter 4, lessons for SFAz are drawn from an overview of Science Foundation Ireland (SFI). The origins, structure and programs of SFI are discussed, along with an assessment of progress made in Ireland. In addition, a comparison is made between Ireland and Arizona in order to assess the relevance of SFI to SFAz.

An inventory of initiatives in other states that are designed to promote research and innovation is provided in Chapter 5. All of the initiatives outlined relate to research in some way: through grants intended to research, the funding of research facilities, the establishment of centers or institutes, or the formalization of private-public partnerships in research in innovation.

*Our readers are strongly encouraged to access the executive summary and full report online at the following sites:*

<http://www.sfaz.org/documents/072039ab.pdf> and  
<http://www.sfaz.org/documents/072044abFullReport-Final.pdf>

SFAz is a nonprofit organization initiated in 2006 by Greater Phoenix Leadership, Southern Arizona Leadership Council and Flagstaff 40. SFAz's goal is to serve as a catalyst in the construction of knowledge infrastructure in Arizona that will position the state to compete in the global economy. It is dedicated to building science, engineering and medical research capabilities in the state of Arizona, primarily through strategic investments in research initiatives. Its governing board of directors includes both academic and business persons from around Arizona and outside the state. In fiscal year 2007, \$35 million was approved for the Arizona 21st Century Competitive Initiative Fund (HB2477). These funds were distributed on a competitive basis to nonprofit and research-performing institutions across the state. Priority is given to research pursuits capable of attracting significant funding from other sources. Another goal of SFAz investments is to help strengthen science and mathematics in Arizona's K-12 education system.

*In Arizona, 37 percent of older workers have an associate's degree or higher, compared to only 30 percent of younger workers.*

# Arizona 8th in Mortgage Foreclosures

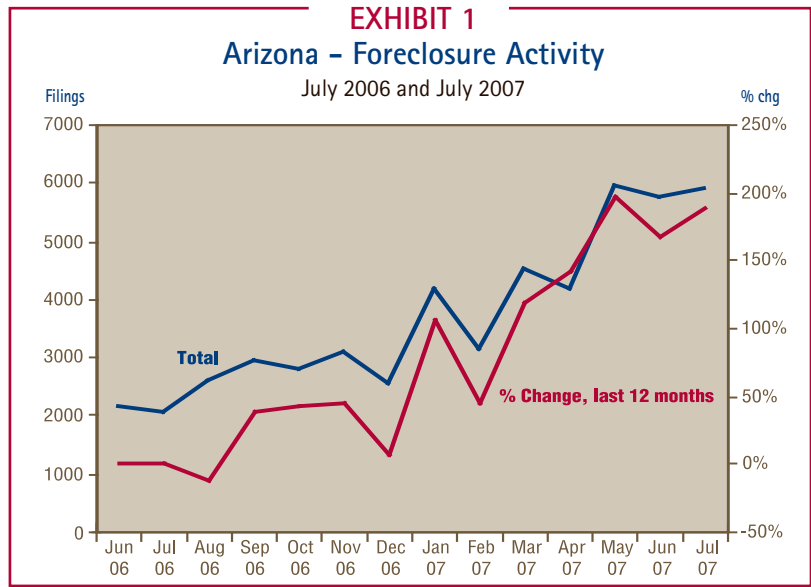
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The level of foreclosure filings in Arizona is still on the rise following a slight decrease in June 2007 (Exhibit 1). According to the RealtyTrac Inc. July 2007 U.S. Foreclosure Market Report released August 21, 2007, foreclosure filing activities in Arizona – which include default notices, auction sale notices and bank repossessions, increased by 2.8% since last month and 189.3% since last year July. RealtyTrac Inc. is the largest online market for foreclosed properties. It maintains the largest and most comprehensive database of foreclosure and bank-owned properties with nation-wide coverage and over 1 million properties.

This July, Arizona ranked 8th highest among all U.S. States in foreclosure filing rates. This amounts to 1 foreclosure being filed for every 433 households. The worst ranking reported for Arizona in the last 12 months was in June 2007 when it ranked 5th highest among all states with 1 foreclosure filing for every 383 households. Total foreclosure filings reported by RealtyTrac in July 2007 were 5,873, up more than double since July of last year.

The hardest hit metropolitan area in Arizona is Phoenix-Mesa-Scottsdale Metro Area. In their 2007 mid year Metropolitan Foreclosure Market Report™, Phoenix-Mesa-Scottsdale MSA reported the 22nd highest and Tucson MSA the 49th highest foreclosure rates among the 100 largest metropolitan areas in the United States during the first half of 2007. One foreclosure for every 75 household were reported filled in Phoenix while Tucson reported one foreclosure for every 122 households.

The delinquency and foreclosure rates are the



likely result of earlier looser underwriting guidelines and borrowers with adjustable-rate-mortgages (ARMs) in the subprime market. According to reports the nationwide delinquency rate on subprime loans offered to borrowers with poor credit rose from 13.8% to 14.8% in the first three months in 2007. According to the Federal Reserve, delinquency rates among borrowers holding ARMs either in the foreclosure stage or with payments more than 90 days overdue have increased to 12% from about half that in mid-2005 nationwide.

## AZ Experienced Fraudulent Lending

Loose underwriting guidelines also provided a breeding ground for mortgage fraud, compounding the crisis in the subprime mortgage market.

To bring this to the Arizona perspective, the Ninth Periodic Mortgage Fraud Case Report to Mortgage Bankers Association reports that the number of Arizona cases reported to the Mortgage Industry Data Exchange (MIDEX) through the first quarter of this year for 2006 originations was 213% of the 2005 cases reported in the same timeframe last year. This represents an increase in reported cases as well as increased effort by lenders, insurers and agencies to exchange information on suspicious activities in the mortgage industry. The MIDEX database is maintained by the Mortgage Asset Research Institute LLC (MARI).

In addition to maintaining the MIDEX database, MARI reports a Fraud Index called the MARI Fraud Index (MFI). MFI shows how states rank against each other for reported fraud taking place within the same year. In 2006, Arizona managed to rank sixth in the MFI index for 2002 to 2006 subprime originations. See table below. As indicated by MARI, Suspicious Activity Reports (SARs) are currently submitted by federally insured financial

institutions and their affiliates.

Arizona also ranked 15th for Fannie Mae misrepresentation findings in a May 2007 Fannie Mae Mortgage Fraud Report. The top two most common types of misrepresentation findings in Arizona are Occupancy (the borrower's intent to occupy the subject property was materially misrepresented) and Credit/Liability related (Credit, SSN and Liabilities) misrepresentations.

Fannie Mae is a shareholder-owned company regulated by the office of Federal Housing Enterprise Oversight (OFHEO) in the U.S. Department of Housing and Urban Development (HUD). Fannie Mae operates in the secondary mortgage market to provide liquidity to mortgage lenders in the primary market by buying mortgages from companies that comply with their guidelines and loan limits. These buyers then turn around and provide more loans to home buyers. Fannie Mae also offers lenders Mortgage Backed Securities (MBS) instead of cash, in exchange for their mortgages. MBS are highly liquid assets that are easy to hold and trade in the securities market.

The mortgage fraud reports by both MARI and Fannie Mae mainly represent the prime and near-prime markets. Their findings are concerning and could be the tip of an iceberg since fraud cases in the subprime market are still not well documented or reported.

While Arizona does not appear on the Federal Bureau of Investigation's (FBI's) top ten fraud areas, it has been listed as one of the other areas significantly affected by mortgage fraud. Illegal property flipping schemes are the most common forms of mortgage fraud. Cash-back deals have also been reported in the Phoenix-Mesa-Scottsdale Metro Area. Cash-back schemes involve a buyer (with or without the knowledge and cooperation of the seller) obtaining a mortgage loan for more than the value of the home and pockets the extra cash. This leads to over priced homes, robs the bank and could lead to the bank holding a bad loan. ■

### Arizona – MARI Fraud Index (MFI) for 2002 – 2006 Subprime Originations

Year	MFI	Rank in U.S.
2002	81	19
2003	70	17
2004	84	15
2005	59	19
2006	135	6

Source: Mortgage Asset Research Institution, 9th Period case report to Mortgage Bankers Association, April 2006

ARIZONA ECONOMIC INDICATORS

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	% change versus year ago for most recent:	
						month	12-months
<b>APACHE COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	19,725	19,600	19,575	19,750	19,875	-1.2	0.2
Unemployment	17,750	17,875	18,025	17,975	17,750	1.1	0.5
Unemployment Rate (%)	1,975	1,725	1,550	1,775	2,125	-17.5	-2.5
Unemployment Rate (%)	10.0	8.8	7.9	9.0	10.7	-16.4	-2.7
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	19,950	20,125	20,250	19,900	19,325	0.7	0.8
Total Private	7,125	7,250	7,300	7,550	7,550	6.7	2.7
Goods-Producing	800	800	800	950	1,000	25.0	4.1
Service-Providing	19,150	19,325	19,450	18,950	18,325	-0.4	0.7
Trade, Transportation, and Utilities	1,825	1,800	1,800	1,850	1,850	-3.9	0.3
Other Private Service-Providing	4,500	4,650	4,700	4,750	4,700	8.0	3.4
Government	12,825	12,875	12,950	12,350	11,775	-2.9	-0.2
Federal Government	3,175	3,200	3,275	3,325	3,100	-1.6	1.1
State and Local Government	9,650	9,675	9,675	9,025	8,675	-3.3	-0.6
<b>Sales (\$000s) ADOR</b>							
Gross Retail	13,255	13,840	14,090	14,627	...	-2.3	-6.6
Retail	5,675	6,340	6,465	7,223	...	7.6	-1.4
Restaurants & Bars	883	810	903	1,172	...	8.1	-5.7
Gasoline, EBR	6,697	6,690	6,722	6,232	...	-13.2	-11.8
Gallons (000s) ADOT	2,456	2,268	2,194	2,130	...	-14.8	-11.6
Contracting	6,252	11,478	7,671	9,281	...	46.7	3.0
Hotel/Motel	961	1,033	1,325	1,408	...	-1.6	5.8
<b>NAVAJO COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	36,550	36,050	36,575	36,725	37,100	-3.1	-1.5
Unemployment	33,875	33,625	34,475	34,350	34,325	-1.9	-1.0
Unemployment Rate (%)	2,675	2,425	2,100	2,375	2,775	-15.3	-7.5
Unemployment Rate (%)	7.3	6.7	5.7	6.5	7.5	-12.6	-6.2
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	29,425	29,250	29,875	29,000	28,750	-3.0	-0.9
Total Private	19,150	19,350	19,775	19,775	19,875	-1.5	1.6
Goods-Producing	3,875	3,975	4,125	4,175	4,275	1.2	5.0
Mining and Construction	3,025	3,125	3,250	3,325	3,425	5.4	9.1
Manufacturing	850	850	875	850	850	-12.8	-7.6
Service-Providing	25,550	25,275	25,750	24,825	24,475	-3.7	-1.8
Trade, Transportation, and Utilities	6,100	6,075	6,200	6,125	6,225	2.0	5.8
Information	825	800	775	775	775	-3.1	4.8
Financial Activities	625	625	625	625	625	-3.8	-0.6
Professional and Business Services	1,050	1,100	1,075	1,100	1,100	-8.3	-7.9
Educational and Health Services	3,425	3,400	3,400	3,275	3,175	2.4	3.2
Leisure and Hospitality	2,525	2,600	2,800	2,875	2,950	-9.9	-7.1
Other Services	725	775	775	825	750	-9.1	-6.6
Government	10,275	9,900	10,100	9,225	8,875	-6.3	-5.6
Federal Government	1,550	1,575	1,675	1,750	1,575	-3.1	-3.0
State and Local Government	8,725	8,325	8,425	7,475	7,300	-7.0	-6.1
<b>Sales (\$000s) ADOR</b>							
Gross Retail	86,479	88,542	96,177	97,208	...	2.5	3.6
Retail	66,237	61,458	70,550	72,540	...	1.0	3.2
Restaurants & Bars	7,120	7,941	9,598	9,104	...	1.4	9.0
Gasoline, EBR	13,122	19,143	16,029	15,564	...	10.7	2.6
Gallons (000s) ADOT	4,813	6,491	5,231	5,319	...	8.6	2.6
Contracting	19,780	22,197	23,767	28,465	...	14.8	7.6
Hotel/Motel	2,260	2,696	3,021	3,496	...	-1.1	10.0
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	125	98	118	127	94	-13.3	-26.4
Single Family Units	116	92	110	105	78	-22.2	-21.9

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

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	% change versus year ago for most recent:	
						month	12-months
<b>GRAHAM COUNTY</b>							
<b>Civilian Labor Force, ADES</b>	14,225	14,250	14,350	14,325	14,475	11.1	11.9
Employment	13,625	13,675	13,850	13,725	13,825	12.4	13.2
Unemployment	600	575	500	600	650	-10.3	-10.0
Unemployment Rate (%)	4.2	4.0	3.5	4.2	4.5	-19.3	-19.7
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	8,800	9,000	8,925	8,500	8,425	11.2	12.0
Total Private	5,950	6,150	6,125	6,100	6,075	19.7	16.8
Goods-Producing	1,300	1,425	1,425	1,450	1,525	96.8	80.5
Service-Providing	7,500	7,575	7,500	7,050	6,900	1.5	5.4
Trade, Transportation, and Utilities	1,750	1,775	1,775	1,800	1,775	10.9	9.1
Other Private Service-Providing	2,900	2,950	2,925	2,850	2,775	2.8	5.6
Government	2,850	2,850	2,800	2,400	2,350	-6.0	3.0
Federal Government	450	425	425	475	475	5.6	12.0
State and Local Government	2,400	2,425	2,375	1,925	1,875	-8.5	1.5
<b>Sales (\$000s) ADOR</b>							
Gross Retail	25,344	25,977	28,145	27,328	...	18.5	19.1
Retail	20,198	20,947	22,296	22,142	...	19.4	20.1
Restaurants & Bars	2,186	2,296	2,277	2,363	...	11.6	14.3
Gasoline, EBR	2,960	2,733	3,571	2,822	...	17.7	15.2
Gallons (000s) ADOT	1,086	927	1,165	965	...	15.5	15.8
Contracting	4,134	4,104	5,321	4,670	...	21.5	20.2
<b>COCONINO COUNTY</b>							
<b>Civilian Labor Force, ADES</b>	67,200	67,600	67,700	69,600	71,000	0.1	0.8
Employment	64,300	65,100	65,600	67,100	68,100	1.0	1.3
Unemployment	2,900	2,500	2,100	2,500	2,900	-17.1	-9.7
Unemployment Rate (%)	4.3	3.7	3.1	3.6	4.1	-17.3	-10.3
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	63,300	64,100	64,400	65,100	65,200	-0.5	1.4
Total Private	43,800	44,500	45,100	45,700	46,100	-0.9	1.7
Goods-Producing	7,100	7,100	7,200	7,400	7,500	-1.3	4.4
Mining and Construction	3,300	3,300	3,400	3,500	3,600	-7.7	-0.5
Manufacturing	3,800	3,800	3,800	3,900	3,900	5.4	9.4
Service-Providing	56,200	57,000	57,200	57,700	57,700	-0.3	1.0
Trade, Transportation, and Utilities	9,800	9,900	10,000	10,100	10,100	1.0	1.8
Information	400	400	400	400	400	-20.0	-6.9
Financial Activities	1,700	1,700	1,700	1,700	1,700	-5.6	-0.0
Professional and Business Services	3,400	3,400	3,500	3,500	3,400	-2.9	-0.2
Educational and Health Services	7,100	7,200	7,100	7,000	6,900	-1.4	-0.2
Leisure and Hospitality	12,400	12,800	13,200	13,600	14,000	-0.7	2.2
Other Services	1,900	2,000	2,000	2,000	2,100	5.0	2.6
Government	19,500	19,600	19,300	19,400	19,100	0.5	0.7
Federal Government	2,600	2,700	3,000	3,100	2,900	-3.3	-6.1
State and Local Government	16,900	16,900	16,300	16,300	16,200	1.3	2.0
<b>Sales (\$000s) ADOR</b>							
Gross Retail	140,907	140,419	152,369	159,268	...	1.0	4.1
Retail	86,408	88,696	95,686	99,336	...	2.1	4.4
Restaurants & Bars	31,554	28,301	29,696	33,916	...	5.3	7.7
Gasoline, EBR	22,946	23,421	26,987	26,016	...	-7.7	-1.2
Gallons (000s) ADOT	8,416	7,942	8,807	8,891	...	-9.4	-0.4
Contracting	33,586	31,192	33,133	46,400	...	28.1	7.0
Hotel/Motel	15,732	20,901	23,564	26,048	...	5.3	5.8
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	36	44	42	43	53	-12.3	-54.5
Single Family Units	36	44	42	43	53	-9.3	-54.4

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

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	% change versus year ago for most recent:	
						month	12-months
<b>GREENLEE COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	4,075	4,075	4,125	4,075	4,150	12.2	12.5
Unemployment	3,925	3,950	4,000	3,950	4,000	12.7	13.1
Unemployment Rate (%)	150	125	125	125	150	0.0	-1.4
Unemployment Rate (%)	3.7	3.1	3.0	3.1	3.6	-10.8	-12.5
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	4,725	4,775	4,900	4,950	4,975	15.7	18.7
Total Private	4,200	4,250	4,325	4,375	4,450	16.3	20.9
Goods-Producing	3,475	3,500	3,575	3,625	3,700	18.4	23.3
Service-Providing	1,250	1,275	1,325	1,325	1,275	8.5	8.0
Trade, Transportation, and Utilities	325	325	350	350	325	18.2	15.4
Other Private Service-Providing	400	425	400	400	425	0.0	7.7
Government	525	525	575	575	525	10.5	4.1
Federal Government	25	25	50	50	50	0.0	0.0
State and Local Government	500	500	525	525	475	11.8	4.5
<b>Sales (\$000s) ADOR</b>							
Gross Retail	11,281	11,054	11,546	11,555	...	0.3	-42.0
Retail	9,960	9,843	10,299	10,553	...	1.8	-46.8
Restaurants & Bars	526	315	394	252	...	-6.6	15.8
Gasoline, EBR	795	896	853	750	...	-15.5	-4.8
Gallons (000s) ADOT	292	304	278	256	...	-17.1	-4.1
Contracting	7,883	9,112	7,999	10,604	...	59.1	108.9
Hotel/Motel*	659	539	994	1,327	...	112.9	31.5

\* Includes Graham County data.

<b>YAVAPAI COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	96,100	96,900	96,100	97,900	98,700	3.2	3.4
Unemployment	92,400	93,300	93,100	94,500	95,000	3.7	3.8
Unemployment Rate (%)	3,700	3,600	3,000	3,400	3,700	-7.5	-5.4
Unemployment Rate (%)	3.9	3.7	3.1	3.5	3.7	-10.4	-8.6
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	65,100	65,700	65,600	65,100	65,000	2.7	4.2
Total Private	53,300	53,900	53,900	54,200	54,500	2.8	4.1
Goods-Producing	12,900	13,000	12,900	13,100	13,300	-0.7	2.8
Mining and Construction	9,100	9,100	9,100	9,300	9,400	-1.1	3.4
Manufacturing	3,800	3,900	3,800	3,800	3,900	0.0	1.3
Service-Providing	52,200	52,700	52,700	52,000	51,700	3.6	4.6
Trade, Transportation, and Utilities	12,400	12,500	12,700	12,600	12,700	4.1	4.1
Information	600	600	600	600	600	0.0	0.0
Financial Activities	2,500	2,400	2,500	2,500	2,500	4.2	3.5
Professional and Business Services	5,200	5,400	5,300	5,500	5,500	10.0	7.3
Educational and Health Services	9,400	9,500	9,500	9,300	9,100	1.1	5.7
Leisure and Hospitality	8,200	8,500	8,400	8,600	8,800	6.0	4.7
Other Services	2,100	2,000	2,000	2,000	2,000	-4.8	-1.6
Government	11,800	11,800	11,700	10,900	10,500	1.9	4.6
Federal Government	1,200	1,200	1,200	1,300	1,300	0.0	4.9
State and Local Government	10,600	10,600	10,500	9,600	9,200	2.2	4.5
<b>Sales (\$000s) ADOR</b>							
Gross Retail	185,566	180,052	187,943	185,067	...	3.3	2.2
Retail	138,733	132,358	138,740	140,428	...	4.4	1.6
Restaurants & Bars	24,640	25,648	25,251	23,665	...	5.1	6.2
Gasoline, EBR	22,192	22,045	23,951	20,974	...	-5.5	2.5
Gallons (000s) ADOT	8,139	7,475	7,816	7,168	...	-7.3	3.4
Contracting	61,254	64,682	61,849	69,450	...	-10.8	-7.0
Hotel/Motel	10,565	12,447	10,674	9,978	...	18.2	7.2
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	133	144	133	156	132	-29.6	-53.4
Single Family Units	131	141	129	153	130	-30.8	-54.9

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

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	% change versus year ago for most recent:	
						month	12-months
<b>GILA COUNTY</b>							
<b>Civilian Labor Force, ADES</b>	20,225	20,650	20,900	21,150	21,450	3.0	1.1
Employment	19,225	19,725	20,125	20,250	20,500	4.3	2.0
Unemployment	1,000	925	775	900	950	-19.1	-13.9
Unemployment Rate (%)	4.9	4.5	3.7	4.3	4.4	-21.5	-14.9
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	14,375	14,700	15,000	14,850	14,775	3.1	2.7
Total Private	9,725	9,875	10,050	10,175	10,150	3.3	4.5
Goods-Producing	2,675	2,725	2,800	2,925	3,025	14.2	16.7
Service-Providing	11,700	11,975	12,200	11,925	11,750	0.6	-0.1
Trade, Transportation, and Utilities	2,325	2,325	2,400	2,375	2,325	-1.1	1.4
Other Private Service-Providing	4,725	4,825	4,850	4,875	4,800	-0.5	0.0
Government	4,650	4,825	4,950	4,675	4,625	2.8	-1.0
Federal Government	450	450	525	550	550	-4.3	-4.4
State and Local Government	4,200	4,375	4,425	4,125	4,075	3.8	-0.6
<b>Sales (\$000s) ADOR</b>							
Gross Retail	38,639	39,170	42,301	41,921	...	11.7	5.1
Retail	25,904	25,250	27,503	27,893	...	16.7	5.4
Restaurants & Bars	4,670	5,324	5,186	5,743	...	2.1	7.7
Gasoline, EBR	8,065	8,595	9,612	8,285	...	3.5	2.1
Gallons (000s) ADOT	2,958	2,915	3,137	2,831	...	1.5	2.1
Contracting	9,989	11,471	8,642	8,300	...	-22.9	5.8
Hotel/Motel	1,140	1,418	1,491	1,716	...	23.8	8.7
<b>MOHAVE COUNTY</b>							
<b>Civilian Labor Force, ADES</b>	92,500	92,100	92,275	92,125	92,400	-0.4	1.3
Employment	88,100	88,000	88,650	88,225	88,075	-0.5	1.0
Unemployment	4,400	4,100	3,625	3,900	4,325	1.8	7.8
Unemployment Rate (%)	4.8	4.5	3.9	4.2	4.7	2.2	6.4
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	56,000	55,875	55,500	54,775	53,825	-1.6	0.8
Total Private	47,400	47,175	46,900	46,625	45,825	-3.4	-0.2
Goods-Producing	10,875	10,725	10,600	10,500	10,425	-12.0	-5.4
Mining and Construction	7,050	6,975	6,900	6,850	6,825	-11.9	-5.2
Manufacturing	3,825	3,750	3,700	3,650	3,600	-12.2	-5.8
Service-Providing	45,125	45,150	44,900	44,275	43,400	1.3	2.5
Trade, Transportation, and Utilities	11,675	11,550	11,500	11,425	11,350	-1.9	-1.3
Information	1,000	1,000	1,025	1,075	1,000	-2.4	4.5
Financial Activities	2,725	2,800	2,800	2,825	2,825	5.6	10.9
Professional and Business Services	3,800	3,825	3,850	3,850	3,625	-9.4	-5.7
Educational and Health Services	7,400	7,450	7,425	7,350	7,200	4.0	5.9
Leisure and Hospitality	7,175	7,050	6,900	6,800	6,750	-1.5	1.2
Other Services	2,750	2,775	2,800	2,800	2,650	5.0	5.3
Government	8,600	8,700	8,600	8,150	8,000	10.0	6.7
Federal Government	475	475	525	550	550	0.0	-3.2
State and Local Government	8,125	8,225	8,075	7,600	7,450	10.8	7.4
<b>Sales (\$000s) ADOR</b>							
Gross Retail	182,011	173,641	180,894	172,925	...	-5.2	-3.2
Retail	134,685	124,007	129,755	125,416	...	-7.5	-3.7
Restaurants & Bars	19,544	20,260	19,620	18,719	...	-0.7	6.3
Gasoline, EBR	27,782	29,373	31,519	28,790	...	2.5	-7.0
Gallons (000s) ADOT	10,190	9,960	10,286	9,839	...	0.5	-7.0
Contracting	53,162	50,793	44,814	52,820	...	-26.5	-16.3
Hotel/Motel	2,896	5,572	4,992	4,865	...	-7.8	-0.7
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	172	102	105	77	121	-8.5	-51.6
Single Family Units	171	96	104	76	105	-15.1	-51.5

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# ARIZONA ECONOMIC INDICATORS

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	% change versus year ago for most recent:	
						month	12-months
<b>LA PAZ COUNTY</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	7,650	7,450	7,500	7,475	7,750	0.6	0.4
Unemployment	425	400	350	375	400	-15.8	-12.6
Unemployment Rate (%)	5.6	5.4	4.7	5.0	5.2	-16.3	-13.1
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	5,600	5,575	5,600	5,400	5,500	3.8	2.0
Total Private	2,900	2,850	2,825	2,725	2,725	-6.0	-4.8
Goods-Producing	500	475	450	375	375	-21.1	-4.3
Service-Providing	5,100	5,100	5,150	5,025	5,125	6.2	2.6
Trade, Transportation, and Utilities	1,350	1,325	1,325	1,325	1,325	1.9	2.1
Other Private Service-Providing	1,050	1,050	1,050	1,025	1,025	-8.9	-12.4
Government	2,700	2,725	2,775	2,675	2,775	15.6	10.3
Federal Government	300	300	300	300	300	-7.7	11.9
State and Local Government	2,400	2,425	2,475	2,375	2,475	19.3	10.1
<b>Sales (\$000s) ADOR</b>							
Gross Retail	22,801	35,444	21,828	19,469	...	8.2	9.2
Retail	12,420	9,432	10,594	8,697	...	-9.9	-1.0
Restaurants & Bars	2,410	2,151	1,860	2,357	...	19.6	4.2
Gasoline, EBR	7,970	23,860	9,374	8,415	...	32.3	27.2
Gallons (000s) ADOT	2,923	8,091	3,059	2,876	...	29.7	24.7
Contracting	2,221	5,246	2,172	2,353	...	-13.1	0.3
Hotel/Motel	713	476	562	500	...	-6.6	-1.3
<b>YUMA METROPOLITAN REGION</b>							
<b>Civilian Labor Force, ADES</b>							
Employment	74,600	74,000	76,300	75,900	79,500	0.4	-0.1
Unemployment	7,500	9,600	13,700	12,300	15,500	-5.5	-3.8
Unemployment Rate (%)	10.1	13.0	18.0	16.2	19.5	-5.8	-3.8
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	55,200	53,000	51,800	51,700	50,600	3.9	1.1
Total Private	40,300	38,200	37,200	37,000	36,300	1.1	0.0
Goods-Producing	8,200	7,500	7,300	7,300	7,100	-5.3	-4.2
Mining and Construction	4,900	4,800	4,800	4,700	4,600	-9.8	-6.1
Manufacturing	3,300	2,700	2,500	2,600	2,500	4.2	-0.6
Service-Providing	47,000	45,500	44,500	44,400	43,500	5.6	2.0
Trade, Transportation, and Utilities	11,700	10,500	10,100	9,900	9,800	0.0	-0.1
Information	1,300	1,300	1,300	1,400	1,400	16.7	14.1
Financial Activities	1,500	1,500	1,500	1,500	1,500	0.0	-3.2
Professional and Business Services	3,500	3,500	3,500	3,600	3,600	-2.7	-1.4
Educational and Health Services	6,400	6,400	6,300	6,100	6,000	5.3	2.9
Leisure and Hospitality	6,000	5,900	5,700	5,700	5,400	8.0	2.7
Other Services	1,700	1,600	1,500	1,500	1,500	0.0	-1.6
Government	14,900	14,800	14,600	14,700	14,300	11.7	3.8
Federal Government	3,300	3,400	3,400	3,400	3,500	9.4	6.0
State and Local Government	11,600	11,400	11,200	11,300	10,800	12.5	3.2
<b>Sales (\$000s) ADOR</b>							
Gross Retail	180,898	144,290	140,715	133,011	...	3.8	3.6
Retail	134,255	104,131	100,921	95,177	...	2.0	4.8
Restaurants & Bars	20,601	16,846	15,590	16,014	...	10.1	5.3
Gasoline, EBR	26,041	23,313	24,203	21,820	...	7.9	-3.4
Gallons (000s) ADOT	9,551	7,905	7,898	7,457	...	5.8	-3.9
Contracting	43,686	34,153	38,840	37,286	...	-7.9	-1.9
Hotel/Motel	5,156	4,889	3,171	2,908	...	-3.5	10.3
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	75	55	62	79	101	13.2	-47.3
Single Family Units	75	55	62	79	101	13.2	-47.2

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# ARIZONA ECONOMIC INDICATORS

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	% change versus year ago for most recent:	
						month	12-months
<b>SANTA CRUZ COUNTY</b>							
<b>Civilian Labor Force, ADES</b>	16,300	16,150	16,100	16,100	16,550	2.0	1.6
Employment	15,225	15,200	15,225	15,025	15,025	2.4	1.7
Unemployment	1,075	950	875	1,075	1,525	-1.6	0.5
Unemployment Rate (%)	6.6	5.9	5.4	6.7	9.2	-3.5	-1.5
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	13,975	13,925	13,875	13,475	13,275	1.1	1.8
Total Private	10,500	10,450	10,375	10,100	9,950	-0.3	2.3
Goods-Producing	1,150	1,100	1,100	1,100	1,100	-2.2	2.3
Service-Providing	12,825	12,825	12,775	12,375	12,175	1.5	1.8
Trade, Transportation, and Utilities	5,350	5,325	5,250	4,925	4,725	-3.6	-0.6
Other Private Service-Providing	4,000	4,025	4,025	4,075	4,125	4.4	6.4
Government	3,475	3,475	3,500	3,375	3,325	5.6	0.4
Federal Government	1,375	1,375	1,400	1,400	1,400	7.7	10.9
State and Local Government	2,100	2,100	2,100	1,975	1,925	4.1	-5.6
<b>Sales (\$000s) ADOR</b>							
Gross Retail	47,338	46,201	43,949	45,305	...	11.7	8.4
Retail	35,976	35,176	32,993	34,199	...	6.5	9.5
Restaurants & Bars	4,774	4,653	4,201	5,000	...	54.4	13.9
Gasoline, EBR	6,588	6,372	6,755	6,106	...	17.2	-1.1
Gallons (000s) ADOT	2,416	2,161	2,204	2,087	...	15.0	-1.3
Contracting	8,720	8,118	8,864	10,306	...	-16.3	4.3
Hotel/Motel	1,371	1,403	1,469	1,146	...	7.3	-3.8
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	28	43	41	52	69	23.0	-34.0
Single Family Units	26	38	39	49	60	18.0	-31.1
<b>COCHISE COUNTY</b>							
<b>Civilian Labor Force, ADES</b>	55,875	55,975	55,875	56,400	56,625	-0.0	0.8
Employment	53,375	53,625	53,900	54,150	54,200	0.6	1.2
Unemployment	2,500	2,350	1,975	2,250	2,425	-13.4	-7.1
Unemployment Rate (%)	4.5	4.2	3.5	4.0	4.3	-13.4	-7.9
<b>Employees on Nonagricultural Payrolls, ADES</b>							
Total	37,900	38,100	38,150	37,900	37,225	-0.4	1.3
Total Private	25,775	26,000	26,000	25,975	25,725	0.6	2.2
Goods-Producing	3,675	3,725	3,725	3,725	3,675	0.0	3.2
Mining and Construction	2,750	2,775	2,800	2,800	2,750	-2.7	1.8
Manufacturing	925	950	925	925	925	8.8	7.6
Service-Providing	34,225	34,375	34,425	34,175	33,550	-0.4	1.1
Trade, Transportation, and Utilities	6,725	6,750	6,850	6,850	6,750	1.5	2.2
Information	425	425	425	425	425	-5.6	-5.1
Financial Activities	950	950	950	950	975	-7.1	-5.6
Professional and Business Services	4,900	4,975	4,950	5,000	4,950	3.7	6.6
Educational and Health Services	4,050	4,075	4,025	4,000	4,025	1.9	1.0
Leisure and Hospitality	4,075	4,150	4,100	4,075	3,975	-0.6	1.9
Other Services	975	950	975	950	950	-7.3	-4.1
Government	12,125	12,100	12,150	11,925	11,500	-2.5	-0.5
Federal Government	4,650	4,650	4,675	4,750	4,750	-4.0	-4.2
State and Local Government	7,475	7,450	7,475	7,175	6,750	-1.5	2.1
<b>Sales (\$000) ADOR</b>							
Gross Retail	96,326	88,968	90,370	92,004	...	18.4	6.1
Retail	69,778	63,980	64,417	68,040	...	22.1	7.1
Restaurants & Bars	11,787	10,693	10,507	10,670	...	15.6	12.4
Gasoline, EBR	14,761	14,295	15,445	13,294	...	4.6	-3.3
Gallons (000s) ADOT	5,414	4,848	5,040	4,543	...	2.6	-3.4
Contracting	27,311	25,774	27,637	28,836	...	1.4	12.2
Hotel/Motel	4,359	4,212	3,714	3,990	...	50.9	16.3
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	68	68	64	48	91	-12.0	-35.5
Single Family Units	64	64	60	46	86	-12.0	-34.5

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# ARIZONA ECONOMIC INDICATORS

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 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	455.7	456.5	456.6	453.5	456.1	3.5	2.8
Unemployment	438.4	439.9	442.7	437.6	438.7	4.2	3.2
Unemployment Rate, Seas. Adj. (%)	17.3	16.6	13.9	15.9	17.4	-10.3	-7.9
	3.8	3.8	3.3	3.3	3.5	-14.6	-10.8
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	392.0	394.2	393.2	382.9	380.1	2.8	3.5
Natural Resources and Mining	1.7	1.8	1.7	1.9	2.0	25.0	21.1
Construction	28.0	28.1	28.2	28.1	27.8	-2.1	5.1
Manufacturing	28.8	28.8	28.8	29.0	29.2	0.0	0.2
Computer and Electronic Prod.	4.0	4.0	4.0	4.0	4.0	-9.1	-8.8
Aerospace Products and Parts	11.7	11.8	11.8	12.0	12.1	3.4	0.9
Wholesale Trade	9.7	9.7	9.7	9.8	9.9	5.3	5.5
Retail Trade	43.9	43.8	44.2	44.0	44.2	4.0	2.0
Transp., Warehousing, and Utilities	9.3	9.3	9.4	9.2	9.3	1.1	2.3
Information	6.1	6.1	6.1	6.0	6.0	-13.0	-10.7
Financial Activities	17.7	17.8	17.8	17.8	18.0	3.4	3.0
Professional and Business Services	51.1	51.6	51.3	51.2	51.4	4.9	6.2
Educational and Health Services	54.7	54.9	55.3	54.5	54.6	5.0	4.8
Arts, Entertainment, and Recreation	6.1	6.6	6.4	6.0	5.7	16.3	14.1
Accommodation	8.2	8.2	8.0	8.0	7.8	8.3	5.3
Food Svcs and Drinking Places	29.6	29.8	29.5	29.0	28.0	4.9	3.9
Other Services	16.9	16.9	16.8	16.9	16.7	5.0	6.8
Federal Government	10.6	10.6	10.7	10.7	10.7	5.9	4.4
State and Local Government	69.6	70.2	69.3	60.8	58.8	-0.8	1.1
State and Local Government Education	43.1	43.7	42.6	32.7	31.1	-3.4	-1.4
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	1,082,822	986,581	1,025,644	987,580	...	0.9	3.2
Retail	707,784	626,907	662,590	642,641	...	-2.5	2.7
Food, EBR	144,561	147,102	144,934	142,162	...	8.1	6.7
Restaurants & Bars	140,587	129,803	121,248	115,638	...	6.0	7.2
Gasoline, EBR	89,890	82,768	96,872	87,139	...	10.1	-3.8
Contracting	228,017	198,852	218,260	210,797	...	8.1	8.4
Hotel/Motel	46,448	37,107	27,672	22,426	...	-1.7	1.1
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	566	612	643	646	539	-22.4	...
Single Family Units	543	599	628	627	525	-21.4	-37.6
2-5-plus Unit Structures	23	13	15	19	14	-48.2	-37.6
<b>Housing Sales and Prices, TAR</b>							
Total Sales (\$000s)	358,182	359,063	368,414	365,933	295,343	-12.1	-15.2
Total Units	1,318	1,287	1,313	1,226	1,098	-10.5	-15.9
Average Price (\$)	271,762	278,992	280,589	298,477	268,983	-1.7	0.4
<b>Tucson International Airport, TAA</b>							
Total Passengers	422,493	393,426	382,180	361,922	364,717	7.1	1.4
Total Aircraft Movements	23,455	20,329	22,330	21,512	20,115	0.5	-7.9

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

	II 2006	III 2006	IV 2006	I 2007	II 2007	% change versus year ago for most recent:	
						quarter	4-quarters
<b>Demographics &amp; Vital Statistics (000s, seas adj) ADHS &amp; EBR</b>							
Population	978.2	984.3	990.5	996.6	1,002.8	2.5	2.5
Natural Increase	1.3	1.3	1.3	1.3	1.3	-0.4	-0.3
Births	3.3	3.3	3.3	3.3	3.3	0.4	1.5
Deaths	2.0	2.0	2.0	2.0	2.0	1.0	2.6
Net Migration	4.6	4.7	4.8	4.8	4.8	5.4	4.7
<b>Personal Income by Source (\$mil, SAAR) EBR</b>							
Total Personal Income	28,624	29,209	29,773	30,331	30,899	7.9	8.2
Earnings by Place of Work	19,833	20,202	20,563	20,924	21,288	7.3	7.6
Less: Contributions for Social Insurance	2,280	2,328	2,372	2,417	2,463	8.0	8.6
Plus: Adjustment for Residence	146	148	151	153	156	6.2	5.9
Plus: Dividends, Interest & Rents	5,651	5,812	5,937	6,055	6,190	9.5	10.8
Plus: Transfer Payments	5,274	5,374	5,494	5,616	5,729	8.6	7.6
<b>Per Capita Personal Income (\$, SAAR) EBR</b>	29,261	29,674	30,059	30,433	30,813	5.3	5.5

# ARIZONA ECONOMIC INDICATORS

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 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	2,049.2	2,050.1	2,057.1	2,057.8	2,075.2	3.0	3.7
Unemployment	1,980.0	1,984.1	2,001.2	1,995.3	2,007.7	3.5	4.2
Unemployment Rate, Seas. Adj. (%)	69.2	66.0	55.9	62.5	67.5	-11.4	-8.8
	3.4	3.3	2.9	2.9	3.1	-13.9	-12.5
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	1,959.2	1,961.9	1,963.3	1,936.8	1,924.4	3.2	4.7
Natural Resources and Mining	3.0	3.0	3.1	3.2	3.2	18.5	25.2
Construction	187.2	186.5	185.7	184.6	185.6	-1.0	6.6
Durable Goods	112.1	112.2	112.2	111.8	111.9	-1.8	0.3
Fabricated Metal Products	...	NA	NA	...	...	...	...
Computer and Electronic Prod.	40.4	40.4	40.3	39.9	39.9	-4.3	-0.9
Aerospace Products and Parts	14.8	14.8	14.9	14.8	14.8	-0.7	-0.2
Non-Durable Goods	26.9	27.1	27.2	27.2	27.1	-0.7	-0.6
Wholesale Trade	89.8	90.2	90.1	90.2	90.6	3.3	4.6
Retail Trade	235.7	235.3	236.5	235.0	236.4	4.2	4.9
Utilities	8.7	8.7	8.8	8.8	8.8	2.3	4.7
Transportation and Warehousing	55.4	55.2	55.2	55.1	55.3	-0.9	0.0
Information	31.3	31.7	32.3	32.4	32.5	-2.1	-3.1
Finance and Insurance	116.9	116.6	116.5	116.1	116.9	1.7	3.2
Real Estate, Rental, and Leasing	41.5	41.7	41.5	41.4	41.3	4.8	5.4
Professional and Business Services	335.8	337.9	337.9	339.1	338.2	5.2	7.1
Educational Services	34.9	35.0	35.2	34.9	33.8	13.0	7.9
Health Care and Social Assistance	166.5	166.9	167.4	167.9	167.7	2.8	4.1
Arts, Entertainment, and Recreation	26.7	27.2	27.2	26.4	25.4	10.4	10.1
Accommodation	29.5	29.6	29.2	28.7	27.7	1.1	2.4
Food Svcs and Drinking Places	136.6	137.2	136.7	135.1	131.8	5.3	5.5
Other Services	77.9	77.0	77.5	77.7	77.1	5.2	8.2
Federal Government	21.7	21.7	21.7	21.6	21.5	-0.9	0.5
State and Local Government	221.1	221.2	221.4	199.6	191.6	4.8	3.6
State and Local Government Education	117.6	117.4	116.4	93.2	85.0	5.7	4.3
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	5,229,027	5,212,730	4,848,476	4,825,187	...	1.3	4.4
Retail	3,476,381	3,509,590	3,155,482	3,219,665	...	-1.0	3.1
Food, EBR	650,453	661,887	652,131	639,659	...	8.5	7.7
Restaurants & Bars	661,488	611,585	565,445	544,418	...	2.8	7.2
Gasoline, EBR	440,705	429,668	475,418	421,445	...	6.8	7.0
Contracting	1,391,057	1,287,776	1,376,048	1,436,948	...	-7.2	8.6
Hotel/Motel	213,149	161,246	119,825	90,685	...	-0.4	6.3
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	5,120	3,190	3,329	4,242	2,685	-22.3	-31.5
Single Family Units	3,570	2,756	2,985	2,902	2,278	-13.6	-33.7
2-4 Unit Structures	70	68	148	163	145	60.3	-17.3
5-plus Unit Structures	1,480	366	196	1,177	262	-64.0	-22.5
<b>Housing Sales and Prices, ARMLS</b>							
Total Sales (\$000s)	1,879,980	1,669,300	1,836,638	1,762,695	1,497,816	-24.2	-27.2
Total Units	5,261	4,850	5,061	4,885	4,239	-27.9	-30.0
Average Price (\$)	357,343	344,186	362,900	360,838	353,342	5.1	3.9
<b>Phoenix Sky Harbor International Airport, PSHIA</b>							
Total Passengers	3,894,704	3,606,348	3,649,151	3,660,192	...	1.3	0.5
Total Aircraft Movements	47,959	45,753	46,079	43,371	...	-3.6	-2.2

## 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		

	II 2006	III 2006	IV 2006	I 2007	II 2007	% 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	4,071.5	4,109.4	4,143.5	4,177.6	4,211.7	3.4	4.0
Natural Increase	10.1	10.2	10.2	10.3	10.4	3.0	3.1
Births	16.9	17.1	17.2	17.4	17.5	3.7	4.2
Deaths	6.8	6.9	7.0	7.1	7.2	4.8	5.9
Net Migration	34.9	27.7	23.9	23.8	23.7	-32.2	-36.4
<b>Personal Income by Source (\$mil, SAAR) EBR</b>							
Total Personal Income	136,269	139,160	141,923	144,675	147,481	8.2	8.8
Earnings by Place of Work	111,318	113,668	115,854	118,044	120,294	8.1	9.0
Less: Contributions for Social Insurance	12,366	12,616	12,853	13,091	13,334	7.8	8.8
Plus: Adjustment for Residence	-142	-143	-144	-145	-147	-3.2	-8.2
Plus: Dividends, Interest & Rents	20,342	20,754	21,123	21,481	21,860	7.5	7.8
Plus: Transfer Payments	17,117	17,498	17,942	18,387	18,808	9.9	8.8
<b>Per Capita Personal Income (\$, SAAR) EBR</b>	33,469	33,864	34,252	34,631	35,017	4.6	4.6

<b>ARIZONA - QUARTERLY DATA</b>							
<b>Demographics &amp; Vital Statistics (000s, seas adj) ADHS &amp; EBR</b>							
	II 2006	III 2006	IV 2006	I 2007	II 2007	% change versus year ago for most recent: quarter 4-quarters	
Population	6,272.7	6,335.9	6,396.1	6,453.1	6,506.0	3.7	4.0
Natural Increase	14.3	14.5	14.7	14.5	14.4	0.4	10.6
Births	25.4	25.7	25.9	25.5	25.7	0.9	4.4
Deaths	11.1	11.2	11.3	11.0	11.3	1.5	-2.7
Net Migration	50.7	46.9	44.2	40.7	36.3	-28.5	-19.1
<b>Personal Income Derivation (\$mil, SAAR) BEA &amp; EBR</b>							
Total Personal Income	191,506	196,916	200,107	205,888	208,288	8.8	8.5
Earnings by Place of Work	147,395	151,202	154,057	158,208	159,553	8.2	8.0
Less: Contributions for Social Insurance	16,602	16,995	17,275	17,829	17,963	8.2	8.3
Plus: Adjustment for Residence	692	711	724	744	751	8.4	8.9
Plus: Dividends, Interest & Rents	30,524	31,714	31,878	32,769	33,442	9.6	9.4
Plus: Transfer Payments	29,502	30,285	30,724	31,999	32,511	10.2	9.8
<b>Components of Earnings (\$mil, SAAR) BEA &amp; EBR</b>							
Wages and Salaries	107,780	110,584	112,890	116,237	117,199	8.7	8.5
Other Labor Income EBR	23,519	24,216	24,595	25,109	25,352	7.8	7.9
Proprietor's Income	16,019	15,902	15,899	15,771	...	-1.7	1.3
Farm	208	237	322	131	...	-46.3	-18.5
Nonfarm	15,811	15,665	15,577	15,640	...	-1.0	1.7
<b>Per Capita Personal Income (\$, SAAR) EBR</b>	30,530	31,079	31,286	31,905	32,015	4.9	4.3
<b>Average Wage Per Employee, Annual Rate (\$) EBR</b>	40,356	40,868	41,229	41,675	...	1.9	3.4

<b>TRAVEL AND TOURISM - MONTHLY DATA</b>							
	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 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	1,312,421	1,657,342	1,734,723	2,229,546	2,525,675	3.1	-1.0
Historical	139,436	162,643	144,481	130,705	138,902	2.0	0.3
Scenic	500,253	611,405	635,077	731,674	836,237	2.1	-0.3
Water Based Recreation	672,732	883,294	955,165	1,367,167	1,550,536	3.7	-1.6
Southern Arizona	434,677	326,049	209,964	159,409	162,823	1.9	4.3
Historical	58,548	41,418	29,861	18,058	20,325	-15.2	-6.2
Scenic	316,034	234,662	130,707	99,751	100,775	2.7	6.1
Water Based Recreation	60,095	49,969	49,396	41,600	41,723	10.5	7.3
<b>International Border Crossings, USCBP</b>							
U.S. Citizens	704,184	686,196	959,384	896,805	909,638	40.8	11.1
Aliens	2,095,682	1,971,365	1,784,304	1,703,078	1,883,356	9.7	8.6
Vehicles	760,713	729,451	773,581	712,365	703,378	-2.9	-7.9

<b>MEASURES OF INFLATION AND PRICES - MONTHLY DATA</b>							
<b>Consumer Price Index (1982-1984=100) BLS</b>							
	II 2006	III 2006	IV 2006	I 2007	II 2007	% change versus year ago for most recent: quarter 4-quarters	
U.S. - All Urban	205.4	206.7	207.9	208.4	208.3	2.4	2.5
U.S. - Wage Earners	200.6	202.1	203.7	203.9	203.7	2.3	2.4

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

	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	% change versus year ago for most recent:	
						month	12-months
<b>ARIZONA MONTHLY DATA</b>							
<b>Civilian Labor Force (000s) ADES</b>							
Employment	3,009.8	3,011.4	3,021.0	3,022.9	3,050.9	2.7	3.2
Unemployment	2,894.4	2,899.5	2,920.7	2,912.9	2,928.6	3.3	3.7
Unemployment Rate, Seas. Adj. (%)	115.4	111.9	100.3	110.0	122.3	-10.4	-7.4
	3.9	4.0	3.6	3.4	3.7	-9.7	-10.4
<b>Employees on Nonagricultural Payrolls (000s) ADES</b>							
Total	2,727.6	2,731.4	2,730.9	2,690.3	2,671.5	2.8	4.1
Natural Resources and Mining	10.8	10.9	11.0	11.5	11.8	16.8	19.6
Construction	247.4	246.9	246.1	244.7	245.6	-1.6	5.7
Durable Goods Manufacturing	150.9	150.8	151.0	150.8	151.0	-1.4	0.5
Fabricated Metal Products	19.5	19.5	19.6	19.7	19.7	1.5	3.1
Computer and Electronic Prod.	45.0	45.0	44.9	44.5	44.6	-4.3	-1.3
Aerospace Products and Parts	27.2	27.3	27.3	27.4	27.6	1.8	1.0
Non-Durable Goods Manufacturing	36.1	35.9	35.8	35.9	35.7	1.1	0.8
Wholesale Trade	110.0	109.6	109.5	109.5	109.8	4.0	4.9
Retail Trade	331.1	330.1	331.8	329.7	331.0	3.7	4.0
Utilities	12.3	12.3	12.4	12.4	12.5	0.8	2.0
Transportation and Warehousing	70.8	70.7	70.6	70.7	70.8	-0.4	0.4
Information	42.4	42.7	43.3	43.4	43.5	-3.3	-3.8
Finance and Insurance	133.8	133.7	133.6	133.1	134.1	1.7	3.1
Real Estate, Rental, and Leasing	54.1	54.3	54.2	54.1	54.1	4.8	5.2
Professional and Business Services	413.4	416.1	415.5	416.7	416.2	5.3	7.0
Educational Services	45.9	46.2	46.2	44.1	42.2	7.9	5.6
Health Care and Social Assistance	253.6	254.2	254.6	254.9	254.7	3.2	4.2
Arts, Entertainment, and Recreation	36.5	37.5	37.7	37.0	35.9	8.5	8.3
Accommodation	48.7	49.0	48.6	48.2	47.2	1.3	2.4
Food Svcs and Drinking Places	196.2	197.1	195.9	193.7	189.5	4.3	4.4
Other Services	106.6	105.7	106.2	106.7	105.8	4.9	7.6
Federal Government	51.4	51.7	52.5	53.1	52.5	1.2	0.4
State and Local Government	375.6	376.0	374.4	340.1	327.6	3.0	2.7
State and Local Government Education	200.7	201.0	197.5	159.4	146.6	1.7	1.8
<b>Hours Worked Per Week, Manufacturing, ADES</b>	41.3	40.9	40.8	40.4	41.1	0.7	1.1
<b>Average Hourly Earnings (\$) ADES</b>							
Construction	17.27	17.61	17.49	17.76	17.93	7.1	6.1
Manufacturing	15.15	15.31	15.66	15.76	16.14	8.0	4.8
Trade, Transportation, Utilities	15.77	15.94	15.88	15.95	15.89	2.8	4.0
Retail Trade	12.28	12.42	12.35	12.36	11.99	-2.9	-1.0
Wholesale Trade	19.20	19.24	19.50	19.47	19.88	8.8	5.2
<b>Sales (\$000s) ADOR</b>							
Aggregate Retail Sales	7,507,087	7,354,188	7,049,541	6,974,119	...	1.6	4.1
Retail	4,924,395	4,818,116	4,528,292	4,573,951	...	-0.6	2.9
Food, EBR	959,406	976,271	961,882	943,485	...	7.4	7.8
Restaurants & Bars	932,771	866,627	811,777	789,031	...	3.9	7.3
Gasoline, EBR	690,515	693,174	747,591	667,652	...	6.1	3.6
Gallons (000s) ADOT	253,261	235,054	243,960	228,179	...	4.1	4.3
Utilities	584,815	551,234	674,825	894,538	...	13.4	12.0
Communications	301,556	253,599	322,156	301,438	...	3.7	8.3
Amusements	131,999	96,688	119,863	95,074	...	14.1	8.7
Rentals - Personal Property	357,505	348,129	349,003	322,491	...	-2.4	6.9
Contracting	1,897,053	1,764,949	1,865,017	1,956,516	...	-5.3	7.0
Mining - Metal, Oil & Gas	138,580	178,924	184,909	172,345	...	-15.1	21.3
Hotel/Motel	305,409	253,942	202,475	170,490	...	2.4	5.6
<b>New Housing Units Authorized, Census C-40 &amp; EBR</b>							
Total Units	6,209	4,288	4,549	5,401	3,770	-23.7	-35.8
Single Family Units	4,647	3,805	4,174	4,047	3,325	-18.7	-37.9
2-4 Unit Structures	86	112	172	173	169	35.7	-20.9
5-plus Unit Structures	1,476	371	203	1,181	276	-62.2	-23.6
<b>Bankruptcy Filings, U.S. Bankruptcy Court</b>							
Total	837	781	852	895	889	73.0	-63.4
Chapter 7	655	598	655	667	695	70.8	-69.2
Chapter 11	20	14	22	15	21	133.3	27.0
Chapter 13	162	169	175	213	173	76.5	-13.6

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

	II 2006	III 2006	IV 2006	I 2007	II 2007	% 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.)	206.2	207.3	206.5	209.2	212.6	3.1	3.1
U.S. - All Urban Consumers	202.3	203.4	201.7	203.8	207.7	2.7	2.6
U.S. - Urban Wage Earners	198.0	199.1	197.0	198.9	203.2	2.6	2.5
<b>Price Indexes (2000=100) BEA</b>							
Gross Domestic Product	116.4	117.0	117.5	118.8	119.5	2.7	2.9
Personal Consumption Expenditures	114.7	115.4	115.1	116.1	117.3	2.3	2.4

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

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Noon  
to  
2:00 p.m.



Westin  
La Paloma  
Tucson

### Presentations by:

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