

Recessionary Forces Continue Unabated

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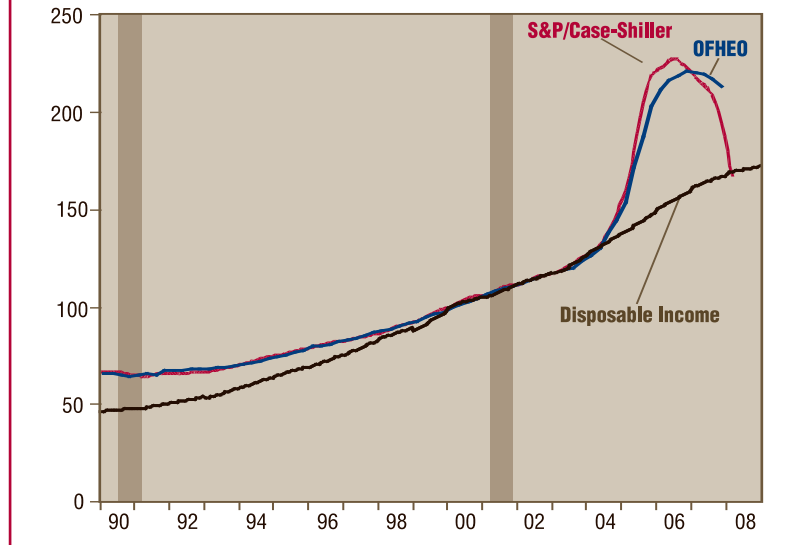
While analysts debate whether malaise in the U.S. economy will last long enough, be deep enough, and widespread enough to qualify as recession, there is little doubt that Arizona's economy already has passed these tests. Homebuilding is in one of the sharpest corrections on record, consumers are in full retreat, and measure after measure of economic activity is at recessionary levels. The questions now are "how long and how bad?"

In Arizona, inflation-adjusted retail sales have been declining since December of 2006 and non-farm employment peaked in August of last year. So far, the sales measure has declined by 9.5%, while employment has declined a much more modest 0.5%. While the drop in job counts is slight, the data significantly overstates reality. The drop in sales tax receipts, along with plunges in both individual and corporate income taxes, has sent state revenue collections declining at double-digit rates when compared to a year earlier.

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EXHIBIT 1
Home Prices Plummet
Home Prices, Metro Phoenix
Index (2000=100)



Although this past spring's annual employment revisions reduced 2007 employment estimates by a record 53,600 jobs, the new pattern shows that employment is not declining. Rather, it has been remarkably flat during the past 12 months, once seasonality is removed.

However, we expect these estimates to be revised significantly downward again next March due to model-based estimates of firm births and deaths that are part of the estimates program. Data for Arizona show that the firm birth/death adjustment has added 26,500 jobs during the 12 months ending in April. The reported data show a small decline of 4,900 jobs over that period, but all of that increase is accounted for by the birth/death adjustment – and then some. Without the adjustment, nonfarm payrolls have declined by 31,000. In short, changes in job counts are being driven by the birth/death adjustment, resulting in reported job counts that are seriously overstated.

The better-than-expected employment numbers also contain a specious jump in state education employment (primarily in metro Phoenix). In the third quarter of last year the numbers jumped by nearly 10,000. That's like adding a branch campus of ASU. According to analysts who compile employment estimates, it is difficult to get job counts from government agencies, particularly the state. A large jump or drop from year to year is a recurring prob-

lem with government job counts. Excluding state and local education, nonfarm job growth would be 0.4% lower over the past year.

Housing Prices Decline: How Bad?

Housing markets are in the most severe downturn since World War II, and Arizona is one of the hardest-hit states.

Housing prices in metro Phoenix are declining. But by how much? The answer depends on the measure. Often cited realtor data shows that the median price of homes sold dropped by 16.8% during the past year (to \$210,000 in March), and by 19.2% since prices peaked in September 2005 at \$260,000. Since the realtor data do not control for the mix of homes sold, which varies significantly from month to month and over the business cycle, these estimates are minimally useful.

Better measures that control for mix by measuring price movements for properties that have sold more than once are reported by the Office of Federal Housing Enterprise Oversight (OFHEO), and by the Standard and Poor's Case-Shiller (SPCS) housing price index. The OFHEO measure probably understates the recent decline since it is based on houses financed by conventional financing,

thereby excluding homes with subprime and jumbo loans (the bottom and top of the market). SPCS includes all properties regardless of financing, but the sample is much smaller as data is collected only in 20 large cities across the nation. Economists tend to favor the SPCS estimates but it's clear that both sources portray different samples of housing transactions.

SPCS shows that home prices in metro Phoenix have declined by 24.1% from June 2006 through February. With data through the first quarter of 2008, the OFHEO measure shows prices falling by only 6.7% from its fourth quarter 2006 peak. Exhibit 1 shows both indexes (benchmarked to 2000=100) back to 1990.

Although OFHEO didn't rise as much during the boom, there is a remarkable correlation over the period 1990-2004. Subprime and Alt-A lending skyrocketed in 2005 and 2006, which accounts for the divergence. What remains to be seen is how these indexes will track as prices fall. SPCS will no doubt undershoot the income trend, and then approach from below. The OFHEO measure is expected to fall significantly in coming months – by at least 20%.

Also shown is disposable personal income for the metro Phoenix area, indexed to 2000=100. Divergence between the income line and the price measures represents deteriorating housing affordability. But now that prices are falling, affordability is improving. According to the SPCS index, affordability is nearly back to the record high levels of affordability experienced prior to the boom.

The good news is that at some point, home prices will fall to a low enough level to spur home buying. The best bet is that prices will bottom out in the second half of next year as investors and home buyers find super deals. Once prices start behaving "normally" again, annual appreciation should parallel increases in overall prices. The doubling of prices over the 2004-2006 period was a once-in-a-generation phenomenon.

Consumers Return to Earth

Following several years of prolific spending, consumers are now in full retreat. Nationwide,

retail sales adjusted for inflation in goods prices have declined six of the past seven months with data through April. In Arizona, real retail sales have been declining since December 2006 and have fallen 9.5%!

One reason for the pullback is the deterioration in labor markets, i.e., declining employment and diminishing gains in wages. Another factor is the loss of borrowing power from home equity as home prices decline and lending standards tighten. In 2006, households were tapping nearly 6% of disposable income through home mortgage equity withdrawals (MEWs). Today, MEWs are 2% and falling rapidly toward zero. Likewise, households have sold huge amounts of corporate equities to raise cash (buyers are the corporations themselves who have used excess cash to repurchase their own stock). Finally, consumers more recently have borrowed heavily in order to continue their spending ways, driving debt and household financial obligation ratios to near all-time highs.

In 2005, household spending as a percent of gross domestic product (GDP) rose to a post-WWII record 76.2%, the result of a string of years in which households ran deficits. Since 1999, households have spent more than they earned, going deeper into debt and selling assets. Exhibit 2 dramatically shows the magnitude of this role reversal as households went on a super-sized spending spree.

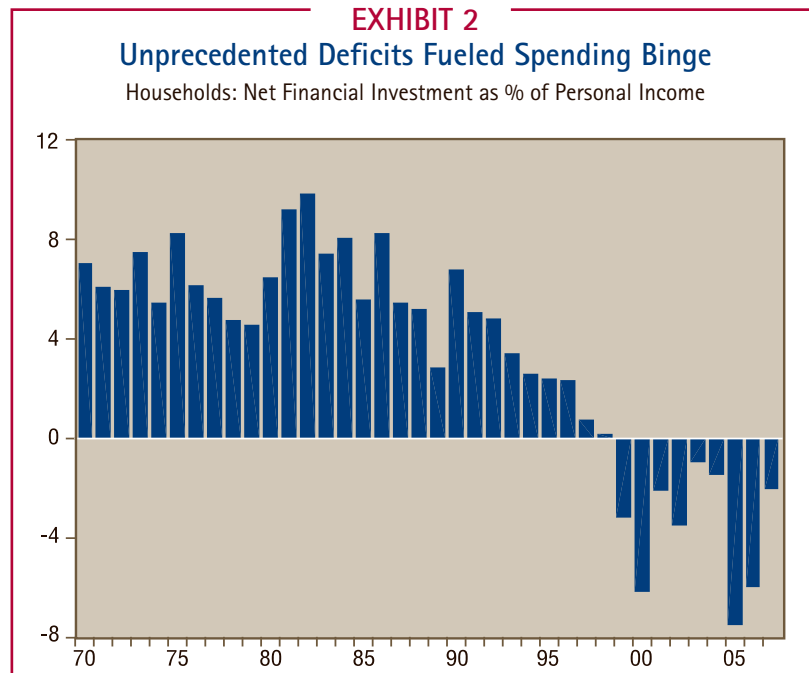
Net financial investment is a flow of funds

measure calculated as the acquisition of financial assets less the increase in liabilities. Financial assets include deposits at financial institutions, securities, and equities. It does not include the value of *real* property such as the value of one's home. Liabilities include mortgages, consumer credit, loans, and other forms of borrowing. If liabilities grow faster than assets, net financial investment is negative.

Normally, households are net savers, thereby providing funds to other sectors of the economy; businesses and the federal government normally are net borrowers. But since 1999, just before the tech bubble peaked, households became net borrowers (and businesses became net savers). Foreigners continued providing mountains of cash as well.

The data in the chart begins in 1970, but with data as far back as 1929, there were only six years in which households ran deficits. They did so during the depression, during WWII, and during the late 1940s.

Households' role reversal during this decade is unprecedented in depth and length. But now that the "easy money" has dried up, households must return to normal. This means that spending will not be a driver of growth anytime soon as consumers as forced to throttle back spending to match gains in income. Welcome back to earth.



The OFHEO home price index shows a decline of 6.7% in metro Phoenix, 2.9% in metro Tucson, 1.8% in Flagstaff, 3.8% in Prescott, and 3.4% in Yuma.

The Outlook

The credit crunch which began in August of 2007 is the worst since the 1990-91 recession, and it is still building. The economy can't mount a recovery until the crunch ends, and the consensus is that we are only half way through. Credit spreads between riskier debt and U.S. treasuries are still quite high, and surveys of banking senior credit officers show record high levels of tightening. So far, the U.S. financial system has written down \$250 billion through April and credit quality continues to sink across all categories, including mortgages, commercial lending, and consumer credit cards. The banking system has been able to recapitalize to the tune of \$125 billion so far, but until at least a like amount is raised, lending will remain hard to get and the economy will struggle.

The credit squeeze and faltering economy has brought a massive policy response from both the Federal Reserve and Congress. To keep credit markets working, the Fed has cut short term interest rates very aggressively, guaranteed the bailout of Bear Sterns, and opened credit windows to not only commercial banks but investment banks as well. Some of these moves are unprecedented. Congress also has responded with determination, issuing \$107 billion in rebate checks that will arrive in the second and third quarters. This represents a rather large 4.3% of quarterly consumer spending.

The strong stimulus will lift the economy during

the summer. The bad news is that when its effects are gone, the economy will weaken once again, possibly producing a W-shaped recession with negative growth in the 4th quarter and 1st quarter 2009.

Consumer confidence has fallen to the lowest levels since the early 1980s during the severe recession of 1981-82. Consumers are cancelling summer vacations (this component stands at the lowest level since October 1978) and postponing purchases of autos and major appliances. Additionally, potential homebuyers are clearly on the sidelines for now as evidenced by record lows for traffic through model homes. Consumers are concerned about inflation for food and gasoline and are increasingly worried about job security and their deteriorating financial condition. We look for Arizona retail sales (including food bought for home consumption, gasoline, and restaurant and bar sales) to decline this year and next, after adjusting for inflation.

The pace of growth in Arizona will not accelerate until construction activity starts moving upward again. Home building is expected to bottom soon but remain at very low levels until the excess supply of resale homes falls to more reasonable levels. The inventory of resale homes has yet to top out and will continue to grow as foreclosed properties are added. Commercial construction also has topped out and activity will decline as the pipeline

empties. The recent plunge in the Architecture Billings Index, published by the American Institute of Architects, is a precursor of what lies ahead. We look for residential permits statewide to continue declining through the summer and to average only 30,000 per year this year and next.

Nonfarm employment will decline this year and next, on an annual average basis. Growth won't turn positive until the fourth quarter of next year. A total loss of 65,000 jobs represents a decline of 2.4% from peak to trough. That is not as bad as the decline of 4.7% during the 1974-75 recession, but equals the 2.4% drop during 1981-82. However, the projected drop will exceed those of the two most-recent recessions, which measured 0.6% in 1990-91 and 1.4% in 2001.

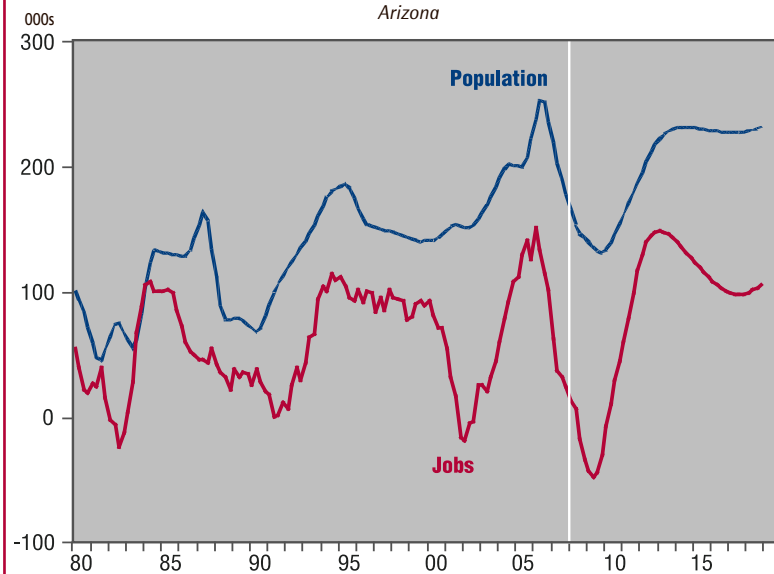
With fewer jobs being created and housing markets in turmoil, population growth will slow appreciably to annual gains less than 150,000 per year for three years running. That compares to an estimated gain of 250,000 in 2006. The rate of growth ranges between 2.0 and 2.3% over the 2008-10 period (Exhibit 3).

All considered, the recovery is expected to be subdued and similar to the "jobless recovery" following the last recession, when it felt as though the malaise would never end. But by mid-2010 Arizona's growth machine should be up-shifting again and accelerating toward the next growth surge. ■

EXHIBIT 3

Economy is Still Downshifting

Annual Change in Population & Jobs
Arizona



Arizona Exports by Metropolitan Statistical Areas

Lora Mwaniki-Lyman and Valorie Hanni Rice

Exports of goods to the global market for all of Arizona's metro areas increased 22.5% between 2005 and 2006. The Phoenix metro area accounted for 69.19% of all Arizona 2006 exports and ranked 20th among 362 U.S. metro areas in export value. The Tucson metro area ranked 61st.

The Prescott metro area recorded the highest growth rate among Arizona's metro areas and ranked 11th in export growth.

The top export industry for the Phoenix metro area in 2006 was computer and electronic products (NAICS 334). This industry alone accounted for more than half of its total exports.

For the complete article, please visit:

http://ebr.eller.arizona.edu/benchmarks/Sector/AZ_Intnl_Exports.aspx

Since 1999, households have spent more than they earned, going deeper into debt and selling assets. But now that the "easy money" has dried up, households must return to normal.

FORECAST TABLES

	2007	2008	2009	2010	2011	2012	2013
Arizona							
Personal Income (\$ mill)	209,349.1	216,950.4	220,230.7	229,940.9	246,765.3	270,202.3	295,204.5
percent change	6.3	3.6	1.5	4.4	7.3	9.5	9.3
Wage per Employee	43,414	44,773	45,941	47,299	48,978	51,011	53,135
percent change	4.2	3.1	2.6	3.0	3.5	4.2	4.2
Aggregate Retail Sales (\$ mill)*	82,720.9	83,948.0	84,866.7	87,564.6	92,690.8	100,218.3	108,272.3
percent change	2.3	1.5	1.1	3.2	5.9	8.1	8.0
Population (000s, mid-year)	6,500.2	6,648.0	6,782.1	6,924.5	7,099.2	7,307.1	7,534.6
percent change	3.1	2.3	2.0	2.1	2.5	2.9	3.1
Residential Permits	48,386	30,344	30,858	40,204	57,384	70,822	77,545
percent change	-25.8	-37.3	1.7	30.3	42.7	23.4	9.5
Non Farm Employment (000s)	2,673.9	2,666.4	2,625.6	2,645.5	2,734.2	2,875.2	3,021.7
percent change	1.5	-0.3	-1.5	0.8	3.4	5.2	5.1
Goods-Producing	417.7	383.0	341.2	326.1	337.1	363.7	391.6
percent change	-4.2	-8.3	-10.9	-4.4	3.4	7.9	7.7
Service-Providing	2,256.2	2,283.4	2,284.5	2,319.5	2,397.3	2,511.7	2,630.4
percent change	2.6	1.2	0.1	1.5	3.4	4.8	4.7
Trade, Trans., & Utilities	527.9	528.4	517.5	521.3	541.5	572.0	601.9
percent change	3.1	0.1	-2.0	0.7	3.9	5.6	5.2
Prof. & Business Services	403.7	405.4	397.4	398.3	412.2	438.0	466.5
percent change	2.4	0.4	-2.0	0.2	3.5	6.2	6.5
Leisure & Hospitality	271.4	271.1	273.4	282.0	294.6	308.3	320.1
percent change	1.7	-0.1	0.9	3.1	4.5	4.6	3.8
Government	422.7	431.7	433.9	437.3	443.0	452.3	462.7
percent change	3.5	2.1	0.5	0.8	1.3	2.1	2.3
Phoenix-Mesa Metro Area							
Personal Income (\$ mill)	147,483.9	151,712.0	155,436.0	163,562.1	177,712.4	196,555.0	216,621.5
percent change	6.5	2.9	2.5	5.2	8.7	10.6	10.2
Wage per Employee	49,538	51,317	53,111	55,070	57,232	59,552	61,847
percent change	4.2	3.6	3.5	3.7	3.9	4.1	3.9
Aggregate Retail Sales (\$ mill)*	57,377.8	57,967.2	58,198.1	61,249.5	66,227.5	72,506.8	78,417.1
percent change	1.9	1.0	0.4	5.2	8.1	9.5	8.2
Population (000s, mid-year)	4,235.2	4,330.2	4,426.3	4,541.8	4,693.0	4,873.9	5,065.4
percent change	3.5	2.2	2.2	2.6	3.3	3.9	3.9
Residential Permits	37,272	21,427	21,856	32,663	49,576	64,247	71,732
percent change	-15.8	-42.5	2.0	49.4	51.8	29.6	11.7
Non Farm Employment (000s)	1,916.1	1,893.3	1,875.6	1,895.7	1,980.8	2,110.8	2,249.9
percent change	1.7	-1.2	-0.9	1.1	4.5	6.6	6.6
Goods-Producing	308.1	266.6	252.2	243.3	263.3	293.2	323.8
percent change	-4.5	-13.5	-5.4	-3.5	8.2	11.4	10.4
Service-Providing	1,608.2	1,626.7	1,623.4	1,652.4	1,717.6	1,817.6	1,926.2
percent change	3.0	1.2	-0.2	1.8	3.9	5.8	6.0
Trade, Trans., & Utilities	391.3	387.9	380.9	387.7	408.1	434.6	458.9
percent change	3.1	-0.9	-1.8	1.8	5.3	6.5	5.6
Prof. & Business Services	328.5	335.5	326.4	323.8	330.7	354.8	388.3
percent change	2.9	2.1	-2.7	-0.8	2.1	7.3	9.4
Leisure & Hospitality	185.6	185.8	187.6	194.0	203.8	214.5	223.8
percent change	2.8	0.2	0.9	3.4	5.1	5.2	4.3
Government	239.2	242.3	243.9	247.3	253.5	262.0	270.9
percent change	4.4	1.3	0.7	1.4	2.5	3.4	3.4
Tucson Metro Area							
Personal Income (\$ mill)	31,875.1	33,177.7	34,114.7	36,162.3	38,915.6	42,005.8	44,869.4
percent change	6.9	4.1	2.8	6.0	7.6	7.9	6.8
Wage per Employee	41,614	42,894	44,110	45,367	46,911	48,723	50,626
percent change	4.7	3.1	2.8	2.9	3.4	3.9	3.9
Aggregate Retail Sales (\$ mill)*	11,970.0	12,193.8	12,421.0	13,026.8	13,828.0	14,749.6	15,585.3
percent change	2.5	1.9	1.9	4.9	6.2	6.7	5.7
Population (000s, mid-year)	1,003.2	1,019.3	1,036.4	1,058.3	1,084.0	1,111.4	1,137.4
percent change	2.2	1.6	1.7	2.1	2.4	2.5	2.3
Residential Permits	5,237	4,027	4,745	6,748	8,403	9,357	8,888
percent change	-38.5	-23.1	17.8	42.2	24.5	11.3	-5.0
Non Farm Employment (000s)	384.0	382.6	380.8	387.7	400.9	415.7	427.1
percent change	1.2	-0.4	-0.5	1.8	3.4	3.7	2.8
Goods-Producing	55.4	53.2	50.6	51.7	54.7	57.4	58.6
percent change	-3.9	-4.0	-4.8	2.3	5.6	5.0	2.1
Service-Providing	328.7	329.4	330.2	336.0	346.3	358.3	368.5
percent change	2.1	0.2	0.2	1.7	3.1	3.5	2.8
Trade, Trans., & Utilities	64.2	65.0	64.9	66.3	68.6	71.0	72.9
percent change	2.5	1.2	-0.1	2.1	3.5	3.5	2.6
Prof. & Business Services	52.1	52.5	52.1	51.8	53.3	55.7	58.2
percent change	4.7	0.8	-0.7	-0.5	2.8	4.5	4.6
Leisure & Hospitality	40.2	39.8	40.0	41.4	43.4	45.4	46.8
percent change	-0.9	-1.0	0.4	3.5	4.9	4.5	3.1
Government	77.9	78.1	77.5	78.1	79.1	80.2	80.9
percent change	2.2	0.2	-0.8	0.8	1.3	1.4	0.8

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

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

ARIZONA ECONOMIC INDICATORS

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
APACHE COUNTY							
Civilian Labor Force, ADES							
Employment	19,925	20,350	20,125	20,125	19,925	1.1	-0.7
Unemployment	1,900	1,950	1,775	1,650	1,425	-9.5	-11.5
Unemployment Rate (%)	9.5	9.6	8.8	8.2	7.2	-10.5	-10.9
Employees on Nonagricultural Payrolls, ADES							
Total	19,600	19,625	19,825	19,950	19,950	-0.1	-1.5
<i>Total Private</i>	6,850	6,850	6,850	6,975	6,975	-1.1	-1.3
Goods-Producing	725	750	750	775	800	6.7	5.9
Service-Providing	18,875	18,875	19,075	19,175	19,150	-0.4	-1.8
Trade, Transportation, and Utilities	1,750	1,725	1,725	1,725	1,700	-12.8	-10.0
Other Private Service-Providing	4,375	4,375	4,375	4,475	4,475	2.9	1.4
<i>Government</i>	12,750	12,775	12,975	12,975	12,975	0.4	-1.7
Federal Government	3,275	3,225	3,250	3,275	3,275	0.8	0.1
State and Local Government	9,475	9,550	9,725	9,700	9,700	0.3	-2.3
Sales (\$000s) ADOR							
Gross Retail	31,594	15,659	12,280	26,209	...	97.2	26.7
Retail	24,639	9,546	5,641	18,153	...	219.9	51.6
Restaurants & Bars	621	725	730	787	...	-10.9	0.4
Gasoline, EBR	6,334	5,389	5,909	7,268	7,681	14.0	5.9
Gallons (000s) ADOT	2,181	1,885	2,057	2,285	2,328	1.8	-4.4
Contracting	8,246	6,584	6,038	4,683	...	-25.1	32.4
Hotel/Motel	947	683	693	934	...	-2.8	2.1
* As reported by ADOR							
NAVAJO COUNTY							
Civilian Labor Force, ADES							
Employment	38,625	38,900	38,325	38,500	38,350	1.8	1.1
Unemployment	35,800	35,825	35,475	35,825	36,025	1.6	1.4
Unemployment Rate (%)	2,825	3,075	2,850	2,675	2,325	5.7	-2.8
Unemployment Rate (%)	7.3	7.9	7.4	6.9	6.1	3.8	-3.9
Employees on Nonagricultural Payrolls, ADES							
Total	30,275	29,650	29,650	29,975	30,050	-0.4	-0.1
<i>Total Private</i>	19,175	18,925	18,725	19,000	18,950	-3.2	-1.3
Goods-Producing	3,525	3,475	3,375	3,425	3,425	-7.4	-8.9
Mining and Construction	2,700	2,675	2,600	2,625	2,625	-6.3	-8.5
Manufacturing	825	800	775	800	800	-11.1	-10.5
Service-Providing	26,750	26,175	26,275	26,550	26,625	0.6	1.2
Trade, Transportation, and Utilities	5,875	5,750	5,725	5,825	5,725	-2.6	2.3
Information	825	825	825	825	800	3.2	2.4
Financial Activities	600	625	600	600	600	0.0	-5.6
Professional and Business Services	1,250	1,250	1,225	1,250	1,250	-7.4	-0.8
Educational and Health Services	3,650	3,575	3,550	3,575	3,575	3.6	4.9
Leisure and Hospitality	2,800	2,775	2,775	2,850	2,925	-4.1	1.1
Other Services	650	650	650	650	650	-16.1	-22.7
<i>Government</i>	11,100	10,725	10,925	10,975	11,100	4.7	2.0
Federal Government	1,750	1,600	1,625	1,650	1,725	6.2	1.6
State and Local Government	9,350	9,125	9,300	9,325	9,375	4.5	2.1
Sales (\$000s) ADOR							
Gross Retail	95,757	75,345	71,064	90,958	...	5.0	1.5
Retail	74,136	54,988	51,375	67,508	...	1.9	-1.5
Restaurants & Bars	7,110	6,870	6,774	7,469	...	4.9	5.8
Gasoline, EBR	14,511	13,487	12,915	15,980	15,552	7.6	14.5
Gallons (000s) ADOT	4,996	4,718	4,496	5,025	4,713	-3.9	2.8
Contracting	26,397	19,708	15,957	17,971	...	-9.1	13.1
Hotel/Motel	2,163	2,191	2,229	3,194	...	41.3	3.7
New Housing Units Authorized, Census C-40							
Total Units	14	15	24	21	38	-7.3	-24.0
Single Family Units	14	15	24	21	38	-7.3	-25.2

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

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
GRAHAM COUNTY							
Civilian Labor Force, ADES	14,925	15,025	15,150	15,200	15,200	10.7	9.9
Employment	14,150	14,150	14,375	14,450	14,525	10.0	10.0
Unemployment	775	875	775	750	675	28.6	8.5
Unemployment Rate (%)	5.2	5.8	5.1	4.9	4.4	16.1	-1.8
Employees on Nonagricultural Payrolls, ADES							
Total	8,750	8,450	8,900	8,950	8,950	6.9	8.0
<i>Total Private</i>	5,750	5,800	5,875	5,975	5,900	6.3	9.1
Goods-Producing	1,275	1,300	1,300	1,350	1,325	47.2	52.4
Service-Providing	7,475	7,150	7,600	7,600	7,625	2.0	2.9
Trade, Transportation, and Utilities	1,650	1,625	1,650	1,675	1,700	7.9	2.3
Other Private Service-Providing	2,825	2,875	2,925	2,950	2,875	-6.5	0.6
<i>Government</i>	3,000	2,650	3,025	2,975	3,050	8.0	5.6
Federal Government	375	375	375	375	375	-6.3	-6.0
State and Local Government	2,625	2,275	2,650	2,600	2,675	10.3	7.8
Sales (\$000s) ADOR							
Gross Retail	30,641	23,115	24,972	27,110	...	7.1	14.0
Retail	24,816	19,044	20,641	21,882	...	8.3	13.1
Restaurants & Bars	2,438	2,073	2,165	2,264	...	3.6	12.1
Gasoline, EBR	3,387	1,998	2,167	2,964	2,696	-12.7	19.1
Gallons (000s) ADOT	1,166	699	754	932	817	-22.0	6.6
Contracting	5,790	4,916	5,510	6,231	...	50.7	16.9
COCONINO COUNTY							
Civilian Labor Force, ADES	70,100	70,200	70,000	70,700	71,000	1.9	1.6
Employment	66,900	66,800	67,000	67,900	68,600	1.6	1.8
Unemployment	3,200	3,400	3,000	2,800	2,400	9.1	-3.9
Unemployment Rate (%)	4.6	4.8	4.3	4.0	3.4	7.1	-5.3
Employees on Nonagricultural Payrolls, ADES							
Total	64,300	63,000	63,900	64,700	65,200	-0.5	0.2
<i>Total Private</i>	44,600	43,700	44,000	44,800	45,100	-0.4	0.6
Goods-Producing	7,100	6,900	7,000	7,100	7,000	-4.1	-1.8
Mining and Construction	3,400	3,200	3,200	3,300	3,200	-11.1	-6.1
Manufacturing	3,700	3,700	3,800	3,800	3,800	2.7	2.5
Service-Providing	57,200	56,100	56,900	57,600	58,200	0.0	0.4
Trade, Transportation, and Utilities	10,300	10,200	10,200	10,300	10,400	4.0	2.7
Information	400	400	500	500	500	25.0	-8.6
Financial Activities	1,700	1,700	1,700	1,700	1,700	-10.5	-3.6
Professional and Business Services	3,100	3,200	3,100	3,100	3,200	-3.0	-5.3
Educational and Health Services	7,200	7,000	7,100	7,200	7,100	0.0	0.0
Leisure and Hospitality	12,900	12,500	12,500	13,000	13,300	-0.7	3.7
Other Services	1,900	1,800	1,900	1,900	1,900	0.0	-1.7
<i>Government</i>	19,700	19,300	19,900	19,900	20,100	-0.5	-0.8
Federal Government	2,800	2,600	2,700	2,700	2,800	0.0	-0.3
State and Local Government	16,900	16,700	17,200	17,200	17,300	-0.6	-0.9
Sales (\$000s) ADOR							
Gross Retail	142,138	106,089	115,563	140,686	...	-0.2	0.8
Retail	95,892	69,594	74,189	83,459	...	-3.4	-0.8
Restaurants & Bars	24,407	17,080	22,055	32,145	...	1.9	1.6
Gasoline, EBR	21,838	19,416	19,319	25,081	22,524	-5.5	5.8
Gallons (000s) ADOT	7,518	6,793	6,726	7,887	6,826	-15.5	-3.9
Contracting	36,150	25,063	26,151	25,569	...	-23.9	4.9
Hotel/Motel	12,121	8,843	9,891	17,979	...	14.3	9.8
New Housing Units Authorized, Census C-40							
Total Units	19	29	13	34	24	-41.5	-39.0
Single Family Units	19	29	13	24	24	-41.5	-37.5

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ARIZONA ECONOMIC INDICATORS

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
GREENLEE COUNTY							
Civilian Labor Force, ADES							
Employment	4,275	4,300	4,350	4,375	4,375	10.1	9.8
Unemployment	4,125	4,125	4,200	4,225	4,225	9.7	10.0
Unemployment Rate (%)	150	175	150	150	150	20.0	4.7
Unemployment Rate (%)	3.5	4.1	3.4	3.4	3.4	9.0	-4.8
Employees on Nonagricultural Payrolls, ADES							
Total	5,025	5,000	5,025	5,050	5,100	12.1	10.9
<i>Total Private</i>	4,475	4,475	4,500	4,500	4,550	13.0	11.6
Goods-Producing	3,900	3,900	3,950	3,975	4,000	15.9	15.4
Service-Providing	1,125	1,100	1,075	1,075	1,100	0.0	-2.2
Trade, Transportation, and Utilities	250	275	250	250	250	-9.1	1.6
Other Private Service-Providing	325	300	300	275	300	0.0	-15.7
<i>Government</i>	550	525	525	550	550	4.8	5.6
Federal Government	25	25	25	25	25	0.0	-10.5
State and Local Government	525	500	500	525	525	5.0	7.0
Sales (\$000s) ADOR							
Gross Retail	29,920	417	11,446	19,809	...	75.6	116.4
Retail	28,771	-712	10,182	18,326	...	84.0	139.2
Restaurants & Bars	461	487	414	553	...	5.1	36.3
Gasoline, EBR	688	642	851	930	1,078	38.9	9.9
Gallons (000s) ADOT	237	225	296	292	327	24.1	-1.6
Contracting	5,917	4,103	6,900	9,561	...	21.3	13.4
Hotel/Motel*	537	622	686	882	...	33.8	16.9
* Includes Graham County data.							
YAVAPAI COUNTY							
Civilian Labor Force, ADES							
Employment	99,300	99,600	99,900	100,300	100,800	3.7	2.5
Unemployment	95,100	95,000	95,900	96,300	97,200	3.4	2.4
Unemployment Rate (%)	4,200	4,600	4,000	4,000	3,600	12.5	4.1
Unemployment Rate (%)	4.2	4.6	4.0	4.0	3.6	8.5	1.6
Employees on Nonagricultural Payrolls, ADES							
Total	65,800	64,600	65,800	66,000	66,100	1.5	1.3
<i>Total Private</i>	52,800	52,200	52,600	52,800	53,000	-0.4	-0.7
Goods-Producing	12,100	11,900	11,800	11,800	11,800	-3.3	-4.0
Mining and Construction	8,800	8,600	8,600	8,500	8,600	-1.1	-2.7
Manufacturing	3,300	3,300	3,200	3,300	3,200	-8.6	-7.1
Service-Providing	53,700	52,700	54,000	54,200	54,300	2.6	2.5
Trade, Transportation, and Utilities	13,000	12,800	12,800	12,800	12,900	2.4	1.6
Information	600	600	600	600	600	0.0	0.0
Financial Activities	2,500	2,500	2,500	2,600	2,500	0.0	1.0
Professional and Business Services	4,400	4,300	4,300	4,300	4,400	-10.2	-10.5
Educational and Health Services	10,100	9,900	10,200	10,200	10,200	3.0	4.2
Leisure and Hospitality	8,100	8,200	8,300	8,400	8,600	2.4	1.2
Other Services	2,000	2,000	2,100	2,100	2,000	-4.8	-3.6
<i>Government</i>	13,000	12,400	13,200	13,200	13,100	10.1	10.4
Federal Government	1,300	1,300	1,300	1,300	1,300	8.3	6.2
State and Local Government	11,700	11,100	11,900	11,900	11,800	10.3	10.9
Sales (\$000s) ADOR							
Gross Retail	195,996	151,796	153,189	178,222	...	-4.0	-2.3
Retail	152,026	113,697	113,061	129,592	...	-6.6	-4.3
Restaurants & Bars	23,042	19,005	20,889	24,763	...	0.5	2.4
Gasoline, EBR	20,929	19,094	19,239	23,867	22,722	-1.8	5.5
Gallons (000s) ADOT	7,205	6,680	6,698	7,505	6,886	-12.2	-5.2
Contracting	45,811	44,227	42,545	55,375	...	-9.6	-18.1
Hotel/Motel	6,881	5,069	7,151	11,321	...	7.1	10.8
New Housing Units Authorized, Census C-40							
Total Units	51	81	68	93	57	-56.2	-46.0
Single Family Units	51	65	68	47	57	-55.1	-47.5

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ARIZONA ECONOMIC INDICATORS

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
GILA COUNTY							
Civilian Labor Force, ADES							
Employment	21,025	21,425	21,200	21,300	21,400	1.9	1.1
Unemployment	1,025	1,125	1,000	950	850	3.0	-4.9
Unemployment Rate (%)	4.9	5.3	4.7	4.5	4.0	1.1	-5.9
Employees on Nonagricultural Payrolls, ADES							
Total	14,500	14,425	14,525	14,600	14,700	-0.2	-0.2
<i>Total Private</i>	9,475	9,500	9,475	9,575	9,650	-0.5	-1.6
Goods-Producing	2,450	2,500	2,475	2,475	2,475	-5.7	-2.9
Service-Providing	12,050	11,925	12,050	12,125	12,225	1.0	0.4
Trade, Transportation, and Utilities	2,425	2,375	2,325	2,400	2,450	4.3	1.1
Other Private Service-Providing	4,600	4,625	4,675	4,700	4,725	0.0	-2.1
<i>Government</i>	5,025	4,925	5,050	5,025	5,050	0.5	2.6
Federal Government	450	425	450	450	450	0.0	-4.1
State and Local Government	4,575	4,500	4,600	4,575	4,600	0.5	3.4
Sales (\$000s) ADOR							
Gross Retail	38,926	33,569	34,012	38,305	...	-0.9	2.8
Retail	27,489	22,729	23,269	25,498	...	-1.6	1.3
Restaurants & Bars	4,605	3,989	4,380	4,758	...	1.9	0.3
Gasoline, EBR	6,832	6,851	6,364	8,049	7,588	-13.3	6.8
Gallons (000s) ADOT	2,352	2,397	2,216	2,531	2,300	-22.5	-3.4
Contracting	8,177	6,269	7,261	8,092	...	-19.0	-2.7
Hotel/Motel	875	663	882	-738	...	-164.8	-3.5
MOHAVE COUNTY							
Civilian Labor Force, ADES							
Employment	92,900	94,300	93,200	93,100	92,100	0.5	0.2
Unemployment	87,800	88,700	88,200	88,200	87,700	-0.2	-0.5
Unemployment Rate (%)	5,100	5,600	5,000	4,900	4,400	18.9	16.1
Unemployment Rate (%)	5.5	5.9	5.4	5.3	4.8	18.3	15.8
Employees on Nonagricultural Payrolls, ADES							
Total	54,200	53,700	53,600	53,900	53,400	-2.4	-2.3
<i>Total Private</i>	45,400	45,000	44,800	45,100	44,600	-3.7	-3.7
Goods-Producing	9,200	9,100	9,000	8,800	8,600	-13.1	-14.9
Mining and Construction	5,600	5,600	5,500	5,300	5,200	-16.1	-19.1
Manufacturing	3,600	3,500	3,500	3,500	3,400	-8.1	-7.0
Service-Providing	45,000	44,600	44,600	45,100	44,800	0.0	0.8
Trade, Transportation, and Utilities	12,000	11,700	11,700	12,000	11,900	0.0	-1.0
Information	1,000	900	900	1,000	800	-20.0	-7.2
Financial Activities	2,600	2,600	2,500	2,600	2,700	0.0	-0.3
Professional and Business Services	3,800	4,000	4,000	4,000	3,900	-2.5	-2.1
Educational and Health Services	7,600	7,300	7,400	7,500	7,500	1.4	3.0
Leisure and Hospitality	6,500	6,500	6,400	6,300	6,400	-7.2	-2.4
Other Services	2,700	2,900	2,900	2,900	2,800	12.0	4.9
<i>Government</i>	8,800	8,700	8,800	8,800	8,800	4.8	5.4
Federal Government	500	500	500	500	500	0.0	0.0
State and Local Government	8,300	8,200	8,300	8,300	8,300	5.1	5.8
Sales (\$000s) ADOR							
Gross Retail	167,183	143,411	151,527	178,428	...	-2.0	-5.9
Retail	125,639	102,649	109,951	125,713	...	-6.7	-9.1
Restaurants & Bars	16,364	16,083	17,933	22,211	...	13.6	-0.0
Gasoline, EBR	25,180	24,679	23,643	30,504	29,967	0.9	6.8
Gallons (000s) ADOT	8,669	8,634	8,231	9,592	9,082	-9.8	-3.8
Contracting	34,773	44,661	37,528	38,608	...	-27.4	-24.9
Hotel/Motel	2,860	2,771	3,350	4,627	...	59.8	0.8
New Housing Units Authorized, Census C-40							
Total Units	43	25	79	54	86	-13.1	-53.6
Single Family Units	41	25	46	40	62	-33.3	-52.9

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ARIZONA ECONOMIC INDICATORS

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
LA PAZ COUNTY							
Civilian Labor Force, ADES							
Employment	7,700	7,950	7,575	7,500	7,325	-3.3	-1.1
Unemployment	7,225	7,450	7,200	7,125	7,000	-3.1	-0.9
Unemployment Rate (%)	475	500	375	375	325	-7.1	-3.6
Unemployment Rate (%)	6.2	6.3	5.0	5.0	4.4	-4.0	-2.7
Employees on Nonagricultural Payrolls, ADES							
Total	5,350	5,325	5,300	5,275	5,175	-5.9	-3.1
<i>Total Private</i>	2,650	2,675	2,625	2,625	2,525	-18.5	-10.1
Goods-Producing	300	300	325	325	300	-47.8	-27.6
Service-Providing	5,050	5,025	4,975	4,950	4,875	-1.0	-0.8
Trade, Transportation, and Utilities	1,300	1,325	1,300	1,275	1,250	-2.0	-1.6
Other Private Service-Providing	1,050	1,050	1,000	1,025	975	-22.0	-12.2
<i>Government</i>	2,700	2,650	2,675	2,650	2,650	10.4	5.2
Federal Government	325	325	325	325	325	8.3	1.3
State and Local Government	2,375	2,325	2,350	2,325	2,325	10.7	5.7
Sales (\$000s) ADOR							
Gross Retail	23,025	28,792	25,618	25,696	...	12.5	5.9
Retail	11,555	16,488	14,896	12,926	...	4.1	-2.0
Restaurants & Bars	2,468	3,118	2,897	2,342	...	-2.8	0.2
Gasoline, EBR	9,002	9,186	7,825	10,429	8,180	-9.5	19.0
Gallons (000s) ADOT	3,099	3,214	2,724	3,279	2,479	-19.1	5.3
Contracting	4,347	2,638	2,811	4,152	...	86.9	-1.6
Hotel/Motel	453	634	614	506	...	-29.0	-1.3
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES							
Employment	81,200	82,000	79,900	79,300	79,100	4.9	3.8
Unemployment	72,000	73,500	72,700	72,300	70,200	5.2	4.0
Unemployment Rate (%)	9,200	8,500	7,200	7,000	8,900	2.3	2.4
Unemployment Rate (%)	11.3	10.4	9.0	8.8	11.3	-2.5	-1.0
Employees on Nonagricultural Payrolls, ADES							
Total	56,900	56,300	57,000	56,800	55,100	2.6	2.0
<i>Total Private</i>	42,000	41,900	42,100	41,800	40,100	2.8	2.5
Goods-Producing	8,200	8,200	8,200	7,900	7,400	-2.6	-4.6
Mining and Construction	4,700	4,600	4,600	4,400	4,400	-6.4	-9.1
Manufacturing	3,500	3,600	3,600	3,500	3,000	3.4	3.6
Service-Providing	48,700	48,100	48,800	48,900	47,700	3.5	3.1
Trade, Transportation, and Utilities	11,600	11,600	11,500	11,900	11,300	3.7	0.7
Information	1,700	1,700	1,700	1,600	1,600	6.7	20.4
Financial Activities	1,600	1,600	1,600	1,500	1,500	-11.8	-2.1
Professional and Business Services	4,900	4,900	5,000	4,900	4,800	20.0	18.5
Educational and Health Services	6,200	6,200	6,200	6,200	6,100	-1.6	0.3
Leisure and Hospitality	6,000	6,000	6,100	6,100	5,800	7.4	5.1
Other Services	1,800	1,700	1,800	1,700	1,600	-5.9	1.0
<i>Government</i>	14,900	14,400	14,900	15,000	15,000	2.0	0.6
Federal Government	3,400	3,400	3,400	3,400	3,500	6.1	2.6
State and Local Government	11,500	11,000	11,500	11,600	11,500	0.9	-0.0
Sales (\$000s) ADOR							
Gross Retail	203,229	166,014	176,693	188,129	...	4.0	4.7
Retail	154,962	119,404	129,228	134,181	...	-0.1	1.6
Restaurants & Bars	19,770	19,309	20,055	21,543	...	4.6	6.0
Gasoline, EBR	28,497	27,301	27,409	32,406	27,256	16.8	22.2
Gallons (000s) ADOT	9,811	9,551	9,543	10,190	8,260	4.4	8.9
Contracting	40,595	37,414	30,411	36,407	...	-16.7	-10.7
Hotel/Motel	3,185	5,216	5,714	5,969	...	15.8	2.2
New Housing Units Authorized, Census C-40							
Total Units	62	53	58	55	36	-29.4	-38.2
Single Family Units	36	53	58	55	34	-33.3	-39.1

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ARIZONA ECONOMIC INDICATORS

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
SANTA CRUZ COUNTY							
Civilian Labor Force, ADES							
Employment	18,200	18,525	18,275	18,125	17,975	5.9	4.7
Unemployment	1,350	1,300	1,125	1,050	925	5.7	5.6
Unemployment Rate (%)	7.4	7.0	6.2	5.8	5.1	-0.2	0.8
Employees on Nonagricultural Payrolls, ADES							
Total	15,225	15,250	15,325	15,225	15,150	4.3	3.5
<i>Total Private</i>	11,425	11,475	11,500	11,425	11,350	4.1	2.8
Goods-Producing	1,025	1,025	1,025	1,000	975	5.4	-2.0
Service-Providing	14,200	14,225	14,300	14,225	14,175	4.2	3.9
Trade, Transportation, and Utilities	6,400	6,450	6,475	6,500	6,450	7.9	8.0
Other Private Service-Providing	4,000	4,000	4,000	3,925	3,925	-1.9	-3.0
<i>Government</i>	3,800	3,775	3,825	3,800	3,800	4.8	5.4
Federal Government	1,425	1,425	1,450	1,425	1,450	5.5	5.9
State and Local Government	2,375	2,350	2,375	2,375	2,350	4.4	5.1
Sales (\$000s) ADOR							
Gross Retail	61,698	35,371	40,294	44,648	...	-5.3	-1.2
Retail	49,942	25,127	30,654	33,457	...	-7.0	-3.7
Restaurants & Bars	4,574	4,185	4,065	4,633	...	-2.9	4.8
Gasoline, EBR	7,182	6,059	5,574	6,558	5,839	-7.9	9.8
Gallons (000s) ADOT	2,473	2,120	1,941	2,062	1,770	-17.7	-2.3
Contracting	9,212	9,426	7,606	12,726	...	45.9	-19.4
Hotel/Motel	1,293	1,494	2,128	1,874	...	36.7	24.0
New Housing Units Authorized, Census C-40							
Total Units	15	20	18	9	19	-52.5	-42.3
Single Family Units	15	20	18	9	19	-48.6	-41.5
COCHISE COUNTY							
Civilian Labor Force, ADES							
Employment	57,575	58,325	57,650	57,775	57,600	2.0	0.8
Unemployment	2,800	2,925	2,625	2,500	2,225	6.0	0.9
Unemployment Rate (%)	4.9	5.0	4.6	4.3	3.9	3.9	-0.0
Employees on Nonagricultural Payrolls, ADES							
Total	37,825	37,500	37,625	37,825	37,750	-0.2	-0.8
<i>Total Private</i>	25,525	25,300	25,275	25,450	25,400	-1.2	-1.6
Goods-Producing	3,175	3,125	3,125	3,100	3,075	-0.8	-7.3
Mining and Construction	2,275	2,250	2,225	2,225	2,200	-4.3	-12.8
Manufacturing	900	875	900	875	875	9.4	10.8
Service-Providing	34,650	34,375	34,500	34,725	34,675	-0.1	-0.2
Trade, Transportation, and Utilities	7,000	6,900	6,750	6,775	6,750	-1.8	1.7
Information	550	550	550	525	525	0.0	19.9
Financial Activities	925	925	950	950	950	-13.6	-9.5
Professional and Business Services	4,725	4,750	4,775	4,850	4,825	-2.0	-5.3
Educational and Health Services	4,200	4,150	4,175	4,175	4,175	1.8	0.9
Leisure and Hospitality	4,075	4,025	4,075	4,175	4,250	2.4	1.5
Other Services	875	875	875	900	850	-8.1	-9.2
<i>Government</i>	12,300	12,200	12,350	12,375	12,350	1.9	0.8
Federal Government	4,750	4,800	4,800	4,850	4,875	4.3	-0.9
State and Local Government	7,550	7,400	7,550	7,525	7,475	0.3	1.9
Sales (\$000) ADOR							
Gross Retail	110,158	82,470	89,069	95,560	...	-0.8	3.3
Retail	84,748	57,872	66,007	68,094	...	-2.4	1.5
Restaurants & Bars	10,493	13,658	10,295	11,416	...	-3.1	3.3
Gasoline, EBR	14,918	10,940	12,766	16,049	15,703	0.1	12.7
Gallons (000s) ADOT	5,136	3,827	4,445	5,047	4,759	-10.5	0.9
Contracting	25,314	18,677	18,108	27,862	...	2.0	4.2
Hotel/Motel	2,724	3,502	4,003	4,752	...	9.0	18.6
New Housing Units Authorized, Census C-40							
Total Units	18	23	38	35	24	-51.0	-32.3
Single Family Units	18	23	38	35	24	-51.0	-32.3

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

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES							
Employment	461.1	457.7	458.7	459.2	458.8	0.6	1.0
Unemployment	19.6	20.6	18.1	17.7	16.3	9.4	2.9
Unemployment Rate, Seas. Adj. (%)	4.4	4.1	3.9	3.9	3.8	8.6	2.2
Employees on Nonagricultural Payrolls (000s) ADES							
Total	385.9	375.7	381.2	381.2	381.1	-1.5	-0.4
Natural Resources and Mining	2.0	2.0	2.0	2.0	2.0	17.6	18.3
Construction	25.7	25.0	24.8	24.7	24.4	-7.6	-8.2
Manufacturing	27.8	27.5	27.2	27.0	26.9	-1.5	-0.4
Aerospace Products and Parts	12.1	12.1	12.1	12.1	12.0	3.4	5.6
Wholesale Trade	10.0	10.3	10.4	10.4	10.4	6.1	3.9
Retail Trade	46.3	44.9	43.9	43.7	43.6	-2.7	0.2
Transp., Warehousing, and Utilities	9.2	9.1	9.2	9.1	9.2	0.0	-1.0
Information	5.7	5.7	5.7	5.7	5.7	-6.6	-9.4
Financial Activities	16.8	16.3	16.3	16.3	16.3	-12.4	-5.8
Professional and Business Services	52.6	51.4	52.0	52.1	51.7	-0.6	2.5
Educational and Health Services	54.8	54.0	54.3	54.7	54.3	0.7	2.2
Arts, Entertainment, and Recreation	4.8	4.5	5.2	5.2	5.5	-1.8	-6.1
Accommodation	6.2	5.8	5.9	6.0	6.0	-16.7	-14.3
Food Svcs and Drinking Places	28.9	28.4	28.7	29.0	29.0	1.0	0.6
Other Services	14.9	14.6	14.8	15.1	14.9	-6.3	-3.5
Federal Government	10.8	10.6	10.6	10.7	10.8	3.8	3.7
State and Local Government	69.4	65.6	70.2	69.5	70.4	1.7	1.4
State and Local Government Education	42.6	38.8	43.4	42.9	43.8	1.2	-0.1
Sales (\$000s) ADOR							
Aggregate Retail Sales	1,182,042	918,680	967,970	1,083,271	...	0.0	1.1
Retail	824,313	562,269	603,074	686,680	...	-3.0	-1.6
Food, EBR	150,413	152,781	153,284	153,407	...	5.9	6.5
Restaurants & Bars	115,636	118,324	124,185	140,487	...	-0.1	1.0
Gasoline, EBR	91,679	85,307	87,427	102,697	99,134	12.0	16.4
Contracting	194,929	164,020	168,729	178,558	...	-21.7	-2.5
Hotel/Motel	19,900	27,328	43,500	34,029	...	-26.7	-8.2
New Housing Units Authorized, Census C-40 & EBR							
Total Units	241	484	244	444	376	-37.7	-26.2
Single Family Units	221	188	227	312	346	-40.7	-35.7
2-5-plus Unit Structures	20	296	18	132	31	48.2	134.0
Housing Sales and Prices, TAR							
Total Sales (\$000s)	193,643	158,272	186,130	233,208	246,878	-32.8	-23.7
Total Units	753	594	710	900	973	-26.2	-24.1
Average Price (\$)	257,162	266,451	262,155	259,120	253,729	-8.9	0.1
Tucson International Airport, TAA							
Total Passengers	359,108	354,066	391,868	439,004	384,833	-2.2	5.3
Total Aircraft Movements	20,972	22,064	20,053	20,932	18,975	-6.7	-2.0

TUCSON METROPOLITAN REGION (PIMA COUNTY) - QUARTERLY DATA

	I 2007	II 2007	III 2007	IV 2007	I 2008	% change versus year ago for most recent:	
						quarter	4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	995.8	1,000.7	1,005.1	1,009.2	1,013.2	1.8	2.0
Natural Increase	1.5	1.5	1.6	1.6	1.6	6.5	12.5
Births	3.4	3.5	3.5	3.5	3.6	3.2	4.6
Deaths	2.0	2.0	2.0	2.0	2.0	0.8	-0.9
Net Migration	4.1	3.4	2.8	2.5	2.5	-38.8	-36.3
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	31,306	31,724	32,086	32,384	32,689	4.4	6.0
Earnings by Place of Work	20,915	21,125	21,295	21,420	21,554	3.1	4.9
Less: Contributions for Social Insurance	2,367	2,391	2,411	2,427	2,444	3.3	5.0
Plus: Adjustment for Residence	162	162	163	164	165	2.3	3.3
Plus: Dividends, Interest & Rents	6,812	6,916	6,993	7,036	7,081	4.0	6.9
Plus: Transfer Payments	5,784	5,912	6,047	6,190	6,334	9.5	8.9
Per Capita Personal Income (\$, SAAR) EBR	31,438	31,701	31,924	32,089	32,262	2.6	3.9

ARIZONA ECONOMIC INDICATORS

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES							
Employment	2,080.3	2,086.8	2,078.8	2,080.8	2,070.0	1.7	1.9
Unemployment	2,001.1	2,002.5	2,005.0	2,007.5	2,003.3	1.4	1.8
Unemployment Rate, Seas. Adj. (%)	79.2	84.3	73.8	73.3	66.7	11.2	3.1
	4.0	3.6	3.5	3.5	3.4	9.7	1.0
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,928.0	1,896.0	1,909.3	1,914.3	1,911.5	-0.2	0.6
Natural Resources and Mining	3.1	3.2	3.2	3.4	3.4	13.3	10.7
Construction	158.2	153.4	152.3	151.6	148.6	-12.7	-8.7
Durable Goods	108.9	108.3	108.5	108.3	108.3	-1.9	-2.4
Computer and Electronic Prod.	38.2	38.2	38.1	38.1	38.0	-4.0	-4.0
Aerospace Products and Parts	15.3	15.3	15.3	15.3	15.1	0.0	1.8
Non-Durable Goods	26.8	26.7	26.8	26.8	26.9	-0.4	-0.8
Wholesale Trade	89.7	89.4	89.1	89.4	89.4	0.2	1.6
Retail Trade	241.8	234.7	232.7	232.3	232.2	0.4	1.6
Utilities	9.1	9.0	9.1	9.1	9.1	3.4	3.7
Transportation and Warehousing	57.9	56.7	56.6	56.5	56.4	-2.8	-0.2
Information	31.5	30.9	31.1	31.3	31.1	-0.6	-0.6
Finance and Insurance	111.5	111.1	111.3	111.0	110.6	-4.4	-2.0
Real Estate, Rental, and Leasing	40.6	39.5	39.6	39.7	39.6	-1.0	-0.2
Professional and Business Services	325.5	317.8	320.9	322.4	322.2	-0.8	0.1
Educational Services	34.2	33.5	34.3	34.6	34.5	5.2	1.8
Health Care and Social Assistance	176.0	175.8	177.8	179.0	179.4	5.3	4.8
Arts, Entertainment, and Recreation	26.0	25.9	27.0	27.4	27.4	4.6	5.6
Accommodation	29.6	29.3	29.8	29.8	29.8	-0.7	1.4
Food Svcs and Drinking Places	134.9	131.1	134.0	136.1	136.7	2.4	2.3
Other Services	70.0	69.7	71.4	72.0	71.8	1.8	-0.5
Federal Government	22.5	21.8	21.8	21.8	22.1	2.8	1.0
State and Local Government	230.2	228.2	232.0	231.8	232.0	5.4	6.0
State and Local Government Education	123.2	121.7	124.5	124.2	124.3	7.0	7.8
Sales (\$000s) ADOR							
Aggregate Retail Sales	5,541,356	4,341,514	4,542,712	5,042,788	...	-3.2	-0.1
Retail	3,933,420	2,674,301	2,855,886	3,236,911	...	-6.9	-3.0
Food, EBR	655,430	657,939	660,107	660,634	...	4.6	6.3
Restaurants & Bars	512,656	589,237	601,554	647,729	...	-2.1	0.6
Gasoline, EBR	439,851	420,038	425,166	497,514	483,640	8.1	12.8
Contracting	1,231,299	1,118,964	1,020,661	1,124,723	...	-19.1	-9.1
Hotel/Motel	104,197	156,361	205,598	199,845	...	-6.2	1.6
New Housing Units Authorized, Census C-40 & EBR							
Total Units	1,236	1,922	1,416	1,611	2,224	-30.1	-33.9
Single Family Units	975	1,055	1,096	1,233	1,345	-51.2	-42.4
2-4 Unit Structures	93	51	83	23	59	-9.4	8.7
5-plus Unit Structures	167	816	237	355	821	127.5	-1.4
Housing Sales and Prices, ARMLS							
Total Sales (\$000s)	1,068,799	911,022	1,009,163	1,262,332	1,352,722	-26.8	-32.4
Total Units	3,412	2,907	3,445	4,303	4,875	-11.8	-27.7
Average Price (\$)	313,247	313,389	292,936	293,361	277,481	-17.0	-7.2
Phoenix Sky Harbor International Airport, PSHIA							
Total Passengers	3,246,141	3,320,307	3,299,670	3,872,745	3,513,114	-2.6	0.7
Total Aircraft Movements	45,250	45,403	43,490	45,935	43,517	-4.9	-2.1

SOURCES AND ABBREVIATIONS:

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

	I 2007	II 2007	III 2007	IV 2007	I 2008	% change versus year ago for most recent: quarter 4-quarters	
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL COUNTY) - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	4,188.7	4,218.3	4,244.5	4,269.5	4,293.9	2.5	3.1
Natural Increase	10.9	11.2	11.3	11.3	11.3	3.6	8.2
Births	17.6	17.8	17.9	18.0	18.1	2.6	4.0
Deaths	6.7	6.6	6.6	6.6	6.7	1.0	-2.5
Net Migration	24.4	18.5	14.9	13.7	13.0	-46.6	-49.8
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	145,453	147,030	148,280	149,173	150,126	3.2	5.3
Earnings by Place of Work	116,670	117,735	118,563	119,155	119,806	2.7	4.8
Less: Contributions for Social Insurance	12,946	13,047	13,129	13,196	13,272	2.5	4.4
Plus: Adjustment for Residence	-210	-214	-215	-215	-215	-2.0	-12.2
Plus: Dividends, Interest & Rents	23,118	23,271	23,319	23,244	23,181	0.3	4.0
Plus: Transfer Payments	18,822	19,285	19,742	20,186	20,626	9.6	9.9
Per Capita Personal Income (\$, SAAR) EBR	34,725	34,855	34,934	34,939	34,963	0.7	2.2

ARIZONA - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	6,427.1	6,475.8	6,519.0	6,556.3	6,593.2	2.6	2.9
Natural Increase	14.3	14.6	14.4	13.8	14.2	-1.2	-1.7
Births	25.6	25.7	25.7	25.5	25.8	1.0	0.2
Deaths	11.2	11.1	11.4	11.7	11.6	3.9	2.6
Net Migration	34.4	34.2	23.2	23.2	22.6	-34.3	-32.7
Personal Income Derivation (\$mil, SAAR) BEA & EBR							
Total Personal Income	206,399	207,345	210,733	212,920	214,704	4.0	5.5
Earnings by Place of Work	155,602	155,482	157,459	158,795	160,118	2.9	4.3
Less: Contributions for Social Insurance	17,479	17,445	17,677	17,793	18,060	3.3	4.6
Plus: Adjustment for Residence	725	724	733	739	745	2.8	4.6
Plus: Dividends, Interest & Rents	34,860	35,593	36,590	37,158	37,133	6.5	7.9
Plus: Transfer Payments	32,692	32,992	33,629	34,024	34,772	6.4	8.4
Components of Earnings (\$mil, SAAR) BEA & EBR							
Wages and Salaries	115,197	115,011	116,533	117,614	118,675	3.0	4.8
Other Labor Income EBR	24,508	24,597	24,958	25,210	25,471	3.9	4.6
Proprietor's Income	15,827	15,827	15,734	15,643	...	-0.6	-1.0
Farm	98	142	144	187	...	48.4	29.5
Nonfarm	15,730	15,685	15,589	15,457	...	-1.0	-1.3
Per Capita Personal Income (\$, SAAR) EBR	32,114	32,018	32,326	32,476	32,565	1.4	2.6
Average Wage Per Employee, Annual Rate (\$) EBR	42,547	42,475	42,943	43,307	...	3.9	4.5

TRAVEL AND TOURISM - MONTHLY DATA							
	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent: month 12-months	
Visits to Parks & Other Recreational Areas, NPS & ASPB							
Northern Arizona	748,988	677,406	830,893	1,407,062	1,559,482	-5.9	0.4
Historical	53,691	52,854	68,903	143,427	142,038	-12.7	-2.2
Scenic	269,407	214,995	233,528	524,704	548,925	-10.2	1.1
Water Based Recreation	425,890	409,557	528,462	738,931	868,519	-1.7	0.3
Southern Arizona	229,100	240,166	316,938	605,095	472,804	45.0	11.7
Historical	34,588	43,494	55,664	66,470	39,766	-4.0	0.5
Scenic	181,708	176,660	230,877	474,666	386,498	64.7	15.7
Water Based Recreation	12,804	20,012	30,397	63,959	46,540	-6.9	3.2
International Border Crossings, USCBP							
U.S. Citizens	678,659	577,426	573,898	633,871	603,818	-12.0	13.4
Aliens	2,200,547	1,860,313	2,138,398	1,989,903	1,909,541	-3.1	2.0
Vehicles	755,000	709,773	664,099	719,694	692,154	-5.1	-3.7

MEASURES OF INFLATION AND PRICES - MONTHLY DATA							
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	210.0	211.1	211.7	213.5	214.8	3.9	3.4
U.S. - Wage Earners	205.8	206.7	207.3	209.1	210.7	4.2	3.5

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

ARIZONA ECONOMIC INDICATORS

	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	% change versus year ago for most recent:	
						month	12-months
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES							
Employment	3,067.4	3,075.4	3,063.3	3,066.4	3,053.9	1.7	1.7
Unemployment	2,935.5	2,936.5	2,941.5	2,946.6	2,942.7	1.5	1.7
Unemployment Rate, Seas. Adj. (%)	131.9	138.9	121.8	119.8	111.2	9.8	2.9
	4.2	4.3	4.0	4.0	3.9	5.4	-0.4
Employees on Nonagricultural Payrolls (000s) ADES							
Total	2,693.5	2,647.1	2,669.3	2,675.7	2,671.1	-0.2	0.5
Natural Resources and Mining	12.2	12.3	12.3	12.4	12.5	16.8	14.9
Construction	211.6	205.8	204.5	203.4	200.2	-11.5	-8.8
Durable Goods Manufacturing	145.2	144.4	144.3	143.9	143.8	-2.0	-2.4
Fabricated Metal Products	19.8	19.7	19.8	19.8	19.7	-1.0	1.3
Computer and Electronic Prod.	41.6	41.6	41.6	41.5	41.4	-3.9	-4.6
Aerospace Products and Parts	27.6	27.6	27.5	27.5	27.5	1.1	2.7
Non-Durable Goods Manufacturing	35.4	35.2	35.5	35.5	35.0	-0.8	-0.7
Wholesale Trade	109.2	108.5	108.0	108.3	107.6	-0.5	1.0
Retail Trade	342.6	333.7	330.6	330.8	330.9	0.7	1.8
Utilities	12.7	12.7	12.6	12.6	12.6	-0.8	1.3
Transportation and Warehousing	73.7	72.7	72.5	72.4	72.1	-1.6	0.0
Information	42.8	42.2	42.5	42.5	42.3	-0.9	-0.9
Finance and Insurance	128.0	127.4	127.5	127.4	127.0	-5.3	-2.4
Real Estate, Rental, and Leasing	52.7	51.5	51.8	51.8	51.6	-1.5	-0.3
Professional and Business Services	403.4	394.4	398.5	400.4	400.2	-0.4	0.3
Educational Services	45.3	42.7	44.0	44.4	43.9	0.5	0.1
Health Care and Social Assistance	265.8	266.2	267.9	269.6	269.5	4.5	4.5
Arts, Entertainment, and Recreation	35.5	35.2	36.5	37.4	37.5	3.6	4.5
Accommodation	47.8	47.0	47.7	48.1	48.3	-1.4	0.8
Food Svcs and Drinking Places	192.2	187.9	191.1	193.6	194.4	0.8	1.0
Other Services	96.0	95.3	97.5	98.0	97.4	0.2	-1.1
Federal Government	53.2	52.2	52.3	52.6	53.1	2.3	1.0
State and Local Government	388.2	379.8	391.7	390.6	391.2	4.4	4.6
State and Local Government Education	209.7	201.9	212.8	211.8	212.5	5.9	5.7
Hours Worked Per Week, Manufacturing, ADES	41.5	40.7	41.3	40.4	...	-2.2	0.3
Average Hourly Earnings (\$) ADES							
Construction	18.56	18.88	18.69	18.70	...	8.3	7.8
Manufacturing	15.87	16.13	16.15	16.25	...	7.3	5.7
Trade, Transportation, Utilities	14.43	14.60	14.87	15.12	...	2.9	3.1
Retail Trade	11.91	12.11	12.23	12.59	...	2.5	0.9
Wholesale Trade	19.48	19.29	19.84	19.80	...	3.1	5.1
Sales (\$000s) ADOR							
Aggregate Retail Sales	8,026,826	6,303,714	6,598,479	7,362,034	...	-1.7	0.4
Retail	5,612,348	3,846,997	4,108,052	4,662,380	...	-5.3	-2.5
Food, EBR	979,006	992,191	995,460	996,255	...	5.6	6.4
Restaurants & Bars	744,644	814,140	838,392	923,101	...	-1.0	1.0
Gasoline, EBR	690,828	650,385	656,575	780,297	749,562	7.0	12.8
Gallons (000s) ADOT	237,831	227,535	228,589	245,361	227,167	-4.4	0.9
Utilities	633,669	818,286	791,117	565,263	...	-3.3	7.0
Communications	306,552	303,389	306,832	323,549	...	7.3	3.0
Amusements	87,901	87,107	144,340	130,789	...	-0.9	6.2
Rentals - Personal Property	334,755	364,509	325,560	355,850	...	-0.5	3.3
Contracting	1,676,958	1,506,670	1,396,216	1,550,517	...	-18.3	-8.3
Mining - Metal, Oil & Gas	90,692	105,634	146,354	171,597	...	23.8	-9.0
Hotel/Motel	158,135	215,378	286,438	285,174	...	-6.6	1.7
New Housing Units Authorized, Census C-40 & EBR							
Total Units	1,745	2,731	2,200	2,473	2,980	-30.6	-34.8
Single Family Units	1,444	1,549	1,827	1,884	2,048	-46.2	-41.5
2-4 Unit Structures	104	54	127	41	93	-26.4	-13.8
5-plus Unit Structures	197	1,128	247	547	839	131.4	1.4
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	992	967	1,074	1,414	1,552	98.5	67.8
Chapter 7	744	711	803	1,093	1,234	106.4	68.2
Chapter 11	23	27	24	23	25	66.7	60.1
Chapter 13	224	229	247	297	293	73.4	67.0

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

	I 2007	II 2007	III 2007	IV 2007	I 2008	% change versus year ago for most recent: quarter 4-quarters	
MEASURES OF INFLATION AND PRICES -QUARTERLY DATA							
Consumer Price index (1982-84=100) BLS							
Western Region (U.S.)	209.2	212.6	212.6	214.5	216.9	3.7	3.3
U.S. - All Urban Consumers	203.8	207.7	208.2	209.7	212.1	4.1	3.3
U.S. - Urban Wage Earners	198.9	203.2	203.6	205.3	207.7	4.4	3.4
Price Indexes (2000=100) BEA							
Gross Domestic Product	118.8	119.5	119.8	120.6	121.3	2.2	2.5
Personal Consumption Expenditures	116.1	117.3	117.9	119.0	120.0	3.4	2.8

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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