

January, 2011– Winter Issue

Recovery Hits a "Soft Patch"

By Marshall J. Vest
Forecasting Project Director
December 1, 2010



A nice recovery was underway in Arizona's economy during the first half, but since June most of those gains have been given back. The best description now is that Arizona's economy is bumping along the bottom. We expected conditions to soften during the "payback" period following expiration of homebuyer credits and winding down of federal stimulus spending. What's surprising is that private sector demand has not been strong enough to keep the recovery progressing. We still expect momentum to build as we move into the New Year and that a "double-dip" will not develop. The best bet is that the recovery will proceed slowly during 2011 due to a multitude of headwinds, and that more robust growth will follow.

The Great Recession ended a year-and-a-half ago. So far the recovery has been slow and disappointing. Nationwide, real GDP declined by 4% during the recession, and since the recession ended, real GDP has grown by 3.5%. It will be at least the first quarter 2011 before the previous peak is regained.

Headwinds are numerous and worrisome. The boost from fiscal stimulus is now fading and inventory rebuilding is nearly complete, so it's time for consumers and businesses to provide leadership. Unfortunately, consumers remain cautious over worries about poor job prospects, falling housing values, and tight credit, while businesses remain on the sidelines due to uncertainty over future taxes, rising health care costs spurred by "ObamaCare," new financial regulations still in the making, and weak demand from consumers.

The underlying key problem is that the de-leveraging process is not yet complete. Aggregate measures for household credit continue to fall; as of September 30th, total consumer indebtedness has fallen by nearly \$1 trillion from its peak of \$11.6 trillion, a decline of almost 8%. The values of outstanding mortgages have declined by 7.4% and home equity credit lines by 5.7% from their respective peaks (Exhibit 1).

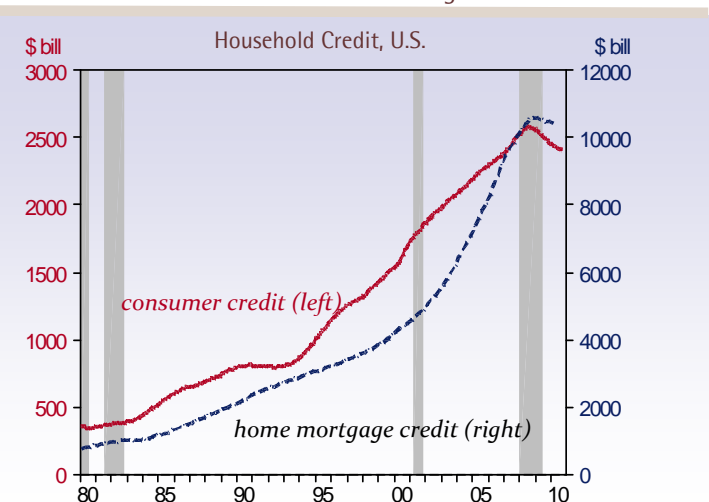
Unfortunately, this contraction of credit is far from over: at the end of the third quarter, 11.1% of outstanding household debt (\$1.3 trillion) was in some stage of delinquency. Credit is shrinking not only because of charge-offs; consumers also are now paying down their balances – a major change in behavior from a few years ago.

Business credit also continues to deflate. Total credit on the books of commercial banks advanced to "business, commercial, and real estate" borrowers has declined from its mid-2008 peak of \$5.2 trillion by roughly 15%. In the commercial paper market (large companies borrowing directly from credit markets thereby bypassing commercial banks), commercial paper

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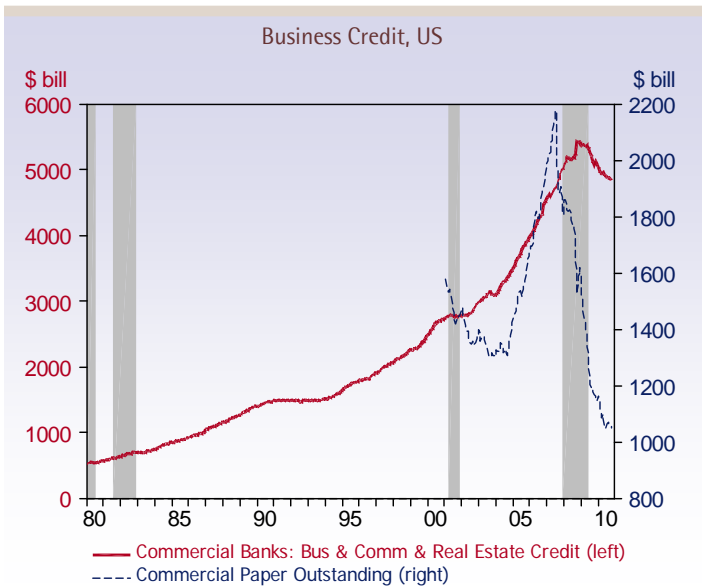
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Exhibit 1: Household Credit Still Deflating



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Exhibit 2: Business Credit Also Deflating



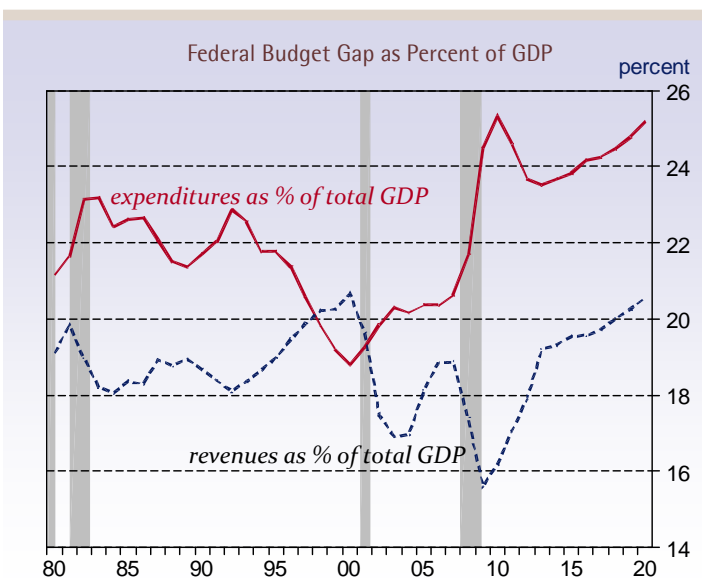
outstanding has plunged from \$2.2 trillion in the second quarter of 2007 to less than \$1.1 trillion in recent months (Exhibit 2).

Since the economy "floats on a sea of credit," it's not surprising that the recovery is disappointing. What's surprising is that the economy has grown as much as it has, given that credit is still contracting. (It's only because of the large cash balances held in the corporate sector that allowed businesses to restock inventories, that we've had any recovery.) Financial crises are the result of asset bubbles, which in turn are driven by an expansion of credit. The recent bubble was made possible by "financial innovations" in the securitization of mortgages, resulting in an enormous expansion of credit. Now credit has to shrink as financial entities and consumers restructure their balance sheets.

Most economists expect this de-leveraging process to run a while longer before credit begins growing again. That means a slow recovery, at best. The Federal Reserve has pumped unprecedented amounts of money into credit markets, but the "velocity of money" has ebbed as the "demand for liquidity" soared. We arguably are in a text-book style "liquidity trap." Commercial banks, for example, are sitting on some \$1.2 trillion of cash reserves (normal is around \$300 billion). Sometime, hopefully sooner rather than later, money will begin to move, credit will expand once again, and the pace of recovery will accelerate.

Meanwhile, Congress is facing gridlock on a number of policies that will affect the economy. The most important are the "Bush" tax cuts, which are scheduled to expire at the end of the year. Add to that emergency unemployment insurance benefits (that will begin to expire at the end of November and will disappear by May 1), Medicare reimbursement rates for physicians, extension of the AMT fix that expired a year ago, and various tax credits such as Making Work Pay and other ARRA tax incentives set to expire at year end. If Congress is unable to act, it will cost the economy 1.5% of GDP growth in 2011 and 1.8% the following year, according to estimates from IHS Global Insight.

Exhibit 3: Priority Best Left For the Future



Yes, the federal budget deficit is monstrous and needs to be reduced -- just not right now! Raising taxes and reducing spending before the recovery is on solid footing would be a monstrous mistake. Exhibit 3 shows the budget gap; as a percent of gross domestic product (GDP), expenditures are at 25%, and revenues stand at record lows near 15%. The projections assume the President's Deficit Commission revenue proposals are implemented (including elimination of "tax expenditures, such as mortgage interest and real property tax deductions" as well as higher gasoline taxes).

Add Arizona's Headwinds

On top of shrinking credit, Arizona is facing some unique challenges. The housing bubble, along with the effects of recent anti-immigration legislation, has burdened Arizona with an enormous inventory of vacant housing. Data compiled by the U.S. Department of Housing based on U. S. Postal Service surveys, shows nearly 130,000 vacant addresses in Arizona's six

Exhibit 4: Residential and Business Vacancies, Metro Arizona, Sept. 2010

Area	Total Addresses		Vacant Addresses		Percent Vacancy	
	residential	business	residential	business	residential	business
Flagstaff, AZ	49,117	4,592	830	390	1.7	8.5
Lake Havasu City-Kingman, AZ	100,061	7,252	7,209	982	7.2	13.5
Phoenix-Mesa-Glendale, AZ	1,861,570	155,067	91,687	19,249	4.9	12.4
Prescott, AZ	97,710	9,773	1,328	404	1.4	4.1
Tucson, AZ	454,559	29,055	26,826	4,493	5.9	15.5
Yuma, AZ	69,874	4,877	2,103	243	3.0	5.0
Metro Arizona	2,632,891	210,616	129,983	25,761	4.9	12.2

metro areas. That's a vacancy rate of 4.9%. Historically, vacancies have run in the neighborhood of 1.5%. Business vacancies stand at 12.2% (Exhibit 4).

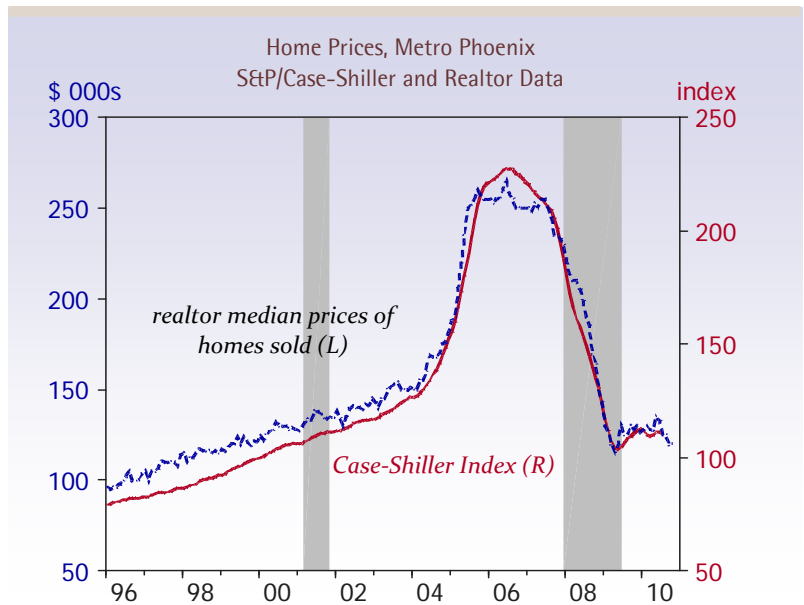
This excess inventory of vacant homes needs to be significantly reduced before homebuilding resumes. Unfortunately, household formation has virtually disappeared. Mobility in this country remains at the lowest levels in at least 60 years, thanks to the credit squeeze and inability of home owners and buyers to sell their existing house (many are "upside-down") and to obtain financing for a new one. In addition, the poor economy and high unemployment has forced households to double up.

Housing remains near the bottom by nearly any measure. After a boost early in the year from the homebuyer tax credit, residential permits have sunk to new lows. Only 13,000 units will be issued statewide this year, compared to over 91,000 in 2005. Existing home sales through multiple listing services (MLS) also have retreated in both large metros since tax credits expired. This was widely expected as payback for activity brought forward by tax incentives.

Arizona has consistently over the past three years ranked in the top four states for foreclosure activity. According to data provided by RealtyTrac, Inc., Arizona ranked third in October with 1 in every 165 homeowners receiving a foreclosure notice (which includes default notices, auction sale notices and bank repossessions). Only Nevada and Florida ranked worse. Nationwide, 1 in every 389 received a notice. Corresponding numbers for Pinal County were 1 in 94, Maricopa County 1 in 134, and Pima County 1 in 264. Fortunately, foreclosures in Arizona are no longer trending upward, but they remain close to record highs.

Using realtor data, home prices have stabilized. After a few months of improvement earlier in the year, the median price of homes sold on the MLS leveled off in recent months and risk moving lower. Data from Standard and Poor's Case Shiller also show the same results. Prices are nearing \$140,000 in Tucson and \$120,000 in metro

Exhibit 5: Another Down leg for Home Prices?



Arizona's Economy

Exhibit 6: A Leading indicator Points Upward

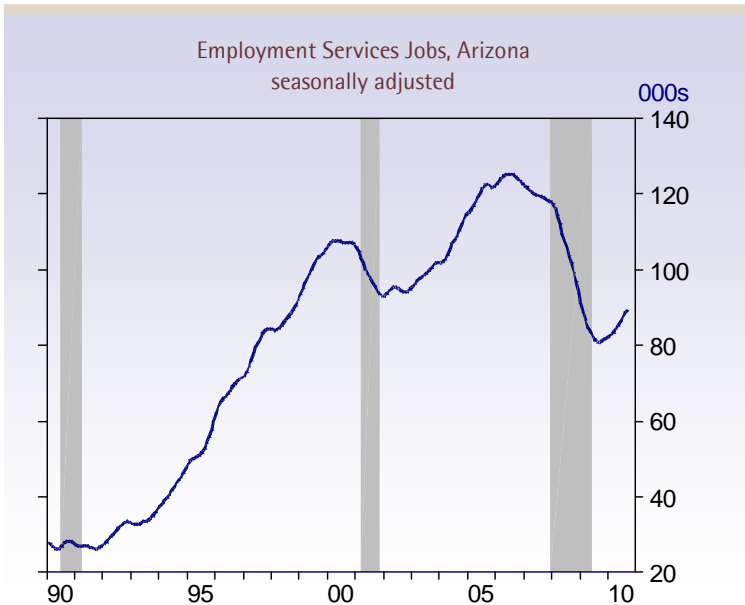
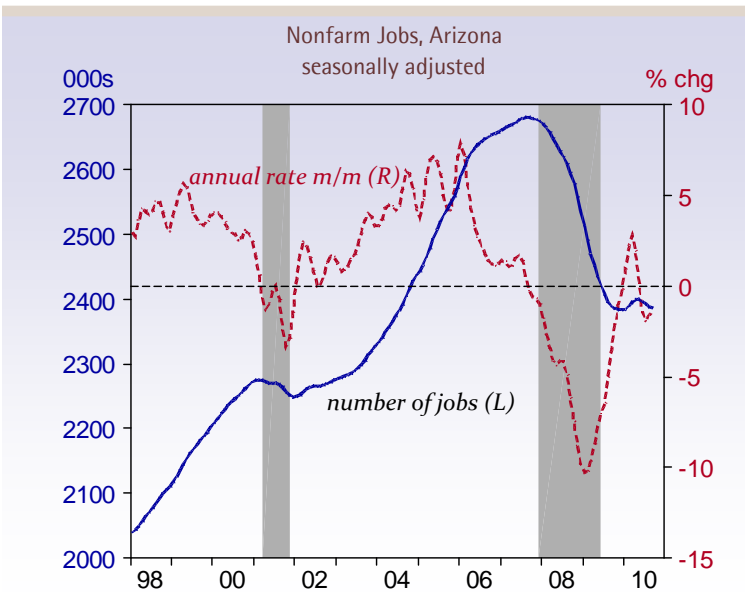


Exhibit 7: Employment has Changed Little From Year Ago



Phoenix. The flood of foreclosures will continue to cap (or put downward pressure on) prices in the near term (Exhibit 5).

Recent Trends and Outlook

Nationwide, the manufacturing sector has been a bright spot, accounting for much of the progress during the recovery. Indicators such as exports, factory orders and industrial production have been trending upward. That hasn't translated into jobs, however. In Arizona, manufacturing jobs have stopped falling, after declining by over 20% during the recession and by nearly a third over the past decade. The number of manufacturing jobs now is the lowest since early 1983!



Employment services, a leading indicator since employers turn to temporary workers before making permanent hires, is an encouraging sign, having added 8,700 workers over the past year. Health care & social services have added 7,500, and the federal government added 4,400 over the same period (Exhibit 6).

Construction is the biggest loser, having shed 8,100 jobs during the past 12 months, followed closely by state and local non-education, down 6,100. Aerospace manufacturing (-3,300), wholesale trade (-2,600) and financial services (-2,200) also continue to decline.

From the end of 2009 through May, nonfarm employment was rebounding nicely, but since then, nearly all of the gain has been given back. Compared to a year ago, employment is little changed (Exhibit 7).

Measures of consumer spending also have given back earlier gains. Retail sales statewide have mirrored the path of employment – solid gains early in the year have been lost in recent months, so that seasonally adjusted sales in August were lower than the year earlier. Likewise, restaurant and bar sales have turned down although they remain above cycle lows. Airline passenger traffic at Sky Harbor and Tucson International also has given back portions of prior gains (Exhibit 8).

Recent trends are not encouraging. The possibility of a double dip cannot be ruled out at this juncture. So when will the recovery finally get on track?

We've had some encouraging news over the past year in solar and biotechnology industries, with several companies moving to or expanding in the state. So far, this hasn't resulted in many new jobs, but it's encouraging that industries with some growth potential are choosing Arizona.

For Arizona's economy to accelerate, homebuilders need to get busy again. That won't happen until inventories of vacant houses are reduced. And, with mobility at decades-low levels, that may be awhile. Mobility won't recover until credit markets heal and the de-leveraging process comes to an end. Care to guess how much longer that will take? Keep your eye on credit flows, the key to the whole process. When credit begins expanding again, good things will start to happen.

We expect Arizona's economy to improve modestly as we move into 2011. Population and employment will both grow at less than 2% annual rates. Personal income will eke out a very modest sub-four percent gain. Replacement buying will lift retail sales but consumers will continue to exercise their newly-found emphasis on thrift. The following year, 2012 will see the pace quicken but it will be 2013 before employment growth tops 100,000 and population growth approaches 170,000, levels that were common during the late 1990s (Exhibit 9).

Fortunately, there is not much risk to the downside, since homebuilding and allied industries have very little left to lose. This was not a typical, garden-variety, recession. The recovery so far is (and promises to remain) atypical as well. ■



Exhibit 8: Air Passenger Traffic is at 2004 Levels

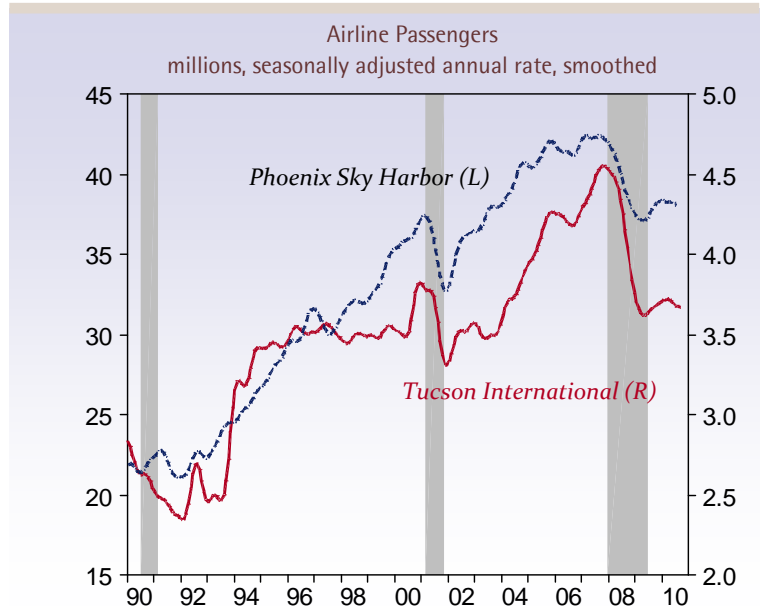


Exhibit 9: Recovery Will Proceed Slowly



Exhibit 1: Most "Solutions" Have Been Temporary

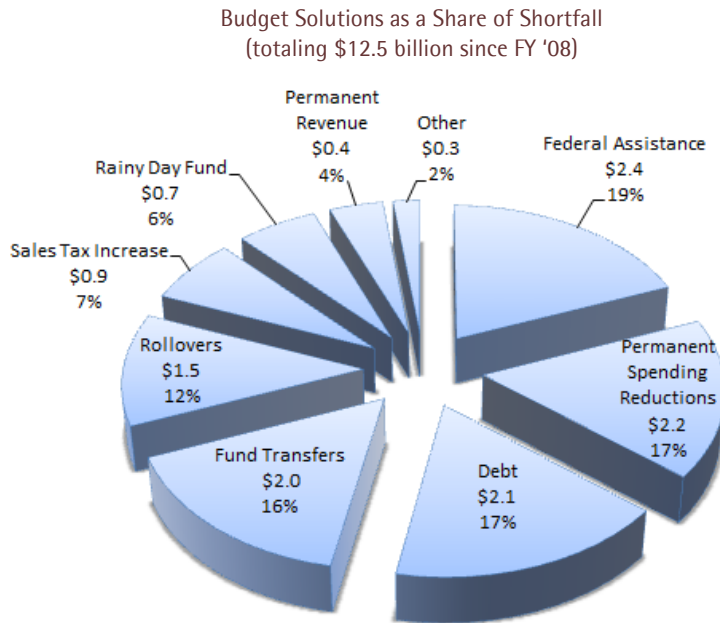
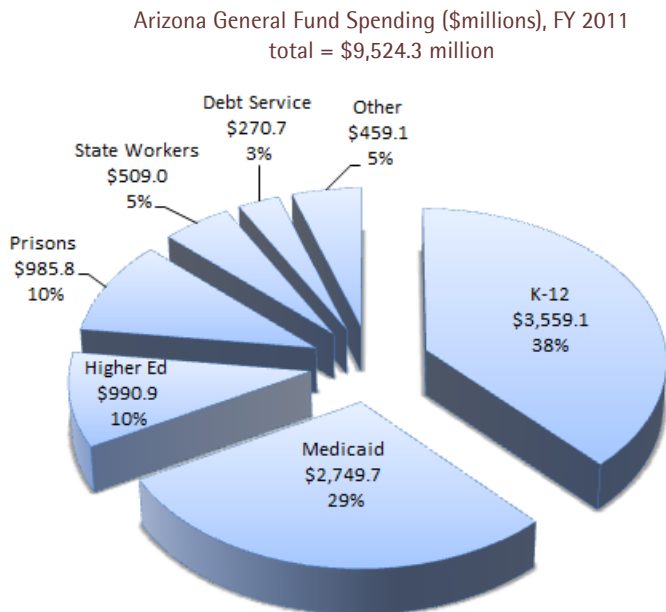


Exhibit 2: There are Three Main Drivers of Spending



State Fiscal Update

By Marshall J. Vest
Forecasting Project Director

Arizona is one of 46 states facing a budget deficit in the current fiscal year that ends next June. As a percentage of enacted budget, Arizona ranks 4th in severity with a 38% gap. Only Nevada, Illinois, and New Jersey are worse. Latest estimates from the Arizona Joint Legislative Budget Committee show a current year shortfall of \$825 million and a \$1.4 billion gap in FY 2012. This does not include some \$1 billion in suspended funding formulas. A "structural shortfall" gap in excess of \$1 billion persists as far as the eye can see.

Since FY 2008, the state has enacted some \$12.5 billion in "solutions" to budget shortfalls. Most of these have been of a "temporary" nature such as borrowing, fund transfers, rollovers (delaying payments until the following year), a 1-cent temporary sales tax increase, and federal assistance (Exhibit 1).

Clearly, not nearly enough was available from the "Rainy Day" fund, better known as the Budget Stabilization fund. This fund is capped at 7% of prior year spending, which represents less than one month's spending. The temporary 1-cent increase in sales taxes accounts for only 7% (or \$900 million so far), and this source will expire in June 2013. Federal assistance to Medicaid and education will expire in FY 2012 (along with attached maintenance of effort restrictions), which totals roughly \$900 million annually. Voters rejected two referendums in November that would have provided \$469 million in additional transfers.

Very little money in "temporary solutions" remains. Given rejection of augmenting revenues (raising taxes) by both voters and politicians, we can expect big cuts in spending in the months to come. Where will the cuts fall? Some still believe that there is a lot of "fat" in government spending that can be cut. Facts show that over 87% of general fund spending now goes to education, healthcare, and prisons (Exhibit 2). ■

New Financial Index Captures Performance of Arizona's Publicly Traded Companies¹

By: Lora Mwaniki-Lyman and Daniel Joseph Kinnear

The stock performance of Arizona's publicly traded companies represented in the L&D Arizona Composite Index, have tracked the DJIA Index and S&P500 Index since the beginning of the great recession (Graph 1).

The L&D Arizona Composite Index is a price-weighted, all market capitalization index made up of companies headquartered in Arizona and publicly traded on the NYSE and NASDAQ. The index, like any price-weighted index (such as DJIA), gives an overview of the direction stock prices of companies in Arizona are

moving by focusing on stock value. By doing so, it provides a proxy of investor sentiments and their expectations and perceptions of the performance of Arizona-based Companies. The index is also not a performance-based index since it does not include company dividend payouts and options, and therefore should not be used as an investment tool.

As a regional market index, the L&D Arizona Composite index provides a snap shot of Arizona's economic health or performance overall. However, it is not a measure of the local

business conditions since Arizona is home to companies that operate on a national and global scale.

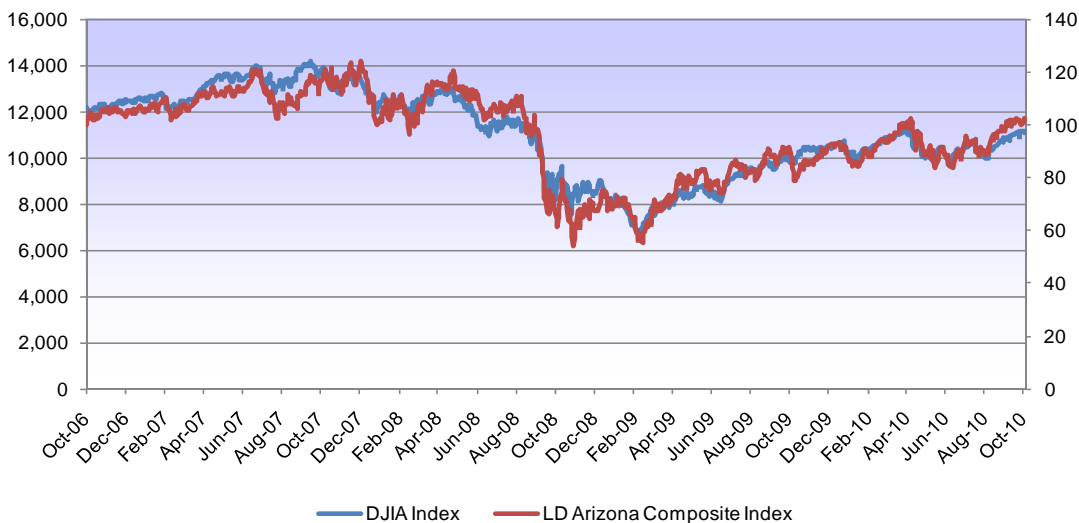
Eligible Companies

A company must meet three requirements to be included in the L&D Arizona Composite Index:

- 1) Be headquartered and have principal executive presence in the state of Arizona. It does not necessarily have to be incorporated in Arizona. The index therefore excludes American Depository Receipts

¹The Economic and Business Research Center does not offer any financial advising or recommend that investment decisions be based purely on the performance of the L&D Arizona Composite index and sub-indices. Therefore investment decisions are the sole responsibility of the reader.

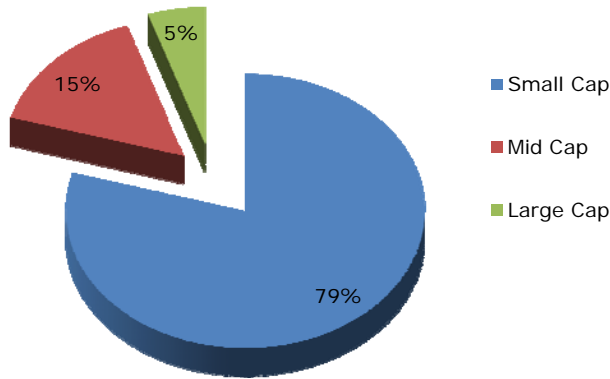
Graph 1: L&D Arizona Composite Index and DJIA Index



Data Source: Yahoo Finance and EBR

Arizona's Economy

Graph 2: Breakdown by Market Capitalization (November 3, 2010)



Data Source: Yahoo Finance and EBR

"Of the thirty-nine companies in the index, more than three-quarters of the companies are small cap with a market capitalization of less than \$2 billion as of November 2010."

(ADRs) which are foreign owned entities trading in the NYSE. Publicly traded companies with a major Arizona presence but not headquartered in Arizona, such as Raytheon, are not included.

2) Be regulated by the Securities Exchange Commission (SEC) and file periodic reports as required such the quarterly earnings reports among others. Consequently, it excludes companies traded on the Over-the-Counter (OTC) markets that are generally not under SEC oversight.

3) Have presence in the two most liquid exchanges, the NYSE and NASDAQ which present real time market value of stocks; over-the-counter markets are not as liquid. In addition, small cap and micro companies traded in the American Exchange (AMEX) are also excluded. Thirty-nine Arizona-based companies meet these criteria.

About the L&D Arizona Composite Index

The index is broken into two exchange-specific, sub-indices: the L&D Arizona Tech sub-index, which includes twenty-six companies, listed on the NASDAQ; and the L&D Arizona 13 sub-index, which includes the thirteen Arizona companies listed on the NYSE.

Of the thirty-nine companies in the index, more than three-quarters of the companies are small cap with a market capitalization of less than \$2 billion as of November 2010. Mid cap companies with market capitalization of between \$2 billion and \$10 billion make 15 percent of the index (Graph 2).

Table 1: Top 10 Companies in Index by Market Capitalization (11/3/10)

Company	Ticker Symbol	Stock Exchange	Market Cap (mil, 11/3/10)
Freeport-McMoran Copper & Gold Inc.	FCX	NYSE	47900.00
First Solar Inc.	FSLR	NASD	11600.00
Microchip Technology Inc.	MCHP	NASD	6300.00
Apollo Group Inc.	APOL	NASD	5200.00
Avent, Inc.	AVT	NYSE	4700.00
Pinnacle West Capital Corp.	PNW	NYSE	4600.00
PetSmart Inc.	PETM	NYSE	4600.00
ON Semiconductor Corp.	ONNN	NASD	3400.00
US Airways Group Inc.	LCC	NYSE	1900.00
Americo	UHAL	NASD	1800.00

Data Source: Yahoo Finance and EBR

Freeport-McMoran Copper & Gold Inc. (NYSE:FCX) and First Solar Inc. (NASDAQ:FSLR) are the only two large cap companies, with market capitalization of \$45.7 billion and \$11.8 billion (11/3/10) respectively. Top ten companies by market capitalization as of November 3, 2010 are listed in [Table 1](#).

The smallest company is Star Buffet Inc. (NASDAQ:STRZ) with a market capitalization of \$2.9 million ([Table 2](#)).

Arizona's High-Tech, Manufacturing-Base

A breakdown by NAICS categories below reveals that the index is heavily weighted in manufacturing and particularly in the high-tech sector ([Table 3](#)). Over three-quarters of the publicly-traded firms in Arizona fall under the NAICS manufacturing categories, with seventy percent of them being computer and electronic products manufacturing and the remaining being in the chemical and food manufacturing sectors. All but two of the companies under the NAICS manufacturing classification (NAICS 31-33) are traded in the NASDAQ. Hypercom Corp. (NYSE:HYC) and Medicis Pharmaceutical Corp. (NYSE:MRX) are traded in the NYSE.

Technology companies such as First Solar Inc. (NASDAQ:FSLR), Microchip Technology Inc. (NASDAQ:MCHP), and ON Semiconductor Corp. (NASDAQ:ONNN) led the charge, while firms like Mobile Mini Inc. (NASDAQ:MINI) and Amerco (NASDAQ:UHAL) rode the housing market upward, contributing to the Tech sub-index's positive performance during the pre-recession period.

L&D Arizona 13 Sub-Index

When assessed by exchange, it is evident that Arizona's two exchange-specific sub-indices closely tracked the performance of the major market indices their companies belong to; the Dow, S&P 500 and the NASDAQ. The L&D Arizona 13 Sub-Index represents mining, utility, trade and transportation companies traded in the NYSE.

While the largest company, Freeport-McMoran Copper & Gold Inc. (NYSE:FCX) is represented here, it is not necessarily the biggest mover because the index is price-weighted. Popular com-

Table 2: Index Market Capitalization, November 3, 2010

Number of Companies:	39
Total Market Capitalization (\$ million):	\$65,308.8
Company Size by Market Capitalization:	
Average:	\$2,752.9
Largest:	\$47,900
Smallest:	\$2.9
Median:	\$698.2

Data Source: Yahoo Finance and EBR

panies include PetSmart Inc. (NYSE:PETM) and US Airways Group Inc. (NYSE:LCC).

The L&D Arizona 13 Sub-Index peaked on February 22nd, 2007 at a value of 111.90, representing an increase of nearly 12% since the base period of October 26, 2006. The date was selected as the base period in order to capture the effects of the latest recession and to provide the longest stock history for most companies in the index. The sub-index had peaked almost 4 months before the DJIA index and the S&P500 index ([Graph 3 and 4](#)). In hindsight, we know Arizona was one of the first states leading into the housing market crisis which later precipitated into a financial crisis and recession.

At its peak, the sub-index performed better than the L&D Arizona Composite index and L&D Arizona Tech sub-indices. However, the

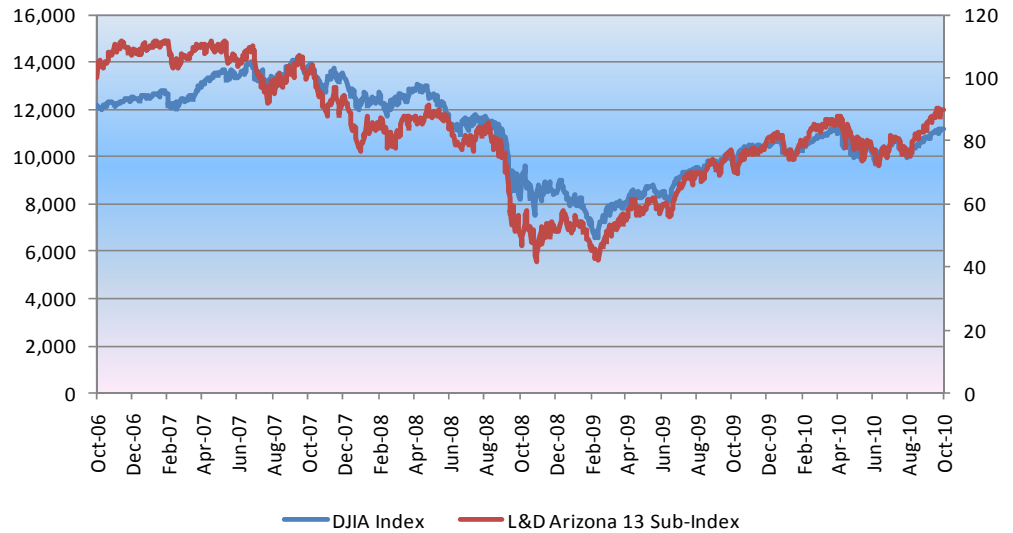
Table 3: Company Breakdown by NAICS Industries

Goods Producing			71%
21	Mining		6%
23	Construction		12%
31-33	Manufacturing		82%
Service Providing			29%
22	Utilities		29%
42	Wholesale Trade		29%
44-45	Retail Trade		14%
48-49	Transportation and Warehousing		29%

Data Source: Yahoo Finance and EBR

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Graph 3: L&D Arizona 13 Sub-Index versus DJIA Index



"The L&D Arizona Tech sub-index and the L&D Arizona Composite index went on to surpass the L&D Arizona 13 sub-index with more volatility and higher peaks later in the recession."

Data Source: Yahoo Finance and EBR

L&D Arizona Tech sub-index and the L&D Arizona Composite index went on to surpass the L&D Arizona 13 sub-index with more volatility and higher peaks later in the recession (Graph 5). The L&D Arizona Tech sub-index continued to thrive ten months after even after the L&D Arizona 13 sub-index began pricing in the housing market and financial crisis.

L&D Arizona Tech Sub-Index

A comparison of the performance of Arizona's volatile technology stocks, as represented in the L&D Arizona Tech sub-index and the NASDAQ composite index suggests that, after riding at elevated levels throughout 2007 and into early 2008, the decline in stock prices was more rapid and severe for Arizona technology companies towards the end of 2008 (Graph 6).

Despite this precipitous decline in value Arizona's tech companies' performance remain in step, today, with the NASDAQ composite.

In general, the L&D Arizona Tech sub-index is more volatile than the NASDAQ Composite index, with higher up-swings and lower down-swings. The L&D Arizona Tech sub-index

peaked prior to the recession on December 28th, 2007 at 149.7, representing nearly a 25% increase in 14 months and close to a 50% increase from October 26, 2006, the base date selected for the index.

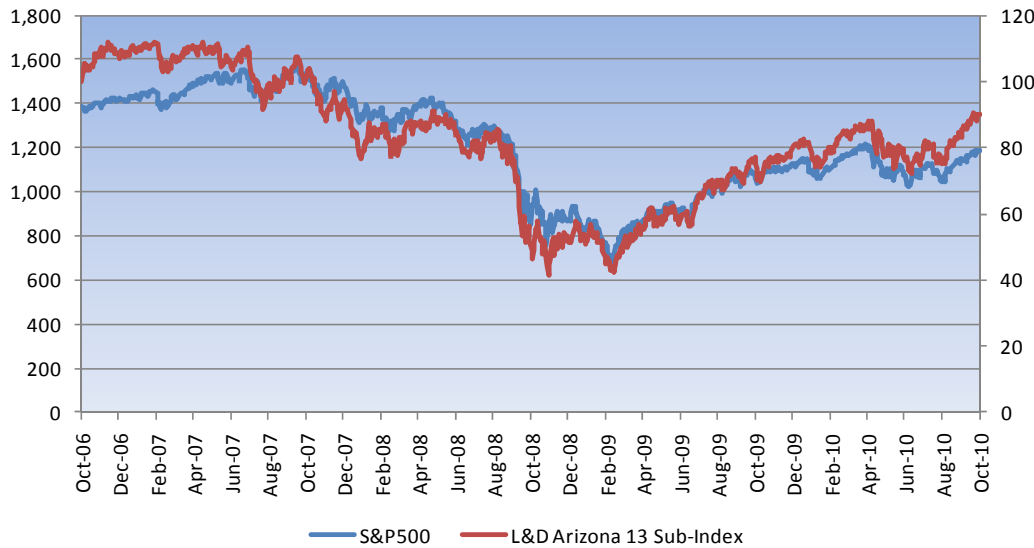
The L&D Arizona Tech sub-index lags the NASDAQ Composite Index with the effect of the economic downturn being observed in the sub-index approximately 1 month after it registered in the NASDAQ Composite.

Index Performance

In order to compare the performance of the sub-indices with other market indices, the compound annual growth rate (CAGR) was calculated. The S&P Small Cap 600 was selected as the best benchmark to compare against the performance of the L&D Arizona Composite Index. This is because more than 75 percent of companies represented in the L&D Arizona index are small cap firms (market capitalization of < \$2 billion).

The CAGR calculations suggest that the L&D Arizona Composite Index, and even more so the L&D Arizona Tech sub-index out-

Graph 4: L&D Arizona 13 Sub-Index versus S&P 500 Index



Data Source: Yahoo Finance and EBR

"The L&D Arizona Tech sub-index out-performed its benchmark of technology and growth companies, the NASDAQ Composite index."

performed the benchmark of small-cap companies, the S&P Small Cap 600. The L&D Arizona Tech sub-index out-performed its benchmark of technology and growth companies, the NASDAQ Composite index. Small-cap, growth companies have generally led other companies out of a recession. This is evident in the L&D Arizona Tech sub-index and NASDAQ Composite Index which have performed better than other major indices over the last 4 years (Table 4). The L&D Arizona Tech Sub-Index, performed much better than the L&D Arizona Composite Index as well as the L&D Arizona 13 Sub-Index. On the same note, the NASDAQ Composite Index performed better than other major, large-cap market indices.

Table 4: Compound Annual Growth Rate Comparison

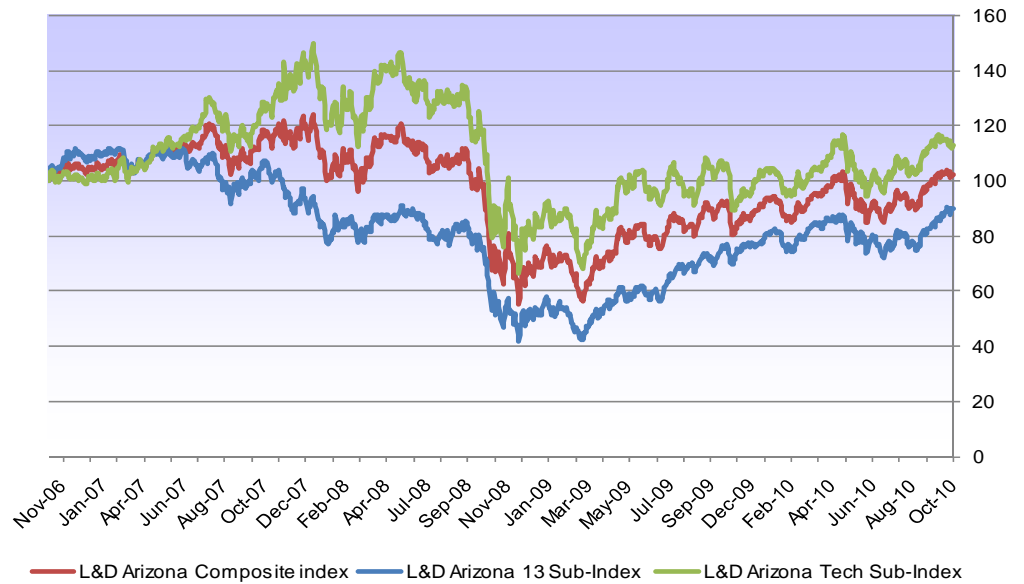
L&D Market Indices	Oct 2006 - Oct 2007	2007 - 2008	2007 - 2009	Oct 2006 - Oct 2010
L&D Arizona Composite Index	14.5%	-18.0%	-3.6%	0.6%
L&D Arizona 13 Sub-Index	-15.5%	-29.8%	-9.2%	-2.6%
L&D Arizona Tech Sub-Index	41.9%	-8.5%	1.0%	3.1%
Comparable Market Indices				
DJIA Index	4.6%	-14.9%	-5.3%	-2.1%
S&P 500 Index	2.2%	-18.9%	-7.2%	-3.9%
NASDAQ Composite	7.7%	-17.9%	-1.6%	1.2%
S&P Small Cap 600 Index	-2.2%	-17.4%	-5.2%	-1.3%

Source: EBR

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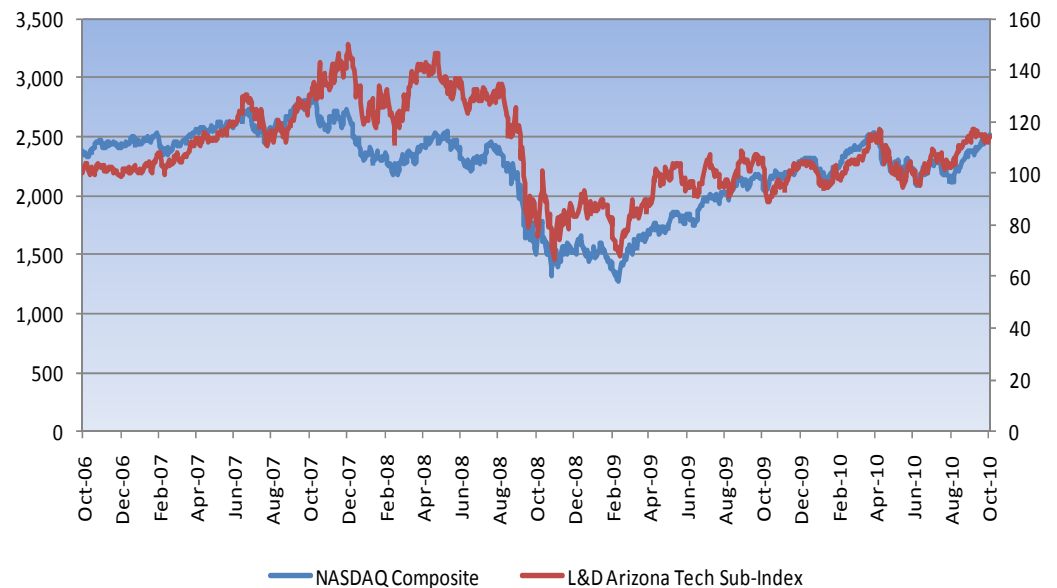
"The L&D Arizona Composite index illuminates Arizona's exceptional high-tech cluster industries and the states strong manufacturing-base."

Graph 5: L&D Arizona Composite Index and Sub-Indices



Data Source: Yahoo Finance and EBR

Graph 6: L&D Arizona Tech Sub-Index versus NASDAQ Composite Index



Data Source: Yahoo Finance and EBR

Conclusion

The L&D Arizona Composite index illuminates Arizona's exceptional high-tech cluster industries and the state's strong manufacturing-base. It is difficult to deny that Arizona's unique location as a border state continues to provide a competitive edge to companies exporting inputs or final goods to Mexico, Arizona's top export destination, or globally.

Computer and electronic products, chemical and food manufacturing sectors do not only command the largest share in the L&D Arizona Composite index (75 percent), but were also among Arizona's top 10 export categories in 2009. Export supporting industries in transportation and trade have also flourished as a result while mining, energy and solar continue to provide business opportunities in Arizona.

As shown by the L&D Arizona Tech small-cap, growth companies continue to lead other companies out of the recession indicating the need to support small businesses at this critical time in order to drive employment. ■

Notes: Compounded Annual Growth Rate (CAGR) Calculation

$$\text{CAGR}(t_0, t_n) = (V(t_n)/V(t_0))^{1/(t_n - t_0)} - 1$$

$$\text{Such that } V(t_n) = V(t_0) \times (1 + \text{CAGR})^n$$

Where:

$V(t_n)$ = end value,

$V(t_0)$ = start value,

and $t_n - t_0$ = number of years since the base date set in October 2006

"As shown by the L&D Arizona Tech small-cap, growth companies continue to lead other companies out of the recession indicating the need to support small businesses at this critical time in order to drive employment."

Arizona's Economy

Forecast Tables

Arizona	2009	2010	2011	2012	2013
INCOME					
Personal Income (\$mill)	219447.9	224632.7	233234.3	244821.1	259674.2
% change	-2.1	2.4	3.8	5	6.1
Per capita Personal Income (\$)	33271	33652.5	34293.6	35235.7	36482.2
% change	-3.6	1.1	1.9	2.7	3.5
SALES (\$millions)					
Retail Sales (current dollars)	69476	71048.6	75853.9	82942.1	89517.4
% change	-10.7	2.3	6.8	9.3	7.9
Food Sales	11415.2	11630.7	12136.6	12756.7	13383.3
% change	0.6	1.9	4.3	5.1	4.9
Retail Sales less Food	43358.9	43428.3	46510.8	51488.6	56050.1
% change	-11.4	0.2	7.1	10.7	8.9
Restaurant and Bar Sales	8886.7	9180	9786.3	10487.3	11202.4
% change	-5.3	3.3	6.6	7.2	6.8
Gasoline Sales	6101.3	7095.5	7715.7	8520.9	9208.5
% change	-27.1	16.3	8.7	10.4	8.1
EMPLOYMENT (000s)					
Non Farm Employment	2426.7	2396.9	2436.5	2517.8	2622.1
% change	-7.3	-1.2	1.7	3.3	4.1
Mining	11.1	11	11.2	11.2	11.2
% change	-18	-0.6	1.9	-0.7	0
Construction	129.1	112.5	105.8	113.3	129.7
% change	-30.7	-12.8	-6	7.1	14.4
Manufacturing	153.1	149.4	156.2	160.7	165.3
% change	-11.6	-2.4	4.6	2.9	2.9
Trade, Transportation & Utilities	479.5	472.9	481.9	498.4	515.5
% change	-7.2	-1.4	1.9	3.4	3.4
Information	39.2	37.6	38.1	40.5	42.2
% change	-6.6	-4.2	1.3	6.5	4.1
Professional & Business Services	346	345.9	355.4	368.8	387.6
% change	-10.4	0	2.7	3.8	5.1
Leisure & Hospitality	255.4	253.6	258.2	266.1	275.2
% change	-5.5	-0.7	1.8	3	3.4
Government	422.6	414.3	407.8	410	417.2
% change	-2.3	-2	-1.6	0.5	1.7
OTHER INDICATORS					
Population (000s)	6595.8	6675.1	6801.1	6948.1	7117.8
% change	1.5	1.2	1.9	2.2	2.4
Unemployment Rate, percent	9.1	9.6	9.5	8.7	8.1
Residential Permits (units)	14271	13024	23959.4	34358	46900.9
% change	-42.7	-8.7	84	43.4	36.5
Single family	12835	11635.9	20504.9	31062.3	41790.9
% change	-27.6	-9.3	76.2	51.5	34.5
Multi-family	1436	1388.1	3454.6	3295.7	5110.1
% change	-80	-3.3	148.9	-4.6	55.1
Gasoline Sales (mill of gals)	2640.6	2631.3	2708.4	2834	2976.7
% change	-2.7	-0.4	2.9	4.6	5
Civilian Nonag Wage Rate	45498.1	46313.2	47471.7	48559.6	49758.8
% change	1.1	1.8	2.5	2.3	2.5

Phoenix-Mesa MSA	2009	2010	2011	2012	2013
INCOME					
Personal Income (\$mill)	149611	152259.1	157672.6	165254.1	175799.7
% change	-3.5	1.8	3.6	4.8	6.4
Per capita Personal Income (\$)	34282	34479	35120	36063	37467
% change	-5.2	0.6	1.9	2.7	3.9
SALES (\$millions)					
Retail Sales (current dollars)	46922.6	48892.4	53008.8	58597.4	63449.9
% change	-12.3	4.2	8.4	10.5	8.3
Food Sales	6825.5	7683.3	8006.9	8335.2	8738
% change	-10.1	12.6	4.2	4.1	4.8
Retail Sales less Food	30146.3	30332.5	33333.6	37684.4	41334.1
% change	-11.3	0.6	9.9	13.1	9.7
Restaurant and Bar Sales	6176.9	6434.9	6859.6	7326.5	7825.8
% change	-5.8	4.2	6.6	6.8	6.8
Gasoline Sales	3773.9	4441.7	4808.7	5251.2	5552
% change	-30.1	17.7	8.3	9.2	5.7
EMPLOYMENT (oos)					
Non Farm Employment	1720.4	1695.6	1722.4	1779.5	1855.4
% change	-7.8	-1.4	1.6	3.3	4.3
Mining	3	3	3.2	3.3	3.5
% change	-20.7	0.4	6	3	5.7
Construction	96.2	81.1	70.2	75	89
% change	-31	-15.7	-13.4	6.8	18.7
Manufacturing	113.9	112.6	118.7	121.9	125.3
% change	-12.2	-1.1	5.3	2.8	2.7
Trade, Transportation & Utilities	356	352.1	358.7	369.8	382
% change	-7.2	-1.1	1.9	3.1	3.3
Information	29	27.4	28.3	29.1	29.2
% change	-6.8	-5.7	3.5	2.6	0.4
Professional & Business Services	275.6	273.7	281.9	293	305.8
% change	-11	-0.7	3	3.9	4.3
Leisure & Hospitality	174.1	172	175.9	181.6	187.9
% change	-5.7	-1.2	2.3	3.2	3.5
Government	239.1	234	229.9	232.2	237
% change	-2.8	-2.1	-1.8	1	2.1
OTHER INDICATORS					
Population (oos)	4364.1	4416	4489.6	4582.3	4692.1
% change	1.8	1.2	1.7	2.1	2.4
Residential Permits (units)	9272	8570	13613	21649	29968
% change	-50	-7.6	58.8	59	38.4
Single family	8598	7593	12080	19433	26676
% change	-32.1	-11.7	59.1	60.9	37.3
Multi-family	674	977	1533	2216	3292
% change	-88.5	45	56.9	44.5	48.6
Gasoline Sales (mill of gals)	1637.2	1643.7	1686.4	1742.1	1794.3
% change	-5.7	0.4	2.6	3.3	3
Unleaded Gasoline Price, PHX (\$)	2.31	2.7	2.85	3.01	3.09
% change	-25.9	17.2	5.5	5.7	2.7
Aggregate Earnings Rate	49680.3	50608.5	51742.2	52824.1	54061
% change	0.6	1.9	2.2	2.1	2.3

Arizona's Economy

Forecast Tables

Tucson MSA	2009	2010	2011	2012	2013
INCOME					
Personal Income (\$mill)	33930.3	34873.9	36191.5	37876.6	40124
% change	-1.3	2.8	3.8	4.7	5.9
Per capita Personal Income (\$)	33258.5	33753	34431.2	35276.4	36555
% change	-2.3	1.5	2	2.5	3.6
SALES (\$millions)					
Retail Sales (current dollars)	10397.2	10815.6	11587.3	12413.8	13187.8
% change	-9.4	4	7.1	7.1	6.2
Food Sales	1621.2	1874.8	1958	2035.3	2124.7
% change	-10	15.6	4.4	3.9	4.4
Retail Sales less Food	6544.3	6473.2	7005.6	7583.3	8124.8
% change	-8.3	-1.1	8.2	8.2	7.1
Restaurant and Bar Sales	1362.9	1416.1	1510.7	1615	1720.9
% change	-4.1	3.9	6.7	6.9	6.6
Gasoline Sales	868.7	1051.5	1113	1180.2	1217.5
% change	-22.4	21	5.8	6	3.2
EMPLOYMENT (ooos)					
Non Farm Employment	361.7	357.7	362.3	373.2	386.1
% change	-5.2	-1.1	1.3	3	3.5
Mining	1.7	1.8	1.7	1.7	1.7
% change	-10.8	1.9	-2	-0.3	0.4
Construction	16.6	14.6	14.5	16.5	19.2
% change	-27	-12.1	-0.5	13.3	16.6
Manufacturing	25.2	24.5	25.2	25.9	26.7
% change	-7.4	-2.8	2.9	3	2.8
Trade, Transportation & Utilities	58	57.2	58.4	60.1	62.1
% change	-7.5	-1.3	2	3.1	3.2
Information	4.8	4.6	4.7	4.9	4.9
% change	-9.4	-4.1	3.7	2.6	0.4
Professional & Business Services	47.3	47.5	46.7	47.8	49.8
% change	-7.9	0.4	-1.8	2.4	4.2
Leisure & Hospitality	38.7	38	39.4	40.9	42.3
% change	-4.2	-1.9	3.8	3.8	3.3
Government	78.9	77.4	77.3	78.1	79.1
% change	-1.2	-1.9	-0.1	1.1	1.3
OTHER INDICATORS					
Population (ooos)	1020.2	1033.2	1051.1	1073.7	1097.6
% change	1	1.3	1.7	2.1	2.2
Residential Permits (units)	2129	2275.8	4055.8	6003.3	6739.7
% change	-33.9	6.9	78.2	48	12.3
Single family	1934	1912.5	3548.7	5397.2	6059.3
% change	-29.5	-1.1	85.6	52.1	12.3
Multi-family	195	363.3	507.1	606.1	680.5
% change	-59.2	86.3	39.6	19.5	12.3
Gasoline Sales (mill of gals)	376.9	389.1	390.3	391.5	393.5
% change	4.7	3.2	0.3	0.3	0.5
Unleaded Gasoline Price, PHX (\$)	2.3	2.7	2.9	3	3.1
% change	-25.9	17.2	5.5	5.7	2.7
Aggregate Earnings Rate	41966.7	42587	43721.4	44708.1	45858.6
% change	-0.4	1.5	2.7	2.3	2.6

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Arizona Economic Indicators

Arizona Monthly Data	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. Avg.
Civilian Labor Force (oos), ADOC & EBR	3,173.90	3,180.50	3,189.10	3,205.20	3,181.30	1.1	0.7
Employment	2,863.30	2,861.90	2,870.30	2,895.80	2,886.40	1.3	-0.1
Unemployment	310.6	318.6	318.8	309.4	294.9	-0.8	8.8
Unemployment Rate, Seas. Adj. (%)	9.6	9.6	9.7	9.7	9.5	2.2	8.6
Employees on Nonagricultural Payrolls (oos), ADOC & EBR							
Total	2,354.10	2,339.50	2,376.80	2,394.00	2,421.30	0.9	-2.6
Natural Resources and Mining	11	11.1	11.2	11.4	11.5	6.8	-6.7
Construction	113.9	113.8	115.3	115.4	120.5	0.7	-16.7
Durable Goods Manufacturing	117.8	117.8	117.6	116.4	116.5	-0.3	-5.7
Fabricated Metal Products	15.5	15.5	15.5	15.4	15.3	11.8	2.2
Computer and Electronic Prod.	37.1	37	37.2	36.9	36.9	2.4	-3
Aerospace Products and Parts	26.9	26.8	26.7	26.5	26.4	-11.3	-9.3
Non-Durable Goods Manufacturing	31.9	31.4	30.3	30.7	30.8	-2.4	-3.3
Wholesale Trade	96.3	95.9	95.7	95.2	96.8	-1.5	-4.7
Retail Trade	291.5	291.4	292.7	293.3	298.2	2.1	-1.8
Utilities	12.2	12.2	12.2	12.1	12.2	-0.5	-2.3
Transportation and Warehousing	67.1	67.3	67.4	67.6	67.9	1	-4.5
Information	37.9	37.7	37.4	37.2	36.9	-2	-5
Finance and Insurance	118.3	118.1	117.7	118.2	118.9	-0.6	-1.9
Real Estate, Rental, and Leasing	44.8	44.9	44.9	45.7	45.6	0.4	-3.6
Professional and Business Services	340.9	343.3	346.7	349	350.7	2.5	-2.3
Educational Services	50.1	50	52.5	55.2	57.7	12.7	10
Health Care and Social Assistance	287.1	286.8	289.4	290.5	294.6	3.8	2.7
Arts, Entertainment, and Recreation	31.9	31.2	29.8	31.6	32.7	2.2	-3.1
Accommodation	44.6	43.7	42.6	42	42.9	0.7	-3.8
Food Svcs and Drinking Places	177.2	172.7	175.2	173	174.2	-0.4	-1.6
Other Services	94	95.2	93.8	91.2	92.7	-0.8	-2.7
Federal Government	63.1	62	58.8	56.3	56	-1.9	4.7
State and Local Government	322.5	312.8	345.5	361.8	363.9	-2	-3.2
State and Local Government Education	155.3	145.7	180.2	197.9	200.7	-0.8	-2.1
Hours Worked Per Week, Manufacturing, ADOC & EBR	39.4	39.9	39.7	40.3	40.2	3.9	1.2
Average Hourly Earnings (\$) ADOC & EBR							
Construction	19.49	19.47	19.1	19.28	19.17	-3.4	0.4
Manufacturing	17.03	16.96	17.01	16.75	16.8	-1.5	0.4
Trade, Transportation, Utilities	16.26	15.92	16.07	16.23	16.17	2.8	4.5
Retail Trade	13.81	13.56	13.64	13.93	13.92	2.7	4.1
Wholesale Trade	23	22.53	22.88	22.53	22.43	3.8	6.7

Arizona monthly data continued next page...

All sources and abbreviations on page 17.

Arizona's Economy

Arizona - Monthly , continued...	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. average
Sales (\$000s), ADOR							
Aggregate Retail Sales	5,804,579	5,464,207	5,689,089	5,736,482	...	4.9	1.5
Retail	3,572,613	3,275,200	3,457,126	3,537,883	...	6.2	-0.6
Food, EBR	957,991	917,787	915,621	936,369	...	1.8	0.9
Restaurants & Bars	711,223	676,280	701,863	700,953	...	2.1	1.2
Gasoline, EBR	562,751	594,941	614,480	561,277	...	5.9	19.1
Gallons (000s) ADOT	210,916	223,188	224,509	212,524	...	0.1	-0.9
Utilities	825,095	1,034,128	1,054,620	991,490	...	3.1	0.6
Communications	267,221	253,446	234,825	266,888	...	1.3	-3.7
Amusements	73,514	79,557	56,263	...	...	-18	0
Rentals - Personal Property	250,973	238,378	246,969	240,248	...		
Contracting	787,275	723,697	742,250	757,746	...	-7.8	-29.8
Mining - Metal, Oil & Gas	101,775	100,093	93,491	113,419	...	-79.2	18.2
Hotel/Motel	143,992	123,186	128,707	...	...	6.9	-3.4
New Housing Units Authorized, Census C-40							
Total Units	1,086	906	947	1,046	846	-22	-0.5
Single Family Units	978	846	868	759	721	-32.9	-1.7
2-4 Unit Structures	36	26	5	0	31	520	81
5-plus Unit Structures	72	34	74	287	94	...	...
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	3,585	3,526	3,769	3,763	3,555	6.4	30.4
Chapter 7	2,988	2,916	3,094	3,024	2,905	6.9	30.6
Chapter 11	41	63	58	53	50	0	22.4
Chapter 13	556	547	616	686	600	4.5	30
Arizona - Quarterly	09 II	09 III	09 IV	10 I	10 II	% change vs. year ago for most recent:	
						quarter	4-QTR average
Demographics & Vital Statistics (000s, seas adj)							
ADHS & EBR							
Population	6,583.70	6,604.20	6,621.40	6,640.30	6,662.80	1.3	1.3
Natural Increase	12.1	11.4	11.2	10.9	10.8	-9.8	-13.3
Births	23.3	22.8	22.5	22.4	22	-6.6	-6.5
Deaths	11.2	11.5	11.3	11.5	11.1	-3.5	1.2
Net Migration	12	5.5	6.3	9.4	13.8	217	19.2
Personal Income Derivation (\$mil, SAAR) BEA & EBR							
Total Personal Income	220,136	218,510	219,993	220,767	223,784	3.3	1.2
Earnings by Place of Work	152,222	150,956	151,734	151,077	153,015	2.4	-0.6
Less: Contributions for Social Insurance	17,122	16,998	17,062	17,120	17,294	2.5	0.1
Plus: Adjustment for Residence	718	712	716	713	721	2.2	-0.1
Plus: Dividends, Interest & Rents	40,118	39,418	39,437	39,667	39,983	1.1	-2.7
Plus: Transfer Payments	44,200	44,421	45,168	46,430	47,358	8.3	11.1
Components of Earnings (\$mil, SAAR) BEA & EBR							
Wages and Salaries	110,721	109,538	109,859	109,215	110,578	1.9	-1.3
Other Labor Income EBR	26,021	25,854	25,992	25,956	26,198	2.2	0.6
Proprietor's Income	15,527	15,764	15,950	15,923	16,220	4.5	-1.2
Farm	-94	-19	-27	-39	-51	45.7	N/A
Nonfarm	15,621	15,783	15,976	15,962	16,271	4.2	-1
Per Capita Personal Income (\$, SAAR) EBR	33,436	33,087	33,225	33,246	33,587	2	-0.1
Average Wage Per Employee, Annual Rate (\$) EBR	45,491	45,684	46,081	45,856	46,121	1.8	2

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Travel and Tourism - Monthly	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. avg.
Visits to Parks & Other Recreational Areas, NPS & ASPB							
Northern Arizona	2,136,099	2,267,033	2,219,124	1,756,516	1,296,230	-13.2	-0.3
Historical	133,227	137,006	122,543	127,650	119,408	-4.7	-2.4
Scenic	798,790	886,655	831,393	657,413	485,600	-3.0	1.6
Water Based Recreation	1,204,082	1,243,372	1,265,188	971,453	691,222	-20.3	-1.2
Southern Arizona	140,848	159,056	117,533	137,678	192,934	8.6	-5.1
Historical	23,244	24,644	23,108	26,902	33,034	15.2	5.9
Scenic	77,276	93,432	70,353	82,662	131,001	15.8	-4.5
Water Based Recreation	40,328	40,980	24,072	28,114	28,899	-19.6	-16.9
International Border Crossings, USBCBP							
Passengers	1,284,438	1,305,542	1,254,599	1,225,475	...	-11.2	-12.4
Pedestrians	528,141	599,288	631,537	559,782	...	-7.3	-6.0
Vehicles	579,727	577,987	559,139	548,153	...	-9.8	-8.5
Inflation and Prices - Monthly	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. avg.
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	218.0	218.0	218.3	218.4	218.7	1.2	1.8
U.S. - Wage Earners	213.8	213.9	214.2	214.3	214.6	1.5	2.3
Inflation and Prices - Quarterly	09 II	09 III	09 IV	10 I	10 II	% change vs. year ago for most recent:	
						quarter	4-QTR avg.
Consumer Price index (1982-84=100) BLS							
Western Region (U.S.)	218.78	219.89	219.83	220.33	221.26	1.1	0.6
U.S. - All Urban Consumers	214.3	215.7	216.2	217	218.1	1.8	1
U.S. - Urban Wage Earners	209.2	211	211.8	212.9	214	2.3	1.2
Price Indexes (2000=100) BEA							
Gross Domestic Product	109.6	109.8	109.7	110	110.5	0.8	0.5
Personal Consumption Expenditures	108.8	109.6	110.3	110.9	110.9	1.9	1.3

SOURCES AND ABBREVIATIONS:

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

* All Aggregate Retail Sales figures reported by EBR include retail, food, restaurant & bars and gasoline sales.
 Source: Economic and Business Research Center, Eller College of Management, The University of Arizona

Arizona's Economy

Phoenix-Mesa MSA - Monthly	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent month	12-mo. average
Civilian Labor Force (ooos), ADOC & EBR	2,125.00	2,126.90	2,131.90	2,147.70	2,132.30	1.4	0.7
Employment	1,933.60	1,932.40	1,937.70	1,957.10	1,951.50	1.8	0
Unemployment	191.4	194.5	194.2	190.6	180.8	-3.2	8.2
Unemployment Rate, Seas. Adj. (%)	8.7	8.8	8.8	8.7	8.5	-3.4	7.2
Employees on Nonagricultural Payrolls (ooos), ADOC & EBR							
Total	1,670.10	1,657.60	1,686.00	1,698.80	1,721.00	1.2	-2.6
Natural Resources and Mining	3	3	3	3	3	4.9	-7.1
Construction	85	85	86.2	86.8	90.9	2.2	-16.7
Durable Goods	86.6	86.2	86.3	85.6	85.5	-0.5	-6.1
Computer and Electronic Prod.	34.2	34.1	34.4	34.2	34.3	4.4	-1.4
Aerospace Products and Parts	14.2	14.1	14	13.8	13.7	-18.5	-16
Non-Durable Goods	24.3	24.1	23.3	23.3	23.3	-4.8	-3.9
Wholesale Trade	80.9	80.6	80.1	79.5	81.2	-2.4	-4.5
Retail Trade	205.7	206	208	208.5	212.6	3.4	-1.2
Utilities	8.5	8.5	8.5	8.4	8.5	-0.9	-2.8
Transportation and Warehousing	52	52.2	52.6	52.5	52.8	0.3	-5
Information	28.1	27.7	27.5	27.3	27	-3	-5.7
Finance and Insurance	101	101.4	101.1	101.7	101.8	-0.8	-2.7
Real Estate, Rental, and Leasing	35	34.8	34.7	35.3	35.3	0.9	-3.1
Professional and Business Services	271.6	273.3	276.5	278.5	279.8	2.6	-2.6
Educational Services	40.5	40.2	42.4	43.7	45.3	12.4	12.3
Health Care and Social Assistance	191	190.5	192.8	194.3	197.3	4.6	3.3
Arts, Entertainment, and Recreation	23.8	23	21.5	22.6	23.2	-0.7	-3.2
Accommodation	27	26.2	25.7	25.1	25.7	-0.7	-5
Food Svcs and Drinking Places	122.2	119.2	121.6	120.3	121.7	1.8	-1
Other Services	69	70.3	69.2	67.2	68.4	0	-2.3
Federal Government	25.3	25	23.1	22.1	22	-4.3	3.1
State and Local Government	189.6	180.5	202.1	213.4	215.8	-2.3	-2.9
State and Local Government Education	90.1	81.7	104.1	116.1	118	-1.3	-1.2
Sales (\$ooos), ADOR							
Aggregate Retail Sales	3,926,157	3,654,111	3,808,402	3,905,295	...	7.9	2.4
Retail	2,466,448	2,245,030	2,355,746	2,459,581	...	8.1	0
Food, EBR	632,853	606,293	604,863	618,569	...	12.5	5.6
Restaurants & Bars	485,496	450,582	473,160	481,848	...	2.5	1.8
Gasoline, EBR	341,361	352,206	374,634	345,298	...	6.2	17.4
Contracting	507,563	501,639	451,750	497,846	...	-9.6	-31.2
Hotel/Motel	70,769	51,348	58,687	70,696	...	4.4	-3.3
New Housing Units Authorized, Census C-40							
Total Units	707	585	635	585	604	-20.2	-0.1
Single Family Units	668	549	586	494	503	-33.3	0.5
2-4 Unit Structures	0	16	0	0	31	...	...
5-plus Unit Structures	39	20	49	91	70	...	...
Housing Sales and Prices, ARMLS							
Total Sales (\$ooos)	1,539,666	1,249,582	1,106,146	1,080,460	1,076,571	-22	1.9
Total Units	8,173	7,101	6,487	6,762	6,591	-18.8	0.3
Average Price (\$)	188,384	175,973	170,517	159,784	163,340	-4	0.4
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	3,303,007	3,319,701	3,132,493	2,908,336	...	2.5	1.8
Total Aircraft Movements	36,740	37,641	37,009	35,621	...	-1	-2.4

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Phoenix-Mesa MSA - Quarterly	09 II	09 III	09 IV	10 I	10 II	% change vs. year ago for most recent quarter 4-QTR avg.	
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	4355.0	4369.3	4382.9	4396.2	4409.4	1.2	1.4
Natural Increase	10.1	10.0	9.9	9.9	9.8	-2.8	-5.1
Births	16.5	16.3	16.2	16.2	16.0	-2.9	-4.7
Deaths	6.4	6.3	6.3	6.3	6.2	-2.9	-4.1
Net Migration	6.2	4.3	3.7	3.4	3.3	-46.0	-62.0
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	149,154	149,091	150,163	151,266	151,928	1.9	-0.7
Earnings by Place of Work	109,648	109,051	109,612	110,199	110,339	0.6	-2.9
Less: Contributions for Social Insurance	12,105	12,019	12,055	12,097	12,091	-0.1	-3.2
Plus: Adjustment for Residence	-181	-185	-186	-187	-189	-4.4	-5.5
Plus: Dividends, Interest & Rents	26,904	26,789	26,947	27,116	27,177	1.0	-2.2
Plus: Transfer Payments	24,889	25,454	25,844	26,235	26,692	7.2	10.4
Per Capita Personal Income (\$, SAAR) EBR	34,249	34,122	34,261	34,408	34,456	0.6	-2.1

Apache County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent month 12-mo. average	
Civilian Labor Force, ADOC & EBR							
Employment	19,725	19,675	19,850	19,375	18,900	-3.7	-0.4
Unemployment	3,925	4,075	3,900	3,575	3,525	1.4	12.0
Unemployment Rate (%)	15.7	14.5	15.9	16.3	16.1	3.7	10.7
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	19,675	19,600	20,000	19,400	19,050	-4.8	-2.2
Total Private	7,025	7,050	7,075	7,075	7,075	-3.7	-4.5
Goods-Producing	575	625	625	625	625	-7.4	-23.3
Service-Providing	19,100	18,975	19,375	18,775	18,425	-4.7	-1.3
Trade, Transportation, and Utilities	2,025	2,025	2,000	2,075	2,050	-2.4	-2.4
Other Private Service-Providing	4,425	4,400	4,450	4,375	4,400	-3.8	-2.2
Government	12,650	12,550	12,925	12,325	11,975	-5.3	-0.9
Federal Government	3,600	3,225	3,375	2,975	2,950	-14.5	0.9
State and Local Government	9,050	9,325	9,550	9,350	9,025	-1.9	-1.5
Sales (\$000s), ADOR							
Gross Retail	14,728	-4,312	14,394	14,135	...	-1.5	-27.2
Retail	7,047	-12,642	6,620	6,385	...	-12.3	-55.0
Restaurants & Bars	1,400	1,635	1,223	1,299	...	10.8	0.1
Gasoline, EBR	6,281	6,695	6,550	6,451	...	9.4	10.9
Gallons (000s) ADOT	2,354	2,512	2,393	2,442	...	3.4	-6.8
Contracting	5,691	6,474	13,533	6,520	...	-0.5	-8.1
Hotel/Motel	1,316	1,506	1,621	1,181	...	-18.2	-15.3

Arizona's Economy

Tucson MSA - Monthly	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent	
						month	12-mo. average
Civilian Labor Force (oos), ADOC & EBR	488.5	490.7	494.7	497	492.2	0.2	0.7
Employment	444.3	445.5	450.2	453.4	451.1	0.5	0
Unemployment	44.2	45.2	44.5	43.6	41.1	-3.1	8.1
Unemployment Rate, Seas. Adj. (%)	8.6	8.7	8.7	8.6	8.3	-2.4	6.6
Employees on Nonagricultural Payrolls (oos), ADOC & EBR							
Total	346	345.1	352.6	355.3	358	-0.4	-2.6
Natural Resources and Mining	1.8	1.8	1.8	1.8	1.8	6.7	0.8
Construction	15.1	14.9	15.2	15.1	15.5	-1.7	-13.8
Manufacturing	24.4	24.5	24.2	24.1	24	-3.1	-4.5
Aerospace Products and Parts	12.4	12.3	12.2	12.1	12.1	-4	-0.6
Wholesale Trade	8.1	8.1	8.1	8.1	8.1	-3.2	-7
Retail Trade	39.5	39.3	39.2	39.4	39.7	0.3	-3.1
Transp., Warehousing, and Utilities	8.5	8.5	8.4	8.5	8.6	-0.6	-4.5
Information	4.6	4.6	4.6	4.6	4.5	-0.8	-6
Financial Activities	17.7	17.7	17.7	17.9	17.9	1.2	2.8
Professional and Business Services	45.5	45.7	45.9	46	46.5	-1	-3.1
Educational and Health Services	58.9	59.2	59.5	59.8	60.7	3.7	1.1
Arts, Entertainment, and Recreation	4.3	4.1	3.7	3.9	4.1	-10.5	-6.9
Accommodation	6.5	6.4	6.3	6.1	6.2	-0.4	-1.1
Food Svcs and Drinking Places	27	26.4	26.8	27.1	27.2	-0.4	-2.6
Other Services	14.5	14.4	14.3	14	14.1	-3.2	-3.5
Federal Government	13.3	13	12.5	12.1	12.1	0.8	7.1
State and Local Government	56.3	56.6	64.5	66.8	67	-1.6	-3.5
State and Local Government Education	31.8	32.2	40.3	43.2	43.6	0.9	-2
Sales (\$oos), ADOR							
Aggregate Retail Sales	860,243	822,940	883,542	846,893	...	4.3	3.2
Retail	519,660	487,625	535,298	505,331	...	1.8	-0.3
Food, EBR	154,424	147,943	147,594	150,939	...	15.6	7.9
Restaurants & Bars	105,155	104,164	111,457	107,919	...	1.2	1.1
Gasoline, EBR	81,004	83,208	89,193	82,704	...	6.1	24.9
Contracting	122,992	73,814	144,436	115,428	...	5.5	-23.2
Hotel/Motel	17,771	15,760	15,337	17,485	...	4.9	0.7
New Housing Units Authorized, Census C-40							
Total Units	188	159	192	334	124	-29.5	13.8
Single Family Units	168	145	162	149	109	-37.4	0.9
2-5-plus Unit Structures	20	14	30	185	15	650	278.9
Housing Sales and Prices, TAR							
Total Sales (\$oos)	221,401	152,121	164,547	158,547	133,204	-35.8	-2.5
Total Units	1,170	792	882	873	752	-29.3	3.2
Average Price (\$)	189,231	192,072	186,562	181,612	177,133	-9.3	-5.9
Tucson International Airport, TAA							
Total Passengers	300,545	303,736	284,087	279,624	332,541	5.3	2.1
Total Aircraft Movements	13,334	13,047	14,014	12,057	12,706	-16.7	-8.2

January, 2011 – Winter Issue

Tucson MSA - Quarterly	09 III	09 IV	10 I	10 II	10 III	% change vs. year ago for most recent quarter 4 -QTR avg.	
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	1018.8	1021.9	1025.1	1028.3	1031.6	1.3	1.2
Natural Increase	1.4	1.4	1.4	1.4	1.4	3.6	0.9
Births	3.3	3.3	3.3	3.3	3.4	1.2	-1.0
Deaths	2.0	1.9	1.9	1.9	1.9	-0.5	-2.3
Net Migration	1.5	1.7	1.9	1.9	1.8	25.7	43.7
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	33,790	33,878	34,193	34,520	34,756	2.9	0.8
Earnings by Place of Work	20,845	20,740	20,830	20,934	20,958	0.5	-2.1
Less: Contributions for Social Insurance	2,399	2,391	2,404	2,418	2,424	1.1	-1.2
Plus: Adjustment for Residence	201	200	200	201	201	0.0	-0.1
Plus: Dividends, Interest & Rents	7,484	7,462	7,536	7,613	7,653	2.3	-2.0
Plus: Transfer Payments	7,660	7,867	8,030	8,191	8,369	9.3	11.9
Per Capita Personal Income (\$, SAAR) EBR	33,168	33,153	33,355	33,569	33,692	1.6	-0.4

Cochise County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent month 12-mo. average	
Civilian Labor Force, ADOC & EBR							
Employment	59,000	59,000	58,800	59,100	58,550	-0.5	0.1
Unemployment	5,350	5,550	5,425	5,325	5,000	6.4	11.1
Unemployment Rate (%)	8.1	8.2	8.3	8.3	8.1	6.5	10.1
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	36,900	36,800	37,025	37,125	37,100	-1.4	-1.8
Total Private	24,675	24,625	24,600	24,575	24,500	-2.0	-2.6
Goods-Producing	2,125	2,125	2,125	2,150	2,150	-6.5	-8.5
Mining and Construction	1,525	1,525	1,525	1,550	1,550	-3.1	-7.0
Manufacturing	600	600	600	600	600	-14.3	-12.0
Service-Providing	34,775	34,675	34,900	34,975	34,950	-1.1	-1.3
Trade, Transportation, and Utilities	6,425	6,450	6,350	6,325	6,375	2.0	0.5
Information	650	650	700	700	700	3.7	1.9
Financial Activities	925	925	900	900	925	-5.1	-4.8
Professional and Business Services	5,700	5,700	5,625	5,550	5,375	-5.3	-3.5
Educational and Health Services	4,325	4,325	4,350	4,400	4,400	1.7	0.8
Leisure and Hospitality	3,675	3,600	3,700	3,700	3,725	-5.1	-6.0
Other Services	850	850	850	850	850	-2.9	-6.2
Government	12,225	12,175	12,425	12,550	12,600	-0.2	0.0
Federal Government	5,450	5,525	5,475	5,625	5,650	7.1	4.3
State and Local Government	6,775	6,650	6,950	6,925	6,950	-5.4	-3.1
Sales (\$000), ADOR							
Gross Retail	83,892	79,692	78,319	78,790	...	4.0	1.9
Retail	62,195	56,510	55,475	57,160	...	3.2	-1.8
Restaurants & Bars	10,151	10,870	9,966	10,415	...	9.7	3.5
Gasoline, EBR	11,546	12,312	12,878	11,215	...	3.2	23.0
Gallons (000s) ADOT	4,328	4,619	4,705	4,246	...	-2.5	2.7
Contracting	25,045	24,224	16,270	13,024	...	-43.1	-5.4
Hotel/Motel	3,279	3,783	4,010	3,750	...	10.9	5.0
New Housing Units Authorized, Census C-40							
Total Units	49	37	23	37	36	9.1	64.0
Single Family Units	36	37	23	26	27	-18.2	16.5

Arizona's Economy

Coconino County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. average
Civilian Labor Force, ADOC & EBR	78,500	78,000	77,700	78,300	77,900	2.2	2.1
Employment	71,600	71,500	71,400	72,300	72,100	2.7	1.0
Unemployment	6,900	6,500	6,300	6,000	5,800	-3.3	15.7
Unemployment Rate (%)	8.7	7.9	8.2	8.2	8.1	-5.5	13.4
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	62,500	62,100	62,700	63,400	63,900	2.1	-1.0
Total Private	43,600	43,600	43,600	43,600	44,000	2.3	1.0
Goods-Producing	5,400	5,400	5,500	5,400	5,500	-3.5	-11.0
Mining and Construction	1,500	1,500	1,600	1,500	1,600	-20.0	-29.9
Manufacturing	3,900	3,900	3,900	3,900	3,900	5.4	0.4
Service-Providing	57,100	56,700	57,200	58,000	58,400	2.6	0.1
Trade, Transportation, and Utilities	9,900	9,900	9,900	9,900	10,100	3.1	2.3
Information	400	300	300	300	300	-25.0	-14.6
Financial Activities	1,400	1,400	1,400	1,400	1,400	0.0	-3.5
Professional and Business Services	2,600	2,600	2,600	2,600	2,600	-3.7	-7.3
Educational and Health Services	7,900	7,900	8,000	8,100	8,100	2.5	2.8
Leisure and Hospitality	14,000	14,100	13,900	13,900	14,000	6.9	7.8
Other Services	2,000	2,000	2,000	2,000	2,000	0.0	-0.4
Government	18,900	18,500	19,100	19,800	19,900	1.5	-5.1
Federal Government	3,700	3,500	3,500	3,100	3,000	0.0	4.1
State and Local Government	15,200	15,000	15,600	16,700	16,900	1.8	-6.7
Sales (\$oos), ADOR							
Gross Retail	147,700	150,624	146,839	138,979	...	1.2	1.5
Retail	90,251	84,799	87,322	87,481	...	1.1	-1.8
Restaurants & Bars	33,205	33,311	33,808	29,337	...	-3.5	-0.8
Gasoline, EBR	24,245	32,514	25,709	22,161	...	8.4	20.7
Gallons (oos) ADOT	9,087	12,197	9,393	8,391	...	2.5	2.0
Contracting	25,525	29,254	27,019	31,533	...	19.3	-14.8
Hotel/Motel	29,219	29,241	29,008	26,858	...	5.5	2.2
New Housing Units Authorized, Census C-40							
Total Units	20	22	10	8	15	-6.3	-52.6
Single Family Units	20	22	10	8	15	-6.3	11.5

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Gila County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. average
Civilian Labor Force, ADOC & EBR	23,525	23,575	23,475	23,300	22,700	-1.2	-0.8
Employment	21,000	21,000	20,900	20,750	20,225	-1.3	-1.8
Unemployment	2,525	2,575	2,575	2,550	2,475	0.0	8.2
Unemployment Rate (%)	10.5	10.6	11.1	11.1	11.1	1.4	9.2
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	13,825	13,800	13,850	13,725	13,450	-2.4	-3.8
Total Private	8,825	8,875	8,800	8,750	8,625	-2.3	-5.1
Goods-Producing	2,250	2,250	2,250	2,225	2,200	-3.3	-9.2
Service-Providing	11,575	11,550	11,600	11,500	11,250	-2.2	-2.7
Trade, Transportation, and Utilities	2,300	2,300	2,225	2,250	2,225	-1.1	-3.4
Other Private Service-Providing	4,275	4,325	4,325	4,275	4,200	-2.3	-3.7
Government	5,000	4,925	5,050	4,975	4,825	-2.5	-1.6
Federal Government	625	600	575	500	500	0.0	7.1
State and Local Government	4,375	4,325	4,475	4,475	4,325	-2.8	-2.5
Sales (\$oos), ADOR							
Gross Retail	34,364	35,753	31,963	30,679	...	-6.6	-1.2
Retail	22,448	22,692	19,812	19,304	...	-11.4	-6.6
Restaurants & Bars	4,830	5,292	4,793	4,766	...	2.9	-5.3
Gasoline, EBR	7,085	7,769	7,357	6,609	...	2.7	25.6
Gallons (oos) ADOT	2,655	2,914	2,688	2,502	...	-2.9	6.4
Contracting	5,541	6,349	6,507	8,335	...	37.5	-14.0
Hotel/Motel	981	1,267	927	1,077	...	24.0	-5.8

Graham County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. average
Civilian Labor Force, ADOC & EBR	14,975	15,000	14,875	14,875	14,825	-0.8	-4.1
Employment	12,900	12,950	12,925	13,000	13,025	0.8	-4.6
Unemployment	2,075	2,050	1,950	1,875	1,800	-11.1	-0.6
Unemployment Rate (%)	12.8	12.7	13.2	13.7	13.6	-9.9	3.1
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	7,850	7,825	7,850	7,850	7,900	-4.8	-3.3
Total Private	5,000	5,000	4,975	4,925	4,825	-8.1	-7.5
Goods-Producing	1,000	1,000	1,000	975	975	-4.9	-12.6
Service-Providing	6,850	6,825	6,850	6,875	6,925	-4.8	-1.9
Trade, Transportation, and Utilities	1,350	1,325	1,350	1,275	1,225	-12.5	-5.3
Other Private Service-Providing	2,650	2,675	2,625	2,675	2,625	-7.1	-6.6
Government	2,850	2,825	2,875	2,925	3,075	0.8	4.6
Federal Government	475	450	450	450	450	5.9	7.6
State and Local Government	2,375	2,375	2,425	2,475	2,625	0.0	4.1
Sales (\$oos), ADOR							
Gross Retail	20,729	19,266	20,847	19,342	...	5.5	1.7
Retail	16,372	14,630	15,920	14,797	...	5.9	-2.6
Restaurants & Bars	1,842	2,001	2,026	1,739	...	0.1	-1.2
Gasoline, EBR	2,516	2,634	2,901	2,806	...	7.0	39.0
Gallons (oos) ADOT	943	988	1,060	1,063	...	1.1	17.7
Contracting	2,808	1,888	2,212	2,241	...	-21.6	-46.5

Arizona's Economy

Greenlee County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. average
Civilian Labor Force, ADOC & EBR	4,050	4,050	4,025	4,050	3,975	-10.7	-9.4
Employment	3,600	3,600	3,600	3,625	3,625	0.7	-4.7
Unemployment	450	450	425	425	350	-58.8	-33.5
Unemployment Rate (%)	10.6	10.3	10.5	10.6	9.3	-53.5	-26.0
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	3,300	3,350	3,400	3,425	3,450	11.3	-14.6
Total Private	2,750	2,775	2,825	2,875	2,900	14.9	-17.4
Goods-Producing	2,250	2,275	2,325	2,375	2,400	18.5	-19.0
Service-Providing	1,050	1,075	1,075	1,050	1,050	-2.3	-3.6
Trade, Transportation, and Utilities	225	225	225	225	200	0.0	-8.8
Other Private Service-Providing	275	275	275	275	300	0.0	-9.7
Government	550	575	575	550	550	-4.3	1.9
Federal Government	50	50	50	25	25	0.0	18.8
State and Local Government	500	525	525	525	525	-4.5	0.8
Sales (\$oos), ADOR							
Gross Retail	11,394	11,225	11,459	10,784	...	...	-2.4
Retail	10,453	10,236	10,376	9,708	...	...	-3.2
Restaurants & Bars	332	339	292	369	...	...	-10.0
Gasoline, EBR	609	650	791	708	...	32.6	18.2
Gallons (oos) ADOT	228	244	289	268	...	25.3	-0.4
Contracting	498	1,801	2,573	4,625	...	...	-60.6
Hotel/Motel	531	492	573	600	...	40.5	-0.5

La Paz County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent:	
						month	12-mo. average
Civilian Labor Force, ADOC & EBR	7,900	7,975	7,975	8,300	8,350	7.7	3.7
Employment	7,125	7,150	7,175	7,500	7,650	8.5	3.5
Unemployment	775	825	800	800	700	0.0	5.6
Unemployment Rate (%)	9.5	9.6	9.6	9.4	8.2	-7.2	1.8
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	4,875	4,925	4,925	5,125	5,150	5.1	2.4
Total Private	2,575	2,525	2,525	2,500	2,550	0.0	1.3
Goods-Producing	175	175	175	175	175	0.0	-22.5
Service-Providing	4,700	4,750	4,750	4,950	4,975	5.3	3.6
Trade, Transportation, and Utilities	1,150	1,100	1,100	1,075	1,125	-8.2	0.5
Other Private Service-Providing	1,250	1,250	1,250	1,250	1,250	8.7	6.8
Government	2,300	2,400	2,400	2,625	2,600	10.6	3.6
Federal Government	350	350	325	325	325	0.0	5.8
State and Local Government	1,950	2,050	2,075	2,300	2,275	12.3	3.2
Sales (\$oos), ADOR							
Gross Retail	17,016	17,922	15,525	15,206	...	3.7	10.0
Retail	8,321	8,290	7,169	7,664	...	5.9	5.5
Restaurants & Bars	1,733	1,892	1,452	1,520	...	-15.0	-10.4
Gasoline, EBR	6,961	7,740	6,905	6,021	...	6.6	25.6
Gallons (oos) ADOT	2,609	2,904	2,523	2,280	...	0.8	3.5
Contracting	1,070	1,136	1,065	1,072	...	227.4	-21.5
Hotel/Motel	486	-348	355	364	...	-38.0	-16.7

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Mohave County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent month	12-mo. average
Civilian Labor Force, ADOC & EBR	93,400	93,700	92,900	93,200	91,800	-0.2	0.2
Employment	83,400	83,500	82,600	83,000	82,200	-0.2	-0.2
Unemployment	10,000	10,200	10,300	10,200	9,600	0.0	3.4
Unemployment Rate (%)	11.0	10.9	10.9	11.0	10.6	0.5	3.2
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	46,200	46,100	46,100	46,200	46,500	-0.6	-2.0
Total Private	37,900	37,800	37,700	37,700	38,000	-1.0	-2.7
Goods-Producing	5,600	5,600	5,500	5,500	5,500	-1.8	-10.8
Mining and Construction	2,700	2,700	2,700	2,700	2,700	-3.6	-16.0
Manufacturing	2,900	2,900	2,800	2,800	2,800	0.0	-5.3
Service-Providing	40,600	40,500	40,600	40,700	41,000	-0.5	-0.6
Trade, Transportation, and Utilities	10,500	10,500	10,500	10,500	10,600	-0.9	-2.4
Information	800	800	800	800	800	-11.1	-9.3
Financial Activities	1,600	1,600	1,600	1,600	1,700	0.0	-6.2
Professional and Business Services	3,200	3,200	3,200	3,200	3,200	-3.0	-2.0
Educational and Health Services	7,900	7,900	8,000	8,100	8,200	3.8	4.2
Leisure and Hospitality	6,100	6,000	6,000	5,900	5,900	-3.3	-0.4
Other Services	2,200	2,200	2,100	2,100	2,100	-4.5	-6.6
Government	8,300	8,300	8,400	8,500	8,500	1.2	1.2
Federal Government	800	900	600	500	500	0.0	23.8
State and Local Government	7,500	7,400	7,800	8,000	8,000	1.3	-0.3
Sales (\$oos), ADOR							
Gross Retail	135,905	135,029	133,070	131,474	...	2.0	2.1
Retail	95,117	90,825	90,104	94,340	...	2.3	-1.4
Restaurants & Bars	16,922	17,120	16,488	14,950	...	0.6	2.8
Gasoline, EBR	23,865	27,084	26,478	22,184	...	1.8	18.9
Gallons (oos) ADOT	8,945	10,161	9,674	8,400	...	-3.8	-0.5
Contracting	25,059	19,106	18,422	18,748	...	-35.5	-35.2
Hotel/Motel	3,852	4,640	3,775	4,087	...	14.9	6.1
New Housing Units Authorized, Census C-40							
Total Units	62	31	13	18	12	-14.3	15.3
Single Family Units	26	21	13	18	12	-14.3	-6.4

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Navajo County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent month 12-mo. average	
Civilian Labor Force, ADOC & EBR	42,025	41,525	41,275	40,650	40,125	-2.6	0.1
Employment	35,550	34,825	34,750	34,525	34,025	-3.5	-1.7
Unemployment	6,475	6,700	6,525	6,125	6,100	3.0	11.4
Unemployment Rate (%)	15.0	14.3	16.0	16.0	15.8	5.4	11.4
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	27,025	26,300	26,500	26,250	26,050	-4.7	-3.8
Total Private	17,125	16,900	16,800	16,450	16,300	-5.0	-3.6
Goods-Producing	1,675	1,675	1,650	1,650	1,600	-17.9	-26.3
Mining and Construction	1,275	1,275	1,250	1,250	1,200	-15.8	-25.4
Manufacturing	400	400	400	400	400	-23.8	-28.7
Service-Providing	25,350	24,625	24,850	24,600	24,450	-3.6	-1.9
Trade, Transportation, and Utilities	5,350	5,225	5,225	5,075	5,025	-4.3	-0.9
Information	1,075	1,075	1,075	1,075	1,075	0.0	1.0
Financial Activities	450	425	425	425	425	-5.6	-7.4
Professional and Business Services	950	950	950	950	950	-5.0	-6.9
Educational and Health Services	3,600	3,650	3,675	3,700	3,675	2.1	3.6
Leisure and Hospitality	3,225	3,125	3,075	2,875	2,850	-7.3	-0.3
Other Services	800	775	725	700	700	-6.7	-2.2
Government	9,900	9,400	9,700	9,800	9,750	-4.2	-4.1
Federal Government	2,000	1,825	1,875	1,675	1,650	-5.7	5.7
State and Local Government	7,900	7,575	7,825	8,125	8,100	-3.9	-6.0
Sales (\$000s), ADOR							
Gross Retail	90,581	94,752	90,475	88,091	...	4.1	-1.4
Retail	67,449	68,024	66,649	66,755	...	3.5	-4.6
Restaurants & Bars	8,076	9,503	8,107	8,057	...	1.9	-3.5
Gasoline, EBR	15,055	17,225	15,718	13,278	...	8.3	17.6
Gallons (000s) ADOT	5,643	6,462	5,743	5,028	...	2.4	-1.5
Contracting	9,487	12,158	10,490	10,499	...	-12.5	-33.7
Hotel/Motel	3,552	4,022	3,329	3,448	...	1.5	-5.6
New Housing Units Authorized, Census C-40							
Total Units	9	8	10	7	7	-41.7	-19.6
Single Family Units	9	8	10	7	7	-41.7	-19.6

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Santa Cruz County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent	
						month	12-mo. average
Civilian Labor Force, ADOC & EBR	17,950	18,300	18,375	18,350	18,450	-0.4	-2.3
Employment	15,150	15,125	14,950	14,950	14,950	-2.3	-4.5
Unemployment	2,800	3,175	3,425	3,400	3,500	8.5	10.8
Unemployment Rate (%)	16.5	14.8	14.8	15.1	15.8	9.2	14.0
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	12,150	12,100	12,050	12,025	12,125	-3.4	-6.7
Total Private	8,475	8,400	8,225	8,225	8,350	-3.5	-8.9
Goods-Producing	825	825	825	825	825	3.1	-9.0
Service-Providing	11,325	11,275	11,225	11,200	11,300	-3.8	-6.6
Trade, Transportation, and Utilities	4,850	4,775	4,750	4,750	4,850	-1.0	-8.9
Other Private Service-Providing	2,800	2,800	2,650	2,650	2,675	-9.3	-8.7
Government	3,675	3,700	3,825	3,800	3,775	-3.2	-1.7
Federal Government	1,600	1,575	1,575	1,575	1,575	0.0	1.5
State and Local Government	2,075	2,125	2,250	2,225	2,200	-5.4	-3.8
Sales (\$000s), ADOR							
Gross Retail	32,084	29,988	31,391	27,937	...	-22.9	-1.5
Retail	23,953	21,863	23,380	20,524	...	-28.7	-5.5
Restaurants & Bars	3,559	3,305	3,146	2,937	...	-6.1	5.5
Gasoline, EBR	4,572	4,820	4,864	4,475	...	3.1	17.2
Gallons (000s) ADOT	1,714	1,808	1,777	1,695	...	-2.5	-3.8
Contracting	5,763	4,665	4,500	8,014	...	71.4	-20.1
Hotel/Motel	873	933	793	969	...	17.4	19.6
New Housing Units Authorized, Census C-40							
Total Units	3	1	1	5	5	0.0	-27.2
Single Family Units	3	1	1	5	5	0.0	-27.2

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Yavapai County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent month 12-mo. average	
Civilian Labor Force, ADOC & EBR	100,000	100,200	100,000	100,100	99,800	0.3	0.3
Employment	90,000	90,100	89,800	90,200	90,400	0.6	-0.3
Unemployment	10,000	10,100	10,200	9,900	9,400	-2.1	6.5
Unemployment Rate (%)	10.0	9.9	10.1	10.0	9.7	-2.1	6.2
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	55,600	55,400	55,600	56,000	56,700	0.5	-2.3
Total Private	45,200	45,100	45,100	45,200	45,700	2.0	-2.1
Goods-Producing	7,500	7,500	7,500	7,400	7,500	-2.6	-10.7
Mining and Construction	4,900	4,900	4,900	4,900	5,000	-2.0	-12.4
Manufacturing	2,600	2,600	2,600	2,500	2,500	-3.8	-7.3
Service-Providing	48,100	47,900	48,100	48,600	49,200	1.0	-0.9
Trade, Transportation, and Utilities	11,700	11,700	11,700	11,700	11,900	2.6	-0.2
Information	500	500	500	500	500	0.0	-6.3
Financial Activities	1,900	1,900	1,900	1,900	1,900	0.0	-1.7
Professional and Business Services	3,400	3,400	3,400	3,500	3,500	2.9	-4.4
Educational and Health Services	10,600	10,600	10,700	10,900	11,000	3.8	2.1
Leisure and Hospitality	7,500	7,400	7,300	7,200	7,300	2.8	-0.7
Other Services	2,100	2,100	2,100	2,100	2,100	5.0	-0.8
Government	10,400	10,300	10,500	10,800	11,000	-5.2	-3.1
Federal Government	1,800	1,800	1,600	1,500	1,500	7.1	7.6
State and Local Government	8,600	8,500	8,900	9,300	9,500	-6.9	-4.7
Sales (\$000s), ADOR							
Gross Retail	146,092	141,199	145,054	139,238	...	0.7	-0.5
Retail	102,941	98,112	101,586	97,735	...	-0.7	-4.4
Restaurants & Bars	23,370	22,049	21,939	21,798	...	3.1	-1.4
Gasoline, EBR	19,780	21,038	21,528	19,705	...	5.7	26.3
Gallons (000s) ADOT	7,414	7,892	7,866	7,461	...	-0.1	5.9
Contracting	25,604	23,104	25,246	21,124	...	-18.4	-35.3
Hotel/Motel	8,090	7,761	7,030	8,188	...	6.2	-0.6
New Housing Units Authorized, Census C-40							
Total Units	19	17	22	23	16	-61.9	-9.3
Single Family Units	19	17	22	23	16	-56.8	-30.5

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Yuma County	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	% change vs. year ago for most recent month 12-mo. average	
Civilian Labor Force, ADOC & EBR	90,100	92,100	94,000	92,100	92,900	7.3	1.6
Employment	66,300	65,600	65,600	67,100	68,100	1.6	-2.8
Unemployment	23,800	26,500	28,400	25,000	24,800	26.5	18.2
Unemployment Rate (%)	23.3	23.1	23.5	23.8	25.2	16.7	16.6
Employees on Nonagricultural Payrolls, ADOC & EBR							
Total	47,700	47,100	47,500	48,200	48,800	-0.2	-4.6
Total Private	33,100	32,900	33,000	33,000	33,500	-1.5	-7.0
Goods-Producing	4,500	4,500	4,500	4,500	4,600	7.0	-11.6
Mining and Construction	2,700	2,700	2,700	2,700	2,800	0.0	-16.4
Manufacturing	1,800	1,800	1,800	1,800	1,800	20.0	-3.2
Service-Providing	43,200	42,600	43,000	43,700	44,200	-0.9	-3.8
Trade, Transportation, and Utilities	8,600	8,600	8,600	8,600	8,700	-6.5	-11.8
Information	1,300	1,300	1,300	1,200	1,200	-25.0	-8.4
Financial Activities	1,600	1,600	1,600	1,600	1,600	0.0	0.5
Professional and Business Services	4,100	4,100	4,100	4,100	4,200	-2.3	-7.4
Educational and Health Services	6,600	6,500	6,600	6,700	6,800	4.6	2.8
Leisure and Hospitality	4,700	4,600	4,600	4,600	4,700	-2.1	-8.9
Other Services	1,700	1,700	1,700	1,700	1,700	6.3	-0.5
Government	14,600	14,200	14,500	15,200	15,300	2.7	1.3
Federal Government	3,900	3,900	3,700	3,700	3,700	0.0	3.6
State and Local Government	10,700	10,300	10,800	11,500	11,600	3.6	0.5
Sales (\$oos), ADOR							
Gross Retail	112,980	112,467	114,646	122,777	...	6.2	-1.5
Retail	79,958	79,205	81,667	91,118	...	7.6	-3.5
Restaurants & Bars	15,152	14,216	14,006	13,997	...	3.8	-5.9
Gasoline, EBR	17,870	19,046	18,973	17,662	...	1.2	14.2
Gallons (oos) ADOT	6,697	7,145	6,932	6,688	...	-4.3	-6.4
Contracting	24,629	18,084	18,225	18,737	...	-24.4	-44.9
Hotel/Motel	3,273	2,781	3,262	3,235	...	-10.8	-3.6
New Housing Units Authorized, Census C-40							
Total Units	28	42	40	29	26	0.0	-33.4
Single Family Units	28	42	40	29	26	0.0	-26.8

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