

Still Looking for the Bottom

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September 1, 2008

Recession continues to grip Arizona and several more months are likely to pass before the economy bottoms and then begins to recover. By the middle of 2009, housing markets should bottom, credit will once again be expanding, and consumers will begin to release some pent-up demand. The business cycle will turn up and by mid-2010, robust growth will return once again. In our annual update of the long-term forecast, we find abundant growth in Arizona's future. Some 15 million people will call Arizona home in the year 2040, which may boost the state into the top five most populous.

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Recent evidence shows that Arizona's economy continued to contract in the second quarter with little prospect for recovery in the near term. The financial crisis continues to deepen, housing markets continue to swoon, consumers are in full retreat, jobs are disappearing, inflation is accelerating, and wages are stagnating. Nonresidential construction, which provided support earlier as housing collapsed, is now headed downward as well vis-à-vis rising vacancies and restrictive credit. State and local governments are struggling to balance budgets, which are heavily reliant on sales taxes.

Exports have been a bright spot, but its effects are too small to offset losses in the broader economy. So too with the copper mining industry, which has added jobs at double-digit annual rates in the past two years, but the numbers of jobs total less than a few thousand. In the manufacturing industry, increased exports have not added to payrolls. In fact, manufacturing employment has fallen by nearly 10,000 jobs statewide over the past two years. Meanwhile, over 50,000 construction jobs have been lost.

Consumer sentiment recently plunged to recession levels because of job losses, falling wealth from lower home prices and stock market losses, much tighter credit availability, and high food and energy prices. Consumers have trimmed spending to levels the likes of which haven't been seen since the 1981-82 recession. At mid year, retail sales statewide were declining at a 5.5% annual rate and were down 7.6% from the February 2007 peak. In inflation-adjusted terms, the declines are in excess of 10 percent. The largest declines during the past year have been in auto sales (down 24%) and furniture stores (down 10%).

On a positive note, home sales and residential construction show signs of stabilizing. After seasonal adjustment, residential building permits statewide have held steady near a 30,000 annual pace (of which 22,000 are single family). This represents a decline of 70% from peak activity in October 2005, on par with the declines experienced in the mid-1970s and early-1980s recessions. Clearly, the lion's share of this correction is now behind us. Home sales have stabilized in metro Tucson but have actually moved up in metro Phoenix in recent months! Some 40-50% of sales

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Arizona Bankruptcies on the Rise

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According to the most recent monthly District of Arizona bankruptcy report for August, 1,747 total filings were reported in Arizona, 80.9% of which were Chapter 7 (liquidation) filings. The 11,532 bankruptcy cases filed in Arizona between January and August of 2008 already surpass the 6,528 bankruptcies filed for the same period in 2007, and are 962 cases more than the total bankruptcy cases filed the whole of 2007.

The Phoenix Bankruptcy Court lead Arizona's other two Bankruptcy Courts, Tucson and Yuma, in bankruptcy filings reported. 1,303 bankruptcy cases were filed in Phoenix, 352 in Tucson and 92 in Yuma for the month of August. Phoenix reported the largest annual increase in August of 88.3%, followed by Yuma and Tucson at 39.4% and 33.8% respectively. Chapter 7 filings in Phoenix increased by 98.1% for the same period.

Phoenix is one of the metro areas in the United States that has been hardest hit by the housing crisis. The Phoenix metro area was ranked seventh in foreclosures for the second quarter of 2008 with one in every 51 households facing foreclosure, according to RealtyTrac Inc., which publishes the largest and most comprehensive database of properties in foreclosure and bank repossessions (Source: www.realtytrac.com accessed 9/2/08.)

In addition, July data released in August by Standard & Poor's reported Phoenix as having the third largest annual decline in prices of existing single family homes among the 20 metro areas tracked using the S&P/Case-Shiller Home Price Indices. Phoenix metro area home prices declined by 27.9% compared to Las Vegas (28.6%) and Miami (28.3%).

We should expect bankruptcy cases filed in Arizona to peak as the housing market improves and the economy picks up. Go to www.ebr.eller.arizona.edu/azeconomy/ for more on bankruptcies and the State of Arizona.

are repossessed houses, which continue to flood the market, but they are being sold to investors willing to take the long view.

Inventories of for-sale homes are also dropping in both markets, and the number of months' supply has dropped to around 10. The norm is four to six. The excess supply continues to put downward pressure on housing prices,

although it's hard to measure the impact. Two "repeat sales" indices for metro Phoenix show widely disparate results: Standard and Poor's Case-Shiller index has fallen some 32.6% over the past two years (data through June) while the OFHEO measure is down only 12% from its fourth quarter 2006 peak. It's important to realize that both are simply small samples of the

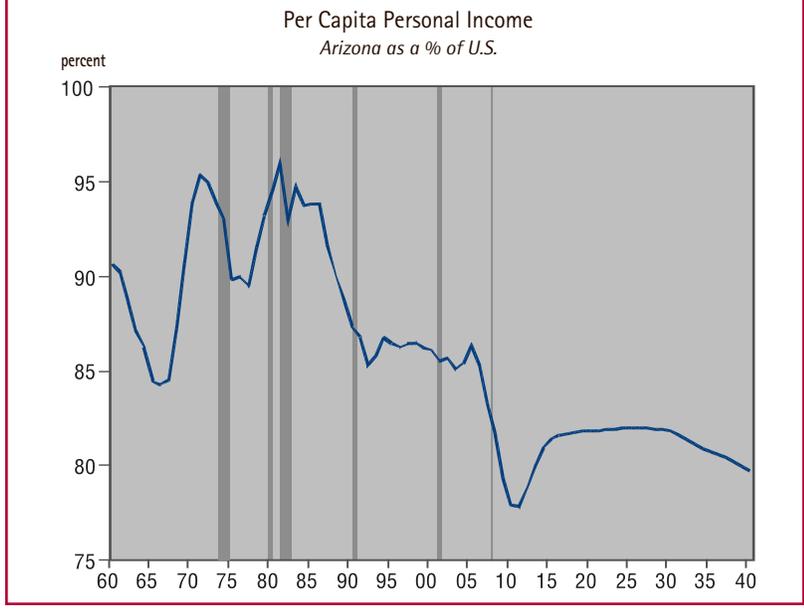
existing housing stock and each measures a different market segment. Neither is representative of housing prices *in your neighborhood* and prices vary significantly from neighborhood to neighborhood.

The overall economy won't launch much of a recovery until credit markets loosen and construction activity moves up. The best bet is the end of this year at the earliest and most likely the middle of 2009. That will set the stage for the next expansion which should carry through the middle of the next decade. See the table on page 4 for a summary of the near term forecast.

EXHIBIT 1
Projections to 2040, Arizona

	2000	2010	2020	2030	2040
Population (000s)	5,166	6,880	9,110	11,810	14,960
Nonfarm Jobs (000s)	2,243	2,620	3,770	5,020	6,350
Personal Income (\$ bil)	133	230	480	900	1,580
Retail Sales (\$ bil)	54	90	160	270	430

EXHIBIT 2
30-Year Slide Will Stabilize



The Long-Term Outlook

Official estimates from the U.S. Census Bureau show that Arizona was the 16th largest state as of July 1, 2007, with a population of 6.4 million. Indiana's population count was greater by only 6,500. The addition of an estimated 135,000 during the past year vaults Arizona past Indiana, Massachusetts, and Washington into the 13th spot.

During the first seven years of this decade, Arizona's population grew by 22.7% (according to Census Bureau estimates). The addition of nearly 1.2 million residents accounts for fully 6% of the nation-wide gain. Only Texas, California, Florida, and Georgia added more people.

Arizona's growth is expected to continue at a rapid pace. In an annual update of our 30-year projections, we show Arizona's population reaching 14.9 million in the year 2040. That's eight-and-a-half million more people than currently call Arizona home. In short, Arizona's population is expected to more than double in the next 30 years, and Arizona may well become the fifth largest state in the U.S., trailing only California, Texas, New York, and Florida.

Census Bureau projections show Arizona at 10.7 million in 2030. Our number is one million higher at 11.8 million.

*Home sales and residential construction show signs of stabilizing.
Clearly, the lion's share of this correction is now behind us.*

Projections for each 10-year interval for selected aggregate measures are presented in Exhibit 1. Highlights of the 30-year forecast include the following:

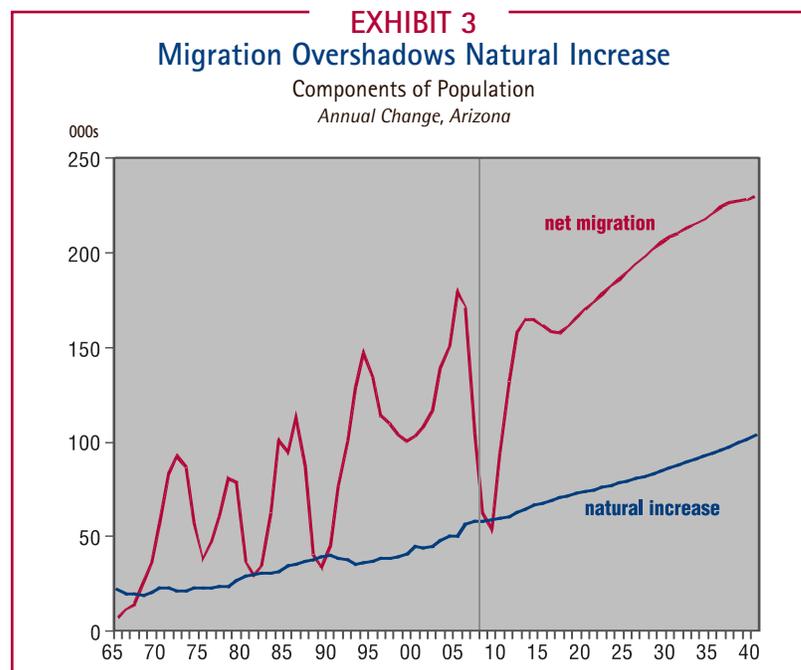
- The number of jobs in Arizona will more than double over the next 32 years as 3.7 million new jobs will be created, boosting the total to 6.3 million.
- Arizona's employment to population ratio will remain below its peak established in 2000 (43.4%) and after dipping to near 38% in 2010, finishes in 2040 at 42.5%. Arizona's ratio consistently runs about 3-4 points lower than nationwide.
- Per capita personal income relative to the nation continues its downward slide from 85% today to nearly 80% 30 years from now. This ratio peaked at 96% in 1981 and will dip below 78% during this recession (Exhibit 2).
- As the population continues to age, an increasing share of personal income will come from transfer payments, of which social security is the largest component. The share will rise from 17% today to 23.4% by 2040. Per capita transfers in Arizona however remain steady at 90% of the corresponding nationwide measure, so Arizona is mirroring national trends.
- Retail sales relative to income will continue to fall, dropping to less than 20% from over 40% in the mid-1960s. An aging population that spends more on services (especially health care) and a smaller portion on goods accounts for the drop.
- Migration flows will continue to account for most of population growth. On average, natural increase (births minus deaths) accounts for one-third while net migration provides the remainder. The latter varies significantly, of course, over the business cycle.
- The annual number of net migrants continues its upward trend to reach nearly 230,000 per

year in 2040, compared to 180,000 in 2005. As a percent of the standing population, net migration falls from 3% in 2005 to 1.5% in 2040 (Exhibit 3).

- Construction, manufacturing, and government will represent smaller shares of total jobs 30 years from now. Construction's share will decline from 9% to 5%, manufacturing from 7% to 3.5%, and government from 15.5% to 12.3%.
- The two sectors that gain the largest shares are health care and social assistance (from 9% to 13.3%) and professional and business services (from 14% to 19%).
- In our "high" scenario, Arizona's population reaches 16 million in 2040. In the "low" scenario, it is 13.7 million, compared to 14.9 million in the "most likely" scenario.
- The range for 2040 metro Phoenix population is

9.5 to 12.7 million. Metro Tucson's range is 1.6 to 2.0 million people. The megapolitan population (both metros – three counties combined) ranges from 11.1 to 14.7 million.

Arizona has been the second-fastest growing state over the past several decades, and is expected to continue riding the crest for at least the next few decades. Over the next 30 years, Arizona will more than double in size. We can only guess what Arizona will be like, but it's clear that a great deal of change lies ahead. Much remains to be determined. Will Arizona be a leader in the industries of the future, or become an economic backwater? Politically, will it remain a red state or shift to blue? Will Arizona still be the low cost leader? Will it become an exclusive place to live or be the Ellis Island of the Southwest? Only time will tell. ■



Arizona's economy won't launch much of a recovery until credit markets loosen and construction activity moves up.

FORECAST TABLES

	2007	2008	2009	2010	2011	2012	2013
Arizona							
Personal Income (\$ mill)	208,613.9	216,860.5	219,433.8	229,275.9	246,400.1	269,459.9	294,215.0
percent change	5.9	4.0	1.2	4.5	7.5	9.4	9.2
Wage per Employee	43,259	44,841	46,047	47,419	49,090	51,113	53,236
percent change	3.8	3.7	2.7	3.0	3.5	4.1	4.2
Aggregate Retail Sales (\$ mill)*	82,712.1	83,816.6	85,856.9	86,564.4	91,510.8	98,869.0	106,453.7
percent change	2.3	1.3	2.4	0.8	5.7	8.0	7.7
Population (000s, mid-year)	6,500.2	6,637.1	6,749.9	6,878.4	7,053.7	7,263.1	7,489.8
percent change	3.1	2.1	1.7	1.9	2.5	3.0	3.1
Residential Permits	48,456	30,146	28,124	39,214	58,725	70,553	76,572
percent change	-25.6	-37.8	-6.7	39.4	49.8	20.1	8.5
Non Farm Employment (000s)	2,673.1	2,658.1	2,602.6	2,619.8	2,713.6	2,854.6	2,999.1
percent change	1.5	-0.6	-2.1	0.7	3.6	5.2	5.1
Goods-Producing	417.6	384.0	343.7	328.3	338.8	363.8	390.4
percent change	-4.2	-8.1	-10.5	-4.5	3.2	7.4	7.3
Service-Providing	2,255.6	2,274.1	2,259.0	2,291.6	2,375.0	2,491.0	2,609.0
percent change	2.6	0.8	-0.7	1.4	3.6	4.9	4.7
Trade, Trans., & Utilities	527.5	525.4	507.5	511.9	535.4	566.3	595.7
percent change	3.0	-0.4	-3.4	0.9	4.6	5.8	5.2
Prof. & Business Services	403.5	403.4	392.7	392.4	407.3	433.2	461.2
percent change	2.3	0.0	-2.7	-0.1	3.8	6.4	6.5
Leisure & Hospitality	271.4	270.7	269.1	278.0	291.9	305.9	317.9
percent change	1.8	-0.3	-0.6	3.3	5.0	4.8	3.9
Government	422.7	431.0	432.7	434.4	439.8	449.2	459.5
percent change	3.5	2.0	0.4	0.4	1.2	2.1	2.3
Phoenix-Mesa Metro Area							
Personal Income (\$ mill)	146,276.6	152,369.2	156,637.7	165,000.5	178,834.9	196,203.8	214,214.6
percent change	5.6	4.2	2.8	5.3	8.4	9.7	9.2
Wage per Employee	49,592	51,708	53,550	55,537	57,686	59,985	62,281
percent change	4.3	4.3	3.6	3.7	3.9	4.0	3.8
Aggregate Retail Sales (\$ mill)*	57,312.7	57,343.2	58,957.9	60,627.3	65,092.8	70,766.4	75,794.0
percent change	1.7	0.1	2.8	2.8	7.4	8.7	7.1
Population (000s, mid-year)	4,235.2	4,331.9	4,422.0	4,528.8	4,670.2	4,836.6	5,015.6
percent change	3.5	2.3	2.1	2.4	3.1	3.6	3.7
Residential Permits	37,272	24,076	21,584	30,898	46,916	59,319	67,054
percent change	-15.8	-35.4	-10.4	43.2	51.8	26.4	13.0
Non Farm Employment (000s)	1,912.6	1,898.8	1,882.8	1,905.1	1,985.8	2,099.6	2,213.8
percent change	1.5	-0.7	-0.8	1.2	4.2	5.7	5.4
Goods-Producing	308.1	279.8	263.6	254.5	266.0	290.2	317.9
percent change	-4.5	-9.2	-5.8	-3.4	4.5	9.1	9.6
Service-Providing	1,604.7	1,619.1	1,619.3	1,650.6	1,719.8	1,809.4	1,895.9
percent change	2.8	0.9	0.0	1.9	4.2	5.2	4.8
Trade, Trans., & Utilities	389.6	388.9	380.2	386.9	408.4	434.0	456.3
percent change	2.6	-0.2	-2.3	1.8	5.6	6.3	5.1
Prof. & Business Services	328.5	327.2	325.2	326.7	338.0	356.4	373.6
percent change	2.9	-0.4	-0.6	0.5	3.5	5.4	4.8
Leisure & Hospitality	185.5	186.5	186.2	192.8	203.1	213.3	222.2
percent change	2.8	0.5	-0.2	3.6	5.3	5.0	4.2
Government	239.2	243.4	245.1	247.4	252.8	260.6	268.8
percent change	4.4	1.7	0.7	0.9	2.2	3.1	3.1
Tucson Metro Area							
Personal Income (\$ mill)	31,710.3	33,195.0	34,202.4	36,225.7	39,012.0	42,035.0	44,855.7
percent change	6.4	4.7	3.0	5.9	7.7	7.7	6.7
Wage per Employee	41,655	43,225	44,462	45,733	47,220	49,007	50,900
percent change	4.8	3.8	2.9	2.9	3.3	3.8	3.9
Aggregate Retail Sales (\$ mill)*	11,960.2	12,120.9	12,531.5	12,983.9	13,733.3	14,634.9	15,430.6
percent change	2.4	1.3	3.4	3.6	5.8	6.6	5.4
Population (000s, mid-year)	1,003.2	1,018.6	1,035.1	1,056.8	1,082.7	1,110.1	1,136.0
percent change	2.2	1.5	1.6	2.1	2.4	2.5	2.3
Residential Permits	5,237	3,970	4,381	6,485	8,206	9,035	8,839
percent change	-38.5	-24.2	10.4	48.0	26.5	10.1	-2.2
Non Farm Employment (000s)	383.9	380.7	377.6	384.2	398.1	412.9	424.2
percent change	1.1	-0.8	-0.8	1.7	3.6	3.7	2.7
Goods-Producing	55.4	53.0	50.7	51.1	54.0	56.7	57.7
percent change	-3.9	-4.3	-4.3	0.7	5.8	4.9	1.8
Service-Providing	328.5	327.7	326.9	333.2	344.1	356.2	366.5
percent change	2.0	-0.2	-0.2	1.9	3.3	3.5	2.9
Trade, Trans., & Utilities	64.1	64.7	64.0	65.6	68.1	70.6	72.5
percent change	2.3	0.9	-1.0	2.5	3.8	3.6	2.6
Prof. & Business Services	52.1	51.7	51.1	50.6	52.0	54.6	57.1
percent change	4.7	-0.8	-1.1	-1.0	2.8	4.9	4.6
Leisure & Hospitality	40.2	39.5	39.2	40.9	43.1	45.0	46.4
percent change	-0.9	-1.7	-0.9	4.3	5.4	4.5	3.1
Government	77.9	78.8	77.9	78.6	79.8	81.0	81.6
percent change	2.2	1.1	-1.2	1.0	1.5	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

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent:	
						month	12-months
APACHE COUNTY							
Civilian Labor Force, ADES							
Employment	20,125	19,950	19,975	20,775	20,825	4.0	0.4
Unemployment	1,650	1,425	1,500	2,175	2,350	10.6	-3.6
Unemployment Rate (%)	8.2	7.1	7.5	10.5	11.3	6.3	-4.1
Employees on Nonagricultural Payrolls, ADES							
Total	19,950	19,950	19,875	19,550	19,100	0.3	-1.5
<i>Total Private</i>	6,975	6,975	7,050	7,025	6,750	-6.9	-2.9
Goods-Producing	775	800	825	875	825	3.1	4.4
Service-Providing	19,175	19,150	19,050	18,675	18,275	0.1	-1.7
Trade, Transportation, and Utilities	1,725	1,700	1,700	1,675	1,675	-10.7	-13.5
Other Private Service-Providing	4,475	4,475	4,525	4,475	4,250	-7.1	0.6
<i>Government</i>	12,975	12,975	12,825	12,525	12,350	4.7	-0.6
Federal Government	3,275	3,275	3,350	3,350	3,125	2.5	0.4
State and Local Government	9,700	9,700	9,475	9,175	9,225	5.4	-1.0
Sales (\$000s) ADOR							
Gross Retail	26,209	15,621	16,362	19,251	...	31.2	33.2
Retail	18,153	7,239	6,649	8,364	...	15.8	52.7
Restaurants & Bars	787	700	840	1,685	...	43.8	3.6
Gasoline, EBR	7,268	7,681	8,873	9,201	9,385	40.3	20.4
Gallons (000s) ADOT	2,285	2,328	2,501	2,228	2,372	-4.1	-1.5
Contracting	4,683	11,637	8,483	10,614	...	14.4	12.3
Hotel/Motel	934	744	1,210	3,283	...	133.2	11.7
* As reported by ADOR							
NAVAJO COUNTY							
Civilian Labor Force, ADES							
Employment	38,500	38,350	38,950	40,025	40,275	3.8	1.6
Unemployment	2,675	2,325	2,500	3,350	3,600	29.7	9.5
Unemployment Rate (%)	6.9	6.1	6.4	8.4	8.9	25.0	7.7
Employees on Nonagricultural Payrolls, ADES							
Total	29,975	30,025	30,375	29,875	29,350	-1.3	-0.8
<i>Total Private</i>	19,000	18,950	19,200	19,200	18,775	-6.6	-3.0
Goods-Producing	3,425	3,425	3,425	3,425	3,350	-10.7	-9.3
Mining and Construction	2,625	2,625	2,650	2,650	2,600	-10.3	-8.8
Manufacturing	800	800	775	775	750	-11.8	-11.0
Service-Providing	26,550	26,600	26,950	26,450	26,000	0.0	0.5
Trade, Transportation, and Utilities	5,825	5,750	5,800	5,800	5,850	-4.5	-0.4
Information	825	800	800	825	800	-3.0	1.3
Financial Activities	600	600	625	575	550	-12.0	-5.7
Professional and Business Services	1,250	1,250	1,225	1,250	1,250	-7.4	-4.1
Educational and Health Services	3,575	3,525	3,525	3,400	3,125	-4.6	3.6
Leisure and Hospitality	2,850	2,950	3,175	3,250	3,200	-7.9	-2.2
Other Services	650	650	625	675	650	-3.7	-22.1
<i>Government</i>	10,975	11,075	11,175	10,675	10,575	9.6	3.4
Federal Government	1,650	1,725	1,775	1,800	1,650	0.0	2.1
State and Local Government	9,325	9,350	9,400	8,875	8,925	11.6	3.7
Sales (\$000s) ADOR							
Gross Retail	90,958	91,060	126,706	111,360	...	14.3	6.5
Retail	67,508	68,475	99,195	80,816	...	11.4	5.0
Restaurants & Bars	7,469	7,033	8,458	9,622	...	5.7	0.8
Gasoline, EBR	15,980	15,552	19,053	20,922	22,722	45.7	21.7
Gallons (000s) ADOT	5,025	4,713	5,370	5,065	5,742	-0.3	-0.3
Contracting	17,971	18,849	18,542	14,174	...	-50.2	1.6
Hotel/Motel	3,194	3,162	2,540	6,713	...	92.0	11.7
New Housing Units Authorized, Census C-40							
Total Units	21	38	28	23	24	-38.5	-37.7
Single Family Units	21	38	28	23	24	-31.4	-35.5

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

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent:	
						month	12-months
GRAHAM COUNTY							
Civilian Labor Force, ADES	15,200	15,275	15,425	15,650	15,850	12.6	11.2
Employment	14,450	14,600	14,675	14,725	14,875	10.8	10.5
Unemployment	750	675	750	925	975	50.0	26.6
Unemployment Rate (%)	4.9	4.4	4.9	5.9	6.2	33.2	13.4
Employees on Nonagricultural Payrolls, ADES							
Total	8,950	8,975	8,925	8,675	8,525	5.6	7.6
<i>Total Private</i>	5,975	5,925	5,900	5,850	5,625	-0.9	7.3
Goods-Producing	1,350	1,325	1,350	1,375	1,325	3.9	46.1
Service-Providing	7,600	7,650	7,575	7,300	7,200	5.9	2.9
Trade, Transportation, and Utilities	1,675	1,650	1,650	1,650	1,625	1.6	3.0
Other Private Service-Providing	2,950	2,950	2,900	2,825	2,675	-4.5	-2.2
<i>Government</i>	2,975	3,050	3,025	2,825	2,900	20.8	8.2
Federal Government	375	375	375	400	400	-5.9	-6.1
State and Local Government	2,600	2,675	2,650	2,425	2,500	26.6	10.8
Sales (\$000s) ADOR							
Gross Retail	27,110	27,067	29,642	27,947	...	2.3	10.6
Retail	21,882	22,190	23,973	22,513	...	1.7	10.7
Restaurants & Bars	2,264	2,180	2,251	2,023	...	-14.4	4.7
Gasoline, EBR	2,964	2,696	3,418	3,411	3,502	18.6	15.3
Gallons (000s) ADOT	932	817	963	826	885	-18.9	-3.8
Contracting	6,231	4,667	9,791	9,416	...	101.6	31.7
COCONINO COUNTY							
Civilian Labor Force, ADES	70,700	71,100	72,000	74,200	74,000	2.6	1.9
Employment	67,900	68,700	69,500	70,800	70,300	1.6	1.6
Unemployment	2,800	2,400	2,500	3,400	3,700	27.6	7.8
Unemployment Rate (%)	4.0	3.4	3.5	4.6	5.0	24.3	5.7
Employees on Nonagricultural Payrolls, ADES							
Total	64,700	65,200	66,000	65,900	64,500	-1.1	-0.1
<i>Total Private</i>	44,800	45,100	46,200	46,200	45,700	-1.3	0.1
Goods-Producing	7,100	7,000	7,200	7,200	7,200	-2.7	-2.7
Mining and Construction	3,300	3,200	3,300	3,300	3,300	-10.8	-9.0
Manufacturing	3,800	3,800	3,900	3,900	3,900	5.4	3.7
Service-Providing	57,600	58,200	58,800	58,700	57,300	-0.9	0.2
Trade, Transportation, and Utilities	10,300	10,400	10,500	10,600	10,400	2.0	3.2
Information	500	400	400	400	400	0.0	-5.5
Financial Activities	1,700	1,700	1,700	1,700	1,600	-15.8	-8.0
Professional and Business Services	3,100	3,200	3,300	3,200	3,300	-5.7	-5.4
Educational and Health Services	7,200	7,200	7,200	7,100	6,900	1.5	0.2
Leisure and Hospitality	13,000	13,300	14,000	14,100	14,000	-1.4	2.2
Other Services	1,900	1,900	1,900	1,900	1,900	0.0	-1.3
<i>Government</i>	19,900	20,100	19,800	19,700	18,800	-0.5	-0.7
Federal Government	2,700	2,800	3,100	3,200	2,900	-3.3	-0.3
State and Local Government	17,200	17,300	16,700	16,500	15,900	0.0	-0.7
Sales (\$000s) ADOR							
Gross Retail	140,686	135,601	151,336	165,525	...	3.5	0.4
Retail	83,459	85,569	91,949	97,847	...	-1.5	-2.3
Restaurants & Bars	32,145	27,507	31,821	35,531	...	4.8	1.8
Gasoline, EBR	25,081	22,524	27,566	32,148	34,244	25.5	13.3
Gallons (000s) ADOT	7,887	6,826	7,769	7,783	8,653	-14.2	-6.4
Contracting	25,569	35,834	34,977	40,030	...	-13.7	2.5
Hotel/Motel	17,979	20,547	23,939	32,117	...	23.3	9.7
New Housing Units Authorized, Census C-40							
Total Units	34	24	24	20	27	-46.0	-44.3
Single Family Units	24	24	24	20	25	-50.0	-46.2

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

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent:	
						month	12-months
GREENLEE COUNTY							
Civilian Labor Force, ADES							
Employment	4,375	4,400	4,425	4,475	4,550	11.7	10.7
Unemployment	4,225	4,250	4,275	4,300	4,350	10.8	10.5
Unemployment Rate (%)	150	150	150	175	200	33.3	14.3
Unemployment Rate (%)	3.4	3.4	3.4	3.9	4.4	19.4	3.0
Employees on Nonagricultural Payrolls, ADES							
Total	5,050	5,150	5,200	5,225	5,300	12.2	11.6
<i>Total Private</i>	4,500	4,600	4,650	4,700	4,800	14.3	12.8
Goods-Producing	3,975	4,050	4,100	4,175	4,275	18.8	16.4
Service-Providing	1,075	1,100	1,100	1,050	1,025	-8.9	-2.8
Trade, Transportation, and Utilities	250	250	225	250	250	-9.1	-2.4
Other Private Service-Providing	275	300	325	275	275	-15.4	-10.9
<i>Government</i>	550	550	550	525	500	-4.8	2.4
Federal Government	25	25	25	50	50	0.0	-5.6
State and Local Government	525	525	525	475	450	-5.3	3.0
Sales (\$000s) ADOR							
Gross Retail	19,809	14,527	22,501	26,256	...	127.1	158.3
Retail	18,326	12,965	20,883	24,582	...	132.9	186.1
Restaurants & Bars	553	484	418	468	...	85.6	43.5
Gasoline, EBR	930	1,078	1,200	1,206	1,224	79.6	29.9
Gallons (000s) ADOT	292	327	338	292	309	22.8	5.4
Contracting	9,561	6,277	5,065	3,383	...	-68.1	-15.4
Hotel/Motel*	882	715	580	945	...	-28.8	-6.1

* Includes Graham County data.

YAVAPAI COUNTY							
Civilian Labor Force, ADES							
Employment	100,300	100,400	100,200	102,400	102,700	3.4	2.7
Unemployment	96,300	96,800	96,400	97,700	97,500	2.0	2.2
Unemployment Rate (%)	4,000	3,600	3,800	4,700	5,200	40.5	15.6
Unemployment Rate (%)	4.0	3.6	3.8	4.6	5.1	35.9	12.5
Employees on Nonagricultural Payrolls, ADES							
Total	66,000	65,700	65,600	64,900	63,500	-1.2	0.9
<i>Total Private</i>	52,800	52,600	52,600	52,400	51,400	-3.0	-1.4
Goods-Producing	11,800	11,700	11,700	11,600	11,500	-8.7	-4.2
Mining and Construction	8,500	8,500	8,500	8,500	8,400	-7.7	-3.0
Manufacturing	3,300	3,200	3,200	3,100	3,100	-11.4	-7.3
Service-Providing	54,200	54,000	53,900	53,300	52,000	0.6	2.1
Trade, Transportation, and Utilities	12,800	12,800	12,800	12,800	12,500	-1.6	0.8
Information	600	600	600	600	600	0.0	0.0
Financial Activities	2,600	2,500	2,500	2,500	2,400	-7.7	-1.0
Professional and Business Services	4,300	4,400	4,300	4,200	4,100	-6.8	-11.2
Educational and Health Services	10,200	10,100	10,100	10,000	9,800	0.0	2.5
Leisure and Hospitality	8,400	8,500	8,600	8,700	8,600	3.6	1.1
Other Services	2,100	2,000	2,000	2,000	1,900	-5.0	-3.6
<i>Government</i>	13,200	13,100	13,000	12,500	12,100	7.1	11.5
Federal Government	1,300	1,300	1,400	1,400	1,400	7.7	9.7
State and Local Government	11,900	11,800	11,600	11,100	10,700	7.0	11.8
Sales (\$000s) ADOR							
Gross Retail	178,222	171,442	176,949	185,255	...	-0.3	-3.6
Retail	129,592	124,628	121,382	131,881	...	-6.1	-6.4
Restaurants & Bars	24,763	24,092	29,519	23,499	...	-0.7	1.3
Gasoline, EBR	23,867	22,722	26,048	29,875	28,294	41.0	15.3
Gallons (000s) ADOT	7,505	6,886	7,341	7,233	7,150	-3.6	-5.3
Contracting	55,375	59,779	64,707	67,142	...	-3.3	-14.9
Hotel/Motel	11,321	10,728	12,357	7,932	...	-20.5	4.7
New Housing Units Authorized, Census C-40							
Total Units	93	57	72	66	42	-64.7	-44.7
Single Family Units	47	57	72	64	42	-64.1	-46.7

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

ARIZONA ECONOMIC INDICATORS

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent:	
						month	12-months
GILA COUNTY							
Civilian Labor Force, ADES							
Employment	21,300	21,400	21,625	22,025	21,850	3.4	1.4
Unemployment	950	850	875	1,175	1,275	34.2	7.2
Unemployment Rate (%)	4.5	4.0	4.0	5.3	5.8	29.8	5.6
Employees on Nonagricultural Payrolls, ADES							
Total	14,600	14,700	14,875	14,600	14,150	-0.9	-0.6
<i>Total Private</i>	9,575	9,650	9,675	9,600	9,350	-1.6	-2.1
Goods-Producing	2,475	2,475	2,500	2,475	2,450	-4.9	-5.1
Service-Providing	12,125	12,225	12,375	12,125	11,700	0.0	0.4
Trade, Transportation, and Utilities	2,400	2,425	2,400	2,375	2,325	0.0	0.8
Other Private Service-Providing	4,700	4,750	4,775	4,750	4,575	-0.5	-1.8
<i>Government</i>	5,025	5,050	5,200	5,000	4,800	0.5	2.3
Federal Government	450	450	550	550	550	0.0	-2.1
State and Local Government	4,575	4,600	4,650	4,450	4,250	0.6	2.8
Sales (\$000s) ADOR							
Gross Retail	38,305	38,109	40,645	43,366	...	3.4	0.9
Retail	25,498	25,913	25,572	25,928	...	-7.0	-1.2
Restaurants & Bars	4,758	4,608	5,406	5,331	...	-7.2	-3.1
Gasoline, EBR	8,049	7,588	9,666	12,108	12,206	53.6	16.8
Gallons (000s) ADOT	2,531	2,300	2,724	2,931	3,084	5.0	-4.3
Contracting	8,092	10,120	10,131	9,482	...	14.2	-0.8
Hotel/Motel	-738	1,290	1,207	1,145	...	-33.3	-16.9
MOHAVE COUNTY							
Civilian Labor Force, ADES							
Employment	93,100	92,400	92,500	93,800	93,700	1.0	0.7
Unemployment	4,900	4,400	4,800	5,500	6,000	39.5	24.6
Unemployment Rate (%)	5.3	4.8	5.2	5.9	6.4	38.2	23.7
Employees on Nonagricultural Payrolls, ADES							
Total	53,900	53,700	53,300	52,500	51,400	-3.4	-2.1
<i>Total Private</i>	45,100	44,900	44,500	43,900	43,100	-4.6	-3.6
Goods-Producing	8,800	8,600	8,600	8,400	8,300	-13.5	-13.9
Mining and Construction	5,300	5,200	5,200	5,100	5,000	-16.7	-18.0
Manufacturing	3,500	3,400	3,400	3,300	3,300	-8.3	-6.7
Service-Providing	45,100	45,100	44,700	44,100	43,100	-1.1	0.6
Trade, Transportation, and Utilities	12,000	11,900	11,900	11,600	11,500	-1.7	-1.3
Information	1,000	1,000	1,000	1,000	1,000	0.0	-3.3
Financial Activities	2,600	2,700	2,700	2,700	2,700	3.8	-0.6
Professional and Business Services	4,000	4,000	4,000	4,000	3,900	0.0	0.2
Educational and Health Services	7,500	7,500	7,500	7,500	7,300	2.8	2.5
Leisure and Hospitality	6,300	6,400	6,200	6,100	5,900	-13.2	-5.6
Other Services	2,900	2,800	2,600	2,600	2,500	0.0	7.3
<i>Government</i>	8,800	8,800	8,800	8,600	8,300	3.8	6.0
Federal Government	500	500	500	500	500	0.0	0.0
State and Local Government	8,300	8,300	8,300	8,100	7,800	4.0	6.4
Sales (\$000s) ADOR							
Gross Retail	178,428	161,044	170,835	162,820	...	-5.9	-6.0
Retail	125,713	112,064	117,999	109,809	...	-12.4	-9.9
Restaurants & Bars	22,211	19,013	19,948	16,813	...	-10.2	-1.4
Gasoline, EBR	30,504	29,967	32,888	36,198	38,112	33.9	14.2
Gallons (000s) ADOT	9,592	9,082	9,269	8,764	9,631	-8.4	-6.1
Contracting	38,608	38,409	37,174	37,579	...	-28.9	-23.2
Hotel/Motel	4,627	3,916	4,814	4,001	...	-17.8	-5.7
New Housing Units Authorized, Census C-40							
Total Units	54	86	47	55	29	-75.4	-50.8
Single Family Units	40	62	47	55	29	-71.3	-54.4

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ARIZONA ECONOMIC
INDICATORS

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent:	
						month	12-months
LA PAZ COUNTY							
Civilian Labor Force, ADES							
Employment	7,500	7,350	7,375	7,375	7,400	-5.4	-1.2
Unemployment	7,125	7,025	7,000	6,875	6,825	-8.1	-1.7
Unemployment Rate (%)	375	325	375	500	575	43.8	9.1
Unemployment Rate (%)	5.0	4.4	5.1	6.8	7.8	52.0	10.5
Employees on Nonagricultural Payrolls, ADES							
Total	5,275	5,150	5,075	4,875	4,675	-13.4	-5.2
<i>Total Private</i>	2,625	2,500	2,450	2,400	2,225	-19.8	-13.8
Goods-Producing	325	300	300	275	250	-41.2	-35.1
Service-Providing	4,950	4,850	4,775	4,600	4,425	-11.1	-2.5
Trade, Transportation, and Utilities	1,275	1,250	1,200	1,200	1,125	-13.5	-2.7
Other Private Service-Providing	1,025	950	950	925	850	-19.0	-17.5
<i>Government</i>	2,650	2,650	2,625	2,475	2,450	-6.7	4.9
Federal Government	325	325	325	325	325	0.0	2.6
State and Local Government	2,325	2,325	2,300	2,150	2,125	-7.6	5.2
Sales (\$000s) ADOR							
Gross Retail	25,696	19,634	20,099	21,654	...	11.2	4.2
Retail	12,926	9,237	8,729	8,913	...	2.5	-2.5
Restaurants & Bars	2,342	2,217	2,014	1,895	...	-19.6	-2.0
Gasoline, EBR	10,429	8,180	9,357	10,845	12,585	59.1	20.0
Gallons (000s) ADOT	3,279	2,479	2,637	2,626	3,180	8.8	-1.9
Contracting	4,152	2,946	3,372	1,529	...	-35.0	-9.2
Hotel/Motel	506	425	466	508	...	1.5	-4.7
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES							
Employment	79,300	79,100	83,000	83,200	85,400	5.0	5.4
Unemployment	72,300	70,200	68,300	68,400	68,300	3.8	4.9
Unemployment Rate (%)	7,000	8,900	14,700	14,800	17,100	10.3	8.5
Unemployment Rate (%)	8.8	11.3	17.7	17.8	20.0	5.0	3.0
Employees on Nonagricultural Payrolls, ADES							
Total	56,800	55,100	52,900	52,000	50,600	0.2	1.9
<i>Total Private</i>	41,800	40,100	38,000	37,400	36,400	-1.9	1.8
Goods-Producing	7,900	7,400	7,000	6,800	6,800	-5.6	-3.9
Mining and Construction	4,400	4,400	4,300	4,100	4,100	-12.8	-8.6
Manufacturing	3,500	3,000	2,700	2,700	2,700	8.0	4.4
Service-Providing	48,900	47,700	45,900	45,200	43,800	1.2	2.9
Trade, Transportation, and Utilities	11,900	11,300	10,200	10,100	9,900	-1.0	-0.8
Information	1,600	1,600	1,600	1,600	1,600	0.0	14.5
Financial Activities	1,500	1,500	1,500	1,500	1,400	-12.5	-5.6
Professional and Business Services	4,900	4,800	4,800	4,800	4,700	17.5	20.9
Educational and Health Services	6,200	6,100	5,900	5,700	5,600	-5.1	-1.4
Leisure and Hospitality	6,100	5,800	5,500	5,400	5,100	-1.9	5.6
Other Services	1,700	1,600	1,500	1,500	1,300	-18.8	-2.5
<i>Government</i>	15,000	15,000	14,900	14,600	14,200	6.0	2.2
Federal Government	3,400	3,500	3,500	3,500	3,400	3.0	3.0
State and Local Government	11,600	11,500	11,400	11,100	10,800	6.9	2.0
Sales (\$000s) ADOR							
Gross Retail	188,129	129,116	148,162	140,137	...	5.1	3.9
Retail	134,181	84,915	103,107	94,425	...	-0.8	-0.1
Restaurants & Bars	21,543	16,944	16,324	16,306	...	1.8	4.6
Gasoline, EBR	32,406	27,256	28,731	29,406	28,406	36.8	29.5
Gallons (000s) ADOT	10,190	8,260	8,097	7,120	7,178	-6.5	7.0
Contracting	36,407	41,956	33,009	57,073	...	53.1	-2.2
Hotel/Motel	5,969	4,793	3,372	3,617	...	24.4	2.9
New Housing Units Authorized, Census C-40							
Total Units	55	36	64	72	52	-44.7	-30.7
Single Family Units	55	34	64	70	50	-46.8	-32.8

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ARIZONA ECONOMIC INDICATORS

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent:	
						month	12-months
SANTA CRUZ COUNTY							
Civilian Labor Force, ADES							
Employment	18,125	18,075	18,125	18,300	18,150	4.3	5.1
Unemployment	1,050	925	1,050	1,450	1,875	23.0	12.2
Unemployment Rate (%)	5.8	5.1	5.8	7.9	10.3	17.9	7.0
Employees on Nonagricultural Payrolls, ADES							
Total	15,225	15,250	15,150	14,600	13,800	-0.4	3.1
<i>Total Private</i>	11,425	11,450	11,300	10,900	10,275	0.0	2.7
Goods-Producing	1,000	975	975	950	925	-9.8	1.0
Service-Providing	14,225	14,275	14,175	13,650	12,875	0.4	3.3
Trade, Transportation, and Utilities	6,500	6,575	6,525	6,250	5,850	8.3	7.7
Other Private Service-Providing	3,925	3,900	3,800	3,700	3,500	-9.1	-3.9
<i>Government</i>	3,800	3,800	3,850	3,700	3,525	-1.4	4.3
Federal Government	1,425	1,450	1,475	1,525	1,525	8.9	6.1
State and Local Government	2,375	2,350	2,375	2,175	2,000	-8.0	3.2
Sales (\$000s) ADOR							
Gross Retail	44,648	40,814	42,571	41,211	...	-9.0	-4.8
Retail	33,457	30,900	31,923	31,731	...	-7.2	-6.7
Restaurants & Bars	4,633	4,075	4,385	3,735	...	-25.3	-3.6
Gasoline, EBR	6,558	5,839	6,263	5,744	5,582	1.4	5.8
Gallons (000s) ADOT	2,062	1,770	1,765	1,391	1,410	-30.7	-11.6
Contracting	12,726	10,219	4,934	12,748	...	23.7	-14.6
Hotel/Motel	1,874	1,462	1,484	900	...	-21.4	20.3
New Housing Units Authorized, Census C-40							
Total Units	9	19	26	16	17	-73.4	-56.7
Single Family Units	9	19	23	16	17	-71.2	-56.3
COCHISE COUNTY							
Civilian Labor Force, ADES							
Employment	57,775	57,475	57,600	59,075	58,775	2.0	1.3
Unemployment	2,500	2,225	2,350	2,950	3,150	31.3	12.0
Unemployment Rate (%)	4.3	3.9	4.1	5.0	5.4	28.7	10.5
Employees on Nonagricultural Payrolls, ADES							
Total	37,825	37,650	37,600	37,425	36,400	-2.3	-1.1
<i>Total Private</i>	25,450	25,300	25,225	25,150	24,450	-4.6	-2.2
Goods-Producing	3,100	3,075	3,025	3,050	2,975	-11.9	-5.0
Mining and Construction	2,225	2,200	2,175	2,200	2,150	-11.3	-9.8
Manufacturing	875	875	850	850	825	-13.2	9.7
Service-Providing	34,725	34,575	34,575	34,375	33,425	-1.3	-0.7
Trade, Transportation, and Utilities	6,775	6,675	6,725	6,650	6,525	-6.1	-0.4
Information	525	525	525	525	525	-4.5	12.4
Financial Activities	950	925	925	900	875	-7.9	-13.3
Professional and Business Services	4,850	4,825	4,775	4,800	4,725	-1.6	-5.9
Educational and Health Services	4,175	4,175	4,175	4,200	4,125	-1.8	0.6
Leisure and Hospitality	4,175	4,250	4,225	4,175	3,975	1.3	1.8
Other Services	900	850	850	850	725	-17.1	-9.1
<i>Government</i>	12,375	12,350	12,375	12,275	11,950	2.8	1.2
Federal Government	4,850	4,875	4,900	4,925	4,925	2.6	1.1
State and Local Government	7,525	7,475	7,475	7,350	7,025	2.9	1.2
Sales (\$000) ADOR							
Gross Retail	95,560	91,118	98,053	100,348	...	9.1	3.3
Retail	68,094	64,927	66,313	69,089	...	1.5	0.7
Restaurants & Bars	11,416	10,488	11,843	10,917	...	2.3	1.8
Gasoline, EBR	16,049	15,703	19,898	20,342	19,669	53.4	23.5
Gallons (000s) ADOT	5,047	4,759	5,608	4,925	4,970	4.9	1.1
Contracting	27,862	22,932	18,578	27,684	...	-4.0	-0.4
Hotel/Motel	4,752	3,961	3,849	3,762	...	-5.7	9.1
New Housing Units Authorized, Census C-40							
Total Units	35	24	37	36	25	-62.1	-30.8
Single Family Units	35	24	37	36	25	-62.1	-30.8

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

ARIZONA ECONOMIC INDICATORS

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent:	
						month	12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES							
Employment	459.2	458.2	457.4	459.2	460.2	1.1	0.6
Unemployment	17.7	16.3	17.5	22.1	23.9	37.4	15.0
Unemployment Rate, Seas. Adj. (%)	3.9	3.8	4.3	4.7	4.9	36.1	14.9
Employees on Nonagricultural Payrolls (000s) ADES							
Total	381.2	380.5	379.4	368.8	362.7	-3.1	-1.3
Natural Resources and Mining	2.0	2.0	2.0	2.1	2.1	10.5	17.1
Construction	24.7	24.4	24.3	23.6	23.1	-12.5	-9.5
Manufacturing	27.0	26.9	26.9	26.9	26.5	-4.3	-0.2
Aerospace Products and Parts	12.1	12.0	12.1	12.2	12.2	2.5	5.8
Wholesale Trade	10.4	10.4	10.4	10.5	10.2	4.1	4.1
Retail Trade	43.7	43.4	43.0	42.9	42.4	-3.9	-1.6
Transp., Warehousing, and Utilities	9.1	9.1	9.1	9.0	8.9	-5.3	-2.2
Information	5.7	5.6	5.5	5.3	5.3	-10.2	-8.8
Financial Activities	16.3	16.3	16.3	16.3	16.1	-13.4	-10.6
Professional and Business Services	52.1	51.7	51.5	51.6	51.0	-2.5	0.7
Educational and Health Services	54.7	54.3	54.3	53.8	52.8	-1.5	1.1
Arts, Entertainment, and Recreation	5.2	5.3	5.2	5.0	5.5	27.9	-4.3
Accommodation	6.0	6.0	5.8	5.6	5.5	-8.3	-15.8
Food Svcs and Drinking Places	29.0	29.0	28.8	28.1	27.1	-1.5	0.4
Other Services	15.1	14.9	15.0	15.1	14.5	-5.2	-4.3
Federal Government	10.7	10.9	10.9	11.0	10.9	2.8	3.8
State and Local Government	69.5	70.3	70.4	62.0	60.8	0.0	1.4
State and Local Government Education	42.9	43.7	43.0	34.4	33.1	-0.9	-0.0
Sales (\$000s) ADOR							
Aggregate Retail Sales	1,085,257	983,217	1,023,759	967,361	...	-1.9	0.7
Retail	686,680	599,549	632,482	591,091	...	-8.0	-2.6
Food, EBR	155,393	157,777	155,495	152,671	...	8.5	6.9
Restaurants & Bars	140,487	126,756	129,014	104,377	...	-9.7	-0.7
Gasoline, EBR	102,697	99,134	106,769	119,223	114,894	41.4	23.1
Contracting	178,558	192,309	171,842	199,775	...	-5.2	-6.6
Hotel/Motel	34,029	19,850	28,507	22,374	...	-0.2	-11.9
New Housing Units Authorized, Census C-40 & EBR							
Total Units	444	376	352	306	278	-47.8	-31.7
Single Family Units	312	346	309	293	262	-48.7	-43.0
2-5-plus Unit Structures	132	31	42	14	16	-27.1	157.5
Housing Sales and Prices, TAR							
Total Sales (\$000s)	233,208	246,878	257,073	266,202	240,837	-23.9	-30.1
Total Units	900	973	1,025	1,034	945	-20.1	-27.5
Average Price (\$)	259,120	253,729	250,803	257,449	254,854	-4.8	-3.1
Tucson International Airport, TAA							
Total Passengers	439,004	384,833	383,191	353,152	352,542	-3.3	3.6
Total Aircraft Movements	20,932	18,975	18,138	17,404	16,702	-17.0	-6.1

TUCSON METROPOLITAN REGION (PIMA COUNTY) - QUARTERLY DATA

	II 2007	III 2007	IV 2007	I 2008	II 2008	% change versus year ago for most recent:	
						quarter	4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	1,000.8	1,005.0	1,008.9	1,012.8	1,016.6	1.6	1.8
Natural Increase	1.5	1.6	1.6	1.6	1.6	3.6	8.8
Births	3.5	3.5	3.5	3.5	3.6	2.5	3.7
Deaths	2.0	2.0	2.0	2.0	2.0	1.6	0.0
Net Migration	3.4	2.7	2.4	2.3	2.3	-32.1	-42.2
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	31,531	31,912	32,271	32,638	33,009	4.7	5.3
Earnings by Place of Work	21,130	21,310	21,451	21,599	21,758	3.0	4.2
Less: Contributions for Social Insurance	2,390	2,413	2,432	2,453	2,474	3.5	4.5
Plus: Adjustment for Residence	162	163	164	166	167	2.6	3.0
Plus: Dividends, Interest & Rents	6,724	6,802	6,881	6,962	7,042	4.7	5.0
Plus: Transfer Payments	5,905	6,049	6,207	6,365	6,517	10.4	9.6
Per Capita Personal Income (\$, SAAR) EBR	31,507	31,754	31,987	32,227	32,470	3.1	3.5

ARIZONA ECONOMIC INDICATORS

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent: month 12-months	
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES	2,080.8	2,070.4	2,068.7	2,085.2	2,096.7	2.3	1.9
Employment	2,007.5	2,003.7	1,996.3	1,994.5	1,998.2	0.8	1.4
Unemployment	73.3	66.7	72.4	90.7	98.5	44.6	16.2
Unemployment Rate, Seas. Adj. (%)	3.5	3.4	3.8	4.3	4.6	39.4	13.3
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,914.3	1,911.6	1,906.9	1,865.2	1,843.7	-1.5	-0.1
Natural Resources and Mining	3.4	3.4	3.4	3.4	3.4	6.3	9.8
Construction	151.6	149.2	147.0	144.6	142.4	-16.5	-11.0
Durable Goods	108.3	108.3	108.3	108.3	108.5	-2.1	-2.3
Computer and Electronic Prod.	38.1	38.1	38.1	38.2	38.3	-3.3	-3.8
Aerospace Products and Parts	15.3	15.2	15.3	15.3	15.3	0.0	1.4
Non-Durable Goods	26.8	26.9	26.6	26.6	26.9	0.4	-0.8
Wholesale Trade	89.4	89.6	90.0	90.0	90.6	1.2	1.0
Retail Trade	232.3	231.5	230.3	229.0	226.9	-1.3	0.6
Utilities	9.1	9.1	9.2	9.3	9.3	4.5	4.0
Transportation and Warehousing	56.5	56.1	56.0	55.6	55.7	-2.1	-2.0
Information	31.3	31.0	31.0	30.4	30.2	-5.9	-1.4
Finance and Insurance	111.0	110.5	110.3	110.0	109.6	-3.4	-3.2
Real Estate, Rental, and Leasing	39.7	39.4	39.6	39.7	39.5	-0.3	-0.8
Professional and Business Services	322.4	322.3	322.8	322.0	320.2	-0.9	-0.7
Educational Services	34.6	34.5	34.5	33.2	32.6	10.1	3.1
Health Care and Social Assistance	179.0	179.9	180.5	180.7	180.4	4.9	4.8
Arts, Entertainment, and Recreation	27.4	27.9	28.0	27.1	26.0	5.3	5.3
Accommodation	29.8	29.9	29.5	28.9	28.2	0.7	0.5
Food Svcs and Drinking Places	136.1	136.7	135.9	133.3	128.9	2.2	2.6
Other Services	72.0	71.9	72.5	73.4	71.4	2.6	0.4
Federal Government	21.8	22.1	22.1	22.0	22.3	2.3	1.8
State and Local Government	231.8	231.4	229.4	197.7	190.7	-2.4	5.0
State and Local Government Education	124.2	124.0	121.4	89.3	82.8	-6.1	6.6
Sales (\$000s) ADOR							
Aggregate Retail Sales	5,053,889	4,692,666	4,757,039	4,522,919	...	-5.9	-2.4
Retail	3,236,911	2,938,308	2,948,823	2,804,495	...	-12.9	-6.5
Food, EBR	671,735	682,041	672,177	659,968	...	7.9	6.5
Restaurants & Bars	647,729	588,677	601,479	499,717	...	-8.2	-0.7
Gasoline, EBR	497,514	483,640	534,560	558,738	542,671	33.8	18.5
Contracting	1,124,723	1,116,788	1,175,751	1,088,231	...	-24.3	-12.7
Hotel/Motel	199,845	140,145	124,769	81,845	...	-9.7	-0.1
New Housing Units Authorized, Census C-40 & EBR							
Total Units	1,611	2,224	2,026	2,432	1,853	-30.8	-38.7
Single Family Units	1,233	1,345	1,424	1,474	1,280	-43.8	-50.4
2-4 Unit Structures	23	59	63	87	25	-82.3	-30.4
5-plus Unit Structures	355	821	539	871	548	111.1	12.3
Housing Sales and Prices, ARMLS							
Total Sales (\$000s)	1,262,332	1,352,722	1,520,455	1,520,060	1,488,025	-8.2	-32.3
Total Units	4,303	4,875	5,637	5,748	5,974	26.4	-21.6
Average Price (\$)	293,361	277,481	269,728	264,450	249,084	-27.4	-12.1
Phoenix Sky Harbor International Airport, PSHIA							
Total Passengers	3,872,745	3,513,114	3,486,012	3,431,977	3,486,964	-6.4	-1.2
Total Aircraft Movements	45,935	43,517	43,873	42,276	42,636	-4.2	-2.5

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		

	II 2007	III 2007	IV 2007	I 2008	II 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	4,218.3	4,244.8	4,270.2	4,295.0	4,319.5	2.4	2.8
Natural Increase	11.2	11.3	11.3	11.3	11.3	1.3	5.3
Births	17.8	17.9	17.9	18.0	18.1	1.8	3.0
Deaths	6.6	6.6	6.6	6.7	6.8	2.7	-0.6
Net Migration	18.7	15.2	14.1	13.5	13.2	-29.4	-46.5
Personal Income by Source (\$mil, SAAR) EBR							
Total Personal Income	145,542	147,025	148,525	150,084	151,608	4.2	4.7
Earnings by Place of Work	117,458	118,534	119,526	120,571	121,622	3.5	4.4
Less: Contributions for Social Insurance	13,016	13,126	13,240	13,361	13,477	3.5	4.2
Plus: Adjustment for Residence	-213	-215	-214	-215	-215	-1.0	-7.3
Plus: Dividends, Interest & Rents	22,152	22,193	22,319	22,463	22,566	1.9	1.3
Plus: Transfer Payments	19,161	19,638	20,134	20,626	21,112	10.2	9.9
Per Capita Personal Income (\$, SAAR) EBR	34,503	34,637	34,782	34,944	35,099	1.7	1.9

ARIZONA - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	6,475.8	6,519.0	6,556.3	6,590.5	6,621.7	2.3	2.6
Natural Increase	14.7	14.4	14.4	14.3	14.4	-2.0	-1.6
Births	25.8	25.8	25.5	25.8	26.2	1.7	0.3
Deaths	11.1	11.4	11.1	11.5	11.8	6.5	2.8
Net Migration	34.2	18.2	18.0	17.2	16.5	-51.8	-48.9
Personal Income Derivation (\$mil, SAAR) BEA & EBR							
Total Personal Income	206,595	209,845	212,257	214,266	217,893	5.5	5.2
Earnings by Place of Work	154,812	156,664	158,283	159,873	160,420	3.6	3.7
Less: Contributions for Social Insurance	17,374	17,592	17,733	18,020	18,062	4.0	4.0
Plus: Adjustment for Residence	729	742	753	760	763	4.6	5.8
Plus: Dividends, Interest & Rents	35,438	36,404	36,933	36,948	37,123	4.8	6.9
Plus: Transfer Payments	32,992	33,629	34,024	34,708	37,652	14.1	9.5
Components of Earnings (\$mil, SAAR) BEA & EBR							
Wages and Salaries	114,512	115,943	117,329	118,677	119,007	3.9	4.1
Other Labor Income EBR	24,491	24,831	25,081	25,364	25,549	4.3	4.1
Proprietor's Income	15,826	15,720	15,630	15,449	...	-2.4	-1.5
Farm	142	144	187	16	...	-83.7	8.4
Nonfarm	15,683	15,576	15,443	15,433	...	-1.9	-1.6
Per Capita Personal Income (\$, SAAR) EBR	31,903	32,190	32,375	32,511	32,906	3.1	2.5
Average Wage Per Employee, Annual Rate (\$) EBR	42,300	42,722	42,967	43,420	...	2.5	3.5

TRAVEL AND TOURISM - MONTHLY DATA							
	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent: month 12-months	
Visits to Parks & Other Recreational Areas, NPS & ASPB							
Northern Arizona	1,407,062	1,636,354	1,890,123	2,198,418	2,237,986	-11.4	-0.1
Historical	143,427	142,038	139,035	151,344	137,514	-1.0	-1.8
Scenic	524,704	548,950	633,675	739,650	869,123	4.0	1.5
Water Based Recreation	738,931	945,366	1,117,413	1,307,424	1,231,349	-20.6	-0.9
Southern Arizona	613,080	334,608	220,856	143,002	150,206	-6.0	6.3
Historical	66,470	39,766	29,008	21,318	21,825	7.4	2.5
Scenic	482,651	248,302	141,849	83,046	91,875	-6.1	8.7
Water Based Recreation	63,959	46,540	49,999	38,638	36,506	-12.5	-1.5
International Border Crossings, USCBP							
U.S. Citizens	633,871	603,818	n/a	n/a	n/a	-12.0	13.4
Aliens	1,989,903	1,909,541	n/a	n/a	n/a	-3.1	2.0
Vehicles	719,694	692,154	736,244	669,072	666,726	-5.2	-3.9

MEASURES OF INFLATION AND PRICES - MONTHLY DATA							
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	213.5	214.8	216.6	218.8	220.0	5.6	4.0
U.S. - Wage Earners	209.1	210.7	212.8	215.2	216.3	6.2	4.3

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

ARIZONA ECONOMIC INDICATORS

	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	% change versus year ago for most recent:	
						month	12-months
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES							
Employment	3,066.4	3,053.7	3,057.4	3,085.8	3,100.4	2.3	1.8
Unemployment	2,946.6	2,942.6	2,932.0	2,931.9	2,932.0	0.8	1.3
Unemployment Rate, Seas. Adj. (%)	119.8	111.1	125.4	153.9	168.4	37.0	14.8
	4.0	3.9	4.4	4.8	5.1	37.8	10.1
Employees on Nonagricultural Payrolls (000s) ADES							
Total	2,675.7	2,670.2	2,663.3	2,608.1	2,570.6	-1.6	-0.1
Natural Resources and Mining	12.4	12.4	12.5	12.6	12.7	11.4	15.0
Construction	203.4	200.6	198.7	195.6	192.6	-15.1	-10.6
Durable Goods Manufacturing	143.9	143.7	143.6	143.5	143.5	-2.3	-2.2
Fabricated Metal Products	19.8	19.7	19.6	19.5	19.5	-3.0	-0.7
Computer and Electronic Prod.	41.5	41.5	41.4	41.4	41.4	-3.7	-4.1
Aerospace Products and Parts	27.5	27.5	27.4	27.6	27.6	0.0	2.3
Non-Durable Goods Manufacturing	35.5	35.1	34.6	34.5	34.4	-0.9	-0.8
Wholesale Trade	108.3	107.8	107.1	106.2	106.3	-1.6	-0.2
Retail Trade	330.8	329.8	327.9	326.6	322.7	-1.2	0.8
Utilities	12.6	12.6	12.6	12.6	12.6	-1.6	0.4
Transportation and Warehousing	72.4	72.1	72.0	71.7	71.5	-1.2	-1.3
Information	42.5	42.0	41.9	41.2	40.9	-5.1	-1.6
Finance and Insurance	127.4	126.9	126.8	126.6	126.0	-4.3	-4.0
Real Estate, Rental, and Leasing	51.8	51.4	51.4	51.3	50.9	-2.7	-1.3
Professional and Business Services	400.4	399.6	399.8	398.9	395.6	-1.1	-0.5
Educational Services	44.4	43.9	44.1	42.0	39.3	-0.5	-0.0
Health Care and Social Assistance	269.6	270.0	270.4	270.0	269.6	4.1	4.3
Arts, Entertainment, and Recreation	37.4	38.0	38.3	37.9	36.5	4.9	4.3
Accommodation	48.1	48.6	48.5	47.7	46.6	0.0	-0.1
Food Svcs and Drinking Places	193.6	194.4	193.4	189.2	183.3	0.5	1.0
Other Services	98.0	97.4	97.7	99.1	96.0	0.2	-0.6
Federal Government	52.6	53.2	54.1	54.5	54.4	3.8	1.8
State and Local Government	390.6	390.7	387.9	346.4	335.2	0.1	4.3
State and Local Government Education	211.8	212.3	207.7	164.8	154.2	-0.6	5.7
Hours Worked Per Week, Manufacturing, ADES	40.4	40.4	40.3	41.3	40.8	0.5	0.2
Average Hourly Earnings (\$) ADES							
Construction	18.67	18.63	18.81	19.04	18.95	4.9	7.5
Manufacturing	16.31	16.15	16.17	16.25	16.52	3.4	5.3
Trade, Transportation, Utilities	15.06	14.91	14.99	15.00	14.97	0.9	1.9
Retail Trade	12.56	12.49	12.53	12.69	12.47	2.5	1.2
Wholesale Trade	19.68	19.42	20.00	19.64	20.11	2.7	3.1
Sales (\$000s) ADOR							
Aggregate Retail Sales	7,361,046	6,781,756	6,992,910	6,700,604	...	-3.7	-1.3
Retail	4,662,380	4,186,882	4,298,977	4,101,484	...	-10.3	-5.1
Food, EBR	995,268	1,010,538	995,922	977,834	...	6.4	5.9
Restaurants & Bars	923,101	834,775	863,722	731,919	...	-7.2	-0.4
Gasoline, EBR	780,297	749,562	834,290	889,367	873,495	35.7	19.0
Gallons (000s) ADOT	245,361	227,167	235,124	215,327	220,730	-7.2	-2.0
Utilities	565,263	628,582	705,498	863,978	...	-3.4	5.7
Communications	323,549	304,758	323,995	351,213	...	16.5	5.5
Amusements	130,789	97,592	114,927	92,130	...	-3.1	4.1
Rentals - Personal Property	355,850	371,020	316,372	309,162	...	-4.1	1.6
Contracting	1,550,517	1,572,721	1,596,356	1,578,861	...	-19.3	-11.3
Mining - Metal, Oil & Gas	171,597	333,829	164,736	144,734	...	-16.0	-1.4
Hotel/Motel	285,174	211,738	209,093	169,141	...	-0.8	-0.5
New Housing Units Authorized, Census C-40 & EBR							
Total Units	2,473	2,980	2,745	3,037	2,404	-36.1	-38.3
Single Family Units	1,884	2,048	2,097	2,067	1,813	-45.5	-47.5
2-4 Unit Structures	41	93	77	95	36	-78.8	-36.7
5-plus Unit Structures	547	839	571	875	555	106.0	16.6
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	1,414	1,552	1,419	1,577	1,782	100.4	73.1
Chapter 7	1,093	1,234	1,092	1,278	1,415	103.6	77.0
Chapter 11	23	25	31	35	39	85.7	63.0
Chapter 13	297	293	296	263	328	89.6	60.6

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

	II 2007	III 2007	IV 2007	I 2008	II 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.)	212.6	212.6	214.5	216.9	221.2	4.0	3.5
U.S. - All Urban Consumers	207.7	208.2	209.7	212.1	216.8	4.4	3.7
U.S. - Urban Wage Earners	203.2	203.6	205.3	207.7	212.9	4.8	3.9
Price Indexes (2000=100) BEA							
Gross Domestic Product	119.5	120.0	120.8	121.6	122.0	2.0	2.3
Personal Consumption Expenditures	117.2	118.0	119.2	120.3	121.5	3.7	3.2

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Vol. 29, No. 4
Arizona's Economy is published quarterly free of charge.

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