ARIZONA'S ECONOMY

APRIL 2001 SPRING ISSUE

NO RECESSION IN ARIZONA

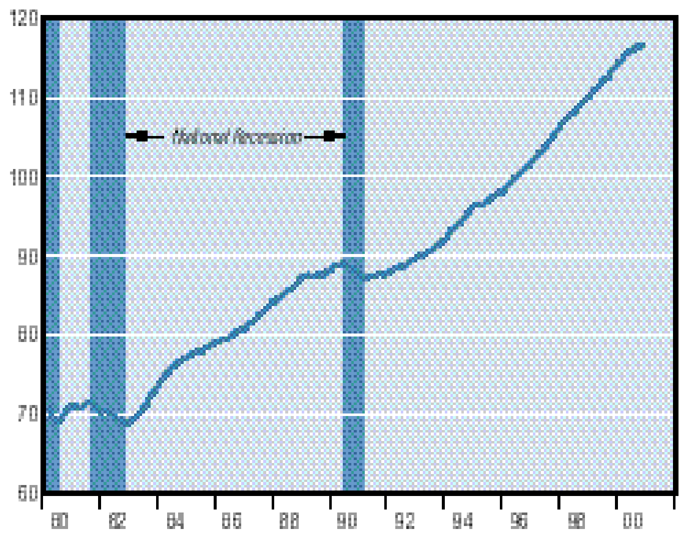
By Marshall J. Vest
Forecasting Project Director
March 1, 2001

In recent weeks, the main storyline has been the speedy onset of recession. That is the wrong word to describe present economic conditions. It takes a really good stretch of the imagination (as well as the current crop of data) to see recession nation-wide. Yes, the national economy has slowed from a gallop to a trot, but our steed is nowhere near a trip to the glue factory. In Arizona, there is no recession in sight (or even on the radar screen). Here, it is hard to find much of a slowdown! The best bet for the near term is for growth to recede to a rate below the speed limit followed by acceleration back up to the economy's potential. So far, the slow-down resembles the 1995-96 period—and those were pretty good years.

Exhibit 1 shows the single, best overall measure of where the national economy is today, the Conference Board's Index of Coincident Indicators. A companion of the leading indicator index, the coincider is comprised of four basic measures: jobs, sales, industrial production and personal income. With data through December, this index stands at an all-time record high (Exhibit 1). To make the case for recession, one has to believe that this index is peaking and that it will decline in the months to come. But that is a forecast. In reality, the economy has slowed down (the curve has flattened), but that does not mean that recession will follow. The curve flattened in 1989 and again in 1995 before turning upward again. Overall activity must contract (the line must turn down) for the economy to be in recession.

The shaded portions show periods of recession as officially determined by the National Bureau of Economic Research (NBER), the arbiter of such things as business cycle dating. The popular definition of recession is two quarters of negative growth in real GDP, but NBER doesn't use GDP in its analysis.

EXHIBIT 1
Decade-Long Expansion Continues
Coincident Index (The Economy)

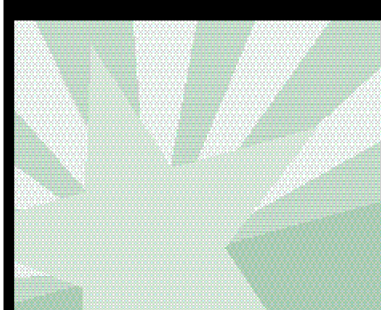


To determine whether a recession has occurred, NBER researchers look for three D's: depth, duration and dispersion. First, the economy must contract from the peak by a significant amount, roughly two percent or more. Second, the contraction must last for a minimum amount of time—the shortest on record, from January to July of 1980, lasted six months. Third, the contraction needs to be widely dispersed across many industries. Declines in one or two industries do not a recession make.

The recession of 1990-91 was very short and mild—barely qualifying as a recession. It lasted but eight months and declined 2.1% from peak to trough. Ignoring that period, the last time the US economy was in a "real" recession was 1981-82, nearly two decades ago! Many reporters and Wall Street analysts weren't around back then, and so the current slowdown often is incorrectly referred to as a recession.

Frankly, it doesn't make much sense to use the "R" word when unemployment is only four percent and labor remains in short supply. The best description of the economy

INSIDE



ELLER COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION
THE UNIVERSITY OF ARIZONA. TUCSON, ARIZONA

EXHIBIT 2

Jobs Are Still Growing...

Nonag Employment, AZ (seasonally adjusted)

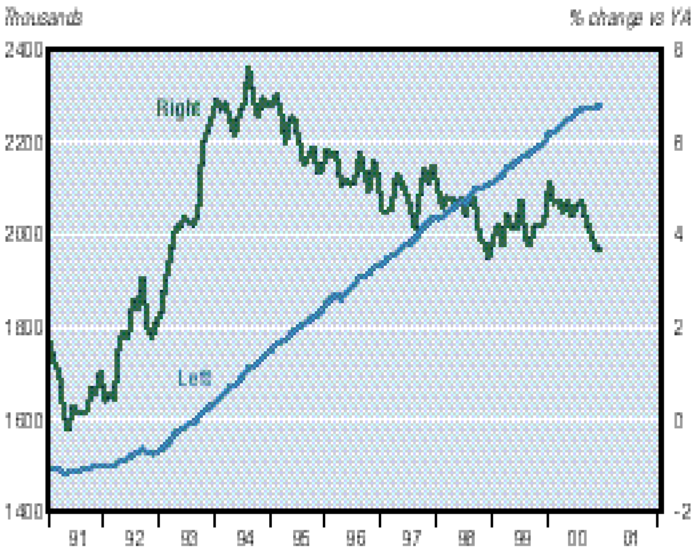
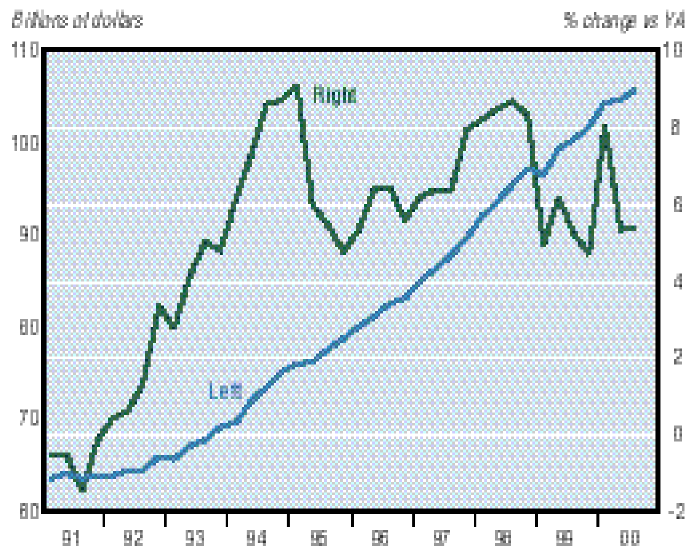


EXHIBIT 3

So Is Personal Income...

Personal Income Less Transfers (AZ, 1996 dollars, SAAR)



presently is that the economy is catching its breath following near exhaustion from ten years of expansion and very strong growth in 1999-2000.

The Federal Reserve cut short-term interest rates twice in January. What was the Fed worried about? Chairman Greenspan was most concerned about cutbacks in auto production during the fourth quarter and first quarter of this year in response to growing inventories. As noted in last quarter's report, auto sales last year soared to the lofty level of 17.5 million units per year—a clearly unsustainable level. As auto output returns to a more "normal" level, it will have a significant effect on the economy. Auto industry resizing also is reflected by poor readings from the Purchasing Management Association, an index that Chairman Greenspan follows closely (more on this later).

A second item of concern was the drying up of liquidity in secondary financial markets—similar in some respects to the late 1998 world financial crisis. Financial markets have responded favorably to rate cuts, and liquidity has returned to secondary markets such as the high yield (or junk bond) market. Mortgage rates dropped to 6-1/2% in early January and remain below seven percent currently.

Finally, the Fed Chairman was concerned by near hysteria and panic in financial markets. Here too, rate cuts have soothed nerves on Wall Street.

Data for the national economy—employment, retail sales, auto sales and housing—were significantly better in January than reported in November and December, which shows our steed is still on its feet. So far, the slowdown looks a lot like the soft landing of 1996, not recession—and that's the best forecast at this time.

The biggest threat to this expansion currently is pessimism. We could talk ourselves into recession—if consumers and businesses curtail spending, the slowdown could turn into overall contraction. But the odds are small. Even though consumer confidence has fallen to the lowest level in four years, it remains at high levels and is significantly higher than during the 1990-91 recession.

The consensus forecast calls for growth in real GDP this year of 2-2.5%. Only a year or so ago, the economics profession and monetary authorities thought that the economy's speed limit was 2.2%. It is now closer to four percent given the acceleration in productivity in recent years! The consensus forecasts calls for growth below the speed limit this year, but no recession. This means that the unemployment rate may rise—and that would be a welcome relief for tightly strained labor markets.

NO RECESSION IN ARIZONA

Ideally, we could construct a coincident index for Arizona similar to the one for the nation. Unfortunately, not all components are available for states on a comparable basis. The personal income measure is not published monthly—only quarterly for states. The sales measure is quite different by definition; the nationwide measure is for "manufacturing and trade" sales—a very broad measure, whereas only retail sales are available for states. Finally, industrial production is not available at all.

Even though we are unable to construct an overall index for Arizona, much can be gained by looking at the available components. First, jobs. Arizona led the nation for most of 2000 as measured by job creation, trading with Nevada for the top spot as the year came to an end. With data through December, jobs were 3.7% higher than one year earlier and up 4.4% for the entire year, standing at an all time record high of nearly 2.3 million **(Exhibit 2)**. Some flattening in the last few months is evident, but payrolls are still growing at a rate twice as fast as nationwide. Moreover, growth remains faster than late 1998. Although the pattern of growth could look very different after the data is revised in a few weeks, revisions over the past several years have been upward to show more jobs and stronger growth.

EXHIBIT 4

Likewise for Retail Sales

Real Retail Sales, AZ (1999 dollars, SAAR, smoothed)

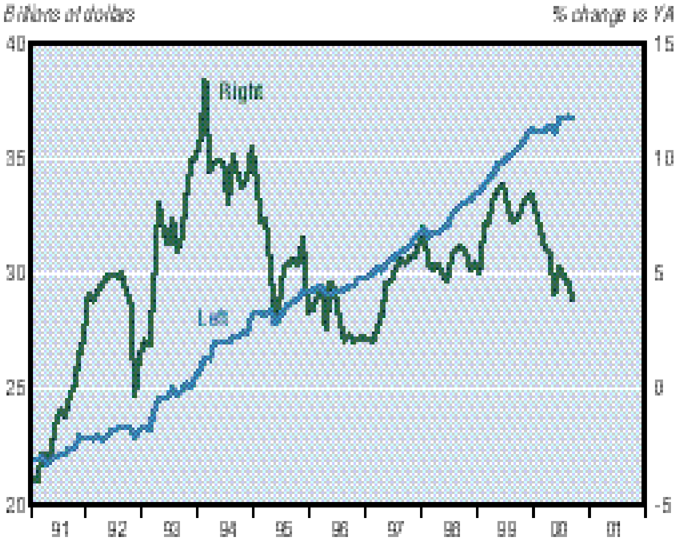
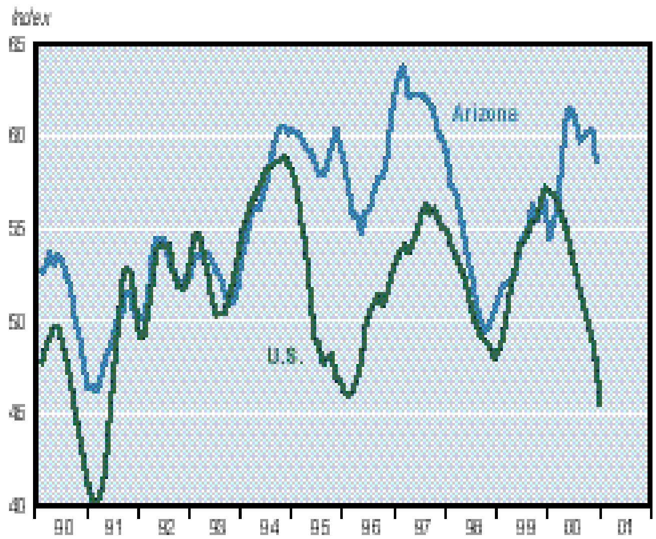


EXHIBIT 5

AZ's Industrial Sector Healthy and Expanding

Purchasing Management Index (US and AZ, smoothed)



The second measure is personal income less transfer payments, adjusted for inflation. With data through the third quarter 2000, this measure also stands at an all-time high **(Exhibit 3)**. During the past year, this measure has increased by a strong 5.4%. Ignoring a big jump in the first quarter of 2000, recent readings compare to growth registered during 1999. There is no sign of a slowdown here.

Finally, retail sales in real terms continues to climb upward and stands at a record high $37 billion **(Exhibit 4)**. This measure includes sales at general merchandise and apparel stores, hardware stores, furniture and home furnishings stores, and motor vehicle stores, among others. The data is compiled from sales tax receipts reported by the Arizona Department of Revenue. Over-the-year growth has receded to the 4-5% range from the 7-8% surge of 1999, but that's comparable to the 1995-98 period and significantly above 1991 recession readings. There is some slowing evident, but it is still stronger than 1996.

Each of the above measures for jobs, incomes and sales clearly show that recession is not the right word. Neither is "downturn." What we see is a slowing from very rapid growth a year ago—and it is not much of a slowing at all, just a return to the kind of growth that characterized the latter half of the decade of the 1990s. Although the situation could deteriorate in coming months, these data show that it is far too early to worry that the economy has slowed too much.

The mountain states have registered the strongest growth rates over the past few years and they have continued to do well as other parts of the country have slowed. One measure where this is clearly visible is the Purchasing Management Index. In January, the nationwide index fell to a reading of 41.2, the lowest since early 1991. A number below 50 indicates that the industrial sector is contracting. In Arizona, the index remains at a very strong reading near 60 **(Exhibit 5)**. Both curves have been smoothed with a centered 4-period moving average to reduce volatility.

Housing markets also have remained stronger in the mountain region. Residential building permits totaled nearly 60,000 units statewide in 2000. Although down about five percent from the prior year's record, activity remains at a high level. The same holds true for resale housing. If housing markets remain healthy, it will be difficult if not impossible for a recession to develop.

Even as the drum beat continues to portray recession, the economic climate in Arizona is still quite good. Construction payrolls are stable and manufacturing is growing. Consumer confidence and retail sales remain at high levels. Incomes continue to move upward. Some slowing is evident, but it is benign.

We expect slowing in other parts of the country to modestly affect Arizona as the year unfolds. After creating nearly 100,000 jobs during 2000, the economy will generate about 75,000 this year. In percentage terms, job growth recedes from 4.6% to 3.2%. Personal income growth slows from nearly eight percent to 6.5%. New residential units permitted settles near 50,000, down from 60,000. At this pace, the economy will compare roughly to the slowdown of 1995-96. And those were pretty good years. ■

Forecasts for Arizona	2000	2001	2002	2003	2004	2005	2006
Personal Income ($ mill)	130,721.9	139,180.7	147,363.6	155,040.8	162,370.4	169,102.3	176,323.6
percent change	7.9	6.5	5.9	5.2	4.7	4.1	4.3
Per Capita Personal Income	26,339.3	27,306.9	28,227.0	29,029.0	29,746.6	30,330.4	30,979.7
percent change	5.1	3.7	3.4	2.8	2.5	2.0	2.1
Aggregate Retail Sales ($ mill)*	54,635.0	57,892.5	60,461.5	63,259.7	65,591.4	67,799.7	70,221.6
percent change	9.5	6.0	4.4	4.6	3.7	3.4	3.6
Population (000s, mid-year)	4,963.0	5,096.9	5,220.7	5,340.9	5,458.5	5,575.3	5,691.6
percent change	2.6	2.7	2.4	2.3	2.2	2.1	2.1
Net Migration (000s)	88.1	85.1	79.1	75.7	74.1	72.8	73.8
Wage & Salary Employment (000s)	2,260.7	2,333.0	2,397.6	2,455.4	2,511.1	2,563.0	2,621.8
percent change	4.6	3.2	2.8	2.4	2.3	2.1	2.3
Goods-Producing	383.4	387.7	385.8	388.7	394.3	400.1	406.4
percent change	1.9	1.1	-0.5	0.8	1.4	1.5	1.6
Construction	157.0	157.1	152.2	150.9	150.9	152.9	155.4
percent change	2.1	0.0	-3.1	-0.8	0.0	1.3	1.6
Manufacturing	216.4	220.0	222.9	227.0	232.6	236.4	240.3
percent change	2.4	1.7	1.3	1.8	2.5	1.7	1.6
Service-Providing	1,877.2	1,945.3	2,011.8	2,066.7	2,116.8	2,162.9	2,215.4
percent change	5.2	3.6	3.4	2.7	2.4	2.2	2.4
Trade (Wholesale & Retail)	537.7	562.4	588.9	606.4	620.2	629.5	639.5
percent change	4.7	4.6	4.7	3.0	2.3	1.5	1.6
Services	722.1	750.2	778.1	803.5	827.9	852.3	883.1
percent change	6.5	3.9	3.7	3.3	3.0	3.0	3.6

Forecasts for Phoenix-Mesa Metro Area	2000	2001	2002	2003	2004	2005	2006
Personal Income ($ mill)	90,026.2	95,726.3	101,155.0	107,447.2	113,922.3	119,815.1	126,477.5
percent change	7.8	6.3	5.7	6.2	6.0	5.2	5.6
Per Capita Personal Income	28,707.3	29,672.7	30,554.7	31,671.1	32,790.0	33,700.9	34,781.2
percent change	4.8	3.4	3.0	3.7	3.5	2.8	3.2
Aggregate Retail Sales ($ mill)*	37,508.7	39,736.5	41,546.5	44,586.9	46,635.1	48,350.3	50,685.8
percent change	9.2	5.9	4.6	7.3	4.6	3.7	4.8
Population (000s, mid-year)	3,136.0	3,226.1	3,310.6	3,392.6	3,474.3	3,555.2	3,636.4
percent change	2.9	2.9	2.6	2.5	2.4	2.3	2.3
Net Migration (000s)	57.4	57.8	52.2	49.9	49.7	48.8	49.0
Wage & Salary Employment (000s)	1,589.5	1,641.1	1,684.1	1,725.9	1,768.0	1,806.0	1,848.7
percent change	4.4	3.2	2.6	2.5	2.4	2.1	2.4
Goods-Producing	287.4	288.1	287.4	288.0	292.3	295.5	298.7
percent change	1.3	0.3	-0.3	0.2	1.5	1.1	1.1
Construction	113.5	112.2	108.3	105.8	105.5	106.6	108.7
percent change	2.5	-1.2	-3.5	-2.3	-0.3	1.1	2.0
Manufacturing	170.9	172.9	176.1	179.2	183.7	185.8	186.9
percent change	1.4	1.2	1.8	1.7	2.5	1.1	0.6
Service-Providing	1,302.1	1,353.0	1,396.7	1,437.9	1,475.8	1,510.6	1,550.0
percent change	5.1	3.9	3.2	2.9	2.6	2.4	2.6
Trade (Wholesale & Retail)	387.8	400.8	414.3	427.2	436.0	442.7	450.0
percent change	4.5	3.4	3.4	3.1	2.1	1.5	1.7
Services	513.0	536.8	556.2	572.9	590.7	608.2	628.8
percent change	6.1	4.6	3.6	3.0	3.1	3.0	3.4

Forecasts for Tucson Metro Area	2000	2001	2002	2003	2004	2005	2006
Personal Income ($ mill)	21,114.3	22,471.3	23,782.3	25,074.4	26,396.3	27,661.4	29,038.0
percent change	8.9	6.4	5.8	5.4	5.3	4.8	5.0
Per Capita Personal Income	24,381.4	25,391.9	26,379.6	27,322.5	28,254.4	29,096.6	30,008.3
percent change	6.3	4.1	3.9	3.6	3.4	3.0	3.1
Aggregate Retail Sales ($ mill)*	8,554.6	8,979.4	9,379.5	9,841.9	10,273.3	10,663.8	11,116.7
percent change	8.9	5.0	4.5	4.9	4.4	3.8	4.2
Population (000s, mid-year)	866.0	885.0	901.5	917.7	934.2	950.7	967.7
percent change	2.4	2.2	1.9	1.8	1.8	1.8	1.8
Net Migration (000s)	15.3	14.0	11.4	10.9	11.2	11.1	11.5
Wage & Salary Employment (000s)	358.5	370.1	379.5	386.5	393.0	399.6	407.4
percent change	5.7	3.2	2.6	1.8	1.7	1.7	1.9
Goods-Producing	58.3	61.4	63.2	63.5	64.2	65.0	65.9
percent change	6.6	5.4	2.9	0.5	1.1	1.2	1.2
Construction	22.2	22.3	22.0	21.9	22.2	22.6	23.1
percent change	3.6	0.4	-1.5	-0.2	1.4	1.9	2.1
Manufacturing	34.3	37.3	39.4	39.8	40.1	40.5	40.8
percent change	9.4	8.8	5.6	0.9	0.9	0.9	0.9
Service-Providing	300.3	308.7	316.3	323.0	328.8	334.6	341.5
percent change	5.5	2.8	2.5	2.1	1.8	1.8	2.1
Trade (Wholesale & Retail)	75.8	77.9	80.0	81.8	82.9	83.4	84.3
percent change	5.8	2.7	2.8	2.2	1.3	0.6	1.1
Services	119.7	123.6	127.9	131.3	134.6	138.1	142.6
percent change	6.4	3.3	3.5	2.7	2.5	2.6	3.2

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

Source: Economic and Business Research Program, Karl Eller Graduate School of Management, Eller College of Business and Public Administration, The University of Arizona

AVERAGE ANNUAL PAY, 1999

By Heather Peterson
Research Specialist

According to data released at the end of 2000 by the U.S. Bureau of Economic Analysis, average annual pay increased 4.3% nationwide during 1999.

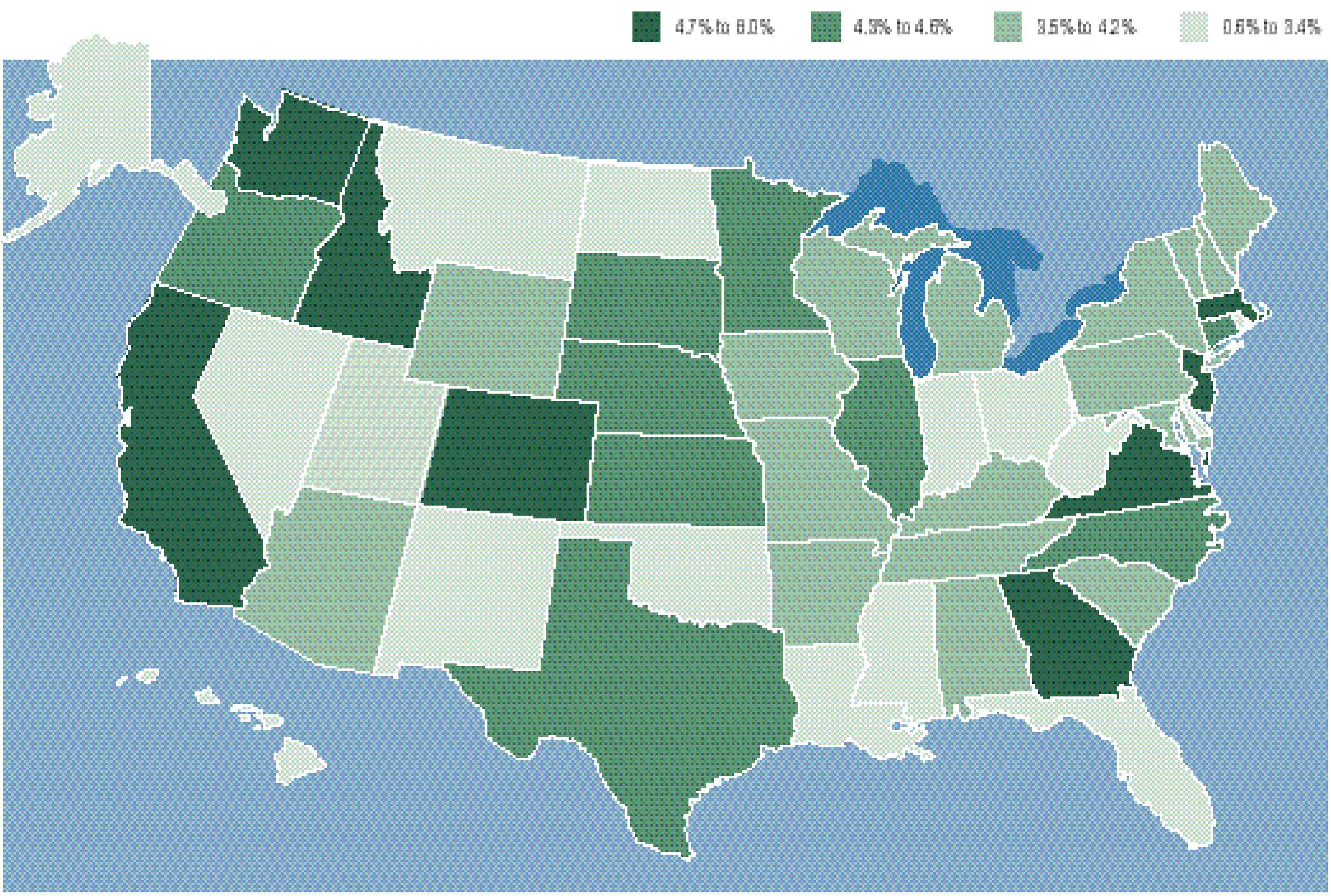
Arizona nearly matched that increase with a 4.1% gain. The data include all workers who are covered by state and federal unemployment insurance. Washington (up 8.0%), Massachusetts (6.8%), California (6.3%), Colorado (6.0%) and Virginia (5.2%) were the top five states **(Exhibit 6).**

Metro Tucson recorded the largest increase in average pay of Arizona's metro areas, with an increase of 5.3%. Phoenix-Mesa recorded a 4.0% gain—nearly equal to the statewide gain—while Yuma and Flagstaff recorded gains of 2.4% and 1.7%, respectively. Yuma has the second-lowest average pay ($20,363) among some 316 metro areas across the country **(Exhibit 7).** ■

EXHIBIT 7
Average Annual Pay, 1999

	Average Annual Pay	% Change	Rank
Western States			
Washington	$ 35,736	8.0	1
California	37,564	6.3	3
Colorado	34,192	6.0	4
Idaho	26,042	4.7	8
Oregon	30,867	4.5	11
Texas	32,895	4.4	15
U.S.	33,313	4.3	
Arizona	30,523	4.1	18
Utah	27,884	3.8	24
Wyoming	25,639	3.7	29
Nevada	31,213	3.3	39
Montana	23,253	2.7	44
New Mexico	26,270	2.2	49
Arizona Metros			
Phoenix	32,430	4.0	
Tucson	28,194	5.3	
Flagstaff	23,814	1.7	
Yuma	20,363	2.4	

EXHIBIT 6 Arizona Matches U.S. for Pay Gains
% Change in Average Annual Pay By State (US Average = 4.3%)



HARVARD ECONOMIST EXAMINES HOT TOPIC

By Stanley Reynolds, *Head Department of Economics Eller College of Business and Public Administration*

Caroline M. Hoxby, Ph.D., presented the 2001 Fathauer Lecture in Political Economy at the Eller College in January. Dr. Hoxby is the Morris Kahn Associate Professor of Economics at Harvard University and a leading researcher on education policy and the economics of education. The title of her talk was, "School Choice: An Economist's View."

Dr. Hoxby began by asking why economists are involved in this debate at all. Isn't this a debate that educators and people from schools of education should be largely involved in? Dr. Hoxby explained that economists can make several important contributions to this debate. She devoted most of her presentation to an explanation of these contributions.

A key contribution of economists has been to identify the crisis in American education and the particular form that the crisis takes. Dr. Hoxby argued that this crisis has motivated much of the school reform movement in the United States. The crisis that exists in American K-12 public schools today is a productivity crisis.

Schools are not getting worse and worse, as some would have you believe. The more significant problem is that we as a society have been spending more and more on public education without receiving better results.

Figure 1 illustrates the problem. This figure shows per-pupil spending in the 20th century, measured in constant dollars (the dollar amounts in the graph have been adjusted for the effects of inflation). Per-pupil spending has risen 15-fold since 1920. Between 1970 and the present, spending has gone from approximately $4,000 per student to $8,000 per student in the U.S., again measured in constant dollars.

Figure 2 puts the spending figures for 1970 to the present together with math and reading test scores over that period. While per-pupil spending doubled over that period, achievement as measured by math and reading test scores has been basically flat. This combination of rising spending and flat test scores is what Dr. Hoxby called a productivity crisis.

Why does declining productivity matter? Dr. Hoxby suggests two reasons. First, Americans care about education and they care about opportunities for their children. The fact that they have been spending more and more each year and not getting much for the extra spending is a source of great

FIGURE 1
US PER-PUPIL SPENDING IN THE 20TH CENTURY

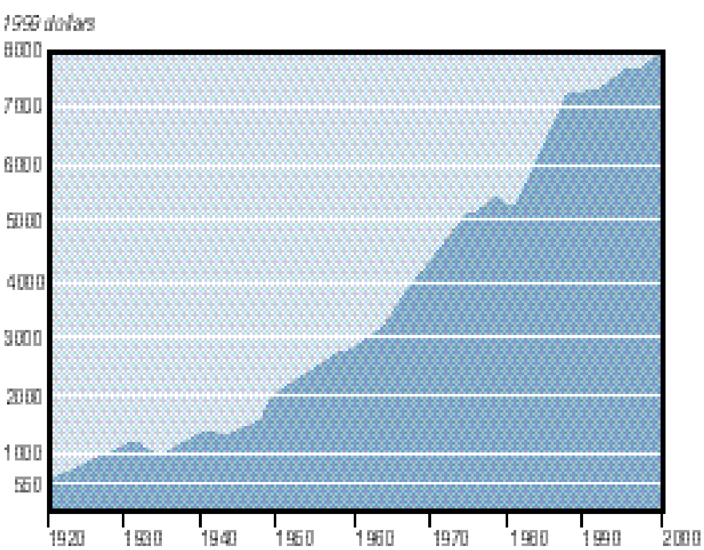


FIGURE 2
SPENDING AND ACHIEVEMENT 1970-2000

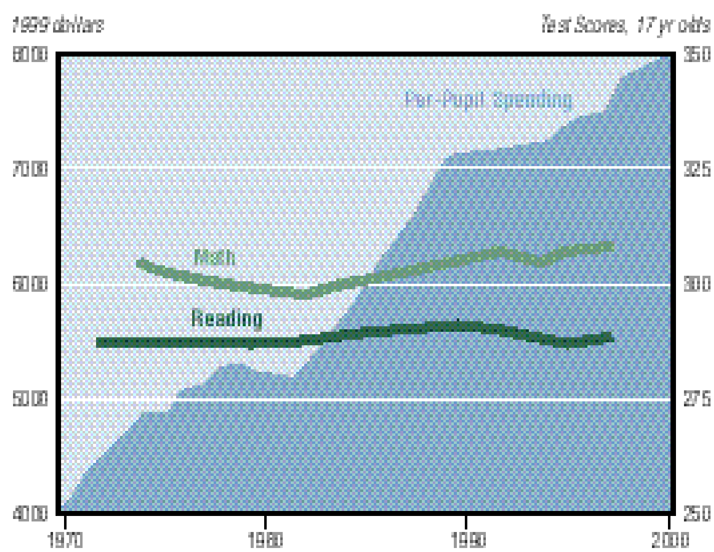


FIGURE 3
NUMBER OF SCHOOL DISTRICTS IN THE US

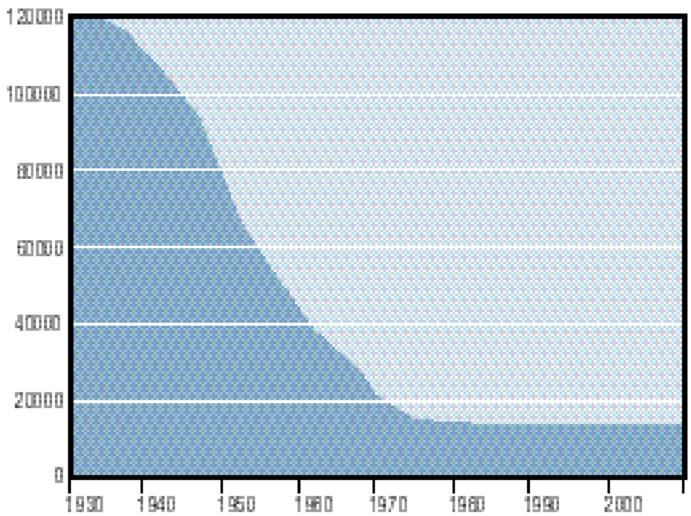


FIGURE 4
INDICATORS OF PUBLIC SCHOOL CONTROL

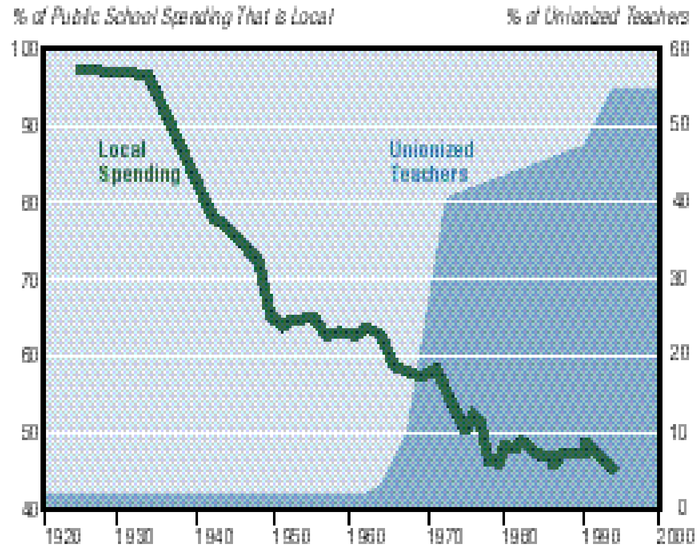
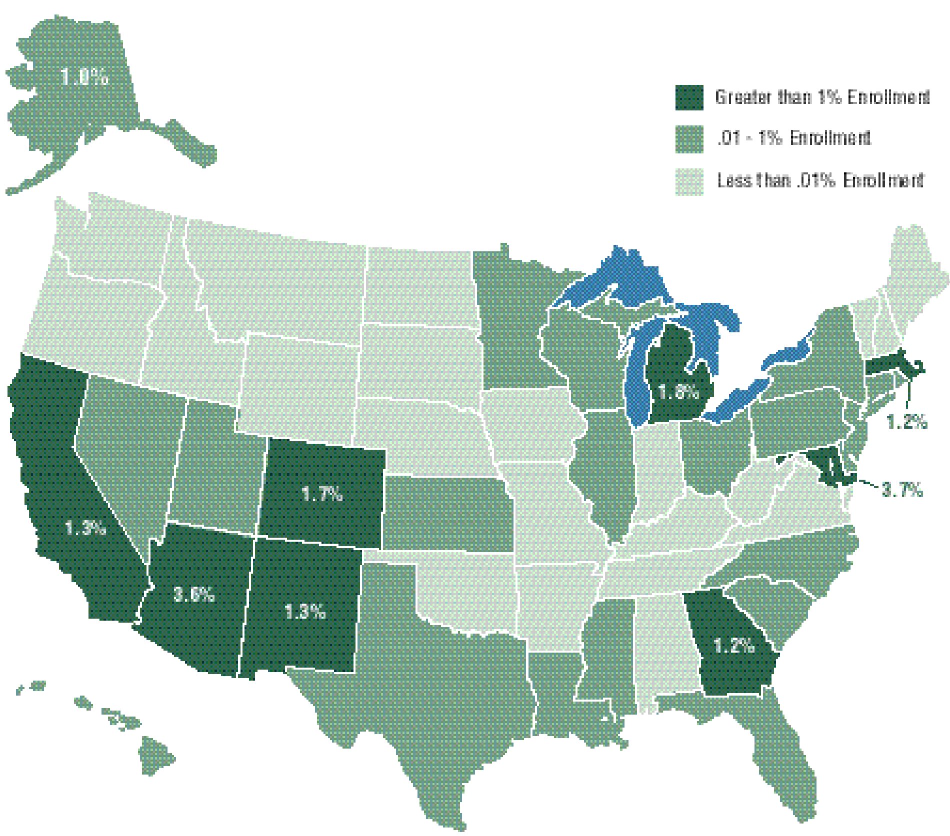


FIGURE 5
ENROLLMENT IN CHARTER SCHOOLS



frustration for parents and legislators. Second, as our economy becomes more of a knowledge-based economy, our economic success depends more and more on the quality of our education system. A nation's competitive advantage in today's global economy is likely to depend more on its human capital—i.e., the knowledge and skills embodied in its people—and less on traditional factors like natural resources.

Another contribution of economists is to identify possible sources of the problems in education. Dr. Hoxby suggests two important sources of the productivity crisis: increasing market power and teacher unionization.

The 20th century has seen a steady decline in the number of school districts, mostly due to consolidation of districts **(Figure 3)**. From 1950 to the present the number of districts has been cut by 80%. The practical importance of this is that when a district has fewer local "competitors" for students—i.e., when a district has more market power—the district has less need to compete with neighboring districts for students.

Unionization may also matter. In 1960 there were zero teachers in unions. By the year 2000 the majority of teachers belonged to unions **(Figure 4)**. Union agreements place restrictions on how schools operate and can limit the ability of schools to compete with schools in neighboring districts.

Dr. Hoxby went on to discuss various proposed education reforms, such as vouchers and charter schools, and explained the evidence that exists regarding how these reforms might work. Some of the main points were as follows:

a) The evidence suggests that reducing class size does tend to increase student achievement. But the effects are quite small relative to the amount of spending required.

b) By examining metropolitan areas with differing numbers of school districts, one can get a view of how the number of competing districts relates to student achievement. Metropolitan areas with many districts, such as Boston, tend to have higher achievement than metropolitan areas with few districts, such as Miami.

c) As of yet, there is little direct evidence on the impact of vouchers. Dr. Hoxby suggests that indirect evidence of the effect of vouchers can be found by examining cities in which there are low-cost private school options (say due to generous private school endowments from alumni contributions). In these cities, not only do students in the private schools have higher achievement, but students in the public schools also have higher test scores and a greater percentage going on to college, compared to cities without low-cost private school options. It seems that low-cost private school options put more pressure on public schools to deliver a good education.

d) The long-term effects of programs such as vouchers and charter schools are uncertain. Dr. Hoxby pointed out that long term effects are complex and difficult to predict, since they involve the way in which students and their parents sort themselves into different schools, and also on how the schools might respond to this sorting. She explained that the economic concept of a market equilibrium provides a useful way to conceptualize this kind of problem.

As **Figure 5** indicates, Arizona is a leader in the charter school movement, second only to Washington, D.C., and a great deal is being learned about what works and what doesn't. At this point, the evidence is compelling, as Dr. Hoxby states, that market forces can have a significant effect on the quality of education in both private and public school—to the benefit of all. ■

2000 U.S. CENSUS

Resident Population and Apportionment of the U.S. House of Representatives

According to preliminary census counts released in December 2000, Arizona's population stands at 5.1 million. The resident population excludes the overseas population **(Exhibit 1)**.

Congressional apportionment for each state is based upon (1) the resident population and (2) the overseas U.S. military and federal civilian employees (and their dependents living with them) allocated to their home state, as reported by the employing federal agencies **(Exhibit 2)**. That gives Arizona two additional seats in the U.S. House of Representatives **(Exhibit 3)**. ■

EXHIBIT 1
Arizona 1789-2000

Year	Resident Population	Number of Representatives
2000	5,130,632	8
1990	3,665,228	6
1980	2,716,546	5
1970	1,775,399	4
1960	1,302,161	3
1950	749,587	2
1940	499,261	2
1930	435,573	1
1920	334,162	1
1910	204,354	1
1900	122,931	–
1890	88,243	–
1880	40,440	–
1870	9,658	–
1860	–	–
1850	–	–
1840	–	–
1830	–	–
1820	–	–
1810	–	–
1800	–	–
1790	–	–
1789	–	–

EXHIBIT 2
Arizona's Resident Population, 1870-2000

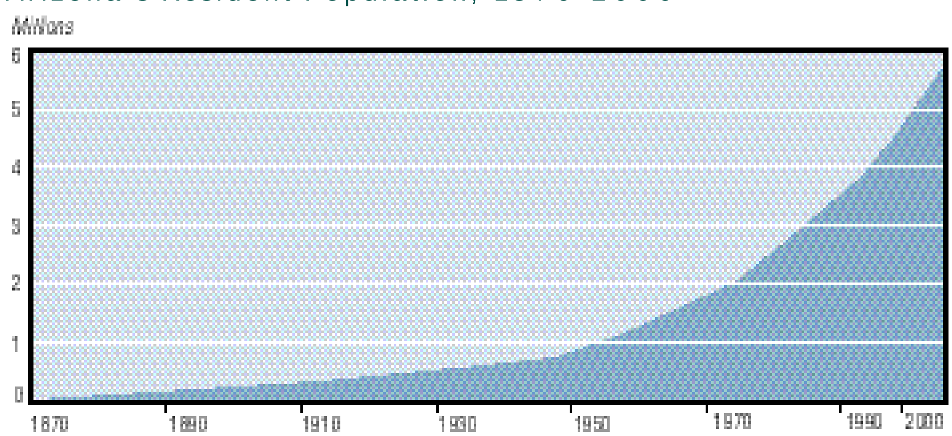
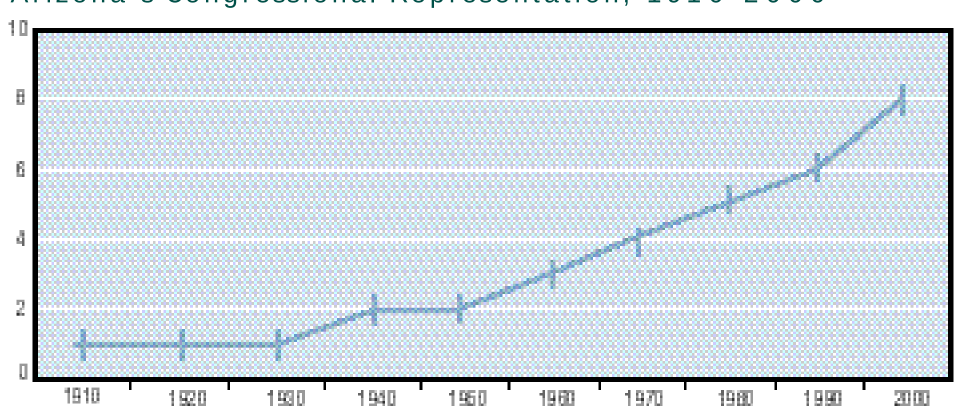


EXHIBIT 3
Arizona's Congressional Representation, 1910-2000



ARIZONA'S NEW ECONOMY INITIATIVES

By Marshall J. Vest
APNE Member

In November 1999, Arizona's Governor, Jane Dee Hull, created a steering committee to assess the New Economy (NE) and what Arizona needs to do to ensure that it benefits from NE opportunities. The July and October 2000 issues of Arizona's Economy carried updates on the process.

Get the basics right and nurture Arizona's knowledge economy. That's the thrust of a new report detailing the findings of the yearlong study of Governor Hull's Arizona Partnership for a New Economy (APNE) Task Force. The "basics" include the state's telecommunications infrastructure and education (K-12 as well as higher education)—issues of access and ability. These ideas are basic if Arizona is to benefit from the flood of information unleashed in the New (i.e., Information) Economy.

Nurturing the knowledge economy goes beyond the basics. Here the focus shifts to research and development (R&D), and what is involved to bring ideas to the marketplace—issues such as entrepreneurship, availability of capital, incubation, and technology transfer.

The Information Revolution is fundamentally changing how business is conducted. It also affects each of us in our daily lives. We live in a knowledge and idea-based economy where the keys to wealth are the extent to which ideas, innovation and technology are embedded throughout society. By getting the basics right, Arizona can ensure that no one is left behind. And by applying visionary thinking and putting into action a number of "breakthrough" ideas, Arizona can truly be a New Economy hot spot.

Specific recommendations include the following:

★ Develop Arizona Learning Online (AZLO) portal, which would aggregate E-learning (distance learning) course offerings from around the world, provide a resource for teachers to access best practices of how to incorporate technology into the classroom, and provide companies a vehicle for ongoing employee education and training.

★ Develop a strategic plan for telecom infrastructure.

★ Assist communities in assessing their telecom needs.

★ Develop technology-training centers for small businesses and individuals.

★ Improve the tech-transfer process.

★ Provide pre-seed capital for new startups and commercial incubation space.

★ Provide public-source venture capital money.

★ Create Arizona@Your Service, a portal that provides access to services of all levels of state and local government.

★ Establish an E-Government Council and E-Government Institute, which would provide technical assistance to local governments related to utilization of technology.

★ Establish a Creative Communities Consortium to share best practices focused on environmental amenities and quality of life issues.

★ Provide funds to market Arizona as a New Economy state.

★ Establish the "Arizona Economic Organization" to oversee implementation of the recommendations, while supporting cluster and foundation organizations. ■

The Steering Committee's final report is available online at:
www.azcommerce.com / neweconomy / APNEreportmediakit.htm

THE UNIVERSITY OF ARIZONA

EXECUTIVE OF THE YEAR

2001

ROBERT A. ECKERT

Please join the Eller College of Business and Public Administration in honoring Robert A. Eckert, the University of Arizona 2001 Executive of the Year. Eckert is the Chairman of the Board and Chief Executive Officer of Mattel, Inc., and the first Eller College alumnus to receive this prestigious award.

A 1976 graduate of the University of Arizona, Eckert has been credited with getting Mattel's finances back on track in the short time since he came on board there in May of 2000. Prior to Mattel, Eckert was president and CEO of Kraft Foods, the largest U.S.-based packaged food company in the world.

Monday, April 23, 2001, 12:30 p.m.
Doubletree Hotel
445 S. Alvernon Way
Tucson, Arizona 85711

Individual seats $50.00 per person; Tables of ten, $500.00 per table

For reservations or information, call Mary Hanson, (520) 621-9954 email: mhanson@bpa.arizona.edu

THE ELLER COLLEGE • BANK ONE.

BUSINESS FORUM

BREAKFAST WITH THE ECONOMISTS: A MID-YEAR ECONOMIC UPDATE

Join us *for breakfast as three top economists update today's economic reality—where we are and where we're headed mid-way through 2001. Bank One's investment expert, Anthony Chan, will address the current financial markets.*

Presenters include: Gerald Swanson, Ph.D.
Associate Professor of Economics, the Eller College

Marshall Vest, Director
Economic and Business Research, the Eller College

Anthony Chan,
Managing Director and Chief Economist
Banc One Investment Advisors

When: *Wednesday, June 6, 2001, 7:15 a.m. ~ 9:00 a.m.*

Where: *McClelland Hall ~ Estes Atrium ~ 1130 East Helen Street*

Cost: *$15.00 per person**
Seating is limited, so make your reservations early!

Parking: *Complimentary parking provided in the Park Avenue garage (the corner of Park Avenue & Speedway Boulevard).*

Info: *Mary Hanson ~ 520.621.9954 ~ mhanson@bpa.arizona.edu*

**Fee is not a charitable contribution.*

	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES	68,750	65,925	66,125	66,100	63,225	6.3	-1.0
Employment	45,125	47,150	51,275	53,675	52,775	6.6	1.9
Unemployment	23,625	18,775	14,850	12,425	10,450	4.8	-8.0
Unemployment Rate (%)	34.4	28.5	22.5	18.8	16.5	-1.4	-6.5
Employees on Nonagricultural Payrolls, ADES							
Total	39,375	40,200	41,750	43,900	42,425	4.4	4.9
Construction	2,850	2,900	2,900	2,850	2,750	3.8	-0.8
Manufacturing	2,225	2,225	2,225	2,275	2,200	2.3	1.5
Trans., Comm. & Publ. Util.	1,475	1,525	1,650	1,750	1,675	4.7	1.2
Trade	10,350	10,775	11,500	13,100	12,575	-0.4	1.7
Finance, Ins. & Real Estate	1,250	1,375	1,425	1,425	1,425	3.6	11.7
Services	9,525	9,425	9,950	10,425	10,275	6.2	7.8
Government	11,700	11,975	12,100	12,075	11,525	9.0	7.8
Sales ($000s) ADOR							
Gross Retail	78,382	86,852	99,024	120,422	...	-9.2	5.1
Retail	61,579	68,282	77,632	97,439	...	-11.9	3.2
Restaurants & Bars	7,441	8,905	9,759	10,977	...	11.4	4.2
Gasoline, EBR	9,362	9,665	11,633	12,006	...	-1.2	19.9
Gallons (000s) ADOT	6,156	6,253	7,409	7,816	...	-15.3	-4.5
Contracting	14,342	17,915	26,440	20,410	...	26.7	8.6
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	9,583	20,226	7,947	7,207	8,505	-28.6	-24.2
Residential Building	5,636	17,627	6,083	5,146	5,773	-33.2	0.1
Non-Residential Building	180	2,105	1,864	1,279	1,340	-54.0	-49.0
Non-Building	3,767	494	0	782	1,392	288.8	-42.6
Number of Dwelling Units Awarded, F.W. Dodge							
Total	64	96	74	61	68	-15.0	-1.6
One Family Houses	64	96	74	61	68	-15.0	-0.9
MOHAVE-LA PAZ REGION							
Civilian Labor Force, ADES	71,200	71,525	72,475	72,650	72,650	4.8	1.6
Employment	68,275	68,700	69,600	69,525	69,075	5.0	2.0
Unemployment	2,925	2,825	2,875	3,125	3,575	2.1	-5.9
Unemployment Rate (%)	4.1	3.9	4.0	4.3	4.9	-2.6	-7.4
Employees on Nonagricultural Payrolls, ADES							
Total	47,900	48,300	48,525	48,425	48,150	7.5	7.7
Mining (Mohave County only)	100	100	100	100	100	0	-2.0
Construction	3,800	3,875	3,925	3,975	3,900	12.2	9.1
Manufacturing	3,675	3,700	3,700	3,725	3,750	5.6	-1.0
Trans., Comm. & Publ. Util.	2,350	2,375	2,400	2,400	2,375	8.0	7.2
Trade	14,325	14,325	14,450	14,400	14,050	3.5	6.2
Finance, Ins. & Real Estate	1,450	1,450	1,425	1,425	1,325	-8.6	-0.6
Services	12,325	12,450	12,450	12,525	12,800	12.3	11.2
Government	9,875	10,025	10,075	9,875	9,850	9.1	10.4
Sales ($000s) ADOR							
Gross Retail	100,398	105,573	108,934	124,687	...	2.8	11.3
Retail	74,620	75,971	80,082	96,447	...	1.9	8.8
Restaurants & Bars	11,647	12,911	13,364	12,255	...	-1.2	2.9
Gasoline, EBR	14,131	16,691	15,488	15,985	...	12.4	34.8
Gallons (000s) ADOT	9,292	10,799	9,864	10,406	...	-3.6	7.3
Contracting	34,187	24,275	20,356	24,348	...	-23.8	14.4
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	19,233	39,825	75,732	18,848	14,445	-14.8	-5.5
Residential Building	14,433	14,811	15,277	14,533	11,995	6.9	-3.5
Non-Residential Building	2,776	4,440	15,203	1,280	1,231	35.4	-2.8
Non-Building	2,024	20,574	45,252	3,035	1,219	-74.7	-10.5
Number of Dwelling Units Awarded, F.W. Dodge							
Total	141	145	140	149	121	0.8	-8.3
One Family Houses	141	143	138	145	119	0.8	-6.6

See notes at bottom of Arizona - Quarterly table.

	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
COCHISE COUNTY							
Civilian Labor Force, ADES	39,775	39,850	40,225	40,350	40,250	3.0	-0.6
Employment	38,100	38,200	38,550	38,600	38,250	3.5	0.6
Unemployment	1,675	1,650	1,675	1,750	2,000	-5.9	-20.6
Unemployment Rate (%)	4.2	4.1	4.2	4.3	5.0	-8.6	-20.1
Employees on Nonagricultural Payrolls, ADES							
Total	32,725	32,675	32,500	32,600	31,950	3.0	4.1
Construction	1,950	1,925	1,875	1,850	1,850	-1.3	-10.4
Manufacturing	1,275	1,225	1,025	1,025	1,000	0.0	4.5
Trans., Comm. & Publ. Util.	1,275	1,275	1,275	1,325	1,275	4.1	4.6
Trade	7,700	7,725	7,725	7,800	7,650	2.3	3.9
Finance, Ins. & Real Estate	750	775	775	775	750	3.4	8.1
Services	8,300	8,275	8,325	8,325	8,125	0.0	4.4
Government	11,475	11,475	11,500	11,500	11,300	6.6	6.6
Sales ($000s) ADOR							
Gross Retail	55,685	55,764	59,965	75,636	...	35.4	7.2
Retail	43,284	42,431	47,351	61,678	...	45.0	11.6
Restaurants & Bars	6,664	6,807	6,151	7,301	...	2.7	6.6
Gasoline, EBR	5,737	6,526	6,463	6,657	...	7.6	-15.3
Gallons (000s) ADOT	3,772	4,222	4,116	4,334	...	-7.7	-33.1
Contracting	11,336	15,421	10,887	11,222	...	-32.1	0.4
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	5,183	10,224	5,742	4,267	17,284	142.4	-11.3
Residential Building	3,975	4,446	4,992	3,637	3,949	-5.6	-1.1
Non-Residential Building	50	0	750	0	7,500	234.8	20.6
Non-Building	1,158	5,778	0	630	5,835	727.7	-45.1
Number of Dwelling Units Awarded, F.W. Dodge							
Total	44	49	54	38	46	-8.0	7.5
One Family Houses	44	49	54	38	46	-8.0	-5.8
SANTA CRUZ COUNTY							
Civilian Labor Force, ADES	14,375	14,250	13,750	13,875	13,675	4.4	-1.0
Employment	11,175	11,425	12,100	12,400	12,500	6.4	2.6
Unemployment	3,200	2,825	1,650	1,475	1,175	-13.0	-19.2
Unemployment Rate (%)	22.3	19.8	12.0	10.6	8.6	-16.6	-18.6
Employees on Nonagricultural Payrolls, ADES							
Total	11,975	12,150	12,675	13,025	13,000	5.9	6.2
Construction	400	400	400	400	400	6.7	6.2
Manufacturing	1,000	1,025	1,000	1,050	1,050	10.5	9.8
Trans., Comm. & Publ. Util.	1,125	1,175	1,275	1,375	1,325	15.2	1.2
Trade	3,825	3,900	4,250	4,400	4,425	-6.8	-1.1
Finance, Ins. & Real Estate	225	225	225	225	225	0.0	3.8
Services	1,825	1,850	1,900	1,925	1,950	9.9	12.3
Government	3,575	3,575	3,625	3,650	3,625	18.9	14.9
Sales ($000s) ADOR							
Gross Retail	23,780	25,442	29,774	37,702	...	18.0	11.4
Retail	18,268	20,360	23,609	31,198	...	19.1	12.5
Restaurants & Bars	2,577	2,269	2,955	3,109	...	5.7	5.2
Gasoline, EBR	2,935	2,813	3,210	3,395	...	20.5	9.8
Gallons (000s) ADOT	1,930	1,820	2,045	2,210	...	3.4	-12.8
Contracting	4,144	2,911	4,563	4,190	...	-1.4	-17.5
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	3,603	7,194	2,307	4,808	4,397	6.3	29.5
Residential Building	2,518	7,021	1,907	1,938	2,447	-23.2	45.4
Non-Residential Building	575	100	400	150	1,950	105.3	14.1
Non-Building	510	73	0	2,720	0	...	-22.3
Number of Dwelling Units Awarded, F.W. Dodge							
Total	28	125	20	20	20	-4.8	97.8
One Family Houses	28	17	20	20	20	5.3	-2.5

See notes at bottom of Arizona - Quarterly table.

	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
GILA COUNTY							
Civilian Labor Force, ADES	17,125	17,075	17,300	17,275	17,000	-1.4	-4.1
Employment	16,175	16,150	16,325	16,250	15,925	-1.4	-2.9
Unemployment	950	925	975	1,025	1,075	-2.3	-20.6
Unemployment Rate (%)	5.5	5.4	5.6	5.9	6.3	-0.8	-17.2
Employees on Nonagricultural Payrolls, ADES							
Total	14,200	14,225	14,275	14,325	13,825	-1.4	0.7
Mining	700	675	675	700	675	-3.6	-1.5
Construction	1,075	1,075	1,125	1,150	1,050	10.5	9.5
Manufacturing	1,075	1,100	1,100	1,125	1,100	2.3	-1.7
Trans., Comm. & Publ. Util.	500	475	475	475	450	-10.0	-2.0
Trade	3,300	3,325	3,350	3,300	3,125	-5.3	-1.1
Finance, Ins. & Real Estate	300	300	300	300	275	0.0	19.3
Services	2,550	2,550	2,550	2,525	2,475	-2.0	-0.5
Government	4,700	4,725	4,700	4,750	4,675	-0.5	1.1
Sales ($000s) ADOR							
Gross Retail	25,593	23,927	24,592	31,231	...	12.0	3.5
Retail	18,530	17,236	18,310	22,839	...	5.1	3.0
Restaurants & Bars	3,603	3,449	3,151	3,581	...	11.9	3.1
Gasoline, EBR	3,460	3,242	3,131	4,811	...	61.7	6.8
Gallons (000s) ADOT	2,275	2,098	1,994	3,132	...	38.7	-14.4
Contracting	8,149	9,297	8,669	7,443	...	-11.3	18.1
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	5,697	2,885	9,443	2,770	5,577	-23.0	9.4
Residential Building	3,401	2,792	3,527	2,770	2,856	-29.3	-11.0
Non-Residential Building	282	0	2,598	0	2,721	1,829.8	-33.4
Non-Building	2,014	93	3,318	0	0	-100.0	80.8
Number of Dwelling Units Awarded, F.W. Dodge							
Total	25	19	29	17	22	-29.0	-9.2
One Family Houses	25	19	29	17	22	-29.0	-7.4
GRAHAM-GREENLEE REGION							
Civilian Labor Force, ADES	14,200	14,400	14,600	14,725	14,675	0.3	-3.4
Employment	13,325	13,550	13,850	13,975	13,750	1.7	-1.1
Unemployment	875	850	750	750	925	-15.9	-28.2
Unemployment Rate (%)	6.2	5.9	5.1	5.1	6.3	-16.2	-25.7
Employees on Nonagricultural Payrolls, ADES							
Total	11,325	11,375	11,275	11,325	11,050	0.0	2.1
Mining (Greenlee County only)	2,425	2,400	2,425	2,400	2,400	-5.9	-5.3
Construction	950	900	850	850	875	40.0	46.8
Manufacturing	300	300	300	300	275	0.0	6.1
Trans., Comm. & Publ. Util.	200	200	200	200	200	-11.1	-12.7
Trade	2,375	2,375	2,375	2,425	2,325	4.5	2.2
Finance, Ins. & Real Estate	175	175	175	175	175	16.7	9.1
Services	1,750	1,775	1,725	1,725	1,725	-5.5	-0.4
Government	3,150	3,250	3,225	3,250	3,075	-3.1	1.6
Sales ($000s) ADOR							
Gross Retail	23,152	19,982	19,498	24,789	...	11.9	9.7
Retail	19,757	16,275	15,943	21,175	...	13.5	10.4
Restaurants & Bars	1,717	1,711	1,585	1,691	...	1.8	-0.2
Gasoline, EBR	1,678	1,996	1,970	1,923	...	5.1	13.9
Gallons (000s) ADOT	1,103	1,292	1,254	1,252	...	-9.9	-9.0
Contracting	2,730	3,008	2,449	2,851	...	-30.8	-17.0
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	2,158	908	791	994	1,267	122.7	-39.4
Residential Building	658	681	791	994	571	0.4	2.6
Non-Residential Building	1,500	227	0	0	696	...	-60.4
Non-Building	5,512	272	11,538	0	500	...	109.3
Number of Dwelling Units Awarded, F.W. Dodge							
Total	8	8	9	7	8	33.3	-33.8
One Family Houses	8	8	9	7	8	33.3	3.0

See notes at bottom of Arizona - Quarterly table.

	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
APACHE-NAVAJO REGION							
Civilian Labor Force, ADES	50,350	50,150	50,500	50,900	51,200	0.3	-5.0
Employment	45,200	45,100	45,150	45,075	44,200	0.0	-3.6
Unemployment	5,150	5,050	5,350	5,825	7,000	2.2	-14.1
Unemployment Rate (%)	10.2	10.1	10.6	11.4	13.7	1.9	-9.5
Employees on Nonagricultural Payrolls, ADES							
Total	46,750	46,625	46,325	46,325	45,100	0.1	-0.4
Mining	900	900	875	850	850	-2.9	-0.7
Construction	2,175	2,225	2,175	2,150	2,075	6.4	0.3
Manufacturing	1,200	1,175	1,175	1,150	1,125	-4.3	-9.8
Trans., Comm. & Publ. Util.	2,525	2,550	2,525	2,525	2,525	1.0	1.3
Trade	8,575	8,475	8,450	8,375	7,975	5.3	5.9
Finance, Ins. & Real Estate	1,400	1,400	1,400	1,425	1,375	-1.8	8.6
Services	7,900	7,825	7,600	7,450	7,275	-2.7	-0.7
Government	22,075	22,075	22,125	22,400	21,900	-1.0	-2.7
Sales ($000s) ADOR							
Gross Retail	72,248	65,339	61,895	73,819	...	-19.1	3.2
Retail	54,463	48,451	47,295	58,962	...	-22.5	0.4
Restaurants & Bars	6,569	5,969	4,832	5,476	...	15.1	6.8
Gasoline, EBR	11,216	10,919	9,768	9,381	...	-9.9	17.8
Gallons (000s) ADOT	7,375	7,065	6,221	6,107	...	-22.7	-5.0
Contracting	24,255	15,589	13,498	14,054	...	1.1	20.0
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	13,944	40,520	10,034	12,533	5,901	-54.9	-25.3
Residential Building	8,733	8,171	8,784	5,368	5,901	-51.1	-8.2
Non-Residential Building	175	21,947	0	6,920	0	-100.0	-65.6
Non-Building	5,036	10,402	1,250	245	0	-100.0	41.4
Number of Dwelling Units Awarded, F.W. Dodge							
Total	62	71	74	44	45	-55.0	-20.4
One Family Houses	62	71	74	33	45	-55.0	-14.8

	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
COCONINO-YAVAPAI REGION							
Civilian Labor Force, ADES	131,100	132,375	131,925	131,575	130,100	5.3	1.9
Employment	126,475	127,825	126,850	126,200	123,900	5.8	2.7
Unemployment	4,625	4,550	5,075	5,375	6,200	-4.2	-14.7
Unemployment Rate (%)	3.5	3.4	3.8	4.1	4.8	-9.0	-16.3
Employees on Nonagricultural Payrolls, ADES							
Total	111,175	112,500	111,575	111,200	108,075	6.1	6.7
Mining	1,175	1,200	1,200	1,200	1,125	15.4	16.3
Construction	8,375	8,550	8,525	8,525	8,275	15.3	14.6
Manufacturing	6,000	5,975	5,950	5,950	5,825	0.4	0.6
Trans., Comm. & Publ. Util.	2,950	3,000	2,900	2,925	2,725	2.8	1.2
Trade	27,550	27,725	27,525	27,350	26,250	3.4	3.0
Finance, Ins. & Real Estate	3,075	3,075	3,025	3,075	3,025	2.5	10.7
Services	31,975	32,450	32,225	32,575	31,600	11.2	8.7
Government	30,075	30,525	30,225	29,600	29,250	2.7	7.3
Sales ($000s) ADOR							
Gross Retail	218,067	214,803	197,861	231,534	...	1.4	7.6
Retail	151,978	148,079	142,459	178,260	...	0.2	6.1
Restaurants & Bars	39,269	38,241	28,960	31,173	...	4.3	2.3
Gasoline, EBR	26,820	28,483	26,442	22,101	...	7.0	28.0
Gallons (000s) ADOT	17,636	18,428	16,840	14,388	...	-8.3	2.6
Contracting	59,103	54,630	50,787	50,712	...	-24.9	1.7
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	39,178	43,175	43,187	31,576	35,357	-45.7	-9.7
Residential Building	28,997	33,366	26,319	23,579	24,870	-20.9	-5.5
Non-Residential Building	6,053	4,509	16,400	4,122	4,003	-56.4	-8.6
Non-Building	4,128	5,300	468	3,875	6,484	-73.5	-22.7
Number of Dwelling Units Awarded, F.W. Dodge							
Total	205	227	194	181	169	-44.6	-17.7
One Family Houses	187	223	174	153	169	-11.1	0.1

See notes at bottom of Arizona - Quarterly table.

	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES	1,580.4	1,590.0	1,598.3	1,605.7	1,592.7	3.5	-0.2
Employment	1,535.8	1,547.7	1,558.8	1,567.2	1,550.2	3.7	0.1
Unemployment	44.6	42.3	39.5	38.5	42.5	-5.1	-12.5
Unemployment Rate, Seas. Adj. (%)	2.6	2.6	2.5	2.5	2.7	-6.9	-11.8
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,597.9	1,610.7	1,621.7	1,631.2	1,592.5	3.8	3.8
Mining	2.6	2.6	2.6	2.6	2.6	8.3	-33.0
Construction	122.6	123.2	122.1	121.8	120.7	6.9	5.1
Manufacturing	166.1	166.0	166.3	166.9	166.4	1.9	0.7
Durable	128.8	129.0	129.4	130.0	129.9	3.3	1.2
Nondurable	37.3	37.0	36.9	36.9	36.5	-2.7	-1.1
Trans., Comm. & Publ. Util.	84.6	85.7	86.1	86.5	84.6	3.2	4.8
Trade	372.8	375.6	384.6	388.7	376.0	2.1	3.0
Wholesale	90.7	91.3	91.8	92.1	91.4	2.1	2.2
Retail	282.1	284.3	292.8	296.6	284.6	2.0	3.2
Finance, Ins. & Real Estate	121.1	122.2	122.3	123.1	122.0	3.3	2.5
Services	525.5	528.5	530.8	533.2	520.4	5.1	5.5
Government	202.6	206.9	206.9	208.4	199.8	3.9	3.7
Sales ($000s) ADOR							
Aggregate Retail Sales	3,067,124	3,038,793	3,146,263	3,807,122	...	5.1	8.6
Retail	2,184,045	2,113,244	2,210,092	2,839,963	...	4.0	8.3
Food, EBR	366,787	380,628	387,111	389,900	...	3.6	4.7
Restaurants & Bars	342,225	359,945	356,043	387,465	...	8.6	8.4
Gasoline, EBR	174,067	184,976	193,017	189,794	...	18.6	23.1
Contracting	688,178	642,859	620,270	703,151	...	1.2	3.4
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total Awards	747,925	834,819	637,137	651,616	844,927	28.9	5.6
Residential Building	493,594	497,927	431,645	353,756	462,964	13.6	-0.9
Non-Residential Building	191,110	229,523	169,769	278,574	375,796	93.0	29.6
Non-Building	63,221	107,369	35,723	19,286	6,167	-88.4	-16.3
New Housing Units Authorized, Census C-40							
Total Units	4,077	3,373	3,070	2,559	2,837	-9.4	-5.4
Single Family Units	2,853	2,517	2,092	2,186	2,606	6.5	-10.0
2-4 Unit Structures	50	68	67	34	57	42.5	81.0
5-plus Unit Structures	1,174	788	911	339	174	-73.0	9.7
Housing Sales and Prices, ARMLS							
Total Sales ($000s)	787,771	754,360	703,298	790,574	598,469	15.1	9.8
Total Units	4,591	4,461	4,144	4,539	3,442	8.7	0.9
Average Price ($)	171,590	169,101	169,715	174,174	173,872	5.9	8.6
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	2,520,958	2,949,748	3,002,648	3,000,795	...	5.5	7.0
Total Aircraft Movements	52,443	53,514	52,124	53,695	...	8.9	13.5

PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL) - QUARTERLY DATA	IV 1999	I 2000	II 2000	III 2000	IV 2000	% change versus year ago for: most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	3,080.4	3,102.7	3,124.9	3,147.1	3,147.1	2.2	2.7
Natural Increase	7.6	7.7	7.8	7.9	8.0	5.2	5.4
Births	13.4	13.5	13.6	13.7	13.8	3.0	3.2
Deaths	5.9	5.9	5.9	5.9	5.9	0.3	0.5
Net Migration	14.8	14.6	14.4	14.3	-8.0	-153.8	-43.0
Personal Income by Source ($mil, SAAR) EBR							
Total Personal Income	85,861	87,576	89,210	90,843	92,476	7.7	7.8
Earnings by Place of Work	64,652	66,002	67,302	68,603	69,903	8.1	8.3
Less: Contributions for Social Insurance	4,073	4,154	4,233	4,312	4,390	7.8	8.0
Plus: Adjustment for Residence	-113	-112	-112	-111	-111	1.8	2.0
Plus: Dividends, Interest & Rents	15,751	16,023	16,259	16,495	16,731	6.2	6.1
Plus: Transfer Payments	9,644	9,818	9,993	10,168	10,343	7.2	7.5
Per Capita Personal Income ($, SAAR) EBR	27,873	28,226	28,548	28,866	29,385	5.4	4.9

See notes at bottom of Arizona - Quarterly table.

	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES	383.4	386.0	388.2	390.6	387.6	0.6	-0.4
Employment	372.6	375.5	378.2	380.5	376.1	1.1	-0.0
Unemployment	10.8	10.5	10.0	10.1	11.5	-13.5	-12.4
Unemployment Rate, Seas. Adj. (%)	2.6	2.6	2.6	2.6	3.0	-11.8	-10.8
Employees on Nonagricultural Payrolls (000s) ADES							
Total	349.2	352.3	355.6	357.9	349.3	1.2	3.6
Mining	1.9	1.9	1.9	1.9	1.9	0.0	-0.9
Construction	22.0	21.9	21.7	21.8	21.4	-0.9	0.7
Manufacturing	33.5	33.6	33.7	33.6	33.1	2.8	7.2
Durable	28.2	28.3	28.4	28.3	28.0	4.5	10.1
Nondurable	5.3	5.3	5.3	5.3	5.1	-5.6	-5.7
Trans., Comm. & Publ. Util.	12.0	11.9	12.1	12.3	11.8	-0.8	-0.2
Trade	71.5	72.4	74.2	75.1	73.1	2.0	2.1
Wholesale	10.8	10.9	11.0	11.1	10.9	0.9	1.6
Retail	60.7	61.5	63.2	64.0	62.2	2.1	2.2
Finance, Ins. & Real Estate	13.7	13.8	13.9	14.0	13.2	-7.0	-0.2
Services	118.6	118.9	119.2	120.1	118.8	1.8	4.8
Government	76.0	77.9	78.9	79.1	76.0	1.6	4.2
Sales ($000s) ADOR							
Aggregate Retail Sales	682,927	691,861	732,709	873,594	...	3.9	8.3
Retail	464,415	465,485	510,011	635,003	...	2.7	7.5
Food, EBR	91,091	94,529	96,139	96,831	...	5.3	6.4
Restaurants & Bars	79,184	80,095	74,685	88,509	...	6.8	5.7
Gasoline, EBR	48,236	51,752	51,875	53,251	...	11.4	25.7
Contracting	123,128	130,690	120,150	125,913	...	-8.4	6.2
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total Awards	128,745	158,268	141,505	103,543	124,479	-14.0	-6.2
Residential Building	84,391	83,365	76,782	83,818	87,257	2.3	-3.8
Non-Residential Building	38,996	34,514	46,283	15,905	33,024	-9.2	-12.5
Non-Building	5,358	40,389	18,440	3,820	4,198	-81.9	-5.1
New Housing Units Authorized, Census C-40 adjusted by EBR							
Total Units	637	529	416	479	567	14.1	-3.7
Single Family Units	596	480	393	444	555	19.4	-2.4
2-5-plus Unit Structures	41	48	23	35	12	-62.5	-8.7
Housing Sales and Prices, TAR							
Total Sales ($000s)	135,891	123,680	137,608	120,288	...	0.4	4.4
Total Units	872	820	848	741	...	-6.9	-1.5
Average Price ($)	155,838	150,829	162,274	162,333	...	7.8	6.1
Tucson International Airport, TAA							
Total Passengers	257,921	319,895	331,232	310,013	308,188	13.4	3.6
Total Aircraft Movements	22,393	21,762	21,297	17,608	21,920	-9.8	-11.1

TUCSON METROPOLITAN REGION (PIMA) - QUARTERLY DATA	IV 1999	I 2000	II 2000	III 2000	IV 2000	% change versus year ago for: most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	853.2	858.4	863.4	868.5	868.5	1.8	2.3
Natural Increase	1.2	1.2	1.2	1.2	1.2	4.2	4.3
Births	3.0	3.0	3.0	3.0	3.1	3.8	3.8
Deaths	1.8	1.8	1.8	1.8	1.8	3.5	3.4
Net Migration	4.0	3.9	3.9	3.8	-1.2	-131.2	-35.4
Personal Income by Source ($mil, SAAR) EBR							
Total Personal Income	20,035	20,470	20,900	21,329	21,758	8.6	8.9
Earnings by Place of Work	12,607	12,911	13,208	13,505	13,802	9.5	9.8
Less: Contributions for Social Insurance	746	763	781	799	816	9.5	9.8
Plus: Adjustment for Residence	196	203	209	216	222	13.3	14.2
Plus: Dividends, Interest & Rents	4,946	5,041	5,136	5,231	5,326	7.7	7.9
Plus: Transfer Payments	3,031	3,078	3,127	3,175	3,224	6.4	6.6
Per Capita Personal Income ($, SAAR) EBR	23,481	23,848	24,205	24,558	25,052	6.7	6.4

See notes at bottom of Arizona - Quarterly table.

	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES	2,370.5	2,381.6	2,393.3	2,403.8	2,383.0	3.1	-0.3
Employment	2,272.1	2,291.4	2,310.7	2,323.4	2,296.6	3.4	0.3
Unemployment	98.4	90.2	82.6	80.4	86.4	-4.5	-12.3
Unemployment Rate, Seas. Adj. (%)	3.7	3.8	3.7	3.7	3.9	-7.1	-12.0
Employees on Nonagricultural Payrolls (000s) ADES							
Total	2,266.3	2,283.7	2,298.7	2,312.7	2,258.4	3.4	3.9
Mining	9.9	9.8	9.7	9.7	9.6	0.0	-12.0
Construction	166.3	167.0	165.8	165.7	163.6	6.4	4.8
Manufacturing	216.7	216.4	216.7	217.2	216.1	2.2	1.6
Durable	168.5	168.6	169.1	169.6	169.2	3.6	2.6
Nondurable	48.2	47.8	47.6	47.6	46.9	-2.5	-1.6
Trans., Comm. & Publ. Util.	109.4	110.4	111.0	112.0	109.3	3.1	4.0
Transportation	71.8	73.0	73.8	74.8	71.8	4.4	4.4
Trade	523.7	527.9	539.4	545.9	528.4	2.0	3.0
Wholesale	111.4	112.1	112.9	114.9	113.6	2.0	2.1
Retail	412.3	415.8	426.5	431.0	414.8	2.0	3.2
Finance, Ins. & Real Estate	143.6	145.1	145.4	146.2	144.2	2.2	2.7
Services	723.6	726.9	729.6	733.4	718.2	4.7	5.6
Government	373.1	380.2	381.1	382.6	369.0	2.9	3.5
Federal	46.4	46.3	46.1	47.3	46.2	-0.2	2.8
State & Local	326.7	333.9	335.0	335.3	322.8	3.4	3.6
Schools	177.8	184.3	186.1	185.9	173.3	3.6	4.4
Hours Worked Per Week, Manufacturing, ADES	40.4	40.7	40.6	40.7	40.2	-1.0	-0.0
Average Hourly Earnings ($) ADES							
Construction	15.36	15.47	15.50	15.81	16.04	12.6	6.7
Manufacturing	12.76	12.69	12.72	12.89	12.85	0.3	0.5
Utilities	19.99	19.83	20.13	20.09	20.56	13.8	9.4
Retail Trade	11.37	11.23	11.07	11.05	11.19	-2.4	-1.5
Wholesale Trade	14.25	14.60	14.47	14.90	14.50	3.6	5.3
Sales ($000s) ADOR							
Aggregate Retail Sales	4,552,242	4,438,218	4,592,269	5,513,097	...	4.7	8.9
Retail	3,090,939	3,015,814	3,172,784	4,042,964	...	3.2	7.8
Food, EBR	563,766	585,039	595,004	599,291	...	7.0	8.1
Restaurants & Bars	599,896	520,302	501,485	551,537	...	7.8	8.9
Gasoline, EBR	297,641	317,063	322,996	319,305	...	14.4	22.6
Gallons (000s) ADOT	195,714	205,139	205,704	207,868	...	-1.9	-2.5
Utilities	563,260	524,652	397,837	425,723	...	7.7	8.5
Communications	236,055	230,460	253,277	265,128	...	36.9	19.1
Amusements	42,330	46,843	64,743	62,006	...	6.0	2.2
Rentals - Personal Property	292,092	303,831	282,633	308,833	...	6.8	7.9
Contracting	969,552	916,595	878,069	964,294	...	-3.1	4.1
Mining - Metal, Oil & Gas	50,762	40,314	14,662	35,219	...	-23.1	-47.1
Hotel/Motel	135,935	171,111	144,307	126,462	...	9.6	7.4
Value of Construction Contract Awards ($000s)							
Total Awards	980,761	1,158,316	945,363	838,162	1,062,639	14.7	1.7
Residential Building	646,336	670,207	576,107	495,539	608,583	7.1	-1.5
Non-Residential Building	241,697	297,365	253,267	308,230	428,261	73.0	15.8
Non-Building	92,728	190,744	115,989	34,393	25,795	-76.7	-12.5
New Housing Units Authorized, Census C-40							
Total Units	5,259	4,488	3,949	3,442	3,758	-7.4	-5.3
Single Family Units	4,005	3,593	2,948	3,031	3,504	4.8	-7.7
2-4 Unit Structures	75	88	77	67	75	25.0	27.1
5-plus Unit Structures	1,179	807	924	344	179	-72.7	3.3
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	1,683	1,746	1,635	1,592	...	-5.7	-7.0
Chapter 7	1,368	1,467	1,263	1,262	...	-6.3	-6.6
Chapter 11	23	25	18	36	...	89.5	1.0
Chapter 13	292	253	354	294	...	-8.7	-9.5

See notes at bottom of Arizona - Quarterly table.

	IV 1999	I 2000	II 2000	III 2000	IV 2000	% change versus year ago for: most recent quarter	most recent 4-quarters
ARIZONA QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	4,884.5	4,916.0	4,947.5	4,980.2	5,014.4	2.7	2.7
Natural Increase	10.1	10.6	11.4	10.7	10.7	6.4	5.8
Births	20.0	20.2	21.1	20.6	20.7	3.5	3.2
Deaths	10.0	9.7	9.7	9.9	10.0	0.5	0.5
Net Migration	20.9	21.4	19.6	23.7	23.3	11.4	-2.2
Personal Income Derivation ($mil, SAAR) EBR							
Total Personal Income	125,540	127,104	129,917	131,945	133,921	6.7	7.9
Earnings by Place of Work	89,466	90,894	93,026	94,667	96,092	7.4	8.8
Less: Contributions for Social Insurance	5,532	5,642	5,750	5,833	5,905	6.7	8.1
Plus: Adjustment for Residence	423	428	435	441	446	5.6	6.6
Plus: Dividends, Interest & Rents	24,910	24,989	25,409	25,673	25,951	4.2	6.2
Plus: Transfer Payments	16,273	16,436	16,797	16,997	17,336	6.5	5.6
Components of Earnings ($mil, SAAR) BEA							
Wages and Salaries	71,052	74,202	74,275	75,582	...	8.0	8.6
Other Labor Income	7,317	7,513	7,567	7,680	...	5.9	5.9
Proprietor's Income	9,431	9,528	9,904	9,983	...	9.2	9.0
Farm	505	395	484	499	...	22.0	-0.8
Nonfarm	8,926	9,132	9,420	9,484	...	8.6	9.6
Per Capita Personal Income ($, SAAR) EBR	25,702	25,855	26,259	26,494	26,707	3.9	5.1
Average Wage Per Employee, Annual Rate ($) EBR	31,903	32,968	32,628	32,838	...	3.9	4.3

TRAVEL AND TOURISM - MONTHLY DATA	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
Visits to Parks & Other Recreational Areas, ADOT, NPS & ASPB							
Northern Arizona	1,856,562	1,677,144	1,078,312	834,667	869,277	1.7	-2.5
Historical	158,946	156,516	96,353	79,275	72,002	-7.1	-6.1
Scenic	621,770	504,872	286,089	265,889	224,521	-6.2	-3.6
Water Based Recreation	1,075,846	1,015,756	695,870	489,503	572,754	6.4	-1.3
Southern Arizona	150,079	185,498	228,881	208,456	277,590	-9.8	2.6
Historical	26,930	32,599	40,797	42,603	57,172	6.2	-4.6
Scenic	90,898	129,469	171,741	152,561	197,990	-12.4	6.9
Water Based Recreation	32,251	23,430	16,343	13,292	22,428	-19.6	-6.0
International Border Crossings, USINS & USCS							
U.S. Citizens	792,851	791,869	763,033	839,157	720,638	-4.1	1.2
Aliens	2,199,928	2,098,382	2,274,418	2,449,476	1,995,068	-1.1	5.6
Vehicles	880,523	914,920	...	...	...	4.0	2.5

MEASURES OF INFLATION AND PRICES - MONTHLY DATA	SEP 2000	OCT 2000	NOV 2000	DEC 2000	JAN 2001	% change versus year ago for: most recent month	most recent 12-months
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	173.7	174.0	174.1	174.0	175.1	3.7	3.5
U.S. - Wage Earners	170.4	170.6	170.9	170.7	171.7	3.7	3.5

Sources and abbreviations:

ADES: Arizona Department of Economic Security
ADHS: Arizona Department of Health Services
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, Bureau of the Census, U.S. Department of Commerce
EBR: Economic & Business Research Program, The University of Arizona
F.W. Dodge, Division of McGraw Hill Information Systems Co. (proprietary data provided by special permission)
NPS: National Park Service, U.S. Department of the Interior
PSIA: Phoenix Skyharbor International Airport
SAAR: Seasonally adjusted at annual rates
TAA: Tucson Airport Authority
TAR: Tucson Association of Realtors
USINS: U.S. Immigration & Naturalization Service, U.S. Department of Justice
U.S. Bankruptcy Court, District of Arizona
USCS: U.S. Customs Service, U.S. Department of the Treasury

MEASURES OF INFLATION AND PRICES -QUARTERLY DATA

	IV 1999	I 2000	II 2000	III 2000	IV 2000	% change versus year ago for: most recent quarter	most recent 4-quarters
Consumer Price index (1982-84=100) BLS							
Western Region (U.S.)	170.5	173.5	174.3	176.6	...	3.9	3.5
U.S. - All Urban Consumers	168.3	169.9	171.7	173.1	174.0	3.4	3.4
U.S. - Urban Wage Earners	165.1	166.7	168.5	169.7	170.7	3.4	3.5
Price Indexes (1992=100) BEA							
Gross Domestic Product	105.3	106.2	106.8	107.2	107.6	2.2	2.1
Personal Consumption Expenditures	105.7	106.6	107.1	107.6	108.2	2.4	2.4

See notes at bottom of Arizona - Quarterly table.

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Arizona Gains Two Seats in Congress

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