ARIZONA'S ECONOMY

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THREE MILLION MORE PEOPLE EXPECTED IN ARIZONA BY 2019

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This quarter's forecast pushes the horizon out twenty-five years. Our annual visit of the long-term is little changed from last year's forecast. Employment will nearly double and population will swell by 70%. Nearly half of Arizona's population will be working in the year 2019. Per capita personal income relative to the U.S. will improve, but remain below 90%. Recently, the pace has accelerated a bit from last year's "soft landing," but should slow once again as the year progresses. Next year, and the following, will bring further slowing, after which growth should return to a long-term average pace.

RECENT EVIDENCE AND NEAR-TERM OUTLOOK

Arizona's economy appears to have caught its second wind. After losing momentum during the first half of 1995, many measures show a resurgence in recent months. Electric customer and telephone customer growth, which are indicators of population, have moved higher. Manufacturing and construction jobs, building permits, used home sales, and restaurant & bar sales have also increased. Although the recent reacceleration is not likely to challenge the heady growth rates experienced in 1994, it is clear that this business expansion is not about to end anytime soon.

Arizona home-builders have been busy in recent months. During the first quarter, permits for some 20,100 units were issued, up 23.5% from the comparable period in 1995. Nearly three-fourths were for single family homes. From early 1994 through last summer, permits were stuck on a plateau of roughly 50,000. In recent months, permits were issued at a 60,000-plus annual rate **(Exhibit 1).**

The home-building pace is not likely to last for long. The jump in interest rates in the first quarter has pushed mortgage rates into the mid-eight percent range, and the prices of both used and new homes have been rising at a rate two to three times faster than the rate of inflation. This has led to a squeeze on affordability. In addition to deteriorating affordability, population gains will soon recede, following lower numbers for nonag employment growth. Historically, turns in population have lagged behind job swings by roughly one year.

In Tucson, the recent home-building boom is already looking a little frayed around the edges. In a Drachman Institute study sponsored by the Pima County Real Estate Research Council, housing absorption is reported to have fallen from nearly 7,000 units to only 4,000 per year. Negative absorption, along with a mountain of new apartment units arriving on the market, have driven apartment vacancies to a seasonally-adjusted 11.6% in the first quarter of 1996, up nearly six full percentage points in only one year. That's the highest vacancy rate in 5-1/2 years. Tucson's employment boom of 1994 vanished in 1995, as nonag jobs grew by a modest 2.5%.

State-wide, construction employment moved to new record highs during the first quarter, after a minor downturn in mid-1995. Later this year, jobs in this sector should peak, followed by modest declines during 1997-99. The pull back would be much steeper were it not for the commercial sector, which is primed for a flurry of new projects during the remainder of this decade.

Manufacturing jobs are growing again at a seasonally-adjusted annual rate of five percent, following a non-growth period that stretched over the better part of a year, from mid-1994 to mid-1995. A number of new "fab" plants in the Metro Phoenix area should keep manufacturing payrolls expanding for the remainder of this decade, although the timing of these projects may be delayed due to the current glut of semiconductors. We look for a job increase of about three percent for all of 1996.

Residential telephone customer growth, after receding during last year's second half, has surged into the 5.5-6.0% range, a level last experienced during 1994's boom. These counts, which include second lines to accommodate home-based technology (computers, fax machines, etc.), overstate new household formation. Nevertheless, these are strong readings.

INSIDE

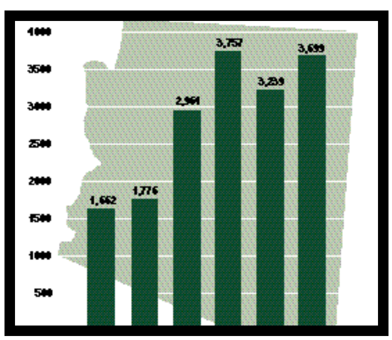

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EXHIBIT 1

Arizona's Residential Building Permits are Climbing Again (six-period centered moving average)

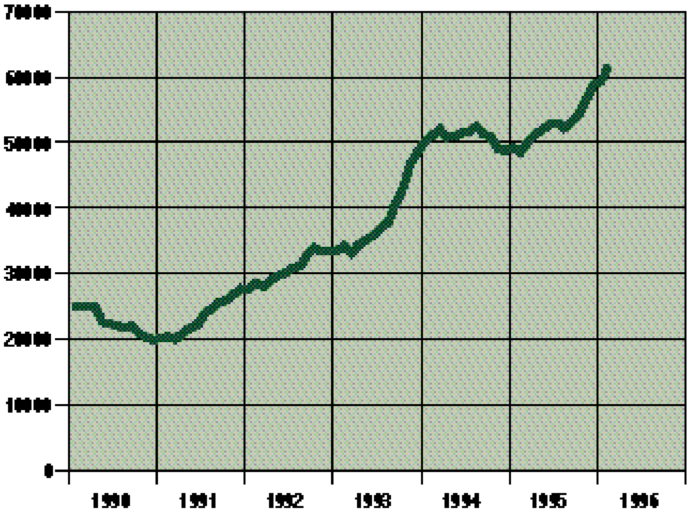
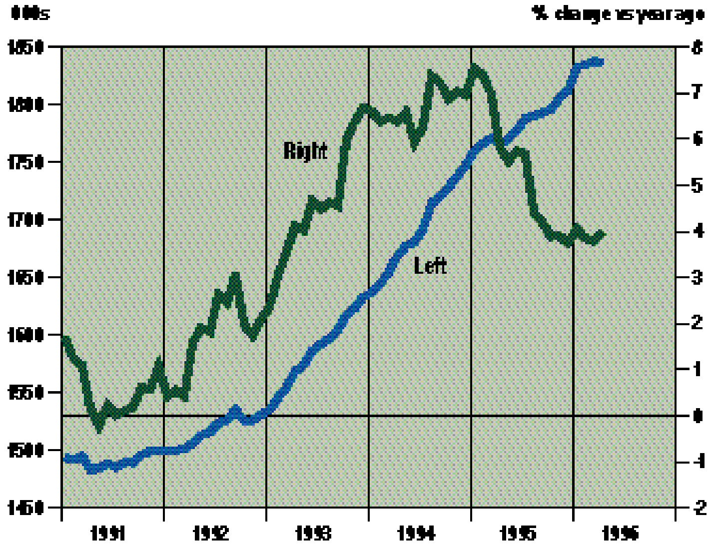


EXHIBIT 2

Arizona's Job Growth has Settled Near Four Percent (seasonally adjusted)



Individual income tax withholding also has been strong this year, running ahead of year-ago levels by 15%. In 1995, gains were more like ten percent. No legislative changes have been enacted that would boost withholding or estimated payments, leaving the economy to explain recent strength. With employment growth of four to five percent and wages increasing between three and four percent, it's hard to understand how withholding could be this strong. We expect personal income to slow down this year, after the nation-leading 10.4% increase of 1995. We are projecting a gain more like 7.5% for 1996.

Nonagricultural job growth, measured year-over-year, has stabilized at roughly four percent during the past eight months **(Exhibit 2).** Month-over-month gains of seasonally adjusted data show that after dipping into the two to three percent range last summer, recent gains have rebounded into the five to six percent range. We expect that after all the data are in and revised, jobs will grow by 3.5-4.0% for all of 1996. That's an increase of about 65,000 jobs, compared to the 95,000 job increase of 1995.

Trade and services account for most of the slowdown in job growth. The retail industry is currently over-built and a coming shake-out is expected. In the services sector, slowdowns are expected in both business services and the "other" category, which includes legal, educational, social, membership organizations, etc.

Population growth is expected to slow to 3.0%, following last year's 3.4% increase. In terms of the numbers of people, that's an increase of 125,000 compared to 140,000 the year before. Further slowing is expected so that by 1998-99, population will be increasing by 100,000 or less per year.

Nineteen-ninety-four was the year of peak growth rates for this business cycle. Last year saw Arizona's high-flying economy come in for a successful soft landing as growth receded to more normal levels, paralleling the national economy. We expect the re-acceleration in recent months to be only temporary, and by the end of this year, growth should once again moderate. The following two years promise to bring slower growth, below long-run averages. There are several reasons for this. First, pent-up demand on the part of consumers has been satisfied, and their capacity to spend on credit is clearly limited. Second, the run in construction activity is near its peak and will not be adding to the cycle. Third, as job growth slows, so will the number of in-migrants. Fourth, expanding economic opportunities in other parts of the country, particularly California, will lessen the number of people and businesses migrating to Arizona.

By the turn of the century, our projections attain an equilibrium long-term state. Barring any shocks, which no one can forecast, the economy should expand at a long-term average pace for the rest of the forecast period.

During the *next five years:*

- Arizona's population will increase by 545,000, or 109,000 per year. For the entire decade of the 1990's some 1.084 million new residents will be added. That's a larger gain than in the 1980s (960,000) or during the 1970s (943,000). By the year 2000, some 4.763 million persons will reside in Arizona *(See forecast table on page 5).*
- Some 261,000 new jobs will be created. Job growth will average 2.8% per year (compared to 3.9% during in the 1980s).
- Personal income will grow by an average 6.1% annually, and will exceed $115 billion in the year 2000.
- Average wages will rise at a 3.1% annual rate and reach nearly $31,000 by 2000.
- Inflation will average 2.6% per year.
- Per capita income will rise to $24,300, an annual increase of 3.6%.

NATIONAL FACTORS AFFECTING THE LONG-TERM OUTLOOK

Over the long term, expansion of the nation's economy is limited by growth of labor, capital stock and the adaptation of new technologies. The supply of labor is regulated by growth of population and its age structure, labor force participation rates and length of the work week. Capital accumulation is governed by the savings rate and tax policies. Growth in productivity, as measured

EXHIBIT 3
Projections to the year 2018

	1990	1995	2000	2005	2010	2015	2018
Arizona							
W&S Employment (000s)	1,483	1,782	2,003	2,370	2,772	3,267	3,555
Population (000s)	3,687	4,201	4,712	5,316	5,951	6,645	7,069
Personal Income ($ millions)	59,833	85,783	115,860	165,407	237,397	337,730	416,090
Retail Sales ($ millions)	26,694	36,989	47,109	65,575	89,683	121,776	145,629
Phoenix Mesa Metro Area							
W&S Employment (000s)	1,013	1,204	1,333	1,586	1,836	2,137	2,308
Population (000s)	2,253	2,569	2,883	3,278	3,690	4,132	4,400
Personal Income ($ millions)	40,237	56,753	71,201	101,567	144,198	198,627	240,906
Retail Sales ($ millions)	17,352	24,315	28,598	39,077	51,986	68,265	80,313
Tucson Metro Area							
W&S Employment (000s)	252	309	338	405	470	555	597
Population (000s)	669	759	829	942	1,058	1,188	1,259
Personal Income ($ millions)	10,213	14,609	18,269	26,155	37,357	52,306	63,576
Retail Sales ($ millions)	4,669	6,450	7,544	10,324	14,076	19,011	22,802

by the amount of output per hour worked, is related to development of new technologies, demographics (older workers are generally more productive) and capital formation (since workers with newer, more efficient machines are able to produce more). These basic supply-side factors determine potential output, or the maximum amount of product that the economy can produce at any given time if resources are fully employed.

The U. S. economy, as of mid-1996, is very near capacity. Therefore, future increases are limited to growth of factors of production. Assumptions for these important factors are:

- The U. S. population is expected to expand at a 0.9% annual rate between 1995 and 2005. From 2005 to 2019, growth will taper off to 0.8% per year. Older cohorts will grow more rapidly as the baby boom generation ages. The proportion of the population aged 70 and over will continue rising – from 8.5% in 1990 to over 10.0% by 2019.
- Female labor force participation rates are beginning to plateau as they approach those of males, and will rise from 59.9% today to 65.5% by 2019. During the same period, male participation rates will continue trending slightly downward – from 75.0% to 73.8%. The overall rate will increase by roughly three percentage points from today's 66.6%.
- Labor force growth will decelerate appreciably over the forecast period. Small increases in participation rates, coupled with slowly-growing numbers of persons in working-age groups, will result in growth of only 1.5% annually between 1995 and 2005. By the end of the forecast period, the labor force will be expanding at only a 0.7% rate. Thus, labor force growth and population growth will converge.
- Productivity, as measured by output per hour, is expected to grow an average of 1.3% per year during the next 25 years. Productivity increased an average 2.9% per year during the 1960s, but averaged only 1.4% during the 1970s and 1980s.

In this long-term outlook, an environment that is free of shocks is assumed. We ignore the inevitability of recessions on the grounds that we can not predict with any precision the timing of future peaks and troughs. As such, these projections converge after a few years to a steady-state rate of growth equal to growth in potential output.

Given growth in these supply factors, the U.S. economy is expected to expand at an average rate of 2.2% per year over the next 25 years, as measured by real GDP. Inflation of 3.0% is projected, as the world's central banks remain committed to controlling inflation. Real long-term interest rates are expected to decline from today's 4.0% plus level to 3.0% 25 years from now. That will allow the yield on 30-year U.S. treasury bonds to fall from its 1994 peak of 7.4% to roughly 6.0% by the end of the forecast period.

ARIZONA'S LONG-TERM OUTLOOK

After languishing during the later part of the 1980s, Arizona's economy has regained its former stature as one of the three fastest-growing states in the nation. Job growth rankings for 1995 put Arizona's 5.4% increase in third place, behind Nevada (6.9%) and Utah (5.7%). The U.S. Bureau of Economic Analysis reports that total personal income in Arizona grew by 10.4% in 1995, giving Arizona the number one ranking. Arizona's 3.5% increase in population in 1995 was second only to Nevada's 5.0% increase. According to Site Selection Magazine, Arizona ranked numero uno for the number of new jobs created per one million population (12,187) for the three year period 1993-95.

"Normal" for Arizona means rapid growth. And that's what we project as Arizona heads into the next century. A slower pace than past decades, but still nation-leading rates of growth, are a good bet **(Exhibit 3).**

By the year 2019, Arizona will add another three million residents and population will approach 7.2 million. That's about as large as North Carolina and Georgia (the nation's 10th and 11th largest states) are today. As of 1994, Arizona's population ranked 24th, and with the magnitude of change predicted, Arizona will move up the rankings significantly.

Per capita income (PCI) in 2019 will exceed $55,000. Arizona PCI as a percentage of national PCI is expected to rest just below 90% twenty-five years hence, about where it is today. In real terms, per capita income is expected to grow by 1.2% per year during the projection period. Total personal income will surpass $400 billion in 2019.

With population growing by 2.2% per year and employment increasing at a 3.0% annual rate, the State's employment to

EXHIBIT 4

Arizona's Manufacturing Jobs are a Shrinking Share of Total Jobs

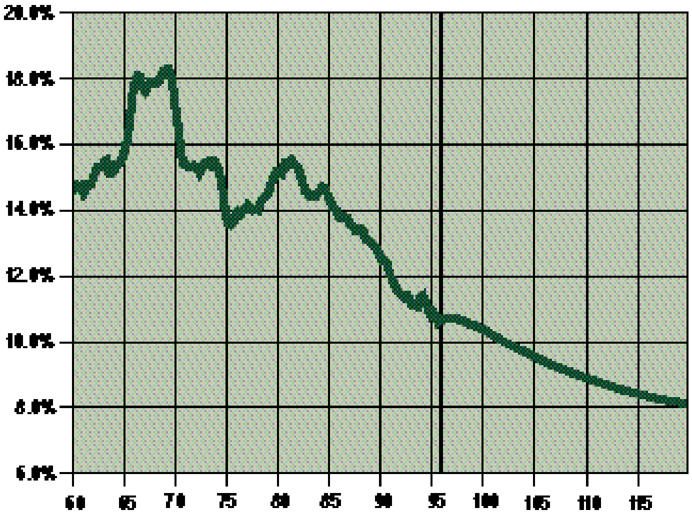
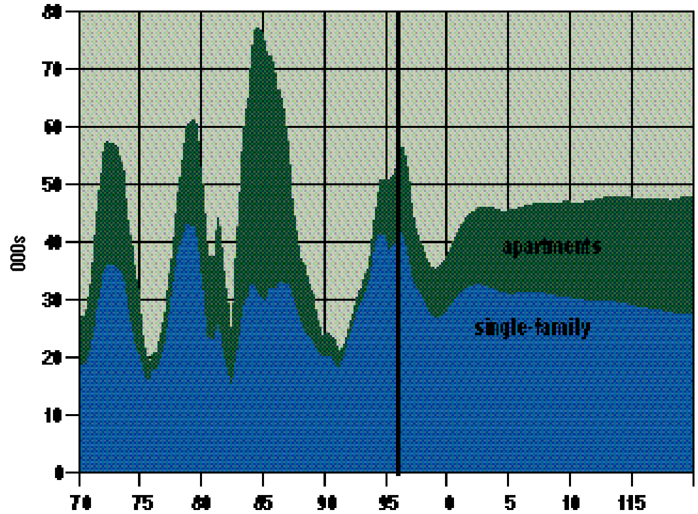


EXHIBIT 5

Housing Unit Permits in Arizona are Primed for Modest Decline in Near Term



population ratio will continue to increase. While less than one-fourth of the population in 1960 was employed, by 1995 that ratio reached 0.424. By the year 2019, nearly one-half of the population will be working.

The composition of employment across industries is expected to change in ways suggested by historical trends. The narrowly-defined services sector (primarily health, legal, business services, personal services, hotels, advertising agencies and other professional services) will continue to account for an ever-increasing share of the employment base, increasing to more than 37% of all jobs by 2018, compared to 28% today. Trade also will increase its share by two full percentage points. Increasing shares in services and trade come at the expense of government and manufacturing. Government slides to 13% in 2018, from 16% today, and manufacturing jobs will account for only 8.0%, down from today's 11.0% **(Exhibit 4).** Construction will fall in importance from six percent today to five percent. The remaining sectors will represent approximately the same portion of the economy as they do today.

To house Arizona's new residents, about 48,000 new housing units each year (on average) will need to be constructed. Roughly 30,000 of those will be single family units **(Exhibit 5).**

METRO AREA OUTLOOK

The number of people living in the Phoenix-Mesa Metro Area totaled 2.563 million in 1995. As the mega-city of the southwest, Phoenix continues to astound with its rapid growth. During the remainder of this decade, some 365,000 additional people will be added. That's about 73,000 per year. A year 2000 population of 2.93 million is projected. Roughly 28,500 new housing units each year will be needed to house the new residents. By the year 2019, nearly 4.7 million persons will live in Metro Phoenix. That's about as large as Dallas/Ft. Worth (the nation's eighth largest metro area) is today. Currently, the Phoenix-Mesa metro area ranks 17th.

As the nation's 57th largest metro area, Tucson will continue to grow about half as fast as Metro Phoenix. Its population count rises from 760,000 in 1995 to 845,000 by the turn of the century. That is an average increase of 17,000 per year. Nearly 7,000 new housing units per year will be needed. By the year 2019, Tucson's population is projected to reach 1.25 million.

Metro Phoenix will account for 71% of Arizona's new residents and 72% of the new jobs created through 2019. The Phoenix area will represent 65% of Arizona's population twenty-five years from now, up from less than 61% today.

COMPARISONS TO OTHER LONG-TERM PROJECTIONS

These projections are much higher than those published by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). For example, BEA projects Arizona's year 2000 population to be 4.525 million compared to our 4.763 million, a difference of 238,000, or 47,600 per year over five years. In projecting an annual increase of less than 76,000 per year, BEA's projections are clearly too low. BEA's regional projections program is being discontinued as well as a number of other programs, due to federal budget cuts.

Projections by the Arizona Department of Economic Security are much closer. DES and our projections of state-wide population vary by only 53,000 in the year 2000, with DES's the lower of the two. By the year 2015, however, the two diverge to a difference of more than 400,000 (or about 20,000 per year). DES's year 2015 population is 6.248 million compared to our 6.655 million. $

S P O N S O R S

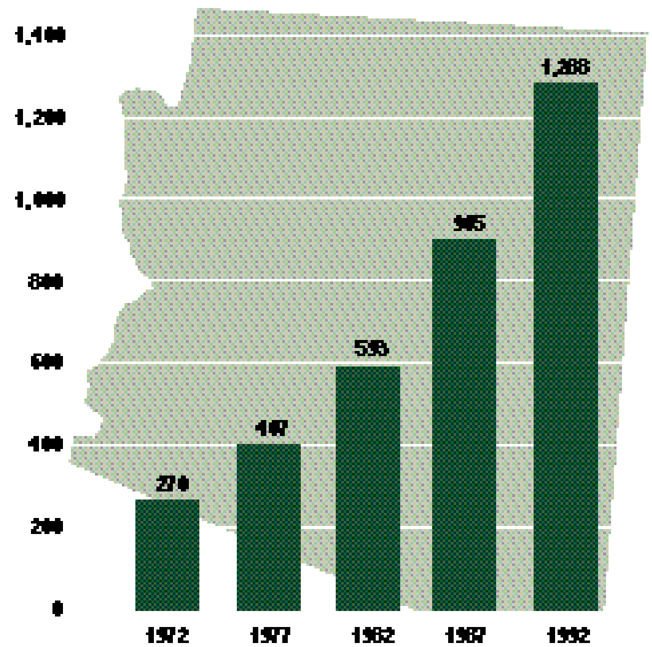
Arizona Bank
Arizona Joint Legislative Budget Committee
Arizona Public Service Company
Bank One of Arizona
City of Tucson Government
Estes Homebuilding Company
First Interstate Bank of Arizona
Pima County Government
Salt River Project
Tucson Electric Power Company
Tucson Newspapers
U S West Communications

								Compound Annual Growth Rates		
Forecasts for Arizona	**1990**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**90-95**	**95-00**	**90-00**
Personal Income ($ mill)	59,833.3	86,060.9	92,534.1	98,037.6	103,012.7	108,674.5	115,794.3	7.5	6.1	6.8
percent change	5.6	10.3	7.5	5.9	5.1	5.5	6.6			
Per Capita Personal Income	16,264.5	20,403.5	21,306.5	22,007.8	22,615.5	23,346.3	24,311.7	4.6	3.6	4.1
percent change	3.5	6.6	4.4	3.3	2.8	3.2	4.1			
Aggregate Retail Sales ($ mill)*	26,694.0	37,748.7	40,239.8	41,588.4	43,024.4	44,903.6	47,329.5	7.2	4.6	5.9
percent change	4.7	8.2	6.6	3.4	3.5	4.4	5.4			
Population (000s, mid-year)	3,678.8	4,217.9	4,343.0	4,454.7	4,555.0	4,654.9	4,762.9	2.8	2.5	2.6
percent change	2.1	3.4	3.0	2.6	2.3	2.2	2.3			
Net Migration (000s)	31.4	98.9	78.2	67.8	60.0	64.4	74.1	25.8	-5.6	9.0
Wage & Salary Employment (000s)	1,482.9	1,787.1	1,851.5	1,892.0	1,929.5	1,980.2	2,048.1	3.8	2.8	3.3
percent change	2.0	5.6	3.6	2.2	2.0	2.6	3.4			
Goods-Producing	280.5	325.2	339.0	339.8	337.9	339.4	347.2	3.0	1.3	2.2
percent change	-2.0	4.7	4.3	0.2	-0.6	0.4	2.3			
Construction	82.6	120.0	127.4	123.6	119.6	118.4	122.4	7.8	0.4	4.0
percent change	-3.7	10.6	6.1	-3.0	-3.2	-1.0	3.4			
Manufacturing	185.3	192.5	198.1	202.6	204.6	207.4	211.3	0.8	1.9	1.3
percent change	-1.5	1.3	2.9	2.3	1.0	1.3	1.9			
Service-Providing	1,202.5	1,462.0	1,512.5	1,552.2	1,591.5	1,640.8	1,701.0	4.0	3.1	3.5
percent change	2.9	5.8	3.5	2.6	2.5	3.1	3.7			
Trade (Wholesale & Retail)	367.3	444.8	454.9	462.3	469.8	481.3	497.7	3.9	2.3	3.1
percent change	0.8	6.8	2.3	1.6	1.6	2.4	3.4			
Services	400.3	523.4	548.2	570.6	594.9	622.9	653.5	5.5	4.5	5.0
percent change	3.1	7.9	4.7	4.1	4.3	4.7	4.9			
Forecasts for Phoenix-Mesa Metro Area										
Personal Income ($ mill)	40,236.8	57,128.6	61,512.0	64,683.2	67,645.6	71,326.0	75,860.8	7.3	5.8	6.5
percent change	5.6	9.6	7.7	5.2	4.6	5.4	6.4			
Per Capita Personal Income	17,918.3	22,284.7	23,195.5	23,706.6	24,205.5	24,942.3	25,899.4	4.5	3.1	3.8
percent change	3.3	5.8	4.1	2.2	2.1	3.0	3.8			
Aggregate Retail Sales ($ mill)*	17,352.2	24,961.2	26,618.4	27,665.3	28,766.4	30,166.3	31,707.4	7.5	4.9	6.2
percent change	3.8	9.0	6.6	3.9	4.0	4.9	5.1			
Population (000s, mid-year)	2,245.6	2,563.6	2,651.9	2,728.5	2,794.6	2,859.6	2,929.1	2.7	2.7	2.7
percent change	2.2	3.6	3.4	2.9	2.4	2.3	2.4			
Net Migration (000s)	23.7	64.1	62.4	49.5	38.4	36.8	41.1	22.0	-8.5	5.7
Wage & Salary Employment (000s)	1,013.1	1,215.7	1,273.8	1,310.4	1,336.3	1,367.9	1,405.9	3.7	2.9	3.3
percent change	2.2	6.4	4.8	2.9	2.0	2.4	2.8			
Goods-Producing	203.1	239.3	252.0	258.4	258.3	258.6	262.3	3.3	1.9	2.6
percent change	-1.8	5.8	5.3	2.5	-0.0	0.1	1.4			
Construction	56.2	81.8	87.6	88.2	85.7	84.0	85.2	7.8	0.8	4.3
percent change	-4.2	9.6	7.0	0.7	-2.9	-1.9	1.4			
Manufacturing	142.1	152.6	159.6	165.4	167.8	169.6	172.1	1.4	2.4	1.9
percent change	-1.0	4.0	4.6	3.6	1.5	1.1	1.5			
Service-Providing	810.0	976.4	1,021.8	1,051.9	1,077.9	1,109.3	1,143.6	3.8	3.2	3.5
percent change	3.2	6.6	4.6	3.0	2.5	2.9	3.1			
Trade (Wholesale & Retail)	252.7	297.4	310.2	317.5	322.9	328.9	336.0	3.3	2.5	2.9
percent change	0.4	6.0	4.3	2.4	1.7	1.9	2.1			
Services	277.5	359.7	381.4	399.1	415.7	434.0	453.0	5.3	4.7	5.0
percent change	3.7	7.1	6.0	4.6	4.2	4.4	4.4			
Forecasts for Tucson Metro Area										
Personal Income ($ mill)	10,212.9	14,243.4	14,978.4	15,745.1	16,538.9	17,510.1	18,579.6	6.9	5.5	6.2
percent change	3.6	6.9	5.2	5.1	5.0	5.9	6.1			
Per Capita Personal Income	15,277.4	18,741.3	19,309.8	19,902.8	20,480.1	21,206.2	21,988.9	4.2	3.2	3.7
percent change	2.3	3.9	3.0	3.1	2.9	3.5	3.7			
Aggregate Retail Sales ($ mill)*	4,669.3	6,300.6	6,552.4	6,831.7	7,163.3	7,582.6	7,967.9	6.2	4.8	
percent change	4.3	3.8	4.0	4.3	4.9	5.9	5.1			
Population (000s, mid-year)	668.5	760.0	775.7	791.1	807.6	825.7	844.9	2.6	2.1	2.4
percent change	1.3	2.9	2.1	2.0	2.1	2.2	2.3			
Net Migration (000s)	2.6	16.8	10.9	10.4	11.1	12.4	13.4	45.7	-4.5	18.0
Wage & Salary Employment (000s)	251.6	301.8	307.8	314.9	322.7	333.2	343.7	3.7	2.6	3.2
percent change	0.6	2.5	2.0	2.3	2.5	3.3	3.2			
Goods-Producing	42.8	49.2	48.9	49.2	50.2	51.5	52.8	2.8	1.4	2.1
percent change	-5.8	3.8	-0.7	0.6	2.1	2.5	2.5			
Construction	14.5	20.1	20.2	20.4	21.0	21.9	22.8	6.8	2.6	4.7
percent change	-6.3	6.0	0.7	1.0	2.8	4.2	4.5			
Manufacturing	26.2	27.0	26.6	26.8	27.3	27.7	28.0	0.6	0.7	0.7
percent change	-6.3	2.1	-1.5	0.7	2.0	1.4	1.1			
Service-Providing	208.8	252.6	259.0	265.7	272.4	281.7	290.9	3.9	2.9	3.4
percent change	2.0	2.2	2.5	2.6	2.5	3.4	3.3			
Trade (Wholesale & Retail)	59.0	68.7	69.6	70.6	72.1	74.1	76.3	3.1	2.1	2.6
percent change	0.2	1.3	1.3	1.5	2.1	2.8	3.0			
Services	73.1	92.7	96.6	100.3	104.4	109.8	114.9	4.9	4.4	4.6
percent change	2.4	4.9	4.2	3.8	4.1	5.2	4.6			

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

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

FIGURE 1
Number of High Technology Industry Establishments in Arizona



HIGH TECHNOLOGY: ARIZONA VS. THE U.S.

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ARIZONA'S HIGH TECHNOLOGY EMPLOYMENT FROM 1972 TO 1994

In a previous article in this publication, the size and economic impact of the high technology industry in Arizona were assessed. This article examines the growth and set backs of the industry for the two decades from 1972-1992.

Growth in high technology business was substantial from 1972 through 1987. Employment more than doubled during these years, increasing from 49,426 to 95,304 jobs (an annual compound growth rate of almost 4.5%.) Real payroll (in 1994 dollars) also showed substantial growth, increasing from $1.66 billion to $3.76 billion (an annual compound growth rate of 5.6 per year). The number of establishments more than tripled over this period.

However, business activity in high technology showed a decline between 1987 and 1992. Employment declined by over 11% (from 95,304 jobs to 84,402 jobs) and real payroll (in 1994 dollars) fell by over 13%. This fall was despite the continued strong growth in the number of establishments during the five-year period.

Figures 1, 2, and 3 show the change from 1972 through 1994 in Arizona's high technology employment, payroll (in 1994 dollars), and the number of establishments, respectively.

The decline from 1987 to 1992 appeared to be concentrated in the following three sectors: computer and office equipment (SIC 357); communications equipment (SIC 366); and aircraft and parts (SIC 372). **[For SIC code deginitions see Table 1 on pages 9-11.]** The decline in these sectors caused an overall loss of more than 11,000 jobs despite continued growth in several of the other sectors, e.g., electronic components and accessories (SIC 369), scientific instruments (SIC 38), and high technology services.

Part of the reason for the decline in employment in SICs 357, 366 and 372 was due to the U.S. Department of Commerce redefining its Standard Industrial Classification (SIC) Codes. For example, part of SIC 366 was shifted to SIC 38, and to 369, both of which are high technology SICs. This change would show a decline in communications equipment (SIC 366) and a corresponding increase in scientific instruments (SIC 38) and in miscellaneous electrical equipment (SIC 369), but would not explain the 11,000 jobs lost in the overall high technology group.

Other changes in SIC codes between 1987 and 1992 could contribute to the measured decline in high technology. For example, parts of aircraft and parts (SIC 372) that dealt with fluid power valves, fluid powerhouse fittings, fluid power pumps and motors, and fluid power cylinders and actuators were shifted to non-high technology sectors (SICs 349 and 359). In addition, part of electrical industrial apparatus (SIC 362) and part of electronic components and accessories (SIC 367) were shifted to SIC 3548 (welding apparatus) and SIC 3264 (porcelain electric supplies), respectively, also non-high technology sectors. It is not known for certain how much of the 11,000 decline in jobs is due to these SIC code changes. However, we do not believe that these SIC codes changes contribute significantly to explaining the decline in reported high technology jobs.

A more likely explanation is that several downsizings of large high technology firms took place between 1987 and 1992. The following firms announced downsizing plans during this period: IBM, McDonnell Douglas Helicopter, Intel, Hughes Missiles, Bull HN Information Systems, Honeywell (Commercial Flight Systems Group and Aviation Systems Division), Motorola's Government Electronics Group, Digital Equipment Corp, Loral Defense Systems, Intertec Aviation (closure, move to Dallas), AG Communications Systems Corporation, AlliedSignal Aerospace Company (Garrett Auxiliary Power Division, Garrett Engine Division, Garrett Fluid Systems). These layoffs amounted to over 15,000 employees.

However, some of these same firms as well as other high technology firms announced expansions or consolidations that would have provided additional jobs over this same five-year period: Hughes Missiles,

FIGURE 2
High Technology Industry Employment in Arizona

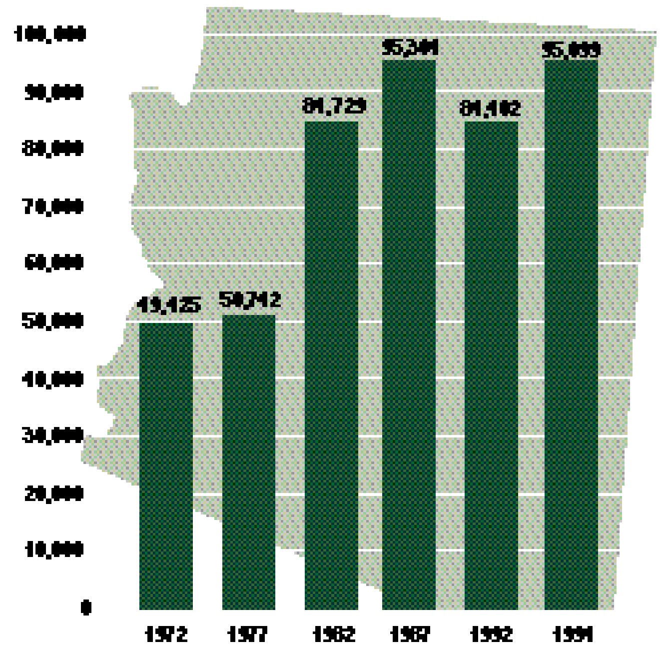
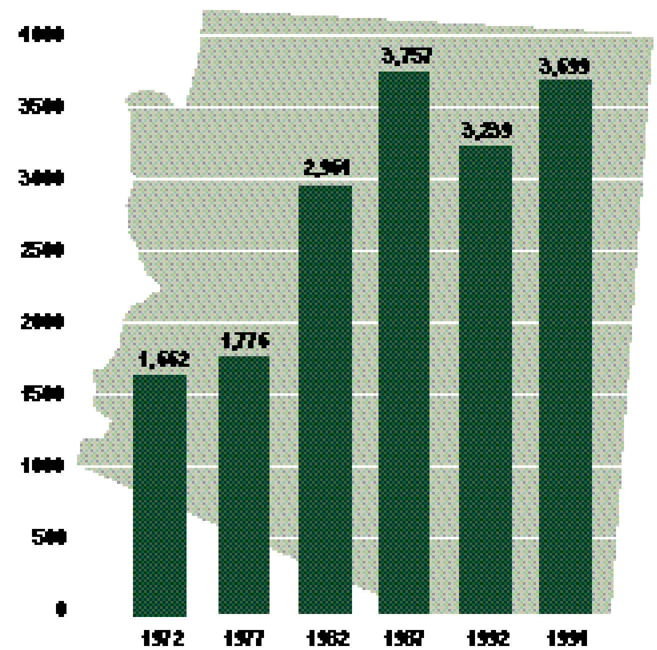


FIGURE 3
High Technology Industry Payroll in Arizona *(in millions of $)*



Garrett General Aviation, TRW, Honeywell, Motorola, McDonnell Douglas, AlliedSignal, and Loral Corporation. These announced expansions total approximately 8,500 jobs. Thus, based on publicly available information, downsizing of large firms can explain a significant portion of the decline in high technology jobs in Arizona, but not all of it. Underlying causes of job loss included a decrease in defense spending, the recession of the early 1990's and the increased competition in the computer industry.

In a survey, high technology firms were asked to provide their employment figures for March 1994 and for five years previous (March 1989). Comparing 1994 employment to 1989 employment for the survey, reveals that employment in 1994 was nine percent lower than in 1989. While firms with fewer than 100 employees grew by 33% over this period, employment at medium-sized firms declined by nine percent and at large firms (over 1,000 employees) by 11%.

The 1987-1992 period can be characterized as a very volatile period for high technology business in Arizona. Small firms continued to be created; some large firms downsized or consolidated; and some large firms grew or experienced large swings in employment.

Although precise employment and payroll figures are not available for 1994, employment and payroll estimates for 1994 reveal that high technology business has shown strong growth between 1992 and 1994. Employment is estimated to have grown almost 13% during this period, which is approximately a 6.2% annual compound growth rate. Similarly, real payroll (measured in 1994 dollars) is estimated to have grown 6.9% annually since 1994.

The contraction in high technology business during the 1987 to 1992 period, followed by strong growth from 1992 through 1994 mirrors the overall performance of the Arizona economy.

ARIZONA VS. THE U.S. ECONOMY

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The high technology industry in Arizona is distinctly different from the rest of the United Sates. In Arizona, high technology is concentrated in a relatively few sectors – this article compares those, as well as under represented sectors, to the U.S. overall.

Table 1 illustrates which of Arizona's economic sectors are better represented in Arizona than in the U.S. as a whole. **Table 1** utilizes a concept known as the location quotient to measure whether each economic sector is comparatively stronger in Arizona than it is in the U.S. or whether it is weaker. A location quotient for each sector in Arizona is computed by dividing each sector's share of the total Arizona economy by the corresponding sectoral share in the U.S. Thus if a location quotient is greater than one for a particular sector, then that sector has a stronger representation in Arizona than it does for the U.S. as a whole. If a location quotient is equal to one, then that sector is equally important in Arizona as it is in the U.S. and if a location quotient in Arizona is less than one, the sector is less important in Arizona than it is in the U.S.

Table 1 provides a list of industries in Arizona. Some are reported at the one-digit SIC level (e.g., agricultural services, forestry & fishing), some at the 2-digit SIC level (food and kindred products, SIC 20), some at the three-digit SIC level (copper ores, SIC 102), and some at the four-digit level (electron tubes, SIC 3671). Various levels of detail were retained in this table because some sectors are of more or less interest for this particular study and for Arizona, in general, and because all high technology sectors are reported at the same detail as their definition, i.e., at the three-digit or four-digit levels.

In **Table 1,** all high technology sectors are designated with an asterisk (*) in front of the industry descriptions given in the first column and SIC codes are given in the second column. Arizona 1992 employment from County Business Patterns is in the third column. Several of the employment figures have a double asterisk (**) beside them, indicating that County Business Patterns could not disclose exact employment figures. Thus the employment figures denoted by (**) in **Table 1** are the midpoint of the employment range reported by County Business Patterns.

The last column in **Table 1** is the location quotient for each sector. Interpretation of location quotients is quite straightforward. The agricultural services sector has a location of 2.63, which means that agricultural services is 2.63 times more important in Arizona than it is in the U.S. as a whole. Specifically, the location quotient says that the agricultural services sector in Arizona (as a share of total Arizona employment) is 2.63 times larger than it is in the U.S. (as a share of total U.S. employment). The location quotient for copper ores is 32, which means that this sector is 32 times more important in Arizona than it is in the U.S. as a whole. Other non-high technology sectors with location quotients of interest are tourism-related sectors, e.g., hotels and other lodging places (SIC 70, location quotient of 3.12), eating and drinking places (SIC 58, location quotient of 3.75) and a variety of other retail sectors (SIC 52 through 59, retail trade in total had a location quotient of 2.15), and amusement and recreation services (SIC 79, location quotient of 1.96). Sectors dependent on high population growth rates also have high location quotients in Arizona. Construction-related sectors demonstrate location quotients over one, (i.e., construction, SIC 15 has a location quotient of 1.33), real estate (SIC 65, location quotient of 1.52). In addition, several business services have high location quotients. Services to buildings (SIC 734, location quotient of 2.21) and personnel supply services (location quotient of 2.15).

Unlike location quotients for agricultural services, construction, retail trade, and services, the location quotient for manufacturing is less than one (i.e., .55). However, several sectors within manufacturing have much higher location quotients. Among the high technology sectors, Arizona is substantially under represented in high technology chemicals (SICs 281, 282, 283, 386, and 289) and ordnance (SIC 348). Two high technology components of industrial machinery and equipment (SICs 351 and 357) represent a smaller share of Arizona's employment than they do in the U.S. While this is not surprising for engines and turbines (SIC 351), it is somewhat surprising for SIC 357, which is the computer and office equipment sector.

Arizona is also under represented in high technology services. Virtually all of the computer-related high technology services (SICs 7371, 7372, 7273, and 7379) have location quotients substantially less than one. In addition, Arizona has substantially fewer workers, as a share of its economy than the U.S., in commercial and noncommercial research facilities and testing laboratories (SICs 8731, 8733, and 8743).

Although scientific instruments (instruments and related products, SIC 38) represents substantial employment in Arizona (over 13,000 jobs), the overall category is only 70% as important as it is in the United States as a whole. Within SIC 38, only two subsectors are more important in Arizona than in the U.S., namely search and navigation equipment (SIC 381) and process control instruments (SIC 3823).

Arizona is substantially represented in several of the high technology sectors within the transportation equipment sector (SIC 37). Aircraft and parts (SIC 372) is 24% larger than it is for the U.S. as a whole. Within aircraft and parts, both aircraft engines and engine parts (SIC 3724) and aircraft parts and equipment, n.e.c. (SIC 3728) are strong sectors for Arizona, with location quotients of 2.50 and 1.12, respectively.

Guided missiles, space vehicles and parts (SIC 376) is 43% larger than other states in the U.S., on average. Two of the three subsectors of guided missiles have stronger representation in Arizona than other states, i.e., guided missiles and space vehicles (SIC 3761) and space vehicle equipment, n.e.c. (SIC 3769).

Arizona's electronic and other electronic equipment (SIC 36) sector is 31$ larger as a share of Arizona's economy than it is for the United States. Although not all of this two-digit sector is defined to be high technology for purposes of this study, several of its subsectors are. In particular, the electronic components and accessories sector (SIC 367) is extremely strong in Arizona, when compared to the U.S., as well as several of its subsectors. Overall, the electronic components and accessories sector is 2.69 times more important in Arizona than it is in the U.S.

The most important subsector, both in terms of its location quotient (4.11) and its employment level (16,000+ jobs), is semiconductors and related devices (SIC 3674). Several other subsectors are more strongly represented in Arizona than the U.S.: electron tubes (SIC 3671) with a location quotient of 1.39; printed circuit boards (SIC 3672) with a location quotient of 2.63; electronic coils and transformers (SIC 3677) with a location quotient of 1.61; electronic connectors (SIC 3678) with a location quotient of 1.56; and electronic components, n.e.c. (SIC 3679) with a location quotient 1.50.

CONCLUSION

In conclusion, Arizona is not well represented in all sectors identified as high technology. Arizona is substantially under represented in high technology chemicals, industrial machinery and equipment, and high technology services. Arizona is also under represented in scientific instruments when compared to the U.S., but two of its subsectors, search and navigation equipment and process control instruments, are more important in Arizona than in the U.S.

Arizona is extremely well represented in aircraft ad parts and guided missiles, space vehicles and parts, which are 24% and 43%, respectively, larger than they are in the U.S. The electronic and other electronic equipment sector in by far the largest high technology center in Arizona and it is 31% larger as a share of Arizona's economy than it is for the U.S.

1 *Source: Standard Industrial Classification Manual, 1987. Executive Office of the President, Office of Management and Budget, for sale by National Information Service, 5285 Port Royal Road, Springfield, Virginia 22161 Order PB87-100012.*

2 *Announced business cuts and layoffs taken from the business press. The Arizona Republic, Phoenix Business Journal and What's New in Arizona publications were monitored. The compilation of business cuts and layoffs are courtesy of The Forecasting Project, Economic and Business Research Program, College of Business and Public Administration, The University of Arizona.*

TABLE 1
Arizona Industry Location Quotient Analysis

	SIC Code	1992 Arizona Employment	Location Quotient
TOTAL	—	1270126	1.00
AG. SERVICES, FORESTRY & FISHING	0	12843	2.63
MINING	1	13581	0.91
Copper ores	102	9654	32.09
Other mining	—	3927	0.27
CONSTRUCTION	15	82710	1.33
MANUFACTURING	—	176866	0.55
Food and kindred products	20	8294	0.41
Tobacco products	21	10 **	0.01
Textile mill products	22	643	0.09
Apparel and other textile products	23	3992	0.47
Lumber and wood products	24	6212	0.84
Furniture and fixtures	25	3649	0.66
Paper and allied products	26	1999	0.17
Printing and publishing	27	16400	0.69
Chemicals and allied products	28	4610	0.24
* Industrial inorganic chemicals	281	375 **	0.15
* Plastics materials and synthetics	282	60 **	0.02
* Drugs	283	1170	0.26
Soap, cleaners, and toilet goods	284	2224	1.00
Paints and allied products	285	184	0.19
* Industrial organic chemicals	286	60 **	0.02
Agricultural chemicals	287	400	0.44
* Miscellaneous chemical products	289	263	0.17
Petroleum and coal products	29	375 **	0.12
Rubber and miscellaneous plastics products	30	6377	0.51
Leather and leather products	31	175 **	0.17
Stone, clay, and glass products	32	5819	0.81
Primary metal industries	33	6535	0.51
Fabricated metal products	34	9998	0.45
Metal cans and shipping containers	341	175 **	0.17
Cutlery, handtools, and hardware	342	643	0.32
Plumbing and heating, except electric	343	10 **	0.02
Fabricated structural metal products	344	5100	0.90
Screw machine products, bolts, etc.	345	898	0.63
Metal forgings and stampings	346	826	0.19
Metal services, n.e.c.	347	1131	0.77
* Ordnance and accessories, n.e.c.	348	149	0.11
Misc. fabricated metal products	349	1112	0.27
Industrial machinery and equipment	35	12491	0.38
* Engines and turbines	351	10 **	0.01
Farm and garden machinery	352	750 **	0.54
Construction and related machinery	353	263	0.08
Metalworking machinery	354	2890	0.58
Special industry machinery	355	1174	0.38
General industrial machinery	356	452	0.10
* Computer and office equipment	357	1471	0.24
Refrigeration and service machinery	358	1474	0.50
Industrial machinery, n.e.c.	359	4011	0.81
Electronic and other electronic equipment	36	33533	1.31
Electric distribution equipment	361	481	0.41
* Electrical industrial apparatus	362	690	0.27
Household appliances	363	175 **	0.12
Electric lighting and wiring equipment	364	979	0.42
Household audio and video equipment	365	375 **	0.56
* Communications equipment	366	4539	0.89
* Electronic components and accessories	367	24815	2.69
* Electron tubes	3671	750 **	1.39
* Printed circuit boards	3672	2665	2.63
* Semiconductors and related devices	3674	16357	4.11
* Electronic capacitors	3675	175 **	0.68

	SIC Code	1992 Arizona Employment	Location Quotient
* Electronic resistors	3676	10 **	0.07
* Electronic coils and transformers	3677	356	1.61
* Electronic connectors	3678	785	1.56
* Electronic components, n.e.c.	3679	3765	1.50
* Misc. electrical equipment and supplies	369	1452	0.48
Transportation equipment	37	28657	0.78
Motor vehicles and equipment	371	2698	0.19
* Aircraft and parts	372	18989	1.34
* Aircraft	3721	3750 **	0.51
* Aircraft engines and engine parts	3724	7500 **	2.50
* Aircraft parts and equipment, n.e.c.	3728	4345	1.12
Ship and boat building and repairing	373	446	0.17
Railroad equipment	374	0	0.00
Motorcycles, bicycles, and parts	375	10 **	0.06
* Guided missiles, space vehicles, parts	376	6064	1.43
* Guided missiles and space vehicles	3761	3750 **	1.16
* Space propulsion units and parts	3764	10 **	0.01
* Space vehicle equipment, n.e.c.	3769	1750 **	5.98
Miscellaneous transportation equipment	379	285	0.48
* Instruments and related products	38	13292	0.70
* Search and navigation equipment	381	8059	1.23
* Measuring and controlling devices	382	2900	0.54
* Laboratory apparatus and furniture	3821	10 **	0.03
* Environmental controls	3822	60 **	0.15
* Process control instruments	3823	1986	1.95
* Fluid meters and counting devices	3824	60 **	0.35
* Instruments to measure electricity	3825	220	0.15
* Analytical instruments	3826	238	0.31
* Optical instruments and lenses	3827	175 **	0.38
* Measuring and controlling devices, n.e.c.	3829	157	0.21
* Medical instruments and supplies	384	2172	0.46
* Surgical and medical instruments	3841	750 **	0.42
* Surgical appliances and supplies	3842	1449	0.93
* Dental equipment and supplies	3843	10 **	0.04
* X-ray apparatus and tubes	3844	0	0.00
* Electromedical equipment	3845	175 **	0.20
* Ophthalmic goods	385	60 **	0.14
* Photographic equipment and supplies	386	60 **	0.03
* Watches, clocks, watchcases and parts	387	0	0.00
Miscellaneous manufacturing industries	39	3889	0.81
Jewelry, silverware, and plated ware	391	225	0.39
Musical instruments	393	322	2.13
Toys and sporting goods	394	2003	1.76
Pens, pencils, office, and art supplies	395	92	0.22
Costume jewelry and notions	396	48	0.16
Miscellaneous manufactures	399	1183	0.55
TRANSPORTATION AND PUBLIC UTILITIES	4	81603	0.80
Local and interurban passenger transit	41	3523	1.26
Trucking and warehousing	42	18916	0.89
Water transportation	44	149	0.05
Transportation by air	45	18081	1.37
Pipelines, except natural gas	46	129	0.25
Transportation services	47	8527	1.72
Communication	48	17782	0.60
Electric, gas, and sanitary services	49	12796	0.55
WHOLESALE TRADE	—	72286	0.67
Wholesale trade - durable goods	50	44224	0.73
Wholesale trade - nondurable goods	51	24763	0.66
RETAIL TRADE	—	309561	2.15
Building materials and garden supplies	52	9049	1.39
General merchandise stores	53	30176	2.21
Food stores	54	47773	2.18
Automotive dealers and service stations	55	33838	1.53
Apparel and accessory stores	56	15126	2.13
Furniture and homefurnishings stores	57	11735	1.50

	SIC Code	1992 Arizona Employment	Location Quotient
Eating and drinking places	58	112448	3.75
Miscellaneous retail	59	37480	1.86
FINANCE, INSURANCE, AND REAL ESTATE	6	90950	0.69
Depository institutions	60	26082	0.74
Nondepository institutions	61	8794	0.95
Security and commodity brokers	62	3105	0.14
Insurance carriers	63	15756	0.52
Insurance agents, brokers, and service	64	9540	0.85
Real estate	65	23817	1.52
Holding and other investment offices	67	3025	0.46
SERVICES	7	428904	1.12
Hotels and other lodging places	70	34856	3.12
Personal services	72	20206	2.40
Business services	73	79706	1.31
Advertising	731	1551	0.37
Credit reporting and collection	732	3228	2.51
Mailing, reproduction, stenographic	733	3263	1.07
Services to buildings	734	11551	2.21
Misc. equipment rental and leasing	735	3394	1.26
Personnel supply services	736	28215	2.15
Computer and data processing services	737	7834	0.41
* Computer programming services	7371	2232	0.39
* Prepackaged software	7372	719	0.26
* Computer integrated systems design	7373	1557	0.65
Data processing and preparation	7374	1377	0.34
Information retrieval services	7375	113	0.23
Computer facilities management	7376	18	0.04
Computer rental and leasing	7377	108	0.40
Computer maintenance and repair	7378	701	0.60
* Computer related services, n.e.c.	7379	892	0.62
Miscellaneous business services	738	18981	1.74
Auto repair, services, and parking	75	16883	1.93
Miscellaneous repair services	76	5925	1.18
Motion pictures	78	3947	0.74
Amusement and recreation services	79	18377	1.96
Health services	80	124056	0.86
Legal services	81	13124	0.65
Educational services	82	14726	0.73
Social services	83	28120	1.95
Museums, botanical, zoological gardens	84	894	1.31
Membership organizations	86	20810	1.40
Engineering and management services	87	39756	0.79
Engineering and architectural services	871	9800	0.52
Accounting, auditing, and bookkeeping	872	11343	1.29
Research and testing services	873	5200	0.65
* Commercial physical research	8731	1481	0.35
Commercial nonphysical research	8732	1876	1.32
* Noncommercial research organizations	8733	1049	0.82
* Testing laboratories	8734	776	0.70
Management and public relations	874	13324	0.91
Services, n.e.c.	89	1051	0.73
Administrative and auxiliary	899	6467	0.74
Unclassified Establishments	99	822	2.46

* Signifies a High Technology Business

** Employment estimate, based on midpoint of range reported by County Business Patterns

n.e.c. not elsewhere classified

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	% change versus year ago for: most recent month	most recent 12-months
YUMA METROPOLITAN REGION							
Civilian Labor Force, ADES	59,825	59,950	58,725	62,150	66,275	-5.4	0.6
Employment	48,000	49,800	48,200	47,700	45,075	-3.5	7.6
Unemployment	11,825	10,150	10,525	14,450	21,200	-9.2	-14.3
Unemployment Rate (%)	19.8	16.9	17.9	23.3	32.0	-4.0	-15.4
Employees on Nonagricultural Payrolls, ADES							
Total	37,100	37,000	37,000	36,200	35,600	-0.3	5.2
Mining	0	0	0	0	0	...	...
Construction	1,700	1,600	1,600	1,500	1,500	-11.8	-8.0
Manufacturing	1,400	1,400	1,400	1,300	1,300	-13.3	-11.1
Trans., Comm. & Publ. Util.	1,800	1,800	1,800	1,800	1,800	0.0	7.5
Trade	12,300	12,200	12,100	11,800	11,400	-4.2	4.0
Finance, Ins. & Real Estate	1,200	1,200	1,200	1,200	1,100	-8.3	-2.0
Services	9,200	9,300	9,400	9,200	9,100	9.6	11.8
Government	9,500	9,500	9,500	9,400	9,400	1.1	6.9
Sales ($000s) ADOR							
Gross Retail	73,724	75,789	76,581	65,068	62,193	8.4	6.1
Retail	57,585	58,426	58,975	50,236	47,980	6.2	6.1
Restaurants & Bar	8,460	9,637	8,745	7,482	6,866	10.2	4.2
Gasoline, EBR	7,679	7,726	8,861	7,350	7,347	22.9	8.4
Gallons (000s) ADOT	6,737	6,765	7,234	5,291	5,072	2.6	5.0
Contracting	9,719	9,498	15,142	12,954	11,077	28.3	8.6
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	14,625	10,323	7,672	10,471	9,841	-4.6	-1.9
Residential Building	3,622	4,525	6,034	6,829	7,225	56.3	10.0
Non-Residential Building	3,569	1,874	798	1,825	1,048	-73.2	-19.8
Non-Building	7,434	3,924	840	1,817	1,568	-12.1	6.0
Number of Dwelling Units Awarded, F.W. Dodge							
Total	46	65	87	89	89	43.5	12.9
One Family Houses	46	65	72	89	86	38.7	10.9

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	most recent month	most recent 12-months
MOHAVE-LA PAZ REGION							
Civilian Labor Force, ADES	66,900	67,025	66,975	66,625	66,675	4.5	8.5
Employment	62,025	62,050	62,475	62,725	63,100	5.8	10.7
Unemployment	4,875	4,975	4,500	3,900	3,575	-14.9	-15.0
Unemployment Rate (%)	7.3	7.4	6.7	5.9	5.4	-18.5	-21.8
Employees on Nonagricultural Payrolls, ADES							
Total	37,900	37,800	37,500	37,800	37,900	0.8	4.6
Mining	200	200	200	200	200	0.0	50.0
Construction	2,700	2,600	2,600	2,600	2,600	-16.1	-5.5
Manufacturing	3,700	3,700	3,500	3,500	3,500	-5.4	2.1
Trans., Comm. & Publ. Util.	2,000	2,000	2,000	2,000	2,000	11.1	13.5
Trade	11,300	11,000	11,100	11,200	11,200	-0.0	3.1
Finance, Ins. & Real Estate	1,400	1,500	1,500	1,500	...	-6.3	-11.4
Services	9,100	9,300	9,300	9,300	9,400	3.3	4.9
Government	7,500	7,500	7,300	7,500	7,500	8.7	13.2
Sales ($000s) ADOR							
Gross Retail	78,626	81,033	88,575	90,203	90,705	11.4	9.5
Retail	54,220	58,334	63,838	62,453	62,603	5.3	7.1
Restaurants & Bar	10,533	11,697	12,117	11,581	11,393	11.9	7.0
Gasoline, EBR	13,873	11,002	12,620	16,169	16,709	41.7	25.5
Gallons (000s) ADOT	12,170	9,633	10,303	11,640	11,535	18.4	20.4
Contracting	11,764	15,613	12,931	15,610	13,275	-18.6	-6.0
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	16,953	25,804	14,886	15,870	29,121	12.6	-12.1
Residential Building	9,076	9,201	11,455	13,452	15,242	39.1	-10.8
Non-Residential Building	2,372	547	1,194	1,689	5,487	-29.1	-46.8
Non-Building	5,505	16,056	2,237	729	8,392	17.0	31.0
Number of Dwelling Units Awarded, F.W. Dodge							
Total	102	111	133	155	171	33.6	-9.2
One Family Houses	102	111	133	153	171	33.6	-8.7

See notes at bottom of Arizona - Quarterly table.

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	% change versus year ago for: most recent month	most recent 12-months
COCHISE-SANTA CRUZ REGION							
Civilian Labor Force, ADES	57,350	57,400	56,650	56,175	56,800	2.1	4.4
Employment	50,325	50,775	50,525	50,775	50,900	2.3	6.2
Unemployment	7,025	6,625	6,125	5,400	5,900	0.0	-7.7
Unemployment Rate (%)	12.2	11.5	10.8	9.6	10.4	-2.0	-11.6
Employees on Nonagricultural Payrolls, ADES							
Total	41,600	41,700	41,800	42,000	42,100	4.2	4.3
Mining	0	0	0	0	0	-100.0	-41.7
Construction	2,000	2,000	2,000	2,100	2,000	5.3	7.6
Manufacturing	2,100	2,100	2,100	2,000	2,000	0.0	2.5
Trans., Comm. & Publ. Util.	2,300	2,300	2,300	2,300	2,300	4.5	3.8
Trade	11,300	11,100	11,000	11,100	11,200	-2.6	-2.9
Finance, Ins. & Real Estate	900	900	900	800	800	-20.0	-9.8
Services	8,800	8,900	9,000	9,200	9,300	12.0	8.5
Government	14,200	14,400	14,500	14,500	14,500	8.2	9.3
Sales ($000s) ADOR							
Gross Retail	57,296	58,234	66,303	66,646	57,454	-7.0	-2.7
Retail	41,759	44,486	49,834	50,468	42,977	-8.5	-4.3
Restaurants & Bar	8,032	7,850	8,795	7,686	7,551	-3.7	-1.2
Gasoline, EBR	7,505	5,898	7,674	8,492	6,926	-0.9	7.8
Gallons (000s) ADOT	6,584	5,165	6,265	6,114	4,781	-17.2	4.0
Contracting	9,206	10,024	11,763	13,020	11,880	-23.4	3.9
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	7,841	20,238	19,388	9,816	11,933	132.1	-23.2
Residential Building	5,683	19,669	13,341	7,164	6,668	44.4	51.1
Non-Residential Building	908	220	1,498	766	2,616	399.2	-68.1
Non-Building	1,250	349	4,549	1,886	2,649	...	-62.9
Number of Dwelling Units Awarded, F.W. Dodge							
Total	72	63	112	85	80	33.3	31.1
One Family Houses	72	63	112	85	80	33.3	12.2
GILA-GRAHAM-GREENLEE REGION							
Civilian Labor Force, ADES	35,750	35,750	35,525	35,025	35,225	3.2	8.2
Employment	32,725	32,875	32,800	32,650	32,800	3.6	9.4
Unemployment	3,025	2,875	2,725	2,375	2,425	-1.0	-4.7
Unemployment Rate (%)	8.5	8.0	7.7	6.8	6.9	-4.1	-12.1
Employees on Nonagricultural Payrolls, ADES							
Total	25,700	25,600	25,700	25,900	26,000	6.1	8.4
Mining	2,800	2,800	2,800	2,900	2,900	7.4	-5.9
Construction	1,800	1,800	1,700	1,600	1,600	-11.1	1.5
Manufacturing	2,000	2,000	2,000	2,000	2,000	11.1	7.3
Trans., Comm. & Publ. Util.	800	800	800	800	800	14.3	9.1
Trade	5,400	5,300	5,300	5,400	5,400	-5.3	2.9
Finance, Ins. & Real Estate	500	500	500	600	600	0.0	9.7
Services	5,100	5,100	5,000	5,000	5,100	13.3	22.8
Government	7,300	7,300	7,600	7,600	7,600	13.4	12.2
Sales ($000s) ADOR							
Gross Retail	34,497	32,916	39,669	39,931	41,050	2.5	6.9
Retail	26,588	24,685	30,562	30,199	30,854	0.9	6.7
Restaurants & Bar	4,487	4,604	5,044	4,969	5,607	9.3	7.1
Gasoline, EBR	3,422	3,627	4,063	4,763	4,589	5.5	7.9
Gallons (000s) ADOT	3,002	3,176	3,317	3,429	3,168	-11.9	4.1
Contracting	9,107	8,707	7,334	9,055	10,225	5.8	-5.7
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	9,107	5,447	6,476	12,037	5,393	4.3	24.6
Residential Building	2,753	3,099	4,248	5,124	4,823	179.6	28.4
Non-Residential Building	882	143	962	1,535	205	-79.5	15.5
Non-Building	5,472	2,205	1,266	5,378	365	-85.1	25.2
Number of Dwelling Units Awarded, F.W. Dodge							
Total	35	34	46	57	53	140.9	21.7
One Family Houses	35	34	46	53	53	165.0	21.6

See notes at bottom of Arizona - Quarterly table.

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	% change versus year ago for: most recent month	most recent 12-months
APACHE-NAVAJO REGION							
Civilian Labor Force, ADES	50,750	50,675	50,400	50,050	50,650	0.5	3.5
Employment	42,750	42,850	42,825	43,425	43,775	0.7	4.8
Unemployment	8,000	7,825	7,575	6,625	6,875	-0.7	-3.1
Unemployment Rate (%)	15.8	15.4	15.0	13.2	13.6	-1.3	-6.5
Employees on Nonagricultural Payrolls, ADES							
Total	39,800	40,300	40,500	40,900	41,300	2.7	2.6
Mining	900	900	900	900	900	-10.0	-4.2
Construction	1,700	1,700	1,700	1,700	1,700	6.3	4.2
Manufacturing	1,700	1,700	1,700	1,700	1,700	-5.6	-11.3
Trans., Comm. & Publ. Util.	2,800	2,900	2,800	2,800	2,800	-3.4	-0.0
Trade	6,600	6,700	6,700	7,000	7,100	2.9	1.2
Finance, Ins. & Real Estate	1,400	1,400	1,500	1,500	1,600	14.3	13.9
Services	10,700	10,800	10,900	11,000	11,000	2.8	1.9
Government	14,000	14,200	14,300	8,300	14,500	4.3	1.9
Sales ($000s) ADOR							
Gross Retail	48,906	46,396	51,046	59,055	64,236	11.6	-27.4
Retail	38,023	35,807	38,055	45,020	48,524	11.8	-33.8
Restaurants & Bar	3,740	3,970	4,607	4,545	5,537	12.6	6.4
Gasoline, EBR	7,143	6,619	8,384	9,490	10,175	10.2	6.3
Gallons (000s) ADOT	6,266	5,796	6,844	6,832	7,024	-7.9	2.5
Contracting	7,348	6,130	5,650	8,616	9,797	55.8	24.2
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	3,593	14,436	5,820	6,235	11,856	-27.4	-18.8
Residential Building	1,510	1,832	2,485	3,091	8,949	105.7	11.4
Non-Residential Building	210	9,175	2,000	227	221	-87.5	-28.9
Non-Building	1,873	3,429	1,335	2,917	2,686	-73.7	-31.1
Number of Dwelling Units Awarded, F.W. Dodge							
Total	20	23	28	38	116	132.0	43.1
One Family Houses	20	23	28	38	116	132.0	54.9
COCONINO-YAVAPAI REGION							
Civilian Labor Force, ADES	118,075	115,600	118,100	116,800	118,025	-0.5	5.3
Employment	110,200	107,925	110,975	110,750	111,725	-0.4	6.4
Unemployment	7,875	7,675	7,125	6,050	6,300	-1.9	-9.4
Unemployment Rate (%)	6.7	6.6	6.0	5.2	5.3	-1.5	-14.1
Employees on Nonagricultural Payrolls, ADES							
Total	86,900	88,900	90,500	90,200	90,100	1.5	3.3
Mining	900	900	900	900	900	0.0	2.9
Construction	5,900	5,900	6,200	6,200	6,300	8.6	2.7
Manufacturing	5,600	5,400	5,500	5,500	5,400	-8.5	-6.0
Trans., Comm. & Publ. Util.	2,800	2,800	2,900	2,900	3,000	0.0	-1.4
Trade	23,600	23,700	24,000	24,100	24,300	0.4	2.2
Finance, Ins. & Real Estate	2,400	2,400	2,400	2,400	2,400	-7.7	-6.2
Services	22,600	22,600	23,100	23,100	23,300	1.7	3.0
Government	23,100	25,200	25,500	25,100	24,500	4.3	9.3
Sales ($000s) ADOR							
Gross Retail	125,899	128,194	149,629	156,435	169,364	6.3	7.9
Retail	93,488	92,404	106,600	110,244	119,573	7.2	7.4
Restaurants & Bar	21,379	22,951	28,685	28,515	29,460	-4.9	9.4
Gasoline, EBR	11,032	12,839	14,344	17,676	20,331	20.7	8.2
Gallons (000s) ADOT	9,678	11,242	11,710	12,725	14,035	0.8	4.1
Contracting	31,167	34,255	31,729	97,921	35,960	17.1	26.3
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total	22,697	65,826	42,760	48,518	47,026	-17.3	8.7
Residential Building	17,079	19,920	24,452	33,595	24,502	-38.2	-19.7
Non-Residential Building	3,732	5,982	12,480	4,093	4,887	-58.5	66.9
Non-Building	1,886	39,924	5,828	10,830	17,637	224.8	98.1
Number of Dwelling Units Awarded, F.W. Dodge							
Total	163	188	224	424	249	4.2	-14.5
One Family Houses	147	168	214	248	208	-5.9	-13.9

See notes at bottom of Arizona - Quarterly table.

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	% change versus year ago for: most recent month	most recent 12-months
PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL)							
Civilian Labor Force (000s) ADES	1,361.3	1,372.7	1,373.0	1,369.3	1,381.5	2.5	6.0
Employment	1,315.5	1,328.6	1,329.8	1,330.1	1,337.6	2.6	7.0
Unemployment	45.8	44.1	43.2	39.2	43.9	-0.7	-16.5
Unemployment Rate, Seas. Adj. (%)	3.3	3.3	3.3	3.2	3.5	-2.8	-21.0
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,240.4	1,261.0	1,271.0	1,273.3	1,274.5	4.8	5.1
Mining	5.2	5.2	5.2	5.2	5.1	-1.9	3.3
Construction	84.5	86.8	86.5	86.8	86.9	8.0	7.2
Manufacturing	151.3	152.6	152.9	153.7	154.3	4.5	2.6
Durable	114.6	115.7	115.9	116.7	117.3	5.8	3.6
Nondurable	36.7	36.9	37.0	37.0	37.0	0.8	-0.4
Trans., Comm. & Publ. Util.	63.3	63.6	64.0	64.3	64.2	0.5	0.1
Trade	313.1	314.5	317.8	320.2	320.4	4.5	6.4
Wholesale	75.8	76.8	78.2	78.5	78.6	7.5	7.9
Retail	237.3	237.7	239.6	241.7	241.8	3.6	6.0
Finance, Ins. & Real Estate	87.7	88.2	88.4	88.6	89.1	2.6	-0.7
Services	374.8	381.6	386.5	387.6	385.4	6.5	6.5
Government	160.5	168.5	169.7	166.9	169.1	3.6	6.1
Sales ($000s) ADOR							
Aggregate Retail Sales	2,125,360	2,150,047	2,396,299	2,285,981	2,326,664	13.4	11.0
Retail	1,462,110	1,469,582	1,665,370	1,585,503	1,631,094	15.0	11.1
Food, EBR	286,109	287,699	288,714	293,568	289,323	4.4	8.8
Restaurants & Bars	270,309	278,747	308,630	263,917	266,868	10.4	10.4
Gasoline, EBR	106,832	114,019	133,585	142,993	139,379	22.2	17.4
Contracting	386,325	415,439	421,556	438,968	436,511	87.6	25.5
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total Awards	407,270	511,573	599,631	563,762	519,552	-27.7	6.3
Residential Building	294,849	276,175	434,192	422,652	392,973	-2.1	7.3
Non-Residential Building	72,071	110,758	103,893	98,320	100,772	-43.9	1.3
Non-Building	40,350	124,640	61,546	42,790	25,807	-81.3	13.5
New Housing Units Authorized, Census C-40							
Total Units	3,367	4,341	3,954	4,041	3,350	-12.7	17.1
Single Family Units	2,235	2,374	3,071	3,032	2,834	4.0	19.9
2-4 Unit Structures	45	32	16	14	10	-89.1	-13.4
5-plus Unit Structures	1,087	1,935	867	995	506	-50.3	10.3
Housing Sales and Prices, ARMLS							
Total Sales ($000s)	331,251	310,847	465,604	552,788	560,125	45.2	28.8
Total Units	2,576	2,514	3,795	4,514	4,458	32.0	22.1
Average Price ($)	128,591	123,646	122,689	122,461	125,645	10.0	5.5
Phoenix Skyharbor International Airport, PSIA							
Total Passengers	2,325,621	2,480,939	2,920,143	2,562,436	...	6.6	9.8
Total Aircraft Movements	35,148	33,044	36,070	34,856	...	-16.7	-15.0

PHOENIX-MESA METROPOLITAN REGION (MARICOPA AND PINAL) - QUARTERLY DATA	II 95	III 95	IV 95	I 96	II 96	% change versus year ago for: most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	2,552.5	2,574.6	2,596.7	2,618.8	2,640.9	3.5	3.5
Natural Increase	6.1	6.2	6.3	6.4	6.4	4.9	5.7
Births	11.1	11.2	11.4	11.5	11.6	3.8	3.8
Deaths	5.0	5.0	5.1	5.1	5.1	2.4	1.6
Net Migration	16.0	15.9	15.8	15.7	15.6	-2.0	-1.8
Personal Income by Source ($mil, SAAR) EBR							
Total Personal Income	56,590	57,720	58,792	59,868	60,964	7.7	8.5
Earnings by Place of Work	40,897	41,664	42,413	43,169	43,928	7.4	8.0
Less: Contributions for Social Insurance	2,490	2,532	2,573	2,615	2,657	6.7	7.2
Plus: Adjustment for Residence	-32	-32	-32	-32	-32	-0.6	-1.6
Plus: Dividends, Interest & Rents	9,491	9,720	9,924	10,128	10,342	9.0	10.4
Plus: Transfer Payments	8,723	8,899	9,059	9,217	9,383	7.6	8.3
Per Capita Personal Income ($, SAAR) EBR	22,170	22,419	22,641	22,861	23,085	4.1	4.8

See notes at bottom of Arizona - Quarterly table

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	% change versus year ago for: most recent month	most recent 12-months
TUCSON METROPOLITAN REGION (PIMA)							
Civilian Labor Force (000s) ADES	370.7	372.2	372.5	370.3	373.4	0.6	2.7
Employment	358.2	360.1	360.3	359.5	361.6	0.6	3.2
Unemployment	12.5	12.1	12.2	10.8	11.8	2.6	-10.7
Unemployment Rate, Seas. Adj. (%)	3.3	3.4	3.5	3.2	3.6	2.9	-12.7
Employees on Nonagricultural Payrolls (000s) ADES							
Total	304.7	309.0	311.0	310.9	310.6	2.7	1.4
Mining	2.3	2.3	2.3	2.3	2.4	9.1	9.6
Construction	19.9	19.8	19.7	20.1	20.0	2.0	2.6
Manufacturing	27.4	27.5	27.5	27.6	27.7	0.4	1.5
Durable	22.3	22.3	22.4	22.5	22.6	1.3	2.7
Nondurable	5.1	5.2	5.1	5.1	5.1	-3.8	-3.1
Trans., Comm. & Publ. Util.	13.8	13.7	13.6	13.5	13.5	1.5	2.5
Trade	70.0	70.2	70.4	70.3	70.3	2.0	0.9
Wholesale	10.3	10.3	10.5	10.5	10.5	8.2	1.9
Retail	59.7	59.9	59.9	59.8	59.8	1.0	0.7
Finance, Ins. & Real Estate	12.0	12.0	12.1	11.9	11.9	1.7	-2.9
Services	93.0	93.7	94.6	94.2	93.6	1.5	1.8
Government	66.3	69.8	70.8	71.0	71.2	6.3	1.3
Sales ($000s) ADOR							
Aggregate Retail Sales	509,912	525,909	583,211	551,242	559,564	3.5	5.2
Retail	345,108	347,058	390,149	367,693	378,957	3.2	4.7
Food, EBR	76,188	76,611	76,881	78,174	77,044	1.4	5.0
Restaurants & Bars	61,709	69,367	77,972	64,704	65,193	4.8	4.9
Gasoline, EBR	26,907	32,873	38,209	40,671	38,371	9.3	11.6
Contracting	84,443	81,331	97,380	93,396	96,684	4.9	10.5
Value of Construction Contract Awards ($000s) F.W. Dodge							
Total Awards	68,420	97,219	112,393	94,930	128,375	-6.5	-4.1
Residential Building	42,957	54,554	72,359	47,535	93,184	28.5	-13.4
Non-Residential Building	14,988	27,739	31,947	18,664	28,798	14.4	18.1
Non-Building	10,475	14,926	8,087	28,731	6,393	-83.9	8.0
New Housing Units Authorized, Census C-40							
Total Units	577	397	488	485	587	30.7	-22.8
Single Family Units	403	395	473	479	495	13.3	-13.3
2-4 Unit Structures	6	2	4	6	20	66.7	-46.6
5-plus Unit Structures	168	0	11	0	72	...	-42.0
Housing Sales and Prices, TAR							
Total Sales ($000s)	72,125	70,909	97,632	...	...	34.8	2.0
Total Units	612	545	788	...	...	23.3	-2.2
Average Price ($)	117,851	130,109	123,899	...	...	9.3	4.4
Tucson International Airport, TAA							
Total Passengers	283,183	312,477	349,205	325,819	320,038	5.6	3.3
Total Aircraft Movements	22,389	20,117	22,421	20,743	22,166	9.5	2.8

TUCSON METROPOLITAN REGION (PIMA) - QUARTERLY DATA	I 95	II 95	III 95	IV 95	I 96	% change versus year ago for: most recent quarter	most recent 4-quarters
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	752.7	757.7	762.1	766.1	770.2	2.3	2.6
Natural Increase	1.2	1.3	1.3	1.3	1.3	6.6	7.0
Births	2.9	2.9	2.9	3.0	3.0	4.2	4.2
Deaths	1.6	1.6	1.7	1.7	1.7	2.5	2.1
Net Migration	4.2	3.7	3.1	2.8	2.8	-34.8	-26.7
Personal Income by Source ($mil, SAAR) EBR							
Total Personal Income	13,965	14,157	14,332	14,492	14,657	5.0	6.2
Earnings by Place of Work	8,764	8,846	8,932	9,028	9,129	4.2	4.8
Less: Contributions for Social Insurance	544	550	557	565	573	5.3	5.9
Plus: Adjustment for Residence	139	140	142	144	147	5.8	6.8
Plus: Dividends, Interest & Rents	2,796	2,854	2,897	2,919	2,941	5.2	9.0
Plus: Transfer Payments	2,811	2,866	2,919	2,966	3,012	7.2	7.9
Per Capita Personal Income ($, SAAR) EBR	18,553	18,684	18,807	18,916	19,030	2.6	3.5

See notes at bottom of Arizona - Quarterly table

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	% change versus year ago for: most recent month	most recent 12-months
ARIZONA MONTHLY DATA							
Civilian Labor Force (000s) ADES	2,120.7	2,131.4	2,131.8	2,126.4	2,148.5	1.7	5.2
Employment	2,019.8	2,035.0	2,037.9	2,037.6	2,046.6	2.0	6.4
Unemployment	100.9	96.4	93.9	88.8	101.9	-3.0	-13.2
Unemployment Rate, Seas. Adj. (%)	4.8	4.9	4.9	4.7	5.1	-5.6	-17.8
Employees on Nonagricultural Payrolls (000s) ADES							
Total	1,811.9	1,839.5	1,853.2	1,856.6	1,856.4	4.1	4.3
Mining	12.4	12.4	12.4	12.6	12.4	0.0	1.6
Construction	119.9	121.7	121.1	121.8	122.0	5.6	5.3
Manufacturing	195.3	196.4	196.5	197.0	197.6	3.0	2.0
Durable	148.2	149.2	149.2	149.8	150.3	3.8	2.7
Nondurable	47.1	47.2	47.3	47.2	47.3	0.4	-0.3
Trans., Comm. & Publ. Util.	90.9	91.3	91.9	91.7	91.6	0.7	1.1
Transportation	54.1	54.4	54.7	54.8	54.8	2.4	2.0
Trade	454.0	455.5	459.7	461.3	461.5	3.2	4.9
Wholesale	96.0	96.9	97.4	97.8	97.7	3.4	6.3
Retail	358.0	358.6	362.3	363.5	363.8	3.1	4.6
Finance, Ins. & Real Estate	107.2	107.6	107.9	108.0	108.4	1.5	-1.3
Services	532.0	541.2	547.0	549.0	545.9	5.5	5.6
Government	300.2	313.4	316.7	315.2	317.0	5.6	5.2
Federal	44.3	44.3	44.3	44.5	44.6	2.1	3.2
State & Local	255.9	269.1	272.4	270.7	272.4	6.2	5.6
Schools	150.0	163.3	166.9	165.5	166.2	7.2	6.5
Hours Worked Per Week, Manufacturing, ADES	43.1	42.8	43.2	42.7	42.5	2.7	-0.0
Average Hourly Earnings ($) ADES							
Copper Mining	16.63	16.54	16.65	16.68	16.48	1.7	2.2
Construction	12.75	12.30	12.28	12.51	12.62	6.6	2.7
Manufacturing	11.21	11.31	11.43	11.38	11.53	2.6	1.7
Utilities	17.89	17.36	16.90	17.34	17.35	5.3	-0.8
Retail Trade	10.09	10.36	10.75	10.74	10.62	3.8	4.8
Wholesale Trade	12.86	14.03	13.20	13.05	13.04	13.4	7.5
Sales ($000s) ADOR							
Aggregate Retail Sales	3,154,420	3,199,298	3,552,425	3,417,375	3,472,556	10.9	8.3
Retail	2,118,881	2,130,782	2,403,383	2,301,816	2,362,562	11.3	7.8
Food, EBR	462,496	465,067	466,707	474,554	467,692	7.3	7.9
Restaurants & Bars	388,649	408,823	454,595	393,399	398,475	7.9	8.8
Gasoline, EBR	184,394	194,626	227,740	247,605	243,827	19.3	14.8
Gallons (000s) ADOT	161,764	170,411	185,925	178,249	168,319	-0.3	10.8
Utilities	358,302	323,992	316,085	307,221	428,391	34.7	4.8
Communications	108,654	127,701	135,298	126,972	124,412	8.7	14.2
Amusements	43,933	46,159	60,261	40,236	43,718	-3.7	-17.3
Rentals - Real Property	275,383	251,946	279,225	282,768	259,746	0.8	18.4
Rentals - Personal Property	187,526	161,102	218,872	213,145	207,405	1.3	5.8
Contracting	549,079	580,997	603,485	623,540	625,409	51.8	19.5
Mining - Metal, Oil & Gas	158,115	120,215	139,846	133,529	151,389	-0.0	3.0
Hotel/Motel	134,278	167,252	183,877	138,106	118,166	5.3	9.4
Value of Construction Contract Awards ($000s							
Total Awards	550,506	750,866	809,026	761,639	763,097	-21.8	3.3
Residential Building	377,529	388,975	568,566	539,442	553,566	2.5	2.5
Non-Residential Building	98,732	156,438	154,772	127,119	144,034	-37.8	1.4
Non-Building	74,245	205,453	85,688	95,078	65,497	-68.0	11.6
New Housing Units Authorized, Census C-40							
Total Units	4,422	5,302	5,153	5,216	4,622	-8.8	9.9
Single Family Units	3,053	3,167	4,101	4,149	3,930	2.7	12.5
2-4 Unit Structures	69	57	50	62	70	-47.8	-23.7
5-plus Unit Structures	1,300	2,078	1,002	1,005	622	-43.7	5.5
Bankruptcy Filings, U.S. Bankruptcy Court							
Total	1,333	1,827	1,529	1,768	1,721	18.0	24.2
Chapter 7	970	1,207	1,155	1,410	1,332	28.0	27.0
Chapter 11	27	52	25	26	28	-6.7	-25.5
Chapter 13	336	568	349	332	361	-6.7	22.0

See notes at bottom of Arizona - Quarterly table.

	II 95	III 95	IV 95	I 96	II 96	% change versus year ago for: most recent quarter	most recent 4-quarters
ARIZONA - QUARTERLY DATA							
Demographics & Vital Statistics (000s, seas adj) ADHS & EBR							
Population	4,200.5	4,234.9	4,267.8	4,298.9	4,328.4	3.0	3.2
Natural Increase	8.5	9.5	9.2	9.2	9.4	10.8	2.4
Births	17.3	18.4	18.2	18.0	18.2	5.2	3.3
Deaths	8.8	8.9	8.9	8.9	8.8	-0.1	4.3
Net Migration	26.4	24.3	22.9	20.8	19.7	-25.2	-14.8
Personal Income Derivation ($mil, SAAR) EBR							
Total Personal Income	85,197	86,845	88,381	89,977	92,015	8.0	8.6
Earnings by Place of Work	58,549	59,732	60,734	61,735	63,253	8.0	8.0
Less: Contributions for Social Insurance	3,685	3,725	3,757	3,838	3,912	6.2	5.9
Plus: Adjustment for Residence	280	288	294	298	304	8.3	8.9
Plus: Dividends, Interest & Rents	14,888	15,105	15,409	15,661	16,017	7.6	9.8
Plus: Transfer Payments	15,165	15,447	15,701	16,120	16,353	7.8	8.8
Components of Earnings ($mil, SAAR) BEA							
Wages and Salaries	47,646	49,343	50,144	...	...	9.8	10.2
Other Labor Income	5,308	5,486	5,584	...	...	10.9	10.9
Proprietor's Income	5,751	5,902	6,008	...	...	12.5	11.9
Farm	589	681	739	...	...	121.3	77.7
Nonfarm	5,162	5,221	5,269	...	...	5.2	6.8
Per Capita Personal Income ($, SAAR) EBR	20,282	20,507	20,709	20,930	21,258	4.8	5.2
Average Wage Per Employee, Annual Rate ($) E	26,332	26,980	27,227	...	...	6.0	4.7
Measures of Financial Institutions							
Banks and S&Ls Combined ($mil) ASBD							
Assets	36,478	36,463	38,527	39,505	...	11.9	5.5
Loans	22,372	22,340	23,303	23,735	...	8.2	6.6
Liabilities	33,600	33,490	35,558	36,640	...	12.7	5.7
Deposits	31,482	30,752	32,546	32,593	...	5.3	3.0
Equity Capital	2,878	2,974	2,969	2,865	...	1.8	2.9
Capital:Asset Ratio (%)	8.8	9.1	8.6	8.1	...	NA	NA

MEASURES OF INFLATION AND PRICES

	II 95	III 95	IV 95	I 96	II 96	% change versus year ago for: most recent quarter	most recent 4-quarters
Consumer Price Index (1982-84=100) ASU & BLS							
Metropolitan Phoenix	157.9	160.0	161.3	162.9	...	4.5	4.8
Western Region (U.S.)	153.6	154.1	154.3	156.4	...	2.4	2.5
U.S. - All Urban Consumers	152.2	152.9	153.6	155.0	...	2.7	2.8
U.S. - Urban Wage Earners	149.6	150.2	150.9	152.3	...	2.7	2.8
Price Indexes (1992=100) BEA							
Gross Domestic Product	107.3	107.9	108.5	109.2	109.8	2.3	2.4
Personal Consumption Expenditures	107.5	107.9	108.4	109.0	109.8	2.1	2.2

MEASURES OF INFLATION AND PRICES - MONTHLY DATA

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	% change versus year ago for: most recent month	most recent 12-months
Consumer Price Index (1982-1984=100) BLS							
U.S. - All Urban	154.4	154.9	155.7	156.3	156.6	2.9	2.7
U.S. - Wage Earners	151.7	152.2	152.9	153.6	154.0	2.9	2.7

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
ASBD: Arizona State Banking Department
ASPB: Arizona State Parks Board
ASU: Arizona State University, College of Business, Research Centers
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
NSCCC: Nogales-Santa Cruz Chamber of Commerce
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

TRAVEL AND TOURISM

	JAN 96	FEB 96	MAR 96	APR 96	MAY 96	% change versus year ago for: most recent month	most recent 12-months
Visits to Parks & Other Recreational Areas, ADOT, NPS & ASPB							
Northern Arizona	1,087,177	1,024,680	1,473,388	1,910,668	2,015,206	-0.9	0.1
Historical	76,814	130,862	211,271	239,208	202,727	-5.8	2.2
Scenic	208,660	246,649	447,286	554,570	686,401	-3.2	3.0
Water Based Recreation	801,703	647,169	814,831	1,116,890	1,126,078	1.6	-1.6
Southern Arizona	258,038	400,015	482,388	366,298	238,392	-14.1	-7.1
Historical	56,911	92,873	97,407	63,224	40,641	-16.6	-6.4
Scenic	179,251	272,078	334,341	249,511	149,070	-15.7	-9.8
Water Based Recreation	21,876	35,064	50,640	53,563	48,681	-6.4	6.0

See notes at bottom of Arizona - Quarterly table.

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