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Educational attainment loses ground to U.S. average

Gains in educational attainment in Arizona during the 1990s lagged behind the national average. While the state's attainment in 2000 still was near the national average and the median of all states, it was near the bottom among a group of states with a significant high-technology presence.

The U.S. Bureau of the Census recently released the first information from the "long form" of the 2000 decennial census, which was completed by one-in-six households nationwide. For many topics, such as household income and poverty, these decennial census sample data are the only source of reliable estimates at the state and local levels. So far, the Census Bureau has released three one-page data profiles for the nation, states, counties, and places, providing highlights of selected social, economic and housing characteristics. Soon, more geographically detailed and more complete sample data will be released as part of Summary File 3.

Sample data from 2000 Census

While the sample design and size minimize sampling error, it still is very large for less populous counties and places. For populous areas, the sampling error is small. In addition to sampling error, the decennial census is subject to non-response bias. For example, various subgroups of the population, such as rural dwellers on Indian reservations, are undercounted more than average.

In this article, the results for three subject areas — mobility, education, and income/poverty — have been summarized. Subsequent *AZB/Arizona Business* articles will discuss other topics and provide more detail.

MOBILITY

While other sources of data on legal immigration exist, the decennial census is the only source that includes undocumented aliens. The 2000 census indicates that a substantial increase in immigration occurred during the 1990s, both nationally and in Arizona. Associated with this surge in immigration is an increase in the percentage of the U.S. population speaking a language other than English.

The decennial census is a good source of information on the movement of the population, though only the highlights of these data are available so far. (A special data product on detailed migration will be released by the Census Bureau during 2003.) Such census questions as place of residence five years earlier, place of birth, and year moved into dwelling provide information on immigration, domestic migration, and local moves.

Place of Birth

Nationally in 2000, three-in-five residents were living in the same state in which they were born. However, only a little more than a third of Arizona residents were natives. Despite the increasing number of children born in the state, the percentage of natives was essentially the same in 2000 as in 1990. Nationally, the percentage declined a little over the decade. A little more than a quarter of the national population were born in a different U.S. state from which they were living in 2000; the proportion in Arizona was just more than 50 percent. The proportion born in another state was less in 2000 than in 1990, especially in Arizona, in part because of the higher proportion of immigrants.

Arizona's proportion of residents born in the state ranked third lowest in 2000, with only Nevada and Florida having a lower figure. Among the western states, only Texas and Utah had a figure higher than the national average of 60 percent.

The percentage of the population born in Arizona varied widely across the state in 2000. The percentage exceeded the national average in four counties in the eastern part of the state (Apache, Navajo, Graham and Greenlee) but was less than a third in four western counties (Mohave, La Paz, Yuma and Yavapai) and in Maricopa and Cochise counties.

The foreign-born percentage was a little higher in Arizona (13 percent — one-in-eight residents) than the nation (11 percent) in 2000. In 1990, the foreign-born percentage was about 8 percent

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both nationally and in Arizona. More than 70 percent of Arizona's immigrants came from Latin America, compared to just more than half nationally. The percentages born in Europe, Africa and especially Asia were much lower in Arizona than nationally. Compared to 1990 both nationally and in Arizona, the percentage of immigrants from Europe and Canada was lower in 2000, while the percentage from Latin America was higher.

The share of the population in 2000 born in another country was highest in California at 26 percent. Arizona's 13 percent placed ninth highest; the state ranked fourth among 10 western states, behind Nevada and Texas.

The foreign-born percentage of the population was highest in Arizona in the Mexican border counties of Santa Cruz (38 percent) and Yuma (24 percent). The percentage in Maricopa County (14) was next highest after doubling since 1990, passing the proportions of the other border counties of Cochise and Pima during the decade. In contrast, the foreign-born proportion was less than 5 percent in six Arizona counties in 2000. Among the large cities in Maricopa County, the foreign-born share was highest in Phoenix at nearly 20 percent; it was less than 7 percent in Gilbert and Peoria.

Immigration and Language Spoken

Less than half of the national foreign-born population arrived in the U.S. during the 1990s; the proportion of recent arrivals was a little higher in Arizona than nationally. The share of the population immigrating within the prior 10 years doubled from 3 to 6 percent in Arizona between 1990 and 2000. Nationally, about four-in-10 of the foreign-born were naturalized citizens, but the proportion in Arizona was only 30 percent, down from 40 percent in 1990. The state's lower figure in part likely results from the greater proportion being recent arrivals (see Figure I).

A bit more than one-in-four Arizona residents spoke a language other than English at home in 2000 — double the percentage that were foreign born. Nationally, 18 percent spoke another language at home, compared to 11 percent being born in another country. The percentages speaking another language were up significantly from 1990. More than half of those speaking another language at home could speak English "very well." However, the proportion of the total population with more limited English proficiency rose between 1990 and 2000 from 8 to 11 percent in Arizona and from 6 to 8 percent nationally.

Most of those speaking another language at home spoke Spanish: 60 percent of the foreign speakers nationally and 75 percent in Arizona in 2000. Close to half of the Spanish speakers could not speak English "very well." A similar share of those speaking an Asian or Pacific Island language could not speak English very well, but just 1 percent of Arizonans and less than 3 percent of the national population spoke an Asian/Pacific Island language at home.

Arizona's proportion speaking a language other than English at home in 2000 was sixth highest in the nation; California was highest at 40 percent and in the West, New Mexico and Texas also had higher percentages. Other states with higher figures than Arizona were Hawaii and New York. The Arizona percentage unable to speak English "very well" also ranked sixth.

As seen in Figure II, the percentage of the Arizona population speaking a language other than English at home ranged widely in 2000. In Santa Cruz and Yuma counties, most of those speaking another language spoke Spanish, but in Apache and Navajo counties, most spoke an American Indian language (mostly Navajo). In three counties in which Spanish made up a high percentage of the non-English speakers at home (Santa Cruz, Yuma and Maricopa), about half were unable to speak English "very well." The proportion with limited English proficiency was around 36 percent in most of the other counties.

FIGURE I
FOREIGN-BORN POPULATION

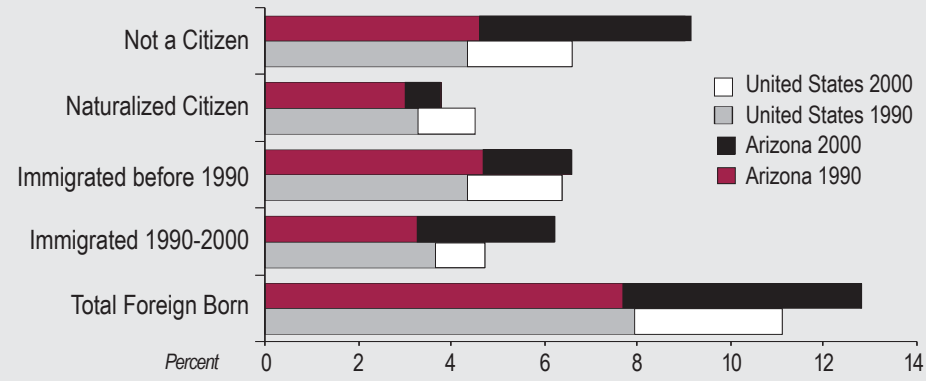
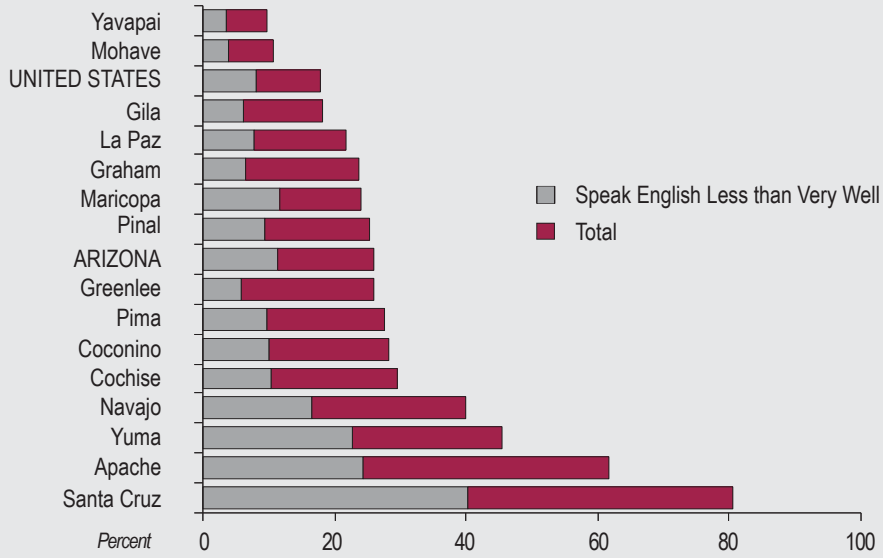


FIGURE II
POPULATION SPEAKING A LANGUAGE OTHER THAN ENGLISH AT HOME, 2000



Note (Figures I and II): The interpretation of the stacked bars is illustrated in the following example. In Santa Cruz County, 40.2 percent of the entire population speaks English less than very well, while 80.5 percent speak a language other than English at home.

Source (Figures I and II): Center for Business Research, L. William Seidman Research Institute, College of Business, Arizona State University from U.S. Department of Commerce, Bureau of the Census decennial census data.

Residence Five Years Earlier

Fifty-six percent of Arizona's residents in 2000 had moved since 1995, compared to 46 percent nationally. More than half of the moves both nationally and in Arizona were local, from one dwelling to another in the same county. However, one-fourth of all Arizona residents, and one-fifth nationally, had lived in a different county five years earlier. Nationally, nearly half of those moving across county lines came from elsewhere in the same state, but in Arizona the figure was less than 20 percent. Two-thirds came from another U.S. state. Compared to moves in the five years preceding the 1990 census, a lower proportion in 2000 were interstate migrants (both nationally and in Arizona), with a little higher share coming from out of the country; a slightly higher proportion in 2000 than in 1990 had not moved in the prior five years.

Arizona's 4 percent share of residents who had lived in another country in 1995 was eighth highest in the country. The percentage that lived in a different U.S. county in 1995 ranked 15th.

More than 30 percent of the residents in Yavapai, Mohave and Pinal counties in 2000 had moved from another U.S. county since 1995. The percentage was 20 in Maricopa and Pima, lower than in most Arizona counties. However, another 5 percent in Maricopa County had moved to the county from another nation between 1995 and 2000. Within Maricopa County's larger cities, the percentage moving from another U.S. county was highest in Gilbert and Scottsdale and lowest in Phoenix. However, Phoenix had the highest proportion moving from another country.

Latest Move

Nationally, one-in-five people had moved into their dwelling unit in the 15 months preceding the April 1, 2000 census. More than one-in-four moved between 1995 and 1998. Thus, nearly half of the households had lived in their home for five years or less. Tenure in Arizona was shorter, with 60 percent having moved within the prior five years. While one-in-five nationally had lived in their home for at least 20 years, only one-in-10 had such a long tenure in Arizona.

The length of tenure in Maricopa County was the lowest of Arizona's 15 counties in 2000; five of eight had moved into their house between 1995 and 2000. As of April 1, 2000, the median year in which people last moved was either 1996 or 1997 in each of the Valley's major cities. The percentage of residents not having moved in at least 20 years ranged from a little more than 10 percent in Phoenix to 1 percent in Gilbert. In the rest of the state, less than 10 percent had lived in their home more than 20 years in Mohave and Yavapai counties; the figure in Apache County exceeded 20 percent. The percentage having moved within the prior five years ranged from 40 percent in Apache County to 60 percent in Coconino County.

EDUCATION

School enrollment and attainment are important factors that influence economic development and the standard of living. In general, higher educational attainment levels correspond with lower unemployment levels and higher earnings. Better-educated individuals are more likely to have the skills to perform a greater variety of tasks using new technologies, to be more efficient and productive in completing job tasks, and are better prepared to weather changes in the employment market by finding new jobs more quickly. Those without a high school education are least prepared to participate in jobs that require advanced skill sets.

Two questions on the decennial census address education. The first, on enrollment, considers a person "enrolled" if they were attending a public or private school, including nursery school, kindergarten, elementary school and schooling that leads to a high school diploma or college degree. The second question is on educational attainment.

School Enrollment

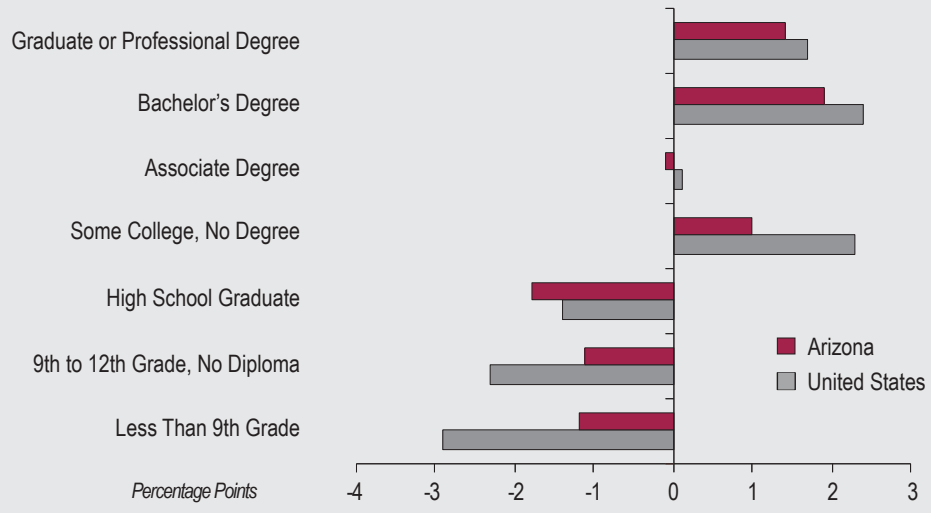
Nursery school and preschool enrollment in February/March of 2000 nationally was 42 percent of the number of children between the ages of 3 and 5 who were counted in the census. No Arizona county had a share as high as the national average, with Coconino County the highest at just short of 42 percent, followed by Greenlee County at 40 percent. Maricopa County's figure was a little less than 36 percent, equal to the state share. The proportion was just under 30 percent in Gila and Yuma counties.

Most students in kindergarten through 12th grade in February/March 2000 were between the ages of 6 and 18. However, enrollment in these grades slightly exceeded the number in this population group, both nationally and in Arizona. The highest share was in Santa Cruz County.

While most college students are young adults, people of all ages enroll in college, especially in Arizona, which has an extensive community college system. Thus, the number of students enrolled in college was compared to the entire population age 19 or older. Nationally, 8.5 percent of all adults were enrolled in college in early 2000; Arizona's share was a little higher at 9 percent. The highest share in Arizona was in Coconino County, in which Northern Arizona University is located, at twice the state average. Shares also were above 10 percent in Graham (location of Eastern Arizona College) and Pima (home of the University of Arizona) counties. Maricopa County's figure matched the state average. The lowest shares, less than 5 percent, were in Greenlee and La Paz counties.

FIGURE III

CHANGE IN EDUCATIONAL ATTAINMENT BETWEEN 1990 AND 2000



Source: Center for Business Research, L. William Seidman Research Institute, College of Business, Arizona State University from U.S. Department of Commerce, Bureau of the Census decennial census data.

Educational Attainment

The educational attainment measure reported by the Census Bureau is very broad, covering everyone at least 25 years of age. Other data, including the 1990 census, indicate that the educational attainment of Arizonans who migrated to the state as young adults is higher than that of similarly aged Arizonans who grew up in the state. In addition, the educational attainment in the state relative to the national average is well above average among those of retirement age, but below average for young adults.

Educational attainment nationally and in Arizona rose during the 1990s, continuing the historic pattern. However, the increase was less than in the 1980s and much of the gain resulted from the deaths of elderly residents who grew up in a time when low educational attainments were typical. As seen in Figure III on the previous page, a higher proportion of the population had attained at least a bachelor's degree in 2000 than in 1990, though the increase in Arizona was less than the national average. Arizona also experienced a lesser decrease in the percentage that had not attended high school — probably tied to the state's larger immigration flows — and a lesser decrease in the percentage who attended but did not graduate from high school.

Arizona's lesser gain during the 1990s in percentage with at least a bachelor's degree left the state in 2000 slightly lower than the nation in attainment of both bachelor's and graduate degrees. Arizona's percentage with at least a bachelor's degree (23.5) was a little less than the national average of 24.4 percent. Similarly, Arizona's percentage with at least a master's degree (8.4) was a half percentage point less than the national figure.

Among all states (and Washington, D.C.), Arizona ranked 25th in the percentage of those with at least a bachelor's degree in 2000, and 41st on the percentage-point increase of those with at least a bachelor's degree between 1990 and 2000. The state fared marginally better in the percentage achieving the master's level or greater, ranking 21st in 2000 and 33rd on the percentage-point increase in the 1990s.

Ranked against states with a significant high-technology presence, Arizona fared worse than most on each measure of educational attainment (see Table 1). Out of 16 states, Arizona ranked 14th on the percentage with at least a bachelor's degree in 2000, and tied for 14th on the increase in the percentage from 1990 to 2000. The state ranked 13th on the percentage with at least a master's degree in 2000, and again tied for 14th on the percentage-point increase.

Arizona's percentage of those with a high school diploma (or equivalency such as GED) as the highest achievement also was less than the national average in 2000. In comparison to the nation, Arizona reported a considerably higher percentage of individuals with some college but no degree. Although the percentage-point difference decreased between 1990 and 2000, the gap remained large.

Educational attainment varied substantially across Arizona. Coconino County had the highest attainment in 2000, with the highest proportion with a college degree and the second lowest share without a high school diploma. Pima, Maricopa and Yavapai counties had the next highest attainments. In most of the other 11 counties, attainment was quite low; more than a third did not graduate from high school in Santa Cruz, Apache and Yuma counties and the percentage of college graduates was 15 or less in each of the other 11 counties except Cochise. Several of the less populous counties had a greater decrease between 1990 and 2000 than the national average in percentage without a high school diploma, but only Coconino County had a gain in the percentage with a college degree more than fractionally above the U.S. average.

While attainment in the Phoenix area still was better than the U.S. average in 2000, the improvement between 1990 and 2000 was not as great, especially at the low end of the attainment scale (the share of the population with less than a ninth grade education did not fall at all in the Phoenix area). Within the Phoenix area, 44 percent of Scottsdale's residents had graduated from college, but the percentage was less than half as much in Glendale, Mesa and Peoria.

Related to the state's slightly lower percentage of college graduates, the percentage of the employed population working in management, professional, and related occupations was a little less than the national average. While the state tied for 25th among all states and the District of Columbia, it ranked only seventh among 10 western states and tied for 14th among the 16 high-tech states. Within Arizona, the proportion was highest in Pima, Coconino and Maricopa counties. Among the populous cities in the Phoenix area, the proportion was lowest in Phoenix, Mesa and Glendale; the percentage was greater than the national average in the other five populous cities.

In contrast, Arizona tied for third in the nation in the percentage working in sales and office occupations. Many of these positions are filled by individuals with some college coursework but not a degree. The state's high rank in part is related to the large number of call centers and other back-office operations attracted to the state

TABLE 1

PERCENTAGE OF THE POPULATION AGE 25 OR OLDER THAT HAD ATTAINED AT LEAST A BACHELOR'S DEGREE IN 2000
Selected States with a Significant High-Technology Presence

			1990 to 2000 Change	
	2000	*1990*	*Change in Percent*	*Rank*
UNITED STATES	**24.4%**	**20.3%**	**4.1**	**—**
Massachusetts	33.2	27.2	6.0	1
Colorado	32.7	27.0	5.7	2
Maryland	31.4	26.5	4.9	8t
New Jersey	29.8	24.9	4.9	8t
Virginia	29.5	24.5	5.0	6t
New Hampshire	28.7	24.4	4.3	13
Washington	27.7	22.9	4.8	10
Minnesota	27.4	21.8	5.6	3
New York	27.4	23.1	4.3	12
California	26.6	23.4	3.2	14t
Illinois	26.1	21.0	5.1	4t
Oregon	25.1	20.6	4.5	11
Georgia	24.3	19.3	5.0	6t
ARIZONA	**23.5**	**20.3**	**3.2**	**14t**
Texas	23.2	20.3	2.9	16
North Carolina	22.5	17.4	5.1	4t

t = tie

Source: Center for Business Research, L. William Seidman Research Institute, College of Business, Arizona State University from U.S. Department of Commerce, Bureau of the Census decennial census data.

during the 1990s. Maricopa County had the highest proportion of sales and office workers in the state; Pima County's figure was among the lowest in the state.

INCOME AND POVERTY

The decennial census is the only source of reliable measures of household income and poverty at the state and local levels. The income and poverty figures correspond to the calendar year preceding the census — e.g. 1999 or 1989. These measures of prosperity and economic well-being are among the most important indicators of progress and economic success.

Household income divided into ten income ranges, median household income, and mean (average) household income for five types (such as earnings or retirement income) currently are available. Income by range and median income also are available for families, a subset of households.

In addition to household income, the Census Bureau has released mean per capita income figures. Per capita income is not the same as per capita personal income reported annually by the U.S. Bureau of Economic Analysis (see discussion below).

Household Income

Median household income was $40,558 in Arizona in 1999, compared to $41,994 nationally, a difference of a bit more than 3 percent. The increase between 1989 and 1999 — inflation-adjusted by the GDP Implicit Price Deflator — was greater in Arizona, with an increase of 17 percent compared to 11 percent nationally. This stronger performance in Arizona merely offset its weaker performance during the 1980s. (In 1989, the Arizona economy was slumping while the national economy continued to perform well, causing an economic-cycle-induced unusually poor comparison in 1989.)

Among 10 western states, Arizona's median household income in 1999 was seventh highest, ahead of Idaho, New Mexico and Texas. The other neighboring states of California, Nevada, Utah and Colorado had medians from 10 to 17 percent higher than in Arizona. Arizona's gain in median income over the decade ranked sixth among the western states. Colorado and Utah had increases of more than 23 percent; California was the only western state with a gain less than the national average.

Maricopa County was the lone Arizona county with a median household income greater than the national average in 1999. Nationwide, incomes (and living costs) generally are higher than the national average in populous urban areas. Greenlee and Coconino counties had a median income figure within 10 percent of the U.S. average in 1999; Pima County's median was 12 percent less. Apache County's income was the lowest in the state at just 56 percent of the national average; La Paz County's figure was only 62 percent of the average. Apache and La Paz, however, were among the leaders in 1989-99 gain, along with Pinal, Graham and Yavapai counties, all with inflation-adjusted increases of at least 24 percent. In contrast, the advance was less than 10 percent in Mohave, Santa Cruz and Yuma counties.

Within the Phoenix area, Paradise Valley had the highest median household income in 1999 at $150,000. Gilbert had the highest figure among the more populous cities at $68,000, followed by Chandler and Scottsdale. Gilbert had the greatest gain between 1989 and 1999 among the larger cities while Tempe's increase lagged behind.

Income Sources

The 2000 census asked respondents to indicate their income in eight categories, such as earnings, Social Security, and public assistance. Only partial results currently are available. Of the various income sources, the highest mean income and the highest proportion of households receiving that income in 1999 came from earnings (including proprietor's income and wages and salaries). Mean earnings in Arizona were 7 percent less than the national average and a slightly lower percentage of Arizona households had earnings. In contrast, the mean incomes from Social Security, Supplemental Security, and retirement all were higher in Arizona than nationally, with a higher percentage of Arizona households receiving income from retirement and Social Security.

Among the larger cities in the Phoenix area, Scottsdale households had the highest mean income in each of these categories. The share of households with earnings was highest in Gilbert and Chandler while the percentage receiving Social Security and retirement income was highest in Peoria, followed by Mesa and Scottsdale.

The Census Bureau also calculated median earnings by gender for full-time, year-round workers in 1999. Nationally, the median for males was nearly $10,000 higher than for females; the differential was 27 percent. In Arizona, both men and women made less than their national counterparts; the median for females was 24 percent less than the male median. The differential was a bit less than that in Maricopa County (22 percent). It ranged among the large cities from 16 percent in Phoenix (male earnings were farther below the county's male median than female earnings were less than their countywide counterparts) to 35 percent in Gilbert (the figure for males was far above the male figure countywide).

When more results from the 2000 census are released, it will be possible to decompose this gender difference in earnings. Such an analysis using 1990 census data disclosed that factors such as educational attainment, number of years of experience, industry and occupation explained nearly all of the gender difference in earnings. In particular, women tended to work in lower-paying occupations.

Income Disparity

A crude measure of income disparity was created by comparing the income at which 10 percent of the households had a lower figure to that at which 10 percent of the households had a higher figure. (In order to determine these income figures, it was necessary to interpolate from the fairly broad income ranges currently available.) Nationally, 10 percent of households had an income in 1999 less than about $10,400. The top 10 percent of households had an income greater than about $115,000. The higher income figure was 11.1 times greater than the lower figure. Arizona displayed less income disparity, with a factor of 9.5. Nationally, income disparity increased a little between 1989 and 1999. In Arizona, however, the factor decreased slightly.

Five of the 10 western states had less income disparity in 1999 than Arizona, which was tied with Washington. The least was in Utah, followed by Idaho and Nevada. California, Texas and New Mexico had more disparity than the national average, though only to a small degree. Five western states had a greater decline in income disparity between 1989 and 1999 than Arizona, which was tied with Colorado. California was the only western state with an increase greater than the national average.

The income-disparity factor in 1999 was 9.0 in Maricopa County and 10.0 in Pima County. It was lowest in Greenlee and Mohave counties at less than 8. The only

counties with income disparity greater than the national average were Santa Cruz, Navajo and Apache. Income disparity rose very slightly between 1989 and 1999 in Maricopa and Graham counties and by a little more in Santa Cruz County, but declined elsewhere in the state.

Among populous cities in Maricopa County, income disparity in 1999 was greatest in Scottsdale at a factor of 11.0. Tempe was next highest, but its large college student population exaggerates the disparity. Among less populous communities, only Buckeye, Gila Bend and Guadalupe had greater income disparity than the national average. Income disparity rose between 1989 and 1999 in Scottsdale and Tempe, with only slight changes in the other populous cities.

Per Capita Income

Because of differing household sizes, the geographic distribution of per capita (per person) income does not necessarily correspond to the distribution of household income. In addition, the Census Bureau has released only median household income while the per capita figure is a mean that is skewed by those with extremely high incomes. Arizona's per capita income (PCI) in 1999 was 6 percent less than the national average, compared to the 3 percent differential in median household income. Unlike household income, Arizona's gain in per capita income was barely higher than the national average between 1989 and 1999. Among the 10 western states, Arizona's 1999 per capita income ranked sixth while the 1989-to-1999 increase was eighth highest.

One reason for Arizona's lower than average incomes is a lower than average percentage of the population 16 or older who are in the labor force. The state's slightly higher proportion of retirement-age population accounts for only a small portion of this labor force participation differential. Arizona's 61 percent participation compares to 64 percent nationally and tied for 42nd in 2000 among all states and the District of Columbia. In the West, only New Mexico was lower (fractionally) and among the 16 high-tech states Arizona tied for last.

The labor force participation rate was less than 50 percent in Apache, Graham, La Paz and Pinal counties. It exceeded the national average only in Coconino and Maricopa counties, with the latter just slightly higher. In each of the populous cities of the Phoenix area, the labor force participation rate exceeded the national average. In Gilbert, Chandler and Tempe it exceeded 70 percent.

The counties compared differently to each other based on per capita income than on median household income. While Apache County's income figure was the lowest in the state on each measure, La Paz County's per capita figure was not especially low, being higher than in Navajo, Graham and Santa Cruz counties. Maricopa County had the highest figure on both measures, each above the national average. Based on per capita income, Pima and Yavapai counties had the next highest figures, in contrast to Greenlee and Coconino counties being next highest on median household income. In Maricopa County, the difference in the two measures was especially notable in Scottsdale, where per capita income was by far the highest among the populous cities, compared to a rank of third on household income.

PCI v. PCPI

For all geographic areas, the 1999 per capita income figure reported by the Census Bureau is considerably lower than per capita personal income (PCPI) for 1999 reported by the U.S. Bureau of Economic Analysis. The BEA includes in its personal income estimates many types of non-cash income, including medical transfer payments (such as Medicaid) and imputed net rent received by owner-occupants, as well as income received by non-profit organizations and fiduciaries. The result is that national PCI in 1999 of $21,587 was 22.5 percent less than the PCPI figure of $27,843. In most states, PCI ranged from 19 to 24 percent less than PCPI. In Arizona, however, PCI in 1999 was only 14.6 percent less than PCPI, the smallest differential in the country (see Figure IV). The next smallest differentials were nearly 18 percent in New Mexico and South Carolina.

Between 1989 and 1999, the differential between PCI and PCPI hardly changed nationally. In Arizona, however, the differential narrowed by 4 percentage points, the most in the country.

Arizona PCI in 1999 was 94 percent of the national average, but its PCPI was only 85 percent of the national average. The PCI ratio to the nation rose slightly between 1989 and 1999, while the PCPI ratio fell 5 percentage points. Thus, the decennial census data show a more favorable view of how the state is doing than that presented by the PCPI data.

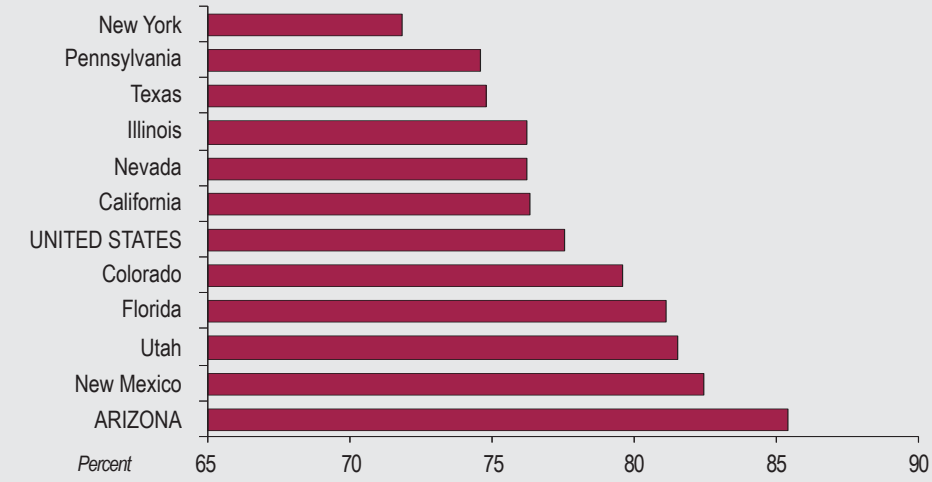
Since each measure has limitations, it is not clear which provides the more accurate appraisal of the state's economic well-being. It is not possible to do a thorough comparison of the components of each measure until more detailed census data are released.

The decennial census figure is based on a sample, though the survey error is very low at the national level and modest at the state level. Survey respondents typically are less likely to divulge income data than other personal information and those that provide the data are less likely to do so accurately. In addition, some respondents may have been unable to provide income data for all eight of the categories included in the 2000 census. It is not at all clear, however, why such issues would have affected Arizona's income more than in any other state (relative to PCPI).

Many of the components of PCPI are

FIGURE IV

PER CAPITA INCOME AS A PERCENTAGE OF PER CAPITA PERSONAL INCOME IN 1999



Source: Center for Business Research, L. William Seidman Research Institute, College of Business, Arizona State University from U.S. Department of Commerce, Bureau of the Census decennial census data and U.S. Department of Commerce, Bureau of Economic Analysis personal income data.

estimated at the state level and therefore may not be accurate. The earnings estimate, the largest component of income, is composed of the most complete actual data. Correspondingly, the difference in earnings between the 2000 census and the BEA estimate was smaller than the differences in other categories of income, nationally and in Arizona. However, the earnings differential between the two measures was less in Arizona than the national average.

PCI as a ratio to PCPI varied widely across Arizona's counties in 1999. While nine counties had a ratio between 80 and 89 percent, PCI in Apache County was only 69 percent of PCPI while PCI was greater than PCPI in Pinal and Yavapai counties. Similarly, the change in the ratio between 1989 and 1999 ranged from decreases in Graham and Greenlee counties to double-digit gains in Gila, Pinal, Yavapai and Yuma counties.

Poverty

Poverty thresholds are based on household income adjusted for variations in household size and type. They are revised annually by the inflation rate but do not reflect geographic variations in the cost of living.

The poverty rate in Arizona in 1999 (13.9 percent) continued to be higher than the national average (12.4 percent). The poverty rate fell between 1989 and 1999 by 0.7 percentage points nationally and 1.8 percentage points in Arizona; the 1989 poverty rate was unusually high in Arizona because of the timing of the economic cycle. While Arizona's poverty rate was higher than the U.S. average among children and the working-age population, the senior citizen poverty rate was lower (8.4 percent in Arizona v. 9.9 percent nationally).

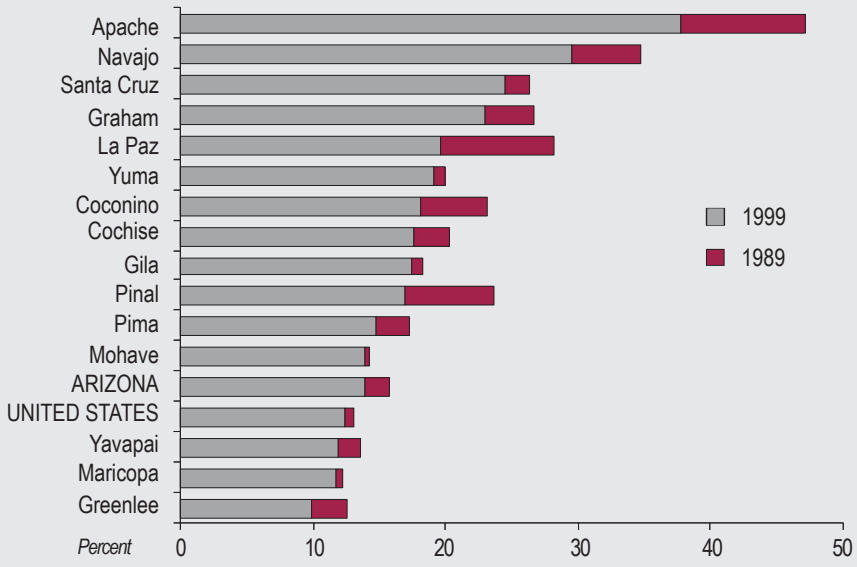
Three of the western states — California, New Mexico and Texas — had a poverty rate in excess of Arizona's in 1999. Among all states, 14 had a poverty rate higher than Arizona. Arizona ranked fourth best among the 10 western states, and tied for 18th overall, on decline in the poverty rate over the decade.

Poverty rates in Arizona's counties ranged from 10 percent in Greenlee to 38 percent in Apache. Maricopa and Yavapai counties also had rates less than the national average while Navajo County's figure also exceeded 25 percent. Every county experienced a decline in poverty rate from 1989 to 1999, though the magnitude of the drop was small in Mohave, Maricopa and Yuma counties. Large decreases occurred in Apache, La Paz, Pinal, Navajo and Coconino counties (see Figure V).

The poverty rate in 1999 in the Phoenix area's large cities ranged from only 3 percent in Gilbert to 16 percent in Phoenix. The rate declined significantly between 1989 and 1999 in Chandler, Gilbert and Peoria, but rose in Phoenix, Tempe and Glendale.

— Tom R. Rex
Research Manager
— Katrina S. Walls
Research Analyst

FIGURE V
POVERTY RATES



See Note in Figure II.

Source: Center for Business Research, L. William Seidman Research Institute, College of Business, Arizona State University from U.S. Department of Commerce, Bureau of the Census decennial census data.

Population growth slows in second quarter

Population growth in Arizona's two most populous counties decelerated in second quarter 2002, a result of lesser net in-migration due to limited employment opportunities. Arizona experienced net job loss over the course of the economic recession — from second quarter 2001 through first quarter 2002 — and little gain during second quarter 2002. Migration flows typically lag behind changes in employment opportunities by about one year. Continued slower population growth therefore should occur during the rest of 2002 and into 2003 in the Phoenix and Tucson areas.

Net migration to the Phoenix area during second quarter 2002 was the least in nine years, but the number remained well above the trough of the 1990-91 recession. In the Tucson area, net migration was the lowest since 1991, but in the balance of the state net migration did not fall at all, remaining near the cyclical high. Relative to the two large urban areas, the 13 less populous counties were less affected by the recession and a higher proportion of their migrants are retirees. With mortgage interest rates low and home sales still moderately strong across the country, economic conditions over the last several quarters did not present a barrier to the migration of retirees.

The estimated population of Arizona at the end of second quarter 2002 was 5,469,400, up 33,800 from the first quarter and 145,900 (2.7 percent) from second quarter 2001. Net migration was 22,800 during the second quarter and 102,900 over the four quarters from third quarter 2001 through second quarter 2002. Maricopa County was the home of about 3,290,600, a quarterly increase of 22,000 and an annual gain of 94,600 (3.0 percent). Net migration was 13,900 during the second quarter and 63,400 for the four quarters.

— Tom R. Rex
Research Manager

Low rates continue to fuel home sales in second quarter

The single-family housing market continues to provide a safe harbor in the tempest of a volatile stock market, a slow economic recovery and unsettling international events. The greater Phoenix housing market posted the second strongest quarter on record with 28,160 sales, with the record at 28,450 sales set a year ago.

There is no single force driving the market. Basically, falling interest rates have attracted a wide range of home buyers including investors, first time buyers and move-up buyers. Thus, as long as the economy is recovering and consumer confidence remains good, the housing market has a solid basis for a very good year, if not another record.

AFFORDABILITY

Although the Federal Reserve Board has not been lowering interest rates, funds have flowed from the uncertain equity market to the bond market, driving down rates. The average 30-year mortgage interest rate declined from 6.7 percent in first quarter 2002 to 6.5 percent, compared to last year's 6.8 percent. During the quarter interest rates fell from 6.7 percent in April to 6.3 percent in June.

In the resale home market, the median home price attained a record level, rising to $144,000, compared to the previous record of $139,700 set in first quarter 2002. Last year, the median resale home price was $136,000. For new homes, the median price declined from $158,015 in first quarter 2002 to $155,250 and was below the $157,615 of year ago. The declining new home median price is predominately due the increasing role of the lower-priced housing market in the West Valley.

Based on the findings of the 2000 Census, figures used to calculate the median household income have been revised upward for the affordability series. The resulting affordability values have improved, but follow the same basic pattern as expressed in the previous series. The higher income combined with lower interest rates offset the higher median resale home prices to allow the resale affordability index to remain at 122, which is slightly lower than last year's 123. With the new home median price declining, the new home affordability index value improved from 108 to 114, which is well above last year's 106.

An index value of 100 means that the typical home buyer (based on the current median resale price and household income) would be able to afford a median-priced home at an effective interest rate of 8.7 percent. Since home prices and incomes vary throughout the Valley, so does the affordability index. For example, in the resale sector, the second quarter 2002 index ranged from 80 in Scottsdale to 136 in Glendale and 137 in Chandler.

RESALE SINGLE-FAMILY HOMES

Even with the uncertain economic environment, second quarter 2002, with 17,325 recorded resale homes, nearly surpassed the record of 17,555 sales set a year ago. Monthly activity set a record in April (6,785 sales) followed by June (6,030 sales) and May (4,510 sales).

In first quarter 1998 (when the median home price was $110,000), 15 percent of resale homes sold for less than $70,000 and only 13 percent for more than $200,000. In second quarter 2002, only 2 percent of the recorded sales were for homes under $70,000, while 26 percent were for homes over $200,000.

The median resale home price varied greatly across the Valley, from a high of $731,000 (125 sales) in Paradise Valley to $72,250 (90 sales) in the Sky Harbor housing area. Active areas were Mesa with 2,170 sales ($132,000 median price), Glendale with 1,540 sales ($134,500), Deer Valley with 1,440 sales ($152,000), North Scottsdale with 1,260 sales ($325,000), Maryvale with 630 sales ($95,500) and Mountain Park with 575 sales ($197,000).

NEW SINGLE-FAMILY HOMES

The new home market improved from the 6,015 homes recorded sold in first quarter to 6,795 sales, but was slightly behind last year's 6,945 sales. Monthly activity was strongest in April (2,710 sales) with 1,770 sales in May and 2,315 sales in June.

Over the last few years, new homes have become much more imporant in the West Valley communities of Avondale, El Mirage, Goodyear and Surprise. Currently, these communities represent 32 percent of the Greater Phoenix new home market. A fundamental motivation for this growth has been the greater affordability of new homes in the West Valley. In the East Valley, the median new home prices were $197,925 for Chandler, $183,035 for Gilbert and $165,070 for Mesa. In the West Valley, the median home prices were $134,900 for Avondale, $117,960 for El Mirage, $146,660 for Goodyear and $142,720 for Surprise.

The highest median sales price was $496,690 in North Scottsdale, where 215 homes were recorded sold; the lowest was $117,960 in El Mirage, with 555 sales. Other active markets were: Deer Valley with 740 sales ($203,680 median price), Superstition Springs with 650 sales ($167,190), and Union Hills with 145 sales ($261,800).

TOWNHOUSE/CONDOMINIUMS

The townhouse/condominium sector is receiving greater attention from investors and also owners who appreciate the low maintenance, recreational facilities and

TABLE 1
HOUSING AFFORDABILITY INDEXES
Metropolitan Phoenix, Single-family Only

			Resale Homes			New Homes		
Quarter	*Median Gross Monthly Income*	*Effective Interest Rate*	*Median Sales Price*	*Monthly Housing Payment*	*Affordability Index*	*Median Sales Price*	*Housing Payment*	*Monthly Affordability Index*
Second Quarter 2001	$3,960	7.0	$136,000	$905	123	$157,615	$1,050	106
Third Quarter 2001	3,995	6.9	138,000	910	123	156,500	1,030	109
Fourth Quarter 2001	4,000	6.7	137,000	885	127	154,595	995	112
First Quarter 2002	4,000	6.9	139,700	920	122	158,015	1,040	108
Second Quarter 2002	4,020	6.6	144,000	920	122	155,250	995	114

Source: Arizona Real Estate Center, L. William Seidman Research Institute, College of Business, Arizona State University.

security offered by this housing style. Although this sector frequently is perceived as the source of low-priced housing, many of the recent new developments are in the high end of the market. For example, the median price of $162,000 for new units actually exceeds the $155,250 for new single-family homes. The primary reason for this is that more than 35 percent of the 355 recorded sales occurred in North Scottsdale, with a median sales price of $221,220. Other active areas were East Mesa (55 sales, $141,160), Superstition Springs (30 sales, $115,345), and North Mesa (35 sales, $146,010).

The resale townhouse/condominium housing sector set a quarterly record with 3,685 sales, which surpasses the previous record of 3,615 sales set in second quarter 2000. The median home price increased from $94,000 in first quarter 2002 to a record $95,700, while it was $92,500 a year ago. The median resale price was 66 percent of the median price for single-family homes. The median square footage for a single-family home recorded sold in second quarter 2002 was 1,640, which is larger than the 1,630 square feet reported a year ago. In the townhouse/condominium sector, the median square footage was 1,165, smaller than the 1,175 square feet reported a year ago.

The most active resale areas were North Scottsdale with 490 sales ($158,500), South Scottsdale with 370 sales ($117,950), Sun City/Peoria with 295 sales ($71,500) and South Mesa with 230 sales ($83,950).

NATIONAL HOUSING MARKET

Both the new and resale home markets are performing above the levels of a year ago. However, the resale market slowed through the quarter while the pace of new home sales accelerated. The demonstrated strength of the U.S. housing market supports the opinion that the housing will have another good year. The key issue will be whether continued economic uncertainty takes a further toll on consumer confidence and in turn dampens the potential of the market.

The national resale median home price posted a increase from $150,900 in the first quarter to $157,670 in second quarter 2002 — well above last year's $147,100. Lower interest rates offset the higher median price, so the resale affordability index remained fairly stable at 121 in contrast to 123 for the first quarter 2002 and 122 for a year ago. In the new home market, the median price decreased from $188,700 to $182,400, resulting in the national new home affordability index improving from 98 for the first quarter to 105, compared to last year's 101.

LOOKING AHEAD

With the volatility of the stock market, there has been a greater examination of two basic investment roles of home ownership. The first views one's own home as a financial asset. In the past most people would only draw on the appreciated value of their home by selling it, with much of the "profit" being used to acquire another residence. Now, people can draw out any appreciation through refinancing and/or second mortgages, especially home equity credit lines, aided by the service and information available on the Internet. Thus, the appreciated value of the home can be used more quickly and often to satisfy the needs of the household for education, vacations, and to satisfy other debt payments.

The other investment role is to buy homes for rental. Even though rental housing is more management intense than stocks, this role appears to be increasing, especially in the new home market. Since the income and tax benefits of rental property can be limited, the main motivation is for continued appreciation of housing, with profit being derived through refinancing and/or sale of the property.

With the investment aspects of home ownership becoming more evident, there has been a wide-ranging discussion of the future of the housing market. The discussion has ranged from optimistic "up, up and away" growth to a pessimistic "bursting of the bubble." While the opinions may vary, they have a common thread concerning the direction of interest rates.

For the optimists, interest rates might rise in response to market conditions or public policy, but not high enough to dramatically slow down the market. High home prices can be sustained in areas where there are limited land availability and/or land use regulations that limit new residential development.

For the bubble-busters, the general belief is that low interest rates have attracted so many people into the market that they are paying premiums for housing, based on expectations of higher prices in the near-term. The busters tend to believe that the recent price appreciation is driven more by speculative forces than pure investment demand forces. Further, even if interest rates remain low, it will be difficult to sustain the current levels of demand — resulting in much slower appreciation or even in a drop in home prices.

With the two opposite opinions being well staked out, it will be interesting to see whether housing will follow the dot-coms into investment purgatory over the next few months, or retain its role as the best investment in which to live.

— Jay Q. Butler
Director
Arizona Real Estate Center

TABLE 2
METROPOLITAN PHOENIX HOME SALES

	Single-family			Townhouse/Condominium			
Median Sales Price	*Resale*	*New*	*Total*	*Resale*	*New*	*Total*	*Grand Total*
Second Quarter 2001	$136,000	$157,615	$142,145	$92,500	$155,000	$95,950	$136,900
Third Quarter 2001	138,000	156,500	144,000	89,000	166,780	94,500	138,900
Fourth Quarter 2001	137,000	154,495	144,355	90,000	166,940	95,000	139,500
First Quarter 2002	139,700	158,015	146,000	94,000	163,765	98,000	140,000
Second Quarter 2002	144,000	155,250	148,000	95,700	162,000	99,400	142,000
Number of Sales							
Second Quarter 2001	17,555	6,945	24,500	3,580	370	3,950	28,450
Third Quarter 2001	16,415	7,480	23,895	3,190	375	3,565	27,460
Fourth Quarter 2001	13,910	8,460	22,370	2,860	390	3,250	25,620
First Quarter 2002	12,655	6,015	18,670	2,970	315	3,285	21,955
Second Quarter 2002	17,325	6,795	24,120	3,685	355	4,040	28,160

Source: Arizona Real Estate Center, L. William Seidman Research Institute, College of Business, Arizona State University.

Pace of economic recovery very slow so far

Indicators are mixed, but the economic recession appears to have ended in the spring. However, little recovery has yet been measured. Weakness in the financial markets could postpone the date of a more robust recovery.

Nationally, the last sizable monthly seasonally adjusted employment decrease occurred in February and small gains were registered in May and June. With sizable gains from October 2001 through January 2002, the national Index of Leading Economic Indicators correctly foresaw this economic improvement. In the five months after that, however, the index hardly climbed, suggesting that economic growth will continue to be modest for at least a few more months.

Employment in Arizona stopped dropping in February, though the greatest year-over-year percent decline did not occur until March. The depth of the employment decrease was about the same in Arizona as nationally. Little gain in employment has occurred since March in Arizona, though the preliminary estimate for June is encouraging. The Arizona Index of Leading Economic Indicators also signaled this improvement, rising substantially from December through May.

Personal income for 2001 was revised down by the U.S. Bureau of Economic Analysis for both the nation and Arizona. The latest estimates indicate that an inflation-adjusted decline in personal income occurred in Arizona during fourth quarter 2001 following small gains earlier in the year. Nationally, real personal income fell slightly in each quarter of 2001. Preliminary estimates for first quarter 2002 indicate moderate growth nationally and in Arizona, suggesting a stronger and earlier economic recovery than indicated by employment.

Real per capita personal income (PCPI) fell throughout 2001 both nationally and in Arizona. The first quarter 2002 increase was greater nationally than in Arizona. As is typical of the recessionary portion of the economic cycle, the ratio of Arizona's PCPI to the national average has fallen in recent quarters, dropping to only 83 percent in first quarter 2002. Per capita earnings and per capita wages and salaries also are at their lowest ratios to the national average since the early 1990s trough.

Retail sales remained very weak in the state's two major metropolitan areas through May. The cumulative year-over-year change for the first five months of 2002 was zero in Pima County and -1 percent in Maricopa County. May was a particularly poor month in the Phoenix area. Thus, consumer spending through May had not yet begun to recover from the recession. Considering inflation and population growth, sales were well below the already subdued levels of 2001. In contrast, retail sales in the 13 less populous counties combined were 4 percent higher during the first five months of 2002 relative to the same period of 2001, a bit of an improvement from the low point of about 3.5 percent annual growth. But even this rate of growth does not equate to positive gains after adjusting for inflation and population increases.

— Tom R. Rex
Research Manager

Arizona Business Conditions Index declines in July

The seasonally adjusted Arizona Business Conditions Index fell to 47.9 in July. An index reading of over 50 indicates that the local economy is growing, while a reading below 50 suggests a slowdown in the overall level of economic activity in the near term.

ANALYSIS

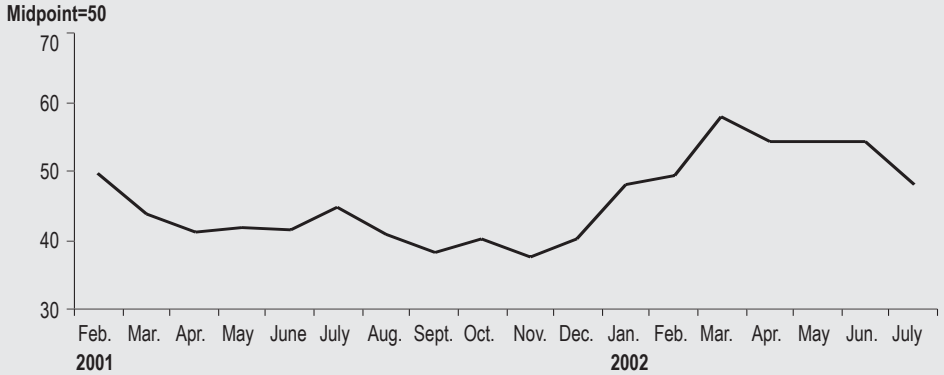
After four months of indicating growth for the near future, the index fell by 6.2 points to 47.9, below the critical value of 50. While this is not good news for the local economy, it cannot be described as a turn for the worse at this point as some factors that make up the index continue to show positive signs.

The New Orders and Production sub-indices are responsible for the sharp drop in the overall index. New Orders declined by 12.2 points to 44.5, and Production fell by 9.7 points to 47.1. Significantly, both of these sub-indices had reached into the low 60s during March and April, an indication of phenomenal growth in the near future. With the WorldCom debacle coming to the forefront during July, it is not surprising that businesses would put some plans on hold. If the overall index were to remain depressed over the next month or two, it would be a worrisome indicator for near-term growth in the Arizona economy.

The Price Index rose slightly to reach 55.8 in July. This indicates some continued upward pressure on prices, a sign that demand may not be dropping as it did during the worst months of the recession. This marks the fourth consecutive month of increases in the Price Index.

— Dawn McLaren
Research Economist
Bank One Economic Outlook Center

FIGURE I
ARIZONA BUSINESS CONDITIONS INDEX*



*Excludes Price Index
Source: Bank One Economic Outlook Center, L. William Seidman Research Institute, College of Business, Arizona State University

Arizona Leading Index on the rise in July

The Bank One Arizona Index of Leading Economic Indicators rose in July to 117.2, an increase of 0.1 percent above the revised 117.1 number for the previous month and 4.8 percent above the July 2001 number of 111.8 (1987 = 100).

The July increase was due primarily to big positives in two indicators: the inflation-adjusted value of Maricopa County residential building permits and the M2 money supply.

Delivery times also were positive. New orders, production, hours worked in manufacturing, materials inventories and sensitive materials prices were negative. Employment from the Business Conditions Survey was neutral.

The index components from the Business Conditions Survey suggest a weakening in business activity for the month. Taxable retail sales for Arizona were up only 0.2 percent through the first six months, which is certainly a less than robust performance by the consumer. There is a danger that a lack of spending and hiring by business could prompt the consumer to reduce spending as well.

The consumer has carried the recovery so far for Arizona and the nation as a whole. Spending on single-family homes and cars have been the brightest spots for consumers, while spending on nondurables and services has suffered. Car sales have provided most of the push but, while auto sales in Arizona were up four out of the first six months of this year, the year-to-date growth is a negative 1 percent. The trend is similar on the national level, with auto sales slowing after providing much of the upward push during the recession. Single-family permits are holding steady at the national level — and are up 1 percent YTD locally — but there are signs that demand is weakening.

The recent trends raise the possibility that consumers are starting to pull back on spending because of the current economic climate. Consumer debt is at very high levels, and while the refinancing boom has allowed homeowners to lower their monthly payments, that safety valve is almost exhausted. The unemployment rate is well below the levels typical for this period of a recovery, yet it is up significantly from the low point at the peak of the cycle. The good news is that a significantly lower percentage of the work force is unemployed than was typical in previous cycles; the bad news is that hiring is not picking up, due to sluggish business spending.

Business spending and hiring are not picking up for a host of reasons. The decline in the stock market has closed that avenue for financing, and the string of revelations about accounting irregularities has tightened money availability through traditional borrowing channels. The accounting scandals also have introduced a note of caution that make executives less willing to expand employment or undertake new projects. Businesses have not curtailed all spending, but the level of spending has not rebounded as it typically does during a recovery.

There has been increasing speculation that the economy is in danger of tracing a W or double-dip recession. The Leading Index may offer some insight, but given the current climate perhaps the best indicators to watch are business and consumer spending. If business spending — and by extension, hiring — do not improve soon, consumer spending is likely to deteriorate, leading to the dreaded double dip.

— Tracy Clark
Associate Director
Bank One Economic Outlook Center

TABLE 1

NET CONTRIBUTION OF INDIVIDUAL COMPONENTS TO THE ARIZONA INDEX OF LEADING ECONOMIC INDICATORS

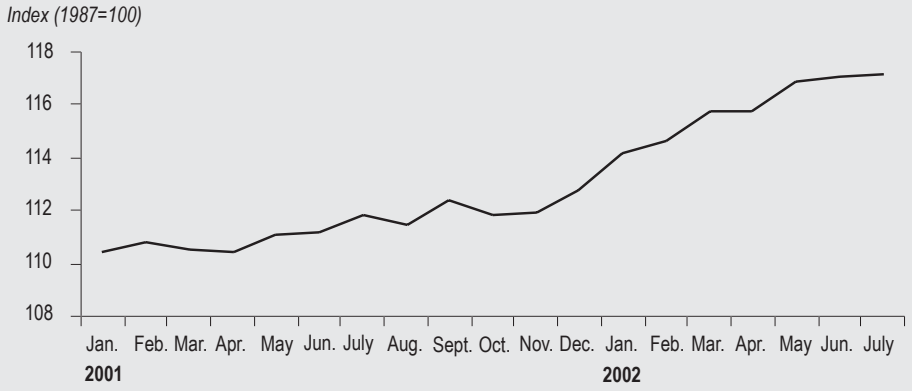
	Net Contribution+			
	April	*May*	*June*	*July*
Delivery Time*	-0.06	0.00	0.03	0.01
Inventory Levels*	-0.02	0.01	0.05	-0.02
New Orders*	-0.05	-0.05	0.04	-0.25
Production*	0.07	-0.05	-0.08	-0.20
Employment*	-0.12	0.23	-0.06	0.00
Residential Building Permits	0.19	0.14	-0.21	0.22
Average Workweek, Manufacturing	0.14	-0.04	0.04	-0.07
Money Supply	-0.37	0.62	0.26	0.46
Change in Sensitive Materials Prices	0.21	0.09	0.10	-0.01

+ The net contribution of each component is calculated by multiplying the monthly percent change in its index by its relative importance.

* Based on indicators from the Purchasing Management Association of Arizona, Purchasing Management Association of Southern Arizona and the Northern Arizona Group.

FIGURE I

ARIZONA INDEX OF LEADING ECONOMIC INDICATORS



Source (Table 1 and Figure I): Bank One Economic Outlook Center, L. William Seidman Research Institute, College of Business, Arizona State University.

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ARIZONA ECONOMIC INDICATORS

	Month or Quarter	Current Value	Previous Value	Percent Change Previous Period	Percent Change from Year Ago	Year-to-Date Value	Year-to-Date Percent Change from Year Ago
LEADING ECONOMIC INDEX (1987 = 100)							
Arizona	July	117.2	117.1 r	0.1	4.8	NA	NA
BUSINESS CONDITIONS INDEX							
Arizona	July	47.9	54.1	-11.4	6.9	NA	NA
BUILDING PERMITS (Thousands of $)							
Maricopa County	June	872,008	857,115	1.7	-15.1	4,473,402	-15.2
Pima County	June	172,203	109,472 r	57.3	71.6	732,418	7.7
Balance of State	June	214,168	202,562 r	5.7	31.4	1,135,611	23.0
Arizona	June	1,258,379	1,169,149 r	7.6	-2.5	6,341,431	-7.8
TOTAL HOUSING UNITS AUTHORIZED							
Maricopa County	June	4,750	4,075	16.6	14.6	21,684	-13.4
Pima County	June	680	671 r	1.3	-7.7	4,065	-7.0
Balance of State	June	1,662	1,601	3.8	16.2	9,073	14.6
Arizona	June	7,092	6,347 r	11.7	12.4	34,822	-6.7
HOME SALES							
Maricopa County - Number	June	9,650	7,380	30.8	1.2	50,120	0.1
Maricopa County - Median Price($)	June	143,900	142,000	1.3	3.5	141,100	4.3
HOUSING AFFORDABILITY INDEXES							
Metropolitan Phoenix - New Homes	2nd Quarter	114	108 r	5.6	7.5	NA	NA
Metropolitan Phoenix - Resale Homes	2nd Quarter	122	122 r	0.0	-0.8	NA	NA
MORTGAGE RATES (30-year Fixed)							
Maricopa County	July	6.2	6.3	-1.6	-8.8	NA	NA
POPULATION ESTIMATES (Thousands)							
Maricopa County	2nd Quarter	3,291	3,269	0.7	3.0	NA	NA
Pima County	2nd Quarter	884	881	0.3	1.8	NA	NA
Balance of State	2nd Quarter	1,295	1,286	0.7	2.9	NA	NA
Arizona	2nd Quarter	5,469	5,436	0.6	2.7	NA	NA
RETAIL SALES (Millions of $)							
Maricopa County	June	2,566	2,542	0.9	-1.4	15,230	-1.0
Arizona	June	3,899	3,751	4.0	3.2	22,529	0.6

Note: The above figures reflect the latest data available as of date of publication and are subject to revision.

NA = Not Applicable r = Revised

Source: Center for Business Research, Arizona Real Estate Center, and Bank One Economic Outlook Center, affiliates of the L. William Seidman Research Institute, College of Business, Arizona State University. Retail sales data are from the Arizona Department of Revenue.