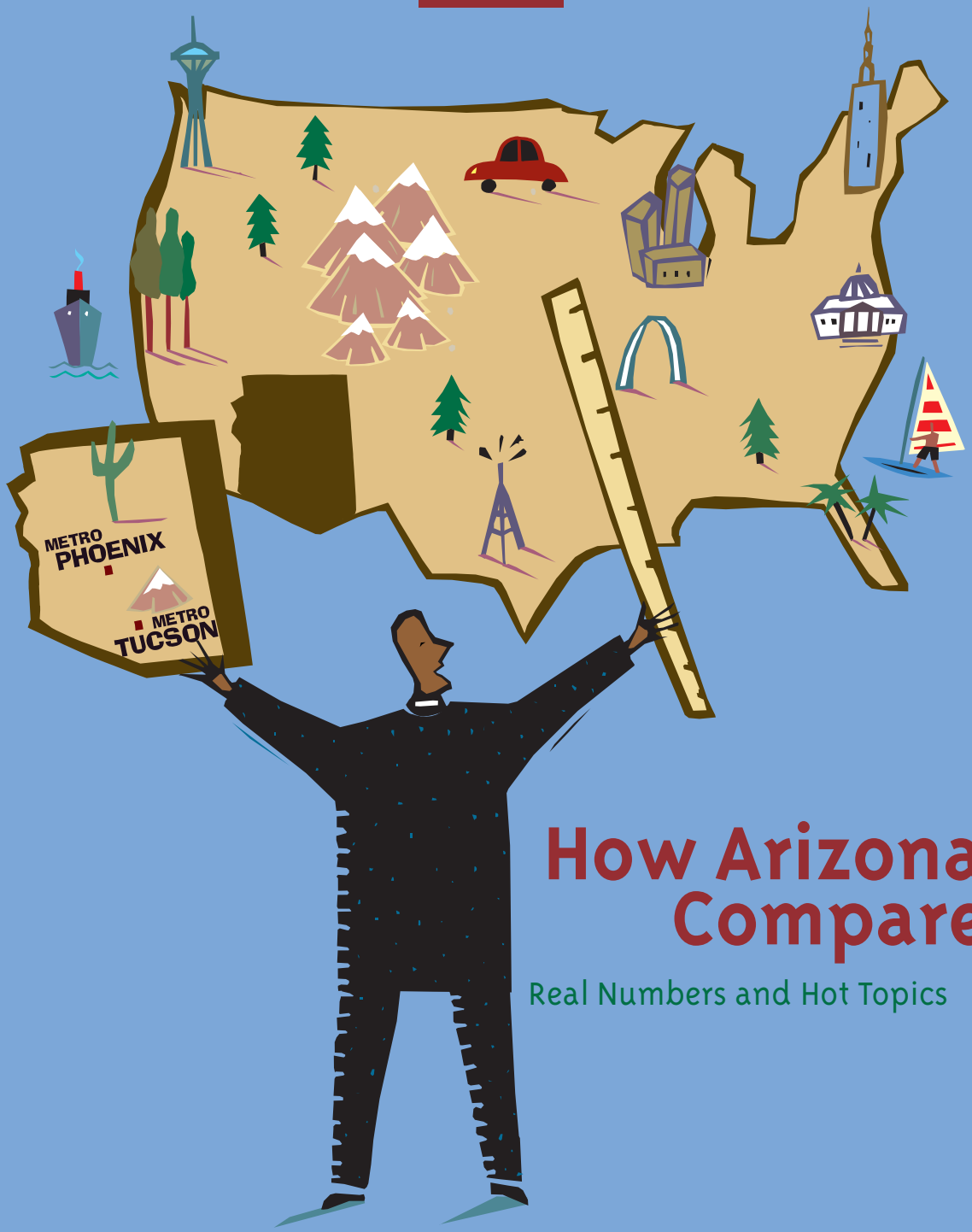
• arizona's land and people • crime and punishment • health and health care • education • business futures • government • income and families • arts and culture • housing • transportation • environment •

APC

ARIZONA POLICY CHOICES




# How Arizona Compares

## Real Numbers and Hot Topics

JANUARY 2005


Morrison Institute for Public Policy

School of Public Affairs / College of Public Programs

ASU Arizona State University

## *How Arizona Compares:* Research Team

**Morrison Institute for Public Policy**

Rob Melnick
Nancy Welch
Bill Hart

**With Assistance From**

David Berman
Laura Davis
Richard Heffernon
Eugene Slechta
Suzanne Taylor
Richard Toon
Walter Valdivia

Suzanne Ernstein
Nielle McCammon
Dennis Mitchell
Azadeh Osanloo
Cherylene Schick
Alice Willey
Gwen Wisneski

Tracy Clark
Bank One Economic Outlook Center
Arizona State University

Nancy Dallett
Projects in the Public Interest

Rebecca Gau

Mark Goldstein
International Research Center

Linda Sandler
Consultant

**Publication Coordinator**
Karen Leland

**Publication Design**
Karen C. Heard
Chalk Design

Suzanne P. Landtiser
Fine Line Studio

**Cover Illustration**
© 2005 John Nelson

John Nelson is a nationally known artist and resident of Tempe, Arizona.

Morrison Institute for Public Policy is pleased to present *How Arizona Compares: Real Numbers and Hot Topics*, the 5th edition of Arizona *Policy Choices*. The only publications of their kind in Arizona, previous issues include:

> *Balancing Acts: Tax Cuts and Public Policy in Arizona*
> *Growth in Arizona: The Machine in the Garden*
> *The New Economy: A Guide for Arizona*
> *Five Shoes Waiting to Drop on Arizona's Future*

The *Arizona Policy Choices* volumes seek to do more than report. They are designed to assist decision making, stimulate debate, and serve as references.

*Arizona Policy Choices* volumes have gained notice in Arizona and across the country for creative content and clear communication. This tradition continues with *How Arizona Compares: Real Numbers and Hot Topics*. The publication offers comparative data and analysis on 10 public policy issues. With its scope and detail, *How Arizona Compares* will be of interest to many throughout Arizona and, I hope, encourage leaders and residents to discuss and move ahead on the state's most pressing public policy issues. I invite you to study *How Arizona Compares* and to use this publication for dialogue and action.

*Rob Melnick, Ph.D.*
*Director, Morrison Institute for Public Policy*
*Associate Vice President for Economic Affairs and Public Policy*
*Arizona State University*

# How Arizona Compares

## Real Numbers and Hot Topics

MORRISON INSTITUTE
FOR PUBLIC POLICY

Morrison Institute for Public Policy / School of Public Affairs / College of Public Programs / Arizona State University

# Acknowledgements


## The Assistance of the Following Subject Specialists is Acknowledged Gratefully.

**Eric Anderson**
Maricopa Association of Governments

**Dan Anderson**
Arizona Board of Regents

**Elizabeth Arias**
National Center for Health Statistics

**Josie Atienza**
The Foundation Center

**Steve Ballance**
Arizona Criminal Justice Commission

**Louann Bierlein Palmer**
Department of Teaching, Learning, and Leadership
Western Michigan University

**Teresa Brice-Heames**
Housing for Mesa

**Linda Brown**
Arizona Clean Elections Institute

**Jay Butler**
Arizona Real Estate Center
Arizona State University

**Ginger Ward**
Southwest Human Development

**Tracy Clark**
Bank One Economic Outlook Center
Arizona State University

**Shelley Cohn**
Arizona Commission on the Arts

**George Cunningham**
Governor's Office

**Daryl Fischer**
Arizona Department of Corrections

**Ed Fox**
APS

**Grady Gammage, Jr.,**
Gammage and Burnham

**Venetia Gempler**
U.S. Fish and Wildlife Service

**Patricia Gober**
Department of Geography
Arizona State University

**Jay Golden**
Sustainable Technology Program
Arizona State University

**Jeff Gray**
Arizona Department of Housing

**John Hall**
School of Public Affairs
Arizona State University

**Jeanmarie Haney**
The Nature Conservancy

**John Hepburn**
School of Justice and Social Inquiry
Arizona State University

**Stephanie Hiatt**
Center for Nonprofit Leadership & Management
Arizona State University

**Fran Huehls**
Indiana University Center on Philanthropy

**Kathy Jacobs**
Water Resources Research Center
University of Arizona

**Fred Karnas**
Governor's Office

**Bradford Kirkman-Liff**
School of Health Management and Policy
Arizona State University

**Paul Koehler**
Governor's Office

**Aaron Kupchik**
School of Justice and Social Inquiry
Arizona State University

**Debbie Lowe**
U.S. Environmental Protection Agency

**Stacey Lowe**
U.S. Census Bureau

**Susan MacManus**
Institute of Government
University of South Florida

**Carlos Eduardo Martín**
Del E. Webb School of Construction
Arizona State University

**Timothy McCluskey**
AeA Arizona

**Frank McCullagh**
Arizona Department of Transportation

**Dan McLean**
National Association of State Park Directors

**Myra Millinger**
Maricopa Partnership for Arts and Culture

**Alex Molnar**
Department of Education Leadership and Policy Studies
Arizona State University

**Christoper Mrela**
Arizona Department of Health Services

**Dana Naimark**
Children's Action Alliance

**Laura Peck**
School of Public Affairs
Arizona State University

**John Pein**
Arizona Department of Transportation

**Charles Redman**
Center for Environmental Studies
Arizona State University

**Tom Rex**
Center for Business Research
Arizona State University

**Beth Rosenberg**
Children's Action Alliance

**Julia Rosen**
Office of Economic Affairs
Arizona State University

**Scott Sheldon**
Arizona Nonprofit Weekly News & Review

**Tina Valdecañas**
Greater Phoenix Economic Council

**Randy J. Virden**
Department of Community Resources and Development
Arizona State University

**Vincent Webb**
Department of Criminal Justice
Arizona State University West

**Thomas Wickenden**
Arizona Board of Regents

**Nancy Wrona**
Arizona Department of Environmental Quality

# Contents


6
**Polishing the 48th Star**
How is Arizona doing? "Just fair" is the answer.

10
**Inside *How Arizona Compares***
*How Arizona Compares* is organized around 10 broad public policy topics.

12
**Arizona's Land and People**
Arizona was once known as the "baby state" because, until Alaska and Hawaii, it was the last to join the union. In many ways Arizona is a far different place than it was in 1912, though the topography and climate of this "great dry land" have remained constant.

16
**Crime and Punishment**
Facing some of the nation's highest crime rates, Arizona sends about as many residents to prison every year as it graduates from community colleges.

22
**Health and Health Care**
Health and health care: Having the best of both remains an elusive goal for many Arizonans, especially for the approximately 17% without health insurance.

26
**Education**
Virtually all Arizonans agree on the need for high educational achievement among the state's residents. Progress has been made recently, but too slowly in the eyes of many.

32
**Business Futures**
Arizonans' incomes are low, but an entrepreneurial culture and a belief in a high tech future offer optimism for the state's economy.

38
**Families and Incomes**
Many families struggle economically, and more than 250,000 children are growing up in poverty.

44
**Signal Measures on Hot Topics**
Thirty measures are presented for 50 states.

46
**Government**
Arizonans perennially debate how much they pay in taxes versus how much they get in return. The issue for governance long term, though, is voter turnout.

52
**Arts and Culture**
Arts and culture has been redefined as a player in economic development and the revitalization of communities in addition to its value for the soul.

58
**Housing**
Arizona's housing market is booming, but not for everybody. Affordability is a relative term.

62
**Transportation**
Arizona grew up with the automobile, but 21st century transportation calls for more than cars and trucks.

66
**Environment**
Arizona's people and environment are increasingly at odds. Sustainability offers a way out of "either-or" thinking and living.

71
**Selected Sources**

## A Quick Look at *How Arizona Compares*

**The 5th Edition of *Arizona Policy Choices***

*How Arizona Compares: Real Numbers and Hot Topics*

> Is a unique **reference tool** for Arizonans. It gives readers "briefings" on 10 important public policy topics.

> Presents **state and metropolitan comparative rankings** based on data that are widely accepted as fair and accurate.

> Provides **analysis of hot policy issues facing Arizona and the policy choices** that could move the state up in the rankings.

> Offers **a new sense of the state**. "Polishing the 48th Star" gives readers a "big picture" analysis of how our state compares.

> Includes **new public opinion data on how Arizonans *think* their state and major metropolitan areas compare** with others.

> Features a centerpiece, "Signal Measures on Hot Topics," of **comparative data on 30 key issues for all 50 states.**

# Polishing the 48th Star

**George W.P. Hunt led Arizona into the Union. Fat, bald, and far from politically correct, Hunt might not fit in well with today's image-obsessed politics, but his words of 90 years ago still ring true:**

"The 48th star, which so proudly
represents the youngest
State in our Union,
is symbolic of nothing
except such ideals and realities
as Arizona's citizens endow it with.
Of itself this symbol
has no meaning.
It remains for us as Arizona's
champions and sponsors
to make this star represent
the best things in statehood,
and to typify the highest ideals
in human brotherhood."

Stirring words, but what does Arizona's star represent in 2005? Or, in less ornate language: How is Arizona doing?

"Just fair" is the answer, according to how Arizona compares to other states on important public policy issues, and how Arizonans themselves think their state measures up.

Arizona and its two major metropolitan areas do fine on some comparative measures – but not that many. A recent public opinion survey conducted for this project shows that many Arizonans think their state and metro areas are "not as good as" others on a number of topics. Fewer Arizonans see the state and its urban regions as "better than" others.

Of course Arizona can, and must, do better. The alternative is being indelibly marked as an undistinguished, middle-of-the-pack state that is unworthy of economic investment or personal commitment. We have the people and the smarts for more. But we need unity and resolve around wise policy choices if Arizona is to fulfill Governor Hunt's hopes and exemplify the "best things in statehood."

## Offering a New Sense of the State

Unfortunately, much of Arizona's discourse on issues and choices has become shrill and divisive. Officials and voters both say they are tired of "polarization," but few of either group hold out much hope for change without a new catalyst. Perhaps a dose of sobering facts and figures and a summary of policy choices – as this study provides – will help us find our way through the debates to reasonable compromises and wise choices.

*How Arizona Compares* identifies "hot" issues and policy choices and presents reliable comparative data. Part tool and part call to action, *How Arizona Compares* is intended to help leaders and residents see their state and metropolitan regions in competitive terms and improve Arizona's quality of life by choosing better, bolder public policies. It also offers what might be called a "new sense of the state" – a clear-eyed, realistic picture of Arizona that comes from considering many public issues and options at the same time and in relation to one another.

Part of this "new sense" comes simply from a wealth of comparisons, an approach that appeals to something basic in human nature. We all love to evaluate things side by side. Which state does best by its children? Where is the finest symphony orchestra? Which state has the highest voter turnout? Surely, most Arizonans have heard some local patriot deliver that long-standing rallying cry: "At least we're not Mississippi!"

We're not. Yet Arizona has some soul searching to do, considering:

> Arizona is among the national leaders on some aspects of business vitality, education, and housing.

> Arizona does not lead the nation in a positive way in any of the 10 public policy areas.

> Arizonans do not think their state or major metro regions compare favorably on most issues.

Some will say such state and metro comparisons are misleading. They argue, for example, that if Arizona's population is growing rapidly and its housing market is booming (Arizona is 2nd on both of these measures), why should we care that Nevada is doing even better? Or, if Arizona spends less on education per student (we're 47th in current spending), does that mean our students are not learning? Ranking systems – like any other analytical approach – clearly have their limits.

But a strong case remains for using comparative data as a basis for public policy choices. Even if specific numbers in some areas may shift readily from year to year, the relative standing still has a lot to say. Plus, the now-global race to be a great

### PUBLIC POLICY ISSUES FOR STATE AND METRO COMPARISONS

Crime and Punishment

Health and Health Care

Education

Business Futures

Families and Incomes

Government

Arts and Culture

Housing

Transportation

Environment

### A Recent Public Opinion Poll Says Arizona Does Not Compare Well to Other States

| AREA | BETTER THAN MOST | ABOUT THE SAME AS MOST | NOT AS GOOD AS MOST | UNSURE | NET POSITIVE TO NEGATIVE |
|---|---|---|---|---|---|
| Cost of housing | 38% | 41% | 17% | 4% | +21 |
| Ability to attract high tech companies | 33% | 34% | 27% | 6% | +6 |
| Health of its natural environment | 28% | 42% | 26% | 4% | +2 |
| Artistic/Cultural Opportunities | 27% | 42% | 25% | 6% | +2 |
| Financial Security of Residents | 19% | 51% | 22% | 8% | -3 |
| State and Local Taxes | 18% | 55% | 21% | 6% | -3 |
| Health Care | 12% | 47% | 34% | 7% | -22 |
| Crime Rate | 13% | 47% | 37% | 3% | -24 |
| Adequacy of Overall Transportation System | 18% | 37% | 43% | 2% | -25 |
| Public Schools | 15% | 35% | 42% | 8% | -27 |
| Availability of Good-Paying Jobs | 15% | 38% | 42% | 6% | -27 |
| Well-Being of Children in Low Income Families | 10% | 35% | 44% | 11% | -34 |

Source: Morrison Institute for Public Policy, 2004.

* The net positive to negative compares the percentage of "better than" to "not as good as." The figure comes from subtracting the "not as good as" number from the "better than" number. This calculation provides another way of analyzing the various responses. Source: Morrison Institute for Public Policy, 2004.

### Residents' Views on Metropolitan Phoenix and Tucson

| AREA | BETTER THAN MOST | ABOUT THE SAME AS MOST | NOT AS GOOD AS MOST | NET POSITIVE TO NEGATIVE* |
|---|---|---|---|---|
| Metropolitan Phoenix (Maricopa County respondents only) | 34% | 44% | 19% | +15 |
| Metropolitan Tucson (Pima County respondents only) | 23% | 49% | 25% | -2 |

* The net positive to negative compares the percentage of "better than" to "not as good as." The figure comes from subtracting the "not as good as" number from the "better than" number. This calculation provides another way of analyzing the various responses. Source: Morrison Institute for Public Policy, 2004.

place needs a scorecard – a way to make course corrections, allocate limited public resources, attract high-value industry, and know when important milestones or truly dangerous waters have been reached. A state's ranking on one issue illuminates its standing on another. For example, states with a high percentage of residents below the poverty level (Arizona is 14th) tend to have more people without health insurance (Arizona ranks 10th). Per capita income (Arizona is 38th) relates to the percentage of children living in poverty (Arizona is 12th). The Phoenix metropolitan region has the 47th-lowest price for existing homes, and thus, it is not surprising that it is a leader in home construction. Although one can never assume simple cause and effect, clear relationships among data do exist.

## A Public Point of View

Morrison Institute for Public Policy commissioned a public opinion survey for this project to see how Arizonans think the state and metropolitan areas compare to others. Residents were asked whether Arizona (and metropolitan Tucson or Phoenix if they lived there) was "better than most," "the same as most," or "not as good as most" other states or metros on 12 items. Their overall response shows that most Arizonans believe that neither their state nor metro area compares all that well to other places. In fact, Arizonans were more negative than positive on 8 out of 12 measures.

In no instance does a majority, or even 40%, rate Arizona as "better" than most other states. Only the cost of housing has a rating far more favorable than unfavorable. On the other hand, the proportion giving "not as good as" ratings exceeds 40% in four areas: public schools, well-being of children in low income families, availability of good-paying jobs, and the state's transportation system. A more generous view of the results would be to combine the "better than" percents with "same as." Then, one would conclude that Arizonans think their state is doing quite well. On the other hand, "same as" could also be combined with "not as good" for a quite negative view. Survey experts, thus, usually see "same as" in neutral terms – absent other clarifying information. Finally, it's worth noting that most of these outlooks extended across income groups, racial and ethnic lines, and from urban to rural. Metropolitan areas fared better than the state as a whole, but still only a third responded "better" for Phoenix. Less than a quarter of Pima County residents rated Tucson as better than other urban areas.

The strong negative currents among Arizonans reflect a grimmer picture of the state than do the data assembled for this

report. But since public opinion remains a crucial ingredient in policy making, leaders take note: Your constituents are telling you Arizona could do better.

## "Just Fair" Just Isn't Good Enough

Both data and public opinion tell us that Arizona has successes to be proud of and challenges to address. But there is no time to rest on our laurels or bemoan our shortcomings. Today's cold economic realities require us to compete with other states and cities for money, talent, and reputation. Other states and metros and countries are constantly making decisions to improve their comparative position. When they get better on a key issue, Arizona becomes relatively worse. True, it's possible that the state's rankings throughout these 10 basic areas are good enough for us to maintain an overall upward momentum, given Arizona's attractive climate and competitive cost of living. But this approach could also preface a downward slide into entrenched mediocrity, leaving Arizona increasingly dependent on sunshine, low-wage jobs, and refugees from California. Accepting a "just fair" rating today, in other words, invites settling for a "poor" one tomorrow. Nobody wants that. Despite their disagreements, Arizona's natives and newcomers, Democrats and Republicans, urbanites and rural residents, employers and employed all want their state to have the best schools, safest streets, and highest incomes. Most would also agree that the state has the talent and resources to get there.

## A Matter of Bold Leadership

Arizonans have not been idle on public policy issues. Just in the past decade residents and leaders have promoted or enacted scores of policy measures concerning the areas covered in *How Arizona Compares*. Transportation funding, neighborhood revitalization, sentencing reform, health care access, rural economies, child care, affordable housing, education funding – clearly, many Arizonans are eager to discuss and support projects to improve their communities' competitiveness and quality of life. Government is not the answer to every issue. Individuals, community groups, and the private and nonprofit sectors must contribute. However, Arizona's performance in any of these 10 core areas could be improved by creative, long-term commitments to public policies and programs. In some cases, progress in the rankings will require staying our current course. In other areas, bold or even risky policy choices are called for because Arizona is so far behind. Governor Hunt provided us with the vision of "the best things in statehood." Now an alert, engaged citizenry guided by tough-minded leaders must make the choices that fit that future.

### AVOIDING CONFUSION ABOUT 1ST AND 50TH

Sometimes it is hard to tell if being number 1 is desirable or not. Confusion may be avoided by focusing on the measure. For example, high per capita income is good. Being first in that measure is positive. Crime or child poverty is undesirable so placing at the top of the list is undesirable.

A Mix of High and Low Rankings Mark Arizona as "Just Fair"

| POLICY AREA | MEASURE | MEASURE | MEASURE |
|---|---|---|---|
| Crime and Punishment | 1 serious crime | 9 rate of incarceration | 9 justice spending |
| Health and Health Care | 10 percentage of residents without health insurance | 23 overall health | 48 per capita expenditures on health care |
| Education | 1 number of charter schools | 19 science and engineering doctorates | 47 per student K-12 current spending |
| Business Futures | 2 job growth | 17 Milken Technology and Science Index | 37 per capita gross state product |
| Families and Incomes | 12 child poverty | 3 birth rate | 38 per capita income |
| Government | 5 ballot initiatives | 39 state and local per capita spending | 47 voter turnout |
| Arts and Culture | 1 in national monuments | 19 in arts-related businesses | 26 in per capita public library circulation |
| Housing | 2 housing unit growth | 11 mobile and manufactured housing | 31 home ownership |
| Transportation | 4 highway traffic fatalities | 17 travel time to work | 20 in annual miles driven per vehicle |
| Environment | 4 in biodiversity | 8 in groundwater withdrawal | 49 in per capita energy consumption |

Source: Morrison Institute for Public Policy, 2004.

# Inside *How Arizona Compares*

## Getting at the Real Numbers

ND CLICK Click on this icon throughout the report for National Data on all 50 states.

### A Here and Now Approach

*How Arizona Compares* is organized around 10 public policy topics, each of which is enormous, complex, and riddled with controversy. This publication seeks not to present comprehensive coverage of each topic but to offer concise sketches in a handy long-term reference. Most of all, *How Arizona Compares* is intended to spark new ways of thinking of and responding to current and emerging issues – and how they relate to one another. *How Arizona Compares* brings together data and ideas that may not often be considered at the same time. Described as "a new sense of the state" in the previous section, the data and policy choices featured relate to what is top of mind in Arizona and what is happening "here and now." Each section highlights state comparisons on 3 "hot topics" and then presents an overview of the issue, basic facts and figures, some of the policy choices in the news, and a "metro focus." The book's primary coverage is the state as a whole, but metropolitan Phoenix and Tucson are also featured because what happens in these two growing regions affects the entire state.

Limited space makes it impossible to present data for 50 states for each item. Tables and graphics usually present the "top" and "bottom" states, in addition to Arizona. Western states and metros or other specific groupings are often used as well. Data on all 50 states for all measures included in *How Arizona Compares* are available at www.morrisoninstitute.org.

## Selection Criteria and Data Caveats

Morrison Institute for Public Policy selected the data in *How Arizona Compares* from solid secondary sources. Every effort was made to ensure that what appears here is the most recent, accurate, and reliable data available. To that end, Morrison Institute enlisted the aid of experts and consultants in all 10 of the areas studied. (See Acknowledgements for a list of those who participated.) They participated both at the beginning of the process, to help choose what to measure and which sources to use, and at the end, to review the text and data. The intention is – to the extent possible given the limitations of sources, statistics, and research – to provide "real numbers." However, it is a given that no source is without flaws. Explanations of sources appear as notes with tables and graphics or as Data Notes at the end of sections.

The U.S. Census Bureau is probably the most often used source here because of its myriad programs and respected reputation. Among Census Bureau products, the decennial census is considered the most reliable, and thus is frequently cited here even when more recent estimates are available. However, information products of many other federal institutions, state agencies, foundations, private publishers, and associations have been used. Considering the multitude of sources, schedules, and purposes for the information, it is unavoidable that data from various years appear in the same section.

The information in *How Arizona Compares* generally comes from three types of methodologies:

> Actual counts, such as FBI tallies of reported crimes or vital statistics

> Samples, such as public opinion surveys

> Indexes that statistically combine many sources of information to develop a comparative ranking

Some producers of information products combine these and other techniques. Many state rankings in a variety of sources include the District of Columbia; this publication omits D.C. from state rankings (unless otherwise noted), but includes it, when appropriate, in metropolitan rankings. Rankings are presented in the order that is used in the source. What is "best" or "worst" is presented in the notes. The terms "Hispanic" and "Latino" are used interchangeably and refer to persons of any race. Figures generally have been rounded to one decimal place or whole numbers. Where there are ties among entries, the tied states or metros are listed in alphabetical order.

Rating states or metro areas by a single indicator (water use, mortality rate, etc.) may oversimplify an issue. In addition, a place's exact rank may be of little actual significance because differences between the states or cities may be very small. Often, rankings cluster around an average. Thus, it may appear that a state or city is far behind others when the real difference is negligible. The focus is on the 50 states, rather than global comparisons.

When using this publication, it is important to remember that:

> Not everything the public and policy makers want to know is counted or collected, especially when seeking comparative data. Often proxies must be accepted. In addition, a lot of information is collected regularly, but not annually. Data may be several years old, but still up to date.

> Numbers usually look backward, offering a static picture of a dynamic issue in an ever-changing world.

> Nearly all facts and figures are subject to errors and omissions in the development process. Sampling error is an issue to be aware of in many surveys and large-scale sources.

> The number calculated for any statistic depends on the definitions and assumptions used to produce it. Various public and private sources, thus, can provide different answers to the same question, though the differences may be minor.

> Lists can be a shortcut to understanding and discussing issues. In some cases, "raw data" counts are used to provide a different perspective or when other data are not available.

> New data are released continually. No publication can be 100% "current." This underlines the importance of a state's relative standing.

Phoenix-based Behavior Research Center conducted the *How Arizona Compares* survey, between July 1 and July 8, 2004 as part of the ongoing ConsumerTrack statewide study. Telephone interviews with 701 randomly selected adult heads of household throughout Arizona were held during a cross-section of daytime, evening, and weekend hours. The overall sampling error for the study is approximately +/- 4% at a 95% confidence level. The margin of error is somewhat higher for data on only metro Phoenix or Tucson or other subsets of respondents.

# Arizona's Land and People

Arizona was once known as the "baby state" because, until Alaska and Hawaii, it was the last to join the union. In many ways Arizona is a far different place than it was in 1912, though the topography and extreme climate of this "great dry land" have remained constant.

## Arizona's Land

"One has only to look down from above to see that Arizona is a deeply wrinkled old land of interminable mountains, river valleys, and desert plains. The sight of running water is rare. Dryness is obvious." The words of author Lawrence Clark Powell capture the essence of the nation's 6th-largest state. The aridity of the land is similar to that of most of the West, as is the dominance of public land ownership. More than 80% of Arizona is owned by federal, state, and tribal governments.

## Arizona's People

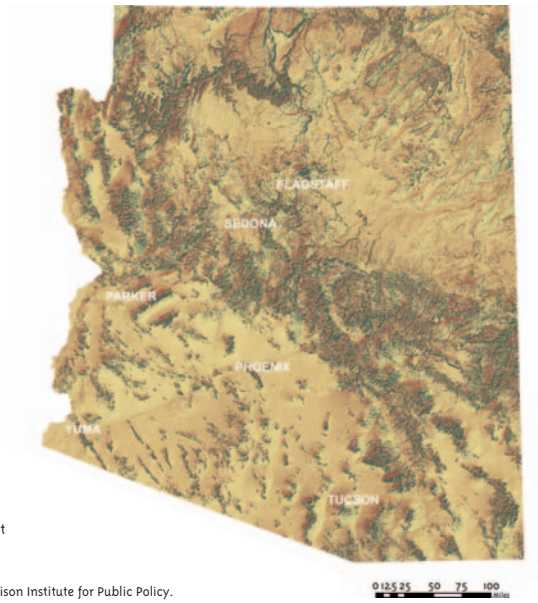
Population growth and urbanization have been Arizona's biggest stories for the past 50 years. And more people – many more people – are expected. But Arizona is not just getting bigger, it is becoming more diverse.

Now, Arizona is:

> 18th in population according to the 2003 Census Bureau estimates, a move from 20th in 2000

> the 8th most urban state

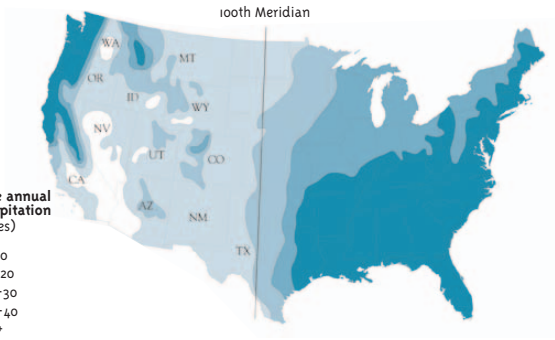
## **A Great Dry Land:** Arizona's Topography




**Elevation**
highest
lowest

Source: Morrison Institute for Public Policy.

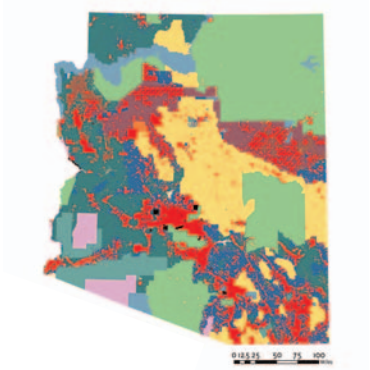
## **Proof of an Arid Place:** Average Annual Rainfall in the West




**Average annual precipitation**
(in inches)
- 0-10
- 10-20
- 20-30
- 30-40
- 40+

Source: *Atlas of the New West*, Center of the American West, 1997. William Riebsome (Travis) General Editor.

## **More Public Than Private:** Land Ownership in Arizona

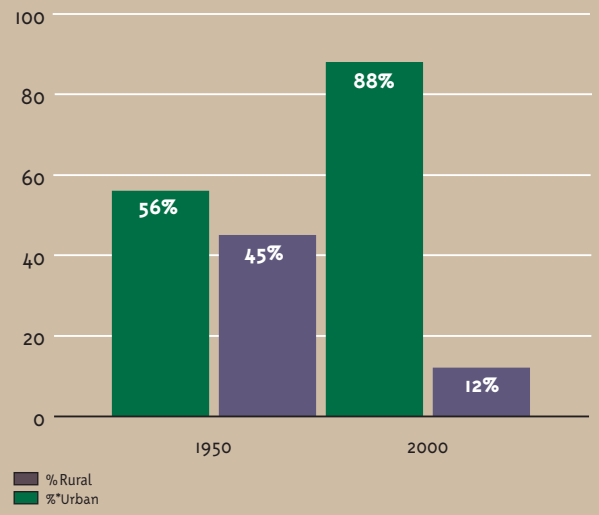


**Category**
- Bureau of Land Management
- Forest
- Indian Reservation
- Local or State Parks
- Military
- National Parks
- Other
- Private
- State Trust Land
- Wildlife Refuge

Source: Morrison Institute for Public Policy.

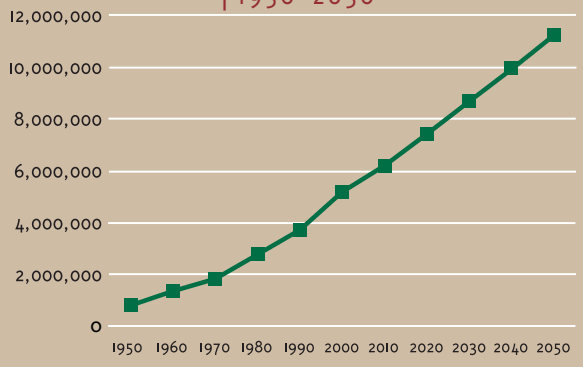
arizona's land and people •

## Urban and Rural Proportions — Arizona | 1950 & 2000




* Figures may not total 100 due to rounding. Source: U.S. Census Bureau and Arizona Department of Economic Security.

## Arizona Population Growth | 1950-2050*

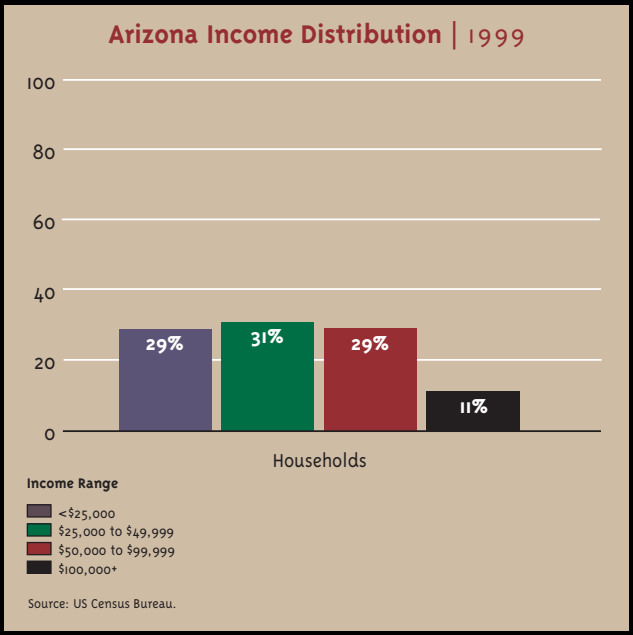


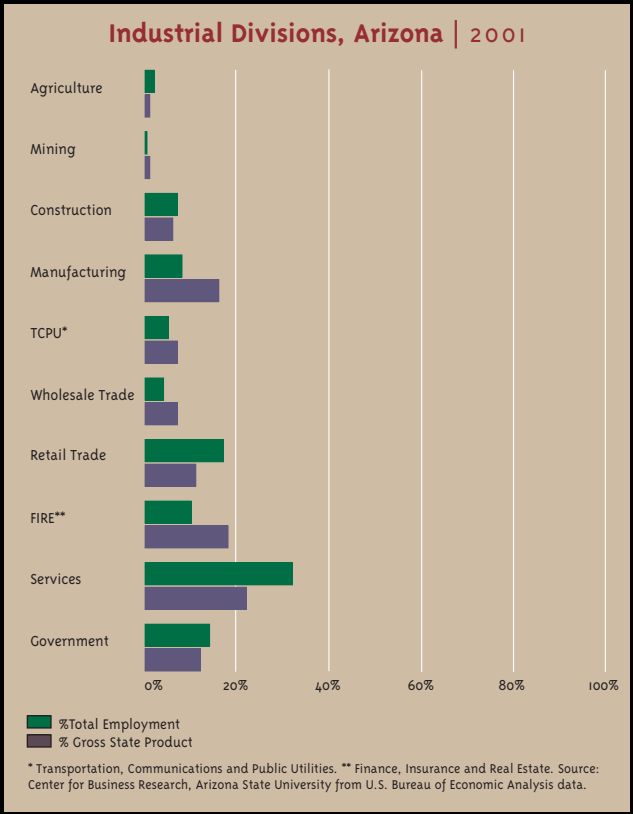

* Projected. Source: Arizona Department of Economic Security.

## Arizona and U.S. Ages | 2000

| AGE | ARIZONA | % ARIZONA | % U.S. |
|---|---|---|---|
| Under 5 years | 382,386 | 7.5 | 6.8 |
| 5 to 9 | 389,869 | 7.6 | 7.3 |
| 10 to 14 | 378,211 | 7.4 | 7.3 |
| 15 to 19 | 367,722 | 7.2 | 7.2 |
| 20 to 24 | 362,860 | 7.1 | 6.7 |
| 25 to 34 | 742,665 | 14.5 | 14.2 |
| 35 to 44 | 768,804 | 15.0 | 16.0 |
| 45 to 54 | 627,904 | 12.2 | 13.4 |
| 55 to 59 | 238,675 | 4.7 | 4.8 |
| 60 to 64 | 203,697 | 4.0 | 3.8 |
| 65 to 74 | 363,841 | 7.1 | 6.5 |
| 75 to 84 | 235,473 | 4.6 | 4.4 |
| 85+ | 68,525 | 1.3 | 1.5 |

Source: U.S. Census Bureau.




• arizona's land and people

> 6th in the percentage of residents who speak a language other than English at home

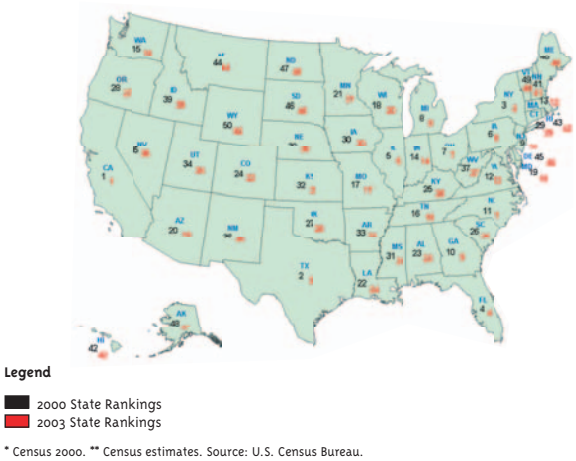
> Younger than the nation as a whole with a median age of 34.2 compared to 35.3 This difference will continue, as Arizona's birthrate (16.1 per 1,000 population) outstrips the nation's (13.9)

> 5th highest in "dependency ratio," meaning the number of (typically "dependent") youth under age 20 and the number of seniors age 65 and over for every 100 people in between

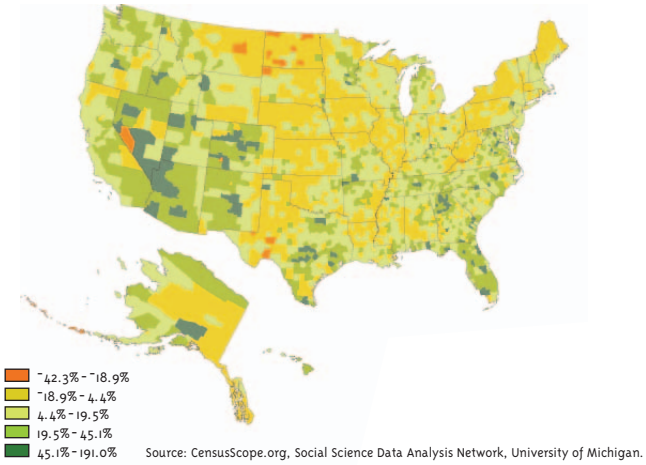
## Arizona's Livelihood

Arizona's economy has changed dramatically from the days when agriculture and mining reigned supreme. Today, the economy is much broader, though some say still not diverse enough. Total employment is nearly 3 million with services accounting for the most jobs.

**Population Across the Nation:**
Population Rankings | 2000* and 2003**




**Growth is a Given:**
Percent Population Change | 1990-2000



• arizona's land and people •

**Arizona and U.S., Race and Ethnicity | 1990 & 2000**

| RACE/ETHNICITY | % 1990 ARIZONA | % 1990 U.S. | % 2000 ARIZONA | % 2000 U.S. |
|---|---|---|---|---|
| White*** | 81.0 | 80.4 | 75.5 | 75.1 |
| African American | 3.0 | 12.0 | 3.1 | 12.3 |
| American Indian and Alaska Native | 5.6 | 0.8 | 5.0 | 0.9 |
| Asian or Pacific Islander | 1.5 | 2.9 | 1.9 | 3.7 |
| Other race | 8.9 | 3.9 | 11.6 | 5.5 |
| Two or more races** | | | 2.9 | 2.4 |
| Hispanic* | 18.6 | 8.8 | 25.3 | 12.5 |

* Hispanic may be of any race. ** Two or more races was not a category in 1990. *** Single races are non Hispanic. Source: U.S. Census Bureau.

## METRO FOCUS

## SOME SIMILARITIES AND DIFFERENCES BETWEEN THE PHOENIX AND TUCSON REGIONS

*Phoenix and Tucson are often noted for how they differ, but they share certain traits as well. The 2 desert metros are located in river valleys: Salt River Valley and the Santa Cruz River. Both have a long history of indigenous inhabitants including the Hohokam, Pima, Maricopa, and Tohono O'odham. Both have been capitols of the territory or state at one time. However, modern Phoenix can be traced to about 1868, while the City of Tucson came into being 1775 with the establishment of the Tucson Presidio. Today each name denotes both a large city and a larger metropolitan area where the rivers that originally attracted people are being reinvented as amenities for residents and visitors through the Rio Salado project in metro Phoenix and Rio Nuevo in Tucson. The Phoenix metropolitan region is younger than the Tucson region. The median ages are 33.2 and 35.7 years respectively.*

*The Tucson region is more diverse racially and ethnically than the Phoenix region. The Non-Hispanic White population is 66% and 62% respectively.*

*The African American populations of the regions nearly match with 3.7% in the Phoenix region and 3.0% in Tucson. American Indian population is similar – Tucson has 3.2%, while Phoenix shows 2.2%. However, the number of American Indian residents in Phoenix (70,740) outpaces Tucson (27,178).*

**Phoenix and Tucson Metropolitan Regions*, Population Basics | 2000**

M METRO

| Characteristic | Metro Phoenix Number | Metro Phoenix Rank | Metro Tucson Number | Metro Tucson Rank |
|---|---|---|---|---|
| Population 2000 | 3,251,876 | 14 | 843,746 | 55 |
| % Population Growth 1990-2000 | 45.3 | 8 | 26.5 | 37 |
| Hispanic Population 2000 | 817,115 | 31 | 247,861 | 39 |

* Metropolitan Statistical Areas. The Phoenix region includes Maricopa and Pinal Counties. The Tucson region is synonymous with Pima County. Source: U.S. Census Bureau and Censusscope.

*The State of Arizona Registered Voters showed 1,451,620 Maricopa County voters in time for the primary election of 2004. Pima County counted 401,105. In Maricopa County 44% of registered voters are Republican, 31% are Democratic, 25% are "Other" (read Independent), and less than 1% are Libertarian. In Pima County, the mix is different: Republican 33%; Democratic 41%; 26% Independent; less than 1% Libertarian.*

*In the Phoenix metropolitan area, 12% of individuals lived below the poverty line in 1999. The proportion for the Tucson region stood at 14.7%, according to the U.S. Census Bureau.*

# Crime and Punishment

1st in the rate of serious crime

9th in the rate of incarceration

9th in justice system spending

Facing some of the nation's highest crime rates, Arizona sends about as many residents to prison every year as it graduates from community colleges.

The past decade witnessed two dramatic trends in Arizona and the nation:

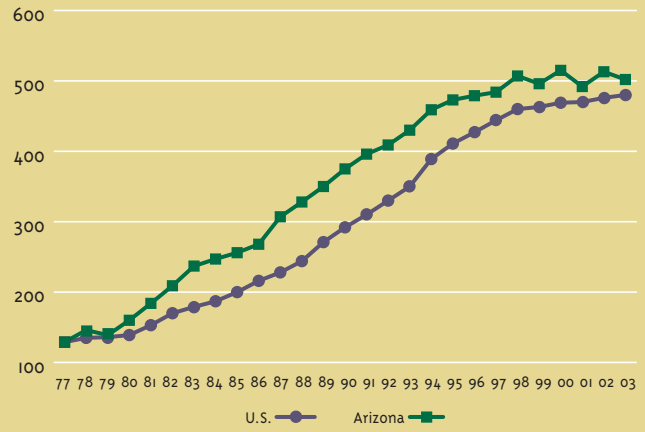
> A sharp rise in the prison population

> A steep drop in serious crime

Yet crime in Arizona remains high. According to the FBI's most recent full-year tally in 2003, Arizona had the highest rate of serious crime of any state, and both Tucson and Phoenix placed among the nation's top 30 metro areas (out of more than 300). In addition, the state's prisons are seriously overcrowded, housing more than 32,000 inmates in facilities designed for approximately 29,000.

With high crime rates, a strained state budget, and a corrections system whose stress fractures were highlighted by a February 2004 hostage crisis, Arizona finds itself facing challenges in both crime and punishment.

**State Prisoners Per 100,000 Population**
Arizona and U.S. | 1977-2003



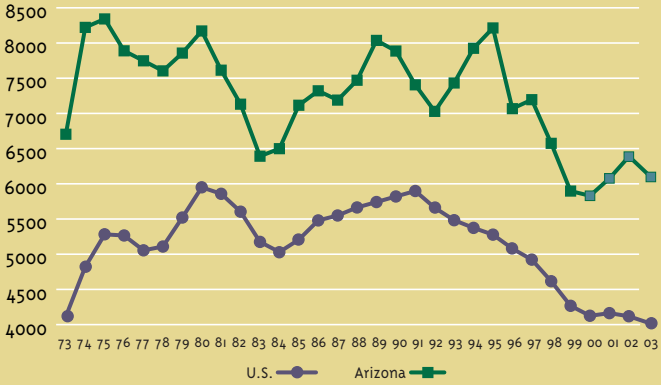

Source: U.S. Bureau of Justice Statistics.

## Reasons Why

Why is crime so high in Arizona? Answers to this controversial question range from a "wild west" mentality to a lack of social services. But the reasons most often cited include the destabilizing effects of the state's rapid population growth and accompanying "churn," its long border with Mexico (facilitating drug sales, drug smuggling, and auto theft), its comparatively large low-income population, and its relatively high proportion of residents in the younger, more "crime prone" ages.

Lack of enforcement, however, is not usually mentioned. Compared to other states, Arizona spends a lot on its justice

**Crimes Per 100,000 Population**
Arizona and U.S. | 1973-2003




Source: FBI, *Crime in the United States, 2003.*

**Rate of Serious Crime**
**Per 100,000 Population** | 2003

| STATE | CRIMES* | RANK** |
|---|---|---|
| **Arizona** | **6,145.6** | **1** |
| Hawaii | 5,507.9 | 2 |
| South Carolina | 5,270.6 | 3 |
| Florida | 5,182.2 | 4 |
| Texas | 5,147.8 | 5 |
| South Dakota | 2,175.1 | 49 |
| North Dakota | 2,173.9 | 50 |
| U.S. | 4,063.4 | |

* Per 100,000 population. Serious crime combines violent and property crime and includes murder, rape, robbery, aggravated assault, burglary, larceny and auto theft. ** 1 is highest rate of serious crime. Source: FBI, *Crime in the United States*, 2003.

ND CLICK

**Rate of Violent Crime**
**Per 100,000 Population** | 2003

| STATE | CRIMES* | RANK** |
|---|---|---|
| South Carolina | 793.5 | 1 |
| Florida | 730.2 | 2 |
| Texas | 552.5 | 12 |
| **Arizona** | **513.2** | **13** |
| Michigan | 511.2 | 14 |
| Maine | 108.9 | 49 |
| North Dakota | 77.8 | 50 |
| U.S. | 475.0 | |

* Per 100,000 population. Includes murder, rape, robbery, and aggravated assault. ** 1 is highest rate of violent crime. Source: FBI, *Crime in the United States*, 2003.

ND CLICK

**Rate of Property Crime**
**Per 100,000 Population** | 2003

| STATE | CRIMES* | RANK** |
|---|---|---|
| **Arizona** | **5,632.4** | **1** |
| Hawaii | 5,237.5 | 2 |
| Oregon | 4,782.3 | 3 |
| Washington | 4,754.9 | 4 |
| Texas | 4,595.3 | 5 |
| New Hampshire | 2,053.9 | 49 |
| South Dakota | 2,001.7 | 50 |
| U.S. | 3,588.4 | |

* Per 100,000 population. Includes burglary, larceny and motor vehicle theft. ** 1 is highest rate of property crime. Source: FBI, *Crime in the United States*, 2003.

ND CLICK

**Motor Vehicle Theft**
**Per 100,000 Population | 2003**

| STATE | THEFTS* | RANK** |
|---|---|---|
| **Arizona** | **1,021.3** | **1** |
| Nevada | 929.8 | 2 |
| Hawaii | 767.4 | 3 |
| California | 680.1 | 4 |
| Washington | 662.5 | 5 |
| Maine | 111.5 | 49 |
| Vermont | 104.3 | 50 |
| U.S. | 433.4 | |

ND CLICK

* Per 100,000 population. ** 1 is highest rate of auto theft. Source: FBI, *Crime in the United States*, 2003.

**Juvenile Arrests for Violent Crimes**
**Per 100,000 Population | 2002**

| STATE | ARRESTS* | RANK** |
|---|---|---|
| Illinois | 898 | 1 |
| Florida | 517 | 2 |
| **Arizona** | **259** | **17** |
| Georgia | 263 | 19 |
| Alaska | 257 | 21 |
| Rhode Island | 257 | 21 |
| West Virginia | 54 | 49 |
| Vermont | 47 | 50 |
| U.S. | 295 | |

ND CLICK

* Arrests per 100,000 population. Arrest and reporting standards vary substantially across jurisdictions and thus the data should be used with caution. ** 1 is the highest rate of arrests. Source: U.S. Office of Juvenile Justice and Delinquency Prevention.

**Juvenile Arrests for Property Crimes**
**Per 100,000 Population | 2002**

| STATE | ARRESTS* | RANK** |
|---|---|---|
| Wisconsin | 3,207 | 1 |
| Utah | 2,480 | 2 |
| Louisiana | 1,949 | 15 |
| **Arizona** | **1,938** | **16** |
| Oregon | 1,826 | 17 |
| Massachusetts | 709 | 49 |
| West Virginia | 541 | 50 |
| U.S. | 1,511 | |

ND CLICK

* Arrests per 100,000 population. Arrest and reporting standards vary substantially across jurisdictions and thus the data should be used with caution. ** 1 is the highest rate of arrests. Source: U.S. Office of Juvenile Justice and Delinquency Prevention.

systems and employs a large number of people there. While probation remains the more common punishment for serious crime, Arizona uses prison more than most states; it ranks among the top 10 in its per capita rate of imprisonment.

## Debates on What to Do

Because of the cost of imprisonment and the sheer numbers involved in the system, Arizona, like most states, faces conflicting pressures. Some experts, advocates, and elected officials favor the current, more punitive approach, and support further prison construction. Others favor "treatment" and alternatives to incarceration. Part of the reason is financial: It takes about $20,000 annually to support an Arizona prison inmate, compared to about $1,100 annually for "standard" probation, and $6,000 per year for "intensive" probation. Advocates of imprisonment argue that locking up offenders is the only sure way to stop future crimes, noting that crime rates have fallen as prison populations increased. However, many experts say the nation's drop in crime also stemmed from factors such as the strong 1990s economy, improvements in police tactics, the decline of the crack cocaine epidemic, and a dip in the relative population of teens and young adults.

Critics of imprisonment point to an Arizona Department of Corrections study that found that more than 40% of the state's inmates return to prison within 3 years of release. They say that's in part because Arizona needs to provide more rehabilitation for convicts, including education, job training, and substance abuse treatment.

Advocates of alternatives to incarceration generally favor sending fewer criminals to prison, especially for nonviolent offenses, and shorter terms for many other offenders. This would require changes in state law to curtail or eliminate "mandatory sentencing," which requires judges to hand down minimum sentences for certain crimes. These advocates also support more non-prison punishments centered on probation – including intensive supervision, jail terms combined with probation and substance abuse treatment, restitution to victims, and community service as conditions of probation. Some also favor the revival of parole (supervision following

release from prison) something that was virtually abolished in Arizona by the state's 1994 "Truth in Sentencing" law, which also requires inmates to serve at least 85% of their sentences before release.

## Policy Choices Here and Now

Despite reductions in recent years, Arizona's crime numbers are grim. Worse, Arizona is not new to its place among the nation's crime leaders, and does not seem poised to drop from the front ranks anytime soon, especially considering a projected rise in the proportion of youth in Arizona's already young population. As a result, crime and criminal justice will continue to play prominently in state and local policy debates. Here and now the policy talk is about:

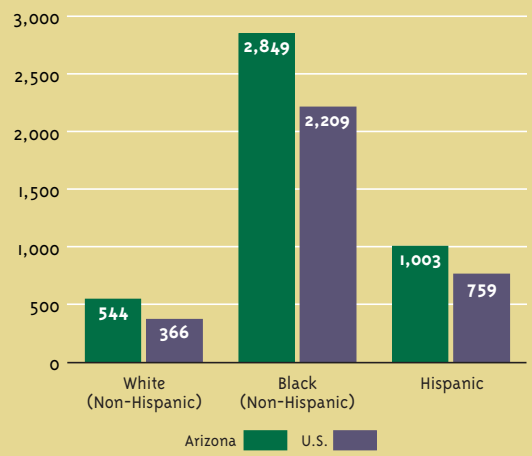
> Boosting statewide efforts against auto theft.

> Focusing resources on substance abuse prevention and treatment because of their connection to crime.

> Changing sentencing laws to provide more flexibility and reduce mandatory imprisonment.

> Addressing education, community, and family disadvantages that often link to crime and violence.

### Incarceration Rates* Per 100,000 Population | 2001
Among Whites, Blacks, and Hispanics




* In state prisons and local jails. Source: U.S. Bureau of Justice Statistics, 2001.

### Justice System Employment Per 100,000 Population | 2001

| STATE | FTEs* | RANK** |
|---|---|---|
| New York | 94.0 | 1 |
| Louisiana | 85.5 | 2 |
| Alaska | 75.9 | 7 |
| **Arizona** | **75.6** | **8** |
| Georgia | 74.1 | 9 |
| Vermont | 47.5 | 49 |
| West Virginia | 41.7 | 50 |
| U.S. | 69.7 | |

* FTE means full-time equivalent positions. ** 1 is highest level of employment. Source: U.S. Bureau of Justice Statistics.

ND CLICK

### Per Capita Justice System Expenditures | FY 2000

| STATE | $ PER CAPITA EXPENDITURES* | RANK** |
|---|---|---|
| Alaska | 768.27 | 1 |
| California | 653.31 | 2 |
| Oregon | 525.90 | 8 |
| **Arizona** | **518.82** | **9** |
| Maryland | 512.37 | 10 |
| West Virginia | 256.08 | 49 |
| North Dakota | 225.51 | 50 |
| U.S. | 471.31 | |

* Includes state and local spending on police, courts, and corrections ** 1 is highest level of spending per capita. Source: U.S. Bureau of Justice Statistics.

ND CLICK

### Incarceration Rate Per 100,000 Population | 2003*

| STATE | INMATES** | RANK*** |
|---|---|---|
| Louisiana | 801 | 1 |
| Mississippi | 768 | 2 |
| Missouri | 529 | 8 |
| **Arizona** | **525** | **9** |
| Delaware | 501 | 10 |
| Minnesota | 155 | 49 |
| Maine | 149 | 50 |
| U.S. | 430 | |

* Prisoners with sentences of more than 1 year per 100,000 state residents. ** 1 is highest rate. Source: U.S. Bureau of Justice Statistics.

ND CLICK

**Average Prison Time Served* | 2001**

| STATE | AVERAGE TIME SERVED** | RANK*** |
|---|---|---|
| Pennsylvania | 69.0 | 1 |
| Texas | 55.2 | 2 |
| Wisconsin | 35.9 | 10 |
| Alabama | 32.8 | 12 |
| **Arizona** | **35.0** | **13** |
| Rhode Island | 9.9 | 41 |
| Delaware | 8.9 | 42 |
| U.S. | 29.2 | |

ND CLICK

* Among 42 states reporting. ** In months for prisoners released in 2001. *** 1 is highest average time served. Source: *Corrections Yearbook, 2002.*

**Rate of Serious Crime Per 100,000 Population Major Metro Areas* | 2003**

M METRO

| STATE | CRIMES** | RANK*** |
|---|---|---|
| **Phoenix** | **6,359.1** | **1** |
| Miami | 5,843.2 | 2 |
| Tampa-St. Petersburg | 5,772.2 | 3 |
| Los Angeles | 3,675.4 | 18 |
| Boston | 2,830.3 | 19 |
| New York | 2,651.7 | 20 |

ND CLICK

* Top 20 metropolitan statistical areas by population. Data unavailable for Chicago, Cleveland, and Detroit. **Per 100,000 population. ***1 is highest rate of serious crime, which combines violent and property crime. Source: FBI, *Crime in the United States*, 2003.

> Fixing the corrections "revolving door" by providing more assistance as inmates are released from incarceration and preventing their return.

Crime continues to weigh on Arizonans' minds. A third of respondents to the public opinion survey said Arizona was not as good as other states in terms of crime, while nearly half felt it was about the same. Public officials and professionals will need to look creatively at these familiar topics to balance the concerns of residents and the needs of state and local treasuries.

## DATA NOTES

"Serious crime" is the combination of violent and property crime. The FBI defines "serious" crime (or "index crime") as the violent crimes of murder, rape, robbery, and aggravated assault and the property crimes of burglary, theft, motor vehicle theft, and arson. The FBI's Uniform Crime Report compiles data on index crimes from law enforcement agencies around the country and is considered the most reliable source available.

## METRO FOCUS

***Serious Crime >*** *Crime is a critical issue for metropolitan Phoenix and Tucson, compared to the other 300 U.S. metro areas ranked by the FBI. In 2003, Phoenix ranked first among large metros in total "index" crime, which includes both violent and property offenses, and 23rd among all metros. With a rate of 7,699.9 crimes per 100,000 population, Tucson ranked 2nd in total crime in 2003. In both cases, however, the rankings were driven primarily by high levels of property crime, and especially motor vehicle theft. For example, property crime in metro Phoenix places it 18th among all 302 metros. However, the area's violent crime ranking is less dramatic at 105th. The pattern for Tucson is similar, with a number 2 ranking in property crime and a ranking of 56th in violent crime.*

***Drugs and Crime >*** *Concerns about the connections between drugs and crime are understandably high. The 2003 report from the Arrestee Drug Abuse Monitoring (ADAM) Program, a federal effort that monitored drug use among adults booked into jails across the country, found that a median level of 67% of male and 68% of female arrestees tested positive for cocaine, marijuana, methamphetamine, opiates, or phencyclidine (PCP). Figures in metro Phoenix and Tucson were higher than the national numbers.*

*Maricopa County operates jail facilities in metropolitan Phoenix and in the outlying areas of the county. According to the ADAM report, in the Phoenix area, 74% of men and 75% of women who were booked into the jail tested positive for cocaine, marijuana, methamphetamine, opiates, or phencyclidine (PCP).*

*Pima County administers jails in the Tucson region. There, 73% of men and 69% of women tested positive for drugs upon booking.*

**"The good, decent things we desire for ourselves and future generations simply are not attainable without considerable sacrifice and hard work."**

*Morris K. Udall*

# Health and Health Care

48th in per capita health care expenditures

10th in percentage of residents without health insurance

23rd in overall health

Health and health care: Having the best of both remains an elusive goal for many Arizonans, especially for the approximately 17% without health insurance.

Thanks to the remarkable advances of modern medicine, traditional public health enemies such as infant mortality and infectious disease have lost most of their punch in the U.S. Yet rising health care costs, concerns about health insurance, and poor experiences with some heath care providers have residents worried about obtaining the care they need or want. Quality, cost, access, and choice remain the "big four" issues in health and health care. The balance among these is at the heart of choices facing individuals, companies, and governments.

And Arizonans know it. A survey by Phoenix-based St. Luke's Health Initiatives in late 2003 showed that health care remains a crucial issue for state residents. Reforming health care was the 3rd most important issue in the statewide study, yet with numbers nearly identical to improving education and strengthening the state's economy, the top two needs. Within health care, high costs and access worried residents the most.

## Arizonans' Health

Despite concerns about health care and health insurance, Arizonans as a whole enjoy relatively good health. Any population's health is due to many factors. Some, such as diet, physical activity, and lifestyle, lie only partially within the scope of public policy; others, such as age, are beyond the reach of collective choices. According to United Health Foundation's (UHF) annual 18-part index, Arizona placed 23rd among states in 2004 in overall health, up from 32nd in 2003 (1 is healthiest). This represents an improvement over past years, but Arizona's score remains only 3 percentage points above the national average, and within a range shared by many other states. As noted by UHF, Arizona's strengths include "strong support for public health," a low rate of cancer deaths and a low rate of deaths from cardiovascular disease. According to UHF, challenges remain in the state's high rate of motor vehicle deaths, low access to adequate prenatal care, and high percentage of children in poverty.

Disparities in health and health care continue also to be evident among Arizona's minority populations. American Indians, African Americans, and Hispanic residents do not fare well compared to non-Hispanic Whites, particularly in such areas as diabetes and heart disease.

In part because of their health, Arizonans overall spend less on health care than most other Americans. In 1998, the last available figures, Arizona's per capita personal expenditures on health care amounted to $3,100, compared to $3,759 for the nation, putting Arizona 48th. The calculations, made by the U.S. Department of Health and Human Services, include costs of hospital care, physician services, drugs, nursing home care, and other items.

## Health Insurance in Arizona

In 2003, Arizona ranked 10th among states on the percentage of residents without health insurance and 4th in the number of low-income children without health insurance. Just over 17% of Arizonans lack insurance. According to the University of Arizona authors of *Health Care Coverage in Arizona*, the primary reasons are: 1) low hourly wages; 2) premium costs; 3) individuals' assessment of their need for health services; 4) language barriers; and 5) immigration status. In Arizona, Hispanic residents are twice as likely as non-Hispanic Whites to be uninsured. Rural residents also are more often "older, poorer, and less healthy than their urban counterparts, and they are more likely to be uninsured," according to the University of Arizona researchers.

### State Health Index Rankings United Health Foundation | 2004

| STATE | % SCORE* | RANK** |
|---|---|---|
| Minnesota | 25.0 | 1 |
| New Hampshire | 23.9 | 2 |
| Vermont | 22.8 | 3 |
| California | 3.6 | 22 |
| **Arizona** | **3.0** | **23** |
| Alaska | 2.9 | 24 |
| Tennessee | -13.1 | 48 |
| Mississippi | -20.2 | 49 |
| Louisiana | -21.3 | 50 |

* Score indicates percent above or below the U.S. national norm, which is 0. Arizona is 3% above the national average or a bit healthier than the country. The index is calculated based on federal data on smoking, motor vehicle deaths, obesity, violent crime, high school graduation levels, children in poverty, prenatal care, health insurance, per capita public health expenditures, percent of public health dollars spent on public health, occupational fatalities, limited activity days, cardiovascular deaths, cancer deaths, infectious disease, total mortality, infant mortality, and premature death. ** 1 is the healthiest state. Source: United Health Foundation, *America's Health*, 2004.

ND CLICK

### Per Capita Health Care Expenditures | 1998

| STATE | $ PER CAPITA* | RANK** |
|---|---|---|
| Massachusetts | 4,810 | 1 |
| New York | 4,706 | 2 |
| New Mexico | 3,209 | 47 |
| **Arizona** | **3,100** | **48** |
| Idaho | 3,035 | 49 |
| Utah | 2,731 | 50 |
| U.S. | 3,759 | |

* Includes hospital care, physician services, drugs, nursing home care, etc. ** 1 is greatest spending per capita. Source: Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services.

ND CLICK

### Selected Mortality Rates* by Race and Ethnicity Per 100,000 Population | 2003

| CAUSE | TOTAL | WHITE** | AFRICAN AMERICAN | HISPANIC | AMERICAN INDIAN |
|---|---|---|---|---|---|
| Heart Disease | 197.1 | 197.9 | 299.4 | 198.5 | 141.9 |
| Cancer | 169.4 | 171.2 | 218.5 | 168.5 | 120.7 |
| Accidents | 44.8 | 40.9 | 52.4 | 44.7 | 108.6 |
| Diabetes | 20.3 | 16.5 | 53.6 | 39.1 | 55.8 |
| Homicide | 8.3 | 3.7 | 24.9 | 14.7 | 18.8 |

* Rate is the number of deaths per 100,000 population age-adjusted to the 2000 U.S. standard. Rates can vary substantially from year to year due to small numbers of deaths measured.** Non-Hispanic. Source: Arizona Department of Health Services, Arizona Health Status and Vital Statistics, 2004.

**Persons Without Health Insurance** | Average 2001-2003*

| STATE | % | RANK** |
|---|---|---|
| Texas | 24.6 | 1 |
| New Mexico | 21.3 | 2 |
| Louisiana | 19.4 | 3 |
| California | 18.7 | 4 |
| Oklahoma | 18.7 | 4 |
| Nevada | 18.3 | 6 |
| Alaska | 17.8 | 7 |
| Florida | 17.6 | 8 |
| Idaho | 17.5 | 9 |
| **Arizona** | **17.3** | **10** |
| Mississippi | 17.0 | 11 |
| Arkansas | 16.6 | 12 |
| Wyoming | 16.5 | 13 |
| Georgia | 16.4 | 14 |
| Colorado | 16.3 | 15 |
| Montana | 16.1 | 16 |
| North Carolina | 16.1 | 16 |
| Iowa | 9.5 | 47 |
| Wisconsin | 9.5 | 47 |
| Rhode Island | 9.3 | 49 |
| Minnesota | 8.2 | 50 |
| U.S. | 15.1 | |

* Data are derived from the annual Current Population Survey. Because of the errors inherent in the survey methods used in the Current Population Survey, a 3-year average provides the most accu rate view. ** 1 marks the state with the lowest level of health coverage and the greatest percentage of residents without health insurance. Source: U.S. Census Bureau.

ND CLICK

**Low-Income Children* Without Health Insurance** | Average 2001-2003

| STATE | % CHILDREN * | RANK** |
|---|---|---|
| Texas | 14.3 | 1 |
| Oklahoma | 11.7 | 2 |
| Montana | 11.6 | 3 |
| **Arizona** | **11.4** | **4** |
| Iowa | 6.2 | 20 |
| Vermont | 2.4 | 49 |
| New Hampshire | 1.6 | 50 |
| U.S. | 7.3 | |

* Children under 19 living at or below 200% of poverty, year average, 2001-2003. ** 1 is highest percentage of low-income children without health insurance. Source: U.S. Census Bureau.

ND CLICK

Of the roughly 80% of Arizonans who are insured, slightly more than half obtain health insurance through their jobs. However, not every job, whether full-time, part-time, temporary, or contract, provides health insurance. Or, coverage may be offered, yet the cost is too high for workers to afford. Approximately 18% of the Arizona households that lack health insurance contain at least 1 full-time worker. About 1 in 6 state residents receives health insurance through the Arizona Health Care Cost Containment System (AHCCCS, the state's Medicaid program).

Arizona's health insurance status has improved in recent years thanks to actions by policy makers and voters. For example, the Arizona Legislature adopted Kids Care, a federal-state health insurance program to cover children, in 1998. Arizonans voted in subsequent elections to broaden AHCCCS eligibility to cover more people. Most recently voters approved Proposition 204, which extended AHCCCS eligibility to include anyone below the federal poverty line (approximately $18,850 for a family of 4).

## Policy Choices Here and Now

Health, health care, and health insurance are at the center of an intricate web of public issues – quality of life, competitiveness, academic achievement, aging, and public finance. These three "hs" will continue to be among Arizona's most talked about issues. Here and now the policy talk is about:

> Expanding health insurance coverage to all Arizonans.

> Focusing at once on disease prevention and "wellness" for most of the public, while intensely managing chronic illnesses, such as diabetes and heart disease.

> Reducing risky behaviors, such as unprotected sex, drunk driving, smoking, substance abuse, and unsafe handling of firearms.

> Becoming prepared to support the health needs of an older Arizona.

> Increasing the number of trained health care workers and those in related professions.

Nearly 3 times as many Arizonans said the state's health care is not as good as other states, compared to those who said it is better. With this negative perception fairly uniform across income groups and rural or urban locations, health care stands out as a major challenge for Arizona.

## METRO FOCUS

***A Healthy Job Outlook >*** *Many public and private sector leaders worry about having too few nurses and health care workers just when the population is both increasing and aging. Nearly all occupations in health care, from those requiring the fewest skills to those calling for the most elite technical workers, are forecast to grow. In fact, for metro Phoenix, the September 2004 employment forecast by the Arizona Department of Economic Security's Research Administration showed the Education and Health Services employment category growing by 5.6% into 2005. This is the highest growth for all of the 11 sectors, except Construction. For Tucson, the Education and Health Services sector has the highest forecast growth through 2005. In addition, metro Phoenix and Tucson are home to dramatic new bioindustry initiatives in the public and private sectors. The 2003 Labor Market Survey sponsored by the Center for Workforce Development of the Maricopa Community College District and the City of Phoenix also showed that this sector is a source of high-demand jobs.*

***Stressing Out or Not >*** *The link between health and stress is well known. Professional city rankers Bert Sperling and Peter Sander thus have been studying the stress urban dwellers experience. Among the largest 100 metropolitan areas, their composite data ranked areas from most to least stressful based on such things as divorce rates, commute times, mental health reports, and more. Tacoma, Washington tops the list as the most stressful, while number 100 is Albany, New York. Phoenix comes in at 20th-most stressful, while more-mellow Tucson is 30th. Natural Health magazine also put Tucson 10th on its Top 20 list of Healthiest Cities. This ranking looked at "clean air, clean water, and residents who care about their physical and spiritual health." With Arizona's average household size (2.64 in 2000) fairly large (9th highest in the nation) and greater than the national average, perhaps stress reduction is in order.*

## HEALTH COMPARISONS OF NOTE

In 2000, Arizona was the 9th highest state in the percent of births financed by Medicaid at 44%.

In 2001-2002, the U.S. Centers for Disease Control and Prevention ranked Arizona 41st among states on the percentage of children aged 19-35 months who received all recommended immunizations.

In 2002, Arizona ranked 36th among states on the per capita number of doctors, 47th in nurses, and 41st for dentists.

In Arizona the top 3 causes of death are heart disease, cancer, and chronic upper respiratory disease (including bronchitis, emphysema and asthma); for the nation as a whole, the top 3 are heart disease, cancer, and stroke, according to the Centers for Disease Control and Prevention. Comparing the latest available figures, Arizona's age-adjusted death rate runs below the national average for total mortality (784.0 compared to 846.8), heart disease (197.1 to 240.4), cancer (169.4 to 194.0), and stroke (43.9 to 56.3), but runs above the national average for chronic lower respiratory diseases (45.4 to 43.7).

*Source: U.S. Department of Health and Human Services*

# Education

19th in science and engineering doctorates awarded

19

47th on per student K-12 current spending

47

1st in number of charter schools

1

Virtually all Arizonans agree on the need for high educational achievement among the state's residents. Progress has been made recently, but too slowly in the eyes of many.

Public opinion polls in Arizona and across the nation repeatedly cite education as one of residents' leading concerns. Academic studies identify educational achievement as indispensable to a state's economic and social well-being. Political and business leaders regularly name it as their top priority. In fact, no issue is more in the limelight than K-12 and postsecondary education, or has as great an impact on the state's treasury. Together, K-12 and higher education account for nearly 60% of state General Fund spending.

In the past decade or so, Arizona has launched many policy initiatives in response to continuing calls for greater achievement at all levels. The initiatives include, among others:

> K-12 Academic Content Standards

> A high-stakes test for high school graduation

> Strong support for charter schools

> Pay increases for teachers

> Training for all teachers in working with students with limited English skills

State-funded all-day kindergarten, beginning with 130 low-income schools, is one of the latest policies aimed at improving education in Arizona. In addition, arts education is back in the spotlight with new investments available to school districts.

Yet many measures show how far the state still has to go. For example, its elementary class sizes remain among the nation's highest; its 4th-grade students are ranked 40th among the states on the national NAEP reading test; its high school students are almost last among the states for going on to college; and – regardless of how one calculates it – an alarming number of students drop out of school each year. To further complicate matters, a recent report by the Arizona Education Policy Initiative, a collaborative effort among Arizona's three public universities, found that the state has inadequate data and tracking systems even to judge whether reform policies are working.

## Tough Assignments from a Changing Population

The tasks facing Arizona's public schools are substantial. Arizona's State Superintendent of Public Instruction reported that, in 2003, 51% of the state's K-12 public school students qualified for free or reduced-price lunches – a standard indicator of disadvantage. Approximately half of the state's K-12 students (49%) come from minority groups, which suffer disproportionately from low incomes and poor preparation. Sixteen percent of elementary and secondary students were "English language learners" in 2003. Spanish is the most prevalent native language other than English, but as many as 43 languages are spoken by Arizona students. According to a 2002 U.S. Department of Education survey, Arizona ranks second only to California in the percentage of teachers who reported working with students who had little or no proficiency in English. To meet students' many needs, Arizona has emphasized before- and after-school programs and is ranked 8th in the nation for the number of elementary schools providing such support, according to NCES data for 1999-2000.

Despite some tough assignments, Arizona's test scores on the standardized "Stanford 9" tests have been improving. Third grade students, for example, climbed from below average nationally in math, reading, and language in 1999 to above

### Number of Charter Schools by State | 2003

| STATE | NUMBER OF CHARTER SCHOOLS | RANK* |
|---|---|---|
| Arizona | 464** | 1 |
| California | 428 | 2 |
| Florida | 227 | 3 |
| Texas | 221 | 4 |
| Michigan | 196 | 5 |
| U.S. Total | 2,696 | |

* 1 is highest number of charter schools. Source: Center for Education Reform, in Education Week, 2004.
** Arizona Department of Education reports 490 charter schools as of July 2004.

ND CLICK

### Educational Attainment in Population 25 Years and Over in Arizona | 1990 & 2000

| | ARIZONA 1990 %** | U.S. 1990 % | ARIZONA 2000 % | U.S 2000 % |
|---|---|---|---|---|
| Less than 9th grade | 9.0 | 10.4 | 7.8 | 7.6 |
| Some high school, no diploma | 12.3 | 14.4 | 11.2 | 12.0 |
| High school graduate* | 26.1 | 30.0 | 24.3 | 28.6 |
| Some college, no degree | 25.4 | 18.7 | 26.4 | 21.0 |
| Associate's degree | 6.8 | 6.2 | 6.7 | 6.3 |
| Bachelor's degree | 13.3 | 13.1 | 15.2 | 15.5 |
| Graduate or professional degree | 7.0 | 7.2 | 8.4 | 8.9 |

* "High school graduate" includes people with the G.E.D. and similar equivalents. ** Figures may not total 100% due to rounding. Source: U.S. Census Bureau and Social Science Data Analysis Network.

ND CLICK

> Educational attainment overall in Arizona may seem out of sync with state residents' deep concerns for achievement and attainment. In fact, Arizona has benefited from the educational experiences migrants have brought with them. The critical issue remains how students who are educated in Arizona compare.

### NAEP Achievement Levels Arizona and U.S. | 2003

| | %4TH GRADE READING ARIZONA | %4TH GRADE READING U.S. | %8TH GRADE READING ARIZONA | %8TH GRADE READING U.S. | %4TH GRADE MATH ARIZONA | %4TH GRADE MATH U.S. | %8TH GRADE MATH ARIZONA | %8TH GRADE MATH U.S. |
|---|---|---|---|---|---|---|---|---|
| Below Proficient | 46 | 38 | 34 | 28 | 30 | 24 | 39 | 33 |
| Basic | 31 | 32 | 41 | 42 | 45 | 45 | 41 | 39 |
| Proficient | 19 | 23 | 23 | 27 | 23 | 23 | 18 | 22 |
| Advanced | 4 | 7 | 2 | 3 | 2 | 2 | 3 | 5 |

* Source: National Assessment of Educational Progress, U.S. Department of Education.

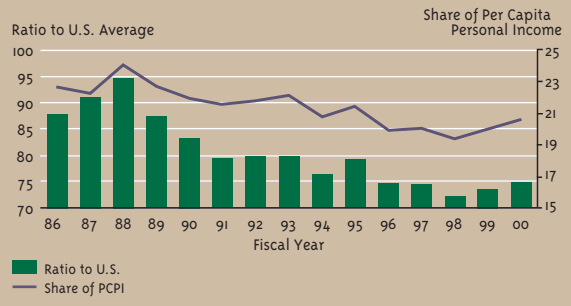
## State Per-Pupil Spending on Current Operations
2001-2002

| STATE | $ PER PUPIL* | RANK** |
|---|---|---|
| New Jersey | 11,793 | 1 |
| New York | 11,218 | 2 |
| Connecticut | 10,577 | 3 |
| **Arizona** | **5,964** | **47** |
| Tennessee | 5,959 | 48 |
| Mississippi | 5,354 | 49 |
| Utah | 4,900 | 50 |

ND CLICK

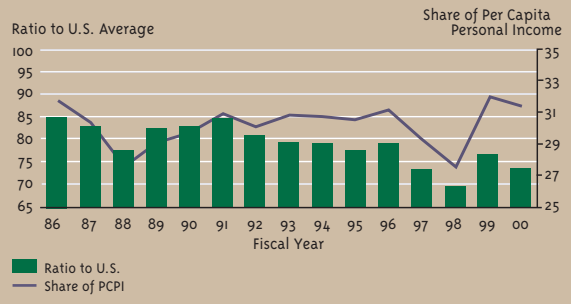
* Includes teacher salaries and benefits, supplies, building operation and maintenance, administration, transportation and other support services. ** 1 is the highest spending level. Source: National Center for Education Statistics, 2004.

## Current Operations Expenditures Per Pupil
Elementary and Secondary Education




Source: Center for Business Research, L. William Seidman Research Institute, W.P. Carey School of Business, Arizona State University from expenditure data of the U.S. Department of Commerce's Bureau of the Census and enrollment data of the U.S. Department of Education's National Center of Educational Statistics.

## Current Operations Expenditures Per Student
Higher Education




Source: Center for Business Research, L. William Seidman Research Institute, W.P. Carey School of Business, Arizona State University from expenditure data of the U.S. Department of Commerce's Bureau of the Census and enrollment data of the U.S. Department of Education's National Center of Educational Statistics.

> Arizona's lag in current expenditures has been a reality for more than a decade.

average for all three in 2003. Eighth grade students did even better, achieving 60th percentile scores in math and language. The Stanford 9 test is due to be replaced in 2005, according to the Arizona Department of Education.

## A Taste for Innovation

Arizona has made charter schools a centerpiece of its efforts to improve education and provide parents with school options. The state's nearly 500 charter schools put Arizona first in the nation. In the nation's first major effort to examine the entities that authorize charter schools, Arizona also fares well. Among 24 states reporting in a study by the Thomas B. Fordham Institute and Morrison Institute for Public Policy, Arizona ranked 3rd on measures of the "policy environment" or the support for and accountability of charter schools and "authorizer practices," including such activities as application processes and performance contracts.

### MANY WAYS TO LOOK AT EDUCATION

> **Class Size:** Arizona has large average class sizes. In 2000, the state's average elementary class size was 24.5, while the U.S. average was 21.2.

> **Various Tests:** Arizona students take the Arizona Instrument to Measure Standards (AIMS) to see how they are performing against the state's curriculum standards. The Stanford 9 test allows for comparisons between Arizona students and those nationally. The National Assessment of Educational Progress (NAEP) is the "nation's report card" on education.

> **Achievement Gap:** In 2003 Arizona reported the 12th highest gap among states between the percentages of Whites and Latinos who scored above the "basic" level in math on the NAEP. Among Whites, 85% scored above basic, while 56% of Latinos scored above the basic level.

> **Advanced Placement:** In 2003 Arizona ranked 35th in the number of advanced placement test takers, and 32nd in test scores.

> **Teacher Backgrounds:** In 2000 Arizona placed 32nd among 37 rated states on the percentage of core academic secondary classes taught by teachers with a major in the field (47.4%).

Source: National Center for Education Statistics, U.S. Department of Education, and The Education Trust.

## Arizona and School Drop Outs

The high number of Arizona students who quit school has made the drop out problem one of the state's most visible, and critical, education issues. However, there is no nationally uniform way of counting drop outs. Some states, including Arizona, consider children drop outs even if they earn a GED; other states do not. States also differ in how they count departing students whose whereabouts are unknown, and those who drop out in the summer. Three calculation methods are used most often: the annual method, the pool or status method, and the cohort method.

The annual dropout method counts enrolled students who fail to complete the school year (and students enrolled last year who failed to enroll this year) but did not transfer, graduate, or die. This figure, prepared by the U.S. Department of Education, assigns Arizona the nation's highest dropout rate.

The pool or status method counts the proportion of teenagers in a state's population who are neither enrolled in school nor high school graduates. Census 2000 ranked Arizona as 2nd highest in the nation using this method.

The cohort method – used in *No Child Left Behind* – measures the proportion of a class of students who enrolled in 9th grade in a given year but who were not enrolled and had not graduated four years later. The Arizona Department of Education reports that Arizona's 4-year graduation rate has hovered around 71% in recent years, and reported it at 72.7% for the class of 2002 – although this number did not include 10.9% of students classified as "status unknown." The National Center for Education Statistics reported that Arizona had a completion rate of 68.3% for the school year 2000-2001, second lowest after Louisiana, although not all states were included in that count.

All of these measures have flaws, and their shortcomings make comparisons among states difficult. As noted in *The Condition of Education in Arizona*, 2004 published by the Arizona Education Policy Initiative, the drop out question is just one of many that must ultimately be answered by "we don't have the data." Arizona may be doing better than it appears, or not. The firmest conclusion to be drawn is that Arizona's drop out rate, whatever its true ranking among states, is too high. Numerous organizations, such as the Center for the Future of Arizona, have taken that reality to heart and begun to work aggressively on increasing graduation rates.

## College Experiences

Arizona's tuition levels for public universities and community colleges remain relatively low, ranking 36th for public 4-year institutions and 47th for public 2-year entities, according to the 2004 edition of *Measuring Up* from the National Center for Public Policy and Higher Education.

Once Arizona's students get to college, what happens? Graduation rates are similar for Arizona's public universities and community colleges – slightly under 50% for each. This rate places Arizona's universities below average for graduation at 32nd (6-year rate), but it ranks Arizona's community colleges 3rd overall in the nation (3-year rate). It's important to note that many students attend community colleges for

### Per Capita Academic Research and Development Spending | 2002

| STATE | $ SPENDING PER CAPITA | RANK* |
|---|---|---|
| Maryland | 344.94 | 1 |
| Massachusetts | 265.93 | 2 |
| Alaska | 200.90 | 3 |
| Ohio | 97.90 | 35 |
| **Arizona** | **97.61** | **36** |
| South Carolina | 97.47 | 37 |
| Arkansas | 51.84 | 49 |
| South Dakota | 50.56 | 50 |
| U.S. | 126.17 | |

* 1 is highest amount of spending. Source: National Science Foundation.

ND CLICK

### Science and Engineering Doctorates Awarded | 2002

| STATE | DOCTORATES | RANK* |
|---|---|---|
| California | 3,232 | 1 |
| New York | 2,124 | 2 |
| Texas | 1,462 | 3 |
| Massachusetts | 1,461 | 4 |
| Illinois | 1,210 | 5 |
| Colorado | 457 | 18 |
| **Arizona** | **417** | **19** |
| Tennessee | 343 | 24 |
| Alaska | 19 | 50 |
| U.S. Total | 24,558 | |

* 1 is highest amount of spending. Source: National Science Foundation.

ND CLICK

### ARIZONA EDUCATION BY THE NUMBERS

> 1,011,959 students in K-12 public schools (2003-2004)

> 72,311 students in private postsecondary institutions (2001)

> 116,581 students in Arizona's public universities (Fall 2004)

> 363,905 students in Arizona's public community colleges (2002-2003)

Source: Arizona Department of Education, Arizona Board of Regents, Arizona Private School Association.

### ENGLISH LANGUAGE ACQUISITION, BASIC EDUCATION, GED PREPARATION, AND LITERACY ALL FALL UNDER "ADULT EDUCATION"

> In Arizona 23.3% of adults, same as the U.S. average, are part of the "target population" for adult education because they are over 16 years of age, have not attained a high school diploma or GED, and are not currently enrolled in school. Mississippi is highest with 30.0% in the target population. Minnesota is 50th at 16.5%. Adult education and English instruction serve as "gateways" into further education and training for many Arizonans.

### UNDERSTANDING K-12 SPENDING

> For the 2001-2002 school year, according to data from the National Center for Education Statistics, Arizona placed 42nd among states in total per pupil expenditures and 47th in current per pupil expenditures. Total expenditures include all types, including facilities construction and acquisition, equipment replacement, and interest payments on debt. Total spending also includes some dollars for community services and adult education, which vary greatly across states. This situation is another reason why, according to the National Center for Education Statistics, researchers generally use current expenditures for comparisons. Current expenditures include teacher salaries and benefits, classroom supplies and support services such as administration, transportation, operation and maintenance of buildings, student counseling and libraries.

Source: National Center for Education Statistics, U.S. Department of Education, and The Education Trust.

important reasons other than obtaining an associate degree. This accounts in part for the difference in ranking between universities and community colleges.

In recent years, the vital roles Arizona's colleges and universities play in the development of a competitive knowledge economy have become evident. As a result, Arizona's government and public universities have made significant investments in science and technology research as well as commitments to increase the number of Arizonans with knowledge economy skills. In 2002, the 417 science and engineering doctorates granted by Arizona universities put the state 19th, based on number awarded. That same year, academic research and development dollars at Arizona's universities on a per capita basis yielded a ranking of 36th.

## Policy Choices Here and Now

Arizona's educational system must respond and react to policy decisions made at all levels, from campuses and school boards to state and federal agencies to the White House. It also must respond to the market, because education is synonymous with economic development, both in preparing resident workforce and attracting and retaining the talented, creative people vital to a competitive knowledge economy. Leaders in many sectors have questioned why the state's schools have not more widely and systematically applied "what works" to vexing problems. With so much riding on education from preschool through university to lifelong learning, Arizonans

### DATA NOTES

The Stanford 9 is a standardized, norm-referenced test. It compares each student's achievement to that of a representative national sample of public school students of the same age and grade at a particular point in time. The Stanford Achievement Test, Ninth Edition (Stanford 9) was tested in 1995 and reports results in comparison to nationwide student achievement in 1995. Thus, a score of "40" means that the typical Maricopa County student scored better than 40 percent (and worse than 60 percent) of students nationwide for that grade level in that subject in 1995. A score near the 50th percentile indicates that the typical student performance on that test is about average when compared with other students in the same grade level across the country.

The National Assessment of Academic Progress (NAEP) has been a monitor of student achievement in the United States since Congress authorized it in 1969. It provides educators and policy makers with information on student learning and the factors associated with achievement. NAEP achievement levels are Basic, Proficient, and Advanced. NAEP tells how Arizona's students are doing compared to other states and the nation.

are taking note of a wide range of policy options. Here and now the policy talk is about:

> Expanding state-funded voluntary all-day kindergarten to all schools throughout the state.

> Ensuring that community- and school-based programs and services support the rapid acquisition of English skills.

> Providing appropriate resources to all schools to apply "best practices" at such milestones as 3rd grade, 8th grade, and the first year of college to increase achievement and completion rates.

> Matching skills needed in the workforce with academic learning for young people and adults.

> Developing more options for financial aid for higher education among low- and middle-income students of any age.

> Creating data systems that document the performance of Arizona's education system from preschool through postsecondary education (known as P-20 performance).

Education presents innumerable challenges, but, with more than 40% of Arizonans saying that our state's public schools are not as good as those in other states, efforts to improve make sense. Public sentiments underscore the fact that education remains an issue of great importance to all Arizonans.

## METRO FOCUS

***Those Without a Diploma and Those With Several***

*> The amount of education among residents is one of the most important indicators of economic and social well-being. Based on Census 2000 data for 318 metro areas analyzed by the Social Science Data Analysis Network, Phoenix and Tucson place 97th and 118th respectively on the percent of the population (age 25 and over) with a college or professional degree, where 1 is the most desired ranking. When the metro areas are ranked according to the percent of those 25 and over without a high school diploma, the figures put Phoenix at 145th and Tucson at 189th.*

## DIVERSITY OF K-12 STUDENTS

> 49% White Non-Hispanic

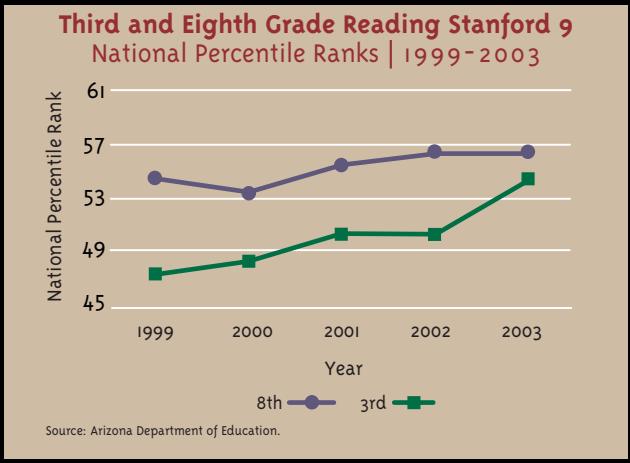
> 37% Hispanic

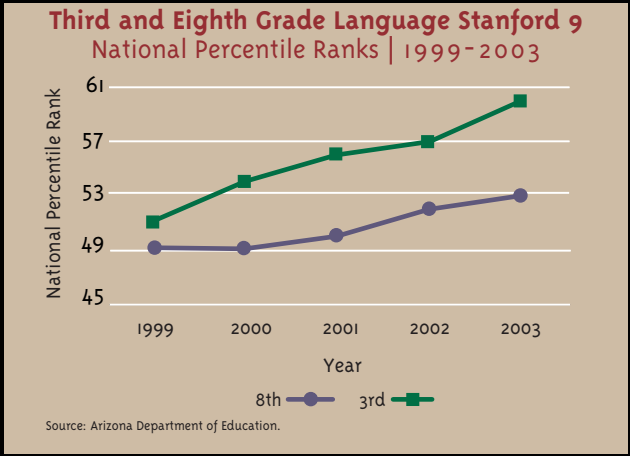
> 7% American Indian or Alaska Native

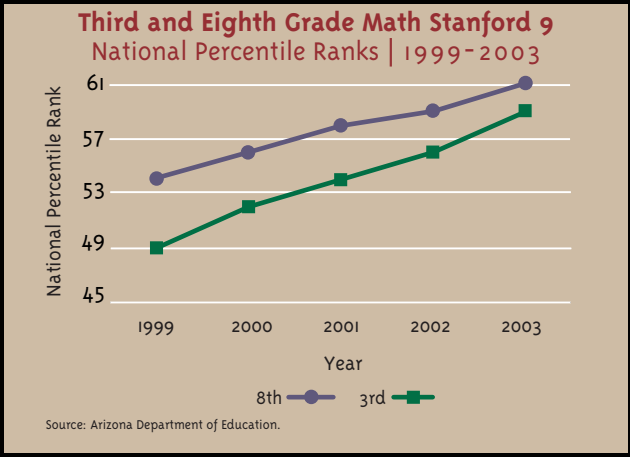
> 5% African-American

> 2% Asian/Pacific Islander

Source: Arizona Department of Education June 2004.



# Business Futures

**17**
17th on the Milken Institute Technology and Science Index

**37**
37th in gross state product per capita

**2**
2nd in job growth

Arizonans' incomes are low, but an entrepreneurial culture and a belief in a high tech future offer optimism for the state's economy.

In the past, moderate living and business costs kept Arizona competitive with rival states. However, that was then, this is now. Whatever one calls today's dynamic, global economy, its core message is that the greatest wealth comes from inventing, discovering, designing, or otherwise creating ideas that lead to new processes, products, and services. With this in mind, Arizona is trying to master the requirements for economic leadership in the 21st century. Consensus among leaders in many sectors is strong that Arizona's economic future lies not in growth-related employment, but in the high-skill jobs and incomes that come from innovation and invention.

Leaders in every state and across the globe share the view of innovation as the path to prosperity. Thus, Arizona must compete with places whose creative roots reach deeper and whose longer histories – and past policy choices – create competitive advantages. Fortunately, Arizona and its urban centers are young and led now by people increasingly tuned in to a common vision of how the economy should work and pay. The bad news is that competition from other states – and countries – for favored firms and workers is fiercer than ever and becoming ever greater. Arizona, of course, is not without knowledge economy assets and has shown itself capable of moving quickly and cooperatively – as in its embrace of the Translational Genomics Research Institute and university research infrastructure. The nationwide race to build a creative economy suggests it will have to keep up the pace.

Arizona's chief economic challenges and assets are familiar. Jobs are plentiful in Arizona, but high-paying ones are not. The state's average wage of $33,704 in 2002 lagged the national average by 7%, despite having risen an inflation-adjusted 24% compared to 1991. Arizona is significantly below the national average in gross state product per capita. In addition, Arizona faces a challenge in boosting the so-called "traded sector" of its economy – that is, the industries that sell goods and services outside of Arizona and thus draw new money into the state. (Examples of such industries in Arizona include manufacturing and tourism.) Economists generally consider these industries crucial for a state's competitiveness and sustained economic growth, while "local" industries – such as retail and construction – typically arise to service the population. Arizona's economy, long based on attracting and servicing new residents, ranks low nationally in traded sector jobs. Similarly, Arizona has few corporate headquarters and remains below the national average for managerial, technical, and professional jobs.

The state is popular with entrepreneurs, but desirable firms and promising jobs can be "easy come easy go". However, the state is still in a good position with start ups. Arizona ranked 7th highest among states in the ratio of newborn

## Percentage Job Growth | 1990-2003

| STATE | % CHANGE | RANK* |
|---|---|---|
| Nevada | 75.1 | 1 |
| **Arizona** | **54.3** | **2** |
| Idaho | 48.5 | 3 |
| Utah | 48.3 | 4 |
| Colorado | 41.3 | 5 |
| Florida | 35.2 | 6 |
| Montana | 34.6 | 7 |
| New Mexico | 33.6 | 8 |
| Texas | 32.1 | 9 |
| South Dakota | 31.0 | 10 |
| New York | 2.3 | 49 |
| Connecticut | 1.2 | 50 |

* 1 is highest percentage of job growth. Source: U.S. Bureau of Labor Statistics.

ND CLICK

## Gross State Product Per Capita | 2001

| STATE | $ GSP PER CAPITA | RANK* |
|---|---|---|
| Delaware | 50,918 | 1 |
| Connecticut | 48,409 | 2 |
| Utah | 30,887 | 36 |
| **Arizona** | **30,332** | **37** |
| New Mexico | 30,302 | 38 |
| West Virginia | 23,516 | 49 |
| Mississippi | 23,489 | 50 |
| U.S. | 35,557 | |

* 1 is highest GSP per capita. Source: U.S. Bureau of Economic Analysis, 2003.

ND CLICK

## Strength of Traded Sector | 2001

| STATE | $ PER WORKER* | RANK** |
|---|---|---|
| Connecticut | 22,305 | 1 |
| Massachusetts | 19,597 | 2 |
| New Jersey | 18,742 | 3 |
| Maine | 9,799 | 45 |
| **Arizona** | **9,761** | **46** |
| New Mexico | 9,098 | 47 |
| North Dakota | 9,006 | 48 |
| Florida | 7,952 | 49 |
| Montana | 7,192 | 50 |

* Traded sector personal income per worker, in dollars. "Traded sector" means the industries that are competing in markets beyond the state. ** 1 is the highest level of traded sector. Source: Corporation for Enterprise Development. Development Report Card for the States, 2003.

ND CLICK

**CYBERSTATES* 2003 PUT ARIZONA:**

> 18th in high tech employment

> 19th in average high tech wage

> 19th in venture capital investments

> 25th in per capita R&D

* Data are for 2002. Indices are created by the American Electronics Association. AeA used the North American Industry Classification System, the offspring of the previous Standard Industrial Codes, to define high tech for the first time in the 2003 report. AeA calculates the indices from 30 codes under High Tech Manufacturing; 10 codes under High Tech Services; 5 codes under Software; and 4 codes under Engineering and Tech Services. See www.aeanet.org for details. AeA is a standard source for high tech data at the city, state, national, and international levels. Source: AeA, Cyberstates 2003.

## Per Capita Personal Income U.S. and Arizona | 1990-2003

| MEASURE | 1990 | 1995 | 2000 | 2003 |
|---|---|---|---|---|
| Arizona PCPI* | $17,005 | $19,929 | $25,661 | $26,931 |
| U.S. PCPI | $19,447 | $23,076 | $29,847 | $31,459 |
| State Rank ** | 35 | 36 | 37 | 38 |
| % U.S. Average | 87% | 86% | 86% | 86% |

* Per capita personal income is the total income received by residents of an area from all sources, divided by the area's number of residents. ** 1 is the highest income. Source: U.S. Bureau of Economic Analysis.

## Managerial, Professional and Technical Jobs as a Share of the Total Workforce | 1999

| STATE | % WORKFORCE | RANK |
|---|---|---|
| Oregon | 31.4 | 1 |
| Massachusetts | 31.4 | 2 |
| Maryland | 31.4 | 3 |
| Nebraska | 25.3 | 27 |
| **Arizona** | **25.2** | **28** |
| Missouri | 25.2 | 29 |
| South Dakota | 21.8 | 48 |
| Arkansas | 21.3 | 49 |
| Nevada | 18.6 | 50 |
| U.S. | 26.5 | |

ND CLICK

Source: Bureau of Labor Statistics.

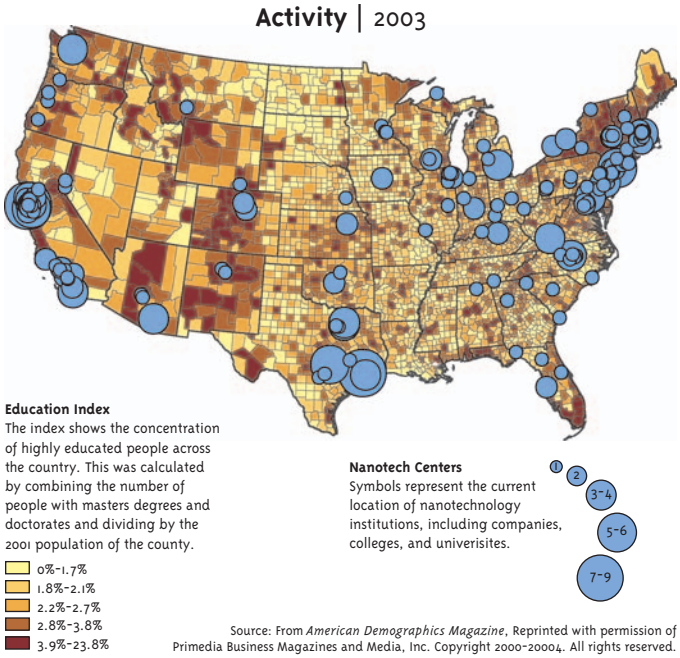
## State Technology and Science Index* | 2004

| STATE | SCORE | RANK** |
|---|---|---|
| Massachusetts | 84.35 | 1 |
| California | 78.86 | 2 |
| New Mexico | 61.75 | 14 |
| New York | 60.66 | 15 |
| Pennsylvania | 60.36 | 16 |
| **Arizona** | **58.47** | **17** |
| Georgia | 58.10 | 18 |
| Arkansas | 29.53 | 49 |
| Mississippi | 27.48 | 50 |

ND CLICK

* The index uses 75 indicators in the categories of: research and development inputs; risk capital and entrepreneurial infrastructure; human capital investment; technology and science workforce; technology concentration and dynamism to measure how well a state will perform in today's knowledge-based economy. ** 1 is highest composite score. Source: Milken Institute, 2004.

## Educational Attainment and Nanotech Activity | 2003




Source: From *American Demographics Magazine*, Reprinted with permission of Primedia Business Magazines and Media, Inc. Copyright 2000-20004. All rights reserved.

firms to deceased ones between 2000 and 2001, and 20th (with 1 being the most desirable) among states in the ratio of new jobs to departed ones.

Comparative data suggest that Arizona remains quite capable of competing in the knowledge economy. The most recent Milken Institute *Index of Technology and Science* puts the state 17th. Recent national rankings from the Corporation for Enterprise Development and the Progressive Policy Institute placed it in the top half of the 50 states in research and development efforts, high tech assets, and other measures of progress toward a knowledge economy. The state's strength is anchored in its jobs in semiconductor manufacturing (more than 28,000), a level that ranks 3rd in the nation; Arizona's $6 billion worth of high tech exports ranked 6th among states in 2002. However, high tech in Arizona is currently focused on aerospace and electronics. Per capita employment in high technology decreased from 30% higher than the national average in 1990 to just 9% more in 2001. Calculated per 1 million population, Arizona placed 19th on patents. In 2003, 1,714 patents were granted, also the 19th highest number.

Besides agreement on the primacy of the knowledge economy, economists, elected officials, and business leaders seem to agree on workforce development as a key emerging issue. Arizona essentially has "imported" its skilled labor force in recent decades. However, with the increased demand for

skills, no state can depend on migrants. That has put a premium on improving Arizona's K-12 system, enhancing its university system, and streamlining its public workforce development programs.

## Policy Choices Here and Now

The jobs created by population growth will continue to play an important role in Arizona's economy. However, those jobs are not the economic prize they appeared to be in the past. Here and now the policy talk is about:

> Developing, attracting, and retaining an educated, creative work force for the knowledge economy.

> Removing barriers to commercializing university technology and life science research.

> Creating and attracting high-skill jobs.

> Enhancing the "support system" for a robust knowledge economy, including overall quality of life, health care, arts and culture, and environmental protection.

> Spreading the economic success and promise in metropolitan Phoenix and Tucson to all areas in Arizona.

Arizonans know all too well that high-paying jobs are tough to find. Fully 42% of survey respondents for this report said that Arizona was not as good as other states in this area. Those in middle-income brackets are the most negative about good-paying jobs. In addition, rural residents, and particularly Pima County residents, give negative ratings on good-paying jobs. At the same time, however, residents display optimism about the state's ability to attract high tech companies. The better, same, and not as good as responses had essentially the same numbers – about one third in each category. The ability to attract high tech companies is one of just 3 categories in the entire survey – in addition to artistic and cultural opportunities and health of the natural environment – that draw modestly more positive than negative evaluations. Thus, Arizonans may see the state as capable of a high tech future, but for the present, businesses offering high-wage jobs may be seen as lagging behind other states.

### Patents Per State | 2003

| STATE | PATENTS | RANK* |
|---|---|---|
| California | 22,079 | 1 |
| New York | 6,921 | 2 |
| Connecticut | 1,844 | 18 |
| **Arizona** | **1,714** | **19** |
| Indiana | 1,679 | 20 |
| North Dakota | 62 | 49 |
| Alaska | 43 | 50 |
| U.S. Total | 98,514 | |

* 1 is highest number of patents. Source: U.S. Patent and Trademark Office and U.S. Census Bureau, U.S. Department of Commerce, 2004.

ND CLICK

### Households with Computers | 2002

| STATE | % | RANK* |
|---|---|---|
| Alaska | 68.7% | 1 |
| New Hampshire | 67.7% | 2 |
| Utah | 67.7% | 2 |
| Vermont | 60.4% | 14 |
| **Arizona** | **59.4%** | **15** |
| Iowa | 59.4% | 18 |
| Alabama | 43.7% | 49 |
| Mississippi | 41.9% | 50 |

* 1 is highest percentage of households with computers. Source: Corporation for Enterprise Development, 2001 with data from U.S. Department of Commerce.

ND CLICK

## Metro Regions with Most Wireless Access | 2004

M METRO

| REGION | RANK* |
|---|---|
| San Francisco | 1 |
| Orange County | 2 |
| Houston | 26 |
| **Phoenix** | **27** |
| Detroit | 28 |
| Charlotte | 57 |
| **Tucson** | **58** |
| Akron | 59 |
| McAllen, TX | 99 |
| Johnson City, TN | 100 |

ND CLICK

* 1 is highest level of wireless access. Source: Intel, 2004.

## Percentage Job Growth in the Largest Metros* | 1990-2000

M METRO

| METRO | % PERCENTAGE GROWTH | RANK** |
|---|---|---|
| Sarasota | 116 | 1 |
| Las Vegas | 92 | 2 |
| Washington-Baltimore | 76 | 3 |
| Austin | 63 | 4 |
| Grand Rapids, MI | 57 | 5 |
| Raleigh-Durham | 55 | 6 |
| Portland, OR | 52 | 7 |
| McAllen, TX | 48 | 8 |
| **Phoenix** | **48** | **8** |
| Greenville, SC | 45 | 10 |
| **Tucson** | **28** | **20** |

ND CLICK

* Of 81 metros with 500,000 or more population. ** 1 is highest percentage of job growth. Source: U.S. Census Bureau.

## Best Cities for Entrepreneurs Top Southwest Mid-Sized Cities | 2004

M METRO

| CITY | 2003 RANK AMONG MID-SIZED SOUTHWEST CITIES* | 2003 RANK AMONG ALL MID-SIZED CITIES |
|---|---|---|
| McAllen TX | 1 | 1 |
| Corpus Christi | 2 | 6 |
| **Tucson** | **3** | **10** |
| Albuquerque | 4 | 20 |
| El Paso | 5 | 44 |

ND CLICK

* Ranks are derived from 4 criteria. Entrepreneurial activity is based on the number of businesses 5 years old or younger. Small business growth is based on the number of businesses with fewer than 20 employees that had significant employment growth from January 2002 to January 2003. Job growth is measured over a 3-year period through January 2003. Risk is based on bankruptcy rates. Source: Entrepreneur.com.

## METRO FOCUS

***Best Performing Cities >*** *Milken Institute also has developed a variety of indices that are widely used to track the economic performance of states and metropolitan areas. One of them is Best Performing Cities: Where America's Jobs are Created and Sustained. The Best Performing Cities index measures "job, wage and salary, and technology growth" and includes 5-year and 1-year time frames. In the latest version published in November 2004, metro Phoenix and Tucson placed in the top 20 Best Performing Cities among the largest 200 metropolitan areas in the U.S. with substantial improvements over the previous year. Job growth and entrepreneurial activity are nearly synonymous. Metro Phoenix and Tucson are doing well on both according to Entrepreneur.com.*

***Cyber Ranks and Broadband >*** *"Broadband" telecommunications or the systems that allow the rapid travel of huge amounts of data are at the heart of making more services available via the Internet. While wireless services are definitely on the way, broadband is also here to stay. According to Crosscut Networks, a respected industry source, 41% of metro Phoenix households use broadband, ranking the metro region 16th out of 50. Tucson did not appear on this ranking. In addition, Site Selection Magazine named Greater Phoenix as one of its 60 "Cybercities" in 2002 based on 6 factors ranging from university research and development to quality of life.*

***Cities Ranked and Rated >*** *Quality of life is a major factor in attracting and retaining the talented, creative people needed in a knowledge economy. Sperling and*

## Best Cities for Entrepreneurs Top Overall Cities | 2003

| METRO AREA | 2003 RANK* | ENTREPRENEURIAL ACTIVITY | SMALL BUSINESS GROWTH | JOB GROWTH | RISK | 2002 RANK |
|---|---|---|---|---|---|---|
| Minneapolis/St. Paul | 1 | 58 | 96 | 77 | 93 | 15 |
| Washington, D.C. | 2 | 66 | 78 | 78 | 96 | 1 |
| Atlanta | 3 | 99 | 63 | 70 | 82 | 11 |
| Las Vegas | 11 | 100 | 53 | 1000 | 13 | 14 |
| **Phoenix** | **13** | **93** | **64** | **97** | **7** | **29** |
| San Diego | 16 | 80 | 59 | 79 | 39 | 24 |
| Los Angeles | 61 | 48 | 4 | 21 | 5 | 58 |

* Ranks are derived from 4 criteria among 61 metro areas. Over 1 million in population. Entrepreneurial activity is based on the number of businesses 5 years old or younger. Small business growth is based on the number of businesses with fewer than 20 employees that had significant employment growth from January 2002 to January 2003. Job growth is measured over a 3-year period through January 2003. Risk is based on bankruptcy rates. Source: Entrepreneur.com.

M METRO

ND CLICK

*Sander's Cities Ranked and Rated, 2004 scores 331 metropolitan areas in the U.S, on a composite of quality of life data as well as facts and figures on: Economy & Jobs; Cost of Living; Climate; Education; Health & Health Care; Crime; Transportation; Leisure; and Arts & Culture. Four Arizona urban areas, Flagstaff, Yuma, Tucson, and Phoenix, appear in this source with a wide variety of rankings. Flagstaff places 244th out of 331, while Phoenix ranks 273rd. Tucson comes in at number 70 with Yuma at 204. This same source puts 3 each of "pros" and "cons" in the regions' descriptions. Phoenix has as pros "Pleasant winters, Entertainment, and Air service." The cons include "Intense summer heat, Urban sprawl, and Economic cycles." For Tucson, the story is different: Pros are "High desert climate, Arts and culture, and Attractive setting; Cons feature "Crime rate, Cyclical economy, and Long commutes."*

***Large Employers at Home Elsewhere >*** *Large employers matter for the vibrancy of the entire economy. They are especially important as trendsetters on pay, benefits, and initiatives that make the workplace better. The 2 largest employers in the "Republic 100," which is prepared by The Arizona Republic to show the 100 largest publicly and privately held firms in Arizona, were Wal-Mart and Honeywell in 2003. Among the 100, just 32 are headquartered in metro Phoenix (28) or metro Tucson (4).*

***Entrepreneurs in Training >*** *Every region that is seeking to expand its knowledge economy desires more and more new businesses that commercialize cutting-edge technologies. In Arizona those new businesses may be started by university students who have studied how to be entrepreneurs. For 2004, Entrepreneur.com's 2nd annual list of the "Top 100 Entrepreneurial Colleges" includes the University of Arizona in the 1st tier of the "Top 50 National" programs and Arizona State University in the 2nd tier of those with an Entrepreneurship Emphasis. The so-called "first tier" schools feature "comprehensive programs at nationally prominent colleges and universities."*

## Top 20 Best Performing Cities* Composite Index | 2004

| METRO AREA | INDEX SCORE | RANK YEAR AGO | RANK 2004 |
|---|---|---|---|
| Fort Myers-Cape Coral | 100.00 | 3 | 1 |
| Las Vegas | 152.12 | 2 | 2 |
| **Phoenix** | **152.46** | **43** | **3** |
| West Palm Beach-Boca Raton | 154.33 | 4 | 4 |
| Daytona Beach | 157.09 | 116 | 5 |
| Sarasota | 157.44 | 41 | 6 |
| Fayetteville | 161.07 | 1 | 7 |
| Riverside-San Bernardino | 167.55 | 20 | 8 |
| Fort Lauderdale | 176.34 | 29 | 9 |
| Monmouth-Ocean NJ | 178.26 | 10 | 10 |
| Washington, D.C. | 182.65 | 19 | 11 |
| Tampa | 193.99 | 27 | 12 |
| Boise City ID | 195.95 | 72 | 13 |
| Portland ME | 205.75 | NA | 14 |
| Naples | 208.36 | 23 | 15 |
| San Diego | 209.62 | 5 | 16 |
| **Tucson** | **211.00** | **40** | **17** |
| McAllen TX | 216.77 | 9 | 18 |
| Trenton | 218.22 | 110 | 19 |
| Albuquerque | 219.02 | 39 | 20 |

* Among 200 largest cities. Index measures job, wage and salary, and technology growth over 1 and 5 years. Source: Milken Institute, 2004.

M METRO

ND CLICK

# Families and Incomes

**3**
3rd in birth rate

**12**
12th in percentage of children below the poverty level

**38**
38th in per capita personal income

Many families struggle economically, and more than 250,000 children are growing up in poverty.

Call it the ultimate investment. Arizonans are shaping their futures by how successfully they raise healthy, capable children and help others do the same. Most people agree this is best done in stable family units able to meet children's many needs. The majority of Arizona children are growing up in at least adequate family situations, but many statistics suggest that a large minority is not.

Why? A major underlying reason is the state's low level of income. Per capita personal income (PCPI) is one of the most commonly used measures of economic well-being. Arizona's 2003 PCPI places it 38th in the nation. Arizona's per capita income increased moderately during the past decade, but did not keep pace with higher rates of growth in other states. Arizona gained 23.1% compared to 23.3% nationally. The state placed 7th among western states.

## Financing the Family

Related numbers paint a similar picture. The median income of Arizona families with children is just over $43,000, placing the state 36th nationally. Compared with other states, Arizona has a high percentage of children under 18 with parents who are not full-time, year-round workers, and is 12th in the nation in the percentage of children living in poverty. In addition, the state has a high proportion of mothers with less than 12 years of education, placing 49th (50 is lowest) nationally on this measure. These state-level figures mask marked differences among specific portions of the population. American Indian, Hispanic, and African-American families in Arizona are far more likely to experience unemployment, poverty, and a lack of health insurance than are non-Hispanic White families. The state's rural areas suffer more from poverty than do its urban centers. For example, over half of Arizona counties have more than 25% of their children living in poverty. Even with the state's Arizona Health Care Cost Containment System, many working parents cannot provide health insurance. A 2003 Census Bureau estimate ranked Arizona 4th in the nation on the percentage of low-income children without health insurance.

On the plus side, jobs are relatively plentiful in Arizona. In September 2004, Arizona's seasonally adjusted unemployment rate stood at 4.8% compared to 5.4% for the nation. The states' big cities fared even better: metro Phoenix had 4.5% unemployment and Tucson had 4.0%. Unfortunately, rates in rural Arizona were much higher. Arizonans who lose their jobs are especially unlucky. Until legislative action in 2004, the state offered the nation's lowest level of unemployment compensation. Since the state's maximum benefit level was increased, Arizona may move out of 50th place.

### BIRTHS, FAMILY SIZE, AND HOUSEHOLDS

> In 2002, 87,837 births were registered in Arizona. The state's birth rate that year was 16.1 per 1,000 population, third to Utah and Texas and above the national average of 13.9.

> In 2001, Arizona's fertility rate or births per 1,000 women ages 15-44 stood at 84.0 compared to 66.9 for the U.S.

> In 2000, Arizona's average family size was 3.18 compared to 3.14 nationally. Arizona's under-5 population is growing rapidly compared to many other states.

Source: U.S. National Center for Health Statistics, National Vital Statistics Report, Vital Statistics for the United States, in *Statistical Abstract of the United States*, 2003, and Census 2000.

### State Per Capita Personal Income | 2003

| STATE | $ PER CAPITA INCOME* | RANK** |
|---|---|---|
| Connecticut | 43,292 | 1 |
| New Jersey | 40,002 | 2 |
| Massachusetts | 39,408 | 3 |
| South Dakota | 28,299 | 37 |
| **Arizona** | **26,931** | **38** |
| Oklahoma | 26,567 | 39 |
| West Virginia | 24,672 | 48 |
| Arkansas | 24,296 | 49 |
| Mississippi | 23,343 | 50 |
| U.S. | 31,459 | |

* Per capita personal income is the total income received by residents of an area from all sources, divided by the area's number of residents. ** 1 is the highest level of income. Source: U.S. Bureau of Economic Analysis.

ND CLICK

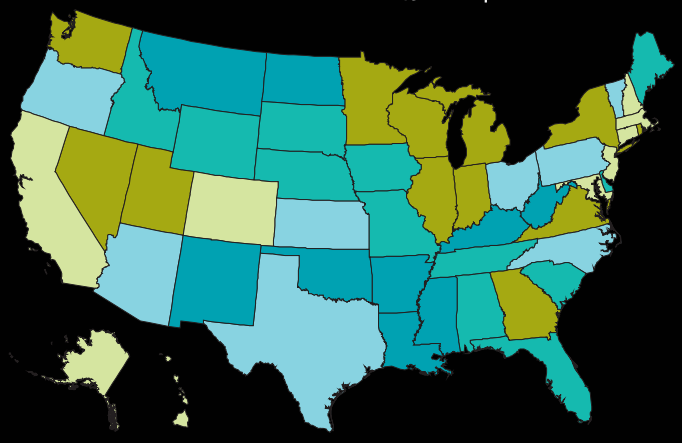
### Residents Below the Poverty Level | 1999

| STATE | % IN POVERTY | RANK* |
|---|---|---|
| Mississippi | 19.9 | 1 |
| Louisiana | 19.6 | 2 |
| South Carolina | 14.1 | 13 |
| **Arizona** | **13.9** | **14** |
| Tennessee | 13.5 | 15 |
| Connecticut | 7.9 | 48 |
| Minnesota | 7.9 | 48 |
| New Hampshire | 6.5 | 50 |
| U.S. | 12.4 | |

* 1 is the highest percentage of residents in poverty. Source: U.S. Census Bureau.

ND CLICK

**Color-Coded Money:** Percent of Households with Annual Incomes Below $45,000 | 2000



40.9%-47.5%
47.5%-53.9%
53.9%-57.0%
57.0%-62.9%
62.9%-69.2%

Source: From *American Demographics Magazine*, Reprinted with permission of Primedia Business Magazines and Media, Inc. Copyright 2000-20004. All rights reserved.

**Teen Birth Rate | 2002**

| STATE | BIRTHS/1,000 PERSONS* | RANK** |
|---|---|---|
| Mississippi | 64.7 | 1 |
| Texas | 64.4 | 2 |
| New Mexico | 62.4 | 3 |
| **Arizona** | **61.2** | **4** |
| Arkansas | 59.9 | 5 |
| Massachusetts | 23.3 | 49 |
| New Hampshire | 20.0 | 50 |
| U.S. | 43.0 | |

ND CLICK

* Births to females 15-19 years old. ** 1 is highest teen birth rate. Source: National Vital Statistics Report.

**Cost of Living | 2003**

M METRO

| METRO AREA | SCORE* | RANK** |
|---|---|---|
| Houston | 91.6 | 1 |
| San Antonio | 92.9 | 2 |
| Baltimore | 93.7 | 3 |
| Dallas | 96.8 | 4 |
| Pittsburgh | 96.9 | 5 |
| New Orleans | 97.0 | 6 |
| **Tucson** | **97.3** | **7** |
| Atlanta | 97.6 | 8 |
| **Phoenix** | **98.5** | **9** |
| Salt Lake City | 99.8 | 10 |

ND CLICK

* 4th quarter of 2003 for upper-income households in 25 selected metros 100 is overall average.
** 1 is lowest cost of living. 100 is the U.S. average. Source: ACCRA.

**Children Living Below the Poverty Level | 1999**

| STATE | % CHILDREN UNDER 18 | RANK* |
|---|---|---|
| Mississippi | 26.7 | 1 |
| Louisiana | 26.3 | 2 |
| California | 19.0 | 11 |
| **Arizona** | **18.8** | **12** |
| South Carolina | 18.5 | 13 |
| Minnesota | 9.2 | 49 |
| New Hampshire | 7.3 | 50 |
| U.S. | 16.1 | |

ND CLICK

* 1 is highest percentage of children below poverty. Source: Statistical Abstract of the United States, 2003 U.S. Census Bureau.

For years, Arizona has counted on "the sunshine factor" to compensate for relatively low wages. Another oft-noted selling point has been a low cost of living. But contrary to a common perception, living costs – which are best measured at the local level – are just barely below the national average in the Phoenix and Tucson metro regions.

Finances are not the only source of stress for Arizona families. Nearly one of every two marriages ends in divorce, and nearly a quarter of Arizona children live in single-parent households, a level that ranks 20th in the nation. And many Arizona parents are themselves young. Despite a decline in recent years, Arizona's 2002 teen birth rate was among the nation's highest; too often teen-headed families tend to perpetuate the cycle of disadvantage that is so costly to cities and states as well as individuals.

## Policy Choices Here and Now

With Arizona's relatively high fertility and birth rates, the state will continue to have many young families. This is good news for the workforce and the state – if these families are not mired in poverty. Family well-being, family economics, and overall state prosperity are inseparable; workforce skills determine which jobs parents can qualify for. Increasingly, family advocates and other leaders are making common cause on improvements that will serve the workforce, children, and families. Here and now the policy talk is about:

> Increasing workers' skills to qualify them for higher-paying jobs and to create and attract high-value jobs.

> Expanding opportunities for affordable, quality child care to provide greater work and education options for parents and a good start for children.

> Expanding health insurance coverage, one of the greatest concerns for low-income workers and a substantial barrier to entering the labor force.

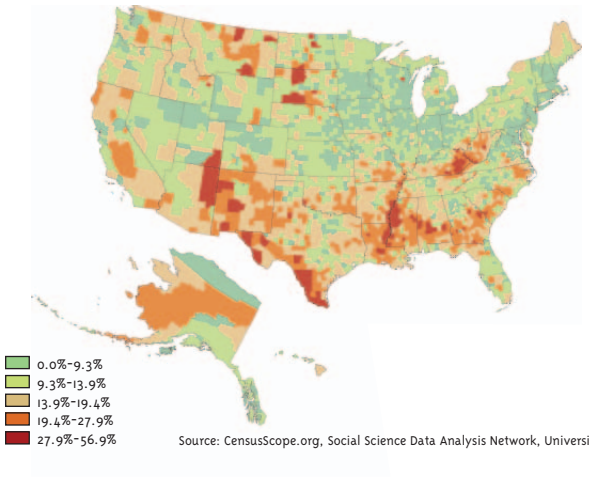
> Increasing access to affordable housing, again to support stable employment and career development.

> Creating more preschool opportunities for low-income children.

In the public opinion survey done for this project, more than 4 respondents in 10 (44%) said Arizona was not as good as other states in terms of the well-being of children in low-income families. This 44% was the highest "not as good" rating in the entire survey. With low incomes at the root of so many public policy issues, Arizona's workforce and incomes should have no place to go but up.

## Poverty Stands Out in the South and Southwest | 2000

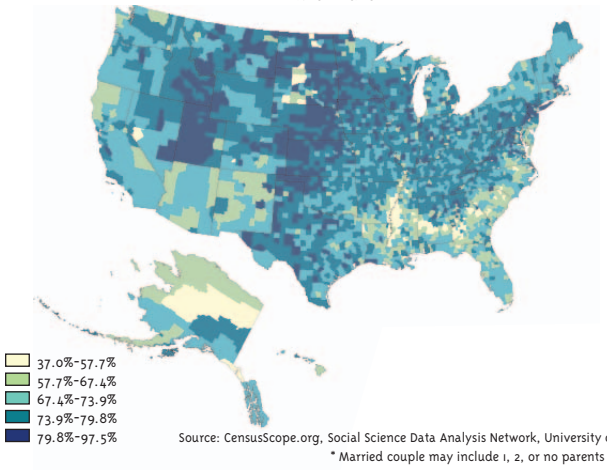
% of population living below poverty level




Source: CensusScope.org, Social Science Data Analysis Network, University of Michigan.

## Kids in Married Couple Households Across the U.S.* | 2000

% children




Source: CensusScope.org, Social Science Data Analysis Network, University of Michigan.
* Married couple may include 1, 2, or no parents of the child.

## DATA NOTES

The U.S. Bureau of Economic Analysis defines "personal income" as the income that is received by persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The U.S. Bureau of Economic Analysis (BEA) defines the per capita personal income of an area as income received from all sources, including wage and salary disbursements, proprietors' income, dividend and interest income, etc., divided by the resident population of the area. BEA defines average wage and salary disbursements as the monetary and in-kind remuneration of employees, including compensation of corporate officers, commissions, tips and bonuses, received during a given year, divided by the total wage and salary employment.

ACCRA, originally named the American Chamber of Commerce Researchers Association, bases its rankings on data collected by members in 400 U.S. cities. Its index reflects cost differentials for households with earnings in the top one-fifth of all household incomes.

## Children With No Parents in Full-Time Year-Round Employment | 2001

| STATE | % CHILDREN UNDER 18 | RANK* |
|---|---|---|
| New Mexico | 34 | 1 |
| West Virginia | 33 | 2 |
| **Arizona** | **26** | **16** |
| California | 26 | 16 |
| Maine | 26 | 16 |
| Iowa | 17 | 49 |
| Minnesota | 17 | 49 |
| U.S. | 25 | |

* 1 is highest percentage of children without working parents. Source: KIDS COUNT with data from 2000-2002 U.S. Census Bureau.

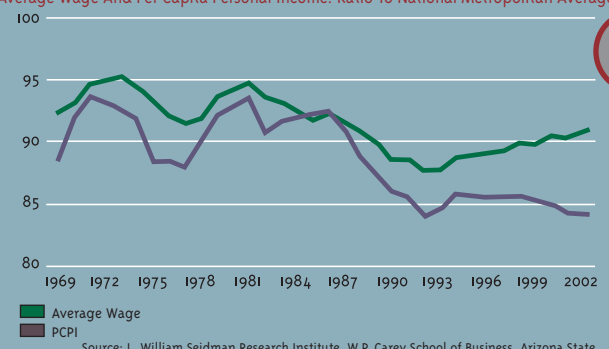
This is the share of all children under 18 living in families where no parent has regular, full-time employment. For single parent families, this means the resident parent did not work at least 35 hours per week, at least 50 weeks in the previous calendar year. For married couple families, this means neither parent worked for the same periods. Children living with neither parent also are included as without secure parental employment.

ND CLICK

## Metropolitan Areas in Arizona

Average Wage And Per Capita Personal Income: Ratio To National Metropolitan Average

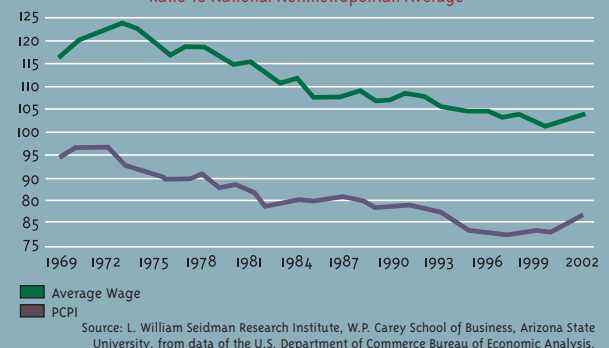
M METRO




Source: L. William Seidman Research Institute, W.P. Carey School of Business, Arizona State University, from data of the U.S. Department of Commerce Bureau of Economic Analysis.

## Nonmetropolitan Areas in Arizona

Average Wage And Per Capita Personal Income: Ratio To National Nonmetropolitan Average




Source: L. William Seidman Research Institute, W.P. Carey School of Business, Arizona State University, from data of the U.S. Department of Commerce Bureau of Economic Analysis.

## PCPI and Average Wage | 2002

| | PCPI 2002 | 1991-2002 % CHANGE* | RATIO TO U.S. % | AVERAGE WAGE 2002 | 1991-2002 % CHANGE | RATIO TO U.S. % |
|---|---|---|---|---|---|---|
| U.S. | $30,906 | 26 | | $36,167 | 21 | |
| Arizona | $26,360 | 24 | 85 | $33,704 | 24 | 93 |
| Maricopa County | $29,020 | 24 | 89 | $36,047 | 26 | 95 |
| Pima County | $25,278 | 24 | 78 | $31,308 | 22 | 83 |

* Per capita personal income. Inflation adjusted. Source: L. William Seidman Research Institute, Arizona State University with data from U.S. Bureau of Economic Analysis.

## Income of Families with Children in Metro Areas | 2000

M METRO

| METRO AREA | MEDIAN INCOME* | RANK** |
|---|---|---|
| Stamford (Connecticut) | $103,599 | 1 |
| Danbury (Connecticut) | $83,509 | 2 |
| Kankakee (Illinois) | $48,221 | 161 |
| **Phoenix** | **$48,172** | **162** |
| Louisville | $48,112 | 163 |
| Florence (South Carolina) | $40,269 | 282 |
| **Tucson** | **$40,221** | **283** |
| Altoona | $39,850 | 284 |

* Of families with own children under 18, among 349 metropolitan areas. ** 1 is highest family median income. Source: KIDS COUNT with data from U.S. Census Bureau.

ND CLICK

## METRO FOCUS

***Dollars and Children >*** *As every parent knows, raising a child is an expensive undertaking. The U.S. Department of Agriculture annually estimates the dollars spent to support children from birth through age 17 at various income levels. The costs of housing, food, transportation, clothing, health care, child care, education, and various goods and services are taken into account for husband-wife families and single parent families. For husband-wife families in 2003, low-income families (earning < $40,700) spent 28% of their before-tax income per year on a child. This percentage reflected $6,820-$7,840 per child, depending on age. The middle-income group (earning $40,700-$68,400) devoted 18% (from $9,510-$10,560). The highest income families (earning > $68,400) spent 14% or $14,140-$15,350. On average, the highest income husband-wife families spent approximately twice the amount spent by families in the lowest income group.*

***Young Children and Low Incomes >*** *In metro Phoenix in 1999, 21% of families are headed by single female parents, with 38% of those with children under age 5 living in poverty. In Tucson, 28% of families are headed by single women, and 47% of these families with children under 5 live in poverty. In addition, a reported 2.3% of metro Phoenix households had public assistance income in 1999. In Tucson, the proportion was slightly higher at 3.1%.*

***Hispanic Hot Spots >*** *Jobs and dollars are important for every family, but they are not the only way to rank places. With metropolitan Latino populations growing rapidly, it is interesting to see the "Top 10 Cities for Hispanics" done in 2002 by Hispanic Magazine.com. In addition to traditional factors such as population density and language, the research included the "vibrancy and hipness of the Latin cultural scene" in the mix. Tucson placed 7th on the list; Phoenix did not appear. The other 9 in rank order from top to bottom were: San Diego, Austin, Miami, San Antonio, El Paso-Las Cruces, Albuquerque, Los Angeles, New York, and Raleigh-Durham-Chapel Hill.*

## How Arizona Compares:

### Real Numbers and Hot Topics

**has provided a dizzying array of numbers and rankings. To make its "new sense of the state" clearer, the following pages present rankings for the 3 highlighted rankings in each section for the 50 states.**

# Signal Measures on Hot Topics stand out.

These Signal Measures provide a quick way to assess Arizona's standing — or any state's — among its peers.

| | Crime & Punishment | | | Health | | | Education | | | Business Future | | | Families & Incomes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | serious crime | rate of incarceration | justice spending per capita | without health insurance | overall health | per capita expenditures on health care | number of charter schools | science and engineering doctorates | per student spending for current expenses | job growth | Milken Technology and Science Index | per capita gross state product | percent of children in poverty | birth rate | per capita income |
| | 2003 | 2003 | FY2000 | 2001-03 | 2004 | 1998 | 2003 | 2002 | 2001-02 | 1990-2003 | 2004 | 2001 | 1999 | 2002 | 2003 |
| Alabama | 17 | 5 | 46 | 25 | 43 | 28 | NA | 25 | 45 | 37 | 36 | 45 | 6 | 31 | 41 |
| Alaska | 20 | 21 | 1 | 7 | 24 | 36 | 24 | 50 | 7 | 13 | 40 | 3 | 40 | 6 | 13 |
| Arizona | 1 | 9 | 9 | 10 | 23 | 48 | 1 | 19 | 47 | 2 | 17 | 37 | 12 | 3 | 38 |
| Arkansas | 22 | 12 | 42 | 12 | 46 | 31 | 32 | 41 | 41 | 18 | 49 | 47 | 5 | 20 | 49 |
| California | 25 | 16 | 2 | 4 | 22 | 37 | 2 | 1 | 24 | 35 | 2 | 8 | 11 | 8 | 10 |
| Colorado | 21 | 18 | 16 | 15 | 13 | 43 | 8 | 18 | 33 | 5 | 3 | 9 | 41 | 7 | 7 |
| Connecticut | 41 | 27 | 12 | 40 | 8 | 3 | 23 | 23 | 3 | 50 | 10 | 2 | 47 | 43 | 1 |
| Delaware | 24 | 10 | 5 | 42 | 32 | 5 | 29 | 37 | 8 | 30 | 13 | 1 | 34 | 22 | 11 |
| Florida | 4 | 14 | 7 | 8 | 42 | 8 | 3 | 9 | 43 | 6 | 32 | 39 | 16 | 41 | 24 |
| Georgia | 14 | 7 | 28 | 14 | 45 | 34 | 15 | 12 | 25 | 11 | 18 | 18 | 17 | 4 | 27 |
| Hawaii | 2 | 36 | 18 | 43 | 4 | 18 | 20 | 40 | 28 | 46 | 39 | 19 | 28 | 19 | 21 |
| Idaho | 36 | 19 | 30 | 9 | 18 | 49 | 25 | 44 | 46 | 3 | 30 | 44 | 26 | 4 | 45 |
| Illinois | 28 | 32 | 15 | 22 | 29 | 17 | 17 | 5 | 16 | 43 | 21 | 10 | 23 | 16 | 14 |
| Indiana | 30 | 29 | 43 | 29 | 32 | 30 | 30 | 14 | 21 | 36 | 29 | 35 | 37 | 20 | 32 |
| Iowa | 35 | 39 | 39 | 47 | 11 | 19 | NA | 22 | 27 | 31 | 37 | 34 | 45 | 37 | 35 |
| Kansas | 19 | 34 | 32 | 35 | 16 | 24 | 16 | 27 | 26 | 27 | 26 | 28 | 39 | 12 | 26 |
| Kentucky | 40 | 24 | 36 | 25 | 39 | 23 | NA | 32 | 38 | 25 | 48 | 41 | 7 | 28 | 40 |
| Louisiana | 9 | 1 | 22 | 3 | 50 | 22 | 22 | 26 | 37 | 28 | 42 | 23 | 2 | 12 | 43 |
| Maine | 46 | 50 | 47 | 37 | 10 | 10 | NA | 49 | 9 | 40 | 33 | 42 | 33 | 49 | 30 |
| Maryland | 15 | 20 | 10 | 27 | 34 | 13 | NA | 11 | 10 | 38 | 4 | 16 | 46 | 25 | 4 |
| Massachusetts | 38 | 43 | 20 | 46 | 6 | 1 | 13 | 4 | 4 | 48 | 1 | 4 | 38 | 40 | 3 |
| Michigan | 29 | 11 | 19 | 33 | 29 | 25 | 5 | 8 | 11 | 41 | 25 | 30 | 31 | 36 | 19 |
| Minnesota | 33 | 49 | 29 | 50 | 1 | 11 | 11 | 21 | 20 | 16 | 8 | 13 | 49 | 24 | 8 |
| Mississippi | 23 | 2 | 45 | 11 | 49 | 35 | 35 | 36 | 49 | 29 | 50 | 50 | 1 | 12 | 50 |
| Missouri | 16 | 8 | 37 | 35 | 36 | 20 | 19 | 20 | 29 | 39 | 31 | 29 | 21 | 28 | 28 |
| Montana | 32 | 22 | 33 | 16 | 26 | 44 | NA | 43 | 30 | 7 | 38 | 48 | 14 | 43 | 44 |
| Nebraska | 26 | 44 | 40 | 41 | 12 | 29 | NA | 35 | 19 | 19 | 28 | 25 | 36 | 11 | 23 |
| Nevada | 10 | 15 | 4 | 6 | 37 | 47 | 25 | 42 | 44 | 1 | 43 | 12 | 28 | 9 | 18 |
| New Hampshire | 48 | 46 | 41 | 43 | 2 | 15 | NA | 38 | 17 | 22 | 12 | 14 | 50 | 48 | 6 |
| New Jersey | 42 | 37 | 6 | 23 | 17 | 6 | 12 | 15 | 1 | 44 | 7 | 6 | 41 | 25 | 2 |
| New Mexico | 12 | 37 | 14 | 2 | 38 | 46 | 18 | 33 | 34 | 8 | 14 | 38 | 3 | 9 | 46 |
| New York | 44 | 33 | 3 | 18 | 31 | 2 | 14 | 2 | 2 | 49 | 15 | 5 | 9 | 31 | 5 |
| North Carolina | 13 | 31 | 31 | 16 | 41 | 32 | 8 | 10 | 39 | 20 | 20 | 22 | 20 | 17 | 36 |
| North Dakota | 50 | 48 | 50 | 39 | 7 | 12 | NA | 46 | 36 | 15 | 45 | 40 | 30 | 42 | 34 |
| Ohio | 27 | 26 | 17 | 32 | 26 | 21 | 6 | 7 | 15 | 42 | 24 | 26 | 23 | 34 | 25 |
| Oklahoma | 11 | 4 | 34 | 4 | 40 | 38 | 30 | 31 | 42 | 23 | 35 | 46 | 10 | 15 | 39 |
| Oregon | 7 | 30 | 8 | 19 | 21 | 42 | 20 | 30 | 22 | 14 | 19 | 21 | 23 | 37 | 31 |
| Pennsylvania | 43 | 35 | 21 | 37 | 25 | 7 | 10 | 6 | 14 | 45 | 16 | 24 | 22 | 46 | 17 |
| Rhode Island | 34 | 47 | 23 | 49 | 14 | 4 | 34 | 34 | 6 | 47 | 11 | 20 | 19 | 43 | 16 |
| South Carolina | 3 | 6 | 35 | 28 | 47 | 33 | 25 | 29 | 32 | 32 | 44 | 43 | 13 | 28 | 42 |
| South Dakota | 49 | 22 | 48 | 33 | 19 | 27 | NA | 47 | 40 | 10 | 47 | 31 | 17 | 17 | 37 |
| Tennessee | 8 | 17 | 38 | 31 | 48 | 16 | NA | 24 | 48 | 21 | 34 | 32 | 15 | 25 | 33 |
| Texas | 5 | 3 | 27 | 1 | 35 | 38 | 4 | 3 | 35 | 9 | 23 | 17 | 8 | 2 | 29 |
| Utah | 18 | 42 | 25 | 24 | 5 | 50 | 28 | 28 | 50 | 4 | 9 | 36 | 48 | 1 | 47 |
| Vermont | 47 | 45 | 44 | 43 | 3 | 26 | NA | 45 | 5 | 33 | 22 | 33 | 44 | 50 | 22 |
| Virginia | 39 | 13 | 26 | 30 | 20 | 45 | 32 | 13 | 23 | 26 | 5 | 11 | 34 | 22 | 9 |
| Washington | 6 | 40 | 24 | 21 | 15 | 40 | NA | 17 | 31 | 17 | 6 | 15 | 32 | 34 | 12 |
| West Virginia | 45 | 40 | 49 | 19 | 43 | 9 | NA | 39 | 18 | 34 | 46 | 49 | 4 | 47 | 48 |
| Wisconsin | 37 | 24 | 13 | 47 | 9 | 14 | 7 | 16 | 13 | 24 | 27 | 27 | 41 | 39 | 20 |
| Wyoming | 31 | 28 | 11 | 13 | 28 | 41 | 35 | 48 | 12 | 12 | 41 | 7 | 26 | 31 | 15 |

| Government | | | Arts and Culture | | | Housing | | | Transportation | | | Environment | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ballot initiatives | per capita state and local spending | voter turnout among VAP | arts related institutions | number of national monuments | public library circulation per capita | housing unit growth | mobile and manufactured homes | home ownership | highway traffic fatalities | travel time to work | annual miles driven per vehicle | biodiversity | ground-water withdrawal | energy consumption per capita |
| 2003 | 2000 | 2000 | 2004 | 2000 | 2001 | 2000-03 | 2000 | 2000 | 2002 | 2000 | 2002 | 2002 | 2000 | 2000 |
| NA | 30 | 20 | 27 | NA | 49 | 29 | 6 | 4 | 16 | 18 | 22 | 5 | 32 | 9 |
| 17 | 1 | 5 | 46 | 6 | 30 | 38 | 28 | 44 | 14 | 43 | 50 | 49 | 43 | 1 |
| **5** | **39** | **47** | **19** | **1** | **26** | **2** | **11** | **31** | **4** | **17** | **20** | **4** | **8** | **49** |
| 7 | 50 | 44 | 35 | NA | 47 | 27 | 8 | 22 | 7 | 35 | 5 | 19 | 4 | 13 |
| 2 | 9 | 49 | 1 | 4 | 39 | 25 | 41 | 48 | 36 | 5 | 37 | 1 | 1 | 45 |
| 3 | 21 | 37 | 14 | 5 | 5 | 3 | 34 | 36 | 21 | 22 | 1 | 16 | 9 | 40 |
| NA | 6 | 33 | 20 | NA | 13 | 45 | 49 | 38 | 46 | 21 | 38 | 41 | 42 | 44 |
| NA | 11 | 12 | 47 | NA | 29 | 19 | 17 | 6 | 27 | 25 | 19 | 46 | 50 | 17 |
| 20 | 42 | 41 | 4 | 8 | 38 | 8 | 15 | 17 | 11 | 9 | 25 | 7 | 5 | 46 |
| NA | 40 | 45 | 11 | 7 | 42 | 4 | 14 | 34 | 28 | 5 | 15 | 6 | 15 | 28 |
| NA | 10 | 50 | 37 | NA | 31 | 31 | 50 | 49 | 32 | 11 | 46 | 50 | 33 | 50 |
| 19 | 48 | 36 | 38 | 8 | 16 | 7 | 13 | 5 | 15 | 42 | 45 | 25 | 6 | 15 |
| 24 | 23 | 30 | 5 | NA | 19 | 34 | 43 | 36 | 31 | 4 | 34 | 23 | 21 | 23 |
| NA | 44 | 25 | 24 | NA | 3 | 14 | 29 | 12 | 45 | 32 | 24 | 31 | 29 | 8 |
| NA | 25 | 8 | 29 | 9 | 11 | 33 | 35 | 6 | 33 | 45 | 49 | 40 | 27 | 19 |
| NA | 38 | 15 | 33 | NA | 7 | 28 | 32 | 24 | 17 | 44 | 28 | 37 | 7 | 18 |
| NA | 41 | 35 | 30 | NA | 36 | 24 | 10 | 14 | 12 | 28 | 21 | 23 | 40 | 7 |
| NA | 33 | 7 | 25 | 9 | 46 | 39 | 12 | 32 | 6 | 12 | 30 | 18 | 12 | 2 |
| 17 | 24 | 2 | 40 | NA | 24 | 35 | 21 | 10 | 26 | 31 | 6 | 43 | 47 | 10 |
| NA | 28 | 29 | 16 | 9 | 9 | 30 | 45 | 33 | 38 | 2 | 16 | 28 | 38 | 39 |
| 13 | 8 | 16 | 12 | NA | 20 | 48 | 48 | 45 | 49 | 7 | 47 | 38 | 37 | 41 |
| 12 | 16 | 16 | 10 | NA | 35 | 26 | 30 | 3 | 37 | 24 | 31 | 29 | 25 | 36 |
| NA | 4 | 3 | 18 | 8 | 10 | 12 | 40 | 2 | 41 | 35 | 29 | 36 | 26 | 25 |
| 23 | 36 | 19 | 41 | NA | 50 | 22 | 4 | 6 | 2 | 19 | 2 | 17 | 10 | 14 |
| 10 | 46 | 6 | 21 | 9 | 18 | 23 | 26 | 16 | 18 | 27 | 4 | 21 | 11 | 38 |
| 9 | 35 | 12 | 43 | 9 | 34 | 46 | 9 | 25 | 1 | 48 | 48 | 33 | 41 | 4 |
| 15 | 14 | 21 | 39 | 7 | 12 | 32 | 36 | 35 | 23 | 46 | 32 | 39 | 3 | 27 |
| 16 | 32 | 48 | 31 | 9 | 37 | 1 | 22 | 46 | 9 | 29 | 13 | 11 | 24 | 34 |
| NA | 45 | 9 | 36 | NA | 23 | 21 | 31 | 21 | 48 | 15 | 35 | 44 | 46 | 43 |
| NA | 12 | 33 | 8 | NA | 28 | 40 | 47 | 40 | 44 | 3 | 41 | 32 | 30 | 32 |
| NA | 19 | 42 | 34 | 2 | 40 | 16 | 2 | 18 | 13 | 35 | 11 | 3 | 13 | 26 |
| NA | 2 | 43 | 2 | 7 | 21 | 47 | 44 | 50 | 43 | 1 | 26 | 22 | 18 | 47 |
| NA | 29 | 38 | 13 | NA | 33 | 6 | 5 | 22 | 22 | 25 | 7 | 9 | 31 | 37 |
| 4 | 15 | 1 | 50 | NA | 22 | 43 | 23 | 39 | 34 | 50 | 39 | 48 | 44 | 5 |
| 11 | 22 | 27 | 9 | 9 | 1 | 36 | 39 | 25 | 35 | 30 | 43 | 27 | 20 | 24 |
| 8 | 49 | 26 | 32 | 7 | 32 | 42 | 19 | 27 | 23 | 38 | 10 | 15 | 17 | 12 |
| 1 | 7 | 14 | 22 | NA | 2 | 17 | 20 | 42 | 38 | 34 | 33 | 8 | 19 | 35 |
| NA | 18 | 32 | 6 | NA | 41 | 44 | 38 | 13 | 25 | 16 | 36 | 29 | 28 | 16 |
| NA | 20 | 16 | 42 | NA | 27 | 49 | 46 | 47 | 46 | 33 | 40 | 47 | 49 | 48 |
| NA | 27 | 21 | 26 | 7 | 43 | 10 | 1 | 9 | 3 | 22 | 12 | 14 | 35 | 21 |
| 14 | 47 | 23 | 48 | 8 | 14 | 18 | 16 | 29 | 8 | 49 | 42 | 42 | 39 | 30 |
| NA | 31 | 39 | 17 | NA | 48 | 15 | 18 | 20 | 20 | 20 | 14 | 13 | 34 | 22 |
| NA | 43 | 46 | 3 | 9 | 45 | 9 | 24 | 43 | 19 | 14 | 8 | 2 | 2 | 6 |
| 21 | 26 | 31 | 28 | 3 | 4 | 5 | 37 | 11 | 29 | 40 | 18 | 10 | 16 | 33 |
| NA | 17 | 9 | 44 | NA | 25 | 41 | 27 | 15 | 50 | 39 | 3 | 45 | 48 | 42 |
| NA | 37 | 28 | 15 | 8 | 15 | 11 | 33 | 30 | 40 | 7 | 27 | 12 | 36 | 31 |
| 6 | 5 | 24 | 7 | 9 | 6 | 13 | 25 | 41 | 41 | 13 | 44 | 20 | 14 | 20 |
| NA | 34 | 40 | 45 | NA | 44 | 50 | 3 | 1 | 4 | 9 | 17 | 34 | 45 | 11 |
| NA | 13 | 3 | 23 | NA | 8 | 20 | 42 | 27 | 29 | 41 | 23 | 35 | 21 | 29 |
| 22 | 3 | 11 | 49 | 8 | 17 | 37 | 7 | 18 | 10 | 47 | 9 | 26 | 23 | 3 |

# Government

**5**
5th in ballot initiatives

**47**
47th in voter turnout

**39**
39th in per capita state and local government spending

Arizonans perennially debate how much they pay in taxes versus how much they get in return. The issue for governance long term, though, is low voter turnout.

Three characteristics of Arizona government stand out compared to other states:

> Relatively low participation by voters

> Relatively high use of the initiative process

> Comparatively limited government spending

The electoral process presents the most basic avenue for citizen involvement in governing, but Arizona voter registration and turnout have long been low compared to those in other states.

In the 2004 election the number of ballots cast in Arizona topped 2 million for the first time. Arizona noted significant turnout as did the rest of the nation. However, Arizona has often lagged not only the nation as a whole, but particularly its Mountain West region, which consists of Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming. Of special note is the low participation among residents aged 18-24. Just 28% of these young Arizonans turned out to vote in 2000, a decline of 20% since 1972. For all ages, total turnout went down between 1960 and 2000 in Arizona, the Mountain West, and the nation.

One factor that probably influences voter turnout in Arizona is the high mobility of residents. Newcomers often fail to meet residency requirements in time for elections, or they neglect to register because they have not yet begun to identify with either their newly adopted state or its issues. Among registered voters, some miss their opportunity to cast ballots because they have left the state or relocated in state and not changed their registration. Another factor may be an increasing immigrant population, many of whom may not be eligible to vote.

## Taking the Initiative

The initiative and referendum are two of the most prominent tools of "direct democracy." The initiative process allows citizens to make their own laws, effectively bypassing their elected representatives. Twenty-four states allow voter initiatives. The initiative, which was favored by the framers of Arizona's constitution, has long been a prominent feature of state and local politics in Arizona and mostly western states – notably California, Colorado, Oregon, and Washington.

The initiative has been increasingly popular in Arizona in recent years, perhaps signaling a growing dissatisfaction

### Turnout Among the Voting Age Population | 2000

| STATE | % TURNOUT OF VAP* | RANK** |
|---|---|---|
| North Dakota | 69.8 | 1 |
| Maine | 69.2 | 2 |
| Minnesota | 67.8 | 3 |
| Wisconsin | 67.8 | 3 |
| Alaska | 65.5 | 5 |
| Texas | 48.2 | 46 |
| **Arizona** | **46.7** | **47** |
| Nevada | 46.5 | 48 |
| California | 46.4 | 49 |
| Hawaii | 39.7 | 50 |
| U.S. | 54.7 | |

* VAP is total voting-age population, all persons over 18, as reported by the U.S. Census Bureau, and thus includes residents not eligible to vote in U.S. elections. Turnout is calculated on total votes cast for the highest office on the ballot in 2000 (president). ** 1 is the highest percentage turnout. Source: *Statistical Abstract of the United States,* 2003.

ND CLICK

### Getting Out the Vote* Over Time: Arizona, Mountain West, and U.S. | 1960 & 2000

| YEAR | % ARIZONA | % MOUNTAIN WEST** | % U.S. |
|---|---|---|---|
| 1960 | 52.4 | 67.0 | 62.8 |
| 2000 | 46.7 | 51.7 | 54.7 |

* Percent of voting age population casting ballots in presidential election. ** Includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming. Source: Calculated from Current Population Reports, Series P-25, No. 1085, U.S. Census Bureau, and *Statistical Abstract of the United States,* 2003.

with legislative politics. Arizona citizen groups launched 155 statewide initiative drives during the 1990s, compared to only 63 in the 1980s. Thirty more initiative drives were started between 2000 and 2002. Of course, not every initiative effort reaches an election ballot. Fewer than 20% of the initiative processes started in the 1990s, for example, made it to the ballot; of those, only about half were approved by voters. However, many that succeeded have been significant. For example, voters approved substantially increasing spending for health care (Proposition 204) at a time when this issue was making no headway in the Arizona Legislature.

Many initiative efforts have been aimed directly at lawmakers. For example, in 1992 voters approved a term limits proposition that restricted the number of consecutive terms for state legislators and statewide officials. Voters also passed a proposition requiring a two-thirds "super majority" in both legislative houses to raise taxes or fees, and another proposition requiring an even tougher three-fourths majority to alter any statewide propositions approved by voters. Recently, voters chose to support "clean elections," a major feature of which is public financing for campaigns. In addition, an independent commission was empowered to draw legislative boundaries as required after the 2000 census.

**Initiative States Listed in Order of Use | 2003**

| STATE | NUMBER ON BALLOT SINCE ADOPTION |
|---|---|
| Oregon | 321 |
| California | 270 |
| Colorado | 181 |
| North Dakota | 167 |
| **Arizona** | **150** |
| Washington | 119 |
| Arkansas | 89 |
| Oklahoma | 81 |
| Montana | 72 |
| Missouri | 69 |
| Ohio | 63 |
| Michigan | 59 |
| Massachusetts | 53 |
| South Dakota | 49 |
| Nebraska | 41 |
| Nevada | 37 |
| Maine | 36 |
| Alaska | 36 |
| Idaho | 25 |
| Florida | 24 |
| Utah | 21 |
| Wyoming | 7 |
| Mississippi | 2 |
| Illinois | 1 |

ND CLICK

Source: National Conference of State Legislatures, 2003.

**Public Employees | 2003**

| | ARIZONA | U.S. | ARIZONA RANK* |
|---|---|---|---|
| State government employees per 10,000 population | 164 | 177 | 41 |
| Local government employees per 10,000 population | 477 | 488 | 31 |
| State employees average salary | $36,690 | $40,647 | 27 |
| Local employees average salary | $34,941 | $37,617 | 21 |

ND CLICK

* 1 is highest number of employees in each of these categories. Source: Governing State and Local Source Book 2003. Data are from U.S. Bureau of Labor Statistics.

## Serving the People

Arizona contains 638 local governments in addition to state government. This number includes 15 county governments, 87 municipalities, 231 school districts, and 305 special districts that provide specific functions such as fire protection and library services. While the total number may seem large, it is not. The average state has 1,750 local governments.

Workers employed by Arizona state and local governments numbered 349,700 in 2003, considerably fewer than the national average when controlled for population. Salaries for

these employees averaged somewhat under $37,000 for state workers and slightly under $35,000 for local workers, both also below the national average.

Historically, Arizona has provided a relatively small package of state and local services. According to the U.S. Census Bureau in 2000 – the latest year for which comparative statistics are available – state and local governments in Arizona spent $5,319 per capita, compared to the national average of $6,208, placing it 39th among the 50 states. But rankings in particular service areas varied considerably. Arizona governments were 9th in per capita spending for police, 13th for corrections, and 25th for highways in 2000, while 44th for health and hospitals, 46th for welfare, and 47th for K-12 education.

Arizona has typically operated on fairly low revenue compared to other states. Until recently, however, this revenue was high compared to residents' personal income. In the mid-1990s Arizona ranked 10th among the states in terms of state and local revenue as a percentage of personal income. After a series of tax cuts starting in the 1990s, the burden shifted. By FY 2000, Arizona ranked 37th in the percentage of personal income it tapped for revenues – 23.1% compared to the U.S. average of 25%. In the same year, Arizona's state and local per capita revenues ranked 48th in the nation.

Over the years, Arizona lawmakers have emphasized regressive sources of revenue, such as the general sales tax, rather than more progressive income taxes. This may, in part, reflect a belief that a consumption tax is fairer, or at least less obvious, to taxpayers. It definitely shows a long-standing desire to shift or "export" as much tax load as possible to winter residents and tourists. Out of staters pay anywhere from 10% to 20% of total sales taxes, depending on the estimate used.

One source of "outside" revenue that Arizona does not take full advantage of is federal funds. In 2000 Arizona placed 41st among the states for federal aid per capita.

## TOO TAXING?

No question sparks more argument among Arizonans than whether their "tax burden" is too heavy compared to other states. Individuals' opinions on this issue are influenced by their other beliefs — about how large government should be, what impact taxation has on economic activity, whether wealthier residents should pay higher tax rates than poorer ones, and the like. Thus, there can be no "right" answers to such questions. However, experts tend to agree that

> proper tax comparisons across states must include both state and local taxes

> varying costs of living in different locations affect the impact of taxes

> tax comparisons are best among similar states

According to an analysis of FY2000 data by the Center for Business Research at Arizona State University, Arizona ranked

> 14th lowest in taxes paid per capita: Arizona ranked 3rd lowest among 10 Western states, at 17% less than the national per capita average.

> 23rd lowest in taxes paid per dollar of personal income: Arizona ranked 6th lowest among Western states, 2% less than the national average.

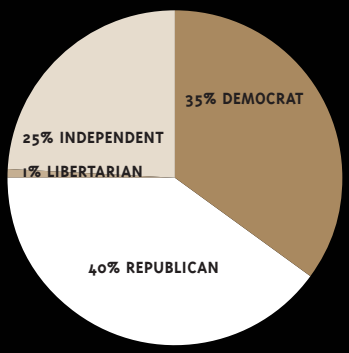
> 9th lowest in taxes paid per dollar of Census income: Arizona ranked 3rd lowest among Western states, at 11% below the national average.

And according to FY 1997 data, Arizona ranked

> 8th lowest in taxes paid according to "tax effort": Arizona ranked 3rd lowest among Western states, at 16% below the national average.

Source: Center for Business Research, L. William Seidman Research Institute, W. P. Carey School of Business, Arizona State University.

## Arizona Voter Registration | 2004




Source: Arizona Secretary of State's Office, 2004.

## State and Local Per Capita Spending | 2000

| CATEGORY | $ ARIZONA | $ U.S. AVERAGE | ARIZONA RANK* |
|---|---|---|---|
| Police | 214 | 202 | 9 |
| Corrections | 186 | 173 | 13 |
| Highways | 382 | 360 | 25 |
| Higher Education | 481 | 477 | 30 |
| Health & Hospitals | 268 | 452 | 44 |
| Welfare | 574 | 829 | 46 |
| K-12 Education | 997 | 1,298 | 47 |
| Total | 5,319 | 6,208 | 39 |

ND CLICK

* 1 is highest spending level. Source: *Governing State and Local Source Book* 2003. Data are from U.S. Census Bureau.

## State and Local Per Capita Revenues | 2000

| CATEGORY | $ ARIZONA | $ U.S. AVERAGE | ARIZONA RANK* |
|---|---|---|---|
| Sales Tax | 1,183 | 1,099 | 12 |
| Property Tax | 761 | 885 | 32 |
| Personal Income Tax | 447 | 752 | 38 |
| All Taxes | 2,559 | 3,100 | 36 |
| Fees, Charges & Interest | 985 | 1,340 | 37 |
| Federal Aid | 872 | 1,037 | 41 |
| Total | 5,414 | 6,902 | 48 |

ND CLICK

* 1 is highest level of per capita revenues. Source: *Governing State and Local Source Book* 2003. Data are from U.S. Census Bureau.

## Policy Choices Here and Now

Some Arizonans see considerable value in having a low taxing and spending state, while others want more spending in areas such as education. How Arizona taxes and spends is one of the most direct ways of affecting public policy in many areas. In the 2004 election, Arizonans approved another way by making a substantial change in the initiative process. Voters approved Proposition 101, which requires that all future initiatives or referenda that propose mandatory expenditures must provide for a source of revenue – not the General Fund – sufficient to cover the immediate and future costs of the proposal. Here and now the policy talk is about:

> Reforming Arizona's tax structure to reflect the 21st century service- and knowledge-based economy and ensure fairness between businesses and citizens.

> Identifying specific sources of revenue, other than the state's General Fund, for specific public programs and services.

> Increasing voter registration and turnout among all residents, especially among the state's growing Latino population.

Fully 55% of respondents in the public opinion survey said Arizona's state and local taxes are "the same as" others, the highest response to any of the issues. Just 21% said they were "worse."

## METRO FOCUS

*Local governments deliver substantial services and make many of the decisions that affect residents' everyday lives and the overall ease of doing business for the private sector.*

***Local Tax Burden >*** *"Tax burden" is an issue at the local level as well as the state level. According to the widely cited Tax Rates & Tax Burdens, prepared on behalf of the District of Columbia, among each state's largest city, Phoenix' tax burden for a family of 4 ranks 32nd at the $25,000 and $50,000 earning levels. Phoenix places 39th for those families at the $75,000 level. At the $25,000 and $75,000 levels, Phoenix is below the national average of the percentage of income taken by state and local taxes. At $50,000, Phoenix is slightly above the national average.*

***Digital Government at Local and State Levels>*** *The Center for Digital Government, a national research and advisory institute on information technology policies and best practices in state and local government, announced the most technology-advanced cities in the U.S. based on its 2004 Digital Cities Survey. The annual study examines how city governments are using digital technologies to serve their residents and streamline operations. The survey focused on services delivered online, planning and governance, and infrastructure. Among the Top 10 Digital Cities with 250,000 or more in population, Tucson placed 2nd and Phoenix placed 6th. In the 125,000-249,999 category, Chandler placed 9th.*

*In the 2004 Best of the Web contest, sponsored by the Center for Digital Government, Arizona was noted along with Maine, Indiana, Virginia, and Delaware as having the "best state government web sites in America." The annual competition "judges state, city, county, and education web sites on their innovation, web-based delivery of public services, efficiency, economy, and functionality for improved citizen access."*

# Arts and Culture

26th in per capita public library circulation

1st in national monuments

19th in number of arts-related businesses

Arts and culture has been redefined as a player in economic development and the revitalization of communities in addition to its value for the soul.

Arizona has more National Park Service monuments, historic sites, parks, recreation areas, and preserves than any other state except California. How does this fact relate to the sorts of institutions usually thought of as arts and culture? It indicates arts and culture thinking in public policy circles has expanded in recent years to include much more than the nonprofit performing and visual arts, as prominent as that sector remains.

Arts and culture now refers to a spectrum of often complementary for-profit and nonprofit activities and institutions, including history museums, botanical gardens, parks and monuments, zoos, libraries, cultural centers, performing venues, science

centers, galleries, and festivals in addition to all types of professional and informal performing and visual arts. From policy makers to business leaders and philanthropists, this industry is now appreciated for its breadth in addition to its intrinsic value, its economic value, its educational value, and its revitalization value.

This broader outlook on arts and culture owes much to current knowledge economy trends and the desire to attract and retain creative "talent" to enhance competitiveness. In line with this thinking, local and state leaders increasingly are working together to nurture arts and culture sectors and to connect programs and services to the broadest public. Still, a different definition of arts and culture does not decrease the importance of a combination of public and private resources, particularly for nonprofit organizations.

## The Public Side of Support for Arts and Culture

Federal funds for arts and culture come primarily through the National Endowment for the Arts (NEA), National Endowment for the Humanities (NEH), and Institute for Museum and Library Services (IMLS). All three agencies distribute dollars to states through formula allocations and grant processes. In FY 2003 Arizona collected $408,000 in competitive NEA dollars, ranking 26th. Arizona ranked 28th in NEH competitive funds and 30th for IMLS.

Between 1995 and 2004, Arizona's legislative appropriations to the Arizona Commission on the Arts, the state's NEA-required agency for arts and culture, ranged from $.61 per capita to $.78 per capita. In 2004, Arizona's lawmakers approved $.65 per capita for arts, ranking Arizona 31st in the nation. Most of the state dollars are granted to arts and culture organizations throughout Arizona through a competitive process managed by the Arizona Commission on the Arts. These funds are used to make arts and culture accessible to the greatest range of residents, students, and visitors.

## ARTS AND CULTURE NOTES

**National Heritage Areas:**
Arizona and Colorado are the only Western states with National Heritage Areas. Arizona's is the Yuma Crossing National Heritage Area. Heritage Areas are designated to preserve an important aspect of America's past and share it with visitors. Congress has designated 23 Heritage Areas in 17 states.

**National Monuments:**
Arizona with 19 has more national monuments than any other state, including 5 designated in 2000: Grand Canyon Parashant, Vermilion Cliffs, Agua Fria, Sonoran Desert, and Ironwood Forest.

**State Arts Endowments:**
Arizona is one of 15 states with a state arts endowment or cultural trust. Arizona's is called Arizona ArtShare.

**Arts Education:**
Arizona is one of 28 states that require fine arts credits for high school graduation. Arizona approved standards for K-12 arts education in 1991.

### LITERATE CITIES

The University of Wisconsin-Whitewater has analyzed six databases to determine "America's Most Literate Cities." Based on data on population, booksellers, library holdings, education, periodicals, and newspaper circulation in 64 metro areas with more than 250,000 in population, the researchers created a 13-part index that reflects the importance of books and reading in regions across the country.

| | |
|---|---|
| Minneapolis | 1 |
| Seattle | 2 |
| Denver | 3 |
| Atlanta | 4 |
| San Francisco | 5 |
| **Tucson** | **28** |
| **Phoenix** | **43** |

Source: America's Most Literate Cities, 2003.

Federal and state dollars are important to arts and culture, but a truly vibrant sector also requires the support of local governments. Public funds from all sources provide resources for such activities as serving new audiences, augmenting schools' arts education offerings, and offering seed money for new opportunities, as well as small amounts of general operating support. These dollars have been found to spur private spending for arts and culture from audiences, organizations, businesses, and private individual, corporate, and foundation donors.

## Economic Size and Impact

Data on arts and culture are sometimes tough to come by, since the sector traditionally has been hard to define and, until recently, was viewed as unimportant economically. Americans for the Arts, a national advocacy and service organization, recently sponsored two studies that shed light on economic aspects of arts and culture. In 2004, the organization analyzed the Dun & Bradstreet business database to determine the number of arts-related businesses, institutions, and organizations in metropolitan areas and states. Arizona placed 19th among 50 states on arts-related businesses.

In 2002, a 90-city economic impact study provided new information. In FY 2000, nonprofit arts organizations throughout metropolitan Phoenix had a total economic impact of nearly $344 million and contributed $34.6 million in tax revenue to local and state governments, according to the *Arts & Economic Prosperity Study* from Americans for the Arts.

The Tucson region did not participate in the Americans for the Arts study. However a 2001 study by the University of Arizona Office of Economic Development tallied the economic impact of Tucson's major arts and culture institutions. The

research revealed nearly $100 million in impact with $5.8 million in local and state government tax revenue.

## Cultural Tourism

A substantial part of arts and culture's economic strength stems from "cultural tourism." The Travel Industry Association of America defines this rapidly growing type of tourism as "special-interest travelers who rank the arts, heritage and/or other cultural activities as 1 of the top 5 reasons for traveling." In 2002 approximately 80% of the 146.4 million U.S. adults who made trips more than 50 miles from home included at least one cultural event or activity while traveling. The survey does not provide a state-by-state ranking, but it does look at the relative strength of cultural tourism according to the regions used by the U.S. Census Bureau. Arizona is in the Western region. According to the travel survey, the South is the most popular destination among historic/cultural travelers (43%). The West is the next most popular destination (26%) with the Midwest (23%) and Northeast (19%) 3rd and 4th respectively. (Percentages exceed 100 due to multiple responces.)

Museums are often part of the cultural tourist's travel agenda. As of July 2003, of 812 accredited museums nationally, Arizona had 12, while New York had the most.

## Arizona's Public Libraries

Public libraries traditionally are one of the most trusted of civic institutions. While they are primarily managed and funded at the local and county levels, federal and state funds play a similar role as in other sectors of arts and culture by providing funds for new initiatives and for leveraging. For example, federal dollars have supported extensive technology

Artists comprise 1.40% of the state's total civilian labor force, according to the National Endowment for the Arts analysis of the Special Equal Employment Opportunity Tabulations of Census 2000 data. This figure is the same as the U.S. average. The percentage reflects 33,095 artists in a wide variety of disciplines.

**Top 20 States for Number of Arts-Related Businesses, Institutions, and Organizations* | 2004**

| STATE | NUMBER | RANK |
|---|---|---|
| California | 89,719 | 1** |
| New York | 45,671 | 2 |
| Texas | 43,190 | 3 |
| Florida | 34,200 | 4 |
| Illinois | 20,367 | 5 |
| Pennsylvania | 19,283 | 6 |
| Washington | 17.868 | 7 |
| New Jersey | 16,999 | 8 |
| Ohio | 16,937 | 9 |
| Michigan | 16,243 | 10 |
| Georgia | 15,086 | 11 |
| Massachusetts | 14,223 | 12 |
| North Carolina | 12,663 | 13 |
| Colorado | 12,087 | 14 |
| Virginia | 11,541 | 15 |
| Maryland | 10,000 | 16 |
| Tennessee | 9,645 | 17 |
| Minnesota | 9,577 | 18 |
| **Arizona** | **9,050** | **19** |
| Connecticut | 8,857 | 20 |

* Americans for the Arts Creative Industries Study uses Dun & Bradstreet business data to provide a different look at the size of arts and culture sectors in states and metropolitan areas. The study began with a count of nonprofit and for-profit entities and additional data will be available in the future. The creative industries are composed of "arts-centric businesses, institutions, and organizations that range from museums, symphonies, and theaters to film, architecture, and advertising companies."
** 1 is highest number of arts-related businesses and organizations. Source: Americans for the Arts, 2004.

## Accredited Museums | 2003

| STATE | ACCREDITED MUSEUMS | RANK |
|---|---|---|
| New York | 67 | 1 |
| California | 66 | 2 |
| Massachusetts | 53 | 3 |
| Florida | 45 | 4 |
| Texas | 40 | 5 |
| **Arizona** | **12** | **20** |
| South Carolina | 13 | 20 |
| Georgia | 12 | 22 |
| New Mexico | 12 | 23 |
| North Dakota | 2 | 49 |
| South Dakota | 2 | 50 |
| Indiana | NA | |

ND CLICK

Source: American Association of Museums.

## Selected Public Library State Rankings

| | LIBRARY VISITS PER CAPITA* | | CIRCULATION TRANSACTIONS PER CAPITA | | $ TOTAL OPERATING INCOME PER CAPITA | |
|---|---|---|---|---|---|---|
| | VISITS | RANK | TRANSACTIONS | RANK | $ INCOME | RANK |
| **Arizona** | **4.09** | **30** | **6.46** | **26** | **23.10** | **32** |
| United States | 4.34 | | 6.53 | | 30.02 | |

ND CLICK

* Per capita is based on the total unduplicated population of legal service areas. ** Total income includes federal,state, local, and other income. Source: National Center for Education Statistics, Federal-State Cooperative System for Public Library Data, FY 2001. U.S. average includes District of Columbia.

## Per Capita Local Government Expenditures and Local Arts Agency Support,* Selected Cities | 2002

M METRO

| CITY | $ PER CAPITA EXPENDITURES | $ PER CAPITA LOCAL GOVERNMENT SUPPORT** |
|---|---|---|
| Albuquerque | 3.32 | 3.07 |
| Atlanta | 4.44 | 4.32 |
| Austin | 9.64 | 7.97 |
| Charlotte | 22.84 | 7.90 |
| Dallas | 12.37 | 11.92 |
| Denver | 2.12 | 1.62 |
| Indianapolis | 7.50 | 2.84 |
| Mesa | 11.62 | 11.62 |
| **Phoenix** | **1.49** | **1.46** |
| Portland | 3.18 | 2.74 |
| San Diego | 9.13 | 8.82 |
| San Jose | 18.69 | 16.89 |
| Seattle | 8.65 | 8.65 |
| **Tucson** | **3.34** | **2.38** |

* Per capita figures are based on city-defined "service areas," which are usually synonymous with city boundaries. Data are not available for the Phoenix and Tucson metro areas. The figures here are for Mesa, Phoenix, and Tucson. Source: United States Urban Arts Federation, Annual Report on Local Arts Agencies in 50 Largest Cities in U.S., Americans for the Arts. ** These figures reflect what the city-based local arts agencies spend on such activities as grants to arts and culture organizations. They do not include arts and culture activities from other city departments. For example, public art expenditures in Phoenix are managed by the Office of Arts and Culture but not expensed there. Performance venues and bond funds in Phoenix and other cities are not referenced here, while Mesa's substantial community arts programs are included because they are part of the local arts agency function.

and network development. Like schools, the state's public libraries must run to keep up with population growth. For example, the state's public libraries rank 50th on the number of books and magazines per capita, 30th on library visits, and 26th on circulation. Arizona ranks 45th on state per capita operating income for its libraries.

## Policy Choices Here and Now

Arizona can count hundreds of for-profit and nonprofit entities and innumerable residents who are involved in arts and culture. However, the question for Arizona and its major metro areas boils down to how to follow through on the recent recognition of arts and culture's possibilities. Here and now the policy talk is about:

> Developing sustained, dedicated funding at the local level for a broad range of arts and culture organizations.

> Altering current urban planning processes to better accommodate such initiatives as arts and historic districts, low-cost studio space for artists, and space for emerging organizations.

> Broadening, deepening, and diversifying experiences and opportunities for people to participate in arts and culture.

> Collecting more arts and culture data at the state and local levels to be able to track local and state changes.

> Strengthening arts education in grades K-12 so that arts participation and learning are lifelong activities and provide skills for a successful knowledge economy workforce.

In the public opinion survey for this report, artistic and cultural opportunities were a bright spot. In fact it was one of only 3 areas to draw modestly more positive than negative evaluations. The work of advocates and professionals is paying off, but the need now, as one expert put it, is to ensure that arts and culture in Arizona "thrive, not just survive."

## METRO FOCUS

***Artistic Concentrations >*** *University of Michigan scholar Ann Markusen has studied artistic concentrations in the nation's 29 largest regions just as others have analyzed other industries. According to Markusen, the "rankings of 'artistic dividend' reflect the degree to which the character of a place is distinctively artistic." Metro Phoenix places 18th and below the U.S. average. The arts "super cities" at the top are Los Angeles, New York, San Francisco, and Washington, D.C. St. Louis is last among the 29.*

***Funds for Arts and Culture >*** *Among the local government arts agencies for the 50 largest cities in the U.S. 47 report that arts and culture in their areas receive revenue from some type of local tax. The types included in the 2003 report from the Urban Arts Federation were: Hotel or Motel Tax; Percent for Art; Community Development; Admissions Tax; Sales Tax; Video Rental Tax; Lottery or Gambling Tax; Property Tax; Income Tax; or Other Tax. Phoenix (city only) has a percent for art ordinance that applies to city-funded capital projects and also allocates some funds received from the Arizona Lottery to arts and culture. Tucson (city only) has a hotel/motel levy, percent for art, and community development funds. The cities of Tempe and Mesa are 2 that utilize small portions of sales tax, but were not included in this study.*

***Arts Businesses in Metro Areas Per 1,000 Residents >*** *Another way to look at the size of the arts is through the Americans for the Arts Creative Industries Study, which provides a new source of data on the number of for-profit and nonprofit arts entities. The creative industries are composed of arts-centric businesses, institutions, and organizations that range from museums, symphonies, and theaters to film, architecture, and advertising companies. Among 276 metro areas, Phoenix placed 93rd with 1.85 arts businesses per 1,000 residents. Metro Tucson came in at 114 with 1.76. The highest was Santa Fe with 6.29.*

# Housing

**2**
2nd in housing unit growth

**11**
11th in percentage of mobile and manufactured homes

**31**
31st in home ownership

Arizona's housing market is booming, but not for everybody. Affordability is a relative term.

The term "housing" carries two related but distinct meanings. One defines a multifaceted industry linked to overall development and economic growth. The other represents a basic human need. When it comes to Arizona's housing industry, the state consistently ranks in the top 10 nationally for total housing units built each year, percentage increases, and percentage of new homes – thanks largely to continuing population growth. When it comes to the basic need for housing, however, Arizona has not been as successful, nor does its future seem as bright.

The state's median home prices, mortgages, and rents are about on par with national averages, as is Arizona's 68% home ownership rate. Ranked 31st, Arizona's level of home ownership is slightly above the national average. And while low interest rates during the past few years have kept new and resale homes within reach of most middle income buyers, this affordability may not last. Still, Arizona's housing market is expected to continue booming over the near term – especially if California prices remain high and the expected influx of aging baby boomers occurs.

## Affordable Housing

Scholars have repeatedly shown links between safe, stable, affordable housing and such issues as health, school achievement, and labor force participation. Yet no single definition for "affordable housing" fits all of the factors involved – from the size, quality, and location of the dwellings to the many ways to measure income. There is one constant however: Families are advised to commit no more than 30% of their income to housing.

Using that formula, most middle income households are likely to be able to afford homes in Arizona. For example, the 2003 estimated median sales price of an existing Maricopa County home was $159,500, according to the Arizona Real Estate Center at Arizona State University. This price would yield a monthly mortgage payment of approximately $946 under current conditions, well within the means of the county's median monthly household income of about $4,060. Likewise, the 2003 estimated monthly "fair market rent" calculated by the U.S. Department of Housing and Urban Development for a 3-bedroom home or apartment in the Phoenix region was $1,121, also within the budget of the middle income county household.

But for those Arizona households with below-median income, finding affordable shelter can be much more difficult. A 2002 report for the Arizona Housing Commission calculated that 10.3% of all households in the state face a housing "affordability gap." This means that there were 10.3% more households at a particular income level than there were housing units available at that income level. In addition, the U.S. Department of Housing and Urban Development estimated in 2000 that 36.7% of Arizona renters and 22.5% of owners were paying more than the advised share of monthly income for shelter. This shortage of affordable homes tends to increase crowding for low income households and stiffen housing competition for middle income families. Crowding is already an issue in Arizona, since the state is 4th highest for "crowded" housing among all states, tied with Alaska and Nevada.

The 2002 Arizona Housing Commission study found that the problem of affordable housing has become especially significant in some of the state's rural areas. While the study placed Maricopa County's "affordability gap" at 9.6% of households, it reported a gap of 14.1% for La Paz County, 15.3% for Coconino, and more than 17% for both Yavapai and Santa Cruz

### MIGRATION: THE "DRIVER" OF HOUSING GROWTH

"They have to live somewhere" said one Arizona demographics expert in response to a question about newcomers and housing growth. He was referring of course to the thousands of "migrants" to Arizona. Movement from one location to another within the U.S. accounts for the majority of migration. A "domestic migrant" is defined as a person living in a different state in 2000 than in 1995.

> Arizona was among the national leaders in the net number of people moving to the state between 1995 and 2000, placing second only to Nevada on the rate of net migration.*

> Arizona ranked 7th in 2000 on the number of in-migrants, 17th on out-migrants, and 4th on the net number of migrants.

> Between 1995 and 2000, the census counted 796,400 in-migrants, 480,300 out-migrants, and 316,100 net migrants to Arizona.

> The ratio of in-migration to out-migration shows how fast a population "churns." Nevada, in 2000, had the nation's highest ratio of 2.0 meaning that 2 people moved in for every 1 who moved out. Arizona ranked 2nd with 5 in-migrants to 3 out-migrants.

Source: Arizona Business, January 2004 and February 2004.

* Net migration rate is the number of migrants divided by the resident population in 1995.

counties. The situation is much worse for Native Americans, who suffer a 56.7% affordability gap, most of which is due to poor housing conditions and shortages on reservations.

Mobile and manufactured homes play an important part in affordable housing. They comprise about 14% of the overall housing stock statewide, but account for 29% of all homes in places outside Maricopa and Pima counties. Census 2000 ranks Arizona 11th nationally on the percentage of mobile and manufactured homes.

## Policy Choices Here and Now

Clean and decent housing for every American – rented or owned, cabin or mansion – was the famous goal of federal housing legislation in 1948. Housing experts say this is still the goal to strive for in Arizona. Here and now the policy talk is about:

> Revitalizing older neighborhoods to preserve rental and owned housing stock.

> Increasing affordable housing stock overall and maintaining affordability as areas revive and prices rise.

> Planning to include rental and owned housing at many price levels in new developments whether in downtowns or on the urban fringes.

> Increasing the capacity of community development organizations to build affordable rental and owned housing, work in historic areas, and prepare more residents for the ups and downs of home ownership.

> Addressing rural and reservation housing needs through public-private partnerships and other mechanisms.

Arizona and its urban areas do not yet suffer the monumental housing problems present in a number of states. "Cost of housing" was the brightest spot in the public opinion survey overall. However, the favorable comments are concentrated principally in the Phoenix region and fall off sharply in Pima and rural counties. The issues of housing are so basic to other topics, from education to crime to economic development, that Arizona cannot afford to wait for a crisis.

### Home Ownership | 2000

| STATE | % OWNER-OCCUPIED HOUSEHOLDS | RANK* |
|---|---|---|
| West Virginia | 75.2 | 1 |
| Minnesota | 74.6 | 2 |
| Virginia | 68.1 | 30 |
| **Arizona** | **68.0** | **31** |
| Louisiana | 67.9 | 32 |
| Hawaii | 56.5 | 49 |
| New York | 53.0 | 50 |
| U.S. | 66.2 | |

* 1 is highest level of home ownership. Source: U.S. Census Bureau, Census 2000.

ND CLICK

### Crowded Housing | 2000

| STATE | % CROWDED* | RANK** |
|---|---|---|
| Hawaii | 15.4 | 1 |
| California | 15.2 | 2 |
| Texas | 9.4 | 3 |
| Alaska | 8.6 | 4 |
| **Arizona** | **8.6** | **4** |
| Nevada | 8.6 | 4 |
| Maine | 1.3 | 49 |
| West Virginia | 1.3 | 49 |
| U.S. | 5.7 | |

* Crowded means more than 1 occupant per room. ** 1 is the most crowded housing. Source: U.S. Census Bureau.

ND CLICK

### Housing Unit Growth | 2000-2003

| STATE | % CHANGE* | RANK** |
|---|---|---|
| Nevada | 13.1 | 1 |
| **Arizona** | **9.3** | **2** |
| Colorado | 9.1 | 3 |
| Georgia | 9.0 | 4 |
| Utah | 7.5 | 5 |
| Rhode Island | 1.4 | 49 |
| West Virginia | 1.2 | 50 |
| U.S. | 4.3 | |

* Estimated cumulative change between April 1, 2000 and July 1, 2003. ** 1 is highest percentage of housing unit growth. Source: U.S. Census Bureau.

ND CLICK

### DATA NOTES

Housing information is complicated by the many variations in terms and definitions. Fair market price data should be viewed only as rough estimates.

## METRO FOCUS

*Phoenix-based public opinion firm Behavior Research Center asked relative newcomers to metro Phoenix (within the past 10 years) where they lived prior to metro Phoenix and why they moved to the area. They got a simple answer: jobs and housing. While many are now debating quantity versus quality, metro Phoenix and, to an extent, Tucson have been seen in recent years as hot spots for jobs and reasonably priced homes. Together, they have been a powerful magnet for growth, especially for former Californians and other states in the Rocky Mountain region. The Phoenix metropolitan area had the greatest net domestic migration of any metro area between 1995 and 2000. Including international migration, the Phoenix area ranked second.*

*For existing homes, Tucson placed 43rd on price with Phoenix at 47th among the 126 urban areas ranked by the National Association of Realtors. San Francisco was at the top of the list with the highest price for existing homes; Buffalo, by contrast, had the lowest sales price.*

*Homes are the greatest financial assets most families own, so rising home values are usually good news for individuals. In addition, increasing values generally mean that areas have healthy neighborhoods and attractive lifestyles.*

*While circumstances vary across neighborhoods, according to the U.S. Office of Housing Enterprise Oversight, for the year ending September 30, 2004, housing prices in metro Phoenix rose 13.2% (ranking 74th nationally). In the Tucson region, housing prices rose 14.3% (ranking 64th nationally). The Housing Price Index is based on sales of existing single-family homes and is not adjusted for inflation.*

### Prices for Existing Homes | 2003

M METRO

| METRO AREA | MEDIAN PRICE* | RANK** |
|---|---|---|
| San Francisco | $574,300 | 1 |
| Orange County | $526,800 | 2 |
| **Tucson** | **$156,400** | **43** |
| Austin | $154,800 | 44 |
| Atlanta | $152,900 | 46 |
| **Phoenix** | **$152,800** | **47** |
| Eugene | $151,800 | 48 |
| Buffalo | $83,800 | 126 |
| U.S. | $172,200 | |

* Revised figures for existing homes, 4th quarter of 2003. ** 1 is highest existing home price. Source: National Association of Realtors.

ND CLICK

### Single Family Home Permits | 2003

M METRO

| METRO AREA | NUMBER OF HOUSING PERMITS | RANK* |
|---|---|---|
| Atlanta | 53,753 | 1 |
| **Phoenix** | **46,591** | **2** |
| Riverside (CA) | 35,733 | 3 |
| Houston | 33,965 | 4 |
| **Tucson** | **6,355** | **49** |
| Lakeland (FL) | 6,263 | 50 |

* 1 is the highest number of housing permits among 177 metro areas. Source: National Association of Home Builders.

ND CLICK

### Housing Opportunity Index Among Metros with More Than 1 Million | 2002

M METRO

| METRO | % AFFORDABLE HOMES* | RANK** |
|---|---|---|
| Indianapolis | 88.6 | 1 |
| Kansas City | 86.4 | 2 |
| Orlando | 75.4 | 27 |
| **Phoenix** | **75.4** | **28** |
| Nassau-Suffolk, NY | 74.8 | 29 |
| San Jose | 20.1 | 56 |
| San Francisco | 9.2 | 57 |
| U.S. | 64.8 | |

* Created by the National Association of Home Builders (NAHB), the index is the share of homes sold annually in an area that would have been affordable for a family earning that area's median income, assuming that the family would spend no more than 28% of its monthly income on a 30-year fixed mortgage. These data are for Q1 of 2002. In this study, 57 metro areas have over 1 million in population. ** The NAHB calculates the measure for a total of 191 metropolitan areas. Tucson ranked 101st among the 191. ** 1 denotes the most affordable homes. Source: National Association of Home Builders.

ND CLICK

Metro Phoenix's housing market continues to surprise observers. By Fall 2004 Phoenix had broken its own record by registering more than 50,000 new home permits for the year, surpassing Atlanta as the nation's strongest market for new homes.

# Transportation

4th in highway traffic fatalities

20th in annual miles driven per vehicle

17th in travel time to work

Arizona grew up with the automobile, but 21st century transportation calls for more than cars and trucks.

State leaders started *Arizona Highways* magazine in 1925 to encourage automobile travel in the state. It seems to have worked. Arizona certainly has grown up with cars and a car culture, and residents across the state will continue to depend heavily upon their personal vehicles. However, a broader look at transportation includes the many factors that affect and contribute to "mobility" and the various "modes" (i.e. air, rail, transit) needed for an effective system. Transportation is a vital statewide issue because of its economic impact, but systems are planned and developed at the state, regional, and local level. Transportation is shaped by a complicated network of interacting land use features and factors – from zoning to geography to housing – and workforce needs. Land use defines the "to" and "from" trips needed everyday, while the resulting infrastructure of streets and vehicles accounts for the ease – or difficulty – of getting from here to there.

## Behind the Wheel

Arizona's large land size surprisingly does not translate into as many roads as one would think because of the state's highly urbanized settlement pattern. The state's total mileage ranked 34th. Arizona's overall transportation profile is largely in line with national averages; it ranks around the midpoint of the 50 states in categories such as licensed drivers per capita (30th), annual miles driven per vehicle (20th), seat belt usage rate (23rd), and federal highway funds per capita (21st), according to the U.S. Department of Transportation. On the other hand, Arizona's climate and terrain likely contribute to its 7th-place showing in motorcycle registrations. Two less benign areas where Arizona also stands out are fatal crashes per miles traveled and fatal alcohol-related crashes. In 2002, Arizona tallied 2.3 highway fatalities per 100 million miles of travel, the 4th-highest figure in the nation. Alcohol-related crashes accounted for 43% of the fatalities, ranking Arizona 15th in the nation. The state also ranked 10th in the nation on the average annual cost of auto insurance – $822 in 2003 – in part because of its high auto-theft rate, as reported by the National Association of Insurance Commissioners.

Travel time is a major issue for residents. The state's average of 23.2 minutes commuting to and from work (compared to 24.4 minutes nationally) ranks 17th among states.

## Out of the Car

Since even before statehood, governments and private operators – especially in metro Phoenix and Tucson – have been expanding transportation choices to increase economic opportunities. Choices will continue to grow thanks to recent action by citizens and policy makers in cities and counties. For example, voters in Tempe, Scottsdale, Mesa, Phoenix, and Glendale have dedicated portions of city sales tax revenues to bus and other transit options, including light rail. The first light rail line in metro Phoenix is scheduled to begin operation in 2008. Such ballot measures have failed in other

### Public Road and Street Mileage | 2002

| STATE | MILES | RANK* |
|---|---|---|
| Texas | 301,777 | 1 |
| California | 167,898 | 2 |
| Illinois | 138,337 | 3 |
| **Arizona** | **57,165** | **34** |
| Rhode Island | 6,051 | 48 |
| Delaware | 5,845 | 49 |
| Hawaii | 4,299 | 50 |

* 1 is highest road mileage. Source: U.S. Department of Transportation.

ND CLICK

### Annual Miles Per Vehicle | 2002

| STATE | MILES | RANK* |
|---|---|---|
| Colorado | 20,248 | 1 |
| Mississippi | 18,636 | 2 |
| Delaware | 13,165 | 19 |
| **Arizona** | **13,030** | **20** |
| Kentucky | 13.009 | 21 |
| Iowa | 9,318 | 49 |
| Alaska | 7,891 | 50 |
| U.S. | 12,437 | |

* 1 is highest average number of miles per vehicle. Source: *State Rankings*, 2004 Morgan Quitno Press, with data from U.S. Department of Transportation.

ND CLICK

### Highway Fatality Rate | 2002

| STATE | RATE | RANK* |
|---|---|---|
| Montana | 2.69 | 1 |
| Mississippi | 2.46 | 2 |
| South Carolina | 2.26 | 3 |
| **Arizona** | **2.23** | **4** |
| West Virginia | 2.23 | 4 |
| Vermont | 0.81 | 50 |
| U.S. | 1.51 | |

* Rate is fatalities per 100 million vehicle miles of travel. ** 1 is highest fatality rate. Source: U.S. Department of Transportation.

ND CLICK

places, though, including Tucson. In 2004 Maricopa County voters approved Proposition 400, which extended the sales tax used to fund comprehensive transportation improvements.

Transportation may be easy to take for granted, but substantial challenges are on the horizon as Arizona grows and technology changes how we live and work. Some professionals have noted that Arizona's transportation resources have been declining. For example, the 18 cent-per-gallon gasoline tax has not been changed for about 15 years, while inflation and fuel economy have eroded public revenues. Over the long term, transportation funding mechanisms will need to change, perhaps dramatically, as the use of hybrid vehicles increases and the promise of alternative fuels is realized.

## Policy Choices Here and Now

Developing a forward-looking transportation system will require creative financing, increased public awareness and support, and continued attention to new technologies to speed travel and reduce congestion and pollution.

Here and now the policy talk is about:

> Ensuring that transportation systems and facilities keep up with and support economic growth.

> Expanding and changing transportation choices to accommodate a growing and aging population.

> Developing dedicated funding sources for transit and other transportation choices in Tucson and rural areas.

> Increasing use of technologies that can reduce travel times.

> Encouraging transit-oriented development in metropolitan areas.

Arizona's wide open spaces and sprawling metropolitan areas make transportation a tough issue. Public opinion shows that Arizonans are not particularly thrilled with the status quo. Many respondents said "the adequacy of Arizona's overall transportation system" was "not as good" as other states and cities. When it comes to getting from here to there, Arizonans may be looking for more and better ideas for transportation.

### Average Travel Time to Work | 2000

ND CLICK

| STATE | TRAVEL MINUTES | RANK* |
|---|---|---|
| New York | 31.7 | 1 |
| Maryland | 31.2 | 2 |
| New Jersey | 30.0 | 3 |
| Pennsylvania | 25.2 | 16 |
| **Arizona** | **24.9** | **17** |
| Alabama | 24.8 | 18 |
| Montana | 17.7 | 48 |
| South Dakota | 16.6 | 49 |
| North Dakota | 15.8 | 50 |
| U.S. | 25.5 | |

* 1 is the longest average travel time. Source: U.S. Census Bureau, Census 2000.

### Daily Vehicle Miles of Roadway Travel | 2002

M METRO

| METRO REGION | DAILY VEHICLE MILES* | RANK** |
|---|---|---|
| Los Angeles | 292,515,000 | 1 |
| New York | 275,765,000 | 2 |
| Seattle | 65,500,000 | 13 |
| **Phoenix** | **62,565,000** | **14** |
| Minneapolis-St. Paul | 62,430,000 | 15 |
| Springfield, MA | 14,030,000 | 56 |
| **Tucson** | **14,010,000** | **57** |
| New Haven | 13,565,000 | 58 |
| Boulder | 1,800,000 | 85 |
| U.S. | 38,230,000 | |

ND CLICK

* Includes freeways and arterial streets. ** 1 is greatest number of miles among 85 metro regions. Source: Texas Transportation Institute, Urban Mobility Study, 2004.

## METRO FOCUS

***Transportation Congestion >*** *Congestion may not be constant but it is a common experience for many. The widely cited Texas Transportation Institute places Phoenix 14th and Tucson 25th among 75 urban areas for congested travel during peak driving times. The research organization reported that in metro Phoenix in 2002, 63% of freeway and street lane miles were considered "congested systems." In Tucson, 69% of freeway and street lane miles fit that category. Congestion relates to commute times as well. Maricopa County residents commute an average of 24.2 minutes, ranking 108th among 231 counties. Pima County residents spend 22.6 minutes and rank 139th.*

***Time Spent in Traffic Delays >*** *No one likes to sit in traffic, but the time spent that way is increasing for metropolitan residents, according to the Texas Transportation Institute's 2004 report. Among the 85 urban area tracked, the average annual "rush hour" traffic delay per person was 46 hours. Metro Los Angeles residents spend the most hours delayed in peak traffic at 93, while Anchorage drivers are delayed only 5 hours. Metro Phoenix dwellers devoted an average of 45 hours to peak-time traffic delays, ranking 19th. The Tucson region, on the other hand, had 29 hours of peak traffic delays, ranking 39th.*

***Metro Phoenix and Tucson Transportation Planning >*** *The Maricopa Association of Governments and the Pima Association of Governments respectively are the federally designated regional transportation planning organizations for the two regions. The most recent transportation plan in Maricopa County was approved by municipal and regional leaders after a long process of analysis, public input, and compromise. Components include: freeways, highways, and streets; buses and light rail; airport improvements; bicycle and pedestrian changes; freight routes; demand management; intelligent transportation systems; and plans for increasing safety. Voters approved the plan and extended its sales tax funding in November 2004. The Pima Association of Governments has begun developing the Tucson region's plan for 2030: Connecting People, Places, and Possibilities.*

***Airport Activity >*** *The growth of air travel spurred Arizona's 1950s tourism boom. Airports continue to play a major part in metro Phoenix and Tucson. Based on passenger boarding data compiled by the Federal Aviation Administration, Phoenix' Sky Harbor International Airport is the nation's 5th busiest airport after Atlanta, Chicago, Los Angeles, and Dallas/Fort Worth. On the same measure, Tucson International Airport is the 67th busiest.*

# Environment

4th in biodiversity

4

8th in rate of groundwater withdrawal

8

49th in energy consumption per capita

49

Arizona's people and environment are increasingly at odds. Sustainability offers a way out of "either-or" thinking and living.

Humans have inhabited Arizona's valleys and mountains for at least 10,000 years. Yet it's been their activities during just the past 150 years or so that have wrought the most dramatic changes in Arizona. By using new technologies to subdue major rivers and tame desert heat, for example, Arizonans gradually transformed inhospitable ecosystems into attractive destinations for millions of inhabitants and many more millions of visitors. But no amount of ingenuity can conquer nature completely. Thus, natural processes such as drought still shape Arizona's environment and society. The state's 21st century story will be one of ever-more complex, intense relationships between people and the environment, and a continuing quest for balance among use, conservation, and preservation.

Examples of these complexities abound. Loss of habitat to urban development brings Arizonans face-to-face with displaced wildlife. Drought, years of fire suppression, and more forest homes increase the potential for catastrophic fires. Concerns grow about the availability of Colorado River water in the face of competition for an over-allocated resource. On the other hand, an ad hoc group of Arizona

developers, ranchers, conservationists, and others have labored together to craft reforms for state trust lands, while voters in Flagstaff, Pima County, and Scottsdale approve funding to preserve land as open space and wildlife habitat.

## A Rich Natural Bounty

Arizona has much to cherish, and many residents and visitors wanting to share in it. For example, Grand Canyon National Park with over 4 million tourists a year ranks 11th in annual recreation visitors, while Arizona as a whole is 5th in visitation to national parks and other sites. The 6th-largest state in land area – and in the amount of land owned by the federal, state, and tribal governments – Arizona has vast open spaces, much of which has been designated as wilderness area; Arizona is 3rd in the nation for acres of protected wilderness. Arizona places 3rd also for the number of "champion" trees – those that represent the largest examples of a species in the country. More than 500 bird species, constituting more than half of all seen in North America, visit the state. Southern Arizona's San Pedro River watershed alone has over 350 different species of birds. Adding together its total number of plant and animal species, Arizona is 4th in the nation for overall biodiversity. On the other hand, it places 6th for the number of species listed or proposed in the Threatened and Endangered Species Database System.

With all its natural beauty, however, Arizona is only about average in preserving land through trusts, and it is nearer the bottom in its use of conservation easements – legal agreements that restrict development and ensure the protection of land or properties. The high percentage of public land in the state may be a factor in the relatively low use of these tools.

## Signs of Limits

Perhaps the most visible sign of the challenges facing Arizona's environment is the air we can see – what urban dwellers call the "brown cloud" and rural ones experience as haze. Local governments and residents of Maricopa County spent years and millions of dollars to comply with U.S. Environmental Protection Agency standards for air quality in

### Visitors to National Parks | 2003

| STATE | NUMBER OF VISITORS | RANK* |
|---|---|---|
| California | 34,177,138 | 1 |
| Virginia | 21,904,953 | 2 |
| North Carolina | 20,379,780 | 3 |
| New York | 14,790,501 | 4 |
| **Arizona** | **10,555,767** | **5** |
| Florida | 9,633,446 | 6 |
| Massachusetts | 9,072,916 | 7 |
| Tennessee | 7,933,421 | 8 |
| Pennsylvania | 7,829,923 | 9 |
| Utah | 7,780,053 | 10 |
| U.S. | 266,099,641 | |

* 1 is highest number of visitors. Source: National Park Service.

ND CLICK

### Total Number of Species | 2002

| STATE | NUMBER OF SPECIES | RANK* |
|---|---|---|
| California | 6,717 | 1 |
| Texas | 6,273 | 2 |
| New Mexico | 4,853 | 3 |
| **Arizona** | **4,759** | **4** |
| Alabama | 4,533 | 5 |
| Alaska | 1,835 | 49 |
| Hawaii | 1,418 | 50 |

Source: 1 is highest number of species.NatureServe Central Databases and U.S. Department of the Interior.

ND CLICK

### Western Wilderness Areas | 2004

| STATE | % OF STATE | ACRES | RANK* |
|---|---|---|---|
| Alaska | 54 | 57,522,294 | 1 |
| California | 13 | 14,085,258 | 2 |
| **Arizona** | **4** | **4,528,913** | **3** |
| Washington | 4 | 4,317,132 | 4 |
| Idaho | 4 | 4,005,712 | 5 |
| Montana | 3 | 3,443,038 | 6 |
| Colorado | 3 | 3,389,935 | 7 |
| Wyoming | 3 | 3,111,232 | 8 |
| Oregon | 2 | 2,273,612 | 9 |
| Nevada | 2 | 2,123,343 | 10 |
| New Mexico | 2 | 1,623,843 | 11 |
| Utah | 1 | 802,612 | 12 |
| U.S. | | 105,695,176 | |

* 1 is highest amount of wilderness acreage. Source: Wilderness.net, 2004. Wildnerness.net is a project of the University of Montana's Wilderness Institute, the Arthur Carhart National Wilderness Training Center, and Aldo Leopold Wilderness Research Institute.

ND CLICK

## Wildlife-Associated Recreation | 2001

| STATE | 000s IN-STATE PARTICIPANTS | RANK* |
|---|---|---|
| California | 9,131 | 1 |
| Texas | 6,309 | 2 |
| **Arizona** | **1,727** | **28** |
| Iowa | 1,715 | 29 |
| Hawaii | 275 | 49 |
| Delaware | 275 | 49 |

* 1 is highest number of in-state, rather than out-of-state visitors in wildlife-associated recreation. Source: U.S. Fish and Wildlife Service, National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, 2003. The survey is done about every 5 years and provides information on the number of participants in fishing, hunting, and wildlife watching (i.e. observing and photographing), and the amount of time and money spent on such activities.

ND CLICK

## Acreage Protected by Land Trusts and Conservation Easements | 2000

| STATE | TOTAL ACRES | RANK* |
|---|---|---|
| California | 1,251,782 | 1 |
| New York | 552,220 | 2 |
| Wyoming | 40,759 | 27 |
| **Arizona** | **38,175** | **28** |
| Georgia | 36,864 | 29 |
| Hawaii | 8 | 50 |
| U.S. | 6,225,225 | |

* 1 is most land protected. Source: Land Trust Alliance, 2000. The Land Trust Alliance is a private, nonprofit, service organization that tracks land protection among its approximately 1,300 land trust members.

ND CLICK

## Acres Burned in Wildfires | 2002-2003

| STATE | TOTAL ACRES | RANK* |
|---|---|---|
| Alaska | 2,778,797 | 1 |
| California | 1,345,305 | 2 |
| Oregon | 1,171,393 | 3 |
| Colorado | 980,888 | 4 |
| **Arizona** | **897,797** | **5** |
| Montana | 890,681 | 6 |
| New Mexico | 671,955 | 7 |
| U.S. | 11,540,289 | |

* 1 is highest amount of acreage burned. Source: National Interagency Coordination Center, National Report of Wildland Fires and Acres Burned by State.

ND CLICK

the 1990s, only to find themselves not in compliance with 2004 EPA standards for 8-hour ozone and particulate matter. Efforts to contain air pollution in Arizona's two metropolitan areas have achieved some successes, but experts say they are overwhelmed by the incessant rise in automotive traffic.

In addition, scientists say continual urban growth has made metropolitan Phoenix and Tucson hotter over the past 50 years, and could do the same in other parts of the state. This "heat island effect" is due to the replacement of the natural landscape with man-made materials, which typically absorb greater amounts of solar energy and retain more of it. Hotter temperatures raise energy requirements for appliances such as air conditioners, which in turn increases energy demand – and, some say, costs and pollution from generating electricity. However, because of its climate and relatively small base of high-energy consumption industries, Arizona still ranks 49th in per capita consumption of energy. Even so, considering such issues as urban heat island, Arizonans could benefit from using more renewable energies, such as solar and wind power.

Rapid population growth and ongoing drought are 2 factors putting pressure on water in Arizona. Much of the state, particularly in urban areas, depends on surface water, including the Colorado River, in addition to groundwater. Another milestone in surface water management was marked recently with Congressional passage of the historic settlement of tribal claims to Colorado River water in late 2004. Rural areas tend to look more to groundwater. Overall, Arizona ranks 8th in the nation for groundwater withdrawals and 3rd for land subsidence resulting from the pumping of groundwater in excess of natural recharge. However, Arizona is unique nationally in having stringent state requirements for the "recharge" of groundwater.

Nationally, Arizona ranks 7th in national forest acreage, and residents prize the state's 7 major forests for recreation. Arizona, unfortunately, ranked 5th in 2002-2003 in the number of acres burned by wildfires. More of the same is sure to come, as climatologists predict that the West's current drought will be long and severe, and fire observers say the public and policy makers have not reached consensus on

what will "save" the forests. Although wildfires have occurred periodically throughout the region's history, those ravaging the West in recent years have spread more quickly, burned hotter, and caused more damage. They have focused public attention on long-term forest management and how to minimize the mounting threat wildfire poses to humans and private property.

## Sustainability's Potential

The term "sustainability" has been used for some time, especially concerning environmental issues, although it has many definitions and, according to many of today's experts, applies to much more than just the environment. Two common sustainability definitions are "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" and the three-pronged approach of economic, social, and environmental well-being all moving ahead at the same time.

In 2003 a report from the Battelle Technology Partnership Practice, as part of the Arizona Department of Commerce's Statewide Economic Study, showed that Arizona has great potential to be a leader in new industries related to sustainability technologies and expertise. Battelle noted that Arizona's university scholars and scientists have "world-class" knowledge in such areas as arid lands ecology, urban ecology, and water resources. With new information from scientists about environmental changes, policy makers and consumers could soon have more and better choices for environmental remediation and preservation.

## Policy Choices Here and Now

Balancing the needs of Arizona's population and environment will never be easy. But an increasing interest in sustainability and the size and scope of the challenges may have created a new willingness for many to collaborate on solutions. Here and now the policy talk is about:

> Developing mechanisms to more quickly apply scientific insights and discoveries to public policy.

> Paying greater attention to the needs of rural water users in the face of continuing drought.

### Groundwater Withdrawals | 2000

| STATE | GROUNDWATER WITHDRAWALS* | RANK** |
|---|---|---|
| California | 15,400 | 1 |
| Texas | 8,970 | 2 |
| Nebraska | 7,860 | 3 |
| Arkansas | 6,920 | 4 |
| Florida | 5,020 | 5 |
| Idaho | 4,140 | 6 |
| Kansas | 3,790 | 7 |
| **Arizona** | **3,430** | **8** |
| Colorado | 2,320 | 9 |
| Mississippi | 2,180 | 10 |
| Rhode Island | 29 | 49 |
| Delaware | 0 | 50 |
| U.S. Total | 84,600 | |

* Millions of gallons per day. ** 1 is highest amount of groundwater withdrawn. Source: U.S. Geological Survey.

ND CLICK

### Average Energy Prices | 2000

| STATE | $ PER MILLION BTU* | RANK** |
|---|---|---|
| Vermont | 13.68 | 1 |
| Hawaii | 13.39 | 2 |
| New Hampshire | 13.32 | 3 |
| **Arizona** | **12.81** | **4** |
| Connecticut | 12.66 | 5 |
| North Dakota | 7.42 | 49 |
| Montana | 6.50 | 50 |
| U.S. Average | 9.85 | |

* BTU means "British thermal unit," a widely used precise energy measurement. ** 1 is highest cost. Source: U.S. Department of Energy, State Energy Data, 2000.

ND CLICK

### Energy Consumption Per Capita | 2000

| STATE | BTUS PER CAPITA* | RANK** |
|---|---|---|
| Alaska | 1,000.6 | 1 |
| Louisiana | 887.3 | 2 |
| Wyoming | 844.7 | 3 |
| Montana | 659.0 | 4 |
| **Arizona** | **237.0** | **49** |
| Hawaii | 218.6 | 50 |
| U.S. | 349.0 | |

* Total of coal, gas, petroleum and end-user electricity, in millions of BTUs. BTU means British thermal unit, a widely used measure of energy. ** 1 is highest level of use per capita. Source: U.S. Department of Energy.

ND CLICK

> Increasing incentives and requirements for water and energy conservation in businesses and homes.

> Developing the state's potential for leadership in sustainable technologies.

> Achieving state trust land reform as a model of collaborative problem solving for other environmental issues.

Statewide public opinion about the health of the environment shows that 42% thought Arizona was about the same as other states. Arizonans may think other issues are more pressing, but in the long run, committing to sustainability and caring for Arizona's environment as well as its people may be the wisest choices.

## METRO FOCUS

***Blue Skies Versus Brown Clouds*** *> Sparkling skies and seemingly infinite vistas stand out as a defining characteristic of the West. Unfortunately, "brown clouds" and smog have become unhealthful realities in city after city, including metro Phoenix and Tucson. Automobiles are the major culprit, but construction equipment, power plant emissions, wood burning, and some manufacturing processes also contribute. Desert dust and topography also play a part.*

*Los Angeles has the dubious distinction of being 1st (when number 1 is not an honor) among metropolitan areas on most measures of air pollution. Air pollution levels in Phoenix and Tucson are generally on par with other Western metropolitan areas such as Salt Lake City, Albuquerque, and Denver. Particulate matter (i.e., airborne dust) is the exception. Phoenix has higher daily average and annual maximum levels than other Western regions. In 2003, according to the U.S. Environmental Protection Agency (EPA), the Phoenix region had 164 "good" air quality days (meaning low levels of pollution), ranking it 244th among 310 metropolitan areas in the U.S. Tucson had 265 "good" days, putting it 100th. The American Lung Association ranked metro Phoenix as having the 18th worst ozone air pollution in the country in its State of the Air 2004 report. Tucson did not rank among the top 25 most ozone-polluted cities.*

# Selected Sources

## Selected Sources

For those who want further information on the areas covered by *How Arizona Compares*, a selected list of sources and web locations is provided. Please note that web site locations and contents may have changed.


ACCRA Cost of Living Index. www.coli.org/compare.asp

Annie E. Casey Foundation, KIDS COUNT Census Data Online. www.aecf.org/kidscount/census/

Child Trends, Child Trends Databank. www.childtrendsdatabank.org/

Corporation for Enterprise Development, Development Report Card for the States. drc.cfed.org/measures/

Econdata.net, Data Collections. www.econdata.net/content_datacollect.html

Federal Bureau of Investigation, Uniform Crime Reports. www.fbi.gov/ucr/ucr.htm

Governing Magazine, State & Local Sourcebook, 2003. www.governing.com.

The Henry J. Kaiser Family Foundation, State Health Facts Online. www.statehealthfacts.kff.org/

The Milken Institute, State Technology and Science Index. www.milkeninstitute.org/publications/publications.taf?cat=ResRep&function=detail&ID=30

Kathleen O'Leary Morgan and Scott Morgan, eds., State Rankings, 2004 (Morgan Quitno Press, Lawrence, KS, 2004); www.statestats.com

National Association of Home Builders, Economic and Housing Data. www.nahb.org/page.aspx/category/sectionID=113

National Association of Realtors, Research Data. www.realtor.org/rocms.nsf/pages/researchctr

National Center for Higher Education Management Systems, National Information Center for Higher Education Policymaking and Analysis. www.higheredinfo.org/

National Park Service, Public Use Statistics Office, Social Science Program. 2003. Statistical Abstract 2003. www2.nature.nps.gov/stats/abst2003.pdf

United Health Foundation. 2003. America's Health: State Health Rankings – 2003 Edition. (www.unitedhealthfoundation.org/shr2003/Findings.html)

U.S. Bureau of the Census. www.census.gov/

American Community Survey www.census.gov/acs/www/

American Factfinder factfinder.census.gov/home/saff/main.html?_lang=en

Census 2000 www.census.gov/main/www/cen2000.html

Statistical Abstract of the United States www.census.gov/statab/www/

U.S. Centers for Disease Control and Prevention, National Center for Health Statistics. www.cdc.gov/nchs/

National Vital Statistics System. www.cdc.gov/nchs/nvss.htm

U.S. Commerce Department, Bureau of Economic Analysis. www.bea.doc.gov/

U.S. Department of Education, National Center for Education Statistics. nces.ed.gov/

U.S. Department of Energy, Energy Information Administration. www.eia.doe.gov

U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. www.samhsa.gov/index.aspx

U.S. Department of Justice, Bureau of Justice Statistics Home: www.ojp.usdoj.gov/bjs/

Office of Juvenile Justice and Delinquency Prevention, Statistical Briefing Book. ojjdp.ncjrs.org/ojstatbb/index.html

Sourcebook of Criminal Justice Statistics: www.albany.edu/sourcebook/

U.S. Department of Housing and Urban Development, HUDUSER Data Sets. www.huduser.org/datasets/pdrdatas.html

U.S. Department of Labor, Bureau of Labor Statistics. www.bls.gov/

U.S. Department of Transportation, Bureau of Transportation Statistics www.bts.gov/

Wilderness.Net. The National Wilderness Preservation System www.wilderness.net/index.cfm?fuse=NWPS

"The West is so much less afraid of the things we may have to do and the changes we may have to make... This courage of the West to dare new adventures...may be our final salvation."

*Isabella Greenway*

## Morrison Institute for Public Policy Board of Advisors


The Honorable Carolyn Allen
Senator, District 8
State of Arizona

Mr. Drew Brown
Managing Director and President
DMB Associates, Inc.

Ms. Sue Clark Johnson
Chairman/CEO/Publisher
Phoenix Newspapers, Inc.

Dr. Robert Denhardt
Director, School of Public Affairs
Arizona State University

Mr. Paul Eckstein
Partner
Perkins Cole Brown and Bain P.A.

Mr. Grady Gammage, Jr.
Attorney
Gammage and Burnham

Mr. James J. Heiler
Vice President and Managing Director
APCO Worldwide

Ms. Cathy McKee
(Chair, Morrison Institute Board of Advisors)
Senior Vice President and Director of Communications, Customer and Community Services
General Dynamics C4 Systems

Reverend Richard Morrison
Pastor
Church of the Epiphany

Mr. Gary Richardson
Consultant
Gary Richardson Consulting

Ms. Mary Upchurch
Former Vice President, Integrated Services
AT&T

Ms. Betsey Bayless
Director
Arizona Department of Administration

Dr. Jeffrey Chapman
Interim Dean, College of Public Programs
Arizona State University

Mr. Jack DeBolske
Former Executive Director
Arizona League of Cities and Towns

Dr. Catherine Eden
Director
Arizona Department of Health Services

Mr. Ed Fox
Vice President, Communications, Environment, & Safety
APS

Mr. Alfredo Gutierrez
Principal
Tequida and Gutierrez LLC

Mr. Chris Herstam
Government Relations Director
Lewis and Roca

Dr. Judy Mohraz
President and CEO
The Virginia G. Piper Charitable Trust

The Honorable Janet Napolitano
Governor
State of Arizona

Mr. Dick Silverman
General Manager
SRP

Dr. Martin Vanacour
CEO
Dynamic Relations, LLC

# Morrison Institute for Public Policy

*Morrison Institute for Public Policy conducts research which informs, advises, and assists Arizonans. A part of the School of Public Affairs (College of Public Programs) at Arizona State University, the Institute is a bridge between the university and the community. Through a variety of publications and forums, Morrison Institute shares research results with and provides services to public officials, private sector leaders, and community members who shape public policy. A nonpartisan advisory board of leading Arizona business people, scholars, public officials, and public policy experts assists Morrison Institute with its work. Morrison Institute was established in 1982 through a grant from Marvin and June Morrison of Gilbert, Arizona and is supported by private and public funds and contract research.*

Morrison Institute for Public Policy / School of Public Affairs / College of Public Programs / Arizona State University
PO Box 874405, Tempe, Arizona 85287-4405 / (480) 965-4525 voice / (480) 965-9219 fax
www.morrisoninstitute.org or www.asu.edu/copp/morrison