

THE INDICATOR

A PUBLICATION OF THE COCHISE COLLEGE CENTER FOR ECONOMIC RESEARCH

SPRING 2009
INSIDE:
LOCAL COST OF LIVING
THE STIMULUS MONEY
GOVERNMENT INTERVENTION
COUNTY POPULATION UP
FARMS UP, ACREAGE DOWN



By **Robert Carreira, Ph.D.**
Director, Center for
Economic Research

A review of the national, state, and local economy

National

There is little doubt that 2008 was the most eventful year for the national economy in many years. In December, the National Bureau of Economic Research announced the national economy had been in recession for the past year. In 2008, the national economy lost 3.1 million jobs, which pushed the unemployment rate from 4.9 to 7.2 percent. In January and February 2009, the economy lost another 1.3 million jobs bringing the monthly unemployment rate to 8.1 percent, its highest level since December 1983.

According to the U.S. Bureau of Labor Statistics, the fourth quarter of 2008 saw the initiation of 3,140 mass layoff events resulting in the separation of nearly 509,000 workers. In January and February 2009, the number of mass layoff events increased by 1,100, and the associated initial unemployment claims increased by more than 112,400. Layoff events for all industries rose to their highest levels on record, with data available back to 1995.

The recession, which officially began in December 2007, is the longest since the Great Depression. When this publication went to print, the current downturn had just surpassed the record of 16 months, set in 1973-1975 and again in 1981-1982. Gross domestic product (GDP), which is our broadest measure of production in the economy, after declining by 0.2 percent in the fourth quarter of 2007, saw modest growth of 0.9 percent in the first quarter and relatively strong growth of 2.8 percent in the second quarter of 2008. The

second quarter growth was likely attributable to the economic

stimulus package that sent tax rebate checks to millions of American households in May in an effort to stimulate consumer spending. Consumer spending accounts for about two-thirds of GDP. GDP fell by 0.5 percent in the third quarter and 6.3 percent in the fourth quarter of 2008. The fourth quarter decline was the largest drop in production since the first quarter of 1982.

In response to what has been referred to as the worst economy in recent decades, the national government approved a \$790 billion economic stimulus package in February 2009, which included increases in federal government spending and tax cuts. This is on top of the \$700 billion financial sector bailout approved in late 2008 establishing the Troubled Assets Relief Program (TARP). Discussions at the national level in early 2009 suggested as much as \$1 trillion more may be sought to assist credit markets that have been frozen since the collapse of the subprime mortgage market

GDP FELL BY 0.5 PERCENT IN THE THIRD QUARTER AND 6.3 PERCENT IN THE FOURTH QUARTER OF 2008. THE FOURTH QUARTER DECLINE WAS THE LARGEST DROP IN PRODUCTION SINCE THE FIRST QUARTER OF 1982.

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Make plans to attend the CER's economic outlook luncheons.

Douglas
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Benson
September 3, 2009

Bisbee
December 3, 2009

Sierra Vista
April 8, 2010

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CONTINUED and the resultant loss in investor confidence.

A REVIEW OF
THE NATIONAL,
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ECONOMY

Despite the recession, inflation was also big news in 2008. For most of the year, consumer prices were about 5 percent higher when compared to the same periods of 2007. This is more than twice

the rate most economists would like to

see. As recessionary conditions worsened toward the end of the

year, inflation moderated

considerably due in large part to declines in energy prices.

One factor that is likely to stoke inflation in the coming

year, however, is the effect of the various government

bailouts and rescue packages,

which will require a considerable expansion of government borrowing that

is not likely to be matched by increased domestic

savings and foreign investment, the sources of funding for such borrowing. As a result, there is likely to be some expansion of the money supply—the classic

definition of inflation. Pulling prices in the opposite direction will be

deflationary pressures resulting from the recession and drop in consumer and investor confidence. The ultimate direction prices move will be based on the

net effect of strong inflationary and deflationary pressures, keeping price-level stability a source of major concern in 2009 and 2010, and quite likely beyond.



Arizona

At the state level, the budget deficit dominated the legislative agenda in 2008 and into 2009. During the boom years, state government spending increased to unsustainable levels. The housing market decline and reductions in sales and income tax related to the recession resulted in a \$1.6 billion budget deficit for fiscal year 2009. To balance the budget, the state mandated cuts across departments and cut funding to the state universities, community colleges, K-12 education, and county and local governments. Estimates of the fiscal year 2010 budget deficit have ranged from \$2.5 to \$3 billion, making further cuts possible, if not likely. The \$790 billion economic stimulus plan passed at the national level in early 2009 includes federal aid to state governments. Estimates are that Arizona will receive \$1 billion for fiscal year 2009 and more than \$2 billion in fiscal year 2010, which should help offset revenue shortfalls.

During times of economic downturn, the state government is often forced to make fiscal policy decisions, such as raising taxes or cutting spending, that tend to make recessionary conditions worse. In times of economic prosperity, the balanced budget requirement often leads policymakers to increase spending in light of higher tax revenues. This can spur inflation, which is already a danger when the economy is strong. It also establishes higher levels of spending, which cannot be sustained when revenue falls during the next downturn.

From February 2008 to February 2009, the state economy lost 173,000 jobs and the unemployment rate rose from 4.5 to 7.4 percent, its highest level since September 1992. The state's private sector lost 178,900 jobs, offset only

**Contact the Center for
Economic Research:**

Cochise College

Center for Economic Research

901 North Colombo Ave.

Sierra Vista, AZ 85635

Phone 520-515-5486

Fax 520-515-5343

www.cochise.edu/cer

cer@cochise.edu

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slightly by the gain of 5,900 government jobs. The biggest job losses were in construction, which lost 52,400 jobs, followed by professional and business services, which lost 43,400 jobs, and trade, transportation, and utilities, which lost 42,100 jobs—three-quarters of which were in retail trade.

At the state level in 2007, the most current data available, Arizona's GDP rose only 1.8 percent, placing Arizona's economy 28th in the nation among states ranked according to economic growth. This follows two consecutive years of being one of the top 3 fastest growing states, economically, in the nation. The decline in construction was the major cause of the slowdown, subtracting 1.24 points from the state's GDP. State GDP figures for 2008, once released, will likely show Arizona's economy declined.

Cochise County

Cochise County's retail market slipped into recession in late 2007 and remained there through 2008 and into early 2009. Retail sales countywide declined in 14 of 15 months from November 2007 through January 2009, when compared to the same months the year prior. The only month that saw positive growth was February 2008, when sales were up 2.4 percent after inflation. Retail sales fell for nine consecutive months from March through November 2008, with double-digit declines from August through September. For the year, retail sales countywide declined by 6.5 percent in 2008. In January 2009, countywide retail sales declined by an inflation-adjusted 6.6 percent.

Cochise County restaurant and bar sales also slipped into recession in late 2007. In 2008, restaurant and bar sales were up 0.2 percent compared to 2007. Monthly sales, however, were down in 9 months of the year, and were down for 6 consecutive months from June through November. December's monthly increase of 2.8 percent pushed sales for the year into positive territory; however, this was followed by a 19.5 percent decline in January 2009.

The county's accommodation sales, which saw extraordinary growth in 2007, slipped into recession in April 2008. Accommodation sales, which include hotel, motel, and other temporary lodging stays, were up 0.1 percent for the year, after the inflation adjustment. However, sales were down in 7 of the 8 months from April through November 2008, and, like restaurant and bar sales, it was strong sales in December that pushed annual figures into positive territory. The December gain in accommodation sales was much more robust than for restaurant and bar sales, with sales up 76.8 percent compared to December 2007; however, January saw a decline in sales of 8.2 percent.

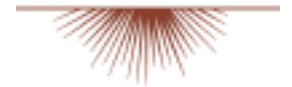
Cochise County lost 1,400 jobs in the 12 months ending February 2009, and the county's unemployment rate rose from 4.4 to 6.3 percent. The private sector lost 1,750 jobs, only partially offset by the gain of 350 government jobs. The hardest hit industries were financial activities, information, construction, manufacturing, and other services, each of which saw negative job growth in the double digits. The number of jobs in financial activities declined by nearly 40 percent and information jobs declined by nearly 30 percent in the 12 months ending in February.

New residential home construction in Cochise County continued to struggle in 2008. There were 404 new home permits issued throughout the



On Jan. 26, CER director Robert Carreira gave a presentation on the local, state, and national economy to the Douglas Chamber of Commerce at their monthly membership meeting.

In January, the CER presented its analysis of results of a community needs survey to the Cochise County United Way Community Impact Committee.



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As an auxiliary department of Cochise College, the CER is charged with raising its own operating budget, independent of the college's budget, through sponsorships, gifts, donations, contract research, and other sources.

THANK YOU TO ALL WHO HAVE SUPPORTED THE CER.

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A REVIEW OF THE NATIONAL, STATE, AND LOCAL ECONOMY

county for the year, down 14.4 percent from 2007. This followed annual declines of 18.8 and 47.6 percent in 2006 and 2007, respectively. New construction in some areas of the county, however, began to see a recovery in 2008. New home permits in Sierra Vista were up by nearly 12 percent in 2008, and permits in Benson were more than double the number issued in 2007.

Despite the declines in Cochise County in 2008, the county's new residential construction market seemed to outperform that of Tucson, the closest major metropolitan area. According to Bright Future Business Consultants of Tucson, the Tucson area market saw new home permits decline 40.8 percent in 2008. Bright Future noted that the Town of Marana saw permits fall 58 percent, while the City of Tucson saw a 52 percent decline.

Existing home sales in Cochise County fell 20 percent in 2008, following declines of 20.7 and 10.6 percent in 2006 and 2007, respectively. Despite the steep drop in sales volume, home prices saw only modest declines, with the countywide median price down by 5.6 percent. According to Bright Future Business Consultants, the Tucson area home market saw existing home prices fall 11.8 percent in 2008, more than twice the level of decline seen in Cochise County.



By Curtis Shook
City Manager
City of Douglas

City of Douglas economic development efforts and results

The Douglas community has continued to show signs of growth during the recessionary economy. Through the leadership of Douglas' 27th mayor, Dr. Michael Gomez, and the Douglas City Council, the city is investing in infrastructure and developing partnerships and economic strategies to create a progressive and sustainable community. These economic development efforts, particularly the expansion of the Douglas Port of Entry, will be key to the development of a new Douglas.

In 2008, Advanced Call Center Technologies (ACT) chose Douglas as their fifth call center location. ACT, at full capacity, will employ nearly 700 people and will be the area's largest private-sector employer with an average wage of \$12 per hour. As of early 2009, ACT had already created about 400 jobs in the city. In addition, ACT is occupying a newly renovated 40,000 square-foot former grocery building that had been vacant for more than 17 years.

The city was awarded a \$275,000 Economic Strength Project grant for the widening and reconstruction of six road intersections near the call center. The Economic Strength Grant program through the Arizona Department of Commerce provides funding to communities for road projects to assist businesses creating jobs in Arizona.

The year 2009 has seen new commercial development that includes a 2,500 square-foot Carl's Jr, a 5,500 square-foot commercial retail strip, and the opening of Fallas Paredes, a National Stores Inc. apparel company. In addition, construction is almost complete on the new three-story, 45,000 square-foot Best Western hotel. The 66-room hotel will have a meeting room, swimming pool, Wi-Fi, Jacuzzi suites, and a fitness center. The hotel is scheduled for completion in spring of 2009.

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The expansion and configuration of the Douglas Port of Entry will continue to be a major project for Douglas and the region in the coming year. The feasibility study by the General Services Administration was completed in September 2007. The current schedule calls for port design in 2010-2011 and \$60 million in infrastructure construction in 2012. The new Douglas International Port Authority (DIPA) has been formed to serve as the leading agency for port infrastructure development. DIPA, a non profit public/private entity, is representative of the Douglas-Agua Prieta port users, City of Douglas, and Cochise County.



CITY OF DOUGLAS ECONOMIC DEVELOPMENT EFFORTS AND RESULTS

Local cost of living above national average in 2008

By Robert Carreira, Ph.D.

According to the ACCRA Cost of Living Index, the cost of living in Cochise County was slightly above the national average in 2008. The report, released in January, provides comparative data for 322 urban areas in all 50 states.

The Council for Community and Economic Research in Arlington, VA administers the ACCRA Cost of Living Index, which measures relative price levels for consumer goods and services in participating areas. The average for all participating places nationwide equals 100 and each participant's index is read as a percentage of the average for all places. The ACCRA index includes separate weighted sub-indices for grocery items, housing, utilities, transportation, healthcare, and miscellaneous goods and services.

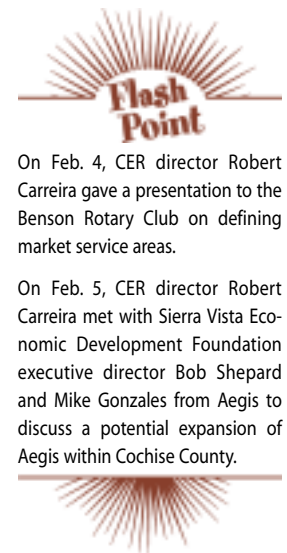
The Cost of Living Index data indicate Cochise County's average annual cost of living in 2008 was 0.2 percent higher than the average for all participating places nationwide. This was up from 2007, when the cost of living locally was 2 percent below the national average.

The cost of living in Cochise County in 2008 was slightly higher than in Tucson—a reversal of the 2007 data which showed the local cost of living was 2.3 percent below that of

Tucson. The cost of living in Cochise County remained below that in Phoenix, although the gap narrowed. In 2007, the cost of living in Cochise County was 2.6 percent below that in Phoenix, but this narrowed to 0.9 percent in 2008.

Part of the reason for the higher relative cost of living in Cochise County has been housing costs, which include both home prices and rental rates. As home prices have held relatively steady locally, markets in other areas of the state and nation have seen steep declines. In

2007, the cost of housing in Cochise County was 5.4 percent below the national average. In 2008, local housing costs were 3.1 percent above the national average.



On Feb. 4, CER director Robert Carreira gave a presentation to the Benson Rotary Club on defining market service areas.

On Feb. 5, CER director Robert Carreira met with Sierra Vista Economic Development Foundation executive director Bob Shepard and Mike Gonzales from Aegis to discuss a potential expansion of Aegis within Cochise County.

CER Services

The CER provides economic and demographic information, analysis, and forecasting to help community leaders in the public, private, and nonprofit sectors make informed decisions. The CER hosts economic outlook luncheons each year in Benson, Bisbee, Douglas, and Sierra Vista. The Center also produces four major publications annually as part of its Cochise County Economic Outlook Publication Series: *Benson Economic Outlook*, *Bisbee Economic Outlook*, *Douglas Economic Outlook*, and *Sierra Vista Economic Outlook*. The CER director serves on community projects, committees, and task forces, providing technical expertise in research methodology and serving as a community resource. The CER also prepares weekly press releases that are published in newspapers countywide providing insight into issues affecting Cochise County. The CER also produces the *Cochise County Economic Update*, a biweekly compilation of links to online newspaper articles relevant to the local economy, which is emailed to everyone on the CER's distribution list. The CER's website (www.cochise.edu/cer) provides economic news, information, analyses, forecasts, and studies. In addition, the CER is a state data center affiliate, receiving and disseminating U.S. Census Bureau data to users at no charge or on a cost-recovery or reimbursable basis.

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LOCAL COST OF LIVING ABOVE NATIONAL AVERAGE IN 2008



Healthcare costs in Cochise County also increased considerably in 2008 relative to the rest of the nation. In 2007, the cost of healthcare in Cochise County was 2.4 percent below the national average. Last year, the relative cost of healthcare locally increased to 0.5 percent above the national average.

The local cost of miscellaneous goods and services also increased in 2008, relative to the rest of the nation. In 2007, the cost of miscellaneous goods and services was 4.5 percent below the national average. In 2008, miscellaneous goods and services were priced only 3.6 percent below national averages.

Grocery items, utilities, and transportation costs in Cochise County all declined relative to national averages in 2008. Grocery items, which were 5.5 percent above the national average in 2007, fell to 4.9 percent above the national average in 2008. Utilities, which were priced 0.7 percent higher than the national average in 2007, were 2.3 percent below the national average in 2008.

ACCRA Cost of Living Index, 2008

Area	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
Flagstaff Metro	118.3	108.3	163.5	92.9	105.1	99.7	96.8
Lake Havasu City-Kingman Micro	112.2	105.7	140.7	96.5	103.6	96.4	99.0
Phoenix-Mesa-Scottsdale Metro	101.1	103.4	100.1	90.9	100.2	99.4	104.8
Prescott Metro	107.2	103.4	119.2	90.6	102.1	100.2	105.8
Sierra Vista-Douglas Micro*	100.2	104.9	103.1	97.7	100.9	100.5	96.4
Tucson Metro	99.6	106.8	96.3	92.8	99.6	99.1	101.8
Yuma Metro	105.4	110.4	101.4	106.6	102.1	101.5	108.1

*The Sierra Vista-Douglas Micropolitan Area is a statistical area designation for all of Cochise County. Sierra Vista and Douglas are included in the title since they are the principal cities that meet the criteria for establishing Cochise County as a Micropolitan Statistical Area. Note: The average for all participating places nationwide equals 100; each participant's index is read as a percentage of the average for all places. Source: The Council for Community and Economic Research, ACCRA Cost of Living Index.

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**LOCAL COST OF
LIVING ABOVE
NATIONAL
AVERAGE IN
2008**

Sierra Vista/Douglas Micropolitan Area Cost of Living

	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
2007	98.0	105.5	94.6	100.7	104.3	97.6	95.5
2008	100.2	104.9	103.1	97.7	100.9	100.5	96.4

Note: The Sierra Vista-Douglas Micropolitan Area is a statistical area designation for all of Cochise County. Sierra Vista and Douglas are included in the title since they are the principal cities that meet the criteria for establishing Cochise County as a Micropolitan area. The average for all participating places nationwide equals 100 and each participant's index is read as a percentage of the average for all places. Source: Council for Community and Economic Research (C2ER), ACCRA Cost of Living Index.

Transportation costs in Cochise County, which include gasoline and automobile maintenance, declined considerably in 2008, relative to the rest of the nation. In 2007, transportation costs in Cochise County were 4.3 percent above the national average. In 2008, transportations costs locally were only 0.9 percent higher than the national average.

Statewide, there were seven places participating in the ACCRA Cost of Living Index in 2008. In addition to Cochise County, other participating areas included Flagstaff, Lake Havasu City, Phoenix, Prescott-Prescott Valley, Tucson, and Yuma. Of these, only Tucson had an overall cost of living that was lower than Cochise County. The highest cost of living in Arizona was in Flagstaff, which was 18.3 percent above the national average.

ACCRA Cost of Living Index data for Cochise County are listed under the Sierra Vista-Douglas Micropolitan Area, which is a statistical designation for all of Cochise County. Sierra Vista and Douglas are included in the title since they are the principal cities that meet the criteria for establishing Cochise County as a micropolitan statistical area. To qualify as a micropolitan statistical area, a location must be economically integrated and have at least one urban area with a population of at least 10,000, but less than 50,000.



Locations with an urban area having a population of at least 50,000 are classified as metropolitan statistical areas. According to projections by the Arizona Department of Commerce, Cochise County will qualify as a metropolitan statistical area in 2011, when Sierra Vista's population is projected to reach 50,000. When this occurs, the Sierra Vista-Douglas Micropolitan Statistical Area will become the Sierra Vista Metropolitan Statistical Area.

The ACCRA Cost of Living Index data for Cochise County are collected by the Cochise College Center for Economic Research and submitted to the Council for Community and Economic Research for inclusion in the index. Cochise County's participation is sponsored by the Sierra Vista Economic Development Foundation, which covers the cost of data collection.

**Center for Economic
Research Staff**

Robert Carreira, Ph.D.
Director

Iris Routhieaux
Information Specialist

Roy Bever
Administrative Assistant, Sr.

Daniel Chung
Office Assistant



On Feb. 6, CER director Robert Carreira attended the Bright Future New Construction Forecast Luncheon in Tucson. The event provided an overview and forecast on new residential construction in the Tucson area.

On Feb. 14, CER director Robert Carreira gave a presentation on the local, state, and national economy, with a focus on the local housing and real estate market, to the Cochise County Women's Council of Realtors at their monthly meeting.



Where the stimulus money will come from

By Robert Carreira, Ph.D.

The \$787 billion economic stimulus package has cleared Congress and has been signed by President Obama. You might be wondering where this money will come from. If you follow the headlines, you've probably caught the short answer—the money will be borrowed. But borrowed from where?

The national savings and investment identity helps us understand where the government gets the money it borrows. It tells us that government borrowing + private sector investment = private domestic savings + foreign investment. When we consider this, we find the money, if borrowed, can come from only three possible places.

The first possibility, on the right side of the equation, is that private domestic savings will increase. This is a legitimate possibility since fear over the duration and severity of the recession is likely to lead U.S. households to favor saving over spending. In fact, over the past year while the economy has been in recession, the U.S. personal savings rate has increased to its highest level since 2004.

When households deposit money into savings accounts, financial institutions make that money available for government borrowing through the purchase of government securities, and for private sector investment through loans and stock purchases. It's unlikely, however, that private domestic savings will increase to the levels necessary to generate the money needed to finance the bailout and stimulus packages.

Part of the problem is that, during recessions, income levels tend to fall. While the savings rate may increase, there may be less actual dollars in savings. Moreover, those who lose their jobs may have to use savings to meet basic living expenses.

The second possibility, also on the right side of the equation, is that foreign investment might increase. The United States has run consistent trade deficits over the past few decades. You might wonder what happens to all that money we send overseas. The answer is it comes back in the form of foreign investment.

In 2007, the United States had a \$739 billion trade deficit (with trade broadly defined) but a \$741 billion surplus in its financial account. This means the value of goods and services imported into the United States (along with adjustments for net investment income and transfers) exceeded the value exported by \$739 billion, but foreign investment in the United States exceeded U.S. investment in other nations by \$741 billion. The \$2 billion gap between these figures is explained by debt forgiveness.

...FOREIGN INVESTMENT IN THE UNITED STATES EXCEEDED U.S. INVESTMENT IN OTHER NATIONS BY \$741 BILLION. THE \$2 BILLION GAP BETWEEN THESE FIGURES IS EXPLAINED BY DEBT FORGIVENESS.

Foreign investment refers to the purchase, by foreign individuals or entities, of U.S. government securities, stocks and bonds, or capital assets such as plants and equipment located in the United States. The portion of foreign investment that goes to government securities helps finance the U.S. budget deficit and national debt. A budget deficit occurs when the government spends more than it takes in, within a single year; the national debt is the accumulation of the annual budget deficits. The government gets the money to fund deficits by selling U.S. Treasury bills, bonds, and notes.

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WHERE THE
STIMULUS
MONEY WILL
COME FROM

About 25 percent of the national debt is financed through foreign investment. The other 75 percent is held by U.S. individuals and entities. If you've ever owned a U.S. savings bond—congratulations, you owned a piece of the national debt. Your retirement account likely holds a good deal of the national debt, as well.

It's unlikely that foreign investment will increase to the levels necessary to fund the bailout and stimulus packages. The U.S. government has run especially high budget deficits in recent years as a result of tax cuts implemented in the early 2000s; higher levels of spending on defense, including the wars in Iraq and Afghanistan; and increased spending on domestic programs. These have been financed by unusually high levels of foreign investment.

Since the current recession is worldwide, it's unlikely that foreign investors will be willing and able to increase their investment in the United States significantly. Moreover, as income levels in the United States decline as a result of the recession, Americans will likely purchase fewer imported goods and services, meaning less money will be sent abroad to fund the foreign purchase of U.S. assets.

The third possibility comes from the left side of the savings and investment identity equation. Recall that government borrowing + private sector

investment = private domestic savings + foreign investment. If private sector investment decreases, then government borrowing can increase by an equal amount without increasing either private domestic savings or foreign investment.

Most economists dismiss emotional arguments surrounding government borrowing, such as claims it will bankrupt future generations, because such arguments lack economic merit. But a legitimate concern recognized by most economists is that increased government borrowing could crowd out private sector investment.

There is a finite amount of money available for combined government borrowing and private sector investment. An increase in resources allocated to one will result in a decrease in resources available to the other. So, government borrowing undertaken to lift the economy out of recession could actually make matters worse by cutting off funds available for private sector investment, thereby slowing economic growth.

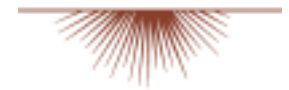
There is another possibility outside the savings and investment identity: The government could simply print more money. This is quite probable, given that increased private domestic savings and foreign investment won't likely produce the levels of funding necessary to finance the bailout and stimulus packages.

The problem is that printing more money—the classic definition of inflation—devalues it meaning prices go up and private domestic savings and foreign investment are discouraged. Despite the fears some economists have over price deflation, the current situation may in fact lead to higher levels of inflation and higher interest rates as banks begin to price risk and government and the private sector compete for scarce savings and investment funding.



On Feb. 17, CER director Robert Carreira gave a presentation to the Democratic Women of Southeastern Arizona. Topics included the local, state, and national economy, along with a brief discussion of the role of the International Monetary Fund.

On Feb. 27, CER director Robert Carreira met with Quality of Life Index community partners from the Cochise Community Foundation and Cochise County for a conference call with representatives from the Morristown, Tennessee Chamber of Commerce to assist them in developing their own Quality of Life Index.



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Visit our website at www.cochise.edu/cer to find statistics on the local economy; information on upcoming events; sponsorship information; CER economic outlook publications; PowerPoint slides from CER presentations; special studies; press releases; the *Cochise County Economic Update*, a compilation of links to online newspaper stories of economic interest from across Cochise County; the CER's quarterly newsletter, *The Indicator*; and links to websites relevant to the local, state, and national economy.

Views on government intervention in the economy

By Robert Carreira, Ph.D.

The economy runs in cycles with phases of peak, recession, trough, and recovery. These phases are referred to collectively as the business cycle. Over the long run, economies of industrialized nations tend to see overall economic growth. But the phases of the business cycle represent short-run economic instability. One example is the current economic downturn, which is the recession phase of the business cycle. During recessions, overall spending in the economy declines, production drops in response, and jobs are lost as a result.

In the 1930s, British economist John Maynard Keynes proposed that recessions are caused by an overall drop in demand and that the government should use its powers of monetary and fiscal policy to help stimulate demand and lift the economy out of recession.

On the monetary policy side, according to Keynes, government should increase the money supply during recessions. We see this in the Federal Reserve's manipulation of the federal funds rate, which impacts interest rates throughout the economy. The Fed doesn't actually dictate the federal funds rate; rather it influences the rate by controlling the supply of money within the banking system. During recessions, the Fed increases the supply of money, which lowers rates, and during recoveries it decreases the money supply causing rates to rise.

THE FED DOESN'T ACTUALLY DICTATE THE FEDERAL FUNDS RATE; RATHER IT INFLUENCES THE RATE BY CONTROLLING THE SUPPLY OF MONEY WITHIN THE BANKING SYSTEM.

One of the criticisms of an active monetary policy is that it's not always effective. When the Fed increases the supply of money to lower interest rates, banks may hoard the money rather than lending it. Also, just because rates are low it doesn't necessarily follow that people will borrow. If consumers are worried about losing their jobs, they might be reluctant to incur debt. If businesses fear a deep or prolonged recession, they may be reluctant to borrow for investment in business expansions or upgrades. Therefore, interest rate manipulation might not bring about the desired changes in demand. This seems to be especially so with regard to lifting the economy out of recession. Raising interest rates appears to be more effective in fighting inflation, which normally occurs in the recovery and peak phases of the business cycle.

On the fiscal policy side, the national government uses its powers to tax and spend in order to influence demand. By lowering taxes, individuals and businesses keep more of the money they earn, thereby increasing purchasing and investment power in the economy and encouraging greater productivity.

Also on the fiscal policy side, government can increase its own level of spending. If government increases spending, more must be produced to meet the increased demand, so jobs are created. Government could increase its purchase of private sector goods and services, which would increase jobs in the private sector; or, it could increase the services it provides, increasing the size of government.

Economists who support increasing government spending during

CONTINUED recessions tend to favor spending in the private sector over increasing the size of government. This is because money invested in the private sector tends to yield a higher rate of return than money spent in the government sector, although this is not always the case. Increases in government spending on essential goods and services such as infrastructure, education, and healthcare tend to make land, labor, and entrepreneurial resources more productive.

**VIEWS ON
GOVERNMENT
INTERVENTION
IN THE
ECONOMY**

To the extent that government spending results in a net increase in productivity, the spending should be undertaken. However, there comes a point where further diversion of resources from the private to the public sector can cause net losses in productivity. The size of government tends to be a long-run economic concern, but a sudden expansion of government during an economic downturn can create short-run difficulties by depriving the private sector of the resources it needs to bring about economic recovery.



To deal with economic instability, economists seem to prefer monetary policy over fiscal policy because it is much easier to enact and tends to have a quicker impact. But as noted, monetary policy tends to be less effective in lifting the economy out of recession.

Of the fiscal policy tools, economists seem to favor changes in tax policy over changes in spending. The reason is tax changes can be implemented more quickly and seem to be easier to change later, if the need arises.

Keynes advised governments to lower taxes and increase spending during times of recession. According to Keynes, this would increase demand, raise productivity, and create jobs, but would generate budget deficits. During times of recovery or expansion, Keynes advised that the government should raise taxes and cut spending to pay off the deficits that were incurred during the recession and to stave off inflation. The result is a balanced budget not over a single year, but over the phases of the business cycle.



The problem is that expansionary policies of lowering taxes and increasing spending tend to bring favorable political results. Contractionary policies of raising taxes and cutting spending during recoveries tend to generate political backlash, so they are rarely undertaken. The result tends to be a lopsided application of the Keynesian prescriptions, favoring expansionary policies through all phases of the business cycle and leading to persistent budget deficits and a continuously increasing national debt.



On Mar. 5, CER director Robert Carreira attended a video teleconference hosted by U.S. Rep. Gabrielle Giffords' office regarding the details of the federal economic stimulus package, with a particular focus on its impact on Arizona's District 8 and Cochise County.

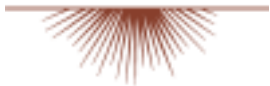
On Mar. 10, CER director Robert Carreira appeared on Cochise Talk with host Dan Abrams to discuss the local and national economy. The podcast can be heard at www.cochisetalk.com.





On Mar. 18, CER director Robert Carreira gave a presentation on the local, state, and national economy to the Southeast Arizona Contractor's Association at their monthly meeting.

In March, the CER completed its economic development asset inventory for Cochise County. A copy of the asset inventory can be viewed in the 'CER Studies' section of the CER website (www.cochise.edu/cer). Funding for the project was provided by Cochise County.



Cochise County population up by 1.6 percent

By Robert Carreira, Ph.D.

In 2008, Cochise County's population increased by 1.6 percent, from 137,200 to 139,434, according to recent estimates by the Arizona Department of Commerce. This was slightly ahead of the county's population growth of 1.5 percent in 2007. ADOC figures are based on estimates of the population as of July 1 each year, so figures for 2008 estimate growth from July 2007 to July 2008.

In 2008, Cochise County was the fifth fastest-growing of Arizona's 15 counties, behind Pinal, Greenlee, Graham, and Maricopa. From 2000 to 2008, Cochise County was the 8th fastest-growing county in the state.

Benson's population grew by 0.8 percent in 2008, from 4,992 to 5,030. This was down considerably from strong population growth of 3.6 percent in 2007. The slowdown in new home construction in the city in 2007, which is a main ingredient in ADOC's population estimate formula, was the primary reason for the decline. Construction picked up considerably in 2008, meaning 2009 estimates to be released early next year will likely show a much higher rate of growth.

Bisbee's population grew by 1.3 percent in 2008, from 6,310 to 6,389, according to ADOC. This was the first year the city's population grew since 2004. From 2004 to 2007, Bisbee's population declined by 4.2 percent.

Despite the increase in 2008, Bisbee's population remained below 2004 levels. From 2000 to 2008, Bisbee was the second slowest-growing incorporated area of Cochise County's seven incorporated areas and was the 13th slowest-growing of 90 incorporated areas statewide.

The population of Douglas inched up by 0.3 percent in 2008, from 18,152 to 18,207. This followed much stronger growth of 2.8 percent in 2007. Since 2000, Douglas has seen the highest overall rate of population growth in Cochise County, but most of that growth occurred between 2000 and 2001

Population Estimates

	2008	2007	Change	% Change
Arizona	6,629,455	6,500,194	129,261	2.0%
Cochise County	139,434	137,200	2,234	1.6%
Benson	5,030	4,992	38	0.8%
Bisbee	6,389	6,310	79	1.3%
Douglas	18,207	18,152	55	0.3%
Huachuca City	1,952	1,832	120	6.6%
Sierra Vista	45,908	44,736	1,172	2.6%
Tombstone	1,709	1,682	27	1.6%
Willcox	3,904	3,913	-9	-0.2%
Unincorporated Areas	56,336	55,583	753	1.4%

Source: Arizona Department of Commerce.

when the city annexed the state prison complex, adding about 2,000 residents to the city's population. From 2000 to 2008, the city's population grew by 27.2 percent, which includes the increase due to the prison annexation. Controlling for the prison population, Douglas' population grew by only about 13 percent from 2000 to 2008.

Huachuca City saw population growth of 6.6 percent in 2008, from 1,832 to 1,952, the highest rate of growth in the county for the year. This followed relatively stagnant

population growth from 2000 to 2007, which saw the town's population increase by only 4.6 percent overall.

Sierra Vista's population grew by 2.6 percent in 2008, from 44,736 to 45,908. This followed a 0.3 percent decline in 2007. If we control for the effects of Douglas' annexation of the prison earlier in the decade, then Sierra Vista saw

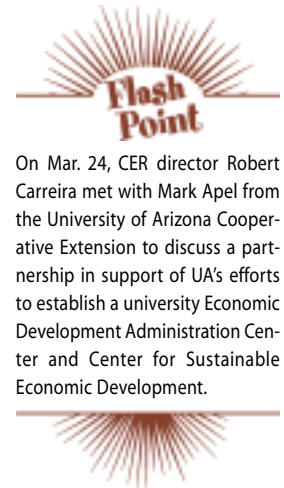
CONTINUED the highest rate of population growth in the county between 2000 and 2008. During that time, Sierra Vista's population grew by 21.5 percent, making it the 47th fastest-growing incorporated area of Arizona's 90 incorporated areas.

**COCHISE
COUNTY
POPULATION
UP BY 1.6
PERCENT**

Tombstone's population grew by 1.6 percent in 2008, from 1,682 to 1,709. This was the same rate of growth the city saw in 2007.

Willcox was the only city in Cochise County to see its population decline in 2008. The city's population dropped from 3,913 to 3,904, for growth of -0.2 percent. This followed population growth of 0.1 percent in 2007. From 2000 to 2008, the population of Willcox grew by only 4.6 percent overall, making the city the 12th slowest-growing incorporated area of Arizona's 90 incorporated areas and the slowest-growing incorporated area in Cochise County.

Arizona's population grew by 2.0 percent in 2008, from 6.5 to 6.63 million. This was the state's slowest rate of growth of the new millennium. Despite the slowed growth in 2008, Arizona was the second fastest-growing state in the nation from 2000 to 2008. In 2008, Arizona added more than 129,000 new residents, nearly the size of all of Cochise County. From 2000 to 2008, Arizona added 1.5 million new residents.



Number of farms up, acreage down

By Robert Carreira, Ph.D.

Agriculture is a large part of the Cochise County economy. Most of the county's agricultural production occurs in the eastern part of the county in the Sulphur Springs Valley, although considerable production continues in the San Pedro Valley.

In 2007, according to data recently released by the U.S. Department of Agriculture, top crop items by acreage in Cochise County included forage land, corn for grain, pecans, corn for silage, and harvested vegetables. Top livestock inventory items by number were cattle and calves (mostly beef cows), layers, horses and ponies, goats, and bee colonies.

Between 2002 and 2007, the number of farms in Cochise County grew by 115, or 12.1 percent, from 950 to 1,065. This was mostly the result of a deconsolidation of farmland, evidenced by the decline in total farm acreage from 970,000 acres in 2002 to 825,000 acres in 2007, despite growth in the number of farms. The average farm size in the county declined from 1,020 acres in 2002 to 774 acres in 2007.

Although the size of farms decreased between 2002 and 2007, the value of land and buildings on farms increased. Countywide, the average value of land and buildings per farm more than doubled from \$705,000 to \$1,476,000. The average market value of land and buildings per acre of farmland more than tripled, from \$631 to \$1,907. The estimated



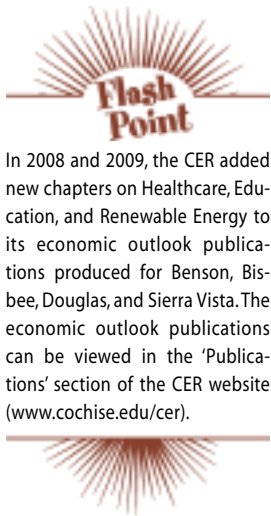
CONTINUED

NUMBER OF
FARMS UP,
ACREAGE
DOWN

Cochise County Agriculture

	2007	2002	Change	% Change
Farms (number)	1,065	950	115	12.1%
Land in farms (acres)	824,226	969,253	-145,027	-15.0%
Land in farms - Average size of farm (acres)774	1,020	-246	-24.1%
Estimated market value of land and buildings - Average per farm (dollars)	\$1,475,858	\$704,895	770,963	109.4%
Estimated market value of land and buildings - Average per acre (dollars)	\$1,907	\$631	1,276	202.2%
Estimated market value of all machinery and equipment - Average per farm (dollars)	\$77,792	\$53,260	24,532	46.1%
Farms by size - 1 to 9 acres	122	110	12	10.9%
Farms by size - 10 to 49 acres	252	211	41	19.4%
Farms by size - 50 to 179 acres	285	227	58	25.6%
Farms by size - 180 to 499 acres	149	147	2	1.4%
Farms by size - 500 to 999 acres	76	74	2	2.7%
Farms by size - 1,000 acres or more	181	181	0	0.0%
Total cropland (farms)	496	557	-61	-11.0%
Total cropland (acres)	141,156	131,382	9,774	7.4%
Irrigated land (farms)	368	460	-92	-20.0%
Irrigated land (acres)	67,598	64,593	3,005	4.7%
Market value of agricultural products sold (\$1,000)	\$117,130	\$78,307	38,823	49.6%
Market value of agricultural products sold - Average per farm (dollars)	\$109,981	\$82,429	27,552	33.4%
Market value of agricultural products sold - Crops (\$1,000)	\$74,358	\$55,737	18,621	33.4%
Market value of agricultural products sold - Livestock, poultry, and their products (\$1,000)	\$42,771	\$22,570	20,201	89.5%
Farms by value of sales - Less than \$2,500	490	363	127	35.0%
Farms by value of sales - \$2,500 to \$4,999	119	97	22	22.7%
Farms by value of sales - \$5,000 to \$9,999	91	118	-27	-22.9%
Farms by value of sales - \$10,000 to \$24,999	120	111	9	8.1%
Farms by value of sales - \$25,000 to \$49,999	87	82	5	6.1%
Farms by value of sales - \$50,000 to \$99,999	50	59	-9	-15.3%
Farms by value of sales - \$100,000 or more	108	120	-12	-10.0%

Source: U.S. Department of Agriculture and the Cochise College Center for Economic Research.



In 2008 and 2009, the CER added new chapters on Healthcare, Education, and Renewable Energy to its economic outlook publications produced for Benson, Bisbee, Douglas, and Sierra Vista. The economic outlook publications can be viewed in the 'Publications' section of the CER website (www.cochise.edu/cer).

market value of machinery and equipment per farm in Cochise County grew by nearly one-half, from \$53,000 to \$78,000.

The changing structure of farms in Cochise County between 2002 and 2007 was characterized by an increase in the number of farms of all size classes, except those that were 1,000 acres or more, which stabilized at 2002 levels. Most of the growth in the number of farms occurred in smaller farms, particularly those that were 179 acres or smaller. In terms of the market value of agricultural products sold, the number of farms with annual sales valuing less than \$2,500 grew by 35 percent from 363 to 490. At the same time, the number of farms with sales of \$100,000 or more declined by 10 percent from 120 to 108.

ALTHOUGH THE AREA OF FARMLAND IN COCHISE COUNTY DECLINED BY 15 PERCENT BETWEEN 2002 AND 2007, THE MARKET VALUE OF AGRICULTURAL PRODUCTS SOLD GREW BY NEARLY 50 PERCENT FROM \$78.3 TO \$117.1 MILLION.

Although the area of farmland in Cochise County declined by 15 percent between 2002 and 2007, the market value of agricultural products sold grew

CONTINUED by nearly 50 percent from \$78.3 to \$117.1 million. The majority of these products were crops, which comprised 63 percent of total agricultural products countywide in 2007, down from 71.2 percent in 2002. The market value of crops in 2007 was \$74.4 million, up 33.4 percent from \$55.7 million in 2002. The market value of livestock sales increased 89.5 percent, from \$22.6 to \$42.8 million.

NUMBER OF FARMS UP, ACREAGE DOWN

Although the total acreage of farms in the county decreased considerably from 2002 to 2007, the total output expanded along with the value of land, buildings, and machinery. This is likely attributable to the development and procurement of more technologically advanced equipment, making farm work less labor intensive, as well as the more efficient use of land resources to increase output per acre.

2008-2009 COCHISE COUNTY EMPLOYMENT AND UNEMPLOYMENT STATISTICS

		MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
UNITED STATES	UNEMP. RATE (SA)	5.1%	5.0%	5.5%	5.6%	5.8%	6.2%	6.2%	6.6%	6.8%	7.2%	7.6%	8.1%	8.5%
ARIZONA	LABOR FORCE*	3,085.9	3,094.9	3,108.4	3,141.3	3,153.3	3,159.9	3,173.6	3,180.7	3,169.7	3,163.5	3,150.2	3,147.8	3,124.8
	UNEMPLOYMENT*	134.5	130.7	151.9	177.0	190.9	203.1	199.7	201.4	200.1	211.6	227.4	232.3	240.0
	UNEMP. RATE	4.4%	4.2%	4.9%	5.6%	6.1%	6.4%	6.3%	6.3%	6.3%	6.7%	7.2%	7.4%	7.7%
	UNEMP. RATE (SA)	4.7%	4.9%	5.2%	5.5%	5.7%	5.9%	6.0%	6.2%	6.4%	6.6%	7.0%	7.4%	7.8%
	EMPLOYMENT*	2,951.4	2,964.2	2,956.5	2,964.4	2,962.4	2,956.9	2,973.9	2,979.3	2,969.5	2,951.9	2,922.8	2,915.5	2,884.8
COCHISE COUNTY	LABOR FORCE	59,150	59,375	59,575	62,375	61,775	61,375	61,325	61,000	60,900	61,075	61,425	61,175	60,525
	UNEMPLOYMENT	2,750	2,575	2,825	3,325	3,525	3,500	3,500	3,500	3,500	3,750	3,875	4,025	4,075
	UNEMP. RATE	4.7%	4.3%	4.7%	5.3%	5.7%	5.7%	5.7%	5.7%	5.7%	6.2%	6.3%	6.6%	6.7%
	UNEMP. RATE (SA)	4.5%	4.5%	5.2%	5.3%	5.4%	5.9%	6.0%	6.0%	6.0%	6.2%	5.5%	6.2%	6.5%
	EMPLOYMENT	56,400	56,800	56,750	59,050	58,250	57,850	57,825	57,525	57,400	57,325	57,550	57,150	56,475
BENSON	LABOR FORCE	2,448	2,451	2,468	2,597	2,579	2,562	2,560	2,547	2,543	2,560	2,578	2,573	2,548
	EMPLOYMENT	2,244	2,260	2,259	2,350	2,318	2,302	2,301	2,289	2,284	2,281	2,290	2,274	2,247
	UNEMPLOYMENT	204	191	209	247	261	260	259	258	259	279	288	299	301
	UNEMP. RATE	8.3%	7.8%	8.5%	9.5%	10.1%	10.1%	10.1%	10.1%	10.2%	10.9%	11.2%	11.6%	11.8%
	UNEMP. RATE (SA)	7.9%	8.2%	9.4%	9.5%	9.6%	10.5%	10.6%	10.6%	10.7%	10.9%	9.8%	10.9%	11.4%
BISBEE	LABOR FORCE	3,417	3,429	3,442	3,606	3,572	3,549	3,547	3,528	3,522	3,534	3,554	3,541	3,504
	EMPLOYMENT	3,240	3,264	3,261	3,393	3,346	3,324	3,323	3,305	3,298	3,293	3,306	3,283	3,244
	UNEMPLOYMENT	177	165	181	213	226	225	224	223	224	241	248	258	260
	UNEMP. RATE	5.2%	4.8%	5.3%	5.9%	6.3%	6.3%	6.3%	6.3%	6.4%	6.8%	7.0%	7.3%	7.4%
	UNEMP. RATE (SA)	5.0%	5.0%	5.9%	5.9%	6.0%	6.5%	6.6%	6.6%	6.7%	6.8%	6.1%	6.9%	7.2%
DOUGLAS	LABOR FORCE	6,297	6,310	6,346	6,668	6,616	6,573	6,569	6,534	6,525	6,559	6,602	6,586	6,521
	EMPLOYMENT	5,842	5,885	5,880	6,118	6,034	5,994	5,992	5,959	5,948	5,939	5,961	5,920	5,850
	UNEMPLOYMENT	455	425	466	550	582	579	577	575	577	620	641	666	671
	UNEMP. RATE	7.2%	6.7%	7.3%	8.2%	8.8%	8.8%	8.8%	8.8%	8.8%	9.5%	9.7%	10.1%	10.3%
	UNEMP. RATE (SA)	6.9%	7.0%	8.1%	8.2%	8.3%	9.1%	9.3%	9.3%	9.3%	9.5%	8.5%	9.5%	10.0%
HUACHUCA CITY	LABOR FORCE	955	957	962	1,011	1,002	996	994	989	988	993	1,000	996	987
	EMPLOYMENT	890	896	895	932	919	913	912	907	906	904	908	901	891
	UNEMPLOYMENT	65	61	67	79	83	83	82	82	82	89	92	95	96
	UNEMP. RATE	6.8%	6.4%	7.0%	7.8%	8.3%	8.3%	8.2%	8.3%	8.3%	9.0%	9.2%	9.5%	9.7%
	UNEMP. RATE (SA)	6.5%	6.7%	7.7%	7.8%	7.9%	8.6%	8.6%	8.7%	8.7%	9.0%	8.0%	8.9%	9.4%
SIERRA VISTA	LABOR FORCE	18,670	18,770	18,802	19,636	19,412	19,284	19,275	19,172	19,138	19,160	19,253	19,154	18,942
	EMPLOYMENT	18,150	18,284	18,269	19,008	18,747	18,622	18,616	18,514	18,478	18,451	18,521	18,393	18,175
	UNEMPLOYMENT	520	486	533	628	665	662	659	658	660	709	732	761	767
	UNEMP. RATE	2.8%	2.6%	2.8%	3.2%	3.4%	3.4%	3.4%	3.4%	3.4%	3.7%	3.8%	4.0%	4.0%
	UNEMP. RATE (SA)	2.7%	2.7%	3.1%	3.2%	3.2%	3.5%	3.6%	3.6%	3.6%	3.7%	3.3%	3.8%	3.9%
TOMBSTONE	LABOR FORCE	891	895	898	938	927	920	920	915	914	915	920	916	905
	EMPLOYMENT	863	869	869	904	891	885	885	880	879	877	881	875	864
	UNEMPLOYMENT	28	26	29	34	36	35	35	35	35	38	39	41	41
	UNEMP. RATE	3.1%	2.9%	3.2%	3.6%	3.9%	3.8%	3.8%	3.8%	3.8%	4.2%	4.2%	4.5%	4.5%
	UNEMP. RATE (SA)	3.0%	3.0%	3.5%	3.6%	3.7%	3.9%	4.0%	4.0%	4.0%	4.2%	3.7%	4.2%	4.4%
WILCOX	LABOR FORCE	1,945	1,949	1,961	2,059	2,043	2,030	2,029	2,018	2,015	2,026	2,039	2,034	2,013
	EMPLOYMENT	1,806	1,819	1,818	1,891	1,865	1,853	1,852	1,842	1,838	1,836	1,843	1,830	1,808
	UNEMPLOYMENT	139	130	143	168	178	177	177	176	177	190	196	204	205
	UNEMP. RATE	7.1%	6.7%	7.3%	8.2%	8.7%	8.7%	8.7%	8.7%	8.8%	9.4%	9.6%	10.0%	10.2%
	UNEMP. RATE (SA)	6.8%	7.0%	8.1%	8.2%	8.2%	9.0%	9.2%	9.2%	9.3%	9.4%	8.4%	9.4%	9.9%

SA = Seasonally Adjusted *Data in thousands. Source: The State of Arizona Department of Commerce, Research Administration (ADOC), Arizona Workforce Informer website, www.workforce.az.gov/ and Cochise College Center for Economic Research. Determined by monthly household surveys in the LAUS program. County estimates are independently calculated. Sub-county figures are calculated by ADOC using a census share methodology; sub-county SA rates calculated by the Cochise College Center for Economic Research. Employment and unemployment estimates for cities, towns, and areas are a fixed ratio, derived from the 2000 Census of the county figures. Note: In cases where the year-end average does not equal the average of the 12 months shown, or when seasonally adjusted averages do not equal unadjusted averages, discrepancies are due to rounding.

Cochise College Center for Economic Research 14th Annual Douglas Economic Outlook Luncheon

DOUGLAS

- An Economic Overview of Douglas
- Thursday, June 4, 11:30 a.m., Doors open at 11 a.m.
- Cochise College, Douglas Campus Student Union
4190 West Highway 80, Douglas, AZ

economic outlook luncheon 2009

The Cochise College Center for Economic Research will host an economic outlook luncheon for business and community leaders, students, and members of the general public. The program will provide an overview of the national, state, and local economy, with a focus on the economy of Douglas. Attendees will receive a copy of the 2009 *Douglas Economic Outlook*, published by the Center for Economic Research. The publication provides a review and forecast of the local economy. One unit of Continuing Professional Education will be offered in each of the following areas: accounting, financial planning, and real estate.



ROBERT CARREIRA, Ph.D.

Speakers:

Robert Carreira, Ph.D., Director of the Center for Economic Research, will provide a review of the past year's economy and a forecast for the coming year.

Curtis Shook, Douglas City Manager, will give a presentation on current and planned projects within the city.

Cost is \$45 per person, or \$315 for a table seating eight.

Pre-registration and pre-payment are required.

Reservations are accepted by mail, email at cer@cochise.edu, or fax at (520) 515-5343. For Visa®, MasterCard®, Discover®, or American Express® payments use form below, or call (520) 515-5486. All meals are vegetarian; please indicate if there are any other special dietary restrictions or accommodations necessary.



CURTIS SHOOK



COCHISE COLLEGE

DEADLINE FOR RESERVATIONS: MAY 25, 2009

Anyone needing an accommodation in order to attend should contact the Disability Services Office, (520) 417-4023 at least 72 hours in advance.

DOUGLAS ECONOMIC OUTLOOK LUNCHEON 2009 REGISTRATION FORM

Name: _____ Point of contact, if different: _____

Business Name: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

Telephone: _____ Please bill my credit card: AMEX VISA M/C DISCOVER

Email: _____

Reserve _____ seat(s) at \$45 a seat \$ _____

Reserve _____ table(s) for eight \$315 \$ _____

Total \$ _____

NAME ON CARD (PLEASE PRINT) _____

CARD# _____ EXPIRATION _____

BILLING ADDRESS FOR CARD _____ ZIP _____

SIGNATURE _____

Make checks payable to:
Cochise College CER

Please mail registration form with payment to:
Cochise College Center for Economic Research
901 N. Colombo Ave.
Sierra Vista, Arizona 85635



Center for Economic Research
COCHISE COLLEGE

901 North Colombo Avenue • Sierra Vista, AZ 85635-2317
(520) 515-5486 (voice) • (520) 515-5343 (fax)
Email: cer@cochise.edu • Web address: www.cochise.edu/cer

The CER provides a variety of products and services including the Economic Outlook publications for Benson, Bisbee, Douglas, and Sierra Vista, released in conjunction with economic outlook luncheons held in those cities; the *Cochise County Economic Update* – a compilation of links to online newspaper articles from local newspapers, emailed biweekly to everyone on our distribution list; weekly press releases related to the local economy; *The Indicator* – our quarterly newsletter providing updates on the local economy and CER activities; numerous research studies on various topics of local economic interest; the tracking of local economic statistics, made available on our website www.cochise.edu/cer; and responding to requests for data from residents and local leaders in the public, private, and nonprofit sectors and business leaders from outside the area looking to expand or relocate to Cochise County. These products and services would not be available without support from members of the community such as yourself.

As you may know, the CER is an auxiliary department of Cochise College, which means we are expected to raise the necessary funds to meet our budget in order to keep our doors open. To do this, we rely on *tax-deductible* sponsorships, donations, and gifts from those who benefit from our services. If you've sponsored us in the past, we thank you for your generous support and would like to invite you to consider sponsoring us again. If you haven't yet had the opportunity to be a CER sponsor, we'd like to ask you to consider supporting the CER with a *tax-deductible* sponsorship, donation, or gift. To show our appreciation of your financial support, each sponsor level comes with its own set of benefits, outlined in detail on the reverse side of this letter.

For over a decade, the CER has provided timely and accurate information regarding the economy. The information provided by the CER can be helpful to you in making decisions about the future direction of your business or industry. By sponsoring the CER, you will be helping Cochise County stay informed on important economic issues.

On behalf of the CER, I would like to thank you for taking the time to consider partnering with us. Every sponsorship, donation, and gift counts and we thank you for considering the CER as a recipient of your support.

If you have any questions regarding sponsorship or suggestions on how we can improve our sponsor program, please feel free to contact me at (520) 515-5486 or email me at cer@cochise.edu

Sincerely,

Robert Carreira, Ph.D.
Director

“To show our appreciation of your financial support, each sponsor level comes with its own set of benefits”



Center for Economic Research Sponsor Form

Platinum \$5,000

- Recognition of sponsoring organization in all sponsored luncheon ads and press releases
- A five-minute introduction from the podium by representative of the sponsoring organization
- Recognition in the Economic Outlook publication
- Recognition on the projection screen at the luncheon
- Recognition of sponsoring organization from the podium at the luncheon
- Reserved table of 8 at the luncheon with sponsorship designation on the table
- 6-foot table provided to set up organizational display
- Copy of the Economic Outlook presentation on DVD
- Inclusion of organizational brochure in Economic Outlook publication at the luncheon

Gold \$2,000

- Recognition in the Economic Outlook publication
- Recognition on the projection screen at the luncheon
- Recognition of sponsoring organization from the podium at the luncheon
- Reserved table of 8 at the luncheon with sponsorship designation on the table
- 6-foot table provided to set up organizational display
- Copy of the Economic Outlook presentation on DVD
- Inclusion of organizational brochure in Economic Outlook publication at the luncheon

Silver \$1,000

- Recognition in the Economic Outlook publication
- Recognition on the projection screen at the luncheon
- Recognition of sponsoring organization from the podium at the luncheon
- Reserved table of 8 at the luncheon with sponsorship designation on the table
- Copy of the Economic Outlook presentation on DVD

Bronze \$500

- Recognition in the Economic Outlook publication
- Recognition on the projection screen at the luncheon
- Recognition of sponsoring organization from the podium at the luncheon
- Two complimentary general seating seats at the luncheon

Individual \$100

- Recognition in the Economic Outlook publication
- One complimentary general seating seat at the luncheon

Friend of the CER under \$100

- Recognition in the Economic Outlook publication

Please detach and return form below to: Cochise College - CER • 901 North Colombo Avenue • Sierra Vista, AZ 85635-2317

Please select your sponsor level:

Platinum Gold Silver Bronze Individual Friend of the CER

Please select the luncheon you will be sponsoring:

Douglas (June 2009) Benson (September 2009) Bisbee (December 2009) Sierra Vista (April 2010)

Publication Information

Please list exactly as you would like the information listed in the publication

Name of Sponsoring Individual or Organization (please print)

Address _____

City _____ State _____ Zip _____

Phone (_____) _____ Fax (_____) _____

Website _____

Please email a digital logo to cer@cochise.edu if you are sponsoring at the Bronze level or higher.

Point of Contact Information Will not be listed in publication

Name _____ Phone(_____) _____

Email _____ Fax(_____) _____

Billing Information

Check enclosed (Make checks payable to Cochise College CER)

Bill my credit card

In the amount \$ _____ AMEX ___ VISA ___ M/C ___ DISCOVER ___

Name on card (please print) _____

Card # _____

Exp. date _____

Billing address _____

City _____

State _____ Zip _____

Signature _____