

# DECADES

◀ WHAT THE TRENDS TELL US ▶

## Economy Prosperity Trends



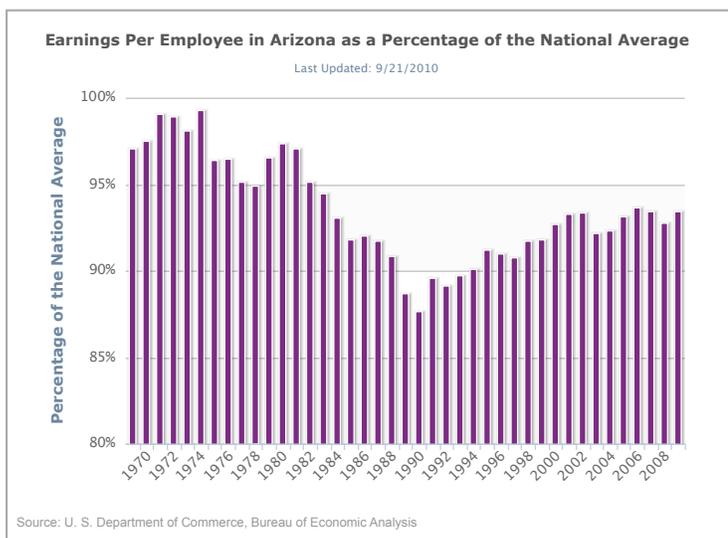
By Tom Rex  
Associate Director, Center for Competitiveness and Prosperity Research  
W. P. Carey School of Business  
Arizona State University

**Q:** What were the most interesting and important trends in Arizona's economy that occurred in the previous decade? What is the significance of these trends and what insights can we apply to the new decade?

**A:** The biggest economic trend in Arizona over the last decade has been the flat line on various measures of prosperity relative to the national average. Arizona always has been below the national average on measures such as the average wage, earnings per employee, and per capita personal income. However, Arizona compares less favorably now than it did in the 1970s and early 1980s.

From the mid-1980s into the early 1990s, the prosperity of Arizonans fell considerably versus the rest of the nation. During the 1990s, Arizonans regained a bit of the ground lost, but since then have made no further progress. Incomes in Arizona are particularly far below the national average, and the poverty rate is consistently higher than average. Many factors contribute to the low incomes, with subpar job quality and low workforce participation rates—even among the prime working-age population—among the major factors.

Ultimately, economic development is about prosperity. Aggregate growth, at which Arizona typically is among the national leaders, does nothing to improve the economic well-being of Arizona residents. To realize advances in living standards, Arizona must improve the quality of its workforce, then create higher-quality jobs. Many Arizonans have limited educational attainments and workforce skills, which leave them at a competitive disadvantage when looking for a job.



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For more information, contact Andrea Whitsett at (602) 496-0217 or [andrea.whitsett@asu.edu](mailto:andrea.whitsett@asu.edu).

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411 N Central Ave  
Suite 900  
Phoenix, Arizona  
85004-0692  
(602) 496-0900 Main  
(602) 496-0964 Fax  
[MorrisonInstitute.asu.edu](http://MorrisonInstitute.asu.edu)