

Tucson Citizen

Census: Az leads in payday loans, RV rentals, brick making

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Published: 01.29.2008

PHOENIX - Arizona leads the nation in unsecured cash loans, truck, RV and trailer rentals and manufacturing of concrete blocks, bricks and trusses, according to U.S. Census Bureau rankings distributed Monday.

Those results didn't surprise some Arizona economists, who said they reflect a state in constant flux.

The rankings come from the latest economic census, which was conducted in 2002 and is taken every five years. The forms for 2007 have been sent to businesses but the results won't be available for at least another year.

Arizona had a wide lead in unsecured cash loans, a category made up largely of payday loan institutions. Businesses here reported \$4.7 billion in revenue in 2002, far ahead of second-place California, which had nearly \$3 billion.

"I'm seeing it as largely the result of being in a rapid-growth state," said Tracy Clark, an economist with the JPMorgan Chase Economic Outlook Center at Arizona State University's W.P. Carey School of Business. "These types of activities are in demand for people who can't establish permanent relations with a bank."

Clark said Arizona residents tend to move around, which explains why the state leads in per capita revenue from truck, trailer and recreational vehicle rentals. Moving companies such as U-Haul made more than \$600 million in Arizona in 2002, about \$113 per resident.

"Our migration flows in and out of the state," said Marshall Vest, an economist at the University of Arizona's Eller College of Management. "We've had tremendous growth and construction and the numbers are indicative of that."

The rankings show Arizona's economy more dependent on construction than most other places in the country. The state ranked No. 1 in truss manufacturing and concrete block and brick manufacturing per capita in 2002. Trusses accounted for \$223 million in revenue. Blocks and bricks were worth \$183 million.

Clark attributed those rankings to Arizona's construction boom, which he said isn't likely to be duplicated in 2007's economic census because the data will correspond with the housing market's downturn.

Patty Urias, a spokeswoman for the Arizona Department of Commerce, said the impact of such downturns on the overall economy can be lessened by not relying so heavily on the housing market.

"We need to make sure the economy is nice and diversified so (we're) not dependent on one sector," Urias said. "When the housing market is shot, it tends to affect all other areas."

Clark said housing will take the biggest hit in the 2007 rankings because of a dramatic drop in the number of mortgage brokers and real estate agents. The restaurant industry will feel a sting too, he said, because the slumping economy is causing people to eat out less.
