GREATER
PHOENIX
FORWARD
Sustaining and Enhancing the Human Services Infrastructure
Sustaining and Enhancing the Human-Services Infrastructure

A Project of the ASU College of Public Programs
Debra Friedman, Dean

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SUPPORT FOR GREATER PHOENIX FORWARD

Major funding provided by Valley of the Sun United Way and the City of Phoenix.
Additional support provided by Alcoa Foundation, SRP, APS and Downtown Phoenix Partnership.
The support of these entities is gratefully acknowledged.
Greater Phoenix Forward represents an important step towards initiating proactive community dialogue around significant human-services infrastructure issues facing Maricopa County. As demographic and socioeconomic changes have taken shape on a rapidly expansive scale in the Phoenix region, Valley of the Sun United Way and our community partners are working diligently to establish a long-term, outcome-based model that will contribute to improving lives for Valley residents.

Our goal is to advance the common good by focusing on the areas of education, income, and health. These are the building blocks for a good life—a quality education that leads to a stable job, enough income to support a family through retirement, and good health. We are committed to focusing on prevention to get at the underlying causes of social issues that affect us all. These goals can only be achieved through the continued collaboration of business, government and nonprofit leadership and through understanding of the fundamental issues that contribute to each and every human-services challenge.

On behalf of Valley the Sun United Way, I would like to thank the College of Public Programs and ASU for their time and dedication in the painstaking assembling of this comprehensive report. Additionally, I would also like to acknowledge the City of Phoenix and Mayor Phil Gordon for their invaluable co-support of this report, as well as Alcoa Foundation, SRP, APS, and the Downtown Phoenix Partnership. Working together, we can bring to light the challenges we all face and create a brighter future for everyone.

Merl Waschler
President and CEO, Valley of the Sun United Way
Greetings:

As Mayor, and on behalf of the City Council, I am proud that the City of Phoenix has joined the Valley of the Sun United Way as the principal supporters of Greater Phoenix Forward.

Every day the City of Phoenix works to provide the best possible services for all members of our community. As our city grows, adding roughly 3,000 new residents each month, we work very hard to determine how to maintain and improve our service functions. That means planning and implementing not only for the “bricks and mortar” aspects of our growth, but also developing and delivering human services.

The ASU College of Public Programs, our new downtown neighbor, has performed a valuable service by initiating the Greater Phoenix Forward project and its first phase, this research and policy report. It presents timely and important data and analysis on human services in our metro area and offers innovative ideas for improving the quality of life of our residents and communities.

The City of Phoenix is very proud to be a partner with Arizona State University. Our combined efforts will certainly make this dynamic city an even better place to work, recreate, and live.

I strongly encourage you to read this report—and, as you do, to imagine how the city, the university, and all our residents can ensure the brightest possible future for Phoenix.

Sincerely,
Phil Gordon
Mayor, City of Phoenix
ACKNOWLEDGEMENTS

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## CONTENTS

**INTRODUCTION | Greater Phoenix Forward: Measuring and Meeting Our Human-Services Needs**

Rob Melnick, Ph.D., Director, Morrison Institute for Public Policy, and Chief Operating Officer and Executive Director, Global Institute of Sustainability

**CHAPTER 1 | Greater Phoenix: Demographic and Socioeconomic Characteristics**

ASU Research Staff with Tom Rex, Associate Director, Center for Competitiveness and Prosperity Research, W.P. Carey School of Business

**CHAPTER 2 | Human-Services Infrastructure of Greater Phoenix**

John Hall, Ph.D., Professor, School of Public Affairs

**CHAPTER 3 | Nonprofits: Delivering Human Services**

Robert Ashcraft, Ph.D., Director, Lodestar Center for Philanthropy and Nonprofit Innovation, and Associate Professor, School of Community Resources & Development

**CHAPTER 4 | Untreated Mental Disorders: The Hidden Burden in Greater Phoenix**

José Ashford, Ph.D., Professor and Associate Director, School of Social Work

**CHAPTER 5 | Supporting Children and Families: A Child-Welfare Perspective**

Nora Gustavsson, Ph.D., Associate Professor, School of Social Work

**CHAPTER 6 | From Human Services to Human Development: A Resilience Perspective**

John Hall, Ph.D., Professor, School of Public Affairs

**CHAPTER 7 | Aging: The Changing Human-Services Needs of the Third Age**

Teri K. Kennedy, Ph.D., MSW, Academic Coordinator, Tucson BSW Program, and Principal Investigator, Undergraduate Child Welfare Training Program, School of Social Work

**CHAPTER 8 | Substance-Abuse Prevention and Treatment: Challenges and Opportunities**

Flavio F. Marsiglia, Ph.D., ASU Distinguished Foundation Professor, and Director, Southwest Interdisciplinary Research Center (SIRC); Tanya Nieri, Ph.D., Coordinator of Research, SIRC, School of Social Work; and David Becerra, Ph.D., Research Associate, SIRC

**CHAPTER 9 | Latinos in Greater Phoenix: A Growing Stakeholder Community**

Barbara Robles, Ph.D., Associate Professor, School of Social Work

**CHAPTER 10 | Poverty: The Valley’s Economic Divide**

Elizabeth A. Segal, Ph.D., Professor, School of Social Work

**CHAPTER 11 | Human Services for Arizona’s “Second Population”**

Timothy Tyrrell, Ph.D., Professor, School of Community Resources & Development, and Director, Megapolitan Tourism Research Center

**CHAPTER 12 | Parks and Recreation Opportunities in an Era of Growth**

Randy J. Virden, Ph.D., Associate Professor, School of Community Resources & Development

**CHAPTER 13 | Arts and Culture in Greater Phoenix**

Nancy Welch, Associate Director, Morrison Institute for Public Policy

**Conclusions and Policy Implications**

Debra Friedman, Ph.D., University Vice President and Dean, College of Public Programs; and Rob Melnick, Ph.D., Director, Morrison Institute for Public Policy, and Chief Operating Officer and Executive Director, Global Institute of Sustainability
Greather Phoenix Forward: Measuring and Meeting Our Human-Services Needs

An ASU College of Public Programs Project to Help Meet the Challenges Facing Maricopa County

Rob Melnick, Ph.D., Director, Morrison Institute for Public Policy, and Chief Operating Officer and Executive Director, Global Institute of Sustainability

Maricopa County has experienced remarkable population growth for decades. As a result, it has become the envy of many other metropolitan areas, especially those whose populations are declining. Their assumption: More population leads to more opportunity, more talent and more wealth. In fact, this is often the case for regions with strong in-migration.

To ready themselves to respond to the pressures and opportunities from fast growth, metro areas typically pay close attention to their physical infrastructure. They diligently plan and budget years in advance for public works such as roads, sewers, utility rights-of-way, water treatment plants, libraries, schools and similar projects. But just as typical is the relative lack of attention to their capacity to handle future demands for human services under the same growth scenario.

Nevertheless, regions that want to sustain or improve the quality of life of their residents, especially when an area’s population is becoming more diverse, need to plan and budget for the considerable human-services challenges that accompany fast growth.

Year after year of rapid and demographically diverse population growth is straining the capacity of Greater Phoenix’s human-services system. This appears to be the case for public, quasi-public, and private systems alike. The challenges are considerable now and will become even more demanding in the future, as the county’s population continues to swell, pushes out to the edge of the metro area, and further diversifies.

Many agencies and individuals in the county provide human services, yet the “big picture” of the Valley’s service infrastructure is not a clear one. Data on the nature and extent of human services provided to residents in area cities, towns and unincorporated areas are highly diffused. Plus, our mobile population makes it hard to tell from year to year who is in most need of such services. Still, research provides a pretty serious bottom line on this matter: Indications are strong that the number of Greater Phoenix residents who will need various human services is very likely to grow faster than the human and fiscal resources—and maybe the political will—needed to serve them. Complicating this trajectory is the fact that our capacity to meet human needs competes with the demand for other public goods and services amidst a confluence of complex public policy issues.

The College of Public Programs at Arizona State University prepared this report to help leaders and human-services practitioners better understand the current condition of the Valley’s human-services infrastructure, and to provide them with a view of its potential future. It is the first of a three-phase project intended to yield policy decisions about human services that are based on sound research, objective analyses and public discourse. Thus, this report and research compendium serves as a platform for the deliberation phase and the action phase that will follow in sequence. Specifically, the report provides:

- Data in a single volume that describe an array of human-services structures and functions in Maricopa County
- Trends for populations who utilize these services
- Analyses of how to sustain the present level and quality of human services
- A glimpse of how present service trends could play out by 2012

In short, this report provides descriptive data for understanding the status of human services in Greater Phoenix today, describes provocative issues that certain populations and providers face, and offers a starting point for determining the Valley’s aspirations for tomorrow’s human-services infrastructure.

Scope: What This Report Is and What It Is Not

The phrase “human services” creates a very big umbrella. Unfortunately, most of the public thinks of the phrase as merely a surrogate for public economic security measures (welfare) and health care for the indigent. That is, many people automatically associate human services with “poor people.”

This report takes a broader view of human services. It describes a wide array of populations that use and depend
on these services—people at many income levels, tourists, recreationists, the young and the elderly, among others. It also discusses important features of the human-services infrastructure, such as the capacity of nonprofit organizations, community resilience, and a government-employed workforce. However, the report does not cover every important human-services topic—most notably, public education and public health per se—because the expertise of the College does not include such areas. Nevertheless, the report presents analyses of 12 distinct and critically important topics that comprise and/or affect the human-services infrastructure in Maricopa County (the geographical unit of analysis):

- demographics
- poverty
- children and families
- substance abuse
- parks and recreation
- nonprofit organizations
- arts and culture
- Latinos
- aging
- mental and behavioral health
- tourism
- resilience

Taking On Tough Research and Policy Issues

Providing adequate human services is a serious challenge in every metropolitan area. But—to repeat—the challenge in Greater Phoenix is compounded by our rapidly growing and diversifying population. On top of that, this report is being written at a precarious time in the economic cycle, when both public and private revenues are shrinking. Although Arizona and Greater Phoenix have withstood previous economic downturns and come back strong, discussing policies, programs and investments in human services is more difficult in tough times. The usual response at such times is to cut, not add services, at the very time when people may need them the most. In that sense, the timing of this report may be propitious.

This report also appears at the same time as an historic and frequently rancorous debate over international immigration policy rages at the national and state levels. Since Greater Phoenix has had and can continue to expect a substantial number of foreign immigrants, legal and illegal, the outcome of this debate will affect how both the public and its policy leaders think and act on the provision of human services to both newcomers and long-standing residents who immigrated from other countries.

By design, the report has something of a “futures” orientation; that is, it identifies and describes trends occurring now that will shape the Valley’s future, and offers projections on various topics to the year 2012. Despite the sage advice of famous futurist Herman Kahn to “never give a date when you make a prediction,” this report has culled data from a variety of sources in order to make predictions and suggest when they are likely to occur. Predictions can be a risky business; many social science reports shy away from them. At the same time, projections—while certainly imperfect—can be important stimuli to getting decision leaders to face up to what very well may lie ahead.

Few matters are as policy-sensitive as providing human services. In the most simplistic way, Greater Phoenix’s commitment to a sound human-services infrastructure can be measured by budget allocations, be they public or philanthropic. Human services compete for the same dollars and attention from policy leaders as do other public needs. In the end, though, the adequacy of human services will clearly be a function of the leaders’ priorities. Solutions to many problems of the human condition—as well as the quality of life for all residents regardless of their health and wealth—are profoundly affected by the programs the leaders choose to support.

The Authors, Their College, Their Mission

As mentioned above, this report is one aspect of, and a resource for, a multi-phase outreach project. It is an effort that includes researchers from every academic department, institute and center that comprise ASU’s College of Public Programs, which is located on ASU’s Downtown Phoenix campus. The Seidman Institute, a unit in ASU’s W.P. Carey School of Business, is a research collaborator.

Professor Debra Friedman, University Vice President and Dean of its College of Public Programs, initiated the project. Morrison Institute is the coordinator of Phase I, the production of this report.

In Phase II of the project, the authors will discuss the report with Arizona policy makers, executives of human-services-providing organizations, leading human-services practitioners and community leaders. Each author is an intellectual leader in his or her field and contributes to the College’s mission of innovation and discourse about public programs. Thus, the report also serves to inform Valley and state decision leaders and human-services practitioners on the intellectual and research talent the College has to offer. In Phase III of the project, the authors and College administrators will become resources to public, nonprofit, and private-sector leaders as they shape and, hopefully, implement plans and investments to create a human-services infrastructure that has the capacity to address the challenges that lie ahead—to the year 2012 and beyond.

Rob Melnick, Ph.D., has been the Director of the Morrison Institute for Public Policy at Arizona State University—Arizona’s oldest “think tank”—since 1987 and holds an academic appointment as research scientist in the School of Public Affairs. He also is Executive Director/Chief Operating Officer of ASU’s Global Institute of Sustainability.
The short answer to most questions about Greater Phoenix demographics—past, present, and future—consists of three familiar words: rapid population growth. Large and sustained increases in population have driven most socioeconomic trends in the area for decades, and promise to continue doing so. Retirees and young families, educated and uneducated, domestic migrants and undocumented immigrants, home-owners and renters, Hispanic and non-Hispanic—their unceasing arrival by the thousands dwarf other phenomena in its impact on all aspects of life. Associated with it are corollary trends that also bear notice in considering the future of human-services delivery in Greater Phoenix. These include:

- The strong growth of the Hispanic population, mostly due to an increase in the number of undocumented immigrants during the 1990s. With most of the immigrants being of prime childbearing age and with immigrants having relatively high birth-rates, the net natural increase of Hispanics also has been substantial.

- The peaking of immigration to Greater Phoenix. Even before the implementation of Arizona’s employer sanctions law, the number of immigrants to the Phoenix area had peaked. This law has the potential to substantially reduce the inflow of undocumented immigrants and to increase the out-migration of existing unauthorized immigrants. However, even if the law is ruled unconstitutional, the number of immigrants should continue to decrease.

- The impact of the economic cycle. Near-term changes in demographic and socioeconomic characteristics will be driven by the economic cycle. Economic growth has slowed sharply in recent months and a recession seems probable. A quick recovery from the downturn is unlikely given the severity of the Phoenix area’s real estate problems. A substantive economic recovery may be three years or so in the future.

Population Growth and the Economic Cycle

Nationally, population gains result from two sources: net natural increase (the excess of births over deaths) and net international immigration. With the numbers of each being largely consistent from year to year, the population grows at a relatively stable pace. Since 2000, the Census Bureau estimates the change to have been about 1%, or a little less than 3 million, per year. This is down a bit from the growth rates during the 1990s.

In contrast, the population of Greater Phoenix (defined in this report as Maricopa County) also is affected by domestic migration—the movement of people into and out of the area.
but within the United States. Domestic migration is highly sensitive to economic conditions. It varies substantially over time as it follows the economic cycle with a lag of several months. Thus, the annual growth rate in Greater Phoenix has been more variable than the U.S. average. However, largely because of the net inflow of domestic migrants, average growth rates in Maricopa County have been much higher than the U.S. average, exceeding 3% per year in all but one year since 1991.

The annual numeric gain in population in the Phoenix area is displayed in Figure 1. The economic cycle peaks in the early 1970s, late 1970s, mid-1980s, and early 1990s are obvious. The cyclical troughs also are clear, though the low points of the mid-1970s and early 1990s are lower than those of the early 1980s and early 2000s. In addition, population gains since the mid-1990s on average have been greater than in the preceding years.

**Domestic Migration**

Until the mid-1990s, most of the population growth in Greater Phoenix resulted from domestic migration. Despite an influx of immigrants since then, net domestic migration remains the largest source of population growth. Into the 1980s, most of the domestic migrants to the Phoenix area came from the Northern Plains and Great Lakes regions. An improved economy in those regions slowed the out-migration flow, though the net inflow to Maricopa County from this region remains substantial. Since around 1990, a much larger share of the domestic migrants to Maricopa County has come from other western states, particularly California. Many of the migrants from western states were born in the Northern Plains and Great Lakes regions.

Young adults always have represented a disproportionate share of the net domestic in-migration to Greater Phoenix. Retirees, particularly those retiring early, also have been disproportionately represented among the domestic in-migrants. However, the relative importance of retirement migration to the Phoenix area has declined since the late 1970s. While the increasing size and associated urban problems of Greater Phoenix likely have contributed to a flattening of retiree migration, the decline in relative importance has resulted more from an acceleration of net immigration of young adults, in part due to an influx of immigrants.

**Immigration**

The greater population gains in Maricopa County since the mid-1990s have resulted largely from increased immigration. Legal immigration to the Phoenix area has been limited in number, though the number has increased since the late 1990s. No official count of undocumented immigration is available, but estimates have been made by state. Unauthorized immigration to Arizona peaked in the late 1990s.

Undocumented immigration to the United States, particularly from Mexico, has occurred for decades, but historically relatively few of these unauthorized immigrants settled in the Phoenix area. Immigration from Mexico almost entirely has been employment-related, driven by greater opportunity and higher wages in the United States. Part of the reason why wages have been so low in Mexico has been the continuously larger size of the age cohort entering the workforce relative to the size of the older age groups.

The number of undocumented immigrants to the United States surged during the mid-1990s, with the Phoenix area becoming a favored destination. The increase in immigration largely resulted from two factors:

1. The implementation of NAFTA—the North American Free Trade Agreement—in 1994 initially caused economic difficulties in Mexico, culminating in a peso devaluation in December 1994. The result was an increase in the number of unemployed Mexicans and a widening in the wage differential between the two countries.

2. The United States was experiencing a shortage of workers due to a booming economy and a small number of native-born Americans entering the workforce relative to the size of the older age cohorts. During the baby boom (from 1946 through 1964), the number of births in the United States generally exceeded 4 million per year. In the subsequent baby bust (from 1965 until around 1980), the number of annual births got as low as 3.1 million in the mid-to-late 1970s. Thus, the number of Americans entering the workforce in the mid-1990s was far less than the size of the baby-boom generation workforce, resulting in a labor shortage.
The imbalance of jobs and workers was most pronounced in unskilled positions typically filled by youths (such as the fast-food industry), unskilled positions in physically demanding (e.g., crop picking) or undesirable conditions (e.g., animal slaughtering), and in certain industries needing a range of unskilled to skilled workers, such as construction. Young, relatively uneducated Mexicans (and Central Americans) were well suited to most of these job openings. Many Mexicans with greater skills, such as in the construction trades, also fit well with the needs of American employers.

Undocumented immigration to the Phoenix area peaked in the late 1990s. The 2001 recession and the slow employment growth that followed in the next couple of years reduced employment opportunities for immigrants. At the same time, the number of young native-born Americans entering the workforce began to increase. The number of U.S. births rose from a low of 3.1 million to nearly 4 million by the late 1980s—nearly as many as during the baby boom—and has remained approximately 4 million per year since.

Based strictly on demographics, the number of immigrants should continue to drop. Many more Americans will continue to move into the workforce than was the case a decade ago. In addition, birthrates in Mexico continue to fall. Within a decade or so, the number of Mexican youths entering the workforce will be no larger than the size of the older age cohorts. Thus, job availability in Mexico will be greater, with upward pressure on wages.

The implementation of the employer sanctions law in Arizona at the beginning of 2008 raises the possibility of a sharp decrease in undocumented immigration to the state, as well as an increase in the out-migration of existing unauthorized immigrants. Data are not yet available, but anecdotal evidence suggests that many undocumented immigrants already have left Greater Phoenix. Given the number of uncertainties regarding the law—whether its constitutionality continues to be upheld, and how effectively it will be enforced—its effect on the area’s economy and demography remains uncertain.

Projected Population Growth

The Arizona Department of Economic Security (DES) periodically has produced population projections by year for 50 years into the future. These projections divide population change into two components: net migration (domestic and international combined) and net natural increase. The latest population projections for Maricopa County were released in 2006.

The DES projections make no attempt to reflect the economic cycle. Not considering the economic cycle, DES projects that the increase in the county’s population will slow from 115,000 to 110,000 per year over the next few years. Net migration will drop a bit more than 5,000 while net natural increase rises slightly, due to the large number of young adults of childbearing age.

Given that the local and national economies slowed dramatically in late 2007 and early 2008, and that a recession likely either started around the beginning of 2008 or will begin soon, the DES near-term projections of population growth almost certainly will turn out to be substantially too high. Further, the projections were issued prior to the passage of the employer sanctions law, which appears to have already caused an increase in out-migration and therefore a slowing in population growth.

Characteristics of the Population

This section examines the demographic and socioeconomic characteristics of three geographic areas: the City of Phoenix, Maricopa County, and the United States. It primarily relies on the 1990 and 2000 decennial censuses, and 2005 and 2006 data from the American Community Survey (ACS). The ACS data for 2005 and 2006 should be used cautiously because of high sampling error and inconsistencies with decennial census data.

While a review of historical data is a useful starting point to predicting future conditions, the relationships of the past may shift in the future. Further, in the short term, the economic cycle takes precedence over long-term trends. Since the current economic cycle has shifted from strong growth to an apparent recession so quickly and so recently, projections issued prior to this cyclical shift are likely to be highly inaccurate in the short term even if they prove to be accurate over the long term.

Typically, a recession lasts several months to a little more than a year. In the past, economic growth quickly returned to a strong pace following the end of a recession; but the recovery period of the previous two recessions (in 1990-91 and 2001) lasted two years or more. Of particular relevance to current conditions, the housing boom of the early and mid-1980s was followed by several years of weak economic conditions. Therefore, given the existing problems in the housing market, a quick recovery from the current economic slowdown should not be expected. It easily could be 2011 or later until economic conditions markedly change for the better in the Phoenix area. Thus, the demographic and socioeconomic characteristics discussed in this section likely will be negatively influenced by economic conditions for some three years. After that, considerable improvement should occur, corresponding to better economic conditions.

Households and Group Quarters

More than 97% of the national population, and 98% of Maricopa County residents, live in households. The others live in group quarters such as correctional institutions, nursing homes, college dormitories, and military barracks. The group quarters population includes the homeless, but counts of the homeless are not available.

Nationally, average household size dropped slightly from 2.63 in 1990 to 2.59 in 2000, but has climbed marginally since then to 2.61 in 2006. Relative to the national average, household size in Maricopa County was less in 1990 at 2.59 but more in 2000 at 2.67. In the City of Phoenix, average household size was greater in 1990 and 2000 than in the county. It is unclear how much average household size has climbed since 2000 in the county and the city due to sampling error in the ACS.
For Maricopa County, the 2005 figure was 2.71 and the 2006 figure was 2.82; for Phoenix, the comparable figures are 2.74 and 2.93. It is extremely unlikely that household size changed that much in one year.

The Census Bureau classifies households as consisting of families (two or more related people) or nonfamilies (either those living alone or two or more people living together, no two of whom are related). In Maricopa County in 2000, the proportion of households consisting of married couples essentially was the same as the national average. However, the Phoenix area had a higher proportion of family households headed by a male with no female present and a lesser share of female-headed families. Single-person households were less common in the Phoenix area, but other nonfamily households were more common.

Nationally, the share of households consisting of a single person has risen; an increase in other nonfamily households during the 1990s has ceased (Table 1). The share of males heading a family without a wife present continues to rise, but the proportion of female-headed families has stabilized. While the proportion of married couples without children has held steady, the proportion with children continues to decline. Changes in the Phoenix area since 2000 have varied somewhat from the national average, but it is unclear whether the variation is real or a result of sampling error.

The national trends likely will continue through the next several years. In particular, large numbers of children of households headed by the baby boom generation continue to reach maturity and leave home. However, the weak economy likely will retard the formation of new households in the near term, particularly of single-person households.

**Race and Ethnicity**

The racial/ethnic composition of the American population has changed considerably in recent years, mostly as a result of immigration. In particular, the Hispanic proportion of the population has climbed significantly, and the Asian share also has grown. In contrast, the percentage of non-Hispanic Whites has fallen. The proportions of other groups, including non-Hispanic Blacks, hardly have changed. The population shift from non-Hispanic Whites to Hispanics has been more pronounced in Maricopa County, and particularly in the City of Phoenix, than nationally, as seen in Table 2.

The Hispanic proportion of the population probably will continue to rise during the next several years due to net natural increase, as births greatly outnumber deaths. Latinos not only have higher birthrates, but a large number of Latinos are of prime childbearing age. The rate of increase, however, should slow due to reduced immigration resulting from lesser job opportunities during the economic slump. Further, the employer sanctions law may result in additional slowing in the rate of increase in the Hispanic share in Arizona.

### TABLE 1 | Household Type | SHARE OF TOTAL HOUSEHOLDS

<table>
<thead>
<tr>
<th></th>
<th>FAMILY</th>
<th>NON-FAMILY</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Married w/ Children</td>
<td>Married w/o Children</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>26.7%</td>
<td>28.4%</td>
</tr>
<tr>
<td>1990</td>
<td>26.7%</td>
<td>28.4%</td>
</tr>
<tr>
<td>2000</td>
<td>23.5</td>
<td>28.1</td>
</tr>
<tr>
<td>2005</td>
<td>21.7</td>
<td>28.0</td>
</tr>
<tr>
<td>2006</td>
<td>21.6</td>
<td>28.1</td>
</tr>
<tr>
<td><strong>Maricopa County</strong></td>
<td>25.1</td>
<td>28.7</td>
</tr>
<tr>
<td>1990</td>
<td>25.1</td>
<td>28.7</td>
</tr>
<tr>
<td>2000</td>
<td>23.7</td>
<td>28.0</td>
</tr>
<tr>
<td>2005</td>
<td>22.1</td>
<td>26.5</td>
</tr>
<tr>
<td>2006</td>
<td>22.8</td>
<td>26.8</td>
</tr>
<tr>
<td><strong>City of Phoenix</strong></td>
<td>25.3</td>
<td>25.0</td>
</tr>
<tr>
<td>1990</td>
<td>25.3</td>
<td>25.0</td>
</tr>
<tr>
<td>2000</td>
<td>24.3</td>
<td>22.6</td>
</tr>
<tr>
<td>2005</td>
<td>21.1</td>
<td>20.8</td>
</tr>
<tr>
<td>2006</td>
<td>23.1</td>
<td>21.6</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Commerce, Census Bureau, Decennial Censuses and American Community Survey.

### TABLE 2 | Race/Ethnicity | SHARE OF THE TOTAL POPULATION

<table>
<thead>
<tr>
<th></th>
<th>HISPANIC</th>
<th>White</th>
<th>Black</th>
<th>Asian</th>
<th>Native American</th>
<th>Other*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States</strong></td>
<td>9.0%</td>
<td>75.6%</td>
<td>11.7%</td>
<td>2.7%</td>
<td>0.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>1990</td>
<td>9.0%</td>
<td>75.6%</td>
<td>11.7%</td>
<td>2.7%</td>
<td>0.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>2000</td>
<td>12.5</td>
<td>69.1</td>
<td>12.1</td>
<td>3.6</td>
<td>0.7</td>
<td>1.9</td>
</tr>
<tr>
<td>2005</td>
<td>14.5</td>
<td>66.8</td>
<td>11.9</td>
<td>4.3</td>
<td>0.7</td>
<td>1.8</td>
</tr>
<tr>
<td>2006</td>
<td>14.8</td>
<td>66.2</td>
<td>12.2</td>
<td>4.3</td>
<td>0.7</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Maricopa County</strong></td>
<td>16.3</td>
<td>77.1</td>
<td>3.3</td>
<td>1.5</td>
<td>1.5</td>
<td>0.2</td>
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<tr>
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<td>16.3</td>
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<td>3.3</td>
<td>1.5</td>
<td>1.5</td>
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<tr>
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<td>24.8</td>
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<td>3.5</td>
<td>2.1</td>
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<td>1.8</td>
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<tr>
<td>2005</td>
<td>29.2</td>
<td>61.2</td>
<td>3.7</td>
<td>2.6</td>
<td>1.7</td>
<td>1.6</td>
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<td>3.9</td>
<td>2.8</td>
<td>1.4</td>
<td>1.6</td>
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<tr>
<td><strong>City of Phoenix</strong></td>
<td>20.0</td>
<td>71.8</td>
<td>4.9</td>
<td>1.4</td>
<td>1.6</td>
<td>0.2</td>
</tr>
<tr>
<td>1990</td>
<td>20.0</td>
<td>71.8</td>
<td>4.9</td>
<td>1.4</td>
<td>1.6</td>
<td>0.2</td>
</tr>
<tr>
<td>2000</td>
<td>34.1</td>
<td>55.8</td>
<td>4.8</td>
<td>1.9</td>
<td>1.6</td>
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<tr>
<td>2006</td>
<td>41.2</td>
<td>48.2</td>
<td>5.4</td>
<td>2.2</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

*Beginning in 2000, those of more than one race are included.

Source: U.S. Department of Commerce, Census Bureau, Decennial Censuses and American Community Survey.
The age distribution of the Maricopa County population in 2006 is shown in Figure 2. The county had a younger population than the national average, with greater shares of children less than 10 years old and young adults between the ages of 25 and 34, and lesser shares of those 45 or older, particularly in the 45-to-54 age group. The median age of 33.6 in Maricopa County was nearly three years younger than the U.S. average, with the increase in median age in Maricopa County between 2000 and 2006 smaller than the U.S. average. Only 11% of the county's residents were age 65 or older, compared to 12.4% nationally. The population of the City of Phoenix was even younger, with a median age of 31.7 and less than 8% age 65 or older.

Thus, Maricopa County's reputation as a retirement mecca is overhyped and/or out of date. While retirement-age migrants continue to move to the area, their numbers are exceeded by the numbers of young adults moving to the area.

Differences over time in the age distribution follow variations in the number of births. For example, the baby-boom generation, born between 1946 and 1964, was from 42 to 60 years old in 2006. Thus, the proportion in the 45-to-64 age group rose in Maricopa County from 19.8% in 2000 to 22.1% in 2006.

Over the next several years, the shares of those 35-to-49 years old will decrease, according to the DES projections, as the baby boom generation exits this age bracket, replaced by the baby-bust generation. Only modest changes in share are expected in other age groups except for 50-to-69. As more of the baby boom generation will age into this group in coming years, increases in the share are projected. Besides the aging in place of current residents, the number of retirement-age in-migrants likely will rise as more of the baby boom generation reaches early retirement age. However, poor economic conditions in the near term may retard this increase in retirement-age migration, as potential migrants are unable to sell their existing homes at the desired price.

Migration and Language

The 1990 and 2000 censuses asked respondents to state where they were living five years earlier. Relative to the nation, a lesser share of Maricopa County residents were living in the same house five years earlier. Considerably higher proportions had moved from another dwelling within the same county or from another state, while a lesser share had moved from another county within the same state. Mobility was not quite as high among Phoenix residents as among those living in the remainder of the county. Nationally, little change in the shares occurred between 1990 and 2000, though the proportion moving from another state was down a little, offset by a larger share moving from outside the country. The increase in immigration was larger in Maricopa County and more so in Phoenix.

It is not possible to compare the ACS migration question, which asks respondents to state where they were living one year earlier, to results from the decennial censuses. However, mobility continues to be higher in Maricopa County than nationally, both within the same county and from outside the state. Nationally, the foreign-born proportion of the population rose considerably between 1990 and 2000 and by a lesser extent between 2000 and 2006 (Table 3). The percentage of foreign-born in Maricopa County was slightly less than
the national average in 1990, but due to substantial immigration since then, the proportion continues to rise more than the U.S. average. The percentage foreign-born is considerably higher in Phoenix, with more than one in five residents in 2006 foreign-born. Less than half of the foreign-born were naturalized citizens nationally, but this low percentage results in part from the recent immigration of so many and from the waiting period before a new resident can seek citizenship. Not even a third of the foreign-born in the Phoenix area were naturalized citizens in 2006.

In the 1990 and 2000 censuses, nearly one-fourth of the foreign-born living in the nation had entered the country in the preceding five years. This share dropped a bit in 2005. In Maricopa County, the percentage entering in the prior five years jumped between 1990 and 2000, reaching 35%, but the proportion dropped back to 30% in 2005.

The proportion of the households speaking only English at home decreased between 1990 and 2006 nationally, with a more substantial decline in Maricopa County. The proportion speaking Spanish as the primary language at home rose substantially in Maricopa County, from less than 12% to nearly 23%, between 1990 and 2006. The increase was even more substantial in Phoenix. However, the rate of increase in the Spanish-speaking population has been less since 2000 than during the 1990s. The proportion speaking an Asian language also rose, but remained below 2% in Maricopa County. The proportion speaking other languages was unchanged.

Of those living in the United States speaking primarily Spanish at home, just more than half spoke English “very well” —a percentage unchanged between 1990 and 2006. In contrast, in Maricopa County, this percentage was 60 in 1990, but fell to 48 in 2000 and 47 in 2006. In 1990 and 2000 (data are not available from the ACS), nearly one fourth of the Spanish-speaking households nationally were “linguistically isolated” (no member of the household at least 14 years of age spoke English “very well”). This was a smaller percentage than in households speaking an Asian language. In Maricopa County, however, the Spanish-speaking, linguistically isolated percentage rose from less than 19% in 1990 to more than 26% in 2000. These percentages were higher in Phoenix.

Due to the passage of the employer sanctions law, the proportion of Spanish-speaking households likely will fall in the coming years in the Phoenix area. If the law is voided, the Spanish-speaking proportion probably will drop slightly. The proportion of linguistically isolated households should decline more over time, as the bilingual children in the family become older and as more of the adults learn English.

### Educational Attainment

The Census Bureau generally expresses educational attainment in terms of the population age 25 or older. Largely because of increases in attainment of age cohorts born through the first half of the 20th century, this aggregate measure continues to show improvement. As the less-educated elderly cohorts die and are replaced by younger cohorts that have greater attainment, the attainment of the entire 25-or-older cohort continues to improve, even though only modest improvement in educational attainment has occurred among those born since the middle of the 20th century.

---

**TABLE 3 | Migration and Language**

<table>
<thead>
<tr>
<th>SHARE OF THE TOTAL POPULATION</th>
<th>MIGRATION</th>
<th>LANGUAGE SPOKEN AT HOME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foreign-</td>
<td>Naturalized Citizenship</td>
</tr>
<tr>
<td>United States</td>
<td>Born</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>7.9%</td>
<td>3.2%</td>
</tr>
<tr>
<td>2000</td>
<td>11.1%</td>
<td>4.5%</td>
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<tr>
<td>2005</td>
<td>12.4%</td>
<td>5.2%</td>
</tr>
<tr>
<td>2006</td>
<td>12.5%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Maricopa County</td>
<td>1990</td>
<td>7.3%</td>
</tr>
<tr>
<td>2000</td>
<td>14.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td>2005</td>
<td>16.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>2006</td>
<td>17.4%</td>
<td>4.7%</td>
</tr>
<tr>
<td>City of Phoenix</td>
<td>1990</td>
<td>8.6%</td>
</tr>
<tr>
<td>2000</td>
<td>19.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>2005</td>
<td>22.6%</td>
<td>5.9%</td>
</tr>
<tr>
<td>2006</td>
<td>23.4%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

* The proportion of those speaking Spanish at home who speak English very well.

Source: U.S. Department of Commerce, Census Bureau, Decennial Censuses and American Community Survey.
Educational attainment in Maricopa County is higher than the national average (Table 4). Greater Phoenix has higher proportions with a bachelor’s degree and with some college, and lower shares with only a high school education (both graduating and not graduating from high school). However, a higher proportion of Phoenix area residents than U.S. residents have less than a ninth-grade education, and the percentage with a graduate degree is no higher. Educational attainment in the City of Phoenix is lower than in all of Maricopa County.

These overall educational attainment figures disguise important age patterns between Arizona and the United States. While the state’s attainment overall was close to the national average in 2000, educational attainment among adults under the age of 50—most of the working-age population—was inferior to the national average, and by a rather wide margin among the youngest adults. In contrast, the state’s attainment among those 55 or older was above the national norm, and by a wide margin among the elderly (Figure 3). A similar pattern was seen in the 1990 census data, though educational attainment among young adults was not as far below the national average in 1990 as in 2000.

Domestic in-migration of more highly educated individuals has raised the state’s educational attainment, most noticeably among retirement-age migrants. In contrast, the immigration of large numbers of young adults with limited educational attainment has lowered the attainment of the state’s young-adult population.

Between 1990 and 2000, the proportion with at least a bachelor’s degree rose and the proportion with a high school diploma or less fell, both nationally and in Maricopa County. Between 2000 and 2006, the pattern changed somewhat in both geographies, as the proportion with some college declined, offset by an increase in the percentage with a high school diploma as the maximum attainment.

Little change in overall educational attainment is likely over the next several years. As the number of poorly educated immigrants falls, the growing differential between Maricopa County and the nation in educational attainment among young adults should slow. An increase in highly educated and affluent early retirees, due to the growing numbers of baby boomers reaching this age, should maintain, if not increase, the differential in attainment in the older age groups.

### Employment

The proportion of males age 16 or older who are employed has been higher in Maricopa County than the U.S. average, by an increasing margin over time. The female workforce participation rate has been marginally higher in Maricopa County than the U.S. average. In Phoenix, the percentage employed has been higher than the national average in both genders (Table 5).

The occupational mix in Maricopa County is a little different from the national average, with the proportions in sales and administrative support and in construction and extraction occupations higher in Maricopa County, while...
the percentages involved in production and transportation have been lower. Relative to all of Maricopa County, higher shares of Phoenix residents were in the services, construction and extraction, and production and transportation categories, with a lower share particularly in the management and professional category.

A higher proportion of the workers in Maricopa County were employees of a private-sector company than the national average. The share working in the public sector was lower than the U.S. average, despite the presence of the state capital. Self-employment also was less common in the Phoenix area.

Three-fourths of workers commuted to their workplace by driving alone in 2006, with the percentage slightly lower in the Phoenix area than nationally. The percentage carpooling has dropped nationally (to less than 11% in 2005) but remained constant in Maricopa County at more than 14%. Only 2% used public transit in Maricopa County, half the national average (the figure in Phoenix was a fourth less than the U.S. average). Mean travel time increased between 1990 and 2006, by more in the Phoenix area than nationally. The 26-minute mean commute in Maricopa County in 2006 compared to 25 minutes nationally.

The percentage employed is likely to fall in the near term as the weak economy causes employment growth to slow and the unemployment rate to rise. Later, as more baby boomers retire, the proportion of the population that is 16 or older that participates in the workforce will begin to fall.

### Income and Poverty

Various measures of earnings and income are available from the decennial census and ACS. Incomes reported in Table 6 have been inflation-adjusted to 2006 dollars. It is unclear how much of the fluctuation in real income over time is due to the economic cycle, and how much may be due to survey error (even in the decennial census). Because so many people refuse to report their income relative to the response rate on other questions, and because some misreport their income, the accuracy of income measures is less than that of other socioeconomic characteristics.

Incomes in Maricopa County have exceeded the national average. Measured by median household income, the differentials have ranged from 2.5% in the 1990 census to 8.4% in 2006. On a per capita basis, the differential has been between 3 and 4% except in 2005. In contrast, incomes in Phoenix have been below the national average. The differential in median household income has been 2 to 4%, except for 8% less in 2005. Per capita income has slipped from 2% less in 1990 to 8-to-10% less since.

Median earnings of a full-time year-round worker in Maricopa County in 2006 were 4% less than the national average among males, but among females, earnings in Maricopa County were 8% less than the U.S. average.

<table>
<thead>
<tr>
<th>TABLE 5</th>
<th>Employment</th>
<th>SHARE OF THE POPULATION 16 OR OLDER</th>
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<tr>
<td></td>
<td>EMPLOYED</td>
<td>OCCUPATION*</td>
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<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>United States</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>68.1%</td>
<td>53.1%</td>
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<tr>
<td>2000</td>
<td>65.8</td>
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<td>2005</td>
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<td></td>
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</tr>
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<td>2000</td>
<td>68.6</td>
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<td>2006</td>
<td>71.4</td>
<td>55.3</td>
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<td></td>
</tr>
<tr>
<td>1990</td>
<td>72.3</td>
<td>57.3</td>
</tr>
<tr>
<td>2000</td>
<td>69.2</td>
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<td>2005</td>
<td>74.9</td>
<td>57.9</td>
</tr>
<tr>
<td>2006</td>
<td>73.1</td>
<td>57.1</td>
</tr>
</tbody>
</table>

* Occupational categories in 1990 were not equivalent to those used in 2000, 2005 and 2006.

Source: U.S. Department of Commerce, Census Bureau, Decennial Censuses and American Community Survey.

| TABLE 6 | Income and Poverty Rate |
| --- | --- | --- |
| | Median Household Income* | Per Capita Income* | Poverty Rate |
| United States | | | |
| 1990 | $44,600 | $21,398 | 13.1% |
| 2000 | 50,017 | 25,711 | 12.4 |
| 2005 | 47,702 | 25,825 | 13.3 |
| 2006 | 48,451 | 25,267 | 13.3 |
| Maricopa County | | | |
| 1990 | 45,700 | 22,214 | 12.3 |
| 2000 | 50,023 | 26,502 | 11.7 |
| 2005 | 50,249 | 25,966 | 12.5 |
| 2006 | 52,521 | 26,213 | 12.5 |
| City of Phoenix | | | |
| 1990 | 43,465 | 20,917 | 14.2 |
| 2000 | 49,079 | 23,622 | 15.8 |
| 2005 | 43,690 | 23,180 | 16.4 |
| 2006 | 46,645 | 23,076 | 17.2 |

* Income expressed in constant 2006 dollars.

Source: U.S. Department of Commerce, Census Bureau, Decennial Censuses and American Community Survey.
higher than among their national counterparts. Median earnings were much lower among Phoenix residents than residents of the remainder of the county: 15% less than the national average among males and equal to the national average among females.

The poverty rate fluctuates with the economic cycle, being highest during and shortly after a recession. Thus, the trend in the poverty rate cannot be perceived from a limited number of observations taken at different stages of the economic cycle. In 1989, the economy had already slowed prior to the 1990-91 recession. In contrast, in 1999, the economy still was strong. By 2006, the economy was strong, having recovered from the 2001 recession, but poverty rates remained higher than in 1990 or 2000.

In each of the four years displayed in Table 6, the poverty rate in Maricopa County was 0.7 to 0.8 percentage points lower than the national average. In contrast, the poverty rate in Phoenix consistently has been higher than the U.S. average, with the differential ranging from 1 to 4 percentage points; the high rate in the city in 2006 probably was affected by sampling error.

Among children, the poverty rate in Maricopa County generally has been slightly less than the national average. The poverty rate among children in Phoenix has been considerably higher than the county figure, particularly since 2000. Among working-age adults (ages 18 to 64), the poverty rate in Maricopa County also has been a little lower, while the rate in Phoenix has been higher, than the U.S. average. In contrast, senior citizens in Maricopa County experience considerably less poverty than their national counterparts. In Phoenix, the poverty rate of those 65 or older has fluctuated from lower to higher than the U.S. average.

In 2007, real incomes and poverty rates probably were marginally better than in 2006.

Going forward, however, real incomes are likely to fall in the near term then to rebound as the economy recovers from the recession. Poverty rates are likely to rise, then to stabilize, as the economy improves.

### Housing

A bit more than two-thirds of the housing units in Maricopa County were owner-occupied in 2000, 2005, and 2006, up from 63.3% in 1990. These proportions are similar to the national average. In the City of Phoenix, however, homeownership is less common (less than 61% in 2006) and does not show an upward trend.

More than 60% of the dwelling units in Maricopa County in 2006 were single-family detached houses, a bit higher than the national average. Single-family detached houses made up a slightly lower proportion in Phoenix (Table 7). Single-family detached shares have climbed a little over time nationally, with a larger gain in Maricopa County. Large apartment complexes (buildings of five or more units) made up 20% of the housing units in Maricopa County in 2006, a higher share than in the nation. While the national share has changed little over time, the large-apartment share has declined in Maricopa County. In Phoenix, the percentage was higher at 26. The share of mobile homes has dropped in Maricopa County while holding nearly steady nationally.

Median gross rent in 2006 was higher than the U.S. average in Maricopa County, but near the U.S. average in Phoenix. The 2000-to-2006 percentage increase was lower in Maricopa County and Phoenix than the national average. In contrast, the percentage change in the median home value was nearly twice as high between 2000 and 2006 in Maricopa County and Phoenix as the national average, with the median moving from similar to the U.S. total to substantially higher (in Maricopa County, 48% higher). With incomes not rising as much as housing prices, housing became relatively more expensive nationally. Affordability fell much more in the Phoenix area.

Since 2006, housing prices have dropped nationally and in the Phoenix area while incomes have continued to rise, helping affordability to improve. However, affordability in Maricopa County remained historically very low in late 2007, limiting the purchase of homes by first-time buyers and by in-migrants.
Seasonal Residents

Very little data are available concerning the number and characteristics of those living in Greater Phoenix for only part of the year. According to the 2000 census, 4.3% of the housing units in Maricopa County were held for seasonal, recreational, or occasional use, a higher percentage than the national average of 3.3%. However, the proportion was quite low in the City of Phoenix, at 1.1%. Similar data are not available from the ACS.

Historically, many (approximately half) of the seasonal residents of the Phoenix area lived in travel trailer and mobile home parks. In order to estimate the number and economic impact of seasonal residents, an annual survey of these parks was conducted by two members of the economics department at Arizona State University. Occasional additional surveys were conducted to determine characteristics of the seasonal population.

These studies indicated that a greatly disproportionate share of the winter residents lived in the Mesa-Apache Junction area. The far northwest Valley (near the Sun Cities) was a much smaller secondary site. Over time, the length of stay increased, with some living in Greater Phoenix more than half the year, but still considering their other home to be their primary residence. These winter residents were disproportionately from upper Midwestern states and western Canada. Many were from farming communities and smaller towns. Nearly all were at least 60 years old, though some remained active farmers. They were not particularly affluent. Other seasonal residents lived in other types of housing. Scottsdale was popular with more affluent visitors, who either owned a second home or rented an apartment or house for the season.

After years of increases, the number of seasonal residents living in travel trailer and mobile home parks has held steady or declined in recent years. Given the outward growth of the Phoenix area, some of the parks have been demolished so that the land can be used for other purposes. With increases in home prices and subsequent foreclosures, more of the units in the remaining parks are occupied by year-round residents of the area.

Qualitative information suggests that the total number of seasonal residents continues to rise, despite declines in those living in mobile home and travel trailer parks. A new breed of “snowbird” is increasingly choosing to live in single-family residences (detached houses, condominiums and townhouses). Many of these are owned units (second homes) outside of the historically popular areas of seasonal residences. During the recent housing boom, circumstantial evidence suggests that a disproportionate percentage of the homes purchased were second (or third) homes of rather affluent households who were not of traditional retirement age. An educated guess is that at the peak of the season in February, approximately 200,000 seasonal residents live in the Phoenix area.

Tom Rex is Associate Director for the Center for Competitiveness and Prosperity Research, a research unit of the W.P. Carey School of Business. He has worked on various multidisciplinary projects, mostly in his role as policy research associate with the Morrison Institute for Public Policy or for the Central Arizona-Phoenix Long-Term Ecological Research project, each at ASU.

NOTES

1 The population statistics unit of DES recently was transferred to the Arizona Department of Commerce.
2 Beyond the next few years, the population growth projected by DES is reasonable. While a perception exists that the growth of Arizona and the Phoenix area consistently has been underprojected, a review of the historical accuracy of population projections for Arizona indicates that this has not been the case. Projections made by DES and other sources have tended to be too high when issued at times of rapid economic growth and too low when issued during economic downturns.
3 While the ACS provides annual data that have not been available previously, the sampling error for a single year is extremely high, even for an area as populous as Maricopa County. The ACS is replacing the long form of the decennial census, historically the source of most socioeconomic data. The long form of the census questionnaire was sent to approximately one in eight households, with sampling error small for areas with a substantial population, such as the City of Phoenix. The design of the ACS is to nearly match the sampling error of the decennial census long form after aggregating the results of surveys conducted over five years. Since the first year of full implementation of the ACS was 2005, and since the results are released about nine months after the end of a year, it will be late 2010 before the results of five years of ACS surveys will be available.
4 In addition to the high sampling error in currently available ACS data, the ACS results are not exactly comparable to the decennial census results. The long-form data from the decennial census were expressed mostly as of a point in time (census day: April 1), though the time frame of some questions was the prior calendar year. The ACS data are collected continuously, with the results for a given year coming from surveys collected throughout the year.
5 Additional issues plague the comparison of long-form decennial census data and ACS data. In the census, seasonal residents are counted at the address of their primary home, even if they are residing at their secondary home on census day. In the ACS, respondents are counted at the place they are residing when contacted, if their total stay at that address will exceed two months. Thus, winter visitors have been excluded from the decennial census counts of Phoenix area residents, but some will be included in the ACS. Since winter visitors to the Phoenix area likely differ from permanent residents in nearly all regards, the ACS results will differ slightly from the decennial census figures over a broad range of characteristics.
6 While the wording of most questions in the ACS matches that of the decennial censuses, some differences exist. For example, the migration question in the decennial census asked where people were living five years earlier; the ACS time frame is one year.

4 Many of the changes in percentages in Table 2 since 2000 likely are due to sampling error. For example, it is unlikely that the Hispanic proportion in Phoenix declined between 2005 and 2006, but whether the 2006 figure is too low or the 2005 figure is too high cannot be determined.
5 Based on the entire one-in-eight long-form sample, the Census Bureau provided detail on educational attainment by age in 2000 only to the state level. For 1990, the smaller 5% Public Use Microdata Sample—PUMS—had to be used even for the state.
6 Incomes and poverty rates from the decennial censuses are expressed for the preceding calendar year (1989 and 1999). In the ACS, the figures are for the preceding 12-month period, inflation-adjusted by month to represent the average for the preceding calendar year.
HUMAN-SERVICES INFRASTRUCTURE OF GREATER PHOENIX

John Hall, Ph.D., Professor, School of Public Affairs

Introduction

When people visit Greater Phoenix from other parts of the country, particularly large cities of the Northeast and Midwest, they often comment on its modern look and feel. “Clean,” “new,” and “functional” are words frequently used to describe this place, with good reason. Vast construction projects have transformed cotton fields and citrus orchards into new housing. Public infrastructure has spread as municipal boundaries have proved elastic and as city populations and housing developments have mushroomed. The land is increasingly changing into a built environment.

But Greater Phoenix is more than merely a set of physical accomplishments. For example, a recent comparison of the Phoenix and San Diego metropolitan areas highlighted many similarities, such as population size, global economic aspirations, sunbelt prominence, city government form, and professional sports competitions. But the article concluded that many in San Diego thought of Phoenix as a “can-do” place, able to make decisions and build its physical infrastructure faster than most booming urban areas—including San Diego.

As the author put it: “Phoenix gets things done. In San Diego, they just talk about issues” (Perry 2000). The fear expressed by one participant at a San Diego futures forum at about the same time was that, from an economic-development perspective, “Phoenix is poised to eat our lunch!” According to one leading expert on Southwest government, there is at least some truth to these concerns:

In Phoenix, at least there is some coherence in growth planning, some significant political tradeoffs have been made. That’s not the norm in San Diego where everything is about what can a given policy or vote do for a person’s district. People seem to feel better about what is happening in Phoenix. (Bridges 1999)

What accounts for these concerns? In part it is the history and development of the two places and the gradual development of values and agreements that underlie the policy process. This is what some scholars refer to as “political” or “governmental” culture. This in turn impacts community definitions of progress, process, and indicators of success and failure.

Yet the question lingers: What is Greater Phoenix becoming? Physical markers of progress in Greater Phoenix are real and impressive:

- New housing and infrastructure making new cities out of places like Gilbert, Surprise, and Buckeye that only recently were desert outposts
- A new community development in downtown Phoenix fueled by a new light rail
- A new campus of Arizona State University that will create a more vibrant downtown
- New stadiums and shifting municipal locations for the many sports teams that call Metro Phoenix home
An abundance of baseball spring training sites

A new freeway system, largely constructed since the late 1990s with a much more significant share of state and local revenues than similar but older systems

The ability to make investments in regional physical infrastructure helped to position this 21st century urban region to move forward in the global economic chase. In fact, hyper-growth appears to demand more and better physical arrangements for transportation, housing, jobs, and economic development—a form of urban chain reaction that points to a “megapolitan” future. This is a future in which Greater Phoenix expands and connects to a growing Tucson metropolitan area forming an urban corridor that becomes one of the nation’s 10 megapolitan regions. It is projected to be home to more than 10 million people—more than 80% of Arizona residents—by 2040.

Promising as this development may appear, issues of neglect remain in other domains of community development. At a minimum, Greater Phoenix needs to ask itself: What is the human side of megapolitan development? Specifically, some claim that human services in Greater Phoenix suffer or at least lag behind the large material investments. This is a serious charge. Is it true? Will the rising tide of economic development lift all boats, or will some be left at shore? Why is this at least a partially accepted image of the Greater Phoenix condition? And what are the public policy implications of these questions?

Good answers require both data and dialogue. This report provides some of the needed data and suggests other sources. Its goal is also to help set the stage for a community dialogue on the human-services infrastructure in Greater Phoenix.

Human-Services Infrastructure

At the heart of every community, system, or organization is a basic underlying framework, or infrastructure. In communities of place, this is often used as a synonym for the built environment. Yet community infrastructure means much more. Beyond the physical and formal are other evolving elements of community infrastructure including the social, civic, economic, environmental, and human connections that intersect to form the foundation of community. Building full community capacity is a long-term balancing act that requires investment in each of these domains, and sustained evaluation of the effects of such investments. To understand the strength and capacity of the human-services infrastructure of Greater Phoenix requires that we first examine what is meant by “human services.”

Defining human services in a manner that captures both their dynamic nature and their context within a given community has proven to be an incredibly difficult task. Mehr (1980) probably states the dilemma best when he writes that “[human services] is a concept which means many things to many people...” (p. 3). Such ambiguity certainly has not prevented scholars and practitioners from attempting to conceptualize the field, however. And while they do not agree on all-encompassing definitions, they assert certain issues as priorities, which helps to map the general terrain of human services. Different scholars and practitioners tend to emphasize different priorities. At their core, however, they do share fundamental beliefs in the provision of increased opportunity and the enhancement of the human experience.

There is also sustained scholarly debate over whether human services are ones designed solely for those who are of lesser means and opportunity. For instance, Mehr argues:

[the term, human services, has become an all encompassing phrase used to label those services provided to individuals or groups who, for whatever reason, have failed to be included in the mainstream of our society and culture, or who experience the pain and anguish of life in our troubled times (p. xiv).]

However, some scholars disagree. In fact, Kamenman and Kahn (1976) assert that human services are not intended for the disenfranchised alone, but for the betterment of all community members. Policymakers are speaking to this definition when they promote public policies aimed at the general improvement of community quality of life and human well-being. Among both scholars and practitioners, however, no doubt exists that special emphasis is placed upon the provision of services to the neediest members of society.

With disagreement about the fundamental nature of human services and about who should be targeted for them, it naturally follows that there are also different priorities concerning what actually comprise the field of human services.

For example, as a national agency, the U.S. Department of Health and Human Services works toward enhancing the health and well-being of all citizens, and therefore offers a broad range of services from health-related research to food and drug safety, to home-delivered meals to financial assistance to the poor. Yet a review of national interest groups, such as the American Public Human Services Association and the National Organization for Human Services, reveals that this all-encompassing approach is not a forgone conclusion, even among human services-related organizations. The American Public Human Services Association clearly aligns ideologically with Mehr and focuses solely on those services and agencies that benefit the poor the most (e.g., public welfare, food assistance, etc.). The interests of the National Organization for Human Services, however, are much broader, focusing on an integrative approach to the provision of human services across all social sectors. In an elaborate comparative study of nonprofit-sector delivery of human services in 16 major metropolitan areas of the U.S., the Urban Institute (Salamon et al., 1987) developed a broad set of human-service sub-sectors parallel to major federal domestic programs, which included:

- social services
- employment and training
- housing and community development
- health care
- arts and culture
- income assistance

Within these broad sub-sectors, there is great variation in type of program, conditions for eligibility, targeted recipients and so forth. There is ample reason to believe that all are generally designed to respond to poverty and related problems. But program by program, activity by activity, and year by year, there is great variation in approach, targeted populations, and evaluation of outcomes.

The nature of human-service definitions, disputes, and dynamics means that every local area must contend with the complexity that these variations produce. That is certainly the case in Greater Phoenix. For example, the Maricopa County Association of Governments’ (MAG) Human Services Council asserts as its priorities the human services that target children, adults, families, elderly, persons with physical disabilities and those with developmental disabilities, as well as specialized areas of interest like homelessness and domestic violence. MAG is in the process of developing important refinements of its human-services focus, described below as an excellent example of resilience solutions to human-services issues.

The Valley of the Sun United Way (VSUW) attempts to focus full community resources on the most critical human care needs of the Greater Phoenix region, and in the process build community for the region. VSUW serves as a convener, collaborator, funder, and leader in addressing a broad range of health and human-services issues. VSUW works with many community organizations across sectors helping individuals in crisis (such as the homeless) move toward stability.

Meanwhile, Arizona State University provides research and teaching emphasis on criminal justice and violence-prevention, mental-health and substance-abuse treatment, lifelong learning, gerontology, community development, quality-of-life issues, and advocacy and leadership effectiveness.

The focus of this College of Public Programs study is preparing to meet the demands on the human- and social-service sectors in Greater Phoenix in the years to come. The health of the community as a whole depends upon our collective ability to advance the well-being of the poor, the young and the old, the mentally ill, and others in need. Special emphasis is given to understanding the special needs of the Hispanic community and the capacity of the nonprofit sector, but the priorities are all-inclusive.

This definitional complexity remained apparent when we talked with a small and experienced group of human-service practitioners in the Phoenix area. Asked to define human services and the human-services infrastructure in Greater Phoenix, they offered the following:

- Human services are “about meeting a defined need in the community, providing opportunities to those who cannot achieve them on their own. Providing a link between needs and resources. It is also a network, but very loosely based. This network is inconsistent, and not as well tied together as it could be. It is made up of government, nonprofit, and faith-based organizations.”

- They do a lot with not enough, and the “a lot” is not enough. We have explosive growth, and the human-services infrastructure is not keeping up with growth. Just look at the West Valley. The kind of growth is low-income wage growth, and it is transitory. So, people come here without support systems in place. The sector is trying its best, but it’s not enough.

- Human services is really the social-service structure and network, at least in this capacity. It is a structure; it is systems, comprised of programs and services. It is intended for everybody, but there are programs that are very targeted toward people who need greater assistance. One example is in the senior-services area; it is not just for low-income seniors. It is for everyone, and it is all over the city. Therefore, the programs reach all sorts of demographic groups at the senior level.

Clearly, how the human-services field is defined and viewed depends on the perspective of the observer. To this point, we have reviewed perspectives of experts. Still other angles amplify the variation in perspective that accompanies human-service
infrastructure. Figures 1, 2 and 3 help to illustrate this and to describe elements of traditional human-service infrastructure. These illustrations are each equivalent to snapshots: reality in Greater Phoenix, as elsewhere, means much is in motion. From the viewpoint of a potential client entering the human-services arena for the first time, the network of services is potentially overwhelming (Figure 1). Because both public and private human-services providers are linked through a shared network of interests, funding sources, and clients, it behooves the potential client to enter the network at the “right” place. If she does not enter the network through an optimal entryway, or is not evaluated by the right caseworker, she may not receive all the services needed or available. While agencies can be graphically portrayed by experts as a connected network, they are not all necessarily directly connected with each other.

For example, while basic services such as housing and food are often directly linked, services related to crisis intervention and to psychotherapeutic services are not necessarily directly connected (Figure 1). Similarly, people in need who have been hospitalized may not receive the full complement of services available and useful in recovery, depending on the skill of a hospital discharge planner. As one recent article notes, “In human services, the discharge planner is the equivalent to the supply chain or logistics specialist in the new economy. Just
not as highly valued or compensated” (Hoffman, 2007). So while a potential client may have access to a variety of services through a network of human-services agencies, it is rare that any one agency fully assesses all of a client’s needs and provides for them.

Of course, human-services agencies are connected not only through shared clients and shared causes, but also by a network of funders. For example, if one were to look at the actual and potential funding sources of Chicanos Por La Causa, a prominent local nonprofit agency that serves a largely Hispanic population, one can ascertain that funding comes from a variety of sources (Figure 2). Like the human-services sector itself, funding sources for the agencies that comprise it are both public and private, and are interconnected through shared interests and (sometimes) clients. In the case of a local nonprofit organization like Chicanos Por La Causa, funding sources could originate from a variety of agencies at the federal level, through connections to state and local agencies, and through other nonprofit organizations as well. Thus, when one follows the money trail of a nonprofit agency—rather than the trail of services, in the case of the client perspective—the human-services sector looks like a different but equally complicated network.

To gain a broader understanding of the region’s human-services sector, however, we can view the interaction between both funders and service providers. As demonstrated in Figure 3, the human-services sector in Greater Phoenix is made up of an interconnected network of federal, state, and local agencies; national, statewide, and local nonprofit organizations; and national, statewide, and local foundations. In addition, national, state, and local research institutions are engaged in evaluation, research, and education within the human-services domain. Yet, while the flowchart in Figure 3 indicates the scope of the human-services sector, it does not capture the sheer magnitude of the sector in Greater Phoenix and its reach into communities. Nor does Figure 3 portray the vast differences in scope, authority, and public accountability among individual agencies of this sector. For example, the Arizona Department of Economic Security alone, which houses all the state’s social service programs, employs more

**FIGURE 3 | The Regional Human-Services System is a Complicated Cross-Sectoral Mix of Providers and Funders**

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than 10,000 people and has more than 230 offices throughout the state. This agency operates in collaboration with hundreds of other public and private agencies that provide service and funding for the human-services sector.

DES is the 900-pound gorilla in the Arizona human-services room.

Several points seem clear. To begin, the human-services sector of Greater Phoenix is broad, diverse, and complicated. As one local expert put it, the human-services sector really is not a “system.” Rather, human services are “…unlike highway systems or railroads. Human-services needs are more complex than throwing up a building. Physical infrastructure is, by and large, formulaic. Human needs and conditions are not formulaic. The physical infrastructure plays into the human-services infrastructure. The physical is happening so rapidly that human services can’t keep pace either, with the mobility of people.”

It is also clear that, among the 1,000-plus nonprofit and government organizations providing human services in Greater Phoenix, there are many links and some redundancies; there is both collaboration to meet pressing needs and competition for scarce resources. For example, feeding homeless people is an important collaborative task, yet leaders of two organizations involved in this effort at the Phoenix Human Services Campus question whether it makes sense for a downtown-area church to also do so.

Governance of this vast sector is very much a story of shared power and responsibility. Overall, the human-services sector has significant latent power of shared interests, as well as the power of coalition. The potential is deep, but the power map is complex and diffuse. As “Good to Great” guru Jim Collins puts it, particular groups of social-sector service-providers may have to answer to such varied governance authorities as “…a nonprofit board composed of prominent citizens, an elected school board, a governmental oversight mechanism, a set of trustees, a democratic religious congregation, an elected membership association or any number of other species of governance…” (Collins, 2005, p. 10). When relatively autonomous groups of service-providers such as volunteers, civil servants, public unions, and tenured faculty are added to the mix, it is clear to Collins that human-service leaders “…simply do not have the concentrated decision power of a business CEO.”

To better understand both competition and collaboration within the human-services domain, the simple direction is the one made famous in film and literature: “Follow the money” (All The President’s Men), or “Show me the money” (Jerry Maguire). To do so, one must examine a dense matrix of intergovernmental and private funding that supports human services. There are many grants of various types and purposes flowing from federal, state, and local governments to support human-services efforts. Other major sources of funding include individual donations of time and money, corporate grants, foundation funding, and user fees and charges. To follow the money in this arena usually requires original research, putting together financial information from many sources and controlling for double counting among levels of government. There is no comprehensive “human-services budget” for Greater Phoenix or any other urban area.

In short, while “follow the money” represents sensible advice, it is hard to do. The most extensive examination of this region’s human-services budget was done as a part of a massive Urban Institute study of spending and funding in 12 urban regions of the United States (Hall and Altheide, 1984). This study has not been fully replicated but important trends revealed by tracing financial flows at that time appear to remain. The first is that the largest share of funding for the overall nonprofit human-services sector is from government (combined federal, state and local)—about 40% of total revenue. Combining this with user fees and charges (about 27%) means that less than one-third of nonprofit revenue for human-services activities comes from private, voluntary sources. A similar pattern was found in the other 11 urban sites studied.

These data were gathered during the domestic budget cuts of the early years of the Reagan presidency. Since many of those cuts were restored and augmented, and since subsequent growth in domestic and entitlement budgets is well documented, it is likely that this general pattern remains, in Greater Phoenix and elsewhere. This is important because of the well-discussed trend toward “stovepipe” or “silo” funding and programs within human services. That is, among the many grants and programs that governments fund, there are different specific requirements and targets. Simply understanding all resources that are available and all conditions for their use is a challenge. Linking available categorical resources to broad
agency goals is a craft that requires constant attention, as Figure 2 suggests. Yet the importance of government funding to the sector demands a narrow funding and programmatic perspective that may detract from agencies’ central missions. For some key players in the human-services delivery world, the Catch-22 is that survival instincts based on noble goals may over time breed dependence and goal displacement.

The Future: Human Services in Greater Phoenix

What is the current state of the Phoenix human-services infrastructure, and what might it become? The sustained population growth of Greater Phoenix, a well-known driver described elsewhere in this volume, is central to understanding the human-services context. This growth can be viewed positively as both the cause and, over time, the effect of a sustained economic boom that is the envy of many places. Yet population growth, even of the more diverse type that Greater Phoenix has tended to receive, is not necessarily a greater good. Significant human, environmental, and even spiritual side effects are seen and forecast. Relentless population growth and collateral building and development raise significant questions about sustainability of the area and about the resilience and well-being of the people who inhabit it. These concerns are well articulated in a recent report from Seattle:

“Growth” has been a buzzword in our society. More is better. But are more people, more highways, more factories, more consumption intrinsically better? Cancer, too, is growth—growth out of step with the body, the larger system it depends on. A co-intelligent community, conscious of its internal and external interconnectedness, would not seek endless growth of its material “standard of living.” Rather, it would seek sustainable development of its “quality of life,” as manifested in the welfare of its members, the vitality of its culture and the health of the natural environment in which it was embedded.

(http://www.co-intelligence.org/S-sustainableSeattle.html)

Far more important than population growth per se is the way it is incorporated into a 21st century Greater Phoenix context. Exactly how the relationship between growth and human services evolves will be dependent on many factors and many choices. The future is unknown and must be the focus of a continuous “learning governance” approach. Yet the contours of the human-services infrastructure, and known demographic trends, offer a starting point for thinking about potential future outcomes.

To begin: On the strength side, there is the draw—the reason people flock to Greater Phoenix in the first place. Those migrating here are a diverse group, but they generally share in the promise of the place. A new job, a new lifestyle, meeting new neighbors from around the globe, and other elements of a hopeful and promising future represent both reasons for coming to Phoenix and potentially powerful shared resources for newcomers and the community. Thus, population growth can be seen as a positive human-services force, a resource for volunteerism, community building and general source of human capacity. In addition, dynamic Greater Phoenix growth patterns strongly suggest the need for a human-services infrastructure that is nimble and flexible, able to learn, collaborate, and match resources in creative ways.

Naturally, significant challenges associated with continued rapid growth should also be examined. Some of this growth will equate to additional demand on the existing human-services institutions described in this report. One logical reaction in a system that can be said to be comparatively under-funded will be for human-services advocates and managers to stress the need for additional funding and institution building for the future. Indeed, in a recent comparison of like cities and states, MAG ascertained that, in 2005, Arizona received fewer funds through Community Development Block Grants than did other states with comparable numbers of residents; Phoenix received approximately $9 million less than the average comparable municipality. In addition, according to a recent Morrison Institute report, Arizona ranks 48 out of the 50 states in spending on healthcare per capita—health being one of the primary human-services focuses.

But as important as funding parity is, it would be a mistake to stop with a plea for more resources. For one thing, such pleas at a time of lean state and local budgets are less likely to be heard. More importantly, to prepare for the growth and change that will define the area, it is vital to think about what this human-services infrastructure system could and should become. To start that process, it is useful to examine advantages and assets to build on as well as to think “outside the box” about ways to achieve desired human-services changes. A community dialogue about human services in the future of Greater Phoenix could begin by asking important questions such as:

- What is the public and private investment in regional human services?
How has this total investment changed over time and by per capita measures?

How does the Phoenix area compare to other urban regions in human-services investment?

What are the differences in financial conditions among sub-sectors of human services in the Phoenix area?

Other good questions are likely, but answers are difficult because data are lacking. To better understand and improve the region’s future human-services infrastructure will require better information and evaluation of efforts. This could include:

- A Greater Phoenix human-services budget by functional areas of human services
- An inventory of needs, assets, and human-services delivery mechanisms by geographical sub-regions of Greater Phoenix
- Comprehensive, objective evaluation of existing human-services interventions that are systematically connected in larger system evaluations
- A region-wide community indicators effort that specifies desired human-services outcomes and measures to track progress toward those goals

These and other forms of information could be brought together in a community-wide strategic planning process that should be deep, inclusive, well designed and facilitated. Such a process could examine human services as a whole and articulate a purpose and design for the future that would build a more coherent, efficient and effective human-services infrastructure. Ultimately, this process could be invigorated by and result in innovative approaches that might well move from traditional views of human services described earlier in this chapter to ideas about desirable human development outcomes and how to get there. One framework for that discussion is the “resilience perspective,” the topic of a separate chapter in this volume.

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NONPROFITS: DELIVERING HUMAN SERVICES

Robert Ashcraft, Ph.D., Director, Lodestar Center for Philanthropy and Nonprofit Innovation, and Associate Professor, School of Community Resources & Development

Introduction
The nonprofit sector in Greater Phoenix represents thousands of organizations that provide essential human services to area residents. Nonprofits, especially those associated with charitable activities, are often best known for providing human services at the neighborhood level. For many residents, these organizations represent the heart of human-services delivery. But nonprofit organizations also play a special role at the societal level in assuring a vibrant and responsive democracy.

Functioning within the “third” sector, some nonprofits operate in a place between the market and the state by filling service gaps not popular enough for government to provide or profitable enough for business to offer. Yet other nonprofits are the very delivery systems that government depends upon to provide essential human services. These nonprofit service-providers often work in partnership with government to deliver essential human services that affect the quality of life for all citizens. In either case, nonprofits are where social entrepreneurs can often be found, seeking innovative solutions to social problems. Nonprofits feed the hungry, develop youth, nurture spirit, enhance culture, revitalize neighborhoods, protect the environment, and improve the quality of life for families: That is, they have a unique place in the social, economic, cultural, environmental, and civic life of communities. Policy leaders and practitioners must understand the role of nonprofits if they are to address the challenges of providing human services in Greater Phoenix during a time of explosive growth. The purpose of this chapter is to consider the role of nonprofits in providing human services.

Examining nonprofit organizations in Greater Phoenix and Arizona reveals parallels to the robust growth found in other industries. Such an analysis is limited, however, if one seeks to fully understand the contribution of nonprofits to social cohesion through citizen engagement. For besides serving their clients’ basic needs, nonprofits provide ordinary residents with pathways where their values are expressed. These values are represented through philanthropy—the giving of volunteer time, money, and know-how for the public good—and are hallmarks of the nonprofit sector in Greater Phoenix and beyond. Moreover, the growth of private, nonprofit, grant-making foundations in Maricopa County is worthy of analysis because these are vital institutions that channel capital resources to nonprofit human-services providers.

Nonprofits in Arizona
Research conducted by the ASU Center for Nonprofit Leadership and Management* reveals that the nonprofit sector in Arizona is a rapidly expanding, diverse, and significant force for social and economic success. Nonprofit organizations provide a wide variety of services that contribute to the educational, social, physical, and spiritual well-being of our communities.

* As of March 1, 2008, the Center was renamed the Lodestar Center for Philanthropy and Nonprofit Innovation.
Some nonprofits serve only within the geographic environs of Greater Phoenix. Others serve a multi-county, statewide, regional, or national mission. It can be difficult to segment nonprofits as only Phoenix-based and Phoenix-serving, given the varieties of organizational form, mission, and service delivery. As one example, the Arizona’s Children Association is a child-welfare and behavioral-health organization operating in all 15 counties of Arizona. It is headquartered in Tucson, yet it serves families in Greater Phoenix.

There are a number of complicated factors involving reporting and filing requirements that make analyzing the size and scope of nonprofits a difficult proposition at best. For example, not all nonprofits must file with the Internal Revenue Service, including small grass-roots organizations and religious congregations. Available data sources indicate that, as of October 2006, there were approximately 40,579 tax-exempt entities in Arizona. One segment of the nonprofit sector that relates specifically to delivering human services is nonprofits registered with the IRS under section 501(c)3. As noted in Figure 1, as of May 2006 nearly 19,000 such organizations filed with the IRS.

In the past 10 years, the Arizona nonprofit sector has experienced tremendous growth, mirroring the growth of the sector nationwide. The number of IRS registered nonprofits has seen a nearly 45% growth rate over the past decade.

**Arizona Nonprofits by Location**

When mapped by zip code, it is apparent that nonprofit organizations provide services throughout Arizona. Figure 2 shows the density of nonprofit organizations statewide.

Table 1 reveals that approximately 75% of all registered nonprofits and 87% of nonprofit organizations that file 990 tax returns in Arizona are located in either Maricopa or Pima County. Similarly, those two counties account for approximately 86% of the revenue generated and 88% of the assets maintained by all Arizona nonprofits. Maricopa County nonprofits that report assets to the IRS represent nearly $20 billion in assets. This figure includes the assets of nonprofit hospitals and other health-care providers—which could account for at least one-half of the total asset figure.

**Arizona Nonprofits by Area of Emphasis**

The National Taxonomy of Exempt Entities (NTEE) is a classification system developed by the National Center for Charitable Statistics. The NTEE divides the vast array of nonprofit organizations into 10 major groups based upon broad subsectors of the field. Additionally, organizations are further subdivided and classified based on specific type of activity and organization.

For the purposes of this chapter, organizations were examined at the major group levels as seen in Table 2. As illustrated, human-services organizations are the most common type of nonprofit in Arizona.
the sector, accounting for more than 20% of all registered nonprofits and 16% of those that file 990 tax returns. Although health-care organizations represent between 4% and 7% of the nonprofits in the state, they account for almost 60% of the revenue. Aggregating data across known sources (that includes IRS data) reveals a wider range of nonprofits, including homeowner’s associations, Toastmaster clubs, small sports club organizations and other nonprofits not large enough to file an IRS Form 990. Taking these into account, some estimates place the actual number of human-services nonprofits in Arizona at nearly 14,000.

Economic Impact of Arizona’s Nonprofits

In its 2007 publication, One Voice Arizona: A Nonprofit Agenda, the Alliance of Arizona Nonprofits reports on the economic impact of the nonprofit sector in the state. It reports that the nonprofit sector contributes more than $17 billion in expenditures through a total paid and volunteer work force of 213,000. As noted in Table 3, this nonprofit paid and volunteer human resource is larger than that of several other key

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<th>Population (2006 U.S. Census Bureau Estimates)</th>
<th>Number Nonprofit Organizations Registered with IRS</th>
<th>% of Registered Nonprofits Per Capita</th>
<th>Approximate % of Total Organizations</th>
<th>Number of Nonprofits Filing IRS 990</th>
<th>Total 2006 Revenue Reported on IRS 990</th>
<th>Total 2006 Assets Reported on IRS 990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apache</td>
<td>71,118</td>
<td>178</td>
<td>.003</td>
<td>1</td>
<td>52</td>
<td>$64,694,123</td>
<td>$61,920,032</td>
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<tr>
<td>Cochise</td>
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<td>591</td>
<td>.005</td>
<td>3.2</td>
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<td>267,904,550</td>
<td>477,331,025</td>
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<tr>
<td>Coconino</td>
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<td>254</td>
<td>553,876,075</td>
<td>612,162,200</td>
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<tr>
<td>Gila</td>
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<td>253</td>
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<td>1.4</td>
<td>83</td>
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<td>59,023,511</td>
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<tr>
<td>Graham</td>
<td>33,660</td>
<td>108</td>
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<td>0.6</td>
<td>41</td>
<td>47,888,943</td>
<td>92,325,785</td>
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<tr>
<td>Greenlee</td>
<td>7,738</td>
<td>40</td>
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<td>0.2</td>
<td>8</td>
<td>6,254,026</td>
<td>8,410,404</td>
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<tr>
<td>La Paz</td>
<td>20,256</td>
<td>94</td>
<td>.005</td>
<td>0.5</td>
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<td>19,339,085</td>
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<tr>
<td>Maricopa</td>
<td>3,768,123</td>
<td>10,335</td>
<td>.003</td>
<td>55.2</td>
<td>4,411</td>
<td>11,514,912,986</td>
<td>19,921,253,588</td>
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<tr>
<td>Mohave</td>
<td>193,035</td>
<td>574</td>
<td>.003</td>
<td>3.1</td>
<td>199</td>
<td>266,759,977</td>
<td>320,878,632</td>
</tr>
<tr>
<td>Navajo</td>
<td>111,399</td>
<td>351</td>
<td>.003</td>
<td>1.9</td>
<td>98</td>
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<tr>
<td>Pima</td>
<td>946,362</td>
<td>3,520</td>
<td>.004</td>
<td>18.8</td>
<td>1,451</td>
<td>3,082,343,311</td>
<td>4,071,809,342</td>
</tr>
<tr>
<td>Pinal</td>
<td>271,059</td>
<td>483</td>
<td>.002</td>
<td>2.6</td>
<td>140</td>
<td>207,928,951</td>
<td>169,309,625</td>
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<tr>
<td>Santa Cruz</td>
<td>43,080</td>
<td>172</td>
<td>.004</td>
<td>0.9</td>
<td>71</td>
<td>59,842,296</td>
<td>48,204,480</td>
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<tr>
<td>Yavapai</td>
<td>208,014</td>
<td>1,013</td>
<td>.005</td>
<td>5.4</td>
<td>356</td>
<td>432,156,171</td>
<td>691,168,214</td>
</tr>
<tr>
<td>Yuma</td>
<td>187,555</td>
<td>382</td>
<td>.002</td>
<td>2</td>
<td>134</td>
<td>299,190,384</td>
<td>445,761,505</td>
</tr>
<tr>
<td>Not Specified</td>
<td>3</td>
<td></td>
<td>2</td>
<td>2</td>
<td>207,493</td>
<td>281,651</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6,170,909</td>
<td>18,710</td>
<td>7,494</td>
<td>$17,060,332,289</td>
<td>$27,201,680,978</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>Arizona Nonprofits by Type/Category</th>
<th>NTEE Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTEE Major Groups &amp; Fields</td>
<td>Number of Registered Nonprofit Organizations</td>
<td>Number of Registered Organizations Filing Form 990</td>
</tr>
<tr>
<td>Arts, Culture, and Humanities</td>
<td>851</td>
<td>475</td>
</tr>
<tr>
<td>Education</td>
<td>1,391</td>
<td>945</td>
</tr>
<tr>
<td>Environment and Animals</td>
<td>418</td>
<td>217</td>
</tr>
<tr>
<td>Health</td>
<td>799</td>
<td>543</td>
</tr>
<tr>
<td>Human Services</td>
<td>3,908</td>
<td>2,054</td>
</tr>
<tr>
<td>International, Foreign Affairs</td>
<td>125</td>
<td>86</td>
</tr>
<tr>
<td>Public, Social Benefit</td>
<td>1,382</td>
<td>944</td>
</tr>
<tr>
<td>Religion Related</td>
<td>1,048</td>
<td>310</td>
</tr>
<tr>
<td>Mutual/Membership Benefit</td>
<td>61</td>
<td>36</td>
</tr>
<tr>
<td>Unknown, Unclassified</td>
<td>8,727</td>
<td>1,884</td>
</tr>
<tr>
<td>Total</td>
<td>18,710</td>
<td>7,494</td>
</tr>
</tbody>
</table>

industry sectors in Arizona, including restaurants and bars, manufacturing, and finance and insurance, and is more than 20 times larger than the mining industry. The Alliance report also reveals that Arizona’s nonprofit workforce grew 9.4% from 2002 to 2004, more than double the growth rate of employees in Arizona overall (4.3%) during the same period.

In addition to paying employee wages, nonprofits contribute economically just as do government and business enterprises. Nonprofits purchase goods and services, buy and sell property and otherwise expend financial resources to accomplish their mission. Some nonprofits leverage human and financial resources to acquire external grants that bring new money into the state.

It can be argued that a robust nonprofit sector providing human services improves economic vitality in other ways. For example, nonprofits serve clients through varied services such as those concerning workforce preparedness, behavioral health, domestic violence, youth development, and transitional housing. The individuals who benefit from such services can become healthy, productive residents who are gainfully employed (or stay employed), pay taxes, and otherwise engage in healthy and productive lives. Therefore, nonprofits not only contribute as economic engines to the area’s economy through their own employment and expenditures, but they also help clients achieve economic self-sufficiency and empowerment that improves communities’ overall quality of life.

Nonprofits in Greater Phoenix

Table 4 shows that Greater Phoenix/Maricopa County is home to nearly 23,000 nonprofits, more than 10,000 of which are large enough to file with the IRS. This means that more than 55% of Maricopa County-based nonprofits represent small, grassroots organizations that are frequently volunteer-organized and led. Moreover, Maricopa County nonprofits identified as human-services providers represent more than 8,500 entities with nearly $2 billion in total assets.

Many nonprofit human-services providers in Greater Phoenix receive funding from annual campaign proceeds of Valley of the Sun United Way (VSUW) and/or Mesa United Way. The largest United Way, VSUW, raised an unprecedented $52.5 million in 2007. In addition to its role as a fundraising organization, VSUW has focused on such human-services priorities as ensuring children enter school ready to succeed and helping working families achieve independence through employment. In 2006-2007, VSUW funded 128 nonprofits that provided 250 programs. VSUW-funded nonprofits also receive public-revenue support, which is one measure of the role nonprofits play in the delivery system government depends upon to provide human services in Greater Phoenix. Table 5 reveals that nearly one-third of the budgets of the VSUW-funded nonprofits are funded by federal, state, county, or city sources.
Phoenix and State Support of Nonprofits in Human-Services Delivery

Nonprofits that deliver human services in Greater Phoenix are recipients of state and municipal dollars to meet their mission. Phoenix and other cities in Maricopa County make local and federal funds available to community organizations based upon identified priorities. As noted in Table 6, during the 2006-2007 fiscal year, Phoenix invested nearly $19 million in grants to nonprofits from a total of more than $38 million, allocated between affordable housing loans, direct grants and pass-through grants from Tribal Indian gaming. Within the direct grantmaking categories, the city depends upon community-based organizations to provide human services, especially for neighborhood services and homeless assistance, the two largest categories of grants. Similar to other cities in the area, Phoenix provides community development block grant funds involving investments to community-based organizations for essential neighborhood services.

Another way in which nonprofit human-services providers benefit from Phoenix financing strategies is through bond programs. For example, the 2006 bond issue of $878.5 million included several projects over a multi-year period involving human services provided by nonprofits. The successful bond issue included $1.5 million for an emergency homeless shelter operated by the United Methodist Outreach Ministries, $495,000 for expansion of the Dave Pratt Dental Clinic operated by the Boys & Girls Clubs of Metropolitan Phoenix.

### Table 6 | Grants from City of Phoenix to Community Organizations | 2006-2007

<table>
<thead>
<tr>
<th>Program</th>
<th>Department</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 Neighborhood Block Watch Grants</td>
<td>Police</td>
<td>$982,000</td>
</tr>
<tr>
<td>Small Business Loans</td>
<td>Economic Development</td>
<td>$3,536,900</td>
</tr>
<tr>
<td>Historic Bond Grants</td>
<td>Historic Preservation</td>
<td>$780,230</td>
</tr>
<tr>
<td>Workforce Development Contracts</td>
<td>Economic Development</td>
<td>$3,476,868</td>
</tr>
<tr>
<td>Summer Jobs for Youth Contracts</td>
<td>Human Services</td>
<td>$1,316,684</td>
</tr>
<tr>
<td>Arts Grants</td>
<td>Office of Arts and Culture</td>
<td>$977,039</td>
</tr>
<tr>
<td>HOPWA—Serving Persons w/AIDS</td>
<td>Housing</td>
<td>$1,433,000</td>
</tr>
<tr>
<td>HOME Program Loans for Affordable Housing</td>
<td>Housing</td>
<td>$6,744,721</td>
</tr>
<tr>
<td>Bond Program—Affordable Housing Loans</td>
<td>Housing</td>
<td>$4,560,000</td>
</tr>
<tr>
<td>Community Development Block Grants</td>
<td>Neighborhood Services</td>
<td>$4,955,937</td>
</tr>
<tr>
<td>Homeless Assistance</td>
<td>Human Services</td>
<td>$501,038</td>
</tr>
<tr>
<td>Focus on Results</td>
<td>Youth &amp; Education</td>
<td>$95,493</td>
</tr>
<tr>
<td>PAYBACK</td>
<td>Youth &amp; Education</td>
<td>$2,047</td>
</tr>
<tr>
<td>Indian Gaming Grants Pass-through to Nonprofits</td>
<td>Citywide</td>
<td>$4,410,601</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td></td>
<td><strong>$33,772,558</strong></td>
</tr>
<tr>
<td><strong>Less Loan Programs</strong></td>
<td></td>
<td><strong>$14,841,621</strong></td>
</tr>
<tr>
<td><strong>Total Grants</strong></td>
<td></td>
<td><strong>$18,930,937</strong></td>
</tr>
</tbody>
</table>

Source: City of Phoenix, 2007.

### Table 7 | State of Arizona Funding of Maricopa County Nonprofits from the Governor’s Office of Children, Youth and Families | 2003-2007

<table>
<thead>
<tr>
<th>Name of Nonprofit</th>
<th>Total Grant Amount(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona Coalition Against Domestic Violence</td>
<td>$1,283</td>
</tr>
<tr>
<td>Arizona Coalition For Victim Services</td>
<td>$25,000</td>
</tr>
<tr>
<td>Arizona Community Action Association</td>
<td>$86,234</td>
</tr>
<tr>
<td>Arizona Community Foundation</td>
<td>$2,424,105</td>
</tr>
<tr>
<td>Arizona Education Association</td>
<td>$50,000</td>
</tr>
<tr>
<td>Arizona School Age Coalition</td>
<td>$566,000</td>
</tr>
<tr>
<td>Arizona State Head Start Association</td>
<td>$439,165</td>
</tr>
<tr>
<td>Arizona State University (ASU)</td>
<td>$750</td>
</tr>
<tr>
<td>Arizona Women’s Education &amp; Employment, Inc</td>
<td>$343,300</td>
</tr>
<tr>
<td>Association for Supportive Childcare</td>
<td>$280,000</td>
</tr>
<tr>
<td>Beacon Group Southwest Inc</td>
<td>$244,909</td>
</tr>
<tr>
<td>Boys &amp; Girls Club of the East Valley</td>
<td>$234,458</td>
</tr>
<tr>
<td>Camp Fire Council of Greater Arizona</td>
<td>$130,225</td>
</tr>
<tr>
<td>Catholic Charities</td>
<td>$458,577</td>
</tr>
<tr>
<td>Chicanos Por La Causa, Inc</td>
<td>$1,166,187</td>
</tr>
<tr>
<td>Child and Family Resources, Inc</td>
<td>$80,813</td>
</tr>
<tr>
<td>Childhelp Children’s Center of Arizona</td>
<td>$252,737</td>
</tr>
<tr>
<td>Chrysalis Shelter for Victims of Domestic Violence, Inc</td>
<td>$253,500</td>
</tr>
<tr>
<td>East Valley Addiction Council</td>
<td>$286,000</td>
</tr>
<tr>
<td>EMPACT</td>
<td>$158,550</td>
</tr>
<tr>
<td>Florence Crittenton Services of Arizona</td>
<td>$218,360</td>
</tr>
<tr>
<td>Foundation For Senior Living</td>
<td>$55,734</td>
</tr>
<tr>
<td>Free Arts of Arizona</td>
<td>$70,943</td>
</tr>
<tr>
<td>Goodwill Industries of Central Arizona</td>
<td>$120,000</td>
</tr>
<tr>
<td>Goodyear, City of</td>
<td>$38,605</td>
</tr>
<tr>
<td>Greater Phoenix Youth At Risk</td>
<td>$35,000</td>
</tr>
<tr>
<td>Halo of Hope Foundation, The</td>
<td>$122,802</td>
</tr>
<tr>
<td>Improving Chandler Area Neighborhoods</td>
<td>$466,947</td>
</tr>
<tr>
<td>Institute of Cultural Affairs</td>
<td>$249,125</td>
</tr>
<tr>
<td>Inter-Tribal Council of Arizona</td>
<td>$125,000</td>
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<tr>
<td>John C. Lincoln Health Network</td>
<td>$78,564</td>
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<tr>
<td>Maricopa Association of Governments</td>
<td>$220,152</td>
</tr>
<tr>
<td>Maricopa Medical Foundation</td>
<td>$199,296</td>
</tr>
<tr>
<td>Mountain View Elementary School</td>
<td>$241,624</td>
</tr>
<tr>
<td>National Conference for Community and Justice, The</td>
<td>$68,389</td>
</tr>
<tr>
<td>Neighborhood Ministries, Inc</td>
<td>$22,255</td>
</tr>
<tr>
<td>New Life Center</td>
<td>$78,837</td>
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<tr>
<td>Parenting Arizona</td>
<td>$219,544</td>
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<tr>
<td>Pediatric Foundation of Arizona, Inc.</td>
<td>$154,714</td>
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<tr>
<td>Phoenix Birthing Project</td>
<td>$30,000</td>
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<tr>
<td>Phoenix Rescue Mission</td>
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<tr>
<td>PREHAB of Arizona, Inc</td>
<td>$485,687</td>
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<tr>
<td>Sojourner Center</td>
<td>$35,731</td>
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<tr>
<td>Southwest Human Development</td>
<td>$372,195</td>
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<tr>
<td>TERROS, Inc</td>
<td>$150,000</td>
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<tr>
<td>Tumbleweed Center for Youth Development</td>
<td>$198,772</td>
</tr>
<tr>
<td>Valley of the Sun YMCA</td>
<td>$219,905</td>
</tr>
<tr>
<td>Volunteer Center of Maricopa County</td>
<td>$35,731</td>
</tr>
<tr>
<td>Youth Evaluation and Treatment Centers</td>
<td>$19,500</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$12,244,481</strong></td>
</tr>
</tbody>
</table>

1 The Arizona Community Foundation frequently serves as an intermediary agent for “pass-through” monies from the state to human services provided by other nonprofits.

Source: Governor’s Office of Children, Youth and Families, 2007.
nearly $5 million toward a multi-year program of building purchase and service consolidation by Valle Del Sol, and $3.6 million for building purchase and construction for collaboration community services, wellness and research center for Body Positive.

The State of Arizona also awards grants to community-based nonprofit organizations from various agencies of government, such as the Department of Economic Security, the Department of Health Services and the Governor’s Office of Children, Youth and Families. It is difficult to analyze nonprofits as an overall human-services provider industry because some state agencies report finances by program/issue-area and not by whether a provider is a nonprofit organization. However, where the information is available, there is evidence to support the claim that state government depends upon nonprofits to provide essential human services in Greater Phoenix.

The largest and most recognizable financial commitment is the recently announced $1.4 billion, three-year contract from the State of Arizona to Magellan Health Services of Connecticut. While Magellan is a for-profit company, it sub-grants millions of dollars to nonprofit providers for the provision of behavioral-health services to 70,000 low-income and seriously mentally ill residents of Maricopa County. This model of state funding to a corporate entity that sub-grants to nonprofits is the largest example of its kind in the United States.

However, other state agencies also fund nonprofits to provide human services. As noted in Table 7, the Governor’s Office of Children, Youth and Families awarded more than $12 million in grants between January 2003 and July 2007 to Maricopa County nonprofit organizations for specific programs and activities. This helps substantiate the claim that nonprofits play a strategic role in delivering human services to citizens in Greater Phoenix.

Philanthropy: Unleashing Voluntary Action for the Common Good

The term “philanthropy” is often associated with fund raising. However, it is through its broader definition, “voluntary action for the common good,” that the vibrancy and impact of the nonprofit sector is fully understood. The ability of nonprofits to provide human services is often dependent upon a combination of revenue sources including government grants, fees, earned income and contributed dollars through voluntary donations. Philanthropy is also an expression of democracy, as individuals give freely as an expression of personal values as opposed to legal obligations.

Foundations in Greater Phoenix and Across Arizona

Similar to other nonprofit forms, foundations vary greatly with regards to size, scope, and purpose. Generally, they may be grouped into three categories: private foundations, operating foundations, and public foundations. Major foundations based in Greater Phoenix—such as the Stardust Foundation, the Virginia G. Piper Charitable Trust, the Nina Mason Pulliam Charitable Trust, and the Arizona Community Foundation—have invested capital resources in human services while also leveraging leadership resources to engage communities in conversations about issues. For these reasons, an analysis of foundations is important to achieve a more complete understanding of the role of nonprofits in delivering human services.

According to its 2006 annual giving report, the Arizona Grantmakers Forum (AGF) notes that as of 2004 there were 996 grantmaking organizations operating in the state, with combined assets of close to $4.3 billion. As revealed in Table 8, the majority of these entities (87%) were private, nonprofit foundations. In the four-year period between 2000 and 2004, foundation assets doubled in the state, while 238 new private foundations and 78 new public foundations were established.

Interestingly, many foundations are relatively new entities: The study notes that 33% of these foundations have been formed in the past five years.

Total Arizona foundation assets more than doubled between 2000 and 2004, from $2 billion in 2000 to $4 billion in 2004. The rate of growth was greatest among Arizona’s public foundations, growing approximately 215%, from assets of $489 million in 2000 to just more than $1.5 billion in 2004. However, most Arizona foundations are small—three of every four have assets under $1 million. Approximately 81% of foundation assets are located in Maricopa County, and 97% are located within the two major metropolitan areas of the state (Phoenix and Tucson).

<table>
<thead>
<tr>
<th>Arizona Foundation Numbers</th>
<th>2004 IRS DATA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Arizona Foundations</strong></td>
<td><strong>Number</strong></td>
</tr>
<tr>
<td>Private Foundations</td>
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</tr>
<tr>
<td>Public Foundations</td>
<td>127</td>
</tr>
<tr>
<td>Total</td>
<td>996</td>
</tr>
</tbody>
</table>

Individual Giving

Despite the impressive growth of grant-making foundations in Maricopa County, it remains a fact that nearly 80% of all giving is done by individuals. In the only statewide study ever conducted on giving at the household level in Arizona, the ASU Center for Nonprofit Leadership and Management reported in 2002 that 89% of Arizona households donate to charitable organizations annually.

As noted in Table 9, the average annual amount Arizona households donated to charitable organizations was an estimated $1,572, representing 3% of annual household income of those who donated. These findings are similar to the national average contribution of $1,620, or 3.2% of annual household income.

Religious organizations topped the list of recipients of charitable giving, with 62.6% of respondents contributing to a religious organization in the previous year. Other kinds of organizations frequently reported include youth-development organizations and human-services organizations. Many Phoenix-area human services are made possible by individuals donating money to nonprofits through annual support campaigns, special events, direct mail, and other methods. Table 10 shows the percent of households that contributed to each organization type.

Individuals also gave the largest median total donation to religious organizations, with a median annual gift of $524. This is significantly more than the median annual gift to educational organizations, which received the second-largest median annual donation of $188. Research also reveals that many Arizona households gave to multiple organizations. For example, nearly six out of 10 households reported making a financial contribution to three to five organizations, and 14.1% gave to six or more.

Transfer of Wealth Phenomenon

A phenomenon expected to greatly impact nonprofits involves the transfer of wealth projected to occur over the coming five decades. A 2006 study released by the Arizona Community Foundation cites research conducted by Havens and Schervish that estimates conservatively that $41 trillion is expected to transfer between generations in the United States over the next 50 years. Between 2005 and 2055, they estimate that nearly $600 billion is expected to transfer in Arizona. The report notes that if just 5% of Arizona’s 50-year wealth transfer were captured by philanthropy, $30 billion in charitable bequests would be made across the state. While the largest transfers are expected to occur between 2035 and 2045, ACF notes that $2 billion is now transitioning between generations. As noted in Table 11, Maricopa County is expected to garner more than $2 billion in charitable gifts, based upon a conservative estimate of 5% as the percent of the giving that will be directed to charitable causes. This suggests that many nonprofits involved in human-services delivery will be recipients of charitable gifts allowing them to extend their mission in significant ways.
It remains to be seen the extent to which the transfer-of-wealth phenomenon will impact those nonprofits that provide human services in Greater Phoenix. However, given the observance of an increase in planned giving programs, endowment development and capital campaigns, it is reasonable to assume that the wealth transfer could become a new source of financial capital not otherwise available to fund human services.

Volunteerism

Volunteerism is a measure of social capital and for many nonprofits is the mainstay of their human-services delivery system. In addition to serving as direct service providers, volunteers are board members and fund raisers. They give of their time and know-how, in addition to their money, to causes across the full range of nonprofits types and missions.

In a 2007 landmark study by the Corporation for National and Community Service (CNCS), 1.12 million Arizona volunteers dedicated 182.9 million hours of service in 2006 (Figure 3). The CNCS study profiles Arizona generally and Greater Phoenix specifically through Metropolitan Statistical Area (MSA) information on volunteer trends and activities, based on a three-year average from 2004, 2005, and 2006.

The CNCS reports that tutoring or teaching was the most popular activity in the state (Figure 4). Arizona joined four other states with this activity ranking first. The report notes that participation with education or youth-service organizations more than doubled between 1989 and 2006 from approximately 11% to nearly 26%. In addition to the 1.12 million Arizona volunteers in 2006, almost 114,000 people participated informally by working with their neighbors to improve the community. Overall, 29.4% of Arizonans volunteered, worked with their neighbors, or attended public meetings.

According to the CNCS study, Phoenix had an average volunteer rate of 23.5% between 2004 and 2006, compared with 24.9% in Arizona. On average, Phoenix had approximately
704,000 volunteers who served 106.3 million hours per year between 2004 and 2006 (Figure 5).

Volunteers in Phoenix are found in various locations with faith-based institutions, educational or youth-service agencies, and social or community-service organizations—the top 3 places by rank order (Figure 6).

As noted in Figure 7, the main activities for Phoenix Volunteers in rank order are:

- collect, prepare, distribute or serve food
- tutor or teach
- fundraise or sell items to raise money
- mentor youth

The Future: Challenges and Opportunities in the Next Five Years

There are some area planning organizations (e.g., Maricopa Association of Governments, area United Ways, etc.) that seek to determine human-services trends, gaps, and approaches. There are coalitions such as the Arizona Council of Human Service Providers that promote a comprehensive continuum of services with a primary focus on child-welfare and juvenile-justice concerns. There are networks of nonprofits that share certain issue-specific priorities, such as the statewide Association of Arizona Food Banks. And there are federated fund-raising organizations that work on behalf of many nonprofits (e.g., United Way). But there is no organizing entity that collectively tracks the overall trends, impacts, and future trajectories of nonprofits as a human-services delivery industry.

For these reasons, the ASU Center for Nonprofit Leadership and Management (CNLM) organized a focus group on June 25, 2007 to consider the challenges and opportunities facing nonprofits in Greater Phoenix in the next five years. This expert panel of 15 professionals included CEOs of major nonprofits, volunteer board members, government officials, key area funders, and other community leaders with informed perspectives about the nonprofit sector in Greater Phoenix. A summary of the panel’s input is presented below under two general categories—the current state of nonprofits in Greater Phoenix, and predictions about the future.

Current Issues for Nonprofits

The following responses are not rank-ordered, but listed in the order that they surfaced in the discussion:

- **Rapid Growth.** Unprecedented demand exists for human-services delivery in Greater Phoenix.
- **Government Bureaucracy.** Nonprofits receiving substantial government funding through contracts face an increasing administrative burden that consumes financial and human resources.
- **Federal Funding.** Nonprofits representing primarily behavioral-health providers report a steady decrease in federal funding.
- **“Talent War.”** Nonprofits confront a deficit of skilled and qualified employees and a looming leadership void. They must provide the resources to attract and keep workers within a mobile and irregular workplace, and address issues such as transportation, communication, and telecommuting.
- **Funding Deficiencies.** Panelists noted a lack of funding for human-services infrastructure in general and for staff at all levels to meet service demands.
- **“Silo Syndrome.”** Panelists advocated a holistic approach to human services to combat organizational silos and enhance coordination through “one-stop” collaborative arrangements.

Providing Human Services in 2012

The following 10 assertions identify both challenges and opportunities facing nonprofits in advancing our quality of life in the coming years:

- **Nonprofits are Facing Growth Imperatives.** Nonprofits that provide human services are projecting significant increases in demand for their services over the next five years. Solving workforce needs and raising financial resources keep many nonprofit executives up at night.
- **The Nonprofit Sector is Fragmented.** It frequently lacks coordination among service providers and would benefit from efficient networks of providers collaborating in coordinated and unduplicated fashion, informed by accurate and timely data from reliable sources.
- **Government Funding is Uncertain.** The trend of declining federal funding will continue, while federal regulatory scrutiny of nonprofits will increase. The
sector needs relief from the bureaucratic red tape that is bogging it down and siphoning resources better spent on services.

- **Individual Philanthropy Matters.** Harnessing the transfer-of-wealth phenomenon will be vital for the future of nonprofits. The sector can be galvanized by increasing fund-raising capacities and private financing of nonprofits, despite an increased competition for dollars. Nonprofit leaders need knowledge and tools for effective fund-raising in a philanthropic environment focused on community results.

- **Nonprofit Growth is Uneven.** Greater Phoenix’s nonprofits are struggling to keep up with explosive growth on the West Side and other high-growth areas in the Valley. Service delivery must be organized in ways that anticipate the needs of high-growth areas while also serving existing client demands.

- **The Three Sectors Need to Work Together More Effectively.** The Phoenix area’s human-services issues are greater than any one sector—government, business, or nonprofits—can handle alone. The three must develop new, innovative models for collaboration to assure a vibrant, healthy, and sustainable community.

- **Nonprofits Must Shift to Multiple-Issue Service Delivery.** As efforts for greater coordinated care increase, nonprofits will continue to move from addressing a single issue to treating co-occurring ones (e.g., substance abuse, mental health, homelessness, etc.). Consequently, there will be an increased need to pursue collaborative models, such as mergers, cost-sharing of “backroom operations” and other methodologies.

- **Economic Models Must be Revisited.** The “normative economics” of the nonprofit sector are often different than those that govern free-market business practices. The sector is not inherently competitive and the notion of “customer” is blurred by obligations to both donors and clients. Donor support may “artificially” sustain an organization that does not provide the best services. This dual-customer role complicates the dynamic for sustainability in the sector. “Principles of effectiveness” or other standards of performance must be adopted.

- **Volunteers are Essential to Human-Services Delivery.** Many nonprofits will increasingly rely on direct-service volunteers. This will occur within the context of expected increases in regulations (e.g., background checks on volunteers who work with youth). Despite their value, direct-service volunteers cannot pick up the slack left by government budgets cuts and decreased funding for human services.

A new way to fund nonprofits must be found for those who believe paid staff can be reduced by recruiting additional volunteers. Volunteers are not “free” labor. Systems must be implemented to effectively engage, train, and evaluate them.

- **Charity is not cheap.** Nonprofits that provide essential human services require core infrastructure funding. Major funders and other key stakeholders must demonstrate the value of this—in addition to special project funding—in order to assure sustainable human-services delivery in Greater Phoenix through 2012 and beyond.

It is evident that the nonprofit sector in Greater Phoenix is inextricably linked to the social, economic, cultural, environmental, and civic conditions of our area. Government at all levels depends upon nonprofits to provide essential human services. Additionally, nonprofits are the vehicle by which individuals and private funders invest their private philanthropy, and such giving frequently is channeled to meet human-services needs. Collectively, nonprofits are networks of paid professionals, direct-service volunteers, donors, community leaders, and other stakeholders who form a social fabric deemed essential to a functioning bureaucracy. In recent years, attention is increasingly being paid to faith-based organizations because they are uniquely positioned to help those in need due to their deep-rooted establishment in neighborhoods and communities. Arizona has already established promising practices in the Governor’s Office for Faith and Community Initiatives by advancing public and private partnerships and encouraging better public policy. Continuing this trend will leverage valuable resources, increase access to care and provide more effective services to vulnerable populations.

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**REFERENCES**


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The “hidden burden” of untreated mental disorders has an impact well beyond the afflicted person and his or her family and friends. For this reason, the issues examined here are more than a question of Greater Phoenix’s collective moral responsibility towards its ill residents. Untreated mental disorders also have negative consequences for the Greater Phoenix community as a whole. These can include increased crime and homelessness, increased public costs in areas of acute treatment and/or emergency services, lost production from ill individuals unable to work and from family members needing to care for them, costs associated with untreated persons attempting to self-medicate with drugs and alcohol, the emotional and economic impacts on the children of untreated persons with mental disorders, strains on the already strained resources of the courts, law enforcement, and other social institutions serving the Greater Phoenix community, and a general degradation of the community’s quality of life. The burden is truly community-wide.

In 1999, the Surgeon General of the United States called for public discussion about mental-health and service-capacity issues. Although mental health has always impacted the functioning and well-being of individuals and communities, the stigma associated with mental disorders has been a major barrier to having open discussions about mental health services. This chapter examines the changing demographic structure of mental and behavioral health populations and other factors expected to influence the need for and availability of service professionals in Greater Phoenix. It also notes gaps in data collection that impede efforts to address important treatment concerns in the Greater Phoenix community:

- The growing mental-health needs of the Mexican/Latino population
- The looming crisis surrounding the aging of the mental-health workforce
- Social and economic burdens shifted from the mental-health to the criminal-justice system

**Prevalence Rates**

Psychiatric epidemiologists examine the presence of mental disorders in specific groups. Since 1980, the National Institute of Mental Health has sponsored several national epidemiological studies that will guide our examination of mental disorders in Greater Phoenix. Prevalence is an epidemiological measure of how widespread a specific disorder is within a population during a specified period of time. Common points in time studied in prevalence-rate research are one year (the proportion of participants in the survey with symptoms within 12
months preceding the completion of the survey) and lifetime (proportion of survey participants who have had symptoms of a mental disorder at sometime during their life).

**U.S. Adult Prevalence Rates**

A mental disorder is defined as any clinically significant behavior, condition, or personality trait that results in subjective distress or in impairment in one or more important areas of an individual’s functioning. Comorbidity is defined as the co-occurrence of more than one disorder. According to the most recent estimates from the National Comorbidity Survey Replication, about one in four adults (26.2% of Americans) are suffering from a diagnosable mental disorder in any given year. This overall rate is lower than the 30% rate found in the National Institute of Mental Health Epidemiologic Catchment Area program and the initial National Comorbidity Survey.

The three individual disorders with the highest prevalence rates in the National Comorbidity Survey Replication were specific phobia (8.7%), social phobia (6.8%), and major depressive disorder (6.7%). However, the classes of disorders in this survey with the highest 12-month prevalence rates were anxiety disorders (18.2%), mood disorders (9.5%), impulse-control disorders (8.9%), and substance-abuse disorders (3.8%). Table 1 provides a summary of 12-month U.S. prevalence rates for DSM-IV disorders by sex and cohort age groups. There are limitations in the estimates for serious disorders described below because the sample excludes persons who were hospitalized or in other types of institutions such as correctional facilities. The data displayed in this table reflects updates of prevalence as of July 17, 2007.

The data in the National Comorbidity Survey Replication also showed that 60% of individuals with an active mental disorder within the past 12 months sought no treatment. Inasmuch as 60% is a very high percentage, we must be cautious in our interpretations of this finding. As Kessler and his colleagues have written, the assessment of the prevalence of serious mental disorders is probably more important, because not every one of these cases needs treatment; that is, many of the diagnosable disorders are mild or self-limiting mental disorders. For this reason, Kessler and his colleagues have recommended that the prevalence and correlates of serious mental illness “is in some ways more important for most policy planning purposes than the assessment of all mental illness.” With these caveats in mind, “young adults and those living in non-rural areas were more likely to have unmet needs for treatment” (Kessler, et al. 2001, p. 987). When participants recognized that they needed treatment but did not seek it, they identified situational barriers (52%), financial barriers (46%), and lack of effectiveness (45%) as reasons.

The definition of “serious mental illness” in the Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act (ARA, PL 102-321) requires an individual to have at least one Diagnostic and Statistical Manual disorder that is not a substance-use disorder and evidence of serious impairment for this condition. While the results of the National Comorbidity Survey Replication showed that one in four individuals had a diagnosable mental illness, only about one in 17 of adults surveyed (about 6.2%) were suffering from a serious mental disorder. Serious mental disorders were differentiated from less serious disorders based on an assessment of the disability experienced by the respondents. Survey

**TABLE 1 | 12-Month U.S. Prevalence | BY SEX AND AGE COHORT (N=9,282)**

<table>
<thead>
<tr>
<th>12-Month Prevalence Rates</th>
<th>Total %</th>
<th>Female%</th>
<th>Male%</th>
<th>18-29%</th>
<th>30-44%</th>
<th>45-59%</th>
<th>60+ %</th>
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<tbody>
<tr>
<td>Anxiety Disorders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panic Disorder</td>
<td>2.7</td>
<td>3.8</td>
<td>1.7</td>
<td>2.5</td>
<td>2.0</td>
<td>1.8</td>
<td>0.8</td>
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<tr>
<td>Agoraphobia without Panic</td>
<td>0.9</td>
<td>0.9</td>
<td>0.8</td>
<td>1.0</td>
<td>0.8</td>
<td>1.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Specific Phobia</td>
<td>9.1</td>
<td>12.2</td>
<td>5.8</td>
<td>10.3</td>
<td>9.7</td>
<td>10.3</td>
<td>5.6</td>
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<td>Social Phobia</td>
<td>7.1</td>
<td>8.0</td>
<td>6.1</td>
<td>9.1</td>
<td>8.7</td>
<td>6.8</td>
<td>3.1</td>
</tr>
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<td>Generalized Anxiety Disorder</td>
<td>2.7</td>
<td>3.4</td>
<td>1.9</td>
<td>2.0</td>
<td>3.5</td>
<td>3.4</td>
<td>1.5</td>
</tr>
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<td>PTSD</td>
<td>3.6</td>
<td>5.2</td>
<td>1.8</td>
<td>4.0</td>
<td>3.5</td>
<td>5.3</td>
<td>1.0</td>
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<tr>
<td>OCD</td>
<td>1.2</td>
<td>1.8</td>
<td>1.5</td>
<td>1.5</td>
<td>1.4</td>
<td>1.1</td>
<td>0.5</td>
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<tr>
<td>Adult Separation Anxiety Disorder</td>
<td>1.9</td>
<td>2.1</td>
<td>1.7</td>
<td>4.0</td>
<td>2.2</td>
<td>1.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Any Anxiety Disorder</td>
<td>19.1</td>
<td>23.4</td>
<td>14.3</td>
<td>22.3</td>
<td>22.7</td>
<td>20.6</td>
<td>9.0</td>
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<tr>
<td>Mood Disorders</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Major Depressive Disorder</td>
<td>6.8</td>
<td>8.6</td>
<td>4.9</td>
<td>8.3</td>
<td>8.4</td>
<td>7.0</td>
<td>2.9</td>
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<tr>
<td>Dysthymia</td>
<td>1.5</td>
<td>1.9</td>
<td>1.0</td>
<td>1.1</td>
<td>1.7</td>
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<td>Bipolar I-II Sub Disorders</td>
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<td>2.8</td>
<td>2.9</td>
<td>4.7</td>
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<td>Any Mood Disorders</td>
<td>9.7</td>
<td>11.6</td>
<td>7.7</td>
<td>12.9</td>
<td>11.9</td>
<td>9.4</td>
<td>3.6</td>
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<td>Impulse Control Disorders</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Oppositional-Defiant Disorder</td>
<td>1.0</td>
<td>1.1</td>
<td>0.9</td>
<td>1.2</td>
<td>0.8</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Conduct Disorder</td>
<td>1.0</td>
<td>0.4</td>
<td>1.7</td>
<td>1.4</td>
<td>0.8</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>ADHD</td>
<td>4.1</td>
<td>3.9</td>
<td>4.3</td>
<td>3.9</td>
<td>4.2</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Intermittent Explosive Disorder</td>
<td>4.1</td>
<td>3.4</td>
<td>4.8</td>
<td>8.3</td>
<td>4.6</td>
<td>2.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Any Impulse Control Disorder</td>
<td>10.5</td>
<td>9.3</td>
<td>11.7</td>
<td>11.9</td>
<td>9.2</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Substance Disorders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Alcohol Abuse w/without Dep.</td>
<td>3.1</td>
<td>1.8</td>
<td>4.5</td>
<td>7.1</td>
<td>3.3</td>
<td>1.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Drug Abuse w/without Dep.</td>
<td>1.4</td>
<td>0.7</td>
<td>2.2</td>
<td>3.9</td>
<td>1.2</td>
<td>0.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Nicotine Dependence</td>
<td>11.0</td>
<td>10.5</td>
<td>11.6</td>
<td>16.7</td>
<td>11.2</td>
<td>10.0</td>
<td>5.6</td>
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<tr>
<td>Any Substance-Abuse Disorder</td>
<td>13.4</td>
<td>11.6</td>
<td>15.4</td>
<td>22.0</td>
<td>13.8</td>
<td>11.2</td>
<td>5.9</td>
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<tr>
<td>Any Disorders</td>
<td>32.4</td>
<td>34.7</td>
<td>29.9</td>
<td>43.8</td>
<td>36.9</td>
<td>31.1</td>
<td>15.5</td>
</tr>
</tbody>
</table>

respondents were classified severe if they reported any of the following:

- a 12-month suicide attempt with serious lethality intent; work disability or substantial limitation due to a mental or substance-abuse disorder; positive screen results for non-affective psychosis; bipolar I or bipolar II disorder; substance dependence with serious role impairment (as defined by disorder specific impairment questions); an impulse control disorder with repeated serious violence; or any disorder that resulted in 30 or more days out of role in the year. (Kessler, Chiu, Demler, & Walters, 2005)

The severity of a respondent’s condition was found to be strongly correlated with measures of comorbidity. Kessler and colleagues found that 45% of the individuals in the National Comorbidity Survey Replication who met the criteria for a single mental disorder also met the criteria for two more mental disorders. In addition, the researchers found that mood disorders had the highest percentage of disorders (45%) than any of the other class of serious mental disorders.

For lifetime disorders, anxiety disorders were the most prevalent (29%) found in the National Comorbidity Survey Replication. The other three most prevalent lifetime disorders were mood disorders (21%), impulse-control disorders (25%), and substance-abuse disorders (15%). Data on impulse-control disorders were collected for the first time in the National Comorbidity Survey Replication. When seriousness was taken into account, the impulse-control disorders had a higher prevalence rate than either anxiety disorders or substance-use disorders.

U.S. Prevalence Rates for Latinos

Few epidemiological studies have considered race, culture, and ethnicity in assessing the prevalence of mental disorders. The National Latino and Asian American Study (NLAAS) was conducted from May 2002 through December 2003 and contains some of the best available national data on Latinos. The Latino sample (n=2,554), which had a response rate of 75.5%, consisted of four major U.S. sub-ethnic group classifications: Mexican (n=868), Puerto Rican (n=495), Cuban (n=614), and other (n=614). The NLAAS showed 12-month prevalence rates for each of the Latino subgroups: Puerto Ricans (22.9%); Cubans (15.9%); Mexicans (14.5%); and other Latinos (14.4%). However, it is important to note that this study only focused on four diagnostic classes of mental disorders that covered 11 different disorders: “depressive disorders (dysthymia, major depressive disorder), anxiety disorders (agoraphobia, social phobia, generalized anxiety disorder, posttraumatic stress disorder, and panic disorder), substance-use disorders (drug abuse, drug dependence, alcohol abuse, alcohol dependence) and overall psychiatric disorders (any depressive, anxiety, or substance-use disorders)” (Alegría et al., 2007a, p. 69). The NLASS did not include schizophrenia or bipolar disorders because of their low prevalence rates in community samples.

Lifetime prevalence rates for psychiatric disorders were highest in the Puerto Rican group (39%). Lifetime rates for the other groups were: Cuban (28.4%); Mexican (28.4%); and other Latino (27.3%). “Overall psychiatric disorder prevalence rates were higher among those who had migrated before the age of 13 years or after the age of 34 years than among those who had migrated at other ages (Alegría et al., 2007a, p. 70). However, no significant gender differences were noted for lifetime prevalence rates between males (28.1%) and females (30.2%). In addition, U.S. born, English-language-proficient and third-generation Latinos had higher rates of psychiatric disorders than foreign-born or first- and second-generation Latinos (Alegría et al., 2007a).

Further, “cultural factors such as nativity, language, age at migration, years of residence in the United States, and generational status were associated with whether or not Latinos had used mental health services”(Alegría, Mulvaney-Day, Woo, Torres, Gao, & Oddo, 2007, p. 76). Once again, Puerto Ricans were the ethnic subgroup that had the highest use (10.4%) of specialty mental-health services, while Mexicans had the lowest use (4.4%).

Prevalence Rates for Greater Phoenix

The number of adults with serious mental disorders served by Maricopa County’s Value Options as of June 30, 2006, was 18,586. The breakdown for this total was: Title XIX individuals (11,115); Title XXI (30); and non-Title XIX (7,441). The total number of children served by the Arizona Department of Health Services Division of Behavioral Health Services as of June 2006 was 19,448; the breakdown by funding program...
was Title XIX (15,635), Title XXI (1,401), and non-Title XIX (1,412). The number of adult consumers with serious mental illnesses that were served by Value Options as of August 30, 2007, is 19,587.

**Services for Serious Mental Disorders in Greater Phoenix**

In Maricopa County, mental-health services were managed by Value Options during the years examined in this analysis. This Regional Behavioral Health Authority (RBHA) provided services to 18,500 seriously mentally ill in 2005, 18,586 seriously mentally ill in 2006, and 19,587 seriously mentally ill as of August 21, 2007. Data from the 2006 annual audit by the Maricopa County Court Monitor were used to assess the demographics of the seriously mentally ill population served by the RBHA in 2006.

In 2006, the RBHA served 3,784 priority-class members in the *Arnold v. Arizona Department of Health Services* lawsuit. A priority-class member is defined “as including any individual enrolled in the mental health system with a serious mental disorder who: (1) Is or has been an inpatient in the Arizona State Hospital since July 1, 1993; (2) Is or has been a resident of a Supervisory Care Home since July 1, 1995; (3) Is or has been an inmate in jail since July 1, 1995, who has a major biological mental illness” (Ashford & FitzHarris, 2007, p. 5). The Court Monitor for the Superior Court in Maricopa County generated separate sampling fractions to guide the proportional random selection of class members at target (1,514) and non-target sites (2,270) (n=281). State authorities were obligated to meet different outcomes at priority and non-priority service sites. For this reason, the audit required the Court Monitor to draw a representative sample of priority-class members at both target and non-target sites. In addition, the Court Monitor randomly sampled the non-priority population of seriously mentally ill (n=141).

The data from the combined random samples selected by the Court Monitor showed that 71% of the sample of priority and non-priority seriously mentally ill (n=429) were a participant in either Title XIX or Title XXI. In addition, these samples showed that

- 14% of the seriously mentally ill did not have a psychiatrist or psychiatric nurse at the time of the sample;
- 5% were not prescribed a behavioral health medication;
- 9% of the sample reported that they were using alcohol or drugs at the time of the survey;
- 12% were not living in satisfactory housing;
- 73% were unemployed;
- 82% were receiving supportive case-management services and about 14% were receiving Assertive Community Treatment Services.

Table 2 displays demographic information for the total population of class members and the Court Monitor’s sample of priority class members that were examined in her 2006 annual report. The results showed that the Latino population is grossly under-represented in the rates of priority class members that were being served by the RBHA. However, the rates served were similar to the rates obtained for Mexicans in the National Latino and Asian Study. In addition, the data show that the Court Monitor’s sample is representative of the overall population of priority class members.
Ashford and FitzHarris (2007) resurveyed the priority class members (n=281) who participated in the Court Monitor’s 2006 annual audit. They achieved a response rate of 69.7% in this resurvey of the Court Monitor’s initial proportional random samples (n=167). Table 3 provides a description of the demographics for the participants in this survey. The results show that the sample is representative of the class population for priority class members who are seriously mentally ill in Maricopa County and for the proportional random sample selected by the Court Monitor of Maricopa County.

Table 4 displays the service-use characteristics of the resurveyed participants in the class-action lawsuit. The results show that the majority of the participants live independently (45%) or at home with their spouse, family, or friends (24.6%). They also indicate that most of the participants were receiving supportive case management services (77.2%). The other major type of case management service was Assertive Community Treatment services (22%). Assertive case management teams emphasize outreach, relationship building, and individualization of services. They assign a maximum of 12 clients to one staff member, and are much more intensive than Supportive case management teams.

The number of seriously mentally ill adults served by the Maricopa County RBHA of August 30, 2007, is 19,587. The number of priority subjects in this population of seriously mentally ill is 3,983 (20%). The breakdowns for the priority groups are: Arizona State Hospital, 579 consumers (14.5%); Supervisory Care Homes, 652 consumers (16%); and jail, 2,752 consumers (69.1%). These percentages indicate that the jail group of priority clients has witnessed about a 3% increase since the data was gathered for the 2006 audit.

**Hospital Services**

Table 5 displays the number of emergency room visits in Maricopa County by first listed diagnosis and year. Table 6 displays the number of discharges by diagnosis and by year for the first listed psychiatric diagnosis. These tables show that the number of emergency visits increased in 2006 for all categories tracked with the exception of visits for drug psychoses. The numbers within the Drug Psychosis category increased for emergency-room visits between 2004 and 2006 (8%), but decreased for inpatient discharges (8%) between 2004 and 2006. In addition, the data showed that while persons with a diagnosis of schizophrenia and manic-depressive disorders (Bipolar Disorders) had fewer emergency visits than drug psychoses in 2006, schizophrenic and manic-depressive disorders were the conditions that resulted in more numbers of discharges from inpatient-care facilities in that same year.

A report to the Maricopa County Board of Directors meeting of April 10, 2007, on the number of psychiatric admissions to the Maricopa County Medical Center for FY 2006 indicated there were 2,618 admissions, and that admissions were projected to increase to 2,892 (9%) by 2008. The Arizona State Hospital (ASH) also provides hospital services for persons diagnosed with serious and persistent mental disorders. The state hospital has a total of 141 beds that service adults who are civilly committed as a danger to self, danger to others, gravely disabled, and/or persistently and acutely disabled. Typically, these adults have completed a mandatory 25 days of treatment in a community setting prior to admission.
The state hospital also has a forensic program that has 180 beds for persons under court-ordered commitments from the criminal-justice process. The persons hospitalized in the forensic program are there for pre-trial evaluation, psychiatric treatment, restoration to competency (53 beds), and post-trial treatment for guilty but insane (91 beds), not guilty by reason of insanity (24 beds), and evaluations for guilty but insane (7 beds) for non-violent offenses. The hospital also has a 16-bed adolescent treatment program. The total hospital capacity is 338 beds. For 2006, the state funded the hospital at 41% capacity for civil patients; 54% of capacity for forensic patients, and 5% of capacity for adolescent patients. One medical bed was reserved for infectious control.

The state hospital had 275 patients who were admitted during 2006 and 263 who were discharged. Overall, the census in the state hospital decreased from 2004 through 2006. This reduction in admissions was due to a reduced number of Maricopa County referrals for competency-to-stand-trial evaluations. In addition, ASH discharged 268 patients during FY 2006. The average monthly discharge rate was 22.3 patients, a 23% decrease from the FY 2005 rate of 29 patients. Overall, Maricopa County accounted for 20.4% of the admissions to the state hospital and 30.3% of the discharges from the state hospital. The discharges from ASH were predominantly to either a correctional facility (58.7%) or to a group home (19%).

Jail System Services

Correctional Health Care also provides hospital services for persons with serious mental disorders who are in the Maricopa County jail system. Hintze et al. (2006) reviewed data at the National GAINS conference that examined persons diagnosed with a serious mental illness who were being provided services in the justice system. In 2005, 3,160 individuals who were seriously mentally ill were booked into the Maricopa County Jail. Eighty percent of these seriously mentally ill had a co-occurring substance-abuse disorder. The Maricopa County Jail booked on average from 250 to 300 persons monthly who were seriously mentally ill. This county jail program has about 190 beds allocated for psychiatric patients. This is a larger number of psychiatric beds than the number of beds available for civil patients at the Arizona State Hospital.

Justice System Services

During 2005, the Maricopa County Probation Department supervised 650 individuals on probation with special mental-health terms. In addition, the Maricopa County Mental Health courts heard cases on 1,200 individuals petitioned for civil commitment. For that same year, the Mental Health Courts had 2,466 status-review hearings. Figure 1 displays the number of mental-health cases filed from 1935 to 2005 with the probate court. The results show a steady increase of cases over time.

| TABLE 5 | Numbers of Emergency Visits |
| --- | --- | --- |
| Mental Disorders | 2006 | 2005 | 2004 |
| Psychoses | 3,495 | 3,436 | 3,085 |
| Alcoholic psychoses | 604 | 521 | 450 |
| Drug psychoses | 804 | 808 | 664 |
| Schizophrenic disorders | 364 | 345 | 292 |
| Manic depressive disorders | 620 | 592 | 600 |

Source: Derived from data collected by ADHS and reported on its Web site.

| TABLE 6 | Numbers of Discharges From Inpatient Stays |
| --- | --- | --- |
| Mental Disorders | 2006 | 2005 | 2004 |
| Psychoses | 8,330 | 8,064 | 8,054 |
| Alcoholic psychoses | 974 | 891 | 823 |
| Drug psychoses | 436 | 507 | 516 |
| Schizophrenic disorders | 1,532 | 1,289 | 1,336 |
| Manic depressive disorders | 4,155 | 4,044 | 4,064 |

Source: Derived from data collected by ADHS and reported on its Web site.

| FIGURE 1 | Probate Cases | 1935-2005 |
Forecasting For Service Planning

An important age-related mental health concern in Greater Phoenix is the fact that the second-largest age group for the county is that between 5 and 14 years of age. Given this fact, we might start to see marked increases in enrollments to the RBHA for persons with a diagnosis of schizophrenia, and increases in hospitalization and in bookings in the Maricopa County Jail system, when these children reach their late teens and early 20s. Research has demonstrated that the marked increase in this country of mental-health hospitalizations occurred when the baby boomer cohort began moving into their late teens and early adult years. Service planners clearly need to take this issue into account when planning for acute-care services for the seriously mentally ill.

The current aged distributions in Greater Phoenix also help explain why the numbers of hospitalizations were higher for the manic-depressive disorders than for the schizophrenic disorders between 2004 and 2006. During these years, a larger proportion of the population was at the ages between 25 and 34, the period that we are most likely to see the onset of serious mood disorders. The National Institute of Mental Health reported that the median age that we typically see the onset of manic-depressive disorders is around 25 and that the prevalence rate for bipolar disorders (manic-depressive illness) is higher (2.6% of the population) than for schizophrenia (1.1%). The median age for the onset of mood disorders is also around 30 (9.5% of the U.S. population).

Adolescents and young adults are at the greatest risk of being involved in crime. This relationship between age and crime also has implications for persons diagnosed with mental disorders who are involved in the justice system. Members of the 5-14 age cohort will begin reaching the late teens within the next 15 years, which can affect demands for use of mental-health courts, jail health services, and specialized severely mentally ill caseloads provided by the Maricopa County Probation Department.

However, it is unclear how the marked increases in the Latino/Hispanic population in Greater Phoenix will impact demands for services for persons with serious mental disorders. Demographic data show that between 1990 and 2005, Hispanics went from 20% of the population in Phoenix to 41.8%. However, a sizeable proportion of this population were foreign-born, and we know from the National Latino and Asian Study that foreign-born individuals are much less likely to demand mental-health services than native-born or third-generation Latinos. On the other hand, we know little about the age of these individuals in Phoenix; the age is important because foreign-born individuals who migrated before the age of 13 had higher rates of mental disorders than individuals who migrated at other ages.

The Availability of Mental-Health Professionals

We cannot continue to ignore the availability of mental-health professionals as an issue when we design services for individuals with serious mental disorders. A major challenge is the dramatic increase in the percentages of mental-health professionals over 55. Indeed, the current workforce data show insufficient numbers of middle-aged persons to replace the psychiatrists about to retire. This has significant implications for how systems will establish supervisory ladders and other forms of management needed to provide quality services.

The national ratio of psychiatric physicians per 100,000 populations was 16.5/100,000 in 2000. In Arizona, the ratio was 11.8/100,000. Our greatest shortages are in the areas of child psychiatry and geriatric psychiatry. There were three residency training programs in Arizona in 2004 with 53 residents in training. This is insufficient to cope with the present demands for psychiatrists in Greater Phoenix and Arizona. The percentage of international medical graduates in psychiatry in the U.S. grew from 23% in the 1990s to 40% in 2000-2001. Most of these are not coming from either Mexico or Latin America.

Data from the National Association of Social Workers (NASW) (2004) showed that the median age of behavioral-health social workers is 50. NASW is projecting that there will be an increase in younger practitioners in the next five years, but that the numbers of social workers between 40 and 54 will decline substantially. Like psychiatry, this profession is aging—which has important implications for designing and planning of publicly-funded service systems.

...THE COMMUNITY HAS NOT DEFINED HOW UNTREATED MENTAL-HEALTH DISORDERS ARE INFLUENCING PRODUCTIVITY AND QUALITY-OF-LIFE CONSIDERATIONS.
Psychology is growing faster than many other mental-health professions. Indeed, the ratio of clinical psychologists to the population is much better than for any of the others. Some scholars are even arguing that there might be a need to “right-size” the workforce of psychologists because there is an excess in some communities. However, the introduction of managed care has reduced the need for psychologists, as there is less need for psychological testing; this has reduced pay for psychologists and threatened their value in the marketplace. Psychologists form one of the few groups in Arizona that is not threatened by aging or other workforce challenges. For this reason, some psychologists are advocating for psychologists to obtain prescriptive privileges to offset the shortage of psychiatrists.

The Future: Issues and Challenges

Single men and foreign-born individuals will continue to be the least likely to access mental health services in Greater Phoenix because they will be less likely to enroll in the services provided by the RBHA. Further research is needed to determine why foreign-born and native-born Mexicans access services much less than either Anglos or Puerto Ricans. We do not know why the prevalence rates for Mexicans in Arizona are much lower than the rates found among Anglos and African Americans in Greater Phoenix. We know that about 10% of Latinos with serious mental illness are enrolled in the RBHA, but we know little about their immigration status or how this is influencing Mexicans’ access to services. Further research can enable planners to design programs to target beliefs, personnel shortages, or other barriers to service use.

Recent research has shown that some aspects of an individual’s immigration status can be protective for the development of substance abuse (see Marsiglia et al., Chapter 8). However, we cannot determine whether this is also true in Arizona for persons with serious mental illnesses without access to reliable data on the immigration status of persons enrolled in the system. Namely, we cannot determine the extent to which the lack of use of the system reflects a trend towards foreign status serving as a protective factor against the development of serious mental illnesses. Most service providers in Greater Phoenix do not systematically collect data on immigration status. Clearly, the evidence reviewed in this paper suggests that the system is doing a poor job of service penetration within the Latino/Mexican population. For this reason, the current system of care needs to identify specific barriers to the use of services by the Latino/Mexican population.

We also have little information on how the lack of parity in mental-health insurance in Arizona contributes to other healthcare costs and burdens. While national estimates indicate that about one in four individuals have a diagnosable mental disorder, few individuals with these diagnoses are accessing specialty mental-health care in Arizona. Policymakers must consider studying under-utilization of mental-health care to get a better handle on specific barriers in Greater Phoenix. These data can also help planners understand how the burdens associated with untreated mental-health concerns are being shifted to other systems of care.

The World Health Organization considers mental-health problems to be hidden or undefined social or economic burdens on families, communities and countries. Mental-health problems are also an undefined burden in Greater Phoenix. That is, the community has not defined how untreated mental-health disorders are influencing productivity and quality-of-life considerations. Some costs are associated with lost production from ill individuals unable to work, or from family members needing to care for ill relatives. Such losses have other consequences for members of the community, including emotional burdens that diminish their quality of life.

While the prevalence of mood disorders is relatively high in community samples, we know that only a small percentage seek treatment for their depression. Untreated depression is known to lead to worse outcomes for persons with chronic illnesses. Planners thus need to confront the poor responses to mental-health concerns in our primary and other long-term care settings. Community leaders need to work with health-care providers in promoting early identification and treatment of depression in primary-care and in long-term care settings. This way, the community can reduce health-care costs and the untoward social consequences associated with chronically ill persons whose immune systems are compromised by untreated depression or other disorders.

### TABLE 7 | Projected Maricopa County RBHA Enrollment for Serious Mental Illness*

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<tbody>
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<td>SMI</td>
<td>22,370</td>
<td>23,041</td>
<td>23,732</td>
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<td>25,933</td>
<td>26,711</td>
<td>27,512</td>
<td>28,338</td>
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* Projections assume a 3% yearly growth rate and use FY2007 enrollment as a starting point.
Source: Arizona Department of Health Services.
The data also show a high percentage of persons with serious mental illness who are being treated in our jails and forensic service systems. Yet Arizona has no formal training programs—besides the forensic residency program for psychiatrists—for training professionals to meet the growing demand for services at the interface of the criminal-justice and mental-health systems. While the Administrative Office of the Courts has taken steps to certify some forensic evaluators, the courts and mental-health providers have not established training programs specifically for addressing the treatment of forensic patients in institutional settings and under community supervision. Local authorities need to pursue relationships with universities to develop specialized programs to prepare mental-health professionals to work with the growing forensic population in Greater Phoenix.

State and local officials should also consider modifying some of their data collection processes. Local authorities do not systematically collect data on the prevalence of impulse-control disorders. The lifetime prevalence rate for this classification of mental disorders exceeded anxiety and substance-abuse disorders in the National Comorbidity Survey Replication. Because we do not collect information on these disorders, we cannot assess whether the failure to treat them is contributing to the increased demands for forensic and other types of mental-health services. Policymakers must ensure that this important category of disorders is not ignored in future planning processes.

In addition, there is no specific agency in Greater Phoenix responsible for systematically collecting and reporting data on persons with serious mental illnesses in the justice system. As a consequence, there is no real way to evaluate the effectiveness of the RBHA and the state in addressing the needs of such persons. Local planners should consider using the universities or other outside nonprofit agencies to collect justice-related statistics on this population. With this type of information, the system will be in a better position to determine if and how the mental-health system is shifting the care of persons with serious mental illnesses to the justice system. In addition, this data can help the system in managing care and costs for this growing service population in Maricopa County.

Greater Phoenix faces several demographic challenges that will affect planning for services for the seriously mentally ill. Our burgeoning population in the 5-14 age cohort will have a definite impact on acute care, community-based recovery services, and mental-health services provided by the courts and jail system. Meanwhile, the demographic shift in the availability of seasoned mental-health professionals will place additional burdens on the system. If this workforce deficit is not addressed, it is highly unlikely that the county and state will be able to successfully exit the *Arnold v. Arizona Department of Behavioral Health* lawsuit. More generally, Greater Phoenix is likely to witness marked increases in other types of burdens in health, welfare, and safety.

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### NOTES

1. This act separated the mental health and substance abuse funds into two separate grants.
3. Title XIX refers to grants to the states for Medicaid assistance for payment of medical costs covered for eligible adults under the Social Security Act. Title XXI is the state’s children’s health insurance program that funds services for eligible children and youth covered by the Social Security Act.
4. Value Options was the Regional Behavioral Health Authority in Maricopa County when data was collected for inclusion in this report. The new Regional Behavioral Health Authority is Magellan.
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Phoenix-area families are facing multiple challenges posed by the changing economic, social, and political environment of the early 21st century. While many families have the resources to cope—including extended families, faith communities, employment, quality schools, health care, recreation, and adequate housing—many do not. These needy families—often confronting multiple problems and limited resources—are served primarily by Child Protective Services (CPS), an agency in the Arizona Department of Economic Security (DES), and a host of nonprofit organizations that actually deliver the counseling, childcare, drug treatment, and healthcare. CPS faces its own formidable array of obstacles to providing quality services to these troubled families. As Phoenix’s population grows and becomes more diverse, these obstacles will increase proportionally. If, by 2012, CPS and its nonprofit allies are going to provide the highest level of service to these needy families, strong leadership, extensive collaboration, and significant changes will be required.

The Context

CPS, which is charged with ensuring the safety of Arizona’s children, is one of nine divisions of DES. The ability of large organizations like DES to quickly respond to new mandates is strained by their very size, complexity, and need for accountability. Still, CPS has been remarkably responsive to changing political and social landscapes. It may be useful to look at CPS’ operations via the topics of intake, placement, and resources.

Intake

In the six-month period from April 1, 2006, through September 30, 2006, the Department received 16,781 reports of alleged maltreatment. This translates to a staggering 33,000-plus reports a year. The majority of reports originate in Maricopa County. As Figure 1 illustrates, neglect is the most frequent reason for a referral to CPS—which is consistent with national trends.

Definitions of neglect are difficult to operationalize when considering the role poverty plays in the ability of parents to meet the welfare needs of their children. Food insufficiency, health insurance, quality daycare, and lack of safe housing or any housing at all are often a reflection of parental income. Working utilities, access to reliable transportation for health appointments, and adequate clothing for the weather are also directly related to income.

Poor parents face the loss of their children when their income inhibits their ability to provide the basic necessities of life. The role of poverty in child welfare cannot be understated and has been a concern since the First White House Conference on Children in 1909.
The substantiation rate for the entire state varies by time period but overall stands at a mere 7%. At the same time, the intake function of CPS consumes significant resources. It seems that many reports contain insufficient evidence to justify further intrusion into a family, or are intentionally false. Nationally, policy makers have been reluctant to look into whether the costly process of investigating so many reports in which a child is not in danger should change so that more resources could be directed to families that need services.

Placement

CPS supervised more than 9,000 children who were in out-of-home care during this six-month period. Most (75%) have spent an average of 24 months or less in care, and the average number of placements was 3.18. For the 25% of children who have spent 24 or more months in care, the risk of placement changes increase. Multiple placements can prevent a youth from establishing enduring attachments to adults and other youth. Placement changes can involve changes in schools, resulting in educational disruption. Health and mental-health care providers may change with each new placement and connections with religious institutions or social activities may also be disrupted. Child welfare agencies strive to minimize the emotional, psychological and social costs of multiple placements.

As Figure 2 illustrates, preschool age children are most likely to be in care, and adolescents account for 31% of the population. While the law defines anyone under the age of 18 as a minor, the needs of these two groups differ significantly. Very young children are at the greatest risk of death or serious injury at the hands of their caretakers due to their heightened vulnerability. Adolescents are less at risk of death at the hands of a parent or caretaker, but their risks in other categories are high. Motor vehicle accidents, suicide, and homicide become genuine threats. Ensuring the physical safety of young children is of paramount importance, while helping adolescents to develop safe behavior practices is also important.

Figure 3 displays the racial/ethnic composition of substitute care in Arizona. One noteworthy aspect of this data is that African American children, who comprise about 3% of the state’s total child population, are placed at a rate that is quadruple that rate. To understand this complex issue, the child welfare community will need to identify the factors encouraging the placement of African American children and the impediments to finding them permanent homes either through adoption or reunification.

Indeed, preliminary research suggests that black children are at risk at every stage in the CPS process. The prevalence of poverty raises the risk of allegations of neglect. Black children are more likely to be placed in substitute care and to stay there for longer periods of time, and are less likely to be adopted than non-black children. Countering these imbalances—by such measures as training providers to recognize the subtle role of race as well as social class in the assessment of neglect—will take a commitment on the part of all stakeholders, the allocation of resources, and leadership.

Figure 4 illustrates the case goal of placed children. These numbers are consistent with national trends. Figure 5 illustrates where youth are placed. Arizona uses relatives as a source of placement for children; while this is considered to be a sound child welfare practice, it has financial implications: The federal funding formula for place-
ment supports foster homes over the home of relatives. Therefore, state dollars have to be used to cover the costs of placement with relatives. This is a disincentive for the states and can unintentionally discourage the use of relatives or caretakers who cannot meet licensing requirements. The federal government pays about two-thirds of the cost of child welfare services in Arizona through a variety of programs such as Titles IV-B and IV-E of the Social Security Act and the Social Services Block Grant.  

There are substantial differences in the amount DES pays foster parents. Licensed foster parents receive about $840 a month to care for a child. Relatives caring for a child may be eligible for Temporary Assistance for Needy Families (TANF) funding for that child. TANF is heavily federally funded. A TANF grant to care for a related child is about $204 per month. An additional child would receive another $73. Not all relatives are eligible for TANF funding. Unrelated caretakers and ineligible relatives must be paid with state dollars. For an adolescent, the amount is $52 per month. Thus, caring for two adolescent siblings would cost $1,680 in licensed foster care, $277 in the home of a federally eligible relative, and $104 in unlicensed care. To help families, CPS and family advocates need to address the federal funding formula and look to the state for a commitment to children. The federal government does not appear to be willing or able to be responsive and meet the needs of families in the states. State government may well have to take the lead and provide for innovative programs to help families.

Resources
Starting July 1, 2003, CPS began investigating all calls to the child abuse hotline. This accounts for the large increase in the number of investigations, which now exceed 36,000 per year. By 2012 we are likely to see even more children referred to the hotline. The task of investigating all of these reports—most of which will be unsubstantiated—will require the hiring of more investigators. Since the department has had great difficulty hiring and retaining line staff to meet today’s needs, the future may bring even more critical staffing issues.

A consequence of investigating all reports to the hotline has been an increase in the number of children entering substitute care. The number of children in out-of-home care increased by 36% between March of 2003 and March of 2005. This required the department to significantly increase the number of foster or group homes. CPS has worked diligently and now has in excess of 3,200 licensed foster homes. More homes are being recruited than are being lost—a balance that will need to continue for the department to meet the needs of the increasing numbers of children who will enter care by 2012.

CPS recognizes the importance of regular contact between case managers and foster care providers, children, and parents. It is sound child welfare practice for the case principals to meet regularly, usually monthly, to ensure that all parties are moving toward the same goals. However, such monthly meetings require a staff of sufficient size. As the numbers of children and foster homes increase, the number of case managers needs to increase. Again, CPS has had continuing challenges in recruiting and retaining case managers. The goals of child safety and family well-being cannot be met by agencies that are chronically understaffed.

CPS requires staff to have monthly visits with foster care providers, a requirement that has been difficult to achieve. In fact, from April 2006 through September 2006, 45% of foster care providers did not receive the required visitation. CPS staff is required to visit children in out-of-home care monthly; for this same reporting period, almost one-third of the children did not receive this visit. The department points out that the number of visits may be inaccurate since staff may not have entered current information into the CPS data management system.

The Choice: More of the Same, or Something New?
The need for services will not diminish and is likely to increase. New problems confront families and seem to become more difficult with each decade. For example, cocaine and methamphetamine are particularly destructive to family life. Easy answers to this problem simply do not exist. Agencies are still trying to develop effective and efficient drug treatment programs appropriate for the wide range of drug abusers. The type of drug may change with the decades, but what remains relatively constant is the fact that millions of Americans are abusing drugs.  

The child welfare community is thus faced with a choice about how to meet future needs. First, it can choose to do more of what it is already doing. This is the easiest course.
More staff, more foster homes, and more community-based services may help to meet expanding needs. Reform efforts have become more intense and focused since 2003. There are a number of reports outlining challenges and solutions to these many problems. These reports have suggested numerous practical changes, including:

- Purchasing car seats for case managers transporting infants and toddlers
- Buying cell phones for staff making visits in dangerous situations
- Co-locating CPS staff with behavioral health, domestic violence and law enforcement personnel
- Requiring CPS to partner with national organizations on neighborhood services to strengthen families

Building upon the current foundation is an acceptable course of action, since much of what is currently being done may actually be effective for some families. But while funding for CPS has increased in the last few years, the funding has not matched the needs.

The second choice would require the child welfare community to be bolder and to try new strategies. This is the riskier course. It requires fundamental shifts in conventional thinking and a redistribution of resources. Three broad areas where opportunities for new thinking may exist are intake, personnel, and community partnerships.

Intake

The substantiation rate presents a particularly difficult policy issue. Single-digit substantiation rates represent a significant waste of resources. Arguments abound as to why rates are so low, both in Arizona and nationally. It may be, for example, that many cases may not fit the current standards for evidence in court. However, even assuming it’s true that many more families could be substantiated—and thus that the “true” substantiation rate is four or five times the current rate—more than half of reports would still be unsubstantiated. Other states are exploring this issue. Some are concluding that, if child abuse is a crime, then those with expertise in criminal investigation should be handling allegations of maltreatment. Florida has recently moved child abuse investigations into the sheriff’s office in some counties, while CPS continues to investigate in other counties. Arizona should watch these initiatives and evaluate their utility.

Knowing making a false child-abuse report is a crime, yet it is exceedingly difficult to find cases in which someone was prosecuted. Custody disputes, family conflicts, or trouble with landlords can result in the misuse of CPS, and there are no real consequences. And while it’s reasonable to argue that false reports should be investigated, doing so may take time from a child who truly needs CPS intervention. This is another public policy question in need of discussion.

No one will ever be able to predict with 100% certainty that any specific child will be abused. Ordering that all cases of alleged maltreatment be investigated is an over-reaction and wastes valuable resources. We do know which children are at the greatest risk of harm, and we should be concentrating our finite resources on those children. To continue to try to investigate every report dooms the agency to a state of permanent struggle just to keep up with current demands.

Personnel

Staffing is such a critical issue that, until it is addressed, CPS will not be able to adequately serve vulnerable families. In the 2007 semi-annual report, DES identified staffing as a challenge in meeting safety and permanency goals: “The Department continues to struggle with an inexperienced workforce that is unable to deal with the complex issues present in the child welfare system.”

This is the same struggle faced by the rest of the country. At any one time, CPS can have hundreds of vacancies. There are many costs to this high turnover rate. The financial costs are easy to calculate: Training investigators or case managers costs thousands of dollars and takes weeks if not months. The non-financial costs are harder to calculate: Families cannot wait for replacement staff. Court reports, referrals for services, and mandatory monthly visits are among the tasks that must be assumed by other unit staff who already carry full workloads. Morale can suffer as the remaining staff cope and families suffer from a lack of continuity. Replacement staff need time to become familiar with families’ unique circumstances, but families under CPS supervision are often under tight time lines for completing services. Failure to meet deadlines can result in the permanent breakup of the family.

The frequent loss of experienced staff forces the department to constantly recruit replacements. This can result in recruiting new staff with limited backgrounds in human services. Public child welfare work requires a high level of education and skill,
and the Master of Social Work (MSW) is the best-prepared professional. But because recruiting MSWs and bilingual MSWs is difficult, applicants with other degrees are recruited to fill the vacancies. These applicants may need more extensive as well as more frequent training.

The negative aspects of public child welfare work are well documented. The work is difficult, dangerous, unappreciated, and poorly paid. Examining why staff stay or leave could help DES design a more supportive work environment. Research indicates that supervisors play a key role in employee retention, as does flexibility in job assignments, manageable workloads, and reasonable documentation requirements. DES can address these factors: It can support supervisors and introduce more flexibility in job assignments. But workloads will not become manageable until the department can lower the turnover rate.

Excessive documentation requirements are a symptom of an oppressive work environment. CPS staff jokingly describe their agency as run by forms. Indeed, when there is an incident such as a child fatality, staff anticipate that administration will soon issue new forms. This is not an effective strategy: Forms consume an inordinate amount of time and offer the false hope that problems will not occur if staff fill out the right paperwork. Educated and experienced staff view additional forms as a burden, a limitation on their ability to allocate their time, and a symbol of administrative distance and distrust. For all these reasons, excessive documentation contributes to an adversarial work environment. But excessive documentation is one of the easily resolvable problems in child welfare. By listening to staff, more effective methods of documenting accountability can be established. By 2012 there could be fewer forms.

**Community Partners**

Partnerships between CPS and the community offer many opportunities to better serve Arizona families. The problems faced by CPS are mirrored in the private child welfare community. Private agencies are also seeking culturally competent, bilingual, educated, and professional staff, and frequently experience an even higher turnover rate than public agencies. For example, the Child Welfare League of America (2003) reported an average turnover rate of 39%. All of this means that a public/private partnership would serve the interests of all parties. Preliminary steps in developing a meaningful partnership have begun, and need to be expanded. Both sides could combine resources and develop new strategies for recruiting, training, and retaining culturally competent and professional staff. New models of neighborhood-based service delivery could help to strengthen vulnerable families. The models can be developed and tested jointly.

In fact, the public child-welfare sector could very well collapse in total chaos without the nonprofit sector. Most of the services that actually change lives are provided by nonprofits. Without the nonprofits to provide the counseling, child care, drug treatment, and health care, families in CPS might not receive any services. By 2012, nonprofits will face the challenge of providing more services to more families—a challenge that will require both capable leadership and an increase in resources.

Both types of agencies can commit fiscal resources to ensure that staff have the skills and attitudes to deliver effective and culturally competent services. By combining some of their training components, they can achieve cost savings and enhance collaboration. Collaboration between equals would create an infrastructure to help empower families and prevent at-risk children from falling through the cracks. This sort of partnership requires the parties to recognize their unique roles, work toward supporting the success of each agency, share resources, and develop joint programs and policies. The bureaucratic barriers to a partnership between equals are considerable, but not impossible to overcome. Indeed, a task force with a clear mission on how to accomplish this partnership, high-level political sponsorship, and adequate resources could produce an action plan within six months.

The last area for expansion involves using the public university to help support children and families. There are two immediate priorities that a ASU-DES/community partnership could explore. First is enhancing staff recruitment, retention, and competency through staff training, professional education, and continuing education. The second priority is strengthening services and service delivery through program evaluation and research.
The Future

Arizona has the institutional and intellectual resources necessary to serve its needy families. What it requires is a willingness to experiment. Changing screening criteria and developing alternatives to formal CPS investigations are sound places to begin. CPS has difficulty helping families with complex problems, which means that community agencies, especially those with substance-abuse expertise, are essential. Funding nonprofits to develop, evaluate, and implement these programs requires leadership and resources. This is an opportunity for state government to step up and support families.

The need for services to help larger numbers of young families, particularly Hispanic families, will increase for the coming years. Many of these families, especially in the greater Phoenix area, will be monolingual Spanish with wage earners in the lower-income occupations. This combination will strain the current capacity of CPS as well as the larger child welfare community. Many more bilingual staff will be needed, but so far the efforts to increase capacity in this area have been meager.

By 2012, the CPS agency will face new challenges as the number of children in the Phoenix area, especially poor children, increases.10 In 2003, Governor Janet Napolitano established the Child Protective Services Reform Initiative. This initiative identified major issues facing CPS and outlined plans for responding to these issues. CPS has instituted major policy changes in an effort to respond to the concerns of the public. But while much has changed since 2003, overcoming the impediments to a more effective service system for the state’s most vulnerable citizens continues to vex the child welfare community.

Capacity building in the areas of staff and services should be a high priority. Offering fiscal incentives is a first step, but does little to increase the pool of bilingual staff. Language programs in the workplace can help current staff increase their language competence; consultants able to teach staff enough Spanish to communicate with clients need to be part of the training component. However, providing staff with the time to participate in the training may be difficult, as staff are already working at capacity and vacancy rates in units average 20%.

According to DES, there were 486 CPS case managers (out of 516 authorized positions) in Maricopa County at the end of 2007. Their average monthly caseloads—12 investigations, 19 out-of-home cases, or 23 in-home cases—exceeded department standards of 10 investigations, 16 out-of-home children or 19 in-home cases. DES officials said that in order to achieve department caseload standards statewide, 206 additional case managers would have to be hired, about half of them to work in Maricopa County. The Governor’s Office has proposed a three-year plan to attain that staffing level beginning in July 2008.

Committed professionals in public and private child welfare agencies, in state and local governments, and in the educational community should pool their considerable resources and respond proactively to the uncertainties and challenges facing families. Failure to provide this leadership and develop innovative and comprehensive programs will mean a much bleaker future for vulnerable children in the Phoenix area. Many more children, especially minority children, will enter care, remain for protracted periods, and have difficulty finding a permanent home where they can develop lifelong relationships. The consequences of such a dismal future will affect us all.

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NOTES
1 DES (2006) published a report that provides a statistical picture of the enormity of its role. The information can be accessed online. This level of transparency serves the agency well and enables the public to see just how much work their tax-supported bureaucracy is doing.
3 For a full discussion of this issue, please see the chapter by Flavio Marsiglia, Tanya Nieri, and David Becerra.
9 For a discussion of the role and impact of nonprofits, please see the chapter by Robert Ashcraft.
10 For a detailed discussion of the challenges poverty presents to the state and to Phoenix in particular, please see the chapter by Elizabeth Segal.

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This volume of reports on the human-services infrastructure in Greater Phoenix reveals many flaws and many potential and actual problems. It also suggests ways to shore up and repair this infrastructure. But how can this work best proceed? Greater Phoenix faces sheer resource limits as well as competition from other community interests; it must also contend with the significant management and logistical pressures associated with “playing catch up” to need and demand curves associated with projected population increases. Further, this takes place in a governance culture that has often been defined as politically conservative—meaning one that provides “basic” city services while emphasizing fiscal constraint, limited government, and government facilitation of growth and private economic development, but minimizing involvement in social services. These are real challenges for those doing human-services work in this fast-growth setting. They should not, however, be seen as intractable. Rather, they need to be balanced against existing assets and resources that can be mobilized to build on this essential infrastructure.

This is the work of community building—of knowing how to translate narrow kinds of success that are ubiquitous in day-to-day human-services work into much broader versions of human capacity and achievement. A resilience perspective helps shape an approach to community building that is balanced, positive, flexible, and sustainable. Resilience is the capacity to recover from and adapt to life’s inevitable difficulties. Since stresses, crises, and strains of life are unavoidable, resilience capacities that allow people and communities to bounce back from adversity are threshold commodities. Although there is much to learn about resilience, we know that, while virtually everyone can be resilient, there is significant variation in resilience capacity among individuals and communities. We also know that resilience is a kind of individual and community buoyancy that requires deep, continuing appreciation and nurturing of social connections, trust, learning and adaptation, and assets.

Human Services in Greater Phoenix: A Resilience View

When the Greater Phoenix human-services sector is viewed through a resilience prism, the picture changes. To start with, we find evidence of strong collaboration capacity with historical roots. Arizona’s state-agency reform of 1974 centralized provision of many direct poverty-related programs, including welfare. That model remains in place today, with the Arizona Department of Economic Security (DES) planning and administering direct poverty-related services, including welfare reform. Parallel to that formal system is a wide network of nonprofit and faith-based organizations, supplemented by literally thousands of “self-help” efforts spread throughout the region. All of these organizations offer support and
thereby buttress the formal efforts of DES and other government agencies. Indeed, DES has relied on nonprofits and faith-based organizations for delivery of numerous community and social services since its development in the mid-1970s. In our research on welfare reform and state capacity in Arizona, we found substantial evidence of strong programmatic and funding collaboration between the state and these many organizations, particularly in Greater Phoenix. Similarly, the Arizona Department of Health Services (ADHS) contracts with many organizations to supply health services.

These are partnerships that meet political as well as human needs. How have Arizona elected officials, Republican and Democrat, been able to meet demands for services while running for office on promises of tax limitations and budget reductions? In large part by pledging allegiance to public-private partnerships and privatization of public services. Nor is this a new approach in Arizona—it is part of a statewide philosophy of private delivery of public policy, as seen in such other policy efforts as the Arizona Health Care Cost Containment System (AHCCCS) experiment in Medicaid, the privatization of welfare-to-work in two regions of the state, state facilitation of charter-school experiments (making them more widespread and accessible in Arizona than in most other states), and the Phoenix competitive-bidding experiment for refuse collection. All of these feed into a culture of collaboration that, when reinforced, can help to bring more coherence to the area’s human services.

Collaboration and Innovation

Still, despite these significant experiences with collaboration and public-private partnerships, more is needed at the operational level. In interviews with Greater Phoenix human-services leaders, the topic of collaboration among service providers was frequently mentioned as a most critical need. Indeed, some believe that improved and sustained collaboration is central to any meaningful reform of the human-services sector. Similarly, a culture of innovation is a priceless resource for the Phoenix area that, if nourished, can help to remake human services. Again, the region and state possess significant history and experience in this regard. In fact, Arizona is an acknowledged innovator among the states in two of the largest areas of human services, welfare reform and indigent healthcare.

Arizona took an early and significant first step toward reshaping its welfare program with the 1995 enactment of the Employing and Moving People Off Welfare and Encouraging Responsibility (EMPOWER) program. At the time, EMPOWER was one of the most extensive welfare-reform programs in the nation and one of the first to include in one program such major reforms as mandatory cash sanctions for non-compliance, adult time limits, transitional medical and child care, a family benefit cap, and unwed minor parent provisions. Arizona’s effort served as a general model for national welfare reform, which was enacted in 1996. The state has received several awards, including high-performance bonuses, for this innovation. Yet it is important to note that from the beginning of the planning for EMPOWER—and its more recent welfare-program offspring—the keys to reform have been nonprofit providers of “supportive services” (childcare, transportation, healthcare, substance-abuse treatment, etc.) and improved community involvement and collaboration.

An even better-known Arizona example of human-services innovation is its indigent healthcare program, AHCCCS. In 1981, Arizona was the only state not participating in the national Medicaid program. State leaders saw significant problems with conventional Medicaid, but also had grown weary of paying the full tab of spiraling health costs without a fair share of federal funds to use in indigent healthcare. The result, AHCCCS, was a byproduct of the strongly held belief by the state’s political leadership that containing costs while providing quality in indigent healthcare would require a public-private partnership to administer a pre-paid, capitated system. AHCCCS “mainstreamed” Medicaid recipients into private medical practices instead of providing services through public agencies. Low-income residents got healthcare choices as well as services without being stigmatized, and Arizona got lower costs compared to other states.

It is important to note that both EMPOWER and AHCCCS were Arizona inventions that were different enough to be implemented as “waiver” programs—that is, they did not conform to standard federal program guidelines but qualified for federal welfare reform and Medicaid funds anyway. Both programs have served as major resource streams for the human-service populations of Greater Phoenix, and both have made significant impacts on the development of the area’s human-services sector. There are many other examples of powerful and innovative ideas arising from Arizona public-policy experiences. The Morrison Institute at Arizona State University (ASU) recently published a catalogue of such innovations entitled Arizona Ideas. This history of public-policy innovation is part of the reason for the recent development of a new international Alliance for Innovation in Local Government, headquartered at the ASU School of Public Affairs at the Downtown Phoenix campus. The Washington, D.C.-based International City/County Management Association (ICMA) and the Innovation Groups (IG) in Tampa, Fla. have joined with ASU-SPA to form a unique consortium on innovation.

Collaboration and innovation are potentially powerful assets for building human-services capacity. There is evidence of both ample supply of these assets in Greater Phoenix and of aspirations for their further development. Can they be applied with greater focus to the human-services issues that Phoenix will face in the future? Recent experiences within the sector showcase exciting experiments, innovations, and collaborations that can be viewed as precursors to larger future changes in the human-services sector.
Resilience Solutions and Community Building

There are significant challenges associated with repairing the traditional human-services infrastructure while promoting human resilience. For one thing, previously described debates about defining and targeting “need” have a daily impact on actual interventions. In addition, the daily operation of many individual agencies and programs alongside well-meaning but sometimes detached community-building efforts often means that human-service interventions and long-term community-building efforts do not connect as firmly as they should.

A broad systemic view of intervention is necessary to make significant future change, but it is often elusive. For a host of reasons, interventions often “morselize” at the individual organizational and community levels. That is, they focus on narrow dimensions of “the problem” and immediately available outcome measures—such as welfare-to-work job placements rates, quarterly profits, or election results—rather than on building system-wide capacity for the long term. This is particularly evident in the proliferation of community activities that involve marginal tinkering with small programs and minor investments in neighborhoods: these do not build communities. In fact, many limited and targeted grant efforts do just the opposite—reinforce separation and segregation, and in some cases destroy communities.

In his classic book about public policy’s search for safety, Aaron Wildavsky3 explores the public-policy implications of the fact that risk (danger) and safety are inextricably intertwined and should be viewed in a systems context. Wildavsky points to the danger of thinking in terms of “all good” and “all bad,” and counsels a search for safety and development of the whole which involve reduction but not elimination of overall risk. In advocating resilience over resistance as a central organizing theme for city planning and management, Sophie Churchill admonishes:

*A city facing a time of turbulence, and in the face of the global communication power flows...should give attention to identifying, conserving and investing in the human, social, intellectual and physical capital which constitutes its protective factors, rather than expending a large part of the energy of its leadership in short-term efforts to spend particular funding regimes.*

In short, there are good reasons to re-think and broaden the type and structure of future interventions that need to be made in social and human services. In the ASU Resilience Solutions Group (RSG), the central topic of inquiry and experimentation is just this type of broader, connective intervention called “resilience solutions.” Characteristically, resilience solutions have multiple targets, generate a more general well-being, and create new and/or increased capacity through new connections and alliances. Resilience solutions are long-term and sustainable. They differ from many more standard and targeted interventions just as conflict resolution differs from conflict management. These are solutions expected to take time, but also to have multiple impacts and increase in value over time.

Innovative resilience solutions that change the structure of social exchange are emerging within our communities. One example is the “Experience Corps,” which engages retired senior citizens to advance the chances of young children in inner-city schools. The seniors volunteer, are trained, and then assigned to work with needy youth at school. The seniors get a way to help better the lives of children in their community. The children get a surrogate grandparent to watch over them during part of the school day. Success is measured by markers of well-being among the seniors and by retention rates of the children in high school. Another example is *Building Bridges Across the Divides,* which brings together African Americans and Caucasians to further cross-cultural dialogue and understanding. This program promotes social capital, thereby raising the threshold for conflict in the inner city.

Other examples include the Healthy Communities Initiatives by the World Health Organization, the National Civic League’s All-American Cities awards, and the League’s community-building facilitation based on development of the Civic Index. The Resilience Alliance is an international network of institutions and agencies that focuses on social-ecological systems, promoting adaptability and sustainability surrounding developmental policy and practice. The Community Resilience Project based in British Columbia has developed manuals and guides to enhance the capacity of individuals and communities to respond to change. These and many other programs represent a new era of public policy and programming that attend to both the assets and deficits within communities.

We must strive to continue to unify theory and to integrate
social activism with models of community health and well-being built upon a solid empirical foundation.

In Greater Phoenix, St. Luke’s Health Initiatives has launched a five-year, multi-million-dollar program that blends the RSG resilience model with strength-based community development as a key to resilience. Called “Health in a New Key (HNK),” it awards funds to community organizations that develop new partnerships to implement resilience-based interventions that focus on assets, not deficits. The effort is defined as “a way of identifying, framing and responding to issues that focuses first on existing strengths and assets...and avoids the pervasive culture and model of deficits and needs.” This initiative marks an important step in providing funds to move beyond threat and response paradigms to funding resilience and assets-based research and interventions that can be sustained within communities. As a part of this work, SLHI has created a virtual network of leaders of local organizations dealing with a broad range of human-services issues who meet and frequently interact over the broader issues that bind them. Most of these organizations had operated in silos defined by need and program and did not know of each other’s efforts or even existence prior to the HNK intervention.

Also in keeping with resilience perspectives, the Maricopa Association of Governments (MAG) recently convened a Regional Human Services Summit of approximately 200 elected officials, government staff, nonprofit, faith-based, academic, and private-sector representatives, all interested in responding to the event’s organizing question: “What can we do now with what we have?” Designed to develop priorities for human services from broad and genuine community dialogue, this summit and the related follow-up have produced a refined list of issues and projects designed to greatly increase collaboration by purposely “pairing” issues that are often treated separately. Examples include:

- An affordable-housing and transportation civic education campaign
- A developmental disabilities and aging integration project
- A housing and aging summit
- A project involving domestic violence and the civil legal system
- A project on homelessness and mental illness

In tandem with this effort to ramp up community dialogue and deploy human-services resources in new ways, MAG is preparing to map the resources used to address human services throughout the region, so as to better assess their distribution and capacity. Other examples of a new interest in human services and of new forms of resilience-friendly collaborations represent further steps in the remodeling of the Greater Phoenix human-services sector. Examples from the Valley of the Sun United Way demonstrate the type of broader community leadership that is required:

- **Firestar** Fire departments, mayors, city agencies, the United Way, and neighborhood alliances working together toward improving neighborhoods
- **Arizona Self Help** A free online directory to determine if families can get help from 18 different health and human-services programs
- **The AZ211 System** An online source of information about child care, jobs, health care, insurance, and other needs, as well as about local emergency bulletins and alerts in times of disaster
- **Valley of the Sun United Way Councils of Human-Services Providers** Very active around certain broad community issues

Those interviewed for this study also mentioned other significant examples of new approaches to working with human-services issues, such as the first-time Phoenix bond election for nonprofits, Native American Connections and the Native American Health collaborative, the downtown Phoenix Human Services campus, and the recent trend of investment in science education and related nonprofits.

**The Future: People First Means Full Human Development**

The human-services infrastructure of Greater Phoenix is vast and complicated. It has supporters and detractors, both of whom sometimes seek to portray it in simple terms by deploying political rhetoric about big government or about the human condition. But this noise serves only to obscure the very real change and potential for change that should be the focus of the region, its leaders, and other residents in democratic dialogue.

...it is better for both individuals and the community to build healthy communities from the ground up based on strengths and assets, rather than trying to treat a never-ending inventory of deficits and needs.
We contend that this dialogue can be greatly improved by a framework that is relatively neutral and designed to focus on human development to its fullest capacity. A resilience perspective is useful in shifting the focus from deficits to assets, from needs to strengths, from problems to opportunities, from individual to community. This perspective can help develop indicators to measure progress toward desired outcomes, and to craft strategies to impact multiple targets in the short term while extending strength to a larger community in the long term. Simply stated, by focusing on human and community health and well-being, the resilience approach greatly helps to solve the theoretical dilemma about selecting targets of need versus broader definitions of human services.

A central future objective for Greater Phoenix in the face of hyper-growth should be to reduce reliance on the old human-services model and infrastructure while increasing broader resilience solutions. This is not advocated for political reasons, but because it is better for both individuals and the community to build healthy communities from the ground up based on strengths and assets, rather than trying to treat a never-ending inventory of deficits and needs. The true challenge will be to keep people first in the chain of change that will define Greater Phoenix. A recent essay about innovative and comprehensive transit solutions to virtual gridlock in Copenhagen and Paris puts it this way:

The trick, for city and transit planners...is to put people first, spaces second and buildings last.

If Greater Phoenix is to build on its strengths, to grow, to be inclusive, to offer opportunities for prosperity for all, and to be sustainable, it will require sustained efforts to replace traditional human services with genuine human development. This will be challenging work, but not as costly, controversial, or ultimately ineffective as trying to expand the region’s other infrastructure domains while neglecting human development. Imagine the enormous rewards if, at some future point, Greater Phoenix is thought of as the place that put people first as it built community.

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NOTES

1 The author is grateful to Billie Sandberg for her normal splendid research assistance. Also, I am enormously grateful to Professor Alex Zautra and other members of the Resilience Solutions Group at ASU for continuous contributions, insights, support and stimulation to think about resilience and public policy.

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This report evaluates whether a program for older volunteers, designed for both generativity and health promotion, leads to short-term improvements in multiple behavioral risk factors and positive effects on intermediary risk factors for disability and other morbidities. The Experience Corps places older volunteers in public elementary schools in roles designed to meet schools’ needs and increase the social, physical, and cognitive activity of the volunteers. This article reports on a pilot randomized trial in Baltimore, Maryland. The 128 volunteers were 60-86 years old; 95% were African American. At follow-up of 4-8 months, physical activity, strength, people one could turn to for help, and cognitive activity increased significantly, and walking speed decreased significantly less, in participants compared to controls. In this pilot trial, physical, cognitive, and social activity increased, suggesting the potential for the Experience Corps to improve health for an aging population and simultaneously improve educational outcomes for children.
Kretzmann, J. P., McKnight, J., et al. (1993). Building communities from the inside out: A path toward finding and mobilizing a community’s assets. Evanston, Illinois.
A RESILIENCE PERSPECTIVE HELPS SHAPE AN APPROACH TO COMMUNITY BUILDING THAT IS BALANCED, POSITIVE, FLEXIBLE, AND SUSTAINABLE.
In The Lord of the Rings, J.R.R. Tolkien wrote of the Third Age as a period of transition between populations and kingdoms in Middle-earth. In our world, however, the Third Age is a very real stage of life that lies between traditional retirement and the advent of health-related physical limitations. It can be embraced as a productive and “unique period of personal growth and exploration” in which individuals find “harmony, inner peace, social purpose, continuity, stature, and opportunity.” A major challenge facing Phoenix-area policymakers, now and in coming years, is to create and expand opportunities for as many residents as possible to engage in the daily life of our community while enjoying a full and rewarding Third Age.

Older Residents in Our Community

Adults age 65 and older currently make up 11% of Maricopa County residents and less than 8% of the residents of Phoenix, compared with 12.1% nationally. The smaller percentage of older adults in Phoenix is the result of the large influx of younger residents from other states. As of 2005, 29% of Maricopa County’s residents were Hispanic, but only 3.1% of them were over 65. This low proportion of elderly Hispanics is due to both high birthrates and the influx of young Hispanics through immigration from Mexico and Central American countries. The Phoenix area’s rapid growth has created special challenges and opportunities for meeting the needs of older residents. These include both cultivating the contributions of those in the Third Age and supporting the independence of older adults in need of assistance with daily activities.

While the overall poverty rate in Maricopa County was lower than the national average in 1990, 2000, and 2005, the rate in Phoenix has been consistently higher than the U.S. average, primarily among children and working-age adults. “In contrast,” notes another chapter in this volume, “senior citizens in Maricopa County experience considerably less poverty than their national counterparts. Even in Phoenix, the poverty rate of those 65 or older has been less than the U.S. average.” The American Community Survey, conducted in 2006, found similar results, with people age 65 and over in Maricopa County demonstrating poverty rates of 7%, compared with 8% in Arizona, and 9.9% in the U.S. Although poverty among older adults is lower than the national average, it will be important for Greater Phoenix to identify and improve the quality of life for those older adults living in poverty.

Examining percentages of older adults by zip code area reveals high levels within several areas of Maricopa County. There are especially high percentages (49 to 94% of total...
residents) in the rural northeastern sector, which largely consists of the age-restricted community of Rio Verde and unincorporated areas between Surprise, Peoria, and Glendale. In the northwest, the four zip codes with high proportions of older adults comprise the retirement communities of Sun City (two zip codes), Sun City West, and Youngtown, the latter of which recently ceased to be age-restricted. Areas with 29 to 49% of older adults by zip code include unincorporated areas surrounding and including Wickenburg, areas within Surprise and Peoria, Paradise Valley, and Fountain Hills; southern portions of Chandler, including retirement communities such as Sun Lakes and Sunbird; and Mesa, the eastern portion of which includes Leisure World and many mobile home communities.3

A closer look at the Phoenix area reveals something beyond these intentional retirement communities—NORCs, or naturally occurring retirement communities. These are housing areas in which at least half of the residents are 60 or older, but which did not arise by plan or design. NORCs can exist anywhere and within any type of housing, including homes, apartments, condominiums, and mobile homes.4 The precise identification of NORCs by county and city planners, working in tandem with health and social service providers, would create a roadmap for preparations to address the needs of the Phoenix area in coming years.

Current Needs and Efforts

The Phoenix area benefits from the coordinated planning efforts of several organizations. The Area Agency on Aging and Arizona Department of Economic Security (DES) facilitate advocacy, planning, and the development of a coordinated and comprehensive service delivery system for older adults. The DES Division of Aging and Adult Services and partnering agencies have developed Arizona Links—an Internet site through which older and disabled adults may identify services and resources to maintain independence and support the efforts of family caregivers.5

The Governor’s Advisory Council on Aging advises DES on the administration of the state’s plan on aging. Governor Janet Napolitano created Aging 2020, Arizona’s plan to prepare for and respond to the demographic changes and challenges of its aging population, with input by each executive branch department. The Maricopa Association of Governments held a conference in 2007 to develop strategies for community partnerships related to population growth and the human-services infrastructure, including a response to the needs of elders.

This kind of coordinated effort has led to an effective system of home and community-based services designed to maximize the ability of older adults to live independently within their own homes or within the community. This includes home-delivered and congregate meals; housekeeping, shopping, and
personal care services; home repair and adaptation; protective services; and caregiver education and support. Community-based services include temporary relief for family caregivers; adult day care centers; and congregate nutrition and senior centers, including a balance of recreational, social, intellectual, and physical activities.

These services are particularly critical as approximately 25% of all persons over age 65 in Arizona lived alone in 2000. This number is expected to grow as baby boomers age. For those individuals with families, it is estimated that family caregivers in Arizona provide almost 80% of the support needed for persons living with disabilities, with an estimated worth of more than $4.6 billion annually. There will be an increasing need for paid caregivers prepared to address the needs of older adults as the population ages and fewer family caregivers are available.

One group of particular concern is the so-called “notch group”—individuals whose incomes put them above current eligibility guidelines for home and community-based services, but who are unable to afford services at full cost. The unmet needs of this group place considerable physical, emotional, and financial strain on them and their families, as well as greater demands on existing public and nonprofit health and human-services providers. The demand on this publicly-funded system will only increase as existing residents age and new older residents migrate into our area. This growth will of course require additional public and private funding and personnel—challenging policymakers to develop a sensitive response that balances eligibility requirements, cost-sharing standards, and elders’ desire to pass along tangible inheritances to their children and grandchildren.

Arizona’s suicide rate is higher than the U.S. average among all elderly age groups, making mental-health assessment and treatment resources especially critical. The rate is especially high for elderly white males and individuals residing in rural areas, followed by Hispanic elders, African American elders, and Native American elders. Appropriate assessment and treatment requires professional education in social work, nursing, counseling, medicine, or psychiatry with specialized attention to the unique needs of the elderly, because depression among older adults must be differentiated from medical conditions that can mask or imitate depressive symptoms.

Transportation is a perennial need for older adults, for facilitating medical appointments, increasing socialization, and reducing isolation. The Phoenix area’s geographic sprawl places an additional strain on current paratransit resources, especially for individuals in need of accommodation. Valley Metro represents a regional transit system that includes representatives of area communities from El Mirage to Chandler. Services include local, express, and commuter bus service, neighborhood circulators, Dial-a-Ride, vanpool service, and trip-reduction services. A new light-rail system is scheduled to begin operations within the metropolitan corridor by December 2008, with future extensions currently planned through 2025. Another task for policymakers will be finding additional financial and human resources to support an increased demand for Dial-a-Ride and accessible paratransit services, to connect communities, and to provide outreach to rural and unincorporated areas.

The Challenges to Come

Our elders’ numbers and needs will only increase. National population trends predict that the population of adults age 65 and older will double by 2030 and increase two-and-a-half times by 2050. The percentage of Arizona’s population over age 60 will increase from 17 to 25% between 2000 and 2020, while the number of Arizonans over age 85 will increase by 102% over the same period. Over the next five years, DES predicts substantial increases in older residents, particularly those age 50 to 69. Our existing population of elders will be augmented by new retirees and winter visitors—a population itself boosted by aging baby boomers and a disproportionate influx of early retirees. DES predicts a 21% increase in Maricopa County’s population among individuals age 65 years and older between 2007 and 2012. This will of course place greater demands on the human-services infrastructure for home and community-based services, behavioral health services, and transportation resources.

A 2001 AARP survey found that 79% of those age 50 and over wished to age in their own home as long as possible, a desire that increases with age. In addition, seniors are increasingly returning to cities to better access services and recreation, and avoid isolation. Arizona reflects this trend, as “today’s and tomorrow’s seniors want to take advantage of the city’s offerings as well as maintain contact with family and friends, attend their places of worship and continue to work.”

A related consideration is the aging of the U.S. workforce. The U.S. Bureau of Labor Statistics found that, while workers age 25 to 54 are predicted to increase by 5% between 2001 and 2010, workers age 55 and over are expected to increase by 46.6%. As Arizonans retire, employers have predicted a
shortage of qualified workers within the next five years, with half indicating that a shortage is extremely or very likely.9

More specifically, the aging of the U.S. workforce has had a tremendous impact upon the health professions, leading to labor shortages in general and especially in professionals prepared to work with an aging population. The demand for health professionals trained in geriatrics consistently exceeds the supply.10 A 1995 National Forum on Geriatric Education and Training concluded that “no healthcare profession met the minimum number of geriatrically trained personnel necessary to adequately meet the needs of the elderly.”11 Severe shortages are also anticipated in qualified nursing assistants and aides for older adults, due to a combined lack of training, benefits, and career opportunities for those in entry-level positions.12

These same national shortages can be found locally. Educational programs for healthcare professionals have suffered recent federal funding cuts. The Arizona Geriatric Education Center (AZ GEC), a cooperative effort between the University of Arizona’s Colleges of Medicine and Nursing and ASU School of Social Work, was affected by the loss of federal funding in 2006. As of this writing, the AZ GEC had received renewed funding effective October 2007 for a three-year period, contingent upon continued federal funding, again partnering with the ASU School of Social Work and adding the ASU College of Nursing and Healthcare Innovation to this statewide consortium. Arizona Aging 2020 recognized the need to “[p]romote gerontological studies in all disciplines to address aging issues through a multidisciplinary approach.” The ASU School of Social Work received support through the National Center for Gerontological Social Work Education (or Gero-Ed Center), with funding through the John A. Hartford Foundation, to infuse aging content across their curriculum so that all social workers will have some specialized knowledge about the unique needs of older adults. In addition, the ASU College of Nursing and Healthcare Innovation was awarded a five-year grant from the John A. Hartford Foundation to fund a geriatric nursing center to recruit and retain geriatric nursing educators in the Southwest.

A special challenge for Maricopa County and Phoenix will be addressing shortages in qualified nursing assistants and aides for older adults, especially those challenged by physical limitations and/or cognitive disorders. In many areas, these positions are increasingly filled by immigrants. The Phoenix area has a ready supply of undocumented immigrants who could fill this void with appropriate training, but the lack of a clear federal immigration policy, and the potential for sanctions for employers who hire undocumented workers, impede what could be a partial solution to this problem.

Some Answers to Consider

Our changing demographics will bring political, economic, and lifestyle changes that will challenge the way in which we think about aging and prepare for the future needs of older adults. Recommended strategies include policies and resources that support aging in place, aging-specific education for human-services providers, maintenance of an adequate workforce and organizational knowledge, and creative responses to the changing nature of retirement and needs of an aging workforce.

Aging in Place

This refers to “the ability to stay in one’s own home and/or reside in a residential setting within one’s community as long as possible.” Communities that support aging in place invoke strategies that include:

- Modification of Existing Housing Retrofitting and adapting existing living structures makes them more accessible and supportive of independent functioning within a home environment. Of particular concern are the costs and needs of low-income and notch-group participants.

- Recognition of NORCs Naturally occurring retirement communities are those with high concentrations of older adults that naturally evolve from existing neighborhoods. Targeting health and social services within NORCs can benefit those individuals with health-related physical limitations in need of assistance with daily activities to support their continued independence. As previously discussed, community planners can identify the location of NORCs through analysis of census data.

- Construction of New Housing Using Universal Design Principles Universal design (UD) involves “the design of products and environments to be usable
Creation of Affordable Assisted-living Options As people age in place, they sometimes require more care and monitoring than can be provided safely or effectively within their own homes. Assisted living facilities offer a less-restrictive and less costly alternative to nursing facility care, but can still be expensive. A community committed to aging in place works to provide affordable assisted living options, including subsidized care.

Use of Smart Growth Codes Such codes encourage mixed uses, preserve open space and environmentally-sensitive areas, and provide a choice of housing types—including affordable housing—and transportation modes. For community planners, they can make the development review process more predictable. Scottsdale currently participates in the Smart Communities Network, which incorporates smart growth codes to create energy-smart communities. Smart growth codes can facilitate the creation of livable communities that support more active, socially-engaged lifestyles through resident-friendly communities.

Creation of Livable Communities (or Communities of Choice) Livable communities, sometimes referred to as communities of choice, address patterns of urban and suburban development that contribute to sprawl, congestion, and pollution and that impair quality of life. They move community planning from the current Post World War II car-centered design scheme to an earlier concept of community where people could walk from place to place. Communities of choice adopt features such as integrated (mixed) use, activities within walking distance of transit stops, open spaces, design that conserves resources and minimizes waste, and the combined use of streets, pedestrian paths, and bike paths. Regional principles include integration of transportation around transit, as opposed to the current centrality of freeway systems, use of greenbelts or wildlife corridors between regions, location of institutions and services in the urban core, and use of materials and methods that preserve regional history, culture, and identity.

Communities and municipalities are uniquely positioned to maximize the full potential of community life, including naturally occurring retirement communities (NORCs). Since older adults spend most of their time in their communities, their health is sensitive to that community’s characteristics (Masotti, Fick, Johnson-Masotti, & MacLeod, 2006). A healthy NORC results from policies that promote physical and social activity through thoughtful zoning, municipal design, and use of public spaces. Planners and developers should adopt these practices and think across generational lines to promote livable communities and healthy NORCs, thereby promoting higher levels of activity and fostering feelings of community and well-being for residents in the Third Age.

Preparing the Human-Services Workforce

The need to prepare Arizona for an aging population was identified as a key goal by Arizona 2020 and DES’s state plan on aging. In addition, the U.S. Department of Labor’s Occupational Outlook anticipates shortages for human-services and health care professionals prepared to work with an aging population. The demand for health professionals trained in geriatrics consistently exceeds their supply. There is a need for close coordination between human resources professionals, community colleges, and university-based educational programs to attract professionals to work with older adults. This collaboration could also provide continuing education to existing human-services and health care professionals to prepare them to address the unique needs of the aging.

As demand for trained nursing assistants and aides continues to grow, Maricopa County and Phoenix should partner with community colleges offering certificate programs that prepare nursing assistants and aides to care for older and disabled adults, supporting the efforts of family caregivers. They should also consider the benefits of a legalized guest worker program that could permit undocumented immigrants to legally work as nursing assistants and aides, with appropriate screening, training, and supervision.

Retaining a Mature Workforce

The aging of the U.S. workforce will lead to labor shortages, as the baby bust generation lacks sufficient numbers to replace retiring baby boomers. Half of all Arizona businesses responding to an AARP survey anticipated a shortage of qualified workers over the next five years; seven in 10 anticipated that this shortage would have a negative impact. Organizations that balance the hiring of younger employees with recruitment and retention of older ones—including those beyond the traditional retirement age—can bridge the potential labor gap while retaining irreplaceable organizational knowledge. These organizations also face reduced costs for hiring and training new employees. Such practices are as relevant to the effective operation of the human-services infrastructure as they are to business.
Companies can retain older workers by providing employment that responds to workers’ personal needs at every phase of life, and benefits responsive to the transitional needs between employment and retirement. An AARP review of best practices in retaining mature workers found that these companies sought ways to attract and retain the right workforce, and required only modest investment to start new retention initiatives. Specific retention strategies include:

- Providing training and retraining to upgrade skills
- Offering retirement coaching and financial-planning services
- Giving opportunities to transfer to positions with reduced pay and responsibilities
- Allowing employees to ease into retirement by reducing their work schedule
- Creating flexible work schedules and benefit options
- Providing caregiver education and support services
- Creating a formal process to protect and sustain organizational knowledge

The City of Phoenix, through its Phoenix Workforce Connection, offers online employment resources for job seekers at http://phoenix.gov. The site is currently geared toward job seekers, businesses, and youth. A category for mature workers could easily be added, with links to area employers modeling best practices. For example, Scottsdale Healthcare has consistently been honored by AARP as a best employer for workers over age 50. One of its winning practices was a “Seasonal Leave Program”—a six-month leave with full employer-paid benefits for full- or part-time employees who chose to continue to work, but were nearing retirement. This organization could be consulted, along with AARP, to strengthen the public sector’s commitment to older workers.

**Redefining Retirement**

As boomers age, two opposite retirement trends have arisen: one moving towards early retirement and the other towards working beyond the traditional retirement age. Eighty percent of baby boomers say they plan to continue working in some form past 65, roughly half of them to generate continued earnings and the other half to follow their passion. This trend will lead to a fundamental change in the way we view retirement. That is, retirement is being transformed from a static event into a transitional life stage during which many Third Age individuals seek meaning, purpose, fulfillment, social interaction, and opportunity through continued work.

These individuals may gradually scale back their level of work, shift to a consulting role (paid or voluntary), seek bridge jobs (with or without benefits), retrain and retool, seek a new career or personal pursuits, give birth to new business enterprises, or any combination of these options. These mature workers may be anywhere between 50 to their late 80s, encompassing a full range of rich experience. Employers who find a good match between their companies’ needs and those of older workers will gain a loyal, dedicated, and talented workforce.

This current age wave is the fastest growing group of older Americans in our history, as well as the “healthiest, most vigorous, and best educated.” Third Agers have more time, more time lived, and more time left to live—offering a trove of potential contributions to the Phoenix-area community. Policymakers can advance their efforts to address the needs of residents across the generations by harnessing the participation of older residents in the public discourse, involving them meaningfully in community planning and subsequent action strategies, and facilitating their involvement in public employment and public service.

**Redefining Grandparenting: A Special Challenge**

Just as retirement is undergoing redefinition, so is the very nature of grandparenting. In Arizona, 8.2% of children under 18 are being raised by a grandparent, compared with 6.3% nationally (National Conference of State Legislators, 2008). As of 2000, Arizona ranked fourth-highest nationally in the increase of grandparent-headed households. The Maricopa County Grandparents Raising Grandchildren Coalition is made up of 15 agencies that identify gaps in the specialized needs of these grandparents, including support groups, mentoring, and kinship adoption resources (The University of Arizona, 2006). While beyond the scope of this chapter, the needs of this group will create unique intergenerational challenges as Greater Phoenix moves forward.

**The Future: Cultivating the Third Age**

Greater Phoenix can meet the challenges posed by an aging society by creating communities responsive to the needs of each citizen across the lifespan. Community support of aging
in place includes the expansion of adequately funded and well-coordinated home and community-based services, including behavioral-health services, to maximize the independence and dignity of older adults. Special consideration to the unique needs of grandparents raising grandchildren must also be addressed, with support for collaborations between groups striving to address the overlapping issues of aging and child welfare. Collaborations between public, nonprofit, and private sectors should be pursued, but human-services providers should resist automatically following the periodic trend that seeks to privatize such services. Where there is a profit motive, there is lost revenue that could benefit clients and the system of services as a whole. One example of successfully returning public profits to critically-needed aging services was provided during the 1980s and 1990s by our neighbor to the south, the Pima Health System.

Communities that truly support the needs of their residents across the lifespan will also commit themselves to modifying existing housing, fostering development of naturally occurring retirement communities, constructing new housing incorporating the principles of universal design, creating and expanding affordable assisted-living options, adopting smart codes, and creating livable communities of choice. Health and human-services organizations, community colleges, and universities must partner to prepare health professionals to meet the unique needs of older adults and to counter potential labor shortages among nursing assistants and aides. Immigration reform could maximize the contributions of all of our residents, both documented and undocumented. Strategies that prevent labor shortages resulting from the aging workforce should include flexible employment, benefit, and retirement options that facilitate the continued engagement of mature workers as they redefine retirement by working beyond the traditional retirement age.

The beginning of the Third Age is undergoing change as individuals seek early retirement or begin families at later ages. The end of this age is being extended as Americans live longer, seek healthier lifestyles, and choose to extend their working lives through familiar or new career paths, volunteerism, or other forms of active participation. When communities and human-services providers view aging in this way, they acknowledge that each of us is necessary to the well-being of the community and society throughout our lifespan. This shift in perspective leads organizations and institutions to expand opportunities for older adults to engage in the daily lives of their communities through active participation as citizens, workers, volunteers, and “stewards for future generations.”

As Greater Phoenix embraces this productive view of its aging residents, human-services providers will seek to harness the energy and creative potential of individuals in this unique stage of personal growth and exploration. As Third Agers seek harmony and inner peace, so does the community. As they strive to fulfill their social purpose, the community benefits. As they seek a sense of continuity, the community gains a sense of its own history, culture, and identity, and passes it on to a new generation. As they pursue stature, the community gains perspective by standing on their shoulders. As they seek out new opportunities, the community fulfills its potential.

**NOTES**

3 Rex, 2007.
4 Hunt, 1990.
6 Roseman; Pope; Longino, Jackson, Zimmerman, & Bradsher; Graft & Wiseman; as cited in Masotti, et al., 2006.
7 Aging 2020.
8 (Collison, 2003).
11 Klein, 1995, p. 344.
16 (AARP, 2007).
17 freedman, 2002, p. 16.
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www.lgc.org/center/.
Few would disagree that understanding and addressing substance abuse is necessary to ensure the future well-being of Greater Phoenix residents. And because today’s youth are tomorrow’s adults, investing in prevention among youth goes a long way toward reducing the need for treatment later on. In addition, prevention is more cost-effective than treatment. This chapter reviews five challenges and opportunities in the area of drug-abuse prevention and treatment, particularly for young people:

- demographic growth
- cultural diversity
- cultural resiliency
- cultural adaptation
- co-occurring conditions

Substance Abuse in the General Population

The Phoenix area’s ongoing demographic explosion presents both challenges and opportunities. On one hand, fast population growth implies an increase in federal funding and greater tax-based revenue. On the other, population growth implies a greater demand for services. Substance abuse affects all racial, ethnic, and socioeconomic groups, but variations in the problem require that services be adapted to communities’ diverse assets and needs. And because substance abuse is often linked to other social problems, such as crime and mental illness, integrated approaches are needed.

Overall substance-abuse rates in the Greater Phoenix area do not differ greatly from national rates, but they remain unacceptably high. Figure 1 shows that Greater Phoenix residents 12 years or older reported slightly higher cigarette and binge alcohol use but slightly less illicit drug use than national averages.¹ Half a million people in Arizona are clinically dependent on alcohol or drugs. Eighteen to 25-year-old Arizonans have the highest rates of alcohol or illicit drug dependence.² Among persons 12 or older in Maricopa County, 9.8% reported alcohol dependence in the past year, and 3.2% reported illicit drug dependence in the past year.

Substance Abuse Among Young People

The 2006 Arizona Youth Survey indicated that drug use among Arizona teens remains high. Figure 2 shows the rates of lifetime alcohol, cigarette, and marijuana use for Maricopa
County 8th, 10th, and 12th grade students and for 12th graders nationally. Arizona youth do show some patterns of substance use that are distinct from the nation’s. The U.S. Centers for Disease Control and Prevention provides comparable national and state data from the Youth Risk Behavior Survey with the participation of a representative sample of youth in 9th to 12th grades. These data show that Arizona has higher-than-national drug use rates in several indicators: past month alcohol consumption, past month episodic heavy drinking, and cocaine use. The National Center for Chronic Disease Prevention and Health Promotion reports that Arizona youth have higher-than-national rates of lifetime marijuana use and cocaine use in the previous 30 days, smoking more than 10 cigarettes per day, smoking on school property in the last month, and smoking at least one cigarette daily in the last month.

Maricopa County data further document these trends concerning residents aged 12 to 20 years. Focusing on past-month substance use by this age group, 27.5% reported alcohol use, 18.3% reported binge drinking, 25.8% reported cigarette use, and 28.6% reported use of any tobacco product. Three-fourths of this group reported that they perceive there to be a great risk associated with smoking one or more packs of cigarettes per day.

**New Trends: Methamphetamine and Prescription Drugs**

Although methamphetamine is not the most popular drug among young people, meth use often has more serious health consequences than other drugs and is associated with an increase in treatment admissions. Arizona has one of the highest rates of treatment admissions for methamphetamine in the nation. Its rates of treatment admission for methamphetamine are higher than those for cocaine and heroin. Meth use is associated with an increase in criminal-justice referrals and is often used by adolescents involved in the juvenile justice system. Approximately 5% of Arizona adolescents report lifetime methamphetamine use, but 64% of juveniles committed to Arizona Department of Juvenile Corrections facilities between May and August of 2005 reported lifetime methamphetamine use (ADJC, 2005). Of those, 47% reported daily meth use and 27% reported weekly meth use (ADJC, 2005). The average age of first-time methamphetamine use for adolescents in ADJC facilities was 13.6 years.

County law enforcement agencies report methamphetamine to be a top problem for them. In response to the growing concerns about methamphetamine, in 2000, then-Arizona Attorney General Janet Napolitano established the Meth and Kids Task Force to address methamphetamine production in homes with children; the task force was later renamed the Arizona Drug Endangered Children Program. Over 46 Arizona cities have passed local ordinances regulating retail stores that sell pseudoephedrine, found in many over-the-counter medications and used to create methamphetamine.

Prescription drug use among Arizona teens is also a serious concern. As Figure 3 illustrates, almost one-fifth of high school youth report some recreational use of prescription drugs (Arizona Criminal Justice Commission, 2006). These use trends raise concerns, as some children in Arizona appear to start experimenting with drugs at a very early age and increase their use very rapidly.
Focusing on Middle School

Findings from a large representative sample of seventh graders in Phoenix public schools provide a snapshot of abuse prevalence among this age group. Seventh graders are an important group to focus on because most children initiate substance use during the middle school years.10 Early initiation of substance use predicts not only later but also more serious substance use.11 These data are also valuable because they provide detail on Greater Phoenix’s large and rapidly growing population of Latino youth, acknowledging differences by linguistic acculturation—that is, between Latino youth who predominately speak Spanish or are bilingual English-Spanish and those who predominately speak English. They revealed that less acculturated Latino youth report lower substance use rates than their more acculturated counterparts and non-Latino White students, reflecting a resilience against substance use that should be considered when planning for service delivery.

Consequences of Substance Abuse

The number of deaths associated with substance abuse is relatively small when compared to the leading causes of death in Arizona.12 However, the distribution of deaths by ethnicity reveals disparities between groups. American Indians and Latinos have the highest proportional alcohol-induced mortality rates.13 Additionally, in one year 6,200 Arizonans were injured in alcohol-related automobile accidents. Substance use itself may not cause illness or death, but some patterns of use, such as binge drinking or illicit drug use, have negative health consequences due to the impairment following such use. The 18-to-25-year-old age group has the highest rates for a majority of problem indicators such as substance consumption, drug-related arrests, and alcohol-related automobile accidents. As with consumption itself, the consequences of substance abuse are not evenly distributed across groups. For example, youth studies show that Latinos who use substances experience greater health-related complications14 and are overrepresented in the juvenile justice system and in emergency rooms with complications from drug abuse.15

Etiology and Consequences of Substance Abuse Among Young People

Commonly identified protective factors for alcohol and other drugs that are reinforced by prevention interventions are listed below:16

- **Community** Social cohesion, shared norms, caring adults, and shared ethnic/cultural identity (pride).
- **Family** Effective and horizontal parent-child communication, clear rules, consistent consequences, religiosity and spirituality, and intergenerational shared fun time.
- **School** Positive school climate, welcoming and caring environment, clear rules and expectations, and academic excellence.
- **Individual and Peer** High academic achievement, participation in extracurricular activities, problem-solving and critical thinking skills, adult role model, and anti-drug norms.

Common risk factors that are targeted by prevention interventions include:6,17

- **Community** Social disorganization, low neighborhood attachment, easy access to alcohol, tobacco, and other drugs
- **Family** Lack of communication or poor communication, lack of parental monitoring, lack or inconsistent rules and expectations, family history of addiction
- **School** Diffused academic standards and support, lack of discipline and chaotic environment, unclear policies regarding alcohol and other drugs
- **Individual and Peer** Antisocial behaviors, sensation-seeking, easily influenced by peers, pro-drug norms, low school achievement, age of initiation,18 and biological factors19

Statewide data show that, relative to other counties in Arizona, Maricopa and Yuma counties had the lowest risk in terms of the prevalence of characteristics shown to predict substance abuse—that is, county residents reported a high degree of resilience against drug abuse.20 Policymakers and practitioners can strengthen the resilience and reduce the substance use risks in the communities they serve. They first need to define the community they are targeting and to recruit leaders and other participants within that...
community. Then they need to identify and address the readiness of the community and plan next steps. Well-developed tools are available to guide communities through this process (see, for example, Communities That Care, http://ncadi.samhsa.gov/features/ctc/resources.aspx).

Culture, Acculturation and Acculturation Stress

Culture can be a source of resilience, such as when values and norms—like family-centeredness in the Latino community—support healthy behaviors. On the other hand, it can be the source of difficulties, such as when language barriers block access to services. Changes in culture, as through acculturation, and the acculturation stress that may result from them entail some risk for substance abuse. Maintaining attachment to the culture of origin, however, may entailed some protections. Acculturation that occurs slowly and promotes bi-cultural orientations protects adolescents by sheltering them from the developmentally-driven expansion of their social networks, a process that puts them at greater risk for drug use.

Phoenix-based research on acculturation’s impact on health outcomes suggests that the sustained presence of traditional cultural values and community ties acts as a protective factor. Less-acculturated students report less substance use and less adherence to pro-drug norms when they attend schools where less-acculturated students are more prevalent, even controlling for the individual level effect of acculturation, while the level of representation of more acculturated students is not a significant factor. And at the neighborhood level, the concentration of less-acculturated Latino immigrant families in a neighborhood is an appreciable factor both in the substance use rates of Mexican heritage adolescents and in the effectiveness of prevention programs. One study found that among Latino 5th graders in Phoenix, substance-use norms and behaviors are more closely associated with perceived ethnic discrimination than with acculturation stress, and that the impact of acculturation stress does not differ appreciably by acculturation level.

Ethnicity, Gender and Acculturation

A multidimensional approach to drug-use research recognizes the existing heterogeneity within groups according to the strength of ethnic identity along various dimensions and in combination with other contextual factors. Strength of ethnic identity and ethnic labels together explain more of the variance in drug use among samples of Southwest adolescents than either does alone. Certain dimensions of ethnic identity play a more central role in these outcomes (Holley, Kulis, Marsiglia, 2006; Marsiglia, Kulis, & Hecht 2001; Marsiglia, Kulis, Hecht and Sills, 2004).

Research focusing on the role of ethnicity and ethnic identity in risk behaviors and health outcomes has examined these factors in combination with gender, gender identity and other culturally linked factors such as acculturation and religiosity (Kulis, Marsiglia & Hecht, 2002; Kulis, Marsiglia, & Hurdle, 2003). These studies showed that gender alone had limited explanatory power, while gender identity was a better predictor, especially in combination with ethnicity and acculturation status. The findings suggest that some aspects of culturally prescribed gender roles can protect against drug-use behaviors and attitudes, possibly for both girls and boys. These studies have also shown that the acculturation process increases substance-use risk more for Mexican-origin girls than boys in Arizona middle schools. Research currently underway is investigating the role of gender, ethnicity and acculturation in the responsiveness of ethnic minority youth to the culturally grounded keepin’ it REAL substance-use prevention program.

Cultural Processes and Community Characteristics

We need to understand how such factors as geographic isolation, socioeconomic status, residential instability, and ethnic and racial residential concentration interact with cultural processes that affect individual health trajectories. Ongoing research is comparing the relative effects of neighborhood cultural versus socioeconomic characteristics on youth substance use and use prevention in Phoenix (Yabiku, Kulis, Marsiglia, Lewin, Nieri, & Hussaini, 2007).

Drug use and abuse have economic and social consequences for the whole community. For example, depression has been connected with substance use and HIV/AIDS risk in the region along the U.S.-Mexico border, especially among the Mexican migrant population. In order to respond to drug-use treatment and prevention needs and to effectively utilize the assets
of community members, we must approach prevention and treatment as part of a continuum of care. Much remains to be learned about the great majority of Phoenix residents who do not use or abuse drugs. This knowledge will help plan interventions which will deter non-users from starting while assisting users to stop or decrease their use.

Substance-Abuse Prevention Services

Prevention services may be separated into one of three categories, based on the target population: universal, selective and indicated. Universal prevention targets all individuals regardless of their level of risk. However, interventions of this type combined with zero-tolerance or abstinence messages may come across as naïve and too basic for youth who are already experimenting. Selective prevention targets those at risk for substance abuse due to membership in a vulnerable subgroup, such as dropouts, children of adult alcoholics, or victims of family violence. Indicated prevention targets those already using or who are engaged in related behaviors known to lead to drug use. These interventions aim to reduce or eliminate use, and they focus more on the individual and less on community variables than the other two classifications.

A number of research-based prevention programs have been developed and tested in the last two decades. The Substance Abuse and Mental Health Services Administration’s (SAMHSA) Effective Substance Abuse and Mental Health Interventions directory, http://modelprograms.samhsa.gov, provides a comprehensive list of such interventions. Model programs are diverse, but some aim to address the variations in substance-use rates by race/ethnicity, culture, gender, sexual orientation, and socioeconomic status. Effective prevention programs acknowledge the unique needs and strengths of each population and ensure that culturally competent services are provided. The Arizona Department of Health Services’ (ADHS) prevention system targets various populations—universal, selected, and indicated. Typically, the Regional Behavioral Health Authorities provide prevention services through subcontracts to community-based agencies, and the implemented programs incorporate life skills training. ADHS’ Office of Tobacco Education and Prevention Program has implemented recommendations from the Centers for Disease Control and Prevention regarding the planning, implementation, and evaluation of school-based youth tobacco-use prevention programs. It sponsors tobacco prevention programs, the majority of which are SAMHSA model programs, in low socioeconomic and minority communities, including schools on American Indian reservations.

Addressing the Unique Assets and Needs of Arizona Children

One example of an effective, culturally grounded substance use prevention program available for Arizona youth is keepin’ it REAL. This program was developed by the author and other researchers at the Southwest Interdisciplinary Research Center at ASU, and collaborators from Pennsylvania State University. Keepin’ it REAL, published and distributed by ETR Associates, is funded by the National Institute on Drug Abuse and the National Institutes of Health and recognized as a model program by the SAMHSA. Although developed by and for Phoenix youth, the program is now in use nationally and internationally. For more information please visit: http://keepinitreal.asu.edu

Keepin’ it REAL incorporates specific cultural elements from the Latino, African American, and European American communities to enable members of these groups to better respond to the intervention. Among middle-school students, it has been shown to be effective in decreasing pro-drug outcomes like substance use and increasing anti-drug outcomes.
such as anti-drug norms and attitudes and the use of drug resistance strategies. The arrows in Table 1 show the changes—for each version of keepin’ it REAL relative to a control group—in the desired direction from pre-intervention (T1) to each of three post-intervention time points (T2=2 months, T3=6 months, T4=12 months).

Among youth who already have substance-use experience, the program is effective in promoting reduced or discontinued alcohol abuse. Furthermore, relative to their counterparts not receiving the intervention, Mexican-heritage youth in keepin’ it REAL report better outcomes, including less overall substance use, less recent alcohol and marijuana use, fewer intentions to use substances, greater drug resistance self-efficacy, and smaller estimates of peer substance use. While the effectiveness of interventions for Mexican-heritage youth is enhanced by the culturally specific content, narrow cultural targeting is not essential for the program to be effective. In other words, programs need not be targeted toward a single group, but must contain in their content some reflection of the groups that will receive the intervention.

Another study of keepin’ it REAL found that among both intervention and control groups, less acculturated Mexican-heritage students (defined as Spanish language dominant or bilingual) reported lower levels of substance use at baseline and at post-tests, while higher-acculturated Mexican-heritage students (English language dominant) reported higher baseline levels of substance use. Program effects were confined to the higher acculturated students, with those participating in the intervention reporting much smaller increases in substance use (alcohol, cigarettes and marijuana) and less erosion in anti-drug norms than those reported by the control group. These results show not only how the diversity of groups translates to different responsiveness to interventions, but also how culturally specific intervention that accounts for group diversity can be effective.

At present, ASU and PSU researchers are testing the effectiveness of an adapted 5th grade version of keepin’ it REAL with a large sample of Phoenix 5th-8th graders. This version is also enhanced with lessons that address acculturation-related issues that may affect both immigrant and U.S.-born Latinos and other youths.

Cost-effectiveness of Prevention Efforts

The effectiveness of keepin’ it REAL and other model programs shows that drug abuse is preventable. Prevention efforts can be cost-effective by reducing the demand for expensive treatment services and by reducing collateral costs to society, such as those stemming from lost work productivity and addiction-related health problems. Although cost-benefit information is lacking for many programs, some research shows that benefit-cost ratios for programs that have had them calculated are in the range of 8.1. One study estimated that prevention program participation saves society $840 for each student participant. National cost estimates for a universal prevention program are $150 per enrolled student. At this rate, it would cost approximately $550 million annually to offer universal prevention programs to all of the 3.75 million 7th grade students. This compares to the $40 billion spent nationally on drug control efforts. Thus, a solid commitment to prevention makes for sound policy.

Substance-Abuse Treatment Services

In Arizona, because the substance-abuse mortality rate is relatively low, interventions should focus on substance use-related injury and illness rather than mortality, and in so doing, could reduce substance use-related deaths. Because intervening at the early stages of addiction and at a younger age yield better outcomes, services have commonly targeted children and youth. Treatment for adolescent substance abuse in Maricopa County includes outpatient programs, intensive outpatient programs, and residential programs. These services are available through self/private pay, private insurance, through the Arizona Department of Juvenile Corrections, or through the Medicaid funds for public insurance for low socioeconomic families, which in Arizona falls under the Arizona Health Care Cost Containment System (AHCCCS) or through the State Children’s Health Insurance Program, which in Arizona is called KidsCare.

Still, not everyone who has a need for substance use-related services gets them. About 10% needed but did not receive treatment for their alcohol use in the past year, and 2.9% needed but did not receive treatment for their illicit drug use in the past year. The gap between the need for services and
actual receipt of services is larger for certain ethnic groups and subpopulations. According to a report by the State Department of Health Services, only 8% of urban American Indians are enrolled to receive behavioral health services while 24% are eligible; and only 25% of all Latinos in Maricopa County are enrolled while 35% are eligible to receive behavioral health services. To the extent that they do receive care, American Indians are over-represented in in-patient behavioral care compared to Whites. Children of incarcerated parents have been identified at a higher risk for drug abuse and it has been estimated that 73% of all inmates in Arizona have children.

One reason for the gap between the need for and utilization of treatment services may be cultural—that is, cultural differences in the manifestation of the problem, the need for and experience of services, and the response by service providers. Another reason for the gap is that not everyone has equal access to services. Those people who can afford self-pay/private-pay treatment have access to all available services, while children who are covered under their parents’ insurance have access to a limited number of treatment options for a specified length of time, depending on their plan. Children and adolescents who qualify for AHCCCS or KidsCare can receive substance-abuse treatment through the Regional Behavioral Health Authority. Those who do not have health insurance often cannot take advantage of substance-abuse treatment options.

The treatment choices for Greater Phoenix residents vary greatly by access and cost. Costs in Arizona may be higher than national average costs. The national average cost for outpatient substance-abuse treatment was $1,433 per person. The national average cost for non-hospital in-patient treatment was $3,840. In Arizona, the average cost was $1,420 for regular outpatient treatment, $1,845 for intensive outpatient treatment, and $4,928 for in-patient treatment. Since substance-abuse treatment is costly and does not reach all adolescents in need, substance-abuse prevention programs are a cost-effective alternative for reaching large numbers of youth.

**Future Supply of and Demand for Services**

The Greater Phoenix population continues to grow, as will the demand for services. Given existing barriers to service access, the gap between the demand and access will also likely grow. Greater investments in prevention will be needed to address the disproportionate and growing number of young people in the area relative to the nation. In order to meet the demand, we must address current limitations in the treatment system. National research has identified common barriers to treatment that appear to apply to the Phoenix area. The most common barriers are:

- Program barriers—e.g., absence of a program—which are the most prevalent
- Structural barriers such as lack of agency coordination
- Individual barriers—lack of identification with the type of treatment and the “culture” of the agency
- Logistical barriers such as eligibility criteria, waiting list alternatives, and transportation

If Arizona’s treatment-services system remains unchanged, many residents in need of drug abuse treatment will fail to seek help while others willing to start treatment will not have access to it or will be delayed entrance for long periods of time. In addition, the rising number of Spanish speakers suggests that there will be a need for both bilingual and even Spanish monolingual services. Attention to language and, more broadly, to cultural competence will be important to ensure that culturally specific needs are addressed effectively.

Some developments are underway. Fortunately, the National Drug Control Policy requests an annual increase in federal treatment funding, and federal Block Grant funding has increased. Other state and county sources of treatment funding have also increased, mostly associated with welfare-reform laws requiring the availability of treatment to addicted mothers. Prison programs are contracting with treatment providers to expand the availability of treatment for addicted inmates. At the same time schools, community organizations, and juvenile-justice officials are shifting priorities to obtaining additional funding for treating adolescent drug-abusers.

**More Evidence is Needed to Guide Effective Interventions**

An ADHS analysis of funding for substance-use prevention in Arizona showed that higher rates of funding in a county are not always associated with lower rates of substance-use-related problems. The reason is not clear, and additional research is needed in order to elucidate it. Current analyses are hindered by significant gaps in the existing knowledge of substance-abuse consumption and consequences in Arizona.

### TABLE 2 | Projected Maricopa County RBHA Enrollment for Substance-Abuse Treatment*

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<td>21,384</td>
<td>22,015</td>
<td>22,686</td>
<td>23,367</td>
</tr>
</tbody>
</table>

* Projections assume a 3% yearly growth rate and use FY2007 enrollment as a starting point.

Source: Arizona Department of Health Services.
In particular, more Arizona-specific information is needed about the following:

- Sub-state level estimates for adult substance-use and substance-related consequences such as clinical dependence or abuse
- The relationship of substance use to chronic diseases or social problems
- Measures of the severity of substance use, such as economic costs or years of productive life lost
- An inventory of resources and assets beyond the annual amount of public funding received by service providers in Arizona, at the lowest geographic level possible
- Reliable data on the co-occurrence of substance use and child welfare involvement
- Sub-county data
- Data analyzable with geographic information systems software

The Future

Drug abuse cannot be effectively addressed only through treatment; instead, the prevention-to-treatment continuum is the most appropriate approach. At the same time, we must learn more about the vast number of youth who do not abuse drugs so we can support the processes that buffer them from risk. One main asset is culture of origin—suggesting that culturally-specific interventions could be useful approaches for supporting existing resiliencies.

The following conclusions and challenges are offered as we move forward.

- **Demographic Growth** The rapid growth of Phoenix’s youth population is both a main challenge and a strong asset. Here is where investments in prevention are likely to have greater payoffs. Prevention efforts should span the spectrum of problem severity and involve both individual-focused interventions and community-focused interventions. In addition, intervention should move beyond zero-tolerance approaches and include efforts to prevent or reduce the harm of substance abuse as well to prevent its onset. Universal and selective programs have the potential to benefit current substance-abusing youth by serving a harm-reduction function by promoting “safer use” (i.e., use requiring abstinence under certain circumstances).\(^63\)\(^64\) Harm-reduction prevention programs teach users to identify the health risks of using, make decisions about the need to reduce risk, and modify behavior to reduce those risks.\(^65\)

Youth who learn resistance skills may be better able to avoid use in situations they have decided are unsafe, such as drinking alcohol while driving.

- **Cultural Diversity** Greater Phoenix’s increasing ethnic, cultural, and language diversity raises the question of how the diverse needs of a diverse community can be met. Fortunately, research shows that—at least in the case of substance-abuse prevention—a strict cultural match of program to person is not required for success.\(^66\) Instead, it is important that programs incorporate content of a range of cultures so that participants can find themselves and their culture represented within it. Thus, decision-makers should seek programs that are not only evidence-based but also culturally appropriate for the targeted populations.

- **Cultural Resiliency** Ongoing research shows that recent immigrant youths and their families tend to be very resilient, and that many are able to effectively cope with adversity. Cultural norms and values and a strong connection to family and community appear to buffer youth from risk. Interventions that support those assets and assist youth with their acculturation process are needed in order to strengthen the protective effects of culture-of-origin against drug abuse. Anti-immigrant and English-only movements tend to weaken those connections to culture-of-origin and make large numbers of youth more vulnerable to risks.

- **Cultural Adaptation** Intervention developers are examining ways that efficacious prevention and treatment programs can be adapted for different cultural groups while retaining the core components that make them effective.\(^67\) Collaborations between community practitioners and researchers should be
pursued to advance knowledge about adaptation. In the meantime, decision-makers responsible for selecting programs for implementation should gather information on the origins of the selected program to determine whether adaptations are needed and on any adaptation made, so that assessments can be made of their impact on program outcomes.

**Co-occurring Conditions** The relationship of substance abuse to other social problems, such as mental disorders, crime, and child-welfare problems, needs to be addressed. For example, there is a need to provide comprehensive treatment to youths with substance-abuse histories and high rates of comorbid psychiatric disorders and increased risky sexual behaviors. The complex relationships between drug abuse and other social and health problems means that efforts to address substance abuse in a vacuum need to be discontinued and replaced with an integrated approach to substance abuse as a public-health concern.

Chapter 1 notes that immigration will decline in coming years, thus slowing population growth in Greater Phoenix. However, the legacy of population growth to date is that community organizations and government agencies are left with a larger population with strong ties to their cultural heritage. The break in growth should provide an opportunity for service providers to take stock of their current client population and address existing and projected service gaps. Chapter 1 also notes that the Hispanic population will continue to increase, nationwide and locally. A related phenomenon is that the number of monolingual Spanish speakers and bilingual Spanish-English speakers is on the rise in Greater Phoenix. We must not only address the current need for services that address language diversity, but we must also meet the professional pipeline challenge to ensure that we’re turning out large numbers of culturally competent service providers. The demographic projections further indicate that Greater Phoenix will continue to include large numbers of young people. Thus, a focus on young people in the area of substance abuse is warranted.

Clearly, some of the trends presented here are cause for concern. But it is important to remember that most Phoenix-area youth are not using alcohol and other drugs. A comprehensive plan is needed to help non-drug-abusing youth to remain healthy while developing effective services for those already using. This evidence-based, integrated approach promises the greatest benefits for all Greater Phoenix residents, now and in the future.

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**ENDNOTES**

7. Center for Substance Abuse Research. (2005). Methamphetamine treatment admission rates higher than those of cocaine and/or heroin in Western states. CESAR Fax, 14(12).
Latinos’ long history in Greater Phoenix and Arizona has entered a new and more dynamic phase. It seems inevitable that they will play an increasingly important role in every sector of society, as befitting the large reservoir of talent, energy, and ambition that they represent. In other words, the future vitality of Greater Phoenix—economically, politically, and socially—is fundamentally intertwined with the future well-being of the Latino community. Greater Phoenix can only benefit from an open, inclusive, and forward-looking approach to its growing Latino population, which will produce not only the future workforce of Arizona, but also its future leaders.

While the challenges and opportunities facing Greater Phoenix’s Latino community are many, the key to its well-being and to Latinos’ continued contributions lies in an accessible and effective education system.

**Latino Communities in Greater Phoenix**

The demographic changes and corresponding socioeconomic indicators that emerge in assessing Greater Phoenix’s Latino community can serve as a guide to Latino community change across the state. This change will require an inclusive effort and cultural focus on meeting the needs of this rapidly growing community.

Latinos (the terms “Latino” and “Hispanic” will be used interchangeably) have had a long presence in Arizona and Greater Phoenix. Arizona is one of the few places in the United States that lays claim to a continuous settlement town (Tucson, 1560) prior to the formation of the United States. Arizona’s proximity to Mexico has played a significant role in economic trade, expanding consumer markets, and increased tourism. The geographical and historical ties between Arizona and Mexico create a large transnational economic and cultural community. One of the defining characteristics of regions with transnational families and communities is cultural and economic dynamism. Border locales around the globe offer glimpses of the future of economic trade, tourism, consumer retail markets, and the increased connectivity of development in cluster industries that create the infrastructure needed for sustainable trade. Countries and locales can benefit significantly from border regions, provided that the twin engines of higher education and industry plan in tandem with government policymakers to meet future needs.

**Demographic Changes in Greater Phoenix**

The current Latino population in the United States is 44.3 million and growing, according to the U.S. Census Bureau. Between 2000 and 2006, native births have been a larger
net-growth component in the Latino population than net immigration. The national growth rate for the Latino population from 2005 to 2006 was the highest of all populations in the U.S. at 3.4%. During the 2000-2006 period, Maricopa County’s Hispanic population grew by an astounding 43.2%, contributing to the county’s ranking as one of the fastest-growing in the nation.

In 2005, the community groups contributing to the total Maricopa County population (3.59 million) were reported by the Census Bureau as follows:

- Non-Hispanic White: 61.2% (median age: 40.2 years)
- Latino/Hispanic: 29.2% (median age: 24.8 years)
- Black/African American: 3.8% (median age: 29.7 years)
- Asian American: 2.7% (median age: 33.6 years)
- Native American: 1.9% (median age: 25.5 years)
- Other: 1.2% (median age: 25.7 years)

The Latino category is an ethnic designation and can be of any race. In 2005, the Latino community in Maricopa self-reported the following racial distribution:

- White: 58.7%
- Black: 0.5%
- Native American: 0.7%
- Asian: 0.2%
- Some other race: 36.4%
- Two or more races: 3.5%

The Latino/Hispanic category is also an umbrella term for several country-of-origin populations as well as an historical descriptor of the people of the Southwest borderlands—for example, Hispanics or Spanish Americans who have had a continuous presence since the exploration of the region by the Spanish colonists. In Maricopa County, the following country-of-origin populations comprise the total Latino/Hispanic population:

- Mexican origin: 88.7%
- Puerto Rican origin: 1.6%
- Cuban origin: 0.5%
- Dominican origin: 0.2%
- Central American origin: 1.8%
- South American origin: 1.5%
- Other Hispanic/Spanish/Latino: 5.6%

How does the Latino community of Greater Phoenix compare with other communities in terms of age distribution and demographic change? Each community has an interesting demographic story. Native Americans actually have the highest percentage of children under 5 as a percent of their total population, yet they constitute a significantly smaller percent of the county’s overall population. The Latino community has the smallest percentage of elders compared to other communities; however, this sector is growing.

Clearly, the significant youth component of the Native American (36.8% under 18 years of age), Black (31.8% under 18 years of age) and Latino (38.6% under 18 years of age) communities has implications for the future generations of college-bound youth and the need for stronger educational...
pipeline programs reaching out to this diverse segment of the population.

Another way of analyzing this data is to ask: Of the total population under 18 years of age, what is the distribution by racial/ethnic community?

Language Fluency and Diversity

Connected to the changing demographic landscape in Greater Phoenix are the increasing multi- and bi-lingual competencies that diverse populations bring with them that enrich and globalize a community. Researchers have begun to reconsider the role of language competency as an important contributor to economic dynamism and family asset-building.

The tendency to focus on the downside of language fluency (reporting only data on those who speak English less than well) while ignoring the benefits of increasing language diversity—particularly among youth who embody the beneficial aspects of linguistic competency (speaking other languages and speaking English well)—tends to minimize language fluency as an important component of future economic well-being.

Additionally, we find that those communities with the largest foreign-born populations also have the lowest percent of monolingual English speaking abilities. The same communities (Latino and Asian) have the higher “No English at All” percentages.

From the information on language ability, we can discern the community groups in Maricopa County with the greatest language competencies in 2005:

- Asian community: 66.2% speak English and other languages
- Latino community: 60% speak English and other languages (predominantly Spanish)
- Native American community: 19.9% speak English and other languages
- Black community: 8.3% speak English and other languages
- Non-Hispanic White community: 5% speak English and other languages

Given the increasing globalization of markets as well as Arizona’s unique tourist attractions, the increased language diversity of our communities bodes well for a labor force faced with globally connected markets and a premium on a communication-oriented workplace skill set. Maricopa County residents 5 years old and over speak more than 36 languages.

Latino Families: School Enrollment, Educational Attainment and Earnings

Research studies tell us that our hourly and yearly wages are directly related to educational attainment and credentials. The
more schooling an individual acquires, the greater the probability of increasing their lifetime earnings. To assess the educational pipeline in Greater Phoenix, we analyze the total school enrollment for the population 3 years old and over. In Maricopa County, there is a total 3-year-old-and-over population of 3.7 million, of which 1.07 million, or 29%, is enrolled in school.

School enrollments provide a snapshot of future educational attainment, while also indicating each community’s contribution to the total school-age population. We seek to understand the “educational pipeline” and how well the Latino community fares at each stage. The crucial question for our purposes is: “What is the distribution of the racial/ethnic 3-year-old-and-over population enrolled in college?” If we use each racial/ethnic total enrollment for the 3-year-old-and-over population as the base, we can calculate the percent of college enrollment per racial/ethnic population. The percentage of each racial/ethnic group enrolled in higher education in Maricopa County is as follows (the corresponding national figures are in parentheses):

- Non-Hispanic White: 29% (25.3%)
- Black: 25.3% (20.2%)
- Latino: 12.5% (15.2%)
- Native American: 22.4%
- Asian: 41% (32.7%)
- Other: 12.7%

Even for the native-born Latino 25-years-and-older population, there is a substantial gap in high school graduate attainment compared to the non-Hispanic White population. These data help us design outreach and community-engagement policies to increase educational opportunities for our youth and, increasingly, for non-traditional students with retooling objectives.

Education, occupation, and earnings are intimately tied together and often predict the clustering of worker groups in economic sectors. Given that the U.S. economy has emerged as a leading service and knowledge economy, these areas of occupational growth will continue to exert an impact on other sectors and to grow in importance as avenues for upward economic mobility. For the Latino community in Greater Phoenix, the most significant occupational cluster for males is in the construction sector (35.6%); for females, it is in the sales and office sector (35.1%)—almost the same as their employment in the service sector (33.4%). The service sector incorporates the health sector, which has a healthy growth rate in Greater Phoenix. However, the need to train a larger professional Latino workforce will become increasingly important over time, and signals a corresponding need for a stronger higher-education-community college-high school pipeline program with a deep commitment to cultivating youth in communities of color. In 2005, the professional occupations had a lower percent of Latino males (10.5%) and females (19.7%) compared to non-Hispanic White males (39.5%) and females (43.1%).

The educational and internship needs of the fast-growing younger Latino and Native American cohort, coupled with the pressing importance of leadership and professional training for these populations, will continue to exert pressure on the workforce development infrastructure of Greater Phoenix. Because both of these communities will increasingly be county- and city-services consumers, the K-16 and graduate/professional educational systems in Arizona are central to producing skilled professionals and creating social capital
networks specific to Greater Phoenix. Additionally, both communities have long histories of community advocacy. Cultivating the next generation of leadership through systematic outreach and tailored services creates an inclusive commitment to nurturing local talent committed to local economic development.

**Latino Community: Income and Homeownership**

Income is a wide measure of family well-being since it incorporates more than simply earnings (wage work). Income includes passive income such as rents, dividends, and royalties (income generated from sources other than wages) as well as active income (wages). The income distributions for non-Hispanic White and Latino families in Greater Phoenix provide further evidence of educational attainment gaps between the two groups. There are more Latino families represented in the $50,000 and below income categories (67%) compared to non-Hispanic White families, which tend to have higher representation in the over $50,000 income categories (66%).

Income generation has implications for homeownership and for family units’ ability to meet income thresholds set by the mortgage and financial services sector. Despite the skewed

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**FIGURE 8 | Distribution of Total School Enrollments**

*BY RACE/ETHNICITY, 3-YEAR-OLD-AND-OVER POPULATION, 2005*

Source: Table B14001, School Enrollment by Level of School, American Community Survey, 2005.

**FIGURE 9 | Educational Attainment Maricopa County**

*NON-HISPANIC WHITE AND LATINO POPULATION 25 YEARS AND OVER, 2005*

Source: Table B15002, Sex by Educational Attainment for the Population 25 Years and Over and Table B06009, Place of Birth by Educational Attainment for the Population 25 Years and Over, author’s calculation.

**FIGURE 10 | Occupation | BY MALE AND RACIAL/ETHNIC GROUP**

*POPULATION 16 YEARS AND OLDER, 2005, MARICOPA COUNTY*

Source: Table B24010, Sex by Occupation for the Civilian Employed Population 16 Years and Over, American Community Survey, 2005.

**FIGURE 11 | Occupation | BY FEMALE AND RACIAL/ETHNIC GROUP**

*POPULATION 16 YEARS AND OLDER, 2005, MARICOPA COUNTY*

Source: Table B24010, Sex by Occupation for the Civilian Employed Population 16 Years and Over, American Community Survey, 2005.
income distributions for the Latino community, a 2.3% increase in homeownership occurred between 2004 and 2005. Homeownership has been shown to provide several positive life-cycle outcomes, such as increased political participation and voting. Youth growing up in a family that owns its own home have a higher probability of completing high school and of becoming homeowners themselves, despite neighborhood characteristics. Access to a vehicle is another measure associated with a family’s capacity to build assets and stabilize earning flows from employment. For Latino households, vehicle access and availability increased by 2.8% between 2004 and 2005. In geographical areas where public transportation is not as dense and cannot maintain frequent run-schedules, having access to an auto is a significant component in maintaining employment and family economic well-being.

**Latino Community Development Stakeholders**

Two important contributors to overall Latino community well-being are the Latino business community and the various nonprofit organizations that serve Greater Phoenix. Both have been vocal supporters of educational access and opportunities for Latino youth. Their legacy has included offering scholarships, sponsoring student events and interns, promoting leadership development, and working closely with high school districts, community colleges and higher-education institutions. The 2006 SRP Arizona Business Study: Hispanic Outlook, sponsored by Salt River Project and undertaken by Dr. Loui Olivas of ASU, provides a comprehensive overview of Hispanic business vibrancy in Greater Phoenix. The data tell us, not surprisingly, that education plays an important role in business outcomes and that bilingualism is central to business vitality in the Latino community. For example, 20% of business owners were high-school graduates, 33% had some college, and 32% were college graduates and beyond. Fifty-six percent were native-born and 40% were foreign-born. Additionally, 66% of Latino businesses in Maricopa County were family-owned, and 35% were home-based. Twenty-seven percent were started in the past 10 years and 15.2% have been operating for over 25 years. Latino business owners in Greater Phoenix are also up-to-date in terms of communication access: 74% had access to the Internet at their place of business, and 38% had a business Web site.

Business owners indicated that Chicanos Por La Causa (a Latino-led and Latino-serving community development nonprofit) had been supportive of their business operations, as had the Arizona Hispanic Chamber of Commerce, the U.S. Small Business Administration and Valle del Sol (another Latino social services provider and organization); this indicates an important synergy of business and nonprofit organizations working together. Additionally, 76% of Hispanic business owners in Maricopa County were registered voters—a clear indicator of civic engagement and an increasingly important political voice.

We also see a very different pattern emerge with respect to income distribution and Latino entrepreneurship: 22% have annual earnings of $0 to $49,999, 24% fell into the $50,000 to $99,999 annual-earnings category, 10.7% had annual earnings between $100,000 and $149,999, and 10.9% had annual earnings above $150,000. For Latino-owned businesses, the upward economic mobility opportunities are significant.

The history of Latino-led and Latino-serving nonprofit organizations provides a rich understanding of the historical presence of community service and advocacy. One of the oldest, Friendly House, is a 501(c)(3) organization that since the 1920s has focused on immigration and re-settlement services as well as anti-poverty programs. Many other community-development
advocacy organizations came into being during the War on Poverty years (mid to late 1960s). Chicanos Por La Causa has become a state-wide organization. Centro de Amistad, a nonprofit organization with a focus on social and health services, is located in Guadalupe, a town founded in 1904 and incorporated in 1975. These are just a few of the many Latino-led and Latino-serving nonprofits that have been a trusted presence in Latino communities throughout the Borderlands.

The strong Latino nonprofit and civic-minded entrepreneurial sector focused on meeting community needs and increasing Latino business success indicates the interconnectedness of community development goals of key Latino stakeholders. As Latino communities continue to grow, the consumer tax-dollar flow increases, as do business-owner and individual tax revenues, ultimately increasing the visibility of the nonprofit organizations as demand for their services increases. This increased demand requires tax dollars to flow back into Latino communities through public-nonprofit partnerships and increased revenue allocations to Latino nonprofit stakeholders. More public-revenue dollars allocated to Latino nonprofit organizations better serve Latino community needs; and the success of Latino-owned businesses along with a growing rate of entrepreneurial expansion contribute to deepening community support networks for Latino nonprofits.

Human Services and Stakeholder Partnerships

Several issues of national significance are of extreme importance to the well-being of the Latino community in Arizona and, in particular, Greater Phoenix:

- **Immigration Policy and Language Competencies**
  The political and economic consequences of not crafting a coherent immigration policy will continue to create stalemate in how our human and social services are delivered, and who will be able to access essential services. Of increasing importance in this national debate are those mixed-status families that will require thoughtful domestic-policy design. This issue reaches into every avenue of human and social services provision; without a sensible immigration policy, we fail to cultivate human resources for future public and private industry. With immigration reform, our capacity to increase our labor force language competencies in the global marketplace allows us a window of opportunity to formulate a more comprehensive foreign-language education policy in K-16 institutions. Increasingly, our global competitiveness will hinge on the essentials of communication workplace skills. Our New American populations represent a national economic resource through their facility in languages and cultural-competency assets. The multilingual proficiencies of youth from immigrant families can share these language assets in the classroom.

- **Educational Opportunity, Affordability, and Public Revenues Equation**
  Our demographic landscape indicates a continuing youthful Latino growth bulge as the baby-boomer population ages. This creates an opportunity to expand educational strategies at different schooling levels. For example, community colleges and four-year higher education institutions may see an increase in the return of older-than-average students, not only for mid-career changes but for retirement lifestyle enrichment. By the same token, a growing number of youth from communities of color will be moving through the elementary and secondary schooling levels, many being the first generation in their families to successfully navigate the school system with an opportunity to enroll in higher education. These first-generation college-attending Latino and Native American youth create opportunities for higher education institutions while also posing challenges to meet their needs. The increasing range of student variation in institutions of higher education will create opportunities for public-private stakeholder partnerships in revamping delivery of educational services. An increasing demand for higher education in order to participate fully in the knowledge economy will create further opportunities for virtual and satellite schooling, using new technology that operates through community centers, public agencies, and in remote locales where educational access has previously been non-existent. The increasingly costly challenge of not investing in educational
pipeline programs and cultivating this talent pool will have major spillover effects in a variety of “foundational” areas of economic and sustainability development for Greater Phoenix. In fact, failing to invest now could lower budgetary revenues permanently by losing this cohort’s human capital-tax revenue to human-services expenditures in the future.

Social Services, Healthcare, and Elderly Care
Latino community social services, healthcare, and elderly care needs are compounded by three significant factors: the large presence of Latino workers in high-risk occupations (construction, agriculture, transport/production, and some service sectors), the high rate of uninsured Latinos, and the lack of language-proficient social-service and healthcare providers. There is a paradoxical element to the healthcare issues confronting the Latino community: Latino workers increasingly provide care for the aging baby boomer population while struggling to access social services, healthcare, and elderly care for themselves and extended family members. The dilemma creates a strain on public-sector social services and healthcare providers while creating opportunities in the nonprofit service-provider sector. One promising aspect of the growing demand for social services and healthcare services in the Latino community is the growing collaboration between nonprofit social-service providers and other healthcare stakeholders. Clearly, training diverse language-proficient healthcare and social-service providers is the first-step in meeting the shortage of bilingual and multilingual providers.

The Future: Latino Community Stakeholders
We have seen the recent changes in the economic and policy landscape at the local, state, and national levels. Given these changes, it’s easy to become cautious about future forecasts. But there are certain indicators that we can reliably predict will continue to grow while others remain subject to economic and political cycles. One area that will continue to grow is the Latino percentage of the Greater Phoenix population. While projections are always risky, the national forecasting firm Claritas expects that Latinos will account for 35% of the Greater Phoenix population by 2012, up from an estimated 30% in 2007.

This growth will be generated both by immigration and by increases in the native-born population in Greater Phoenix. Between 2000 and 2006, Latinos in Maricopa County increased from 763,341 (2000) to 1,129,556 (2006), a growth rate of 48%. The natural birth rate increase for Latinos in 2000 was 40.5%, compared to the White non-Hispanic rate of 48.8%. By 2006, the rate of births for Latinos was 45.7% and for non-Hispanic Whites, 42.4%. Even with immigration policy enforcement in place, the rate of natural increase for the Latino population in Maricopa County will continue to rapidly grow. This has consequences for schooling and labor market infrastructure. We know that the bulge in the 0-to-17-year-old cohort—with 38.5% of the total Latino population in Maricopa County—means that more Latino youth are requiring schooling. Additionally, only 5.5% of the total youth population is foreign-born. The next five years will be instrumental in preparing our educational institutions for the increases in the Latino student population. The importance of strengthening the educational pipeline (from middle school through post-graduate programs) for Latino youth cannot be emphasized enough, given the direct connection between education and earnings that in turn bring increasing contributions to public revenues.

The highest concentration of male Maricopa County Latino workers (36.5%) was in construction in 2006, representing 23.8% of all Latino workers. Given the current slowdown in new home sales, the escalating foreclosure chaos, and the decline in housing starts, this may mean greater Latino out-migration to other parts of the country. And it will mean a larger customer base for workforce retraining, thereby increasing the demand for workforce-development services and worker-retraining programs at the local level. While 24.5% of the entire Latino workforce is in services, there has been an increase in Latino labor presence in management, professional and related occupations (15.1%) and in sales and office occupations.

LATINO WORKERS INCREASINGLY PROVIDE CARE FOR THE AGING BABY BOOMER POPULATION WHILE STRUGGLING TO ACCESS SOCIAL SERVICES, HEALTHCARE, AND ELDERLY CARE FOR THEMSELVES AND EXTENDED FAMILY MEMBERS.
Looking at the labor-market infrastructure over a five-year horizon for the Latino community, one sees the future possibilities—provided that the necessary educational investment and coordinated outreach are in place.

An additional factor affecting both labor markets and small-business entrepreneurship is the growing consumer base of the Latino population in Greater Phoenix. The intersection of educational investments, a growing representation in professional occupations, the rapid acceleration in Latino entrepreneurship rates (especially for women-owned businesses), and a strong Latino consumer base implies that the demand for educational services in this community will continue to grow. And with this growth, a significant increase in civic engagement and political participation is also set to occur.

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The next five years will be instrumental in preparing our educational institutions for the increases in the Latino student population.
When we think about poverty, we usually think of someone’s not having enough money for adequate food and shelter. This is certainly a reasonable definition. But living in poverty is, in fact, a much more comprehensive, multifaceted condition. For example, poverty also describes a lack of resources for health care and of opportunities for education and employment. It reflects a constellation of life events that impede a person from improving his or her economic well-being and social advancement. Being poor, in other words, makes it both financially and psychologically difficult to escape poverty. Further, poverty may be most sharply experienced by individuals and families, but its impact is felt community-wide. This is of particular concern for the Phoenix metropolitan area: Our failure to address poverty today will confront us with mounting social and economic costs by the year 2012.

Poverty is, of course, not unique to Phoenix. Like other major urban areas, Phoenix has its share of people who lack enough resources to adequately house, feed and clothe themselves and their families. However, there are unique aspects of poverty in Greater Phoenix that present obstacles to the goals of positive growth and broad social progress. These unique concerns demand investigation and response.

City vs. County

The fundamental cause for concern is that the resources and the needs of people in the Phoenix metropolitan area can best be described as one of an “economic divide.” Certain key socioeconomic trends in the City of Phoenix appear to be different from that of the larger area of Maricopa County. Over the years 1990, 2000 and 2005, poverty rates were lower in Maricopa County than in the City of Phoenix. In fact, Maricopa County rates were lower than the national average, while Phoenix rates were higher than the national average (Table 6 in Chapter 1).

The economic differences between the City of Phoenix and Maricopa County are not limited to poverty rates. In 2005, for example, the median household income in Maricopa County was $48,711, compared to $42,353 in Phoenix and $46,242 nationally. These differences in income and poverty are reflected in—and influenced by—a number of related areas that demand attention: changing demographics, immigration, and education. In other words, we are today faced with a growing divide between those who live in the City and those who live around it.

Greater Phoenix’s remarkable population growth has been driven by several sources. The growth in migrants—including the special subset of retirees—from other parts of the country has steadily climbed. Immigration from Mexico and Latin America, both legal and illegal, has helped make Maricopa County one of the fastest-growing areas in the country. In fact, recent census figures confirm that Maricopa County again recorded the biggest population increase of any U.S. county.¹ We see evidence of this growth everywhere, from the expanse of new housing developments and office buildings to the new roadways that seem to overflow with traffic from the day they are opened.

We welcome growth as bringing new opportunities, fresh ideas and energies. But we also must recognize its additional
bounty of compelling problems—again, usefully viewed in terms of the economic divide between city and county. Take, for example, the current slump in the housing market, which could spill over to commercial real estate. By 2012, housing and employment may be greatly divided between the city and county. With depressed prices for real estate and less commercial development, the city would again become inactive while the surrounding areas attract whatever residential growth and commercial activity survives the current downturn.

Three Groups of New Arrivals

The Phoenix area’s economic divide is exacerbated by the fact that the three groups fueling our population growth—migrants, retirees, and immigrants—have different resources and needs and tend to live in different areas. Young migrants with families and retirees tend to settle outside of the city. They also tend to arrive with resources—either financial, as in the case of many retirees, or educational and professional, in the case of young workers. Immigrants, by contrast, tend to arrive with few or no resources and to settle within the City of Phoenix.

All three of these groups share the potential for change over time. However, many of the opportunities and obstacles they face are different; addressing them will require close attention from planners and policy makers in the coming years. On the other hand, some needs are common. All three groups, for example, require an expanding health-care industry, particularly the retirees. Many have family roots elsewhere, and end up here without them; as they age, support services that might be provided by family members will need to be addressed. Immigrants, who tend on average to be poorer and less employed, typically use health services that are available in urban centers and that are more subsidized through public resources, at least until they are sufficiently absorbed into the economy.

To some extent, the availability of these and other needed services will reflect the economic divide, which could widen still further through variations in population growth. New arrivals with greater means—usually migrants and retirees—will flock to the suburban areas. Immigrants and others who arrive lacking resources, such as transportation and employment, will consolidate in the urban area. Greater income in an area typically translates into greater tax revenues and translates into more money for such tax-funded services as police and fire protection and for suburban schools—despite the state’s funds equalization formula—and less money for the needs of Phoenix’s population.

The Demographics Speak

The demographics bear out this concern. Two changes already noted in this report are the increases in female-headed households and in the Hispanic population. The City of Phoenix has seen a 20% increase in the rate of female-headed households from 1990 to 2005. That compares with a 4% increase in Maricopa County and an 11% increase nationally. This is significant because we know that single adult households, particularly those headed by women, are more vulnerable to poverty.

We also know that Hispanic households are more vulnerable to poverty. From 1990 to 2005, the share of the total population that is Hispanic grew 61% nationally, 79% in Maricopa County, and 109% in Phoenix. Almost 42% of the total population in Phoenix is Hispanic. By 2012, we will be approaching an Hispanic majority in the urban center. This grants a rich cultural character to Phoenix, and gives the Southwest its unique diversity. However, Hispanic families’ long-recognized greater risk for poverty means that their concentration in the urban areas will likely contribute to the growing divide. This, in turn, may also create a cultural divide along racial and ethnic lines—something that could paralyze our community and detract from its positive image as an attractive, bustling, Western city.

Another factor to consider is the youthfulness of Arizona’s population. Maricopa County has a younger population than the national average, with a median age of 33 compared to 36 nationally. Phoenix’s population is even younger, with a median age of 31. Less than 8% of the population of Phoenix in 2005 was age 65 or older, compared to 11% of the county’s population. The youthfulness of Phoenix is particularly evident with respect to poverty. In 2005, more than 29% of children under five years of age in the City of Phoenix were officially counted as living in poverty, compared with 22% in Maricopa County and 21% nationally. In all age groupings under 18, the poverty rate in Phoenix was higher than the national average, and 5-6 percentage points higher than in Maricopa County. The city’s proportion of younger children, and particularly poor children, is greater than in the surrounding areas. This means that, over the next five years, Phoenix will need to focus on the needs of children and young families.
Language and Education Remain Key

The differences among families based on immigration and youthfulness point to another issue, that of English language skills. Poverty is related to employment and education, which in turn depend heavily on language abilities. Immigrants, particularly poorer ones, often speak little or no English. In Arizona, about 30% of children in immigrant families have limited English proficiency; 33% of newcomer families are considered linguistically isolated—that is, no one in the household over the age of 13 speaks English very well.2

The youthfulness and lack of language skills of the population living in Phoenix have particular significance for school systems and educators. Nationally, 16% of people 25 and older are not high school graduates. While Maricopa County mirrors this number, in Phoenix more than 21% of the population 25 and older have not graduated from high school. Again, Maricopa County is similar to the nation with about 27% of adults having completed a bachelor’s degree or higher, while only 23% of the adults 25 and older in Phoenix have a bachelor’s or graduate degree. Overall, educational levels are lower in Phoenix, which contributes to lower economic and social capital in the urban core.

We know that higher education is closely linked to economic well-being. Greater educational attainment translates into higher lifetime earnings. For example, average income for a high school graduate is about $28,000 annually, compared to $51,000 for a person with a bachelor’s degree.3 Over a person’s lifetime, this is a huge difference. It is particularly important for the economic well-being of residents of Phoenix, where incomes are 8% below the national average, while in Maricopa County incomes exceed the national average.

With Phoenix home to ASU, and Maricopa County housing an extensive community college system, higher education is a critical area from which to position the economic future of our community. Again, the population composition of the area has implications here. Nationally, while college enrollment is lower for Hispanics than Whites, it has been on the rise. In 1990, only 5.7% of students enrolled in college were of Hispanic background. This proportion grew to 10% in 2002.4 Of interest to us is the proportion of these students who attend public institutions. While nationally 77% of students are enrolled in public colleges, 84% of Hispanic students who attend college do so at public institutions. With three-fourths of all students, and a greater proportion of Hispanic students attending public colleges, attention must be given to the quality of those systems in the years to come. By 2012, the development of the ASU Downtown Phoenix campus, the University of Arizona medical school, and the biomedical research institutes will be indispensable advances. Thus, we need to continue to support the development of institutions of higher education and research organizations in the urban core.

Growing Public Assistance Needs

Another major public policy concern is public assistance, which of course is directly related to poverty. Federal, state and local revenues fund a constellation of services targeted to people with low incomes. The three major programs are cash assistance through Temporary Assistance for Needy Families (TANF), Food Stamps, and Medical Assistance. These three programs form the economic safety net for people in poverty. Like all the economic trends we have examined, the usage rates are higher in Phoenix for all three programs than in the larger county area. In 2005, the city’s rate per 1000 people for TANF was 22, compared to 15 in Maricopa County. For Food Stamps it was 43 compared to 30; and for Medical Assistance it was 176 compared to 133. Phoenix has a
POVERTY: THE VALLEY’S ECONOMIC DIVIDE

greater proportion of its population who depend on the services of our public assistance programs than does Maricopa County. This proportion is consistent with the other data reviewed here, and reinforces the need to address the economic divide in our community.

For the area as a whole, though, there are some significant trends that will have major implications over the next five years. As a result of federal welfare reform, the number of TANF recipients has decreased over the years. From 1990 to 2000, the number of TANF and Food Stamp recipients declined greatly, decreasing 42% for TANF and 32% for Food Stamps. However, from 2000 to 2005 the numbers grew significantly, climbing 53% for TANF and an astonishing 171% for Food Stamps. Medical Assistance also grew, from 35,000 recipients in 1990 to almost half a million in 2005, reflecting rates of 17 per thousand in 1990 to 122 per thousand in 2005.

These changes are not unique to Arizona. Nationally, while the number of TANF recipients declined due to welfare reform, the number has started to increase since the recession of 2001. And while spending on TANF declined initially and has remained constant, the cost of other poverty-related programs has grown. Nationally, spending on Medicaid, the federal portion of medical assistance for low-income people, grew 230% from 1990 to 2002.4

Figure 1 outlines the changes in recipient rates in the Phoenix area over the years. The changes in TANF were paralleled by changes in Food Stamps. This makes sense because typically eligibility for the two go together. Medical Assistance grew considerably and consistently over the years, with a huge increase from 2000 to 2005—one that was driven in part by an expansion of eligibility implemented in 2001. With the current economic downturn in housing and with employment related to the housing industry under stress, we may face a continuation of the trends of 2000 to 2005. If so, by 2012, at the rates of the past five years, we will find an additional 25,000 people on TANF, 535,000 seeking Food Stamps, and over a million additional Medical Assistance recipients. These are staggering numbers, particularly if coupled with the decline in tax revenues that’s already begun.

This large and rapid growth will have major implications for our community. Health care is costly. The county’s and city’s growing need for public health services means greater need for health-care providers. Absent high quality training for health-care professionals, the Valley could experience a human-services crisis and significant degradation in the quality of life of its residents in poverty. To serve more people, medical resources must grow as well. This is a major challenge for the metropolitan area.

The Future: A Divided Community?

The problems facing us in terms of poverty and social resources are significant for the future well-being of our community. As Table 1 shows, there are considerable disparities among Greater Phoenix household incomes, disparities that are expected to continue. In addition, the needs are disproportionate in our urban center. The economic divide between the City of Phoenix and the surrounding Maricopa County area is significant, and—based on history—will also continue to expand in the absence of intervention.

The trends are not comforting. The three major groups of new arrivals—migrants, retirees, and immigrants—continue to settle in different areas. Phoenix in particular can look forward to further increases in Hispanics and in female-headed households, an increasing concentration of children in poverty, and potentially large growth in applicants for multiple types of public assistance. These factors, together with a lack of enough trained health-care professionals, could provoke a human-services crisis of considerable proportions.

In short, we risk becoming a divided community. If we do not address this geographic divide, we will see two different communities competing for resources in ways that will drain both the city and county. Attention and energy that could better be used for planning and development will instead be consumed fighting over resources. We need to understand that what happens in Phoenix affects Maricopa County, and vice versa. Economic growth is contagious, but so is economic decline. In a community spread out over 500 square miles, it is easy to ignore poverty concentrated in the urban core or out of sight of wealthier neighborhoods. But in truth our economy is interwoven throughout the metropolitan area. We should not wait until 2012 to address the greater numbers of people tapping into the already strained resources of public assistance and medical care. We need to act now.

We have begun some collaborative efforts, such as development of the light rail line linking suburban areas with the urban center. We also need to continue to support the development of institutions of higher education and research organizations in the urban core. Especially now that we seem to be facing a period of economic turmoil, advancing projects that are collaborative and will help the overall economy, both for the city and county, is the challenge of the next five years. Community leaders, policymakers, and service providers must recognize this growing economic divide and plan how to best address it.

Elizabeth A. Segal, Ph.D., is a Professor for the School of Social Work. Her specialties include poverty and inequality, and social welfare policy impacting women and children.
Most Arizonans recognize that visitors form an essential part of the social fabric of the Grand Canyon State, and would agree that their presence implies significant economic benefits. True, there is obvious competition between residents and visitors for restaurant meals, lodging space, and other commercial hospitality services. But this competition, when questioned, is easily justified by the generation of jobs and wages for Arizona residents and return on investments for Arizona entrepreneurs.

However, fewer Arizonans may consider a companion fact: The thousands of annual visitors to our state also create a substantial additional need for human services. Visitors compete with residents for emergency room visits, adult education programs, and county recreational facilities. They also use highways, police and criminal justice services, mental health and other social services. Indeed, visitors comprise a second population that increases the total number of persons in Arizona by an average of 6% on any given day. On the average day in Maricopa County, 5.5% of all people are visitors (1 out of 18); on the average winter day, that level rises to 6.7%.

Who are these people? How many are there and why are they here? Do they actually cost Arizona more than they provide in economic benefits? Which human services do they utilize most—and how will all this change in the future? These are important questions facing Maricopa County policy-makers. For as the state’s resident population continues to grow, so will the size—and the needs—of its ever-present second population.

Who Are These People?
The World Tourism Organization defines tourists as persons “traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.” Most official statistics in the U.S. use the criterion that a tourist must travel more than 50 miles from home and stay overnight.

Tourists coming to Arizona are generally highly educated, wealthier, and older than residents. Most also are traditional vacationers who have permanent residences elsewhere. Many are seasonal homeowners and some new retirement homeowners purchased a home in Arizona after first visiting as tourists. Neither puts demands on the state’s educational system, but both contribute to property taxes. On the other hand, the average retiree puts much greater demands on health services than do typical residents. A closely related issue is that of tourism employees, some of whom are seasonally unemployed; these individuals may put additional burdens on public services. Annual tourists, seasonal homeowners, new retirement populations, and tourism employees have different average characteristics than the residential population and require different human services.
The average age of overnight visitors to the Central Phoenix region is 47, about 14 years older than the average Maricopa County resident (excluding visitors from Canada and those traveling by land from Mexico). The average household income is $82,140, about $10,000 higher than the average traveler in the U.S., and $33,000 higher than Maricopa County residents of $49,000. Only about 26% of overnight visitors have no college education compared to about 40% of Maricopa County residents. The percentage of visitors with no college has increased from 18% in 1996 to 26% in 2006.

The origins of overnight visitors to the region are mostly California and Arizona residents, followed by the Chicago, New York, and western regional markets. Because of the size of the Central Phoenix region, more than 10% of overnight visitors are from Phoenix itself.

The planned activities undertaken by tourists are dominated by shopping, social activities, and leisure activities, as shown by Figure 1. A separate survey found 72% of Mexican visitors in 2001 identify shopping as their primary planned activity. Work was the primary reason for 14% of visitor parties, and visiting family was the primary reason for 8%. Other reasons were vacation, medical, business, and personal.

**How Many Are There?**

Each government agency and tourism industry organization has a different need for information about tourists, thus they frequently define different categories from one another. In addition, they use different regional aggregates. As a result, there are different and often conflicting estimates of the number of travelers to the U.S., Arizona and Maricopa County.

The Arizona Office of Tourism relies on several sources of data about the tourist population, including DK Shifflet and Dean Runyan Associates. DK Shifflet estimates that the number of U.S. domestic travelers to the Central

| TABLE 1 | Average Overnight Visitor Compared to Median Maricopa County Resident |
|----------|--------------------|--------------------------|
| Age      | Income             | No College Education    |
| Maricopa County Resident (2005) | 33 (median) | $48,711 (median) | 39.8% |
| Phoenix Region Visitor (2006)   | 47 (average)  | $82,140 (average) | 26%   |


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Profile</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Share of Overnight Domestic Leisure Visitation</td>
<td>46%</td>
<td>45%</td>
<td>44%</td>
</tr>
<tr>
<td>Overnight Domestic Leisure Estimate in Visitation (millions)</td>
<td>11.2</td>
<td>9.8</td>
<td>8.7</td>
</tr>
<tr>
<td>Average Age</td>
<td>47</td>
<td>50</td>
<td>44</td>
</tr>
<tr>
<td>Average Household Income</td>
<td>$82,140</td>
<td>$74,700</td>
<td>$78,060</td>
</tr>
<tr>
<td>Average Party Size (persons)</td>
<td>2.2</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Average Length of Stay (nights)</td>
<td>3.7</td>
<td>4.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Average One-Way Distance Traveled</td>
<td>805</td>
<td>908</td>
<td>881</td>
</tr>
<tr>
<td>Average Spending Per Person Per Day</td>
<td>$134.20</td>
<td>$113.80</td>
<td>$114.50</td>
</tr>
<tr>
<td>Gender of Respondent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>51%</td>
<td>46%</td>
<td>47%</td>
</tr>
<tr>
<td>Female</td>
<td>49%</td>
<td>54%</td>
<td>53%</td>
</tr>
<tr>
<td>Age of Respondent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Age</td>
<td>47</td>
<td>50</td>
<td>44</td>
</tr>
<tr>
<td>18-34</td>
<td>34%</td>
<td>20%</td>
<td>36%</td>
</tr>
<tr>
<td>35-54</td>
<td>33%</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>55+</td>
<td>33%</td>
<td>39%</td>
<td>25%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No College Education</td>
<td>26%</td>
<td>26%</td>
<td>17%</td>
</tr>
<tr>
<td>Some College</td>
<td>33%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>College Degree</td>
<td>23%</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Post College Degree</td>
<td>18%</td>
<td>18%</td>
<td>26%</td>
</tr>
<tr>
<td>Household Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Household Income</td>
<td>$82,140</td>
<td>$74,700</td>
<td>$78,060</td>
</tr>
<tr>
<td>Under $75,000</td>
<td>50%</td>
<td>54%</td>
<td>48%</td>
</tr>
<tr>
<td>$75,000 or More</td>
<td>50%</td>
<td>46%</td>
<td>51%</td>
</tr>
<tr>
<td>Top Origin Markets (sorted by 2006)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>13.8%</td>
<td>7.2%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>11.8%</td>
<td>12.4%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>10.1%</td>
<td>10.6%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Tucson (Sierra Vista), AZ</td>
<td>9.9%</td>
<td>4.3%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>4.3%</td>
<td>4.4%</td>
<td>5.4%</td>
</tr>
<tr>
<td>San Francisco/Oakland/San Jose, CA</td>
<td>3.6%</td>
<td>5.2%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>3.0%</td>
<td>2.0%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Detroit, MI</td>
<td>3.0%</td>
<td>1.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>New York, NY</td>
<td>2.2%</td>
<td>2.6%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>2.2%</td>
<td>0.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td>El Paso, TX</td>
<td>2.2%</td>
<td>2.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>2.1%</td>
<td>2.6%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Albuquerque, NM</td>
<td>2.0%</td>
<td>2.7%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

Source: Travel Industry Association of America, TravelScope.
Phoenix region of Arizona has increased from 7.9 million in 1996 to 11.2 million in 2006 (42% increase) and the share of total Arizona domestic overnight visitorstotheregionhasincreasedfrom 44% to 46%.

Relatively few travelers come from overseas. The U.S. Department of Commerce estimates 0.6 million overseas visitors to Arizona (2005), not visitors from Canada or visitors arriving from Mexico by land. DKS data suggests that about half of those visitors spent time in the Central Phoenix region.

Based on historical trends in total spending estimates by three overnight visitor categories (Hotel/Motel, Visiting Friends and Relatives, and Vacation homes) and average spending data and length of stay from DK Shifflet, DRA has estimated that 20.9 million persons (including international visitors) made overnight visits to Maricopa County in 2006 (a 31% increase over 1996). Day trippers to Maricopa County may comprisefrom approximately 30 million. They spend more than $10 billion in the county.

Mexican visitors are the largest component of day-trip visits to Arizona, virtually all from the neighboring state of Sonora, according to a 2001 University of Arizona study; however only 4% of them stay overnight. In that year, more than 23 million Mexican visitors came to Arizona; 13% of their expenditures were made in Maricopa County.

Human Services for Tourists

Most visitors probably never consider it, but there are at least eight categories of publicly provided human services that support many of their planned activities. Each of these is provided largely by local and state government and supported by local taxpayers:

- **Recreational Services** including the acquisition, construction and management of facilities such as reserves, open space, river and lake access by city, county, and state parks departments. For example, the Maricopa County Parks Department is spending approximately $5.5 million in 2007. Officials recently built an $89 million air traffic control tower and a $285 million

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**FIGURE 1 | Domestic Trip Activity Participation by U.S. Travelers**

PERCENT OF PERSON-TRIPS, 2004

<table>
<thead>
<tr>
<th>Activity</th>
<th>参与百分比</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shopping</td>
<td>30%</td>
</tr>
<tr>
<td>2. Attend a Social/Family Event</td>
<td>27%</td>
</tr>
<tr>
<td>3. Outdoor</td>
<td>17%</td>
</tr>
<tr>
<td>4. City/Urban Sightseeing</td>
<td>10%</td>
</tr>
<tr>
<td>5. Rural Sightseeing</td>
<td>10%</td>
</tr>
<tr>
<td>6. Beach Activities</td>
<td>9%</td>
</tr>
<tr>
<td>7. Historic Places, Sites, Museums</td>
<td>8%</td>
</tr>
<tr>
<td>8. Gambling</td>
<td>7%</td>
</tr>
<tr>
<td>9. Theme/Amusement Park</td>
<td>7%</td>
</tr>
<tr>
<td>10. National/State Park</td>
<td>7%</td>
</tr>
<tr>
<td>11. Seminar/Courses</td>
<td>4%</td>
</tr>
<tr>
<td>12. Nightlife/Dancing</td>
<td>4%</td>
</tr>
<tr>
<td>13. Attend Sports Event</td>
<td>4%</td>
</tr>
<tr>
<td>14. Zoo/Aquarium/Science Museum</td>
<td>3%</td>
</tr>
<tr>
<td>15. Water Sports/Boating</td>
<td>2%</td>
</tr>
<tr>
<td>16. Performing Arts</td>
<td>2%</td>
</tr>
<tr>
<td>17. Cultural Events/Festivities</td>
<td>2%</td>
</tr>
<tr>
<td>18. Golf</td>
<td>2%</td>
</tr>
<tr>
<td>19. Art Museums/Galleries</td>
<td>1%</td>
</tr>
<tr>
<td>20. Winter Sports</td>
<td>1%</td>
</tr>
</tbody>
</table>

Note: Multiple responses allowed.
Source: Travel Industry Association of America, TravelScope.

**TABLE 1 | Maricopa County Visitor Volume Estimate | 2006**

<table>
<thead>
<tr>
<th>Accommodation</th>
<th>Spending (Total $Millions)</th>
<th>Average Daily per Person ($)</th>
<th>Visitors (Thousand Persons)</th>
<th>Number of Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel/Motel</td>
<td>3.532</td>
<td>169</td>
<td>20,878</td>
<td>9,490</td>
</tr>
<tr>
<td>Other Overnight</td>
<td>2.752</td>
<td>61</td>
<td>45,431</td>
<td>11,358</td>
</tr>
<tr>
<td>Day</td>
<td>879</td>
<td>98</td>
<td>8,989</td>
<td>8,989</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>7,162</td>
<td>95</td>
<td>75,299</td>
<td>29,837</td>
</tr>
<tr>
<td>Transportation</td>
<td>1,297</td>
<td>95</td>
<td>75,299</td>
<td>29,837</td>
</tr>
<tr>
<td>Total</td>
<td>10,459</td>
<td>139</td>
<td>75,299</td>
<td>29,837</td>
</tr>
</tbody>
</table>

Visitation estimates are based on other survey data or judgment about average stay.
Source: Spending estimates from Dean Runyan Associates.
rental-car center at Sky Harbor Airport. In total, the airport has planned enhancements that will cost more than $2.9 billion over the next 10 years. It is estimated that two-thirds of the employment at the airport is directly caused by travel and tourism; the remainder is related to cargo and support services.

- **Information Services** including information, direction and personal travel advice for tourists, such as provided by the Arizona Office of Tourism (AOT). While much of the AOT budget is for market promotion, this is another method of providing information to tourists. The 2007 appropriation for the AOT was $15 million out of a $12 billion Arizona budget.

- **Safety, Security, and Medical Services** including police, fire protection emergency medical services, transportation and treatment.

- **Waste Management Services** including public restrooms, sewage treatment, solid waste disposal, and air pollution control.

- **Utility Services** including telephones, access to water, power, and communications.

- **Other Governance and Regulation Services** including the administration of facilities and planning for change.

Wong (1996) found similar results in his analysis of government expenditures in the 155 largest U.S. cities. His research showed that tourism (measured by percent local tourism payroll/percent U.S. tourism payroll) had a significant impact on the levels of capital outlays, transportation, corrections, parks and recreation, general government administration expenditures, police protection, fire protection, and financial administration expenditures (in order of importance).

**Who Really Pays for Tourism?**

The benefits that can result from development of community leisure services have been described as a tool for economic development, alleviation of social problems, and environmental stewardship (Crompton, 2000). However, the fact that many of the public services for tourists are partially paid for by residents raises issues of equitable distribution of the costs of these services. Do taxpayers subsidize the costs of visitor services? Do visitor expenditures and taxes paid by the private side of the tourism industry compensate for these subsidies to visitors? These questions have different answers for different types of services and different types of visitors.

Levine (2003) looked at the debt generated by mega events—such as the impact of the 1976 Olympics on Montreal—and challenges the “economic logic” of tourism as a strategy for creating jobs, growing businesses, and producing revenue. He points out that “investments in tourism come at a price: a skewing of the civic agenda in favor of the ‘visitor class’ at the expense of investments in schools, job training, public infrastructure, and social services.” Levine recognizes that investments such as the Vieux-Port historical site development, and infrastructure such as the Metro, might be justified both in terms of promoting tourism and as integral parts of Montreal’s “local” economy, but he sees public investments in convention centers or tourist-oriented theme parks designed for the “visitor class” as a direct “opportunity cost” against pressing local needs.

Levine is not alone. His concerns for developments oriented toward non-residents were supported in a study of 18 seasonal-home communities in five northeastern U.S. states (Gamble et al., 1975). The authors found that lower environmental property standards that attracted developers cost each homeowner an average of about $6,250 in the value of their property.

For Arizona, the economic benefits are clear. Approximately 173,000 Arizona jobs were directly created by the tourism industry in 2006 (55% of them in Maricopa County) and approximately $4.9 billion in earnings (66% in Maricopa County). In Arizona, the travel industry contributes about 3% of GSP ($6.9/232.4 billion in 2006).

But economic trade-offs clearly remain. Although older visitors are more likely to need health-care services, they also tend to be wealthier than residents and are less likely to burden the public health-care system because of their ability to pay and afford health insurance. Visitors are probably less likely to burden police and public safety services as perpetrators, but
perhaps more likely to be victims of crimes. Older visitors constitute a large percentage of park visitors. At the same time, they receive “senior” discounts so may not be paying their share. In addition, seniors get a variety of other benefits in the form of discounts on meals, hotel rooms, and flights.

Some research has shown that the immigration of the elderly can have a large impact on health services. But a study by Buczko (1994) showed no evidence that “snowbirds” cause excessive burden on the health-care system. Medical tourism for elective surgery, or rest and recuperation that puts additional demands on the health-care system may have an offsetting positive effect on the health-care industry economy. A study of the “Impact of Tourism on Healthcare in Cornwall” (2004) recognized the economic benefits of tourism to the region. But because of residential-based government funding, it also found significant negative impacts on local finances, efficiency, staffing, public safety, and transportation.

Klazien, Widmer and Busato (2006) found a significant difference between local and non-local resident hospital admission rates in winter sport areas of Switzerland. With its regionally organized health-care system, the authors recommend subsidies to hospitals in winter areas to supply adequate hospital beds and staff throughout the year.

Seasonal visitors and second-home owners present additional issues. They spend heavily in the county and pay property taxes, but demand no primary and secondary educational services (the largest cost of government). One could argue that these visitors are a net benefit to the county. On the other hand, seasonal RV campers who stay in the desert for months probably are a net burden on the land and resources.

One policy issue arising from these factors is the suggestion that seasonal residents should have voting rights (Gale and Gianakis, 2001) that give them some control over the use of taxes paid to support local government. According to the latest economic impact study of Arizona, tourism generates 7.3% of local, state and government revenues. Overall, tourism tax revenues to all levels of government amount to $1,150 per Arizona resident. However, as substantial as this amount is, the question remains whether or not it compensates for the costs of services provided.
Future Visitors

There is no official forecast of the number of tourists to Arizona or Maricopa County, although a reasonable forecast can be made based on recent trends and national forecasts. While tourism is still rebounding after its plunge following the September 11, 2001, terrorist attacks, tourism and hospitality are expected to remain among the most important segments of the local and state economy.

The number of trips taken by U.S. residents has increased 12.6% from 1995 to 2005, currently at about 2 billion person trips per year. This is a growth rate of 1.3 % per year. The number of trips to the U.S. by visitors from other countries increased about 10% from 1996 until 2000 (a growth rate of about 2.5% per year) but dropped significantly after 9/11 and is just recently recovering to its 2000 level.

The Arizona Office of Tourism Research Roundup indicates that, overall, those international losses are expected to continue over the next five years, although visitation from Asian countries is expected to increase (China, Hong Kong, Malaysia and Thailand.) On the other hand, all evidence indicates visits from Mexico will increase in the future.

A valuable indicator of the historical intensity of the tourism economy in the State is the Arizona Tourism Barometer, produced by the W.P. Carey Economic Outlook Council. The reference point of 100 is set at June 1994 because that is the month showing the least movement during the sample period. The Arizona Tourism Barometer begins in April 1990 and is reported on a monthly basis.

The pattern shown by this barometer is similar to the pattern suggested in the Dean Runyan data—a period of steady growth followed by a dramatic decline in 2001 and a slow recovery to mid-1990 levels. The post-9/11 increase in the barometer of approximately 25% over five years suggests recent growth of 5% per year.

The Tourism Industry Association forecast is for U.S. domestic travel to increase 8% over the next five years (to 2.147 billion person trips in 2010), and international travel to increase 22% (to 60 million person trips in 2010).

Tourism in the future will not only be larger in volume; it will also be different. A variety of trends have been suggested that will motivate travelers in the near future. Contributors to TRINET (an international list for tourism researchers) suggest that the following are important:

- More baby boomers retiring and traveling, therefore more travel tailored to their wants/needs, such as increases in cruises, staying-healthy travel (health seminars and workshops), motorcycle touring, and gaming
- More travel related to global warming and global warming education, and less consumptive travel among the environmentally conscious
- Travelers perhaps becoming more “shock resistant” to terrorism threats/acts and world events
- Network carriers’ increased focus on international air routes
- New longer-range aircraft opening up new distant market opportunities
- Increased travel during the fall shoulder season
- More buying of second homes/condos—which could mean more baby boomers retreating to that vacation home rather than doing other trips
- High percentage (60%) of U.S. leisure travelers motivated by interest in food/wine experiences

The increase in Arizona visitor numbers has generally followed population growth—averaging more than 30% per decade and higher in the 1980s and 1990s. This has been largely due to increases in business travel and visits to friends and relatives (VFR). VFR has been estimated to account for more than half of Greater Phoenix visits. Since population growth and home construction have slowed, it may signal slowing growth in tourism in Arizona and Maricopa County over the next five years.

Although Phoenix is still not expected to be one to the top 10 city destinations for international travelers, growth in local and regional markets can be expected to keep pace with the DES forecast for Maricopa County population growth of 3.6% per year, bringing total tourists to 35 million by 2012.
Human Services for Future Tourists

However, one values the tourist industry in Maricopa County and Arizona, the tourists promise to only increase in volume, and thus in their needs for the public services noted above and undoubtedly others. Some of these services will not burden local taxpayers, but others will require new investments and operational support, particularly in the less urban areas. Regardless of who will and who should pay for the services, several trends seem likely to require policy attention for the near future:

- An increasing need for skilled service workers
- An increasing demand for “extreme tourism”
- A greater degree of vigilance concerning disease outbreaks
- More emphasis on safety and security
- More bilingual and multilingual workers

Demographic characteristics of future Maricopa County visitors are expected to be changing from those of past visitors. World events have changed the needs and desires of all tourists. The tourism industry workforce is also becoming more diverse. All of these factors will influence the future need for human-services workers.

Arizona’s desert landscapes, unusual wildlife, hikable mountains, and fast water can be attractions to extreme tourists, leading to the need for emergency medical services beyond those of most residents. This will mean an increasing demand for emergency medical services, given that the demand for extreme tourism is expanding, that many visitors to recreation areas are lodged in Maricopa County, and that others are transported here for emergency care.

Because the world is getting smaller, and because diseases can spread rapidly with travelers, tourist populations will create a greater need for the management of disease outbreaks. The analysis of a 1998 summer outbreak of Acute Respiratory Infection in Alaska and the Yukon involved 2,799 cases and four pneumonia-related deaths. Of these, 75% of the cases were tourists, 22% were tourism industry workers and only 3% involved local residents. Events like this mean that we must expect an increased burden on local health services. In addition, travel clinics are an increasingly important service to tourists in developing countries, and are soon likely to be needed in the U.S. and other developed countries.

Personal security also looms large on the horizon. David Edgell of East Carolina University, who conducts an annual survey of experts, has concluded that the most important world tourism issue for 2007 is “safety and security.” This implies a greater use of safety and security infrastructure as well as the need for police officers, firefighters, and private security guards. ASU has been sponsoring an Annual Arizona Tourism Safety and Security conference to address some of these needs and has formed a network linking tourism professionals to public safety and security officials.

Overall, the almost 40 million visitors that can be expected in Maricopa County by 2012 will require more and different human services than their predecessors. Needs for safety, security, transportation, medical, informational and recreational services will be greater than ever before. While seasonal residents and new retirees will put even more demands on the service infrastructure, their contributions to the costs of the services will largely compensate for them. In return, these groups may demand a louder voice in local government decisions. On the other hand, some types of visitors may put the burden of public services to tourists on the local taxpayers, especially in less developed areas.

As tourism grows and changes, its human-services needs will require greater numbers of employees capable of interacting with a diverse population of guests and of assuring increased safety and security for guests, while continuing to provide personal comforts. This will force industry employers and human resource managers to deal with a wider range of immigration, diversity, and multicultural issues.
The anticipated growth of tourism in Arizona, and the consequential changes in demand for human services, will be felt in all public service categories. It will bring benefits and costs to many, if not most, residents. For policy makers, it will only enhance the challenges inherent in informing, teaching, comforting, entertaining, treating, protecting, and otherwise serving the Grand Canyon State’s second population, as well as its first.

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NOTES
1 This and much of the following demographic data is from DK Shifflet and Associates.
2 DK Shifflet and Associates conduct national surveys of travelers and use the results to calculate the implied number of visitors to each state and destination while providing visitor demographics. Dean Runyan Associates estimate economic impacts of travel and tourism using employment, sales and tax data for Arizona and its counties. Each source provides an estimate of number of travelers, although definitions and regions differ. Dean Runyan Associates report data for Maricopa County while DK Shifflet and Associates report data for the “Central Phoenix region” of Arizona that includes most of Maricopa County (west only to Wickenburg, south only to Gila Bend) and about half of Pinal County (south to Casa Grande and Winkelman). DK Shifflet’s national survey was developed primarily to provide information on domestic U.S. traveler characteristics. However, based on average travel patterns and population sizes in origin communities, they provide estimates of the number of domestic overnight visitors to clients who subscribe to their service.
3 Dean Runyan Associates’ (DRA) research is devoted to the estimate of tourism-related economic activity. Annual changes in their model are linked to changes in owner-occupied housing and air passenger visitor arrivals. DRA cautions that some of their estimates are problematic because the survey data such as for visiting friends and family and vacation home owners is not reliable enough.
4 The primary interest in this chapter is in human services that are provided or subsidized by the public and nonprofit sectors, especially those that may be subject to labor shortages in the future. Many recreational and educational services have those characteristics (e.g. National/State Parks, Historic Places/Sites, Art Museums/Galleries), but commercial entertainment and sporting events (e.g. Gambling, Theme/Amusement Park, Nightlife/Dancing) do not.
5 A person-trip is one person traveling 50 miles (one way) or more away from home and/or overnight. A trip is one or more persons from the same household traveling together.
6 Office of Travel and Tourism Industries/International Trade Administration, U.S. Department of Commerce.
7 While it does not provide an estimate of the number of visitors or travelers to the state, the Barometer does give a long and rich (monthly) history of Arizona tourism based on four indicators that capture different aspects of tourism activity. Since Arizona ranks 10th in the nation as a destination for overseas visitors, non-resident arrivals to the U.S. are used as a one measure. Because of the phenomenal attraction of the Grand Canyon, national park visitation is also used as a component in the barometer. To provide a measure of the impact of tourism in dollars, hotel and motel revenue is included in the barometer. Finally, the number of scheduled aircraft landings reported by the Federal Aviation Administration by 14 airports across Arizona captures economic activity in the local area as well as passenger volume. Each indicator is equally weighted, seasonally adjusted, and standardized.

REFERENCES
The demand for recreation opportunities and facilities in Greater Phoenix has undergone tremendous growth and diversification in recent years. Recreation opportunity demand can be measured in terms of desired activities, desired experiences, desired settings/resources and desired benefits. Recently, Arizona State Parks\(^1\) commissioned a study to assess the recreation activities, settings, and benefits most desired by Arizonans. In addition to a statewide sample, the researchers segmented resident populations by county and ethnicity (i.e. Hispanic/Non-Hispanic). The current participation rates for 20 recreation activities are presented in Table 1. In terms of overall participation (user days), the top five activities in Maricopa County were 1) play a sport, 2) outside foot activity (walking, hiking, jogging), 3) ride a bicycle, mountain bike, or horse, 4) drive for pleasure, and 5) visit a park, natural, or cultural feature. Other high-use activities were attending an outdoor event, visiting a wilderness area or preserve, picnicking, and swimming.

While ethnic/racial breakdowns were not available for Maricopa County, Hispanic/Non-Hispanic participation data were available for the statewide sample. For example, Hispanics statewide are more likely to drive for pleasure, attend an outdoor event, picnic, and tent camp than non-Hispanics. Non-Hispanics are more likely to play a sport, ride a bicycle, drive off-road, fish, or go RV camping than Hispanics. While such differences do exist, however, a much greater proportion of the overall recreation participation is common across the two groups.

Recently, there has been a growing national interest by both recreation practitioners and researchers\(^2\) about the benefits associated with leisure behavior. At the simplest level, leisure benefits refer to all value added from leisure participation or experiences. A benefit can be thought of as a change that is viewed to be advantageous—an improvement in condition, or gain to an individual, a group, to society, or to another entity. Benefits are important because they identify the values and outcomes that underlie recreation behavior.

The 2008 Arizona Statewide Comprehensive Outdoor Recreation Plan (SCORP) studied the perceived benefits provided by parks, recreation, and open space. Thirteen benefits were assessed from both statewide and county resident samples. The results are presented in Table 2. Importance was measured on a Likert-type scale ranging from (1) strongly disagree to (5) strongly agree. In the eyes of Maricopa County residents, the top two parks and recreation benefits were tied: promotes a healthy lifestyle/physical activity and provides opportunities for family interaction. The other strongly perceived benefits include making the city/region a better place to live, providing constructive activities for youth, promoting mental health, and increasing community pride. The statewide sample indicated that Hispanic residents valued the economic benefits of parks, recreation, and open space more than non-Hispanics.

Another approach to understanding recreation demand is to examine the types of recreation programs and services most consumed by the public. In terms of organized programs,
youth and adult sports (classes, teams, leagues, and tournaments) are likely the most participated-in form of organized recreation. Sport opportunities and facilities are offered by both public and nonprofit youth agencies (e.g., Boys & Girls Clubs, YMCAs, and the Youth Sports Foundation). Unfortunately, there is not a reliable source of available data on how many adults or youth participate in sports programs in Greater Phoenix. Data do exist for swimming and golf lessons and for rounds of golf played on public courses.

After-school programs for youth are extremely popular and serve an important social need, especially for single- or dual-working parent families. The data presented below (Table 3) indicate that public parks and recreation and nonprofit agencies served more than 138,000 youth in after-school programs last year (it should be noted that several agencies do not track this data). Another 85,812 youth registered for classes or programs in community centers; a total of 121,519 adults did the same. In addition to the 71 municipal community centers, the Valley of the Sun YMCA and local Boys & Girls Clubs provide another 44 community centers for recreation programs and social services. While the cities often provide centers to address the needs of adults and seniors, the Boys & Girls Clubs more often focus on youth programs in low-income or older parts of the cities. In fact, several nonprofit organizations (Valley of the Sun YMCA, Boys & Girls Clubs of Metropolitan Phoenix, Phoenix Zoo, Desert Botanical Gardens, ABIL, and Salvation Army) have developed partnerships with Phoenix that included using city bond funds for constructing facilities and providing recreation and social services. The YMCA focuses more on recreation programs for families and youth, and has its strongest participation in suburban locations. The YMCA also partners with local parks and recreation agencies and with schools to provide youth recreation and sport opportunities throughout the Phoenix area.

### The Challenge

At the core of the challenge to provide parks, open space, and recreation opportunities in Greater Phoenix is the area's dynamic population growth. Maricopa County has grown from less than a million residents in 1970 to 3.77 million in 2006. Between 2000 and 2006, Maricopa County grew by 696,000 residents, the largest net increase of any county in the United States. Already containing the fourth-largest county...
4.4 million residents will indeed provide many new challenges for all parks and recreation providers. Much of the growth is occurring in newer and less dense suburban communities. Among their most critical needs is finding the capital resources to purchase land for parks, public swimming pools and community centers, and other recreation facilities, and the long-term operation of these facilities.

The challenge of providing parks, open space, and recreation opportunities is also driven by changes in population composition. The Greater Phoenix population is growing more diverse in terms of age, income, and ethnic/racial make-up. The mean age for Maricopa County residents is 33.4 years, nearly three years younger than the U.S. average. While the baby boomers and retirement-aged population are large segments, the youth and young-adult age cohorts are the areas of greatest growth—the 0-34 age cohorts are all larger (proportionally) than the national average. The median earnings of Maricopa County residents are slightly lower than the national average. The poverty rate in Phoenix is slightly higher than the U.S. average, while the rate for Maricopa County is slightly lower. U.S. census data suggest that senior citizens enjoy less poverty than their U.S. counterparts, while the poverty rate for children (and households with children) is considerably higher than the U.S. average. One implication of these demographics is an increased need for after-school youth recreation programs, youth centers, and sport fields/facilities, particularly in lower-income urban areas.

Perhaps the most pronounced demographic shift has been in the ethnicity/racial make up. Hispanics are moving toward a majority population in the City of Phoenix. Table 4 also shows the historic and projected ethnic/racial changes for Hispanics and Whites in Phoenix and Maricopa County. The percentage changes occurring between 2000 and 2005 were projected for the next seven years.

### TABLE 4 | Historic and Projected Population Growth

<table>
<thead>
<tr>
<th>Phoenix and Maricopa County, 1990-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phoenix</td>
</tr>
<tr>
<td>Population</td>
</tr>
<tr>
<td>Percent Hispanic</td>
</tr>
<tr>
<td>Percent White</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maricopa County</th>
<th>1990</th>
<th>2005</th>
<th>2012 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>2,122,101*</td>
<td>3,648,545*</td>
<td>4,499,336</td>
</tr>
<tr>
<td>Percent Hispanic</td>
<td>16.3**</td>
<td>29.2**</td>
<td>33.6</td>
</tr>
<tr>
<td>Percent White</td>
<td>77.1**</td>
<td>61.2**</td>
<td>56.2</td>
</tr>
</tbody>
</table>

Source: * U.S. Census Bureau, 2007. ** Tom Rex, ASU.
years (2005 to 2012) to provide an estimate of what the ethnic/racial composition might look like in 2012. Clearly, parks and recreation services will be expected to address the needs of the growing Hispanic population segment, particularly in the older areas of Phoenix and the established suburbs.

All of the above forces—continued population growth, a more diverse population, and growing competition for land—place demands on parks and recreation agencies. Additional parks, open space, and recreation facilities are needed, particularly in the growing suburbs and outlying areas where open space is still available. A less visible challenge emerges from the older areas of Phoenix, Glendale, Scottsdale, Tempe, Mesa, and Chandler, where aging park systems, community centers, and public swimming pools need maintenance and infrastructure improvements. These same areas are home to an increasing Hispanic population with needs that present new challenges and opportunities to recreation professionals. Municipal parks and recreation agencies and nonprofit recreation/social-service agencies together must partner to provide services in the urban core. These challenges are growing and will also drive the need for additional trained recreation professionals over the next five years.

Public Parks, Open Space, and Recreation Facilities

Phoenix-area residents have a strong relationship with their public parks, mountain preserves, trails, and other recreation facilities. Indeed, for many, the Arizona outdoor lifestyle was a primary reason for moving to Greater Phoenix. But as the demand for new parks and leisure opportunities increase, urban development continues to devour thousands of acres of natural desert lands each year. A major challenge is to plan, finance, and develop new park, open space, and recreation facilities in an environment of rapid growth. Urban-growth models at ASU project that most agricultural lands and state lands will convert to residential and industrial purposes by 2030. The state and federally owned lands in Maricopa, Pinal, and Yavapai counties will become an important source for new parklands and desert preserves over the next 20 years. There’s a critical need for state land reform and a reexamination of the Recreation and Public Purposes Act to address future open space needs. The Recreation and Public Purposes Act was used (in partnership with the USDI Bureau of Land Management) in the 1950s and 1960s to obtain federal lands for the Maricopa County Parks system.

Maricopa County contains a large proportion of public lands that offer wonderful outdoor recreation opportunities. Table 5 provides an overview of county land ownership. Approximately 40% of the land is owned and managed by the federal government, either as national forest (USDA Forest Service) or public lands (USDI Bureau of Land Management). State lands comprise another 11%, serving both as an outdoor recreation resource and as a potential future desert preserve or public park. While some outdoor recreation occurs on the 4.6% of county lands that are Native American reservation, these primarily offer commercial recreation opportunities in the form of resorts, racing venues, golf courses, and casino gambling. Currently about 29% of Maricopa County is privately owned.

Just more than 209,000 acres of Greater Phoenix are protected as park or preserve (including several mountain preserves). In Phoenix, 12.8% of the land base is protected as parklands. However, only about 6,000 of the 37,637 acres of parkland in Phoenix are for developed flatland parks; most are in large mountain parks and desert preserves. A recent countywide telephone survey indicates that both parks and open space are very important to Maricopa County residents. Furthermore, Maricopa County residents reported 44,241,669 visits to city parks in 2006. The Maricopa County Parks system received an additional 1,255,733 visits the same year. Tourists are also an important segment of park visitors. Recent park research indicates about 19% of park visitors are tourists from out-of-state or are international visitors.

Table 5: Maricopa County Land Ownership

<table>
<thead>
<tr>
<th>County Land Owner</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Government (Tonto N.F.)</td>
<td>9</td>
</tr>
<tr>
<td>Federal Government (BLM)</td>
<td>31</td>
</tr>
<tr>
<td>Military</td>
<td>14</td>
</tr>
<tr>
<td>Native American</td>
<td>5</td>
</tr>
<tr>
<td>State Lands</td>
<td>11</td>
</tr>
<tr>
<td>Private Lands</td>
<td>29</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


Table 6: Greater Phoenix Parks and Recreation Facilities

<table>
<thead>
<tr>
<th></th>
<th>City of Phoenix</th>
<th>Maricopa County</th>
<th>Other Municipal Agencies</th>
<th>Greater Phoenix Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres of Parklands</td>
<td>37,637</td>
<td>119,598</td>
<td>52,246</td>
<td>209,400</td>
</tr>
<tr>
<td>Neighborhood Parks</td>
<td>88</td>
<td>0</td>
<td>273</td>
<td>361</td>
</tr>
<tr>
<td>Playgrounds</td>
<td>143</td>
<td>14</td>
<td>285</td>
<td>442</td>
</tr>
<tr>
<td>Sport Fields</td>
<td>154</td>
<td>1</td>
<td>491</td>
<td>646</td>
</tr>
<tr>
<td>Regional Parks/Preserves</td>
<td>15</td>
<td>11</td>
<td>52</td>
<td>78</td>
</tr>
<tr>
<td>Developed Parks</td>
<td>174</td>
<td>0</td>
<td>362</td>
<td>536</td>
</tr>
<tr>
<td>Total parks</td>
<td>181</td>
<td>11</td>
<td>370</td>
<td>562</td>
</tr>
<tr>
<td>Community Centers</td>
<td>35</td>
<td>0</td>
<td>36</td>
<td>71</td>
</tr>
<tr>
<td>Golf Courses</td>
<td>8</td>
<td>3</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Swimming Pools</td>
<td>29</td>
<td>0</td>
<td>44</td>
<td>73</td>
</tr>
<tr>
<td>Major League Training/Ballpark Facilities</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Museums</td>
<td>2</td>
<td>0</td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Virden, 2007b.
Greater Phoenix offers several national award-winning park systems that include a variety of parks, ranging from smaller neighborhood parks to the 16,000-plus-acre South Mountain Park. In fact, the cities of Phoenix, Tempe, Mesa, and Scottsdale have earned multiple Gold Medal Awards from the National Recreation and Parks Association for excellence in parks and recreation management (Peoria was a finalist in 2006). Greater Phoenix boasts three of the 10 largest municipal parks in the country; South Mountain is the second-largest in the nation (Arizona State Parks Board, 2007). The 119,199-acre regional park system managed by the Maricopa County Parks is considered the largest county parks system in the nation with its 10 parks.

Table 6 offers summary totals of park and related recreation-facility resources based upon self-reported agency data and municipal budget information collected in the spring of 2007. There are 562 public parks in the Phoenix area. All major cities in Greater Phoenix are represented in the table; however, data could not be located for four small municipalities (<20,000 population), so the table slightly underestimates the Greater Phoenix totals. The 361 smaller neighborhood parks are commonly found in residential areas and serve as the closest-to-home park resources for most Phoenicians. Sport fields, picnic areas, basketball courts, and playgrounds are commonly found in neighborhood parks (as well as community and district parks). The largest regional parks protect large tracts of natural desert as well as provide opportunities for hiking, camping, picnicking, biking, and group sites that can be reserved for larger recreation gatherings.

Public parks and recreation agencies also provide community centers with a variety of programs designed for youth, families, adults, and senior citizens. These agencies currently manage 71 community centers in Greater Phoenix. Another 44 community centers focusing on recreation opportunities for youth and families are provided by nonprofit recreation agencies such as YMCAs and Boys & Girls Clubs. There are 73 public swimming pools (another 16 provided by nonprofit agencies), and 16 public golf courses that provided for 870,000 rounds of golf in 2006. In addition to providing sports fields, courts, and leagues for youth and adults, Phoenix-area parks and recreation agencies also provide sport stadiums for Major League Baseball spring training and Chase Field (the home of the Arizona Diamondbacks is managed by Maricopa County). Many of the Valley’s popular museums (e.g., Pueblo Grande and Mesa Southwest Museum) are also operated by these public agencies.

While Greater Phoenix is home to high-quality parks and recreation facilities, the future will require the acquisition of new parks and open space as well as the renovation of older parks and facilities for the growing and aging metropolitan area. More creative funding mechanisms, such as the $250 million Phoenix Parks and Preserves Initiative (PPPI), an excise tax revenue-driven initiative passed in 1999 by Phoenix residents, are needed to fund the acquisition of new park resources and to renovate parks and recreation facilities in older areas. It is important that the PPPI was renewed (as Proposition A) in May 2008, as its initial funding will end in the fall of 2009. Also, desert conditions require special design attention. Parks, sport fields, and golf courses will require innovative designs that incorporate water conservation for more efficient turf management and shading techniques. Finally, there is a critical need for more coordination between government jurisdictions for planning, constructing, and managing our parks, open space, and multi-modal trail system.

### Human Resource and 2006 Operating Budgets: Parks & Recreation and Nonprofit Agencies

<table>
<thead>
<tr>
<th>Agency (Public Parks &amp; Recreation or Nonprofit Youth/Family)</th>
<th>Volunteers</th>
<th>FTE Employees</th>
<th>Operating Budget (2006-07)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apache Junction</td>
<td>NA</td>
<td>44</td>
<td>$5,553,420</td>
</tr>
<tr>
<td>Arizona State Parks (Metro Area only employees)</td>
<td>NA</td>
<td>105</td>
<td>$27,278,700</td>
</tr>
<tr>
<td>Avondale</td>
<td>NA</td>
<td>34</td>
<td>$4,540,951</td>
</tr>
<tr>
<td>Buckeye</td>
<td>NA</td>
<td>30</td>
<td>$2,240,627</td>
</tr>
<tr>
<td>Chandler</td>
<td>NA</td>
<td>223</td>
<td>$30,807,763</td>
</tr>
<tr>
<td>Gilbert</td>
<td>NA</td>
<td>66</td>
<td>$15,969,000</td>
</tr>
<tr>
<td>Glendale</td>
<td>917</td>
<td>99</td>
<td>$14,404,403</td>
</tr>
<tr>
<td>Goodyear</td>
<td>400</td>
<td>21</td>
<td>$13,748,492</td>
</tr>
<tr>
<td>Fountain Hills (Town of)</td>
<td>NA</td>
<td>11</td>
<td>$1,512,071</td>
</tr>
<tr>
<td>Maricopa County Parks and Recreation</td>
<td>NA</td>
<td>90</td>
<td>$6,340,310</td>
</tr>
<tr>
<td>Mesa</td>
<td>3,867</td>
<td>154</td>
<td>$32,761,837</td>
</tr>
<tr>
<td>Phoenix</td>
<td>15,371</td>
<td>1,186</td>
<td>$123,778,000</td>
</tr>
<tr>
<td>Peoria</td>
<td>64,972</td>
<td>110</td>
<td>$21,735,732</td>
</tr>
<tr>
<td>Tempe</td>
<td>1,400</td>
<td>126</td>
<td>$16,321,680</td>
</tr>
<tr>
<td>Scottsdale</td>
<td>NA</td>
<td>216</td>
<td>$21,344,707</td>
</tr>
<tr>
<td>Surprise</td>
<td>NA</td>
<td>64</td>
<td>$14,664,300</td>
</tr>
<tr>
<td>Valley of the Sun YMCA</td>
<td>3,309</td>
<td>268</td>
<td>$49,000,000</td>
</tr>
<tr>
<td>Boys &amp; Girls Clubs of Greater Scottsdale</td>
<td>736</td>
<td>59</td>
<td>$9,800,000</td>
</tr>
<tr>
<td>Boys &amp; Girls Clubs of East Valley</td>
<td>865</td>
<td>67</td>
<td>$5,365,933</td>
</tr>
<tr>
<td>Boys &amp; Girls Clubs of Metro Phoenix</td>
<td>213</td>
<td>87</td>
<td>$8,500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>92,050</strong></td>
<td><strong>3,060</strong></td>
<td><strong>$425,667,926</strong></td>
</tr>
</tbody>
</table>

Source: Virden, 2007b.

**Human-Resource Needs**

The parks and recreation service professions are currently a $425 million industry in the Greater Phoenix area. By 2012, they will be well over a half-billion-dollar industry, with significant new workforce demands in both the public and nonprofit sectors. Public park and recreation agencies that serve the urban area were included in the human-resource assessment that follows. Additionally, Boys & Girls Clubs and YMCA branches from Greater
Phoenix are also included as they are important providers of recreation services, particularly to youth and families. However, extra-urban public land (e.g., national parks, BLM public lands, state parks and national forests) management agencies, commercial recreation businesses, and clinical therapeutic recreation organizations were excluded from this assessment.

The parks and recreation profession is represented in Arizona by the Arizona Parks and Recreation Association (APRA). APRA provides professional development for its members and advocates for the advancement of parks and recreation issues statewide. The largest parks and recreation employer in Arizona (and Greater Phoenix) is the City of Phoenix Parks and Recreation Department, which employs 1,186 full-time employees (FTE) with a 2006-07 operating budget of $123,778,000 (Table 7). In total, parks and recreation agencies account for 2,579 full-time positions. Approximately 35-40% of those are in the recreation-programming area, which can include sports, aquatics, community-center classes and programming, youth services, senior services, nature center managers, museum staff, after-school programs, special events, outdoor recreation programs, and community-based inclusion/therapeutic recreation programs. The other 60-65% are parks and maintenance staff that includes park rangers, park managers, park planners, landscape architects, turf specialists, parks maintenance staff, golf course managers, custodial staff, and groundskeepers.

The largest nonprofit agency delivering recreation programs and services is the Valley of the Sun YMCA, with 14 program branches throughout Greater Phoenix. The YMCA employs 268 full-time employees and has an operating budget of $49 million. The Boys & Girls Clubs of Greater Scottsdale, East Valley, and Metropolitan Phoenix employ a total of 213 full-time employees (FTEs) with a total operating budget of $23,665,933. All of the public and nonprofit agencies utilize a significant number of part-time employees, but reliable data are not available for this number.

Over the next five years, there is a projected need for 402 new FTE positions (not including attrition or retirements) in the parks and recreation services professions in Greater Phoenix. The projected FTE increases are considerably higher for the nonprofit recreation sector than the public sector, based upon historical hiring trends. The YMCA and Boys & Girls Clubs have reported that they will open 15 new branches over the next five years and hire 169 new full-time employees (a 35% increase). A panel of parks and recreation experts projected that public parks and recreation agencies will increase staff only 9% over the next five years, adding 233 new full-time positions (Table 8). The 9% increase is in line with recent increases and reflects the inability of municipal and county parks and recreation agencies to keep up with population growth, which is projected at 16% for the same five-year period. The reality is that municipalities, especially those in growing suburban areas, are better equipped to generate new capital funding, often through impact fees, than generating new operational funds. The parks and recreation expert panel suggested that an increase of 20% (518 FTE positions) in full-time employees is actually needed over the next five years, and would better position public agencies to meet the aspirational demand for parks and recreation services.

The Future: Critical Issues and Human-Services Challenges

In June 2007 a group of 10 parks and recreation experts from Greater Phoenix was invited to participate in a half-day facilitated focus group at ASU. The participants included a community-service director, parks and recreation directors and assistant directors from Phoenix, and several communities in the both the West Valley and East Valley. The purpose of the focus group was to assess the critical issues and challenges the parks and recreation profession will face over the next five years. The panel was also asked to project the level of human services needed to sustain the current level of service and recreation opportunity, as well as an aspirational level that would improve the level of service by 2012. While the focus group discussion identified many provocative issues and suggestions, what follows includes only the major issues that most participants prioritized as important.

Critical Issues: Parks, Open Space, and Recreation Facilities

Capital funding for parks, open space, and recreation facilities is inadequate and fails to keep up with new capital improvements and land acquisition needed by the growing Phoenix area.

<table>
<thead>
<tr>
<th>TABLE 8</th>
<th>Growth in Parks and Recreation Human-Services Workforce</th>
<th>THROUGH 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>Current</td>
<td>Next 5 Years (2012)</td>
</tr>
<tr>
<td>Public Parks and Recreation</td>
<td>2,589</td>
<td>233 (9%)</td>
</tr>
<tr>
<td>Nonprofit Recreation Agencies</td>
<td>471</td>
<td>169 (35%)</td>
</tr>
<tr>
<td>Grand Total</td>
<td>3,060</td>
<td>402 (13.1%)</td>
</tr>
</tbody>
</table>

Source: Virden, 2007b.
When new parks and recreation facilities do come online, the operational funding to operate and maintain them is often inadequate and often overlooked by policymakers.

There currently is very little capital improvement funding to rebuild, maintain or renovate older parks and recreation facilities in established suburbs and the urban core—particularly the renovation of older public pools, community centers, and parks. Finding funding for new projects in the urban core is also very challenging.

A critical need exists for pedestrian, biking, and equestrian connectivity to/with trails, and public transportation routes from the urban core to areas further out.

A growing disparity exists between the quality of parks and recreation facilities available to lower-income and older urban neighborhoods versus newer, growing parts of the Valley.

Municipal agencies struggle with the most efficient way of maintaining parks, grounds, and facilities—some cities outsource and others employ park maintenance and turf employees.

Meeting compliance with the Americans with Disability Act for full accessibility to parks, museums, outdoor areas, and recreation facilities is a constant challenge.

Critical Issues: Recreation Programs and Human Resources

The health-related benefits of parks and recreation are currently central to a national campaign (National Recreation and Parks Association) to promote healthy lifestyles, families, and communities, and to help address the exploding national obesity problem.

The current focus on health-physical activity/fitness increases the demand for sports, hiking, walking, swimming, biking, and active opportunities for youth—which in turn creates additional program and facility demands.

Operating budgets for recreation programs and human resources are losing ground; per-capita spending for operating budgets and full-time employees are decreasing.

Recruiting and retaining good employees are constant challenges. Workloads, salaries, and training are ongoing issues that must be addressed along with attrition from retiring employees. Many agencies are overly dependent on part-time employees.

As the population grows, the demand for youth activities (after-school, summer, and youth sports), sports leagues, senior, and disability-sensitive programming continues to increase.

Providing inclusive recreation services for all members of society regardless of income, gender, age, disability, or racial/ethnic background requires employees with inclusion-services training.

Parks and recreation agencies require better data, information, and systems than in the past—more than ever, recreation agencies are being asked to track, report, and justify their social, political, and economic value.

Aspirational Goals for 2012

There is a critical need in growing areas for comprehensive planning (ahead of growth and across political boundaries) to identify new large parks, trails and open space, and for legal and financial mechanisms that allow for acquiring future federal and/or state lands for parks and open space at an affordable price.

Partnerships—such as with schools and private developers—are key revenue enhancers. In addition, partnering with nonprofit organizations, private sponsors, volunteers, and schools increases efficiency in providing recreation programs.

New and more diverse entrepreneurial ideas are needed from professionals and policymakers to identify new operational and capital improvement revenue streams.

Parks and recreation agencies must do better at measuring and articulating the impact of their services on the community, perhaps through better partnerships with the academic community.

More full-time employees are needed in the parks and recreation workforce to adequately address the demands of 4.4 million residents. In particular, more youth and senior programmers, inclusion and therapeutic recreation staff, park rangers and park police, and more bilingual staff—an increase of 518 full-time employees (20%) by 2012—would allow public agencies to keep pace with population growth and their nonprofit partners.
Parks and recreation human-service professionals are confronted with major leadership challenges as they seek to meet the future needs of Greater Phoenix residents. The parks and recreation profession must work together to mobilize community leaders, policymakers, and other residents in an effort to educate and advocate for increased community support to enhance public parks, open space, and recreation opportunities. Future planning requires that professionals think beyond their municipal or agency jurisdictions. The future will require local agencies to cooperate, plan, and think comprehensively about regional needs in Greater Phoenix.

We face a double-barreled problem: Population growth is requiring new parks and facilities while, at the same time, many of our older parks and recreation facilities in established areas are deteriorating. Several Valley cities are challenged for funding to redevelop downtown areas with new parks, public spaces, and pedestrian-friendly streetscapes. While developer impact fees are useful, they can not provide for large parks and open space or the renovation of older parks and facilities. Voter-approved initiatives, such as the Phoenix PPPI, and bond elections offer other useful funding tools which most municipalities can employ.

Our regional county parks system, built in the 1960s, is now too small to meet the future need for open space. State and federal lands surrounding Greater Phoenix offer the two most viable sources for future open space and large regional parks. Both the Recreation and Public Purposes Act (federal) and state constitutional land reform need to be revisited and debated as potential avenues for acquiring new regional parks and open space. Other states have also successfully used “special parks districts,” which allow for dedicated park financing across regional jurisdictions upon approval by voters living in the proposed district. Parks and recreation professionals need to be at the table in all these discussions.

New challenges also arise for inclusive programs and opportunities to meet the increasingly diverse needs of our youth, inner city residents, families, elderly, and special-needs populations. Park and recreation services can play an important role in alleviating obesity and other community health problems linked to physical inactivity. Recreation professionals must demonstrate that their programs keep kids and adults healthy, and contribute to community quality of life and the economy. They must find smarter ways to price services, partner with other municipalities, and the nonprofit and private sectors. Finally, a new generation of energetic, well-trained professionals is needed to tackle the growing challenges of the profession. The graying/retiring of existing professionals, many of who entered the parks and recreation profession in the 1970s and 1980s, is a growing concern. Universities, the Arizona Parks and Recreation Association, and local agencies need to join together to develop, train, and energize the next generation of professionals in tune with the future needs of Greater Phoenix.

Randy J. Virden, Ph.D., is a former Director of the Parks and Recreation Management Program in the School of Community Resources & Development, where he also was an Associate Professor. He was the founding Director of the School and is a former Chair of the Department of Recreation Management and Tourism.

NOTES
1 Arizona State Parks, 2007.
2 Driver et al. 1991; Allen 1996; Moore and Driver, 2005.
5 Nyaupane and Yoshioka, 2006.
6 Virden, 2007a.
7 Virden, 2007.
8 Virden 2007b.
9 Virden 2007b.

REFERENCES
Decades ago, when community leaders started the Phoenix Art Museum, Phoenix Symphony, Phoenix Public Library, Arizona Theater Company, and other institutions, they sought to develop the arts and culture resources they believed vital to a young metropolis in a growing state. Supported by national trends, metro residents over time have created resources to showcase artists, teach art forms, address social problems, preserve heritage, share cultures, and much more. Today, more than 300 formal nonprofit organizations, public libraries, and city agencies throughout Greater Phoenix offer or support a myriad of performances, visual arts, natural and community history classes, library services, festivals, lessons, and programs. Additional entities operate informally.

Millions of residents and visitors participate annually in arts and culture—thanks in part to cultural institutions’ roles as among the region’s major tourist attractions, including the Heard Museum.1 The latest economic impact study in 2005 concluded that audiences for nonprofit arts and culture in Phoenix (an estimated 6.1 million people) spent approximately $361 million and supported more than 11,000 jobs across the region. East Valley (Chandler, Mesa, and Tempe) audience expenditures totaled $82 million during the same year.2

These significant numbers belie the complex environment for arts and culture today. “Fundamental shifts in demographics, lifestyles, technologies, mobility, and consumer behaviors”3 have touched all arts and culture entities in recent years. Aging audiences, competition for time, hit-or-miss arts education, financial ups and downs, and the “do-it-myself” approach to participation have made traditional approaches obsolete. At the same time, the Internet revolution, population growth, the knowledge economy, interest in community revitalization, acceptance of public art, new venues, and a period as one of the “it” issues of the 2000s have presented new opportunities.

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**TABLE 1 | Five Types of Arts and Culture Participation**

<table>
<thead>
<tr>
<th>Type of Participation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventive Participation</td>
<td>Engages the mind, body, and spirit in creation, regardless of skill level.</td>
</tr>
<tr>
<td>Interpretive Participation</td>
<td>A creative act of self-expression that adds value to existing works of art.</td>
</tr>
<tr>
<td>Curatorial Participation</td>
<td>The act of selecting, organizing, and collecting artworks to the satisfaction of one’s own artistic sensibility.</td>
</tr>
<tr>
<td>Observational Participation</td>
<td>Refers to arts experiences that an individual selects.</td>
</tr>
<tr>
<td>Ambient Participation</td>
<td>Involves experiencing art, consciously or unconsciously, that is not purposefully selected—art that “happens to you.”</td>
</tr>
</tbody>
</table>

Since the 1960s—in part because of the catalyst of the National Endowment for the Arts and the advent of state and local arts agencies—public-sector agencies have played important roles in arts and culture development. As a result, arts and culture throughout Greater Phoenix and the U.S. have evolved into a public-private enterprise with two related but divergent outlooks: 1) Arts and culture are intrinsically important and are hallmarks of quality places; and 2) Arts and culture offer unique “policy instruments” to achieve goals in areas as diverse as human services, livability, competitiveness, revitalization, and learning.

A Pyramid and a Network

In the Scottsdale Cultural Council’s 2007 community assessment, consultant Alan Brown described a healthy cultural community as one that provides three types of arts and culture opportunities:

- Arts education facilities and programs for children, including in-school classes, arts integration, after-school programs, and community programs
- Arts practice and learning opportunities for adults of all ages
- Professionally curated exhibitions and performances that inspire area residents and provide shared cultural experiences on a large scale

From a metro perspective, a broad range of public and private entities provides opportunities in these categories, although coverage and the mechanisms vary across the region. As in most places, Greater Phoenix’s arts and culture organizations form a pyramid. A few large entities are at the top with the more numerous medium-sized and then most prevalent small entities further down.

The pyramid, however, cannot reflect how arts and culture function day to day. This diverse set of entities operates as a dynamic network in which most participants play multiple roles. Partnerships and connections form and re-form to capitalize on opportunities and develop solutions to problems. Network members also compete with one another for connections, attention, and dollars even as they collaborate for the same reasons.

Altogether, the network includes:

- artists and teaching artists
- formal and informal nonprofit and public visual, literary, and performing-arts organizations
- science and historical museums and parks
- historic sites, landscapes, and trails and related public and private organizations
- organizations that extend arts and culture learning into after-school hours
- public libraries
- zoological and botanical organizations
- regional and community arts centers and performance venues
- public art programs
- university and community college departments and programs
- cultural organizations
- public and private support and capacity-building organizations
- professional organizations for arts educators, artists, and arts and culture administrators
- for-profit entities such as art galleries
- health-oriented creative arts therapies

Hybrid Support Systems for a Hybrid Sector

Greater Phoenix’s support system for arts and culture is nearly as multi-faceted as the sector itself. It includes state and municipal agencies as well as private organizations and individuals. Municipal support agencies work generally within their city limits with policies and programs split among art-specific, parks and recreation, and library entities. In contrast, private and nonprofit organizations, consumers, and artists span boundaries to serve the region.

Among municipal arts agencies, three basic models are prevalent in Greater Phoenix:

- City agency with an advisory commission, as in Phoenix
- City agency as a full-service department—presenter, museum operator, and educator, as in Mesa
- Municipal contract with a private, nonprofit organization, as in Scottsdale or the West Valley

Private support vehicles include:

- Nonprofit regional development organization, such as the Maricopa Partnership for Arts and Culture (MPAC)
- Nonprofit capacity-building, professional development, and advocacy entities, such as the Arizona Arts and Business Council, Arizona Citizens for the Arts, and Arizona Alliance for Arts Education
- Initiatives from foundations and corporations
Regardless of their structures, public-sector arts and culture agencies—as well as many private entities—share common purposes, including to

- Provide access for all residents;
- Honor local diversity;
- Identify and serve community needs;
- Support artistic development;
- Increase economic, tourism, and educational development;
- Foster a sense of place.

The question of how much is spent on arts and culture by the public sector is harder to answer. Differences in how cities define arts and culture, operate venues, assign subsidies for city-owned but nonprofit-operated facilities, build public facilities, fund public art, and integrate programs make a precise accounting difficult. Dollars tend to come from the general fund for grants to community organizations and operations of ongoing programs, while voter-approved bonds and dedicated funding sources are usually used to build and renovate facilities or create parks and preserve open spaces. For example, Phoenix used bond funds to build the Burton Barr Central Library and to contribute to the renovation of the George Washington Carver Museum and Cultural Center, Children’s Museum of Phoenix, and Steele Park Memorial Hall, among numerous other projects over many years. The cultural portion of the Phoenix bond program in 2006 totaled nearly $35 million with an additional $29 million in library projects.

Phoenix also devotes millions to operate such venues as the Orpheum Theatre and to providing support to the Phoenix Art Museum, Arizona Science Center, and other private, nonprofit organizations. In contrast, Phoenix allocates approximately $1 million annually to its arts and culture grant program from its general fund. These competitive funds, as with most arts and culture grants, require a substantial match, usually dollar for dollar. Public art dollars tend to be drawn from “percent for art” ordinances, which are generally based on capital budgets or voluntary percentages of private development. The current Phoenix public art plan totals approximately $10 million.

In May 2008, Phoenix voters approved the Phoenix Parks and Preserve Initiative, which would renew the sales tax first approved in 1999. However, Phoenix is not the only city to support arts and culture in a variety of ways or to ask for voters’ support. For example, in addition to city departments, Mesa and Tempe dedicated a portion of sales tax revenues to develop new performing arts facilities, which opened in 2006 and 2007, respectively. Scottsdale also has tapped special sales taxes for mountain preserves.

City priorities and the economy often affect arts and culture expenditures. For example, ongoing financial crises in Mesa led to a substantial portion of community classes being transferred to Mesa Community College to save them from being eliminated. The variety in the region also stems from different stages of development. Cities tend to turn attention to arts and culture venues and programs after the rush of rapid development. Some observers have called arts and culture a “coming of age” indicator for municipalities as they look for a unique identity and seek to serve new residents. Despite a history of some public support, arts and culture frequently have had to fight the stereotype of being a community “frill” instead of a “public good,” even though arts and culture organizations function as tools to achieve public goals. The public-private nature of the sector can work against arts and culture as much as for it. Thus, while tax dollars play a role in private organizations, the nonprofit sector receives less in Greater Phoenix than in other comparable metro regions. This on-again, off-again support is a reason why nonprofit arts and culture in Greater Phoenix have been described as “commitment rich but resource poor.” A comparison of Greater Phoenix’s arts and culture dollars with nine benchmark cities’ showed that local nonprofit organizations as a whole cope with less funding per capita, lower endowments, less diversity of revenue, and less public sector revenue.

Changing this situation is a priority for the Maricopa Partnership for Arts and Culture. During deliberations in 2004, the Maricopa Regional Task Force for Arts and Culture (MPAC)—an economic-development-oriented group of public and private leaders which several Arizona foundations brought together—concluded that a strong arts and culture sector was a necessity for competitiveness in the knowledge economy. The task force determined that an additional $50-50 million per year is needed for the arts and culture sector in Greater Phoenix to reach its potential and be on par with competitor...
regions. The task force’s work led to the creation of MPAC and an expectation that a dedicated funding source would be developed. MPAC is now targeting 2010 to gain voter approval for a public funding source. Early plans call for a small portion of a county-wide sales tax.

Tools for Quality of Place and Quality of Life
As Greater Phoenix expands in size and diversity, the expectations of its 21st century residents rise as well. Arts and culture have been recognized as important for quality of place and quality of life, whether one thinks in terms of human services, livability, competitiveness, revitalization, learning, or some combination of these. Existing examples of arts and culture in relation to these quality of life factors are presented below, as are samples of items “in the works.”

Arts and Culture for Human Services
Artists helping low-income residents paint murals, at-risk students writing plays, or frail elders choreographing dances are hardly news today. Evaluations in Greater Phoenix and across the country have shown that quality arts and culture programs can be an effective approach to human services and community development. In addition to the community arts tradition, the emergence of the “teaching artist” in the past decade highlights individuals who help others through quality arts experiences. The trend, whether seen in social service programs or school residencies, has created a cadre of artists and organizations skilled in supporting individual learning and community change. It has also spurred demand for municipal funding for programs that integrate human services and arts and culture. Examples include:

- **Free Arts of Arizona** Public and privately funded programs from this community organization offer children who have suffered abuse, neglect, or homelessness experiences in music, visual arts, dance, and theater as a foundation for personal growth. Free Arts and Ballet Arizona have partnered to serve foster-care children ages 7-18 in the Ballet Arizona Multicultural Arts Camp.

- **Valley of the Sun Habilitation Center** Clients with communication impairments work with artists to record and reflect on their experiences. Playback Theater performances tell the participants’ stories.

- **Boys & Girls Clubs** Six clubs in Phoenix feature ArtWeb with year-round visual arts workshops from a well-known teaching artist. Access, exposure, and appreciation of arts and culture are developed through hands-on work and field trips.

- **Children’s Museum of Phoenix** Newly opened in a historic downtown school after years as a “museum without walls,” the Children’s Museum of Phoenix engages the imaginations of children from infancy to age 10. Along with classes planned for adult visitors on topics like child safety and early child development, the museum’s Every Child Program provides 25,000 free admission passes annually to organizations servicing at-risk and low-income families and children. This program shows the institution’s commitment to sharing their fun, educational environment with as many Arizona children as possible regardless of ability to pay.

Arts and Culture for Livability
The Arizona Commission on the Arts is just one of many arts and culture entities to take up the livability theme in recent years. The state agency, which is also a critical metro support mechanism, continued the emphasis in its 2006-2010 plan, focusing on “healthy, vibrant communities through the arts” and “public policy that recognizes and supports the pivotal role of the arts in society…and decisions in areas including education, economic development, community development, aging, health, transportation, tourism, justice and safety.” The commission included the “education community, community development sectors, parents, and social service organizations” among its partners for achieving its goals.

Livability Examples

- **Teen Central** Youth helped to design and develop Teen Central, a space at the Burton Barr Central Library in Phoenix. Teen Central is a model for libraries locally and throughout the U.S. Similarly, the Will Bruder building is one of many nationwide that showcases public libraries as symbols of renewed interest in civic architecture and public spaces.

- **ARTability** Arts and culture organizations created this statewide organization to bridge the gaps between arts and culture activities and individuals with disabilities. It serves nearly 300,000 individuals and 640 arts organizations annually.
Tempe Community Chorus  This nonprofit singing opportunity is open to adults throughout the metro area. Performing throughout the year, the chorus offers nearly everyone the chance to follow music as an avocation.

In the Works  Phoenix has been a leader nationally in the integration of public art and civic infrastructure. Cities throughout Arizona and the U.S. have followed Phoenix’s lead in designs for freeways, fire stations, and airports. As downtown Phoenix redevelops, public art is expected to enhance its sense of place. The Civic Space as part of the ASU Downtown Phoenix campus is anticipated to be a destination, particularly with artist Janet Echelman’s public artwork as the centerpiece.

Arts and Culture for Competitiveness

Richard Florida’s 2002 book, The Rise of the Creative Class, highlighted arts and culture as a fundamental ingredient in knowledge economy competitiveness. The book, among others, helped to create a window of opportunity for arts development in many places, including Greater Phoenix. In its 2004 report Vibrant Culture Thriving Economy, the Maricopa Regional Task Force on Arts and Culture concluded arts and culture are key to:

1. Economic value
2. Creative people
3. Metro identity
4. Sense of community
5. Urban appeal

But research in 2005 highlighted areas of weakness in the sector, which could impact the region’s competitiveness. As noted in Perceptions Matter: “Talented young professionals in the region not only want those arts and cultural amenities currently available but also want even more choices and opportunities. Current perceptions point to a high demand for and low supply of cultural offerings.”

Competitiveness Examples

In 2006, MPAC’s report on “creative occupations” was the first time metro creative jobs were analyzed across industries. More than 106,000 people were employed in 150 occupations in arts, design, and culture, plus cross-disciplinary areas in science, engineering, and business. These jobs accounted for 6.1% of employment and 10% of total wages in the region. Greater Phoenix’s percentage, however, was the least among western competitors Portland, Denver, Dallas, San Diego, Austin, and Seattle.

In the Works  Congress is being asked to make the U.S. Bureau of Land Management’s National Landscape Conservation System a permanent designation similar to the national parks and national forests. This designation would affect 3.3 million acres in Arizona and ensure that prized recreational and wilderness spaces will remain so as the metro region and state grow.

Arts and Culture to Revitalize

“While the arts are commerce, they revitalize cities not through their bottom-line but through their social role. The arts build ties that bind—neighbor to neighbor and community to community. It is these social networks that translate cultural vitality into economic dynamism.” These words from researchers Mark Stern and Susan Seifert reflect why Greater Phoenix is seeing and courting this phenomenon, although experience shows there is no foolproof formula for success.

Revitalization Examples

Roosevelt Row  Roosevelt Street used to be the down-at-the-heels dividing line between a desolate downtown and a patchwork of neighborhoods. Now it is an increasingly vibrant connector between areas on an upward path. Brought about chiefly by artists and residents, the area, now known as Roosevelt Row, is a homegrown model for revitalization.

Amenity Landmarks  Combining heritage, arts, and open space can create amenities out of under-utilized places. Historic Arizona Falls at 56th Street and Indian School Road along the Arizona Canal now showcases artist-designed structures, canal-bank trails, and a neighborhood oasis, and is a model for city infrastructure, “green” power, and public art. Glendale’s Sahauro Ranch Park, Tempe Town Lake, and Rio Salado are other examples.

In the Works  The Arizona Indicators Project is expected to include a local version of a “cultural vitality index” so that the contributions to the
revitalization and health of major portions of the arts and culture sector can be monitored over time.

**Arts and Culture for Learning at All Ages**

Arizona has K-12 learning standards in music, dance, visual arts, and theater. Students must have an arts credit (although career/technical education also counts) to graduate high school. Yet statewide studies over more than a decade have shown that district-supported arts education ranges from weak to strong. At the same time, artist residencies and partnerships with arts organizations for everything from special performances to interdisciplinary projects to after-school programs have become commonplace in many places. Learning in and through the arts is not just for the young. Local experiences also reveal a continuum of adult learners. For any age, classes and events through municipal parks and recreation departments, community colleges and universities, and arts and culture organizations are sources of new knowledge and experiences.

**Learning Examples**

- **Rosie’s House** This tuition-free nonprofit music academy works to ensure that every child has the opportunity to master an instrument. Quality music education in a safe supportive place is the core of the program, which requires students to maintain good grades in school as well as to practice daily.

- **21st Century Learning Partners** Ten major arts institutions, including the Phoenix Art Museum, formed the Phoenix Arts Collaborative to work with nine central Phoenix under-performing schools on academic achievement and after-school learning through the arts. Administered by the Phoenix Office of Arts and Culture over five years, teachers were trained to integrate the arts and other subjects and local artists worked with students and teachers. A formal evaluation showed that the activities enhanced student achievement.

- **Herberger College at Large** ASU’s Herberger College of the Arts offers a wide variety of classes and private instruction for adults, as well as for children and their parents. Faculty and graduate students teach the programs.

- **In the Works** The Musical Instruments Museum broke ground early in 2008 in north Phoenix and will open early in 2010. The institution will exhibit instruments from throughout the world and provide a unique learning opportunity for residents and visitors of all ages.

**The Future**

The “American West, for many, has been about becoming, not about being.”11 This is certainly the case in Greater Phoenix. And if current trends continue, the near-term future will bring more of the same. By 2012, Maricopa County could gain 600,000 more residents. New institutions and venues may well have moved from plan to reality in all parts of the region. MPAC could be distributing millions of new dollars to arts and culture organizations, allowing movement in overall quality as well as innovations in using arts and culture to achieve bigger, broader public purposes. What will these many pieces of “becoming” add up to?

The answer may turn on two changes—one in perception and one in deed. The perceptual change is whether the dual public-private approach will finally find acceptance. Acceptance of arts and culture as part of both the public and private sectors would not only prevent arguments about value and resources, but would also put all types of arts and culture on a level playing field. With fewer differences among the players in arts and culture, more effort can be put toward a vibrant arts and culture community that can deliver on quality of place and quality of life for all residents. The change in deed should come with this realization. As the lines of public and private fade, institutions should develop new ways of working that honor the transparency and inclusiveness of the public institution and the flexibility and drive of the private. With this combination, “creative Phoenix” may well be the region's new brand.

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**NOTES**


3 Scottsdale Cultural Council, Executive Summary, Community Cultural Assessment, September 2007, p. 3.


7 Maricopa Regional Task Force for Arts and Culture, Battelle Technology Partnership Practice, Summary of Strengths and Weaknesses Facing Arts and Culture in the Maricopa Region, December 2003.

8 Arizona Commission on the Arts, Strategic Plan, 2006-2010.


11 Morrison Institute for Public Policy, Sustainability for Arizona: The Issue of Our Age, p. 10.
CONCLUSIONS AND POLICY IMPLICATIONS

Debra Friedman, Ph.D., University Vice President and Dean, College of Public Programs, and Rob Melnick, Ph.D., Director, Morrison Institute for Public Policy and Chief Operating Officer and Executive Director, Global Institute of Sustainability

The preceding chapters in Greater Phoenix Forward offer human-services practitioners and administrators, as well as business, public, and nonprofit leaders, an analytic platform for planning. Collectively, the ASU scholars who contributed to this volume have more than 200 years of experience studying human-services infrastructure, clients, and delivery systems, especially in the Greater Phoenix area. Drawing on their research, they share knowledge about the present and speculate on issues that are likely to have profound effects on our community’s future well-being.

For those who take planning seriously, this kind of knowledge can be especially empowering. If we were to plan and develop public policies for human services as seriously as we do our physical infrastructure, we would ensure that Greater Phoenix is known, not only for its economic development and population growth, but also for its attention to human and social potential. In turn, earning a reputation as a good steward of the human condition would make Greater Phoenix that much more desirable as a place to live and work. In the end, a city is known for its people and for the quality of life it offers to all of its residents.

It is tempting to think that only a subset of the population is touched by the human and social-services sector. In fact, the effectiveness of that sector affects everyone. The downtown business community knows well, for instance, that how the city and county deal with homeless people affects not only the homeless, but all who work and live downtown; that, in turn, affects the economic potential of the central core. Understanding these implications led to the public-private-nonprofit partnership that produced downtown Phoenix’s human-services “campus” for the homeless, an outstanding example of forward planning and action that benefits homeless people and the community at large.

Human and social services are not minor players in the economic landscape. Taken together, they are a major economic sector, not only in terms of the clients they serve but also the jobs they provide. While the human and social service sectors are perpetually under-funded with respect to demand, they comprise the third-largest “industry” in Arizona.

This report is meant to promote dialogue about our collective future. It consists of 11 chapters written by professors in ASU’s College of Public Programs, with additional contributions from researchers in ASU’s W.P. Carey School of Business and at Morrison Institute for Public Policy. These scholars have spent their professional lives researching their fields, and were chosen both for their subject expertise and for their familiarity with Greater Phoenix. They seek to provide understanding of causes and consequences, and are able to take a long-term view. However, they do not confront the daily pressures and trade-offs faced by practitioners in these various areas. For that reason, this report is meant to create dialogue with leaders in the practitioner and policy communities. Thus if this report were to be read and shelved, or even read and praised without leading to further engagement, it would not have served its intended purpose.

Due to the nature of scholarship, professors are subject experts and so the report is organized by subject. One criticism both of scholarship and practice in the area of human services is that they exist in silos. It is a fair criticism. There have been repeated calls to move away from single-sector planning, but while many agree that it is a good idea, it is very difficult to achieve. We hope that this report provides a pathway that will prove useful to develop integrated planning.

Fundamental issues that contribute to each and every challenge in human services—poverty being the most obvious, and seemingly the most difficult to ameliorate—arise in every one of the chapters. There are other crosscutting themes, as well. In this final section of the report, we have highlighted five of those themes in order to place all the chapters in a larger context.
FIVE CHALLENGES FOR FUTURE PLANNING

Challenge #1: The Comparative Youth of the Greater Phoenix Population

Maricopa County’s population is younger than the national average. The City of Phoenix’s population is, on average, even younger. As the chapter on demographics notes: “While retirement-age migrants continue to move into the area, their numbers are dwarfed by the numbers of young adults moving to the area.” In particular, there is a disproportionate number of youth, ages 5-14. What difference does that make for the human-services sector? A lot, it turns out.

If we think of this group as an elephant moving through a snake, the idea of advance planning for their special needs becomes relevant. What might those special needs be?

Acute Mental Health Care

José Ashford observes that, given the large number of youth, “we might start to see marked increases in enrollments to the RBHA for persons with a diagnosis of schizophrenia, and increases in hospitalization and in bookins in the Maricopa County Jail system, when these reach their late teens and early 20s.” Previous research has shown that nationally, mental-health hospitalizations increase during these ages, and so planning would suggest both prevention and ramping up acute-care services for youthful individuals with serious mental illness.

Crime

There is a well-known association between youth and crime: the older the group, the fewer the criminals. Taken together with the mental disorders common for adolescents and young adults, according to Dr. Ashford, we can expect to see greater demand for mental-health courts, jail health services, and specialized probation officers.

Young Families

As this population group moves into late adolescence and young adulthood, we can expect to see an increase in the number of young families with all of the demands that this places on the human-services sector. According to Nora Gustavsson’s research, “Many of these families...will be monolingual Spanish with wage earners in the lower-income occupations. This combination will strain the current capacity of CPS as well as the larger child welfare community.”

Substance Abuse

Substance abuse among teens—especially, alcohol, tobacco and marijuana use—remains high. Regrettably, as Marsiglia, Nieri, and Becerra note, “Arizona has higher-than-national drug use rates in several indicators,” including alcohol use, heavy drinking, and cocaine use. They report that “64% of juveniles committed to Arizona Department of Juvenile Corrections facilities...reported lifetime methamphetamine use...Of those, 47% reported daily meth use and 27% reported weekly meth use...The average age of first-time methamphetamine use for adolescents in ADJC facilities was 13.6 years.” In their study of seventh-graders in Phoenix public schools—an important age group because it is the time when drug experimentation often begins—abuse of prescription drugs is also prevalent.

Parks and Recreation

In Chapter 12, Professor Virden notes that, given the higher poverty rate for children in our area, “One implication...is an increased need for after-school youth recreation programs, youth centers, and sport fields/facilities, particularly in lower-income urban areas.”

From these few snapshots of implications of the relative youth of the Greater Phoenix population taken from the report—there are many more—the directives for planning are evident. There is enough research to give us a strong sense of what we can expect in terms of trade-offs in addressing the needs of the 5-14 age group in the next five years and beyond. But these chapters also offer clear pathways to prevention. For example, Marsiglia, Nieri, and Becerra provide evidence for community, family, school, and individual factors that protect against substance abuse. These are not all intuitive or obvious. For instance, less-acculturated Latino youth have a lower rate of substance abuse than their more-acculturated counterparts. Dr. Gustavsson notes that there have been many reforms in the child-welfare sector, but there are other research-based steps that would lead to more effective resource use and greater levels of service. Each author offers such recommendations.

Ultimately, as a community, we will end up both investing in prevention services and paying for treatment. The ratio of prevention to treatment dollars will depend upon our will to plan for that future—the sooner the better.

Challenge #2: The Complex Service Environment, for Clients and Providers

In Professor Hall’s chapter on the Human-Services Infrastructure, there are two intimidating illustrations: one portrays a client’s perspective in searching for services such as food, medical services, and housing; the other shows the dizzying array of funders and providers that populate the sector. Even veteran practitioners have a hard time fully knowing a single sector. Clients—who are often challenged by time, money, educational level, and language—have little hope of mastering the system.

Federal, state, county, and city funding all play major roles in supporting services at the local level. Each has its own reporting and accountability requirements. And each suffers from unpredictable levels of funding which, in turn, affect every service provider. Examples abound throughout the report.
Poverty, child welfare, mental health, substance abuse, and aging programs all benefit from—and suffer from—the variability of providers and funding sources.

Add to this mix the critical role of nonprofits that have proliferated to fill voids in human services. As Professor Ashcraft explains in Chapter 3, the nearly 19,000 Arizona nonprofits fill gaps between the market and the state, provide delivery systems upon which the public sector depends, and work in partnership to provide essential services across the full spectrum of human needs. In her chapter on child welfare, Professor Gustavsson asserts that “…the public child welfare sector could very well collapse in total chaos without the nonprofit sector.” With respect to some services, such as parks and recreation, there are major players among the nonprofits—such as the YMCA and the Boys & Girls Clubs—that serve as essential partners in the public provision of services.

It is tempting to critique the human-services sector from a business-driven perspective. One might ask, then, what a business perspective might offer in the way of direction under conditions in which very few of the parameters are under the control of the practitioners. Gerald Grinstein, former CEO of both Delta Airlines and Burlington Northern, once explained why it was more fun to run a railroad than an airline: Relative to railroads, airlines have very few degrees of freedom, governed as they are by federal regulations, restricted by labor union contracts, and subject to the global vicissitudes of gas prices. One might say the same about leading a social service unit: There are very few degrees of freedom, many regulations, and vulnerability to the upswings and downturns of local, state, national and global economies. Worse, when there is a downturn in the economy, caseloads increase while funding decreases.

**Challenge #3: Data**

One of the challenges of compiling this report was the absence of systematic data across the human-services sector. While each author has utilized the best data available, they are a far cry from the kind of systematic data required for a proper integrated analysis. More important, however, the absence of systematic data hampers the efficient provision and use of these services. Neither providers nor clients can determine the full array of alternative opportunities to solve problems, nor can they choose among alternatives based on an empirically driven fit. Practitioners cannot know how well their efforts have paid off, or not, nor can they know what has worked for their clients in settings other than their own agencies. For example, it would be good—and important—to know whether participation in a YMCA after-school program was followed by enrollment in a drug-abuse program...or not; whether Latino adult clients were served as effectively as Anglo clients by the same provider; whether participation in arts programs leads to a higher rate of academic achievement among homeless youth when combined with housing assistance; and so on.

Why aren’t the data available? There are many reasons. Building this kind of relational database would be an expensive up-front investment, and would require continuing, predictable funding—indeﬁnitely. An effective data project in the human-services sector would have to cross all boundaries of public, private, and nonprofit agencies. Participation would be necessary from all. And everyone—practitioners and clients alike—would have to be convinced that the ethical standards governing the use of the data were inviolable. A tall order, to be sure. Can it be done? Perhaps there is a lesson from the medical profession—with its many specializations, providers, rules and regulations—which has managed to find a way. Of course, that did not happen until demands for accountability from the insurance companies and HMOs exerted sufficient pressure. There is no such comparable force in this arena: Clients, who have the most to gain, are in no position to act collectively.

The urgency of immediate needs also overwhelms long-term investments of this sort. There is no question where the next dollar should be spent when confronted with a hungry child. Yet our dilemma remains: How many more dollars will that child require, what is the best way to serve her, and which provider should do so?

Professor Hall tells us what we need to know in the coming years as our population increases dramatically. He writes, “To better understand and improve the region’s future human-service infrastructure will require better information and evaluation of efforts. This could include:

- A Greater Phoenix human-services budget by functional areas...
- An inventory of needs, assets and human-services delivery mechanisms...
- Comprehensive, objective evaluation of existing human-service interventions...
- Human-services outcomes and measures to track progress toward those goals.”

“Other good questions are likely,” he notes, “but answers are difficult because data are lacking.”

**Challenge #4: Labor Force Shortages in the Human-Services Sector**

The shortages in the human-services sector rival those in any sector, including nursing. Among the findings of this report:

- The part of the nonprofit sector that provides human services is projecting a significant increase in demand.
- Many veteran mental-health professionals are coming of retirement age, while demand is increasing.
In the child welfare arena, Child Protective Services is facing a staffing shortage that makes it unable to meet present demand, let alone future needs, and turnover due to working conditions continues to be high.

Arizona 2020 and the state Department of Economic Security have identified preparation for an aging population as a key goal, while the U.S. Department of Labor anticipates significant shortages in both human-services and health-care professionals trained to work with the elderly.

There is a growing need for culturally competent service providers in all sectors, including providers fluent in Spanish.

Greater and more diverse services will be required for the nearly 40 million visitors expected in Maricopa County in five years.

To meet the growing resident population demands on park and recreation services, there is a need for “more youth and senior programmers, inclusion and therapeutic recreation staff, park rangers, and more bilingual staff.”

Increases in educational opportunities for social workers, parks and recreation practitioners, and nonprofit leaders are critical to meeting these demands. So too are changes in curriculum to meet new needs, scholarship support, and improvements in working conditions.

Challenge #5: Budgeting for Human Services (in a Difficult Economy)

Implicit in the challenges described in this report is the need for sufficient financial resources to meet the human-services needs of a rapidly growing and diversifying population. It is, to use the appropriate cliché, the elephant in the room. Clearly the public and nonprofit sectors in Greater Phoenix and the state already dedicate considerable funding to building and maintaining the area’s human-services infrastructure. But while there is always an argument to be made for improving the system’s efficiency, it is a fact of life that adequately addressing the needs of more people usually costs more money.

Certainly, this logic prevailed when Arizona policy makers determined long ago that funding formulas would be used to annually determine public allocations for the state’s K-12 schools and for health care for the indigent. The alternative would have been to continue waging annual battles over these amounts. However, for many of the human services analyzed in this report—for example, the protection of children and their families, the availability of important recreational amenities, and special services provided to the aged—no such formula prevails. Thus tough economic times—which happen to coincide with the release of this report—create substantial stress on both the people needing human services and the leaders who wish to offer them.

We here face a classic dilemma of public policy: What goods and services can we provide for whom, within the constraints of responsible public budgeting?

Public administrators in Greater Phoenix, and the elected politicians who appoint them, are known worldwide as some of the best public managers and public fiduciaries. They have done great service to their communities by making smart decisions despite the dizzying pressures of rapid population growth that would befuddle lesser professionals. They have done so during both tough economic times and good ones. During all these times, the pressures to maintain and develop the area’s physical infrastructure have understandably enjoyed a high priority. Clearly, no one who lives in the region wants to face unnecessarily overcrowded roadways, insufficient sewers and waste disposal, or inadequate power and water.

That said, such legitimate physical needs of the community usually compete for the same discretionary public funding as do human-services needs. With our area now facing an unusually difficult public revenue picture, what will we decide regarding finances to grow and enhance human services? If history is a guide, they will be inadequate to meet the considerable demand. And, notwithstanding the substantial support that the nonprofit sector may offer, government revenue will continue to be the majority funder of human services.

Yet we will pay, either in prevention or treatment. The only question is about that ratio.

QUESTIONS AND CHALLENGES FOR PUBLIC POLICY

Although Greater Phoenix Forward is not a policy analysis per se, the analyses nevertheless have numerous implications for public policies that could improve the human-services infrastructure in Maricopa County. What follows is partial list of questions and challenges derived directly from the chapters. It illustrates a few especially important implications of those are covered in the report:

- Migrants, retirees, and immigrants face somewhat different obstacles to economic success. Public programs to address the needs of poor people will not be especially effective if they are “one-size-fits-all.”
- Many of the public services for tourists are partially paid for by residents. This raises issues of equitable distribution of the costs of these services. Should
visitor expenditures and taxes paid by the private side of the tourism industry be made sufficient to eliminate current subsidies to visitors, and how is this to be balanced against the substantial economic contributions of the tourism industry to the state?

- The federal funding formula for placement supports foster homes over the homes of relatives. Therefore, state dollars have to be used to cover the costs of placement with relatives. The state may want to examine the tradeoffs between the quality of care by relatives compared to care in foster homes and the attendant costs.

- As the population of Greater Phoenix ages in place, policymakers will need to consider public services for the so-called “notch group” of our older population—individuals whose incomes put them above current eligibility guidelines for home and community-based services, but who are unable to afford services at full cost.

- Less acculturated Latino youth report lower substance-use rates than their more acculturated counterparts and than non-Latino White students. This reflects a certain resilience phenomenon against substance use that has interesting implications for prevention and service delivery.

- Adolescents and young adults are at the greatest risk of being involved in crime. This relationship between age and crime has policy implications for persons diagnosed with mental disorders who are also involved in the justice system. Members of the current 5-14 age cohort will begin reaching the late teens and young adulthood within the next 15 years, which likely will increase demand for use of mental health courts, jail health services, and specialized mentally ill caseloads provided by the Maricopa County Probation Department.

- Maricopa County’s national—and even local—label as a retirement mecca is out of date. While retirement-age migrants continue to move to the area, their numbers are dwarfed by the numbers of young adults moving to Greater Phoenix.

- Hispanics are moving toward a majority-minority population in Phoenix in the next 10 years. Parks and recreation services will need to consider the cultural preferences of this population segment, particularly in the older areas of Phoenix and in established suburbs with a substantial number of Hispanic residents.

- The substantial inter-generational transfer of individual wealth to soon occur suggests that many human-services nonprofits will receive gifts that will enable them to extend their missions in significant ways.

Readers of this report are reminded that it is not meant to stand alone. Instead, it is the first phase of a project that seeks to engage individuals who are the stewards and leaders of human-services delivery in Greater Phoenix. In short, it is a tool to be used as background information, context and, hopefully, inspiration for tackling the tough choices that lie ahead.

Certainly, sophisticated practitioners are already familiar with key data presented in their particular areas of expertise. For them, the value of this report hopefully will be the breadth of data and analyses across a wide spectrum of human services, the policy implications therein, and the authors’ speculations about the future.

In any case, the College of Public Programs and Arizona State University remain committed to assisting human-services practitioners and community leaders by providing high-quality research, convening policy discussions, and teaching coming generations of public servants who will build, manage, and grow the human-services infrastructure that the growing population of Greater Phoenix will surely need.

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