

Labor Market Information Overview

August 21st & August 22nd, 2013

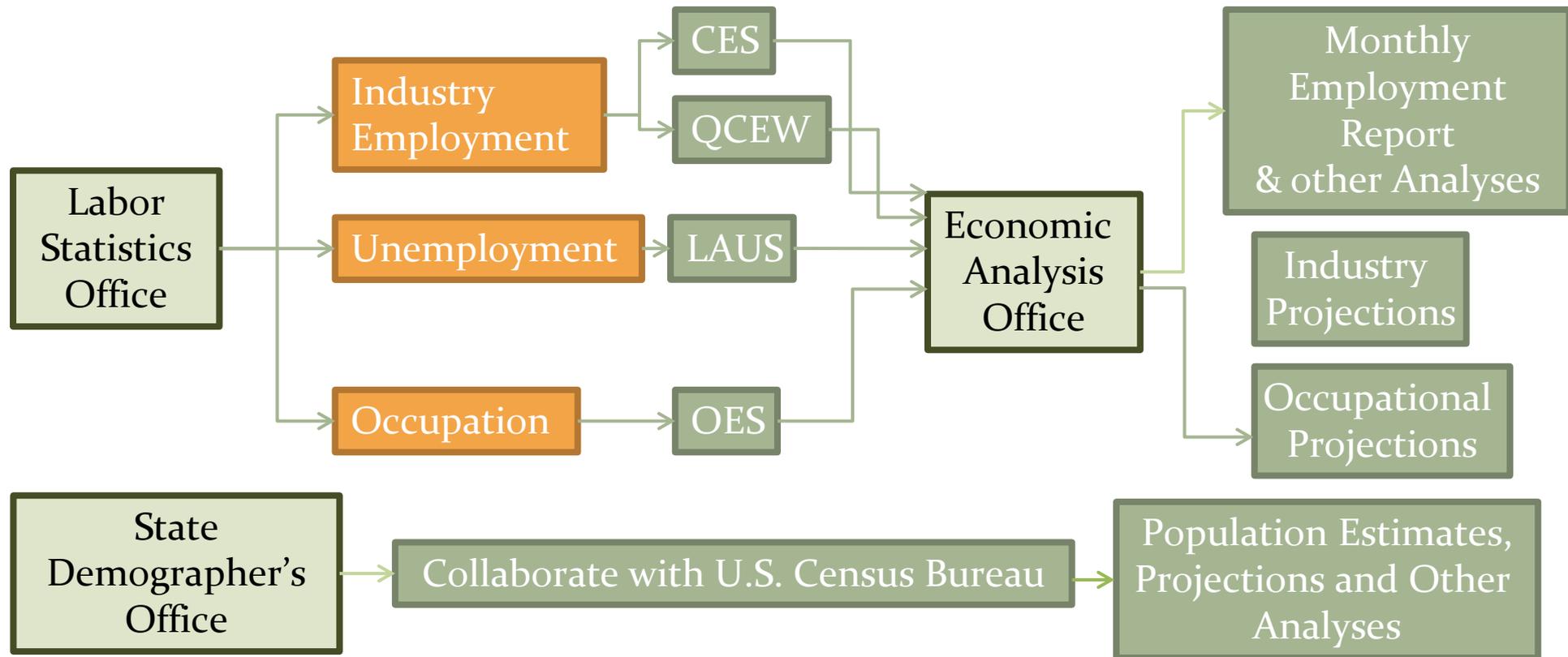
Office of Employment and Population
Statistics,
Arizona Department of Administration



Agenda

- **Who We Are**
- **Demographic Profile**
- **Industry Overview**
- **Jobs Inflow/Outflow**
- **Unemployment Overview**
- **Recession Impact on the Labor Market**
- **Labor Force Overview**
- **Industry Forecast**
- **Occupation Trends and Forecast**
- **Questions**

Office of Employment and Population Statistics, Arizona Department of Administration



Labor Market Information User Community



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Employment Forecasts

Wages

Income

This website provides a wide variety of labor market and demographic information for Arizona, including: local area employment and unemployment statistics; occupation and industry employment estimates and projections; wage survey data; population data; and more. Contact us by phone or email if you need any assistance finding data:

Phone: 602-771-2222

Email for labor related questions: labor.info@azstats.gov

Email for population related questions: pop.info@azstats.gov

U.S. Census Bureau's Economic Census

2012 Economic Census
**YOUR RESPONSE
MAKES A
DIFFERENCE**

The Economic Census is conducted by the U.S. Census Bureau. It is the U.S. Government's official five-year measure of American business and the economy.

More than 4 million employer businesses will receive Economic Census forms between October and December, 2012.

Learn more at business.census.gov

Seasonally Adjusted Unemployment Rate, Nov
2010 - Nov 2012



Arizona Workforce Employment Report

NOVEMBER EMPLOYMENT REPORT

[Unemployment Rate Drops to 7.8%; Above-Average Nonfarm Job Gains](#) (PDF)

December 20, 2012

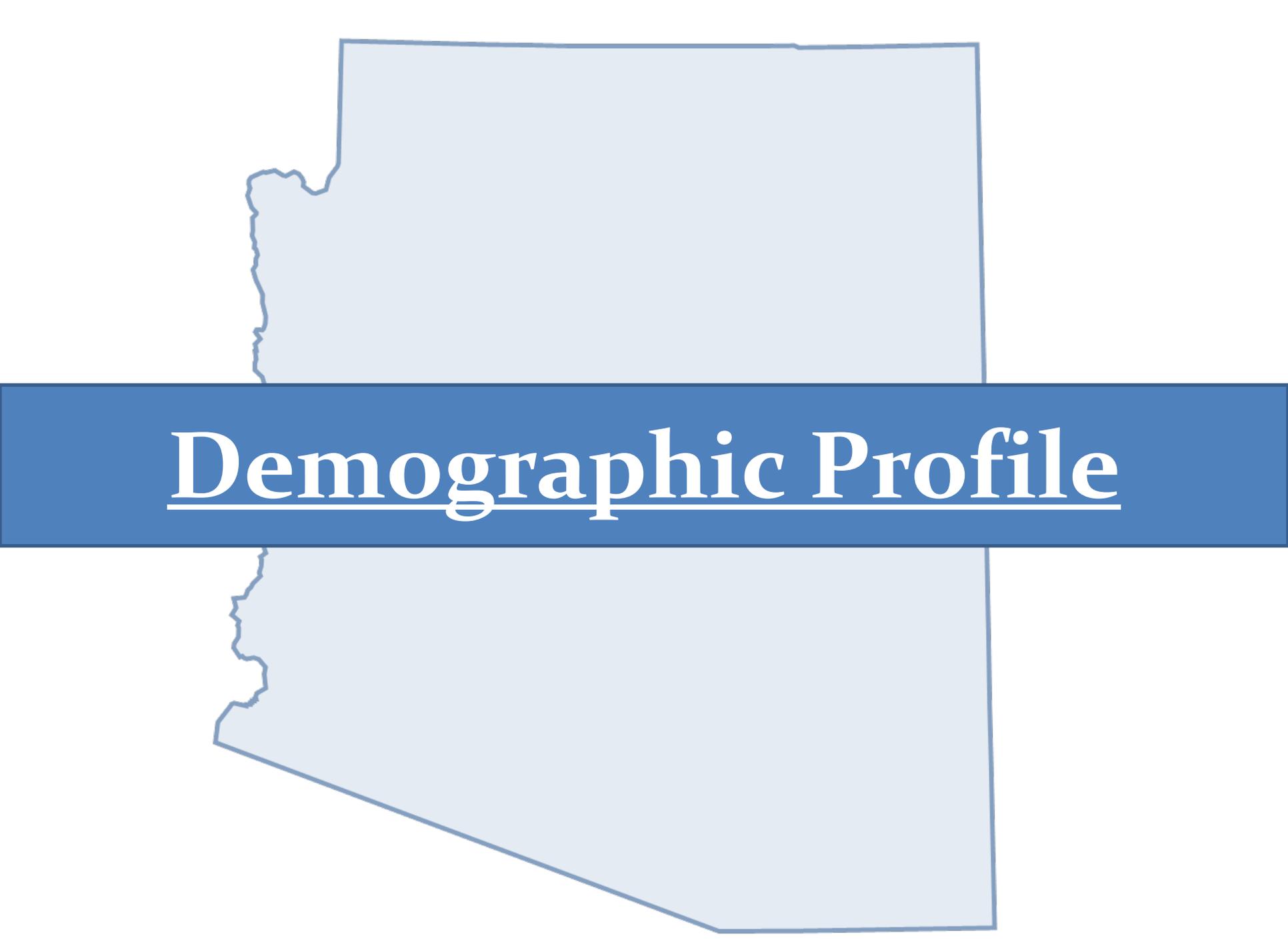
FORECAST REPORT

2011-2013 Industry Projections

[Arizona Employment Growth Continues on a Modest Track; Improvement in 2013](#) (PDF)

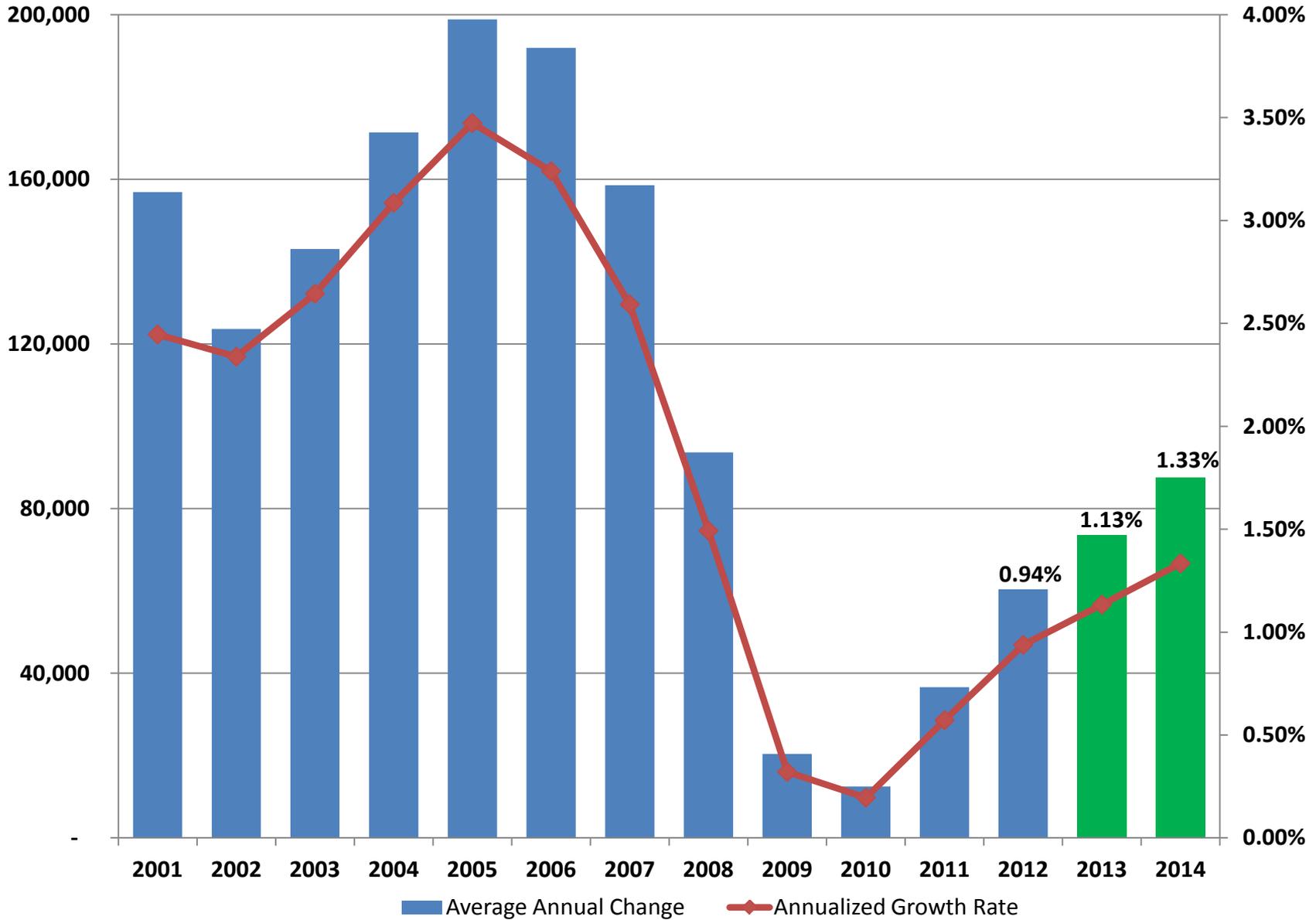
2010-2020 Industry Projections

Arizona Statewide, Phoenix MSA, Tucson MSA & Balance of State [XLS](#) | [PDF](#)

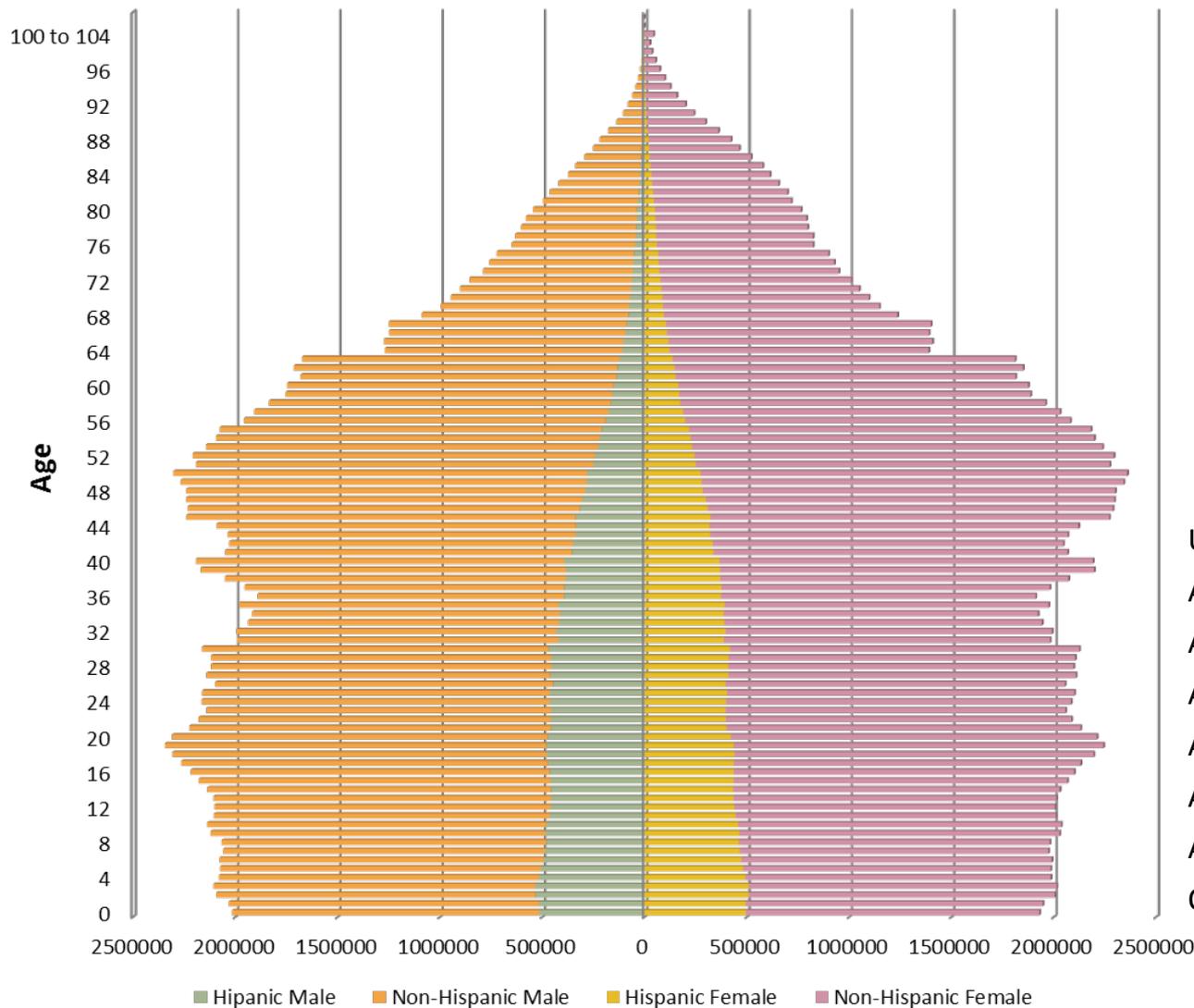


Demographic Profile

Arizona's Population Growth and Growth Rates



United States



Hispanic

Male	Female
25,618,800	24,858,794
8.3%	8.1%

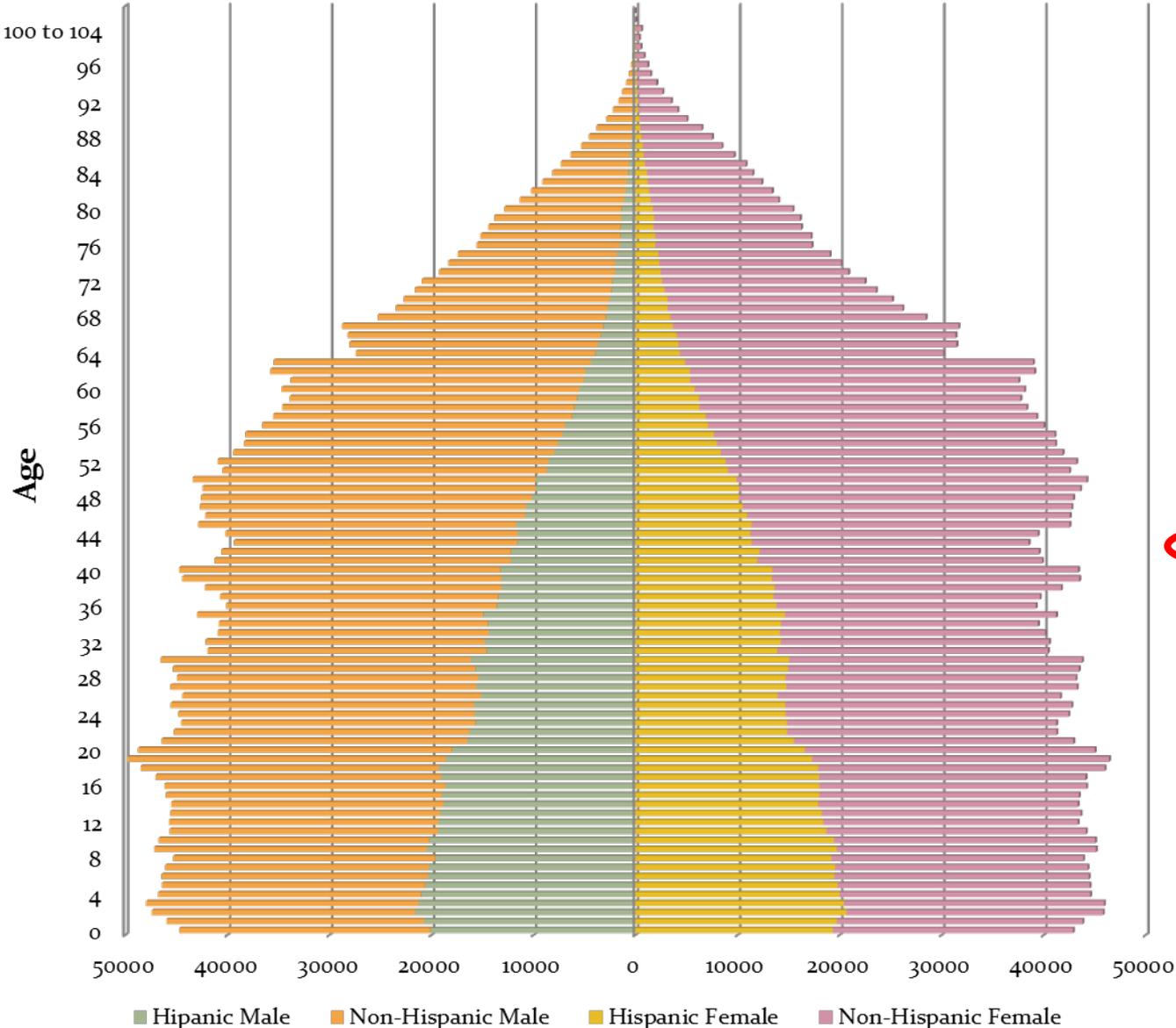
Non-Hispanic

Male	Female
126,162,526	132,105,418
40.9%	42.8%

Total Population: 308,745,538

Age	Population	Percent
Under 18	74,181,467	24.0%
Age 18 - 24	30,672,088	9.9%
Age 25 - 34	41,063,948	13.3%
Age 35 - 44	41,070,606	13.3%
Age 45 - 54	45,006,716	14.6%
Age 55 - 65	36,482,729	11.8%
Age 65 - 74	21,713,429	7.0%
Over 74	18,554,555	6.0%

Arizona

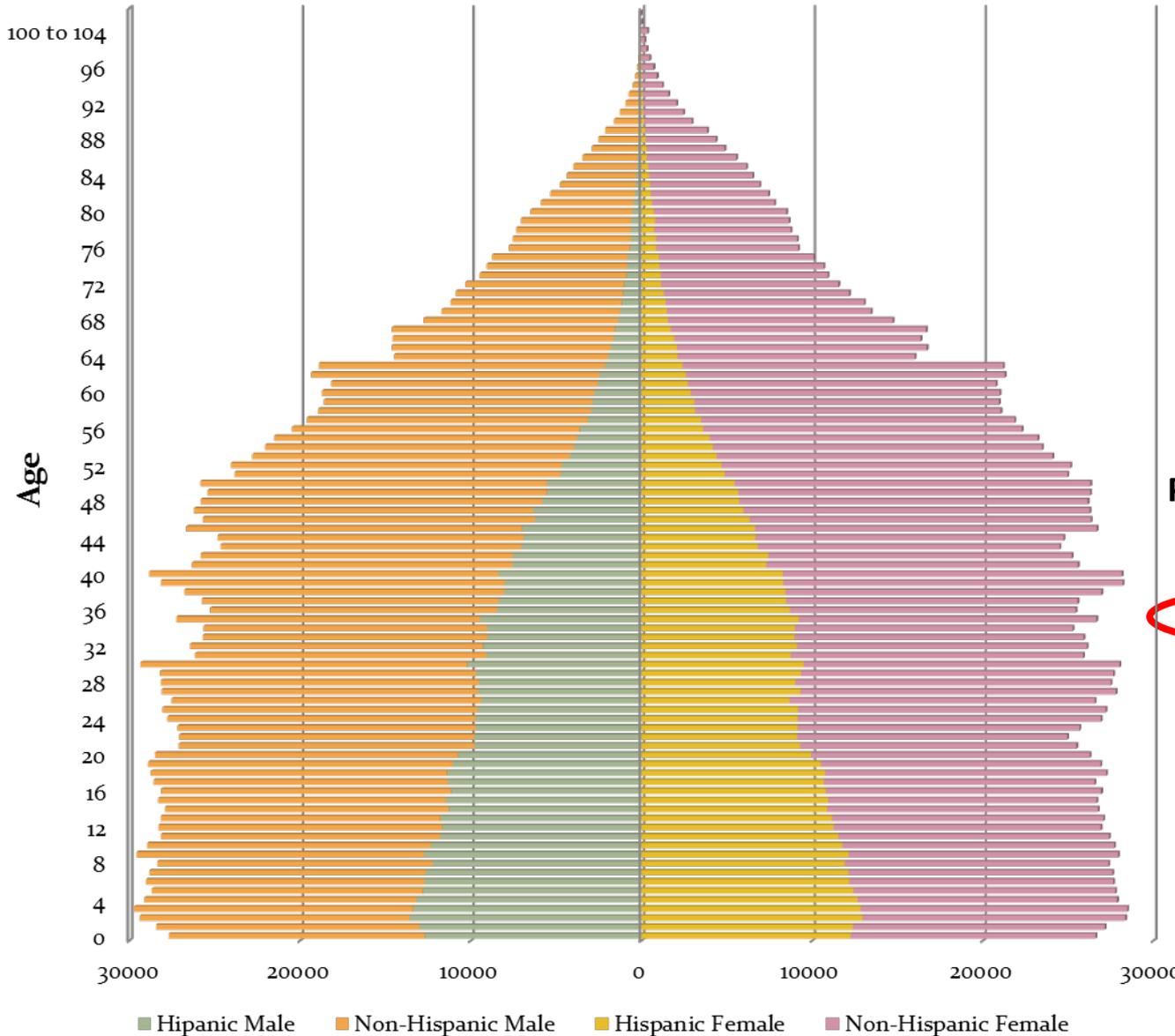


Hispanic	
Male	Female
951,790	943,359
14.9%	14.8%
Non-Hispanic	
Male	Female
2,224,033	2,272,835
34.8%	35.6%

Total Population: 6,392,017

Age	Population	Percent
Under 18	1,629,014	25.5%
Age 18 - 24	633,211	9.9%
Age 25 - 34	856,693	13.4%
Age 35 - 44	822,494	12.9%
Age 45 - 54	842,546	13.2%
Age 55 - 65	726,228	11.4%
Age 65 - 74	497,892	7.8%
Over 74	383,939	6.0%

Maricopa County



Hispanic

Male	Female
568,138	560,603
14.9%	14.7%

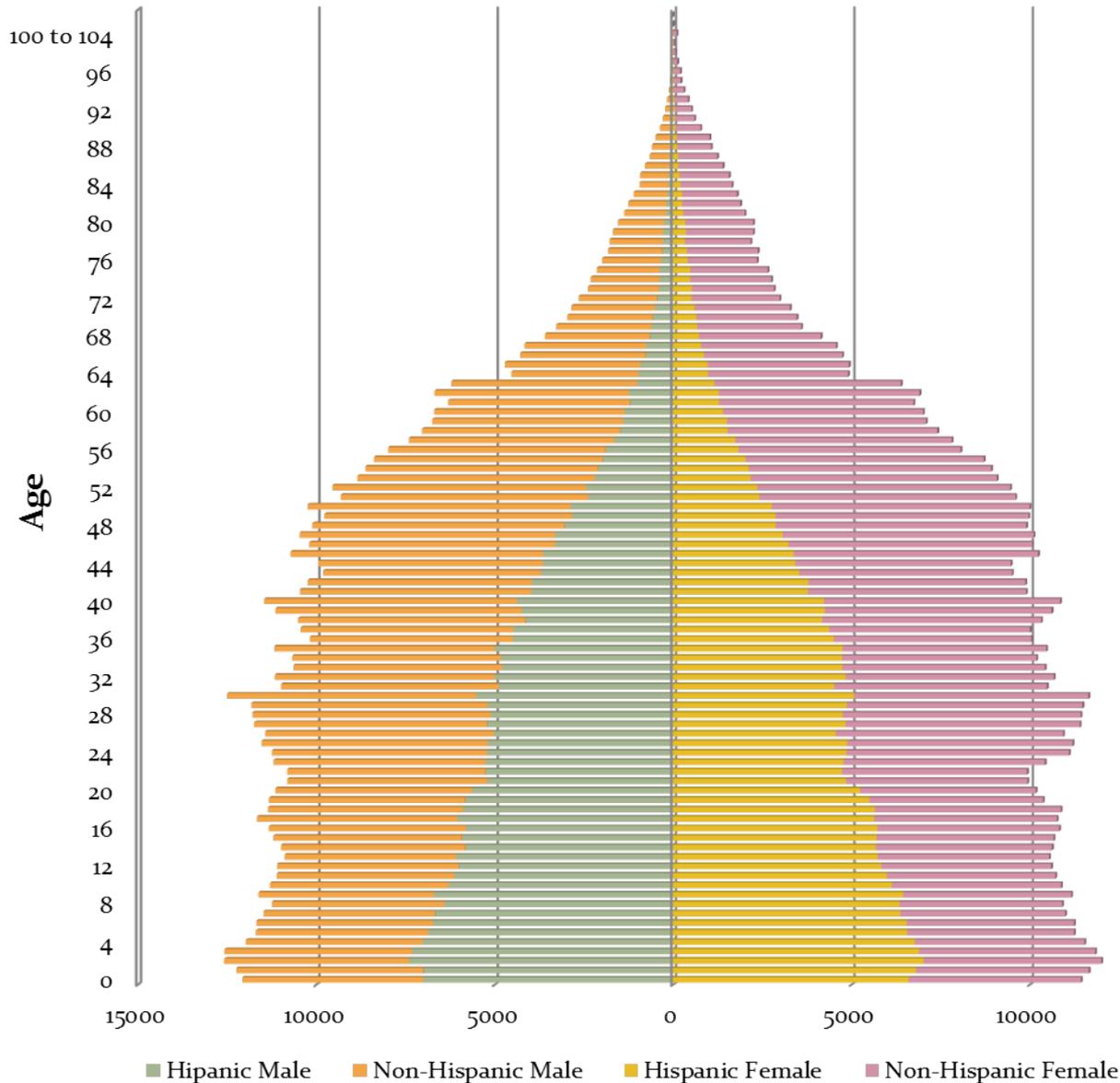
Non-Hispanic

Male	Female
1,320,327	1,368,049
34.6%	35.8%

Total Population: 3,817,117
Population Share: 59.7%

Age	Population	Percent
Under 18	1,007,861	26.4%
Age 18 - 24	378,617	9.9%
Age 25 - 34	541,126	14.2%
Age 35 - 44	524,598	13.7%
Age 45 - 54	503,965	13.2%
Age 55 - 65	398,309	10.4%
Age 65 - 74	255,388	6.7%
Over 74	207,253	5.4%

Phoenix

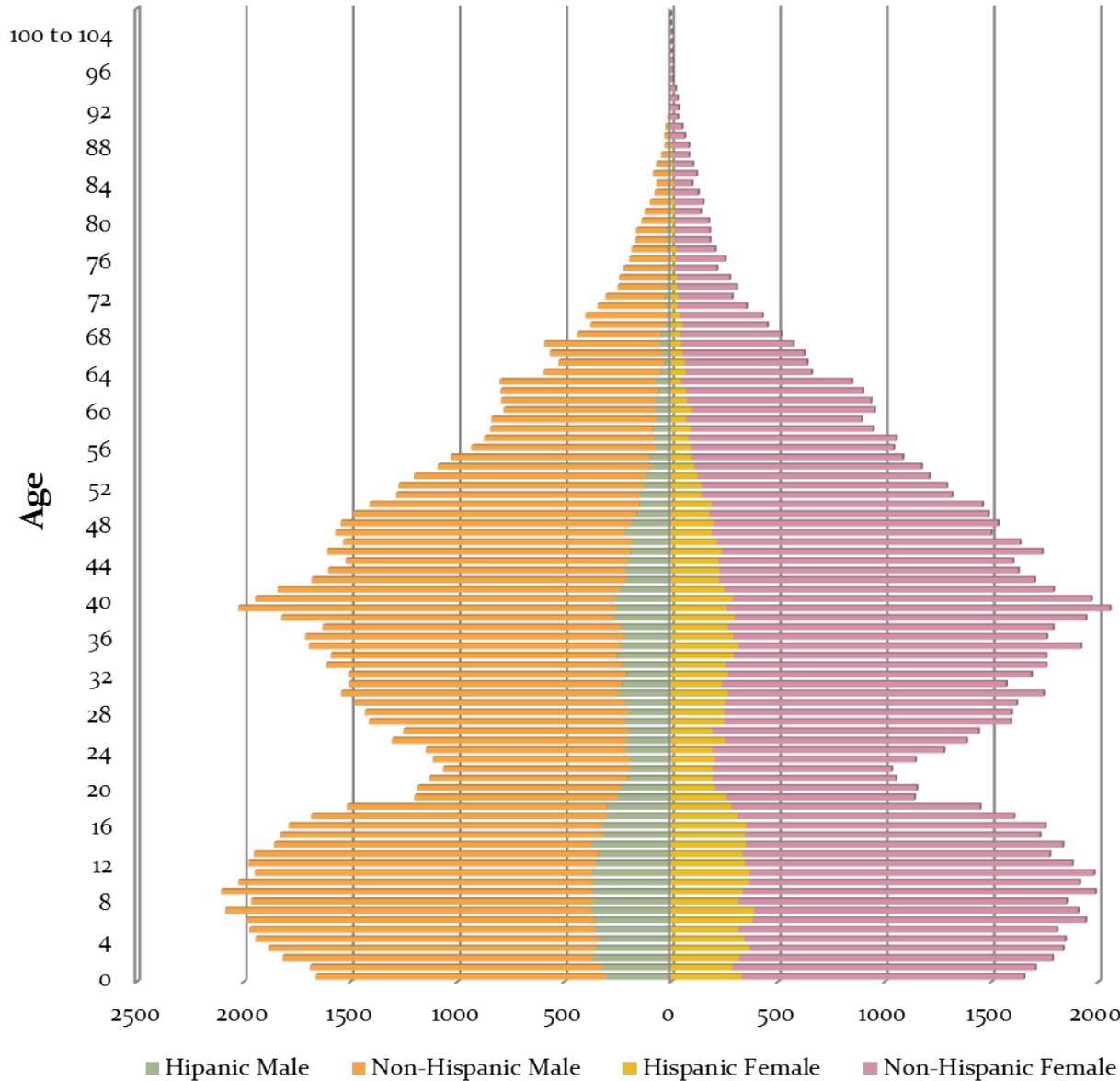


Hispanic	
Male	Female
298,982	290,895
20.7%	20.1%
Non-Hispanic	
Male	Female
426,038	429,717
29.5%	29.7%

Total Population: 1,445,632
Population Share: 22.6%

Age	Population	Percent
Under 18	408,341	28.2%
Age 18 - 24	150,671	10.4%
Age 25 - 34	224,128	15.5%
Age 35 - 44	206,387	14.3%
Age 45 - 54	195,144	13.5%
Age 55 - 65	139,018	9.6%
Age 65 - 74	70,456	4.9%
Over 74	51,487	3.6%

Gilbert



Hispanic

Male	Female
14,946	16,128
7.2%	7.7%

Non-Hispanic

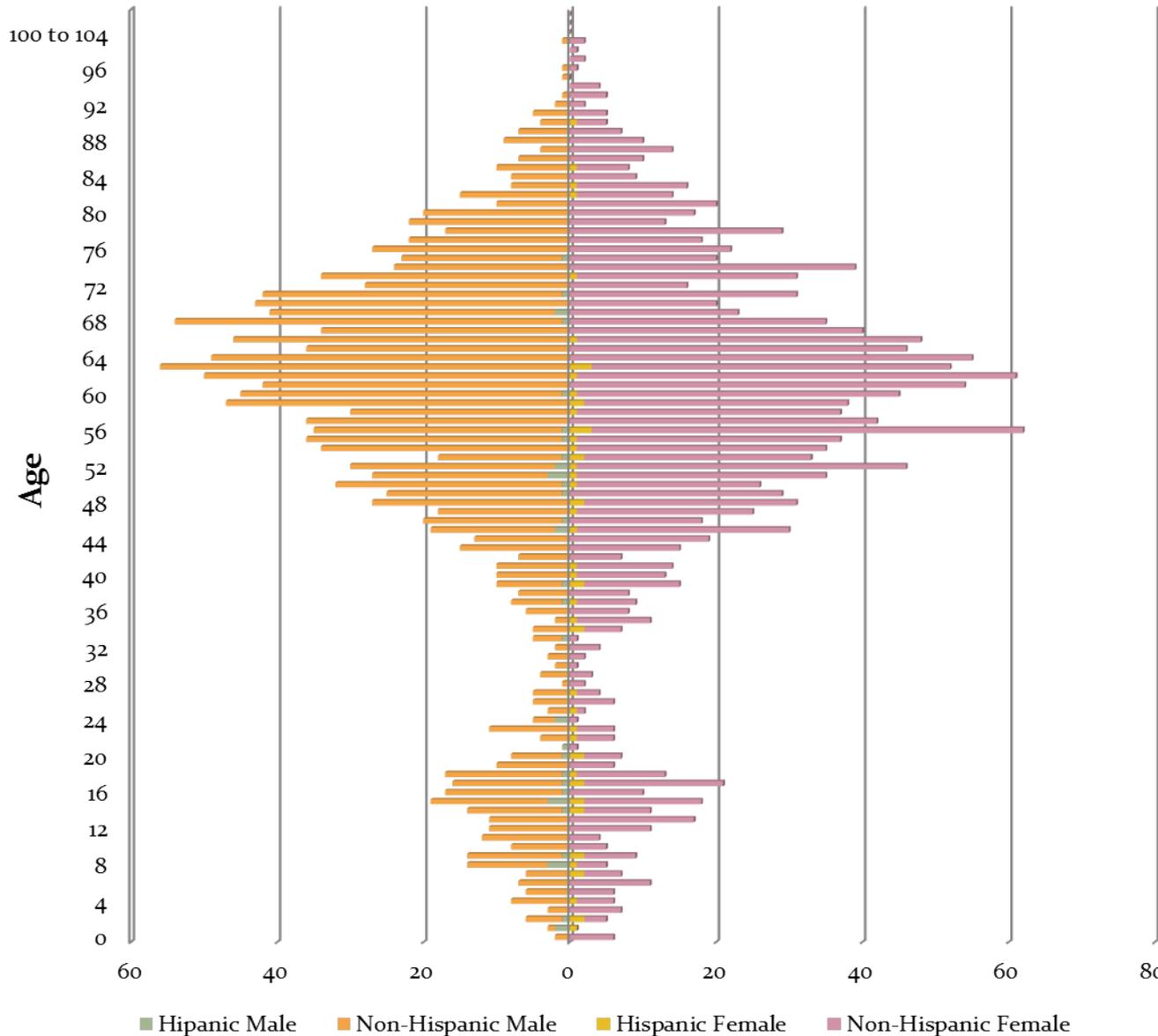
Male	Female
87,688	89,691
42.1%	43.0%

Total Population: 208,453

Population Share: 3.3%

Age	Population	Percent
Under 18	66,930	32.1%
Age 18 - 24	16,596	8.0%
Age 25 - 34	30,765	14.8%
Age 35 - 44	35,615	17.1%
Age 45 - 54	28,327	13.6%
Age 55 - 65	17,592	8.4%
Age 65 - 74	8,477	4.1%
Over 74	4,151	2.0%

Carefree



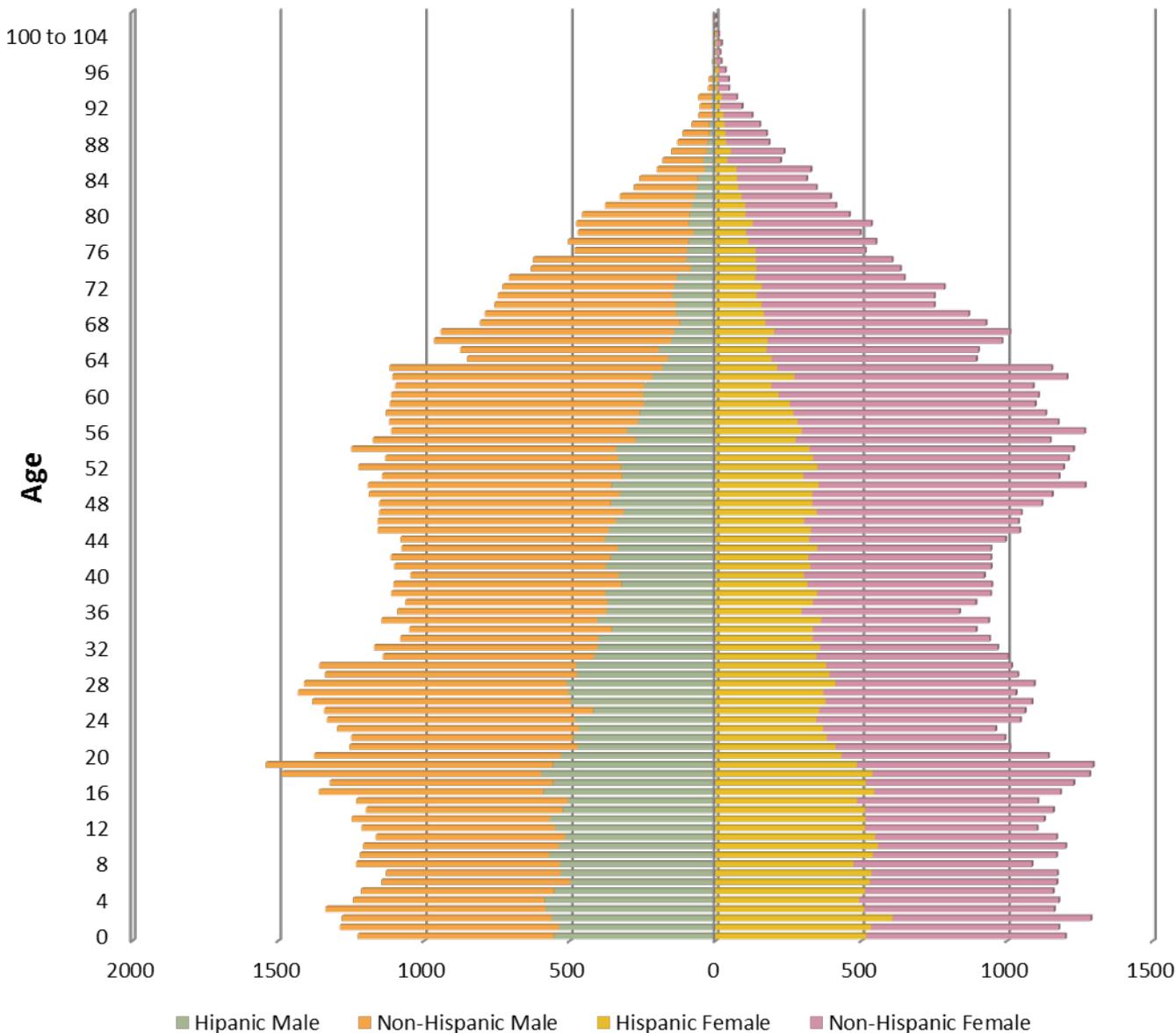
Hispanic	
Male	Female
40	58
1.2%	1.7%

Non-Hispanic	
Male	Female
1,598	1,667
47.5%	49.6%

Total Population: 3,363
Population Share: .05%

Age	Population	Percent
Under 18	337	10.0%
Age 18 - 24	96	2.9%
Age 25 - 34	67	2.0%
Age 35 - 44	207	6.2%
Age 45 -54	558	16.6%
Age 55 - 65	909	27.0%
Age 65 -74	711	21.1%
Over 74	478	14.2%

Cochise/Graham/Greenlee

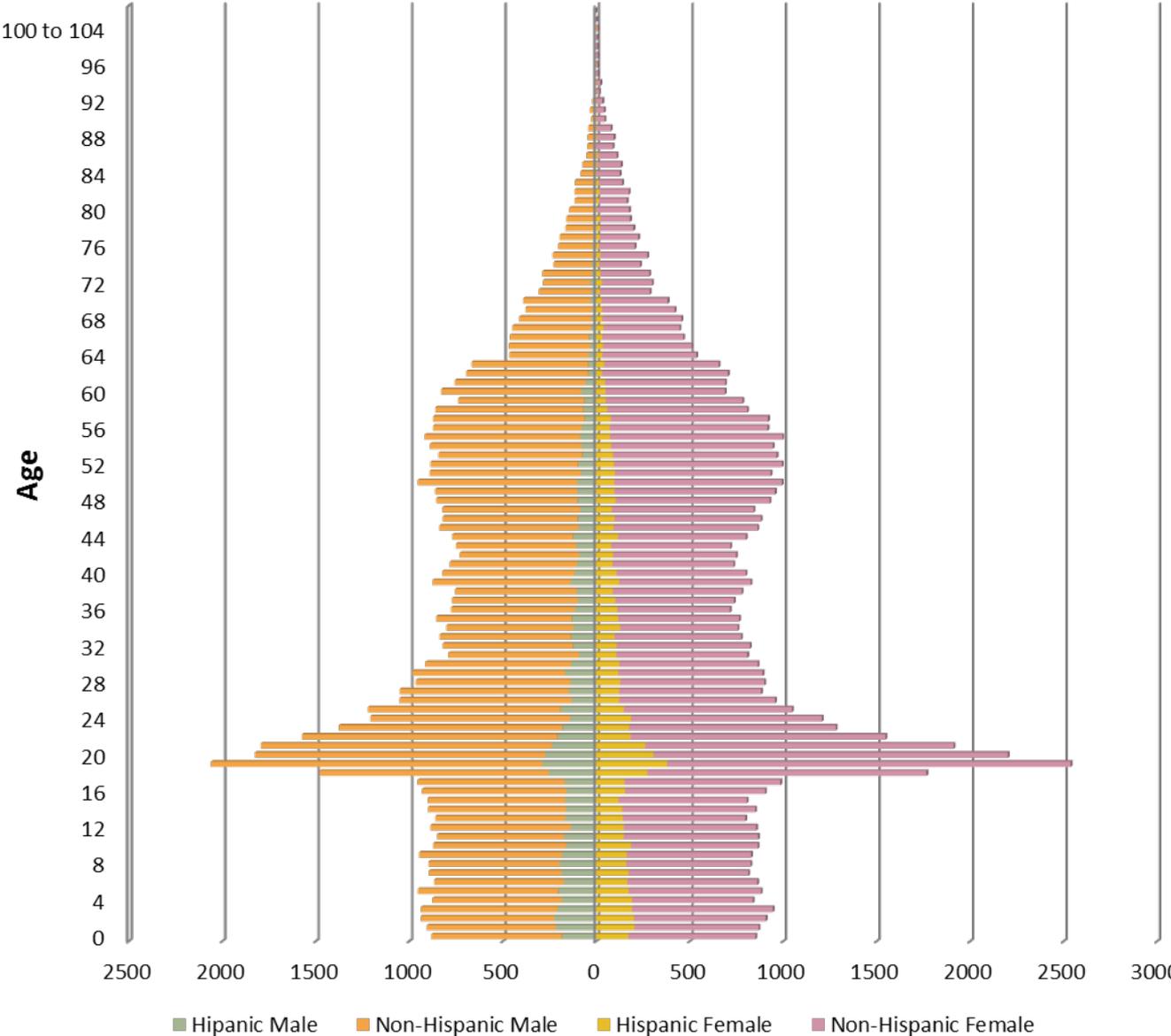


Hispanic	
Male	Female
29,624	28,279
16.7%	16.0%
Non-Hispanic	
Male	Female
61,728	57,372
34.9%	32.4%

Total Population: 177,003
Population Share: 2.8%

Age	Population	Percent
Under 18	43,288	24.5%
Age 18 - 24	17,261	9.8%
Age 25 - 34	22,827	12.9%
Age 35 - 44	20,234	11.4%
Age 45 - 54	23,225	13.1%
Age 55 - 64	22,203	12.5%
Age 65 - 74	16,205	9.2%
Over 74	11,760	6.6%

Coconino County



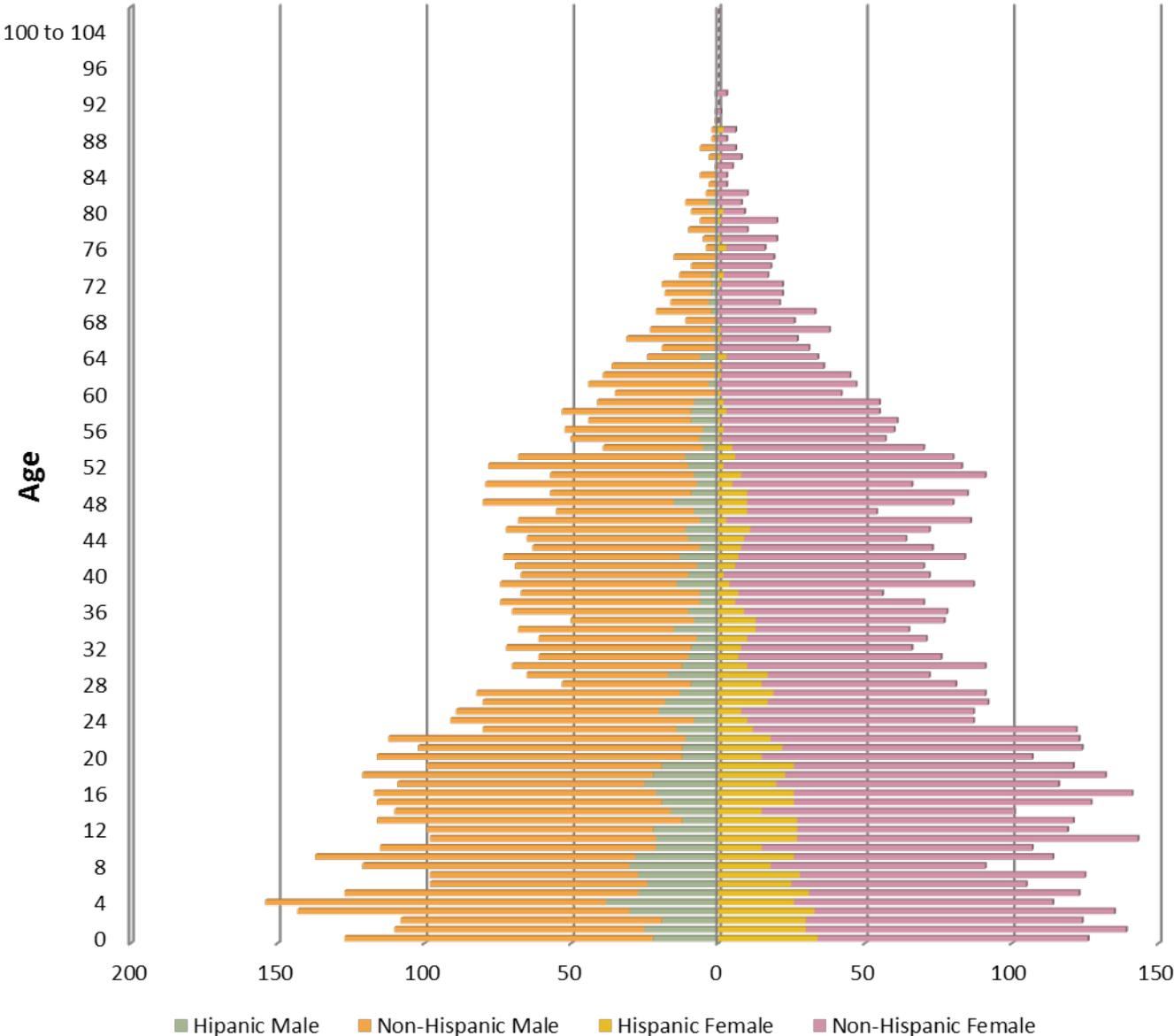
Hispanic	
Male	Female
9,157	9,009
6.8%	6.7%

Non-Hispanic	
Male	Female
57,509	58,746
42.8%	43.7%

Total Population: 134,421
Population Share: 2.1%

Age	Population	Percent
Under 18	31,788	23.6%
Age 18 - 24	23,768	17.7%
Age 25 - 34	18,129	13.5%
Age 35 - 44	15,499	11.5%
Age 45 -54	17,953	13.4%
Age 55 - 64	15,360	11.4%
Age 65 -74	7,447	5.5%
Over 74	4,477	3.3%

Gila River Reservation



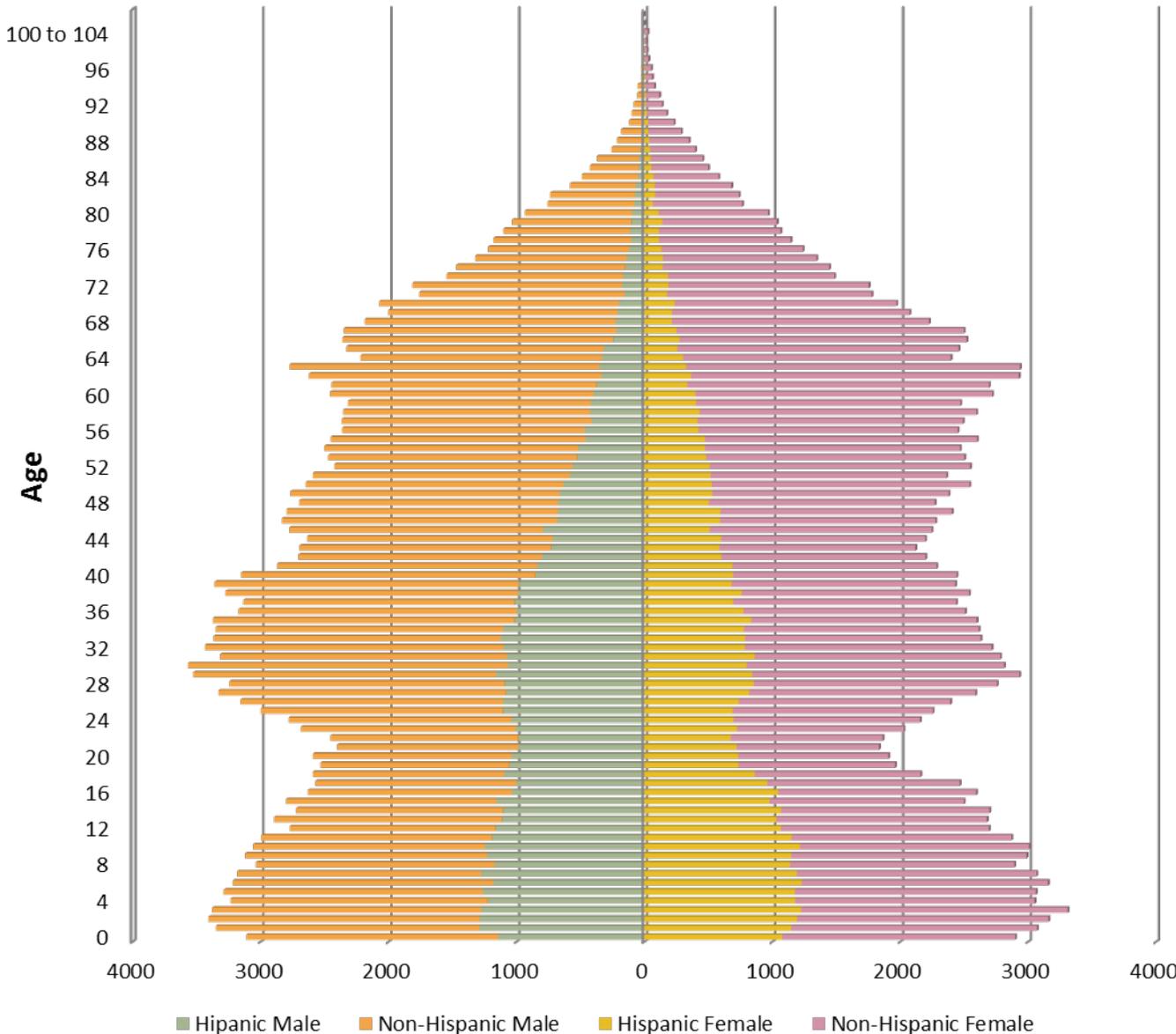
Hispanic	
Male	Female
908	885
7.8%	7.6%
Non-Hispanic	
Male	Female
4,630	5,289
39.5%	45.2%

Total Population: 11,712
Population Share: 0.2%

Age	Population	Percent
Under 18	4,274	36.5%
Age 18 - 24	1,537	13.1%
Age 25 - 34	1,493	12.7%
Age 35 - 44	1,403	12.0%
Age 45 -54	1,420	12.1%
Age 55 - 64	910	7.8%
Age 65 -74	435	3.7%
Over 74	240	2.0%

■ Hispanic Male ■ Non-Hispanic Male ■ Hispanic Female ■ Non-Hispanic Female

Gila/Pinal



Hispanic	
Male	Female
61,958	53,284
14.7%	12.7%

Non-Hispanic	
Male	Female
157,677	147,730
37.5%	35.1%

Total Population: 420,649
Population Share: 6.6%

Age	Population	Percent
Under 18	108,053	25.7%
Age 18 - 24	32,315	7.7%
Age 25 - 34	60,130	14.3%
Age 35 - 44	54,464	12.9%
Age 45 -54	50,844	12.1%
Age 55 - 65	50,849	12.1%
Age 65 -74	40,178	9.6%
Over 74	23,816	5.7%

La Paz/Mohave

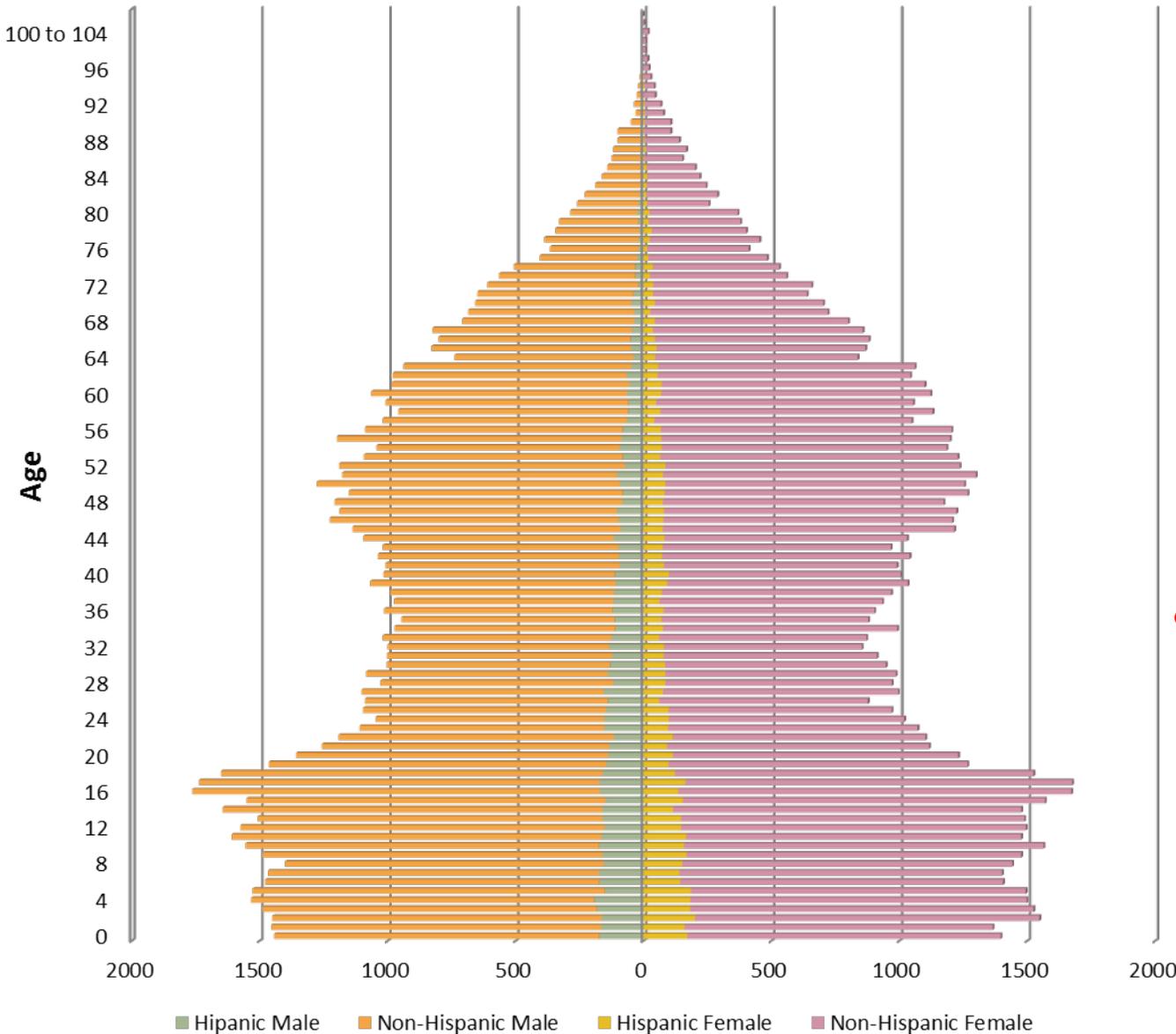


Hispanic	
Male	Female
17,582	16,793
8.0%	7.6%
Non-Hispanic	
Male	Female
93,046	93,254
42.2%	42.3%

Total Population: 220,675
Population Share: 3.5%

Age	Population	Percent
Under 18	44,943	20.4%
Age 18 - 24	14,799	6.7%
Age 25 - 34	19,875	9.0%
Age 35 - 44	21,778	9.9%
Age 45 -54	31,146	14.1%
Age 55 - 64	34,793	15.8%
Age 65 -74	32,514	14.7%
Over 74	20,827	9.4%

Navajo/Apache



Hispanic

Male	Female
8,424	7,260
4.7%	4.1%

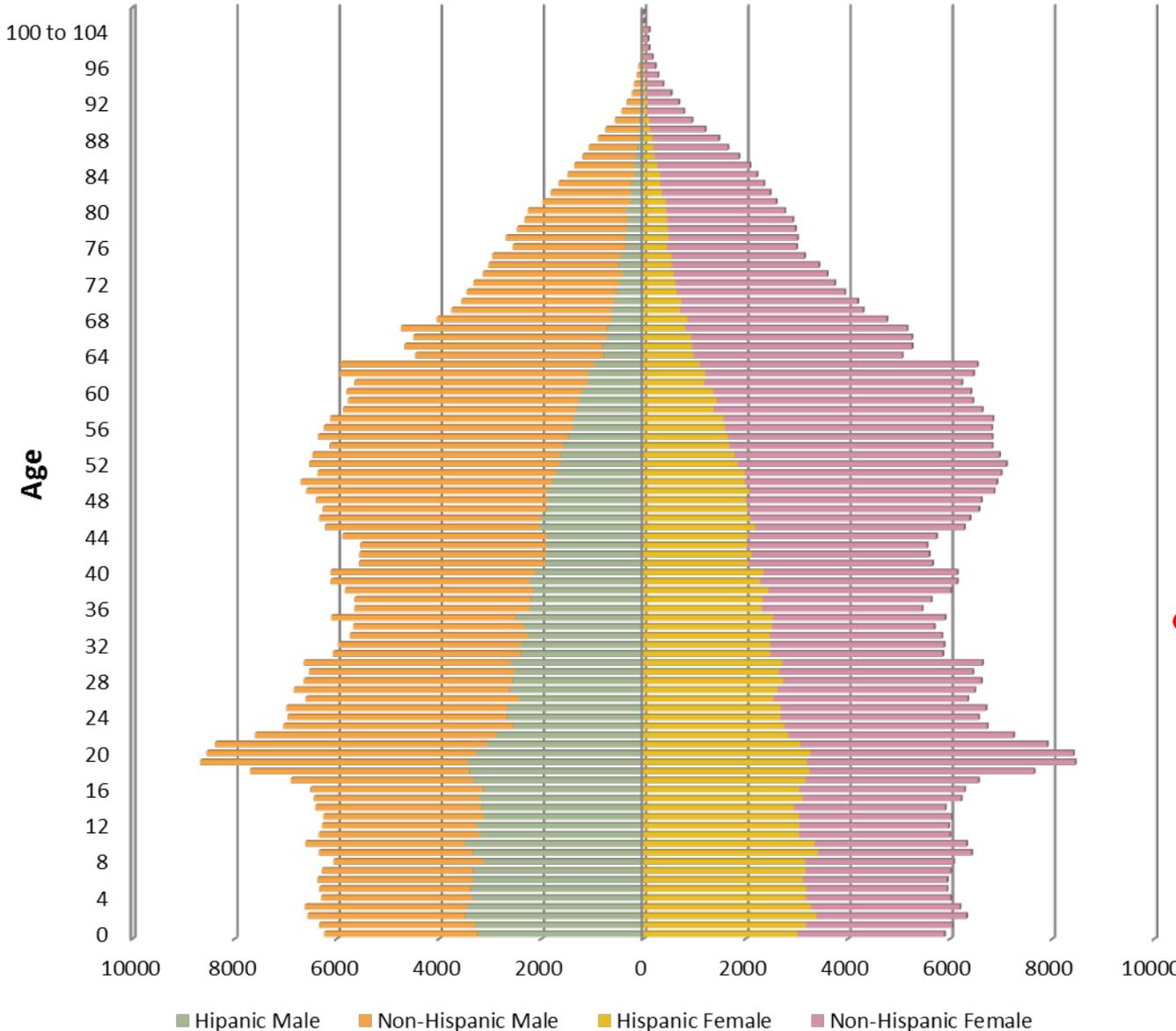
Non-Hispanic

Male	Female
81,031	82,252
45.3%	46.0%

Total Population: 178,967
Population Share: 2.8%

Age	Population	Percent
Under 18	54,633	30.5%
Age 18 - 24	17,401	9.7%
Age 25 - 34	19,768	11.0%
Age 35 - 44	19,913	11.1%
Age 45 - 54	23,973	13.4%
Age 55 - 64	20,770	11.6%
Age 65 - 74	14,043	7.8%
Over 74	8,466	4.7%

Pima County



Hispanic

<u>Male</u>	<u>Female</u>
165,575	173,227
16.9%	17.7%

Non-Hispanic

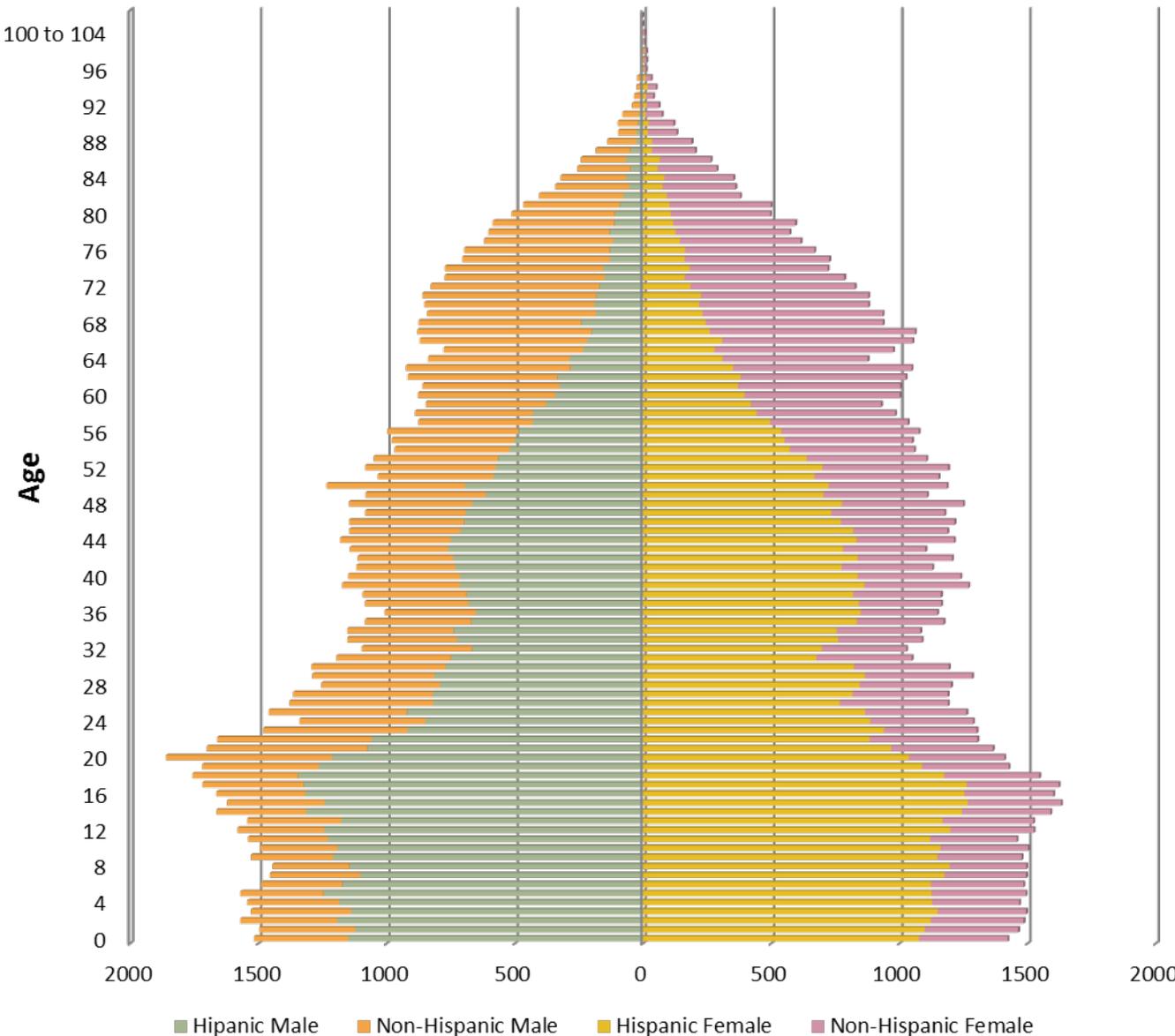
<u>Male</u>	<u>Female</u>
315,862	325,599
32.2%	33.2%

Total Population: 980,263
Population Share: 15.3%

<u>Age</u>	<u>Population</u>	<u>Percent</u>
Under 18	225,316	23.0%
Age 18 - 24	107,791	11.0%
Age 25 - 34	126,173	12.9%
Age 35 - 44	115,795	11.8%
Age 45 -54	131,528	13.4%
Age 55 - 64	122,367	12.5%
Age 65 -74	81,792	8.3%
Over 74	69,501	7.1%

■ Hispanic Male ■ Non-Hispanic Male ■ Hispanic Female ■ Non-Hispanic Female

Southern Arizona



Hispanic

<u>Male</u>	<u>Female</u>
271,227	281,663
19.4%	20.1%

Non-Hispanic

<u>Male</u>	<u>Female</u>
422,126	425,421
30.1%	30.4%

Total Population: 1,400,437
Population Share: 21.9%

<u>Age</u>	<u>Population</u>	<u>Percent</u>
Under 18	338,349	24.2%
Age 18 - 24	150,219	10.7%
Age 25 - 34	177,996	12.7%
Age 35 - 44	164,733	11.8%
Age 45 - 54	183,794	13.1%
Age 55 - 64	169,218	12.1%
Age 65 - 74	119,065	8.5%
Over 74	97,063	6.9%

Yavapai County



Hispanic

Male	Female
14,638	14,090
6.9%	6.7%

Non-Hispanic

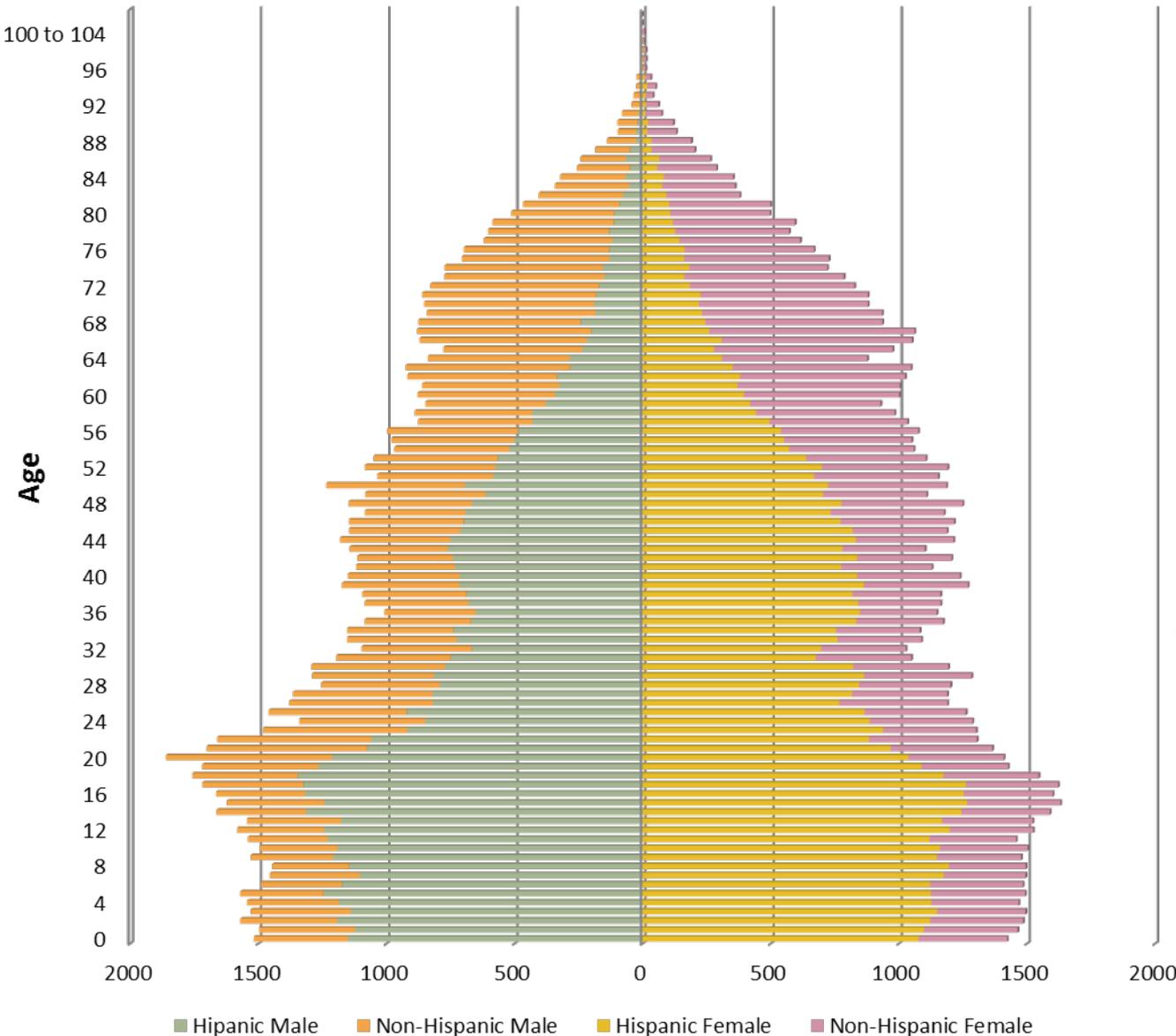
Male	Female
88,820	93,485
42.1%	44.3%

Total Population: 211,033
Population Share: 3.3%

Age	Population	Percent
Under 18	40,269	19.1%
Age 18 - 24	14,940	7.1%
Age 25 - 34	18,552	8.8%
Age 35 - 44	20,458	9.7%
Age 45 - 54	29,810	14.1%
Age 55 - 64	36,237	17.2%
Age 65 - 74	28,925	13.7%
Over 74	21,842	10.4%

■ Hispanic Male ■ Non-Hispanic Male ■ Hispanic Female ■ Non-Hispanic Female

Yuma County



Hispanic	
Male	Female
57,589	59,323
29.4%	30.3%

Non-Hispanic	
Male	Female
40,416	38,423
20.6%	19.6%

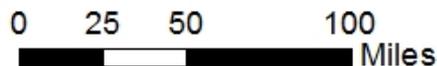
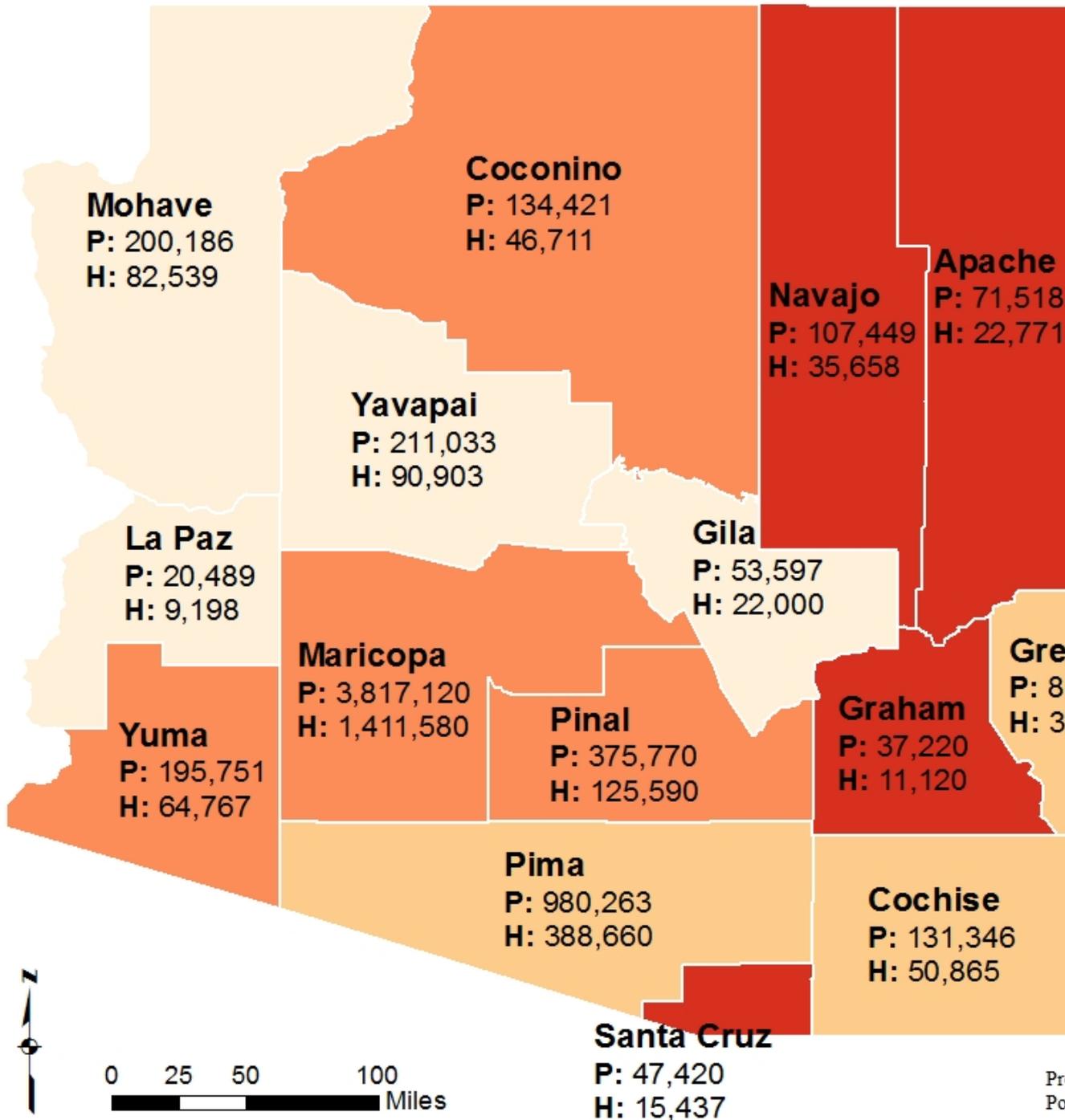
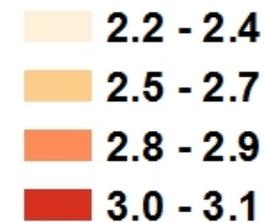
Total Population: 195,751
Population Share: 3.1%

Age	Population	Percent
Under 18	55,185	28.2%
Age 18 - 24	21,155	10.8%
Age 25 - 34	24,195	12.4%
Age 35 - 44	22,944	11.7%
Age 45 - 54	22,598	11.5%
Age 55 - 64	19,028	9.7%
Age 65 - 74	17,377	8.9%
Over 74	13,269	6.8%

2010 Census Demographic Profile

Total
P: Population
H: Households

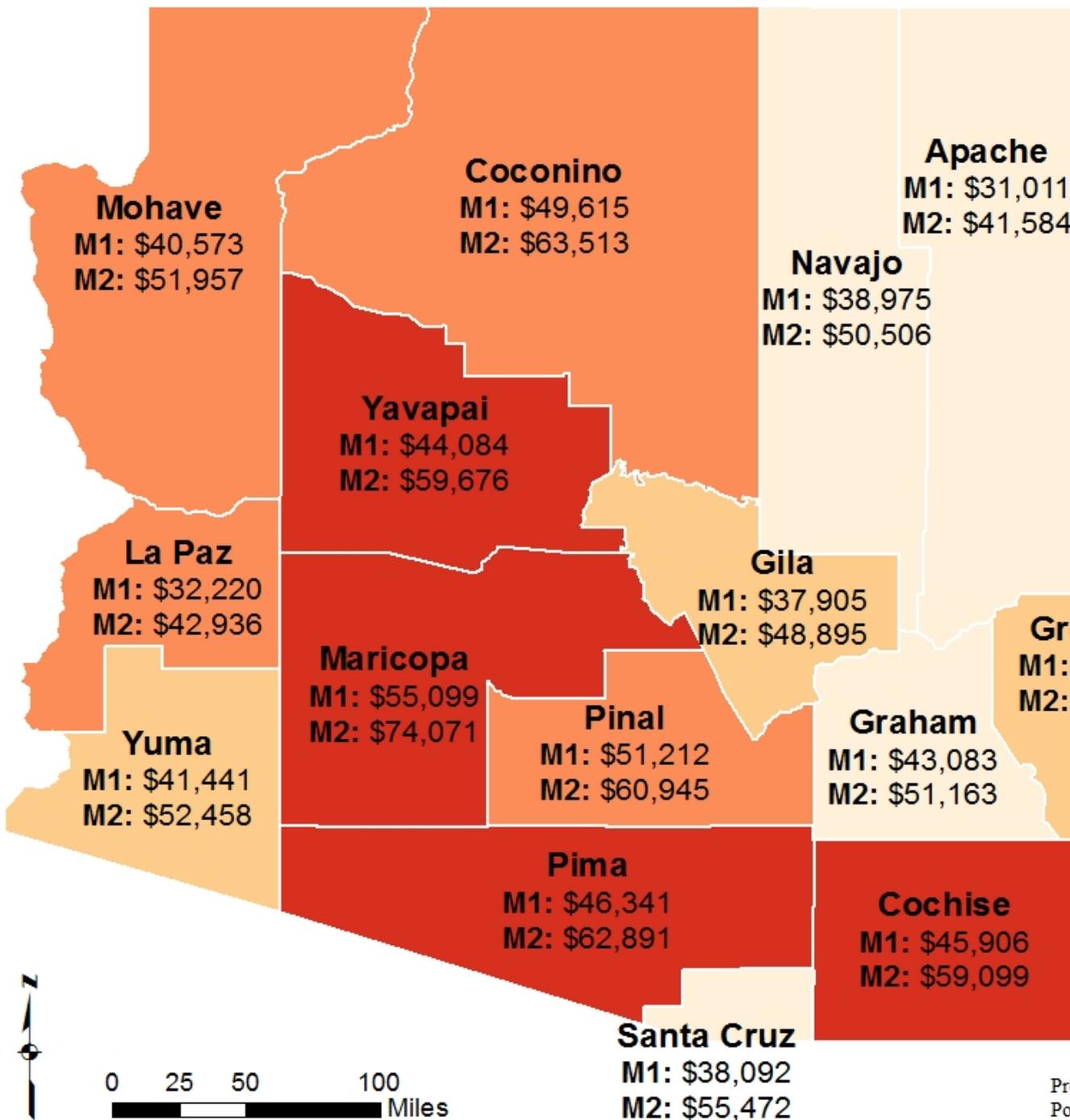
Average Household Size



American Community Survey (ACS) Estimates, 2007-2011

Household Income
M1: Median
M2: Mean

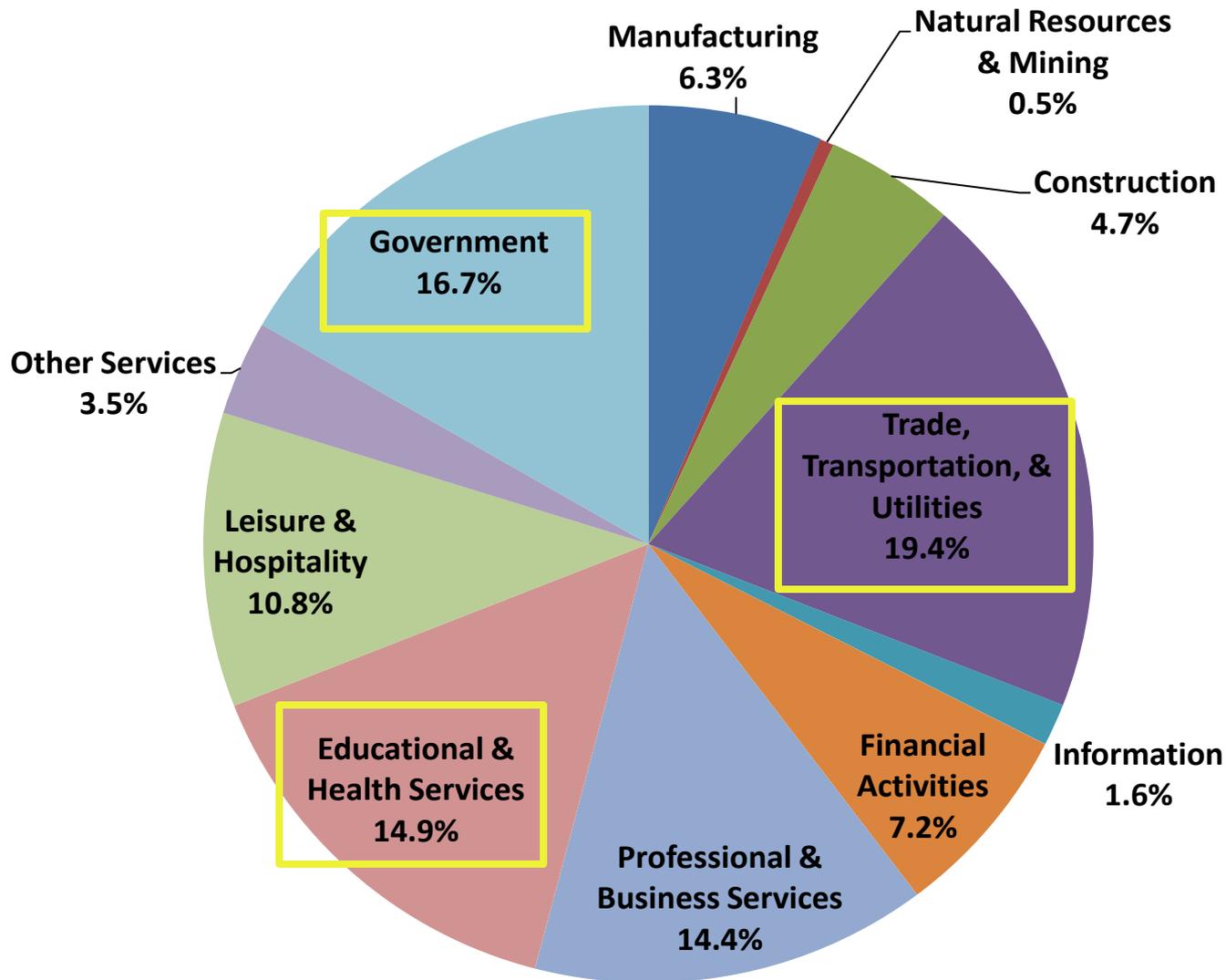
Per Capita Income



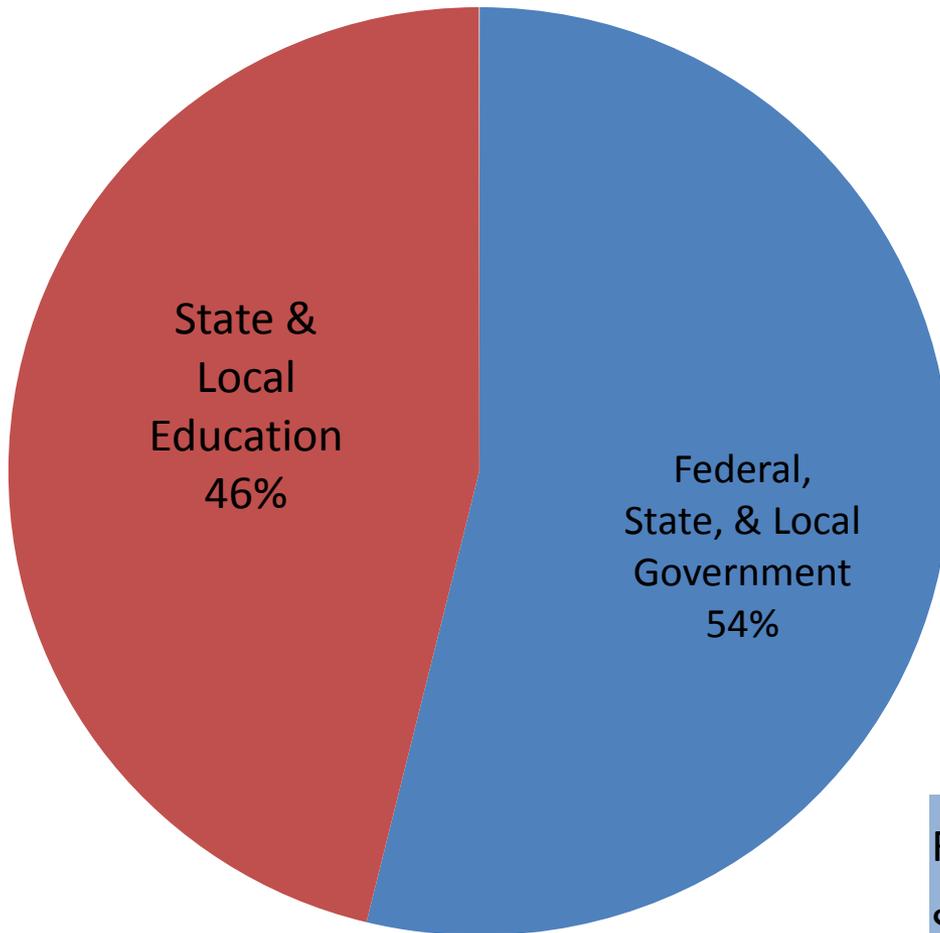


Industry Overview

Share of Arizona Total Nonfarm Employment by Industry 2012 Annual Average

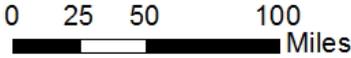


Subsector Share of Arizona Government Employment 2012 Annual Average



Government Subsectors	Employment Level
Federal Government	56.3
State Government	84.0
State Government Education	46.1
Local Government	270.4
Local Government Education	143.5

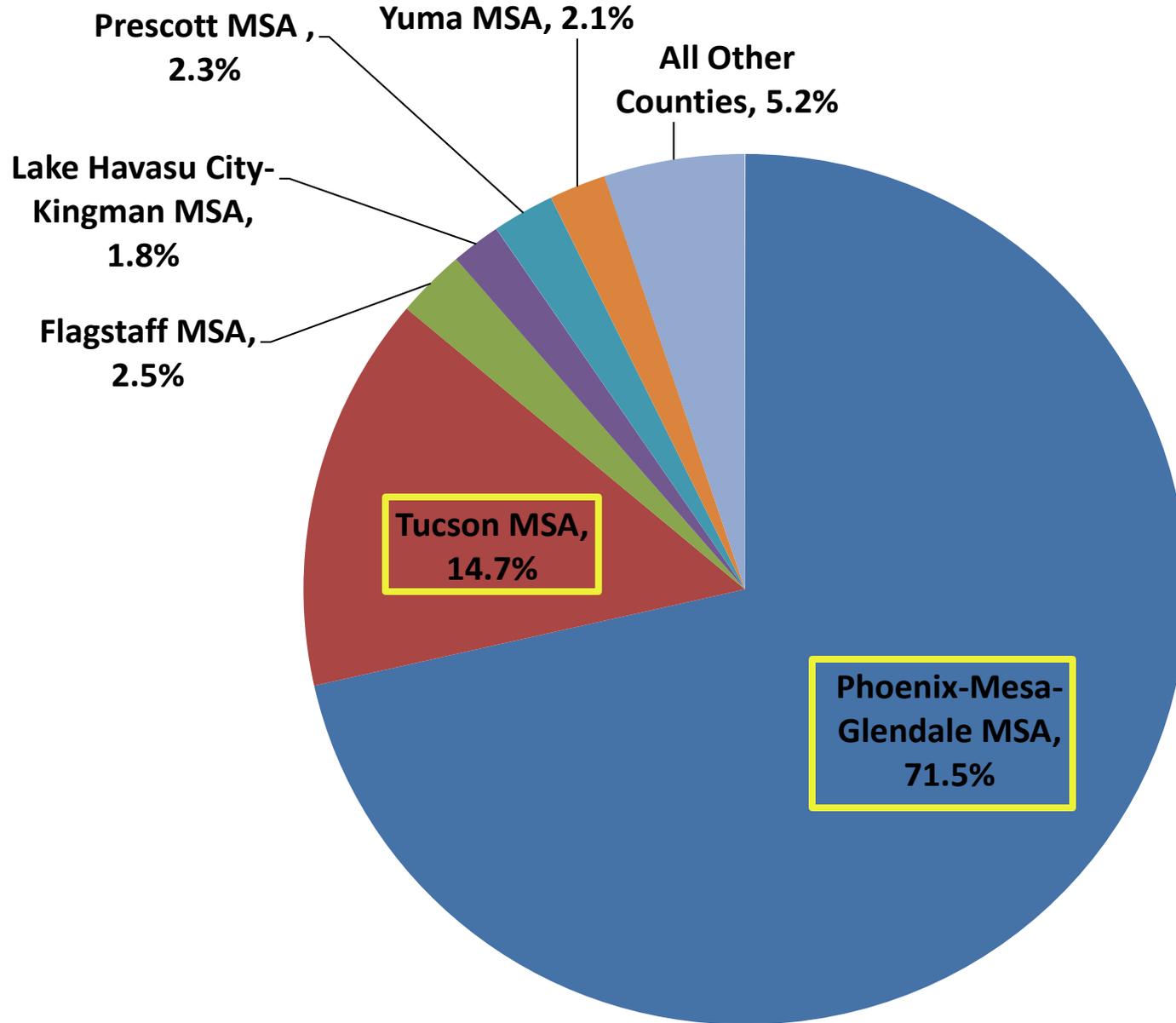
Arizona Metropolitan Statistical Areas



Prepared by The Office of
Employment and Population Statistics,
<http://www.workforce.az.gov/>

Share of AZ Nonfarm Employment by MSA

2012 Average

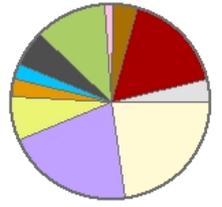


Employment Share Across WIA Regions by NAICS Sector

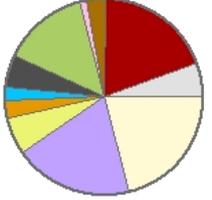
Largest Education and Health Services Share of all WIA Regions

Natural Resources and Mining employs 26.0% of jobs

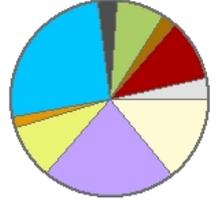
LAPAZ/MOHAVE REGION



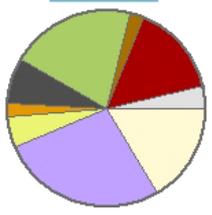
YAVAPAI REGION



YUMA REGION

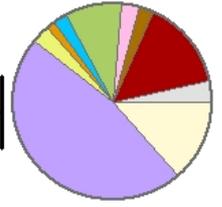


COCONINO REGION



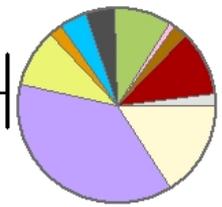
Leisure and Hospitality employs 20.3% of jobs

NAVAJO/APACHE REGION



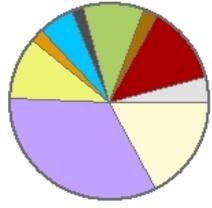
Government Employes 47.6% of Total Jobs

GILA/PINAL REGION



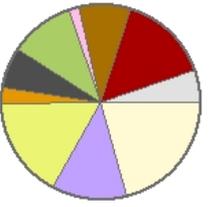
Government Employes 47.6% of Total Jobs

COCHISE/GRAHAM/GREENLEE REGION

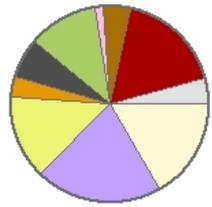


Financial Activities Employes 8.5 % of jobs

PHOENIX/MARICOPA REGION



PIMA REGION



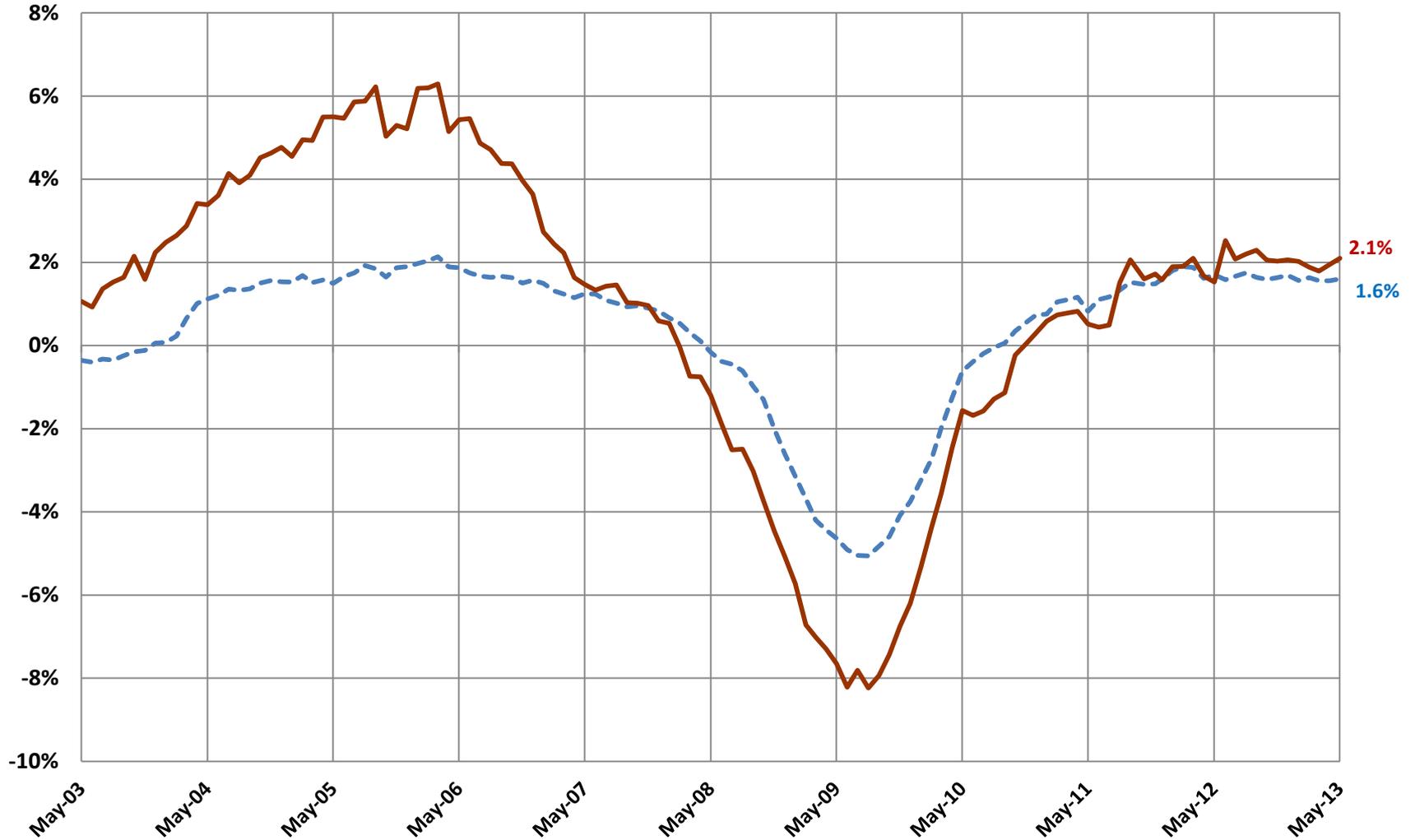
Legend

- Construction
- Education and Health Services
- Financial Activities
- Information
- Leisure and Hospitality
- Manufacturing
- Natural Resources and Mining
- Other Services
- Professional and Business Services
- Government
- Trade, Transportation, and Utilities

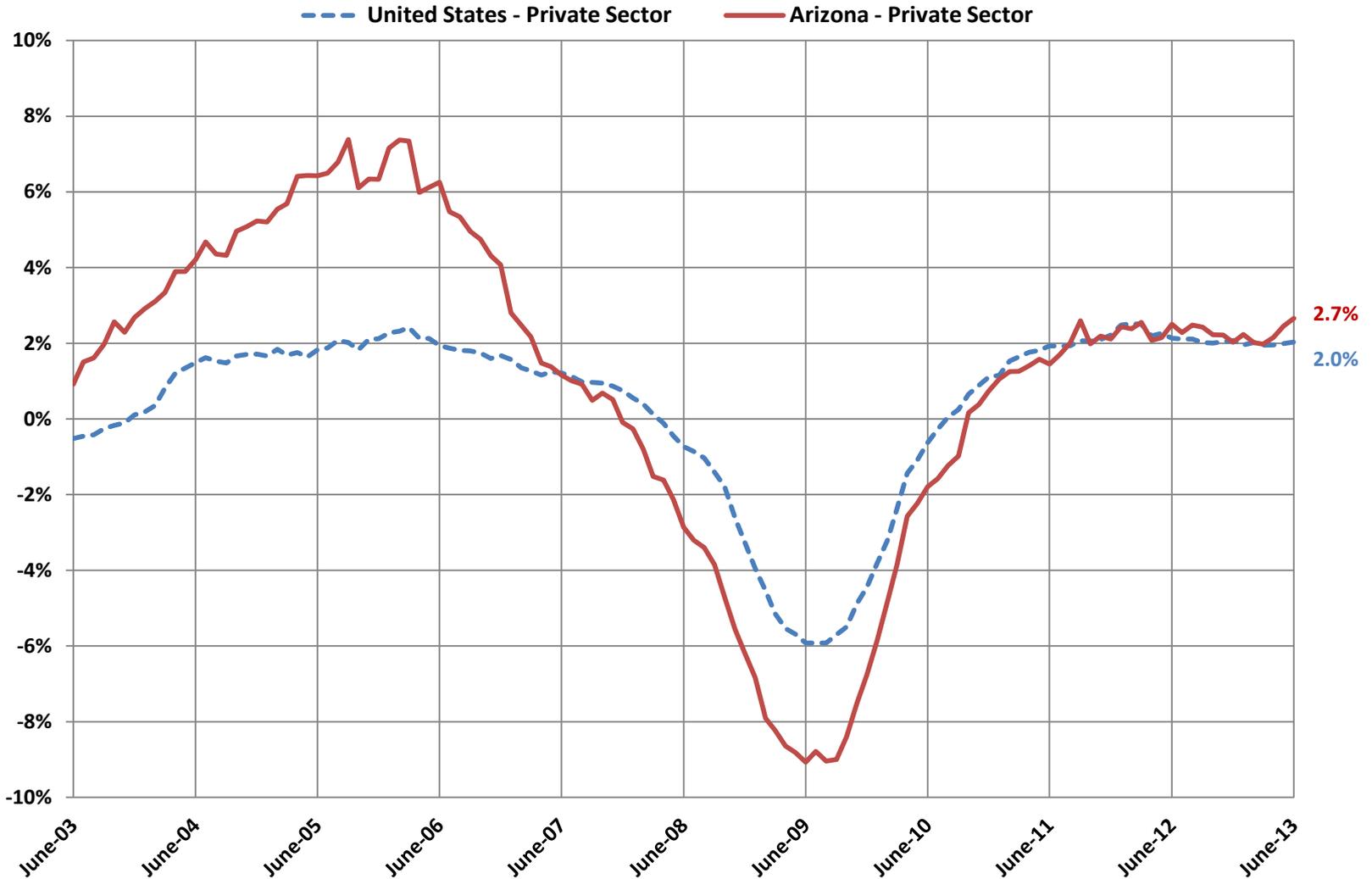


Arizona & U.S. Nonfarm Employment Year-to-Year Percent Change

US AZ

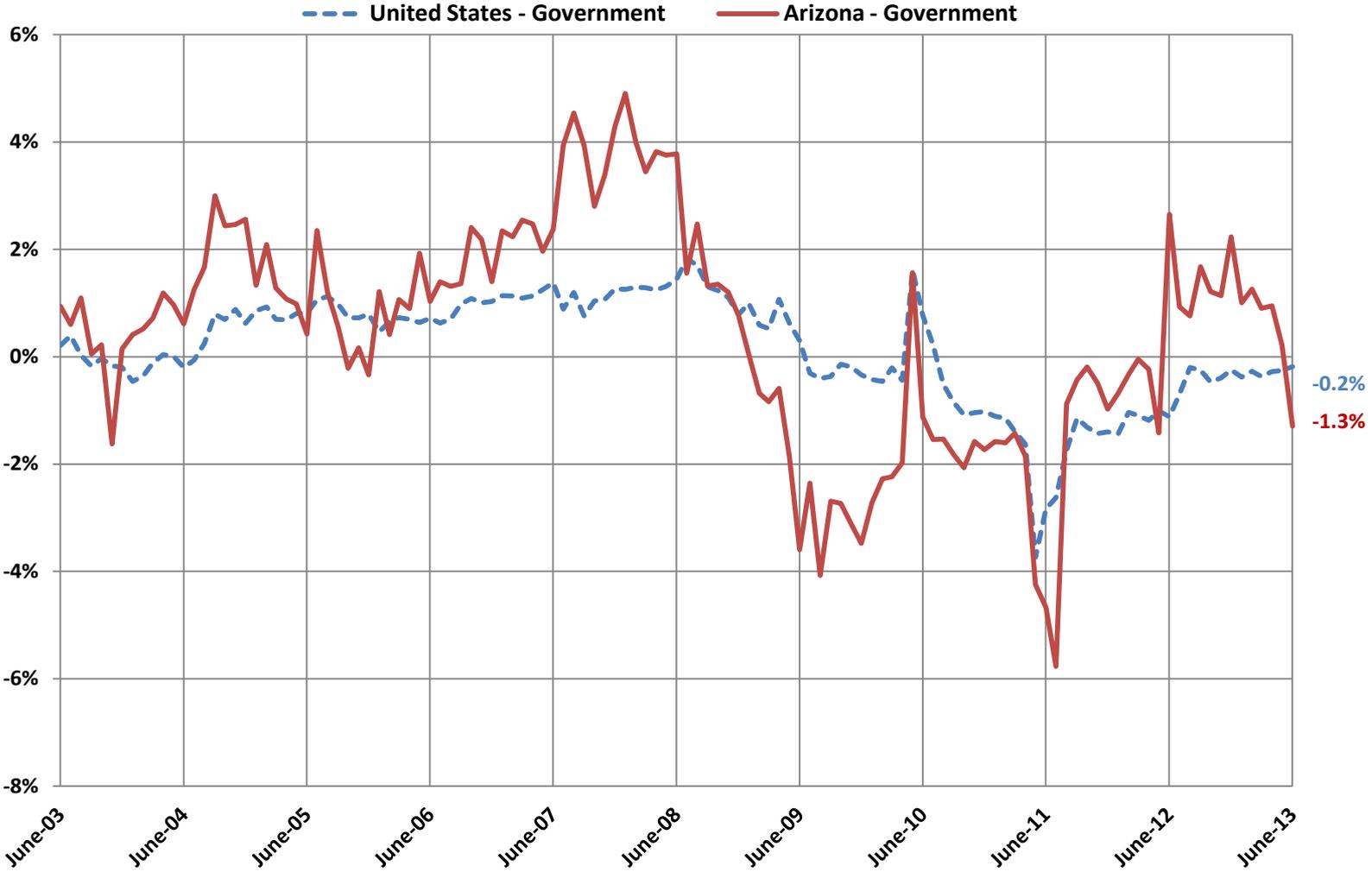


Arizona & U.S. Private Sector Employment Year-to-Year Percent Change

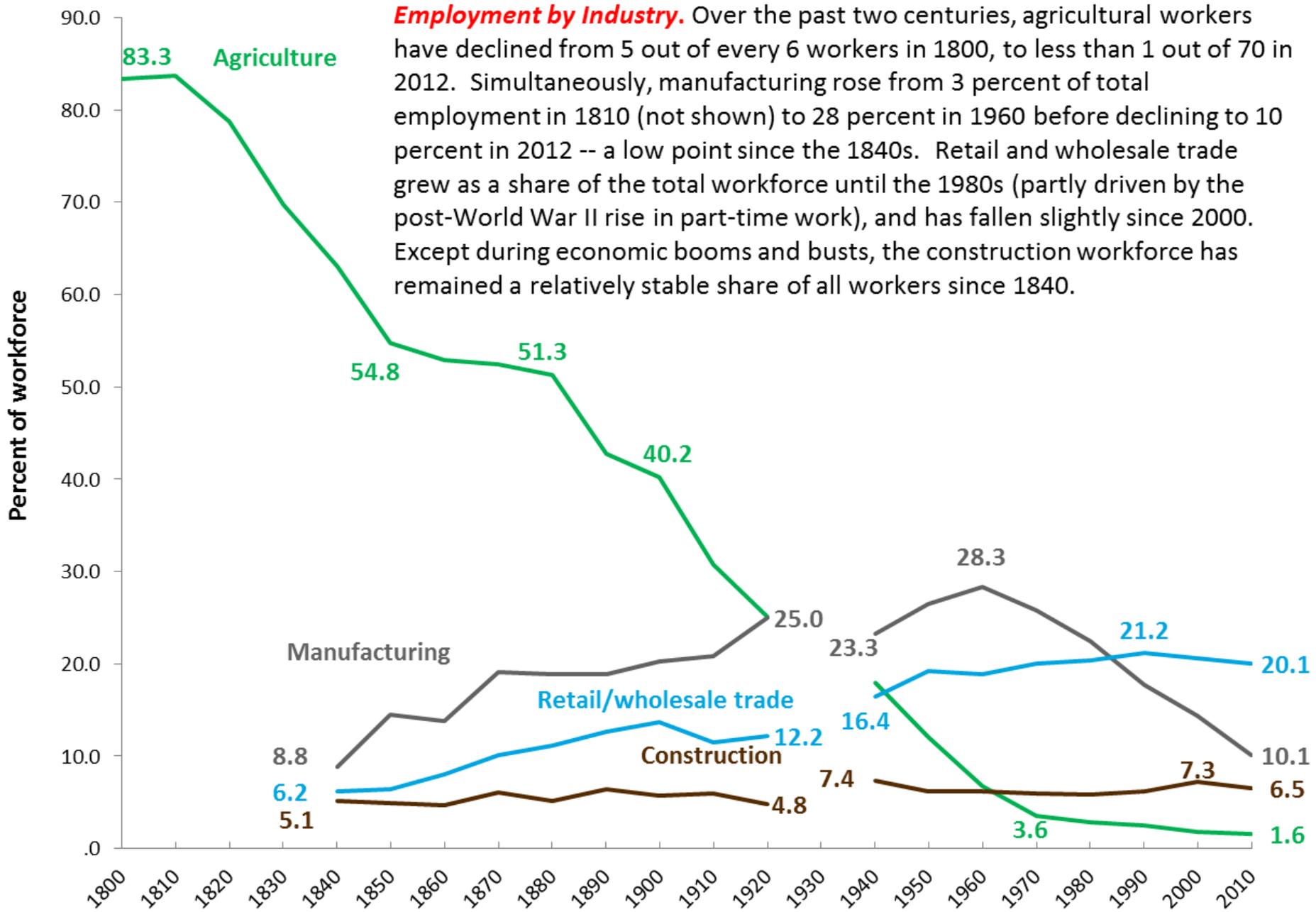


22 consecutive months of Private Sector gains at 2% or above

Arizona & U.S. Government Employment Year-to-Year Percent Change



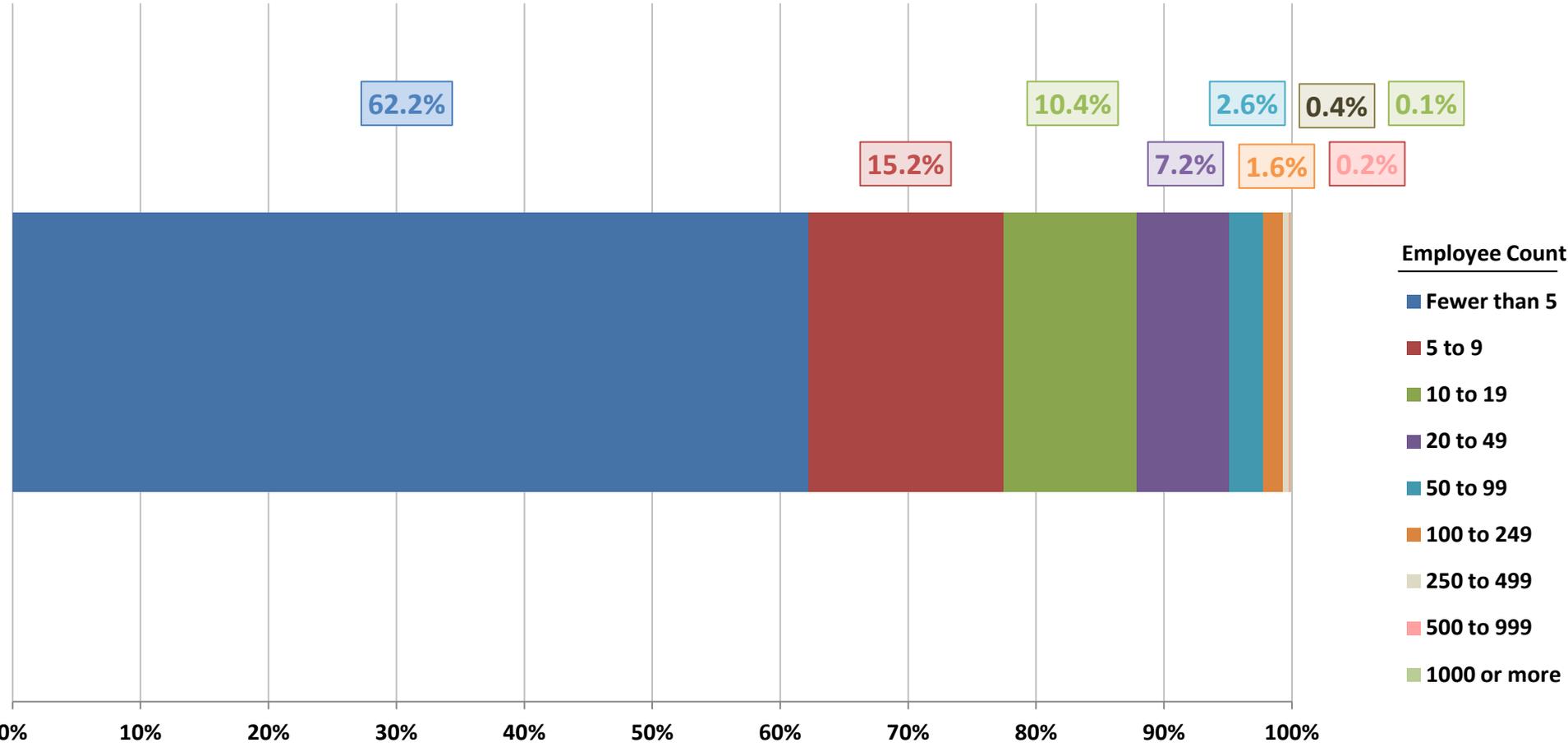
Employment by Industry. Over the past two centuries, agricultural workers have declined from 5 out of every 6 workers in 1800, to less than 1 out of 70 in 2012. Simultaneously, manufacturing rose from 3 percent of total employment in 1810 (not shown) to 28 percent in 1960 before declining to 10 percent in 2012 -- a low point since the 1840s. Retail and wholesale trade grew as a share of the total workforce until the 1980s (partly driven by the post-World War II rise in part-time work), and has fallen slightly since 2000. Except during economic booms and busts, the construction workforce has remained a relatively stable share of all workers since 1840.



Source: Workforce One, <https://winwin.workforce3one.org/view/2001316160056824437/info>

Establishment Share by Establishment Size Across All Industries

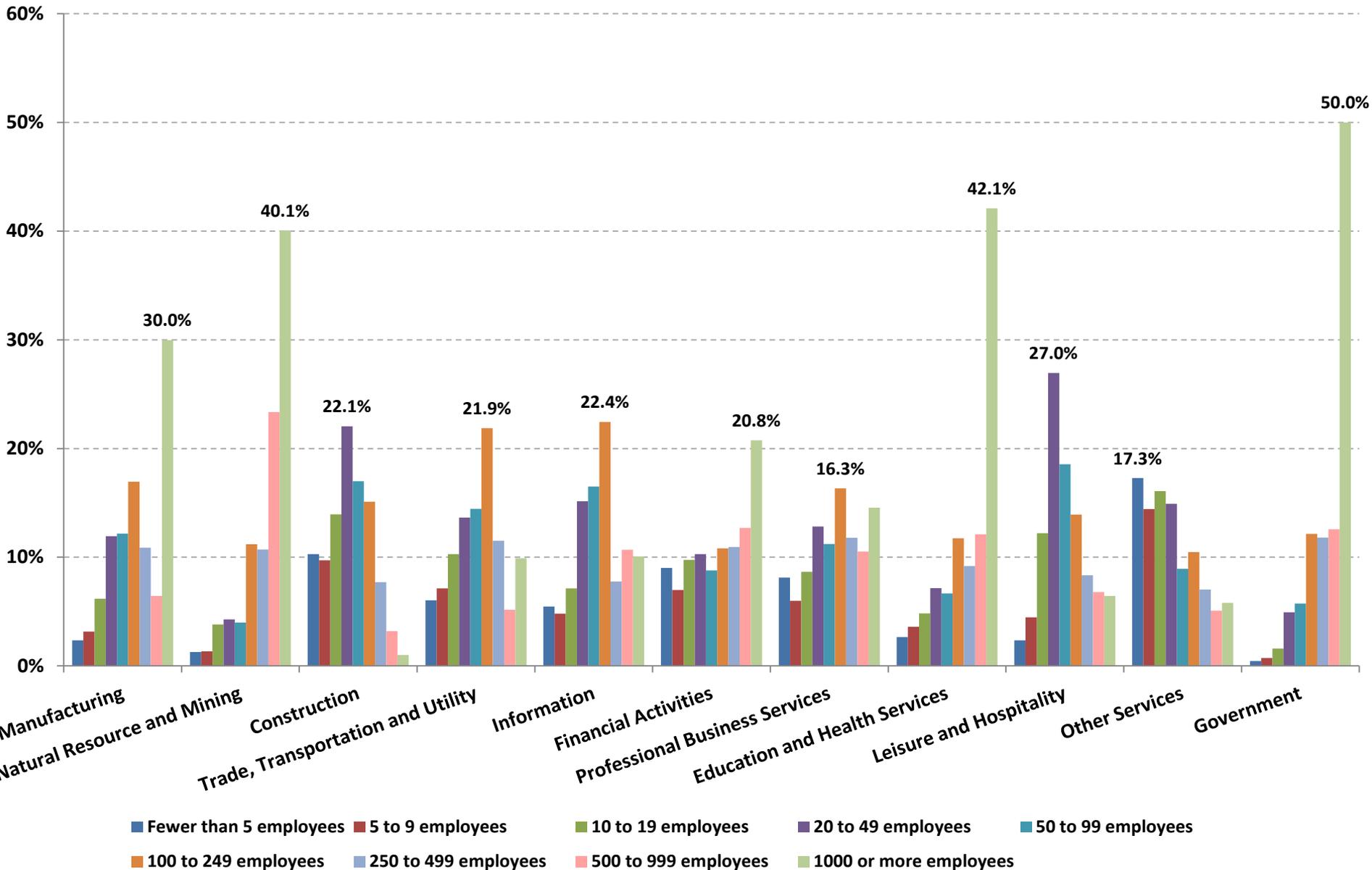
Arizona, 2012 Q1



62.2% of all establishments employ fewer than 5 individuals

Employment Share by Establishment Size by Industry

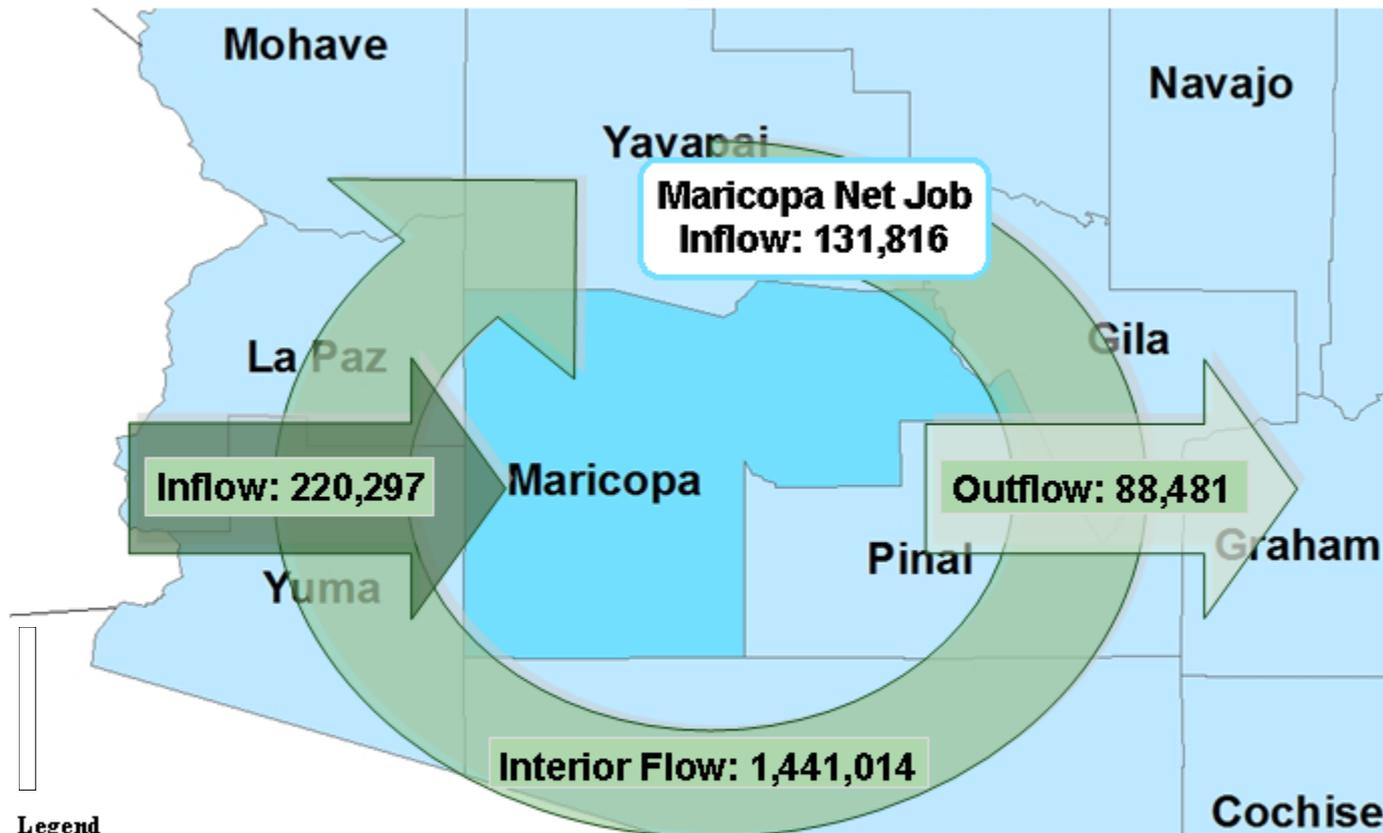
QCEW 2012 Q1, Arizona





Jobs Inflow/Outflow

INFLOW / OUTFLOW JOB SUMMARY

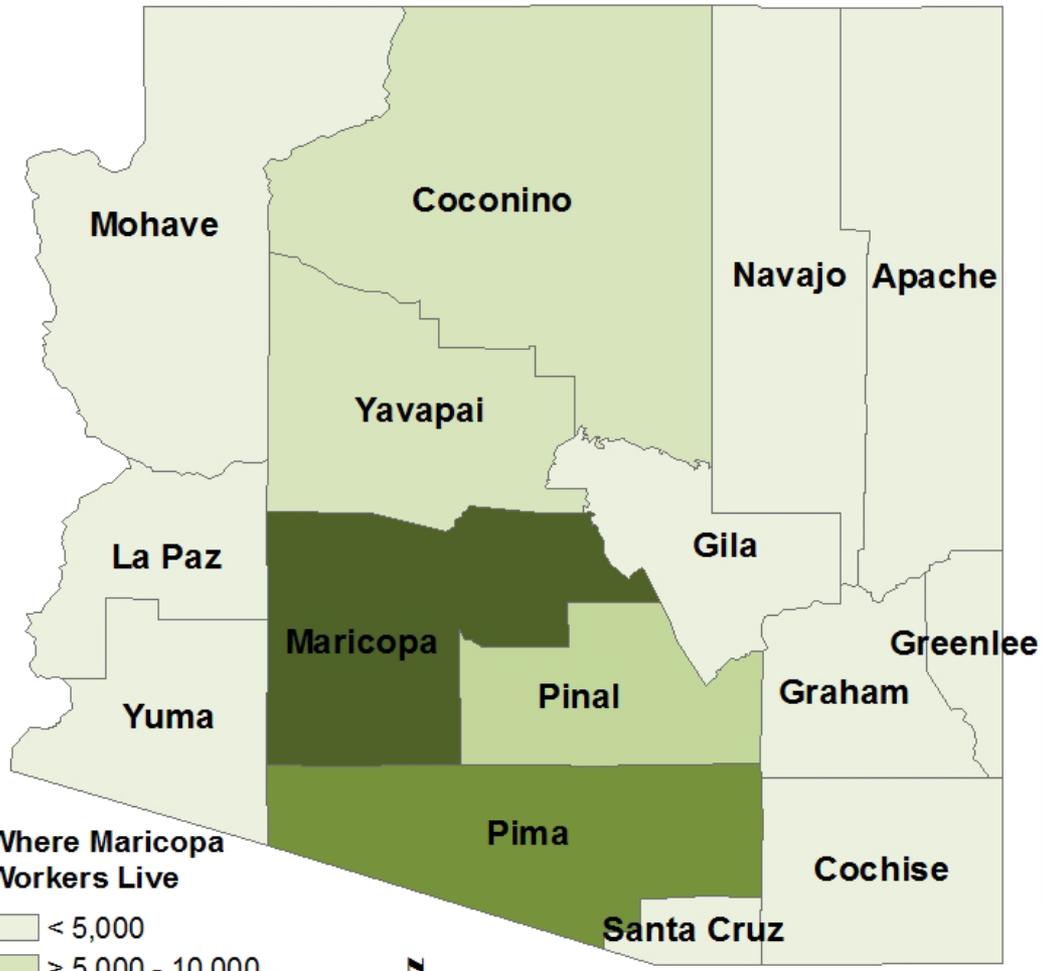


Legend

- Maricopa County boundary
- Inflow: Employed in Maricopa County but lives outside the city
- Interior Flow: Both employed and living in Maricopa County
- Outflow: Lives in Maricopa County but employed outside

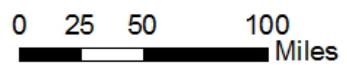
Note: Arrows do not indicate directionality of worker flow between home and employment locations.

Source: U.S. Census Bureau, On The Map Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter 2011).



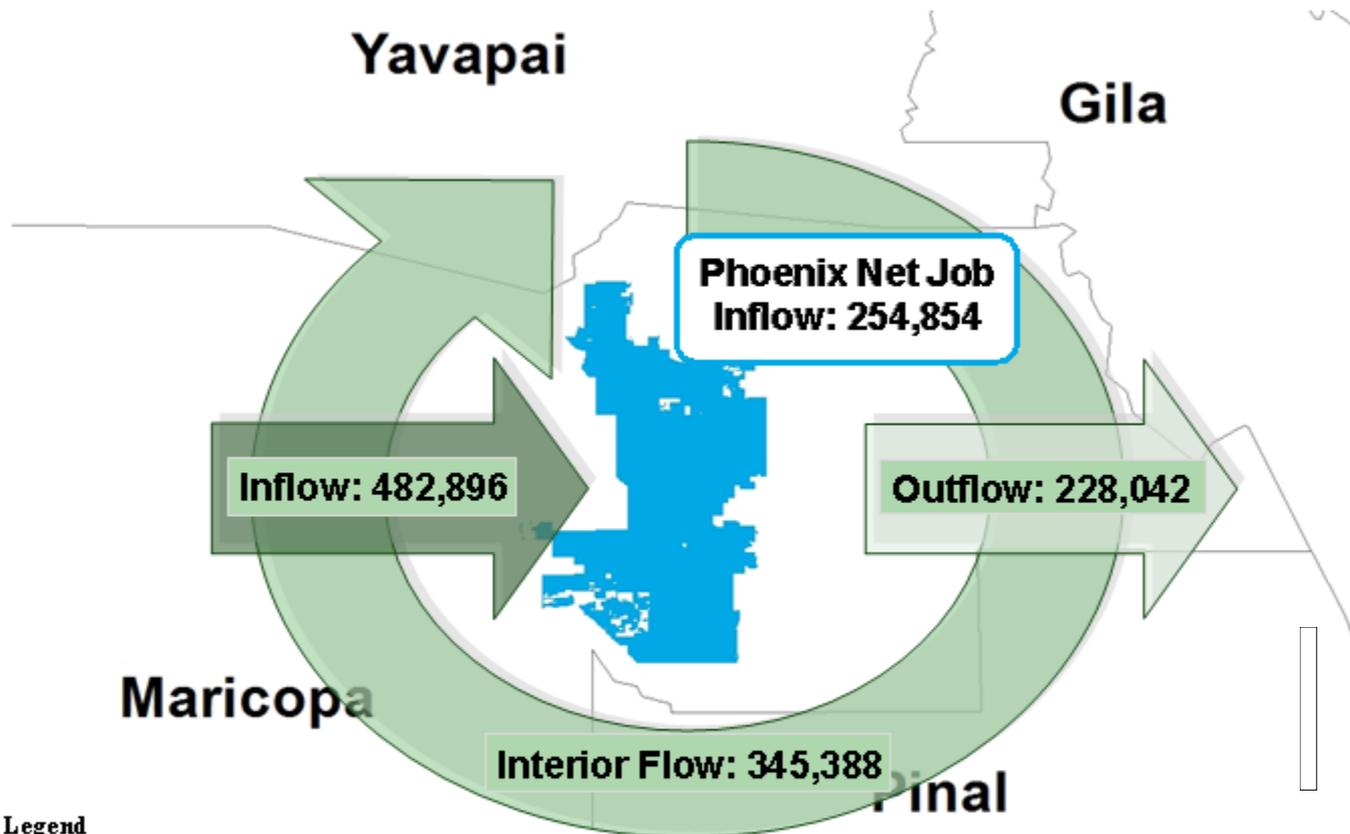
Where Maricopa Workers Live

- < 5,000
- > 5,000 - 10,000
- > 10,000 - 20,000
- > 20,000 - 30,000
- > 30,000



Where Maricopa Workers Live			
	Place	Count	Share
1	Maricopa County, AZ	1,441,014	94.2%
2	Pima County, AZ	26,698	1.7%
3	Pinal County, AZ	13,618	0.9%
4	Yavapai County, AZ	6,178	0.4%
5	Coconino County, AZ	5,805	0.4%
6	Yuma County, AZ	3,554	0.2%
7	Mohave County, AZ	3,026	0.2%
8	Navajo County, AZ	2,865	0.2%
9	Cochise County, AZ	1,713	0.1%
10	Gila County, AZ	1,252	0.1%
11	Graham County, AZ	653	0.0%
12	Santa Cruz County, AZ	630	0.0%
13	La Paz County, AZ	581	0.0%
14	Apache County, AZ	454	0.0%
15	Greenlee County, AZ	109	0.0%

INFLOW / OUTFLOW JOB SUMMARY

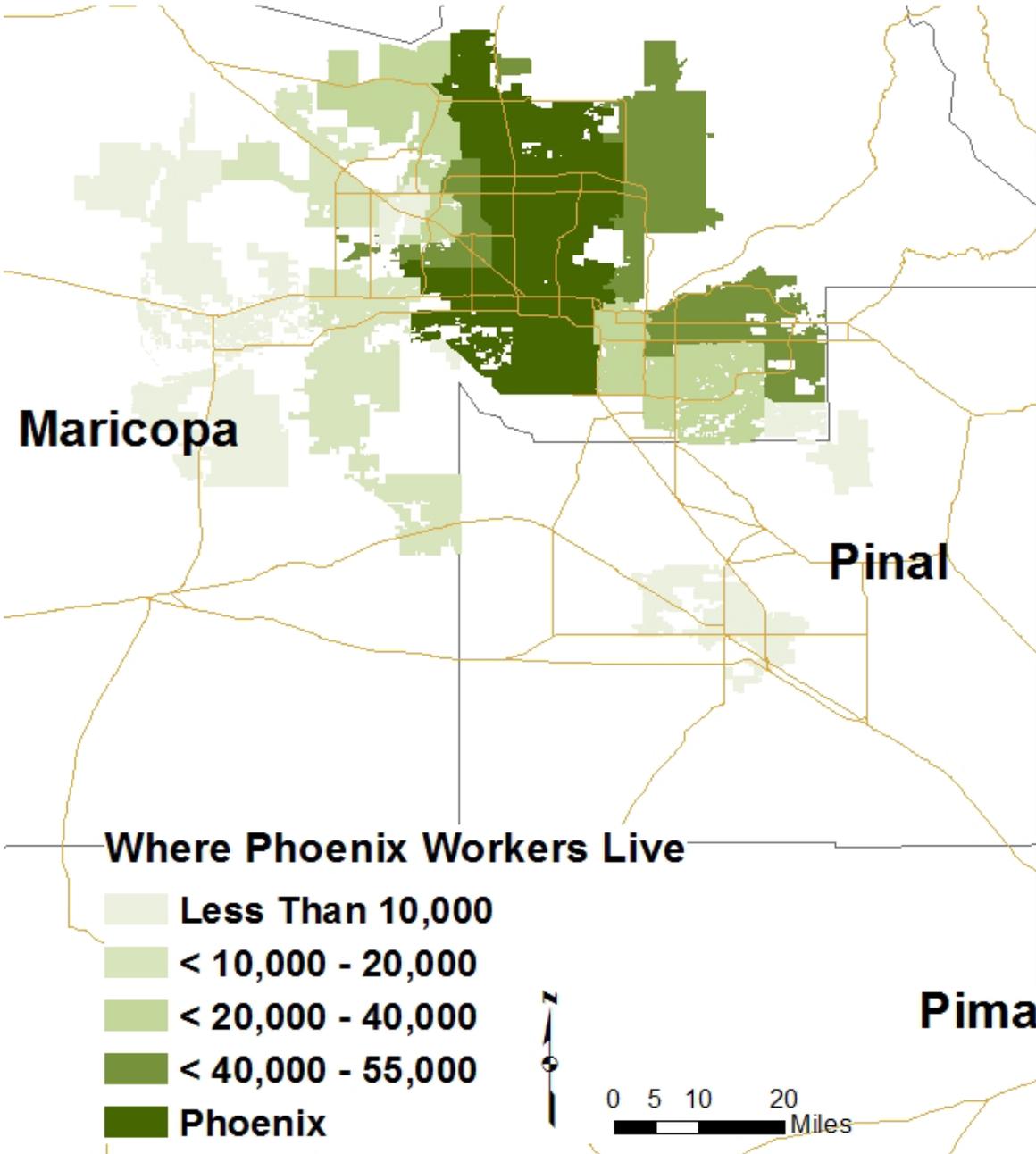


Legend

- Phoenix Boundary
- Inflow: Employed in Phoenix but lives outside the city
- Interior Flow: Both employed and living in Phoenix
- Outflow: Lives in Phoenix but employed outside

Note: Arrows do not indicate directionality of worker flow between home and employment locations.

Source: U.S. Census Bureau, On The Map Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter 2011).



Where Phoenix Workers Live			
	Place	Count	Share
1	Phoenix city, AZ	345,388	41.7%
2	Glendale city, AZ	50,053	6.0%
3	Mesa city, AZ	49,239	5.9%
4	Scottsdale city, AZ	40,992	4.9%
5	Peoria city, AZ	35,071	4.2%
6	Chandler city, AZ	34,019	4.1%
7	Gilbert town, AZ	27,184	3.3%
8	Tempe city, AZ	25,641	3.1%
9	Surprise city, AZ	19,464	2.3%
10	Avondale city, AZ	16,810	2.0%
11	Tucson city, AZ	14,069	1.7%
12	Goodyear city, AZ	12,749	1.5%
13	San Tan Valley CDP, AZ	8,333	1.0%
14	Buckeye town, AZ	7,834	0.9%
15	Maricopa city, AZ	6,563	0.8%
16	El Mirage city, AZ	5,839	0.7%
17	Anthem CDP, AZ	4,804	0.6%
18	Casa Grande city, AZ	3,651	0.4%
19	Queen Creek town, AZ	3,432	0.4%
20	Sun City CDP, AZ	3,379	0.4%

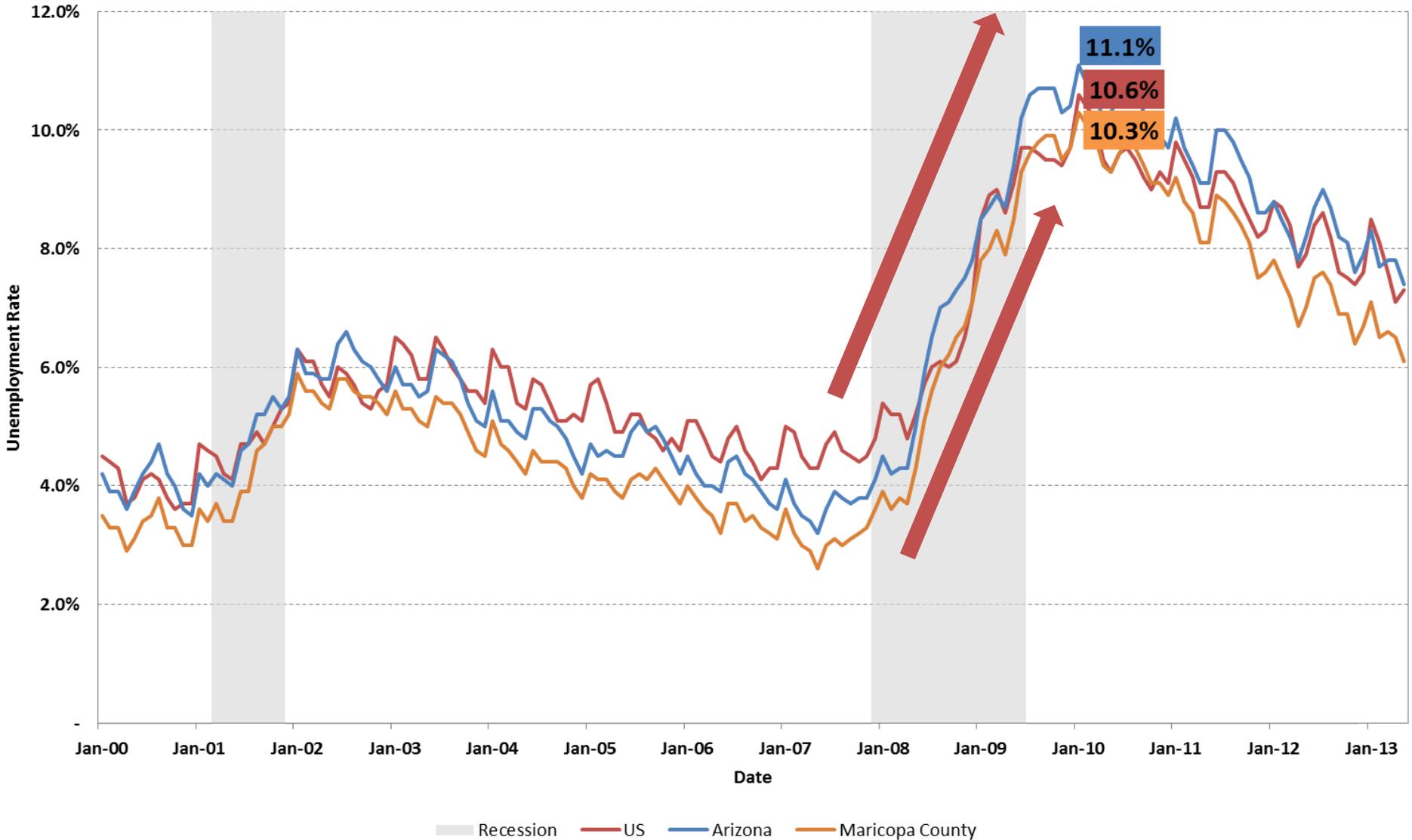


Unemployment Overview

Unemployment Defined

- **Unemployed:** People who do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work
- **Unemployment Rate:** This is the number of unemployed persons as a percent of the civilian labor force

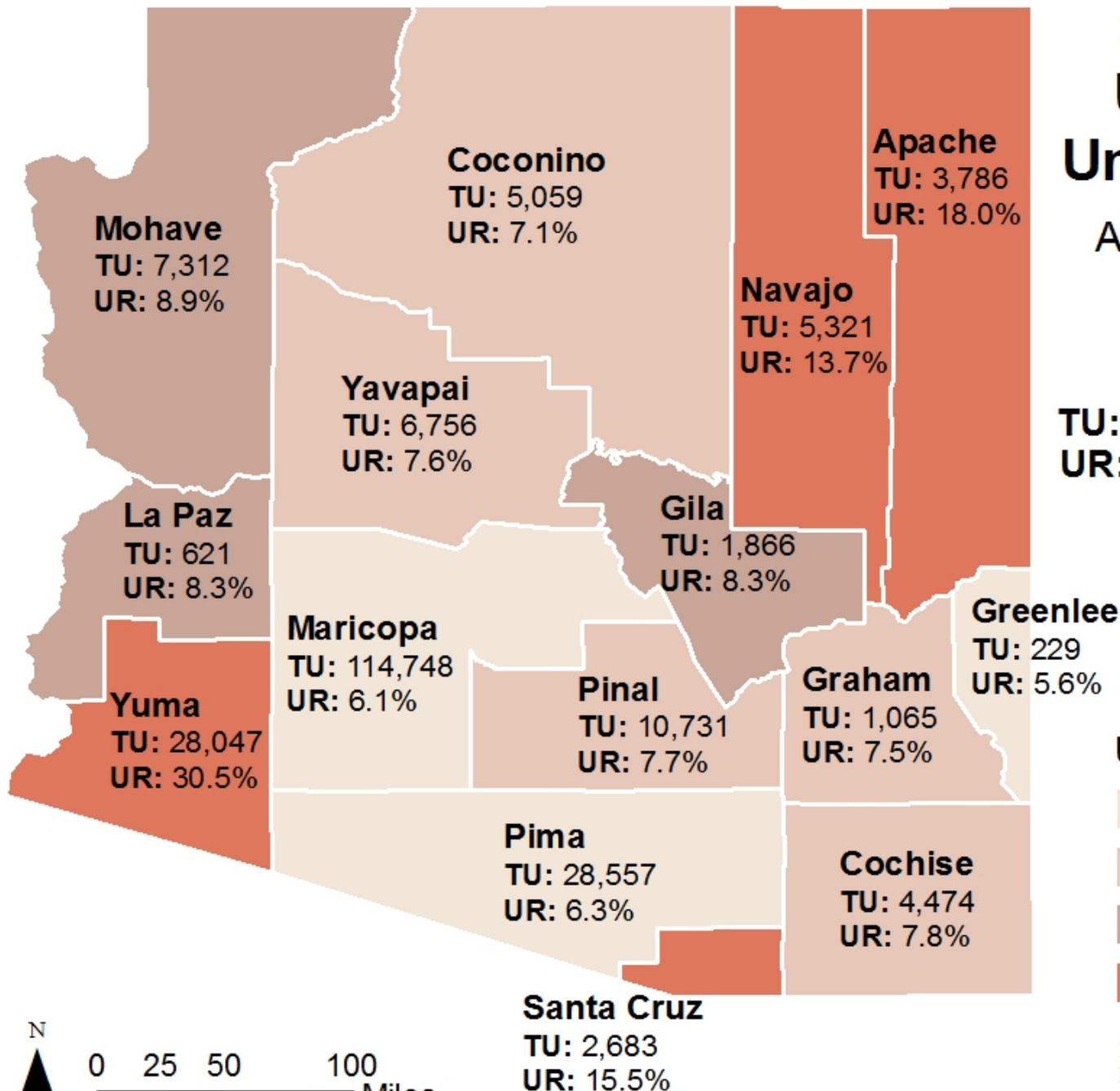
Unemployment Rate, Not Seasonally Adjusted



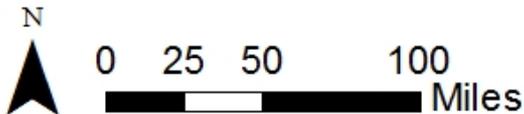
Seasonally Unadjusted Unemployment,

Arizona Counties,
May 2013

TU: Total Unemployment;
UR: Unemployment Rate



Unemployment Rate

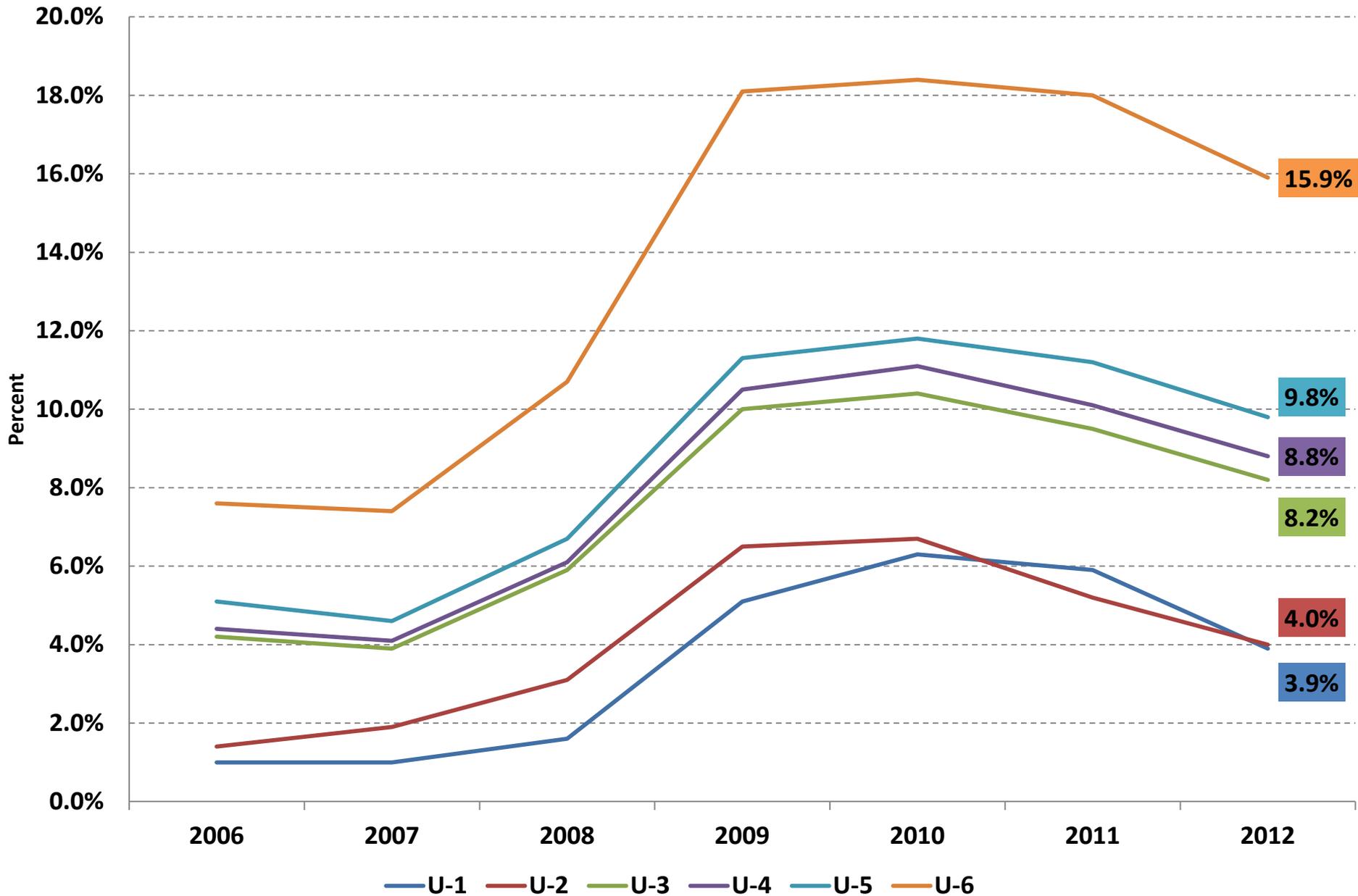


Alternative Unemployment Definitions

- **U1:** Persons unemployed 15 weeks or longer, as a percent of the civilian labor force
- **U2:** Job losers and persons who completed temporary jobs , as a percent of the civilian labor force
- **U3:** Total unemployed, as a percent of the civilian labor force (official unemployment rate)
- **U4:** U3 + discouraged workers (have given a job-market related reason for not currently looking for work), as a percent of the civilian labor force plus discouraged workers
- **U5:** U4 + all other marginally attached workers (indicate that they want and are available for a job and have looked for work sometime in the past 12 months), as a percent of the civilian labor force plus all persons marginally attached to the labor force
- **U6:** U5 + employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to labor force

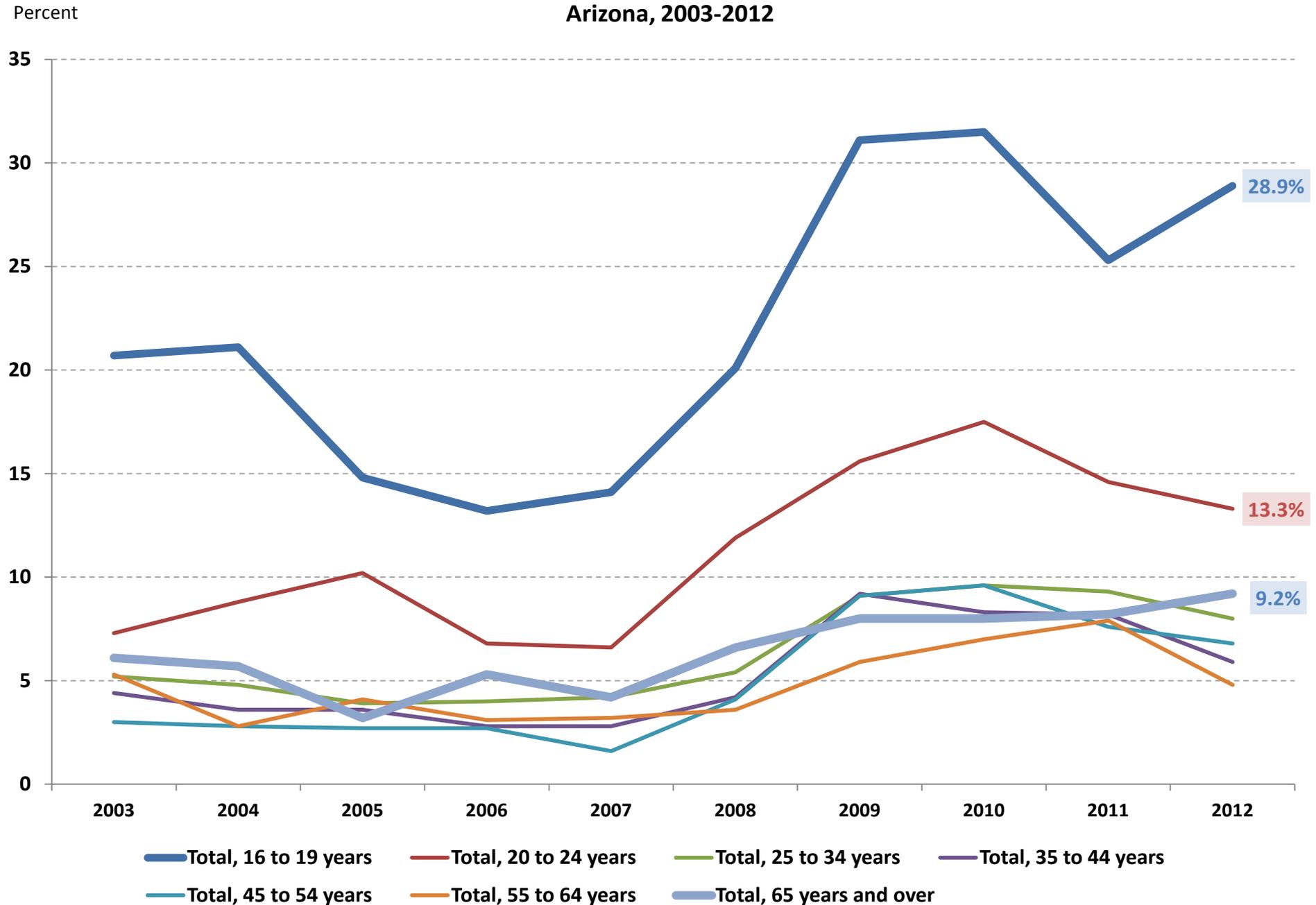
Alternative Measures of Labor Underutilization

Annual Averages



Unemployment Rate by Age Groups

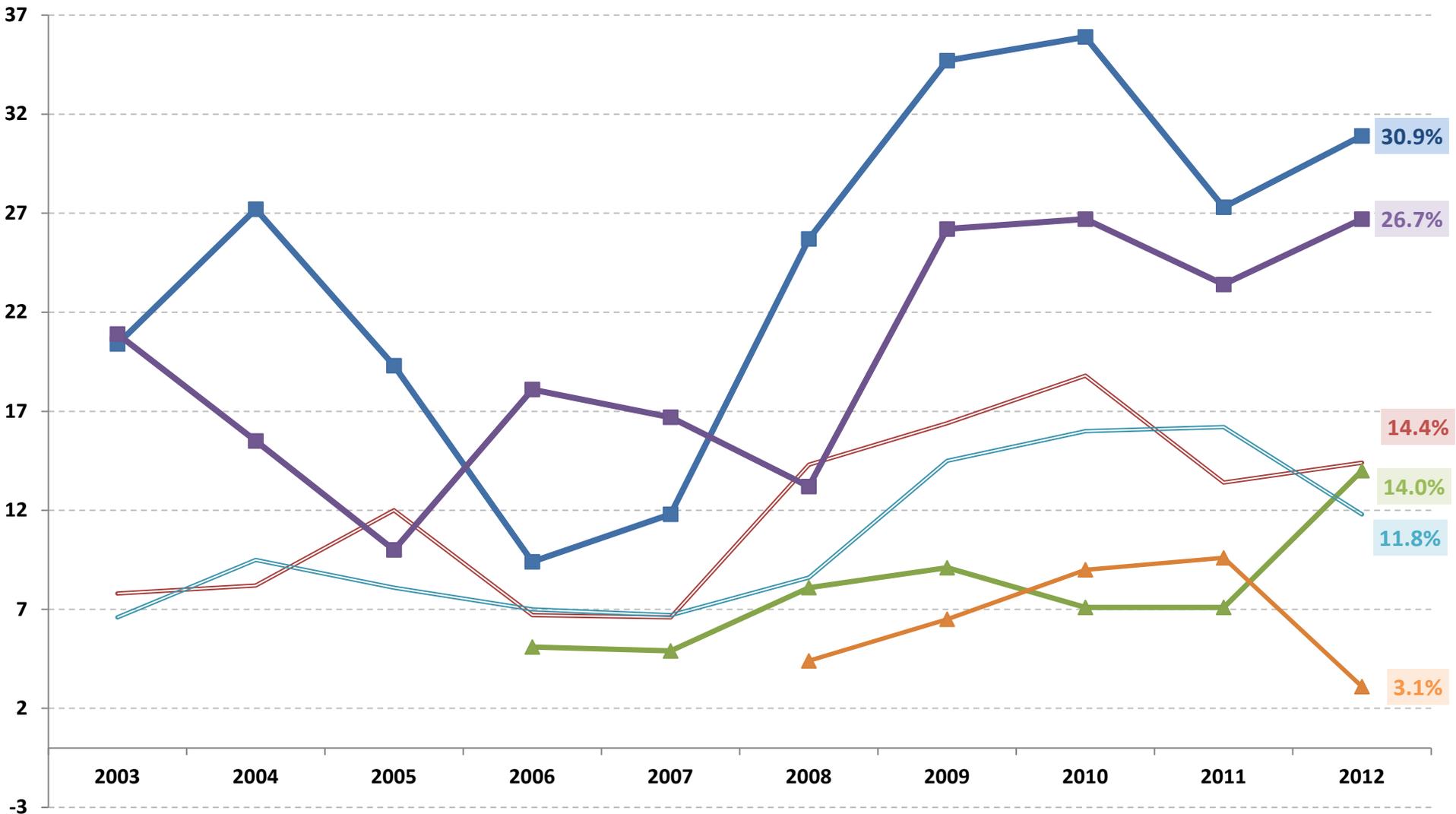
Arizona, 2003-2012



Unemployment Rate by Age Group and Gender

Arizona, 2003-2012

Percent



■ Men, 16 to 19 years

— Men, 20 to 24 years

▲ Men, 65 years and over

■ Women, 16 to 19 years

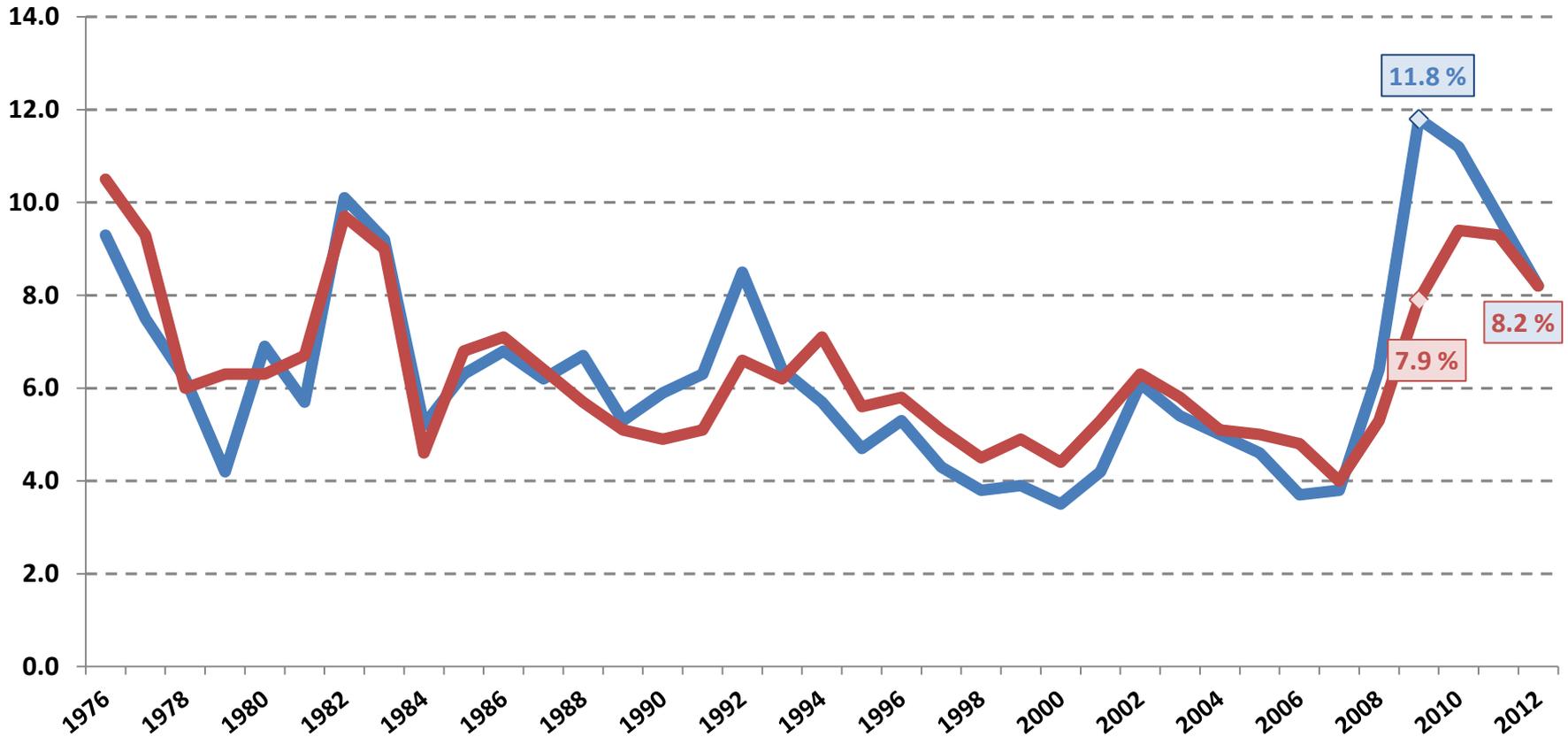
— Women, 20 to 24 years

▲ Women, 65 years and over

Unemployment Rate by Gender

Percent

Men Women

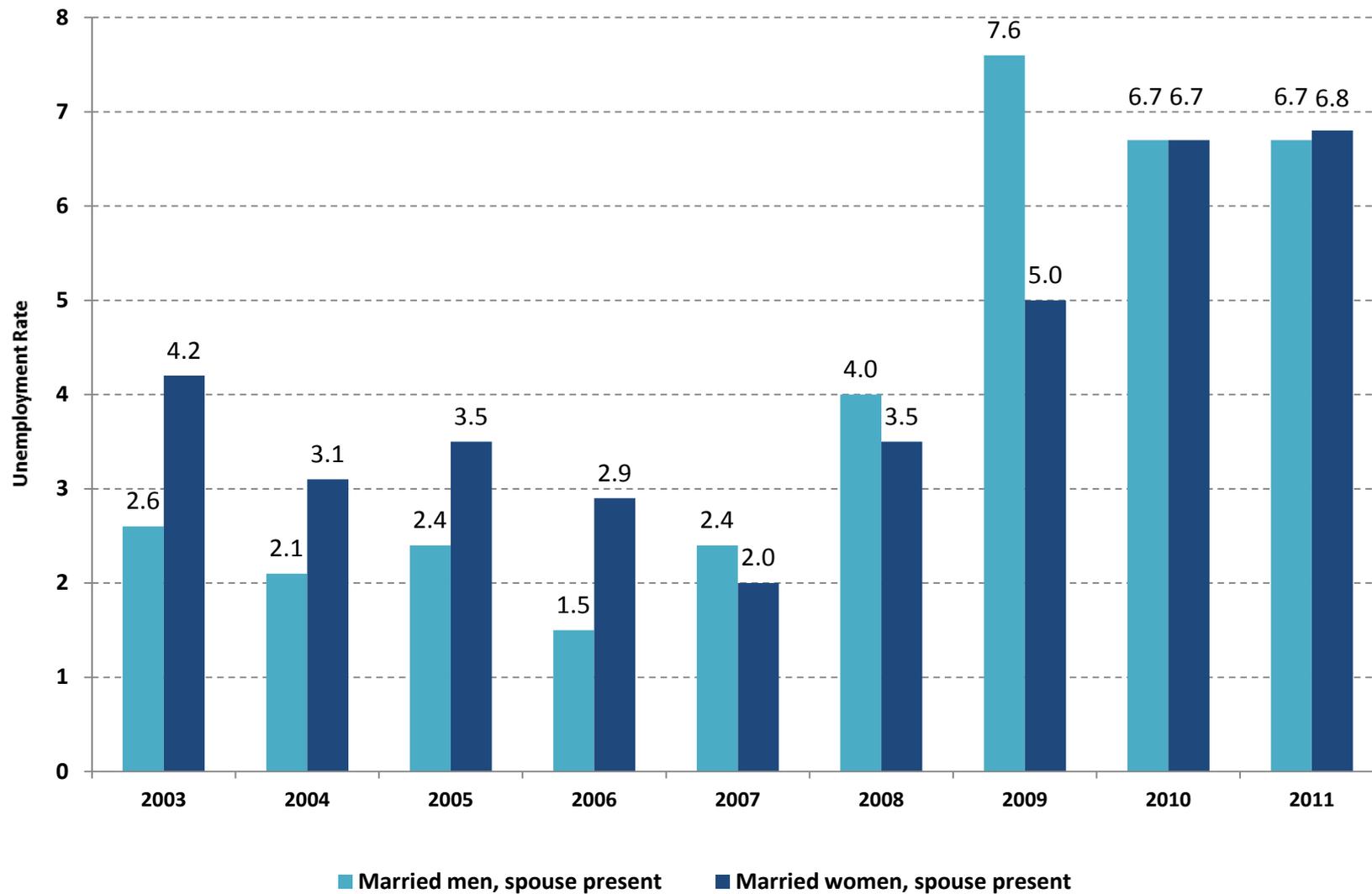


Increase in Male unemployment rate in 2009 attributed to losses in Construction

Unemployment Rate

Married Men and Women

Percent

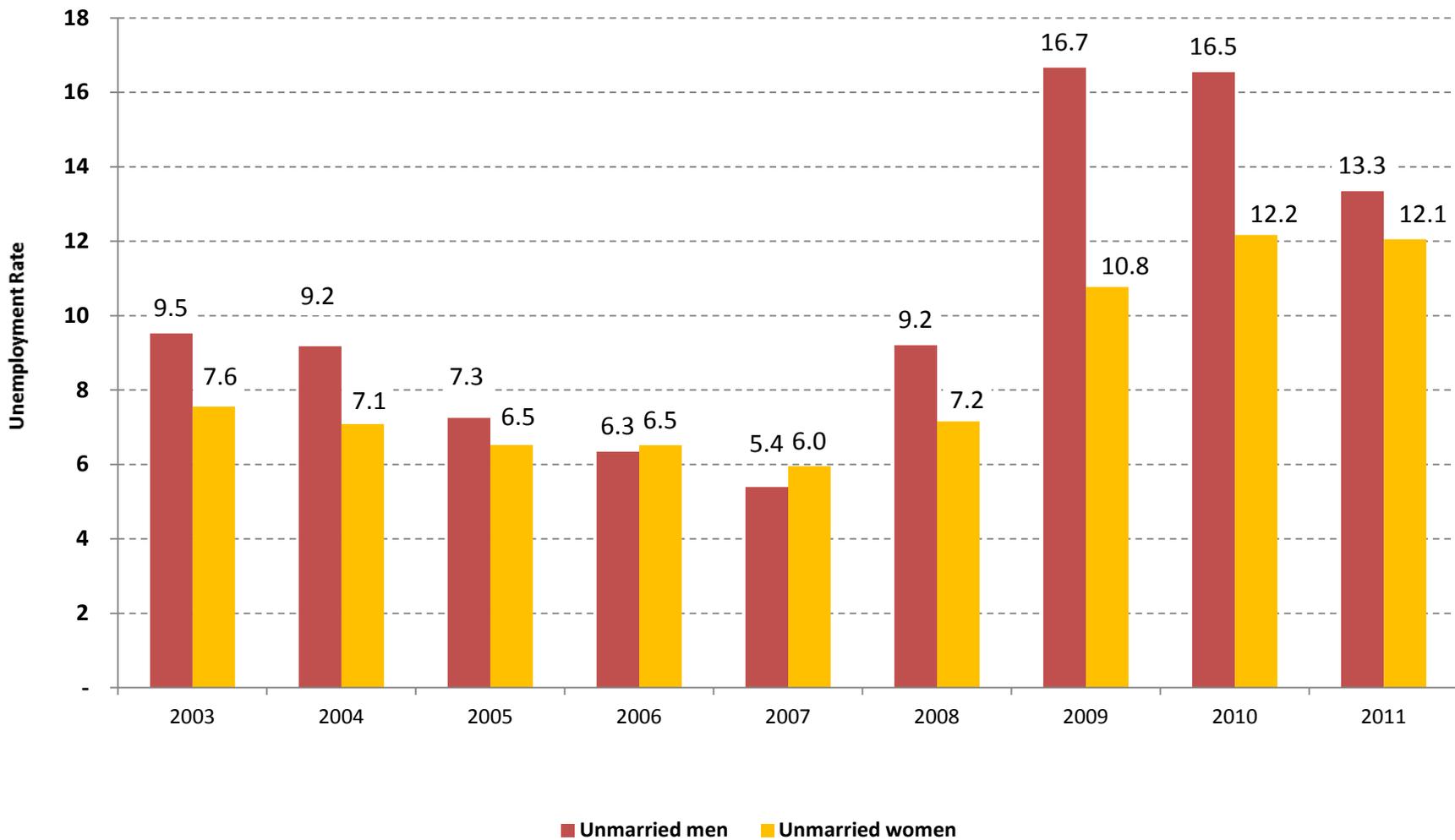


Data Source: Bureau of Labor Statistics
Current Population Survey

Unemployment Rate

Unmarried Men and Women

Percent



Data Source: Bureau of Labor Statistics
Current Population Survey

A light blue outline of a state, likely North Carolina, is centered on the page. A dark blue horizontal band is superimposed over the middle of the map, containing the title text in white.

Impact of Recession on the Labor Market

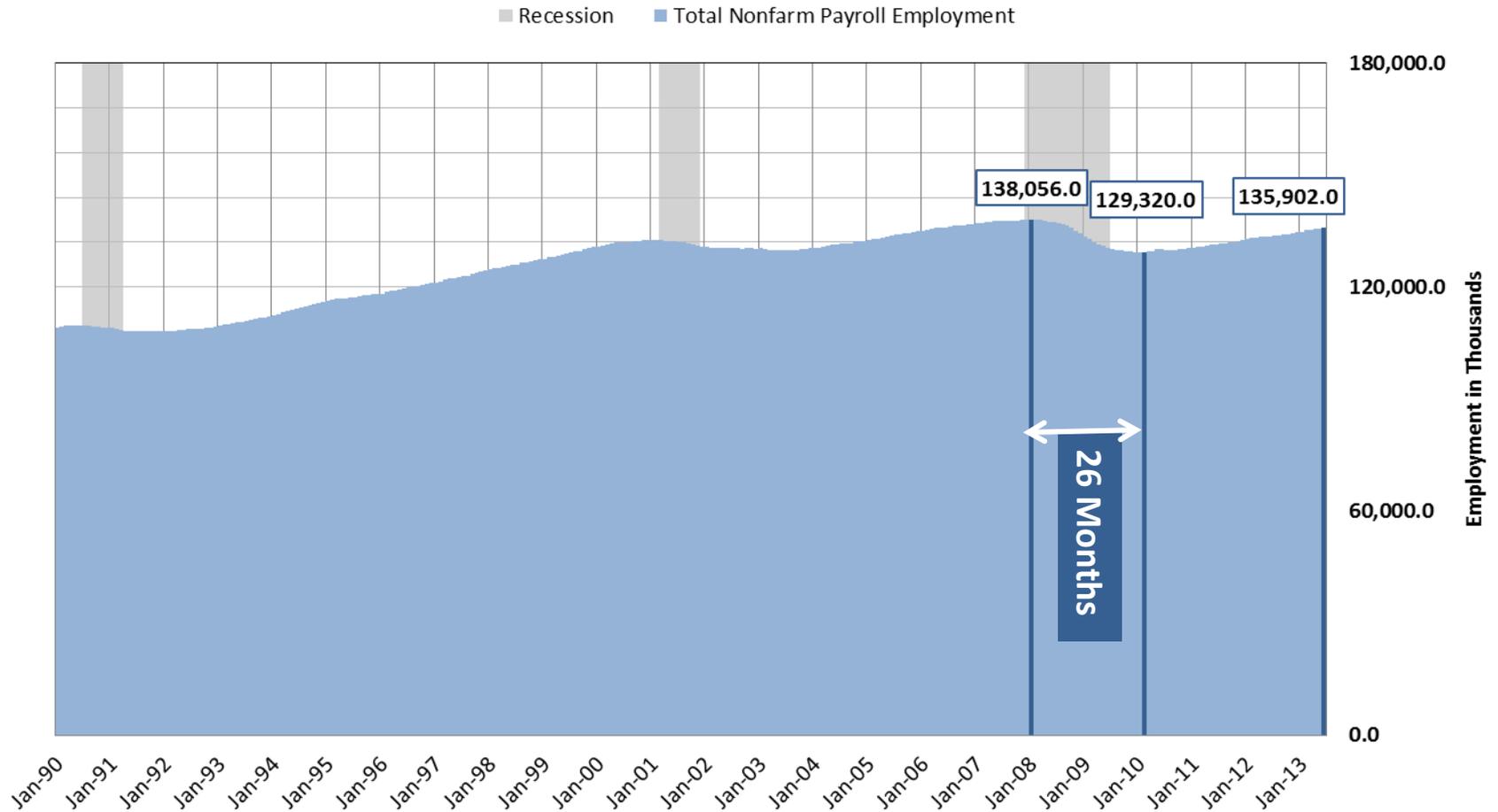
Recession Defined

National Bureau of Economic Research (NBER) defines a recession as:

“a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales”

Business Cycle Dates	
Peak	Trough
July 1990	March 1991
March 2001	November 2001
December 2007	June 2009

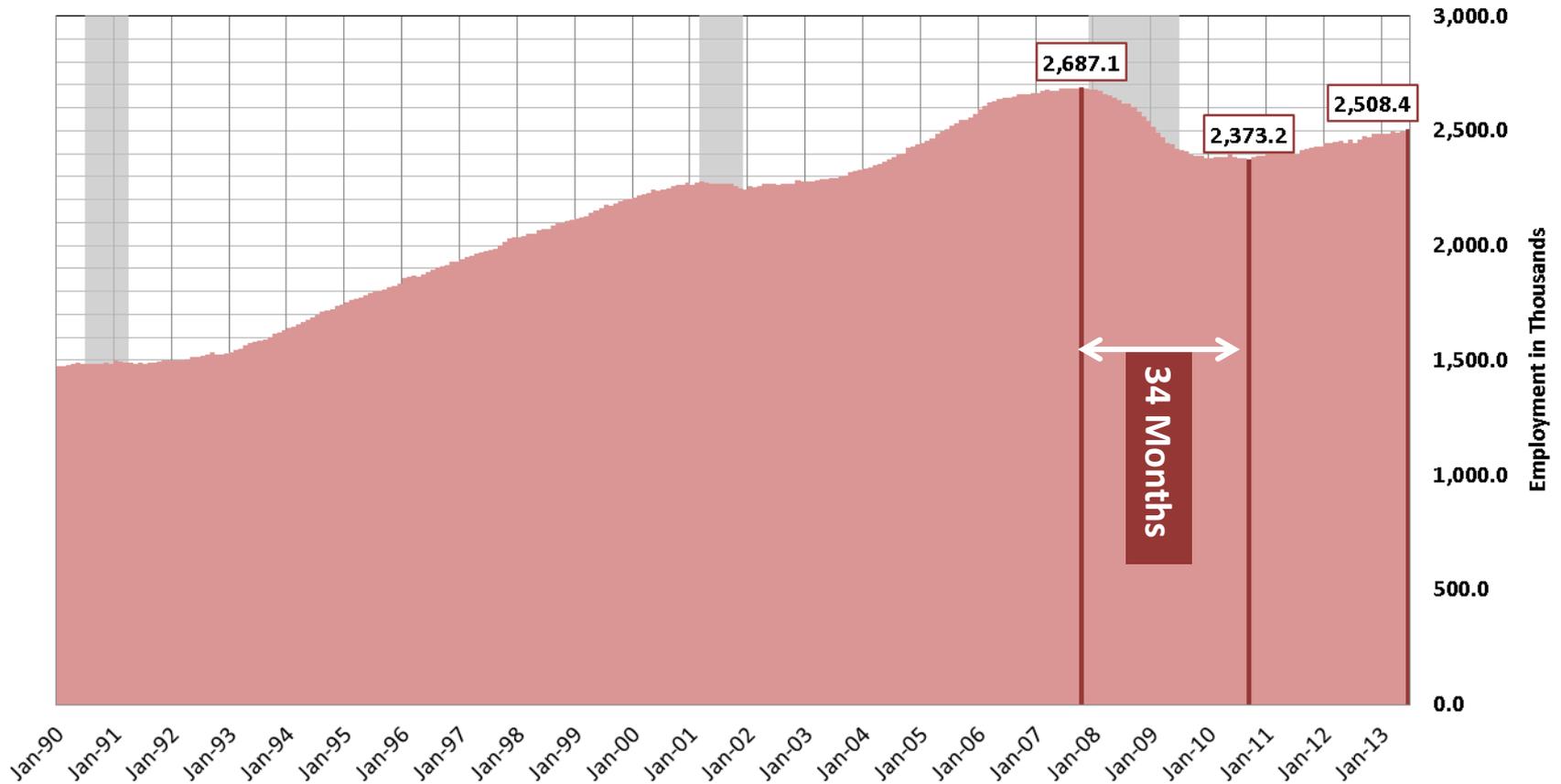
US Total Nonfarm Employment Seasonally Adjusted



- Employment Peak: 138,056,000 jobs (January 2008)
- Employment Trough: 129,320,000 jobs (February 2010)
- Current Employment: 135,902,000 jobs (June 2013)

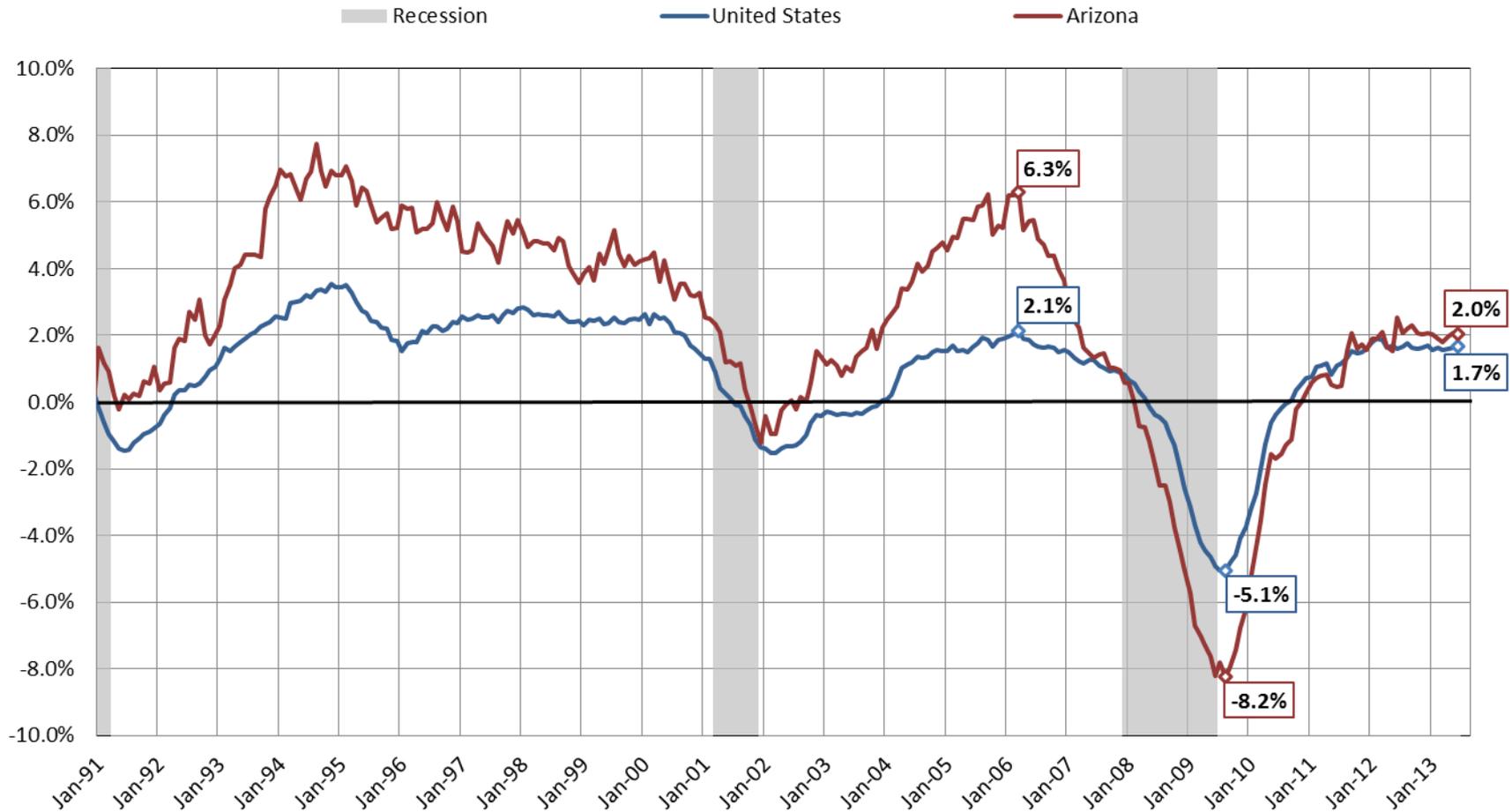
Arizona Total Nonfarm Employment Seasonally Adjusted

■ Recession ■ Total Nonfarm Payroll Employment



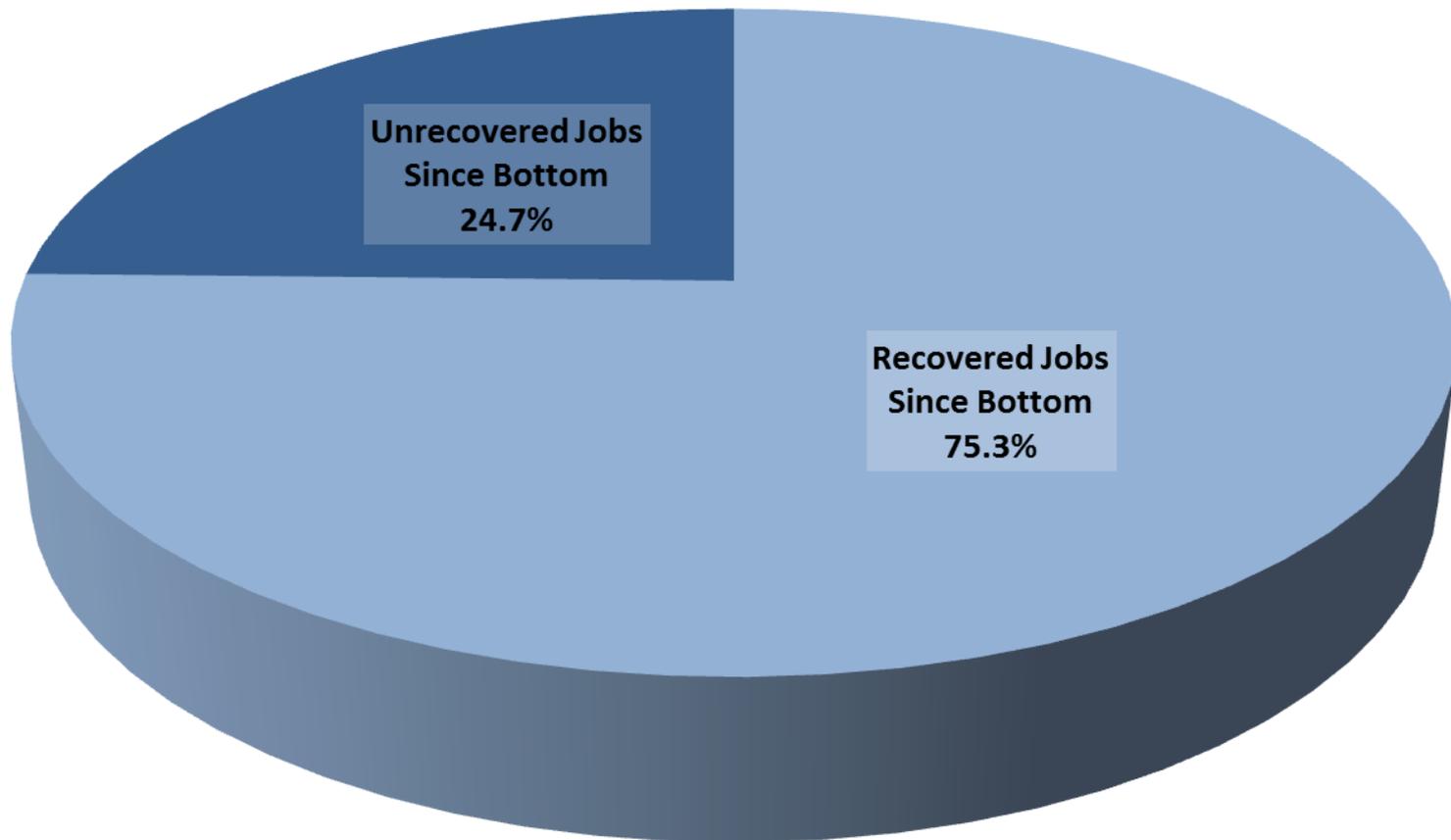
- Employment Peak: 2,687,100 jobs (October 2007)
- Employment Trough: 2,373,200 jobs (September 2010)
- Current Employment: 2,508,400 jobs (June 2013)

Over-the-Year Change in Nonfarm Employment Not Seasonally Adjusted



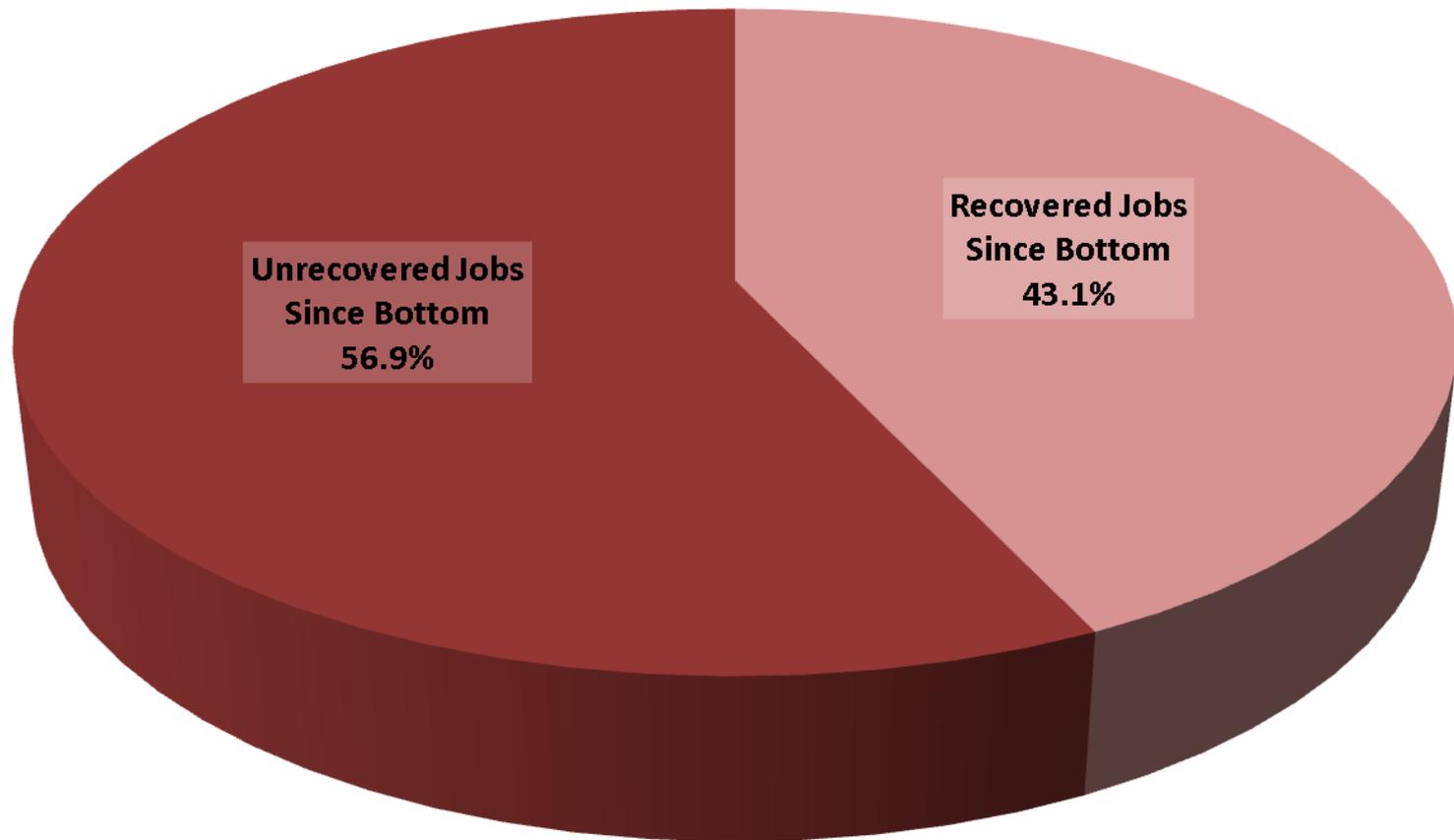
- Growth Rate Peak: US: 2.1% vs. Arizona: 6.3% (March 2006)
- Growth Rate Trough: US: -5.0% vs. Arizona: -7.9% (August 2009)
- Current Growth: US: 2.0% vs. Arizona: 1.7% (June 2013)

US Nonfarm Employment Replacement Rate, Seasonally Adjusted



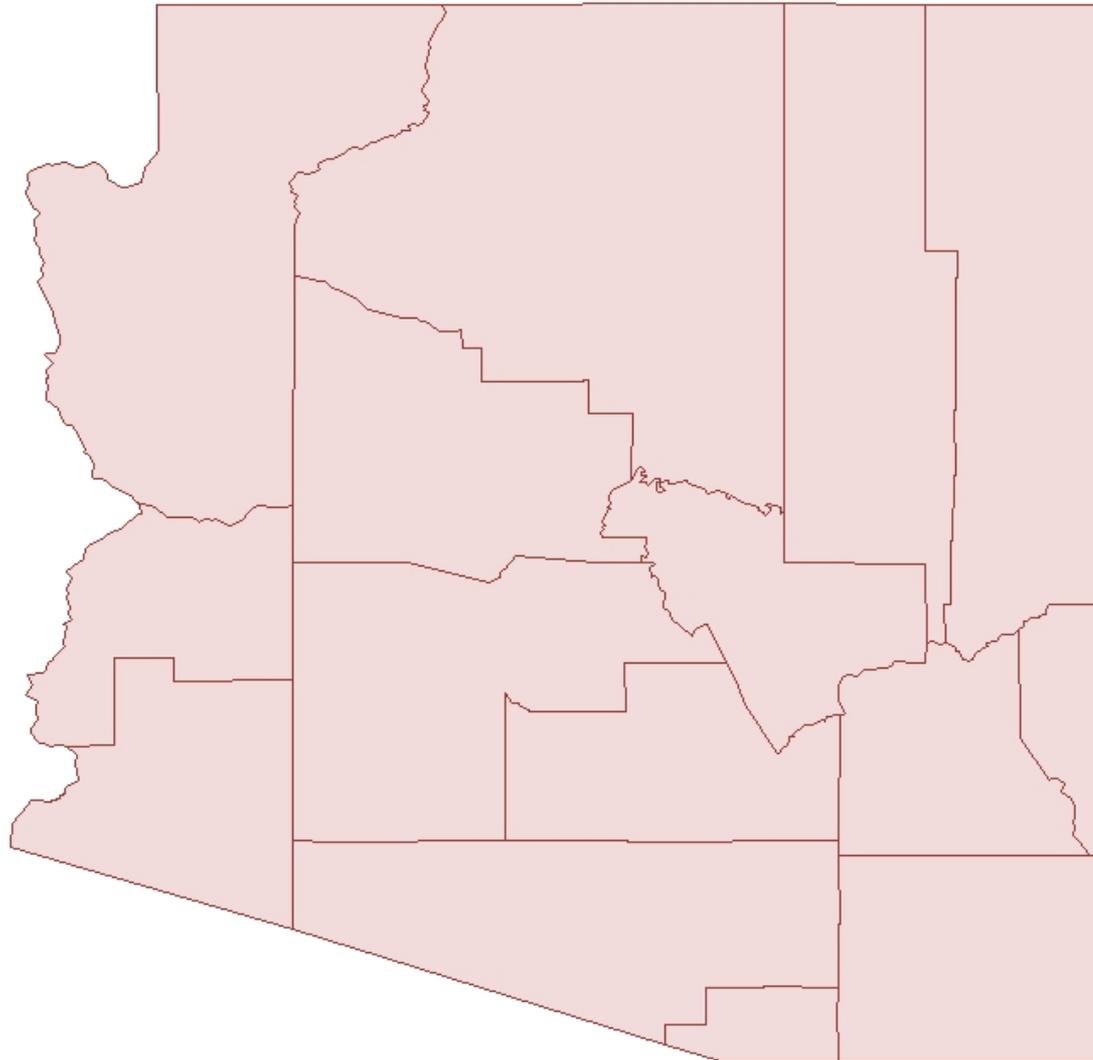
- Net Nonfarm jobs lost from employment peak (January 2008) to trough (February 2010): 8,736,000 jobs (or 6.3%)
- Net Nonfarm jobs recovered from trough (February 2010) to current (June 2013): 6,582,000 jobs (or 5.1%)

Arizona Nonfarm Employment Replacement Rate, Seasonally Adjusted

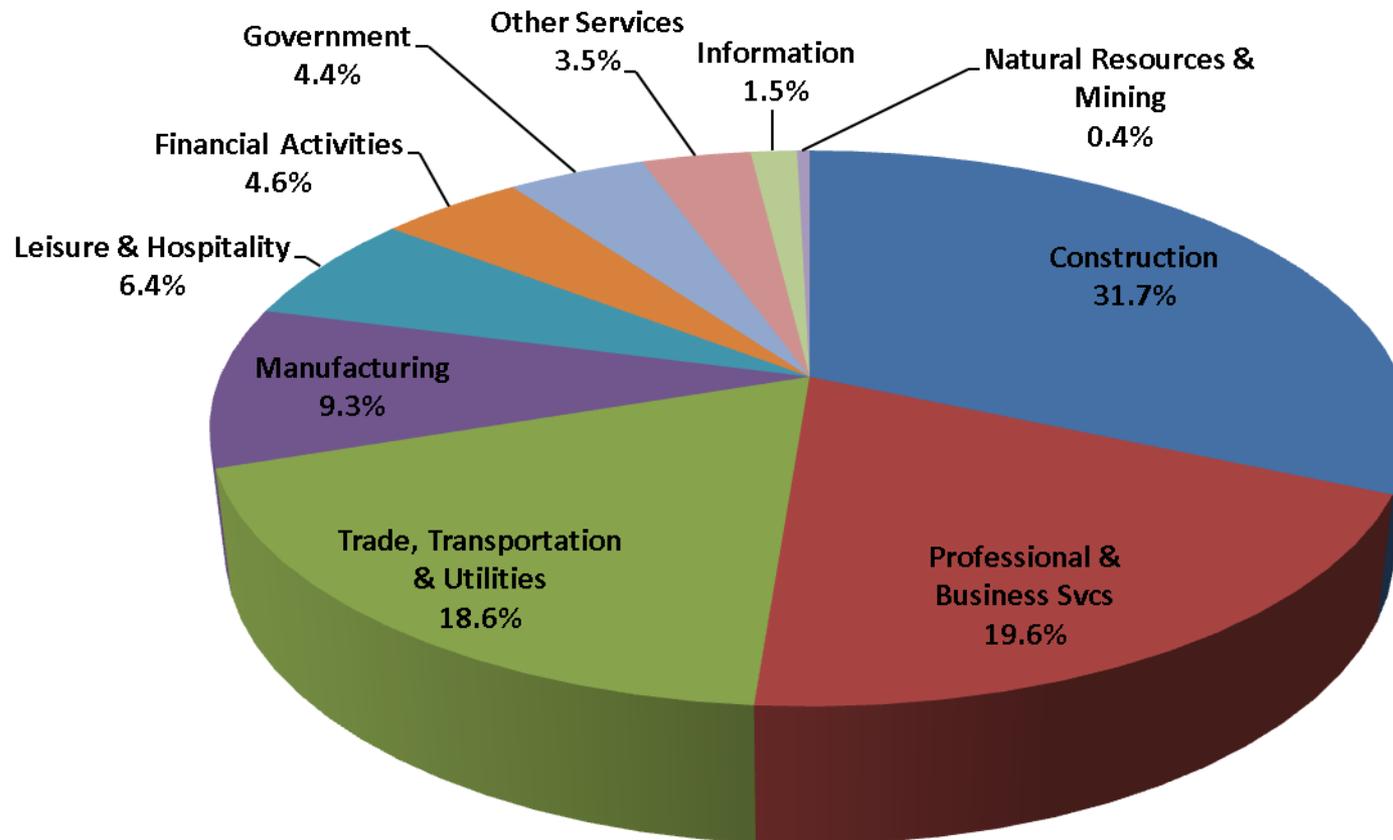


- Net Nonfarm jobs lost from employment peak (October 2007) to trough (September 2010): 313,900 jobs (or 11.7%)
- Net Nonfarm jobs recovered from trough (September 2010) to current (June 2013): 135,200 jobs (or 5.7%)

Where Did the Losses Occur?

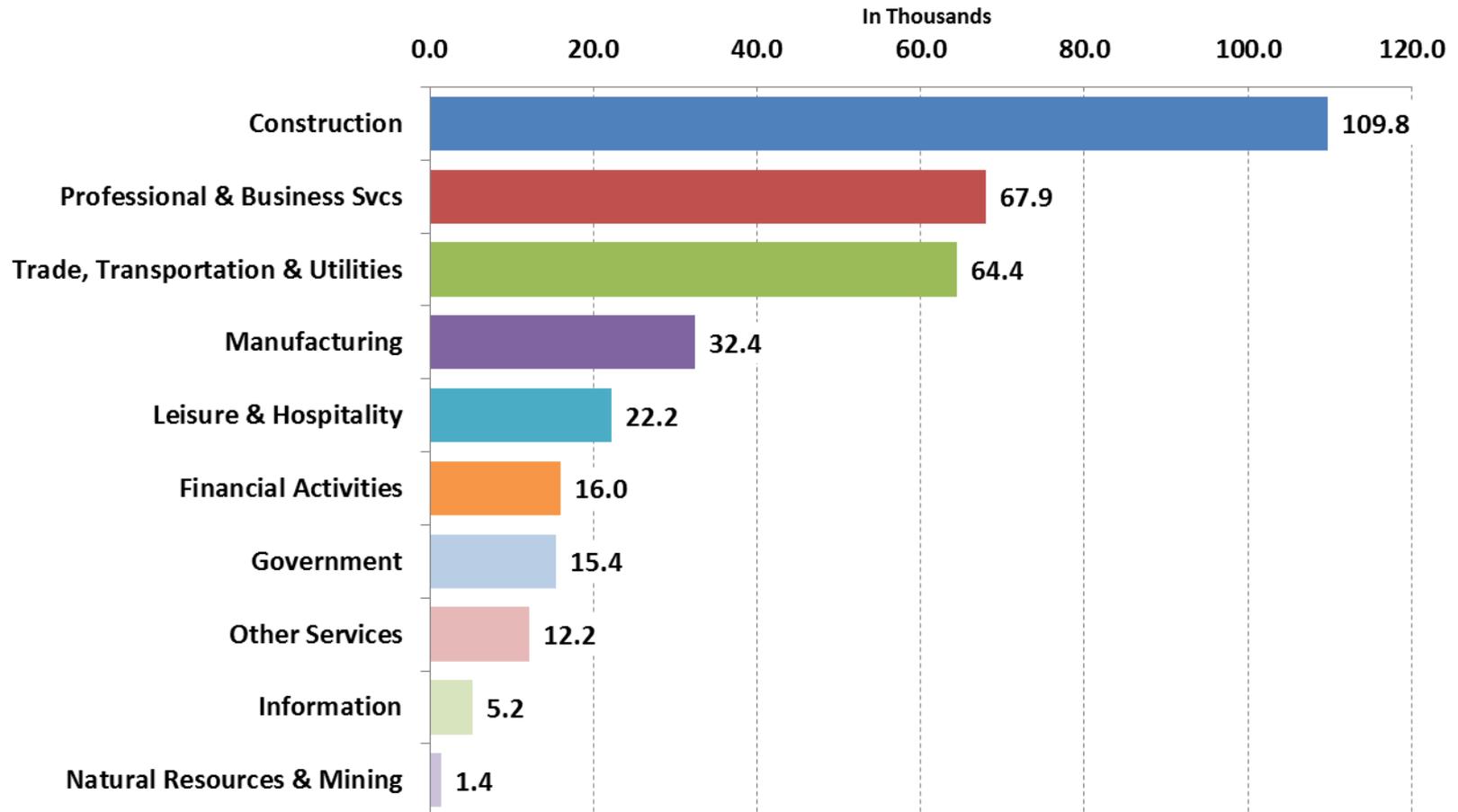


Share of Total Employment Losses From Peak to Trough Seasonally Adjusted



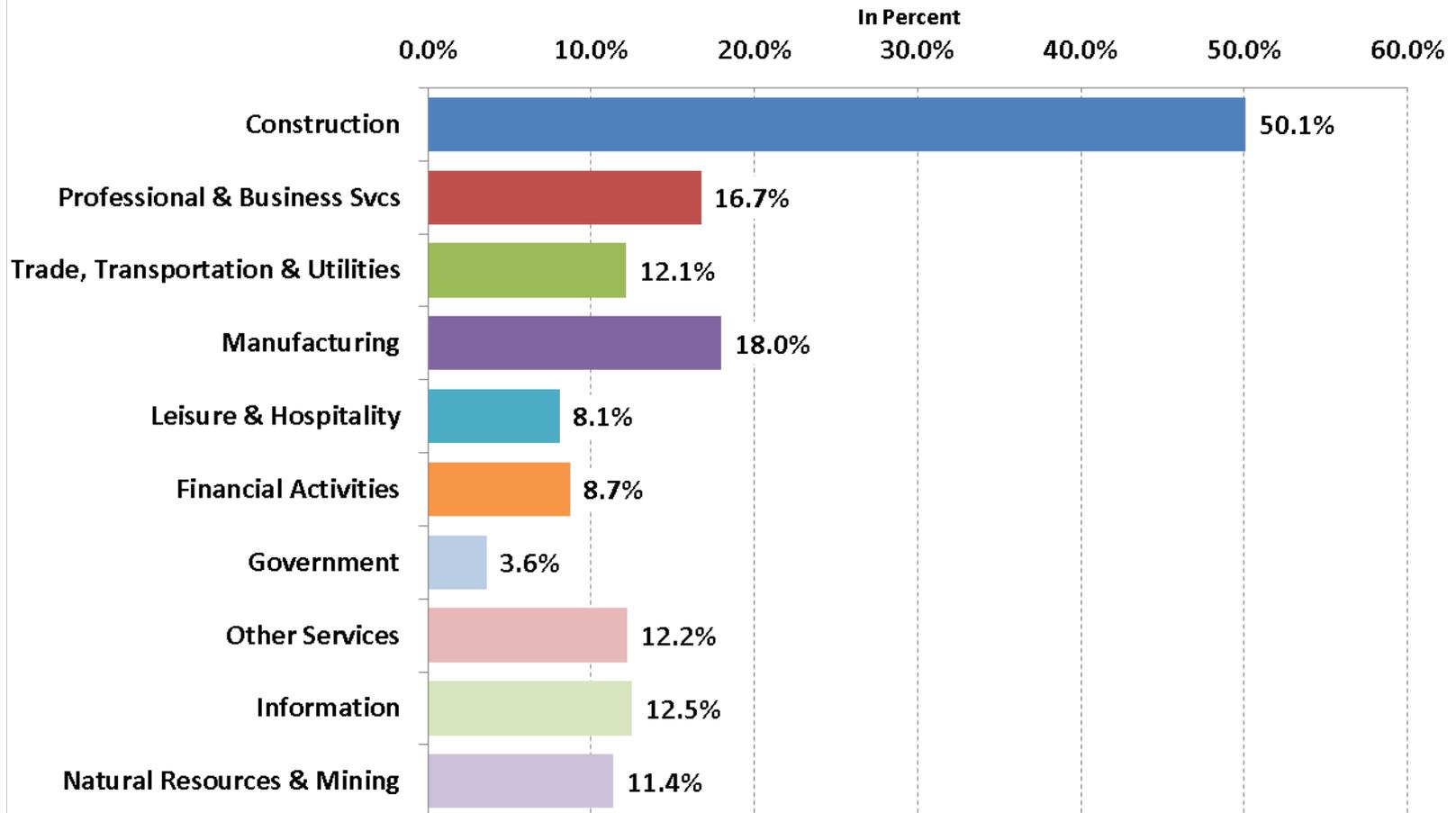
- Nearly 1 in 3 jobs lost from peak (October 2007) to trough (September 2010) were in the Construction Sector
- Losses in Construction, Professional & Business Services, and Trade Transportation & Utilities account for 69.8% of all losses

Employment Losses From Peak to Trough by Industry Seasonally Adjusted



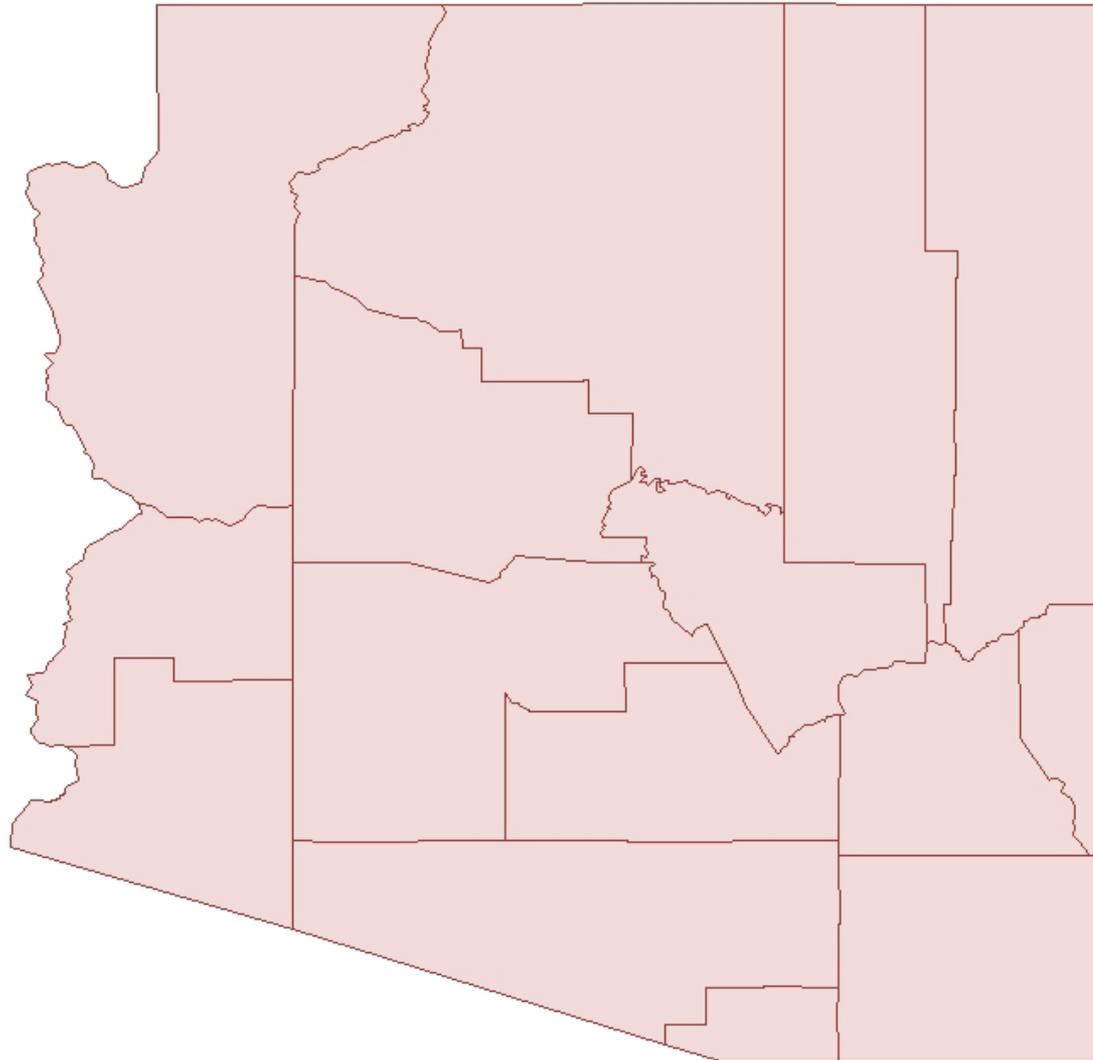
- Total Sector Job losses from peak (October 2007) to trough (September 2010): 346,900 jobs
- Education & Health Services was the only sector to grow through the recession adding 33,000 jobs from October 2007 to September 2010

Employment Losses From Peak to Trough by Industry Seasonally Adjusted

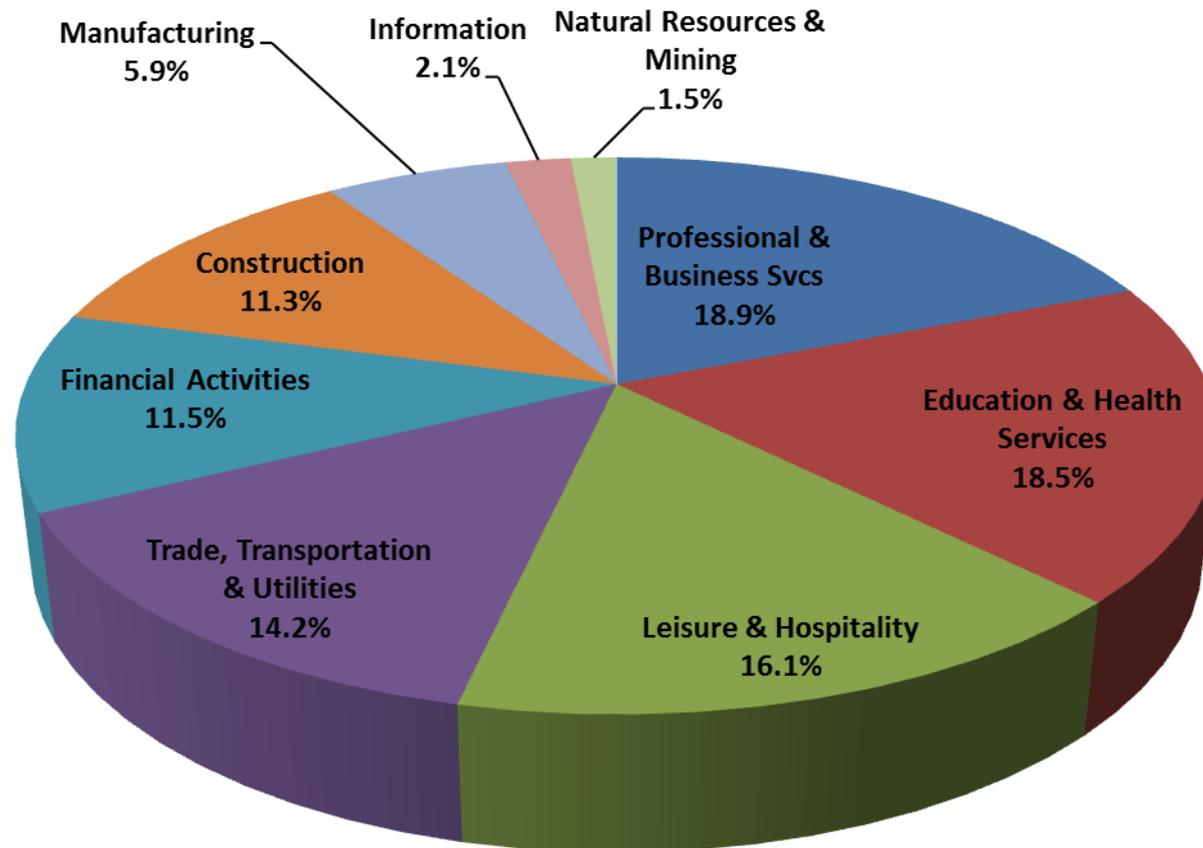


- Construction shed more than half of its jobs (50.1% or 109,800 jobs) from October 2007 to September 2010
- Government experienced the smallest percentage loss reporting a 3.6% loss from October 2007 to September 2010

Where Are the Gains Occurring?

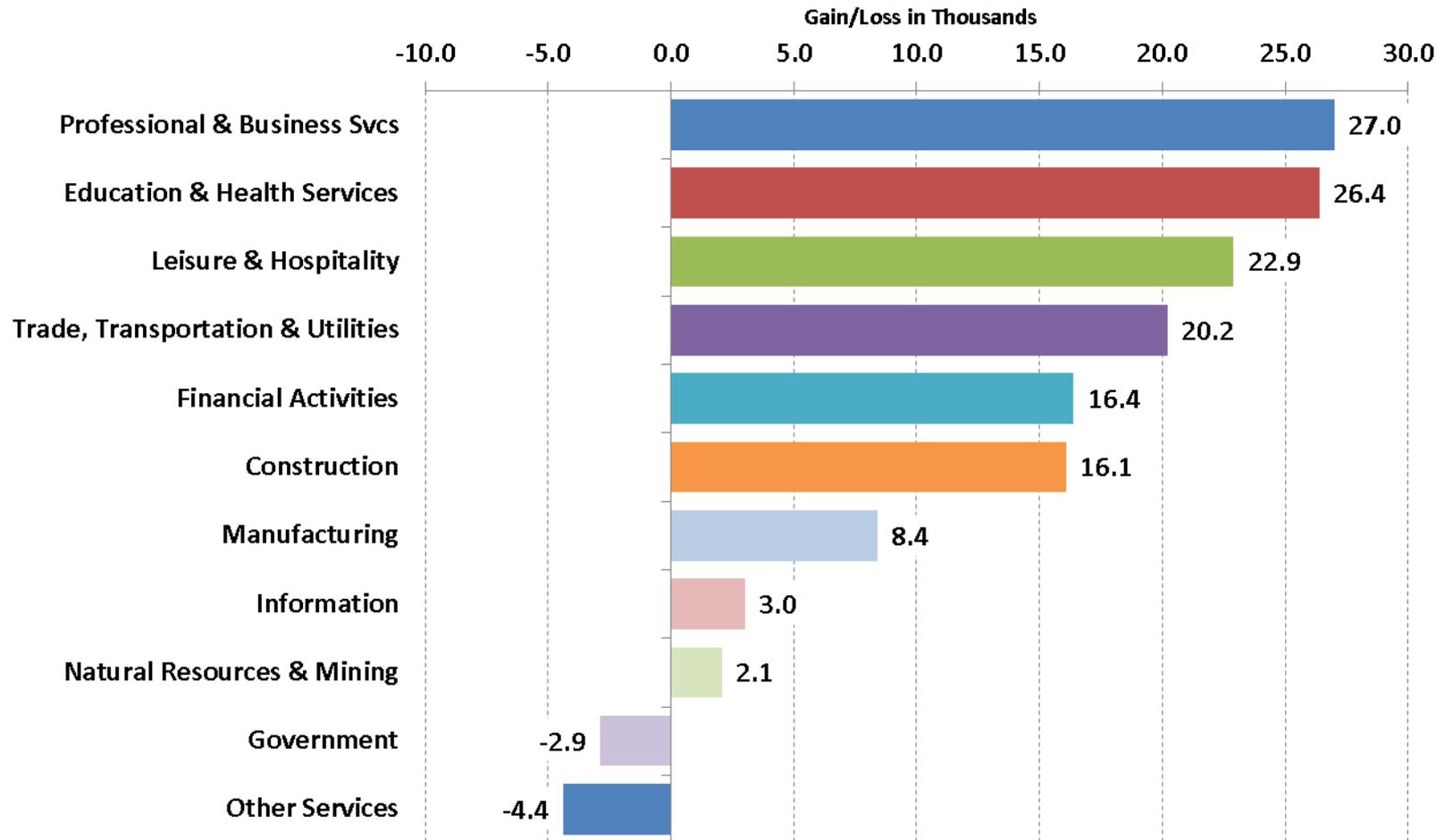


Share of Total Employment Gains From Peak to Trough Seasonally Adjusted



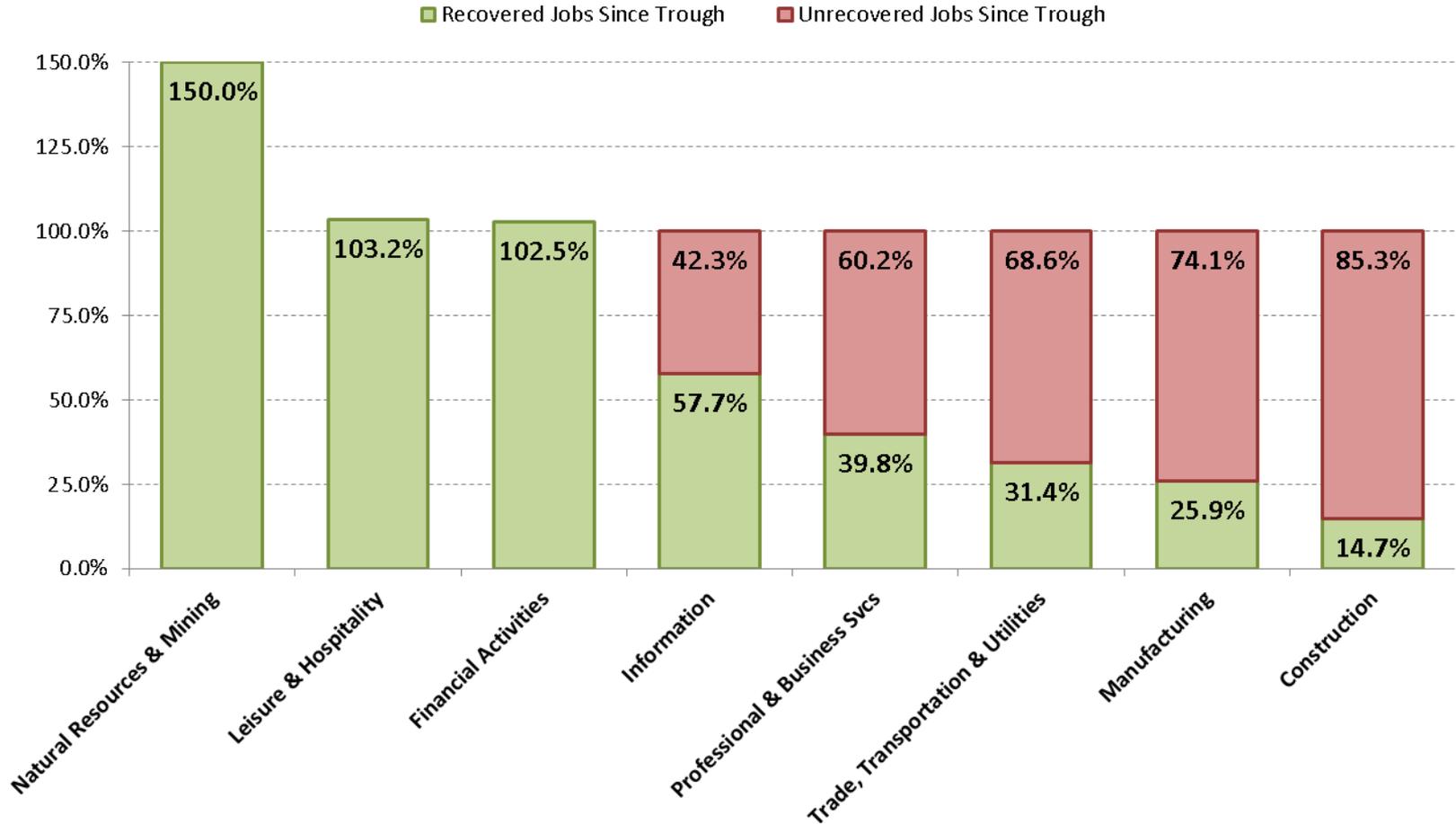
- Most of the gains occurred in Professional & Business Services, Education & Health Services, and Leisure and Hospitality (53.5%)
- Other Services and Government shed additional jobs since the trough (September 2010)

Employment Gain/Loss From Trough to Present by Industry Seasonally Adjusted



- Total Sector job gains from trough (September 2010) to present (June 2013): 142,500 jobs
- Total Sector job losses from trough (September 2010) to present (June 2013): -7,300 jobs (Other Services: -4,400 jobs; Government: -2,900 jobs)

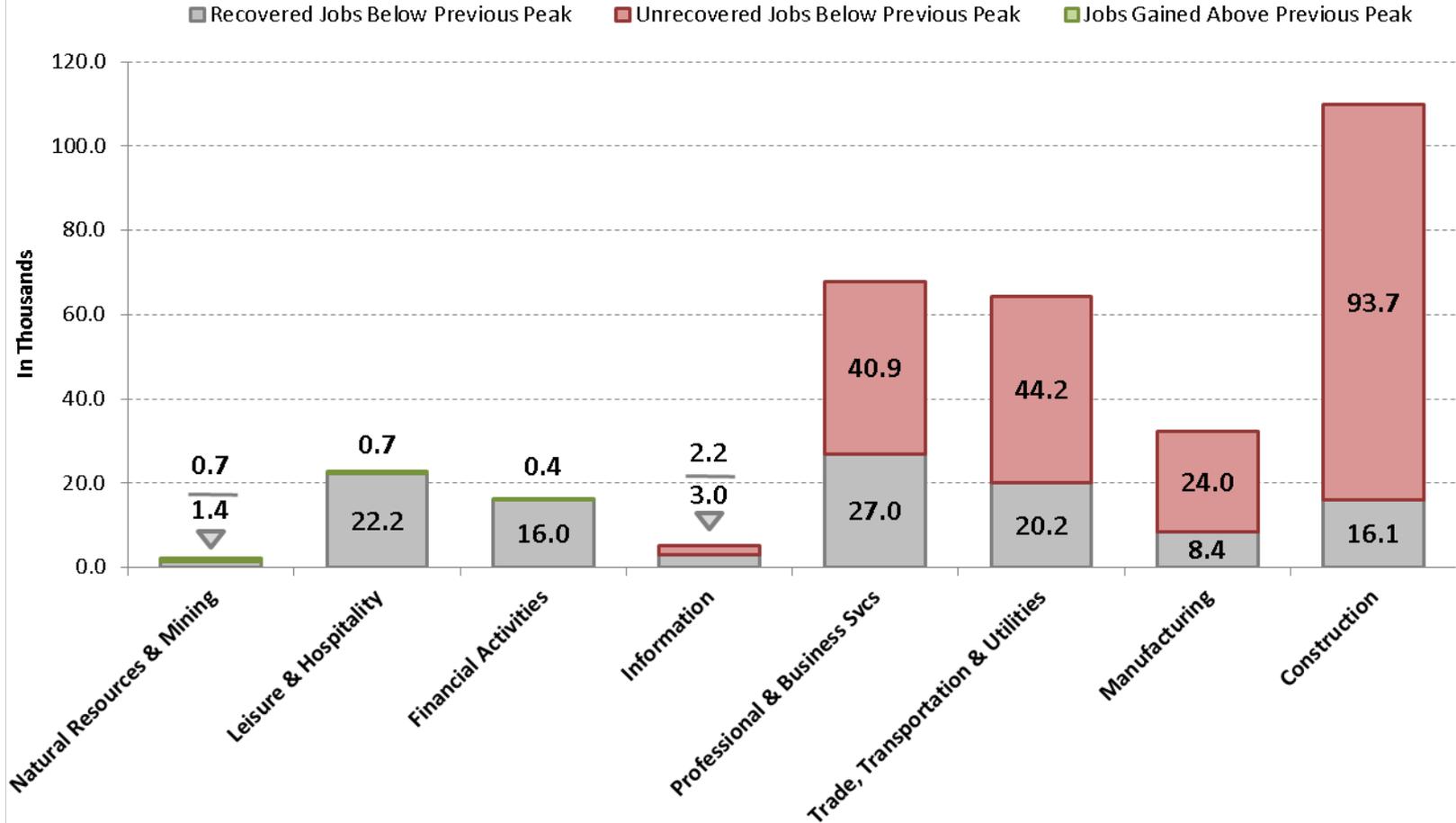
Replacement Rate by Sector Seasonally Adjusted



- When replacement rate equals 100%, all jobs lost from peak (October 2007) to trough (September 2010) have been regained
- Three sectors have recovered all jobs lost, five sectors have recovered only a portion of jobs lost from the peak (October 2007) to trough (September 2010)

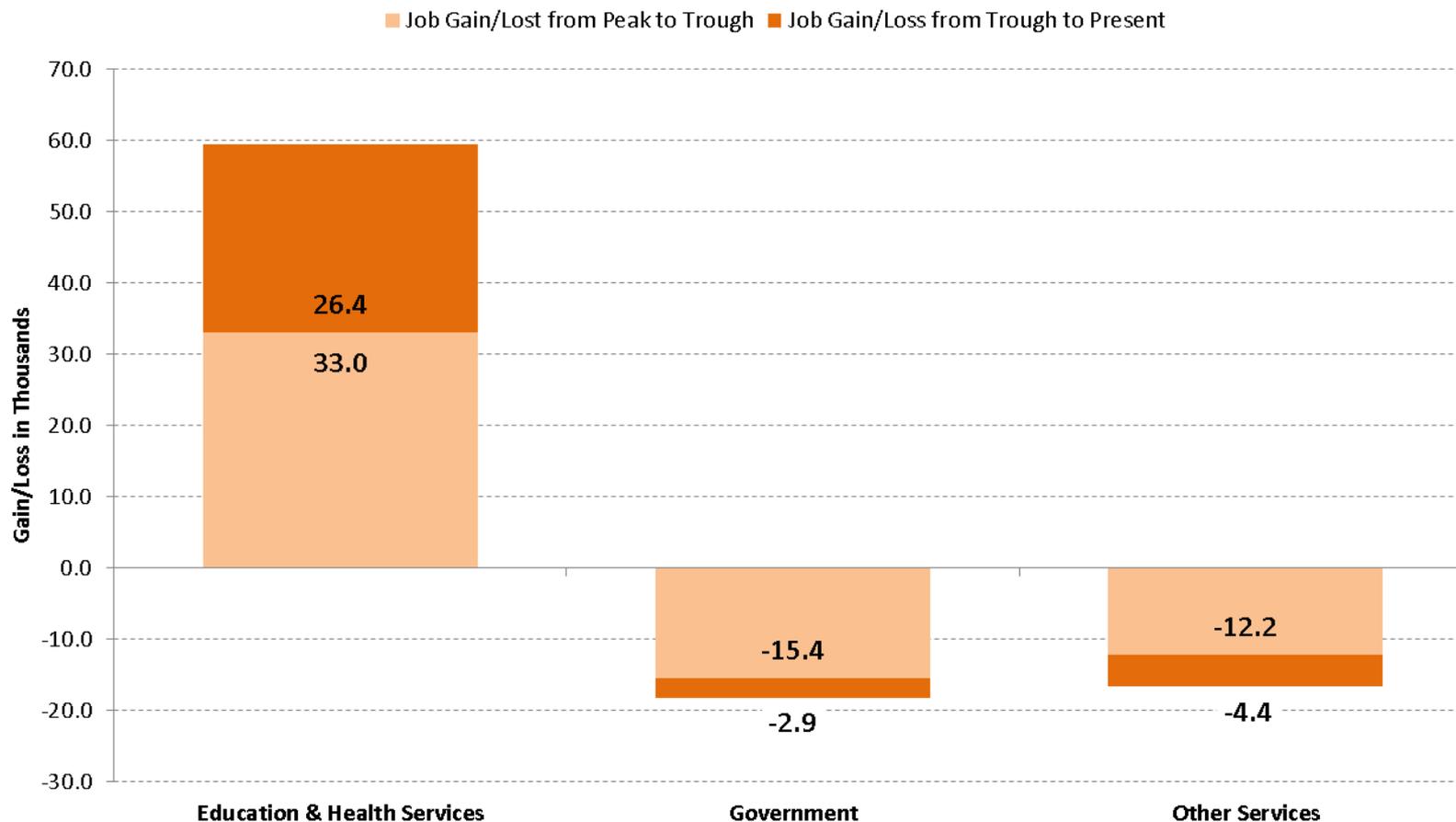
Employment Replacement by Sector

Seasonally Adjusted



- Despite regaining the most jobs (27,000 jobs), Professional & Business Services still have 40,900 unrecovered jobs
- Construction has the most unrecovered jobs among all sectors with 93,700 jobs

Job Gain/Lost From Peak to Present by Sector Seasonally Adjusted



- Education & Health Services grew through the recession adding a total of 59,400
- Government (-18,300 jobs) and Other Services (-16,600 jobs) have lost additional jobs since the trough (September 2010)



Labor Force Overview

Labor Force Concepts

- **Civilian Noninstitutional Population (CNIP):** Everyone ages 16 and older who is not on active duty in the Armed Forces or residing in prisons or homes for the aged
- **Labor Force** consists of people who are active in the labor market; either as employed workers or as unemployed job seekers
- **Labor Force Participation Rate (LFPR):** The labor force as a percent of civilian noninstitutional population

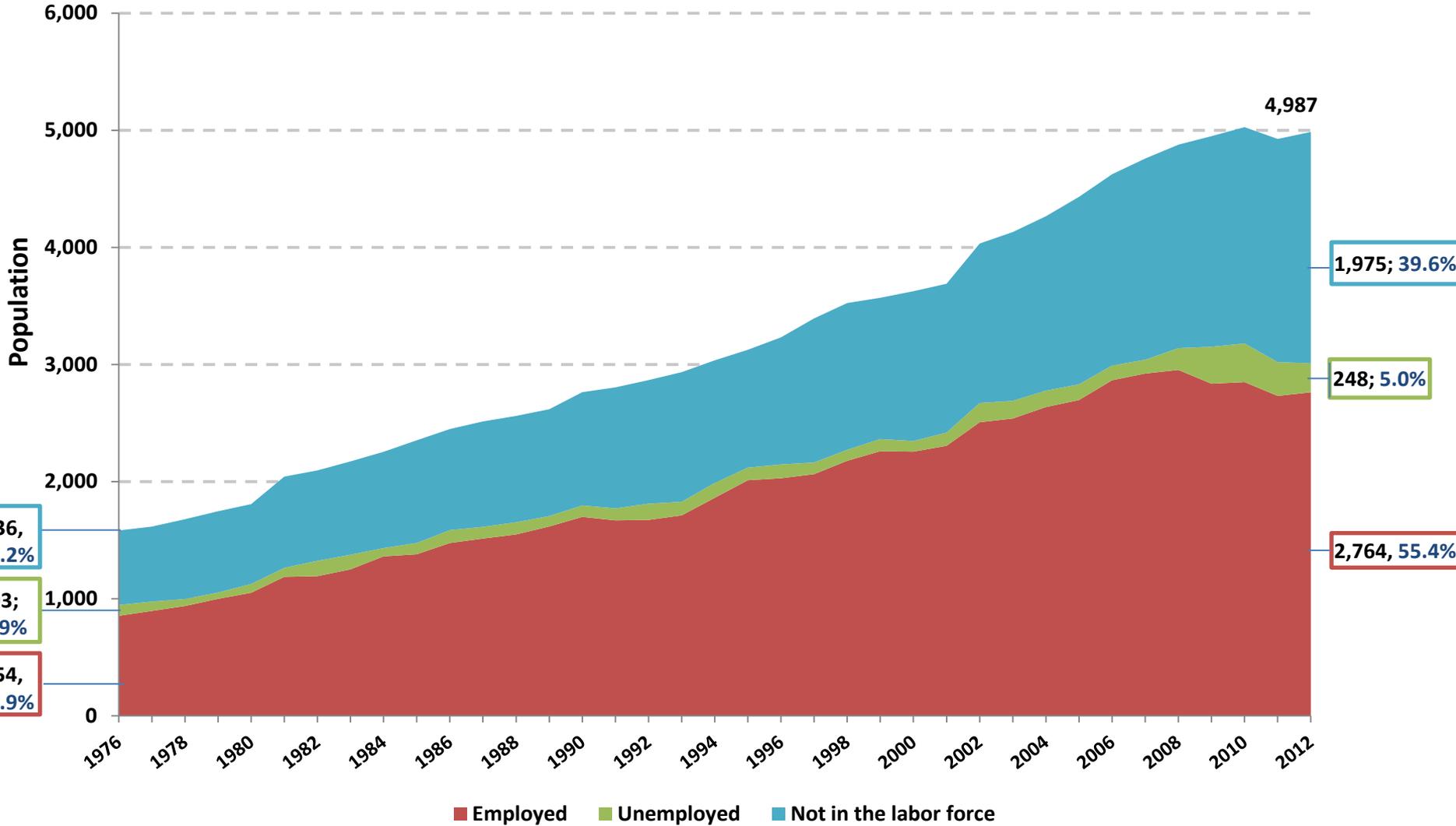
Arizona 2012 example

$$LFPR = \frac{\text{Labor Force}}{CNIP}$$

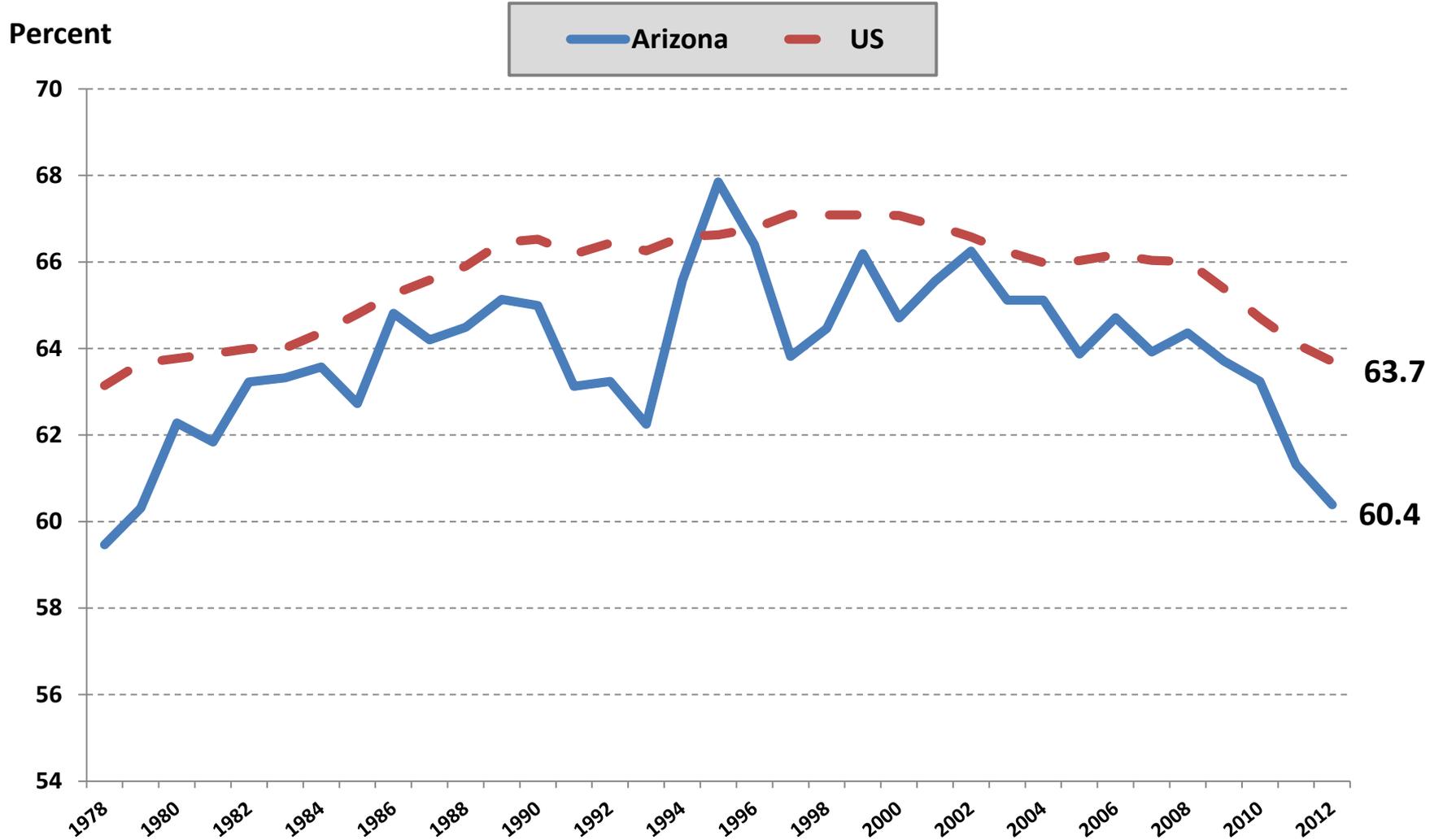
$$60.4\% = \frac{(2,764,000 + 248,000)}{4,987,000}$$

Civilian Noninstitutional Population by Employment Status, Not Seasonally Adjusted, 1976-2012

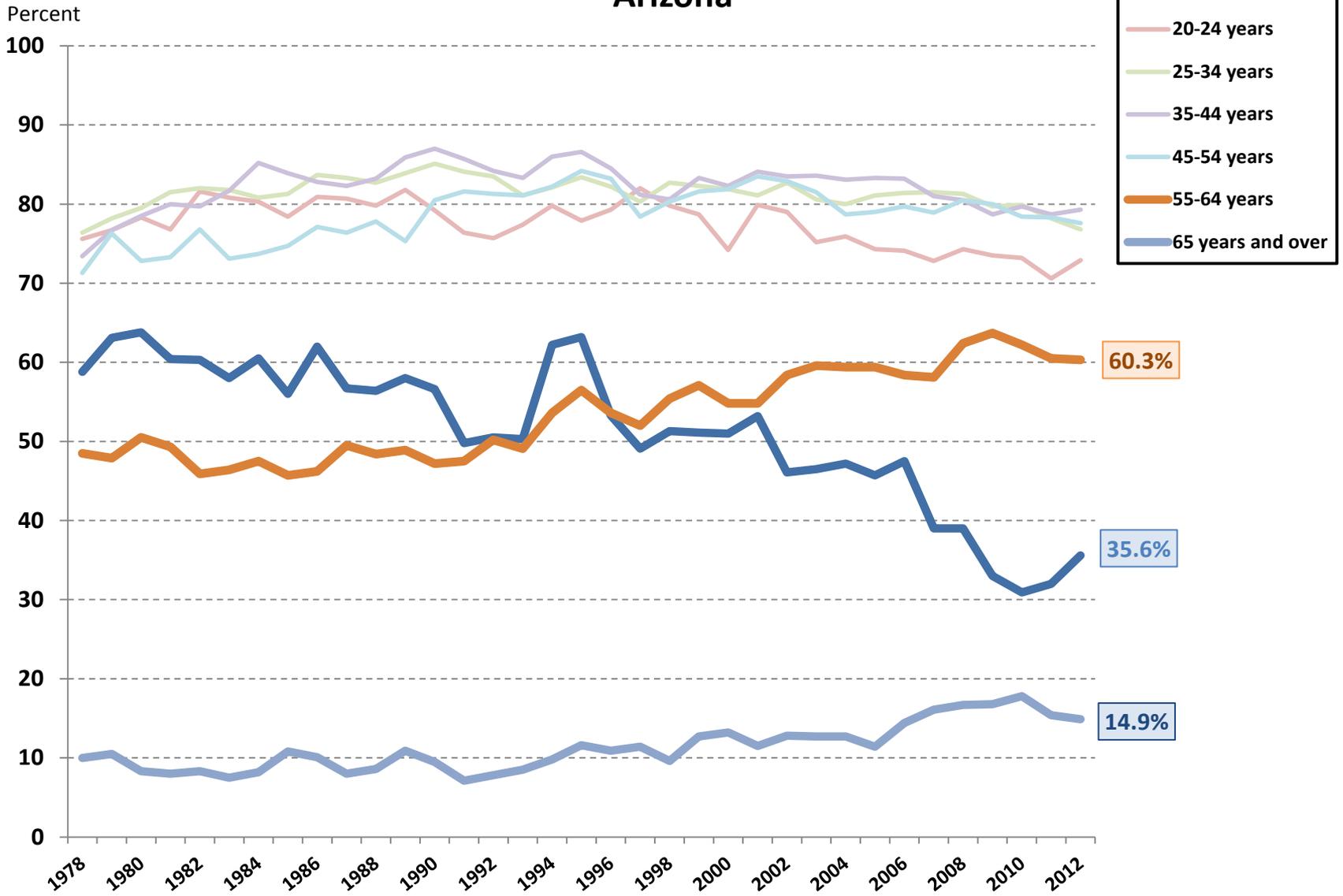
(In Thousands)



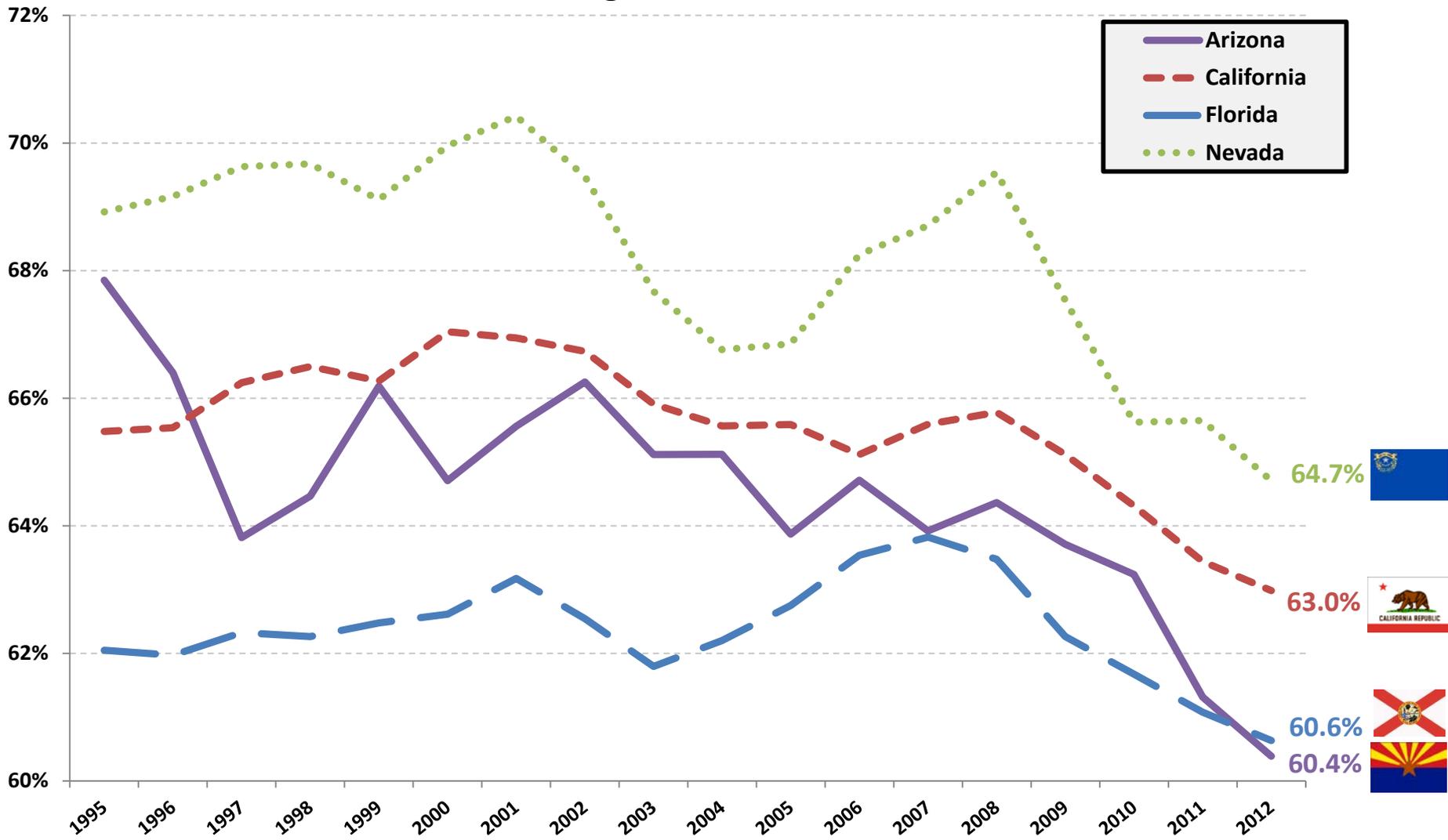
Labor Force Participation Rate 1978-2012



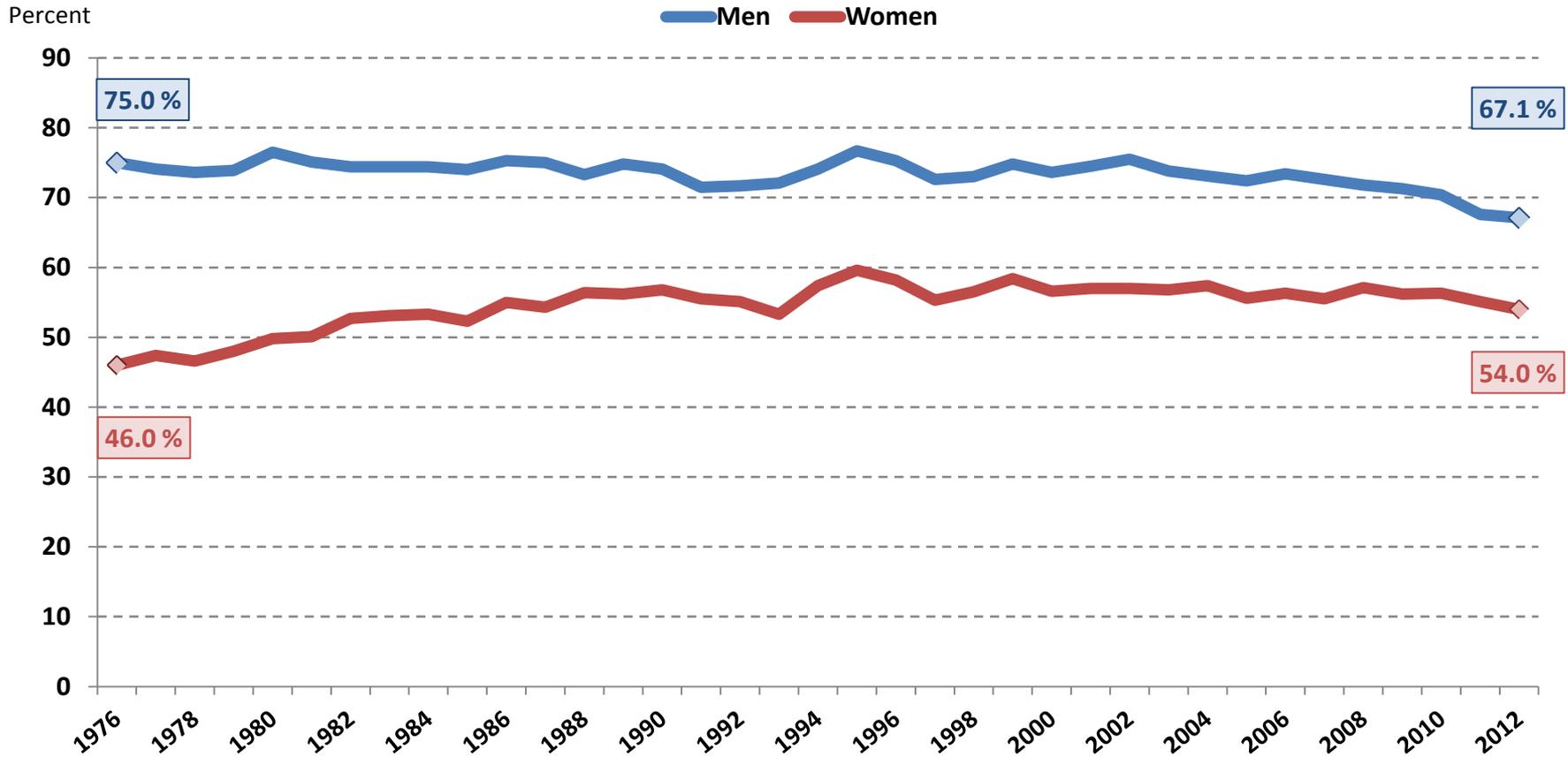
Civilian Labor Force Participation by Age Group Arizona



Labor Force Participation Rate Age 16-65+ 1995-2012



Labor Force Participation Rates by Gender

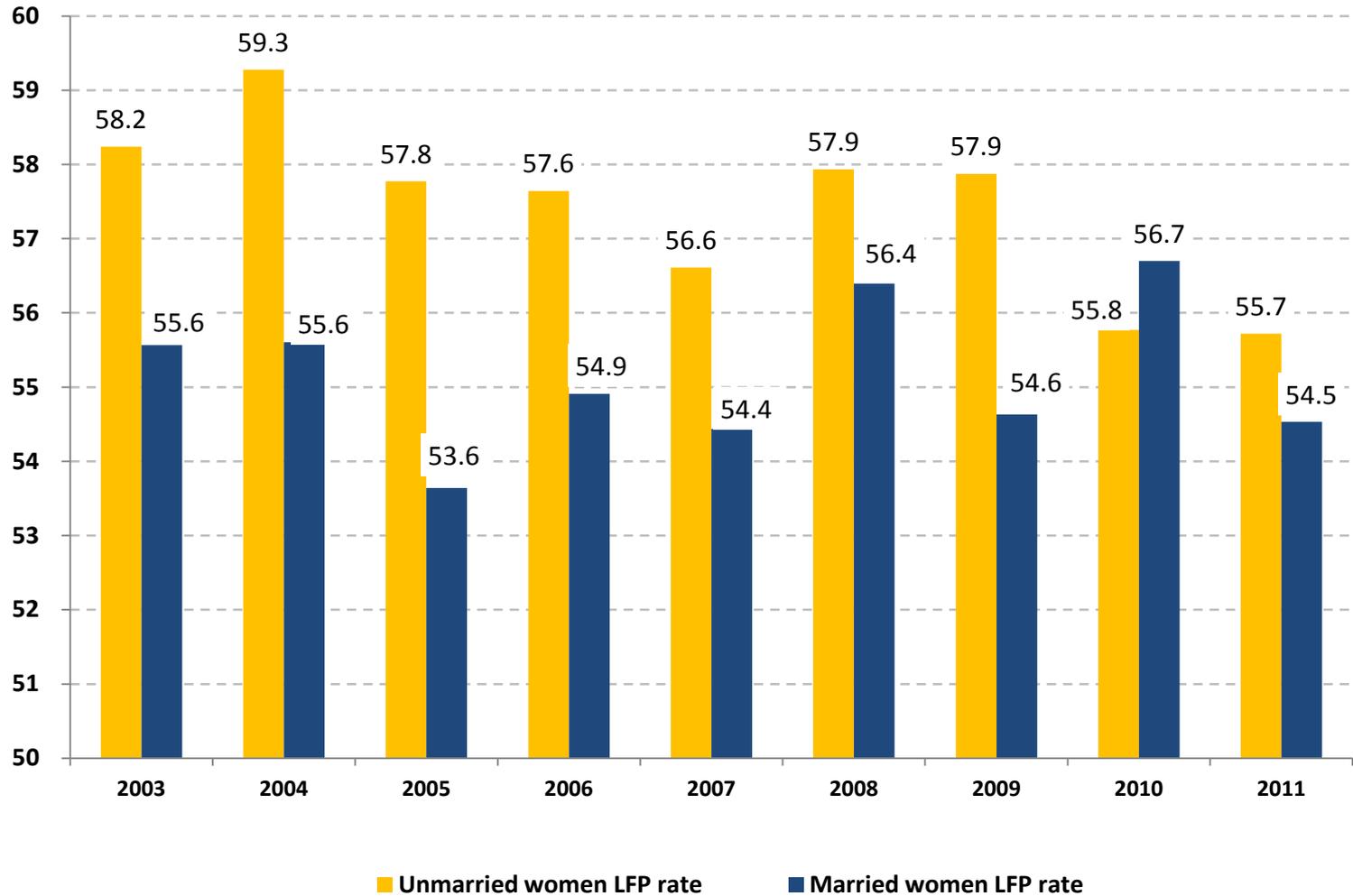


The LFPR Gap Between Sexes
Has Been Shrinking

Labor Force Participation Rate

Unmarried Women vs Married Women

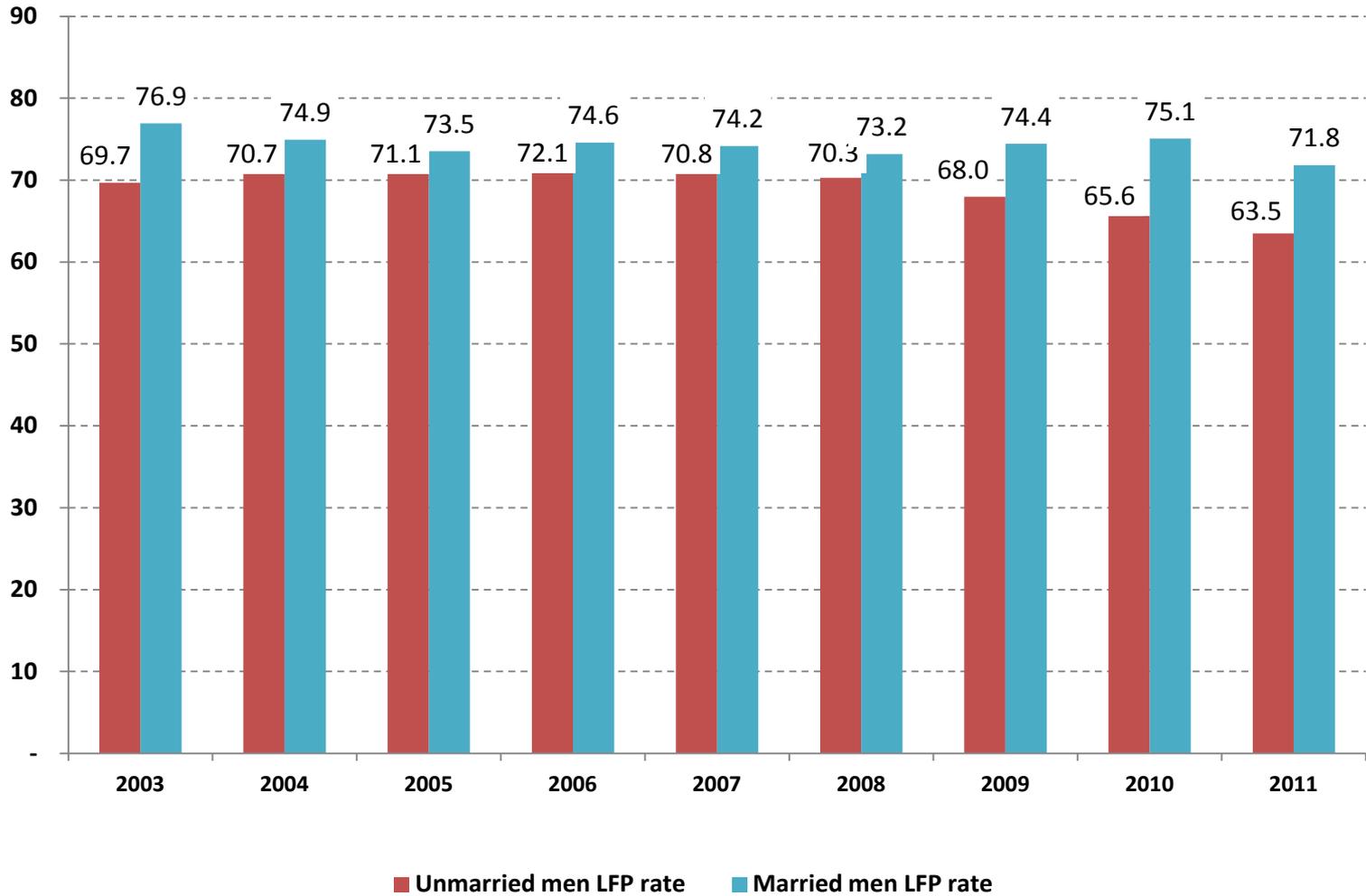
Percent



Labor Force Participation Rate

Unmarried Men vs Married Men

Percent





Industry Forecast

Employment Forecast

(In Thousands)

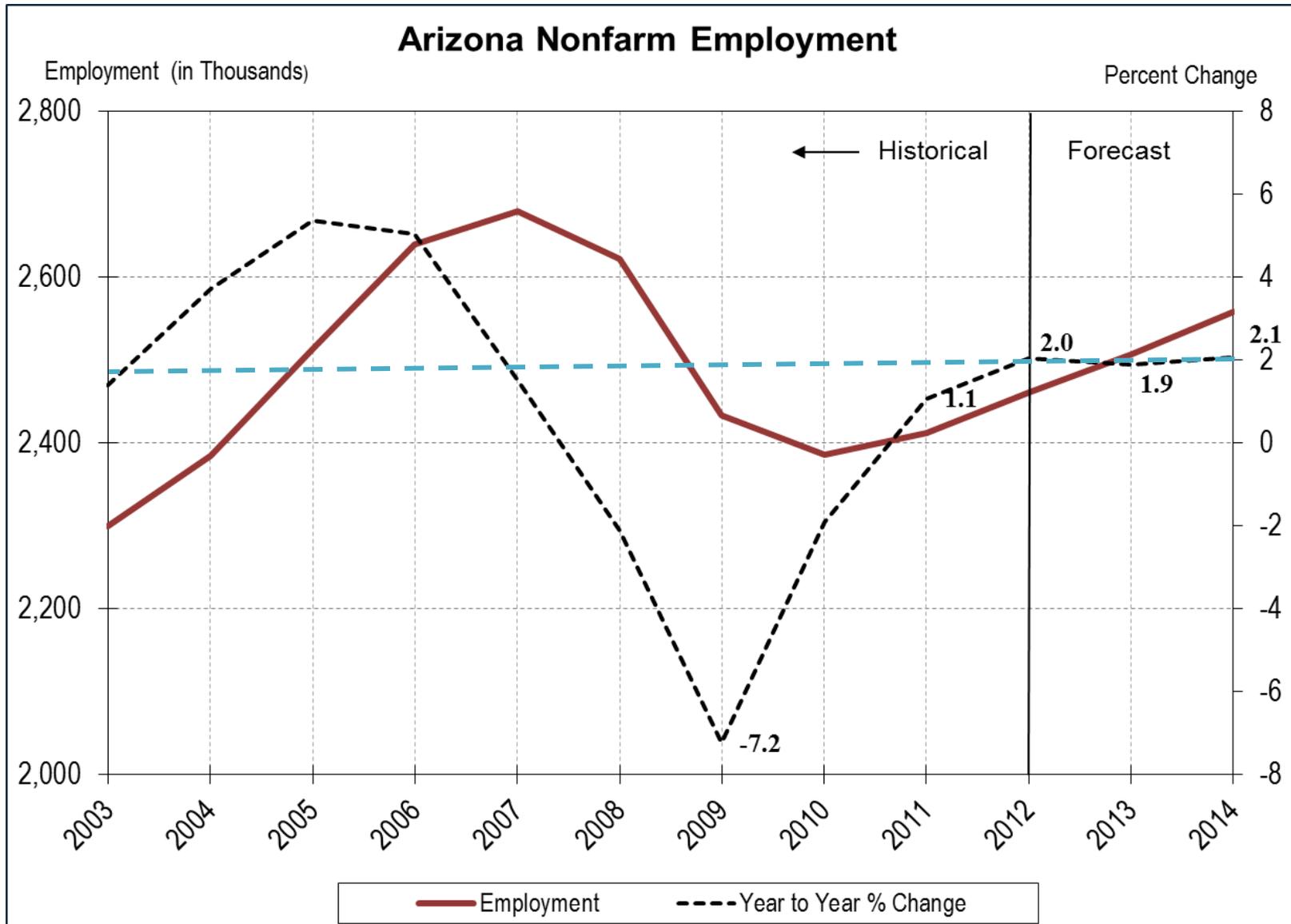
Arizona

	<u>Historical</u>			<u>Forecast</u>		
	2010	2011	2012	2013	2014	2020
Total Nonfarm	2385.8	2411.4	2460.3	2506.8	2558.6	2894.0
<i>Numerical Change</i>	-46.8	25.6	48.9	46.5	51.8	512.0
<i>Percent Change</i>	-1.9%	1.1%	2.0%	1.9%	2.1%	21.5%

✓ Nonfarm jobs gains of 46,500 in 2013 and 51,800 in 2014 is forecast. A total of 98,300 jobs are forecast to be gained over the two year period (2012-2014)

✓ OTY Nonfarm employment growth rate of 1.9% in 2013 and 2.1% in 2014 is forecast

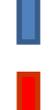
Nonfarm job gains will continue to grow in 2013 and 2014



Over the year gain of 46,500 in 2013 and 51,800 in 2014

Arizona Employment Forecast

(In Thousands)

	Historical			Forecast	
	2010	2011	2012	2013	2014
 Manufacturing	148.5	150.5	155.2	158.1	160.0
<i>Numerical Change</i>	-5.3	2.0	4.7	2.9	1.9
<i>Percent Change</i>	-3.4%	1.3%	3.1%	1.9%	1.2%
 Natural Resources & Mining	10.9	11.6	12.7	13.3	13.6
<i>Numerical Change</i>	-0.2	0.7	1.1	0.6	0.3
<i>Percent Change</i>	-1.8%	6.4%	9.5%	5.1%	2.1%
 Construction	111.5	110.9	115.7	122.4	127.9
<i>Numerical Change</i>	-17.2	-0.6	4.8	6.7	5.5
<i>Percent Change</i>	-13.4%	-0.5%	4.3%	5.8%	4.5%
 Trade, Transportation, & Utilities	467.8	473.1	478.5	484.8	492.8
<i>Numerical Change</i>	-10.6	5.3	5.4	6.3	8.0
<i>Percent Change</i>	-2.2%	1.1%	1.1%	1.3%	1.7%
 Information	36.4	37.0	38.2	38.9	39.5
<i>Numerical Change</i>	-1.6	0.6	1.2	0.7	0.6
<i>Percent Change</i>	-4.2%	1.6%	3.2%	1.8%	1.7%
 Financial Activities	167.6	171.3	176.5	182.3	187.6
<i>Numerical Change</i>	-2.5	3.7	5.2	5.8	5.3
<i>Percent Change</i>	-1.5%	2.2%	3.0%	3.3%	2.9%
 Professional & Business Services	339.8	345.9	354.4	360.6	369.1
<i>Numerical Change</i>	-6.3	6.1	8.5	6.2	8.5
<i>Percent Change</i>	-1.8%	1.8%	2.5%	1.8%	2.4%
 Educational & Health Services	344.8	355.9	366.2	371.9	380.5
<i>Numerical Change</i>	10.9	11.1	10.3	5.7	8.6
<i>Percent Change</i>	3.3%	3.2%	2.9%	1.5%	2.3%
 Leisure & Hospitality	253.9	259.3	266.7	274.6	284.8
<i>Numerical Change</i>	-2.1	5.4	7.4	7.9	10.2
<i>Percent Change</i>	-0.8%	2.1%	2.9%	3.0%	3.7%
 Other Services	88.2	87.9	85.6	85.2	85.2
<i>Numerical Change</i>	-5.2	-0.3	-2.3	-0.4	0.0
<i>Percent Change</i>	-5.6%	-0.3%	-2.6%	-0.5%	0.0%
 Government	416.3	408.1	410.7	414.6	417.5
<i>Numerical Change</i>	-6.7	-8.2	2.6	3.9	2.9
<i>Percent Change</i>	-1.6%	-2.0%	0.6%	1.0%	0.7%

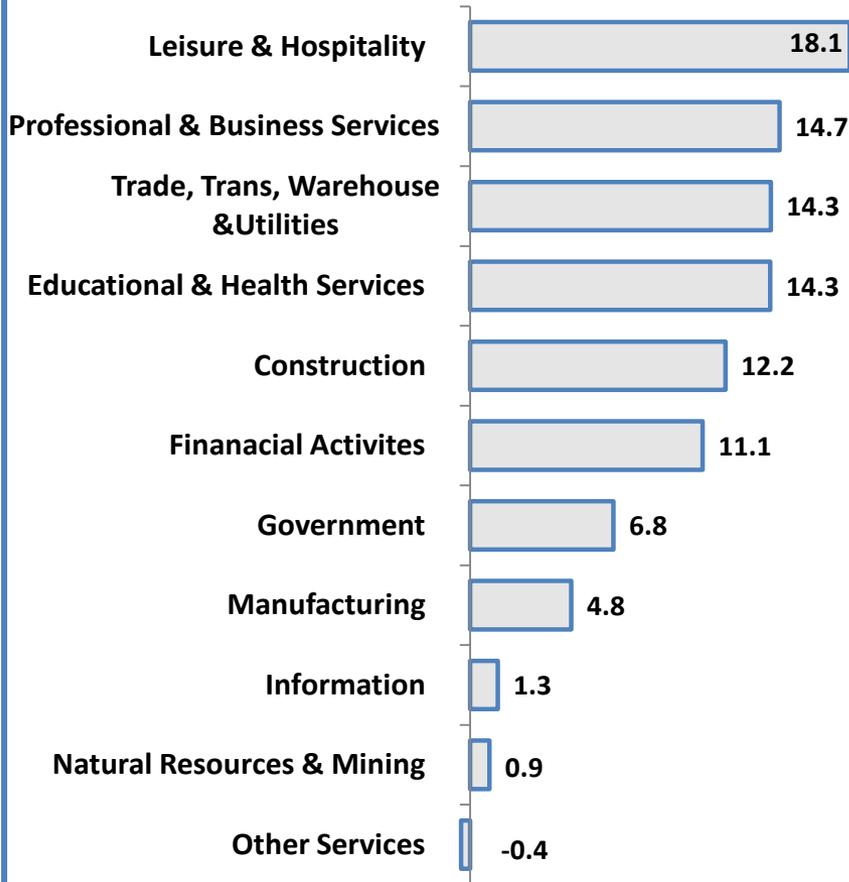
✓ Ten of eleven sectors are forecast to add jobs over the two-year period, one to have losses

✓ Leisure and Hospitality will add the largest number of Nonfarm jobs (18,100) over the two-year period

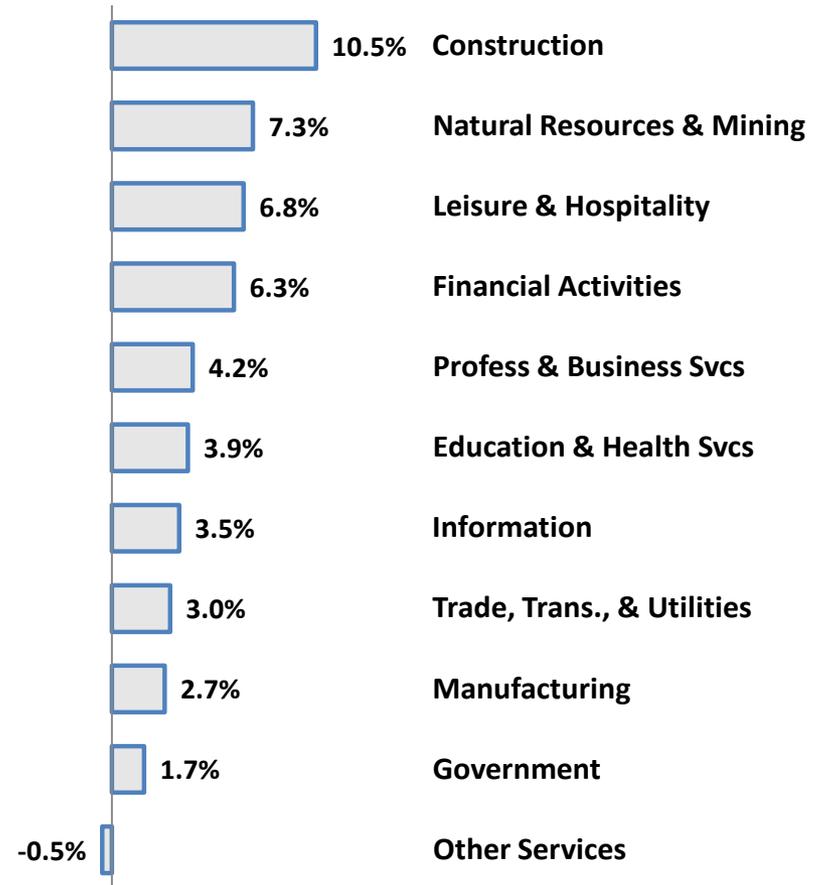
✓ Construction is expected to have the largest percentage gain of Nonfarm jobs (12,200 jobs or 10.5%) over the two-year period

✓ Professional and Business Services (PBS) (14,700 or 4.2%), Trade, Transportation, and Utilities (TTU) (14,300 or 3.0%), and Educational and Health Services (EHS) (14,300 or 3.9%) are also expected to have large growth

2012-2014 Job Gains by Sector Employment Level



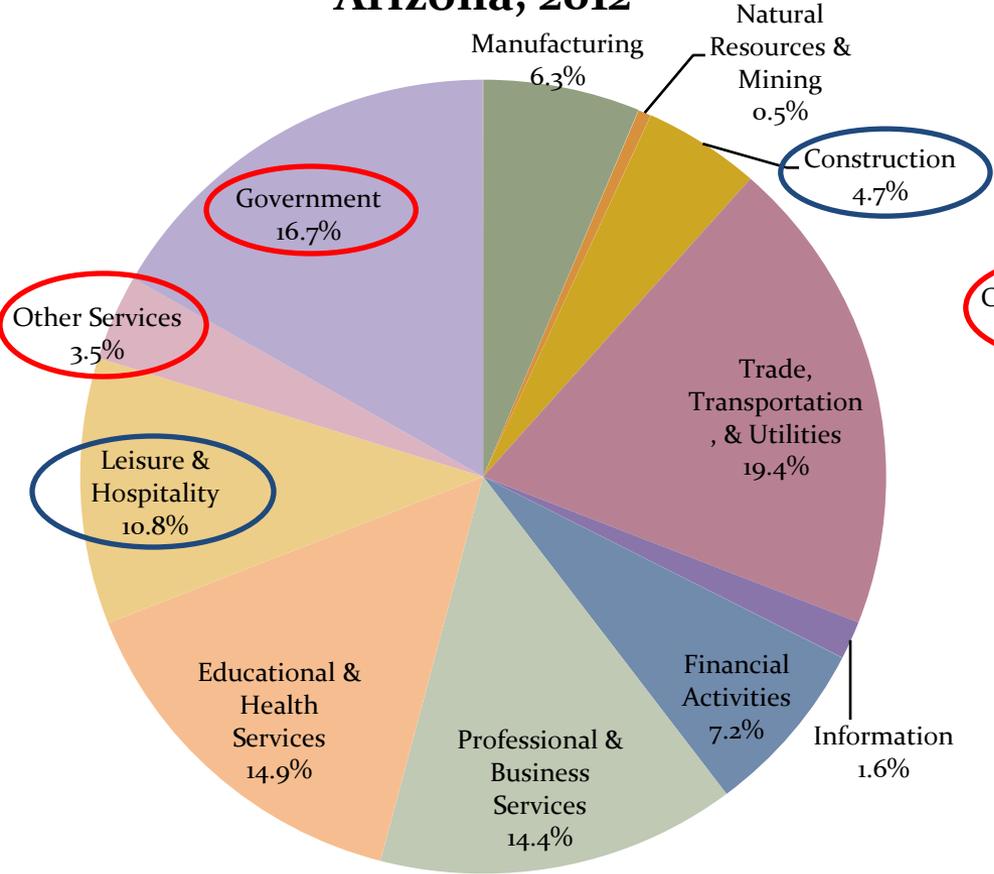
2012 to 2014 Job Gains by Sector Percentage



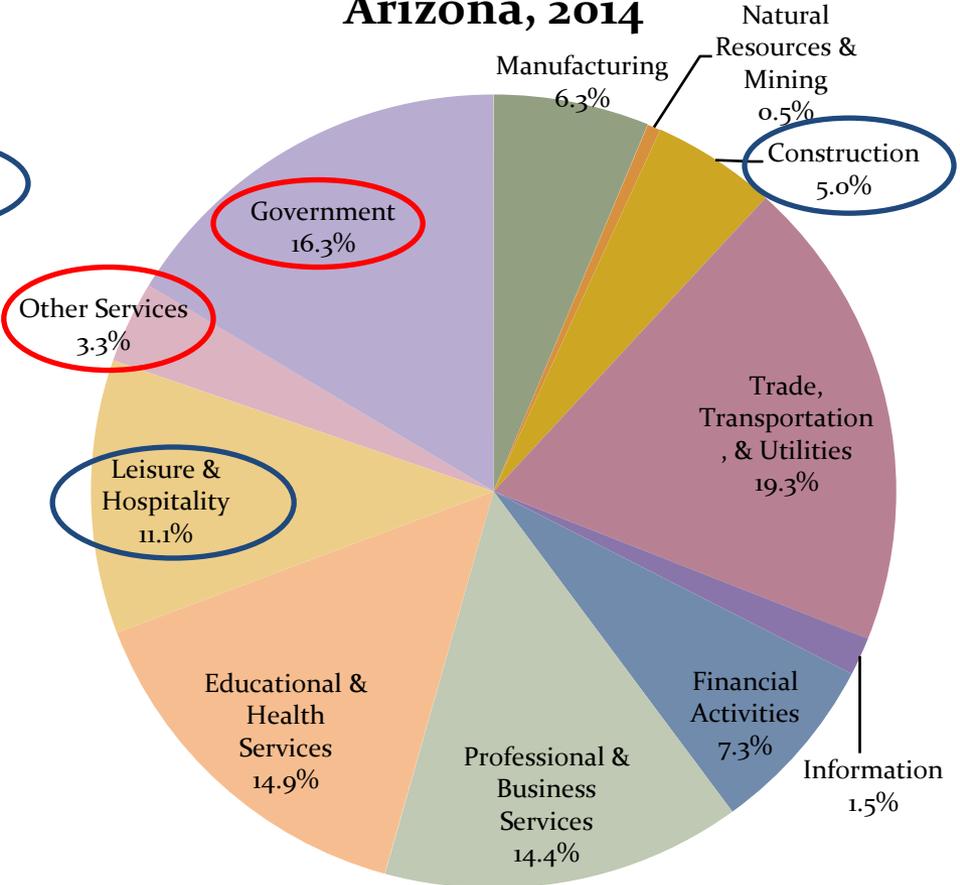
Largest job gains in Leisure & Hospitality
Largest Rate of Growth in Construction

Share of Nonfarm Employment by Industry

Arizona, 2012



Arizona, 2014



OTY growth rate for Nonfarm employment slightly faster in Phoenix and slower in Tucson and Balance of State

Total Nonfarm Employment			
Annual Average Growth Rate			
	2012^(a)	2013^(b)	2014^(b)
Arizona	2.0%	1.9%	2.1%
Phoenix MSA ¹	2.4%	2.3%	2.4%
Tucson MSA ²	1.5%	0.8%	1.1%
Balance of State	0.6%	0.8%	1.3%

1) Maricopa and Pinal counties
 2) Pima County
 3) Arizona less Maricopa, Pinal and Pima counties
 a) Historical
 b) Forecast

**Slightly
Faster
Growth**

**Slower
Growth**

Employment Forecast

(In Thousands)

Phoenix MSA

	<u>Historical</u>			<u>Forecast</u>		
	2010	2011	2012	2013	2014	2020
Total Nonfarm	1690.4	1715.6	1757.1	1797.9	1841.1	2080.9
<i>Numerical Change</i>	-33.1	25.2	41.5	40.8	43.2	39.2
<i>Percent Change</i>	-1.9%	1.5%	2.4%	2.3%	2.4%	23.2%

✓ Nonfarm jobs gains of 40,800 in 2013 and 43,200 in 2014 is forecast. A total of 84,000 jobs are forecast to be gained over the two year period (2012-2014)

✓ OTY Nonfarm employment growth rate of 2.3% in 2013 and 2.4% in 2014 is forecast

Phoenix-Mesa-Glendale* MSA Employment Forecast

(In Thousands)

	Historical			Forecast	
	2010	2011	2012	2013	2014
↑ Manufacturing	110.7	112.8	117.0	119.8	121.5
Numerical Change	-4.2	2.1	4.2	2.8	1.7
Percent Change	-3.7%	1.9%	3.7%	2.4%	1.4%
↑ Natural Resources & Mining	3.0	3.3	3.7	4.0	4.0
Numerical Change	-0.1	0.3	0.4	0.3	0.1
Percent Change	-3.2%	10.0%	12.1%	7.0%	2.0%
↑ Construction	82.4	83.1	87.8	93.1	97.7
Numerical Change	-13.6	0.7	4.7	5.3	4.6
Percent Change	-14.2%	0.8%	5.7%	6.0%	4.9%
↑ Trade, Transportation, & Utilities	345.9	350.1	356.8	363.8	371.4
Numerical Change	-8.4	4.2	6.7	7.0	7.5
Percent Change	-2.4%	1.2%	1.9%	2.0%	2.1%
↑ Information	27.4	28.4	29.5	30.2	30.9
Numerical Change	-1.5	1.0	1.1	0.7	0.7
Percent Change	-5.2%	3.6%	3.9%	2.5%	2.2%
↑ Financial Activities	138.9	143.0	147.6	152.6	157.2
Numerical Change	-2.0	4.1	4.6	5.0	4.7
Percent Change	-1.4%	3.0%	3.2%	3.4%	3.1%
↑ Professional & Business Services	270.7	276.4	283.7	290.1	297.8
Numerical Change	-4.3	5.7	7.3	6.4	7.7
Percent Change	-1.6%	2.1%	2.6%	2.2%	2.7%
↑ Educational & Health Services	239.1	247.6	255.1	259.8	266.1
Numerical Change	10.5	8.5	7.5	4.7	6.3
Percent Change	4.6%	3.6%	3.0%	1.8%	2.4%
↑ Leisure & Hospitality	173.4	177.8	183.0	188.3	195.5
Numerical Change	-1.1	4.4	5.2	5.3	7.2
Percent Change	-0.6%	2.5%	2.9%	2.9%	3.8%
↑ Other Services	64.0	63.9	61.9	61.9	62.0
Numerical Change	-4.2	-0.1	-2.0	0.0	0.1
Percent Change	-6.2%	-0.2%	-3.1%	0.0%	0.2%
↑ Government	234.8	229.2	230.9	234.4	237.1
Numerical Change	-4.4	-5.6	1.7	3.5	2.7
Percent Change	-1.8%	-2.4%	0.7%	1.5%	1.2%

✓ All eleven sectors in the Phoenix MSA are forecast to add jobs over the two-year period

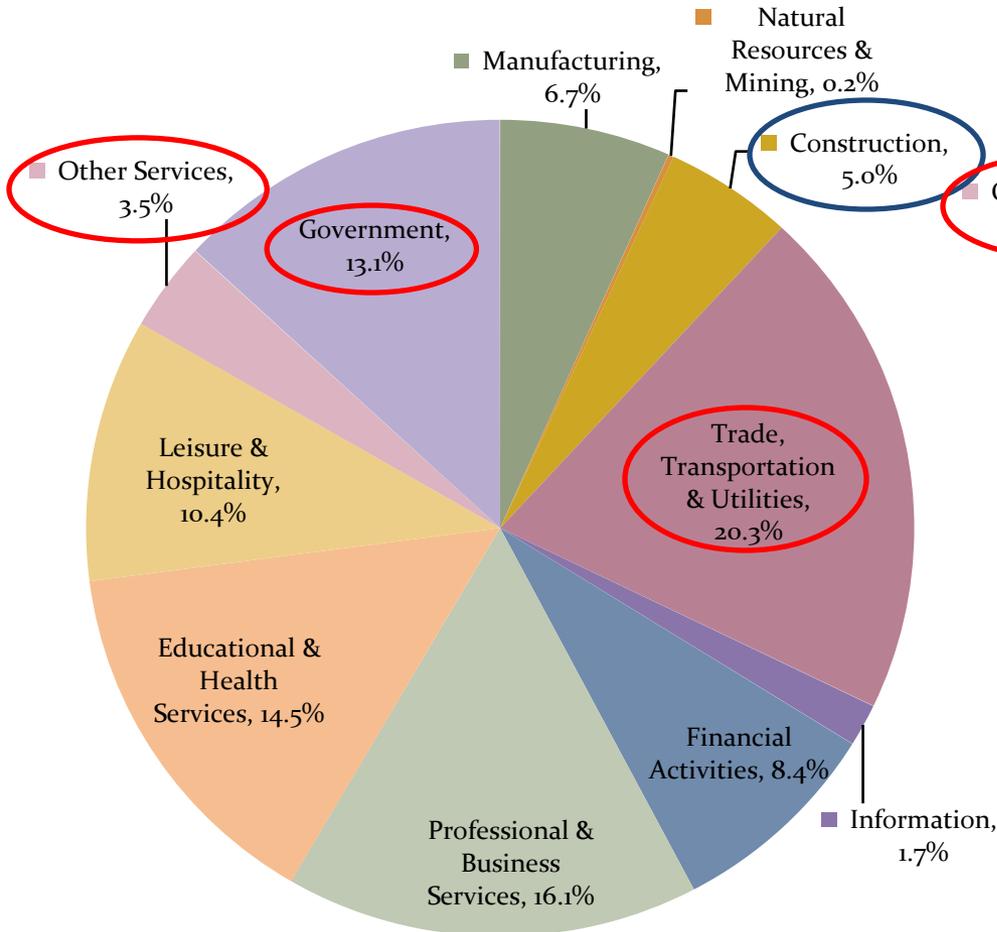
✓ Trade, Transportation, & Utilities will add the largest number of Nonfarm jobs (14,500) over the two-year period

✓ Construction is expected to have the largest percentage gain of Nonfarm jobs (9,900 jobs or 11.2%) over the two-year period

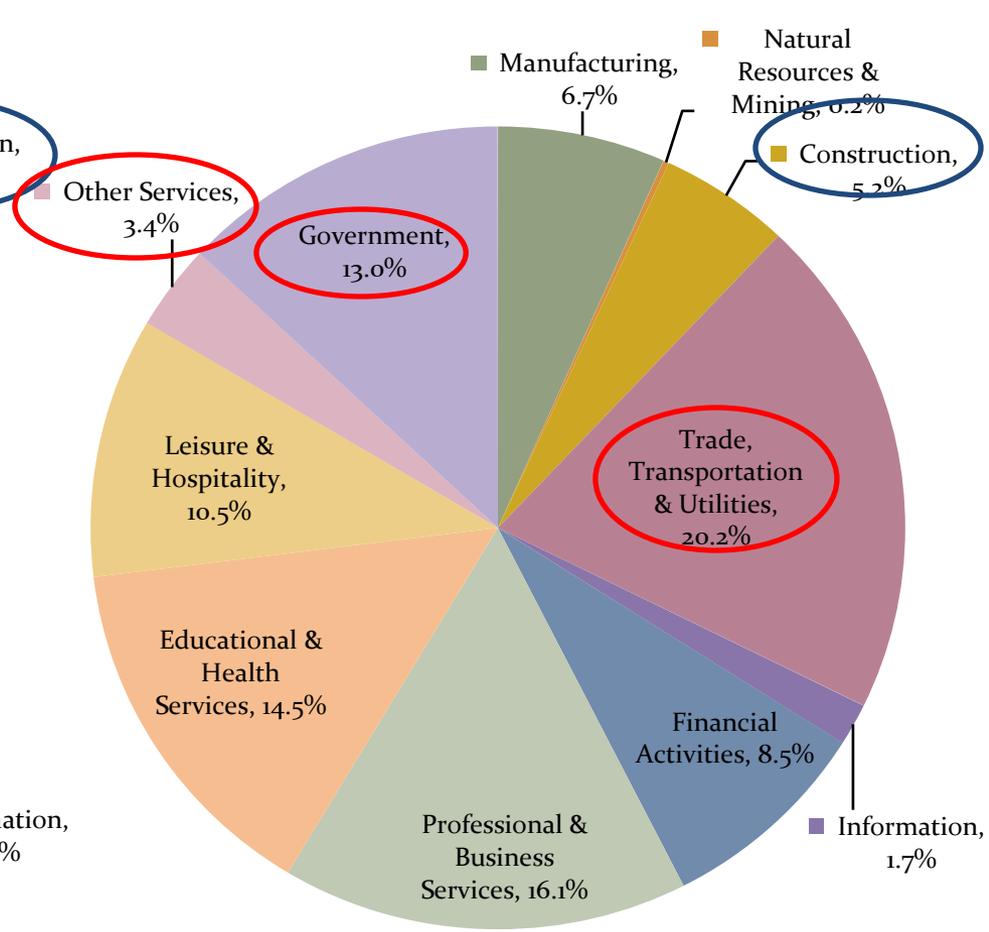
✓ Professional & Business Services (14,100 jobs), Leisure & Hospitality (12,500 jobs), and Educational & Health Services (11,000 jobs), are also expected to grow over the two-year period

Major Sector Share of Employment

Phoenix-Mesa-Glendale MSA, 2012



Phoenix-Mesa-Glendale MSA, 2014





Occupational Trends & Forecast

Occupation Classification

- While industry employment estimates are categorized by what an industry (aggregation of firms) does, the occupational estimates are categorized by what the worker does
- Occupation projections are produced using industry projections
 - Staffing Patterns within each industry, in conjunction with industry projections, are used to create occupation projections

Short-Term Projections

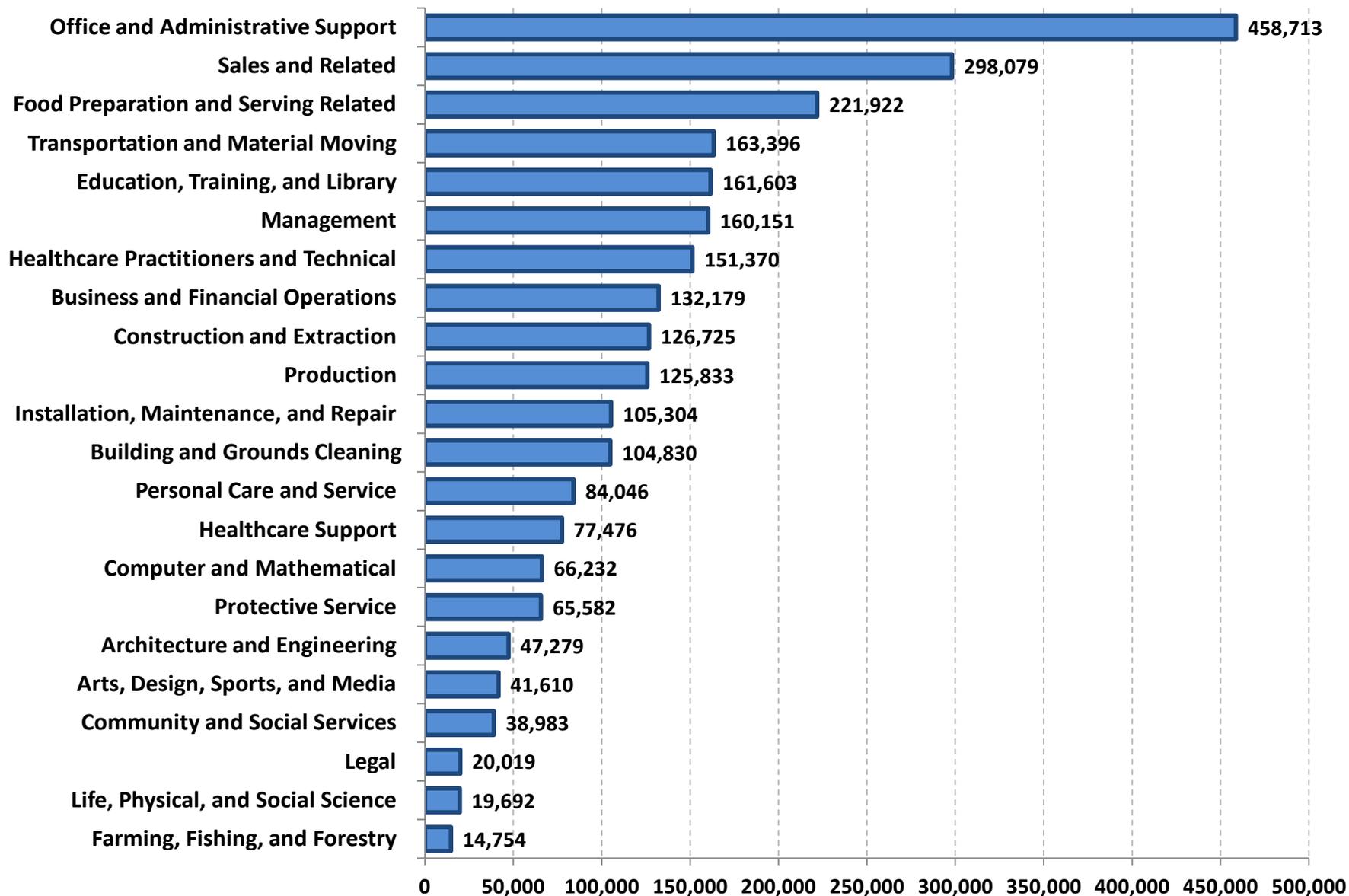
- Annual Publication
- Two-Year Period (2011-2013)

Long-Term Projections

- Biannual Publication
- Ten-Year Period (2010-2020)

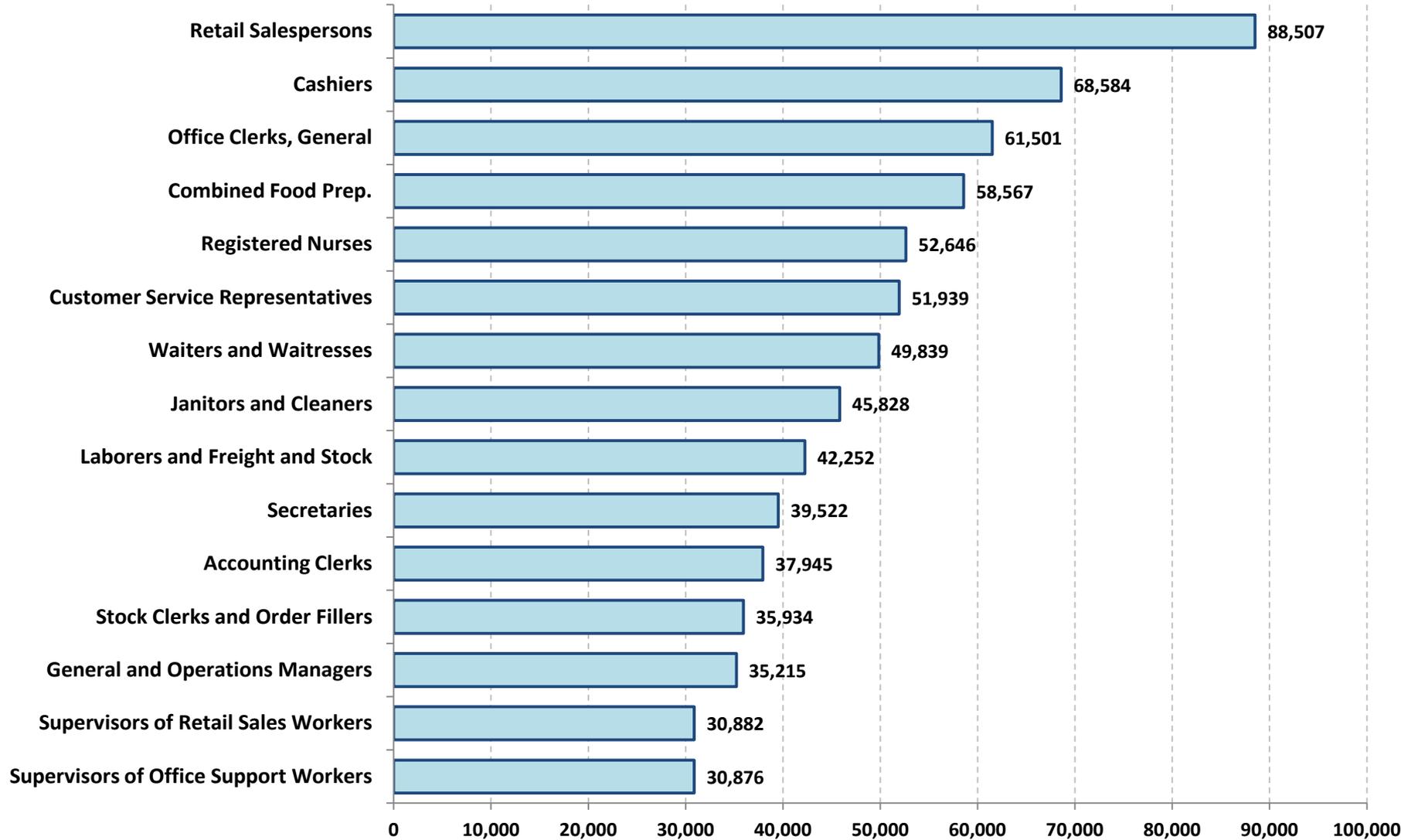
Major Occupational Groups

Arizona, 2012 Total Employment



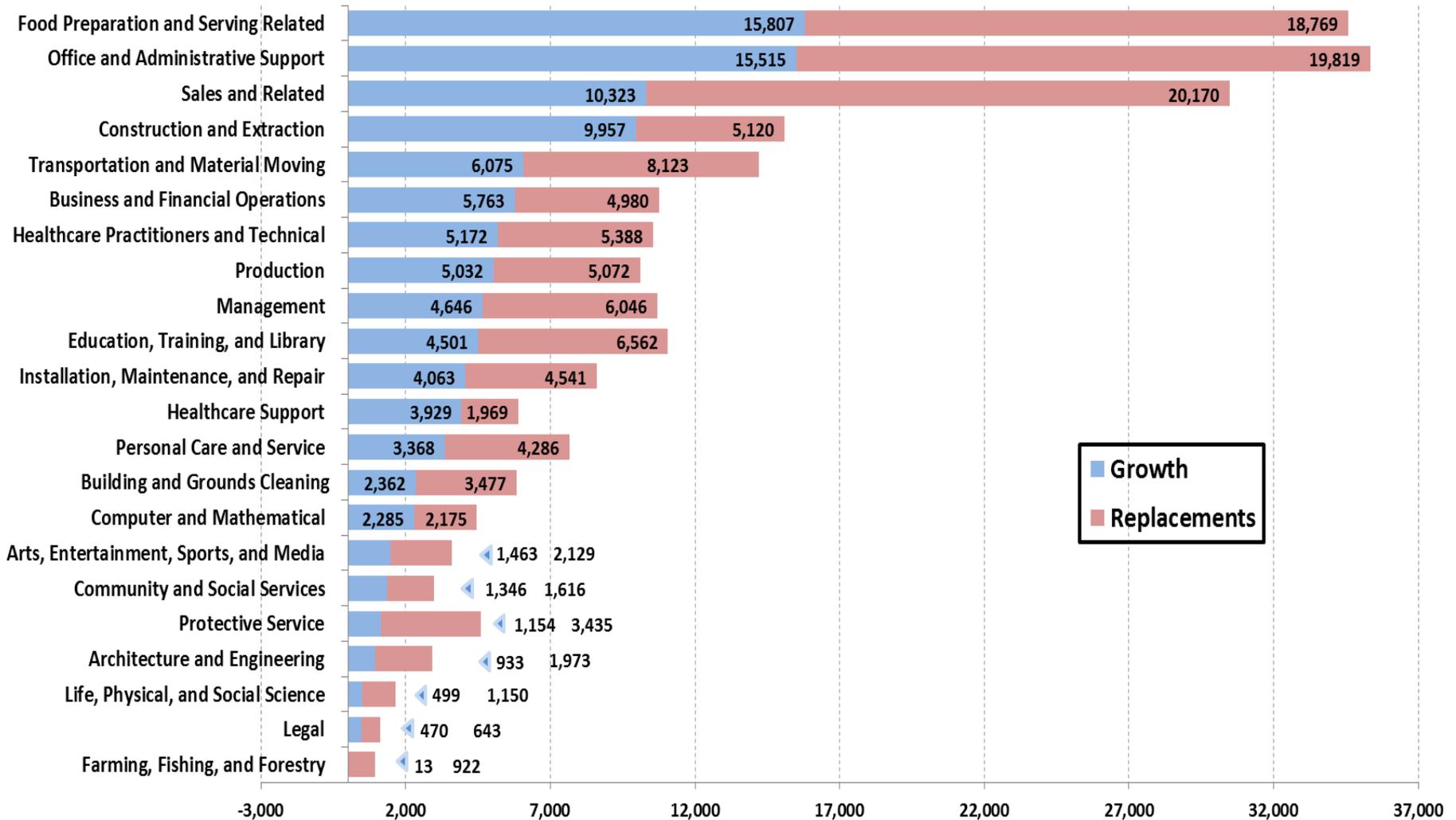
Detailed Occupational Groups (15 Largest)

Arizona, 2012, Total Employment



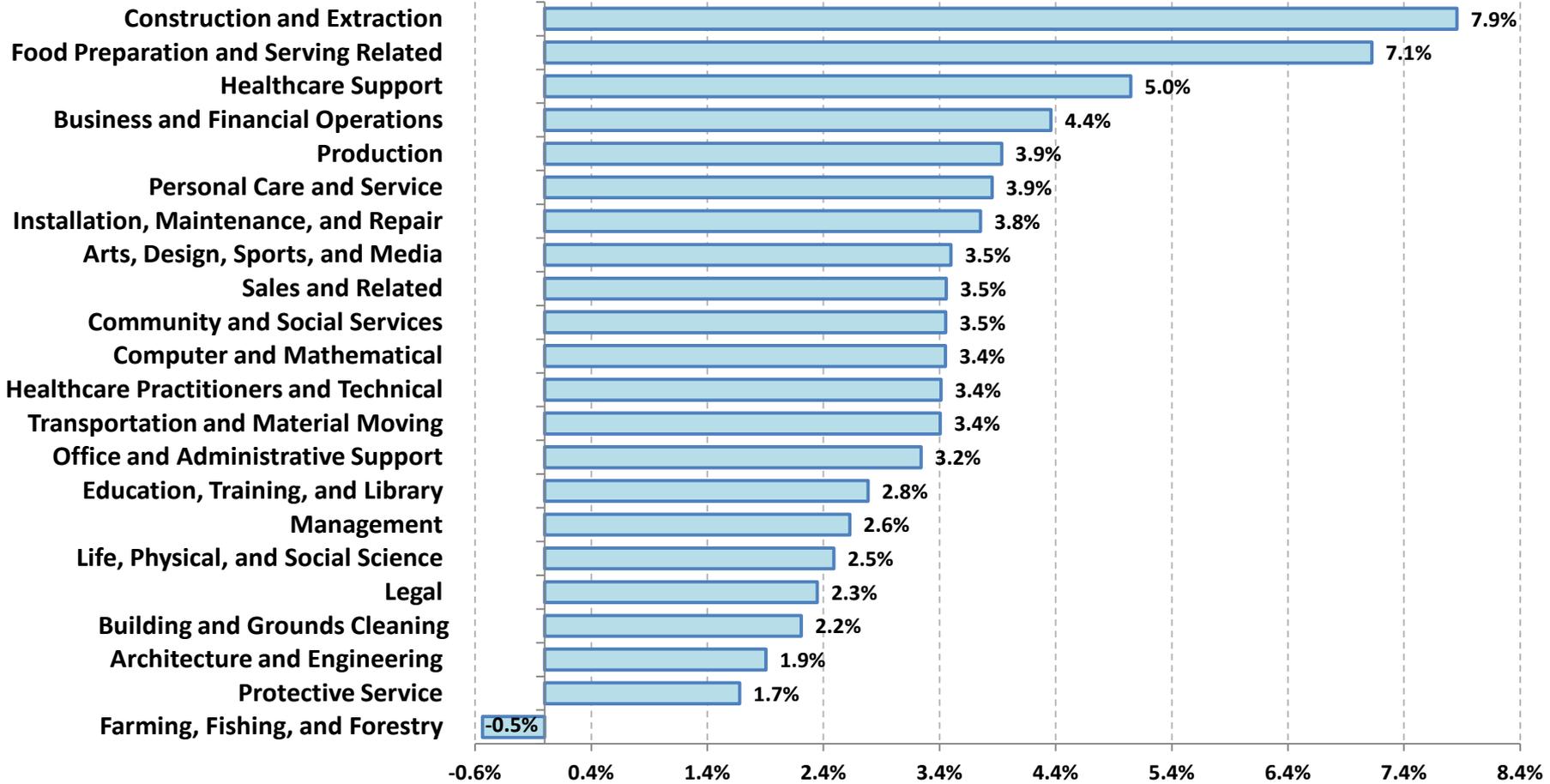
Major Occupations Ranked by Total Openings (growth vs replacement)

Arizona, 2012-1014



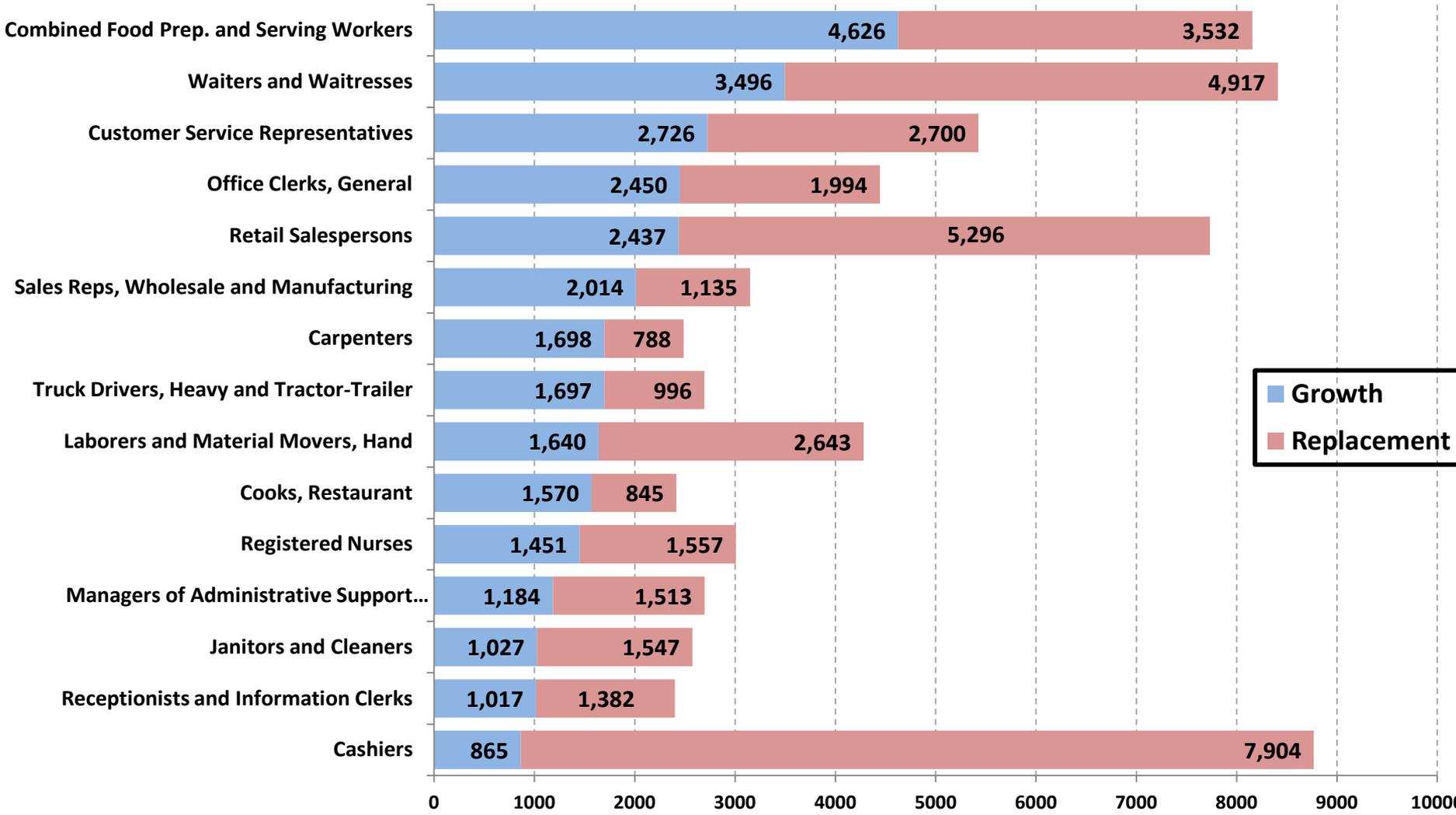
Major Occupations Ranked by Growth Rate

Arizona, 2012-2014



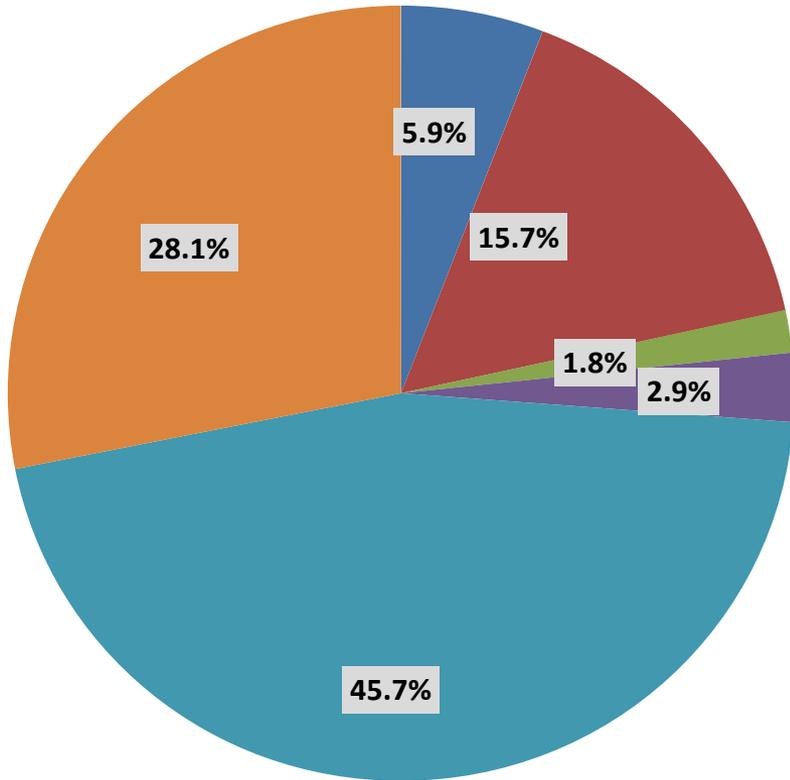
Detailed Occupations Ranked by Total Openings (growth vs replacement)

Arizona, 2012-2014

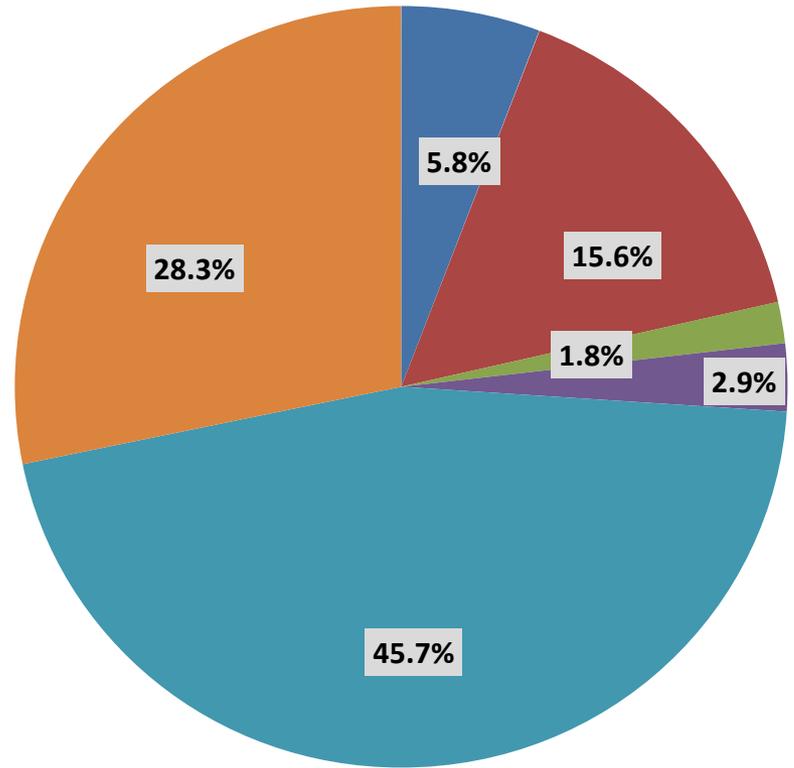


Employment Share by Minimum Education Requirement

Arizona 2012



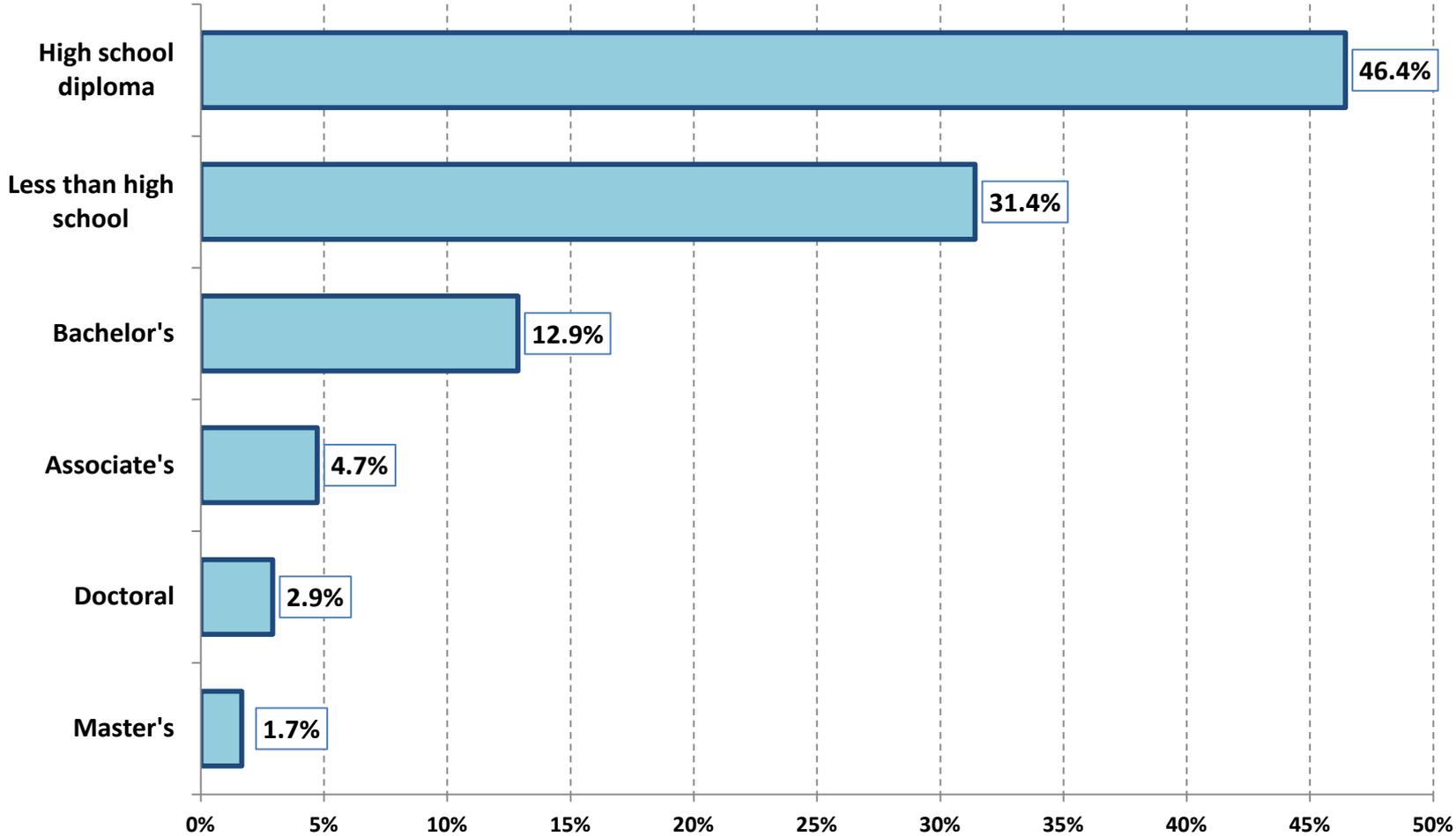
Arizona 2014



■ Associate's ■ Bachelor's ■ Master's ■ Doctoral ■ High school diploma ■ Less than high school

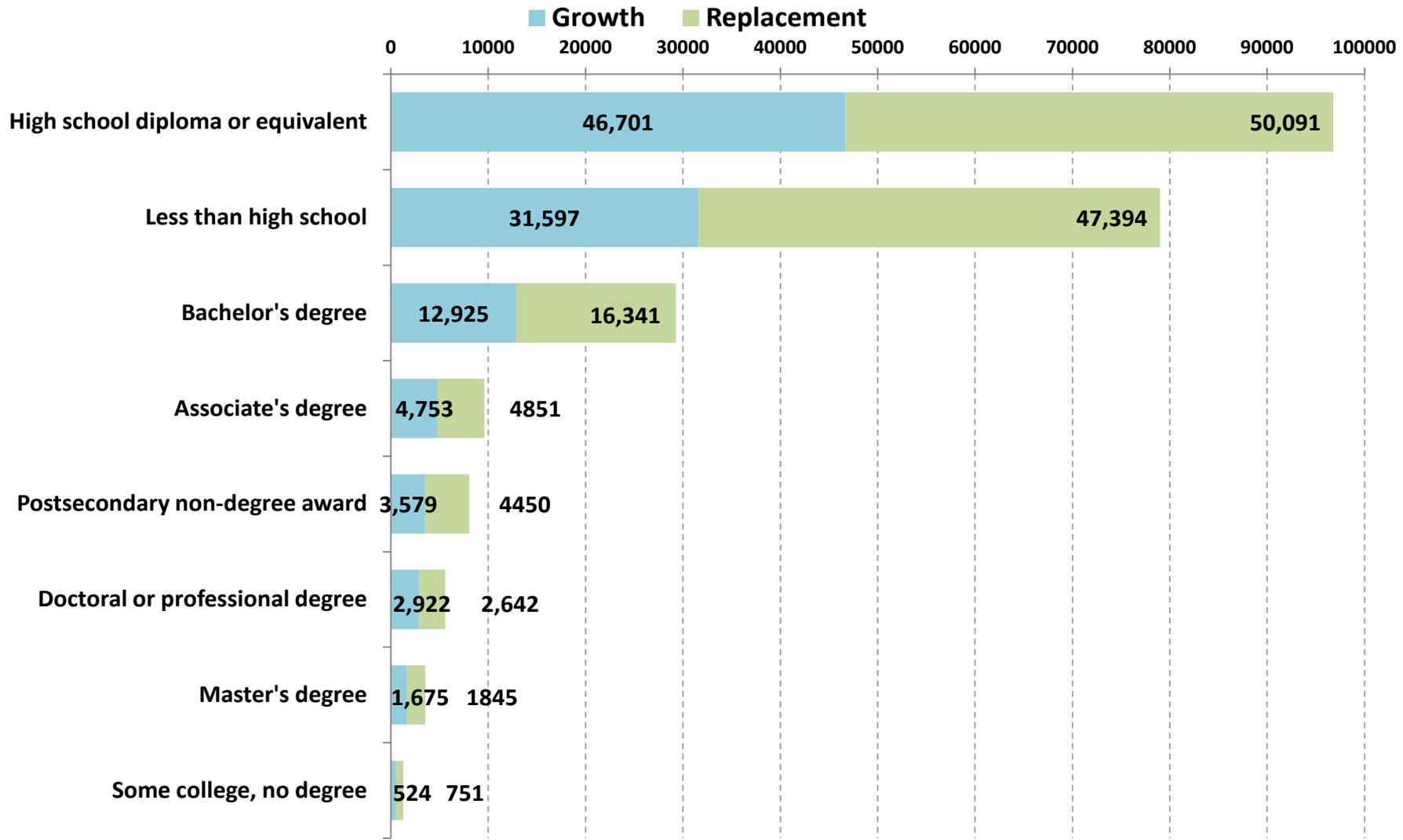
Share of All Openings by Educational Requirement

Arizona, 2012-2014



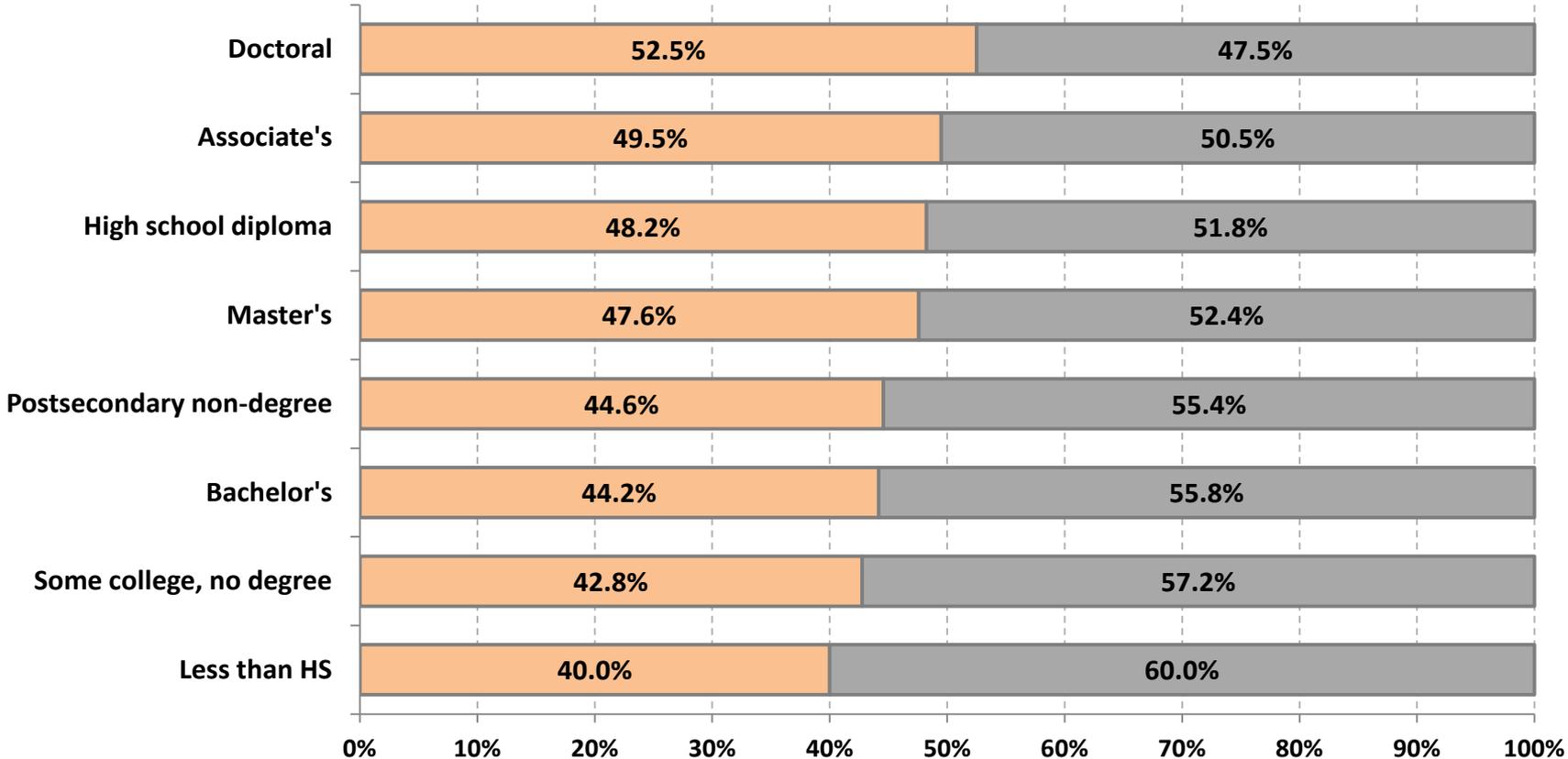
Openings by Educational Requirement

Arizona, 2012-2014



Openings by Minimum Education Requirement (growth vs replacement) Arizona, 2012-2014

■ Growth ■ Replacement

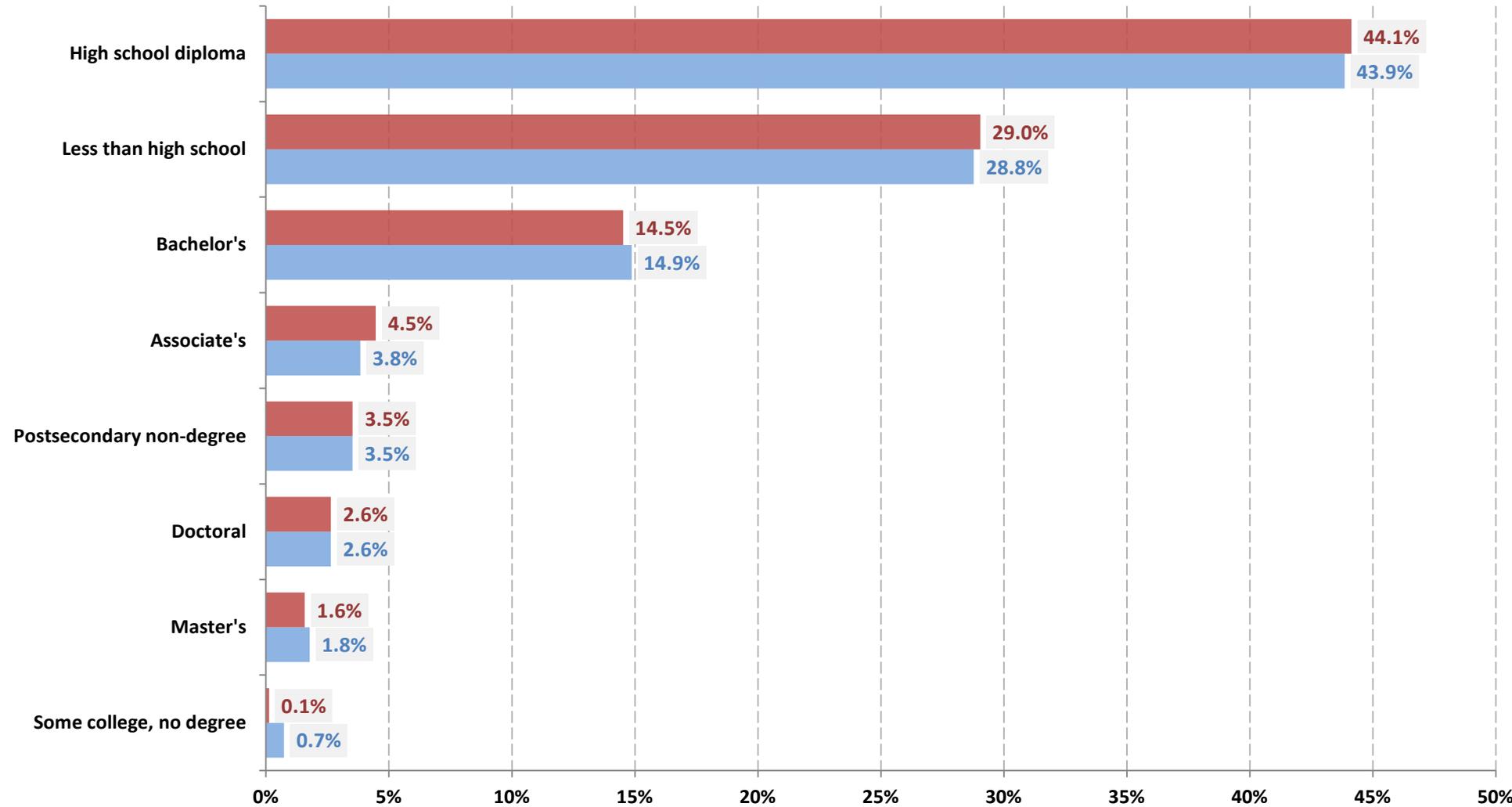


Employment Share by Education Requirement

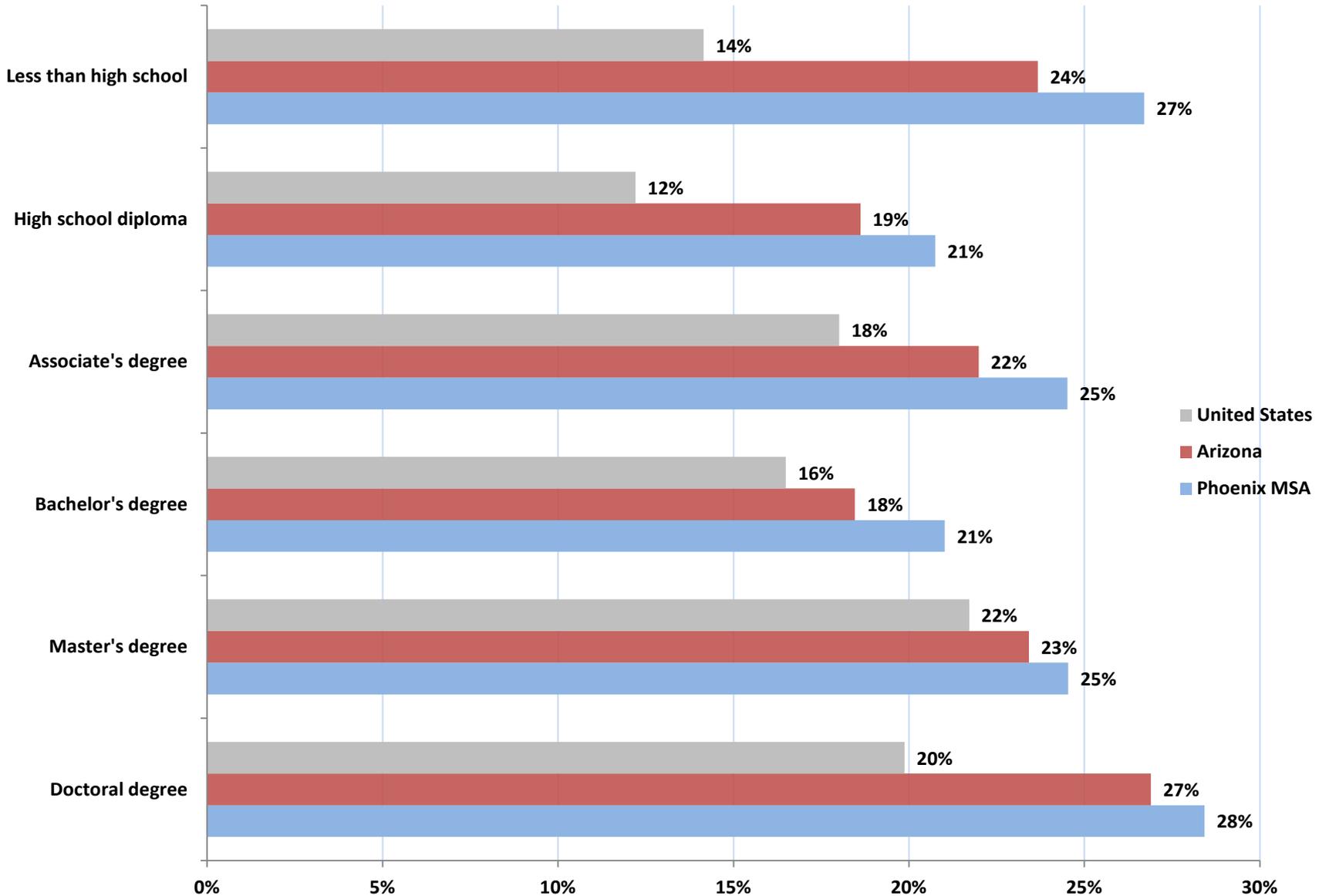
2012 OES Annual Estimates

ARIZONA

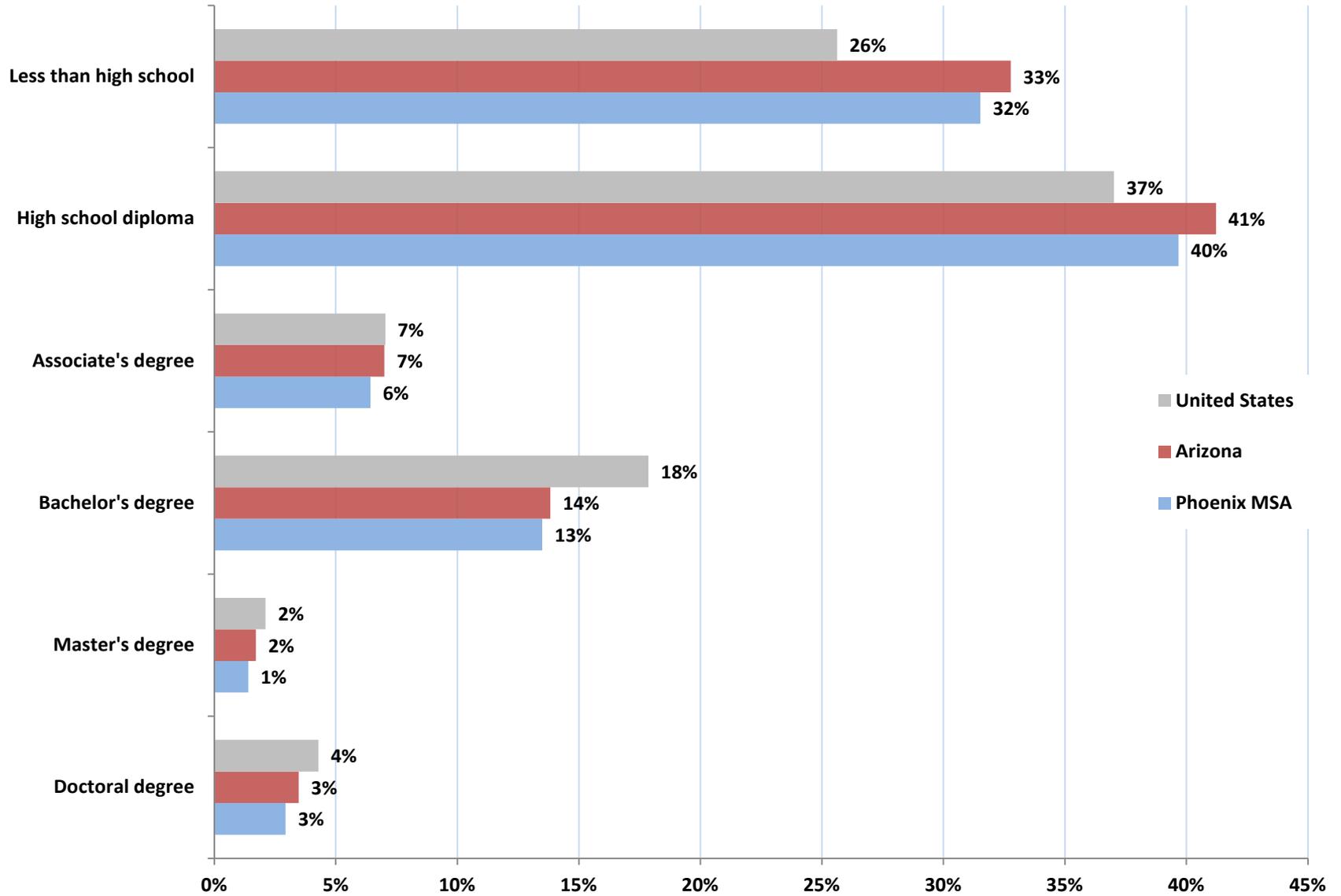
US



Forecast Occupational Growth by Education Requirement, 2010-2020

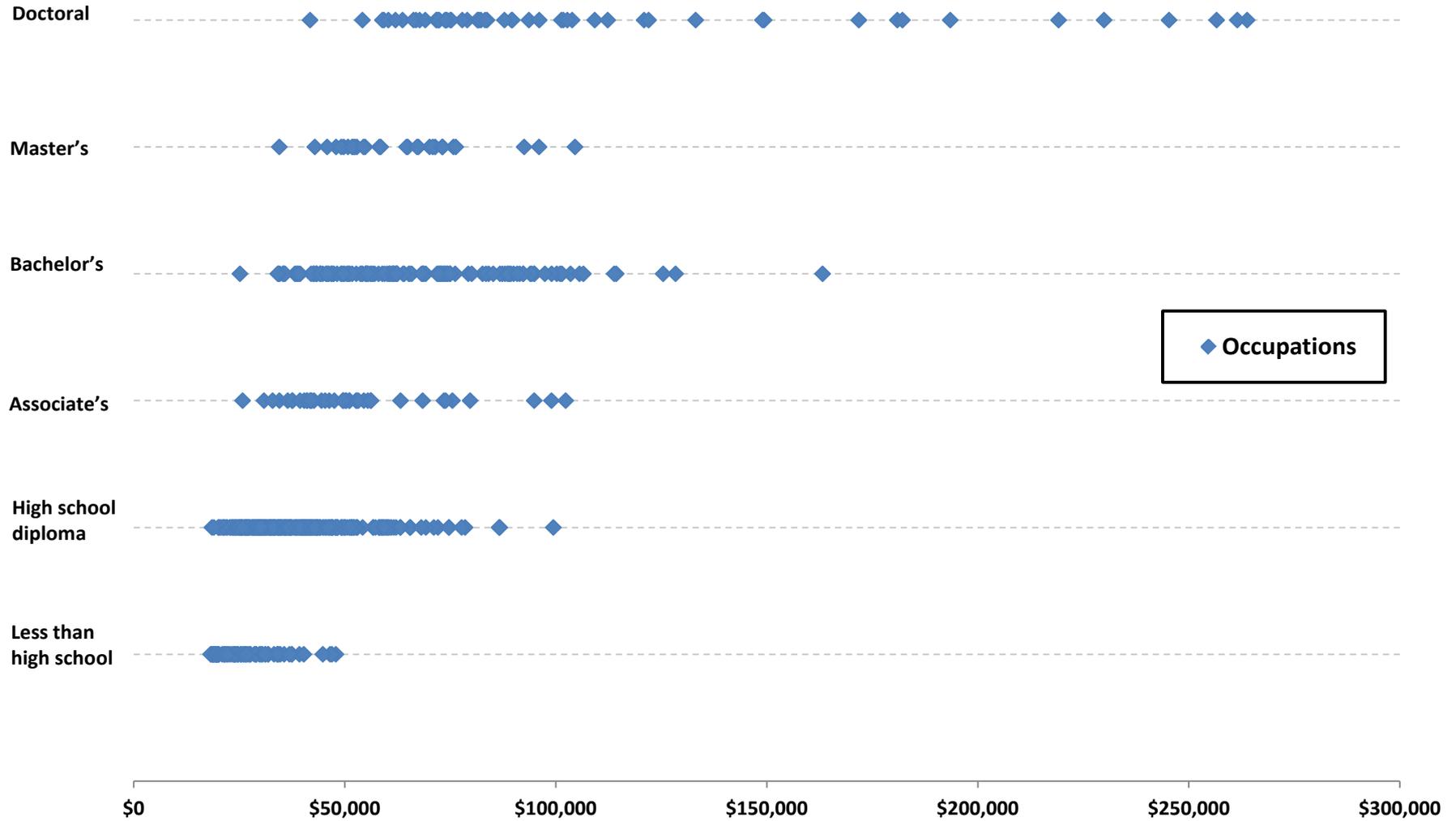


Share of Total Growth by Education Requirement, 2010-2020



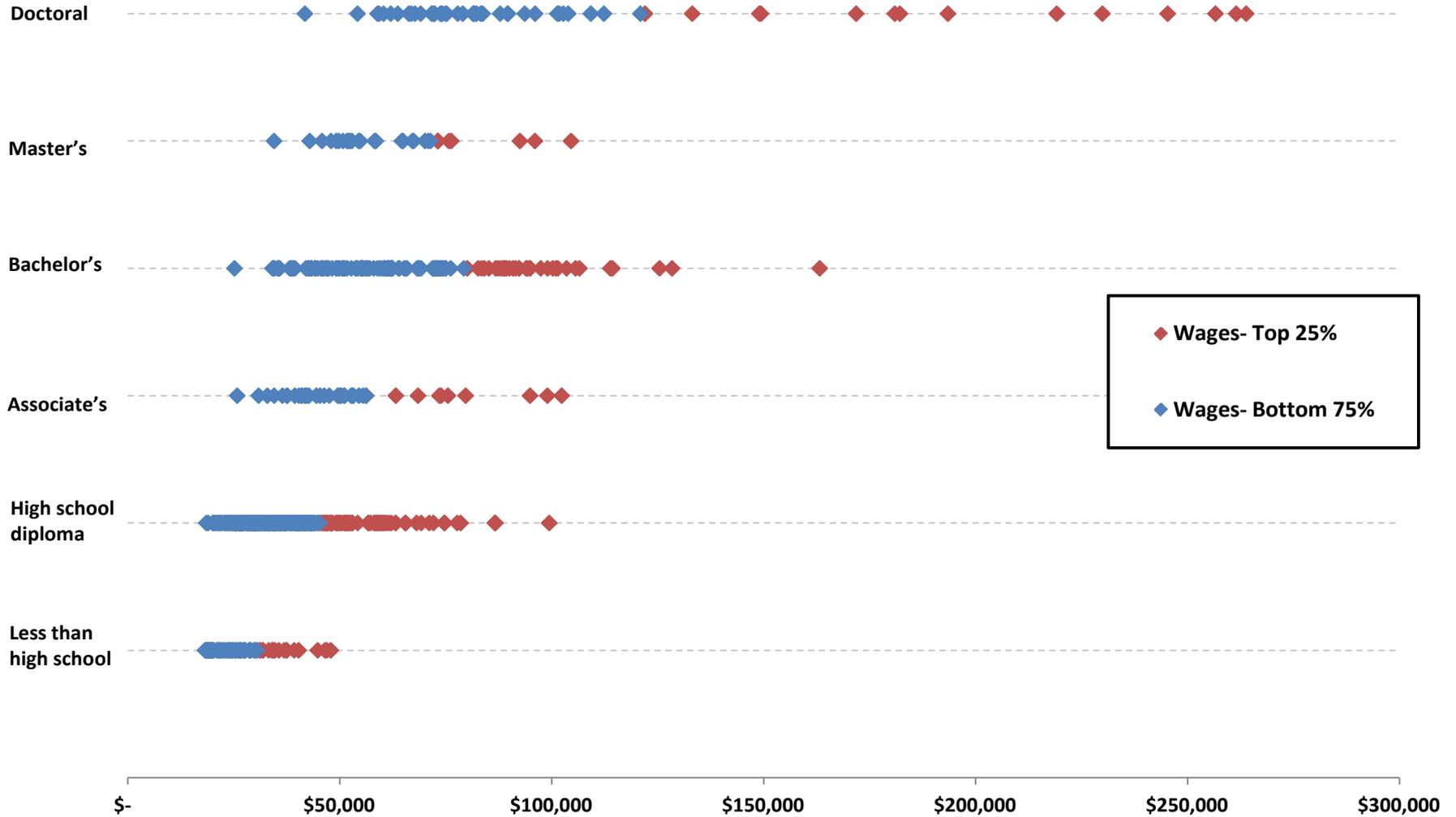
Mean Annual Wage by Education Requirement

Arizona, 2012



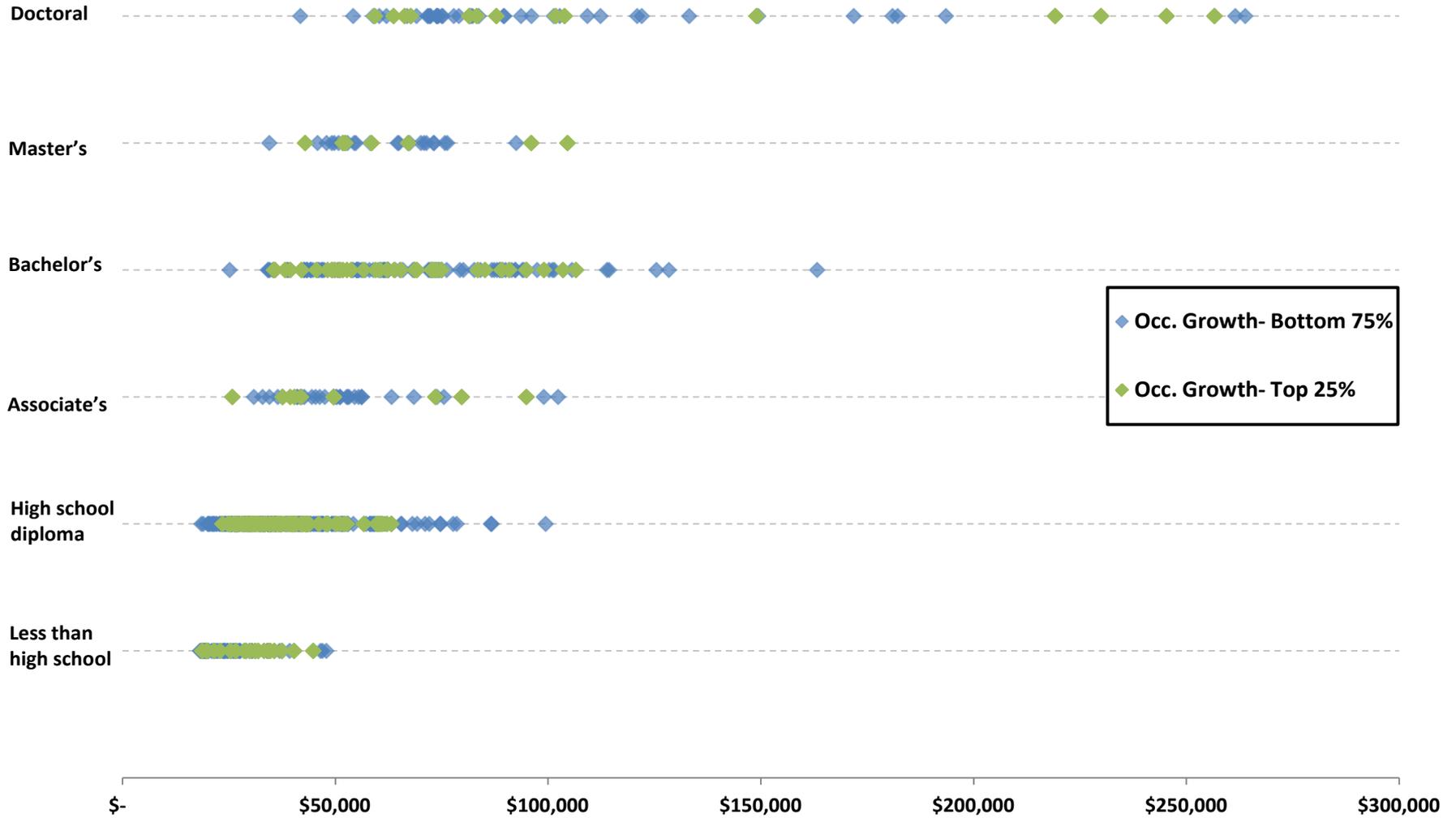
Mean Annual Wage by Education Requirement

Arizona, 2012



Mean Annual Wage by Education Requirement

Arizona, 2012



High-Wage Occupations by Education Requirement

Arizona, 2012

Less Than High School	
Rotary Drill Operators	\$47,892
Traffic Technicians	\$46,970
Carpet Installers	\$46,515
High School Diploma	
Criminal Investigators	\$78,509
Power Distributors	\$77,685
Real Estate Broker	\$74,689
Associate's Degree	
Air Traffic Controller	\$102,342
Dental Hygienist	\$79,696
Radiation Therapist	\$75,511

Bachelor's Degree	
Engineering Managers	\$128,383
Marketing Managers	\$114,319
Actuaries	\$106,540
Master's Degree	
Education Administrator	\$104,557
Physician Assistant	\$96,036
Occupational Therapist	\$76,297
Doctoral Degree	
Oral Surgeon	\$263,806
Orthodontist	\$261,469
Anesthesiologist	\$256,575



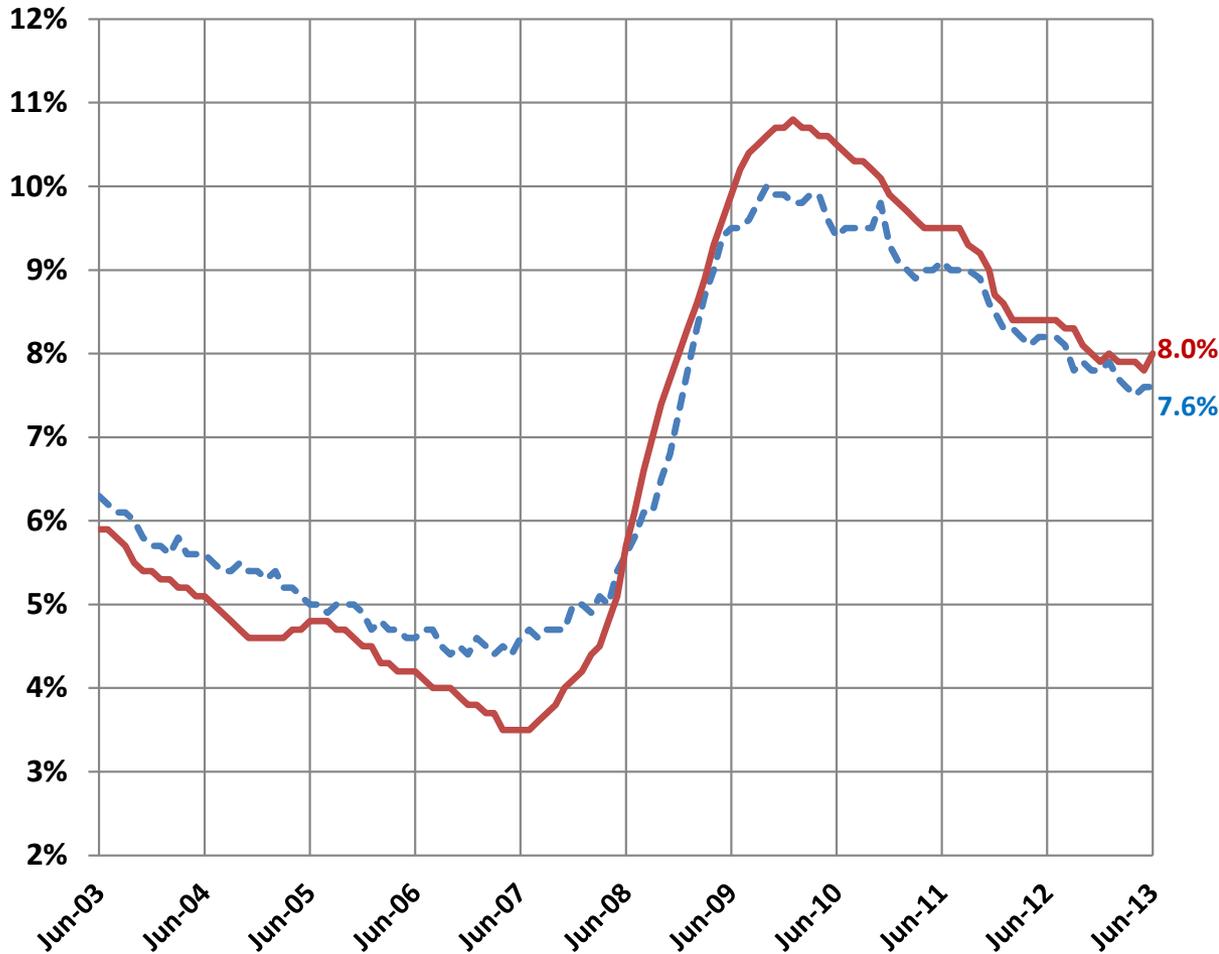
June 2013 Employment
Report Highlights



Unemployment

Arizona & U.S. Unemployment Rate Seasonally Adjusted

--- U.S. — AZ



- AZ unemployment rate increased two tenths of a percentage point to 8.0%
- U.S. unemployment rate remained unchanged at 7.6%



Unemployment

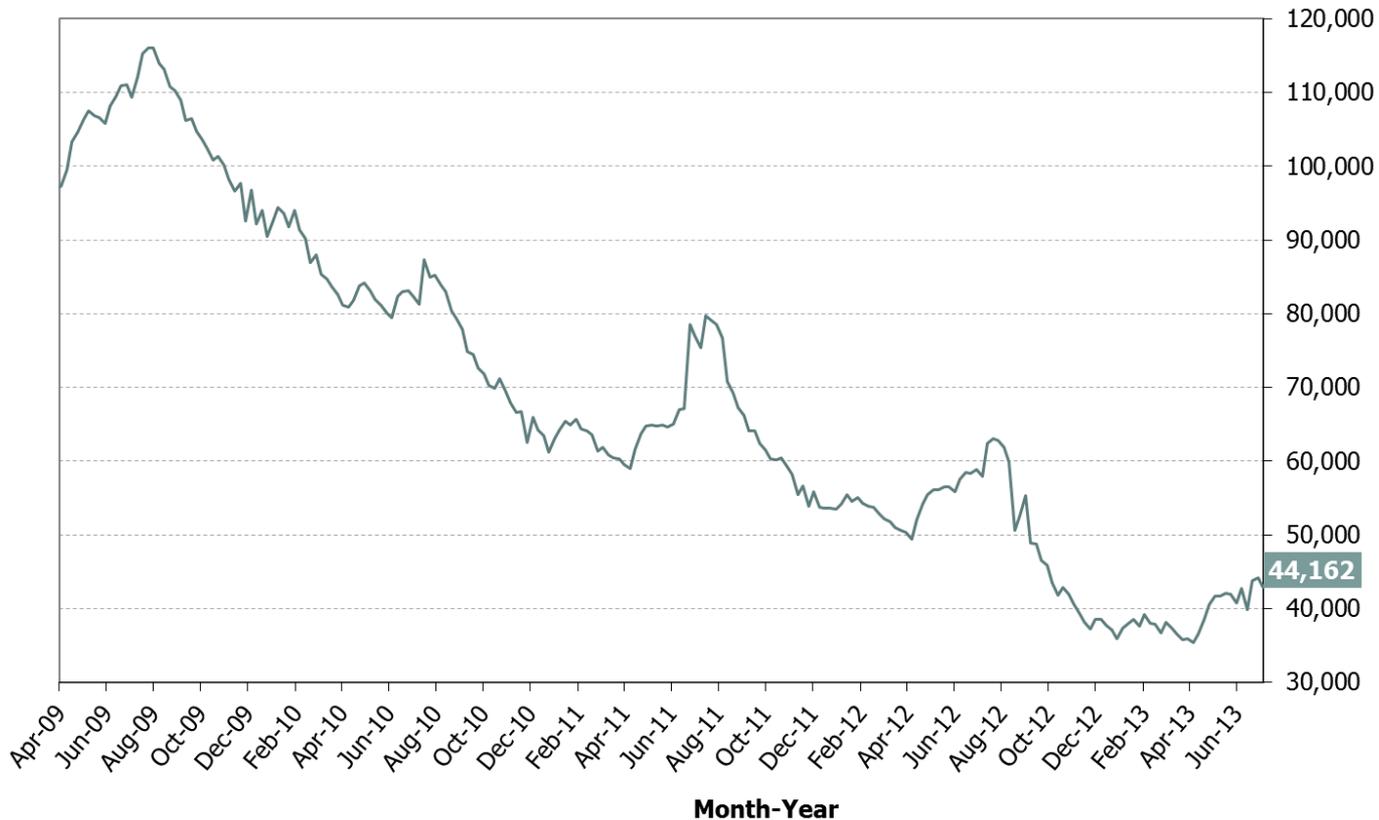
Seasonally Adjusted

	Labor Force <u>Level</u>	Employment <u>Level</u>	Unemployment <u>Level</u>	Unemployment <u>Rate</u>
May	3,012,795	2,776,925	235,870	7.8%
June	3,011,246	2,771,262	239,984	8.0%
Change	(1,549)	(5,663)	4,114	0.2%

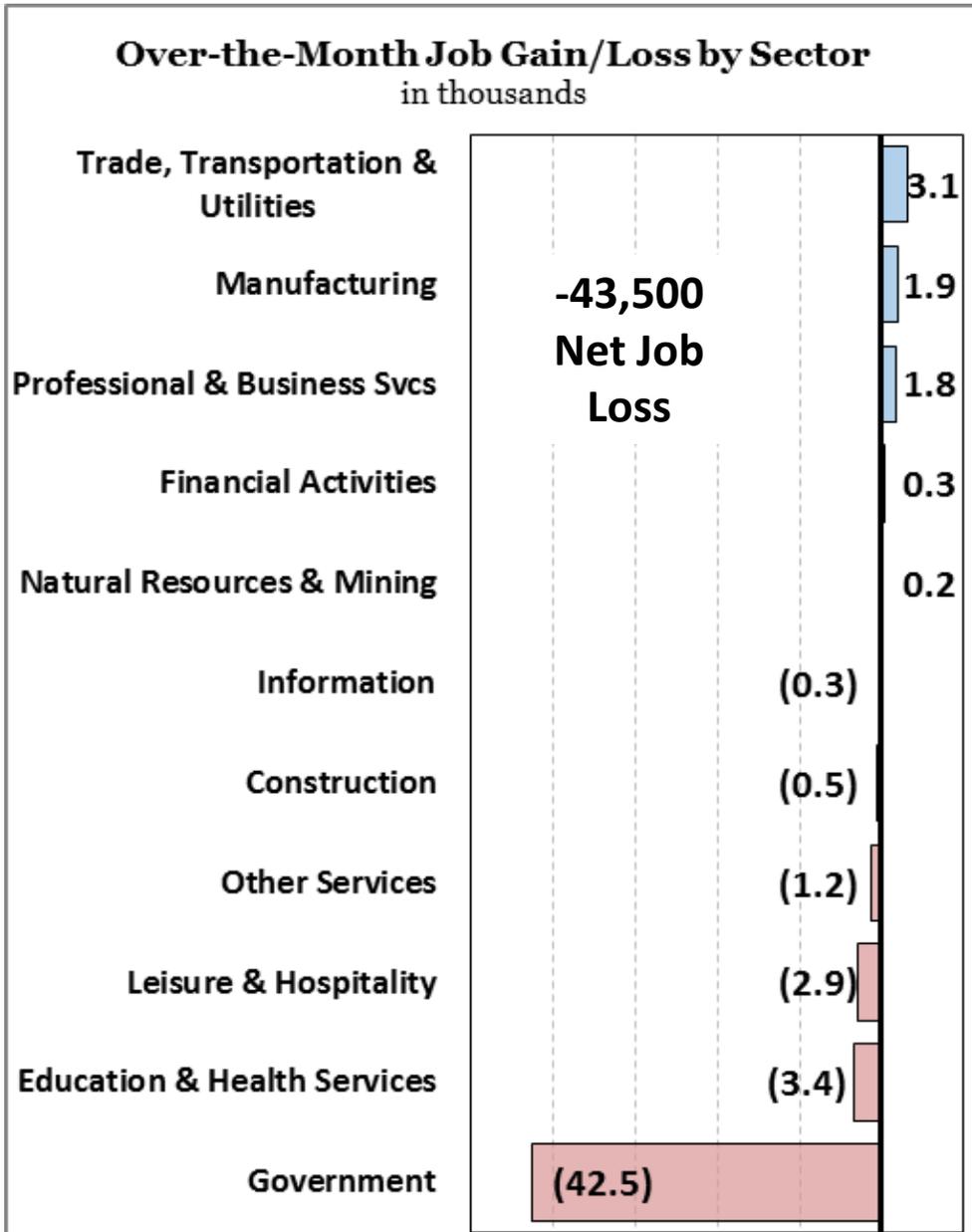
Not Seasonally Adjusted

	Labor Force <u>Level</u>	Employment <u>Level</u>	Unemployment <u>Level</u>	Unemployment <u>Rate</u>
May	2,990,380	2,769,213	221,167	7.4%
June	3,034,452	2,777,198	257,254	8.5%
Change	44,072	7,985	36,087	1.1%

Regular Weekly UI Claims in Arizona



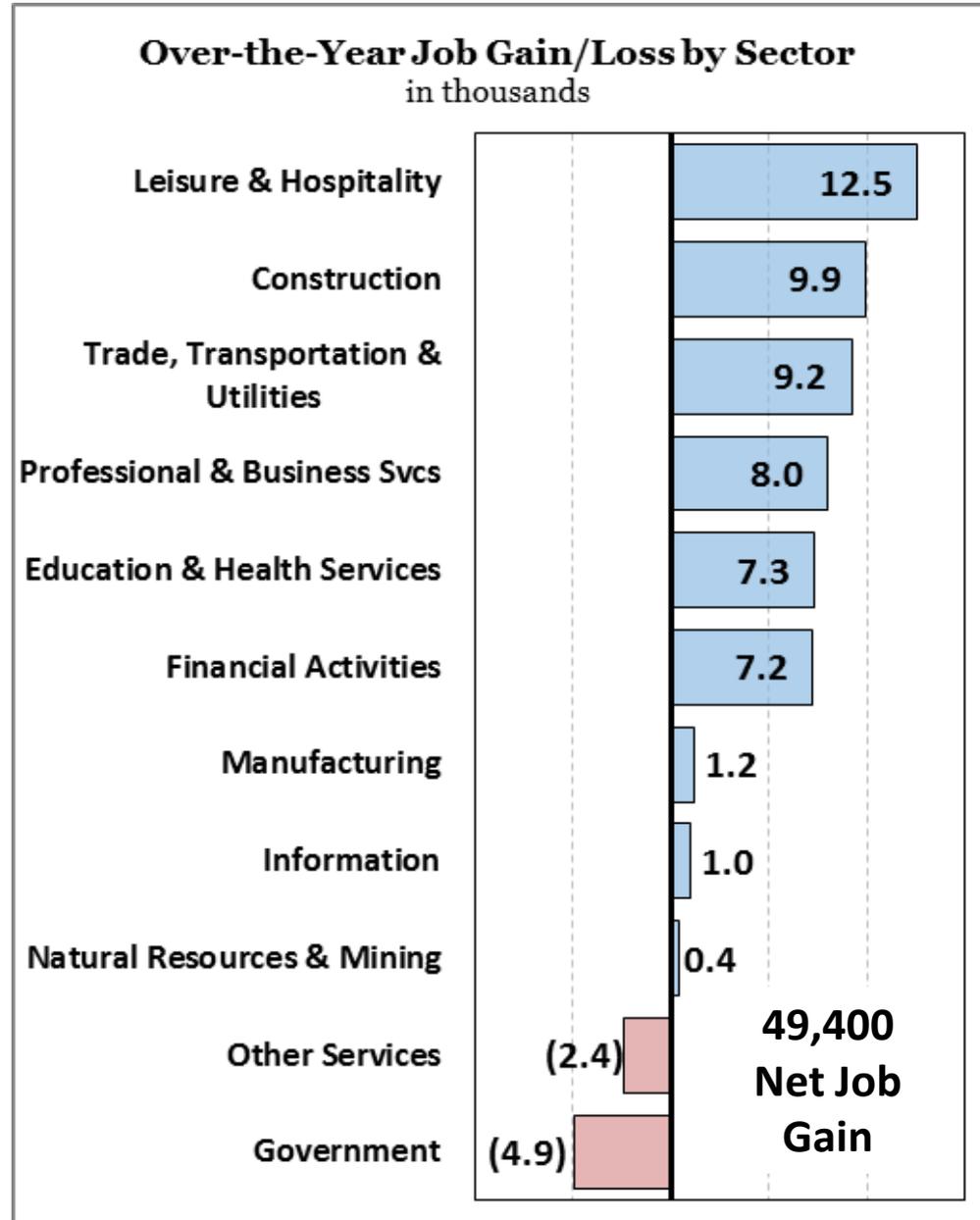
Over-The-Month Highlights



- Loss of 43,500 Nonfarm jobs (ten-year average: -41,700 jobs)
- Private Sector lost 1,000 jobs (ten-year average: -4,000 jobs)
- Government lost 42,500 jobs (ten-year average: -37,600 jobs)
- Five of the eleven major sectors gained jobs, and six lost jobs
- Sectors with most job gains: Trade, Transportation and Utilities (3,100), Manufacturing (1,900), Professional and Business Services (1,800)
- Sectors with most job losses: Government (-42,500), Education and Health Services (-3,400), Leisure & Hospitality (-2,900)

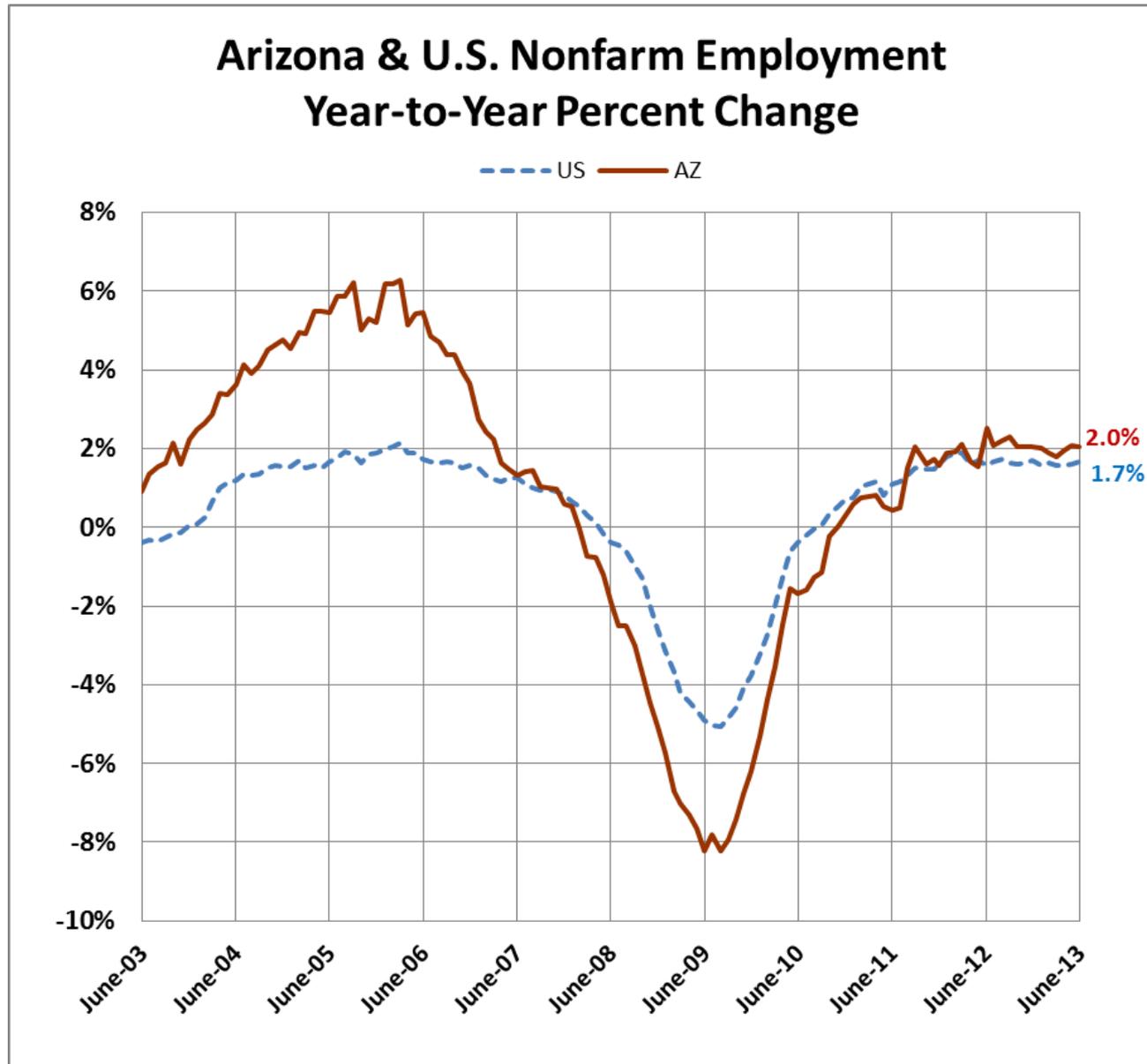
Over-The-Year Highlights

- Arizona added 49,400 Nonfarm jobs
- June OTY Nonfarm growth rate of 2.0%
- Private Sector gains: 54,300 jobs
Government lost: 4,900 jobs
- Nine of the eleven major sectors added jobs and two had losses
- Largest employment gains: Leisure & Hospitality (12,500), Construction (9,900), Trade, Transportation & Utilities (9,200) Professional and Business Services (8,000), Education and health services (7,300), and Financial Activities (7,200)
- Losses in Other Services (-2,400) and Government (-4,900)



Over-The-Year Highlights

- AZ over-the-year employment change was 2.0% in June
- AZ year-to-date average over-the-year employment is 2.0%
- U.S. over-the-year employment change was 1.7% in June
- US year-to-date average over-the-year employment is 1.6%





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Arizona Department of Administration

www.azstats.gov

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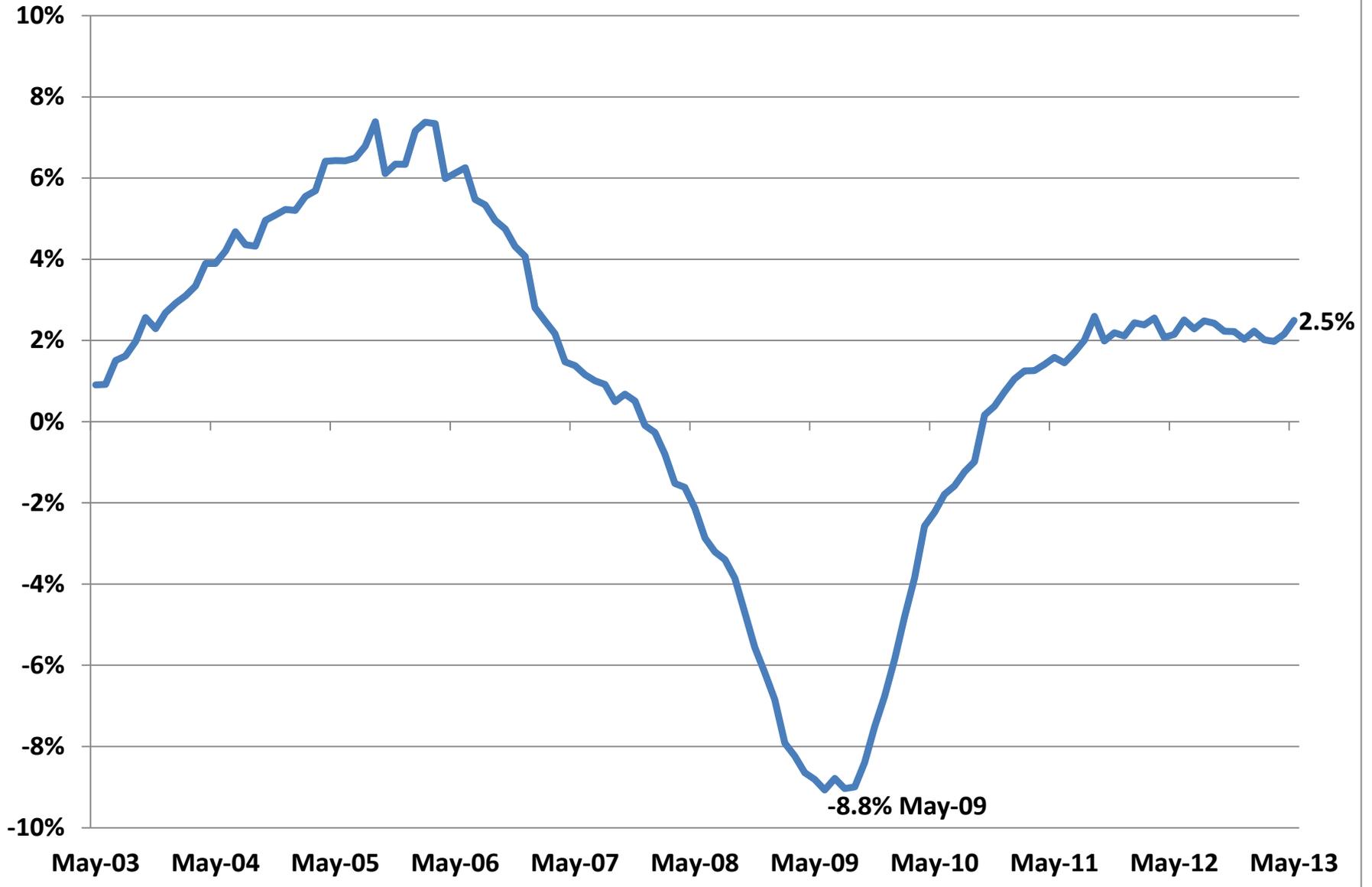
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AZ Private Sector OTY Percent Change



22 consecutive months of Private Sector gains at 2% or above