



Our Pesky Neighbors

To:
MAG Economic Development Committee

By:
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Elliott D. Pollack & Company

November 6, 2012



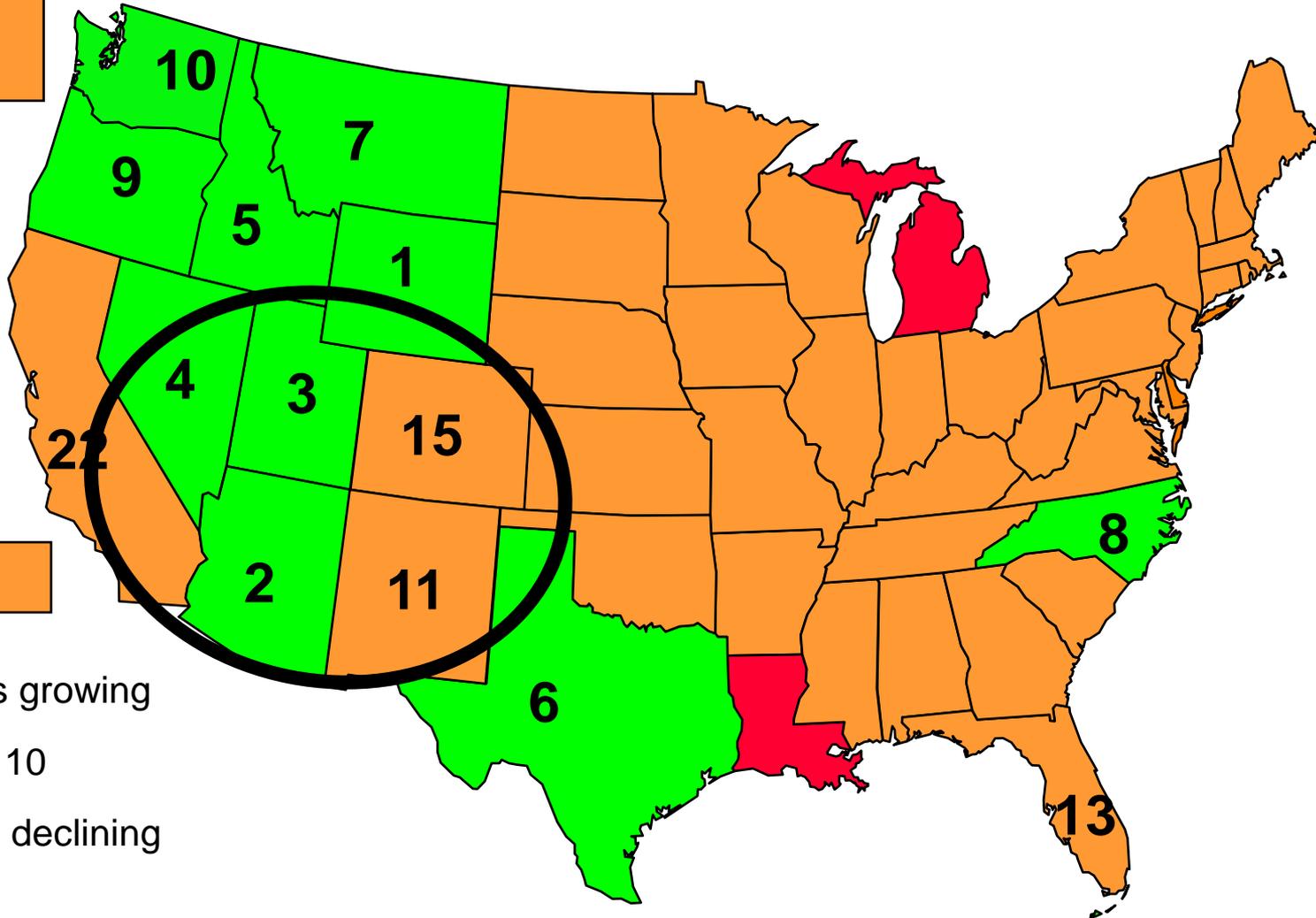
General Observations from Recent Speaking Engagements...



Job Growth 2006

Source: US BLS

Alaska



Hawaii

- Jobs growing
- Top 10
- Jobs declining

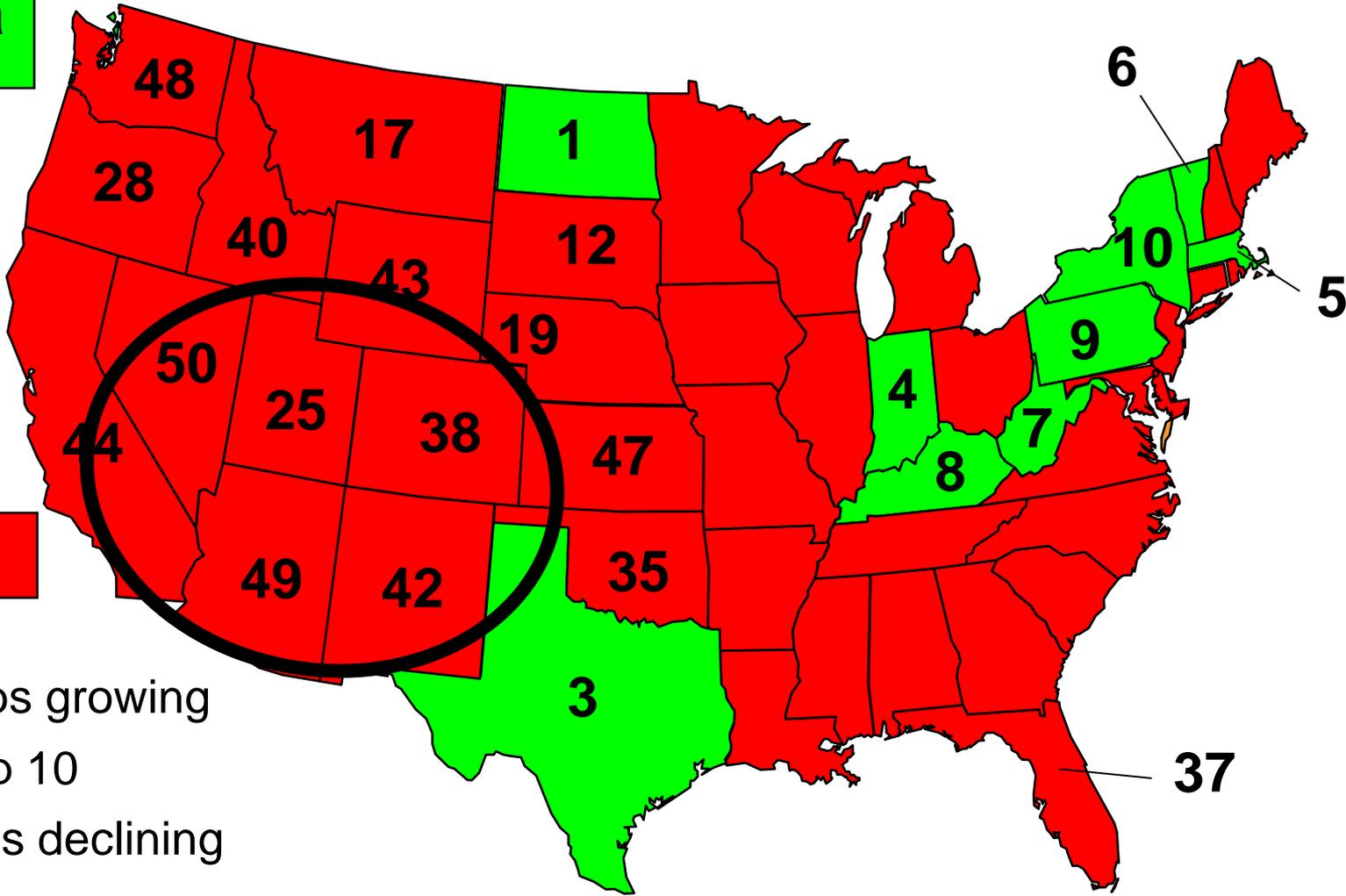


Job Growth 2010

Source: US BLS

Alaska

2



Hawaii

- Jobs growing
- Top 10
- Jobs declining

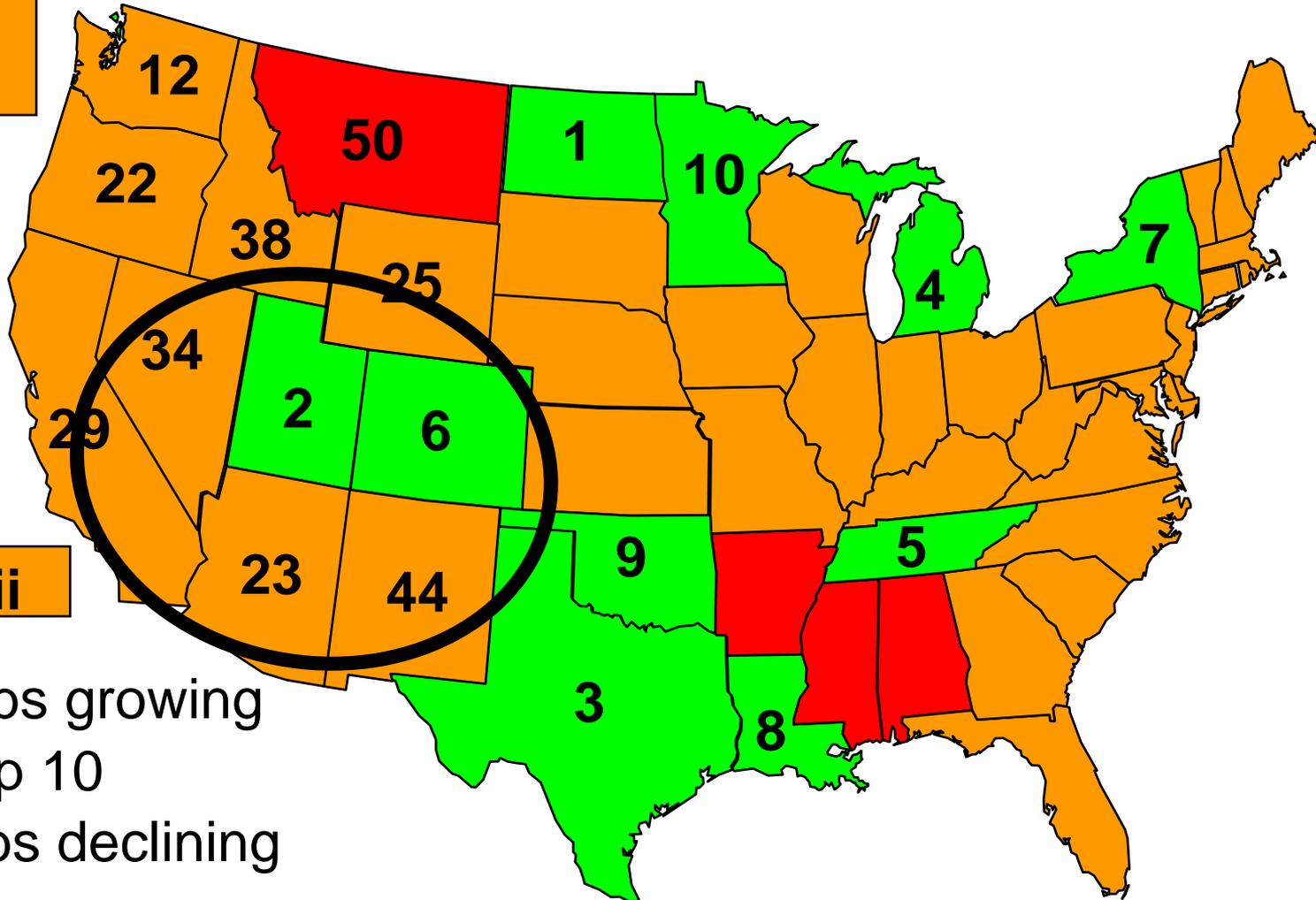


Job Growth 2011

Source: US BLS

Alaska

17



30

Hawaii

- Jobs growing
- Top 10
- Jobs declining

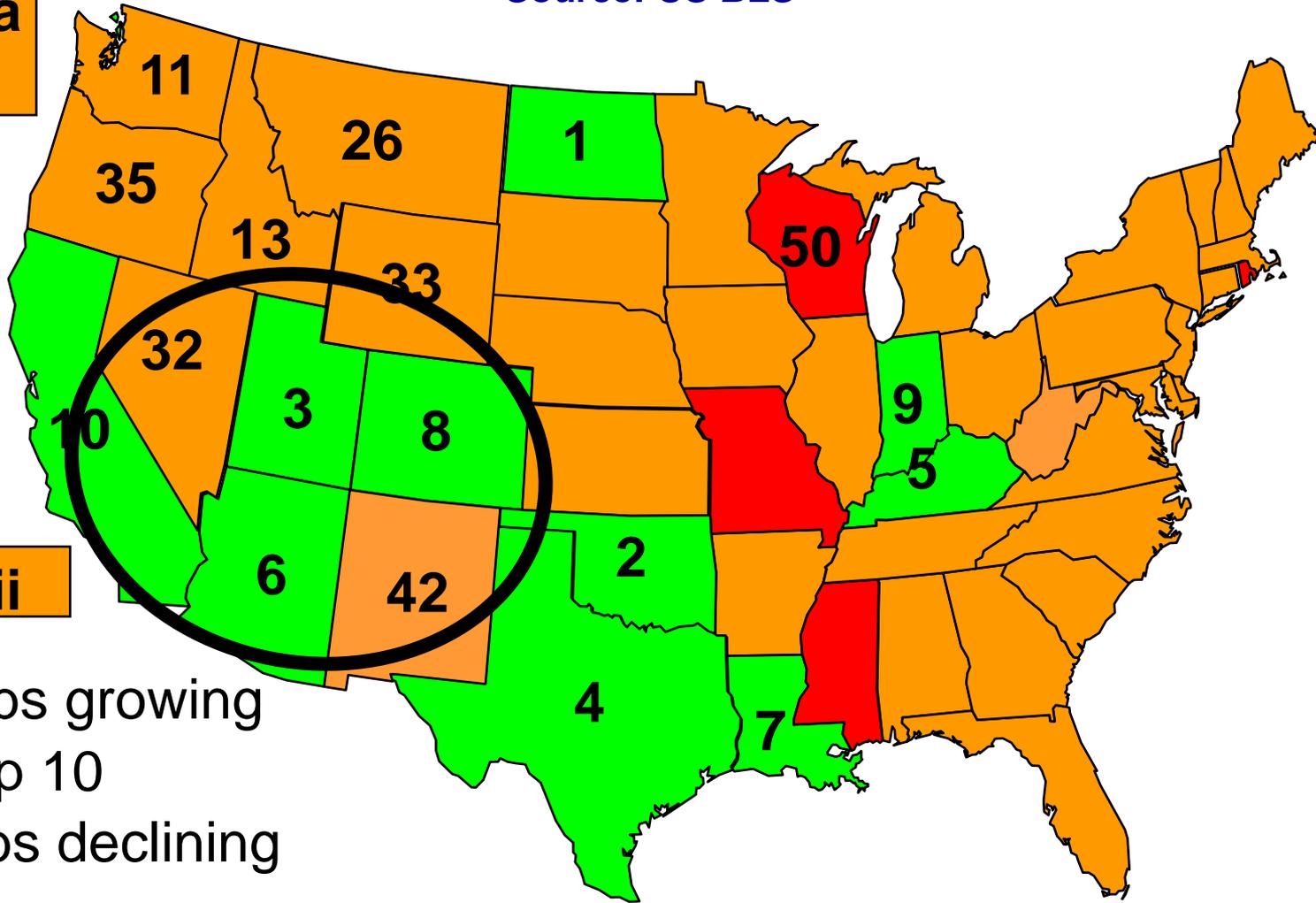


Job Growth 2012

YTD August 2012 vs YTD August 2011

Source: US BLS

Alaska
44



25

Hawaii

- Jobs growing
- Top 10
- Jobs declining

New Mexico



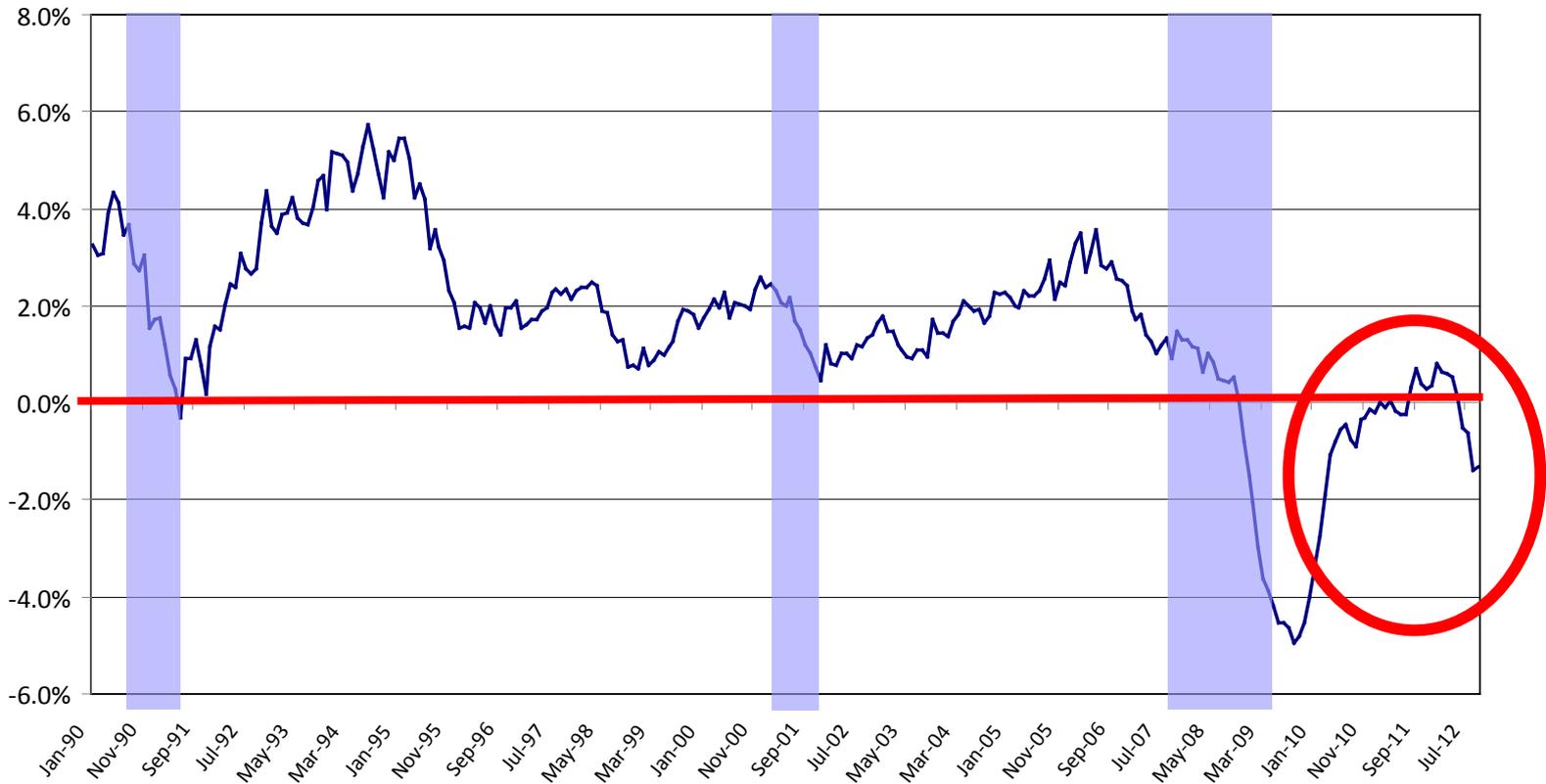
New Mexico Non-Farm Employment

Monthly Percent Change Year Ago

January 1990 - September 2012

Source: Bureau of Labor Statistics

Recession Periods



New Mexico Economic Development:

- Excellent job training program.
- Property tax abatements and aggressive manufacturing incentives.
- Lots of discussion about taking advantage of proximity to Mexico and California.
- Many on the same page, but not implemented.
- Not aggressive with promoting the tools.
- Still losing out due to size of economic base, currently weak economy.
- AZ has a far better product...for now.



Ex: What to still do...NM

- **Need a specialized marketing campaign on why NM indeed has the population and job training programs to support being “short listed” on certain projects (currently missing out despite other advantages).**
- **Blend economic development and tourism in the “tourism centers” in the State.**
- **More fully integrate transportation into the economic development discussion (already starting!!!).**



Ex: What to still do...NM

- **Implement economic diversification measures in mining areas while prosperous.**
- **Refine current economic development programs to be more fiscally efficient.**
- **Promote, promote, promote (need a more solid broad based marketing campaign).**



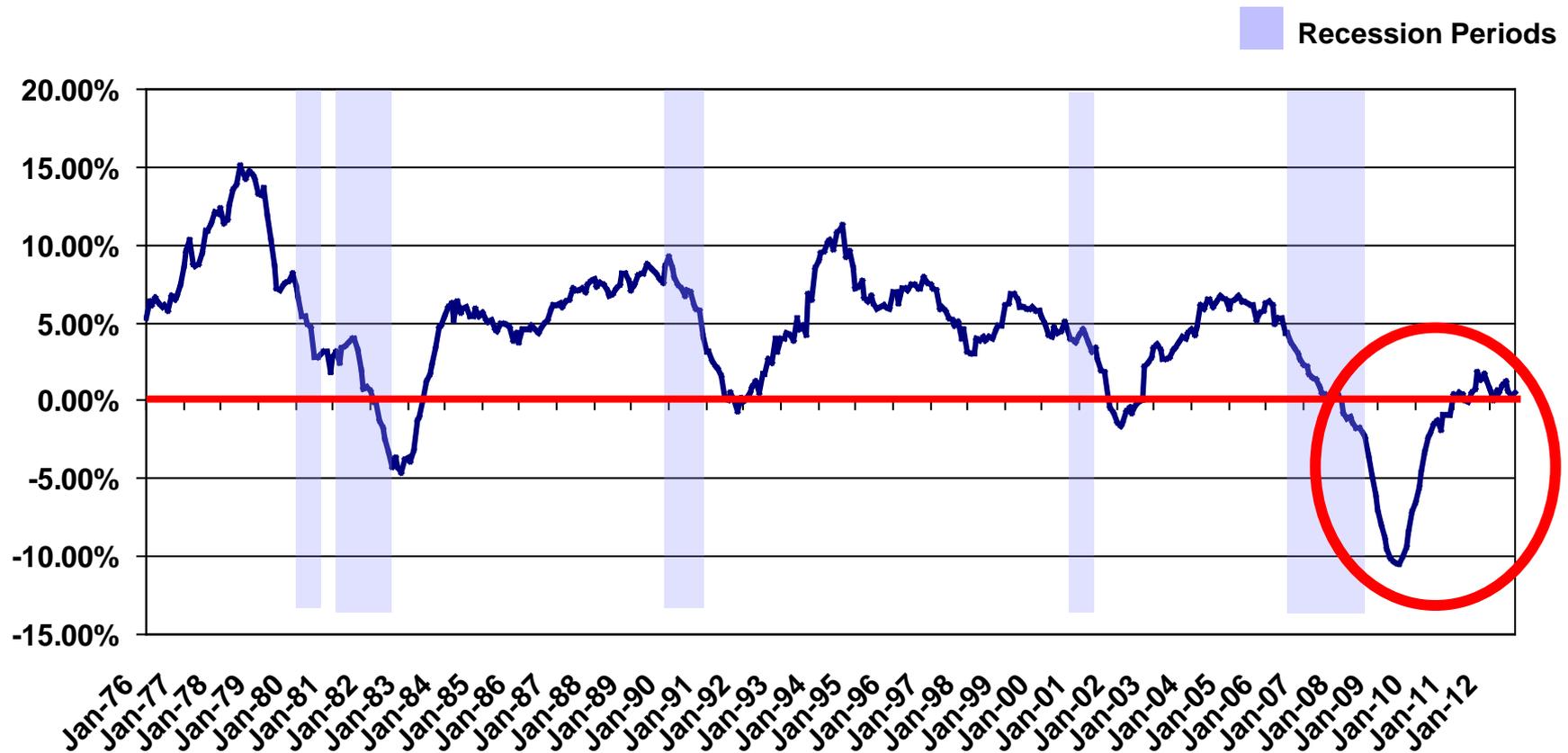
Nevada



Nevada Monthly Employment

(Percent Change Year Ago 1976-2012*)

Source: Bureau of Labor Statistics



*Data through September 2012



Nevada Economic Development:

- The northern part of the state not on same page with south.
- New economic development tools but not refined.
- Lots of tourism marketing in south (so going down same road), not enough broad-based marketing in north.
- Economic conditions will be a problem for a while.
- AZ has a better overall product.





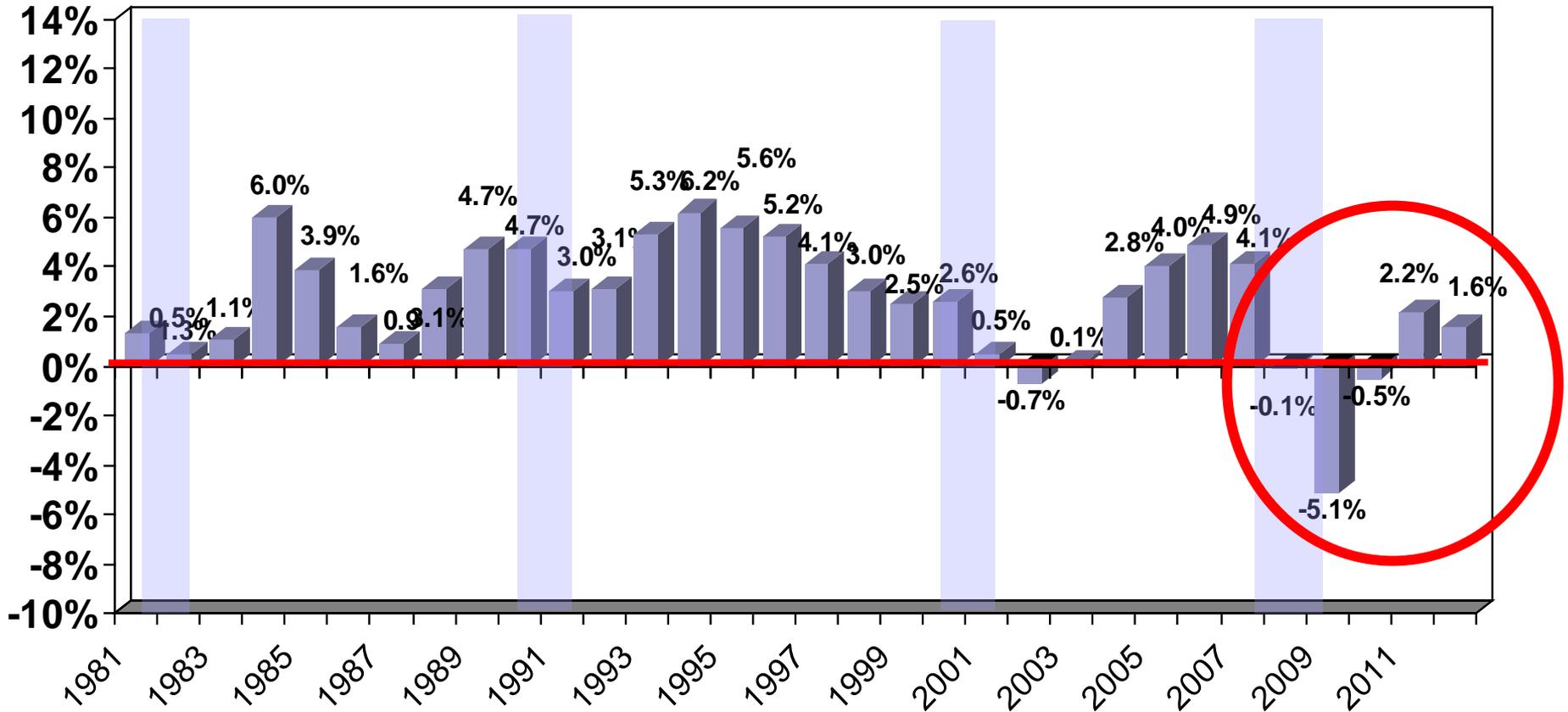
Utah



Utah Employment*

Annual Percent Change 1981–2012**

Source: BLS



*Non-agricultural wage & salary employment. Changed from SIC to NAICS reporting in 1990.

** YTD September 2012

Recession Periods



Utah Economic Development:

- Has a useful deal closing fund.
- Active in chasing headquarters and renewable energy companies.
- Higher wage threshold (reported at \$60k-ish in some cases, was criticized but is fiscally responsible).
- More marketing than NM, NV, CO.
- Competitive product but AZ can gain an advantage.



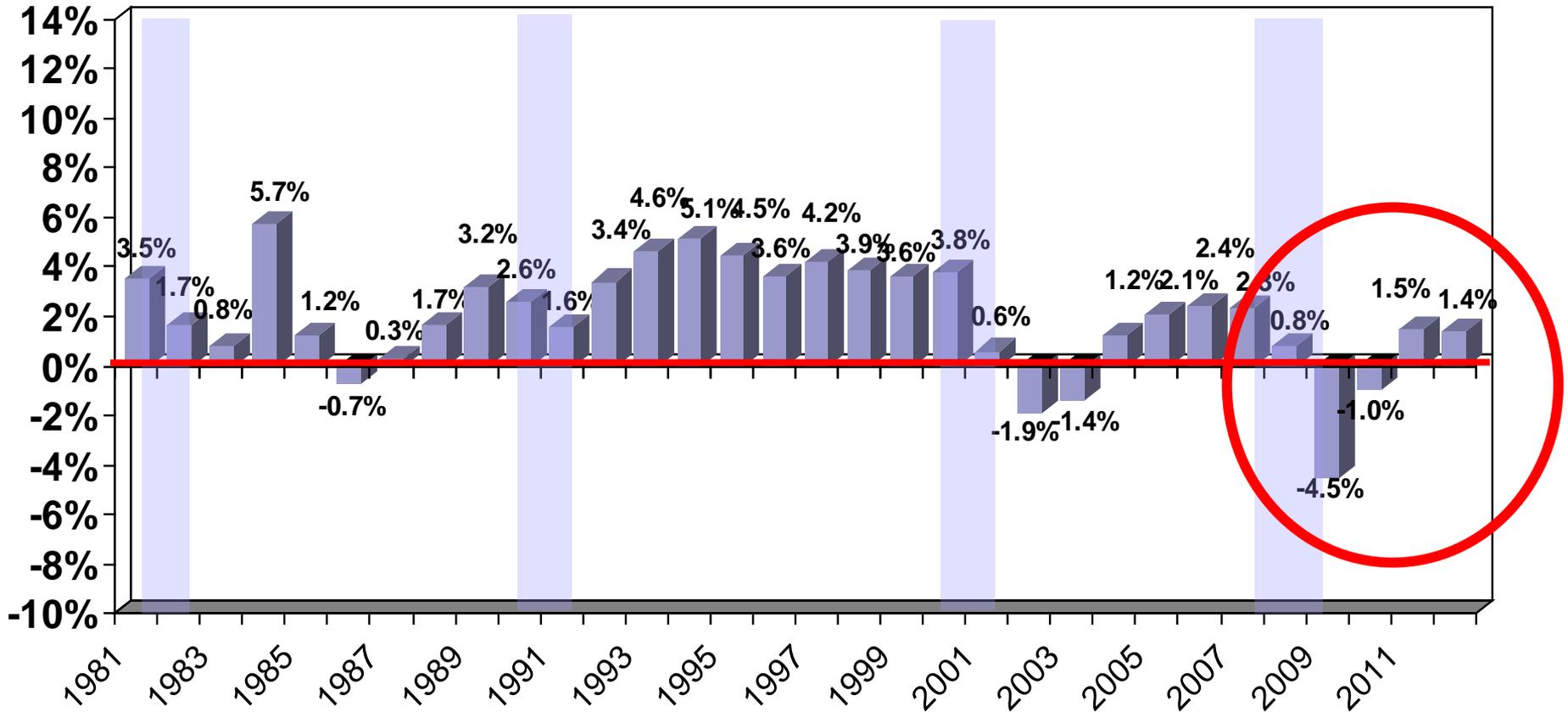
Colorado



Colorado Employment*

Annual Percent Change 1981–2012**

Source: BLS



Recession Periods

*Non-agricultural wage & salary employment. Changed from SIC to NAICS reporting in 1990.

** YTD September 2012



Colorado Economic Development:

- Higher incomes.
- Economic recovery is solid.
- Pursues higher quality when it comes to recruiting.
- Less “negotiating.”
- Leans on “quality of life” factors too much.
- AZ can compete if a company truly has a choice of where to locate.



Summary of Neighbors:

- More and more talk about statewide transportation as it relates to economic development.
- Other states have economic development “tools” like us, but not many know how to use them properly (too much or too little, and poorly promoted).
- **Across the Board:**
 - Competitors for higher wage jobs : Utah, Colorado
 - Competitors for lower wage jobs: New Mexico, Nevada



Remaining Items for AZ?

- Finish what we started: fine tune and complete the economic development tool kit (**difficult**).
- “Value” doesn’t have to mean “cheap.”
- Market the heck out of what we have to offer (**easy**).
- Continue transportation planning as a part of economic development in the state (**easy with support**).
- Tie up loose ends in Sun Corridor planning (Pinal County for example; **difficult**).
- Others?



