

Employment Forecast

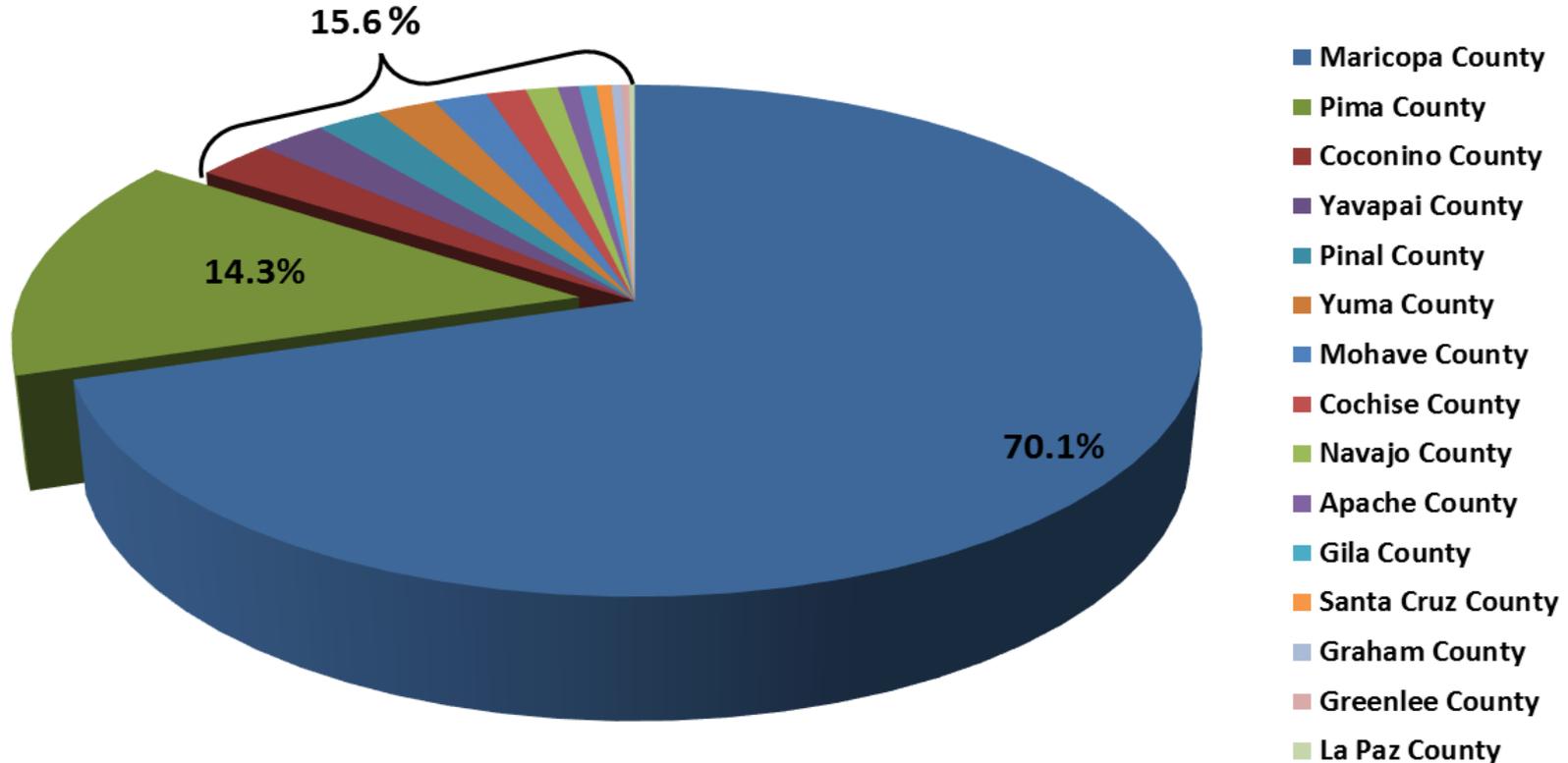
2014-2016



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Arizona County Employment Share

2014 Annual Average, Not Seasonally Adjusted



Source: Produced by the Arizona Office of Employment and Population Statistics in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

*Pre-Benchmarked County Shares



Arizona Highlights

- ✓ Forecast Nonfarm job gains of 56,600 in 2015 and 63,100 in 2016
- ✓ OTY Nonfarm employment growth rate of 2.2% in 2015 and 2.4% in 2016 is forecast
- ✓ 119,700 Nonfarm jobs is forecast to be gained over the two-year period (4.7%)
- ✓ All sectors are forecast to add jobs over the two-year period
- ✓ Education and Health Services (EHS) sector is expected to add the largest number of Nonfarm jobs (29,900) over the two-year period or 7.7%

Arizona Highlights

- ✓ Leisure and Hospitality is expected to have the largest percentage gain at 8.2% (23,300 jobs)
- ✓ Sectors with the largest expected gains are: Educational and Health Services (29,900 jobs), Leisure and Hospitality (23,300 jobs), Trade, Transportation and Utilities (21,100 jobs), Professional and Business Services (18,500 jobs), and Financial Activities (12,400 jobs)

Total Nonfarm Employment Annual Average Growth

	2014^(a)	2015^(b)	2016^(b)
Arizona	53,000	56,600	63,100
Phoenix MSA ¹	43,400	45,500	49,900
Tucson MSA ²	4,900	5,700	6,600
Balance of State ³	4,700	5,400	6,600

1) Maricopa and Pinal counties

2) Pima County

3) Arizona less Maricopa, Pinal and Pima counties

a) Historical

b) Forecast

Total Nonfarm Employment Annual Average Growth Rate

	2014 ^(a)	2015 ^(b)	2016 ^(b)	
Arizona	2.1%	2.2%	2.4%	
Phoenix MSA ¹	2.4%	2.5%	2.6%	← Slightly Faster Growth
Tucson MSA ²	1.4%	1.6%	1.8%	
Balance of State ³	1.4%	1.6%	1.9%	← Slower Growth

1) Maricopa and Pinal counties

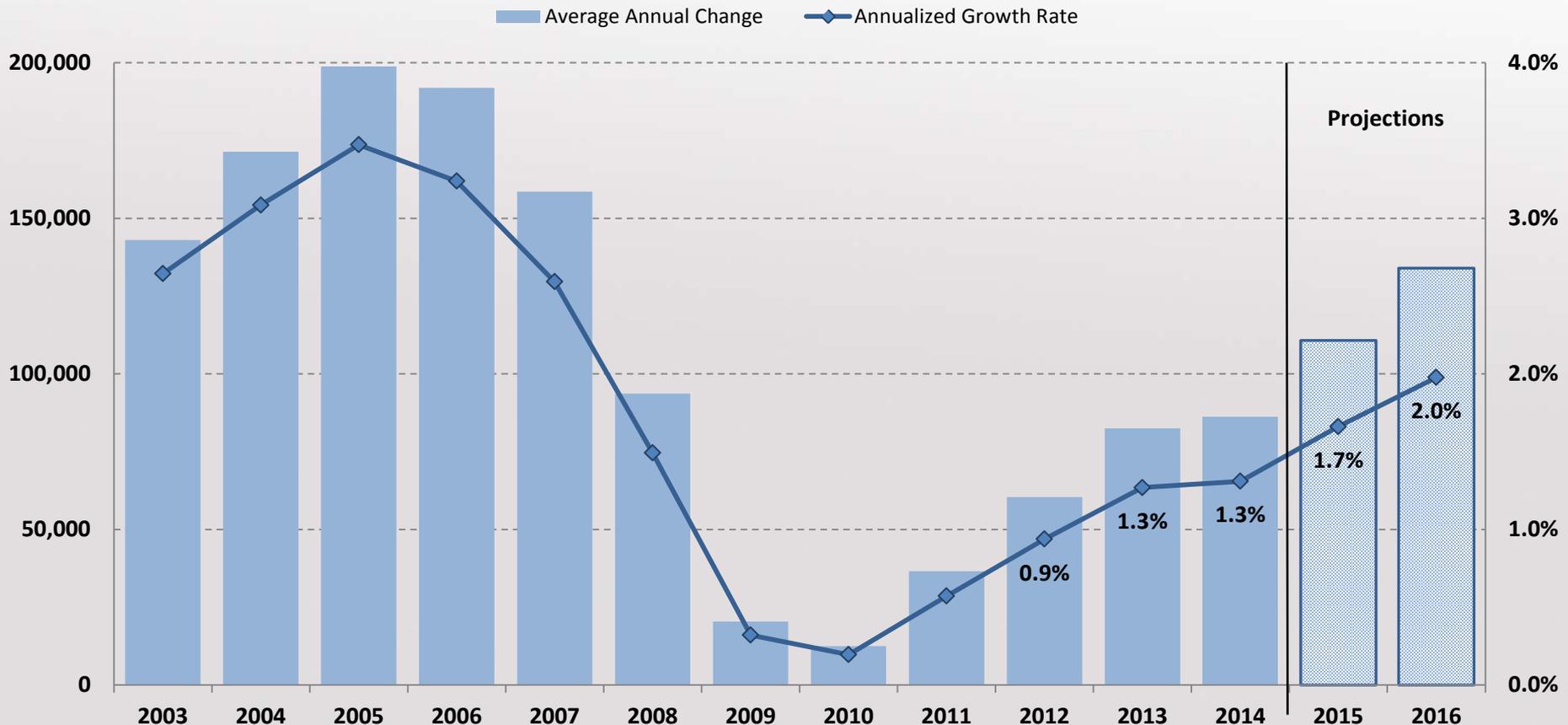
2) Pima County

3) Arizona less Maricopa, Pinal and Pima counties

a) Historical

b) Forecast

Arizona Population Growth, 2003 - 2016



Prepared by ADOA, Office of Employment and Population Statistics in cooperation with the U.S. Census Bureau

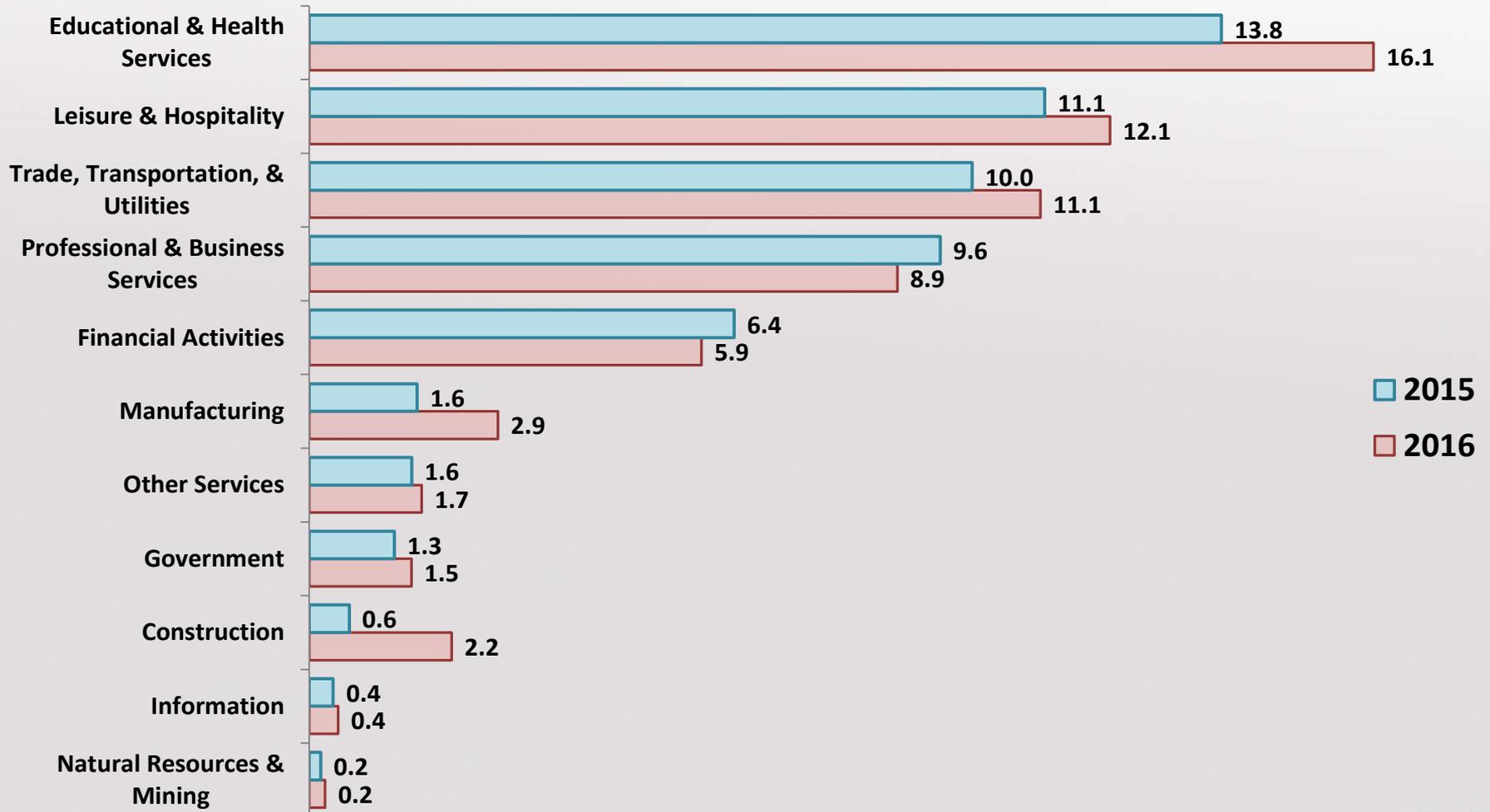
Population is projected to grow at an increasing rate

Industry Forecast

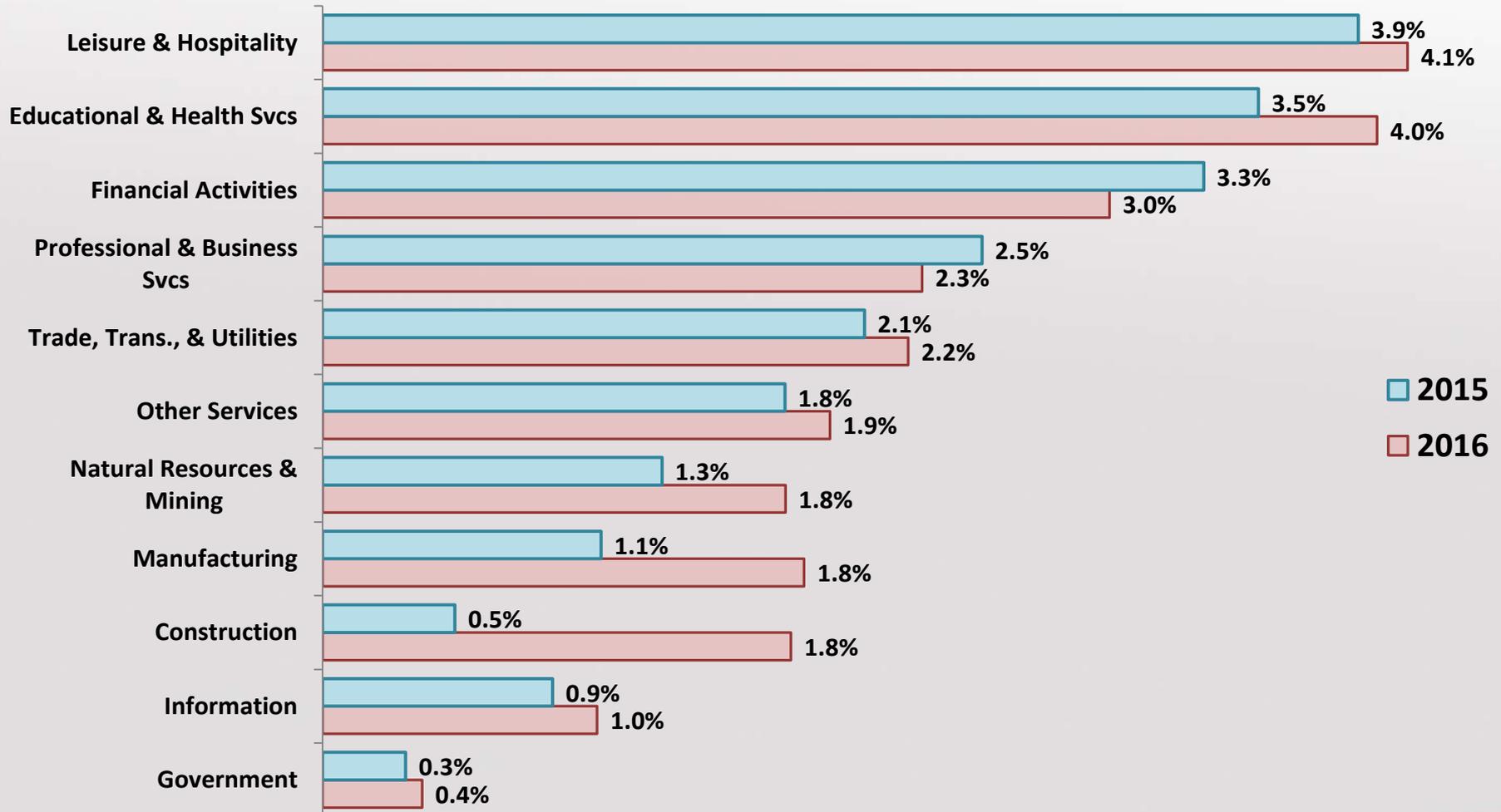
2013-2016



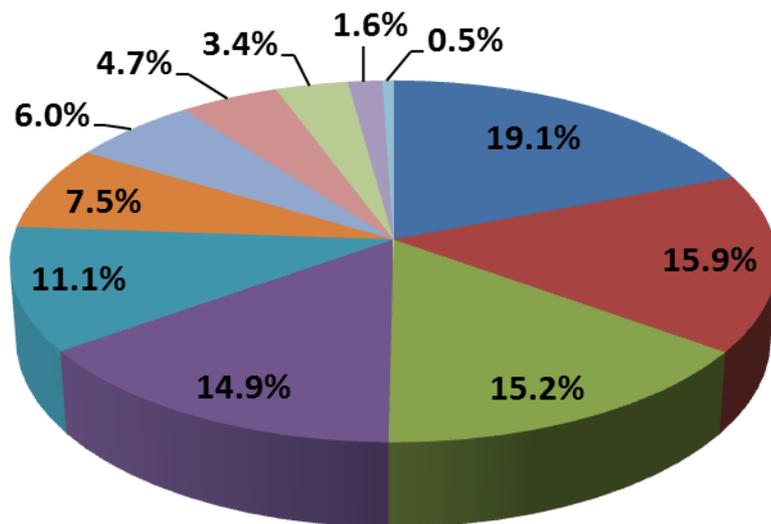
Arizona Annual Net Job Gain by Sector 2015 & 2016, in thousands



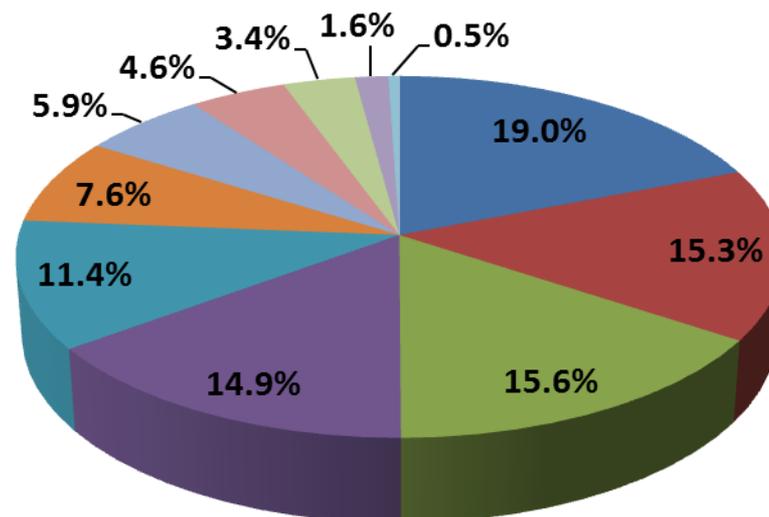
Arizona Forecast Employment Percentage Change 2015 & 2016



Arizona Major Industry Share, 2014



Arizona Major Industry Share, 2016



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

Phoenix MSA Sector Employment

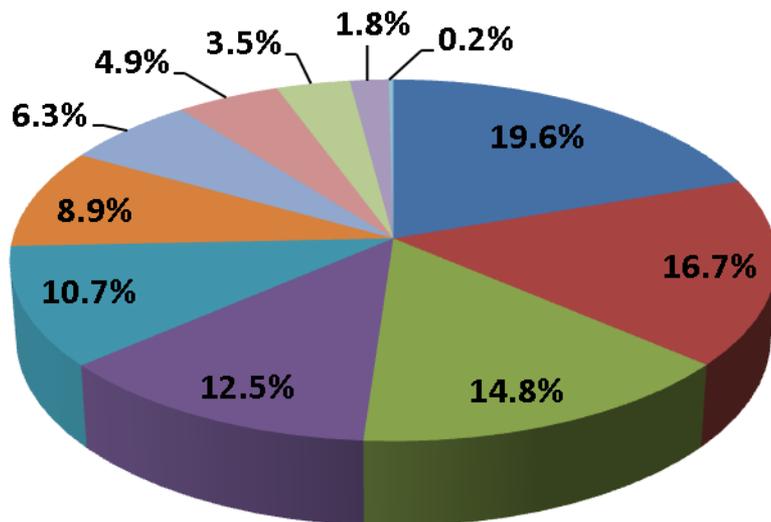
Average Annual Over-the-Year Change

	2014(a)	2015(b)	2016(b)
Total Nonfarm Employment	2.4%	2.5%	2.6%
Manufacturing	-0.3%	0.9%	1.7%
Natural Resources & Mining	-2.4%	0.0%	0.5%
Construction	-1.6%	0.8%	1.9%
Trade, Transportation, & Utilities	2.0%	2.1%	2.3%
Information	3.0%	1.0%	1.1%
Financial Activities	4.2%	3.6%	3.2%
Professional & Business Services	3.3%	2.6%	2.3%
Educational & Health Services	4.5%	3.9%	4.4%
Leisure & Hospitality	4.2%	4.6%	4.7%
Other Services	1.3%	1.6%	1.8%
Government	0.0%	0.3%	0.4%

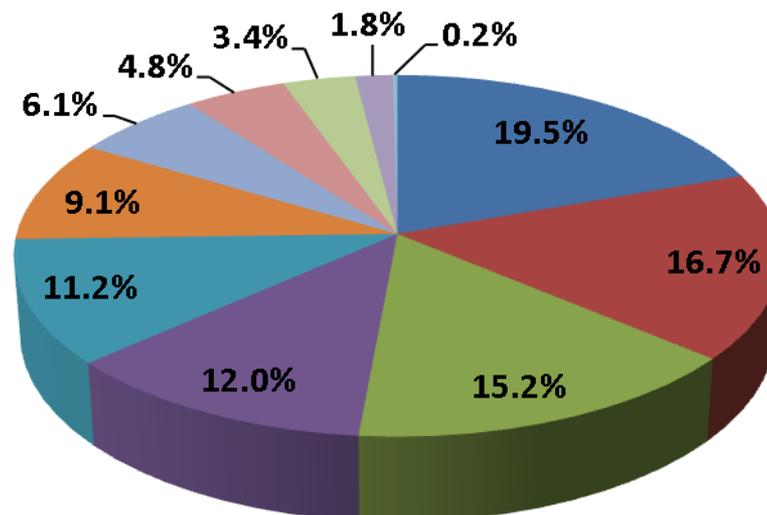
a) Historical (BLS Current Employment Statistics)

b) Forecast

Phoenix MSA Industry Share, 2014



Phoenix MSA Industry Share, 2016



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

*Pre-Benchmarked Industry Shares

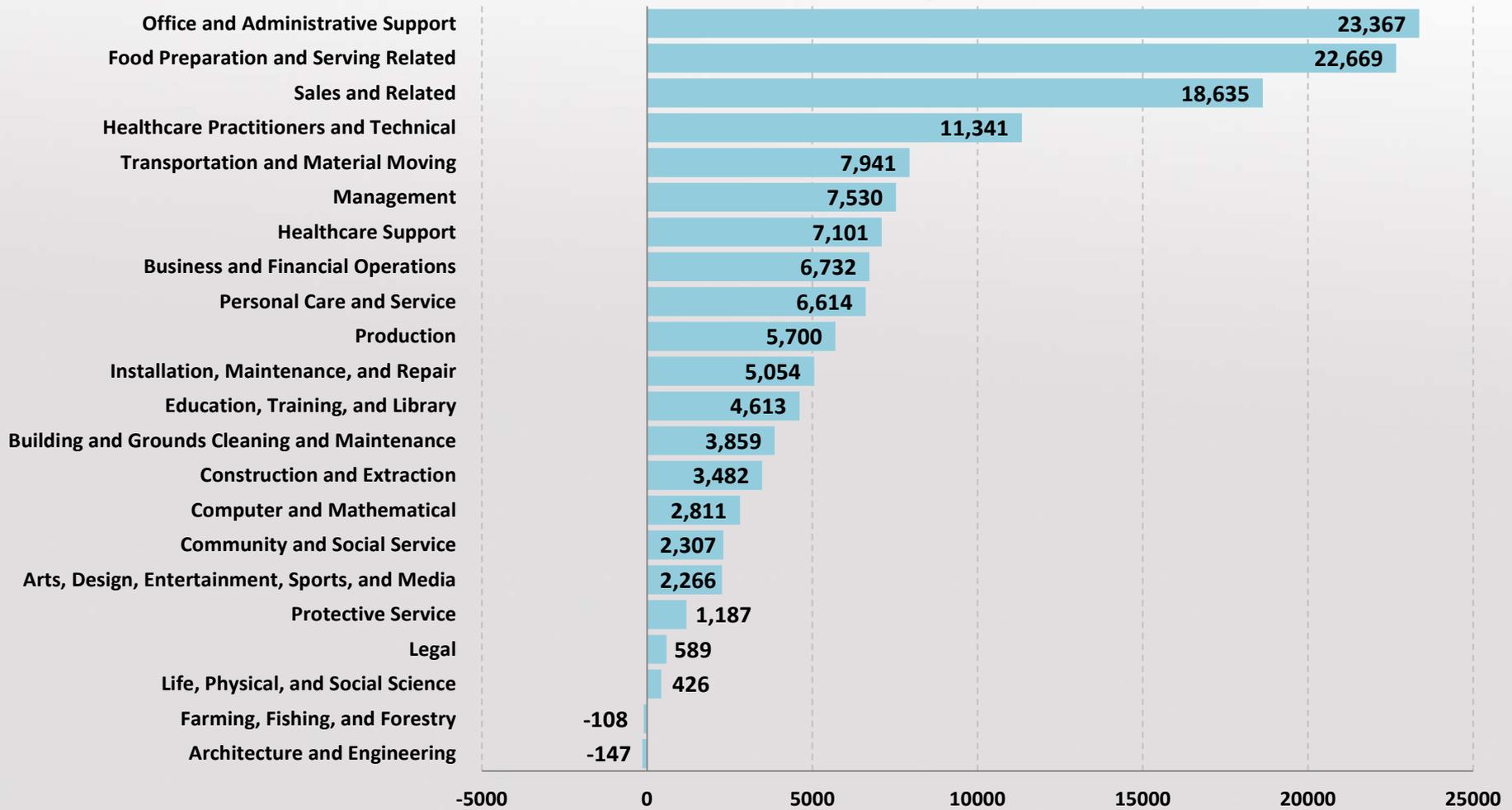
Occupation Forecast

2013-2016

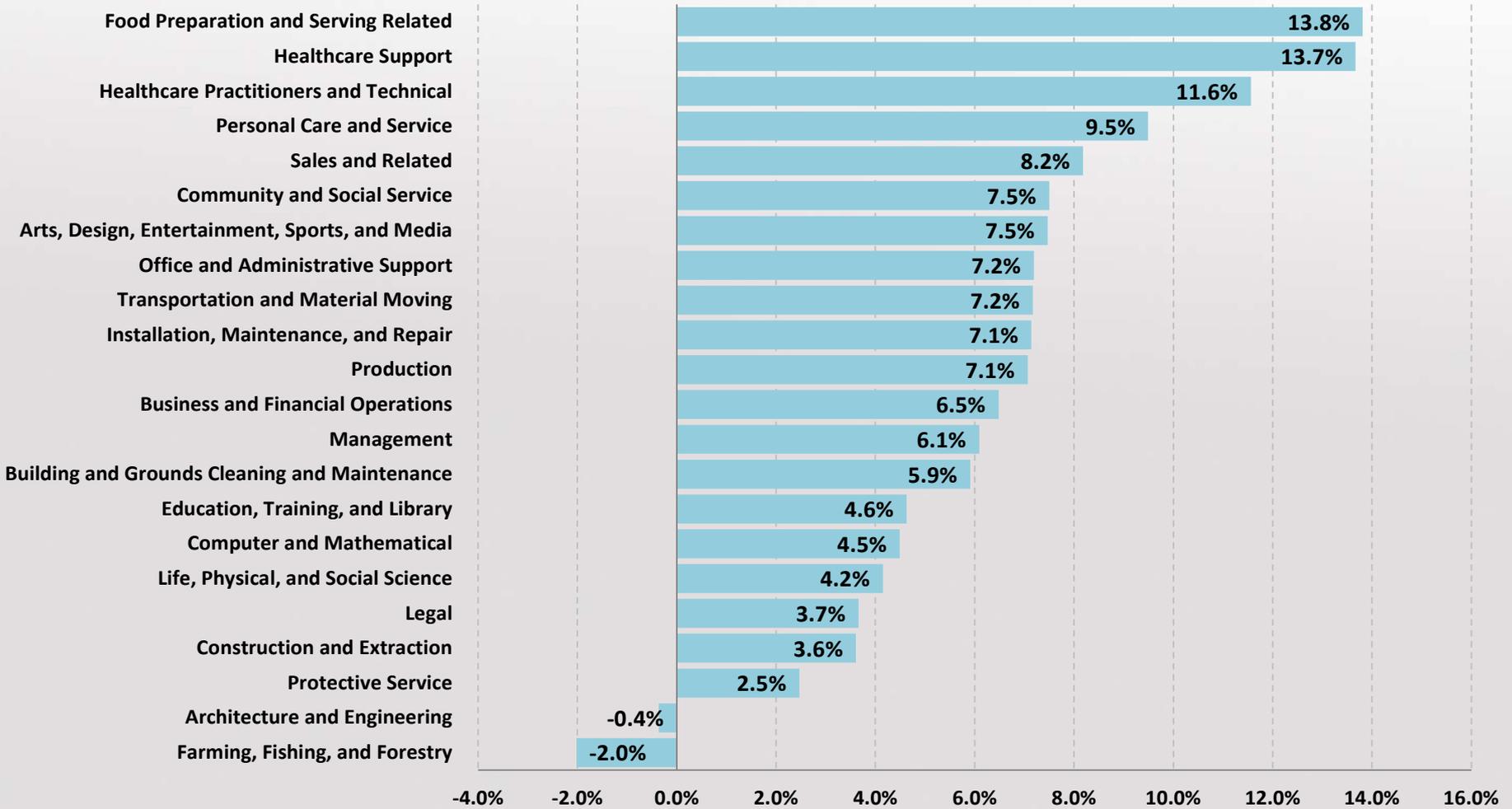


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Phoenix MSA Major Occupational Groups 2013 - 2016 Total Numeric Change



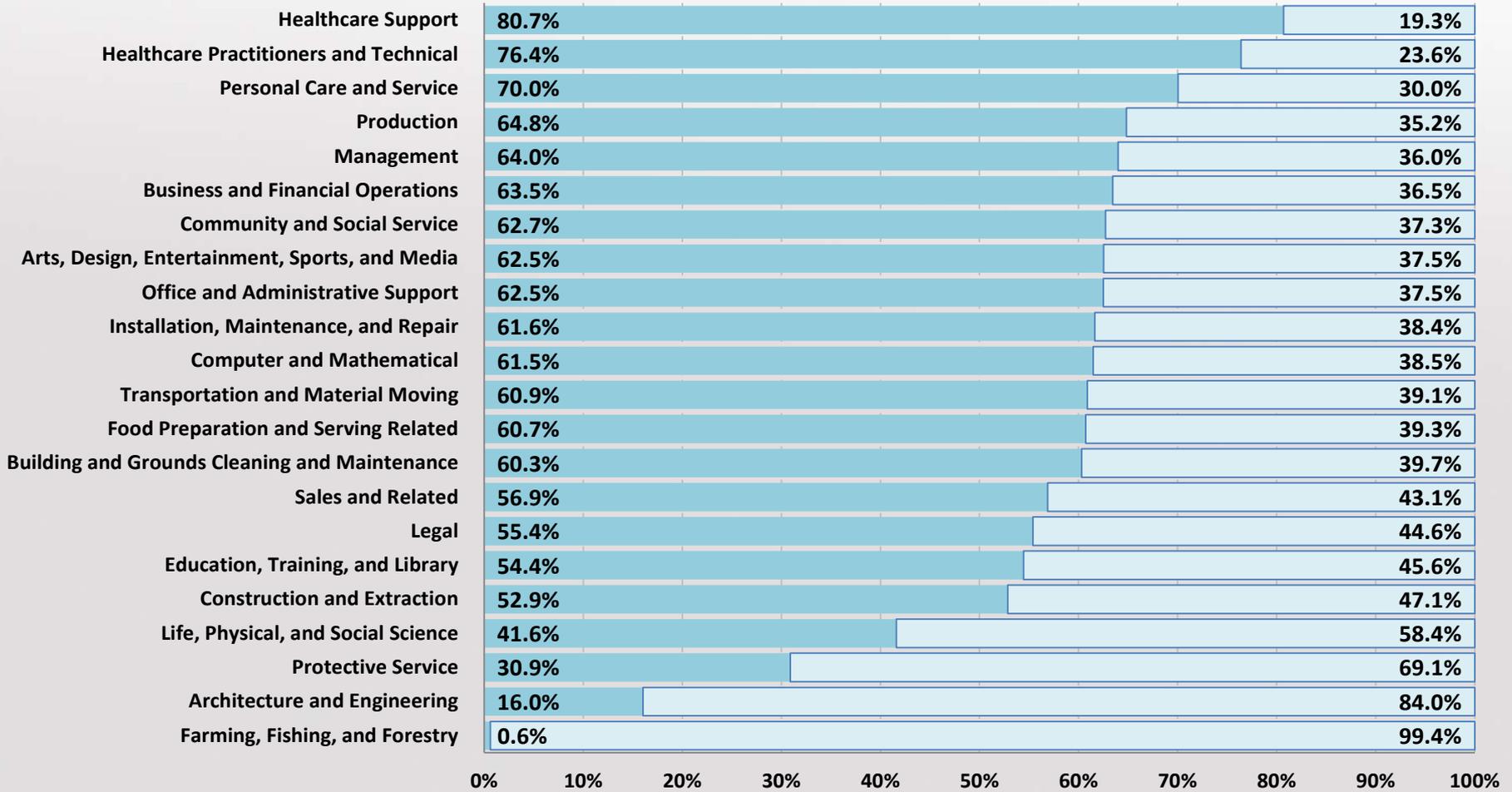
Phoenix MSA Major Occupational Groups 2013 - 2016 Total Percentage Change



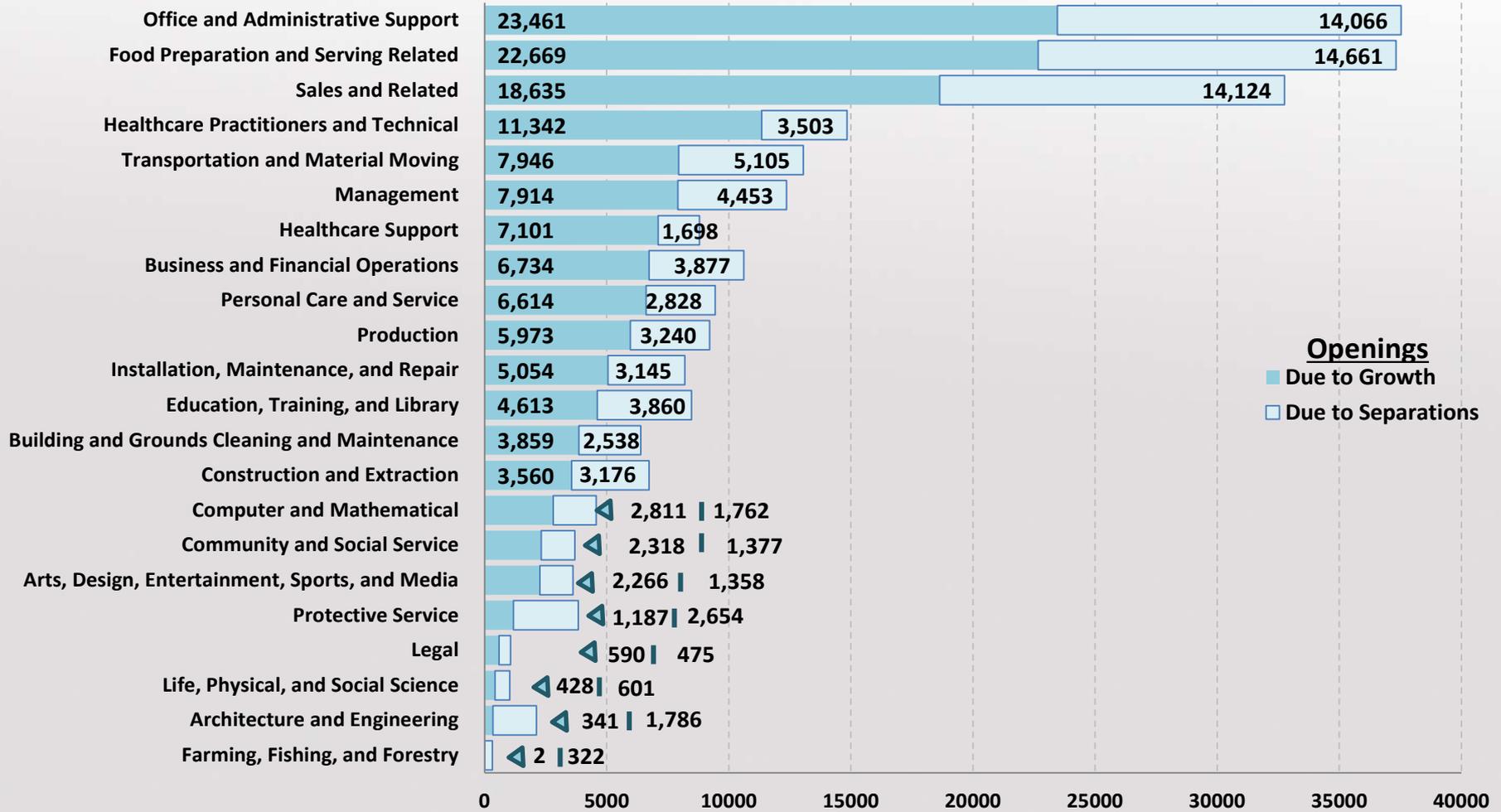
Phoenix MSA Major Occupational Groups

2013 - 2016 Total Openings by Growth & Separations

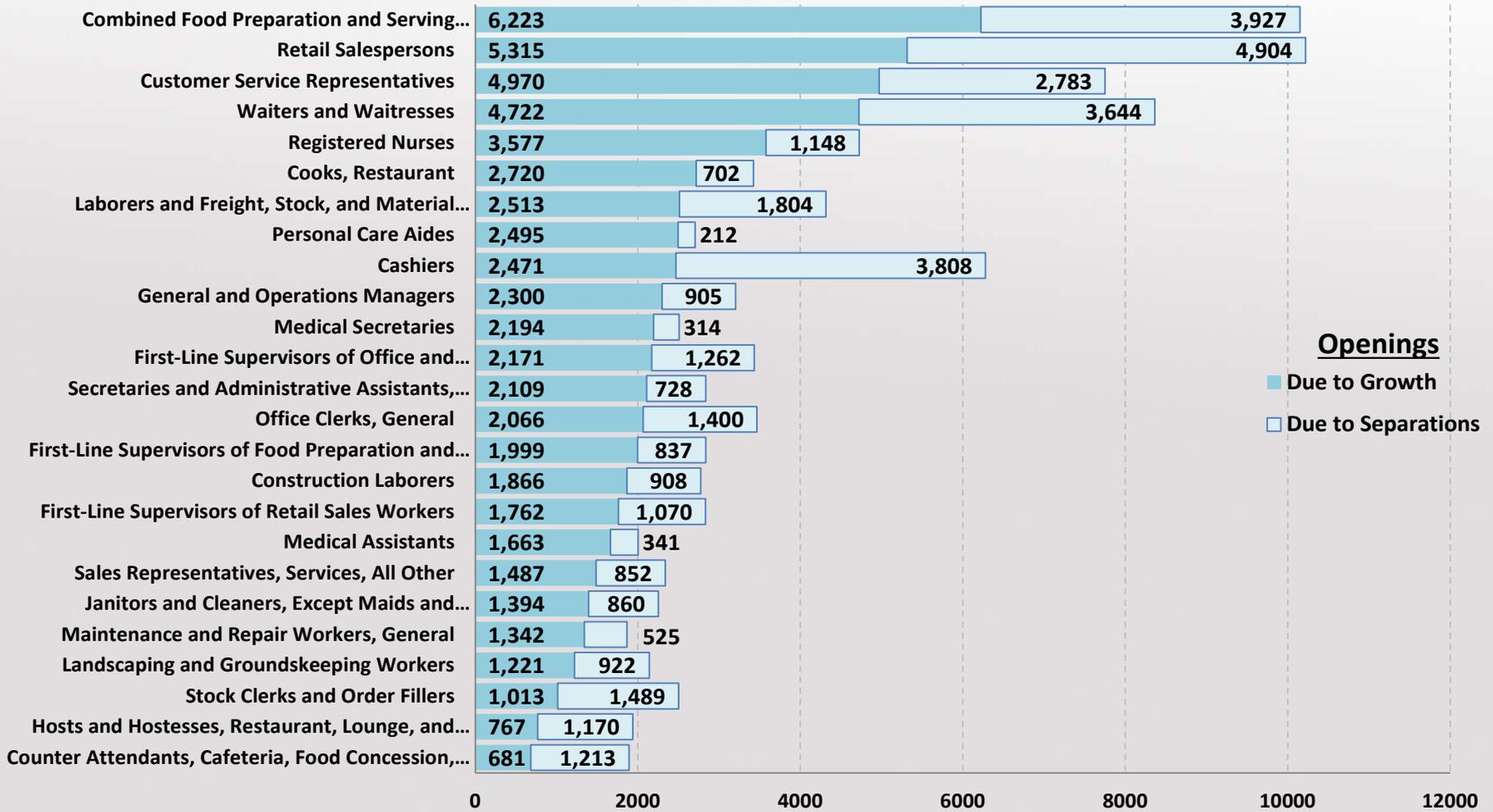
■ Due to Growth ■ Due to Separations



Phoenix MSA Major Occupational Groups 2013 - 2016 Total Openings by Growth & Separations



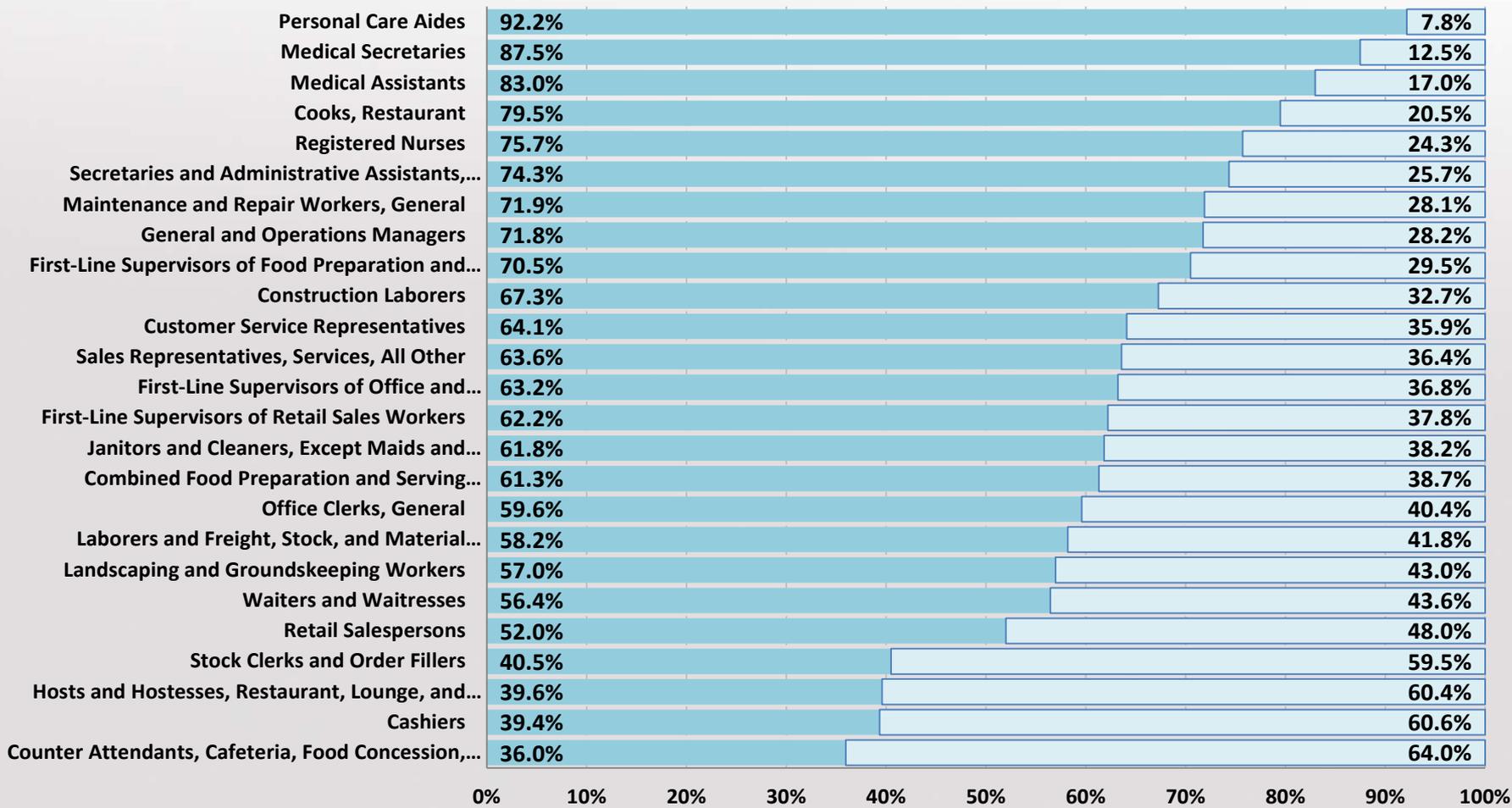
Top 25 Phoenix MSA Detailed Occupations 2013 - 2016 Annual Openings by Growth & Separations



Top 25 Phoenix MSA Detailed Occupations

2013 - 2016 Total Openings by Growth & Separations

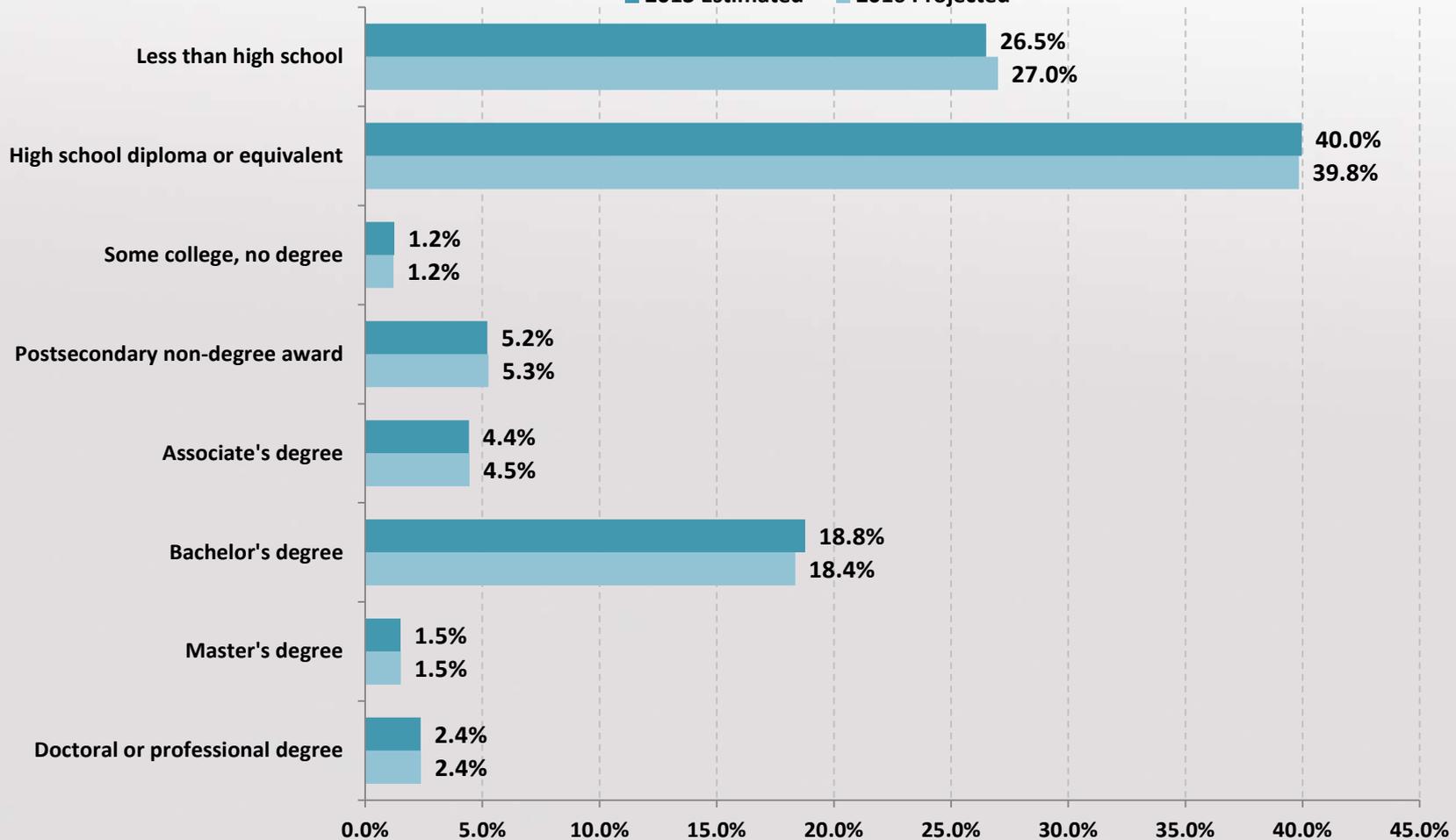
■ Due to Growth □ Due to Separations



Phoenix MSA Share of Occupations by Minimum Education Requirement

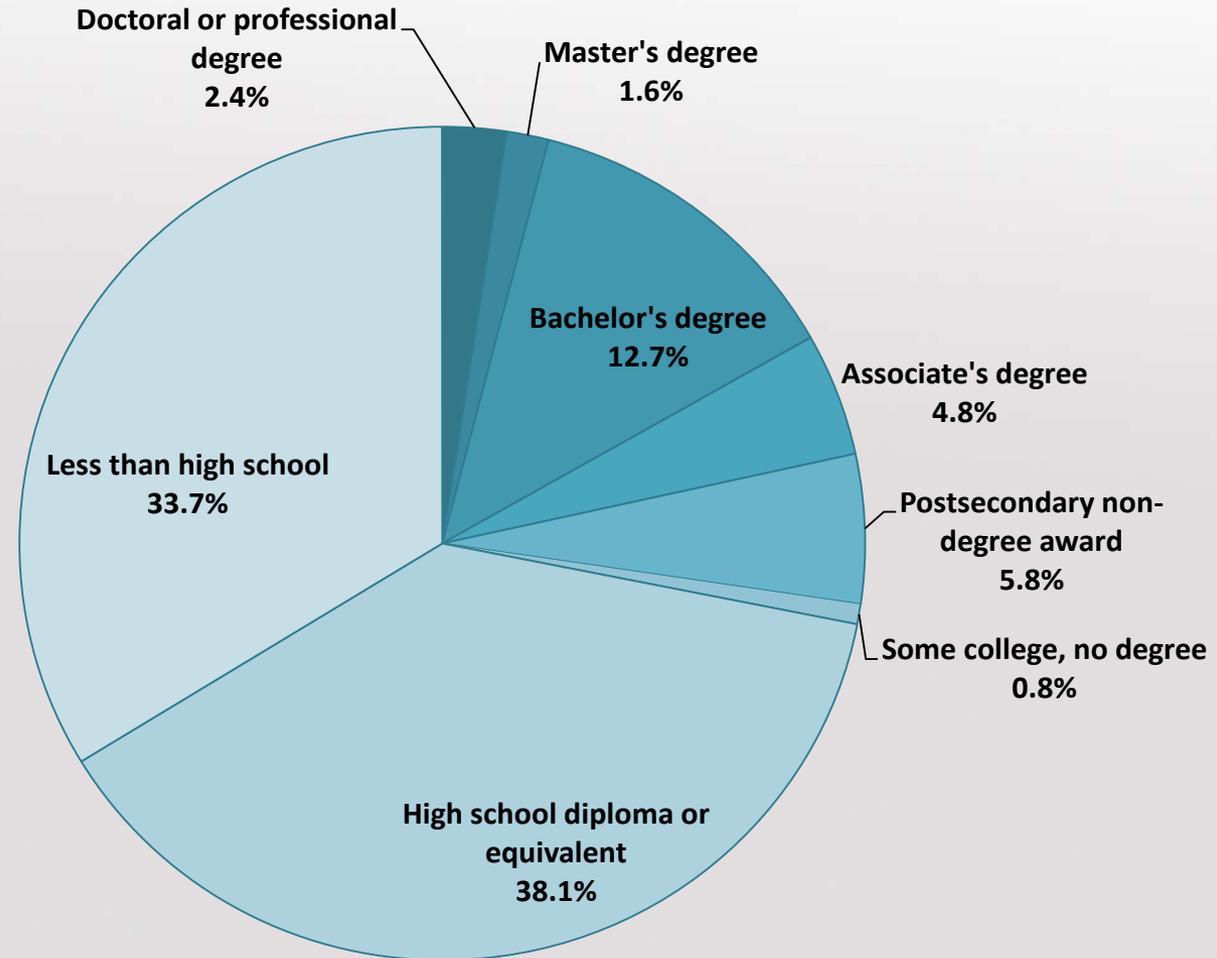
2013 & 2016 Employment Share

■ 2013 Estimated ■ 2016 Projected

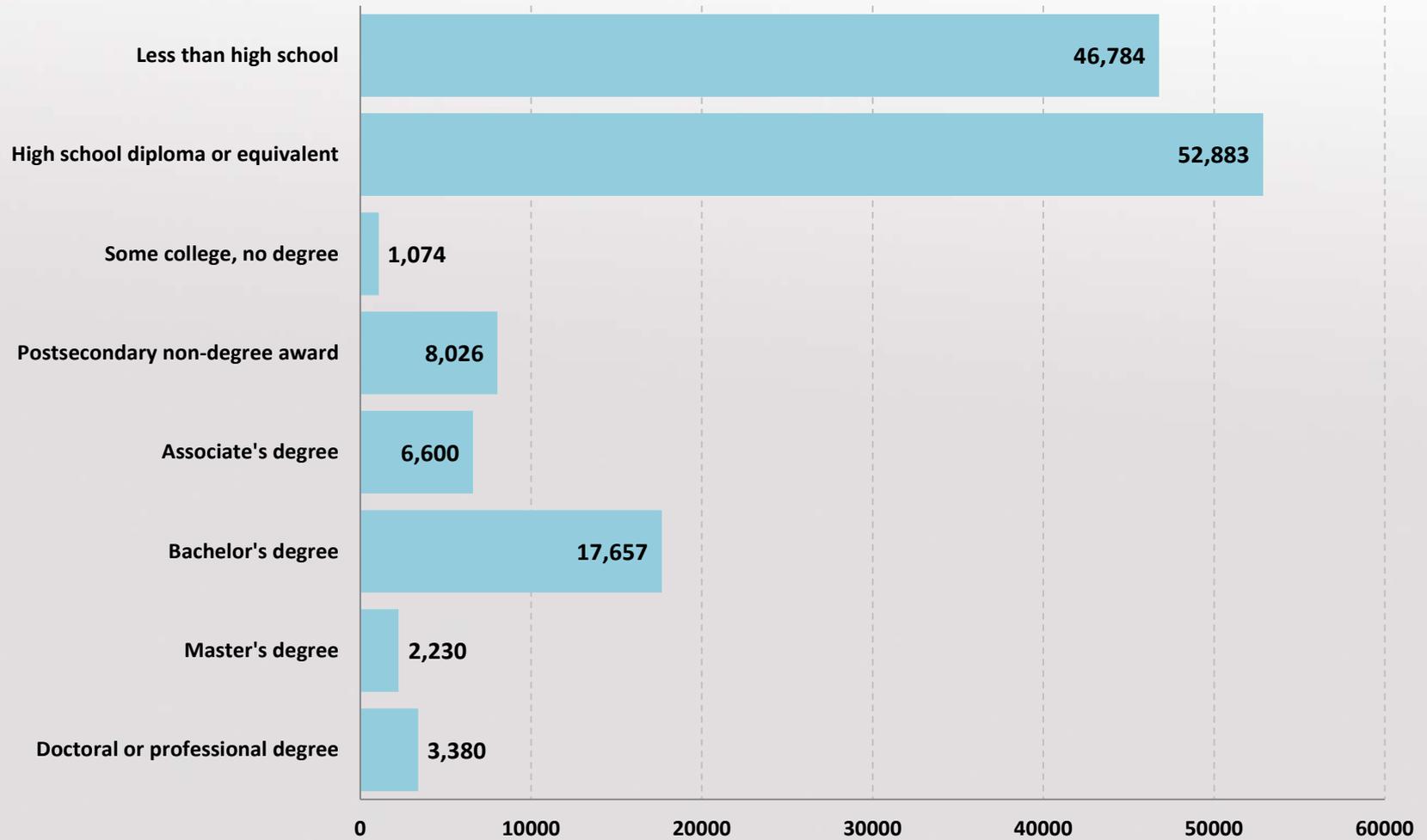


Phoenix MSA Share of Occupations by Minimum Education Requirement

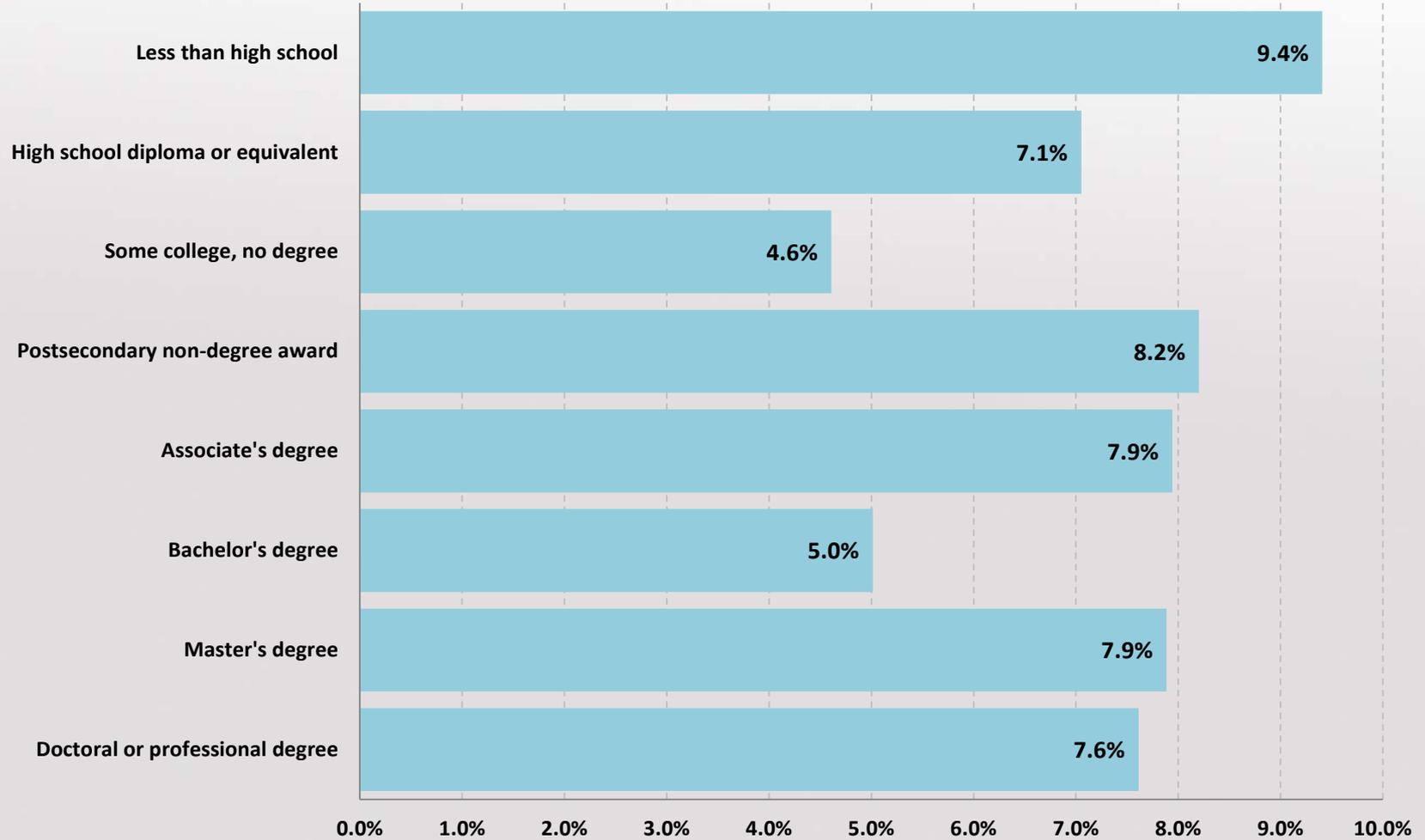
2013 - 2016 Employment Change



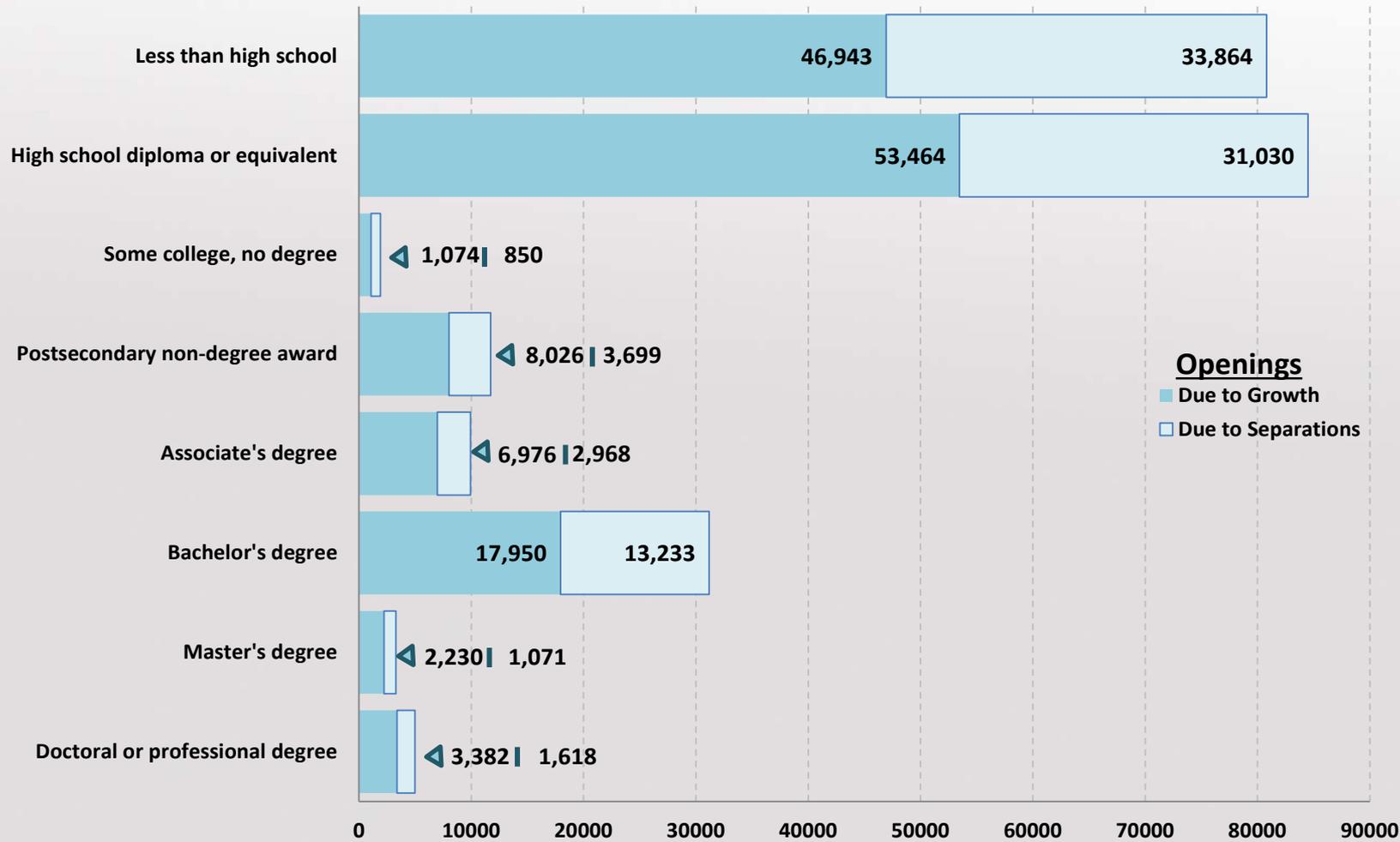
Phoenix MSA Occupations by Minimum Education Requirement 2013 - 2016 Total Numeric Change



Phoenix MSA Occupations by Minimum Education Requirement 2013 - 2016 Total Percentage Change (Growth Rate)

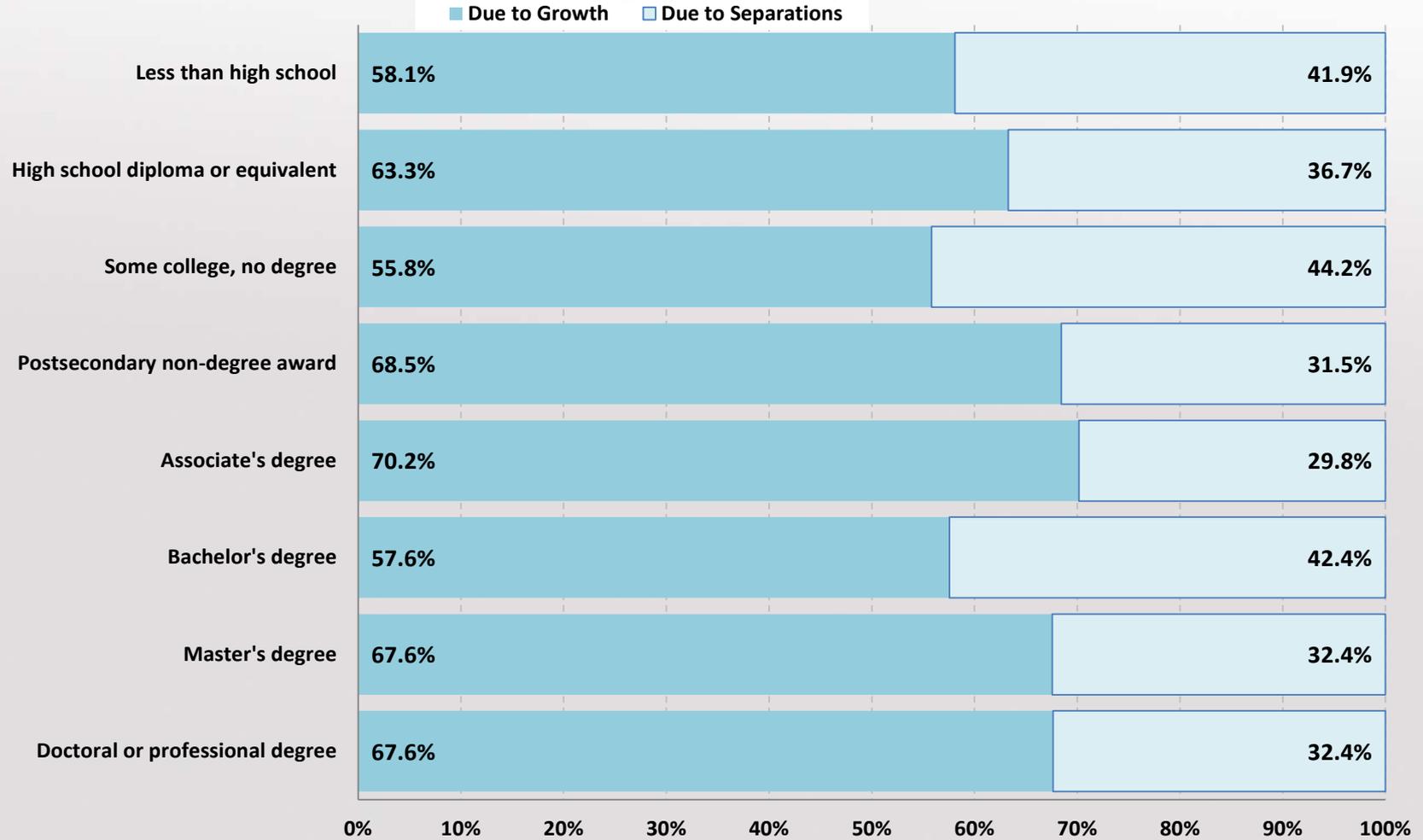


Phoenix MSA Occupations by Minimum Education Requirement 2013 - 2016 Total Openings by Growth & Separations



Phoenix MSA Occupations by Minimum Education Requirement

2013- 2016 Total Openings by Growth & Separations



QUESTIONS?



THE ECONOMIC FORECAST IS DIFFICULT FOR AN AMATEUR TO GET RIGHT...BUT THE PROFESSIONALS ARE REASONABLY CONFIDENT THAT THE MARKETS WILL GO EITHER UP OR DOWN IN THE LONG OR SHORT TERM

Appendix

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Economic Trends

- Growth in real GDP, real personal income, employment, retail sales
- Continued drop in U.S. and Arizona's unemployment rate
- Increasing private domestic investment, increases in the index of industrial production and rate of capacity utilization, high levels of corporate profit, and a gradual resurgence in private residential construction permits
- Household net worth and U.S. exports continue to increase
- Residential real estate market in Arizona and Phoenix metropolitan area has shown improvement.

Economic Trends

- Commercial real estate is gradually improving with lower vacancy rates, higher rental rates and lower rates of default and delinquency in mortgage loans
- Consumer sentiment and consumer spending have improved
- Banks are gradually loosening up their lending requirements and delinquency and default rates on consumer credit are declining

Potential Uncertainties in the Domestic Economy

- Constrained budgets persist for a large majority of households
- Real median household income in US and AZ is below the peak level prior to the 2007 recession
- Population growth in the state has been below the growth rate observed historically, limiting the additional demand for goods and services
- Up to 20% of potential buyers are unable to enter the housing market because of negative or low home equity

Potential Uncertainties in the Domestic Economy

- Growth has slowed in real business investment as a consequence of demand uncertainty
- Cuts in the federal, state and local budgets would require spending cuts, tax increases, or a mixture of the two
- Real federal civilian and military expenditures continued to decline
- The rising dollar could negatively hurt exports
- The global economy continues to be in low gear

The Positives listed in earlier slides outweigh the uncertainties listed above in support of our forecast.

Arizona Occupation Forecast

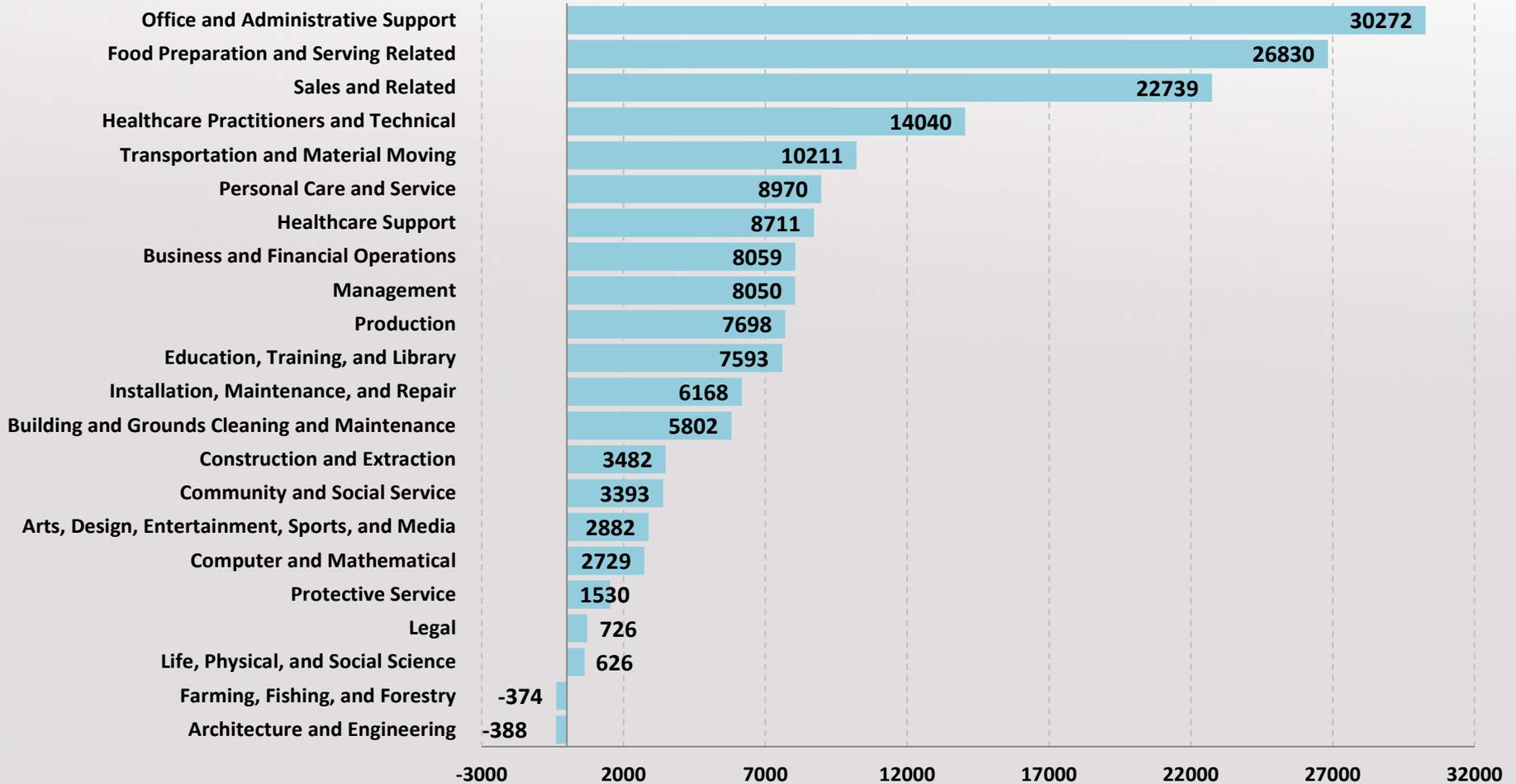
2013-2016



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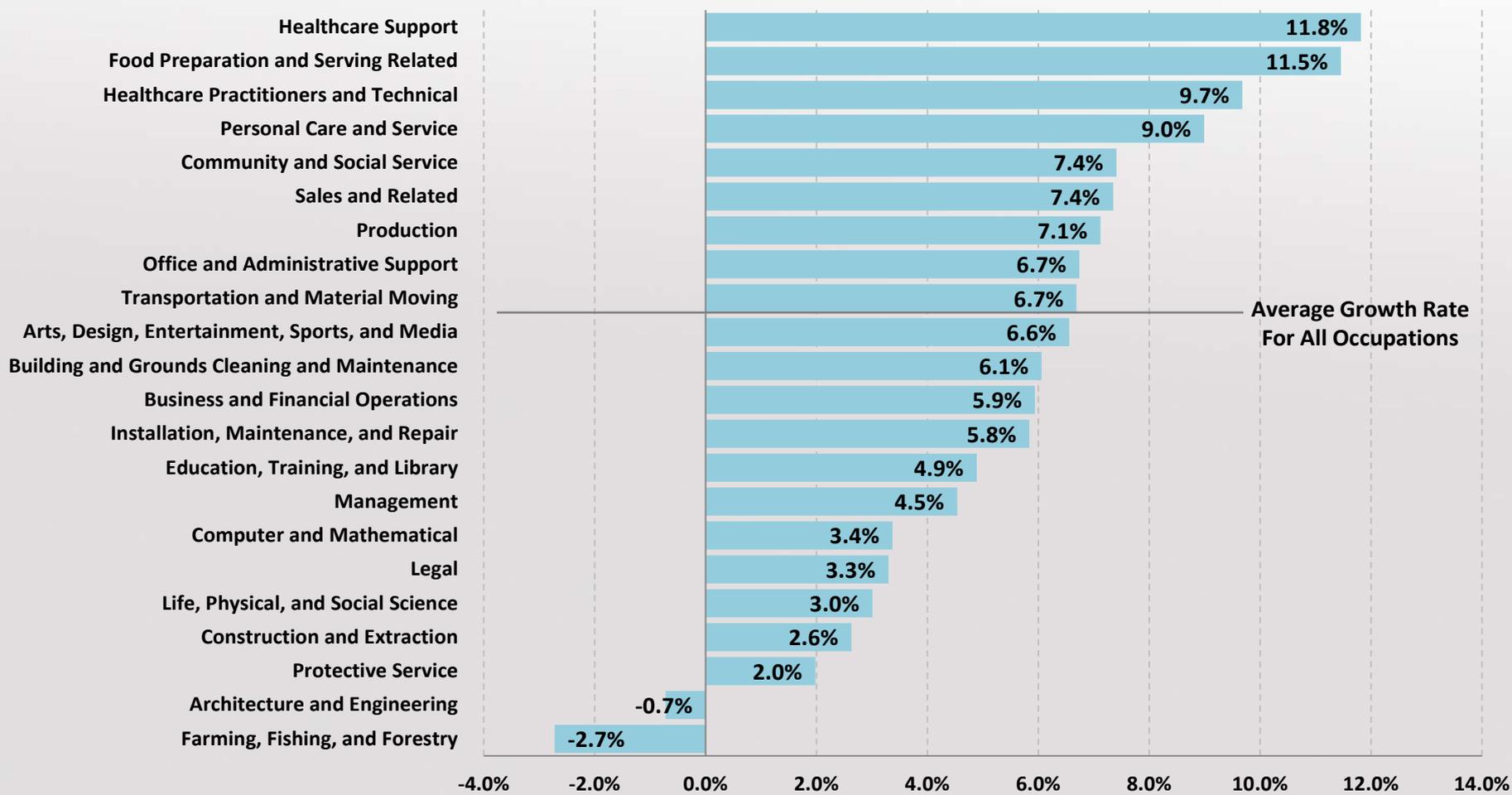
Arizona Major Occupational Groups

2013 - 2016 Total Numeric Change

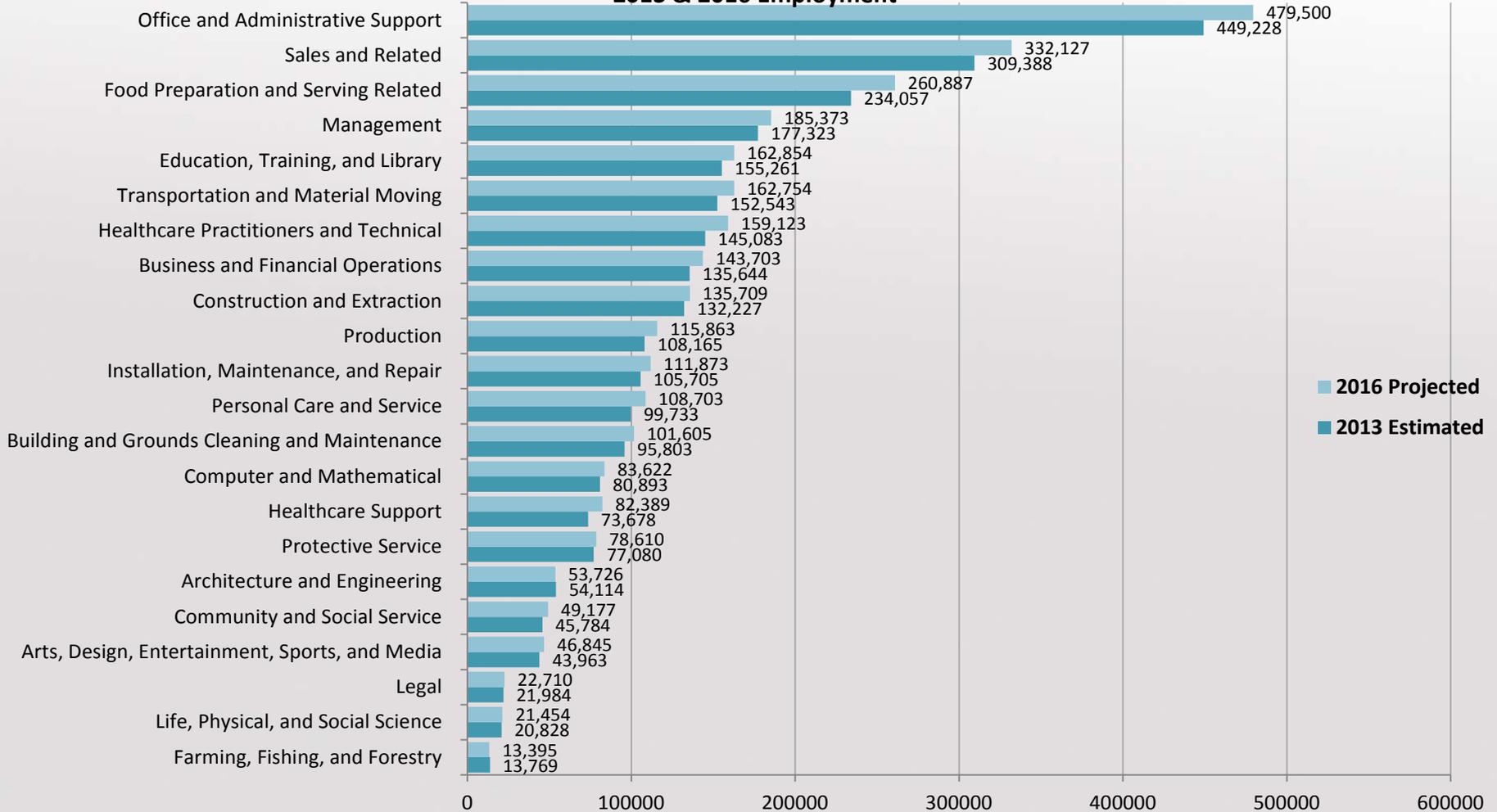


Arizona Major Occupational Groups

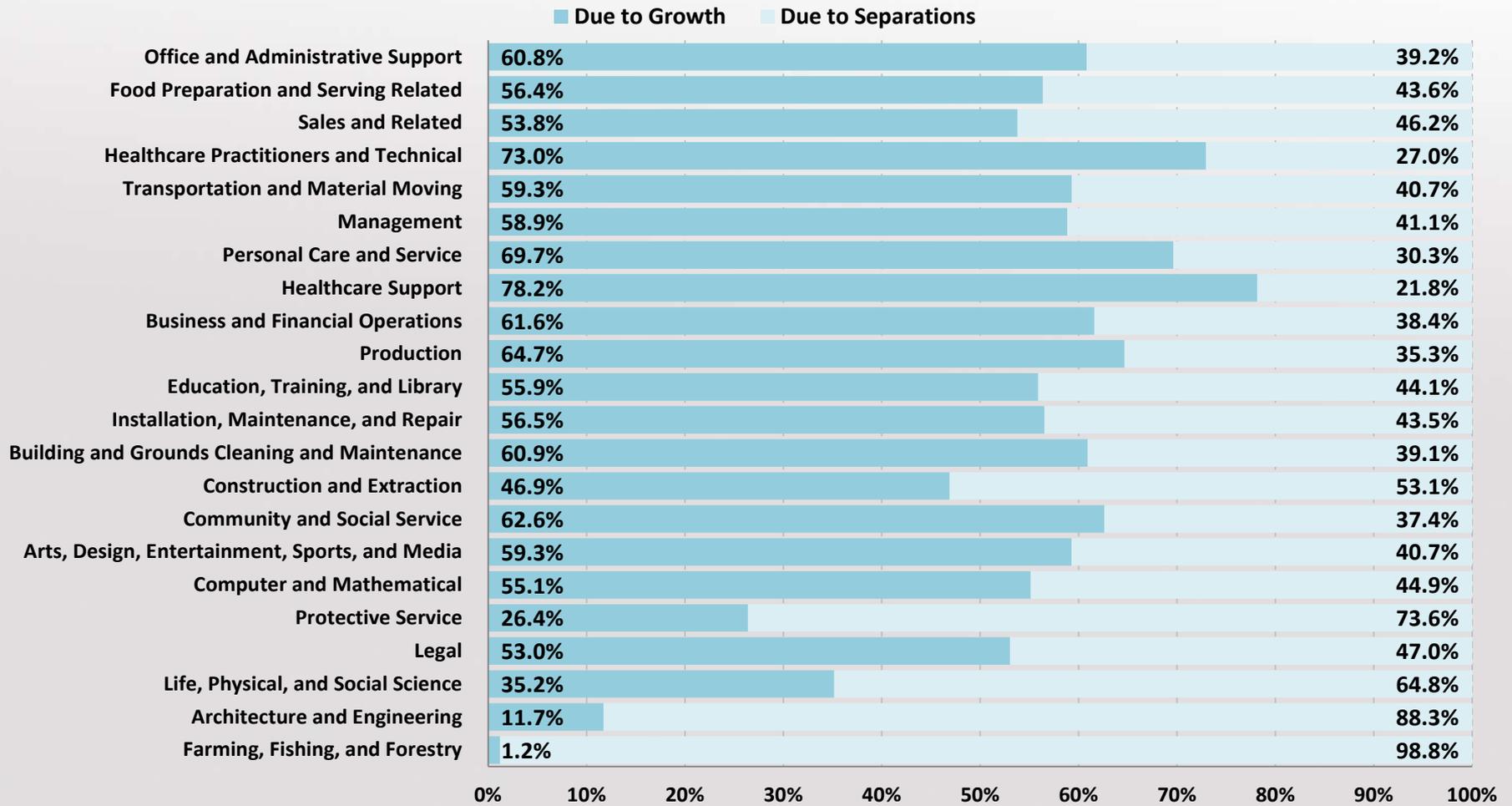
2013 - 2016 Total Percentage Change



Arizona Major Occupational Groups 2013 & 2016 Employment

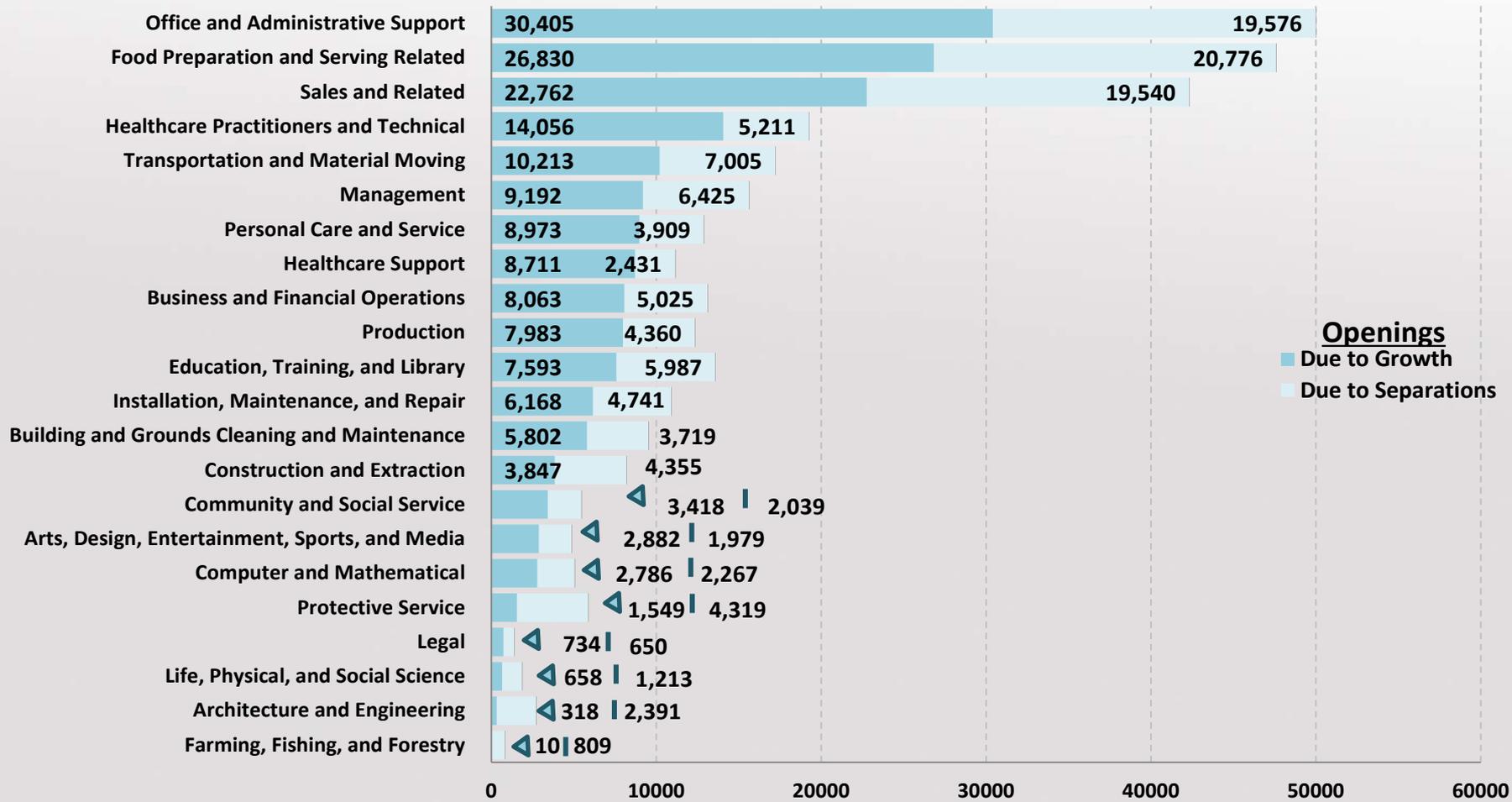


Arizona Major Occupational Groups 2013 - 2016 Total Openings by Growth & Separations

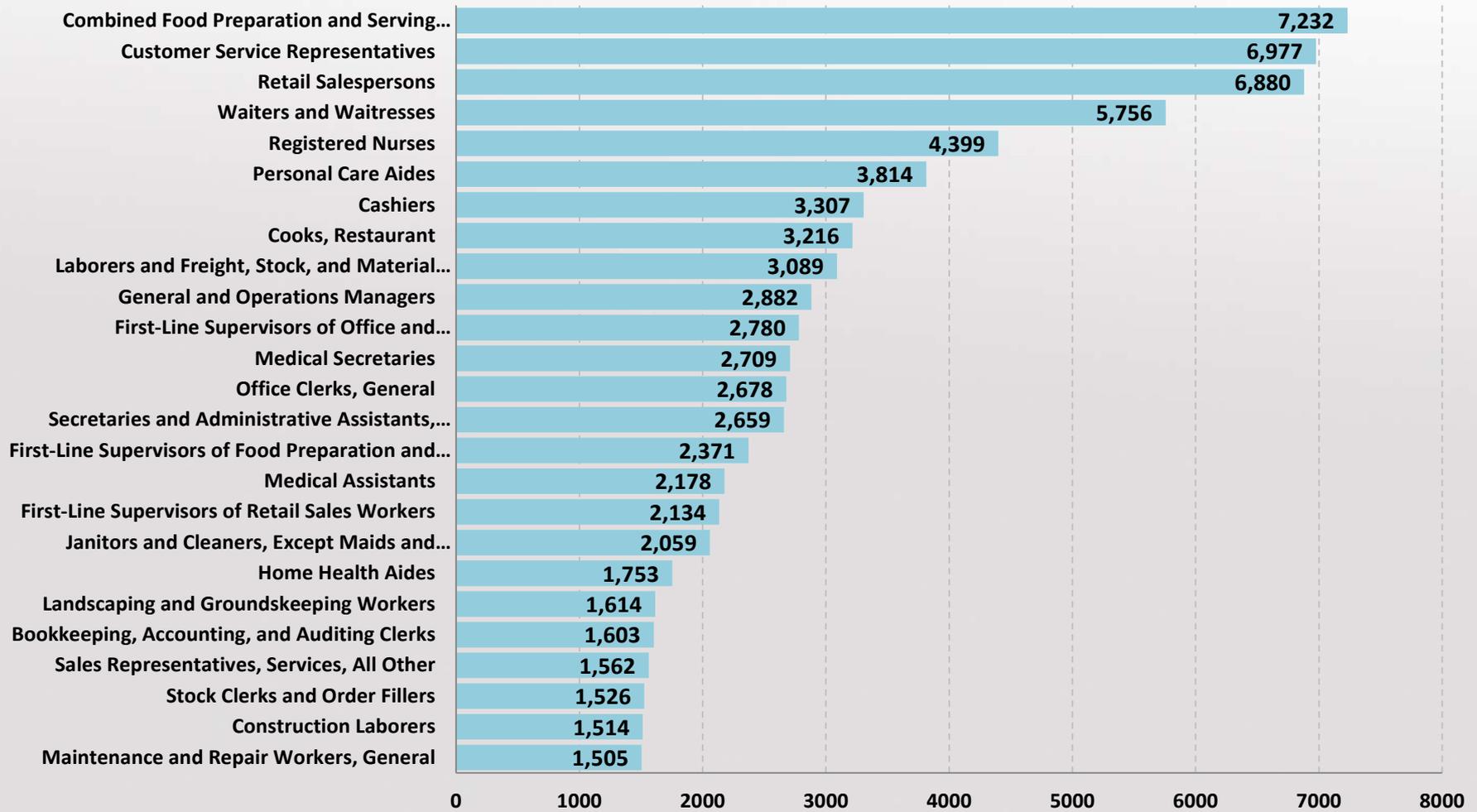


Arizona Major Occupational Groups

2013 - 2016 Total Openings by Growth & Separations

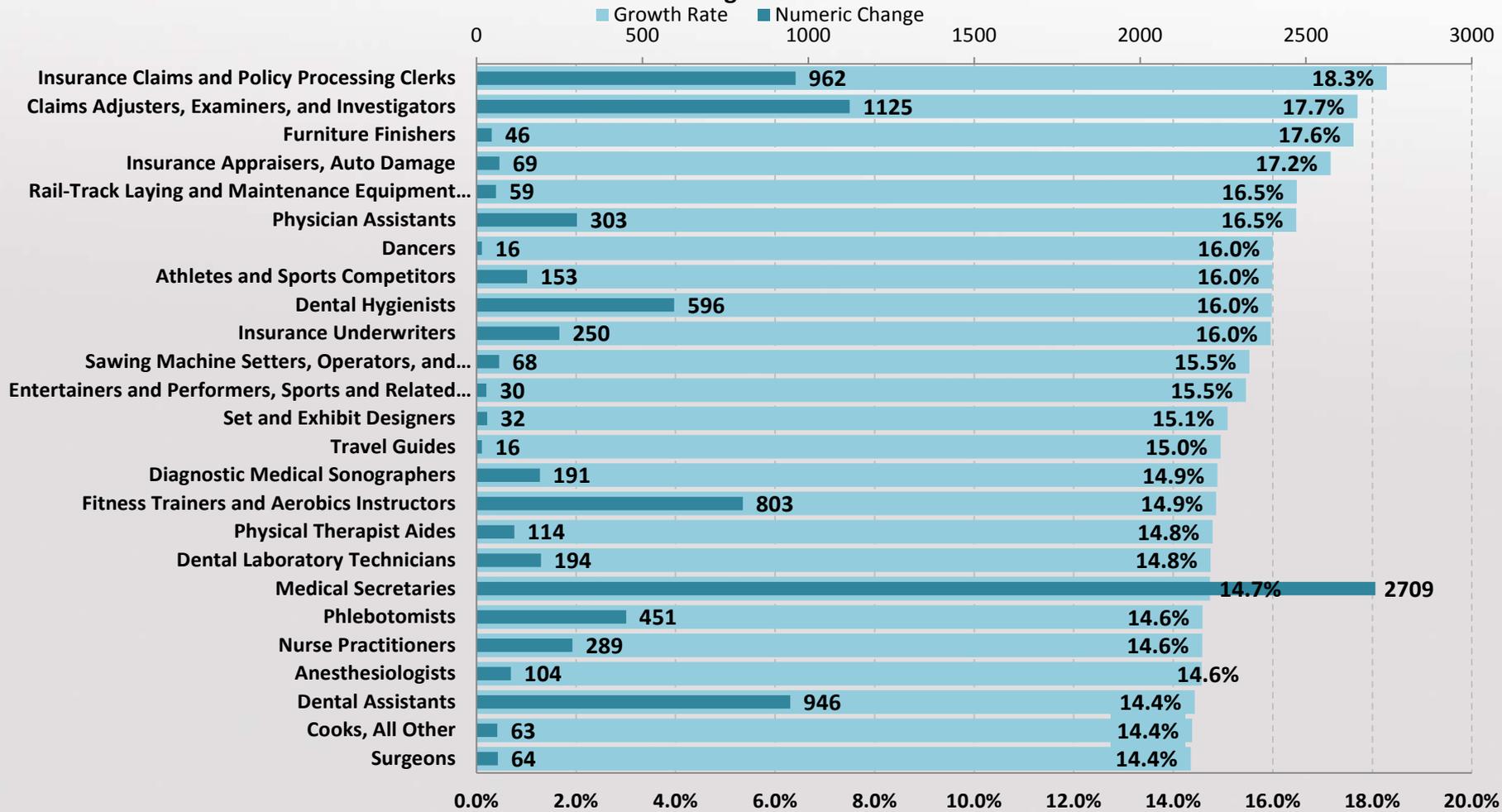


Top 25 Arizona Detailed Occupations 2013 - 2016 Highest Employment Change

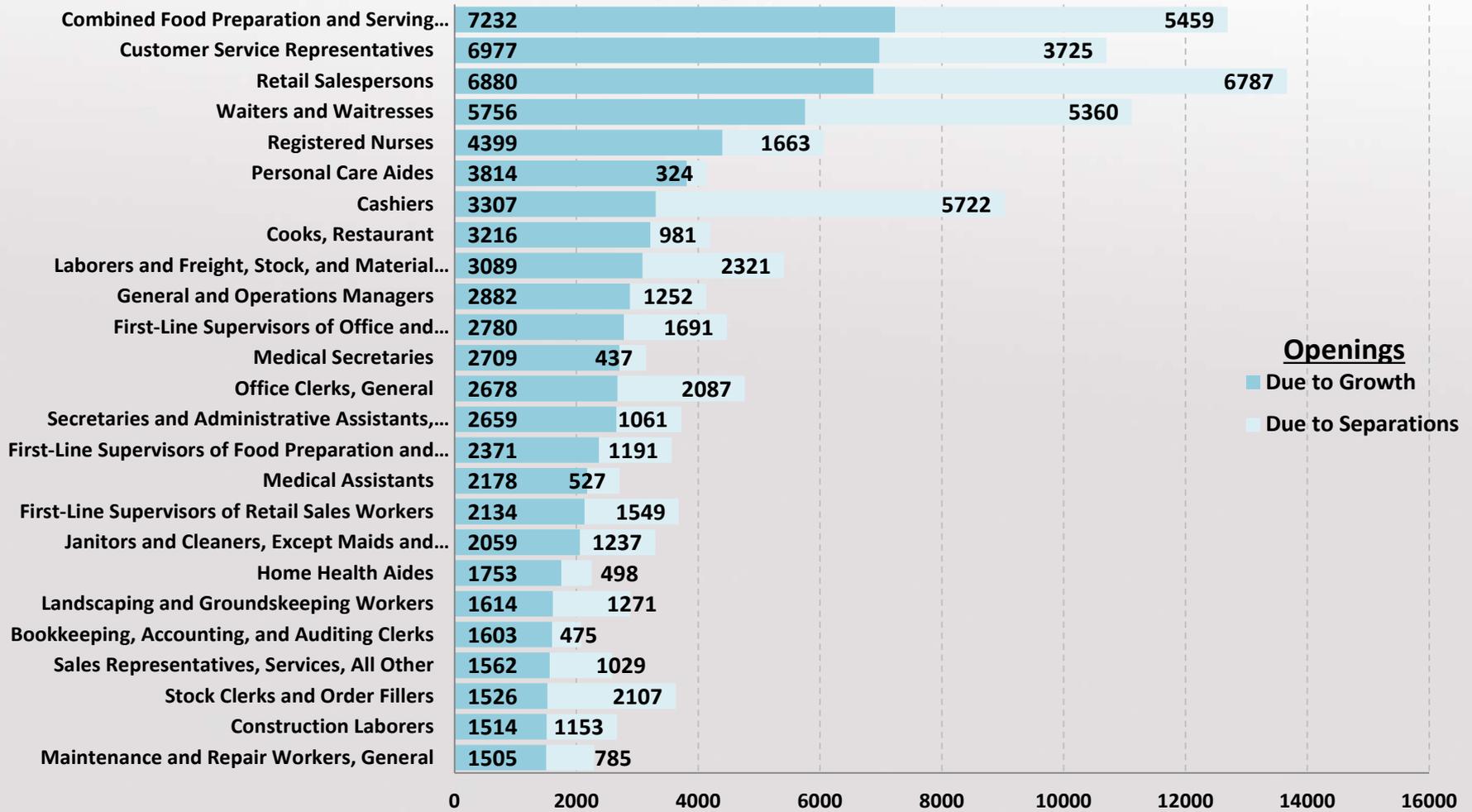


Top 25 Arizona Detailed Occupations

2013 - 2016 Highest Growth Rates



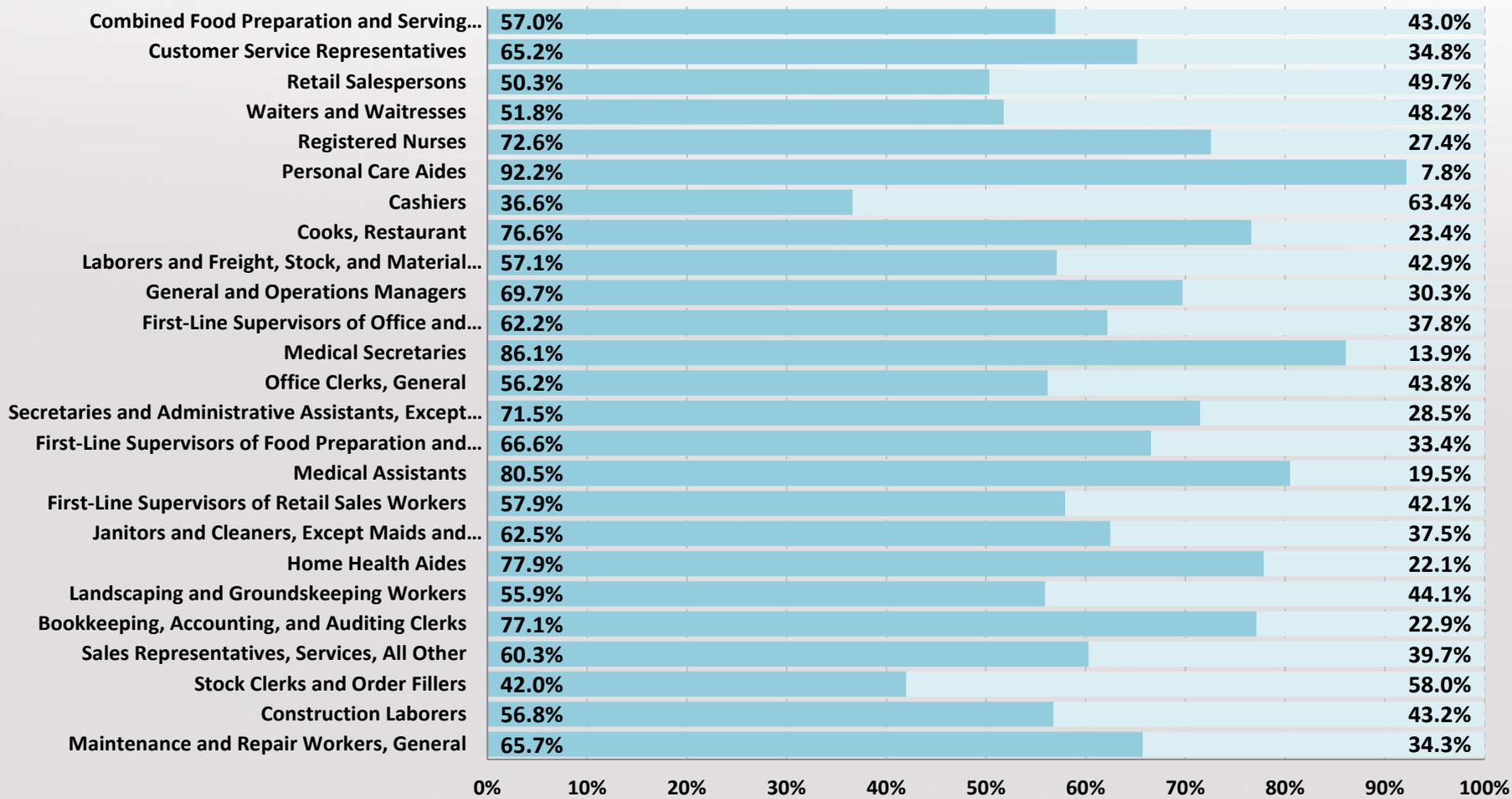
Top 25 Arizona Detailed Occupations 2013 - 2016 Annual Openings by Growth & Separations



Top 25 Arizona Detailed Occupations

2013 - 2016 Total Openings by Growth & Separations

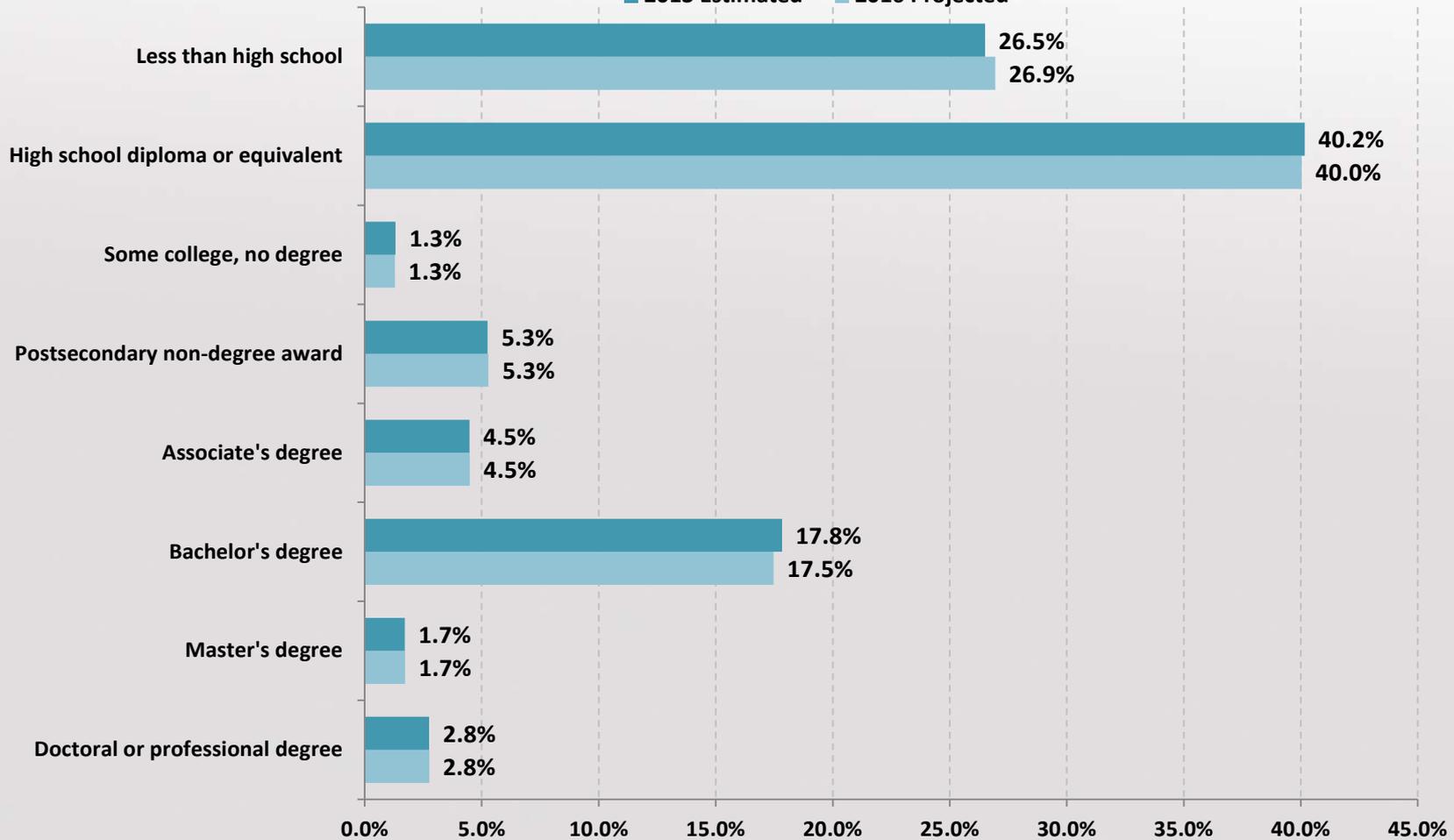
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Arizona Share of Occupations by Minimum Education Requirement

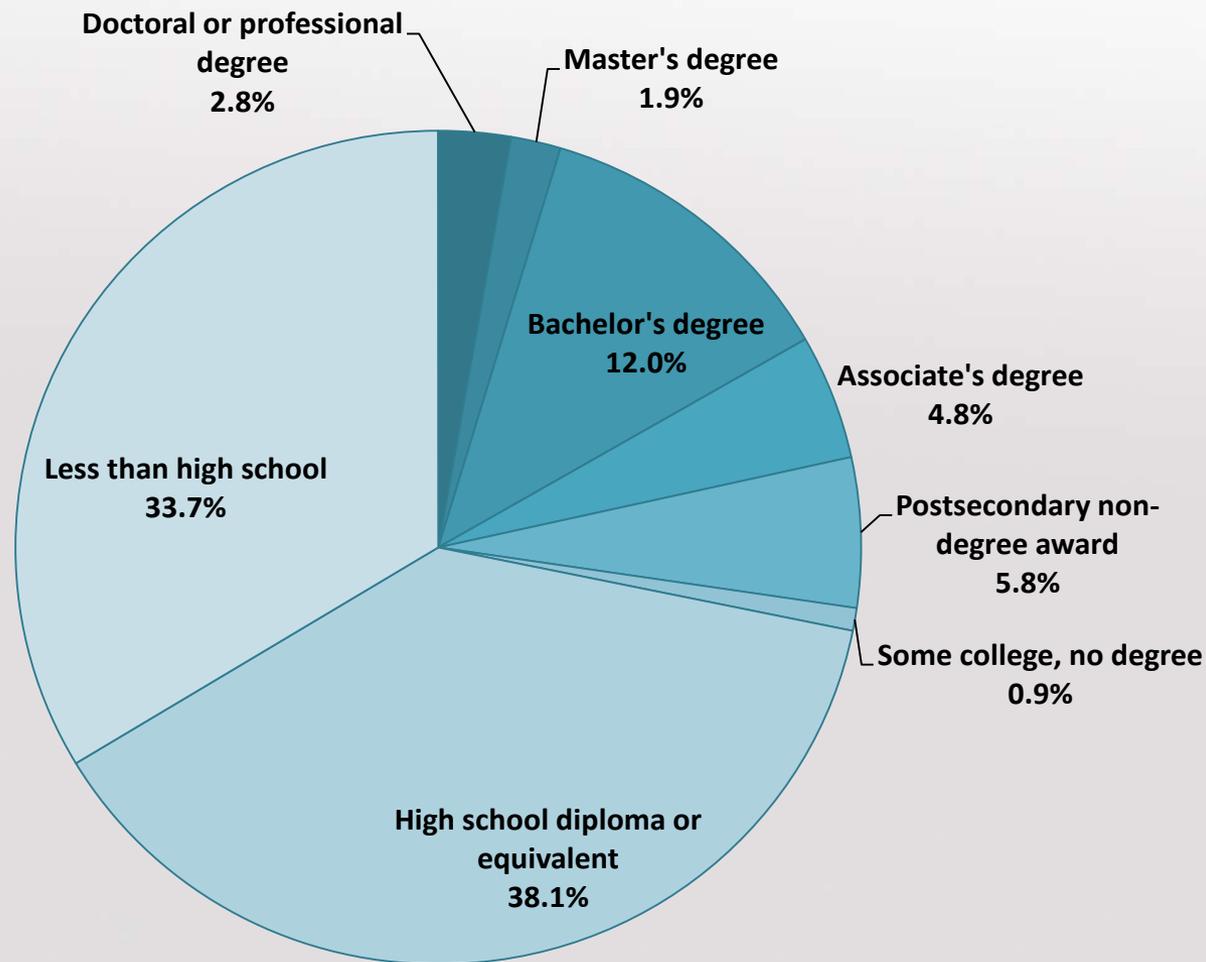
2013 & 2016 Employment Share

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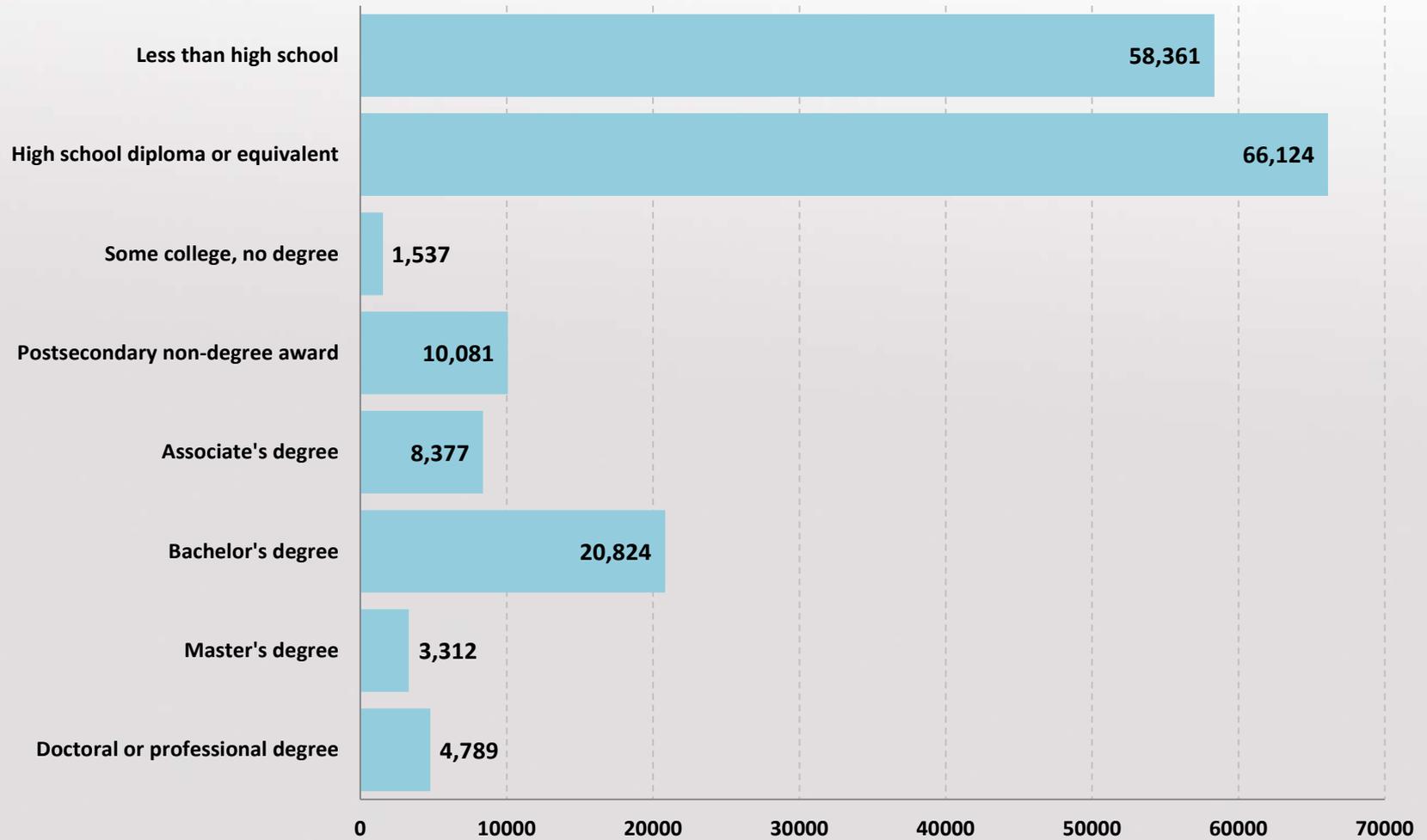


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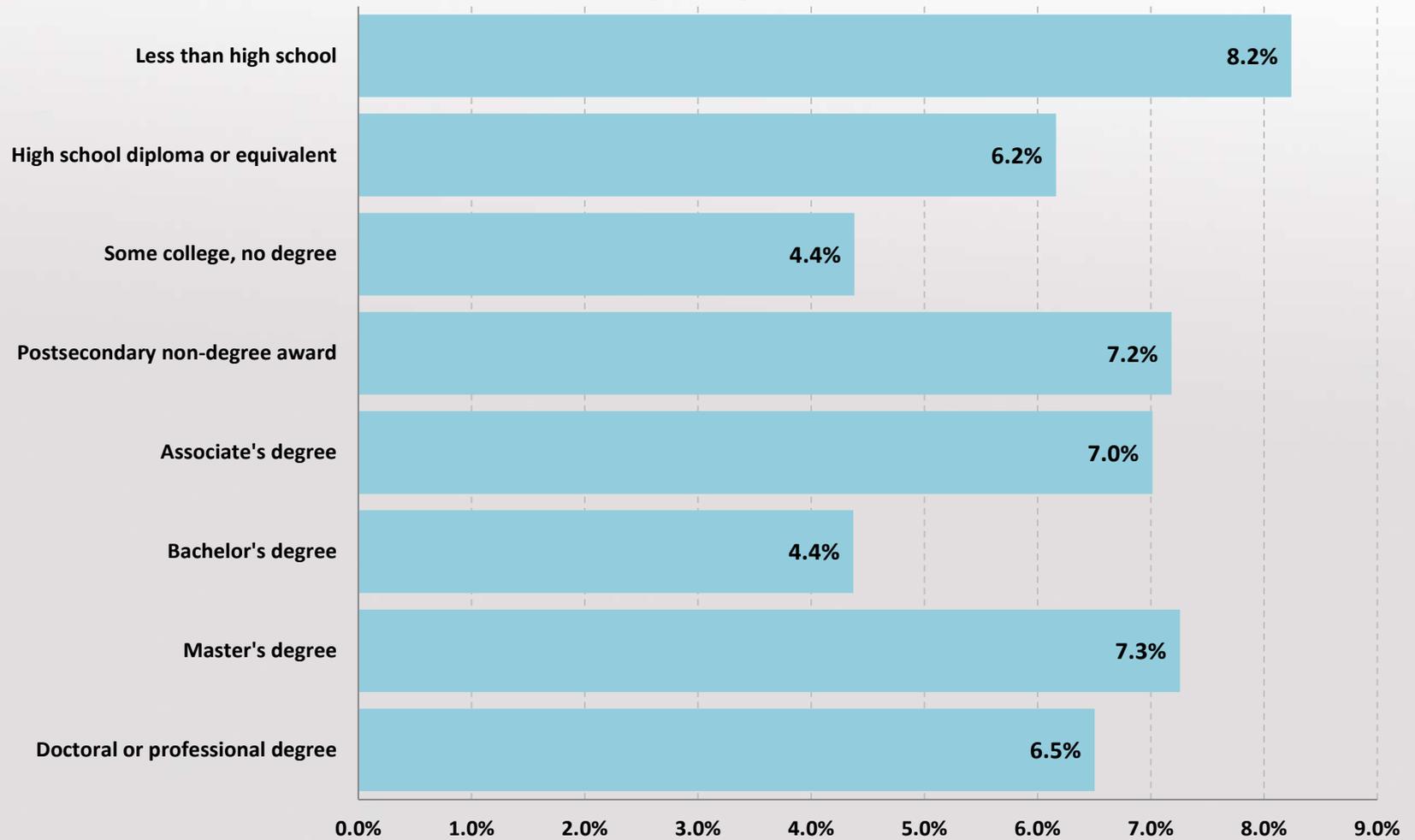
2013 - 2016 Employment Change



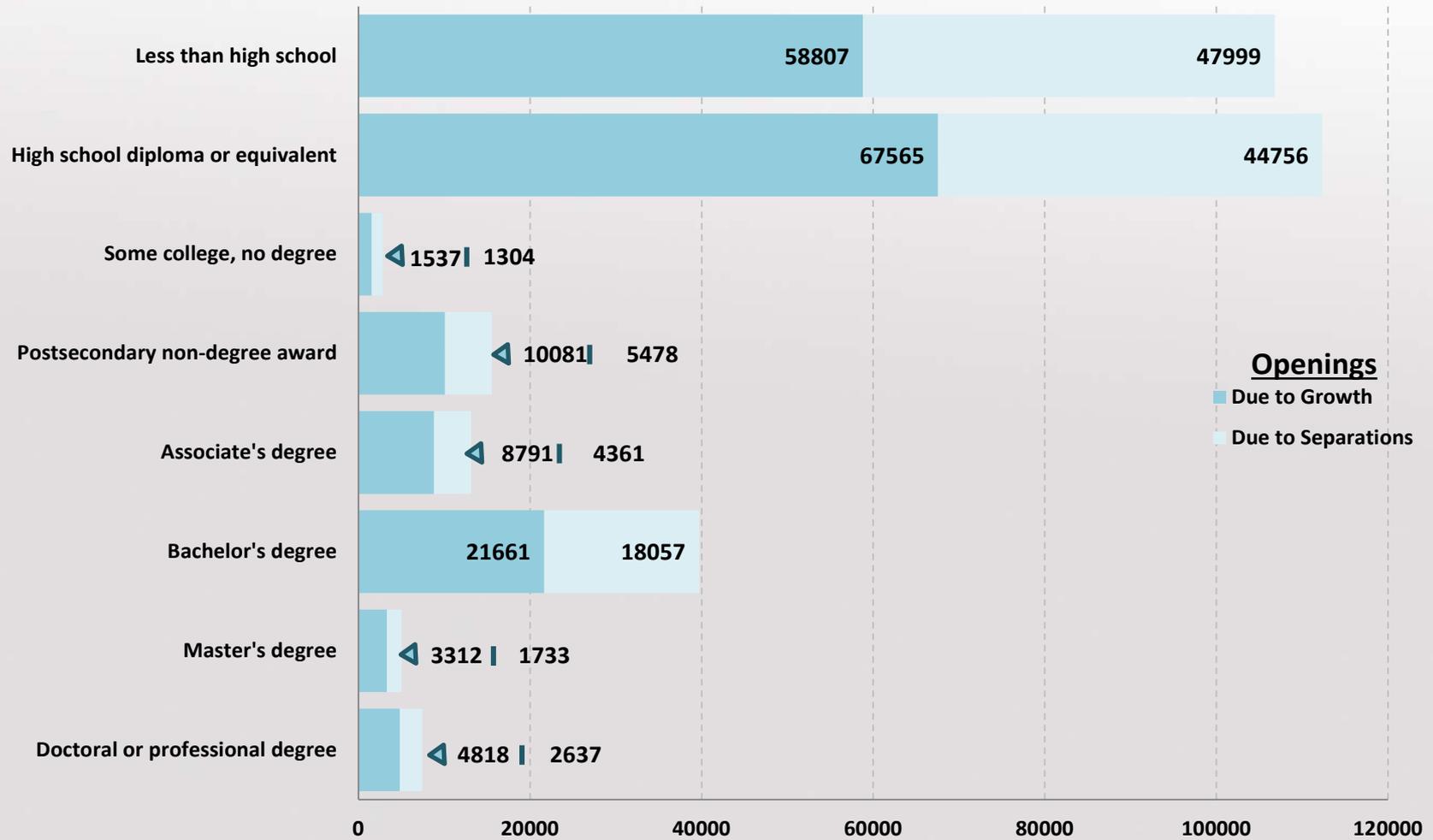
Arizona Occupations by Minimum Education Requirement 2013 - 2016 Total Numeric Change



Arizona Occupations by Minimum Education Requirement 2013 - 2016 Total Percentage Change (Growth Rate)



Arizona Occupations by Minimum Education Requirement 2013 - 2016 Total Openings by Growth & Separations



Arizona Occupations by Minimum Education Requirement

2013 - 2016 Total Openings by Growth & Separations

