



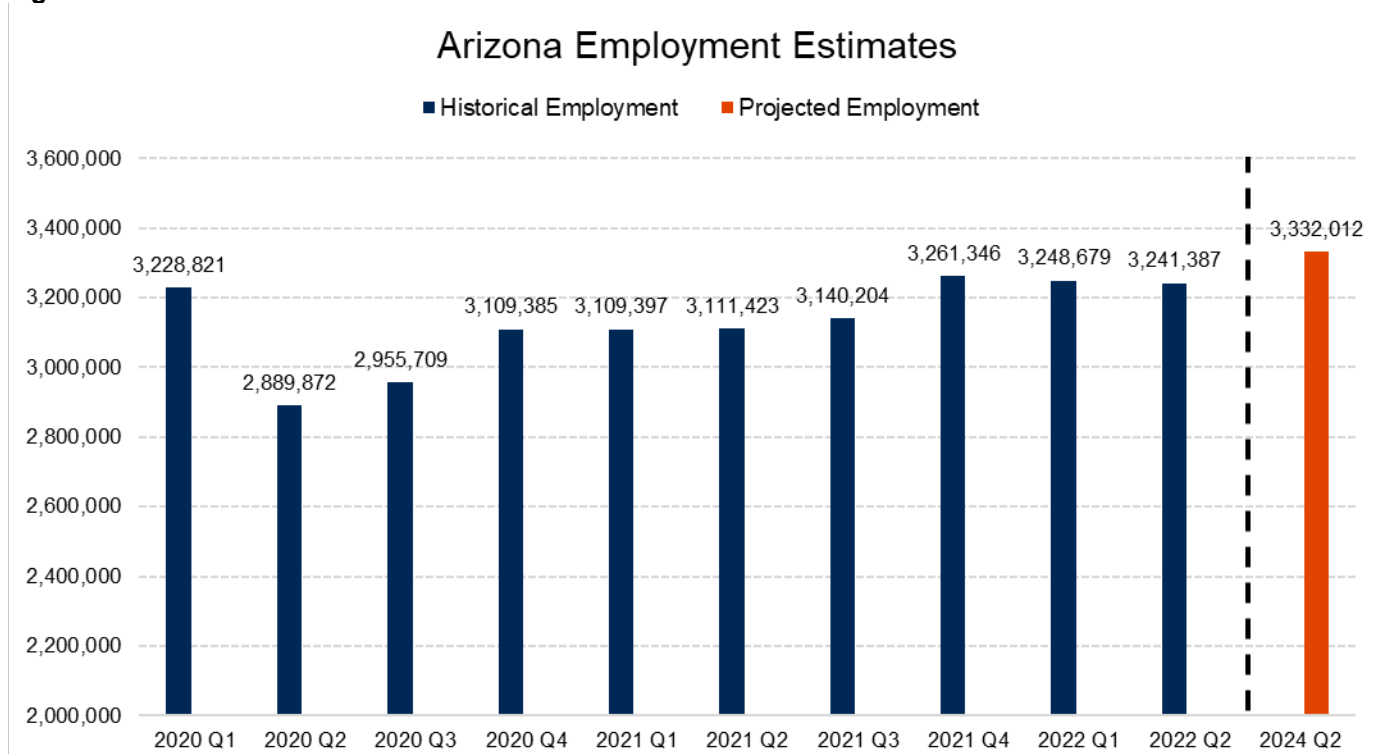
February 16, 2023

Arizona 2022-2024 Projected Employment Report Total Employment Projected to Grow 1.4% Annually, led by Manufacturing

Summary

The Office of Economic Opportunity (OEO) is projecting Arizona employment to increase to 3,332,012 jobs in Q2 2024 from 3,241,387 jobs in Q2 2022. This represents an increase of 90,625 jobs, or 1.4% annualized growth.

Figure 1



Source: Office of Economic Opportunity

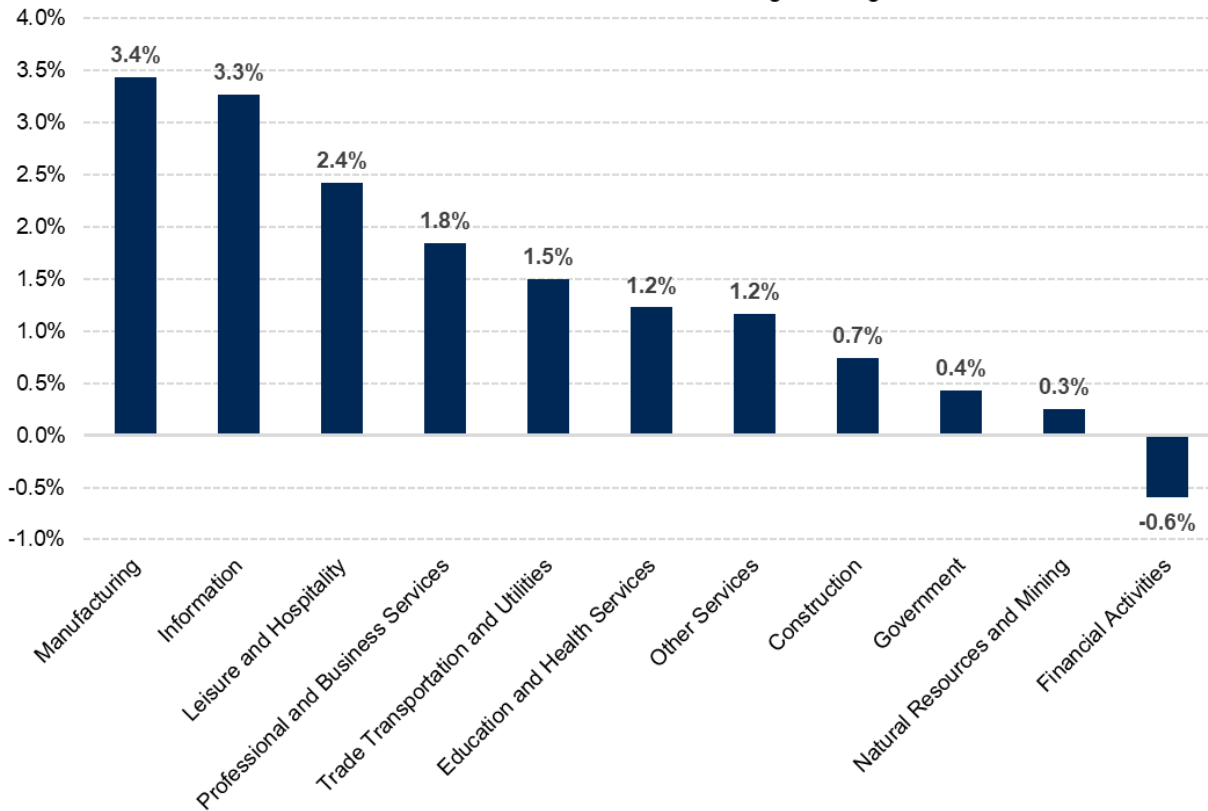
Supersector Employment Growth

Job gains are projected for 10 of the 11 Arizona supersectors, with Manufacturing (3.4% annualized growth) and Information (3.3% annualized growth) projected to record the fastest job growth rates. Trade, Transportation and Utilities (18,557 jobs) and Leisure and Hospitality (17,458 jobs) are projected to record the largest job gains.

Supersectors projected to record the lowest rates of growth include Natural Resources and Mining (0.3% annualized growth) and Government (0.4% annualized growth). Natural Resources and Mining (248 jobs) and Government (1,392 jobs) also are projected to record the fewest job gains over the two-year period. Financial Activities is the only supersector projected to record a loss (-2,796 jobs, or -0.6%).

Figure 2

Arizona Supersectors Employment
2022-2024 Annualized Percentage Change



Source: Office of Economic Opportunity

Table 1

Industry Sector	Historical Employment							Projected
	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2024 Q2
Construction	179,026	177,169	179,918	182,956	187,039	189,618	194,733	197,613
Annual % Chg.	3.9%	2.9%	2.1%	2.1%	2.6%	3.4%	5.4%	0.7%
Education and Health Services	649,998	646,689	631,946	626,190	665,790	662,659	642,042	657,864
Annual % Chg.	0.0%	-0.2%	-0.4%	0.1%	-0.3%	-0.5%	3.0%	1.2%
Financial Activities	229,823	232,096	232,776	234,652	238,619	235,786	234,156	231,360
Annual % Chg.	2.5%	3.1%	2.6%	2.5%	2.2%	1.8%	2.3%	-0.6%
Government	161,634	159,001	160,318	160,297	159,209	158,275	160,493	161,885
Annual % Chg.	0.7%	0.3%	0.1%	-0.3%	-0.7%	-0.9%	-0.4%	0.4%
Information	46,804	47,291	48,262	49,508	51,236	52,137	52,951	56,465
Annual % Chg.	-3.9%	-3.4%	-2.7%	-1.9%	-0.7%	0.5%	8.1%	3.3%
Leisure and Hospitality	298,531	301,104	322,656	333,768	345,473	348,579	356,217	373,675
Annual % Chg.	-7.7%	-7.8%	-5.0%	-2.5%	-1.6%	-1.6%	18.3%	2.4%
Manufacturing	178,488	179,395	179,679	183,052	185,963	187,031	190,244	203,544
Annual % Chg.	0.7%	0.8%	0.6%	0.9%	1.4%	1.6%	4.3%	3.4%
Natural Resources and Mining	54,585	55,928	47,622	46,740	55,048	56,666	48,878	49,126
Annual % Chg.	-4.8%	-3.6%	-3.1%	-2.5%	-2.5%	-2.7%	-0.9%	0.3%
Other Services	96,352	96,023	99,281	100,638	103,454	102,332	104,568	107,017
Annual % Chg.	-1.3%	-1.8%	-0.5%	0.2%	1.2%	0.8%	10.1%	1.2%
Professional and Business Services	441,904	443,334	445,900	449,700	467,915	467,349	468,563	486,020
Annual % Chg.	-0.8%	0.1%	0.7%	0.3%	0.9%	1.3%	5.3%	1.8%
Trade, Transportation and Utilities	595,277	584,655	583,660	594,657	624,801	612,590	613,787	632,344
Annual % Chg.	2.7%	3.1%	3.2%	4.1%	4.2%	4.3%	7.6%	1.5%
Total	3,109,385	3,109,397	3,111,423	3,140,204	3,261,346	3,248,679	3,241,387	3,332,012
Annual % Chg.	-0.4%	-0.1%	0.0%	0.4%	0.5%	0.3%	5.9%	1.4%

Source: Office of Economic Opportunity

Supersector Highlights

Ten of 11 supersectors are projected to gain jobs in Arizona from Q2 2022 to Q2 2024. Highlights of this job growth include the following:

- Manufacturing employment is projected to grow by 13,300 jobs (3.4% annually). Much of this job growth is projected to be driven by the Computer and Electronic Product Manufacturing industry, which is projected to grow by 3,567 (5.2% annually). This represents 26.8% of job growth in the Manufacturing supersector. Transportation Equipment Manufacturing is projected to gain 2,509 jobs (3.2% annually), representing 18.9% of Manufacturing job growth over the two-year period.
- Information employment is projected to increase by 3,514 jobs (3.3% annually). Within the Information supersector, the Motion Picture and Sound Recording industry is projected to gain 1,548 (13.7% annually), representing 44.1% of growth in the supersector.
- Leisure and Hospitality employment is projected to grow by 17,458 jobs (2.4% annually) to 373,675 in Q2 2024 from 356,217 in Q2 2022. The Food Services and Drinking Places industry is projected to grow by 8,681 (1.7% annually), representing 49.7% of projected job growth in the Leisure and Hospitality supersector.
- Professional and Business Services employment is projected to grow by 17,457 jobs (1.8% annually). Most of this growth is projected to be driven by the Professional, Scientific, and Technical Services industry, which is projected to gain 10,353 jobs (2.9% annually), representing 59.3% of projected growth in the Professional and Business Services supersector.
- Trade, Transportation and Utilities employment is projected to grow by 18,557 jobs (1.5% annually). Much of this job growth is projected to be driven by the Warehousing and Storage industry, which is projected to gain 4,505 jobs (4.4% annually). This represents 24.3% of job growth in the Trade, Transportation and Utilities supersector.
- Education and Health Services employment is projected to grow by 15,822 jobs (1.2% annually). Most of this job growth is projected to be driven by the Ambulatory Health Care Services industry, which is projected to gain 12,126 jobs (3.1% annually), representing 76.6% of projected growth in the Education and Health Services supersector.

County Employment Growth

Each of the 15 Arizona counties is projected to gain jobs over the two-year projected period. Greenlee County (3.6% annualized growth), Pinal County (1.8% annualized growth), and Graham County (1.6% annualized growth) are projected to record the largest job growth rates. Maricopa County (72,670 jobs), Pima County (6,009 jobs), and Pinal County (2,694 jobs) are projected to record the largest job gains. Maricopa County is projected to account for 80.2% of the jobs gained in the state over the two-year projected period, while Pima County is projected to account for 6.6% and Pinal County is projected to account for 3.0%.

Table 2

Industry Sector	Historical Employment							Projected
	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2024 Q2
Apache County	18,521	18,204	18,525	18,547	18,953	18,343	18,553	18,576
<i>Annual % Chg.</i>	-3.6%	-3.7%	-2.9%	-2.5%	-1.9%	-3.4%	1.6%	0.1%
Cochise County	39,385	38,439	37,840	37,908	38,324	37,841	38,149	38,699
<i>Annual % Chg.</i>	2.4%	1.2%	0.0%	0.5%	-1.1%	-2.3%	1.0%	0.7%
Coconino County	62,248	61,240	64,431	65,952	67,401	65,690	67,976	69,567
<i>Annual % Chg.</i>	-5.3%	-3.7%	-3.9%	-2.8%	-1.4%	-1.4%	8.6%	1.2%
Gila County	15,619	15,559	16,039	15,937	15,988	15,780	16,010	16,171
<i>Annual % Chg.</i>	-2.6%	-2.4%	-1.9%	-1.5%	-0.7%	-0.4%	2.6%	0.5%
Graham County	10,914	10,911	10,937	10,547	10,883	10,754	10,822	11,171
<i>Annual % Chg.</i>	1.7%	2.1%	1.5%	0.9%	-0.2%	-0.9%	1.9%	1.6%
Greenlee County	5,323	5,356	5,452	5,526	5,662	5,792	5,979	6,420
<i>Annual % Chg.</i>	-1.5%	-1.3%	-1.3%	-1.4%	0.0%	0.5%	4.4%	3.6%
La Paz County	6,753	6,855	6,820	6,893	6,874	6,920	7,123	7,228
<i>Annual % Chg.</i>	0.2%	-0.1%	-2.1%	-1.9%	-0.7%	-1.7%	2.9%	0.7%
Maricopa County	2,228,798	2,227,770	2,234,561	2,258,113	2,339,113	2,323,358	2,328,654	2,401,324
<i>Annual % Chg.</i>	0.1%	0.3%	0.5%	0.6%	0.6%	0.4%	6.2%	1.5%
Mohave County	56,292	58,292	59,336	60,062	60,833	61,007	59,795	61,558
<i>Annual % Chg.</i>	0.0%	1.8%	2.2%	3.2%	3.2%	3.0%	6.1%	1.5%
Navajo County	29,890	29,453	30,140	30,422	31,050	30,294	30,733	31,315
<i>Annual % Chg.</i>	-0.6%	-0.3%	-0.7%	0.1%	1.1%	0.3%	4.6%	0.9%
Pima County	398,120	396,702	397,602	400,124	413,807	411,222	411,874	417,883
<i>Annual % Chg.</i>	-1.3%	-1.6%	-1.4%	-0.7%	-0.4%	-1.0%	4.7%	0.7%
Pinal County	71,127	71,456	72,010	72,604	74,811	75,318	76,110	78,804
<i>Annual % Chg.</i>	0.5%	0.1%	0.8%	1.7%	2.3%	1.1%	5.4%	1.8%
Santa Cruz County	14,805	14,832	14,711	13,912	14,946	15,222	15,351	15,577
<i>Annual % Chg.</i>	-1.1%	-2.4%	-2.2%	-1.3%	-2.5%	-2.3%	3.3%	0.7%
Yavapai County	70,759	70,593	71,596	72,287	74,426	76,303	78,176	79,962
<i>Annual % Chg.</i>	-0.6%	0.0%	-0.2%	0.5%	1.0%	2.2%	9.2%	1.1%
Yuma County	80,794	83,706	71,391	70,485	85,050	87,419	76,034	77,766
<i>Annual % Chg.</i>	-3.4%	-1.5%	-0.5%	1.3%	-0.5%	-0.7%	6.1%	1.1%

Source: Office of Economic Opportunity

Projections Assumptions and Considerations

The Office of Economic Opportunity made the following economic assumptions when creating the projected employment estimates.

- No major economic or political disruptions will occur during the projected period.
- COVID-19 is not likely to cause additional major economic disruptions.
- Government agencies will operate within their budgets.
- The distribution of Arizona's population will not differ significantly from the distribution in the base year.
- The U.S. economic framework will not differ significantly from the framework in the base year.
- Long-term employment patterns will continue in most industries during the projected period.
- Arizona's population growth will continue to be among the fastest (top five) in the nation.
- Demand for healthcare services will increase as population demographics shift.