Arizona Department of Administration

Office of Employment & Population Statistics
Employment Forecast

AZ.GOV Arizona's Official Web Site

May 4, 2012

Employment Gains Forecasted in All Sectors 2011-2013; Higher Growth Rates in 2013

Introduction

The Office of Employment and Population Statistics (EPS) within the Arizona Department of Administration (ADOA) is forecasting a gain of 102,900 Nonfarm jobs, representing a growth rate of 4.3 percent, over the two projected years of 2012 and 2013. An over-the-year gain of 47,100 jobs is projected in 2012 and 55,800 jobs in 2013. The rate of growth projected for Nonfarm employment is 2.0 percent in 2012 and 2.3 percent in 2013 (Table 1).

The overall employment situation in Arizona is improving and expected to be better than the past two years. However, the rate of growth in Nonfarm employment is lower than what was observed prior to the recession ('97-'06 average of 3.2%). Although population growth in Arizona is positive (0.6% in '11), the rate of growth is lower than historically observed (2.8%, '01-'07). The current housing situation limits the ability of home owners to sell their properties and relocate to Arizona. An initial increase in home prices in Arizona and some other states is a positive sign.

Various economic indicators suggest a gradually improving economy in the U.S. as well as Arizona:

- Improvement in real Gross Domestic Product (GDP), real personal income at the state and national levels, employment, industrial production, wholesale and retail sales.
- Employment gains in the Private

Table 1

Total Nonfarm Employment

Annual Average Growth Rate

	2011[a]	2012[b]	2013[b]
Arizona	1.0%	2.0%	2.3%
Phoenix MSA[1]	1.4%	2.3%	2.5%
Tucson MSA[2]	0.1%	0.9%	1.4%
Balance of State[3]	-0.3%	1.3%	1.8%

1) Maricopa and Pinal counties
2) Pima County
3) Arizona less Maricopa, Pinal, and Pima counties
a) Historical (BLS Current Employment Statistics)
b) Forecast

Table 1 shows the average annual growth rate in Total Nonfarm employment for Arizona, Phoenix MSA, Tucson MSA, and Balance of State. In 2012, all regions are forecast to have positive annual over-the-year growth rates in Nonfarm employment. Arizona is forecast to grow at 2.0% in 2012. Phoenix is expected to grow faster than the state at 2.3%. However, the projected growth rates for Tucson (0.9%) and the Balance of State (1.3%) are slower than the statewide and Phoenix MSA rates. The expected Nonfarm job gains in 2012 for the Phoenix MSA are 39,300 jobs, for Tucson MSA are 3,200 jobs, and for Balance of State are 4,600 jobs.

Growth rates in 2013 are expected to be higher than 2012 across all regions. Phoenix is forecast to continue growing at a faster pace (2.5%) than Tucson (1.4%), Balance of State (1.8%), and the state overall (2.3%). For 2013 the job gains forecast for Phoenix MSA are 44,400 jobs, Tucson MSA 5,200 jobs, and Balance of State 6,300 jobs. (See tables starting on page 7)

sector, increasing private domestic investment, slow rise in total industrial production and rate of capacity utilization, high levels of corporate profit, a slow resurgence in private residential construction permits.

- Gradual climb in household net worth as the decline in U.S. home prices have slowed, a continued decline in the fraction of disposable income used for household debt payments, and continued growth in U.S. exports.[1]

As the economy improves and additional employment is created, consumers tend to spend more as their incomes rise. Increased spending further causes a multiplier effect generating additional output, employment, income, and government tax revenue.

Although there are positive signs of economic improvement, there are some domestic factors that could dampen the growth of the local economy. However, the positive factors listed above outweigh the uncertainties in the sections described below in support of our forecast:

- High levels of public and private debt that limit the spending potential as money is used to pay down debt.
- Continued weakness in the residential real estate market with lower home prices, high rates of foreclosures and high levels of unsold inventory.[2]
- Continued weakness in the commercial real estate sector with high vacancy rates, declining rents, decreasing property values, and bad loans.[3]
- Rising gasoline costs impacting consumer disposable income.
- High levels of unemployment have reduced wages and benefits, increased employment insecurity, and have limited the consumer's willingness to spend.
- Business reluctance to invest despite high levels of corporate profits and cash reserves as a consequence of demand uncertainty.[4]
- Public sector fiscal consolidation through spending reductions and tax increases to reduce debts could have a bearing on the growth of the economy.

In addition to the factors listed above there is some uncertainty on the international front:

- To reduce public debt levels, many European countries have implemented austerity programs that include spending reductions and tax increases to provide more resources for debt payments. The rate of economic growth has slowed down and in some cases, such as Greece and Spain,

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[1] All of these indicators are demonstrated with graphs available from the St Louis Federal Reserve Bank website at http://research.stlouisfed.org.

[2] According to recent news articles released in April 2012, Arizona still has one of the highest rates of home foreclosures in the nation. However, the rates for Arizona and the U.S. have had an over-the-year decrease. See these articles: (a) Arizona tops Nevada as national foreclosure leader. April 12, 2012. Associated Press. www.businessweek.com. (b) Top 20 state by foreclosure rate in March. April 11, 2012. Associated Press. www.sfgate.com. (c) Arizona had third highest foreclosure rate during first quarter of 2012. April 13, 2012. www.maricopacountybankruptcyattorney.com. (d) Q1 2012 Foreclosure Activity Lowest Since Q4 2007. April 12, 2012. www.realtytrac.com

[3] Shifting Landscapes and Aftershocks: Western Office Markets on the Move. Western U.S. ViewPoint. April 2012. Darin Mellot, Senior Research Analyst, Salt Lake City. CBRE. www.cbre.com/research.

[4] The high level of corporate cash reserves are discussed in these two sources: a. Back to Business as Usual? Or a Fiscal Boost?. April 2012. Dimitri B. Papadimitriou, Greg Hannsgen and Gennaro Zezza. Strategeic Analysis. Levy Economics Institute of Bard College. www.levyinstitute.org.; and b. As Layoffs Rise, Stock Buybacks Consume Cash. November 21, 2011. N.D. Schwartz. The New York Times. www.nytimes.com

has begun a process of economic contraction. This could reduce the demand for U.S. exports to Europe and vice versa and expose the U.S. to the risk of European financial problems.[5] Countries in the Euro Monetary Zone are trading partners with the U.S., although trade with Arizona is limited.

- Potential international military conflict in the Persian Gulf with Iran. A military conflict could disrupt the flow of oil out of the Persian Gulf and the Middle East, restrict the global supply of petroleum, further increase gasoline prices and restrict economic activity around the world.
- Economic expansion has slowed in China as a result of a speculative real estate bubble and a reduced pace of expansion of China's export markets.[6]

Arizona Industry Employment Projections (2011 – 2013)

Table 2 describes the average over-the-year percentage change for each sector for 2011, 2012, and 2013 where 2011 is the base year and 2012 and 2013 are forecast years. For the 2011 – 2013 projections time period, job gains are projected in all major sectors of the Arizona economy. This indicates a gradual increasing momentum in employment gains in 2012 and 2013 compared to 2011. **Figure 1** (next page) describes the sectors of the Arizona economy and the projected gains in employment from 2011 to 2013. **Figure 2** describes job gains by percent for all sectors.

Table 2

Arizona Sector Employment

Average Annual Over-the-Year Change

	2011[a]	2012[b]	2013[b]
Total Nonfarm	**1.0%**	**2.0%**	**2.3%**
Manufacturing	0.8%	1.5%	2.4%
Natural Resources & Mining	6.4%	1.7%	1.0%
Construction	0.2%	5.2%	5.3%
Trade, Trans. & Utilities	1.0%	1.7%	2.1%
Information	0.5%	0.5%	1.3%
Financial Activities	1.3%	1.4%	1.8%
Profess &Business Svcs	1.1%	2.0%	2.4%
Educational & Health Svcs	2.9%	2.9%	3.1%
Leisure & Hospitality	2.0%	3.5%	3.9%
Other Services	1.6%	0.0%	0.5%
Government	-1.4%	0.4%	0.3%

a) Historical (BLS Current Employment Statistics)
b) Forecast

The largest forecasted employment gains are in these major industry sectors: Educational and Health Services (21,800 jobs), Leisure and Hospitality (19,600 jobs); Trade, Transportation, and Utilities (18,200 jobs); Professional and Business Services (15,400 jobs), and Construction (12,100 jobs). Smaller projected gains in employment are in the following major sectors: Manufacturing (5,900 jobs), Financial Activities (5,400

[5] U.S. States with Exposure to a European Recession. November 14, 2011. Mark Vinter and Michael A. Brown. Wells Fargo Economics Group

[6] (a) China Raises Interest Rates. July 6, 2011. Bettina Wassener. The New York Times. http://www.nytimes.com/
(b) China Import Growth Misses Estimates as Export Gains Slow; Surplus Widens. January 9, 2012. Bloomberg News. http://www.bloomberg.com
(c) China's housing bubble is losing air. December 13, 2011. The Los Angeles Times. http://articles.latimes.com
(d) China's Real Estate Bubble May Have Just Popped. December 18, 2011. Patrick Chovanec. Foreign Affairs. http://www.foreignaffairs.com

jobs), Government (3,100 jobs), Information (600 jobs), Other Services (400 jobs), and Natural Resources and Mining (300 jobs).

During the two-year forecast time period, the major industry sectors arranged in order of the highest growth rates are: Construction (10.8 percent), Leisure and Hospitality (7.6 percent), Education and Health Services (6.1 percent), Professional and Business Services (4.5 percent), Manufacturing (3.9 percent); Trade, Transportation, and Utilities (3.8 percent); Financial Activities (3.3 percent), Natural Resources and Mining (2.7 percent), Information (1.7 percent); Government (0.7 percent), and Other Services (0.5 percent).

Figure 1

2011 to 2013 Job Gains by Sector, in thousands

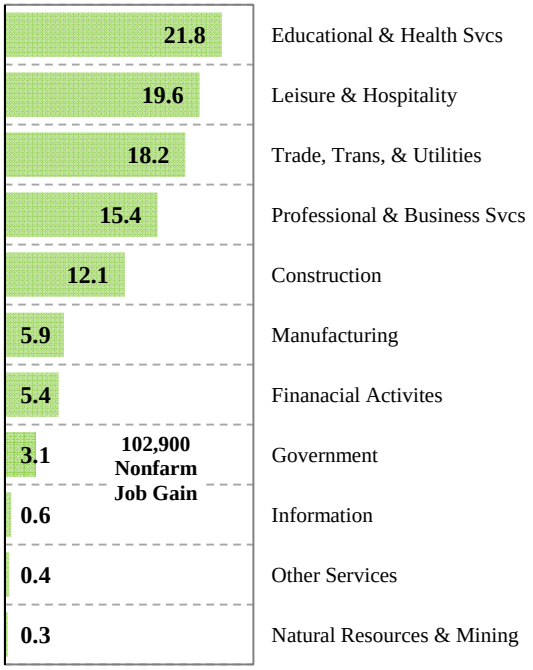
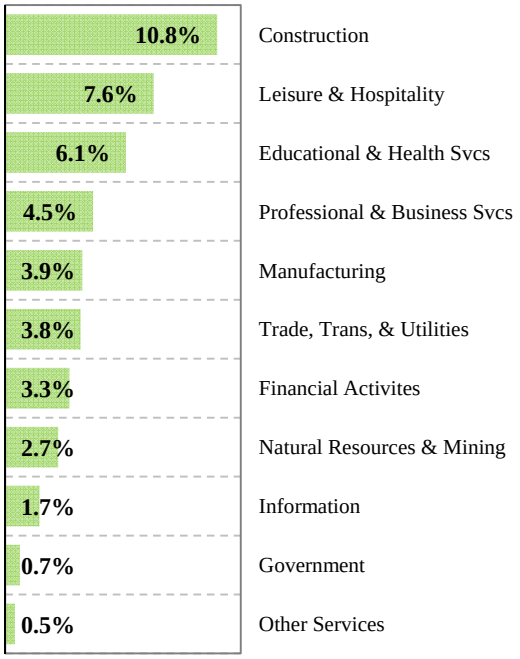


Figure 2

2011 to 2013 Job Gains by Sector, percentage



Natural Resources and Mining (NRM): Job gains in this sector are projected to slow as a result of the declining rate of economic expansion in East Asia and the ongoing public debt crisis in the Euro Monetary Zone. A gradually improving domestic economy is forecast to compensate for the slowing growth in demand from foreign economies.

Construction: Projected increases in employment are concentrated, primarily, in the Specialty Trades and Heavy and Civil Engineering Construction industries. However, job gains are forecast to begin in 2013 for the Building Construction industries. The growing need for maintenance and repair along with new building construction is driving the projected increases in employment in the Construction industries.

Manufacturing: Growing demand for fabricated goods is forecast to result in job gains in Arizona's Manufacturing industries. A majority of the increases are projected in the industries of Fabricated Metals and Non-Durable goods. Increases in employment levels are forecast to re-appear in the Aerospace industries in 2012 because of new civilian and military contracts.[7]

Trade, Transportation, and Utilities (TTU): Job gains are forecast in all TTU industries including Wholesale Trade, Retail Trade, Utilities, and Transportation and Warehousing. The largest job gains in Retail Trade are projected in the industries of Motor Vehicles and Parts along with Food and Beverage Stores. Restraints on consumer spending are limiting the forecast growth in the Retail Trade industries. In Transportation and Warehousing, job gains are forecast in both 2012 and 2013. The Truck Transportation industries are forecast to have the largest increases in employment in Transportation and Warehousing.

Information: The forecast gains in employment are in unreported industries of Information, which include Publishing industries (except internet), Motion Picture and Sound Recording industries, Broadcasting (except internet), Data Processing, Hosting, and Related Services. In the reported industries of Telecommunications, job losses are forecast as a result of continued consolidation and automation.

Financial Activities (FA): Employment gains are forecast to be limited because of the current trend of household debt reduction. Projected increases in employment are primarily in the industries of Credit Intermediation and Monetary Authorities along with Securities and Commodity Contracts. As a consequence of gradually improving conditions, job gains are forecast in the Real Estate industries. In the Insurance industries, job gains are forecast to return in 2013.

Professional and Business Services (PBS): The largest job gains are forecast in Employment Services; Professional and Technical Services; and Services to Buildings and Dwellings. Increases in employment are also projected in the Management of Companies and Enterprises.

Educational and Health Services (EHS): Similar to previous historical trends, these major sectors have the largest projected gains in employment for the 2011 to 2013 forecast time frame. In contrast to the recent past, job losses are projected in the Private Educational Services industries because of the expectation that people will leave institutions of higher education to enter the job market to take advantage of better job opportunities in an improving economy. Unlike Private Educational Services, job gains are forecast in the Health Care and Social Assistance industries. Ambulatory Care Services and Hospitals are the industries with the largest projected job gains. The continued problems of high unemployment, lack of affordable health care, high rates of home foreclosure and an aging population are forecast to drive job gains in the Social Assistance industries.

Leisure and Hospitality (L&H): Increased domestic and international travel and tourism are forecast to result in job gains for the L&H industries. A majority of these projected increases are in the Food Services and Drinking Places and Arts, Entertainment, and Recreation industries. Job gains are also forecast in the Accommodations industries in 2013.

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[7] Tucson Raytheon unit wins $213M in contracts for ship-defense missile. January 10, 2012. Arizona Daily Star. http://azstarnet.com/business/local

Other Services (OS): Job gains are projected to emerge in the Other Services industries in 2013. A gradual improvement in the economy is anticipated to increase the demand for Repair and Maintenance Services, Personal Care and Laundry Services and increase involvement and activity in Religious, Civic, Professional, and Similar Organizations.

Government: Expansion in state and local institutions of higher education is driving the projected gains in employment in Government. Otherwise, Federal and Non-Educational State and Local Government have projected job losses as a result of continued public sector fiscal consolidation.

Conclusion

Arizona is projected to gain 102,900 Nonfarm jobs, representing a growth rate of 4.3 percent, over the two projected years of 2012 and 2013. An over-the-year gain of 47,100 jobs is projected in 2012 and 55,800 jobs in 2013. The rate of growth projected for Nonfarm employment is 2.0 percent in 2012 and 2.3 percent in 2013.

All sectors of the Arizona economy are projected to gain jobs during the 2011-2013 forecast time period. The sectors with the largest Nonfarm employment increases are Educational and Health Services (21,800); Leisure and Hospitality (19,600); Trade, Transportation, and Utilities (18,200); and Construction (12,100). The sectors with the highest rates of growth in Nonfarm employment are Construction (10.8%); Leisure and Hospitality (7.6%); Educational and Health Services (6.1%); and Professional and Business Services (4.5%).

There are risks that could add uncertainty to the forecast. Rising petroleum prices could absorb a greater fraction of household spending, leaving less disposable income. A potential military conflict in the Persian Gulf over Iran could disrupt supplies of petroleum, sending prices spiraling and disrupting economic activity all over the globe. The public debt crisis in the Euro Monetary Zone has the potential to depress economic activity and European demand for exports, thus contributing to a slowing of economic growth in many parts of the world. In the domestic economy, income used for deficit and debt reduction in the public and private sectors could inhibit the growth of demand for goods and services. Continued weakness in the commercial and residential real estate markets could pose additional risks.

There are many positive indicators suggesting improvement in the overall economy as measured by various economic indicators such as GDP, employment, industrial production, wholesale and retail sales, capacity utilization rate, household net worth, rising income levels, increasing consumer spending, gradual improvements in residential real estate markets, increasing levels of private domestic investment, etc. However there are also risks associated with uncertainties as mentioned above. Overall, with Nonfarm employment gains projected across all major sectors in 2011-2013, this forecast suggests that the positives outweigh the risks.

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Arizona Employment Forecast

(In Thousands)

	Historical			Forecast	
	2009	2010	2011	2012	2013
Total Nonfarm Employment	2429.2	2382.0	2405.5	2452.6	2508.4
Numerical Change	*-190.3*	*-47.2*	*23.5*	*47.1*	*55.8*
Percent Change	*-7.3%*	*-1.9%*	*1.0%*	*2.0%*	*2.3%*
Manufacturing	153.8	148.5	149.7	152.0	155.6
Numerical Change	*-19.3*	*-5.3*	*1.2*	*2.3*	*3.6*
Percent Change	*-11.1%*	*-3.4%*	*0.8%*	*1.5%*	*2.4%*
Natural Resources & Mining	11.1	10.9	11.6	11.8	11.9
Numerical Change	*-2.4*	*-0.2*	*0.7*	*0.2*	*0.1*
Percent Change	*-17.8%*	*-1.8%*	*6.4%*	*1.7%*	*1.0%*
Construction	128.7	111.5	111.7	117.6	123.8
Numerical Change	*-57.4*	*-17.2*	*0.2*	*5.9*	*6.2*
Percent Change	*-30.8%*	*-13.4%*	*0.2%*	*5.2%*	*5.3%*
Trade, Transportation, & Utilities	478.4	467.8	472.6	480.5	490.8
Numerical Change	*-38.4*	*-10.6*	*4.8*	*7.9*	*10.2*
Percent Change	*-7.4%*	*-2.2%*	*1.0%*	*1.7%*	*2.1%*
Information	38.0	36.4	36.6	36.8	37.2
Numerical Change	*-2.9*	*-1.6*	*0.2*	*0.2*	*0.5*
Percent Change	*-7.1%*	*-4.2%*	*0.5%*	*0.5%*	*1.3%*
Financial Activities	166.7	163.8	166.0	168.4	171.4
Numerical Change	*-8.6*	*-2.9*	*2.2*	*2.4*	*3.1*
Percent Change	*-4.9%*	*-1.7%*	*1.3%*	*1.4%*	*1.8%*
Professional & Business Services	346.1	339.8	343.4	350.3	358.8
Numerical Change	*-41.0*	*-6.3*	*3.6*	*6.9*	*8.5*
Percent Change	*-10.6%*	*-1.8%*	*1.1%*	*2.0%*	*2.4%*
Educational & Health Services	333.9	344.8	354.9	365.2	376.7
Numerical Change	*9.9*	*10.9*	*10.1*	*10.3*	*11.5*
Percent Change	*3.1%*	*3.3%*	*2.9%*	*2.9%*	*3.1%*
Leisure & Hospitality	256.0	253.9	259.1	268.2	278.7
Numerical Change	*-14.2*	*-2.1*	*5.2*	*9.1*	*10.5*
Percent Change	*-5.3%*	*-0.8%*	*2.0%*	*3.5%*	*3.9%*
Other Services	93.4	88.2	89.6	89.6	90.0
Numerical Change	*-7.0*	*-5.2*	*1.4*	*0.0*	*0.4*
Percent Change	*-7.0%*	*-5.6%*	*1.6%*	*0.0%*	*0.5%*
Government	423.0	416.3	410.4	412.2	413.5
Numerical Change	*-9.3*	*-6.7*	*-5.9*	*1.8*	*1.3*
Percent Change	*-2.2%*	*-1.6%*	*-1.4%*	*0.4%*	*0.3%*

Note - All figures are annual averages rounded to the nearest tenth for percentage change or the nearest hundred for employment. Numerical change and percent change are based on the difference from the previous year's annual average employment.

Phoenix-Mesa-Glendale* MSA Employment Forecast

(In Thousands)

	Historical			Forecast	
	2009	2010	2011	2012	2013
Total Nonfarm Employment	1722.2	1688.9	1712.8	1752.1	1796.5
Numerical Change	*-147.4*	*-33.3*	*23.9*	*39.3*	*44.4*
Percent Change	*-7.9%*	*-1.9%*	*1.4%*	*2.3%*	*2.5%*
Manufacturing	114.9	110.7	112.1	114.2	117.0
Numerical Change	*-14.8*	*-4.2*	*1.4*	*2.1*	*2.9*
Percent Change	*-11.4%*	*-3.7%*	*1.3%*	*1.9%*	*2.5%*
Natural Resources & Mining	3.1	3.0	3.2	3.2	3.2
Numerical Change	*-0.7*	*-0.1*	*0.2*	*0.0*	*0.0*
Percent Change	*-18.4%*	*-3.2%*	*6.7%*	*0.0%*	*0.0%*
Construction	96.0	82.4	82.9	86.3	90.5
Numerical Change	*-43.4*	*-13.6*	*0.5*	*3.4*	*4.2*
Percent Change	*-31.1%*	*-14.2%*	*0.6%*	*4.1%*	*4.9%*
Trade, Transportation, & Utilities	354.3	345.9	350.2	357.5	365.7
Numerical Change	*-29.4*	*-8.4*	*4.3*	*7.3*	*8.3*
Percent Change	*-7.7%*	*-2.4%*	*1.2%*	*2.1%*	*2.3%*
Information	28.9	27.4	27.8	28.1	28.5
Numerical Change	*-2.3*	*-1.5*	*0.4*	*0.3*	*0.5*
Percent Change	*-7.4%*	*-5.2%*	*1.5%*	*1.1%*	*1.6%*
Financial Activities	139.6	137.4	140.2	142.4	145.2
Numerical Change	*-7.7*	*-2.2*	*2.8*	*2.2*	*2.8*
Percent Change	*-5.2%*	*-1.6%*	*2.0%*	*1.6%*	*2.0%*
Professional & Business Services	275.0	270.7	274.9	280.7	287.4
Numerical Change	*-34.5*	*-4.3*	*4.2*	*5.8*	*6.7*
Percent Change	*-11.1%*	*-1.6%*	*1.6%*	*2.1%*	*2.4%*
Educational & Health Services	228.6	239.1	247.9	257.9	267.9
Numerical Change	*7.4*	*10.5*	*8.8*	*10.0*	*10.0*
Percent Change	*3.3%*	*4.6%*	*3.7%*	*4.0%*	*3.9%*
Leisure & Hospitality	174.5	173.4	177.8	185.2	193.5
Numerical Change	*-10.1*	*-1.1*	*4.4*	*7.4*	*8.3*
Percent Change	*-5.5%*	*-0.6%*	*2.5%*	*4.1%*	*4.5%*
Other Services	68.2	64.0	65.1	65.1	65.3
Numerical Change	*-5.2*	*-4.2*	*1.1*	*0.0*	*0.2*
Percent Change	*-7.1%*	*-6.2%*	*1.7%*	*0.0%*	*0.4%*
Government	239.2	234.8	230.7	231.6	232.1
Numerical Change	*-6.8*	*-4.4*	*-4.1*	*0.9*	*0.5*
Percent Change	*-2.8%*	*-1.8%*	*-1.7%*	*0.4%*	*0.2%*

Note - All calculations are based on actual figures and then rounded to the nearest tenth for percentage change or the nearest hundred for employment.

*Phoenix-Mesa-Glendale MSA includes all of Maricopa and Pinal Counties

Tucson MSA* Employment Forecast

(In Thousands)

	Historical			Forecast	
	2009	2010	2011	2012	2013
Total Nonfarm Employment	361.8	354.1	354.6	357.8	363.0
Numerical Change	*-19.7*	*-7.7*	*0.5*	*3.2*	*5.2*
Percent Change	*-5.2%*	*-2.1%*	*0.1%*	*0.9%*	*1.4%*
Manufacturing	25.1	24.0	23.4	23.4	23.8
Numerical Change	*-2.1*	*-1.1*	*-0.6*	*0.0*	*0.3*
Percent Change	*-7.7%*	*-4.4%*	*-2.5%*	*0.1%*	*1.5%*
Natural Resources & Mining	1.7	1.8	1.9	1.9	1.9
Numerical Change	*-0.2*	*0.1*	*0.1*	*0.0*	*0.0*
Percent Change	*-10.5%*	*5.9%*	*5.6%*	*0.5%*	*0.5%*
Construction	16.6	15.0	15.4	17.4	18.7
Numerical Change	*-6.2*	*-1.6*	*0.4*	*2.0*	*1.3*
Percent Change	*-27.2%*	*-9.6%*	*2.7%*	*13.0%*	*7.3%*
Trade, Transportation, & Utilities	58.2	56.6	56.5	56.2	56.7
Numerical Change	*-4.5*	*-1.6*	*-0.1*	*-0.3*	*0.5*
Percent Change	*-7.2%*	*-2.7%*	*-0.2%*	*-0.6%*	*1.0%*
Information	4.7	4.3	4.1	3.9	3.8
Numerical Change	*-0.6*	*-0.4*	*-0.2*	*-0.2*	*-0.1*
Percent Change	*-11.3%*	*-8.5%*	*-4.7%*	*-5.0%*	*-2.0%*
Financial Activities	17.5	17.6	17.4	17.5	17.7
Numerical Change	*0.3*	*0.1*	*-0.2*	*0.1*	*0.2*
Percent Change	*1.7%*	*0.6%*	*-1.1%*	*0.5%*	*1.0%*
Professional & Business Services	47.1	45.7	46.0	46.2	46.8
Numerical Change	*-4.3*	*-1.4*	*0.3*	*0.2*	*0.6*
Percent Change	*-8.4%*	*-3.0%*	*0.7%*	*0.5%*	*1.2%*
Educational & Health Services	58.5	58.3	59.2	59.5	60.4
Numerical Change	*1.4*	*-0.2*	*0.9*	*0.3*	*0.9*
Percent Change	*2.5%*	*-0.3%*	*1.5%*	*0.5%*	*1.5%*
Leisure & Hospitality	38.7	38.1	39.6	40.6	41.8
Numerical Change	*-1.7*	*-0.6*	*1.5*	*1.0*	*1.1*
Percent Change	*-4.2%*	*-1.6%*	*3.9%*	*2.6%*	*2.8%*
Other Services	14.7	14.3	14.4	14.2	14.2
Numerical Change	*-1.0*	*-0.4*	*0.1*	*-0.2*	*0.0*
Percent Change	*-6.4%*	*-2.7%*	*0.7%*	*-1.5%*	*0.0%*
Government	79.1	78.2	76.7	76.9	77.3
Numerical Change	*-0.7*	*-0.9*	*-1.5*	*0.2*	*0.3*
Percent Change	*-0.9%*	*-1.1%*	*-1.9%*	*0.3%*	*0.4%*

Note - All calculations are based on actual figures and then rounded to the nearest tenth for percentage change or the nearest hundred for employment.

*Tucson MSA includes all of Pima County

Balance of State* Employment Forecast

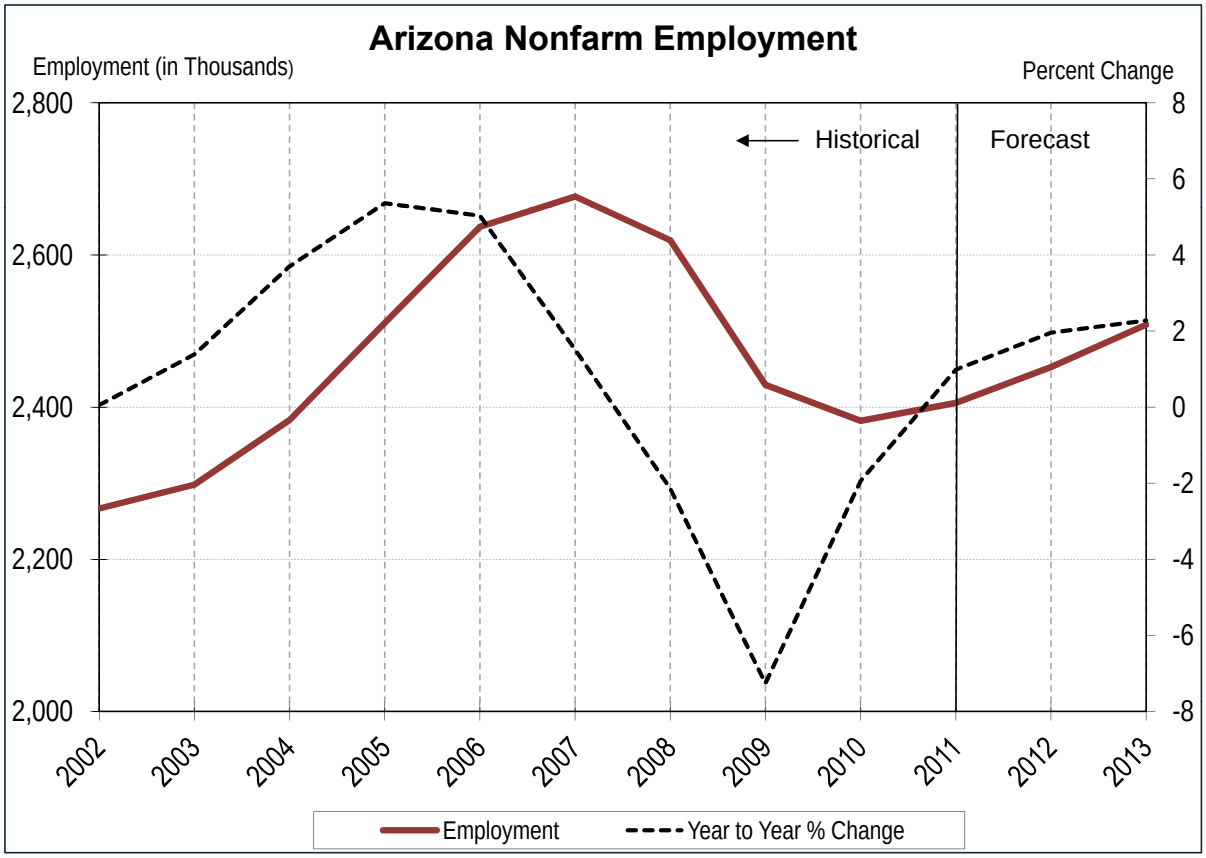
(In Thousands)

	Historical			Forecast	
	2009	2010	2011	2012	2013
Total Nonfarm Employment	345.2	339.0	338.1	342.7	348.9
Numerical Change	*-23.2*	*-6.2*	*-0.9*	*4.6*	*6.3*
Percent Change	*-6.3%*	*-1.8%*	*-0.3%*	*1.3%*	*1.8%*
Manufacturing	13.8	13.8	14.2	14.4	14.8
Numerical Change	*-2.4*	*0.0*	*0.4*	*0.2*	*0.4*
Percent Change	*-14.8%*	*0.0%*	*2.9%*	*1.4%*	*2.5%*
Natural Resources & Mining	6.3	6.1	6.5	6.7	6.8
Numerical Change	*-1.5*	*-0.2*	*0.4*	*0.2*	*0.1*
Percent Change	*-19.2%*	*-3.2%*	*6.6%*	*2.8%*	*1.7%*
Construction	16.1	14.1	13.4	13.8	14.6
Numerical Change	*-7.8*	*-2.0*	*-0.7*	*0.4*	*0.7*
Percent Change	*-32.6%*	*-12.4%*	*-5.0%*	*3.2%*	*5.3%*
Trade, Transportation, & Utilities	65.9	65.3	65.9	66.9	68.3
Numerical Change	*-4.5*	*-0.6*	*0.6*	*1.0*	*1.4*
Percent Change	*-6.4%*	*-0.9%*	*0.9%*	*1.5%*	*2.1%*
Information	4.4	4.7	4.7	4.8	4.9
Numerical Change	*0.0*	*0.3*	*0.0*	*0.1*	*0.1*
Percent Change	*0.0%*	*6.8%*	*0.0%*	*1.6%*	*2.0%*
Financial Activities	9.6	8.8	8.4	8.4	8.5
Numerical Change	*-1.2*	*-0.8*	*-0.4*	*0.0*	*0.1*
Percent Change	*-11.1%*	*-8.3%*	*-4.5%*	*0.6%*	*1.0%*
Professional & Business Services	24.0	23.4	22.5	23.4	24.6
Numerical Change	*-2.2*	*-0.6*	*-0.9*	*0.9*	*1.2*
Percent Change	*-8.4%*	*-2.5%*	*-3.8%*	*4.0%*	*5.0%*
Educational & Health Services	46.8	47.4	47.8	47.8	48.4
Numerical Change	*1.1*	*0.6*	*0.4*	*0.0*	*0.5*
Percent Change	*2.4%*	*1.3%*	*0.8%*	*0.1%*	*1.1%*
Leisure & Hospitality	42.8	42.4	41.7	42.4	43.4
Numerical Change	*-2.4*	*-0.4*	*-0.7*	*0.7*	*1.0*
Percent Change	*-5.3%*	*-0.9%*	*-1.7%*	*1.7%*	*2.5%*
Other Services	10.5	9.9	10.1	10.3	10.5
Numerical Change	*-0.8*	*-0.6*	*0.2*	*0.2*	*0.2*
Percent Change	*-7.1%*	*-5.7%*	*2.0%*	*2.1%*	*2.1%*
Government	104.7	103.3	103.0	103.6	104.1
Numerical Change	*-1.8*	*-1.4*	*-0.3*	*0.6*	*0.5*
Percent Change	*-1.7%*	*-1.3%*	*-0.3%*	*0.6%*	*0.5%*

Note - All calculations are based on actual figures and then rounded to the nearest tenth for percentage change or the nearest hundred for employment.

*Balance of state includes all areas in Arizona outside of the Phoenix and Tucson Metro areas (MSAs)

Figure 3



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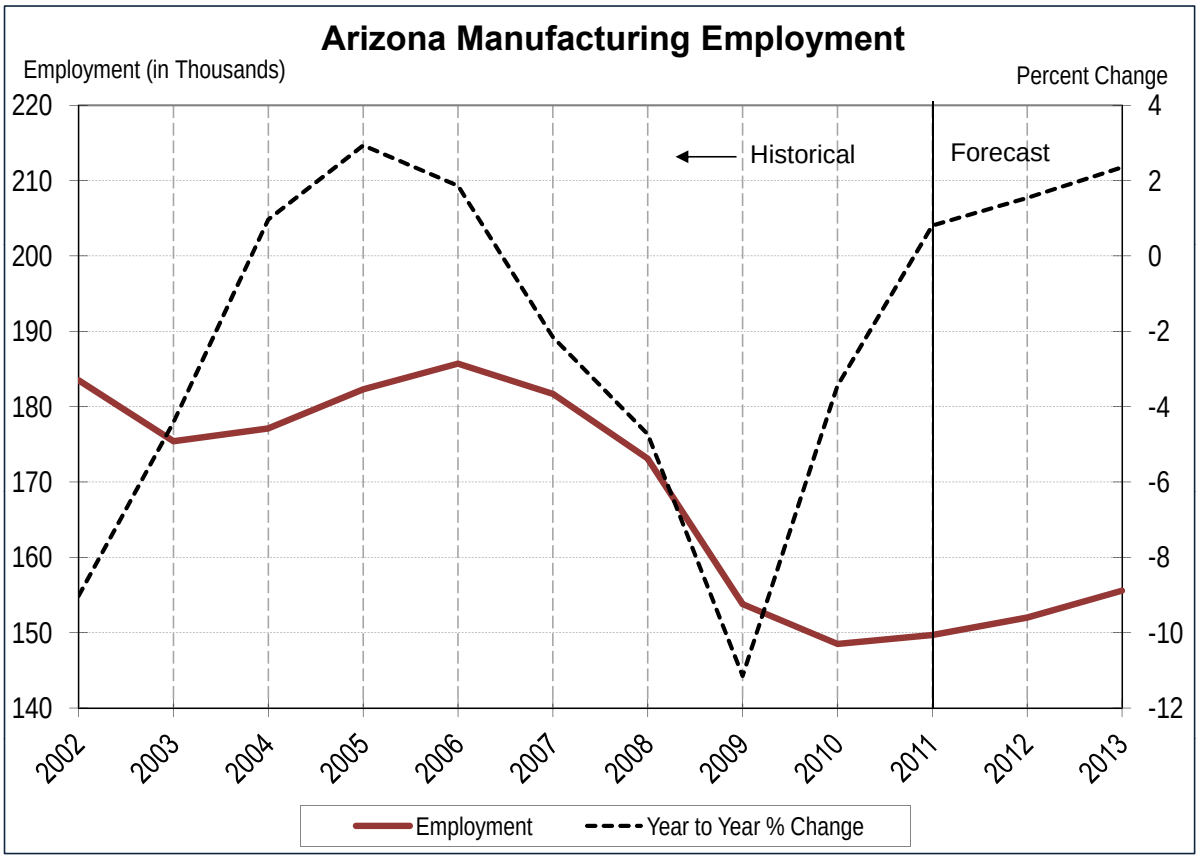

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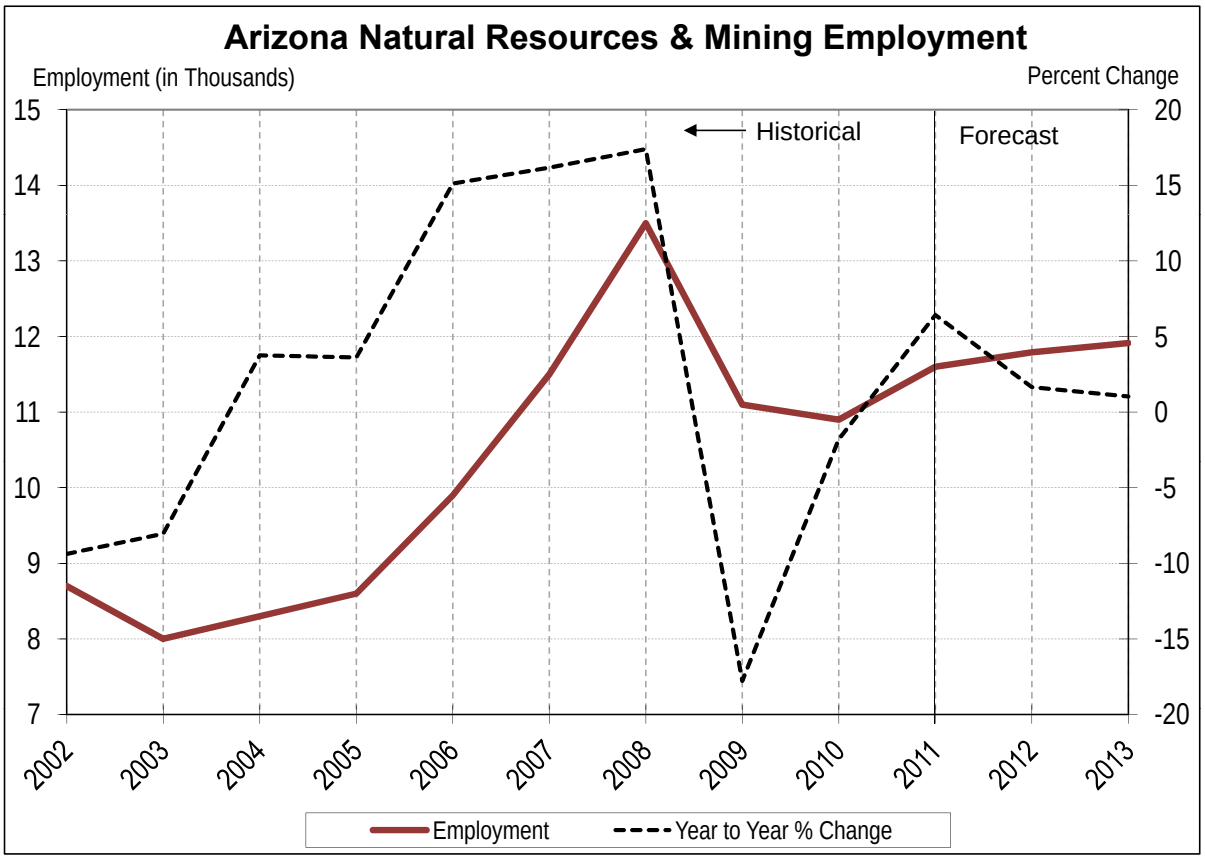

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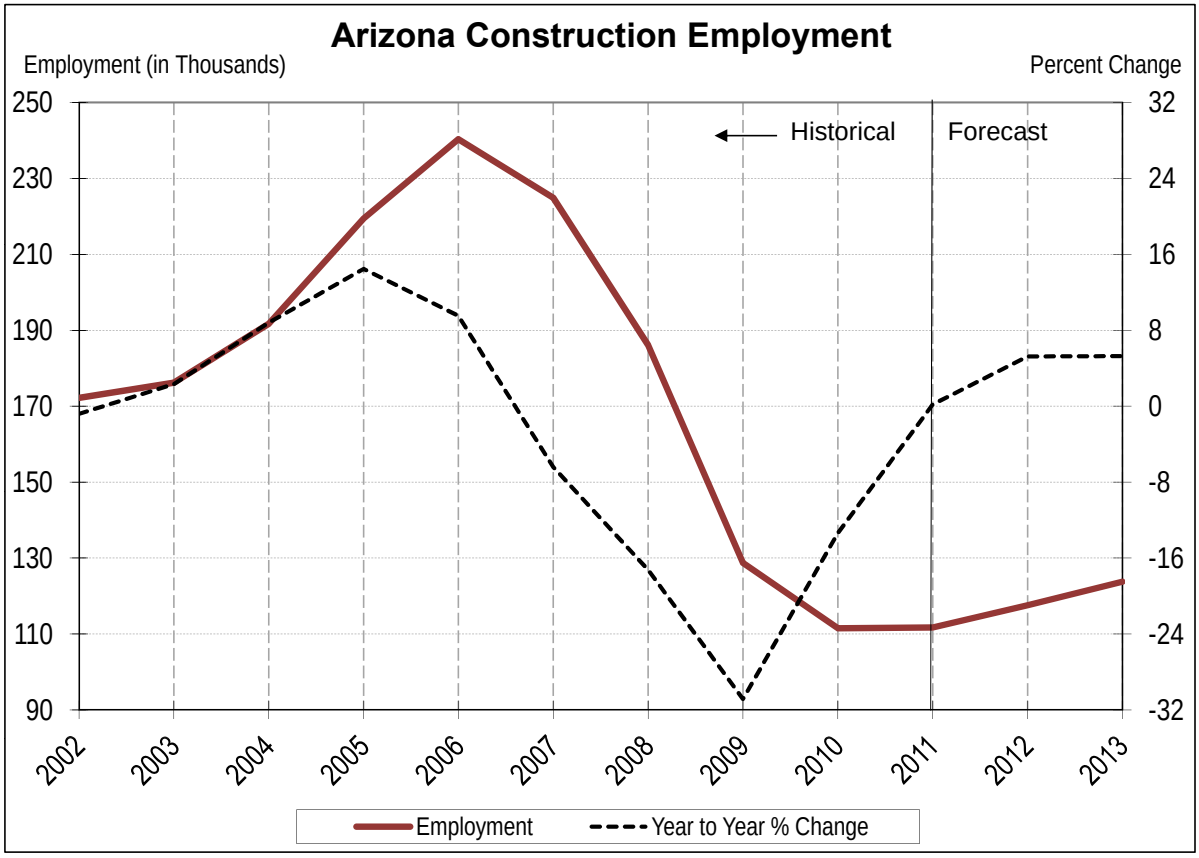

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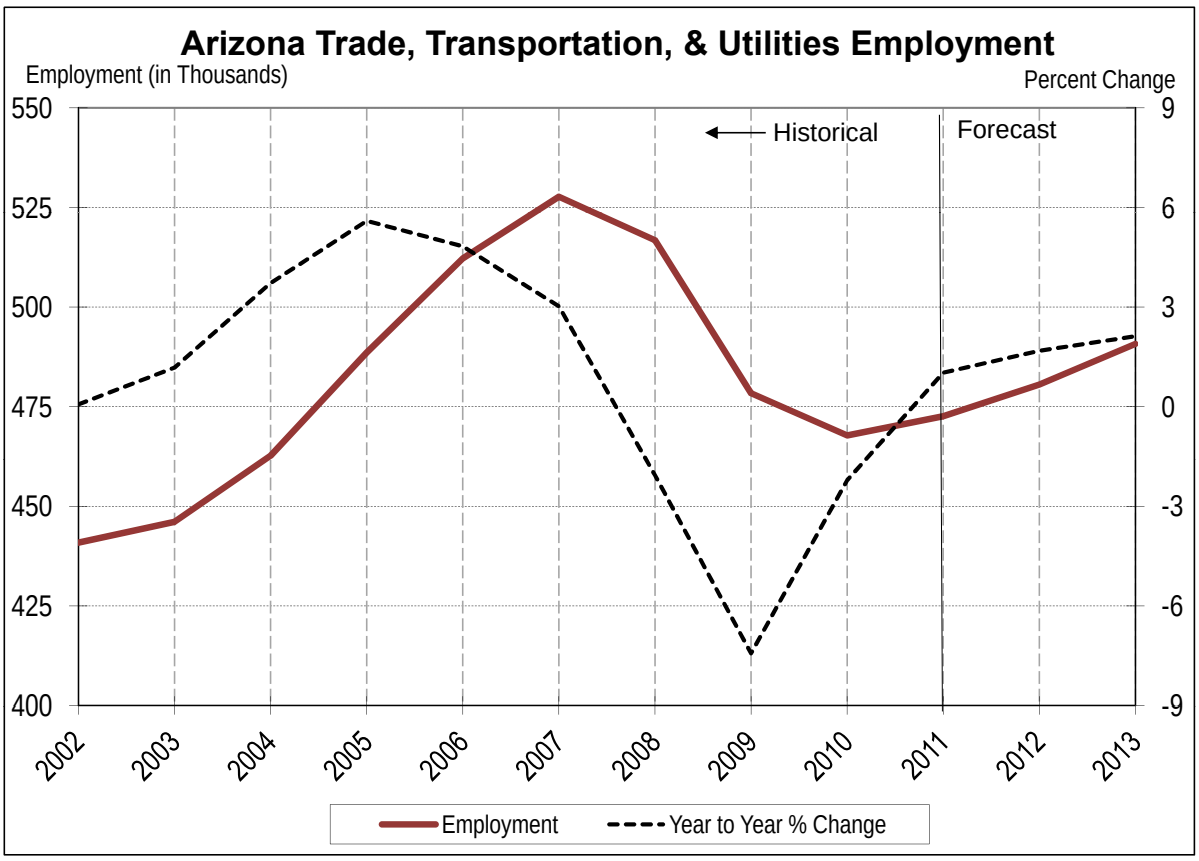

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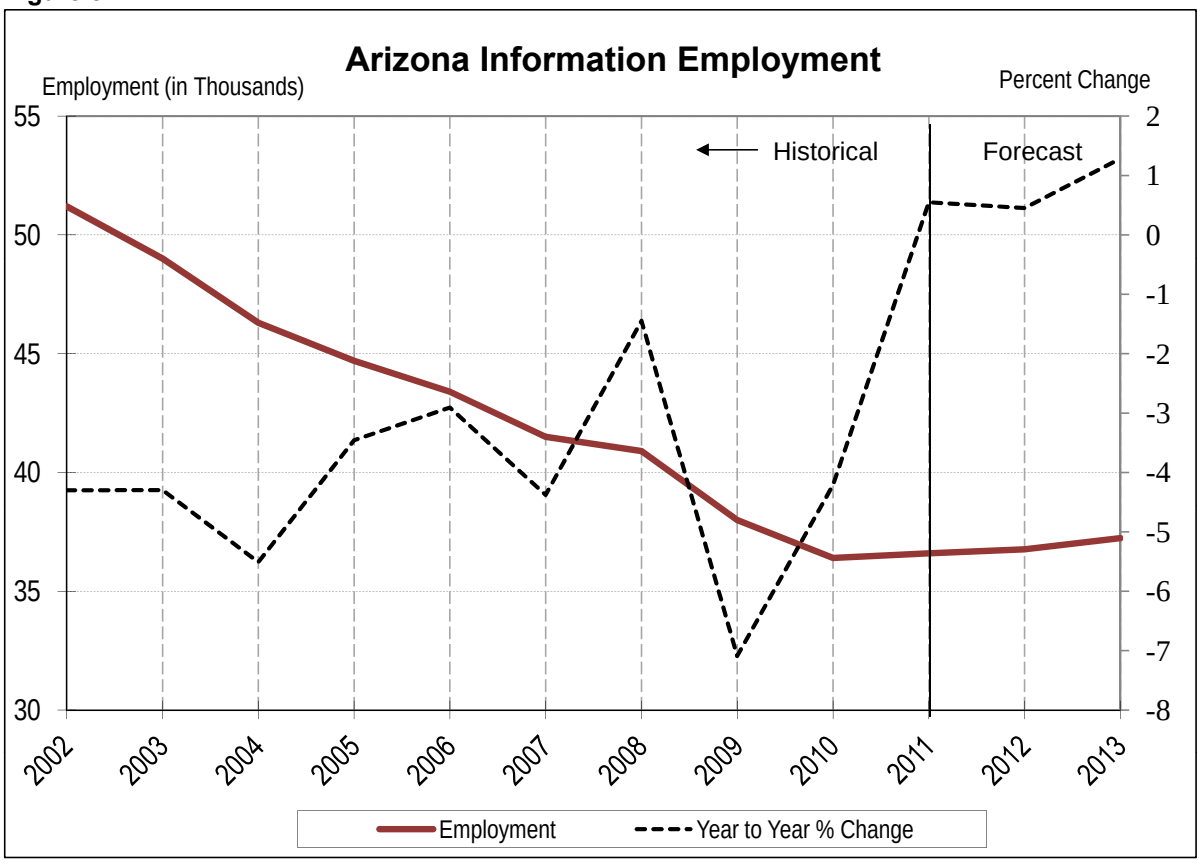

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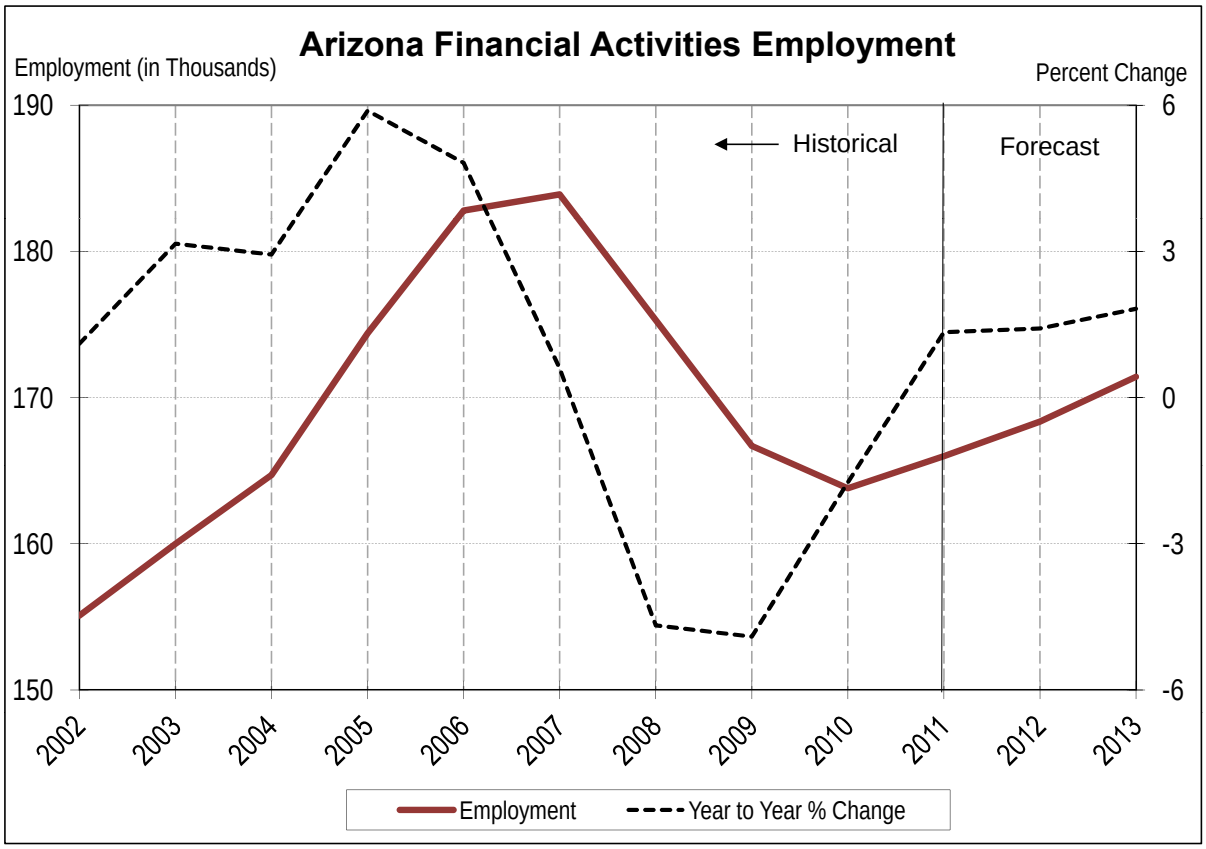

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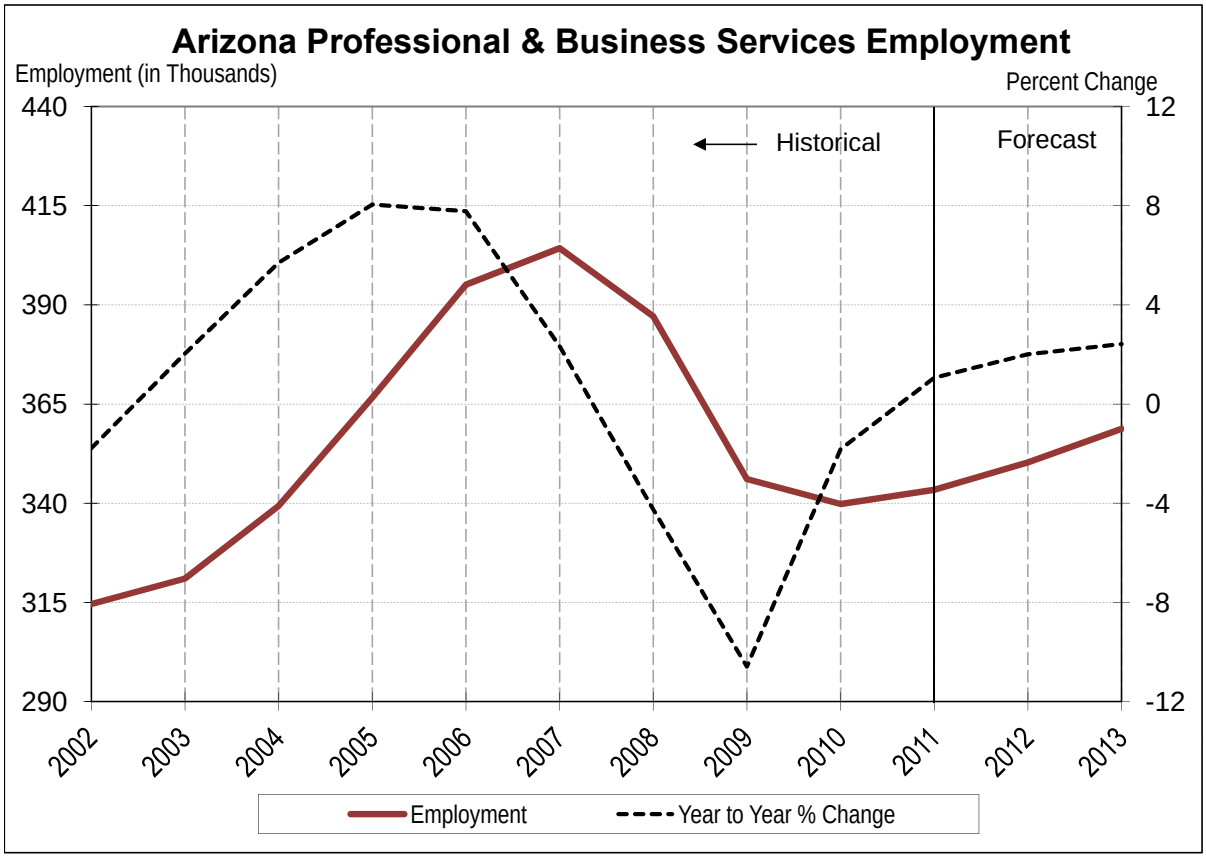

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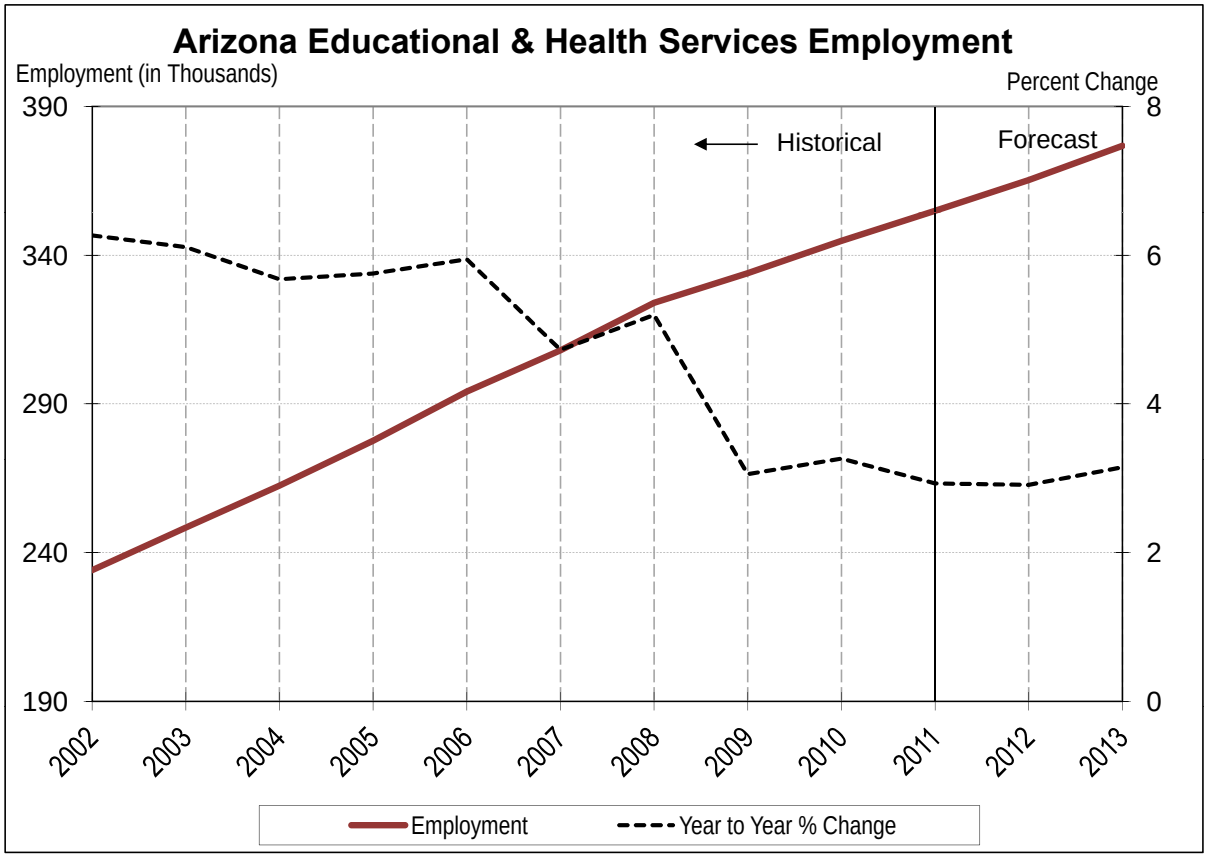

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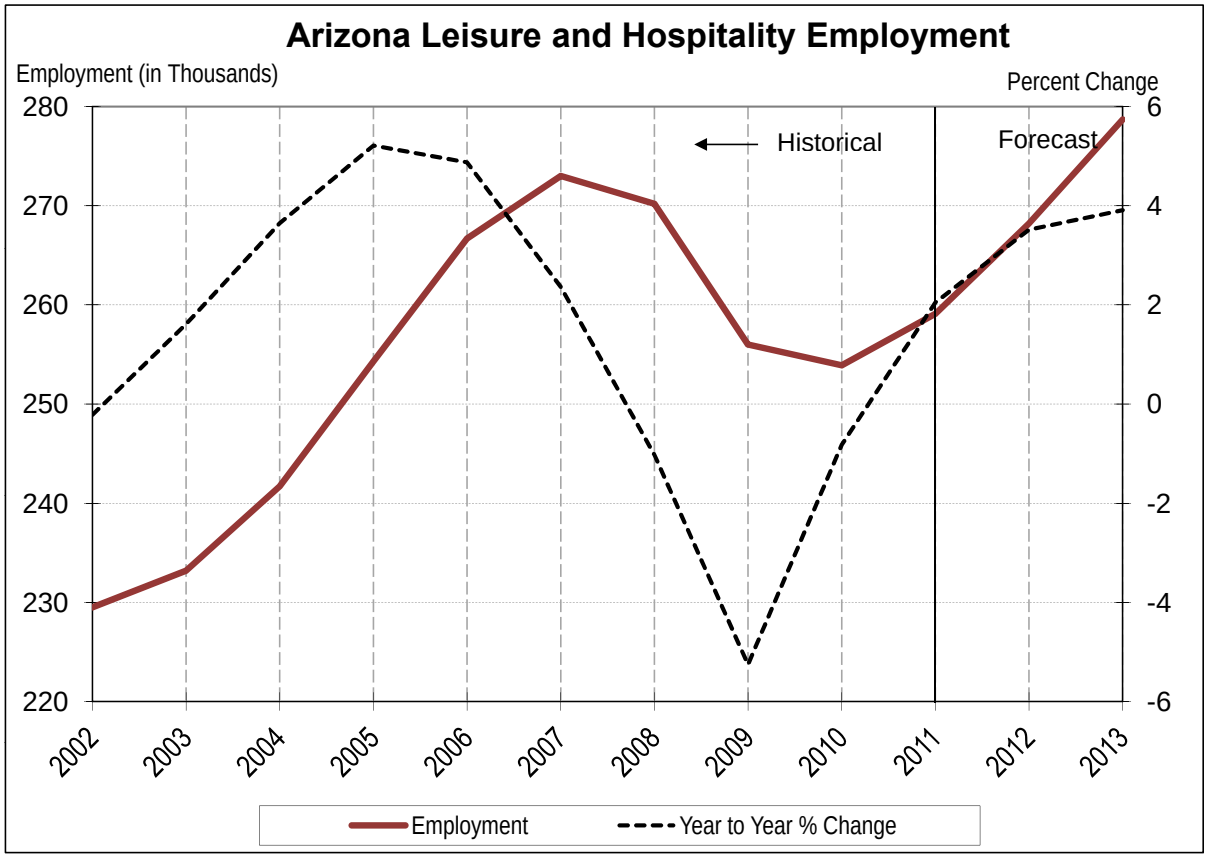

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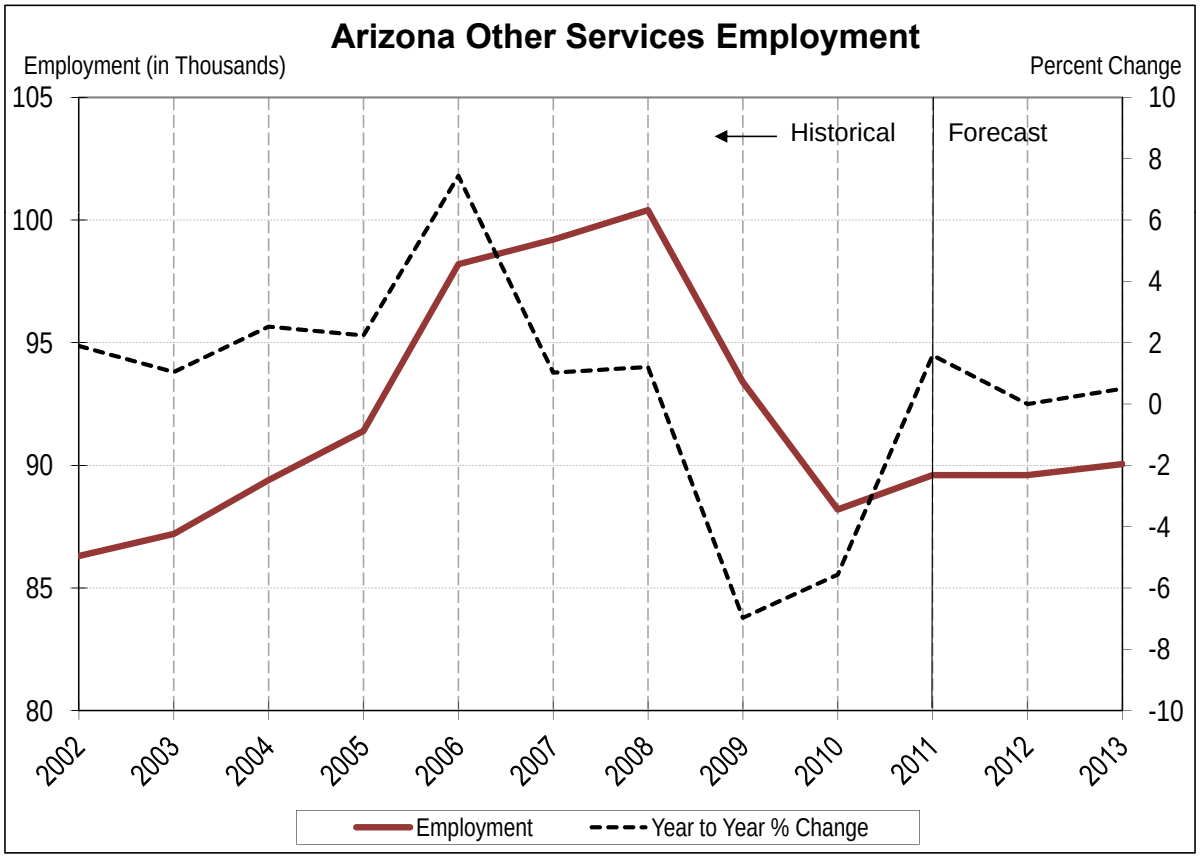

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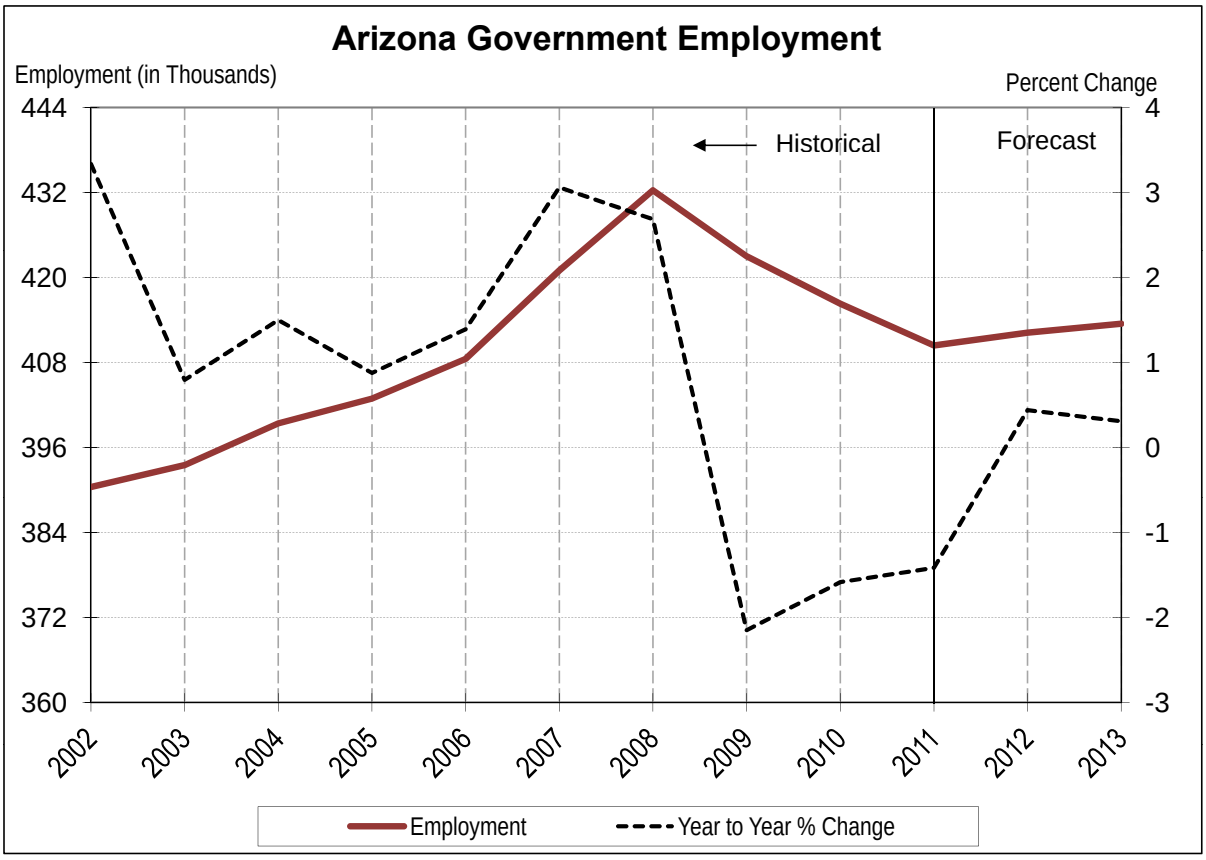

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