



Arizona Short-Term Industry Employment Projections: 2016-2018

The Arizona Office of Economic Opportunity has published short-term industry employment projections which estimate employment changes from Quarter 3 2016 through Quarter 2 2018. Arizona's industry employment projections are produced in conjunction with the U.S. Department of Labor (U.S. DOL), Employment and Training Administration (ETA). Industry Employment projections are designed to assist students, job seekers, educators, employers, and public and private groups for planning and reporting purposes. Projections data is available for Arizona and three substate areas: the Phoenix Metro Area (Maricopa and Pinal Counties), the Tucson Metro Area (Pima County), and the Balance of State Region (All counties minus Maricopa, Pinal, and Pima Counties). Short-term employment projections are available for 112 industries, sectors, and subsectors for the state and the substate regions.

Projected State and Substate Employment Growth

Employment in Arizona is projected to increase from roughly 2,852,181 to 2,990,734 from 2016 through 2018. This represents growth of 138,553 jobs or 2.4% annualized growth.

Highlighting regional differences, the Phoenix Metro Area (Phoenix MSA) is projected to increase by 115,258 jobs at an annualized growth rate of 2.8%. The Phoenix MSA is the only substate region projected to outpace the employment growth rate for the state as a whole. Roughly 83% of the state employment growth is projected to occur within the Phoenix MSA.

The Tucson Metro Area (Tucson MSA) is projected to add 10,068 jobs at an annualized growth rate of 1.3%. While the Tucson MSA's rate of growth is slower than that projected for the Phoenix MSA during the same period, it represents strong growth for the region which only averaged annual growth of 0.7% from Quarter 2 2014 to Quarter 2 2016. Projected employment increases in the Tucson MSA represents roughly 8% of Arizona's projected employment growth.

Finally, the Balance of State is projected to add 12,813 jobs at an annualized growth rate of 1.5%. Projected employment increases in the Balance of State Region represents roughly 9% of Arizona's projected employment growth.

Figure 1

2016-2018 Projected Job Growth by Region				
Area Name	2016 Estimated Total Employment Level	2018 Projected Total Employment Level	Numeric Growth	Annualized Percentage Growth
Arizona	2,852,181	2,990,734	138,553	2.4%
Phoenix MSA ¹	2,051,434	2,166,692	115,258	2.8%
Tucson MSA ²	382,515	392,583	10,068	1.3%
Balance Of State ³	414,363	427,176	12,813	1.5%
1) Maricopa and Pinal Counties				
2) Pima County				
3) All other areas in Arizona less Maricopa, Pinal, and Pima Counties				

Projected Industry Employment

Figure 2 shows the numeric and percentage growth across each supersector. Arizona is projected to record growth in eleven of the twelve supersectors over the two-year period. The largest projected numeric growth will occur in Education and Health Services (EHS); Professional and Business Services (PBS); and Leisure and Hospitality (LHS). EHS, PBS, and LHS will account for 61.6% of projected employment growth in the state. For all areas, including state and substate regions, the supersector projected to record the largest numeric growth will be Education and Health Services. The strong numeric growth in this supersector has continued throughout the last decade and continues to see growth throughout Arizona.

Five supersectors in the state are projected to exceed the average growth rate of all industries combined (2.4% growth). These five supersectors are Construction (3.9%); Professional and Business Services (3.3%); Education and Health Services (3.3%); Leisure and Hospitality (2.8%); and Financial Activities (2.7%).

Balance of State projects that Professional and Business Services; Construction; and Education and Health Services will show growth rates that exceed the average for all industries combined. Additional information on each substate area can be found on our website: <http://www.laborstats.az.gov>.

Figure 3 shows the top 10 subsectors that are projected to record employment growth at a faster rate than the average rate for all industries combined. The top two subsectors are Nonstore Retailers and Social Assistance; which fall within the larger supersectors Trade, Transportation and Utilities and Education and Health Services, respectively. Nonstore Retailers has seen significant gains in the years preceding the projections period. Industries within this subsector include Electronic Shopping and Mail-Order Houses and Direct Selling Establishment.

The Social Assistance subsector is part of the Health Care and Social Assistance sector. Industries in the Social Assistance subsector provide a wide variety of social assistance services directly to their clients including vocational rehabilitation and child day care services.

Figure 2

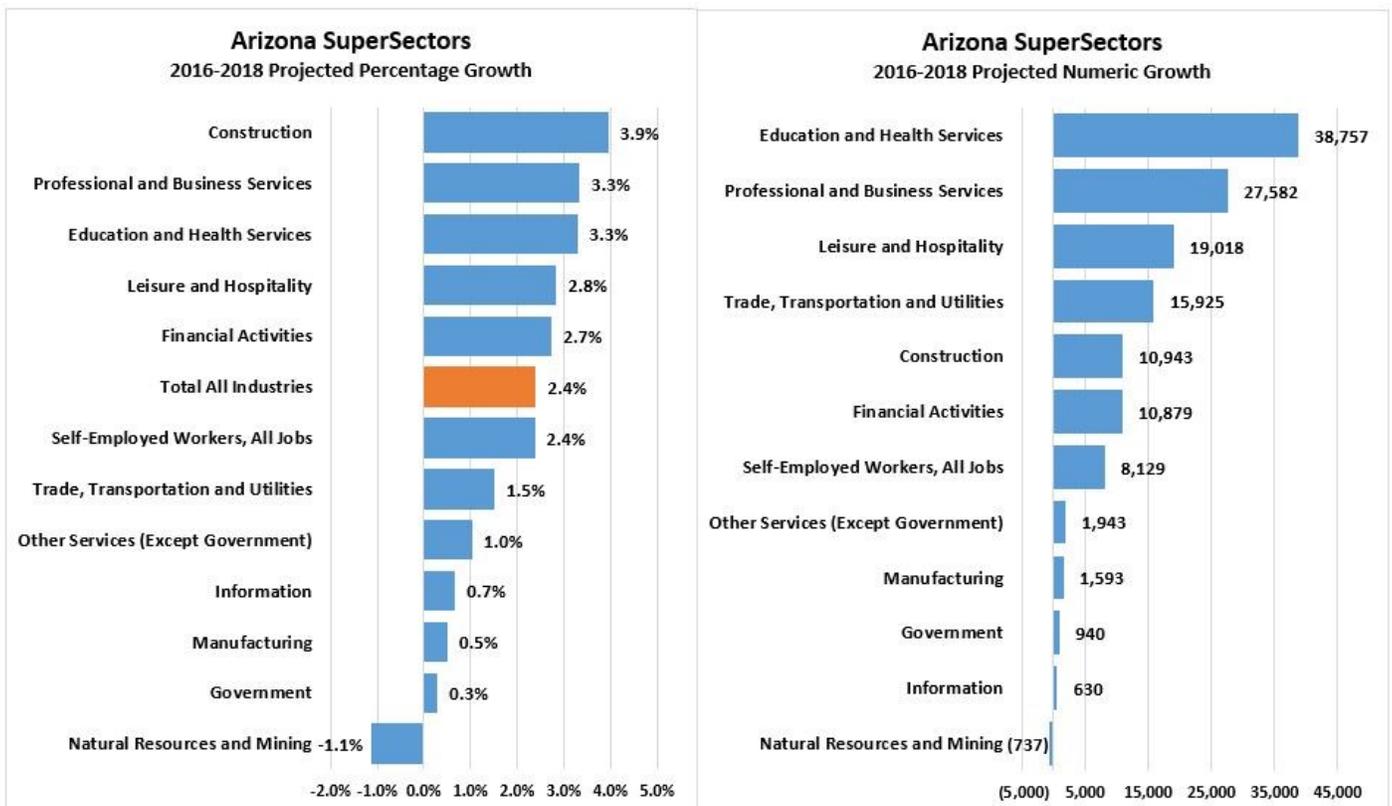


Figure 3

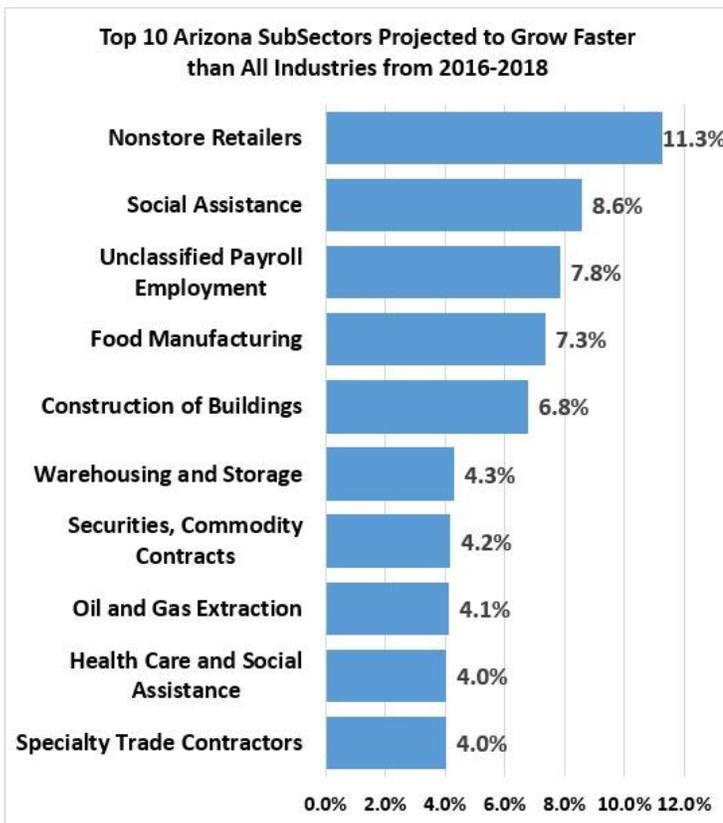


Figure 4 shows the top 10 subsectors that are projected to record the largest numeric growth over the two-year period. These minor industries are projected to have robust growth regardless of the relative size of each industry. Minor industries with high numeric projected growth will need to fill new opportunities created by this growth.

The largest projected numeric growth will occur in the Food Services and Drinking Places subsector. This subsector provides support services to other organizations. Occupations found in this subsector include Janitors, Office Clerks, and Security Guards. Administrative and Support Services is projected to record the second highest employment change. Industries within this subsector provide general management, personnel administration, clerical activities, cleaning activities.

Each of these subsectors fall within one of the supersectors listed above. Growth within subsectors tends to follow similar patterns. The 10 minor industries listed in Figure 4 all fall into the supersectors with the largest projected numeric growth for the state: Education and Health Services (3 subsectors); Professional and Business Services (2 subsectors); Financial Activities (1 subsector); Trade, Transportation, and Utilities (1 subsector); Construction (1 subsector); and Leisure and Hospitality (1 subsector); and Self-Employed Workers (1 subsector).

Technical Notes

It should be noted that the employment projections produced assume the continuation of recent historical trends. OEO does not attempt to predict expansion or contraction resulting from cyclical changes in the Arizona economy. The projections are meant to provide guidance on relative magnitudes and directional changes between the different industries rather than the exact outcomes of employment developments. For more information on employment projections methodology, definitions, assumptions, and limitations, visit www.laborstats.az.gov/employment-forecasts.

Figure 4

