



## Center for Economic Research

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### State projects rapid job growth over 10 years

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According to projections by Arizona Office of Employment and Population Statistics, the state will gain 577,302 jobs over the next 10 years for growth of 21.2 percent (compared to just 6.5 percent projected for the entire United States). On an annual basis, the state is expected to see job growth averaging 1.9 percent per year. The report, released in late October, projects growth in most major occupational groups.

The only major industry projected to see a significant decline in employment over the 10-year period is computer and electronic product manufacturing, expected to lose 5,694 jobs—a decline of 16.4 percent (-1.8 percent annually). The much smaller apparel manufacturing industry is expected to shed 15.4 percent of its jobs (-1.7 percent annual), which amounts to a loss of just 38 jobs statewide over the decade.

Lessors of nonfinancial intangible assets (except copyrighted works) are expected to lose 91 jobs statewide or 7.9 percent of the industry's current workforce (-0.8 percent annual). Jobs at Arizona textile mills are projected to fall by 4.5 percent (-0.5 percent annual), though that adds up to only 15 jobs statewide over 10 years (or an average of one job per county).

The forecast calls for less significant declines in clothing and clothing accessories stores, projected to drop 151 jobs (-0.7 percent total; -0.1 percent annual) and publishing industries (except internet), expected to lose 45 jobs statewide (-0.6 percent total; -0.1 percent annual).

Education and health services is expected to add the most jobs statewide at 142,275 (25.5 percent total job growth; 2.3 percent annual). Percentagewise, building construction is expected to see the highest rate of job growth at 56.3 percent over the entire 10-year period (4.6 percent annually) with the addition of 12,851 new jobs over the next decade. The construction industry as a whole is expected to add 63,397 jobs over 10 years for total growth of 49.9 percent (4.1 percent annually)—the fastest rate of growth of any major industry in the state.

Other industries projected to see large job gains are: professional and business services, expected to add 130,628 jobs over 10 years (34 percent total; 3 percent annual), health care and social assistance, projected to grow by 97,325 jobs (28.8 percent total; 2.6 percent annual), administrative and support and waste management and remediation services, which will add 85,028 jobs (37.7 percent total; 3.3 percent annual), and trade, transportation, and utilities with the addition of 80,887 jobs over 10 years (16.1 percent total; 1.5 percent annual) according to the report.

Growing slower than the statewide average for all sectors, government is expected to expand by just 7.9 percent over 10 years (0.8 percent annually) with the addition of 12,727 new jobs over the 10-year period. Federal government jobs are expected to increase by just 4.4 percent over the next decade (0.4 percent annually) while state government (excluding education and hospitals) is projected to grow by 5.4 percent (0.5 percent annually). The report forecasts slightly stronger growth for local government (excluding education and hospitals) at 10.9 percent over 10 years (1 percent annually).

Self-employment is expected to grow considerably slower than employment overall, coming in at just 5.5 percent growth over 10 years (0.5 percent annually).

More than 80 percent of the projected statewide job gains over the next decade will occur in the Phoenix metro area, expected to see total job growth of 24.1 percent (ahead of the statewide rate of 21.2 percent). More than 90 percent of new jobs statewide over the next 10 years will be in either the Phoenix or Tucson metro area. The Tucson area, however, is projected to see total job growth of just 14.4 percent—considerably slower than statewide and the Phoenix area.

The combined balance of the state (areas of Arizona outside the Phoenix and Tucson metro areas) is expected to see total job growth of 13.6 percent (54,923 new jobs over 10 years)—slower than statewide and the Phoenix and Tucson metro areas. The balance of state area includes Cochise County combined with all other Arizona counties except Maricopa, Pinal, and Pima.

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