

GREATER PHOENIX

OVERVIEW





GREATER PHOENIX ECONOMIC COUNCIL

An aerial photograph of the Phoenix skyline, featuring several prominent skyscrapers. The Chase Tower is the tallest building on the left, with its name visible at the top. To its right is a glass-fronted skyscraper. Further right is a white, curved building with 'Sheraton' signage. In the foreground, there are lower-rise buildings, including one with a 'HYATT' sign. The background shows a vast cityscape and distant mountains under a clear blue sky. A large, semi-transparent yellow triangle is overlaid on the right side of the image, containing the text.

OUR MISSION

Attract and grow quality
businesses and advocate
for Greater Phoenix's
competitiveness.

ABOUT

We are supported by Maricopa County, 22 cities and towns, and more than 150 private-sector investors.

**SINCE
1989**



740+

GPEC has assisted more than 740 businesses as they relocate and expand to the region.



130,000+

GPEC has brought more than 130,000 jobs to the region.



\$14.8B

GPEC has helped bring \$14.8 billion in capital investment.

GPEC PARTNERS



GPEC MEMBER COMMUNITIES

- | | |
|-----------------|-------------|
| Apache Junction | Mesa |
| Avondale | Peoria |
| Buckeye | Phoenix |
| Casa Grande | Queen Creek |
| Chandler | Scottsdale |
| El Mirage | Surprise |
| Fountain Hills | Tempe |
| Gila Bend | Tolleson |
| Gilbert | Wickenburg |
| Glendale | Youngtown |
| Goodyear | |
| Maricopa | |

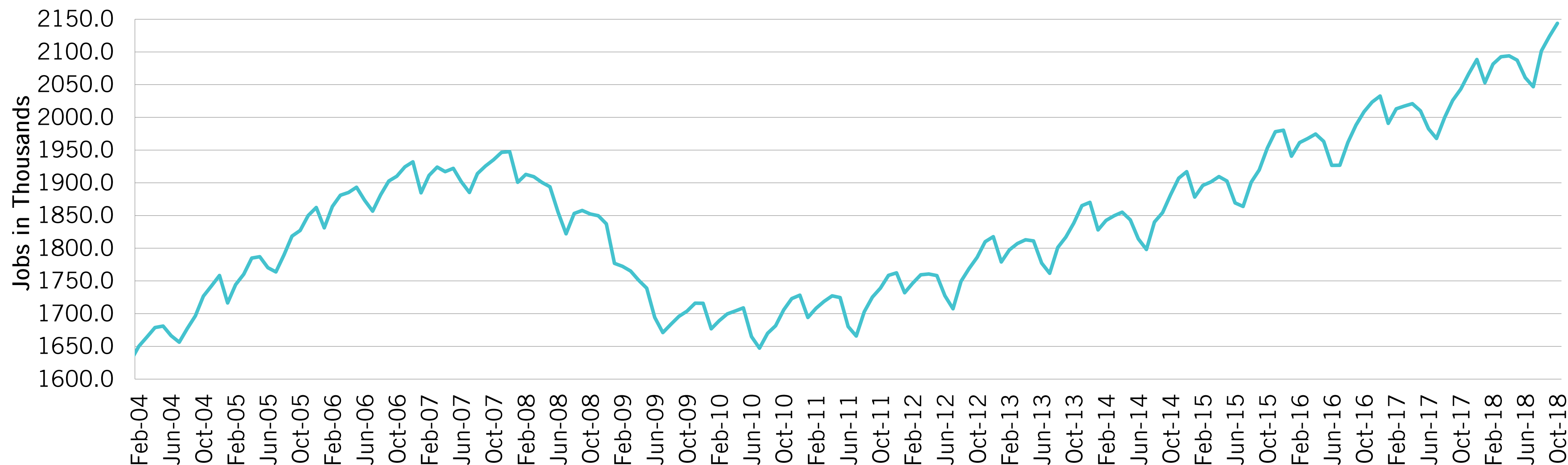


KEY ECONOMIC TRENDS

JOB GROWTH SINCE THE RECOVERY

- Greater Phoenix recovered peak pre-recession job numbers in August 2016.
- Current total nonfarm payroll employment is 2,143,800
- Since the recovery began the region has gained 496,600 jobs

Greater Phoenix Job Growth

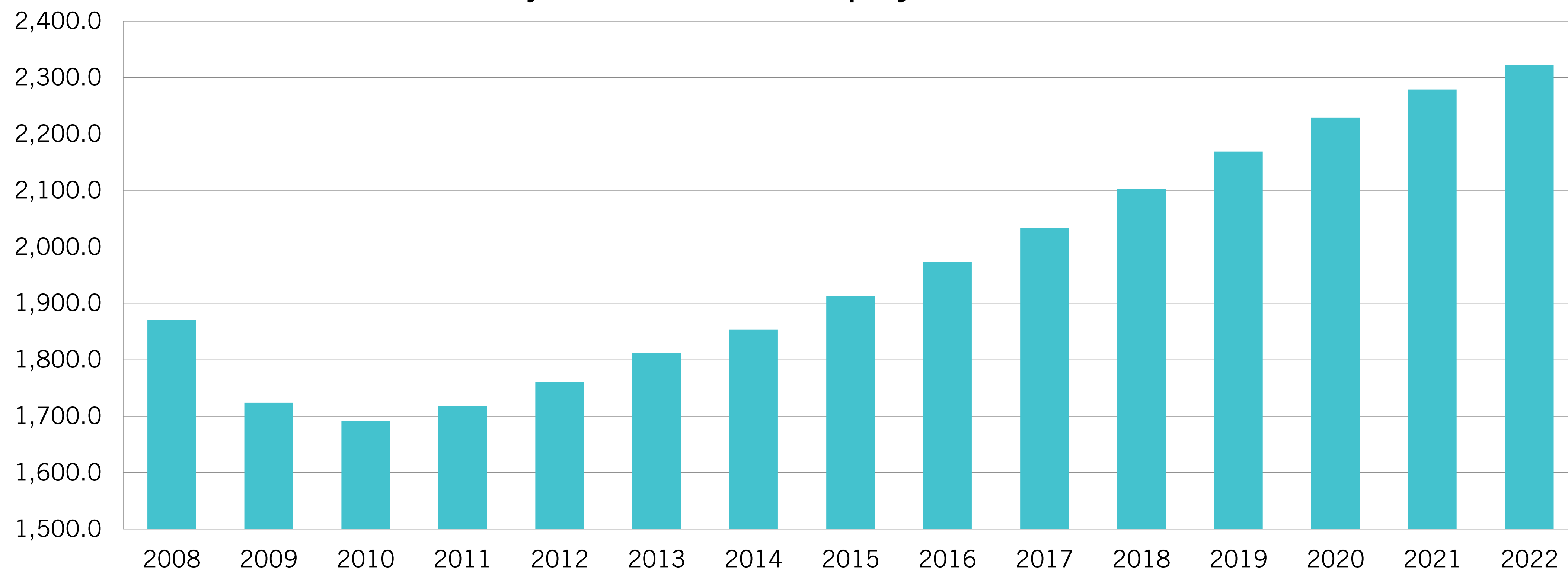


Source: AZ Office of Economic Opportunity Labor Statistics, November 2018, not seasonally adjusted, preliminary numbers

JOB RECOVERY FORECAST

- Greater Phoenix job growth is projected to be 3.1% from 2017 to 2018
- AZ job growth is projected to be 2.6% from 2017 to 2018
- U.S. job growth is projected to be 0.7% from 2017 to 2018

Projected Nonfarm Employment Growth



Source: University of Arizona Economic and Business Research Center, December 2018. Bureau of Labor Statistics, 2016-2026 projections.



INDUSTRY MAKEUP PRIOR TO RECESSION

- Top industries prior to recession: professional and business services, government, retail trade, leisure and hospitality, health care and social assistance, and construction
 – Accounting for 1.36 million jobs or 70% of total employment
- In the recession construction, retail trade, government, and leisure and hospitality accounted for 62% of lost jobs

Sectors with Job Losses During the Recession

Industry	Job Loss Peak to Trough	% Decline
Total Nonfarm	-300,400	-15%
Construction	-74,900	-47%
Professional and Business Services	-58,300	-18%
Retail Trade	-44,700	-18%
Government	-43,600	-17%
Manufacturing	-24,500	-18%
Leisure and Hospitality	-23,300	-12%
Wholesale Trade	-11,300	-13%
Other Services	-10,300	-14%
Transportation and Utilities	-10,000	-14%
Finance and Insurance	-7,000	-6%
Real Estate, Rental, and Leasing	-6,400	-16%
Information	-3,800	-12%
Natural Resources and Mining	-500	-14%

CURRENT MAKEUP OF INDUSTRY

- The recovery was led by professional and business services, health care and social assistance, leisure and hospitality, finance and insurance, and government.

Current Employment by Industry

Industry	Job Gains in Recovery	% Growth
Total Nonfarm	496.6	30%
Professional and Business Services	99.6	37%
Health Care and Social Assistance	72.1	37%
Leisure and Hospitality	65.2	39%
Construction	50.7	61%
Finance and Insurance	44.5	42%
Government	43.8	21%
Retail Trade	36.4	18%
Manufacturing	21.5	19%
Transportation and Utilities	21.6	36%
Educational Services	18.3	47%
Information	11.1	41%
Real Estate, Rental, and Leasing	7.6	22%
Other Services	2.4	4%
Wholesale Trade	1.6	2%
Natural Resources and Mining	0.2	7%

Source: AZ Office of Economic Opportunity Labor Statistics, November 2018, not seasonally adjusted, preliminary numbers

CURRENT MAKEUP OF ARIZONA INDUSTRY

- Total nonfarm payroll employment in Arizona is 2,901,600 as of October 2018. Year over year growth is at 3.1%

Current Employment by Industry

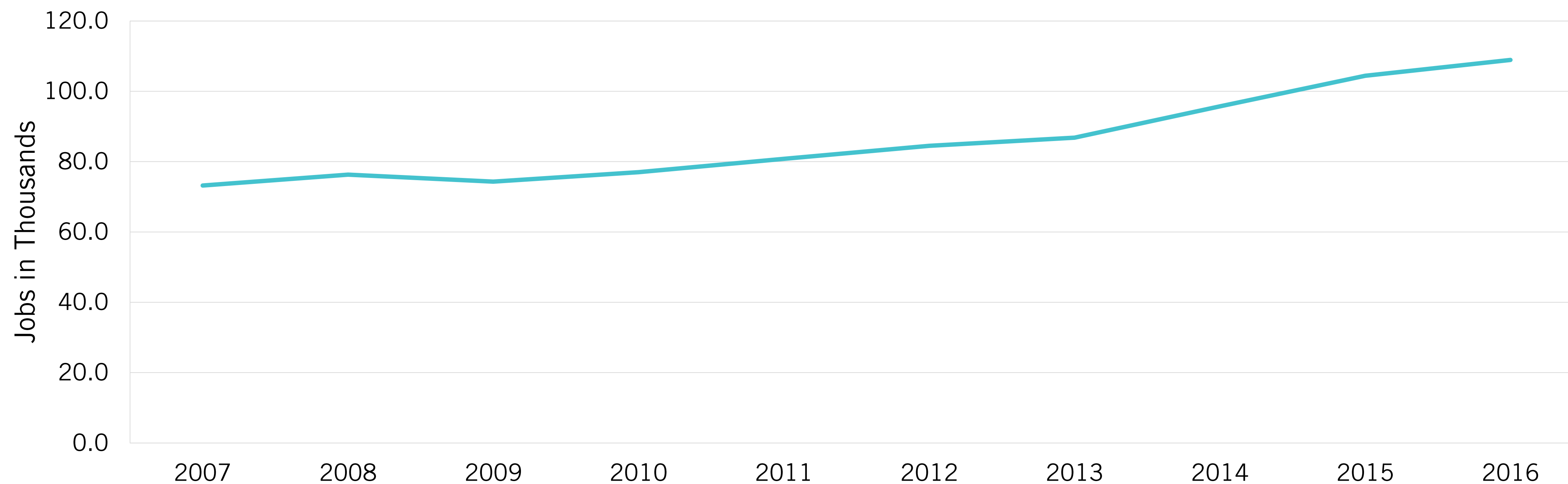
Industry	Employment	YoY % Growth
Total Nonfarm	2,901,600	3.1%
Professional and Business Services	444,700	3.3%
Health Care and Social Assistance	378,300	2.9%
Leisure and Hospitality	333,100	3.9%
Construction	168,700	12.6%
Finance and Insurance	168,200	1.8%
Retail Trade	333,100	0.2%
Manufacturing	174,800	5.2%
Transportation and Utilities	104,200	5.1%
Educational Services	68,400	4.1%
Information	47,200	5.6%
Government	430,200	0.7%
Real Estate, Rental, and Leasing	2,901,600	3.1%
Other Services	444,700	3.3%
Wholesale Trade	378,300	2.9%
Natural Resources and Mining	333,100	3.9%

Source: AZ Office of Economic Opportunity Labor Statistics, November 2018, not seasonally adjusted, preliminary numbers

FOREIGN DIRECT INVESTMENT (FDI)

- Jobs in Greater Phoenix due to FDI have increased from 73,200 in 2007 to 108,900 in 2016.
- FDI jobs made up 4.74% of Arizona's total employment in 2016.

Employment of Majority-Owned U.S. Affiliates In Arizona



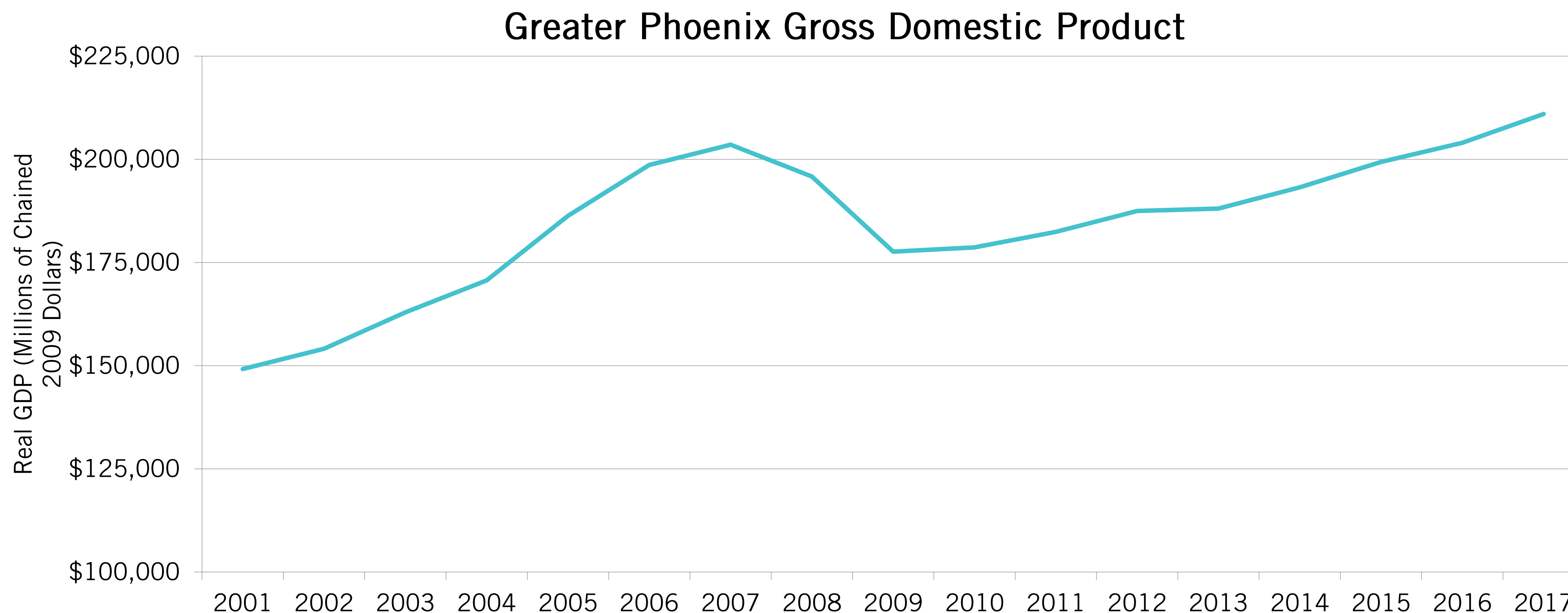
Source: Bureau of Labor Statistics 2006-2018 State and Area Employment, Hours, and Earnings Dataset; Bureau of Economic Analysis Employment of Majority-Owned U.S. Affiliates, State by Industry of Affiliate, 2007-2016



Greater Phoenix
ECONOMIC COUNCIL

GREATER PHOENIX ECONOMY IS STEADILY GROWING

- Greater Phoenix real GDP in 2017 was \$211.0 billion, growing by 3.4% over the previous year.
- Arizona real GDP growth was 3.1% from 2016 to 2017
- U.S. GDP real growth was 2.2% from 2016 to 2017

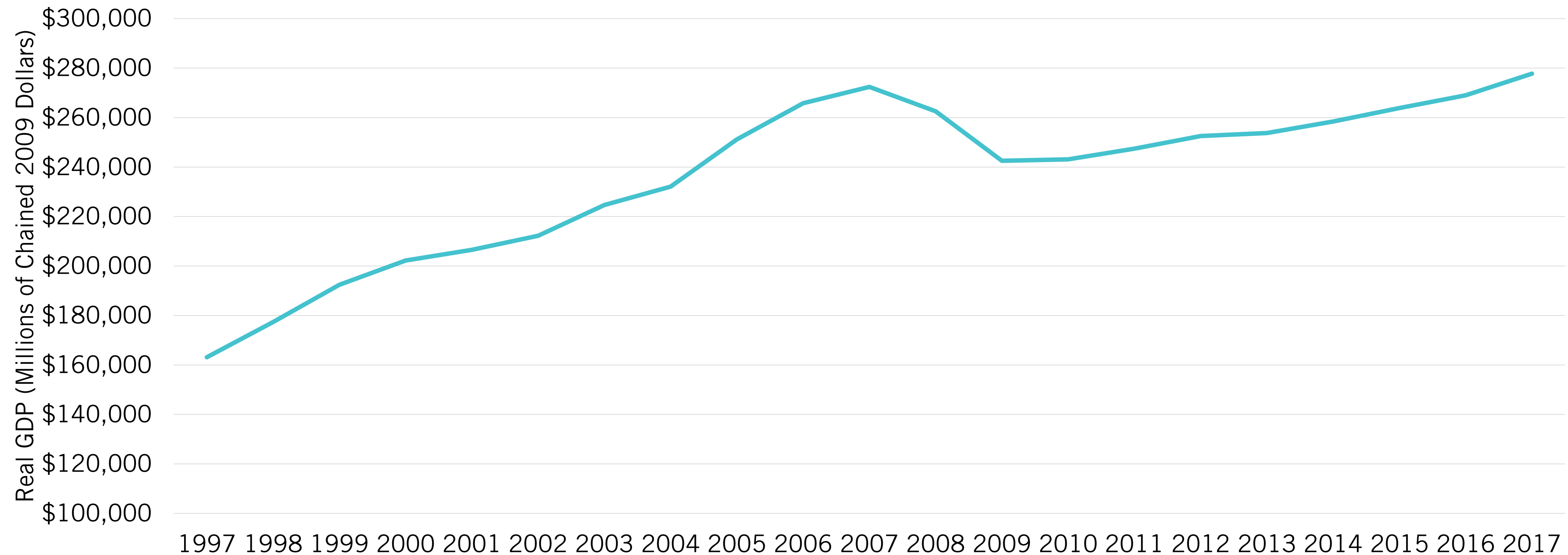


Source: Bureau of Economic Analysis, September 2018

ARIZONA'S ECONOMY IS STEADILY GROWING

- From 1997-2017, Arizona's economy grew 70.3%

Arizona Gross Domestic Product



Source: Bureau of Economic Analysis, May 2018

EMPLOYMENT GROWTH

Arizona's rank out of 50 states

Year	Rank	Year	Rank
1995	2	2007	17
1996	2	2008	46
1997	2	2009	49
1998	1	2010	49
1999	2	2011	27
2000	5	2012	8
2001	9	2013	9
2002	10	2014	17
2003	4	2015	11
2004	2	2016	9
2005	2	2017	13
2006	2	2018	8

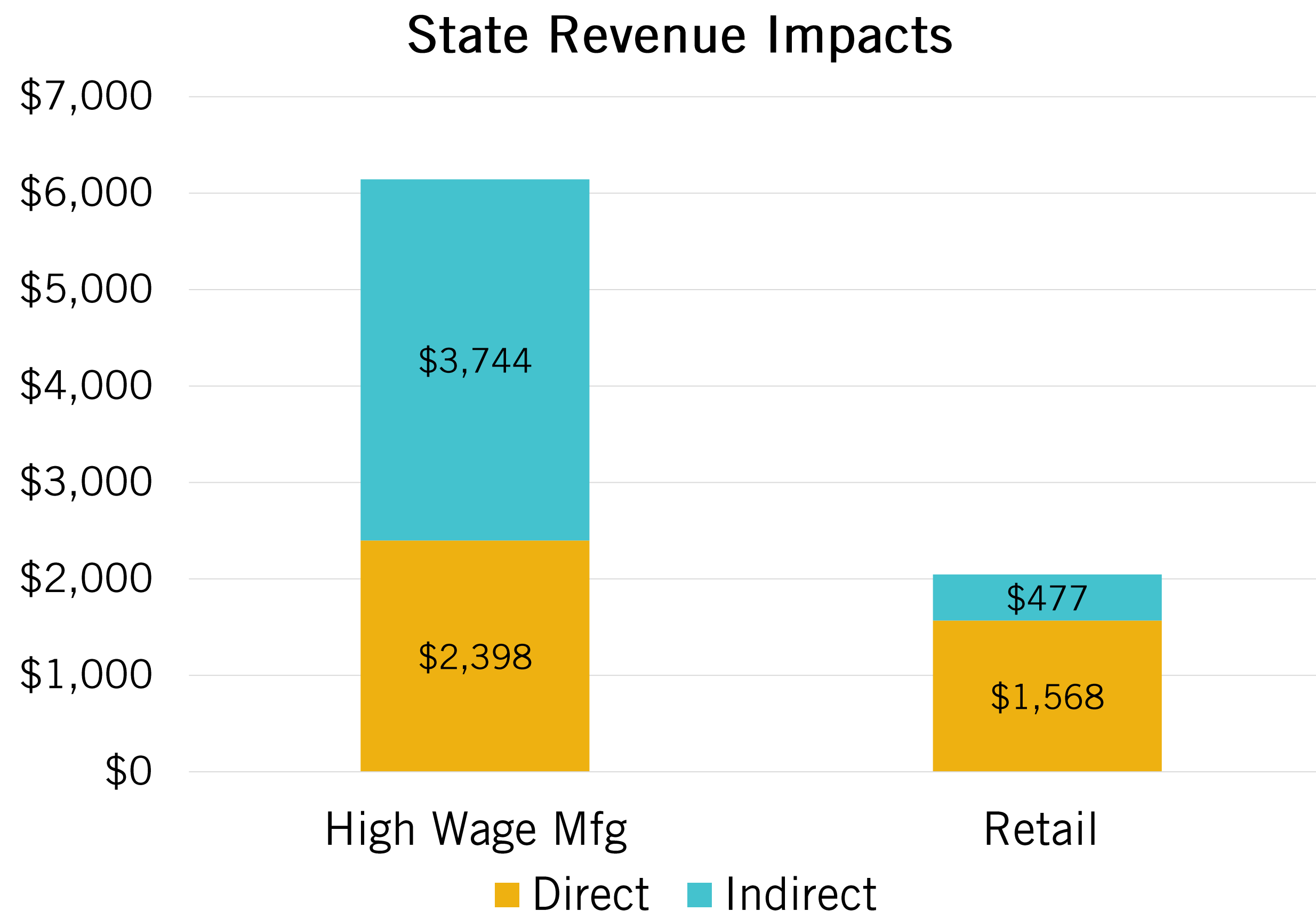
Greater Phoenix's ranking among all metro areas with populations greater than 1,000,000

Year	Rank	# MSA's	Year	Rank	# MSA's
1995	1	20	2007	10	29
1996	1	21	2008	25	29
1997	2	22	2009	23	24
1998	1	23	2010	23	23
1999	3	24	2011	14	25
2000	7	25	2012	10	28
2001	7	26	2013	7	29
2002	5	25	2014	15	31
2003	3	25	2015	11	32
2004	3	25	2016	9	33
2005	1	26	2017	10	34
2006	1	27	2018	7	36

NOT ALL JOBS ARE CREATED EQUAL

High wage jobs create a higher value to the economy than low wage jobs, with greater consumer spending capacity and additional induced jobs. For example, a high wage manufacturing job* creates a total revenue impact to the state of \$6,142 annually, while a retail job creates an impact of \$2,045.

**Note: High wage manufacturing impact was calculated using the 90th percentile wage for all production occupations*



NOT ALL JOBS ARE CREATED EQUAL

- Retail earnings lag significantly behind wages in other sectors

Greater Phoenix

Industry	Average Earnings
Retail	\$39,372
Healthcare and Social Assistance	\$63,587
Construction	\$61,453
Transportation & Warehousing	\$61,227
Finance & Insurance	\$88,475
Manufacturing	\$90,264

Arizona

Industry	Average Earnings
Retail	\$37,816
Healthcare and Social Assistance	\$61,617
Construction	\$57,448
Transportation & Warehousing	\$59,954
Finance & Insurance	\$87,075
Manufacturing	\$90,000

IN-MIGRATION

- The table below shows the top 5 states for people moving to Greater Phoenix in 2017.

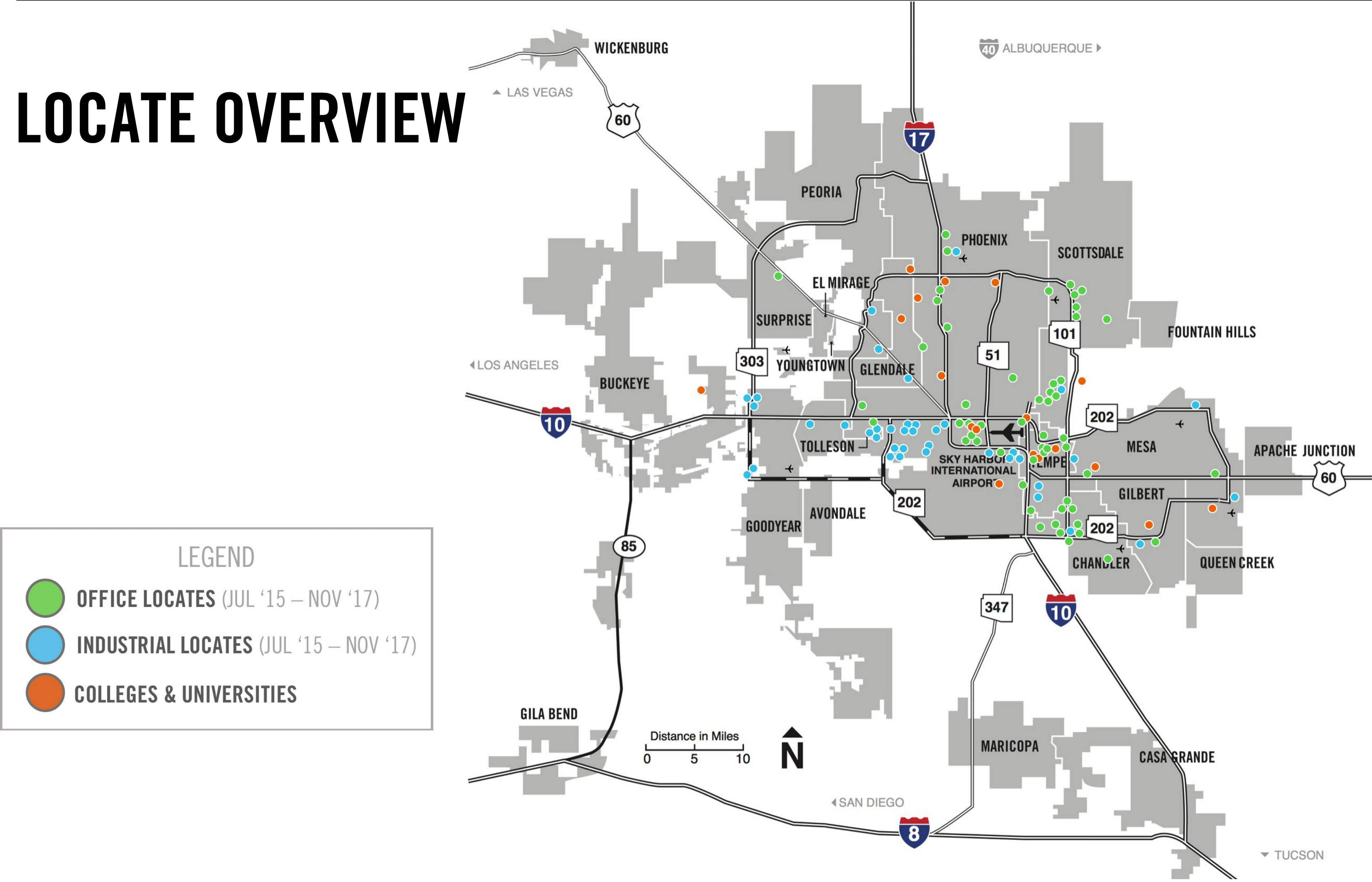
State	Annual Average
California	59,233
Washington	14,392
Illinois	13,095
Colorado	12,810
Texas	12,793

Source: ACS 2017 1-Year Estimates



GPEC ACTIVITY

LOCATE OVERVIEW



NOTABLE GPEC LOCATES



FY19 QUICK OVERVIEW



PROSPECT STATS



20 COMPANIES
HAVE LOCATED IN FY19



\$479.46 MILLION
IN CAPITAL INVESTMENT



4,327 JOBS
CREATED IN THE REGION



\$51,148 AVG. WAGE
140% OVER THE COUNTY MEDIAN

**Numbers as of Dec. 15*

CURRENT PROSPECT ACTIVITY

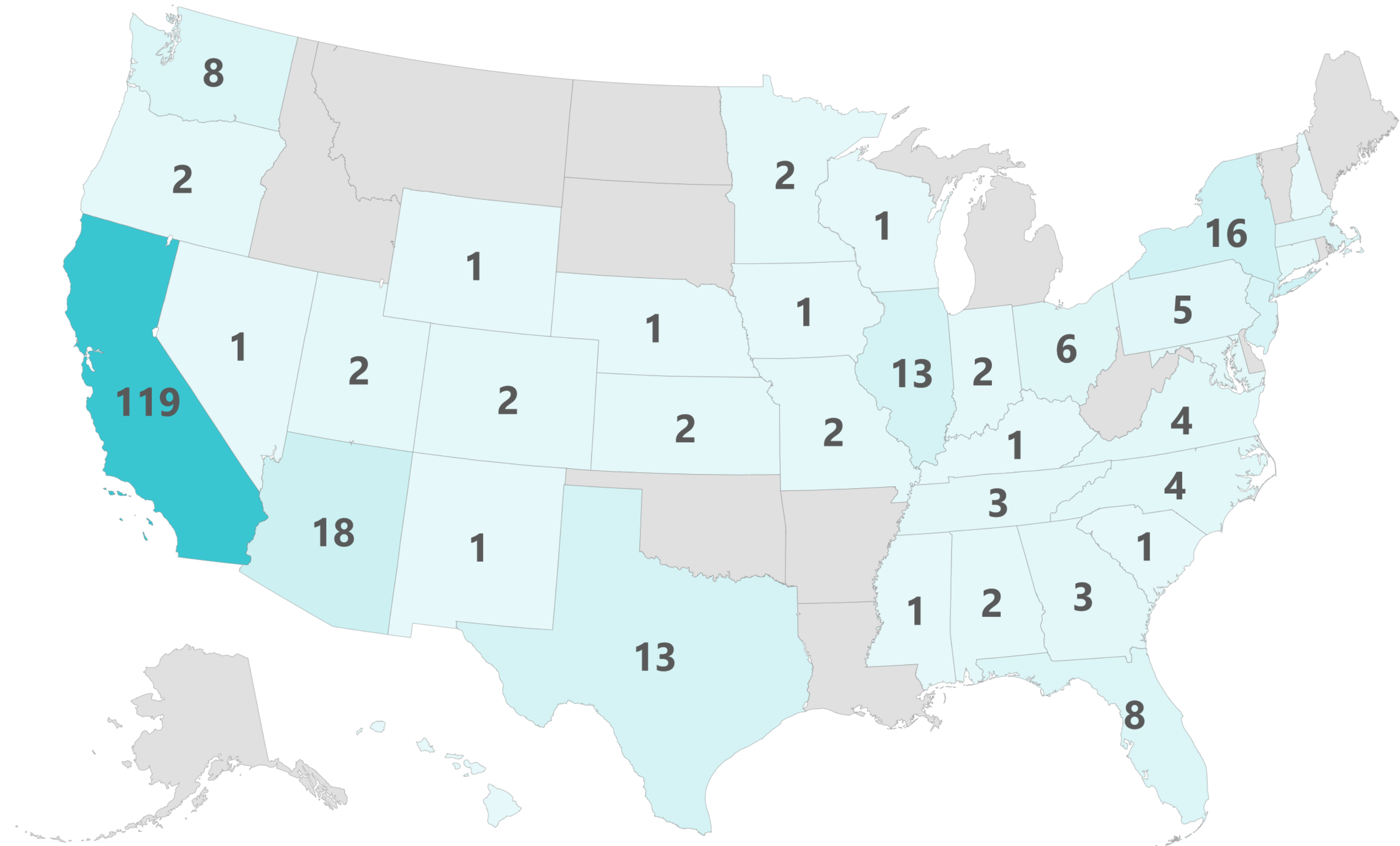
ACTIVE PROSPECTS	343
FY19 PROSPECTS	145
CAPITAL INVESTMENT POTENTIAL	\$4.48 billion
JOB POTENTIAL	21,045
SQUARE FOOTAGE POTENTIAL	26,850,056

**Numbers as of Dec. 15*

PROSPECTS BY REGION OF ORIGINATION

28% of prospects are
from California.

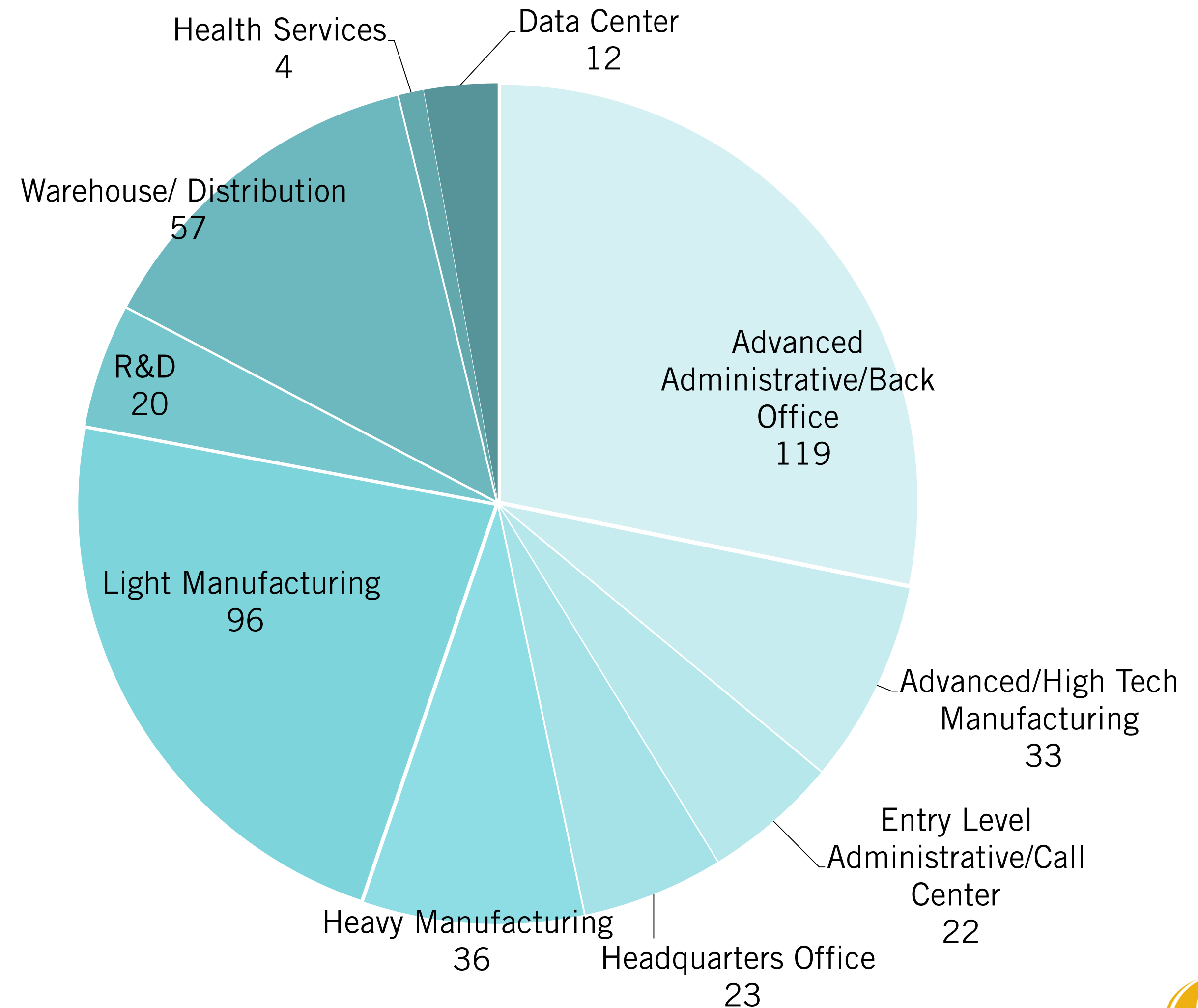
51 international
prospects, including 3
from India, 8 from Israel
and 8 from the United
Kingdom.



**Numbers as of Dec. 20*

PROSPECTS BY OPERATION TYPE

- In the previous 18 months:
- 119 Administrative/Back Office prospects
- 23 headquarters prospects
- 132 manufacturing prospects

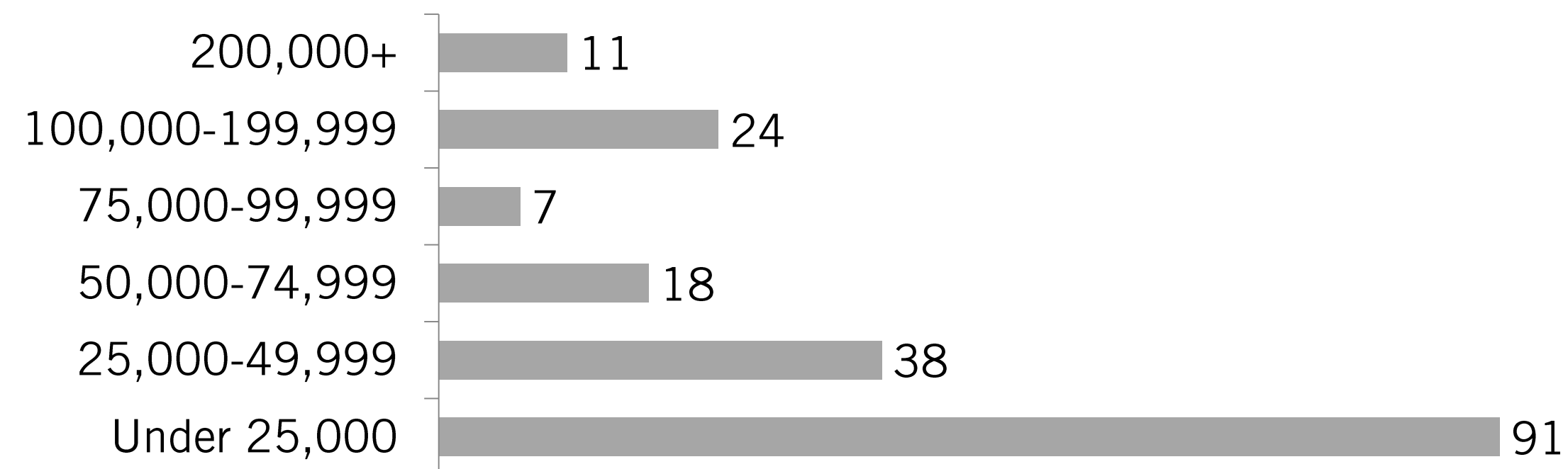


**Numbers as of Dec. 20*

OFFICE AND INDUSTRIAL PROSPECTS

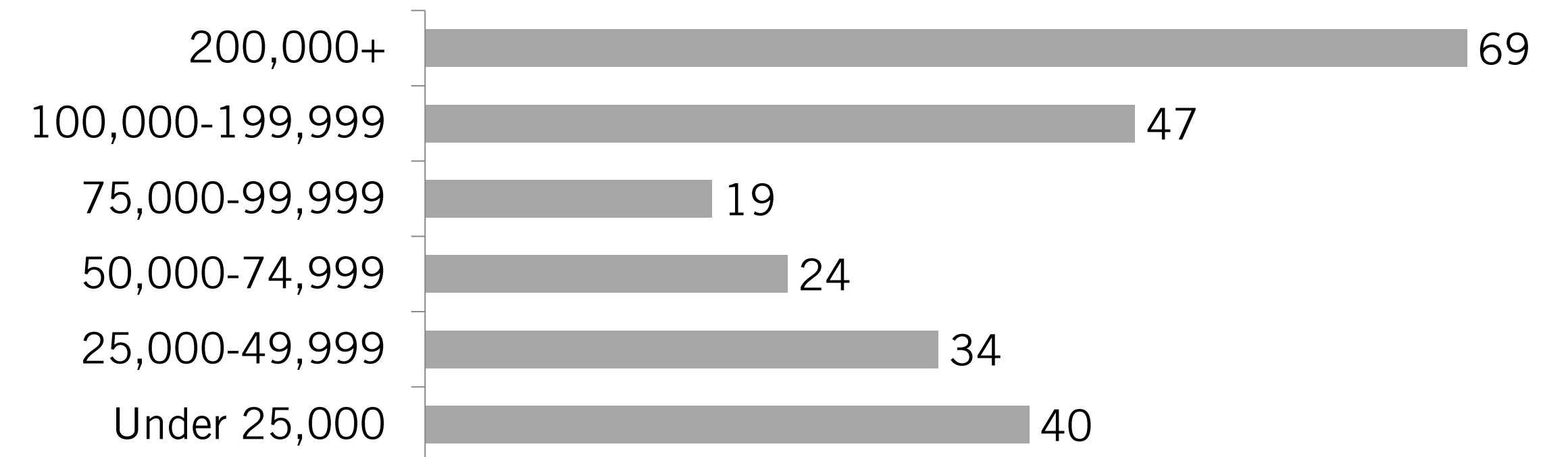
OFFICE PROSPECTS

- 189 Office Prospects
- 11 prospects over 200,000 SF
- 91 prospects under 25,000 SF
- 164 are looking for existing space, 12 build to suit, 13 no preference.



INDUSTRIAL PROSPECTS

- 233 industrial prospects.
- 69 prospects over 200,000 SF
- 40 prospects under 25,000 SF
- 124 are looking for existing space, 38 build to suit, 71 no preference.



**Numbers as of Dec. 20*



WORKFORCE

UNIVERSITY TALENT

Ten Largest Majors Awarded in 2016-17

Institution	Total	Bachelor	Master	Doctor
Business/Management/Marketing	7,126	5,422	1,663	41
Education	3,655	1,479	2,065	111
Health Professionals & Related	3,635	2,239	803	593
Engineering	3,495	2,238	1,079	178
Social Sciences	2,741	2,287	378	76
Biological/Biomedical Sciences	2,328	2,078	158	92
Communication, Journalism	1,842	1,769	78	14
Psychology	1,861	1,584	107	104
Visual & Performing Arts	1,477	1,200	213	64
Multi/Interdisciplinary Studies	1,434	1,328	93	13

Source: ABOR 2016-2018

UNEMPLOYMENT RATE VS. JOB OPENINGS

Seasonally Adjusted Unemployment Rate in 2018

Area	Unemployment Rate
US	3.70%
Arizona	4.50%
Phoenix	3.9%

Workforce Availability 2018

Area	Labor Force	Jobs
US	163,733,789	161,636,598
Arizona	3,455,200	3,299,100
Phoenix	2,413,300	2,319,800

Source: Federal Reserve 2018; EMSI Q4; Labor Stats AZ 2018

LABOR FORCE PARTICIPATION GROWTH 2018

Index	Area	Over the Year Growth
1	Massachusetts	4.4%
2	Colorado	2.4%
3	Nevada	2.4%
4	Indiana	2.1%
5	New Hampshire	2.0%
6	Alabama	1.9%
7	Delaware	1.8%
8	Texas	1.8%
9	Idaho	1.6%
10	Arizona	1.5%

Source: Office of Economic Opportunity September 2018

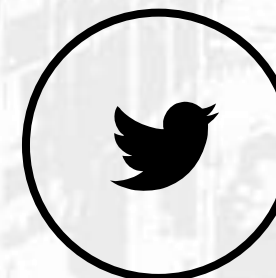
THANK YOU

GREATER PHOENIX:

Where talent is bred, community is built, and business thrives



GPEC4JOBS



@GPEC



Greater Phoenix Economic Council

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