



2023-2033 Employment Projections

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October 31, 2024

INDUSTRY PROJECTIONS METHODOLOGY: ESTIMATION PROCESS

- The long-term projections process estimates employment ten years from the baseline period
 - > Historic 2023 employment data are used as the base year of the forecast
 - > Employment estimates for 2023 are the latest available annual data published by the U.S. Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) program
 - > Projected data are modeled for forecast-year 2033
- Projected employment estimates are created using historical employment trends
- Estimates are refined through a review of current U.S. and Arizona economic trends

INDUSTRY PROJECTIONS METHODOLOGY: DATA SOURCE

The principal data source is the BLS QCEW data

- Near census of all employment subject to unemployment insurance tax law (92%-95% of total Arizona employment)

The QCEW industry classification structure differs slightly from the BLS Current Employment Statistics (CES) industry classification structure

• Notably:

- > QCEW: Federal, state and local government employment is categorized in the industry that best describes the business activity
 - Public K-12 teachers are categorized in the Ed. Services sector
- > CES: Federal, state and local government employment is categorized in the government industry sector, regardless of business activity
 - Public K-12 teachers are categorized in the Local Gov. Ed. sector

INDUSTRY PROJECTIONS METHODOLOGY: DATA SOURCE

Industry Projections Estimates Include:

- Nonfarm employment
- Self-employed workers
- Private household workers
- Railway workers
- Religious organization workers
- Farm workers

Industry Projections Estimates Exclude:

- Unpaid family workers
- Active duty military service personnel

INDUSTRY PROJECTIONS METHODOLOGY: SUBSTATE REGIONS

Projected employment was estimated for 20 substate regions including:

- **All Fifteen Arizona Counties**
- **Three Multi-County Areas**
 - > Northeast Arizona: Apache, Navajo, and Gila Counties
 - > Southeast Arizona: Greenlee, Graham, and Cochise Counties
 - > Mohave and La Paz Counties
- **Two Sub-County Areas**
 - > City of Phoenix and Balance of Maricopa County

INDUSTRY PROJECTIONS METHODOLOGY: ECONOMIC ASSUMPTIONS

- No major economic or political disruptions will occur
- Government agencies will operate within their budgets
- Population distribution will not differ significantly
- The U.S. economic framework will not differ significantly from its current state
- Long-term employment patterns will continue in most industries

The projections methodology in its entirety can be found here:

<https://oeo.az.gov/labor-market/employment-projections>

INDUSTRY PROJECTIONS METHODOLOGY: ADDITIONAL FORECAST ASSUMPTIONS

- Arizona's population growth rate is projected to slow, but will continue to outpace that of the United States overall
- The demand for health care services will continue to increase as a large portion of the population is expected to reach Medicare eligibility during the forecasted period
- Motor Vehicle and Parts Dealers and Food and Beverage Retailers will drive employment growth within the retail trade sector
- Warehousing and storage industry will reach a maturity point where the rapid growth rates of the past are no longer sustainable
- For the foreseeable future, interest rates will remain higher than in the past decade, which will reduce the number of financially viable construction projects.

ARIZONA PROJECTIONS HIGHLIGHTS

- Total Arizona employment is projected to grow by 486,348 jobs over the ten-year period, reaching 3,921,138 jobs in 2033
- Total Arizona employment is projected to grow 1.3% annually (14.2% total growth) from 2023-2033
- Arizona employment growth (1.3% annualized) is projected to outpace U.S. employment growth (0.4% annualized) over the projected ten-year period
- Health Care and Social Assistance is projected to add the largest number of jobs (13,753 jobs annually), primarily within Health Services
- Health Care and Social Assistance (2.6% annual growth), Construction (2.2% annual growth), and Manufacturing (1.5% annual growth) are projected to record the largest percentage gains

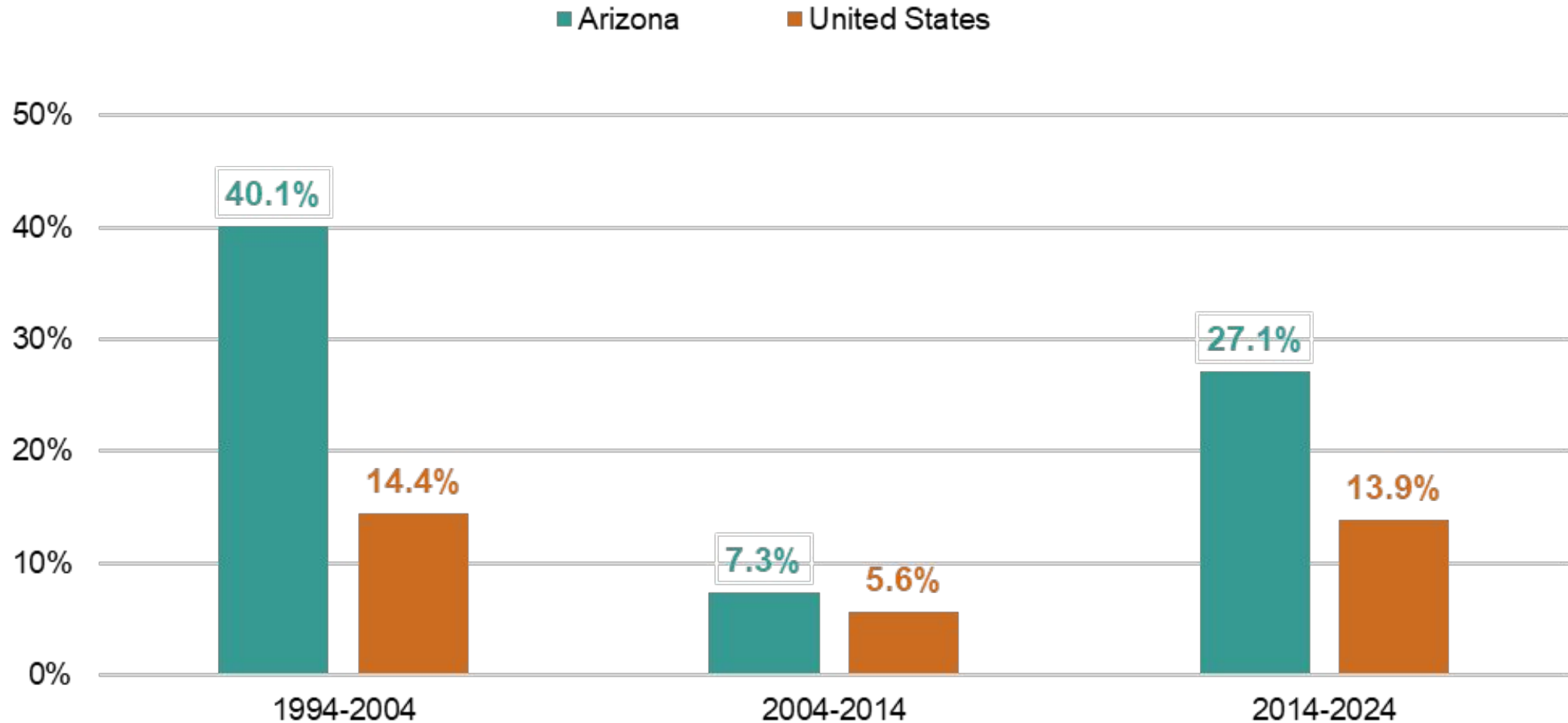
PROJECTED 10-YEAR EMPLOYMENT GROWTH COMPARISON

Area	Employment Levels		Employment Change		
	2023	2033	Numeric Change	Percentage Change	Annualized % Change
Arizona	3,434,790	3,921,138	486,348	14.2%	1.3%
United States	167,849,800	174,589,000	6,739,200	4.0%	0.4%

Source: Arizona Office of Economic Opportunity

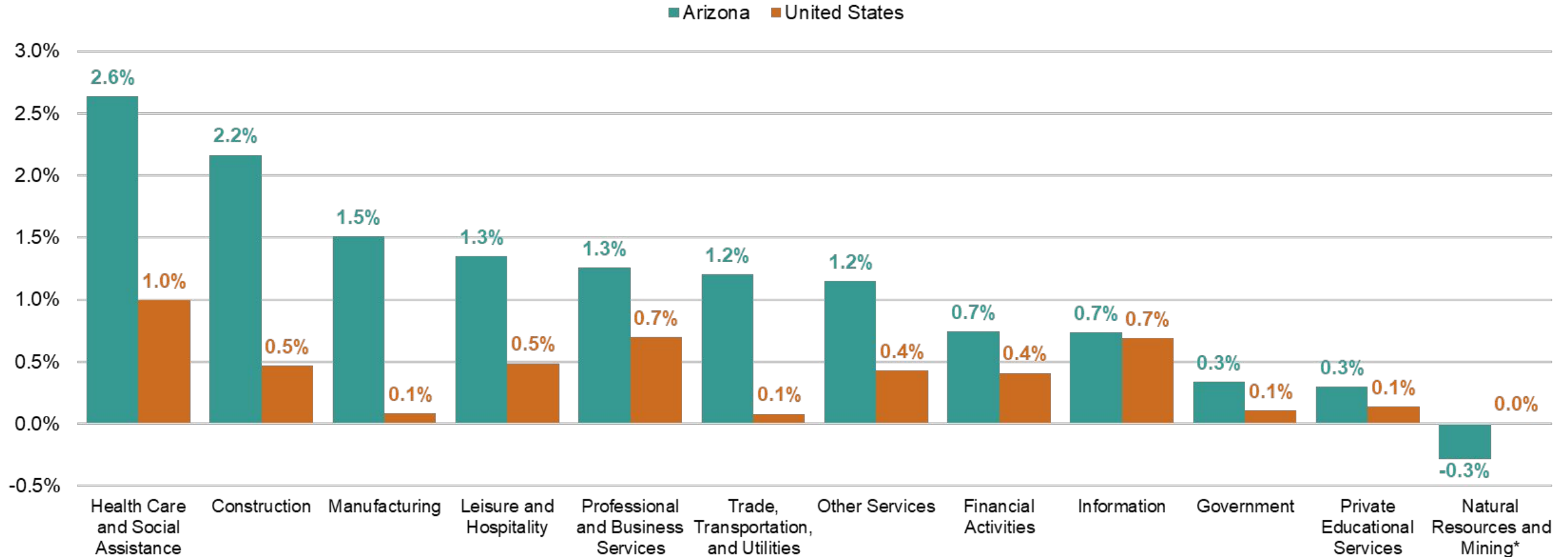
TEN-YEAR NONFARM EMPLOYMENT GROWTH

Not Seasonally Adjusted, Reference period of September for each year

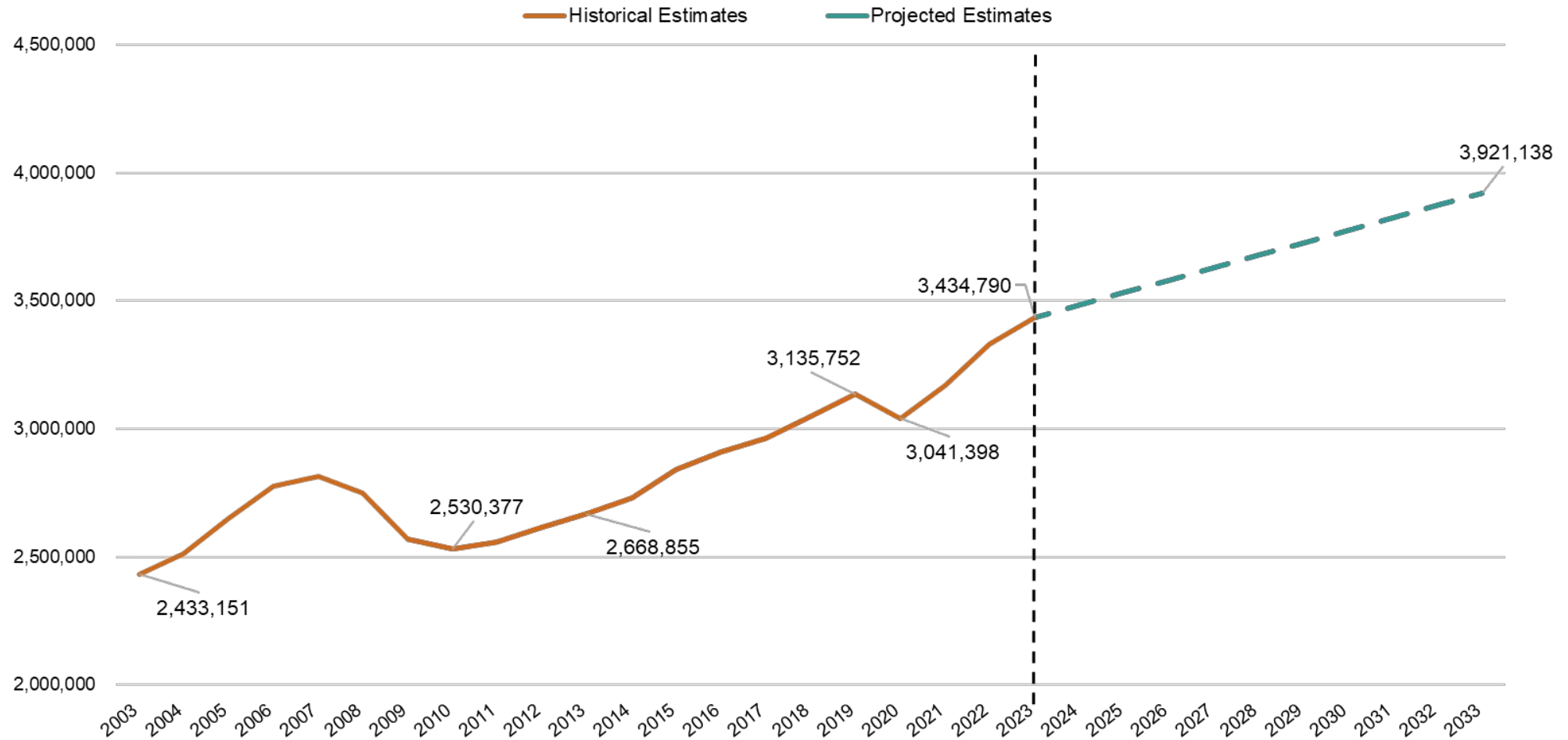


ARIZONA AND UNITED STATES PROJECTED ANNUAL PERCENT CHANGE

2023-2033, Supersector Employment



ARIZONA TOTAL EMPLOYMENT

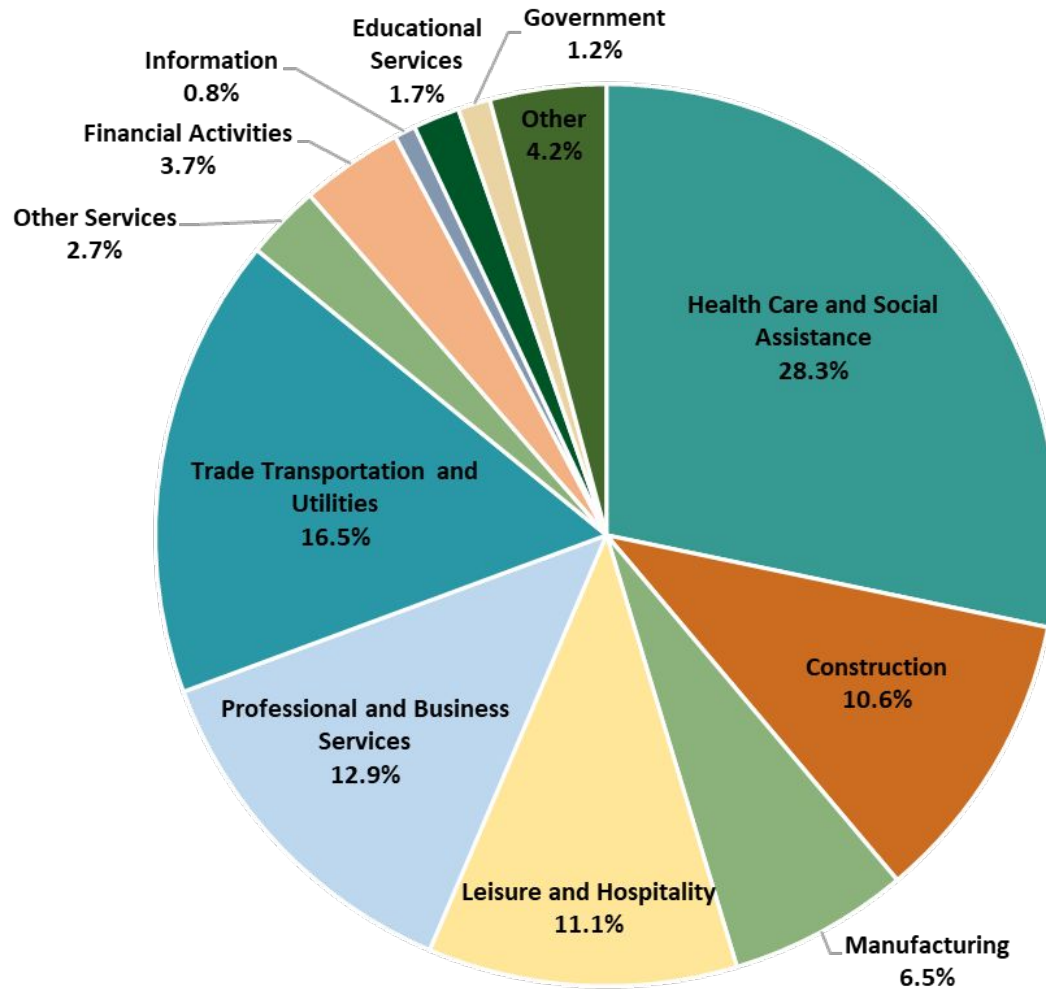


*Note: 2023-2034 numbers reflect average ten-year projected growth. Only 2033 employment values were estimated for this release. Employment values from 2024-2032 are not official projected estimates and are included for continuity purposes only

Source: Produced by the Arizona Office of Economic Opportunity in Cooperation with the U.S. Dept. of Labor, BLS.

SHARE OF TOTAL EMPLOYMENT GROWTH BY SUPERSECTOR

2023-2033



Total Projected Growth:
486,348 Jobs

ARIZONA TOTAL EMPLOYMENT: YEAR-OVER-YEAR PERCENT CHANGE



*Note: Annual growth may differ from year-to-year between 2023 to 2033, but is projected to average the growth noted in the chart.

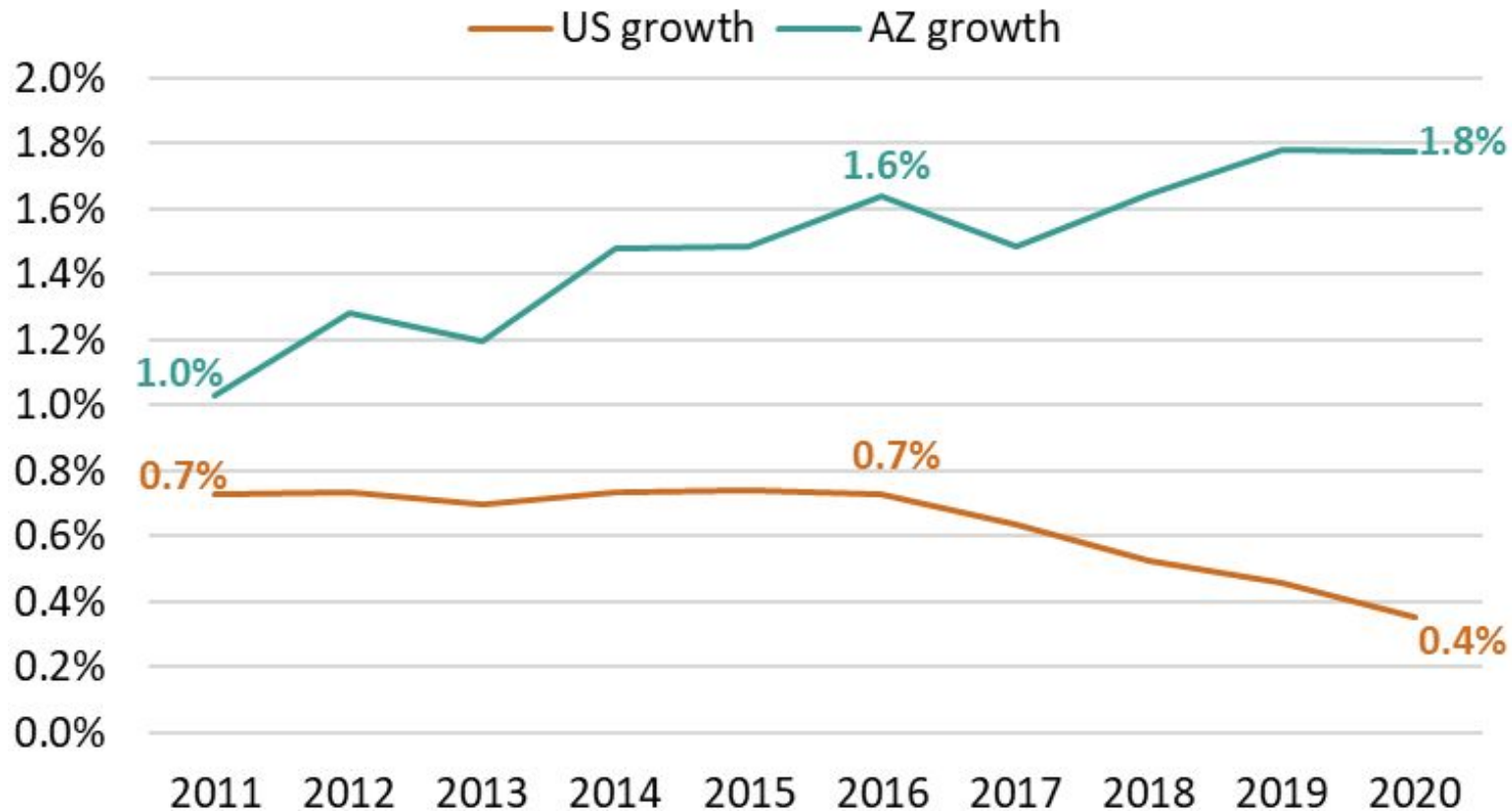
Source: Produced by the Arizona Office of Economic Opportunity in Cooperation with the U.S. Dept. of Labor, BLS.

ECONOMIC TRENDS

Long-term:

- U.S. population continues to grow, but at a decelerating pace
- Arizona's population growth has been among the fastest in the nation
- Arizona's labor force growth has ranked in the top 10 among U.S. states over the past four decades (1984-2024)
- Arizona's employment growth has ranked in the top 10 among U.S. states over the past three decades (1994-2024)

ANNUAL POPULATION GROWTH

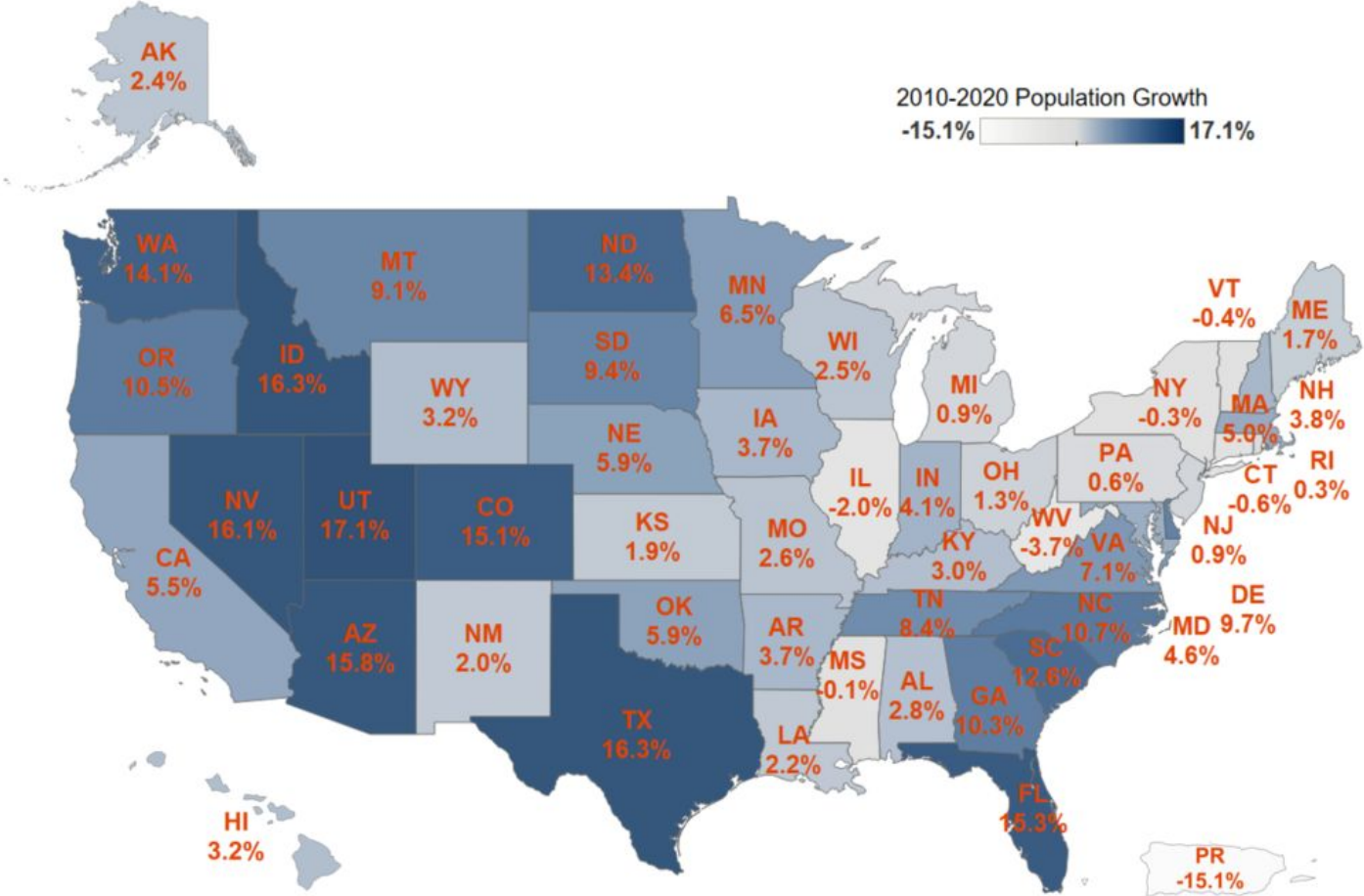


- U.S. population continues to grow, but at a decelerating pace
- Arizona's 2020 population growth rate was four times larger than the U.S. population growth rate
- Arizona population growth ranked 2nd in the nation in 2020 and 3rd in 2019

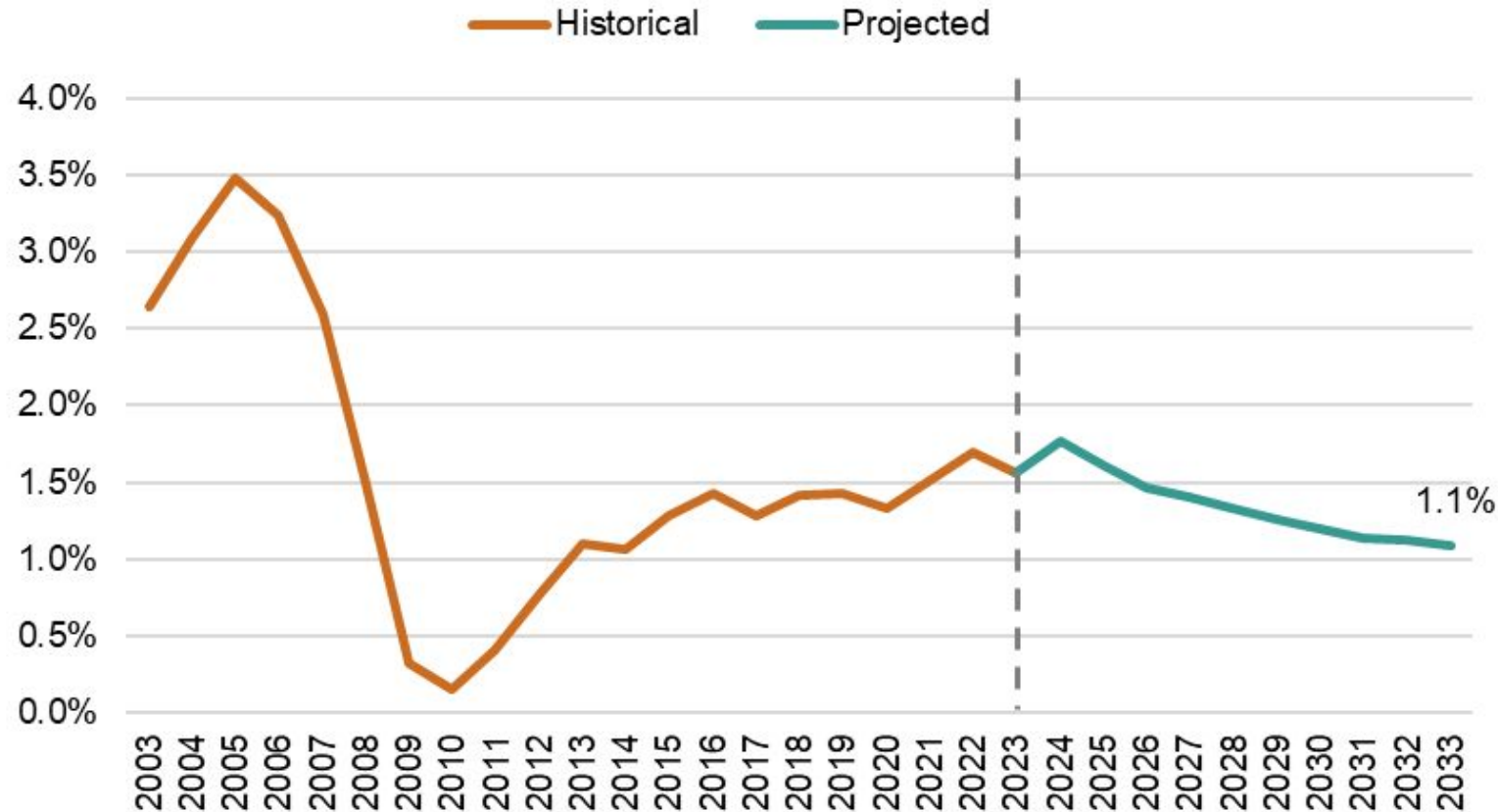
POPULATION CHANGE BY U.S. STATE

2010 to 2020

- Arizona's population growth from 2010-2020 ranked 10th in the nation.



ARIZONA POPULATION YOY PERCENT CHANGE



- Arizona's population is projected to grow by nearly 1.1 million or 1.3% annually from 2023-2033

ARIZONA LABOR FORCE CHANGE*

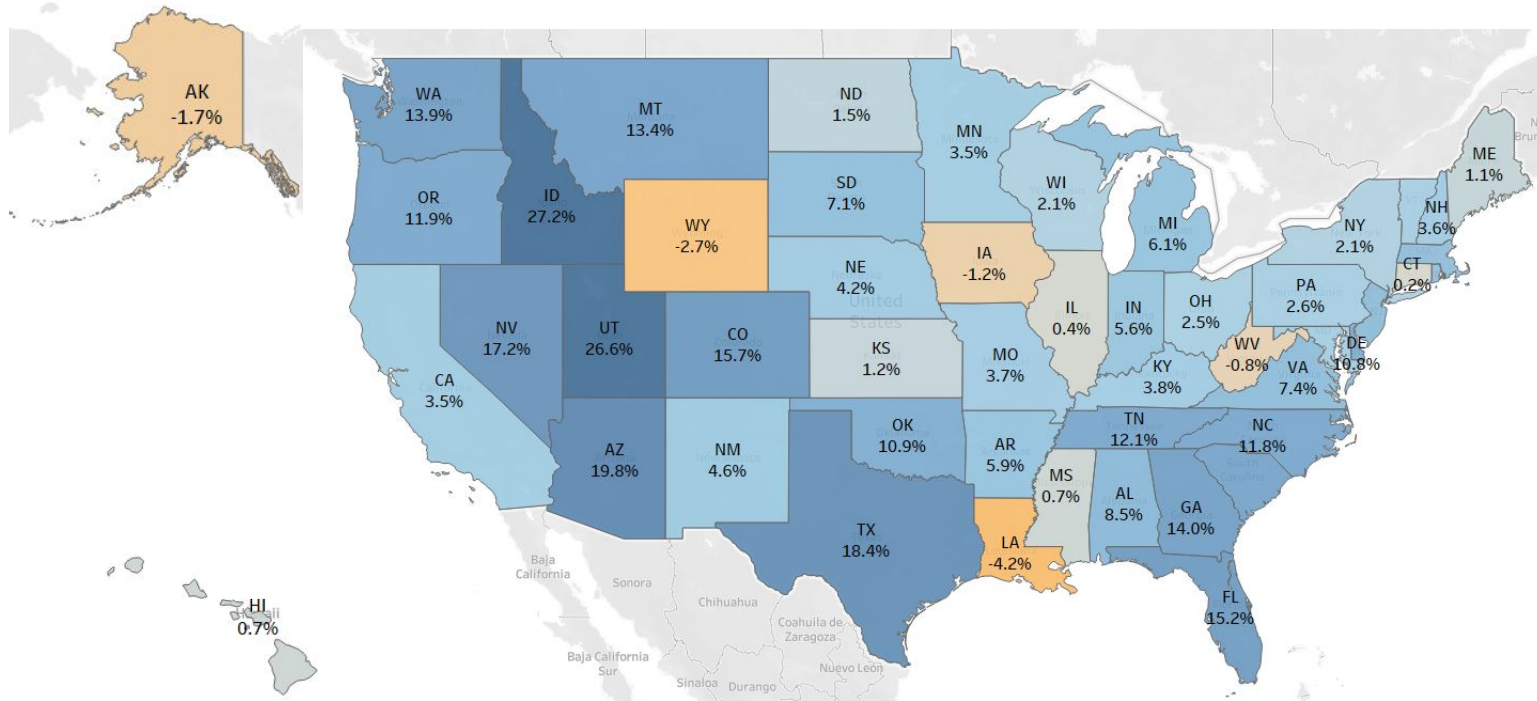
Seasonally Adjusted, 1984-2024

	1984	1994	2004	2014	2024
Level ¹	1,452,000	2,138,000	2,798,000	3,138,000	3,761,000
<i>Rank</i>	28	21	21	16	15
10-Yr. Numeric Chg. ¹	**	686,000	660,000	340,000	623,000
<i>Rank</i>	**	5	6	6	5
10-Yr. Percent Chg.	**	47%	31%	12%	20%
<i>Rank</i>	**	2	2	6	3

- Arizona’s labor force growth has been among the fastest in the nation, helping to improve it’s national ranking from the 28th largest labor force in 1984 to the 15th largest in 2024
- The Arizona labor force grew by 623,000 people over the past ten years (2014 - 2024), ranking fifth among U.S. states
- From 2014 to 2024, Arizona’s labor force growth rate ranked 3rd in the nation, an improvement from its 2004-2014 ranking of 6th

LABOR FORCE CHANGE BY U.S. STATE

2014 to 2024



- States in the Northwest, Southwest and South have benefited from migration out of the Northeast and Midwest over the past 10 years
- Arizona's labor force growth from 2014-2024 ranked third in the nation

ARIZONA EMPLOYMENT CHANGE*

Seasonally Adjusted, 1994-2024

	1994	2004	2014	2024
Level ¹	1,716,000	2,399,000	2,578,000	3,272,000
<i>Rank</i>	24	21	21	17
10-Yr. Numeric Chg. ¹	**	683,000	179,000	693,000
<i>Rank</i>	**	4	12	7
10-Yr. Percent Chg.	**	40%	7%	27%
<i>Rank</i>	**	2	14	4

- Arizona’s employment growth has been among the fastest in the nation, helping to improve it’s national ranking from the 24th largest employment base in 1994 to the 17th largest in 2024
- Arizona employment grew by 693,000 people over the past ten years (2014 - 2024), ranking seventh among U.S. states
- From 2014 to 2024, Arizona’s employment growth rate ranked 4th in the nation, an improvement from its 2004-2014 ranking of 14th

* September was used as the reference period for each year

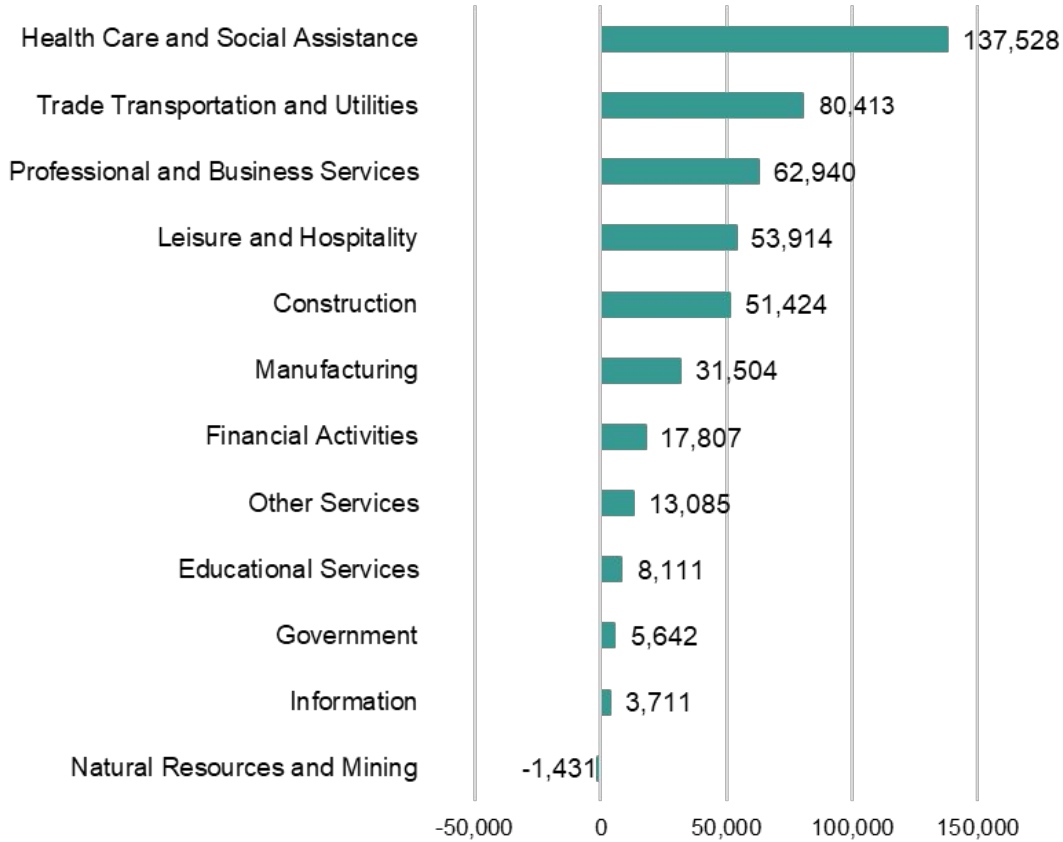
** State data series only available through 1990

¹Rounded to the nearest 1,000

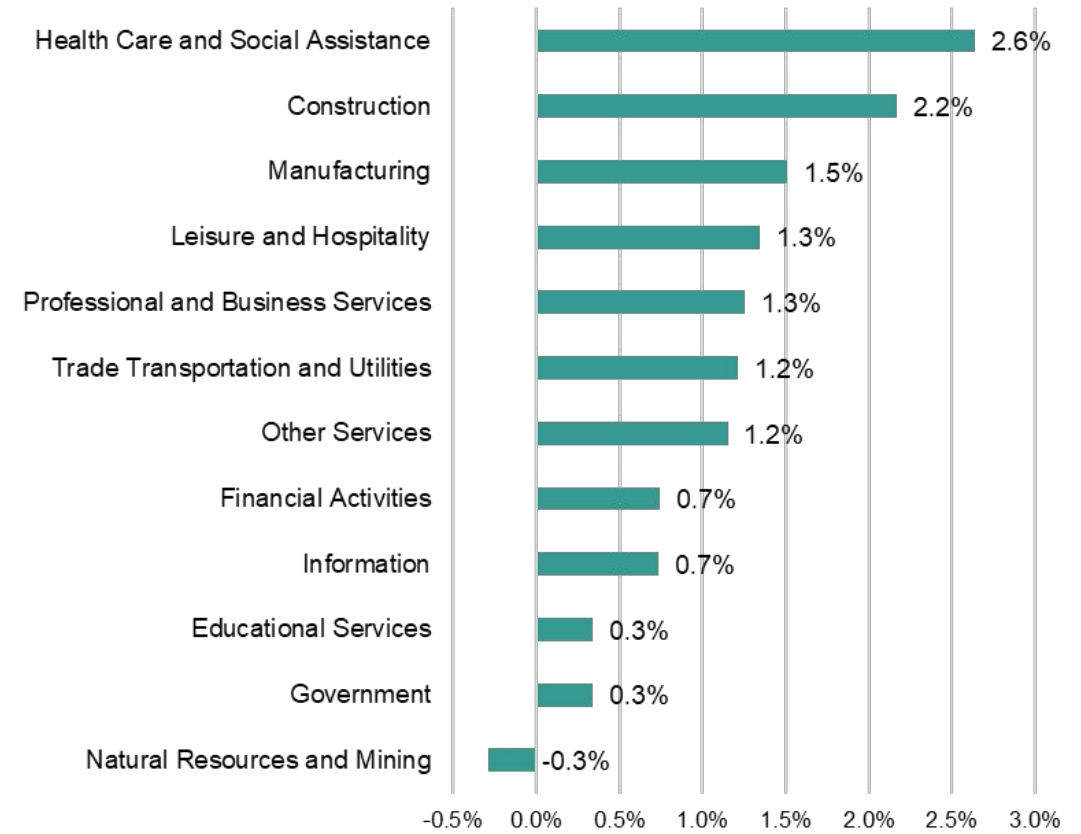
PROJECTED EMPLOYMENT HIGHLIGHTS

PROJECTED INDUSTRY EMPLOYMENT CHANGE

Arizona Supersector Employment
2023-2033 Total Numeric Change

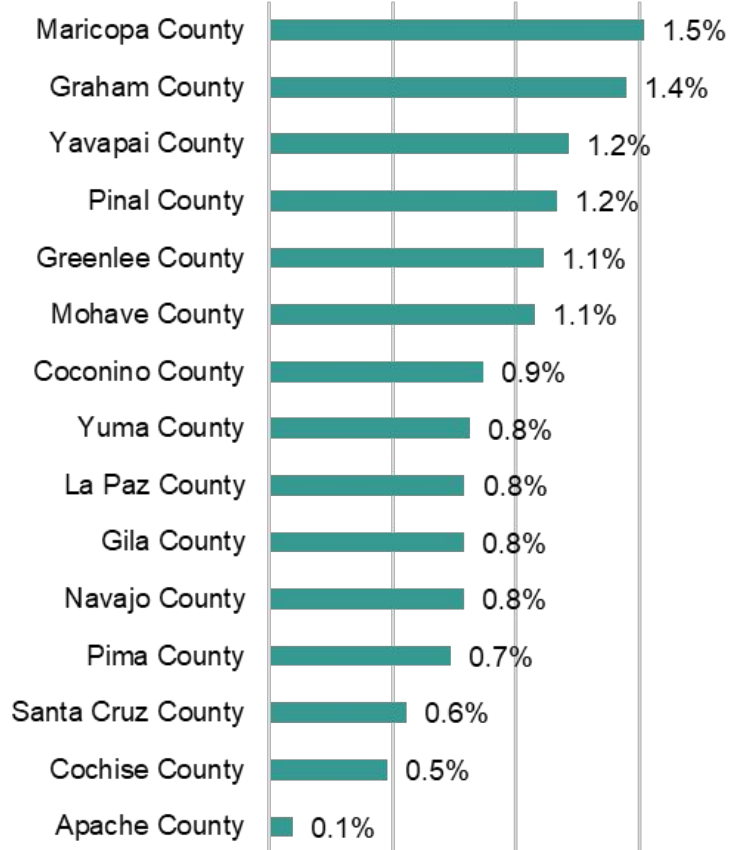


Arizona Supersector Employment
2023-2033 Annualized Percentage Change

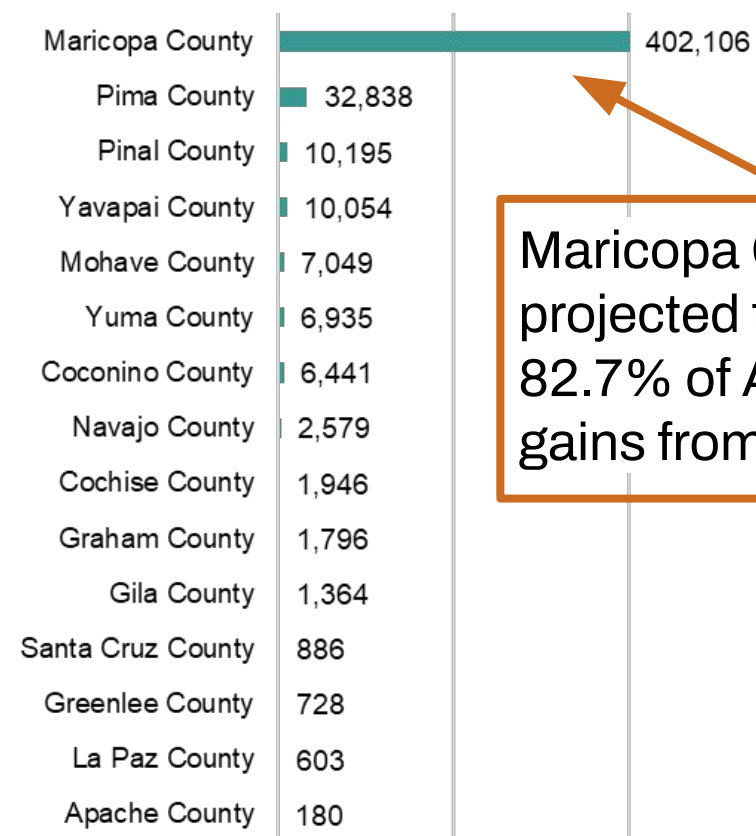


PROJECTED COUNTY EMPLOYMENT CHANGE

Arizona County Employment
2023-2033 Annualized Percent Change



Arizona County Employment
2023-2033 Total Numeric Change



Maricopa County is projected to account for 82.7% of Arizona job gains from 2023-2033

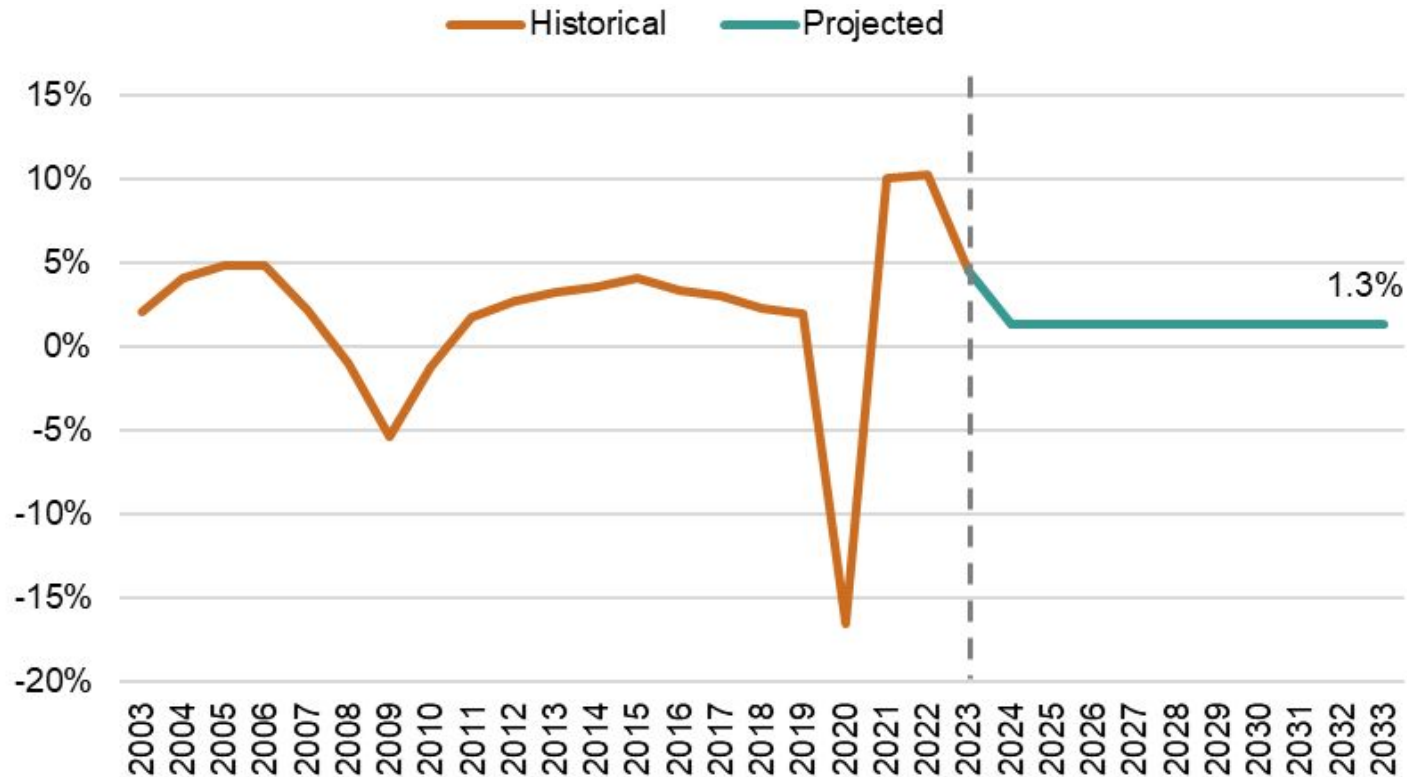
INDUSTRY HIGHLIGHT: CONSTRUCTION

Sector	Historic Change (2013-2023)		Projected Change (2023-2033)	
	Numeric Change	% Change (Annual)	Numeric Change	% Change (Annual)
Construction	89,071	5.5%	51,424	2.2%
Construction of Buildings	22,231	7.1%	9,738	2.0%
Heavy and Civil Engineering Construction	6,794	3.0%	5,368	1.8%
Specialty Trade Contractors	60,046	5.6%	36,318	2.3%

- Construction employment growth is projected to continue through 2033
- Employment is projected to grow at a slower rate from 2023-2033 than it did from 2013-2023
 - > This is partially because growth from 2013-2023 was atypically high following the 2007 Great Recession
 - > Construction employment fell at an annualized rate of 3.5% from 2003-2013

INDUSTRY HIGHLIGHT: LEISURE AND HOSPITALITY

Year-Over-Year Employment Percent Change

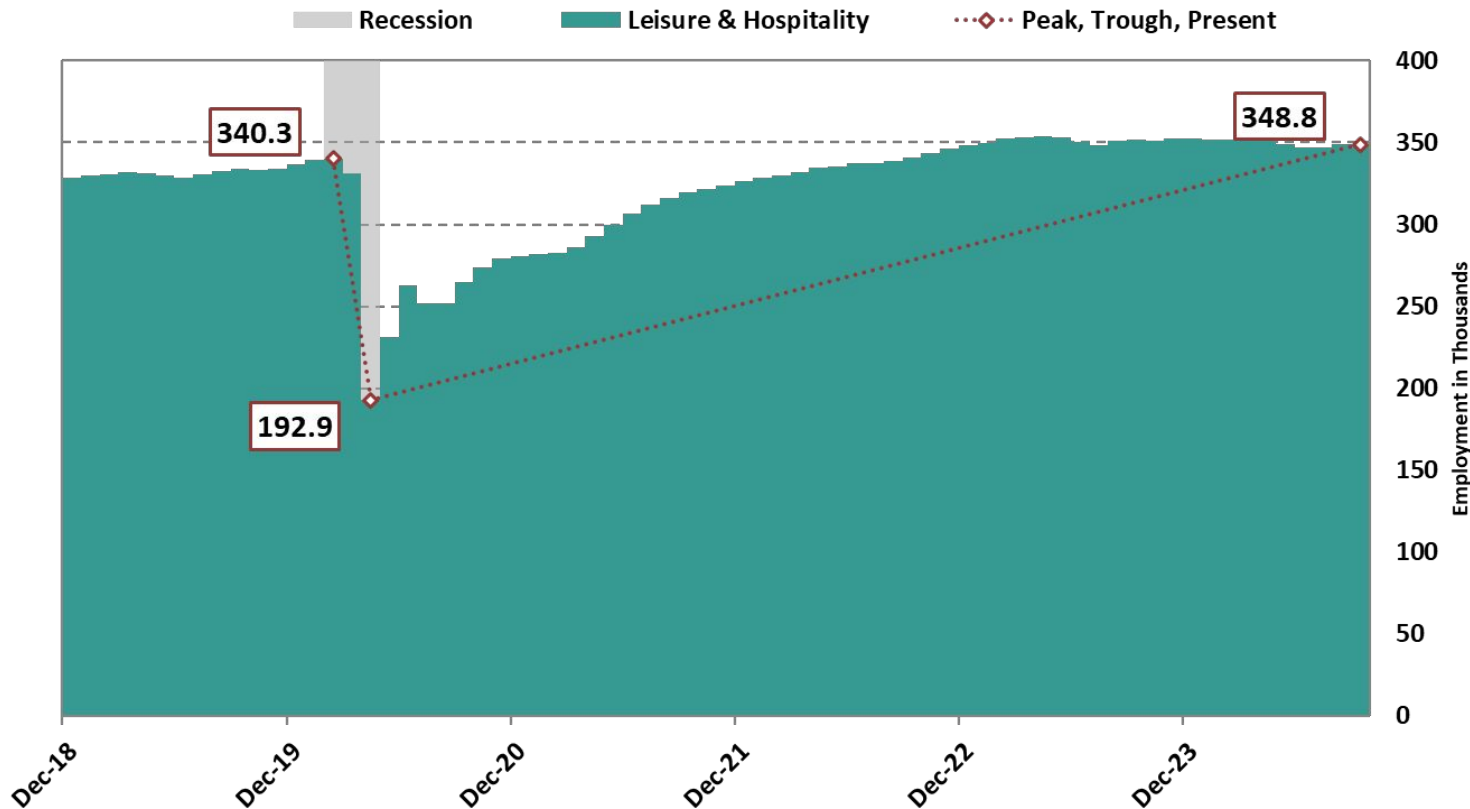


Job gains are projected to be fastest in:

- Performing Arts, Spectator Sports, and Related Industries (2.1% annual growth)
- Museums, Historical Sites, and Similar Institutions (1.6% annual growth)
- Amusement, Gambling, and Recreation Industries (1.6% annual growth)

INDUSTRY HIGHLIGHT: LEISURE AND HOSPITALITY

Seasonally Adjusted Employment



- Employment declined by 147,400 jobs (-43.3%) from February 2020 to April 2020.
- Since April 2020, 106% (155,900 jobs) of the Leisure and Hospitality pandemic job losses have been recovered

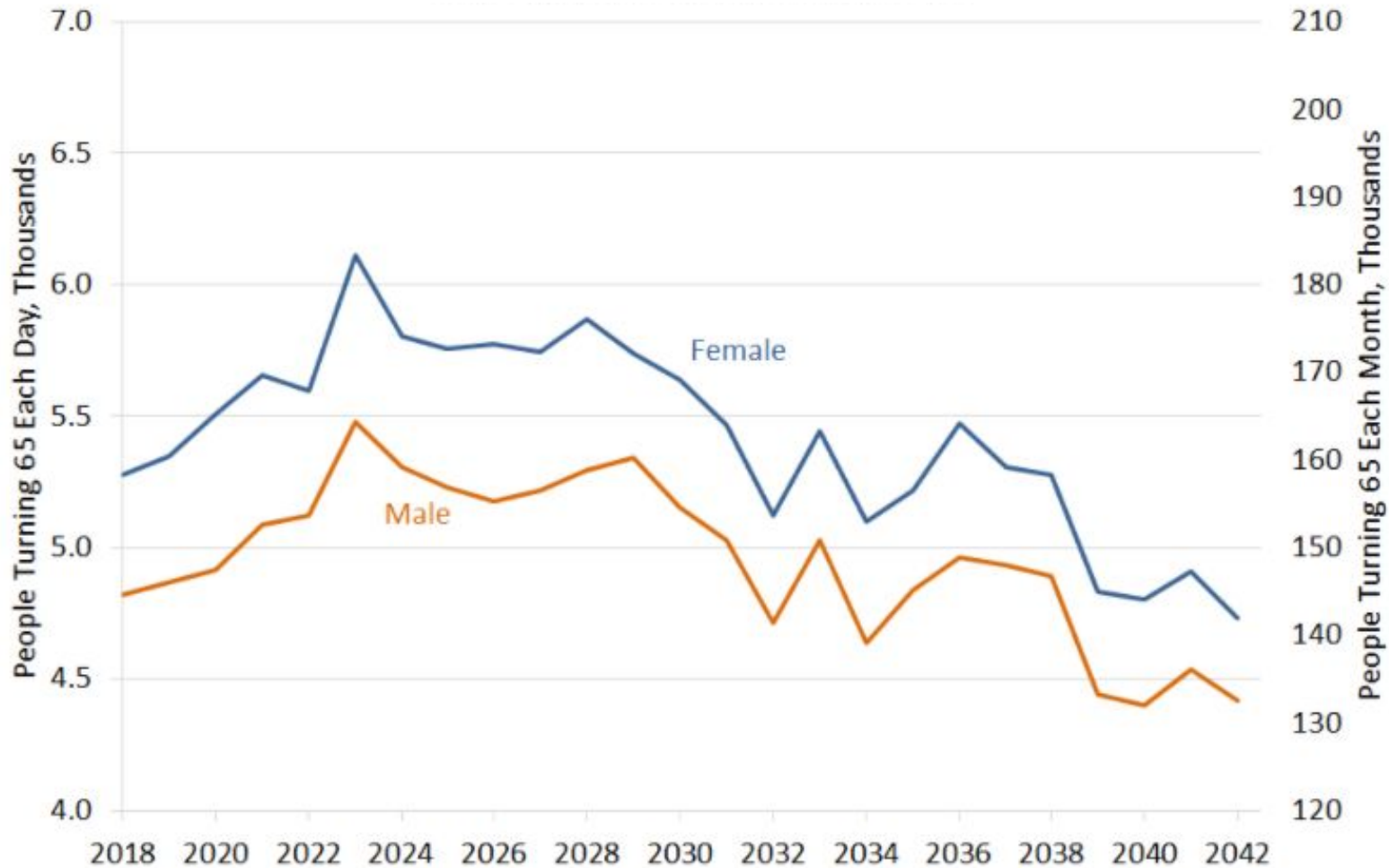
INDUSTRY HIGHLIGHT: HEALTHCARE AND SOCIAL ASSISTANCE

Sector	Historic Change (2013-2023)		Projected Change (2023-2033)	
	Numeric Change	% Change (Annual)	Numeric Change	% Change (Annual)
Health Care and Social Assistance	250,502	6.4%	275,056	5.3%
Ambulatory Health Care Services	63,621	3.7%	69,746	2.9%
Hospitals	22,592	2.1%	25,659	1.9%
Nursing and Residential Care Facilities	22,592	2.2%	20,050	2.9%
Social Assistance	11,880	4.5%	22,073	2.6%

Healthcare and Social Assistance employment is projected to increase by 2.6% annually from 2023-2033

- Projected growth is lower than the 2013-2023 growth rate of 3.2%
- Growth will be driven, in part, by population growth and an aging population

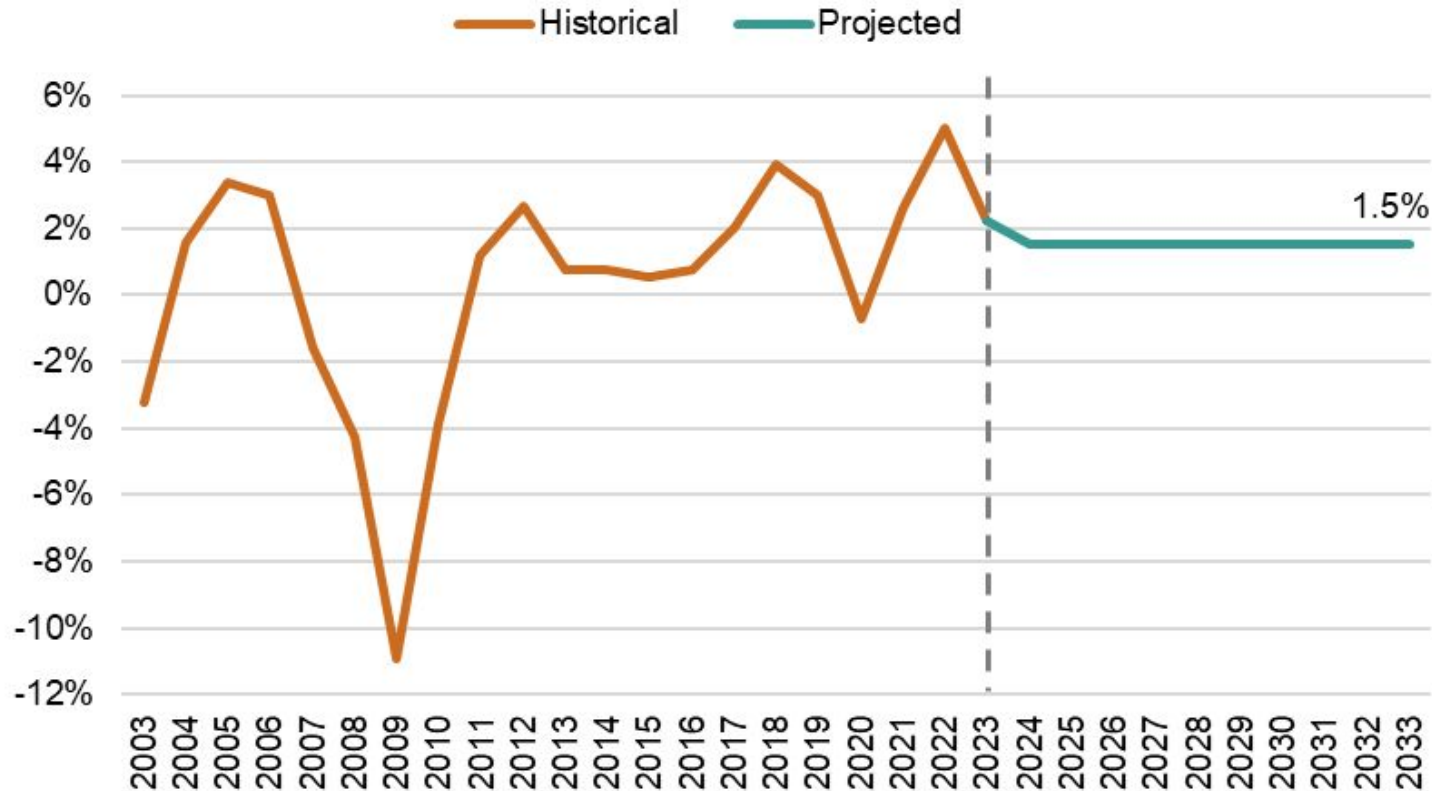
THE AGING U.S. POPULATION



- The number of people reaching retirement age is on the rise¹
- In 2023 alone, nearly 350,000 residents are expected to turn 65 each month
- Research has shown that nearly half of lifetime medical expenditures is incurred during the senior years (age 65+)²

INDUSTRY HIGHLIGHT: MANUFACTURING

Year-Over-Year Employment Percent Change



Job gains are projected to be fastest in:

- Electrical Equipment, Appliance, and Component Manufacturing (3.6% annual growth)
- Chemical Manufacturing (3.5% annual growth)
- Plastics and Rubber Products Manufacturing (2.6% annual growth)

INDUSTRY HIGHLIGHT: MANUFACTURING

Sector	Historic Change (2013-2023)		Projected Change (2023-2033)	
	Numeric Change	% Change (Annual)	Numeric Change	% Change (Annual)
Manufacturing	35,151	2.0%	31,504	1.5%
Transportation Equipment Manufacturing	9,953	2.9%	5,983	1.4%
Computer and Electronic Product Manufacturing	-2,676	-0.7%	5,607	1.5%
Chemical Manufacturing	4,324	6.2%	3,928	3.5%
Miscellaneous Manufacturing	3,380	2.8%	3,106	2.0%
Food Manufacturing	4,220	3.1%	2,405	1.4%
Fabricated Metal Product Manufacturing	4,180	2.1%	2,289	1.0%
Machinery Manufacturing	2,526	3.4%	1,902	1.9%
Plastics and Rubber Products Manufacturing	1,740	3.6%	1,745	2.6%
Electrical Equipment, Appliance, and Component Manufacturing	1,067	3.3%	1,650	3.6%
Beverage and Tobacco Product Manufacturing	2,525	5.6%	1,526	2.3%

INDUSTRY HIGHLIGHT: TRANSPORTATION AND WAREHOUSING

Sector	Historic Change (2013-2023)		Projected Change (2023-2033)	
	Numeric Change	% Change (Annual)	Numeric Change	% Change (Annual)
Transportation and Warehousing	65,414	6.3%	26,790	1.7%
Couriers and Messengers	10,032	7.6%	3,107	1.5%
Scenic and Sightseeing Transportation	126	2.5%	139	2.2%
Support Activities for Transportation	6,076	4.2%	5,055	2.5%
Truck Transportation	6,877	3.2%	5,169	1.8%
Warehousing and Storage	38,790	14.8%	10,725	1.9%

Job growth in Warehousing and Storage is projected to account for the majority of job gains in Transportation and Warehousing

- Warehousing and Storage employment more than doubled over the past five years (2018-2023) and quadrupled over the past ten years (2013-2023)
- The emergence of online retail has increased the demand for warehousing and storage jobs

REPORT SUMMARY

- Total employment is projected to continue gaining jobs, growing by 1.3% annually from 2023 to 2033
- Ten out of eleven industries are projected to add jobs through 2033
- All fifteen Arizona counties are projected to add jobs through 2033
- Growth is projected to be led by Health Care and Social Assistance (2.6% annual growth), Construction (2.2% annual growth), and Manufacturing (1.5% annual growth)
- Health care jobs will continue to grow across the state as demand for health care services is anticipated to increase



ADDITIONAL RESOURCES

Area: Industry Level: Projection Type: Short Term (2022 - 2024) Long Term (2022 - 2032)

Long Term (2022 - 2032) Arizona Industry Projections

Industry	Base Employment	Projected Employment	Total Employment Numeric Change	Total Employment Percentage Change	Annual Employment Numeric Change	Annual Employment Percentage Change
Construction	197,497	222,002	24,505	12.4%	2,451	1.2%
Education and Health Servi..	660,179	797,593	137,414	20.8%	13,741	1.9%
Financial Activities	236,884	261,980	25,096	10.6%	2,510	1.0%
Government	160,352	161,720	1,368	0.9%	137	0.1%
Information	48,664	56,557	7,893	16.2%	789	1.5%
Leisure and Hospitality	358,269	406,166	47,897	13.4%	4,790	1.3%
Manufacturing	193,062	225,460	32,398	16.8%	3,240	1.6%

Interactive data tools are available on the OEO website at:

<https://o eo .az .gov /labor -m arket /employment -projecti ons>



[Click Here to Download Data Based on Filter Selections](#)

Upcoming Releases

- November 14, 2024:
October 2024 Press Release
- December 19, 2024:
November 2024 Press Release

Contact

Website: laborstats.az.gov

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Phone: 602-771-2222



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<https://www.stlouisfed.org/on-the-economy/2020/january/staff-pick-people-retiring-years-come>
2. Alemayehu, Berhanu, and Kenneth E Warner. "The lifetime distribution of health care costs." *Health services research* vol. 39,3 (2004): 627-42. doi:10.1111/j.1475-6773.2004.00248.x

Thank You