



NATIONAL BANK OF ARIZONA



ARIZONA EMPLOYMENT TRENDS

FALL 2023





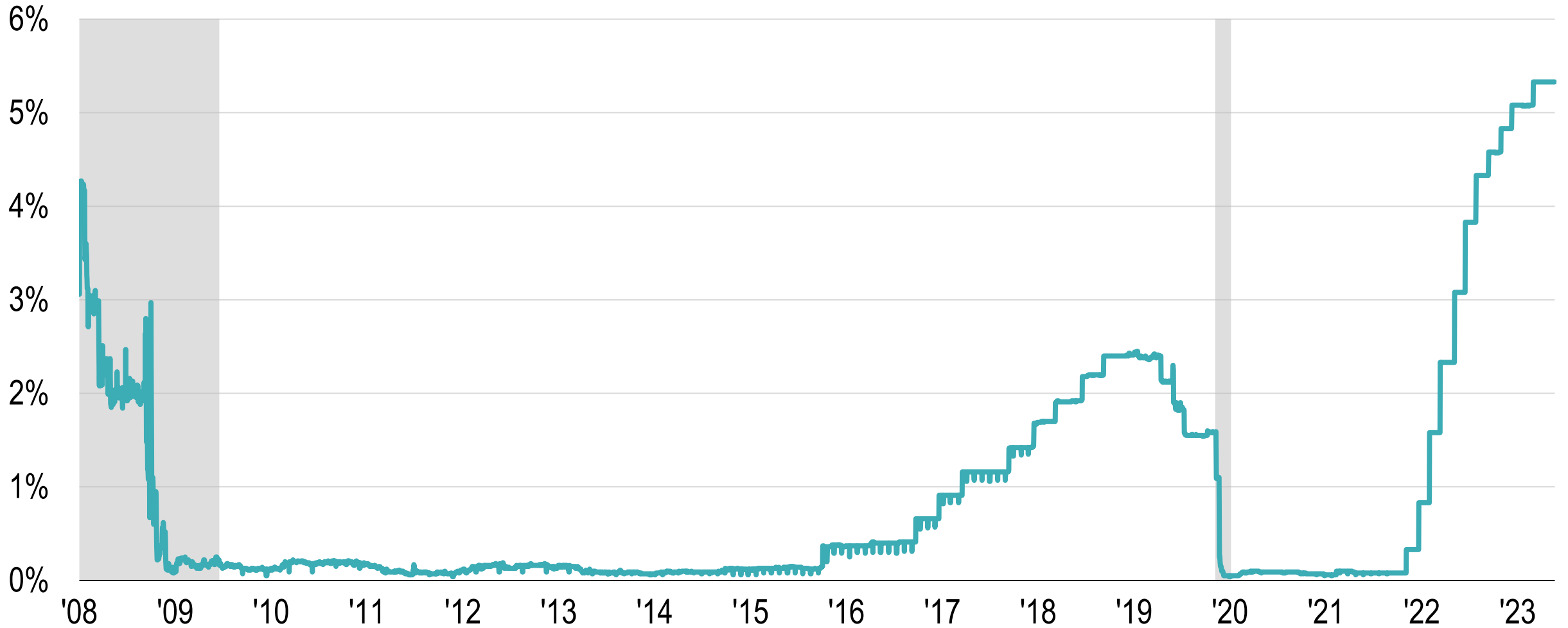
Federal Funds Effective Rate

5.50%

Image Source: (RozenskiP/shutterstock.com)

Effective Federal Funds Rate

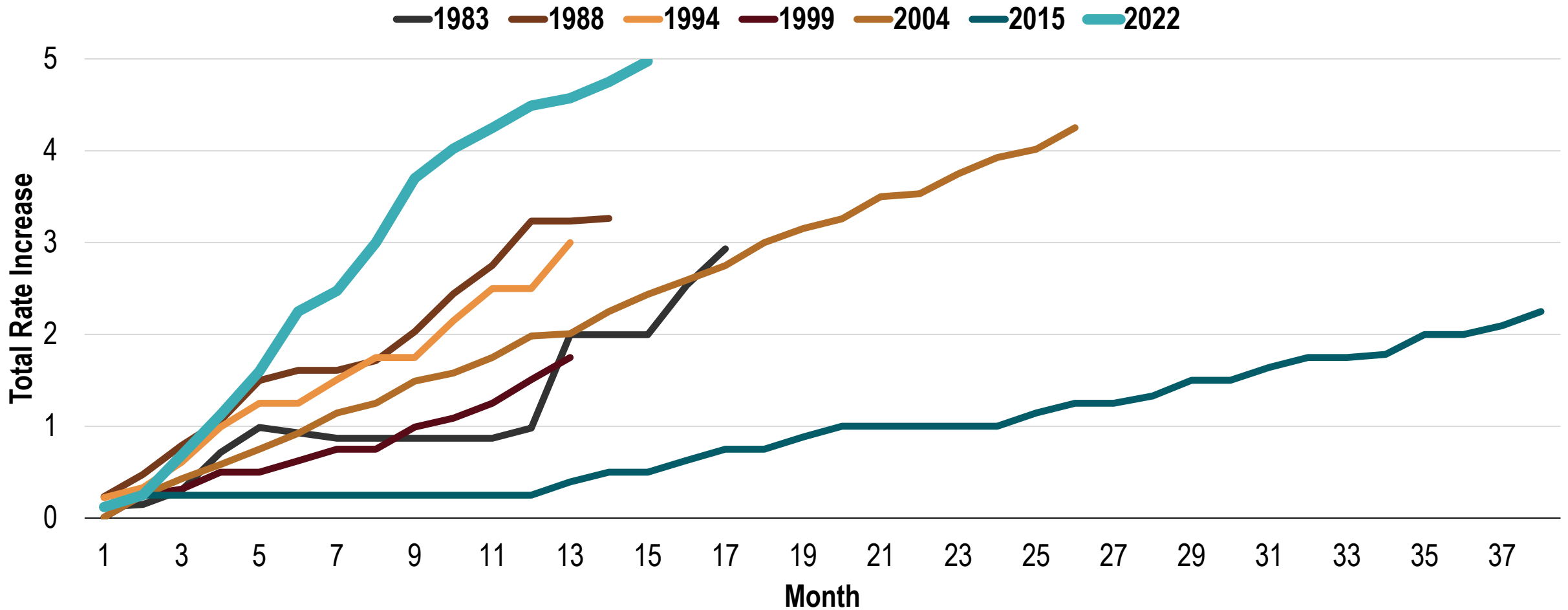
Daily



Source: Board of Governors of the Federal Reserve System

Target Federal Funds Rate

Trends in Increases Since 1983



Source: Board of Governors of the Federal Reserve System; Applied Analysis. Note: Monthly averages; starting in 2009, a midpoint between the upper and lower limit is used to compare the historical federal funds target rate.

THE WALL STREET JOURNAL.

JEROME POWELL SIGNALS FED WILL EXTEND INTEREST-RATE PAUSE

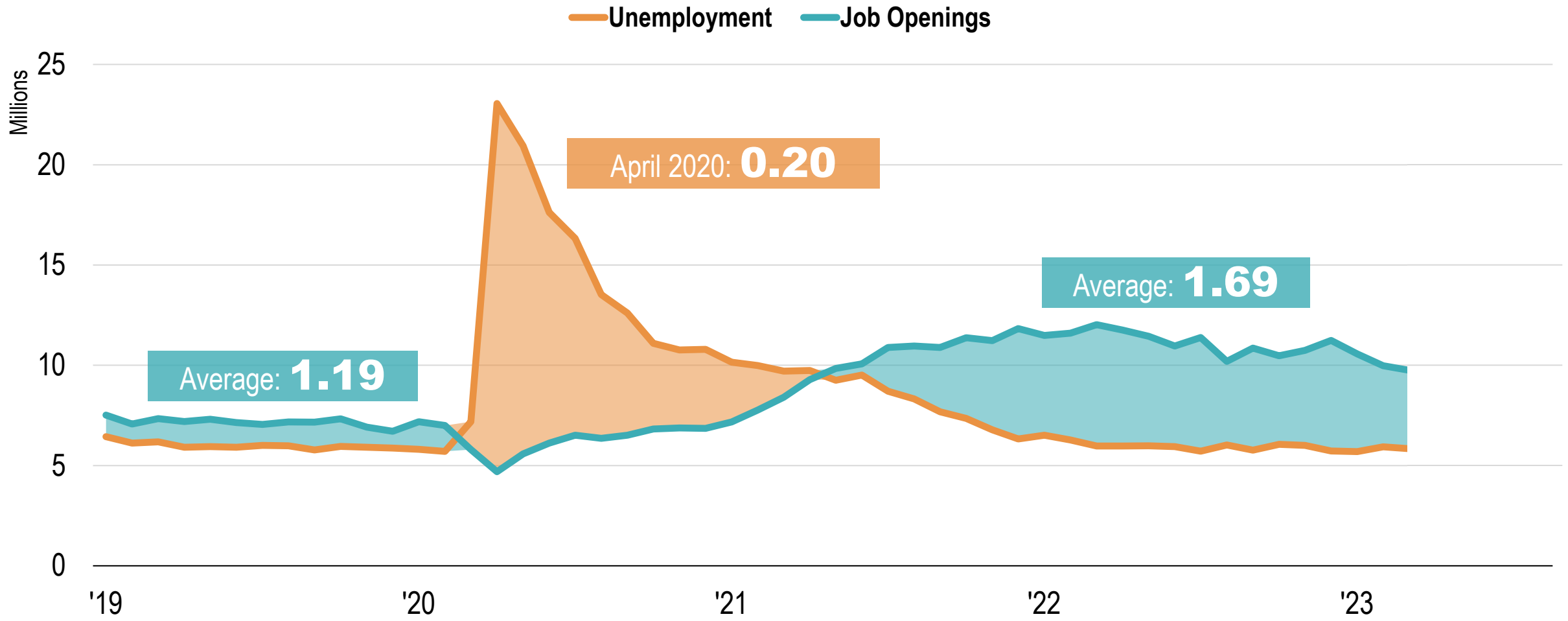
...his comments approvingly cited recent declines in inflation and an apparent cooling in labor markets in ways that revealed greater comfort with the Fed's policy stance, raising the bar for another increase in December or beyond.

October 19, 2023

Source: Wall Street Journal. Note: Image is sourced to (Allen.G/shutterstock.com).

Job Openings vs. Unemployment

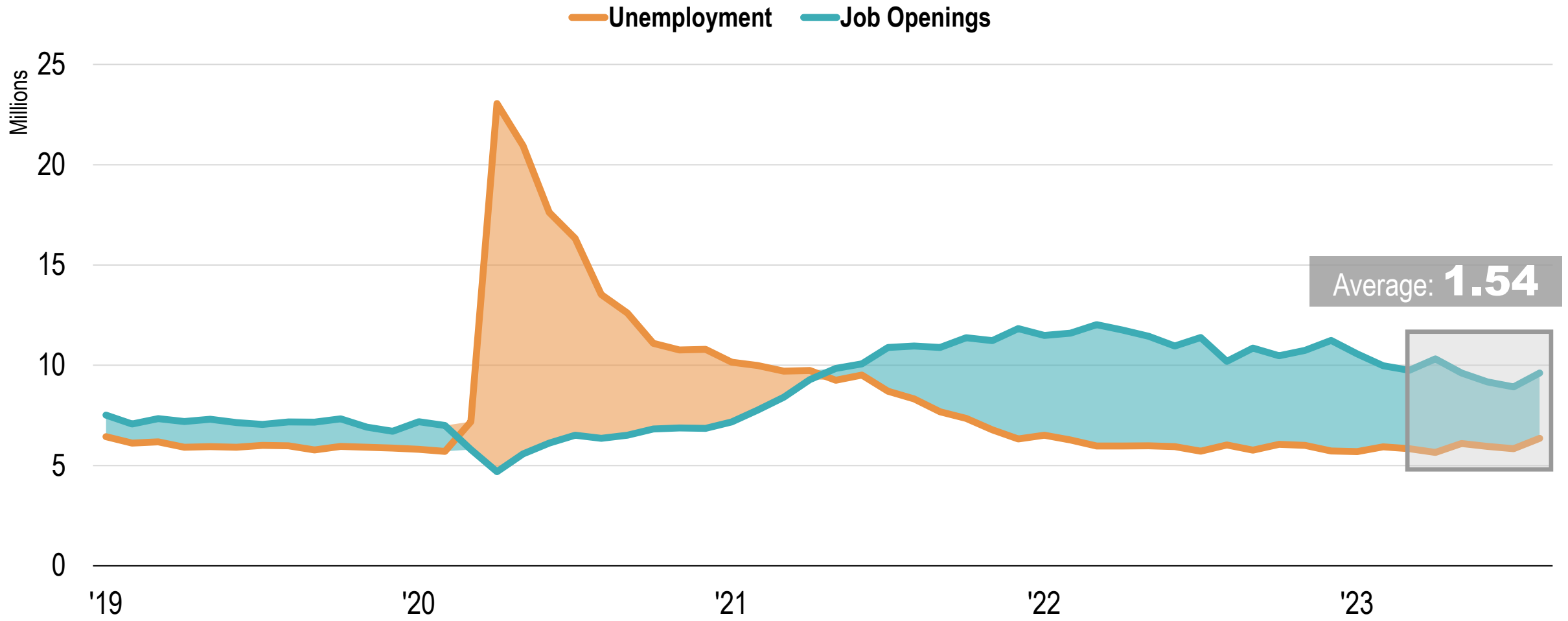
United States



Source: Bureau of Labor Statistics; Applied Analysis (Seasonally Adjusted)

Job Openings vs. Unemployment

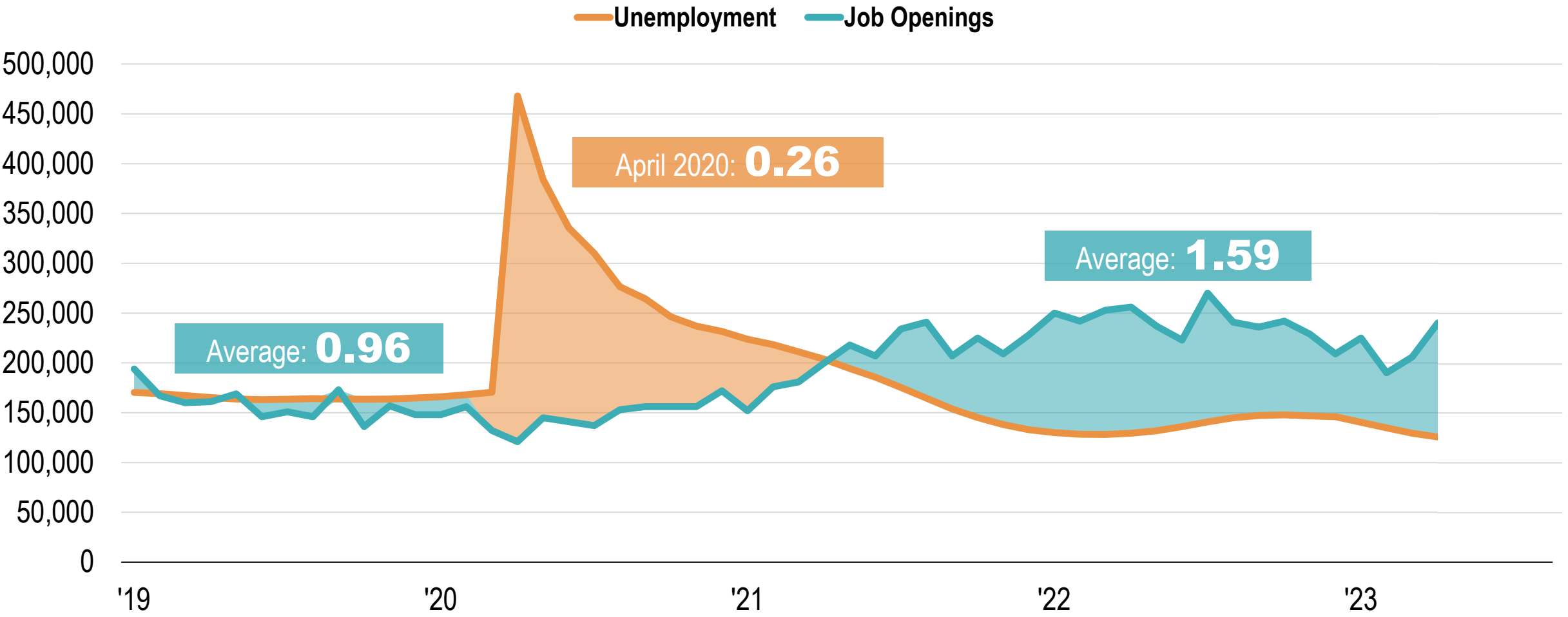
United States



Source: Bureau of Labor Statistics; Applied Analysis (Seasonally Adjusted)

Job Openings vs. Unemployment

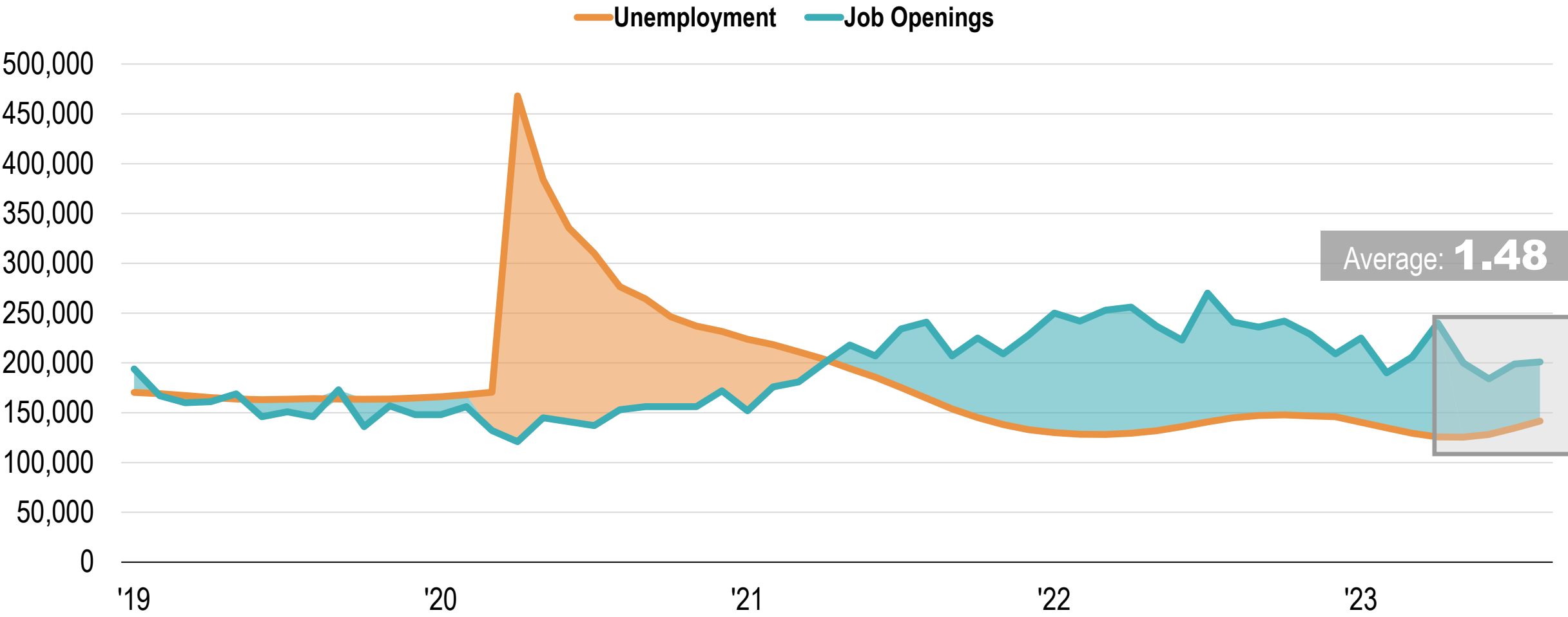
Arizona



Source: Bureau of Labor Statistics; Applied Analysis (Seasonally Adjusted)

Job Openings vs. Unemployment

Arizona



Source: Bureau of Labor Statistics; Applied Analysis (Seasonally Adjusted)

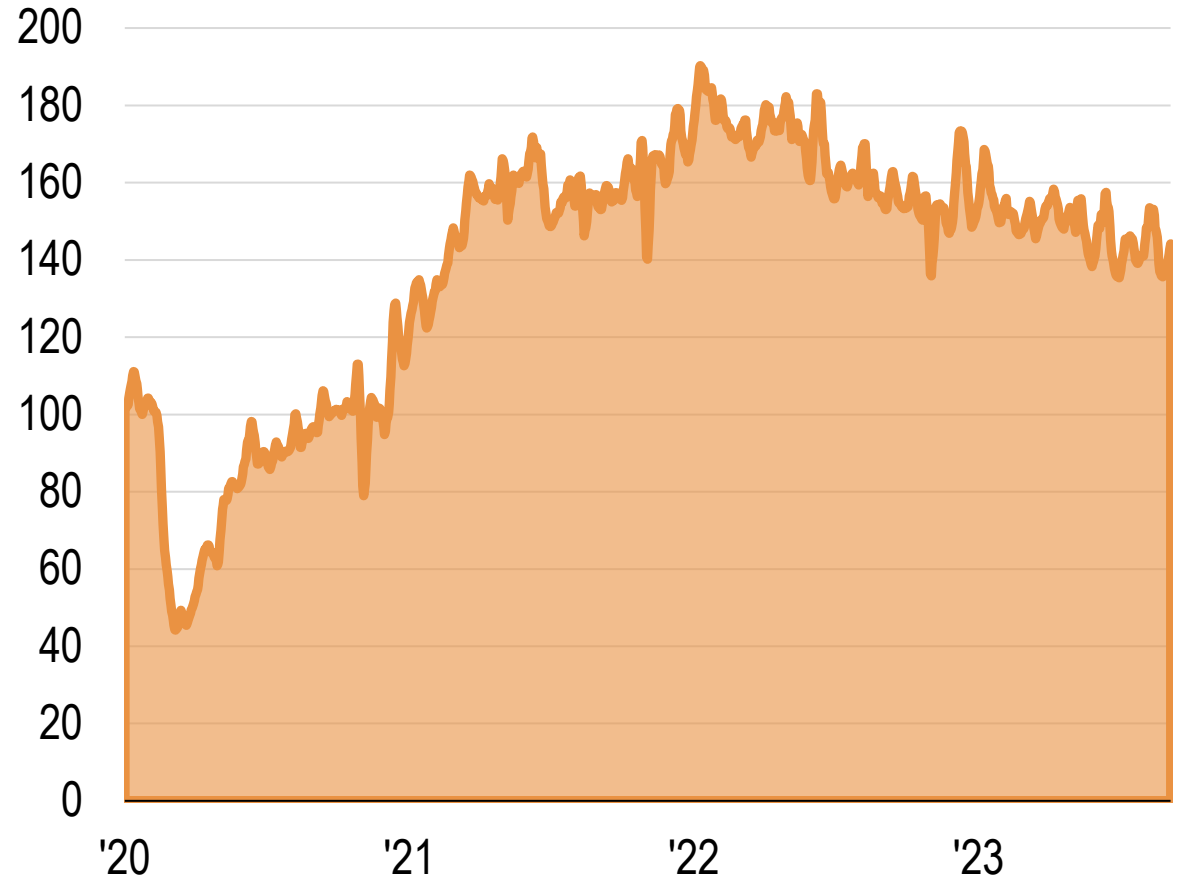
Indeed Job Postings Index

United States | February 1, 2020 = 100

Overall Job Postings



New Job Postings

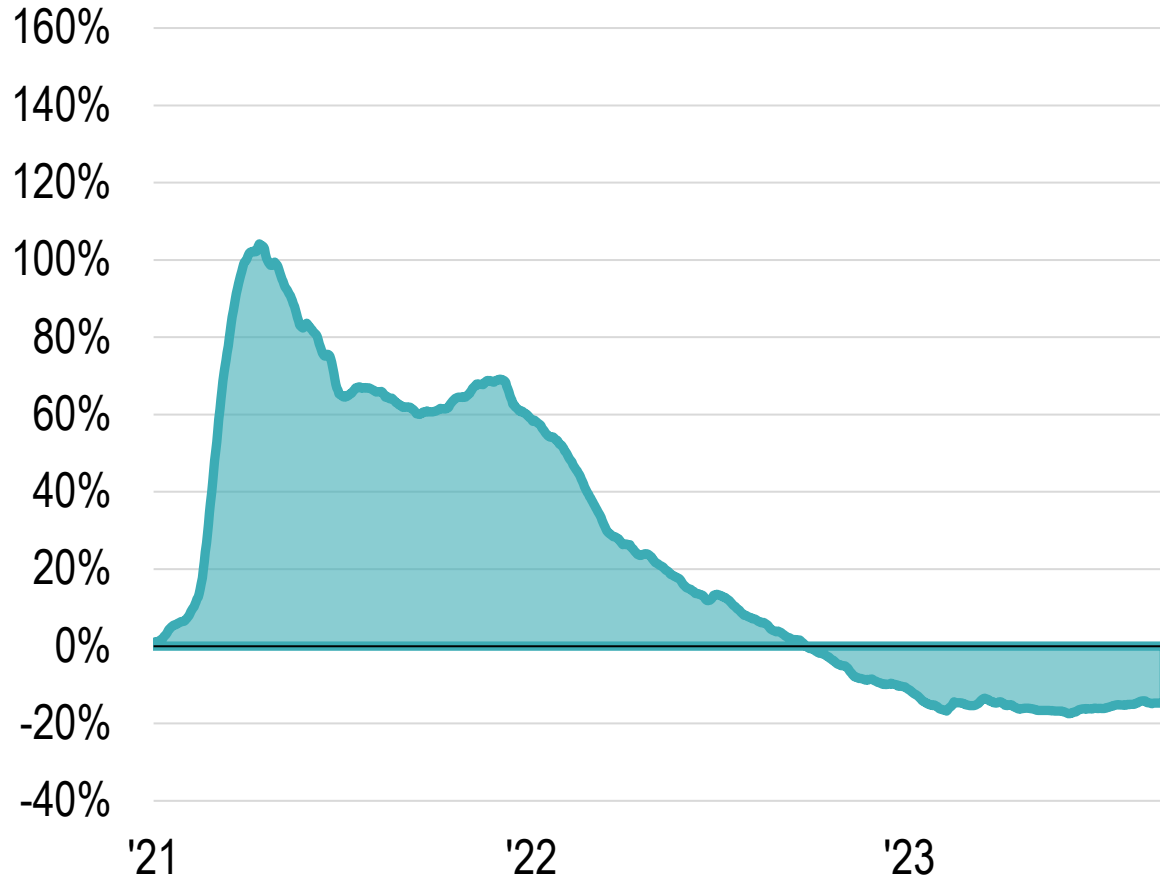


Source: Indeed (As of October 6, 2023); Seasonally Adjusted

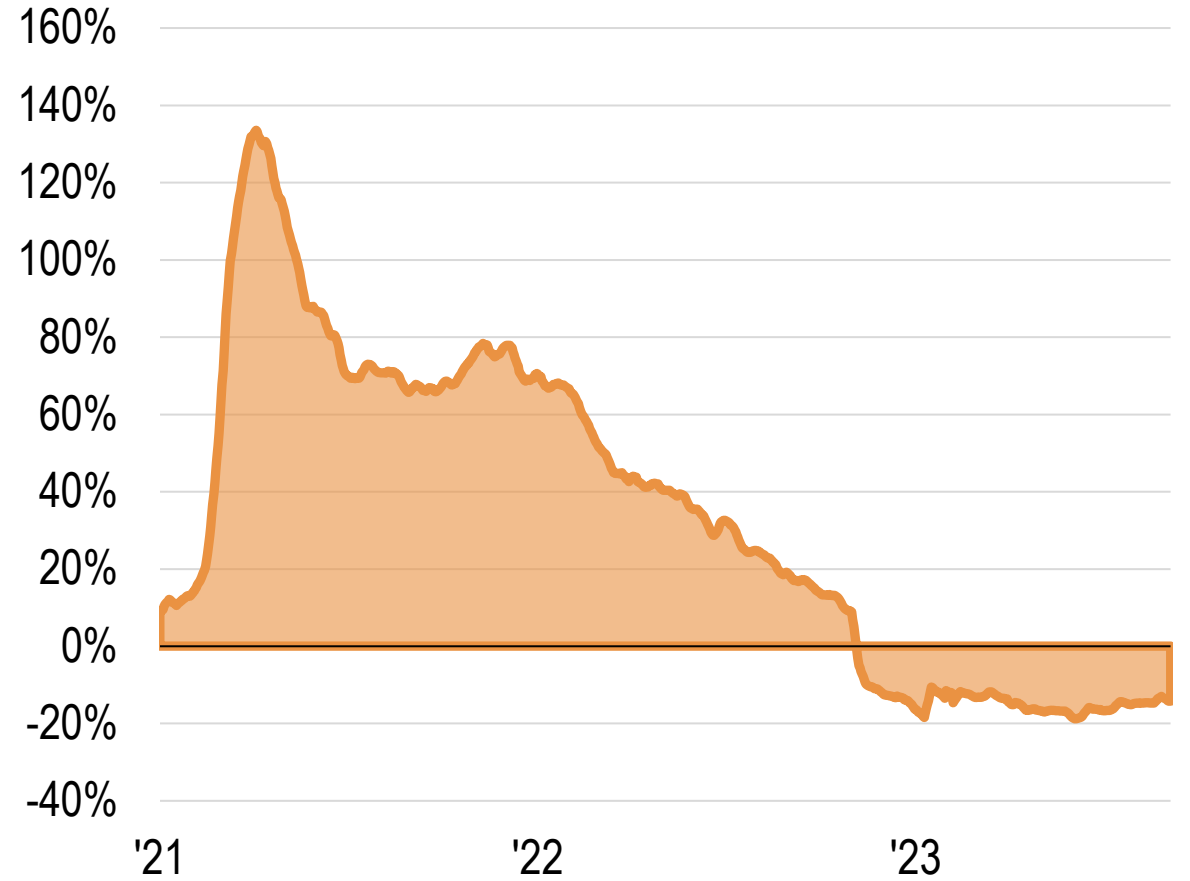
Indeed Job Postings Change

Year-Over-Year Change

United States



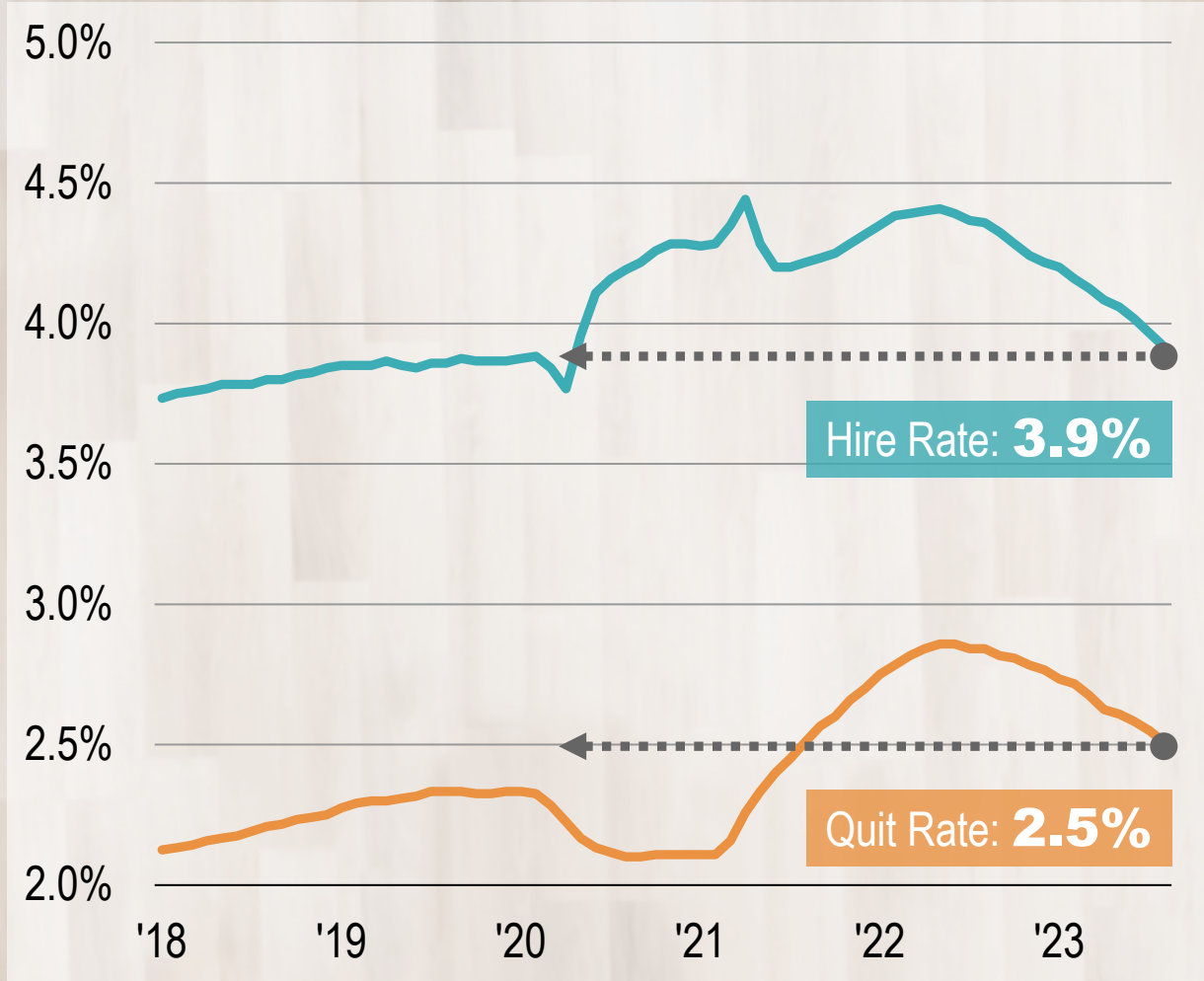
Arizona



Source: Indeed (As of October 6, 2023); Seasonally Adjusted

Hire and Quit Rates

United States | Trailing 12-Month Average

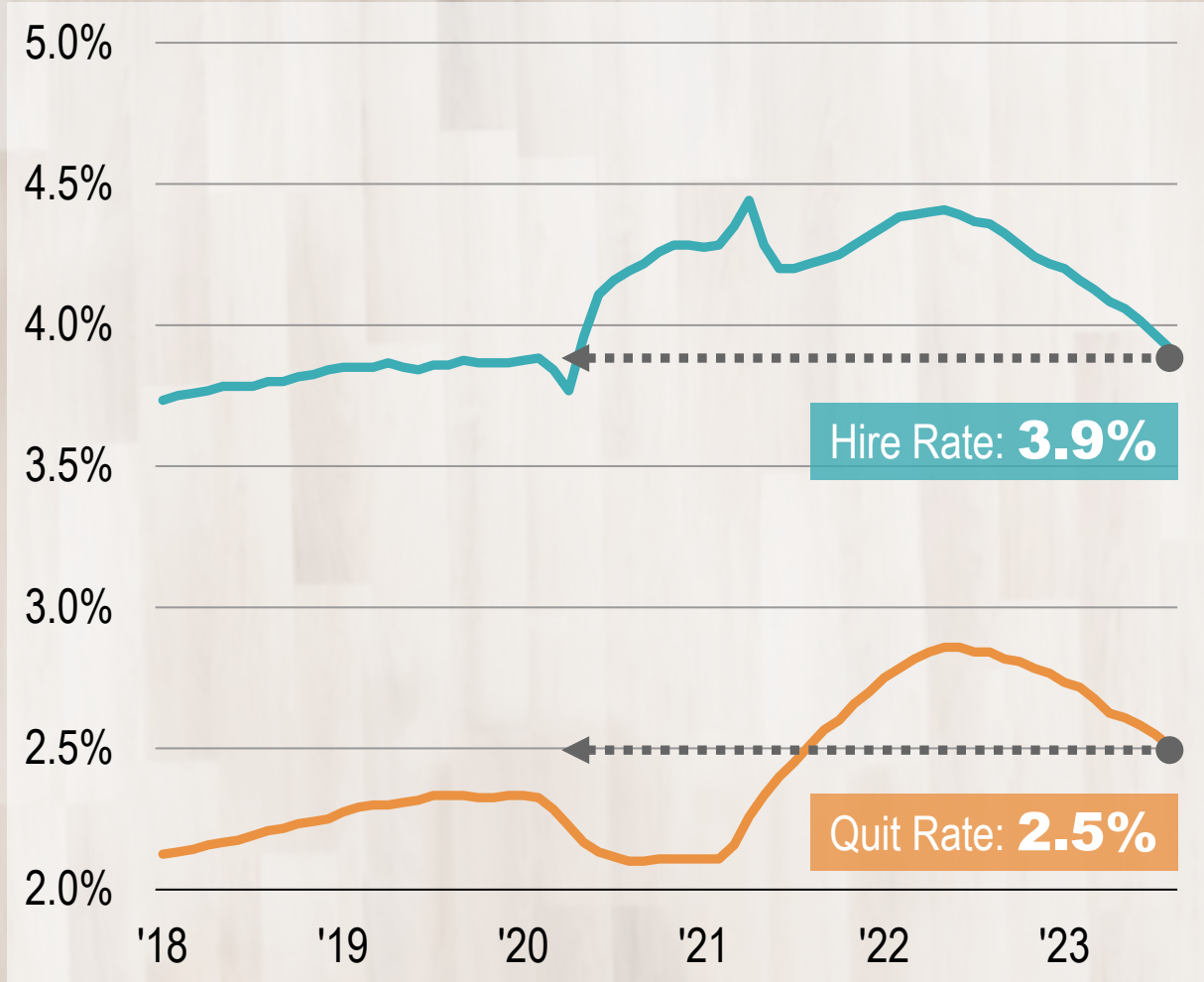


Source: Bureau of Labor Statistics. Note: Image is sourced to (Andrey_Popov/shutterstock.com).



Hire and Quit Rates

United States | Trailing 12-Month Average



4.5%
ARIZONA HIRE RATE
(-0.5% YoY)

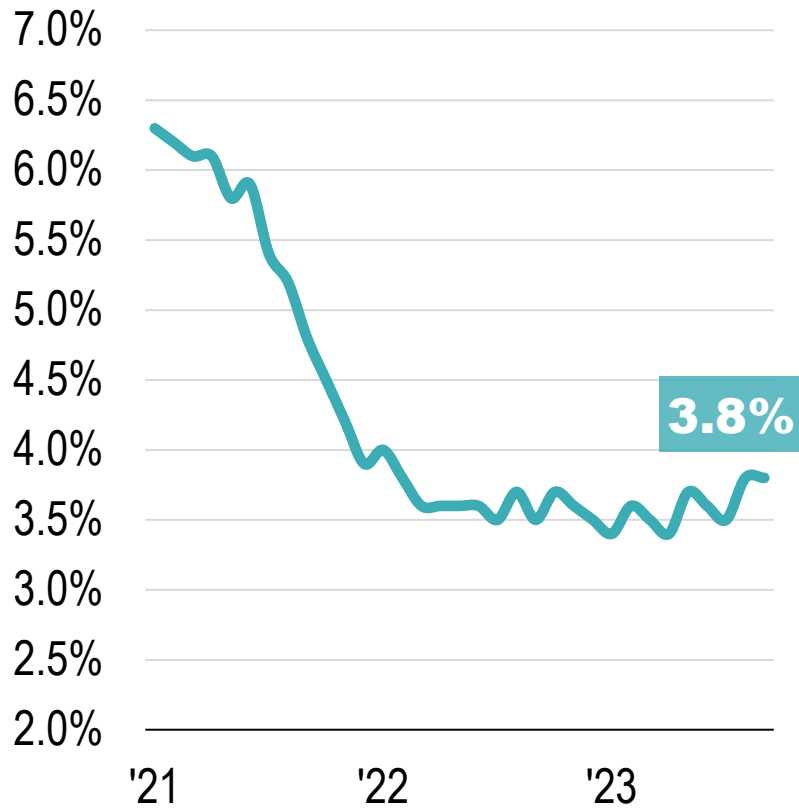
3.0%
ARIZONA QUIT RATE
(-0.5% YoY)

Source: Bureau of Labor Statistics. Note: Image is sourced to (Andrey_Popov/shutterstock.com).

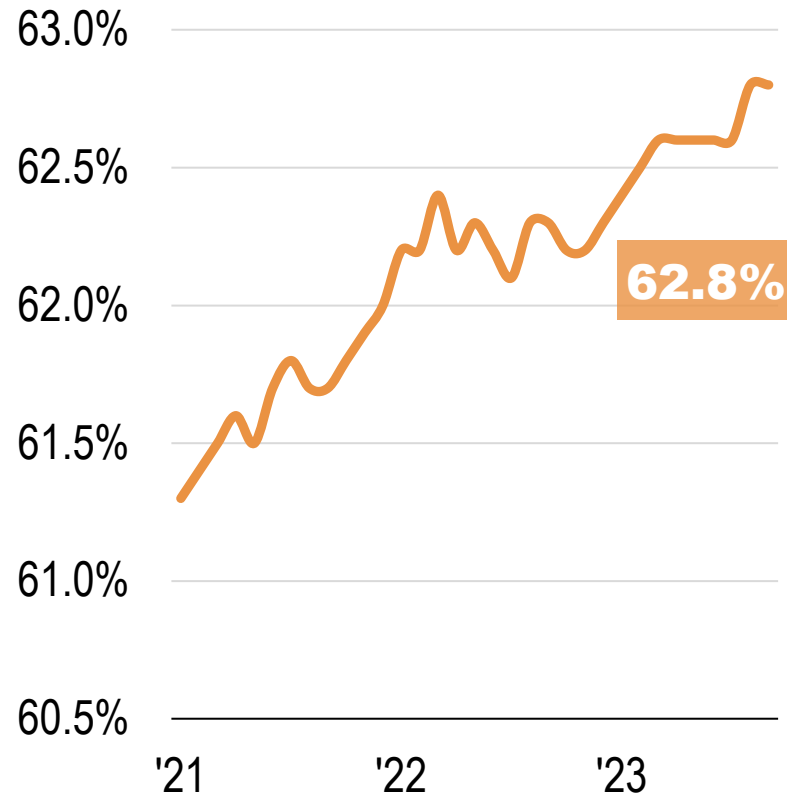
Workforce Characteristics

United States

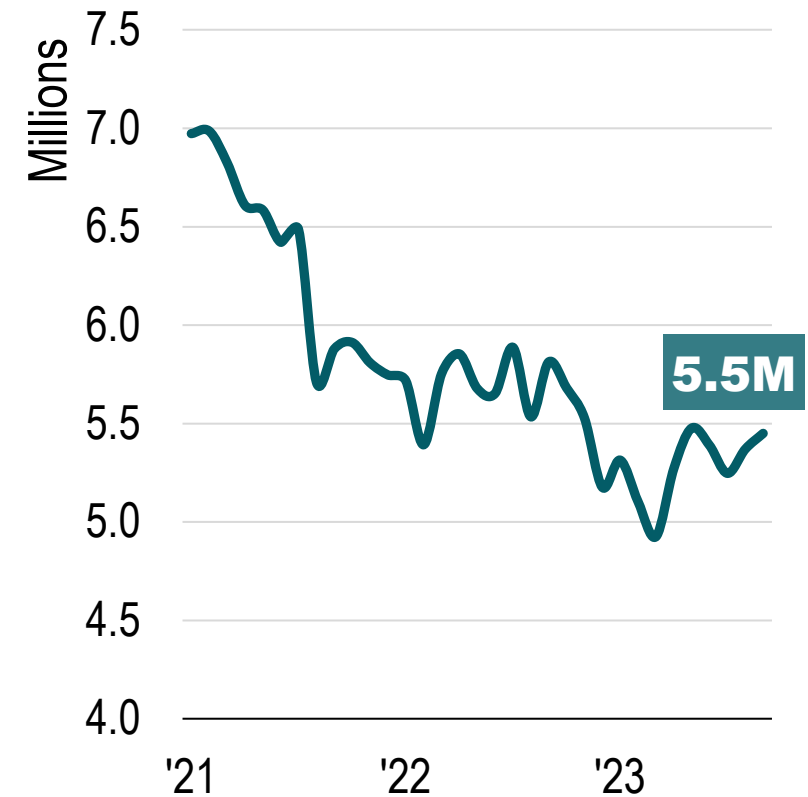
Unemployment Rate



Labor Force Participation Rate



Not in Labor Force, Want a Job

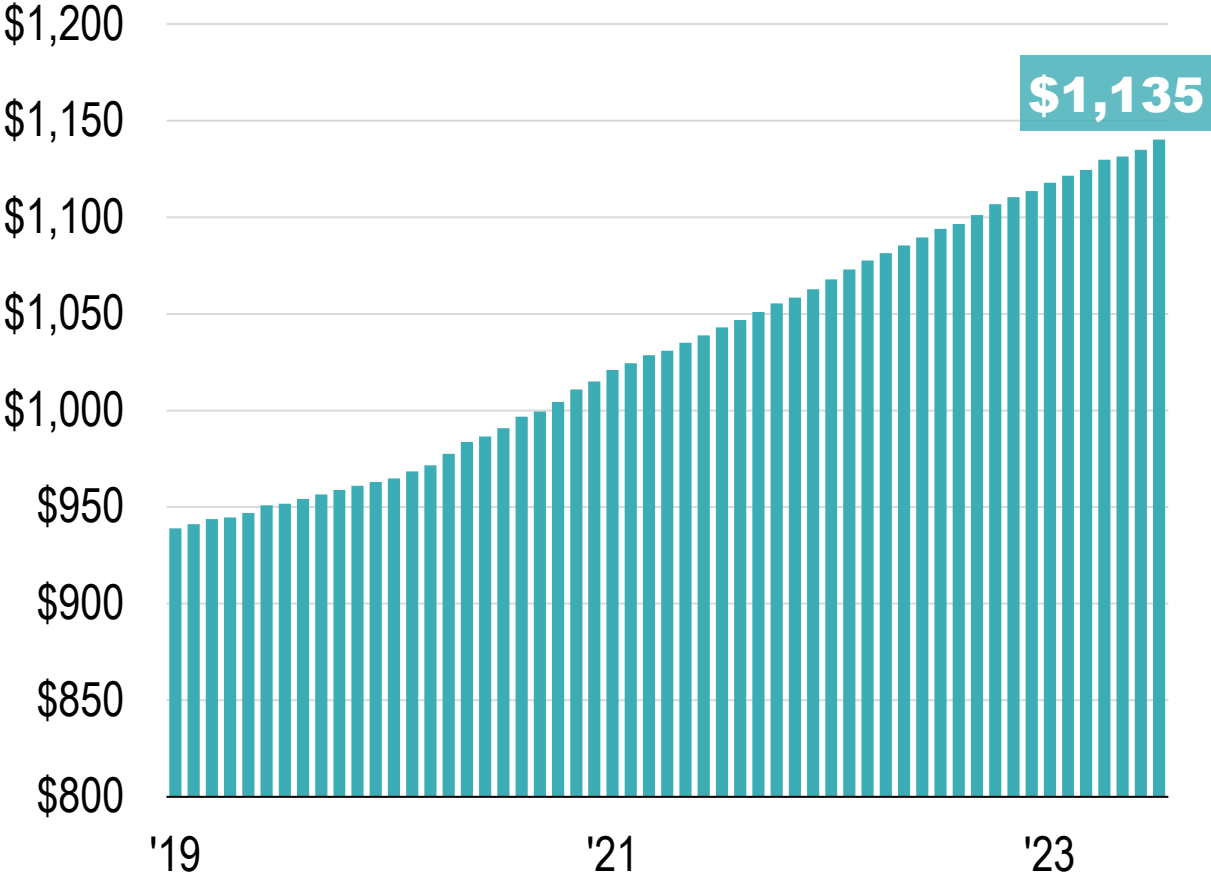


Source: Bureau of Labor Statistics (Seasonally Adjusted)

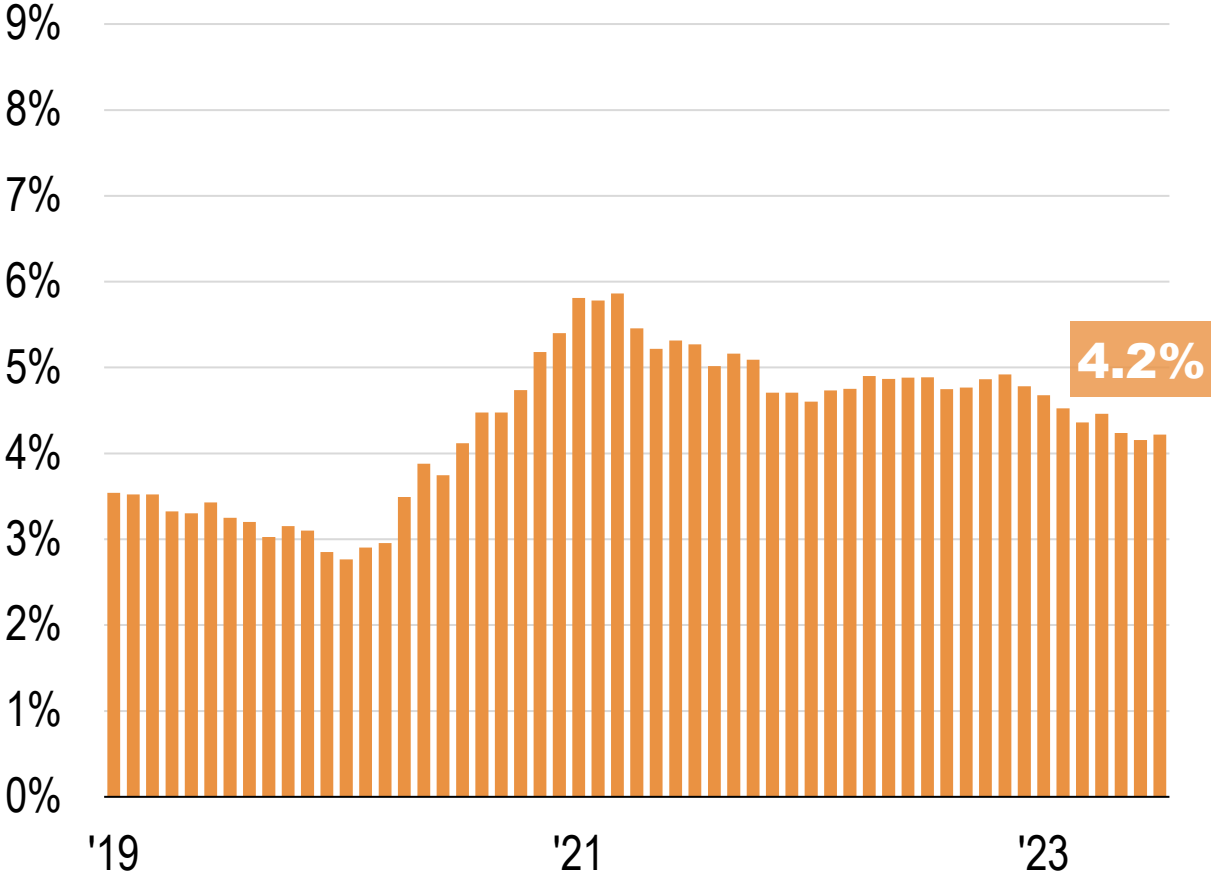
Average Weekly Wages

Trailing 12-Month Average

Average Weekly Wages



Year-Over-Year Growth



Source: Bureau of Labor Statistics

S&P Global



WITH US JOB MARKET IMBALANCED, LABOR STRIKES SURGE TO HIGHEST LEVEL SINCE 2000

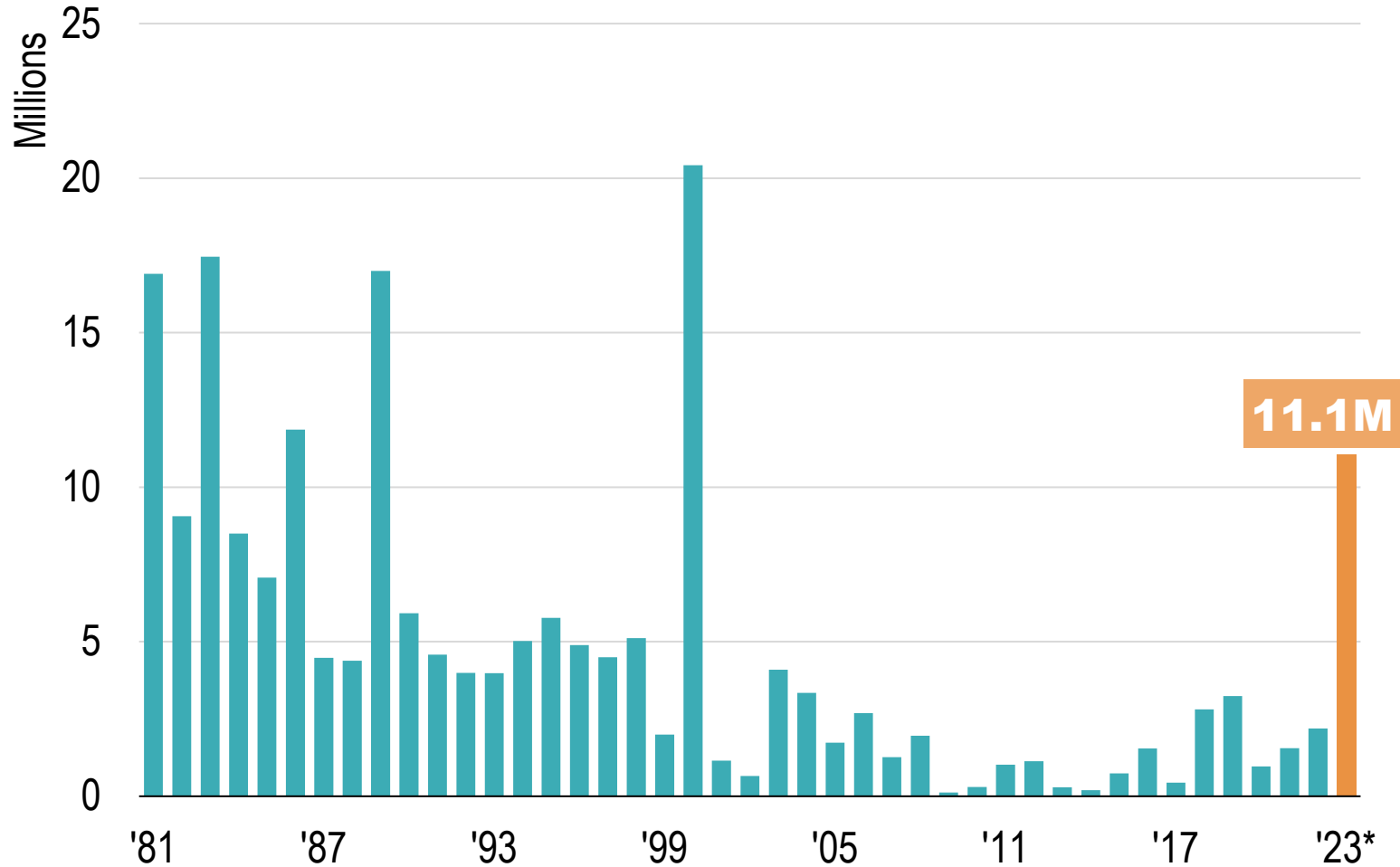
As the Federal Reserve plans to keep rates at levels higher and longer than previously forecast to cool a stubbornly robust economy, the labor market's strong run is expected to weaken at some point, potentially motivating efforts by workers to demand better pay and benefits

October 9, 2023

Source: Source: S&P Global Market Intelligence. Note: Image is sourced to (Luiz Yanez/shutterstock.com).

Work Stoppages

Days of Idleness



Source: Bureau of Labor Statistics. IRL Labor Action Tracker. Note: Data through September 2023.



312

STRIKES IN 2023



The Rise of Remote Workers

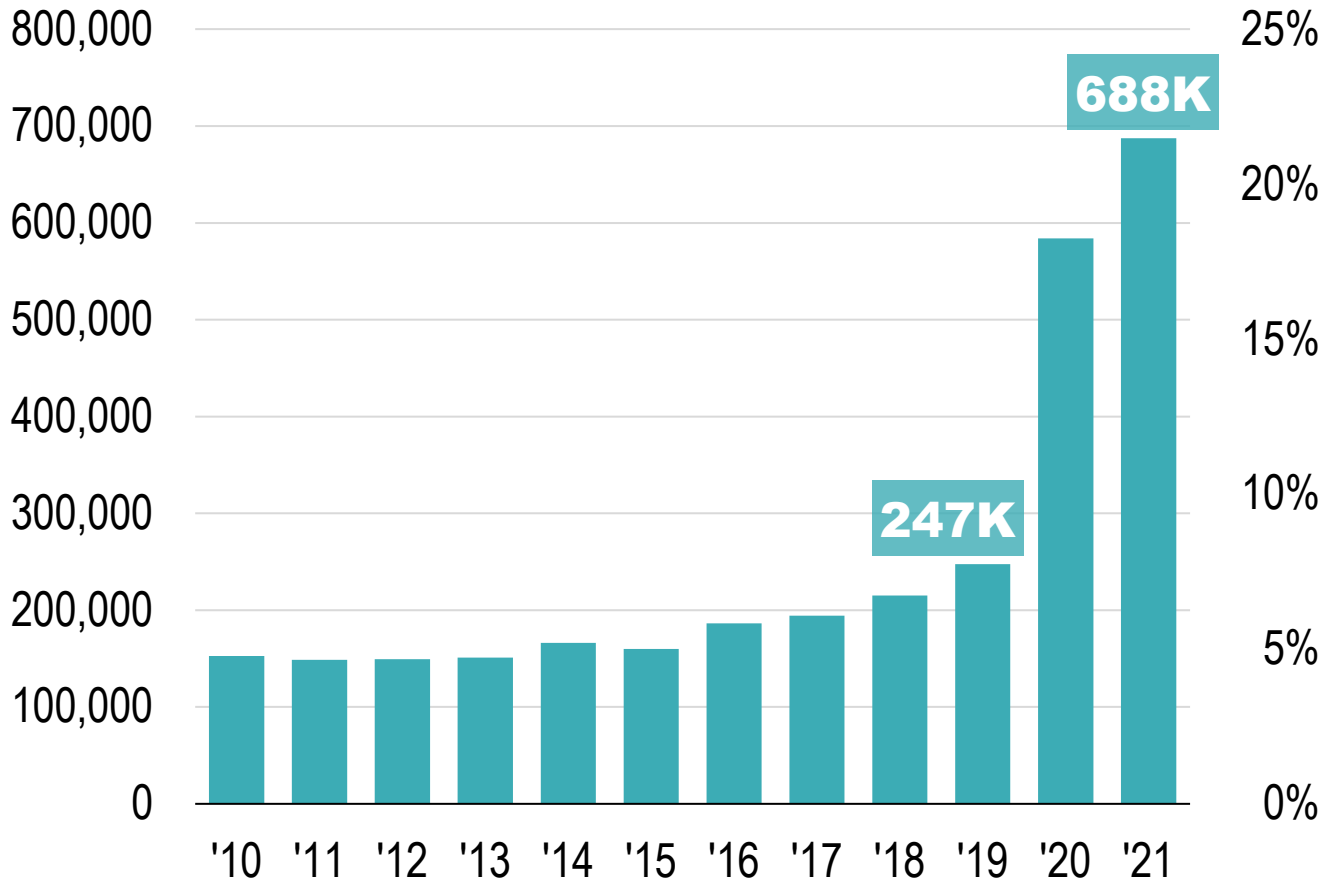
688K

Image Source: (Olezzo/shutterstock.com)

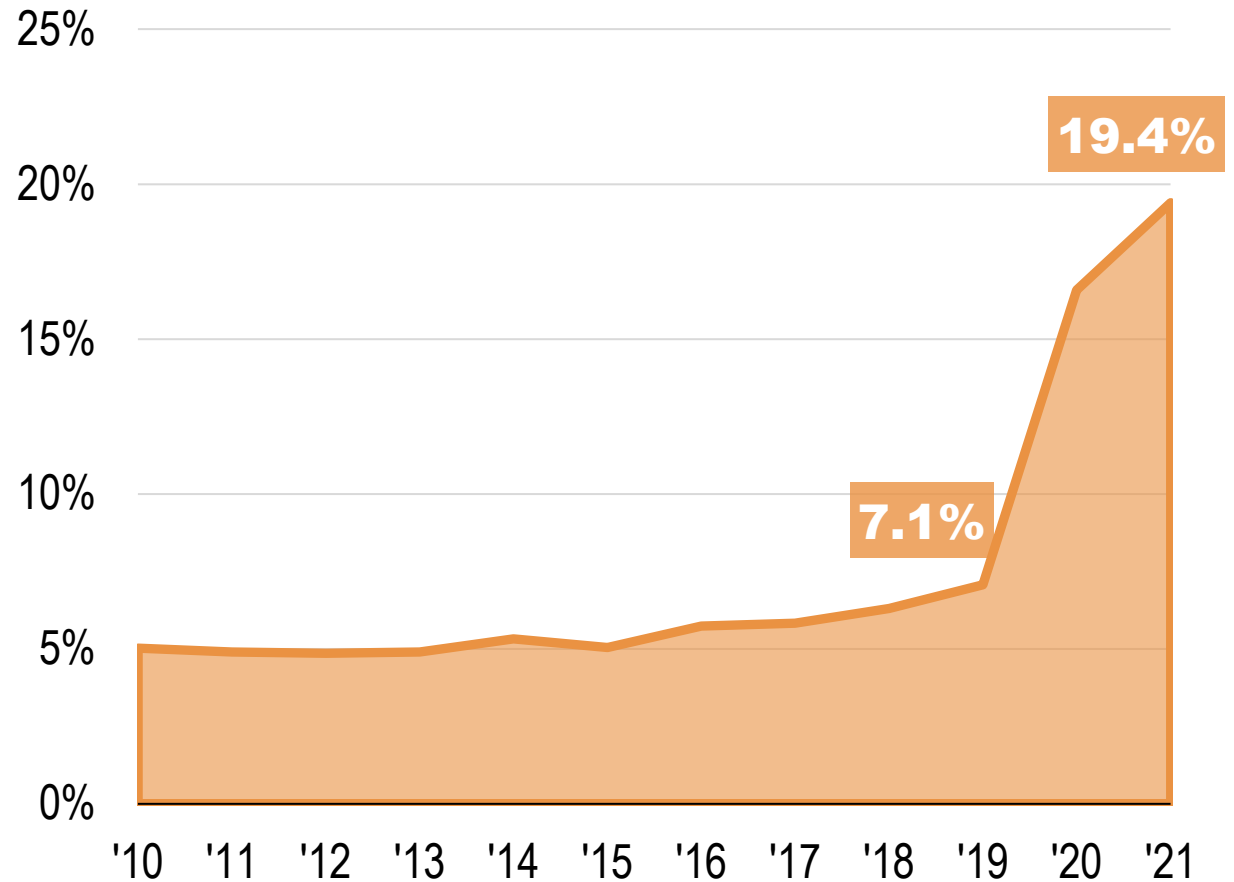
Remote Workers

Arizona

Remote Workers



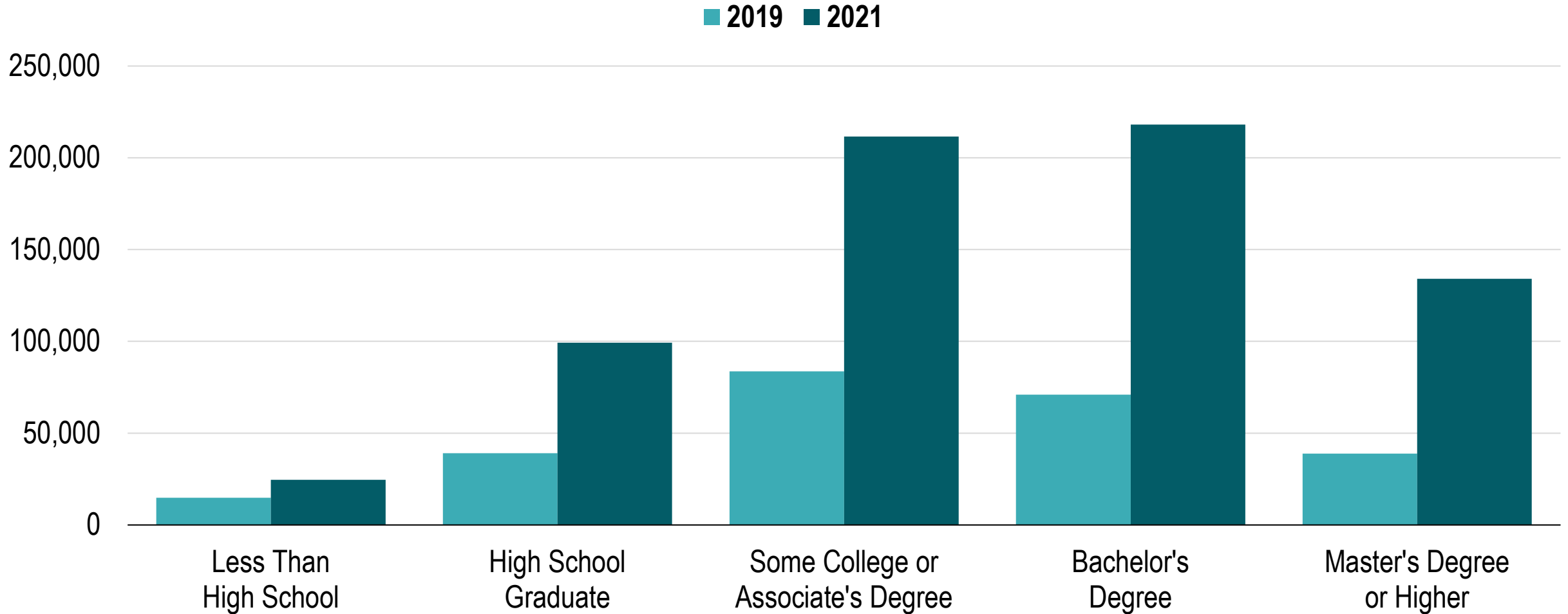
Share of Workforce Working Remote



Source: IPUMS

Remote Workers

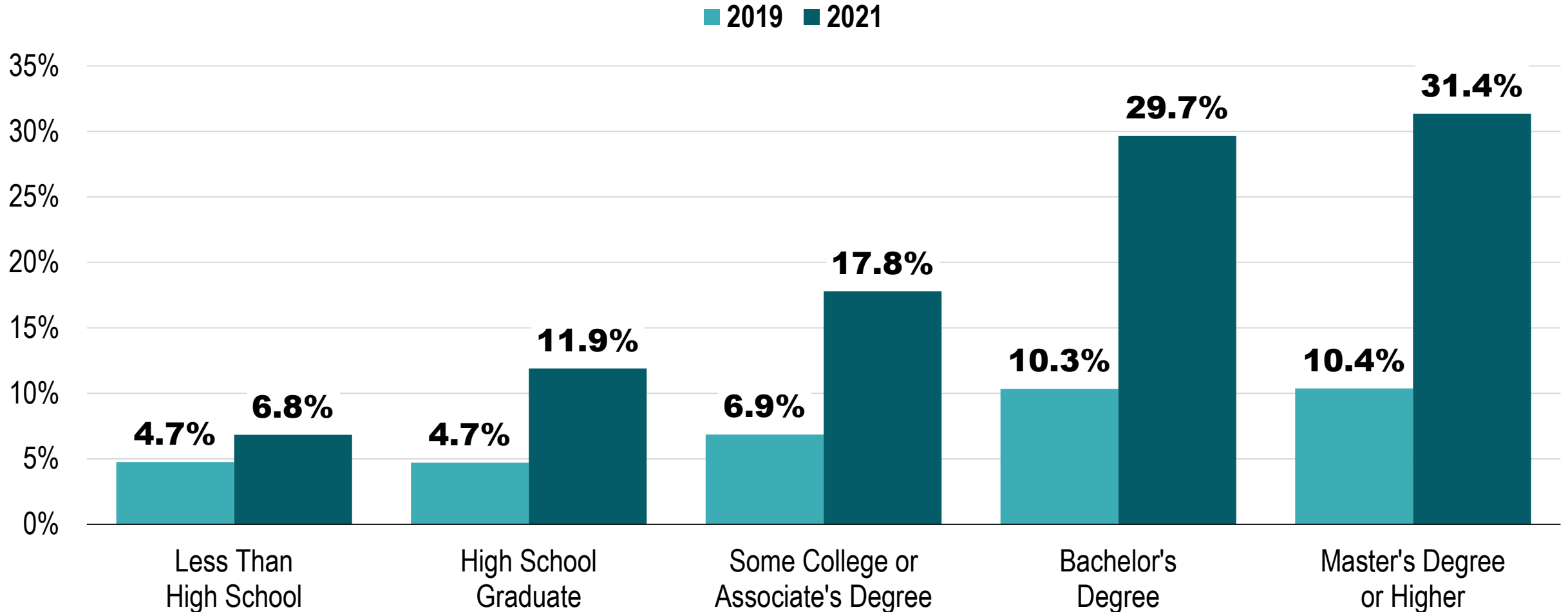
Arizona | By Educational Attainment



Source: IPUMS

Remote Workers as a Share of All Workers

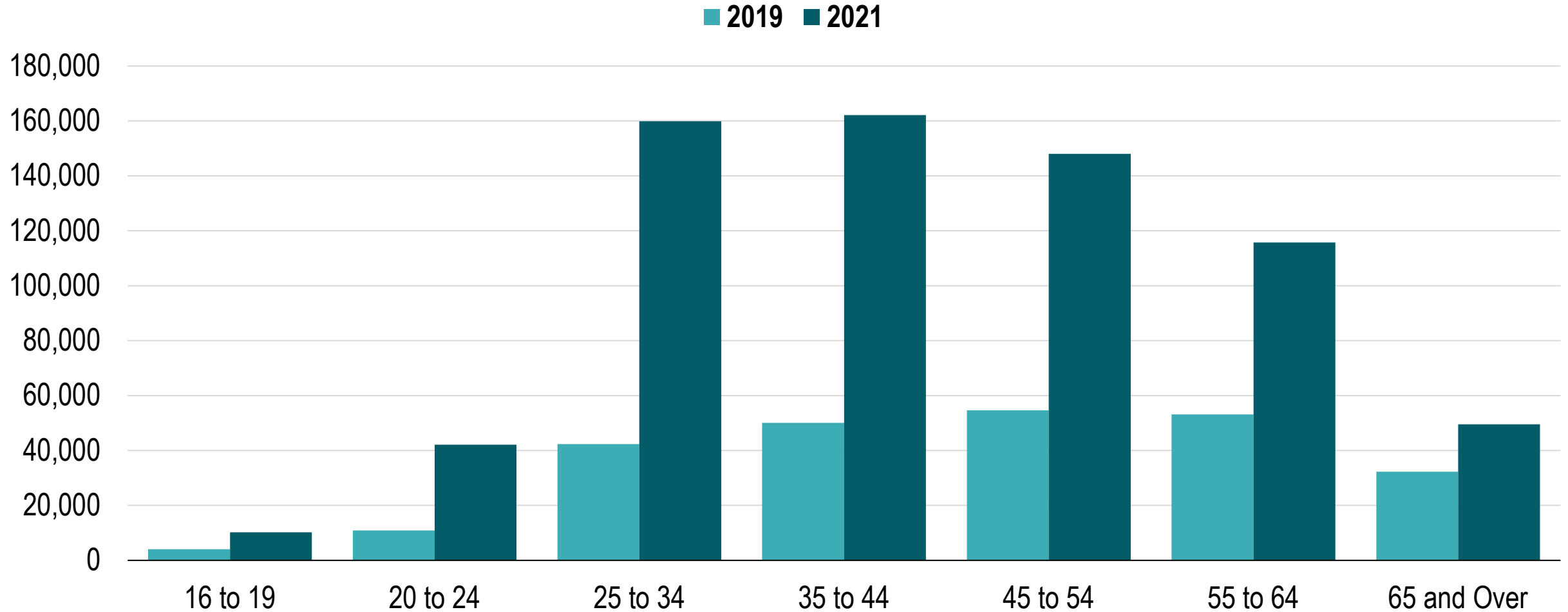
Arizona | By Educational Attainment



Source: IPUMS

Remote Workers

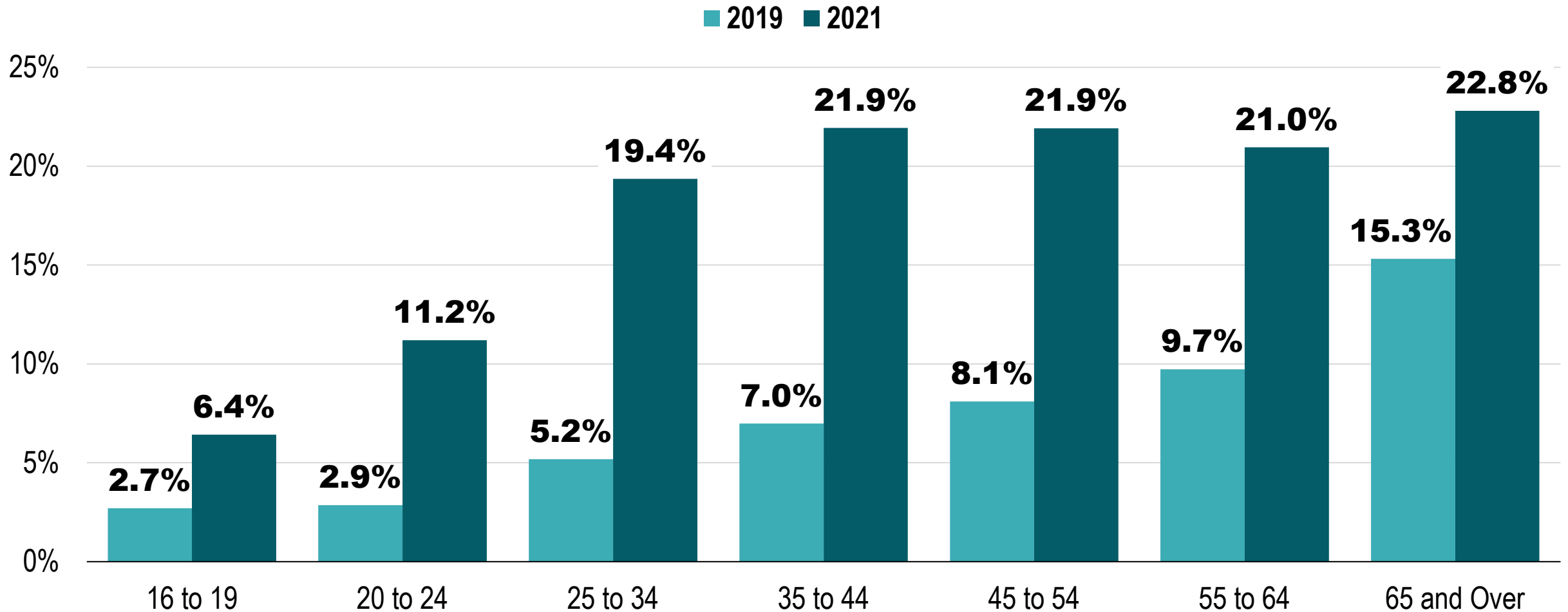
Arizona | By Age



Source: IPUMS

Remote Workers as a Share of All Workers

Arizona | By Age



Source: IPUMS



Image Source: (David Pereiras/shutterstock.com)

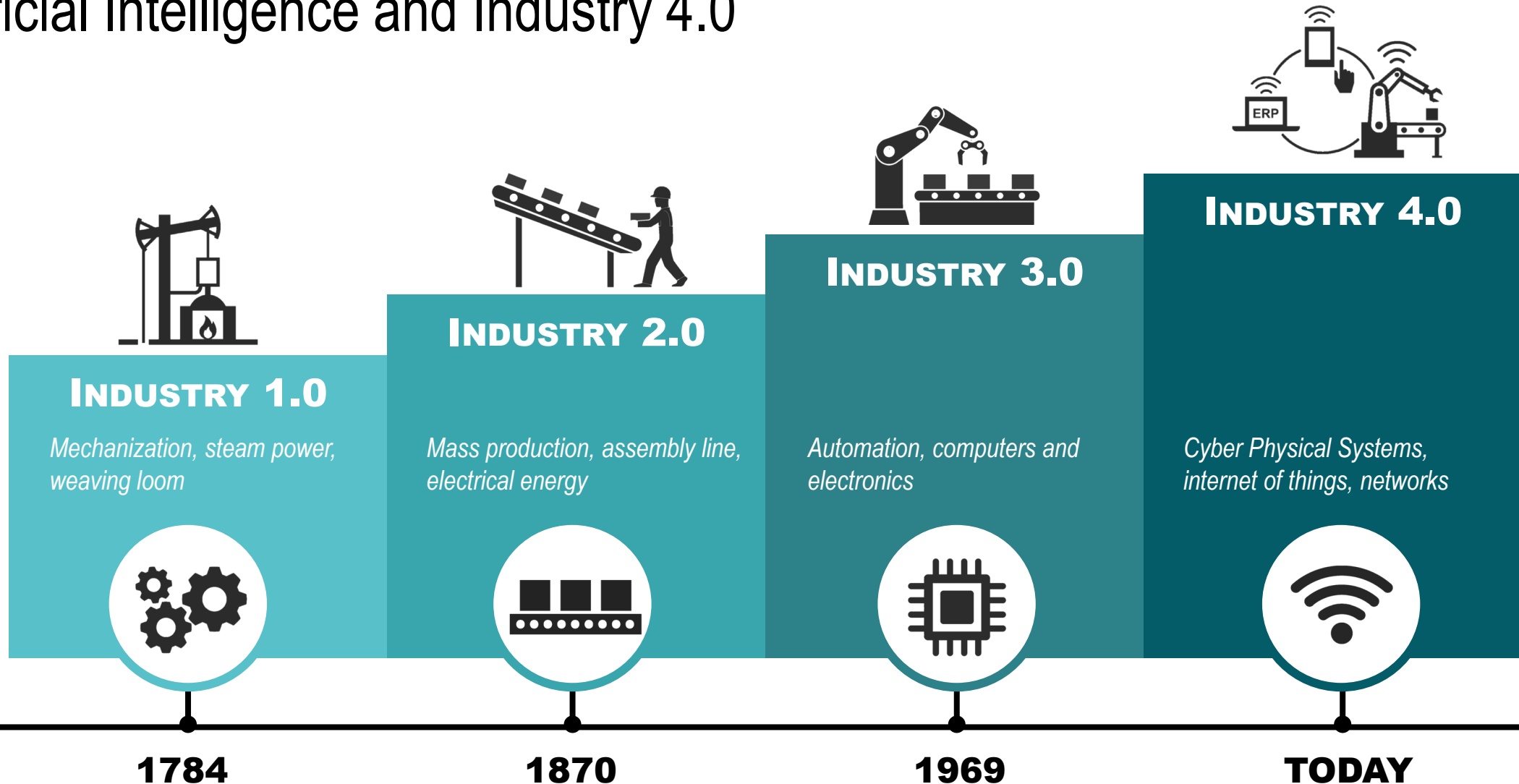


 The Shift to Artificial Intelligence

Image Source: (PopTika/shutterstock.com)

Industrial Revolutions

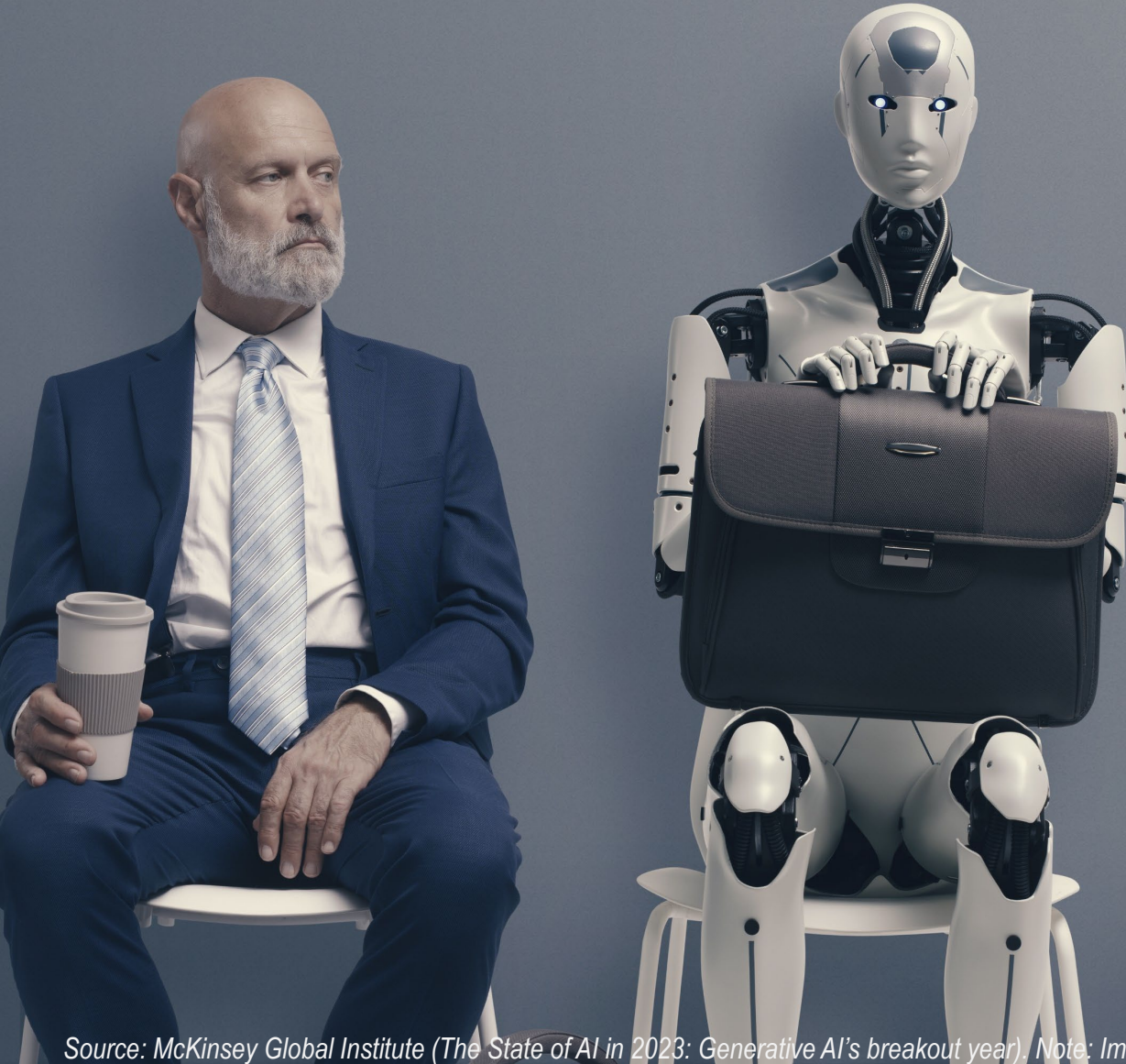
Artificial Intelligence and Industry 4.0



Source: McKinsey & Company

74.9%

Source: World Economic Forum. Note: Image is sourced to stock.adobe.com.



“

The expected business disruption from gen AI is **significant**, and respondents predict **meaningful changes to their workforces**. They anticipate workforce cuts in certain areas and large reskilling efforts to address shifting talent needs.

-McKinsey Global Survey

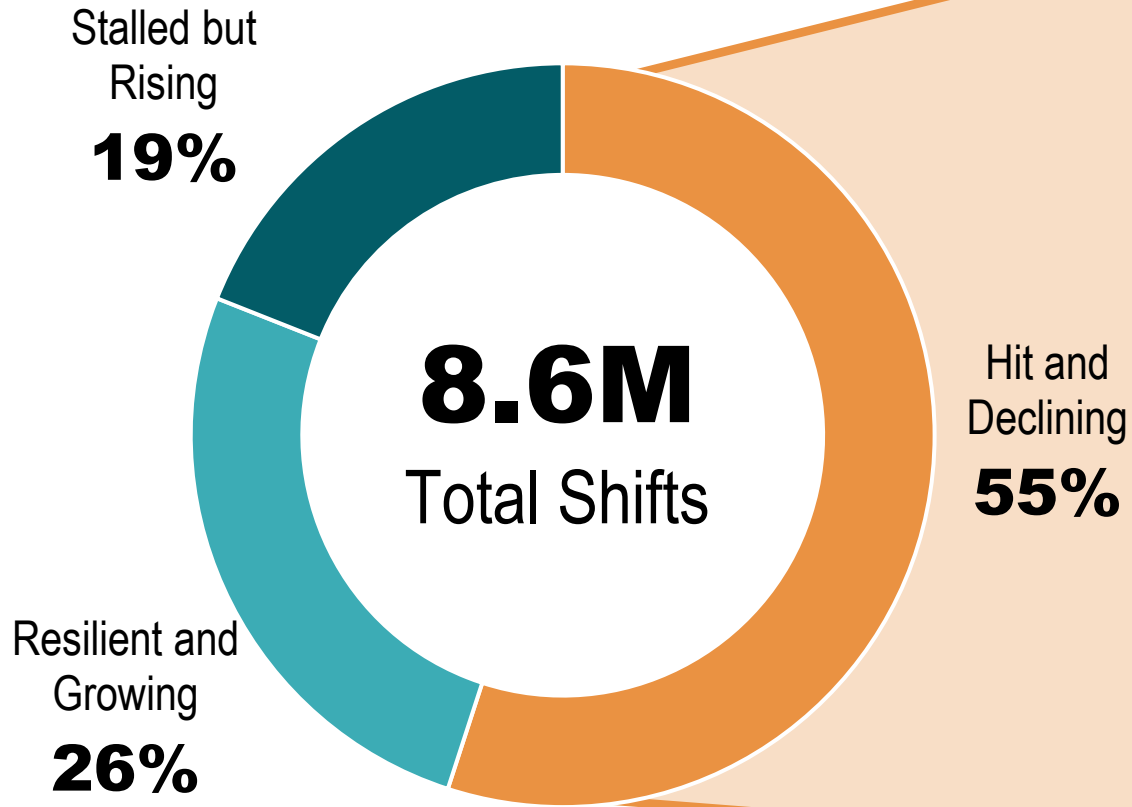
”

Source: McKinsey Global Institute (The State of AI in 2023: Generative AI's breakout year). Note: Image is sourced to (Stokkete/shutterstock.com).

Occupational Shifts

Estimated Shifts to Another Occupation | 2019-2022

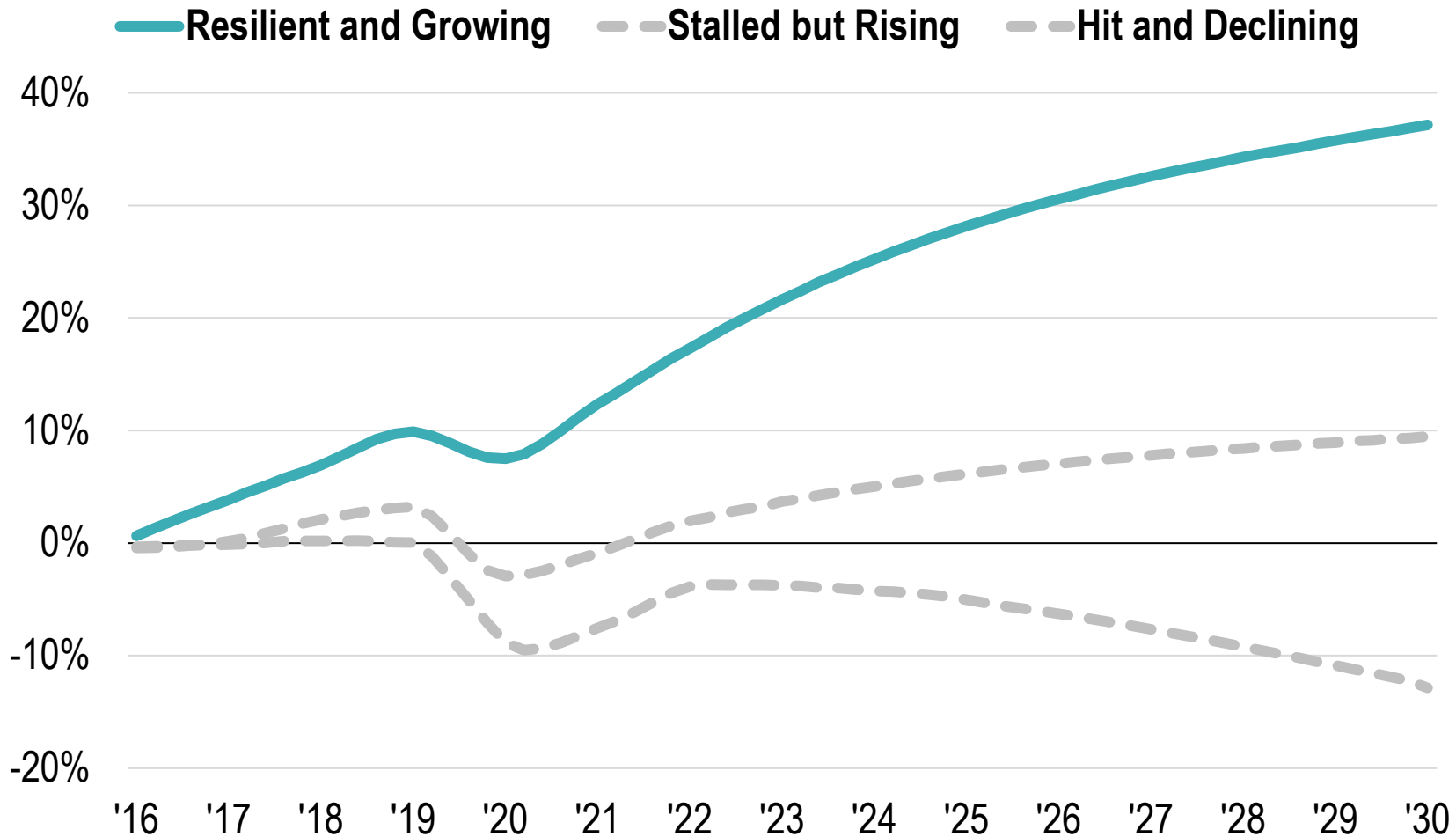
Estimated Shifts to Another Occupation 2019-2022



Source: McKinsey Global Institute. Note: Image is sourced to (fizkes/shutterstock.com).

United States Job Growth

Projected Growth | Index (2016=0)



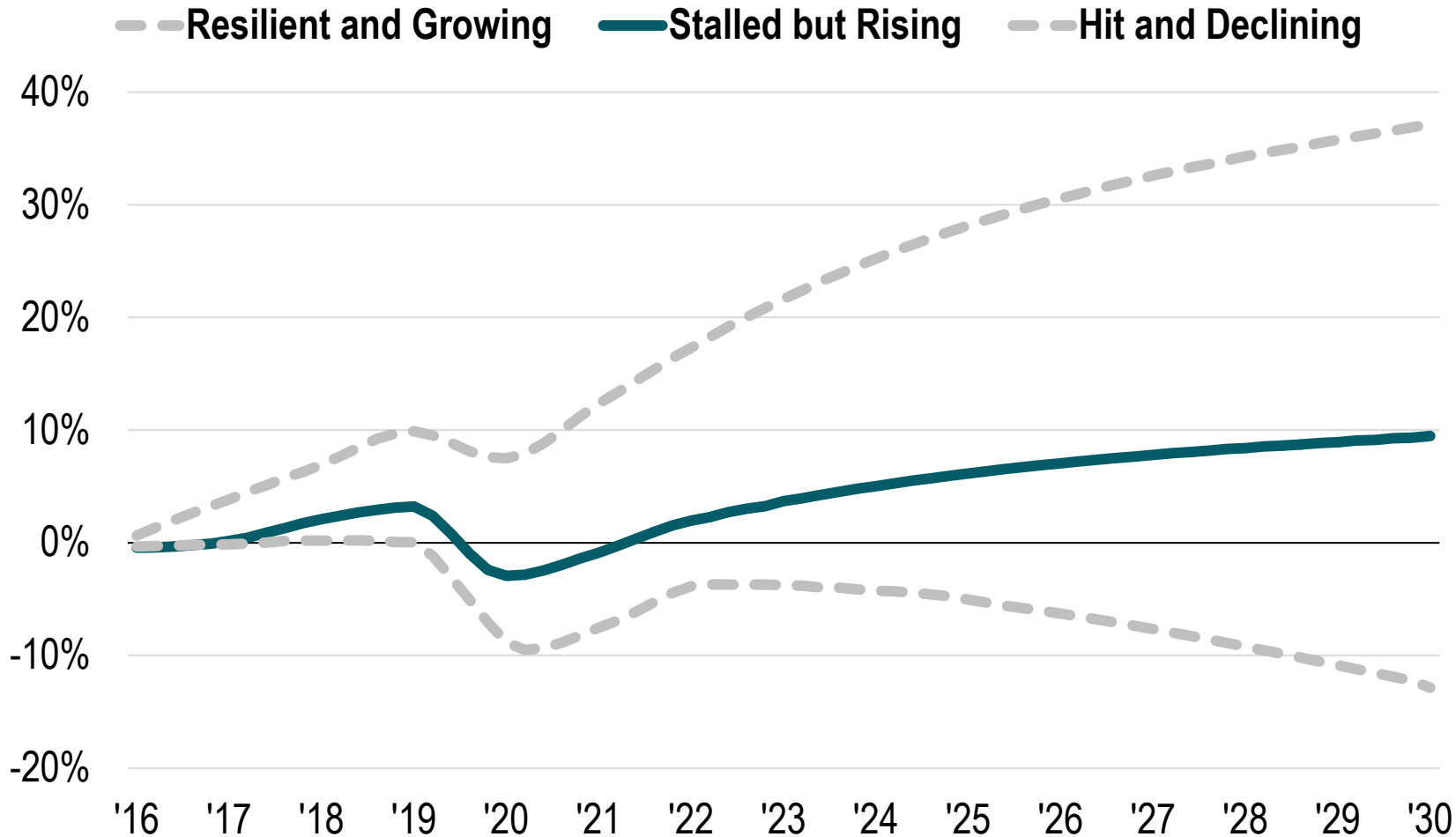
+9.9M Jobs
+17% Growth
2022-2030

-1M Jobs
Projected Transitions
2022-2030

Source: McKinsey Global Institute

United States Job Growth

Projected Growth | Index (2016=0)



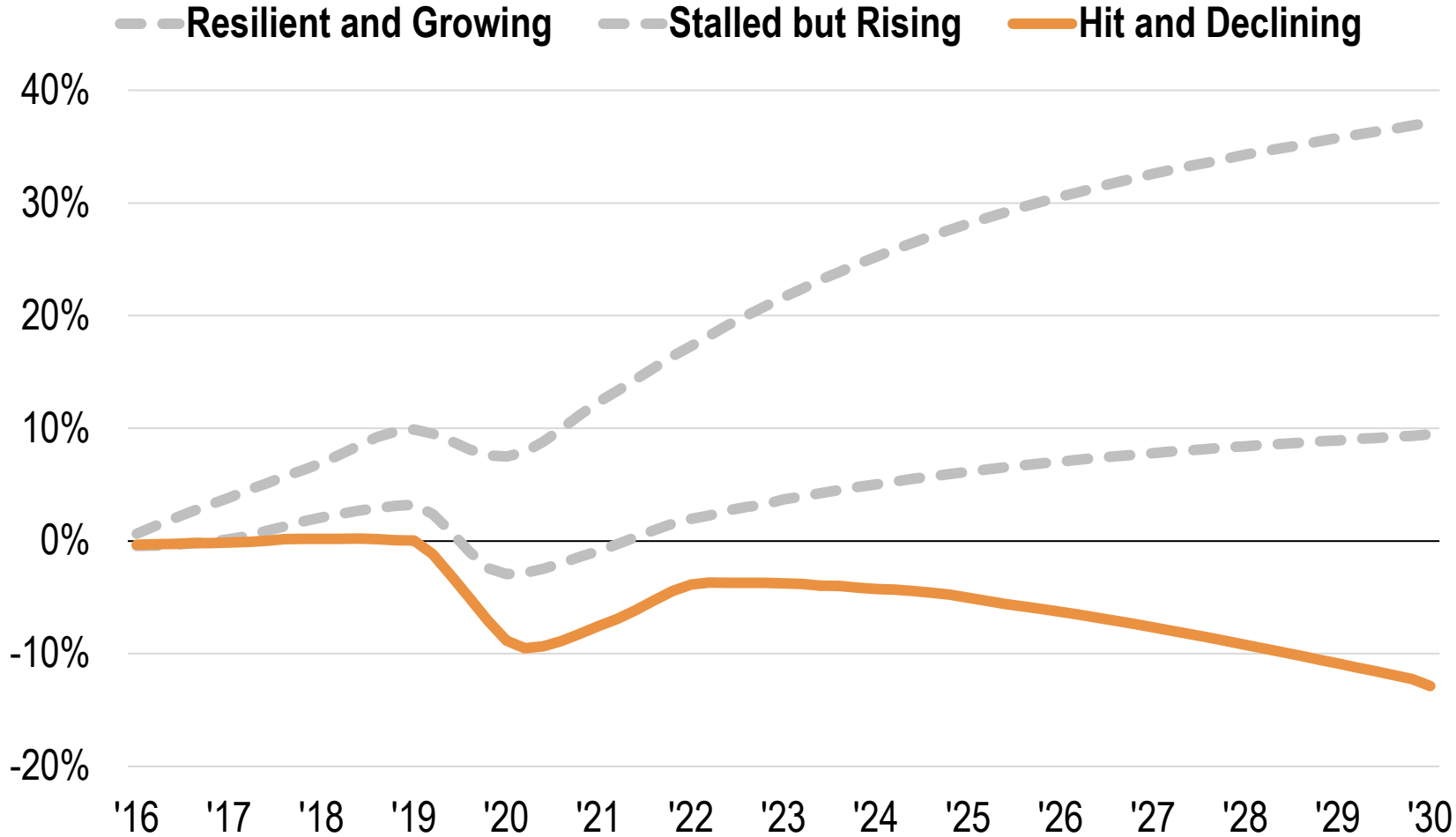
+2.8M Jobs
+7% Growth
2022-2030

-1M Jobs
Projected Transitions
2022-2030

Source: McKinsey Global Institute

United States Job Growth

Projected Growth | Index (2016=0)



-6.0M Jobs

-10% Growth
2022-2030

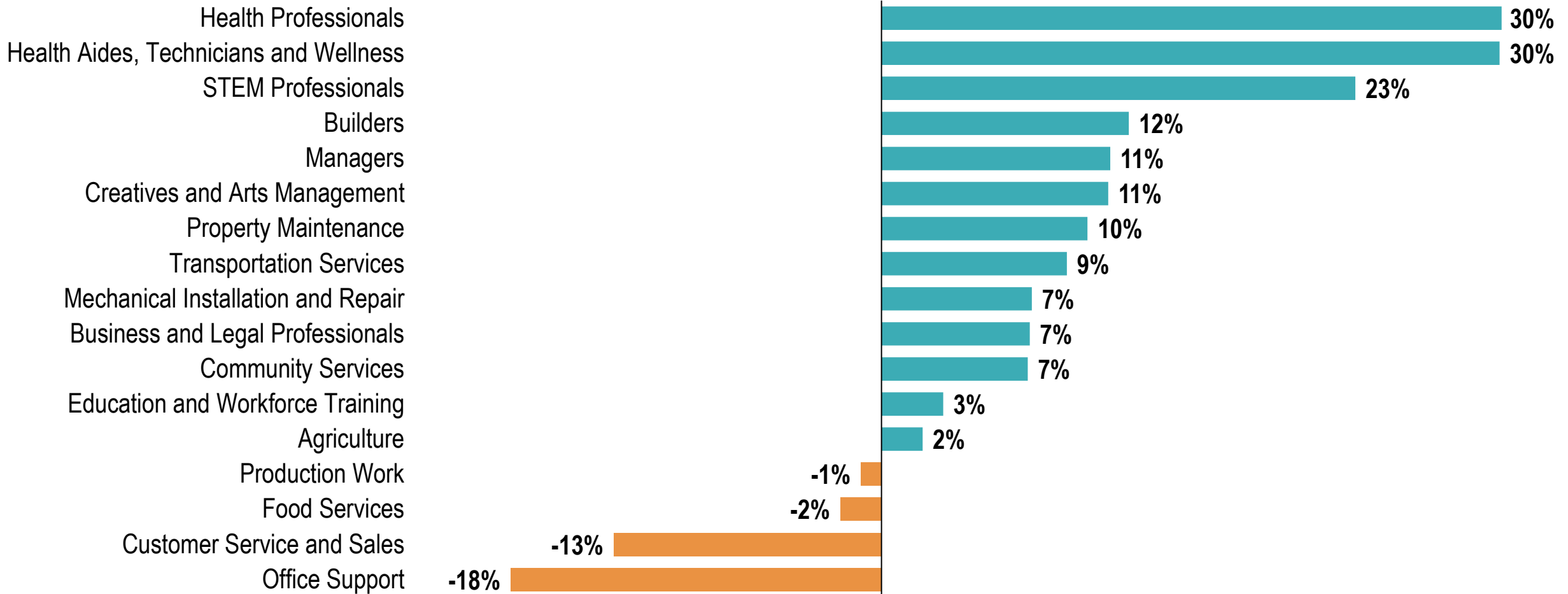
-10M Jobs

Projected Transitions
2022-2030

Source: McKinsey Global Institute

United States Job Growth

Projected Net Change in Labor Demand | 2022-2030



Source: McKinsey Global Institute

Expectations About the Impact of AI Adoption on Organizations' Workforces Next 3 Years

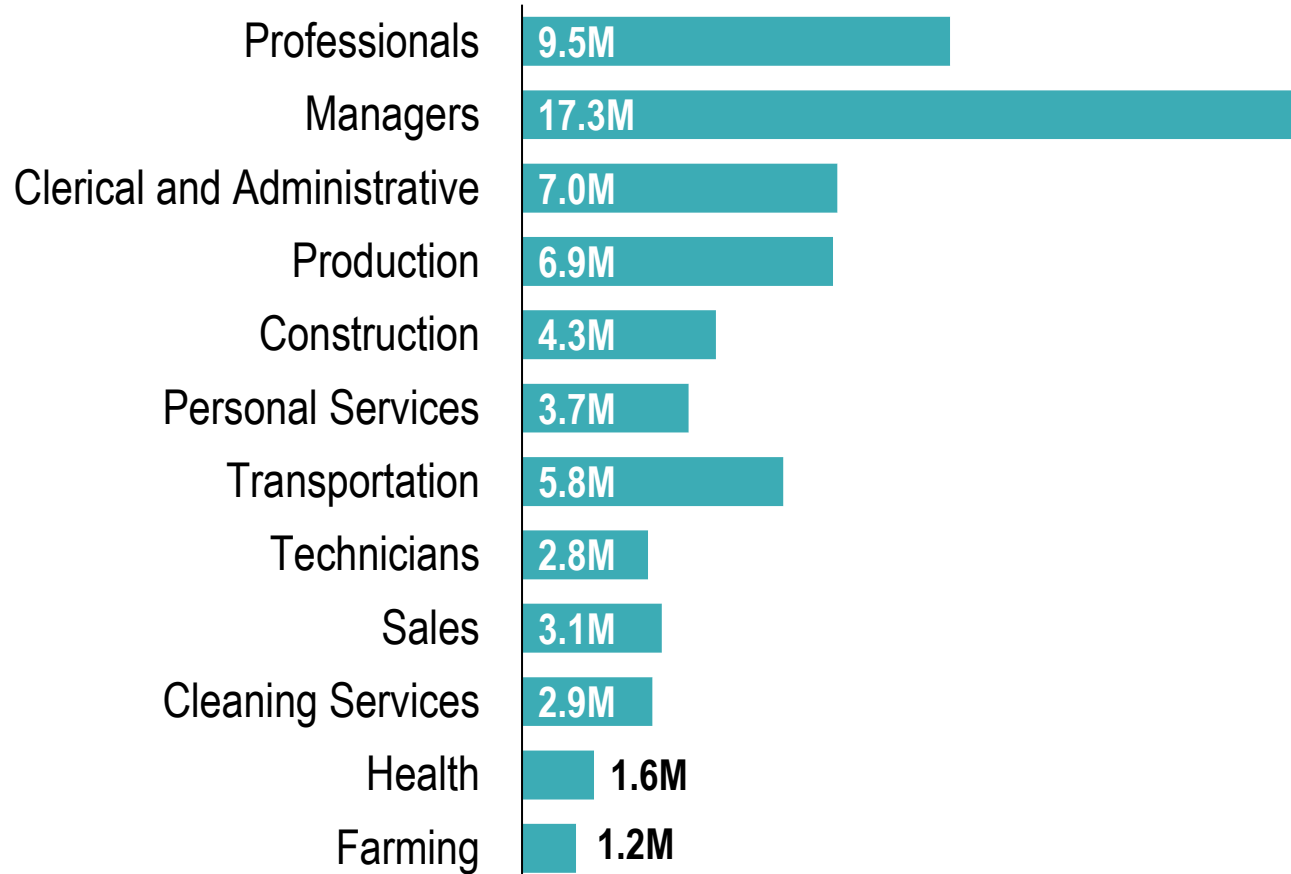


Source: McKinsey Global Survey. Note: N=913; Image is sourced to stock.adobe.com.

Innovation Drives Employment

Occupation Growth Since 1940

■ Occupations that Existed in 1940

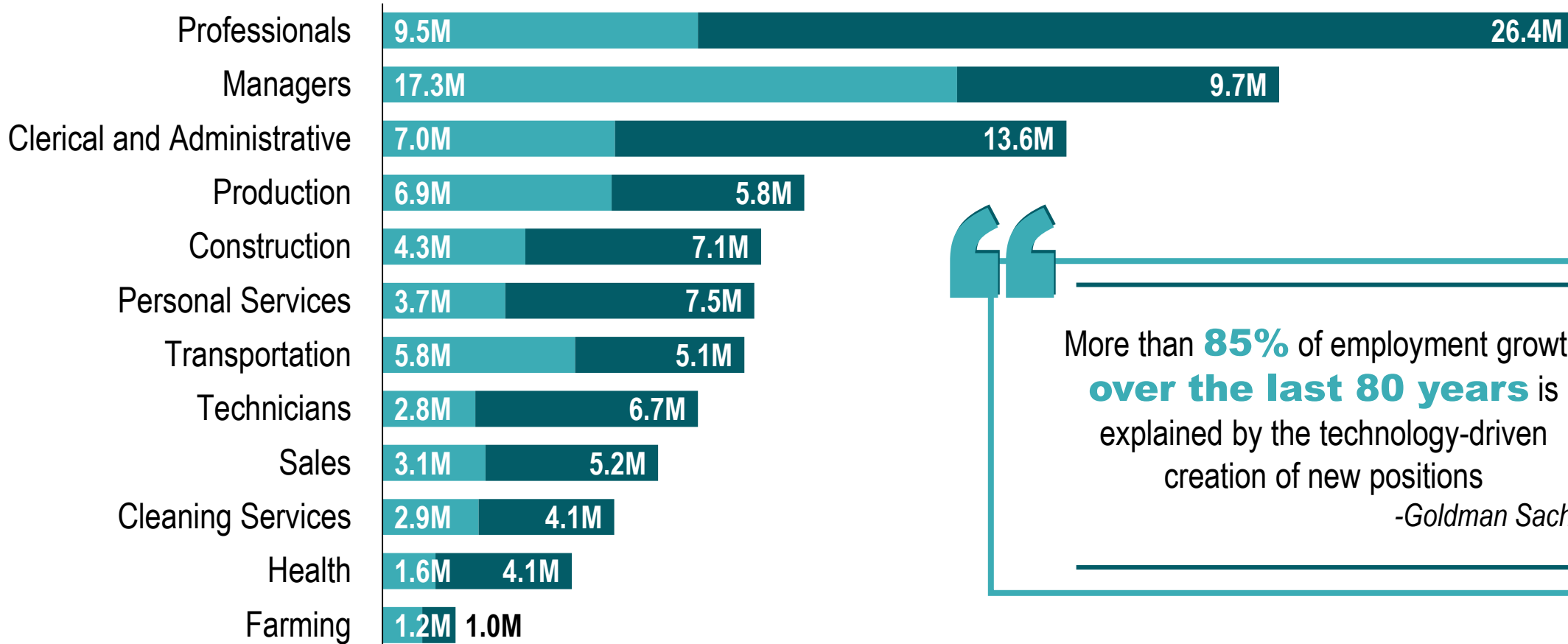


Source: Goldman Sachs; David Autor et al. (2022)

Innovation Drives Employment

Occupation Growth Since 1940

■ Occupations that Existed in 1940 ■ Occupations that Didn't Exist in 1940



More than **85%** of employment growth **over the last 80 years** is explained by the technology-driven creation of new positions
-Goldman Sachs

Source: Goldman Sachs; David Autor et al. (2022)



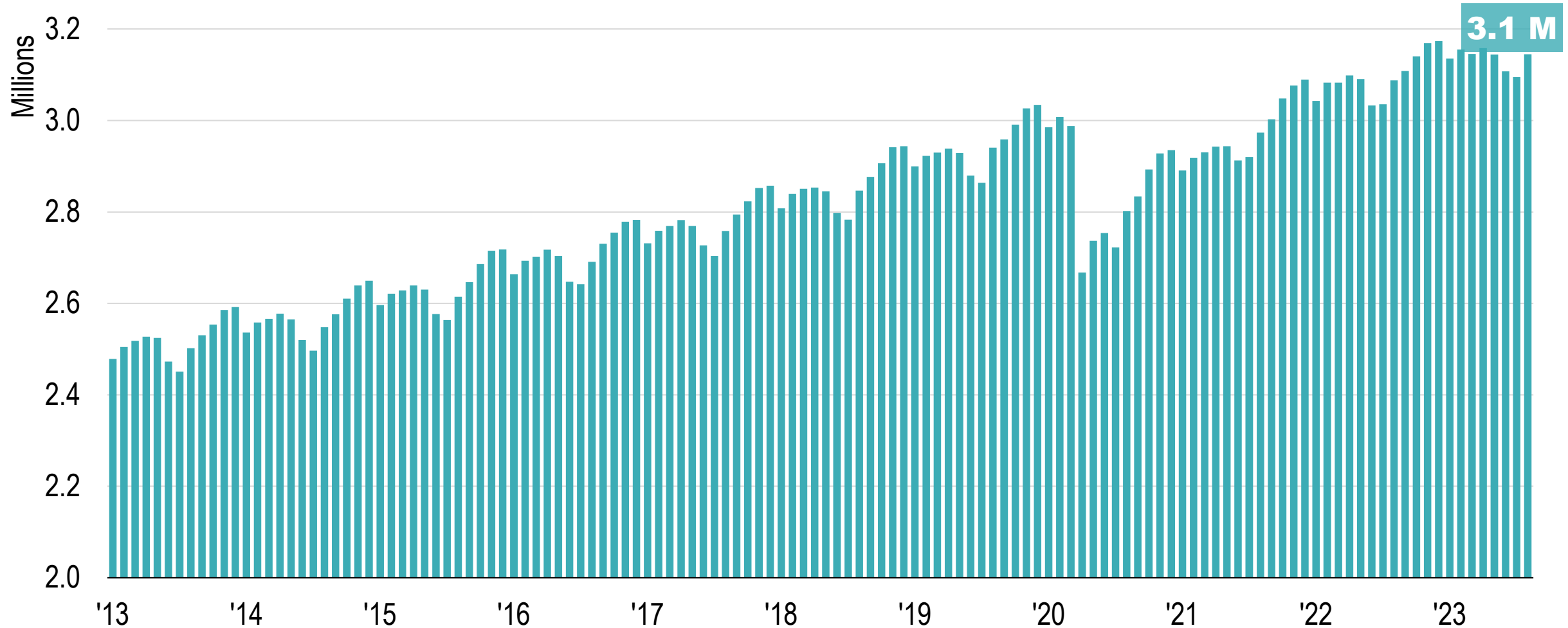
🔍 Arizona Labor Market

3.1 M

Image Source: (Sean Pavone/shutterstock.com)

Employment

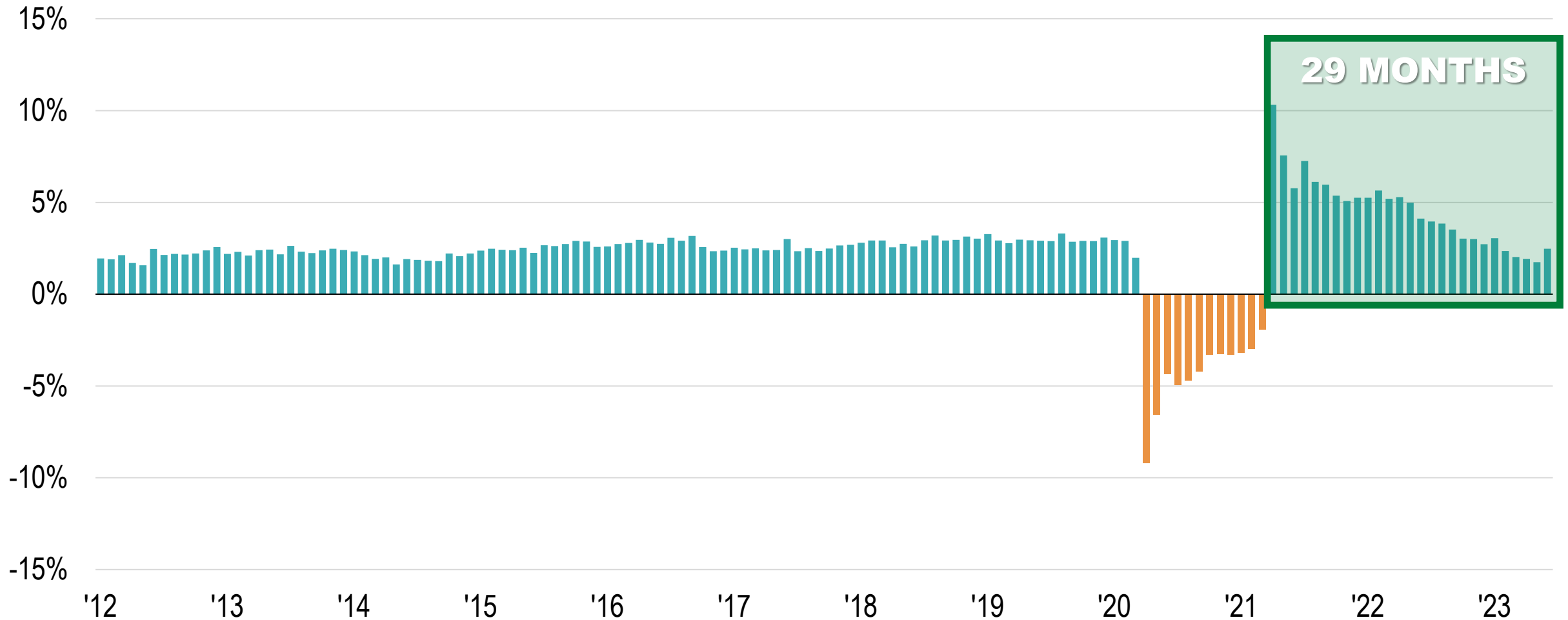
Arizona



Source: U.S. Bureau of Labor Statistics

Employment Growth

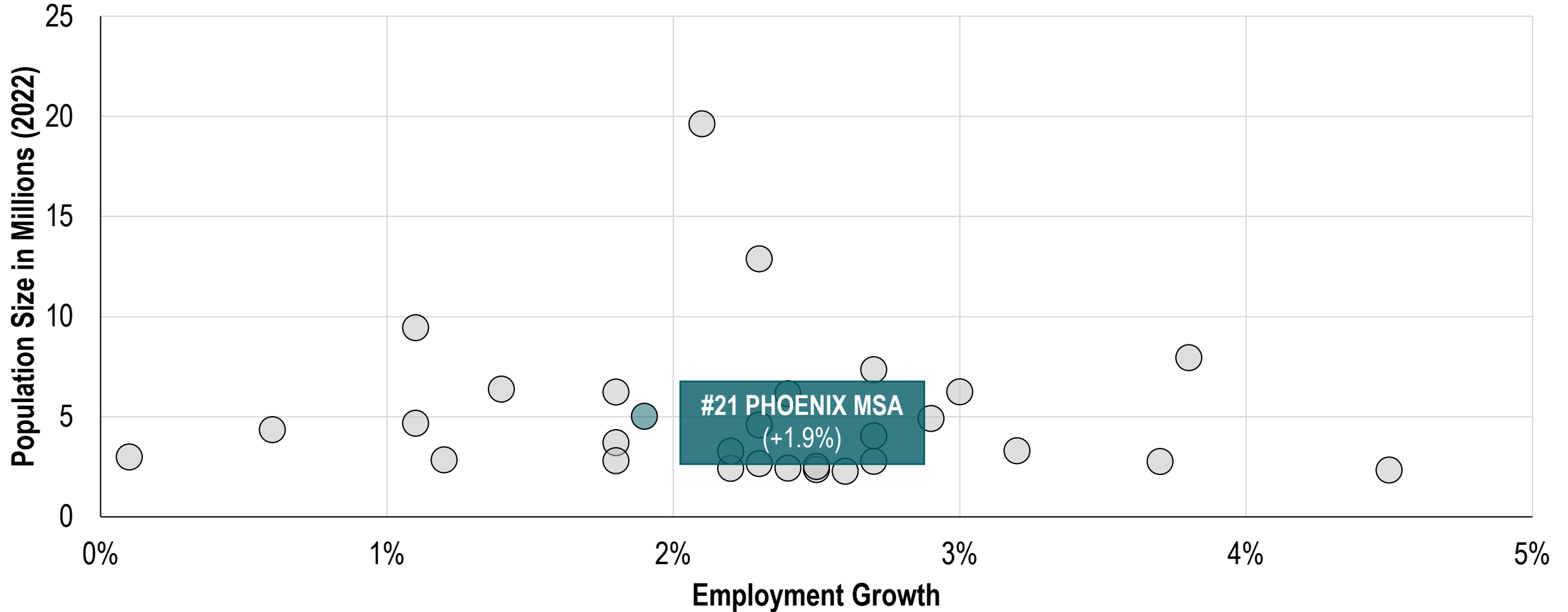
Arizona | Year-Over-Year



Source: U.S. Bureau of Labor Statistics

Employment Growth by MSA

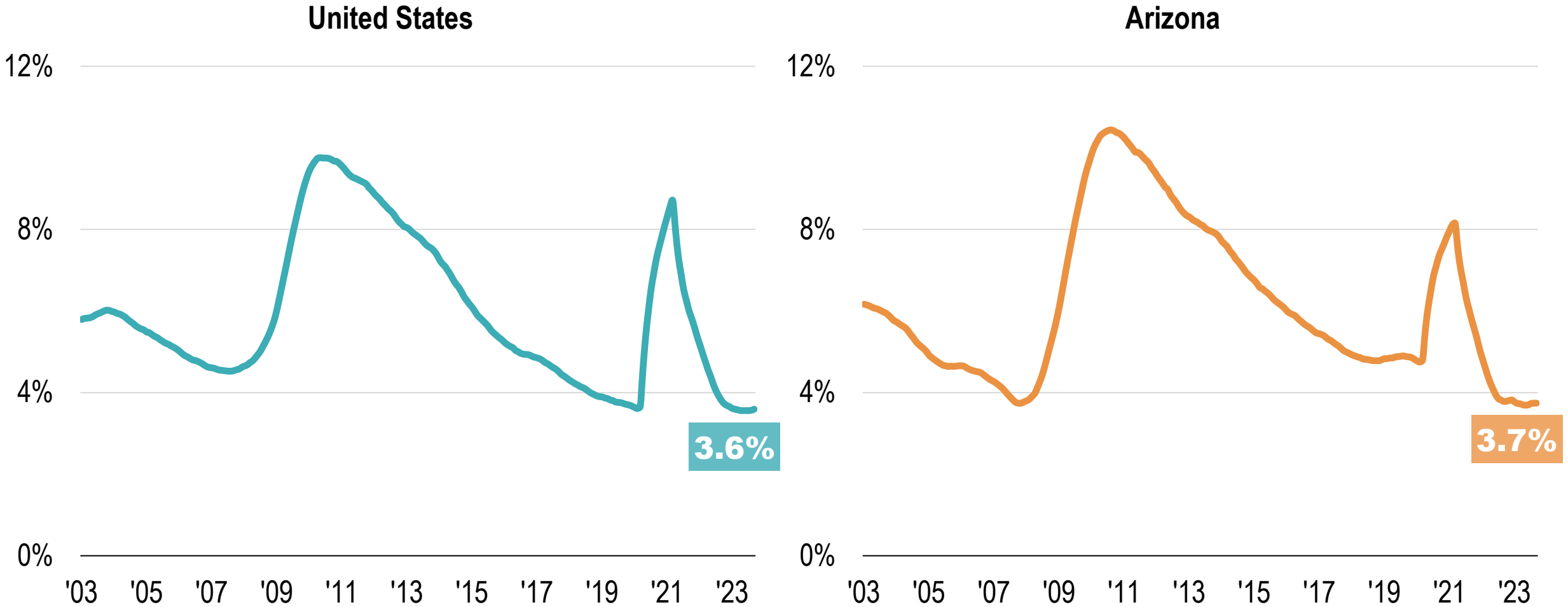
Top 30 Largest MSAs



Source: U.S. Bureau of Labor Statistics; Note: Data reflects August 2022 vs. August 2023.

Unemployment Rate

Monthly | Trailing Twelve-Month Average



Source: U.S. Bureau of Labor Statistics

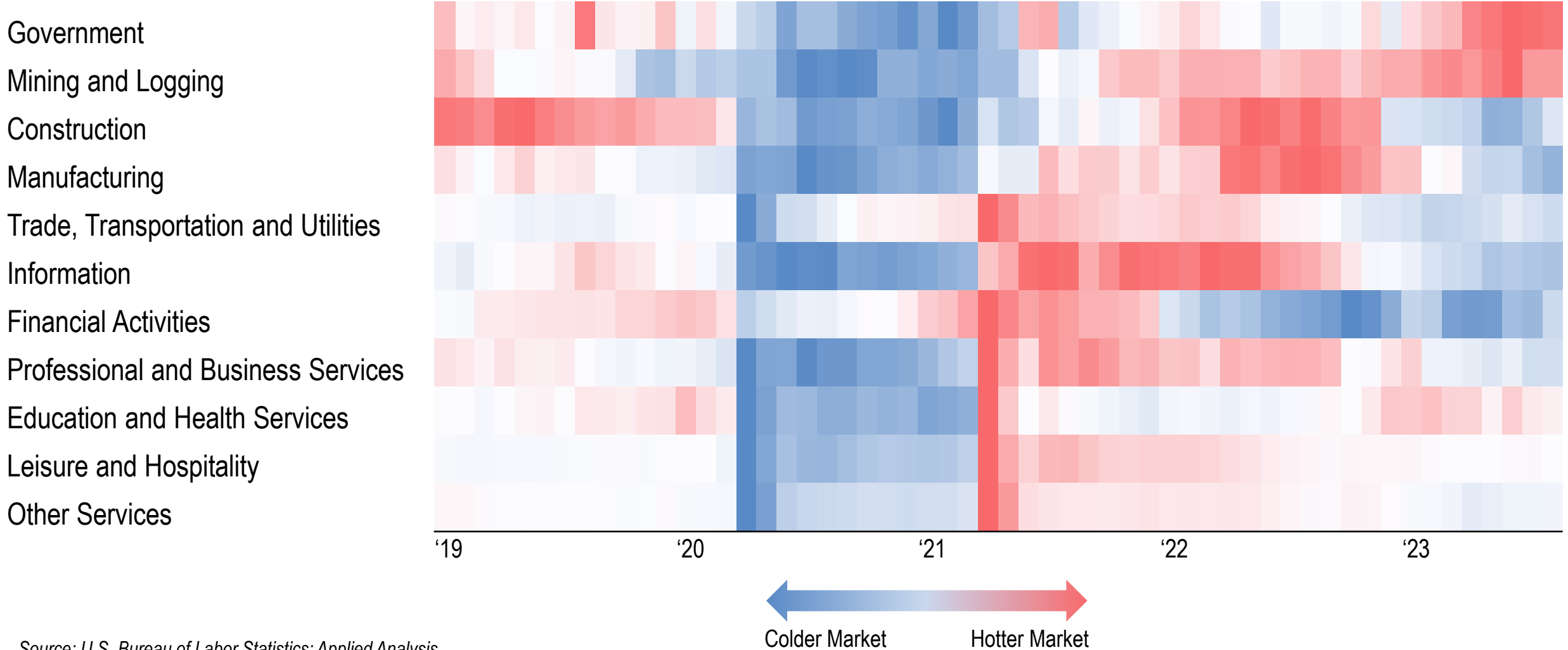
ARIZONA WINS THIRD CONSECUTIVE GOLD SHOVEL AWARD FOR HIGH JOB CREATION

“ ... the Shovel Awards recognize states that garnered large job-creating and investment projects through innovative policies, infrastructure improvements, and other processes that attracted new employers as well as investments in expanded facilities.”

Source: Arizona Commerce Authority, June 7, 2023. Note: Image is sourced to (Matej Kastelic/shutterstock.com).

Employment Growth by Sector

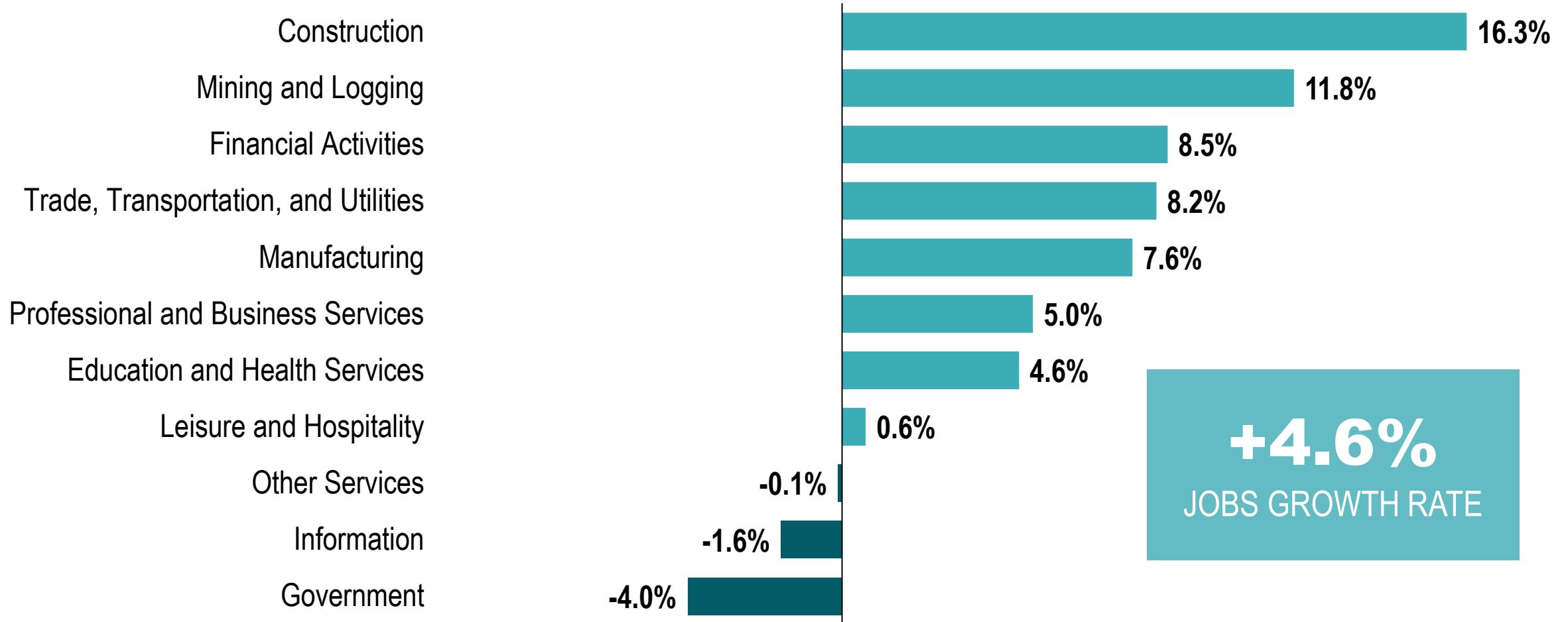
Arizona | Year-over-Year % Change



Source: U.S. Bureau of Labor Statistics; Applied Analysis

Employment Growth by Sector (%)

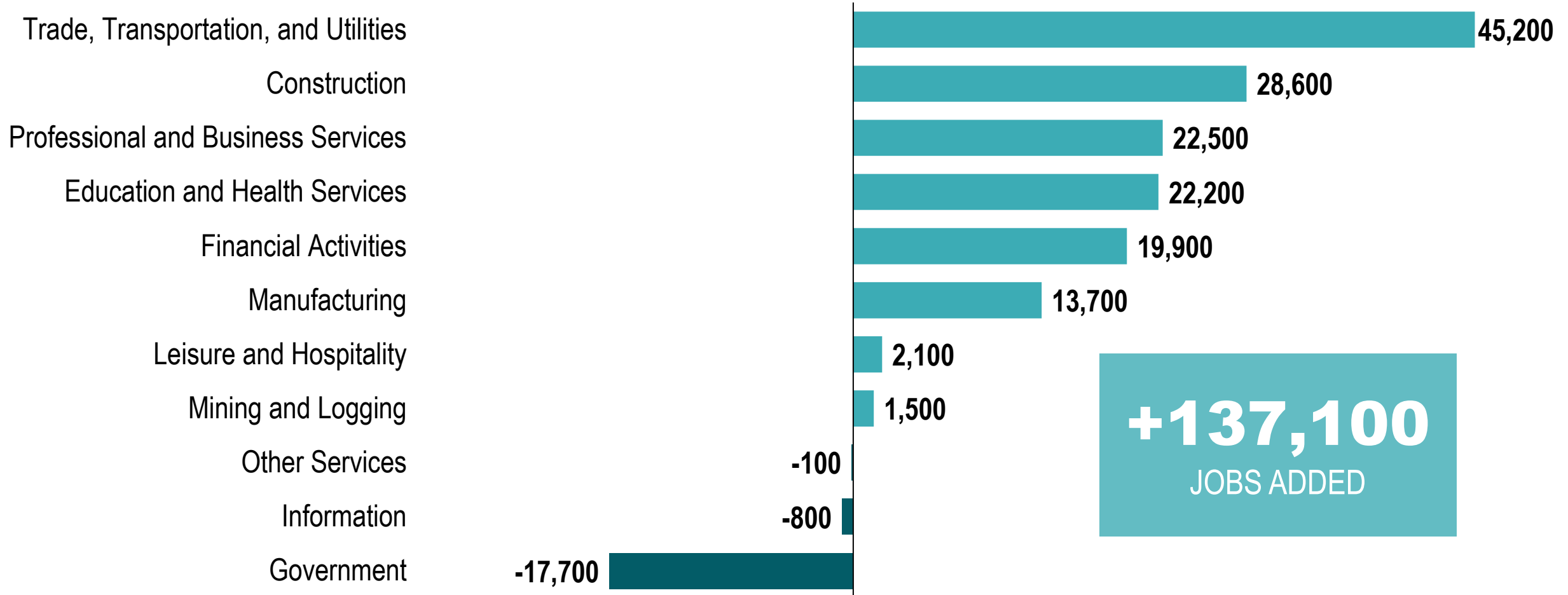
Arizona | February 2020 vs August 2023



Source: U.S. Bureau of Labor Statistics

Employment Growth by Sector (Net)

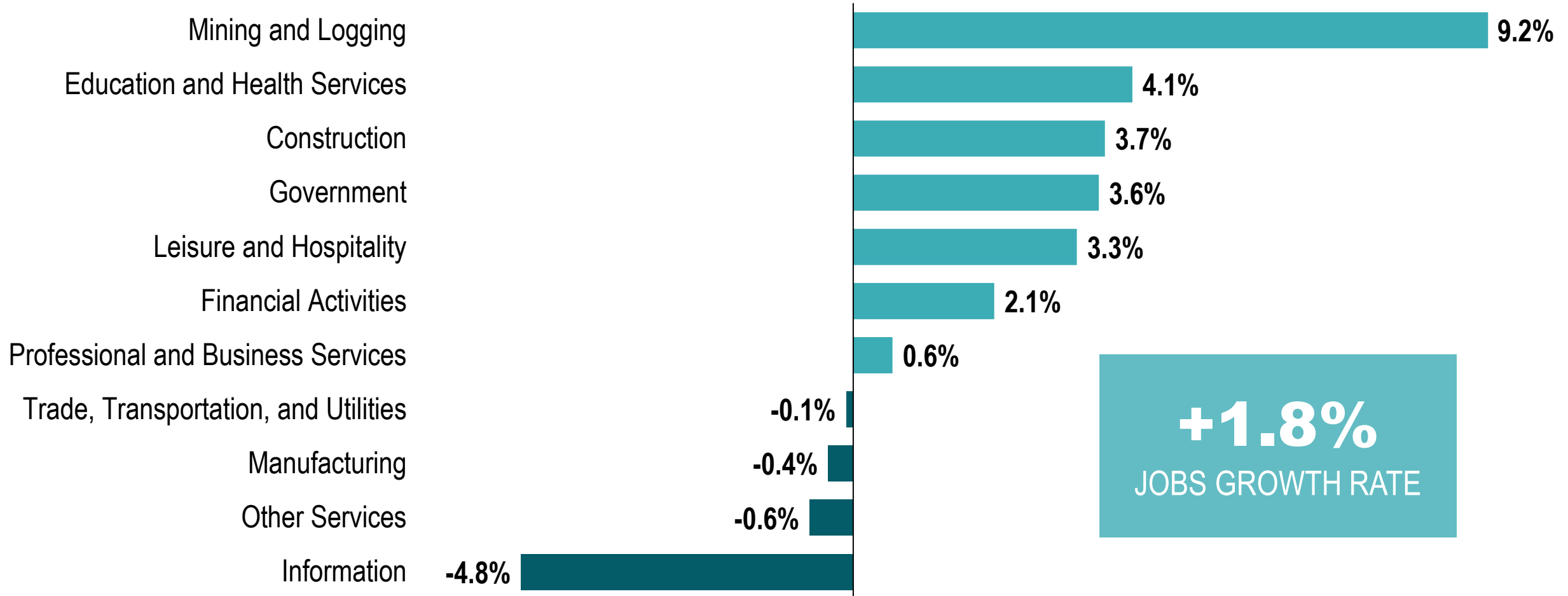
Arizona | February 2020 vs August 2023



Source: U.S. Bureau of Labor Statistics

Employment Growth by Sector (%)

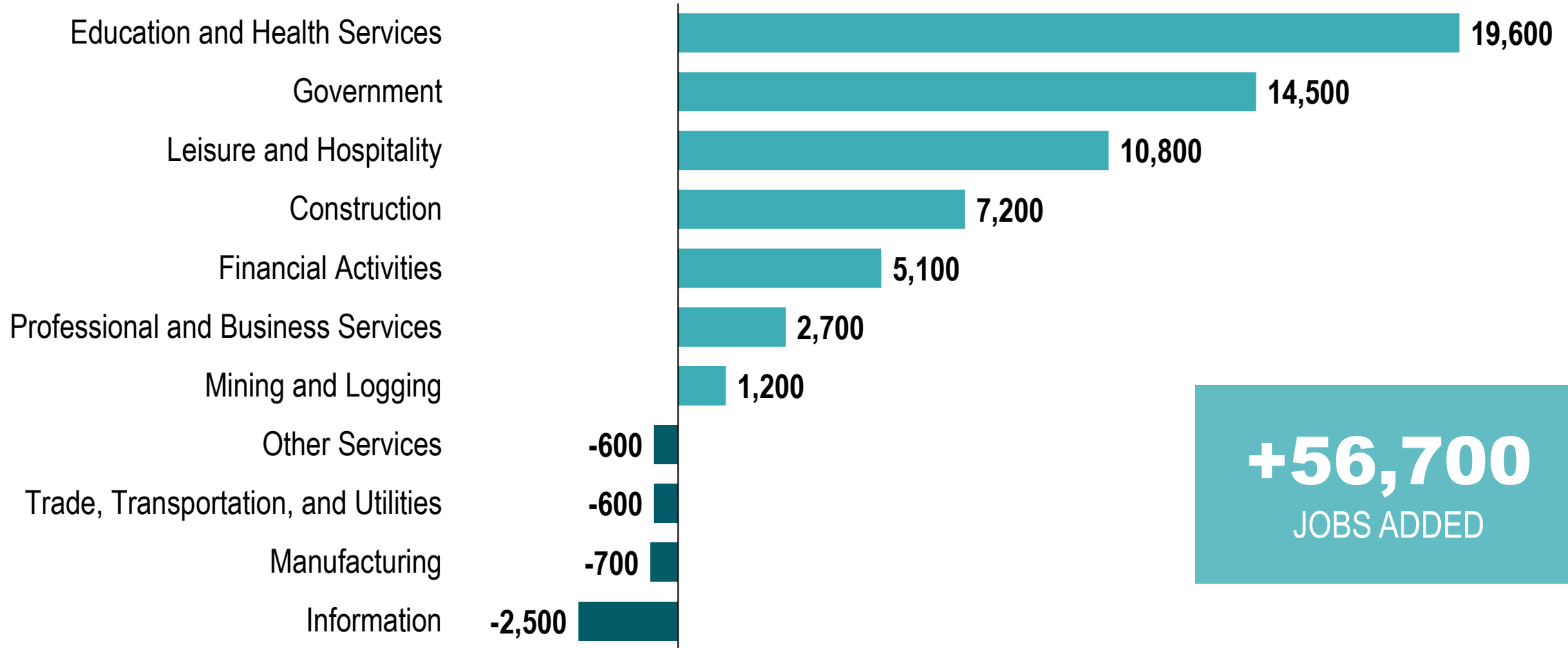
Arizona | August 2022 vs August 2023



Source: U.S. Bureau of Labor Statistics

Employment Growth by Sector (Net)

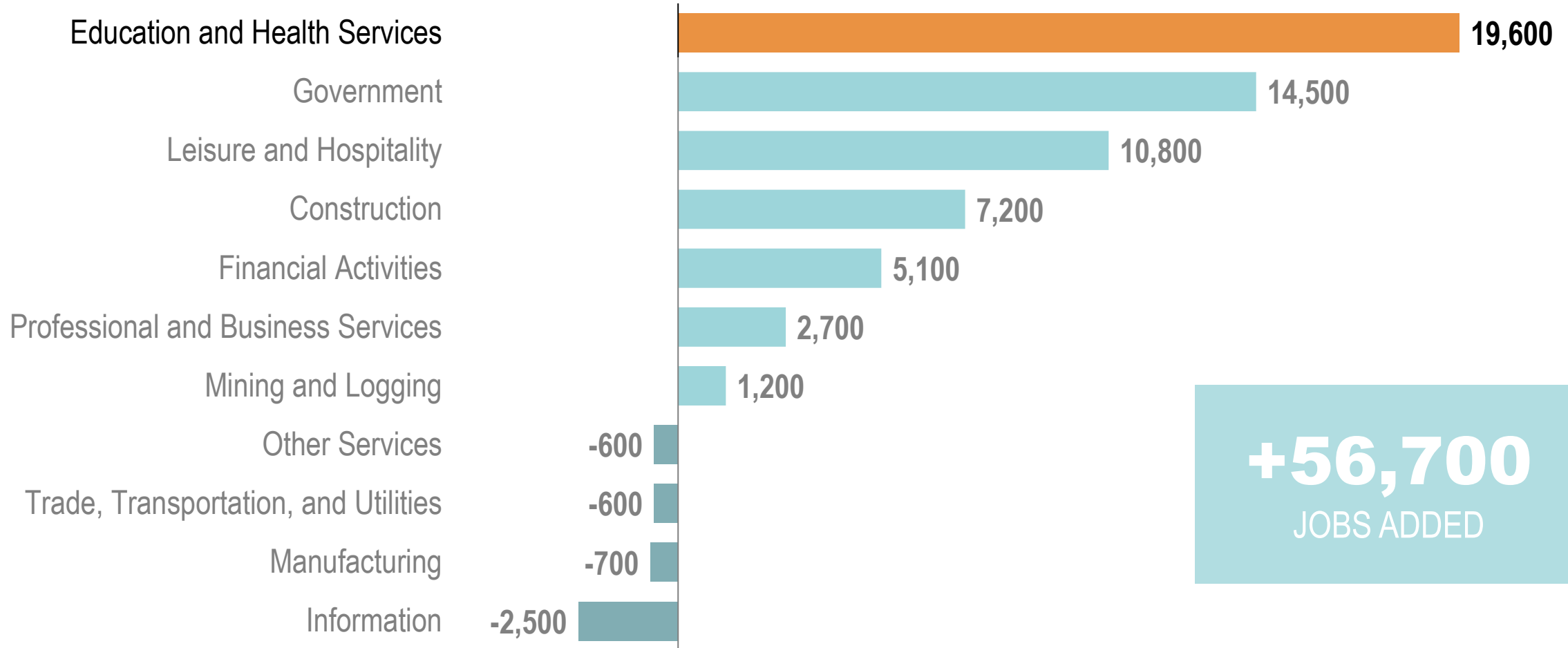
Arizona | August 2022 vs August 2023



Source: U.S. Bureau of Labor Statistics

Employment Growth by Sector (Net)

Arizona | August 2022 vs August 2023



Source: U.S. Bureau of Labor Statistics



+4.1%

YEAR-OVER-YEAR



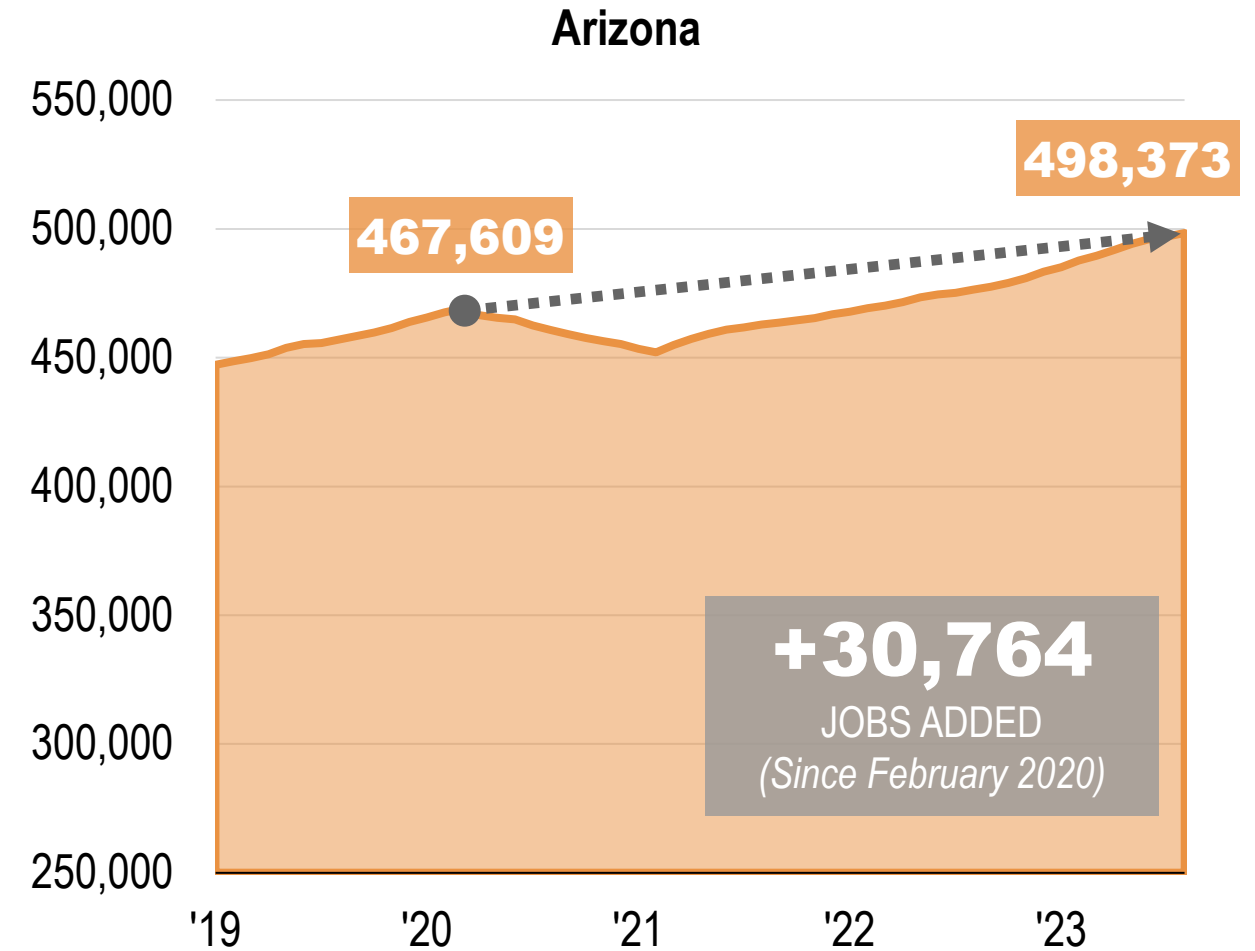
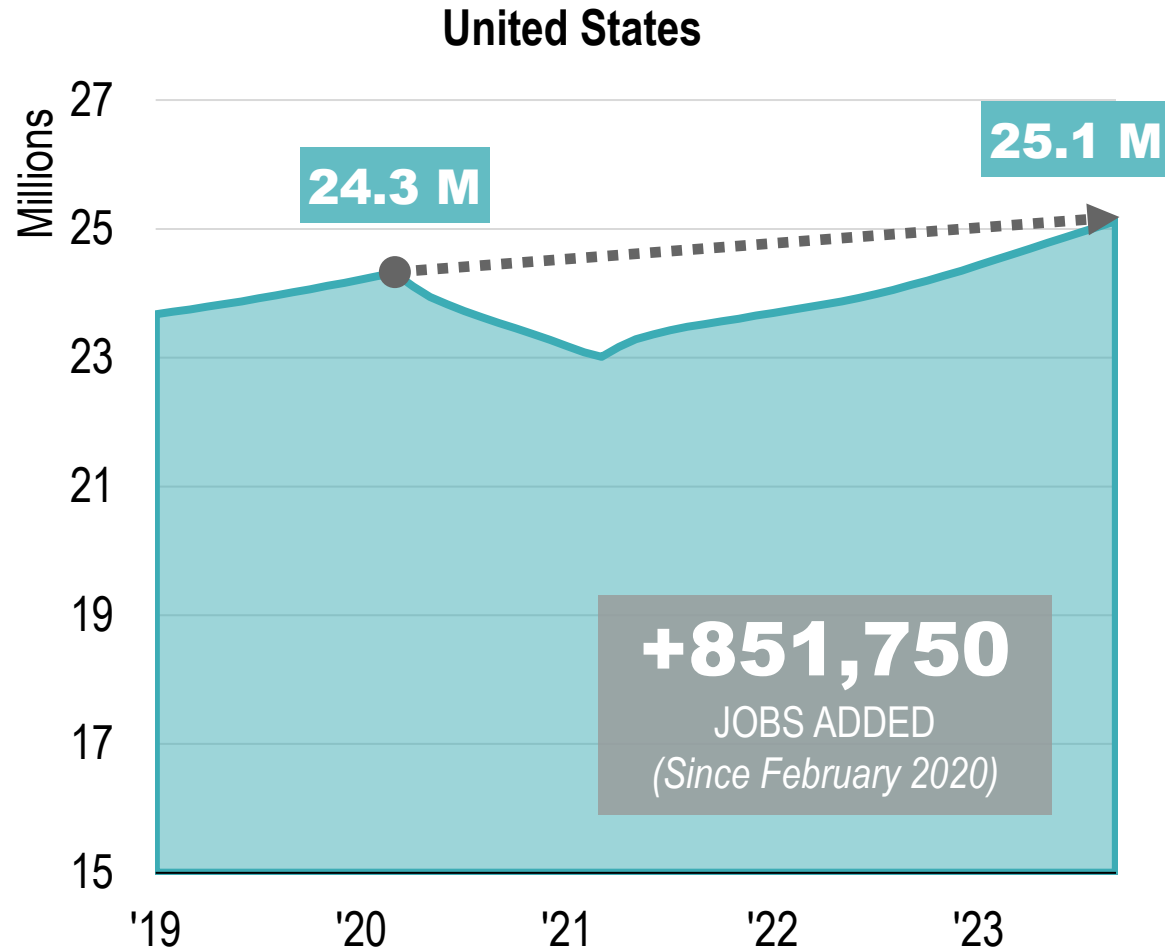
+4.6%

SINCE FEBRUARY 2020

Note: All images are sourced to shutterstock.com.

Education & Health Services

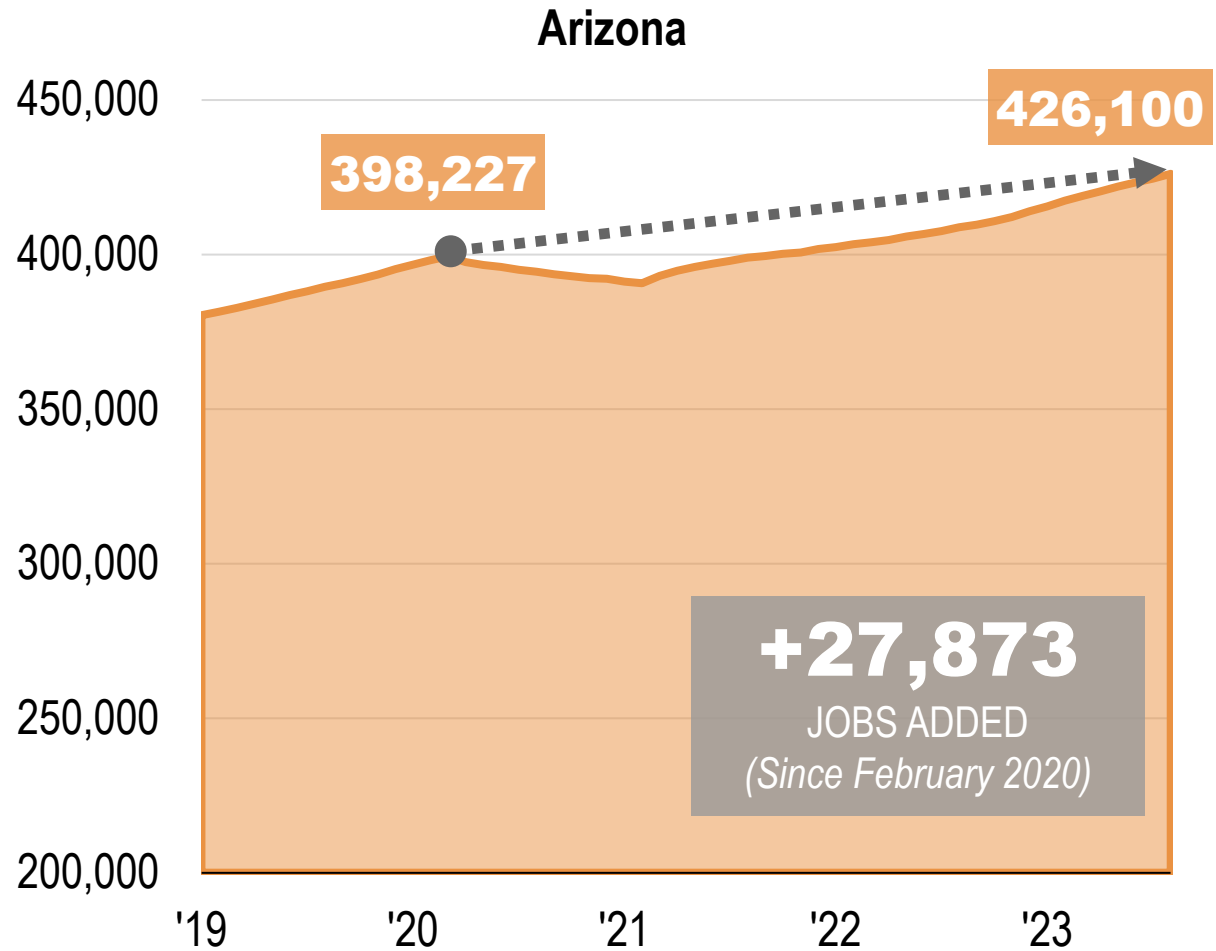
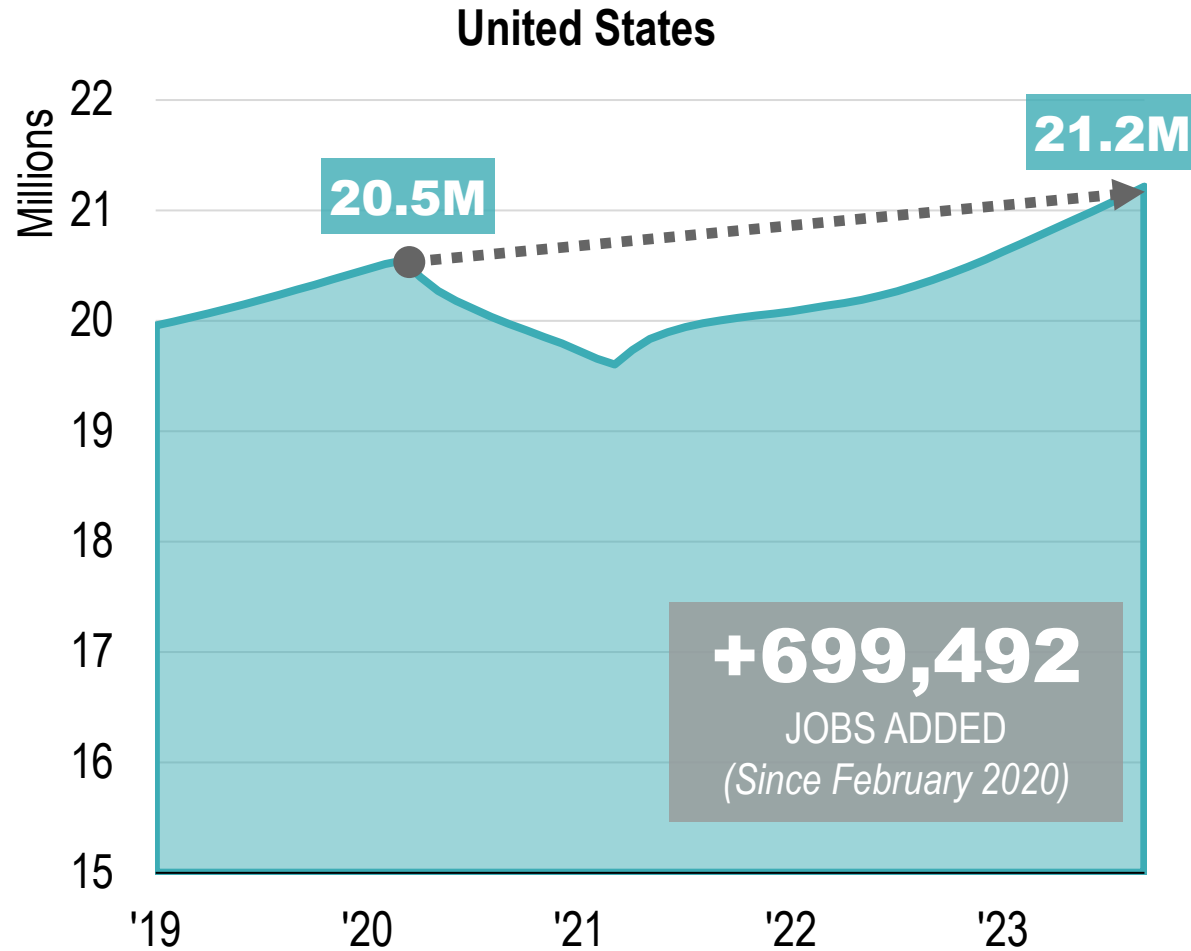
Employment | Monthly



Source: U.S. Bureau of Labor Statistics; Note: Data shows twelve-month average.

Health Care & Social Assistance

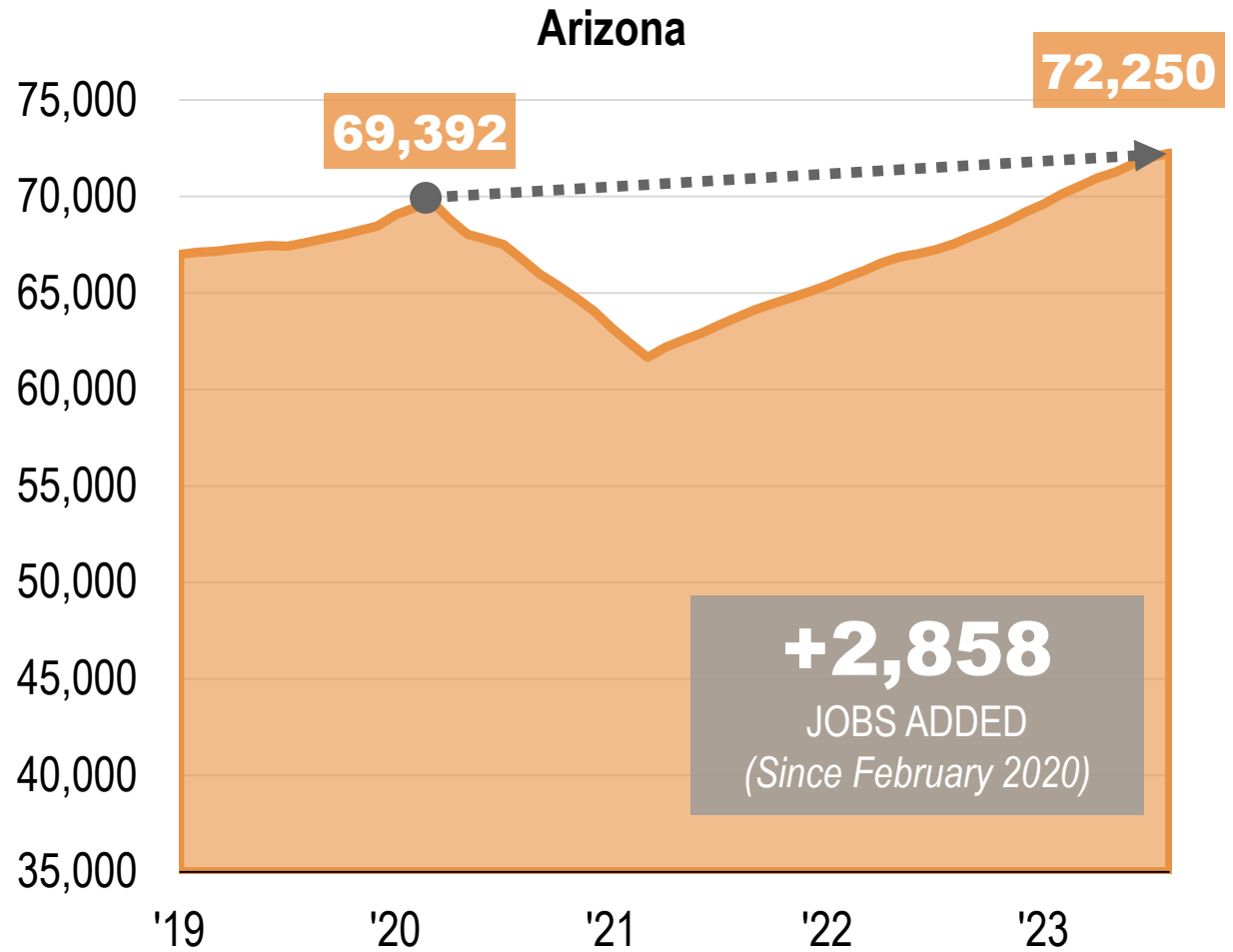
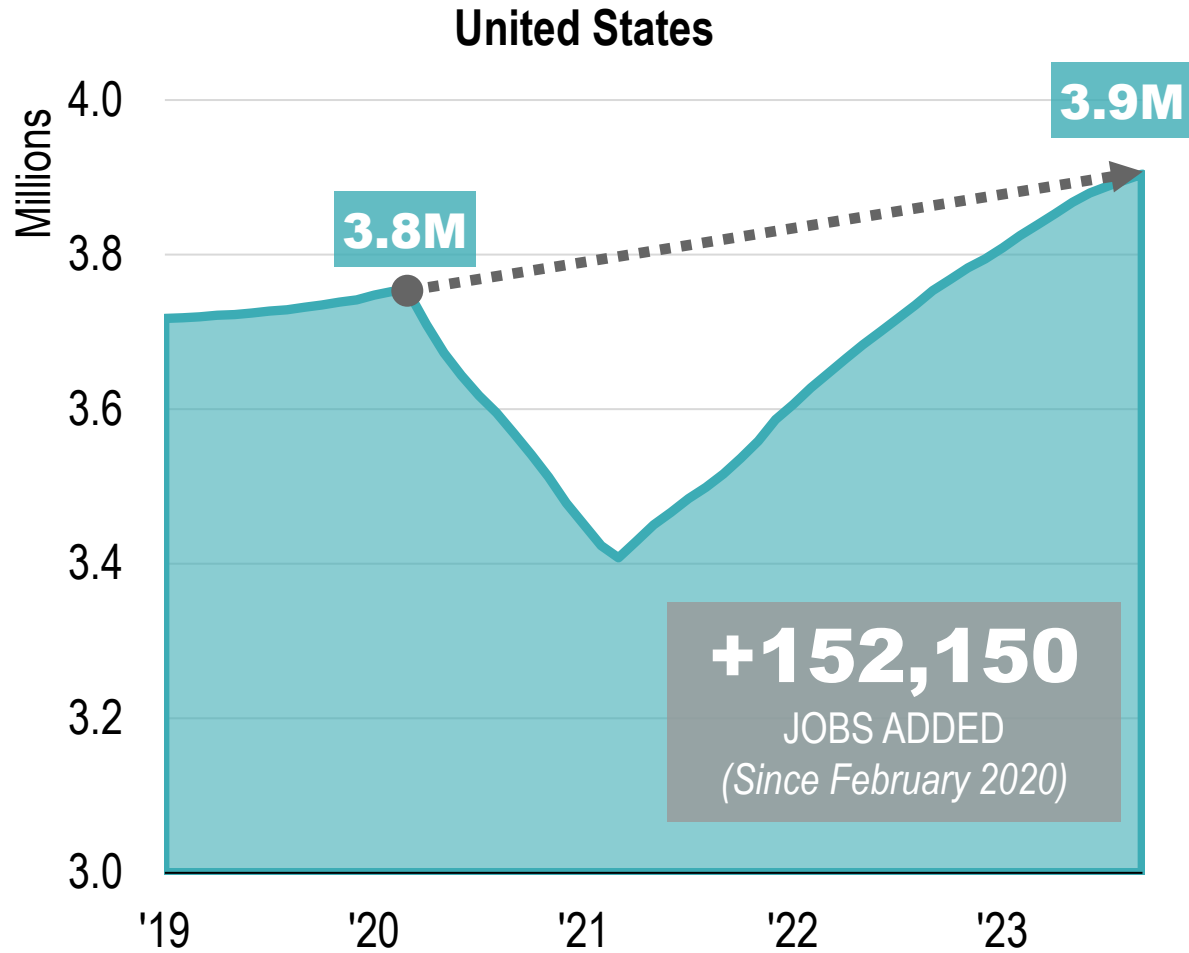
Employment | Monthly



Source: U.S. Bureau of Labor Statistics; Note: Data shows twelve-month average.

Private Education

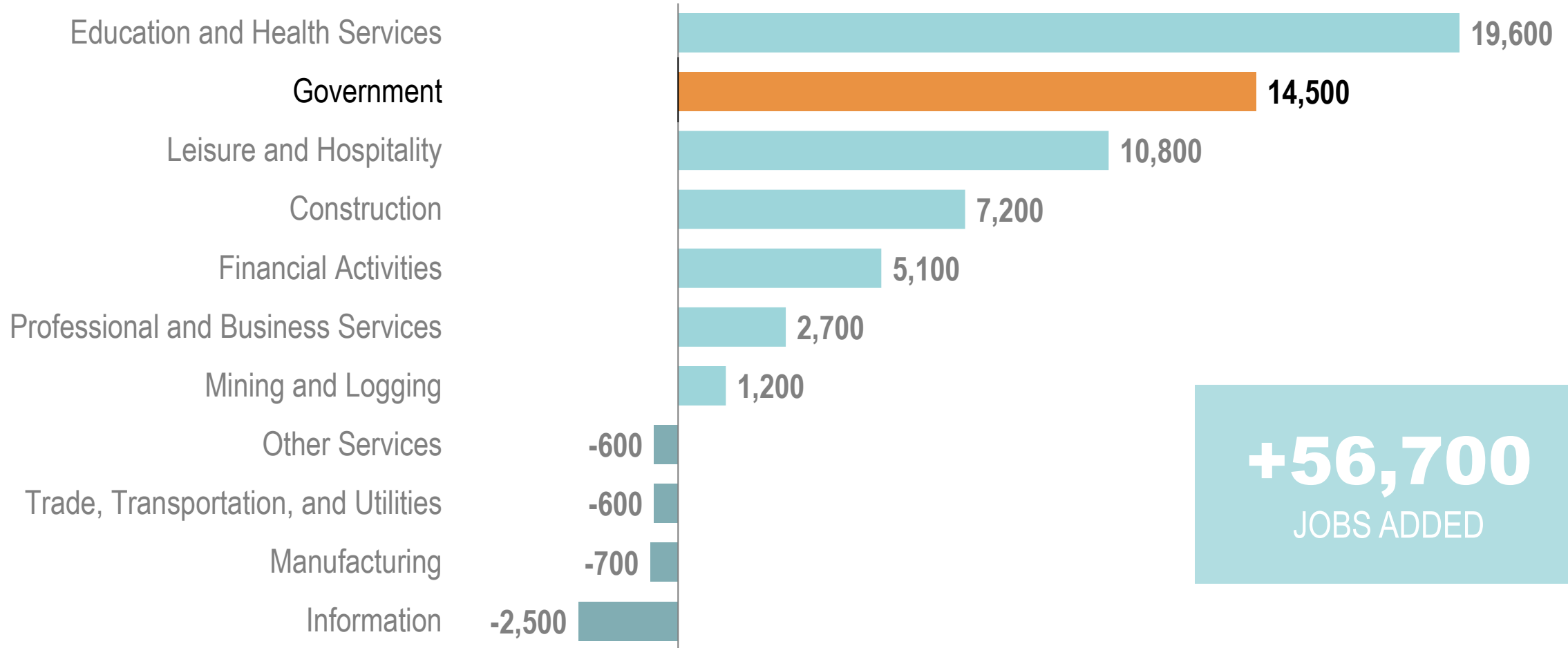
Employment | Monthly



Source: U.S. Bureau of Labor Statistics; Data shows trailing twelve-month average.

Employment Growth by Sector (Net)

Arizona | August 2022 vs August 2023



Source: U.S. Bureau of Labor Statistics



+3.6%

YEAR-OVER-YEAR

-4.0%


SINCE FEBRUARY 2020

Image Source: (rarraroro/shutterstock.com)

Government Employment

Federal
Government

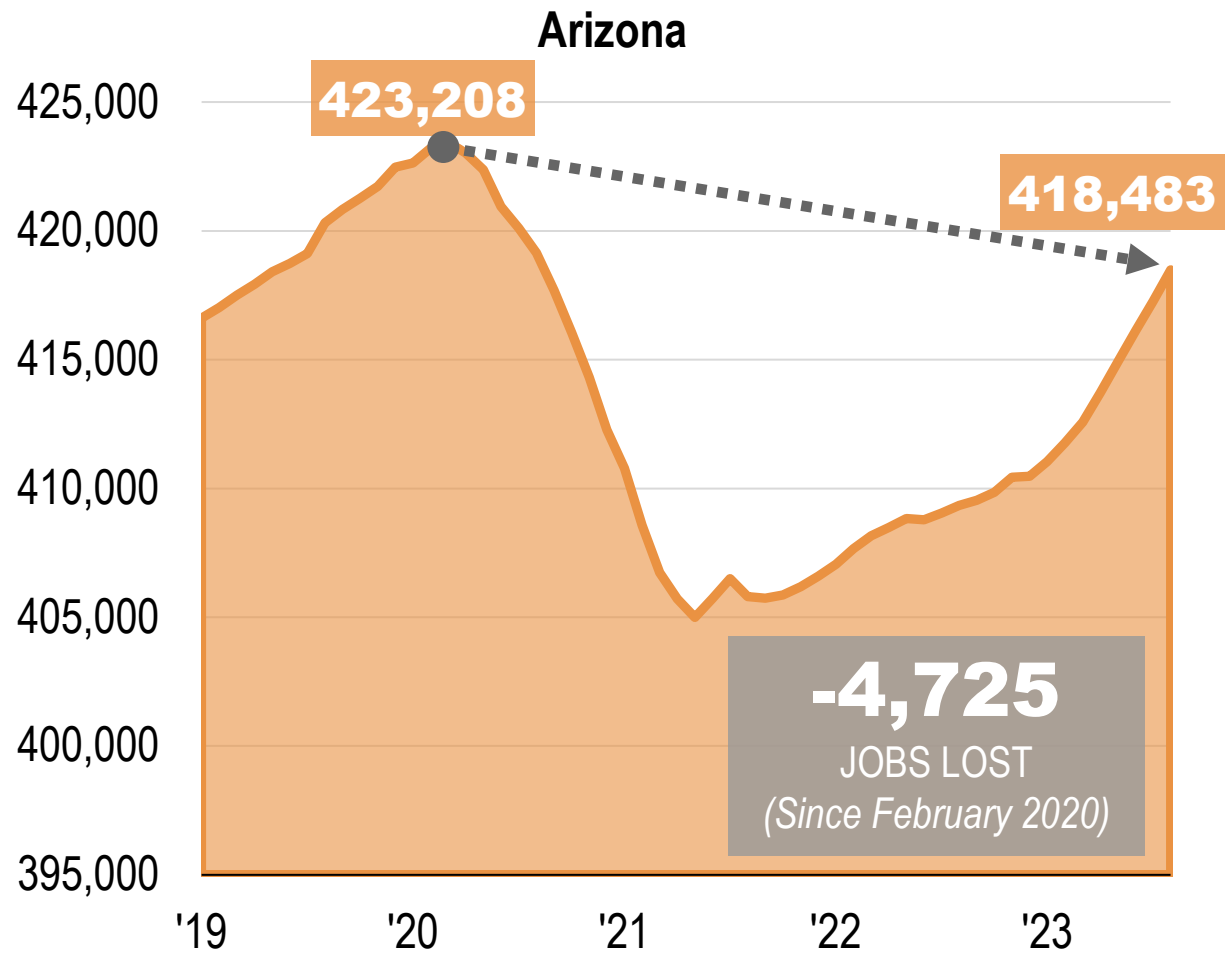
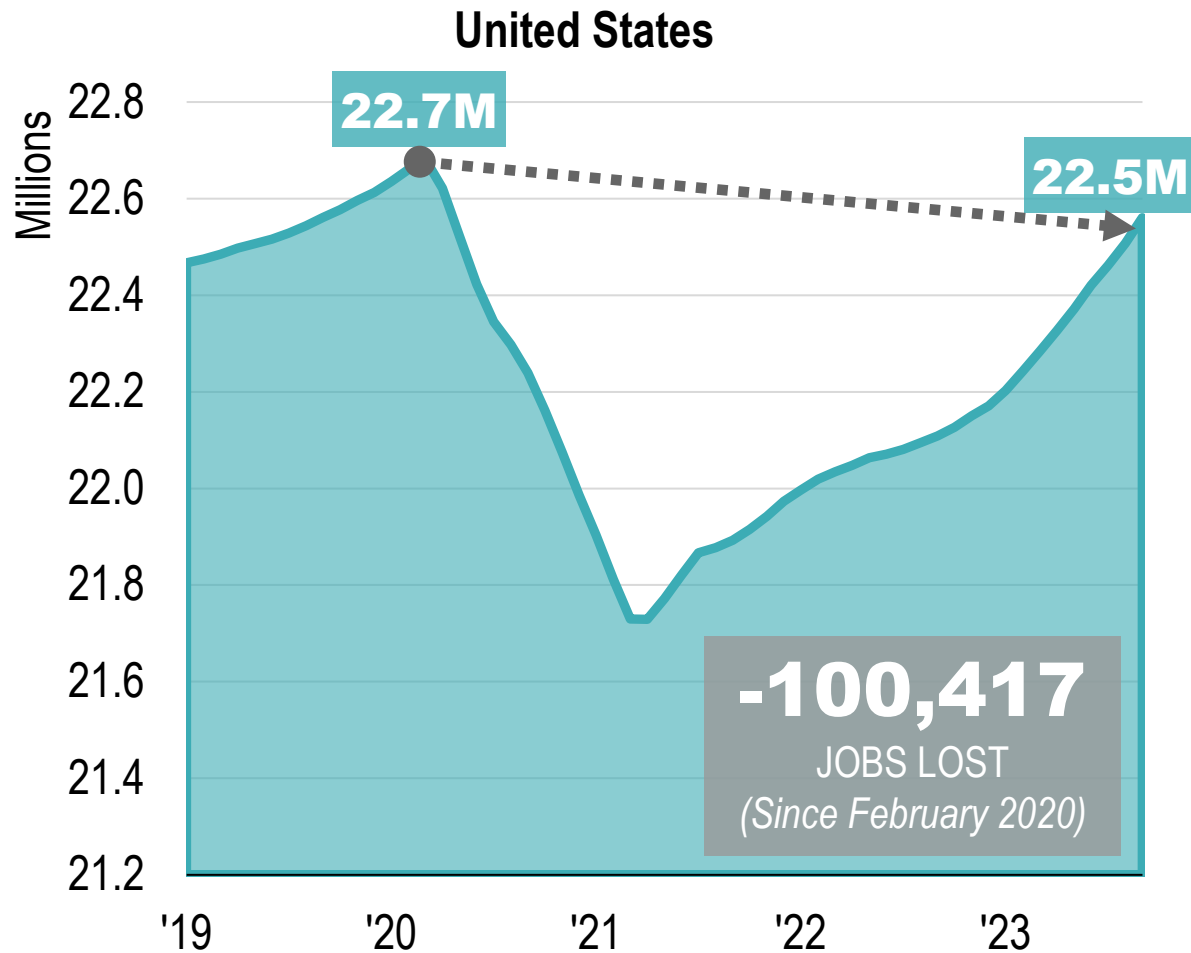

13.0%


30.5%

Note: All images are sourced to shutterstock.com.

Government

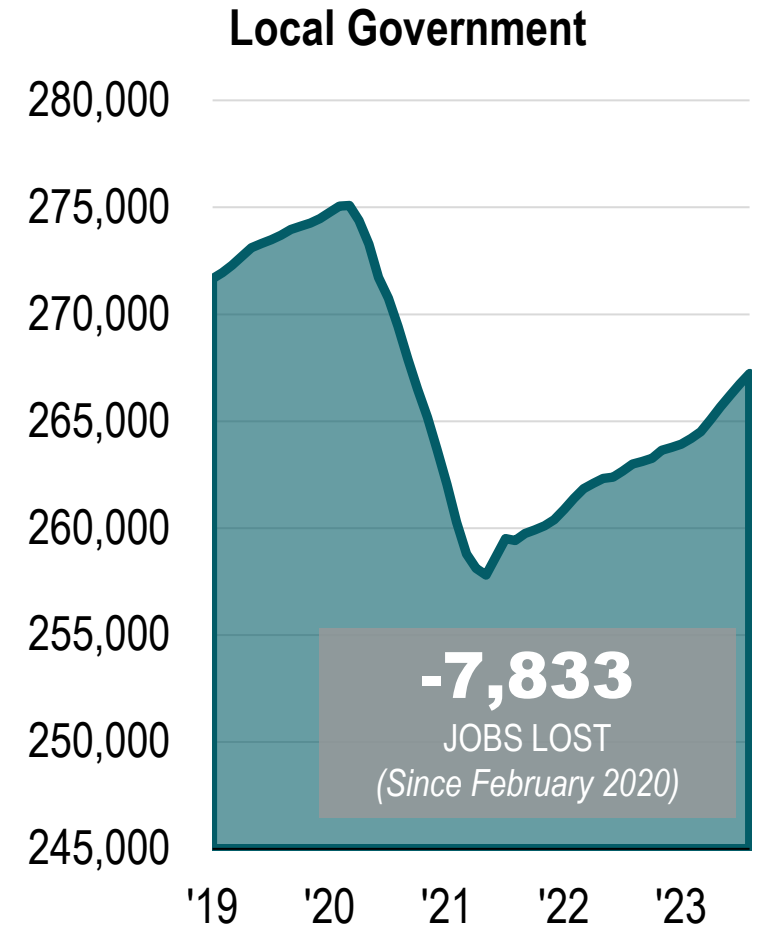
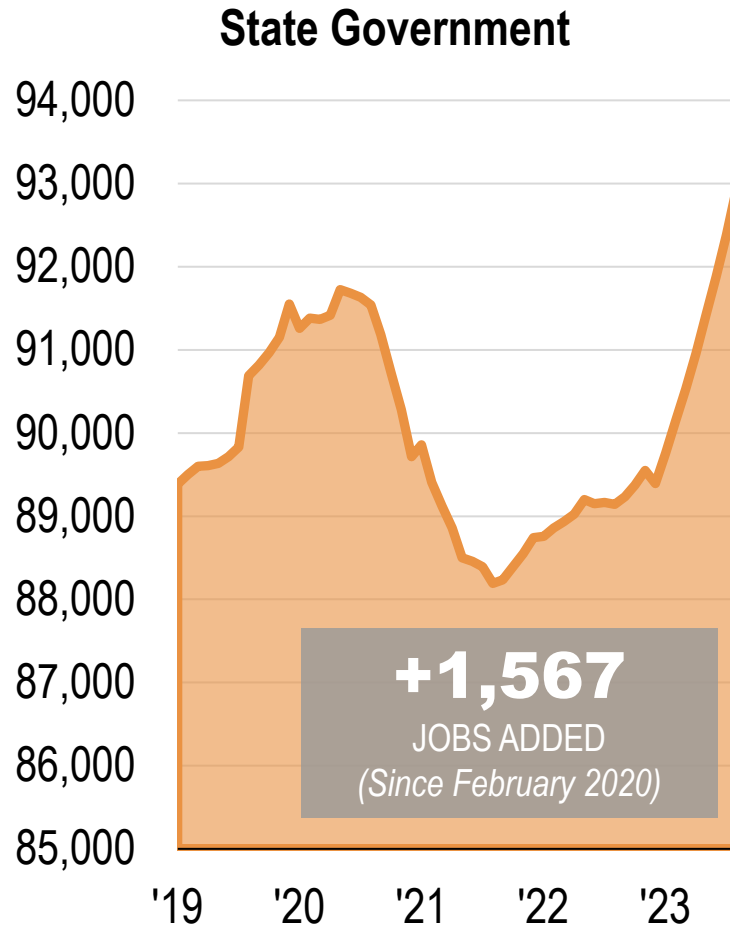
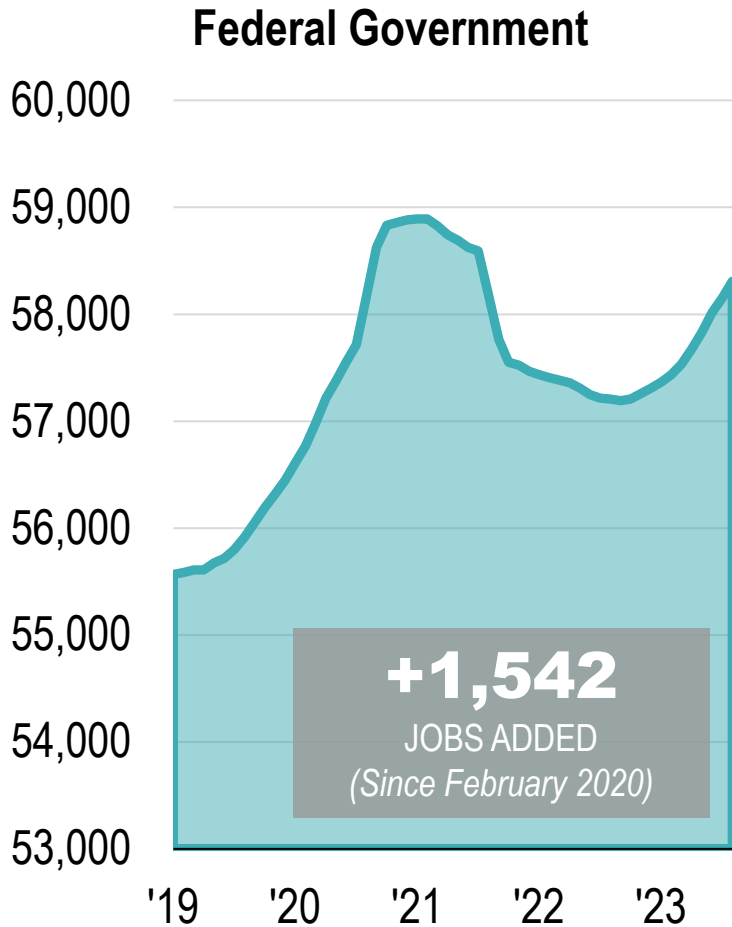
Employment | Monthly



Source: U.S. Bureau of Labor Statistics; Note: Data shows trailing twelve-month average.

Government

Subsector Employment | Arizona



Source: U.S. Bureau of Labor Statistics; Note: Data shows trailing twelve-month average.

+2.5%

YEAR-OVER-YEAR

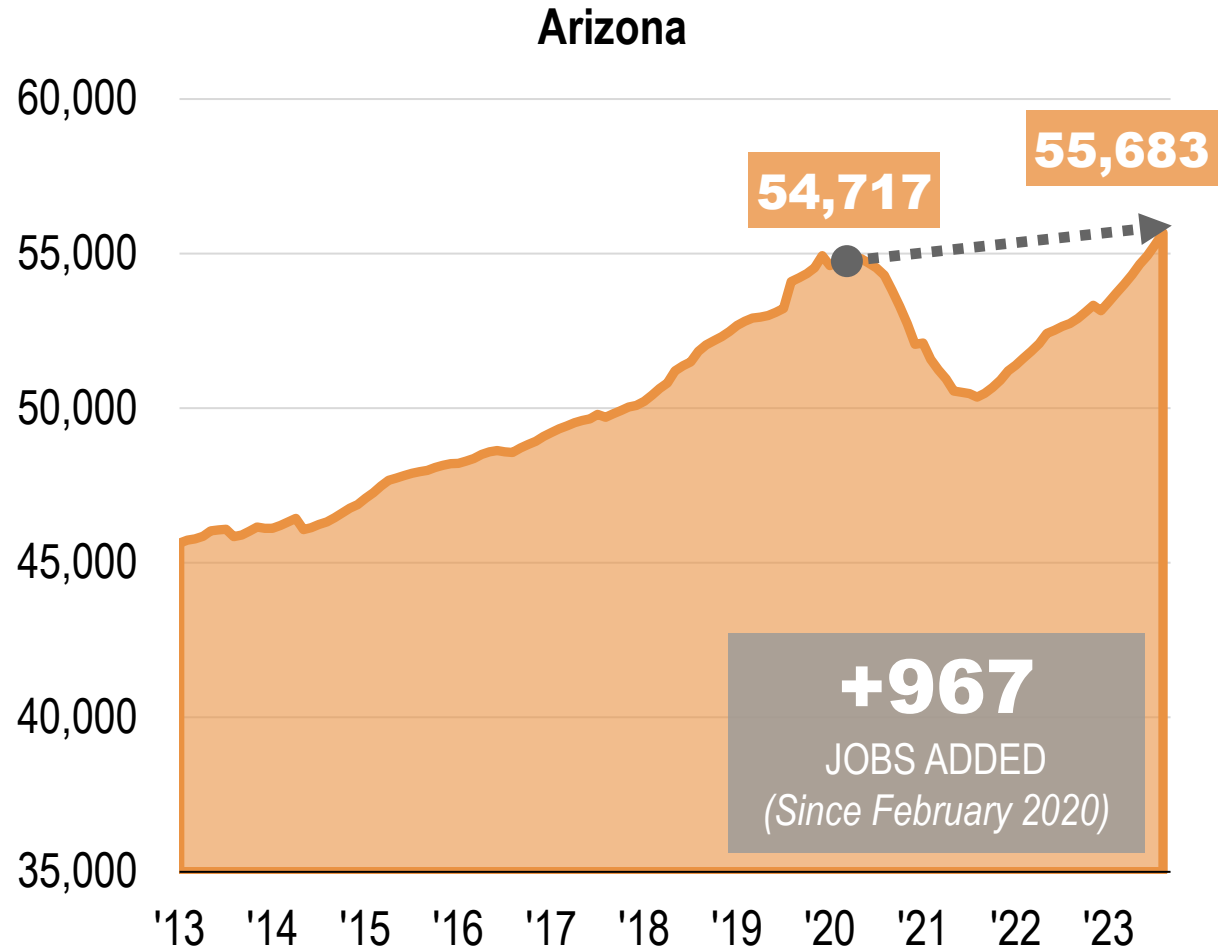
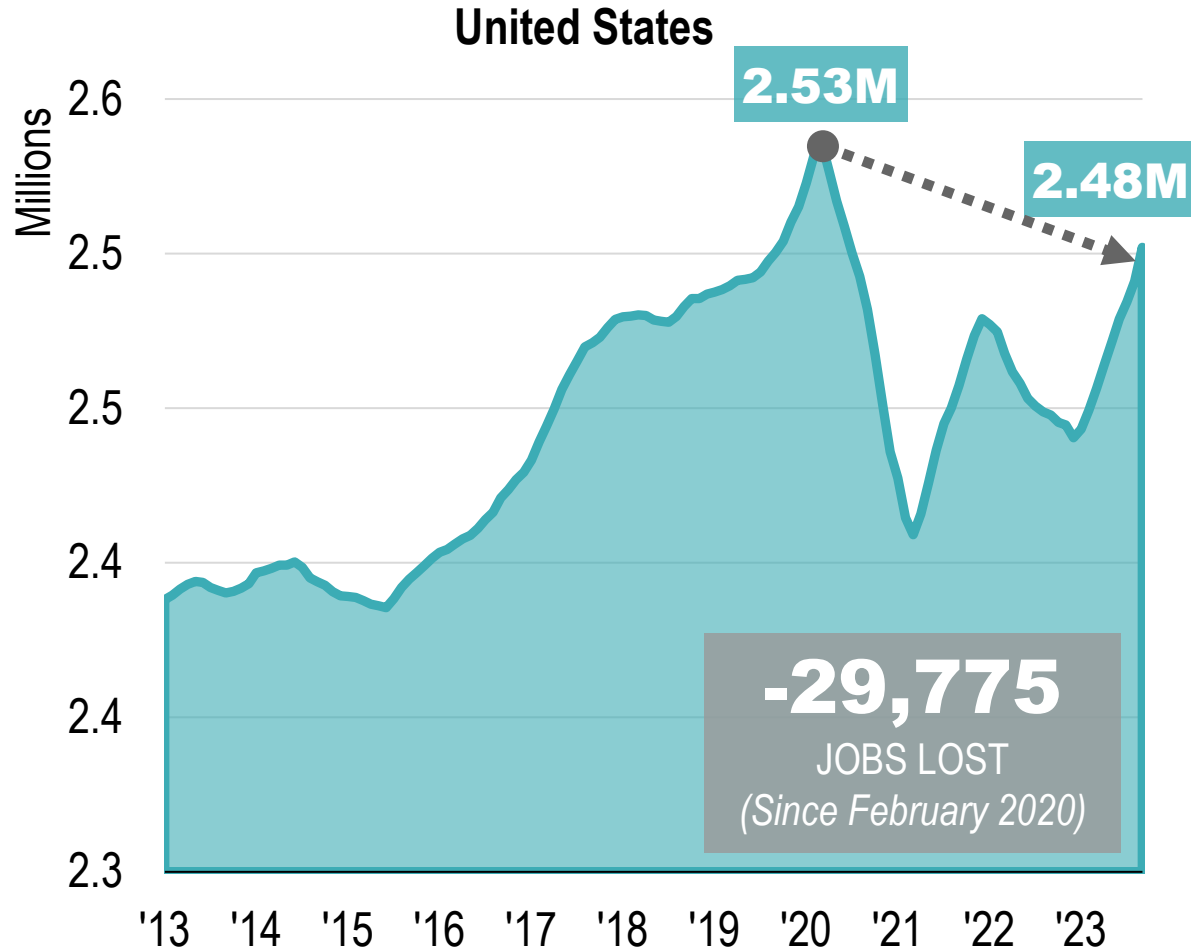
-12.3%

SINCE FEBRUARY 2020

Image Source: [gettyimages.com](https://www.gettyimages.com)

State Government Education

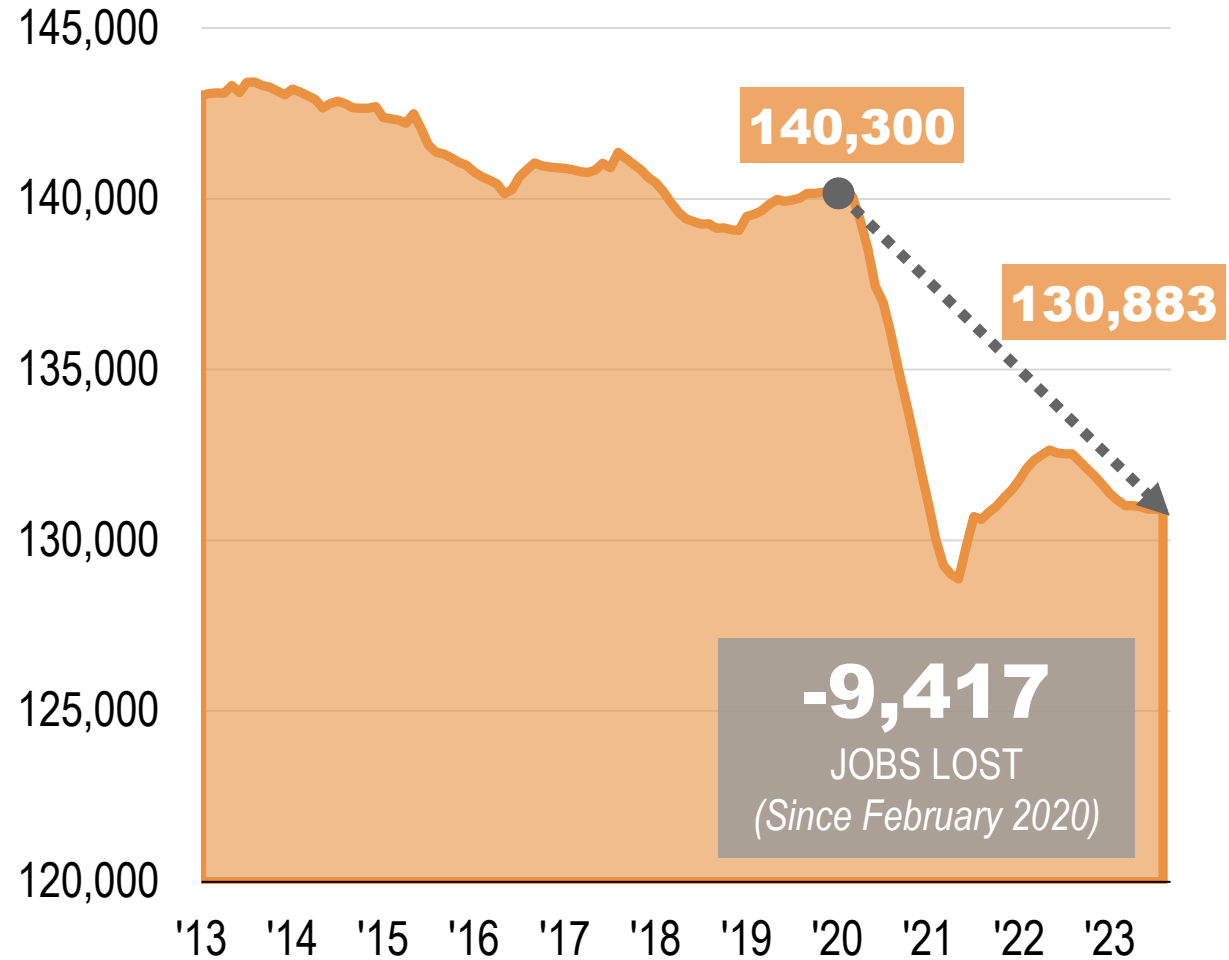
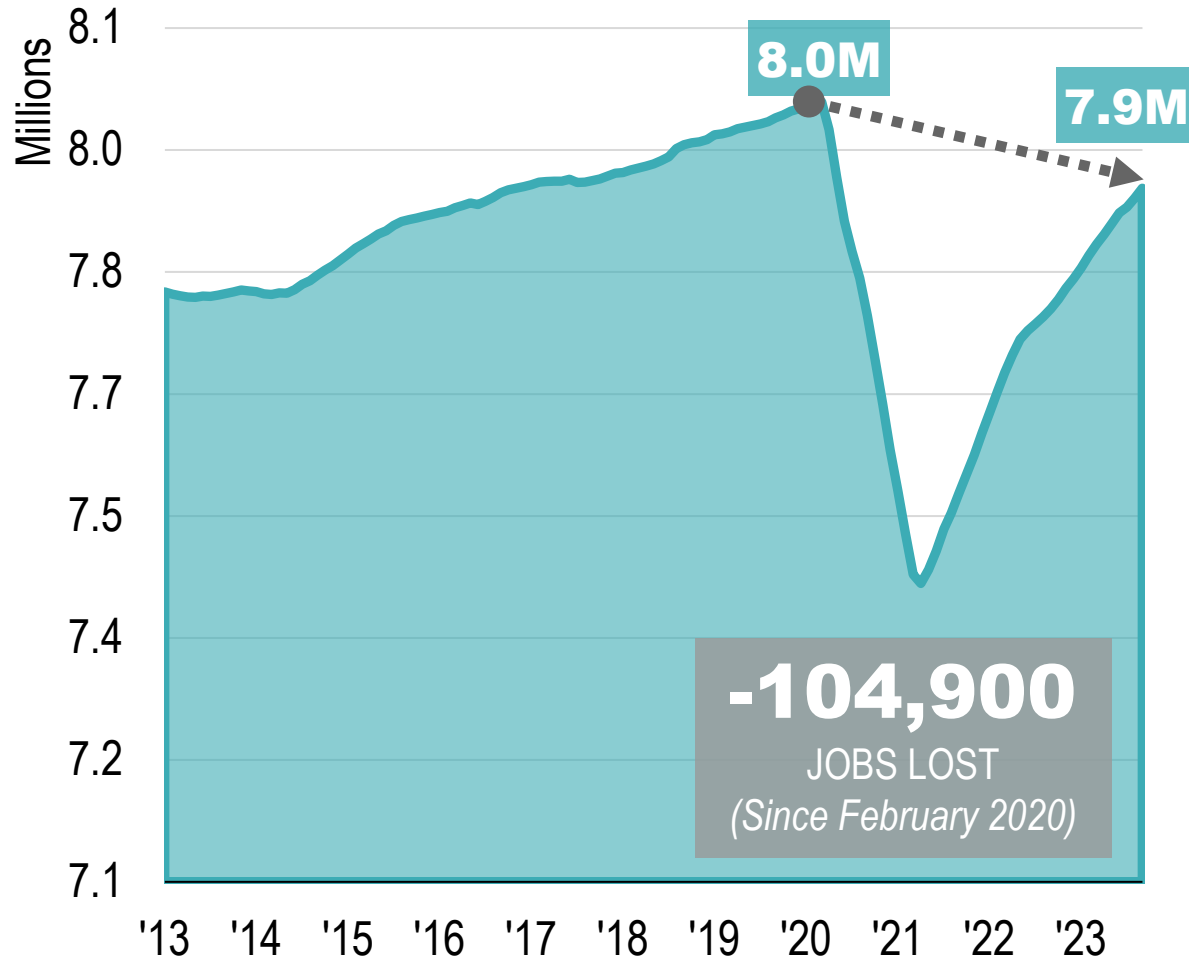
Employment | Monthly



Source: U.S. Bureau of Labor Statistics; Note: Data shows trailing twelve-month average.

Local Government Education

Arizona Employment | Monthly



Source: U.S. Bureau of Labor Statistics; Note: Data shows trailing twelve-month average.

TEACHER SHORTAGES HAVE GOTTEN WORSE.

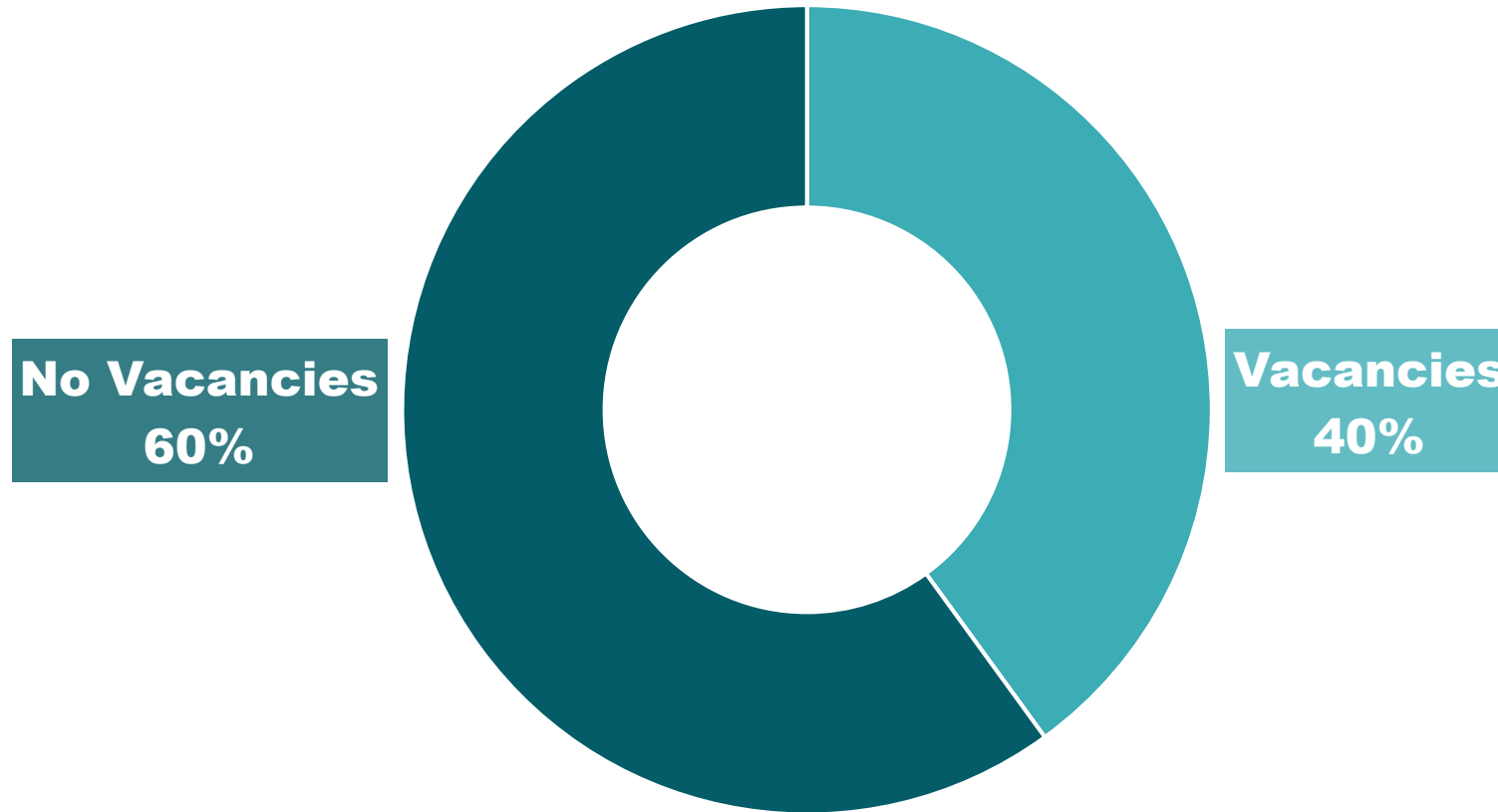
“Teachers are leaving the classroom at higher rates, and the pool of candidates is not big enough to replace them.

Schools in Arizona had 2,890 openings in the 2022-2023 school year — more than 1,000 above the previous year’s total. Teacher vacancies in the state rose from 15 per 10,000 students to 26.”

Source: Washington Post, August 24, 2023. Note: Image is sourced (VTT Studio/shutterstock.com).

Public School Teaching Vacancies

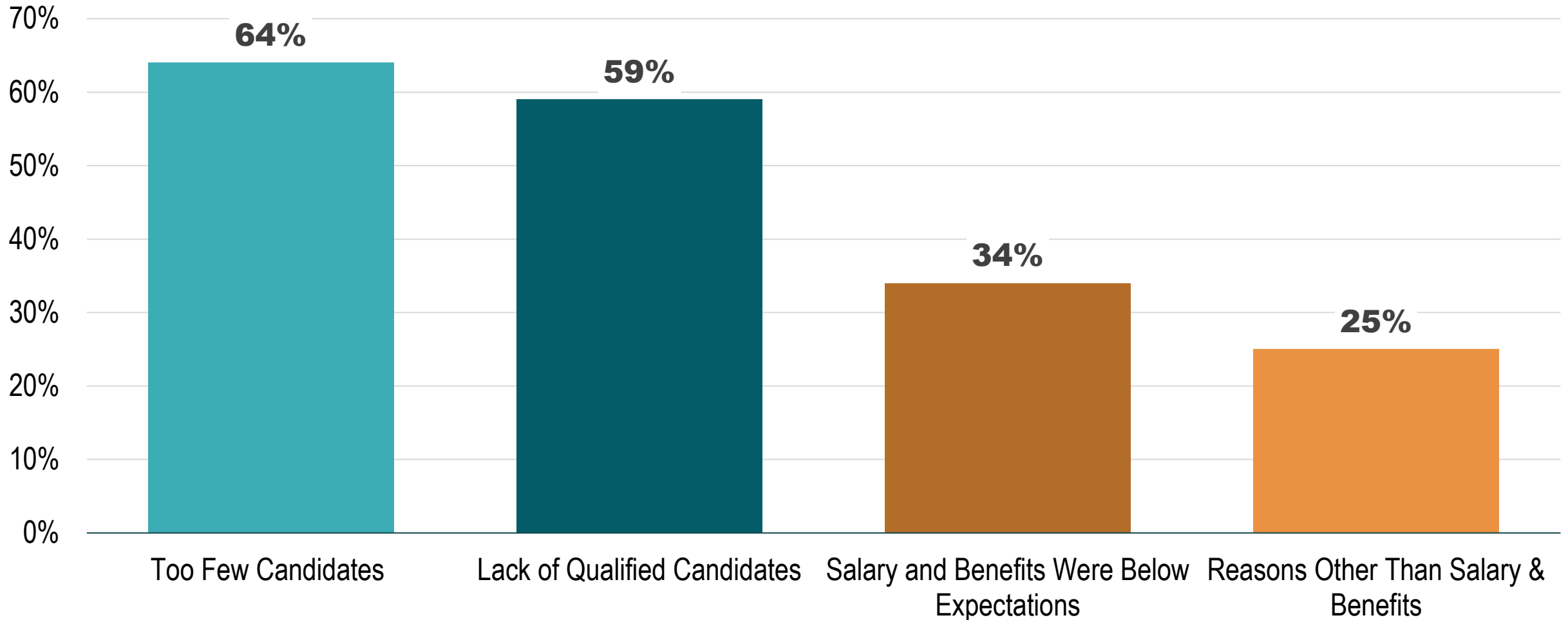
Western Region | SY 2022-2023



Source: National Center for Education Statistics; Note: Data reported in October 2022.

Challenges in Filling Vacant Teaching Positions

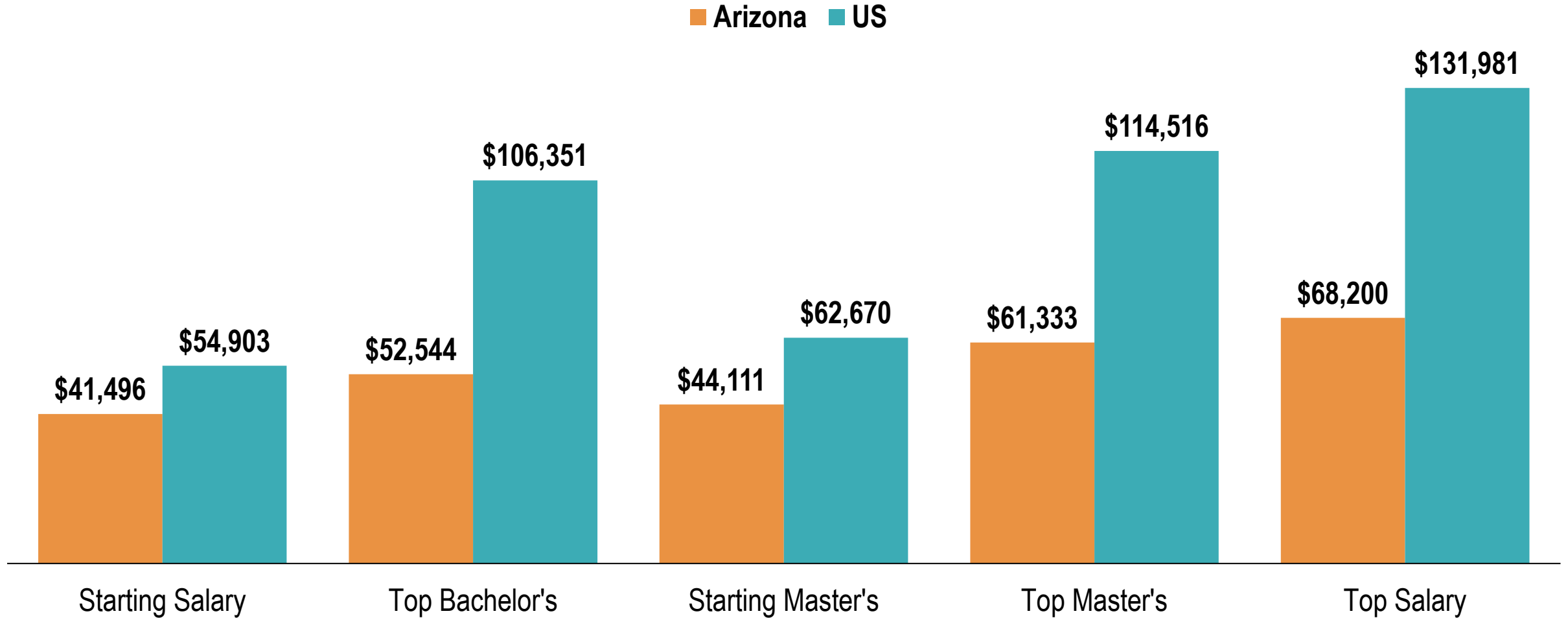
Western Region | SY 2022-2023



Source: National Center for Education Statistics; Note: Each year reported represents results from August (beginning of school year).

Teacher Salary Benchmark Averages

Public Schools | FY 2021-2022



Source: National Education Association

ARIZONA

Average Public-School
Teacher Salary

2021-2022

\$56,775

UNITED STATES

Average Public-School
Teacher Salary

2021-2022

\$66,745

Source: National Education Association. Note: Image is sourced to (BalanceFormCreative/shutterstock.com).



 Looking Forward

Image Source: (SNEHIT PHOTO/shutterstock.com)

ARIZONA ECONOMIC DEVELOPMENT SETS NEW RECORDS

“During the 12-month fiscal period ... agencies successfully worked with companies that committed to creating a projected 24,246 new Arizona jobs with an average wage of \$71,893. Those companies also committed to investing a record of \$40.73 billion in local communities – single year records for jobs, investment and wages.”

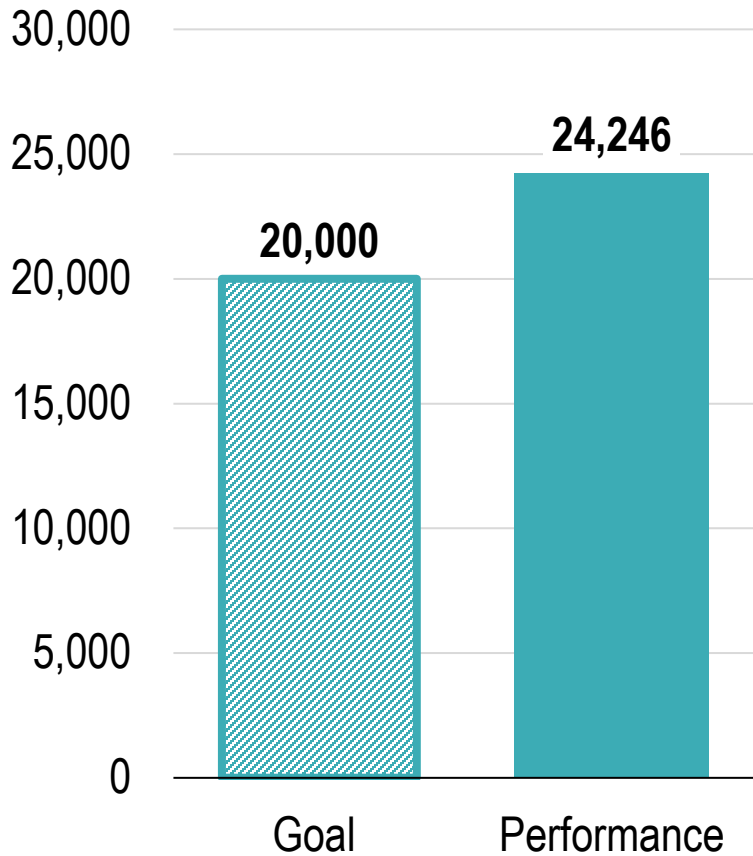
Source: Arizona Commerce Authority, August 3, 2023. Note: Image is sourced to (Rawpixel.com/shutterstock.com).



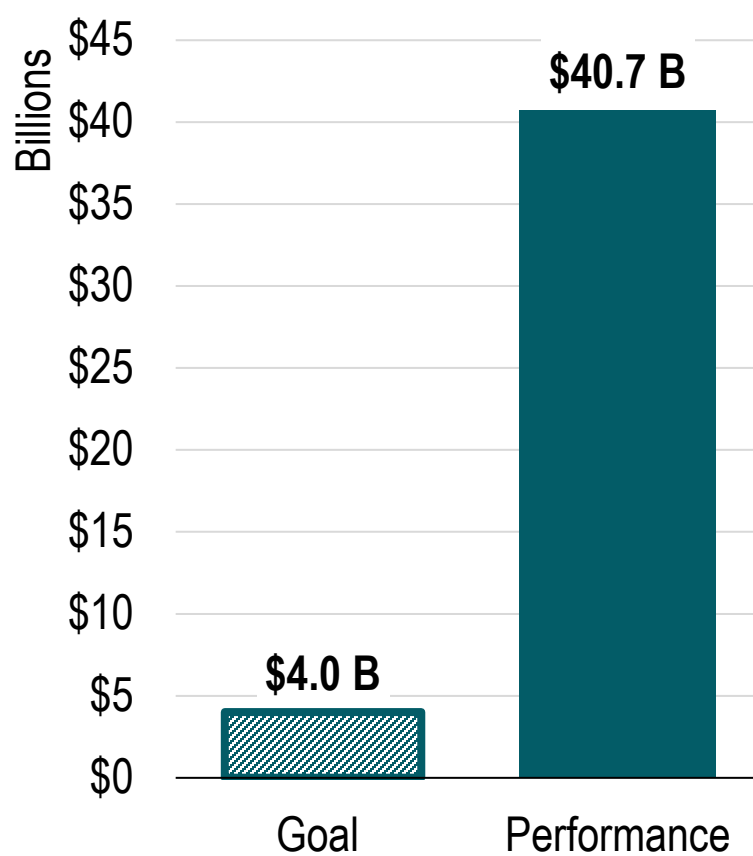
Economic Development

FY 2023 Annual Results

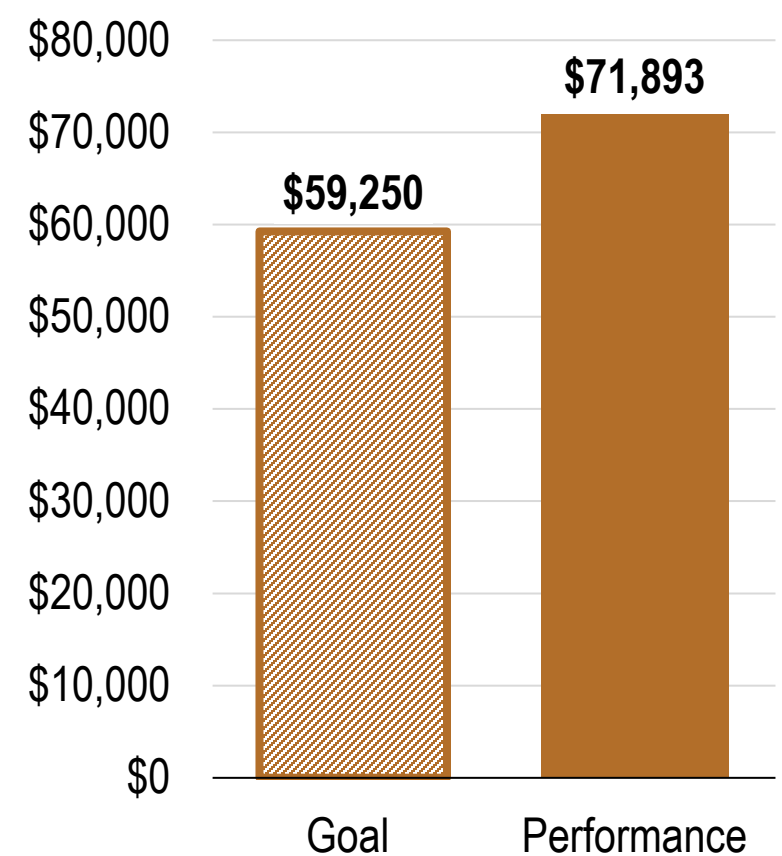
Projected Jobs



Projected Capital Expenditures



Projected Wages



Source: Arizona Commerce Authority

Economic Development

FY 2023 Annual Results

Projected Jobs

+121%

Of Goal

Projected Capital Expenditures

+1,018%

Of Goal

Projected Wages

+121%

Of Goal

Source: Arizona Commerce Authority. Note: All images are sourced to shutterstock.com.

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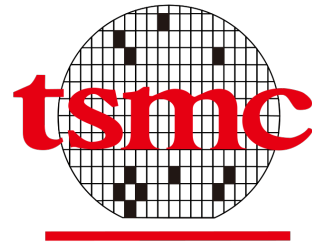
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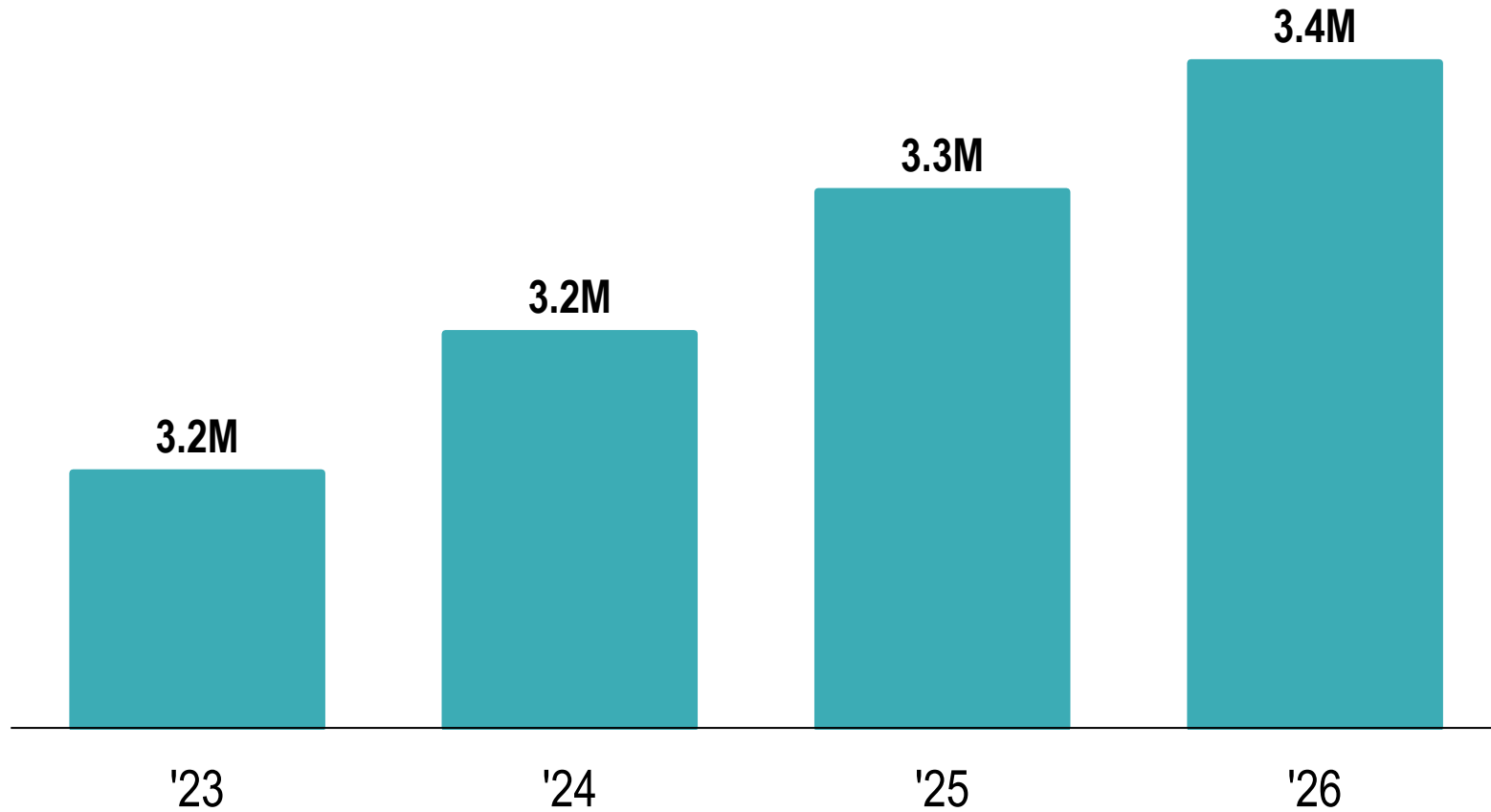

BLUE ORIGIN


FrameTec[™]

 **LG Energy Solution**

Employment Projections

Arizona



Source: Economic and Business Research Center



178

NEW JOBS
PER DAY (NET)

ARIZONA EMPLOYMENT TRENDS

FALL 2023

