

Attachment One

MARICOPA ASSOCIATION OF GOVERNMENTS DRAFT EMPLOYMENT PROJECTIONS CONTROL TOTALS FOR MARICOPA COUNTY

Submitted
October 17, 2006

Population and employment control totals for socioeconomic projections (Action Requested)

Problem Statement:

- MAG member agencies contracted with the US Census Bureau to perform the 2005 Census Survey for Maricopa County.
- Arizona Department of Employment Security (AZ-DES) created a population data series to be consistent with the results of the 2005 Census Survey.
- MAG develops its subregional resident population projections to be consistent with population control totals for Maricopa County developed by the Arizona Department of Employment Security (AZ-DES).
- AZ-DES Population Projections have prescribed age distributions, which affect household formation and size and labor force control totals.
- AZ-DES does not produce employment projections for counties beyond 2007, and for Arizona beyond 2010.
- The MAG socioeconomic projections and transportation models require detailed information about households and employment.
- Other available forecasts for counties in Arizona have varied population levels and age distributions for the projection periods associated with their employment and fiscal forecasts.
- Residents and firms located in Maricopa and Pinal counties are increasingly reflecting economic, social, and behavioral choices of a metropolitan area.
- Research and observations from other metropolitan areas shows location and timing patterns of development integrating both counties into a single market area.
- Most current forecasts do not explicitly link the counties of the Phoenix-Mesa metropolitan area within their forecasts.
- Pinal County is part of the Central Arizona Association of Governments, which along with the county and municipalities maintain and produce development information about Pinal County.

Key assumptions and methods for producing 2006 socioeconomic control totals, are identified below.

a. Households and Housing Units

- Using existing Group Quarter characteristics (from U.S. Census Bureau information), maintain population share of group quarter residents (excluded are military and inmate population in Maricopa County).

- Based on current U.S. Census data, calculate the number of households for the primary population groups, total housing units, and owner-occupied units.
- b. Labor Force and Employment of Residents
- Calculate total labor force participation by using econometric forecasted participation rates applied to the AZ-DES population by age.
 - Calculate employed persons by county of residence using econometric forecasted unemployment rates.
 - Using historic multiple job holding rates for the nation and Arizona, calculate the number of additional jobs and total jobs held by residents.
- c. Total Jobs, Non-Farm Employment, and Other Employment Activities
- Using existing patterns and forecasted changes in employment and population relationships, calculate adjusted employment levels to meet employment and service requirements of the AZ-DES resident population for the metropolitan area.
 - Adjust forecasted employment levels for other employment activities (agriculture, military, and other) by related change in employment levels.
 - Calculate sole proprietorship and self-employment totals by maintaining existing employment patterns within the metropolitan area.
- d. Employment by Industry and County Employment Totals
- Based on econometric forecasted industry change patterns, recalculate employment by industry to match adjusted total employment levels. Additionally, produce final employment levels for other employment activities.

Population Ad Hoc Recommendation:

- Produce total employment control totals for Maricopa County and the metropolitan area for each five-year period between 2010 and 2035.
- Use the AZ DES population projections for 2010 through 2035, that are consistent with the U.S. Census 2005 Special Survey results for Maricopa County and the official AZ DES 2005 estimation for the remainder of the metropolitan area.
- Use Moody's Economy.Com economic forecast for detailed labor force and employment information as needed for the MAG socioeconomic projections.
- Adjust the labor force and employment outcomes of the Economy.com forecast to be consistent with the population total and detailed characteristics of the AZ DES projection.
- Adjust the labor force and employment outcomes to maintain demographic and economic relationships within the Economy.Com econometric forecast, consistent with the DES forecast.
- Reflect an employment development pattern in the metropolitan area representing an increased economic interdependence of emerging areas.