



2024 STATE OF ARIZONA ECONOMIC DEVELOPMENT

KEY TAKEAWAYS

- Economic developers are most concerned about the availability of buildings and talent, as well as electrical capacity
- Housing affordability is an important challenge to both practitioners and providers, but especially for providers
- Providers are concerned about budget cuts and inadequate education, as opposed to practitioners which rank these topics as mid to low

SURVEY OF AAED MEMBERSHIP

76 Practitioners

State & local government, tribal, nonprofits, utilities, regional EDOs, educational institutions

32 Providers

Includes Construction/contractors, consultants, engineering, architecture, finance, environmental, education, tech companies, real estate

108 Total*

*Response pool mirrors membership of AAED

3 BIGGEST CHALLENGES & YOY CHANGES

PRACTITIONERS (2024) VS. PRACTITIONERS (2023)

1. Lack of available buildings
2. Lack of skilled labor & talent
3. Housing affordability & electrical capacity

1. Housing affordability
2. Lack of available buildings
3. Lack of skilled labor & talent



of practitioner respondents have a strategic plan or are developing/updating one

PROVIDERS (2024) VS. PROVIDERS (2023)

1. Housing affordability
2. Lack of skilled talent & access to capital
3. Complicated permit process, inadequate education & budget cuts

1. Lack of skilled labor & talent
2. Housing affordability
3. Complicated permit processes & regulations



WAYS STRATEGY HAS CHANGED OVER THE LAST YEAR

- Engaging in more strategic partnerships
- Focus on enhancing quality of life & increasing regional collaboration
- Investing in workforce training & education

54% of practitioners indicated that politics or policy interfered with a project or initiative, with the largest increase at the state level



PRACTITIONER BUDGETS (PREVIOUS YEAR)

- Majority of community's budgets stayed the same
- Larger communities saw the biggest increase in budget



PATH TO PROFESSION

1. Transition from similar role
2. Mid-life career change
3. University degree

12-MONTH ECONOMIC OUTLOOK

(2024)



(2023)



(2022)



ECONOMIC DEVELOPMENT IS ABOUT PARTNERSHIPS



While Chambers of Commerce remain the top partnering organizations for practitioners, workforce development partnerships have seen an **11% increase** over the past year.



2024 BREAKING DOWN THE DATA

TOP 3 ISSUES BY COMMUNITY SIZE



SMALL (<50K)

1. Lack of available buildings
2. Skilled labor/talent
3. Housing affordability



MEDIUM (50-250K)

1. Housing affordability
2. Lack of available buildings
3. Housing availability



LARGE (>250K)

1. Skilled labor/talent
2. Electrical capacity
3. Access to capital
Lack of available buildings
Incentive policy
Housing affordability



While metro areas struggle to fill office and industrial buildings, rural practitioners are experiencing a shortage of buildings.

TOP 3 ISSUES BY TENURE

0-2 YEARS

1. Lack of available buildings
2. Housing affordability
3. Skilled labor/talent
Housing availability
NIMBYism

3-5 YEARS

1. Lack of available buildings
2. Building closures/
downsizing
3. Housing affordability
Housing availability
Skilled labor/talent

6-10 YEARS

1. Skilled labor/talent
2. Lack of available buildings
3. NIMBYism
Water resources
Electrical capacity

10+ YEARS

1. Skilled labor/talent
2. Housing affordability
Electrical capacity
3. Incentive policy
Lack of available buildings



Those newer to the profession see lack of available buildings as the most pressing issue, whereas more tenured practitioners are concerned with workforce development. Interestingly, infrastructure issues only appear among those longest in the profession.

STRATEGIC CHANGES BY COMMUNITY SIZE



SMALL (<50K)

More focus on:

1. Economic diversification
2. Housing
3. Regional collaboration
Business attraction
Enhancing quality of life
Entrepreneurship



MEDIUM (50-250K)

More focus on:

1. Strategic partnerships
2. Enhancing quality of life
3. Workforce training & education
Using social networking sites for marketing



LARGE (>250K)

More focus on:

1. Workforce training & education
2. Strategic partnerships
3. Regional collaboration



As many smaller communities experience housing shortages, more focus is being placed on quality of life to retain residents and attract developers. Metro areas, on the other hand, are more focused on developing the workforce already residing in their communities.