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Valley high-tech industry flourishing

By Edward Gately
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STEADY GROWTH: General Dynamics is one of the larger high-tech employers in the Valley.

A new report says the Valley's high-tech industry has continued to add jobs and flourish despite all the gloom and doom surrounding the overall economy.

AeA, the nation's largest technology trade association representing all segments of the high-tech industry, released "Cybercities 2008: An Overview of the High-Technology Industry in the Nation's Top 60 Cities." It tracks trends in high-tech employment, wages, establishments, payroll, employment concentration and wage differentiation at the metropolitan level.

According to the association's latest figures, Phoenix's high-tech industry added 3,800 jobs in 2006, totaling 91,400 workers. The numbers include Maricopa and Pinal counties.

Phoenix was the seventh-highest, high-tech city in terms of job growth in 2006.

The Valley's semiconductor industry employed 22,200 in 2006, making it the third-largest semiconductor city in the nation. The engineering sector also contributed to local job growth by adding 1,300 employees in 2006 to total 13,600.

"In 2006, you could definitely see that Phoenix was doing very well," said Josh James, senior research analyst with the AeA.

"It was seventh-highest in growth, largely driven by the semiconductor industry, and it's got Intel's Fab 32 (chip-making factory) in Chandler."

The average high-tech wage of \$76,700 was 83 percent higher than the average private-sector wage in the Valley.

"These jobs pay so well, so much more than the average private-sector job," James said. "If you can create

more of these jobs, you really can mitigate the loss of some other jobs. You really will mitigate a larger issue economically of wages being stagnant and jobs being lost.”

National figures comparing 2007 and 2006 show high-tech job growth continued last year, but at a slower pace, he said. “In 2006 we added roughly 140,000 high-tech industry jobs and in 2007 it was 91,000,” James said.

“The good news is it’s still growing. The bad news is not quite as fast.”

State-by-state figures to be released late this year should also reflect continued — but slower — growth in high-tech employment, he said.

“I can’t say for sure that there will be growth in Phoenix, but if it follows the national trends, then there will be,” James said. “We’re continuing to see growth, at least last year when a lot of the rest of the economy is kind of receding a little bit.”

Mark Dobbins, chairman of the Arizona Manufacturers Council and vice chairman of the Arizona Chamber of Commerce & Industry, said Arizona is always facing stiff competition globally for high-tech jobs.

“Arizona is a great location for high-tech industries, but we’re in constant global competition to attract these innovation companies that bring high-wage jobs and help diversify our economy,” he said.

“This year the Legislature has the opportunity to improve Arizona’s competitive edge by enhancing a tax credit for research and development activities. This would put Arizona ahead of competitor states and improve the economy for the long term.”



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