

City of Scottsdale

Economic Development Five- Year Strategic Plan

Approved by the Scottsdale City Council April 20, 2021

Scottsdale is a prosperous,
sustainable destination for
diverse talent, investment,
and innovative businesses.

Executive Summary

Scottsdale is one of the most desirable destinations and fastest-growing communities in the U.S. The City of Scottsdale requires a deliberate, collaborative strategy for business expansion, startup and enterprise development, talent attraction/retention, and destination development.

Key insights include:

- Scottsdale’s population growth is 3 times the U.S. average.
- Nearly 6 in 10 Scottsdale’s residents have a bachelor’s degree or higher.
- The City outpaces Arizona for share of knowledge businesses: 1,900 firms per 100K residents.
- Scottsdale startups attract more than \$295 million in annual venture capital.
- The City’s median household income (\$86,000) is 40% higher than the U.S. average.
- Scottsdale boasts a high rate of home ownership, and a good quality of life as proven by the quality and variety of amenities offered.

Six target industries offer a strong foundation for Scottsdale’s Economic Development Strategic Plan:

1. **Corporate Headquarters.** A city with an exceptional quality of life, Scottsdale’s share of corporate HQs is 13% greater than U.S.
2. **IT Services and Software.** With a competitive advantage two times the U.S. average, Scottsdale is a magnet for technology development.
3. **Financial and Insurance Services and Technology.** Employing 13,000, the City’s Financial and Insurance Services sector offers a foundation for future innovation and enterprise development.
4. **Healthcare Services and Innovation.** With an array of leading healthcare institutions, Scottsdale is one of the country’s premier healthcare centers.
5. **Logistics Management.** This fast-growing sector boasts an employment base of 3,000 in Scottsdale and has access to ASU’s top-ranked Department of Supply Chain Management.
6. **Tourism.** Scottsdale’s tourism and hospitality industry is an important employment base for the City and essential for maintaining the community’s quality of life appeal.

Guided by Resonance Consultancy and supported by leading edge research and analysis, the City of Scottsdale has engaged residents, business executives, community leaders, and elected officials to create strategies and tactics to further build Scottsdale into the premier destination for talent, investment and visitors – a model for economic development for the state of Arizona and the U.S. Key engagement takeaways include:

- Scottsdale is changing quickly, creating both opportunities and challenges.
- The City needs a clear vision to guide future economic development.
- Retaining and expanding Scottsdale’s corporate presence is a priority for the community.
- Industry diversification is an economic necessity for the City of Scottsdale’s future.
- Scottsdale’s startup ecosystem is expanding but it needs a champion.
- Medical tourism is a significant opportunity for the City.
- When attracting new businesses, Scottsdale has a strong quality of place story.
- Scottsdale is a welcoming community but needs to better tell its story.

To advance economic prosperity and opportunity, the City of Scottsdale’s Economic Development Five-Year Strategic Plan will focus on 6 goals:

1. Grow Scottsdale’s existing industries to foster economic vitality.
2. Attract investment to diversify the City’s economy.
3. Bolster Scottsdale’s startup ecosystem.
4. Make inclusion and diversity an economic development priority.
5. Build Scottsdale into the premier destination for talent in the Southwest.
6. Enhance the City’s brand for business, capital and talent.

The following report describes the City of Scottsdale’s Economic Development Five-Year Strategic Plan and includes the competitive market assessment (Appendix A), engagement summary (Appendix B) and key industries analysis (Appendix C) that serve as the foundation for the plan. The Strategic Plan is aligned with the City’s General Plan and Smart City Strategic Roadmap.

Strategy

GOALS

The City of Scottsdale's Economic Development Five-Year Strategic Plan has six key goals:

1. **Grow Scottsdale's existing industries to foster economic vitality.** Scottsdale must support existing businesses in an effort to maintain competitiveness and foster prosperity.
2. **Attract investment to diversify Scottsdale's economy.** Scottsdale must attract new investment into the local economy to ensure resiliency.
3. **Bolster Scottsdale's startup ecosystem.** With its strong destination assets, Scottsdale will be a magnet for startups.
4. **Make inclusion and diversity an economic development priority.** Scottsdale must ensure that all residents and businesses have the opportunity to thrive.
5. **Build the premier destination for talent in the Southwest.** Scottsdale's economic development success today hinges on talent attraction and retention.
6. **Enhance the Scottsdale brand for business, capital and talent.** Scottsdale must broaden its reputation as a city to grow a business and launch a career.

VALUES

The Strategic Plan is built around the following values:

- **Economic Prosperity for All.** The City will advance economic prosperity for all Scottsdale residents and enterprises, by supporting wealth creation and economic mobility. This can

be achieved by supporting a robust business attraction and expansion effort, as well as providing support to Scottsdale entrepreneurs to grow and scale their enterprises.

- **Future-Defining Innovation.** Scottsdale will invest in an entrepreneurial ecosystem that solves tomorrow's most pressing challenges. Already a growing center for venture capital investment and startups, Scottsdale's startups and scaleups are helping to ensure the city's traditional industries are relevant for the future.
- **A Healthy Economy for Tomorrow.** The City will foster resiliency through industry diversification, upskilling, talent attraction and responsible revitalization. A more resilient Scottsdale will ensure a faster economic recovery in the future.
- **A Sonoran Desert Way of Life.** Economic development efforts will prioritize Scottsdale's quality of place and promote the City's authenticity, character and values. Scottsdale's high quality of place is a central offering as it looks to attract and retain skilled residents.

GUIDING PRINCIPLES

The following six guiding principles serve as a framework for the Strategic Plan:

- **Balanced Development.** Consistent with the values in the City's General Plan, Scottsdale will advance economic development initiatives that balance prosperity and livability. Staff across the City's economic development and planning departments will collaborate to develop a framework for evaluating the "highest and best" use of future redevelopment efforts.
- **Export Industry-Driven.** Scottsdale will pursue a data-driven export industry approach to drive economic diversification. Research shows that growing sectors that sell goods and services outside of the city accelerate job creation.
- **Existing Businesses First.** The City will focus on business expansion and retention to grow Scottsdale's economic base and attract investment. Generally, more than 70% of the new jobs created in a city come from existing businesses.

- **Focus on Entrepreneurship.** Scottsdale will foster an inclusive startup ecosystem as a means of wealth creation for residents. A supportive startup environment is also essential for creating a more resilient, shock-resistant economy.
- **Private Sector and Partner Engagement.** To achieve success with this plan, Scottsdale's private sector and economic development partners will be critical to advance the City's economic development priorities.
- **Equitable Approach.** The City will apply an equity lens to all economic development efforts, ensuring all Scottsdale residents and businesses can thrive. This is essential for attracting and retaining businesses and residents that want to operate and live in more inclusive communities.

GOALS AND ACTION PLAN

Goal 1: Grow Scottsdale’s existing industries to foster economic vitality.

Scottsdale’s economic development foundation is built upon the six promising export industry sectors: IT Services and Software; Financial and Insurance Services/ Technology; Healthcare Services and Innovation; Logistics Management; Corporate HQs; and Tourism. Leveraging the City’s strengths in each of these sectors is essential for building a more resilient and shock-resistant economy. Most business growth in cities like Scottsdale comes from the expansion of existing businesses; developing relationships with these enterprises, understanding their needs and supporting their growth offers a systematic approach to creating new job opportunities for Scottsdale residents.

- **Objective 1.1: Implement a systematic, industry-focused business retention and expansion program, including engaged working groups.**

Through the development of a systematic, tailored business retention and expansion program, the City of Scottsdale can support existing businesses, better articulate Scottsdale’s economic competitiveness and create a value proposition that is appealing to prospective enterprises.

Action	YR 1	YR 2	YR 3	YR 4-5
• Implement an industry-focused business retention and expansion visitation program.	X	X	X	X
• Host quarterly industry roundtable discussions/ forums to encourage collaboration and remain informed of industry needs and economic development opportunities.	X	X	X	X
• Continue to map and document company relationships and needs to understand industry ecosystems.		X		X
• Create industry-specific marketing and communications plan.	X		X	

- **Objective 1.2: Ready and promote commercial sites to support business expansion.**
Industry development requires more than business promotion/attraction efforts. Appropriate tools must be developed to drive expansion, and physical sites must be ready, improved and made available to the highest and best economic development use. As a community that is nearing full development, Scottsdale has to be systematic and collaborative in its

redevelopment opportunities. This will require building relationships with outside entities and partners to achieve this goal.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Collaborate with City of Scottsdale Planning and Development department to identify and map potential redevelopment opportunities. 	X	X	X	X
<ul style="list-style-type: none"> Partner with Arizona State Land Department and other partners to promote available parcels through updated marketing collateral and channels. 	X	X	X	X
<ul style="list-style-type: none"> Work with commercial real estate partners to highlight and market new commercial development and vacancies. 	X	X	X	X

- Objective 1.3: Deliver technical resources to Scottsdale small businesses to support economic recovery.**

Scottsdale has a well-deserved reputation as a great place to operate a small business. Scottsdale must continue to offer resources for its small businesses as they continue to operate and grow in the future.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Continue to offer small business training and resources specific to COVID-19 recovery. 	X	X		
<ul style="list-style-type: none"> Continue the efforts of the Small Business Assistance Center, offering an array of programming and networking opportunities. 	X	X	X	X
<ul style="list-style-type: none"> Provide ongoing updates to Scottsdale's small businesses about federal, state and local resources. 	X	X	X	X

Goal 2: Attract investment to diversify Scottsdale's economy.

To support an ongoing diverse, resilient economy, Scottsdale must continue to attract investment into the local community. Industry development and maturation is one of constant addition and turnover, adding new investors, companies, and talent to the mix. Scottsdale boasts an array of competitive advantages in its target sectors (Appendix C), as well as a highly skilled and educated workforce Scottsdale's destination offerings—quality of place, access to a global airport in Phoenix Sky Harbor International Airport, and amenity-rich commercial real estate—are appealing for enterprises expanding into new locations, as well as site selectors that are helping to lead those searches.

- **Objective 2.1: Execute a site-selector engagement strategy for Scottsdale's core industries.**

A site selection strategy is part of any effective business attraction plan. Site selectors, especially for global headquarter searches and knowledge-based industries, play an outsized role in helping to short-list locations and ultimately make a locational decision. As part of its site selection strategy, the City of Scottsdale must be able to clearly articulate local investment opportunities and continually build relationships with this target audience.

Action	YR 1	YR 2	YR 3	YR 4-5
• Prepare industry investment marketing portfolios; ensure they are represented on Choose Scottsdale website.	X		X	
• Incorporate site selector engagement with all targeted market visits and campaigns.	X	X	X	X
• Partner with Greater Phoenix Economic Council on site-selector executors and initiatives.		X	X	X
• Build a target site-selection list and develop a bi-annual community outreach.	X	X	X	X

- **Objective 2.2: Lead, in partnership with Experience Scottsdale, Canada Arizona Business Council, and others, a robust effort to attract high-value regional and national HQs.**

Scottsdale's quality of place and destination appeal for C-suite decisionmakers offers an economic development opportunity to attract new HQs, especially those of international firms in Canada, Mexico and Israel looking to expand operations. The City should develop collaborations with organizations, such as Experience Scottsdale, the Arizona Mexico Economic Council, the Arizona Israeli Technology Alliance, and others, to position the City as a community open and ready for investment.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Continue to collaborate with Experience Scottsdale in the co-creation of messaging at the interaction of business and tourism. 	X	X	X	X
<ul style="list-style-type: none"> Establish working relationship with the Arizona Mexico Economic Council to evaluate business development opportunities. 	X	X	X	X
<ul style="list-style-type: none"> Evaluate the prospects of a Canadian medical and wellness tourism initiative. 			X	
<ul style="list-style-type: none"> Partner with the Arizona Israeli Technology Alliance to attract venture capital and new enterprises. 	X	X	X	X

- Objective 2.3: Develop a mechanism for evaluating “highest and best” use for future redeveloped commercial sites.**

As noted in the City’s General Plan and articulated in the values for this plan, the City of Scottsdale will seek to only advance economic development initiatives that balance prosperity and livability. To ensure this outcome, Scottsdale will need to develop a strategy and framework for guiding redevelopment. This will require a cross-collaboration among several City departments and private sector partners.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Establish, in partnership with the Planning and Development department, a strategy for defining and assessing redevelopment projects. 		X	X	X
<ul style="list-style-type: none"> Foster relationships with developers and brokers that specialize in redevelopment. 	X	X	X	X
<ul style="list-style-type: none"> Develop, in partnership with the Long-Range Planning department, a strategy for evaluating and monetizing redevelopment sites. 		X	X	X

Goal 3: Bolster Scottsdale’s startup ecosystem.

With its strong destination assets, Scottsdale is already a magnet for startups. In 2019, the City attracted more than \$295 million in venture capital. While the entrepreneurial ecosystem in Scottsdale is growing, the cluster is dispersed and would benefit from a comprehensive approach to supporting entrepreneurs who want to grow and launch their enterprises in the community. This not only helps to diversify Scottsdale’s economy, but it also creates new employment opportunities for local residents who want to live and work in the same community.

- **Objective 3.1: Explore the creation of "Startup Scottsdale," an initiative to support high-potential entrepreneurs and activate a formalized investor/ angel network.**

Building and scaling an entrepreneurial ecosystem requires a comprehensive approach. The City of Scottsdale and its partners can help build the networks that allow startups to connect to investors and customers, and it can help make it easier for new enterprises to find available affordable space.

Action	YR 1	YR 2	YR 3	YR 4-5
• Identify and convene an advisory working group to support the exploration of "Startup Scottsdale."		X	X	X
• Build relationships with venture capital organizations within Phoenix Metro, Arizona and outside the state	X	X	X	X
• Promote Scottsdale entrepreneurial successes across economic development communication platforms.	X	X	X	X
• Support startup community events such as pitch competitions and networking sessions.	X	X	X	X

- **Objective 3.2: Collaborate with SkySong to accelerate the growth of Scottsdale's high-tech startups.**

Scottsdale’s growing startup ecosystem benefits tremendously from the presence of SkySong. The research and development and commercialization being catalyzed there will help to fuel the next generation of innovation for Scottsdale’s key economic clusters.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Strengthen partnership with SkySong through Startup Scottsdale initiative. 		X	X	X
<ul style="list-style-type: none"> Promote successes of SkySong startup enterprises. 		X	X	X

- Objective 3.3: Discover a sustainable organizational and funding model for the Cure Corridor, to galvanize Scottsdale's health sciences sector.**

As noted in Scottsdale's upcoming General Plan, as well as in this economic development strategy, the City's strength in healthcare services and innovation is a competitive advantage. This asset can be credited to the City and its partners' efforts to create and promote the Cure Corridor, a place-based initiative that has helped healthcare, wellness firms and institutions thrive within the City of Scottsdale. To ensure this initiative can continue in the future, the City must develop and evaluate a sustainable funding and organizational model.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Create an advisory group to explore the creation of Cure Corridor Alliance initiative. 		X	X	
<ul style="list-style-type: none"> Evaluate best practices across the country to inform strategy creation and a funding model. 		X		
<ul style="list-style-type: none"> Develop, if deemed viable, a strategy for sustaining the Cure Corridor Alliance. 			X	

- Objective 3.4: Leverage the investment in Scottsdale's Smart City Strategic Roadmap to grow urban tech and sustainable tech enterprises.**

In its Smart City Strategic Roadmap, Scottsdale offers strategies for how new technology can enhance quality of life for residents. In an effort to promote additional entrepreneurship opportunities in the growing urban tech and sustainable tech arena, the City should align the Roadmap's priorities with its economic development and startup initiatives.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Collaborate with the City's internal Smart City team to promote and market the Roadmap. 	X	X		
<ul style="list-style-type: none"> Align the Smart City roadmap with future economic development, startup support, and marketing efforts. 		X	X	X

Goal 4: Make inclusion and diversity an economic development priority.

For too long, economic development and equity have been seen as separate entities. Many companies and talented workers looking to make location and relocation decisions expect cities like Scottsdale to make inclusion and diversity an economic development priority, helping to ensure that all residents and business have the opportunity to thrive.

- **Objective 4.1: Evaluate the needs of Scottsdale’s diverse businesses.**

In an effort to advance an equitable economic development strategy Scottsdale must consistently engage with an array of business stakeholders to understand their needs. This includes developing appropriate arenas and feedback loops to learn what is working, and what is needed to help a larger group of Scottsdale businesses thrive and scale.

Action	YR 1	YR 2	YR 3	YR 4-5
• Convene business leaders to inform and help lead Scottsdale's inclusive economic development efforts.		X	X	X
• Conduct quarterly business roundtables or forums by industry type or size.			X	X
• Spotlight and celebrate minority-and women- owned enterprises	X	X	X	X

- **Objective 4.2: Advance, in concert with local partners, an initiative to support Scottsdale’s diverse businesses.**

Scottsdale is home to many large-scale anchors—destination resorts, HQ companies, and healthcare institutions. Through shared values, they can have a large economic impact in the community and advance an agenda of inclusive prosperity.

Action	YR 1	YR 2	YR 3	YR 4-5
• Convene roundtables of anchor employers to better understand current DEI initiatives, create shared value, and promote efforts.		X	X	X
• Explore with ASU and GPEC the opportunity to create a diversity growth accelerator at SkySong.	X	X	X	X

- **Objective 4.3: Celebrate Scottsdale’s arts, culture, heritage and diverse entrepreneurial success stories.**

By sharing Scottsdale’s diverse culture, businesses, and heritage with the world, the City will promote a diversity and variety of successes, demonstrating Scottsdale is open to an array of residents and enterprises.

Action	YR 1	YR 2	YR 3	YR 4-5
• Develop a systematic approach to identify diverse enterprises, arts, and culture successes throughout Scottsdale.	X	X	X	X
• Promote Scottsdale’s successes across multiple communication channels and platforms.	X	X	X	X
• Actively support and participate in diverse chambers throughout the region.	X	X	X	X

Goal 5: Build the premier destination for talent in the Southwest.

Economic development success today hinges on talent attraction and retention; it is the number one factor for company locations and expansions. Scottsdale's ample quality of place should be engaged to attract a new generation of workers: young professionals and highly skilled remote workers who have the flexibility to make personalized location decisions. In addition to attracting talent, the City of Scottsdale should also collaborate with its workforce partners to ensure training pipelines are developed to connect residents with an opportunity to gain upskilling tied to the City's growth industries.

- **Objective 5.1: Support the Scottsdale Rising Young Professionals initiative.**

One of the most important methods of attracting and retaining young professional talent is to develop local initiatives that connect young residents to one another. While young professionals in Scottsdale appreciate the advantages of the local community, they are eager for increased engagement in the community. Partnering with the Scottsdale Chamber, the City should explore opportunities to grow and scale the Scottsdale Rising Young Professionals initiative.

Action	YR 1	YR 2	YR 3	YR 4-5
• Actively participate and promote the Scottsdale Rising Young Professionals.	X	X	X	X
• Explore, in concert with the Scottsdale Chamber of Commerce and Scottsdale Leadership, to design a Scottsdale "Top 20 under 40" program initiative.			X	X
• Promote the successes of young professionals in Scottsdale.	X	X	X	X

- **Objective 5.2: Collaborate with ASU, Scottsdale Community College, and anchor employers to build a talent pipeline (entry-level IT, business and healthcare), through flexible certificate programs and on-the-job training initiatives.**

While nearly 6 in 10 Scottsdale residents have a college degree, the City should collaborate with its educational partners in ASU, Scottsdale Community College, and other anchors to establish workforce pipelines tied to the City's export sectors. Economic development and workforce development go together; all efforts to drive them must be carefully coordinated and industry-driven.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Engage a working group of private sector-hiring managers across sectors and workforce development practitioners to discuss needed skill programs. 		X	X	X
<ul style="list-style-type: none"> Develop and administer a survey of workforce training gaps in Scottsdale, utilizing findings to shape possible skill programs. 			X	

- Objective 5.3: Develop a remote worker campaign to draw tech-savvy and skilled talent to Scottsdale.**

Fifty percent of remote workers across the U.S. are highly educated, boasting at least a graduate degree. This is a highly desirable workforce pool for any city. With its reputation as a premier amenity-rich destination, Scottsdale’s quality of place must be leveraged to attract remote workers and retain skilled talent.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Evaluate various remote worker campaigns across the U.S. for best practices. 	X			
<ul style="list-style-type: none"> Implement a digital remote worker campaign aimed at skilled and technology workers, promoting Scottsdale’s opportunity and quality of place. 		X	X	X

- Objective 5.4: Invest in placemaking efforts to enhance Scottsdale as an inviting destination for local talent.**

Studies show that talented people are drawn to locations for lifestyle reasons, and then businesses follow. There is no other city in Arizona that boasts the caliber and number of destination assets as Scottsdale. Scottsdale should more effectively utilize placemaking initiatives to fully represent the authenticity of the community and its residents.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> Support the creation of a systematic placemaking program to attract talent. 			X	
<ul style="list-style-type: none"> Commission destination development features for blog posts, social media, and direct communications. 	X	X	X	X

Goal 6: Enhance the Scottsdale brand for business, capital and talent.

A significant element of economic development is community promotion: telling a story that creates an attractive brand identity for business, capital investment, and prospective residents. Scottsdale has a strong reputation as a tourist destination, while its reputation for business investment, talent attraction and economic development needs to be elevated. To achieve long-term economic development success, it will be essential for Scottsdale to broaden its reputation as a place to live, work and grow your business; prioritizing efforts to attract new talent in search of a better place to live, young professionals in search of a place to build a career, and entrepreneurs and investors who are looking to build companies.

- **Objective 6.1: Develop a competitive identity/marketing campaign to support Scottsdale’s economic development efforts.**

Marketing is an essential element in economic development for Scottsdale to be successful in its efforts to attract and retain talent and companies. As a global brand, Scottsdale must craft a compelling narrative and identity that signifies who it is and what its business climate will represent now and in the future.

Action	YR 1	YR 2	YR 3	YR 4-5
• Complete the refresh of Choose Scottsdale brand and messaging platform.	X			
• Refresh Scottsdale economic development website in concert with new identity and messaging.	X	X	X	X

- **Objective 6.2: Ensure that community collaborators, and economic development partners utilize consistent messages about investment and talent attraction.**

With a newly competitive identity in hand, Scottsdale should create a communication strategy that ensures all City representatives and partners share a unified and consistent message about the City’s competitive advantages and investment opportunities.

Action	YR 1	YR 2	YR 3	YR 4-5
• Develop and execute a communication strategy, including messaging points, about Scottsdale’s economic development successes.	X	X	X	X

- **Objective 6.3: Launch an “Economic Ambassadors” program—engaging entrepreneurs, business owners and executives, and young professionals—to tell the story of Scottsdale’s economy and its diversity of opportunities.**

Often when an entrepreneur, business executive or site selector looks to a new city for expansion, hearing a city’s story first-hand from a fellow executive or business owner can be an effective recruitment tool. Scottsdale has a wealth of engaged business leaders in the community; the City will continue to partner with business leaders to tell Scottsdale’s economic development story.

Action	YR 1	YR 2	YR 3	YR 4-5
<ul style="list-style-type: none"> • Establish and leverage, in collaboration with Scottsdale Chamber, an “Economic Ambassadors” program to assist in economic development recruitment and attraction efforts 			X	X

Appendix A: Community Competitive Assessment

The following information provides a current snapshot of community and economic conditions in the City of Scottsdale that provide direction regarding strategic actions. These data points can serve as a point of reference to gauge the City's competitive advantages or weaknesses.

For context and comparisons, this analysis compares the City of Scottsdale to fourteen American communities, whose size, demographics, and economics are similar to the City or offer policies and practices that the community can look to for best practices: Chandler, Arizona; Tempe, Arizona; Gilbert, Arizona; Tucson, Arizona; Albuquerque, New Mexico; Durham, North Carolina; San Mateo, California; Carlsbad, California; Hillsboro, Oregon; Plano, Texas; Bellevue, Washington; Fort Collins, Colorado; Colorado Springs, Colorado; St. Petersburg, Florida.

A total of 54 metrics was collected for the City of Scottsdale and the benchmarking cities. The metrics fall into the following six categories: People and Diversity, Talent, Economic Vitality, Innovation, Equity, and Quality of Place.

The methodology for the benchmarking analysis revolves around the use of three main fundamental tools: the calculation of shares, growth rates, and location quotients. The calculation of shares/ratios helps us view the figures as part of the whole and creates a common basis for comparison between benchmark communities. Growth rates allow us to assess the change in a certain value over time. By definition, they express the recession or expansion of a particular variable. In all cases, a five-year time span is chosen.

In order to assess the concentration of a certain community characteristic (e.g. share of millennial population, share of immigrants, etc.) or industry competitiveness, location quotients are calculated. The location quotients use the U.S. national value as a benchmark. In this sense, a value higher than one demonstrates a concentration / specialization relative to the U.S. norm, while a value lower than one indicates that the particular characteristic is under-represented in Scottsdale. The assessment also provides comparisons to the state and metro area averages when appropriate. Benchmarks and metrics were selected in partnership with City staff.

KEY INSIGHTS

SCOTTSDALE HAS A FAST GROWING AND EDUCATED POPULATION

Scottsdale's population grew in the last five years at a rate that is three times the U.S. average. Also, more than half of the population have a Bachelor's degree or higher, a share that is 80% larger than the U.S. average. Scottsdale has the necessary human capital to achieve sustainable economic development. The creative class in Scottsdale is the foundation for economic growth through entrepreneurship and technological advances.

DIVERSITY AND INEQUALITY IN SCOTTSDALE

Scottsdale's population is fairly homogenous with only 12% of residents being people of color. Diversity grows a more creative, innovative, and productive workforce, while inclusivity provides equal education and employment opportunities. They both represent key ingredients to growing a strong economy.

LABOR PARTICIPATION IN SCOTTSDALE

A popular retiree destination, the median age in Scottsdale is 47 (compared to 38.2 for the U.S.). This has an implication on the city's labor force, where four in ten Scottsdale residents are not actively working.

SCOTTSDALE'S BUSINESSES AND INVESTMENT

Scottsdale outpaces Arizona for share of knowledge businesses: 1,900 professional services firms per 100,000 residents. The city also is a strong venture capital investment hub, comparable to Durham.

THE QUALITY OF LIFE SCOTTSDALE HAS TO OFFER

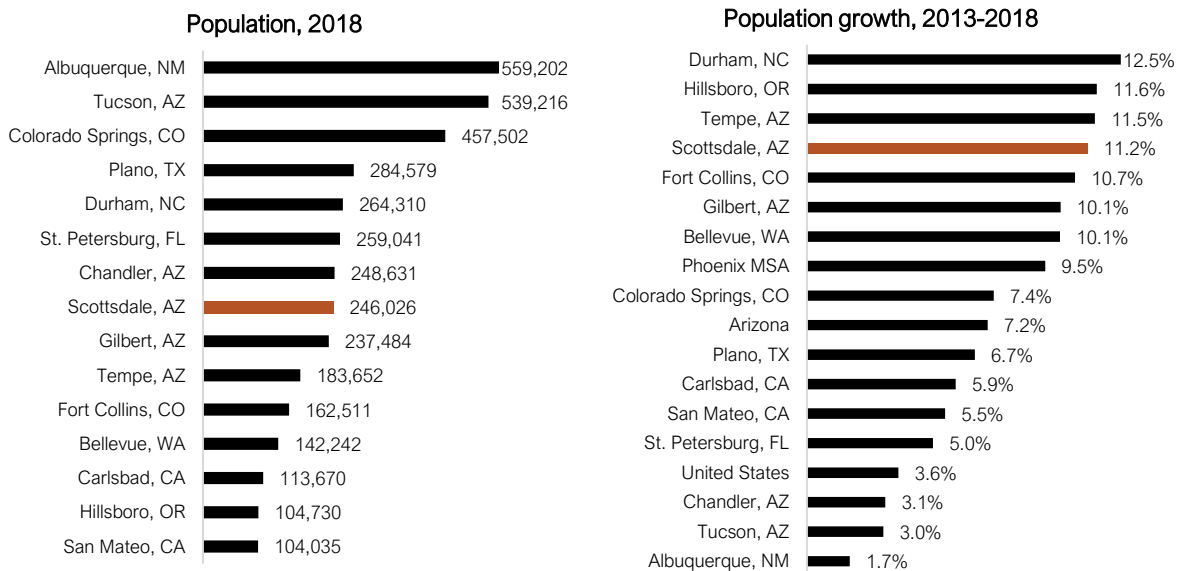
Despite regional high housing prices, Scottsdale has median household incomes which are 40% higher than the U.S. average. The city boasts a high rate of home ownership, and a good quality of life as proven by the quality and variety of amenities provided.

PEOPLE AND DIVERSITY

The City of Scottsdale is home to approximately 246,000 residents. The following outlines the key takeaways from the analysis of Scottsdale’s population and demographics:

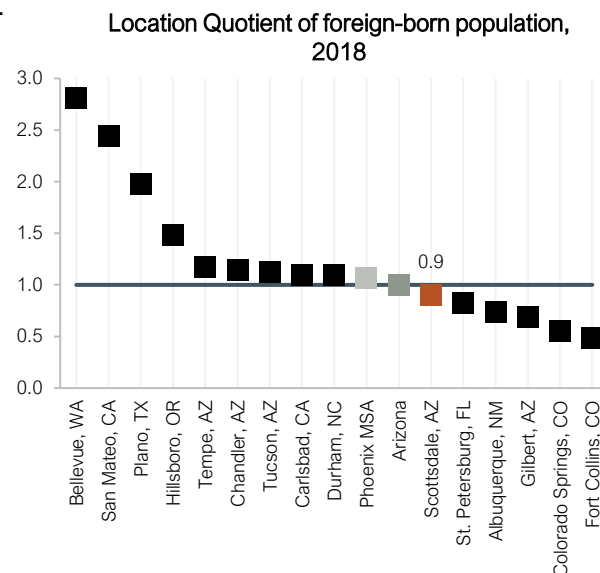
POPULATION GROWTH IS THREE TIMES THE U.S. AVERAGE

Over the past five years, Scottsdale’s population has increased 11.2%, above other Arizona cities such as Gilbert (10.1%), Chandler (3.1%), and Tucson (3.0%). Scottsdale’s population growth rate is three times the U.S. average (3.6%), and above the state and metro area growth rates (7.2% and 9.5%, respectively). This growth ranks fourth among the selected benchmark communities.

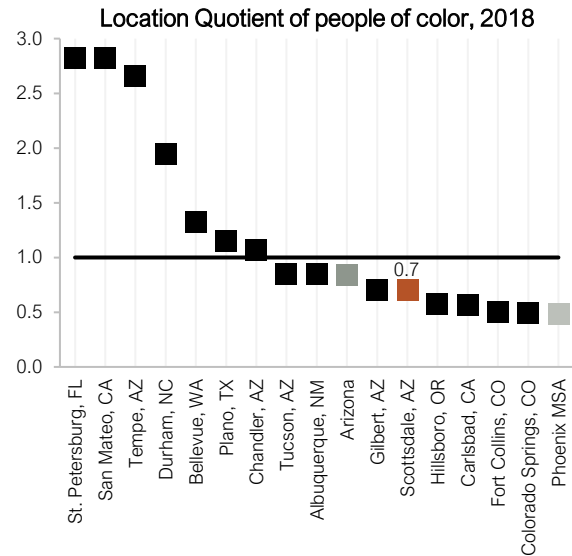
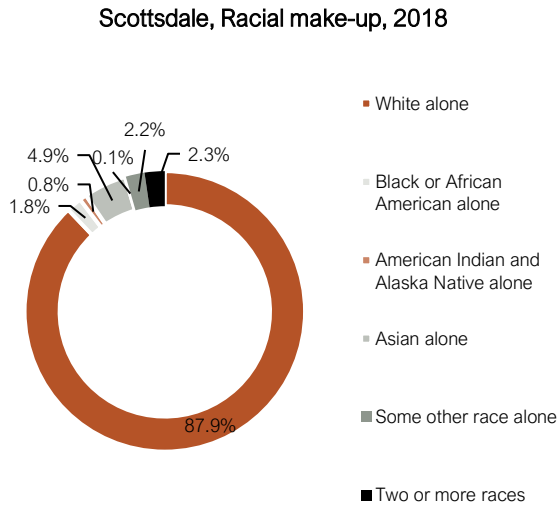


SMALL IMMIGRANT POPULATION

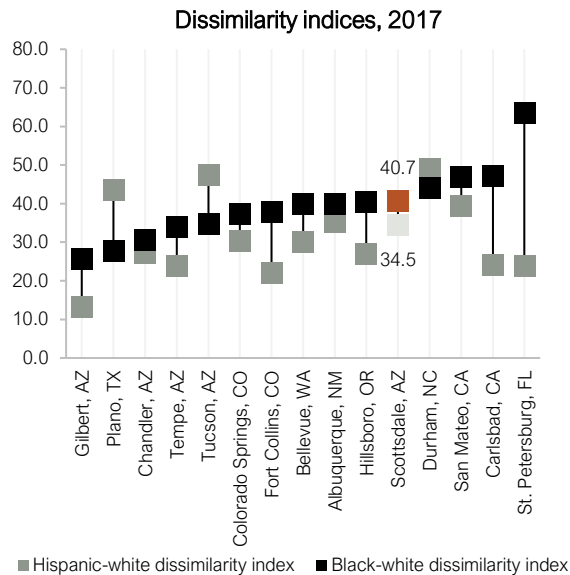
Immigrants make up nearly 12% of Scottsdale’s population — a share that is 10% smaller than the national average. The share of immigrants is higher at both the state and metro area levels (13.5% and 14.4%, respectively).



PREDOMINANTLY WHITE POPULATION



Only 12.1% of Scottsdale’s population are people of color. This is 30% smaller than the national average. The dissimilarity indices indicate the percentage of the Hispanic/Black population which would have to change Census tracts to equalize the racial distribution between white and non-white population groups across all tracts. If high, this suggests segregated population, which limits growth and resilience. The dissimilarity indices for Scottsdale are relatively high, with little difference in their values, indicating low diversity, but the absence of segregation towards a specific racial group.



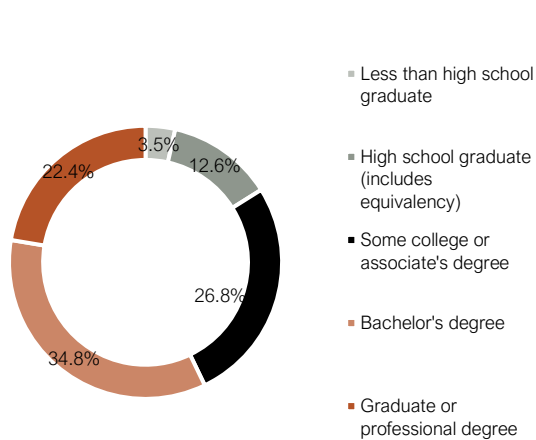
PEOPLE AND DIVERSITY

Compared to its peer cities, Scottsdale's talent metrics generally rank among the higher tier and significantly above both the national and state averages. The following are key takeaways about Scottsdale's various talent metrics:

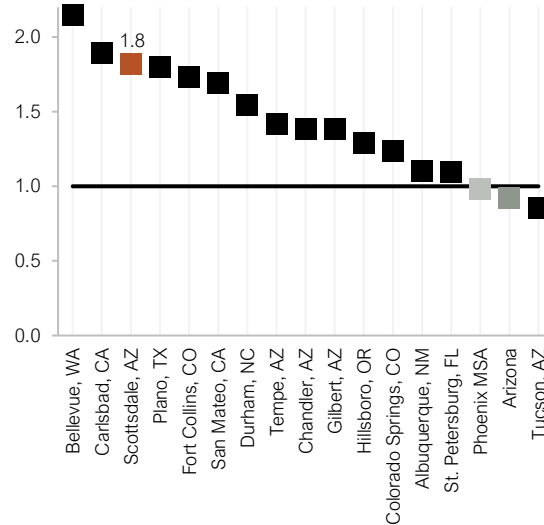
EDUCATED POPULATION

The vast majority of Scottsdale is educated, with 57.2% with a Bachelor's degree or higher, ranking third among the benchmarks and significantly above the national average (26.4%).

Scottsdale, Educational attainment, 2018

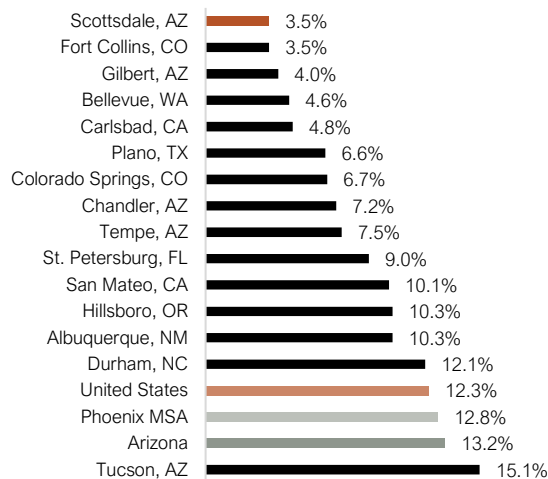


Location Quotient of population with a Bachelor's degree or above, 2018



Scottsdale ranks first for its share of population with less than a high school diploma (3.5%). The national average is more than three times that share (12.3%).

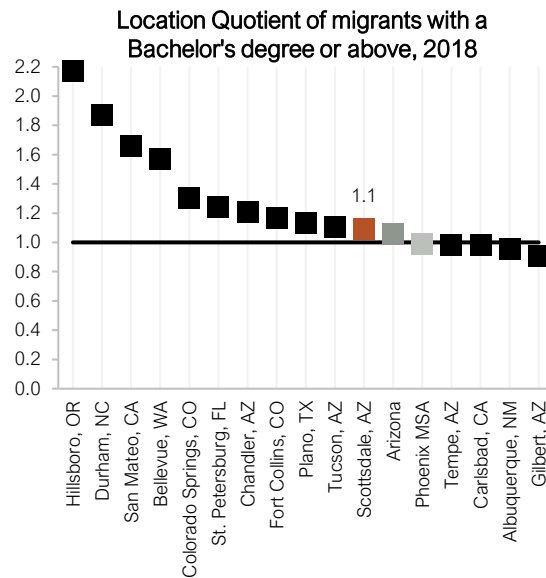
Share of the population with less than a high school diploma, 2018



ATTRACTIVE CITY FOR EDUCATED MIGRANTS

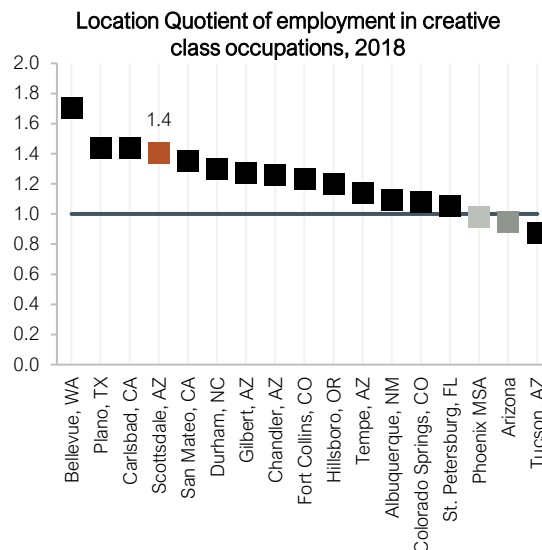
The share of educated migrants (outside of Maricopa county) who have a Bachelor's degree or above is 14.4% in Scottsdale. This share is higher than the national average at 13.2%.

Scottsdale is an attractive city for educated out-of-state movers, where 11.7% of the population have moved from other states. The U.S. average for out-of-state migrants at this level of education is 5.9%. Scottsdale ranks 4th for different state migration. Foreign educated migrants constitute 1.9% of Scottsdale's population, this is only slightly below the national average at 2%.



THE CREATIVE CLASS

Five in 10 Scottsdale residents are part of the creative class, this is 40% greater than the national average.

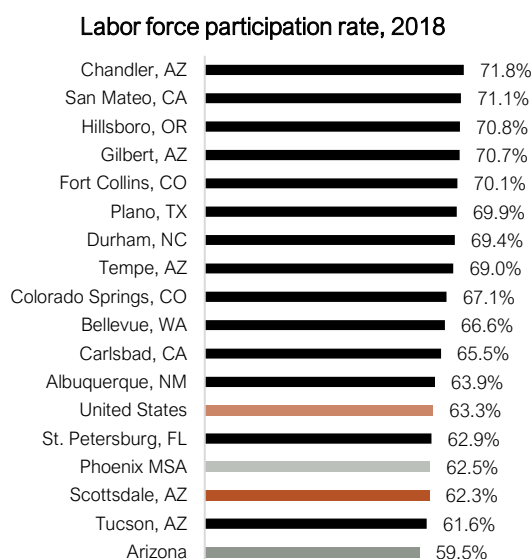


ECONOMIC VITALITY

Research has found that it is the factors of talent and skills that drive long-run growth and prosperity. There are three broad sets of skills that drive today's economy: knowledge, service, and working sector. For Scottsdale, a competitive advantage lies in the city's creative class and its knowledge-based sector. A detailed analysis is presented below:

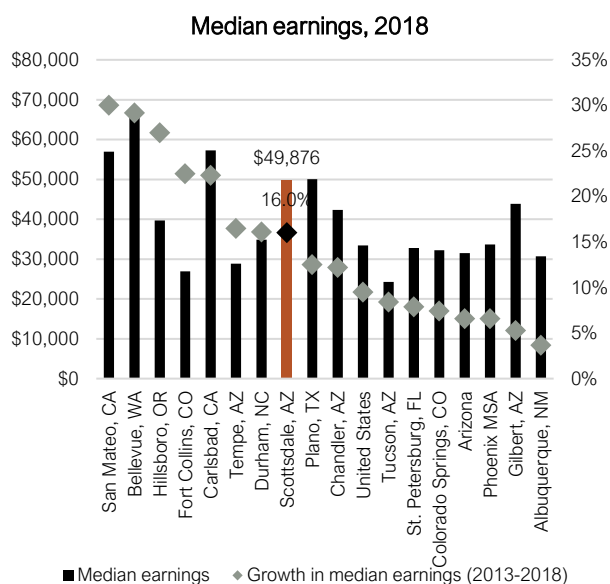
LOW LABOR FORCE PARTICIPATION RATE

Approximately 127,000 individuals comprise Scottsdale's labor force. That's a participation rate of 62.3%, below the national average (63.3%), and ranking 14th among peer cities.



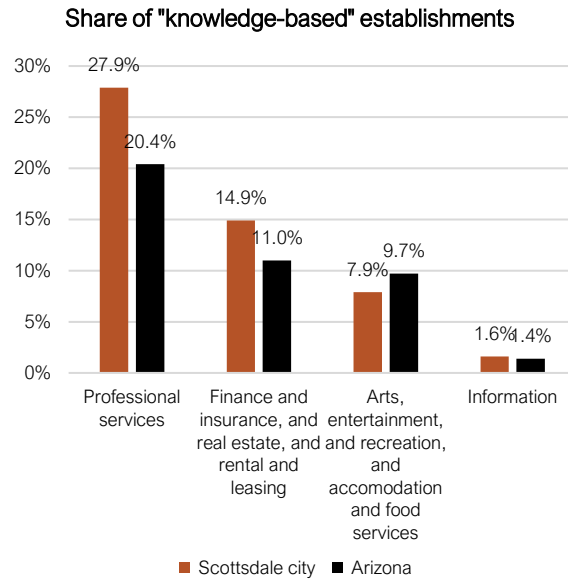
HIGH MEDIAN EARNINGS

Scottsdale ranks fifth for median earnings, at slightly below \$50,000. This is \$16,000 more than the national median earnings and \$18,000 more than the state median earnings. In the last 5 years, median earnings grew by 16%, ranking the city eighth in terms of growth. This is higher than both the growth rate at the national and state level (9.5 and 6.6%, respectively).



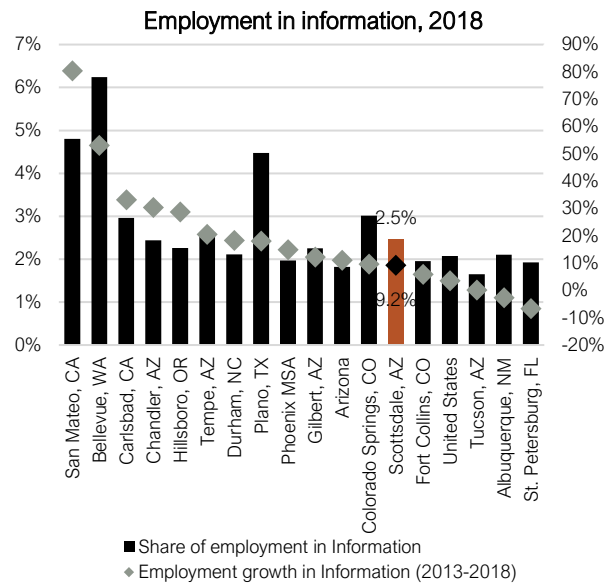
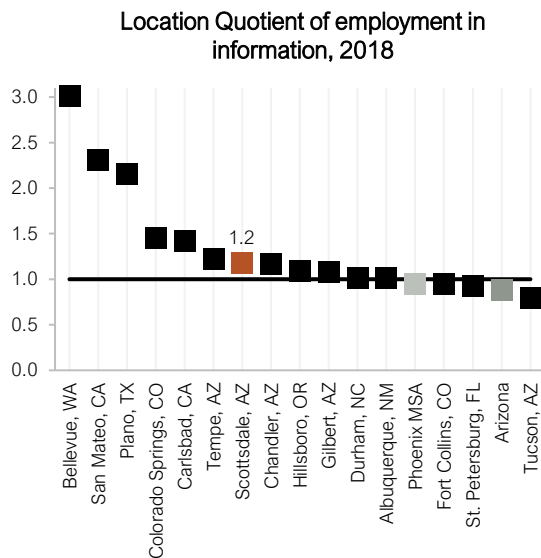
“KNOWLEDGE-BASED” BUSINESSES

Scottsdale’s share of “knowledge-based” businesses outpaces Arizona.



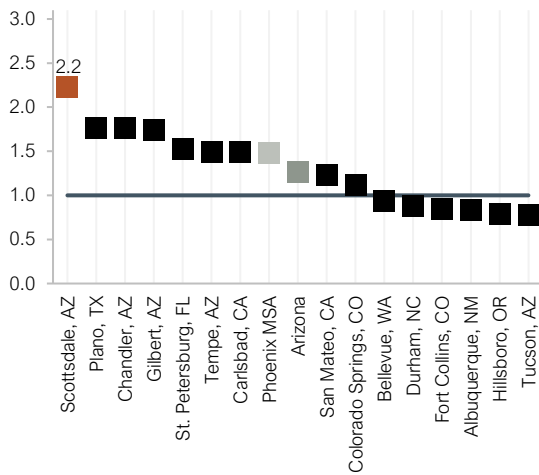
EMPLOYMENT IN THE INFORMATION SECTOR

The information sector in Scottsdale employs 2.5% of the population. Boasting an LQ (specialization) of 1.2, the sector has experienced expansion since 2013 (9.2%), now employing more than 3,000 employees. On the national level, the information sector employs 2.1% and has experienced 3.5% growth in the last five years. Scottsdale ranks seventh for share of employment in the information sector, and 11th for growth rate in that sector.

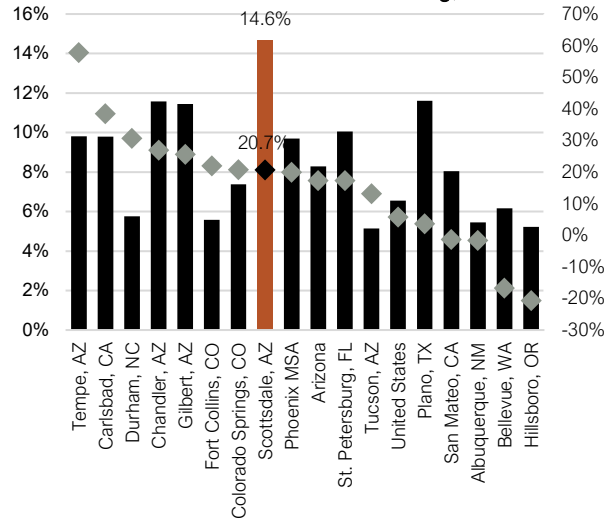


EMPLOYMENT IN FINANCE AND INSURANCE, AND REAL ESTATE AND RENTAL AND LEASING
 Scottsdale's finance and insurance, and real estate and rental and leasing sector (LQ of 2.2) makes up 14.6% of the city's employment, ranking first among the benchmarking cities — more than 18,500 individuals. This represents a 20.7% increase since 2013, ranking eighth among the benchmark cities.

Location Quotient of employment in finance and insurance, and real estate and rental and leasing, 2018



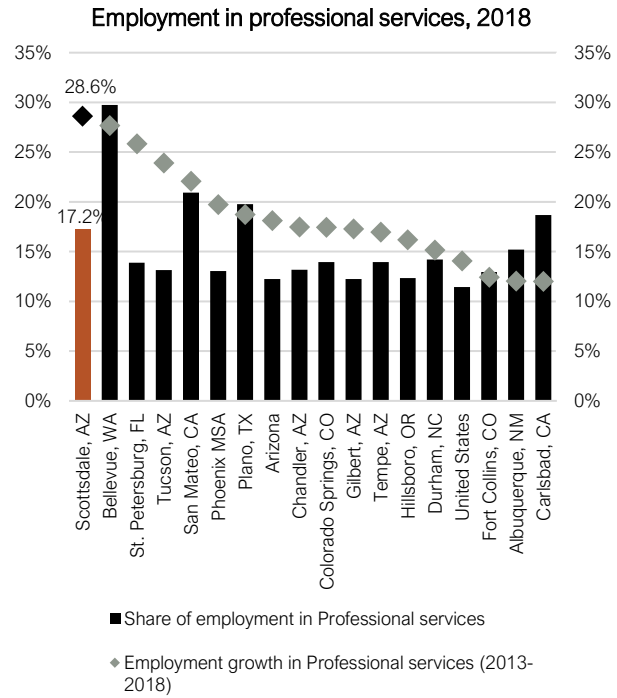
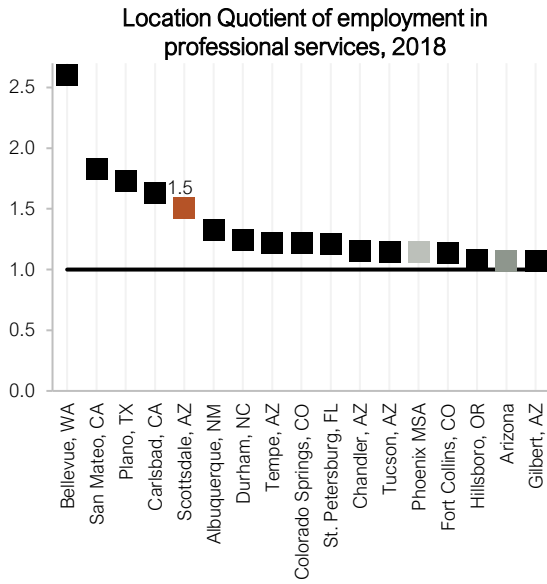
Employment in finance and insurance, and real estate and rental and leasing, 2018



- Share of employment in Finance and insurance, and real estate and rental and leasing
- ◆ Employment growth in Finance and insurance, and real estate and rental and leasing (2013-2018)

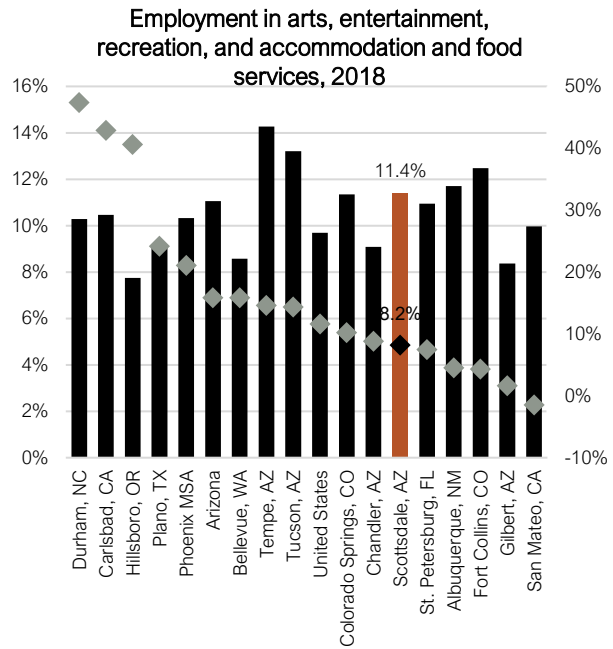
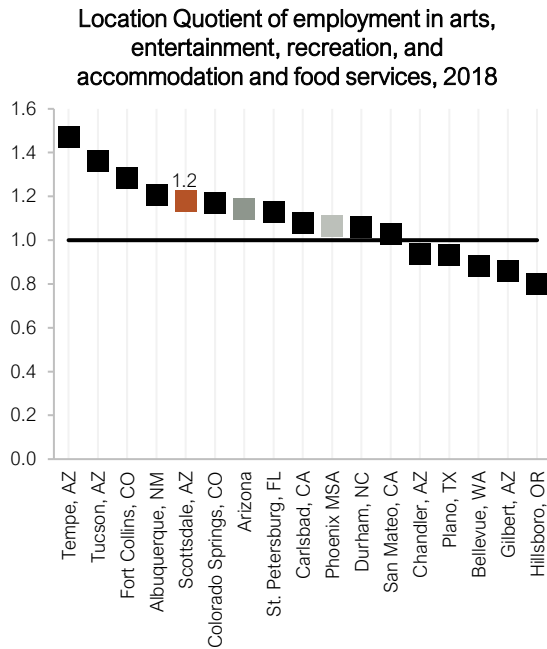
EMPLOYMENT IN PROFESSIONAL SERVICES

Scottsdale's professional services sector has increased significantly (28.6%) since 2013, employing 21,850 in 2018 (17.2% of the workforce). The city boasts an LQ of 1.5, ranking fifth for share of employment, and first for rate of growth, among the benchmarking cities.



EMPLOYMENT IN ARTS, ENTERTAINMENT, & RECREATION, & ACCOMMODATION & FOOD SERVICES

Boasting an LQ (specialization) of 1.2, arts, entertainment, recreation, and accommodation and food services in Scottsdale has experienced an 8.7% expansion since 2013, now employing around 15,000. This growth is lower than the national average at 11.6%. In terms of specialization, Scottsdale ranks fifth among the benchmarking cities, and tenth for rate of growth.



■ Share of employment in Arts, entertainment, and recreation, and accommodation and food services

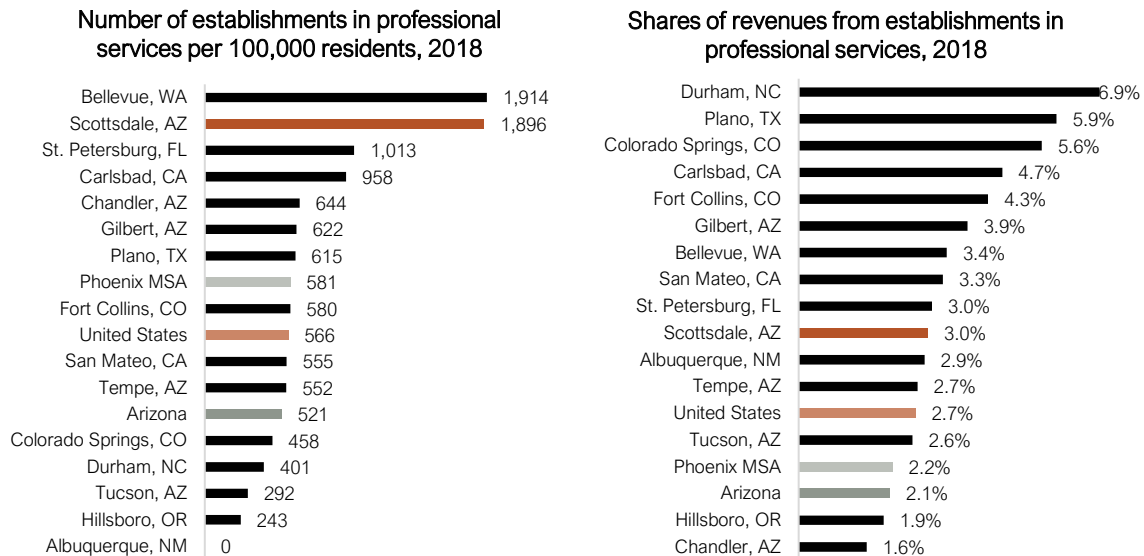
◆ Employment growth in Arts, entertainment, and recreation, and accommodation and food services (2013-2018)

INNOVATION

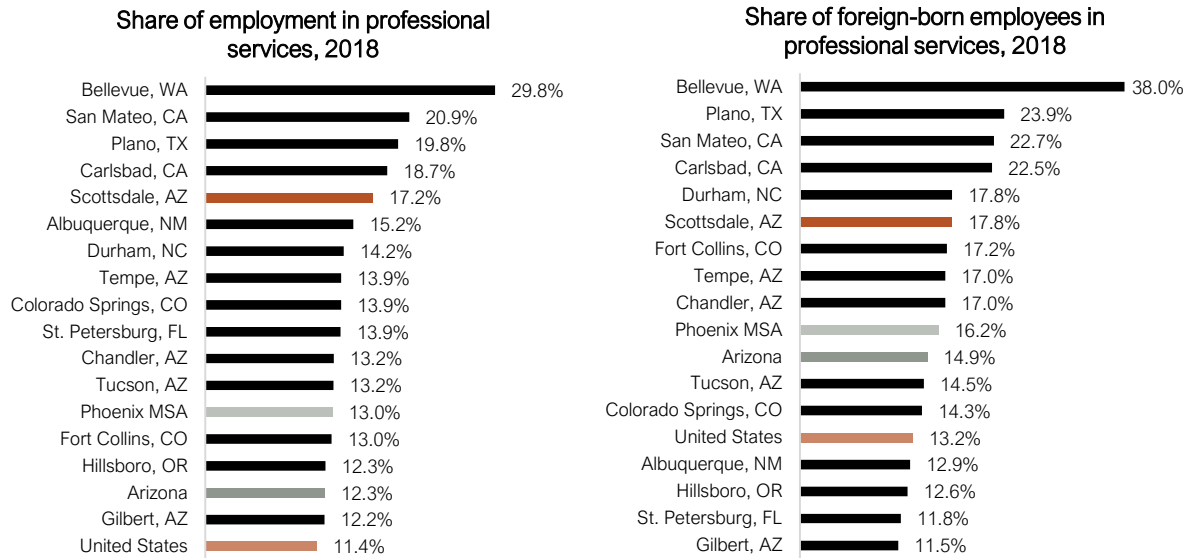
Scottsdale is an emerging center for technology development and is increasingly a location of choice for companies looking for national expansion. Its environment combines successful entrepreneurs, a highly talented workforce and a burgeoning high-tech industry sector. A detailed analysis is presented below:

PROFESSIONAL SERVICE FIRMS

Scottsdale is home to 4,664 professional service firms; this is almost 1,900 firms per 100,000 residents. The city ranks second. However, only 3% of total revenues come from establishments in that category; the city ranks tenth among benchmark cities for this metric.



Scottsdale employs 21,850 in professional services, that is 17.2% of the workforce. Foreign-born individuals constitute 17.8% of workforce in professional services. This is above the national average at 13.2%, ranking the city sixth.



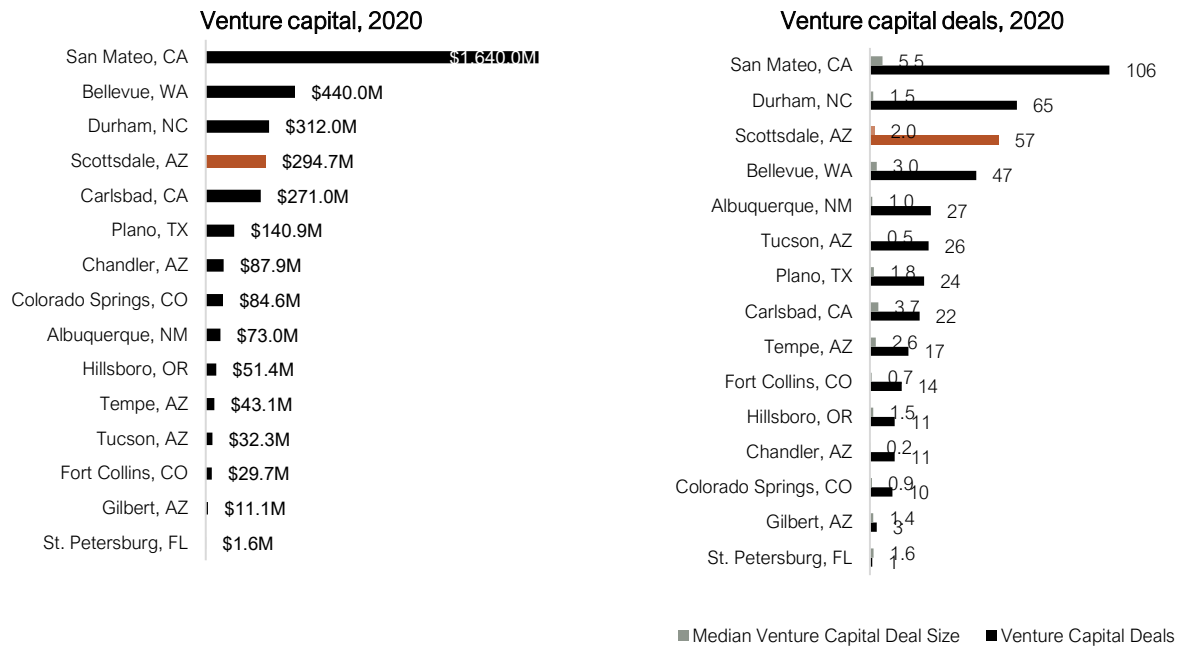
YOUNG TALENT

US News ranks the best STEM high schools on a national level. BASIS Scottsdale ranks 49th on this ranking, rendering the city third place among the benchmarking cities after Chandler and Tucson.



VENTURE CAPITAL

Scottsdale attracted \$295 million in venture capital in 2019, ranking 4th among peers and on par with Durham. The city ranks third for venture deals, with 57 deals.

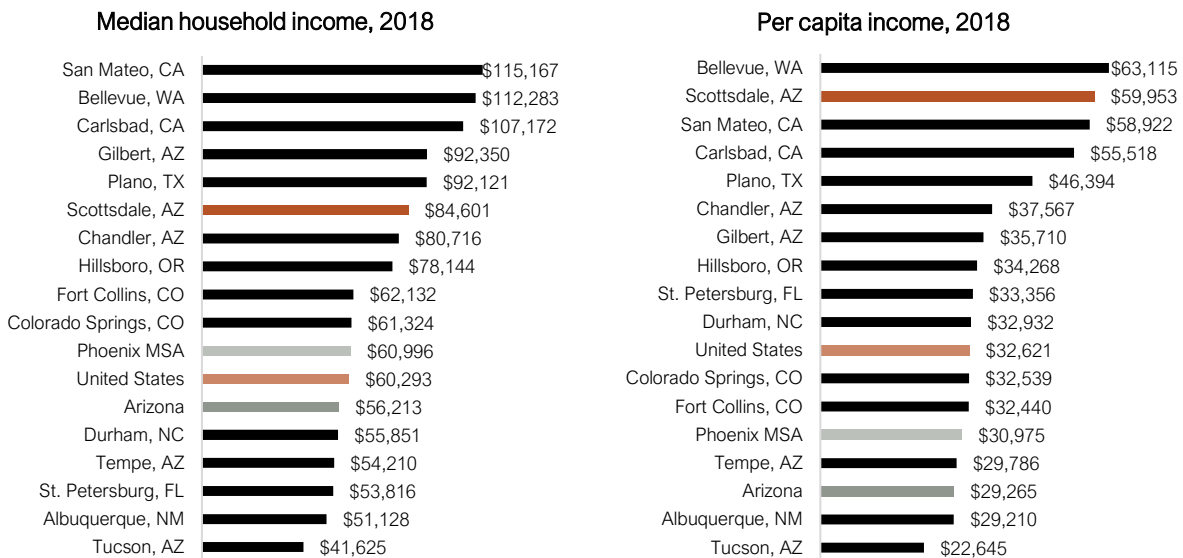


EQUITY

Equity evaluates who benefits from growth within a city. Research has found that greater economic equity enables more people to engage at a higher level and add value in ways that help the economy perform better overall. A closer look at equity in Scottsdale is presented in the analysis below:

STRONG MEDIAN HOUSEHOLD AND PER CAPITA INCOMES

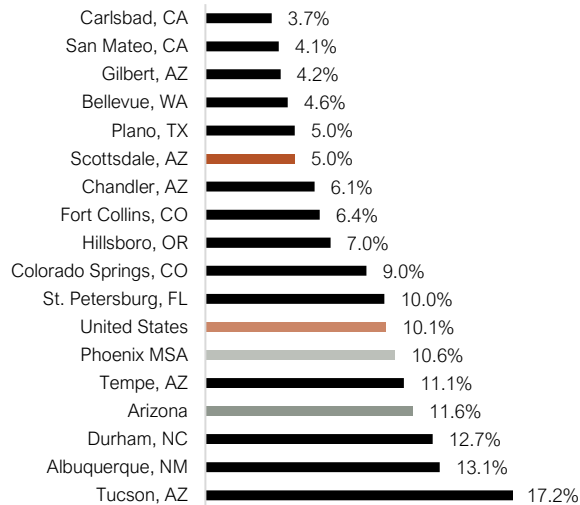
At \$84,601, Scottsdale’s median household income is 40% higher than the national average (\$60,293) and ranks sixth among the benchmark cities. On a per capita level, income is even stronger at \$59,953, which is 84% higher than the national average, and ranks second among the benchmark cities.



LOW INCOME RESIDENTS

Approximately 5% of Scottsdale's families are below the poverty line, ranking sixth among the benchmarks and below the national average (10.1%).

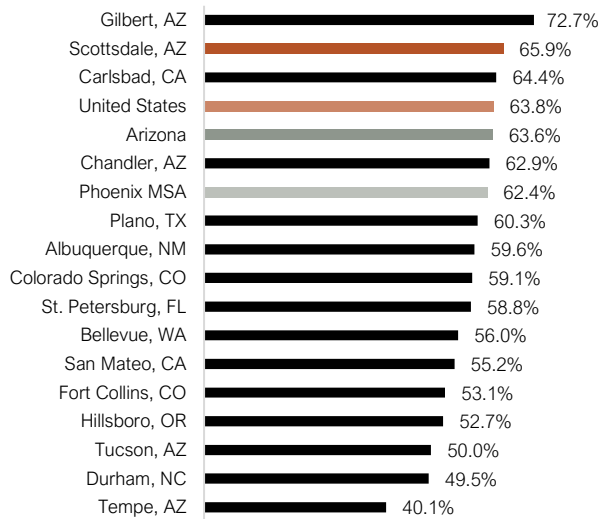
Share of families below the poverty line, 2018



STRONG HOMEOWNERSHIP

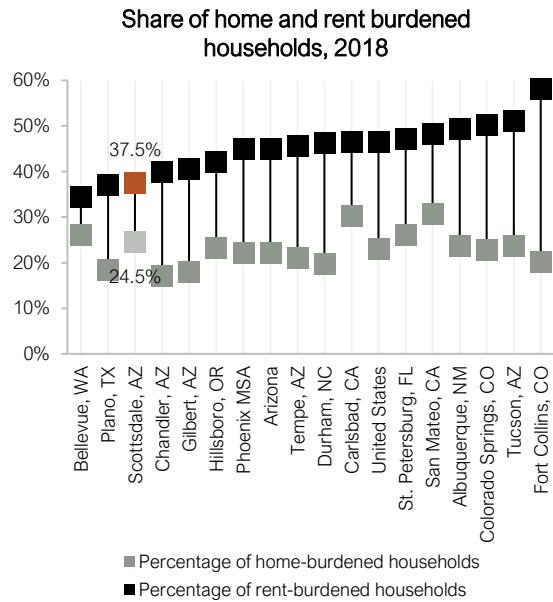
Scottsdale boasts a high rate of home ownership at 65.9%, ranking second among the benchmarking cities.

Home ownership rate, 2018



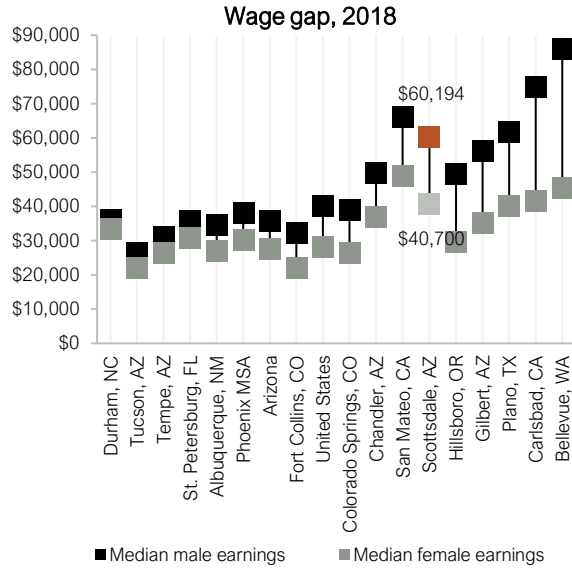
HOUSING BURDEN

24.5% of homeowners and 37.5% of renters in Scottsdale spend more than 30% of monthly income on housing costs. The rate for homeowners is among the highest, where Scottsdale ranks 11th and is above the national average (23.1%). However, for renters, Scottsdale ranks 3rd among the benchmarking cities, where the national average is at 46.5%.



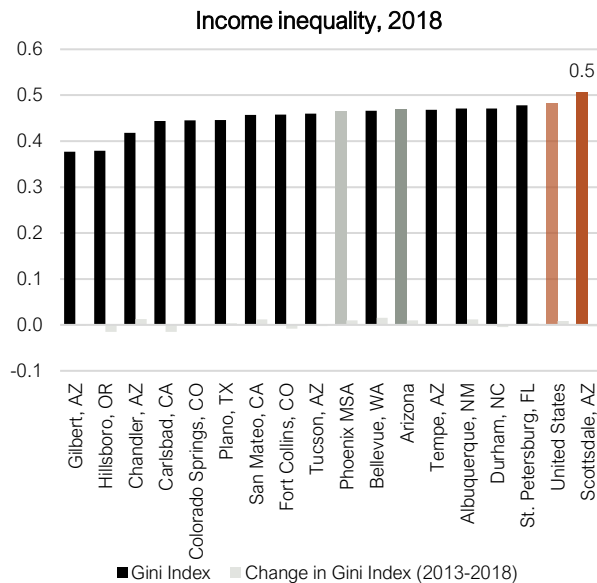
WAGE GAP

Men in Scottsdale earn, on average, \$20,000 more than women. This is a rather large wage gap, where the gap on the national level is around \$12,000. Scottsdale ranks tenth among the benchmarking cities for this metric.



INCOME INEQUALITY

Income inequality in Scottsdale is highest among all peer cities. However, inequality has slightly decreased between 2013 and 2018.

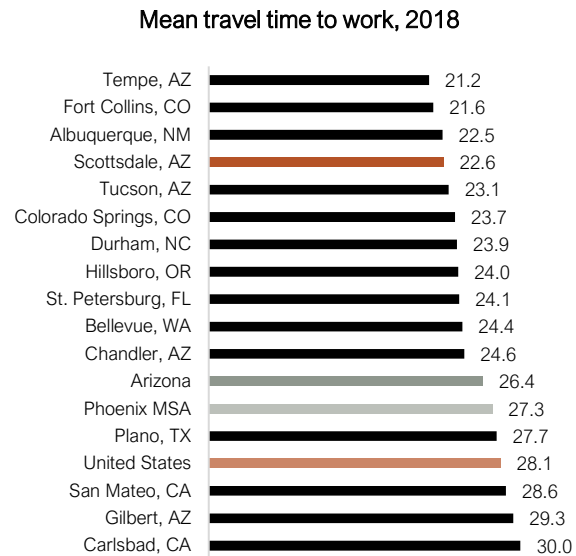
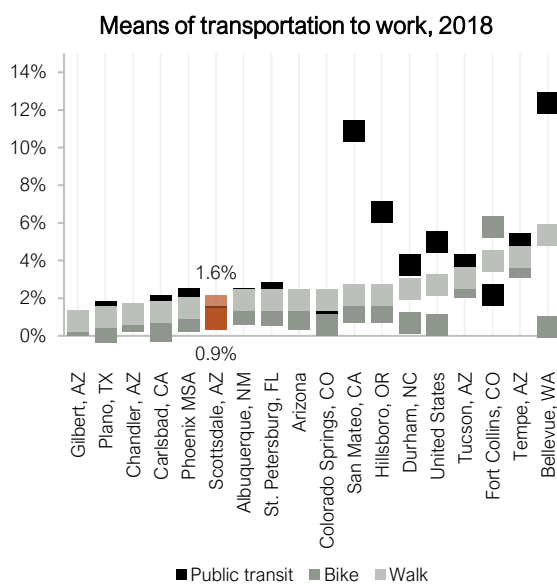


QUALITY OF PLACE

Quality of place is an indicator of the quality and type of existing workforce in a city, which is an important factor for business retention and growth. It is also a promising foundation for an economic development strategy. Scottsdale has a competitive advantage when it comes to quality of place, as shown by the analysis below:

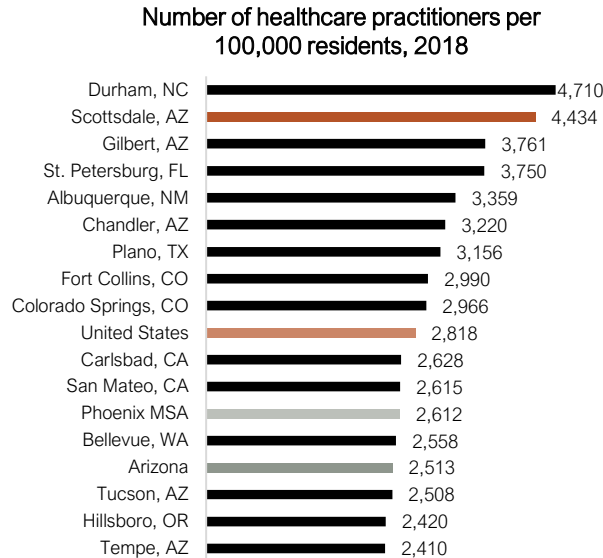
COMMUTING

Eight of out of 10 Scottsdale residents drive to work. Less than 3% bike, walk, or take public transit. However, the mean travel time to work is less than 23 minutes, ranking Scottsdale fourth among the benchmarking cities.



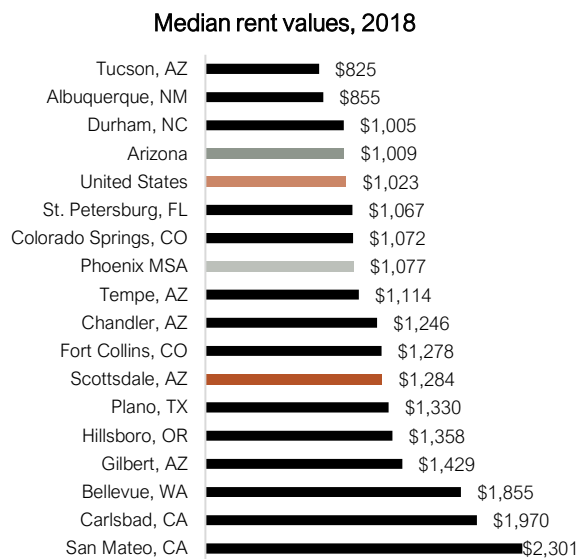
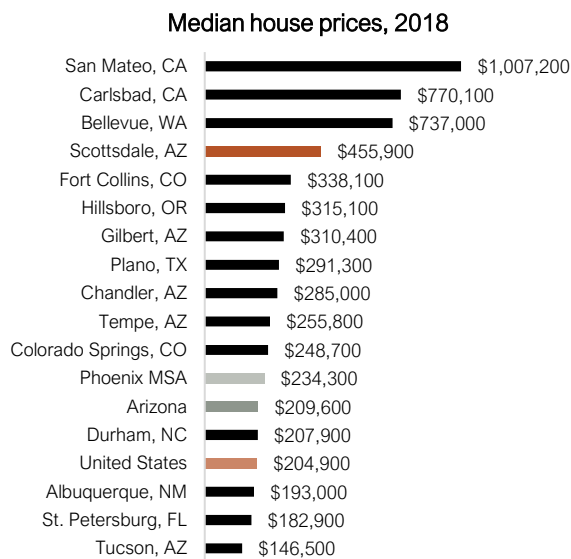
HEALTHCARE

Scottsdale ranks second for healthcare practitioners per capita, nearly 36% more than the national average.



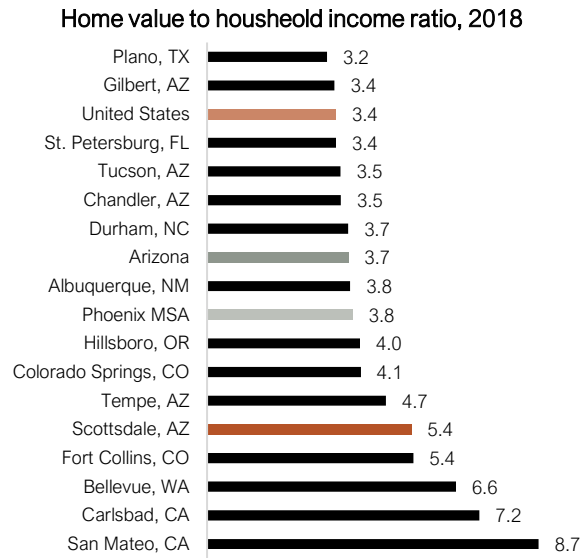
HOUSING

Scottsdale has relatively high housing costs; median house values are 2 times the national and state averages. The difference is less pronounced for rents, where rent values are around 20% higher than the national and state averages.



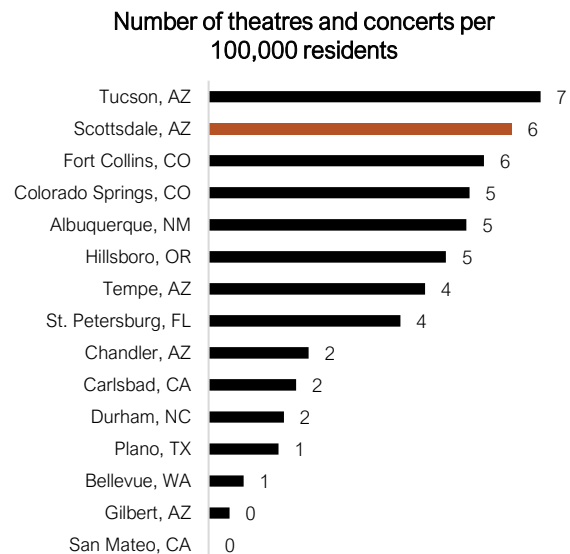
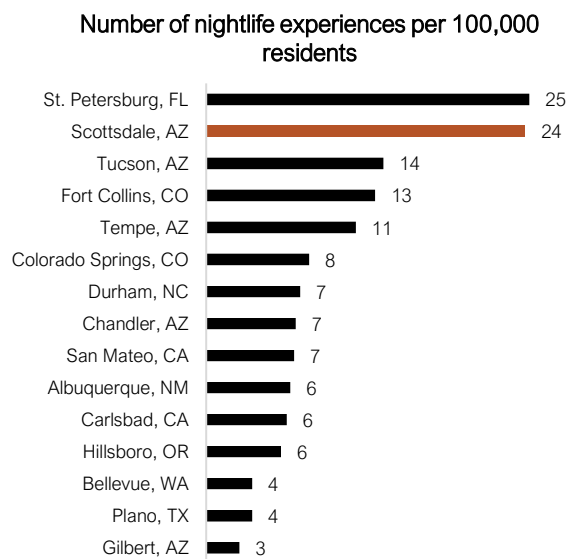
HOME VALUE TO HOUSEHOLD INCOME

The home value to household income ratio in Scottsdale is relatively high but on par with other western cities.



VIBRANCY

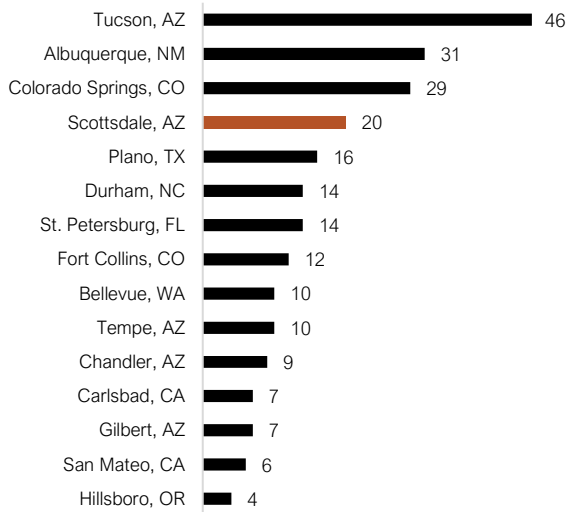
Scottsdale is a vibrant city, known for its high-end boutiques and restaurants, and luxurious amenities. The city ranks first for shopping and culinary experiences, and second for nightlife and theatres among the benchmarks.



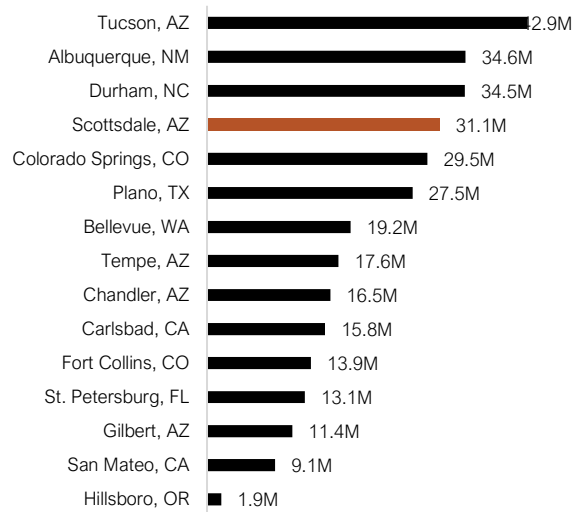
PROMOTION

Scottsdale is a well promoted city, ranking fourth for Google Trends and search results, and Facebook check-ins, fifth for Instagram hashtags, and second for TripAdvisor reviews.

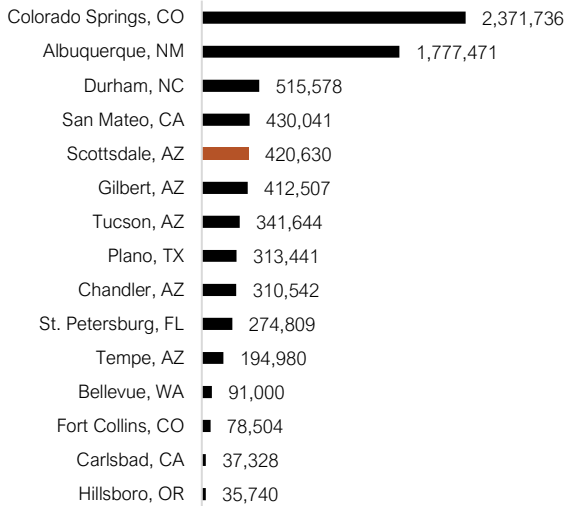
Google Trends, 2020



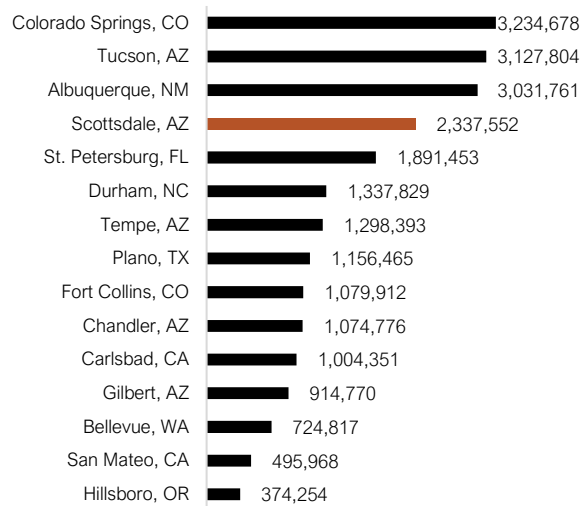
Google search results, 2020



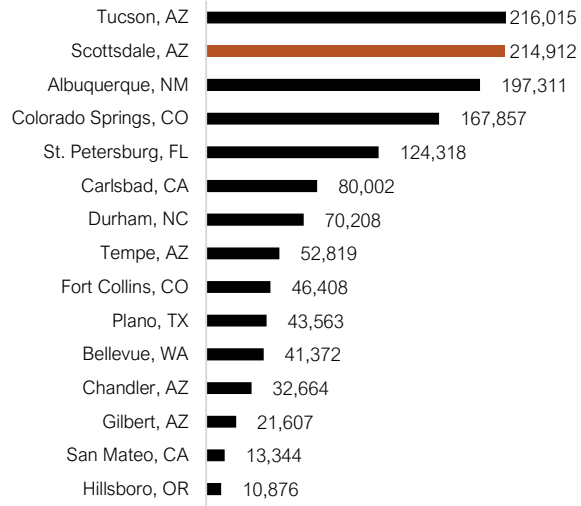
Instagram hashtags, 2020



Facebook check ins, 2020



TripAdvisor reviews, 2020



Appendix B: Engagement

While a data assessment helps determine a city's competitive advantages, opportunities, and challenges, an economic development strategy must be co-authored by the community it intends to serve.

By providing a platform for community members to share their expertise and new ideas, we hope to generate a universal understanding of economic opportunity among public, private, and governmental partners. This process of convening local stakeholders is reflective of the City of Scottsdale's mission to build meaningful relationships between industry players, service providers, residents, non-profit organizations, and economic development partners.

The roundtable discussions with the following groups represent the beginning of a long-term effort to foster community engagement. To arrive at a firm understanding of Scottsdale's many assets and challenges, the City of Scottsdale, in partnership with Resonance Consultancy, hosted a series of discussions on a detailed list of topics; more than seventy business, community and government representatives participated in the conversation.

ROUNDTABLE DISCUSSIONS

CURRENT ECONOMIC DEVELOPMENT PRIORITIES/INITIATIVES

The City of Scottsdale will rely on its key partner organizations – regional and provincial economic development entities, workforce providers, the airport, local educational facilities, and industry associations – to implement its three-year economic development strategy. This discussion identified community competitive advantages, shared priorities, and the opportunity for future collaboration.

STARTUPS AND ENTREPRENEURSHIP AND INNOVATION

This discussion included local entrepreneurs, small business support organizations and founders of local businesses to consider what makes the city a unique environment for entrepreneurship. In addition to identifying certain action steps and gaps in the small business ecosystem, the conversation pinpointed target industries that have demonstrated the greatest opportunity for supporting entrepreneurship.

BRAIN GAIN/DRAIN

Talent is the driving factor in economic development today. This roundtable discussions gathered young professionals, workforce development professionals, and business representatives to discuss Scottsdale's appeal to the growing creative class in the region, as well as the challenges that talent experiences in the city.

DIVERSITY, EQUITY, AND INCLUSION

Cities across the country are grappling with how to build more inclusive, equitable communities. This conversation pulled together DEI representatives across Scottsdale to address how the city can tackle growing equity and inclusion challenges and gaps through its economic development efforts.

CITY COUNCIL AND CITY STAFF LEADERSHIP

One-on-one conversations with the elected officials and city staff helped to frame the key priorities for economic growth, vision, and principles. Moving forward, these leaders will continue to provide input for Scottsdale's economic development strategy and help identify resources needed to support the plan.

FINANCIAL AND INSURANCE SERVICES AND TECHNOLOGY

Scottsdale's financial and insurance industries are key employment sectors and competitive advantages. This discussion brought together industry professionals (from large anchor and midsized companies) and entrepreneurs to discuss the city's growth opportunities within these industries and how technology and innovation may alter their trajectory.

QUALITY OF PLACE AND DESTINATION DEVELOPMENT, ARTS AND CULTURE

The tourism, placemaking, and arts and culture session convened destination marketing organization professionals, planners, arts and culture representatives (theaters, galleries and collectives) to discuss the importance of quality of place to Scottsdale's economic development efforts. Specifically, the conversation highlighted Scottsdale's growing tourism sector but the need for additional product development. The discussion also acknowledged the significant value that Scottsdale's arts community brings to the city, as well as the challenges it faces as the city grows.

COMMERCIAL DEVELOPERS/BROKERS

The COVID-19 pandemic will dramatically transform how cities utilize space in the future. This roundtable discussion brought together commercial real estate brokers and developers for a dialogue about development in Scottsdale in a post COVID-19 world.

KEY THEMES AND TAKEAWAYS

Roundtable participants and community stakeholders identified the following themes. Their takeaways, cross cutting several sessions, have helped to shape the City of Scottsdale's Economic Development Strategy.

FOSTERING A COMMUNITY DIALOGUE ABOUT GROWTH

- **CITY AT A CROSSROADS**
Scottsdale is changing quickly, creating both opportunities and challenges.

- **THE GROWTH DEBATE**
There is a growing debate in Scottsdale surrounding the issue of development.
- **ANXIOUS ABOUT FAST-PACED GROWTH**
Some Scottsdale residents are growing anxious with the city's rapid growth.
- **NEED FOR A VISION**
Scottsdale needs a vision for economic development.

ARTICULATING ECONOMIC DEVELOPMENT PRIORITIES

- **GROWING CORPORATE PRESENCE**
Retaining and expanding Scottsdale's corporate presence is a priority for the city.
- **DEVELOPMENT ALONG THE 101 CORRIDOR**
The 101 corridor is a growing center of economic activity.
- **DIVERSIFICATION FOR LONG-TERM SUCCESS**
Diversification is an economic necessity for Scottsdale's future.
- **DEFINING ECONOMIC DEVELOPMENT TARGETS**
Scottsdale needs a target sector approach.
- **AIRPARK OPPORTUNITY**
Scottsdale should leverage the airpark in the city.
- **SUSTAINABILITY IS KEY**
For some Scottsdale residents, sustainability is an important economic development principle.
- **LEVERAGING TIES TO MEXICO**
Scottsdale and Arizona should leverage the connection to Mexico.

DISCUSSING THE ROLE AND FUTURE OF TOURISM

- **TOURISM IS KEY**
Scottsdale has effectively leveraged tourism to tell its story.
- **TOURISM IMPACT**
Tourism is an essential sector for Scottsdale.
- **HIGHLY DEPENDENT ON TOURISM**
Scottsdale's economy remains highly dependent upon tourism dollars.

- **A GROWING CANADIAN FOOTPRINT BECAUSE OF TOURISM**
Tourism helps open the door to FDI.
- **GLOBAL TOURISM COMPETITION**
Scottsdale competes on a global scale as a destination.
- **FUTURE OF RESORTS IN POST-COVID**
Scottsdale has a large number of resorts; some may need to be reimaged in a post-COVID world.
- **A LONG ROAD TO RECOVERY**
As a destination and tourism hub, the recovery for Scottsdale will be extended.

PROMOTING THE IMPORTANCE OF QUALITY OF PLACE

- **QUALITY OF PLACE A DRAW FOR HQ RELOCATION**
When closing relocation deals, Scottsdale has a strong quality of place story.
- **APPEAL FOR EXECUTIVE WORKFORCE**
As a destination, Scottsdale is very appealing for executives.
- **BALANCING ECONOMIC DEVELOPMENT AND QUALITY OF PLACE**
Scottsdale's economic development efforts have to balance growth and quality of life.
- **SCOTTSDALE'S APPEAL TO THE CREATIVE CLASS**
Scottsdale has a strong appeal for the creative class.
- **A BRAND FOR THE ARTS**
Scottsdale has a well-established reputation for the arts.

BUILDING A MORE INCLUSIVE SCOTTSDALE

- **GROWING DIVERSITY IN SCOTTSDALE**
Scottsdale is growing in diversity.
- **COMMUNICATING INCLUSION**
Scottsdale is a welcoming community but needs to better tell its story.
- **ONGOING DYNAMIC PROCESS**
Inclusion requires ongoing engagement.
- **DEFINING INCLUSION**
Inclusion is community value that benefits everyone.

- **AN INTENTIONAL STRATEGY FOR INCLUSION**
Inclusion should be a central part of the city's economic development efforts.

GROWING SCOTTSDALE'S STARTUPS

- **BOOMING STARTUP COMMUNITY**
Scottsdale's startup ecosystem is expanding.
- **A SPREAD-OUT INNOVATION SECTOR**
Scottsdale's startup community is dispersed.
- **GAP OF YOUNG COMPANIES**
Scottsdale, including Arizona, has a gap in the startup lifecycle.
- **STARTUP CHAMPION NEEDED**
Arizona's startup community needs an advocate to step up.
- **CAPITAL AND FUNDER ECOSYSTEM**
A lot of out-of-state startups and capital providers when they arrive in Arizona do not interact with the local entrepreneurial community.
- **VC INCREASING**
Arizona is experiencing an increase in startup capital.
- **FINTECH OPPORTUNITY**
Arizona, including Scottsdale, has a growing opportunity in fintech.
- **FEW UNICORNS**
Arizona's startup ecosystem has had very few 'unicorns'.
- **LACK OF STARTUP LEADERSHIP TALENT**
Arizona has a deep bench of business executive talent, but few have scaled a startup business.
- **MOVING BEYOND STORYTELLING TO STRATEGY**
Scottsdale needs a defined startup strategy.
- **FORMING AN IDENTITY**
The Scottsdale startup community is still forming its identity.

LEVERAGING HEALTHCARE ASSETS

- **GROWING MEDICAL TOURISM**

Medical tourism is a significant opportunity for Scottsdale.

- **PLACE OF HEALTH AND HEALING**
Scottsdale has a long history as a healthcare center.
- **MAYO CLINIC IMPACT**
The Mayo Clinic is a significant anchor institution for the city and region.
- **IMPROVING COMPETITIVENESS**
While Arizona has one of the longest-standing biosciences roadmaps in the U.S, the state's sector is not as competitive as some peers.
- **LEVERAGING THE CURE CORRIDOR**
Looking forward, Scottsdale has to build upon the energy and buzz created by the Cure Corridor.

RETHINKING FUTURE OF THE OFFICE AND DEVELOPMENT

- **REVALUATING THE OFFICE**
With the impact of the COVID-19 pandemic, many businesses are re-evaluating their office space needs.
- **WORKING FROM HOME**
The "rise of the home office" will change the future of office space in the future, even after the pandemic
- **WHERE TO DRIVE COMPANY CULTURE**
The office will be the "place" where you drive company culture.
- **DEVELOPMENT PROCESS**
There are mixed perspectives on the ease of Scottsdale's development process.

Appendix C: Key Industries

WHAT IS AN INDUSTRY SECTOR

The term “industry sector” refers to a group of similar and related traded sector businesses in a defined geographic area. Businesses in the same industry tend to share common markets, technologies and skill sets, and are often connected through buyer-seller relationships. For this reason, industry sectors tend to be highly specific. This allows a city to identify the industry’s unique workforce and supply chain needs, while promoting the industry more effectively.

On the most basic level, industry sectors promote two functions: collaboration and competition. Due to their shared resources and markets, businesses in the same industry can collaborate to solve issues within their own industry or throughout the broader community, including infrastructure needs and regulations such as incentives or zoning. Industries also help to distinguish a community from nearby areas, define its role in the regional or national landscape, and encourage the development of new business opportunities. At the same time, these sectors encourage competition among related businesses, thereby promoting innovation.

By highlighting a specific group of like-minded businesses, cities can better communicate their competitive strengths to outside talent and firms. Through data analysis, we examined the following 13 traded industries for Scottsdale:

1	Aerospace and Defense
2	Biotech and Medical Devices
3	Corporate and Regional HQ
4	Financial Services
5	FinTech
6	Higher Education
7	Hospitality
8	Insurance Services
9	IT Services and Computer Software
10	Life Sciences

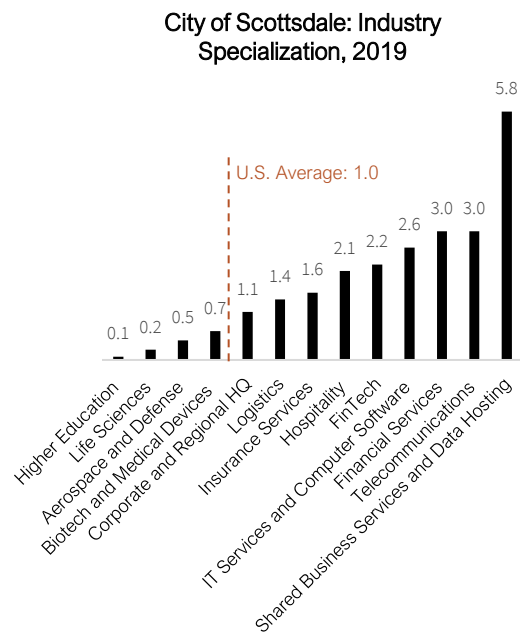
11	Logistics
12	Shared Business Services and Data Hosting
13	Telecommunications

The following is an analysis of the City of Scottsdale's sector advantages and associated workforce skills.

TRADED INDUSTRIES

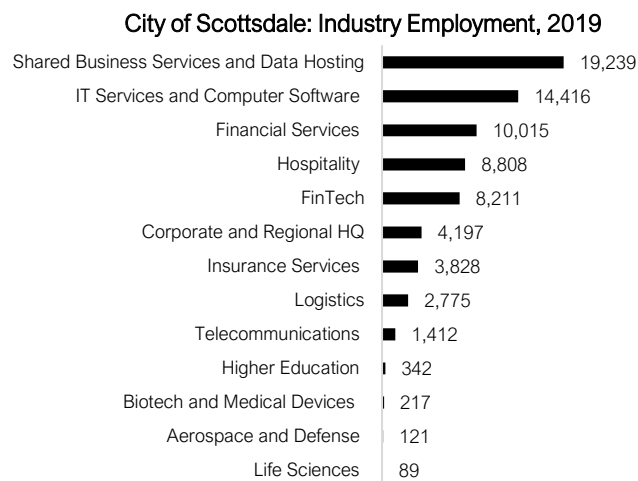
INDUSTRY SPECIALIZATION

Nine of the traded sector industries in Scottsdale have a competitive advantage (specialization greater than 1). The following four industries do not have a competitive advantage: Higher Education, Life Sciences, Aerospace and Defense, Biotech and Medical Devices.



INDUSTRY EMPLOYMENT

Scottsdale's largest traded sector industries are business services, technology and hospitality. Together, they employ around 44,000 employees.



INDUSTRY JOB CREATION

Scottsdale's traded industries added nearly 11,000 jobs since 2014, a 12.8% increase. Six of the industries have a job growth that is faster than Arizona.

Sector	2019 Jobs	5-Year Growth, 2014-2019	New Jobs, 2014-2019	Job Growth Faster/ Slower than AZ 2019
Shared Business Services and Data Hosting	19,239	10.8%	1,875	-3.4%
IT Services and Computer Software	14,416	41.6%	4,235	3.5%
Financial Services	10,015	33.7%	2,524	12.2%
Hospitality	8,808	3.7%	314	-1.0%
FinTech	8,211	27.1%	1,749	-0.9%
Corporate and Regional HQ	4,197	3.7%	148	2.2%
Insurance Services	3,828	4.6%	169	2.1%
Logistics	2,775	-10.5%	-325	-34.5%
Telecommunications	1,412	10.5%	134	-8.9%
Higher Education	342	-18.4%	-77	8.1%
Biotech and Medical Devices	217	128.4%	122	100.2%
Aerospace and Defense	121	-24.8%	-40	-36.9%
Life Sciences	89	67.9%	36	-16.3%

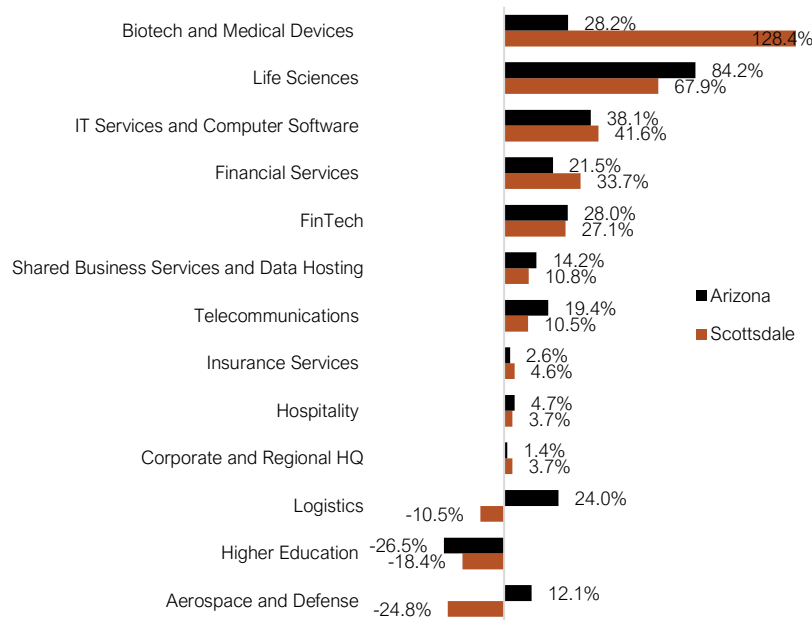
**Note: Brick shading represents an employment decline or slower growth than Arizona.*

5-YEAR EMPLOYMENT GROWTH

Five Scottsdale industries outpace Arizona in job growth: Biotech and Medical Devices, IT Services and Computer Software, Financial Services, Insurance Services, and Corporate and Regional HQ.

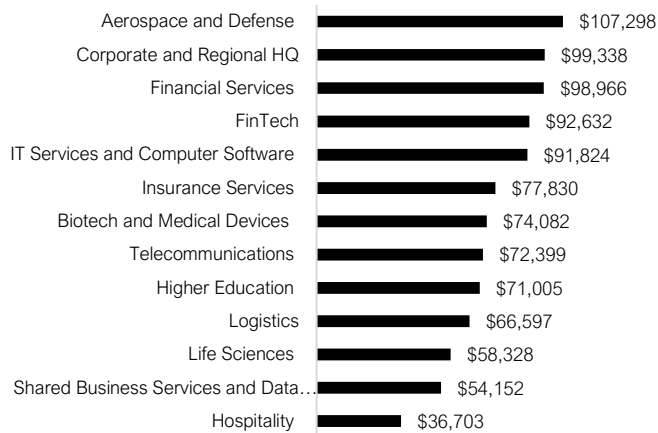
INDUSTRY EARNINGS PER WORKER

City of Scottsdale: 5-year employment growth, 2014-2019



Out of the 13 traded industries, 12 have earnings above \$50,000, while 6 have earnings above \$75,000.

City of Scottsdale: Industry earnings per worker, 2019



TRADED SECTOR GROSS REGIONAL PRODUCT

Scottsdale accounts for a quarter of Arizona's IT services and computer software gross domestic product.

Sector	GDP 2019 (Millions)	Share of AZ Sector GDP 2019
IT Services and Computer Software	\$2,770.7	26.0%
Financial Services	\$2,268.4	16.7%
FinTech	\$1,847.9	17.7%
Shared Business Services and Data Hosting	\$1,445.9	14.0%
Insurance Services	\$825.7	14.0%
Hospitality	\$763.3	16.4%
Corporate and Regional HQ	\$611.5	14.8%
Logistics	\$409.8	7.3%
Telecommunications	\$364.0	9.5%
Biotech and Medical Devices	\$45.4	3.1%
Higher Education	\$36.5	1.9%
Aerospace and Defense	\$34.1	0.5%
Life Sciences	\$20.4	2.3%

INDUSTRY SUMMARY

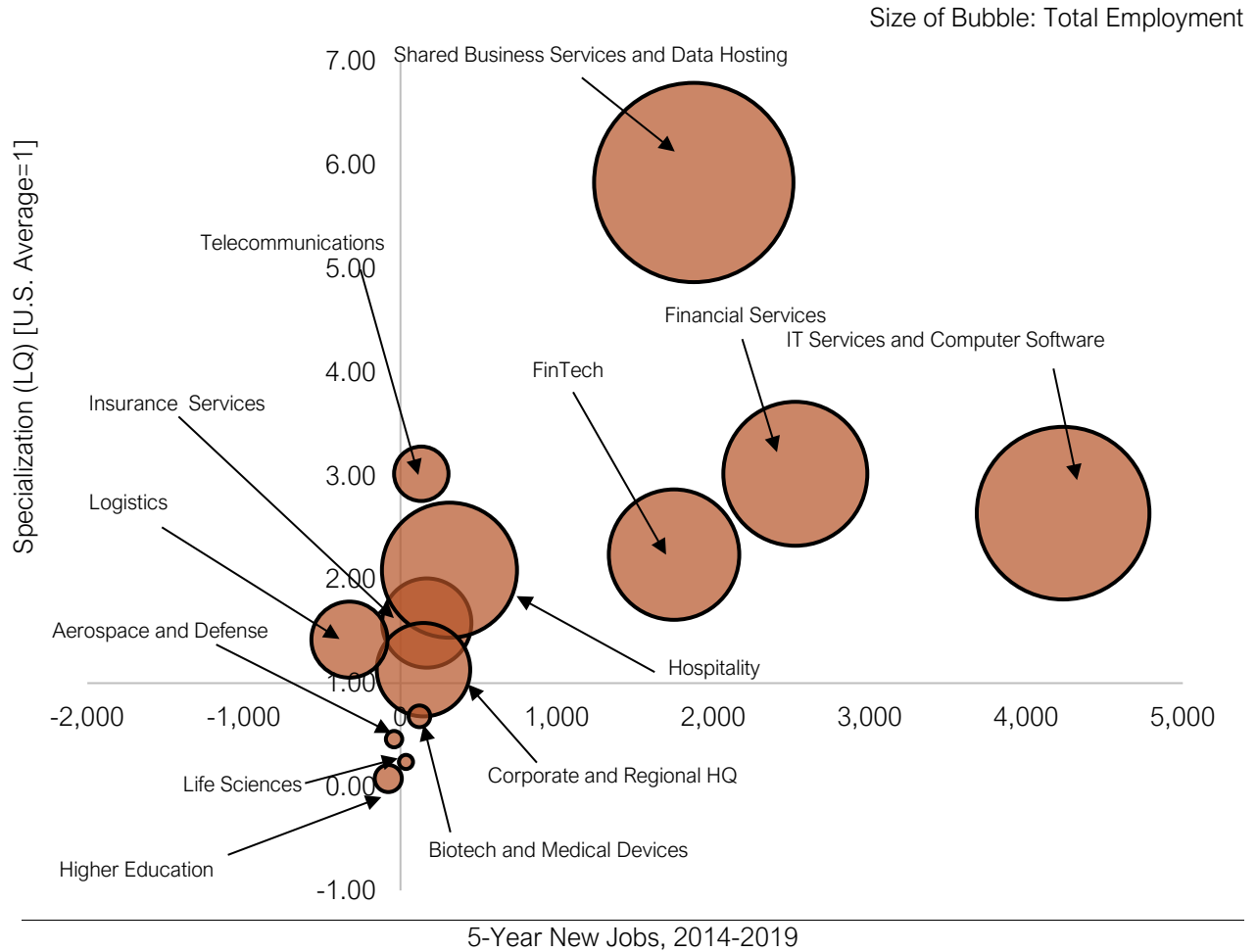
Nine of the Scottsdale industries that were included in the analysis have a competitive advantage (LQ>1). Of the nine competitive industries, five industries are experiencing slower job growth than Arizona.

Industry	Location Quotient 2019	Employment 2019	Employment in Sectors > 1.25 (LQ) 2019	Share of AZ Sectors Employ 2019	Share of New Jobs, 2014-2019	New Jobs, 2014-2019	Job Growth Faster/Slower than AZ 2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)	Share of AZ Sector GDP - 2019
Shared Business Services and Data Hosting	5.83	19,239	97.1%	16.5%	10.8%	1,875	-3.4%	\$54,152	\$1,445.90	14.0%
Financial Services	3.02	10,015	95.3%	14.6%	33.7%	2,524	12.2%	\$98,966	\$2,268.40	16.7%
Telecommunications	3.02	1,412	94.9%	15.0%	10.5%	134	-8.9%	\$72,399	\$364.00	9.5%
IT Services and Computer Software	2.64	14,416	96.3%	23.3%	41.6%	4,235	3.5%	\$91,824	\$2,770.70	26.0%
FinTech	2.24	8,211	90.1%	14.6%	27.1%	1,749	-0.9%	\$92,632	\$1,847.90	17.7%
Hospitality	2.09	8,808	98.1%	14.6%	3.7%	314	-1.0%	\$36,703	\$763.30	16.4%
Insurance Services	1.58	3,828	95.4%	12.8%	4.6%	169	2.1%	\$77,830	\$825.70	14.0%
Logistics	1.42	2,775	73.1%	5.0%	-10.5%	-325	-34.5%	\$66,597	\$409.80	7.3%
Corporate and Regional HQ	1.13	4,197	5.6%	14.0%	3.7%	148	2.2%	\$99,338	\$611.50	14.8%
Biotech and Medical Devices	0.68	217	0.0%	2.9%	128.4%	122	100.2%	\$74,082	\$45.40	3.1%
Aerospace and Defense	0.46	121	0.0%	0.3%	-24.8%	-40	-36.9%	\$107,298	\$34.10	0.5%
Life Sciences	0.24	89	0.0%	2.5%	67.9%	36	-16.3%	\$58,328	\$20.40	2.3%
Higher Education	0.08	342	0.0%	1.5%	-18.4%	-77	8.1%	\$71,005	\$36.50	1.9%

Note: Grey shading represents sectors with LQ's greater than the U.S. average; brick shading represents an employment decline.

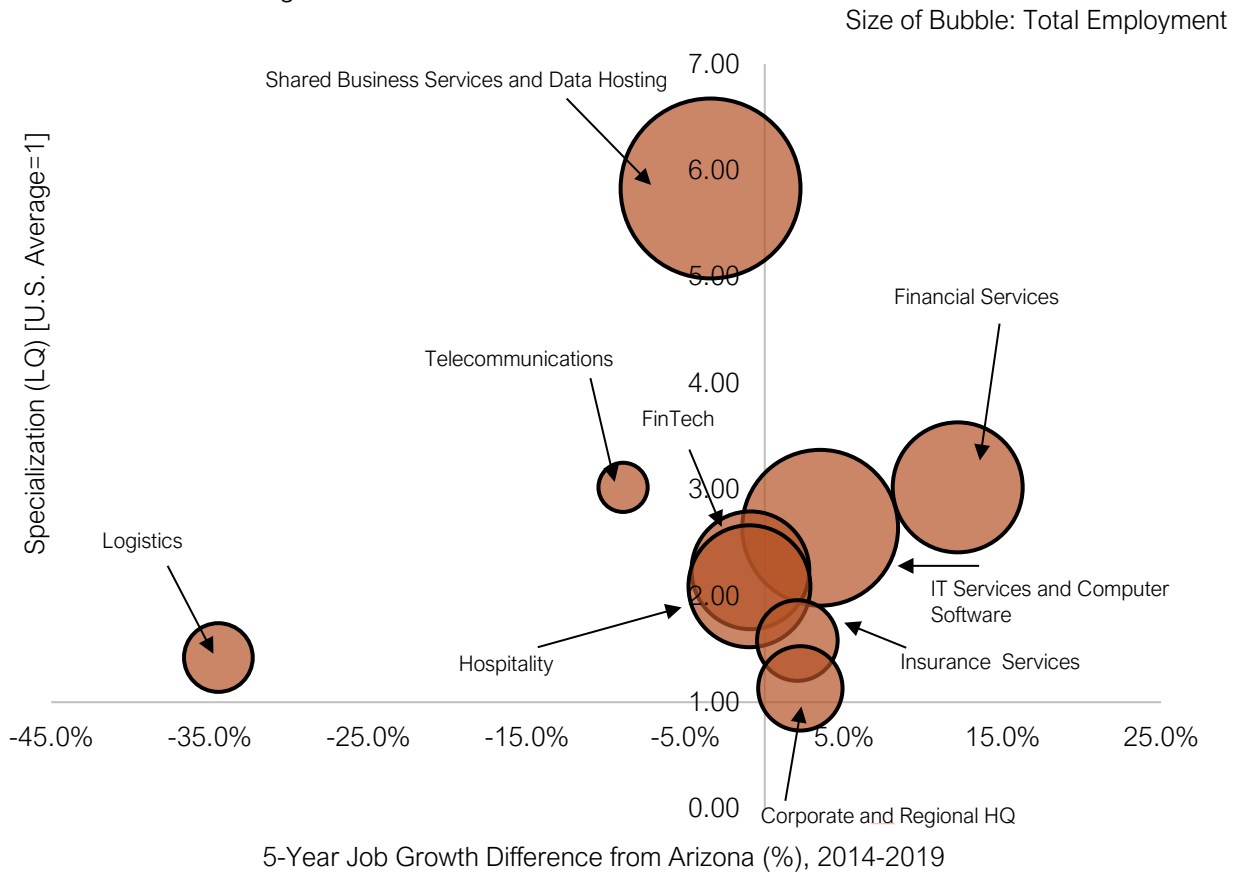
EMPLOYMENT AND JOB CREATION

The industry with the largest number of jobs created in the last five years is IT Services and Computer Software. Scottsdale has also added a number of new jobs in the Shared Business Services and Data Hosting industry, which is the largest industry sector in the city in terms of employment and is also the most competitive. Other growing industries include Financial Services and FinTech.



EMPLOYMENT AND JOB GROWTH

The Financial Services sector stands out as the industry with the largest growth, compared to Arizona. Even though the Shared Business Services and Data Hosting sector added jobs in the last five years, the state's rate of growth has been slightly faster. The Logistics sector is a competitive, nevertheless, is shrinking.



TARGET SECTOR PROFILES

IT SERVICES AND SOFTWARE

Overview

Scottsdale's business environment combines successful entrepreneurs with an outstanding workforce. For this reason, Scottsdale is increasingly becoming a center for technology development and many New York and San Francisco companies are choosing to expand and relocated to the city.

Scottsdale's tech ecosystem continues to flourish, especially with the city's strong base of highly skilled software engineers, programmers and systems analysts. The city is home to both tech tycoons and promising startups that are reshaping the fabric of the economy.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	IT Services and Computer Software	2.64	14,416		4,235	\$91,824	\$2,770.7
518210	Data Processing, Hosting, and Related Services	6.68	3,677	25.5%	628	\$95,760	\$1,047.6
519130	Internet Publishing and Broadcasting and Web Search Portals	3.26	1,460	10.1%	813	\$72,171	\$328.4
541513	Computer Facilities Management Services	3.05	401	2.8%	96	\$74,743	\$47.0
541512	Computer Systems Design Services	2.86	5,001	34.7%	1,599	\$96,317	\$720.2
541519	Other Computer Related Services	2.65	550	3.8%	16	\$90,631	\$85.4
541511	Custom Computer Programming Services	1.68	2,793	19.4%	817	\$87,531	\$357.6
511210	Software Publishers	0.75	534	3.7%	266	\$112,873	\$184.4

Note: Grey shading represents sectors with LQ's greater than the U.S. average.

Education and Training:

51.9% of essential occupations require a BA or higher

62.7% require no prior work experience

14.0% require some on the job work experience

Top 10 Occupations:

1. Computer User Support Specialists
2. Computer Systems Analysts
3. Software Developers
4. Sales Representatives
5. Computer Occupations
6. Information Systems Managers
7. Computer Programmers
8. General Operations Managers
9. Computer Systems Administrators
10. Web Developers

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's IT Services and Software sector yielded the following key takeaways:

- The sector employs more than 14,400 workers, representing more than 11% of Scottsdale's workforce. This is more than 2.5 times the national average.
- Within this sector, Scottsdale is most competitive in Data Processing, Hosting, and Related Services (LQ of 6.68).

FINTECH

Overview

Financial technology (Fintech) is used to describe new innovation that looks to improve and automate the delivery and use of financial services. Fintech is utilized to help organizations, entrepreneurs and shoppers better deal with their financial operations, cycles, and lives by using specific programming and calculations that are utilized on PCs and, progressively, cell phones.

Since its rise in the 21st Century, there has been a move to more consumer-oriented services and in this manner a more buyer arranged definition; one that incorporates an expansive assortment of innovative mediations into individual and business accounts. Models incorporate cash moves, depositing a check with your cell phone, bypassing a bank office to apply for credit, fund-raising for a business startup, or managing your investments, by and large without the help of an individual.

Scottsdale provides an enabling environment for Fintech startups combining access to capital with a strong talent base of developers and specialists.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	FinTech	2.24	8,211		1,749	\$92,632	\$1,847.9
518210	Data Processing and Hosting	6.68	3,677	44.8%	628	\$95,760	\$1,047.6
523930	Investment Advice	2.54	936	11.4%	42	\$91,453	\$220.0
541511	Custom Computer Programming	1.68	2,793	34.0%	817	\$87,531	\$357.6
522320	Financial Transactions Processing	1.17	247	3.0%	-20	\$67,222	\$35.0
511210	Software Publishers	0.75	534	6.5%	266	\$112,873	\$184.4
522291	Consumer Lending	0.15	24	0.3%	16	\$63,582	\$3.3

Note: Grey shading represents sectors with LQ's greater than the U.S. average; brick shading represents an employment decline.

Education and Training:

- 50.4% of essential occupations require a BA or Higher
- 64.0% require no prior work experience
- 42.6% require some on the job work experience

Top 10 Occupations:

1. Software Developers, Applications

2. Customer Service Representatives
3. Customer User Support Specialists
4. Computer Systems Analysts
5. Software Developers, Systems
6. Sales Representatives
7. Information Systems Managers
8. Operations Managers
9. Computer Network Support Specialists
10. Computer Programmers

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's FinTech sector yielded the following key takeaways:

- The FinTech sector is a competitive one in Scottsdale, employing 8,211 workers. This represents 6.5% of the total workforce in Scottsdale, a share that is more than twice the national average.
- Within this sector, Scottsdale is most competitive in Data Processing and Hosting (LQ of 6.68), followed by Investment Advice (LQ of 2.54).
- Early Warning Services is Scottsdale's largest employer in FinTech, employing 664 workers. The company is owned by seven of the country's largest banks.
- PayPal Inc. is the second largest employer in this sector after Early Warning Services, employing 479 workers.

FINANCIAL SERVICES

Overview

Scottsdale has recently benefited from the national trend to diversify the financial industry base from traditionally being on the Eastern Seaboard. As a result, companies have benefited from greater access to customers in the southwest and increased stability due to exceptionally low catastrophic occurrences. Companies moving into Scottsdale such as The Hartford, regional movements such as State Farm, as well as major Scottsdale expansions by such companies as Vanguard, Nautilus and Nationwide are all evidence of this trend.

In general, this sector offers higher value and higher paying activities than standard back office operations. Business Service companies are attracted to Scottsdale for its exceptional labor base, strong dependability of energy supply with no major natural disasters, direct flight access for clients and corporate executives via the Scottsdale Airport, available corporate office space, and no corporate franchise tax.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Financial Services	3.02	10,015		2,524	\$98,966	\$2,268.4
522310	Mortgage and Nonmortgage Loan Brokers	10.78	1,547	15.4%	665	\$96,990	\$345.9
522390	Other Activities Related to Credit Intermediation	9.52	1,342	13.4%	77	\$101,396	\$291.2
522292	Real Estate Credit	7.41	2,541	25.4%	906	\$101,967	\$584.6
522220	Sales Financing	4.07	618	6.2%	187	\$55,702	\$78.9
523999	Miscellaneous Financial Investment Activities	2.75	131	1.3%	51	\$216,477	\$45.1
523120	Securities Brokerage	2.70	1,224	12.2%	207	\$115,445	\$204.6
523930	Investment Advice	2.54	936	9.3%	42	\$91,453	\$220.0
523110	Investment Banking and Securities Dealing	2.17	528	5.3%	115	\$97,728	\$94.1
522190	Other Depository Credit Intermediation	1.88	28	0.3%	6	\$68,844	\$5.8
523920	Portfolio Management	1.59	614	6.1%	236	\$108,524	\$284.4
523991	Trust, Fiduciary, and Custody Activities	1.51	50	0.5%	12	\$76,256	\$7.3
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	1.17	247	2.5%	-20	\$67,222	\$35.0
523910	Miscellaneous Intermediation	1.03	63	0.6%	9	\$95,041	\$36.7

523140	Commodity Contracts Brokerage	0.80	12	0.1%	8	\$136,156	\$13.1
522120	Savings Institutions	0.38	59	0.6%	-6	\$47,860	\$8.6
522298	All Other Nondepository Credit Intermediation	0.34	39	0.4%	13	\$79,671	\$8.2
561450	Credit Bureaus	0.32	12	0.1%	1	\$97,229	\$1.6
522291	Consumer Lending	0.15	24	0.2%	15	\$63,582	\$3.3

Note: Grey shading represents sectors with LQ's greater than the U.S. average; brick shading represents an employment decline.

Education and Training:

- 42.1% of essential occupations require a BA or higher
- 62.8% require no prior work experience
- 73.1% require some on the job work experience

Top 10 Occupations:

1. Claims Adjusters
2. Insurance Underwriters
3. Insurance Policy Processing Clerks
4. Title Examiners
5. Insurance Appraisers
6. Financial Managers
7. General Operations Managers
8. Management Analysts
9. Sales Managers
10. Officer Support Staff

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Financial Services sector yielded the following key takeaways:

- The sector employs more than 10,000 workers, representing almost 8% of Scottsdale's workforce – a share that is three times the national average.
- The sector added 33.7% of jobs in the last 5 years.
- Scottsdale is most competitive in Mortgage and Nonmortgage Loan Brokers, where this sector employs a share which is almost 11 times the national average. This is followed by competitiveness in Other Activities Related to Credit Intermediation (LQ of 9.52), and Real Estate Credit (LQ of 7.41).
- Scottsdale is home to Vanguard, the largest employer in Scottsdale, employing 4,354 workers.

BIOTECH AND MEDICAL SERVICES

Overview

There is no significant competitive advantage in life sciences or bio-tech. The sector, despite that, is experiencing rapid growth, where it added 122 new jobs in the last 5 years.

However, the **Healthcare Services and Innovation** sector positions Scottsdale as a healthcare/wellness service center in the region, and hence, we recommend focusing on this sector.

Clinical research is a priority of key anchors such as Mayo Clinic and HonorHealth's Virginia Piper Cancer Center, so this presents itself as an opportunity for future growth. In addition, Cure Corridor should become sustainable as a stand-alone organization.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Biotech and Medical Services	0.68	217		122	\$74,082	\$45.4
339113	Surgical Appliance and Supplies Manufacturing	0.85	142	65.4%	92	\$75,853	\$32.5
339112	Surgical and Medical Instrument Manufacturing	0.36	75	34.6%	30	\$71,761	\$13.0

Education and Training:

- 12% of essential occupations require a BA or Higher
- 52.1% require no prior work experience
- 45.7% require some on the job work experience

Top 10 Occupations:

1. Dental Laboratory Technicians
2. Assemblers and Fabricators
3. Customer Service Representatives
4. Inspectors
5. Production and Operating Workers
6. Industrial Engineering Technicians
7. Industrial Engineers
8. Industrial Production Manager
9. Sewing Machine Operators
10. General and Operations Managers

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Biotech and Medical Devices sector yielded the following key takeaways:

- The sector is not competitive, employing 0.17% of Scottsdale's workforce - a share that is 32% lower than the national average.
- The sector has, however, added 122 new jobs in the last 5 years.

LOGISTICS

Overview

Supported by its location, Scottsdale has a competitive advantage in Logistics. It is chosen by many Logistics firms for talent and transportation.

Scottsdale has recently been chosen as a destination for BlueGrace Logistics, one of the largest third-party logistics (3PL) providers in the United States.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Logistics	1.42	2,775		-325	\$66,597	\$409.8
454110	Electronic Shopping and Mail-Order Houses	1.89	1,458	52.5%	96	\$56,855	\$244.8
488510	Freight Transportation Arrangement	1.35	568	20.5%	88	\$63,500	\$57.4
425120	Wholesale Trade Agents and Brokers	0.64	520	18.7%	-516	\$99,395	\$86.0
561499	All Other Business Support Services	0.64	96	3.5%	-6	\$43,877	\$7.4
425110	Business to Business Electronic Markets	0.42	22	0.8%	-2	\$81,760	\$3.2
541614	Process, Physical Distribution, and Logistics Consulting Services	0.35	82	3.0%	-3	\$84,226	\$9.3
493110	General Warehousing and Storage	0.02	29	1.0%	18	\$42,839	\$1.6

Note: Grey shading represents sectors with LQ's greater than the U.S. average.

Education and Training:

- 5.7% of essential occupations require a BA or higher
- 62.8% require no prior work experience
- 61.8% require some on the job work experience

Top 10 Occupations:

1. Claims Adjusters
2. Insurance Underwriters
3. Insurance Policy Processing Clerks
4. Title Examiners
5. Insurance Appraisers
6. Financial Managers
7. General Operations Managers

8. Management Analysts
9. Sales Managers
10. Officer Support Staff

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Logistics sector yielded the following key takeaways:

- The sector employs more than 2,775 workers, a share that is 42% higher than the national average. However, the sector lost 325 jobs over the last 5 years.
- The majority (52.5%) of the sector's workers are employed in Electronic Shopping and Mail-Order Houses.
- The Wholesale Trade Agents and Brokers sector lost 516 jobs over the past 5 years, rendering itself a non-competitive sector for the city.

CORPORATE AND REGIONAL HEADQUARTERS

Overview

Corporate and regional headquarters relocations are driven by a combination of many factors, frequently triggered by new leadership or ownership, changing market conditions, the need to change corporate culture, or attaining a more favorable and competitively priced business operating cost environment to achieve cost efficiencies and maximize profits.

Scottsdale has a favorable environment, attracting both organizations and talent. The quality of life Scottsdale has to offer is also one of the aspects that could be harnessed for this attraction – especially, post-pandemic.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Corporate and Regional HQ	1.13	4,197		148	\$99,338	\$611.5
551112	Offices of Other Holding Companies	1.99	233	5.6%	20	\$114,314	\$40.6
551114	Corporate, Subsidiary, and Regional Managing Offices	1.08	3,964	94.4%	128	\$98,460	\$570.8

Note: Grey shading represents sectors with LQ's greater than the U.S. average.

Education and Training:

- 39.7% of essential occupations require a BA or higher
- 35.5% require no prior work experience
- 16.4% require some on the job work experience

Top 10 Occupations:

1. Customer Service Representative
2. General and Operations Managers
3. Accountants and Auditors
4. Market Research Analysts
5. Financial Managers
6. Computer System Analysts
7. Business Operation Specialists
8. Office Supervisors
9. Bookkeepers
10. Marketing Managers

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Corporate and Regional Headquarters sector yielded the following key takeaways:

- The Corporate and Regional Headquarters sector is a competitive one in Scottsdale, employing 4,197 workers. This represents 3.3% of the total workforce in Scottsdale, a share that is 13% higher than the national average.
- The majority of the sector's workforce (94.4%) are employed in Corporate, Subsidiary, and Regional Managing Offices. Employment in this sector is 8% higher than the national average.
- The sector added 148 new jobs over the last 5 years.
- Scottsdale is home to the headquarters of Godaddy, Axon Enterprise Inc., Nationwide Insurance, Honor Health, and Discount Tire Co.

HOSPITALITY

Overview

Tourism is a major industry in Scottsdale. The city is an internationally recognized tourism destination, widely known for its high-class shopping and dining experiences, golf courses, recreational amenities, beautiful weather and high-end resorts. A vibrant downtown area complements the Old-Town western heritage and beautiful open spaces of the McDowell Sonoran Preserve to provide visitors a unique and exciting destination for travel.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Hospitality	2.09	8,808		314	\$36,703	\$763.3
453920	Art Dealers	5.02	195	2.2%	-69	\$37,612	\$23.7
721310	Rooming and Boarding Houses	3.62	96	1.1%	44	\$30,047	\$46.9
721110	Hotels (except Casino Hotels) and Motels	2.96	7,826	88.9%	297	\$35,228	\$622.9
561520	Tour Operators	2.78	143	1.6%	37	\$42,502	\$10.0
561591	Convention and Visitors Bureaus	2.23	40	0.5%	1	\$70,290	\$4.4
487110	Scenic and Sightseeing Transportation, Land	2.07	50	0.6%	-8	\$38,121	\$5.8
561599	All Other Travel Arrangement and Reservation Services	2.07	297	3.4%	0	\$62,385	\$30.1
712130	Zoos and Botanical Gardens	0.66	45	0.5%	15	\$33,039	\$2.7
561510	Travel Agencies	0.39	71	0.8%	-7	\$66,469	\$8.1
712110	Museums	0.27	45	0.5%	4	\$35,276	\$2.9

Note: Grey shading represents sectors with LQ's greater than the U.S. average; brick shading represents an employment decline.

Education and Training:

- 1.3% of essential occupations require a BA or Higher
- 64.4% require no prior work experience
- 67.6% require some on the job work experience

Top 10 Occupations:

1. General Operations Managers
2. Chefs

3. Housekeeping Workers
4. Administrative Support Workers
5. Lodging Managers
6. Food Preparation and Servers
7. Cooks
8. Hotel and Deck Clerks
9. Travel Agents
10. Customer Service Representatives

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Hospitality sector yielded the following key takeaways:

- The sector employs more than 8,800 workers, representing almost 7% of Scottsdale's workforce – a share that is twice the national average.
- The majority of employment in this sector is in Hotels (except Casino Hotels) and Motels, employing almost 89% of the sector's workers.
- Within the sector, Scottsdale is most competitive in the Art Dealers sector, employing a share that is 5 times the national average. However, the sector has lost 69 jobs in the last 5 years.
- The second most competitive sector is Rooming and Boarding Houses (LQ of 3.62).
- Scottsdale has some of the world's biggest names in hospitality including The Fairmont, Hyatt, and Four Seasons. The three corporations offer jobs to over 1,700 workers.

ADDITIONAL SECTOR PROFILES

SHARED BUSINESS SERVICES AND DATA HOSTING

Overview

Scottsdale is becoming increasingly known as an emerging center for business services. Its business ecosystem combines successful entrepreneurs with a highly talented workforce. The sector as a whole is evolving from the simple outsourcing of specific business units such as information technology, data processing, or accounts payable to low cost regions, to one where higher level corporate functions are integrated into a global business services model that standardizes approaches across facilities, business units, and geographies.

Scottsdale has a strong base of highly skilled professionals to support this industry, together with an excellent climate for data integrity and an attractive quality of life to attract professionals to the city.

NAICS	Sector	Location Quotient 2019	Employment 2019	% Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Shared Business Services and Data Hosting	5.83	19,239		1,875	\$54,152	\$1,445.9
561330	Professional Employer Organizations	17.72	10,940	56.9%	174	\$42,297	\$736.8
518210	Data Processing, Hosting, and Related Services	6.68	3,677	19.1%	628	\$95,760	\$1,047.6
561422	Telemarketing Bureaus and Other Contact Centers	3.29	2,442	12.7%	475	\$36,964	\$114.8
541214	Payroll Services	3.20	916	4.8%	261	\$68,946	\$92.2
541513	Computer Facilities Management Services	3.05	401	2.1%	96	\$74,743	\$47.0
561920	Convention and Trade Show Organizers	3.02	293	1.5%	76	\$54,733	\$26.7
541990	All Other Professional, Scientific, and Technical Services	0.83	354	1.8%	55	\$55,599	\$99.4
541199	All Other Legal Services	0.70	38	0.2%	3	\$50,342	\$4.1
561210	Facilities Support Services	0.69	178	0.9%	107	\$34,921	\$14.1

Note: Grey shading represents sectors with LQ's greater than the U.S. average.

Education and Training:

- 11.7% of essential occupations require a BA or higher
- 46.3% require no prior work experience
- 31.2% require some on the job work experience

Top 10 Occupations:

1. Customer Service Representatives
2. Laborers and Freight
3. Personal Care Aides
4. Human Resources Specialists
5. Sales Representatives
6. Office Clerks
7. Telemarketers
8. Computer User Support Specialists
9. Software Developers, Applications
10. Accountants and Auditors

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Shared Business Services and Data Hosting sector yielded the following key takeaways:

- The sector employs more than 19,200 workers, adding almost 11% of these jobs in the last 5 years.
- More than 15% of Scottsdale's workers are employed in Shared Business Services and Data Hosting – a share that is almost 6 times the national average.
- Scottsdale is most competitive in Professional Employer Organizations, where this sector employs a share which is almost 18 times the national average. This is followed by competitiveness in Data Processing, Hosting and Related Services (LQ of 6.68).
- Major employers in this sector include Favorite Healthcare Staffing Inc., Go Daddy Software Inc., and Mindbody. Together, they employ 2,160 workers.

Overview

Communications infrastructure is an important element of an effective functioning economy. Telecommunications have been quickly emerging as a fundamental industry, and the pandemic has only re-enforced that trend, allowing employees to collaborate easily from wherever they are located, remote or local.

Scottsdale has distinctive attributes that directly align with the locational requirements of the industry, most importantly, the educated talent.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Telecommunications	3.02	1,412		134	\$72,399	\$364.0
517919	All Other Telecommunications	12.98	695	49.2%	150	\$64,092	\$99.6
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	6.49	499	35.3%	-141	\$76,698	\$128.7
515210	Cable and Other Subscription Programming	1.70	146	10.3%	124	\$101,727	\$90.4
517312	Wireless Telecommunications Carriers (except Satellite)	0.40	72	5.1%	1	\$63,252	\$45.4

Note: Grey shading represents sectors with LQ's greater than the U.S. average; brick shading represents an employment decline.

Education and Training:

- 24.0% of essential occupations require a BA or higher
- 57.0% require no prior work experience
- 31.6% require some on the job work experience

Top 9 Occupations:

1. Customer Service Representatives
2. Telecommunication Equipment Installers
3. Sales Representatives
4. Software Developers, Systems
5. Computer Network Support Specialists
6. Telecommunications Line Installers
7. Electronics Engineers
8. Electrical Finishers
9. Software Developers, Applications

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Telecommunications sector yielded the following key takeaways:

- The sector employs 1,412 workers, the majority (49%) employed in All Other Telecommunications.
- Around 1% of Scottsdale's workers are employed in Telecommunications.
- 0.5% of Scottsdale's workers are employed in All Other Communications, a share that is almost 13 times the national average.
- The second most competitive sector in this sector is Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing (LQ of 6.49). However, this sector has lost 141 jobs in the 5 years.
- Major employers in this sector include GPS Insight (which moved its headquarters to Scottsdale in 2013), Cox Arizona Telecom, and Limelight Networks Inc. Together, these three companies, employ 448 workers.

INSURANCE SERVICES

Overview

Scottsdale has a competitive advantage in Insurance Services, nevertheless, the industry has been facing some challenges in recent years due to regulatory constraints, slow growth in developed markets, and new business competition.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Insurance Services	1.58	3,828		169	\$77,830	\$825.7
524127	Direct Title Insurance Carriers	3.73	448	11.7%	44	\$93,046	\$121.7
524113	Direct Life Insurance Carriers	3.02	1,313	34.3%	172	\$81,004	\$289.2
524291	Claims Adjusting	2.31	243	6.3%	-38	\$66,509	\$36.0
524298	All Other Insurance Related Activities	2.11	317	8.3%	208	\$62,618	\$43.9
524126	Direct Property and Casualty Insurance Carriers	1.56	1,331	34.8%	-213	\$73,626	\$286.1
524130	Reinsurance Carriers	1.11	56	1.5%	19	\$137,982	\$25.1
524114	Direct Health and Medical Insurance Carriers	0.18	120	3.1%	-23	\$68,352	\$23.7

Note: Grey shading represents sectors with LQ's greater than the U.S. average; brick shading represents an employment decline.

Education and Training:

- 17.8% of essential occupations require a BA or higher
- 67.7% require no prior work experience
- 83.4% require some on the job work experience

Top 10 Occupations:

1. Claims Adjusters
2. Insurance Underwriters
3. Insurance Policy Processing Clerks
4. Title Examiners
5. Insurance Appraisers
6. Financial Managers
7. General Operations Managers
8. Management Analysts

9. Sales Managers
10. Officer Support Staff

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Insurance Services sector yielded the following key takeaways:

- The sector employs more than 3,800 workers, a share that is 58% higher than the national average.
- Scottsdale is competitive in Direct Title Insurance Carriers (LQ of 3.73), followed by Direct Life Insurance Carriers (LQ of 3.02).

AEROSPACE AND DEFENSE

Overview

Arizona's cloudless skies and overall weather attracted to the state aerospace & defense industry giants. In addition, low taxes, competitive incentives, and eased government regulations have had an impact in developing the sector in the state. Moreover, the outstanding aerospace and engineering programs at the university level have led to Arizona's top-10 rankings in Department of Defense contracts as well as in A&D manufacturing, aerospace exports and aerospace jobs.

However, because of limited land Scottsdale does not have a competitive advantage in this industry. and has been a diminishing industry over the past few years.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Aerospace and Defense	0.46	121		-40	\$107,298	\$34.1
336411	Aircraft Manufacturing	0.03	13	10.7%	1	\$105,340	\$3.8
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing	0.52	108	89.3%	-41	\$107,049	\$30.4

Note: Brick shading represents an employment decline.

Education and Training:

- 36.8% of essential occupations require a BA or higher
- 54.9% require no prior work experience
- 22.8% require some on the job work experience

Top 10 Occupations:

1. Electrical and Electronic Assemblers
2. Software Developers, Systems
3. Assemblers and Fabricators
4. Aerospace Engineers
5. Electrical Engineers
6. Industrial Engineers
7. Inspectors
8. Electronics Engineers
9. Mechanical Engineers
10. Software Developers, Applications

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Aerospace and Defense sector yielded the following key takeaways:

- The sector is not competitive, employing almost 0.1% of Scottsdale's workforce – a share that is 54% less than the national average.
- The sector is also diminishing, where it lost 40 jobs over the last 5 years.

HIGHER EDUCATION AND RESEARCH

Overview

Despite the growing demand for an educated workforce, Higher Education and Research does not represent a growing industry sector for Scottsdale.

NAICS	Sector	Location Quotient 2019	Employment 2019	% of Sector Employment 2019	New Jobs, 2014-2019	Average Earnings Per Worker 2019	GRP 2019 (Millions)
	Higher Education	0.08	342		-77	\$71,005	\$36.5
541720	Research and Development in the Social Sciences and Humanities	0.70	73	21.3%	2	\$96,618	\$10.3
541714	Research and Development in Biotechnology	0.15	50	14.6%	12	\$98,821	\$7.0
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)	0.06	41	12.0%	-3	\$99,097	\$5.9
611310	Colleges, Universities, and Professional Schools	0.06	178	52.0%	-88	\$46,145	\$13.2

Note: Brick shading represents an employment decline.

Education and Training:

- 38.4% of essential occupations require a BA or higher
- 41.2% require no prior work experience
- 8.5% require some on the job work experience

Top 10 Occupations:

1. Postsecondary Teachers
2. Social Science Research Assistants
3. Office Clerks
4. Education Administrators
5. Vocational Counselors
6. Medical Scientists
7. Operations Managers
8. Business Operations Managers
9. Coaches and Scouts
10. Computer User Support Specialists

Competitive Advantages and Key Takeaways:

Our analysis of Scottsdale's Higher Education and Research sector yielded the following key takeaways:

- The sector is not competitive, employing only 342 workers, the majority (52%) being employed in Colleges, Universities, and Professional Schools, a sector which lost 88 jobs in the last 5 years.