



# Advanced Business Services

## INDUSTRY CLUSTER SUMMARY

# 2001 2002

### BACKGROUND

The following summary of the Advanced Business Services industry cluster in the Maricopa County region is based upon information collected by ERISS Corporation during two consecutive surveys conducted during Fall 2001 and Fall 2002.

In total, 4,546 and 3,797 employers were interviewed in the years 2001 and 2002 respectively. Of these businesses, 919 Advanced Business Services industry firms were surveyed in 2001, and 714 in 2002.



### Definition

The Advanced Business Services industry cluster includes businesses from three major industry segments: Services, Business Services, and Finance. Companies in the Business Services industry provide such services as collection, advertising, security, commercial and graphic art, pest control, employment, and equipment leasing.

Companies in the Services industry provide such services as accounting, business consulting, engineering, and legal advice.

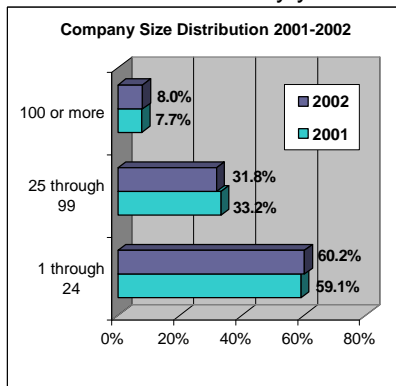
Finance industry companies include banks, credit unions, insurance companies, loan and mortgage brokers, and investment advisors.

Industry Group	% of Businesses
Business services NEC	11.1%
Legal services	9.3%
Engineering services	7.6%
Management consulting services	6.3%
National commercial banks	5.9%
Building maintenance services, nec	4.7%
Mortgage bankers and correspondents	4.4%
Accounting, auditing, & bookkeeping	3.7%
Business consulting, nec	3.7%
Management services	3.4%

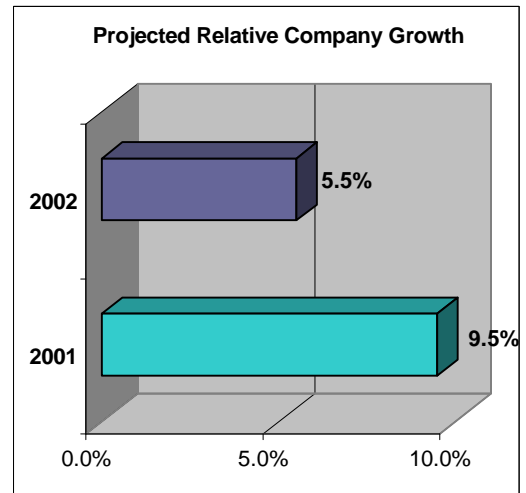
### Industry Summary

The Advanced Business Services industry cluster is comprised of 36% Business Services, 36% Services, and 27% Finance firms. These three major industries are further comprised of over 62 individual industry groups or specialties. As shown, about 60% of all Advanced Business Services firms are concentrated in 10 of these 62 industry groups, with over 11% belonging to the group 'Business Services NEC' (Not Elsewhere Classified).

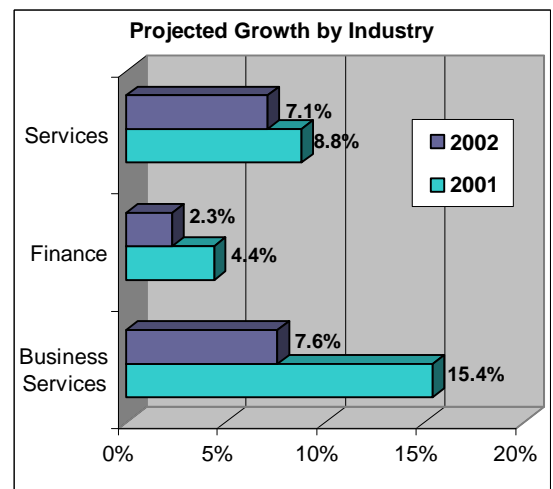
The majority of businesses reported staffing 25 or fewer employees. There was only minor shifting in the company size distribution from survey year 2001 to 2002.



During the Fall of 2001, Advanced Business Services employers projected they would have 9.5% more employees at the same time next year. This compares with the more conservative projections in the following Fall of 2002 survey, where employers projected they would have 5.5% more employees at the same time next year.



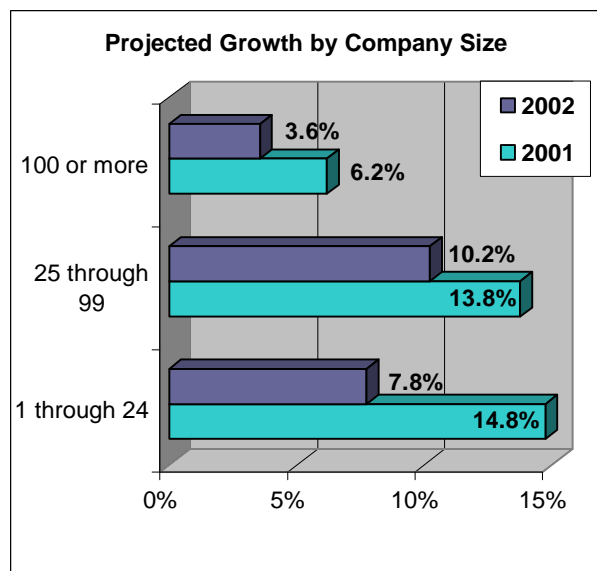
All three industries represented in the Advanced Business Services sector reported diminished growth projections for the more recent survey year (2002) as compared with the earlier (2001) survey. Firms in the Business Services industry exhibited the most dramatic projected growth differential between the two years, with growth projections for the industry dropping by half from 15.4% in 2001 to 7.6% in 2002.



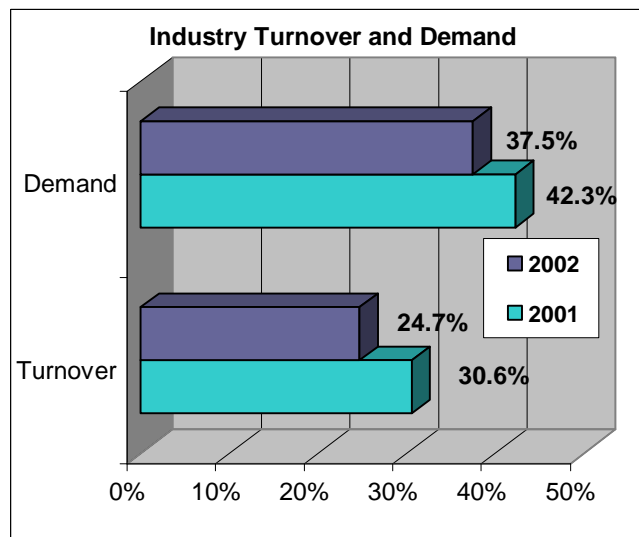


## Advanced Business Services

Companies of all size segments projected less growth in the 2002 survey as compared with information gathered in 2001. Firms with less than 25 employees exhibited the largest projected growth differential between the two years, dropping from 14.8% to 7.8% from survey years 2001 to 2002. This pattern almost exactly mirrors that seen for the Business Services industry (see previous Figure), and underscores the fact that a large number of Business Services firms fall into this size category.



Employers in the industry projected slightly less demand between survey years, reporting 42.3% in 2001 and 37.5% in 2002. Interestingly, reported turnover rates diminished by almost exactly the same margin as demand over the two survey years, indicating reduced demand may be in large part due to reduced occupational turnover.



The only occupation in the top five projected growth list for both survey years was Security Guard. It is notable that this occupation accounts for the majority of all job openings in the industry segment. Also notable was the fact that openings for Security Guards represented almost the exact same amount of all job openings in the industry sector in both survey years. Specifically, openings for Security Guards accounted for 54.9% of all projected job openings in 2001, and 54.6% of all projected job openings in 2002.

2001	
Top 5 Growth Occupations	Projected Growth
<i>Electrical and Electronic Engineers</i>	58.3%
<i>Online Marketer</i>	40.0%
<i>Surveying and Mapping Technicians</i>	37.3%
<i>Security Guards</i>	33.3%
<i>Business Services Sales Agents</i>	29.9%

2002	
Top 5 Growth Occupations	Projected Growth
<i>Security Guards</i>	42.3%
<i>Computer Support/Help Desk Specialist</i>	33.8%
<i>Engineering Technicians (Except Drafters or Electronic)</i>	29.7%
<i>Engineering Managers</i>	27.8%
<i>Civil Engineers</i>	24.5%

The occupation with the highest reported demand for survey year 2001 was Telemarketer (59.9%). However, with turnover at 58%, very little of this demand is accounted for by new growth.

The occupation with the highest reported demand for survey year 2002 was Computer Support Specialist (54.5%). With an occupational turnover rate of 20.8%, demand for this occupation is accounted for largely by projected growth.