



Finance & Insurance Ecosystem

November 2019

Invest in Success in Greater Phoenix

A Top Hub in the Nation for Finance and Insurance

Greater Phoenix is one of the top markets in the nation to locate and expand finance and insurance operations. In fact, the region's finance and insurance sector is the sixth largest in the nation.

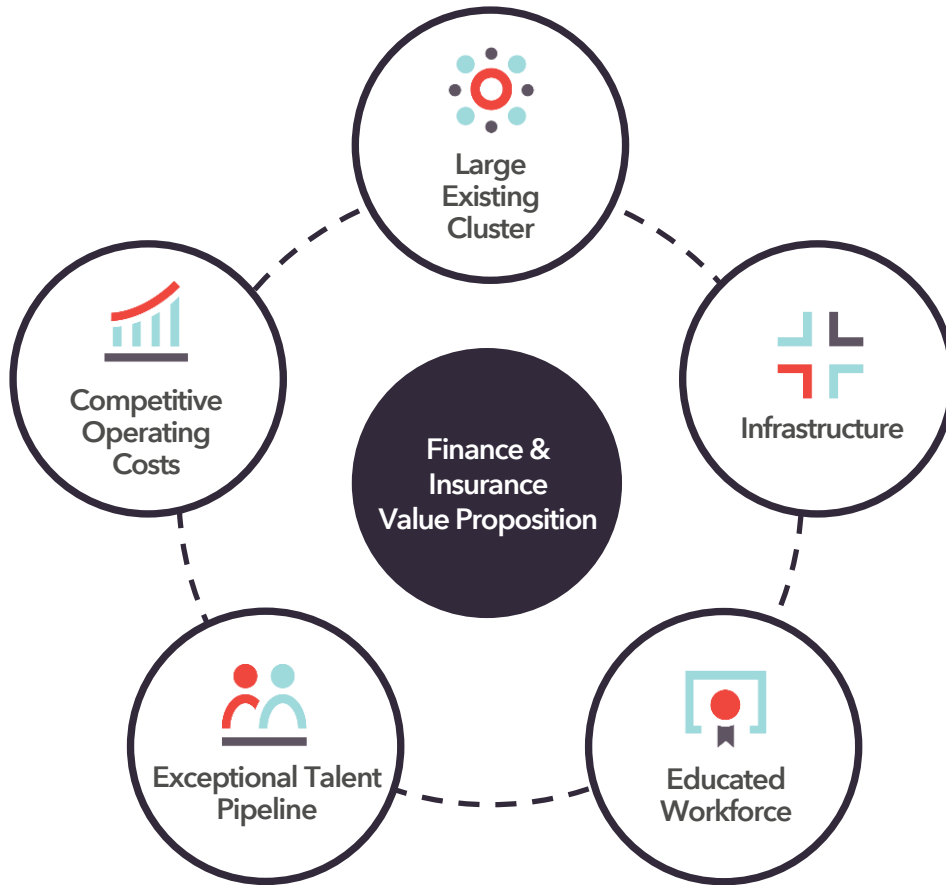
Greater Phoenix is exceptionally positioned to absorb both new-to-market finance and insurance companies, and expansion of the existing cluster.

Here are just a few reasons why so many top companies choose Greater Phoenix:

- With a location quotient of 1.72, the region has a higher specialization in the finance and insurance sector than any other top-25 finance and insurance market
- Arizona's FinTech Sandbox is a unique program that provides companies the opportunity to test products in a low risk environment
- Served by two international airports, one of which is consistently rated among the best in the nation
- A massive education pipeline developing workers with vital skills
- Competitive operating cost and tax environment with a number of available incentives



Value Proposition



Large Existing Cluster	Infrastructure	Educated Workforce	Exceptional Talent Pipeline	Competitive Operating Costs
<ul style="list-style-type: none"> • Sixth largest finance and insurance cluster in the United States • Largest location quotient of any top-25 finance and insurance market 	<ul style="list-style-type: none"> • New freeways to connect workforce and companies efficiently • Access to a leading domestic and international airport • Consistent and reliable internet and power coverage 	<ul style="list-style-type: none"> • Highly specialized workforce • Workforce enables firms to locate important cybersecurity, fraud, and analysis divisions in market 	<ul style="list-style-type: none"> • Specialized programs at universities across the state to train talent • University alignment and partnerships to match talent to employers 	<ul style="list-style-type: none"> • Cheaper real estate and benefit costs compared to peer markets • A number of quality incentives to further decrease operating costs

GPEC Locates

GPEC helped the market leaders shown below expand their footprint in Greater Phoenix over the last 5 years. Between them, these companies have added nearly 11,000 jobs to Greater Phoenix, helping grow the dense cluster that exists today.



Year: 2018 | Jobs: 2,350



Year: 2017 | Jobs: 810



Year: 2016 | Jobs: 600



Year: 2017 | Jobs: 800



Year: 2016 | Jobs: 700



Year: 2016 | Jobs: 337



Year: 2017 | Jobs: 200



Year: 2018 | Jobs: 428



Year: 2015 | Jobs: 1,000



Year: 2016 | Jobs: 200



Year: 2015 | Jobs: 700



Year: 2017 | Jobs: 785



Year: 2017 | Jobs: 300



Year: 2017 | Jobs: 700



Year: 2019 | Jobs: 908

Market Leaders

Finance and Insurance Operations in Greater Phoenix



Market Leaders

Finance Operations in Greater Phoenix

Greater Phoenix has a dynamic and growing finance cluster that is home to nerve centers for many leading global finance firms. Provided below is a list of all finance operations in the region with total regional employment above 200.

Company	Number of Employees
Wells Fargo	14,021
JPMorgan Chase	10,194
Bank of America	9,576
American Express	6,754
Vanguard	4,067
USAA	3,892
Charles Schwab	3,377
Freedom Financial Network	3,347
Discover	3,021
Paypal	2,001
Desert Financial Credit Union	1,354
Voya	1,109
Santander	900
Edward Jones	888
GM Financial Services	820
Compass Bank	803
Ditech Mortgage	800
MUFG Union Bank	785
Northern Trust	774
Federal Reserve Bank of San Francisco	769
Silicon Valley Bank	700
BMO Harris Bank	630
Cenlar	615
US Bank	610
Bank of the West	547
Mr. Cooper	500
Progressive Leasing	500
Upgrade, Inc.	500
Morgan Stanley	479
TSYS Acquiring Solutions	475



Finance & Insurance

Market Leaders

Finance Operations in Greater Phoenix (cont.)

Company	Number of Employees
Arizona Federal Credit Union	469
Western Alliance Bank	457
Fidelity National Information Services	452
PSCU Financial Services	447
MidFirst Bank	436
Academy Mortgage Corporation	390
National Bank of Arizona	371
Loan Depot	365
Sagepoint Financial	330
Mutual of Omaha Bank	294
TruWest Credit Union	293
Arizona State Credit Union	291
PLS Financial Services	239
Merrill Lynch	223
Raymond James Financial	215
TitleMax of Arizona	210
Alaska USA Federal Credit Union	201



Finance & Insurance

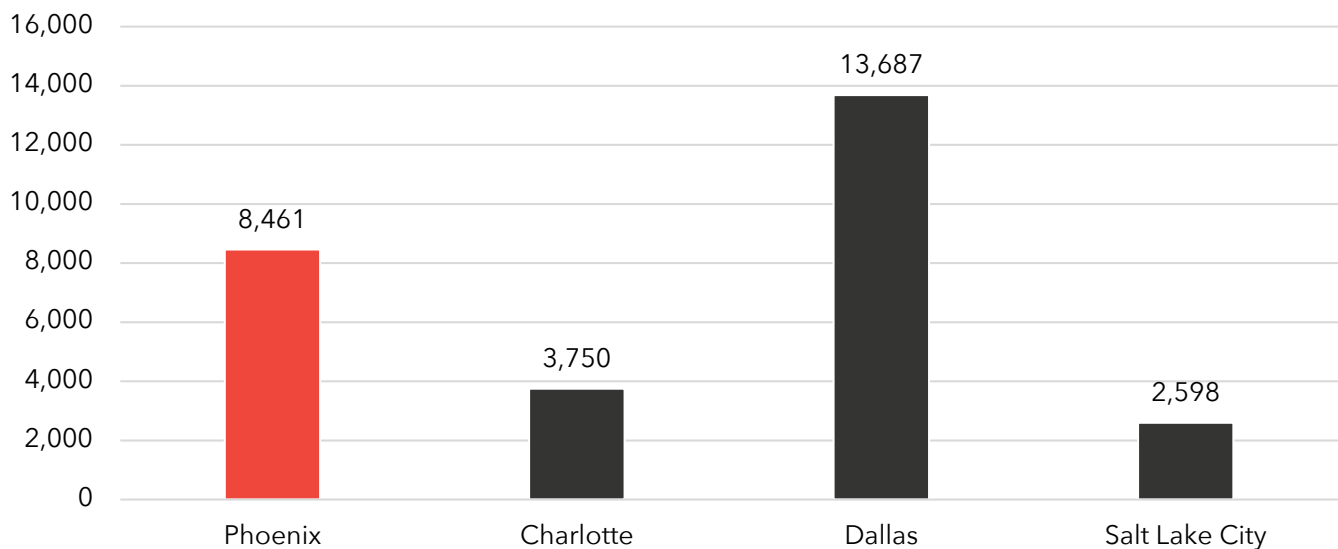
University Alignment

Greater Phoenix Talent Pipeline

Presented below are Greater Phoenix universities' non-distance program completions for the 2017-2018 school year for computer science, mathematics and business-related degrees. As highlighted in the chart, Greater Phoenix's education pipeline is more than double the size of Charlotte's and Salt Lake City's. Many recent locates in these industries enjoyed easy hiring thanks to a quality workforce pipeline and the region's excellent quality of life driving additional talent to choose to relocate to the region.

Associate	Bachelor	Master	Doctor	Total
1,136	5,715	1,390	220	8,461

Competitor Markets' Talent Pipeline



Source: Emsi 2019 Q4 Dataset

Talent Pipeline

Education Highlights

Arizona's institutions of higher education are training the finance and insurance workforce of the future via innovative partnerships and high-quality programs. More information about Arizona's talent pipeline is below.



Arizona State University

Total Enrollment: 72,709

Arizona State University (ASU) is committed to partnering with corporate, education and government organizations to produce a high-quality workforce. ASU has more than 13,000 students enrolled in its highly-regarded W. P. Carey School of Business.



University of Arizona

Total Enrollment: 45,918

Located in Tucson, University of Arizona (UA) offers a variety of programs that are significant to finance and insurance employers, including finance and accounting. UA enrolls more than 7,000 future professionals at its well-known Eller College of Management.



Northern Arizona University

Total Enrollment: 30,736

Located in Flagstaff, Northern Arizona University offers a wide range of undergraduate degrees and minors across the W. A. Franke College of Business, including accounting and finance.

University Rankings

Arizona State University

- #1 Most innovative School (2016, 2017, 2018, 2019, 2020) (*US News*)
- Top 1% of world's most prestigious universities (*Times of Higher Education*)
- #5 Best-qualified graduates (*Wall Street Journal*)
- #6 online MBA program in the nation (*US News*)

University of Arizona

- #4 Management Information Systems program (*US News*)
- #7 MS in Cybersecurity (*Cyber Degrees*)
- #10 in Entrepreneurship (*US News*)
- #21 Undergraduate Business Program (*US News*)

Industry Cluster

Finance and Insurance Cluster Strength

Location Quotient or LQ is a measure of market specialization in an industry by comparing the share of that market's employment in an industry to the national proportion of that industry's employment. For example, Phoenix's LQ of 1.72 indicates that the market has 71% higher concentration of the finance and insurance cluster than the nation as a whole.

The figures below show the magnitude and specialization of major markets' workforce in the finance and insurance cluster.

Greater Phoenix has the sixth largest finance and insurance cluster in the United States by employment. It also has the densest cluster of any of the top 25 markets, by employment, at 1.72. In addition, Greater Phoenix has added nearly 43,000 jobs in finance and insurance in the last decade. With its large and growing cluster, it's safe to say that Greater Phoenix has the talent needed to fill finance and insurance positions for companies both large and small.

Market	Total Employment	Location Quotient
Phoenix	152,019	1.72
Charlotte	79,895	1.55
Dallas	226,719	1.50
Salt Lake City	50,190	1.58
U.S. Total	6,351,794	1.00

Labor Analysis

Labor Pool

Greater Phoenix has a robust supply of human capital to ensure all positions are filled quickly. The labor pool in competitor metros for finance and insurance-related occupations in all industries is provided below.

Occupation	Phoenix	Charlotte	Dallas	Salt Lake City
Customer Service Representatives	78,114	29,767	95,065	30,344
First-Line Supervisors of Office and Administrative Support Workers	27,240	12,569	36,999	8,536
Bookkeeping, Accounting, and Auditing Clerks	18,106	13,683	43,049	8,144
Accountants and Auditors	16,372	12,583	40,459	5,587
Receptionists and Information Clerks	16,263	9,065	20,364	5,343
Insurance Sales Agents	15,262	6,737	23,200	5,197
Software Developers, Applications	12,871	10,243	33,505	6,364
Computer Systems Analysts	9,672	10,161	18,346	2,445
Financial Managers	9,666	7,142	14,145	4,447
Claims Adjusters, Examiners, and Investigators	8,942	2,660	9,034	1,444
Loan Officers	7,841	5,403	7,826	3,102
Software Developers, Systems Software	7,655	1,845	11,619	3,634
Securities, Commodities, and Financial Services Sales Agents	6,835	6,228	17,425	2,601
Loan Interviewers and Clerks	6,632	2,675	11,236	1,641
Administrative Services Managers	6,537	1,692	8,131	1,543
Computer and Information Systems Managers	6,009	5,122	8,760	3,705
Insurance Claims and Policy Processing Clerks	5,994	1,731	12,578	566
Financial Analysts	4,662	4,499	10,551	2,177
Personal Financial Advisors	3,044	3,042	4,261	920
Credit Counselors	2,038	168	614	267
Credit Analysts	1,662	1,678	3,751	489
Total	271,417	148,693	430,918	98,496

Labor Analysis

Median Wages

Greater Phoenix has a robust supply of human capital at affordable wages. Median wages in Greater Phoenix are generally lower than peer markets like Charlotte and Dallas. Phoenix, however, has a larger workforce than markets like Salt Lake City. Below is a table of median wages across peer markets for finance and insurance operations.

Occupation	Phoenix	Charlotte	Dallas	Salt Lake City
Customer Service Representatives	\$33,862	\$35,152	\$34,466	\$33,634
First-Line Supervisors of Office and Administrative Support Workers	\$51,979	\$56,368	\$59,010	\$52,333
Bookkeeping, Accounting, and Auditing Clerks	\$40,186	\$40,352	\$42,744	\$38,459
Accountants and Auditors	\$66,102	\$76,086	\$76,419	\$64,605
Receptionists and Information Clerks	\$29,598	\$27,768	\$28,101	\$28,746
Insurance Sales Agents	\$46,613	\$58,531	\$59,197	\$38,813
Software Developers, Applications	\$100,755	\$105,726	\$111,197	\$100,734
Computer Systems Analysts	\$89,066	\$92,997	\$91,998	\$76,877
Financial Managers	\$108,202	\$145,267	\$140,566	\$101,795
Claims Adjusters, Examiners, and Investigators	\$58,323	\$65,978	\$69,035	\$57,574
Loan Officers	\$53,976	\$66,394	\$69,514	\$43,534
Software Developers, Systems Software	\$98,904	\$105,206	\$110,198	\$105,622
Securities, Commodities, and Financial Services Sales Agents	\$51,709	\$69,805	\$60,424	\$57,616
Loan Interviewers and Clerks	\$41,434	\$42,307	\$45,427	\$39,645
Administrative Services Managers	\$82,846	\$103,834	\$96,637	\$77,875
Computer and Information Systems Managers	\$135,554	\$135,054	\$150,238	\$113,402
Insurance Claims and Policy Processing Clerks	\$40,747	\$42,744	\$40,082	\$37,502
Financial Analysts	\$74,318	\$85,675	\$85,218	\$70,304
Personal Financial Advisors	\$78,936	\$112,486	\$111,925	\$68,162
Credit Counselors	\$42,141	\$45,843	\$45,739	\$37,398
Credit Analysts	\$55,744	\$74,214	\$73,736	\$67,704

FinTech Sandbox

Following the example set by the United Kingdom, on March 22, 2018 Arizona became the first state in the U.S. to create a Regulatory Sandbox Program (RSP) where financial services companies can test innovative products and technology in market for up to 24 months without obtaining a license or other authorizations that might otherwise be required.

House Bill 2434, written by the Office of Arizona Attorney General Mark Brnovich and signed by Governor Doug Ducey, encourages the development of emerging industries like FinTech, blockchain and cryptocurrencies throughout the state. Companies testing and deploying innovations in blockchain, cryptocurrency, consumer lending, payment systems and money transmission are eligible to participate in the sandbox.

5 Things to Know about the Sandbox Program

1. First of its Kind

The State's FinTech Sandbox is the first of its kind in the United States and will allow companies to develop, test and deploy innovative products without licensure or authorization for up to 2 years, with a possibility of a one-year extension.

2. Loans and Transactions

Sandbox participants may make consumer lender loans (up to \$15,000 per individual loan and \$50,000 per consumer) or provide products or services as a money transmitter (up to \$2,500 per transaction and \$25,000 per consumer).

3. Arizona User Base Capped at 10,000

User base for FinTech product is capped at 10,000 customers. However, the attorney general may allow companies in the sandbox to transact with up to 17,500 customers if the company is financially solvent and has proper risk management protocols in place.

4. Required Approval

The Office of the Attorney General is responsible for approving and providing entry of applicants into the sandbox.

5. Limitless Participants

There is no limit on the number of participants in the sandbox at any one time. The program ends on July 1, 2028.

For more information, visit www.gpec.org/sandbox



Operating Cost Analysis

The Annual Business Operating Cost Analysis has been prepared using the following parameters as an estimate for finance operations in competitor markets. Component and custom analyses to match your company's operations can be provided upon request.

Assumptions - Finance

- \$10,000,000 personal property investment
- 100,000 square foot Central Business District Office, Lease
- Utilities (per month): Included in Lease
- 350 jobs (Bureau of Labor Statistics equivalent occupations)

Occupations	Employment
Customer Service Representatives	100
Financial Analysts	100
Loan Officers	25
Credit Analysts	25
Information Security Analysts	25
Software Developers, Applications	25
Web Developers	15
Office Clerks, General	10
Software Developers, Systems Software	10
Human Resources Specialists	5
Network and Computer Systems Administrators	5
Computer and Information Systems Managers	3
General and Operations Managers	2
Total:	350

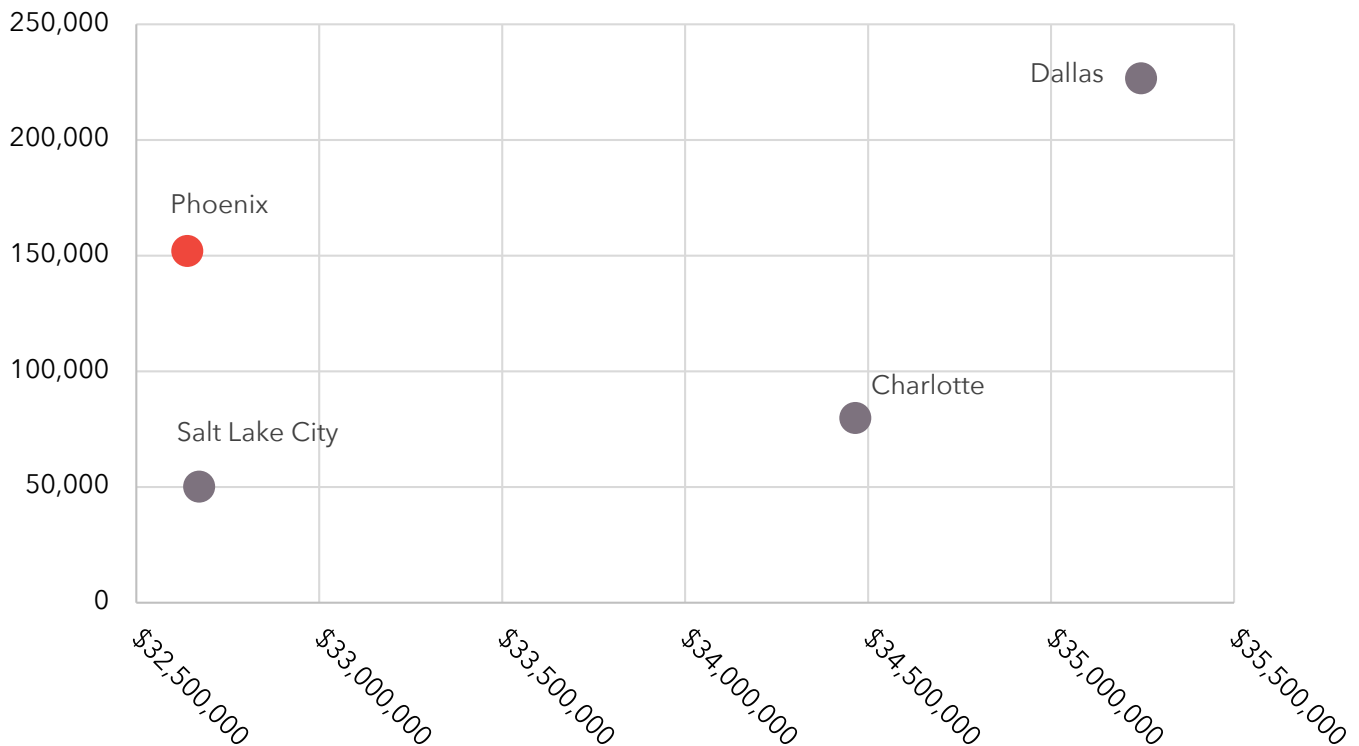
Operating Cost Analysis

Annual Operating Cost - Finance

Greater Phoenix provides a strong value proposition for finance operations, with lower operating costs and a larger labor pool than many of its peer markets. When compared to markets like Charlotte and Dallas, Greater Phoenix has significantly lower labor costs. Compared to Salt Lake City, Greater Phoenix is competitive on cost while offering a labor pool that is 3x larger.

Metro	Employee Payroll	Fringe and Mandated Benefits	Real Estate Payments	Property Tax	Total Operating Cost	Index
Phoenix	\$23,965,060	\$5,687,979	\$2,763,000	\$223,740	\$32,639,779	100.0%
Charlotte	\$25,117,859	\$5,992,482	\$3,225,000	\$129,440	\$34,464,781	105.6%
Dallas	\$26,028,324	\$6,201,706	\$2,744,000	\$271,910	\$35,245,940	108.0%
Salt Lake City	\$23,359,872	\$5,876,391	\$3,302,000	\$133,450	\$32,671,713	100.1%

Annual Operating Cost and Total Industry Jobs



Taxes & Incentives

Arizona Tax Environment vs. Competitor Markets

Arizona has a very competitive tax and fringe/mandated benefits environment compared to other major markets.

Metro	Sales Tax Rate	Corporate Income		Unemployment Insurance			Workers Comp. (Rate per \$100 Payroll)
		Tax Rate	Basis	Rate (as % of Payroll)	Wage Base	Max. Payment	
Phoenix	8.60%	4.90%	Net Income	2.00%	\$7,000	\$140.00	\$1.50
Charlotte	7.25%	3.00%	Net Income	1.00%	\$23,500	\$235.00	\$1.91
Dallas	8.25%	0.75%	Taxable Margin	2.70%	\$9,000	\$243.00	\$1.45
Salt Lake City	7.60%	5.00%	Net Income	3.30%	\$34,300	\$1,132.00	\$1.27

Statutory Incentives

Even with the highly competitive tax environment in Greater Phoenix and Arizona, there exists a number of tax incentives that can be utilized to mitigate operating costs. Please note that this is not a comprehensive list of all incentives available within the state of Arizona. Additionally, it should be noted that this document is only a guide for potential incentives. Actual incentives will depend on actual project parameters, and varying program qualifications and requirements as determined by the Arizona Commerce Authority.

Quality Jobs Tax Credit

The Quality Jobs Tax Credit program awards \$9,000 of tax credits over three years for qualifying companies. The chart below highlights minimum qualifying capital expenditure and wage rate within an urban area, while the texts describe additional program parameters.

\$9K

\$9,000 Corporate income tax credits per job (\$3,000/employee/year)

10K

Capped at 10,000 jobs per year

65%

Employer must offer to pay at least 65% of employee health insurance premium

Urban

Min. New Jobs	County Median Wage	Maricopa	Min. CapEx
25	100%	\$37,352	\$5,000,000
25	125%	\$46,690	\$2,500,000
25	150%	\$56,028	\$1,000,000
25	200%	\$74,704	\$500,000

Rural

Min. New Jobs	County Median Wage	Pinal	Min. CapEx
5	100%	\$35,477	\$1,000,000
5	125%	\$44,346	\$500,000
5	150%	53,216	\$100,000

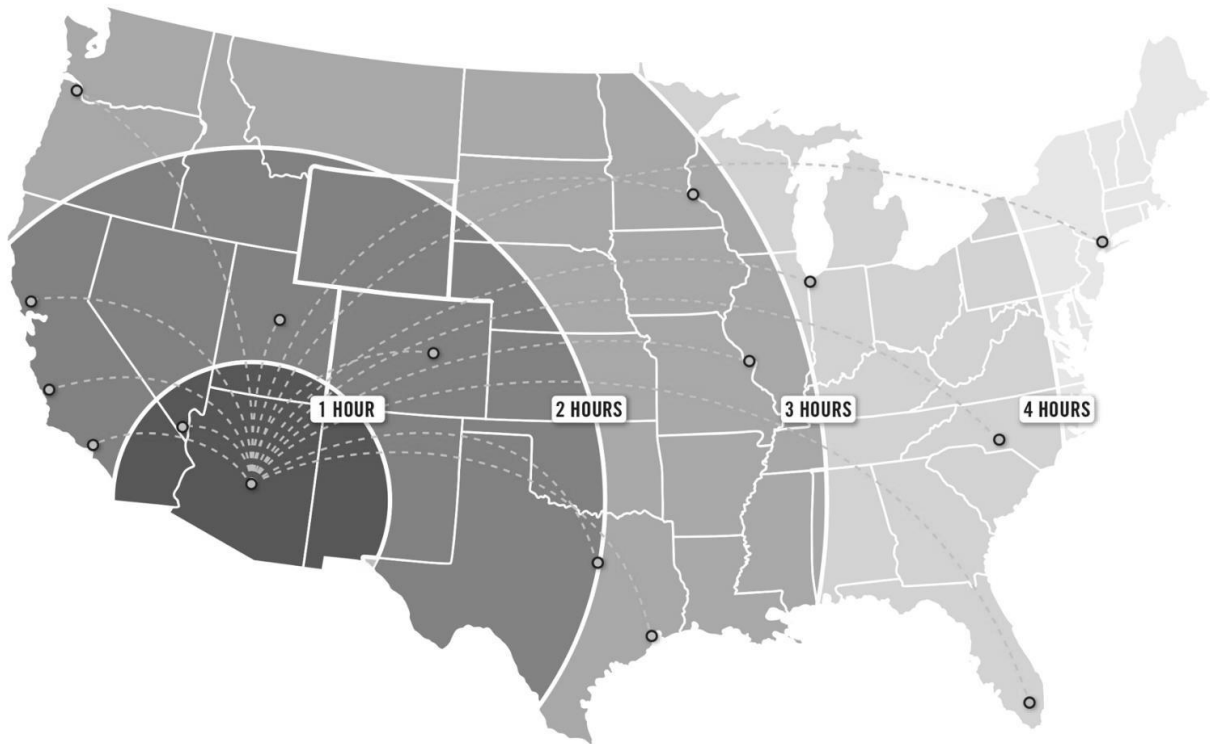
Key Infrastructure

Greater Phoenix Airport Connectivity

Greater Phoenix is home to two commercial airports, Sky Harbor International Airport and Phoenix-Mesa Gateway International Airport. Sky Harbor, the larger of the two, is consistently rated as the best, or one of the best, international airports in the United States.

Major carriers from Sky Harbor include:

- Air Canada
- Alaska Airlines
- Amazon (Freight)
- American Airlines
- Boutique Air
- British Airways
- Condor Airlines
- Delta Airlines
- DHL (Freight)
- FedEx (Freight)
- Frontier Airlines
- Hawaiian Airlines
- JetBlue
- Southwest Airlines
- Spirit Airlines
- Sun Country Airlines
- United Airlines
- UPS (Freight)
- Volaris
- WestJet



Phoenix Sky Harbor International Airport:

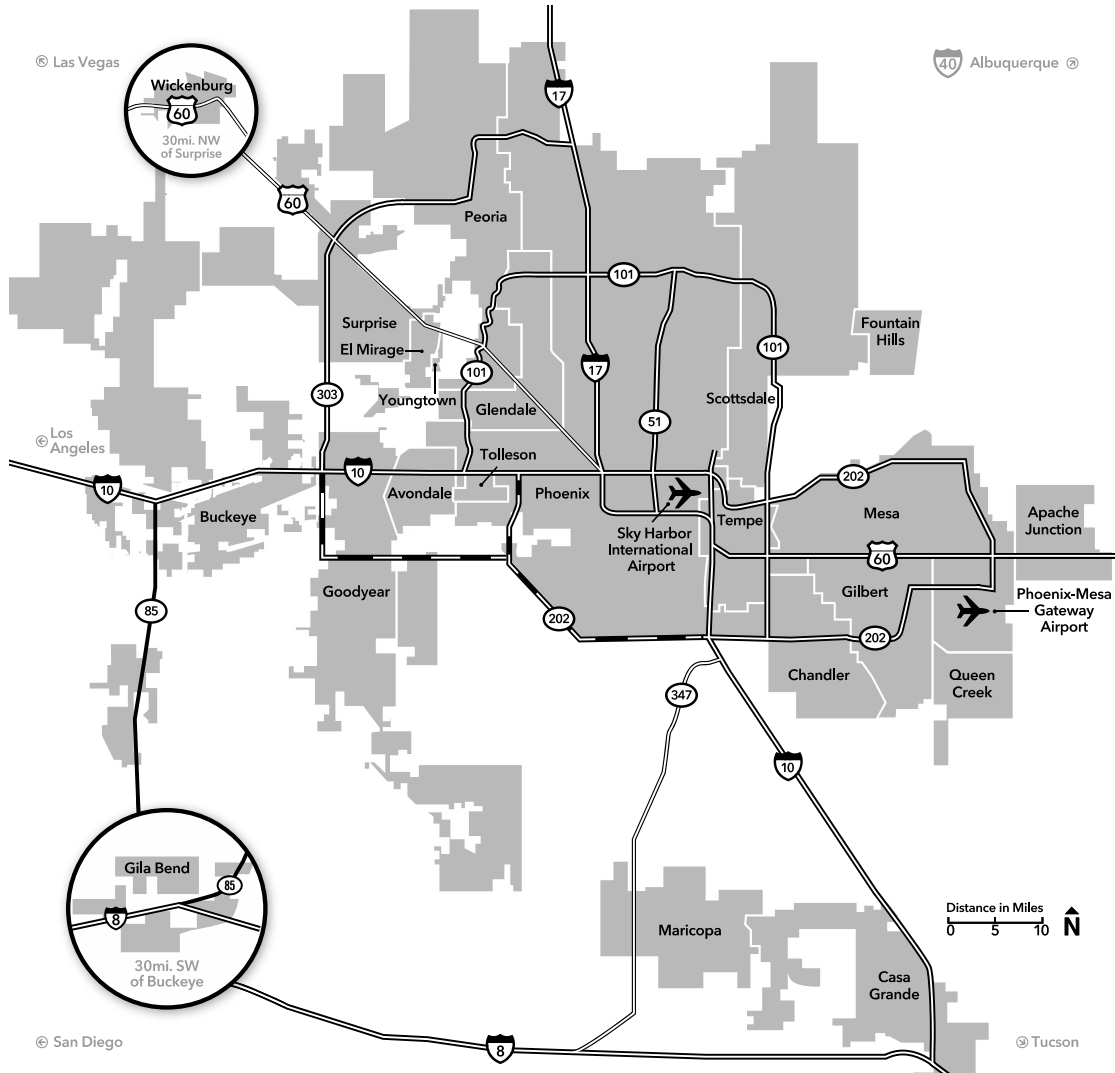
- 43.9 million passengers annually
- 1,200 daily domestic and international flights
- 120,000 boardings daily

Sky Harbor offers nonstop flights to 22 international locations, including:

- London
- Frankfurt
- Mexico City
- Vancouver
- Toronto
- Montreal

Key Infrastructure

Modern Infrastructure



Commute Times

Many companies that have recently expanded into the region have commented on the ease of access to workforce and the accessibility of the market. Greater Phoenix has a modern and expanding freeway system (see above), which ensures that there is an accessible supply of talent no matter where a company is located in the region.

Metro	Average Commute Times	Index
Phoenix	26.7 minutes	98.5%
Charlotte	27.4 minutes	101.1%
Dallas	28.5 minutes	105.2%
Salt Lake City	22.9 minutes	84.5%
United States	27.1 minutes	100.0%

Source: ACS 2018 1 Year Estimates

Rankings & Recognition

#1

Phoenix was ranked #1 Fastest Growing City by population in Business Facilities' 2019 Metro Rankings Report

#1

Arizona State University named America's Most Innovative University 5 years in a row by US News

#3

Sky Harbor International Airport ranked 3rd in the Wall Street Journal's "The Best of the Biggest Airports"

Top Tier

APS and SRP rank as top business service providers by J.D. Power and Associates for reliability

Top 10

In 2019, Arizona was ranked in the top 10 best states to start a business by WalletHub

Top 10

Greater Phoenix is ranked in the top 10 for low catastrophic and natural disaster risk

Top 20

In 2018, two cities within the region were listed in the top 20 happiest cities in the nation

Top 20

Arizona ranked in the top 20 states for doing business in 2019

Greater Phoenix Greater Together

People. Place. Technology.