



FEATURED ARTICLE

Job Growth in a Stalled Economy; Is Small Business the Light at the End of the Tunnel?

With an unemployment rate more than double that of five years ago, Arizona's economy is struggling to lift out of its current slump, and although unemployment has decreased slightly in recent months, many believe there's still a long way to go before the state can be comfortable.

According to the Arizona Department of Administration, Arizona's unemployment rate is situated at 9.3 percent, .2 percent higher than the national unemployment rate which currently stands at 9.1 percent.

And although the state of Arizona added 52,600 jobs in August, consumer confidence continues to falter. According to the Behavior Research Center's survey of 716 Arizona residents, 43 percent of Arizonans say times are bad, while only 20 percent consider business conditions to be good.

The Phoenix metro, however, seems to present the best opportunity for business growth, as most of the state's recent job gains occurred in the area.

"About 75 percent of Arizona's population is located in the Phoenix metro area," said David Drennon, vice president of marketing and business development for the Arizona Small Business Association. "Phoenix's prosperity creates business opportunities that don't already exist in rural areas of the state. The big cities create leverage, expand [business] partnerships throughout Arizona."

However, it's not necessarily large corporations that are going to save Arizona's economy, but rather small businesses with 500 employees or less, which make up approximately 97 percent of businesses in Arizona, according to Drennon.

"Economists have been telling us small business is where the most significant job growth will occur," said Susan Woodward, an economist with Sand Hill Econometrics.

What makes Arizona's largest city unique is the great balance between population growth, low-cost housing, business incentives and an educated workforce, factors that are driving some small businesses to take a closer look at the Phoenix market.

"After consistent profitable growth and success in our Knoxville, Tenn. headquarters, we completed a nationwide search of potential cities to expand to before ultimately landing on Tempe," said Josh Phillips, president of digital marketing firm Pyxl.

Pyxl's team chose Tempe for three major reasons:

1. Its proximity to Arizona State University and strong community college system
2. The concentration of established and high-growth businesses in the Phoenix metro area
3. The cost of doing business and access to a number of major markets within a day-trip of Sky Harbor International Airport

With a labor pool fed by over 300,000 current college students from Arizona State University, the University of Arizona and Northern Arizona University, the Phoenix area is the home to an intelligent and innovative group of workers, and companies like Pyxl are taking notice.

"We've seen great success in Knoxville, and we feel like the Phoenix metro area is the right place for us to replicate that success," said Phillips.

The creation of Pyxl's Tempe office will focus on growing Pyxl's core service offering of enterprise-class web and application design and development in the mountain and west coast regions while also providing for local job growth in both the short and long term.

As a small business that has experienced rapid growth in recent years, Pyxl has delivered a 3-year 47 percent Compound Annual Growth Rate (CAGR), and 2010 revenues grew 58 percent year-over-year, success the team intends to replicate in the Phoenix market.

Anyone interested in applying for a position in Pyxl's new Phoenix office should visit www.thinkpyxl.com/tempe.