

ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

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ECONOMIC CONDITIONS REPORT

Pima County

FOR FURTHER INFORMATION:

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ABOUT THIS REPORT

This report was created to assist Arizona Local Workforce Development Areas in completing their 2024-2027 Local Workforce Development Plans; the information provided in this report is intended to be used as a resource in the planning process. The report summarizes key demographic, labor market, and workforce trends occurring within the state and local economy.

ABOUT THE ARIZONA OFFICE OF ECONOMIC OPPORTUNITY (OEO)

The Office of Economic Opportunity (OEO) is the State of Arizona's statistics agency. Arizona's economic potential is revealed through evidence-based statistics compiled by OEO. The OEO improves analytic capacity and tracks Arizona's key economic indicators, such as the state's labor market, population, and regulatory and taxation.

Labor Market

OEO serves as Arizona's workforce planning coordinator, and provides operational, strategic, and research support to the Workforce Arizona Council and other key workforce partners in this role.

Population

OEO produces the official population estimates and projections for the State of Arizona including demographics.

Regulatory and Tax

OEO monitors Arizona's tax and regulatory competitiveness by collecting and quantifying tax and regulatory activities. This work provides baseline information that can be used to make informed decisions about the state of regulation and taxation in Arizona.

POPULATION

Population Growth by County, 2016-2021

Area	Population Estimate (2016)	Population Estimate (2021)	Numeric Change (2016-2021)	Annualized Percent Change (2016-2021)
United States	318,558,162	329,725,481	11,167,319	0.7%
Arizona	6,797,006	7,285,370	488,364	1.4%
Apache County	68,305	66,411	-1,894	-0.6%
Cochise County	125,414	126,463	1,049	0.2%
Coconino County	142,846	147,434	4,588	0.6%
Gila County	53,325	53,525	200	0.1%
Graham County	38,356	39,025	669	0.3%
Greenlee County	9,834	9,593	-241	-0.5%
La Paz County	17,676	16,820	-856	-1.0%
Maricopa County	4,154,976	4,507,419	352,443	1.6%
Mohave County	203,956	216,527	12,571	1.2%
Navajo County	106,763	107,748	985	0.2%
Pima County	1,013,296	1,058,318	45,022	0.9%
Pinal County	392,646	439,128	46,482	2.3%
Santa Cruz County	47,075	48,468	1,393	0.6%
Yavapai County	221,970	241,173	19,203	1.7%

Source: Office of Economic Opportunity Population Estimates

Changes in population can have a large impact on a local economy. An area experiencing population growth, particularly growth in working-age populations, may experience an increase in economic activity¹ and workforce diversity.

- Arizona had one of the fastest growing populations in the United States from 2020-2021, ranking 3rd among all U.S. states in numeric growth and 4th in percent growth.²
- From 2016-2021, Pima County grew at a lower rate than the state and nation.
- Pima County comprised 9.2 percent of Arizona's population in 2021, accounting for 14.5% of Arizona's total population growth from 2016-2021.
- In 2021, eleven percent of individuals who moved to Pima County from a different U.S. state were prime-working age adults (25 to 54 years).³

¹ Headey, D., & Hodge, A. (2009). The Effect of Population Growth on Economic Growth: A Meta-Regression Analysis of the Macroeconomic Literature. *Population and Development Review*, 35(2), 221-248. Retrieved from www.jstor.org/stable/25487661

² U.S. Census Bureau. (2021). *New Vintage 2021 Population Estimates Available for the Nation, States and Puerto Rico* [press release]. Available from [census.gov](https://www.census.gov)

³ U.S. Census Bureau, American Community Survey, 5 Year estimates. (2016-2021). Geographic Mobility by Selected Characters, Table S0701. Available from data.census.gov.

Pima County Population Projections, 2022 - 2026

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2022	1,072,298	-----	-----	-2,449	16,429
2023	1,079,998	7,700	0.7%	-1,359	8,822
2024	1,087,948	7,950	0.7%	-907	8,619
2025	1,095,834	7,886	0.7%	-445	8,092
2026	1,102,227	6,393	0.6%	-598	6,991

¹ Natural Change = Births – Deaths

² Net Migration = (Domestic In Migration – Domestic Out Migration) + (Foreign In Migration – Out Migration)

Source: Office of Economic Opportunity, Population Projections Medium Series

Population projections provide useful insight into an area’s future demand for resources and services.⁴ An area experiencing population declines may choose to focus efforts on filling current job positions, while an area experiencing population growth may choose to focus on job creation. Further analysis into the composition of growing or declining populations can be a useful next step.

- Arizona is projected to add more than 487,155 people to its population from 2022-2026, growing by an annualized rate of 1.6 percent.
- Pima County is projected to add 29,929 people to its population from 2022-2026.

Population Characteristics, 2021

Indicator	Pima County	Arizona	United States
Population 16 Years and Over	843,701	5,650,624	264,087,642
Civilian Labor Force Participation Rate 16 and Over	58%	60%	63%
Median Household Income	\$59,215	\$65,913	\$69,021
Families in Poverty	11%	10%	9%
Median Age	39	38	38
Individuals with a Disability	15%	13%	13%
Veterans	10%	9%	7%
Uninsured	9%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2021, 5-Year Estimates, Table DP03
Office of Economic Opportunity

It is important to understand the employment barriers faced by those served when developing workforce strategies. Population characteristics can help illuminate vulnerable segments of an area’s population. An area with population characteristics that differ significantly from state or national averages may need to consider what best meets the needs of their unique population.

- Following historical trends, median household income was lower in Pima County than in Arizona or the United States.

⁴ Kaneda, T. & Bremer, J. (2014). “Understanding Population Projection: Behind the Numbers. Population Reference Bureau”. Retrieved from <https://www.prb.org/united-nations-population-projections/>

- The labor force participation rate was lower in Pima County when compared with Arizona.
- There was a lower rate of families in poverty in Pima County when compared with the United States and Arizona. This was reflected in Pima County's median household income.

Highest Education Achieved, 2021, Population Over 25 Years of Age

Indicator	Pima County	Arizona	United States
Less than High School	4.1%	4.9%	4.8%
High School Graduate (includes equivalency)	21.4%	23.5%	26.5%
Some College, no degree	24.6%	24.6%	20.0%
Associate's Degree	9.0%	9.0%	8.7%
Bachelor's Degree	19.7%	19.3%	20.6%
Graduate or Professional Degree	14.7%	11.9%	13.1%

Source: U.S. Census Bureau, American Community Survey, 2021 5-Year Estimates, Table S1501
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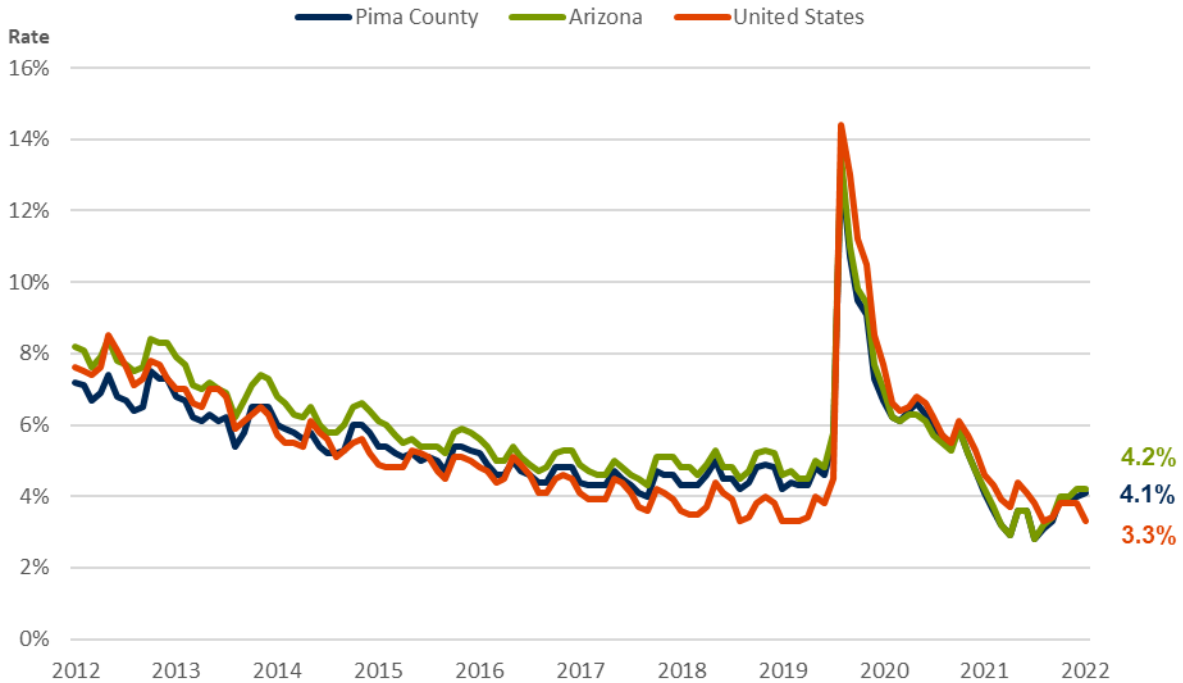
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.⁵

- Pima County had a higher rate of residents with a graduate or professional degree when compared with both Arizona and the United States.
- Eighty-nine percent of Pima County residents aged 25 and over have graduated high school, slightly above the statewide rate of 88 percent.

⁵ U.S. Bureau of Labor Statistics. (2019) "Unemployment Rates and Earnings by Educational Attainment." Retrieved from <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>.

WORKFORCE

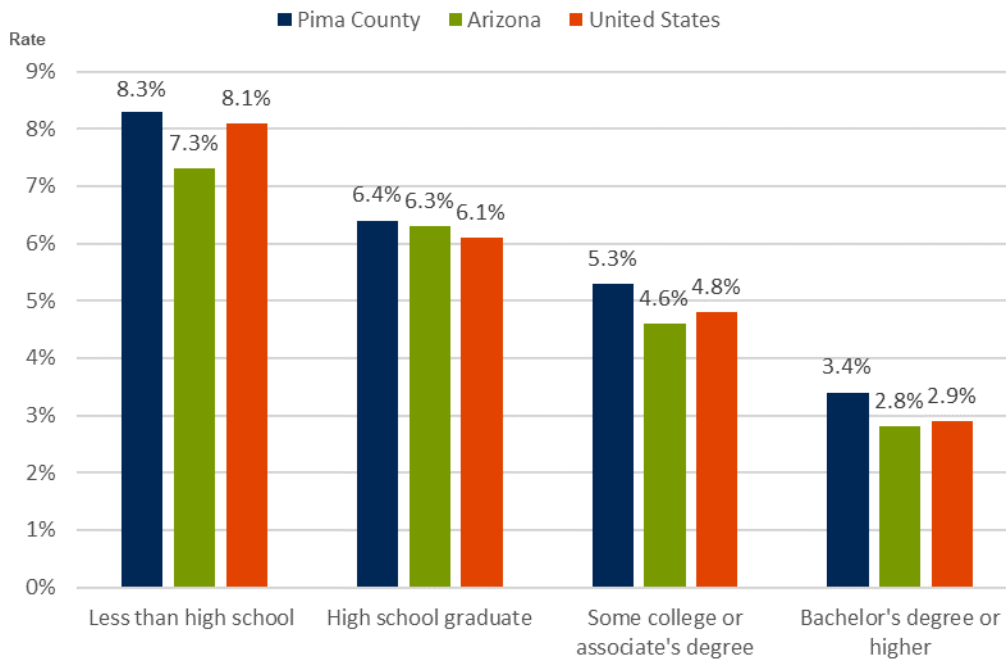
Unemployment Rate Comparisons, Sep 2012-Sep 2022, Not-Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics
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- Pima County's unemployment rate for the past 10 years has trended closely with the statewide rate.
- Pima County's labor force levels increased from an annual average of 480,124 in 2020 to an annual average of 480,903 people in 2021.
- In 2021, there was an annual average of 9,072 unemployed individuals in Pima County, down from 11,376 in 2020.
- Prior to the pandemic (2017-2019), Pima County had an average labor force level of 472,491 and an average of 21,291 unemployed individuals.
- Throughout 2021, the average unemployment rate in Pima County was 5.3 percent.

Unemployment Rate by Educational Attainment, 2021, Ages 25-64



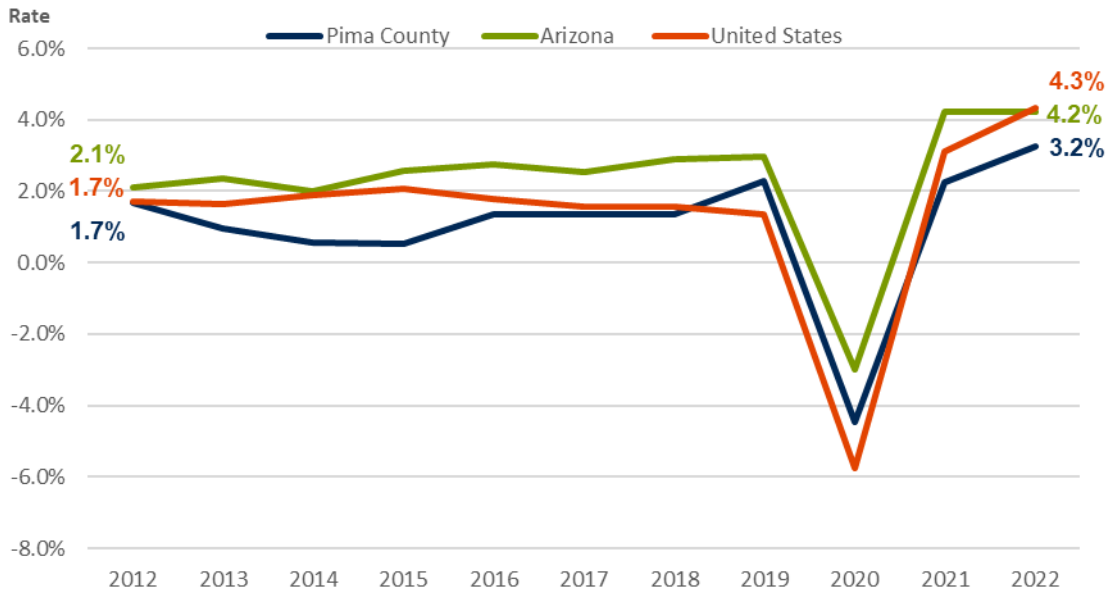
Source: U.S. Census American Community Survey, 2021 5-Year Estimates, Table S2301
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Historically, higher educational attainment levels have been associated with lower levels of unemployment.⁶ Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- The unemployment rates across all education attainment levels in Pima County were higher than the statewide and national rates.
- When compared, the unemployment rate in Pima County for someone without a high school degree was one percent higher than the rate for Arizona.

⁶ National Center for Educational Statistics. (2019). "Employment and Unemployment Rates by Educational Attainment." Retrieved from https://nces.ed.gov/programs/coe/indicator_cbc.asp

Average Nonfarm Employment Year-Over-Year Percentage Change, 2012-2022, Not-Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics
Office of Economic Opportunity

- Pima County's total nonfarm employment increased by 17,500 jobs from 2012-2022, an annualized increase of 0.9 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 1.0 percent.
- Since 2011, Pima County's job growth has trended below the state's growth rate.

Pima County Private Sector Industry Employment, 2016-2021

Industry	Average Employment (2016)	Average Employment (2021)	Numeric Growth (2016-2021)	Annualized Percentage Growth (2016-2021)
Construction	14,852	18,215	3,363	4.2%
Manufacturing	23,076	27,504	4,428	3.6%
Trade Transportation and Utilities	15,300	17,586	2,286	2.8%
Financial Activities	8,032	8,522	490	1.2%
Education and Health Services	33,125	34,684	1,560	0.9%
Natural Resources and Mining	1,146	1,198	52	0.9%
Other Services	10,890	11,142	252	0.5%
Information	4,916	4,750	-165	-0.7%
Professional and Business Services	16,730	15,439	-1,291	-1.6%
Leisure and Hospitality	21,947	19,648	-2,299	-2.2%

Source: Quarterly Census of Employment and Wages
Office of Economic Opportunity

- Seven of the private-sector industries recorded employment growth from 2016 to 2021, increasing by 8,675 jobs over this period.
- Of the 10 private sector industries, Education and Health Services made up the largest share of employment in 2021, and Manufacturing made up the second largest.
- Leisure and Hospitality saw the largest losses from 2016 to 2021, losing 2,299 jobs (-2.2%).

Projected Industry Employment, 2021-2026

Area	Projected Employment (2021)	Projected Employment (2023)	Projected Numeric Growth (2021-2023)	Annualized Percentage Growth (2021-2023)
Arizona	3,109,190	3,375,515	266,325	4.2%
Balance of Maricopa	1,219,259	1,337,167	117,908	4.7%
City of Phoenix	1,013,840	1,095,437	81,597	3.9%
Coconino County	64,430	70,044	5,614	4.3%
Mohave and La Paz Counties	65,909	71,189	5,280	3.9%
Northeastern Arizona	64,496	68,182	3,686	2.8%
Pima County	397,174	427,695	30,521	3.8%
Pinal County	71,978	78,038	6,060	4.1%
Santa Cruz County	14,735	15,461	726	2.4%
Southeastern Arizona	54,206	57,926	3,720	3.4%
Yavapai County	71,559	77,411	5,852	4.0%
Yuma County	71,560	76,512	4,952	3.4%

NOTE: Maricopa Workforce Area includes Maricopa County excluding the City of Phoenix.
Source: Office of Economic Opportunity, Quarterly Census of Employment and Wages

- All Arizona local workforce areas are expected to record employment growth from 2021 to 2023.
- Pima County is projected to grow at 3.8 percent, below the statewide growth rate of 4.2 percent.

Pima County Workforce Area Projected Industry Employment, 2021-2023

Industry	Projected Employment (2021)	Projected Employment (2023)	Projected Numeric Growth (2021-2023)	Annualized Percentage Growth (2021-2023)
Leisure and Hospitality	41,753	46,576	4,823	5.6%
Construction	18,173	20,149	1,976	5.3%
Trade Transportation and Utilities	68,736	74,100	5,364	3.8%
Education and Health Services	100,900	108,278	7,378	3.6%
Financial Activities	17,807	19,068	1,261	3.5%
Information	5,061	5,370	309	3.0%
Professional and Business Services	47,866	50,142	2,276	2.3%
Manufacturing	27,471	28,682	1,211	2.2%
Natural Resources and Mining	3,260	3,400	140	2.1%
Other Services	15,916	16,395	479	1.5%

Source: Office of Economic Opportunity, Quarterly Census of Employment and Wages

Job skills are constantly evolving with the emergence of new technologies and changing consumer habits. Job seekers can better prepare themselves by gaining skills within industries projected to have large employment needs.

- In Pima County, Leisure and Hospitality is projected to record the largest growth rates, increasing by 5.6 percent annually through 2024.
- Construction is projected to grow the second fastest in Pima County (5.3 percent).
- In 2024, the industry that employs the most people is projected to remain Education and Health Services.

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