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Economic Conditions Report

Yavapai County

FOR FURTHER INFORMATION:

Doug Walls, Labor Market Information Director, 602.771.1258

Sam Briggs, Economist, 602.364.0430

www.laborstats.az.gov

ABOUT THIS REPORT

This report was created to assist Arizona Local Workforce Development Areas in completing their 2020-2024 Local Workforce Development Plans. The report summarizes key demographic, labor market, and workforce trends occurring within the state and local economy. The information provided in this report is intended to be a resource for local workforce information board members and workforce practitioners during the local workforce planning process.

ABOUT THE ARIZONA OFFICE OF ECONOMIC OPPORTUNITY

The Office of Economic Opportunity (OEO) was created to strengthen the analytical capabilities of the state's workforce and economic development initiatives. OEO serves as Arizona's workforce planning coordinator, and in this role, provides operational, strategic and research support to the Workforce Arizona Council and other key workforce partners. OEO produces official statewide data for population, employment, and wage estimates including the official Arizona employment and population projections. OEO also functions in an advisory capacity by providing economic expertise to state and local government agencies and officials.

OVERVIEW

Yavapai County's economy consists of a wide range of industries offering opportunities for individuals seeking employment of all types.

Several positive economic and workforce trends were recorded in Yavapai County including:

- Population continues to increase, growing 1.6 percent annually from 2013 to 2018.
- Population is projected to grow by 1.3 percent in 2019 and 1.0 percent in 2020.
- Labor force levels increased from an average of 102,043 people in 2017 to 105,618 people in 2018, an increase of 3,575 people.
- Employment gains in 2018 were led by Professional and Business Services, which grew by 585 jobs or 7.7 percent since 2017
- Total employment is projected to increase by 2.7 percent annually from 2018 Quarter 3 through 2020 Quarter 2.

Other less-favorable economic and workforce trends were recorded in Yavapai County including:

- From 2017 to 2018, two on the nine reported major industry sectors (Trade, Transportation and Utilities and Information) reported a year-over-year employment decline.
- Median household incomes in Yavapai County decreased from \$50,041 in 2017 to \$48,148 in 2018.
- Yavapai County is projected to have negative natural change (more death than births) in the next four years.

POPULATION

Population Growth by County, 2013-2018

Area	Population Estimate (2013)	Population Estimate (2018)	Numeric Change (2013-2018)	Annualized Percent Change (2013-2018)
Arizona	6,634,999	7,171,646	536,647	1.6%
Apache County	72,341	71,818	-523	-0.1%
Cochise County	129,608	126,770	-2,838	-0.4%
Coconino County	136,713	142,854	6,141	0.9%
Gila County	53,022	53,889	867	0.3%
Graham County	37,454	38,072	618	0.3%
Greenlee County	8,908	9,483	575	1.3%
La Paz County	20,532	21,098	566	0.5%
Maricopa County	4,019,019	4,410,824	391,805	1.9%
Mohave County	203,158	209,550	6,392	0.6%
Navajo County	107,145	110,445	3,300	0.6%
Pima County	997,437	1,039,073	41,636	0.8%
Pinal County	385,656	447,138	61,482	3.0%
Santa Cruz County	46,991	46,511	-480	-0.2%
Yavapai County	214,426	231,993	17,567	1.6%
Yuma County	202,589	212,128	9,539	0.9%
United States	316,057,727	327,167,434	11,109,707	0.7%

Source: U.S. Census Bureau, Population Estimates Program, 2013-2018 Estimates
Office of Economic Opportunity

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 2013-2017, ranking 9th among all U.S. states.
- Yavapai County represented 3 percent of Arizona's total population growth from 2013 to 2018.
- In 2017 and 2018, Yavapai represented 3 percent of Arizona's total population.

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

Yavapai County Population Projections, 2018

Year	Population Estimate (2018)	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2018	228,970	-----	-----	-1,400	5,006
2019	232,024	3,054	1.3%	-1,420	4,381
2020	234,438	2,414	1.0%	-1,439	3,755
2021	236,772	2,334	1.0%	-1,456	3,686
2022	239,074	2,302	1.0%	-1,471	3,663

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.² 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 over 406,032 people to its overall population levels from 2019-2022, growing by an annualized rate of 1.0 percent.
- Yavapai County population is projected to add 10,104 people to its overall population from 2019-2022.
- Yavapai County is one of the few counties in Arizona with a projected negative natural change.

Population Characteristics, 2018

Indicator	Yavapai County	Arizona	United States
Population 16 and Over	198,754	5,714,007	262,185,951
Civilian Labor Force Participation Rate 16 and Over	48%	59%	63%
Median Household Income	\$48,148	\$59,246	\$61,937
Families in Poverty	8%	10%	9%
Median Age	54.4	38.0	38.2
Individuals 16 and Over with a Disability	19%	13%	13%
Veterans	14%	9%	7%
Uninsured	11%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2018 1-Year Estimates
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 are significantly different from state or national averages, may need to consider how best to meet the needs of their unique population.

² Kaneda, T. & Bremer, J. (2014). "Understanding Population Projection: Behind the Numbers. Population Reference Bureau". Retrieved from <https://www.prb.org/united-nations-population-projections/>

- Median household income has historically been lower in Yavapai County than in Arizona or the United States. Despite a median household income lower than the state, the rate of families in poverty in Yavapai County was lower than the statewide rate.
- Median age was significantly higher in Yavapai County than in Arizona or the United States.
- Individuals with disabilities represented a larger share of total population in Yavapai County than in Arizona or the United States.
- The labor force participation rate was substantially lower in Yavapai County than in Arizona. The low labor force participation rate is likely due to the county's aging population, who are no longer working or looking for work.

Yavapai County Public Assistance Households, 2018

Indicator	Yavapai County	Arizona	United States
TANF (Temporary Assistance for Needy Families)	1%	2%	2%
Food Stamps/SNAP	8%	11%	12%
SSI (Supplemental Security Income)	4%	5%	5%
Medicaid/AHCCCS Individuals	14%	17%	15%

NOTE: TANF, SSI, and SNAP proportions are based on households, Medicaid/AHCCCS proportions are based on individuals. Source: U.S. Census Bureau, American Community Survey, 2018 1-Year Estimates Office of Economic Opportunity

- Yavapai County utilized public assistance programs less than Arizona and the United States.
- Yavapai County likely uses public assistance at a lower rate due to its lower than average poverty rate.

Highest Educational Level Achieved, 2018, 25 Years and Over

Indicator	Yavapai County	Arizona	United States
Less than High School	10%	13%	12%
High School Graduate (includes equivalency)	25%	24%	27%
Some College, no degree	29%	25%	20%
Associate's Degree	9%	9%	9%
Bachelor's Degree	16%	19%	20%
Graduate or Professional Degree	10%	11%	13%

Source: U.S. Census Bureau, American Community Survey, 2018 1-Year Estimates Office of Economic Opportunity

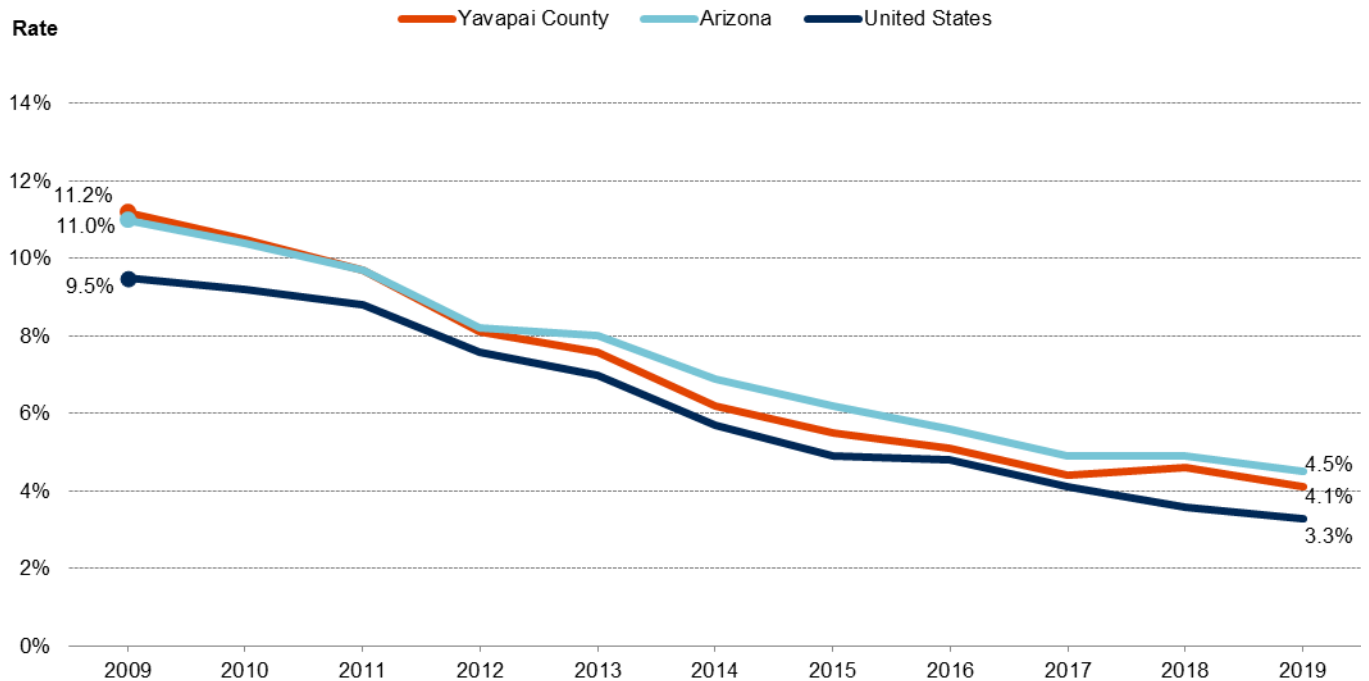
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.³

³ "Unemployment Rates and Earnings by Educational Attainment." U.S. Bureau of Labor Statistics. U.S. Bureau of Labor Statistics, September 4, 2019. <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>.

- The percentage of Yavapai County residents with a bachelor’s degree is lower than the statewide rate. However, the percentage of residents with a bachelor’s degree increased from 13.4 percent in 2017 to 16.3 percent in 2018.
- Out of all Arizona counties, Yavapai County had the highest rate out of residents with a high school diploma (89.7), higher than the statewide rate (87.7).

WORKFORCE

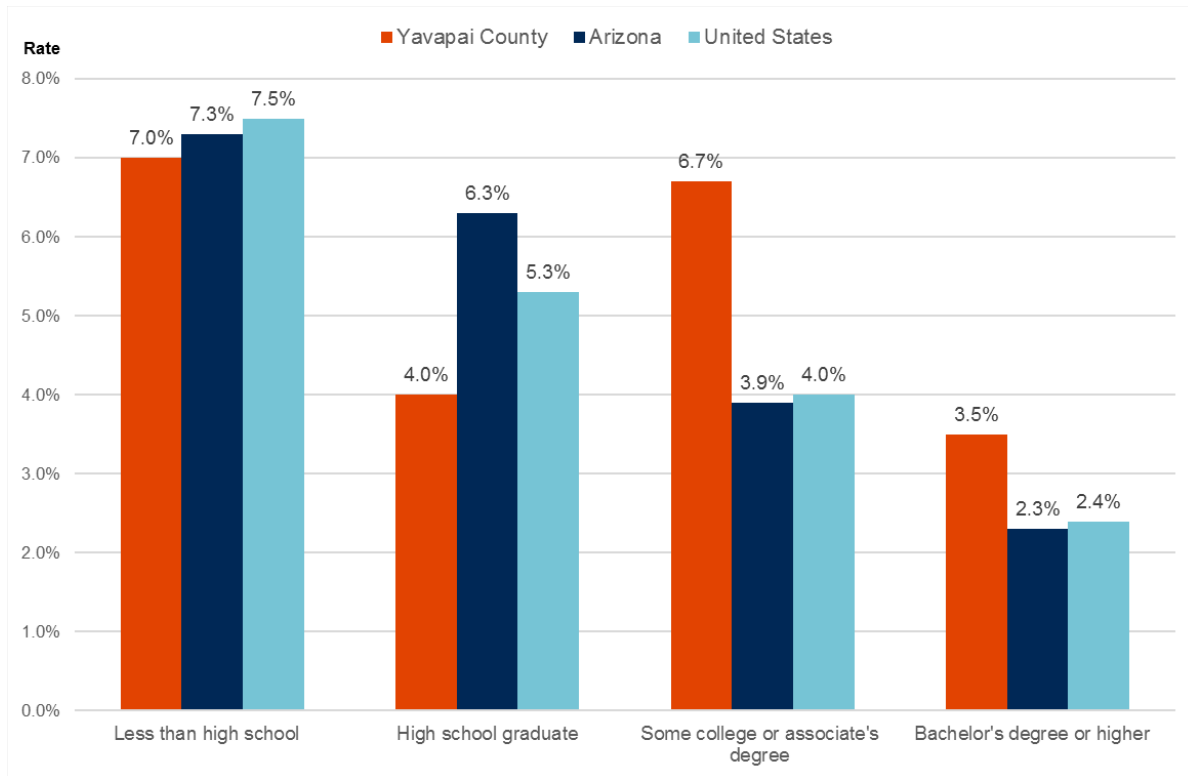
Unemployment Rate Comparisons, Sept. 2009-Sept. 2019, Not-Seasonally Adjusted



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

- Since 2011, Yavapai County’s unemployment rate has trended closely with Arizona’s unemployment rate.
- County unemployment rates around the state have begun to flatten, primarily due to large increases in labor force participation. This trend is also occurring within Yavapai County as labor force levels increased from an average of 102,043 people in 2017 to 105,618 people in 2018, an increase of 3,575 people.
- In 2018, there was an average of 4,719 unemployed individuals in Yavapai County.

Unemployment Rate by Educational Attainment, 2018, Ages 25-64



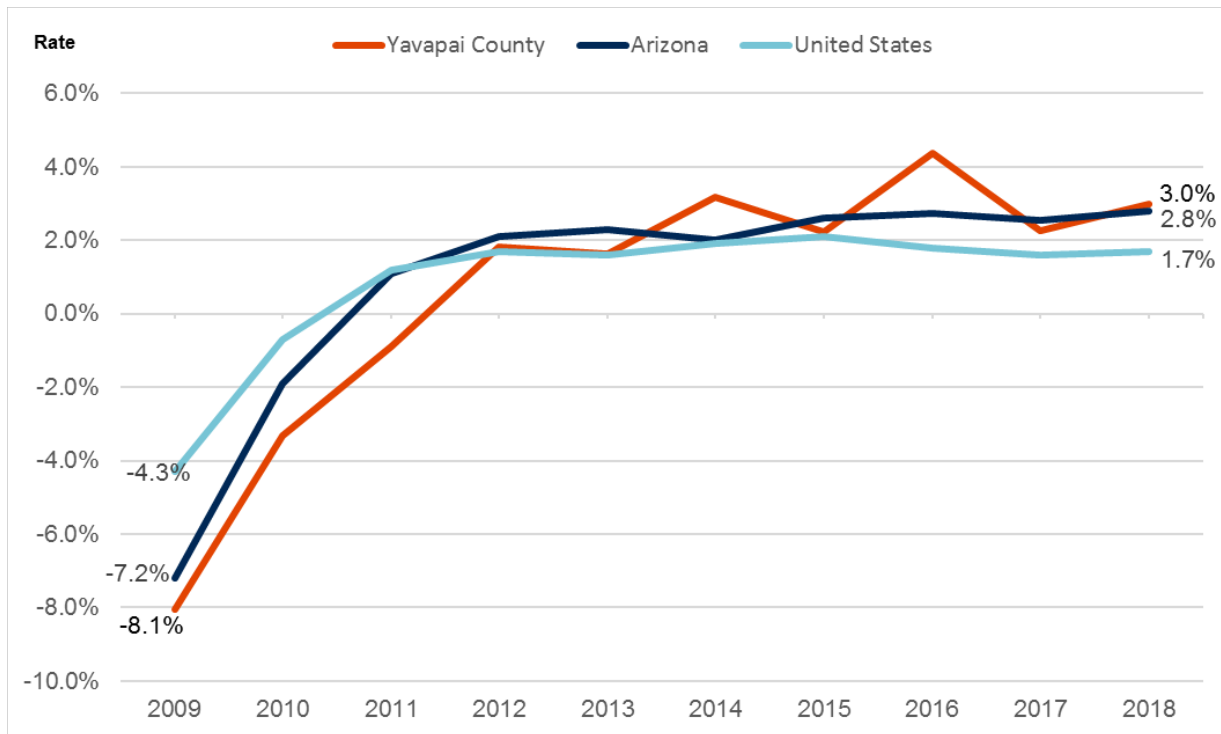
Source: U.S. Census American Community Survey, 2018 1-Year Estimates
Office of Economic Opportunity

Historically, higher educational attainment levels lead to lower levels of unemployment.⁴ Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- Unemployment rates for individuals with some college or higher were substantially higher in Yavapai County when compared with the state and national rates for the educational levels.
- The unemployment rate for individuals with a high school diploma was dramatically lower in Yavapai County when compared with Arizona.

⁴ National Center for Educational Statistics. (2019). "Employment and Unemployment Rates by Educational Attainment." Retrieved from https://nces.ed.gov/programs/coe/indicator_cbc.asp

Nonfarm Employment Year-Over-Year Percentage Change, 2009-2018, Not Seasonally Adjusted



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

- Total nonfarm employment increased by 8,500 jobs from 2009 to 2018 in Yavapai County, an annualized increase of 1.6 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 1.8 percent annually.
- Since 2012, Yavapai County's employment growth has generally trended higher or at a similar rate to the state.

Yavapai County Private Sector Industry Employment, Annual Averages

Industry	Employment (2013)	Employment (2018)	Numeric Growth (2013-2018)	Annualized Percentage Growth (2013-2018)
Construction	3,443	4,758	1,315	6.7%
Education and Health Services	11,006	12,716	1,710	2.9%
Financial Activities	1,737	1,931	194	2.1%
Information	585	500	-85	-3.1%
Leisure and Hospitality	8,155	10,278	2,123	4.7%
Manufacturing	3,246	3,810	564	3.3%
Natural Resources and Mining	1,317	1,461	144	2.1%
Other Services	1,562	1,934	372	4.4%
Professional and Business Services	3,237	4,266	1,029	5.7%
Trade Transportation and Utilities	11,941	12,623	682	1.1%

NOTE: Includes private employment only.

Source: Quarterly Census of Employment and Wages

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- Nine out of ten private-sector industries recorded positive numeric growth from 2013 to 2018, gaining a total of 8,048 jobs over this time period.
- Employment growth during this time period was led by Construction (6.7 percent) and Professional and Business Services (5.7 percent).
- Of the ten private sector industries, Education and Health Services made up the largest share of employment in 2018, while Trade, Transportation, and Utilities made up the second largest share.

Projected Industry Employment 2018-2020

Area	Projected Employment (2018)	Projected Employment (2020)	Projected Numeric Growth (2018-2020)	Annualized Percentage Growth (2018-2020)
Arizona	3,015,242	3,180,933	165,691	2.7%
City of Phoenix	984,294	1,025,152	40,858	2.1%
Maricopa Workforce Area*	1,149,559	1,247,158	97,599	4.2%
Coconino County	70,609	72,920	2,311	1.6%
Mohave and La Paz	62,236	65,596	3,360	2.7%
Northeastern Arizona	65,904	67,190	1,286	1.0%
Pima County	398,986	410,891	11,905	1.5%
Pinal County	67,567	69,560	1,993	1.5%
Santa Cruz County	15,145	15,246	101	0.3%
Southeastern Arizona	61,057	61,638	581	0.5%
Yavapai County	71,809	75,770	3,961	2.7%
Yuma County	67,951	69,817	1,866	1.4%

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 projected to record positive employment growth from 2018 to 2020.
- Yavapai County is projected to grow at a rate of 2.7 percent annually, on par with the statewide growth rate.

Yavapai County Projected Industry Employment; 2018-2020

Area	Projected Employment (2018)	Projected Employment (2020)	Projected Numeric Growth (2018-2020)	Annualized Percentage Growth (2018-2020)
Construction	4,958	5,656	698	6.8%
Education and Health Services	17,569	18,306	737	2.1%
Financial Activities	2,048	2,101	53	1.3%
Government	4,609	4,700	91	1.0%
Information	663	675	12	0.9%
Leisure and Hospitality	11,094	11,769	675	3.0%
Manufacturing	3,990	4,213	223	2.8%
Natural Resources and Mining	2,345	2,509	164	3.4%
Other Services	2,824	3,019	195	3.4%
Professional and Business Services	4,559	5,092	533	5.7%
Trade Transportation and Utilities	12,969	13,313	344	1.3%

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 Yavapai County, Construction is projected to record the largest growth rate, increasing by 6.8 percent annually through 2020.
- Professional and Business Services is projected to record the second fastest annual growth rate in Yavapai County.
- Through 2020, Education and Health Services is projected to remain the largest industry within Yavapai County, projected to employ 18,306 people.

ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

118 North 7th Avenue | Suite 400
Phoenix, Arizona 85007

Phone: 602.771.2222

Email: Laborinfo@oeo.az.gov