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Economic Conditions Report

Mohave and La Paz Counties

FOR FURTHER INFORMATION:

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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 in 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

The economy in La Paz and Mohave Counties include a wide range of industries offering opportunities for individuals seeking employment of all types:

Several positive economic and workforce trends were recorded in La Paz and Mohave Counties including:

- Population in Mohave County continues to increase, growing 0.6% annually from 2013 to 2018.
- Population in Mohave County is projected to grow by 1.3 percent in 2019 and 1.2 percent in 2020.
- Median Household Income in Mohave County increased from \$41,567 in 2017 to \$43,266 in 2018.
- Both La Paz and Mohave Counties saw positive nonfarm employment percent growth from 2017 to 2018 that was near the state growth rate of 2.8 percent. La Paz County recorded a year-over-year growth of 2.4% while Mohave County recorded a year-over-year growth of 3.2%.
- From 2013 to 2018, employment gains in Mohave and La Paz Counties were led by Construction, which grew by 1,406 jobs or 11.1 percent annually, and Leisure and Hospitality, which grew by 2,317 jobs or 7.2 percent annually.
- Within Mohave and La Paz Counties, total employment is projected to increase by 2.7 percent annually from Q3 2018 through Q2 2020.
- From 2013 to 2018, the share of La Paz residents with a bachelor's degree or higher increased from 9.3 percent to 12.4 percent. During the same period, the share of Mohave residents with a bachelor's degree or higher increased from 11.9 percent to 12.9 percent.

Other less favorable economic and workforce challenges were recorded in La Paz and Mohave Counties including:

- Population in La Paz County is projected to see zero growth starting in 2020.
- Median Household Income in La Paz County decreased from \$36,479 in 2017 to \$33,333 in 2018.
- From 2017 to 2018, the Labor Force Participation Rate in La Paz County decreased by 1.2 percent. During that same period, in Mohave County, the Labor Force Participation Rate decreased by .1 percent.
- Since 2009, Mohave County's unemployment rate has been higher than Arizona and the United States. This trend has been occurring in La Paz County as well since 2014.
- La Paz County had a substantially higher rate of families in poverty (16 percent), when compared with the state's rate (12 percent).

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, American Community Survey, 5-Year Estimates
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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
- Mohave and La Paz Counties represented nearly 1.5 percent of Arizona's total population growth from 2013 to 2018.
- In both 2017 and 2018, Mohave and La Paz Counties represented over 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

La Paz County Population Projections, 2018

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2018	21,890	----	----	-123	415
2019	22,037	147	0.7%	-125	272
2020	22,035	-1	0.0%	-130	129
2021	22,032	-3	0.0%	-131	128
2022	22,028	-4	0.0%	-132	128

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

Mohave County Population Projections, 2018

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2018	212,948	----	----	-1,535	4,691
2019	215,794	2,846	1.3%	-1,541	4,387
2020	218,321	2,527	1.2%	-1,555	4,082
2021	220,792	2,470	1.1%	-1,562	4,032
2022	223,242	2,451	1.1%	-1,566	4,017

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 412,922 people to its population from 2019-2022, growing by an annualized rate of 1.4 percent.
- La Paz County population is projected to add only 138 people to its overall population from 2019-2022. During the same period, Mohave County is projected to add 10,294 to its overall population, representing 2.5 percent of total projected population growth for the state.
- Starting in 2020, La Paz County is projected to have negative population change due to higher losses in natural changes compared to lower gains in total net migration. On the other hand, population growth in Mohave County is projected to come from people migrating into the county from other Arizona counties, U.S. states or foreign countries.

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/>

Population Characteristics, 2018

Indicator	La Paz	Mohave	Arizona	United States
Population 16 and Over	17,724	173,770	5,498,826	257,754,872
Civilian Labor Force Participation Rate 16 and Over	40%	45%	60%	63%
Median Household Income	\$33,333	\$43,266	\$56,213	\$60,293
Families in Poverty	16%	12%	12%	10%
Median Age	56.0	50.9	37.4	37.9
Individuals 16 and Over with a Disability	23%	23%	13%	13%
Veterans	15%	15%	9%	8%
Uninsured	15%	10%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2018 5-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 than state or national averages, may need to consider specific approaches on how to best meet the needs of their unique population.

- Median household income was lower in both La Paz and Mohave Counties when compared to Arizona and the United States. La Paz’s median household income decreased from \$36,479 in 2017 to \$33,333 in 2018. Mohave’s median household income increased from \$41,567 in 2017 to \$43,266 in 2018.
- Median age was substantially higher in both La Paz and Mohave Counties when compared to Arizona and the United States.
- In La Paz and Mohave Counties, veterans represented a larger share of total population than in Arizona and the United States.
- The rate of uninsured people in La Paz County was higher when compared to the Arizona and United States rate.
- The labor force participation rate was substantially lower in both La Paz and Mohave Counties when compared to Arizona and the United States.
- The percentage of families in poverty in La Paz County was higher when compared to Arizona and the United States.

Mohave and La Paz County Public Assistance Households, 2018

Indicator	La Paz	Mohave	Arizona	United States
TANF (Temporary Assistance for Needy Families)	2%	2%	2%	3%
Food Stamps/SNAP	15%	14%	11%	12%
SSI (Supplemental Security Income)	4%	7%	5%	5%
Medicaid/AHCCCS Individuals	19%	21%	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 5-Year Estimates
 Office of Economic Opportunity

- La Paz and Mohave Counties had a higher percentage of households on Food Stamps/SNAP when compared to Arizona and the United States.
- La Paz and Mohave Counties had a higher of percentage of individuals with Medicaid coverage when compared to Arizona and the United States.

Highest Educational Achieved, 2018, Population 25 and Older

Indicator	La Paz	Mohave	Arizona	United States
Less than High School	23%	15%	13%	12%
High School Graduate (includes equivalency)	33%	35%	24%	27%
Some College, no degree	26%	30%	25%	21%
Associate's Degree	6%	8%	9%	8%
Bachelor's Degree	8%	8%	18%	19%
Graduate or Professional Degree	4%	5%	11%	12%

Source: U.S. Census Bureau, American Community Survey, 2018 5-Year Estimates
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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 to higher-paying jobs and lower rates of unemployment.³

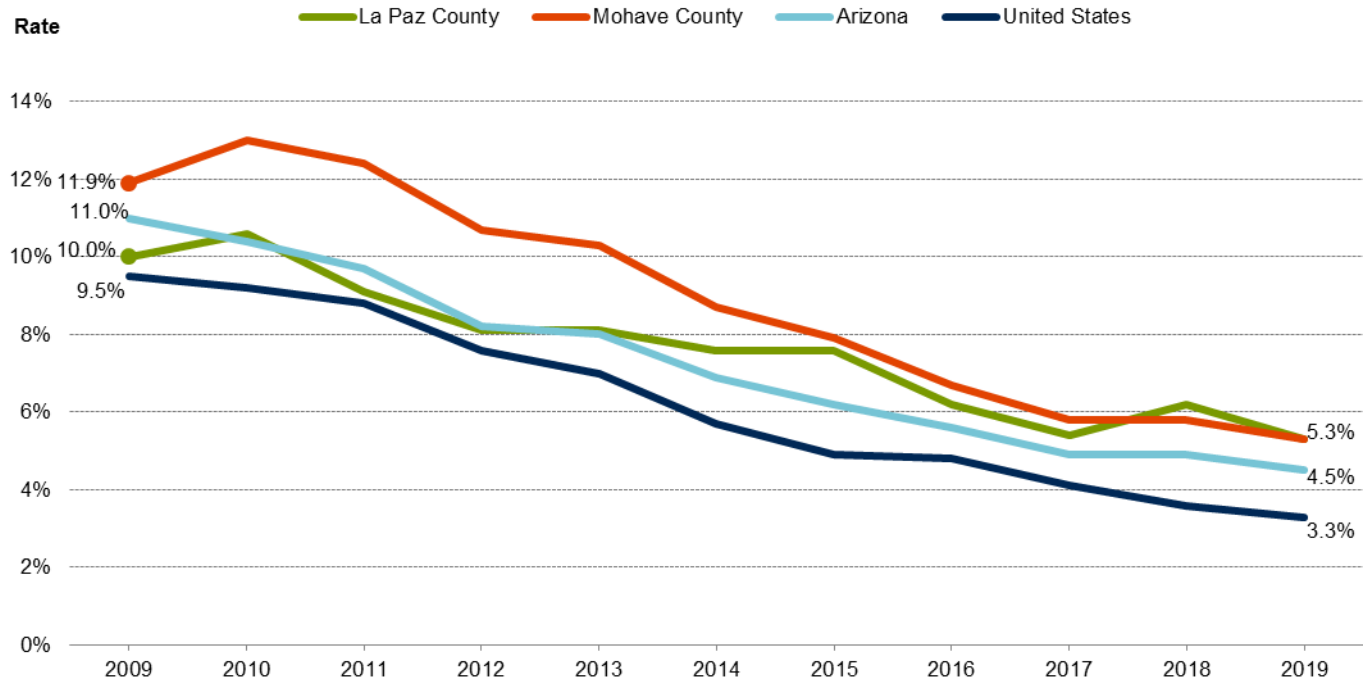
- The rate of La Paz residents with a high school diploma or higher (77.3 percent) was below the statewide rate (86.8 percent). Mohave residents with a high school diploma or higher (85.3 percent) was much closer to the statewide rate.
- The rate of La Paz residents with less than a high school diploma remained constant at 22.7 percent from 2017 to 2018. The percentage of Mohave residents with lower than a high school diploma increased from 14.7 percent in 2017 to 15.3 percent in 2018.
- The rate of La Paz residents with a bachelor's degree or higher increased from 11.2 percent in 2017 to 12.4 percent in 2018. The rate of Mohave residents 25 and older with a bachelor's

³ 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>.

degree or higher increased from 12.3 percent in 2017 to 12.9 percent in 2018.

WORKFORCE

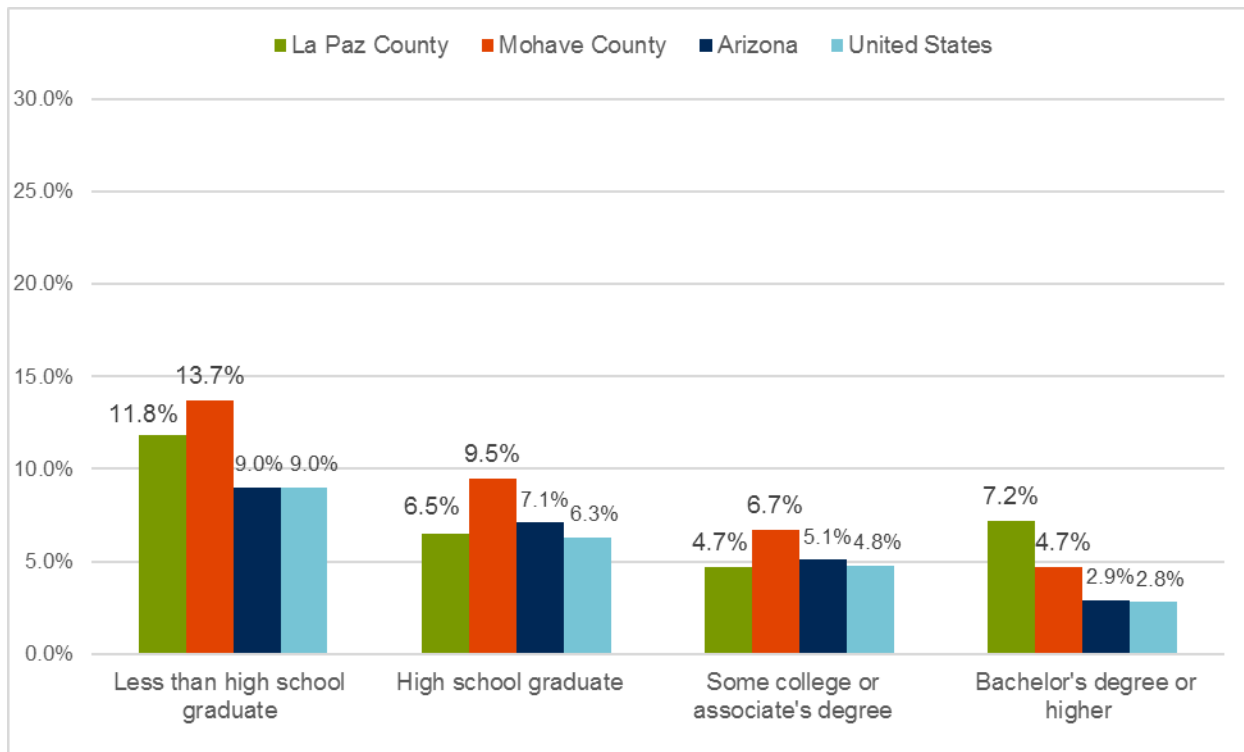
Unemployment Rate Comparisons, Sept. 2009-Sept. 2019, Not-Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics
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- Over the past ten years, Mohave's County's unemployment rate has remained higher than the statewide and national rate. La Paz County's unemployment rate has trended similar to the statewide rate however; it has begun to trend higher since 2014.
- Despite a high unemployment rate in Mohave County, its labor force has increased from an average of 82,515 in 2017, to 85,442 in 2018. The same trend is occurring in La Paz County as its labor force has increased from an average of 8,699 in 2017, to 8,938 in 2018.
- In 2018, there was an average of 4,934 unemployed individuals in Mohave County and an average of 557 individuals in La Paz County.

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



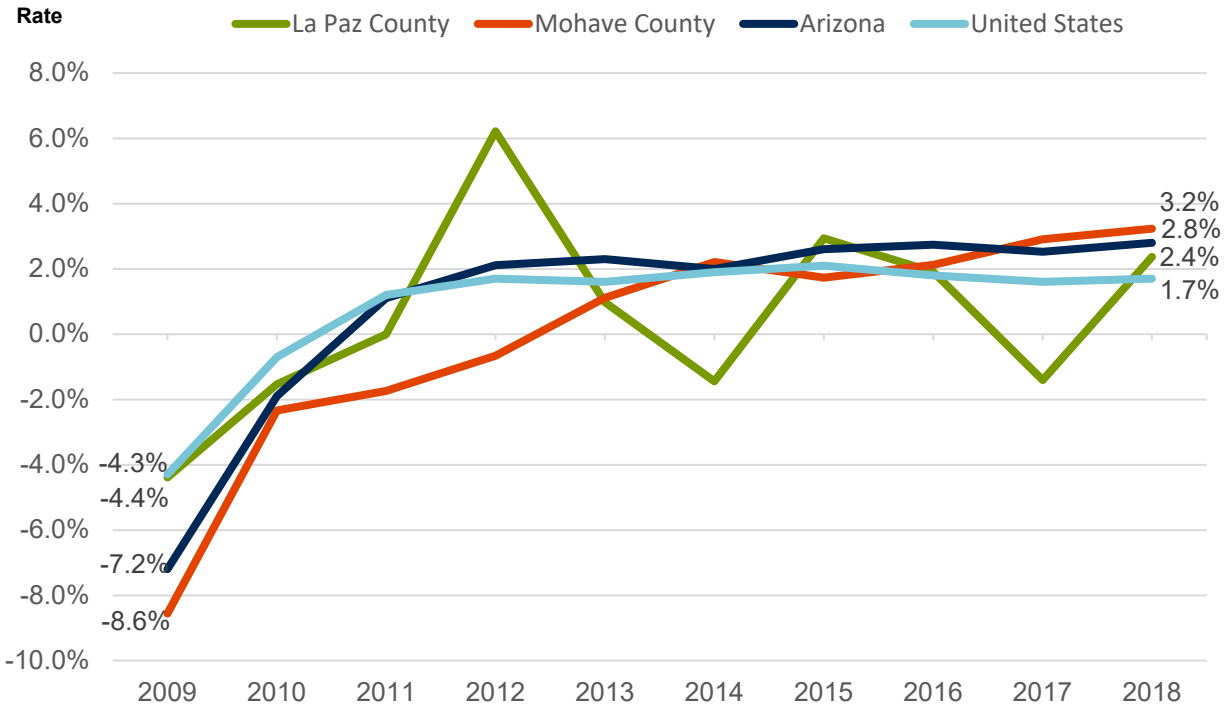
Source: U.S. Census American Community Survey, 2018 5-Year Estimates
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Historically, higher educational attainment levels lead to lower levels of unemployment.⁴ Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- Unemployment rates for individuals in La Paz and Mohave Counties without a high school diploma were higher than the statewide and national rate.
- For individuals with a high school diploma or higher, the unemployment rate was higher for those in Mohave County than Arizona and the United States overall.
- In La Paz, there is a substantially higher unemployment rate for those with a bachelor's degree or higher

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
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- Average total nonfarm employment in La Paz County increased by 500 jobs from 2009 to 2018, an annualized increase of 1.1 percent. Over this same period, average total nonfarm employment in Mohave County increased by 4,100 jobs with an annualized increase of 0.9 percent. In comparison to the state, Arizona's average total nonfarm employment increased by an average annual average of 1.8%.
- Despite high unemployment rates in both counties, nonfarm job growth in Mohave County has trended closely to statewide job growth since 2014. Since 2009, Nonfarm job growth in La Paz County has been volatile, as it has seen both nonfarm job loss and growth.

Mohave and La Paz County Private Sector Industry Employment, 2013-2018

Industry	Employment (2013)	Employment (2018)	Numeric Growth (2013-2018)	Annualized Percentage Growth (2013-2018)
Construction	2,032	3,438	1,406	11.1%
Education and Health Services	8,313	9,011	698	1.6%
Financial Activities	1,742	1,674	-68	-0.8%
Information	664	533	-131	-4.3%
Leisure and Hospitality	5,563	7,880	2,317	7.2%
Manufacturing	2,862	3,323	461	3.0%
Natural Resources and Mining	1,181	898	-283	-5.3%
Other Services	1,404	1,799	395	5.1%
Professional and Business Services	3,780	3,724	-56	-0.3%
Trade Transportation and Utilities	11,771	13,436	1,665	2.7%

NOTE: Employment reflects 4th quarter levels and private employment only.

Source: Quarterly Census of Employment and Wages

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- Industries with the highest annualized percentage growth included Construction (11.1 percent) and Leisure and Hospitality (7.2 percent).
- From 2013 to 2018, Leisure and Hospitality had the largest numeric growth in employment.

Projected Area 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.
- Mohave and La Paz Counties are projected to have a growth rate of 2.7% through 2020, which is right in-line with the statewide growth rate.

Mohave and La Paz County Projected Industry Employment, 2018-2020

Area	Projected Employment (2018)	Projected Employment (2020)	Projected Numeric Growth (2018-2020)	Annualized Percentage Growth (2018-2020)
Construction	3,221	3,744	523	7.8%
Education and Health Services	12,795	13,372	577	2.2%
Financial Activities	1,875	1,947	72	1.9%
Government	5,244	5,249	5	0.0%
Information	602	577	-25	-2.1%
Leisure and Hospitality	9,491	10,346	855	4.4%
Manufacturing	3,305	3,381	76	1.1%
Natural Resources and Mining	2,541	2,594	53	1.0%
Other Services	2,133	2,218	85	2.0%
Professional and Business Services	3,968	4,258	290	3.6%
Trade, Transportation and Utilities	14,030	14,710	680	2.4%

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 Mohave and La Paz Counties, Construction is projected to record the largest annual growth rates, increasing by 7.8 percent through 2020.
- All industries in Mohave and La Paz Counties are projected to have positive growth through 2020 (Information).
- Between 2018 and 2020, in Mohave and La Paz Counties, Leisure and Hospitality is expected to have the largest numeric growth in employment.

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