



January 8, 2020

Economic Conditions Report

Coconino 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

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

Positive economic and workforce trends were recorded in Coconino County including:

- Population continues to increase, growing 1.2 percent from 2017 to 2018.
- Population is projected to grow by 1.1 percent in 2019 and 0.9 percent in 2020.
- Incomes are on the rise in Coconino County. Median family income substantially increased from \$54,893 in 2017 to \$61,843 in 2018.
- Out of any county in Arizona, Coconino County has the highest rate (36 percent) of residents with a bachelor's degree or higher.
- Labor force participation grew dramatically in 2018, increasing by 1,533 people from 2017.
- In 2018, six of the ten major industry sectors recorded positive year-over-year employment growth.
- Professional and Business Services, which grew 353 jobs or 2.2 percent, and Manufacturing which grew by 402 jobs or 1.9 percent, led employment gains in 2018.
- Within Coconino County, total employment is projected to increase by 1.6 percent annually from Q3 2018 through Q2 2020.

Economic and workforce trends challenges that occurred in Coconino County include:

- In 2018, four of the ten major industry sectors (Information, Education and Health Services, Natural Resources and Mining, and Other Services) reported a year-over-year employment decline.
- Historically, Coconino County's job growth has been lower than statewide employment growth.

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
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
- Coconino County grew 0.9 percent of Arizona's total population growth from 2013 to 2018.
- In 2017, 25 percent of individuals who moved to Coconino County from a different U.S. state were prime-working age adults (25 to 54 years)².

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, American Community Survey, 5 Year estimates. (2013-2017). Geographic Mobility by Selected Characters, Table S0701. Available from data.census.gov.

Coconino County Population Projections, 2018

Year	Population Estimate (2018)	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2018	145,564	-----	-----	638	869
2019	147,099	1,535	1.1%	607	636
2020	148,376	1,277	0.9%	572	403
2021	149,630	1,254	0.8%	540	403
2022	150,856	1,226	0.8%	504	401

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.³ 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 406,032 people to its population from 2019-2022, growing by an annualized rate of 1.0 percent.
- Coconino County population is projected to add 5,292 people to its population from 2019-2022.

Population Characteristics, 2018

Indicator	Coconino County	Arizona	United States
Population 16 and Over	116,671	5,714,007	262,185,951
Civilian Labor Force Participation Rate 16 and Over	62%	59%	63%
Median Household Income	\$61,843	\$59,246	\$61,937
Families in Poverty	8%	10%	9%
Median Age	30.8	38.0	38.2
Individuals 16 and Over with a Disability	13%	13%	13%
Veterans	7%	9%	7%
Uninsured	10%	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 to best meet the needs of their unique population.

- Median age was dramatically lower in Coconino County than in Arizona or the United States.
- The labor force participation rate was higher in Coconino County when compared with the

³ Kaneda, T. & Bremer, J. (2014). "Understanding Population Projection: Behind the Numbers. Population Reference Bureau". Retrieved from <https://www.prb.org/united-nations-population-projections/>

Arizona.

- There was a lower rate of families in poverty in Coconino County when compared with the United States and Arizona. This is reflected in Coconino County's median household income being higher than the statewide average median household income.

Coconino County Public Assistance Households, 2018

Indicator	Coconino County	Arizona	United States
TANF (Temporary Assistance for Needy Families)	1%	2%	2%
Food Stamps/SNAP	9%	11%	12%
SSI (Supplemental Security Income)	4%	5%	5%
Medicaid/AHCCCS Individuals	15%	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

- Coconino County used public assistance programs at a lower rate than Arizona. Coconino County's lower utilization of these services is likely due to the county's median household income being higher than the statewide median household income.

Highest Educational Achieved, 2018, Population Over 25 years of Age

Indicator	Coconino County	Arizona	United States
Less than High School	11%	13%	12%
High School Graduate (includes equivalency)	21%	24%	27%
Some College, no degree	24%	25%	20%
Associate's Degree	9%	9%	9%
Bachelor's Degree	21%	19%	20%
Graduate or Professional Degree	15%	11%	13%

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

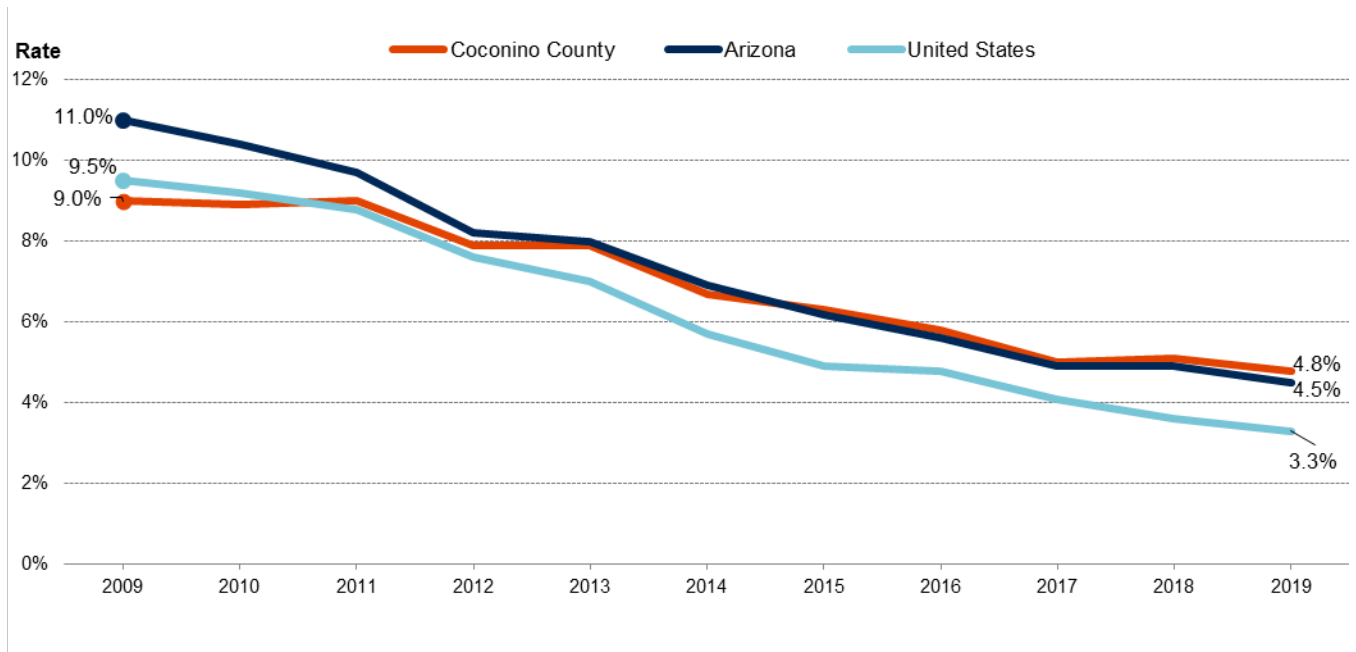
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.⁴

- Coconino County had a higher rate of residents who have a high school diploma or higher (89.4 percent) when compared with Arizona (87.5 percent)
- Out of any county in Arizona, Coconino County had the highest rate (36 percent) of residents with a bachelor's degree or higher.

⁴ 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

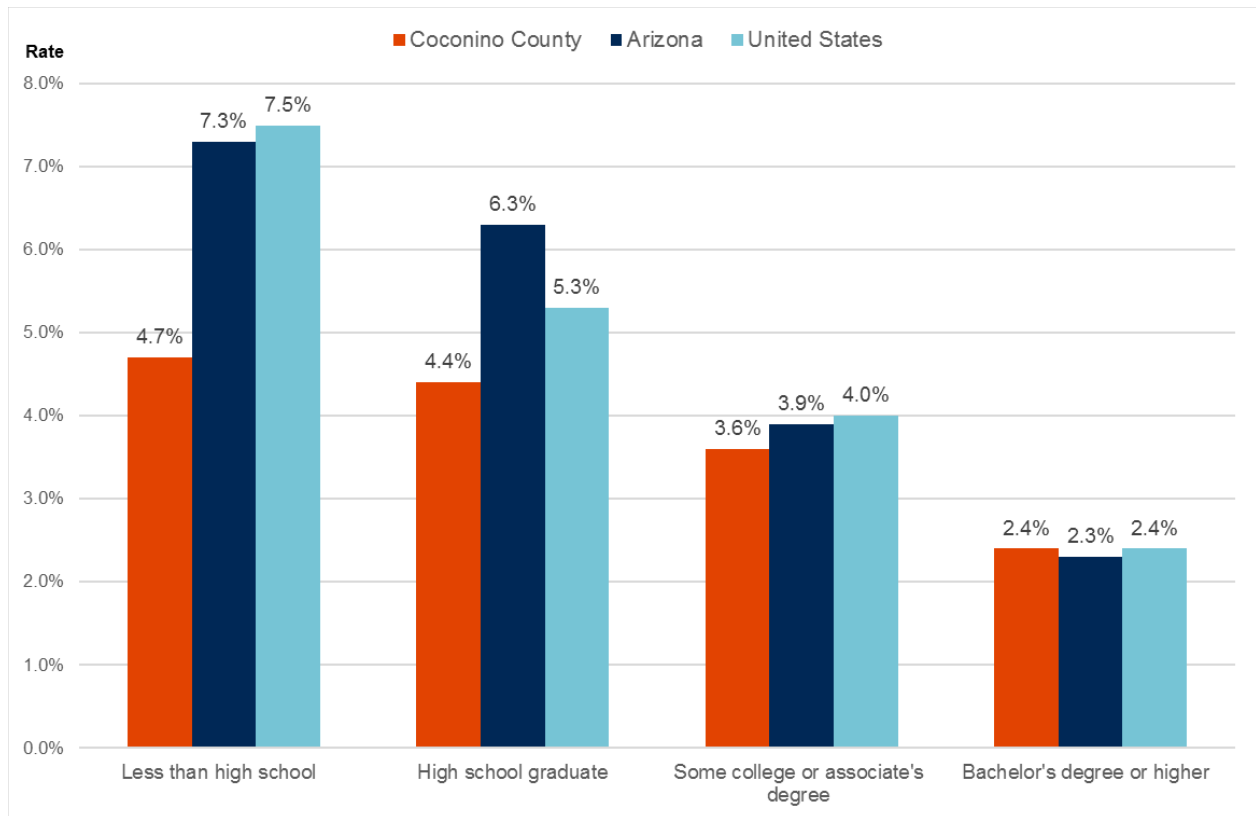
Unemployment Rate Comparisons, Sept. 2009-Sept. 2019, Not-Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics
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- Coconino County's unemployment rate for the past 10 years has trended closely with the statewide rate.
- Since 2011, both Coconino County and Arizona's unemployment rates have remained higher than the national rate.
- Coconino County's labor force levels increased from an annual average of 75,550 in 2017 to an annual average of 77,083 people in 2018.
- In 2018, there was an annual average of 4,233 unemployed individuals in Coconino County.
- Throughout 2018, the average unemployment rate was 5.5 percent, the same average unemployment rate in 2017.

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



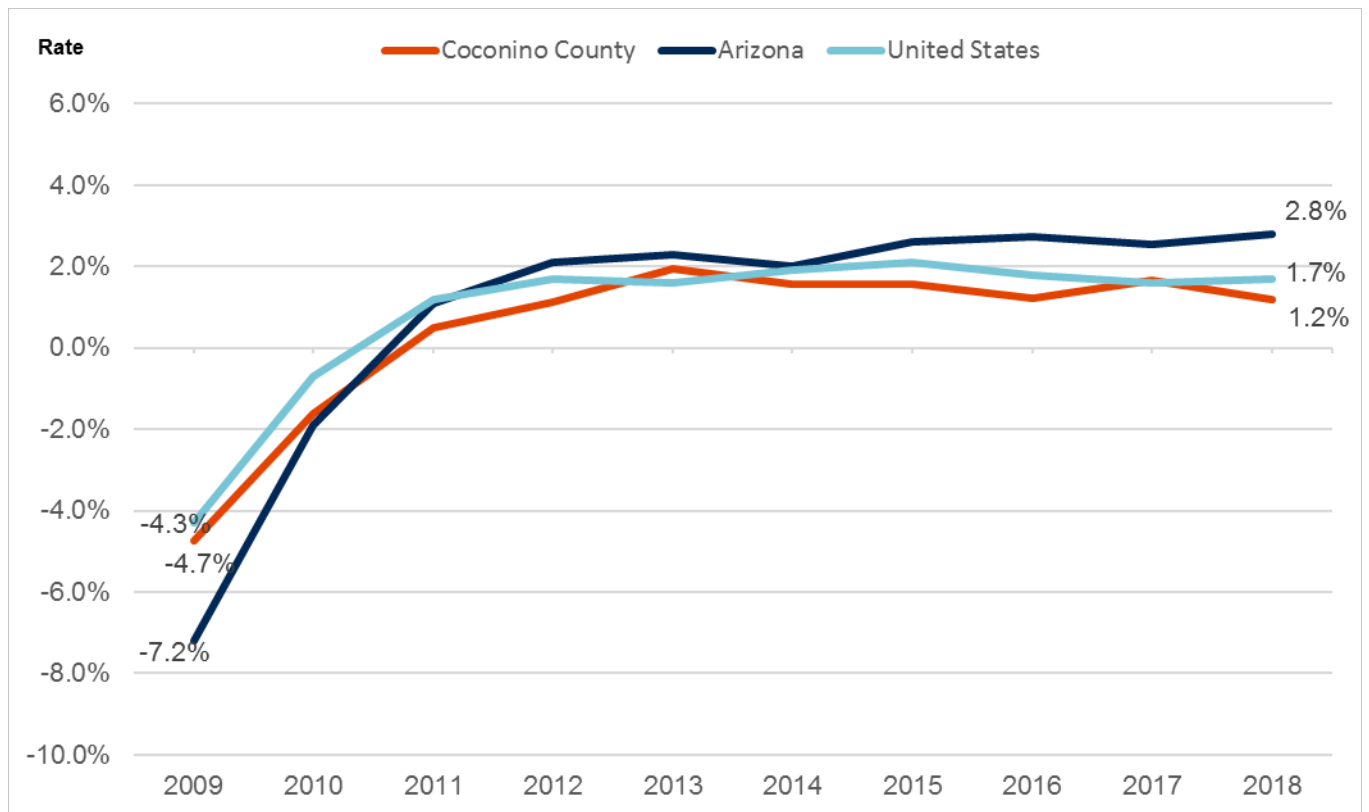
Source: U.S. Census American Community Survey, 2018 1-Year Estimates
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Historically, higher educational attainment levels lead to lower levels of unemployment⁵. Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- The unemployment rates across all education attainment levels in Coconino County were lower than the statewide rates, with the exception of residents with a bachelor's degree.
- The unemployment rate for individuals with less than a high school diploma was dramatically lower in Coconino County (4.5 percent) when compared with Arizona (7.3 percent) and the United States (7.5 percent).

⁵ 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 5,900 jobs from 2009 to 2018, an annualized increase of 1.0 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 1.8 percent.
- Since 2011, Coconino County's job growth has generally trended below the state's growth rate.

Coconino County Private Sector Industry Employment, 2013-2018

Area	Projected Employment (2018)	Projected Employment (2020)	Projected Numeric Growth (2018-2020)	Annualized Percentage Growth (2018-2020)
Construction	2,529	2,596	67	1.3%
Education and Health Services	17,528	17,807	279	0.8%
Financial Activities	1,416	1,465	49	1.7%
Government	4,441	4,588	147	1.6%
Information	555	544	-11	-1.0%
Leisure and Hospitality	17,336	18,310	974	2.8%
Manufacturing	4,400	4,553	153	1.7%
Natural Resources and Mining	2,331	2,544	213	4.5%
Other Services	2,307	2,235	-72	-1.6%
Professional and Business Services	3,594	4,071	477	6.4%
Trade, Transportation and Utilities	10,192	10,008	-184	-0.9%

Source: Quarterly Census of Employment and Wages
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- Eight of the private-sector industries recorded positive employment growth from 2013 to 2018, increasing by 6,405 jobs over this time period.
- Professional and Business Services experienced dramatic growth during this period, growing nearly 25 percent.
- Of the ten private sector industries, Leisure and Hospitality made up the largest share of employment in 2018, and Trade, Transportation, and Utilities made up the second largest.
- From 2013 to 2018, Professional and Business had the largest increase in employment 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	4.2%
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	2,311	1.6%
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 expected to record positive employment growth from 2018 to 2020.
- Coconino County is projected to grow at 1.6 percent, below the statewide growth rate of 2.7 percent.

Coconino Workforce Area Projected Industry Employment, 2018-2020

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*NOTE: Maricopa Workforce Area includes Maricopa County excluding the City of Phoenix.
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 Coconino County, Professional and Business Services is projected to record the largest growth rates, increasing by 6.4 percent annually through 2020.
- Natural Resources and Mining is projected to grow the second fastest in Coconino County.
- In 2020, the industry that employs the most people is projected to remain Leisure and Hospitality.

ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

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

Phone: 602.771.2222

Email: Laborinfo@oeo.az.gov