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# Economic Conditions Report

## Pima County

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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 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

Pima 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 Pima County including:

- Population continues to increase, growing 0.8 percent annually from 2013 to 2018.
- Population is projected to grow by 0.8 percent in 2019 and 0.8 percent in 2020.
- Incomes are on the rise in Pima County. Median family income improved from \$51,425 in 2017 to \$53,463 in 2018.
- Labor force participation levels increased in 2018, increasing by 9,424 people from 2017.
- In 2018, seven of the eleven major industry sectors recorded positive year-over-year employment growth.
- Employment gains in 2018 were led by Construction, which grew by 900 jobs or 5.7%, and Manufacturing, which grew by 900 jobs or 3.7%.
- Total employment is projected to increase by 1.5% annually from 2018 Quarter 3 through 2020 Quarter 2.

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

- Pima County has a slightly higher uninsured population (9.6 percent) when compared to the United States (8.9 percent).
- Since 2009, Pima County's unemployment rate has trended closely with Arizona's unemployment rate, though it has trended above the United State rate during a majority of this time period.
- In 2018, one of the eleven major industry sectors (Trade Transportation and Utilities) reported a year-over-year employment decline.

## 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%
<b>Pima County</b>	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 activity<sup>1</sup> and workforce diversity.

- Arizona had one of the fastest growing populations in the United States from 2013-2017, ranking 9<sup>th</sup> among all U.S. states.
- Maricopa, Pima, and Pinal counties represented 92 percent of Arizona's total population growth from 2013 to 2018.
- Pima County represented 8 percent of Arizona's total population growth from 2013 to 2018.
- From 2013 to 2017, 35 percent of individuals who moved to Pima County from another state were prime-working age adults (25 to 54 years old).<sup>2</sup>
- In 2018, Pima County represented 14 percent of Arizona's total population, decreasing from 15 percent in 2013.

<sup>1</sup> 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](http://www.jstor.org/stable/25487661)

<sup>2</sup> U.S. Census Bureau, American Community Survey, 5 Year estimates. (2013-2017). Geographic Mobility by Selected Characters, Table S0701. Available from [data.census.gov](http://data.census.gov).

## Pima County Population Projections, 2018

Year	Population Estimate (2018)	Projected Numeric Change	Projected Percentage Change	Projected Natural Change <sup>1</sup>	Projected Total Net Migration <sup>2</sup>
2018	1,034,201	-----	-----	1,295	6,807
2019	1,042,475	8,274	0.8%	1,270	6,930
2020	1,050,906	8,431	0.8%	1,234	7,054
2021	1,059,218	8,311	0.8%	1,182	6,984
2022	1,067,441	8,224	0.8%	1,122	6,954

<sup>1</sup> Natural Change = Births – Deaths

<sup>2</sup> 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.<sup>3</sup> 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.
- Pima County population is projected to add 40,832 people to its overall population from 2019-2022, representing 8% of total projected population growth for the state.
- A majority of Pima County’s population growth, roughly 85%, is projected to come from people migrating into the county from other Arizona counties, other states or foreign countries.

## Population Characteristics, 2018

Indicator	Pima County	Arizona	United States
Population 16 and Over	847,376	5,714,007	262,185,951
Civilian Labor Force Participation Rate 16 and Over	57%	59%	63%
Median Household Income	\$53,464	\$59,246	\$61,937
Families in Poverty	11%	10%	9%
Median Age	39.0	38.0	38.2
Individuals 16 and Over with a Disability	15%	13%	13%
Veterans	10%	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

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

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.

- Median household income has historically been lower in Pima County than in Arizona or the United States, though Pima County median household income increased from \$51,425 in 2017 to \$53,464 in 2018.
- Median age was significantly higher in Pima County than in Arizona or the United States.
- Individuals with disabilities represented a larger share of total population in Pima County than in Arizona or the United States.
- The labor force participation rate was modestly lower in Pima County than in Arizona and much lower when compared to the United States.
- Pima County's households in poverty rate was higher than poverty rates in Arizona and the United States

### Pima County Public Assistance Households, 2018

Indicator	Pima County	Arizona	United States
TANF (Temporary Assistance for Needy Families)	2%	2%	2%
Food Stamps/SNAP	13%	11%	12%
SSI (Supplemental Security Income)	5%	5%	5%
Medicaid/AHCCCS Individuals	18%	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*

- Pima County utilized public assistance programs at rates similar to Arizona and the United States.
- When compared with Arizona and the United States, Pima County utilized SNAP services at a higher rate.

### Highest Education Level Achieved, 2018, 25 years and Over

Indicator	Pima County	Arizona	United States
Less than High School	12%	13%	12%
High School Graduate (includes equivalency)	23%	24%	27%
Some College, no degree	25%	25%	20%
Associate's Degree	9%	9%	9%
Bachelor's Degree	19%	19%	20%
Graduate or Professional Degree	13%	11%	13%

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

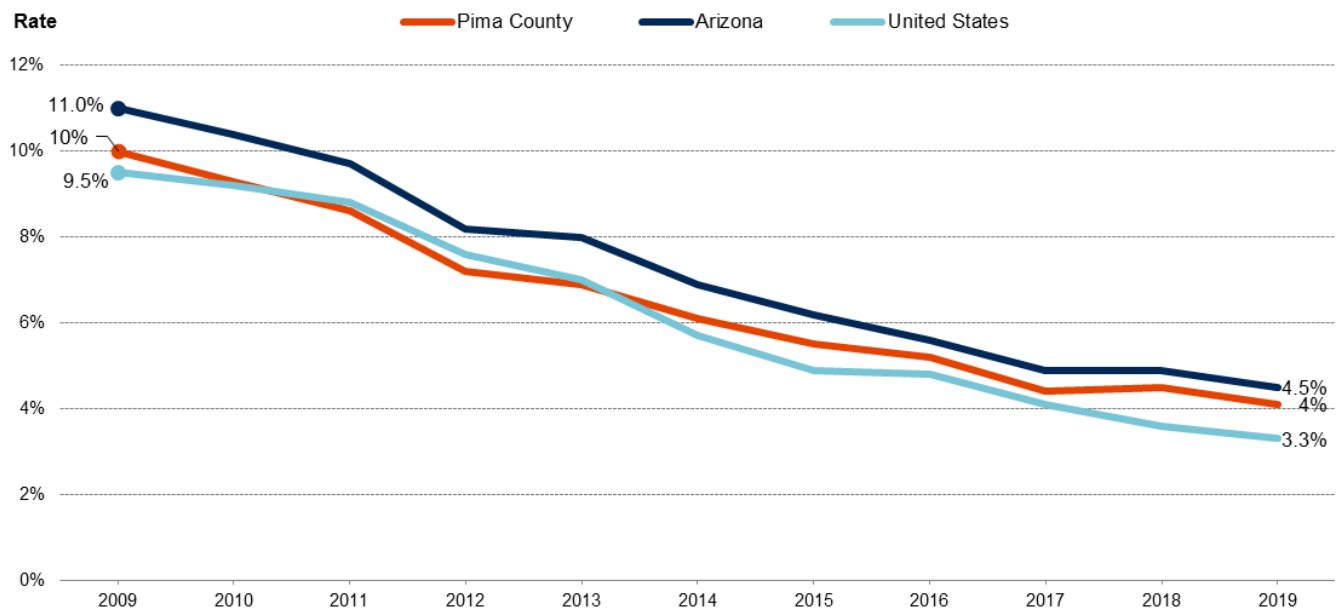
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job

success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.<sup>4</sup>

- Nearly a third (31.6 percent) of Pima County residents had a bachelor's degree or graduate or professional degree, similar to the national level.
- The percentage of Pima County residents with a bachelor's degree or higher remained at 31.6 percent from 2017 to 2018.
- 88.4 percent of all Pima County residents 25 and over have graduated high school, similar to the statewide rate of 87.7 percent.

## WORKFORCE

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

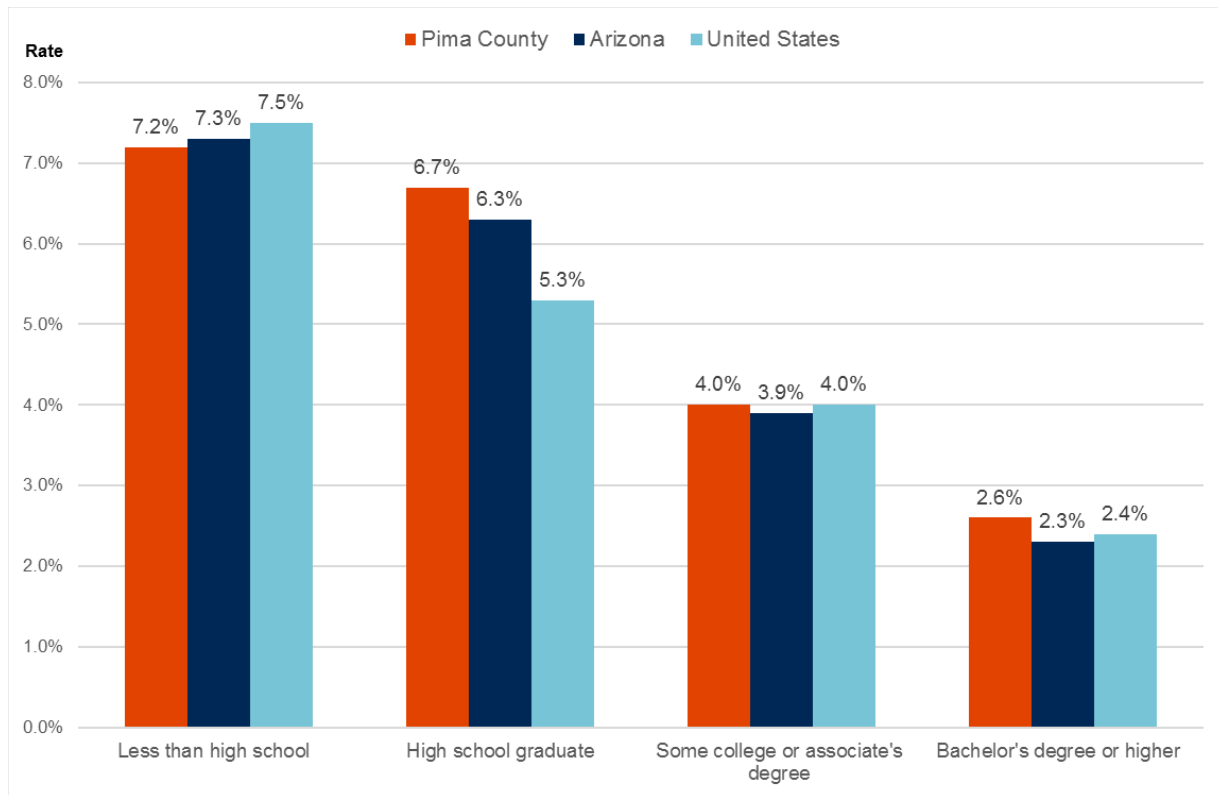


Source: U.S. Bureau of Labor Statistics  
Office of Economic Opportunity

- Over the past ten years, Pima County's unemployment rate has trended closely with the U.S.'s unemployment rate and has consistently remained below 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 Pima County as labor force levels increased from an average of 476,837 people in 2017 to 486,621 people in 2018, an increase of 9,424 people.
- In 2018, there was an average of 21,828 unemployed individuals in Pima County.

<sup>4</sup> "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>.

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



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

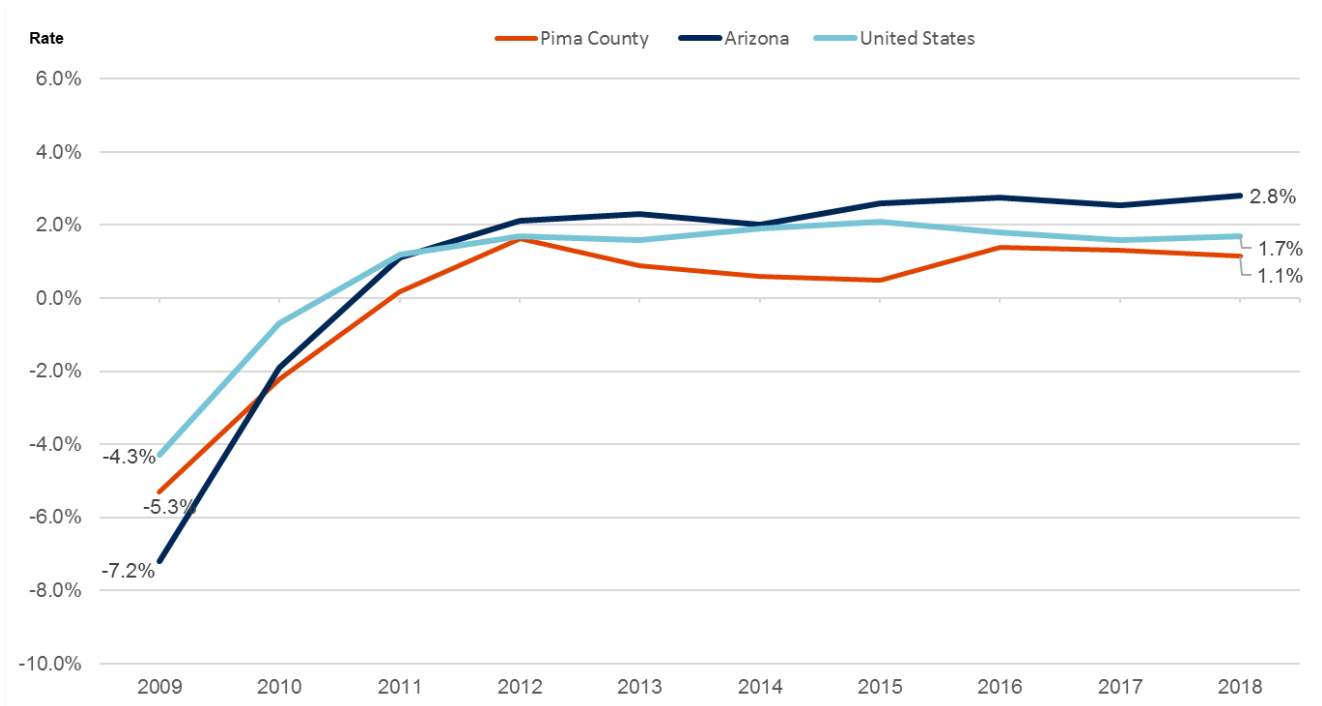
Historically, higher educational attainment levels lead to lower levels of unemployment.<sup>5</sup> Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- When compared to the state, unemployment rates across all educational attainment levels, with the exception of less than high school, were higher for Pima County.
- The unemployment rate for individuals with a high school diploma was significantly higher in Pima County (6.7 percent) when compared to the United States (5.3 percent).
- The unemployment rate in Pima County for someone with a bachelor's degree or higher is 2.6 percent, slightly higher than national and statewide rate.

<sup>5</sup> National Center for Educational Statistics. (2019). "Employment and Unemployment Rates by Educational Attainment." Retrieved from [https://nces.ed.gov/programs/coe/indicator\\_cbc.asp](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 20,200 jobs from 2009 to 2018 in Pima County, an annualized increase of 0.6 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 1.8 percent annually.
- During this period, Pima County nonfarm job growth has generally trended lower than statewide and national job growth.

## Pima County Private Sector Industry Employment, Annual Averages

Industry	Employment (2013)	Employment (2018)	Numeric Growth (2013-2018)	Annualized Percentage Growth (2013-2018)
Construction	15,027	17,456	2,429	3.0%
Education and Health Services	61,504	66,372	4,868	1.5%
Financial Activities	15,872	17,227	1,355	1.7%
Information	4,331	5,438	1,107	4.7%
Leisure and Hospitality	40,075	44,463	4,388	2.1%
Manufacturing	23,039	25,727	2,688	2.2%
Natural Resources and Mining	2,944	2,514	430	-3.1%
Other Services	11,057	11,599	542	1.0%
Professional and Business Services	49,238	52,056	2,818	1.1%
Trade Transportation and Utilities	60,033	61,008	975	0.3%

NOTE: Includes private employment only.

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

- Nine out of ten private-sector industries recorded positive numeric growth from 2013 to 2018, gaining a total of 21,170 jobs over this time period.
- Employment growth during this time period was led by Information (4.7 percent) and Construction (3.0 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	2,311	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.
- Pima County is projected to grow at a rate of 1.5 percent annually, which is the sixth fastest projected growth rate among Arizona’s local workforce areas.

### **Pima County Projected Industry Employment; 2018-2020**

<b>Industry</b>	<b>Projected Employment (2018)</b>	<b>Projected Employment (2020)</b>	<b>Projected Numeric Growth (2018-2020)</b>	<b>Annualized Percentage Growth (2018-2020)</b>
Construction	16,816	18,164	1,348	3.9%
Education and Health Services	101,701	104,153	2,452	1.2%
Financial Activities	17,591	18,156	565	1.6%
Government	27,956	28,409	453	0.8%
Information	5,611	5,745	134	1.2%
Leisure and Hospitality	48,754	50,095	1,341	1.4%
Manufacturing	25,038	27,887	2,849	5.5%
Natural Resources and Mining	3272	3267	-5	-0.1%
Other Services	16,442	17,062	620	1.9%
Professional and Business Services	51,779	52,981	1,202	1.2%
Trade Transportation and Utilities	61,815	61,524	-291	-0.2%

*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, Manufacturing is projected to record the largest growth rate, increasing by 5.5 percent annually through 2020.
- Construction is projected to record the second fastest growth rate in Pima County.
- Through 2020, Education and Health Services is projected to remain the largest industry within Pima County, projected to employ 104,153 people.

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