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Economic Conditions Report

Coconino County

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ABOUT THIS REPORT

This report was created to assist Arizona Local Workforce Development Areas in completing their PY2020-PY2023 Local Workforce Development Plan Modifications. 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:

- The population in Coconino County continues to grow, increasing by 0.5 percent annually from 2015 to 2020.
- Population is projected to grow by 0.8 percent from 2020-2024.
- Coconino County has a higher rate of residents with a Bachelor's Degree or Higher when compared with Arizona and the United States. The percentage of the population attaining a Bachelor's Degree or higher increased from 36 percent in 2018 to 40 percent in 2019.
- Labor Force Participation increased from 61.5 percent in 2018 to 63 percent in 2019.
- From 2014-2019, seven of the ten major industry sectors recorded positive employment growth, increasing by a total of 3,844 jobs over this time period.
- From 2014-2019, Natural Resources and Mining grew by 12.3 percent, followed by Construction which grew by 5 percent.
- Employment growth is projected to continue in all industries except for Government through 2022.

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

- The unemployment rate for individuals with less than a high school diploma increased from 4.7 percent in 2018 to 22.3 percent in 2019.
- Across all educational attainment levels, the unemployment rate in Coconino County is higher than the statewide rate.
- Manufacturing, Information, and Trade, Transportation, and Utilities saw a decline in employment from 2014-2019.

POPULATION

Population Growth by County, 2015-2020

Area	Population Estimate (2015)	Population Estimate (2020)	Numeric Change (2015-2020)	Annualized Percent Change (2015-2020)
Arizona	6,832,810	7,421,401	588,591	1.7%
Apache County	71,026	71,875	849	0.2%
Cochise County	126,594	127,450	856	0.1%
Coconino County	139,100	142,481	3,381	0.5%
Gila County	53,020	54,303	1,283	0.5%
Graham County	37,888	39,211	1,323	0.7%
Greenlee County	9,587	9,341	-246	-0.5%
La Paz County	20,476	21,480	1,004	1.0%
Maricopa County	4,174,423	4,579,081	404,658	1.9%
Mohave County	204,890	217,206	12,316	1.2%
Navajo County	107,695	112,112	4,417	0.8%
Pima County	1,009,490	1,061,175	51,685	1.0%
Pinal County	405,922	480,828	74,906	3.4%
Santa Cruz County	46,493	46,808	315	0.1%
Yavapai County	221,019	240,226	19,207	1.7%
Yuma County	205,187	217,824	12,637	1.2%
United States	320,738,994	329,484,123	8,745,129	0.5%

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's population grew by 1.7 percent annually between 2015 and 2020.
- Coconino's annualized population percent growth (0.5 percent) was 1 percent lower than the statewide rate.
- From 2015 to 2020, the share of Arizona's population residing within Coconino County remained at 2 percent.
- Out of the 15 Arizona counties, Coconino County ranked 8th in state for numeric population growth.

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

Coconino County Population Projections, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
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
2023	152,057	1,200	0.8%	469	401
2024	153,231	1,175	0.8%	433	400

¹ Natural Change = Births – Deaths

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

Source: Office of Economic Opportunity, 2018 to 2055 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's population is projected to grow by 507,367 people from 2020 to 2024.
- The population in Coconino County is projected to grow by 6,132 people from 2020 to 2024.

Population Characteristics, 2019

Indicator	Coconino County	Arizona	United States
Population over 16	118,789	5,820,607	263,534,161
Civilian Labor Force Participation Rate 16 and Over	63%	60%	64%
Median Household Income	\$58,085	\$62,055	\$65,712
Poverty Rate	12%	14%	12%
Median Age	31.1	38.3	38.5
Individuals with a Disability	14%	13%	13%
Uninsured	12%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2019 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.

- Coconino County has had the lowest median age of any county in Arizona.
- The labor force participation rate was higher in Coconino County when compared with Arizona. The lower median age in Coconino County contributed to a higher labor force participation rate.
- The median household income in Coconino County was less when compared to Arizona and the United States.

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/>

Highest Educational Achieved, 2019, Population Over 25 years of Age

Indicator	Coconino County	Arizona	United States
Less than High School	2%	5%	5%
High School Graduate (includes equivalency)	20%	24%	27%
Some College, no degree	25%	25%	20%
Associate's Degree	8%	9%	9%
Bachelor's Degree	22%	19%	20%
Graduate or Professional Degree	18%	11%	13%

Source: U.S. Census Bureau, American Community Survey, 2019 1-Year Estimates
Office of Economic Opportunity

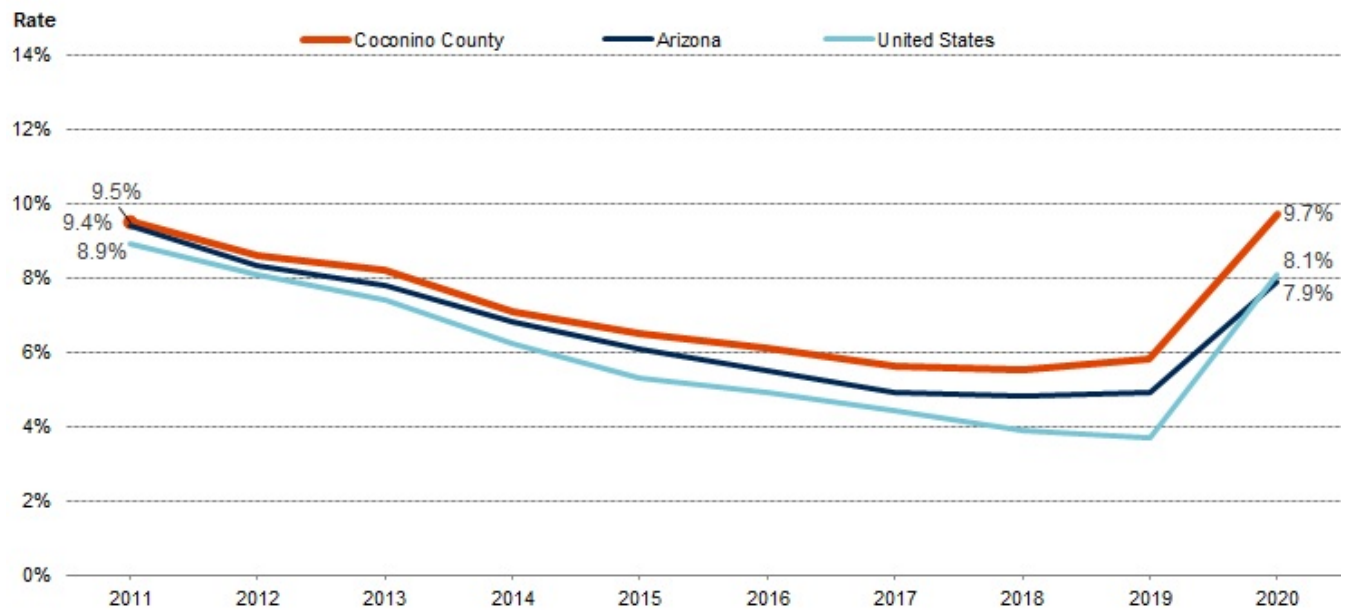
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.³

- Coconino County had a higher rate of residents with a high school diploma or higher (93 percent) when compared to Arizona (88 percent).
- Out of any county in Arizona, Coconino County had the highest rate (40 percent) of residents with a bachelor's degree or higher.
- The percentage of residents with a graduate or professional degree increased from 14.7 percent in 2018 to 18 percent in 2019.

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>.

WORKFORCE

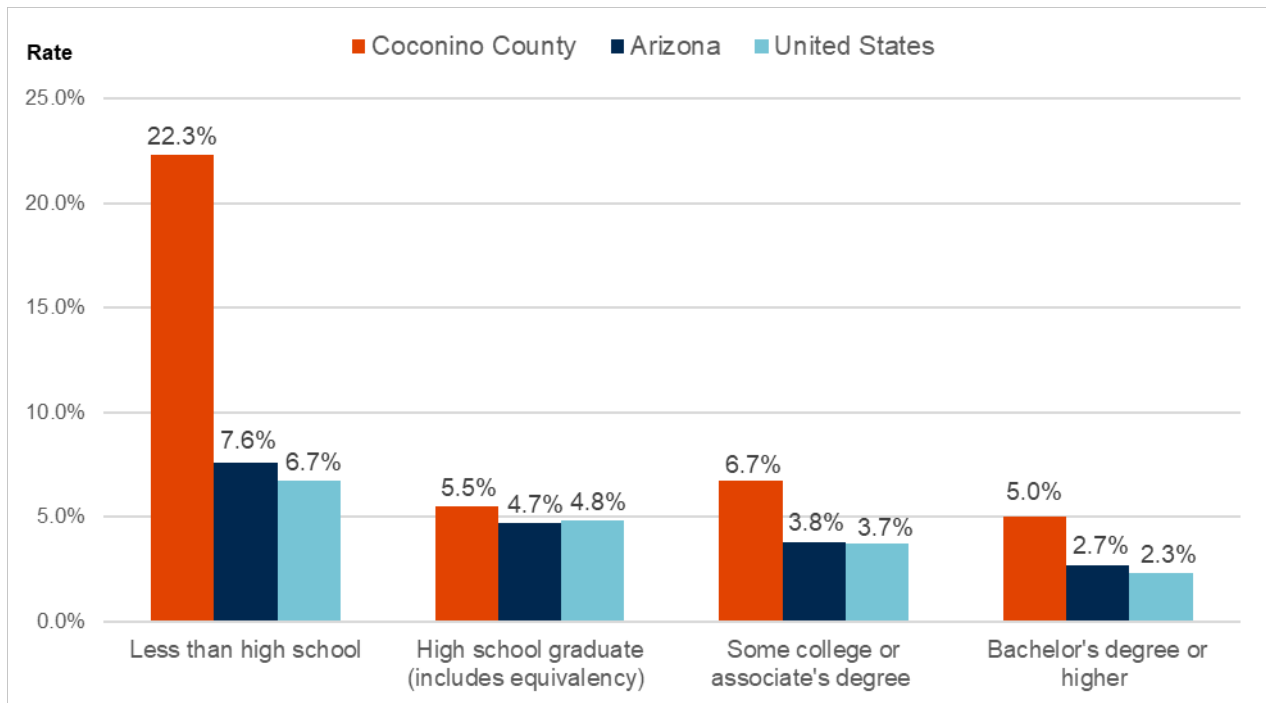
Unemployment Rate Comparisons, 2011-2020, Not-Seasonally Adjusted



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

- Between 2011 and 2019, Coconino County's unemployment rate has consistently been higher when compared to state and nationwide unemployment rates.
- Since 2011, Coconino County has generally followed the same unemployment trends as Arizona and the United States.
- In 2011, the unemployment rate in Coconino County was nearly equal to Arizona's rate. However, in 2020, Coconino's rate is nearly 2 percent higher than the statewide rate.

Unemployment Rate by Educational Attainment, 2019, Ages 25-64



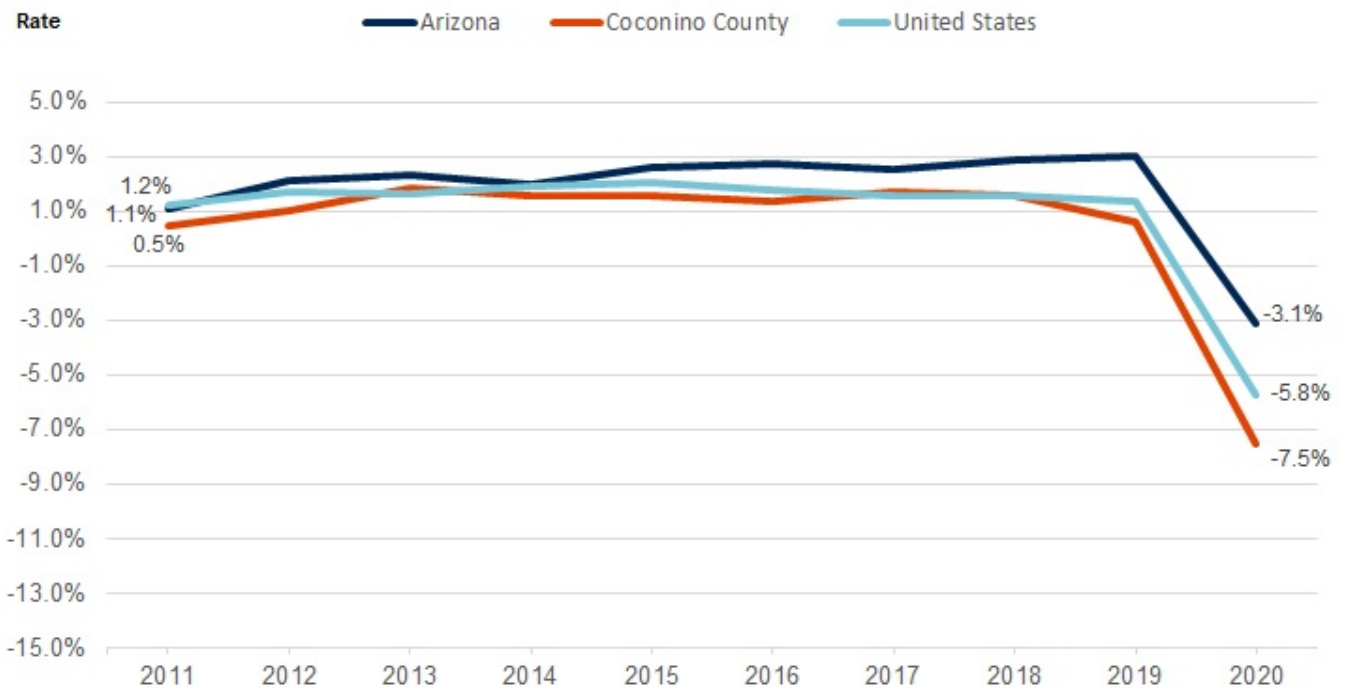
Source: U.S. Census American Community Survey, 2019 1-Year Estimates
Office of Economic Opportunity

Historically, higher educational attainment levels lead to lower levels of unemployment⁴. 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 higher than the statewide rates, with the exception of individuals with a Bachelor's degree or higher.
- The unemployment rate for individuals with less than a high school diploma was dramatically higher in Coconino County (22.3 percent) when compared with Arizona (7.6 percent) and the United States (6.7 percent).
- The unemployment rate for individuals with a Bachelor's degree or higher (5.0%) was substantially higher than both the statewide and nationwide rates.

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, 2011-2020, Not-Seasonally Adjusted



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

- Average total nonfarm employment in Coconino County increased by 2,000 jobs from 2011 to 2020, an annualized rate of 0.4 percent. Over this same time period, Arizona total nonfarm employment increased by an annualized rate of 1.9 percent.
- Between 2011 and 2019, nonfarm employment was steadily increasing by an annualized rate of 1.3 percent, gaining 7,100 total jobs. Due to the impacts of COVID-19, total nonfarm employment from 2019 to 2020 decreased by 7.5 percent or 5,100 jobs.
- Since 2011, Coconino County's nonfarm employment rate has generally trended below the state's rate.

Coconino County Private Sector Industry Employment, 2014-2019

Industry	Employment (2014)	Employment (2019)	Numeric Growth (2014-2019)	Annualized Percentage Growth (2014-2019)
Construction	2,065	2,641	576	5.0%
Education and Health Services	9,315	9,612	297	0.6%
Financial Activities	1,168	1,380	212	3.4%
Information	407	399	-8	-0.4%
Leisure and Hospitality	12,808	15,889	3,081	4.4%
Manufacturing	4,272	3,857	-415	-2.0%
Natural Resources and Mining	56	100	44	12.3%
Other Services	1,228	1,446	218	3.3%
Professional and Business Services	2,903	3,359	456	3.0%
Trade Transportation and Utilities	9,905	9,232	-673	-1.4%

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

- Seven of the ten private-sector industries recorded positive employment growth from 2014 to 2019.
- 81 percent of the jobs gained from 2014-2019 were in Leisure and Hospitality.
- In 2019, Leisure and Hospitality remained the industry with the largest share of employment, followed by Education and Health Services.
- From 2014-2019, Natural Resources and Mining had the largest increase in employment growth (12.3 percent), followed by Construction (5.0 percent).

Projected Area Employment, 2020-2022

Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Arizona	2,853,646	3,178,686	325,040	5.5%
Maricopa Workforce Area*	1,110,847	1,257,779	146,932	6.4%
City of Phoenix	922,090	1,023,480	101,390	5.4%
Coconino County	59,174	65,996	6,822	5.6%
Mohave and La Paz	57,939	62,658	4,719	4.0%
Northeastern Arizona	68,763	71,660	2,897	2.1%
Pima County	374,342	414,375	40,033	5.2%
Pinal County	65,394	70,725	5,331	4.0%
Santa Cruz County	13,931	15,412	1,481	5.2%
Southeastern County	52,546	55,897	3,351	3.1%
Yavapai County	65,139	71,909	6,770	5.1%
Yuma County	63,409	68,794	5,385	4.2%

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 2020 to 2022.
- Coconino County is projected to grow at 5.6 percent, slightly above the statewide growth rate of 5.5 percent.

Coconino Workforce Area Projected Industry Employment, 2020-2022

Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Construction	2,685	2,862	177	3.2%
Education and Health Services	16,557	17,424	867	2.6%
Financial Activities	1,401	1,485	84	3.0%
Government	4,404	4,273	-131	-1.5%
Information	425	505	80	9.0%
Leisure and Hospitality	11,035	14,769	3,734	15.7%
Manufacturing	3,807	4,001	194	2.5%
Natural Resources and Mining	2,252	2,269	17	0.4%
Other Services	2,174	2,337	163	3.7%
Professional and Business Services	3,348	3,715	367	5.3%
Trade, Transportation and Utilities	8,283	9,206	923	5.4%

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.

- Leisure and Hospitality is projected to record the largest growth rates of all eleven super sectors, increasing by 15.7 percent through 2022.
- All ten private sector industries are projected record positive growth through 2022.
- In Coconino County, the industry projected to employ the most people through 2022 is Education and Health Services, followed by Leisure and Hospitality.

COVID-19 Impact on Total Nonfarm Employment – February 2020 to August 2021



- In April 2020, Coconino County experienced a drop in employment of 16 percent, substantially more than the statewide drop of nearly 11 percent.
- In August 2021, employment was 2.4 percent below pre-pandemic (February 2020) levels.

ARIZONA

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