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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 PY2020-PY2023 Local Workforce Development Plan Modifications. 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 by an annualized percentage of 1.2 percent from 2015 to 2020. During the same time period, La Paz County grew 1.0 percent.
- Median household income in La Paz County increased from \$33,333 in 2018 to \$34,643 in 2019.
- Median Household income in Mohave County increased from \$43,266 in 2018 to \$45,487 in 2019.
- The percentage of residents completing a Graduate or Professional Degree increased from 2018 to 2019 in both La Paz and Mohave Counties.
- In Mohave County, the percentage of residents completing a high school diploma increased from 34.8 percent in 2018 to 35.3 percent in 2019.
- Average total nonfarm employment in both La Paz and Mohave Counties increased between 2011 and 2020. La Paz County's nonfarm employment increased by an annualized rate of 1.1 percent and Mohave County's increased by 1.4 percent.
- From 2014 to 2019, employment gains in Mohave and La Paz Counties were led by Construction, which grew by 1,294 jobs or 10.2 percent annually, and Leisure and Hospitality, which grew by 1,464 jobs or 4.6 percent annually.
- Within Mohave and La Paz Counties, total employment is projected to grow by 3,361 jobs from 2020-2022.

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

- Population in La Paz County is projected to experience negative growth from 2020 to 2024.
- The percentage of residents who have less than a high school education increased in La Paz County from 8.3 percent to 8.5 percent.
- From 2018 to 2019, the Labor Force Participation Rate in La Paz County decreased by 1.7 percent.
- Across all educational attainment levels, the unemployment rate increased from 2018 to 2019 in La Paz County.
- La Paz County had a substantially higher rate of families in poverty (22.4 percent), when compared with the state's rate (15.1 percent).
- Nonfarm employment in Mohave and La Paz Counties decreased drastically from 2019 to 2020.

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
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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.

- La Paz and Mohave Counties comprised 2.3 percent of Arizona's total population growth from 2015 to 2020.
- From 2015 to 2020, the annualized percentage of population growth in Mohave (1.2 percent) and La Paz (1.0 percent) Counties was lower than the statewide rate (1.7 percent) during the same time period.
- In 2020, 3.2 percent of Arizona's total population resided in Mohave and La Paz Counties.

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, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2020	22,035	-1	0.0%	-130	129
2021	22,032	-3	0.0%	-131	128
2022	22,028	-4	0.0%	-132	128
2023	22,022	-7	0.0%	-135	128
2024	22,013	-8	0.0%	-137	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, 2018 to 2055 Population Projections Medium Series

Mohave County Population Projections, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
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
2023	225,674	2,431	1.1%	-1,576	4,008
2024	228,094	2,420	1.1%	-1,586	4,006

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 is projected to grow by 507,367 people from 2020 to 2024, growing by an annualized rate of 1.4 percent.
- La Paz County population is projected to decrease by 23 people from 2020 to 2024. During the same period, Mohave County is projected to add 12,299 people to its population.
- All of Mohave County's population growth during this time period is projected to come from migration into the county.

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, 2019

Indicator	La Paz County	Mohave County	Arizona	United States
Population over 16	17,815	175,830	5,600,921	259,662,880
Civilian Labor Force Participation Rate 16 and Over	38%	45%	59%	63%
Median Household Income	\$34,643	\$45,587	\$58,945	\$62,843
Poverty Rate	22%	16%	15%	13%
Median Age	56.5	51.6	37.7	38.1
Individuals with a Disability	5,359	46,198	903,268	40,335,099
Uninsured	15%	9%	10%	9%

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

- When compared to Arizona and the United States, median household income was substantially lower in both La Paz and Mohave County.
- Median age was higher in both La Paz and Mohave Counties when compared to 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.

Highest Educational Achieved, 2019, Population 25 and Older

Indicator	Mohave County	La Paz County	Arizona	United States
Less than High School	3.5%	8.5%	5.5%	5.1%
High School Graduate (includes equivalency)	35.3%	31.1%	23.9%	27.0%
Some College, no degree	29.5%	27.3%	25.2%	20.4%
Associate's Degree	8.3%	6.5%	8.6%	8.5%
Bachelor's Degree	8.3%	7.6%	18.4%	19.8%
Graduate or Professional Degree	4.7%	4.5%	11.1%	12.4%

Source: U.S. Census Bureau, American Community Survey, 2019 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 percent) was lower than the

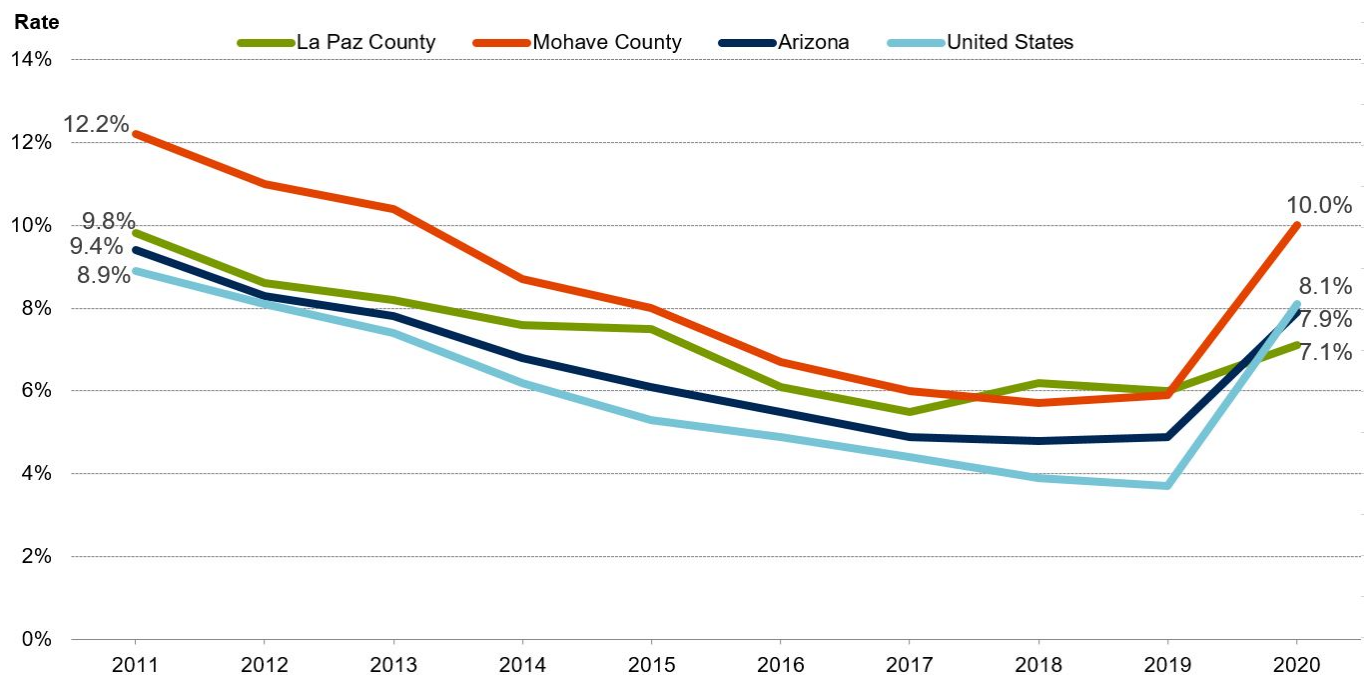
³ U.S. Bureau of Labor Statistics. (2019) "Unemployment Rates and Earnings by Educational Attainment." Retrieved from <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>.

statewide rate (87.2 percent). The percentage of the Mohave County population with a high school diploma (86.1 percent) was only slightly below Arizona's rate.

- In La Paz County, people without a high school diploma or higher (8.5 percent) represented a larger share of the population when compared to the state and nationwide rates. In contrast, people without a high school diploma in Mohave County (3.5 percent) represented a lower percentage in 2019.
- People with a Bachelor's degree or higher represent a lower percentage of the population in both La Paz and Mohave County compared to Arizona and the United States.

WORKFORCE

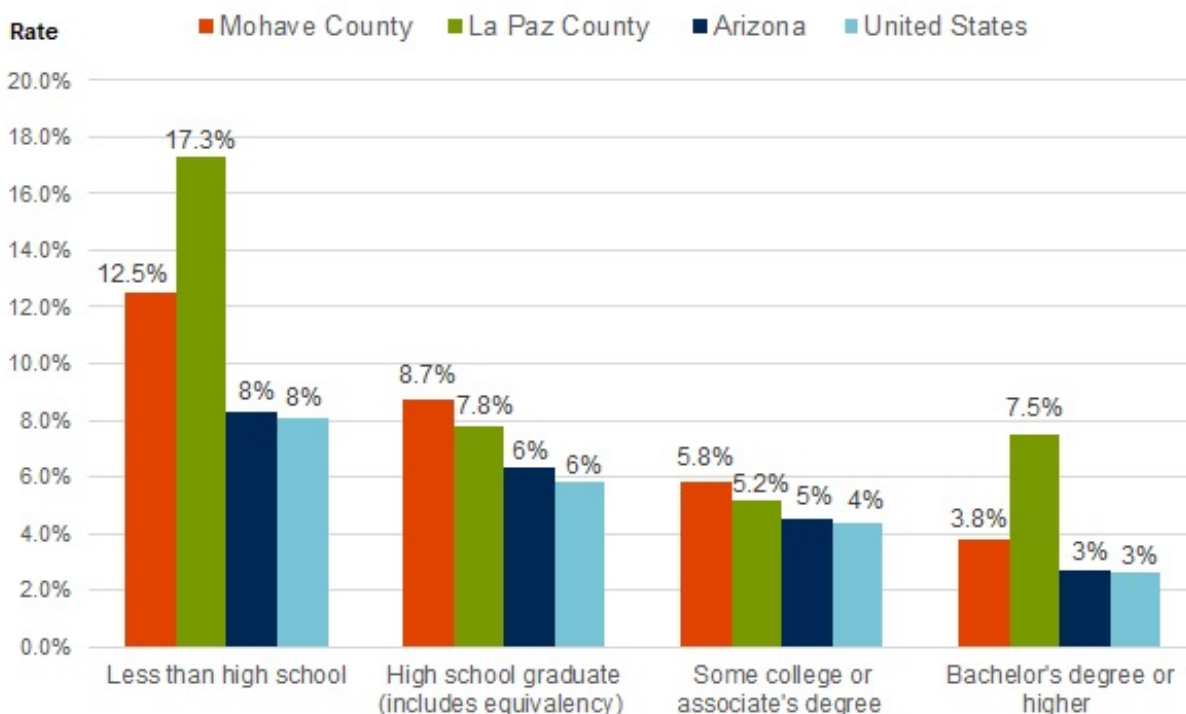
Unemployment Rate Comparisons, 2011-2020, Not-Seasonally Adjusted



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

- La Paz County's unemployment rates have generally been higher than the United States and Arizona's unemployment rates.
- In 2020, average unemployment was nearly 1% lower when compared to Arizona and the United States.
- The United States and Arizona's unemployment rates are consistently lower than Mohave County's unemployment rates.
- Unemployment in Mohave County reached a low of 5.7% in 2018 and sharply increased in 2020, similar to Arizona and the United States.

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



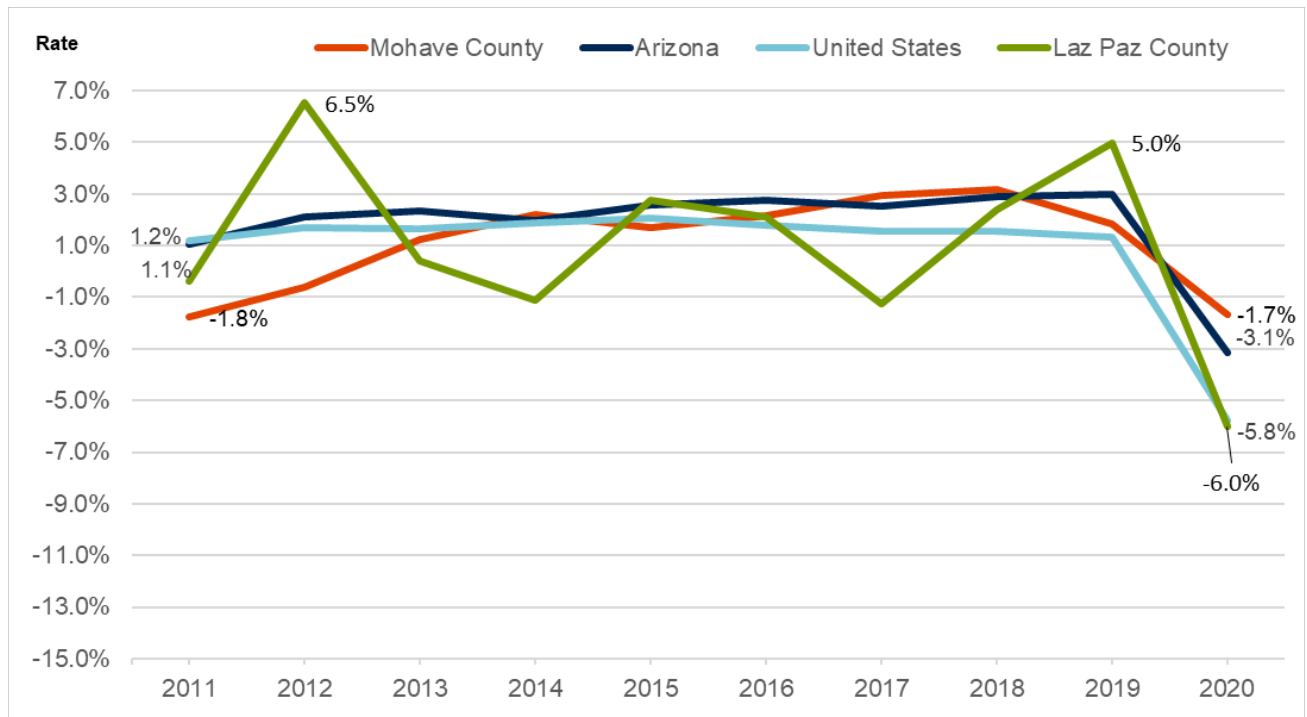
Source: U.S. Census American Community Survey, 2019 5-Year Estimates
Office of Economic Opportunity

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 across all educational attainment levels were higher in both La Paz and Mohave County when compared to Arizona and the United States.
- For individuals with less than a high school education and with a Bachelor's degree or higher, the unemployment rate in La Paz County was over double the state and nationwide rates.
- The unemployment rate for individuals with either a high school diploma or some college is lower in La Paz County than in Mohave County.

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
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- Average total nonfarm employment in La Paz County increased by 500 jobs from 2011 to 2020, or an annualized rate of 1.1 percent. Over the same time period, Mohave County's total nonfarm employment increased by 6,100 jobs or 1.4 percent annually.
- From 2011 to 2019, La Paz County experienced a substantial increase in employment, growing 2.1 percent annually. Due the impact of COVID-19, La Paz County total nonfarm employment decline by 6 percent from 2019 to 2020.
- From 2011 to 2019, Mohave County's total nonfarm employment increased by 7,000 jobs or 1.8 percent annually. Due the impact of COVID-19, La Paz County total nonfarm employment declined by 0.9 percent from 2019 to 2020.

Mohave and La Paz County Private Sector Industry Employment, 2014-2019

Industry	Employment (2014)	Employment (2019)	Numeric Growth (2014-2019)	Annualized Percentage Growth (2014-2019)
Construction	2,077	3,371	1,294	10.2%
Education and Health Services	8,398	9,109	711	1.6%
Financial Activities	1,777	1,693	-84	-1.0%
Information	653	554	-99	-3.2%
Leisure and Hospitality	5,843	7,307	1,464	4.6%
Manufacturing	2,941	3,263	322	2.1%
Natural Resources and Mining	1,229	933	-296	-5.4%
Other Services	1,562	1,577	15	0.2%
Professional and Business Services	3,858	3,783	-75	-0.4%
Trade Transportation and Utilities	11,909	13,841	1,932	3.1%

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

Source: Quarterly Census of Employment and Wages

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- Six out of the ten private sector industries recorded positive growth from 2014 to 2019, gaining a total of 5,184 jobs over this time period.
- Employment growth was led by Construction (10.2 percent), followed by Leisure and Hospitality (4.6 percent).
- From 2014 to 2019, Trade, Transportation, and Utilities had highest numeric growth, increasing by 1,932 people.

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 projected to record positive employment growth from 2020 to 2022.
- Mohave and La Paz Counties are projected to have a growth rate of 4.0% through 2022, which is slightly below the statewide rate.

Mohave and La Paz County Projected Industry Employment, 2020-2022

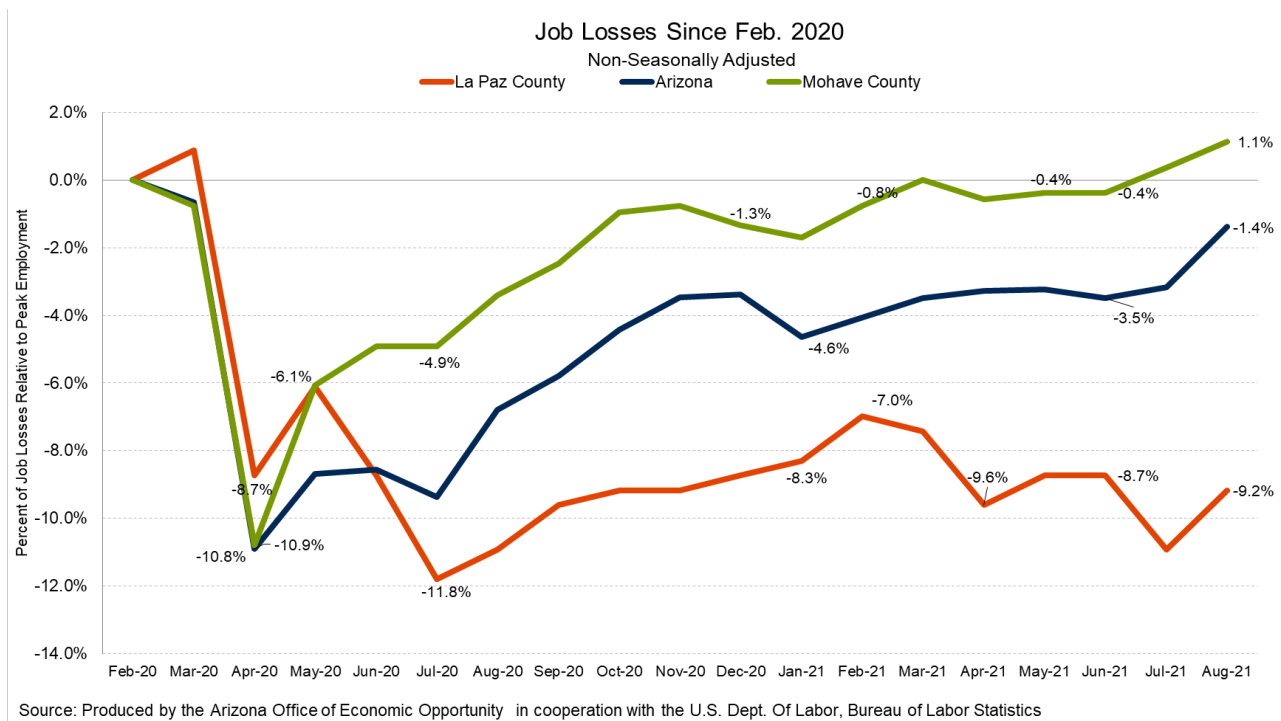
Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Construction	3,467	3,576	109	1.6%
Education and Health Services	12,072	12,833	761	3.1%
Financial Activities	1,999	2,062	63	1.6%
Government	5,482	5,483	1	0.0%
Information	538	540	2	0.2%
Leisure and Hospitality	7,666	9,107	1,441	9.0%
Manufacturing	3,111	3,270	159	2.5%
Natural Resources and Mining	1,417	1,400	-17	-0.6%
Other Services	1,912	2,066	154	3.9%
Professional and Business Services	4,081	4,469	388	4.6%
Trade, Transportation and Utilities	14,059	15,417	1,358	4.7%

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.

- Ten out of the eleven industries are projected to experience growth.
- In Mohave and La Paz Counties, Leisure and Hospitality is projected to have the largest numeric growth, gaining 1,441 jobs through 2022.
- Education and Health Services is projected to remain the industry that employs the most people through 2022.

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



To show the impact of COVID-19 on each area during 2020, non-seasonally adjusted total nonfarm employment levels, were compared with the employment levels in February 2020. Most areas, including Arizona, saw severe impacts to employment level in April 2020.

- Mohave County saw a drop of 10.8 percent in April 2020, similar to the statewide drop of 10.9 percent.
- La Paz County saw severe drops in employment in April 2020 and July 2020. The declines peaked in July, with employment levels 11.8 percent below February 2020 levels.
- In August 2021, Mohave County employment was 1.1% above pre-pandemic (February 2020) employment levels; much closer than La Paz County, which was 9.2% below pre-pandemic employment levels.

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