

ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

January 8, 2023

ECONOMIC CONDITIONS REPORT

Coconino County

FOR FURTHER INFORMATION:

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ABOUT THIS REPORT

This report was created to assist Arizona Local Workforce Development Areas in completing their 2024-2027 Local Workforce Development Plans; the information provided in this report is intended to be used as a resource in the planning process. The report summarizes key demographic, labor market, and workforce trends occurring within the state and local economy.

ABOUT THE ARIZONA OFFICE OF ECONOMIC OPPORTUNITY (OEO)

The Office of Economic Opportunity (OEO) is the State of Arizona's statistics agency. Arizona's economic potential is revealed through evidence-based statistics compiled by OEO. The OEO improves analytic capacity and tracks Arizona's key economic indicators, such as the state's labor market, population, and regulatory and taxation.

Labor Market

OEO serves as Arizona's workforce planning coordinator, and provides operational, strategic, and research support to the Workforce Arizona Council and other key workforce partners in this role.

Population

OEO produces the official population estimates and projections for the State of Arizona including demographics.

Regulatory and Tax

OEO monitors Arizona's tax and regulatory competitiveness by collecting and quantifying tax and regulatory activities. This work provides baseline information that can be used to make informed decisions about the state of regulation and taxation in Arizona.

POPULATION

Population Growth by County, 2016-2021

Area	Population Estimate (2016)	Population Estimate (2021)	Numeric Change (2016-2021)	Annualized Percent Change (2016-2021)
United States	318,558,162	329,725,481	11,167,319	0.7%
Arizona	6,797,006	7,285,370	488,364	1.4%
Apache County	68,305	66,411	-1,894	-0.6%
Cochise County	125,414	126,463	1,049	0.2%
Coconino County	142,846	147,434	4,588	0.6%
Gila County	53,325	53,525	200	0.1%
Graham County	38,356	39,025	669	0.3%
Greenlee County	9,834	9,593	-241	-0.5%
La Paz County	17,676	16,820	-856	-1.0%
Maricopa County	4,154,976	4,507,419	352,443	1.6%
Mohave County	203,956	216,527	12,571	1.2%
Navajo County	106,763	107,748	985	0.2%
Pima County	1,013,296	1,058,318	45,022	0.9%
Pinal County	392,646	439,128	46,482	2.3%
Santa Cruz County	47,075	48,468	1,393	0.6%
Yavapai County	221,970	241,173	19,203	1.7%
Yuma County	200,568	207,318	6,750	0.7%

Source: Office of Economic Opportunity Population Estimates

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 2020-2021, ranking 3rd among all U.S. states in numeric growth and 4th in percent growth.²
- Coconino County accounted for 0.9 percent of Arizona's total population growth from 2016-2021 and 2.0 percent of its total population in 2021.
- In 2021, 12 percent of individuals who moved to Coconino County from a different U.S. state were prime-working age adults (25 to 54 years)³.

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. (2021). *New Vintage 2021 Population Estimates Available for the Nation, States and Puerto Rico* [press release]. Available from [census.gov](https://www.census.gov)

³ U.S. Census Bureau, American Community Survey, 5 Year estimates. (2016-2021). Geographic Mobility by Selected Characters, Table S0701. Available from data.census.gov.

Coconino County Population Projections, 2022-2026

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2022	149,647	-----	-----	136	2,077
2023	150,477	830	0.6%	217	454
2024	151,353	876	0.6%	282	435
2025	152,265	912	0.6%	349	403
2026	152,927	662	0.4%	317	345

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.⁴ 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 487,155 people to its population from 2022-2026, growing by an annualized rate of 1.6 percent.
- Coconino County is projected to add 3,280 people to its population from 2022-2026.

Population Characteristics, 2021

Indicator	Coconino County	Arizona	United States
Population 16 Years and Over	118,812	5,650,624	264,087,642
Civilian Labor Force Participation Rate 16 and Over	61%	60%	63%
Median Household Income	\$61,888	\$65,913	\$69,021
Families in Poverty	9%	10%	9%
Median Age	32	38	38
Individuals with a Disability	13%	13%	13%
Veterans	6%	9%	7%
Uninsured	11%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2021, 5-Year Estimates, Table DP03
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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 differ significantly from state or national averages may need to consider what best meets the needs of their unique population.

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

⁴ 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 Education Achieved, 2021, Population Over 25 years of Age

Indicator	Coconino County	Arizona	United States
Less than High School	3.3%	4.9%	4.8%
High School Graduate (includes equivalency)	21.3%	23.5%	26.5%
Some College, no degree	22.8%	24.6%	20.0%
Associate's Degree	8.2%	9.0%	8.7%
Bachelor's Degree	22.9%	19.3%	20.6%
Graduate or Professional Degree	15.8%	11.9%	13.1%

Source: U.S. Census Bureau, American Community Survey, 2021 5-Year Estimates, Table S1501
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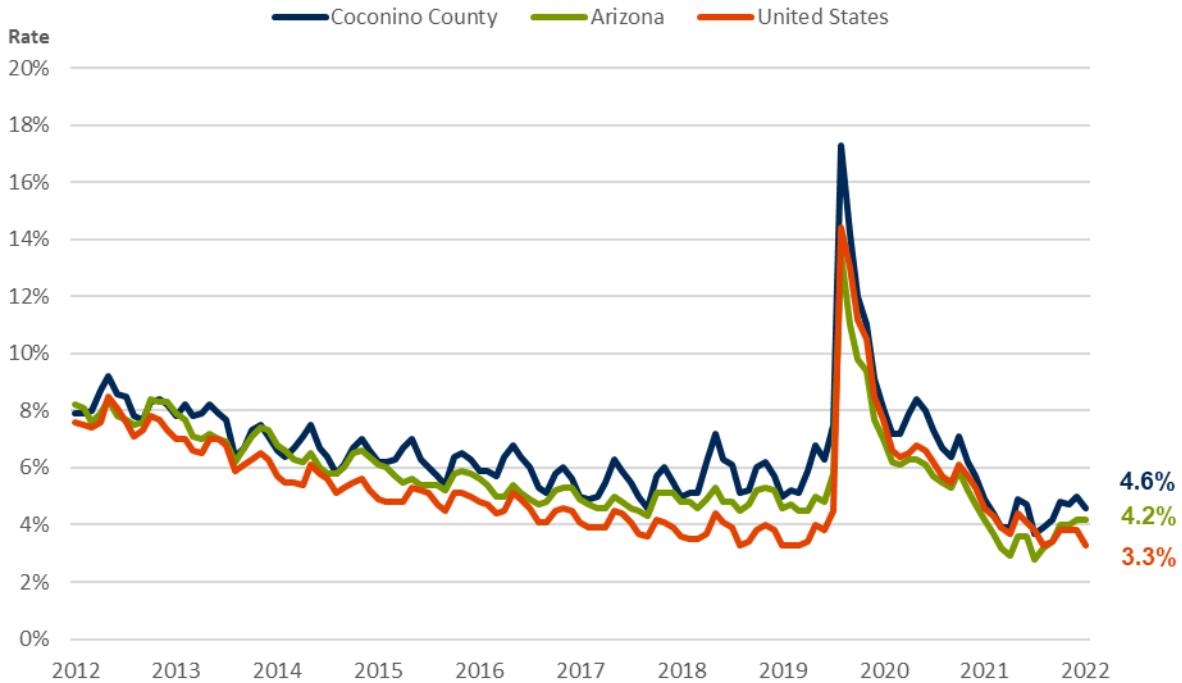
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.⁵

- Coconino County had a higher rate of residents who have a bachelor's degree or higher when compared with Arizona and the United States.
- Out of any county in Arizona, Coconino County had the highest rate of residents with a bachelor's degree or higher.

⁵ 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

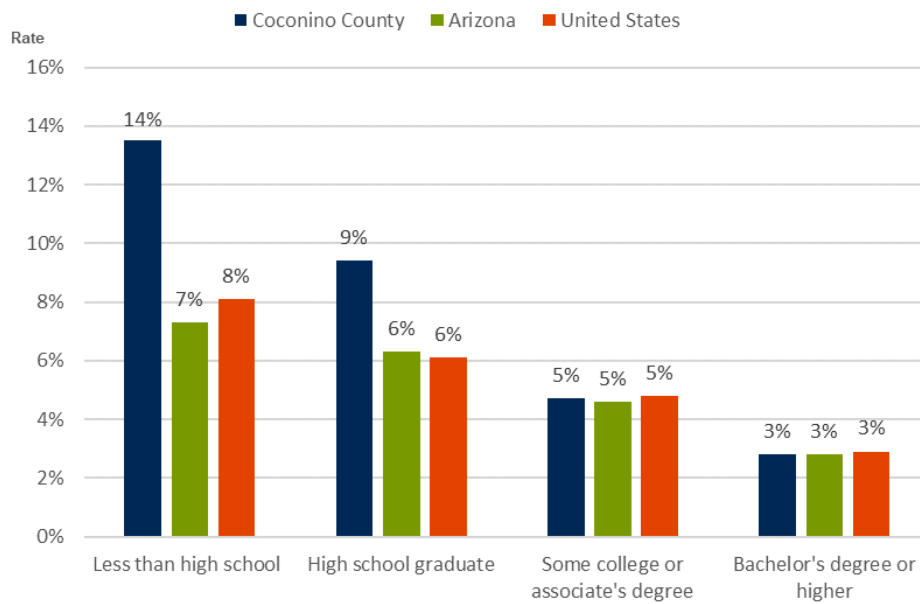
Unemployment Rate Comparisons, Sep 2012-Sep 2022, Not-Seasonally Adjusted



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 2012, Coconino County's unemployment rate has remained higher than the national rate.
- Coconino County's labor force level increased from an annual average of 72,120 in 2020 to an annual average of 72,223 people in 2021.
- In 2020, there was an annual average of 5,594 unemployed individuals in Coconino County. This decreased to 4,366 in 2021.
- Prior to the pandemic (2017-2019), Coconino County's average labor force level was 74,125 and had an average of 4,161 unemployed people.
- Throughout 2021, the average unemployment rate was 6.4 percent, lower than the average unemployment rate of 9.4 percent in 2020.

Unemployment Rate by Educational Attainment, 2021, Ages 25-64



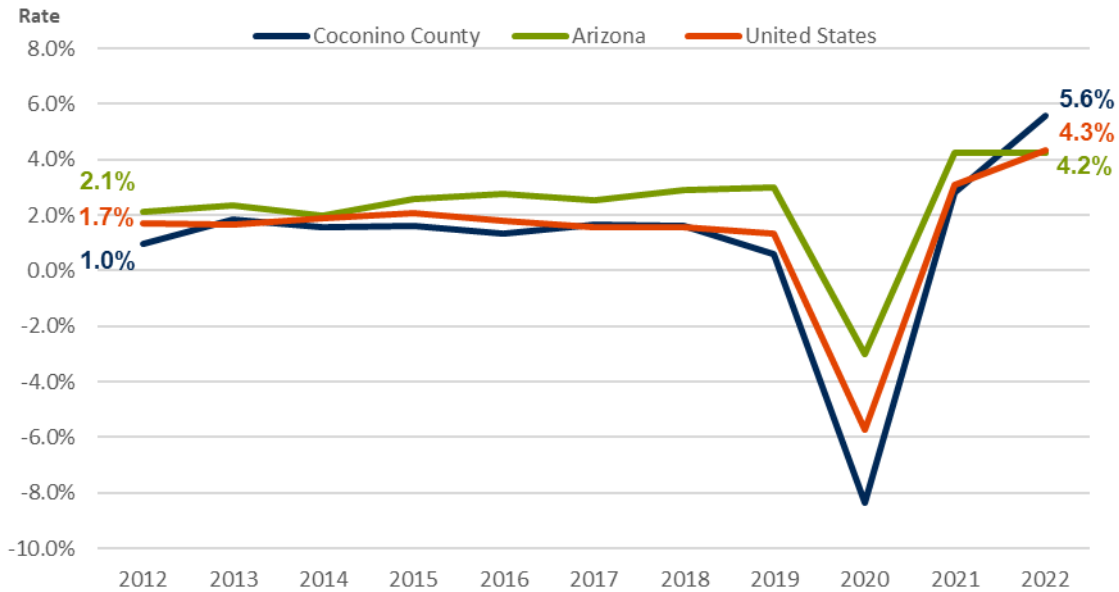
Source: U.S. Census American Community Survey, 2021 5-Year Estimates, Table S2301
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Historically, higher educational attainment levels have been associated with lower levels of unemployment⁶. Understanding the relationship between unemployment and education 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 or equal to the state and nation-wide rates.
- The unemployment rate for individuals with less than a high school diploma was higher in Coconino County (14 percent) when compared with Arizona (7 percent) and the United States (8 percent).

⁶ National Center for Educational Statistics. (2019). "Employment and Unemployment Rates by Educational Attainment." Retrieved from https://nces.ed.gov/programs/coe/indicator_cbc.asp

Average Nonfarm Employment Year-Over-Year Percentage Change, 2016-2022, Not-Seasonally Adjusted



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

- Coconino County total nonfarm employment increased by 2,600 jobs from 2016-2022, an annualized increase of 0.9 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 2.2 percent.
- Generally, Coconino County's job growth has trended below the state's growth rate.

Coconino County Private Sector Industry Employment, 2016-2021

Industry	Average Employment (2016)	Average Employment (2021)	Numeric Growth (2016-2021)	Annualized Percentage Growth (2016-2021)
Natural Resources and Mining	88	122	33	6.6%
Construction	2,292	2,755	463	3.7%
Professional and Business Services	1,018	1,211	193	3.5%
Financial Activities	671	696	24	0.7%
Other Services	1,794	1,836	43	0.5%
Leisure and Hospitality	7,464	7,608	143	0.4%
Trade Transportation and Utilities	2,406	2,372	-35	-0.3%
Education and Health Services	5,208	4,474	-734	-3.0%
Information	437	363	-74	-3.6%
Manufacturing	4,349	3,206	-1,143	-5.9%

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

- Six of Coconino County's private-sector industries recorded employment growth from 2016-2021; but, largely due to losses in Manufacturing, Coconino County saw a net decrease of 1,086 jobs over this period.
- Of the 10 private sector industries, Leisure and Hospitality made up the largest share of employment in 2021, and Education and Health Services made up the second largest.

Projected Industry Employment, 2021-2023

Area	Projected Employment (2021)	Projected Employment (2023)	Projected Numeric Growth (2021-2023)	Annualized Percentage Growth (2021-2023)
Arizona	3,109,190	3,375,515	266,325	4.2%
Balance of Maricopa	1,219,259	1,337,167	117,908	4.7%
City of Phoenix	1,013,840	1,095,437	81,597	3.9%
Coconino County	64,430	70,044	5,614	4.3%
Mohave and La Paz Counties	65,909	71,189	5,280	3.9%
Northeastern Arizona	64,496	68,182	3,686	2.8%
Pima County	397,174	427,695	30,521	3.8%
Pinal County	71,978	78,038	6,060	4.1%
Santa Cruz County	14,735	15,461	726	2.4%
Southeastern Arizona	54,206	57,926	3,720	3.4%
Yavapai County	71,559	77,411	5,852	4.0%
Yuma County	71,560	76,512	4,952	3.4%

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 employment growth from 2021 to 2023.

- Coconino County is projected to grow at 4.3 percent, above the statewide growth rate of 4.2 percent.

Coconino County Workforce Area Projected Industry Employment, 2021-2023

Industry	Projected Employment (2021)	Projected Employment (2023)	Projected Numeric Growth (2021-2023)	Annualized Percentage Growth (2021-2023)
Leisure and Hospitality	15,699	18,689	2,990	9.1%
Natural Resources and Mining	251	284	33	6.4%
Professional and Business Services	4,008	4,423	415	5.0%
Financial Activities	1,521	1,658	137	4.4%
Information	479	521	42	4.3%
Trade Transportation and Utilities	9,700	10,216	516	2.6%
Education and Health Services	16,351	17,182	831	2.5%
Construction	2,926	3,037	111	1.9%
Other Services	2,393	2,471	78	1.6%
Manufacturing	3,219	3,153	-66	-1.0%

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, Leisure and Hospitality is projected to record the largest growth rate, increasing by 9.1 percent annually through 2023.
- Natural Resources and Mining is projected to grow the second fastest in Coconino County.
- In 2023, the industry that employs the most people is projected to be Leisure and Hospitality.

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