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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 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

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:

- Pima County remains the county with the second highest share of Arizona's population, representing 14 percent of the population in 2020.
- From 2020 to 2024, population is projected to grow by 0.8 percent. .
- Median Household Income in Pima County increased from \$53,463 in 2018 to \$56,169 in 2019.
- The Labor force participation levels in Pima County increased from 56.8 percent in 2018, to 59 percent in 2019.
- A higher percentage of Pima County Residents achieved a Graduate or Professional Degree when compared to Arizona or the United States.
- Eight out of the ten major private sector industries recorded positive employment growth from 2014 to 2019.
- Employment gains were led by Information (5.5 percent) and Construction (4.8 percent).
- All industries are projected to experience growth from 2020-2022.

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

- The Median Household Income in Pima County is significantly less when compared to the state and nationwide median incomes.
- Pima County has a slightly higher uninsured population (10 percent) when compared to the United States (9 percent).
- Across all educational attainment levels, the unemployment rates in Pima County are higher compared to Arizona and the United States.

# 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%
<b>Pima County</b>	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, 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's population grew by 1.7 percent annually between 2015 and 2020.
- In 2020, Pima County comprised 14 percent of Arizona's population, decreasing slightly from 14.8 percent in 2015.
- Pima County represented 8.8 percent of the state's population growth between 2015 and 2020.
- From 2015 to 2020, Pima County (1 percent) grew at a lower rate than the state's annual population growth during this time.

<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)

## Pima County Population Projections, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change <sup>1</sup>	Projected Total Net Migration <sup>2</sup>
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
2023	1,075,580	8,139	0.8%	1,052	6,936
2024	1,083,637	8,057	0.7%	972	6,932

<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, 2018 to 2055 Population Projections Medium Series

Population projections provide useful insight into an area's future demand for resources and services.<sup>2</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 grow by 507,367 people from 2020-2024.
- Pima County population is projected to add 41,162 people to its overall population from 2020-2024, growing by 0.8 percent.
- A majority of Pima County's population growth is projected to come from people migrating into the county from other Arizona counties, other states or foreign countries.

## Population Characteristics, 2019

Indicator	Pima County	Arizona	United States
Population over 16	853,555	5,820,607	263,534,161
Civilian Labor Force Participation Rate 16 and Over	59%	60%	64%
Median Household Income	\$56,169	\$62,055	\$65,712
Poverty Rate	14%	14%	12%
Median Age	38.9	38.3	38.5
Individuals with a Disability	16%	13%	13%
Uninsured	10%	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 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, although Pima County median household income increased from \$53,464 in 2018

<sup>2</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/>

to \$56,169 in 2019.

- 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.
- The rate of Pima County households in poverty was higher than poverty rates in the United States.

### Highest Educational Level Achieved, 2019, 25 years and Over

Indicator	Pima County	Arizona	United States
Less than High School	5%	5%	5%
High School Graduate (includes equivalency)	22%	24%	27%
Some College, no degree	25%	25%	20%
Associate's Degree	8%	9%	9%
Bachelor's Degree	19%	19%	20%
Graduate or Professional Degree	14%	11%	13%

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

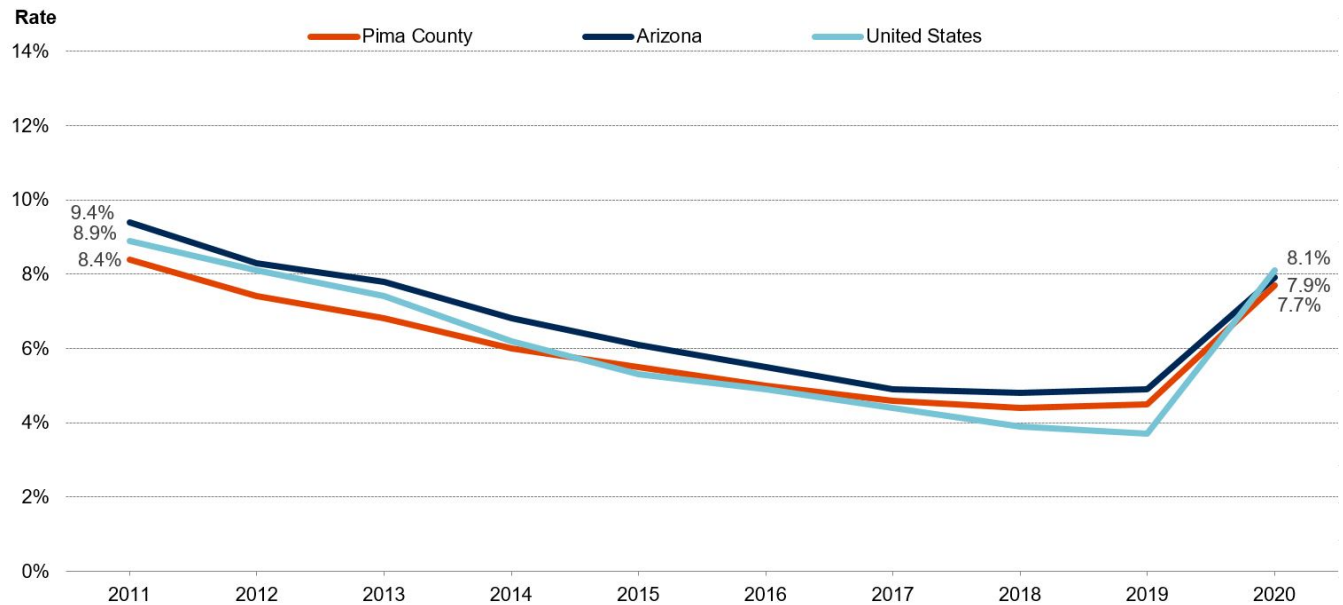
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.<sup>3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

- Nearly a third (33 percent) of Pima County residents had a bachelor's degree or graduate or professional degree, similar to the national level.
- Pima County had a higher percentage of residents 25 and older with a graduate or professional degree (14 percent) than both Arizona (11 percent) and the United States (13 percent).
- 88.4 percent of all Pima County residents 25 and over have graduated high school, similar to the statewide rate of 87.7 percent

<sup>3</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>.

## WORKFORCE

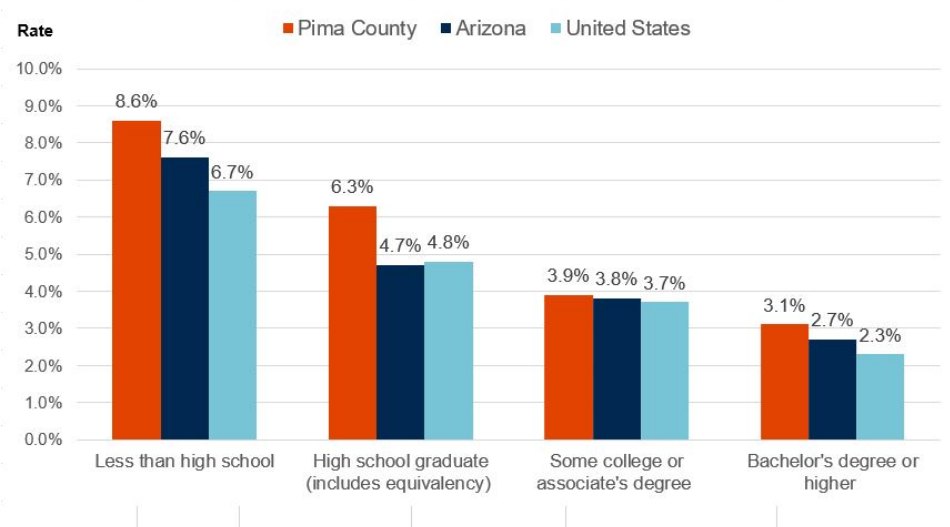
### Unemployment Rate Comparisons, 2011- 2020, Not-Seasonally Adjusted



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

- Since 2011, Pima County's unemployment rate has trended closely with the nationwide unemployment rate and has consistently remained below Arizona's unemployment rate.
- In 2020, Pima County's unemployment rate was slightly lower than both the nation and statewide rates although three rates were less than 1 percent apart.
- Unemployment in Pima County has trended downwards since 2011 until an increase in 2020, following similar trends as the rest of the state and county.

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



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

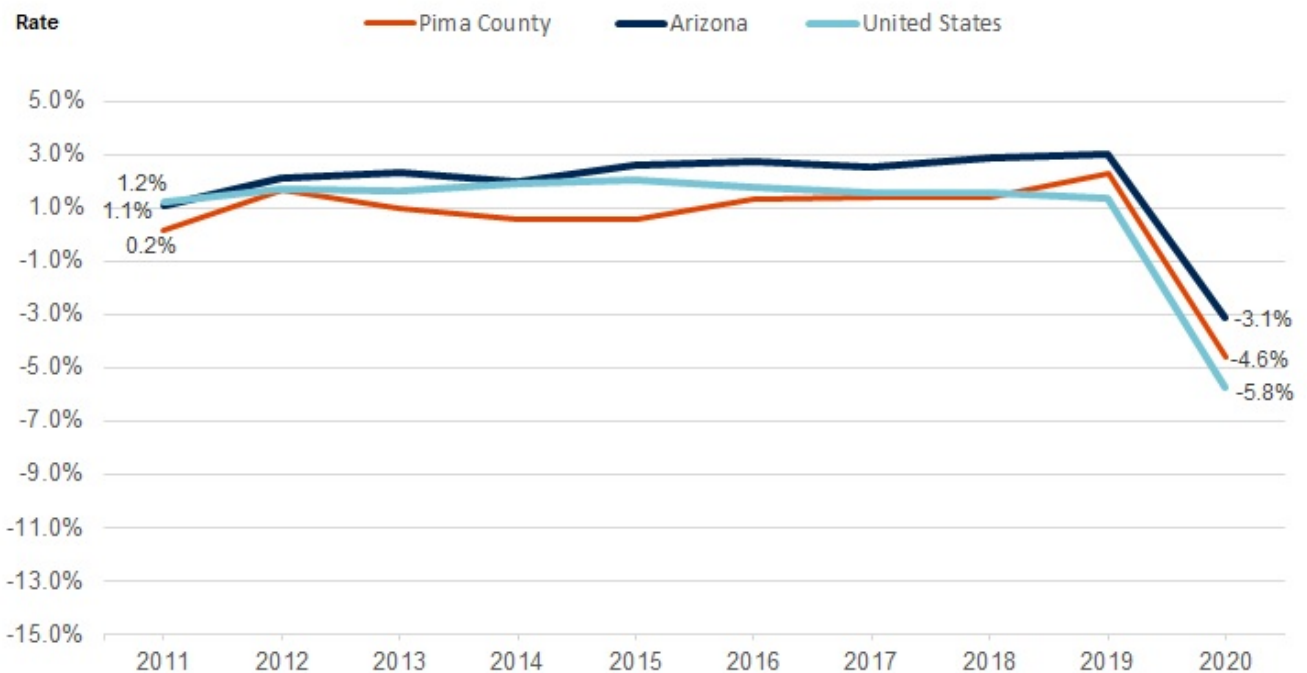
Historically, higher educational attainment levels lead to lower levels of unemployment.<sup>4</sup> Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- When compared to the state, unemployment rates across all educational attainment levels were higher for Pima County.
- The unemployment rate for individuals with a high school diploma was significantly higher in Pima County (6.3 percent) when compared to the United States (4.8 percent).
- The unemployment rate in Pima County for someone with a bachelor's degree or higher is 3.1 percent, slightly higher than the national and statewide rate.

<sup>4</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, 2011-2020, Not Seasonally Adjusted



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

- From 2011 to 2020, average total nonfarm employment increased by 19,200 jobs, an annualized rate of 0.6 percent. Over this same time period, Arizona total nonfarm employment increased by 1.9 percent.
- From 2011 to 2019, Pima County has generally trended below the state and national rate. During this time, nonfarm employment increased by 37,300 jobs or 1.3 percent.
- Pima County followed similar trends as Arizona and the United States in 2020, experiencing a drastic decline in nonfarm employment. From 2019 to 2020, Pima County employment decreased by 18,000 jobs, or 4.6 percent.

## Pima County Private Sector Industry Employment, 2014-2019

Industry	Employment (2014)	Employment (2019)	Numeric Growth (2014-2019)	Annualized Percentage Growth (2014-2019)
Construction	14,707	18,610	3,903	4.8%
Education and Health Services	61,778	68,013	6,235	1.9%
Financial Activities	16,133	16,203	70	0.1%
Information	4,192	5,469	1,277	5.5%
Leisure and Hospitality	41,308	45,035	3,727	1.7%
Manufacturing	22,145	27,826	5,681	4.7%
Natural Resources and Mining	3,013	2,362	-651	-4.8%
Other Services	10,994	11,623	629	1.1%
Professional and Business Services	50,766	49,329	-1,437	-0.6%
Trade Transportation and Utilities	60,676	64,655	3,979	1.3%

NOTE: Includes private employment only.

Source: Quarterly Census of Employment and Wages

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- Eight out of ten private-sector industries recorded positive numeric growth from 2014 to 2019, gaining a total of 23,413 jobs over this time period.
- Employment growth during this time period was led by Information (5.5 percent) and Construction (4.8 percent).
- In 2019, Trade, Transportation, and Utilities comprised the largest share of Pima county private sector employment, followed by Trade, Transportation, and Utilities.

## Projected Industry 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%
<b>Pima County</b>	<b>374,342</b>	<b>414,375</b>	<b>40,033</b>	<b>5.2%</b>
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.

- Pima County is projected to grow at a rate of 5.2 percent annually, only slightly below the statewide rate of 5.5 percent.

### **Pima County Projected Industry Employment; 2020-2022**

Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Construction	17,907	18,768	861	2.4%
Education and Health Services	99,499	108,338	8,839	4.3%
Financial Activities	16,972	17,866	894	2.6%
Government	27,965	28,008	43	0.1%
Information	4,972	5,447	475	4.7%
Leisure and Hospitality	34,121	44,039	9,918	13.6%
Manufacturing	26,985	28,388	1,403	2.6%
Natural Resources and Mining	3,160	3,285	125	2.0%
Other Services	17,757	19,867	2,110	5.8%
Professional and Business Services	47,876	51,832	3,956	4.0%
Trade, Transportation and Utilities	61,476	71,227	9,751	7.6%

*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.

- All industries in Pima County are projected to see increased growth through 2022.
- In Pima County, Leisure and Hospitality is projected to record the largest growth rate, increasing by 13.6 percent through 2022.
- Trade, Transportation and Utilities is expected to grow substantially through 2022, growing 9,751 jobs or 7.6 percent.
- Through 2022, Education and Health Services is projected to remain the largest industry within Pima County, projected to employ 108,338 people.

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



- In April 2020, Pima County saw a drop in employment of 11.1 percent, similar to the statewide decline of 10.9 percent.
- Employment in Pima County was generally recovering to pre-pandemic (February 2020) rates from July 2020 to May 2021. However, from May 2021 to June 2021 employment declined 2.5 percent.
- In August 2021, employment was 4.4 percent below pre-pandemic levels, 3 percent lower when compared to the statewide rate recovery rate.

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