

# ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

January 8, 2023

# ECONOMIC CONDITIONS REPORT

Santa Cruz County

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**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%
<b>Santa Cruz County</b>	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 activity<sup>1</sup> and workforce diversity.

- Arizona had one of the fastest growing populations in the United States from 2020-2021, ranking 3<sup>rd</sup> among all U.S. states in numeric growth and 4<sup>th</sup> in percent growth.
- Santa Cruz County accounted for 0.3 percent of Arizona’s total population growth from 2016 to 2021 and constituted 0.7 percent of the state’s total 2021 population.
- In 2021, only three percent of individuals who moved to Santa Cruz County from a different U.S. state were prime-working age adults (25 to 54 years).<sup>2</sup>

<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. (2016-2021). Geographic Mobility by Selected Characters, Table S0701. Available from [data.census.gov](http://data.census.gov).

## Santa Cruz County Population Projections, 2022-2026

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change <sup>1</sup>	Projected Total Net Migration <sup>2</sup>
2022	49,039	-----	-----	164	407
2023	49,222	183	0.4%	206	-39
2024	49,434	212	0.4%	207	-12
2025	49,679	245	0.5%	209	19
2026	49,914	235	0.5%	200	35

<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 more than 487,155 people to its population from 2022-2026, growing by an annualized rate of 1.6 percent.
- Santa Cruz County is projected to add 875 people to its population from 2022-2026

## Population Characteristics, 2021

Indicator	Santa Cruz County	Arizona	United States
Population 16 Years and Over	36,258	5,650,624	264,087,642
Civilian Labor Force Participation Rate 16 and Over	57%	60%	63%
Median Household Income	\$45,089	\$65,913	\$69,021
Families in Poverty	18%	10%	9%
Median Age	37	38	38
Individuals with a Disability	13%	13%	13%
Veterans	5%	9%	7%
Uninsured	12%	11%	9%

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

- A higher percent of Santa Cruz County is uninsured than the United States.
- The labor force participation rate was lower in Santa Cruz County when compared with Arizona

<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/>

and the United States.

- There was a higher rate of families in poverty in Santa Cruz County when compared with the United States and Arizona. This is reflected in Santa Cruz County's median household income being more than \$20,000 lower than the statewide average median household income.

### Highest Education Achieved, 2021, Population Over 25 Years of Age

Indicator	Santa Cruz County	Arizona	United States
Less than High School	10.2%	4.9%	4.8%
High School Graduate (includes equivalency)	26.1%	23.5%	26.5%
Some College, no degree	20.6%	24.6%	20.0%
Associate's Degree	8.0%	9.0%	8.7%
Bachelor's Degree	14.0%	19.3%	20.6%
Graduate or Professional Degree	9.0%	11.9%	13.1%

Source: U.S. Census Bureau, American Community Survey, 2021 5-Year Estimates, Table S1501  
Office of Economic Opportunity

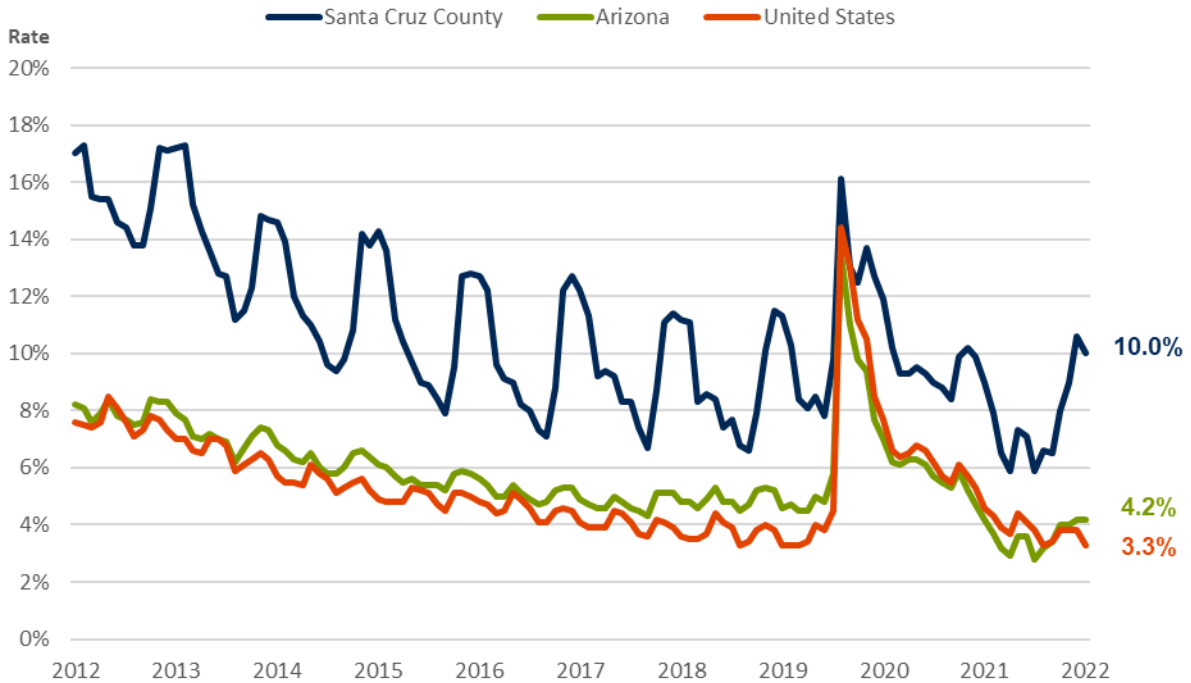
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.<sup>4</sup>

- Seventy-eight percent of Santa Cruz County residents aged 25 and over have graduated from high school, less than the statewide rate of 88 percent.
- Comparatively, the percentage of Santa Cruz County's population with a bachelor's degree or higher is 8.0 percent less than the state's.

<sup>4</sup> 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

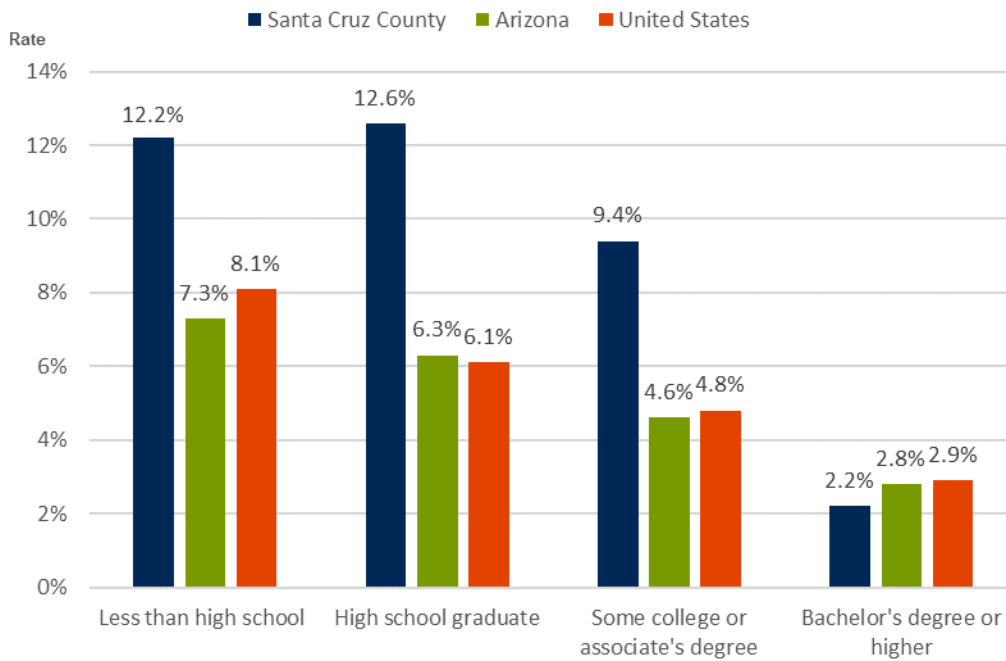
## Unemployment Rate Comparisons, Sep 2012-Sep 2022, Not-Seasonally Adjusted



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

- Santa Cruz County's unemployment rate for the past 10 years has trended substantially higher than the statewide and national rates.
- Santa Cruz County's labor force level increased from an annual average of 18,858 in 2020 to an annual average of 18,942 in 2021.
- In 2021, there was an annual average of 1,644 unemployed people in Santa Cruz County, compared to 1,871 unemployed people in 2020.
- Prior to the pandemic (2017-2019), Santa Cruz County had an average labor force level of 18,779 and had an average of 1,718 unemployed people.
- The average unemployment rate in Santa Cruz County during 2021 was 8.7 percent, 2.6 percent lower than the average from the previous nine years.

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



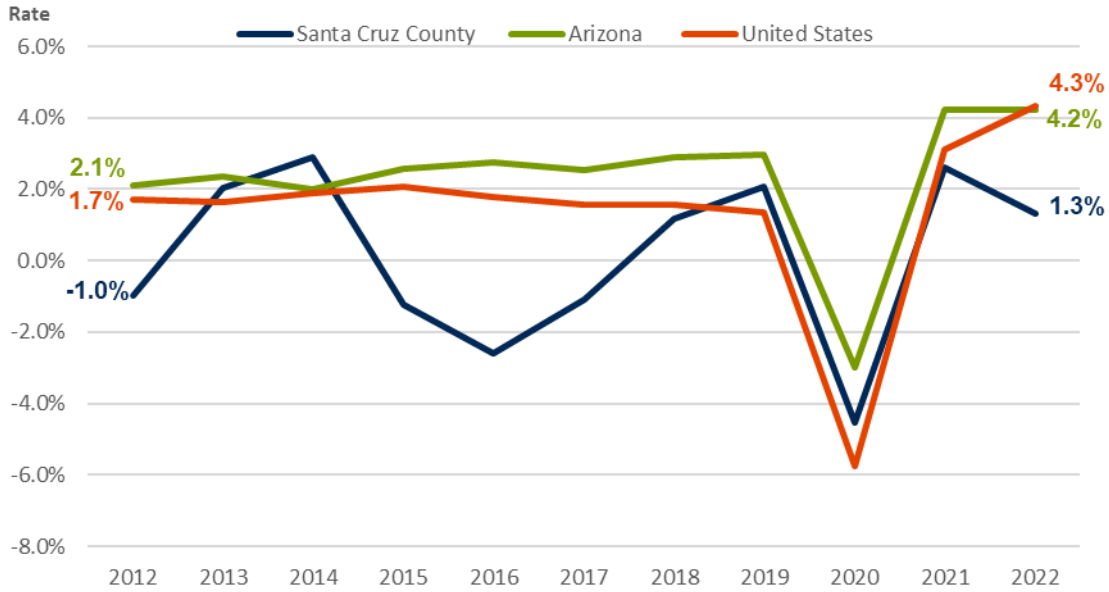
Source: U.S. Census American Community Survey, 2021 5-Year Estimates, Table S2301  
Office of Economic Opportunity

Historically, higher educational attainment levels have been associated with 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.

- The unemployment rates across all education attainment levels in Santa Cruz County were higher than the statewide rates, except the rate among residents with a bachelor's degree or higher.
- The unemployment rate for individuals with a high school diploma was in Santa Cruz County (12.6 percent) was double the rate in Arizona (6.3 percent) and the United States (6.1 percent).

<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)

## Average Nonfarm Employment Year-Over-Year Percentage Change, 2012-2022, Not-Seasonally Adjusted



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

- Total nonfarm employment increased by 820 jobs from 2012-2022, an annualized increase of 0.6 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 2.2 percent.
- Since 2011, Santa Cruz County's job growth has generally trended below the state's growth rate.



## Santa Cruz County Private Sector Industry Employment, 2016-2021

Industry	Average Employment (2016)	Average Employment (2021)	Numeric Growth (2016-2021)	Annualized Percentage Growth (2016-2021)
Professional and Business Services	186	207	22	2.2%
Education and Health Services	850	911	61	1.4%
Information	76	78	2	0.5%
Leisure and Hospitality	674	678	4	0.1%
Trade Transportation and Utilities	1,812	1,774	-38	-0.4%
Other Services	212	205	-6	-0.6%
Natural Resources and Mining	386	351	-35	-1.9%
Financial Activities	160	140	-20	-2.6%
Manufacturing	532	456	-76	-3.0%
Construction	222	170	-52	-5.2%

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

- Four of the private-sector industries recorded employment growth from 2016 to 2021, losing a total of 137 jobs over this time period.
- Of the 10 private sector industries, Trade, Transportation, and Utilities made up the largest share of employment in 2021, despite a trending decline in employment.
- Education and Health Services experienced the largest numeric growth from 2016 – 2021 (61 jobs, 1.4 percent).

## 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%
<b>Santa Cruz County</b>	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.
- Santa Cruz County is projected to grow at 2.4 percent, lower than the statewide growth rate of 4.2 percent.

### Santa Cruz 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	1,349	1,571	222	7.9%
Professional and Business Services	537	597	60	5.4%
Information	99	106	7	3.5%
Education and Health Services	1,784	1,903	119	3.3%
Other Services	315	329	14	2.2%
Financial Activities	309	318	9	1.4%
Trade Transportation and Utilities	5,493	5,570	77	0.7%
Manufacturing	438	436	-2	-0.2%
Construction	192	186	-6	-1.6%
Natural Resources and Mining	669	595	-74	-5.7%

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.

- In Santa Cruz County, Leisure and Hospitality is projected to record the largest growth rates, increasing by 7.9 percent annually through 2023.
- Professional and Business Services is projected to grow the second fastest in Santa Cruz County.
- In 2023, the industry that employs the most people is projected to remain Trade, Transportation, and Utilities.

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