

# ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

January 8, 2023

# ECONOMIC CONDITIONS REPORT

Maricopa 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, 2021-2016

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%
<b>Maricopa County</b>	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 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.<sup>2</sup>
- Maricopa County accounted for 72.2 percent of Arizona's total population growth from 2016 to 2021, constituting 61.9 percent of the state's total population in 2021.
- In 2021, 14.6 percent of individuals who moved to Maricopa County from a different U.S. state were prime-working age adults (25 to 54 years).<sup>3</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. (2021). *New Vintage 2021 Population Estimates Available for the Nation, States and Puerto Rico* [press release]. Available from [census.gov](https://www.census.gov)

<sup>3</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](https://data.census.gov).

## Maricopa 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	4,586,431	-----	-----	8,044	70,968
2023	4,672,900	86,469	1.9%	13,604	71,000
2024	4,757,613	84,713	1.8%	15,741	67,000
2025	4,841,695	84,082	1.8%	17,994	64,000
2026	4,920,388	78,693	1.6%	17,693	61,000

<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>4</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.
- Maricopa County is projected to add 333,957 people to its population from 2022-2026.

## Population Characteristics, 2021

Indicator	Maricopa County	Arizona	United States
Population 16 Years and Over	3,450,881	5,650,624	264,087,642
Civilian Labor Force Participation Rate 16 and Over	65%	60%	63%
Median Household Income	\$72,944	\$65,913	\$69,021
Families in Poverty	9%	10%	9%
Median Age	37	38	38
Individuals with a Disability	11%	13%	13%
Veterans	7%	9%	7%
Uninsured	11%	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.

- Median household income is higher in Maricopa County than in Arizona or the United States.

<sup>4</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/>

- The labor force participation rate was higher in Maricopa County when compared with the Arizona and the United States.

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

Indicator	Maricopa County	Arizona	United States
Less than High School	5.1%	4.9%	4.8%
High School Graduate (includes equivalency)	22.0%	23.5%	26.5%
Some College, no degree	23.5%	24.6%	20.0%
Associate's Degree	8.9%	9.0%	8.7%
Bachelor's Degree	21.5%	19.3%	20.6%
Graduate or Professional Degree	12.8%	11.9%	13.1%

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

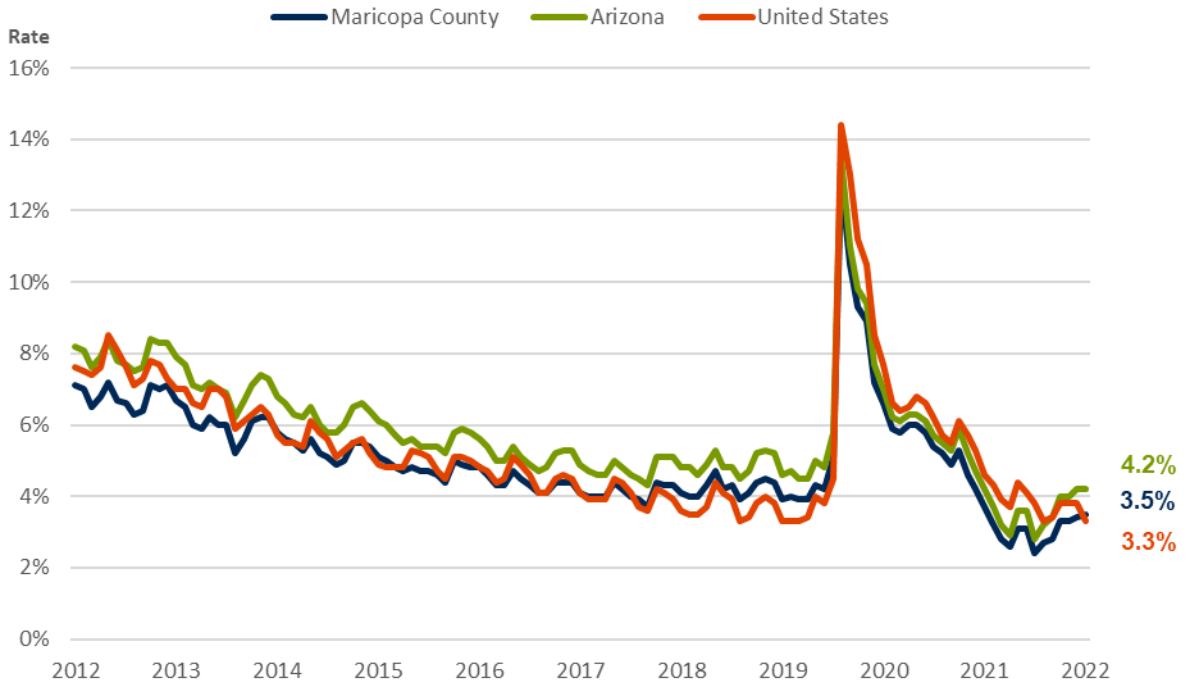
Understanding the current educational attainment of your local area’s available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.<sup>5</sup>

- People with a bachelor’s degree represented a larger share of total population in Maricopa County when compared with Arizona and the United States.
- A third of Maricopa County Residents hold a bachelor’s degree or higher, similar to the United States.
- Maricopa County had a similar rate of residents who have a high school diploma or higher (88.8 percent) when compared with Arizona (88.3 percent).

<sup>5</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

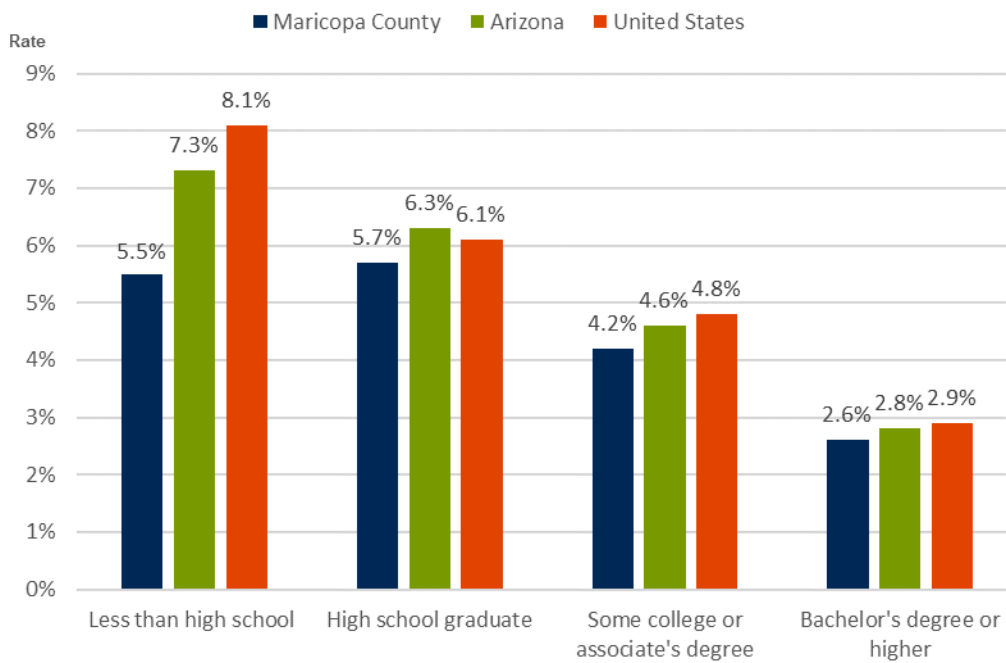
## Unemployment Rate Comparisons, Sep 2012-Sep 2022, Not-Seasonally Adjusted



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

- Maricopa County's unemployment rate for the past 10 years has trended closely with the national and statewide rates.
- Generally, Maricopa County's unemployment rates have been lower when compared to the state and nationwide rates.

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



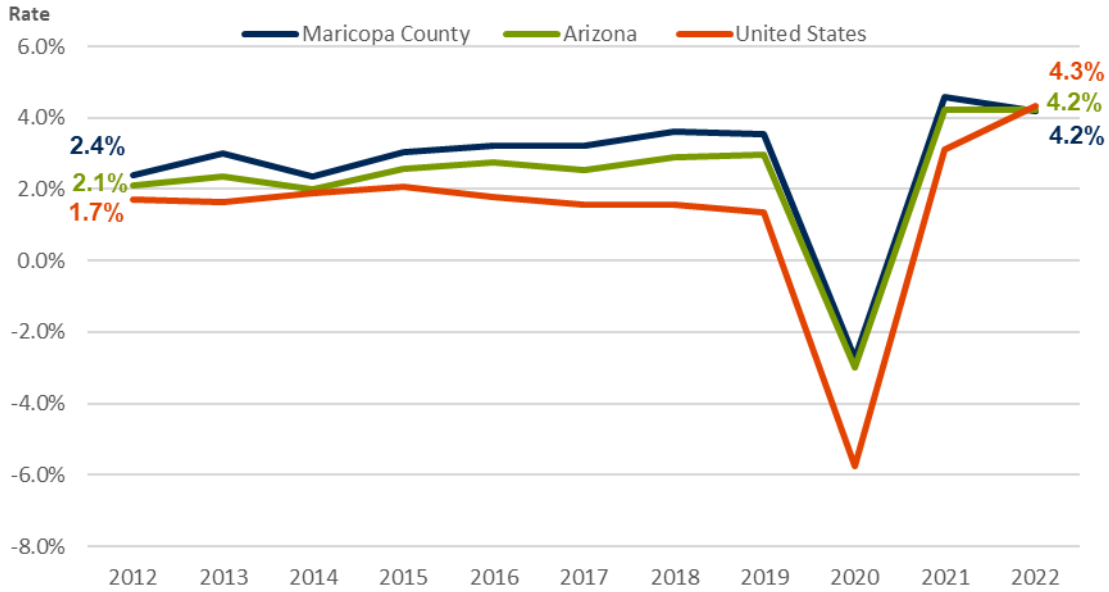
Source: U.S. Census American Community Survey, 2021 5-Year Estimates, Table S2301  
Office of Economic Opportunity

Historically, higher educational attainment levels have been associated with lower levels of unemployment.<sup>6</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 Maricopa County were lower than the statewide and national rates.
- The unemployment rate for individuals with less than a high school diploma was lower in Maricopa County (5.5 percent) when compared with Arizona (7.3 percent) and the United States (8.1 percent).

<sup>6</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

- Maricopa County total nonfarm employment increased by 326,000 jobs from 2012-2022, an annualized increase of 2.8 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 2.2 percent.
- Since 2012, Maricopa County's job growth has generally trended above the state and national growth rates.



## Maricopa County Private Sector Industry Employment, 2016-2021

Industry	Average Employment (2016)	Average Employment (2021)	Numeric Growth (2016-2021)	Annualized Percentage Growth (2016-2021)
Construction	103,222	137,150	33,927	5.8%
Financial Activities	83,819	98,945	15,126	3.4%
Manufacturing	115,543	132,698	17,156	2.8%
Trade Transportation and Utilities	95,939	109,085	13,146	2.6%
Education and Health Services	186,706	210,870	24,163	2.5%
Information	35,730	38,882	3,152	1.7%
Professional and Business Services	108,193	117,599	9,406	1.7%
Other Services	50,383	53,780	3,397	1.3%
Leisure and Hospitality	103,718	102,674	-1,044	-0.2%
Natural Resources and Mining	4,037	3,872	-165	-0.8%

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

- Nine of the private-sector industries recorded employment growth from 2016 to 2021, increasing by 118,265 jobs over this time.
- Of the 10 private sector industries, Education and Health Services made up the largest share of employment in 2021, and Construction made up the second largest.
- From 2016 to 2021, Construction had the largest increase in employment share and led employment growth (5.8 percent).

## Projected Industry Employment, 2021-2026

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%
<b>Maricopa Workforce Area*</b>	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.
- The Maricopa County Workforce Area is projected to grow at 4.7 percent, the highest in the state.

### Maricopa 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	213,992	242,500	28,508	6.5%
Construction	136,699	153,812	17,113	6.1%
Manufacturing	131,605	144,248	12,643	4.7%
Education and Health Services	431,882	470,565	38,683	4.4%
Professional and Business Services	360,830	388,634	27,804	3.8%
Financial Activities	201,774	216,856	15,082	3.7%
Information	39,505	42,250	2,745	3.4%
Trade Transportation and Utilities	424,983	454,326	29,343	3.4%
Other Services	69,560	73,210	3,650	2.6%
Natural Resources and Mining	15,354	15,717	363	1.2%

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 Maricopa County, Leisure and Hospitality is projected to record the largest growth rates, increasing by 6.5 percent annually through 2023.
- Construction is projected to grow the second fastest in Maricopa County.
- In 2023, the industry that employs the most people is projected to remain Education and Health Services.

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