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Economic Conditions Report

Cochise, Greenlee and Graham 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

Southeastern Arizona is comprised of Cochise, Graham, and Greenlee County. The area's economy includes a wide range of industries offering opportunities for individuals seeking employment of all types.

Several positive economic and workforce trends were recorded in Southeastern Arizona including:

- Cochise and Graham Counties both continued to see population growth from 2015 to 2020.
- All three Southeastern Counties are projected to see population growth from 2020 to 2024.
- The Median Household Income for all three Southeastern counties increased from 2018 to 2019.
- Across all educational attainment levels, unemployment rates are lower in Greenlee County when compared to Arizona and the United States.
- For residents of Cochise County who have attended some college or higher, the unemployment rate is less than the statewide rate.
- Six of the ten major private sector industries recorded employment growth from 2014 to 2019. Construction led growth, increasing by 11.1 percent and 1,025 jobs.
- Nine out of eleven industries are projected to see continued employment growth from 2020 to 2022.

Other less favorable economic and workforce challenges were recorded in Southeastern Arizona including:

- All three Southeastern Counties have a lower Labor Force Participation Rate than the state or national average.
- The poverty rate in Cochise and Graham Counties are higher when compared to Arizona and the United States.
- A lower percentage of residents in all three Southeastern Counties have achieved a Bachelor's degree or higher.
- The unemployment rate for individuals in Graham County with less than a high school education is nearly three times the state and national average.
- Financial Activities recorded the largest decline in employment, decreasing 4.1 percent from 2014 to 2019.

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.

- Arizona's population grew by 1.7 percent annually between 2015 and 2020.
- Among the fifteen counties, Greenlee County was the only county that experienced a decrease in population between 2015 and 2020.
- Of the three Southeastern counties, Graham County experienced the highest population growth, increasing by 0.7 percent.
- In 2020, Southeastern Arizona comprised 2.4 percent of Arizona's population.

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

POPULATION

Population projections provide useful insight into an area's future demand for resources and services. 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 1.4 percent annually during this time period.

Cochise County Population Projections, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2020	131,277	-2	0.0%	-82	79
2021	131,264	-13	0.0%	-84	72
2022	131,245	-20	0.0%	-89	69
2023	131,217	-28	0.0%	-95	67
2024	131,184	-33	0.0%	-101	67

- Cochise County's population growth is projected to be negative from 2020 to 2024.
- Cochise County is projected to have negative natural change, with all population growth coming from people moving to Cochise County.

¹ Natural Change = Births – Deaths

² Net Migration = (Domestic In Migration – Domestic Out Migration) + (Foreign In Migration – Out Migration)

³ Numbers are rounded to the nearest whole number

Source: Office of Economic Opportunity, 2018 to 2055 Population Projections Medium Series

Greenlee County Population Projections, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2020	10,657	75	0.7%	70	5
2021	10,732	75	0.7%	70	5
2022	10,807	74	0.7%	69	6
2023	10,881	74	0.7%	69	6
2024	10,955	74	0.7%	68	6

¹ Natural Change = Births – Deaths

² Net Migration = (Domestic In Migration – Domestic Out Migration) + (Foreign In Migration – Out Migration)

³ Numbers are rounded to the nearest whole number

Source: Office of Economic Opportunity, 2018 to 2055 Population Projections Medium Series

- Greenlee County's population is projected to increase by 0.7 percent from 2020 to 2024.
- Almost all of Greenlee County's population growth is expected to come from natural change, rather than people moving to the county from other areas.

Graham County Population Projections, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2020	38,614	361	0.9%	206	152
2021	38,969	356	0.9%	207	150
2022	39,324	355	0.9%	207	149
2023	39,677	353	0.9%	205	149
2024	40,031	354	0.9%	206	149

¹ Natural Change = Births – Deaths

² Net Migration = (Domestic In Migration – Domestic Out Migration) + (Foreign In Migration – Out Migration)

³ Numbers are rounded to the nearest whole number

Source: Office of Economic Opportunity, 2018 to 2055 Population Projections Medium Series

- Graham County is projected to grow 1,778 people from 2020 to 2024.
- The majority of Graham County's population change is projected to come from natural change rather than people migrating into the county.

Population Characteristics, 2019

Indicator	Cochise County	Graham County	Greenlee County	Arizona	United States
Population over 16	101,327	28,895	7,196	5,600,921	259,662,880
Civilian Labor Force Participation Rate 16 and Over	46%	50%	57%	59%	63%
Median Household Income	\$49,260	\$51,353	\$63,473	\$58,945	\$62,843
Poverty Rate	17%	23%	13%	15%	13%
Median Age	41.1	33.6	34.5	37.7	38.1
Individuals with a Disability	20,160	3,897	1,128	903,268	40,335,099
Uninsured	8%	7%	5%	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 best to meet the needs of their unique population.

- The labor force participation rate in all three Southeastern counties is lower when compared with the state and nationwide rates.
- The median household income for Cochise and Graham County is substantially lower than the average for Arizona and the United States.
- Graham County had a significantly higher poverty rate when compared to Arizona and the United States.
- All three Southeastern counties have a lower rate of uninsured individuals than the state and nation.

Highest Educational Achieved, 2019, Population 25 and Older

Indicator	Cochise County	Greenlee County	Graham County	Arizona	United States
Less than High School	5.3%	3.2%	3.7%	5.5%	5.1%
High School Graduate (includes equivalency)	24.1%	34.7%	28.7%	23.9%	27.0%
Some College, no degree	28.8%	30.7%	30.9%	25.2%	20.4%
Associate's Degree	11.4%	9.1%	10.5%	8.6%	8.5%
Bachelor's Degree	14.2%	10.4%	9.9%	18.4%	19.8%
Graduate or Professional Degree	8.9%	3.1%	5.3%	11.1%	12.4%

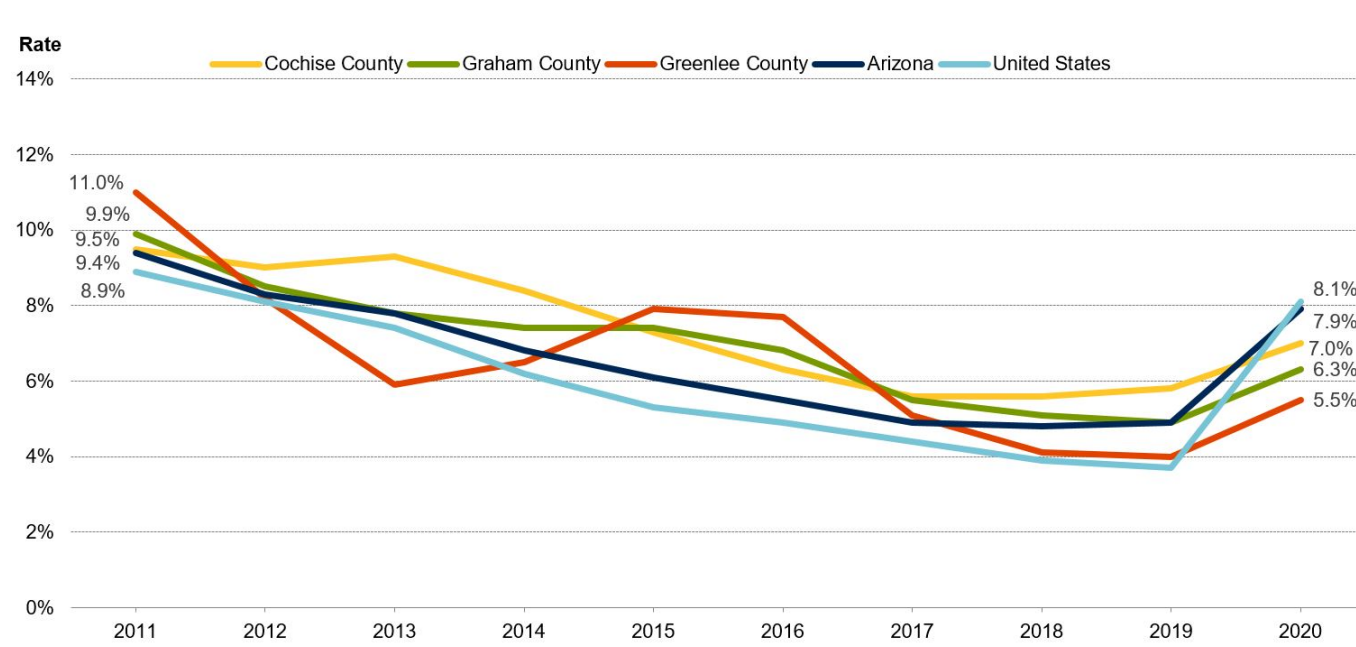
Source: U.S. Census Bureau, American Community Survey, 2019 5-Year Estimates
Office of Economic Opportunity

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.²

- All three Southeastern counties have a high school graduation rate higher than the statewide high school graduation rate.
- Similar to other rural areas, many Southeastern Arizona residents attend college, but do not attain a degree.
- Compared to Arizona and the United States, a lower percentage of residents in all three Southwestern Counties have not attained a Bachelor's Degree or higher.

WORKFORCE

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

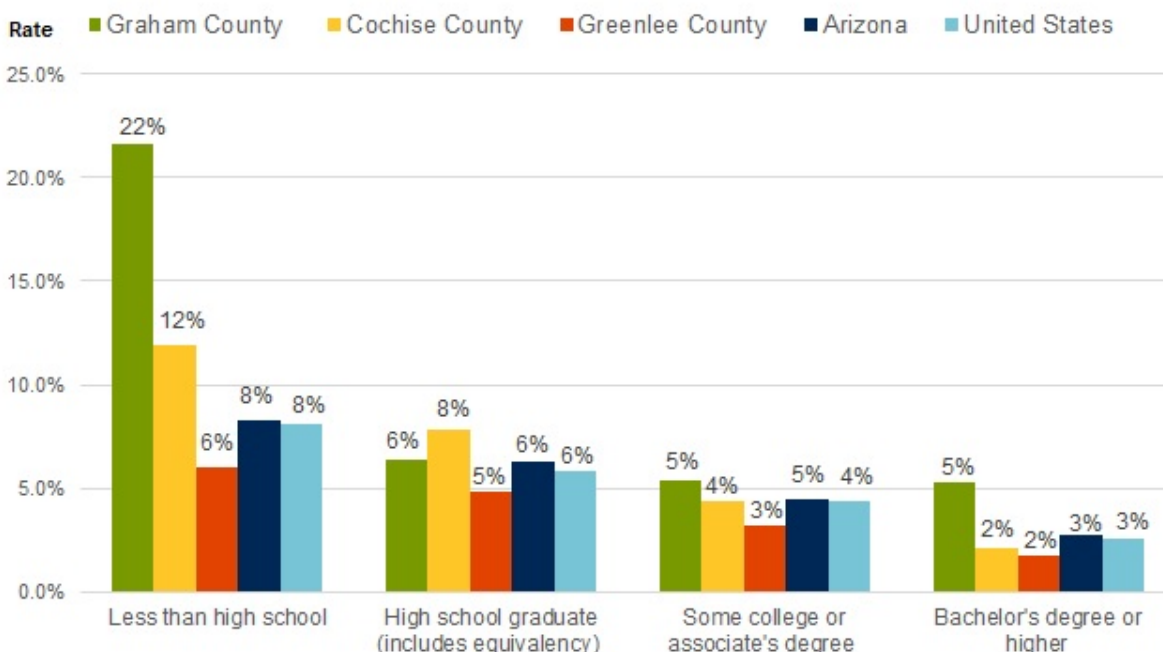


Source: U.S. Bureau of Labor Statistics

² 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>.

- The unemployment rates in Cochise and Graham Counties have generally been higher when compared to Arizona and the United States.
- However, in 2020, all three Southeastern Counties had lower unemployment rates than the state and nationwide rates.
- In 2020, all three Southeastern counties only experienced a slight rise in unemployment compared to increases that the state and nation experienced.
- Since 2011, Greenlee County's unemployment rates have fluctuated greatly.

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



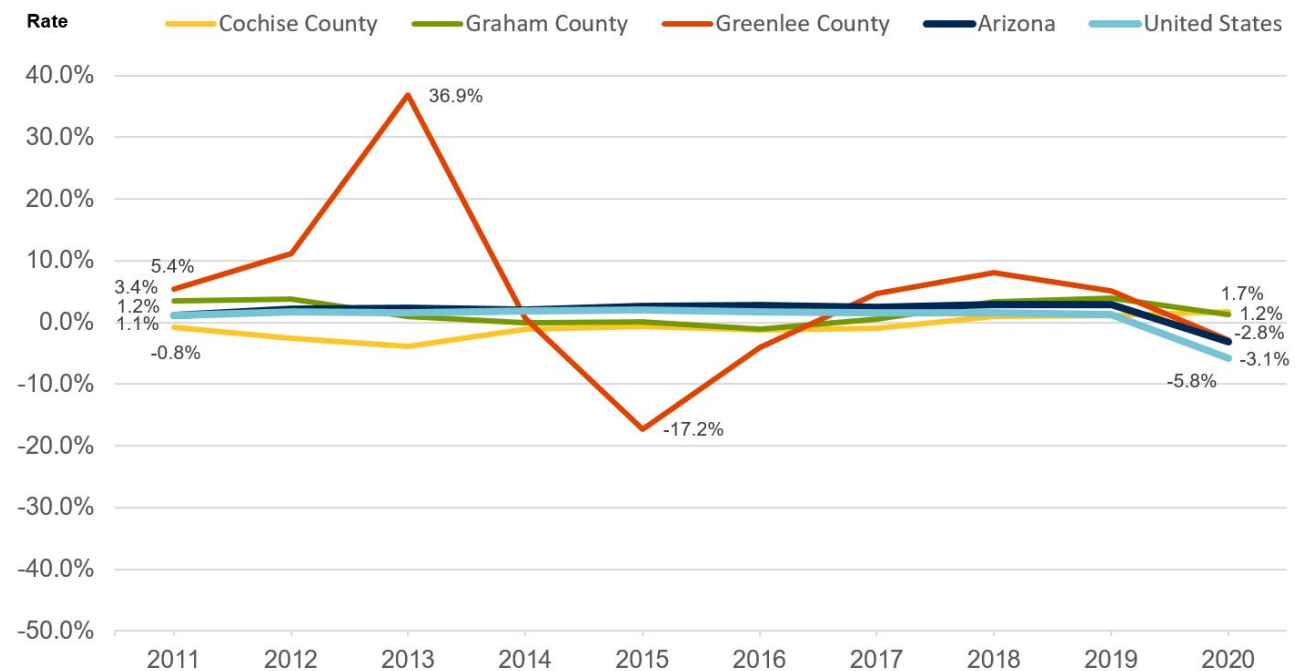
Source: U.S. Census American Community Survey, 2019 5- Year Estimates
Office of Economic Opportunity

Historically, higher educational attainment levels lead to lower levels of unemployment.³ Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- Greenlee County had a lower unemployment rate across all educational attainment levels compared to Arizona and the United States.
- Compared to the statewide and nationwide rates, Cochise and Graham County both had higher unemployment rates across all educational levels with the exception of individuals residing within Cochise County who achieved an associate's degree or higher.
- For individuals with less than a high school education, the unemployment rate in Graham County was over double the nationwide rate.
- Of the three counties in Southeastern Arizona, Greenlee County remained the county with the lowest employment rates.

³ 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
Office of Economic Opportunity

- From 2011 to 2020, Arizona's total nonfarm employment increased by an annualized rate of 1.9 percent.
- During the same time period, total nonfarm employment in Cochise County decreased by 0.7 percent or 2,400 jobs.
- From 2011 to 2020, other two Southeastern counties both experienced employment growth. Graham County's nonfarm employment increased by 1,100 jobs or 1.4 percent. Nonfarm employment in Greenlee County grew by 1,400 jobs or 3.8 percent.
- Since 2011, Greenlee County has experienced dramatic fluctuations in employment, growing 36.9 percent year over year in 2013 and decreasing by 17.2 percent year over year in 2015.
- Cochise and Graham Counties are two of the only Arizona counties that still experienced positive growth in nonfarm employment in 2020.

Southeastern Arizona Private Sector Industry Employment, 2014-2019

Industry	Employment (2014)	Employment (2019)	Numeric Growth (2014-2019)	Annualized Percentage Growth (2014-2019)
Construction	1,478	2,503	1,025	11.1%
Education and Health Services	5,631	5,850	219	0.8%
Financial Activities	1,117	907	-210	-4.1%
Information	430	469	39	1.8%
Leisure and Hospitality	3,654	3,616	-38	-0.2%
Manufacturing	758	790	32	0.8%
Natural Resources and Mining	1,204	1,219	15	0.2%
Other Services	913	837	-76	-1.7%
Professional and Business Services	2,707	4,712	2,005	11.7%
Trade Transportation and Utilities	7,950	7,848	-102	-0.3%

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

Source: Quarterly Census of Employment and Wages

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- Six of the ten industries recorded positive employment growth from 2014 to 2019, gaining a total of 2,909 jobs over this time period.
- Employment growth was led by Professional and Business Services (11.7 percent), followed closely by Construction (11.1 percent).
- In 2019, Trade, Transportation and Utilities remained the industry with the largest share of employment, employing 7,848 or 27.3 percent of total private employment in Southeastern Arizona.

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.
- Southeastern Arizona is projected to have an annualized growth rate of 3.1% through 2020, 2.4 percent below the projected statewide rate.

Southeastern Arizona Projected Industry Employment, 2020-2022

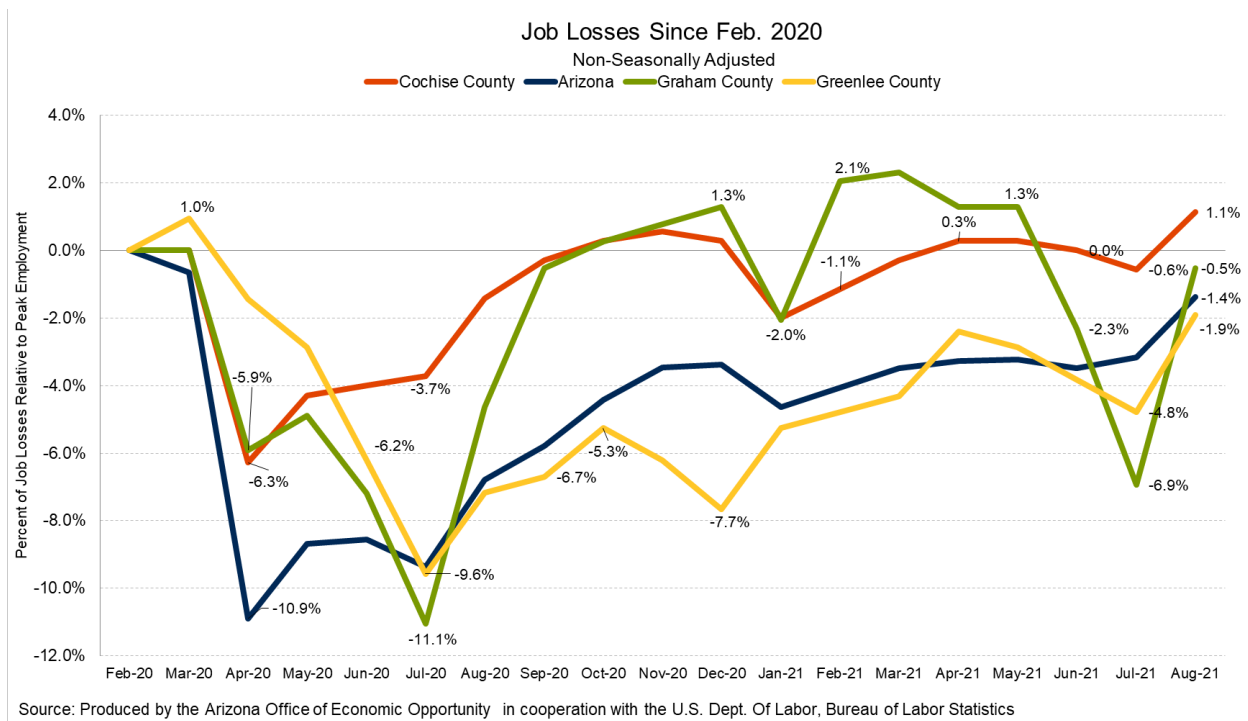
Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Construction	3,347	3,452	105	1.6%
Education and Health Services	10,198	10,716	518	2.5%
Financial Activities	1,057	1,039	-18	-0.9%
Government	7,877	7,665	-212	-1.4%
Information	453	472	19	2.1%
Leisure and Hospitality	4,123	4,752	629	7.4%
Manufacturing	847	894	47	2.7%
Natural Resources and Mining	7,654	8,100	446	2.9%
Other Services	1,224	1,298	74	3.0%
Professional and Business Services	5,000	5,496	496	4.8%
Trade, Transportation and Utilities	8,775	9,670	895	5.0%

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 Southeastern Arizona, Trade, Transportation, and Utilities is projected to record the largest numeric growth, and is projected to grow 895 jobs by 2022.
- Nine of the eleven industries are projected to experience growth through 2022.
- Education and Health Services is projected to remain the industry that employs the most people, employing 10,716 people in 2022.

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



- All three of the Southeastern counties experienced less of a decline in employment in April 2020 when compared to Arizona.
- Graham County's experienced the greatest employment decline in July 2020, with employment declining 11.1 percent below pre-pandemic (February 2020) levels.
- In August 2021, employment in Cochise County was 1.1 percent above February 2020. During the same time period, Greenlee County was 1.9 percent below pre-pandemic levels and Graham County was 0.5 percent below.

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