



November 15, 2021

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# Economic Conditions Report

Yuma 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 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

Yuma County'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 Yuma County including:

- Population continues to increase, growing 1.2 percent annually from 2015 to 2020.
- Population is projected to increase by 15,944 people from 2020 to 2024, growing annually by 1.3 % from 2020 to 2024.
- Median Household Income grew from \$43,403 in 2018 to \$46,419 in 2019.
- Seven of the ten major private sector industries experienced employment growth from 2014 to 2019.
- All industries in Yuma County are projected to see employment growth from 2020 to 2022, led by Leisure and Hospitality and Trade, Transportation, and Utilities.

Other less favorable economic and workforce challenges were recorded in Yuma County include:

- The poverty rate in Yuma County is higher when compared to Arizona and the United States.
- The rate of Yuma County residents that have completed a Bachelor's Degree or Higher is substantially less than the statewide rate.
- Across all educational attainment levels, the unemployment rates in Yuma County are substantially higher than the state or nationwide rates.

# 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%
<b>Yuma County</b>	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  
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.
- Yuma County represented 2.1 percent of Arizona's total population growth from 2015 to 2020.
- In 2020, Yuma County comprises 2.9 percent of Arizona's total population.

<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)

## Yuma 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	231,781	3,189	1.4%	1,350	1,838
2021	234,971	3,190	1.4%	1,362	1,829
2022	238,160	3,189	1.4%	1,371	1,818
2023	241,348	3,188	1.3%	1,376	1,812
2024	244,535	3,188	1.3%	1,377	1,811

<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's population is projected to grow by 507,368 people from 2020 to 2024.
- Yuma County's population is projected to add 15,944 people from 2020 to 2024, growing by 1.4 percent from 2020 to 2022 and 1.3 percent in 2023 and 2024.
- About 58% of the population growth is projected to come from migration into Yuma County.

## Population Characteristics, 2019

Indicator	Yuma County	Arizona	United States
Population over 16	164,744	5,820,607	263,534,161
Civilian Labor Force Participation Rate 16 and Over	55%	60%	64%
Median Household Income	\$46,419	\$62,055	\$65,712
Poverty Rate	21%	14%	12%
Median Age	35.1	38.3	38.5
Individuals with a Disability	13%	13%	13%
Uninsured	14%	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 than state or national averages, may need to consider specific approaches on how to best meet the needs of their unique population.

- Median household income was lower in Yuma County than in Arizona or the United States. Yuma's median household income increased from \$43,403 in 2018 to \$46,419 in 2019.
- Median age was lower in Yuma County than in Arizona or the United States.

<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/>

- The rate of uninsured people in Yuma County was 3 percent higher than Arizona and 5 percent higher than the United States.
- The labor force participation rate was substantially lower in Yuma County when compared with Arizona or the United States.
- Yuma County's households in poverty was substantially higher than the national or state rate.

### Highest Educational Achieved, 2019, Population 25 and Older

Indicator	Yuma County	Arizona	United States
Less than High School	14%	5%	5%
High School Graduate (includes equivalency)	26%	24%	27%
Some College, no degree	26%	25%	20%
Associate's Degree	9%	9%	9%
Bachelor's Degree	9%	19%	20%
Graduate or Professional Degree	5%	11%	13%

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

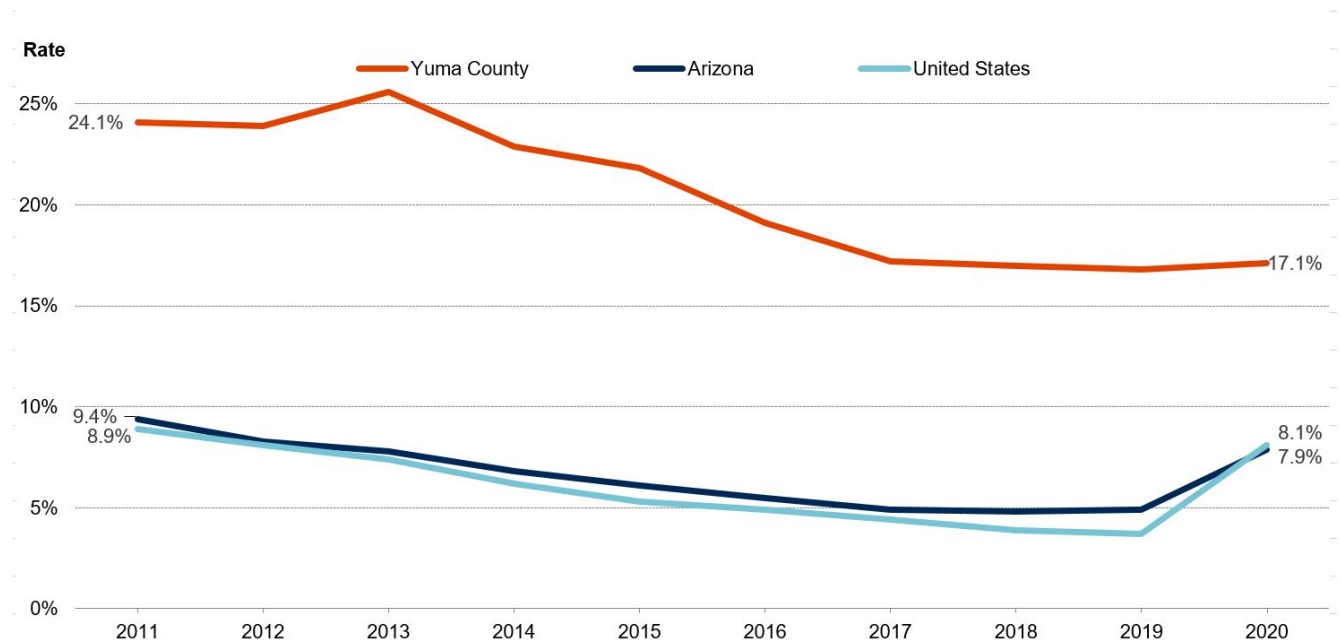
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.<sup>3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

- Residents with less than a high school diploma represented a significantly higher percentage (14 percent) of people compared to Arizona and the United States
- The percentage of Yuma County residents with a Bachelor's degree or higher (14 percent) is substantially lower than the state and nationwide percentages.
- The share of Yuma residents with a bachelor's degree or higher decreased from 16.8 percent in 2018 to 14 percent in 2019.

<sup>3</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

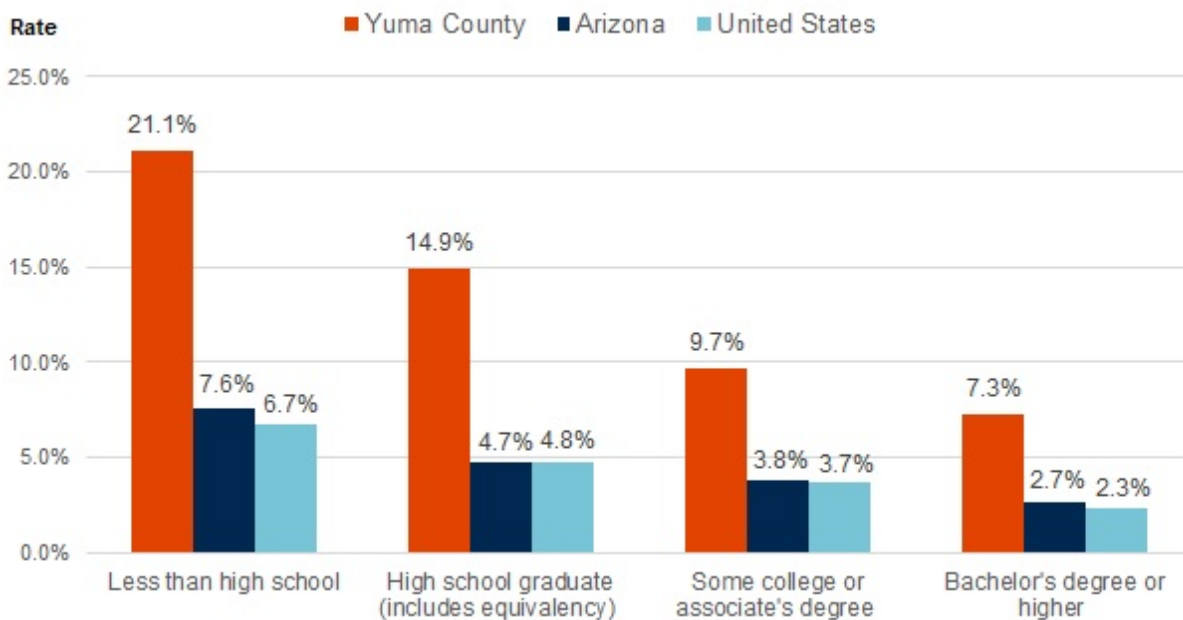
### Unemployment Rate Comparisons, Sept. 2011-Sept. 2020, Not-Seasonally Adjusted



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

- Since 2011, unemployment in Yuma County has remained drastically higher when compared to Arizona and the United States.
- However, since 2013, Yuma County's unemployment rates have decreased over 7 percent.
- Unlike the state and nationwide rates, Yuma County's unemployment rate did not see a dramatic rise in unemployment in 2020.

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



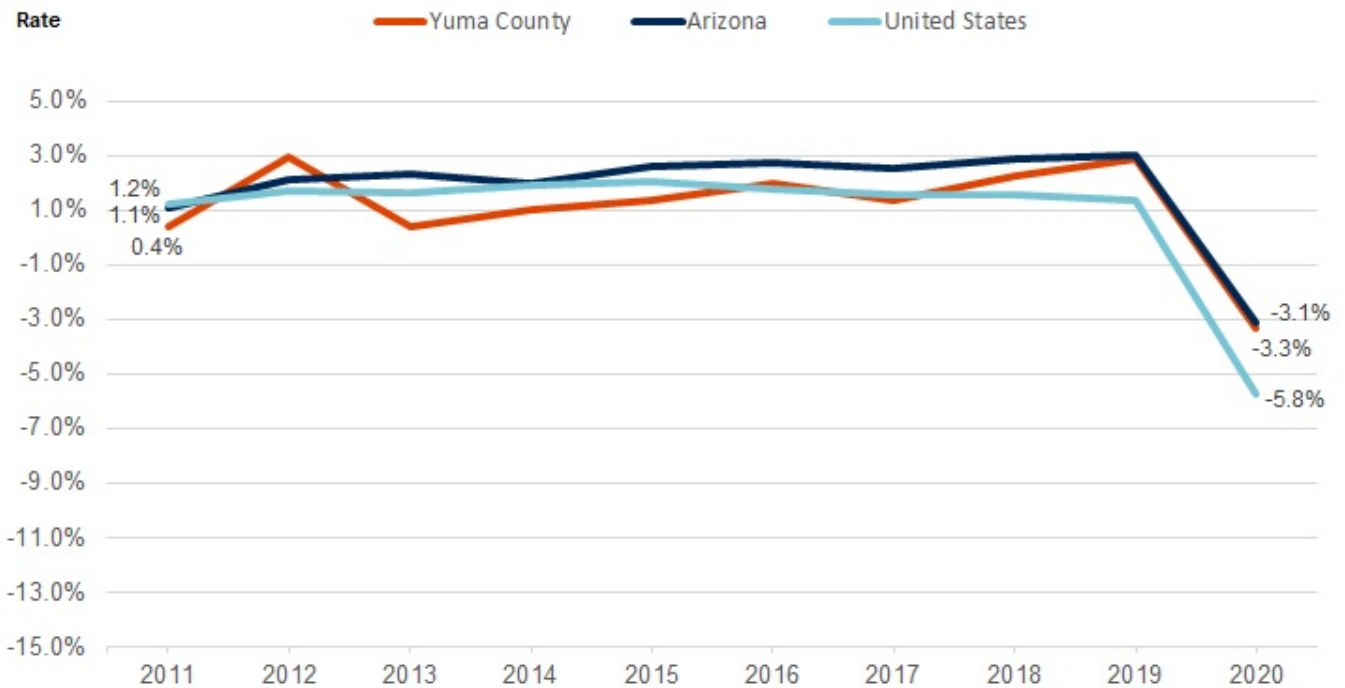
Source: U.S. Census American Community Survey, 2019 1-Year Estimates  
Office of Economic Opportunity

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 Arizona or the United States, Yuma County's unemployment rate was higher across all educational attainment levels.
- Unemployment rates for individuals without a high school diploma was nearly triple the state or nationwide rate.
- The unemployment rate in Yuma County is over double the state and nationwide rates across all educational attainment levels.

<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

- Average total nonfarm employment in Yuma County increased by 5,600 jobs from 2011 to 2020, an annualized rate of 1.2 percent. Over the same time period, Arizona total nonfarm employment increased by an annualized rate of 1.9 percent.
- From 2011 to 2019, Yuma County's nonfarm employment increased 1.8 percent annually or 7,500 jobs. Over the same time period, Arizona total nonfarm employment increased by 2.5 percent.
- In 2020, total nonfarm employment growth was substantially impacted by COVID-19. In 2020, Yavapai County total nonfarm employment decline 3.3 percent year over year, slightly more than the statewide decline of 3.1 percent.

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

Industry	Employment (2014)	Employment (2019)	Numeric Growth (2014-2019)	Annualized Percentage Growth (2014-2019)
Construction	2,324	3,217	893	6.7%
Education and Health Services	7,242	8,404	1,162	3.0%
Financial Activities	1,716	2,043	327	3.6%
Information	510	442	-68	-2.8%
Leisure and Hospitality	5,498	6,339	841	2.9%
Manufacturing	2,125	2,636	511	4.4%
Natural Resources and Mining	18,992	17,006	-1,986	-2.2%
Other Services	1,193	1,289	96	1.6%
Professional and Business Services	6,702	6,463	-239	-0.7%
Trade Transportation and Utilities	10,503	11,795	1,292	2.3%

NOTE: Employment reflects 4<sup>th</sup> quarter levels and private employment only.

Source: Quarterly Census of Employment and Wages

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- Of the ten private-sector industries, seven reported positive employment growth from 2014-2019, recording an overall growth of 2,829 jobs.
- From 2014 to 2019, employment growth was led by Construction (6.7 percent), followed by Manufacturing (4.4 percent)
- From 2014 to 2019, Transportation and Utilities had the largest increase in people employed, increasing by 1,292.

## 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%
<b>Yuma County</b>	<b>63,409</b>	<b>68,794</b>	<b>5,385</b>	<b>4.2%</b>

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.
- Yuma County is projected to have a growth rate of 4.2 percent through 2022, below the statewide growth rate.

## Yuma County Projected Industry Employment, 2020-2022

Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Construction	3,595	3,787	192	2.6%
Education and Health Services	11,958	12,961	1,003	4.1%
Financial Activities	2,021	2,183	162	3.9%
Government	7,045	7,149	104	0.7%
Information	353	377	24	3.3%
Leisure and Hospitality	6,004	7,024	1,020	8.2%
Manufacturing	2,379	2,577	198	4.1%
Natural Resources and Mining	6,924	7,018	94	0.7%
Other Services	1,513	1,619	106	3.4%
Professional and Business Services	6,421	6,882	461	3.5%
Trade, Transportation and Utilities	11,896	13,382	1,486	6.1%

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 Yuma County, Leisure and Hospitality is projected to record the largest annual growth rates, increasing by 8.2 percent through 2022.
- Trade, Transportation, and Utilities is projected to have the largest numeric growth through 2022.
- All industries in Yuma County are projected to have positive growth through 2022.
- By 2022, Education and Health Services is projected to become the industry that employs the most people in Yuma County, employing 12,961 people.

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



Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. Of Labor, Bureau of Labor Statistics

- Yuma County saw drops in employment in April 2020 and July 2020, peaking in July 2020 at 14 percent below pre-pandemic (February 2020) levels.
- Since severe decline in July 2021, employment in Yuma County trended upwards, close to pre-pandemic level.
- In August 2021, employment was 5.1 percent below pre-pandemic levels, 3.7 percent lower than the statewide recovery rate.

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