



November 15, 2021

Economic Conditions Report

Pinal County

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 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

Pinal County's economy includes of a wide range of industries offering opportunities for individuals seeking employment of all types.

Several positive economic and workforce trends were recorded in Pinal County including:

- Population in Pinal County is projected to grow by 2.8 percent annually from 2020 to 2024.
- Pinal County's Median Household Income increased from \$58,058 in 2018 to \$62,055 in 2019.
- The Labor Force Participation rate grew by 2 percent from 2018 to 2019.
- Across all educational attainment levels, the unemployment rates in Pinal County are either less than or equal to the statewide rates.
- Eight of the ten major private sector industries experiences employment growth from 2014 to 2019. Construction saw the greatest percentage of growth (4.5 percent), followed by Leisure and Hospitality (4.4 percent).
- Nine out of eleven industries are projected to have continued growth from 2020-2022. Leisure and Hospitality is projected to lead growth, increasing by 9.8 percent.

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

- Although the Labor Force Participation Rate increased from 2018 to 2019, it is still substantially lower in Pinal County when compared to Arizona and the United States.
- A lower percentage of residents in Pinal County have achieved a Bachelor's Degree or higher when compared to the state and nationwide rates.
- Information and Natural Resources and Mining were the two industries that saw a decrease in employment from 2014 to 2019.
- Government and Natural Resources and Mining are expected to decline in employment from 2020 to 2022.

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, 1-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 development activity¹ and workforce diversity.

- Arizona's population grew by 1.7 percent annually between 2015 and 2020.
- Between 2015 and 2020, Pinal County experienced the highest percentage population growth in the state, increasing by 3.4 percent annually during this time.
- Pinal County represented 12.7 percent of Arizona's total population growth from 2015 to 2020.
- Pinal County remains the county with the third highest share of Arizona's population, increasing from 5.9 percent in 2015 to 6.5 percent in 2020.

¹ Heady, D. 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, 221-248.

Pinal County Population Projections, 2020

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2020	466,175	12,761	2.8%	1,348	11,413
2021	479,198	13,023	2.8%	1,434	11,588
2022	492,554	13,356	2.8%	1,543	11,813
2023	506,278	13,724	2.8%	1,660	12,064
2024	520,420	14,141	2.8%	1,801	12,340

¹ Natural Change = Births – Deaths

² 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.² 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 507,367 people to its population from 2020 to 2024, growing by an annualized rate of 1.4 percent.
- Pinal County's population is projected to grow by 67,005, comprising 13.2 percent of Arizona's total population growth from 2020 to 2024
- A majority of Pinal 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	Pinal County	Arizona	United States
Population over 16	370,055	5,820,607	263,534,161
Civilian Labor Force Participation Rate 16 and Over	51%	60%	64%
Median Household Income	\$62,057	\$62,055	\$65,712
Poverty Rate	12%	14%	12%
Median Age	39.9	38.3	38.5
Individuals with a Disability	15%	13%	13%
Uninsured	9%	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 best to meet the needs of their unique population.

- Median household income in Pinal County was lower than the United States. However, median household income also grew dramatically in 2019, increasing to \$62,057 from \$58,058 in 2018.
- Median age was higher in Pinal County than in Arizona or the United States.

² Kaneda, T. & Bremer, J. (2014). "Understanding Population Projection: Behind the Numbers. Population Reference Bureau". Retrieved from <https://www.prb.org/united-nations-population-projections/>

- Individuals with disabilities represented a larger share of total population in Pinal County than in Arizona or the United States.
- The labor force participation rate was considerably lower in Pinal County when compared with the United States and Arizona.

Highest Educational Achieved, 2019, Population over 25 years of age

Indicator	Pinal County	Arizona	United States
Less than High School	5%	5%	5%
High School Graduate (includes equivalency)	30%	24%	27%
Some College, no degree	29%	25%	20%
Associate's Degree	9%	9%	9%
Bachelor's Degree	14%	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

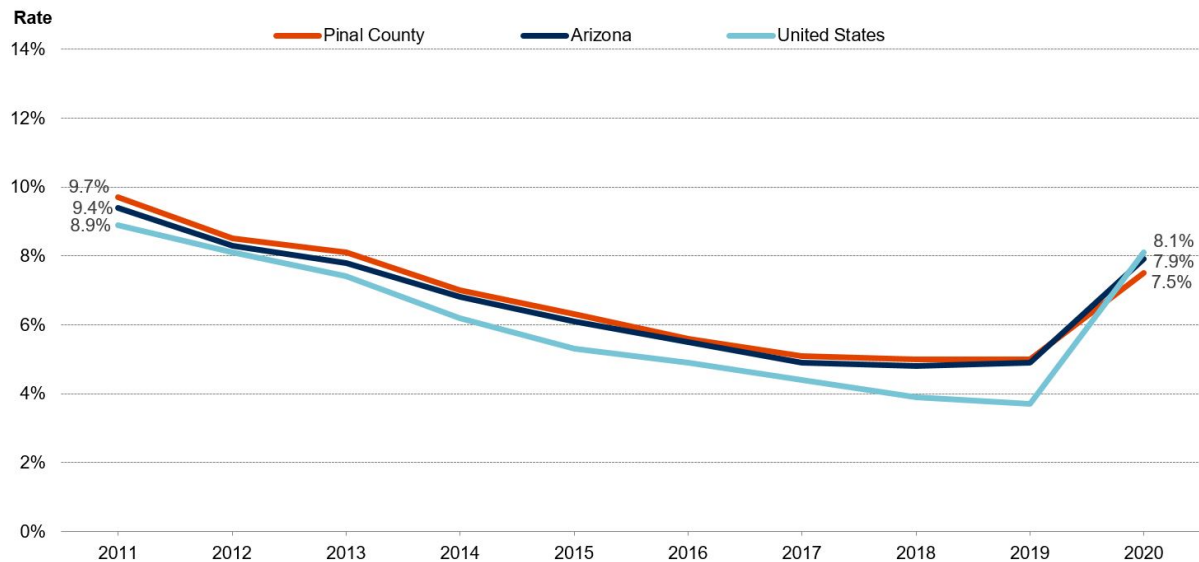
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.³

- Pinal County had a higher rate of residents attending college, but not completing a degree when compared with Arizona and the United States.
- 19 percent of Pinal County residents had a bachelor's degree or graduate or professional degree, dramatically lower than the statewide rate of 30 percent.
- A higher percentage of the Pinal County population attained a high school diploma or equivalent when compared to Arizona and the United States.

³ "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

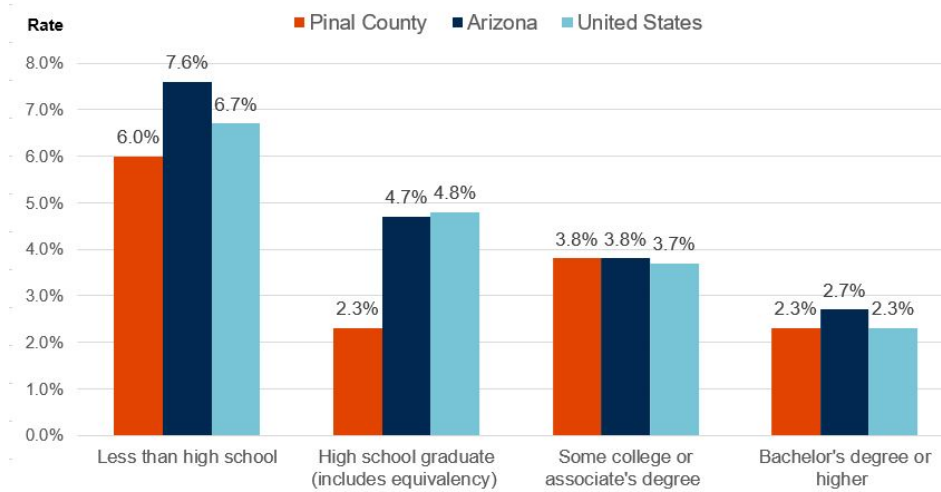
Unemployment Rate Comparisons, 2009 - 2019, Not-Seasonally Adjusted



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

- Since 2011, Pinal County's unemployment rate has trended closely with the statewide unemployment rate and trended slightly higher than the nationwide rate.
- In 2020, the unemployment rate in Pinal County was lower than both Arizona and the United States.
- Unemployment in Pinal County was consistently trending downward until 2020, following similar trends as the state and county.

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



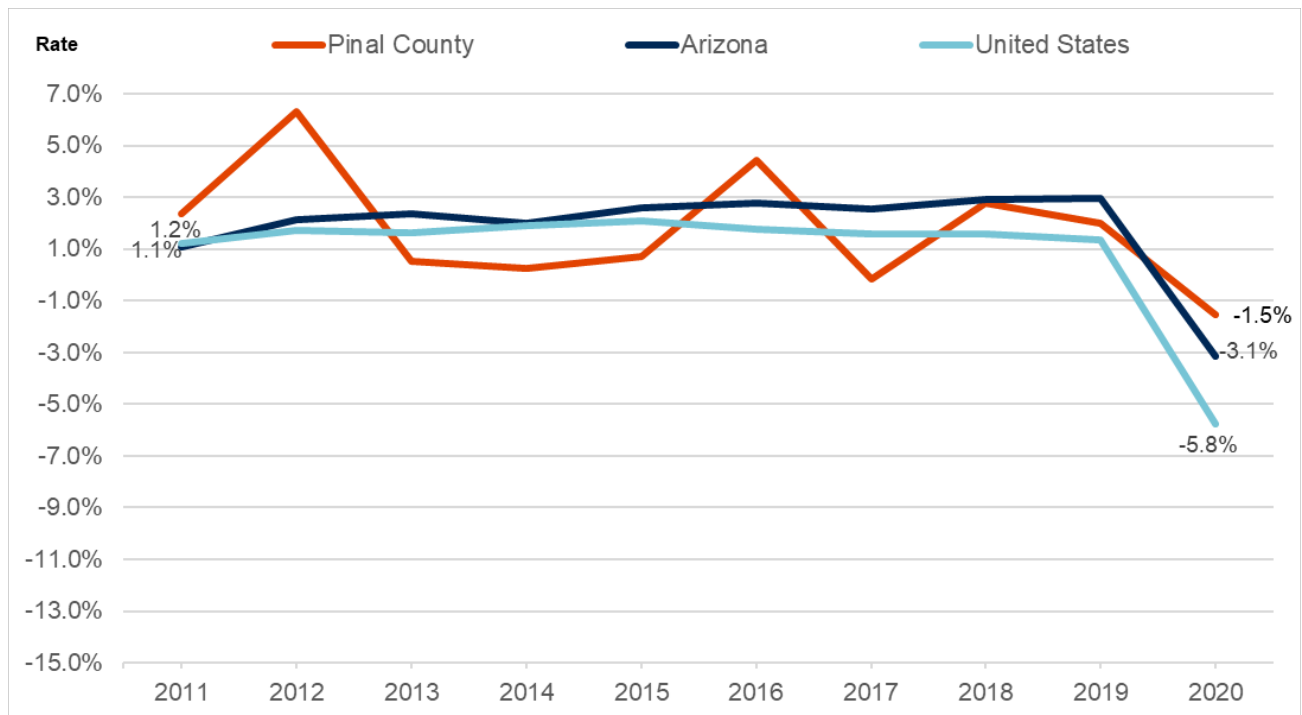
Source: U.S. Census American Community Survey, 2019 1-Year Estimates
Office of Economic Opportunity

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

- Across all educational attainment levels, unemployment rates in Pinal County were lower or equal to Arizona and the United States.
- The unemployment rate for individuals in Pinal County with a high school diploma or equivalent (2.3 percent) was over 2 percent lower than both the state (4.7 percent) and the national rate (4.8 percent).

⁴ 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, Pinal County's total average nonfarm employment increased by an annualized rate of 1.7 percent or 8,500 jobs. Over this same time period, Arizona total nonfarm employment increased by an annualized rate of 1.9 percent.
- In 2020, total nonfarm employment in Pinal County declined because of COVID-19, losing 900 jobs or 1.5 percent. The share of jobs lost in Pinal Count was less drastic than the state and nationwide declines within the same time period.

Pinal County Private Sector Industry Employment, 2014-2019

Industry	Employment (2014)	Employment (2019)	Numeric Growth (2014-2019)	Annualized Percentage Growth (2014-2019)
Construction	1,615	2,008	393	4.5%
Education and Health Services	5,464	6,688	1,224	4.1%
Financial Activities	1,365	1,449	84	1.2%
Information	635	558	-77	-2.6%
Leisure and Hospitality	4,921	6,112	1,191	4.4%
Manufacturing	3,584	4,110	526	2.8%
Natural Resources and Mining	3,756	3,241	-515	-2.9%
Other Services	1,364	1,392	28	0.4%
Professional and Business Services	6,249	6,747	498	1.5%
Trade Transportation and Utilities	9,282	11,236	1,954	3.9%

NOTE: This includes private employment only.

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

- Eight of the ten private-sector industries recorded positive employment growth from 2014 to 2019, gaining a total of 5,306 jobs.
- Employment growth was led by Construction (4.5 percent), followed by Leisure and Hospitality (4.4 percent).
- From 2014 to 2019, Trade, Transportation, and Utilities had the largest numeric growth in employment, growing by 1,954 people.
- Of the ten private sector industries, Trade, Transportation, and Utilities made up the largest share of employment in 2019 (25.8) percent, while Professional and Business Services (15.5 percent) made up the second largest.

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%
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 2020-2022.

- Pinal County is projected to experience employment growth of 4.0 percent, slightly below the statewide rate of 5.5 percent.

Pinal Workforce Area Projected Industry Employment; 2020-2022

Area	Projected Employment (2020)	Projected Employment (2022)	Projected Numeric Growth (2020-2022)	Annualized Percentage Growth (2020-2022)
Construction	2,393	2,663	270	5.5%
Education and Health Services	13,625	14,587	962	3.5%
Financial Activities	1,439	1,530	91	3.1%
Government	9,618	9,597	-21	-0.1%
Information	568	625	57	4.9%
Leisure and Hospitality	6,365	7,672	1,307	9.8%
Manufacturing	3,893	4,339	446	5.6%
Natural Resources and Mining	4,027	3,948	-79	-1.0%
Other Services	1,752	1,900	148	4.1%
Professional and Business Services	6,658	7,043	385	2.9%
Trade, Transportation and Utilities	12,373	13,938	1,565	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 Pinal County, Leisure and Hospitality is projected to record the largest growth rates, increasing by 9.8 percent by 2022.
- Trade, Transportation and Utilities is projected to have the highest numeric growth, growing 1,565 jobs through 2022.
- Government, and Natural Resources and Mining are both projected to decrease through 2022.
- The industry that employs the most people is projected to remain Education and Health Services, employing 14,587 people in 2022.

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



- From February 2020 to April 2020, Pinal County saw a drop in employment of 7.7 percent. Unlike the State, Pinal County had the steepest drop in employment in July 2020, rather than April 2020.
- In March 2021, employment in Pinal County was began trending downwards. However, in August 2021, employment increased again, but remained 4.9 percent below pre-pandemic (February 2020) levels.

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