

# ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

January 8, 2024

# ECONOMIC CONDITIONS REPORT

City of Phoenix

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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 2025-2028 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.

### Workforce

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.

### Labor Market Information

OEO conducts labor market analysis, including but not limited to employment forecasting and trend reporting. In addition, OEO compiles workforce analysis, such as this report, and provides custom employment and WIOA research to the Arizona workforce system.

### 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.

## WIOA TRAINING

### City of Phoenix Title 1B WIOA Negotiated Training Outcomes, PY2020-2023

Program	Program Year	Q2 Employment after Exit	Q4 Employment after Exit	Median Earnings	Credential Rate	Measurable Skill Gains
Adult	2020	67.2%	65.2%	\$5,850	71.1%	59.2%
	2021	67.2%	65.2%	\$5,850	71.1%	59.5%
	2022	67.5%	65.0%	\$6,500	69.0%	60.5%
	2023	67.5%	65.0%	\$6,500	69.0%	60.5%
Dislocated Worker	2020	75.3%	72.3%	\$8,646	70.0%	50.0%
	2021	75.3%	72.3%	\$8,646	70.0%	50.5%
	2022	75.0%	72.5%	\$9,500	70.0%	62.0%
	2023	75.0%	72.5%	\$9,500	70.0%	62.0%
Youth	2020	71.3%	67.0%	\$4,500	44.0%	52.8%
	2021	71.3%	67.0%	\$4,500	44.0%	52.3%
	2022	72.0%	70.0%	\$5,044	52.0%	55.0%
	2023	72.0%	70.0%	\$5,044	52.0%	55.0%

Source: Department of Economic Security

### City of Phoenix Title 1B WIOA Recorded Training Outcomes, PY2020-2022

Program	Program Year	Q2 Employment after Exit	Q4 Employment after Exit	Median Earnings	Credential Rate	Measurable Skill Gains
Adult	2020	62.3%	61.1%	\$6,132	69.2%	59.5%
	2021	64.5%	60.1%	\$7,494	65.8%	62.7%
	2022	73.5%	65.4%	\$8,363	71.7%	76.8%
Dislocated Worker	2020	72.8%	77.7%	\$9,788	70.6%	67.1%
	2021	70.1%	74.5%	\$8,612	69.6%	74.1%
	2022	76.6%	67.7%	\$9,834	77.3%	80.3%
Youth	2020	71.1%	73.6%	\$4,938	46.5%	65.5%
	2021	79.2%	76.1%	\$5,899	50.2%	53.2%
	2022	78.0%	78.5%	\$6,034	58.6%	70.6%

Source: Department of Economic Security

The tables above display negotiated and achieved performance for City of Phoenix Title 1B WIOA trainings during the last programmatic four-year plan. The data may be used with the subsequent labor market information to help shift into focus what to improve in the next four-year plan.

# POPULATION

## Population Growth by County, 2017-2022

Area	Population Estimate (2017)	Population Estimate (2022)	Numeric Change (2017-2022)	Annualized Percent Change (2017-2022)
United States	321,004,407	331,097,593	10,093,186	0.6%
Arizona	6,809,946	7,172,282	362,336	1.0%
Apache County	71,602	66,054	-5,548	-1.6%
Cochise County	126,516	125,504	-1,012	-0.2%
Coconino County	138,639	144,705	6,066	0.9%
Gila County	53,145	53,419	274	0.1%
Graham County	37,700	38,453	753	0.4%
Greenlee County	9,368	9,483	115	0.2%
La Paz County	20,477	16,681	-3,796	-4.0%
Maricopa County	4,155,501	4,430,871	275,370	1.3%
Mohave County	204,691	214,229	9,538	0.9%
Navajo County	107,902	107,110	-792	-0.1%
Pima County	1,007,257	1,042,393	35,136	0.7%
Pinal County	405,537	433,338	27,801	1.3%
Santa Cruz County	46,358	47,838	1,480	0.6%
Yavapai County	220,972	237,830	16,858	1.5%
Yuma County	204,281	204,374	93	0.0%

Source: U.S. Census Bureau, American Community Survey, 2022, 5-Year Estimates, Table B01003  
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 had one of the fastest growing populations in the United States from 2021-2022, ranking 5<sup>th</sup> among all U.S. states in numeric growth and 6<sup>th</sup> in percent growth.<sup>2</sup>
- City of Phoenix accounted for ## percent of Arizona's total population growth from 2017 to 2022, constituting ## percent of the state's total population in 2022.
- In 2022, 9.3 percent of individuals who moved to City of Phoenix 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, American Community Survey, 5 Year estimates. (2018-2022). Total Population, Table B01003. Available from [data.census.gov](http://data.census.gov)

<sup>3</sup> U.S. Census Bureau, American Community Survey, 5 Year estimates. (2018-2022). Geographic Mobility by Selected Characters, Table S0701. Available from [data.census.gov](http://data.census.gov)

## Population Characteristics, 2022

Indicator	City of Phoenix	Arizona	United States
Population 16 Years and Over	1,260,316	5,764,417	266,411,973
Civilian Labor Force Participation Rate 16 and Over	68.1%	60.1%	63.0%
Median Household Income	\$72,092	\$72,581	\$75,149
Families in Poverty	10.9%	9.2%	8.8%
Median Age	34.4	38.4	38.5
Individuals with a Disability	11.2%	13.4%	12.9%
Veterans	5.5%	8.4%	6.6%
Uninsured	14.8%	10.8%	8.7%

Source: U.S. Census Bureau, American Community Survey, 2022, 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.

- As a whole, Arizona had a lower labor force participation rate and a lower median household income than the nation.
- Arizona had a higher rate of families in poverty, rate of veterans, and rate of uninsured individuals than the nation.

## Highest Education Achieved, 2022, Population Over 25 Years of Age

Indicator	City of Phoenix	Arizona	United States
Less than High School	8.0%	4.8%	4.7%
High School Graduate (includes equivalency)	23.2%	23.6%	26.4%
Some College, no degree	21.6%	24.2%	19.7%
Associate's Degree	8.0%	9.1%	8.7%
Bachelor's Degree	19.3%	19.6%	20.9%
Graduate or Professional Degree	11.8%	12.2%	13.4%

Source: U.S. Census Bureau, American Community Survey, 2022 5-Year Estimates, Table S1501  
Office of Economic Opportunity

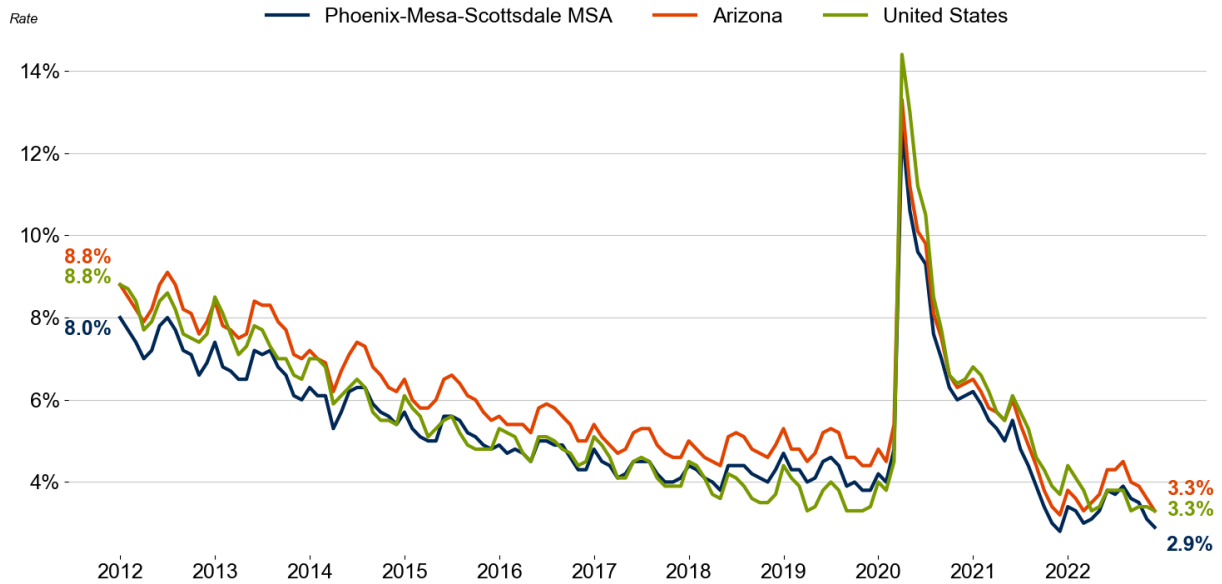
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.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

- When compared with the United States, Arizona has a higher rate of individuals with less than a high school diploma; with some college, no degree; and with an associate's degree.
- In Arizona, 88.3 percent of individuals have a high school diploma (or equivalent) or higher and 31.2 percent of individuals have a bachelor's degree or higher; in the United States, 88.9 percent of individuals have a high school diploma (or equivalent) or higher and 33.7 percent of individuals have a bachelor's degree or higher.

<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

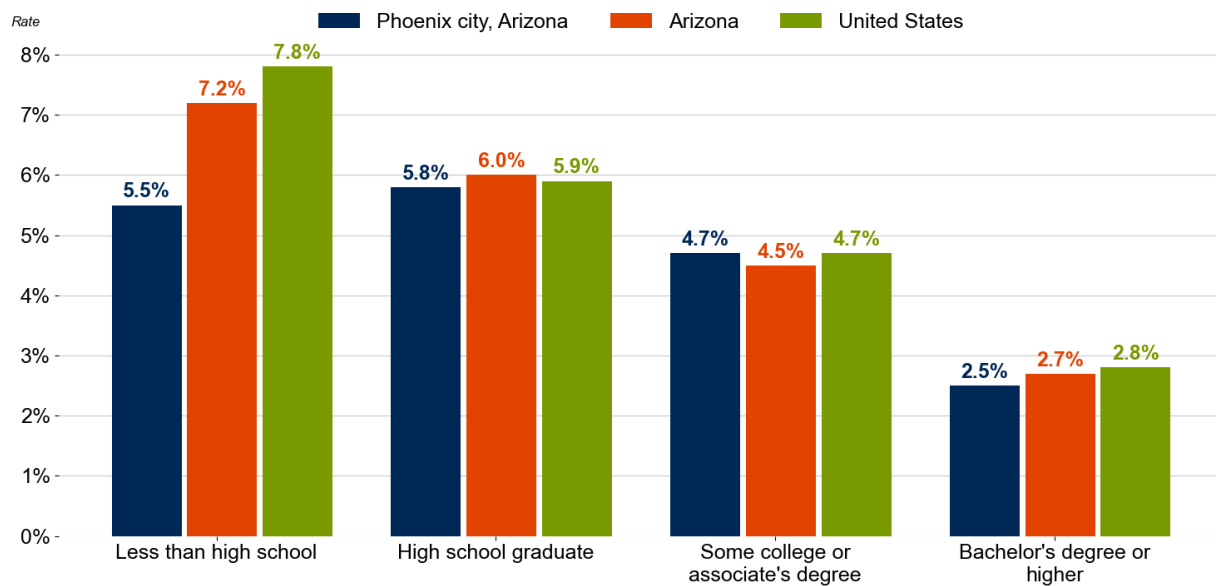
## Unemployment Rate Comparisons, Jan 2012-Dec 2022, Not-Seasonally Adjusted



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

- City of Phoenix's labor force level increased from an annual average of 2,513,869 in 2021 to an annual average of 2,579,911 in 2022.
- In 2021, there was an annual average of 116,596 unemployed individuals in Coconino County. This decreased to 87,210 in 2022.
- Prior to the pandemic (2017-2019), City of Phoenix had an average labor force level of 2,255,828 and an average unemployment level of 97,315 people.
- Throughout 2022, the average unemployment rate in City of Phoenix was 3.4 percent, lower than the average unemployment rate of 4.6 in 2021.

## Unemployment Rate by Educational Attainment, 2022, Ages 25-64



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

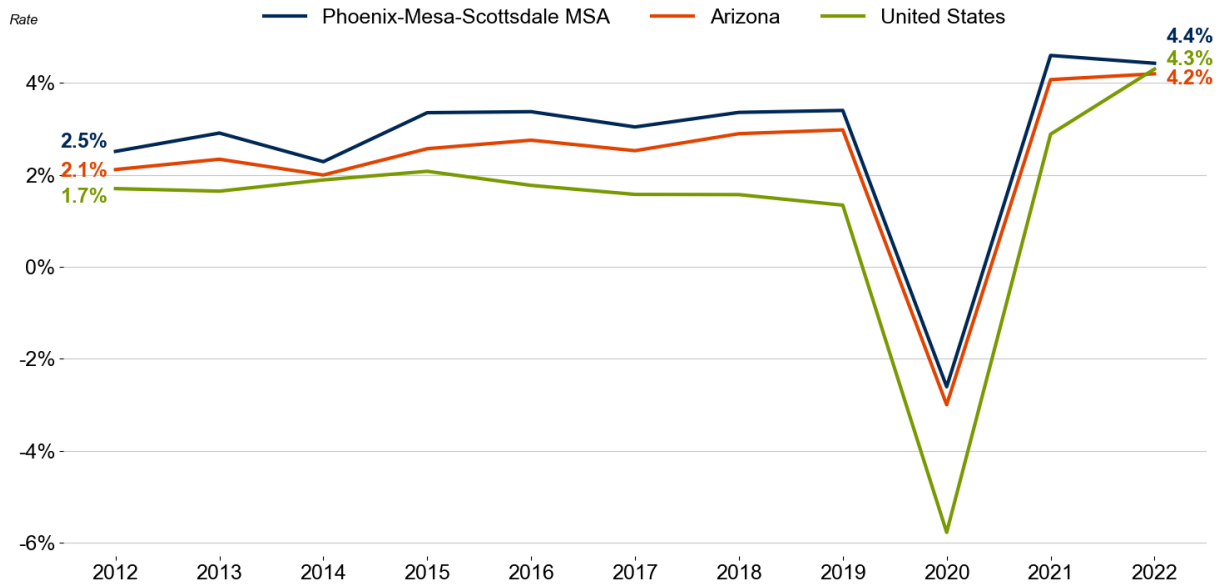
Historically, higher educational attainment levels have been associated with lower levels of unemployment.<sup>5</sup> Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- Except for individuals with a high school diploma (or equivalent), unemployment rates were lower in Arizona than in the United States across all educational levels.

<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

- In general, City of Phoenix's annualized job growth has trended above the state's growth rate.
- City of Phoenix's annual average total nonfarm employment increased by 558,700 jobs from 2012-2022, an annualized increase of 2.8 percent over this ten-year period. Over this same period, Arizona average total nonfarm employment increased by 2.3 percent annually.

## Projected Industry Employment, 2022-2024

Area	Employment (2022)	Projected Employment (2024)	Projected Numeric Growth (2022-2024)	Annualized Percentage Growth (2022-2024)
Arizona	3,241,387	3,332,012	90,625	1.4%
Balance of Maricopa	1,319,941	1,364,125	44,184	1.7%
City of Phoenix	1,008,713	1,037,199	28,486	1.4%
Coconino County	67,976	69,567	1,591	1.2%
Mohave and La Paz Counties	66,918	68,786	1,868	1.4%
Northeastern Arizona	65,296	66,062	766	0.6%
Pima County	411,874	417,883	6,009	0.7%
Pinal County	76,110	78,804	2,694	1.8%
Santa Cruz County	15,351	15,577	226	0.7%
Southeastern Arizona	54,950	56,290	1,340	1.2%
Yavapai County	78,176	79,962	1,786	1.1%
Yuma County	76,034	77,766	1,732	1.1%

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 2022 to 2024.
- Total employment in both City of Phoenix and Arizona is projected to by 1.4 percent annually.

## City of Phoenix Workforce Area Projected Industry Employment, 2022-2024

Industry	Employment (2022)	Projected Employment (2024)	Projected Numeric Growth (2022-2024)	Annualized Percentage Growth (2022-2024)
Manufacturing	56,644	61,994	5,350	4.6%
Information	12,261	12,952	691	2.8%
Trade Transportation and Utilities	163,399	171,367	7,968	2.4%
Leisure and Hospitality	82,908	85,856	2,948	1.8%
Professional and Business Services	203,274	210,493	7,219	1.8%
Natural Resources and Mining	3,470	3,577	107	1.5%
Education and Health Services	182,377	186,907	4,530	1.2%
Other Services	36,235	36,791	556	0.8%
Construction	63,882	64,672	790	0.6%
Government	55,985	56,625	640	0.6%
Financial Activities	92,089	89,712	-2,377	-1.3%

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 City of Phoenix, Manufacturing is projected to record the fastest growth rate, increasing by 4.6 percent annually through 2024.
- Information is projected to record the second fastest growth rate in City of Phoenix.
- In 2024, the industry that employs the most people within City of Phoenix is projected to remain Professional and Business Services.

In addition to the above industry-level labor market information, the Office of Economic Opportunity provides a ranking of in-demand industries within each workforce area by weighing the following variables: current employment level, historic annualized employment percent change, projected employment numeric and percent change, average weekly wages, historic weekly wages percent change, employment location quotient, and wage location quotient. These data are available for download [here](#).

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