

ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

January 8, 2024

ECONOMIC CONDITIONS REPORT

Pima County

FOR FURTHER INFORMATION:

Doug Walls, Labor Market Information Director, 602.771.1258

www.laborstats.az.gov



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

Pima 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	68.0%	67.0%	\$5,693	68.9%	59.2%
	2021	68.0%	67.0%	\$5,693	68.9%	58.2%
	2022	68.5%	65.3%	\$6,785	71.0%	62.0%
	2023	68.5%	65.3%	\$6,785	71.0%	62.0%
Dislocated Worker	2020	75.6%	71.0%	\$7,917	65.9%	50.0%
	2021	75.6%	71.0%	\$7,917	65.9%	55.0%
	2022	77.1%	70.0%	\$8,989	70.0%	63.0%
	2023	77.1%	70.0%	\$8,989	70.0%	63.0%
Youth	2020	68.0%	66.8%	\$4,450	52.0%	52.8%
	2021	68.0%	66.8%	\$4,450	52.0%	52.8%
	2022	72.0%	69.3%	\$5,701	59.0%	59.0%
	2023	72.0%	69.3%	\$5,701	59.0%	59.0%

Source: Department of Economic Security

Pima 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	70.0%	67.1%	\$6,939	75.2%	65.1%
	2021	68.0%	64.7%	\$7,313	69.8%	69.5%
	2022	71.1%	66.0%	\$8,172	72.3%	69.2%
Dislocated Worker	2020	77.6%	72.4%	\$8,247	64.4%	70.9%
	2021	80.1%	71.5%	\$9,967	73.7%	73.3%
	2022	80.4%	79.0%	\$9,000	70.9%	85.5%
Youth	2020	71.5%	70.9%	\$5,701	67.6%	57.4%
	2021	77.9%	77.0%	\$6,300	59.5%	55.5%
	2022	82.1%	80.7%	\$6,466	59.1%	62.3%

Source: Department of Economic Security

The tables above display negotiated and achieved performance for Pima 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 activity¹ and workforce diversity.

- Arizona had one of the fastest growing populations in the United States from 2021-2022, ranking 5th among all U.S. states in numeric growth and 6th in percent growth.²
- Pima County accounted for 9.7 percent of Arizona's total population growth from 2017 to 2022, constituting 14.5 percent of the state's total population in 2022.
- In 2022, 11.0 percent of individuals who moved to Pima County from a different U.S. state were prime-working age adults (25 to 54 years).³

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

² U.S. Census Bureau, American Community Survey, 5 Year estimates. (2018-2022). Total Population, Table B01003. Available from data.census.gov

³ U.S. Census Bureau, American Community Survey, 5 Year estimates. (2018-2022). Geographic Mobility by Selected Characters, Table S0701. Available from data.census.gov

Pima County Population Projections, 2022-2026

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2022	1,072,298	-----	-----	-2,449	16,429
2023	1,079,998	7,700	0.7%	-1,359	8,822
2024	1,087,948	7,950	0.7%	-907.0	8,619
2025	1,095,834	7,886	0.7%	-445.0	8,092
2,026	1,102,227	6,393	0.6%	-598.0	6,991

¹ Natural Change = Births – Deaths

² 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.⁴ 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.
- Pima County is projected to add 29,929 people to its population from 2022-2026.

Population Characteristics, 2022

Indicator	Pima County	Arizona	United States
Population 16 Years and Over	855,402	5,764,417	266,411,973
Civilian Labor Force Participation Rate 16 and Over	57.5%	60.1%	63.0%
Median Household Income	\$64,323	\$72,581	\$75,149
Families in Poverty	10.2%	9.2%	8.8%
Median Age	39.0	38.4	38.5
Individuals with a Disability	15.0%	13.4%	12.9%
Veterans	9.7%	8.4%	6.6%
Uninsured	9.1%	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.

⁴ Kaneda, T. & Bremer, J. (2014). “Understanding Population Projection: Behind the Numbers. Population Reference Bureau”. Retrieved from <https://www.prb.org/united-nations-population-projections/>

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

Indicator	Pima County	Arizona	United States
Less than High School	4.2%	4.8%	4.7%
High School Graduate (includes equivalency)	21.5%	23.6%	26.4%
Some College, no degree	24.2%	24.2%	19.7%
Associate's Degree	8.8%	9.1%	8.7%
Bachelor's Degree	20.0%	19.6%	20.9%
Graduate or Professional Degree	15.0%	12.2%	13.4%

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

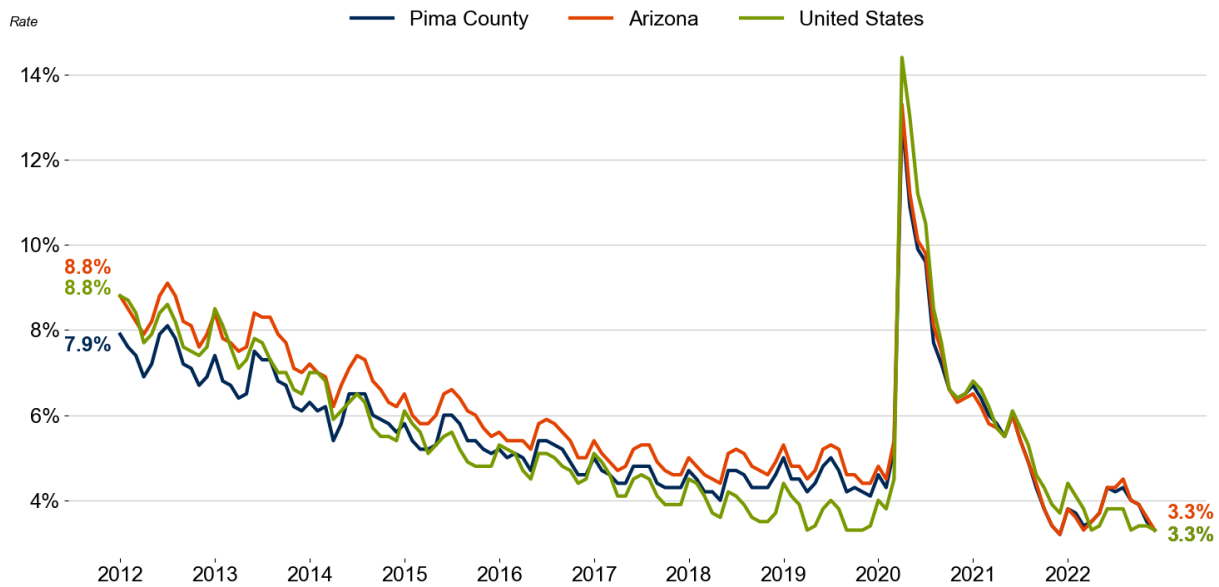
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.⁵

- 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 Pima County, 89.5 percent of individuals have a high school diploma (or equivalent) or higher and 35.0 percent of individuals have a bachelor's degree or higher; in Arizona, 88.7 percent of individuals have a high school diploma (or equivalent) or higher and 31.8 percent of individuals have a bachelor's degree or higher.

⁵ 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

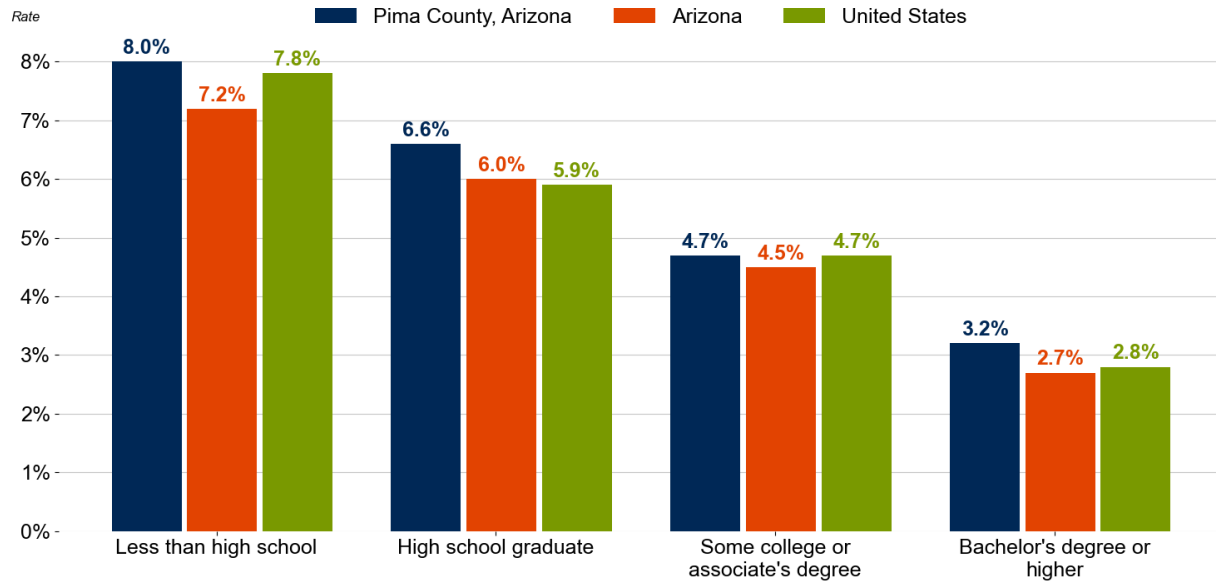
Unemployment Rate Comparisons, Jan 2012-Dec 2022, Not-Seasonally Adjusted



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

- Pima County's labor force level increased from an annual average of 483,156 in 2021 to an annual average of 489,775 in 2022.
- In 2021, there was an annual average of 24,720 unemployed individuals in Coconino County. This decreased to 18,598 in 2022.
- Prior to the pandemic (2017-2019), Pima County had an average labor force level of 464,230 and an average unemployment level of 21,184 people.
- Throughout 2022, the average unemployment rate in Pima County was 3.8 percent, lower than the average unemployment rate of 5.1 in 2021.

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



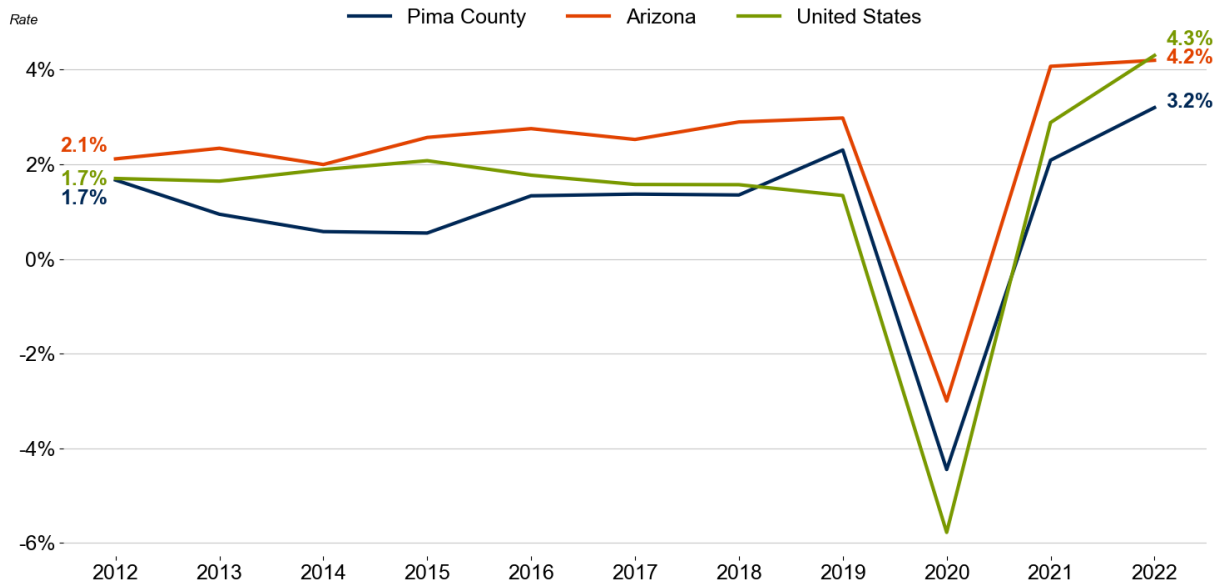
Source: U.S. Census American Community Survey, 2021 5-Year Estimates, Table S2301
Office of Economic Opportunity

Historically, higher educational attainment levels have been associated with lower levels of unemployment.⁶ 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.

⁶ National Center for Educational Statistics. (2019). "Employment and Unemployment Rates by Educational Attainment." Retrieved from 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, Pima County's annualized job growth has trended below the state's growth rate.
- Pima County's annual average total nonfarm employment increased by 34,000 jobs from 2012-2022, an annualized increase of 0.9 percent over this ten-year period. Over this same period, Arizona average total nonfarm employment increased by 2.3 percent annually.

Pima County Private Sector Industry Employment, 2016-2022

Industry	Average Employment (2017)	Average Employment (2022)	Numeric Growth (2017-2022)	Annualized Percentage Growth (2017-2022)
Construction	15,766	21,929	6,163	6.8%
Manufacturing	24,054	27,756	3,702	2.9%
Trade Transportation and Utilities	15,525	17,565	2,040	2.5%
Other Services	11,033	11,894	861.0	1.5%
Financial Activities	8,282	8,747	465.0	1.1%
Education and Health Services	33,530	34,205	675.5	0.4%
Natural Resources and Mining	1,156	1,171	15.0	0.3%
Leisure and Hospitality	22,092	21,469	-623.0	-0.6%
Information	5,269	5,066	-203.0	-0.8%
Professional and Business Services	16,827	15,444	-1,382	-1.7%

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

- Seven of the private-sector industries in Pima County recorded employment growth from 2017 to 2022, resulting in a net increase of 11,714 jobs.
- Of the 10 private-sector industries, Education and Health Services made up the largest share of Pima County's employment in 2022, and Manufacturing made up the second largest.
- Construction experienced the largest numeric growth from 2017 to 2022.

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 Pima County is projected to grow by 0.7 percent annually, below the statewide growth rate of 1.4 percent.

Pima County Workforce Area Projected Industry Employment, 2022-2024

Industry	Employment (2022)	Projected Employment (2024)	Projected Numeric Growth (2022-2024)	Annualized Percentage Growth (2022-2024)
Natural Resources and Mining	3,160	3,297	137	2.1%
Leisure and Hospitality	46,613	48,119	1,506	1.6%
Information	5,513	5,676	163	1.5%
Trade Transportation and Utilities	72,249	73,957	1,708	1.2%
Manufacturing	27,769	28,349	580	1.0%
Professional and Business Services	49,355	50,088	733	0.7%
Other Services	16,852	17,079	227	0.7%
Education and Health Services	101,368	102,652	1,284	0.6%
Government	27,442	27,504	62	0.1%
Construction	20,051	20,043	-8	-0.0%
Financial Activities	18,646	18,526	-120	-0.3%

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 Pima County, Natural Resources and Mining is projected to record the fastest growth rate, increasing by 2.1 percent annually through 2024.
- Leisure and Hospitality is projected to record the second fastest growth rate in Pima County.
- In 2024, the industry that employs the most people within Pima County is projected to remain Education and Health 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](#).

ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

1400 W. Washington | Suite 3300

Phoenix, Arizona 85007

Phone: 602.771.2222

Email: labor.info@oeo.az.gov