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Economic Conditions Report

Maricopa County

FOR FURTHER INFORMATION:

Doug Walls, Labor Market Information Director, 602.771.1258

Sam Briggs, Economist, 602.364.0430

www.laborstats.az.gov

ABOUT THIS REPORT

This report was created to assist Arizona Local Workforce Development Areas in completing their 2020-2024 Local Workforce Development Plans. 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

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

Positive economic and workforce trends in Maricopa County include:

- Population continues to increase, growing 1.9 percent from 2017 to 2018.
- Population is projected to grow by 1.7 percent in 2019 and 1.6 percent in 2020.
- Incomes are on the rise in Maricopa County. Median family income increased from \$62,223 in 2017 to \$65,252 in 2018.
- Labor force participation grew dramatically in 2018, increasing by 84,157 people, or 3.9 percent from 2017 to 2018.
- In 2018, all eleven major industry sectors recorded positive year-over-year employment growth.
- Employment gains were led by Education and Health Services, which grew by 15,300 jobs, and Construction, which grew by 10,500 in 2018.
- Within the Maricopa Workforce Area,¹ total employment is projected to increase by 4.2% annually from Q3 2018 through Q2 2020. Over the same period, City of Phoenix employment is projected to grow by 2.1% annually.

Economic and workforce challenges that occurred in Maricopa County include:

- Maricopa County has a slightly higher population of uninsured (10.8 percent) when compared with Arizona (10.6 percent). Both Maricopa County and Arizona have a higher rate of uninsured when compared with the United States.
- Since 2009, Maricopa County's unemployment rate has trended very closely with Arizona's unemployment rate, though it has trended above the U.S. rate during a majority of this time period.

¹ Maricopa Workforce Area includes Maricopa County excluding the City of Phoenix.

POPULATION

Population Growth by County, 2013-2018

Area	Population Estimate (2013)	Population Estimate (2018)	Numeric Change (2013-2018)	Annualized Percent Change (2013-2018)
Arizona	6,634,999	7,171,646	536,647	1.6%
Apache County	72,341	71,818	-523	-0.1%
Cochise County	129,608	126,770	-2,838	-0.4%
Coconino County	136,713	142,854	6,141	0.9%
Gila County	53,022	53,889	867	0.3%
Graham County	37,454	38,072	618	0.3%
Greenlee County	8,908	9,483	575	1.3%
La Paz County	20,532	21,098	566	0.5%
Maricopa County	4,019,019	4,410,824	391,805	1.9%
Mohave County	203,158	209,550	6,392	0.6%
Navajo County	107,145	110,445	3,300	0.6%
Pima County	997,437	1,039,073	41,636	0.8%
Pinal County	385,656	447,138	61,482	3.0%
Santa Cruz County	46,991	46,511	-480	-0.2%
Yavapai County	214,426	231,993	17,567	1.6%
Yuma County	202,589	212,128	9,539	0.9%
United States	316,057,727	327,167,434	11,109,707	0.7%

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 activity² and workforce diversity.

- Arizona had one of the fastest growing populations in the United States from 2013-2017, ranking 9th among all U.S. states
- Maricopa, Pima, and Pinal counties represented 88 percent of Arizona's total population growth from 2013 to 2017.
- Maricopa County represented 66 percent of Arizona's total population growth from 2017 to 2018.
- Maricopa County experienced the second largest percentage change in the state, growing by 1.9 percent from 2017 to 2018.
- From 2013-2017, 728,816 individuals moved to Maricopa County from a different U.S. state. Of those, 43 percent were prime-working age adults (25 to 54 years)³.
- In 2018, Maricopa County represented 62 percent of Arizona's total population, increasing from 61 percent in 2017.

² 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

³ U.S. Census Bureau, American Community Survey, 5 Year estimates. (2013-2017). Geographic Mobility by Selected Characters, Table S0701. Available from data.census.gov.

Maricopa County Population Projections, 2018

Year	Population Estimate (2018)	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2018	4,294,460	-----	-----	19,941	52,835
2019	4,366,583	72,123	1.7%	20,065	50,970
2020	4,436,908	70,325	1.6%	20,069	49,105
2021	4,506,505	69,597	1.6%	20,052	48,329
2022	4,575,603	69,098	1.5%	20,033	47,780

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 406,032 people to its population from 2019-2022, growing by an annualized rate of 1.0 percent.
- Maricopa County population is projected to add 276,402 people to its population from 2019-2022, representing 68 percent of total projected population growth for the state.
- A majority of Maricopa County's population growth, roughly 71 percent, is projected to come from people migrating into the county from other Arizona counties, U.S. states or foreign countries.

Population Characteristics, 2018

Indicator	Maricopa County	Arizona	United States
Population 16 and Over	3,478,309	5,714,007	262,185,951
Civilian Labor Force Participation Rate 16 and Over	65%	59%	63%
Median Household Income	\$65,252	\$59,246	\$61,937
Families in Poverty	9%	10%	9%
Median Age	36.6	38.0	38.2
Individuals 16 and Over with a Disability	11%	13%	13%
Veterans	8%	9%	7%
Uninsured	11%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2018 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

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/>

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 was higher in Maricopa County than in Arizona or the United States.
- Median age was substantially lower in Maricopa County than in Arizona or the United States.
- Individuals with disabilities represented a smaller share of total population in Maricopa County than in Arizona or the United States.
- The veteran population represented a smaller share of total population in Maricopa County than in Arizona, but represented a larger share of total population when compared with the United States.
- The rate of uninsured people in Maricopa County was slightly higher than in Arizona, and nearly 2 percentage points higher than the United States.
- The labor force participation rate was substantially higher in Maricopa County than in Arizona and modestly higher when compared with the United States.
- Maricopa County's households in poverty was the same as the national rate, but lower than Arizona's poverty rate.

Maricopa County Public Assistance Households, 2018

Indicator	Maricopa County	Arizona	United States
TANF (Temporary Assistance for Needy Families)	2%	2%	2%
Food Stamps/SNAP	9%	11%	12%
SSI (Supplemental Security Income)	4%	5%	5%
Medicaid/AHCCCS Individuals	15%	17%	15%

NOTE: TANF, SSI, and SNAP proportions are based on households, Medicaid/AHCCCS proportions are based on individuals.
 Source: U.S. Census Bureau, American Community Survey, 2018 1-Year Estimates
 Office of Economic Opportunity

- Maricopa County had a similar or lower rate of public assistance utilization as Arizona and the United States.
- A smaller percentage of residents received SNAP benefits in Maricopa County than in Arizona or the United States.

Highest Education Level Achieved, 2018, Population 25 and Older

Indicator	Maricopa County	Arizona	United States
Less than High School	12%	13%	12%
High School Graduate (includes equivalency)	22%	24%	27%
Some College, no degree	24%	25%	20%
Associate's Degree	9%	9%	9%
Bachelor's Degree	21%	19%	20%
Graduate or Professional Degree	12%	11%	13%

Source: U.S. Census Bureau, American Community Survey, 2018 1-Year Estimates
Office of Economic Opportunity

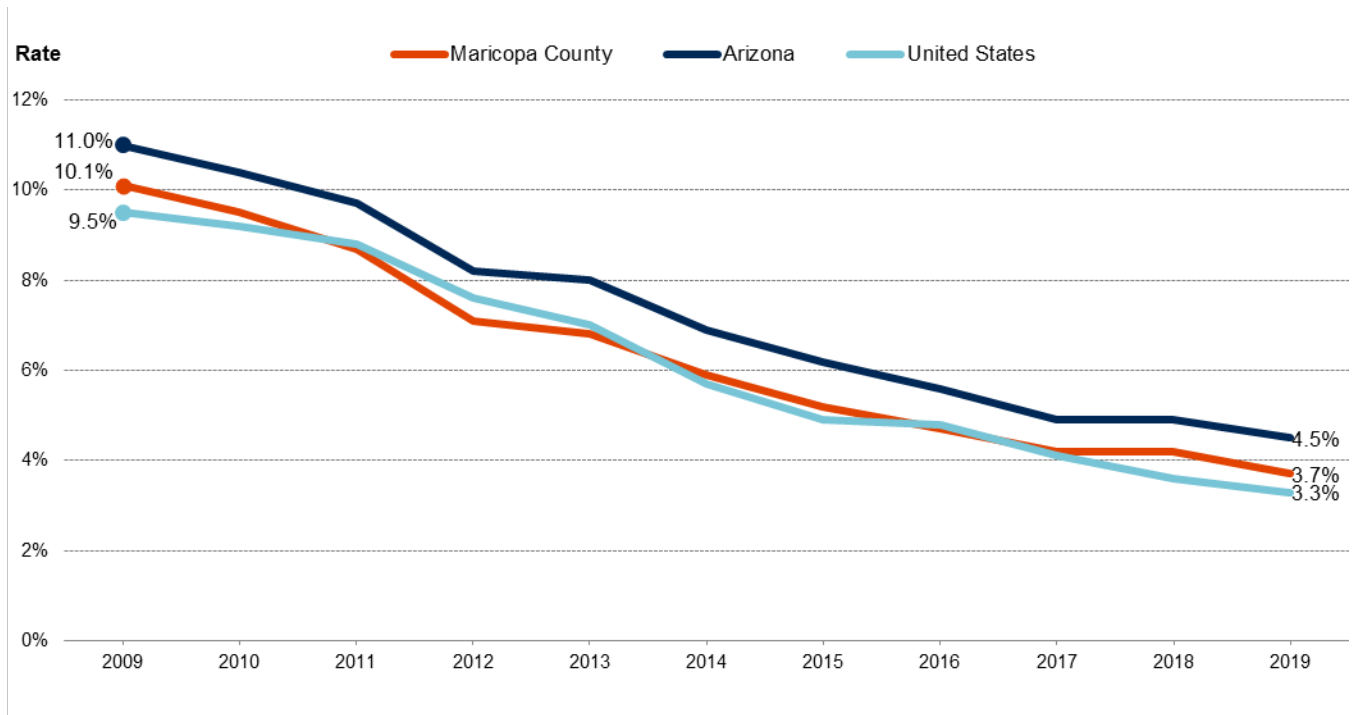
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.⁵

- People with a bachelor's degree represented a larger share of total population in Maricopa County than they do in Arizona or the United States.
- A third of Maricopa County residents had a bachelor's degree or graduate or professional degree, similar to the United States.
- The overall number of people with a bachelor's degree or higher has increased over the past five years.
- Eighty-eight percent of all Maricopa County residents 25 and older have graduated high school, the same as the statewide rate.

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

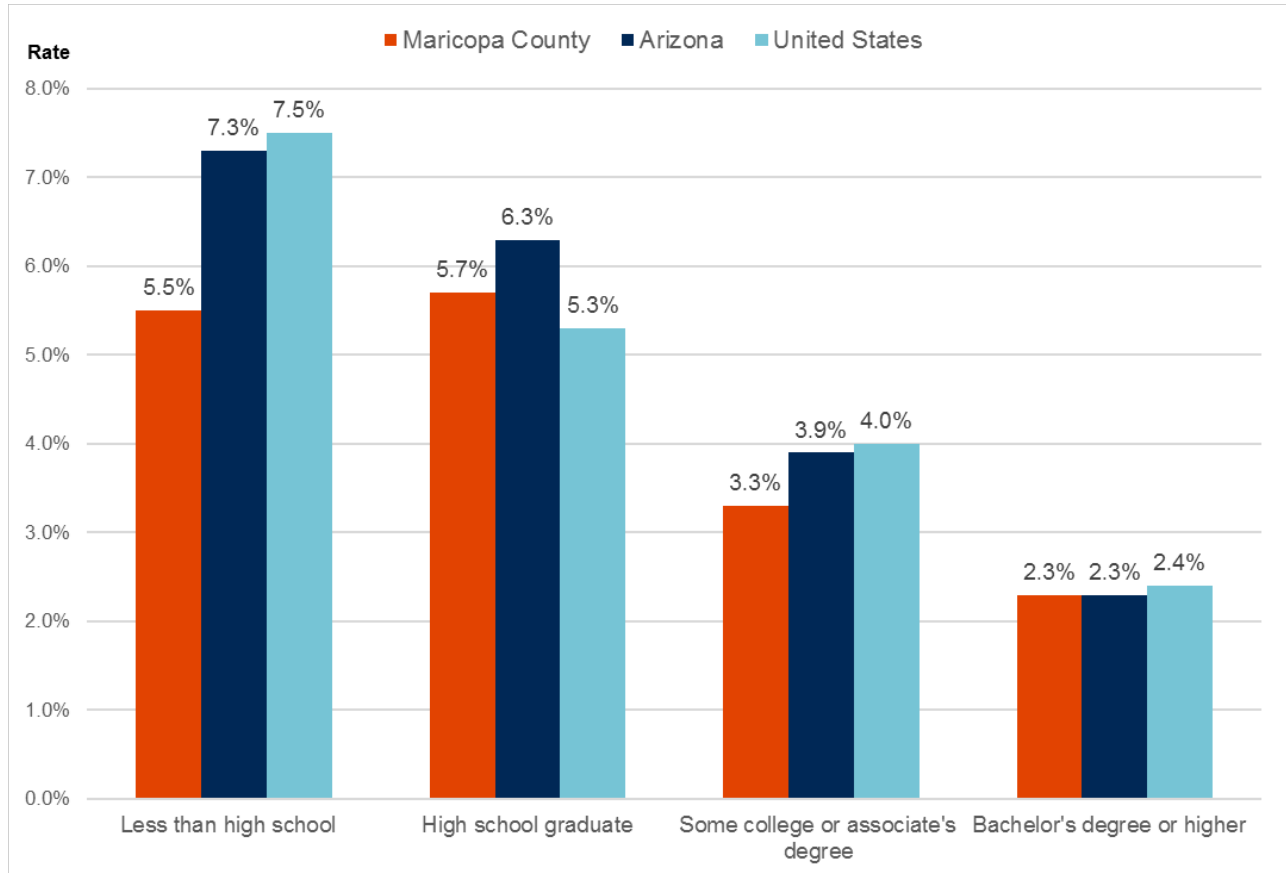
Unemployment Rate Comparisons, Sept. 2009-Sept. 2019, Not-Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics
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- Maricopa County's unemployment rate for the past 10 years has trended closely with the national and statewide rates.
- Over the past ten years, Maricopa County's unemployment rate has not differed more than 1.5 percent from the nation's unemployment rate.

Unemployment Rate by Educational Attainment, 2018, Ages 25-64



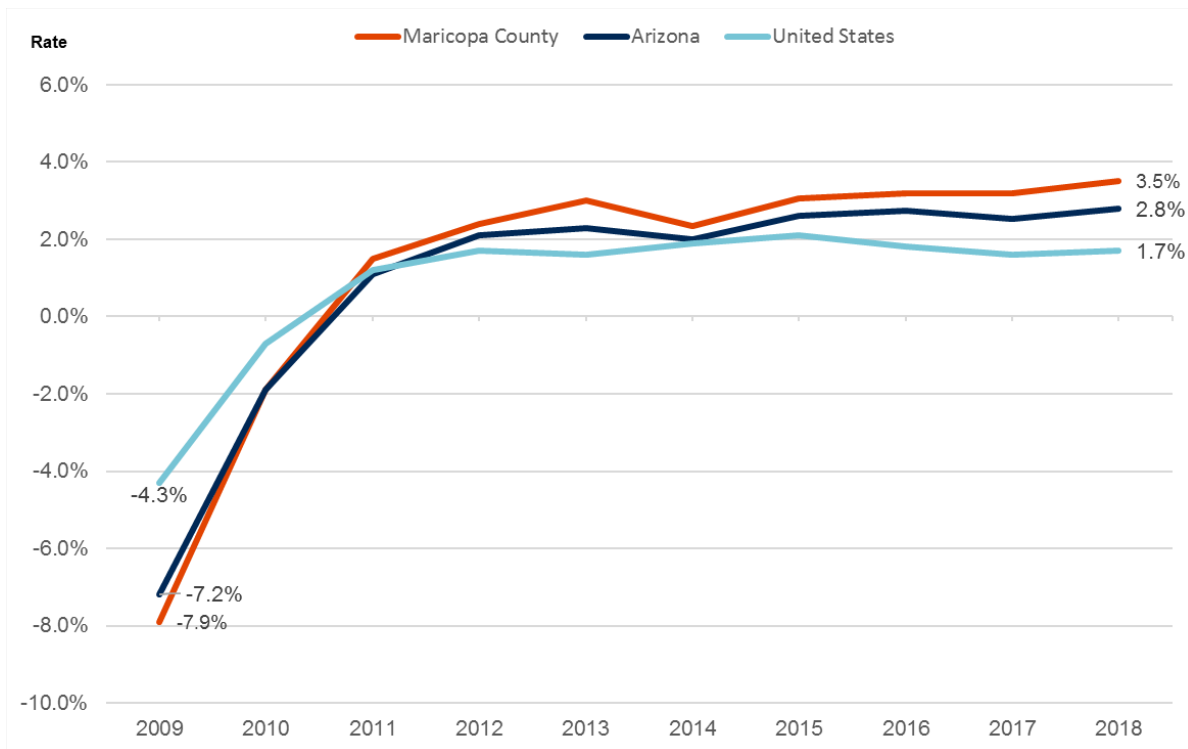
Source: U.S. Census American Community Survey, 2018 1-Year Estimates
Office of Economic Opportunity

Historically, the higher one's education level, the less likely one is to be unemployed.⁶ Knowing the percentage of people unemployed by education level within a local area can help determine which education levels are most in need of targeted workforce development.

- Unemployment rates across all educational attainment levels were lower for Maricopa County than for the state as a whole.
- The unemployment rate for individuals with less than a high school diploma was dramatically lower within Maricopa County (5.5 percent) compared with Arizona (7 percent) or the United States (7.5 percent).
- The unemployment rate in Maricopa County for someone with a bachelor's degree or higher is 2.3 percent, similar to the national rate.

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

Nonfarm Employment Year-Over-Year Percentage Change, 2009-2018, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics
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- Average total nonfarm employment increased 369,800 jobs from 2009 to 2018, an annualized increase of 2.2 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 1.8 percent.
- Maricopa County employment growth has outpaced Arizona and U.S. monthly employment growth for a majority of time since the end of the Great Recession (2010).

Maricopa County Private Sector Industry Employment, 2013-2018

Industry	Employment (2013)	Employment (2018)	Numeric Growth (2013-2018)	Annualized Percentage Growth (2013-2018)
Construction	93,307	125,236	31,929	6.1%
Education and Health Services	257,270	321,710	64,440	4.6%
Financial Activities	152,237	185,536	33,299	4.0%
Information	32,003	37,504	5,501	3.2%
Leisure and Hospitality	189,953	224,123	34,170	3.4%
Manufacturing	113,652	124,575	10,923	1.9%
Natural Resources and Mining	7,963	7,973	10	0.0%
Other Services	47,940	54,629	6,689	2.6%
Professional and Business Services	301,006	347,962	46,956	2.9%
Trade Transportation and Utilities	354,827	403,932	49,105	2.6%

NOTE: Employment reflects 4th quarter levels.

Source: Quarterly Census of Employment and Wages

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- All ten private-sector industries recorded positive employment growth from 2013 to 2018, gaining a total of 283,022 jobs over this time period.
- Employment growth was led by Construction (6.1 percent) and Education and Health Services (4.6 percent)
- Of the ten private sector industries, Trade, Transportation, and Utilities made up the largest share of employment, and Professional and Business Services made up the second largest.
- From 2013 to 2018, Education and Health Services had the largest increase in employment share, followed by Construction.

Projected Area Employment, 2018-2020

Area	Projected Employment (2018)	Projected Employment (2020)	Projected Numeric Growth (2018-2020)	Annualized Percentage Growth (2018-2020)
Arizona	3,015,242	3,180,933	165,691	2.7%
City of Phoenix	984,294	1,025,152	40,858	2.1%
Maricopa Workforce Area*	1,149,559	1,247,158	97,599	4.2%
Coconino County	70,609	72,920	2,311	1.6%
Mohave and La Paz	62,236	65,596	2,311	2.7%
Northeastern Arizona	65,904	67,190	1,286	1.0%
Pima County	398,986	410,891	11,905	1.5%
Pinal County	67,567	69,560	1,993	1.5%
Santa Cruz County	15,145	15,246	101	0.3%
Southeastern Arizona	61,057	61,638	581	0.5%
Yavapai County	71,809	75,770	3,961	2.7%
Yuma County	67,951	69,817	1,866	1.4%

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 2018 to 2020, but the Maricopa Workforce Area is projected to have the highest growth.

Maricopa Workforce Area* Projected Industry Employment, 2018-2020

Industry	Projected Employment (2018)	Projected Employment (2020)	Projected Numeric Growth (2018-2020)	Annualized Percentage Growth (2018-2020)
Construction	67,711	78,133	10,422	7.4%
Education and Health Services	238,256	260,971	22,715	4.7%
Financial Activities	90,394	97,903	7,509	4.1%
Government	20,758	21,020	262	0.6%
Information	24,124	25,508	1,384	2.8%
Leisure and Hospitality	143,278	152,942	9,664	3.3%
Manufacturing	75,146	82,405	7,259	4.7%
Natural Resources and Mining	7,500	7,447	-53	-0.4%
Other Services	36,014	38,001	1,987	2.7%
Professional and Business Services	164,590	184,757	20,167	5.9%
Trade Transportation and Utilities	215,500	228,076	12,576	2.9%

NOTE: *Maricopa Workforce Area includes Maricopa County excluding the City of Phoenix.

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 Maricopa County, Construction is projected to record the largest growth rates, increasing 7.4 percent through 2020.
- Professional and Business Services is projected to grow by 5.9 percent in Maricopa County.
- Education and Health Services is projected to remain the industry that employs the most people through 2020.

ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

110 North 7th Avenue | Suite 400
Phoenix, Arizona 85007

Phone: 602.771.2222

Email: Laborinfo@oeo.az.gov