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# Economic Conditions Report

## Pinal County

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**FOR FURTHER INFORMATION:**

**Doug Walls**, Labor Market Information Director, 602.771.1258

**Sam Briggs**, Economist, 602.364.0430

[www.laborstats.az.gov](http://www.laborstats.az.gov)

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## **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 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.

- Population continues to increase, growing 3.5 percent from 2017 to 2018.
- Population is projected to grow by 2.9 percent in 2019 and 2.8 percent in 2020.
- Incomes rose dramatically in Pinal County. Median family income increased from \$52,788 in 2017 to \$58,058 in 2018.
- Labor force participation grew in 2018, increasing by 6,408 people, or 3.7 percent from 2017.
- In 2018, seven out of ten major industry sectors recorded positive year-over-year employment growth.
- In 2018, employment gains were led by Professional and Business Services, which grew by 700 jobs or 11.3 percent.
- Pinal County's total employment is projected to increase by 1.5 percent annually from Q3 2018 through Q2 2020.

Economic and workforce challenges also occurred within Pinal County.

- The unemployment rate in Pinal County was higher than the statewide unemployment rate in 2018.
- In 2018, two of ten major industry sectors (Other Services and Leisure & Hospitality) reported year-over-year employment declines.
- An above average share of Pinal County residents (14 percent) have less than a high school diploma when compared with Arizona (13 percent) and the United States (12 percent).

# 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%
<b>Pinal County</b>	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, 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 activity<sup>1</sup> and workforce diversity.

- Arizona had one of the fastest growing populations in the U.S. from 2013-2017, ranking 9<sup>th</sup> among all U.S. states
- Maricopa, Pima, and Pinal counties represented 88 percent of Arizona's total population growth from 2017 to 2018.
- Pinal County represented 12 percent of Arizona's total population growth from 2017 to 2018, growing by 15,024 people within this period.
- Pinal County experienced the second largest numeric growth in the state, growing by 61,482 people from 2013 to 2018.
- From 2013 to 2017, 35 percent of individuals who moved to Pinal County from another state were prime-working age adults (25 to 54 years)<sup>2</sup>.
- In 2017 and 2018, Pinal County represented 6 percent of Arizona's total population.

<sup>1</sup> 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.

<sup>2</sup> U.S. Census Bureau, American Community Survey, Table s0701, 1-Year Estimates

## Pinal County Population Projections, 2018

Year	Population Estimate (2018)	Projected Numeric Change	Projected Percentage Change	Projected Natural Change <sup>1</sup>	Projected Total Net Migration <sup>2</sup>
2018	440,591	-----	-----	1,304	11,684
2019	453,414	12,823	2.9%	1,275	11,548
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

<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, Population Projections Medium Series

Population projections provide useful insight into an area's future demand for resources and services.<sup>3</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 is projected to add 406,032 people to its population from 2019-2022, growing by an annualized rate of 1.0 percent.
- Pinal County population is projected to add 51,963 people to its population from 2019-2022, representing 13% of total projected population growth for the state.
- A majority of Pinal County's population growth (89 percent) is projected to come from people migrating into the county from other Arizona counties, other states, or foreign countries.

## Population Characteristics, 2018

Indicator	Pinal County	Arizona	United States
Population 16 and Over	356,563	5,714,007	262,185,951
Civilian Labor Force Participation Rate 16 and Over	49%	59%	63%
Median Household Income	\$59,058	\$59,246	\$61,937
Households in Poverty	9%	10%	9%
Median Age	39.8	38.0	38.2
Individuals 16 and Over with a Disability	16%	13%	13%
Veterans	11%	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 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.

<sup>3</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/>

- Median household income in Pinal County was lower than Arizona and the United States. However, median family income grew dramatically in 2018, increasing to \$58,058 from \$52,788 in 2017.
- Median age was higher in Pinal County than in Arizona or the United States.
- Individuals with disabilities represented a larger share of total population in Pinal County than in Arizona or the United States.
- Veterans represented a larger share of total population in Pinal County than the United States as a whole.
- The labor force participation rate was considerably lower in Pinal County when compared with the United States and Arizona.

### Pinal County Public Assistance Households, 2018

Indicator	Pinal County	Arizona	United States
TANF (Temporary Assistance for Needy Families)	1%	2%	2%
Food Stamps/SNAP	11%	11%	12%
SSI (Supplemental Security Income)	4%	5%	5%
Medicaid/AHCCCS Individuals	16%	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

- With the exception of the SNAP program, Pinal County used public assistance programs at a lower rate when compared with the state.
- Medicaid/AHCCCS was the only public assistance program where Pinal County had a usage rate higher than the United States.

### Highest Education Level Achieved, 2018, Population over 25 years of age

Indicator	Pinal County	Arizona	United States
Less than High School	14%	13%	12%
High School Graduate (includes equivalency)	29%	24%	27%
Some College, no degree	27%	25%	20%
Associate's Degree	11%	9%	9%
Bachelor's Degree	12%	19%	20%
Graduate or Professional Degree	7%	11%	13%

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

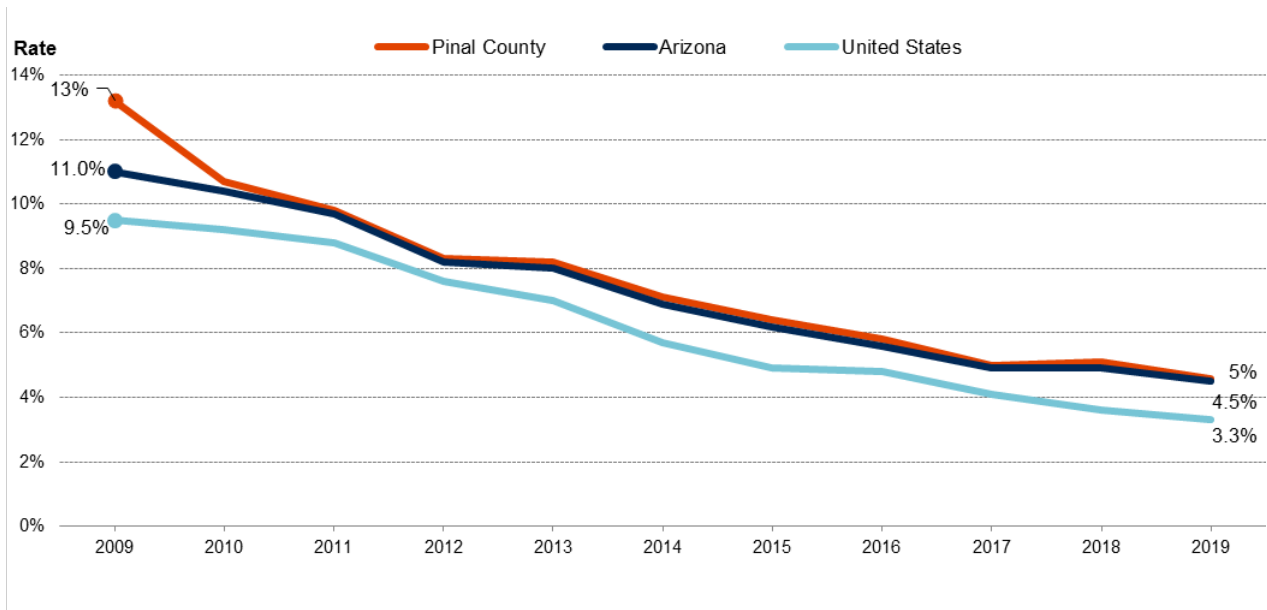
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job

success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.<sup>4</sup>

- Pinal County had a substantially higher rate of residents attending college, but not completing a degree when compared with Arizona and the United States.
- 19.7 percent of Pinal County residents had a bachelor's degree or graduate or professional degree, lower than the statewide rate of 29.7 percent.
- 86.5 percent of all Pinal County residents 25 and older have graduated high school, lower than the statewide rate.

## WORKFORCE

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

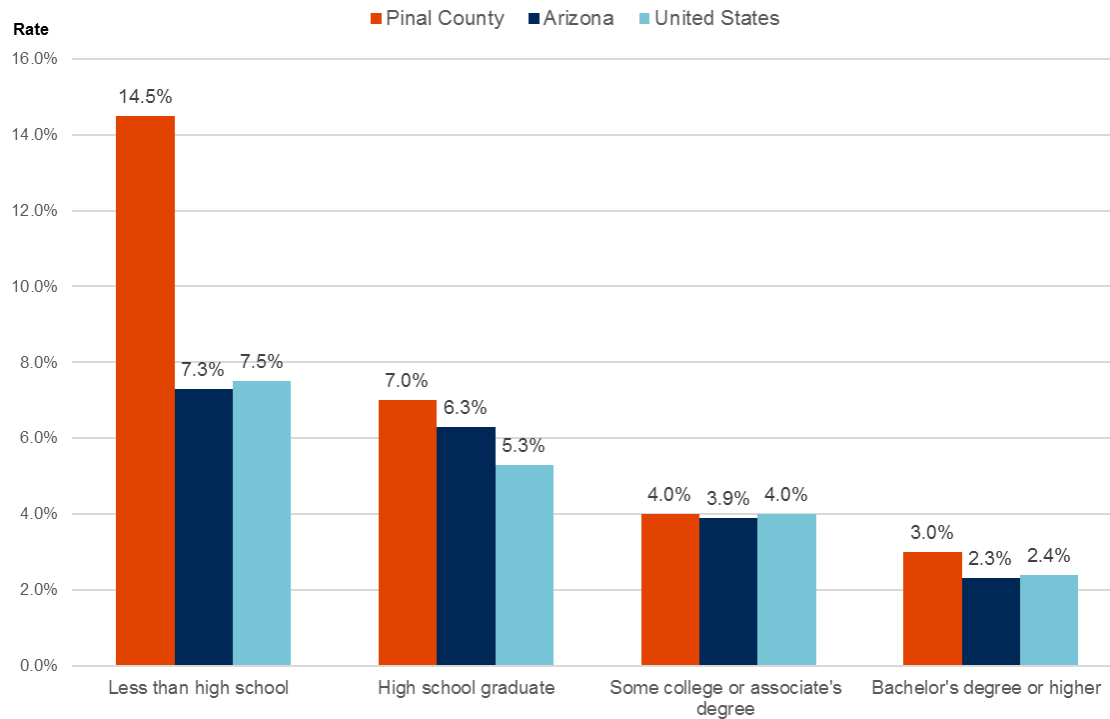


Source: U.S. Bureau of Labor Statistics  
Office of Economic Opportunity

- Since 2010, Pinal County's unemployment rate has trended closely with the statewide unemployment rate.
- County unemployment rates around the state have begun to flatten, primarily due to large increases in labor force participation. This trend is also occurring within Pinal County as labor force levels increased from an average of 171,808 people in 2017 to 178,216 people in 2018, an increase of 6,408 people.
- In 2018, there was an average of 8,952 unemployed individuals in Pinal County.

<sup>4</sup> "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>.

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



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

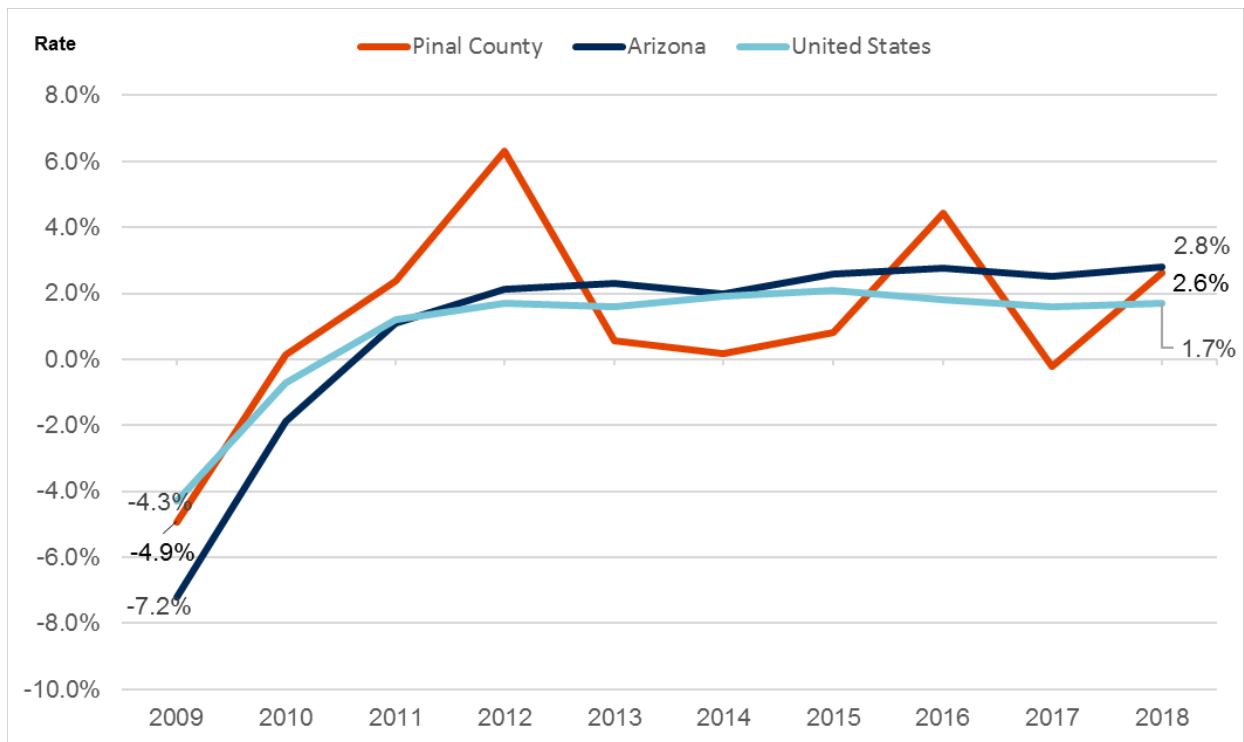
Historically, higher educational attainment levels lead to lower levels of unemployment.<sup>5</sup> Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- Unemployment rates across all educational attainment levels were higher in Pinal County when compared with Arizona.
- The unemployment rate for individuals with less than a high school diploma was nearly double the unemployment rate statewide.
- The unemployment rate in Pinal County for someone with a bachelor's degree or higher is 3.0 percent, higher than the rate in Arizona or the United States.

<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)



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



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

- Pinal County total nonfarm employment increased by 9,400 jobs from 2009 to 2018, an annualized increase of 1.9 percent over this nine-year period. Over this same period, Arizona average total nonfarm employment increased by 1.8 percent annually.
- In 2018, employment grew by 2.8%, rebounding from small employment losses recorded in 2017.

## Pinal County Private Sector Industry Employment, Annual Averages

Industry	Employment (2013)	Employment (2018)	Numeric Growth (2013-2018)	Annualized Percentage Growth (2013-2018)
Construction	1,602	1,971	369	4.2%
Education and Health Services	5,478	6,227	749	2.6%
Financial Activities	1,351	1,412	61	0.9%
Information	627	584	-43	-1.4%
Leisure and Hospitality	4,841	5,885	1,044	4.0%
Manufacturing	3,339	3,943	604	3.4%
Natural Resources and Mining	4,142	3,776	-366	-1.8%
Other Services	1,312	1,468	156	2.3%
Professional and Business Services	5,517	6,813	1,296	4.3%
Trade Transportation and Utilities	8,967	10,674	1,707	3.5%

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 2013 to 2018, gaining a total of 5,986 jobs.
- Employment growth was led by Professional and Business Services (4.3 percent) and Construction (4.2 percent).
- Of the ten private sector industries, Trade, Transportation, and Utilities made up the largest share of employment in 2018, while Professional and Business Services made up the second largest share.
- From 2013 to 2018, Professional and Business Services had the largest increase in employment share, followed by Trade, Transportation and Utilities.

## Projected Industry 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	4.2%
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	1.6%
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 2018-2020.

### **Pinal Workforce Area Projected Industry Employment; 2018-2020**

<b>Industry</b>	<b>Projected Employment (2018)</b>	<b>Projected Employment (2020)</b>	<b>Projected Numeric Growth (2018-2020)</b>	<b>Annualized Percentage Growth (2018-2020)</b>
Construction	2,093	2,262	169	4.0%
Education and Health Services	14,023	14,492	469	1.7%
Financial Activities	1,446	1,435	-11	-0.4%
Government	9,988	10,288	300	1.5%
Information	695	704	9	0.6%
Leisure and Hospitality	7,114	7,285	171	1.2%
Manufacturing	3,768	3,901	133	1.7%
Natural Resources and Mining	4822	4,873	51	0.5%
Other Services	1,902	1,857	-45	-1.2%
Professional and Business Services	7,028	7,540	512	3.6%
Trade Transportation and Utilities	10,879	10,904	25	0.1%

*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, Construction is projected to record the largest growth rates, increasing by 4.0 percent annually by 2020.
- Professional and Business Services is projected to record the second fastest growth rate in Pinal County.
- In 2020, Education and Health Services is projected to remain the largest industry in Pinal County.

# ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

100 North 7<sup>th</sup> Avenue | Suite 400  
Phoenix, Arizona 85007

**Phone:** 602.771.2222

**Email:** [Laborinfo@oeo.az.gov](mailto:Laborinfo@oeo.az.gov)