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Economic Conditions Report

Cochise, Greenlee, and Graham Counties

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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 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

Southeastern Arizona is comprised of Cochise, Graham, and Greenlee County. The area's economy includes a wide range of industries offering opportunities for individuals seeking employment of all types.

Several positive economic and workforce trends were recorded in Southeastern Arizona including:

- Labor force participation grew in 2018, increasing by 1,131 people from 2017.
- In 2018, nine of the ten major industry sectors recorded positive year-over-year employment growth.
- From 2017 to 2018 private sector employment gains in Southeastern Arizona were led by Construction, which grew by 255 jobs or 6.6 percent, and Professional and Business Services, which grew by 198 jobs or 2.6 percent.
- Two of the three counties in Southeastern Arizona (Graham and Greenlee) had employment growth from 2009 to 2018.
- Within Southeastern Arizona, total employment is projected to increase by 0.5 percent annually from Q3 2018 through Q2 2020.
- From 2017 to 2018, the median household incomes increased in Graham and Cochise County increased.
- Two of the three counties in Southeastern Arizona (Graham and Greenlee) are projected to have population growth from 2019 to 2022.

Other less favorable economic and workforce challenges were recorded in Southeastern Arizona including:

- In 2018, one of the ten major sectors did not report any year-over-year growth (Education and Health Services).
- Cochise County and Graham County had higher rates of families in poverty when compared with the state.
- Southeastern Arizona experienced negative population growth from 2013 to 2018.

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
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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 2013-2017, ranking 9th among all U.S. states
- In 2018, Southeastern Arizona represented 2.4 percent of Arizona's total population, a decrease from 2.7 in 2013.
- From 2013 to 2018, Southeastern Arizona experienced negative growth, decreasing by 1,645 people. Most of this decline was due to Cochise County, which declined by 2,838 people within this time period.

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

Population projections provide useful insight into an area’s future demand for resources and services. 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.

Cochise County Population Projections, 2018

Year	Population Estimate	Projected Numeric Change ³	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2018	130,319	-----	-----	-52	1,988
2019	131,280	961	0.7%	-62	1,034
2020	131,277	-2	0.0%	-82	79
2021	131,264	-13	0.0%	-84	72
2022	131,245	-20	0.0%	-89	69

- Cochise County’s population growth is projected to be negative from 2020 and onward.
- Cochise County is projected to have negative natural change, with all population growth coming from people moving to Cochise County.

¹ Natural Change = Births – Deaths

² Net Migration = (Domestic In Migration – Domestic Out Migration) + (Foreign In Migration – Out Migration)

³ Numbers are rounded to the nearest whole number

Source: Office of Economic Opportunity, Population Projections Medium Series

Greenlee County Population Projections, 2018

Year	Population Estimate	Projected Numeric Change ³	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2018	10,506	-----	-----	68	-523
2019	10,582	76	0.7%	71	5
2020	10,657	75	0.7%	70	5
2021	10,732	75	0.7%	70	5
2022	10,807	74	0.7%	69	6

¹ Natural Change = Births – Deaths

² Net Migration = (Domestic In Migration – Domestic Out Migration) + (Foreign In Migration – Out Migration)

³ Numbers are rounded to the nearest whole number

Source: Office of Economic Opportunity, Population Projections Medium Series

- Nearly all of Greenlee County’s population growth is expected to come from natural change, rather than people moving to the county from other areas.

Graham County Population Projections, 2018

Year	Population Estimate	Projected Numeric Change ³	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2018	38,126	-----	-----	191	-340
2019	38,253	127	0.3%	199	-94
2020	38,614	361	0.9%	206	152
2021	38,969	356	0.9%	207	150
2022	39,324	355	0.9%	207	149

¹ Natural Change = Births – Deaths

² Net Migration = (Domestic In Migration – Domestic Out Migration) + (Foreign In Migration – Out Migration)

³ Numbers are rounded to the nearest whole number

Source: Office of Economic Opportunity, Population Projections Medium Series

- Graham County is projected to grow 1,198 people from 2019 to 2022.
- 68 percent of Graham County's total population from 2019 to 2022 is projected to come from natural change.

Population Characteristics, 2018

Indicator	Cochise	Graham	Greenlee	Arizona	United States
Population 16 and Over	101,377	28,750	7,125	5,498,826	257,754,872
Civilian Labor Force Participation Rate 16 and Over	46%	49%	58%	60%	63%
Median Household Income	\$48,649	\$51,352	\$60,962	\$56,213	\$60,293
Families in Poverty	13%	16%	9%	12%	10%
Median Age	40.6	33.3	34.2	37.4	37.9
Individuals 16 and Over with a Disability	17%	13%	13%	13%	13%
Veterans	19%	8%	9%	9%	8%
Uninsured	8%	9%	7%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2018 5-Year Estimates
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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.

- Cochise and Graham had substantially lower labor force participation rates when compared with Arizona.
- Cochise and Graham counties had a median income below Arizona. However, from 2017 to

2018, Cochise County's median household income increased from \$47,847 to \$48,649. Graham County's median household also increased, rising from \$48,173 to \$51,352 in 2018.

- Cochise County's rate of veterans is more than double the statewide rate.

Public Assistance Households, 2018

Indicator	Cochise	Graham	Greenlee	Arizona	United States
TANF (Temporary Assistance for Needy Families)	4%	2%	2%	2%	3%
Food Stamps/SNAP	16%	17%	8%	12%	12%
SSI (Supplemental Security Income)	5%	6%	6%	4%	5%
Medicaid/AHCCCS Individuals	18%	24%	14%	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 5-Year Estimates

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- Cochise and Graham County had dramatically higher rates of SNAP utilization when compared with the state and the nation.
- Nearly a quarter of Graham resident are on AHCCCS, substantially higher than the statewide rate.
- Greenlee County has lower SNAP and AHCCCS utilization than the state and the rest of Southeastern Arizona.

Highest Educational Achieved, 2018, Population 25 and Older

Indicator	Cochise	Greenlee	Graham	Arizona	United States
Less than High School	13%	11%	14%	13%	12%
High School Graduate (includes equivalency)	24%	36%	30%	24%	27%
Some College, no degree	29%	31%	30%	25%	21%
Associate's Degree	12%	10%	10%	9%	8%
Bachelor's Degree	14%	9%	10%	18%	19%
Graduate or Professional	9%	3%	6%	11%	12%

Source: U.S. Census Bureau, American Community Survey, 2018 5-Year Estimates

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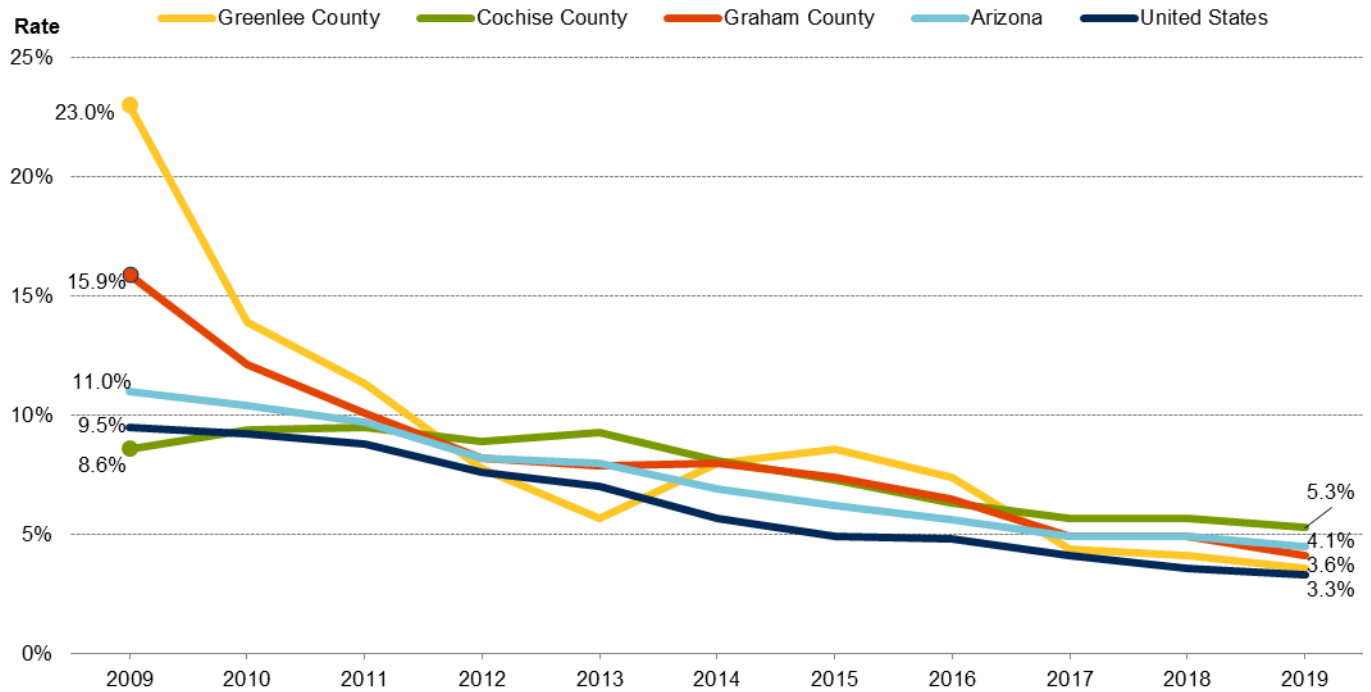
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead to higher-paying jobs and lower rates of unemployment.²

- Cochise and Greenlee residents have a high school graduation rate higher than the statewide high school graduation rate.
- Similar to other rural areas, many Southeastern Arizona residents attend college, but do not finish a bachelor's degree.

² 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

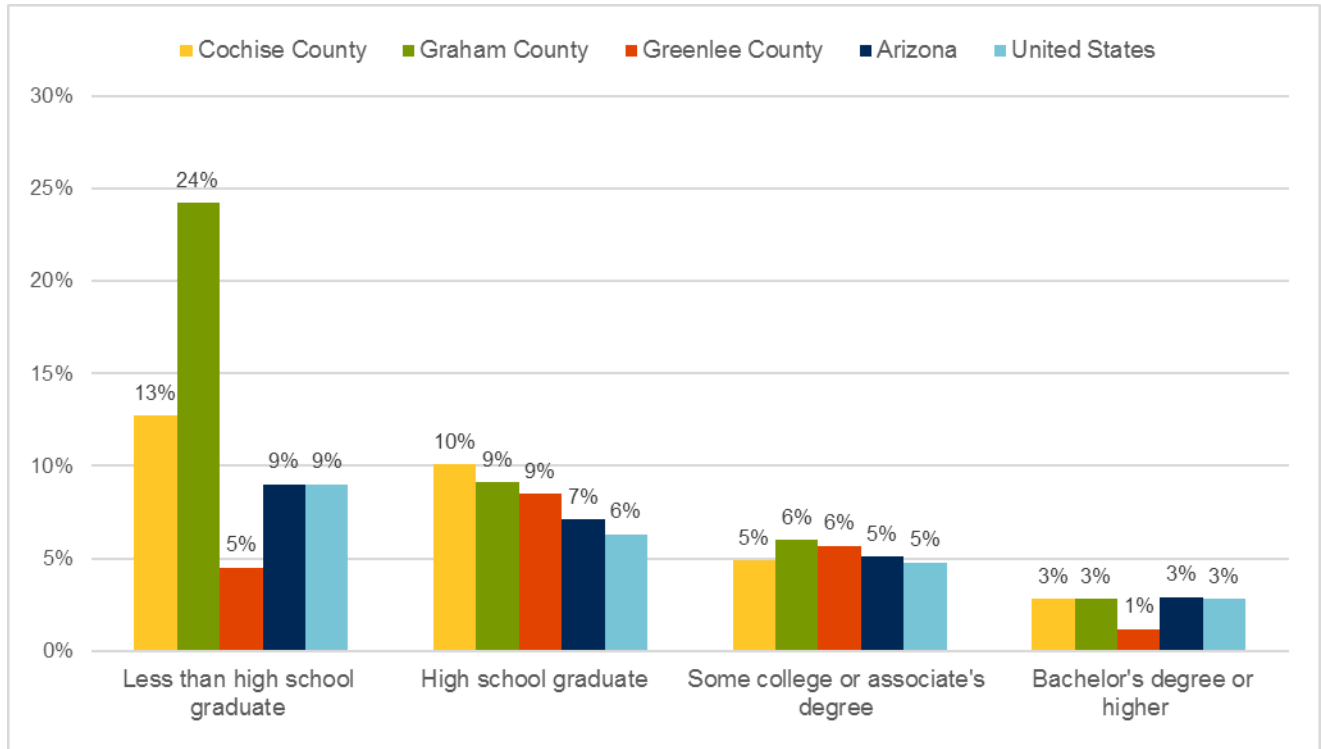
Unemployment Rate Comparisons, Sept. 2009-Sept. 2019, Not-Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics
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- During the recession, Greenlee and Graham County's unemployment rates were dramatically higher than the state rate. Since 2011, the rates for the counties in Southeastern Arizona have flattened out and become closer to Arizona's unemployment rate.
- Graham County and Arizona had the same unemployment rate of 4.9 percent in 2018.
- From 2017 to 2018 all three counties in Southeastern Arizona had labor force growth. Overall, Southeastern Arizona's labor force increased from 67,801 in 2017 to 68,932 in 2018.
- In 2018, there was an average of 3,735 unemployed individuals across all three counties in Southeastern Arizona.
- From 2017 to 2018, the number of unemployed individuals in both Graham and Greenlee County decreased.

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



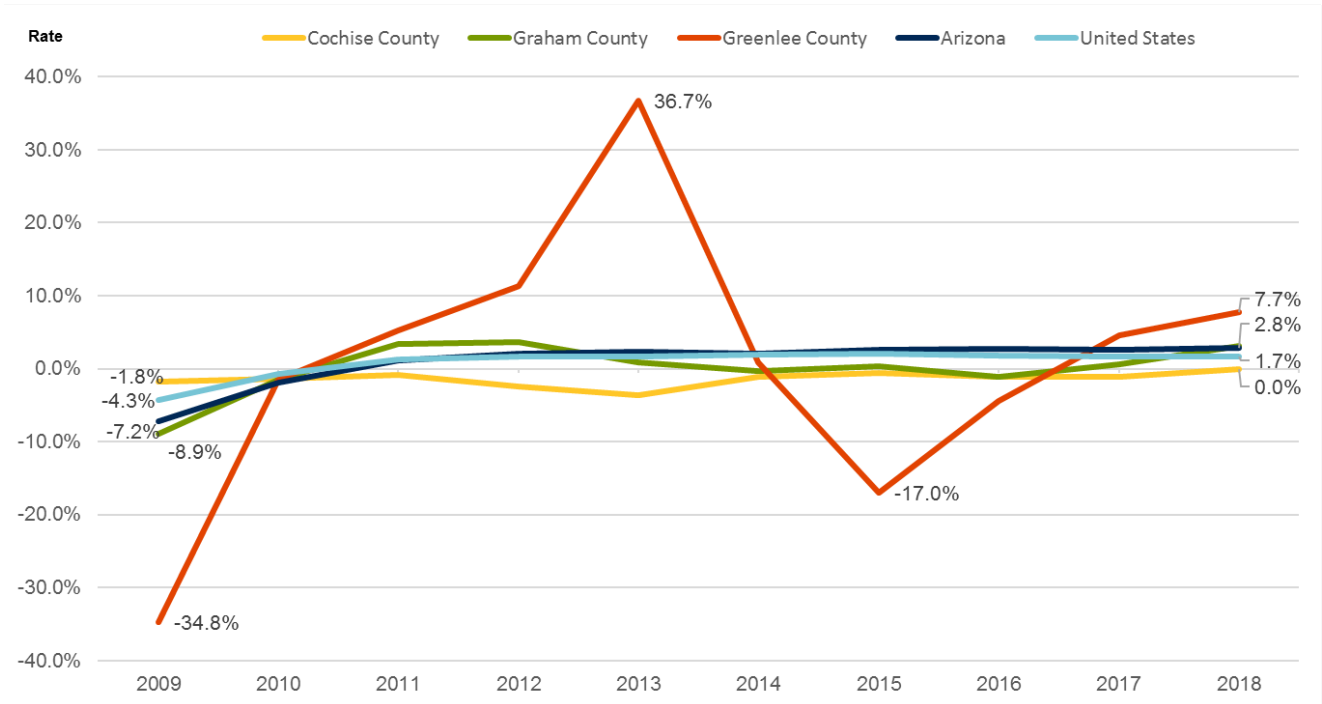
Source: U.S. Census American Community Survey, 2018 5- Year Estimates
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Historically, higher educational attainment levels lead to lower levels of unemployment.³ Understanding the relationship between unemployment and education can help determine which education levels are most in need of targeted workforce efforts.

- Unemployment rates for individuals in Graham County without a high school diploma was more than double the statewide or national rate.
- For individuals with a high school diploma or higher, the unemployment rates in Southeastern Arizona are similar to statewide unemployment rates.
- Of the three counties in Southeastern Arizona, Greenlee County had the lowest employment rates.

³ 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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- From 2009 to 2018, Greenlee County experienced the most dramatic fluctuations in employment loss and growth. These fluctuations were likely heightened by Greenlee County's small population. Despite these fluctuations, Greenlee County's employment growth had an annualized increase of 4.0 percent, and gained 1,500 jobs during this period.
- Cochise and Graham County's employment growth have trended more closely to the statewide rate.
- From 2009 to 2018, Graham and Greenlee counties both had increased employment growth, while Cochise County had an annualized decrease of 1.4% and lost 4,400 jobs.

Southeastern Arizona Private Sector Industry Employment, 2013-2018

Industry	Employment (2013)	Employment (2018)	Numeric Growth (2013-2018)	Annualized Percentage Growth (2013-2018)
Construction	1,503	2,129	626	7.2%
Education and Health Services	5,581	5,800	219	0.8%
Financial Activities	1,108	1,380	272	4.5%
Information	445	468	23	1.0%
Leisure and Hospitality	3,703	4,410	707	3.6%
Manufacturing	772	806	34	0.9%
Natural Resources and Mining	1,554	1,001	-553	-8.4%
Other Services	917	920	3	0.1%
Professional and Business Services	2,696	3,947	1,251	7.9%
Trade Transportation and Utilities	7,905	7,756	-149	-0.4%

NOTE: Employment reflects 4th quarter levels and private employment only.

Source: Quarterly Census of Employment and Wages

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- Employment growth during this time was led by Construction (7.2 percent) and Professional and Business Services (7.9 percent).
- Of the ten private sector industries, Professional and Business Services had the largest increase in employment share from 2013 to 2018.
- Natural Resources and Mining experienced a substantial decrease in growth, decreasing annually by 8.4% in this time period.

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	3,360	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.
- Southeastern Arizona is projected to have an annualized growth rate of 0.5% through 2020, below the statewide growth rate.

Southeastern Arizona Projected Industry Employment, 2018-2020

Area	Projected Employment (2018)	Projected Employment (2020)	Projected Numeric Growth (2018-2020)	Annualized Percentage Growth (2018-2020)
Construction	2,124	2,214	90	2.1%
Education and Health Services	11,267	11,095	-172	-0.8%
Financial Activities	1,469	1,550	81	2.7%
Government	7,695	7,502	-193	-1.3%
Information	599	566	-33	-2.8%
Leisure and Hospitality	5,070	5,196	126	1.2%
Manufacturing	875	913	38	2.1%
Natural Resources and Mining	14,790	15,126	336	1.1%
Other Services	1,400	1,477	77	2.7%
Professional and Business Services	4,526	4,615	89	1.0%
Trade Transportation and Utilities	8,409	8,391	-18	-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 Southeastern Arizona, Financial Activities and Other Services are projected to record the largest growth rates, increasing annually by 2.7 percent through 2020.
- Through 2020, Information and Government are projected to experience the largest decrease in growth.

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