

ARIZONA

OFFICE OF ECONOMIC OPPORTUNITY

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ECONOMIC CONDITIONS REPORT

Apache, Gila, and Navajo Counties

FOR FURTHER INFORMATION:

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ABOUT THIS REPORT

This report was created to assist Arizona Local Workforce Development Areas in completing their 2024-2027 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.

Labor Market

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.

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.

POPULATION

Population Growth by County, 2016-2021

Area	Population Estimate (2016)	Population Estimate (2021)	Numeric Change (2016-2021)	Annualized Percent Change (2016-2021)
United States	318,558,162	329,725,481	11,167,319	0.7%
Arizona	6,797,006	7,285,370	488,364	1.4%
Apache County	68,305	66,411	-1,894	-0.6%
Cochise County	125,414	126,463	1,049	0.2%
Coconino County	142,846	147,434	4,588	0.6%
Gila County	53,325	53,525	200	0.1%
Graham County	38,356	39,025	669	0.3%
Greenlee County	9,834	9,593	-241	-0.5%
La Paz County	17,676	16,820	-856	-1.0%
Maricopa County	4,154,976	4,507,419	352,443	1.6%
Mohave County	203,956	216,527	12,571	1.2%
Navajo County	106,763	107,748	985	0.2%
Pima County	1,013,296	1,058,318	45,022	0.9%
Pinal County	392,646	439,128	46,482	2.3%
Santa Cruz County	47,075	48,468	1,393	0.6%
Yavapai County	221,970	241,173	19,203	1.7%
Yuma County	200,568	207,318	6,750	0.7%

Source: Office of Economic Opportunity Population Estimates

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 2020-2021, ranking 3rd among all U.S. states in numeric growth and 4th in percent growth.²
- From 2016-2021, Northeastern Arizona saw a net loss of 709 individuals.
- In 2021, Northeastern Arizona represented 3.1 percent of Arizona's population.

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. (2021). *New Vintage 2021 Population Estimates Available for the Nation, States and Puerto Rico* [press release]. Available from [census.gov](https://www.census.gov)

POPULATION

Population projections provide useful insight into an area's future demand for resources and services.³ 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.
- All three Northeastern Arizona counties are projected to experience negative natural change; hence, their population growth is expected to come from migration.

Apache County Population Projections, 2022-2026

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2022	66,848	----	----	-414	851
2023	67,310	462	0.7%	-257	724
2024	67,741	431	0.6%	-161	597
2025	68,145	404	0.6%	-61	470
2026	68,420	275	0.4%	-68	343

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

- Apache County is projected to add 1,572 people to its population from 2022-2026.

Gila County Population Projections, 2022-2026

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2022	53,838	----	----	-581	894
2023	54,236	398	0.7%	-445	844
2024	54,632	396	0.7%	-397	794
2025	55,028	396	0.7%	-345	743
2026	55,360	332	0.6%	-361	693

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

- Gila County is projected to add 1,522 people to its population from 2022-2026.

³ Kaneda, T. & Bremer, J. (2014). "Understanding Population Projection: Behind the Numbers. Population Reference Bureau". Retrieved from <https://www.prb.org/united-nations-population-projections/>

Navajo County Population Projections, 2022-2026

Year	Population Estimate	Projected Numeric Change	Projected Percentage Change	Projected Natural Change ¹	Projected Total Net Migration ²
2022	108,580	-----	-----	-584	1,416
2023	108,055	-525	-0.5%	-315	-199
2024	107,686	-369	-0.3%	-176	-182
2025	107,469	-217	-0.2%	-39	-167
2026	107,240	-229	-0.2%	-64	-165

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

- Navajo County's population is projected to lose 1,340 people from 2022-2026.

Population Characteristics, 2021

Indicator	Apache County	Gila County	Navajo County	Arizona	United States
Population 16 Years and Over	50,706	43,627	81,207	5,650,624	264,087,642
Civilian Labor Force Participation Rate 16 and Over	39%	47%	47%	60%	63%
Median Household Income	\$34,788	\$51,406	\$46,126	\$65,913	\$69,021
Families in Poverty	27%	14%	20%	10%	9%
Median Age	36	50	38	38	38
Individuals with a Disability	15%	21%	18%	13%	13%
Veterans	6%	12%	8%	9%	7%
Uninsured	27%	9%	15%	11%	9%

Source: U.S. Census Bureau, American Community Survey, 2021, 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.

- All three Northeastern Counties have a labor force participation rate lower than the state and nationwide rate.
- The median household income for the three Northeastern Counties is substantially lower than the state and nationwide median income, which is reflected in the Counties' elevated rate of families in poverty.
- Individuals in Apache County are three times as likely to be uninsured as in the United States and more than twice as likely when compared with the state.

Highest Education Achieved, 2021, Population Over 25 Years of Age

Indicator	Apache County	Gila County	Navajo County	Arizona	United States
Less than High School	8.1%	2.8%	5.4%	4.9%	4.8%
High School Graduate (includes equivalency)	31.0%	28.5%	29.5%	23.5%	26.5%
Some College, no degree	29.9%	30.2%	29.4%	24.6%	20.0%
Associate's Degree	8.4%	9.5%	8.9%	9.0%	8.7%
Bachelor's Degree	7.7%	11.7%	9.9%	19.3%	20.6%
Graduate or Professional Degree	5.1%	7.0%	6.8%	11.9%	13.1%

Source: U.S. Census Bureau, American Community Survey, 2021 5-Year Estimates, Table S1501
Office of Economic Opportunity

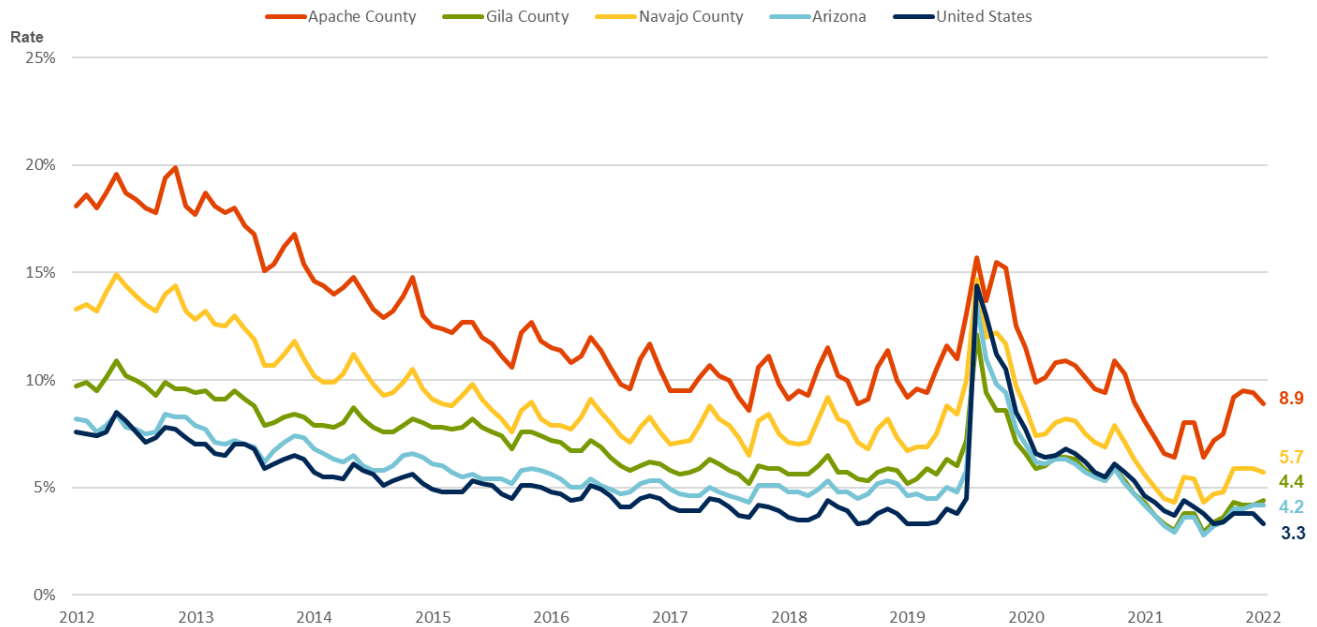
Understanding the current educational attainment of your local area's available workforce is a crucial step in identifying job seeker and business needs. Education is an important element in determining job success, and, oftentimes, can lead directly to higher-paying jobs and lower rates of unemployment.⁴

- People in all three Northeastern Counties are less likely to have a bachelor's degree or more education than are people elsewhere in the state and the nation.
- Similarly, the high school graduation rate was lower for all three Northeastern Counties than for Arizona.

⁴ 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

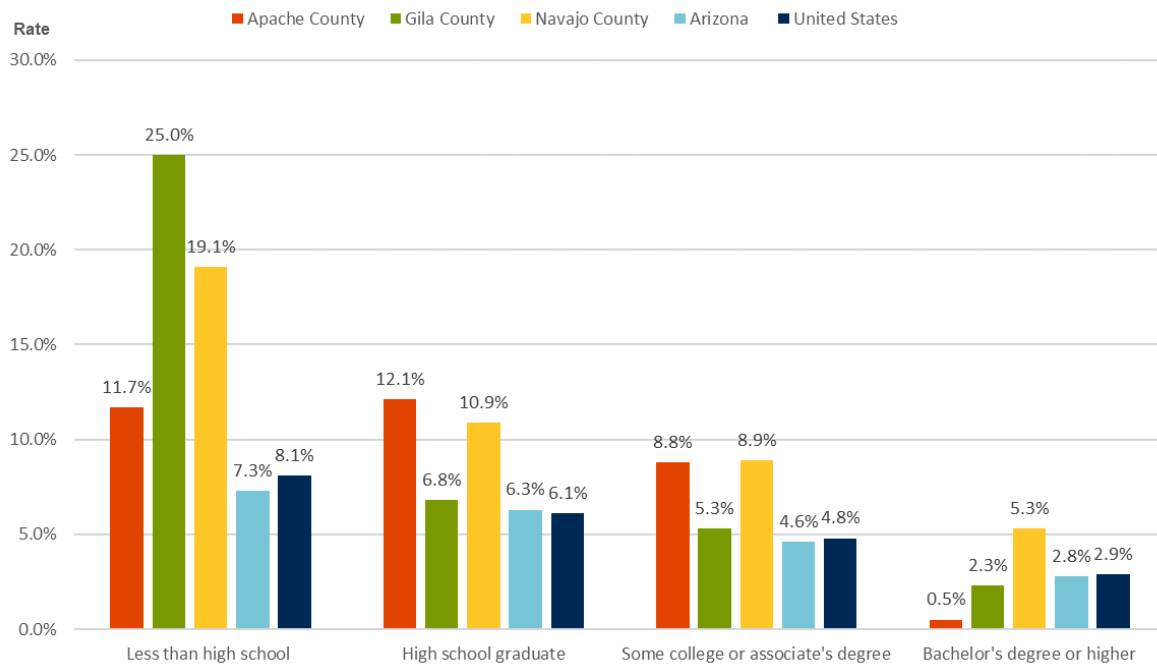
Unemployment Rate Comparisons, Sep 2012-Sep 2022, Not-Seasonally Adjusted



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

- Northeastern Arizona’s unemployment rate for the past 10 years has trended above the state and nationwide rate.
- Apache County has the highest unemployment rate in Northeastern Arizona.
- Gila County has the lowest unemployment rate of the Northeastern Counties, trending with the statewide rate post-pandemic.
- From 2020 to 2021, Apache County’s labor force level decreased from an annual average of 19,101 to an annual average of 18,700; Gila County’s labor force level increased from an annual average of 20,372 to an annual average of 20,389; and Navajo County’s labor force level increased from an annual average of 39,232 to an annual average of 39,277. Apache County, Gila County, and Navajo County had pre-pandemic (2017-2019) average labor force levels of 19,877, 20,774, and 39,440, respectively.
- In 2021, there was an annual average of 1,705 unemployed people in Apache County, compared with 2,074 unemployed people in 2020. Prior to the pandemic (2017-2019), Apache County had an average of 2,013 unemployed people.
- In 2021, there was an annual average of 1,013 unemployed people in Gila County, compared with 1,269 unemployed people in 2020. Prior to the pandemic (2017-2019), Gila County had an average of 1,218 unemployed people.
- In 2021, there was an annual average of 2,572 unemployed people in Navajo County, compared with 3,227 unemployed people in 2020. Prior to the pandemic (2017-2019), Navajo County had an average of 3,017 unemployed people.
- The average unemployment rate in Apache County during 2021 was 9.1 percent, 3.9 percent lower than the average from the previous nine years.
- The average unemployment rate in Gila County during 2021 was 5.0 percent, 2.4 percent lower than the average from the previous nine years.
- The average unemployment rate in Navajo County during 2021 was 6.5 percent, 3.1 percent lower than the average from the previous nine years.

Unemployment Rate by Educational Attainment, 2021, Ages 25-64



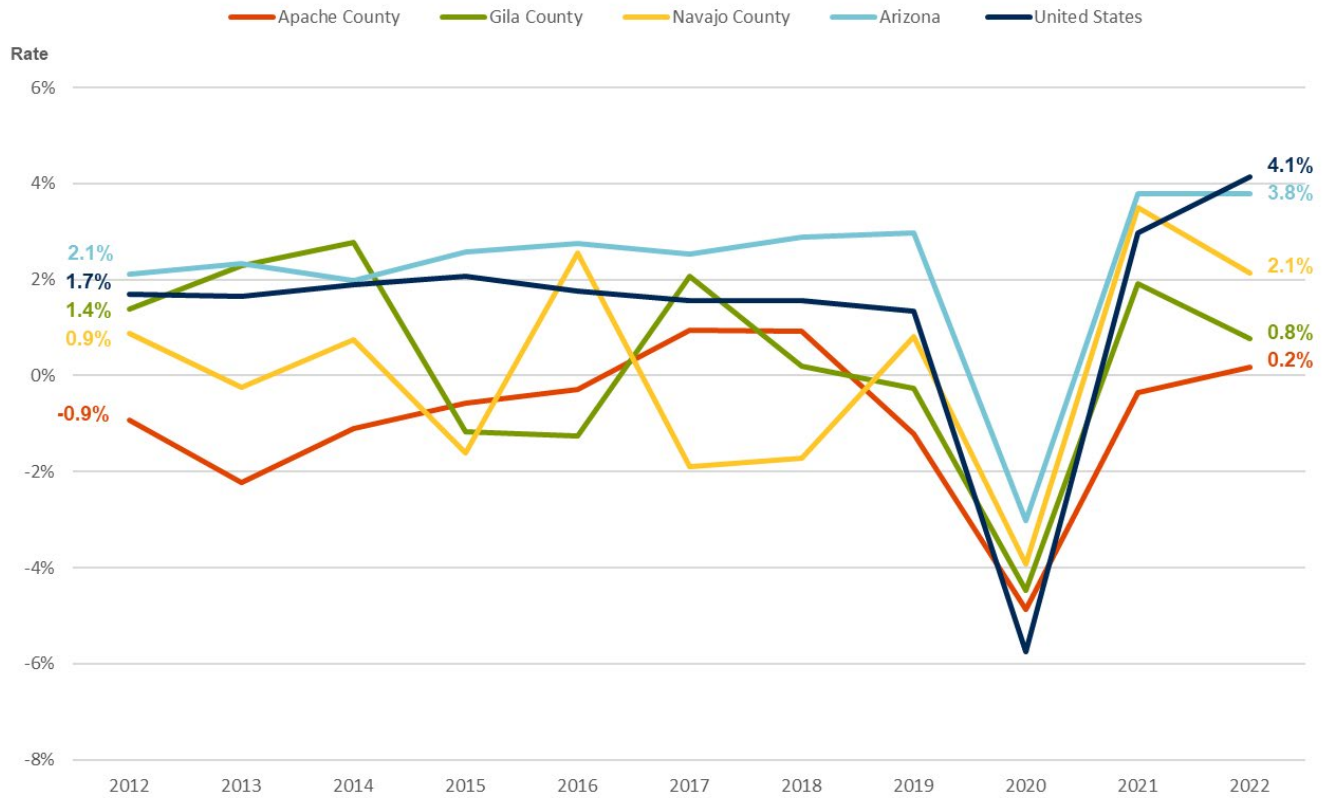
Source: U.S. Census American Community Survey, 2021 5-Year Estimates, Table S2301
Office of Economic Opportunity

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

- The Northeastern Counties' unemployment rates were equal to or higher than the state rate across nearly all levels of educational attainment.
- The unemployment rate for individuals with less than a high school diploma was dramatically higher in Gila County (25.0 percent) and Navajo County (19.1 percent) when compared with Arizona (7.3 percent) and the United States (8.1 percent).
- The unemployment rate for individuals with a bachelor's degree or higher in the state and nation is almost 6 times larger than that in Apache County.
- Apache and Navajo Counties saw much higher unemployment rates among high school graduates and individuals with some college or an associate's degree than the state and nationwide rates.

⁵ 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

- From 2012-2022, Arizona average nonfarm employment had an annualized increase of 2.2 percent.
- In general, statewide job growth has trended higher than that of all three Northeastern Counties.
- Apache County's average total nonfarm employment decreased by -2,013 jobs from 2011-2022, an annualized decrease of -1.1 percent over this 10-year period.
- Apache County had the slowest rate of job growth in Northeastern Arizona in the last few years.
- Navajo County's average total nonfarm employment decreased by -240 jobs from 2011-2022, an annualized decrease of -0.1 percent over this 10-year period.
- Since 2012, Navajo County's job growth has seen volatile growth and decline.
- Gila County's average total nonfarm employment increased by 338 jobs from 2011-2022, an annualized increase of 0.2 percent over this 10-year period.

Northeastern Arizona Private Sector Industry Employment, 2016-2021

Industry	Average Employment (2016)	Average Employment (2021)	Numeric Growth (2016-2021)	Annualized Percentage Growth (2016-2021)
Construction	2,474	2,729	255	2.00%
Manufacturing	1,496	1,647	151	1.90%
Professional and Business Services	609	633	24	0.80%
Financial Activities	609	631	22	0.70%
Education and Health Services	4,275	4,317	42	0.20%
Trade Transportation and Utilities	2,324	2,313	-11	-0.10%
Other Services	1,594	1,545	-49	-0.60%
Leisure and Hospitality	3,267	3,115	-151	-0.90%
Natural Resources and Mining	948	873	-75	-1.60%
Information	1,371	457	-914	-19.70%

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

- Five of the private-sector industries in Northeastern Arizona recorded employment growth from 2016 to 2021; however, in total, the area had a total decrease of -705 jobs.
- Of the ten private-sector industries, Education and Health Services made up the largest share of employment in 2021.
- Construction experienced the largest numeric growth from 2016 to 2021.

Projected Industry Employment, 2021-2023

Area	Projected Employment (2021)	Projected Employment (2023)	Projected Numeric Growth (2021-2023)	Annualized Percentage Growth (2021-2023)
Arizona	3,109,190	3,375,515	266,325	4.2%
Balance of Maricopa	1,219,259	1,337,167	117,908	4.7%
City of Phoenix	1,013,840	1,095,437	81,597	3.9%
Coconino County	64,430	70,044	5,614	4.3%
Mohave and La Paz Counties	65,909	71,189	5,280	3.9%
Northeastern Arizona	64,496	68,182	3,686	2.8%
Pima County	397,174	427,695	30,521	3.8%
Pinal County	71,978	78,038	6,060	4.1%
Santa Cruz County	14,735	15,461	726	2.4%
Southeastern Arizona	54,206	57,926	3,720	3.4%
Yavapai County	71,559	77,411	5,852	4.0%
Yuma County	71,560	76,512	4,952	3.4%

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 expected to record positive employment growth from 2021 to 2023.
- Northeastern Arizona is projected to grow at 2.8 percent, less than the statewide growth rate of 4.2 percent.

Northeastern Arizona Workforce Area Projected Industry Employment, 2021-2023

Industry	Projected Employment (2021)	Projected Employment (2023)	Projected Numeric Growth (2021-2023)	Annualized Percentage Growth (2021-2023)
Leisure and Hospitality	7,604	8,755	1,151	7.3%
Financial Activities	1,679	1,808	129	3.8%
Professional and Business Services	2,352	2,529	177	3.7%
Education and Health Services	15,316	16,341	1,025	3.3%
Natural Resources and Mining	2,004	2,126	122	3.0%
Trade Transportation and Utilities	10,470	10,871	401	1.9%
Manufacturing	1,803	1,859	56	1.5%
Construction	3,004	3,074	70	1.2%
Other Services	2,021	2,061	40	1.0%
Information	521	514	-7	-0.7%

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.

- Nine of the 10 private sectors in Northeastern Arizona are projected to experience growth through 2023.
- Leisure and Hospitality is projected to lead growth (7.3 percent), followed by Financial Activities (3.8 percent).
- Education and Health Services is projected to remain the industry that employs the most people in Northeastern Arizona.

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