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**Workforce Innovation and Opportunity Act
Annual Statewide Performance Report Narrative
for Titles I and III**

Program Year 2023

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The activities highlighted in this annual report narrative for Program Year (PY) 2023 support the Statewide vision and goals described in Arizona’s State Plan¹. As integral partners in the

¹ Arizona State Plan Modification PY 2022-2023
<https://des.az.gov/sites/default/files/media/Arizona-State-Plan-Modification-PY-2022-2023.pdf?time=1727989962194>

ARIZONA@WORK workforce development system, the core programs under Titles I and III of the Workforce Innovation and Opportunity Act (WIOA) continue to support the State’s strategic initiatives, including enhancing industry sector partnerships and projects, promoting awareness and utilization of ARIZONA@WORK, improving data quality, and promoting career pathways for job seekers.

Individual Training Accounts (ITA) for In-School Youth

To promote career pathways and equitable access to services for all youth, the State continues to leverage its waiver to use ITAs for in-school youth. In PY 2023, 83 training services funded by ITAs were delivered to 82 in-school youth participants. Of those participants impacting PY 2023 WIOA performance indicators, in-school youth who received training via ITA were more likely to have successful placement in the second and fourth quarters after exit, attained a credential, and achieved a measurable skill gain, as illustrated in Table 1.

Table 1: Performance Outcomes for In-School Youth with ITA (PY 2023)

Indicator	In School Youth with ITA funded Training			In School Youth Total		
	Numerator: Achieved a Positive Outcome	Denominator: Qualified to Achieve a Positive Outcome	Rate	Numerator: Achieved a Positive Outcome	Denominator: Qualified to Achieve a Positive Outcome	Rate
2nd Quarter Employment Rate	52	66	78.8%	249	327	76.1%
4th Quarter Employment Rate	68	82	82.9%	246	332	74.1%
Credential Attainment Rate	71	82	86.6%	180	307	58.6%
Measurable Skill Gains Rate	58	81	71.6%	313	481	65.1%

The impacts of the waiver on WIOA performance indicators appear promising for PY 2023, continuing a trend seen in PY 2021 and PY 2022 data. The waiver was approved in late 2019, with 2020 being the first full Calendar Year ITA funding was accessible to participants. As cohort sizes continue to increase and data quality improves, the benefits of the waiver on in-school youth performance become clearer. Notable participant stories related to the use of ITAs for in-school youth are described later in this narrative.

Data Validation

The State's data validation policies and processes, specific to Title I-B Adult, Dislocated Worker, Youth, and Title III Employment Service programs, reinforce the importance of data quality and integrity, including data in performance reports submitted to the Department of Labor (DOL).

Frequency of Data Validation and Certification of Reports Submitted to DOL

In PY 2023, the Arizona Department of Economic Security (DES) continued to conduct its data validation of participant records: quarterly for Title I-B and monthly for Title III records. The DES Quality Assurance and Integrity Administration (QAIA) conducts data validation through desk reviews of participant files. The DES Workforce Information Technology Unit generates a list of files or a *pool* for data validation and certifies quarterly and annual performance reports submitted to DOL.

Samples Selected for Data Validation

Data validation files are randomly selected from participant files included in the performance report for the most recently closed quarter. The number of files selected for the Title I-B quarterly review is based on staff capacity: Five participant records from the Adult, Dislocated Worker, and Youth programs, for a total of 15 participant records for each of the 12 local workforce development areas². If there are less than five participant records for a given program in a local area, all participant records identified for the given program in that local area will be reviewed.

For Title III Employment Service, participant files are randomly selected from across 33 ARIZONA@WORK job centers in the 12 local areas. As previously noted, the list of participant files (from which data validation files are selected) are generated quarterly; and, on average, 80 combined active and exited participant files are validated each month, totaling an average of 960 validated Employment Service participant files a year.

Prior to each quarter's review for the Title I-B and Title III programs, the validators will compare the local area's or job center's previous quarter's participant record selection to prevent duplication of participant record review.

² Local workforce development areas are also referred to as local areas.

Data Validation Results and Remediation of Findings

In PY 2023, data validation has yielded an average accuracy rate of 97 percent³ per quarter. The accuracy rate does not reflect subsequent corrections of errors identified during data validation. All data validation findings (e.g., missing source documentation) are required to be corrected or addressed.

Programs have ten business days from the date of the data validation report to respond to the findings and take appropriate corrective steps, such as uploading missing source documentation in the State's system of record. If a local area does not respond in ten business days, QAIA issues a second letter to the local area, requesting a response and/or corrective action within an additional ten business days. Once the local area has resolved the findings and upon validator verification, QAIA closes the data validation for the local area for the quarter. The closure is documented by a letter to the Local Workforce Development Board chair and director, confirming the end of data validation for the quarter.

Data Validation Training and Technical Assistance

DES facilitates annual data validation training on the Adult, Dislocated Worker, and Youth programs through a video conferencing platform. The training includes a refresher on data validation policies, procedures, common errors identified during the preceding PY's desk reviews, and ways to address or avoid those errors. DES also has computer-based training available to Employment Service staff, which may be accessed at any time. The computer-based training covers an overview on data validation and data validation errors.

Data Validation Record Retention

QAIA maintains all data validation reports (including data validation worksheet, summary of report, source documentation, and participant files requested) electronically in a shared drive and are organized according to local area. All records pertaining to the data validation and monitoring review are maintained pursuant to 29 CFR § 97.42 and maintained for a period of three years in accordance with the state disposition schedule.

Employer Services and Sector Strategies

In PY 2023, the State continued to leverage WIOA Title I funds to support statewide activities, including the administration and delivery of Rapid Response services and promoting sector strategies through industry-focused training.

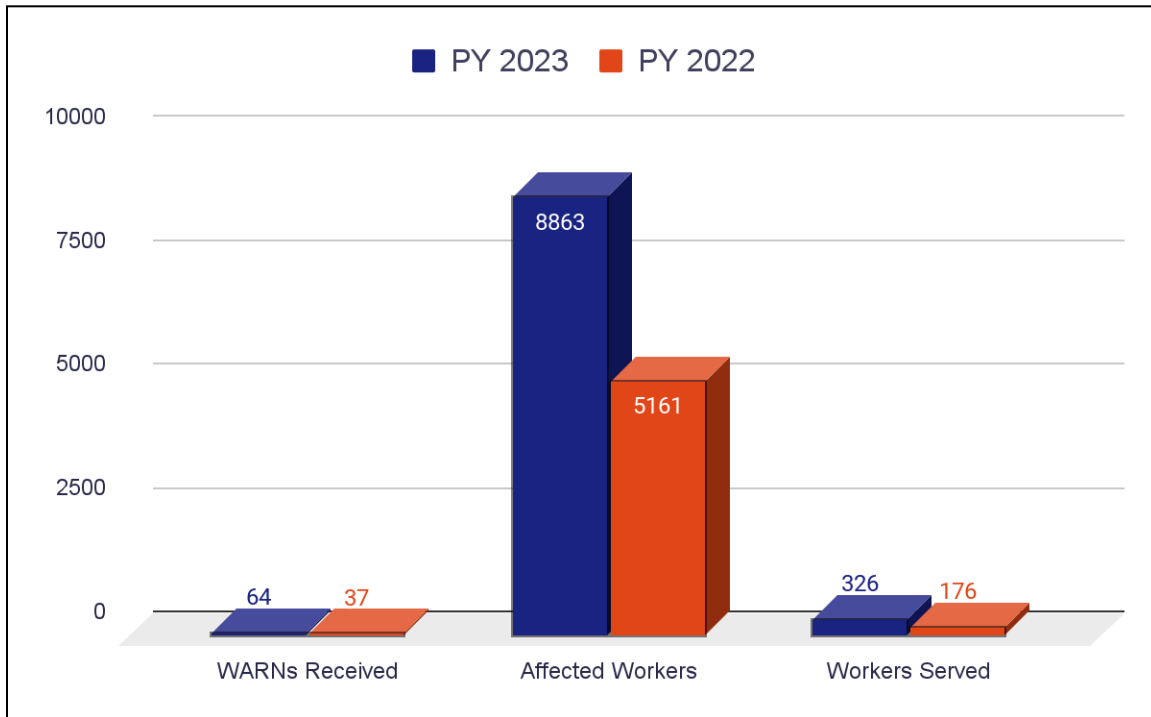
Rapid Response Services

Compared to PY 2022, PY 2023 saw an increase in Rapid Response services deployed to

³ The average is specific to Title I-B programs and includes fourth quarter data that is not final as of the development of this narrative.

communities across the state, as shown in Figure 1. The State received 64 notices under the Worker Adjustment and Retraining Notification (WARN) Act, up 42 percent from PY 2022. A total of 8,863 workers were affected, of whom 326 received services, including career planning and job-search assistance. Approximately 3.7 percent of affected workers were served in PY 2023, up from approximately 3.4 percent in PY 2022.

Figure 1: Rapid Response Comparison PY 2023 and PY 2022



ARIZONA@WORK partners collaborated with 17 employers who filed WARN Act notices and supported 47 Rapid Response events statewide where reemployment and training opportunities, assistance, and resources, as well as connections to community services were provided to affected workers before their separation from employment. As a layoff aversion strategy, 31 employers and 618 employees were connected to Arizona’s Shared Work Program administered through DES Unemployment Insurance Administration.

Rapid Response Web Page

In PY 2023, a Rapid Response page was added to the ARIZONA@WORK website to further facilitate workforce reduction support to businesses and workers experiencing layoffs and plant closures, while promoting awareness and utilization of the ARIZONA@WORK website⁴. The Rapid Response web page is part of a comprehensive communication and outreach plan and features links to the following: available support and resources for employers; services for impacted workers; and information and tools for local areas, service providers, and the general public.

As a result of stakeholder inquiries about layoff trends, Arizona's Office of Economic Opportunity (OEO) in partnership with DES, released the Arizona WARN Dashboard⁵ in May 2024. The dashboard provides a visual overview of statewide layoff activities and allows users to filter data by local area, industry, notice date of receipt, type of notice, and number of affected workers. The Arizona WARN Dashboard includes a map of layoff activity and impacted industries.

Registered Apprenticeship

Registered Apprenticeship Programs (RAPs) continue to be a vital component of Arizona's sector strategy. RAPs also help advance consumer choice for participants in the Adult, Dislocated Worker, and Youth programs who access training programs on the State's Eligible Training Provider List (ETPL). In PY 2023, 76 sponsors operating a total of 138 RAPs were included on the State's ETPL.

The Arizona Apprenticeship Office (AAO) oversees RAPs and supports local employers and industries in developing a highly skilled workforce through on-the-job training and related classroom instruction. In PY 2023, AAO's efforts led to a 26 percent increase in new apprenticeship enrollments, with 4,380 new apprentices registered, up from 3,483 new apprentices in PY 2022. By June 2024, Arizona had 7,421 registered apprentices, compared to 5,918 in June 2023.

AAO also registered 60 new programs in diverse and key industries such as construction, healthcare, aviation, automotive, renewable energy, advanced manufacturing, sales, and personal care services. A notable new program is the semiconductor technician apprenticeship for the Taiwan Semiconductor Manufacturing Company (TSMC), arguably one of the country's largest semiconductor producers. The program is the result of the collaboration between AAO, the City of Phoenix Workforce Development Board, and the National Institute of Innovation and Technology. The program is the beginning of TSMC's efforts to build its workforce, with additional occupations expected to be developed and registered in PY 2024.

⁴ ARIZONA@WORK Rapid Response page: <https://arizonaatwork.com/explore-services/rapid-response>

⁵ The Arizona WARN Dashboard is on the second half of the main Rapid Response web page: <https://arizonaatwork.com/explore-services/rapid-response>

AAO's expanded outreach through accelerator events, information sessions, and partnerships with postsecondary and secondary educational institutions, including Career and Technical Education (CTE) Programs, has yielded increased registration of programs and apprentices as previously noted. In addition, AAO endeavors to enhance diversity and representation in the State's RAPs, resulting in the following for Program Year (PY) 2023⁶:

- An increase in women's participation in RAPs, currently at 12.41 percent, compared to 11.6 percent in PY 2022;
- Steady participation of individuals with disabilities at 1.9 percent, above the national average of 0.99 percent; and
- Veteran participation in RAPs at 5.11 percent, just below the national average of 5.25 percent.

AAO continues to engage community-based organizations and explore collaborations, including with the Arizona Department of Corrections, Rehabilitation, and Reentry, to reach individuals with barriers to employment and underrepresented populations.

Construction Pre-Apprenticeship Program

Pima County received \$125,435 to invest in various construction equipment and supplies to place 20 students in Las Artes, Tucson, in a pre-apprenticeship program. The program is designed to offer hands-on learning experiences in construction sciences and is a collaborative effort between the Building Trades Center for Workforce Development and the Multi-Craft Core Curriculum pre-apprenticeship program under the Arizona Building and Construction Trades Council.

Students enrolled in the pre-apprenticeship program at Las Artes can transition into official apprenticeships under the Arizona Building and Construction Trades Council upon graduation. The program equips students, who are working on their high school equivalency diploma, with both the practical skills and the educational credentials needed to succeed in the construction industry, thereby providing them with a solid foundation for a sustainable career.

Emergency Vehicle Operations Driving Simulator Training System

In response to the pressing need for well-trained, qualified workforce in the fields of firefighting, law enforcement, and Emergency Medical Services (EMS), particularly in the rural areas of Coconino County, the State invested \$175,522 in the acquisition of an Emergency Vehicle Operations Driving Simulator Training System. The system includes comprehensive modules and a simulator that can integrate with an existing pump panel simulator, which is specifically used for fire training.

The advanced simulation technology allows for continuous, scenario-based training that can adapt to the evolving needs of emergency services. The simulator's modular design allows for

⁶ Source: [Registered Apprenticeship Partners Information Database System](#)

regular updates and the addition of new scenarios, based on feedback from instructors and students, which help maintain the training's relevance and effectiveness.

The system will assist in training approximately 218 students annually, in the fields of law enforcement, firefighting, and EMS. The training will be conducted at High Country Training Academy and Northern Arizona University Park Ranger Law Enforcement Academy, bolstering the practical skills of future public safety professionals.

By providing ongoing, high-quality training to a steady stream of students, the project promotes a sustainable pipeline of skilled professionals entering the workforce. This not only meets immediate staffing needs but also contributes to the long-term stability and resilience of the local public safety infrastructure. The partnership between Coconino Community College, High Country Training Academy, and Northern Arizona University creates a collaborative environment where best practices can be shared and resources can be pooled.

Mountain Institute CTE Firefighter Program

Yavapai County received \$166,197 to purchase two advanced firefighter simulators along with various equipment to support after-school programs in construction sciences and robotics. This initiative involves key stakeholders including local high schools, community organizations, fire departments, and businesses that are committed to enhancing CTE opportunities for students. The project aims to provide high-quality training and exposure to career paths in firefighting, Science, Technology, Engineering, and Mathematics (STEM), and carpentry, ensuring that students are well-prepared to meet industry and sector needs in Yavapai County.

The acquisition of the firefighter simulators will significantly enhance the training experience for up to 120 fire services and wildland fire students during their certification process on an annual basis. These simulators provide state-of-the-art training, equipping students with the skills necessary to enter the local workforce with confidence and competence. In addition, the funding will be used to purchase materials, equipment, and supplies to expand STEM and carpentry after-school programs, benefiting an additional 338 high school students each year. These programs will introduce students to cutting-edge technology and construction techniques, broadening their career prospects and increasing their engagement with practical, hands-on learning.

Northland Pioneer Community College (NPC) Commercial Driver's License, FireFighter and Welding Training Project

The State invested \$470,856 to enhance vocational training opportunities for students in rural areas, addressing critical employment needs in high-demand fields. The funding specifically supports the following:

- Firefighter Academy at NPC in Taylor, Arizona;
- Commercial Driving program in Holbrook, Arizona; and

- Construction program in Kayenta, Arizona.

The new equipment will enable NPC to train approximately 243 students annually across a variety of disciplines including firefighting, EMS, commercial driving, welding, and other construction sciences. These students will be trained at three distinct rural locations (Holbrook, Taylor, and St. Johns), ensuring that various communities have access to high-quality training and career advancement opportunities in fields that are essential to the local economy.

Gila County Summer Forestry Program

The State allocated \$306,140 to train staff in providing educational instruction on various aspects of the forestry industry to young people in the rural communities of Hayden and Winkelman. This initiative is a collaboration between Gila County, the Tonto National Forest, and the Conservation Corps. The program recruits 66 young workers from Hayden and Winkelman to participate in summer crews for a six to eight week program, offering hands-on experience and exposure to careers in the forestry sector.

During the summer program, the Tonto National Forest staff provide specialized educational instruction, introducing students to a variety of employment opportunities within the Forestry Service. The program allows students to engage directly with experts in fields such as conservation, land management, and firefighting, giving them a comprehensive understanding of potential career paths. Additionally, students who participate in the program are enrolled in AmeriCorps, allowing them to earn education credits that can be applied toward furthering their education.

Barry Goldwater Construction Sciences Program

The State allocated \$178,394 for the purchase of essential equipment to establish a new construction science program at Barry Goldwater High School, located in the Deer Valley Unified School District.

The construction science program will serve approximately 90 to 100 high school students annually, providing them with hands-on training and education in various construction disciplines. Graduates of the program will earn National Center for Construction Education and Research certification, a nationally recognized credential that will open doors to apprenticeship opportunities with local employers. These employers include industry leaders such as McCarthy Builders, West Coast Plumbing and Air, Rummel Construction, DLR, AERO Automatic Sprinkler, and Core Construction, all of whom are actively involved in shaping the program to ensure it aligns with the immediate needs of the local workforce.

Major construction projects like the TSMC campus have boosted the demand for skilled construction workers in north and west Phoenix. The new two-year construction science program at Barry Goldwater High School directly addresses this demand by preparing students with the skills, knowledge, and certifications necessary to enter the construction industry. The

program is specifically designed to meet the workforce needs of local employers, ensuring that graduates are job-ready and equipped for a wide range of quality construction jobs and registered apprenticeship opportunities.

Western Maricopa Education Center's (West-Mec's) Energy and Manufacturing and Water Systems Program

The State invested \$265,920 to purchase various equipment to expand West-MEC's Automation and Industrial Technology Program and the Water Systems program at its Deer Valley Airport campus. The newly acquired equipment will be used to train and certify approximately 180 high school students for careers in energy and manufacturing, and an additional 61 students for careers in water systems on an annual basis. These programs address the growing demand for skilled workers in the energy, manufacturing, and water systems sectors in Maricopa County by facilitating students' acquisition of technical skills and certifications needed to enter these sectors directly after graduation. Employment opportunities are available with local employers such as TSMC, Palo Verde Generating Station, and various municipal water departments including those of the City of Buckeye and the City of Glendale. Students in the programs will also have the option to pursue an associate degree at Glendale Community College.

ReadyTechGo

The State invested \$300,000 to rebrand and launch ReadyTechGo, a training initiative through Arizona's colleges. ReadyTechGo offers an Automated Industrial Technology (AIT) Program that equips students with essential skills for careers in advanced manufacturing, a rapidly growing industry which integrates technology and robotics. The program's curriculum is front-loaded, allowing students to be job-ready in as little as two weeks, with opportunities to pursue further certifications in high-demand fields such as electric vehicles, semiconductors, medical devices, and aerospace. The entire program can be completed within two years, culminating in an associate degree.

The ReadyTechGo network includes Central Arizona College, Estrella Mountain Community College, Mesa Community College, and Pima Community College, with plans for expansion. The AIT Program across the four colleges currently accommodates up to 150 students per year. A distinctive feature of the AIT Program is its consistent curriculum across all participating colleges, allowing students to transfer, if needed, between schools without delaying their completion date.

Arizona's modern manufacturing sector employs over 162,000 people, particularly within the rapidly expanding corridor from southeast Phoenix to Tucson. As these operations grow, there is an increasing demand for skilled workers in advanced industrial technology. ReadyTechGo addresses this current need by cultivating a workforce that is trained to meet the highest industry standards, while also attracting additional innovative companies to the State.

ARIZONA@WORK Customer Satisfaction

Job seeker and employer feedback helps establish whether services were delivered appropriately and satisfactorily; identifies areas for improvement; and, as such, feeds into the State’s overall continuous improvement efforts. Job seeker and employer satisfaction with ARIZONA@WORK services is measured in various ways, as described below.

Statewide Methodology for Assessing Customer Satisfaction

In PY 2023, the State continued to measure customer satisfaction through surveys that prompt job seekers and employers to rate and provide feedback on services they received. The State surveyed job seekers who exited Titles I and III programs, between July 2023 to June 2024. The surveys, which were conducted by phone or sent through email, gauged the following:

- The job seeker’s overall satisfaction with services;
- Whether services met job seeker expectations; and
- How services compare to the job seeker’s ideal set of skills.

A total of 325 job seekers completed the survey (81 percent), yielding an overall satisfaction score of 84 percent, which is the weighted average of the satisfaction score for each of the three criteria identified above.

Eighty-five percent of survey respondents expressed overall satisfaction with the services they received. Eighty-four percent indicated that the services met their expectations, while 82 percent agreed that the services they received were appropriate for their skill set.

Table 2: Job Seeker Survey Results

Number of Completed Surveys	Number of Job Seekers Included in the Sample	Number of Job Seekers Eligible to be Surveyed	Response Rate	Satisfaction Score
325	401	17,376	81%	84%

Table 3: Survey Criteria Breakdown

Overall Satisfaction with Services	Services Met Expectations	Services Matched Skill Set
85%	84%	82%

The State surveyed employers to assess the impact of its services and ascertain whether:

- ARIZONA@WORK assisted the employer in identifying qualified job seekers;

- The employer found value in the services it received from ARIZONA@WORK; and
- The employer would use ARIZONA@WORK again

In Program Year (PY) 2023, the State made 1,243 calls to distinct employers to conduct the survey. Half of the 348 employers who responded to the survey indicated that ARIZONA@WORK helped in identifying qualified job seekers for their open positions. Eighty-nine percent found value in ARIZONA@WORK services and 99 percent stated that they are likely to access ARIZONA@WORK services again.

Table 4: Employer Survey Results

	ARIZONA@WORK Identified Qualified Job Applicants	Found Value in ARIZONA@WORK Services	Likely to Use ARIZONA@WORK Again
Yes	174	308	344
	50%	89%	99%
No	174	40	3
	50%	11%	0.1%

Local Area Methodologies for Assessing Customer Satisfaction

Local areas also implement their own methodologies to gauge job seeker and employer satisfaction of ARIZONA@WORK services. Examples of the local area methodologies include the following:

In Maricopa County, both job seekers and employers are prompted to complete surveys. Job seekers are notified of customer satisfaction surveys when they enter one-stop centers and are asked to provide feedback before their departure. Employers participating in onsite hiring events are provided satisfaction surveys both in person and via email. Feedback is also solicited during follow up calls, emails and in-person near the end of the event.

Mohave-La Paz Counties use the ATLAS case management system to send customer satisfaction questionnaires via Short Message Service. Every 30 days, ten participants (job seekers) are randomly selected to receive these questionnaires. Employer surveys are currently collected through methods such as in-person distribution, email, and SurveyMonkey. These surveys aim to gather insights on the services received and feedback from job fairs.

In early PY 2023, Pinal County contracted with Blossom Digital Marketing for assistance in creating a comprehensive outreach campaign to promote ARIZONA@WORK Pinal County services. The first step in this campaign was to survey the ARIZONA@WORK Pinal County

customer base – both job seekers and employers. These surveys provided great insight regarding how well the ARIZONA@WORK Pinal County brand was recognized as well as feedback from customers who actually used the service. The survey results also indicated that a majority of respondents favored accessing services online as opposed to other modes of engagement.

In Yuma County, surveys are used to receive client and employer feedback. Customer satisfaction surveys are sent to participants at various stages of participation, to include in person or over the phone interviews. Clients are able to provide feedback on their experiences and are asked to provide comments on recommendation of changes and likeliness to refer the program to others. These surveys are reviewed by management staff and used for improvement of Youth and Adult and Dislocated Worker program activities.

Effectiveness in Serving Employers

In PY 2023, 62.89 percent of Titles I and III exited participants retained employment with the same employer, up from the rate of retention with the same employer in PY 2022 (57.36 percent).

Table 5: Participant Retention with the Same Employer - 2nd and 4th Quarters After Exit

Participants who retained employment with the same employer 2nd and 4th quarters after exit (numerator)	18,577	62.89%
Participants who were employed in their 2nd quarter after exit (denominator)	29,540	

In addition to the above federally defined indicator of effectiveness in serving employers, Arizona measures its services to employers through the following:

- Consultations and work site visits;
- Customized interaction with a specific employer or industry group;
- Talent matching;
- Recruitment events; and
- Pre-employment screening.

Employer connections are captured through the following business service core activities: consultations, job order entry, comprehensive job order review, advanced search, hiring/job fair/resource event, customized labor market information, assistance with system of record navigation, account reactivation, and Rapid Response assistance.

In PY 2023, local and state business services team members delivered 17,946 services, with 1,848 consultations, 1,291 employers in hiring events, and 1,678 employer accounts approved.

Evaluation and Research

High Impact Training

The purpose of the High Impact Training analysis (previously referred to as the Title I-B Training Provider Evaluation Project⁷) was to establish a process to evaluate the effectiveness of training programs in the ARIZONA@WORK system and objectively conduct such evaluation by quantifying the effects of external factors outside the control of the training providers and removing them from consideration. The High Impact Training analysis is intended to facilitate better understanding of the effectiveness of different training programs, specifically, and training subjects more generally, and allow workforce staff and job seekers alike to make better informed decisions. The analysis aimed to help workforce policy makers adopt training program strategies that align with the goals of the ARIZONA@WORK system by promoting resources that lead participants to meaningful employment with livable wages.

In 2023, OEO focused on getting feedback and stakeholder engagement on the draft of the High Impact Training analysis. To ensure all options are considered and that strengths and weaknesses in the methodology are identified, OEO met with the following stakeholders to obtain input: Eligible Training Provider List coordinators, Department of Economic Security (DES), State and Local Workforce Development Boards and Department of Labor (DOL). OEO plans to continue to engage stakeholders to solicit feedback on the High Impact Training model, thereby ensuring optimal functionality and application of the model as a useful analytical tool. Further feedback will be obtained in the upcoming year.

Additional Considerations for Evaluation and Research

DES is exploring an impact study that aims to establish whether or how effectively Title I-B Adult, Dislocated Worker, and Youth program services contribute to self-sufficiency for those identified as low-income individuals at program entry. The study would focus on low-income individuals receiving Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) benefits and comparing outcomes to SNAP and TANF recipients who also received Title I-B services. Self-sufficiency would be defined as (i) 100 percent of the Lower Living Standard Income Level (LLSIL) guidelines and (ii) the local area's self-sufficiency level, expressed as a percentage of the LLSIL.

The proposed impact study would be further refined based on stakeholder feedback. With support from DOL, DES will continue evaluation planning and development in PY 2024.

⁷ Additional details of the Title I-B Training Evaluation Project is described in the PY 2022 annual report narrative <https://des.az.gov/sites/default/files/media/WIOA-Annual-Statewide-Performance-Report-Narrative-Titles-I-III-PY2022.pdf?time=1726411780294>

Appendix A: Local Area Initiatives and Success Stories

Maricopa County

Individual Training Accounts (ITAs) for In-School Youth

In PY 2023, ARIZONA@WORK Maricopa County's Youth Workforce Program aimed to connect with populations of underrepresented youth. Through 101 outreach activities primarily with core program partners, non-profits, high schools, and foster care agencies, Maricopa County enrolled 435 individuals and provided a total of 3,308 services. One of the main barriers to engaging youth were the client's limited availability and lack of transportation. Specifically, in-school youth had limited availability to complete enrollment activities. Maricopa County was able to successfully overcome this barrier by leveraging half school days on Wednesdays and providing evening orientation in the youth's neighborhoods at partner agencies, such as Phoenix Urban League. In addition, Maricopa County extended career center hours to remain open until 7:00pm Monday through Thursday. This provided evening opportunities for in-school youth assessments needed for successful enrollments. As a result, Maricopa County was able to enroll 30 in-school youth with 23 percent of them utilizing ITAs. Of the seven in-school youth utilizing ITAs, six have successfully completed their training, while one is still undergoing training.

Workforce 2 You Project

Workforce 2 You provided occupational skills training and supportive services to two cohorts of up to 15 participants in Gila Bend, Wickenburg, and Queen Creek. The project addressed the need for medical occupational skills training in remote areas where no healthcare training programs were available within a 30-minute drive.

Labor market information showed healthcare as an in-demand industry in all three communities, with several open positions, including those with telecommute options, and future growth. The project selected two training programs, Medical Billing and Coding and Medical Administrative Assistant, which may be utilized in various settings, including hospitals, medical offices, dental offices, mental health offices, physical therapy offices, and other areas of specialty medicine.

Both Medical Billing and Coding and Medical Administrative Assistant training programs began in June 2024 and concluded in mid August and July, respectively. Figures A1 and A2 show the training outcomes thus far.

Figure A1: Medical Billing and Coding Completion and Placement

Medical Billing and Coding		
	Participants Completed	Job Placements (8/3)
Gila Bend	12	2
Wickenburg	12	0
Queen Creek	5	3

Figure A2: Medical Administrative Assistant Completion and Placement

Medical Administrative Assistant		
	Participants Completed	Job Placements (8/3)
Gila Bend	10	2
Wickenburg	5	0
Queen Creek	9	1

Job placement wages range between \$18.00 to \$25.00 per hour.

Mohave-La Paz Counties

ITAs for In-School Youth

In Program Year (PY) 2023, ARIZONA@WORK Mohave-La Paz provided support to a total of seven in-school youth with the establishment of an ITA. This initiative has yielded significant positive outcomes, particularly among participants pursuing careers in medical and technical trades. Five of the seven participants successfully transitioned to postsecondary education. Two participants entered employment, with one enlisting in the military. These outcomes underscore the effectiveness of the program in equipping young individuals with the skills and opportunities needed for their future success.

Leveraging Technology in Service Provision

Through the Title I one-time opportunity funding, ARIZONA@WORK Mohave-La Paz purchased 30 Virtual Reality (VR) headsets and additional technology training databases. By leveraging VR technology, the initiative aims to deliver immediate career planning and advancement opportunities to students. The estimated impact is substantial, with an anticipated reach of approximately 400 students across both counties by the end of the PY 2024. In addition to its use in schools, VR technology is being promoted to local employers seeking on-the-job training solutions. These employers can utilize VR modules to assist workers with OSHA-10 courses, construction mathematics, blueprint reading, and professionalism within the trades. Similarly, these modules are leveraged for work experience candidates prior to beginning their work experience assignments. This approach compounds the benefits of integrated work-based learning components, ensuring that participants are well prepared and equipped with essential skills. Mohave-La Paz has utilized this method with seven participants in the local area in various work experiences or on-the-job training, with an expected expansion to all job centers as a work-readiness best practice.

Client Success Story: Micaela

Micaela enrolled in the program on February 28, 2024 to pursue Commercial Driver's License (CDL) training at Phoenix Truck Driving School. Initially she was shy and quiet but she showed a strong commitment to changing her life. Micaela moved from Oregon, where she had experienced homelessness and was determined to overcome past struggles, including addiction, to build a better future. With the support of her family, who offered her a stable place to stay during training, Micaela thrived. She consistently completed her tasks, attended a women's support group, and actively searched for jobs. Her hard work paid off when she passed her CDL test and secured a position with May Trucking, where she remains employed.

Northeastern Arizona

Through the Title I one-time funding opportunity, ARIZONA@WORK Northeastern Arizona enhanced services in the local area. The funding was used to supplement training and supportive services provided to participants. In addition, the funding was used for the setup, hardware, and first year subscription of ATLAS referral platform, strengthening cross referrals and co-enrollment among the programs within ARIZONA@WORK Northeastern Arizona. In alignment with the State's strategic initiative of increasing awareness and utilization of ARIZONA@WORK, Northeastern Arizona obtained *event kits* to help promote the workforce system's presence in the community.

Pima County

ARIZONA@WORK Pima County established career navigator positions in PY 2023, with the initial help of Title I one-time funding opportunity. Career navigators provide workforce and community resources to individuals and community-based organizations across Pima County.

Career navigators have attended 79 community events to distribute information about community resources and ARIZONA@WORK services. A total of 4,396 people were contacted to engage in services. Eighty-six homeless individuals were enrolled in the local continuum of care including the Vulnerability Index-Service Prioritization Decision Assistance Tool for housing and employment services. In total, 266 individuals registered in the State's system of record or are scheduled for eligibility determination for Title I-B Program services.

Pinal County

ARIZONA@WORK Pinal County received Title I one-time funding for its Intentional Design of Justice Involved Career Pathways initiative. This initiative is meant to address the critical challenge in the job market for those with criminal backgrounds. This groundbreaking program, originally targeting to serve 50 adult probationers from February to June 2024, is tailored to address the unique barriers faced by individuals re-entering the workforce post felony conviction. By the end of PY 2023, 43 individuals had engaged in at least the career pathway

identification phase of this project. Due to the limited time to expend the one-time funds, this initiative was approved to continue in PY 2024 with a new allocation.

The Pinal County Workforce Development Board (PCWDB) also used one-time funding to procure the services of Career Connectors to provide a series of 49 in-person and virtual career readiness workshops to ARIZONA@WORK Pinal County participants. These workshops are intended to assist participants be better prepared to enter the workforce and include such topics as “Interviewing, Resume Composition, Networking and Branding as well as Digital Literacy.”

The PCWDB also was able to procure ATLAS which is an online participant portal that levels the playing field of ARIZONA@WORK Pinal County partners who are not all on the same legacy system platform thereby negating the disconnect between partners. Enhanced communication and leveraging of resources to the benefit of the participant are just some of the advantages that are anticipated to be realized with the implementation of ATLAS.

Client Success Story: From Phlebotomist to Registered Nurse with the Support of ARIZONA@WORK Pinal County

The participant recently achieved a significant milestone by completing the Registered Nurse (RN) program and earning her RN license in January 2024. She had previously worked as a Phlebotomist for ten years, a role that didn't provide sufficient income to support her family. Despite the challenges, she was determined to pursue her dream of becoming a Registered Nurse. During her studies, the participant faced financial difficulties, especially as her husband is a disabled veteran. She demonstrated incredible commitment by driving from Marana to Tucson four times a week to attend classes and complete her internship at Pima Community College.

Throughout this journey, ARIZONA@WORK Pinal County's Adult program provided crucial support. This included gas cards, a backpack, scrubs, shoes, and essential medical supplies such as a stethoscope. The program also assisted with her books, background check, fingerprint clearance card, RN state exam, and the cost of her National Council Licensure Examination - Registered Nurse license. Her hard work and perseverance paid off when she was hired by Northwest Hospital in Tucson as a Registered Nurse, earning \$34.41 per hour during her training period. This story is a testament to her dedication and the vital support from ARIZONA@WORK Pinal County, which helped her overcome obstacles and achieve her goal of becoming an RN.

Service Coordination Success Story

Algene came to ARIZONA@WORK Pinal County with multiple barriers to employment, including justice involvement and minimal work history. Algene received services through the Adult Program and was co-enrolled in the Portable, Practical Educational Preparation National Farmworker Jobs Program (NFJP).

While in the program, Algene obtained stop-gap employment as a laborer for a concrete mix company, making \$19.00 an hour. However, ARIZONA@WORK Pinal County continued to help him reach his objective of earning a CDL, recognizing that more could be done to help the participant reach his career goal and achieve self-sufficiency.

ARIZONA@WORK Pinal County administered the Picture Interest Career Survey, which showed that Algene 's second highest score was in Realistic work. This category indicated he liked to work with tools, machines, and prefers physical, outdoor, and mechanical work and prefers a structured work environment. The assessment results aligned with Algene's CDL goal.

Subsequently, the Adult Program funded Algene's occupational skills training with Phoenix Truck Driving School, which began in February 2024. While in the training, he also received supportive services through NFJP.

Because Algene's job was considered stop-gap employment, ARIZONA@WORK Pinal County helped advocate for his advancement with the same employer, once he obtained his CDL. With Algene's determination and hard work – attending training during the day and working overnight – he obtained his CDL in April 2024. As a result of completing the training and receiving his CDL, Algene's employer promoted him to a commercial driver position. His new job pays \$30.00 an hour and has opportunities for overtime. His training and employment also led to other aspects of his life falling into place, including marriage to his fiancée.

Algene's success story shows that great things can be achieved, with participant perseverance and appropriate support from programs like ARIZONA@WORK Pinal County Adult Program and NFJP.

Client Testimony: A New Beginning after 20 Years in Prison

A career planner from the ARIZONA@WORK Pinal County Adult program received the following thank-you letter from a participant who had been incarcerated for 20 years:

Dear Sonia Cortez and the ARIZONA@WORK Pinal County Staff,

I hope this letter finds you well. I wanted to take a moment to express my heartfelt gratitude for your unwavering support and guidance throughout my journey to obtaining my CDL and launching my new career. Your dedication, patience, and expertise have been invaluable to me. From the very beginning, you took the time to understand where I came from and the challenges I faced after spending 20 years in prison. You stood by me every step of the way. Your encouragement and belief in my abilities motivated me to push through every obstacle and achieve my goals.

Thanks to your assistance, I am now a licensed commercial driver, earning over \$30 an hour, and ready to embark on this exciting new chapter in my life. The skills and knowledge I gained with your help and the support of ARIZONA@WORK Pinal County will undoubtedly contribute to

my future success. Once again, thank you, Sonia, for your exceptional support. Your commitment to helping individuals like me succeed is truly commendable. I look forward to keeping you informed about my employment so that you can continue to inspire others with what is possible. Wishing you all the best, and may your dedication continue to positively impact many more lives.

Yuma County

Restructured Job Club

ARIZONA@WORK Yuma County restructured the Job Club workshop in November 2023. The main focus was to combine workforce partner providers under one umbrella to consolidate Job Club service delivery, ensuring the needs of the participants were met as a collaborative network.

The enhanced Job Club was structured to match members with many types of suitable employment opportunities and positions. It also taught participants how to effectively network with programs and employers in a setting designed to increase employment opportunities.

Job Clubs, offered in a group setting, cultivate a culture of learning and innovation, by inspiring knowledge sharing, feedback and support for the job seeker. In 2023, a total of 466 participants attended the Job Club.

Client Testimonials

From an Adult participant who is now a youth work-based learning specialist at ARIZONA@WORK: *I came to ARIZONA@WORK seeking a better job. My case manager was great about informing me of job opportunities, and training that were available. After completing a course through AWC in fiber optic I realized that was not a career I wanted to pursue as a future goal. My case manager helped me focus on my passion working with youth. I've worked with youth for many years of my life. I fell in love with the ARIZONA@WORK youth program, helping them succeed in life. So, I'm grateful for the opportunity to work with youth and not only working in a career that I love, but also help shape the future.*

From an in-school youth participant who now works as a detention officer at Yuma County Sheriff Office: *ARIZONA@WORK made it possible to achieve my goals to the best of my ability and more. They were always interested in what I was going through and made sure they answered any questions I had. Because of ARIZONA@WORK, I took my first steps into a new chapter in my life! Thank you!*

From an out-of-school youth participant who was unemployed and with barriers to employment (with disability, basic-skills deficient, and low-income). The participant is now employed as an automotive technician at Home Nissan Yuma: *Thank you ARIZONA@WORK for giving me the*

On-the Job Training opportunity that I've dreamed about. I appreciate all the help that has been provided to me.

Appendix B: Arizona Economic Activity Report

Prior to the recession (February 2020 to April 2020) brought on by the COVID-19 Pandemic, the Arizona economy was recording robust growth according to several key economic variables. Total nonfarm employment had increased Year-Over-Year (YoY) for 113 consecutive months, while the unemployment rate reached record lows. The recession had a notably negative impact on the Arizona economy in Program Year (PY) 2019, but PY 2020 and PY 2021 fostered a strong economic recovery that continued through PY 2023. Total nonfarm employment increased over the PYs, while the Arizona unemployment rate fell below pre-pandemic lows. Employment growth is likely to continue, as OEO has projected employment growth to continue in nearly all sectors through Q2 2025.

Economic highlights for PY 2023 include the following:

- Arizona’s population continued to grow across the state and is projected to continue to increase over the next several years.
- In June 2024, the Arizona unemployment rate was 3.3 percent, which was the lowest rate on record for Arizona (using the current methodology), and was lower than the United States unemployment rate of 4.1 percent in the same month.
- Arizona gained 65,500 jobs YoY in June 2024. These gains were recorded in nine of twelve sectors.
- Five of seven Metropolitan Statistical Areas (MSA) in Arizona gained jobs YoY in June 2024. Yuma MSA recorded the highest growth rate (2.2 percent), followed by Phoenix-Mesa-Scottsdale MSA (2.1 percent) and Prescott MSA (1.6 percent).
- Eleven of twelve sectors, in addition to Self-Employed, are projected to gain jobs through Q2 2025. Construction is projected to have the highest percent change (6.7 percent growth), while Health Care and Social Assistance is projected to record the largest job gains (27,287 jobs).
- The State Coincident Index for Arizona, an indicator for measuring economic activity, improved to 181.7 in June 2024 from a 49-month low of 128.7 in April 2020.
- Arizona per capita personal income grew 5.6 percent from Calendar Year (CY) 2022 to CY 2023. United States (U.S.) per capita personal income grew 4.7 percent over the same period.

Figure B1: Arizona Population Projections

Year	Population	Population Change	Population % Change	Natural Change (Births - Deaths)	Total Net Migration (Inflows - Outflows)	Special Population Change ¹
2022	7,409,189	-	-	-785	124,604	-
2023	7,534,922	125,733	1.7%	9,563	112,744	3,427
2024	7,658,633	123,711	1.6%	13,438	106,732	3,541
2025	7,781,973	123,340	1.6%	17,491	102,186	3,663
2026	7,896,344	114,370	1.5%	16,959	97,411	-

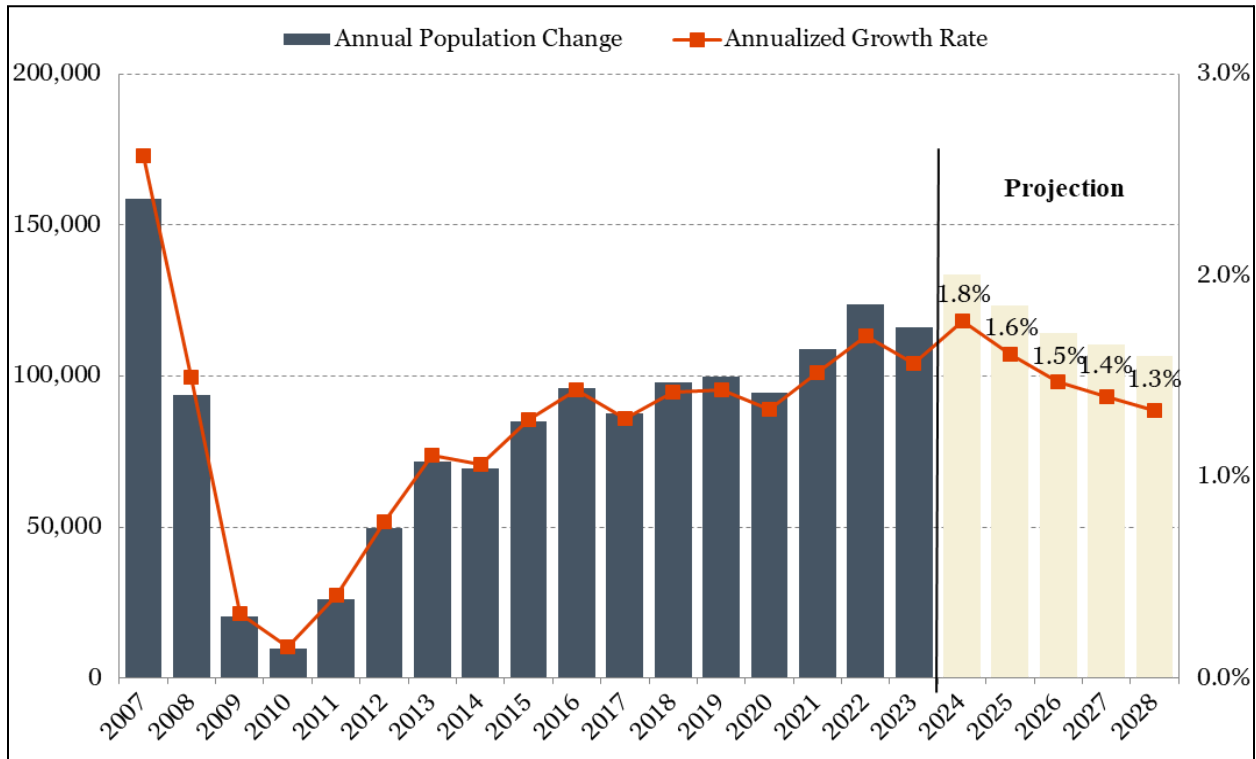
Source: Office of Economic Opportunity 2022 - 2060 Population Projections, Medium Series

¹ Special population changes are related to the temporary residencies caused by university students

Population growth in Arizona is projected to grow by 1.6 percent (123,711 individuals) in CY

2024. Approximately 10.9 percent of this growth is attributed to natural change (more births than deaths), while nearly 86.3 percent of this growth is attributed to net migration (more individuals moving into Arizona than leaving). Arizona’s population is projected to continue to grow by more than 110,000 individuals each year through 2026.

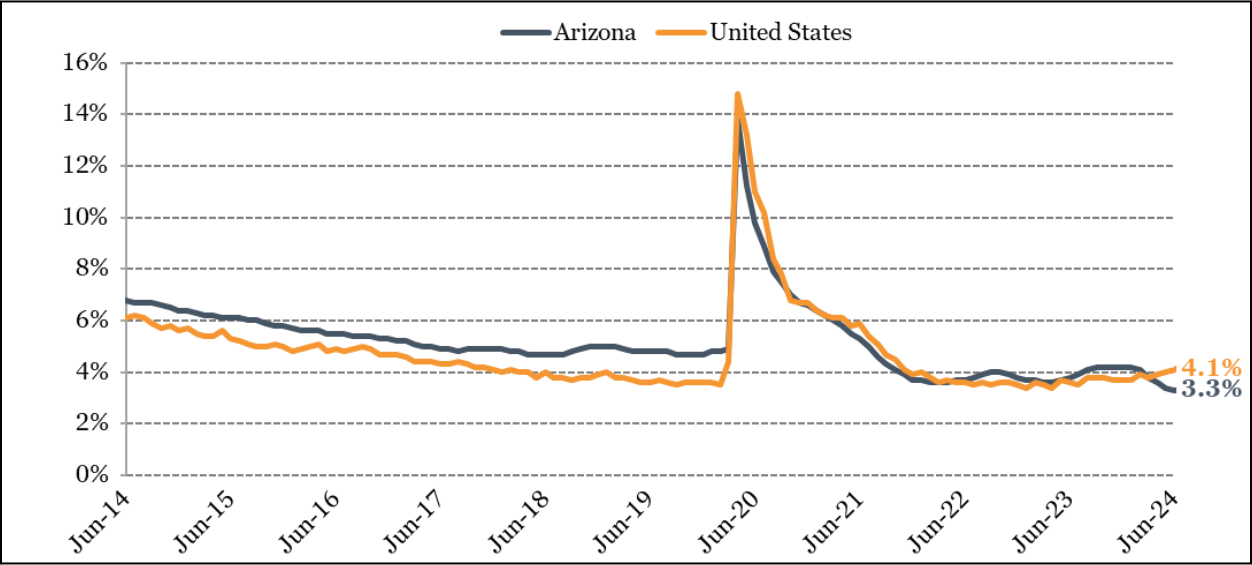
Figure B2: Arizona Population Growth



Source: Office of Economic Opportunity (OEO) 2022-2060 Population Projections, Medium Series

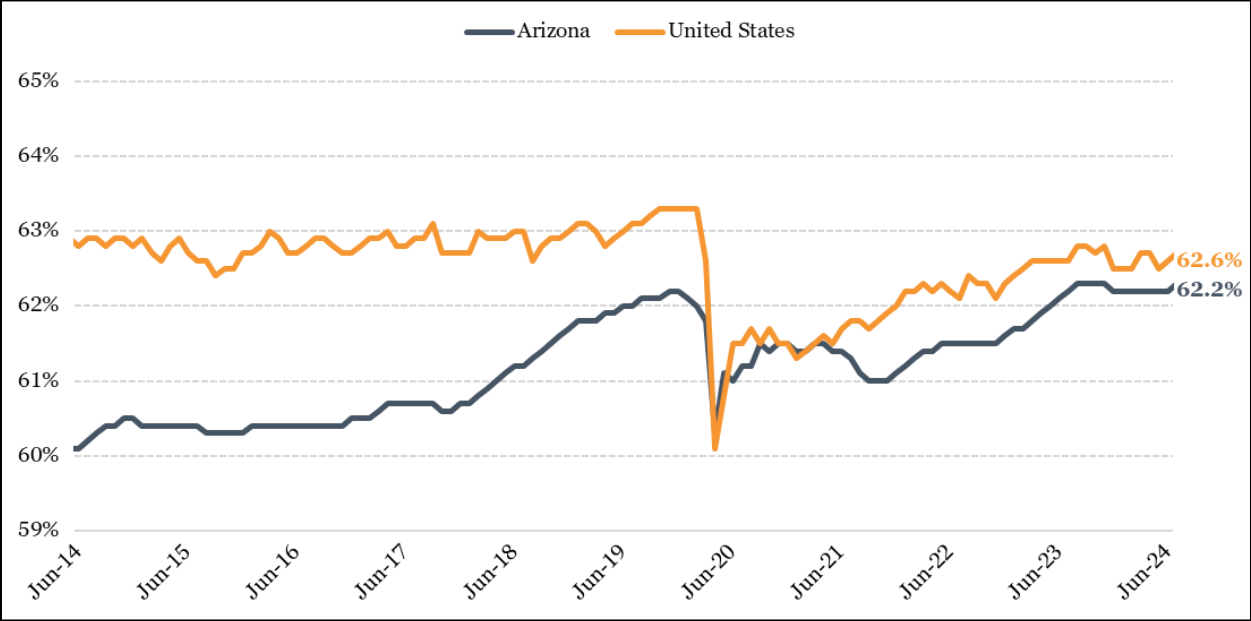
Arizona’s population growth rate has exceeded 1.0 percent every year since CY 2013 (see figure 2). CY 2009 and CY 2010 had particularly low population growth rates due to the impacts of the Great Recession (December 2007 – June 2009). As the Arizona economy recovered from 2011-2019, net migration began to increase.

Figure B3: Arizona and United States Seasonally-Adjusted Unemployment Rates



Source: OEO in cooperation with the U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Figure B4: Arizona and U.S. Labor Force Participation Rates



Source: OEO in cooperation with U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Note: Data is seasonally-adjusted

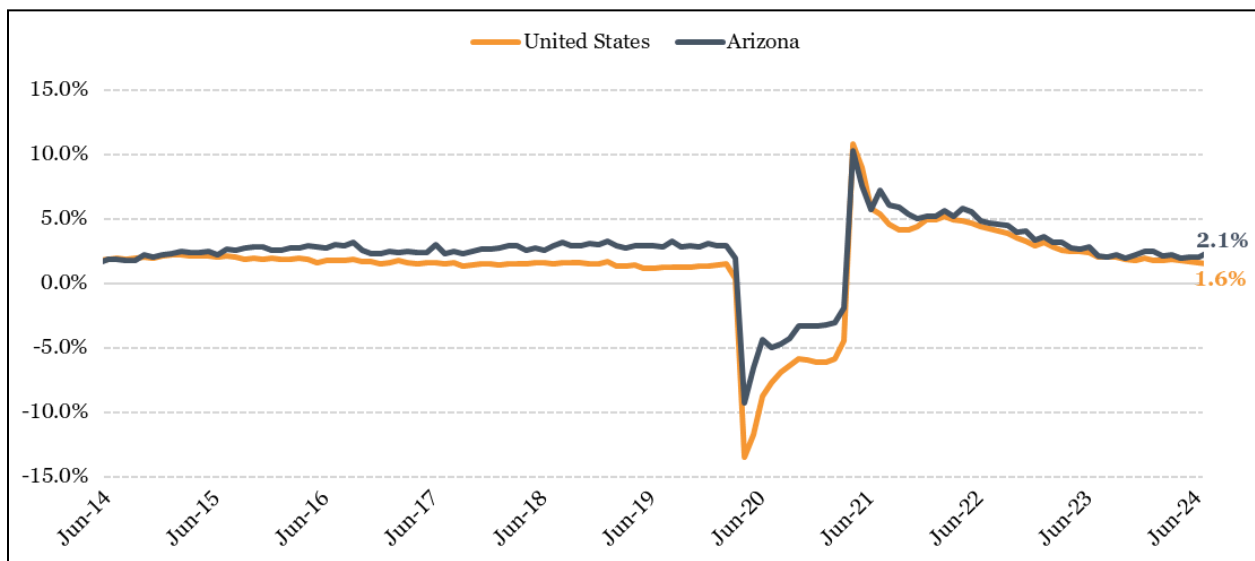
Since the Great Recession, Arizona’s unemployment rate and labor force participation rate

have generally recorded positive changes. This trend ended abruptly in March 2020, when the Arizona unemployment rate increased, and labor force participation decreased. These trends mirrored national trends, and can be attributed to the effects of COVID-19.

After the initial negative impacts to the economy caused by the COVID-19 Pandemic subsided, Arizona employment began to grow, while the unemployment rate began to decline. Arizona began PY 2023 with a seasonally-adjusted unemployment rate of 3.9 percent in July 2023 and ended PY 2023 with an unemployment rate of 3.3 percent in June 2023. The U.S. began PY 2023 with a seasonally-adjusted unemployment rate of 3.5 percent, and ended PY 2023 with an unemployment rate of 4.1 percent in June 2024.

Figure B4 compares monthly labor force participation rates between the U.S. and Arizona. The Arizona labor force participation rate has trended below the U.S. labor force participation rate historically. From PY 2014 to PY 2018, the Arizona labor force participation rate recorded positive growth, but in April 2020, experienced a sharp decline due to the COVID-19 Pandemic. Arizona labor force participation has returned to pre-pandemic levels while U.S. labor force participation nears pre-pandemic levels. Arizona’s labor force participation rate was 62.2 percent at the beginning of PY 2023 (July 2023), and 62.2 percent by the end of PY 2023 (June 2024). The U.S. labor force participation rate was 62.6 percent at the beginning of PY 2023, and 62.6 percent by the end of PY 2023.

Figure B5: Arizona and U.S. Nonfarm Employment YoY Change Not Seasonally Adjusted



Source: OEO in cooperation with U.S. Bureau of Labor Statistics, Current Employment Statistics

Figure B5 compares annual nonfarm employment growth rates between the U.S and Arizona. From October 2014 through March 2021, Arizona’s nonfarm job YoY growth rates have equaled or exceeded U.S. nonfarm growth rates in every month. Before declining to -9.2 percent in April 2020, Arizona nonfarm employment recorded positive YoY employment change for 113 consecutive months. Arizona nonfarm employment increased by 2.1 percent YoY in June 2024,

while U.S. nonfarm employment growth increased by 1.6 percent YoY in June 2024.

Figure B6: Arizona Employment Growth by Industry (Not Seasonally Adjusted, In Thousands - Reference Month of June)

	PY 2019	PY 2020	PY 2021	PY 2022	PY 2023
Total Non farm	-125.2	158.8	141.7	87.8	65.5
<i>OTY Percentage Change</i>	-4.3%	5.8%	4.9%	2.9%	2.1%
Natural Resources & Mining	-1.5	-0.1	0.9	1.2	1.0
<i>OTY Percentage Change</i>	-11.0%	-0.8%	7.5%	9.3%	7.1%
Construction	3.0	4.3	17.6	18.1	2.2
<i>OTY Percentage Change</i>	1.7%	2.5%	9.8%	9.2%	1.0%
Manufacturing	-2.1	5.0	10.4	3.3	-0.8
<i>OTY Percentage Change</i>	-1.2%	2.8%	5.7%	1.7%	-0.4%
Trade, Transportation & Utilities	-0.5	37.5	26.4	12.0	13.1
<i>OTY Percentage Change</i>	-0.1%	7.0%	4.6%	2.0%	2.1%
Information	-6.5	4.5	4.8	-0.9	-2.2
<i>OTY Percentage Change</i>	-13.2%	10.5%	10.1%	-1.7%	-4.3%
Financial Activities	5.8	12.3	3.4	-5.1	2.1
<i>OTY Percentage Change</i>	2.6%	5.3%	1.4%	-2.1%	0.9%
Professional & Business Services	-19.5	16.9	23.0	-0.5	4.6
<i>OTY Percentage Change</i>	-4.4%	4.0%	5.2%	-0.1%	1.0%
Private Educational Services	-3.1	4.2	2.5	2.8	7.8
<i>OTY Percentage Change</i>	-5.3%	7.6%	4.2%	4.5%	12.0%
Health Care and Social Assistance	-6.4	12.0	14.5	27.4	27.8
<i>OTY Percentage Change</i>	-1.6%	3.1%	3.6%	6.6%	6.3%
Leisure & Hospitality	-65.5	44.4	28.9	13.0	-2.0
<i>OTY Percentage Change</i>	-19.9%	16.9%	9.4%	3.9%	-0.6%
Other Services	-11.7	9.0	6.5	4.0	2.7
<i>OTY Percentage Change</i>	-12.4%	10.8%	7.1%	4.1%	2.6%
Government	-17.1	8.8	2.8	12.5	9.2
<i>OTY Percentage Change</i>	-4.4%	2.4%	0.7%	3.3%	2.3%

Source: OEO in cooperation with U.S. Bureau of Labor Statistics, Current Employment Statistics

Figure B6 shows nonfarm employment levels and the percentage change from prior Program Years. Nonfarm employment increased sharply in Program Year (PY) 2020 and PY 2021. This is primarily due to the impact of COVID-19 in PY 2019, when ten of the twelve sectors lost jobs over the year. YoY increases in nonfarm employment continued through PY 2023. Among the twelve sectors in PY 2023, Private Educational Services had the highest Year-Over-Year (YoY) employment growth rate (12.0 percent). This was followed by Natural Resources & Mining (7.1 percent); Health Care and Social Assistance

(6.3 percent); Other Services (2.6 percent); Government (2.3 percent); and Trade, Transportation & Utilities (2.1 percent). Sectors that did not exceed or match Arizona's total nonfarm employment growth rate (2.1 percent) include Professional and Business Services (1.0 percent); Construction (1.0 percent); and Financial Activities (0.9 percent). Three sectors lost jobs YoY: Manufacturing (-0.4 percent), Leisure & Hospitality (-0.6 percent) and Information (-4.3 percent).

Numerically, YoY in PY 2023, Health Care and Social Assistance gained 27,800 jobs; Trade, Transportation & Utilities gained 13,100 jobs; Government gained 9,200 jobs; Private Educational Services gained 7,800 jobs; Professional & Business Services gained 4,600 jobs; Other Services gained 2,700 jobs; Construction gained 2,200 jobs; Financial Activities gained 2,100 jobs; Natural Resources and Mining gained 1,000 jobs; Manufacturing lost 800 jobs; Leisure & Hospitality lost 2,000 jobs; and Information lost 2,200 jobs. Total nonfarm employment increased by 65,500 YoY in PY 2023.

Figure B7: Arizona Total Nonfarm Gains by Region (Not Seasonally Adjusted, In Thousands - Reference Month of June)

	PY 2019	PY 2020	PY 2021	PY 2022	PY 2023
Arizona	-125.1	158.8	141.7	87.8	65.5
<i>OTY Percentage Change</i>	-4.3%	5.8%	4.9%	2.9%	2.1%
United States	-13,207	8,119	6,549	3,667	2,518
<i>OTY Percentage Change</i>	-8.7%	5.9%	4.5%	2.4%	1.6%
Flagstaff MSA	-7.1	2.9	3.4	3.2	-0.4
<i>OTY Percentage Change</i>	-10.5%	4.8%	5.4%	4.8%	-0.6%
Lake Havasu City-Kingman MSA	-1.3	3.2	1.8	0.2	0.3
<i>OTY Percentage Change</i>	-2.5%	6.4%	3.4%	0.4%	0.5%
Phoenix-Mesa-Scottsdale MSA	-83.2	129.8	116.4	73.5	50.2
<i>OTY Percentage Change</i>	-3.9%	6.3%	5.3%	3.2%	2.1%
Prescott MSA	-3.0	3.3	2.5	1.5	1.1
<i>OTY Percentage Change</i>	-4.6%	5.3%	3.8%	2.2%	1.6%
Sierra Vista-Douglas MSA	0.4	-0.3	0.2	1.2	0.0
<i>OTY Percentage Change</i>	1.2%	-0.9%	0.6%	3.6%	0.0%
Tucson MSA	-20.3	11.3	12.9	7.6	5.0
<i>OTY Percentage Change</i>	-5.3%	3.1%	3.5%	2.0%	1.3%
Yuma MSA	-2.7	3.3	3.3	0.7	1.3
<i>OTY Percentage Change</i>	-4.9%	6.3%	5.9%	1.2%	2.2%

Source: OEO in coordination with United States U.S.) Bureau of Labor Statistics, Current Employment Statistics

The geographic distribution of job growth in Arizona is predominantly concentrated in the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA) (2.1 percent growth), though in PY 2023, Yuma MSA (2.2 percent growth) was the lone Arizona MSA that grew at a rate exceeding the job growth rate of Arizona (2.1 percent). The job growth rates for Prescott MSA (1.6 percent), Tucson MSA (1.3 percent), Lake Havasu City-Kingman MSA (0.5 percent), and

Sierra Vista-Douglas MSA (0.0 percent), did not surpass the U.S.' job growth rate of 1.6 percent. Flagstaff MSA was the only area to lose jobs over the year (-0.6 percent).

Figure B8: Arizona Employment Shares June 2014 to June 2024 (Not Seasonally Adjusted)

Supersector Title	June 2014 Share	June 2024 Share	Share Change	Numeric Change
Construction	4.9%	6.8%	1.8%	92,400
Health Care and Social Assistance	12.9%	14.6%	1.7%	144,200
Trade, Transportation, & Utilities	19.3%	19.5%	0.2%	138,900
Private Educational Services	2.1%	2.3%	0.2%	19,800
Financial Activities	7.5%	7.6%	0.2%	56,300
Natural Resources & Mining	0.5%	0.5%	-0.1%	1,800
Other Services	3.5%	3.3%	-0.2%	17,300
Manufacturing	6.3%	6.1%	-0.2%	35,700
Information	1.8%	1.5%	-0.3%	3,800
Professional & Business Services	15.0%	14.6%	-0.4%	89,200
Leisure & Hospitality	11.3%	10.8%	-0.4%	63,200
Government	14.9%	12.5%	-2.4%	25,100
Total	100.0%	100.0%	0.0%	687,700

Source: Office of Economic Opportunity in coordination with Bureau of Labor Statistics, Current Employment Statistics

Figure B8 shows how the composition of Arizona's economy has changed in the past decade. From June 2014 to June 2024, Construction increased its share of nonfarm employment by 1.8 percentage points, the largest share increase over this period. Other sectors that recorded positive employment share gains included Health Care and Social Assistance (1.7 percentage points), Trade, Transportation & Utilities (0.2 percentage points), Private Educational Services (0.2 percentage points), and Financial Activities (0.2 percentage points). The largest decrease in nonfarm employment share occurred in Government, falling by 2.4 percentage points. This was followed by Leisure & Hospitality (-0.4 percentage points), Professional & Business Services (-0.4 percentage points), Information (-0.3 percentage points), Manufacturing (-0.2 percentage points), Other Services (-0.2 percentage points), and Natural Resources and Mining (-0.1 percentage points).

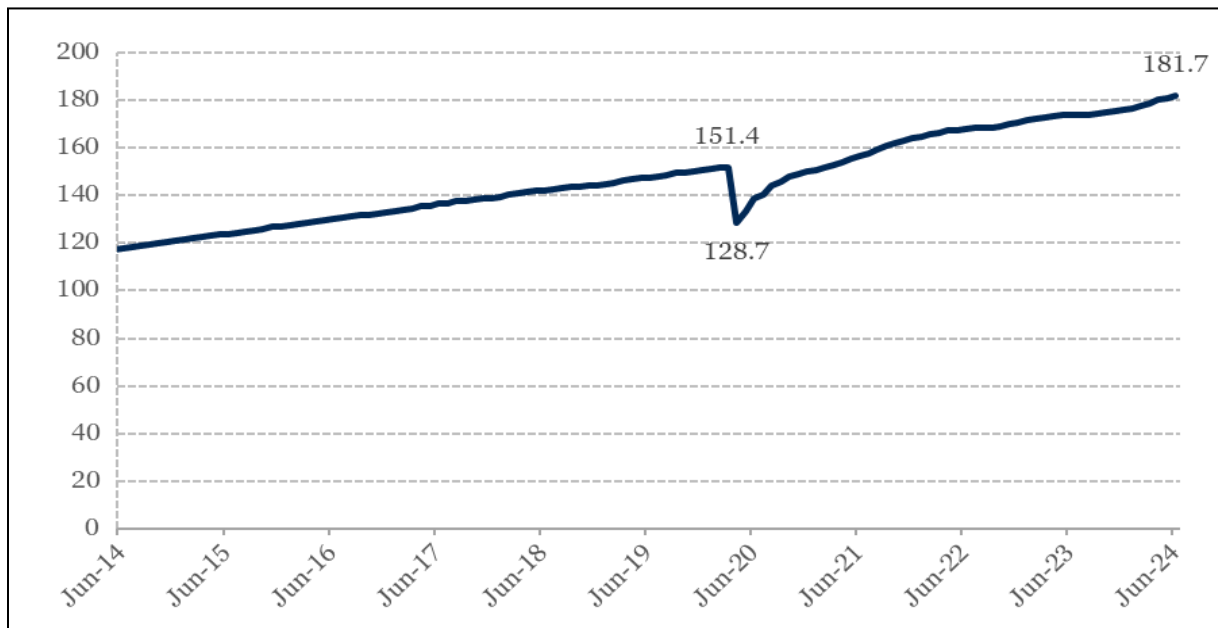
Figure B9: Arizona Short-Term Industry Employment Projections

Sector Title	Base Employment 2023 Q2	Projected Employment 2025 Q2	Numeric Change	Percent Change
Construction	214,433	228,721	14,288	6.7%
Health Care and Social Assistance	459,195	486,482	27,287	5.9%
Private Educational Services	226,348	235,504	9,156	4.0%
Leisure & Hospitality	379,821	394,359	14,538	3.8%
Manufacturing	194,646	199,631	4,985	2.6%
Trade, Transportation & Utilities	622,881	638,295	15,414	2.5%
Other Services	105,821	108,102	2,281	2.2%
Professional & Business Services	469,701	477,653	7,952	1.7%
Self-Employed	242,176	245,530	3,354	1.4%
Government	165,278	166,701	1,423	0.9%
Information	53,127	53,574	447	0.8%
Financial Activities	230,700	232,448	1,748	0.8%
Natural Resources & Mining	48,127	47,910	-217	-0.5%

Source: Office of Economic Opportunity using Short Term Industry Employment Projections 2023-2025

Figure B9 shows the short-term employment projections for sectors in Arizona. Eleven of the twelve sectors, along with Self-Employed, are projected to gain jobs in Arizona from Q2 2023 to Q2 2025. The largest percent increase is projected to occur in Construction (6.7 percent), followed by Health Care and Social Assistance (5.9 percent); Private Educational Services (4.0percent); Leisure & Hospitality (3.8 percent); Manufacturing (2.6 percent); Trade, Transportation & Utilities (2.5 percent); Other Services (2.2 percent); Professional & Business Services (1.7 percent); Self-Employed (1.4 percent); Government (0.9 percent); Information (0.8 percent); and Financial Activities (0.8 percent). Natural Resources & Mining is the only sector projected to record job losses during this period (-0.5 percent).

Figure B10: Arizona Coincident Economic Activity

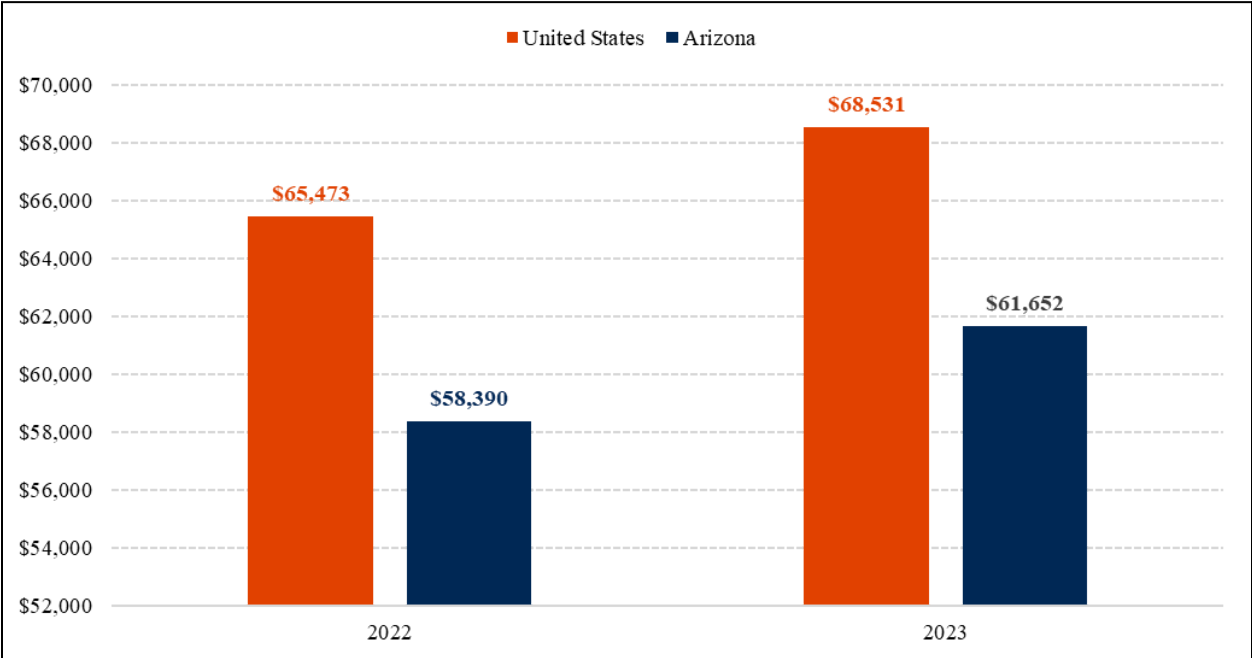


Source: Federal Reserve Bank of Philadelphia

Note: This index combines four variables: total nonfarm employment, average hours worked in manufacturing, the unemployment rate, and wages

The coincident economic activity index is an economic indicator compiled by the Federal Reserve that tends to correlate with economic growth. Figure B10 shows the changes in the coincident economic activity index over the past ten years. As the coincident index increases, economic growth tends to increase. After experiencing 125 continuous months of growth, Arizona’s coincident index declined by 0.04 in March 2020, dropping to 151.4. The coincident index declined again in April 2020 to 128.7. By June 2021, Arizona’s index was at 156.4. In June 2024, the end of PY 23, Arizona’s coincident economic activity index had improved to 181.7.

Figure B11: Arizona and U.S. Per Capita Personal Income



Source: Office of Economic Opportunity (OEO) in cooperation with the Bureau of Economic Analysis

Arizona’s per capita personal income in 2023 was \$61,652, an increase of 5.6 percent from the 2022 per capita personal income of \$58,390 (see figure 11). Over the same period, per capita personal income in the U.S. grew by 4.7 percent, increasing to \$68,531 in 2023 from \$65,473 in 2022. Among the states, Arizona ranked 33rd in per capita personal income in 2023.