



Center for Economic Research

901 N. Colombo Ave.
Sierra Vista, AZ 85635
Robert@CochiseEconomy.com
www.CochiseEconomy.com

CER PRESS RELEASE: July 20, 2017

Local wages increase in 2016

By: Dr. Robert Carreira, Chief Economist

Wages in Cochise County increased in 2016, following a drop the year prior (2015 was the first wage decline on record for Cochise County, with records back to 2000). According to data from U.S. Bureau of Labor Statistics and Arizona Office of Economic Opportunity, the average wage in Cochise County last year was \$22.53 per hour (\$46,852 annually). That was up 1.8 percent from \$22.12 (\$46,010 annually) in 2015.

Wages in Cochise County remained higher than statewide in 2016. The average wage throughout Arizona last year was \$22.26 (\$46,309), up 2.2 percent from \$21.78 (\$45,310) in 2015. Wages in Cochise County have been higher than statewide each year since 2012, even with the 2015 decline in Cochise County wages.

Back in 2004, Cochise County wages were 8.9 percent below the statewide average. That gap narrowed steadily to 0.6 percent by 2011 before being eliminated in 2012. In 2016, the average wage in Cochise County was 1.2 percent higher than statewide (a thinning of the gap from 1.6 percent in 2015).

Wages in Cochise County have continued to grow despite the county's economic recession that began in 2011 and has continued each year since (easily fitting most economists' definition of a depression). The reason is the county has also seen considerable population declines, which while generally not a positive development has had the effect of relieving pressure on the regional labor market related to job losses tied directly or indirectly to activity at Fort Huachuca. That has allowed wages to continue to grow despite persistent job losses over the past 8 years. Since 2010, Cochise County has lost 4.3% of its population (about 5,600 residents)—the fourth fastest rate of population decline in the nation among

metropolitan counties. Many of those who moved away were former defense contractors who had lost their jobs with cuts in military spending and otherwise had little or no connection to the area.

The average wage in Cochise County last year was third highest of Arizona's 15 counties. Only Greenlee County (\$24.36/\$50,664—the highest in the state) and Maricopa County (\$22.98/\$47,791) had average wages that were higher than Cochise County. Wages in Greenlee County are largely driven by high-paying mining jobs in Morenci.

In 2016, the average wage in Cochise County was higher than Pima County for the sixth straight year (after historically trailing Pima County wages). The average wage in Pima County last year was \$21.44 (\$44,585), 4.8 percent below that in Cochise County.

Higher wages in Cochise County compared to most other areas of the state are driven by a relatively small number of high-paying jobs. The highest-paying occupation in Cochise County in 2016 was physicians and surgeons, with an average hourly wage of \$89.69. That was followed by chief executives (\$68.33), pharmacists (\$65.05), architectural and engineering managers (\$64.10), and industrial engineers (\$54.72).

As an occupational group, management jobs were paid the highest average hourly wage in Cochise County in 2016 at \$43.03, followed by architecture and engineering occupations (\$39.94), computer and mathematical (\$39.13), legal (\$36.52), and business and financial operations (\$34.75).

Occupations in Cochise County that paid closest to the countywide average hourly wage for all occupations in 2016 included computer user support specialists (\$22.66), sales representatives for services (\$22.36), mobile heavy equipment mechanics, except engines (\$22.35), licensed practical and licensed vocational nurses (\$22.72), and postal service clerks (\$22.78).

The highest paid workers in Cochise County in 2016, on average, earned nearly 10 times as much as the lowest paid workers. That was down from nearly 13 times as much in 2015. The lowest paid workers in Cochise County in 2016 were fast food cooks (\$9.05), dishwashers (\$9.15), childcare workers (\$9.54), combined food preparation and serving workers, including fast food (\$9.61), and maids and housekeeping cleaners (\$9.66).

Wage data reflect straight-time, gross pay, and include base pay, cost-of-living allowances, guaranteed pay, hazardous duty pay, incentive pay, commissions, performance bonuses, and tips. Excluded are premium pay, back pay, jury duty pay, overtime, severance pay, shift differentials, nonproduction bonuses, and tuition reimbursements.

Dr. Robert Carreira is Chief Economist at Cochise College Center for Economic Research. He can be reached at Robert@CochiseEconomy.com. Visit the CER website at www.CochiseEconomy.com.

COCHISE COUNTY'S HIGHEST PAYING OCCUPATIONS (2016)

<i>Occupation</i>	<i>Average Hourly Wage</i>
Physicians and Surgeons, All Other	\$89.69
Chief Executives	\$68.33
Pharmacists	\$65.05
Architectural and Engineering Managers	\$64.10
Industrial Engineers	\$54.72
Lawyers	\$54.52
Construction Managers	\$53.76
Financial Managers	\$52.06
Managers, All Other	\$48.48
Software Developers, Systems Software	\$47.10

Source: Arizona Office of Economic Opportunity and Cochise College Center for Economic Research

#