

ECONOMY OF CLARKDALE



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ECONOMY OF CLARKDALE (ZIP CODE 86324)

Manufacturing, transportation, and mining are the largest forces driving the Clarkdale economy. Otherwise, Clarkdale is partially dependent on the economy of the broader Verde Valley area. Manufacturing provides the most employment of any sector in Clarkdale.

Zip code 86324 is used as an approximation for Clarkdale, though the 44-square-mile land area of the zip code is larger than the town's 7.3 square miles. The 2000 decennial census count of 3,438 residents in this zip code was nearly identical to the town's population of 3,422. The 2004 population of Clarkdale, as defined by this zip code, is estimated at 3,722.

THE ECONOMY IN 2004

Total Employment

Total employment in Clarkdale is estimated to have been between 1,100 and 1,125 in 2004. Total employment was 300 per 1,000 residents — 30 to 37 percent less than the national and state averages, but barely below the median value of 83 incorporated cities and towns in Arizona.

Various factors contributed to this low per capita figure. The 2000 census counted 1,450 employed Clarkdale residents, considerably more than the number of jobs located in Clarkdale (in 2001). Thus, many Clarkdale residents commuted to work in other communities. Further, according to the 2000 census, a lower-than-average share of Clarkdale residents were of working age (the proportion of senior citizens was high).

Agriculture and Government

Agriculture largely is a basic activity that includes agricultural support activities as well as farming and ranching. No agriculture employment is estimated to have been in the Clarkdale zip code in 2004.

The government sector represents a mix of basic and nonbasic activities. Most federal government employment (both civilian and military) is basic to both the community and the state. State government employment may be basic to the community, but is not basic to the state. Similarly, county government and community college employment may be basic to the community (for example, a portion of the employment at the county seat is basic in that some workers serve other communities in the county), but not to the county or the state. Other local government — municipal, tribal, school district and special district — only rarely is basic to a community.

Government employment in Clarkdale in 2004 was between 300 and 325, second highest among the 20 sectors. Government employment per 1,000 residents was 84 in Clarkdale — 4 percent higher than the national average, 16 percent more than the state average, and higher than the median value of the cities and towns. Excess employment was less than 25 relative to the national average and close to 50 relative to Arizona.

Government employment in Clarkdale was boosted by the Verde Valley campus of Yavapai Community College, one of the town's largest employers with a workforce of between 150 and 175. The Clarkdale-Jerome Elementary School District employed a little more than 50.

Nonagriculture Private-Sector Economy

Nonagriculture private-sector employment in Clarkdale was approximately 800 in 2004. Employment was a low 216 per 1,000 residents — 45 percent less than the national average and 38 percent less than the state average, but a little above the median value of Arizona cities and towns.

Employment estimates for 2004 for the broad sectors of the Clarkdale economy are shown in Table 1. The manufacturing sector provided the most employment, barely more than government. Per capita employment was above average in manufacturing, transportation and warehousing, and mining (see the “location quotient relative to nation” column of the table). Each of these sectors has a sizable export component. Manufacturing and transportation and warehousing employed moderately more than if the sector’s per capita employment had been equal to the national per capita average (see the “excess employment relative to nation” column of the table). The much smaller mining sector had much less excess employment. The construction sector also contributed a small number of excess employees, but only a small portion of this sector’s activity can be considered basic.

In contrast, the location quotient was less than 0.55 in each of the other 15 sectors, including some with an export component. In particular, tourism had very little presence in Clarkdale. No one was employed in the accommodation subsector and per capita employment in the food services subsector was 58 percent less than the U.S. average.

More sectorally detailed data show that 15 industries provided excess employment of at least 10 in Clarkdale in 2004, the majority of which have a basic component (see Table 2). Cement manufacturing had the greatest excess employment. The Census Bureau reported that the one establishment in this industry employed between 100 and 249 in 2004, Clarkdale’s largest private-sector employer. Local sources indicate that the Salt River Materials Group (previously Phoenix Cement) employs around 150. Four other manufacturing industries also appear in Table 2: commercial screen printing, industrial machinery, ready-mix concrete, and a miscellaneous category. The printing company (Mold In Graphics) was one of three establishments with between 50 and 99 employees in 2004. The industrial machinery establishment (Bent River Machine) was one of four with employment of between 20 and 49.

The other export industries with excess employment included in Table 2 are spread across various sectors, including mining and wholesale trade. The scenic and sightseeing transportation company (Verde Canyon Railroad) and the long-distance specialized freight trucking company were the other two employers of between 50 and 99.

The other industries listed in Table 2 largely serve the local population, including three construction industries. To the extent that Chino Valley’s construction firms serve the region’s tourism, seasonal resident, and retirement markets, a portion of their activity could be considered basic. In particular, the single-family construction industry has a basic component to the extent that sales are made to in-migrating retirees; the proportion of senior citizens in Clarkdale and nearby communities was above average according to the 2000 census.

Manufacturing, transportation, and mining are the largest forces driving the Clarkdale economy. Clarkdale is partially dependent on the economy of the broader Verde Valley area.

Clarkdale v. Comparison Cities

Employment per 1,000 residents in Clarkdale in 2004 was 11 percent less than the regional average. Clarkdale’s per capita employment was the sixth highest of the nine incorporated cities in the Yavapai region, higher than in Prescott Valley, Chino Valley and

TABLE 1
WAGE AND SALARY EMPLOYMENT BY SECTOR
Clarkdale (Zip Code 86324), 2004

Sector	Number of		Relative to Nation		Relative to Arizona	
	Establishments	Employment	Location Quotient	Excess Employment	Location Quotient	Excess Employment
TOTAL	87	1,117	0.63	0	0.70	0
AGRICULTURE	0	0	0.00	0	0.00	0
GOVERNMENT	5	313	1.04	13	1.16	44
TOTAL, NONAGRICULTURE PRIVATE SECTOR	82	804	0.55	0	0.62	0
Mining	3	24	4.08	18	4.75	19
Utilities	1	2	0.27	0	0.33	0
Construction	22	118	1.40	34	1.00	0
Manufacturing	12	313	1.79	138	2.94	207
Wholesale trade	1	14	0.19	0	0.24	0
Retail trade	9	44	0.23	0	0.24	0
Transportation & warehousing	6	158	3.04	106	3.43	112
Information	0	0	0.00	0	0.00	0
Finance & insurance	3	18	0.22	0	0.23	0
Real estate & rental & leasing	4	6	0.22	0	0.21	0
Professional, scientific & technical services	4	6	0.06	0	0.08	0
Management of companies & enterprises	0	0	0.00	0	0.00	0
Administrative, support, waste management, remediation services	3	5	0.04	0	0.04	0
Educational services	1	2	0.04	0	0.07	0
Health care and social assistance	2	9	0.04	0	0.06	0
Arts, entertainment & recreation	0	0	0.00	0	0.00	0
Accommodation & food services	3	48	0.35	0	0.34	0
Other services (except public administration)	8	37	0.54	0	0.72	0
Unclassified establishments	0	0	0.00	0	0.00	0

Source: Nonagriculture private sector estimated from U.S. Department of Commerce, Census Bureau, *Zip Business Patterns 2004*. Agricultural production employees, most government employees, railroad employees, self-employed individuals and employees of private households are not included in this data source. The agriculture and government sectors are estimated — see Chapter I for details. The concept of establishment for agriculture and government differs from that used for the nonagriculture private sector.

TABLE 2
NONAGRICULTURE PRIVATE-SECTOR INDUSTRIES WITH EXCESS WAGE AND SALARY EMPLOYMENT OF AT LEAST 10*
Clarkdale (Zip Code 86324), 2004

Industry	Number of Establishments Employment		Relative to Nation		Relative to Arizona	
			Location Quotient	Excess Employment	Location Quotient	Excess Employment
Cement manufacturing	1	162	734.78	161	501.24	161
Commercial screen printing	1	75	87.83	74	173.80	74
Scenic & sightseeing transportation, land	1	73	659.24	73	229.60	73
Specialized freight (except used goods) trucking, long-distance	1	73	40.21	71	106.30	72
All other industrial machinery manufacturing	1	32	68.17	32	103.21	32
Industrial building construction	1	32	34.20	31	97.42	31
Water and sewer system construction	1	32	13.02	29	9.18	28
Construction sand and gravel mining	3	24	75.76	24	42.17	24
Nursery, garden center & farm supply stores	2	21	11.02	19	14.40	19
Ready-mix concrete manufacturing	2	16	13.05	15	11.42	15
New single-family general contractors	6	21	3.65	15	2.55	12
All other miscellaneous manufacturing	2	14	11.94	13	12.92	13
General automotive repair	2	16	3.70	12	3.63	11
Other grocery & related products merchant wholesalers	1	14	4.20	11	4.74	11
Real estate credit	1	14	3.10	10	2.44	8

* Relative to either the national or Arizona average

Note: Those entries in bold with a gray background have a high proportion of sales to customers outside the region and are considered basic (export) economic activities. Those not in bold with a gray background have a moderate proportion of sales to non-residents. Other industries largely serve local residents.

Source: Estimated from U.S. Department of Commerce, Census Bureau, *Zip Business Patterns 2004*. Agricultural production employees, most government employees, railroad employees, self-employed individuals and employees of private households are not included in this data source.

Dewey-Humboldt. Clarkdale's figure was higher than in each of the region's four unincorporated areas.

In the nonagriculture private sector, employment per 1,000 residents in Clarkdale in 2004 was 23 percent less than the regional average. Clarkdale ranked tied for fifth with Camp Verde among the nine cities; its figure was higher than in each of the unincorporated areas.

Average nonfarm private-sector payroll per employee in Clarkdale in 2004 was \$36,700 — just higher than the national average, 14 percent above the state average, and 59 percent more than the regional average. Clarkdale ranked ninth highest among 120 incorporated and unincorporated areas in the state. This high figure likely resulted from so much of the employment being in the higher-paying manufacturing, transportation, and mining sectors. Within the Yavapai region, the mining-dominated Bagdad-Congress-Yarnell unincorporated area had an even higher figure.

In most sectors, the location quotients in Clarkdale ranked among the bottom three of the region's nine cities. However, Clarkdale had the highest location quotient in manufacturing, transportation and warehousing, and mining.

Five comparison areas were selected, independent of region. Cities and towns of similar size (between 50 percent and 150 percent of the 2004 estimated population of Clarkdale) located nearby (within 50 miles) generally were selected. These comparison areas were supplemented as necessary with larger nearby cities and towns, smaller nearby cities and towns, and similarly sized cities and towns more than 50 miles away. The magnitude of the difference in city size, distance, and industrial mix also was considered.

Per capita employment in Clarkdale, overall and in the nonagriculture private sector, was fifth highest of the six cities in the comparison group, greater than in Superior. Per capita nonagriculture private-sector employment in Clarkdale was fourth highest, more than in Chino Valley and Superior. Average nonfarm private-sector payroll per employee in Clarkdale was by far the highest.

Some of the export sectors are shown in Chart 1. Clarkdale's location quotient was the highest of the comparison group in manufacturing and second highest in transportation and mining, but among the lowest in accommodation and food services.

CHANGES IN THE ECONOMY BETWEEN 2001 AND 2004

Between 2001 and 2004, Clarkdale's employment rose approximately 150 (15 percent). Employment per 1,000 residents also advanced, as did the location quotients relative to the national and state averages.

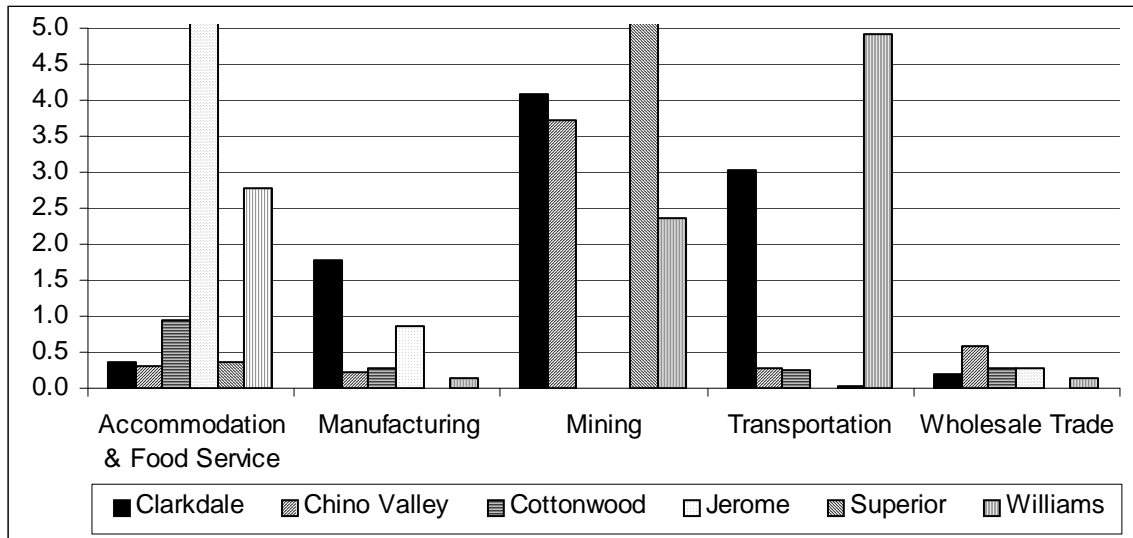
Clarkdale experienced a substantial increase of 26 percent in nonfarm private-sector employment between 2001 and 2004, far greater than the Arizona average of 5 percent and the barely positive national change, and also greater than the Yavapai region's 16 percent. The location quotient relative to the national average rose 0.11 between 2001 and 2004 in Clarkdale, double the regional average and one of the largest gains in the state. In contrast, the state's location quotient dropped marginally.

The town's employment growth was accompanied by an increase in inflation-adjusted payroll per employee. The 4 percent rise was slightly more than the regional average of 3 percent; the state and national figures fell.

A substantial gain in the transportation and warehousing sector's location quotient in Clarkdale was accompanied by an increase in excess employment between 2001 and 2004. The increase resulted from the startup of the Verde Canyon Railroad and increases in employment of trucking firms, particularly among those shipping specialized freight long distance.

Advances in location quotients and excess employment also occurred in manufacturing and construction. Various manufacturing industries contributed to the advances, but the main cause was the opening of a commercial screen printing establishment. In contrast, the wholesale trade sector experienced a drop in location quotient and a loss of the small amount of excess employment that had been present in 2001. Most of the other sectors experienced little change in location quotient (see Table 3).

**CHART 1
LOCATION QUOTIENTS IN 2004
Selected Sectors in Clarkdale and Comparison Cities**



Note: The location quotient for accommodation and food service is 12.1 in Jerome; the mining figure is 6.16 in Superior.

Source: Estimated from U.S. Department of Commerce, Census Bureau, *Zip Business Patterns 2004*.

TABLE 3
2001-TO-2004 CHANGE IN WAGE AND SALARY EMPLOYMENT BY SECTOR
Clarkdale (Zip Code 86324)

Sector			Relative to Nation		Relative to Arizona	
	Number of Establishments	Employment	Location Quotient	Excess Employment	Location Quotient	Excess Employment
TOTAL, NONFARM PRIVATE SECTOR	10	165	0.11	0	0.13	0
Forestry, Fishing and Hunting, and Agricultural Support Services	0	0	0.00	0	0.00	0
Mining	0	1	0.21	1	1.25	2
Utilities	1	2	0.27	0	0.33	0
Construction	6	34	0.36	30	0.25	0
Manufacturing	0	58	0.50	82	0.97	81
Wholesale Trade	-4	-74	-0.96	-11	-1.26	-29
Retail Trade	4	14	0.07	0	0.07	0
Transportation and Warehousing	3	125	2.33	106	2.76	112
Information	-1	-2	-0.04	0	-0.04	0
Finance and Insurance	2	16	0.19	0	0.21	0
Real Estate and Rental and Leasing	3	4	0.16	0	0.15	0
Professional, Scientific and Technical Services	0	0	0.00	0	0.01	0
Management of Companies and Enterprises	0	0	0.00	0	0.00	0
Administrative, Support, Waste Management, Remediation Services	0	-5	-0.05	0	-0.04	0
Educational Services	0	0	-0.01	0	-0.02	0
Health Care and Social Assistance	-1	3	0.01	0	0.01	0
Arts, Entertainment and Recreation	0	0	0.00	0	0.00	0
Accommodation and Food Services	-2	-9	-0.10	0	-0.07	0
Other Services (except public administration)	1	12	0.16	0	0.24	0
Unclassified Establishments	-1	-1	-0.53	0	-0.64	0

Source: Nonagriculture private sector estimated from U.S. Department of Commerce, Census Bureau, *Zip Business Patterns 2004* and *2001*. Agricultural production employees, most government employees, railroad employees, self-employed individuals and employees of private households are not included in this data source. The agriculture and government sectors are estimated — see Chapter I for details. The concept of establishment for agriculture and government differs from that used for the nonagriculture private sector.