

Prescott Valley: Economic Mobility Analysis

January 2025



Prepared for:



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Executive Summary

Rounds Consulting Group, Inc. ("RCG") has partnered with the Town of Prescott Valley ("Prescott Valley" or "Town") to conduct a *high-level and abbreviated analysis* pertaining to the advancement of economic mobility in the community. This analysis will be integrated with other projects in the Town, including the recent economic development plan and the pending house plan.

Municipalities have the ability to influence residents' upward economic mobility through the provision of select programs as well as through partnering with other public and private sector entities.

This effort encompasses the review of core economic mobility data points, as well as working with Town staff on internal policies addressing financial inequities, creating programs that target community needs, building long-term financial strength, and directing general budget spending that supports the advancement of upward mobility.

Key Findings

The key findings of the analysis are summarized below.

- Upward economic mobility is made possible by a combination of the local government entity establishing a solid economic foundation from which an individual can build, but it is also dependent on the motivation of the individual to want to succeed.
- Housing affordability is one of the greatest impediments to upward economic mobility at the present time. Community leaders should focus a disproportionate amount of their efforts on the production of additional affordable homes.
- By prioritizing the housing needs of individuals who serve the community, Prescott Valley can cultivate a more sustainable and supportive environment. This approach not only addresses the immediate demand for affordable housing but also contributes to the long-term stability and well-being of its essential workforce.

By investing in adequate housing solutions, the community can enhance employee retention, improve overall job satisfaction, and attract new talent, thereby fostering a vibrant and engaged community that meets the needs of its residents effectively.

- The Town can also use Community Development Block Grants (CDBG) to build sidewalks connecting neighborhoods to major roads. These improvements aim to support commuting, carpooling, physical exercise, education, and access to services. The Town invests in this infrastructure to promote a healthier, more inclusive community where residents can thrive.
- Economic mobility cannot exist without making job opportunities available to area residents. Not only will addressing affordable housing assist with new business development but the new



business development can be enhanced if the community establishes a high-quality economic development effort.

- Prescott Valley is moving in the right direction based on a review of the economic data. This can be seen in key statistics, such as improvements in per capita personal income, that capture the benefits of higher-quality government planning.
- However, there is untapped economic opportunity to improve these statistics further, but that will require additional partnerships between the government and private sector entities.
- The improvement along I-17 connecting the Phoenix area to Yavapai County will further expand the *economic* connections between the north Phoenix area and Prescott Valley.
- Prescott Valley can access federal support programs to enhance community development. By leveraging these funds, the Town can implement infrastructure and social programs that improve income security for residents, including transportation improvements, affordable housing, and services that strengthen the local economy.
- No individual community can carry the full weight of water for upward economic mobility without assistance from a larger entity such as the county or the state of Arizona.
- New relationships with the county and the state will need to be established, and unique programs related to business development, internships, apprenticeships, and attraction of semi-retired workers, among others, will be required.





Targeting Upward Economic Mobility

As a person's income increases, they are considered upwardly mobile. Economic mobility is influenced by an individual's community, neighborhood, geographic area, and population group. Economic mobility typically relies on income as a primary metric but also encompasses additional economic factors such as educational attainment, physical and mental health, homeownership rates, wealth generation and maintenance, and other measures of economic status.

Financially healthy families are more likely to contribute consistently to local government revenues and are less likely to need local government support. Local and regional governments, school districts, and other jurisdictions operate best with stable revenues and affordable expenditures.

Municipalities play a crucial role in shaping upward mobility through their day-to-day activities. This involves, for example, assessing and revising internal policies to address disparities in housing and employment opportunities. ***Additionally, communities can develop targeted programs that address specific needs, thereby fostering long-term economic resilience.***

Moreover, municipalities can strategically allocate budget resources to support initiatives that promote upward mobility, such as workforce development programs and affordable housing projects.

Efforts by municipalities to improve family financial health may also improve residents' well-being while driving inclusive economic growth.¹ ***When residents are financially secure, they are better positioned to buy homes, support local businesses, and contribute to the local economy.***² When residents cannot meet their financial obligations, municipalities lose revenue and incur other costs.

Unpaid property taxes in municipal areas result in a reduction of local tax revenues and contribute to secondary implications such as property foreclosures. These foreclosures impose additional challenges

Economic mobility pertains to the capability of an individual, family, or group to enhance or diminish their economic status over their lifespan, or from one generation to the next.



¹ Bernstein, Jared. 2015. "Financial Vulnerability Is a Problem: An Economist's View." In *What It's Worth: Strengthening the Financial Futures of Families, Communities, and the Nation*, edited by Laura Choi, David Erickson, Kate Griffin, Andrea Levere, and Ellen Seidman, 72–84. San Francisco: Federal Reserve Bank of San Francisco and Corporation for Enterprise Development.

² English, Phil, and Jeramie Greer. 2015. "We Are In This Together: Bipartisan Solutions to Preserve the American Dream." In *What It's Worth: Strengthening the Financial Futures of Families, Communities, and the Nation*, edited by Laura Choi, David Erickson, Kate Griffin, Andrea Levere, and Ellen Seidman, 85–92. San Francisco: Federal Reserve Bank of San Francisco and Corporation for Enterprise Development.



and expenditures for towns and cities, including disinvestment in neighborhoods, diminished property values, and the costs associated with demolishing vacant properties.³ Unpaid utility bills diminish the revenue of municipally owned utilities and lead to expenses related to service termination. Evictions lead to homelessness, which increases local housing expenses.⁴ Furthermore, evictions contribute to residential instability, often causing further disruptions for families, communities, and educational institutions.⁵

Research has demonstrated that intergenerational economic mobility in the United States is noticeably influenced by race and ethnicity. The discernible disparities in mobility, particularly along racial and gender lines, exacerbate existing inequities in areas such as housing, education, and health.⁶

Policy remedies for persistently low intergenerational economic mobility include more equitable housing and education opportunities, better income security, wealth accumulation, investments to improve school quality, lower crime, and encouraging private-sector amenities to improve infrastructure in the poorest neighborhoods.

Advancing the upward economic mobility of residents has a direct impact on the financial health and long-term viability of municipalities. Residents can achieve increased income, educational attainment, better access to physical and mental health resources, a higher quality of life, and the ability to pass on wealth to future generations. Municipalities benefit from increased revenue, greater public safety, and stronger local economies.

Policy Interventions that Improve Upward Mobility

The following points summarize potential policies that can be improved upon or newly implemented to improve upward economic mobility within a community.

The key for these kinds of programs to be successful is to focus on a select number of projects that fit within the community's economic development plans and make sense for the economic region.

- **Equitable Housing:** There are several promising housing policy levers to promote economic mobility, including tax policies, block grants, rental assistance, fair housing programs, and homeownership programs.

³ Dewar, Margaret, Eric Seymour, and Oana Druta. 2015. "Disinvesting in the City: The Role of Tax Foreclosure in Detroit." *Urban Affairs Review* 51 (5): 587–615.

⁴ United States Conference of Mayors. 2015. *Hunger and Homelessness Survey: A Status Report on Hunger and Homelessness in America's Cities*. Washington, DC: United States Conference of Mayors.

⁵ Desmond, Matthew. 2015. "Unaffordable America: Poverty, Housing, and Eviction." *Fast Focus* 22-2015. Madison: Institute for Research on Poverty, University of Wisconsin–Madison.

⁶ Monroe, Maria. "Race and the Lack of Intergenerational Economic Mobility in the United States." *Equitable Growth*, 23 June 2020, equitablegrowth.org/race-and-the-lack-of-intergenerational-economic-mobility-in-the-united-states/.



Block grants such as the Community Development Block Grant (CDBG), HOME Investment Partnership Programs, and housing trust funds are available. Rental assistance programs involve federal assistance, state assistance, and preservation.

Fair housing policies and programs include the Fair Housing Act, land use regulations, and affordable housing requirements. Finally, homeownership programs like the Federal Housing Administration loan program, state homeownership programs, and housing counseling are available.

Prescott Valley's Current Initiatives for Equitable Housing: Prescott Valley's Comprehensive Attainable Housing Plan contains several of these items. The goal of the strategic plan is to expand the incentives available to attainable housing development. Current measures utilized by Prescott Valley include block grants, fair housing policies and programs, and supportive housing.

Prescott Valley has a housing fund aimed at assisting with the development costs of attainable housing. This initiative aligns with the utilization of block grants, such as the CDBG.

The Town has also been working on clarifying zoning rules to allow for various housing types (i.e., modular and manufactured homes). Overlaying zoning and incentives like density bonuses and reduced impact fees also reflect efforts aligned with affordable housing requirements. Additionally, the Town is partnering with developers and organizations to address housing insecurity and support transitional and permanent housing solutions.

Recommendations for Expanding Equitable Housing Initiatives: There are several different strategies to increase equitable housing within Prescott Valley. Some of these initiatives recommended by RCG include enhancing homeownership support, increasing the use of block grants, preserving existing affordable housing stock, expanding fair housing and land use policies, and focusing on workforce housing.

1. **Enhancing Homeownership Support:** Prescott Valley could enhance its promotion of housing counseling services aimed at assisting first-time buyers, particularly through initiatives such as the Federal Housing Administration (FHA) loan program.

Additionally, the Town should consider further exploring and promoting state-level homeownership assistance programs that offer down-payment assistance and closing cost subsidies to its citizens.

2. **Increase the use of Block Grants:** Prescott Valley should proactively explore and exhaust additional funding opportunities available through the Community Development Block Grant (CDBG) program, as well as the Home Investment Partnerships Program (HOME) grants.

These funding sources can be instrumental in financing essential housing projects and necessary infrastructure improvements within the community. By strategically targeting more of these grants, Prescott Valley can enhance its efforts to provide affordable housing solutions and support sustainable development initiatives that benefit the residents.



3. **Preserve Existing Affordable Housing Stock:** Prescott Valley has the potential to establish a program aimed at the maintenance and rehabilitation of older housing units within the community. This initiative would ensure the continued affordability of housing options and enhance the overall quality of living conditions for residents.

To further support this effort, the Town could strategically utilize state and federal tax credits as incentives for landlords and developers. By facilitating these financial incentives, the Town encourages the preservation of affordable rents, thereby promoting housing stability and accessibility for all members of the community.

4. **Focus on Workforce Housing:** Prescott Valley has the opportunity to develop and implement targeted policies aimed at providing adequate housing solutions specifically designed for essential workers, including educators, first responders, and other workforce professionals.

To achieve this, it is essential to conduct comprehensive surveys and analyses to accurately identify the existing gaps in the Town's workforce housing market. These surveys will help gather valuable insights into the unique housing needs of essential personnel, allowing the Town to create strategic initiatives that address these shortages effectively.

By prioritizing the housing requirements of those who serve the community, Prescott Valley can foster a more sustainable and supportive environment for its essential workforce.

- **Educational Advancement and Training Quality:** A range of policies and programs can be implemented to expand educational opportunities. These include open enrollment, affordable certification, the promotion of career and technical education, Pell Grants, as well as apprenticeships and workforce development initiatives.

Education quality in low-income neighborhoods can be addressed by improving the quality of education provided through public and private sector partnerships. This can be accomplished through investments in new learning models, improving infrastructure, addressing basic academic needs, providing technical support, investing in after-school programs, and partnering with non-profits, among others.

Prescott Valley's Current Initiatives for Educational Advancement and Training Quality: Prescott Valley has established a strong and collaborative partnership with Yavapai College to advance educational attainment and provide high-quality training opportunities for residents. This partnership reflects a shared commitment to fostering workforce development, lifelong learning, and economic growth in the region.

To enhance accessibility, Prescott Valley supported the establishment and expansion of Yavapai College facilities within the Town. Yavapai College and Prescott Valley work together to develop and implement educational programs tailored to the community's needs. The college offers a variety of certificate and degree options in high-demand fields such as healthcare, technology, and business. These programs are designed to equip students with skills that align with local



opportunities. For example, Prescott Valley works with their Small Business Development Center (SBDC) which provides a number of training and education opportunities.⁷

The partnership also promotes dual enrollment initiatives, enabling high school students in Prescott Valley to earn college credits while completing their high school education. This has not only reduced the cost of higher education but also increased college readiness.

Yavapai College collaborates with local employers and the Town to design training programs that address specific industry needs. This ensures that graduates are well-prepared for the local job market. The partnership also promotes apprenticeships and internships, offering hands-on experience to students while strengthening connections between education and industry.

The collaboration between Prescott Valley and Yavapai College has yielded significant benefits for the community. These programs have contributed to an increase in the number of residents obtaining college degrees or certifications. By preparing a skilled workforce, the partnership attracts businesses and fosters job creation, boosting the local economy. Finally, residents have greater access to affordable, high-quality education and training, leading to improved career prospects and overall community well-being.

Recommendations for Further Enhancing Educational Advancement and Training Quality: While the Town is already actively working to increase its educational advancement and training opportunities for its residents, a few measures could be taken to enhance this area further.

For example, some of RCG's additional recommendations include strengthening partnerships with educational institutions, increasing access to funding and resources, supporting teacher development, and engaging the community.

1. **Strengthen Partnerships with Educational Institutions:** Prescott Valley could strengthen partnerships with educational institutions by collaborating with other universities or colleges (i.e., NAU, ASU, UA) to expand dual enrollment programs and continuing education opportunities. Other opportunities for partnerships with technical and vocational schools can offer specialized training in high-demand fields.
2. **Increase Access to Funding and Resources:** Prescott Valley has the ability to increase access to funding and resources through secure grants to support teacher training, curriculum development, and educational technology. Additionally, the Town can establish additional scholarship programs for low-income students and incentivize local businesses to contribute to educational funds.
3. **Support Teacher Development:** Providing teachers with ongoing professional development opportunities helps them stay current with the latest methods and technologies. Teacher development can also be encouraged by offering competitive salaries and benefits to attract and retain high-quality educators.

⁷ Yavapai College Small Business Development Center. "Small Business Development Center." Yavapai College. Accessed December 9, 2024. <https://www.yc.edu/v6/small-business-development-center/>.



4. Engage the community: The establishment of a community learning center to provide access to workshops, seminars, and certification programs can encourage lifelong learning in the community.

The Town could also create volunteer programs where local professionals can share their expertise with students through guest lectures or mentorship.

- **Income Security and Wage Growth:** Ensuring financial stability for families is crucial to their overall well-being. It is important for families to have access to a reliable source of income and to have opportunities for their wages to increase over time. This allows them to meet their basic needs, achieve their long-term goals, and build a secure financial future for themselves and their families.

Establishing higher-paying employment opportunities that encompass comprehensive benefits, structured training, and supplementary support programs. Additionally, it is essential to address wage stagnation and continue to find ways to increase workers' access to living wage employment.

Economic development policies can generate job opportunities, support entrepreneurs, and encourage businesses to establish their products and/or services within the region. Workforce development programs assist individuals in finding jobs that can advance their careers and lead to higher incomes.

Prescott Valley's Current Initiatives for Income Security and Wage Growth: This can tie to the Prescott Valley Economic Development Roadmap (Strategic Plan). Prescott Valley is ensuring income security and wage growth by implementing targeted programs and policies and programs to support the growth of businesses in high-value industries and support small businesses.

The Town has been accomplishing this through business retention and expansion by supporting firms operating within high-priority industry clusters previously identified in their strategic plan. These industries include semiconductor manufacturing, information & technology, and renewable energy.

New business recruitment has also been a key point for the Town to encourage industry clusters to establish operations in Prescott Valley in hopes of attracting diverse and innovative industries that will create high-value job opportunities and promote regional development. Finally, Prescott Valley encourages and assists entrepreneurs in creating new local ventures associated with identified industries.

There are numerous other ways that Prescott Valley uses to encourage income security and wage growth, such as affordable housing, workforce development policies, support for local businesses, and economic diversification.

Recommendations for Enhanced Income Security and Wage Growth: Other initiatives that Prescott Valley can utilize to encourage income security and wage growth recommended by RCG include wage policies, social and economic safety nets, tax and fiscal policies, and national collaborations.



1. **Wage Policies:** If necessary, Prescott Valley can raise the minimum wage to reflect the cost of living, ensuring workers earn enough to support themselves and their families. Another option would be to enforce living wage ordinances by mandating that companies that receive government contracts or incentives pay a living wage to their employees.
2. **Social and Economic Safety Nets:** Potential ways that the Town can enhance safety nets would be to expand access to affordable healthcare, pensions, and other benefits that provide economic security for workers.

Implementing paid family and sick leave can protect workers during life events without jeopardizing their financial stability. Unemployment insurance expansion can strengthen unemployment benefits to provide a safety net during periods of job losses.

3. **Tax and Fiscal Policies:** Prescott Valley could implement an Earned Income Tax Credit (EITC) that would expand or introduce refundable tax credits for low- to middle-income workers.
4. Tax incentives can be used for job creation by offering tax breaks to companies that create high-paying jobs or provide substantial benefits. Direct tax revenues collected by the Town can also be utilized toward education, healthcare, and infrastructure to create a robust foundation for economic growth within the community.
5. **National Collaborations:** Prescott Valley has the opportunity to access various federal support programs designed to enhance community development. By leveraging state and federal funding, the Town can implement essential infrastructure projects and social programs aimed at improving income security for its residents.

These initiatives may include funding for transportation improvements, affordable housing development, and social services that foster economic stability and strengthen the local economy.

The strategic use of these financial resources can lead to significant advancements in the quality of life for the community, ultimately ensuring a more resilient and prosperous future for all residents.

- **Wealth Accumulation:** It is imperative for households to maintain financial savings to mitigate potential income disturbances. Savings increase with income, but low savings is not just a low-income problem. Steps to improve family financial health could improve the stability and security of all families and communities in which those families live.

Research has shown that economically secure families with as little as \$250 in savings are better able to weather the ebbs and flows of income drops and unexpected expenses.⁸ Families with income disruptions are significantly more likely to be evicted, miss housing and utility payments, and receive public benefits.

⁸ "Family Financial Security Matters for Cities - Urban Institute." *Urban Institute*, www.urban.org/sites/default/files/publication/79776/2000747-thriving-residents-thriving-cities-family-financial-security-matters-for-cities_0.pdf.



There are multiple policies that can assist with promoting wealth accumulation through subsidized savings programs, such as individual development accounts (IDAs), housing policies to create pathways to homeownership, minimum wage policies, and pay equity and salary transparency laws.

Prescott Valley's Current Initiatives for Wealth Accumulation: The Town of Prescott Valley is currently engaged in the development of comprehensive housing policies aimed at facilitating pathways to homeownership. These policies are designed to include initiatives such as down-payment assistance programs, which provide financial support to first-time homebuyers.

Furthermore, the Town is focusing on the promotion of workforce housing to ensure that essential employees can find affordable living options within the community. These measures reflect Prescott Valley's commitment to enhancing wealth accumulation in the community.

Recommendations for Enhancing Wealth Accumulation: Increasing wealth accumulation in Prescott Valley requires fostering an environment where individuals and businesses can build assets, invest in the community, and achieve financial stability. The following lists RCG's recommendations to encourage wealth accumulation in Prescott Valley.

1. **Homeownership and Real Estate Development:** In addition to affordable housing programs, wealth accumulation can be encouraged by ensuring predictable and reasonable property tax policies fostering long-term homeownership and investment.

Another method is encouraging the construction of mixed-use developments to create walkable neighborhoods that increase property values and attract investments.

2. **Financial Literacy and Education:** providing the community with financial education programs by partnering with local organizations and schools to provide financial literacy workshops on budgeting, saving, investing, and retirement planning.

Youth financial initiatives can be utilized to introduce financial literacy courses in schools to instill long-term wealth-building habits in younger generations. Workplace financial wellness can encourage businesses to offer financial planning resources as employee benefits.

3. **Social Safety Nets and Equitable Programs:** Providing affordable childcare and education opportunities can enable more residents to work and save. Prescott Valley can implement retirement savings initiatives by partnering with employers to offer retirement savings plans and educate residents on retirement planning.

Prescott Valley can promote equitable wealth-building policies by addressing systematic barriers to wealth accumulation for underrepresented groups through targeted programs and resources.

4. **Long-Term Vision and Planning:** Prescott Valley can promote wealth accumulation by developing a long-term economic development plan focused on wealth creation and



sustainability. While the current strategic plan does address some initiatives to enhance wealth accumulation, additional measures can be taken.

To ensure the success of the long-term planning, the Town can track key metrics such as median income, homeownership rates, and savings levels to measure the progress and adjust its strategies as necessary.

- **Infrastructure Investments in Low-Income Neighborhoods:** There are methods to promote private-sector infrastructure investments in low-income neighborhoods to stimulate upward economic mobility.

Municipalities can encourage investments in areas critical for economic growth through community engagement, local planning, and incentives directed at attracting private investments. The Infrastructure Investment and Jobs Act of 2021 is one example of federal legislation that encourages such investments.

Additionally, the Department of the Treasury uses the Community Development Financial Institutions Fund (CDFI Fund) to provide monetary awards and tax credits to certified CDFIs.

Prescott Valley's Current Initiatives for Infrastructure Investments in Low-Income Neighborhoods: The Town of Prescott Valley has undertaken a series of strategic infrastructure investments aimed at enhancing accessibility and connectivity within low-income and underserved areas.

This includes the judicious utilization of Community Development Block Grant (CDBG) funding to construct sidewalks that link residential neighborhoods to significant arterial roads.

These improvements are designed to facilitate various essential activities for residents, such as commuting to work, carpooling, engaging in regular physical exercise, attending educational institutions, and accessing essential services. By investing in such critical infrastructure, the Town is committed to fostering a healthier and more inclusive community where residents have the opportunity to thrive.

Recommendations for Infrastructure Investments in Low-Income Neighborhoods: Promoting investments in infrastructure in low-income neighborhoods to stimulate economic mobility requires a combination of public policies, financial incentives, and community-driven initiatives. Some of the methods that Prescott Valley can utilize include the following:

1. **Public-Private Partnerships:** Prescott Valley can collaborate with private investors and developers to share risks and benefits in infrastructure projects. The Town can also offer government guarantees or subsidies to attract private capital for projects like affordable housing, public transit, education facilities, and parks, among others.

Opportunity zones can also leverage federal or state programs to encourage private investment in economically distressed areas by offering tax advantages.

2. **Community Benefit Agreements (CBAs):** Community Benefit Agreements require developers to sign agreements that ensure projects benefit local residents, such as job



creation, affordable housing, or improved public spaces. CBAs prioritize local hiring and procurement for infrastructure projects.

3. Grants and Matching Funds: Prescott Valley can utilize public funds to match private investments, incentivizing businesses to contribute to low-income neighborhood improvements. Prescott Valley can also apply for federal or state grants aimed at revitalizing low-income communities.
4. Streamlining Processes: Prescott Valley can streamline the process for infrastructure investments by simplifying permitting and zoning regulations to reduce barriers for developers. Additional ways to accomplish this would be to implement expedited approval processes for projects in low-income neighborhoods.



Primary Economic Mobility Statistics

Synopsis/Primary Statistics

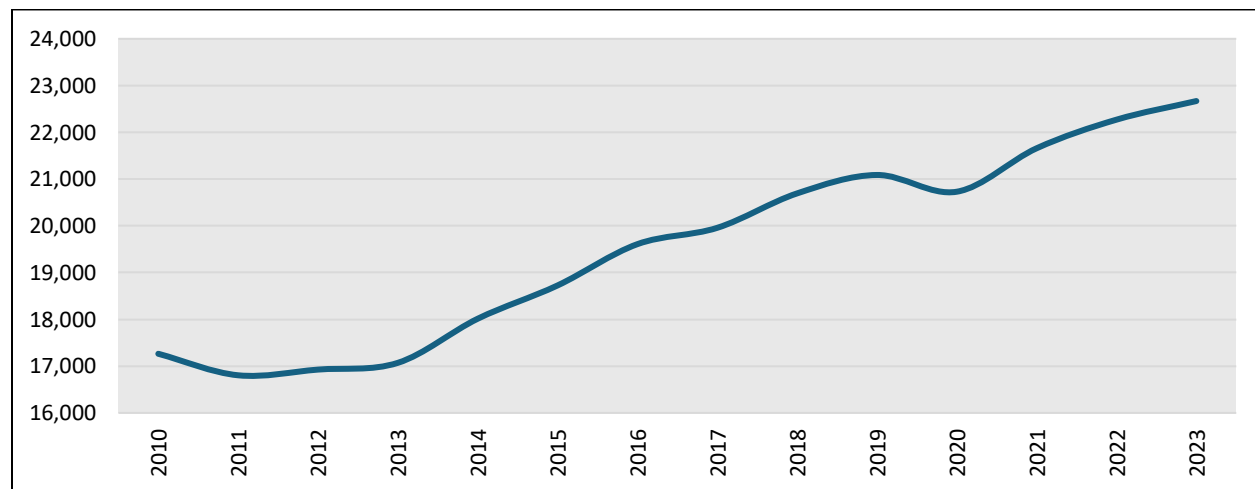
The Prescott Valley area has benefited from improvements in what are called primary economic mobility statistics over the last several years. The most prominent statistic is the improvements in the per capita personal income data displayed in the following section. This is one of the best indicators that the community is moving in the right direction related to increasing the quality of life of area residents.

In addition to the income-related statistics, it is also important to look at some of the basic economic statistics such as job creation and population growth, among others. ***These primary statistics are displayed below, and the data is recommended to be tracked into the future by community leaders to assist with future decision making related to building the community, not just in terms of volume but also in terms of quality.***

Key Primary Statistics

Employment growth is one of the best indicators of a region's economic mobility opportunities. Employment in Prescott Valley was 17,265 in 2010 and increased to 22,669 in 2023, a net increase of 5,404. Over the same period, the average annual growth rate for Prescott Valley employment was 1.8% over this period. For comparison, Arizona employment in 2010 was 2,386,200 and increased to 3,194,800 in 2023. Arizona employment grew at an average of 2.0% from 2010 to 2023.

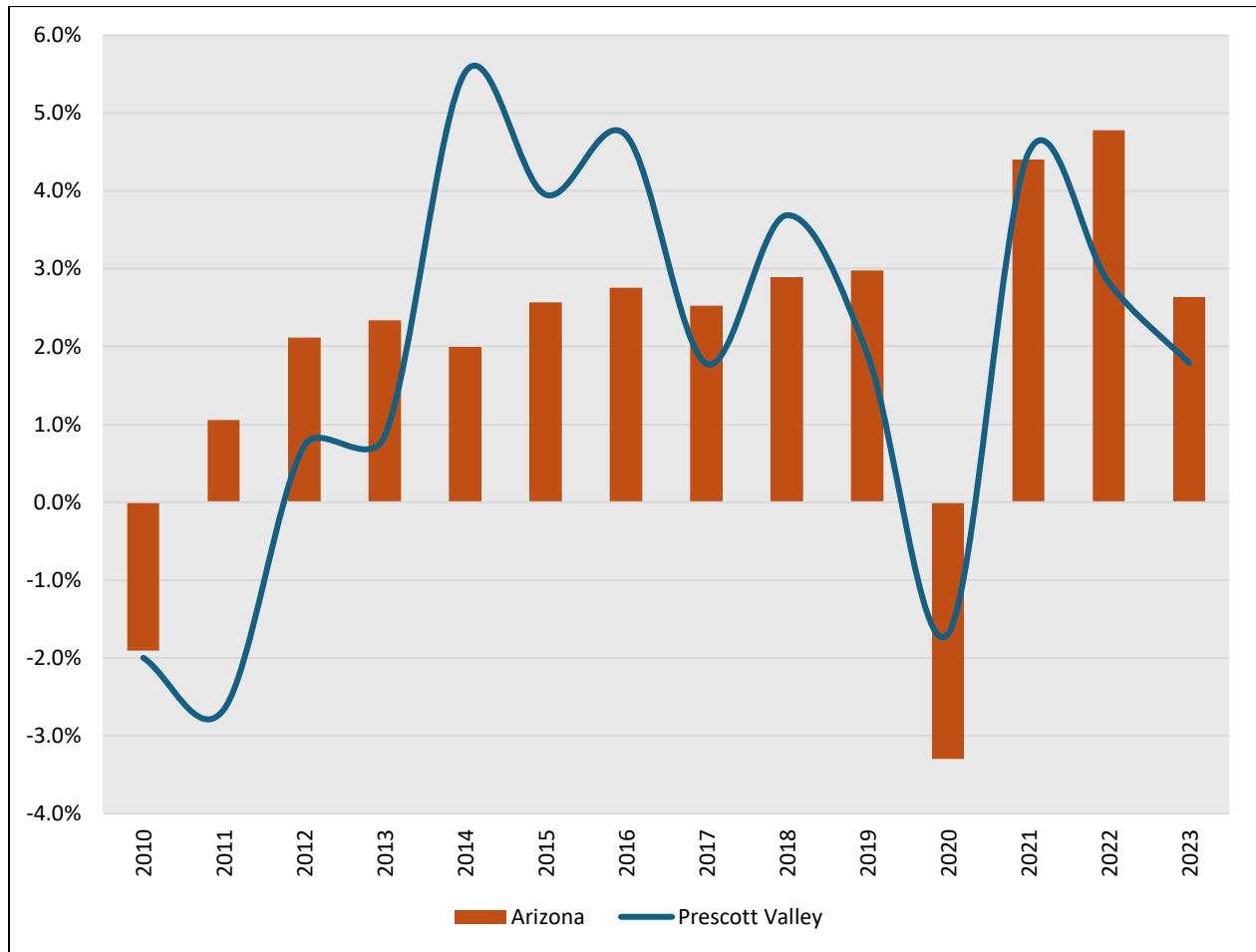
Figure 1: Prescott Valley Employment Counts (2010-2023)



Source: U.S. Bureau of Labor Statistics



Figure 2: Employment Growth Comparison (2010-2023)



Source: U.S. Bureau of Labor Statistics

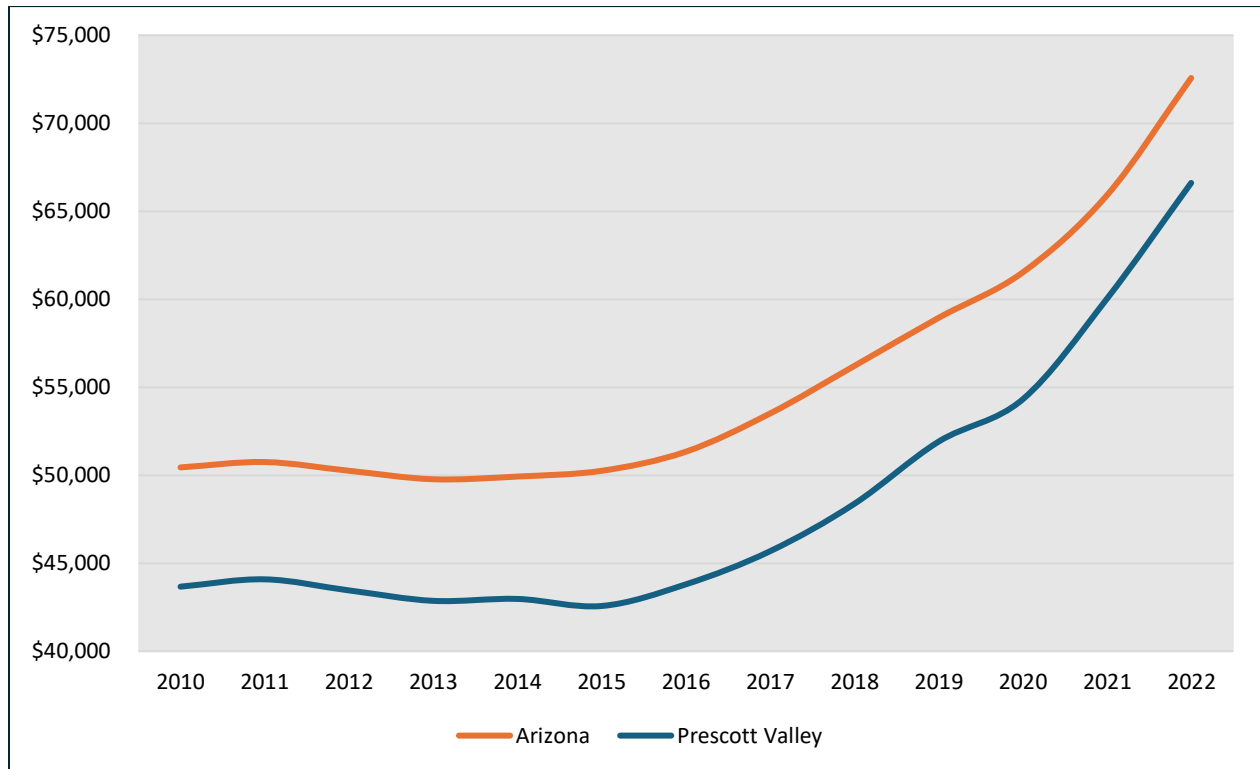
Figure 3 illustrates the household median incomes for Arizona and Prescott Valley based on data from the U.S. Census Bureau from 2010 to 2022. In 2010, Prescott Valley's median income stood at \$43,670, and by 2023 it had increased to \$66,617. Arizona's median income rose from \$50,448 in 2010 to \$72,581 in 2023.

The data in Figure 4 illustrates the growth of household income from 2011 to 2022 for the Town and the state as a whole.

During this period, the median household income in Prescott Valley experienced an average annual growth rate of 3.7%, while Arizona's median income grew at an average annual rate of 3.1% over the same period.

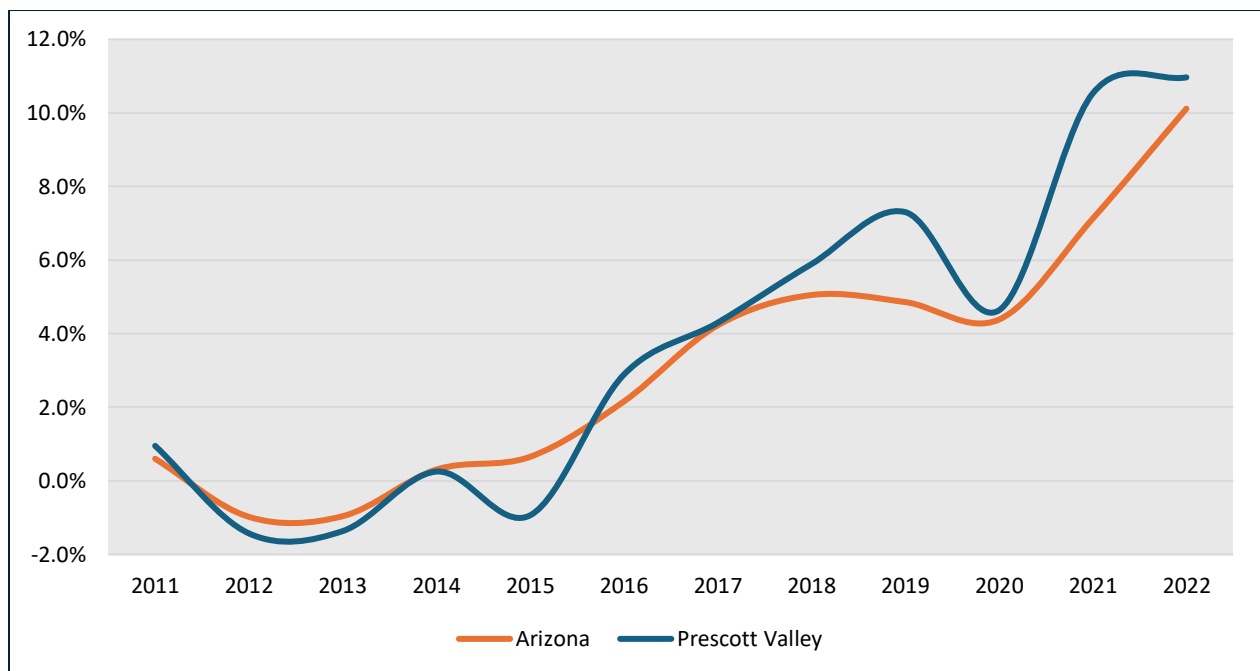


Figure 3: Household Median Income VALUE Comparison (2010-2022)



Source: U.S. Census Bureau

Figure 4: Household Income Growth RATE Comparison (2011-2022)

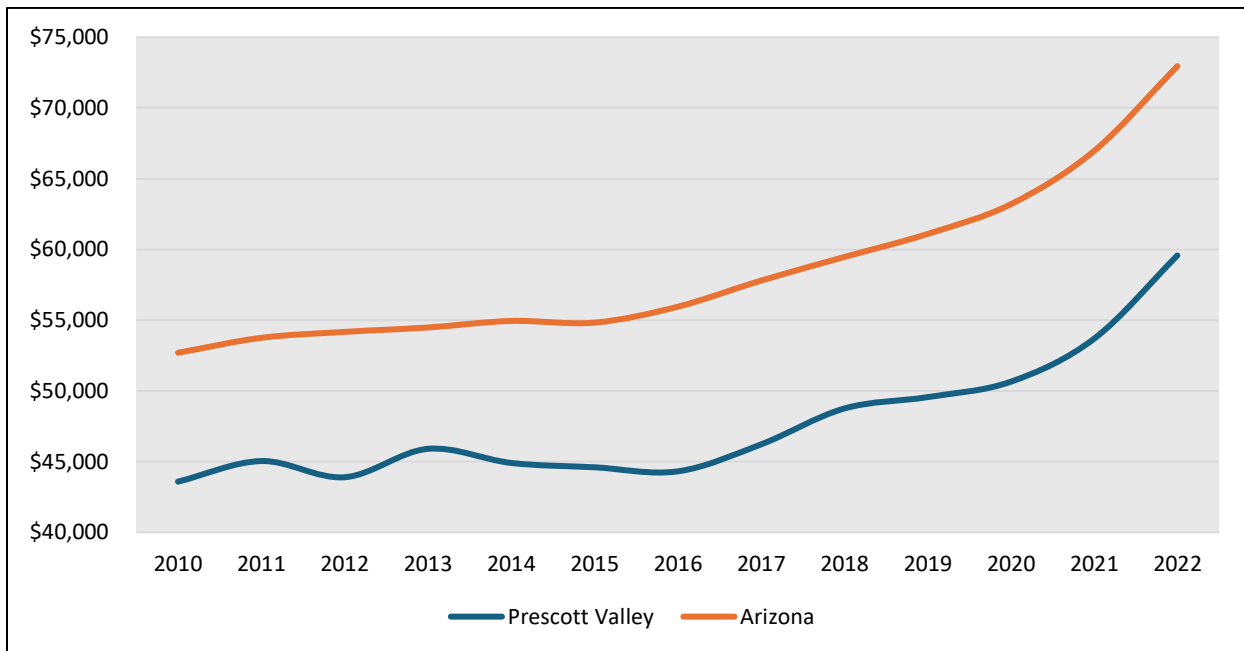


Source: U.S. Census Bureau



Community average wage levels also inform the extent that economic mobility has been on the rise or decline. It is important to also compare rates of wage growth with a benchmark such as the state's wage statistics. While the state's average wages are higher than the Town's average wages (Figure 5), Prescott Valley's wage growth has been more pronounced than the state's rate of wage growth (Figure 6).

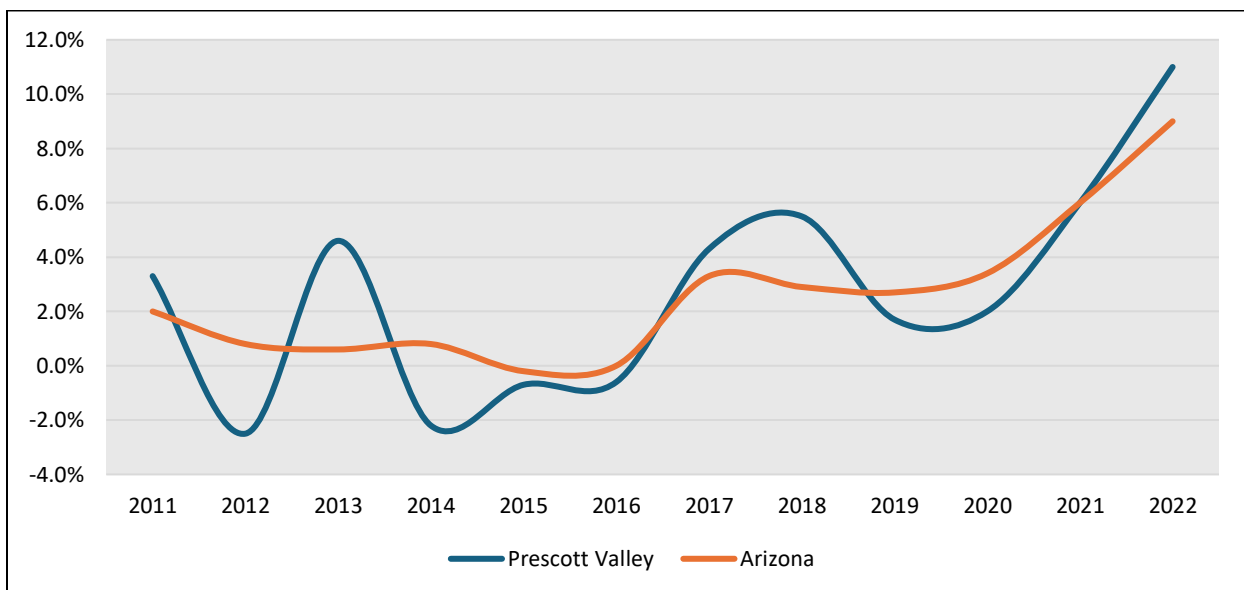
Figure 5: Mean Wages (2010-2022)



Source: U.S. Census Bureau

Note: Mean Earnings (dollars) for full-time, year-round workers with earnings.

Figure 6: Median Wages Growth Comparison (2011-2022)



Source: U.S. Census Bureau



Figure 7 displays Prescott Valley's share of educational attainment levels for the population 25 years and older for the years 2010 to 2022. ***Educational attainment information is crucial because it directly impacts the ability of individuals within a community to improve their economic status.***

When economic mobility increases, individuals and families are able to enhance their financial well-being. Similarly, higher levels of educational attainment contribute to a more skilled and knowledgeable workforce, which can lead to overall economic growth and prosperity within the community.

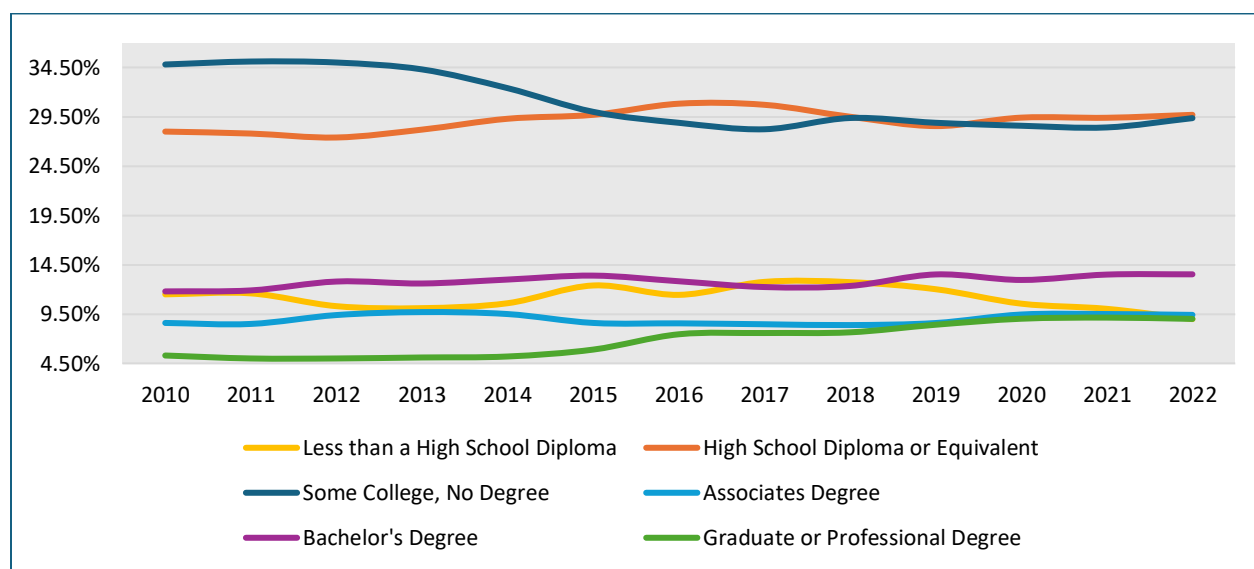
The number of individuals with less than a high school diploma has gradually decreased over the years, from 11.5% in 2010 to 9.0% in 2022. The proportion of people who obtained a high school diploma or equivalent has been slowly increasing, from 28.0% of the selected population in 2010 to 29.7% in 2022.

Additionally, the share of individuals with some college education but no degree has decreased over the years, from 34.8% in 2010 to 29.3% in 2022. This is likely due to more individuals completing their education programs and achieving their degrees, as determined by the increasing levels of associate, bachelor, and graduate or professional degrees.

The number of individuals with an associate's degree increased from 8.6% of the selected population in 2010 to 9.4% in 2022. The selected population with a bachelor's degree increased from 11.8% in 2010 to 13.5% in 2022. Finally, the share of the selected population with a graduate or professional degree has risen from 5.3% in 2010 to 9.0% in 2022.

Focusing on promoting higher levels of educational achievement within the community is a crucial factor in fostering sustained economic growth and enhancing opportunities for upward social and economic mobility in Prescott Valley.

Figure 7: Prescott Valley Educational Attainment for the Population 25 and Older (2010-2022)



Source: U.S. Census Bureau

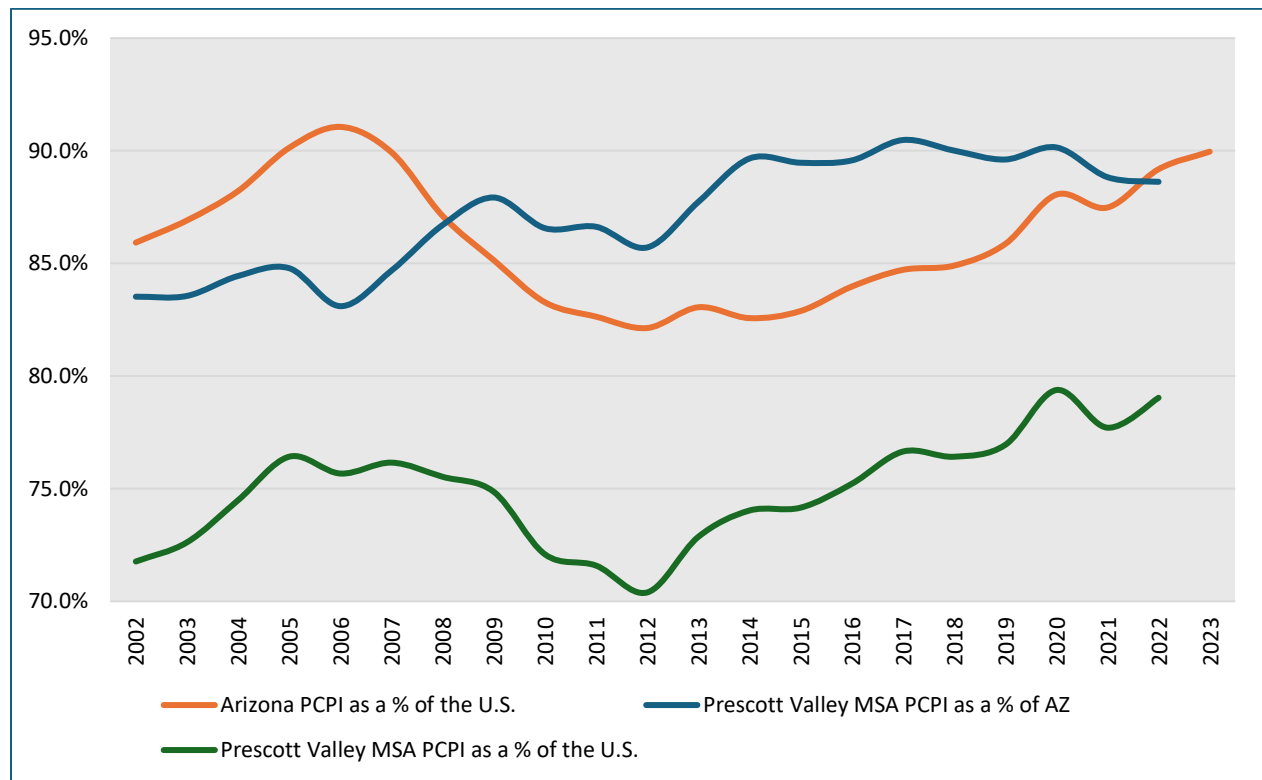


Figure 8 compares per capita personal income (“PCPI”) in Arizona and Prescott Valley to the US average. First, the figure displays Arizona's PCPI as a percentage of the United States' PCPI. Second, it showcases Prescott Valley's PCPI as a percentage of Arizona's PCPI.

In 2002, Arizona's per capita personal income accounted for 85.9% of the United States' PCPI. This percentage has fluctuated over the years, and by 2023, Arizona's PCPI had increased to 90.0% of the U.S. PCPI.

Similarly, Prescott Valley’s MSA per capita personal income accounted for 83.5% of Arizona’s PCPI. Prescott Valley’s MSA PCPI has also fluctuated over the years. In 2022, Prescott Valley’s MSA PCPI increased to 88.6% of the U.S. PCPI. Closing the PCPI gap is one of the most important economic statistics for a community to track.

Figure 8: Per Capita Personal Income Comparisons (2002 - 2023)



Source: U.S. Bureau of Economic Analysis

*Note: MSA data was only available up to 2022.

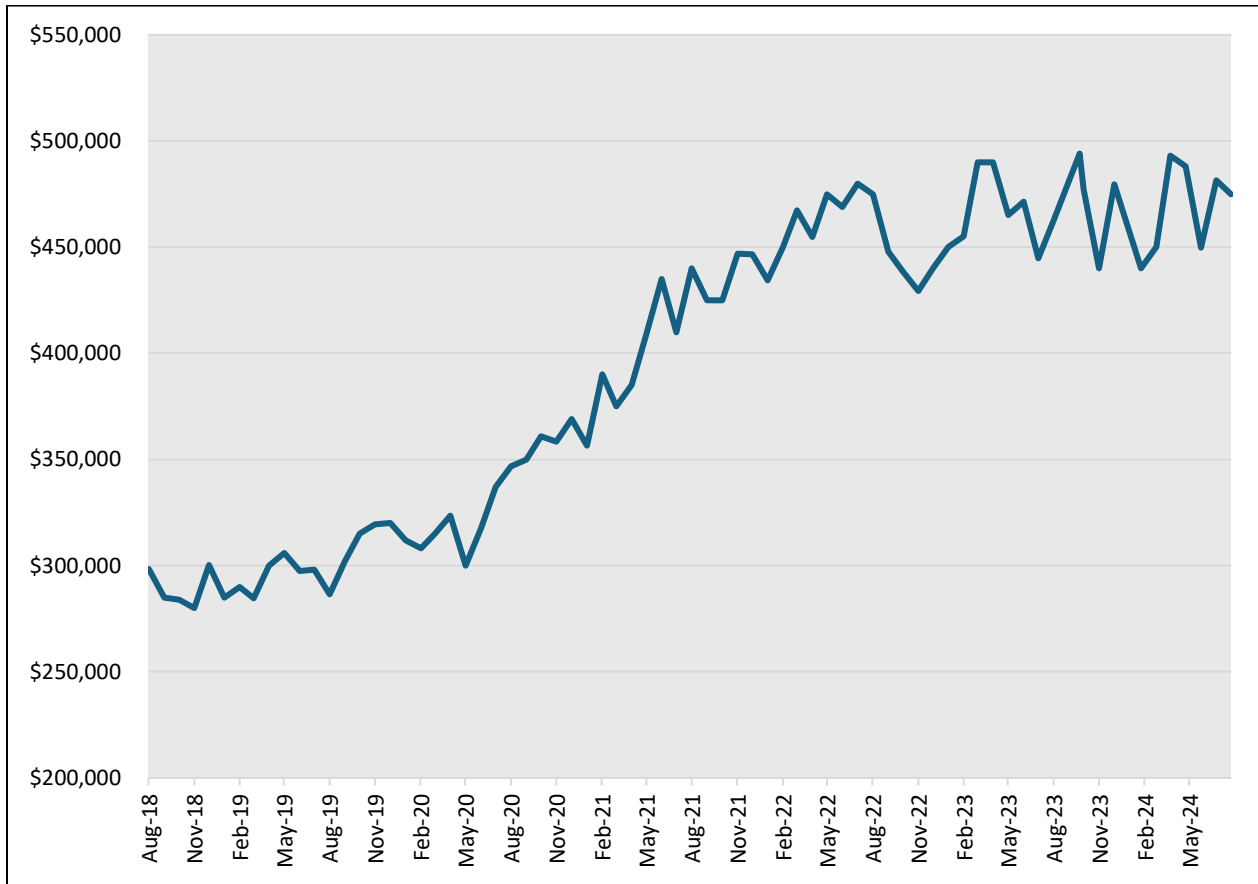
A key data point relates to the extent the Town’s PCPI values are relatively increasing since the Great Recession period. This indicates growing prosperity in the community.



In August 2018, the median sales price of a home in Prescott Valley was recorded at \$298,450. Figure 9 offers a visual representation of the monthly growth in median home prices from 2018 to 2024.

According to Redfin, the most recent information for July 2024 determined that the median Prescott Valley home price was up 5.8% compared to the previous year, with a median price of \$475,000. It was also determined that Prescott Valley's median sales price is 8.0% higher than the national average, and the overall cost of living is 17.0% higher than the national average.⁹

Figure 9: Prescott Valley Median Sales Price of a Home



Source: Redfin

Figure 10 demonstrates the consumer price index (CPI) for Phoenix MSA and the United States. The CPI index is used to gauge the cost of living by measuring inflation experienced by consumers in their day-to-day living expenses.

Before the pandemic, from February 2019 to February 2020, inflation rates in the Phoenix MSA consistently surpassed those of the U.S. By February 2020, Phoenix MSA's inflation reached 4.4%, significantly exceeding the U.S. rate of 2.3%.

⁹ "Prescott Valley Housing Market: House Prices & Trends." Redfin, www.redfin.com/city/14888/AZ/Prescott-Valley/housing-market.

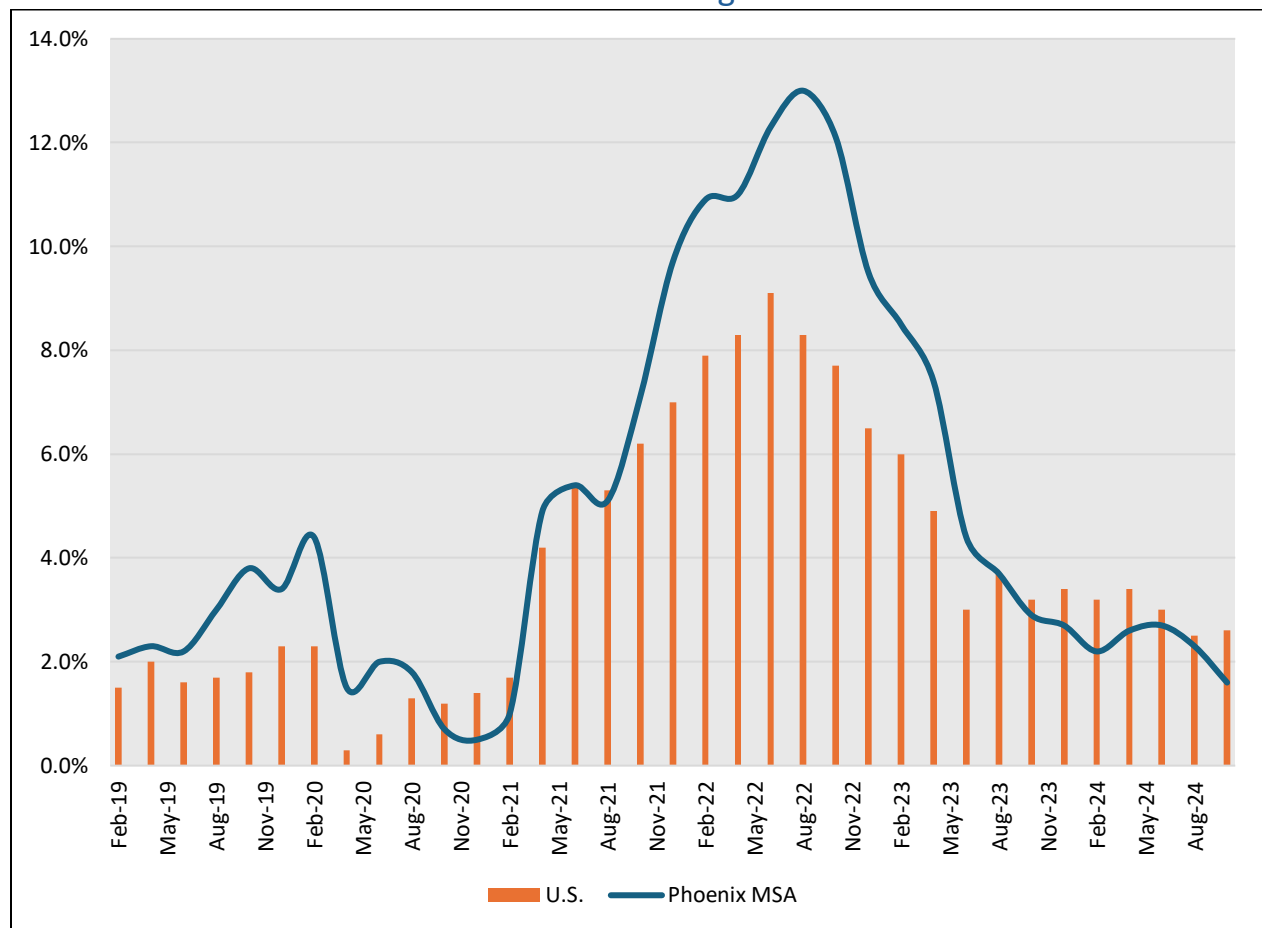


Both Phoenix and the U.S. saw inflation drop sharply during the early pandemic period. By December 2020, Phoenix experienced an inflation rate of 0.5%, while the U.S. stabilized at 1.4%. After the pandemic, inflation surged dramatically, with Phoenix peaking at 13.0% in August of 2022 and the U.S. peaking at 9.1% in June of 2022. During this time, Phoenix's inflation was consistently higher by 2 to 4 percentage points.

Both Phoenix and U.S. inflation rates trended downward from late 2022. More recently, inflation rates appear to stabilize at lower levels. As of October 2024, Phoenix inflation was projected at 1.6%, while the U.S. remained at 2.6%.

Over the last five years, Phoenix's average inflation rate was 5.5%, and the U.S. average inflation was 3.2%. Phoenix's inflation consistently outpaced U.S. inflation, especially during the post-pandemic surge.

Figure 10: Consumer Price Index for All Urban Consumers (CPI-U) 12-Month Percent Change



Source: United States Bureau of Economic Analysis



Secondary Economic Mobility Statistics

Synopsis/Secondary Statistics

While “secondary statistics” implies the display of less important information, this is not the case. The secondary statistics relate to individual demographics that more accurately define the community in terms of its composition rather than the scale of the economic values, which are incorporated into the primary economic statistics.

The secondary economic statistics include data points such as the average household size, employment by age, and unemployment rates. Recent improvements have been observed in these secondary statistics, specifically with regard to increased employment within key age demographics.

Key Secondary Statistics

The subsequent section offers an in-depth analysis of various “secondary” economic mobility statistics for the Town of Prescott Valley, providing an overview of other critical trends and patterns observed in the data.

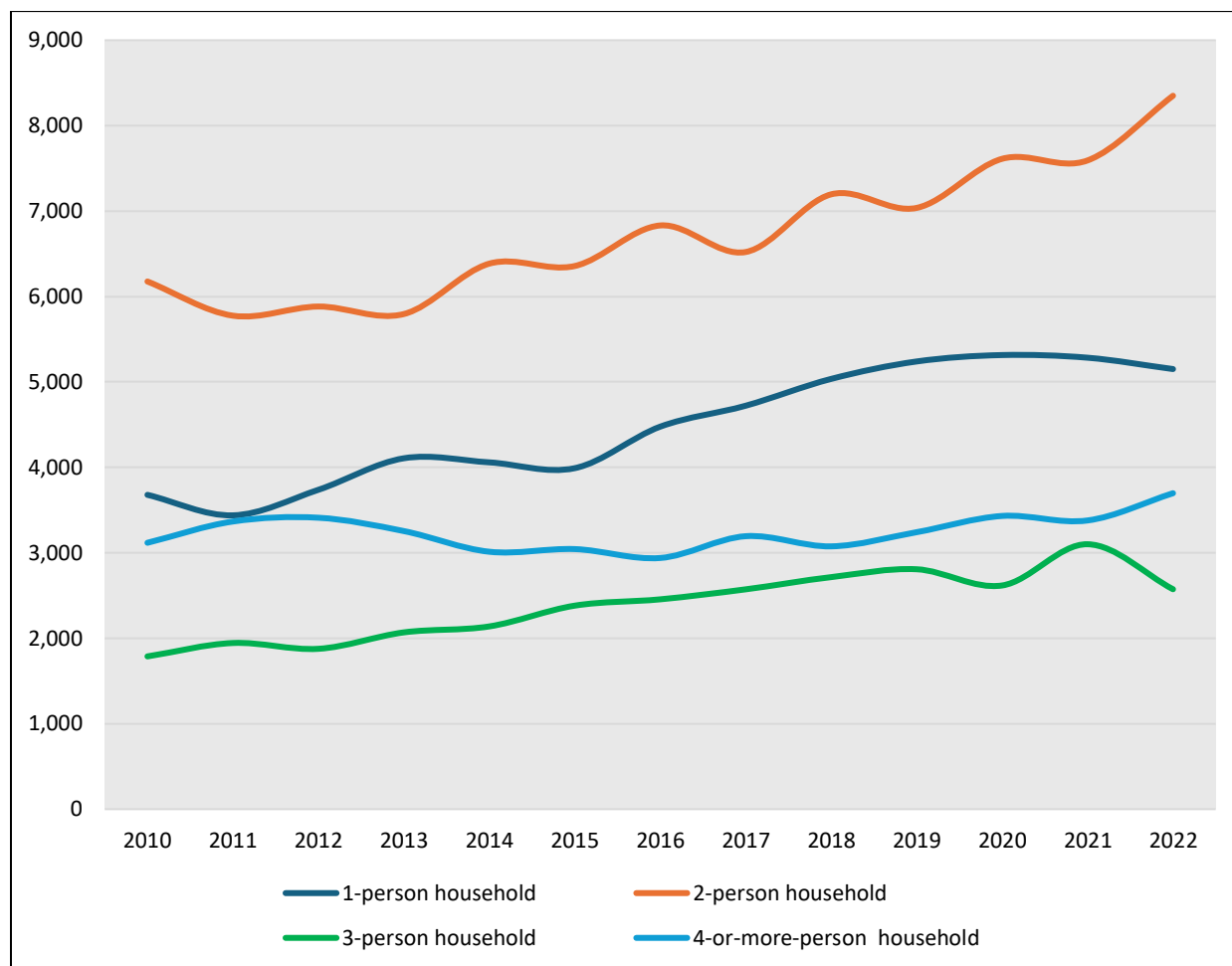
Between 2010 and 2022, single-person households experienced an annual growth rate of 3.3%, dual-person households grew at an annual rate of 2.9%, three-person households expanded at an annual rate of 3.7%, and four-person households experienced an annual growth rate of 1.6%.

Increasing the number of individuals per household can reduce expenses for each person by distributing costs to a larger number of people. For example, rent or mortgage payments, utility bills, and grocery costs can be shared among more individuals, leading to significant savings.

Additionally, communal living can also result in shared responsibilities such as cooking, cleaning, and childcare, which can further alleviate individual burdens and foster a sense of teamwork and collaboration within the household. Figure 11 provides an analysis of Prescott Valley’s employment statistics, segmented by various age categories.



Figure 11: Prescott Valley Household Sizes (2010 - 2022)



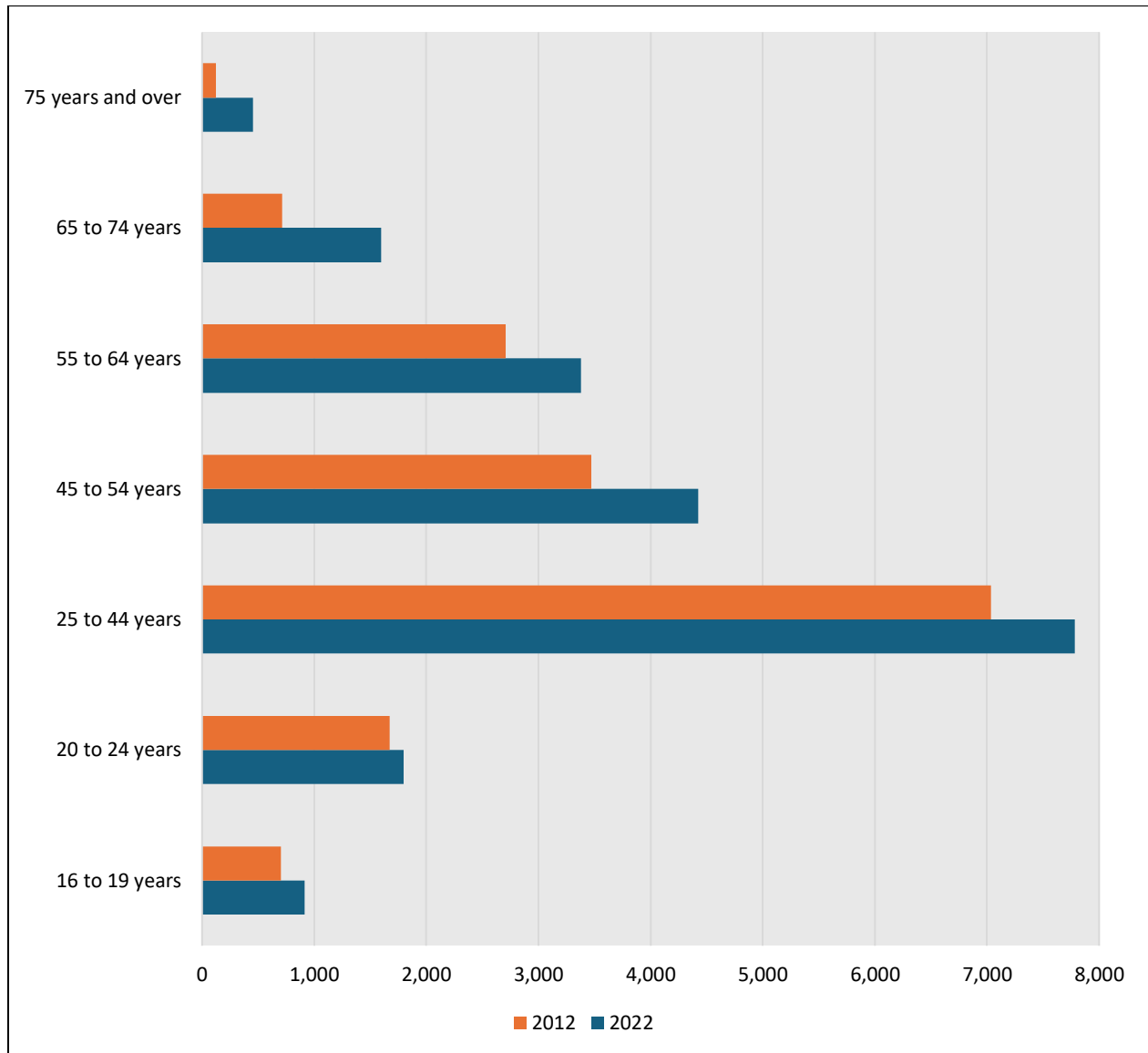
Source: United States Census Bureau

Age demographics data is instrumental in addressing workforce-related issues.

Important factors include identifying age-based employment trends, understanding the distribution of jobs across different age groups, and formulating targeted employment policies to enhance labor market efficiency and inclusivity.



Figure 12: Prescott Valley Employment by Age Category (2012 & 2022)



Source: United States Census Bureau

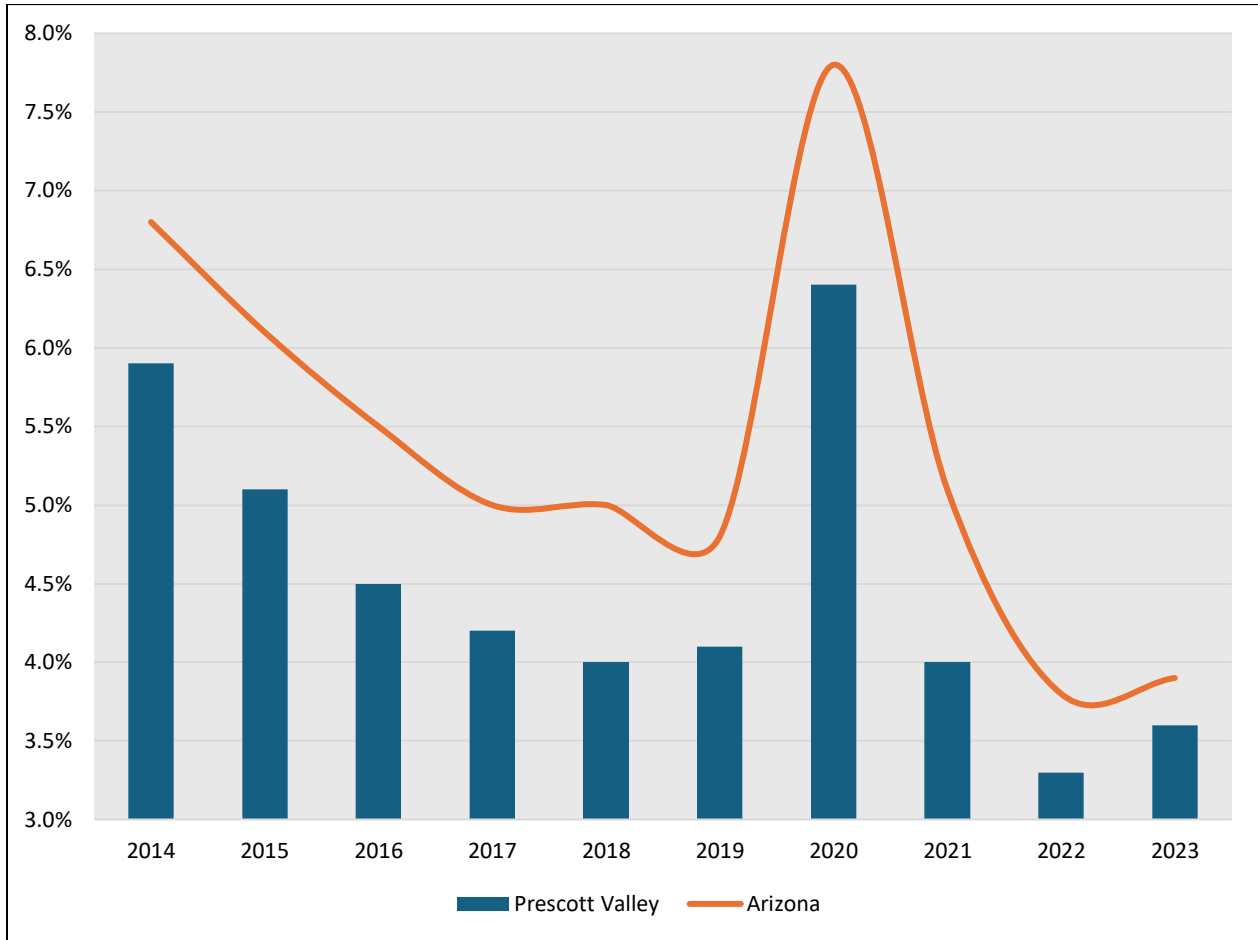
Figure 12 displays the unemployment rate in both Prescott Valley and the state of Arizona over a specified time period. This comparative analysis of unemployment statistics is crucial for identifying trends and disparities between the local and state levels.

By examining these figures, policymakers and economic planners can discover opportunities to enhance economic mobility, implement targeted job training programs, and address any socioeconomic challenges specific to the Prescott Valley region.

Additionally, understanding these statistics helps to identify potential economic downturns and devise preventive measures to safeguard community welfare.



Figure 13: Unemployment Rate Comparisons (2014-2023)



Source: United States Bureau of Labor Statistics



Select Community Projects

Prescott Valley is a growing and vibrant community with a strong sense of identity and opportunity. As the region continues to expand, investing in targeted community projects can enhance the quality of life, promote economic growth, and strengthen local connections.

By focusing on initiatives that address current needs and anticipate future challenges, Prescott Valley can become an even more welcoming, sustainable, and dynamic place for residents and visitors alike.

The following recommendations highlight key community projects that aim to improve infrastructure, foster cultural engagement, support local businesses, and create spaces for recreation and connection. These initiatives are designed to reflect the values and aspirations of Prescott Valley while ensuring long-term benefits for the community as a whole.

Commercial Corridor Revitalization Project

The Town of Prescott Valley is uniquely positioned along Highway 69, hosting a diverse array of small businesses. A comprehensive revitalization program is proposed to enhance this corridor's vitality. This program aims to beautify the area, improve functionality, and create a unified, attractive appearance that benefits businesses, residents, and visitors.

The revitalization program will include several key initiatives designed to address the aesthetic and functional needs of the corridor. A Façade Improvement Program, guided by consistent and aesthetically pleasing design standards, will enhance the visual appeal of small business storefronts. Improvements to sidewalks and multi-use paths will prioritize pedestrian and cyclist accessibility and safety while ensuring compliance with ADA standards and promoting walkability.

Parking and streetscape enhancements will optimize parking layouts for efficiency and convenience, complemented by landscaping elements such as trees, planters, and seating. Modern, energy-efficient lighting installations will improve both safety and nighttime aesthetics.

Additionally, a cohesive branding strategy will reflect Prescott Valley's character and unify the corridor's visual identity through consistent signage and wayfinding systems.

The program seeks to foster small business growth and retention by supporting existing enterprises and attracting new ones through improved infrastructure and aesthetics. It will position the corridor as an inviting destination for tourists while fostering a sense of community recognition and pride in Prescott Valley's unique offerings. Ultimately, the program is designed to enhance the quality of life for residents by creating a more enjoyable and functional environment.

The success of the Façade Improvement Program will rely on careful planning and implementation. Funding will be secured through diverse mechanisms, including CDBGs, self-funding options, business partnerships, grants, and potential taxation strategies. Design standards will be developed and enforced to balance aesthetic improvements with practicality and respect for the local architectural character. Clear



policies will be established to govern program eligibility, application processes, and implementation procedures.

Housing Development Partnerships

One of the biggest impediments to upward mobility in basically any part of this state, even the nation as a whole, pertains to housing affordability. As individuals are required to spend a larger portion of their incomes on housing, less becomes available for healthcare, educational support for children, and other basic necessities that are needed to improve the quality of life of the individual and the family.

The Prescott Valley area is in a favorable position in that landowners within the area are eager to develop additional housing products that will allow the community to continue to grow its employment base and also allow residents to live within the community.

It is recommended that a more formal process be developed that brings both local landowners and Town staff to the table to discuss options that are mutually beneficial for both entities. In fact, this approach could be extremely beneficial to the community in that working with the Town will increase the value of the landowners' properties as accessing the additional land and producing additional affordable housing in the area will increase the value of the community to area residents in future business opportunities.

This needs to occur sometime during 2025 to reach the desired upward mobility goals of the community by 2026 or 2027 since it takes time to form the appropriate agreements and develop the properties.

The additional residential development could also be designed to include additional community amenities, including tax revenue generating restaurants and other forms of entertainment, a smaller scale conference center, and possibly a more definable city center.

Workforce Development Partnerships

A final example project that would assist with upward mobility within Prescott Valley is the initiative suggested within the recently published Prescott Valley economic development plan. This document identified opportunities to connect the high-tech development in the far northern portion of the Phoenix area to the Yavapai County region.

The aforementioned report identified a means to establish a formal partnership with one or two individual companies to begin the process of connecting the high-tech workforce between the Phoenix area and Prescott Valley. It is important for this initiative to be examined in more detail in 2025.

These types of opportunities are important because improving upward mobility is not just about creating new jobs; it's about creating higher-wage jobs and also creating opportunities for residents within the community to continue to advance their careers within the community rather than leaving the region to find work elsewhere.



Additional Considerations

Interviews with staff also identified a number of initiatives that are currently being considered or are already underway. These include:

- The development of an equitable housing program,
- Improving income security & wage growth through economic development strategies,
- Supporting programs that may impact household wealth accumulation,
- Strategic infrastructure investments in low-income neighborhoods.

Other example projects exist, including those listed in the community's economic development plan. The concluding point is that quality economic development planning within a community directly leads to more opportunities for upward mobility of the residents of that community.

These opportunities for residents will directly impact the quality of life of the individuals as well as the households.

This quality-of-life improvement can then pass down from one generation to another as long as the community maintains a broader vision for how residents within the community will participate and then benefit.