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# **Arizona Jobs and Labor Force Update**

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# Introduction

Arizona gained 9,800 nonfarm jobs in April (+0.30%) – putting Arizona in the top third of all states with the 16<sup>th</sup> fastest month-over-month gain. In addition, the March job growth numbers were revised upward from 8,700 nonfarm jobs to 9,400. For perspective, the total U.S. job growth rate in April was 0.11%; eleven states reported job losses.

Despite overall job growth figures, Arizona’s manufacturing employment declined by 100 jobs (-0.1%) between March and April (the 5<sup>th</sup> consecutive month of stagnant or declining manufacturing jobs). On a year-over-year basis, manufacturing employment declined -0.7% since April 2023. Twenty-three states including Arizona experienced job losses in their manufacturing sectors in the last year, with twenty-one experiencing monthly losses in April.

Arizona’s unemployment rate decreased to 3.6% from 3.8% while its labor force participation rates remained unchanged from its March level of 62.2% (unchanged since December of 2023). On a national level, the unemployment rate increased a tenth of a percentage point to 3.9%, and the labor force participation rate remained unchanged at 62.7%. For context, the Arizona and United States participation rates were 62.2% and 63.3% at the end of 2019, respectively.

While the month-over-month employment gains for Arizona put it in the front third of all states, its year-over-year growth rate (+2.3%) was the 8<sup>th</sup> fastest out of all U.S. states and Washington DC. Arizona has added 73,100 jobs since April 2023.



**Arizona’s  
Labor Market**

**Total Jobs**  
3,260,600

**Jobs Added in  
April:**  
+9,800

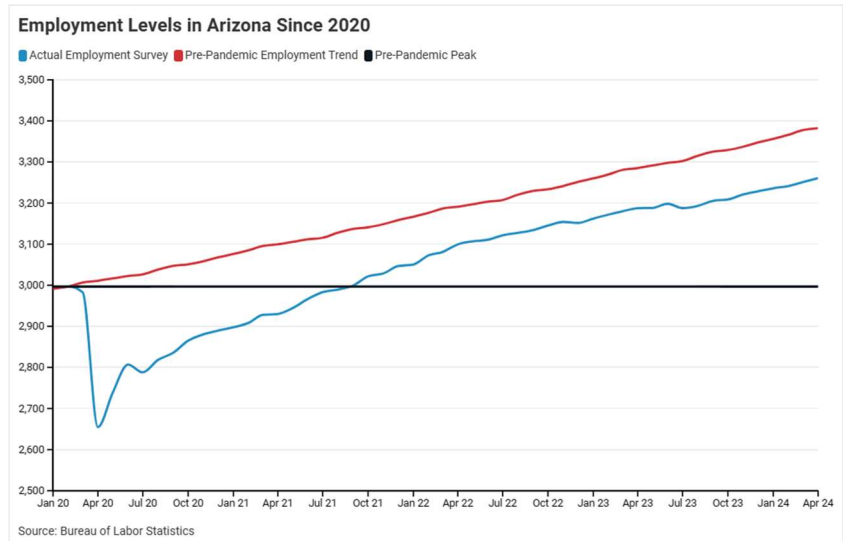
**Year-Over-  
Year Growth:**  
+2.3%

## Key Findings – Arizona April 2024 Employment Data (BLS CES Survey)<sup>i</sup>

Job growth was strong in April, with the Grand Canyon state posting a gain of 9,800 jobs (+0.3%) over March. Year-over-year growth was 2.3%.

This year-over-year growth is slightly slower than the growth experienced in 2022 and 2023, reflecting the slowing pace of job growth over the past twelve months. However, the monthly growth of 0.3% translates to a more positive 3.7% annualized growth – exceeding the rapid pace experienced in 2022 (3.45%).

While monthly growth rates are subject to considerable volatility, April represents the 6<sup>th</sup>



straight month of annualized job growth above 2.0% - growth that more closely resembles the strong and stable growth experienced in the summer of 2022 and early 2023.

The gap between total Arizona employment and its pre-2020 growth trend reached its smallest point in July 2022 and has been largely increasing since. Today the state has 121,500 fewer workers than it would have had on its 2017-2019 growth trend (down from 126,700 according to the revised March data). Given its average job growth rate since 2020, the state will not return to this pre-pandemic trend.

## Wages & Time Worked

Average hourly wages (not seasonally adjusted) in Arizona increased +69 cents in April (+2.1%) – putting Arizona number one in wage growth for the month of April. The average among all states was a gain of just +18 cents (+0.6% month-over-month growth). Eleven states experienced wage declines in April

- Arizona private sector workers are now earning an average of \$33.11/hour, compared to \$32.19 a year ago (+2.9%). This growth ranks Arizona 23<sup>rd</sup> in year-over-year wage growth (more on this below).
- Nationally, the average hourly wage (seasonally adjusted) increased 0.2% in April (month-over-month) and +3.9% since last year (year-over-year).
- Non-seasonally adjusted figures at the national level – a more apples-to-apples comparison for the state data – were much lower in April (+0.6%). BLS does not release seasonally adjusted wage data for the states.

Despite the promising wage growth experienced in April, the year-over-year growth figures for Arizona actually undercut the state's true performance over the past twelve months. Wages in Arizona experienced a large anomalous spike in April of 2023 that immediately fell in the following month. This large spike lowers the year-over-year growth rate calculations, making Arizona's 23<sup>rd</sup> ranking (versus 1<sup>st</sup> in month-over-month) an artifact of an unusual blip in the data a year ago.

Considering instead growth over the eleven months from May 2023 to now, wage growth in the state jumps to 6.0% - more than double the year-over-year growth highlighted above. Considering the growth of all states for this adjusted timeframe, Arizona jumps to 6<sup>th</sup> fastest with growth 50% higher than the 4.0% average for the rest of the states.

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<sup>i</sup> <https://data.bls.gov/cgi-bin/dsrv?sm>