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Arizona Jobs and Labor Force Update

Author: Kamryn Brunner

Introduction

Arizona gained 4,100 nonfarm jobs in November (+0.12%, +1.85% year-over-year) – putting Arizona in the middle (26th) among all states in monthly job growth. For perspective, the total U.S. job growth rate in November was 0.14%; twelve states reported job losses. National year-over-year job growth remained steady at 1.4% in November. This is the slowest year-over-year job growth in Arizona since March 2021 (when the state was *losing* jobs at an annual rate of -1.9%).

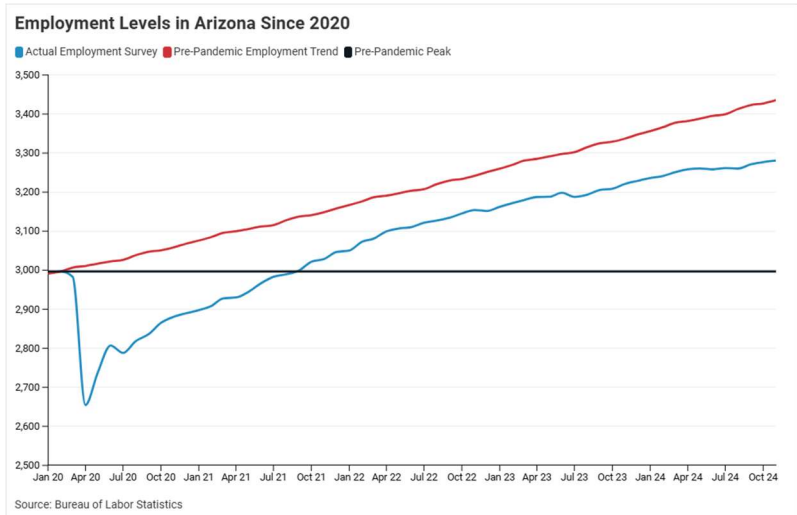
Arizona’s manufacturing employment – once a standout enjoying its fastest growth in decades – grew by 1,700 jobs (+0.9%) between October and November; however over the past twelve months Arizona has shed 1,000 manufacturing jobs (-0.5%). These changing fortunes reflect national headwinds; twenty-five states experienced job losses in their manufacturing sectors in the last year, and twenty-seven experienced monthly losses in November. Manufacturing employment in Arizona peaked in November 2022.

Arizona’s unemployment rate increased to 3.7% (+0.1 percentage point) and its labor force participation decreased two-tenths of a percentage point (to 61.9%). On a national level, the unemployment rate increased from 4.1% to 4.2%, and the labor force participation rate decreased a tenth of a percentage point to 62.5%. For context, the participation rates in Arizona and the United States were 62.2% and 63.3% at the end of 2019, respectively.

On a year-over-year basis, Arizona’s job growth rate was the 10th fastest out of all U.S. states and Washington DC. Arizona has added 59,600 jobs since November 2023.

Key Findings – Arizona November 2024 Employment Data (BLS CES Survey)ⁱ

Job growth was slower than the U.S. average, with the Grand Canyon state gaining 4,100 jobs (+0.12%) in November. Year-over-year growth was 1.85% (down two-tenths of a percentage point from October to November). This year-over-year growth is significantly slower than the pace experienced in 2022 and 2023. Arizona’s year-over-year job growth rates peaked at 3.2% twenty months ago, and has been slowing since. Although month-to-month jobs figures can be volatile,





**Arizona's
Labor Market**

Total Jobs
3,280,700

**Jobs Added in
November:**
+4,100

**Year-Over-Year
Growth:**
+1.9%

the monthly growth of +0.12% would translate to a +1.5% annualized growth rate – indicating even slower real-time job growth relative to what we have seen in the past year.

The gap between total Arizona employment and its pre-2020 growth trend reached its smallest point in July 2022 and has been increasing since. Today the state has 154,000 fewer workers than it would have had on its 2017-2019 growth trend (up from 150,000 in October). Given its average job growth rate since 2020, the state will never return to this pre-pandemic trend.

The state’s fastest growing sector over the past twelve months was education and health services, adding 27,300 jobs (+5.1%). Its slowest growing sector was construction, which lost 1,200 jobs (-2.0%). The education and health services sector has steadily grown since 2020 (losing only 48,000 jobs during the pandemic) and is now at its all time highest level of employment. Construction on the other hand saw steady growth through 2023 but has been stagnant in 2024.

Wages & Time Worked

Average hourly wages (not seasonally adjusted) in Arizona decreased -12 cents in November (-0.4%) – making Arizona 44th in the U.S. for wage growth. Eighteen states experienced wage declines in November. The U.S. hourly wages (not seasonally adjusted) increased +7 cents (+0.2% average month-over-month growth). On a year-over-year basis, Arizona is outperforming the average U.S. State, and wages have grown \$1.75 (+5.5%).

- Arizona private sector workers are now earning an average of \$33.40/hour, compared to \$31.65 a year ago (+5.5%). This growth ranks Arizona 10th in year-over-year wage growth.
- Nationally, the average hourly wage (not seasonally adjusted) increased +0.2% in November (month-over-month) and +4.1% since last year (year-over-year)

As of the latest inflation report in October, real wages were up +3.2% (year-over-year and after CPI inflation, compared to the October nominal increase of 4.8%).

However, since August 2020, real, inflation-adjusted wages in Arizona have declined 3.3%.

Cost of Christmas

Good news: the cost of your family’s Christmas and holiday celebrations likely didn’t go up much this year compared to last.

The cost of our model Christmas, including a variety of toys, a Christmas ham, and a real Christmas tree, was \$837 this year, up from \$739 in 2020. While this is an increase of \$98 over the last four years, prices actually *decreased* \$17 from last year.

A national holiday survey says Americans will spend \$1,778 during the holidays on things like experiences, gifts, and decorationsⁱⁱ. This is up 8% over 2023. Slowing inflation and rising consumer confidence likely fueled the spending increase.



ⁱ ["Employment, Hours, and Earnings – State and Metro Area," U.S. Bureau of Labor Statistics, 2024.](#)

ⁱⁱ ["2024 Deloitte Holiday Retail Survey," Deloitte. Insights, October, 2024.](#)