October 2026

Arizona Labor Force Update - September 2026

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Summary

Arizona lost 300 nonfarm jobs month-over-month (MOM) on a seasonally adjusted basis in September (-0.01%), ranking 27th among all states and Washington D.C. For context, the U.S. gained 0.02% total nonfarm jobs MOM (+29,000). Although these are preliminary numbers, as it stands, this is the second consecutive month of job losses. 25 states reported job loses this month. Year-over-year (YOY), however, Arizona gained 18,800 jobs (+0.58%), ranking 22nd among all states and Washington D.C. and surpassing national job growth (+0.31%). Arizona's manufacturing sector lost 400 jobs (-0.21%) leaving the sector with 300 less jobs than December 2025, even after reporting job gains the last two months in a row. Arizona's unemployment rate remains at 4.9% for its fourth consecutive month.

Key Findings

- **Arizona's job growth rate remains positive over the last year.** Arizona's +0.58% nonfarm growth rate ranks 22nd among all states over the last 12 months.
- **Arizona lost 300 nonfarm jobs in September.** Professional and Business Services (-0.34%) and Education and Health Services (-0.23%) account for most of the net job losses.
- Although year-to-date job growth was positive through September, employment growth has stagnated since April and **the state has lost a total of 5,800 jobs (-0.18%) since July.**
- Job gains have been concentrated in the Phoenix Metro; **Flagstaff and Yuma have seen significant job losses over the last year.**

Sector Leaderboard

Sector	1M Change	12M Change	12M Rate (AZ/ US)
Manufacturing	-400	-900	-0.5%/ +0.3%
Education & Health Services	-1,300	+14,700	+2.7%/ +1.9%
Leisure & Hospitality	-100	-8,800	-2.4%/ +0.4%
Construction	-200	+5,000	+2.25%/ +1.3%
Government	+2,500	-4,600	-1.1%/ -0.9%
Other Services	+600	+5,500	+5.4%/ +0.6%
Mining and Logging	+300	+1,400	+8.8%/ +0.3%
Information	-100	+1,000	+2.1%/ -4.2%
Financial Activities	-300	-6,700	-2.8%/ -1.2%
Trade, transportation & utilities	+300	+4,400	+0.7%/ +0.2%
Professional & Business Activities	-1,600	+7,800	+1.7%/ +0.6%
Total private	-2,800	+23,400	+0.8%/ +0.5%
Total nonfarm	-300	+18,000	+0.6%/ +0.3%

Job Growth Rate Rank

22nd

over the last 12 months

LFPR

59.7% (-0.2 pp) **#37**

12M change: -2.4 pp

Unemployment Rate

4.9% (+0.0 pp) **#6**

12M change: +0.5pp

Private vs. Public Jobs

-2.8k/ +2.5k

12M change: +18.8k / -4.6k

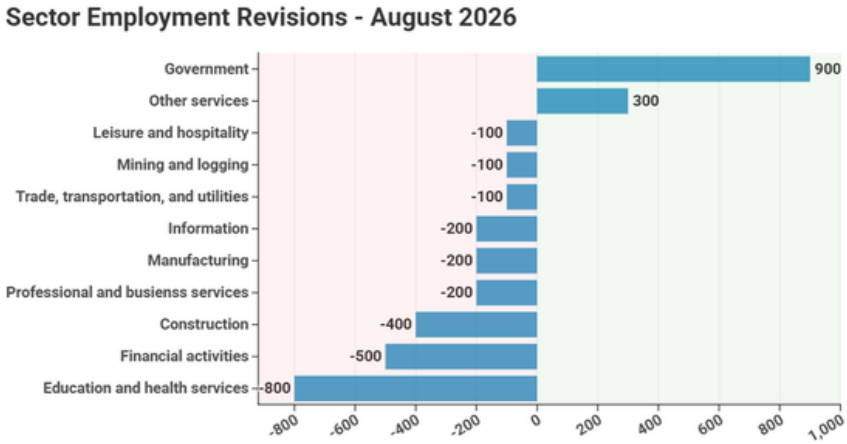
Total Nonfarm Jobs

3,277.8k (-3.0k)

12M change: +18.8k

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Arizona Nonfarm Revisions

-1,400 (+0.0%)

for August 2026

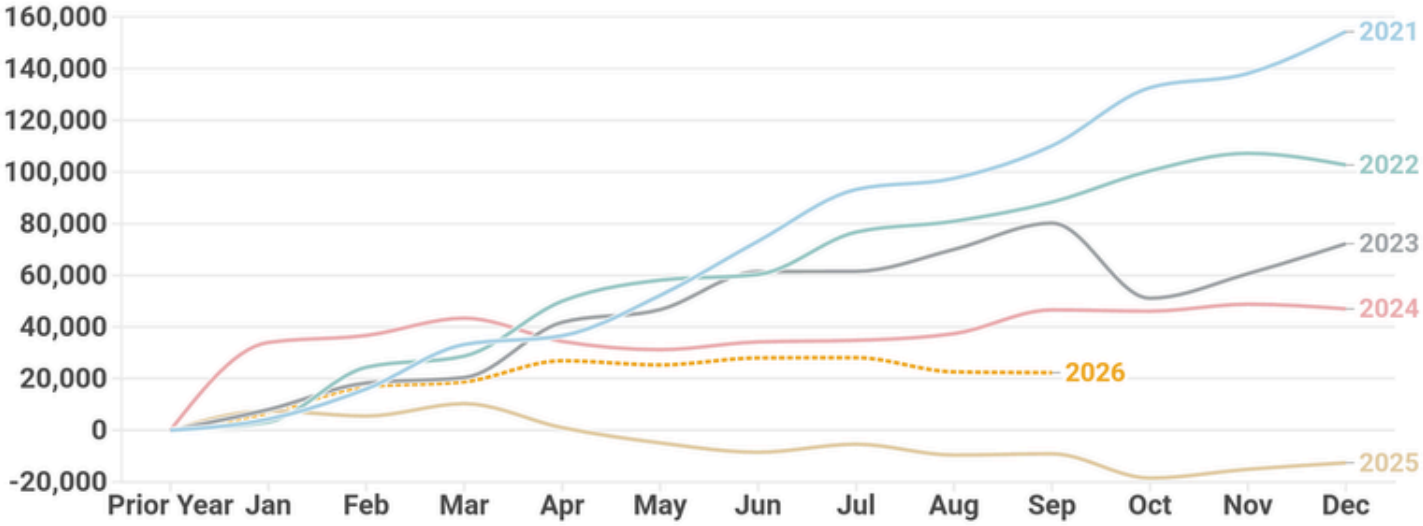
U.S. Nonfarm Revisions

-60.0k (+0.0%)

for August 2026

Cumulative Jobs Added by Year - Arizona

From December 2025 to September 2026, employment has grown by 22,300 jobs, versus a loss of 9,100 this time last year



Note: The dotted yellow line indicates 2026 YTD.

Private Employment Wages & Hours - Arizona

Not–seasonally adjusted earnings and hours measures for the private payroll side of the labor market.

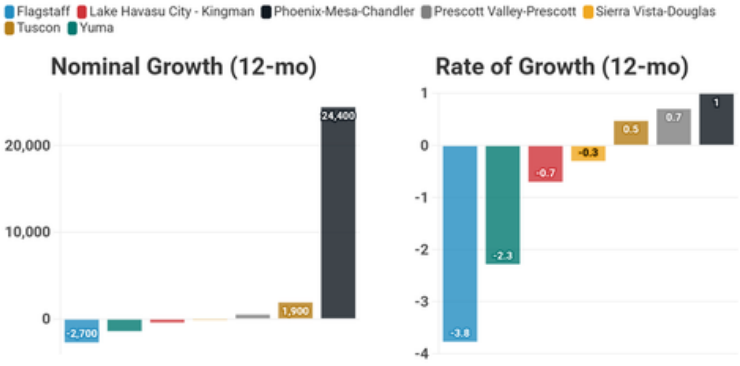
Average hourly earnings **$36.29** (-$0.23)
12M change: +$1.12

Average weekly earnings **$1,241** (-$22.47)
12M change: +$34.79

Average weekly hours **34.2** (-0.40)
12M change: -0.1

Annual Jobs Added by Arizona Metro, September 2026

Despite statewide employment growth over the past year, Flagstaff reports a major loss in jobs year-over-year in September 2026 compared to other metro areas



APPENDIX A

Definitions and methodology notes

Definitions of the report's labor-market terms

Payroll employment terms — BLS CES

Total nonfarm jobs

Employment reported by the Current Employment Statistics program for workers on non-farm payrolls. It reflects payroll jobs, not unique people, so a person with more than one job can be counted more than once.

Private jobs

The private-sector portion of nonfarm payroll employment. It excludes government payroll employment.

Government jobs

The government portion of nonfarm payroll employment, including federal, state, and local government payrolls.

Average hourly earnings

Gross payrolls divided by total hours worked during the pay period that includes the 12th of the month. This is an earnings measure, not a posted wage-rate measure.

Average weekly hours

Average paid hours during the pay period that includes the 12th of the month. Paid time can include holidays, sick leave, and other paid leave.

Average weekly earnings

A weekly earnings measure derived from average hourly earnings and average weekly hours.

Labor force terms — BLS CPS/LAUS

Labor force

All people age 16 and older who are classified as either employed or unemployed. In plain terms, it is the number of people working or actively looking for work.

Employed

People are classified as employed if, during the reference week, they did any paid work, worked in their own business or farm, worked at least 15 unpaid hours in a family business, or were temporarily absent from a job.

Unemployed

People are classified as unemployed if they were not employed, were available for work, and had actively looked for work in the last 4 weeks, or were on temporary layoff.

Labor force participation rate

The labor force as a percentage of the civilian noninstitutional population.

Unemployment rate

The number of unemployed people as a percentage of the labor force.

Labor demand and turnover terms — BLS JOLTS

Job openings

Open positions employers are actively recruiting to fill.

Hires

All additions to payroll during the month, whether they are new hires, recalls, or other additions.

Quits

Voluntary separations initiated by employees, except retirements and transfers to other locations.

Layoffs and discharges

Involuntary separations initiated by the employer, including layoffs with no intent to rehire, discharges, and certain terminations of temporary or seasonal workers.

Total separations

The sum of quits, layoffs and discharges, and other separations.

Report notes

Seasonally adjusted

A BLS statistical adjustment that removes recurring seasonal influences so underlying month-to-month changes are isolated.

1-month change

Report convention: current month minus prior month.

12-month change

Report convention: current month minus the same month one year earlier.