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Arizona Jobs and Labor Force Update

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Introduction

Arizona added 8,100 non-farm jobs on a seasonally adjusted basis in March (+0.25%), the 16th best monthly employment performance among all states and Washington D.C. The U.S. continued its own slow growth trend, gaining 115,000 jobs (+0.07%). Interestingly, while the United States lost jobs on a month-over-month basis in February, Arizona has consistently added jobs (again on a monthly basis) since October 2025. But growth has been unusually and persistently slow. In total, 9 states reported job losses month-over-month in April.

Arizona's performance on a year-over-year (YOY) basis was also slow but has turned positive for the first time since August 2025, adding 13,300 jobs (+0.41%) and ranking 12th best out of all states and Washington D.C. This statewide growth exceeded the national gain of +0.16% YOY in April. In total, 21 states reported job losses year-over-year in April.

Arizona's manufacturing sector lost 400 jobs in March (-0.21%) and was one of 27 states to post monthly job losses in this sector. On a YOY basis the state lost 500 manufacturing jobs (-0.26%) – one of 39 states reporting losses to this sector since April 2025. The U.S. more broadly saw a slight decrease in manufacturing employment in April (-0.02%), and YOY growth remained negative (-0.52%).



**Arizona's Labor Market
April 2026**

Total Jobs
3,282,400

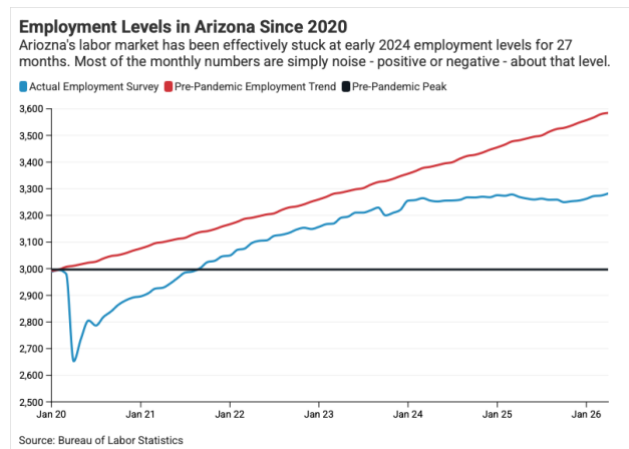
Jobs Added in April:
8,100
(+0.25%)

Year-Over-Year Growth:
13,300
(+0.41%)

Unemployment in the state was unchanged from March 2026, at 4.7%. This follows several months of steady increases in that rate, and today Arizona has the 35th highest unemployment rate among the 50 states and D.C. Arizona's labor force participation rate (LFPR) was also unchanged (61.4%) in April, though it remains slightly below where it was at this time last year. The unemployment rate for the United States overall was similarly unchanged last month, at 4.3%.

Key Findings – Arizona March 2026 Employment Data (BLS CES Survey)ⁱ

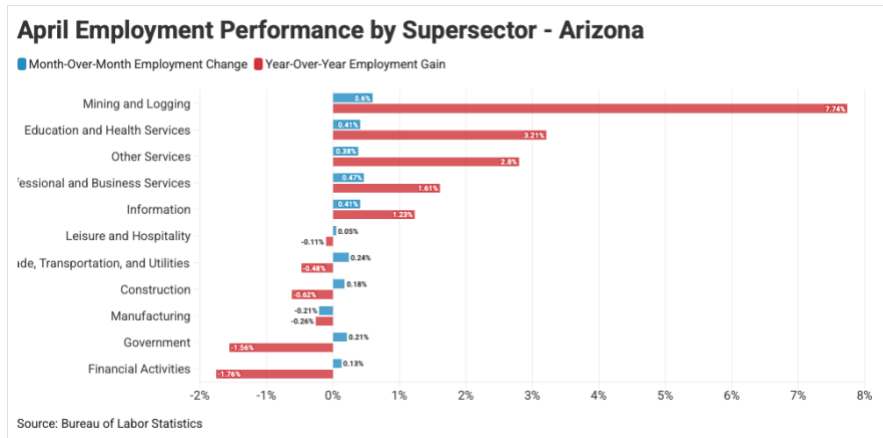
Following seven consecutive months of year-over-year reported job losses in Arizona, annual job growth turned positive in April. Moreover, the unemployment rate stopped rising and labor force participation stopped falling. Still, the data remains clear – the job market in Arizona remains weak on any historical basis. It is just this weakness that enables such rapid fluctuations in the sign of the monthly numbers (from growing, to contracting, and back to growing); because the states job market has been effectively flat for two years now, it takes



relatively small nominal job changes to push the year-over-year figure into negative territory.

We again note that impact that revisions to the monthly numbers can have on these numbers. The reason is similar: because the states labor market is effectively not growing, and further because the monthly and annual revisions are often larger today than they were in the past, reported figures can change wildly after revised numbers are published. So the monthly reports must be read cautiously.

Arizona’s fastest growing private sector in April was Mining and Logging, which added 100 jobs over March (+0.60%). This is a comparatively small sector but it has shown consistent growth over the last five years; today the states mining sector employs 44% more workers than it did in June 2020. Education and Health services – one of the state’s largest employers - continued its relatively strong performance as the second-fastest growing sector on a YOY basis and third-fastest growing on a MOM basis. On an annual basis the state’s Mining and Logging sector expanded at a 7.7% rate. The state’s largest super sector by job count (Trade, Transportation, and Utilities) added 1,500 jobs in April (+0.24%), but over the last 12 months it has lost 3,000 jobs (-0.48%).



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Wages

Arizona continued growing wages in April. Average hourly wages (not seasonally adjusted) grew \$0.62 last month (12th out of all states and D.C.). Annually, wages increased \$1.33 in April (+3.8%), ranking the state 3rd in annual wage growth. This is a significant improvement from recent periods.

As a reminder state-level wage data is not seasonally adjusted by the BLS, and so seasonal variation can lead to significant volatility in the monthly figures. For context, the seasonally adjusted U.S. hourly wage increased +\$0.06 in April (+0.24% MOM). On a year-over-year basis, American wages are growing at a 3.57% rate as of last month.

- Arizona private sector workers are now earning an average of \$36.02/hour, compared to \$34.69/hour a year ago (+3.83%).
- Nationally, the average worker earned \$37.41/hour in April (+3.57% year-over-year)

As of the latest inflation and wage data for April, real wages are up approximately 0.8% year-over-year in the state, while real wage growth has turned negative at the national level. Still, on an inflation-adjusted basis the state remains below the all-time-high hourly wage rates achieved in April 2020, during the pandemic disruptions.

ⁱ ["Employment, Hours, and Earnings – State and Metro Area,"](#) U.S. Bureau of Labor Statistics, 2026.