

## Arizona Jobs and Labor Force Update: January 2022

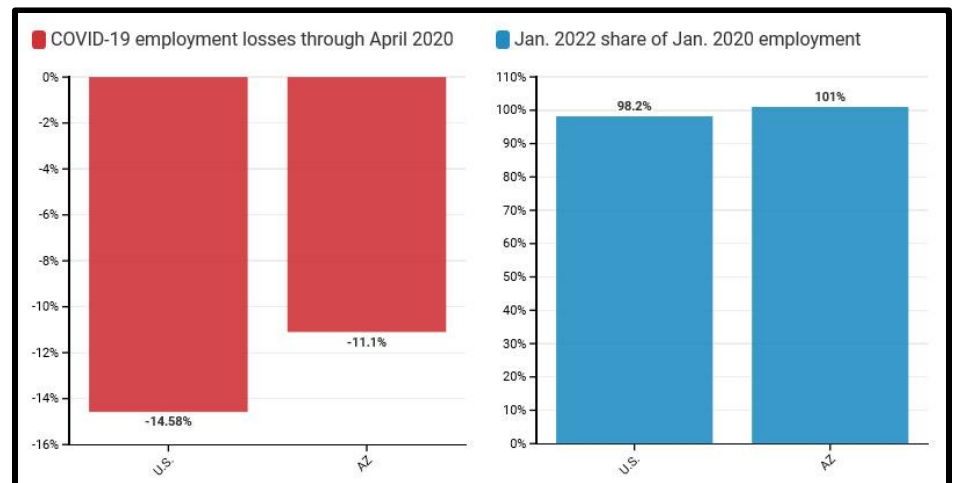
Arizona added 9,700 jobs in January and the Unemployment Rate declined by 0.2 percentage points to 3.7%. Since April 2020, the State has added over 364,100 jobs and regained 101% of its pandemic-related job losses – making it one of only 10 states to have passed its pre-pandemic peak. At 60.7%, however, the States labor force participation rate remains well below its 2019, pre-pandemic level of 62.2% and this difference equates to approximately 108,000 fewer potential Arizona workers.

### Key Findings—Arizona January 2022 Employment Data (BLS CES Survey<sup>1</sup>)

- Arizona added 9,700 total nonfarm jobs in January (a monthly change of 0.3% for a total year-on-year change of 4.5%).**
  - The state surpassed its pre-pandemic peak level of jobs in November 2021 – making it one of only 5 states to do so.
  - However, the State remains about 140,800 jobs below its 2017-2019 trend, and based on current growth rates will not achieve that level until mid 2023.
- Arizona’s labor market has outperformed the United States throughout the pandemic years – losing fewer jobs than all but 9 other states during the 2020 recession and regaining lost jobs faster than all but 3 other states.**
  - Vermont ranked 50th and Hawaii 51st in terms of current job levels relative to Jan. '20 and are down 5.6% and 10.2%, respectively.
  - Ten states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+131,400 jobs).
- Hourly wages in Arizona increased by 5.5% over the 12-months ending in January, versus a 6.6% average increase for the United States as a whole.**
  - Inflation over the same period was 9.7% - meaning real average hourly wages were down (4.2%) over the past year.

### A Deeper Dive into Arizona Industries

- Though the leisure and hospitality industry has led the recovery by adding 44,100 jobs between Jan. '21 and Jan. '22, it is still down 13,700 jobs relative to Jan. '20.
  - Arts, entertainment, and recreation is down 6.61% (3,100 jobs).
  - Accommodation and food services is down 3.63% (10,600 jobs).



<sup>1</sup> <https://data.bls.gov/cgi-bin/dsrv?sm>

## Arizona Labor Force Update

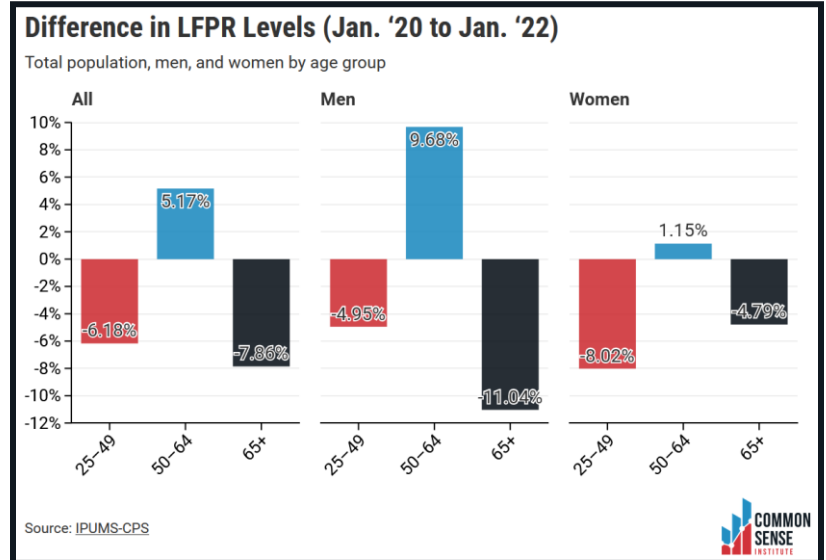
Arizona’s Labor Force Participation Rate ticked up slightly in January as 22,200 new individuals either found or began looking for work. There are now more than 3.6 million people in the state’s labor force – the highest it has ever been since the Bureau of Labor Statistics began keeping track in 1976.

### Key Findings—Arizona December ‘21 Labor Force Data (FRED<sup>2</sup>, and IPUMS-CPS<sup>3</sup>)

- **January’s LFPR increased slightly to 60.7%, but remains below its 2019 level of 62.2%.**
  - At current population, this gap would equate to approximately 108,000 additional willing workers.
  - However, even at a reduced participation rate, in-migration - Arizona added over 125,000 new residents during the pandemic – has surged the states labor force to its largest level ever.
- **January’s unemployment rate fell by 0.2 percentage points, to 3.7%.**
  - This is the lowest Arizona unemployment rate since 2007 and a decline of 40% over the past 12 months.
- **In January, the LFPR of Arizona women decreased from 54.64% to 52.87%. It is now 5.4 percentage points below its pre-pandemic level.**
  - The national female LFPR increased by .3 percentage points to 56.8%, which is .9 percentage points below its pre-pandemic level.

### Prime-age, Older, and Retirement-age People in the Labor Force

- Since Jan. ‘20, labor force participation rates have declined for both younger and older workers, regardless of gender.
- While retirement-age males exhibited the largest decline in participation in Arizona’s labor force during the pandemic, prime-age females were the second-largest contributor, and the participation rate of that demographic remains about 8% below pre-pandemic levels



<sup>2</sup> <https://fred.stlouisfed.org/>

<sup>3</sup> <https://cps.ipums.org/cps/>