



ARIZONA SAW CONTINUED JOB GROWTH IN OCTOBER - THE CENTER SQUARE

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Arizona had a rise in both employment and unemployment last month.

Arizona added 7,300 nonfarm jobs in October, a 0.24% increase in the state's labor force participation. However, the state's unemployment rate rose by 0.2% to 3.9%. It marked the fourth consecutive month where the state's unemployment rate rose. Arizona's rise in unemployment is due to a rising labor force participation rate. Since May, the state's unemployment rate has increased from 3.2% to 3.9%, [according to Common Sense Institute Arizona](#).

Even though Arizona continues to add jobs, it still has fewer available than it did in the past. The state has about 130,200 fewer jobs available than it did between 2017 and 2019. Arizona will not match that old mark until February 2025 if it maintains its current growth rate.

Job growth is being driven partially by the state's vibrant manufacturing sector. Year over year, it experienced a 7.9% increase in employment; it was the fastest growth rate in the country. The growth included 500 new manufacturing jobs being added to the state's economy in October 2022 (a 0.3% increase).

While Arizona is gaining more jobs than other parts of the country, one area where it continues to struggle is wage growth. The average wage decreased by \$0.05; this means the state had the fifth slowest rate of wage growth in the country.

Real wages in the private sector have declined in Arizona over the past two years, the report says. The average worker is earning 13% more per hour than before the coronavirus pandemic. However, the report says the inflation rate exceeds 20% in that same stretch. The report says that in the past two years alone, real hourly wages have decreased by about 6%.

Common Sense Institute Arizona says expanding the state's labor force participation rate will be key to future economic growth. The rate sits at 61.1% - which is still below its 62.2% pre-pandemic level. To reach that pre-pandemic level, the state needs 80,000 people to join its workforce.

"Policies which increase these measures will exhibit particularly high returns, especially if national demographic and macroeconomic trends remain relatively cooler," the report says.