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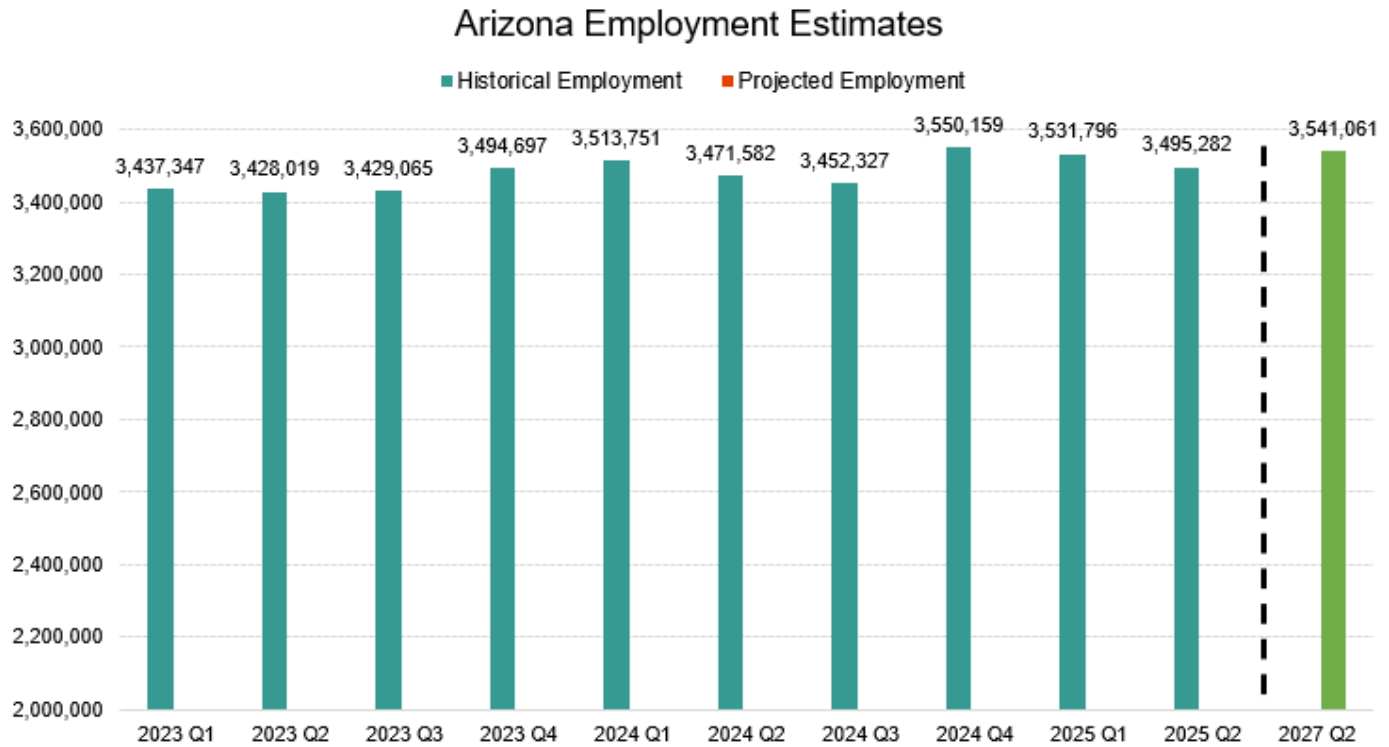
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Arizona 2025-2027 Projected Employment Report Total Employment Projected to Grow 0.7% Annually, led by Health Care and Social Assistance

Summary

The Office of Economic Opportunity (OEO) is projecting Arizona employment to increase to 3,541,061 jobs in Q2 2027 from 3,495,282 jobs in Q2 2025. This represents an increase of 45,779 jobs, or 0.7% annualized growth.

Figure 1



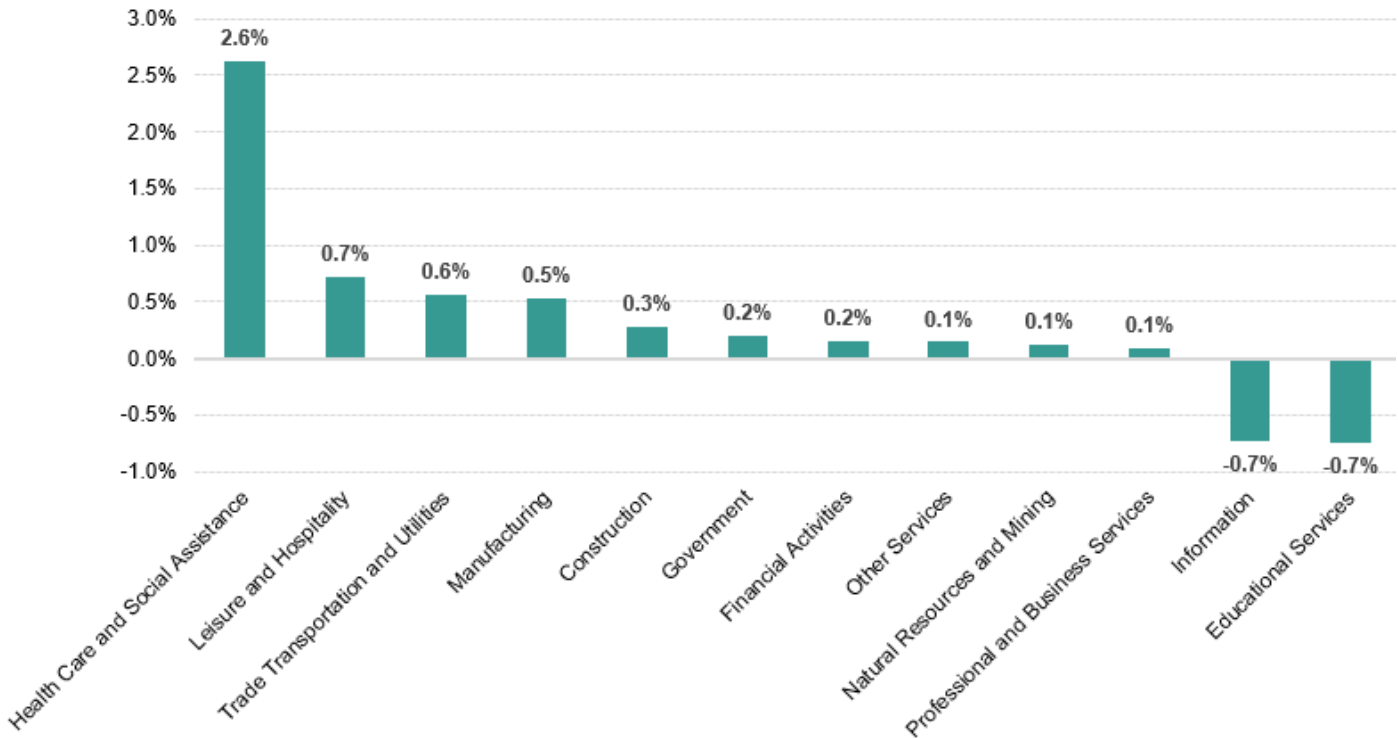
Source: Office of Economic Opportunity

Supersector Employment Growth

Job gains are projected for 10 of the 12 Arizona industry sectors, with Health Care and Social Assistance (2.6% annualized growth) and Leisure and Hospitality (0.7% annualized growth) projected to record the fastest job growth rates. Health Care and Social Assistance (26,418 jobs) and Trade Transportation and Utilities (7,171 jobs) are projected to record the largest job gains. Educational Services (-3,336 jobs, or -0.7% annually) and Information (-724 jobs, or -0.7% annually) are projected to record losses.

Figure 2

Arizona Industry Sectors Employment
2025-2027 Annualized Percentage Change



Source: Office of Economic Opportunity

Industry Sector Highlights

Despite recent shifts in the broader economic landscape, Arizona's labor market is projected to continue its expansion across the vast majority of its major sectors. The overall pace of growth is expected to stabilize compared to the rapid hiring surges of recent years. Moving forward, employers are adopting a more strategic and deliberate approach to workforce expansion as they navigate evolving market conditions.

- Health Care and Social Assistance is expected to add 26,418 jobs (2.6% annually), growing from 496,508 in Q2 2025 to 522,926 in Q2 2027. This sector remains one of Arizona's fastest-growing sectors, supported by ongoing population growth and the steady demand for healthcare services.
- Trade, Transportation and Utilities is projected to grow by 7,171 jobs (0.6% annually) from 634,054 in Q2 2025 to 641,225 in Q2 2027. The slowdown in this sector reflects broader industry maturity and supply chain normalization, reducing the surge-driven demand seen in previous years while maintaining a stable, massive workforce.
- Leisure and Hospitality is expected to add 5,749 jobs (0.7% annually), increasing from 398,142 in Q2 2025 to 403,891 in Q2 2027. The sector will continue to contribute to Arizona's employment gains, building on the state's appeal as a travel destination and ongoing consumer demand for dining, accommodation, and recreational activities.
- Manufacturing is projected to grow by 2,073 jobs (0.5% annually), expanding from 192,528 in Q2 2025 to 194,601 in Q2 2027. This steady expansion highlights Arizona's continuing evolution as a regional production hub, supported by sustained capital investment in advanced manufacturing and high-tech facilities.
- Construction is expected to add 1,296 jobs (0.3% annually) from 228,097 in Q2 2025 to 229,393 in Q2 2027. Continued in-migration and infrastructure development will support job growth, though the notably slower pace of expansion reflects a moderation in building permit activity and evolving conditions in the residential housing market.

Table 1: Historical and Projected Employment by Industry Sector

Industry Sector	Historical Employment				Projected
	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2027 Q2
Construction	228,102	230,039	228,405	228,097	229,393
<i>Annual % Chg.</i>	6.6%	5.6%	3.8%	2.3%	0.3%
Educational Services	219,809	254,758	252,845	226,099	222,763
<i>Annual % Chg.</i>	1.8%	1.9%	1.2%	-0.1%	-0.7%
Financial Activities	230,350	233,677	233,478	232,646	233,376
<i>Annual % Chg.</i>	-1.3%	-0.7%	-0.3%	0.1%	0.2%
Government	170,082	169,755	168,963	171,656	172,349
<i>Annual % Chg.</i>	2.2%	1.8%	2.3%	2.2%	0.2%
Health Care and Social Assistance	486,708	495,333	496,644	496,508	522,926
<i>Annual % Chg.</i>	4.9%	4.7%	4.5%	3.7%	2.6%
Information	51,047	50,937	50,580	50,307	49,583
<i>Annual % Chg.</i>	-3.1%	-3.0%	-3.4%	-3.0%	-0.7%
Leisure and Hospitality	381,385	392,973	395,422	398,142	403,891
<i>Annual % Chg.</i>	2.4%	2.5%	1.7%	0.9%	0.7%
Manufacturing	195,250	194,275	193,471	192,528	194,601
<i>Annual % Chg.</i>	1.1%	-0.2%	-0.4%	-0.6%	0.5%
Natural Resources and Mining	48,073	55,438	55,202	48,968	49,088
<i>Annual % Chg.</i>	0.5%	1.4%	-0.8%	0.0%	0.1%
Other Services	112,083	112,443	111,010	112,235	112,567
<i>Annual % Chg.</i>	3.6%	2.4%	0.8%	0.8%	0.1%
Professional and Business Services	458,259	467,750	462,555	459,167	459,997
<i>Annual % Chg.</i>	0.7%	0.8%	-0.3%	-0.5%	0.1%
Trade Transportation and Utilities	628,935	649,731	639,324	634,054	641,225
<i>Annual % Chg.</i>	0.8%	0.8%	0.9%	0.8%	0.6%
Total	3,452,327	3,550,159	3,531,796	3,495,282	3,541,061
<i>Annual % Chg.</i>	2.0%	1.9%	1.4%	1.0%	0.7%

Source: Office of Economic Opportunity

County Employment Growth

All Arizona counties are projected to gain jobs over the two-year projected period. Greenlee County (1.8% annualized growth) and Pinal County (1.2% annualized growth) are projected to record the largest job growth rates. Maricopa County (36,284 jobs) and Pima County (3,007 jobs) are projected to record the largest job gains. Maricopa County is projected to account for 79.2% of the jobs gained in the state over the two-year projected period, while Pima County is projected to account for 6.6%.

Table 2: Historical and Projected Employment by Area

Area	Historical Employment				Projected
	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2027 Q2
Apache County	18,351	18,740	19,219	19,096	19,110
<i>Annual % Chg.</i>	-0.6%	0.0%	3.1%	0.8%	0.0%
Cochise County	39,203	39,826	40,092	39,183	39,530
<i>Annual % Chg.</i>	0.8%	0.7%	0.7%	-0.7%	0.4%
Coconino County	73,378	74,452	73,420	75,193	76,643
<i>Annual % Chg.</i>	2.9%	2.2%	2.9%	2.1%	1.0%
Gila County	17,801	17,885	17,727	17,888	18,087
<i>Annual % Chg.</i>	3.9%	3.9%	4.0%	3.4%	0.6%
Graham County	12,218	12,395	12,480	12,679	12,944
<i>Annual % Chg.</i>	5.1%	3.2%	3.8%	4.1%	1.0%
Greenlee County	6,407	6,441	6,356	6,293	6,525
<i>Annual % Chg.</i>	1.8%	1.4%	0.8%	0.5%	1.8%
La Paz County	7,594	7,559	7,703	7,898	7,975
<i>Annual % Chg.</i>	2.7%	2.6%	2.2%	2.0%	0.5%
Maricopa County	2,501,172	2,566,740	2,542,479	2,522,870	2,559,154
<i>Annual % Chg.</i>	2.2%	2.1%	1.3%	1.0%	0.7%
Mohave County	63,452	63,997	64,163	63,150	63,876
<i>Annual % Chg.</i>	1.5%	1.2%	1.5%	0.8%	0.6%
Navajo County	32,195	32,652	32,112	31,754	31,849
<i>Annual % Chg.</i>	1.5%	1.5%	1.2%	0.6%	0.1%
Pima County	422,618	435,437	437,634	435,474	438,481
<i>Annual % Chg.</i>	0.7%	0.8%	0.9%	0.6%	0.3%
Pinal County	88,190	88,611	89,527	89,274	91,399
<i>Annual % Chg.</i>	6.2%	4.3%	3.5%	3.2%	1.2%
Santa Cruz County	15,023	15,800	16,159	16,129	16,282
<i>Annual % Chg.</i>	2.1%	1.9%	1.3%	1.1%	0.5%
Yavapai County	78,971	81,076	82,884	80,557	81,104
<i>Annual % Chg.</i>	-0.7%	-0.2%	2.4%	0.8%	0.3%
Yuma County	75,731	88,519	89,801	77,841	78,107
<i>Annual % Chg.</i>	0.2%	0.6%	-0.1%	0.0%	0.2%

Source: Office of Economic Opportunity

Projection Assumptions and Considerations

The Office of Economic Opportunity made the following economic assumptions when creating the projected employment estimates:

- No major economic or political disruptions will occur during the projected period.
- Global supply chains and public health conditions will remain stable without causing major economic interruptions.
- Government agencies will operate within their budgets.
- The distribution of Arizona's population will not differ significantly from the distribution in the base year.
- The U.S. economic framework will not differ significantly from the framework in the base year.
- Long-term employment patterns will continue in most industries during the projected period.
- Arizona's population growth will continue to be among the fastest in the nation.
- Demand for healthcare services will increase as population demographics shift.