West Valley Workforce and Labor Data Report

December 2025 West Valley Resident Workforce by Targeted Industry Sector

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POWERING THE WEST VALLEY'S WORKFORCE

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WESTMARC Foundation

Introduction

WESTMARC serves the West Valley of the Greater Phoenix Metro to position the region for economic development, job growth, and quality of life. Currently serving 1.9 million West Valley residents, WESTMARC created a regional workforce development strategy, West Valley Pipeline, in 2018 with the input of many West Valley businesses, education partners, site selectors, economic development agencies, and West Valley mayors and city leaders.

WESTMARC produces workforce and labor data reports to provide municipalities, educators, and businesses with key insights into regional employment trends. These reports serve as a valuable resource for:

- **Economic Growth Analysis:** Understanding employment trends enables businesses, policymakers, and educators to make informed decisions that enhance economic resilience.
- **Labor Market Assessment:** Examining job growth and unemployment trends helps identify regional strengths and potential economic challenges.
- **Workforce Development Strategies:** Identifying gaps in labor force participation can guide efforts to attract and train workers for high-demand, well-paying jobs.

These reports support strategic workforce planning, policy development, and educational program alignment with emerging industry needs, ensuring that the region remains competitive in an evolving economic landscape.

Executive Summary

After two consecutive months of employment contraction, the West Valley labor market rebounded strongly in September, adding more than 25,500 new jobs. Subject to revision, this represents the largest month-over-month employment increase since a reporting correction in January 2025. On a year-over-year basis, West Valley employers have added more than 55,600 jobs since September 2024—the largest annual increase since December 2021, during the early stage of the pandemic recovery.

Labor market conditions in the West Valley remain notably tighter than state and national trends. While both U.S. and Arizona unemployment rates rose slightly in September, the West Valley unemployment rate declined by one-tenth of a percentage point to 4.1%. An unemployment rate of approximately 4.0% is widely considered "full employment," and rates near or below this threshold can create hiring challenges for employers. This tightening indicates strong labor demand and intensifying competition for qualified workers across the region.

Workforce participation trends further reinforce this positive outlook. Arizona's labor force participation rate (LFPR) increased by two-tenths of a percentage point from August to September, reaching 61.6%, the highest level since March 2024. Rising participation suggests more individuals are entering or re-entering the labor market, helping to partially offset labor constraints as employment continues to expand.

The West Valley Pipeline 2.0 Regional Workforce Development Strategy identifies nine priority industry sectors critical to the region's economic future: Aerospace and Aviation; Business Services; Construction; Education; Healthcare and Social Assistance; Manufacturing; Retail, Hospitality, and Tourism; Technology; and Transportation and Warehousing. As of the end of 2024, West Valley residents express the greatest occupational interest in Business Services and Retail/Hospitality/Tourism, followed by Transportation and Warehousing and Health Services.

Across all targeted sectors, the current West Valley resident workforce exceeds the number of available local occupations, indicating a strong labor supply base. However, rapid growth in job availability is expected in several key industries:

Manufacturing—particularly high-tech manufacturing—and Health Services, especially specialty care, are projected to expand significantly.

The West Valley Innovation Alliance reports that technology companies in the region grew by 165% from 2024 to 2025. In addition, continued residential growth, outpacing other parts of the Valley, is expected to drive corresponding increases in Retail, Education, and Construction employment.

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Methodology

West Valley Employment and Unemployment Rate is calculated monthly with the sum of all West Valley cities, including all of City of Phoenix, as reported by the US Bureau of Labor Statistics.

The Labor Force Participation Rate is reported monthly for the US and Arizona through the Federal Reserve Bank of St. Louis.

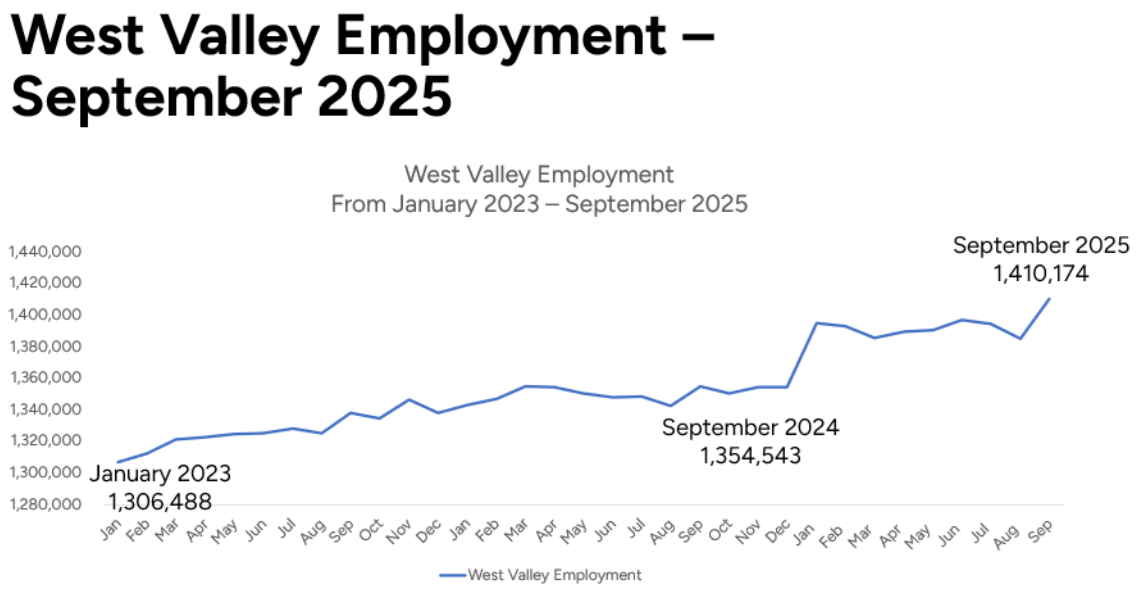
Industry, Occupation, Resident Workforce, and Wage data are reported through Lightcast for all West Valley ZIP Codes, and is updated quarterly.

Employer Size data are reported through the Maricopa Association of Governments Employer Database.

1. West Valley Total Employment 2023 - 2025

After employment contractions over the previous two months, West Valley employers added over 25,500 new jobs in September. Subject to revision, this is the largest month-over-month increase since a reporting correction in January 2025.

Since September 2024, West Valley employers have added over 55,600 new jobs, the largest year-over-year increase since December 2021, in the beginning stages of the pandemic recovery.



Source: Arizona Office of Economic Opportunity / US Bureau of Labor Statistics / West Valley Cities, includes all of City of Phoenix

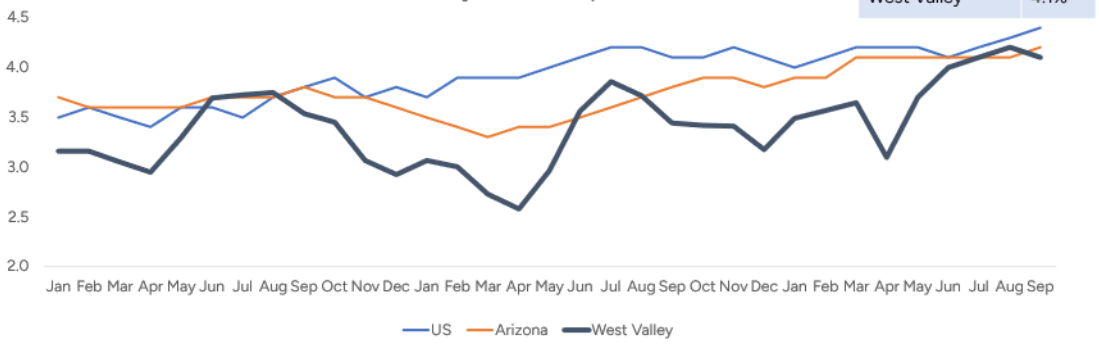
2. West Valley Unemployment Rate 2023 - 2025

While the US and Arizona Unemployment Rates rose slightly in September, West Valley Unemployment Rate ticked down a tenth of a point from August to September, to 4.1%.

An Unemployment Rate of 4.0% is generally considered to be "full employment." Rates below 4.0% create strain on the labor market for employers.

Unemployment Rate - September 2025

SEPTEMBER 2025	
US	4.4%
Arizona	4.2%
West Valley	4.1%

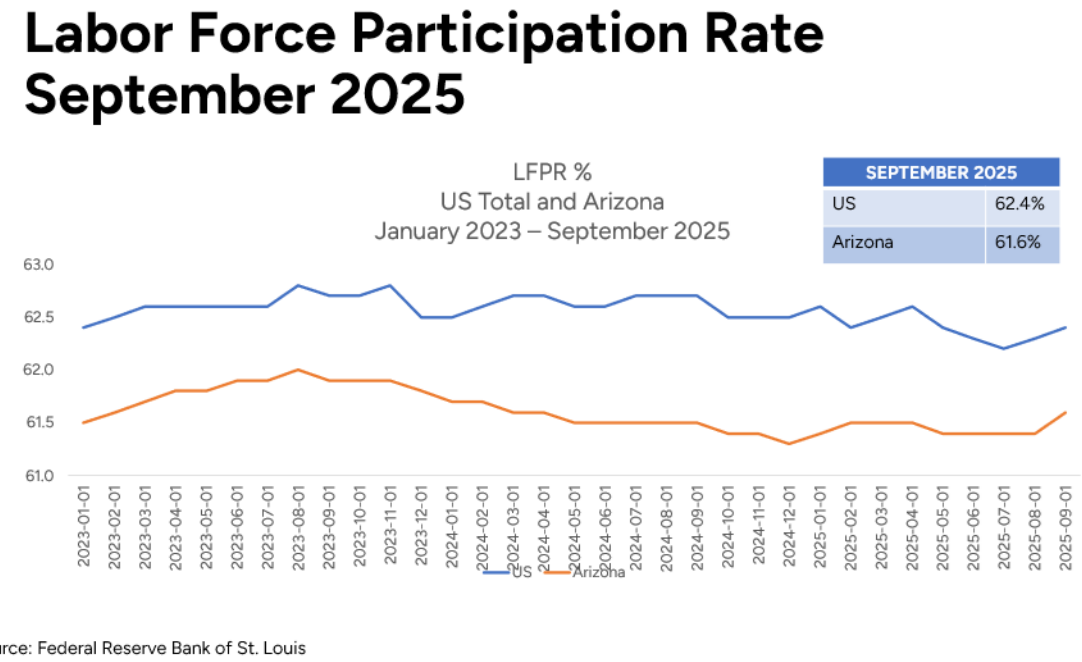


Source: Arizona Office of Economic Opportunity / US Bureau of Labor Statistics

Source: Arizona Office of Economic Opportunity / US Bureau of Labor Statistics / West Valley Cities, includes all of City of Phoenix

3. Labor Force Participation Rate 2023 – 2024

The Arizona LFPR increased two-tenths of a point from August to September, to 61.6%. This is the highest rate since March 2024.



Source: Federal Reserve Bank of St. Louis

The Labor Force Participation Rate is the ratio of those in the workforce to all who could be in the workforce (excludes those in the military, students, persons incarcerated, or those with disabilities that prevent employment).

4. West Valley Resident Workers by Targeted Industry Sector

The West Valley Pipeline 2.0 Regional Workforce Development Strategy identifies nine targeted West Valley industry sectors:

- Aerospace and Aviation
- Business Services
- Construction
- Education
- Healthcare and Social Assistance
- Manufacturing
- Retail, Hospitality, Tourism
- Technology
- Transportation and Warehousing

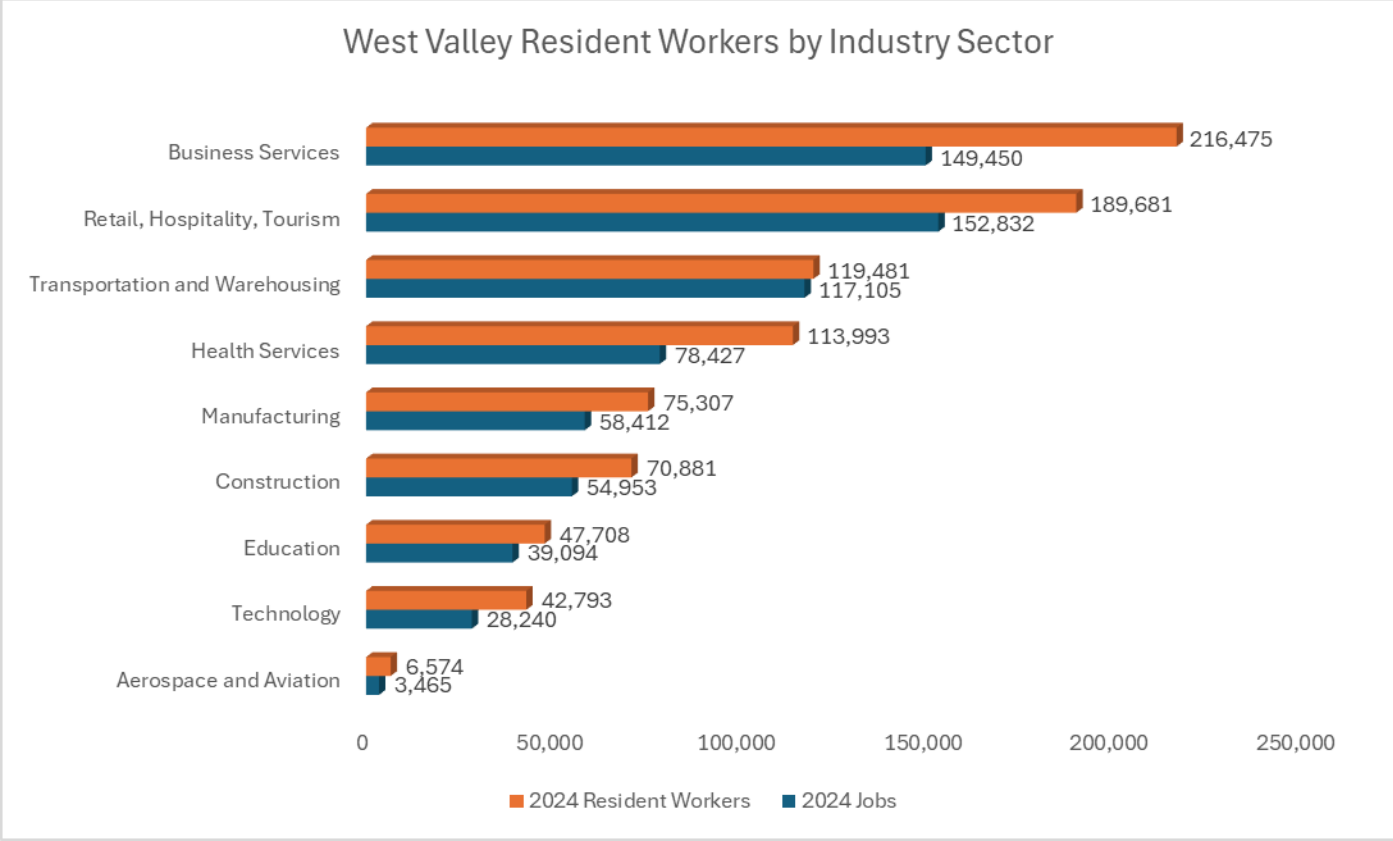
As of end of 2024, West Valley residents are most interested in occupations in Business Services and Retail/Hospitality/Tourism, followed by Transportation/Warehousing and Health Services.

In every targeted industry, in 2024, West Valley Resident Workforce exceeds the number of West Valley occupations.

However, the region expects rapid increases in available occupations in Manufacturing, especially high-tech manufacturing, and in Health Services, especially in specialty health care. According to the West Valley Innovation Alliance, West Valley technology companies grew by 165% from 2024 to 2025. And with residential growth exceeding rates in other parts of the Valley, Retail, Education, and Construction jobs should grow accordingly.

The task for West Valley communities is to effectively communicate to residents that high paying / high skill occupations exist in the West Valley at increasing rates for West Valley residents who have the skills and experience local regional businesses seek.

4. West Valley Resident Workers by Targeted Industry Sector



Source: Lightcast 2025 Q4 data set, West Valley ZIP Codes

Summary

The central opportunity for West Valley communities is alignment: ensuring residents are aware of and prepared for the growing number of high-paying, high-skill jobs emerging locally. Effective communication, workforce training, and skills development will be essential to connect West Valley residents with the expanding opportunities sought by regional employers, sustaining economic growth and competitiveness in the years ahead.

Data Sources

- US, Arizona, and City-level Employment data sourced from the Arizona Office of Economic Opportunity, using data from the US Bureau of Labor Statistics, pulled December 2025 (through September 2025).

- Labor Force Participation Rate data sourced from the Federal Reserve Bank of St. Louis, pulled December 2025 (through September 2025).

- Industry, Occupation, and Wage data sourced from Lightcast 2025 Q4 data set, pulled December 2025

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