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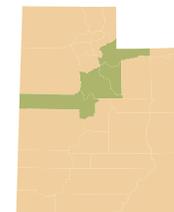


An economic and labor market analysis of the Mountainland Area

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Mountainland's Most Important Industries



BY JIM ROBSON, ECONOMIST

Which major industries have the greatest employment and wage impacts in the Mountainland regional economy? Which industries and firms are the primary drivers of economic activity? To make this determination, total nonfarm payroll employment for each county in the region fits into 23 major industry groups: 18 private sector and 5 government or public sector government industries. Data elements include total wages paid, the average annual number of jobs, the average monthly wage for 2012 and employment location quotients.

An employment location quotient (LQ) is a ratio that compares an area's percentage of total jobs in an industry to that same industry percentage nationally. An employment location quotient is a comparative measure of the importance of each industry within an area with the importance of that industry on average in the U.S. as a whole. For example, if retail trade accounts for 14.7 percent of jobs in Summit County and 11.4 percent of jobs in the U.S., the ratio of 14.7 divided by 11.4 is 1.29: retail trade is 29 percent (1.29 minus 1, multiplied by 100) larger relative to the total number of jobs in Summit than is the case nationally. If an industry has the same percentage of total jobs in an area compared to the U.S. percentage, the location quotient ratio is 1. Figure 1 shows the top 10 of the 23 major industries for

each of the four counties in Mountainland in terms of total wages paid in 2012, sorted from highest to lowest.

In 2012, there were 222,154 payroll jobs and \$8.1 billion in payroll wages paid in Mountainland, accounting for 17.8 percent of jobs and 16.0 percent of wages paid in Utah. There are 614,121 residents in the region, 21.5 percent of the state's population.

Utah County

There were 190,131 jobs and \$7.0 billion in payroll wages paid in Utah County in 2012, or 15.2 percent and 13.8 percent, respectively, of the jobs and wages paid in Utah. There are 540,504 residents in the county, or 18.9 percent of the state's population.

In Utah County the four industries that paid the most total wages in 2012 were manufacturing, at 11.5 percent or \$801.8 million; health care and social services, at 10.9 percent or \$763.3 million; professional, scientific and technical services, at 10.0 percent or \$695.4 million; and information, at 9.7 percent or \$675.6 million.

Together these four major industries account for \$2.9 billion in total wages, or 42.0 percent of all wages paid in 2012 (columns 4 and 5). These top four industries provide 30.8 percent of all

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In 2012, jobs and wages paid in Mountainland accounted for about one out of six payroll jobs and dollars paid within the state of Utah.

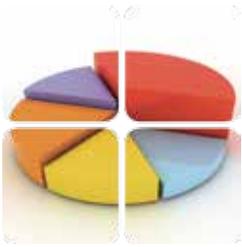
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Robust job growth and an improved labor market characterize economic conditions in Mountainland through 2012 and into 2013.

The Dynamics of Industry Data 8

Collecting quarterly industry data through the QCEW program shows business dynamics through employment and wages.





Mountainland's Most Important Industries (continued)

payroll jobs in the county (column 2). They pay an equal or greater percentage of total wages than the percentage of total jobs and paid above average wages compared to the county average monthly wage. Column 8 gives the average wage of each industry as a percent of the Utah 2012 average monthly wage (AMW) of \$3,387. Although health care and social services, with \$3,062 as its AMW, is essentially the same as the county total AMW, it is 90.4 percent of the statewide number.

Of the first four industries, information has the largest location quotient of 2.12, which illustrates the importance of this industry to Utah County. The information industry has over twice the relative presence than found on average nationally. Professional, scientific and technical services has a somewhat higher than average LQ of 1.11, and manufacturing is close to the U.S. relative share at 0.96.

The largest LQ in Utah County is private education at 6.00. Private education has six times the relative presence in Utah County than the national average. Brigham Young University, a prominent private school, has been a major economic driver in Utah County for many decades both as an education institution that brings in students and dollars from outside of the local area and for the workforce and businesses that have developed from graduates. If you add private education as a fifth important industry to the top four previously listed, together these five industries account for 42.6 percent of jobs and 50.3 percent of wages in the county.

Within manufacturing's 16,535 jobs, the largest subindustries are computer and electronic product manufacturing (2,559

jobs), food manufacturing (2,425 jobs), fabricated metal product manufacturing (2,198 jobs) and nonmetallic mineral product manufacturing (1,436 jobs). Large firms within these manufacturing subindustries include IM Flash Technologies, Nestle Prepared Foods, Geneva Rock Products, US Synthetic, Flowserve U.S. and Liberty Safe and Security Products.

Private health care and social services employment totals 20,783 and has the largest subindustries of ambulatory health care: offices of doctors, dentists, outpatient care and laboratories (8,225 jobs); hospitals (5,488 jobs); and social assistance (2,983 jobs). Large firms in these subindustries include Intermountain Healthcare (with Utah Valley Regional Medical Center, American Fork Hospital and Orem Community Hospital), Central Utah Medical Clinic, Chrysalis Utah and Wasatch Mental Health Services.

Professional, scientific and technical services had a total of 12,632 jobs with large subindustries of computer systems design (5,167 jobs), management and technical consulting (1,230 jobs), architecture and engineering services (1,169 jobs) and legal services (1,145 jobs). Some firms in these subindustries include Prosper Team, Xactware Solutions, Security Metrics, Horrocks Engineers, Jub Engineers and Myler Disability.

Of the total 8,602 jobs in the information industry, the largest subindustries are software publishers (3,452 jobs), data processing and related services (1,361 jobs) and telecommunications (1,191 jobs). Notable firms within the information industry include Adobe, Novell, Dentrax

Dental Systems, Symantic, Ancestry.com, Bluehost, Intelliserv and Cybersource.

Summit County

In 2012, three top industries paid almost 37.8 percent of wages and provided over one half of all jobs (53.2 percent) in Summit County. In terms of total wages, accommodation and food services paid \$130.6 million or 16.0 percent of the county total; retail trade jobs paid \$92.6 million, or 11.3 percent; and arts, entertainment and recreation paid \$ 85.8 million, or 10.5 percent. These top industries reflect the importance of recreation, tourism and travel to the Summit County economy.

The total number of jobs in Summit County averaged 22,667 during 2012. The three top industries accounted for 24.6, 14.7 and 13.8 percent of total jobs, respectively. All three industries have a relatively low AMW compared to the statewide average.

The top three industries in Summit County have a LQ greater than one. The LQ for arts, entertainment and recreation really stands out with a value over nine, which means the relative presence of recreation jobs in Summit County is nine times the national average. The accommodation and food service location quotient of 2.78 is also noteworthy.

The 5,585 jobs in accommodations and food services are almost divided equally between food services (mostly restaurants at 2,839 jobs) and traveler accommodations (2,745 jobs). Important firms in these industries include The Canyons, Montage Hotels & Resorts, Stein Eriksen Lodge, Dakota Mountain Lodge, Hotel Park City, Marriot Park City, Squatters Roadhouse Grill, Maxwell's Restaurant and Red Rock Junction.

Figure 1: Employment and Wages for Largest Industries by County, 2012

	Industry	Average Annual Jobs	Percent of Total Jobs	Top 10 Rank	Total Wages	Percent of Total Wages	Top 10 Rank	Average Monthly Wage (AMW)	Percent of Statewide AMW	Top 10 Rank	U.S. Location Quotient 2011	Top 10 Rank
Utah County	Manufacturing	16,535	8.7%	4	\$801,763,442	11.5%	1	\$4,041	119.3%	9	0.96	8
	Health Care and Social Services	20,783	10.9%	3	763,596,311	10.9%	2	3,062	90.4%		0.87	10
	Professional, Scientific & Tech. Svcs	12,632	6.6%	6	695,390,636	10.0%	3	4,587	135.4%	7	1.11	5
	Information	8,602	4.5%	10	675,598,884	9.7%	4	6,545	193.2%	1	2.12	2
	Retail Trade	23,166	12.2%	1	611,543,869	8.8%	5	2,200	64.9%		1.09	6
	Educational Services	22,347	11.8%	2	582,218,484	8.3%	6	2,171	64.1%		6.00	1
	Construction	12,448	6.5%	7	487,440,337	7.0%	7	3,263	96.3%		1.37	4
	Local Government Education	11,237	5.9%	8	366,036,163	5.2%	8	2,715	80.1%		1.06	7
	Wholesale Trade	5,203	2.7%		320,131,235	4.6%	9	5,127	151.4%	3	0.63	
	Admin. Support, Waste Mgmt. & Rem.	10,935	5.8%	9	317,120,743	4.5%	10	2,417	71.3%		0.94	9
	TOTAL	190,131			6,983,362,333			3,061	90.4%			
Summit County	Accommodation and Food Services	5,585	24.6%	1	\$130,599,339	16.0%	1	\$1,949	57.5%		2.78	3
	Retail Trade	3,335	14.7%	2	92,628,981	11.3%	2	2,314	68.3%		1.31	4
	Arts, Entertainment and Recreation	3,133	13.8%	3	85,818,853	10.5%	3	2,283	67.4%		9.18	1
	Professional, Scientific & Tech. Svcs.	854	3.8%	9	66,945,864	8.2%	4	6,535	192.9%	5	0.55	
	Other Local Government	1,350	6.0%	4	49,209,271	6.0%	5	3,038	89.7%		1.26	5
	Manufacturing	830	3.7%	10	48,938,442	6.0%	6	4,912	145.0%	6	0.39	
	Real Estate and Rental and Leasing	1,158	5.1%	5	46,033,141	5.6%	7	3,314	97.8%		3.58	2
	Construction	1,075	4.7%	6	44,269,261	5.4%	8	3,432	101.3%		1.14	6
	Health Care and Social Services	991	4.4%	7	43,680,615	5.3%	9	3,672	108.4%	10	0.32	
	Finance and Insurance	382	1.7%		39,793,015	4.9%	10	8,677	256.2%	1	0.39	
	TOTAL	22,667			\$817,308,092			\$3,005	88.7%			
Wasatch County	Construction	751	12.0%	3	\$36,949,075	18.4%	1	\$4,102	121.1%	3	2.72	1
	Local Government Education	561	8.9%	4	22,242,537	11.0%	2	3,304	97.5%		1.53	5
	Retail Trade	960	15.3%	2	20,460,285	10.2%	3	1,775	52.4%		1.24	7
	Other Local Government	483	7.7%	6	18,395,176	9.1%	4	3,171	93.6%		1.68	3
	Health Care and Social Services	505	8.1%	5	17,493,063	8.7%	5	2,886	85.2%		0.63	
	Accommodation and Food Services	965	15.4%	1	15,784,307	7.8%	6	1,364	40.3%		1.88	2
	Professional, Scientific & Tech. Svcs.	210	3.4%	8	9,975,177	5.0%	7	3,957	116.8%	5	0.58	
	Admin. Support, Waste Mgmt. & Rem.	377	6.0%	7	8,563,907	4.3%	8	1,893	55.9%		0.83	
	Manufacturing	206	3.3%	9	8,479,756	4.2%	9	3,430	101.3%	10	0.40	
	Finance and Insurance	152	2.4%		5,952,033	3.0%	10	3,263	96.3%		0.60	
	TOTAL	6,270			\$201,308,707			\$2,676	79.0%			
Juab County	Manufacturing	644	20.9%	1	\$25,991,891	26.9%	1	\$3,365	99.3%	9	2.23	2
	Health Care and Social Services	452	14.7%	2	14,667,145	15.2%	2	2,703	79.8%		1.05	7
	Local Government Education	392	12.7%	3	10,194,045	10.6%	3	2,167	64.0%		2.13	4
	Construction	245	7.9%	7	9,316,214	9.6%	4	3,166	93.5%	10	1.82	5
	Professional, Scientific & Tech. Svcs.	121	3.9%	8	6,539,541	6.8%	5	4,504	133.0%	3	0.74	9
	Other Local Government	316	10.2%	4	5,987,787	6.2%	6	1,579	46.6%		2.13	3
	Retail Trade	258	8.4%	5	4,248,912	4.4%	7	1,370	40.4%		0.73	10
	Accommodation and Food Services	254	8.2%	6	2,934,607	3.0%	8	964	28.5%		0.97	8
	Mining	59	1.9%	9	2,656,556	2.8%	9	3,784	111.7%	6	4.78	1
	Utilities	19	0.6%		2,163,330	2.2%	10	9,530	281.3%	1	1.46	6
	TOTAL	3,086			96,594,142			\$2,608	77.0%			



Mountainland's Most Important Industries (continued)

Retail trade employment in 2012 averaged 3,335, with the largest subindustries being clothing and clothing accessories stores (823 jobs), food and beverage stores (629 jobs) and sporting goods, hobby, book and music stores (314 jobs). Notable firms include Whole Foods Market, Smith's Food & Drug, Associated Fresh Markets, The Dress Barn, VF Outdoor, Nike Retail, PVH Retail Stores, Jans and Cole Sport.

In the third major industry for the county, arts, entertainment and recreation, most of the 3,133 jobs are within three subindustry groups: skiing facilities (1,964 jobs), golf courses and county clubs (496 jobs) and performing arts and spectator sports (431 jobs). Important firms represented within these three subindustries include Deer Valley Resort, Park City Mountain Resort, Utah Athletic Foundation, Sundance Institute, Promontory Development, Talisker Club and Glenwild Golf Club.

Wasatch County

In 2012, the top three industries paid 39.6 percent of wages in Wasatch County and comprised 36.2 percent of the jobs. For wages paid, construction made up \$36.9 million, or 18.4 percent, of the county total; local government education paid \$22.2 million, or 11.0 percent; and retail trade paid \$20.5 million, or 10.2 percent. The total number of jobs in Wasatch County averaged 6,270 during 2012. The three top industries accounted for 12.0, 8.9 and 15.3 percent of total jobs, respectively. Of the three top industries, construction AMW was 121.1 percent of the statewide AMW.

The top industries have LQs greater than one. The LQ for construction stands out with a value 2.72.

Construction employed an annual average of 751 with subindustries of residential specialty trade contractors (299 jobs),

residential building construction (253 jobs) and heavy and civil engineering construction (171 jobs). Some important firms for these industries include RMD Management, Probst Electric, Summit Line Construction and Euclid Group.

Local government education, with 561 jobs, is the Wasatch County School District, with 8.9 percent of jobs and 11.0 percent of wages in the county.

The third major industry, retail trade, employed 960 in 2012. The largest subindustry groups are food and beverage stores (312 jobs), general merchandise stores (220 jobs), motor vehicle and parts dealers (109 jobs) and gasoline stations (96 jobs). Important firms represented within these four subindustries include Wal-Mart, Smith's Food and Drug, D. Brothers, Escape Motorsports and JTC Transport.

Juab County

The Juab County top three industries paid 52.6 percent of wages, with 48.2 percent of jobs. For wages paid, manufacturing reached \$26.0 million, or 26.9 percent of the county total; health care and social assistance paid \$14.7 million, or 15.2 percent; and local government education paid \$10.2 million, or 10.6 percent. The total number of jobs in Juab County averaged 3,086 during 2012. The three top industries accounted for 20.9, 14.7 and 12.7 percent of total jobs, respectively. Of the top industries, manufacturing AMW is about equal to the statewide AMW.

The top three industries have LQs greater than one. The LQ for manufacturing and local government education are above two.

Manufacturing employed an annual average of 644 with subindustries of plastic and rubber products (178 jobs), fabricated metal products (253 jobs) and nonmetallic mineral production (138 jobs). Some

important firms for these industries include NRP Jones, Ash Grove Cement Company, Sunset Rail and Barnes Bullets.

The second major industry, health care and social services, employed 452 people in 2012. The largest subindustry of ambulatory health care consists of doctor and dentist offices (126 jobs), hospitals (206 jobs) and nursing and residential care facilities (109 jobs). Firms in these subindustries include Central Valley Medical, Canyon Hills Health Care and Journey Impact Ranch.

Local government education, with 392 jobs, is made up of Juab County School District employees, with 12.7 percent of jobs and 10.6 percent of wages in the county.

Conclusion

By analyzing just a few labor market variables within each county — total wages, average employment and the average monthly wage — we see that a relatively few major industries provide a significant proportion of income and job opportunities within the Mountainland economy. These important industries have prominent firms whose products and services are often exported. These industries, and the many individual businesses within, provide the economic activity that sustains household incomes with wages and job opportunities for workers in the area.



Mountainland's Improving Economy

BY JIM ROBSON, ECONOMIST

Labor market conditions in Mountainland improved considerably in 2012. With vibrant job, income and business growth, the economy has shown renewed strength over the past two years. During 2011, average payroll job growth was just above 3.7 percent in the region. The 2012 employment growth strengthened further in Mountainland at a robust 4.8 percent. In 2012 there were employment gains across all major industry sectors except federal government. Unemployment in the region has subsided considerably from the recessionary peak of 8.2 percent at the beginning of 2010 to average 5.5 percent during 2012. Overall, the economy is improving for each of the four Mountainland counties.

Utah County

In 2012 the estimated number of payroll jobs in Utah County increased on average by 5.0 percent over 2011, with 9,090 new positions. Employment opportunities were expanding in virtually all major industrial sectors. The largest number of new jobs was added by the construction industry at 1,890, an increase of 17.9 percent over 2011. The majority of these new positions were in residential housing construction, which has awakened from very low activity levels from the recession. This new construction activity is reflected in related industries such as furniture manufacturing, building materials and garden supply stores, and real estate service — all of which experienced healthy job gains. The I-15 interstate rebuild, the NSA data center project and other commercial and industrial building construction provided additional strength in construction.

In addition to the 1,890 construction jobs, six other private sector industries added 600–1,200 net new jobs. Leading this list is trade (wholesale and retail) with 1,200. Within trade, nonstore retailers (Internet sales) added the most jobs. Restaurants and food services as well as accommodations added 825 jobs and private education added 800. Manufacturing businesses added an impressive 780 jobs with an estimated increase of 4.4 percent above 2011. Professional, scientific and technical services added 5.8 percent, or 750 jobs, with computer systems design, marketing and public opinion research, and management and technical consulting, providing the most

new job opportunities. Temporary help services and telephone call centers within the administrative support industry added over 300 jobs each. Among private sector businesses, the only major industry that did not add to employment in 2012 was management of companies (headquarter locations).

The unemployment rate in Utah County peaked in the early spring of 2010 at 8.1 percent, with 18,100 residents who could not find work. On average in 2012, the unemployment rate was a much-improved 5.5 percent, with about 12,450 unemployed workers. Initial claims for unemployment benefits in 2012, while still above the incredibly low levels seen prior to the recession, are at their lowest level in four years.

The 2013 outlook for Utah County will likely see employment growth continue at about 5.1 percent. With the completion of the I-15 rebuild and some other major projects, the growth in construction employment may cool a bit, still expanding at a healthy 11.1 percent. Manufacturing job increases should subside from the lofty 4.5 percent in 2012 to a rate around 2.7 percent. Other industries, such as trade, financial activities, and professional and business services, will see increased job creation. Overall, all major private industry sectors are forecast to add jobs, aggregating for above average growth for 2013.

Summit County

In 2011, Summit had the third most robust county economy in Utah with 5.8 percent job growth, behind energy rich Duchesne and Uintah Counties. The increase was propelled by leisure and hospitality jobs, with help from an early start to the ski season. Other bright spots for the Summit economy were manufacturing as well as health care and social services.

In 2012, while continuing to grow, the Summit County labor market slowed from the rapid pace of expansion seen in 2011. For the year, job growth was 3.6 percent or 790 new payroll positions, bringing total employment on average for the year to 22,670. Leisure and hospitality services again added the most jobs, increasing by 315 jobs among food service, recreation and accommodation businesses. Professional, scientific and technical services

**Mountainland's
Improving Economy
(continued)**

contributed 115 new jobs, mostly related to computer systems design and architectural and engineering services. Health care employment expanded by 105 jobs. Finally, manufacturing employment increased by 6.0 percent, adding 45 net new jobs as this industry continues to grow in importance in recent years.

The jobless rate topped out at 8.0 percent in November 2009 as a result of the recession. It has since receded to average about 5.3 percent in 2012. Unemployment has dropped below 4.7 percent by spring 2013. Initial claims for unemployment benefits are at their lowest level in four years.

Summit County's forecasted job growth in 2013 of around 1,000 new jobs is an increase over that experienced in 2012. Employment gains among the majority of industry sectors will continue, however the rapid increases in professional and business services and manufacturing should moderate. Leisure and hospitality as well as wholesale and retail trade will continue to provide the most new jobs.

Wasatch County

Wasatch County showed a mixed bag in terms of job growth in 2011 with as many industries showing job losses as those showing job gains. Robust job growth

returned in the spring and summer of 2012, with overall employment increases for the year of 4.8 percent. The largest job increases have occurred in retail trade with the opening of a Wal-Mart in Heber Valley. In 2012, retail trade employment added about 115 jobs on top of the 130 added in 2011. The retail environment in Heber Valley has changed substantially. It may be some time before this adjustment process is complete.

Other industries adding significant new employment in 2012 were construction, with 58 jobs, and business administration and support, with 80 jobs.

Figure 2: Nonfarm Payroll Employment, 2011–2013

Super Sector Industry	Annual Average Jobs			Change in Jobs from Prior Year			Percent Change in Jobs		
	Actual	Actual	Forecast	Actual	Actual	Forecast	Actual	Actual	Forecast
	2011	2012	2013r	2011	2012	2013r	2011	2012	2013r
Total Nonfarm Payroll Jobs	211,925	222,154	233,592	7,637	10,229	11,438	3.7%	4.8%	5.1%
Mining	268	278	286	12	10	8	4.8%	3.8%	2.8%
Construction	12,553	14,519	16,130	534	1,966	1,611	4.4%	15.7%	11.1%
Manufacturing	17,440	18,215	18,712	283	775	497	1.6%	4.4%	2.7%
Trade (Wholesale and Retail), Transportation, Warehousing and Utilities	35,295	36,606	39,574	1,219	1,311	2,968	3.6%	3.7%	8.1%
Information	8,382	8,962	9,635	181	580	673	2.2%	6.9%	7.5%
Financial Activities	7,766	8,207	8,909	(152)	441	702	-1.9%	5.7%	8.6%
Professional and Business Services	25,614	27,134	28,886	2,015	1,520	1,752	8.5%	5.9%	6.5%
Private Education, Health Care and Social Services	43,958	45,537	46,988	1,504	1,580	1,451	3.5%	3.6%	3.2%
Leisure and Hospitality	23,912	25,021	25,928	1,364	1,109	907	6.0%	4.6%	3.6%
Other Private Services	5,064	5,196	5,355	102	132	159	2.1%	2.6%	3.1%
Federal Government	1,110	1,087	1,074	(259)	(23)	(13)	-18.9%	-2.1%	-1.2%
State Government*	7,620	8,200	8,703	442	579	503	6.2%	7.6%	6.1%
Local Government*	22,931	23,181	23,412	392	251	231	1.7%	1.1%	1.0%

* State government includes higher education and local government includes public education.

Three areas of concern for Wasatch County in 2012 were manufacturing, which lost 11 jobs; mining, shedding 45 jobs; and leisure and hospitality, down by 10 jobs relative to 2011.

In 2012 the unemployment rate averaged about 6.9 percent. During the recession, unemployment peaked in Wasatch County at 9.9 percent at the end of 2009.

The 2013 job outlook for Wasatch County has improved and is forecasted to strengthen from the 4.8 percent growth in 2012 to about 5.7 percent. The largest employment increases are expected in trade, construction and business support services.

Juab County

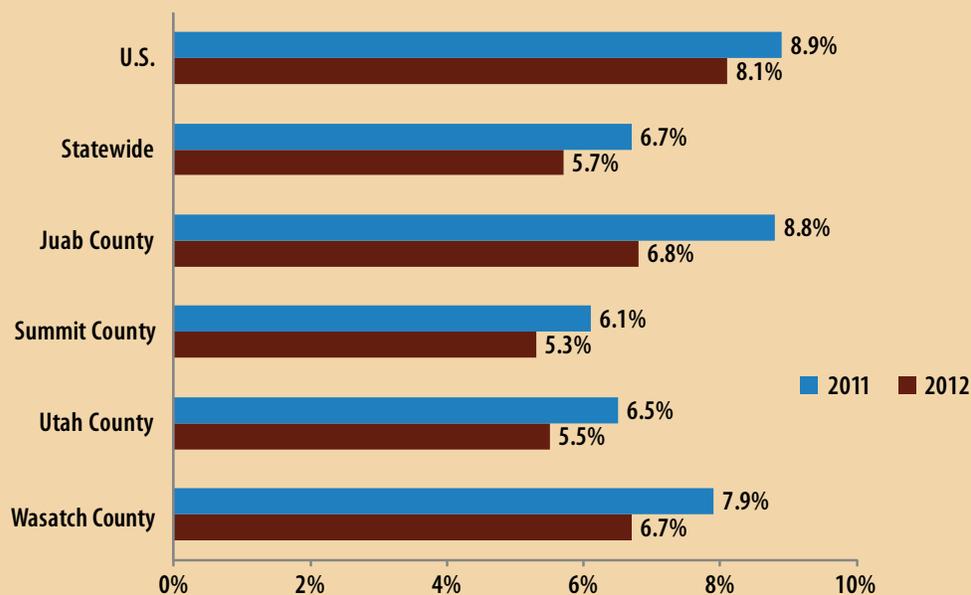
In 2012 Juab experienced job increases of 1.9 percent, or 57 new jobs, compared to 2011. Manufacturing added 28 new jobs and health care and social services grew by 42. Professional and business services cut back 15 jobs, and leisure and hospitality shed 8. The 2013 job outlook is expected to improve significantly with overall growth of about 4.7 percent. This will occur if the relative strength in the manufacturing and health care industries continues with some new activity in construction.

Mountainland

Overall for Mountainland (Utah, Summit,

Wasatch and Juab Counties), robust job growth and a much improved labor market characterized economic conditions through the end of 2012 and into 2013. The unemployment rate has declined to a relatively favorable rate of 4.7 percent by the spring of 2013. Based on the strength of employment growth the past two years, particularly in Utah and Summit Counties, the Mountainland region has reached new employment highs above those seen in 2007 at the onset of the Great Recession. The expected employment growth in 2013 of around 5.1 percent will contribute to ongoing prosperity and reduce unemployment in the area.

Figure 3: Unemployment Rate Comparison with Mountainland Counties
Annual Average 2011–2012





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The Dynamics of Industry Data

BY MELAUNI JENSEN, LMI ANALYST

Labor Market Information (LMI) is a powerful resource that provides people with a variety of information pertaining to the workforce. LMI can show information about an industry as well as current local economic conditions. It can help policy makers and economic developers understand the productivity of the workforce, economic activity and the overall health of the economy, information that is important for estimating tax revenue and modifying county or city services. It can also demonstrate to educators and economic developers the employment and wage outcomes of graduates and what industries are strongest in local areas.

Every state in the U.S. partners with the Bureau of Labor Statistics (BLS) to gather and produce complete employment and wage information that represents workers covered by state Unemployment Insurance (UI) laws. This data program is called the Quarterly Census Employment and Wages (QCEW). Used to track the establishment levels, these quarterly statistics are important to many other federal and state programs, as it is an accurate reflection of the size of the workforce. Employment data represents the number of covered workers who worked during the pay period or received pay. It does not include those in the military, those who are self-employed, domestic workers, unpaid family workers and railroad workers already covered by the railroad UI system. Wages represent total compensation paid during that quarter, regardless of whether the work was completed at that same period of time, and including vacation or other paid leave, bonuses and tips.

QCEW data is the most comprehensive and respected economic database available, giving the best picture of the economy. QCEW includes data on the number of business establishments and their monthly employment and wages for each quarter. The data is categorized by industry, county and ownership. In accordance with BLS policy, data is not published at the individual firm level, but instead is aggregated and reported for specific statistical uses.

Our economists analyze this data after collection using the North American Industry Classification System. NAICS, as it is often referred to, was developed with Canada and Mexico in an effort to improve the comparability of employment in industries, thus improving the reflected economic activities. This powerful coding system categorizes each establishment into a detailed industry profile based on what they produce or the service they provide and gives five levels of categorized detail.

QCEW data can be used to show the dynamics of businesses: how they open and close and how they expand and retract. It can also show job creation, terminations and layoffs. Here in Utah, we comply with an agreement with the federal government to disseminate this information in a variety of ways. The data is used in products such as FirmFind and Industry Employment and Wages, both interactive tools on our website at jobs.utah.gov/jsp/wi/utalmis/default.do. We also use this data in the Labor Market Information annual report and the analyses contained in this publication. For a further breakdown of NAICS, visit census.gov/eos/www/naics/.