

January/February 2012

Trendlines

Perspectives on Utah's Economy

A Look Forward **2012**

**Utah's Employment
is Growing
*For Now***

The Recovery
Needs to
Continue

Are We Covered?
A Look at Health Insurance
Coverage in Utah

Department of Workforce Services





A Conversation About
JOBS in Utah

*Kristen Cox, Executive Director,
Department of Workforce Services*

DEAR READERS: It is hard to turn on the television, open a newspaper, or browse the Internet without finding a story about “job creation.” How many jobs will the President’s jobs bill create? How many could be created with varying congressional proposals? In Utah, we are taking a different approach. Governor Herbert has announced his plan on “100,000 jobs in 1,000 days.” He did not say that he or state government would create the jobs—only that we would all work together to build a positive environment for job growth. That is precisely our focus at the Department of Workforce Services (DWS).

The latest job numbers show that Utah’s economy is steadily improving and growing at a higher rate than the national average. While that’s very encouraging news, there are still many job seekers out there looking for work. Right now, there are more than 12,000 jobs listed on the DWS website, jobs.utah.gov. These are real jobs that run the gamut of occupations and wages. Again, good news, but there is also the reality that for every job listed there may be scores of applicants and job competition is fierce. Our workforce development specialists are actively engaged with employers around the state who have made clear their need for a qualified and diverse pool of candidates.

At DWS, among the many employment related services we provide is a one-stop-shop, comprehensive toolkit for jobseekers at jobs.utah.gov. Once there, a job seeker from any corner of the state can search any job title, skill, or key word in every imaginable career category. They will also find direct links to Utah employer websites and state and national job banks. In addition to these job search features, job seekers can sign up to receive real time Twitter updates as new jobs are added to a particular career or occupation.

As I mentioned, it’s a competitive market and the Department of Workforce Services can assist job seekers in improving their opportunities for success. With our repository of the latest labor market information, online customers have the ability to determine educational requirements, skill sets, wage information, and how many expected openings there are throughout the state for basically every field of employment. We offer assistance in preparing a resume that will get noticed and information on where to access additional training for “in-demand” occupations. At jobs.utah.gov, job seekers who are thinking about changing career paths or who have been out of the job market for an extended period of time can determine how their current job skills match up in today’s labor market.

In addition to our online services, the Department of Workforce Services offers a series of workshops and seminars in employment centers located throughout the state. These workshops include the innovative “Work Success” program, which is an intensive two-week curriculum for the long-term unemployed job seeker (the program does have eligibility requirements). Our employment counselors specialize in working with job seekers of all ages and within every skill level and can connect them to the work place—it’s their job.

Our employment counselors and workforce development specialists are dedicated to connecting Utah job seekers with employment opportunities that reflect our local economies. We know that Utah’s borders expand beyond the Wasatch Front and that from Logan, to Loa, to LaVerkin each part of our great state has different needs and diverse economies. We are here to meet those needs. Our job is helping you find yours. SINCERELY,

Trendlines

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The Workforce Research and Analysis Division generates accurate, timely, and understandable data and analyses to provide knowledge of ever-changing workforce environments that support sound planning and decision-making.



A Look Forward to 2012



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Just the Facts...
Rate Update

Utah's Employment is Growing

The growth seems to be homegrown influenced, and population growth may be the factor.

The Utah employment picture is ending the year on a high note—that is in relation to recent performance, not historical performance. Employment growth is in the high 2-percent range, and it stands a good chance of moving higher as 2012 unfolds. This rate of growth ranks Utah in the top five states.

The weight of continuous population growth seems to be the driving force behind these employment gains. There are enough negatives still enveloping the national economy that the influence it endows upon the Utah economy is negligible. Therefore, the growth must be homegrown influenced, and population growth seems to be the factor.

The labor force population (age 16 and over) continues to grow in Utah, even across the recession period to the present. Though some were unable to get a job during that period—and others lost theirs—the collective weight of this labor force population still makes commerce

and the economy churn. Even people without jobs spend money (student loans, unemployment insurance, dad's wallet, etc.).

Utah's labor force population is estimated to grow just below 2 percent each year. In one year, that is not enough to lead a counter-drive against negative economic pressures (making it grow when other factors would counter or even hinder growth). But put together four consecutive years of such growth, and you suddenly have an accumulation of population growth with some weight behind it—enough weight to start to overwhelm the economic negatives. Even a large enough pool of less-than-normal economic spending will eventually coalesce into something of tangible value.

This labor force growth pressure does need other economic support. It is bursting out now, but the rest of the economic factors at some point will have to kick in to help keep this momentum going beyond just 2012. 



Are We Covered?

A look at Health Insurance Coverage in Utah

Roughly 74 percent of Utah's population maintained some type of private insurance coverage during 2010.

It used to be that when I fielded a question about health insurance coverage in Utah, I had no data to offer. Thankfully, those days are gone. Due to new questions in both the American Community Survey (ACS) and the Current Population Survey (CPS), I have plenty of data to share. The figures in this article trace to two different sources. Statewide data derives from the Current Population Survey's Annual Social and Economic Supplement (2010). County-level estimates are model-based figures generated by the Census Bureau using among other inputs, health insurance coverage estimates from the American Community Survey. (The sample size for the CPS is not sufficient to provide county-level estimates.)

Covering all the Bases

First, let's outline just what "health insurance coverage" means. The Census Bureau broadly classifies health insurance coverage as 'private' or 'government.' Private insurance includes employer or union-provided coverage or coverage directly purchased by the individual. Government-provided insurance includes programs such as Medicare, Medicaid, military, CHIP (Children's Health Insurance Program), and state-sponsored health plans. Individuals are considered "insured" if they were covered by any type of health insurance for any part of the previous calendar year. Interestingly, research has found that the CPS data tends to under-estimate health insurance coverage—perhaps because respondents answer for the current time-period rather than the past year.

Is Utah Covered?

Roughly 86 percent of Utahns had some sort of health insurance coverage during 2010. That places us about in the middle when all states are ranked. Plus, we make a slightly better showing than the United States average with 84 percent of its population covered by insurance. Of course, although most of the population in Utah had some type of insurance



For more information about health insurance coverage in Utah, see:

- <http://www.census.gov/did/www/sahie/index.html>
- <http://www.census.gov/hhes/www/hlthins/index.html>

coverage, 14 percent did not. The top six states for health insurance coverage—Massachusetts, Hawaii, Wisconsin, Maine, Vermont, and Minnesota—showed insured rates better than 90 percent. States with the lowest coverage tend to be in the southern part of the country—South Carolina, Florida, Mississippi, Texas, and our neighbors, Nevada and New Mexico all showed coverage rates less than 80 percent.

How are We Covered?

Roughly 74 percent of Utah's population maintained some type of private insurance coverage during 2010—far higher than the national average of 64 percent. Most of those with private coverage—66 percent—were insured under employment-based programs. Again, this share proved far higher than the national average of 55 percent.

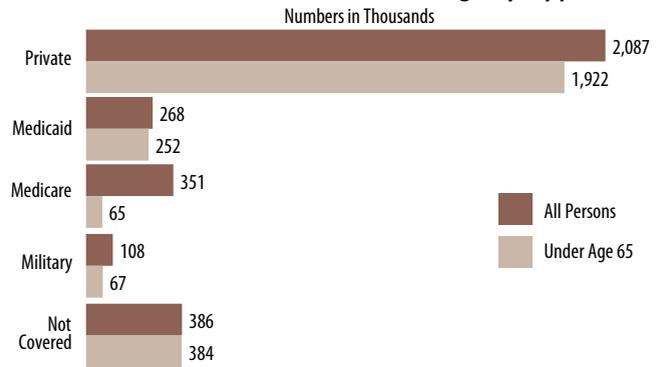
Conversely, Utahns appeared much less likely to have some type of government-provided health insurance than their national counterparts. In Utah, only 10-percent of the population was covered by Medicaid (the federal program for low-income people) compared to 16 percent nationwide. Utahns are also somewhat less likely to be covered by Medicare than their U.S. counterparts—12 percent compared to 15 percent. That's undoubtedly because of Utah's smaller-than-average senior share of the population.

County Coverage

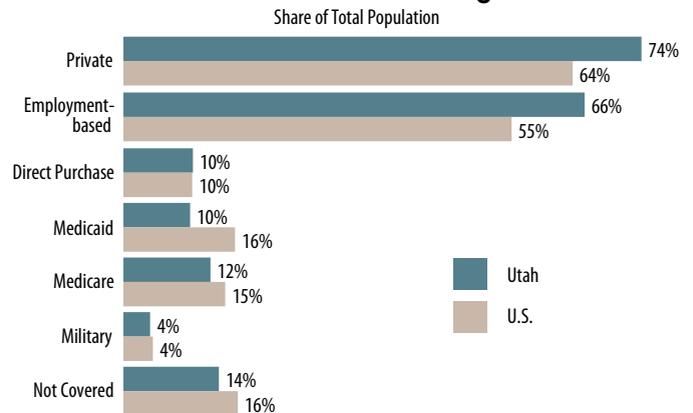
The health insurance coverage estimates by county have some significant differences from the statewide data outlined previously. First, they are estimates rather than survey data. Second, estimates are for 2009 rather than 2010. And finally, the estimates do not cover those over the age of 65 (when individuals typically qualify for Medicare).

Looking at the ranking of health-insurance coverage by county, no clear geographic pattern emerges. Some urban counties—Davis and Utah—showed high levels of health insurance coverage (86 percent or higher). Others—Salt Lake and Weber—displayed coverage rates below the state average of 84 percent. On the other hand, a few less populated counties showed strong coverage shares. Coverage in Morgan, Carbon, Summit, Box Elder, Emery, and Sevier counties ranked above the state average. Nevertheless, with the exception of Washington County, all the lower-tier counties were decidedly rural. Much of the difference in the rates of health insurance coverage undoubtedly relates to the availability of employment-based health insurance. In general, jobs in low-coverage rural areas—particularly those with high levels of part-time or seasonal employment—may be less likely to offer health insurance coverage. ①

2010 Utah Healthcare Coverage by Type*



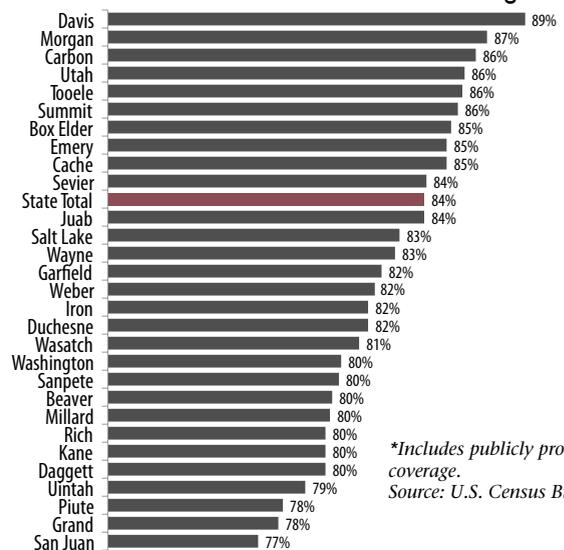
2010 Health Insurance Coverage—All Persons*



*Individuals may be counted in more than one category if covered by more than one type of health insurance.

Source: U.S. Census Bureau; Current Population Survey.

2009 Estimated Percent of Population Under 65 years With Health Insurance Coverage*



*Includes publicly provided coverage.

Source: U.S. Census Bureau.

Unemployment Insurance Benefits Through the Years

The Social Security Act of 1935 created the federal-state Unemployment Insurance (UI) system and is still in place to this day. Utah, however, was one of seven states to legislate state UI laws prior to federal enactment. The goals of the program are: (1) stabilize the economy, and (2) alleviate personal hardship that stems from involuntary job loss. With the exception of three states (AK, NJ, and PA), the UI program is funded entirely by employer payroll taxes. Every dollar paid in unemployment benefits is estimated to generate \$1.60 in economic activity.

In September 2011, Utah's average weekly benefit amount was \$308 for an average duration of 14.9 weeks. The national third quarter numbers show an average weekly benefit amount of \$291 with an average duration of 17.6 weeks. Compare this to the third quarter of 2002, when Utah's average weekly benefit amount equaled \$275 for an average

duration of 13.4 weeks and the nation had an average weekly benefit amount of \$257 for an average duration of 16.1 weeks.

Utah has worked to modernize its UI program and provide easier access for claimants and employers. In the last five years, we have seen the percent of claimants filing

initial claims online increase from 25 percent to 66 percent. The percent of employers filing quarterly tax reports online has increased from 28 percent to 77 percent.

Utah has been fortunate to stay below national unemployment levels,



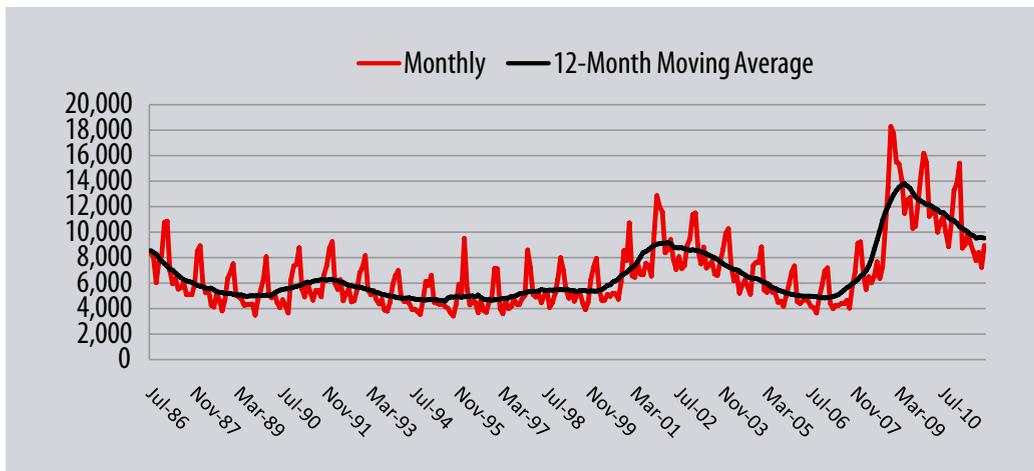
The numbers of those filing online increased 41 percent in the last five years.

though we have certainly seen an impact from the most recent recession. Our initial claims filing reached its highest level in over 25 years in December 2008, with 18,000-plus claims. This peak occurred five months after the federal government authorized payments from the Emergency Unemployment Compensation (EUC08) program. The

12-month moving average peaked in November 2009 at just below 14,000, which is the same time that additional tiers became available on EUC08. Since then, we have maintained a fairly steady decline in the number of claims filed, though our weekly numbers have just started to pick up as a result of lay-offs in the seasonal workforce. ●

You can follow this progression every week on our blog at <http://economyutah.blogspot.com/>.

UI Claims Filed



Source: Utah Department of Workforce Services

Better? Barely.



The national economy is going into the 2012 year as the engine that might. The last few months of the year saw many economists predicting a noticeable stumble in the U.S. economy, only to have the Gross Domestic Product (GDP) perform better than they expected. It wasn't stellar U.S. GDP performance, but it did beat the gloomy predictions.

Yet the national economy is weak enough that the gloomy predictions won't go away, even with the economy having shown them wrong at the end of 2011—the underlying feeling is that the performance barely qualified as 'better.' There are still a lot of clouds and question marks hanging over the horizon to keep these gloom-seers active.

The biggest and most immediate is the European debt situation. A Greece meltdown would have made headlines, yet would have been contained. By not taking any significant action, this has allowed anxieties to grow into other larger, more influential countries like

Italy and possibly France. The more the European-money people hesitate to address the issue, the more of a chance these bigger states may become susceptible. Many economic forecasters have already built a Eurozone recession into their forecast, so if that happens it will not be a surprise. A more uncertain question is how much would that affect the United States' economy. Here the pundits are less certain and more variable. Some see deep pain, others see only a glancing blow.

That's not the only thing that could trip up the U.S. economy. A nuclear Iran has suddenly risen to the forefront. Any kind of drastic military action against this situation is bound to inflame oil prices, and strong oil price climbs bring with them a high probability of disrupting the U.S. economy—especially a fragile U.S. economy such as this one.

There are also internal issues. The government debt situation hovers over any long-term U.S. economic discussion. The budgetary supercommittee

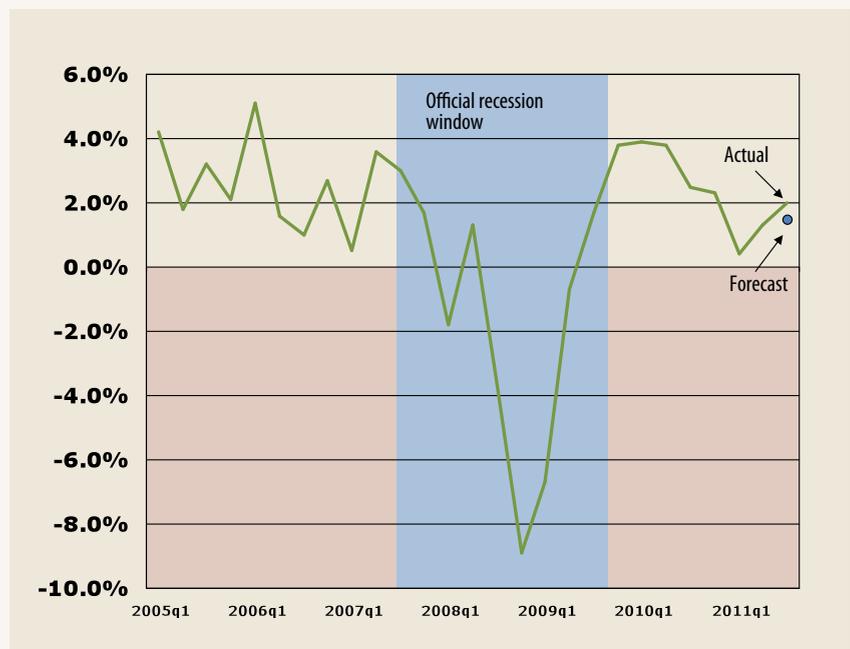


Although the GDP wasn't stellar, it did beat gloomy predictions.

designed to evaluate U.S. debt reduction made no recommendations. Political disagreement and confrontation seem to be the current operating mode, even freezing up a bipartisan panel. No wonder observers fear that the desired compromise and cooperation are hard to see from this vantage point. There is also the issue of whether the payroll tax cut will be extended, as well as unemployment insurance benefits. The expiration of both have the potential of shaving points off of 2012 GDP growth.

At present they look menacing, but all of these clouds could turn out to be harmless or minimal. If none spring up to be of major consequence upon the U.S. economy, then the current positive economic momentum that Utah is experiencing can continue to move forward and build upon itself. It's difficult to find anyone who thinks the national economy will deliver a major positive surprise in 2012. Given the amount of clouds that observers point to as trouble areas, if none develop, that might turn out to be the economy's positive surprise. 

U.S. Gross Domestic Product Change Quarterly
2005—Present



Source: U.S. Bureau of Economic Analysis. Forecast is summarized as a general expectation from various economic forecasting groups.

Degrees of Freedom



Statistics continue to confirm that education pays!

The relationships between people's educational attainment, employment security, and earnings are well documented. As individuals gain more education, they are less likely to experience unemployment and more likely to earn higher wages, on average. For many, a Bachelor's degree is the postsecondary educational pathway through which these economic advantages are secured. Approximately 29% of Utah's population age 25 and older has attained a Bachelor's degree or higher. Using data from the Census Bureau's American Community Survey (ACS), we can identify how fields of study are distributed among Bachelor's degree holders in Utah.

Table 1 depicts the concentrations of grouped fields of study among Utahns ages 25 and older who have a Bachelor's degree. The ACS data

Table 1: Grouped Field of Bachelor's Degrees for First Major Age 25 and Over in Utah • 2010	Degree Holders	
	Estimate	Percentage
Total:	465,141	100%
Science and Engineering		
Computers, Mathematics and Statistics	20,475	4.4%
Biological, Agricultural, and Environmental Sciences	29,230	6.3%
Physical and Related Sciences	13,697	2.9%
Psychology	21,448	4.6%
Social Sciences	34,771	7.5%
Engineering	31,549	6.8%
Multidisciplinary Studies	3,139	0.7%
Science and Engineering Related Fields	41,036	8.8%
Business	87,197	18.7%
Education	69,927	15.0%
Arts, Humanities, and Other		
Literature and Languages	24,621	5.3%
Liberal Arts and History	16,920	3.6%
Visual and Performing Arts	16,914	3.6%
Communications	19,058	4.1%
Other	35,159	7.6%

Source: U.S. Census Bureau, 2010 American Community Survey, 1-Year Estimates, Table B15010

used to populate Table 1 represents one major per Bachelor's degree holder, although about 10% of this population has earned more than one degree.

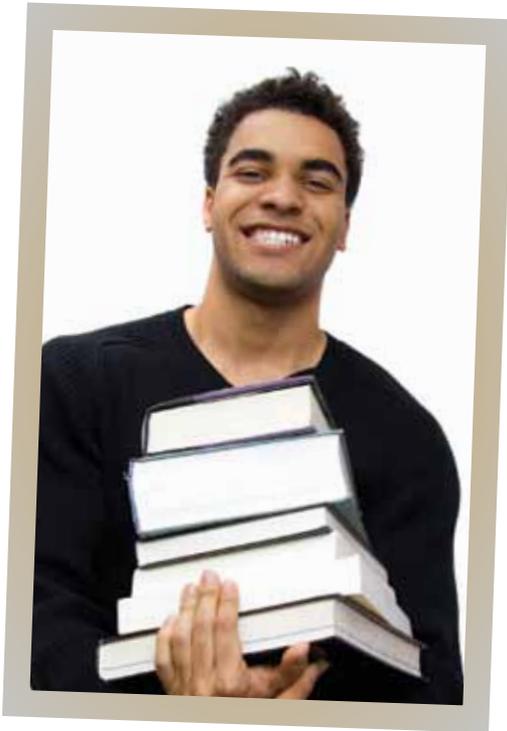
Just over one third of all Utah undergraduate degree holders majored in a business or education field, which is nearly identical to the national statistic. In fact, most of the grouped fields of study seen in Table 1 are similarly represented among college graduates on a national scale.

Beyond grouped fields of study, we can analyze the prevalence of, and earnings associated with, detailed

majors acquired by Utahns. For example, within the grouped field of business, the most popular majors are accounting, business management and administration, and general business studies. Likewise, earnings for those whose college careers were in a business field were highest in the majors of accounting, general business and finance. Tables 2 and 3 reflect the most common first majors and the highest wage or salary earnings by first major in Utah, during the year 2010. When viewing these tables, however, consider that not all Bachelor's degree holders are employed in occupations that relate to their education, and at least some

are probably not employed at all. Further, many of the high wage earners in Table 3 have attained education beyond their Bachelor's degree, and it is their postgraduate education that allows them to earn higher wages (for example, health sciences are common undergraduate majors of those who go on to become medical doctors).

Whether you're evaluating a Bachelor's degree major by number of recipients, the earnings of recipients, or some other criteria, rest assured that there are many majors from which to choose that offer a unique field of knowledge and skill sets. Simply exercise your freedom to choose one. 



Rest assured that there are many majors from which to choose that will appeal to you and your interests.

Table 2: Most Common First Majors Age 25 and Over in Utah • 2010	Degree Holders Estimate
Elementary Education	26,795
Accounting	22,401
Business Management and Administration	21,981
Psychology	21,429
English Language and Literature	17,610
General Business	14,638
Nursing	14,547
General Education	14,083
Family and Consumer Sciences	12,537
Computer Science	11,931

Table 3: Highest Wage or Salary Earnings by First Major Age 25 and Over in Utah • 2010 (Minimum 500 cases)	Wage Estimate
Molecular Biology	\$144,647
Statistics and Decision Science	\$89,524
Biochemical Sciences	\$85,295
Zoology	\$81,464
Microbiology	\$80,725
Physiology	\$77,667
Chemical Engineering	\$77,036
Chemistry	\$76,902
Computer Science	\$72,759
Pre-Law and Legal Studies	\$72,437

A New Approach to Measuring

POVERTY

The Official Poverty Measure (OPM) was designed in the early 1960s and officially adopted in 1969. But it was never intended to be anything more than a temporary solution to the problem of measuring poverty. Not until the 1990s did work begin on developing a new method for measuring poverty and only this year did the Census Bureau publish its initial set of supplemental poverty estimates. The new supplemental poverty measure addresses problems inherent in the official poverty measure and provides a new perspective on the numbers of those in poverty based on age, race, and ethnicity.

For each household size, the OPM threshold is set by estimating the minimum cost of a nutritionally adequate diet and multiplying this figure by three. But this measure has several shortcomings: It does not take into account public assistance benefits received, job-related expenses, child support payments, and differences in prices around the country, just to name the most important deficiencies. The new supplemental measure offers an improvement upon the official definition by taking into consideration the aforementioned shortcomings.

Looking at the OPM and the supplemental poverty measure side by side reveals several interesting differences. The official measure overstates the percentage of children under 18 in poverty by more than four percentage points as compared with the supplemental measure. At the other

end of the age spectrum, the official measure understates the percentage of people 65 and older in poverty by nearly seven percentage points relative to the supplemental measure. For all age groups, the new supplemental poverty measure puts the percentage of those in poverty at 16 percent while the official measure puts it at 15.2 percent.

The new and old measures of poverty also differ by race and Hispanic origin. For Whites, Non-Hispanic Whites, Asians, and Hispanics of any race, the supplemental measure places a higher percentage in poverty relative to the official measure. The only racial group that saw a decrease from the official measure to the supplemental measure was Blacks, who saw a decrease in the percent in poverty by more than two percentage points.

The supplemental poverty measure addresses the need to have a poverty measure that more accurately accounts for the receipt of financial and in-kind resources and regional differences in the cost of living. However, the new measure is not intended to replace the OPM. The official measure is found explicitly in legislation that determines eligibility for various government programs and is used for the purpose of administering these programs. Instead, the primary purpose of the new measure is to provide more accurate information about the economic well-being of those with the lowest incomes, measured at the level of the nation and large regions. ●

Poverty by Race Comparing the



Poverty by Age: Comparing the New and Old Measures



and Hispanic Origin: New and Old Measures



Source: Current Population Reports (P60-241), U.S. Census Bureau.

The Great Recession & Manufacturing Jobs

United States and Utah



Manufacturing is an important piece of the economic pie.

The Great Recession started in December 2007 and ended in June of 2009. Those are the official dates. All industrial sectors of the economy were impacted. To better understand the effects of the business cycle on the manufacturing sector we need to put it in perspective - to set the stage, if you will. Manufacturing is a very important industry because it's where 'stuff' is made. Stuff we use to make other stuff; stuff that we use off the shelf; and stuff we sell to other countries.

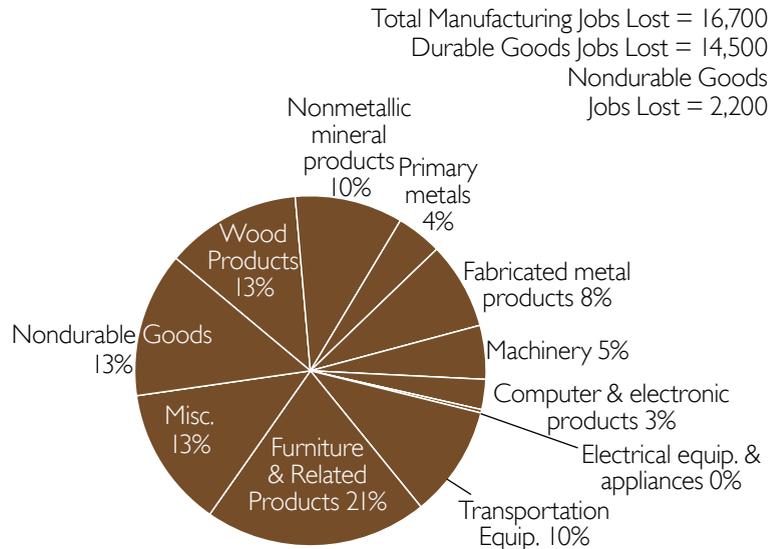
Manufacturing has evolved through the years from a primary cog in the industrial revolution to an important, but smaller piece of the economic pie. In the U.S. two important phenomena have affected, and continue to affect, manufacturing. First is the shift in methods of production away from labor intensive to capital (machine) intensive processes. This happens largely through technological advances. Because of technology, machines replace labor. For example, painting cars in the automotive industry is now done by robots instead of workers with spray guns. Second, is the movement of domestic production to production of products outside the U.S. This movement was, and is, a result of capitalistic forces. Goods will be produced where costs are minimized. Labor costs "offshore" are less than in the U.S., resulting in the placement of production activities for many of the more labor intensive processes to where per unit labor costs are lower. In other words, the economy, through basic concepts of capitalism (profit and price mechanism) sends work where it can be done at a lower cost. Consumers buy 'stuff' primarily based on price, and the lower the price the more sold.

Manufacturing —A Little Background

Much has been said of the "demise" of the manufacturing industry in America. As mentioned above, technology and off-shoring have affected the industry, but remember the U.S. produces more manufactured goods than

Utah Manufacturing Percent Job Loss by Sector in the Great Recession December 2007-June 2009

Source: Utah Department of Workforce Services.



any other country. In terms of jobs, U.S. manufacturing employment peaked back in 1979 when 19.4 million workers toiled in the industry. In 2007 (pre-recession) the count of U.S. jobs in manufacturing was 13.9 million. Utah has fared much better as manufacturing employment has been growing in the state, increasing from 104,000 in the early 1990s to 128,000 in 2007. Yet at the national and state level, the industry accounts for an ever-decreasing share of total employment. In manufacturing's heyday nationally, one-quarter of all jobs fell in this sector. Now, that slice of the jobs pie is about 9.0 percent. In Utah, manufacturing's largest share of total jobs was 18 percent back in the 1960s. By 2007 it was down to 10 percent.

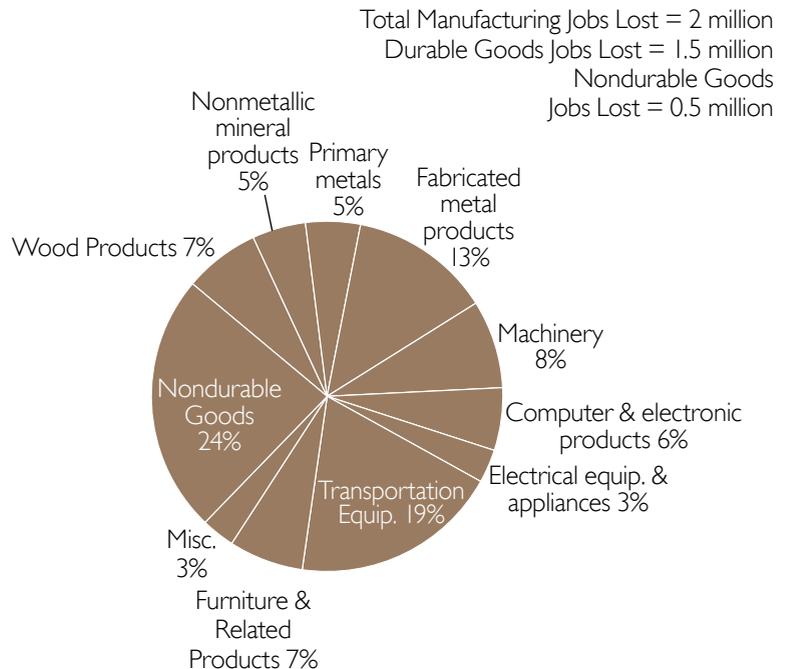
Before analyzing the industry through the recent recession, let's add another dimension to the review because it will come to play in a big way in the analysis. Manufacturing is the industry where things are made. It is very diverse, from breakfast cereal to steel girders for buildings. This diversity is classified in a structure that defines what businesses do, i.e. the product they make. The first broad classification differentiates the industry based on how long the goods produced are expected to last. Those goods with a three year or less life are considered non-durable goods, examples being food, paper, chemicals, and textiles. Those with longer life spans are considered durable goods such as heavy equipment, computers, fabricated metal, vehicles, etc.

What Happened to Manufacturing During the Recession

Generally, when the business cycle peaks, a slide in economic activity characterized by a loss of demand for goods and services follows. When the demand falls for goods produced by the manufacturing companies, the demand for workers drops off and employers cut back the number of workers. That means the loss of jobs. For the 18 month period of December

United States Manufacturing Percent Job Loss by Sector in the Great Recession December 2007-June 2009

Source: U.S. Bureau of Labor Statistics.



Utah's recovery will be slow. Full recovery may take years, but it will happen.



2007 through June 2009 the nation lost more than 2 million manufacturing employees, or 15 percent of the manufacturing workforce. In Utah the recession's impact dropped manufacturing employment from 129,400 to 112,700, a nearly 13 percent decline.

Durable Goods Manufacturing Takes the Biggest Hit

At the national level, 76 percent of the total 2 million lost manufacturing jobs were in durable goods. That's not an equal share as durable goods account for 63 percent of manufacturing employment, yet three-fourths of all losses were in that group. On the other hand, only 24 percent of job losses occurred in non-durable manufacturing. Hardest hit sectors in durable goods were transportation equipment, fabricated metal, machinery, wood products, and furniture. Transportation equipment (auto industry) lost 23 percent of its jobs. The other sectors listed lost workers because their products went to the construction industry, which in turn went south, due to little demand for building or furnishing homes.

In Utah, durable goods took an even harder hit than the nation. About 87 percent of all manufacturing jobs lost during the recession were in durable goods. That means durable goods made up 14,500 of the total 16,700 manufacturing jobs lost—a decline of 17 percent. During the 18-month recession, the durable goods industry sectors with the most job losses were furniture and related products (-3,430), miscellaneous manufacturing (-2,180), wood product manufacturing (-2,110), and transportation equipment (-1,700). Three of these four are tied directly to the construction industry. Non-

durable goods manufacturing did lose about 2,200 jobs, a relatively small 13 percent proportion of the total 16,700 job loss.

That Was Then. What's Happening Now?

June of 2009 seems like a long time ago. It's been longer since the recession officially ended than the duration of the recession itself. So what's happened to the economy and manufacturing? The numbers tell us that there has been some improvement, but not by much, and not widespread over all sectors. The "recovery" is taking place but at a very, very slow pace. U.S. manufacturing employment, on a moving year-over-month comparison, has been positive each month since October 2009. Job growth rates have been in a range from 0.6 percent to 1.9 percent.

The picture in Utah is brighter. Utah's economy is adding jobs at about a 2.2 percent pace (June 2011). Manufacturing job growth has been a little slower at 2 percent through the first half of 2011. During the June 2010 to June 2011 period, 2,240 manufacturing jobs were added lifting employment from 111,490 to 113,730. Remember that 16,700 manufacturing jobs were lost during the 18-month recession. Utah's recovery will be slow. Full recovery may take years, but it will happen. ⓘ

For more information on the nation and the recession's effects on manufacturing see:

<http://www.bls.gov/opub/mlr/2011/04/art5full.pdf>

The Recovery Needs to Continue

Looking at Utah's Metro and Non-Metro Counties and how they fared with gaining back jobs lost in the Great Recession.



(1) METRO COUNTIES—Box Elder, Cache, Davis, Juab, Morgan, Salt Lake, Summit, Tooele, Utah, Washington, and Weber.

(2) NON-METRO COUNTIES—Beaver, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Iron, Kane, Millard, Piute, Rich, San Juan, Sanpete, Sevier, Uintah, Wasatch, and Wayne.

Over the last year or so, employment growth has strengthened in Utah as the recovery from the “Great Recession” continues. Let’s take stock of how Metro (1) Utah and Non-metro (2) Utah have fared in gaining back the jobs by industry lost during the recession.

Peak wage and salary payroll employment occurred in December of 2007 in Utah, with significant job losses being recorded during 2008 and 2009. In 2007, the year prior to the recession, there were on average 1,251,400 payroll jobs in Utah. Of these, 92 percent (1,154,000) were in Metro Utah and eight percent (97,600) in Non-metro Utah.

For the twelve months ending in June 2011, there were on average, 1,193,300 payroll jobs in Utah or about 58,100 fewer than the average for 2007. This is 4.6 percent below Utah’s peak employment prior to the recession. Of this job deficit, the Metro counties are 53,150 or 4.6 percent below their 2007 employment levels and the Non-metro counties are 4,950 jobs or 5.1 percent below their 2007 job count.

This analysis compares 2007 to the twelve months ending in June 2011; because when written in late Fall 2011, the June job numbers by county were the most recent wage and salary payroll counts that had been reported to Workforce Services.

If we divide payroll jobs into 24 separate industry categories, a picture emerges detailing which industries

are leading in providing greater job opportunities and which industries have not recovered their 2007 job status (see industry table). For Metro Utah, the industries that have the most ground to make up to reach their 2007 levels are construction, manufacturing, and retail trade. The industries that are well above 2007 levels with many new jobs are health care, private education, and public education. Of the 24 industry groups for Metro Utah, eight have more jobs and 16 have fewer jobs than in 2007.

In the Non-metro Utah counties, the industries with more jobs or fewer jobs than in 2007 is also eight to 16. Again those industries that still have the most jobs to make up in order to recover their 2007 levels are

construction, manufacturing, and retail trade. The most new jobs are found in local government (excluding public education), health care, and administrative support (mostly temporary staffing agencies).

Finally, if we look at total payroll job growth by county (see chart), 16 counties added jobs from June 2010 to June 2011 and 8 counties saw net job reductions. There is a mixture of both Metro and Non-metro counties that show job increases and job losses.

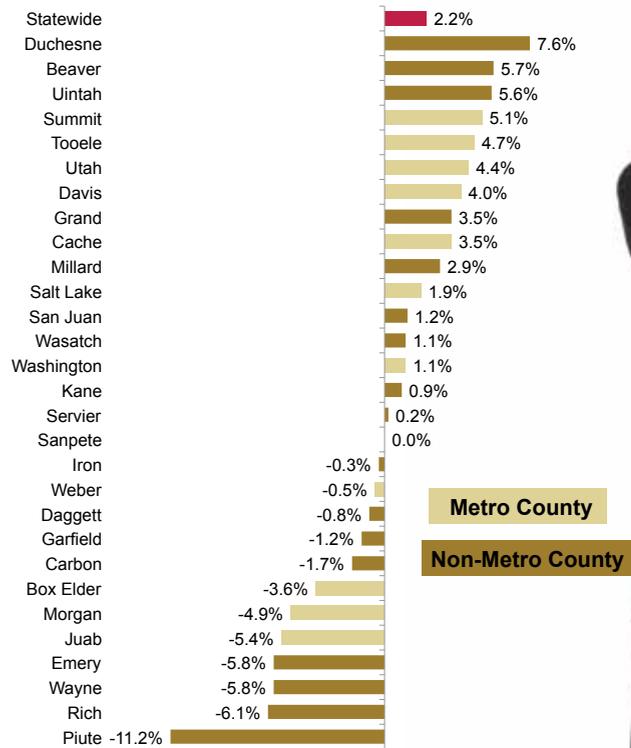
Utah's economy is gradually gaining strength with many positive indicators pointing to continuing improvement. If current trends continue, the state economy should surpass the overall job count of 2007 in 2013.

Nonfarm Payroll Job Growth: June 2010 to June 2011

Source: Utah Department of Workforce Services.

(1) METRO COUNTIES—Box Elder, Cache, Davis, Juab, Morgan, Salt Lake, Summit, Tooele, Utah, Washington, and Weber.

(2) NON-METRO COUNTIES—Beaver, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Iron, Kane, Millard, Piute, Rich, San Juan, Sanpete, Sevier, Uintah, Wasatch, and Wayne.



Annual Average Number of Utah Jobs in Metropolitan and Non-metropolitan Counties: 2007 and for the 12 Months Ending June 2011

Industry	Metropolitan Utah Counties(1) Jobs				Non-Metropolitan Utah Counties (2) Jobs			
	2007 Annual Average	2011 Annual Average (3)	Change 2007 to 2011	% Change 2007 to 2011	2007 Annual Average	2011 Annual Average (3)	Change 2007 to 2011	% Change 2007 to 2011
Total Wage and Salary Payroll Job	1,153,809	1,100,651	-53,158	-4.6%	97,613	92,635	-4,978	-5.1%
Health care & social services	101,550	113,893	12,343	12.2%	7,142	7,611	469	6.6%
Local government education	53,733	57,970	4,238	7.9%	7,618	7,684	66	0.9%
Private education services	30,612	34,723	4,112	13.4%	688	725	38	5.5%
Local gov. other than education	38,551	41,654	3,103	8.0%	8,238	8,988	750	9.1%
State government education	30,795	33,668	2,873	9.3%	3,228	3,219	-9	-0.3%
Professional & technical services	62,665	64,507	1,841	2.9%	2,207	1,970	-236	-10.7%
Federal government	33,224	34,850	1,626	4.9%	2,300	2,439	139	6.0%
Mining	3,357	3,539	182	5.4%	7,677	7,431	-246	-3.2%
Arts, entertainment, recreation	16,779	16,721	-58	-0.3%	1,268	1,007	-261	-20.6%
Utilities	2,559	2,489	-70	-2.7%	1,554	1,543	-11	-0.7%
Agriculture, forestry, fishing, hunting	2,833	2,709	-124	-4.4%	1,650	1,724	74	4.5%
Accommodation & food services	83,661	83,366	-295	-0.4%	11,114	10,958	-156	-1.4%
State gov. other than education	26,763	26,098	-665	-2.5%	2,416	2,342	-74	-3.1%
Other services, except government	32,684	31,086	-1,598	-4.9%	2,858	2,625	-233	-8.1%
Management of companies	20,107	18,403	-1,704	-8.5%	229	179	-51	-22.1%
Real estate, rental, leasing	17,216	15,269	-1,947	-11.3%	1,278	1,108	-170	-13.3%
Wholesale trade	44,724	42,643	-2,081	-4.7%	2,559	2,279	-281	-11.0%
Transportation & warehousing	42,430	39,828	-2,602	-6.1%	3,995	4,099	105	2.6%
Information	31,144	28,114	-3,030	-9.7%	1,304	1,197	-107	-8.2%
Finance and Insurance	54,227	49,677	-4,550	-8.4%	2,019	1,912	-106	-5.3%
Administrative & waste services	73,400	67,999	-5,401	-7.4%	2,414	2,678	264	11.0%
Retail trade	135,130	126,209	-8,920	-6.6%	12,722	11,406	-1,316	-10.3%
Manufacturing	122,737	108,352	-14,385	-11.7%	4,959	3,772	-1,187	-23.9%
Construction	95,625	59,512	-36,113	-37.8%	7,825	5,460	-2,365	-30.2%

For non-metro counties, the industries that have the most jobs to recover their 2007 levels are construction, manufacturing, and retail trade. The most new jobs are found in local government, health care, and administrative support.



Hazardous Materials Removal Workers:

Abating our wasteful lifestyle

The closest I have ever knowingly been to hazardous waste was when I was twelve years old and my mother told me to mop the kitchen floor. The house, a rental, had seen its better days and the floor really needed some “deep” cleaning so I mixed some ammonia and bleach together in a bucket. I quickly learned never to do that again. It was all I could do to throw it, bucket and all, out in the garden before the fumes overcame me. Little did I know at the time that I had created “HHW” or household hazardous waste. When I threw it all in the garden, I contaminated both soil and air.

What are hazardous wastes? They are discarded materials with properties that make them potentially harmful to human health or the environment. Hazardous wastes can be in the form of liquids, solids, contained gases, or sludge. Think lead, asbestos, radioactive substances, mold, to name just a few. These materials typically possess at least one of four characteristics: ignitability, corrosivity, reactivity, or toxicity.

The Standard Occupational Classification Manual defines hazardous materials removal workers’ duties thus:

Identify, remove, pack, transport, or dispose of hazardous materials, including asbestos, lead-based paint, waste oil, radioactive materials, or contaminated soil. Specialized training and certification in hazardous materials handling or a confined entry permit are generally required. May operate earth-moving equipment or trucks.

Hazardous materials removal workers use a variety of tools and equipment, depending on the work at hand. Equipment ranges from brooms to personal protective suits that completely isolate workers from the hazardous

material. Because of the threat of contamination, workers often wear disposable or reusable coveralls, gloves, hardhats, shoe covers, safety glasses or goggles, chemical-resistant clothing, face shields, and devices to protect one’s hearing. Most workers are also required to wear respirators while working, to protect them from airborne particles or noxious gases. The respirators range from simple versions that cover only the mouth and nose to self-contained suits with their own air supply. Recent improvements to respiratory equipment allows for greater comfort, enabling workers to wear the equipment for a longer period of time.

With our society’s creation of more waste has come specialization within the hazardous material removal field. There are workers involved in transporting waste, often cross country. There are decontamination workers who perform duties similar to those of janitors but the materials and areas they clean are radioactive. Decommissioning workers remove and treat radioactive materials generated by nuclear facilities and power plants. Emergency and disaster response workers take care of spills and clean accident sites.

Once hazardous materials have been removed from the site of origin, they need to be stored in landfills or incinerated. Sometimes the materials’ form is changed from liquid to solid in preparation for storage. All these activities require protective gear, heavy machinery, and adherence to federal laws.

There are no formal education requirements for a person to become a hazardous waste materials removal worker although federal, state and local government standards require specific types of on-the-job training which often

Occupational Wages Published June 2011

(data from May 2010) for Hazardous Materials Removal Workers

Area Name	Hourly Inexperienced	Hourly Median	Annual Inexperienced	Annual Median	Training Level
Ogden-Clearfield MSA	\$9.13	\$10.88	\$18,990	\$22,630	Moderate-term OJT (1-12 months)
Salt Lake City MSA	\$13.50	\$16.50	\$28,080	\$34,330	Moderate-term OJT (1-12 months)
United States	--	\$17.92	--	\$37,280	Moderate-term OJT (1-12 months)
Utah	\$9.72	\$14.64	\$20,210	\$30,450	Moderate-term OJT (1-12 months)

consists of 40 hours of formal training. Workers involved with nuclear waste take about three months of courses learning government regulations as mandated by the Nuclear Regulatory Commission.

Any occupation with “hazardous” in its title is just that. Because there is increased public awareness concerning hazardous waste, more of it is being removed. Bureau of Labor Statistics reports that in 2010 there were sixty-one work related deaths in this field, down from eighty-eight in 2008.

This occupation has a four star rating which means it has a good employment outlook and relatively high wages. It is expected to experience about average employment growth with a moderate volume of annual job openings. The need for replacements, rather than from business expansion, is projected to make up the majority of job openings in the coming decade. Openings will expand due to increased calls for eco-friendly power production.

As a society, Americans create lots of waste, that’s a given. With the help of hazardous waste removal workers, we are able to hide the evidence. For awhile. 🗑️

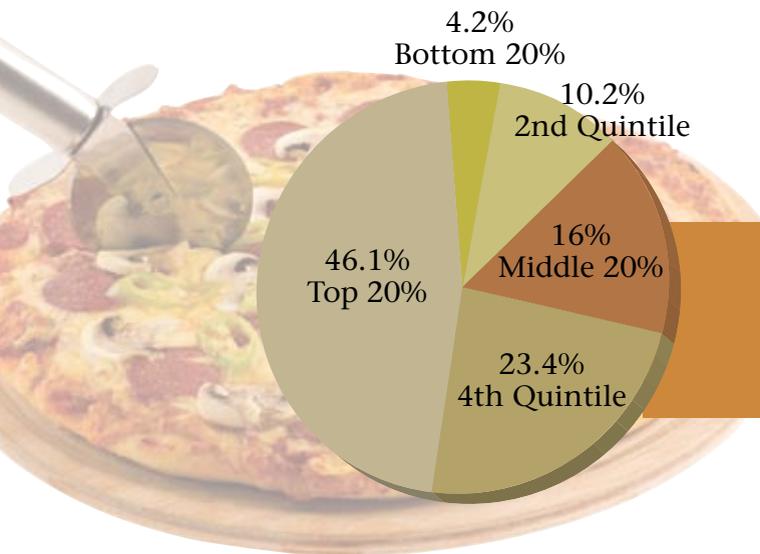
Resources

- <http://jobs.utah.gov/jsp/wi/utalmis/oidoreport.do>
- http://www.studentscholarships.org/salary/214/hazardous_materials_removal_workers.php
- https://www.osha.gov/dep/fatcat/dep_fatcat.html
- <http://www.bls.gov/>
- <http://www.epa.gov/>
- <http://geowords.org/ensci/13/13.htm>



Dividing the Pie:

A Look at Household Income Distribution in Utah



Share of Total Household Income in Utah by Quintiles 2010

Source: ACS 2010 1-Year Estimates, Census Bureau

Anger and frustration among those who perceive the current distribution of wealth and income in the United States as unjust have recently found expression in the ‘Occupy Wall Street’ movement. These sentiments have resonated with individuals across the country leading to the organization of affiliated movements in several cities, including the ‘Occupy Salt Lake City’ effort. While many of the protesters are undoubtedly motivated by a variety of different reasons, the slogan “We are the 99%” suggests that there is at least some belief that the distributions of wealth and income are issues of primary concern. With this topic recently and frequently making the headline news, it is an opportune time to look at the facts concerning income distribution in Utah.

A common approach for examining income inequality is to rank households by total income and separate them into quintiles. If household income were distributed with perfect equality throughout society, each quintile would receive 20 percent of the total household income. Regardless of whether it is measured at the level of the nation, state, county, city, or census tract, nowhere within the United States is household income distributed with perfect equality. In fact, household income inequality follows a general pattern that holds true at both the national and state levels: The share of aggregate household income received by each of the bottom three quintiles is less than 20 percent, while the upper two quintiles each received more than 20 percent. In Utah, the bottom 20

percent of households received 4.2 percent of aggregate household income with the second and third quintiles receiving 10.2 percent and 16 percent, respectively. The top 40 percent of households received nearly 70 percent of all household income with 23.4 percent going to the fourth quintile and 46.1 percent going to the top 20 percent of households.

What causes household income inequality? While this question may appear simple to answer, it is not. No single cause accounts for all income inequality and there is considerable disagreement over many of the proposed causes. While no attempt is made here to validate any of these explanations, the rise in household income inequality has been variously attributed to the decline of labor unions, the increase in dual-earner households, a movement away from a progressive tax system, an influx of lower-skilled immigrants, a growth in demand for highly-educated and highly-skilled labor, a lack of demand for lower-skilled workers resulting from labor-saving technologies, and partisan-based public policies, to name only a few.

Looking at the data for Utah, several relationships between household income and demographic characteristics are clearly discernable. Larger households are associated with higher household incomes. Income from capital is also related to household income. While the relationship is not strictly increasing for all quintiles, larger percentages of individuals who receive income in the form of interest,

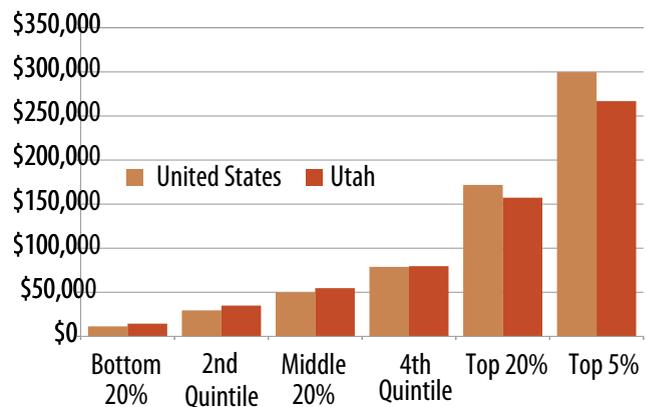
Selected Household Demographics by Quintiles for Utah

	Bottom 20%	2nd Quintile	Middle 20%	4th Quintile	Top 20%
Average Household Size	2.29	2.68	3.09	3.55	3.66
Individuals Receiving Interest, Dividend, or Rental Income (15+)	7.0%	9.4%	11.7%	11.3%	17.1%
Educational Attainment (25+):					
Less Than High School Diploma	19.3%	14.1%	9.4%	6.9%	3.2%
High School Diploma or GED	31.1%	31.4%	26.1%	22.0%	17.1%
Some College or Associate's Degree	36.4%	35.3%	39.3%	38.1%	33.8%
Bachelor's Degree or Higher	13.3%	19.2%	25.2%	33.0%	45.8%

dividends, or rent are associated with higher levels of household income. The last set of demographic characteristics considered here concerns the levels of educational attainment by quintiles. In the bottom 20 percent of households, just over 19 percent of individuals age 25 or older do not have a high school diploma and only 13 percent have a bachelor's degree or higher. At the other end of the spectrum, among those 25 or older who live in the top 20 percent of households, only 3 percent do not have a high school diploma and nearly 46 percent have a bachelor's degree or higher. While these relationships might be expected, the percentages for those with an associate's degree or some college across quintiles are somewhat unexpected. Individuals 25 or older with an associate's degree or some college make up between 34 to 39 percent of each quintile and there appears to be no systematic relationship to household income. This appears to suggest that the extremes of the educational attainment hierarchy (i.e., very low or very high levels of education) are more important as potential predictors of household income than intermediate levels of education.

How unequal is household income in Utah as compared with other states? In a recent report by the Census Bureau, Utah was found to have the lowest income inequality among the 50 states.¹ Moreover, the report found that Salt Lake City had the lowest household income inequality among metropolitan areas with populations of 1 million or more and West Jordan city had the lowest inequality among large places with populations of 100,000 or more. The lower income inequality in Utah can be appreciated by comparing mean household incomes by quintiles with the United States. For the bottom three quintiles, Utah's average household incomes are \$3,000 to \$4,500 higher than the national averages. And the top 20

Average Household Income of the Quintiles • 2010



Source: ACS 2010 1-Year Estimates, Census Bureau

percent of households in Utah receive \$14,000 less than the top 20 percent of all households in the country on average. Only for the fourth quintile of households does Utah have roughly the same average household income as compared with the nation.

Why does Utah have the lowest household income inequality in the nation? While this question is just as difficult to answer as the more general question of what causes income inequality, a partial answer can be provided. According to the previously mentioned Census Bureau report, three of the six variables that exhibited the strongest relationships to household income inequality were the fraction of households with two or more workers, the fraction of households with no workers, and the fraction of persons 25 or older with less than a high school diploma. For each of these three variables, Utah is considerably different than the nation. Only 20 percent of all households in Utah have no workers as compared to 27 percent for the US. Furthermore, 41 percent of the households in Utah have two or more workers while only 33 percent of households nationwide have two or more workers. Finally, Utah has a lower percentage of individuals 25 or older with less than a high school diploma relative to the nation: 9.4 percent as compared to 14.4 percent.

A comprehensive explanation of why Utah has the lowest household income inequality in the country may require an examination of dozens of variables. Nevertheless, it appears that two of the most important reasons for Utah's low measure of inequality are a relatively high minimum standard of education and a comparatively high number of workers per household. ①

¹The report can be found at <http://www.census.gov/prod/2011pubs/acs-16.pdf>



Waste Management & Remediation Services

It's a dirty job, but somebody's got to do it.

All joking aside, the waste management and remediation services industry plays a vital role in our economy. Firms categorized in this industry are engaged in the collection, treatment, and disposal of waste materials. They can haul waste materials, recycle waste materials, or provide remediation services (the cleanup of contaminated buildings, mines, soil, or water). Utah firms in this industry do everything from crime-scene cleanup to radioactive waste disposal.

In Utah, the waste management and remediation services industry accounts for roughly 4,100 jobs—about 93 percent of them in the private sector. Judging by the 7.4 percent increase in private-sector waste management employment during 2010, this industry is certainly “cleaning up” in the labor market. Interestingly, private-sector jobs pay substantially better than those in the public sector—perhaps because of the nature of the private sector work. ●

UTAH WASTE MANAGEMENT/REMEDICATION SERVICES INDUSTRY QUICK FACTS 2010

Employment	4,100
Private Sector	3,800
% Change from 2009	7.4%
Public Sector	300
% Change from 2009	-3.8%
Average Monthly Wage	
Private Sector	\$4,296
Percent of Utah Total Average Wage	132.8%
Public Sector	\$3,022
Percent of Utah Total Average Wage	93.4%
NUMBER OF PRIVATE SECTOR FIRMS	223
LARGEST FIRMS	
EG&G Defense Materials, Inc.	
Energy Solutions, LLC	
Waste Management of Utah	
Allied Waste Services of North America	
Ace Disposal, Inc.	
Clean Harbors, Inc.	

Source: Utah Department of Workforce Services.

*For more information about the waste management and remediation services industries, go to:
<http://www.bls.gov/iag/tgs/iag562.htm>*

just
the
facts...

**November 2011
Unemployment Rates**

Utah Unemployment Rate	6.4 %
U.S. Unemployment Rate	8.6 %
Utah Nonfarm Jobs (000s)	1,227.8
U.S. Nonfarm Jobs (000s)	132,959.0

**Changes From
Last Year**

Down	1.7 points
Down	1.2 points
Up	2.5 %
Up	1.2 %
Up	3.5%
Up	5.7%

**October 2011 Consumer
Price Index Rates**

U.S. Consumer Price Index	226.4
U.S. Producer Price Index	191.9

Source: Utah Department of Workforce Services

**November 2011
Seasonally Adjusted
Unemployment Rates**

Beaver	6.9 %
Box Elder	7.9 %
Cache	4.7 %
Carbon	7.0 %
Daggett	5.3 %
Davis	6.0 %
Duchesne	5.3 %
Emery	7.6 %
Garfield	11.5 %
Grand	10.2 %
Iron	8.1 %
Juab	8.8 %
Kane	7.6 %
Millard	5.2 %
Morgan	5.6 %
Piute	7.0 %
Rich	5.6 %
Salt Lake	6.1 %
San Juan	11.4 %
Sanpete	8.2 %
Sevier	7.0 %
Summit	5.9 %
Tooele	6.9 %
Uintah	4.5 %
Utah	6.3 %
Wasatch	7.4 %
Washington	8.0 %
Wayne	11.5 %
Weber	7.3 %

Watch for these features in our
Next Issue:

Theme:
Utah's Workforce and
Outlook for Grads

Industry Highlight:
Information

Occupation:
Computer Systems
Analyst



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