

# Trendlines

*Perspectives on Utah's Economy*

## Profiling the Unemployed in Utah's Recession

Extended Mass  
Layoff Statistics  
in Utah

Insider News:  
There's More Hiring  
Going on Than You  
Might Think

**Fun, Beauty  
& Culture  
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Demographics, the  
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# Trendlines

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## ***Trendlines***

is published every other month by the Utah Department of Workforce Services, Workforce Research and Analysis. To read, download, or print this publication (free), see our Internet site: <http://jobs.utah.gov/wi>. Click on "Publications" then select the one you want from the list.

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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.



DWS-03-44-1111

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## Profiling the Unemployed in Utah's Recession



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# Surveying the Recession Upon Utah's Counties



The Great Recession has taken its toll upon Utah's economy. Job counts are rebounding across the state but still remain below their peak level prior to the recession. Utah is starting to add jobs back to its rolls, with many counties seeing employment increasing. But several counties are noted as having multiple years of employment declines that have not yet reversed themselves.

These are mostly rural counties and include Box Elder, Carbon, Emery, Iron, Juab, Morgan, Piute, Rich, Sanpete, Washington, and Weber. Some of these counties look like their employment levels have bottomed out—they just haven't started to rebound yet. Others look like they are still trending downward.

These less fortunate counties include Box Elder, Iron, Juab, Piute, Rich, and Sanpete counties. Box Elder has been impacted by manufacturing losses, including the closure of La-Z Boy and the cutbacks at ATK. Box Elder employment is down 16 percent since 2008. Carbon County's fortunes are generally tied to the coal mining industry, and this is where the slide lies. It is not drastic—down 2 percent—but it is enough to note.

Juab County's employment is down 6 percent since 2008, with most of it being traced to construction and healthcare. Piute is such a small county that it doesn't take much for its numbers to fall. Yet employment is down 18 percent since 2008, and this is traced to trucking and retail trade.

Rich County is a tourism-dependent county, relying upon summertime tourism and building expansion of cabins and summer homes. Both of these were impacted by the recession, so construction and leisure and hospitality declines account for Rich County's 17-percent job loss since 2008.

One of the larger rural economies in decline is Sanpete County. Down 11 percent since 2008, its woes are traced to manufacturing and construction. ●

*Job counts are rebounding but still remain below peak level.*



# Demographics, the Unemployed, and the Recession:



*Who got hit hardest by unemployment during the recession? Some felt the pain worse than others.*

The recent recession was not an equal opportunity “un-employer.” Certain demographic groups felt the economic pain worse than others. The recent Bureau of Labor Statistics release of its *Geographic Profile of Employment and Unemployment* provides some insights to the demographics of Utah’s unemployed.

## How low can you go?

Comparing unemployment statistics for 2007 and 2010, contrasts the year with the lowest unemployment rates of the recent business cycle to the year with the highest rates. In 2007, Utah’s unemployment rate measured a

mere 2.6 percent—the lowest joblessness of the post WWII era. In fact, for many employers the rate was too low. Labor seemed scarce and, following those old laws of supply and demand, wages took a decided hike.

Almost every demographic group managed a low unemployment rate in 2007. Women, men, whites, Latinos, and age groups older than 24 all showed jobless shares near (or below) 3 percent. Only young people—those 24 years and younger—displayed significant levels of unemployment. Teenagers were worst off with a jobless rate of 11 percent.

## Quick Change

Fast forward three years. By 2010, Utah's annual unemployment rate had basically tripled to reach 8.2 percent. Following the typical pattern, men (who dominate employment in industries most affected by recession) experienced worse joblessness than did women. In 2007, women showed a higher unemployment rate than men. In 2010, joblessness for Utah men measured 9.5 percent, while women's rate had increased to just 6.6 percent. The Hispanic/Latino labor force also felt the pangs of unemployment to a greater degree than did whites. Latino labor force saw their joblessness more than quadruple from 3.1 percent to 12.6 percent in just three years.

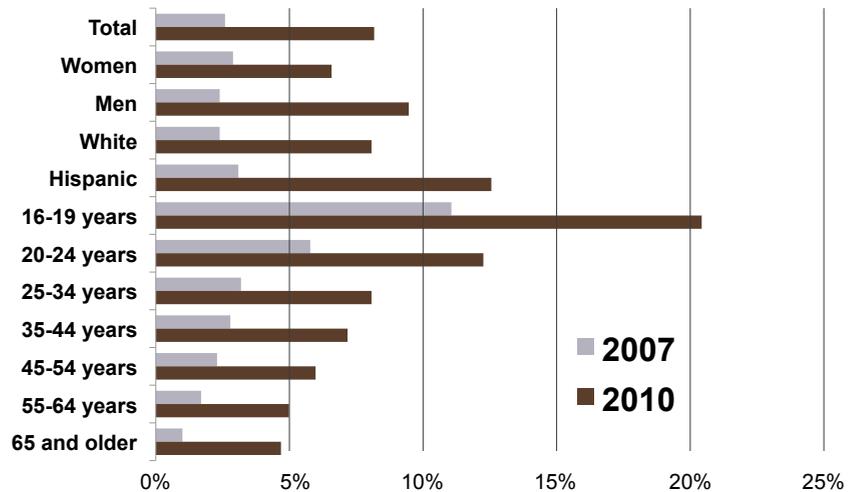
Statistically, the higher the age group, the lower the level of unemployment. That relationship generally holds true in boom and bust. However, during the recession, while teenagers' unemployment rate doubled, the rate for 55-64 year-olds almost tripled. Nevertheless, unemployment for teenagers measured 21 percent compared to 5 percent for the 55-64 year-olds.

## Fair Share

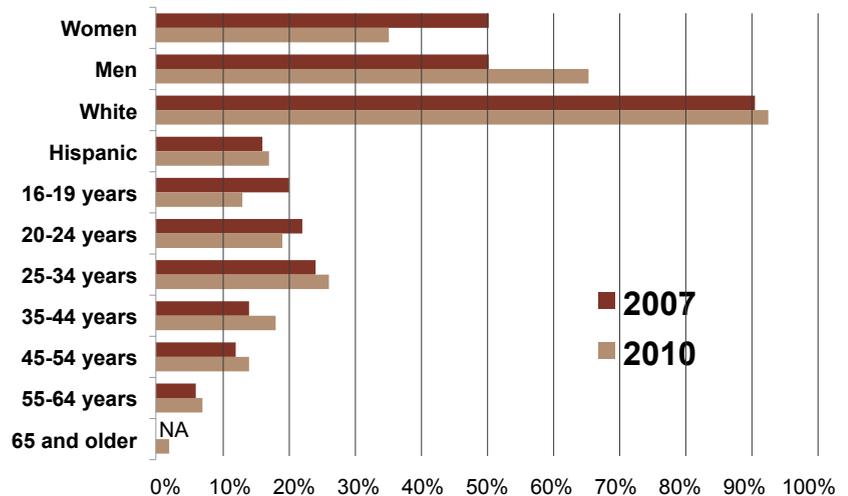
In 2007, women and men maintained equal shares of the number of unemployed persons. However, by 2010, men made up 65 percent of the jobless and women's share dropped to 35 percent. Also, as more older workers felt the sting of "no job" during the downturn, 16-19 year-olds saw their share of the unemployed drop from 20 to 13 percent. Those aged 25-34 accounted for the largest proportion (about one-fourth) during both good times and bad. The recession hit workers 35-44 particularly hard. Their share of unemployed workers increased from 14 percent in 2007 to 18 percent in 2011. ●

For more information about the demographics of Utah's unemployed, see <http://www.bls.gov/gps/>

### Utah Unemployment Rates by Demographic Group



### Utah Share of Unemployment by Demographic Group



Source: U.S. Bureau of Labor Statistics.

# Extended Mass Layoff

## Statistics in Utah

Employee layoffs are an unfortunate reality of any free market economy. Even in healthy economic climates, some firms exit the market and no longer need the labor they once employed. During a recession, layoffs can be more prevalent as a decrease in the demand for goods and services spur some establishments to reduce their workforce. The state of Utah, in cooperation with the Bureau of Labor Statistics, conducts the Mass Layoff Statistics (MLS) program to identify and characterize significant job cutback events using data from the state unemployment insurance database.

Unemployment insurance plays a role in identifying layoffs in that when a worker is laid off, that worker will usually qualify for unemployment insurance benefits. When the worker files for these benefits, their claim information is stored and the MLS program is able to compile it with other claims filed against the same employer. When these claims sum to more than 50 over a consecutive 5-week period, and the laid-off workers are separated from their jobs for more than 30 days, the respective employer is considered to have had an extended mass layoff.

While layoffs and unemployment insurance claims are an economic phenom-

enon common to most labor markets, extended mass layoffs are not. In fact, Utah's mass layoff counts are so few that to aggregate and analyze them on a monthly, quarterly or even annual basis yields little insight. As such, the analysis herein sums mass layoffs and the associated initial unemployment insurance claims by industry, from the beginning of the most recent recession (the fourth quarter of 2007) to the second quarter of 2011. Note that the event and claim counts in the table do not sum to the total because the total includes data that must be suppressed at an industry level. Counts are suppressed when they are so small that the identity of the employer may be deduced. Also, keep in mind that the 29,183 total initial unemployment insurance claims depicted in the table only represent those claims that corresponded to a mass layoff. By contrast, there were nearly 21,000 initial claims filed in January of 2009 alone.

The most telling information in the table belongs to the construction and manufacturing industries. Together, these industries



accounted for almost 60 percent of the extended mass layoffs and almost 70 percent of the related unemployment insurance claims during the period studied. These statistics coincide with the significant job losses that the two industries experienced during the recession.

Beyond the construction and manufacturing industries, mass layoffs in Utah were relatively few, even during the slumping economic environment that was analyzed. To view mass layoff statistic data under a broader scope, go to [www.bls.gov/mls](http://www.bls.gov/mls) to see how state data is combined to produce national mass layoff estimates. ⓘ



The construction and manufacturing industries accounted for almost 60 percent of the extended mass layoffs.

Extended Mass Layoffs in Utah:  
4th Quarter 2007 – 2nd Quarter 2011

Industry	Layoff Events	Initial Claims
Mining, Quarrying, and Oil and Gas Extraction	5	505
Construction	51	8,414
Manufacturing	49	12,214
Retail Trade	7	789
Transportation and Warehousing	4	372
Administrative and Waste Services	11	1,950
Health Care and Social Assistance	7	927
Arts, Entertainment, and Recreation	13	1,852
Accommodation and Food Services	12	1,129
<b>Total*</b>	<b>169</b>	<b>29,183</b>

## Did the Recession Drive People to

# Higher Education?

**I**n recessionary times individuals often see the way toward economic security down a path of more training. With the recent perception of not being able to secure a better life, workers look at their options. Continued job search in a highly competitive job market is one option. But if the job seeker perceives their current job has limited upward mobility and stagnant earnings, another option is the opportunity provided by getting more training and/or a degree which may lead to better potential for the good life.

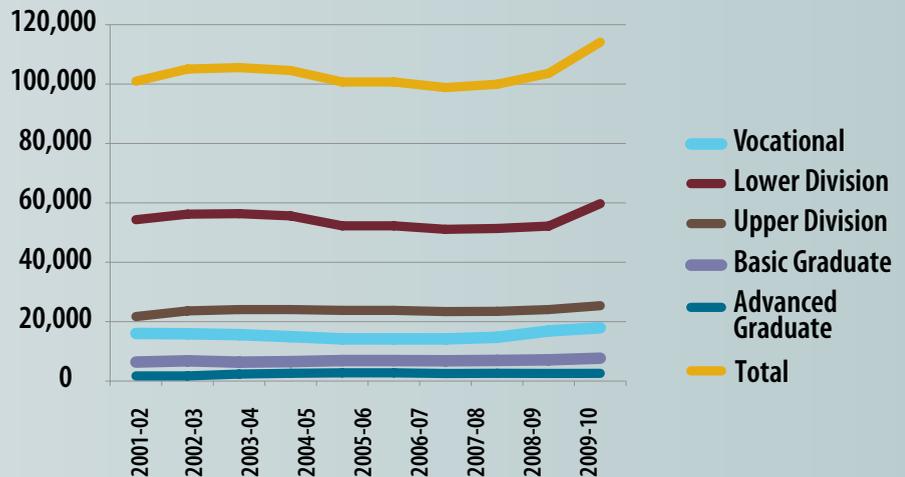
We often hear that when the economy “tanks” people go back to school. New entrants in the world of work may have had higher education as a goal all along. Also, current workers losing their jobs or having their hours curtailed also see the light and may decide to pursue more training. These individuals perceive that their opportunities are limited and see more training as a viable option.

A paradox presents itself. How do current marginally employed or unemployed persons afford to go back to school if they have no job and thus no way of paying for more education? One answer is through educational loans, grants, or scholarships. Funding may also include the use of savings and/or help from family. Regardless of the source of resources for education the desire for more education is still there. Financing education is a very important topic but the real thrust of this article is to look at the relationship of economic activity, or the lack of it, and the desire of workers to seek more education.

What’s the evidence that recessions drive people to seek more training? One important indicator is to look at



Utah Higher Education  
Enrollments  
by Class Standing  
School Years  
2001-2002 to 2009-2010



Source: Utah System of Higher Education (USHE), Data Book 2011, Tab C - Enrollments.

enrollment in our post-secondary education institutions. Enrollment numbers from the Utah System of Higher Education portrayed in the graph show average yearly full-time equivalent enrollment at Utah’s public colleges and universities.\*

In the graph are counts of enrollment for vocational, lower division, upper division, basic graduate, advanced graduate, and the total. The time periods cover the school years 2001-2002 through 2009-2010. Enrollment early in the decade show what happened during the “DotCom” recession. Student counts peaked in 2003-2004 school year with 105,500 persons enrolled at the colleges and universities. Enrollments dropped to the 98,800 level in the 2006-2007 school year. These mid-decade years were Utah’s boom period where the perception in the market was that jobs were plentiful and workers didn’t need more training to get a job. Unemployment rates were near-record lows as the economy was rapidly expanding.

Then came the Great Recession, beginning in December of 2007. As the recession deepened through 2008, enrollments increased from 98,800 to 103,600 (2008-2009 school year). Enrollment increased by 1.1 percent during the 2007-2008 school year to 3.7 percent the following year (2008-2009) then dramatically rose by 10.1 percent by the 2009-2010 school year. In actual numbers, enrollments increased from 99,900 to 114,100. In the last two years, thousands of students enrolled with the largest increase being for those lower division (entering) students. The overall increase for all levels of education was 10.1 percent but enrollment by lower division students jumped by 14.4 percent. All levels of educational (vocational, lower division, etc.) enrollment

increased between 2008-2009 and 2009-2010. Do many individuals go back to school when the economy tanks? The numbers, at least in this cursory look, tend to support that notion. Increases in enrollment can’t all be attributed to economic forces. Utah’s demographic and societal forces are at play here also. Notable is the younger age of its population and the emphasis placed on education in Utah. These forces aside, it does appear that a depressed economy does have a significant effect on enrollment. ①

\*University of Utah, Utah State University, Weber State University, Southern Utah University, Snow College, Dixie State College, Utah State University – College of Eastern Utah, Utah Valley University, and Salt Lake Community College. Not included is data from private colleges and universities.



Information on the  
Utah System of Higher  
Education can be found at:

[http://www.higheredutah.org/  
about/research-data/](http://www.higheredutah.org/about/research-data/)

# There's a lot More Hiring Going on Than You Might Think

In recent years, economists and data watchers have been able to incorporate a number of new data sources to their arsenal of economic indicators. One of the most exciting additions, in my opinion, is the Local Employment Dynamics (LED) information. LED data is a melding of available census, survey, and administrative records which provides new insights on the economy and, in particular, the labor market.

## It is fluid out there. . .

I've been in this business a long time, and the "new hire" data produced by the LED program has truly opened my eyes to the fluidity of the labor market. A "hire" in this case simply represents a person on a company's payroll in the current quarter that wasn't on the payroll in the previous quarter. Typically, we analyze only the net changes—are there more or fewer jobs now than in a previous time period? But obviously, individuals are constantly leaving jobs, finding jobs, and entering the labor market. The "new hire" data makes this fact abundantly clear.

## Lots of hiring going on

Guess how many people were hired during the worst quarter of the "Great Recession" in Utah? Go ahead and take a guess. Well, you most likely guesstimated low. Almost 127,000 Utah workers found a new job in the first quarter of 2010. In other words, almost 12 percent of the jobs tracked by the LED system were held by a "new hire." And, that's the worst quarter. These figures appear even more remarkable over time. New hires averaged more than 200,000 per quarter between 2007 and 2010.

## Utah New Hires



Source: U.S. Census Bureau, Local Employment Dynamics.

Recessionary period as determined by the National Bureau of Economic Research.

**For more information and data from the LED program:**  
<http://lehd.did.census.gov/led/datatools/qwiapp.html>

### Seasonal Patterns

There is a very seasonal pattern to new hires. The first quarter of a year (January to March) shows the lowest hiring levels of the year, while the third quarter (July to September) always shows the highest annual new hires (although second quarter isn't far behind). On the other hand, despite increased retail hiring for the holiday season, the final quarter ranks third in terms of new hires.

### Where's the trend?

A quick and dirty way to track the trends in the new hire data is to use a four-quarter moving average. As you can see in the accompanying chart, new hires follow the same trajectory as the labor market in general. Hires surged in 2005 and 2006, peaked in 2007, plummeted in 2008, bottomed out in 2009, and are now on the uptick.

### Other Stuff

Young adults are most likely to be new hires (no surprise to parents with

children that age). Individuals between 19 and 24 account for roughly 30 percent of new hires. And that share hasn't changed much over time. Slightly older adults—24 to 35—typically are responsible for one-fourth of new hires. However, this age group's share of hires has slowly been increasing. In the last two years, they have made up closer to 27 percent of new hires. Older adults are far less likely to be taking up new employment. Those between the ages of 55 and 64 typically account for only about 4 percent of new hires. But, their share of new hires has also increased somewhat in the past several years (to 5 percent)—undoubtedly a secondary result of the recession.

Finally, new hires are slightly more likely to be male (about 55 percent) than female. That's not significantly different from their share of the labor force. And, not surprisingly, most new hires are in the largest counties—Salt Lake, Utah, Weber, and Davis. Together, they steadily generate 70 percent of new hires. 📍

# CENSUS

The U.S. Census Bureau published *Facts for Features*; collections of statistics from the Census Bureau's demographic and economic subject areas intended to commemorate anniversaries or observances. Following is a selection of facts published in 2011.

## FATHER'S DAY

16,010 - The number of hardware stores (as of 2008), a place to buy hammers, wrenches, screwdrivers and other items high on the list of Father's Day gifts. Additionally, there were 7,009 home centers across the country in 2008.

Source: County Business Patterns <http://www.census.gov/econ/cbp/>



## ST. PATRICK'S DAY

36.9 million - Number of U.S. residents who claimed Irish ancestry in 2009. This number was more than eight times the population of Ireland itself (4.5 million). Irish was the nation's second most frequently reported ancestry, trailing only German.

Sources: 2009 American Community Survey [http://factfinder.census.gov/servlet/DatasetMainPageServlet?\\_program=ACS&\\_submenuid=datasets\\_2&\\_lang=en](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuid=datasets_2&_lang=en) and Ireland Central Statistics Office <http://www.cso.ie/releasespublications/documents/population/current/popmig.pdf>

## THE FOURTH OF JULY

2.5 million - In July 1776, the estimated number of people living in the newly independent nation.

Source: Historical Statistics of the United States: Colonial Times to 1970

<http://www.census.gov/prod/www/abs/statab.html>

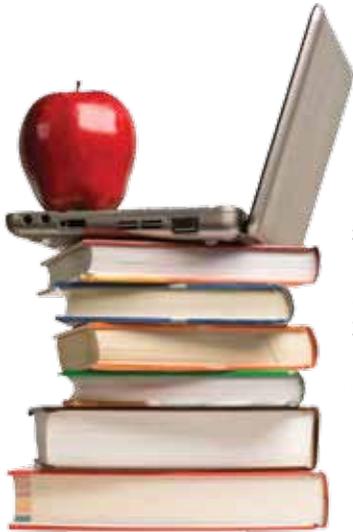
311.7 million - The nation's estimated population on this July Fourth. Source: Population clock <http://www.census.gov/main/www/popclock.html>



## WOMEN'S HISTORY MONTH

111,000 - Number of female police officers across the country in 2009. In addition, there were about 9,700 women firefighters, 338,000 lawyers, 294,000 physicians and surgeons, and 38,000 pilots. (Note: Number of pilots pertains to 2008.) Source: Statistical Abstract of the United States: 2011, Tables 615 and 1082 <http://www.census.gov/compendia/statab/>

# FACTOIDS



## BACK TO SCHOOL

\$7.4 billion - The amount of money spent at family clothing stores in August 2010. Only in November and December were sales significantly higher. Similarly, sales at bookstores in August 2010 totaled \$2.2 billion, an amount approached in 2010 only by sales in January. Source: U.S. Census Bureau, Monthly Retail Trade and Food Services <http://www.census.gov/mrts/www/mrts.html>

## LABOR DAY

\$47,127 and \$36,278 - The 2009 real median earnings for male and female full-time, year-round workers, respectively. Source: Income, Poverty, and Health Insurance Coverage in the United States: 2009 <http://www.census.gov/prod/2010pubs/p60-238.pdf>

## HISPANIC HERITAGE MONTH: SEPT 15 – OCT 15

50.5 million - The Hispanic population of the United States as of April 1, 2010, making people of Hispanic origin the nation's largest ethnic or race minority. Hispanics constituted 16.3 percent of the nation's total population. In addition, there are 3.7 million residents of Puerto Rico, a U.S. territory.

Source: American FactFinder: United States DP-1 <http://factfinder2.census.gov> and <http://www.census.gov/prod/cen2010/briefs/c2010br-04.pdf>

## CINCO DE MAYO

25.6 - Median age of people in the United States of Mexican descent.

This compared with 36.8 years for the population as a whole. Source: 2009 American Community Survey 1-Year Estimates, Selected Population Profile in the United States: Mexican <http://factfinder.census.gov>



## HALLOWEEN

41 million - The estimated number of potential trick-or-treaters in 2010 — children 5 to 14 — across the United States. Of course, many other children — older than 14 and younger than 5 — also go trick-or-treating. Source: U.S. Census Bureau, 2010 Census, <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

116.7 million - Number of occupied housing units across the nation in 2010 — all potential stops for trick-or-treaters. Source: U.S. Census Bureau, 2010 Census, <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

## Unemployment Insurance Usage

# During the Recession

*NOTE: The Utah Department of Workforce Services administers Utah's unemployment insurance program. All claimant activity is recorded and stored by this department. Individual records can be aggregated to produce cumulative statistical profiles of those filing for unemployment. Claimants were quantified across the period October 2008 through November 2010 statewide. This is a representative window in which the immediate and lingering consequences of the Great Recession had their strongest impact upon the unemployment insurance system.*

Not all geographic areas in Utah are the same. Urban and rural distinctions abound and industry makeup plays a part. Therefore, different usage patterns arise in filings for unemployment insurance claims. Different parts of the state show different levels of usage, and each area has its own distinct explanation.

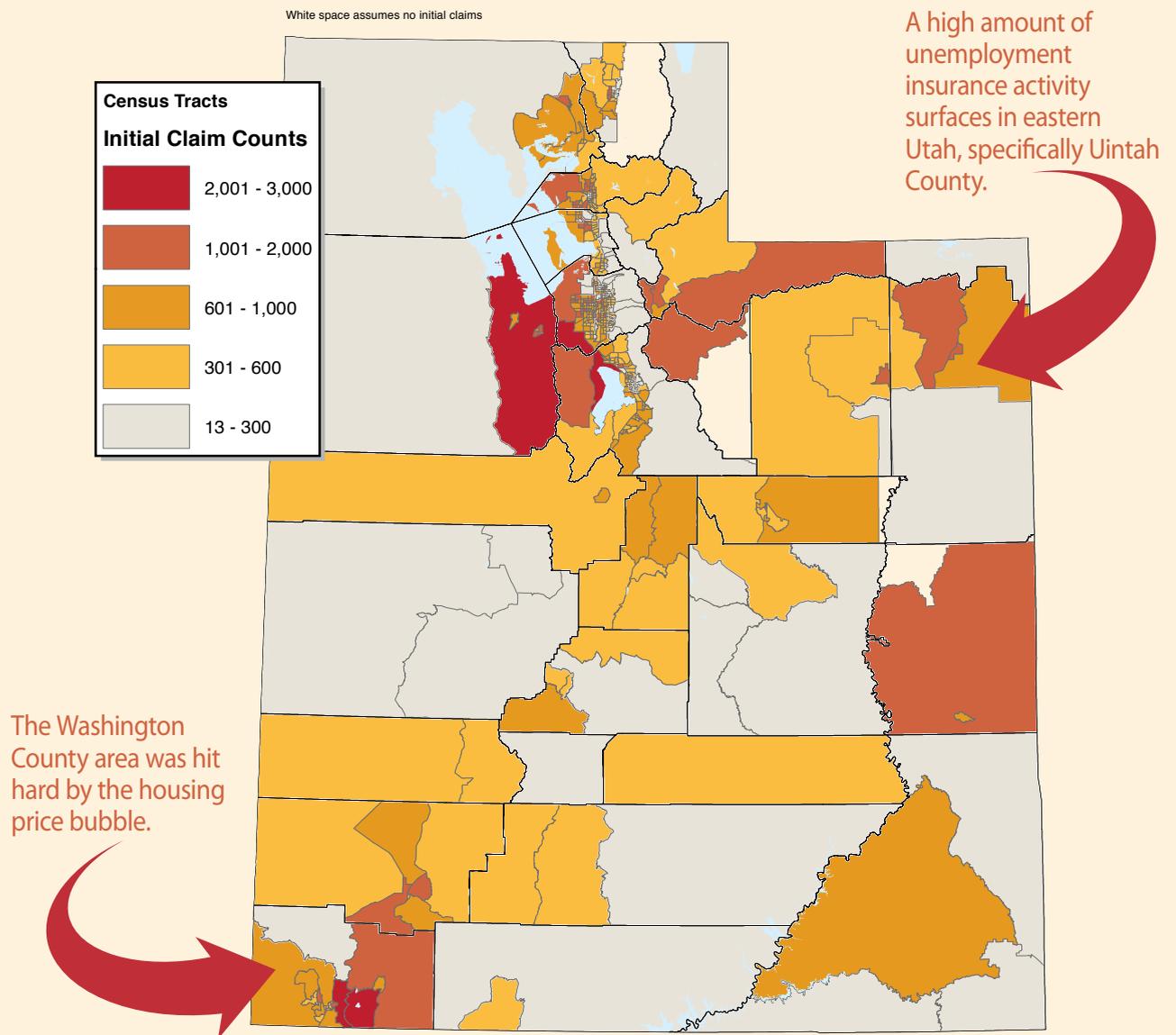
For example, a high amount of unemployment insurance activity surfaces in eastern Utah, specifically Uintah County. This is an economy heavily dependent on natural gas production. There was a period covering most of 2009 in which energy prices collapsed and employment levels fell off noticeably. As a result, this county experienced a pocket of high unemployment insurance usage (this includes Roosevelt in Duchesne County for the same reason).

Another area with high usage is Washington County in the state's southwest corner. This area was hit hard by the housing price bubble. Its sunbelt features and proximity to Las Vegas drove in-migration and resultant housing speculation. The end result was a sharply collapsing construction sector and an unprecedented three-year period of job loss. Claims counts soared in this region, an event that is much out of the ordinary for this normally high-flying economy. These events also impacted Iron County, Washington County's neighbor to the north.

Grand County—the Moab area—is another that stands out with high unemployment insurance usage. However, this may not be as noticeably tied to a significant deterioration of the local economy as seen in Washington and Uintah counties. Instead, it looks like normal usage, although the recession probably added some influence. Moab is an economy heavily dependent upon tourism, particularly non-winter tourism. As such, Grand County exhibits a seasonal pattern of high unemployment insurance usage. Tourism-dependent workers work long enough to maintain unemployment insurance eligibility, then use this system to

## Utah Initial Unemployment Claims by Census Tract

October 2008—November 2010



Source: Utah Department of Workforce Services.

bridge the winter down time. Nearly 47 percent of all claimants worked in the tourism industry (whereas the statewide average is only 7 percent). Because of this, it is difficult to separate the “normal” usage of the system from that caused by the recession.

The same usage and difficulty in assessment can also be attributed to the Summit County area, up and over the mountains east of Salt Lake City. This county is the home to three major ski resorts. It is both a tourism-dependent economy and a seasonal one. Therefore, it also has seasonal high usage, and again, it is difficult to separate the normal amount from any recession-generated usage. Forty percent of claimants come from tourism.

Claims counts throughout the remainder of the state, including the metropolitan areas, largely follow population density profiles.

Salt Lake is the state’s most populous county. Therefore it should, and does, have the most initial unemployment claims. Mapping county initial unemployment claims by census tracts does show patterns of high and low usage across the metropolitan area. There seems to be a pattern of low usage in the higher-income eastern tracts, and higher usage throughout the rest of the valley.

The lowest quantity of claims is in the census tracts running along the foothills of the Wasatch Mountains bordering the valley’s east side, including the avenues east of 1300 East between I-80 (south) and the University of Utah (north). The rest of the valley experienced higher claim counts, with most areas around South Salt Lake City southward toward Murray, neighborhoods in West Valley City, Kearns, Magna, and the far southwest corner of the valley.

Evaluating the heavy usage in the southwest corner of the valley

presents something of a challenge. It is probably explained by the assumption that young workers have higher vulnerability to layoffs, as businesses look to retain more experienced and tenured workers. Younger workers are cheaper to replace.

As the decade of the 2000s emerged, new families and workers looked for available land and housing. For many, their jobs are in Salt Lake County but the workers themselves located further into the county’s fringes looking for lower housing costs. The real estate people label this “drive till you qualify.” This produced

The southwest corner of the Salt Lake Valley also jumps out with the most initial unemployment insurance filers. If young workers are the ones vulnerable to layoffs, then claims should be high in these areas.

new communities where before there was only open land. This not only impacted southern Salt Lake County in its reach, but also northern Utah County and eastern Tooele County (to the west).

These are areas now populated by new homes and in many cases, young workers. These areas, on a map, also jump out with the most initial unemployment insurance filers. Logic follows that if young workers are the ones vulnerable to layoffs, then claims should be high in these areas.

That theory I believe holds weight. But unfortunately there is another factor playing out beside this, and it probably produces an overstatement of the amount of claims in these areas.

These census tracts are 2000 Census tracts, built upon 2000 population levels. Population has grown disproportionately in all of the just mentioned areas since then. New census tracts from the 2010 Census are now available (but not quantified as such for this article). In these areas, where in 2000 there may have been one census tract there are now as many as six new tracts.

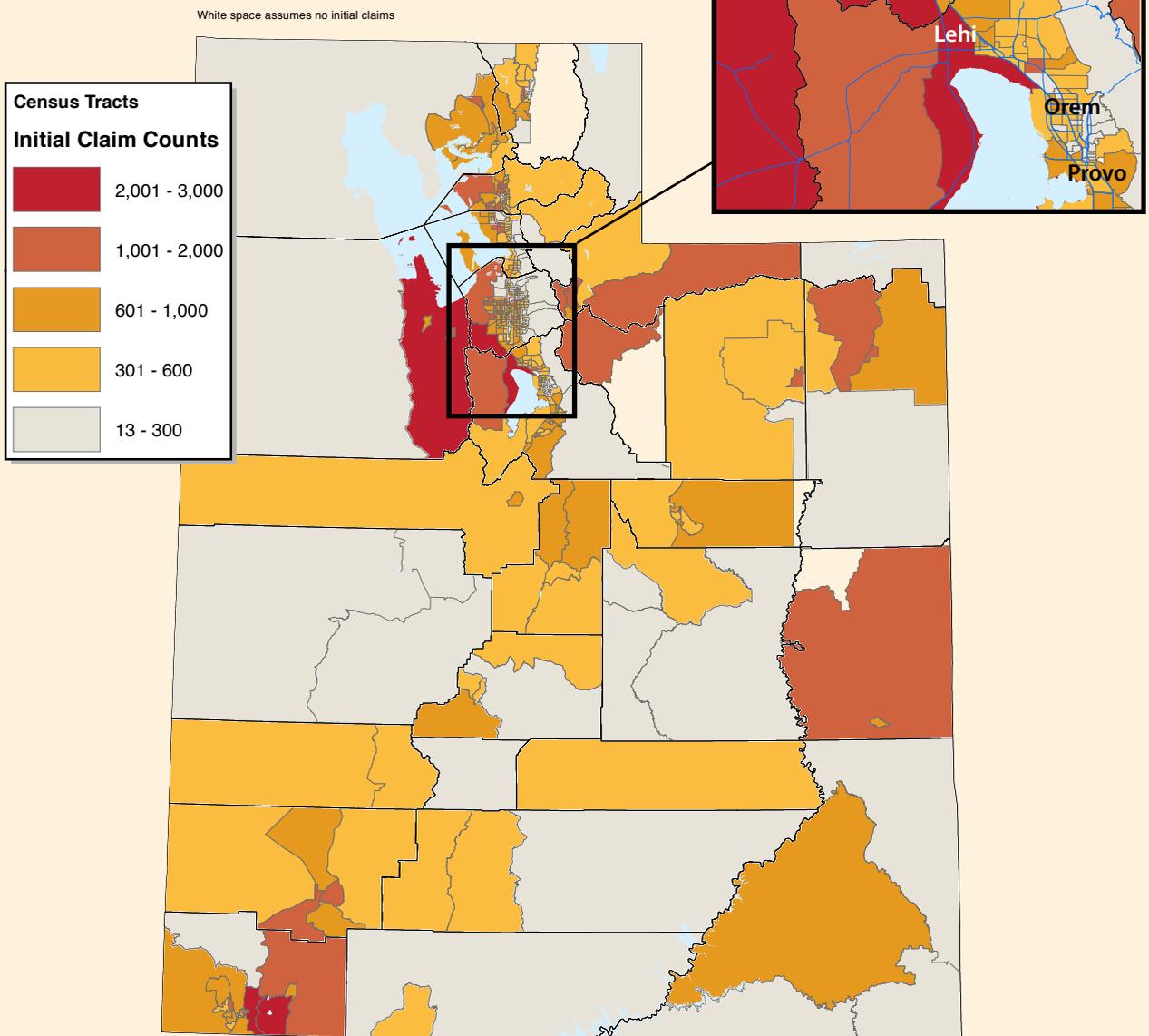
The large tract in Salt Lake County’s southwest corner in the 2000 Census is now three separate tracts in the 2010 Census. The most dramatic change may be the 2000 Census tract that surrounds the northwest corner of Utah Lake in Utah County (making up parts of Lehi and the new town of Saratoga Springs). That one tract is now divided into six tracts in the 2010 Census. Its neighboring tract to the west surrounding the city of Eagle Mountain is now five tracts in the 2010 Census. The large 2000 Census tract in eastern Tooele County is now four separate tracts in the 2010 Census.

There is no doubt that the large number of claims in these areas are a function of the initial unemployment insurance claimants being distributed by the 2000 Census boundaries, not 2010 boundaries. As the unemployment insurance data was quantified and located in census tracts available at the time—2000 Census tracts—this data cannot be redistributed.

Still, knowing the nature of those areas and the amount of young workers who inhabit them, it is hypothesized that they would still be areas of high claims distribution even if quantified to 2010 Census boundaries. 

## Utah Initial Unemployment Claims by Census Tract

October 2008—November 2010  
Close up of Wasatch Front



Source: Utah Department of Workforce Services.



**H**ave you ever watched kids playing in a sandbox? Digging in the sand, moving it from place to place, building something and then tearing it down. Keeps them occupied for long periods of time.

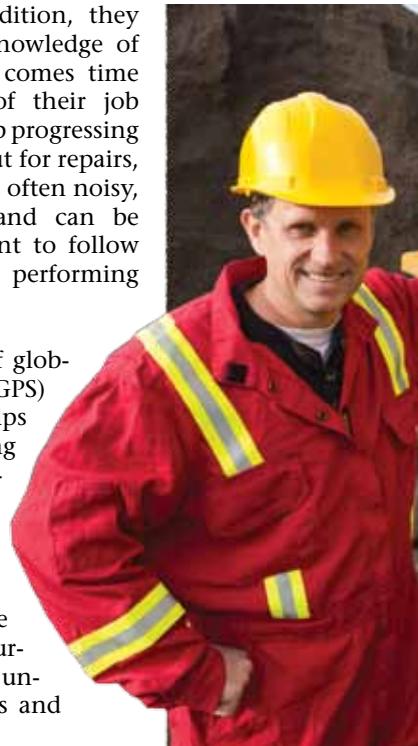
Oftentimes, they have earth moving equipment, tractors, and such to help them fantasize about changing the face of the planet. Perhaps this is where it starts for some operating engineers, those folks who make a living operating the equipment that clears and grades the land to prepare for construction of roads, buildings, bridges, runways, dams, and levees, to name a few.

Since one cannot list on a resume the time spent playing in a sandbox, how does one make the earth moving fantasy a reality? Operating engineers are trained through formal apprenticeships, on-the-job training, paid training programs, or a combination of these. An apprenticeship consists of at least three years, or 6,000 hours, of paid on-the-job experience together with 144 hours of classroom instruction each year. Since apprentices learn to operate a wide variety of equipment, they may have better job opportunities. One resource for apprenticeship programs is administered by the International Union of Operating Engineers, which

reports over 400,000 members, 1,000 instructors and hundreds of facilities across North America.

Once the training has taken place, the real work begins. Operators run the machinery in all types of weather conditions and at all hours, often in remote locations. In addition, they must have a working knowledge of the machinery when it comes time for repairs. It is part of their job description to keep the job progressing and if that means time out for repairs, so be it. The job setting is often noisy, dusty, greasy, muddy, and can be dangerous. It is important to follow safety guidelines when performing this job.

With the introduction of global positioning system (GPS) technology, which helps with grading and leveling activities, and computerized controls and improved hydraulics, the industry is more technologically advanced than in past years. These improvements require further training and a basic understanding of electronics and hydraulics.



About 63 percent of construction equipment operators work in the construction industry. Many equipment operators work in heavy and civil engineering construction, building highways, bridges, or railroads. About 16 percent of construction equipment operators work in local government. Others—mostly grader, bulldozer, and scraper operators—work in mining. Some also work for manufacturing or utility companies. About 3 percent of construction equipment operators are self-employed.

This occupation is expected to experience slower than average growth, nevertheless, there should be a high volume of annual job openings. Business expansion,

rather than the need for replacements, will provide the majority of job openings in the coming decade. In the short term, employment may be limited but should improve in concert with the economy.

For those of us who have not forgotten our sandbox days, a former fencing contractor in Las Vegas has opened a business called Dig This, where, for a fee, visitors can operate a wide variety of construction equipment in a five-acre theme park. According to AARP magazine, about half the visitors to Dig This are women, proof that gender is no barrier to sandbox dreams of becoming operating engineers. 🧠

**For more information:**

- <http://www.iuoe.org>
- [www.bls.gov](http://www.bls.gov)
- Associated General Contractors of America
- [www.utah.gov](http://www.utah.gov)

**UTAH Occupational Wages—Published June 2011**  
 (data from May 2010) for Operating Engineers and Other  
 Construction Equipment Operators



Area Name	Hourly Inexperienced	Hourly Median	Annual Inexperienced	Annual Median	Training Level
Box Elder and Rich	\$15.61	\$18.43	\$32,460	\$38,330	Moderate-term OJT (1-12 months)
Central	\$14.33	\$17.48	\$29,810	\$36,360	Moderate-term OJT (1-12 months)
Eastern	\$16.38	\$19.41	\$34,060	\$40,370	Moderate-term OJT (1-12 months)
Logan MSA	\$14.56	\$17.04	\$30,290	\$35,430	Moderate-term OJT (1-12 months)
Ogden-Clearfield MSA	\$15.95	\$20.86	\$33,180	\$43,390	Moderate-term OJT (1-12 months)
Provo-Orem MSA	\$13.34	\$18.53	\$27,740	\$38,540	Moderate-term OJT (1-12 months)
Salt Lake City MSA	\$16.28	\$20.16	\$33,870	\$41,930	Moderate-term OJT (1-12 months)
Southwest	\$11.07	\$19.36	\$23,020	\$40,280	Moderate-term OJT (1-12 months)
St. George MSA	\$15.87	\$19.68	\$33,010	\$40,920	Moderate-term OJT (1-12 months)
United States	--	\$19.12	--	\$39,770	Moderate-term OJT (1-12 months)
Utah	\$15.03	\$19.60	\$31,250	\$40,760	Moderate-term OJT (1-12 months)

# *Fun, Beauty & Culture*

## **Support Economic Growth**



The leisure and hospitality industry provides a significant number of jobs, wages, and economic activity within Utah. Not only do Utahns enjoy the great beauty, diversity, and year round recreation, travel, and tourism activities within the state, but people flock here from all parts of the globe. The visitors to our ski resorts, national and state parks, historical sites, and festivals bring with them the income that sustains the economic vitality of many communities across the state.

Ten counties in Utah derive more than 15 percent of their nonfarm jobs from the leisure and hospitality industry (see Chart). For these counties, and others in the nonmetropolitan parts of the state, recreation, travel, and tourism activities are main economic drivers.

The great recession began officially in the U. S. in December 2007 and lasted through June 2009, at which point production of goods and services began to grow once again. December 2007 coincides with peak nonfarm jobs in the nation and in Utah. On a seasonally adjusted basis there were 1,264,500 nonfarm jobs in Utah in December 2007, dropping by 91,500 jobs or 7.2 percent, to 1,173,000 by February 2010. Notice that when production began to climb once again in July of 2009, jobs in Utah continued to decline and did not begin to grow until spring of 2010.

The leisure and hospitality industry fared somewhat better during the

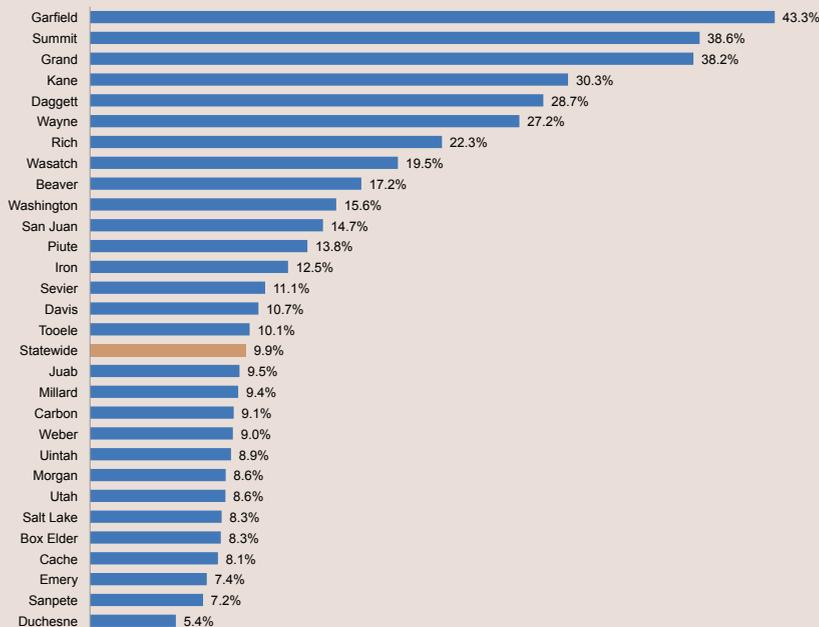
recession, shedding fewer jobs and recovering faster. Again on a seasonally adjusted basis, leisure and hospitality employment within Utah peaked in December 2007 with 115,900 jobs. This industry hit bottom in December 2009, at 109,400 jobs, a reduction from the peak of 5.6 percent. By August 2011, the leisure and hospitality industry was 0.9 percent or 1,000 jobs below the December 2007 record.

Total nonfarm jobs in Utah remain 3.7 percent below the pre-recession peak. The state will need an additional 46,500 jobs to return to the pre-recession level (see chart).

The leisure and hospitality industry gives important support to overall economic activity in Utah, helping to pull the State out of the recession and into a brighter economic future. The high quality of life enjoyed by residents and visitors alike is closely tied to this industry. ●

*Utah*  
**citizens as well  
 as visitors enjoy  
 recreational activities  
 and generate income  
 to sustain our  
 economic vitality.**

## Percent of Nonfarm Jobs in Leisure and Hospitality by County • Average for the Year Ending in March 2011



## Percent of Peak Employment • December 2007 Jan. 2006 through August 2011 (Seasonally Adjusted Data)



Source: Utah Department of Workforce Services.

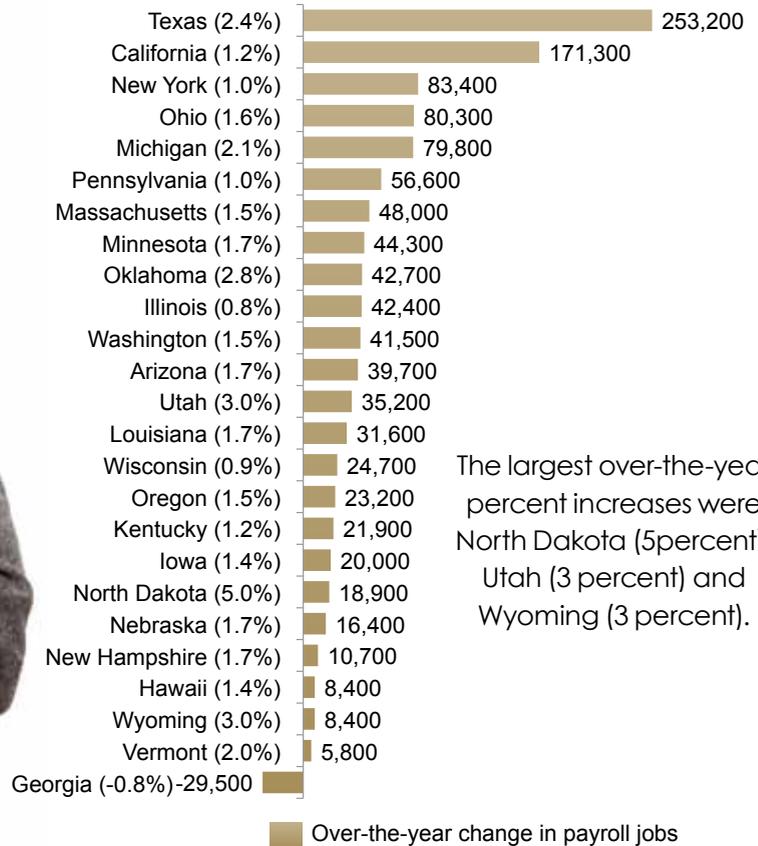
# Did you know?

Bureau of Labor Statistics reports that Utah is currently tied with Wyoming as the second fastest growing state in new job creation.



## Statistically Significant Employment Changes

Selected states • August 2010-August 2011 • seasonally adjusted



The largest over-the-year percent increases were North Dakota (5percent), Utah (3 percent) and Wyoming (3 percent).

To learn more, see "Regional and State Employment and Unemployment — August 2011"  
[http://www.bls.gov/news.release/archives/laus\\_09162011.pdf](http://www.bls.gov/news.release/archives/laus_09162011.pdf)

**Over the year** to August 2011, 25 states experienced statistically significant changes in nonfarm payroll employment, 24 of which were increases. The largest increase occurred in Texas (+253,200), followed by California (+171,300), New York (+83,400), Ohio (+80,300), and Michigan (+79,800). The only state with an over-the-year statistically significant decrease in employment was Georgia (-29,500).

The largest over-the-year percentage increase in nonfarm payroll employment occurred in North Dakota (+5.0 percent), followed by Utah and Wyoming (+3.0 percent each).

Source: U.S. Bureau of Labor Statistics.

# Is Utah's Unemployment Insurance Trust Fund Solvent?



Employers subject to the Employment Security Act are required to pay contributions (unemployment taxes) to the Unemployment Insurance (UI) Compensation Trust Fund. This money is used to pay unemployment insurance benefits to individuals who become unemployed, through no fault of their own.

An employer's overall tax rate is based on a statutory formula that factors in several components to insure the solvency of the UI Trust Fund and to equitably adjust tax rates on employers that are responsible for generating these costs. The higher benefit costs associated with the economic downturn, have resulted in a significant decline in Utah's UI Trust Fund balance over the past two years.

Thirty-two states' trust funds have become insolvent during the last three years and they have been forced to borrow over \$46 billion from the

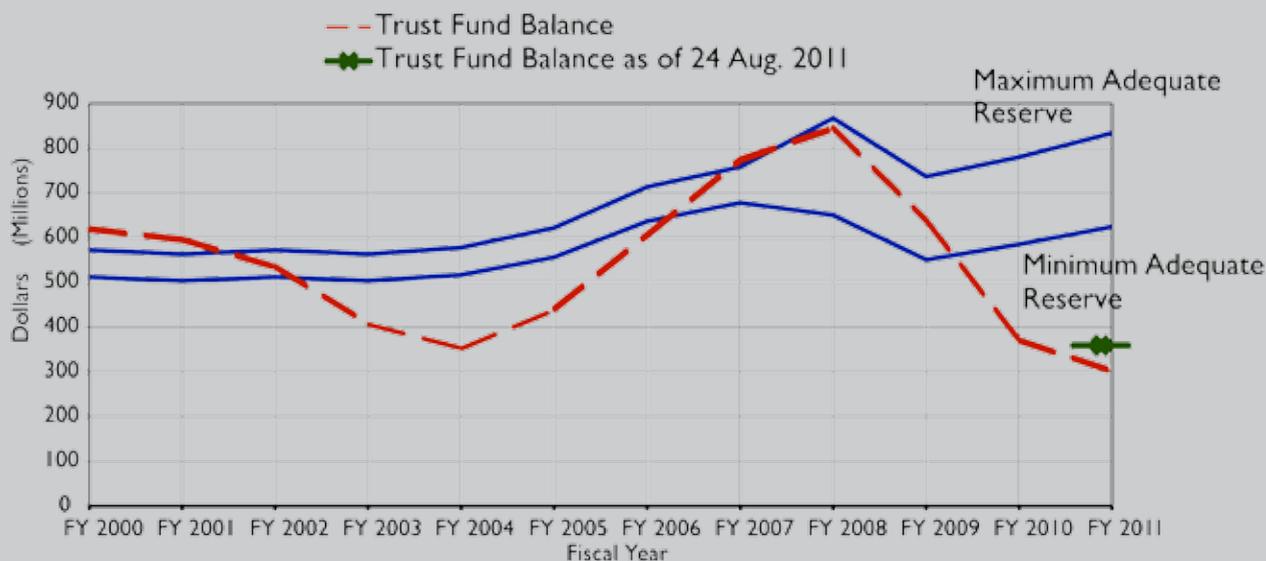
Federal government or issue state bonds. Utah's current Trust Fund balance (as of August 24, 2011) is \$360 million (see chart below).

Based on new projections, employment trends, and improved unemployment rates, it is anticipated Utah's UI Trust Fund will remain solvent (see chart below), however it may go as low as \$200 million.

The Department of Workforce Services (DWS) has been proactive with multiple initiatives to help ensure the long-term solvency of Utah's Trust Fund, implementing enhanced integrity and re-employment initiatives.

DWS will continue to closely monitor the Trust Fund and may consider recommending minor changes to the tax rate formulas to ensure long-term solvency. DWS' goal is to keep the UI Trust Fund solvent. ①

## Utah Trust Fund Balance Projections



Source: Utah Dept. of Workforce Services, Unemployment Insurance Division.

# Construction

## Industry Highlight



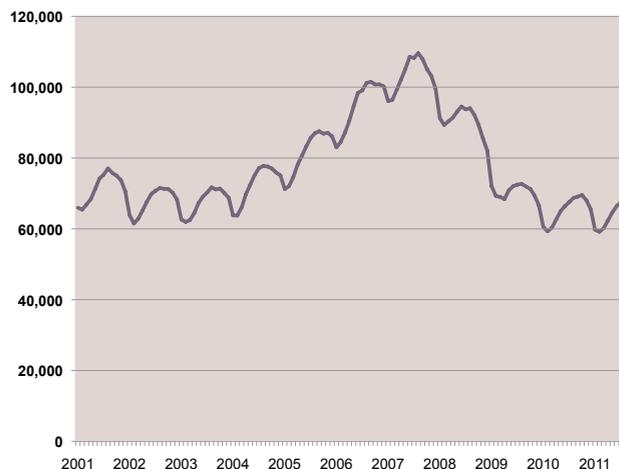
Construction employment is seasonal; a notable number of workers are unemployed even during a good economic year.

If you like volatility, you'll like the construction industry employment data. Obviously, this industry remains extremely prone to the vicissitudes of the business cycle—the most recent example is just barely behind us. Employment fell from a high of almost 110,000 in August 2007 to a low of 59,200 in February 2010. Fortunately, survey data suggests that the industry has finally started to improve with a year-to-year increase of 0.6 percent in August 2011. In 2010, construction employment accounted for 5.5 percent of Utah's total nonfarm jobs. In 2007, its share of employment measured more than 8 percent of the total. However, it's important to note that the housing bubble and speculation "over-inflated" construction employment during the recent boom years.

In addition, construction employment (like the weather) is very seasonal in nature. (Note the chart that accompanies this article.) Employment is highest in the summer months and lowest in the coldest months. That means a notable number of construction workers are unemployed in the course of even a very good economic year.

In 2010, the average monthly wage for construction workers was \$3,500 compared to \$3,250 for all employment. However, seven major industries (including manufacturing) pay higher wages on average than construction. ❶

### Utah Construction Employment



just  
the  
facts...

### August 2011 Unemployment Rates

Utah Unemployment Rate	7.6 %
U.S. Unemployment Rate	9.6 %
Utah Nonfarm Jobs (000s)	1,212.5
U.S. Nonfarm Jobs (000s)	131,552.0

### Changes From Last Year

	unchanged
Down	0.5 points
Up	2.9 %
Up	1.1 %
Up	3.8%
Up	6.5%

### August 2011 Consumer Price Index Rates

U.S. Consumer Price Index	226.5
U.S. Producer Price Index	191.6

Source: Utah Department of Workforce Services

### August 2011 Seasonally Adjusted Unemployment Rates

Beaver	8.0 %
Box Elder	9.2 %
Cache	5.3 %
Carbon	7.6 %
Daggett	7.0 %
Davis	7.0 %
Duchesne	5.8 %
Emery	8.4 %
Garfield	12.5 %
Grand	11.6 %
Iron	9.1 %
Juab	10.8 %
Kane	8.4 %
Millard	5.8 %
Morgan	5.9 %
Piute	8.1 %
Rich	6.0 %
Salt Lake	7.3 %
San Juan	13.0 %
Sanpete	9.4 %
Sevier	8.3 %
Summit	6.6 %
Tooele	7.8 %
Uintah	5.3 %
Utah	7.5 %
Wasatch	8.6 %
Washington	9.4 %
Wayne	11.4 %
Weber	8.6 %

Watch for these features in our  
**Next Issue:**

**Theme:**  
A Look Forward  
and a Look Back

**Industry Highlight:**  
Waste Management

**Occupation:**  
Waste Management  
Occupations



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