



State of Utah

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## Department of Workforce Services

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### UTAH'S EMPLOYMENT SUMMARY: FEBRUARY 2009

Utah's nonfarm wage and salaried job count for February 2009, as generated by the United States Bureau of Labor Statistics (BLS), contracted by 2.1 percent. Approximately 26,000 jobs have been removed from the Utah economy over the past year, lowering total wage and salary employment to 1,221,600.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, continued to rise, increasing to 5.1 percent in February. Last February, the state's rate was 3.3 percent, a 1.8 percentage-point increase over the past 12 months (1.0 percentage point in just the past two months). Approximately 70,400 Utahns were considered unemployed in February 2009, compared against 45,000 last February, an increase of 25,400 unemployed workers. The United States unemployment rate continued to rise, reaching 8.1 percent (it has risen 3.3 percentage points over the past 12 months; 0.9 in the past two months).

#### **Utah Labor Market Indicators February 2009**

**Employment % Change: -2.1%**  
**Employment # Change: -26,000**  
**Unemployment Rate: 5.1%**

#### **United States**

**Employment Change: -3.1%**  
**Unemployment Rate: 8.1%**

Mark Knold, chief economist for the Department of Workforce Services, commented, "We are still seeing high levels of initial unemployment claims here in Utah as March unfolds. That variable is our most leading of all economic indicators. High levels continue to signify an economy that remains under duress, and one that is not finished squeezing out the jobs that may have become unnecessary. This suggests there are more declining numbers ahead, yet there is also hope that these losses will begin to stabilize by the summer months."

If the economy continues on its present pace, and plays out as the forecasts foresee (as a best-case scenario), this downturn will be looked upon as an historic measure, one worth using as a comparative point of reference. This downturn has not yet reached its bottom, and so its ultimate comparative value as a yardstick is still to be established. Yet the current numbers can be assessed to gauge its current relative stance, and to envision its ultimate potential position.

The last time Utah's unemployment rate was 5.1 percent was August 2004, but at that time the rate was coming down, not rising. The last time Utah's unemployment rate rose to 5.1 percent from a lower rate, as is the current case, was December 2001, when Utah was entering the national dot com recession. Then, the unemployment rate was destined to rise to a peak of 5.9 percent by late summer of 2002 and hold into early 2003. From the current downturn, it is anticipated that Utah's unemployment rate will reach a peak higher than 5.9 percent, yet still not approach the 9.7-percent level of 1983, the highest Utah rate in the post-WWII era.

Utah's unemployment rate has moved up a full percentage point in just two months (December 2008, 4.1%; February 2009, 5.1%). The BLS website tracks Utah's seasonally adjusted monthly unemployment rates back to 1976. Scanning across that period, there are only two other times

when Utah's unemployment rate rose that much in just a two month span—December 1981 – February 1982 (6.8% to 7.8%); and June 1982 – August 1982 (7.9% to 8.8%). Those fall within the period recognized as America's deepest economic downturn since the Great Depression. Pundits are already beginning to call the current downturn the Great Recession, so this one will probably supplant that one as America's worst economic period since the Great Depression. If Utah's unemployment rate were to rise to even 5.3 percent next month (very likely), it would then be the largest three-month unemployment rise in the 1976-to-present period.

Employment records for Utah go back further—back to 1939. The largest expansions or contractions upon employment were centered upon war years. In mid-1943, employment across the previous 12 months had grown by 40 percent. By late 1944, employment then contracted by almost 10 percent. The Korean War saw Utah employment ramp up as much as 15 percent at its peak, and contract by 5 percent during its decline. Those are the extremes due to a wartime environment, so they are viewed as anomalies.

Utah's employment contraction is currently at -2.1 percent. It is destined to go lower as the next several months are tabulated. Outside of the war years, there is only one other time (July 1964; related to a missile defense cutback) when the Utah economy contracted by as much as 2.1 percent over a 12-month period. Next month's employment contraction is destined to be even lower than -2.1 percent. The low point of the early 1980s economic downturn was -1.9 percent in August 1980. The low point of the dot com recession was -1.4 percent in March 2002. This is being noted to place the current economic measurements in an ongoing historical context.

Most Utah industrial sectors are facing job losses. Only government, education and healthcare, and natural resources added jobs over the past 12 months. Construction, manufacturing, leisure and hospitality, and the trade and transportation sectors are currently the hardest hit industries.

The current phase of this economic downturn has transformed into significant job losses in manufacturing. In the initial phase it was largely just construction jobs. Construction still leads the job loss ledger with 14,000 fewer jobs than recorded 12 months ago. Yet whereas in months past when construction stood apart from every other industry in terms of lost jobs, now the manufacturing industry is showing losses approaching an equal footing. Manufacturing is down 10,000 jobs over the past 12 months. With more manufacturing cutbacks making news headlines since this February job calculation, it is anticipated that additional manufacturing job losses will be tabulated.

As generally fits the pattern within recessions, government emerges as the area with the most job gains (6,800 over the past 12 months). These can largely be traced to local governments, particularly K-12 education. State government rolls are also up, but again, education is the arena. There is much talk about stressed budgets, and the state legislature just concluded what they characterized as a "tough" budgetary session. But with most of the government job gains being in education, those hiring decisions were made before the current school year started; in other words, before August 2008. Hiring decisions were in place back then, and governments are now committed to *the whole school year*. If budget constraints are to show up in contracting or restricting government education payrolls, they will do so beginning next September, when the new school year begins. But given the anticipated federal government stimulus package and its contributions to education, there may not be a significant contraction associated with the next school year.

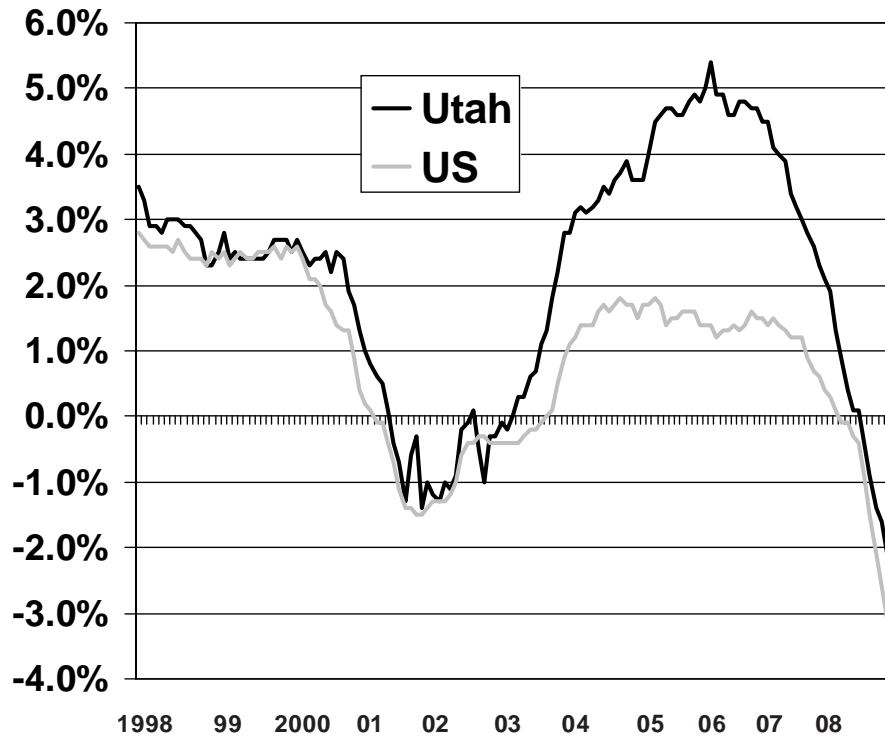
**\* Utah's March employment information will be released at 9:00 a.m. on Thursday, April 16, 2009.**

## Utah Nonagricultural Jobs by Industry and Components of the Labor Force

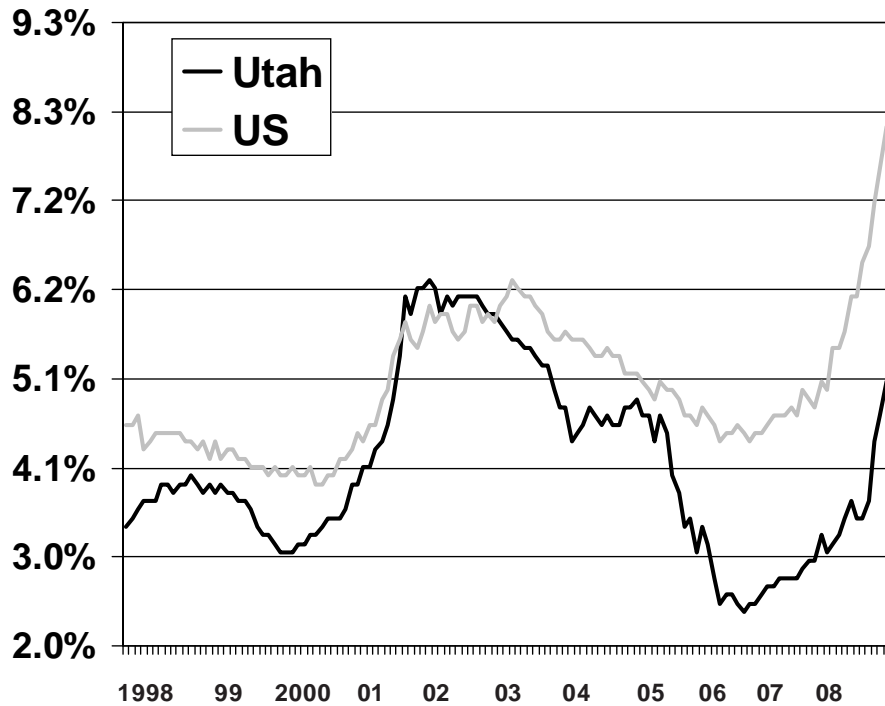
Numbers are in thousands	February(p) 2009	February 2008	Percentage Change	January(r) 2009	January 2008	Percentage Change
<b>CIVILIAN LABOR FORCE (seasonally-adjusted)</b>	<b>1,389.0</b>	<b>1,376.4</b>	<b>0.9</b>	<b>1,390.9</b>	<b>1,373.9</b>	<b>1.2</b>
Employed	1,318.6	1,331.4	-1.0	1,326.6	1,330.5	-0.3
Unemployed	70.4	45.0	56.4	64.3	43.4	48.2
Unemployment Rate	5.1	3.3		4.6	3.2	
<b>NONAGRICULTURAL EMPLOYMENT (Thousands)</b>	<b>1,221.6</b>	<b>1,247.7</b>	<b>-2.1</b>	<b>1,224.7</b>	<b>1,244.6</b>	<b>-1.6</b>
Not seasonally-adjusted						
<b>GOODS PRODUCING</b>	<b>207.0</b>	<b>228.9</b>	<b>-9.6</b>	<b>210.4</b>	<b>231.1</b>	<b>-8.9</b>
<b>Natural Resources, and Mining</b>	<b>13.4</b>	<b>11.4</b>	<b>18.0</b>	<b>13.6</b>	<b>11.4</b>	<b>18.9</b>
<b>Construction</b>	<b>75.3</b>	<b>89.3</b>	<b>-15.6</b>	<b>77.3</b>	<b>91.2</b>	<b>-15.2</b>
Construction of Buildings	16.4	19.3	-15.2	16.7	19.8	-15.9
Heavy and Civil Engineering	8.5	9.4	-8.9	8.6	9.5	
Specialty Trade Contractors	50.4	60.6	-16.8	52.1	61.9	-15.8
<b>Manufacturing</b>	<b>118.2</b>	<b>128.2</b>	<b>-7.8</b>	<b>119.5</b>	<b>128.4</b>	<b>-6.9</b>
<b>Durable Goods</b>	<b>78.2</b>	<b>86.6</b>	<b>-9.6</b>	<b>79.4</b>	<b>86.9</b>	<b>-8.6</b>
Primary and Fabricated Metals	16.4	16.5	-0.6	16.3	16.5	-1.1
Computer and Electronic Products	13.3	13.1	1.4	13.3	13.1	1.1
Transportation and Equipment Manufacturing	14.0	14.3	-2.6	14.0	14.4	-2.7
<b>Non-Durable Goods</b>	<b>40.0</b>	<b>41.6</b>	<b>-3.9</b>	<b>40.1</b>	<b>41.5</b>	<b>-3.4</b>
<b>SERVICES PROVIDING</b>	<b>1,014.6</b>	<b>1,018.7</b>	<b>-0.4</b>	<b>1,014.3</b>	<b>1,013.4</b>	<b>0.1</b>
<b>Trade, Transportation, and Utilities</b>	<b>242.3</b>	<b>245.5</b>	<b>-1.3</b>	<b>243.5</b>	<b>246.9</b>	<b>-1.4</b>
<b>Wholesale Trade</b>	<b>45.6</b>	<b>47.8</b>	<b>-4.5</b>	<b>46.0</b>	<b>47.7</b>	<b>-3.6</b>
<b>Retail Trade</b>	<b>145.9</b>	<b>146.7</b>	<b>-0.5</b>	<b>147.3</b>	<b>148.3</b>	<b>-0.7</b>
Motor Vehicle and Parts Dealers	18.4	18.8	-1.9	18.3	18.7	-2.1
Food and Beverage Stores	24.5	24.3	0.9	24.5	24.2	1.2
General Merchandise Stores	28.6	27.8	2.8	29.1	28.6	1.7
<b>Transportation and Utilities</b>	<b>50.1</b>	<b>51.0</b>	<b>-1.7</b>	<b>50.2</b>	<b>50.9</b>	<b>-1.3</b>
Utilities	4.0	4.1	-2.4	4.0	4.1	-2.1
Transportation & Warehousing	46.1	46.9	-1.7	46.2	46.8	-1.2
Air Transportation	6.6	7.1	-6.4	6.7	7.1	-5.4
Truck Transportation	18.9	18.9	-0.4	18.9	18.9	0.0
<b>Information</b>	<b>29.4</b>	<b>30.5</b>	<b>-3.4</b>	<b>29.8</b>	<b>29.8</b>	<b>0.1</b>
Publishing Industries	9.7	10.0	-2.3	9.8	9.9	-1.5
Motion Picture and Sound Recording	3.6	4.2	-15.8	3.5	3.8	-6.8
Telecommunications	5.1	5.0	2.4	5.2	4.9	5.6
Internet Service Providers	5.6	5.2	7.3	5.6	5.1	8.4
<b>Financial Activities</b>	<b>72.5</b>	<b>74.8</b>	<b>-3.1</b>	<b>73.0</b>	<b>74.2</b>	<b>-1.7</b>
Finance and Insurance	55.3	56.5	-2.1	55.4	55.9	-0.8
Real Estate and Rental and Leasing	17.2	18.4	-6.2	17.5	18.3	-4.5
<b>Professional and Business Services</b>	<b>157.9</b>	<b>159.8</b>	<b>-1.2</b>	<b>157.8</b>	<b>159.1</b>	<b>-0.8</b>
Professional, Scientific, and Technical Services	68.4	67.5	1.3	67.5	66.2	1.9
Architectural, Engineering, and Related	13.6	13.1	3.5	13.6	13.2	3.3
Computer Systems Design and Related	16.3	15.5	4.6	16.2	15.2	6.6
Management of Companies and Enterprises	20.5	20.3	0.7	20.5	20.4	0.5
Administration & Support						
& Waste Management & Remediation	69.0	72.0	-4.0	69.8	72.4	-3.7
Employment Services	19.4	21.9	-11.3	20.5	22.7	-9.9
Business Support Services	16.4	17.8	-8.1	16.4	17.7	-7.4
<b>Education and Health Services</b>	<b>150.1</b>	<b>146.3</b>	<b>2.6</b>	<b>150.0</b>	<b>144.9</b>	<b>3.6</b>
Educational Services	34.2	33.6	2.0	34.2	33.4	2.6
Health Services and Social Assistance	115.8	112.7	2.8	115.8	111.5	3.9
Ambulatory Health Care Services	47.2	45.0	4.9	46.9	44.4	5.7
Hospitals	30.8	30.6	0.6	31.0	30.4	2.0
Nursing and Residential Care Facilities	21.5	21.0	2.6	21.5	20.9	3.2
Social Assistance	16.3	16.1	1.0	16.4	15.9	3.2
<b>Leisure and Hospitality</b>	<b>110.2</b>	<b>114.9</b>	<b>-4.1</b>	<b>109.3</b>	<b>113.7</b>	<b>-3.8</b>
Arts, Entertainment, and Recreation	17.6	18.0	-1.7	17.5	17.6	-0.9
Accommodation and Food Services	92.5	96.9	-4.5	91.9	96.1	-4.4
Accommodation	18.8	19.9	-5.8	18.5	19.6	-5.9
Food Services and Drinking Places	73.7	77.0	-4.2	73.4	76.5	-4.0
<b>Other Services</b>	<b>34.1</b>	<b>35.0</b>	<b>-2.5</b>	<b>34.3</b>	<b>34.8</b>	<b>-1.4</b>
<b>Government</b>	<b>218.8</b>	<b>212.0</b>	<b>3.2</b>	<b>216.6</b>	<b>210.1</b>	<b>3.1</b>
<b>Federal Government</b>	<b>35.0</b>	<b>34.9</b>	<b>0.1</b>	<b>34.4</b>	<b>34.4</b>	<b>0.0</b>
Federal Defense	15.7	15.7	0.2	15.7	15.7	0.2
Other Federal Government	19.2	19.2	0.1	18.6	18.7	-0.2
<b>State Government</b>	<b>67.1</b>	<b>65.3</b>	<b>2.8</b>	<b>66.5</b>	<b>64.7</b>	<b>2.7</b>
State Schools	37.9	36.9	2.9	37.5	36.4	2.9
Other State Government	29.1	28.4	2.7	29.0	28.3	2.5
<b>Local Government</b>	<b>116.8</b>	<b>111.9</b>	<b>4.4</b>	<b>115.7</b>	<b>111.0</b>	<b>4.3</b>
Local Education	68.7	65.6	4.7	67.7	64.8	4.4
Other Local Government	48.1	46.3	4.0	48.0	46.1	4.1

Source: U.S. Bureau of Labor Statistics p = preliminary r = revised March 24, 2009

## Year-Over Percent Change in Nonfarm Jobs



## Seasonally Adjusted Unemployment Rates

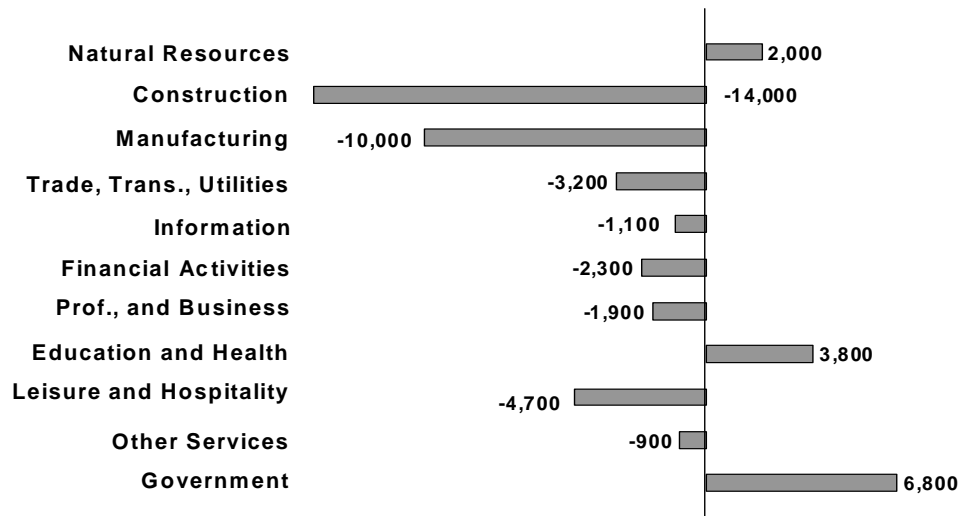


## Utah Nonfarm Industry Profile (Percent Change) February 2008 – 2009



Source: U.S. Bureau of Labor Statistics; Utah Department of Workforce Services

## Utah Nonfarm Industry Profile (Numeric Change) February 2008 – 2009



Source: U.S. Bureau of Labor Statistics; Utah Department of Workforce Services

## NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	February 2009(p)	February 2008	Percent Change	January 2009(r)	December 2008(r)
<b>State Total</b>	1,221,606	1,247,694	-2.1	1,224,703	1,258,198
<b>Bear River</b>	70,168	72,108	-2.7	70,642	72,686
Box Elder	19,847	20,318	-2.3	19,719	20,408
Cache	49,700	51,173	-2.9	50,300	51,570
Rich	620	617	0.5	623	707
<b>Wasatch Front</b>	795,073	814,119	-2.3	797,752	819,810
<b>North</b>	194,454	199,117	-2.3	194,337	198,615
Davis	98,828	101,141	-2.3	98,937	100,916
Morgan	1,713	1,858	-7.8	1,707	1,861
Weber	93,914	96,118	-2.3	93,692	95,838
<b>South</b>	600,619	615,002	-2.3	603,415	621,195
Salt Lake	585,538	599,782	-2.4	588,452	605,674
Tooele	15,081	15,220	-0.9	14,963	15,522
<b>Mountainland</b>	213,003	218,072	-2.3	213,882	218,565
Summit	27,174	26,462	2.7	27,028	25,641
Utah	179,958	185,087	-2.8	180,984	186,199
Wasatch	5,871	6,523	-10.0	5,870	6,726
<b>Central</b>	23,749	23,991	-1.0	23,622	24,624
Juab	3,084	3,227	-4.4	3,048	3,321
Millard	3,821	3,873	-1.3	3,805	3,935
Piute	336	339	-0.9	329	346
Sanpete	7,619	7,627	-0.1	7,599	7,811
Sevier	7,939	7,986	-0.6	7,890	8,192
Wayne	950	939	1.1	951	1,018
<b>Southwestern</b>	73,344	75,663	-3.1	73,042	75,409
Beaver	2,029	1,998	1.6	1,998	2,124
Garfield	2,019	1,889	6.9	1,976	2,225
Iron	16,492	16,957	-2.7	16,384	17,036
Kane	2,756	2,722	1.3	2,724	3,051
Washington	50,049	52,097	-3.9	49,960	50,973
<b>Uintah Basin</b>	24,673	22,608	9.1	24,494	25,057
Daggett	348	411	-15.4	334	357
Duchesne	8,765	7,922	10.6	8,718	8,677
Uintah	15,561	14,275	9.0	15,442	16,023
<b>Southeastern</b>	21,596	21,133	2.2	21,269	22,048
Carbon	10,066	9,382	7.3	9,999	10,027
Emery	3,623	3,846	-5.8	3,623	3,685
Grand	3,948	3,915	0.8	3,755	4,171
San Juan	3,959	3,990	-0.8	3,892	4,165

p = preliminary r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 3/26/09

## Seasonally Adjusted Unemployment Rates

Next Update Scheduled for April 23

	February 2009 (p)	January 2009 (r)	December 2008 (r)	February 2008 (r)
<b>State Total</b>	<b>5.1</b>	<b>4.6</b>	<b>4.2</b>	<b>3.2</b>
Beaver	5.1	5.0	4.6	3.2
Box Elder	6.2	5.9	5.0	3.1
Cache	4.2	3.7	3.2	2.6
Carbon	5.3	4.3	4.2	3.9
Daggett	3.5	3.1	2.4	3.3
Davis	4.7	4.2	4.0	3.0
Duchesne	5.2	4.1	2.9	2.6
Emery	4.3	3.6	3.5	3.5
Garfield	8.9	9.1	6.3	6.6
Grand	8.2	8.0	6.1	5.9
Iron	6.2	5.9	5.4	3.8
Juab	7.7	7.5	6.7	4.5
Kane	6.1	6.4	5.1	3.3
Millard	4.3	3.7	3.4	3.3
Morgan	5.0	4.2	3.6	3.2
Piute	4.4	4.2	2.9	2.8
Rich	3.9	3.9	3.0	2.4
Salt Lake	5.0	4.4	4.0	3.0
San Juan	8.4	7.5	6.8	6.1
Sanpete	6.8	6.3	5.6	4.0
Sevier	6.4	5.8	5.1	3.5
Summit	4.6	4.1	3.8	2.9
Tooele	5.9	5.3	4.5	3.4
Uintah	4.7	3.2	2.3	2.3
Utah	4.8	4.3	4.0	3.0
Wasatch	5.7	5.0	4.2	3.2
Washington	7.1	6.7	6.1	3.7
Wayne	7.7	7.5	7.1	5.1
Weber	6.2	5.7	5.2	3.8
<b>United State</b>	<b>8.1</b>	<b>7.6</b>	<b>7.2</b>	<b>4.8</b>

p=preliminary r=revised

Source: Utah Department of Workforce Services, Workforce Information