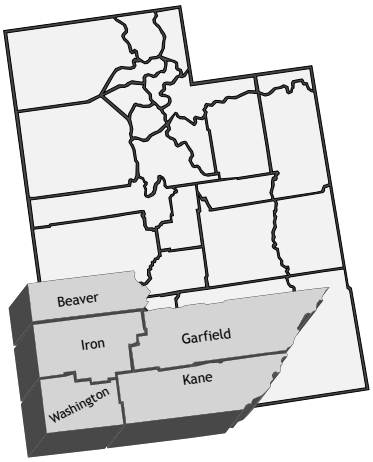
# Workforce News

A quarterly publication of the Department of Workforce Services: issued December 2009

**Southwest:** Beaver, Garfield, Iron, Kane, Washington **jobs.utah.gov**


## Inside:


- **Beaver:** Construction spurs growth
- **Garfield:** Most indicators contract
- **Iron:** Is it over yet?
- **Kane:** Losses getting smaller
- **Washington:** Recovery ahead?

Contact the author, your regional economist, with any questions on content:

Lecia Parks Langston
435-688-3115
lecialangston@utah.gov


# Wages—Make Sure You Get Them Right!

*"I'm taking what they giving 'cause I'm working for a livin'.*
*Hey I'm not complaining 'cause I really need the work*
*Hitting up my buddy's got me feeling like a jerk*
*Hundred dollar car note, two hundred rent.*
*I get a check on Friday, but it's all ready spent."*

Huey Lewis and the News

## What to Pay? What to Accept?

In these times of economic distress, unemployed workers might be tempted to take any job regardless of the wage. On the other hand, employers may be tempted to pay substandard wages because they have such a huge pool of labor from which to choose. However, despite the current economic downturn, those old laws of supply and demand still apply when it comes to wages. Employers—you should still ensure you pay enough to attract and keep quality workers, while still keeping an eye on the bottom line. Workers—you should know what a particular job typically pays in order to guarantee you are being adequately compensated.

## We've Got Wages

Fortunately, the Utah Department of Workforce Services is part of joint effort with the U.S. Bureau of Labor Statistics to survey and report wages by occupation. And, we've recently released new occupational wage data (see the link below to access this data).

First, keep in mind that this wage data will give you a "ball park" wage. Yes, I know, we publish them to the penny, but this is survey data.

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# Wages—Make Sure You Get Them Right! (continued)

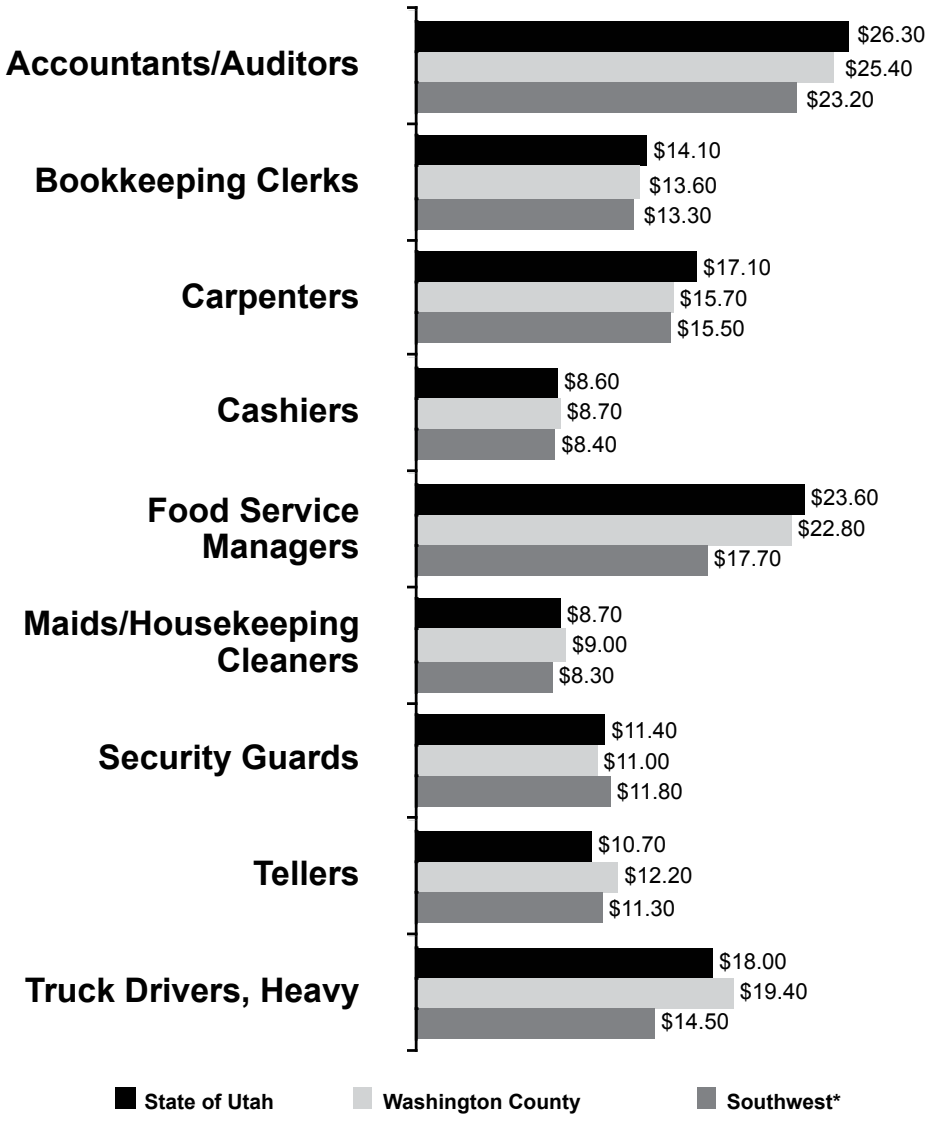
Second, remember there are many ways to look at wage data. You'll probably want to look at "inexperienced wages," if you are hiring someone with little or no experience. Think of this figure as a proxy for a beginning wage. (The inexperienced wage represents the average of the bottom third of worker wages.) The median wage is a better figure if you plan on hiring/paying someone who has average work experience. (The median represents the wage of the absolute middle worker a ranking of wages in that occupation.)

Third, the survey area is important. If you work or hire in Washington County, use the St. George MSA area data. Beaver, Garfield, Iron, and Kane wages are included in the "Southwest" wage area.

Finally, if you need some help finding an occupation or understanding the data, feel free to call the regional economist for your area. (That would be me. See my contact information on the front cover.) WFN

To access Utah wage data: http://jobs.utah.gov/jsp/wi/utalmis/gotoOccwage.do

## Median Hourly Wages for Various Occupations




*Beaver, Garfield, Iron and Kane counties.
Source: Utah Dept of Workforce Services, published June 2009.

# County News

## Beaver County

Countering current U.S. and Utah recessionary trends, employment performance in Beaver County moved from bust to boom in the second quarter of 2009. Like most of the nation in early 2009, the county showed employment losses. While Beaver County's job declines seemed minor compared to the employment hemorrhages in many areas, the county was still contracting rather than expanding.

However, by June 2009, Beaver County was generating boom-level employment gains of 8 percent when compared to June 2008. And while most of the 180-plus new jobs were generated by construction of the new Milford Wind Corridor, other industries joined in the expansionary trend. Mining, construction, and retail trade all made net employment additions to the labor market.

Of course, not all industries shared in the economic joy. Transportation/warehousing, leisure/hospitality services, and local government all showed declining employment. Plus, as construction winds down on the wind farm, so will the current surge in construction-industry employment.

Not surprisingly, Beaver County's unemployment rate seems to have topped out in first quarter 2009. The county's August 2009 jobless figure of 4.6 percent compares favorably with state (6.0 percent) and national (9.7 percent) averages.

As elsewhere, home permitting slowed in Beaver County during the first eight months of 2009. Permit values for nonresidential projects dipped also. However, this decline resulted from comparison to the large wind farm permit in 2008. In addition, gross taxable sales figures were dominated by the wind farm expenditures. Much of the 20-percent year-over increase in Beaver County's second quarter sales can be traced to construction industry spending.

## Garfield County

Employment totals continued to decline in Garfield County between the second quarters of 2008 and 2009. By June, the year-over rate of decline had slipped to almost 6 percent. That represents a loss of roughly 160 jobs. At least for the present, the county's double-digit employment gains of 2008 are just a memory.

Moreover, losses continued among almost all major industries. The federal government showed the only significant employment expansion. In this tourism-dependent county, leisure and hospitality services took the biggest employment hit. However, manufacturing, healthcare/social services, and construction all showed notable employment contraction.

After reaching a recent high in early 2009, Garfield County's jobless rate has eased downward. In August, the unemployment measured 7.2 percent—higher than the state average (6.2 percent), but lower than the national figure (9.7 percent). Seasonal employment patterns related to the tourist season mean Garfield County's jobless rate typically measures above the state average.

Construction permitting continues to reel from the affects of a collapsing national housing bubble—both residential and nonresidential permit values for the first eight

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# County News (continued)

months of the year are down substantially from the same time frame a year ago. Gross taxable sales are also down (3 percent for second quarter 2009), but the declines have mellowed compared to the previous two quarters.

## Iron County

Has Iron County reached the end of the current business cycle contraction? Only time will tell. However, figures for second quarter 2009 suggest that Iron County's economic downturn may have ended in May when job losses hit their lowest level. By June, year-over loses were smaller. If this trend continues, Iron County may be on the road to recovery. Of course, even from the bottom of an economic contraction, there still may be a long road until the county resumes growth.

Despite the first improvement in the year-to-year job comparisons since the county started showing losses, June's figures may appear relatively grim. Employment is still down almost 8 percent from last year, representing the loss of almost 1,300 jobs. As in past months, construction employment contraction lies at the heart of the current malaise. However, manufacturing positions have also been pummeled by the national recession and most other major industries have cut payrolls. The only job gains of note appear to be in private healthcare/social services.

Unemployment rates appear to be moderating, lending credence to the "bottoming out" scenario suggested on the employment side. In August, Iron County's unemployment rate measured 6.7 percent—still higher than the state average (6.2 percent).

While construction permitting continues to show losses, the rate of decline seems to be ebbing somewhat. On the other hand, gross taxable sales show larger rates of decline. Between the second quarters of 2008 and 2009, sales dipped by 17 percent.

## Kane County

At year end 2008, Kane County had added employment for the first time in nearly a year. But, 2009 has seen the Kane County economy flail about with job loss rates in the 4-6 percent range. As with Iron County, the second quarter figures suggest Kane County's economic contraction may be ending. Again, that doesn't mean the county is growing once more, just that the job losses are getting smaller.

June-to-June comparisons show Kane County's employment base down 170 jobs for a loss of almost 5 percent. Most industries shared in the economic pain although construction, other services, leisure/hospitality services, and financial activities experienced the largest employment losses. Government managed the only job addition worth noting.

Kane County unemployment rates do appear to be easing from the recent high of late 2008. The most current rate (August 2009) shows Kane County with a 5.1-percent unemployment rate—lower than both the state and the nation.

Showing continued losses, construction permitting for the first eight months of 2009 is down from the same period in 2008. However, the decreases appear to be moderating. In addition, gross taxable sales made a rousing come-

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# County News (continued)

back from losses shown earlier in the year. Between the second quarters of 2008 and 2009, sales increased by almost 12 percent.

### Washington County

Employment numbers for the second quarter of 2009 seem to confirm that Washington County's employment contraction hit bottom in February 2009. While the worst of the recession may be over, the county continues to show job losses. However, the losses are shrinking rather than mounting, which sets the stage for recovery. Between June 2008 and June 2009—the most recent figures available, Washington County lost somewhat less than 4,200 jobs, for a decline of 8 percent. The low point of the recession was marked by a year-over decline of almost 10 percent in February 2009.

The previously high-flying construction industry continues to take the brunt of the employment losses. Other large job losers include manufacturing, professional/business services (which includes "temps"), and retail trade. Government and healthcare/social services showed sustained employment growth. However, in June, these job winners were joined by leisure/hospitality services, which grew by roughly 1 percent.

Other indicators also continued to show declines. But, here too, a reduction in the size of the decline is apparent. It's just one more sign that the economy has "bottomed out." Construction permitting data continues to contract, but at a slower and slower pace. Gross taxable sales dropped 2 percent in second quarter 2009—far less than the 20-percent decline of fourth quarter 2008.

In addition, while the unemployment rate continued to edge up, the rise paled in comparison to the increases of late 2008. Currently, the county's unemployment rate stands at 7.7 percent (August 2009) compared to 6.0 percent for the state.. WFN

For a more information about these counties, see: **http://jobs.utah.gov/countyinfo**

## What's Up?

For a quick look at your county's current economic information, go to: **http://jobs.utah.gov/countyinfo**, select your county, and then click on ***"Current Economic Snapshot"***

"**Cedar City** is poised to give final approval to the largest development in the city's history. The Cordero development will include commercial space, nearly 8,000 housing units and a 36-hole Jack Nicklaus golf course, and will take 25 to 30 years to complete."

*-The Salt Lake Tribune*

"The RealtyTrac Midyear 2009 Metropolitan Foreclosure Market Report showed that **Provo-Orem, Salt Lake City, Ogden-Clearfield** and **St. George** all rank among the top 60 metropolitan statistical areas with the highest household rate of foreclosure filings nationwide."

*-The Deseret News*

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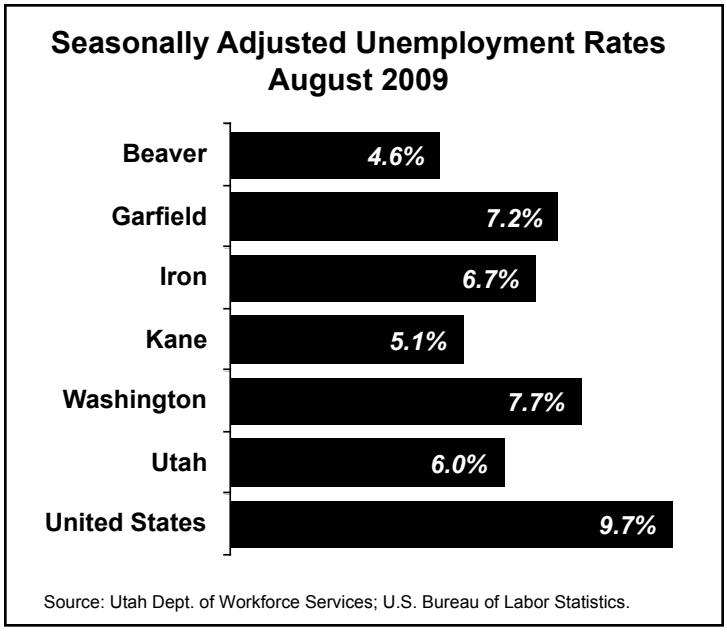


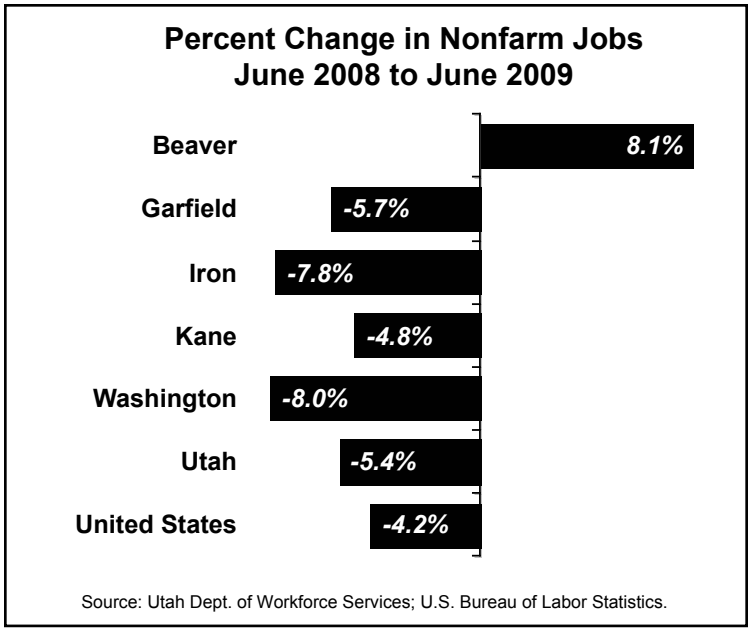


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Department of Workforce Services
140 East 300 South
Salt Lake City, Utah 84111