

# local insights

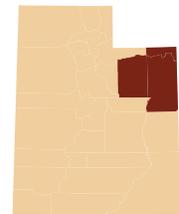


An economic and labor market analysis of the Uintah Basin Area

vol. 3 issue 2 • jobs.utah.gov



## Occupational Employment Outlook for Eastern Utah



BY ERIC MARTINSON, ECONOMIST

Every two years, the Department of Workforce Services produces long-term occupational projections. The value in providing these employment projections is to identify which types of jobs are most likely to be in high demand in the future. The most recent long-term occupational projections are provided for eight sub-state regions. The eastern Utah region is comprised of Carbon, Daggett, Duchesne, Emery, Grand, San Juan, Uintah and Wasatch counties. This article covers what the occupational employment distribution will likely be in 2022 in comparison to 2012.

Projections give our future workforce (typically youth still preparing themselves in school) and employment counselors a sense of which occupations are estimated to offer abundant prospective employment opportunities. Projections can also direct the education community in shaping policies that prepare the future workforce with valued skills that

meet the future employment demand. Ultimately, the long-term employment projections act as a yardstick that individuals and agencies can use to plan ahead.

### Major Occupational Groups

Over 800 occupations are classified and can be categorized into 22 major occupational groups. A look at 2012 base occupational employment estimates and the projected employment growth provides a picture of the eastern region's current labor market and it's projected change.

When the occupational projections are estimated, two aspects are considered. The first is how many replacements within an existing employment base will be needed to account for those leaving a particular occupation. An airline pilot who retires, a waitress who decides to switch occupations to become an accountant or a worker who simply leaves the workforce are a few examples to replace positions within an occupation as vacancies are created. The

### in this issue:

- Occupational Employment Outlook for Eastern Utah..... 1  
*Long-term projections provide a valuable tool for job seekers.*
- Current State of the Economy in the Uintah Basin ..... 6  
*Economic indicators show us what to expect in the coming months.*
- Labor Supply Can Sustain Utah's Growth..... 8  
*Gauging whether Utah's labor supply can support our job growth.*





other aspect of projection estimates are growth openings. These are new positions within new businesses or net additions to already existing operations.

Figure 1 illustrates major occupational groups ranked according to projected employment estimates. The tan (projected employment replacements) and orange (new openings) bars together represent total projected openings. Since the replacement openings will replace workers in the existing 2012 employment base, the gray and tan stacked bars compose the base employment estimates in 2012.

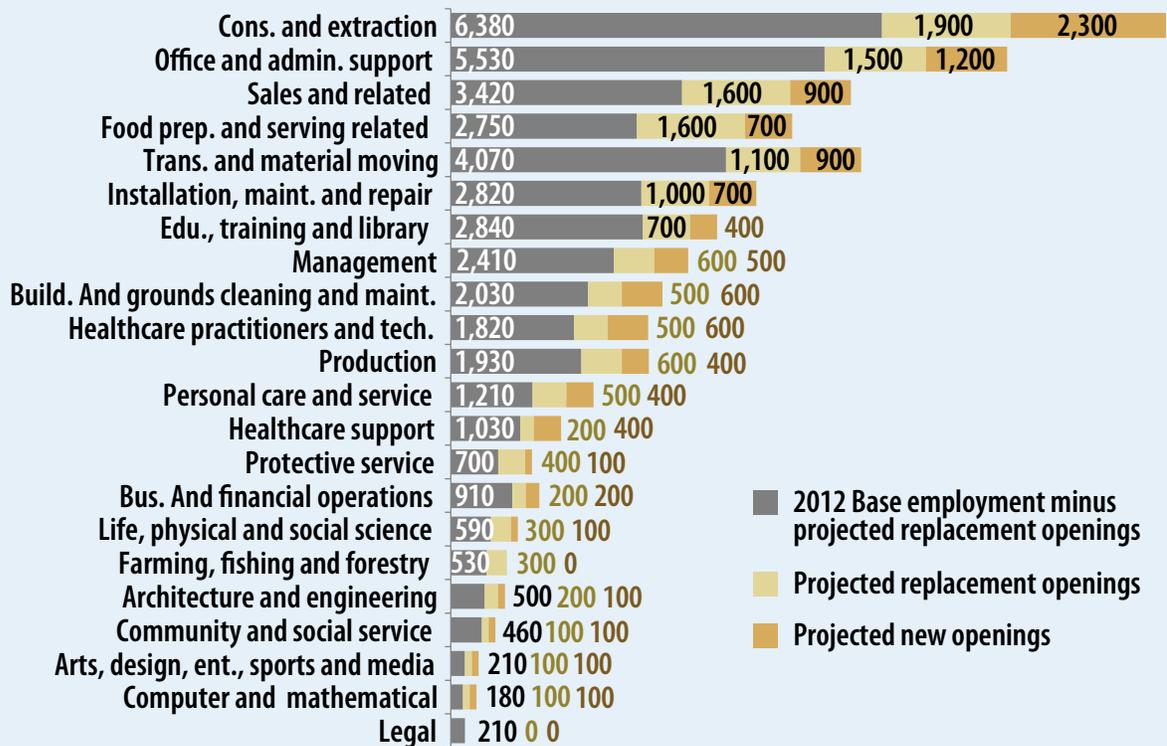
Figure 1 indicates that the largest number of projected openings in the long-term is within the construction and extraction occupation group, with an emphasis upon the heavy presence of oil and gas extraction in the Uintah Basin. If growth continues even in moderate levels, then this occupational group will easily see the greatest overall employment growth, 2,300 new employment positions created by 2022.

Other occupational groups with job availabilities include office and administrative support, which will need about 1,500 replacements and 1,200 new positions. The next fastest-growing are population-driven occupations: sales and food preparation and serving. Fifth on the list is transportation and material moving, an industry that supports natural resource extraction (such as oil, gas, and coal).

### Specific Occupations

Home health aides and medical secretaries are the two occupations projected to grow the fastest from 2012 to 2022, at an annual rate of 7 percent and 4 percent respectively. In fact, five of the twenty fastest-growing occupations are closely related to the health care industry. Interspersed with construction and office and administrative occupations, the remaining fastest-growing occupations are those related to oil and gas extraction (Figure 2).

Figure 1: Projected Employment Growth by Major Occupational Group, 2012



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

Figure 2: Twenty Occupations with the Highest Projected Growth in Employment from 2012 to 2022

SOC Title	Base Employment 2012	Projection Employment 2022	Numeric Change	Percent Change 2012–2022	Total Openings	Median Hourly Wages	Min. Education Typically Required
Home health aides	180	310	130	69.57%	160	\$9.10	Less than HS
Medical secretaries	120	160	50	41.38%	60	\$13.30	HS diploma or equivalent
Telephone operators	110	150	40	40.74%	70	–	HS diploma or equivalent
Carpenters	680	950	270	39.79%	360	\$17.70	HS diploma or equivalent
First-line supervisors of landscaping, lawn service and groundskeeping workers	140	180	50	36.3%	60	\$29.80	HS diploma or equivalent
Billing and posting clerks	180	240	60	35.03%	100	\$14.40	HS diploma or equivalent
Civil engineers	100	140	40	34.31%	60	\$34.00	Bachelor's degree
Industrial machinery mechanics	550	740	190	34.06%	350	\$25.10	HS diploma or equivalent
Service unit operators, oil, gas and mining	870	1,170	300	33.79%	650	\$23.70	Less than HS
Construction managers	240	310	80	31.51%	110	\$36.20	Bachelor's degree
Roustabouts, oil and gas	1,410	1,850	440	31.32%	810	\$17.20	Less than HS
Rotary drill operators, oil and gas	220	290	70	31.19%	160	\$25.90	Less than HS
Derrick operators, oil and gas	180	230	60	31.07%	130	\$22.30	Less than HS
Plumbers, pipefitters and steamfitters	120	160	40	29.75%	50	\$17.90	HS diploma or equivalent
Registered nurses	620	810	190	29.74%	310	\$25.60	Associate's degree
Petroleum pump system operators, refinery operators and gaugers	240	310	70	29.34%	160	\$30.90	HS diploma or equivalent
Wellhead pumpers	270	350	80	29.04%	170	\$22.90	Less than HS
Personal care aides	220	280	60	28.84%	80	\$8.70	Less than HS
Medical assistants	150	190	40	28.38%	70	\$15.50	Postsecondary non-degree award
First-line supervisors of construction trades and extraction workers	890	1,130	250	27.85%	340	\$32.10	HS diploma or equivalent

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

Figure 3: Major Occupation Group, Descending Order by 2022 Employment Estimate

SOC Title	Base Employment 2012	Projection Employment 2022	Numeric Change	Percent Change 2012–2022	Total Openings	Median Hourly Wages	Education Required
Heavy and tractor-trailer truck drivers	2,350	2,860	510	21.69%	890	\$22.40	Postsecondary non-degree award
Cashiers	1,760	1,970	210	11.68%	970	\$8.90	Less than HS
Roustabouts, oil and gas	1,410	1,850	440	31.32%	810	\$17.20	Less than HS
Construction laborers	1,340	1,670	330	24.48	620	\$16.00	Less than HS
Combined food preparation and serving workers, including fast food	1,260	1,550	290	22.82	770	\$8.50	Less than HS
Secretaries and administrative assistants, except legal, medical and executive	1,230	1,520	290	23.44%	440	\$15.50	HS diploma or equivalent
Retail salespersons	1,210	1,500	290	24.3%	710	\$11.60	Less than HS
Office clerks, general	1,140	1,280	140	12.26%	380	\$11.70	HS diploma or equivalent
General and operations managers	1,020	1,230	210	20.87%	400	\$34.50	Bachelor's degree
Service unit operators, oil, gas and mining	870	1,170	300	33.79%	650	\$23.70	Less than HS
Maids and housekeeping cleaners	960	1,140	180	18.36%	370	\$10.40	Less than HS
First-line supervisors of construction trades and extraction workers	890	1,130	250	27.85%	340	\$32.10	HS diploma or equivalent
Operating engineers and other construction equipment operators	950	1,110	160	16.51%	370	\$20.20	HS diploma or equivalent
Janitors and cleaners, except maids and housekeeping cleaners	790	960	170	21.34%	320	\$10.90	Less than HS
Carpenters	680	950	270	39.79%	360	\$17.70	HS diploma or equivalent
Substitute teachers	880	930	60	6.62%	210	\$9.80	Bachelor's degree
First-line supervisors of retail sales workers	750	890	150	19.87%	310	\$14.60	HS diploma or equivalent
Waiters and waitresses	740	840	110	14.21%	460	\$10.40	Less than HS
Registered nurses	620	810	190	29.74%	310	\$25.60	Associate's degree
Bookkeeping, accounting and auditing clerks	650	780	130	19.82%	190	\$16.20	HS diploma or equivalent

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

### Educational Attainment

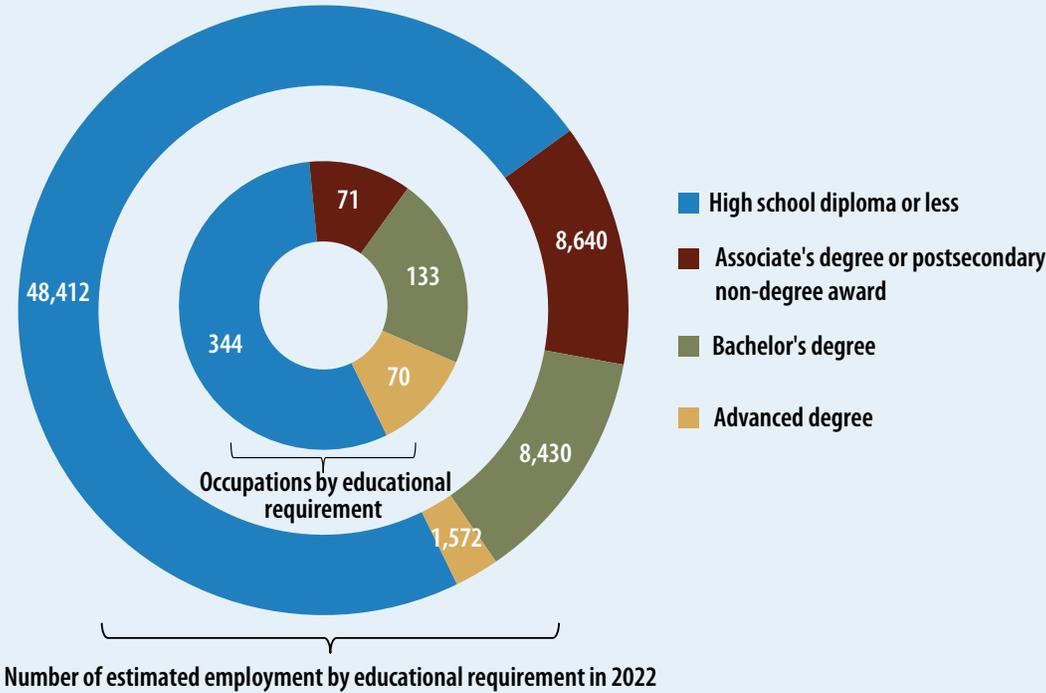
Included with the occupational employment projections are educational attainments typically required to enter particular occupations. Figure 4 illustrates how occupations and occupational employment estimates are distributed among educational attainment groups. The inside doughnut in figure 4 has occupations separated by educational requirement. By 2022, there will be 344 occupations (not jobs, but types of jobs) in the eastern region that would typically require, at most, a high school diploma. This amounts to 57 percent of all occupations in the region. Seventy-one (12 percent) will typically require at least an associate degree; 133 will require a bachelor's degree (22 percent); and 70 (11 percent) will require an advanced degree (Master's, doctoral or professional).

The outside doughnut illustrates the distribution of these educational attainment requirements in terms of actual

employment counts. The 344 occupations that require, at most, a high school diploma will represent 48,412 jobs. Just over half of all occupation-types requiring, at most, a high school diploma will represent 7 out of every 10 jobs in the eastern region. This makes sense given the micro-economies in eastern Utah: oil and gas in the Uintah Basin, coal mining in Castle Country, and tourism and recreation in Wasatch County and southeast Utah. The major share of jobs in each of these industries typically do not require high education level. While 33 percent of all occupation-types in eastern Utah require at least a bachelor's degree, this represents only 15 percent of all jobs in the region.

Occupational employment projections allow for effective planning within labor market initiatives and education policy. Employment in the eastern region will continue to highlight growth in occupations that support broad demand for energy, along with occupations driven by population growth.

Figure 4: Occupations and Employment Estimates by Educational Attainment



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



## Current State of the Economy *in the Uintah Basin*

BY ERIC MARTINSON, ECONOMIST

Employment is up in the Uintah Basin. In Daggett, Duchesne, and Uintah counties combined, employment during the first quarter of 2014 grew at an annual rate of 3 percent, a gain of almost 700 jobs. Over one-third of the employment increase came from gains in Duchesne County. Overall, mining employment totals were higher in both Duchesne and Uintah, the main source of job gains in the Basin over the past year. The unemployment rates in Duchesne and Uintah counties remain among the lowest in the state, and initial unemployment claims continue to remain at prerecession levels.

### Duchesne County

Total nonfarm payroll employment in first quarter 2014 grew by 5 percent year-over-year and payrolls were up 11 percent. Every major industry group added to first quarter payrolls with the exception of leisure and hospitality, which lost 20 jobs. About 320 of the 470 jobs gained were in the goods-producing sector, with mining accounting for most of these. Mining was up 13 percent for the quarter; construction employment did not move much, up 1 percent from last year; manufacturing picked up 30 jobs, an 18 percent increase.

The services-providing sector grew by 150 jobs, representing a 3 percent jump in employment year-over-year. Retail trade, adding over 130 jobs, was the main source behind the services job growth, along with wholesale trade, up 25 jobs compared to last year. These more than made up for employment losses in transportation and warehousing, and leisure and hospitality. The transportation and warehousing industry continued to shed employment, dropping by 5 percent.

Duchesne's unemployment rate for June was 2.9 percent, the third lowest in the state, and 0.6 percentage points below the state's unemployment rate. Initial unemployment claims, a guiding factor in determining unemployment rates, have been trending near prerecession levels during 2014.

First quarter taxable sales were down slightly, 4 percent lower compared to first quarter 2013 taxable sales growth has currently plateaued.

### Uintah County

First quarter 2014 payroll employment in Uintah County was up 1.4 percent, or 200 positions, compared to last year's first quarter. Payrolls added 2 percent year-over-year. The addition of jobs is a welcome sign given that the previous four quarters of Uintah County payroll employment saw slight job losses.

The majority of the job gains came from the mining (oil and gas extraction) industry, which added 250 positions to its payrolls. Other industries that grew included trade, transportation and utilities, information, educational services, and other services.

Construction industry employment continued to suffer setbacks, losing 130 jobs, a drop of 12 percent compared to first quarter 2013. Employment in professional and business services, financial activities, and leisure and hospitality also slipped on a year-over basis.

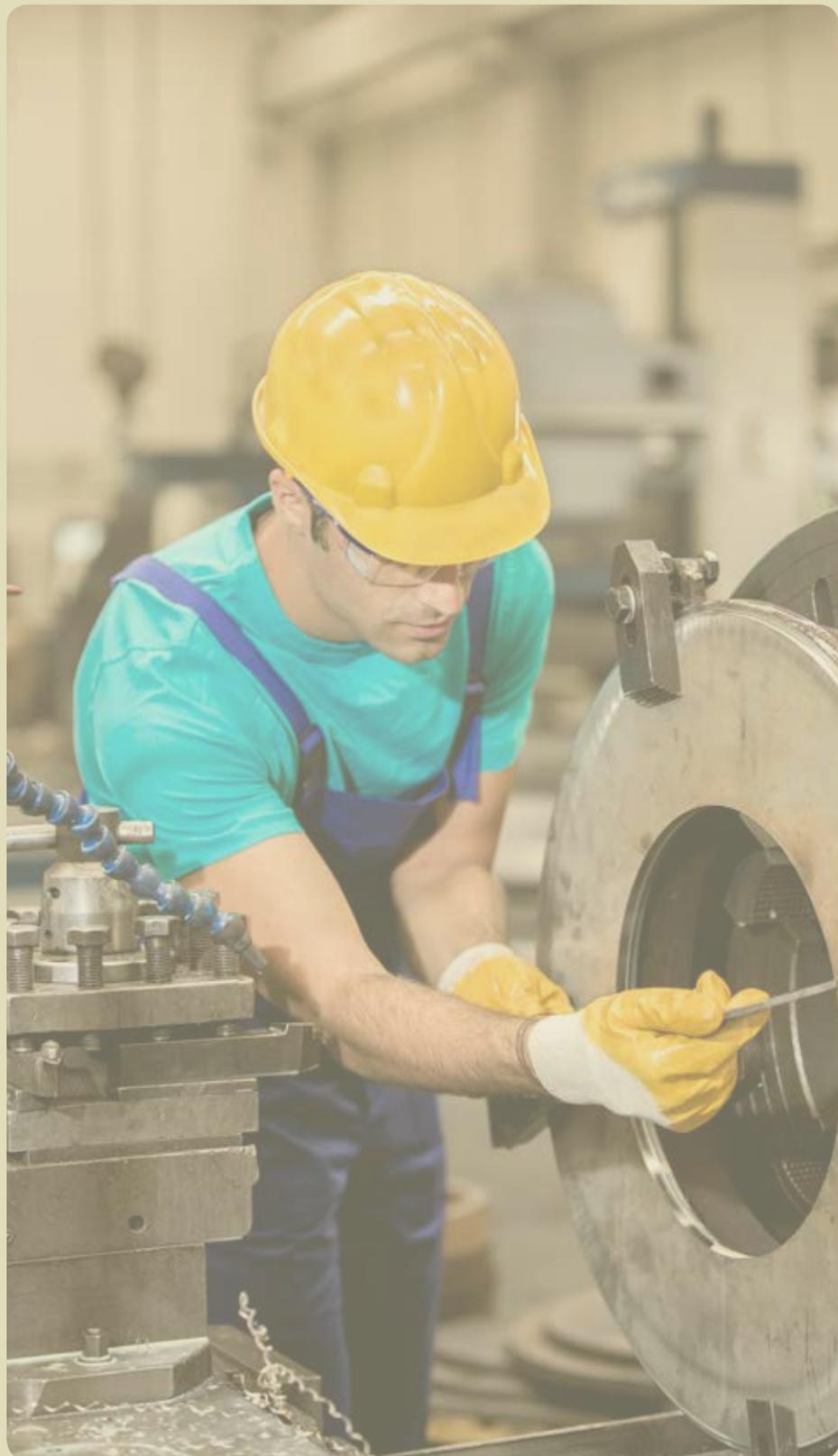
The unemployment rate for Uintah County, the fifth-lowest in the state, was 3.0 percent in June 2014. Initial unemployment claims, at a four-week moving average, appear to be following a pattern that

is an improvement compared with the claims series from 2013. The largest industry source for initial claims during 2014 has been from mining, though the claims against mining have decreased during the second quarter.

A gauge of consumer (households) and investment (businesses) sentiment, taxable sales appeared in the positive on a year-over basis, up 1.6 percent. The state's year-over change in first quarter taxable sales was 2.2 percent.

### **Daggett County**

Total first-quarter payroll employment has grown by 4.5 percent as payrolls added 14 jobs to Daggett County. All gains came from the services-producing sector, specifically within leisure and hospitality. This is a reverse of a downward trend on an annual basis for much of the past decade. Hopefully leisure and hospitality, an important component to Daggett's private payroll employment, will continue to increase throughout the rest of 2014. The unemployment rate for Daggett County as of June 2014 was 3.8 percent.





Workforce Services  
 Workforce Research and Analysis (WRA) Division  
 140 E. 300 S. • Salt Lake City, UT 84111  
 Equal Opportunity Employer/Programs

Presorted Standard  
 US Postage  
 PAID  
 SLC, UT  
 Permit # 4621



**localinsights**

**jobs.utah.gov/wi/topjobs/**

*Executive Director:* Jon Pierpont  
*Director, WRA:* Carrie Mayne  
*Supervising Economist:* Mark Knold  
*Editor:* Nic Dunn  
*Designer:* Reason Robles  
*Economist:* Eric Martinson  
 emartinso@utah.gov • (801) 526-9404  
 To subscribe or request a copy, please  
 call: 801-526-9785

# Labor Supply Can Sustain Utah's Growth

BY MARK KNOLD, SUPERVISING ECONOMIST

The Utah economy is growing, which means more jobs now than at this time last year. In order for an economy to add jobs, additional workers must be available. Without an adequate labor supply, an economy's growth potential becomes constrained. Fortunately, Utah has enough labor to sustain its current above-average job growth for several more years.

An economy gains workers through three avenues. One is a youthful supply aging into the job market every year—which isn't a problem for Utah. Our yearly net labor force gain (entrants minus retirements/deaths) is 20,000 to 23,000. Next, there are workers already of labor force age who either enter or re-enter the labor force. Lastly there is in-migration—labor that comes to Utah from other states or nations.

The recession caused no net Utah job growth between 2008 and 2013. At the same time, Utah's natural labor supply (births minus deaths) grew by approximately 100,000. That surplus labor embodies what the 2014 economy has to draw from, and is the fuel for sustaining Utah's current job growth over the next several years.

Currently, there is little evidence of a strong labor flow migrating into Utah, so most of the new jobs are filled in-house. Each year, roughly 20,000 additional young workers age into the labor force. Utah's economy is expected to expand by approximately 42,000 jobs in 2014. Therefore, our economy in 2014 will draw

upon than just these first-time entrants. About 24,000 of those recession-idled 100,000 must be drawn back to the job market. If this process were to be repeated for the next several years; on paper, all 100,000 recession-idled laborers would be returned to the Utah job market by 2018.

Utah still has a sizeable labor pool, and even without significant in-migration in the immediate future, Utah is in a position to sustain its current above-average job growth for several more years. Economic interaction doesn't remain static though. As the nation's economy improves, one expects that in-migration will be an increasing factor for Utah going forward, supplying even more workers for a potentially longer dynamic growth period.

While individual regions may experience variations from the above postulation—for example, the Uintah Basin may see more labor in-migration than other areas—the desire is that a growing Utah economy will experience sustained labor availability, and growth will find its way into all regions of the state.

**“Without labor nothing prospers.”**

— Sophocles, Classical Athenian Playwright