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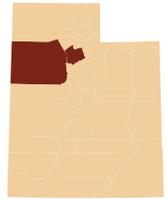


An economic and labor market analysis of the Wasatch Front South Area

vol. 3 issue 2 • jobs.utah.gov



2012 to 2022 Salt Lake City Metropolitan Occupational Projections



BY JIM ROBSON, ECONOMIST

The Department of Workforce Services (DWS) has published new ten-year occupational projections covering the period from 2012 to 2022. The Salt Lake City Metropolitan Occupational Projections encompass Salt Lake, Summit and Tooele Counties. Job seekers, students, career counselors, parents, educators, and trainers use the projections to gauge future demand for occupations given expected industry trends over ten years, allowing them to make informed decisions.

The ten-year occupational projections do not try to anticipate year-to-year fluctuations in economic activity. Instead, expected structural changes and trends in the economy are used to determine the relative growth and demand among occupations over the coming decade. One major DWS assumption in the projections is that the economy will be at or near “full employment” by 2022, which is to say, that economic production is expected to be near its potential by the end of the projection period.

Occupational Employment Growth

The projection results provide four measures that are used to reflect the future demand or relative job opportunities afforded by specific occupations. These are numeric change and percent change in employment from 2012 to 2022, and the average annual openings due to either the growth in employment or replacement of workers who have left an occupation.

First, percent change allows growth comparisons between occupations. Figure 1 divides all occupations among 22 occupational groups sorted by percent change to show which occupations are the fastest growing regardless of the occupation’s base-year size. The four fastest-growing occupational groups will increase by 30 percent or more. These are healthcare support, healthcare practitioners/technical, education/training/library, and computer/mathematical occupations.

Notice how rankings of occupational groups change when they are ordered by numeric change instead of percent

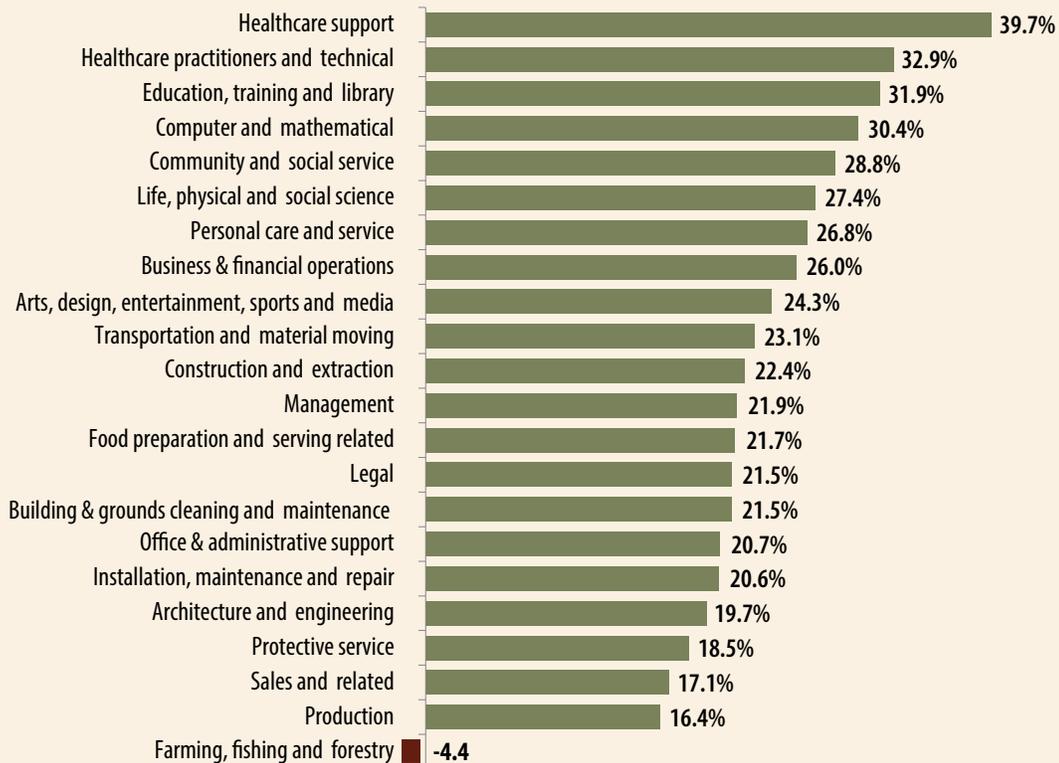
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Gauging whether Utah’s labor supply can support our job growth.

With 26,300 new jobs, office and administrative support has by far the largest numeric increase from 2012 to 2022.



Figure 1: Salt Lake City Metro Area Percent Change in Employment by Major Occupational Group Projected from 2012 to 2022



change (Figure 2). With 26,300 new jobs, office and administrative support has by far the largest numeric increase from 2012 to 2022. In Figure 1, office and administrative support was 16th of the 22 occupational groups with a 20.7 percent growth rate, yet will provide the most number of new jobs. Office and administrative support have the largest number of jobs in the base-year of 2012 and in the 2022 projection, adding the most new jobs even with a relatively modest growth rate.

Turning to individual occupations, Figure 3 shows the 15 fastest-growing occupations. Each of these occupations will increase by at least 49 percent over the 10-year projection window. Most of these fast-growing occupations are related to healthcare, engineering or science. All of these fast-growing occupations are, however, relatively small in size. The largest of these is listed 10th, market research analysts, with a 2012 base-year employment of 3,030 and projected 2022 employment of 4,700, or a ten-year increase of 1,670 jobs.

Figure 4 lists the 15 occupations with the largest number of new jobs over the projection period. These are relatively large occupations, so their percent growth rates are generally less

than the smaller, fastest-growing occupations. Nonetheless, these occupations provide more new job opportunities from growth over the projection period. Some of these occupations are common among large industries like retail trade, food services, healthcare or construction. A large occupation like accountants and auditors is found in all industries and types of businesses.

Job Openings—Replacement and Growth

The most widely used projection results for career exploration are the total number of expected job openings by occupation. This is a measure of future demand. In addition to new jobs because of economic growth, there are about the same number of openings from the need to replace workers who have vacated existing jobs. Workers exit an occupation to retire or otherwise leave the labor force, or to move to another occupation. Over the 10-year projection horizon there are a total of 154,500 jobs expected due to new growth, and an additional 154,400 for replacement within existing jobs.

The 15 top occupations in the Salt Lake area with the most job openings in the coming decade are shown in Figure 5. Most of

Salt Lake City Metro Area

Figure 2: Numeric Change in Employment by Major Occupational Group Projected from 2012 to 2022

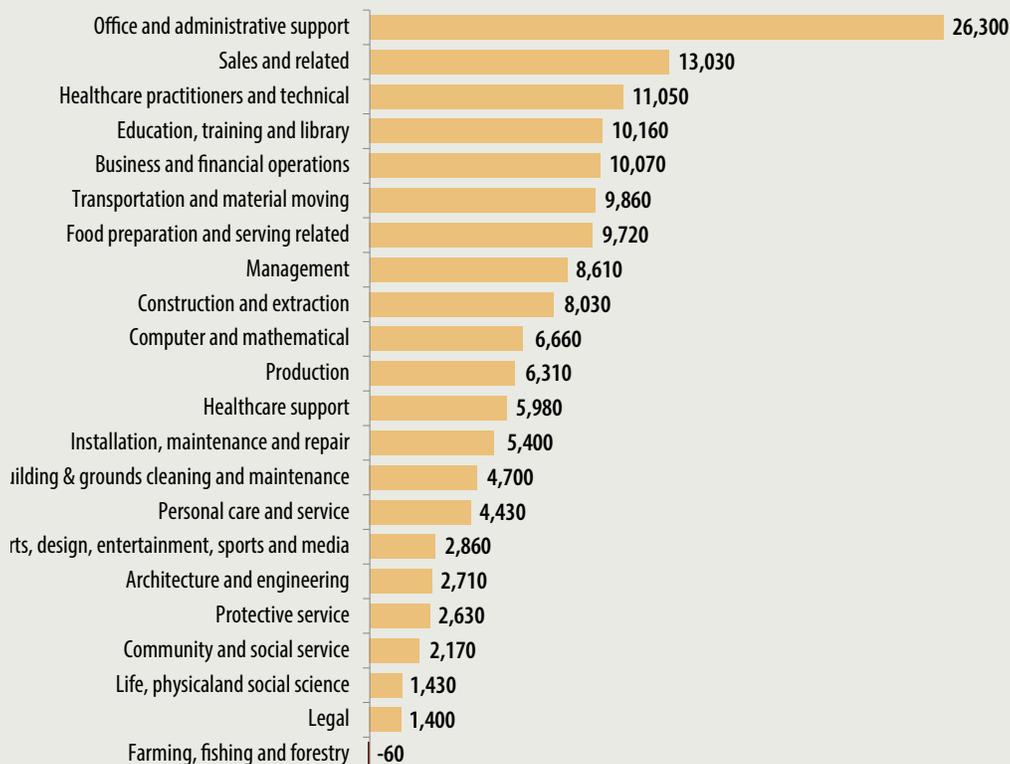
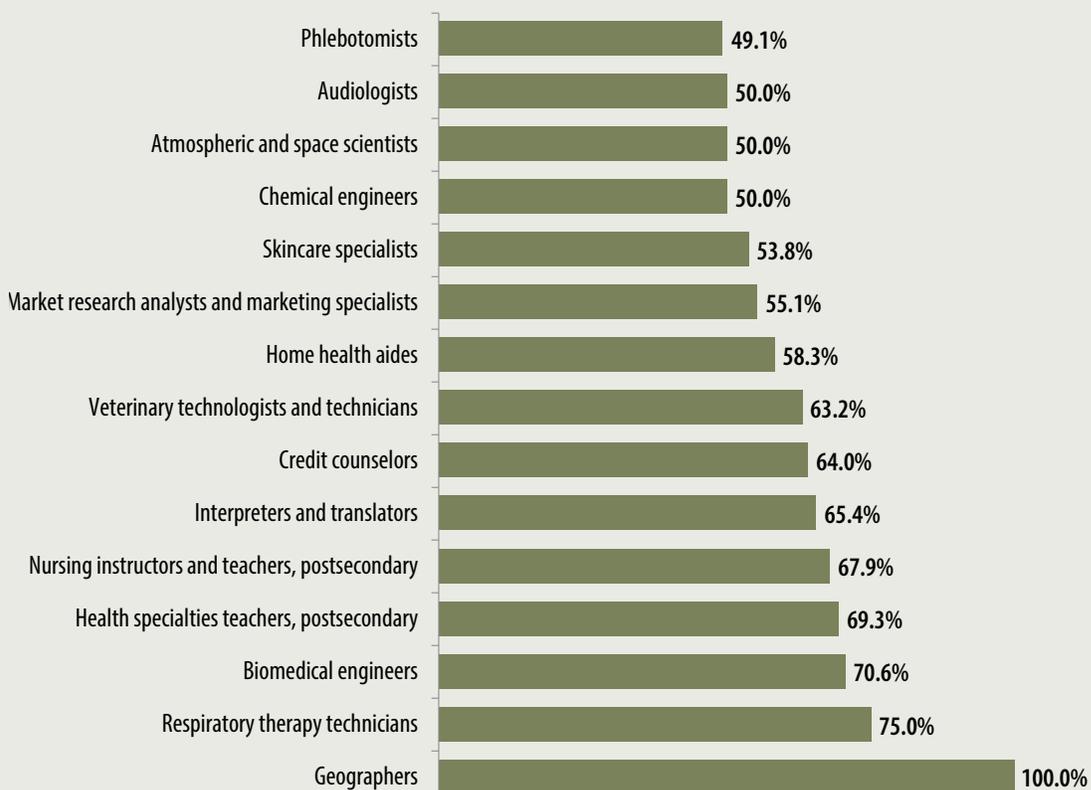


Figure 3: Occupations with the Largest Percent Increases in Jobs Projected from 2012 to 2022



Salt Lake City Metro Area

Figure 4: Occupations with the Most New Jobs from 2012 to 2022

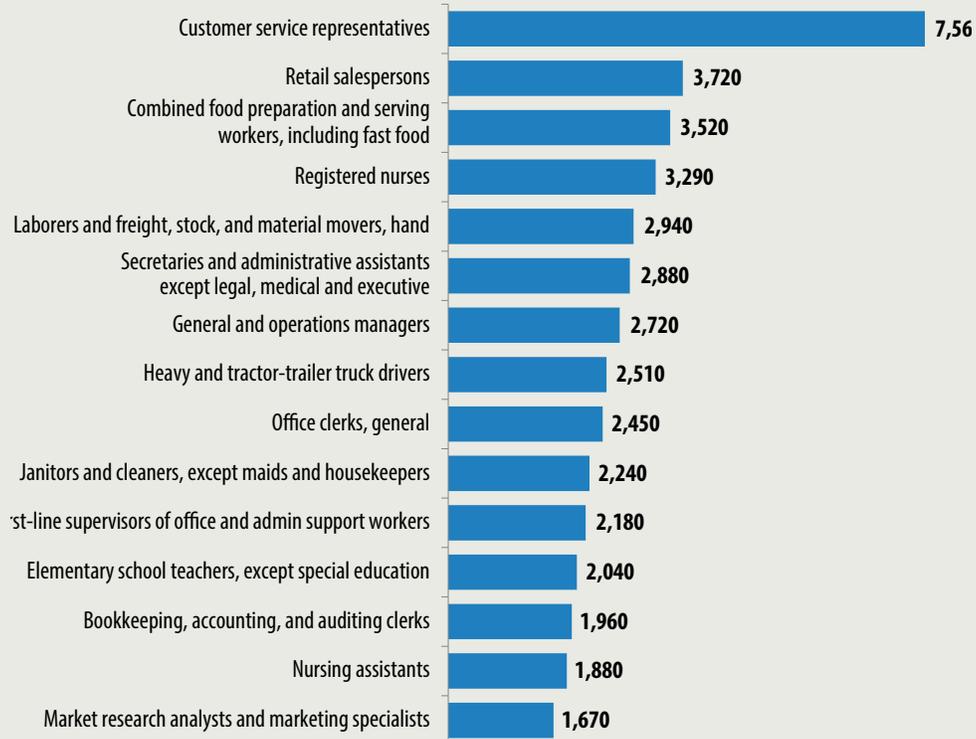
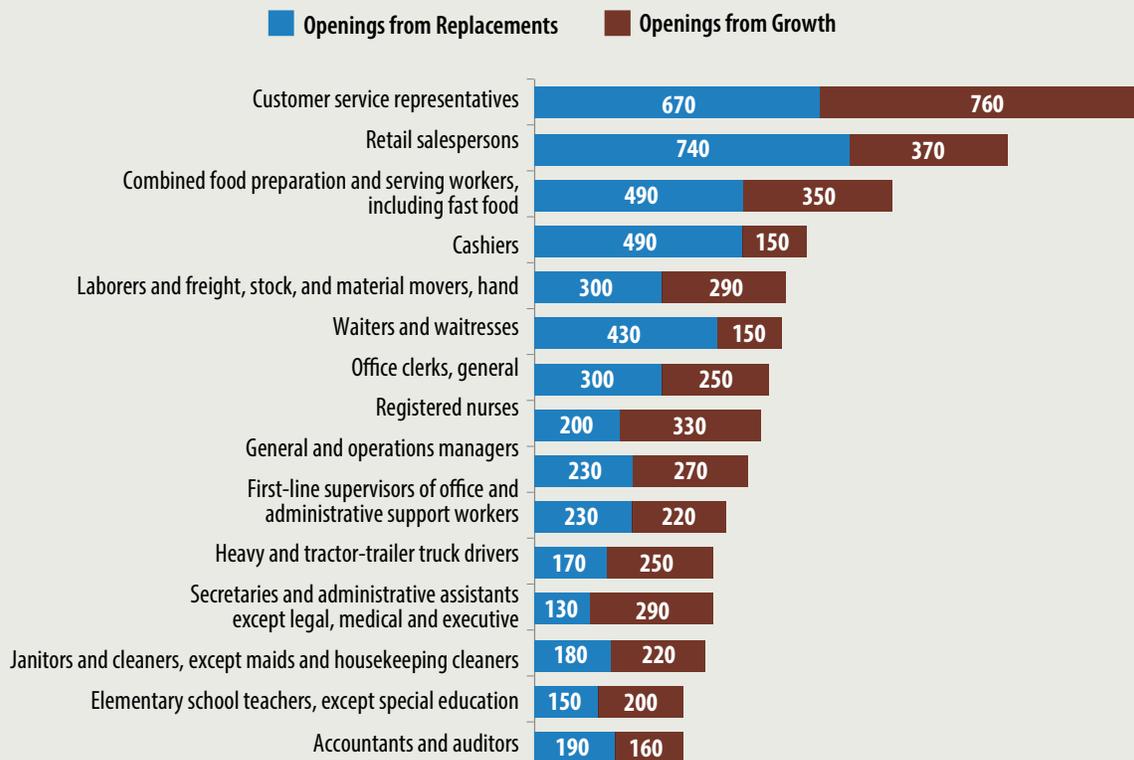


Figure 5: Occupations with the Most Annual Job Openings Projected from 2012 to 2022



these occupations are found among retail trade, food services, office management, office support, healthcare, and education industries.

Career Preparation, Education and Wages

The Salt Lake City area occupational projections provide profiles for over 500 distinct occupations. In general, occupations with higher education and training requirements tend to provide higher wages.

The U.S. Bureau of Labor Statistics (BLS) categorizes career pathways to enter an occupation using three dimensions: (1) education, (2) work experience in a related occupation and (3) typical on-the-job training. Although occupations may have more than one pathway, only one path—the one most prominent—is assigned as typical. This pathway shows how to prepare to enter a

given occupation and become proficient.

When evaluating the desirability of an occupation, wages are usually a top consideration. The occupational projections include wage statistics for comparative purposes and a star rating system, indicating which occupations have numerous openings and high wages. The rating system has one to five stars, with a five star rating signifying occupations with a combination of high wages and a high number of openings.

For more information on the Salt Lake City Metropolitan area occupational projections 2012 to 2022 visit <http://jobs.utah.gov/wi/pubs/outlooks/index.html>



Current State of the Economy in Wasatch Front South

BY JIM ROBSON, ECONOMIST

The Wasatch Front South Service Area labor market began 2014 with healthy year-over employment growth of 2.7 percent, somewhat less than the robust average growth of 3.2 percent for 2013. There was job growth across most industrial groups with four exceptions, mining, federal government, manufacturing and utilities. The region's unemployment rate was around 3.5 percent by mid-year compared to 4.2 percent a year earlier.

Salt Lake County

Year-over job increases continue across 16 of 19 industrial sectors as shown in Figure 6. Overall nonfarm payroll employment grew by 2.8 percent from March 2013 to March 2014. Total jobs in March 2014 were 631,831, an increase of 17,260 jobs in the last 12 months.

The most new jobs are being created in state government, professional/scientific/technical services and administrative support services.

The state government increase of 3,621 jobs, growing by 8.9 percent from a year earlier, is somewhat surprising at first glance.

In fact, most state government agencies show no significant job growth or even have small reductions. Over the previous year ending in March 2014, the growth in state government was found in two areas—higher education and the University of Utah Hospital system. In Salt Lake County—state colleges, universities and technical schools added 2,820 jobs and the University Hospital and clinics added 943 jobs. Together, all other state government functions had a net loss of 142 positions in the county.

In the private sector, within professional/scientific/technical services a substantial number of the job opportunities are in accounting/bookkeeping, architectural, engineering, computer systems design and management/technical consulting. Within the administrative support services, most of the new jobs created were in telephone call centers.

Of 19 major industrial groups listed in Figure 6, three shed jobs from March 2013 to March 2014. Mining employment was down by about 679 jobs, with much of the decline related to the major landslide in April 2013 at the Bingham Canyon Kennecott Copper Mine and some reduced need for construction-related mining activities. Manufacturing had reductions of

Figure 6: Payroll Job Change by Industry from March 2013 to March 2014

Industry	Salt Lake County		Tooele County	
	Count	Percent	Count	Percent
State government	3,621	8.9%	1	0.5%
Prof/sci/tech/hq*	2,773	4.7%	-93	-14.3%
Admin support/waste**	2,400	5.4%	-364	-22.3%
Finance and insurance	1,882	4.9%	-1	-0.5%
Local government	1,843	4.3%	-17	-0.7%
Accommodation and food	1,390	3.1%	-17	-1.4%
Healthcare/social services	809	1.4%	-1	-0.5%
Transportation/warehousing	687	2.5%	-17	-0.7%
Trade	560	0.6%	-17	-1.4%
Real estate/rental/leasing	443	4.9%	-3	-2.8%
Other private services	402	2.1%	-4	-1.0%
Private education	399	3.3%	3	2.2%
Arts/entertainment/recreation	307	4.2%	58	25.3%
Information	268	1.5%	-23	-14.9%
Construction	137	0.5%	123	16.8%
Federal government	65	0.6%	-188	-12.6%
Manufacturing	-21	0.0%	-75	-4.4%
Utilities	-50	-3.4%	-1	-4.2%
Mining	-679	-19.2%	11	15.3%
Total	17,260	2.8%	-488	-3.2%

*Prof/sci/tech/HQ — Professional/scientific/technical services and management of companies (headquarters)

**Admin support/waste — Administration and support/waste/remediation services

870 in computer and electronic product manufacturing. On the manufacturing plus side, there were more than 621 new jobs added to medical equipment and supply firms and 295 addition position in food manufacturing. Utilities shed 82 jobs. Construction employment grew by 137 jobs. Residential construction activities added employment (+429 positions), and all other construction activities reduced employment by 292.

Unemployment

The seasonally adjusted unemployment rate in Salt Lake County has continued to come down in 2014. At mid-year there were about 20,500 unemployed. The unemployment rate was about 3.6 percent compared to 4.3 percent at the same time last year.

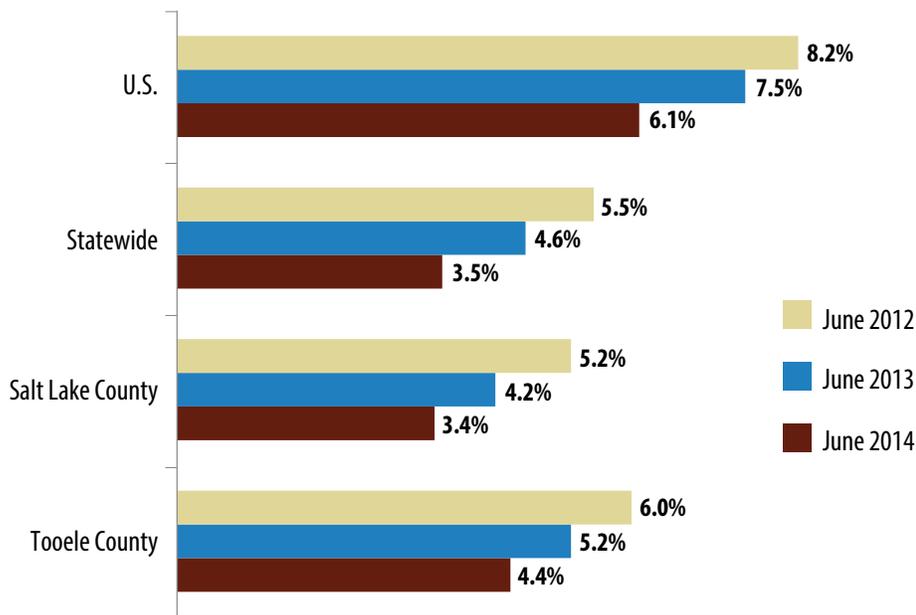
The stabilization, improvement and expansion in the Salt Lake County labor market since the middle of 2010 have been reflected in the gross taxable sales figures.

For 16 consecutive quarters, starting in the second quarter of 2010 and going through the first quarter of 2014, the Salt Lake County year-over change in sales tax collections has been positive. However, first quarter 2014 year-over taxable sales were up a weak 0.7 percent, down from just 1.7 percent growth rate of fourth quarter 2013.

Tooele County

Tooele County’s own job recession continues into 2014, with year-over job

Figure 7: June 2012, June 2013 and June 2014 Unemployment Rate Comparison



losses of 488 for the 12 months ending in March 2014. The three largest job reductions occurred in administrative support/waste management services decreasing by 364 jobs, the federal government shedding 188 jobs and professional/technical and headquarters declining by 93. Many of these losses stem from the direct and indirect effects of the Deseret Chemical Depot closure which is now complete.

The three industries showing the largest March 2014 year-over employment increases include construction (+123), transportation and warehousing (+108), and arts, entertainment and recreation (+58). Overall, nonfarm payroll employment totaled 14,950 in March 2014. This is the lowest job count for the month of March since 2006.

As part of the greater Salt Lake City Metropolitan Area, Tooele County residents have access to the Salt Lake County job market. Salt Lake's current

relative strength provides support to Tooele County residents. In the summer of 2012, the unemployment rate was around 5.9 percent, improving throughout 2013 to record a rate of 5.0 percent in December 2013. As of June 2014, there are about 1,340 unemployed Tooele County Residents looking for work and a jobless rate of 4.4 percent. This unemployment rate will likely change little in the coming months.

Gross taxable sales declined by 3.2 percent in the fourth quarter 2013 compared to fourth quarter 2012. First quarter 2014 sales were down again by 2.9 percent on a year over basis. This is the sixth consecutive quarter with year-over reductions.

Outlook

Overall for the Wasatch Front South (Salt Lake and Tooele Counties), continuing healthy job growth and improving labor market characterizes economic conditions through 2014. In 2013, payroll employment averaged 639,738 jobs in

this region. The improving labor market brought down the unemployment rate to about 3.5 in summer of 2014. The jobless rate will likely continue to range between 3.2 and 3.8 percent through the remainder of 2014.

The 2014 job outlook in the Wasatch Front South area is expected to show overall employment growth of around 2.6 percent, adding an additional 15,500 to 17,500 jobs. Substantial job increases should come from professional/scientific/technical services, state higher education, administrative support and financial activities.



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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*