

Third Quarter 2010 New Hire Survey

Average hourly wage for newly hired employees was \$13.39



The Department of Workforce Services (DWS) surveyed a random sampling of Utah employers who hired a new employee during the third quarter of 2010. Employers were asked a number of questions about their new hire; questions designed to provide insight as to how the employee was recruited, compensated, and if they were retained, among other information.

Intuitively, one might speculate that employer hiring stalled during the third quarter of 2010 since the state

and national economic environments were still experiencing ill effects from the most recent recession. The truth is that much of the employer demand for labor persisted during the referenced quarter. However, it was offset by job separations and therefore not reflected as net job growth.

There was an estimated 121,243 new hires in Utah during the third quarter of 2010 (the Census Bureau's Local Employment Dynamics program has a slightly more expansive definition of a 'new hire' and estimates that

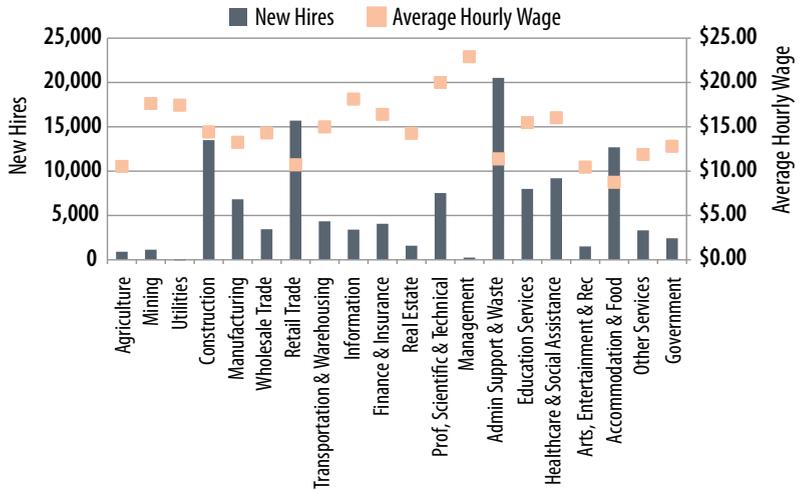
there were a total of 177,252 new hires during that time).

Survey Highlights

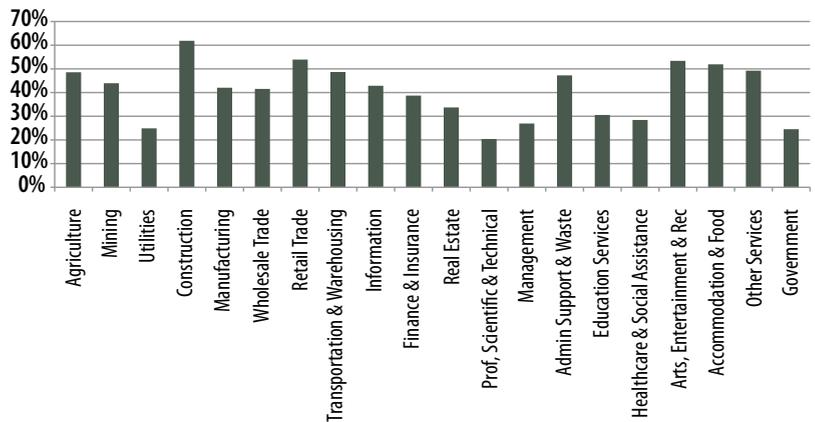
- The average hourly wage for newly hired employees was \$13.39. Average hourly wages for the accommodation and food services industry was \$8.75 an hour and management of companies and enterprises industry was \$22.90 an hour.
- Fifty-three percent of new hires were appointed to full-time positions.

Third Quarter 2010 New Hires and Average Hourly Wages

- Eighteen percent of the new hires were employed on a temporary or seasonal basis.
- Approximately 51 percent of the new hires were found in construction, retail trade, administrative support, waste management services, accommodation and food services. These industries generally experience a higher-than-average turnover, meaning that the demand for new hires was likely fueled by the need for replacement labor.
- The administrative support and waste management services industry housed almost 17 percent of all new hires during the referenced period. Included in this industry are temporary help and staffing services companies, which are usually the first to experience an increase in hiring activity following an economic downturn.
- Only 55 percent of the newly hired employees remained employed by the hiring organization one year later. This indicates that at least for the positions that were filled by the newly hired employee, employment longevity is not standard. As seen in figure 2, separation statistics vary considerably by industry.
- About 65 percent of all newly hired employees discovered the job opening through networking or word of mouth. Likewise, over 42 percent of employers stated that a referral from a friend, family member, or previous employee was one of the most influential factors of the hiring decision. These statistics suggest that informal channels of job search and job matching remain prevalent in the labor market. ①



Percent of Third Quarter New Hires Separated One Year Later



*For additional information on the DWS
New Hires Survey contact Nate Talley
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