

Utah's

Businesses

by Employment Size



*Over 80 percent
of businesses
are located
along the
Wasatch Front.*

80,000 Worksites

That's how many physical places of employment there are in Utah. These 80,000 worksites collectively employ about 1.2 million workers on payrolls in the state. How these businesses and employees are distributed across the state and its industries is the theme of this article. Utah is a big state geographically but most of its economic activity is concentrated along the Wasatch Front. In fact, over 80 percent of all jobs and businesses are within a 50-mile radius of Salt Lake City.

DWS is the Keeper of Employment Data in the State

How do we know of these 80,000 worksites? Well, it's through their reporting of employment and wage data under Utah's Unemployment Insurance legislation. Each quarter, reports are received from all of these businesses and the information is organized in many different ways. For this size of firm analysis, a firm's count of employees is classified into eight employment size groups giving us the starting point for the report.

Three of Four Companies in Utah are Very Small and Don't Claim a Large Share of Total Jobs, While Large Firms are in Just the Opposite Position

Three quarters of all establishments in Utah account for just 13.2 percent of all the jobs in the state (see the graph). That means that in 2011, 60,000 of Utah's 80,000 employers reported fewer than 10 workers on their payrolls. Workers at those 60,000 establishments accounted for 157,000 of the total 1.2 million payroll employees in the state. Also, this group accounted for 11.6 percent of the total dollars paid-out in Utah during 2011. Utah is not unique in the size composition of its employment. This distribution is very similar nationally and in other states.

While the largest companies account for a tiny percentage of the number of businesses, they contribute significantly to total employment and wages. The largest 62 companies, those with 1000 or more workers, claim a 0.04 percent share of the total 80,000 worksites, yet employ 11.8 percent of the total 1.2 million workers. These 1000+ employers dispense \$1.7 billion in wages, which was 15 percent of Utah's total payroll of \$11.4 billion in 2011. You would recognize many of the 62 companies with 1000+ workers. Almost all of these large employers are

concentrated in the Wasatch Front. Salt Lake County has 37 of the total 1000+ firms, followed by Utah County (7), Weber County (6), and Davis County (3). Outside the metro area, Cache County has 5 and Box Elder, Iron, and Washington counties all claiming less than 5 employers with 1000+ workers.

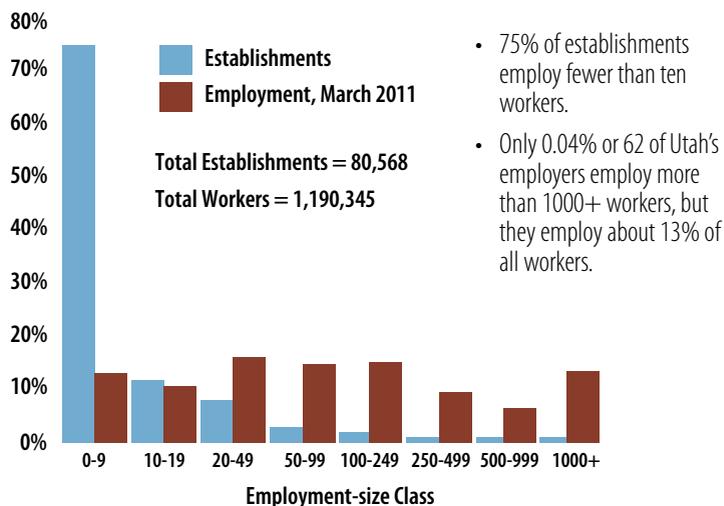
What Size Employers Account for the Level of New Jobs Created in Utah?

Do the small employers, for example those with less than 10 workers, contribute the bulk of new jobs, or is it some other size grouping that added more new jobs? To get an idea of which establishment size group contributed the most new jobs, the employment by size group for 2011 was compared to the corresponding size group employment counts for 2000. Total employment in March of 2000 was 1,062,412 and employment grew by 127,933 through 2011. Companies with 50-99 workers contributed the most new jobs—27,800—over that 11-year period. In fact, where that size group share of total employment in 2001 was 14.8 percent, its corresponding share of total new jobs between 2000 and 2011 rose to 21.7 percent, a much larger share. Very small firms (less than 10 workers) added 18,400 new jobs, or 14.4 percent of the total. The largest companies (1000+) added about 8,400 employees (6.5 percent of total new jobs), much less of their share of 13.4 percent total employment (13 percent v. 6.5 percent). See the chart for the contribution of new jobs by employment size group. From the review, a pattern of either small or large establishments significantly contributing to the new jobs count was not apparent.

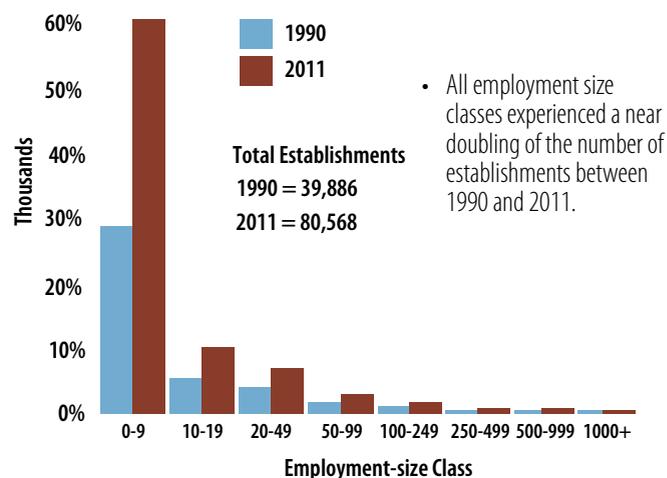
In Closing

Understanding the size makeup of employers in Utah is interesting and significant. Knowing that Utah's employer landscape is dominated by very small firms accounting for roughly one in eight workers is important. Equally important is the knowing that a very few very large employers claim a very large share of total jobs. Also important is where the concentration of work is. The Wasatch Front is where businesses do business and where the economic action abides in Utah. ●

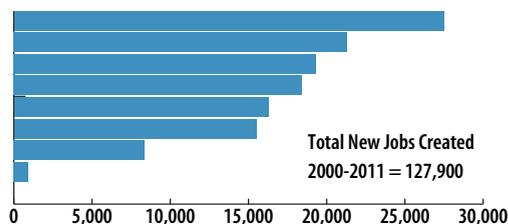
Utah Employment By Establishment Size • 2011



Utah Establishments by Employment Size 1990 & 2011



New Jobs Created by Employment Size Class, Utah, 2000-2011



Source: Utah Department of Workforce Services, Workforce Research and Analysis.

More info...

<http://jobs.utah.gov/opencms/wi/pubs/em/ueews/>

