

Furniture, transportation equipment, wood products, and nonmetallic mineral products are the hardest hit.

MANUFACTURING
TAKES A

Heavy Hit



The recession has taken a toll on Utah's manufacturing sector. Through the 2007 to 2009 period this very important sector has lost 14,800 jobs, a drop of 11.8 percent. In 2007, Utah counted 127,650 manufacturing workers. That fell in the two-year period to 112,640. The only other sector suffering more is construction.

So which of the 22 sub-industries in manufacturing have felt the biggest squeeze? Manufacturing is divided into two large groups: durable goods manufacturing (goods that last more than three years); and nondurable goods manufacturing (goods that don't last three years). Which of these two groups do you think have taken the hardest hit in the recession?

It was the durable goods sector that accounted for 94 percent of the 14,810 jobs cut. Nearly all the pain in manufacturing was in durable goods. Why? For one thing, durable goods comprise 87,000 of the total 127,650 jobs in manufacturing. So you would expect the larger share of the losses to fall in durable goods. The other reason, and to some extent a more subtle one, is that the makeup of nondurable goods has to do with producing things we consume or use every day, like food, gasoline, and chemicals. These goods are what economists call more "inelastic," in that they are more like necessities than durable goods, such as steel, building materials, and other goods that are not currently in demand because of the recession.



Of the 22 sub-industries in manufacturing the five that lost (and are still losing) the most jobs are all in durable goods (see graph). These manufacturers include furniture, transportation equipment, wood products, miscellaneous, and nonmetallic mineral products (stone, clay, glass, cement, etc.). Just these five contributed 12,700 of the total 14,800 total losses in manufacturing.

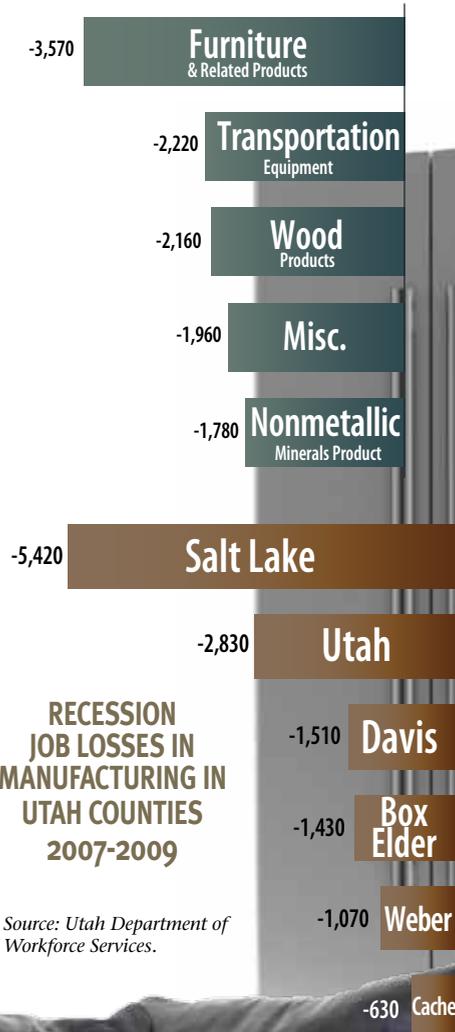
Counties that are Feeling the Pain

If the state as a whole took a nearly 12-percent hit in manufacturing, by far the largest share of the loss was in Box Elder County where 1,430, or 17.8 percent of all manufacturing jobs were lost between 2007 and 2009. In terms of actual numbers of jobs lost in the sector, Salt Lake County dropped over 5,400 jobs in manufacturing. Six of the 29 counties in the state claimed 87 percent of all manufacturing jobs lost since the start of the recession. Nationally, manufacturing lost 14.4 percent of all its employment—nearly two million fewer persons on payrolls.

Hopefully the economy, and particularly manufacturing, is heading for some degree of recovery. Manufacturing is still sliding but the slide is slowing. Consumer perception of better times ahead may increase spending and that may well create enough demand to increase economic and manufacturing activity. ●

**TOTAL
MANUFACTURING
JOB LOSSES
WERE 14,800.
LOSS OF WAGES
AMOUNTED TO
\$250 MILLION IN
THE TWO-YEAR
PERIOD.**

RECESSION JOB LOSSES IN MANUFACTURING INDUSTRIES 2007-2009



RECESSION JOB LOSSES IN UTAH COUNTIES 2007-2009

Source: Utah Department of Workforce Services.

