

Manufacturing

Employment in Utah Improving



Although many jobs were lost during the recession, manufacturing is expected to grow in 2013.



After suffering two recessions resulting in decreased employment since 2000, Utah's manufacturing industry has improved since 2010 and is projected to continue its growth into 2013. Manufacturing employment peaked in 2007, but the recession led to three years of declining employment. The 2013 growth rate from 2012 is forecasted to be 0.9 percent, placing employment at 90.6 percent of the 2007 peak. As Figure 1 shows, turnaround from the most recent recession has been slower than the relatively quick recovery earlier in the decade.



The largest share of Utah manufacturing employment is in miscellaneous manufacturing which includes production of medical equipment and supplies, jewelry, sporting goods, toys, office supplies and other products that cannot readily be classified in specific subsectors in manufacturing (Figure 2). Other top subsectors in terms of manufacturing employment share in Utah are food manufacturing and computer/electronic product manufacturing. Compared to the national average, these two subsectors have a high concentration of employment in the state, revealed through an analysis of location quotients. These quotients measure the rate of concentration of an industry's employment in Utah compared to the U.S.

average. High location quotients imply that food manufacturing and computer/electronic product manufacturing are export-oriented industries with more of their products being consumed outside of Utah. In fact, these subsectors produce the state's second and fourth largest exports to the U.S. in terms of value, electronic integrated circuits and food preparations, respectively, according to the U.S. Department of Commerce.

Characteristics of primary metal manufacturing, another subsector, exhibit an interesting dichotomy between value of exports and employment concentration. Products from this subsector, particularly gold, are Utah's top export in terms of value, totaling 62 percent of all export value, as reported by the U.S. Department of Commerce. But its employment claims only a small proportion, 3.8 percent, of all manufacturing employment. Since the export is measured in dollar value, and not volume, this relationship of relatively few jobs producing large amounts of value emphasizes the high price of gold.

Manufacturing experienced large job losses during the most recent recession, but it has been steadily expanding employment and is expected to continue to grow through 2013. ●

Figure 1: **Total Manufacturing Employment and Forecast in Utah**
Seasonally Adjusted

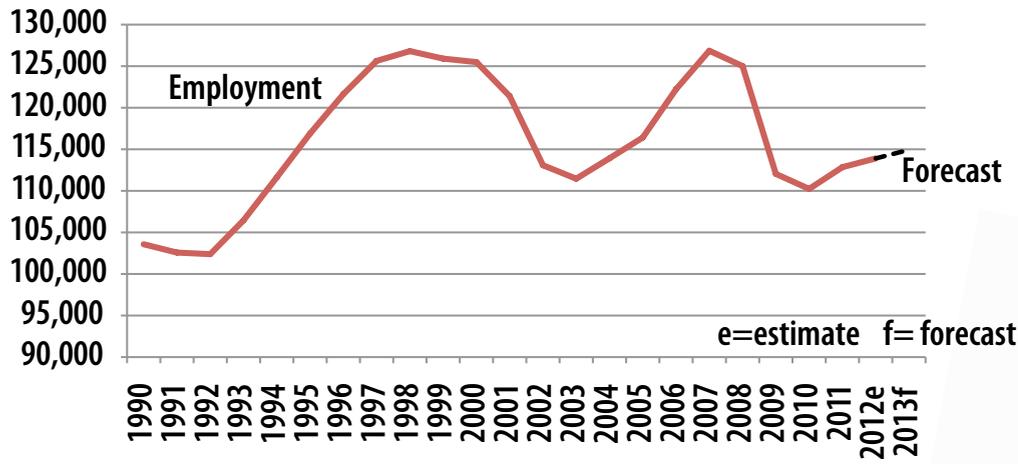


Figure 2: **Employment by Industry Sector**

Industry Sector	Share of Manufacturing Employment
Miscellaneous Manufacturing	13.8%
Food Manufacturing	13.2%
Computer and Electronic Product Manufacturing	12.6%
Fabricated Metal Product Manufacturing	10.4%
Transportation Equipment Manufacturing	9.6%
Chemical Manufacturing	6.7%
Machinery Manufacturing	4.8%
Printing and Related Support Activities	4.3%
Furniture and Related Product Manufacturing	4.0%
Nonmetallic Mineral Product Manufacturing	3.9%
Primary Metal Manufacturing	3.8%
Plastics and Rubber Products Manufacturing	3.7%
Paper Manufacturing	2.4%
Wood Product Manufacturing	1.4%
Electrical Equipment and Appliances	1.3%
Apparel Manufacturing	1.1%
Petroleum and Coal Products Manufacturing	1.1%
Textile Product Mills	0.6%
Beverage and Tobacco Product Manufacturing	0.6%
Textile Mills	0.4%
Leather and Allied Product Manufacturing	0.1%

Source: Utah Department of Workforce Services.