



State of Utah

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UTAH'S EMPLOYMENT SUMMARY: JULY 2009

Utah's nonfarm wage and salaried job count for July 2009, as generated by the United States Bureau of Labor Statistics (BLS), contracted by 4.2 percent. Approximately 52,600 jobs have been removed from the Utah economy over the past year, lowering total wage and salary employment to 1,190,300.

Utah's other primary indicator of current labor market conditions also generated by BLS, the seasonally adjusted unemployment rate, rose by three-tenths to 6.0 percent in July. Last July, the state's rate was 3.4 percent, a 2.6 percentage-point increase over the past 12 months.

Approximately 82,400 Utahns were considered unemployed in July 2009, compared against 47,300 last July, an increase of 34,200 unemployed workers. The United States unemployment rate fell one tenth to 9.4 percent for July, although the decline is attributed more to those opting out of the labor force at a faster pace than the fall in employment.

In the employment details, three industries stand out with significant declines—construction, manufacturing, and professional and business services. But job losses are also seen in most of the remaining industries, with the exceptions being education, healthcare, and government.

Construction has been shedding jobs since September 2007. That's when the industry adjusted to the subprime lending issue and the resultant nationwide breakdown in the mortgage lending industry, which further resulted in extreme cutbacks in construction in new residential housing. Over the past 12 months, the industry has dropped approximately 16,300 Utah construction jobs. Most of the losses are in residential construction (about 80%), but going forward, there are expected to be mounting nonresidential construction losses as nonresidential construction is just in the initial stages of its adjustments to this market. The residential side, in contrast, may be close to having run its negative course. A look back to July 2007, before the national problems emerged in this industry, shows that Utah's construction employment stood at over 108,000—an historic high point. Across a two-year span, Utah has shed close to 31,000 construction jobs, and close to 700 businesses (the industry is characterized with many small independent owners).

Manufacturing is another industry that historically fares poorly in the face of national recessions. Although the sparks that set off a national recession oftentimes start in other industries, the flames rapidly and aggressively find their way into the manufacturing sector. The industry principally produces big ticket items to which businesses and consumers make significant adjustments in order to acquire a product. These items are some of the first to be sacrificed when a recession emerges. The industry has lost 13,800 Utah jobs over the past year, and 15,500 over the past two years. The industry saw only minor job losses in the first year of the

Utah Labor Market Indicators July 2009

Employment % Change: -4.2%
Employment # Change: -52,600
Unemployment Rate: 6.0%

United States

Employment Change: -4.2%
Unemployment Rate: 9.4%

Source: U.S. Bureau of Labor Statistics

recession's slide, but the recession's second phase that hit after September 2008 has landed squarely upon this industry. Not all of manufacturing's activities are struggling. Utah has a flourishing medical devices industry, and this segment of the Utah manufacturing picture has actually added new jobs over the past year.

The professional and business services area is the third with significant jobs losses—13,500 over the past 12 months. As the name implies, professional and business services can be dissected into two categories—professional and technical businesses, and those that support business services. The two largest in the latter classification are telemarketing services (a larger-than-usual industry in Utah), and the help supply industries (temporary help and staffing service businesses). These two areas are seeing the bulk of the 13,500 jobs lost across the entire sector. Lost jobs in the help supply industry should not come as a surprise in an economic downturn, as that industry has been built as a flexible tool for businesses to use in terms of adding or subtracting workers in short order.

BLS' monthly establishment survey also produces employment estimates for Utah's major metropolitan statistical areas (MSA). These include Logan, Ogden-Clearfield, Salt Lake City, Provo-Orem, and St. George. As expected, all are showing employment declines.

The Logan MSAs (Cache and Franklin County, Idaho) job losses of the past year are estimated at -2,500, a job decline of 4.8 percent. As is the recurring theme across the state, construction, manufacturing, and professional and business services are the key job-loss areas.

Employment in the Ogden-Clearfield MSA (Davis, Weber, Morgan counties) is down 8,800 positions over the past 12 months, a 4.4 percent contraction. The same industries can be tagged as the primary areas of job loss.

It's the same in the Salt Lake City MSA (Tooele, Salt Lake, Summit), where those industries spearhead total job losses of 26,600, or -4.2 percent.

In the Provo-Orem MSA (Utah and Juab), 9,000 fewer jobs were recorded across the past 12 months, resulting in a job contraction of 4.9 percent. The same industries can be cited, and the flow of job losses across all of the aforementioned MSAs are still in a downward trend.

That leaves the St. George MSA (Washington County), which is probably the hardest hit metropolitan area in the state. This usually high-flying corner of Utah's economic sphere soared a bit too high in the glory years of the mid-2000s. Prolific housing activity and corresponding housing price appreciation have boomeranged to now become its bane. Over the past three years the area has been in a downward adjusting mode—some of it rather aggressive. There are times that an economic survey does not serve smaller metropolitan areas well because of a small sample size (St. George is one of Utah's smaller MSAs). The current survey has job losses at "only" -4.3 percent, but other more comprehensive employment data shows that just a few months ago, in March 2009, St. George's job losses were as deep as 9.3 percent. This makes one uncertain of the current level of the survey estimation. But the survey's greatest value to the area is showing that the job losses may have finally hit bottom in this MSA, as the survey results of the past few months have stopped trending downward and have leveled off.

*** Utah's August employment information will be released at 9:00 a.m. on Thursday, September 17, 2009.**

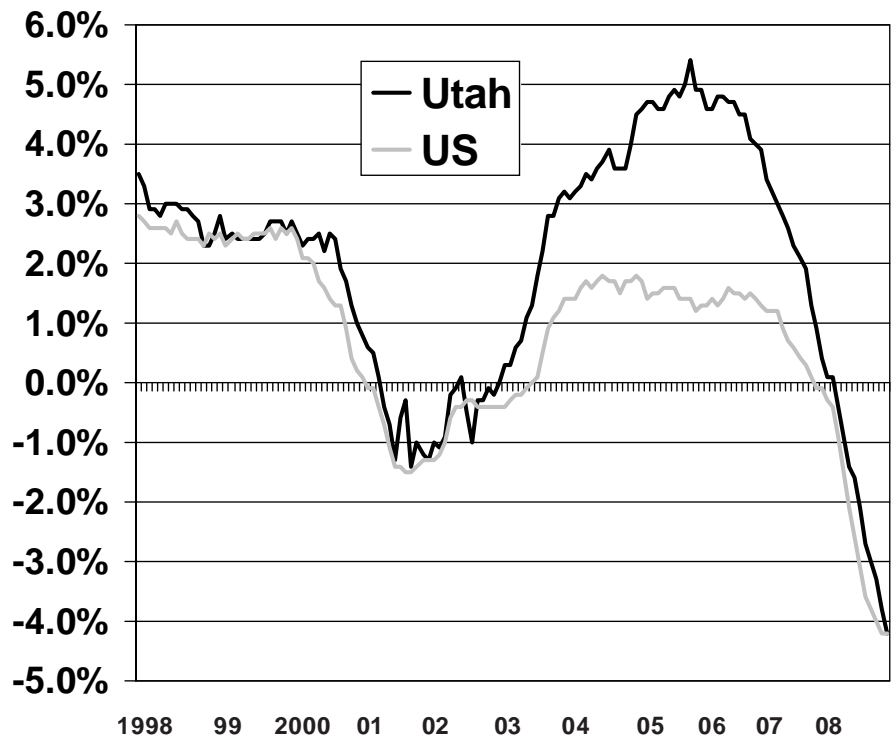
*** County unemployment rates for July will be posted by August 24 at <http://jobs.utah.gov/opencms/wi/pubs/une/season.pdf>**

Utah Nonagricultural Jobs by Industry and Components of the Labor Force

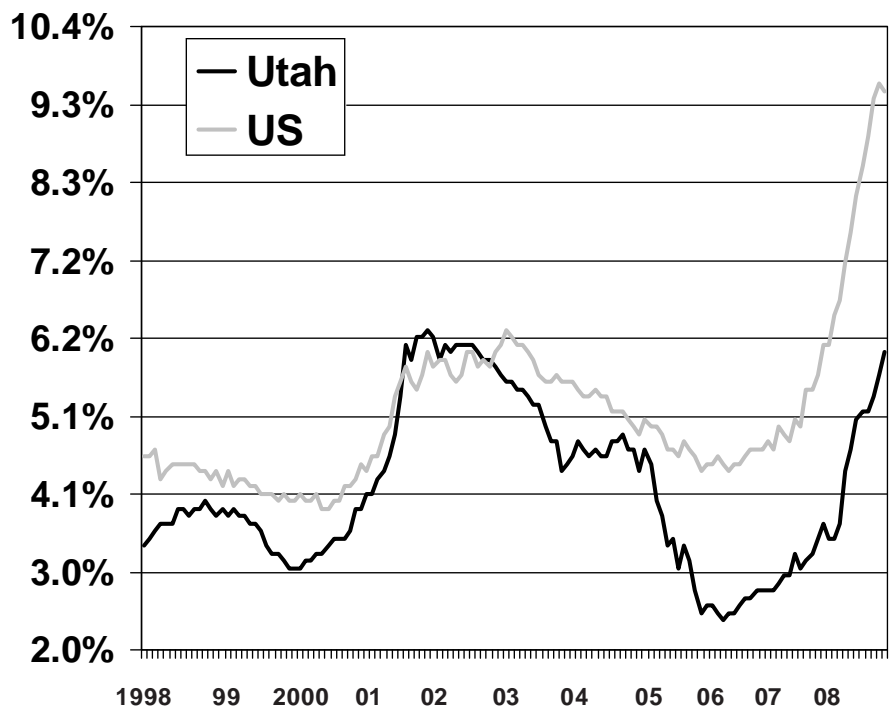
Numbers are in thousands	July(p) 2009	July 2008	Percentage Change	June(r) 2009	June 2008	Percentage Change
CIVILIAN LABOR FORCE (seasonally-adjusted)	1,368.5	1,383.7	-1.1	1,371.6	1,381.3	-0.7
Employed	1,286.1	1,336.4	-3.8	1,293.5	1,335.3	-3.1
Unemployed	82.4	47.3	74.2	78.1	46.0	69.8
Unemployment Rate	6.0	3.4		5.7	3.3	
NONAGRICULTURAL EMPLOYMENT (Thousands)	1,190.3	1,242.9	-4.2	1,213.8	1,261.4	-3.8
Not seasonally-adjusted						
GOODS PRODUCING	203.6	233.2	-12.7	204.0	233.6	-12.7
Natural Resources, and Mining	13.3	12.8	4.1	13.9	12.6	10.5
Construction	77.4	93.7	-17.4	76.3	94.1	-18.9
Construction of Buildings	15.7	18.7	-16.0	15.6	19.1	-18.5
Heavy and Civil Engineering	10.4	11.1	-5.7	10.4	11.1	
Specialty Trade Contractors	51.2	63.9	-19.9	50.3	63.9	-21.3
Manufacturing	112.9	126.7	-10.9	113.7	126.9	-10.4
Durable Goods	73.8	85.0	-13.1	74.4	85.3	-12.8
Primary and Fabricated Metals	16.4	16.6	-1.1	16.5	16.6	-0.9
Computer and Electronic Products	12.9	13.3	-2.6	13.0	13.2	-1.4
Transportation and Equipment Manufacturing	13.5	14.4	-6.8	13.5	14.4	-6.5
Non-Durable Goods	39.1	41.7	-6.3	39.4	41.5	-5.3
SERVICES PROVIDING	986.7	1,009.6	-2.3	1,009.8	1,027.8	-1.7
Trade, Transportation, and Utilities	241.0	248.1	-2.9	240.4	248.8	-3.4
Wholesale Trade	45.3	48.4	-6.5	45.2	48.6	-7.0
Retail Trade	146.5	148.6	-1.4	146.6	149.1	-1.7
Motor Vehicle and Parts Dealers	18.4	18.9	-2.9	19.0	19.2	-1.0
Food and Beverage Stores	24.2	24.5	-1.4	24.7	24.7	0.0
General Merchandise Stores	28.6	28.8	-0.7	28.1	28.7	-2.1
Transportation and Utilities	48.6	51.0	-4.8	48.7	51.0	-4.6
Utilities	4.1	4.2	-2.3	3.9	4.2	-5.3
Transportation & Warehousing	44.5	46.9	-5.0	44.7	46.9	-4.6
Air Transportation	6.2	6.9	-10.4	6.2	6.9	-10.8
Truck Transportation	18.6	19.7	-5.4	18.8	19.7	-4.5
Information	29.6	31.0	-4.3	29.8	31.5	-5.1
Publishing Industries	9.4	9.9	-5.0	9.7	10.0	-3.5
Motion Picture and Sound Recording	3.8	4.2	-11.0	4.0	4.7	-15.1
Telecommunications	5.1	5.2	-2.9	5.1	5.3	-4.0
Internet Service Providers	5.9	5.5	6.2	5.7	5.4	4.1
Financial Activities	71.5	74.2	-3.5	71.4	74.2	-3.8
Finance and Insurance	54.9	56.1	-2.2	54.8	56.0	-2.0
Real Estate and Rental and Leasing	16.6	18.0	-7.7	16.5	18.2	-9.5
Professional and Business Services	150.9	164.4	-8.2	154.8	164.4	-5.8
Professional, Scientific, and Technical Services	66.7	68.5	-2.6	66.9	68.0	-1.6
Architectural, Engineering, and Related	14.5	14.1	2.7	14.6	14.0	4.1
Computer Systems Design and Related	16.0	15.9	0.7	16.2	15.8	2.2
Management of Companies and Enterprises	20.5	20.5	0.1	20.6	20.5	0.6
Administration & Support						
& Waste Management & Remediation	63.7	75.4	-15.5	67.4	76.0	-11.4
Employment Services	18.1	21.4	-15.6	19.6	21.8	-10.2
Business Support Services	15.9	16.5	-3.4	15.8	16.5	-4.6
Education and Health Services	145.8	141.8	2.8	146.5	142.6	2.7
Educational Services	28.7	27.9	2.6	29.7	28.9	2.6
Health Services and Social Assistance	117.1	113.8	2.9	116.9	113.7	2.8
Ambulatory Health Care Services	48.2	45.9	5.0	48.0	45.8	4.9
Hospitals	30.9	30.7	0.7	30.8	30.6	0.9
Nursing and Residential Care Facilities	22.0	21.4	2.5	21.7	21.4	1.1
Social Assistance	16.0	15.8	1.5	16.4	16.0	2.5
Leisure and Hospitality	113.7	117.3	-3.0	113.4	116.8	-2.9
Arts, Entertainment, and Recreation	18.1	18.5	-2.0	18.0	18.5	-2.4
Accommodation and Food Services	95.6	98.8	-3.2	95.4	98.3	-3.0
Accommodation	18.4	19.1	-4.1	18.7	18.9	-0.8
Food Services and Drinking Places	77.3	79.6	-3.0	76.6	79.4	-3.5
Other Services	34.8	36.6	-4.9	33.5	35.9	-6.7
Government	199.9	196.3	1.8	220.0	213.6	3.0
Federal Government	35.9	36.0	-0.3	35.6	35.7	-0.1
Federal Defense	15.6	15.5	0.6	15.6	15.5	0.9
Other Federal Government	20.3	20.5	-1.0	20.0	20.2	-0.9
State Government	62.2	60.9	2.1	64.3	62.5	2.8
State Schools	33.0	32.4	1.7	34.7	33.7	3.0
Other State Government	29.3	28.5	2.5	29.6	28.8	2.6
Local Government	101.8	99.4	2.4	120.0	115.4	4.0
Local Education	50.6	48.8	3.7	67.2	64.1	4.9
Other Local Government	51.2	50.6	1.1	52.8	51.3	3.0

Source: U.S. Bureau of Labor Statistics p = preliminary r = revised August 20, 2009

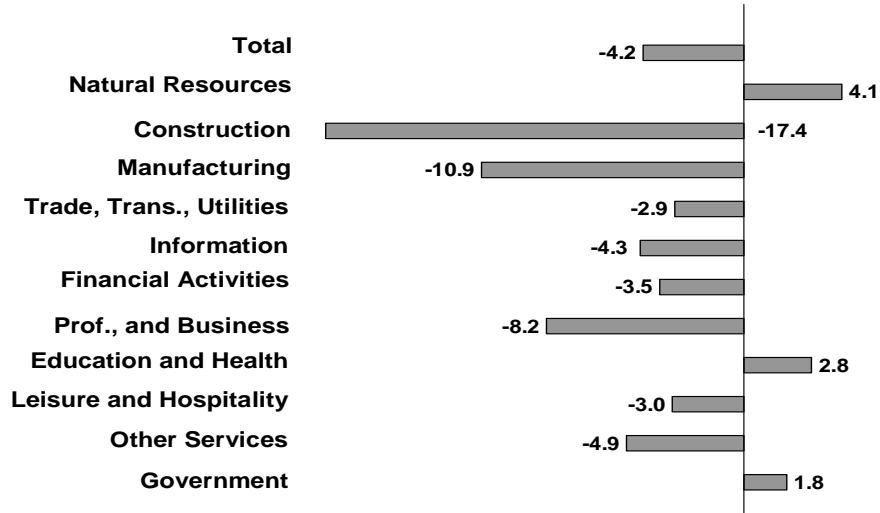
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

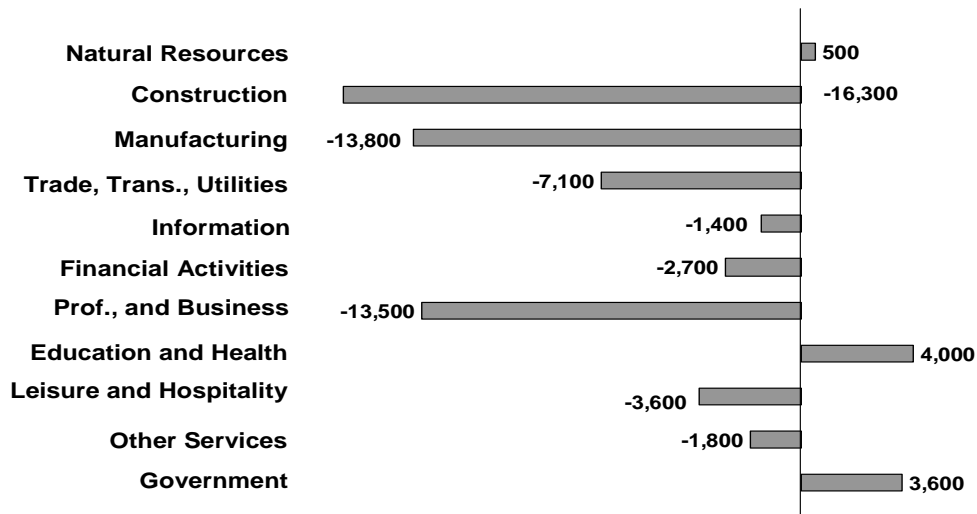


Utah Nonfarm Industry Profile (Percent Change) July 2008 – 2009



Source: U.S. Bureau of Labor Statistics

Utah Nonfarm Industry Profile (Numeric Change) July 2008 – 2009



Source: U.S. Bureau of Labor Statistics

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	July 2009(p)	July 2008	Percent Change	June 2009(r)	May 2009(r)
State Total	1,190,323	1,242,835	-4.2	1,213,848	1,214,854
Bear River	65,375	69,577	-6.0	68,442	68,524
Box Elder	18,685	20,342	-8.1	19,402	19,067
Cache	45,700	48,250	-5.3	48,100	48,700
Rich	989	985	0.4	940	757
Wasatch Front	783,938	819,630	-4.4	794,266	796,403
North	193,164	202,068	-4.4	196,257	196,801
Davis	100,210	104,262	-3.9	102,482	102,989
Morgan	1,889	1,869	1.1	1,979	1,969
Weber	91,065	95,937	-5.1	91,795	91,844
South	590,774	617,562	-4.3	598,009	599,602
Salt Lake	574,929	602,073	-4.5	581,588	583,342
Tooele	15,844	15,489	2.3	16,421	16,259
Mountainland	197,073	207,488	-5.0	202,053	201,072
Summit	20,075	21,183	-5.2	20,011	19,174
Utah	170,917	179,830	-5.0	175,532	175,562
Wasatch	6,080	6,475	-6.1	6,510	6,335
Central	24,248	24,251	0.0	25,394	25,197
Juab	3,317	3,374	-1.7	3,309	3,270
Millard	4,087	4,033	1.3	4,183	4,164
Piute	328	349	-5.9	323	351
Sanpete	7,068	7,028	0.6	7,960	7,957
Sevier	8,195	8,238	-0.5	8,379	8,250
Wayne	1,253	1,229	1.9	1,240	1,206
Southwestern	72,507	75,115	-3.5	74,986	75,755
Beaver	2,117	2,063	2.6	2,312	2,212
Garfield	2,943	2,869	2.6	2,937	2,821
Iron	15,063	15,543	-3.1	15,929	16,636
Kane	3,424	3,511	-2.5	3,455	3,286
Washington	48,960	51,129	-4.2	50,353	50,800
Uintah Basin	24,057	24,070	-0.1	24,821	24,208
Daggett	415	494	-16.0	402	376
Duchesne	8,624	8,456	2.0	8,807	8,563
Uintah	15,018	15,120	-0.7	15,612	15,268
Southeastern	23,126	22,704	1.9	23,886	23,696
Carbon	9,928	9,320	6.5	10,195	10,222
Emery	3,793	3,860	-1.7	3,979	4,014
Grand	5,127	5,259	-2.5	5,201	5,033
San Juan	4,279	4,265	0.3	4,511	4,428

p = preliminary r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 8/20/09