



State of Utah

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

## Department of Workforce Services

KRISTEN COX  
Executive Director

CHRISTOPHER W. LOVE  
Deputy Director

GREGORY B. GARDNER  
Deputy Director

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Contact: Mark Knold 801-526-9458

Austin Sargent 801-526-9464

### UTAH'S EMPLOYMENT SUMMARY: APRIL 2009

Utah's nonfarm wage and salaried job count for April 2009, as generated by the United States Bureau of Labor Statistics (BLS), contracted by 3.2 percent. Approximately 39,800 jobs have been removed from the Utah economy over the past year, lowering total wage and salary employment to 1,219,100. March's employment contraction has been revised downward, from -2.6 percent initially reported, to -2.7 percent.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, held steady at 5.2 percent in April. Last April, the state's rate was 3.3 percent, a 1.9 percentage-point increase over the past 12 months. Approximately 71,100 Utahns were considered unemployed in April 2009, compared against 45,700 last April, an increase of 25,400 unemployed workers. The United States unemployment rate continued to rise, reaching 8.9 percent for April.

Mark Knold, chief economist for the Department of Workforce Services, commented, "At this point, it is just a matter of sitting back and letting time progress. The economy is performing as anticipated by this time of year—that is, more job losses with more to come. We anticipate that the job losses will show a marked slowdown by the late fall of this year, therefore it's just a matter of riding out the summer. We do believe that the worst of the economic problems are behind us, but there is no imminent economic recovery in front of us either. The credit markets are just not ready to finance that yet, and Utah's housing market still has more adjustments to work through. 2010 offers the first opportunity for economic revival, so it's just a matter of marking time."

The overall weak condition of the United States economy continues to be felt within the Utah economy. Jobs are still being shed, and layoffs and closures remain a part of the economic landscape. The pace of job losses within the individual industrial sectors continue to accelerate, and have not yet reached a point where they are beginning to level off. With the current rate of initial unemployment insurance claims still high, it does not appear that this leveling-off stage is just around the corner. Uncomfortable levels of job losses are anticipated to remain a part of the picture across the next several months.

Construction and manufacturing remain the two industries hardest hit with employment losses. Combined, they account for 28,700 of the state's 39,800 total job losses. Construction was the first industry hit in this downturn, and will probably be fated as one of the last industries to revive from this downturn. Utah's housing market activity seems to be lagging the national activity by a full year, so the faint signs of life currently in the national housing market may bring faint signs next year to the Utah housing market.

#### Utah Labor Market Indicators April 2009

**Employment % Change: -3.2%**  
**Employment # Change: -39,800**  
**Unemployment Rate: 5.2%**

#### United States

**Employment Change: -3.8%**  
**Unemployment Rate: 8.9%**

Trade and transportation is another industry sector recording significant job losses in Utah. Consumers are not buying as much as in the past, therefore businesses are not selling as much (retail), and they are not moving as much (trucking and shipping).

The bright spots within the Utah economy's employment picture remain education, healthcare, and government.

Utah's unemployment rate rise has stalled over the past three months, sitting at around 5.2 percent. Historically, that level of unemployment suggests not much unemployment at all—certainly not the amount of unemployment one would expect from an overall Utah economic environment that is experiencing the largest job losses of the past 50 years. Why isn't the unemployment rate higher?

Three factors emerge as possible contributing answers. The main one is that people can, and do, simply leave the labor force—particularly in weak economic environments. When that happens, they are not counted against the unemployment rate. It is much easier for a young person to fall out of the labor force in times of slow business than for an older worker who has more fixed assets (homes, cars, and children) to finance. Utah has the nation's youngest labor force. It is dominated by 20- to 30-year olds. The nation, on the other hand, is dominated by 45- to 60-year olds. Therefore, it is easier for portions of Utah's labor force to simply leave the economy, possibly going back into the education system, or just hanging out in Mom's basement until things get better. There is evidence that 2 to 3 percent of Utah's pre-recession labor force is no longer active. They have simply gone idle. A state with Utah's high percentage of young workers can probably afford to have a chunk of its labor go idle. If that is the case, then Utah's unemployment rate will not feel as much upward pressure, because those workers must be active in the labor force to be counted as unemployed.

Secondly, the unemployment rate is largely calculated from the results of a monthly household survey. Six hundred households in Utah are surveyed to chronicle their labor market participation and activities. The results are then combined into a regression model, adding in unemployment claims activity, anticipated employment gains (or losses), forecasted changes in population and migration, various seasonal factors, and historical trends. It is possible that within this regression analysis, Utah's past history of full employment and very low unemployment rates over such an extended period of time (the past 15 years) are having a dampening influence in and of themselves upon the unemployment rate calculation.

Thirdly, at the start of this economic downturn, Utah's unemployment rate was at an historic low of 2.3 percent. With unemployment now at 5.2 percent, that is a 2.9-percentage point increase since the start of this downturn—so yes, the rate has risen. But in contrast, the nation's unemployment rate has risen roughly 4.4 percentage points since the downturn—much higher than Utah's. Utah's smaller rise may be attributed to that low starting rate of 2.3 percent, where labor was so scarce that businesses may not have been carrying as much "excess" labor as businesses across the rest of the country, who exploited higher unemployment rates and available labor. Therefore, Utah's businesses didn't have as much excess labor to shed.

In various proportions, all three of these scenarios could be having their influence upon Utah's relatively low unemployment rate.

**\* Utah's May employment information will be released at 9:00 a.m. on Thursday, June 18, 2009.**

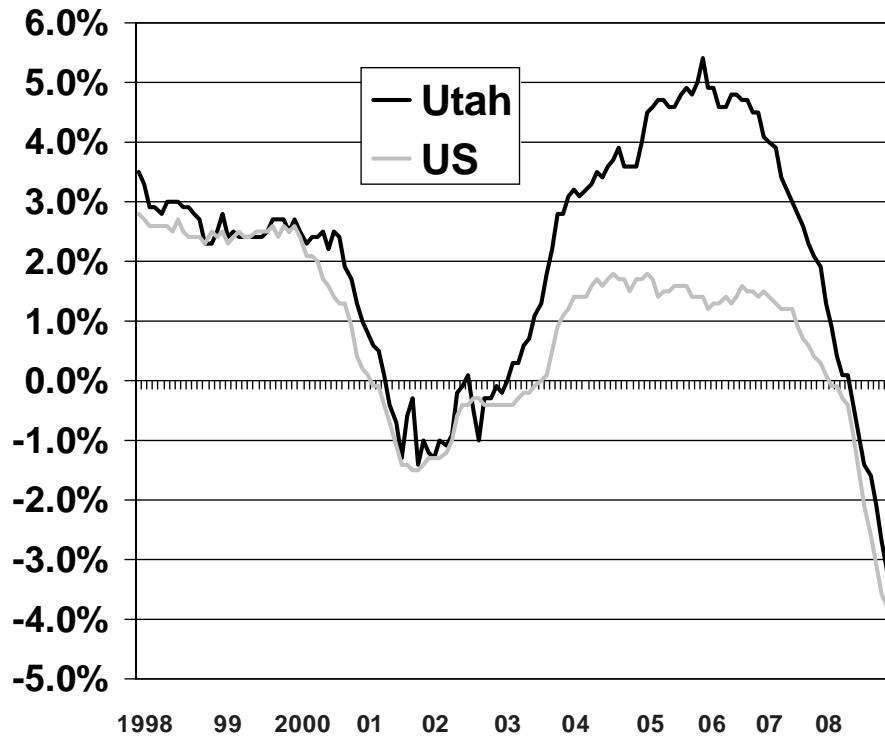
**\* County unemployment rates for April will be posted by May 26 at <http://jobs.utah.gov/opencms/wi/pubs/une/season.pdf>**

## Utah Nonagricultural Jobs by Industry and Components of the Labor Force

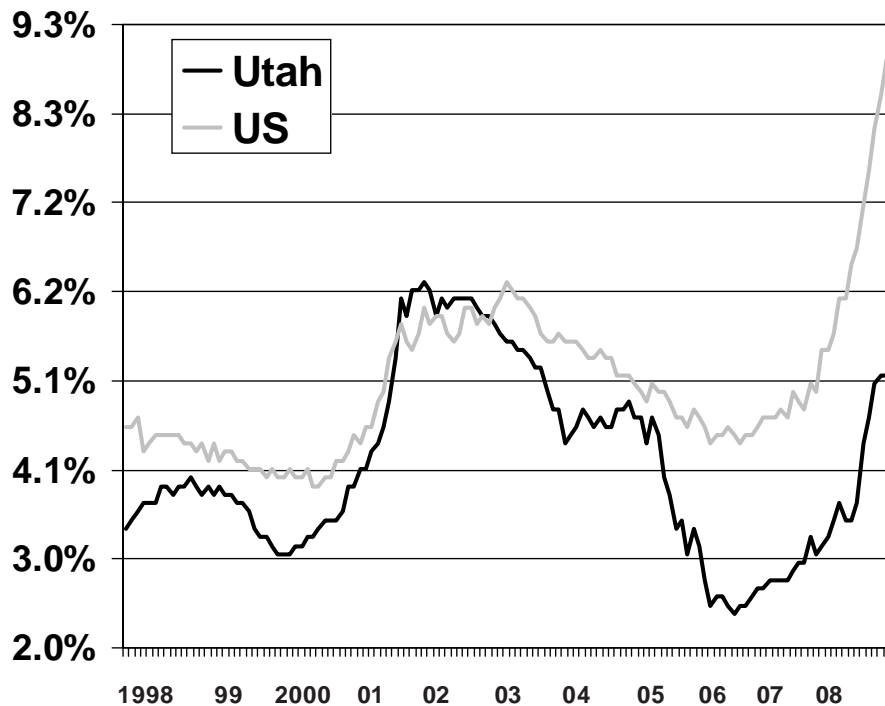
Numbers are in thousands	April(p) 2009	April 2008	Percentage Change	March(r) 2009	March 2008	Percentage Change
<b>CIVILIAN LABOR FORCE (seasonally-adjusted)</b>	<b>1,379.2</b>	<b>1,379.0</b>	<b>0.0</b>	<b>1,382.2</b>	<b>1,378.1</b>	<b>0.3</b>
Employed	1,308.1	1,333.3	-1.9	1,310.3	1,332.3	-1.7
Unemployed	71.1	45.7	55.6	71.9	45.8	57.0
Unemployment Rate	5.2	3.3		5.2	3.3	
<b>NONAGRICULTURAL EMPLOYMENT (Thousands)</b>	<b>1,219.1</b>	<b>1,258.9</b>	<b>-3.2</b>	<b>1,219.0</b>	<b>1,253.0</b>	<b>-2.7</b>
Not seasonally-adjusted						
<b>GOODS PRODUCING</b>	<b>202.9</b>	<b>230.0</b>	<b>-11.7</b>	<b>203.5</b>	<b>229.8</b>	<b>-11.5</b>
<b>Natural Resources, and Mining</b>	<b>13.5</b>	<b>11.8</b>	<b>14.8</b>	<b>13.3</b>	<b>11.5</b>	<b>16.5</b>
<b>Construction</b>	<b>75.4</b>	<b>91.0</b>	<b>-17.2</b>	<b>74.2</b>	<b>90.4</b>	<b>-17.9</b>
Construction of Buildings	15.5	18.7	-16.7	15.7	19.1	-18.0
Heavy and Civil Engineering	9.4	10.1	-6.9	8.9	9.6	
Specialty Trade Contractors	50.4	62.2	-19.0	49.6	61.6	-19.5
<b>Manufacturing</b>	<b>114.0</b>	<b>127.1</b>	<b>-10.3</b>	<b>116.0</b>	<b>128.0</b>	<b>-9.4</b>
<b>Durable Goods</b>	<b>74.7</b>	<b>85.7</b>	<b>-12.8</b>	<b>75.9</b>	<b>86.4</b>	<b>-12.1</b>
Primary and Fabricated Metals	16.4	16.5	-0.3	16.4	16.5	-1.0
Computer and Electronic Products	13.2	13.1	1.0	13.3	13.2	0.7
Transportation and Equipment Manufacturing	13.6	14.4	-5.3	13.9	14.3	-3.2
<b>Non-Durable Goods</b>	<b>39.3</b>	<b>41.5</b>	<b>-5.2</b>	<b>40.0</b>	<b>41.6</b>	<b>-3.7</b>
<b>SERVICES PROVIDING</b>	<b>1,016.1</b>	<b>1,029.0</b>	<b>-1.2</b>	<b>1,015.5</b>	<b>1,023.2</b>	<b>-0.7</b>
<b>Trade, Transportation, and Utilities</b>	<b>240.2</b>	<b>246.9</b>	<b>-2.7</b>	<b>240.7</b>	<b>246.2</b>	<b>-2.2</b>
<b>Wholesale Trade</b>	<b>45.0</b>	<b>48.2</b>	<b>-6.6</b>	<b>45.1</b>	<b>48.0</b>	<b>-6.0</b>
<b>Retail Trade</b>	<b>145.4</b>	<b>147.5</b>	<b>-1.4</b>	<b>145.8</b>	<b>147.2</b>	<b>-1.0</b>
Motor Vehicle and Parts Dealers	18.8	19.2	-2.1	18.5	19.0	-2.2
Food and Beverage Stores	24.5	24.3	0.6	24.6	24.5	0.4
General Merchandise Stores	28.2	28.3	-0.4	28.8	28.1	2.5
<b>Transportation and Utilities</b>	<b>49.2</b>	<b>51.2</b>	<b>-4.0</b>	<b>49.8</b>	<b>51.1</b>	<b>-2.4</b>
Utilities	4.0	4.2	-5.3	4.0	4.2	-3.5
Transportation & Warehousing	45.2	47.0	-3.9	45.8	46.9	-2.3
Air Transportation	6.5	7.0	-7.3	6.6	7.1	-7.7
Truck Transportation	18.7	19.4	-3.6	18.8	19.0	-0.9
<b>Information</b>	<b>29.1</b>	<b>30.9</b>	<b>-5.9</b>	<b>29.3</b>	<b>30.6</b>	<b>-4.5</b>
Publishing Industries	9.7	10.0	-3.7	9.7	10.0	-2.8
Motion Picture and Sound Recording	3.6	4.3	-15.1	3.6	4.2	-15.4
Telecommunications	5.1	5.2	-1.5	5.1	5.1	0.7
Internet Service Providers	5.6	5.4	3.4	5.5	5.2	5.4
<b>Financial Activities</b>	<b>72.6</b>	<b>74.6</b>	<b>-2.6</b>	<b>72.6</b>	<b>74.6</b>	<b>-2.6</b>
Finance and Insurance	55.9	56.3	-0.7	55.7	56.3	-1.1
Real Estate and Rental and Leasing	16.7	18.3	-8.5	17.0	18.3	-7.3
<b>Professional and Business Services</b>	<b>157.5</b>	<b>162.2</b>	<b>-2.9</b>	<b>157.8</b>	<b>160.6</b>	<b>-1.8</b>
Professional, Scientific, and Technical Services	67.9	68.1	-0.3	68.2	67.8	0.6
Architectural, Engineering, and Related	14.0	13.5	3.6	13.7	13.2	3.5
Computer Systems Design and Related	16.3	15.7	3.8	16.2	15.7	3.4
Management of Companies and Enterprises	20.4	20.3	0.5	20.5	20.5	0.3
Administration & Support						
& Waste Management & Remediation	69.2	73.8	-6.2	69.0	72.3	-4.5
Employment Services	19.3	21.2	-8.9	19.5	21.7	-9.9
Business Support Services	16.2	16.9	-4.0	16.2	17.4	-6.8
<b>Education and Health Services</b>	<b>151.2</b>	<b>147.2</b>	<b>2.7</b>	<b>150.3</b>	<b>146.7</b>	<b>2.4</b>
Educational Services	34.9	34.1	2.5	34.5	33.8	2.0
Health Services and Social Assistance	116.2	113.1	2.7	115.9	113.0	2.6
Ambulatory Health Care Services	47.2	45.2	4.3	47.0	45.1	4.2
Hospitals	30.9	30.6	0.9	31.0	30.8	0.9
Nursing and Residential Care Facilities	21.7	21.3	1.9	21.5	21.1	2.1
Social Assistance	16.3	16.0	1.8	16.3	16.0	1.7
<b>Leisure and Hospitality</b>	<b>111.3</b>	<b>117.4</b>	<b>-5.2</b>	<b>111.0</b>	<b>116.3</b>	<b>-4.5</b>
Arts, Entertainment, and Recreation	18.3	19.1	-3.9	17.9	18.2	-1.6
Accommodation and Food Services	93.0	98.3	-5.4	93.1	98.1	-5.1
Accommodation	18.9	20.0	-5.4	19.0	20.2	-6.2
Food Services and Drinking Places	74.0	78.3	-5.4	74.2	77.9	-4.8
<b>Other Services</b>	<b>33.7</b>	<b>35.4</b>	<b>-5.0</b>	<b>34.1</b>	<b>35.2</b>	<b>-3.2</b>
<b>Government</b>	<b>221.2</b>	<b>214.3</b>	<b>3.2</b>	<b>219.8</b>	<b>213.0</b>	<b>3.2</b>
<b>Federal Government</b>	<b>35.5</b>	<b>35.4</b>	<b>0.4</b>	<b>35.3</b>	<b>35.3</b>	<b>0.0</b>
Federal Defense	15.8	15.8	0.1	15.8	15.8	-0.2
Other Federal Government	19.7	19.6	0.6	19.5	19.5	0.2
<b>State Government</b>	<b>67.0</b>	<b>65.1</b>	<b>3.0</b>	<b>67.3</b>	<b>65.4</b>	<b>2.9</b>
State Schools	37.8	36.7	3.2	38.1	37.0	3.2
Other State Government	29.1	28.4	2.7	29.1	28.4	2.5
<b>Local Government</b>	<b>118.7</b>	<b>113.9</b>	<b>4.2</b>	<b>117.2</b>	<b>112.3</b>	<b>4.4</b>
Local Education	69.0	65.9	4.7	68.8	65.8	4.5
Other Local Government	49.7	48.0	3.6	48.4	46.5	4.1

Source: U.S. Bureau of Labor Statistics p = preliminary r = revised May 21, 2009

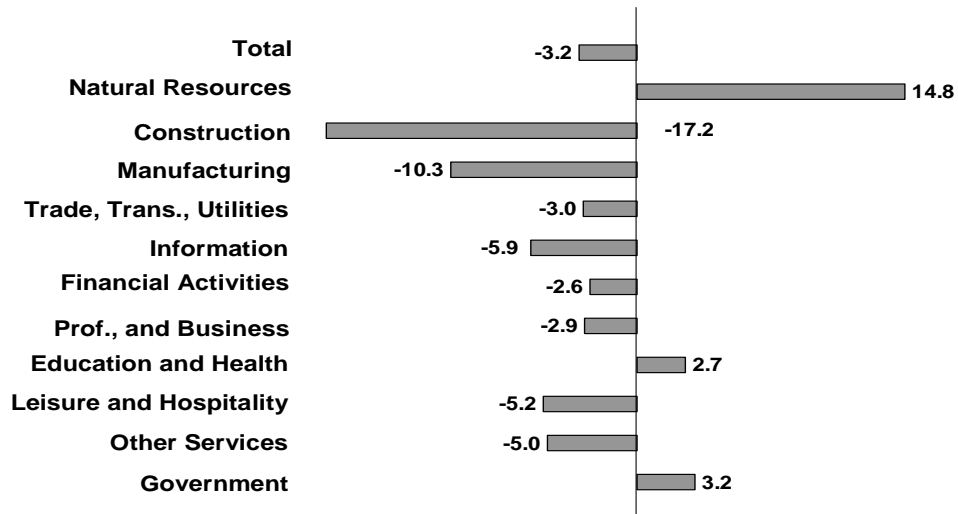
## Year-Over Percent Change in Nonfarm Jobs



## Seasonally Adjusted Unemployment Rates

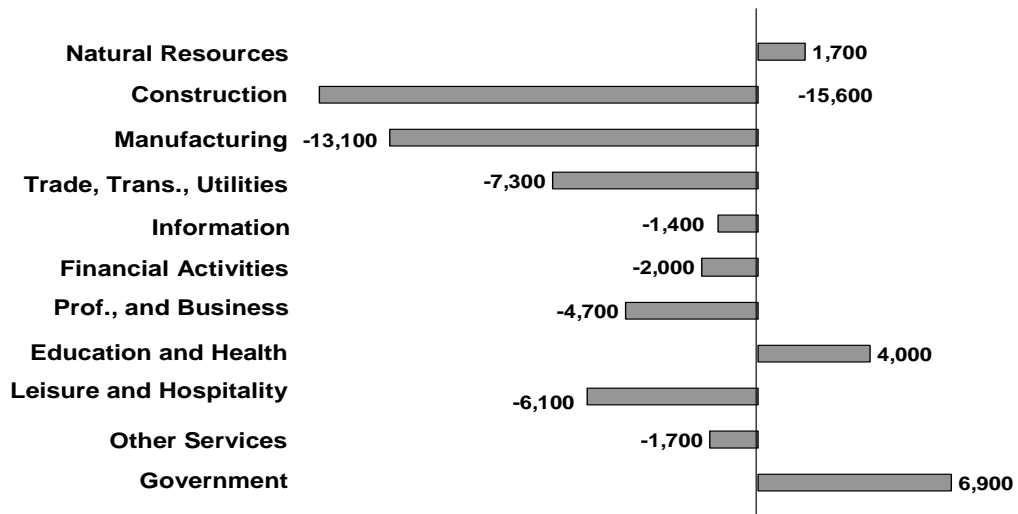


## Utah Nonfarm Industry Profile (Percent Change) April 2008 – 2009



Source: U.S. Bureau of Labor Statistics

## Utah Nonfarm Industry Profile (Numeric Change) April 2008 – 2009



Source: U.S. Bureau of Labor Statistics

## NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	April 2009(p)	April 2008	Percent Change	March 2009(r)	February 2009(r)
<b>State Total</b>	1,219,072	1,259,019	-3.2	1,219,019	1,221,606
<b>Bear River</b>	69,445	72,333	-4.0	69,816	69,904
Box Elder	19,500	20,500	-4.9	19,891	19,586
Cache	49,300	51,180	-3.7	49,300	49,700
Rich	645	653	-1.2	625	618
<b>Wasatch Front</b>	794,975	821,784	-3.3	794,706	796,070
<b>North</b>	197,138	202,473	-2.6	195,050	194,454
Davis	101,654	103,846	-2.1	99,691	99,521
Morgan	1,826	1,883	-3.0	1,807	1,826
Weber	93,658	96,744	-3.2	93,552	93,108
<b>South</b>	597,837	619,311	-3.5	599,656	601,616
Salt Lake	582,545	603,790	-3.5	584,406	586,362
Tooele	15,292	15,521	-1.5	15,250	15,254
<b>Mountainland</b>	208,658	217,768	-4.2	210,100	211,825
Summit	23,155	23,802	-2.7	25,349	26,177
Utah	179,709	187,425	-4.1	178,967	179,793
Wasatch	5,794	6,541	-11.4	5,784	5,856
<b>Central</b>	24,264	24,732	-1.9	23,913	23,845
Juab	3,243	3,263	-0.6	3,290	3,249
Millard	4,040	4,033	0.2	3,970	3,932
Piute	350	351	-0.2	335	343
Sanpete	7,620	7,846	-2.9	7,493	7,506
Sevier	7,876	8,123	-3.0	7,814	7,847
Wayne	1,134	1,116	1.7	1,011	967
<b>Southwestern</b>	74,164	76,526	-3.1	73,646	73,272
Beaver	2,054	2,046	0.4	2,068	2,052
Garfield	2,328	2,384	-2.4	1,916	1,869
Iron	16,406	17,029	-3.7	16,547	16,555
Kane	3,030	3,053	-0.7	2,884	2,746
Washington	50,346	52,014	-3.2	50,230	50,049
<b>Uintah Basin</b>	24,853	23,430	6.1	24,452	24,978
Daggett	372	412	-9.6	369	356
Duchesne	8,932	8,164	9.4	8,828	8,981
Uintah	15,548	14,854	4.7	15,255	15,640
<b>Southeastern</b>	22,714	22,446	1.2	22,386	21,713
Carbon	10,312	9,475	8.8	10,333	10,349
Emery	3,562	3,954	-9.9	3,504	3,511
Grand	4,688	4,776	-1.8	4,488	3,894
San Juan	4,152	4,241	-2.1	4,061	3,958

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, 4/16/09