

EARNINGS AND HOUSEHOLD INCOME IN UTAH

Rapid economic growth, tied to home building, rendered many western states vulnerable to serious job losses once the home building cycle turned. In the most vulnerable states, employment in construction has declined by more than 30 percent. Among the hardest hit states are Arizona and Nevada, with 46 percent and 43 percent declines in construction respectively. In Utah, construction jobs have fallen from 103,500 to 71,500, a drop of 32 percent. The large losses in the construction sector are due to the high rates of unemployment and job loss registered by several western states.

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Nationally, construction jobs are down 22 percent, and overall employment has declined by 4.9 percent from the peak in 2007, *Table 1*. Six western states have exceeded the national job loss rate. Jobs in Utah have declined by 6.8 percent over the past two years. About 40 percent of the job decline is attributable to the loss of 32,000 construction jobs.

Table 1
Percent Change in Non-Farm Employment Since Peak Year

State	Percent Change
Nevada	11.1%
Arizona	9.0%
California	7.2%
Oregon	6.9%
Idaho	6.9%
Utah	6.8%
Colorado	4.5%
Washington	4.5%
New Mexico	4.1%
US	4.9%

*Peak year is 2007 for all states except Colorado (2008).
Source: U.S. Bureau of Labor Statistics.

Table 2
Employees in Private Sector: Hours and Earnings

State	Average Hours Worked Weekly	Average Hourly Wage	Average Weekly Earnings	Average Annual Earnings
Washington	34.4	\$26.33	\$906	\$47,099
California	33.8	\$25.48	\$861	\$44,783
Colorado	34.3	\$23.78	\$816	\$42,414
Utah	35.8	\$22.48	\$805	\$41,849
Arizona	34.8	\$22.03	\$767	\$39,865
Oregon	33.2	\$21.33	\$708	\$36,824
Nevada	35.8	\$19.56	\$700	\$36,413
New Mexico	35.1	\$18.92	\$664	\$34,533
Idaho	33.6	\$19.26	\$647	\$33,651
US	33.8	\$22.21	\$751	\$39,036

Source: U.S. Bureau of Labor Statistics.

Table 3
Educational Attainment of Population - 25 Years and Older (2008)

State	Percent with B.S. Degree	Percent with Graduate or Professional Degree	Percent with B.S. Degree or Higher
Colorado	22.9%	12.7%	35.6%
Washington	19.8%	10.9%	30.7%
California	18.8%	10.8%	29.6%
Utah	19.7%	9.4%	29.1%
Oregon	18.1%	10.1%	28.2%
Arizona	15.9%	9.2%	25.1%
New Mexico	14.0%	10.7%	24.7%
Idaho	16.6%	7.4%	24.0%
Nevada	14.9%	7.0%	21.9%
US	17.5%	10.2%	27.7%

Source: U.S. Census Bureau, American Community Survey

Not all the news on Utah's labor market is disappointing. Wage rates have shown some improvement over the past year. The Bureau of Labor Statistics reports that the average hourly wage in Utah for private sector, non-farm employees increased from \$21.10 in 2008 to \$22.48 in 2009. In addition the average number of hours worked weekly increased from 34.6 hours to 35.8 hours. The combination of these two factors has contributed to an increase in the average annual earnings for private sector employees in Utah to \$41,849, 7.2 percent higher than the national average of \$39,036, [Table 2](#).

Average annual earnings for private sector employees in Utah are significantly higher than in several western states. For example, in 2009 the average annual earnings for Utah was more than 20 percent higher than New Mexico or Idaho, and 15 percent higher than Nevada. Furthermore, Utah's average earnings rate is only 1.3 percent lower than Colorado. Of the nine major western states Utah ranks fourth in average annual earnings.

Those states with the highest annual earnings also ranked highest in educational attainment; Colorado,

Table 4
Change in Median Household Income in Selected Metropolitan Areas

Metropolitan Area	1998	2008	Percent Change
San Francisco	\$41,459	\$76,848	85.4%
Seattle	\$35,047	\$66,465	89.6%
Denver	\$33,126	\$60,344	82.2%
Los Angeles	\$36,711	\$60,264	64.2%
Salt Lake City	\$30,882	\$60,012	94.3%
Portland	\$31,071	\$58,758	89.1%
Las Vegas	\$30,746	\$56,696	84.4%
Phoenix	\$30,797	\$55,887	81.5%
Boise	\$30,246	\$51,972	71.8%
Albuquerque	\$27,382	\$47,198	72.4%
US	\$30,056	\$52,029	73.1%

Source: U.S. Bureau of Labor Statistics.

Washington, California and Utah, **Table 3**. Colorado and Connecticut are tied as the two states with the highest educational attainment. Utah also has a relatively high educational attainment with 29.1 percent of the population having a B.S. degree or higher, compared to the national average of 27.7 percent. Higher educational attainment supports higher levels of earnings.

Utah's above average wage rate and educational attainment are also reflected in a relatively high level of median household income. Among the major metropolitan areas in the western states Salt Lake ranks fifth, **Table 4**. Only California metro areas and Seattle and Denver have higher levels of median household income. In 2008 the estimated median household income in the Salt Lake Metropolitan Area was \$60,012. Most impressive has been the growth in median income in Utah since the 1990 Census. From 1989 to 2008 the median household income in the Salt Lake Metropolitan Area increased by 94.3 percent, well above second ranked Seattle. During the same period, household median income nationally increased by only 73.1 percent.

Another factor supporting higher levels of household income in Utah is the labor force participation rate of the local work force. The labor force participation rate is defined as the percent of males and females age 16-64 years currently working or activity looking for work. In Utah 81.5 percent of all males in the 16-64

year age group were working in 2008, the highest rate in the country, **Table 5**. Utah female participation rate at 60.7 percent ranks 24th and is slightly higher than the national average of 59.5 percent. Utah's higher than average participation rates increases the likelihood of two income families, thereby pumping-up household income. In addition, 60 percent of households in Utah are married couples compared to only 50 percent nationally.

Although the Great Recession has delivered a significant blow to employment in Utah, earnings and household income have fared much better due to the number of hours worked, favorable educational attainment and above average labor force participation rates of Utah's work force.

Table 5
Labor Force Participation Rate in Utah - 2008

State	Rate
1. Utah	81.5%
2. Colorado	80.2%
3. North Dakota	79.7%
4. Nebraska	79.5%
5. Wyoming	79.0%
US	73.0%

*Peak year is 2007 for all states except Colorado (2008).
Source: U.S. Census Bureau, American Community Survey