

UTAH'S Economy

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UTAH'S JOB MARKET OUTPERFORMING MOST STATES

Utah employers are hiring again. Over the past three months the number of jobs in Utah has increased at a pace of about 30,000 new jobs a month. This rate of growth was not expected until at least 2012. Utah's labor market is growing faster than any other western state with the exception of the small and energy-rich Wyoming, *Table 1*.

Utah's rate of growth is a full percentage point ahead of the third place western state, Oregon. That extra percentage point amounts to an additional 12,000 jobs. Nevada is the lone western state that continues to lose jobs. Among all 50 states Utah ranks fourth in job growth over the last three months. The only states growing at a faster clip are all energy producing states: North Dakota with 5.1 percent job growth, Wyoming at 3.03 percent, and Texas at 2.50 percent.

Table 1 Year Over Percent Change in Nonfarm Employment (June-August)

	Percent Change
Wyoming	3.03%
Utah	2.45%
Oregon	1.46%
Washington	1.36%
Montana	1.18%
California	1.16%
Idaho	0.92%
Arizona	0.50%
Colorado	0.73%
New Mexico	0.43%
Nevada	-0.31%

Source: U.S. Bureau of Labor Statistics.

What sectors are driving Utah's job growth? The leader is professional and business services with an increase of 11,200 jobs. This broad category accounts for 165,000 jobs. The most rapidly growing area of professional services is computer systems design up 9.8 percent followed by temporary employment agencies at 9.6 percent. Temporary employment growth often precedes an improving job market. Job growth in retail trade is impressive at 4,000 additional jobs, transportation and warehousing is up 2,200 jobs and computer manufacturing up about 1,000. The manufacturing sector overall is up 5,800 jobs in the past year.

Over 40 percent of the job growth has been in Salt Lake County followed at some distance by Utah County, *Table 2*. County employment numbers show that Washington County is still struggling. The number of jobs in the county in August 2011 is slightly below the number a year earlier. Eight counties reported job

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Table 2 Top Five Counties Ranked by Absolute Change in Nonfarm Employment

Rank	County	August 2010	August 2011	Change
1	Salt Lake	570,743	585,521	14,778
2	Utah	172,692	177,986	5,294
3	Davis	101,768	105,370	3,602
4	Summit	19,334	20,358	1,024
5	Cache	47,933	48,792	859

Source: Utah Department of Workforce Services.

losses over the past year. Most of these are very small counties, with the exception of Washington County and Box Elder. Box Elder's manufacturing sector has been hit particularly hard by the recession.

What sectors are most likely to lead Utah's job recovery? While manufacturing, transportation and retail trade have been important over the past year those sectors are not among the long-term leaders of job growth, *Table 3*. Over the past 10 years more than one-third of the 100,000 increase in jobs in Utah was in the healthcare sector. Local government ranks second as a long-term driver of new jobs. Currently local government is one of the slowest growing sectors due to a budgetary squeeze on education. Professional and business services looks

Table 3 Sectors Ranked by Employment Growth in Utah – 2001-2010

	2001	2010	Absolute	Percent
Healthcare	82,946	120,235	37,289	37.3%
Local Government	97,325	114,529	17,204	17.2%
Professional, Scientific and Technical Services¹	50,181	65,226	15,045	15.0%
Lodging & Food Service	82,170	93,241	11,071	11.1%
Private Education	26,567	34,766	8,199	8.2%
Total for All Industries			99,600	

Source: Utah Department of Workforce Services.

1 The individual industries of this subsector are defined on the basis of the particular expertise and training of the services provider. The distinguishing feature of the Professional, Scientific, and Technical Services subsector is the fact that most of the industries grouped in it have production processes that are almost wholly dependent on worker skills. In most of these industries, equipment and materials are not of major importance, unlike healthcare, for example, where "high tech" machines and materials are important collaborating inputs to labor skills in the production of healthcare. Thus, the establishments classified in this subsector sell expertise. Much of the expertise requires degrees, though not in every case.

to be a leader, but it is less certain about restaurants, hotels, and private education (for-profit universities and BYU).

Over the long-term it's almost certain that Utah's job growth will be centered in services; primarily state and local government, healthcare and business and technical services. Local government will need to grow as public school enrollments increase. Healthcare will continue to be the leading growth sector. The importance of these two service sectors is illustrated by the list of Utah's top employers, *Table 4*. On the private side, business and technical services will be a major contributor to economic growth. This sector includes the thousands of small businesses that support economic activity across all employment sectors.

Table 4 Major Employers in Utah – 2010 (5,000+ Employees)

Employer	Industry	Employment
Intermountain Healthcare	Healthcare	20,000+
University of Utah (including hospital)	Higher Education	20,000+
State of Utah	State Government	20,000+
Brigham Young University	Higher Education	15,000 - 19,999
Wal - Mart	Warehouse Clubs & Supercenters	15,000 - 19,999
Hill Air Force Base	Federal Government	10,000 - 14,999
Granite School District	Public Education	7,000 - 9,999
Utah State University	Higher Education	7,000 - 9,999
Davis County School District	Public Education	7,000 - 9,999
Alpine School District	Public Education	5,000 - 6,999
Smith's Food and Drug	Grocery Store	5,000 - 6,999
U.S. Treasury Department	Federal Government	5,000 - 6,999
Salt Lake County Government	Local Government	5,000 - 6,999
U.S. Postal Service	Federal Government	5,000 - 6,999
Jordan School District	Public Education	5,000 - 6,999

Source: Utah Department of Workforce Services.



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