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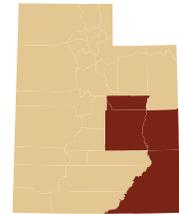


An economic and labor market analysis of the Southeast Utah Area

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Occupational Employment Outlook for Eastern Utah



BY ERIC MARTINSON, ECONOMIST

Every two years, the Department of Workforce Services produces long-term occupational projections. The value in providing these employment projections is to identify which types of jobs are most likely to be in high demand in the future. The most recent long-term occupational projections are provided for eight sub-state regions. The eastern Utah region is comprised of Carbon, Daggett, Duchesne, Emery, Grand, San Juan, Uintah and Wasatch counties. This article covers what the occupational employment distribution will likely be in 2022 in comparison to 2012.

Projections give our future workforce (typically youth still preparing themselves in school) and employment counselors a sense of which occupations are estimated to offer abundant prospective employment opportunities. Projections can also direct the education community in shaping policies that prepare the future workforce with valued skills that

meet the future employment demand. Ultimately, the long-term employment projections act as a yardstick that individuals and agencies can use to plan ahead.

Major Occupational Groups

Over 800 occupations are classified and can be categorized into 22 major occupational groups. A look at 2012 base occupational employment estimates and the projected employment growth provides a picture of the eastern region's current labor market and it's projected change.

When the occupational projections are estimated, two aspects are considered. The first is how many replacements within an existing employment base will be needed to account for those leaving a particular occupation. An airline pilot who retires, a waitress who decides to switch occupations to become an accountant or a worker who simply leaves the workforce are a few examples to replace positions within an occupation as vacancies are created. The

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other aspect of projection estimates are growth openings. These are new positions within new businesses or net additions to already existing operations.

Figure 1 illustrates major occupational groups ranked according to projected employment estimates. The tan (projected employment replacements) and orange (new openings) bars together represent total projected openings. Since the replacement openings will replace workers in the existing 2012 employment base, the gray and tan stacked bars compose the base employment estimates in 2012.

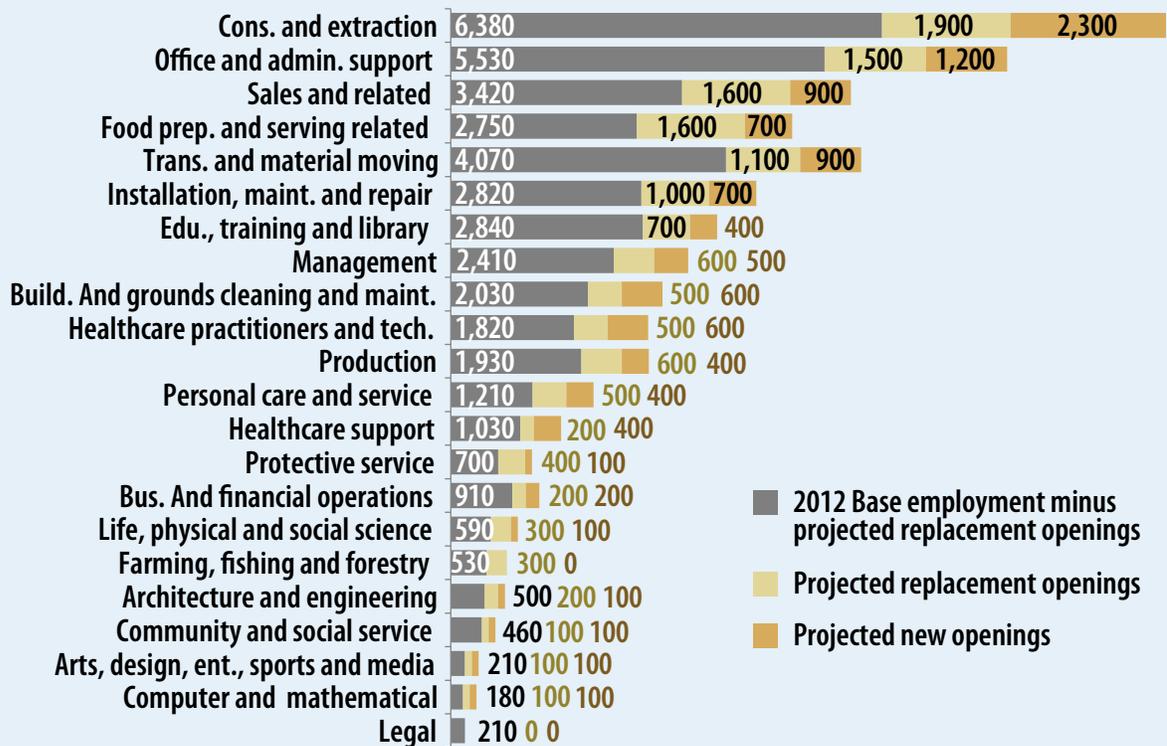
Figure 1 indicates that the largest number of projected openings in the long-term is within the construction and extraction occupation group, with an emphasis upon the heavy presence of oil and gas extraction in the Uintah Basin. If growth continues even in moderate levels, then this occupational group will easily see the greatest overall employment growth, 2,300 new employment positions created by 2022.

Other occupational groups with job availabilities include office and administrative support, which will need about 1,500 replacements and 1,200 new positions. The next fastest-growing are population-driven occupations: sales and food preparation and serving. Fifth on the list is transportation and material moving, an industry that supports natural resource extraction (such as oil, gas, and coal).

Specific Occupations

Home health aides and medical secretaries are the two occupations projected to grow the fastest from 2012 to 2022, at an annual rate of 7 percent and 4 percent respectively. In fact, five of the twenty fastest-growing occupations are closely related to the health care industry. Interspersed with construction and office and administrative occupations, the remaining fastest-growing occupations are those related to oil and gas extraction (Figure 2).

Figure 1: Projected Employment Growth by Major Occupational Group, 2012



Source: U.S. Bureau of Labor Statistics and Department of Workforce Services

Figure 2: Twenty Occupations with the Highest Projected Growth in Employment from 2012 to 2022

SOC Title	Base Employment 2012	Projection Employment 2022	Numeric Change	Percent Change 2012–2022	Total Openings	Median Hourly Wages	Min. Education Typically Required
Home health aides	180	310	130	69.57%	160	\$9.10	Less than HS
Medical secretaries	120	160	50	41.38%	60	\$13.30	HS diploma or equivalent
Telephone operators	110	150	40	40.74%	70	–	HS diploma or equivalent
Carpenters	680	950	270	39.79%	360	\$17.70	HS diploma or equivalent
First-line supervisors of landscaping, lawn service and groundskeeping workers	140	180	50	36.3%	60	\$29.80	HS diploma or equivalent
Billing and posting clerks	180	240	60	35.03%	100	\$14.40	HS diploma or equivalent
Civil engineers	100	140	40	34.31%	60	\$34.00	Bachelor's degree
Industrial machinery mechanics	550	740	190	34.06%	350	\$25.10	HS diploma or equivalent
Service unit operators, oil, gas and mining	870	1,170	300	33.79%	650	\$23.70	Less than HS
Construction managers	240	310	80	31.51%	110	\$36.20	Bachelor's degree
Roustabouts, oil and gas	1,410	1,850	440	31.32%	810	\$17.20	Less than HS
Rotary drill operators, oil and gas	220	290	70	31.19%	160	\$25.90	Less than HS
Derrick operators, oil and gas	180	230	60	31.07%	130	\$22.30	Less than HS
Plumbers, pipefitters and steamfitters	120	160	40	29.75%	50	\$17.90	HS diploma or equivalent
Registered nurses	620	810	190	29.74%	310	\$25.60	Associate's degree
Petroleum pump system operators, refinery operators and gaugers	240	310	70	29.34%	160	\$30.90	HS diploma or equivalent
Wellhead pumpers	270	350	80	29.04%	170	\$22.90	Less than HS
Personal care aides	220	280	60	28.84%	80	\$8.70	Less than HS
Medical assistants	150	190	40	28.38%	70	\$15.50	Postsecondary non-degree award
First-line supervisors of construction trades and extraction workers	890	1,130	250	27.85%	340	\$32.10	HS diploma or equivalent

Source: U.S. Bureau of Labor Statistics and Department of Workforce Services

Figure 3: Major Occupation Group, Descending Order by 2022 Employment Estimate

SOC Title	Base Employment 2012	Projection Employment 2022	Numeric Change	Percent Change 2012–2022	Total Openings	Median Hourly Wages	Education Required
Heavy and tractor-trailer truck drivers	2,350	2,860	510	21.69%	890	\$22.40	Postsecondary non-degree award
Cashiers	1,760	1,970	210	11.68%	970	\$8.90	Less than HS
Roustabouts, oil and gas	1,410	1,850	440	31.32%	810	\$17.20	Less than HS
Construction laborers	1,340	1,670	330	24.48	620	\$16.00	Less than HS
Combined food preparation and serving workers, including fast food	1,260	1,550	290	22.82	770	\$8.50	Less than HS
Secretaries and administrative assistants, except legal, medical and executive	1,230	1,520	290	23.44%	440	\$15.50	HS diploma or equivalent
Retail salespersons	1,210	1,500	290	24.3%	710	\$11.60	Less than HS
Office clerks, general	1,140	1,280	140	12.26%	380	\$11.70	HS diploma or equivalent
General and operations managers	1,020	1,230	210	20.87%	400	\$34.50	Bachelor's degree
Service unit operators, oil, gas and mining	870	1,170	300	33.79%	650	\$23.70	Less than HS
Maids and housekeeping cleaners	960	1,140	180	18.36%	370	\$10.40	Less than HS
First-line supervisors of construction trades and extraction workers	890	1,130	250	27.85%	340	\$32.10	HS diploma or equivalent
Operating engineers and other construction equipment operators	950	1,110	160	16.51%	370	\$20.20	HS diploma or equivalent
Janitors and cleaners, except maids and housekeeping cleaners	790	960	170	21.34%	320	\$10.90	Less than HS
Carpenters	680	950	270	39.79%	360	\$17.70	HS diploma or equivalent
Substitute teachers	880	930	60	6.62%	210	\$9.80	Bachelor's degree
First-line supervisors of retail sales workers	750	890	150	19.87%	310	\$14.60	HS diploma or equivalent
Waiters and waitresses	740	840	110	14.21%	460	\$10.40	Less than HS
Registered nurses	620	810	190	29.74%	310	\$25.60	Associate's degree
Bookkeeping, accounting and auditing clerks	650	780	130	19.82%	190	\$16.20	HS diploma or equivalent

Source: U.S. Bureau of Labor Statistics and Department of Workforce Services

Educational Attainment

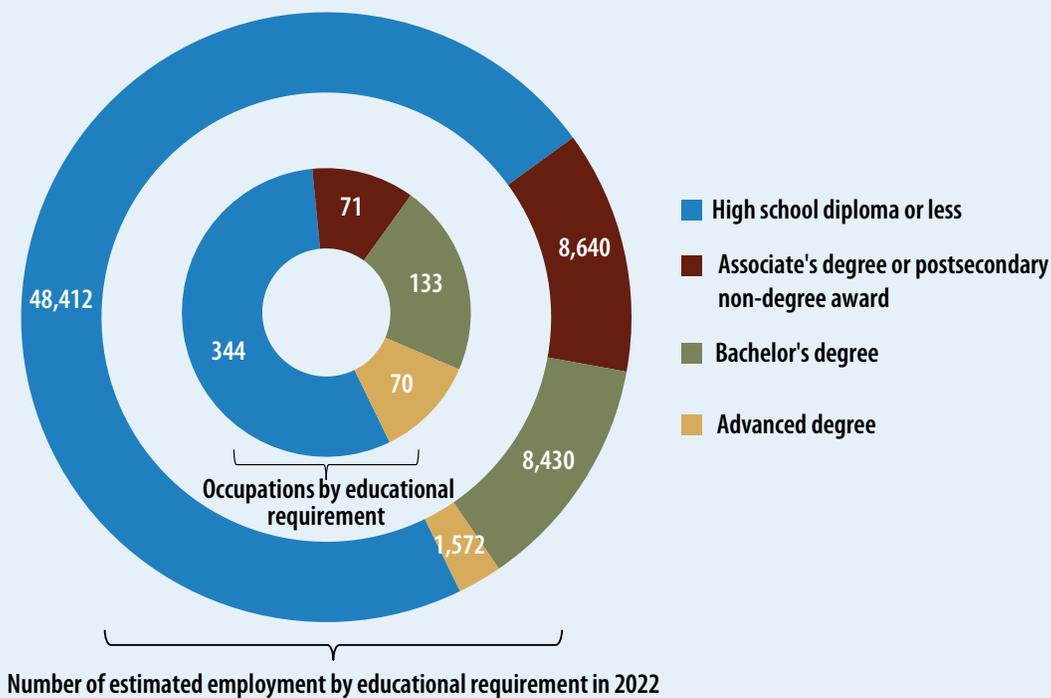
Included with the occupational employment projections are educational attainments typically required to enter particular occupations. Figure 4 illustrates how occupations and occupational employment estimates are distributed among educational attainment groups. The inside doughnut in figure 4 has occupations separated by educational requirement. By 2022, there will be 344 occupations (not jobs, but types of jobs) in the eastern region that would typically require, at most, a high school diploma. This amounts to 57 percent of all occupations in the region. Seventy-one (12 percent) will typically require at least an associate degree; 133 will require a bachelor's degree (22 percent); and 70 (11 percent) will require an advanced degree (Master's, doctoral or professional).

The outside doughnut illustrates the distribution of these educational attainment requirements in terms of actual

employment counts. The 344 occupations that require, at most, a high school diploma will represent 48,412 jobs. Just over half of all occupation-types requiring, at most, a high school diploma will represent 7 out of every 10 jobs in the eastern region. This makes sense given the micro-economies in eastern Utah: oil and gas in the Uintah Basin, coal mining in Castle Country, and tourism and recreation in Wasatch County and southeast Utah. The major share of jobs in each of these industries typically do not require high education level. While 33 percent of all occupation-types in eastern Utah require at least a bachelor's degree, this represents only 15 percent of all jobs in the region.

Occupational employment projections allow for effective planning within labor market initiatives and education policy. Employment in the eastern region will continue to highlight growth in occupations that support broad demand for energy, along with occupations driven by population growth.

Figure 4: Occupations and Employment Estimates by Educational Attainment



Source: U.S. Bureau of Labor Statistics and Department of Workforce Services



Current State of the Economy in Castle Country and Southeast Utah

BY ERIC MARTINSON, ECONOMIST

Castle Country

Total quarterly nonfarm payroll employment in Castle Country fell by 2 percent during the first quarter of 2014, on a year-over-year basis. This amounted to 200 jobs whose losses came from both the goods-producing and the services-providing sectors. One major source for the decline in jobs, as has been the case for a while now, is the mining industry.

The employment setbacks that Castle Country's mining industry has been experiencing reflects the nationwide trend. The decreased demand for coal as production fuel (e.g., electricity generation) in the United States has led to employment losses now reaching back several quarters in Castle Country. Higher emissions standards for electricity generation (as set forth by the Environmental Protection Agency) as well as an increased supply of natural gas, a cheaper and cleaner-burning alternative to coal, are the primary reasons behind the decreased demand.

Once responsible for 14 percent of total nonfarm payroll employment in the region, mining now accounts for fewer than 9 percent of all jobs in Castle Country. A historically foundational industry for the region, setbacks within mining tend to impact the entire Castle Country economy.

Carbon County

Carbon County's first-quarter total nonfarm payroll employment was down 1.5 percent on a year-over-year basis. Both the goods-producing and services-providing sectors saw fewer employed over the last couple of years. In fact, annual average employment in the county has fallen the last five years, from 9,600 to 8,900 payroll jobs. Payrolls, too, were down 2 percent over the first quarter of 2013.

Construction employment dropped 14 percent over the past year, suffering its largest setback in March 2014 as it shed 80 payroll jobs. Construction permitting was down 80 percent during 2013, based on the Bureau of Economic and Business Research's (BEBR) construction information database.

Retail and wholesale trade also lost 70 first-quarter jobs. This is reflected in recent quarterly taxable sales, which have been negative on a year-over basis since early 2012. Carbon County's taxable sales during the first quarter of 2014 were down 1 percent.

A bright spot in the labor market was in transportation and warehousing which added 60 jobs, a jump of 13 percent compared with first quarter 2013. Leisure and hospitality services were also up slightly, adding 20 jobs.

Carbon County's unemployment rate for the month of June 2014 measured 4.7 percent.

Emery County

The employment picture in Emery County looks much the same as Carbon County's. Emery, like Carbon, has been heavily dependent on coal mining jobs. Once responsible for 22 percent of total nonfarm payroll employment (back in 2006), mining employment currently accounts for less than 12 percent. Compared with last year, mining lost 120 jobs, a sizeable drop of 25 percent. Construction employment, which was up 25 percent, or 80 jobs, was not enough to offset the mining employment loss.

First quarter taxable sales in the county were up 21 percent compared to last year. The taxable spending increase occurred mostly from a 115 percent increase in business expenditures in the utilities industry, signaling perhaps a periodical maintenance project at one of the utilities-generating plants. Emery's

unemployment rate for the month of June 2014 was 5.1 percent.

Southeast

Total first-quarter nonfarm payroll employment in Southeast Utah was up 2 percent, or 180 jobs. Both Grand and San Juan counties increased their first-quarter payroll employment. While Grand improved its employment picture in both goods-producing and services-providing sectors, job gains in San Juan County came primarily from services.

Grand County

Total first-quarter nonfarm payroll employment in Grand was up 3 percent, or 130 jobs. The sources of the largest industry gains came from construction, up 50 jobs and 28 percent year-over, and health care, up 50 jobs and 20 percent. Employment in most other industries largely stayed put, with the exception of government, which dropped 50 jobs, or 5 percent.

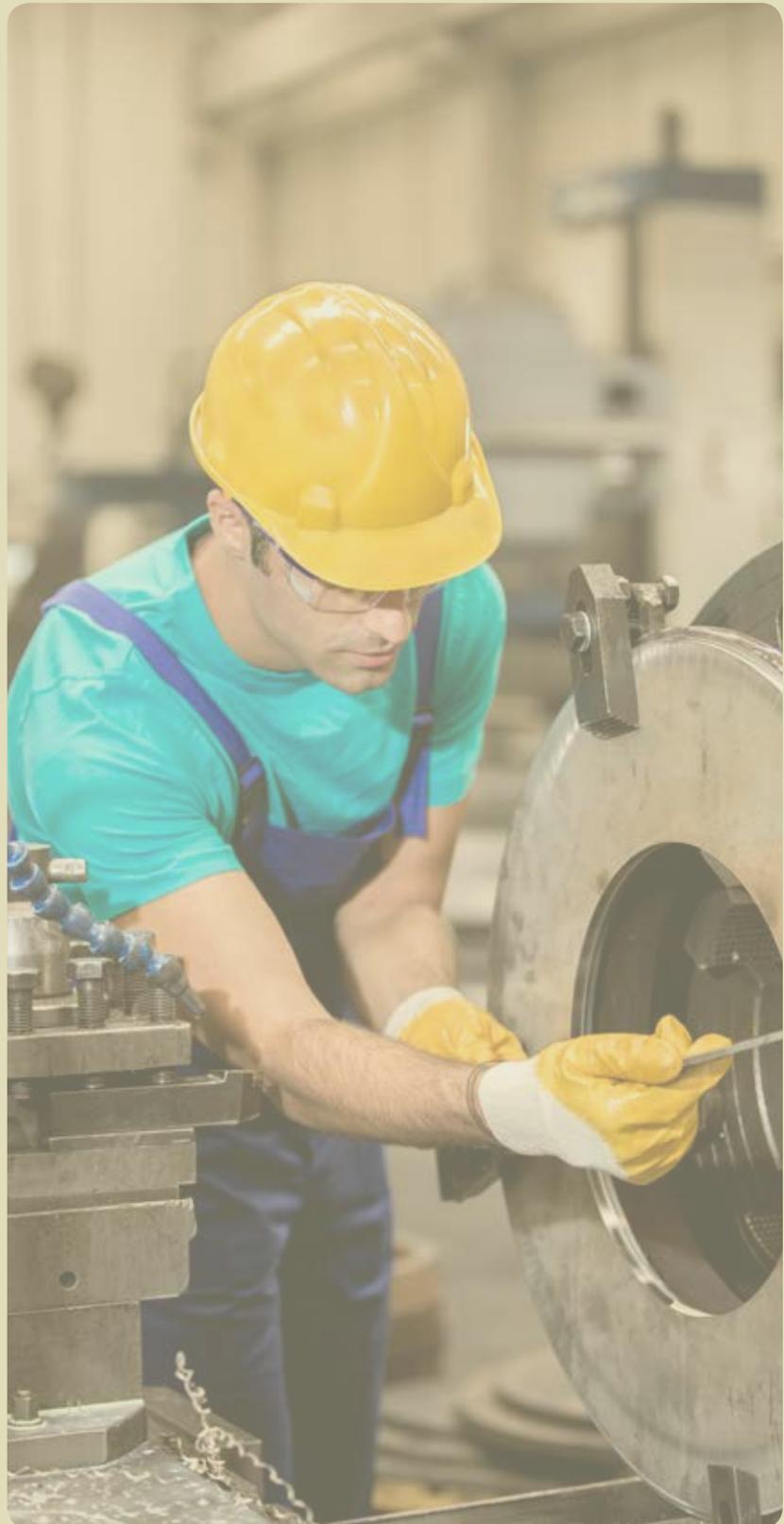
Grand County's taxable sales continues to grow. First quarter taxable sales were up 22 percent compared to last year's first quarter. Taxable sales in the county have been growing since 2010, with the most recent quarter showing healthy growth spread across various industries. Grand's unemployment rate for the month of June 2014 was 5.7 percent.

San Juan

Total first-quarter nonfarm payroll employment in San Juan increased by 1 percent, or 50 jobs. While payroll construction was up by 50 jobs, this gain was more than offset by the loss of 90 manufacturing jobs in the county.

On the other hand, its private sector employment change was positive for all services-providing industries with the exception of professional business services. Government, too, saw a slight decline in payroll first-quarter employment. Education and health and social services edged their payroll employment up 12 percent, or 75 jobs. Leisure and hospitality also grew by 17 percent, or 70 jobs.

San Juan's unemployment rate for the month of June 2014 was 7.7 percent. Initial unemployment claims for the county, on a four-week moving average, has mostly been at or below 2013 levels.





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Labor Supply Can Sustain Utah's Growth

BY MARK KNOLD, SUPERVISING ECONOMIST

The Utah economy is growing, which means more jobs now than at this time last year. In order for an economy to add jobs, additional workers must be available. Without an adequate labor supply, an economy's growth potential becomes constrained. Fortunately, Utah has enough labor to sustain its current above-average job growth for several more years.

An economy gains workers through three avenues. One is a youthful supply aging into the job market every year—which isn't a problem for Utah. Our yearly net labor force gain (entrants minus retirements/deaths) is 20,000 to 23,000. Next, there are workers already of labor force age who either enter or re-enter the labor force. Lastly there is in-migration—labor that comes to Utah from other states or nations.

The recession caused no net Utah job growth between 2008 and 2013. At the same time, Utah's natural labor supply (births minus deaths) grew by approximately 100,000. That surplus labor embodies what the 2014 economy has to draw from, and is the fuel for sustaining Utah's current job growth over the next several years.

Currently, there is little evidence of a strong labor flow migrating into Utah, so most of the new jobs are filled in-house. Each year, roughly 20,000 additional young workers age into the labor force. Utah's economy is expected to expand by approximately 42,000 jobs in 2014. Therefore, our economy in 2014 will draw

upon than just these first-time entrants. About 24,000 of those recession-idled 100,000 must be drawn back to the job market. If this process were to be repeated for the next several years; on paper, all 100,000 recession-idled laborers would be returned to the Utah job market by 2018.

Utah still has a sizeable labor pool, and even without significant in-migration in the immediate future, Utah is in a position to sustain its current above-average job growth for several more years. Economic interaction doesn't remain static though. As the nation's economy improves, one expects that in-migration will be an increasing factor for Utah going forward, supplying even more workers for a potentially longer dynamic growth period.

While individual regions may experience variations from the above postulation—for example, the Uintah Basin may see more labor in-migration than other areas—the desire is that a growing Utah economy will experience sustained labor availability, and growth will find its way into all regions of the state.

“Without labor nothing prospers.”

— Sophocles, Classical Athenian Playwright