

# local insights



An economic and labor market analysis of the Wasatch Front North Area

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## Employment by Race, Ethnicity and Gender in Wasatch Front North



BY TYSON SMITH, ECONOMIST

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This July marks the fiftieth anniversary of the Civil Rights Act of 1964, the seminal piece of anti-discrimination legislation in the United States. Title VII of the Civil Rights Act legally protects employees and job applicants from prejudice based on their race, color, religion, gender, national origin, age, disability or genetic information. The Title also established the U.S. Equal Employment Opportunity Commission (EEOC), the agency responsible for enforcing the laws against employment discrimination. The EEOC has the authority to investigate charges of discrimination against employers who are covered by the law and in cases where wrongdoing is discovered the EEOC can file a lawsuit against the business on behalf of the individual and the public interest.

The EEOC is responsible for collecting and analyzing data relating to the job patterns of minorities and women in the workplace. Public and private employers, as well as unions and labor organizations are required to report the composition of their workforces by gender, race and ethnicity. The EEOC uses demographic labor force

information to establish employment benchmarks that can be used to investigate accusations of discrimination.

### How is Equal Employment Opportunity Information Used?

While the EEOC is primarily concerned with collecting workforce data for the sake of enforcing federal laws that make it illegal to discriminate against job applicants or employees, the data can also be used by economists and researchers to better understand the gender, racial and ethnic distribution of the workforce in a specific geography. The most valuable tool for examining Equal Employment Opportunity (EEO) data at the local level is available through the U.S. Census Bureau. The American Community Survey (ACS) performs a custom tabulation of EEO data that estimates detailed data for every county in the United States. This data set serves as the primary external benchmark for comparing the race, ethnicity and gender composition of an organization's internal workforce, to the analogous external labor market, within a specified geography and occupation. The most recent EEO tables estimated county level statistics





## Employment by Race, Ethnicity and Gender Continued

based on a five-year data collection period from 2006 to 2010. The five-year survey window minimizes the error caused by small sample sizes, making the granular data more accurate than they would be otherwise.

The tables offer an abundance of applications—many of which are too specific for this publication. This article will primarily use Wasatch Front North (WFN) Economic Service Area data from EEO worksite tables to illuminate broader trends in the regional labor force. The WFN consists of Morgan, Davis and Weber counties.

### Racial, Ethnic and Gender Demographics

EEO tables are one of the many U.S. Census Bureau sources that offer county, state and national employment data that includes demographic information. Knowing the overall composition of the workforce in

a given geography helps to define the diversity of the local population. For tabulation purposes, Hispanic or Latinos are split into two racial categories—white alone and all other. In the not Hispanic or Latino ethnic group, the EEO formulations provide racial breakouts for five, one-race categories as well as four, two-or-more race categories and finally a “balance” grouping. One-race categories include: White, Black or African American, American Indian and Alaska Native, Asian and Native Hawaiian/other Pacific Islanders.

According to EEO estimates 83.6 percent of the employed civilians 16 years and older in the WFN had a racial and ethnic profile of White, Not Hispanic. That proportion is only slightly above the state average of 82.6 percent, but significantly greater than the national average of 67.0 percent. In most cases, national employment is much more diverse than it is in the WFN, which is reflective of general population demographics. The WFN workforce consists of an estimated 11.7 percent Hispanics or Latinos, 1.7 percent Asians and 1.0 percent Blacks or African Americans, while the U.S. includes 14.6 percent Hispanics or Latinos, 4.8 percent Asians and 11.3 percent Blacks or African Americans.

Male and female employment was split in the WFN—54.1 percent and 45.9 percent, respectively—aligning more closely with national averages—52.9 percent male and

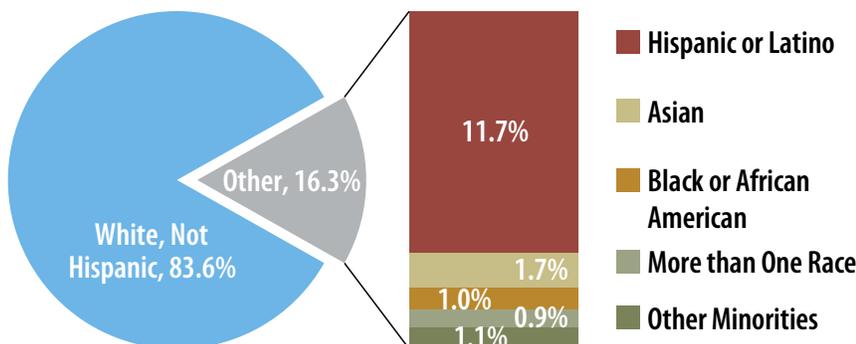
47.1 percent female. Figure 2 highlights the counts of male and female workers in the WFN. The data are broken into major racial and ethnic groups and two broad job categories: blue collar and white collar occupations. Blue collar jobs are loosely defined as jobs performed in work clothes that largely involve manual labor, while white collar work generally refers to professional, managerial or administrative work.

The occupational information in the EEO tables is the most valuable aspect of the data set. There are several other databases that combine demographic classifications with employment statistics; however, those sources rarely identify the occupational title of, or type of work performed by, the worker. The EEOC uses the occupational profiles of a given labor market as a gauge by which individual firms are measured. The data tell an interesting story about the occupational differences between men and women, and among different races and ethnicities.

### Major Occupational Group Demographics

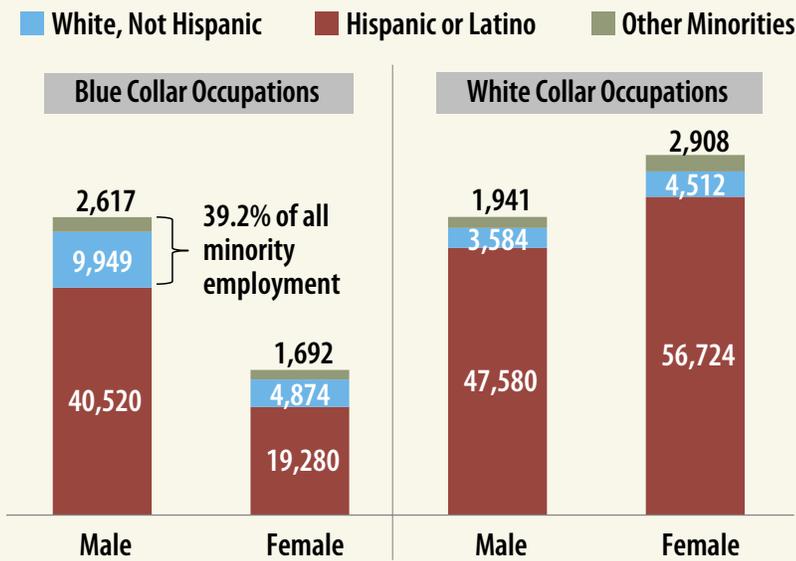
The EEO tables combine all detailed occupations into 14 broad occupational groups, seven of which fit the blue collar worker definition and seven represent the white collar occupations. Figure 2 highlights the significant disparity between males that work in blue collar occupations and females in the same professions. On the other hand, females are 20.8 percent more likely to work in white collar jobs than men. The specific occupational groups in Figure 3 further demonstrate the uneven distribution of the genders among job types. The top seven occupational titles in Figure 3 represent the jobs that are categorized as blue collar. The data show that males hold the vast majority (estimated 84.3 percent) of jobs in the blue collar professions, except one. Females work in more than twice as many service worker (except protective) jobs as men. The specific job titles included in the non-protective service worker occupational group are those that have traditionally been dominated by women, like waiters and waitresses, and hairdressers, hairstylists and cosmetologists. Unfortunately, service

**Figure 1: Wasatch Front North Racial/Ethnic Distribution of Employment, 2006 to 2010**



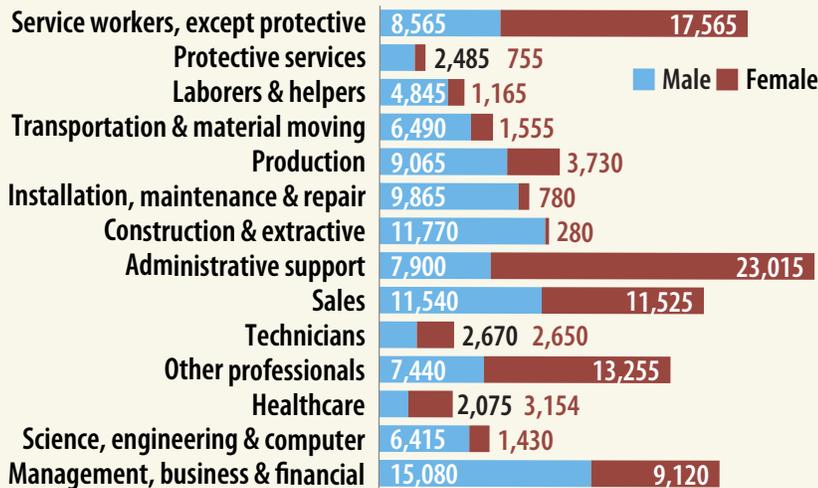
Source: U.S. Census Bureau American Community Survey

**Figure 2: Wasatch Front North Occupational Participation by Gender and Race/Ethnicity, 2006 to 2010**



Source: U.S. Census Bureau American Community Survey

**Figure 3: Wasatch Front North Occupational Group Employment by Gender, 2006 to 2010**



Source: U.S. Census Bureau American Community Survey

worker (except protective) jobs tend to be among the lowest paying in WFN.

The same low wage issue is true for the white collar occupational group that is overwhelmingly comprised of females—administrative support. Women are employed in nearly three times as many administrative support positions than men in the WFN. However, females participate in the professional occupational groups—the bottom seven groups in Figure 3—at a much more equitable rate than the blue collar occupations. Women are well represented among sales workers, technicians, other professionals and healthcare practitioners, as well as management, business and financial professionals, though the specific jobs that employ women tend to be lower-paying than male workers. Excluding the administrative support occupations, women represent an estimated 47.7 percent of all white collar employment in the WFN.

In stark contrast to female workers, an estimated 59.7 percent of minority employment is in blue collar occupations. Minority workers in the WFN are nearly twice as likely to work in the blue collar occupational groups as White, Not Hispanic workers. Service (except protective), production and construction and extractive workers constituted 20.0, 14.2 and 10.0 percent of the minority jobs in the WFN, respectively.

Figure 4 shows the percentage of each minority group that works in each occupational group. The shading in each cell represents a percentage value that is either above, below, or similar to the WFN average. Any cell shaded in red denotes a percentage of employment that is meaningfully higher than average, any cell shaded in blue is markedly lower than average. For example, 4.9 percent of Hispanics or Latinos in the WFN are laborers and helpers, which is 1.9 percentage points higher than the WFN average of 3.1 percent. In that case the cell is shaded red. Alternatively, 11.4 percent of Hispanics or Latinos in the WFN are administrative support workers, which is



### Employment by Race, Ethnicity and Gender Continued

4.4 percentage points lower than the ESA average of 15.8 percent. In that case the cell is shaded blue.

The employment “heat map” in Figure 4 helps illustrate the relatively high participation rates of minority workers in low-paying, blue collar jobs, and

the relatively low levels of affiliation minority workers have with high-paying, white collar occupations. This sort of occupational distribution among minority workers is not dramatically dissimilar from national trends, and does not necessarily reflect discriminatory employment practices. The dichotomy between White, Not Hispanic occupational trends and minority occupational trends is, in part, an educational gap. According to the EEO educational attainment tables, nearly 23 percent of the minority labor force in the WFN had not completed high school. Of the White, Not Hispanic labor force the proportion of people that had not graduated from high school fell to 3.5 percent. Furthermore, the percent of White, Not Hispanic laborers that had

obtained Bachelor’s, Master’s or Doctoral degrees is 30.4 percent, twice the rate of minority workers at 15.6 percent.

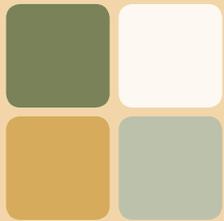
### Why Does EEO Data Matter?

EEO data serves three purposes: 1) provide a benchmark of the gender and racial/ethnic composition of the local labor market as a tool for EEOC investigators; 2) educate the public of labor force trends and the structure of the workforce; 3) raise awareness of the challenges facing women and minorities in the workforce. The ACS tabulates an impressive amount of EEO data that can be used for all three purposes. The Department of Workforce Services will continue to showcase publicly-available data in an attempt to explain the labor dynamics of the State of Utah.

Figure 4: Occupational Group Participation by Race and Ethnicity in Wasatch Front North from 2006 to 2010

		Hispanic or Latino	Asian	Black or African American	More than One Race	Other Minorities	Percent of Total Minority Population	Minority Participation Rates Relative to Area Average
Blue Collar Occupations	<b>Workforce Count</b>	<b>22,932</b>	<b>3,335</b>	<b>2,034</b>	<b>1,702</b>	<b>2,069</b>	<b>60%</b>	Very High High Average Low Very Low
	Service workers, except protective	20.3%	27.7%	16.2%	15.7%	11.6%		
	Protective services	0.6%	0.9%	0.0%	3.2%	3.9%		
	Laborers & helpers	4.9%	2.1%	2.2%	3.2%	5.0%		
	Transportation & material moving	5.4%	3.3%	8.6%	4.9%	5.3%		
	Production	16.7%	12.1%	9.3%	2.6%	4.3%		
	Installation, maintenance & repair	4.3%	1.9%	3.9%	8.8%	10.4%		
	Construction & extractive	12.4%	1.6%	5.2%	3.8%	7.9%		
White Collar Occupations	<b>Subtotal</b>	<b>64.6%</b>	<b>49.8%</b>	<b>45.4%</b>	<b>42.4%</b>	<b>48.4%</b>	<b>40%</b>	
	Administrative support	11.4%	10.3%	11.1%	20.9%	17.6%		
	Sales	9.0%	9.4%	11.3%	9.1%	8.9%		
	Technicians	2.5%	1.5%	2.7%	2.4%	1.4%		
	Other professionals	3.6%	8.4%	12.3%	4.7%	13.2%		
	Healthcare practitioners	0.2%	2.1%	3.2%	2.4%	5.1%		
	Science, engineering & computer	1.7%	4.5%	4.4%	4.4%	0.7%		
	Management, business & financial	6.9%	13.9%	9.6%	13.8%	4.6%		
<b>Subtotal</b>	<b>35.4%</b>	<b>50.2%</b>	<b>54.6%</b>	<b>57.6%</b>	<b>51.6%</b>			

Source: U.S. Census Bureau (American Community Survey)



## County Trends in Key Economic Metrics

BY TYSON SMITH, ECONOMIST

### Regional Overview

Third-quarter employment in WFN grew 2.7 percent from 2012 to 2013. In total, the WFN added 5,511 nonfarm payroll jobs year-over-year for a quarterly average of 208,345 employees. WFN increased employment at a slower rate than the rest of the state, which grew 3.2 percent over the same period. Annual growth in WFN accelerated slightly from a second quarter rate of 2.6 percent.

### Industry Employment in the Wasatch Front North

Aligning firms and organizations that perform similar functions provides a construct for examining employment and the economy. Total nonfarm employment contains 12 industry groups that can be clustered into two production types: goods-producing (mining, construction and manufacturing) and service-providing (trade, transportation and utilities, information, financial activities, professional and business services, educational, health and social services, leisure and hospitality, other services, as well as government).

- **Goods-Producing Employment:** In the third quarter of 2013, 17.8 percent of total nonfarm employment in the WFN was in private sector goods-producing jobs. Employment grew at an annual rate of 3.7 percent from the third quarter of 2012, adding 1,338 jobs. Construction and manufacturing employment drove the growth in this super sector, increasing at respective annual rates of 5.5 and 3.0 percent.
- **Services-Providing Employment:** Sixty percent of the nonfarm jobs in the WFN are in private sector services. This sector increased third quarter employment by 4,772 jobs, or 3.9 percent, from 2012 to 2013. The professional and business services and the educational, health and social services sectors added 2,585 and 991 jobs, respectively; the largest numeric increases in the region.
- **Government Employment:** Government employment is generally classified in the service-providing group; however,

the government sector functions differently than the for-profit private sector and is therefore evaluated separately. In the WFN region, government jobs represented over 20 percent of employment. Government employment in the region shrank by 1.3 percent year-over-year. Federal, state and local government employment in the area decreased by 369, 60 and 166 jobs, respectively.

In the state of Utah and in WFN, unemployment rates have fallen over the last year while employment has grown. In December 2012, the seasonally adjusted unemployment rate for the WFN was 5.6 percent, compared to 4.0 percent in 2013. The 1.6 percentage point difference represents an estimated 3,539 fewer people unemployed. Over the last six months, the area's unemployment rate has fallen 0.7 percentage points. In December, the WFN unemployment rate was slightly below the state rate of 4.1 percent.

The average number of unemployed people filing initial unemployment insurance claims increased dramatically from the fourth quarter of 2012 to the fourth quarter of 2013, due to the federal government shutdown. On average, 249 more initial unemployment claims were filed per week during the fourth quarter of 2013, but that number is skewed by the 4,298 claims filed during the shutdown.

In addition to increased employment, broader economic growth helped drive up third quarter sales in 2013. Taxable sales for the WFN increased 5.3 percent year-over-year to a total of more than \$2 billion. As labor market conditions trend toward full recovery, consumption and investment should increase as well.

### Davis County

Total nonfarm employment in Davis County increased 2.7 percent year-over-year in the third quarter. From 2012 to 2013, Davis County added 2,894 jobs, resulting in a quarterly average of

**County Trends in Key Economic Metrics Continued**

nonfarm employment equal to 111,983 this year.

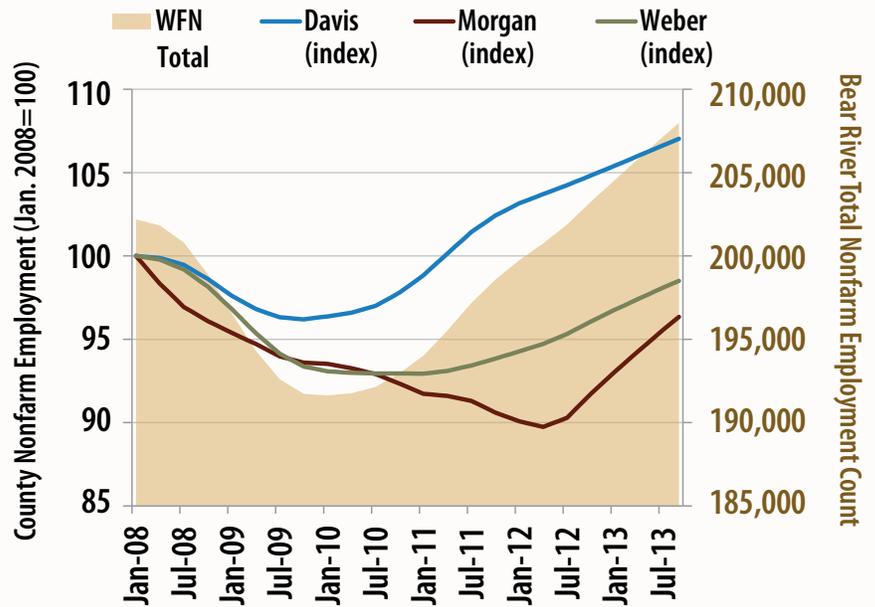
- Goods-Producing Employment:** Goods production increased 5.0 percent, or 902 jobs, since the third quarter of 2012. Manufacturing and construction added 513 and 417 jobs, respectively.
- Service-Providing Employment:** Private-sector services added 2,258 jobs year-over-year, a growth rate of 3.5 percent. The professional and business services and the educational, health and social services sectors each tallied 1,210 and 774 new jobs.
- Government Employment:** Third-quarter government employment shrank 1.0 percent from 2012 to 2013. The local government added 90 employees, but federal and state government lost 263 and 90 jobs, respectively.

The Davis County unemployment rate settled at 3.8 percent in December, slightly lower than the November rate of 3.9 percent. Over the last 12 months, the county unemployment rate has fallen 1.3 percentage points. The Davis County unemployment rate was 0.3 percentage points lower than the state average in December.

On average, the number of weekly initial unemployment claims filed during the fourth quarter increased by 73 claims from 2012 to 2013. However, if the two weeks of the federal government shutdown are excluded the average number of claims remains unchanged year-over-year.

Third-quarter taxable sales in the county increased 6.3 percent from 2012 to 2013, nearly 70 percent higher than the state average of 3.7 percent. The year-over increase in spending was about \$64.9 million higher than 2012, bringing third quarter spending in 2013 to \$1.1 billion.

Figure 5: WFN Bear River Employment Trends—Seasonally Adjusted



**Morgan County**

Third-quarter total nonfarm employment in Morgan County grew 5.9 percent from 2012 to 2013. Morgan County added 105 nonfarm jobs year-over-year, resulting in total employment equal to 1,879 jobs.

- Goods-Producing Employment:** Goods production increased by 16 jobs, or 3.1 percent, from the third quarter of 2012. Construction added a total of 26 jobs from the previous year.
- Service-Providing Employment:** Services grew 8.7 percent year-over-year, adding 73 jobs. Trade, transportation, and utilities increased by 50 jobs to an employment total of 404.
- Government Employment:** Third-quarter government employment rose from 422 in 2012 to 438 in 2013, 3.8 percent. The local government added 15 employees, while federal government gained 1 job.

The unemployment rate in Morgan County was 3.7 percent in December

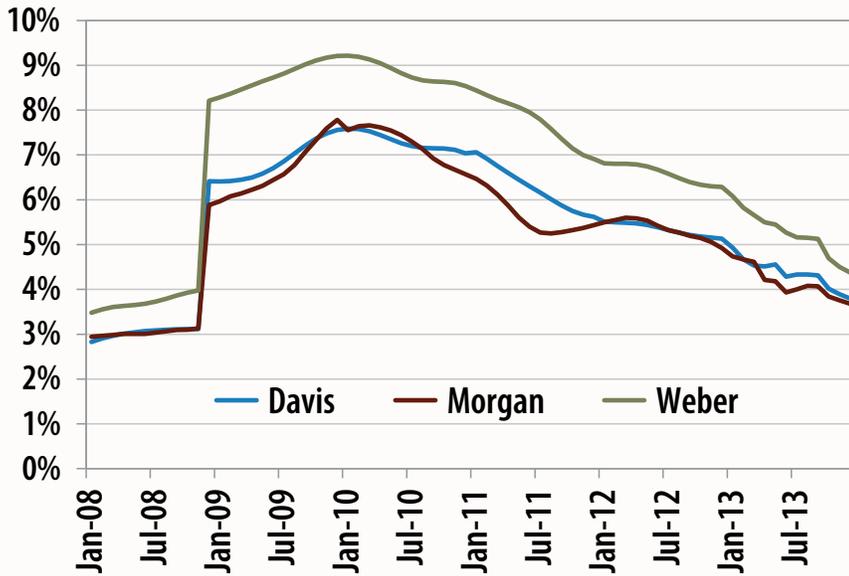
2013, down slightly from November. Since December 2012, the county unemployment rate has fallen 1.2 percentage points. Morgan County's unemployment rate was relatively low when compared to the state average of 4.1 percent in October. The average number of initial unemployment claims filed per week in the third quarter of 2013 was 7.8 claims, approximately two claims per week higher than 2012.

Taxable sales in Morgan ran contrary to statewide trends for the second consecutive quarter. Third-quarter sales in the county fell 16.7 percent from 2012 to 2013. Spending was approximately \$18.1 million, a drop of \$3.6 million from the previous year.

**Weber County**

Third-quarter total nonfarm employment in Weber County increased 2.7 percent year-over-year. Total employment in the third quarter of 2013 in Weber County was 94,484, a 2,513 job increase from the same period in 2012.

Figure 6. County Unemployment Rates—Seasonally Adjusted



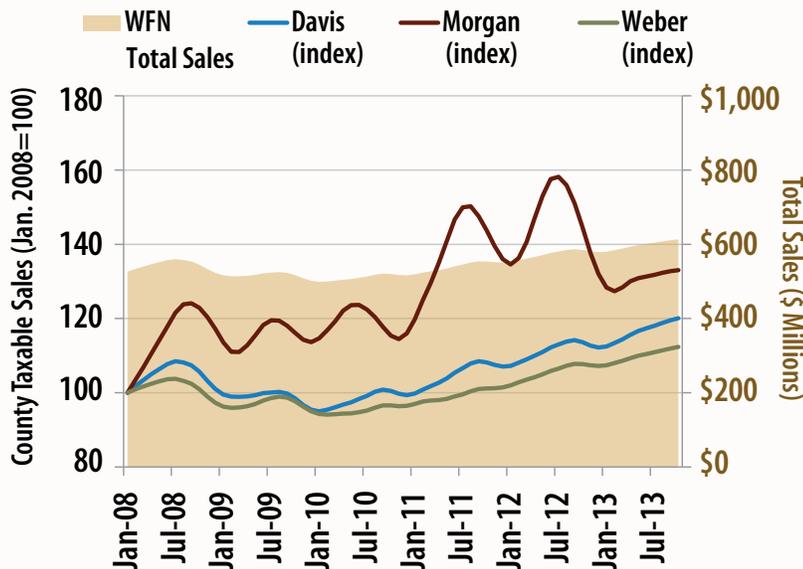
- Goods-Producing Employment:** Increased 2.5 percent, or 420 jobs, from the third quarter of 2012. Manufacturing added 185 jobs, taking total employment from 12,242 in 2012 to 12,427 in 2013.
- Service-Providing Employment:** Private-sector services added 2,441 jobs, a growth rate of 4.4 percent from the previous year. The Professional and business services and the trade, transportation, and utilities sectors increased by 1,360 and 441 jobs, respectively.
- Government Employment:** Government employment shrank 1.8 percent from the third quarter 2012 to the third quarter 2013. State government added 30 employees, while federal and local government each lost a total of 107 and 271 jobs.

December’s unemployment rate for Weber County was 4.4 percent, down slightly from the month prior. Over the last year, the county unemployment rate has fallen 1.9 percentage points. Weber County was 0.3 percentage points higher than the state average in December.

On average, the number of initial unemployment claims filed per week in the fourth quarter decreased by 173 claims from 2012 to 2013. The average number filed declines significantly if the two weeks of the federal government shutdown are excluded, in which case the average number of claims drops 19 per week from the previous year.

Third-quarter taxable sales in the county increased 4.7 percent from 2012 to 2013, which was 1.0 percentage points faster than the state average. In the third quarter of 2013 taxable sales were approximately \$900.4 million, which was an increase of approximately \$40.6 million from the previous year.

Figure 7. WFN Taxable Sales Trends—Seasonally Adjusted, Not Adjusted for Inflation



Source: Utah State Tax Commission



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# The Equal Employment Opportunity Data

BY MELAUNI JENSEN, LMI ANALYST

From 2010 - 2013, there was an estimated 5.0 percent population growth in Utah compared to 2.4 percent in the United States. Demographic statistics like this from the U.S. Census Bureau's American Community Survey (ACS) are important and useful for the communities of Utah. The ACS asks a variety of demographic questions including race, gender, employment, income and education, and is a valuable source of occupational information. The survey provides unbiased data that are used to create occupational profiles as complete and accurate as possible. Profiles can then be used by government, community organizations or private businesses to make informed decisions.

Regional economists at the Department of Workforce Services analyze the data in an effort to tell a story about the changing aspects of the economy. The profile for a geographic area helps to reveal trends in the workforce and the economy. For instance, research has shown that the changes in age, compared to population growth, could make an impact on the future workforce. As people live longer, more workers retire, which can reduce the growth in the future labor force. Communities will need information like this to keep up with changing dynamics.

The ACS tells stories that can help communities to plan. Businesses can use the information about education and employment to find

strategic places to develop new establishments in their industry. A business specializing in senior services might look for potential employees skilled in nursing, or a business trying to obtain funding needs to show that their diversity follows the community. In an effort to keep up with basic services, local governments can look at commuting patterns and population to make decisions about transportation, or aging statistics to find the need for hospitals and schools. Local non-profit groups benefit from seeing a profile of the area that helps with emergency planning, finding funding or developing community projects. In a world that is growing technologically, jobs are changing and educators might use the data to evaluate the need to teach new methods and skills.

The combinations are endless in both the gathering and the analysis of these statistics, but it is clear that demographics are an important tool for communities transitioning to the changing future.

*Many of these analyses can be found on Utah's Labor Market and Economy blog and other publications. <http://jobs.utah.gov/wi/pubs/publicat.html> and <http://economyutah.blogspot.com>*