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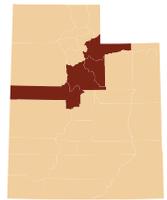


An economic and labor market analysis of the Mountainland Area

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## 2012 to 2022 Provo-Orem Occupational Projections



BY JIM ROBSON, ECONOMIST

The Department of Workforce Services (DWS) has published the ten-year occupational projections covering the period from 2012 to 2022. The Provo-Orem Metropolitan Occupational Projections encompass Utah and Juab Counties. Job seekers, students, career counselors, parents, educators, and trainers use the projections to gauge future demand for occupations and expected industry trends over ten years, allowing them to make informed decisions.

The ten-year occupational projections do not try to anticipate year-to-year fluctuations in economic activity. Instead, expected structural changes and trends in the economy are used to determine the relative growth and demand among occupations over the coming decade. One major DWS assumption in the projections is that the economy will be at or near “full employment” by 2022, which is to say, that economic production is expected to be near its potential by the end of the projection period.

### Occupational Employment Growth

The projection results provide four measures that are used to reflect the future demand or relative job opportunities afforded by specific occupations. These are numeric change and percent change in employment from 2012 to 2022, and the average annual openings due to either the growth in employment or replacement of workers who have left an occupation.

First, percent change allows growth comparisons between occupations. Figure 1 divides all occupations among 22 occupational groups sorted by percent change to show which groups are the fastest growing regardless of the base-year size. The three fastest growing occupational groups will increase by 40 percent or more—construction and extraction, legal, and healthcare support occupations.

Notice how rankings of occupational groups change when they are ordered by the numeric change instead of percent change (Figure 2). With 9,290 new jobs,

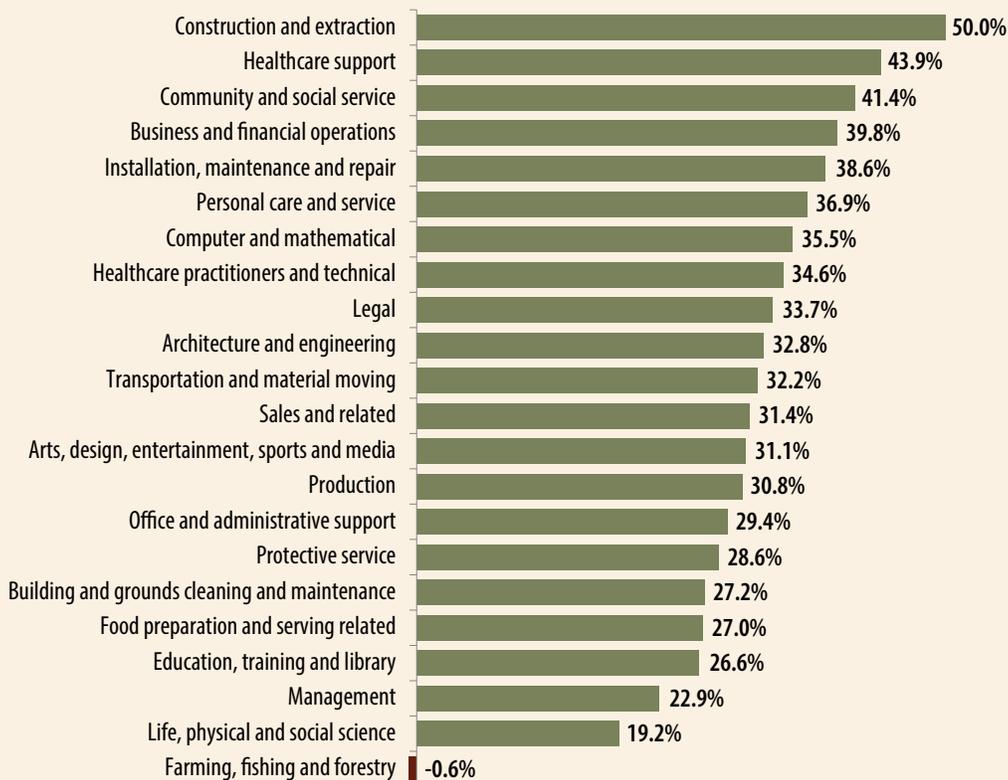
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**With 9,290 new jobs, office and administrative support has by far the largest numeric increase from 2012 to 2022.**



**Figure 3: Provo-Orem Metro Area Percent Change in Employment by Major Occupational Group Projected from 2012 to 2022**



office and administrative support has by far the largest numeric increase from 2012 to 2022. In Figure 1, office and administrative support was 16th of the 22 occupational groups with a 29.4 percent growth rate, yet will provide the most number of new jobs. Office and administrative support have the largest number of jobs in the base-year of 2012 and in the 2022 projection, adding the most new jobs even with a relatively modest growth rate.

Turning to individual occupations, Figure 3 shows the 15 fastest growing occupations. Each of these occupations will increase by at least 60 percent over the 10 year projection window. Most of these fast-growing occupations are related to construction reflecting the relatively rapid economic and population growth expected in Utah County. Generally, these fast-growing occupations are, however, relatively small in size. The largest of these, first-line supervisors of construction trades and extraction workers, have a 2012 base-year employment of 1,240 and projected 2022 employment of 2,050, or a ten-year increase of 810 jobs.

Figure 4 lists the 15 occupations with the largest number of new jobs over the projection period. These are relatively large occupations, so their percent growth rates are generally less than

the smaller, fastest-growing occupations. Nonetheless, these occupations provide more new job opportunities from growth. Some of these occupations are common among large industries like food services, retail trade, office support, healthcare or construction. A large occupation like office clerks is found in all industries and types of businesses.

### Job Openings – Replacement and Growth

The most widely used projection results for career exploration are the total number of expected job openings by occupation. This is a measure of future demand. In addition to job openings because of growth, there are openings from the need to replace workers who have vacated existing jobs. Workers exit an occupation to retire or otherwise leave the labor force, or to move to another occupation. Because Utah County is growing so rapidly, over the 10 year projection horizon, there are 65,100 (69 percent) openings expected due to growth and an additional 45,100 (31 percent) projected replacement openings.

The 15 top occupations in the Provo-Orem area with the most job openings in the coming decade are shown in Figure 5. Most

Provo-Orem Metro Area

Figure 2: Numeric Change in Employment by Major Occupational Group Projected from 2012 to 2022

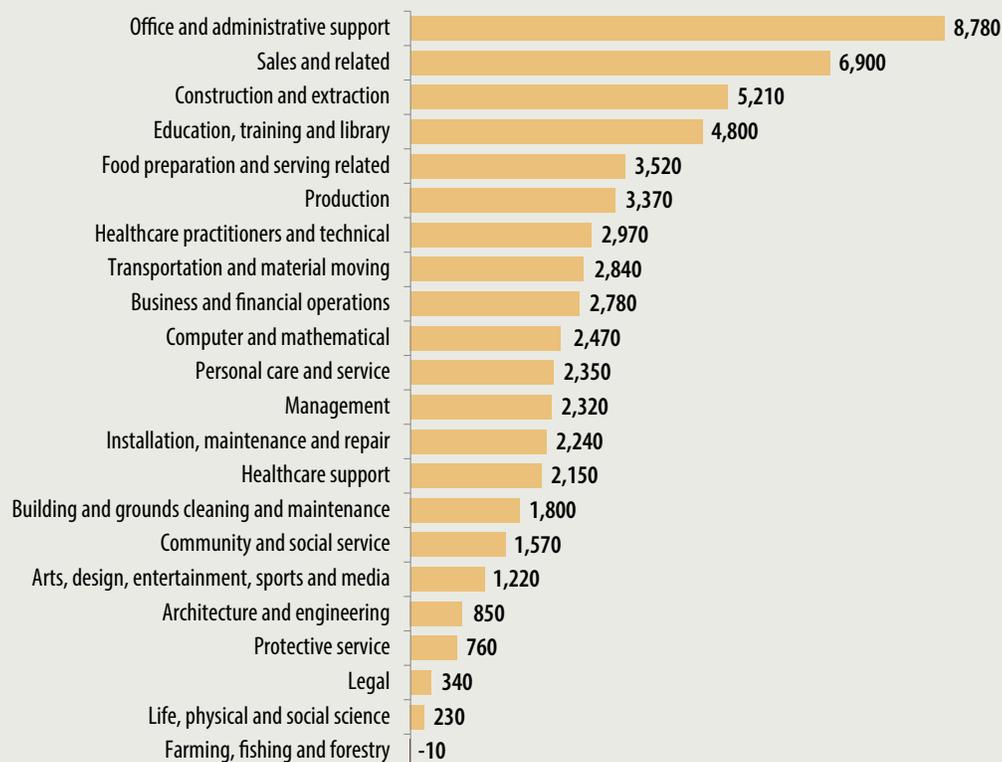
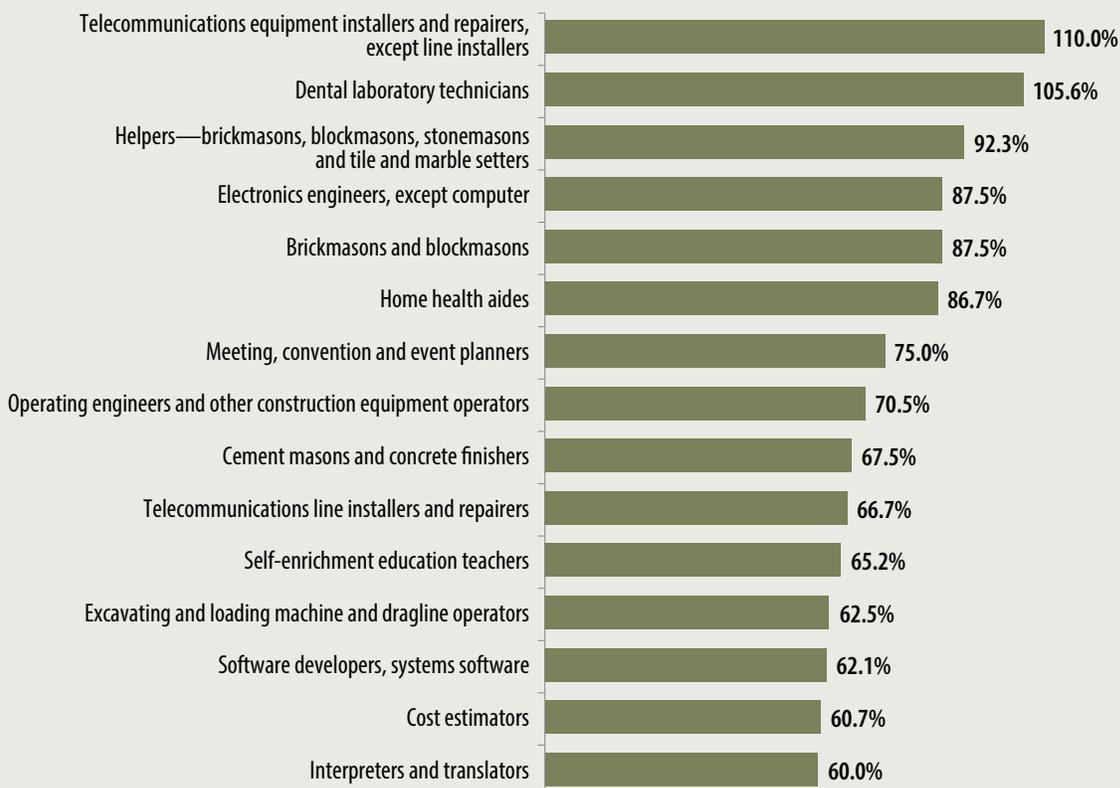


Figure 3: Occupations with the Largest Percent Increases in Jobs Projected from 2012 to 2022



Provo-Orem Metro Area

Figure 4: Occupations with the Most New Jobs from 2012 to 2022

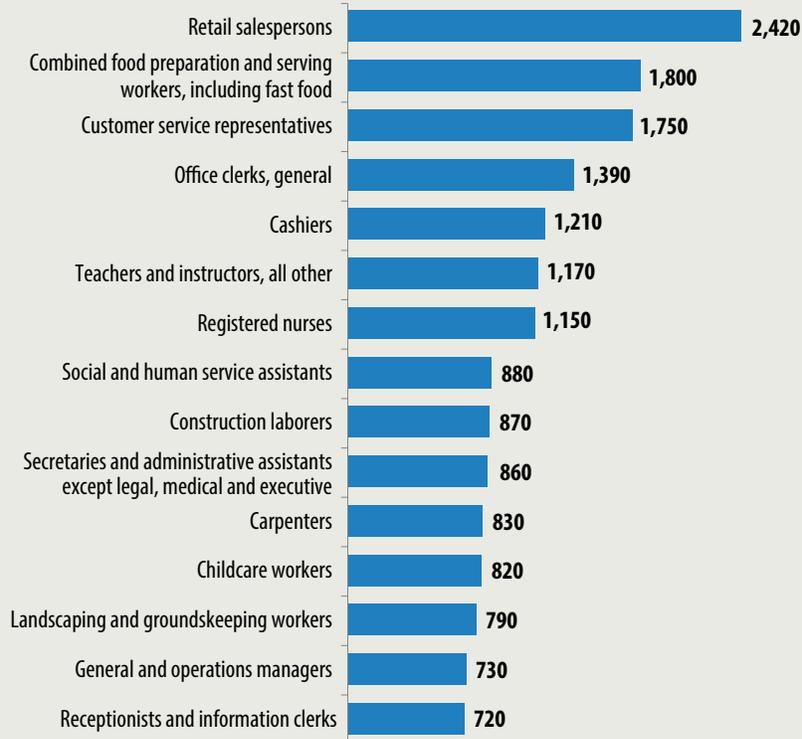
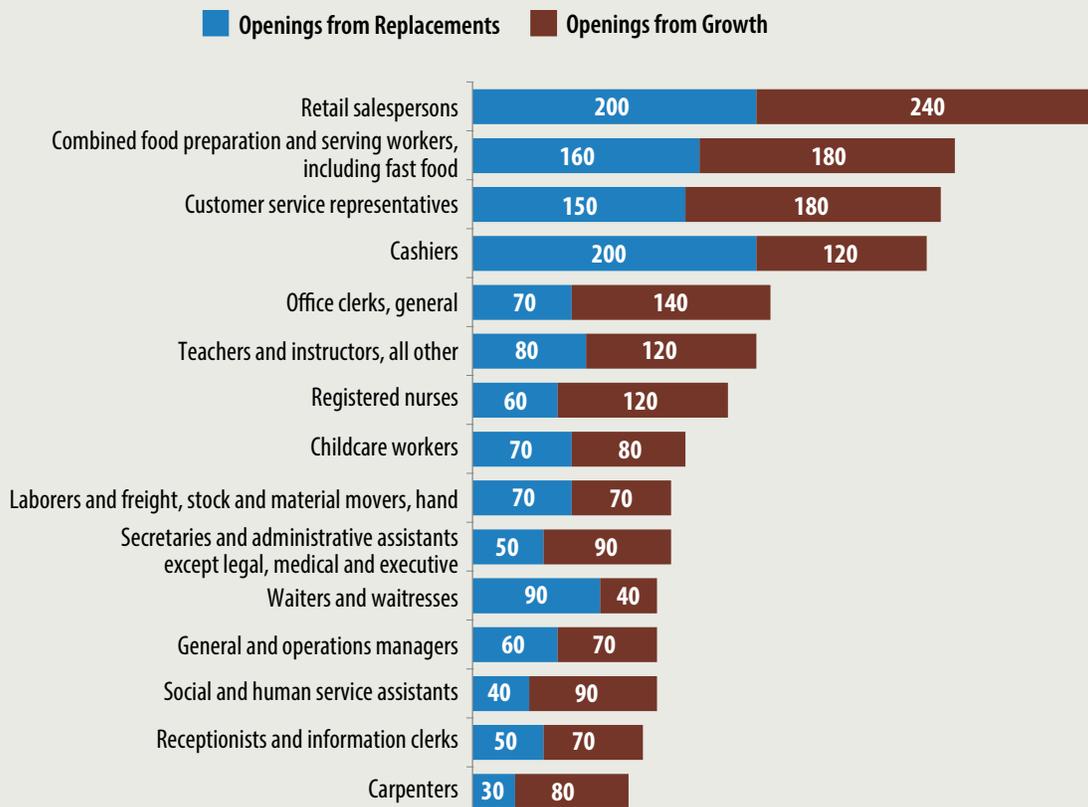


Figure 5: Occupations with the Most Annual Job Openings Projected from 2012 to 2022



of these occupations are found among food services, retail trade, office management, office support, education, construction and healthcare industries.

### Career Preparation, Education and Wages

The Provo-Orem area occupational projections provide results for 370 distinct occupations. In general, occupations with higher education and training requirements tend to provide higher wages.

The U.S. Bureau of Labor Statistics (BLS) categorizes career pathways to enter an occupation using three dimensions: (1) education, (2) work experience in a related occupation and (3) typical on-the-job training. Although occupations may have more than one pathway, only one path is assigned as typical. This

pathway shows how to prepare to enter a given occupation and become proficient.

When evaluating the desirability of an occupation, wages are usually a top consideration. The occupational projections include wage statistics for comparative purposes and a star rating system, indicating which occupations have numerous openings and high wages. The rating system has one to five stars, with a five star rating signifying occupations with a combination of high wages and a high number of openings.

For more information on the Provo-Orem Metro area occupational projections 2012 to 2022 visit <http://jobs.utah.gov/wi/pubs/outlooks/index.html>



## Current State of the Economy in Mountainland

BY JIM ROBSON, ECONOMIST

Economic conditions in the Mountainland Economic Service Area (Utah, Juab, Wasatch and Summit Counties) are very positive with an energetic year-over job growth of 4.6 percent, or 10,676 new jobs from March 2013 to March 2014. In 2013, average payroll job growth in the region was a very strong 5.2 percent above the average level of employment in 2012. There have been job increases in most major industry sectors with particular strength among wholesale and retail trade, construction, professional/technical services, food services, health care, local government (K-12 education), manufacturing and private education.

### Utah County

In March 2014, the number of payroll jobs in Utah County increased by 4.7 percent over March 2013, with 9,247 new positions. New employment growth has occurred in 15 of 19 major industrial sectors (see Figure 6).

The most new jobs were added by the trade industry with 1,653 additional jobs, a year-over increase of 5.7 percent. Virtually every branch of the wholesale and retail trade experienced

growth. Construction added 1,617 positions, expanding by 12.7 percent. The majority of these new jobs were in residential housing construction. This solid construction activity is reflected in related industries such as building materials, garden supply, furniture stores and wood product manufacturing, each of which also experienced healthy employment gains. Commercial and industrial building construction is also providing additional strength to construction.

Professional, technical and firm head quarter locations grew nine percent, or 1,324 jobs; with computer systems design, management consulting and technical consulting services were responsible for most of the new opportunities. Restaurants, food services and accommodations added 1,042 jobs. Healthcare and social assistance contributed 843 new positions, increasing by 3.8 percent and private education increased by 3.2 percent or an additional 770 jobs. Manufacturing businesses grew 846 jobs spread throughout the industry.

The unemployment rate in Utah County was 3.5 percent in June, an estimated 8,778 unemployed workers. Utah County growth is expected to continue at its present rate through 2014 at about 4.7

Figure 6: Payroll Job Change by Industry from March 2013 to March 2014

Industry	Utah County		Summit County		Wasatch County		Juab County	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Trade	1,653	5.7%	264	7.3%	-6	-0.5%	5	1.7%
Construction	1,617	12.1%	139	14.6%	158	21.6%	-130	-37.1%
Prof/sci/tech/hq*	1,324	9.0%	166	15.7%	70	31.0%	-6	-4.3%
Accommodation and food	1,042	7.7%	-91	-1.3%	102	11.2%	-2	-0.9%
Healthcare/social services	843	3.8%	134	12.4%	18	3.2%	-15	-3.1%
Private education	770	3.2%	49	13.9%	15	18.5%	-	-
Manufacturing	735	4.4%	-20	-2.4%	18	7.6%	71	10.7%
Local government	665	3.5%	135	5.8%	34	3.0%	-25	-3.5%
Information	616	6.8%	36	13.7%	11	10.9%	d	d
State government	147	1.8%	0	0.0%	10	5.5%	0	0.0%
Transportation/warehousing	131	5.7%	40	8.2%	0	0.0%	-8	-22.9%
Other private services	114	2.5%	16	2.5%	12	6.5%	0	0.0%
Arts/entertainment/recreation	72	4.6%	45	1.0%	12	9.3%	d	d
Mining	7	7.2%	5	7.9%	-4	-30.8%	-1	-2.0%
Utilities	5	1.8%	-9	-18.8%	-15	-68.2%	d	d
Federal government	-1	-0.1%	3	6.8%	-2	-5.3%	0	0.0%
Real estate/rental/leasing	-66	-3.2%	55	3.8%	7	4.0%	0	0.0%
Finance and insurance	-175	-3.9%	41	10.6%	-12	-8.3%	-10	-20.8%
Admin support/waste**	-253	-2.4%	51	7.3%	69	17.0%	3	13.0%
<b>Total</b>	<b>9,247</b>	<b>4.7%</b>	<b>1,061</b>	<b>4.1%</b>	<b>497</b>	<b>7.7%</b>	<b>-129</b>	<b>-4.0%</b>

\*Prof/sci/tech/HQ — professional/scientific/technical services and management of companies (headquarters)

\*\*Admin support/waste — administration and support/waste/remediation services

d=Not shown to avoid disclosure of individual firm data

percent, adding on average between 8,800 to 9,800 new jobs.

### Summit County

From March 2013 to March 2014, Summit County added 1,061 new jobs for a year-over increase of 4.1 percent. Summit's labor market continued to exhibit balanced growth with all but four major industries producing new positions.

Clothing, food and building materials stores contributed most of the net increase

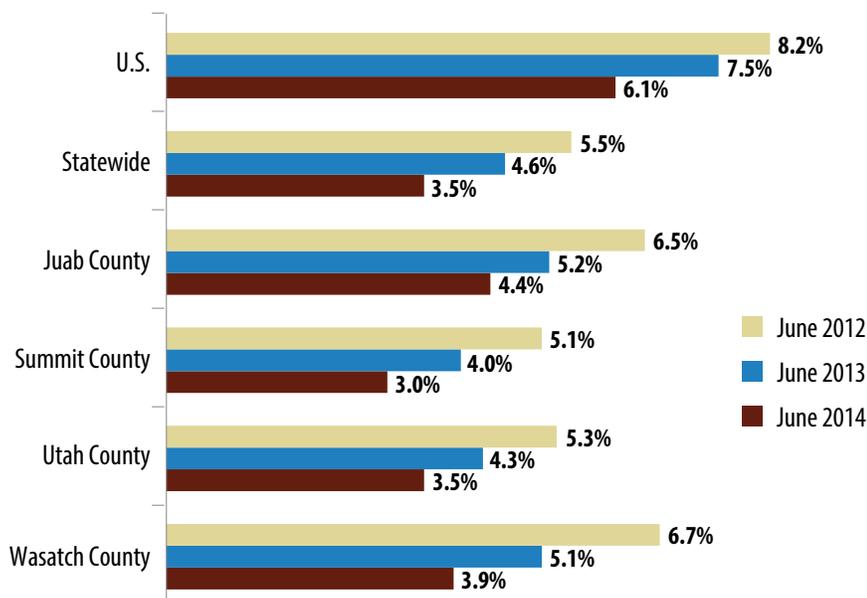
of 245 jobs in trade. Professional, technical and head quarters employment increased by 166. Construction grew a healthy 14.6 percent adding 139 new jobs. Local government chipped in 135 and healthcare and social services was up 134 jobs or by 12.4 percent. Eight other industries contributed with new positions as economic growth was fairly broad based.

The one industry with significant job reductions in March 2014 compared to March 2013 was accommodation and food

which shed 91 jobs, a reduction of 1.3 percent. The June jobless rate was just 3.0 percent, down one percent in the past year and achieving its lowest level since July 2008.

Employment gains among the majority of industry sectors are expected to continue. Overall job growth through 2014 should be 750 to 1,050 or in the neighborhood of 4.1 percent. This is a pick-up in economic activity from Summit County's employment growth of 713 on average in 2013 or 791 new jobs created in 2012.

**Figure 7: June 2012, June 2013 and June 2014 Unemployment Rate Comparison**



### Wasatch County

Employment growth in Wasatch County from March 2013 to March 2014 continued at a rapid pace of 7.7 percent. The largest industry job increases occurred in construction with 158, up by 21.6 percent. Accommodations and food services employment increased by 139. Professional, scientific, and technical services added 70 new jobs, most occurring in advertising, computer systems design services and architecture. Administrative support contributed 69 additional jobs.

The Wasatch County jobless rate was estimated at 3.9 percent in June 2014, down from 5.1 percent a year earlier.

Wasatch County is expected to maintain a favorable labor market through the end of 2014 and into 2015, adding to employment by more than 7.5 percent.

### Juab County

In the year ending March 2014, Juab County jobs dropped significantly. Juab lost 129

jobs, a year-over decline of 4.0 percent with total employment of 3,112. Five industries lost ten or more jobs, with the largest reductions, 130, in construction as a result of reduced commercial construction activity.

Manufacturing did add 71 new positions, growing by 10.7 percent. Most of the new jobs were in nonmetallic mineral product manufacturing. In June 2014, the unemployment rate in Juab County was estimated to be 4.4 percent, down from 5.2 percent in June 2013.

Average annual job growth in 2013 was 6.3 percent or 193 new jobs above 2012. The 2014 overall job outlook indicates that Juab County will likely see net job reductions averaging between 10 to 90 positions.

### Mountainland Service Area

Utah, Summit, Wasatch, and Juab Counties' robust job growth and favorable labor market conditions persisted through the end of 2013 and are expected to continue through 2014. By June of 2014,

the unemployment rate in Mountainland declined to a very favorable rate of 3.5 percent. Based on the strength of employment growth in recent years, job opportunities and low unemployment will continue to characterize this area.



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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*