

UTAH

Counties in Review 2012



An Economic Update

by the Utah Department of Workforce Services

Workforce Research and Analysis Unit

Updated September 2013



UTAH DEPARTMENT OF WORKFORCE SERVICES
WORKFORCE RESEARCH AND ANALYSIS
140 EAST 300 SOUTH
SALT LAKE CITY, UTAH 84111

PREPARED BY:

MeLauni Jensen

WRITTEN BY:

Lecia Langston

Eric Martinson

Jim Robson

Tyson Smith

To review other labor market information online, visit our site at: jobs.utah.gov/wi

CONTENTS

I. Bear River Economic Service Area	5
Brief Overview	5
Box Elder County	5
Cache County	6
Rich County	7
II. Wasatch Front North Economic Service Area	9
Brief Overview	9
Davis County	9
Morgan County	10
Weber County	11
III. Wasatch Front South Economic Service Area	13
Brief Overview	13
Salt Lake County	13
Tooele County	15
IV. Mountainland Economic Service Area	17
Brief Overview	17
Utah County	17
Summit County	19
Wasatch County	20
Jaub County	21
V. Uintah Basin Economic Service Area	23
Brief Overview	23
Uintah County	23
Duchesne County	24
Daggett County	25
VI. Castle Country and Southeast Economic Service Areas	26

Castle Country.....	26
Carbon County	26
Emery County	27
Southeast.....	27
Grand County.....	27
San Juan County	28
VII. Central Economic Service Area.....	29
Brief Overview.....	29
Millard County.....	29
Piute County.....	30
Sanpete County.....	31
Sevier County.....	32
Wayne County.....	32
VIII. Southwest Economic Service Area.....	34
Brief Overview.....	34
Beaver County.....	34
Garfield County.....	35
Iron County.....	36
Kane County.....	36
Washington County.....	37
Economic Service Area Map.....	39

I. BEAR RIVER ECONOMIC SERVICE AREA: Box Elder, Cache, and Rich Counties

By Tyson Smith, Economist

BRIEF OVERVIEW

Employment in Bear River peaked at an annual average of 71,886 in 2008, at that time the annual average unemployment rate was 2.9 percent. From 2008 to 2011 year-over employment fell at an annual rate of 2.12 percent, finally settling at 67,405. The unemployment rate peaked at an annual average of 6.7 percent in 2010. Annual employment increased to 68,023 in 2012, a 0.92 percent jump from 2011 to 2012. The area has regained only 13.8 percent of the jobs lost since 2008, keeping the unemployment rate at 5.0 percent in 2012 – a much higher rate than in 2008. The Department of Workforce Services projects total job growth from 2010 to 2020 to be 1.8 percent per year, ultimately resulting in 77,671 jobs by 2020.

The top five industries in order from largest to smallest are manufacturing, educational services, health care and social assistance, retail trade and government (excluding education and health care). Combined, those five industries represented two-thirds of the total nonfarm employment in the Bear River area in 2012.

Manufacturing, by far the largest industry in the area, accounted for 22.4 percent of total employment last year. Consider that in 2011 the total labor force in the Bear River area represented only 6.3 percent of the total labor force in Utah, but the percent of laborers employed by manufacturing in Bear River was 13.7 percent of the total manufacturing jobs in the state. Moreover, manufacturing employment paid the highest annual wage of any industry among the top-ten largest industries in the area. The average annual wage for manufacturing employees was \$42,667, which is \$11,662 more per year than the area average in Bear River.

While it is difficult to understate the value of the manufacturing industry in Bear River, it is worth noting that manufacturing employment has been trending downward as a percent of total employment since the early 1990s. Over the last 20 years, many manufacturing firms have elected to outsource their production to countries with lower labor costs. The 2008 recession also took its toll on the manufacturing industry. From 2008 to 2012, the average number of manufacturing employees in Bear River fell from 18,812 to 15,231, a 19.0 percent decrease. Since the recession in 2008, only educational services as well as health care and social assistance have seen any significant employment gains.

BOX ELDER COUNTY

Total nonfarm employment in Box Elder County in 2012 averaged 16,605 workers. Manufacturing is the predominant industry in the county. Last year, 27.6 percent of total nonfarm employment in the county was in manufacturing. The next largest industries as a percent of total employment were retail trade at 10.0 percent, health care and social assistance at 9.6 percent, educational services at 8.9 percent and transportation and warehousing at 7.9 percent.

The average wage in Box Elder in 2012 – \$33,462 per year – was \$7,183 lower than the state average. Five of the ten largest industries in the county had annual wages above the area average. The manufacturing industry had the highest annual wage at \$48,229, while the wholesale trade, transportation and warehousing, construction and government (excluding education and health care) industries ranged from \$41,500 to \$34,195 per year. The wage disparity between manufacturing and all other large industries in Box Elder emphasizes the value of manufacturing to the local economy.

Box Elder County has the highest proportion of employment in the manufacturing industry in the State of Utah. Nearly 28 percent of all Box Elder jobs in 2012 were in manufacturing (4,486 jobs), compared to the state average of approximately 9 percent. The average wage for a Box Elder manufacturing employee was \$2,665 lower than the state average wage of \$50,894 in the same industry.

Durable goods manufacturing made up 73.5 percent of all manufacturing jobs in the county in 2012. Durable goods are products that have long lifecycles and deliver utility over time. The largest Box Elder County manufacturing firms produce goods like rocket and space vehicle propulsion units, motor vehicle parts and structural metals. Of the 74 manufacturing firms in Box Elder County last year, 56 were classified as durable goods manufacturers. The manufacturing industry breakdown in Box Elder County includes:

- Transportation equipment manufacturing: 42.7 percent
- Food manufacturing: 19.6 percent
- Fabricated metal product manufacturing: 14.9 percent
- Primary metal manufacturing: 9.6 percent
- Other: 13.1 percent

As a percent of total nonfarm employment, the manufacturing industry in Box Elder County has been steadily declining since 1993. At its peak, manufacturing in the county accounted for 54.5 percent of total employment. The downward trend saw a brief reversal in the middle of the last decade when employment climbed from 7,040 in 2003 to 8,021 in 2007. Unfortunately, the positive momentum was halted by the recession, and from 2008 to 2012 manufacturing employment fell 43.5 percent.

Nondurable goods manufacturing has been growing at a rate of 17.7 percent per year since 2001, and since the recession the two sub-industries have been moving in the opposite direction. Starting in 2008, the average change in year-over employment for nondurable goods grew 17.5 percent per year, while durable goods employment shrank 15.1 percent per year.

CACHE COUNTY

Last year, total nonfarm employment in Cache County averaged 51,493. The county is a hub for the manufacturing industry in Utah. Manufacturing employment represented 21.0 percent of the total nonfarm employment in the county in 2012. Educational services is the second notable industry in the county and accounted for 18.7 percent of total employment last year. Over 63 percent of educational services employment came from Utah State University, which employed an annual average of 3,041 people. Health care and social assistance as well as retail trade were the only other industries to eclipse 10 percent of total employment at 10.8 percent and 10.6 percent, respectively.

The average wage in Cache in 2012 – \$30,298 per year – was \$10,347 lower than the state average. Four industries among the ten largest in Cache County had annual wages above the county average: manufacturing, finance and insurance, professional and technical services, and government.

In 2012 there were 10,742 manufacturing jobs in Cache County — 1,175 more jobs than educational services, the second largest industry. Annual wages in manufacturing in the county were \$40,349 per year, compared to the state average of \$50,894 per year in the same industry.

Nondurable goods manufacturing represented 54.8 percent of all manufacturing in the county last year. Nondurable goods are those products that are immediately consumed or those that have a short lifespan of less than three years. Four of the five largest manufacturing firms in Cache County are nondurable goods manufacturers. These firms' activities

including animal slaughtering, cheese production and pharmaceutical preparation. The manufacturing industry breakdown in Cache County includes:

- Food manufacturing: 33.9 percent
- Miscellaneous manufacturing (including medical equipment and supplies): 20.7 percent
- Computer and electronic product manufacturing: 12.7 percent
- Chemical manufacturing: 8.0 percent
- Other: 24.7 percent

The manufacturing industry in Cache County has been more resilient throughout the recession and recovery relative to other counties in the region. At the onset of the recession durable goods manufacturing fell 14.0 percent, and overall manufacturing declined 7.0 percent. But from 2009 to 2012 Cache County recovered 98.9 percent, or all but 124, of the manufacturing jobs lost from the recession. Health care and food products were somewhat insulated from the downturn in consumer demand brought on by the recession, which helps to explain the strength of the manufacturing industry in Cache County.

RICH COUNTY

Total nonfarm employment in Rich County averaged 643 employees in 2012. The county's largest industry is government (excluding education and health care). Government made up the largest percent of total nonfarm employment at 21.9 percent last year; in addition, educational services represented 16.9 percent of total employment, 95 percent of which were public employees. Eighty-three percent of government employees in Rich County were employed by city and county agencies. The largest private sector industry in Rich County is accommodation and food services, which employed 18.2 percent of the workforce in 2012. Tourism, while not a defined Bureau of Labor Statistics industry, is captured by the relatively high proportion of accommodation and food services employment. In the summer, tourists flock to Bear Lake. During this time of year, local hotels, lodges and restaurants have to triple or quadruple their staff to meet consumer demand.

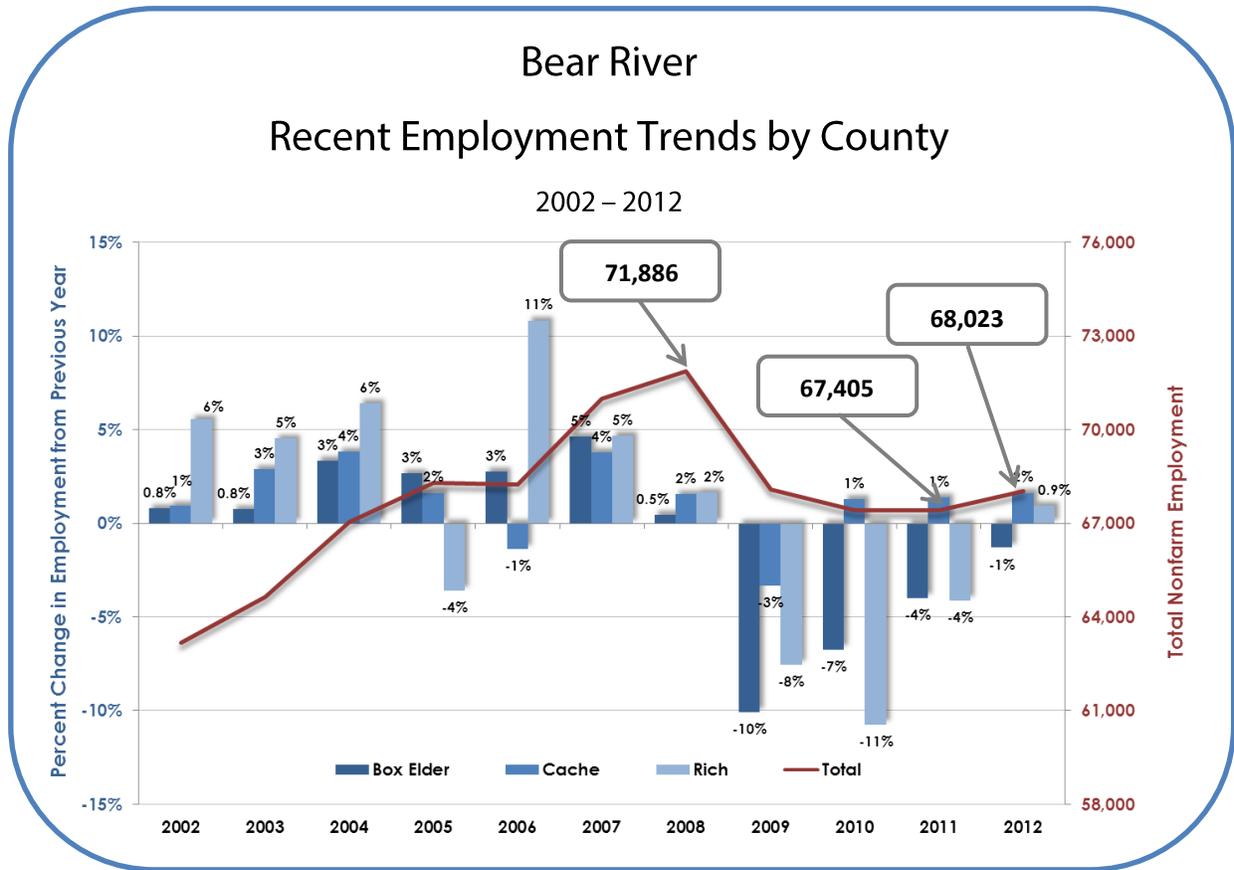
The average wage in Rich County in 2012 – \$25,661 per year – was \$14,984 lower than the state average. Five of the seven largest industries in Rich had annual wages above the county average, but in the industries with the largest employment base — government and educational services — the difference was minimal, between \$3,000 and \$4,000, respectively. Transportation and warehousing had an annual wage of \$44,456, which represented the largest disparity from the county average. Although the accommodation and food services industry makes up a large proportion of employment in the county, the annual wages in 2012 were \$9,841 less than the county average.

Rich County has a uniquely high proportion of total nonfarm employment in the government sector (excluding educational services and health care), but this trend is not unusual for rural counties. Even though the government employs the highest number of laborers in the area, the accommodation and food services industry is the driving economic industry because it symbolizes the primary nonfarm export in the county: tourism. Tourists from around the region come to Rich County every year to enjoy outdoor activities, like fishing, boating and hiking. Bear Lake is the central attraction in the county, and when nonresidents visit the lake they inject new money into the economy.

Employment in the industry was evenly split in 2012, with a small majority of the workforce in accommodation. The accommodation industry includes hotels and recreational camps, while the food services industry includes restaurants and drinking establishments. The accommodation and food services industry breakdown in Rich County includes:

- Accommodation: 51.8 percent
- Food services and drinking places: 48.2 percent

As a percent of total nonfarm employment, accommodation and food services has generally been trending upward since the early 1990s. Annual employment in this industry rose 225.0 percent from 1990 to 2008, increasing from 54 employees to 177 employees. However, the recession damaged all industries associated with tourism. The accommodation and food service industry in Rich County lost an average of 14 employees per year from 2008 to 2012. Since 2007, the average year-over growth rate in the accommodation industry and food services industry has been negative 9.4 percent and negative 1.3 percent, respectively.



II. WASATCH FRONT NORTH ECONOMIC SERVICE AREA: Davis, Morgan and Weber Counties

By Tyson Smith, Economist

BRIEF OVERVIEW

Employment in the Wasatch Front North peaked at an annual average of 201,787 in 2007, at that time the annual average unemployment rate was 2.8 percent. From 2007 to 2010 year-over employment fell at an annual rate of 1.61 percent, finally settling at 192,196. The unemployment rate peaked at an annual average of 8.0 percent in 2010. Annual employment has since grown 2.45 percent per year, and in 2012 there were an average of 201,722 employed workers in the Wasatch Front North. While the area has regained 99.97 percent of the jobs lost since 2007, the labor force also continued to grow during the recession, thus the unemployment rate in 2012 was 5.9 percent – much higher than the rate in 2007. The Department of Workforce Service projected total job growth from 2010 to 2020 to be 2.0 percent per year, ultimately resulting in 233,865 jobs by 2020.

The five largest sectors in the Wasatch Front North are government (excluding education and health care), retail trade, health care and social assistance, manufacturing and educational services, in that order. Combined, those five industries represented 59.6 percent of the total nonfarm employment in the Wasatch Front North area in 2012.

Government accounted for 14.2 percent of total employment in the Wasatch Front North last year. The Wasatch Front North has a unique concentration of federal government employment. Consider that in 2011 the federal government workforce in the Wasatch Front North made up 9.9 percent of the total nonfarm employment in the area, while the proportion of the workforce in the State of Utah employed by the federal government was 2.8 percent. Manufacturing, the fourth largest industry in the Wasatch Front North, employs 11.3 percent of the total nonfarm workforce, and unlike the other industries that employ over 10 percent of the workforce, manufacturing represents an industry with considerable regional competitive advantage. As a percent of total employment, manufacturing in the Wasatch Front North is approximately two percentage points higher than it is in the State of Utah and the United States. Furthermore, the annual wage in the manufacturing industry is \$13,027 per year higher than the regional average.

DAVIS COUNTY

Total nonfarm employment in Davis County in 2012 averaged 108,433 workers. Government (excluding education and health care) is the predominant industry in the area. Last year, 15.8 percent of total nonfarm employment in the county was in government, and federal employees occupied nearly 73 percent of those jobs. The Department of Defense accounted for 61.1 percent of federal government employment in Davis County in 2012, most of which came from the county's largest employer, Hill Air Force Base. The next largest industries, as a percent of total employment, were retail trade, at 12.4 percent health care and social assistance, at 10.8 percent; manufacturing, at 9.7 percent; and educational services, at 8.9 percent.

The average wage in Davis County in 2012 – \$39,158 per year – was \$1,569 lower than the state average. Four of the ten largest industries in Davis County had annual above average wages. The professional and technical services industry had the highest annual wage at \$61,603 per year, \$22,418 above the county average. While the government (excluding education and health care), manufacturing and construction industries ranged from \$58,804 per year for government

employment to \$43,612 per year for construction employment. The wage disparity between government and the area average in Davis County emphasizes the value of the industry to the local economy.

While Davis County does not have an abnormally high concentration of total government jobs when compared to the state or the nation, the county does boast the highest proportion of *federal* government employees in Utah. In 2011, federal government jobs made up 73.8 percent of the total government employment in Davis County, compared to the state average of 33.4 percent and the national average of 25.6 percent. The average wage for a Davis County federal government employee was \$68,209 per year in 2012, which outpaces the state average by \$4,667.

The national security and international affairs industry contributed to 92.2 percent of federal government employment in Davis County last year. The Department of Defense employed 11,497 of the 12,464 federal workers in the county in 2012, while state and local government agencies contributed 527 and 4,101 jobs to the economy, respectively. The government employment breakdown in Davis County includes:

- Federal Government: 72.9 percent
- State Government: 3.1 percent
- Local Government: 20.0 percent

Since 1996, government employment as a percent of total employment has been relatively stable, moving between 15 and 20 percent. The last decade exemplified the stability of the government sector. From 2002 to 2012 the difference between the lowest and the highest annual government employment total was 7.6 percent; during that same period, total nonfarm employment fluctuated 21.6 percent. Government employment peaked in 2011 at 17,641, which represented 16.7 percent of total nonfarm employment.

From 2002 to 2007, federal, state and local government agencies experienced similar year-over employment growth patterns. Year-over growth was generally between 0 and 5 percent until 2007, when federal government shrank 3.5 percent, while local government grew 7.4 percent. Since that time, changes in government employment from year-to-year have been significantly more erratic.

MORGAN COUNTY

Last year, total nonfarm employment in Morgan County averaged 1,919. The construction industry employed 16.8 percent of the total workforce in the county last year, 0.7 percentage points higher than the second largest industry, educational services. The construction industry managed to be the largest industry in the county, despite employing 33.4 percent less workers than it did in 2007 when employment peaked at an annual average of 449 workers. The manufacturing, agriculture and forestry and retail trade industries were the next largest industries in Morgan County at 11.3, 10.1 and 9.7 percent of total nonfarm employment, respectively.

The average wage in Morgan County in 2012 – \$34,995 per year – was \$5,650 lower than the state average. The wholesale trade industry employed 8.6 percent of the total nonfarm workforce in Morgan County and paid the highest wages at \$68,387 per year. Manufacturing and agriculture and forestry also had annual wages above the county average. Manufacturing, the third largest industry in Morgan County, paid an annual wage of \$53,401, while agriculture and forestry, the area's fourth largest industry, paid wages of \$48,227 per year. Although the construction industry makes up a large proportion of employment in the county, the annual wages in 2012 were \$135 less than the county average and \$9,190 less than the state average.

Over three-quarters of the construction employment in Morgan County last year was in the specialty trade industry, which includes contractors that perform functions like site preparation, plumbing and HVAC, and electrical. The construction employment breakdown in Morgan County includes:

- Construction of Buildings: 9.3 percent
- Heavy and Civil Engineering Construction: 13.6 percent
- Specialty trade contractors: 77.0 percent

Except for 2011, the construction industry has been the largest industry in Morgan County every year since 1999. But the collapse of the housing market in 2008 dramatically affected the construction industry in Morgan County. In the four years following 2007, construction employment fell by a total of 33.4 percent. The industry experienced a rebound in 2012, increasing 11.3 percent from the year prior.

The recession had the largest impact on building construction. From 2002 to 2008, building construction employment more than doubled from 40 employees to 83 employees. But, after growing at an average rate of 12.8 percent per year from 2002 to 2008, building construction declined 66.3 percent from 2008 to 2012 as a result of the recession. The economic downturn also affected specialty trade contractors, though not as severely as building construction. In 2008 and 2009 the specialty trade industry lost a total of 107 jobs, a decrease of 34.3 percent from 2007. Last year specialty trade showed signs of recovery, adding 28 jobs, a 14.1 percent increase from the previous year.

WEBER COUNTY

Weber County has the most diverse economy in the Wasatch Front North. Last year, each of the five largest industries in the county represented at least 10 percent of total nonfarm employment (92,029). Manufacturing was the largest industry in the county in 2012. In terms of total employment, Weber County has the third largest manufacturing industry in the State of Utah behind only Salt Lake County and Utah County. The total number of manufacturing employees in Weber County in 2012 was 12,116, or 13.2 percent of the total nonfarm employment compared to 10.3 percent in Salt Lake County and 10.2 percent in Utah County. The health care and social assistance industry was the second largest industry last year at 12.9 percent of total nonfarm employment, followed by government (excluding education and health care) at 12.4 percent, retail trade at 12.2 percent and educational service at 10.8 percent.

The average wage in Weber County in 2012 – \$35,912 per year – was \$4,733 lower than the state average. In Weber County six of the ten largest industries had annual wages above the county average. In the three industries with the largest employment base — manufacturing, government (excluding education and health care) and health care and social assistance — the average annual wage was \$49,624, \$45,206 and \$40,396, respectively. Finance and insurance, wholesale trade and construction made up between 3.5 and 5.0 percent of total employment last year, and each had annual wages above the county average.

Weber County has the highest proportion of employment in the manufacturing industry in the Wasatch Front North. Over 13 percent of all Weber County employment in 2012 was in manufacturing, compared to the state average of approximately nine percent. The percent of total nonfarm employment engaged in the manufacturing industry was 44.5 percent higher in Weber County than the national average, while the annual wage in the manufacturing industry was 38.2 percent higher per year than to the county average.

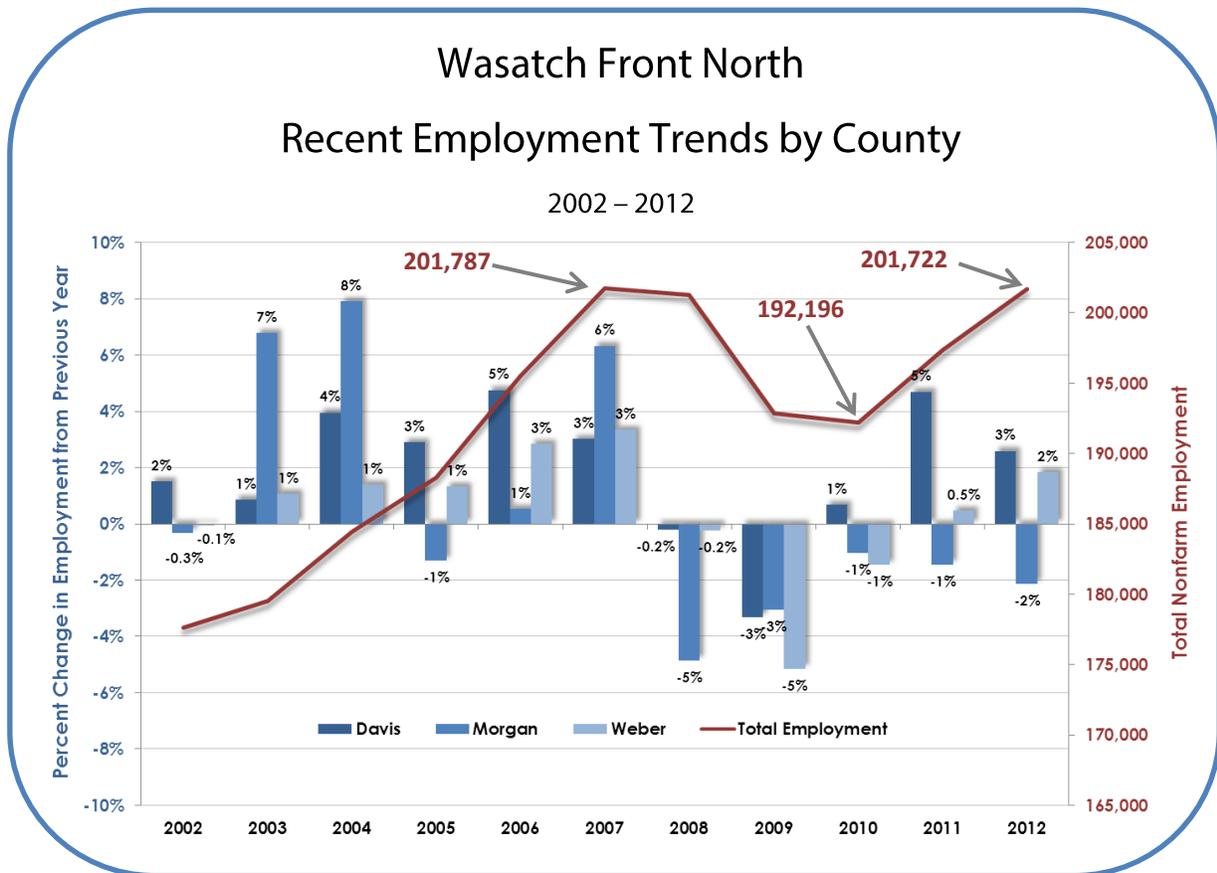
Durable goods manufacturing made up 73.5 percent of all manufacturing jobs in the county in 2012. Durable goods are products that have long lifecycles and deliver utility over time. Of the 255 manufacturing firms in Weber County last year, 177 were classified as durable goods manufacturers. The largest Weber County manufacturing firms produce goods like motor vehicle parts, surgical and medical instruments, nonferrous metals and power cylinders and actuators. The manufacturing employment breakdown in Weber County includes:

- Transportation equipment manufacturing: 23.8 percent
- Miscellaneous manufacturing (including medical equipment and supplies): 15.4 percent

- Fabricated metal product manufacturing: 12.2 percent
- Chemical manufacturing: 11.1 percent
- Other: 37.4 percent

Manufacturing employment trended downward from 1999 to 2005; in that time the industry lost over 2,800 jobs. The industry experienced a brief upturn prior to the recession in 2008. Average year-over growth in the three years from 2005 to 2008 was a 2.5 percent. Since 2008, manufacturing in Weber County has swung considerably. The manufacturing industry lost 1,135 jobs from 2008 to 2010, but it has since recovered 884 of the jobs lost during the recession.

Durable goods manufacturing suffered larger losses during the recession than nondurable goods. The 12.4 percent year-over employment loss from 2008 to 2009 in durable goods manufacturing represented 1,225 jobs. By 2012, the durable goods industry had only recovered 32.7 percent of the jobs that were lost from 2008 to 2010. Nondurable goods manufacturing buoyed the manufacturing industry in Weber County. Nondurable goods are those products that have a short lifespans, generally less than three years. Since 2008 the number of nondurable goods employment has increased 20.0 percent.



III. WASATCH FRONT SOUTH ECONOMIC SERVICE AREA: Salt Lake and Tooele Counties

By James Robson, Economist

BRIEF OVERVIEW

The Wasatch Front South labor market improved noticeably by the end of 2012. Employment growth averaged 3.5 percent for the year and the region's unemployment rate averaged 5.5 percent. Labor market conditions have mended considerably over the past two years. Enough employment growth was generated in 2012 to bring the average regional nonfarm payroll job total to 619,767, which is above the previous high of 618,385 achieved on average in 2008.

Job growth is occurring across all major industry groups with the exception of federal government employment, which continues to shed jobs. Industries with the strongest job growth include: leisure and hospitality, financial activities, information, construction, and professional and business services.

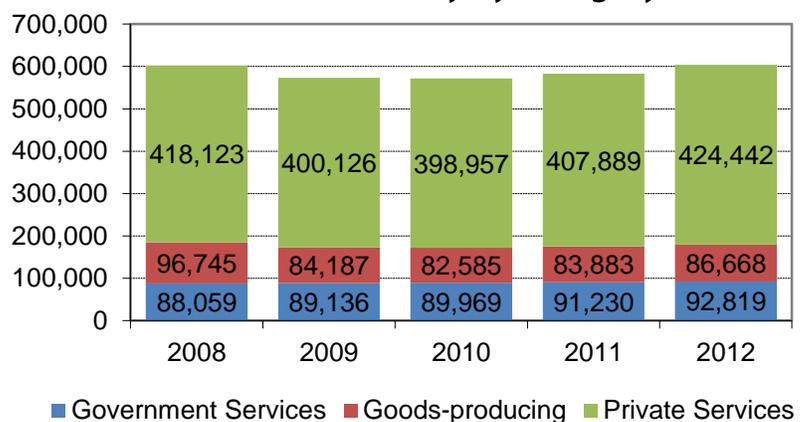
Sustained job growth and an improving labor market will characterize economic conditions throughout 2013 with job growth averaging around 3.5 percent. The above average job increases will bring down the unemployment rate in 2013. Because of the considerable slack created in the labor market during the recession and subsequent slow recovery, the unemployment rate will likely continue to range between 4.2 and 4.8 in the coming year.

SALT LAKE COUNTY

Salt Lake County labor market conditions have mended considerably over the past two years. Job growth occurred across all major industry groups with the exception of federal government employment, which is shedding jobs. Overall, average nonfarm employment growth in 2012 was 3.6 percent. The 20,927 new jobs increased total employment to 603,924, surpassing the previous record of 602,924 in 2008. Many of the new jobs are being created in trade, professional and business services, leisure and hospitality services and manufacturing.

Of course, the construction industry suffered the most significant job losses during the recession. It has added jobs throughout 2012 compared to levels recorded in 2011. Admittedly, while construction is growing, it is expanding from a level of total employment that is far below the level reached before the recession. In 2012, construction jobs had grown by 1,024 or 3.5 percent above the level recorded in 2011.

Total Nonfarm Payroll Employment in Salt Lake County by Category

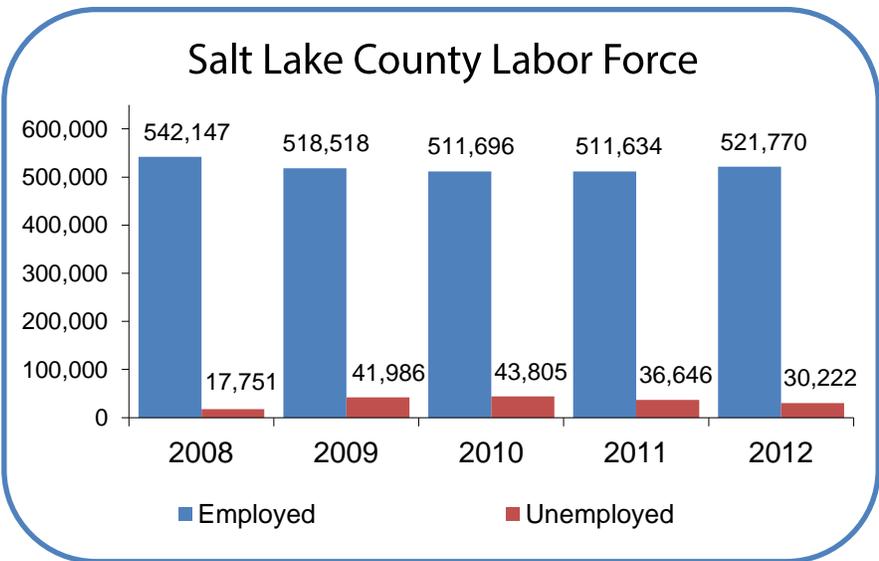


Goods-producing industries are mining, manufacturing, and construction.

Of the major industrial groups, only the federal government declined in 2012 with a drop of 401 jobs, a reduction of 3.8 percent.

The seasonally adjusted unemployment rate in Salt Lake County peaked in November 2009 at 8.1 percent as a result of the recession. In 2012, unemployment averaged 5.5 percent with about 30,200 residents unemployed. Initial claims for unemployment benefits, while still above the incredibly low levels seen prior to the recession, are at their lowest level in four years.

The stabilization, improvement and expansion in the Salt Lake County labor market since mid-year 2010 have been reflected in gross taxable sales figures. For 11 consecutive quarters, second quarter 2010 through fourth quarter 2012, Salt Lake County year-over sales tax collections have been positive.



As discussed earlier, construction was the hardest hit industry with the most significant job losses during the recession. Salt Lake County construction activity hit bottom in 2010. In 2011, housing unit permits and valuations were up 9.7 percent and 20.7 percent, respectively. Non-residential permitted valuations were up by 103 percent and total construction valuations were up by 49.9 percent over 2010 levels.

In 2012, overall construction activity, as measured by total permitted value of construction compared to 2011, is up by 1.4 percent. There has been

less activity in commercial, industrial, apartments and condominiums compared to 2011. As noted earlier, construction employment has actually increased in 2012 in Salt Lake County, which can be attributed to an increase in single-family home permits of 67.2 percent with 2,072 permits in 2012 compared to 1,239 for 2011. The valuation of the single-family permits is 56.3 percent higher in 2012.

In 2012, the 603,945 nonfarm payroll jobs came with \$27.7 billion in wages paid in Salt Lake County, accounting for almost half of the jobs (48.4 percent) and 54.6 percent of wages paid within Utah. There are 1.26 million residents in the county or 37.3 percent of the state's population. Every day there is a significant inflow of workers into the county along with residents that perform the jobs.

In Salt Lake County the four industries that paid the most total wages in 2012 were manufacturing at 10.5 percent or \$2.93 billion, professional, scientific and technical services at 10.2 percent or \$2.84 billion, finance and insurance at 8.8 percent or \$2.45 billion and health care and social services at 8.5 percent or \$2.37 billion.

Together these four major industries account for \$10.58 billion in total wages or 38.2 percent of all wages paid. These industries provide 31.1 percent of all payroll jobs in the county.

Within manufacturing's 52,500 jobs, the largest sub-industries are computer and electronic product manufacturing (9,423 jobs), medical equipment and supplies manufacturing (6,050 jobs), food manufacturing (4,864 jobs) and fabricated metal product manufacturing (4,668 jobs). Large firms within these manufacturing sub-industries include L-3 Communications, Merit Medical Systems, Ultradent Products, Northrop Grumman, Becton Dickinson, Varian Medical Systems and Old Home Bakery.

Professional, scientific and technical services had a total of 40,656 jobs with large sub-industries of computer systems design (9,550 jobs), architecture and engineering services (7,076 jobs), legal services (5,977 jobs), management and technical consulting (4,526 jobs) and accounting and bookkeeping (4,456 jobs). Some firms in these PSTS sub-industries include EMC, 3M Health Information Systems, Nelson Laboratories, Williams WPC, Kirton and McConkie, Ray, Quinney & Nebeker, ADP Dealer Services, Sutter Connect and H & R Block.

Of the total 37,560 jobs in finance and insurance, the largest sub-industries are credit intermediation banks, credit unions and other depository and nondepository credit services (19,758 jobs), insurance carriers (11,528 jobs) and securities, commodity contracts and investments (4,465 jobs). Notable firms include Zions Bank, Wells Fargo Bank, American Express, Discover Products, Goldman Sachs, Fidelity Brokerage Services and Mountain America Credit Union.

Private health care and social services employment totals 57,256, with the largest sub-industries of ambulatory health care — offices of doctors, dentists, outpatient care — and laboratories (25,186 jobs), hospitals (15,740 jobs) and social assistance (7,806 jobs). Large firms in these sub-industries include Intermountain Health Care, ARUP Laboratories, St. Marks Hospital, Jordan Valley Hospital and Salt Lake Regional Medical Center.

There are two prominent health care institutions within government in Salt Lake County. Within state government is the University of Utah Hospital and in the federal government is the Veterans Administration Hospital.

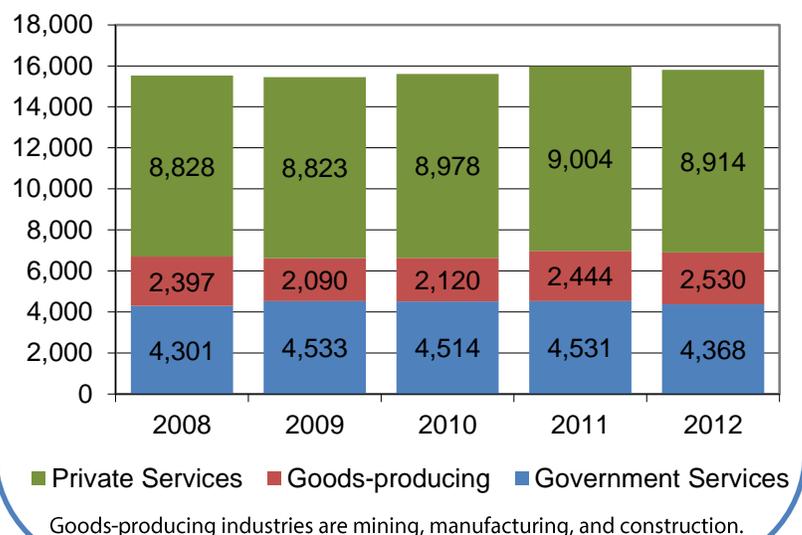
In Salt Lake County continuing job growth and a gradually improving labor market will characterize economic conditions during 2013 with job growth of about 3.0 percent. The improving labor market should continue to gradually bring down the unemployment rate. Because of the considerable slack created in the labor market during the recession and subsequent slow recovery, the unemployment rate will likely continue to range between 4.2 and 4.8 percent in 2013.

TOOELE COUNTY

In 2011, Tooele County averaged employment gains of 368 new jobs or growth of 2.3 percent. This growth was led by new manufacturing and constructions jobs of 197 and 125 respectively. During 2012, overall employment receded by 165 jobs, a decline of 1.0 percent as job gains in other industries were overwhelmed by significant reductions in professional and business services (-290 jobs) and the federal government (-178 jobs). Part of these losses are due to the ongoing closure of the Deseret Chemical Depot.

The five industries that added the most jobs in 2012 were retail trade (+100), accommodation and food services (+61), construction (+45), transportation and warehousing (+50) and manufacturing (+47).

Total Nonfarm Payroll Employment in Tooele County by Category



The Deseret Chemical Depot (DCD) finished its assignment, the destruction of the largest stockpile of U.S. chemical weapons. This does not mean that this facility is closed. It will take over two years to decommission the facility and close it down. However, related job losses have occurred in 2012 and will continue at various stages throughout 2013 and 2014.

Direct job reductions will impact waste management; professional, scientific and technical services; and federal defense industries. The loss of about 1,000 direct jobs, with associated declines in incomes and expenditures, will result in reductions of about 300 to 500 additional jobs throughout Tooele County and the larger regional economy.

The current difficulties in the Tooele County economy are reflected in a somewhat higher unemployment rate, averaging 6.3 percent during 2012 compared to the 5.5 percent rate in Salt Lake County.

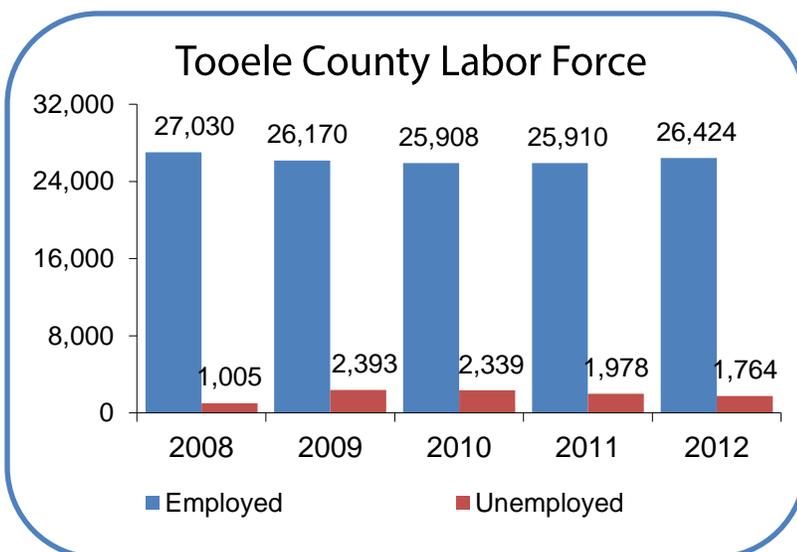
In 2012, three important industries paid almost one half of all wages at 47.6 percent and provide close to one third of all jobs (32.1 percent). In terms of total wages, administrative support and waste management paid \$117.0 million or 17.4 percent of the county total, federal government jobs paid \$111.9 million or 16.6 percent and manufacturing paid \$91.1 million or 13.5 percent.

The total number of jobs in Tooele County averaged 15,823 during 2012. The three top industries listed above accounted for 11.0, 10.3 and 10.8 percent of total jobs, respectively. A fourth industry with just over 10 percent of employment is local government education. Local government education (kindergarten through 12th grade) employment is of significant size because of the large number of children in the county.

Of the 1,734 jobs in administrative support and waste management, 72.7 percent of the jobs are in waste treatment and disposal, with the three most prominent businesses being EG &G Defense Materials, Energy Solutions and Clean Harbors.

In Tooele County, there were 1,436 civilian employees of the Department of Defense or 84.3 percent of the total 1,734 federal government jobs in 2012.

Manufacturing, with 1,707 jobs are found primarily within three sub-industry groups: primary metal manufacturing (730 jobs), machinery manufacturing (364 jobs) and food manufacturing (309) jobs. Important manufacturing firms represented within these sub-industries include US Magnesium, ATI Titanium, Detroit diesel Remanufacturing, Morton Salt and Cargill.



The labor market outlook for Tooele County in the next few years is likely to be contraction. Tooele is, of course, part of the greater Salt Lake Metropolitan area and has access to this wider labor market. Between 40 to 50 percent of county residents with payroll jobs commute to the Salt Lake area for employment. The current relative strength in the Salt Lake County labor market should provide support to Tooele County residents during this period of transition. Nonfarm payroll employment for 2013 in Tooele County is forecast to contract by between two and three percent.

IV. MOUNTAINLAND ECONOMIC SERVICE AREA: Utah, Summit, Wasatch, and Juab Counties

By James Robson, Economist

BRIEF OVERVIEW

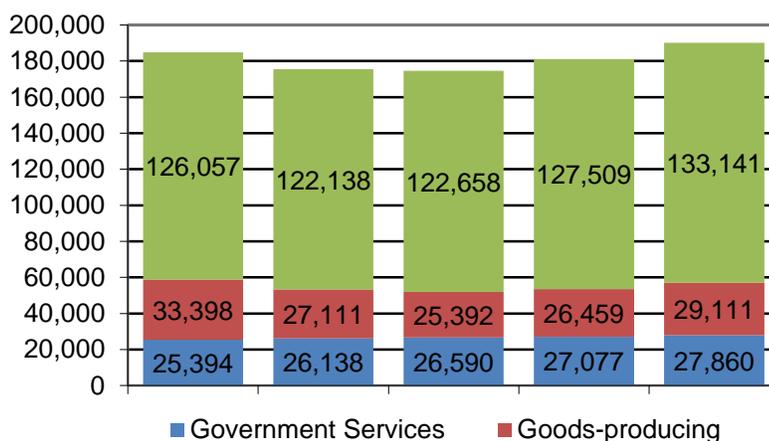
The Mountainland economic environment improved considerably in 2012 with above average job growth of 4.8 percent for the year compared to 2011. Payroll jobs in 2012 averaged 222,150 which eclipses the previous high of 218,716 for 2007 prior to the Great Recession. Unemployment continues to subside in 2012 averaging 5.6 percent for the year compared to the 2010 peak of 8.0 percent. By mid-year 2013 unemployment in Mountainland has declined to under 5 percent.

In 2012, the good job news was broad based with all major industries adding to employment growth with only two exceptions: the federal government which had 23 fewer jobs and business headquarter locations which shed three jobs compared to 2011. Major industry groups that added the most employment in 2012 included construction, retail trade, private education, manufacturing, food services, administrative support and waste, healthcare, and professional/scientific/technical services.

The robust job growth and a healthy labor market that characterized economic conditions in 2012 are continuing in 2013. Expected employment growth of about 5 percent will contribute to ongoing prosperity and reduced unemployment in the area into 2014.

UTAH COUNTY

Total Nonfarm Payroll Employment
in Utah County by Category



Goods-producing industries are mining, manufacturing, and construction.

Labor market conditions in Utah County improved considerably in 2012 with vibrant job, income and business growth. The economy has shown renewed strength over the past two years.

In 2012 the estimated number of payroll jobs in Utah County increased on average by 5.0 percent over 2011, with 9,070 new positions. Employment opportunities were expanding in virtually all major industrial sectors. The largest number of new jobs was added by the construction industry with 1,888, or an increase over 2011 of 17.9 percent. The majority of these new positions were in residential housing construction, which has awakened from very low levels of activity resulting from the recession. This new

construction activity is reflected in related industries such as furniture manufacturing, building materials and garden supply stores, and real estate service—all of which experienced healthy job gains. The I-15 interstate rebuild, the NSA

data center project and other commercial and industrial building construction provided additional strength in construction.

In addition to the 1,888 construction jobs, six other private sector industries added 600–1,200 net new jobs. Leading this list is trade (wholesale and retail) with 964. Within trade, nonstore retailers, that is Internet sales, added the most jobs. Restaurants and food services as well as accommodations added 685 jobs and private education added 782. Manufacturing businesses added an impressive 714 jobs with an estimated increase of 4.5 percent above 2011. Professional, scientific and technical services added 5.3 percent, or 630 jobs, with computer systems design, marketing and public opinion research, and management and technical consulting providing the most new job opportunities. Temporary help services and telephone call centers within the administrative support industry added over 300 jobs each. Among private sector businesses, the only major industry that did not add to employment in 2012 was management of companies (headquarter locations).

There were 190,131 jobs and \$7.0 billion in payroll wages paid in Utah County in 2012, or 15.2 percent and 13.8 percent, respectively, of the jobs and wages paid in Utah. There are 540,504 residents in the county, or 18.9 percent of the state's population.

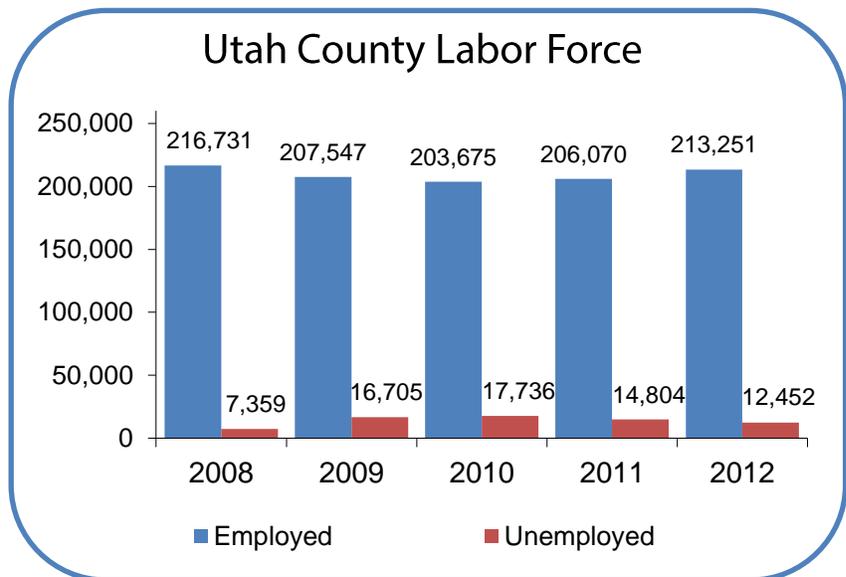
In Utah County the four industries that paid the most total wages in 2012 were manufacturing, at 11.5 percent or \$801.8 million, health care and social services at 10.9 percent or \$763.3 million, professional, scientific and technical services at 10.0 percent or \$695.4 million, and information at 9.7 percent or \$675.6 million.

Together these four major industries account for \$2.9 billion in total wages, or 42.0 percent of all wages paid in 2012. These top four industries provide 30.8 percent of all payroll jobs in the county. They pay an equal or greater percentage of total wages than the percentage of total jobs and paid above average wages compared to the county average monthly wage.

The unemployment rate in Utah County peaked in the early spring of 2010 at 8.1 percent, with 18,100 residents who could not find work. On average in 2012, the unemployment rate was a much-improved 5.5 percent, with about 12,450 unemployed workers. Initial claims for unemployment benefits in 2012, while still above the incredibly low levels seen prior to the recession, are at their lowest level in four years.

The 2013 outlook for Utah County will likely see employment growth continue through the end of the year between four and five percent. The renewed

growth in construction, including housing, is expected to result in an 18 percent increase in construction jobs for 2013 over last year. Manufacturing job increases should subside from the lofty 4.5 percent in 2012 to a rate around 2.8 percent. One other major contributor to the robust Utah county economy is professional/scientific/technical services. These better than average paying jobs are expected to increase in 2013 by eight percent.



SUMMIT COUNTY

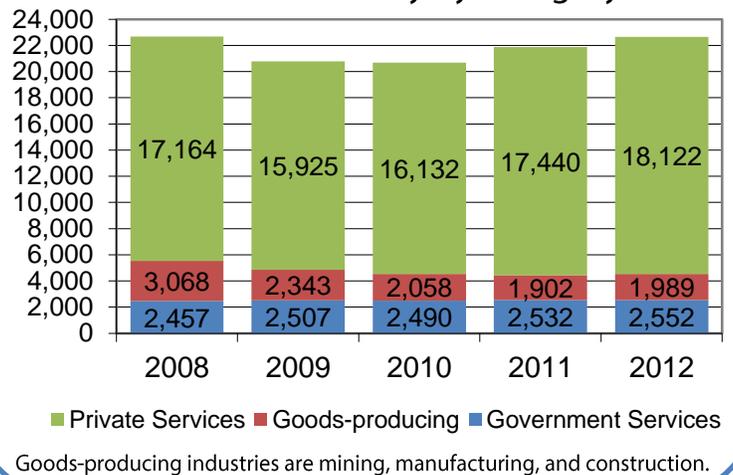
In 2011, Summit had the third most robust county economy in Utah with 5.8 percent job growth, behind energy rich Duchesne and Uintah Counties. The increase was propelled by leisure and hospitality jobs, with help from an early start to the ski season. Other bright spots for the Summit economy were manufacturing as well as health care and social services.

In 2012, while continuing to grow, the Summit County labor market slowed from the rapid pace of expansion seen in 2011. For the year, job growth was 3.6 percent or 791 new payroll positions, bringing total employment on average for the year to 22,665. Leisure and hospitality services again added the most jobs, increasing by

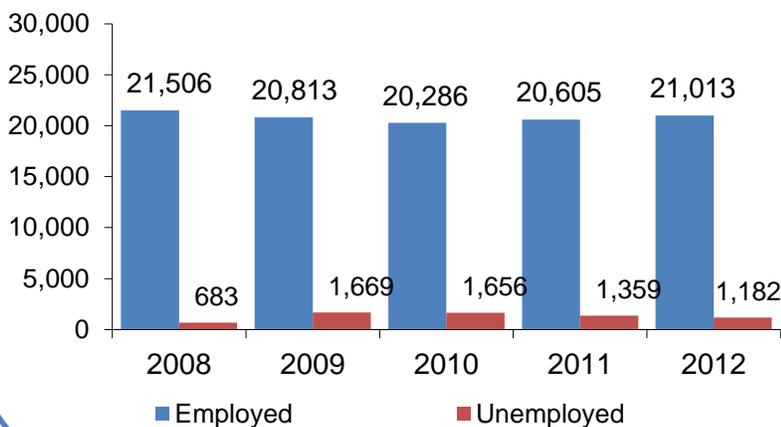
314 jobs among food service, recreation and accommodation businesses. Professional, scientific and technical services contributed 133 new jobs, mostly related to computer systems design and architectural and engineering services. Health care employment expanded by 103 jobs. Finally, manufacturing employment increased by 6.0 percent, adding 47 net new jobs as this industry continues to grow in importance in recent years.

In 2012, three top industries paid almost 37.8 percent of wages and provided over one half of all jobs (53.2 percent) in Summit County. In terms of total wages, accommodation and food services paid \$130.6 million or 16.0 percent of the county total; retail trade jobs paid \$92.6 million, or 11.3 percent; and arts, entertainment and recreation paid \$85.8 million, or 10.5 percent. These top industries reflect the importance of recreation, tourism and travel to the Summit County economy. The three top industries accounted for 24.6, 14.7 and 13.8 percent of total jobs, respectively. These top three industries each have a location quotient (LQ) greater than one. The LQ for arts, entertainment and recreation really stands out with a value over nine, which means the relative presence of recreation jobs in Summit County is nine times the national average. The accommodation and food service location quotient of 2.78 is also noteworthy.

Total Nonfarm Payroll Employment in Summit County by Category



Summit County Labor Force



The 5,584 jobs in accommodations and food services are almost divided equally between food services (mostly restaurants at 2,839 jobs) and traveler accommodations (2,745 jobs). Retail trade employment in 2012 averaged 3,332, with the largest sub-industries being clothing and clothing accessories stores (823 jobs), food and beverage stores (629 jobs) and sporting goods, hobby, book and music stores (314 jobs). In the third major industry for the county, arts, entertainment and recreation, most of the 3,133 jobs are within three subindustry groups: skiing facilities (1,964 jobs), golf courses and county clubs (496

jobs) and performing arts and spectator sports (431 jobs).

The Summit County jobless rate topped out at 8.0 percent in November 2009 as a result of the recession. It has since receded to average 5.3 percent in 2012. Unemployment has dropped below 4.7 percent by spring 2013. Initial claims for unemployment benefits are at their lowest level in four years.

Summit County forecasted job growth in 2013 of around 700 new jobs is little lower than the 791 experienced in 2012. Employment gains among the majority of industry sectors will continue, however the rapid increases in professional and business services should moderate. Leisure and hospitality will continue to provide the largest number of new jobs.

WASATCH COUNTY

Wasatch County showed a mixed bag in terms of job growth in 2011 with as many industries showing job losses as those showing job gains. Robust job growth returned in the spring and summer of 2012 to Wasatch County, with overall employment increase for the year of 4.9 percent. The largest job increases occurred in retail trade with the opening of a Wal-Mart in Heber Valley. In 2012, retail trade employment added about 115 jobs on top of the 127 added in 2011. The retail environment in the Heber Valley has changed substantially. It may be some time before an adjustment process to this new retail environment is complete.

Other industries adding significant new employment in 2012 were construction, with 58 jobs, and professional and business services, with 79 jobs.

Three areas of concern for Wasatch County in 2012 were manufacturing, which lost 11 jobs; mining, shedding 46 jobs; and leisure and hospitality, which was down by 9 jobs relative to 2011.

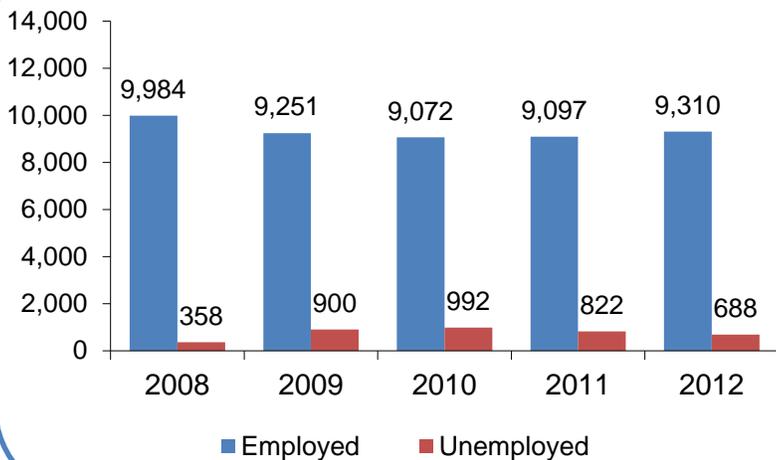
In 2012, the top three industries paid 39.6 percent of wages in Wasatch County and comprised 36.2 percent of the jobs. For wages paid, construction made up \$36.9 million, or 18.4 percent, of the county total; local government education paid \$22.2 million, or 11.0 percent; and retail trade paid \$20.5 million, or 10.2 percent. The total number of jobs in Wasatch County averaged 6,270 during 2012. The three top industries accounted for 12.0, 8.9 and 15.3 percent of total jobs, respectively. The top industries have LQs greater than one. The LQ for construction stands out with a value 2.72.

Construction employed an annual average of 751 with sub-industries of residential specialty trade contractors (299 jobs), residential building construction (253 jobs) and heavy and civil engineering construction (171 jobs). Some important firms in construction include RMD Management, Probst Electric, Summit Line Construction and Euclid Group. Local government education, with 561 jobs, is the Wasatch County School District, with 8.9 percent of jobs and 11.0 percent of wages in the county. The third major industry, retail trade, employed 960 in 2012. The largest subindustry groups are food and beverage stores (312 jobs), general merchandise stores (220 jobs), motor vehicle and parts dealers (109 jobs) and gasoline stations (96 jobs). Important firms represented within retail trade include Wal-Mart, Smith's Food and Drug, D. Brothers, Escape Motorsports and JTC Transport.

Total Nonfarm Payroll Employment in Wasatch County by Category



Wasatch County Labor Force



In 2012, the unemployment rate averaged about 6.9 percent. During the recession, unemployment peaked in Wasatch County at 9.9 percent at the end of 2009.

The 2013 job outlook for Wasatch County has improved and is forecasted to strengthen from the 4.9 percent growth in 2012 to about 6.8 percent. The largest employment increases are expected in trade, construction and business support services.

The 2013 job outlook for Wasatch County is bright. Job growth may slow somewhat from eight percent rate earlier in the year, but overall 2013 employment is expected to be 6.8 percent above 2012. In 2012, jobs grew by 5.7 percent.

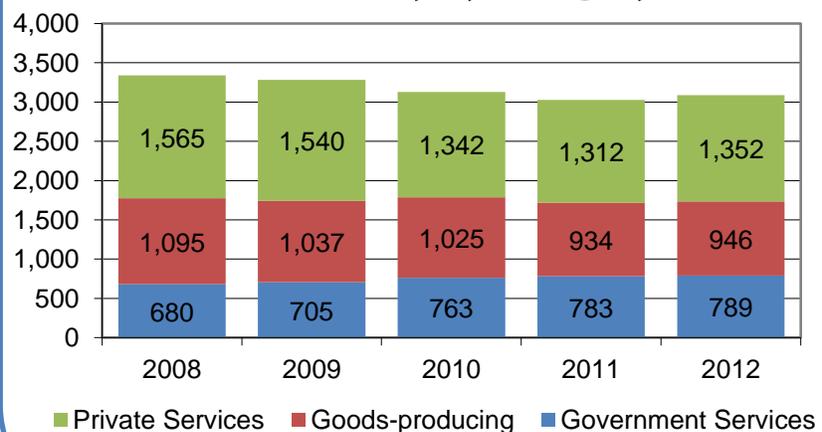
JUAB COUNTY

In 2012 Juab experienced job increases of 1.9 percent, or 58 new jobs, compared to 2011. Manufacturing added 28 new jobs and health care and social services grew by 45. Professional and business services cut back 14 jobs, and leisure and hospitality shed 8.

The Juab County top three industries paid 52.6 percent of wages with 48.2 percent of the jobs. For wages paid, manufacturing reached \$26.0 million, or 26.9 percent of the county total; health care and social assistance paid \$14.7 million or 15.2 percent; and local government education paid \$10.2 million, or 10.6 percent. The total number of jobs in Juab County averaged 3,087 during 2012. The three top industries accounted for 20.9, 14.7 and 12.7 percent of total jobs, respectively. The top three industries have location quotients (LQ) greater than one. The LQ for manufacturing and local government education are above two.

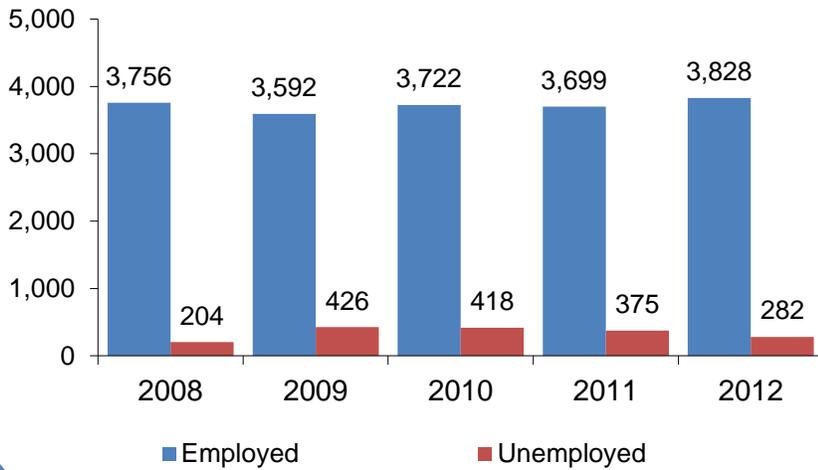
Manufacturing employed an annual average of 644 with sub-industries of plastic and rubber products (178 jobs), fabricated metal products (253 jobs) and nonmetallic mineral production (138 jobs). Some important firms in manufacturing include NRP Jones, Ash Grove Cement Company, Sunset Rail and Barnes Bullets. The second major industry, health care and social services, employed 452 people in 2012. The largest subindustry of ambulatory health care consists of doctor and dentist offices (126 jobs), hospitals (206 jobs) and nursing and residential care facilities (109 jobs). Firms in these sub-industries include Central Valley

Total Nonfarm Payroll Employment in Juab County by Category



Goods-producing industries are mining, manufacturing, and construction.

Juab County Labor Force



Medical, Canyon Hills Health Care and Journey Impact Ranch. Local government education, with 392 jobs, is made up of Juab County School District employees, with 12.7 percent of jobs and 10.6 percent of wages in the county.

In 2012, the Juab unemployment rate averaged 6.9 percent, down significantly from 9.2 percent for 2011. The recessionary peak was 2009 when unemployment averaged 10.6 percent.

The 2013 job outlook is expected to improve significantly with overall

employment growth above 6 percent. This will occur if the relative strength in the manufacturing and health care industries continues and with new activity in construction.

V. UINTAH BASIN ECONOMIC SERVICE AREA: Daggett, Duchesne, and Uintah Counties

By Eric Martinson, Economist

BRIEF OVERVIEW

The recent release of fourth quarter Quarterly Census of Employment and Wages (QCEW) data allows for a 2012 year-in-review for the Uintah Basin. This volume of Economic Analysis, therefore, will be an overview of the Uintah Basin's economic performance during 2012.

The Uintah Basin had another great year in terms of economic activity. The average level of employment in the Uintah Basin in 2012 was 24,387. This was 1,766 more jobs than, or a 7.8 percent increase from, the average level of employment in 2011. By any standards, 2012 was another great year for the Basin's labor economy. It was a continued story of the major oil and gas boom that has been in effect in the region since around 2003, with the exception of the Great Recession period throughout 2008 and 2009. In fact, in August of 2012, the highest count of monthly employment came the closest to its all-time high of 20,537 (which occurred in September of 2008) when it reached 20,099, which remains the highest post-recession job level.

The Uintah Basin had an annual average seasonally adjusted unemployment rate of 4.0 percent, a year-over-year decrease of 1.3 percent and less than half what the Basin's unemployment rate was during 2009 at the height of the recession's aftermath.

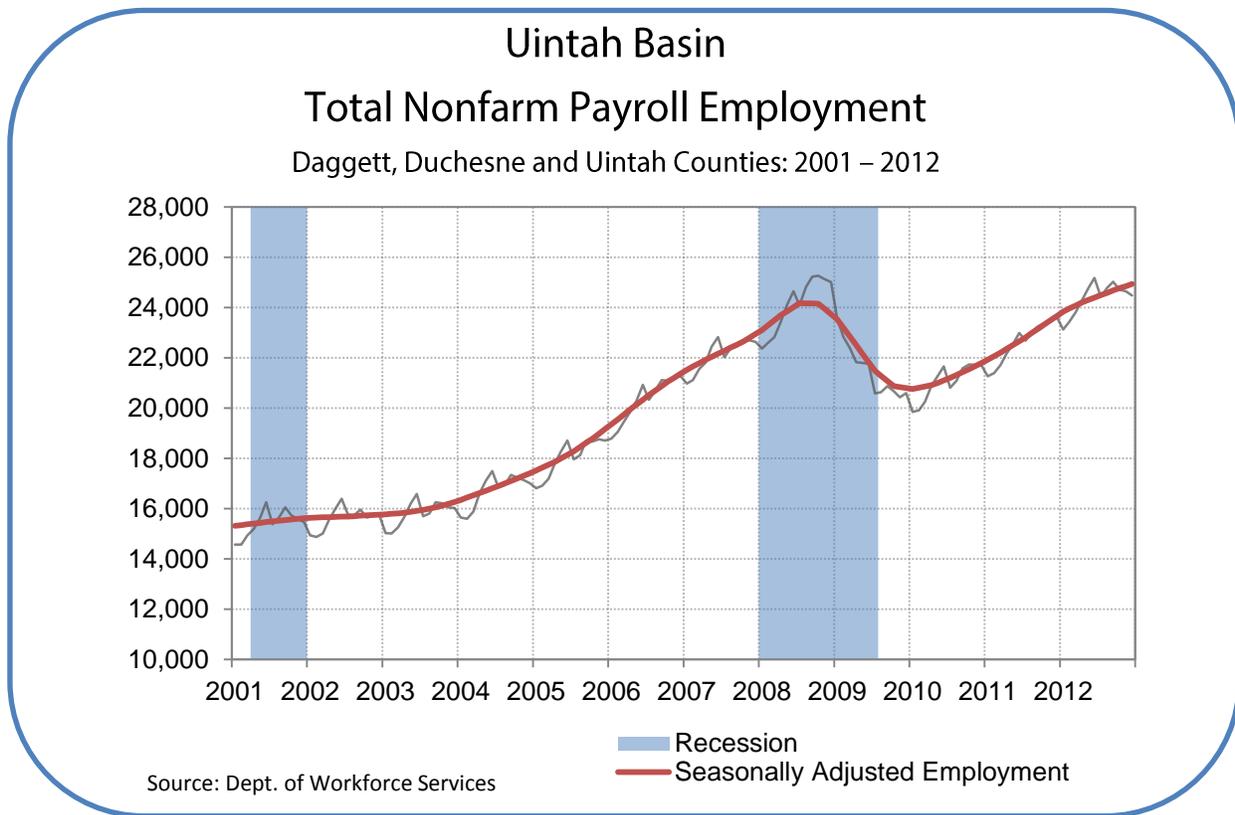
Throughout 2012, the majority of the job gains came from the goods production sector, more specifically within mining and construction. Strong job gains were also seen in transportation and warehousing and wholesale trade. Industries that saw the least average growth from 2011 to 2012 were arts, entertainment and recreation, educational, health and social services, management of companies and enterprises, information, and federal employment.

UINTAH COUNTY

Uintah County's annual average employment level in 2012 was 14,940, a year-over increase of 5.3 percent for county nonfarm payroll employment. The largest employment gains in 2012 occurred in mining, construction, trade, transportation and utilities, and leisure and hospitality. The educational, health and social services industry failed to increase its annual average employment in 2012.

The average rate of unemployment in Uintah County during 2012 was 3.9 percent, the lowest average county unemployment rate in 2012 and 1.8 percent lower than the state's average unemployment rate during 2012. Initial unemployment claims (on a four week moving average basis) throughout 2012 were close to parity with 2007, at the height of the housing boom.

While annual average employment in Uintah County was higher during 2012 than it was in 2011, total county employment growth started to cool off during the second half of 2012. While the average rate of year-over-year change in total employment during the first half of 2012 was 7.2 percent (January–June), the rate of year-over-year growth



slowed to an average of 3.5 percent during the second half of 2012 (July–December). A slowing of mining employment growth has been the main contributor to the cool-off as stabilizing natural gas prices have led to less gas exploration and extraction activities in Uintah County. In fact, the fourth quarter of 2012 saw the first year-over decreases in monthly employment within mining since mid-2010, a year after the recession ended.

Total area wages in Uintah County during 2012 increased year-over-year by 8.7 percent, or \$55.8 million. This increase in wages paid to Uintah County workers contributed to the year-over increase in taxable sales of 20.3 percent from 2011 to 2012. Construction values saw an enormous year-over increase in 2012. The number of permitted dwelling units in the county increased by 106 percent from values during 2011, and permit-authorized construction values also doubled.

DUCHESNE COUNTY

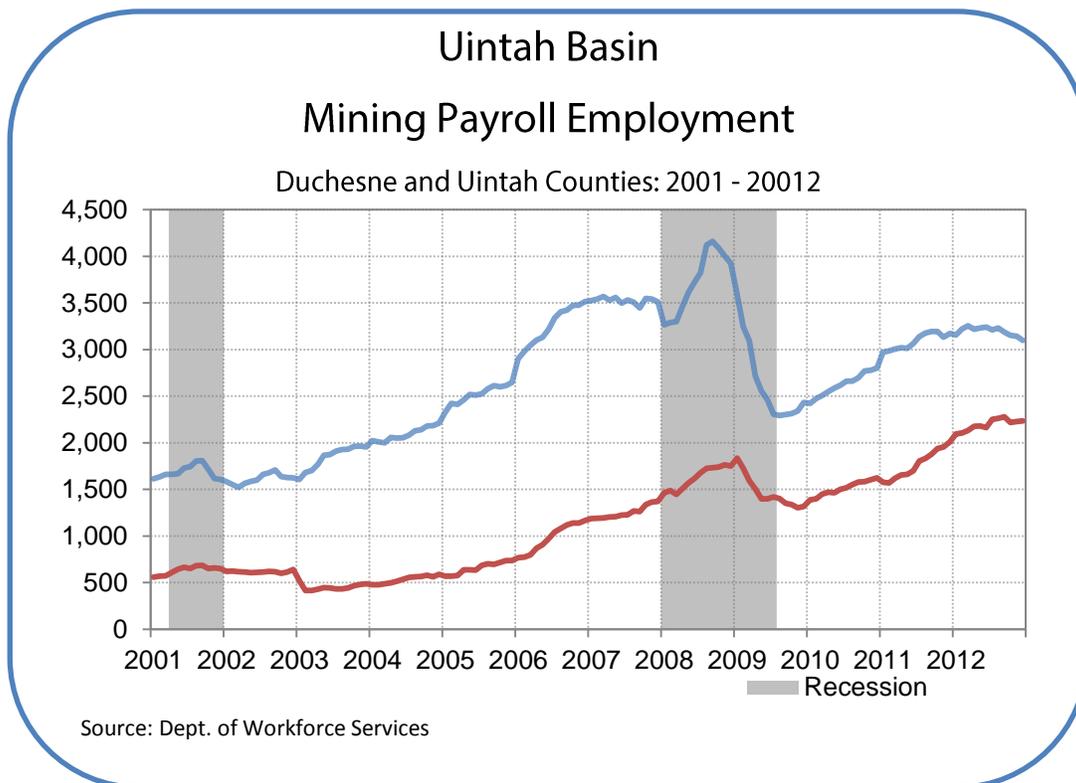
The average annual level of employment for Duchesne County in 2012 was 9,046, over 1,000 more jobs on average than in 2011. Over half of these job gains (632 to be exact), were a result of job gains in mining (427 jobs, or 24.2 percent higher than 2011) and construction (205 jobs, or 29.6 percent higher than 2011). Other strong job gains in Duchesne County for 2012 include transportation and warehousing, an average of 129 more jobs than in 2011, and wholesale trade, with 82 more jobs than in 2011, on average. There were a few industries that slipped in jobs over 2012, but not one of these job losses was significant.

Overall, Duchesne County's unemployment rate averaged 4.1 percent for 2012, the second lowest in Utah, just above Uintah County's average unemployment rate of 3.9 percent for 2012. Initial unemployment claims (on a four week moving average basis) throughout 2012 were in line with an economically robust 2007.

Mining, the county’s leading industry, reached its peak value in April of 2012 as employment hit 2,176 jobs. This amounted to a 32 percent increase, year-over-year. By December, this growth rate fell to 11 percent, just one-third of the peak growth rate.

Just as in Uintah County, the overall employment situation in Duchesne County began to show signs of a cool off towards the end of 2012. While total nonfarm employment in the county had exceeded its all-time high by April of 2012 and was higher yet in the last month of 2012, year-over-year growth dipped in December 2012 below 10 percent, the first time in over a year-and-half.

Overall, total nonfarm payroll wages for Duchesne County in 2012 saw a staggering 19 percent increase over wages in 2011, or an increase of \$65.7 million by year’s end. Taxable sales rose in 2012 by 35 percent compared to 2011. Construction was also up in 2012. Permitted dwelling units showed a 33 percent increase in Duchesne County. Also, total permit-authorized construction values were up 25 percent in 2012 compared to values in the previous year.



DAGGETT COUNTY

The average annual level of employment for Daggett County in 2012 was 401, which was 15 jobs less on average than in 2011. The goods producing sector gained 3 jobs over 2012. The net effect of these job gains was erased by the loss of 18 jobs in the services sector, one-third of which came from the government sector. Leisure and hospitality in Daggett County showed no growth as the job gain in accommodation and food services was met with a job loss in the arts, entertainment and recreation industry. The other 11 job losses occurred in the trade, transportation and utilities sector.

The overall picture in the Uintah Basin during 2012 was very positive. It continued to lead the state in growth, which was fueled by the oil and gas boom that has been in effect for the major part of the last decade. Based on the last quarter in 2012, it seems that employment in the region and within oil and gas in particular, was starting to cool down.

VI. CASTLE COUNTRY AND SOUTHEAST ECONOMIC SERVICE AREAS: Carbon, Emery, Grand and San Juan Counties

By Eric Martinson, Economist

CASTLE COUNTRY

2012 has been another difficult year for the Castle Country region (Carbon and Emery Counties) in terms of economic activity. The average level of employment in Castle Country in 2012 was 12,491. This was 474 less jobs than, or a 3.7 percent decrease from, the average level of employment in 2011, which was also a difficult year for the region. The Castle Country region had an annual average seasonally adjusted unemployment rate of 7.2 percent, virtually unmoved from an annual average unemployment rate of 7.3 during 2011.

Virtually all industries experienced job losses throughout 2012. Mining, the region's most important export industry, lost an average of 197 jobs in 2012 compared with the previous year. This is a 13.8 percent decrease, year-over-year. Construction also continued to experience job losses, losing an average of 114 jobs, year-over-year. What industry-specific employment gains occurred in 2012 were relatively minor. The largest average job gain occurred in within healthcare and social services industry, which added 26 more jobs over the previous year. State government added 16 more jobs in 2012 and other services added 11. The employment gains within the three remaining job-adding industries were negligible.

CARBON COUNTY

Carbon County's annual average employment level in 2012 was 9,124, a year-over decrease of 2.2 percent for county nonfarm payroll employment. The largest employment losses in 2012 occurred in mining (176 less jobs compared to 2011), leisure and hospitality (60 jobs less), trade, transportation and utilities (35 less jobs), and manufacturing (22 less jobs). Educational, health and social services failed to increase its annual average employment in 2012. The main employment gains for the county were in professional and business services (51 more jobs, year-over), education, health and social services (23 more jobs), and government (22 more jobs).

The average rate of unemployment in Carbon County during 2012 was 7.1 percent, 1.4 percent higher than the state's average unemployment rate during 2012. As a result, initial unemployment claims (on a four week moving average basis) throughout 2012 moved at a variable range between pre-recession lows and recession highs.

Total area wages in Carbon County during 2012 dipped year-over-year by 3.0 percent, or \$10.9 million. This decrease in wages paid to County payroll employees contributed to the year-over decrease in taxable sales during the latest three quarters of 2012. Construction values were down 17 percent, year-over in 2012 and year-over change in permitted dwelling units were also down, by 25 percent.

EMERY COUNTY

The average annual level of employment for Emery County in 2012 was 3,367, 269 less jobs on average than in 2011. This is a year-over decrease of 7.4 percent. About half of these job losses were a result of some major power plant maintenance projects that had finished up by fourth quarter 2011. Otherwise, the year-over decrease in payroll employment for the county would not have stung as much as it did. Construction also saw a sharp decrease in employment compared to 2011. As with the power plant maintenance projects, some large construction projects also came to a close during 2011, causing the year-over drop in payroll construction employment. Mining, one of the county's leading industries, lost 22 jobs on average. Any industry-specific employment gains in 2012 were negligible, the largest of which was in accommodation and food services which added 7 jobs on average for the year.

Overall, Emery County's unemployment rate averaged 7.7 percent for 2012, 2 percentage-points above the 2012 average state unemployment rate. As a result, initial unemployment claims (on a four-week, moving-average basis) throughout 2012 moved at a variable range between pre-recession lows and recession highs.

Overall, total nonfarm payroll wages for Emery County in 2012 saw a staggering 32 percent decrease over wages in 2011, or an increase of \$68.8 million by year's end. A significant reason for such a drastic drop was, once again, due to the conclusion of the maintenance projects at some power plants within the county. Taxable sales in 2012 reflected four quarters of steadily decreasing totals, three of the four quarters saw a year-over decrease as well. On the other hand, despite the drop in construction payroll employment, there was some construction in 2012. Permitted dwelling units showed a 15 percent increase and total permit-authorized construction values were up 30 percent in 2012 compared to values in the previous year.

SOUTHEAST

In 2012, the Southeast had a mixed year in terms of economic activity. The positive year that Grand County had was tempered somewhat by a slow year in San Juan County. The average level of employment in the Southeast in 2012 was 4,076. This was 86 more jobs than, or a 1.0 percent increase from, the average level of employment in 2011. A seasonal adjustment of the total nonfarm employment numbers for the region show that the expanding trend has flattened out by the end of 2012. On the other hand, leisure and hospitality employment appears to be continuing its increasing trend.

The Southeast had an annual average seasonally adjusted unemployment rate of 9.7 percent, a year-over-year decrease of 1 percentage point and 2 percentage points less than what the Southeast's unemployment rate was during 2010 at the height of the recession's aftermath.

Throughout 2012, the majority of the job gains came from service production sector. The main source of job gains for the area was within educational, health and social services and leisure and hospitality, mainly from within San Juan County. Industry-specific employment losses were felt in construction, local government and professional and business services.

GRAND COUNTY

Grand County had a positive economy 2012. Grand County's annual average employment level in 2012 was 4,824, a year-over increase of 4.5 percent for county nonfarm payroll employment. The largest employment gains in 2012 occurred in leisure and hospitality (103 more jobs on average), transportation and utilities (mostly in retail trade), and government. Educational, health and social services failed to increase its annual average employment in 2012 as did professional and business services. The average rate of unemployment in Grand County during 2012 was 8.7 percent. Seasonally adjusted

employment figures for Grand County show a continuously growing trend in 2012 that began in 2010. This trend seems poised to continue in 2013.

Total area wages in Grand County during 2012 increased year-over-year by 6.8 percent, or \$8.9 million. This increase in wages paid to Grand County workers contributed to another year-over increase in taxable sales of 9.7 percent from 2011 to 2012; year-over quarterly taxable sales in the county have been positive since second quarter 2010. Construction values saw an enormous year-over increase in 2012. The number of permitted dwelling units in the county increased by 22 percent from values during 2011, the first annual, year-over increase since before the recession in 2007. Moreover, construction values increased year-over-year by 57 percent.

SAN JUAN COUNTY

The average annual level of employment for San Juan County in 2012 was 4,076, 122 fewer jobs on average than in 2011. Largest industry-specific payroll employment losses came from government and trade, transportation and utilities. Educational, health and social services grew average annual employment by 39 positions. Any other industry-specific job gains were negligible. Overall, San Juan County's unemployment rate averaged 10.7 percent for 2012.

Total nonfarm payroll wages for San Juan County in 2012 saw a 1.4 percent decrease over wages in 2011, or a decrease of \$1.8 million by year's end. Year-over quarterly taxable sales were negative in three of the four quarters in 2012. Construction was also up in 2012. While permitted dwelling units showed a 14 percent increase in the county, total permit-authorized construction values were down 4 percent in 2012 compared to values in the previous year.

VII. CENTRAL ECONOMIC SERVICE AREA: Millard, Sanpete, Sevier, Piute, and Wayne Counties

By Lecia Parks Langston, Economist

BRIEF OVERVIEW

Although most counties in the Central Economic Service Area have entered the recovery phase of the business cycle, only Sanpete County showed firm and steady employment expansion during 2012. Nevertheless, at year end, with the exception of Piute County, all counties had managed some year-to-year growth. In addition, Piute County seems poised to move into positive job territory soon. Most counties continue to generate contracting unemployment rates. In this case, the lone exception is Wayne County which recently lost its largest employer. In addition, first-time claims for unemployment insurance have stabilized back into a normal seasonal pattern. All in all, this rural ESA labor market is improving and should continue to rally through 2013, albeit at a slower rate than most urban areas.

Despite an improving statewide home-building market, the Central ESA has yet to jump on the home-permit band wagon. No county showed an increase in approved new home permits during 2012. For many counties, home-permits have declined steadily for five years. Generally, nonresidential permitting has failed to pick up the slack and total permit values are also down from a year-ago. Nevertheless, most public construction projects do not require permits and several counties are showing expanding construction employment. The eventual return of increased home building in the Central ESA will be once sign of renewed economic vigor. Less-populated areas often lag the metropolitan areas when it comes to phases of the construction cycle.

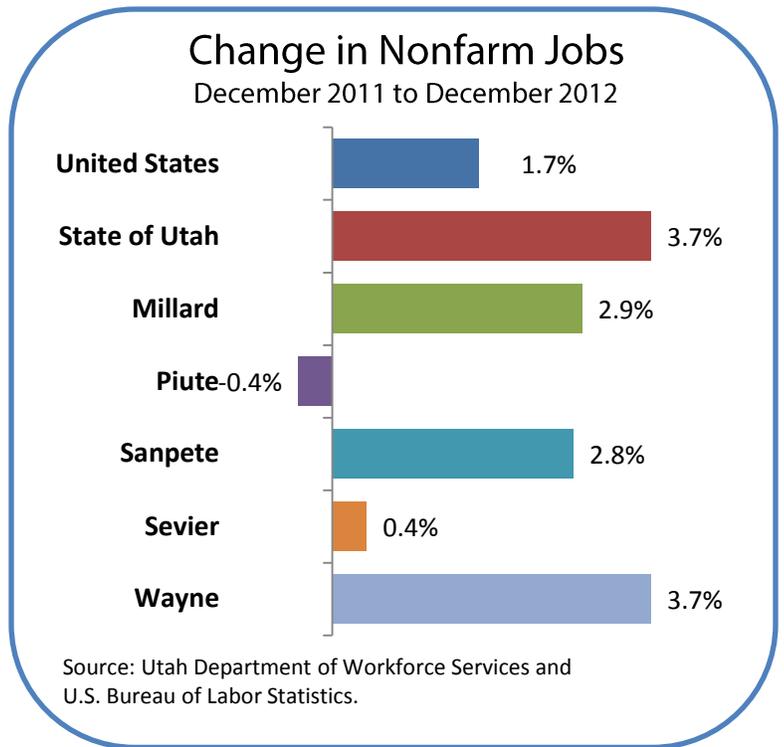
Growth in gross taxable sales provides some of the better economic news for the Central ESA. Most counties have experienced steady, moderate-to-strong sales expansion over the past year. This pattern most likely foreshadows better economic and labor market times ahead. While the smaller economies of the Central ESA may continue to lag economic gains statewide, they should see continued improvement in 2013.

MILLARD COUNTY

New fourth quarter employment figures show Millard County departing the job-growth/job-loss roller coaster ride caused by the influx and outflow of jobs from major construction projects. The county exited that ride to find itself back in the moderate job-growth mode. Most other economic indicators show an improving economy. The lone exception? As in many rural areas, construction has yet to rebound.

- Between December 2011 and December 2012, Millard County's nonfarm jobs grew by roughly 3 percent marking a net gain of more than 110 jobs.

- Most major industries added employment. The current broad-based expansion provides another sign of economic health. The few industry losses proved minor.
- Professional/business services created the largest number of new positions with manufacturing, wholesale trade and the public sector each contributing between 15 and 20 new jobs.
- Joblessness continued to decline in response to an improved job market. In March 2013, the county's unemployment rate clocked in at only 4.3 percent—unusually low for a rural county. In fact, Millard County's jobless rate measures below both the state (4.9 percent) averages.
- Construction remains the one holdout in the energizing economy. In Millard County, every single construction permitting category showed a decrease in values during 2012. Of course, although new home permits dropped by 48 percent in 2012, these figures are compared to a nice surge in new home construction that occurred in 2011.
- New nonresidential values also dropped by 42 percent. Overall, total permit-approved values declined by 45 percent.
- Fourth-quarter gross taxable sales increased by a healthy 8-percent (year-over-year). While this is only the second straight gain in sales since early 2011, gross taxable sales also reflected the up-and-down business spending connected to the large construction projects.
- Millard County cars sales rose a whopping 44 percent in fourth quarter 2012 following a general improving trend.



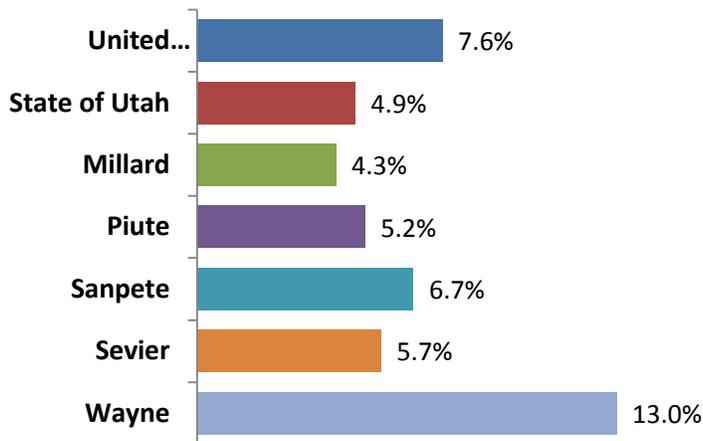
PIUTE COUNTY

When is year-to-year job loss of 0.4 percent a good thing? When the last time your area has experienced an employment gain was in December 2008. Piute County has struggled with significant job losses for much of the past four and a half years. However, the recently-released December 2012 year-to-year nonfarm job loss of one job provides no clear signal that the county's economy is improving. Other economic indicators represent a mixed bag of performances.

- Between December 2011 and December 2012, Piute County lost just one nonfarm job. In addition, little change was apparent in any of the area's industries.
- The loss of three jobs in trade/transportation/utilities and a two-job gain in construction marked the largest movements of note.

Seasonally Adjusted Unemployment Rates

March 2013



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

- The county's unemployment rate does continue to trend downward—primarily because so many Piute County workers have found employment outside of the county's boundaries. In March 2013, its jobless rate registered 5.2 percent—not all that much higher than the statewide rate of 4.9 percent.

- Fourth-quarter 2012 gross taxable sales for Piute County rose 10 percent compared to the same quarter in 2011. However, the previous two quarters showed declining sales.

SANPETE COUNTY

Although its employment growth rates slowed somewhat in the fourth quarter, Sanpete County remains one of the few nonmetro counties to display a fully expansionary economy. Job growth rates have decelerated

from the county's peak figure of roughly 6 percent at midyear to closer to 3 percent in fourth quarter. However, the current rate of expansion appears more sustainable in the long run than the earlier overheated speed. With the exception of construction, other economic indicators support the pattern in employment expansion.

- Between December 2011 and December 2012, Sanpete County's nonfarm employment grew by 2.8 percent, representing a net increase of almost 200 new jobs.
- While most major industries joined in the job creation club, a number slipped into job loss territory, most significantly retail trade.
- On the up side, manufacturing added more than 100 new positions, private education/social services contributed 60 jobs and construction increased payrolls by more than 40.
- Following the trend across most of Utah, Sanpete County's jobless rate continued to edge downward. In March 2013, the jobless rate measured 6.7 percent—down almost a full percentage point from March 2012.
- Fourth quarter 2012 gross taxable sales presented a nice moderate 4 percent increase compared with the same quarter in 2011. Sales in the county have improved steadily for the past seven quarters.

Construction is the one lone holdout from the recession. Sanpete County home permits dropped 49 percent in 2012. The county did experience some home-building improvement in 2010, but was unable to sustain the movement. On the other hand, while new nonresidential permitting dropped during 2012, nonresidential additions/alterations/repairs popped up by more than 280 percent, accounting for almost one-fourth of total permit values. Nevertheless, overall permit values contracted by 22 percent during the year.

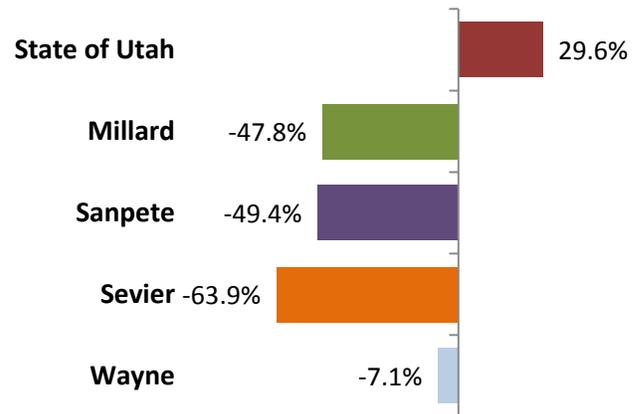
SEVIER COUNTY

Although Sevier County peeked out of the recessionary trough earlier than most rural counties, its economy spent most of 2011 in employment stagnation. During early 2012, employment growth improved, but by year-end, recently released figures show job expansion ebbing once again. The remaining economic indicators also present a mixed bag suggesting that the county's economy has yet to find a firm expansionary footing.

- Between December 2011 and December 2012, Sevier County's nonfarm employment grew a meager 0.4 percent—only 34 net new jobs.
- Notable declines in mining and transportation employment put the primary drag on job expansion.
- On the positive side of the ledger, private education/health/social services, construction, and leisure/hospitality services added at least 20 new jobs each.
- Despite the county's less-than-stellar job-creation performance, unemployment rates continue to trend down. In March 2013, the county's jobless rate registered 5.7 percent—down from 6.5 percent in March 2012.
- Construction has yet to shake off the effects of the recession. The number of new dwelling units permitted in the county dropped 64 percent in 2012—the sixth straight year of home-permit contraction.
- Nonresidential permitting took up the slack. Sevier County was one of the few rural counties to show a year-to-year gain in total permit values (69 percent). One large nonresidential additions/alterations/repair permit helped drive total values up substantially. In fact, this category accounted for two-thirds of total permit values.
- Sevier County's gross taxable sales have tended to bounce around in recent quarters. However, before fourth quarter 2012, the county had shown four quarters of positive gains. Fourth quarter 2012 put an end to that pattern with a slight 2-percent year-to-year decrease.
- New car and truck sales also took a 6-percent dip in fourth quarter.

Annual Change in Dwelling Unit Permits

2012



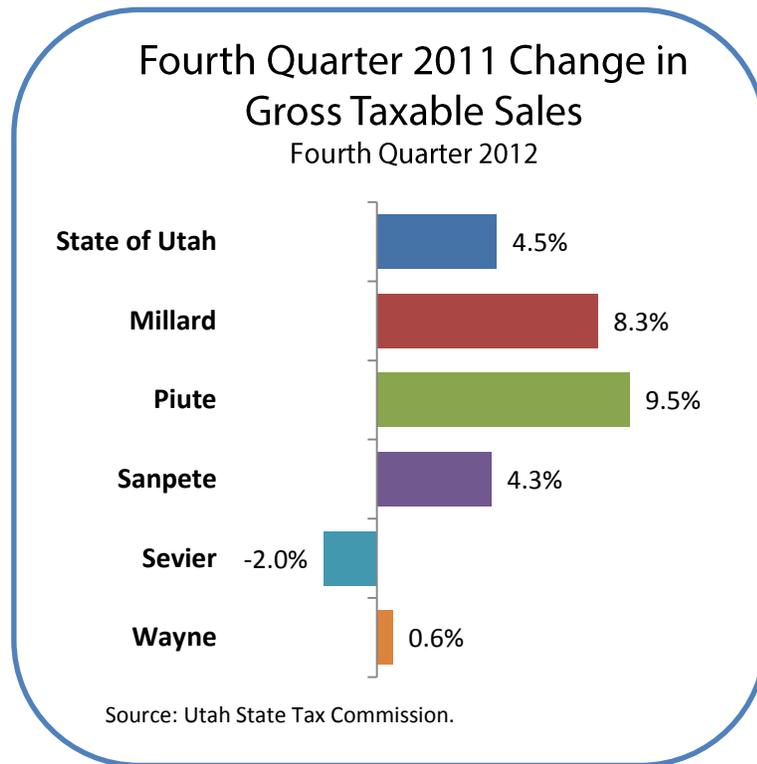
Source: Utah Bureau of Economic and Business Research.

WAYNE COUNTY

While the economic blow Wayne County suffered when its largest employer (Aspen Health) closed its doors has not dissipated, its effect on the year-to-year employment numbers has. Jobs figures for the fourth quarter of 2012 reveal moderate employment expansion in the county. In the final month of 2012, Wayne County showed a year-over nonfarm job increase of almost 4 percent—a gain of almost 30 positions.

- Leisure/hospitality services, private education/health social services, and construction provided the primary sources of new employment.
- Not all major industries shared in the employment joy. In particular, retail trade showed a notable employment decline.

- The closure of the county's largest employer is definitely reflected in the county's rising unemployment rate. As of March 2013, Wayne County's jobless rate measured a whopping 13.0 percent—up more than a full percentage point from a year earlier for the highest rate in the state.



- Construction permitting for 2012 seems unlikely to spur much employment growth. However, while the number of dwelling units in the county dropped by 7 percent (just one permit), residential additions/alterations/repairs jumped 75 percent. Moreover, residential permitting still accounted for two-thirds of total permitted values.

- Nonresidential permitting declined notably helping to keep total permit values down about 11 percent during 2012.

- Between the fourth quarters of 2011 and 2012, Wayne County's gross taxable sales increased by a mere 1 percent. However, in five of the last seven quarters, the county has generated year-over gains.

VIII. SOUTHWEST ECONOMIC SERVICE AREA: Beaver, Iron, Garfield, Washington, and Kane Counties

By Lecia Parks Langston, Economist

BRIEF OVERVIEW

During 2012, the Southwest Economic Service Area's economy continued to improve. All counties experienced declining unemployment rates while new claims for unemployment insurance settled back into a seasonal rather than cyclical trend. In addition, by year-end, every county with the exception of Iron County had managed year-to-year expansion in nonfarm employment. Iron County has shown employment growth in previous months, but has failed to generate a consistent track record of steady job increases. In fact, only Washington County showed a firm and stable commitment to employment expansion. In other words, while the ESA's labor market continues to recover, the smaller counties still have some ground to cover to regain complete economic health. Fortunately, other economic indicators suggest 2013 may mark the turning point for these counties.

The three largest of the area's five counties (Washington, Iron, and Kane) have finally experienced improvement in new home-building. For most counties, the last gains in home-permitting occurred more five years earlier. As new homes are built, the area can expect an increase in construction jobs and the supportive employment this industry requires. While most areas have yet to show gains in new nonresidential permits, this category should also improve as commercial building meets the demands of individuals in new homes.

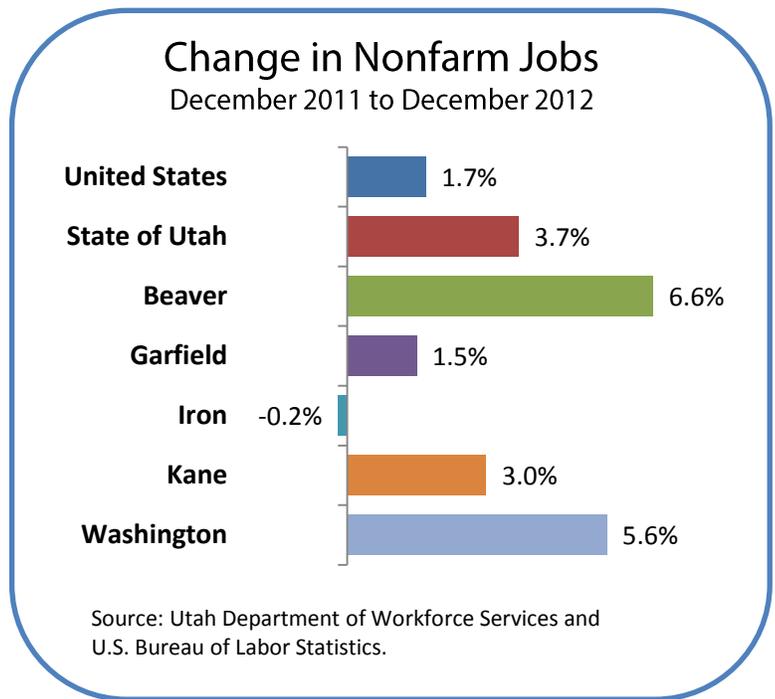
Finally, all areas have seen improvement in gross taxable sales. For most counties, the gains have proved consistent and long-term. Gains in sales portend a more robust economy (and more jobs) for the Southwest ESA. Moreover, new car sales in the larger counties have improved dramatically reflecting pent-up demand and heightened consumer confidence—further signals that the Southwest ESA economy should continue to improve in 2013.

BEAVER COUNTY

In recent years, Beaver County's nonfarm job indicator has been overshadowed by the coming and going of wind farm construction. In mid-2012, the county escaped the most current round of wind farm completion job losses and found itself expanding at a robust rate. Of all Beaver County's economic indicators, only construction permitting has failed to demonstrate a decided improvement.

- In the final month of 2012, Beaver County displayed a healthy year-to-year growth rate of 6.6 percent.
- The current expansion remains a virtual one-industry wonder as the reopening of the copper mine helped mining create almost all of the net new 135 jobs. Construction, manufacturing, leisure/hospitality services and retail trade also helped out with roughly 10 new jobs each.

- On the downside, transportation and government shed employment.
- New employment helped drive the county's jobless rate down to 4.8 percent in March 2013—slightly below the statewide figure of 4.9 percent.
- Construction permitting has yet to join the expansionary party. Beaver County's overall construction-permit values dropped by a whopping 70 percent in 2012. Of course, 2011 figures included one very large nonresidential permit. New home permits have yet to show any signs of recovery.
- Now that gross taxable sales figures are no longer dwarfed by the comings-and-goings of construction-related business expenditures, Beaver is showing expansion here, too. Between the fourth quarters of 2011 and 2012, gross taxable sales increased by a vigorous 10 percent.



GARFIELD COUNTY

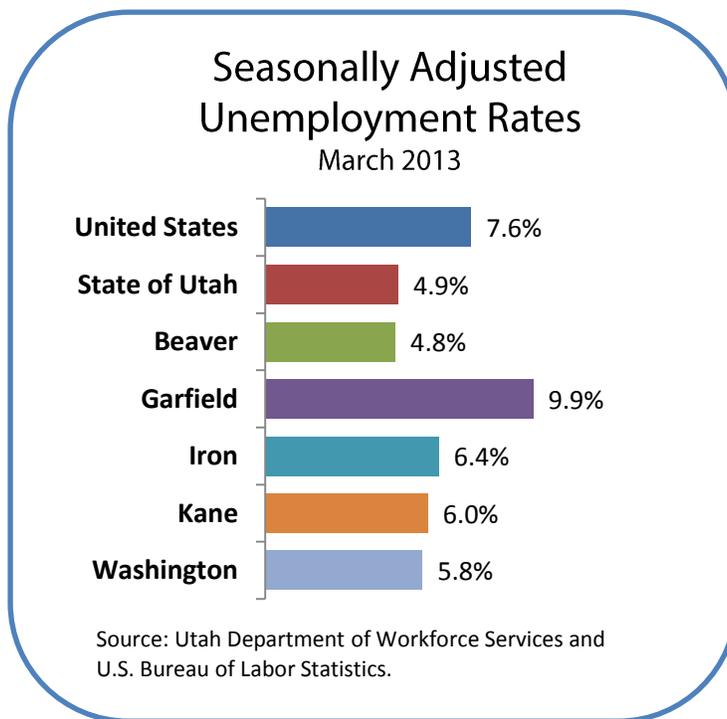
Although Garfield County experienced a post-recession job expansion earlier than most, it slipped into job-loss territory through most of 2011 and 2012. Current job figures indicate the county had tepid 1.5 percent year-to-year expansion in December 2012. However, the prior two quarters displayed employment contraction. In other words, the county hasn't quite obtained a sustainable-growth footing. With the exception of construction permitting, most of the area's economic indicators are improving—hopefully portending a better economy in 2013.

- Between December 2011 and December 2012, Garfield County added just fewer than 30 net new jobs to the labor market.
- The county's bread-and-butter industries—retail trade and leisure/hospitality services—provided the primary impetus for this expansion.
- A notable number of major industries lost employment ground, specifically wholesale trade, information, and the public sector.
- Unemployment in Garfield County contracted and expanded in fits and starts during the past year and a half. As of March 2013, joblessness stood at 9.9 percent, far higher than both state (4.9 percent) and national (7.6 percent) averages.
- Garfield County's home-building market has yet to show signs of improvement. During 2012, Garfield County marked its fifth straight year of contracting home permits. Unfortunately, total permit values dropped almost 40 percent during 2012 as every single permit category lost ground.
- In contrast, Garfield County managed its fifth straight quarter of improving gross taxable sales by year-end. Excluding an adjustment for a previous time period, Garfield County's fourth-quarter gross taxable sales increased at a moderate 3.5 percent rate.

IRON COUNTY

Nonfarm jobs figures for Iron County continue to illustrate an economy stuck in the stagnant no-man's land of economic expansion. Although the county exhibited employment improvement in some months, it kept sinking into job loss territory on a regular basis during the past two years.

This behavior is indicative of an economy which is in the recovery stage, but can't quite find the "oomph" to move into full-bored expansion. Fortunately, other indicators are showing growth and may presage improvement in the economy's most important employment sector.



- Between December 2011 and December 2012, Iron County lost roughly 40 jobs for a decline of 0.2 percent.
- Despite the overall decline, most major industries added employment. However, significant job losses in manufacturing, leisure/hospitality services and the public sector more than offset these gains.
- Construction, financial activities, professional/business services and private education/health/social services all supplemented the labor market with between 30 and 40 jobs each. Until the county can show consistent industry gains, it will have difficulty entering the expansionary phase of the business cycle.
- Notwithstanding the county's spotty employment performance, unemployment rates continue to trend down. This suggests that individuals have found work elsewhere, left the labor market, or moved out of the area. In March

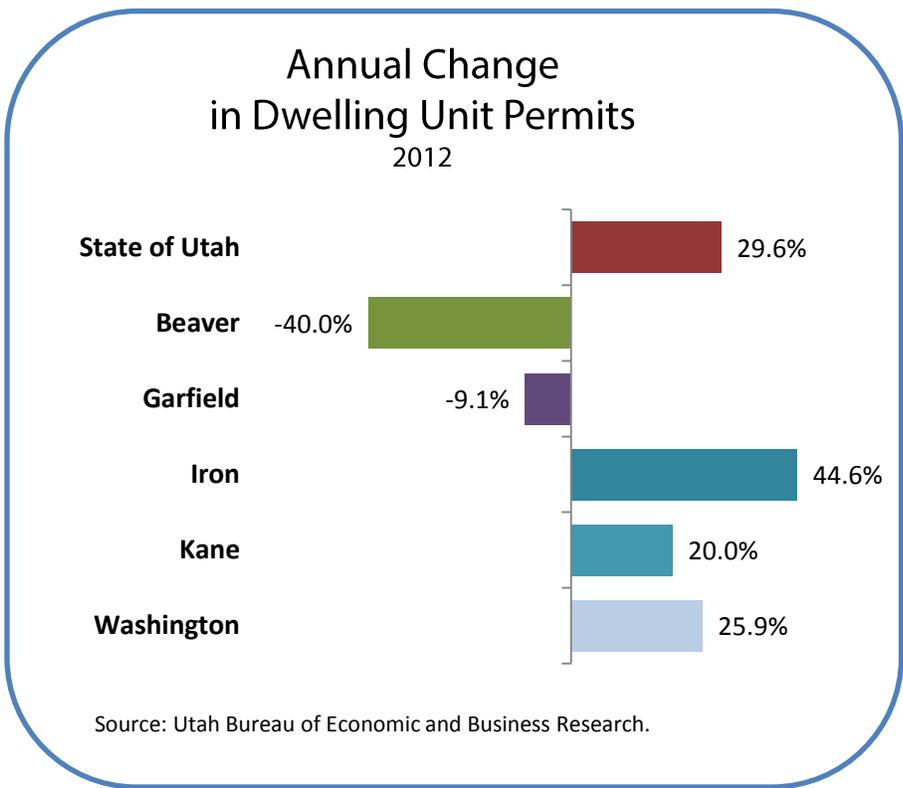
2013, Iron County's jobless rate measured 6.4 percent, down from 7.5 percent a year earlier.

- At 45 percent, Iron County's new-home-permit increase proved the third-fastest in the state for 2012 and marked the first year of improvement since 2005.
- Gross taxable sales also reflect an improving economy. While fourth quarter's year-to-year gain proved relatively modest at 2 percent, sales have improved for six straight quarters.
- In particular, car sales have taken a decided jump. In 2012, the county's car and truck sales increased by 30 percent, the third best performance in the state.

KANE COUNTY

Employment numbers for the fourth quarter of 2012 show Kane County's jobs growing at a moderate rate. However, Kane County has been in this position before the economic recovery began only to slip back into job loss. Only time will prove if 2013 will mark the beginning of sustained expansion. Other indicators do seem to point to a better 2013.

- Between December 2011 and December 2012, Kane County added 80 net new jobs for a growth rate of 3 percent. However, for the fourth quarter as a whole, year-to-year job growth measured only half that figure and the county actually lost a few jobs in November.
- Most major industries actually lost employment in December. True, the declines appeared relatively minor, but they place a decided drag on the labor market.
- Leisure/hospitality services performed as the prime mover and shaker behind the December growth with a little help from the public sector and private education/health/social services.
- In March 2013, Kane County's unemployment rate measured 6.0 percent, down 1.4 percentage points since February 2012.
- Construction permitting holds for the hope for higher employment levels in 2013.



Kane County home-building permits showed their first revival since 2005. Between 2011 and 2012, the number of newly approved dwelling units increased by one-fifth.

- Kane County also received a nice boost in total values (up 11 percent) from a surge in nonresidential additions/alterations/repair permits.
- Kane County's fourth quarter 2012 gross taxable sales produced a robust 14-percent gain. Six out of the last seven quarters have shown gross taxable sales improvements.

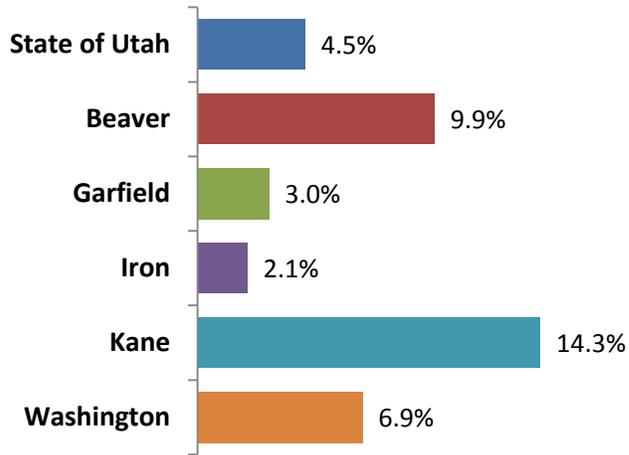
WASHINGTON COUNTY

Washington County ended 2012 with a full year of 5 to 6 percent job growth under its belt. This level of employment expansion falls within the "Goldilocks" range: near the county's long-term average—not too fast, not too slow, but "just right." In other areas, this rate of nonfarm expansion would appear excessive. All indicators point to an economy well into its expansionary phase.

- In December 2012, nonagricultural jobs grew by 5.6 percent compared to December 2011, a net gain of almost 2,700 positions. Most industries shared in the current economic joy, making this a broad-based, and therefore, sustainable expansion. Only transportation experienced a notable decline.
- Industries showing employment gains of at least 300 jobs included professional/business services, leisure/hospitality services, construction (yes, construction), and private education/health/social services.
- Professional/business services managed a whopping 28-percent expansion. In addition, construction sector employment is up by 12 percent.

Fourth Quarter 2011 Change in Gross Taxable Sales

Fourth Quarter 2012

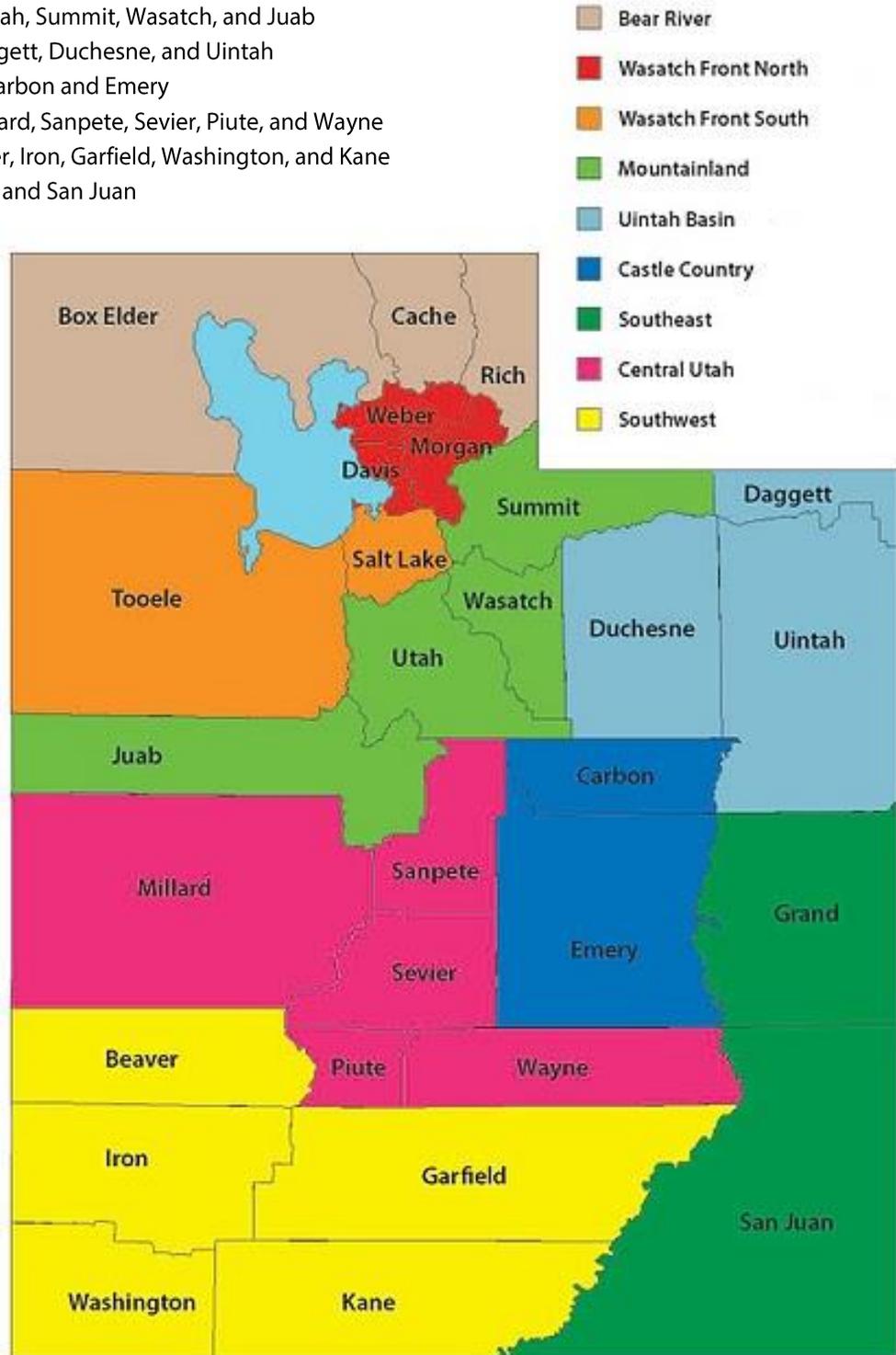


Source: Utah State Tax Commission.

- As of March 2013, Washington County's jobless rate stood at 5.8 percent—down more than a percentage point from March 2012.
- In 2012, total construction values increased 1.5 percent—decimal dust in the capricious world of construction permitting. However, the true story lies in the 26-percent increase in new home permits. At 1,065, the number of new dwelling unit permits marks the highest figure since the boom year of 2007.
- In the fourth quarter of 2012, gross taxable sales rose by a moderate 4.5 percent year-to-year basis. This gain marks the second straight year of quarterly sales gains.
- An improving economy and pent-up demand have also spurred an increase in new car sales. Washington County's new car and truck sales increased by 24 percent in 2012.

ECONOMIC SERVICE AREA MAP

- Bear River – Box Elder, Cache, and Rich
- Wasatch Front North – Weber, Davis, and Morgan
- Wasatch Front South – Salt Lake and Tooele
- Mountainland – Utah, Summit, Wasatch, and Juab
- Uintah Basin - Daggett, Duchesne, and Uintah
- Castle Country – Carbon and Emery
- Southwest – Beaver, Iron, Garfield, Washington, and Kane
- Southeast – Grand and San Juan



To obtain additional copies of this publication, contact:

*Department of Workforce Services
Attn: Workforce Research and Analysis
140 East 300 South
Salt Lake City, UT 84111
Email: wipublications@utah.gov
Telephone: 801-526-9785
Fax: 801-526-9238*

Workforce Research and Analysis generates accurate, timely, and understandable data and analyses that provide knowledge of ever-changing workforce environments to inform sound planning and decision making.

Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities by calling: 801-526-9240.

Individuals with speech or hearing impairments may call Relay Utah by dialing 711.

Spanish Relay Utah: 1-888-346-3162