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Utah jobless rate falls but pain of joblessness remains

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The employment picture in Utah improved moderately in September as employers hired workers, but plenty of gloom prevailed among the jobless, according to Department of Workforce Services figures released Thursday.

The seasonally adjusted unemployment rate in the state dipped to 7.4 percent of Utah's workforce from 7.6 percent in August, but was stuck at the same level as September 2010, the department said. Nationally, the jobless rate in September was 9.1 percent, unchanged from the previous month.

Although the official Utah unemployment rate improved, the unofficial rate, which includes people who have given up trying to locate a job, stood at 8.3 percent. A year ago the rate was 8.2 percent, suggesting there was little renewed optimism among people who have dropped out of the workforce, said Mark Knold, the department's chief economist.

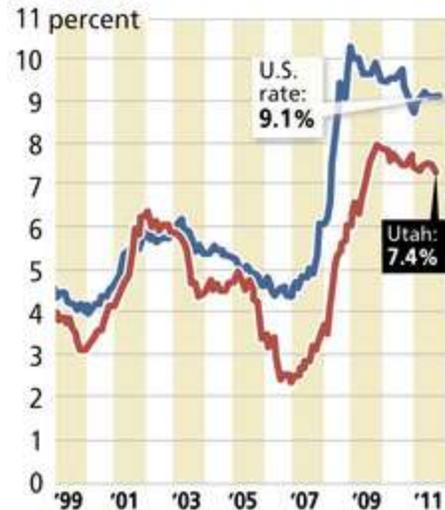
"I would say the underlying theme [among the unemployed] is discouragement. When you have job growth but lower labor force participation, that still portrays a negative perception toward the economy," Knold said.

The perception has merit, said Allison Rowland, director of the State Fiscal Analysis Initiative at Voices for Utah Children, a nonpartisan advocate group. The state needs 197,000 new jobs to return to pre-recession levels of employment, she said.

"We are going to need a lot more months of a lot more [job] growth to even put a dent in the unemployment rate," Rowland said.

Utah jobless rate eased last month

Utah's unemployment rate fell by 0.2 percentage points to 7.2 percent in September. The U.S. rate was unchanged at 9.1 percent.



Source: Utah Department of Workforce Services
The Salt Lake Tribune

“What our analysis makes clear is that we are not anywhere near either recuperating the jobs that were lost in Utah since 2007 or providing new jobs for all the potential workers who have come of age since that time,” she said.

More jobs are available in Utah. In the year ending Sept. 30, employers created 33,300 positions — an increase of 2.8 percent. By comparison, the number of jobs in the country increased just 1.1 percent.

The pace of job growth in the state began to rally in June, when it jumped to 2 percent from an anemic 1.5 percent. Since then, the rate has accelerated, and in September it hit 2.8 percent. That’s down slightly from 2.9 percent in August, but Knold thinks the momentum toward Utah’s historic average growth rate of 3.1 percent isn’t likely to slow.

“It’s a good performance because it extends a trend that’s going on, which is increasing amounts of job growth,” Knold said. “The trend of the past 12 months is encouraging and we anticipate that [it] will hold as we move into next year, and then it will level out at some point.”

Most of the job growth is being generated by Utah’s relentless population growth, which is expanding at roughly 2 percent a year, even without any significant migration of people from other states. As the number of Utahns goes up, demand for goods and services must rise, too. Eventually, businesses have little choice but to hire more workers to fill the need, Knold said.

“Companies are recognizing that their teams are at capacity and are hiring professionals with in-demand skill sets to help manage and support growth initiatives in the coming months,” said Katie Evans, a spokeswoman for staffing services firm Robert Half International.

In Utah, 10,700 jobs have been created in professional and business fields since September 2010. Trade, transportation and utilities employers generated 6,800 positions during the same period. Manufacturing was No. 3, with 6,400 jobs.

Of 11 job categories that Knold’s department tracks, only two have shed workers. Construction and government jobs were down by 300 and 1,700, respectively. Construction employment isn’t likely to pick up until the housing market improves. State and local governments, strapped by weak tax revenues, have been eliminating jobs to keep their budgets balanced.

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