

The Salt Lake Tribune

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Utah still shedding jobs, and that trend is likely to continue

New report shows 82,500 were without jobs as of August.

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The Salt Lake Tribune

Salt Lake Tribune

Updated:09/18/2009 07:14:23 AM MDT

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Utah continues to lose jobs and the state's chief economist predicts the trend will continue.

"We haven't quite hit bottom," said Mark Knold of the Utah Department of Workforce Services. "We still have an economy in which job losses outnumber job gains."

While the unemployment rate remained the same, at 6 percent, from July to August, Utah's economy has lost 55,400 jobs -- 4.4 percent of the state's total employment -- over the past year, pushing employment to less than 1.2 million. The lost-jobs number is up from 4.2 percent year over year in July and 3.7 percent in June.

And that number could change for the worse. The report out Thursday is based on estimates; months from now, the number could increase as more reliable data become available.

The report shows about 82,500 Utahns were unemployed last month, up from 47,600 in the same month in 2008 when the state's unemployment rate was only 3.4 percent.

While most of Utah's industry sectors are still shedding jobs, sectors such as natural resources (primarily mining operations), education, health and government sectors have posted modest employment gains over the past year. And some job shifting is occurring in other sectors.

For example, Kelby Averett, who has worked in the cellular-service industry, had long wanted to switch jobs for one with better career opportunities. Then he heard about a new T-Mobile store-manager opening in West Valley City. He got it.

"It is difficult in these economic times to move," he said. "The great thing is, this is an industry that actually continues to grow right now."

Across town at the Brickyard in Salt Lake City, Kohl's Department Stores this week opened its 12th Utah store. The store, in a former Mervyn's location, is creating 150 new jobs, officials said.

But for now, job losses continue to dominate. Heather Tritten, executive director of Community Action Partnership of Utah, sees much of the pain felt by Utah families affected by the dismal job market.

"Many people who have lost a job can't find another one," she said. "[They] are looking into their wallets, and for the first time not finding enough money to buy groceries."

She said about 60 percent of people seeking help from the state's nine community action agencies are needy for the first time.

Waning demand for food and mortgage and rental assistance the agencies provide would signal better times ahead, she said, but requests for help are only increasing.

Nationwide, the U.S. economy had year-over-year employment losses of 4.4 percent in August, the same percentage as Utah. The U.S. unemployment rate, however, remains higher than Utah's, at 9.7 percent.

State economist Knold does see one positive sign: The level of people filing for unemployment benefits is declining. Last week, about 2,300 people filed for initial unemployment claims, down from 3,000 the week before.

"Hopefully this is the beginning of a stronger trend of lower claims," Knold said. "We'll have to wait and see."

Nationally, initial claims for unemployment benefits dropped last week to a seasonally adjusted 545,000 from 557,000 the previous week, the Labor Department said. That's good news, given the fact that Wall Street economists had expected a small increase, according to Thomson Reuters, a business-information provider.

The U.S. claims decline was the third in the past four weeks. The four-week average, which smooths out fluctuations, dropped to 563,000. But just as in Utah, where Knold considers unemployment claims to be at "unhealthy" levels, national claims for jobless benefits remain far above what is typical in a healthy economy.

The slow decline in claims may indicate that the recovery will be long and gradual. And jobs will not return immediately; it will take some time for employers to start adding employees in earnest, said John Canally, an economist at LPL Financial.

Said Knold: "You get this perception that everything shuts down, and no one is hiring. But there are still opportunities. You just have fewer jobs open and more people chasing those jobs."

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The Associated Press contributed to this report

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