

# RECESSION AND RECOVERY: RECENT CHALLENGES FOR UTAH'S WORKFORCE

## HIGHLIGHTS

- Utah's labor force participation rate and employment to population ratio is significantly higher than the national average.
- During the most recent recession it seems that many workers were "waiting out" the downturn. While the working age population grew 8.7% from 2000 to 2003, the labor force only grew 3.9%
- Similar to national trends, self-employment grew markedly during the recession. Between 2000 and 2002, establishments with no employees (basically self-employed persons) saw unprecedented growth, increasing 38.1%.
- Significant jumps in underemployment and involuntary part-time employment, as well as a decrease in real wages seems to have lead to a marked increase in multiple jobholders.
- Teen and college-aged populations were hit the hardest by the recession. Teen employment rose 8.1% for 16-19 year olds and 3.1% for 20-24 year olds.
- The 2.1% unemployment rate for worker's with at least a bachelor's degree is significantly lower than those with only associate's degrees (4.4%). However, the educational attainment of Utah's labor force seems to be slipping away from the demand for those with bachelor's degrees.

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Many papers and publications have been written about job trends by industry sector and periodic employment figures, but the meaning behind these numbers is often little understood. This paper will delve into the pertinent facts and figures relating to this issue and seek to define the trends and challenges faced by Utah's workforce.

## LABOR FORCE PARTICIPATION

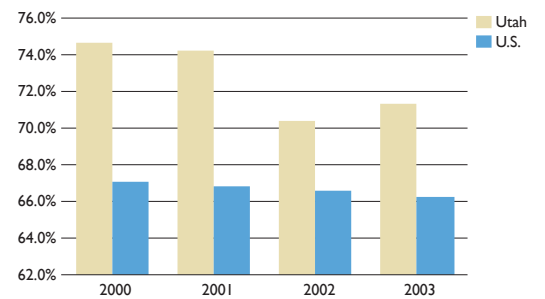
At the height of the national labor market boom in 2000, the labor force participation rate (all working-age persons 16 and older either working or actively looking for work) was 74.7%, significantly higher than the national average of 67.1%. According to the Center for Labor Market Studies, the year 2000 labor force participation rate for the U.S. was the highest for the entire post World-War II era.

In addition, the working-age employment to population ratio, or E/P ratio, (all working-age persons 16 or older *who are working*) for the year 2000 was 64.4%, the highest in the nation's history.<sup>1</sup> The working-age E/P ratio for Utah was even higher at 69.9% (Figure 2). The average unemployment rate in 2000 for Utah was 3.2%.

A significant reason for Utah's high labor force participation rate and E/P ratio is that a higher percentage of Utah teens (16 – 19 years old) participate in the economy. 44.5% of U.S. working age teens were part of the measured labor force in 2003, whereas 66.2% of Utah working age teens participated in the economy.

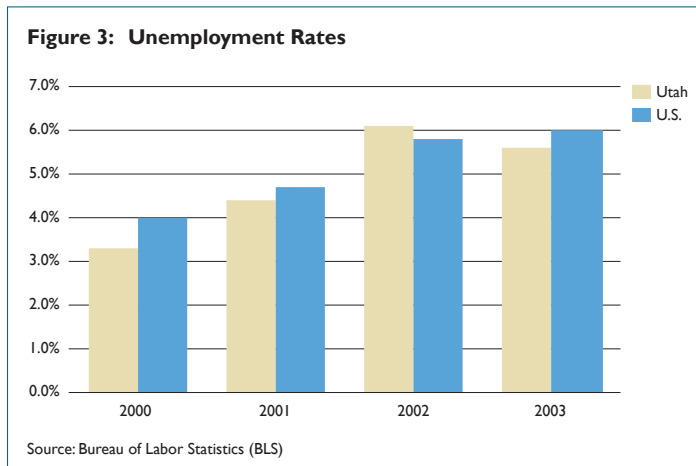
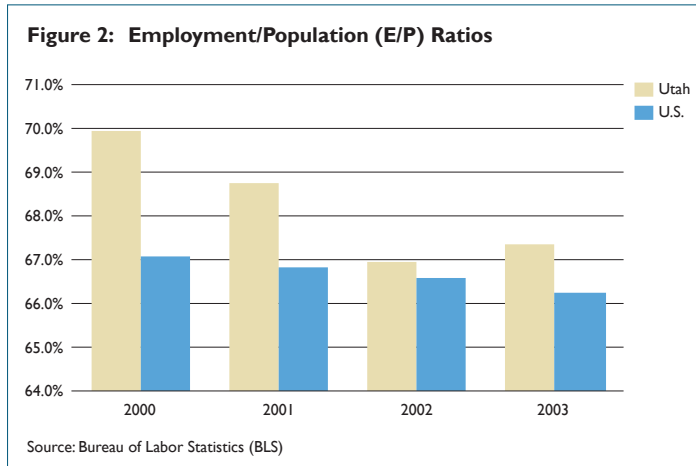
After experiencing tremendous growth in employment throughout the 1990s

Figure 1: Labor Force Participation Rates

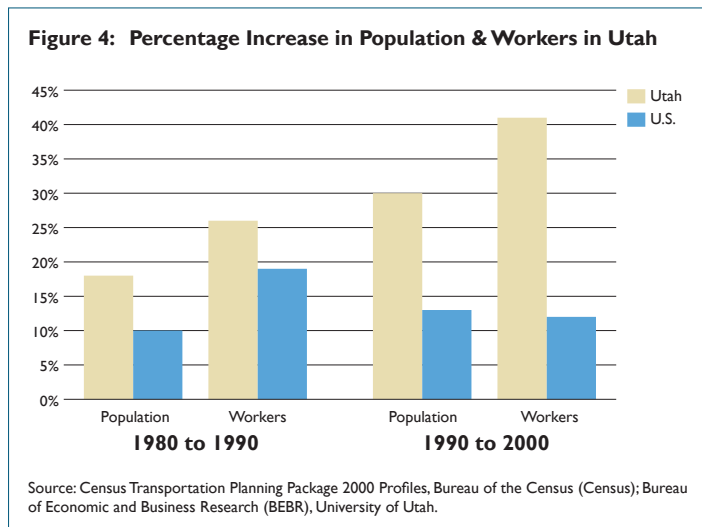


Source: Bureau of Labor Statistics (BLS)

and 2000, the Utah economy came to an abrupt halt in early 2001. A decline in state labor markets caused deterioration in the labor force participation rate as well as an increase in the unemployment rate. In 2002, the labor force participation rate in Utah fell 4.3% to 70.4%, while unemployment rose to an average of 6.1%, a relatively moderate figure for a recession. As a result, the E/P ratio fell only 3% to 66.9%. 2003 witnessed a slight recovery. The labor force participation rate rose to 71.3%, while unemployment fell to 5.6%. The E/P ratio accordingly rose to 67.3%.

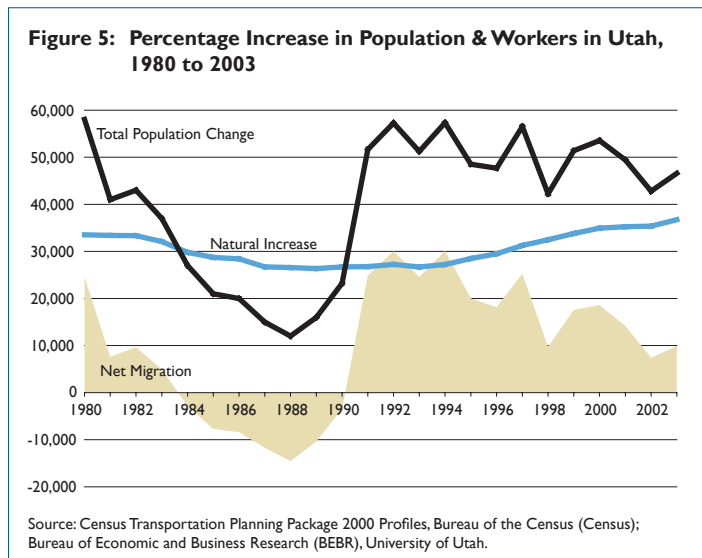


**Labor Force.** In 2003, the labor force of employed (full- and part-time workers) and unemployed workers in Utah comprised more than 1.18 million people. The working population in Utah continues to grow at a rapid pace. Figure 4 reveals that while the population grew 30% from 1990 to 2000 (Census), the number of workers grew an astonishing 41% (compared to 12% nationally). According to the Bureau of Economic and Business Research (BEBR) at the University of Utah, the reason for this growth relates back to the Utah baby boom, which peaked in the early 1980s, thus dropping an increased number of participants in the labor force in the 1990s. Nationally, the baby boom peaked in the 1950s and ended in 1964. This generated echo booms beginning in the late 1970s, fostering jobs growth in the 1990s. As stated before, despite the national



echo boom, the national workforce growth of 12% in the 1990s paled in comparison to Utah's growth of 41%.<sup>2</sup>

The economic prosperity and job growth in the 1990s resulted in considerable net in-migration into Utah. Roughly half of these immigrants were international in origin according to BEBR. Although in-migration to Utah has slowed in recent years due to a less favorable economic climate, the Utah Population Estimates Committee expects positive net in-migration to occur through 2030. Net in-migration is expected to account for 20% of the projected increase in population of 1.5 million over the next three decades. However, these projections are contingent on considerable improvement in job growth and the Utah economy.



**UNEMPLOYMENT PARADOX**

Job growth in Utah since the 2001 recession has been low. Interestingly, the unemployment rate also remained relatively low. How to explain this?

Utah Foundation's February 2004 report addressed this

paradox of low job creation and low unemployment and listed several contributing factors.

One factor is that many workers are “waiting out” the downturn before they come back into the workforce to look for employment. Unemployment numbers only count those who are actively looking for work. Hence, if someone stops looking for work, he or she is not considered part of the labor force. From 2000 to 2003, the working age population increased from 1.53 million to 1.66 million, a growth of 8.7%. Meanwhile, the labor force only grew only 3.9%.

#### DISCOURAGED WORKERS AND LONG-TERM UNEMPLOYMENT

It is clear then, that unemployment rates can be misleading measures of economic health. Discouraged workers who quit searching for work and are no longer considered to be a part of the labor force can skew the numbers.<sup>3</sup> Therefore, the E/P ratio is an important measurement because it negates the impact of fluctuating labor force participation rates on unemployment rates.

#### SELF EMPLOYMENT

Another factor in the unemployment paradox is an increase in the number of people working for themselves, and thus not being counted in the official job numbers. The “self-employed” encompass a wide array of individuals: classic entrepreneurs attempting to establish new businesses; workers who are now working on their own after having been displaced from their previous career jobs; and early retirees who are working part-time on their own after accepting early retirement from their former employers.<sup>4</sup>

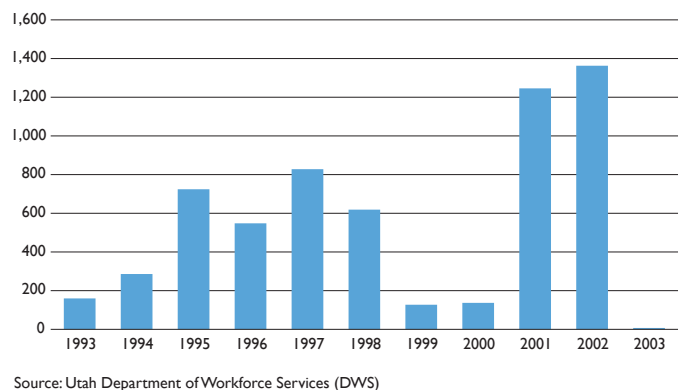
A large gap between payroll surveys and household surveys points to the fact that more people across the nation are working today than the most oft-cited payroll figures would indicate. Self-employed and temporary workers are counted as employed in household surveys, but are left out in the business establishment surveys because they are not on employers’ payrolls. Also not counted on payroll surveys are independent contractors who are employed by a wide array of industries as well as those who are working “under the table.”<sup>5</sup>

Economists have noted a national trend toward self-employment during the past recession. Economist Ellen Rissman found from analysis of the National Longitudinal Survey of Youth that labor force tends to flow into self-employment during recessions and out of self-employment during economic expansions.<sup>6</sup> Additionally, Daniel Aaronson, Ellen Rissman, and Daniel Sullivan concluded in a paper for the Federal Reserve Bank of Chicago that during the last recession, a large percentage of the rise in self-employment was due to the emergence of unincorporated firms.<sup>7</sup> Analysis of Current Population Survey (CPS) data by the Bureau of Labor Statistics also found that “in 2003, the likelihood of being a business owner was highest in

the western region. The self-employment rate in the West was 8.9%, compared with 7.4% in the South, 6.9% in the Midwest, and 6.6% in the Northeast.”<sup>8</sup>

The self-employment trend in Utah during the last recession seems to be in accord with the national trend. Between 2000 and 2002 the number of Utah establishments with no employees (basically self-employed persons) saw unprecedented growth, increasing from 6,849 to 9,458, a 38.1% increase (Figure 6). In fact, the growth in Utah establishments with no employees accounted for 49.6% percent of the total growth in establishments of any size in 2001, and rose to an astonishing 82.7% of overall growth in 2002. During the 1990s this percentage of overall growth never rose above 28.5% (1995). However, in 2003, the number of establishments with no employees grew by a negligible 7 establishments, less than 1% of total growth, which may indicate that the job climate has begun to warm.

**Figure 6: Growth in Number of Utah Establishments with No Employees, 1993 to 2003**



#### MULTIPLE EMPLOYMENT, UNDEREMPLOYMENT & WAGES

Another factor in the unemployment paradox is highlighted by the fact that in 2003, Utahns were the third most likely population in the U.S. to hold multiple jobs (Figure 7). BLS data shows that multiple jobholders accounted for 9.0% of the total employment in Utah, which is up from 7.8% in 2002 (Figures 7 & 8). The national average on the other hand was only 5.3% in 2002 and 2003. Economist Jim Campbell of BLS states that during this period, “Idaho and Utah experienced the largest increases in multiple jobholding rates (+1.2 percentage points each).”<sup>9</sup> Since 1996, the national trend has been a decline in multiple jobholding rates, falling from 6.2% to 5.3%. However, Utah was among the five states that experienced an increase. In fact, Campbell states that Utah was the only state that “experienced an increase in multiple jobholding greater than 0.4 percentage points over this span (+1.1%).”<sup>10</sup>

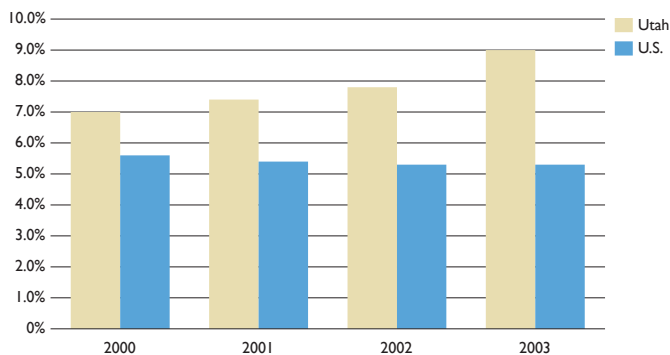
The implications of this trend are that while employment figures have been slowly picking up since 2002, a significant number of the jobs being created do not have wages that are

**Figure 7: Multiple Jobholders as a Percent of Total Employment by State, 2000 to 2003**

State	2000	Rank	2001	Rank	2002	Rank	2003	Rank
Alabama	5.1	35	4.1	50	3.8	49	4.0	48
Alaska	7.6	15	8.1	9	7.5	13	7.7	12
Arizona	4.9	40	5.4	31	5.8	25	5.5	27
Arkansas	5.4	32	5.0	33	5.3	31	6.0	22
California	4.8	42	4.5	43	4.5	43	4.5	45
Colorado	6.0	25	5.8	25	5.7	27	6.2	18
Connecticut	6.5	19	6.4	20	5.9	22	4.9	36
Delaware	5.7	29	5.2	32	4.7	39	4.3	46
District of Columbia	6.2	24	4.5	43	5.2	33	5.0	34
Florida	3.9	51	4.2	48	3.9	47	4.0	48
Georgia	4.2	48	4.1	50	3.8	49	3.9	50
Hawaii	9.3	4	9.8	3	8.2	8	7.6	13
Idaho	7.9	13	8.0	11	6.9	15	8.1	10
Illinois	5.4	32	4.9	35	4.7	39	4.6	42
Indiana	6.0	25	6.2	21	6.1	20	5.4	29
Iowa	8.1	10	8.1	9	8.1	9	7.5	14
Kansas	8.0	11	8.3	8	8.1	9	8.6	5
Kentucky	4.7	44	5.7	26	5.7	27	5.8	25
Louisiana	4.2	48	4.2	48	3.7	51	4.6	42
Maine	8.6	8	7.1	16	7.2	14	7.9	11
Maryland	5.8	27	5.6	27	6.7	16	5.9	23
Massachusetts	5.8	27	4.8	36	4.9	36	4.9	36
Michigan	5.3	34	5.6	27	5.5	30	5.3	30
Minnesota	8.4	9	8.4	7	9.2	2	8.5	7
Mississippi	4.3	47	4.5	43	5.0	35	4.9	36
Missouri	7.6	15	6.5	19	5.9	22	6.5	16
Montana	9.8	3	9.3	4	8.8	6	8.5	7
Nebraska	10.3	1	10.4	1	10.3	1	9.4	2
Nevada	5.0	38	4.8	36	4.5	43	3.9	50
New Hampshire	6.3	22	7.0	17	6.5	17	6.2	18
New Jersey	4.2	48	4.6	42	4.1	46	4.7	41
New Mexico	4.8	42	4.3	47	5.2	33	5.2	32
New York	5.0	38	4.8	36	4.8	38	4.2	47
North Carolina	4.9	40	5.0	33	4.9	36	4.8	39
North Dakota	10.0	2	9.9	2	9.2	2	9.7	1
Ohio	6.3	22	6.2	21	5.9	22	6.2	18
Oklahoma	6.4	20	6.0	24	6.5	17	5.6	26
Oregon	6.4	20	6.1	23	6.0	21	5.9	23
Pennsylvania	5.7	29	5.6	27	5.6	29	5.5	27
Rhode Island	7.8	14	7.2	15	6.2	19	6.4	17
South Carolina	4.5	46	4.7	40	4.4	45	5.1	33
South Dakota	9.0	6	8.7	6	8.9	4	8.6	5
Tennessee	5.1	35	5.5	30	4.7	39	5.3	30
Texas	4.7	44	4.7	40	4.7	39	4.8	39
Utah	7.0	18	7.4	14	7.8	11	9.0	3
Vermont	9.2	5	7.8	13	8.9	4	8.9	4
Virginia	5.6	31	4.8	36	5.3	31	5.0	34
Washington	7.6	15	6.7	18	5.8	25	6.1	21
West Virginia	5.1	35	4.4	46	3.9	47	4.6	42
Wisconsin	8.0	11	8.0	11	7.6	12	7.3	15
Wyoming	8.8	7	9.1	5	8.7	7	8.3	9
<b>United States</b>	<b>5.6</b>		<b>5.4</b>		<b>5.3</b>		<b>5.3</b>	

Source: BLS

**Figure 8: Multiple Jobholders as a Percent of Total Employment, 2000 to 2003**



Source: BLS

adequate for the needs of the population. According to the Economic Policy Institute's (EPI) analysis of CPS survey data, the underemployed rate among the Utah labor force has sharply risen from 5.9% in 2000, to 10.4% in 2003.<sup>11</sup> During this same period, the part-time workers share rose slightly from 28.0%

to 30.6%. While the number of part-time workers only rose slightly between 2000 and 2003, the number of workers that are involuntarily working part-time jumped sharply from 8.2% in 2000 to 14.4% in 2003.

**Figure 9: Utah Underemployment Rate & Part-time Workers Share, 2000-2003**

	2000	2003
<b>Underemployment Rate</b>	5.9%	10.4%
<b>Part-time Workers Share</b>	28.0%	30.6%
<b>Part-time for Economic Reasons Share</b>	8.2%	14.4%

Source: Economic Policy Institute (EPI) Analysis of Current Population Survey (CPS) Data

EPI also found that real wages (in 2003 dollars) in Utah have actually fallen since 2000 for all of Utah wage earners. In conjunction with the multiple jobholding rate, the trends in real wages have been opposite of national and regional trends. Figure 9 shows that from 2000 to 2003, Utah's median wages have fallen by 3.5%. In that same period, median wages rose by an average of 2.7% in the mountain states, and by 4.2% nationally.

**Figure 10: Change in Median Wages, 2000 to 2003**

	2000	2003	Growth	Percent Growth
<b>Utah</b>	\$12.64	\$12.20	-\$0.44	-3.5%
<b>Mountain</b>	12.77	13.12	0.35	2.7%
<b>West</b>	13.44	14.08	0.64	4.8%
<b>United States</b>	13.07	13.62	0.55	4.2%

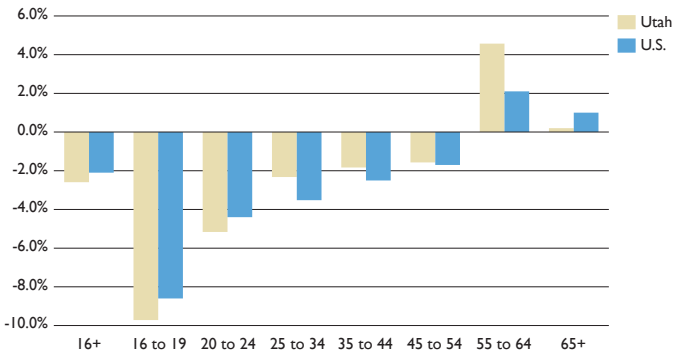
Source: Economic Policy Institute (EPI) Analysis of Current Population Survey (CPS) Data

The significant jumps in underemployment and involuntary part-time employment, as well as the decrease in real wages, should largely explain why multiple employment has risen so markedly in this state.

#### EMPLOYMENT BY AGE

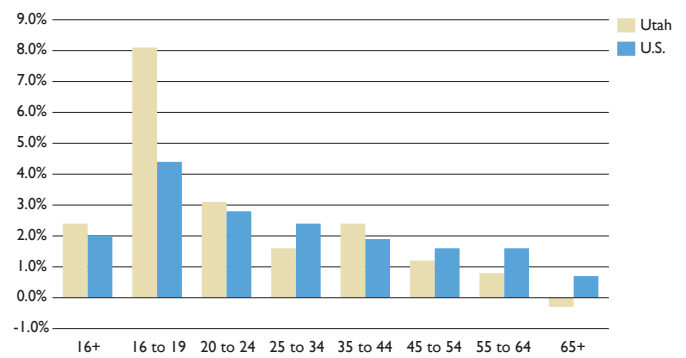
All groups of workers 55 years of age and under experienced declines in their E/P ratio during the recessionary and jobless recovery between 2000 and 2003. However, the trend was that the younger the age group, the more substantial the decline in their E/P ratio.<sup>12</sup> Figure 11 details how each age group fared during this period. Utah teens and young adults aged 20 to 24 experienced the sharpest declines in employment and fared worse than their national counterparts. The E/P ratio for teens fell 9.7 percentage points, while young adults aged 20 to 24 saw a decline of 5.2 percentage points. According to the Center for Labor Market Studies, the 37% E/P ratio for the nation's teens in 2003 was the lowest recorded since 1948. Surprisingly, those aged 55 to 64 years saw a significant gain of 4.6 percentage points in their E/P ratio during this period. Richard Johnson, a research associate at the Urban Institute, points to a recent study showing that the number of jobs with little or no physical demands increased significantly in the 1990s. This increase

**Figure 11: Changes in Employment to Population Ratios in Utah and the U.S. by Age Group, 2000 to 2003**



Source: Center for Labor Market Studies; BLS, Calculations by Utah Foundation

**Figure 13: Changes in Unemployment Rates in Utah and the U.S. by Age Group, 2000 to 2003**

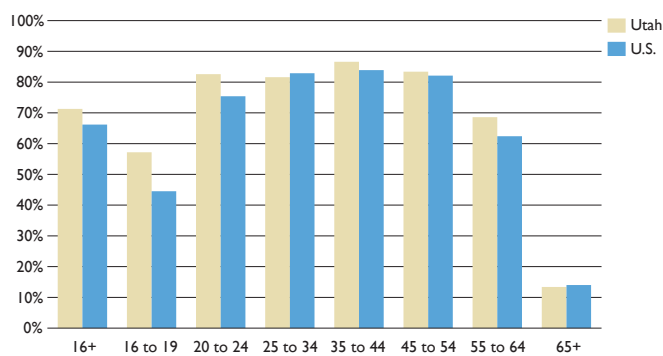


Source: BLS, Calculations by Utah Foundation

has enabled older populations to continue working and to not accept early retirement.<sup>13</sup>

Younger populations often take the hardest hits during economic downturns. In economic downturns, job opportunities are first filled by older and more qualified or overqualified workers. Because the younger populations in Utah have particularly high labor force participation rates (Figure 12), it should be expected that Utah high school-aged and college-aged populations would be hit harder than their national counterparts. From 2000 to 2003, unemployment for 16-19 year olds rose from 8.8% to 16.9% and for 20-24 year olds, unemployment rose from 4% to 7.1%. Due to the unfavorable employment climate, many younger people chose to leave the labor force altogether. Labor force participation for those aged 16-19 fell by 5.5% and by 2.3% for 20-24 year olds.

**Figure 12: Labor Force Participation Rates in Utah and the U.S. by Age Group, 2000 to 2003**



Source: BLS, Calculations by Utah Foundation

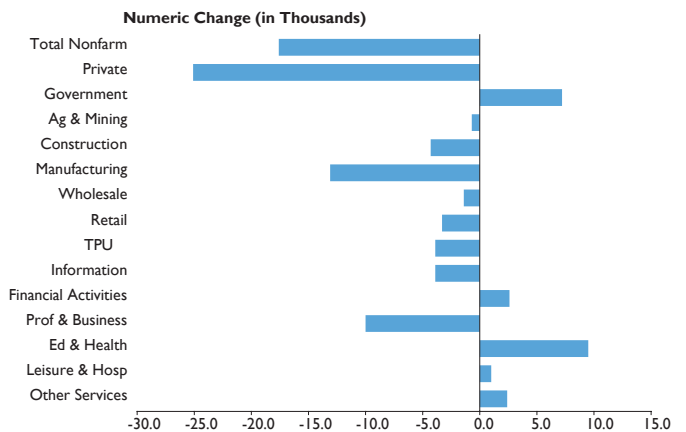
For Utahns in their prime wage earning years (25 to 54 years), the negative impact of the last recession and slow recovery was less significant, although unemployment rose slightly for each ten year age group. Labor force participation in Utah declined by only an average of 0.6% for those in the 25 to 54 year old

group. The discouraged worker phenomenon seems to have been limited to the younger populations during the last economic downturn. However, these numbers do not account for the overall quality of the jobs. The multiple employment figures seem to indicate that the quality of jobs has gone down, thus necessitating multiple job holdings by individuals.

#### JOBS BY INDUSTRY

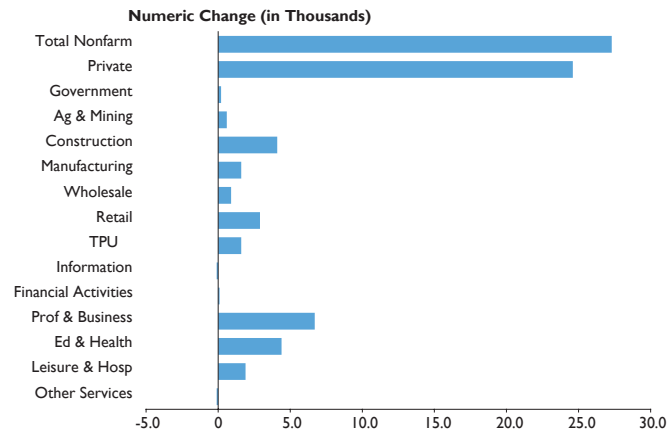
Between the beginning of the recession, March 2001, and March 2003, Utah jobs decreased by 1.6%, or 17,900 (Figure 14). More troubling is that the private sector lost a total of 25,100 jobs in this same period, which is a decrease of 2.8%. Utah's manufacturing interests lost 13,000 jobs (10.5%), while health and education gained 9,500 jobs (4.4%). Losses in the private sector were tempered by growth in federal, state, and local governments of 7,200 jobs, or 3.7%. Despite such dismal job creation performance, there are signs of recovery. Figure 15 reveals that total private sector jobs grew by 24,600 between August 2003 and August 2004, which is an increase of 2.8%.

**Figure 14: Utah Job Growth by Sector, March 2001 to March 2003**



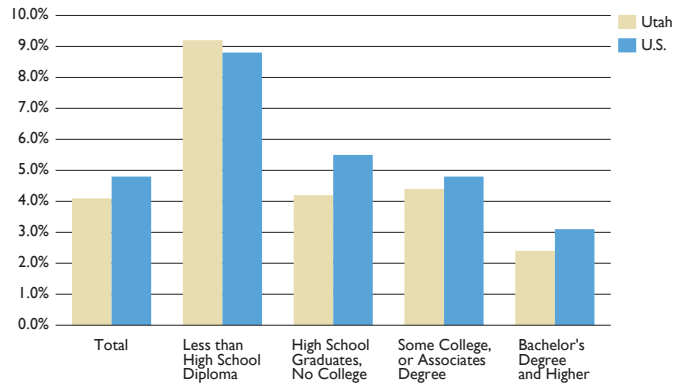
Source: BLS, Calculations by Utah Foundation

**Figure 15: Utah Job Growth by Sector,**  
August 2003 to August 2004



Source: BLS

**Figure 16: Unemployment Rates by Educational Attainment of the Civilian Labor Force 25 Years and Older**  
2003 Annual Average



Source: BLS

### HIGH TECHNOLOGY

A recent report by Mark Knold of the Utah Department of Workforce Services states the following: “evidence suggests that downturn in the high technology industry was a major contributor to not only Utah’s, but the nation’s downturn.”<sup>14</sup> Knold estimates that over 10,000 high technology jobs were lost during the last recession. According to the report, high technology jobs, while making up only 6.1% of the total jobs, “accounted for 26% of the lost jobs and 51% of the lost wages.” While high technology was a driving force during the boom years in the 1990s, it seems to be deficient during the recent economic recovery. Only 26% of those that lost high tech jobs during the recession have found employment in the high tech field.

### EDUCATIONAL ATTAINMENT

Educational attainment is another factor to consider. Based on 2003 CPS data, the statewide unemployment rate for persons 25 years and older with less than a high school diploma was 9.2% in 2003 (26<sup>th</sup> lowest in the U.S.), compared to the national average of 8.8% (Figures 16 & 17). For those 25 years and older with high school diplomas, the jobless rate significantly decreases to 4.2% (10<sup>th</sup> lowest in the U.S.). Interestingly, unemployment rises to 4.4% (30<sup>th</sup> in the U.S.) for those who have some college experience or an associate’s degree. However, the unemployment rate dips down to 2.1% (14<sup>th</sup> lowest in the U.S.) for those with at least a bachelor’s degree.

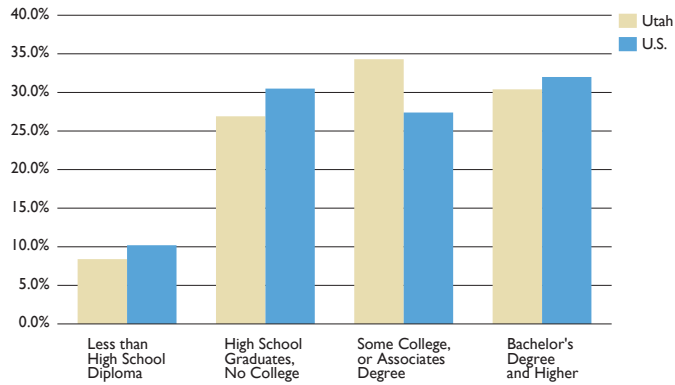
These rankings and unemployment rates seem to indicate that employment opportunities are enhanced by high school diplomas and bachelor’s or higher degrees. While wage rates aren’t accounted for, employment seems to be slightly more difficult for those with only some college experience or an associate’s degree as compared to those with a high school diploma, although a 0.2% difference may not be statistically significant.

**Figure 17: Unemployment Rates by Educational Attainment of the Civilian Labor Force 25 Years and Older**  
2003 Annual Average

	Less than High School Diploma	Rank	High School Graduates, No College	Rank	Some College, or Associates Degree	Rank	Bachelor's Degree & Higher	Rank
Alabama	11	8	5.1	26	3.3	40	1.7	47
Alaska	12.3	4	8.8	1	5.6	7	3.2	13
Arizona	9.9	17	4.4	38	3.8	33	2.9	17
Arkansas	7.8	36	5	29	3.3	40	2.7	21
California	8.6	28	6.7	5	5.4	11	3.9	2
Colorado	8.1	32	4.9	31	5.3	14	3.9	2
Connecticut	8	33	6	9	4	30	2.7	21
Delaware	4.6	50	3.5	47	4	30	2.8	19
District of Columbia	15.3	1	8.4	2	8.4	1	3.4	10
Florida	7.2	42	4.3	39	4.5	20	2.7	21
Georgia	5.4	48	5	29	3.4	39	2	42
Hawaii	6.2	46	4.9	31	2.3	50	2.2	39
Idaho	11	8	4.9	31	3.8	33	2.9	17
Illinois	11.4	7	6.5	7	5.8	4	3.1	14
Indiana	9.6	20	4.1	43	4.1	27	2.1	40
Iowa	8.3	30	4	44	3.3	40	1.8	44
Kansas	9.3	24	5.5	15	3.6	37	2.6	26
Kentucky	6.2	46	5.3	20	4.3	23	2.6	26
Louisiana	8.6	28	6.1	8	3.8	33	3	16
Maine	9.5	21	4.9	31	3.3	40	2.4	37
Maryland	5.4	48	4	44	3.3	40	2.5	33
Massachusetts	8.8	27	5.3	20	5.4	11	3.9	2
Michigan	11.6	6	7.9	3	5.7	5	3.5	8
Minnesota	7.3	41	5.2	23	4.3	23	2.5	33
Mississippi	8	33	5.5	15	5.7	5	1.2	50
Missouri	9.5	21	5.1	26	4.6	19	2.6	26
Montana	11.7	5	4.5	37	2.7	49	1.8	44
Nebraska	10.6	10	2.6	51	2.8	46	1.5	49
Nevada	6.6	44	4.7	35	4	30	3.3	12
New Hampshire	3.9	51	4.2	40	3.5	38	2.6	26
New Jersey	9.5	21	5.2	23	5.2	15	3.7	6
New Mexico	7.5	38	5.8	12	5.5	8	2.6	26
New York	10.3	13	5.2	23	5.5	8	3.7	6
North Carolina	10	15	5.8	12	4.9	18	2.6	26
North Dakota	9.8	19	3.9	46	3.2	45	1.7	47
Ohio	10	15	5.9	11	4.4	21	2.8	19
Oklahoma	7.8	36	4.7	35	4.3	23	3.4	10
Oregon	12.4	2	6.6	6	6.8	3	4.8	1
Pennsylvania	7.4	39	5.4	17	5.2	15	2.5	33
Rhode Island	9.2	25	5.1	26	4.1	27	3.1	14
South Carolina	10.6	10	5.4	17	5	17	2.7	21
South Dakota	7.4	39	3.1	50	2.8	46	1.2	50
Tennessee	8.3	30	5.3	20	5.5	8	2	42
Texas	7.9	35	6	9	5.4	11	3.5	8
Utah	9.2	25	4.2	40	4.4	21	2.4	37
Vermont	6.4	45	4.2	40	4.1	27	2.6	26
Virginia	6.8	43	3.3	49	2.8	46	2.1	40
Washington	12.4	2	6.8	4	6.9	2	3.8	5
West Virginia	9.9	17	5.4	17	4.2	26	2.5	33
Wisconsin	10.4	12	5.7	14	3.8	33	2.7	21
Wyoming	10.1	14	3.4	48	2.1	51	1.8	44
<b>United States</b>	<b>8.8</b>		<b>5.5</b>		<b>4.8</b>		<b>3.1</b>	

Source: BLS

**Figure 18: Educational Attainment Rates of the Civilian Labor Force 25 Year and Older**  
2003 Annual Average



Source: BLS

**Figure 19: Educational Attainment Rates of the Civilian Labor Force 25 Year and Older**  
2003 Annual Average

	Less than High School Diploma	Rank	High School Graduates, No College	Rank	Some College, or Associates Degree	Rank	Bachelor's Degree & Higher	Rank
Alabama	10.6	13	34.1	16	27.9	26	27.4	41
Alaska	6	42	30.9	29	34.0	6	29.1	28
Arizona	12.2	6	25.8	46	31.6	11	30.4	22
Arkansas	11	11	37.3	7	29.1	22	22.6	50
California	14.7	2	21.8	50	28.9	24	34.7	12
Colorado	8.8	25	25.3	49	26.4	36	39.6	5
Connecticut	6.9	33	29.9	38	23.7	44	39.4	6
Delaware	9.1	19	34.9	12	25.0	40	31.0	20
District of Columbia	9.1	19	19.3	51	16.4	51	55.1	1
Florida	10	15	30.5	34	29	23	30.5	21
Georgia	12.7	5	32.3	23	26.5	35	28.5	35
Hawaii	5.6	48	30.3	35	31.1	14	33.0	16
Idaho	8.6	27	31.7	26	34.2	5	25.4	44
Illinois	9.1	19	30.3	35	27.6	28	33.0	16
Indiana	8.9	24	39.6	3	26.7	33	24.8	47
Iowa	6.2	41	34.6	14	29.5	21	29.7	25
Kansas	6.6	36	29.3	39	29.8	19	34.4	14
Kentucky	9.2	18	37.6	5	27.2	31	25.9	43
Louisiana	14	3	35.6	8	25.0	40	25.4	44
Maine	6	42	38.0	4	27.3	30	28.7	33
Maryland	8.3	29	27.8	42	23.2	45	40.7	3
Massachusetts	6.6	36	28.2	41	21.7	48	43.5	2
Michigan	6.9	33	33.9	17	31.4	13	27.8	39
Minnesota	4.7	51	25.6	48	33.6	7	36.0	9
Mississippi	12.1	7	33.3	20	31.7	10	22.8	48
Missouri	6.5	38	31.8	25	30.1	18	31.5	19
Montana	5.8	47	33.8	18	30.2	17	30.2	24
Nebraska	6.5	38	32.0	24	32.5	9	29.1	28
Nevada	13	4	33.2	21	28.9	24	24.9	46
New Hampshire	5.5	49	30.8	30	26.6	34	37.1	8
New Jersey	8.3	29	30.6	32	21.1	50	40.1	4
New Mexico	11.9	8	30.6	32	30.6	15	26.8	42
New York	10.1	14	31.0	28	22.9	47	36.0	9
North Carolina	11.8	9	31.7	26	27.6	28	28.8	32
North Dakota	4.8	50	30.7	31	35.2	2	29.4	26
Ohio	7.1	32	37.5	6	26.2	37	29.1	28
Oklahoma	8.7	26	32.8	22	29.8	19	28.7	33
Oregon	9.3	17	27.0	44	34.8	3	29.0	31
Pennsylvania	6.8	35	39.8	2	21.3	49	32.1	18
Rhode Island	11.1	10	30.1	37	24.3	43	34.5	13
South Carolina	11	11	33.5	19	27.9	26	27.6	40
South Dakota	6	42	34.5	15	31.6	11	27.9	37
Tennessee	9.8	16	35.3	9	25.4	38	29.4	26
Texas	17.3	1	27.1	43	27.2	31	28.4	36
Utah	8.4	28	26.9	45	34.3	4	30.4	22
Vermont	6	42	34.9	12	23.2	45	35.9	11
Virginia	9.1	19	28.3	40	24.8	42	37.8	7
Washington	7.3	31	25.8	46	32.8	8	34.1	15
West Virginia	9.1	19	43.5	1	25.1	39	22.2	51
Wisconsin	6.4	40	35.3	9	30.4	16	27.9	37
Wyoming	6	42	35.2	11	36.1	1	22.7	49
<b>United States</b>	<b>10.2</b>		<b>30.5</b>		<b>27.4</b>		<b>32.0</b>	

Source: BLS

This trend may not be complimentary to the educational attainment strengths of Utah's labor force. 34.3% of Utah's labor force has an associate's degree or some college experience (Figures 18 & 19). In this, Utah ranks fourth in the U.S. However, Utah only ranks 22<sup>nd</sup> in the country when it comes to bachelor's or higher degrees attained (30.4%). The significantly low unemployment rate for bachelor's or higher degree holders may suggest that Utah's labor force is not as educated as employers would like the labor force to be.

Also of concern is that Utah seems to be slipping further from the national average in terms of the number of bachelor's and higher degrees being awarded. The 2000 Census revealed that Utah ranks 32<sup>nd</sup> in the nation (Figure 20) for the percentage of 25-34 year olds with at least a bachelor's degree (25.4%). While the CPS and Census data sets are not fully comparable, some important inferences can be made by comparing the two. Utah's ranking for bachelor's degrees for those aged 25-34 (Census) is much lower than the ranking for those aged 25 and older (CPS). This comparison seems to indicate that a smaller percentage of young adults are receiving bachelor's degree than previous generations. If true, this becomes an issue of major concern, considering that the demand for applicants with at least a bachelor's degree is significantly higher than for those without. Future economic growth will largely be contingent on the state's ability to meet the labor force demands of Utah's economy.

**Figure 20: Rank & Percent Population Age 25-34 With At Least a Bachelor's Degree, 2000**

Mountain States	Percent of Population	National Rank
United States	27.5	
Arizona	22.9	38
Colorado	34.8	4
Idaho	22.0	41
Montana	26.6	25
Nevada	17.3	51
New Mexico	20.1	47
Utah	25.4	32
Wyoming	23.1	36

Source: Census

**Figure 21: Percentage of Utah & U.S. Residents by Gender With At Least a Bachelor's Degree, 2000**

Age Group	Both Sexes		Male		Female	
	Utah	U.S.	Utah	U.S.	Utah	U.S.
25 to 34 years	25.4	27.5	25.6	25.7	25.3	29.4
35 to 44 years	26.3	25.9	29.8	25.8	22.7	26.0
45 to 64 years	30.1	26.4	35.6	29.3	24.7	23.7
65 years and over	19.2	15.4	26.8	20.5	13.3	11.8

Source: Census

## ENDNOTES

<sup>1</sup> Andrew Sum, et al., “The Summer Job Market for U.S. Teens 2000 – 2003 and the Projected Job Outlook for the Summer of 2004,” April 2004 (Center for Labor Market Studies, Northeastern University, 2004).

<sup>2</sup> Pamela S. Perlich, “Commuting Patterns in Utah: County Trends for 1980, 1990, and 2000,” Utah Economic and Business Review May/June 2003 (Bureau of Economic and Business Research 2003).

<sup>3</sup> Sara Sanchez and Janice Houston, “The National Recession: Its Impacts on Utah and the Mountain West,” Utah Foundation Research Report Number 656, February 2003 (Utah Foundation 2003).

<sup>4</sup> Andrew Sum, et al., “The Summer Job Market for U.S. Teens 2000 – 2003 and the Projected Job Outlook for the Summer of 2004,” April 2004 (Center for Labor Market Studies, Northeastern University, 2004).

<sup>5</sup> Ishwar Khatiwada, et al., “Labor Market Problems in Massachusetts From the End of the Market Boom in 2000 through 2003,” May 2004 (Center for Labor Market Studies, Northeastern University, 2004).

<sup>6</sup> Ellen R. Rissman, “Self-employment as an Alternative to Unemployment,” Working Paper Number 34, Fourth Quarter 2003 (Federal Reserve Bank of Chicago, 2003).

<sup>7</sup> Daniel Aaronson, Ellen R. Rissman, and Daniel Sullivan, “Assessing the Jobless Recovery,” Economic Perspectives, Second Quarter 2004 (Federal Reserve Bank of Chicago, 2004) pp 6-9.

<sup>8</sup> Steven Hipple, “Self-employment in the United States: An Update,” Monthly Labor Review, July 2004 (Bureau of Labor Statistics, 2004).

<sup>9</sup> Jim Campbell, “Multiple Jobholding in States, 2003,” Monthly Labor Review, July 2004 (Bureau of Labor Statistics, 2004).

<sup>10</sup> Ibid.

<sup>11</sup> Sarah Wilhelm, “The State of Working Utah,” September 2004 (Utah Issues, 2004).

<sup>12</sup> Andrew Sum, et al., “The Summer Job Market for U.S. Teens 2000 – 2003 and the Projected Job Outlook for the Summer of 2004,” April 2004 (Center for Labor Market Studies, Northeastern University, 2004).

<sup>13</sup> Richard W. Johnson, “Trends in Job Demands Among Older Workers, 1992-2002,” Monthly Labor Review, July 2004 (Bureau of Labor Statistics, 2004).

<sup>14</sup> Mark Knold, “High Technology Downturn in Utah,” August 2004 (Utah Department of Workforce Services, Workforce Information Division, 2004).

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