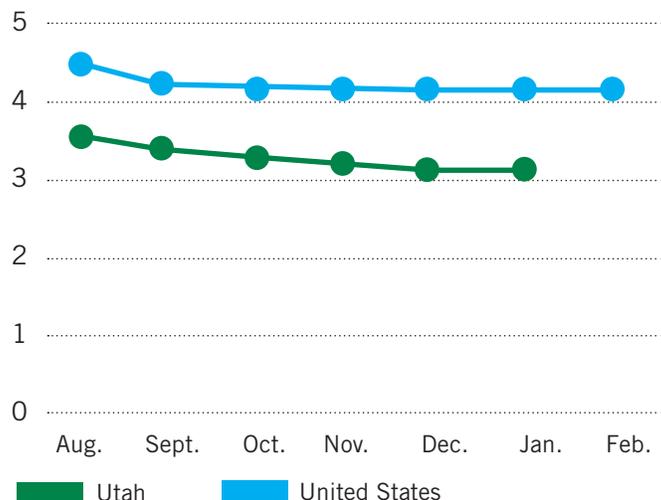




# Utah Employment Trends Report

## WASATCH FRONT

### Unemployment Rate (Utah vs. U.S.)



The unemployment rate in Utah was a full percentage point lower than the U.S. rate in January. Data for February was only available for the U.S. (Source: U.S. Bureau of Labor Statistics)

### U.S. Jobs Report and Utah Economic Outlook Strong, But Slow Wage Growth Is Concern for Local Businesses

The February U.S. Jobs Report released by the U.S. Bureau of Labor Statistics (BLS) reflected a hot employment market with a host of solid indicators. Employers added 313,000 new jobs in February, far exceeding analyst expectations and significantly up from the previous month's 239,000 added jobs.

The nation's unemployment rate remained at a 17-year low of 4.1 percent for the fifth consecutive month. More than 800,000 people, including many who have not been actively looking, jumped into the market.

In Utah, the state added approximately 41,300 jobs year over year, according to January estimates from the Utah Department of Workforce Services. That represents 2.9 percent growth over the last year, nearly doubling the national average of 1.5 percent growth during the same period.

Cities along the Wasatch Front continue to enjoy some of the lowest unemployment rates in the nation, with Logan at 2.3 percent and Provo-Orem right behind at 2.5 percent.

According to the [2018 Economic Report to the Governor](#), the Utah economy remains healthy. Every major industrial sector expanded in 2017. An annual employment growth rate of 3.1 percent is among the strongest in the nation.

The only blemish in this shiny economic picture is slowed wage growth. With unemployment at historic lows, a natural assumption is that employers should have to offer higher pay to attract workers.

However, a recent [Deseret News](#) article asked the question: [Is Utah still a low-wage state?](#) Author Greg Bell, current president and CEO of the Utah Hospital Association, states, "While we appreciate the jobs, we need household-sustaining salaries. In light of our low unemployment rate, it's puzzling that wage growth has lagged the return of jobs after the Great Recession."

Amid the rosy picture of a healthy state economy and low unemployment rate, the wage-growth issue has the potential to become a real concern for local businesses.

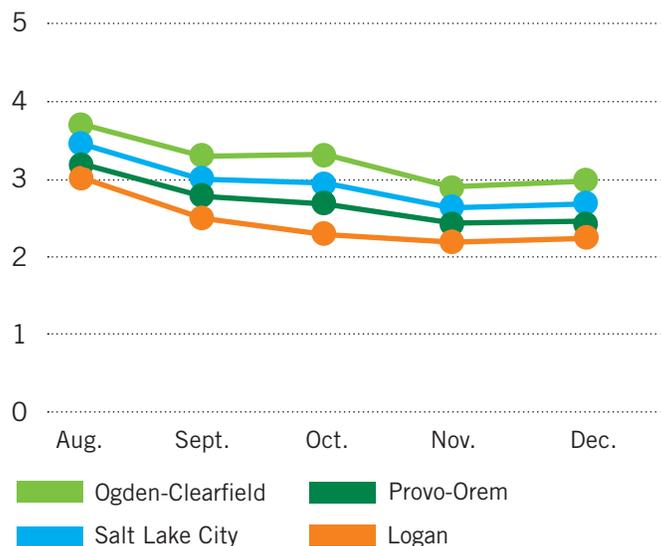
The reason is the region's rising housing costs. A [study](#) from the Kem C. Gardner Policy Institute indicates that -- for the first time in 40 years -- households are growing at a faster pace than housing units.

If housing costs continue to increase at the current rate, set against modest wage gains, workers will no longer be able to afford to live in the area, compelling them to relocate or simply not move here from other areas.

Industry analysts expect that, as business expands in the state, wage growth will occur to help relieve the increasing cost of living. So far though, that anticipated growth is slow to happen.

Kelly Services will continue to monitor this evolving dynamic and aim to help our customers and employers navigate wage growth challenges in an employee-driven market.

### Utah Unemployment Rate



Utah's unemployment rate since August; Logan and Provo-Orem continue to have among the lowest rates in the country (Source: U.S. Bureau of Labor Statistics)

