

Department of Workforce Services



Uintah Basin Economic Update and Outlook

July 14, 2014

Current State of the Economy

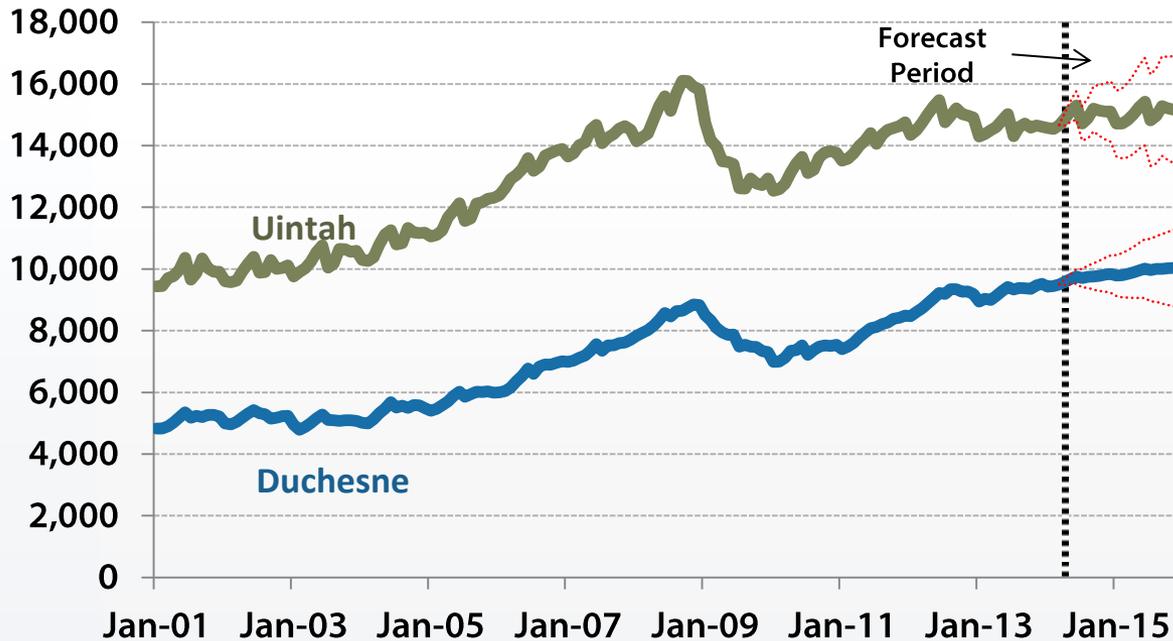
(County Snapshots)

- Employment trends are up
 - Duchesne year-over-year (y-o-y) job growth was positive and slowing during 2013 but seems to be well growing during 2014 (y-o-y accounts for seasonality and allows for a view into the business trends)
 - Employment trends in Uintah are finally on the positive side—while construction continued to lose jobs, mining provided an early boost in 2014q1 (some due to noneconomic factors)
- Unemployment rates in Duchesne and Uintah continue their downward trend, which are among the lowest in the state
 - Duchesne's unemployment rate in May 2014 was 2.7% (Utah's rate was 3.6%)
 - Uintah's unemployment rate in May 2014 was 2.8%
- Construction activity were mostly positive during 2013 in both counties (U of U BEBR—Construction Information Database)
 - New dwelling permits were up (y-o-y) 7% in Duchesne and down 42% in Uintah
 - Construction values were up (y-o-y) 34% in Duchesne and up 29% in Uintah
- Quarterly Taxable Sales (gauge of household/business spending):
 - Duchesne: Little y-o-y growth during 2013 ; -3.8% for 2014q1
 - Uintah: Taxable sales grew 1.6% during 2014q1

Employment Outlook the in Uintah Basin

Total Nonfarm Payroll Employment

Duchesne and Uintah, January 2001 to December 2015^f



^f=Forecast: January 2014 to June 2014 are estimates;
July 2014 to December 2015 are forecast estimates

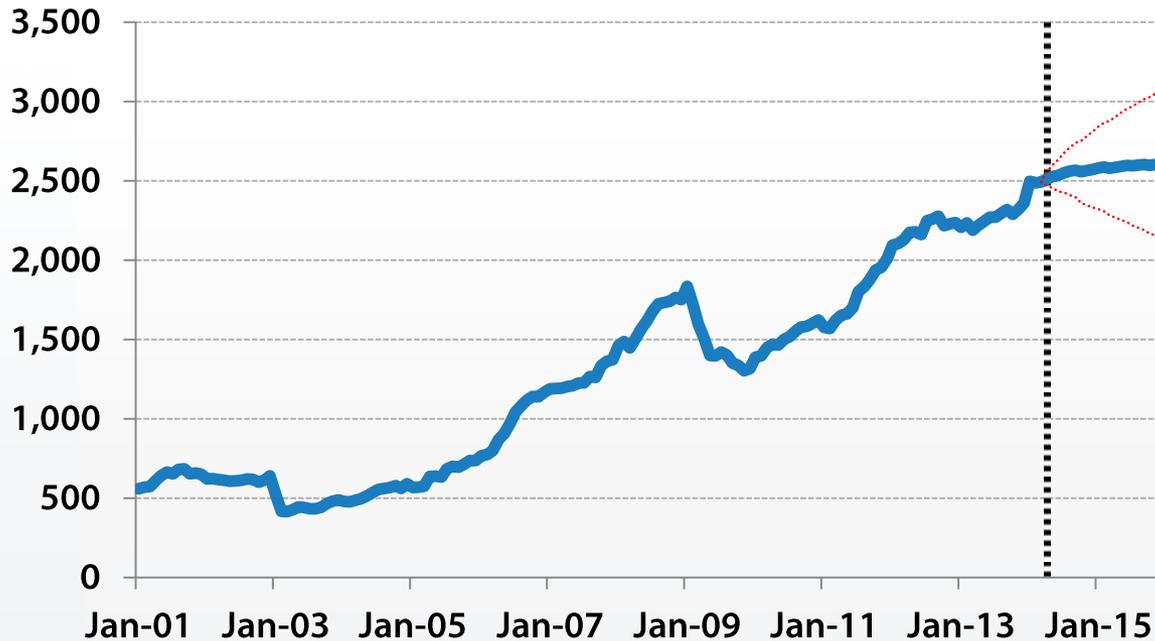
- 2012 and 2013 was a year which saw some slowing of growth in Duchesne and Uintah
- Based on employment recent estimates and other indicators, we expect some moderate growth during 2014 and 2015
- 2013 population estimates from US Census Bureau showed strong population growth from 2012 to 2013, which should fuel some overall employment growth in the Basin

	Uintah	Duchesne
2012 Annual Average Employment	14,933	9,047
2013 Annual Average Employment	14,591	9,269
2015 Annual Average Employment	15,047	9,945
2012-13 Employment Percent Change	-2.3%	2.5%
2013-15 Employment Percent Change	3.1%	7.3%

Employment Outlook in Duchesne County (Important Industries)

Total Mining Payroll Employment

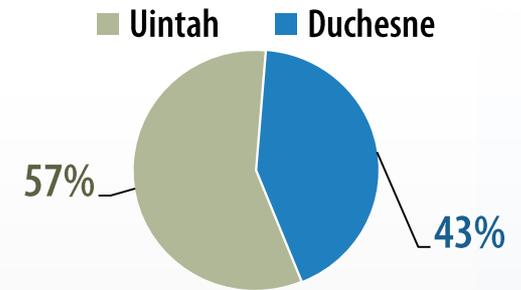
Duchesne, January 2001 to December 2015^f



^f=Forecast: January 2014 to June 2014 are estimates;
July 2014 to December 2015 are forecast estimates

- Mining (oil and gas extraction) employment continues to grow in Duchesne
- We predict continued growth in this industry over the short-run
- Duchesne's mining employment share in Uintah Basin, as of 2013, was 43%.

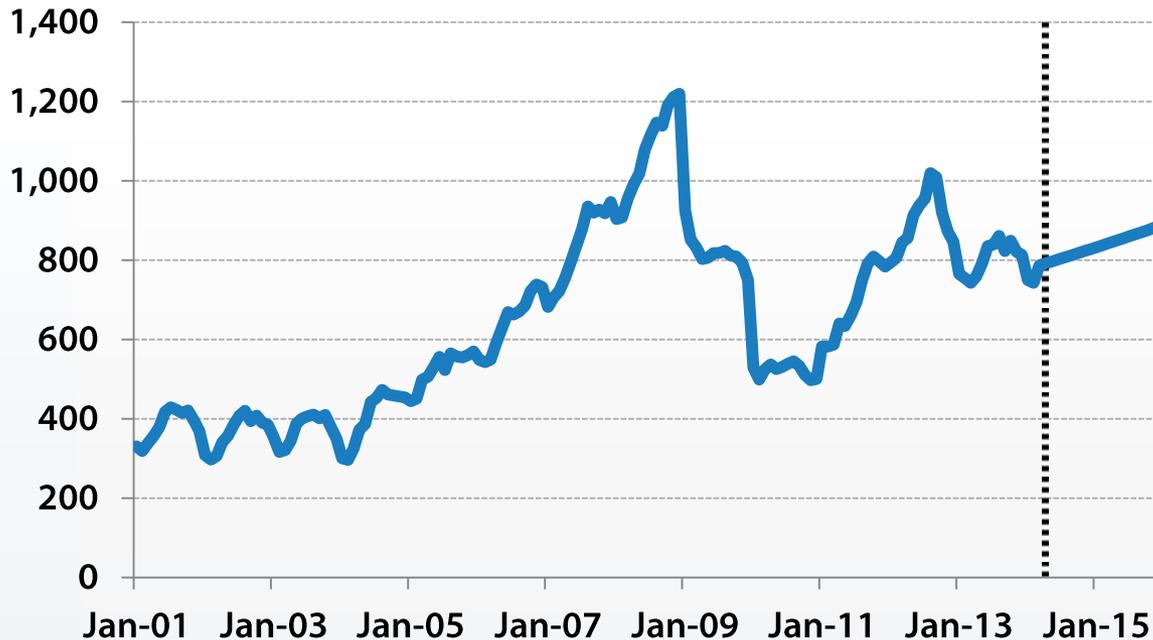
Mining Employment Share



	Duchesne
2012 Annual Average Employment	2,194
2013 Annual Average Employment	2,269
2015 Annual Average Employment	2,594
2012-13 Employment Percent Change	3.4%
2013-15 Employment Percent Change	14.3%

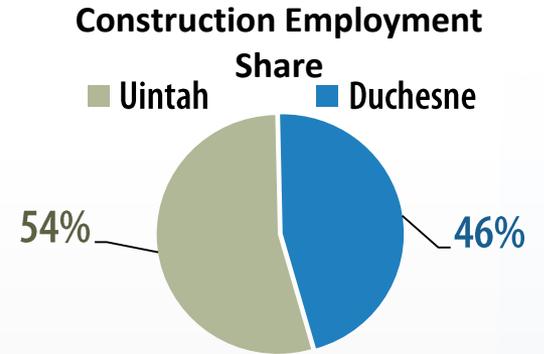
Total Construction Payroll Employment

Duchesne, January 2001 to December 2015^f



^f=Forecast: January 2014 to June 2014 are estimates;
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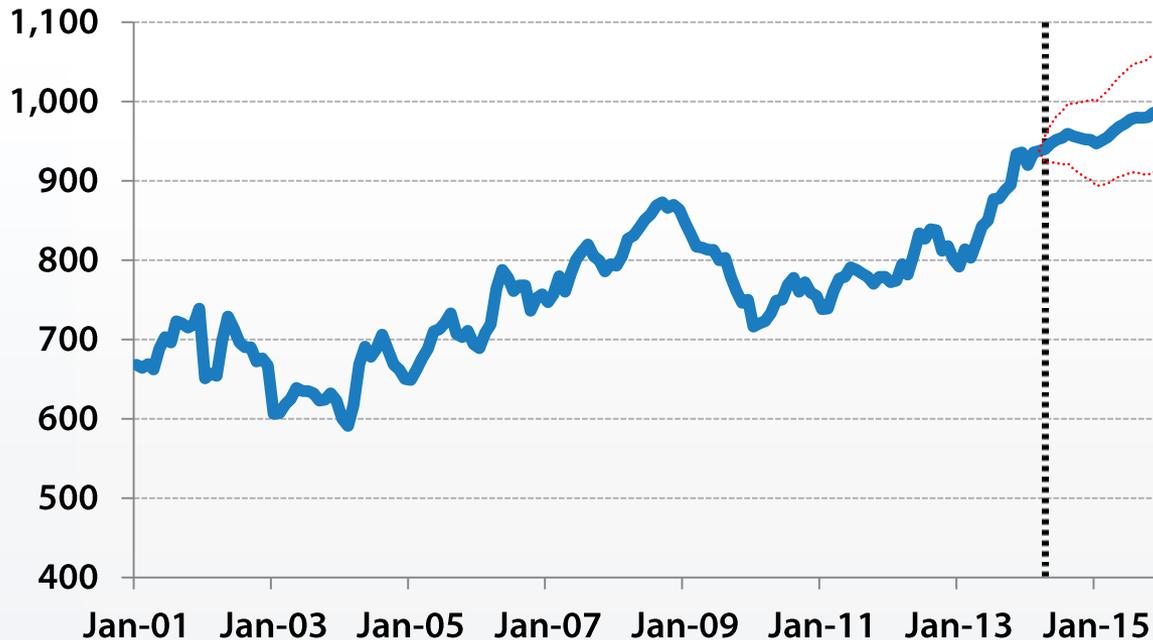
- Construction was showing a strong rebound after the Great Recession but fell of during 2012 and has yet to see meaningful growth
- We predict moderate growth in the short-run as Duchesne’s population continues to grow at high rates (per Census 2013 Population Estimates)



	Duchesne
2012 Annual Average Employment	1,091
2013 Annual Average Employment	949
2015 Annual Average Employment	941
2012-13 Employment Percent Change	-13.0%
2013-15 Employment Percent Change	-0.8%

Total Retail Trade Payroll Employment

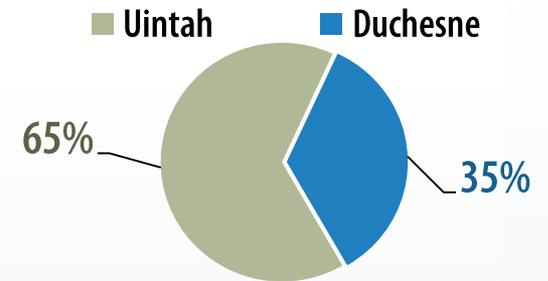
Duchesne, January 2001 to December 2015^f



^f=Forecast: January 2014 to June 2014 are estimates;
July 2014 to December 2015 are forecast estimates

- Growth in retail trade during 2013 was strong
- Look for continued growth, particularly in response to population growth
- Coming growth may not be quite as strong as in 2013

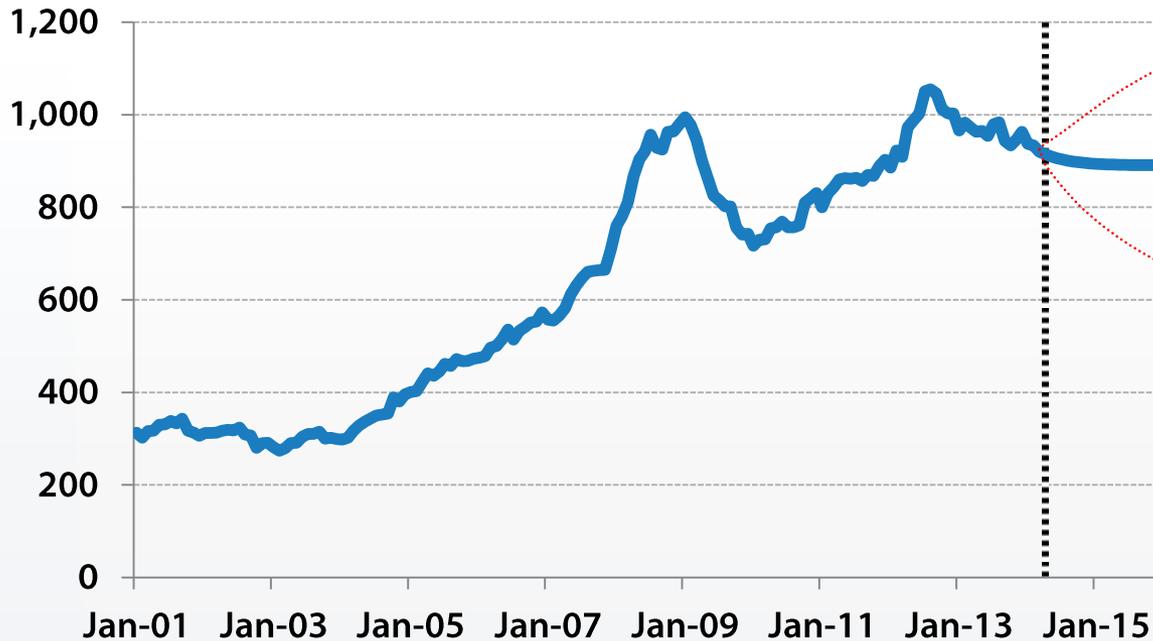
Retail Employment Share



	Duchesne
2012 Annual Average Employment	808
2013 Annual Average Employment	861
2015 Annual Average Employment	970
2012-13 Employment Percent Change	6.5%
2013-15 Employment Percent Change	12.7%

Total Transportation Payroll Employment

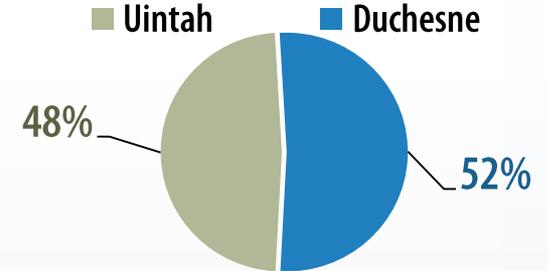
Duchesne, January 2001 to December 2015^f



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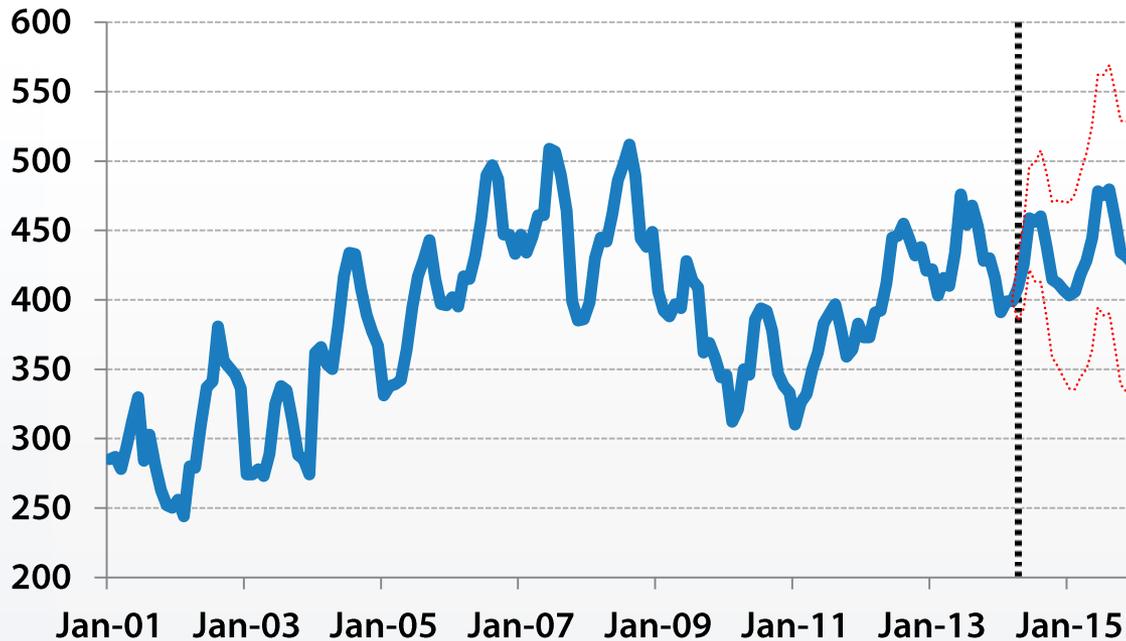
- While oil/gas extraction continues to grow in Duchesne, its pace has not been as strong during 2013, so transportation jobs have fallen as a result—look for continuing moderate decline in transportation
- Growth in transportation jobs within Castle Country (shipping oil to the railway) has likely affected transportation in Duchesne

Transportation Employment Share



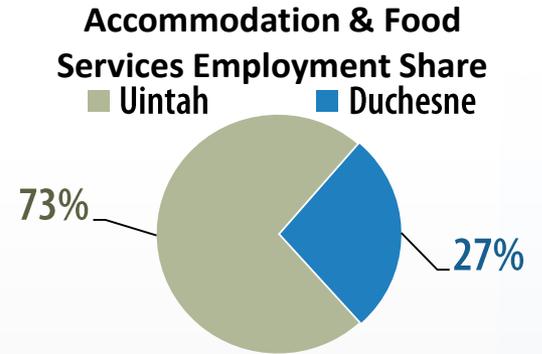
	Duchesne
2012 Annual Average Employment	988
2013 Annual Average Employment	963
2015 Annual Average Employment	892
2012-13 Employment Percent Change	-2.5%
2013-15 Employment Percent Change	-7.4%

Total Accommodation & Food Services Payroll Employment Duchesne, January 2001 to December 2015^f



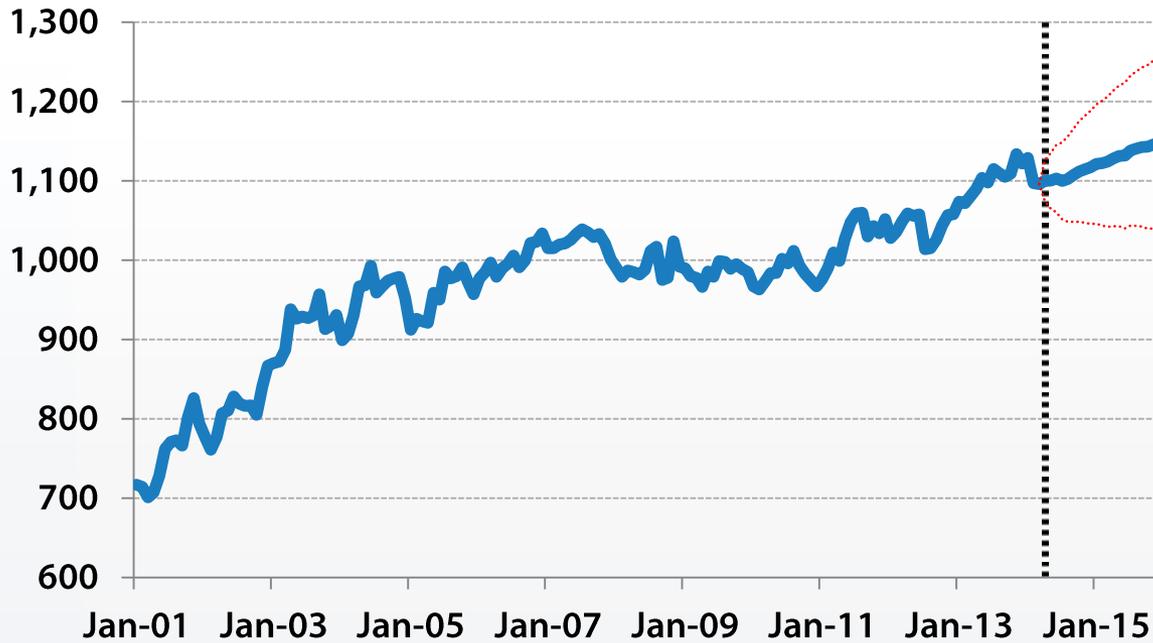
^f=Forecast: January 2014 to June 2014 are estimates;
July 2014 to December 2015 are forecast estimates

- January low in 2014 was lower than the previous January low—the rest of 2014 may not be as high as 2013 employment
- 2015 should prove to be an improvement over 2014

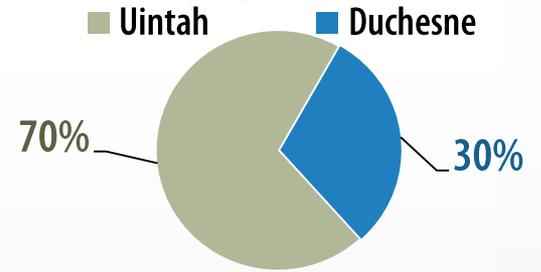


	Duchesne
2012 Annual Average Employment	419
2013 Annual Average Employment	434
2015 Annual Average Employment	440
2012-13 Employment Percent Change	3.7%
2013-15 Employment Percent Change	1.4%

Total Health Care & Social Services Payroll Employment Duchesne, January 2001 to December 2015^f



Health Care & Social Services Employment Share



^f=Forecast: January 2014 to June 2014 are estimates;
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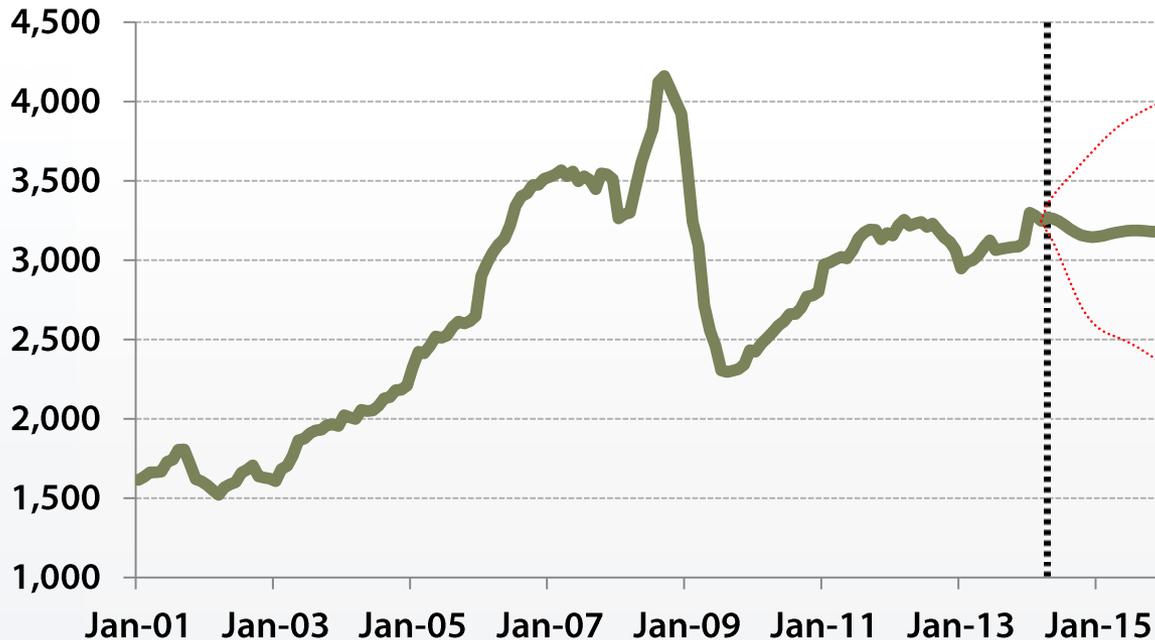
- Activity in health care/social services has robust during 2012-13
- Growth rates appear to be back to the pre-recession rates
- We foresee continued growth in this industry

	Duchesne
2012 Annual Average Employment	1,042
2013 Annual Average Employment	1,101
2015 Annual Average Employment	1,135
2012-13 Employment Percent Change	5.7%
2013-15 Employment Percent Change	3.1%

Employment Outlook in Uintah County (Important Industries)

Total Mining Payroll Employment

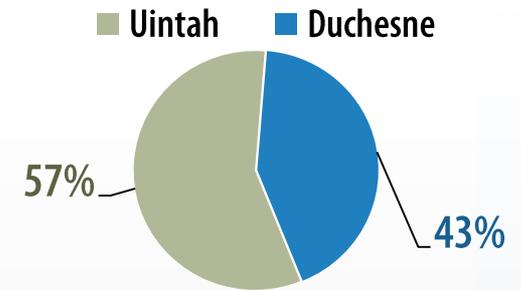
Uintah, January 2001 to December 2015^f



^f=Forecast: January 2014 to June 2014 are estimates;
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- Mining (oil/gas extraction) employment has been holding within the 2,900–3,300 range since 2011
- We cannot predict strong short-run growth; natural gas prices have remained relatively steady over the last couple of years, affecting natural gas reserves and thus the subduing growth in natural gas exploration

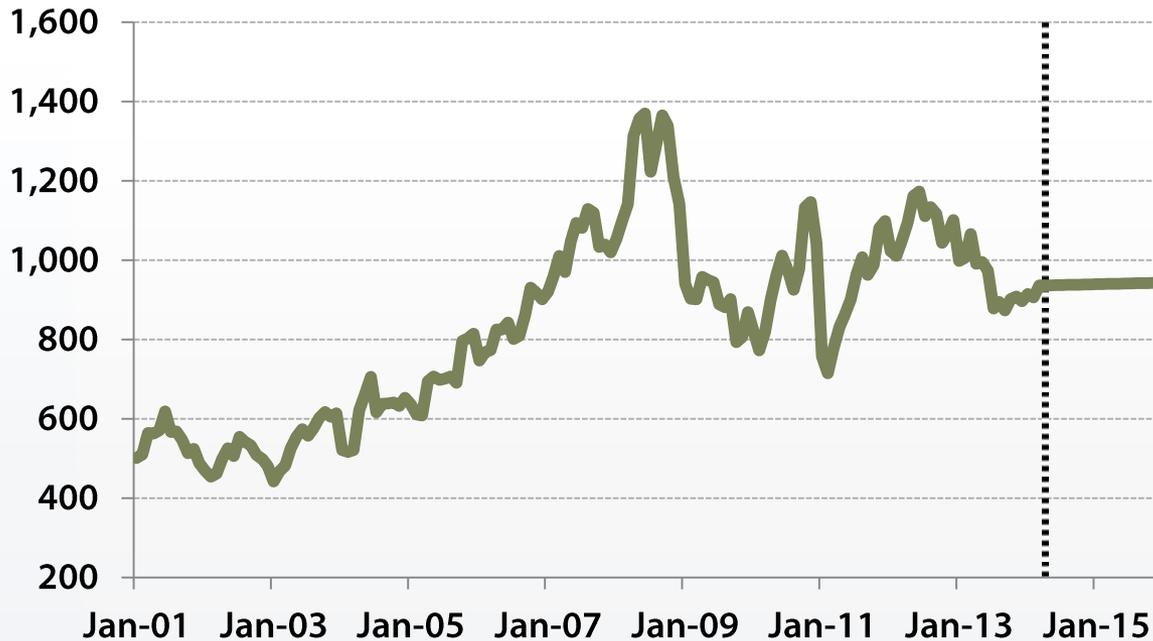
Mining Employment Share



	Uintah
2012 Annual Average Employment	3,190
2013 Annual Average Employment	3,056
2015 Annual Average Employment	3,175
2012-13 Employment Percent Change	-4.2%
2013-15 Employment Percent Change	3.9%

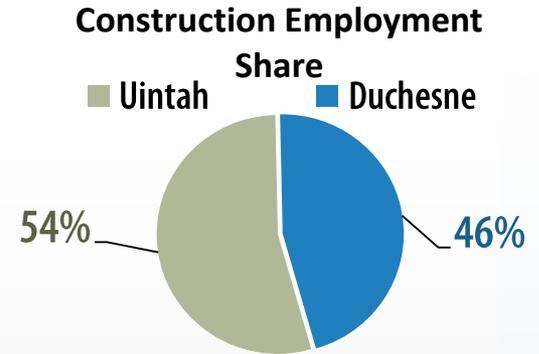
Total Construction Payroll Employment

Uintah, January 2001 to December 2015^f



^f=Forecast: January 2014 to June 2014 are estimates;
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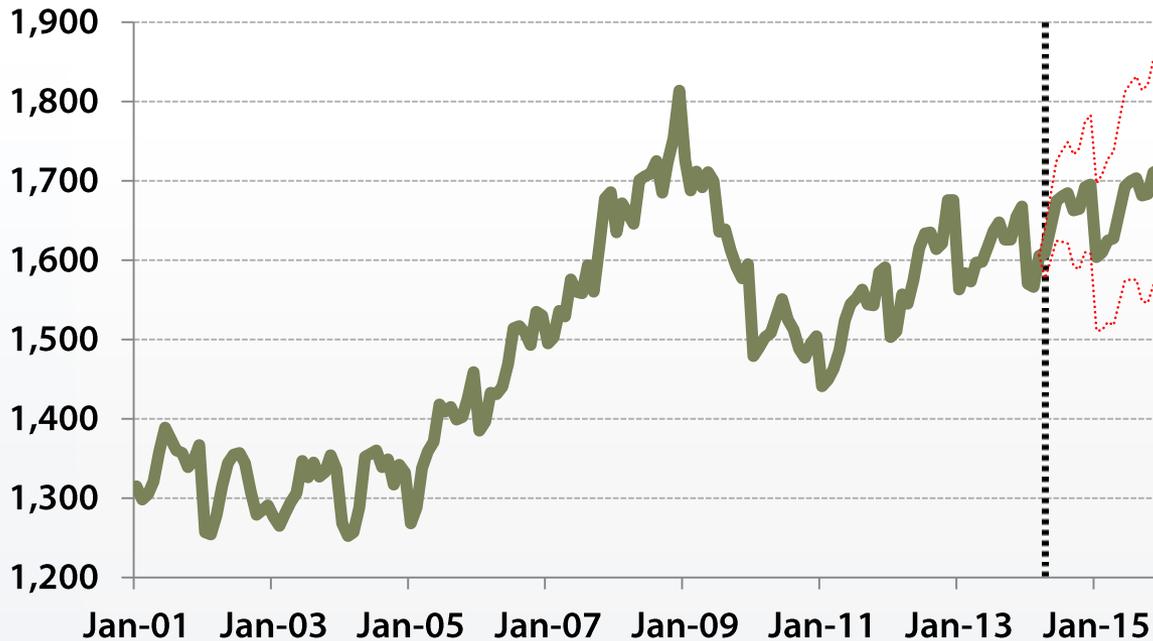
- The significant drop in construction employment over the last several months were largely responsible for the lack of overall employment growth in Uintah during 2013
- We may have reversed the recent trend but it's hard to predict a robust growth in the short-run
- At best, growth, it seems, will be moderate (mining employment as an indicator)



	Uintah
2012 Annual Average Employment	1,091
2013 Annual Average Employment	949
2015 Annual Average Employment	941
2012-13 Employment Percent Change	-13.0%
2013-15 Employment Percent Change	-0.8%

Total Retail Trade Payroll Employment

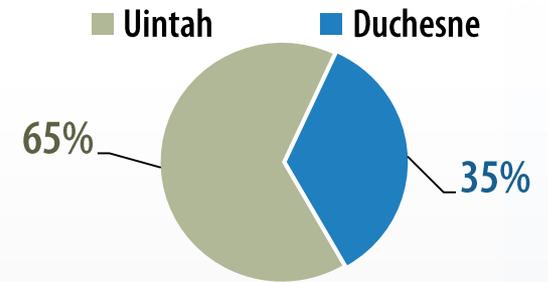
Uintah, January 2001 to December 2015^f



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- 2014–15 retail trade employment should be better than 2013
- The new developments in West Vernal should drive the growth
- 65% of the Uintah Basin’s retail trade jobs are located in Uintah County

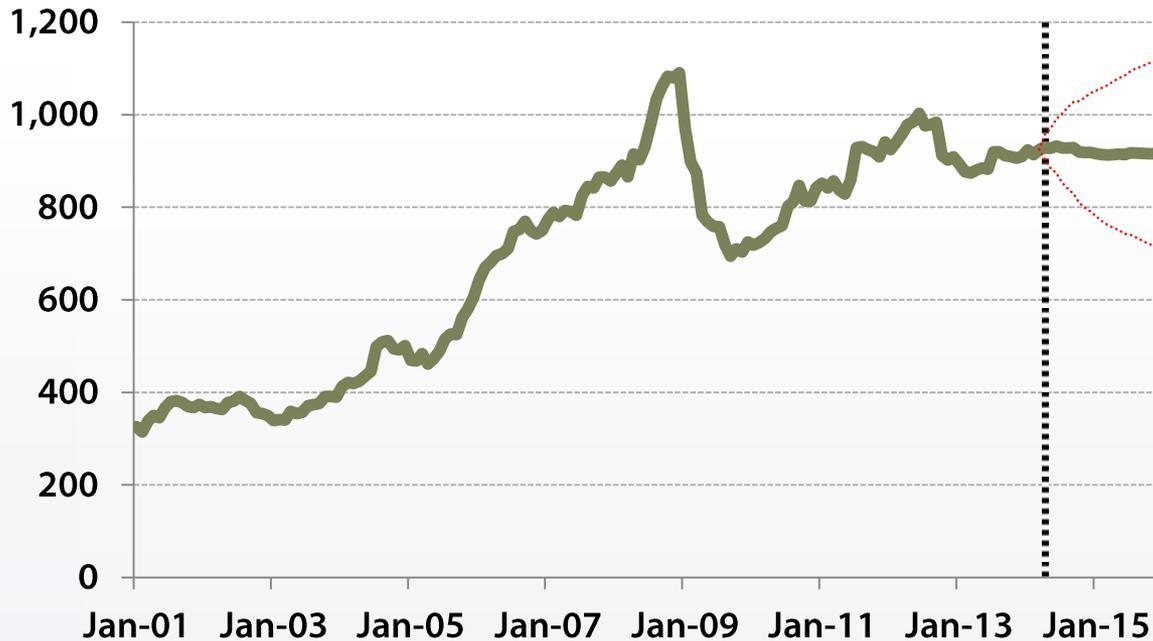
Retail Employment Share



	Uintah
2012 Annual Average Employment	1,597
2013 Annual Average Employment	1,616
2015 Annual Average Employment	1,668
2012-13 Employment Percent Change	1.2%
2013-15 Employment Percent Change	3.2%

Total Transportation Payroll Employment

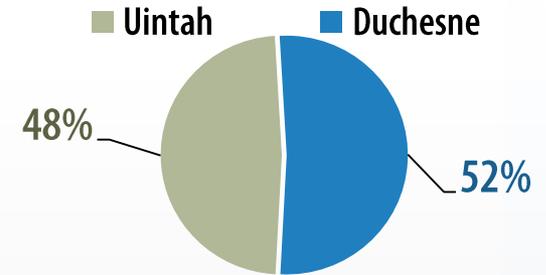
Uintah, January 2001 to December 2015^f



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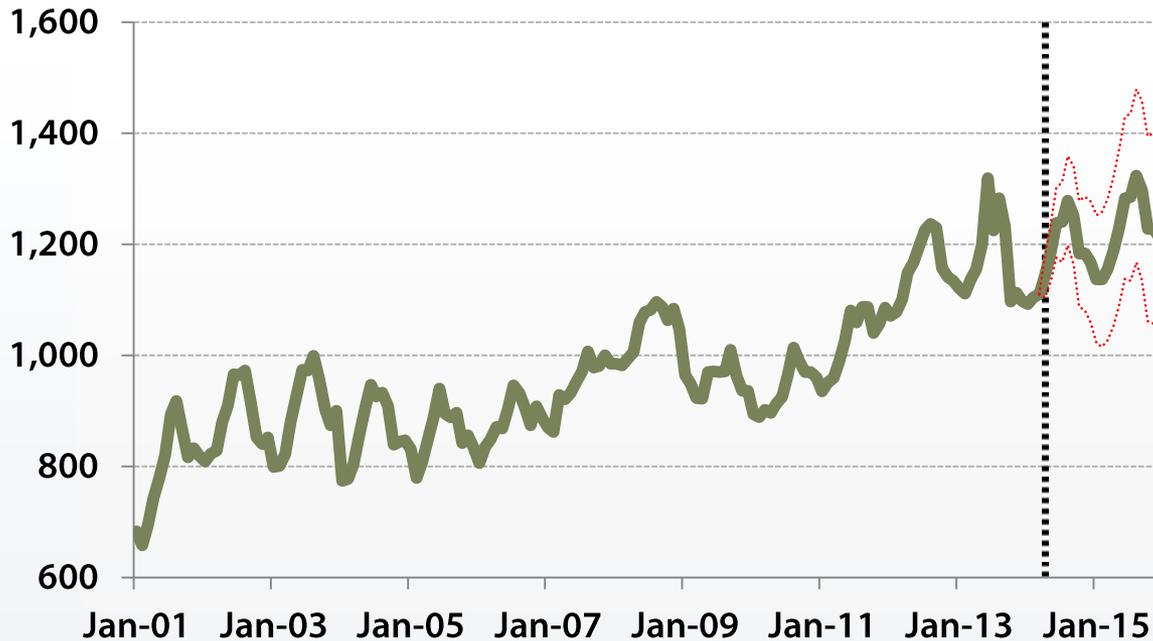
- Transportation/warehousing jobs have been lower than recent highs
- We foresee stagnant-to-moderate growth in jobs
- Employment in this industry is pretty well split between Uintah and Duchesne, who has recently seen a fall in transportation employment

Transportation Employment Share



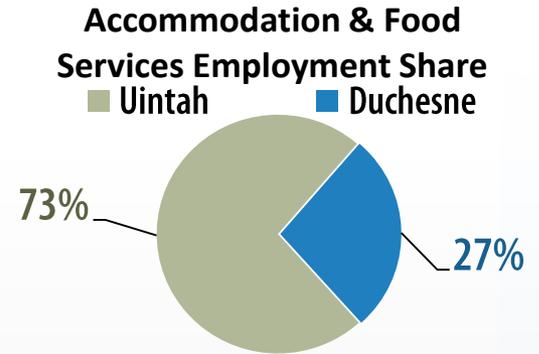
	Uintah
2012 Annual Average Employment	954
2013 Annual Average Employment	898
2015 Annual Average Employment	915
2012-13 Employment Percent Change	-6.0%
2013-15 Employment Percent Change	2.0%

Total Accommodation & Food Services Payroll Employment Uintah, January 2001 to December 2015^f



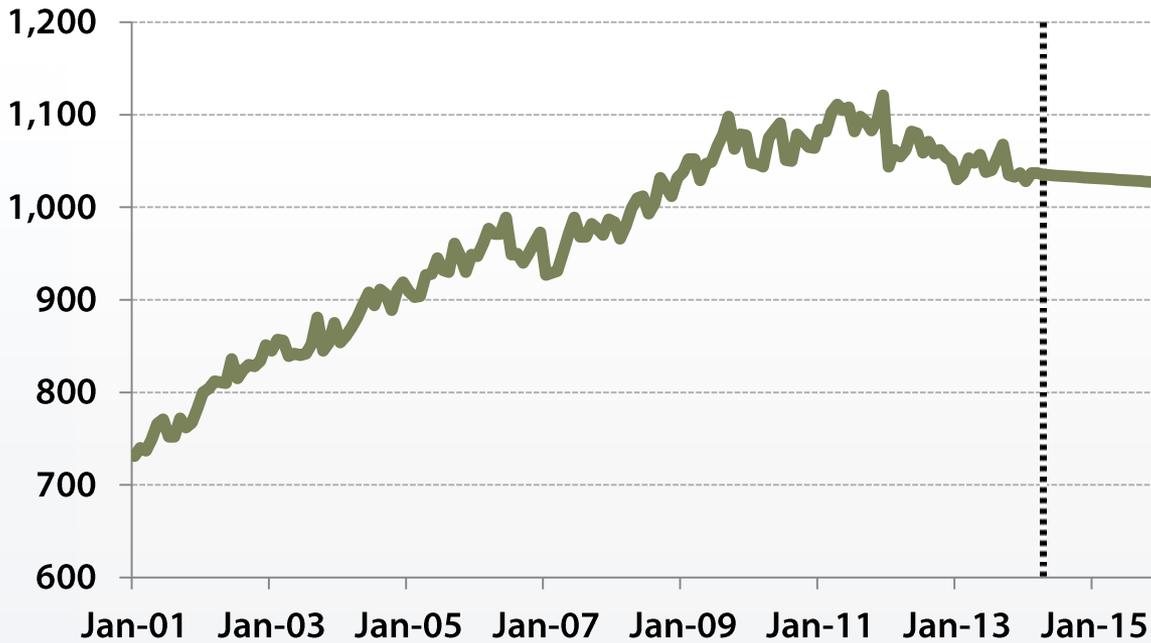
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- January low in 2014 was lower than the previous January low—the rest of 2014 may not be as high as 2013 employment
- All in all, we see some growth in 2015

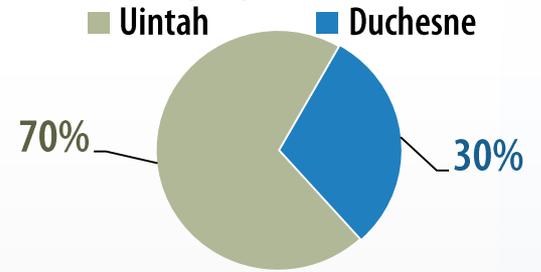


	Uintah
2012 Annual Average Employment	1,157
2013 Annual Average Employment	1,174
2015 Annual Average Employment	1,225
2012-13 Employment Percent Change	1.5%
2013-15 Employment Percent Change	4.4%

Total Health Care & Social Services Payroll Employment Uintah, January 2001 to December 2015^f



**Health Care & Social Services
 Employment Share**



	Uintah
2012 Annual Average Employment	1,062
2013 Annual Average Employment	1,044
2015 Annual Average Employment	1,029
2012-13 Employment Percent Change	-1.7%
2013-15 Employment Percent Change	-1.4%

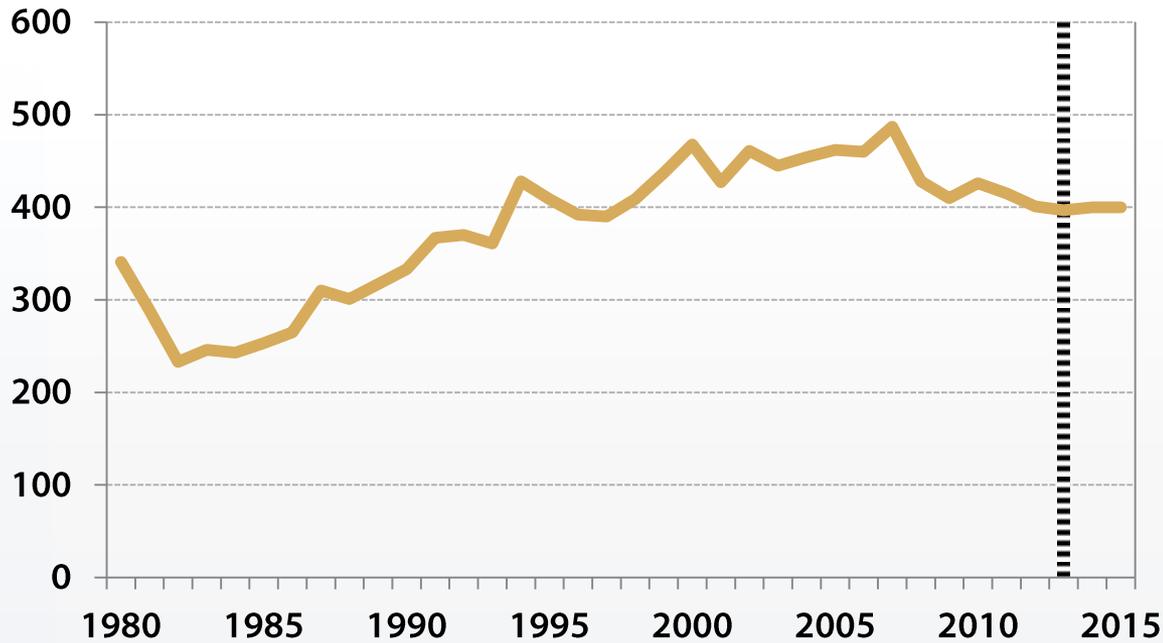
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- From Jan 2001 to Dec 2011, the y-o-y growth rate averaged 3.2%
- Since Jan 2012, the rate was -2.2%
- We predict a short-run continuation of slipping employment, though at a slower rate than during 2012-13

Employment Outlook in Daggett County (Important Industries)

Total Annual Payroll Employment

Daggett, 1980 to 2015^f



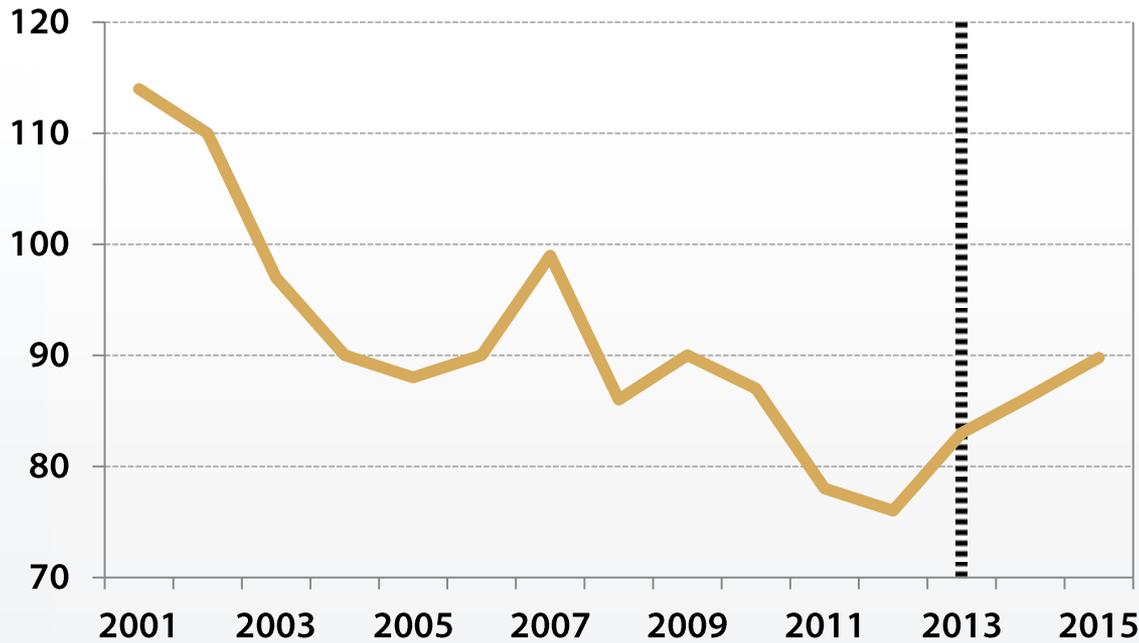
f=Forecast: 2014 and 2015 are forecast estimates

	Daggett
2012 Annual Average Employment	401
2013 Annual Average Employment	397
2015 Annual Average Employment	400
2012-13 Employment Percent Change	-1.0%
2013-15 Employment Percent Change	0.8%

- Total employment trend (annual average) in Daggett was growing during the 80s and 90s, achieving its high during 2007
- The great recession brought an overall drop and slight declining employment trends
- We don't foresee anything other than moderate growth at best in the short-run

Leisure & Hospitality Payroll Employment

Daggett, 2001 to 2015^f



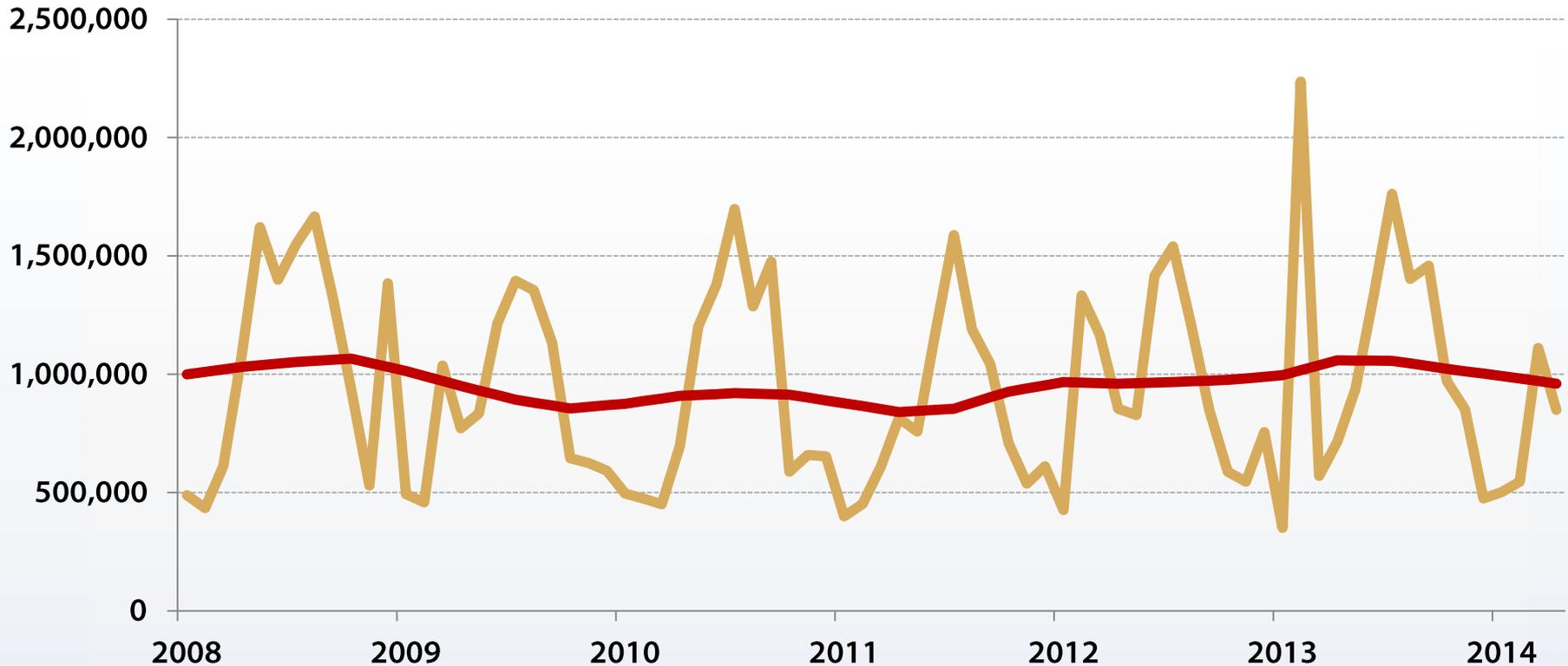
	Daggett
2012 Annual Average Employment	114
2013 Annual Average Employment	125
2015 Annual Average Employment	125
2012-13 Employment Change	11
2013-15 Employment Percent Change	0

^f=Forecast: 2014 and 2015 are forecast estimates

- Annual employment in leisure and hospitality seemed to be trending down until last year
- See what 2014 brings? Hard to foresee exactly what happens during 2014-15
- Based on 2014q1 preliminary estimates, leisure & hospitality jobs are significantly up
- Look for another good year in leisure and hospitality

Taxable Sales

Daggett, January 2008 to April 2014



Source: Utah State Tax Commission

- 2012 and 2013 taxable sales were each an improvement from preceding years
- Most recent taxable sales seems to be trending down slightly: Taxable business investment was down 56% in 2014q1; Taxable retail trade was down 4% in 2014q1

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