

# Utah Manufacturing Industry

INDUSTRY PROFILE

09



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## UTAH MANUFACTURING INDUSTRY OVERVIEW

In Utah, the manufacturing industry comprises 9.6% of all state employment. This industry has experienced an increase in job growth every quarter since 2004. The manufacturing industry added roughly 2,400 jobs from April 2007 to April 2008, a 1.9% industry employment increase.<sup>1</sup> Utah's manufacturing industry is currently the 5<sup>th</sup> largest industry in the state for total employment. Presently, this industry employs around 129,000 workers and creates an additional 300,000 related jobs in the state. This industry boasts an average monthly wage of \$3,666, which is 17% higher than the statewide average monthly wage. Utah's manufacturing industry comprises the largest payroll in the state. The largest concentration of manufacturers, in descending order, operate in Salt Lake, Utah, Weber, Davis, Cache and Box Elder counties.<sup>2</sup>

### UTAH MANUFACTURING STRENGTHS

#### Central Location for Transportation and Distribution

- Primary distribution hub to the major western cities and states.
- Central point of distribution between the Canada/Mexico corridor.
- Salt Lake City is the first location where the 3 major rail lines leaving the Seattle, San Francisco and Los Angeles ports meet.

#### Young, Highly Educated and Growing Workforce

- Utah ranked 3<sup>rd</sup> in the nation for its population growth rate of 2.6%.<sup>3</sup>
- Utah is the youngest state in the nation with a median age of 28.3.
- The state experienced its highest growth rate since the 1990's and a record high for natural increase at 40,173 and number of births at 53,953.<sup>4</sup>

#### Low Cost of Living and Low Cost of Doing Business

- Both electricity and natural gas utility costs in Utah are among the top 5 lowest across the nation.<sup>5</sup>
- Utah ranks 17<sup>th</sup> lowest in the nation for its cost of doing business index score at 90.1.<sup>6</sup>
- Salt Lake City's cost of living index score is 98.7 compared to Phoenix, Arizona at 101.6 and Denver, Colorado at 105.1.<sup>7</sup>

<sup>1</sup> Source: Governor's Office of Planning & Budget, June 2008 report

<sup>2</sup> Source: Utah Manufacturer's Association, Utah Department of Workforce Services

<sup>3</sup> Source: U.S. Census Bureau, 2006-2007 data

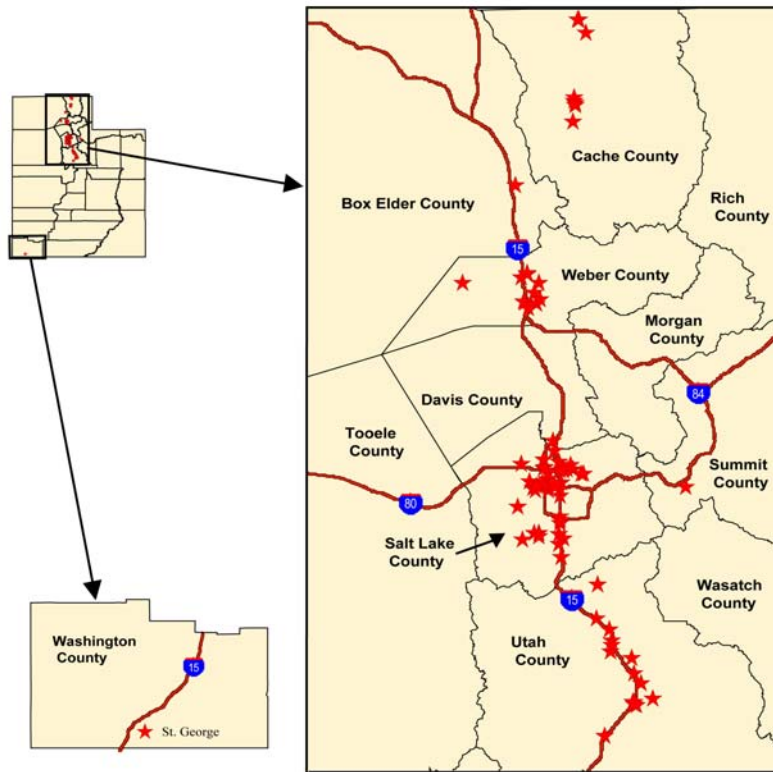
<sup>4</sup> Source: Governor's Office of Planning & Budget, 2008 Economic Report to the Governor

<sup>5</sup> Source: Pacificorp, Questar

<sup>6</sup> Source: Milken Institute, 2007 Cost of Doing Business Index

<sup>7</sup> Source: ACCRA Cost of Living, 1<sup>st</sup> Quarter 2008 data

## UTAH MANUFACTURING INDUSTRY DENSITY (Companies with 50+ Employees)<sup>8</sup>



## LABOR

Approximately 77.3% of Utah's total labor pool resides in the Salt Lake, Ogden-Clearfield and Provo-Orem metropolitan statistical areas.

### Unemployment Rates

Utah's unemployment rate is currently at 3.2% for May 2008, compared to the national rate of 5.5%.

Region / Location	Civilian Labor Force (May 2008)	Unemployment Rate (May 2008)
Beaver County	2,154	2.7
Box Elder County	73,107	3.1
Cache County	21,189	2.3
Carbon County	9,157	4.8
Daggett County	572	3.0
Davis County	105,201	3.0
Duchesne County	7,908	2.8
Emery County	3,944	3.9
Garfield County	2,730	5.3

<sup>8</sup> Source: InfoUSA, EDCUtah, Decision Data Resources

Grand County	5,228	5.3
Iron County	17,268	3.6
Juab County	3,336	4.3
Kane County	3,484	3.6
Millard County	4,077	2.9
Morgan County	2,128	2.9
Piute County	385	2.8
Rich County	818	2.0
Salt Lake County	625,527	3.1
San Juan County	4,571	6.1
Sanpete County	7,803	3.7
Sevier County	8,179	3.6
Summit County	20,305	2.8
Tooele County	16,242	3.6
Uintah County	15,123	2.2
Utah County	184,204	3.0
Wasatch County	7,645	3.2
Washington County	54,458	3.9
Wayne County	1,184	4.4
Weber County	98,471	3.6
<b>Utah*</b>	<b>1,375,000</b>	<b>3.2</b>
<b>United States*</b>	<b>154,003,000</b>	<b>5.5</b>

\*State of Utah and U.S. data as of May 2007

Source: Utah Department of Workforce Services

## Unionization

Utah's labor force union affiliation is extremely low. The state is ninth lowest in the nation with 5.8% of total employment being union members.<sup>9</sup> Utah is a right-to-work state, allowing the right of persons to work, whether in private employment or for the state, counties, cities, school districts, or political subdivisions. This right may not be denied or abridged on account of membership or non-membership in a labor union, labor organization, or other type of similar association.<sup>10</sup>

## Wage Data

The Utah Department of Workforce Services provides wage data for various occupation titles statewide. The Bureau of Labor Statistics provides wage data for the same occupation titles for the nation. The following table lists common manufacturing positions and the corresponding mean wages.

Title of Position (SOC Code)	State of Utah	National Comparison
General & Operations Managers (11-1021)	\$87,320	\$103,780
Managers of Production / Operating Workers (51-1011)	\$49,880	\$51,740
Industrial Machinery Mechanics (49-9041)	\$43,620	\$44,020
Team Assemblers (51-2092)	\$24,960	\$26,470
Helpers – Production Workers (51-9198)	\$20,310	\$22,600

Source: Utah Department of Workforce Services

Source: Bureau of Labor Statistics

<sup>9</sup> Source: Bureau of Labor Statistics, 2006 data

<sup>10</sup> Source: Utah Code, Title 34, Chapter 34

## UCAT

The Utah College of Applied Technology (UCAT) consists of ten Utah Applied Technology College campuses. UCAT provides opportunities for high quality statewide open-entry, open-exit, competency-based education. The campuses serve both high school and adult students.



## Utah College of Applied Technology Enrollment

UCAT College	Geographic Location	Total Enrollment
Bridgerland (BATC)	Logan	10,568
Davis (DATC)	Kaysville	8,077
Dixie (DXATC)	St. George	4,125
Mountainland (MATC)	Orem	8,522
Ogden-Weber (OWATC)	Ogden	10,490
Salt Lake-Tooele (SLTATC)	Salt Lake City	1,444
Southeast (SEATC)	Price	2,620
Southwest (SWATC)	Cedar City	2,530
Uintah Basin (UBATC)	Roosevelt	6,801
<b>Total</b>	<b>Utah</b>	<b>57,768</b>

Source: UCAT 2007 Annual Report

## Utah College of Applied Technology Degrees Awarded

UCAT Campus	Associate of Applied Technology	Certificate of Completion	Certificate of Proficiency	Total
Bridgerland	12	535	275	822
Davis	7	115	663	785
Dixie	0	1	109	110
Mountainland	0	9	492	501
Ogden-Weber	6	470	584	1,060
Salt Lake-Tooele	1	11	308	320
Southwest	0	149	115	264
Uintah Basin	0	33	184	217
<b>Total</b>	<b>26</b>	<b>1,323</b>	<b>2,730</b>	<b>4,079</b>

Source: UCAT

## BUSINESS COSTS

### Health Care Insurance

The Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends released its 2005 Medical Expenditure Panel Survey in July 2007. This annual survey collects data from employer-sponsored health insurance offerings in the United States. The health care insurance component takes into consideration employer costs for single and family coverage.

Coverage	Cost to Employer				
	Utah	Arizona	California	Nevada	United States
Single Coverage	\$2,837	\$3,542	\$3,231	\$3,061	\$3,268
Family Coverage	\$7,697	\$7,395	\$8,161	\$7,211	\$8,143

Source: Kaiser Family Foundation, State Health Facts, 2005 data published July 2007

### Unemployment Insurance<sup>11</sup>

All new, acquired, or existing businesses must register with the Utah Department of Workforce Services. All new employers are given a new employer rate based on the company's industry description. The most common new employer rate assigned is **1.60%**. After being in operation and paying wages for a full fiscal year, July to June, the Utah Department of Workforce Services will assign an employer a rate specific to his/her company. The total taxable wage base is set each year by the Utah Department of Workforce Services by computing the average annual wage earned from the previous fiscal year by all insured employees. For 2008, the total taxable wage base is **\$26,700**.

### Workers' Compensation Insurance

The National Council on Compensation Insurance manages the nation's largest database of workers compensation and employee injury data and statistical information. Classification analysts analyze business operations and provide classification accounts. These accounts correspond to a set employer loss cost, which varies for each state. Typical workers compensation rate data for the general manufacturing industry is provided in the following table (other rates may exist for different sectors in the manufacturing industry):

Classification Code / Description	Average Cost per \$100 of Payroll			
	Utah	Arizona	California*	Nevada
4452 – Plastics Mfg	\$2.00	\$3.16	N/A	\$5.43
3179 – Electrical Apparatus Mfg	\$2.12	\$1.87	\$5.27	\$3.31
4279 – Paper Goods Mfg	\$2.96	\$2.73	\$6.07	\$5.73
2883 – Furniture Mfg	\$3.52	\$3.42	\$9.95	\$5.03
3113 – Tool Mfg	\$1.62	\$1.99	\$3.87	\$2.19
3681 – Communication Device Mfg	\$1.40	\$0.83	\$1.70	\$1.87

\*California workers compensation codes may differ.

Source: Workers Compensation Fund

### Electric Power Costs<sup>12</sup>

Rocky Mountain Power, a subsidiary of PacifiCorp, is Utah's primary electric service provider, accounting for over 80% of electricity sales in the state of Utah. Rocky Mountain Power consistently ranks among the lowest-cost electricity producers in the United States. Its parent company, PacifiCorp, provides energy to six western states. Utah also has several municipal power companies that offer competitive electricity rates. Basic rate schedules for commercial and industrial customers of Rocky Mountain Power are shown below. All on-peak time periods for October through April are 7 a.m. to 11 p.m., Monday through Friday (except holidays.) All on-peak time periods for May through September are 1

<sup>11</sup> Source: Utah Department of Workforce Services

<sup>12</sup> Source: Rocky Mountain Power

p.m. to 9 p.m., Monday through Friday (except holidays.) Off-peak time periods are all other times. Please contact EDCUtah for more detailed information concerning specific load profiles.

**Schedule 6 – General Service Rates (Less than 1,000 kilowatts)**

Customer Service Charge	\$15.00	Per Customer	
Facilities Charge	\$4.61 / kW	May – September Billing Months	
	\$3.86 / kW	October – April Billing Months	
Energy Charge	\$0.084174 / kWh	May – September Billing Months	For all On-Peak kWh
	\$0.025342 / kWh	May – September Billing Months	For all Off-Peak kWh
	\$0.070360 / kWh	October – April Billing Months	For all On-Peak kWh
	\$0.021183 / kWh	October – April Billing Months	For all Off-Peak kWh

Source: Rocky Mountain Power

**Schedule 8 – Large General Service Rates (1,000 kilowatts and greater)**

Customer Service Charge	\$15.00	Per Customer	
Facilities Charge	\$3.15 / kW		
Power Charge	\$10.29 / kW	May – September Billing Months	For all On-Peak kW
	None	May – September Billing Months	For all Off-Peak kW
	\$7.42 / kW	October – April Billing Months	For all On-Peak kW
	None	October – April Billing Months	For all Off-Peak kW
Energy Charge	\$0.032776 / kWh	May – September Billing Months	For all On-Peak kWh
	\$0.022776 / kWh	May – September Billing Months	For all Off-Peak kWh
	\$0.025776 / kWh	October – April Billing Months	For all On-Peak kWh
	\$0.022776 / kWh	October – April Billing Months	For all Off-Peak kWh

Source: Rocky Mountain Power

**Schedule 9 – General Service – High Voltage Rates (Supplied at 46,000+ volts from a single point)**

Customer Service Charge	\$100.00	Per Customer	
Facilities Charge	\$1.40 / kW		
Power Charge	\$8.78 / kW	May – September Billing Months	For all On-Peak kW
	None	May – September Billing Months	For all Off-Peak kW
	\$5.95 / kW	October – April Billing Months	For all On-Peak kW
	None	October – April Billing Months	For all Off-Peak kW
Energy Charge	\$0.028634 / kWh	May – September Billing Months	For all On-Peak kWh
	\$0.018634 / kWh	May – September Billing Months	For all Off-Peak kWh
	\$0.021634 / kWh	October – April Billing Months	For all On-Peak kWh
	\$0.018634 / kWh	October – April Billing Months	For all Off-Peak kWh

Source: Rocky Mountain Power

**Utah Cities with Municipal Power Companies**

Utah Associated Municipal Power Systems (UAMPS) is a political subdivision of the State of Utah. UAMPS currently has 48 members consisting of municipal electric utilities and other local government units in Utah, Arizona, California, Idaho, Nevada and New Mexico. UAMPS, a project-based organization, presently operates 14 separate projects to provide a variety of power supply, transmission and related services to its members. EDCUTAH can assist with contacting local municipality power companies and gathering electricity rate data. The following list is provided by the Utah Associated Municipal Power Systems (UAMPS) and the Utah Municipal Power Agency (UMPA.)

Beaver City	Fillmore	Layton City	Mt. Pleasant	Provo City
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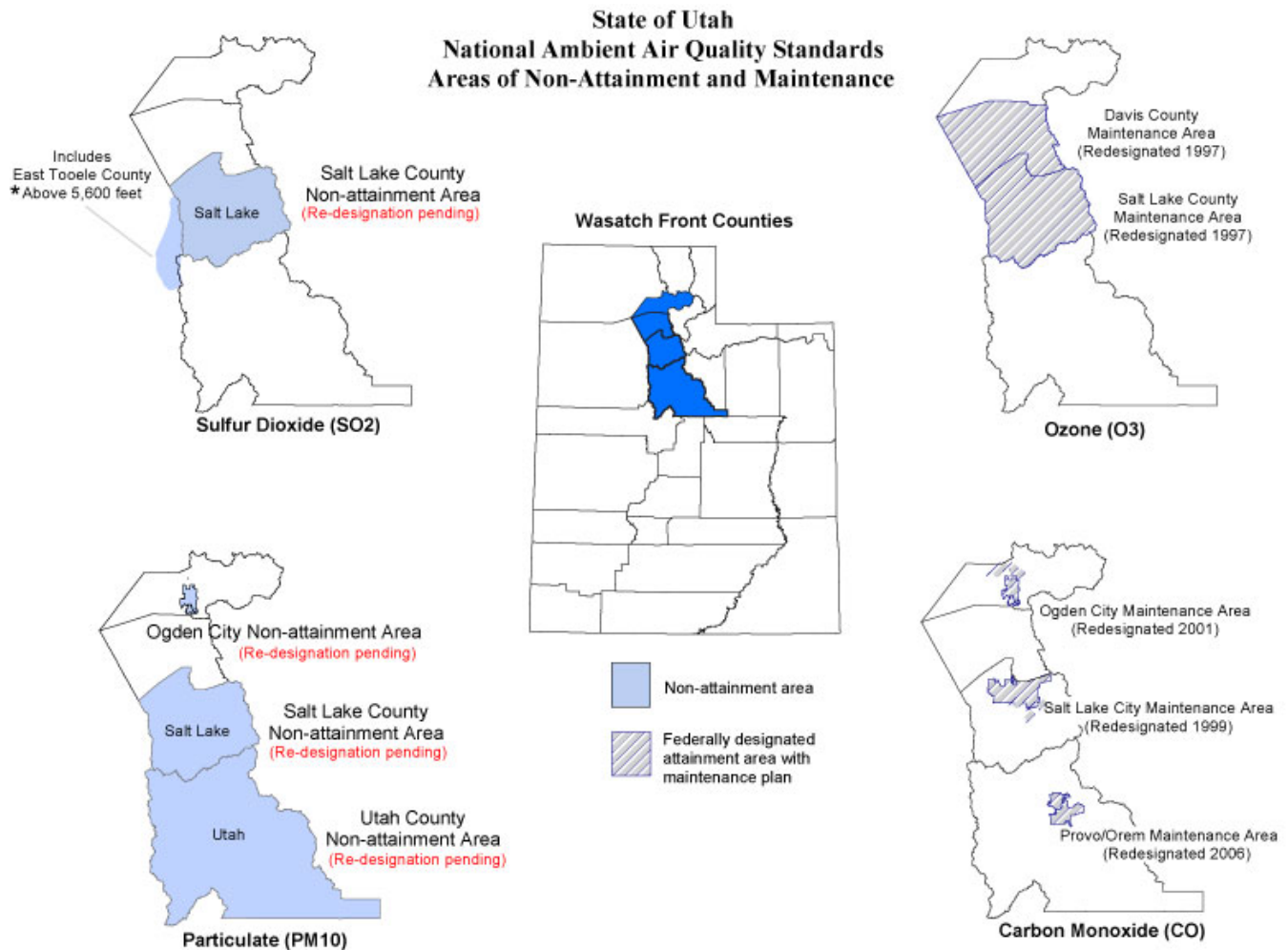
Blanding City	Heber City	Lehi	Murray City	Salem
Bountiful City	Hildale	Levan	Nephi	Santa Clara
Brigham City	Holden Town	Logan	Oak City	Spanish Fork
Eagle Mountain	Hurricane	Manti	Paragonah	Spring City
Enterprise	Hyrum	Meadow Town	Parowan	Springville
Ephraim	Kanosh	Monroe	Payson	St. George
Fairview City	Kaysville	Morgan	Price	Washington City

Source: Utah Associated Municipal Power Systems (UAMPS), Utah Municipal Power Agency (UMPA)

## Department of Environmental Quality (DEQ)

### Attainment & Non-attainment Areas in Utah<sup>13</sup>

Non-attainment areas in Utah protect the state’s air quality against specific pollutants. Utah County, Salt Lake County and a portion of Weber County have non-attainment areas for particulate matter (PM10.) Ogden City and the Provo/Orem area have non-attainment areas for carbon monoxide (CO.) Salt Lake County and the portion of Tooele County with an elevation above 5,600 feet have non-attainment areas for sulfur oxides (SO<sub>2</sub>.) All areas in the state of Utah are currently attainment areas for ozone (O<sub>3</sub>.) The following maps display all non-attainment areas in the state.



<sup>13</sup> Source: Utah Department of Environmental Quality

### Class I Areas in Utah<sup>14</sup>

Class I areas receive the most stringent protection from air quality degradation. Mandatory Class I Federal areas have one of the four following geographical descriptions: (1) international parks, (2) national wilderness areas that exceed 5,000 acres in size, (3) national memorial parks that exceed 5,000 acres in size, and (4) national parks that exceed 6,000 acres in size. There are five Class I areas in the state of Utah: Zion National Park, Bryce National Park, Capitol Reef National Park, Arches National Park and Canyonlands National Park.



Source: Decision Data Resources, EDCUtah

### MAJOR MANUFACTURING COMPANIES IN UTAH

Rank	Organization	Contact	# of Employees	Brief Company Description
1	AlSCO, Inc. 505 East South Temple Salt Lake City, Utah 84102	Kevin Steiner, CEO (801) 328-8831	10,000+	Linen supply service
2	Flying J, Inc. 1104 Country Hills Drive Ogden, Utah 84403	Phillip Adams, CEO (801) 624-1000	10,000+	Petroleum products manufacturing, oil refineries, gas stations, convenience stores
3	Huntsman Chemical Corporation 500 Huntsman Way Salt Lake City, Utah 84108	Peter Huntsman, CEO (801) 584-5700	10,000+	Chemicals manufacturing
4	Shaw Nap Tech, Inc. 210 East 700 South Clearfield, Utah 84015	Frank Corgiat, COO (801) 773-7300	10,000+	Stainless steel pipe and vessels manufacturing
5	The Spectrum 275 East Saint George Boulevard St. George, Utah 84770	Kim Hatem, Controller (435) 674-6200	10,000+	Newspaper publishing and manufacturing

<sup>14</sup> Source: Utah Department of Environmental Quality, EDCUTAH, Demographics Now

6	Wolf Coach 1435 West 8040 South South Salt Lake, Utah 84115	Jason Parkey, Manager (801) 565-9533	10,000+	Television station equipment manufacturing
7	Autoliv North America, Inc. 3350 Airport Road Ogden, Utah 84405	Mike Ward, CEO (801) 625-4800	5,000-9,999	Auto parts and supplies manufacturing
8	Boart Longyear Company 2640 West 1700 South Salt Lake City, Utah 84104	Paul Brunner, CEO (801) 972-6430	5,000-9,999	Products and drilling services in the natural resource industry
9	ICON Health & Fitness, Inc. 1500 South 1000 West Logan, Utah 84321	David Watterson, CEO (435) 750-5000	5,000-9,999	Health and exercise equipment and supplies manufacturing
10	Sinclair Oil Corporation 550 East South Temple Salt Lake City, Utah 84102	Earl Holding, CEO (801) 524-2700	5,000-9,999	Petroleum products manufacturing, oil refineries, gas stations, convenience stores
11	3Com 3930 Parkway Boulevard Salt Lake City, Utah 84120	(801) 320-7000	1,000-4,999	Communication equipment manufacturing
12	Alliant Techsystems 5000 South 8400 West Magna, Utah 84044	Ron Dittmore, Manager (801) 250-5911	1,000-4,999	Aircraft and graphite manufacturing in the aerospace industry
13	BD Medical 9450 South State Street Sandy, Utah 84070	John Hill, Human Resource Exec (801) 565-2300	1,000-4,999	Physicians and surgeon equipment manufacturing
14	Cornerstone Nutritional Labs 218 South 200 West Farmington, Utah 84025	Steve Hatchett, CEO (801) 451-0120	1,000-4,999	Health food products manufacturing
15	Dyno Nobel 2650 Decker Lake Boulevard, # 3 Salt Lake City, Utah 84119	Peter Richards, CEO (801) 364-4800	1,000-4,999	Explosives manufacturing
16	Franklin Covey Company 2200 Parkway Boulevard Salt Lake City, Utah 84119	Robert Whitman, CEO (801) 817-1776	1,000-4,999	Planners, calendars, schedulers, binders and other various office supplies manufacturing & training
17	Headwaters, Inc. 10653 River Front Parkway, # 300 South Jordan, Utah 84095	Craig Hickman, President (801) 984-9400	1,000-4,999	Chemicals manufacturing
18	Kennecott Corporation 8362 West 10200 South Bingham Canyon, Utah 84006	Bill Champion, CEO (801) 252-3000	1,000-4,999	Mining, extruding, smelting and refining various minerals and natural resources
19	Kimberly-Clark / Ballard Medical 12050 Lone Peak Parkway Draper, Utah 84020	Tim Dye, CEO (801) 572-6800	1,000-4,999	Physicians and surgeons plastic and sanitary equipment and supplies manufacturing
20	Lifetime Products, Inc. Freeport Center Building, D11 Clearfield, Utah 84015	Barry Mower, CEO (801) 776-1532	1,000-4,999	Health and exercise equipment and supplies manufacturing
21	Merit Medical Systems, Inc. 1600 Merit Parkway South Jordan, Utah 84095	Fred Lampropoulos, CEO (801) 253-1600	1,000-4,999	Physicians and surgeons equipment and supplies manufacturing
22	Mrs. Field's Original Cookies 2855 East Cottonwood Parkway, #400 Salt Lake City, Utah 84121	Stephen Russo, CEO (801) 736-5600	1,000-4,999	Cookie and cracker manufacturing, bakery franchise, miscellaneous food stores
23	Nature's Sunshine Products, Inc. 75 East 1700 South Provo, Utah 84606	Douglas Faggioli, CEO (801) 342-4300	1,000-4,999	Health and beauty aids, vitamins, food supplements and herbs manufacturing
24	Nestle USA 815 Raymond Klauk Way Springville, Utah 84663	Flynn Shivers, Plant Manager (801) 489-8621	1,000-4,999	Frozen food processing and manufacturing
25	O.C. Tanner Manufacturing 1930 South State Street Salt Lake City, Utah 84115	Kent Murdock, CEO (801) 486-2430	1,000-4,999	Jewelry, plaques and metal goods manufacturing
26	Sento Corporation 420 East South Temple, # 400 Salt Lake City, Utah 84111	Kim Cooper, CEO (801) 431-9200	1,000-4,999	Computer software publishing and manufacturing

27	Staker & Parson Company 2350 South 1900 West Ogden, Utah 84401	Scott Parson, Plant Manager (801) 731-1111	1,000-4,999	Ready-mix concrete and asphalt products manufacturing
28	Trebor International, Inc. 8100 South 1300 West West Jordan, Utah 84088	Greg Orr, President (801) 561-0303	1,000-4,999	Specialty pump, pump equipment and semiconductor manufacturing

Source: InfoUSA

## FOR ADDITIONAL INFORMATION

Economic Development Corporation of Utah  
201 South Main Street, Suite 2150  
Salt Lake City, Utah 84111  
Phone (801) 328-8824  
Fax (801) 531-1460  
[www.EDCUtah.org](http://www.EDCUtah.org)



201 South Main Street, Suite 2150  
Salt Lake City, Utah 84111  
Phone 801-328-8824  
Fax 801-531-1460

[www.EDCUtah.org](http://www.EDCUtah.org)