



THE UNIVERSITY OF UTAH

Kem C. Gardner

POLICY INSTITUTE

INFORMED DECISIONS™

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Why Is Utah a High Growth State?

1. Labor Market; Supply, Cost, and Quality
2. Geography/Transportation Infrastructure. (rail, surface roads, and air)
3. Demographic Growth and Characteristics.
4. Quality of Life.
5. State's Fiscal Condition and Business Climate.
6. High Growth Region.
7. Rise of Utah's High-Tech Sector
8. Favorable Distribution of Income.

Numeric Increase in Population 2012 to 2022

***21.8% increase ranks 1st among all states**

	State	Numeric Increase 2012-2022	% Chg.
1	Texas	4,787,601	19.0%
2	Florida	3,399,286	18.0%
3	California	1,709,840	4.6%
4	Georgia	1,200,995	12.4%
5	North Carolina	1,124,650	11.7%
6	Washington	1,042,956	15.5%
7	Arizona	952,025	14.9%
8	Colorado	792,577	15.7%
9	Tennessee	696,028	11.0%
10	Virginia	659,920	8.2%
11	South Carolina	646,985	14.0%
12	Utah	605,468	21.8%*

Source: U.S. Census Bureau.

Top-Ranked States by Numeric Increase in Employment, (July 2013 to July 2023)

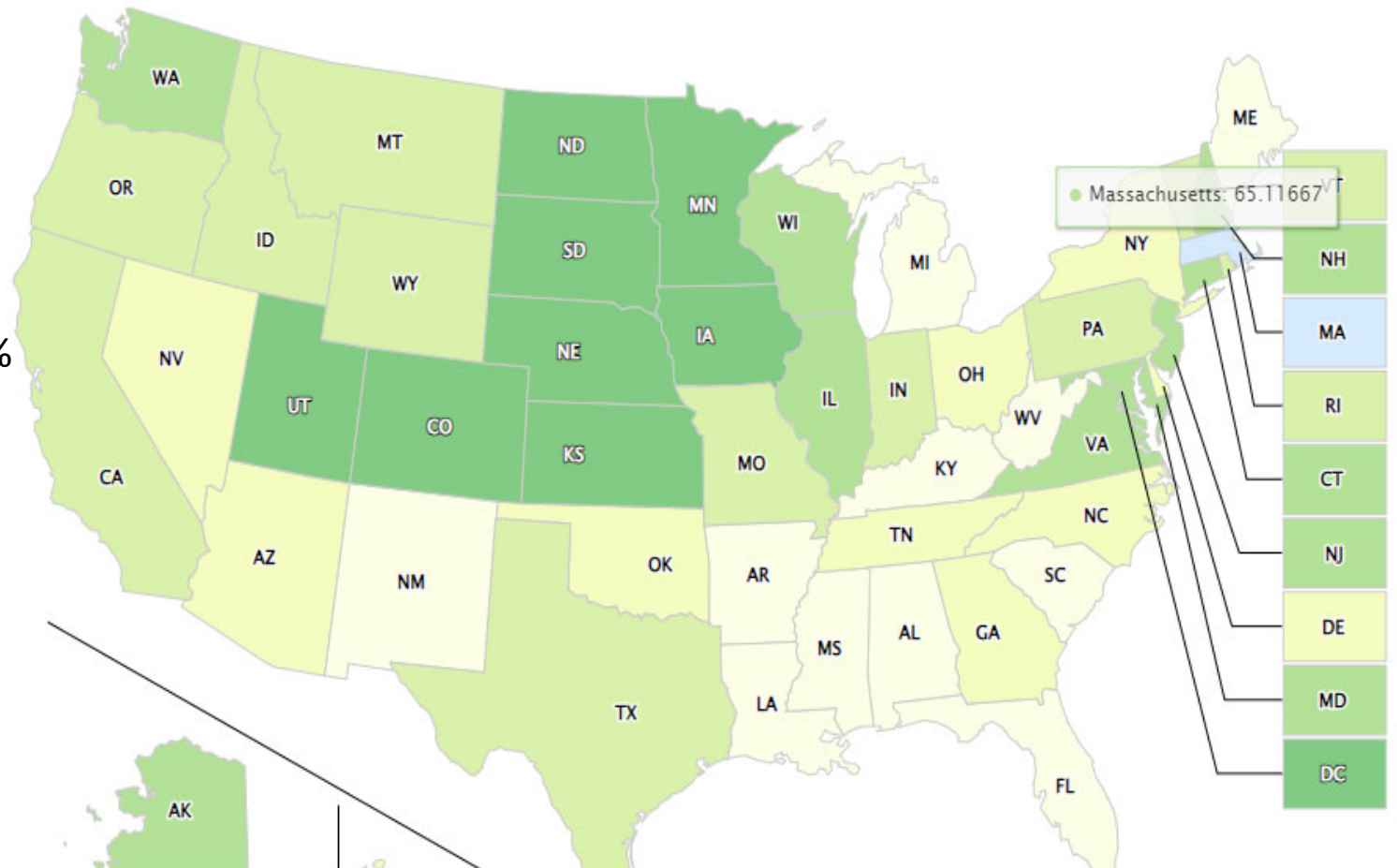
***34.5% increased ranks first among all states**

Rank	State	Numeric Change	% Chg.
1	California	2,978.4	19.8%
2	Texas	2,711.0	24.2%
3	Florida	2,194.1	29.4%
4	Georgia	881.7	22.0%
5	North Carolina	909.0	22.9%
6	New York	788.0	8.8%
7	Arizona	645.1	26.3%
8	Washington	658.7	22.0%
9	Colorado	536.1	22.4%
10	Tennessee	566.5	20.7%
11	Utah	441.4	34.5%*

Source: U.S. Bureau of Labor Statistics

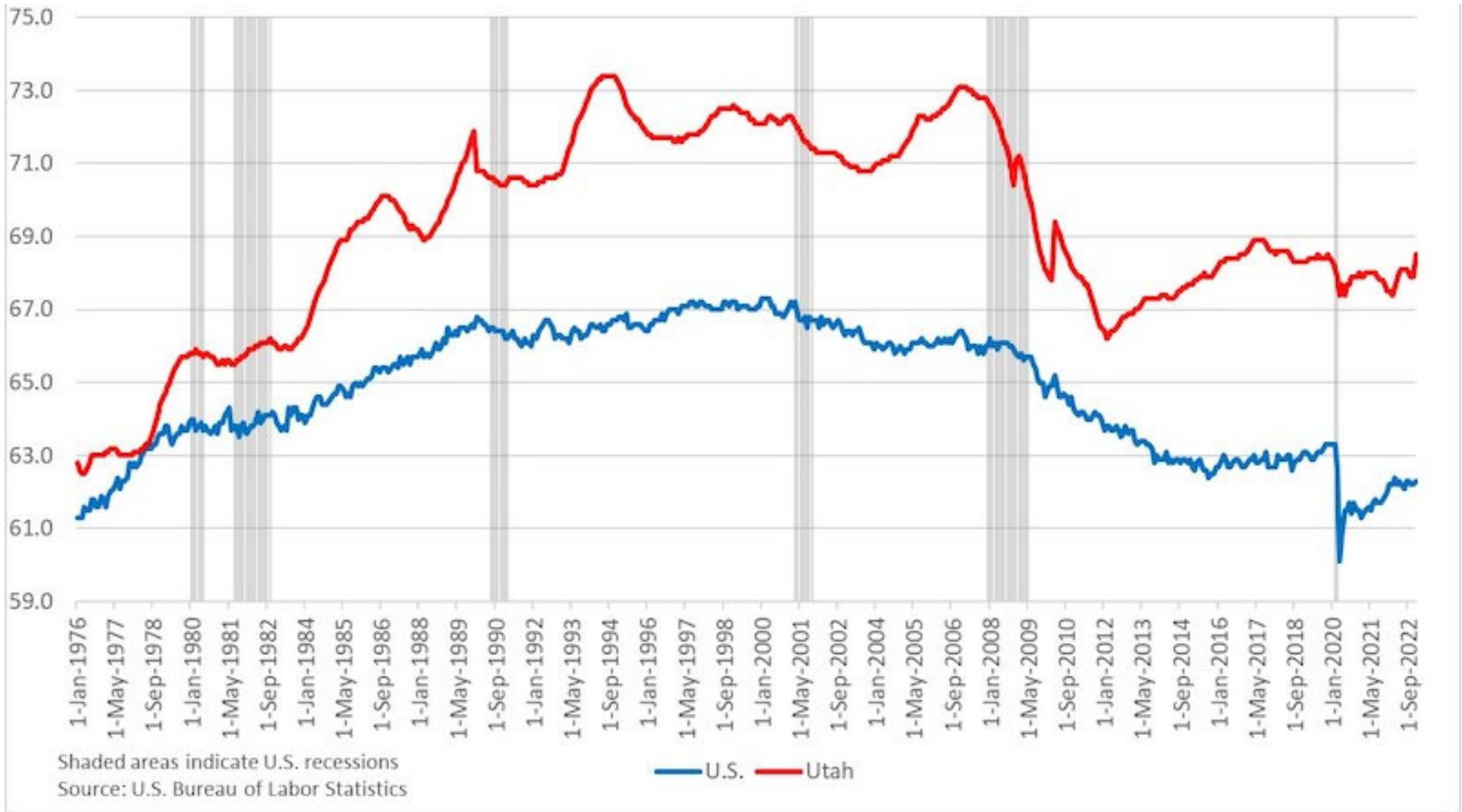
Labor Force Participation Rate, 2022

Utah Ranks Third

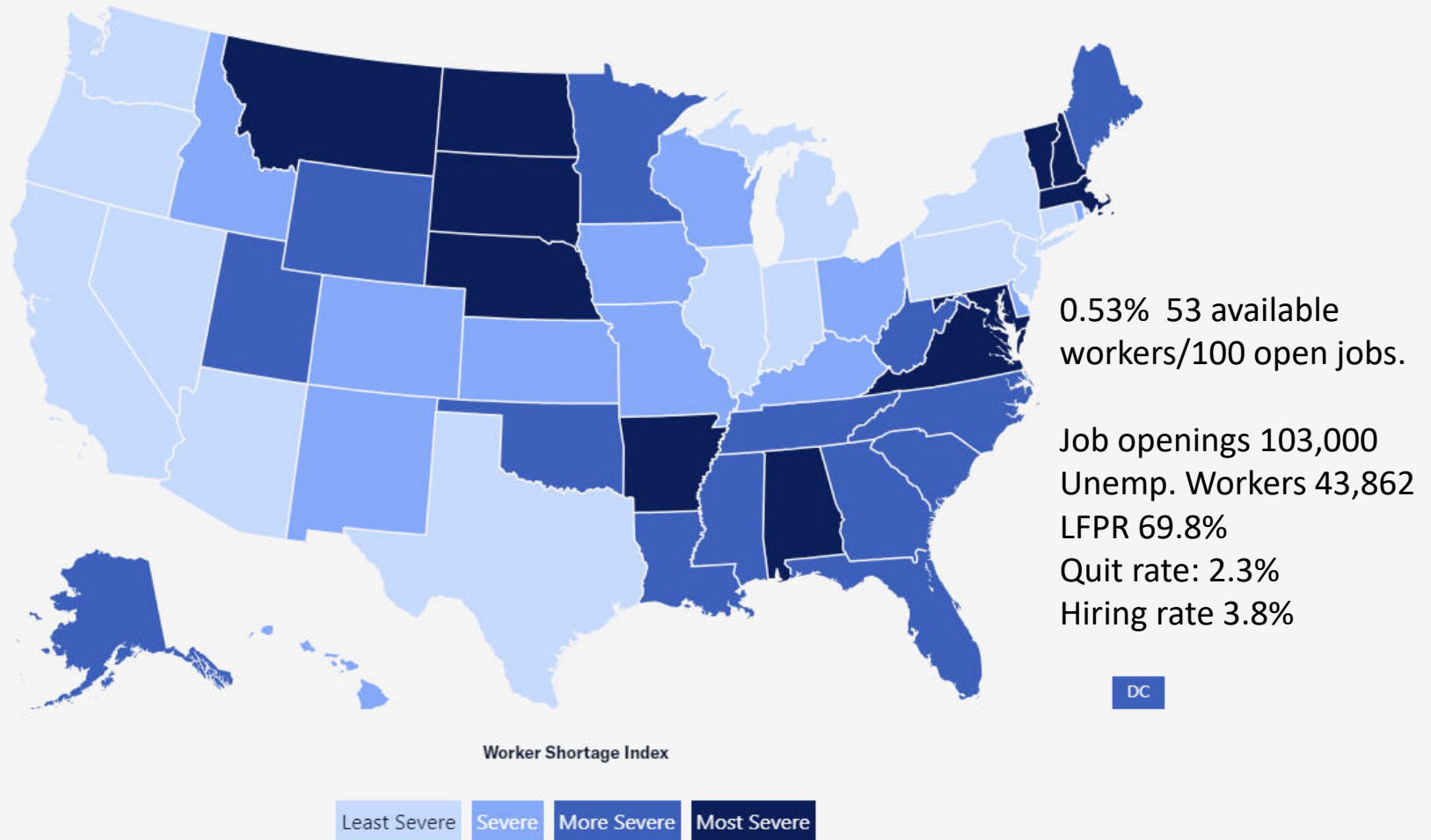


1. Nebraska 69.7%
 2. South Dakota 69.2%
 3. Utah 68.7%
- US 62.2%

Labor Force Participation Rate: US and Utah 1976 to 2022



America's Labor Shortage: The Most Impacted States, 2023



Source: U.S. Chamber of Commerce, The Worker Shortage Across America.

Competitive Wage Rates Have Supported High Rates of Growth, States Ranked by Average Wage Annual Pay

1	New York	\$88,035
2	Massachusetts	\$87,752
3	California	\$85,741
4	Washington	\$82,477
5	Connecticut	\$77,840
31	Utah	\$57,837
46	Oklahoma	\$51,317
47	South Dakota	\$51,254
48	Idaho	\$50,744
49	West Virginia	\$50,498
50	Mississippi	\$44,958

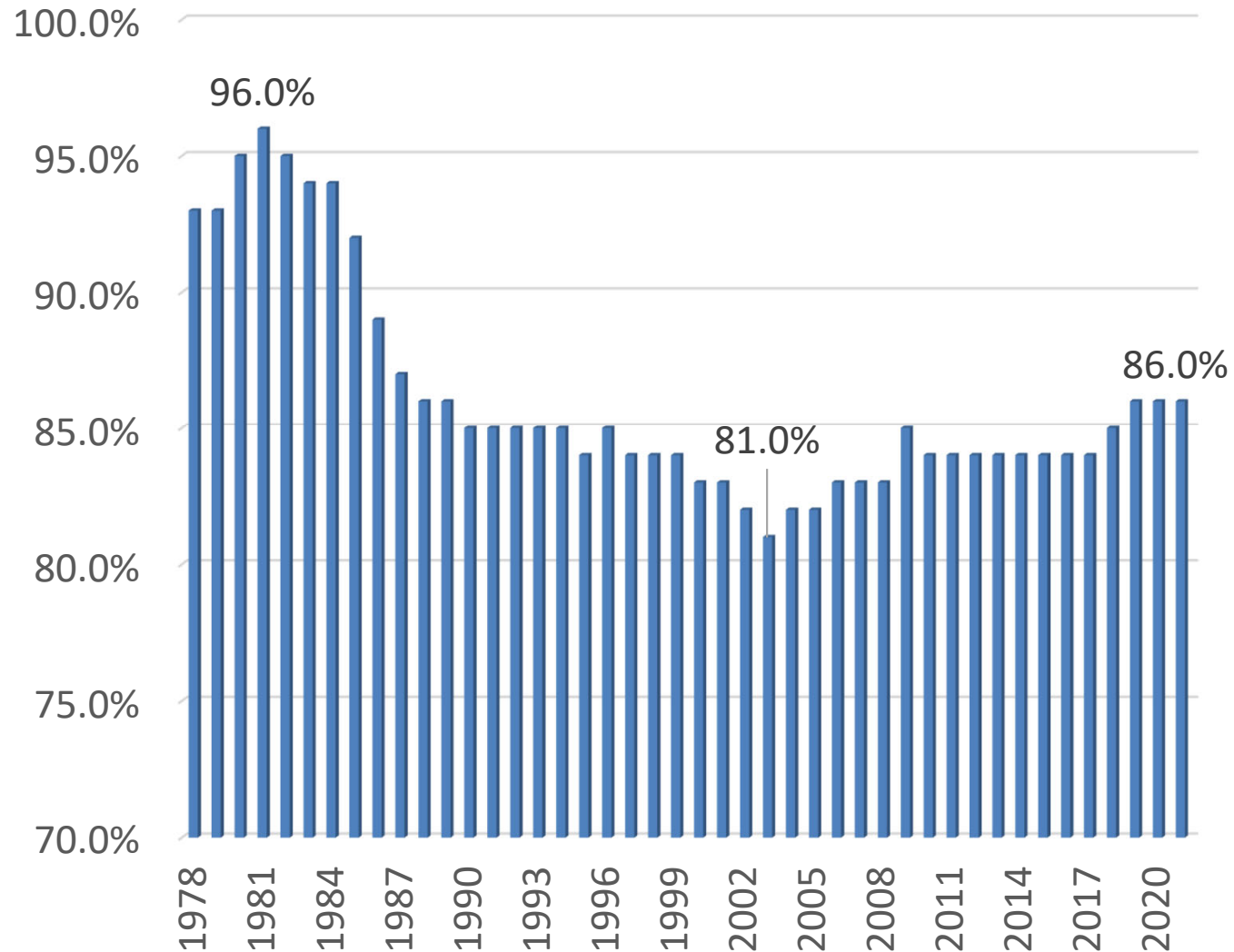
Source: Bureau of Labor Statistics.

Annual Average Wage by Occupation 2022

	Utah	Colorado	Arizona	US
Management Occupations	\$111,160	\$149,300	\$115,560	\$131,200
Computer and Mathematical Occupations	\$94,850	\$116,620	\$98,400	\$108,130
Health Care Practitioners	\$90,120	\$99,690	\$93,250	\$96,770
Business and Financial Operations	\$73,720	\$88,330	\$77,380	\$86,080
Construction Occupations	\$52,380	\$57,430	\$52,470	\$58,400
Sales and Related Services	\$49,520	\$61,270	\$48,500	\$50,370
Transportation and Material Moving Occupations	\$44,280	\$48,520	\$43,410	\$43,930
Production Occupations	\$44,090	\$48,120	\$45,460	\$45,370
Office and Administrative Support	\$42,370	\$48,660	\$44,010	\$45,550
Food Preparation and Serving	\$30,300	\$37,280	\$37,260	\$32,130
All Occupations	\$57,360	\$67,870	\$58,620	\$61,900

Source: U.S. Bureau of Labor Statistics

Utah's Average Wage Rate as Percent of National Average Wage Rate (source: BLS)



Source: U.S. Bureau of Labor Statistics.

Top Ranked States: Median Household Income, 2021

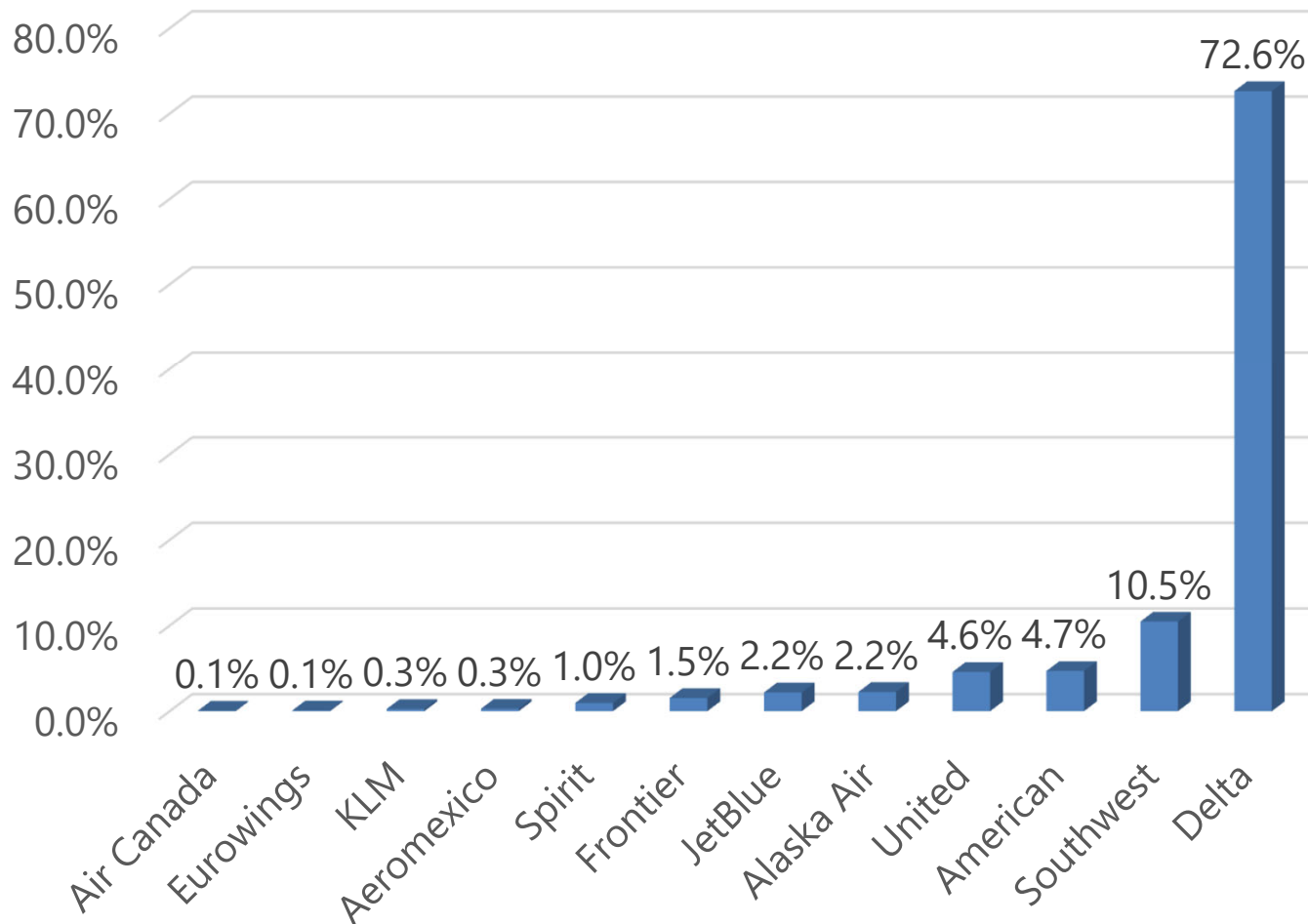
Rank	State	Median Household Income
1	Maryland	\$90,203
2	DC	\$90,088
3	Massachusetts	\$89,645
4	New Jersey	\$89,296
5	New Hampshire	\$88,465
6	California	\$84,907
7	Hawaii	\$84,857
8	Washington	\$84,247
9	Connecticut	\$83,771
10	Colorado	\$82,254
11	Virginia	\$80,963
12	Utah	\$79,449

Source: U.S. Census.

Ranking of Selected U.S. Airports

Rank	Airport	Passenger Traffic (Millions)
1	Hartsfield-Jackson Atlanta International	93.7
3	Denver International	69.3
5	Los Angeles International	65.9
7	Harry Reid International	52.7
11	Seattle-Tacoma International	45.9
12	Phoenix Sky Harbor International	44.4
21	Salt Lake City International	25.8

Share of Passenger Traffic by Carrier, Salt Lake International Airport, 2022



Source: Salt Lake International Airport, Air Traffic Statistics.

Interstate Highway System

Drive time from SLC: Seattle 12h 30 m, Portland 11h 31m
San Fran. 10h 44m, LA 10h 22m, San Diego 11h 16m

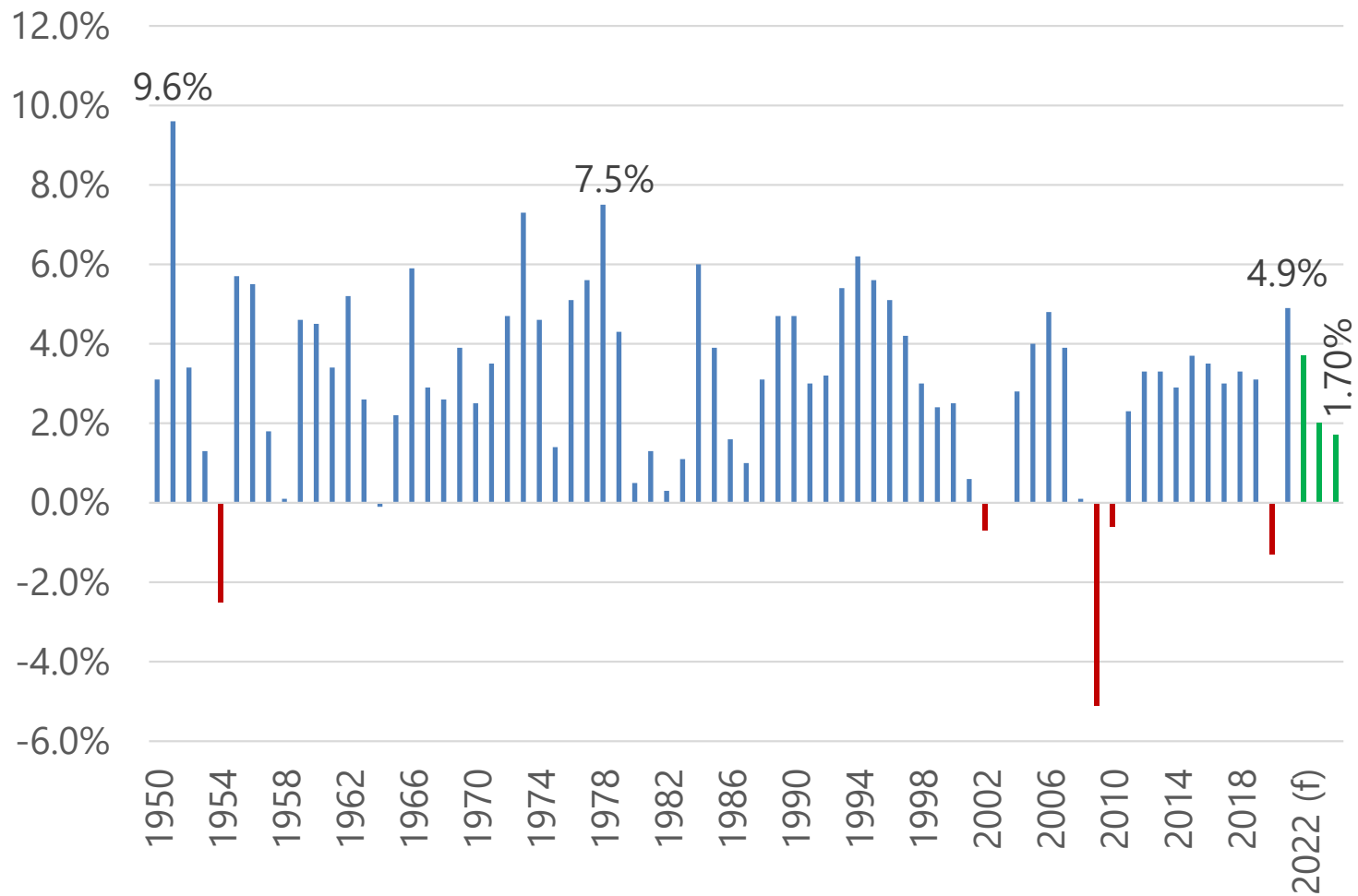


Railroad System



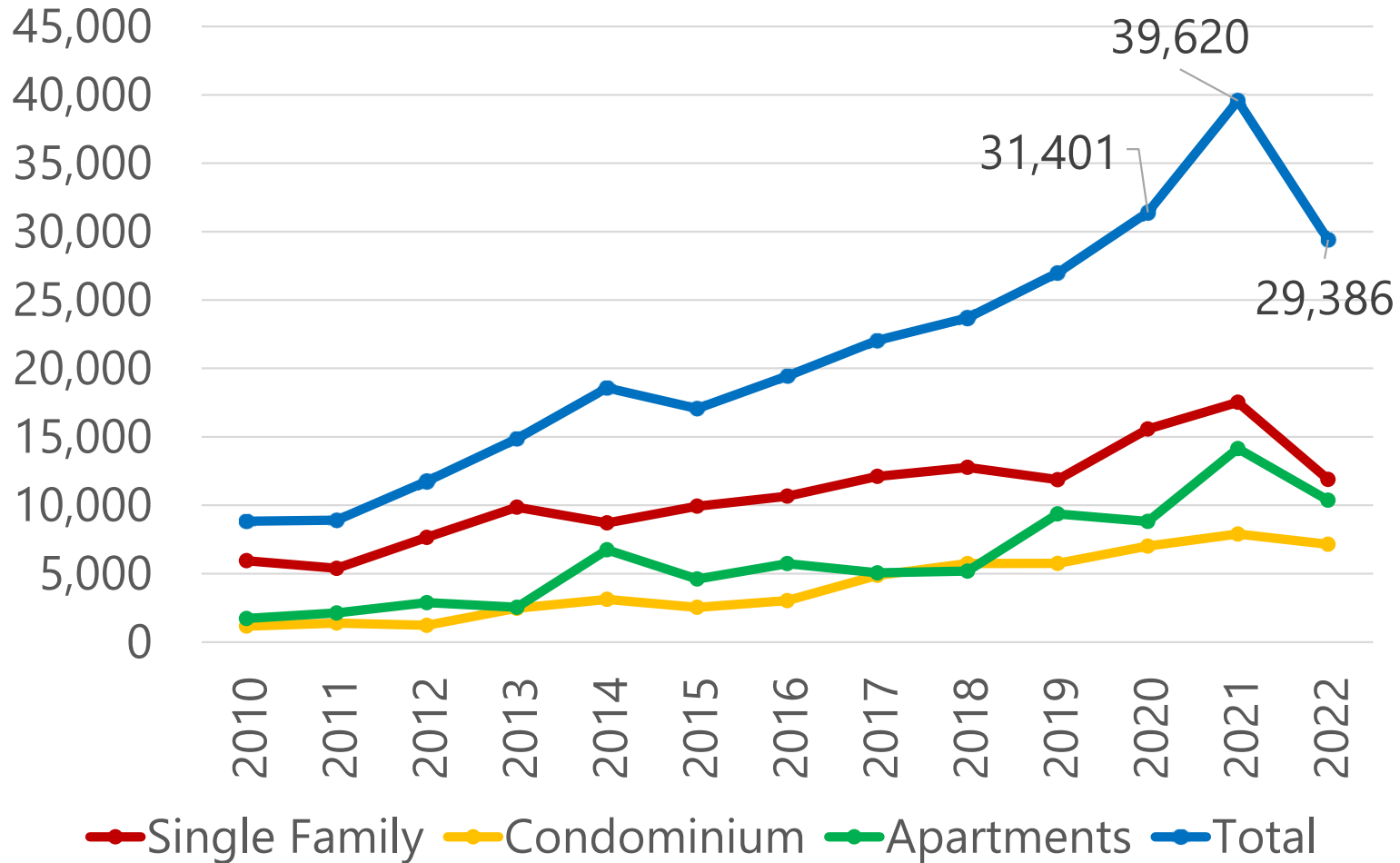
Will Utah Have a Recession?

Year-Over % Chg. In Employment in Utah



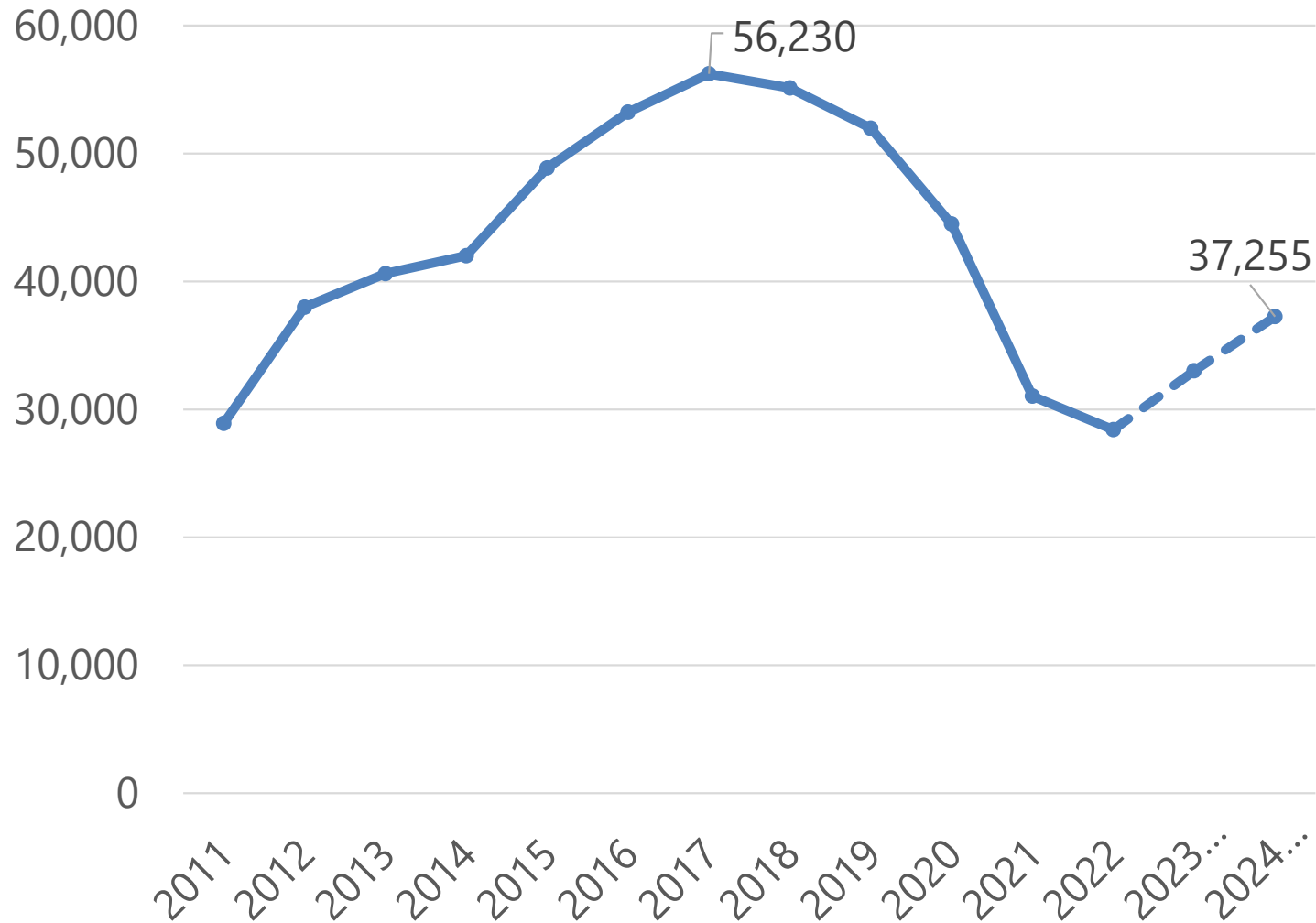
Source: Utah Department of Workforce Services.

Most Volatile Two Years in Utah's Homebuilding History, 2021-2022



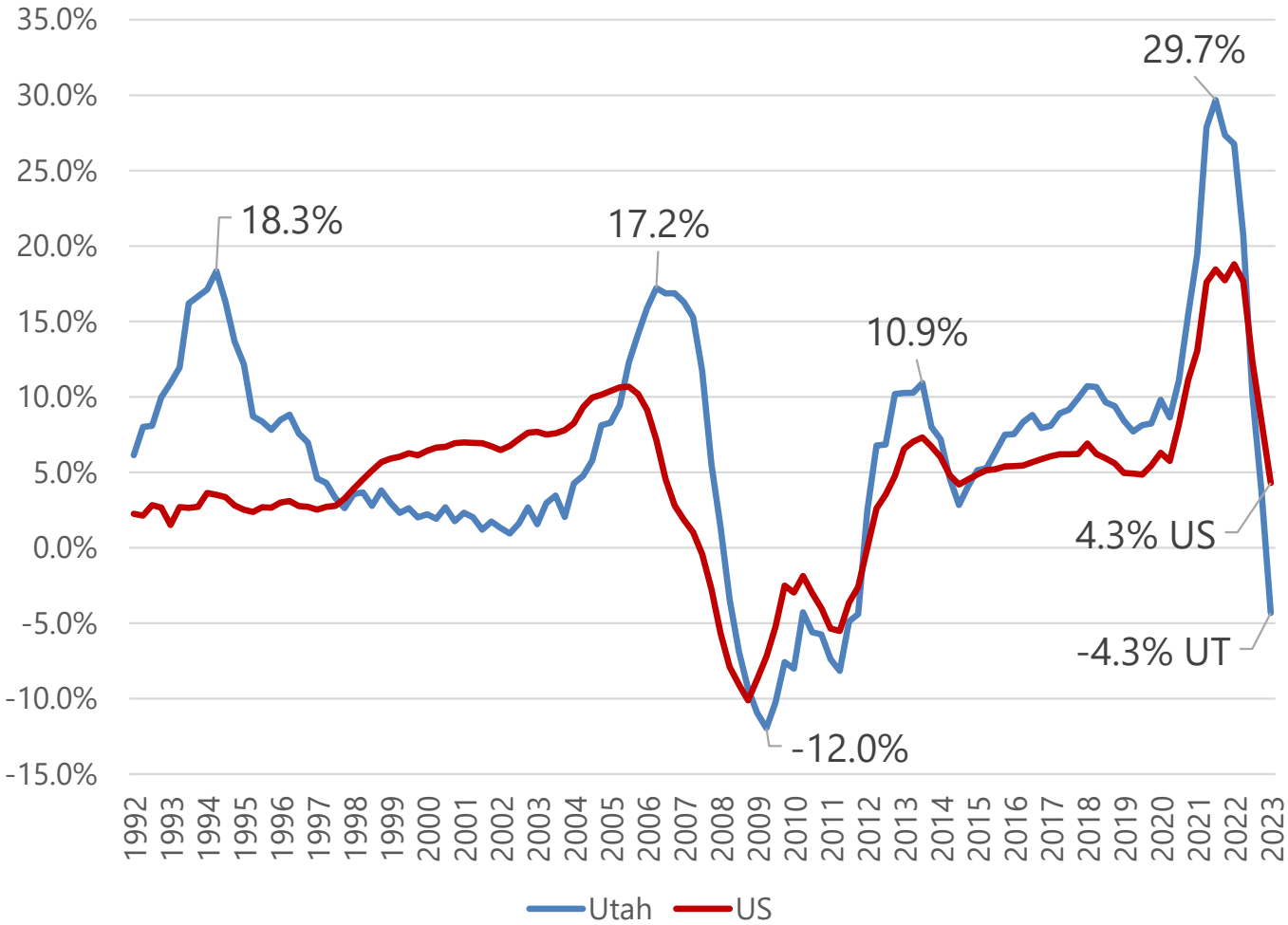
Source: Kem C. Gardner Policy Institute.

Utah Housing Shortage Could Worsen Over Next Two Years



Source: Kem C. Gardner Policy Institute.

Housing Price Trends in Utah



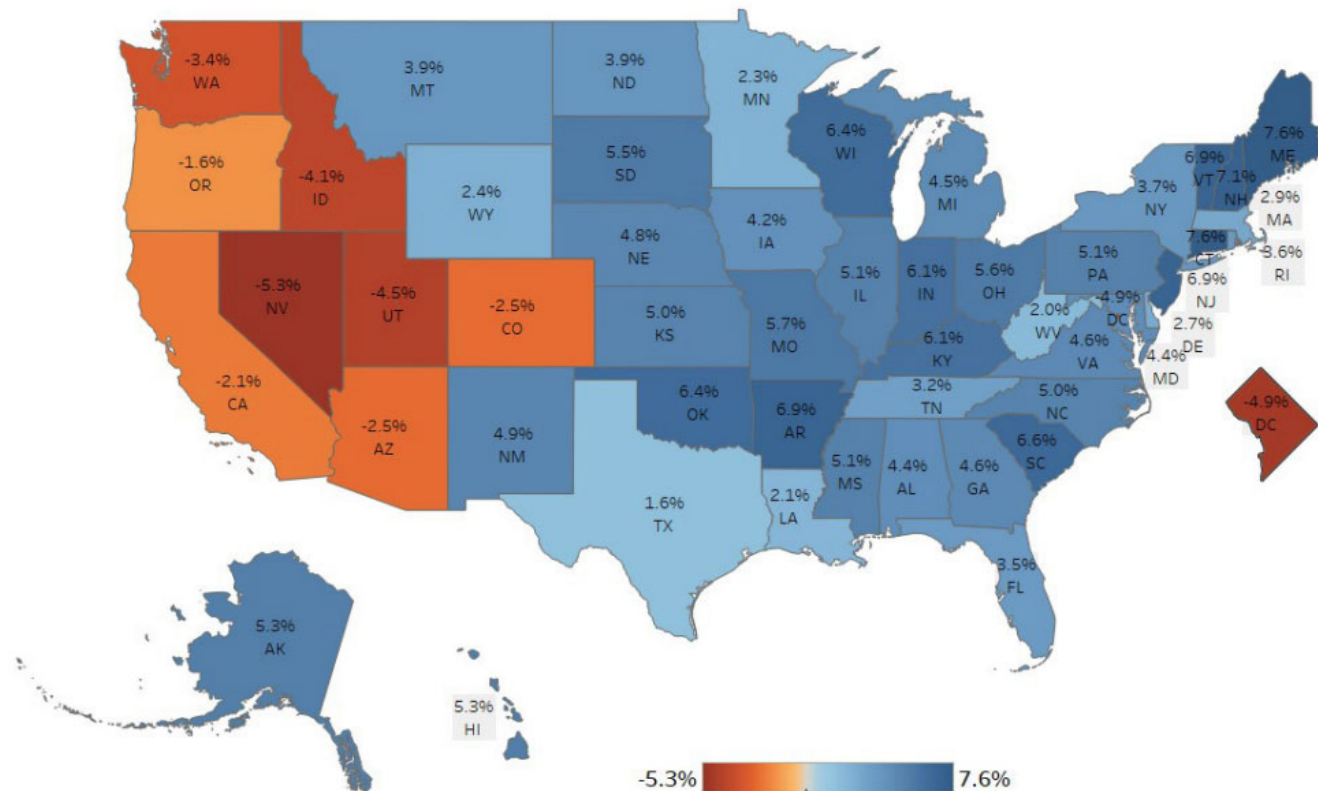
Source: Federal Housing Finance Agency.

Year-Over Second Quarter Change in FHFA Price Index

Four-Quarter House Price Change by State

Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal)

U.S. Four-Quarter Appreciation = 3.0% (2022Q2-2023Q2)

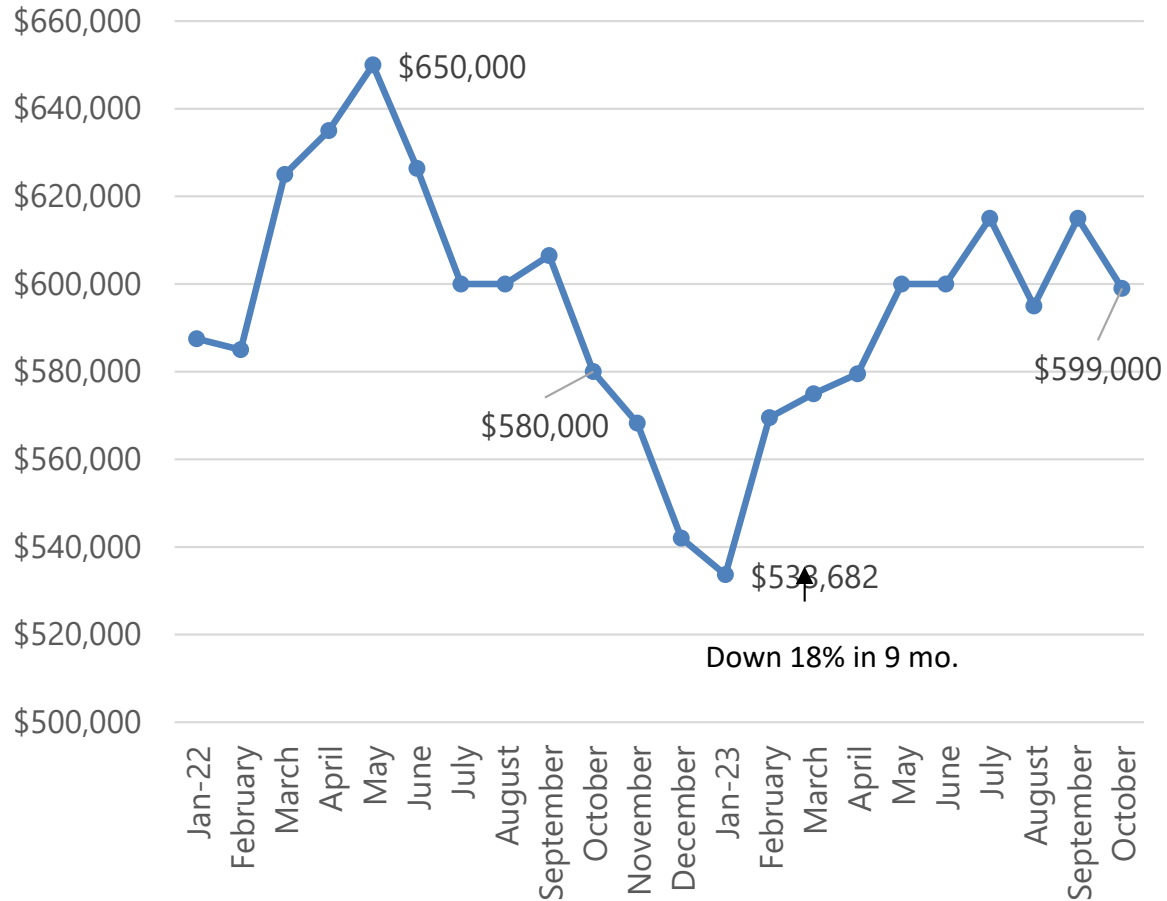


Source: FHFA HPI®

Source: Federal Housing Finance Agency.

Monthly Median Sales Price of Home in Salt Lake County

(Jan to Oct 2022 \$615,000 compared to Jan to Oct 2023 \$590,000; down 4%)



Source: UtahRealEstate.com

Top Five States Ranked by Increase in the Federal Housing Finance Agency Price Index (1991 Q1 to 2023 Q2)

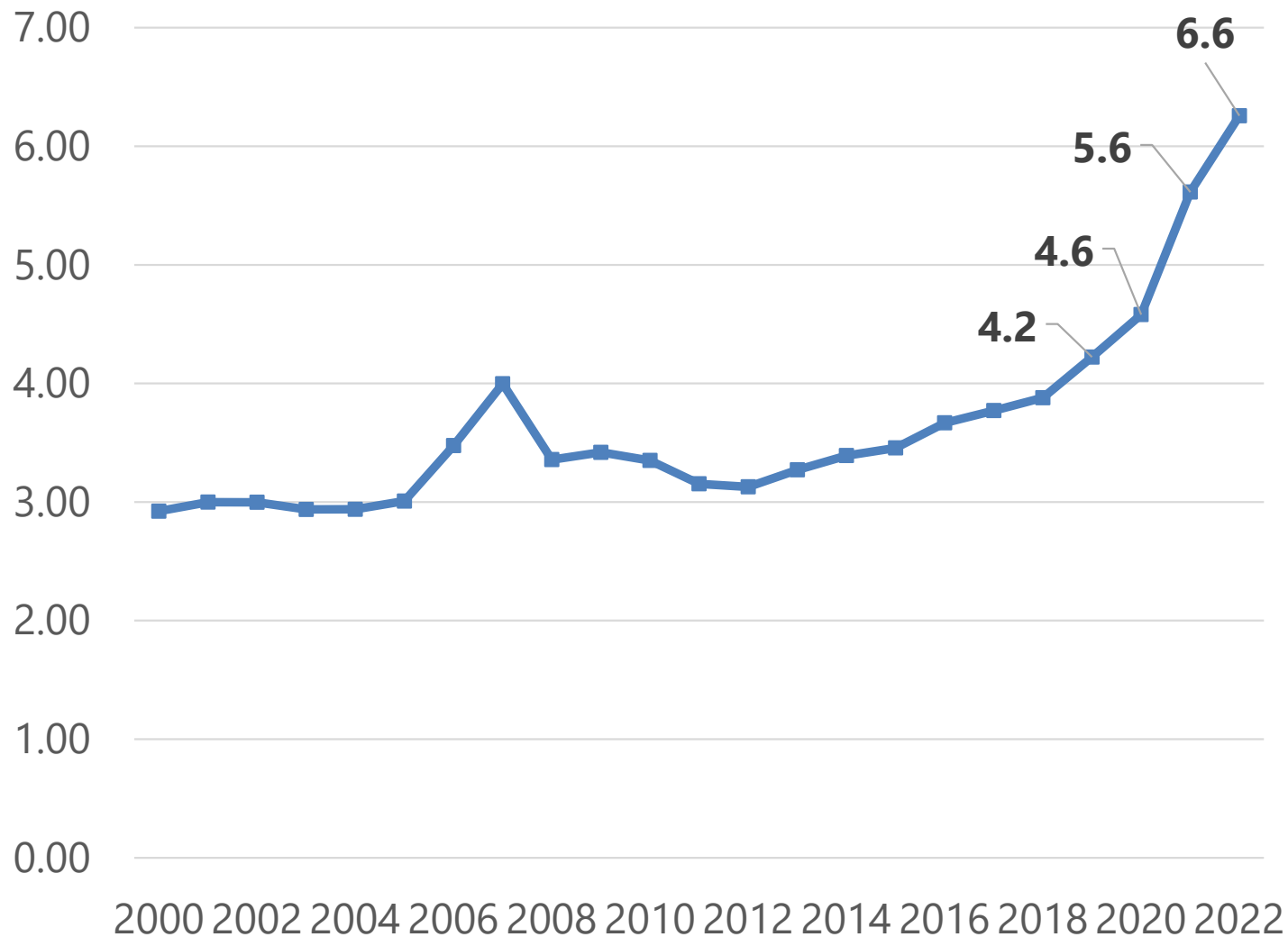
State	Percent Increase (1991 = 100)	Average Annual Rate of Change	
		Current	Constant (adj. inflation)
Montana	583.84%	5.66%	3.04%
Utah	580.42%	5.65%	3.03%
Colorado	569.39%	5.58%	2.96%
Oregon	512.32%	5.24%	2.63%
Idaho	504.78%	5.18%	2.58%
U.S.	297.66%	3.47%	0.90%

Source: Federal Housing Finance Agency and U.S. Bureau of Labor Statistics.

Ranking Housing Prices in Utah Metro Areas (185 Metro Areas)

Metropolitan Area	Median Sales Price Q2 2023	Ranking
Salt Lake	\$546,900	27th
St. George	\$548,000	26th
Provo-Orem	\$520,000	29 th
Clearfield-Ogden	\$486,000	34th
Source: National Association of Realtors		

Median Middle as Measure of Affordability (Median Price of Single-Family Home Divided by Median Household Income; Salt Lake County)



Source: Gardner Policy Institute.

Mortgage Payment Calculation for Median Priced Home in Salt Lake County, Q3 2021 to Q3 2023, (single-family, condo, townhome)

	Q3 2021	Q3 2022	Q3 2023	Q3 2023
Median sale price	\$480,000	\$525,000	\$527,300	\$300,000
5% down	24,000	26,250	26,365	15,000
Amount to Finance	\$456,000	\$498,750	\$500,935	\$285,000
Interest rate	2.87%	5.62%	7.00%	7.00%
Principal and interest payment	\$1,893	\$2,876	\$3,493	\$1,888
Private mortgage insurance, monthly amount	\$380	\$416	\$417	\$238
Home insurance	\$100	\$100	\$100	\$100
Property tax .007% of home value, monthly amount	\$280	\$306	\$307	\$175
Total mortgage payment	\$2,653	\$3,698	\$4,317	\$2,401
Income required to finance median priced home	\$106,120	\$147,920	\$172,680	\$96,040
Number of homes sold under \$300,000				313
Total homes sold 01/01/2023 to 09/30/2023				8,616
% share of homes sold				3.60%

Economic Forecast for Utah, October 2023

	2022	2023	2024	% Chg. 2022-2023	% Chg. 2023-2024
Nonagricultural Employment (000)	1,684	1,727	1,759	2.6%	1.9%
Average Annual Pay	\$60,408	\$63,101	\$65,283	4.5%%	3.5%
Unemployment Rate	2.3%	2.6%	2.9		
Nonresidential Construction (billion)	\$3.6	\$2.6	\$2.2	-27.7%	-15.4%
Number of New Dwelling Units	29,883	19,000	19,000	-36.4%	0.0%
Value of Residential Construction (billion)	\$7.1	\$4.5	\$4.6	-37.6%	2.2%
Taxable Retail Sales (billion)	\$53.7	\$53.6	\$55.2	-0.2%	3.0%
Number of New Auto and Truck Sales (000)	129,000	139,000	145,000	7.8%	4.3%
Utah Exports (billion)	\$16.6	\$18.1	\$19.4	9.0%	7.2%
	Source: Governor's Office of Management and Budget and Utah Legislative Fiscal Analyst Office.				

The Next Twelve Months

- No recession in Utah.
- Wage increase likely to slow.
- Housing affordability worsens.
- Mortgage rates to remain high, 7.0%-8.0%
- Housing prices will stabilize by 3Q-4Q.
- Home building drops to 19,000 in 2023, 36% drop. No recovery in 2024, 19,000.
- Many sectors will see slight slowdown in economic growth and activity over next 12 months.