



Kem C. Gardner

POLICY INSTITUTE

THE UNIVERSITY OF UTAH

Utah Economic Insights

Salt Lake Estate Planning Council

November 10, 2021

Juliette Tennert, Chief Economist

INFORMED DECISIONS™

About the Kem C. Gardner Policy Institute



Our Vision: *Be Utah's preeminent public policy institute and a vital gathering place for policy leadership and thoughtful discourse that helps our community prosper.*

Our Mission: *Develop and share economic, demographic, and public policy research that sheds light and helps people make INFORMED DECISIONS™.*

Utah's Defense Economy

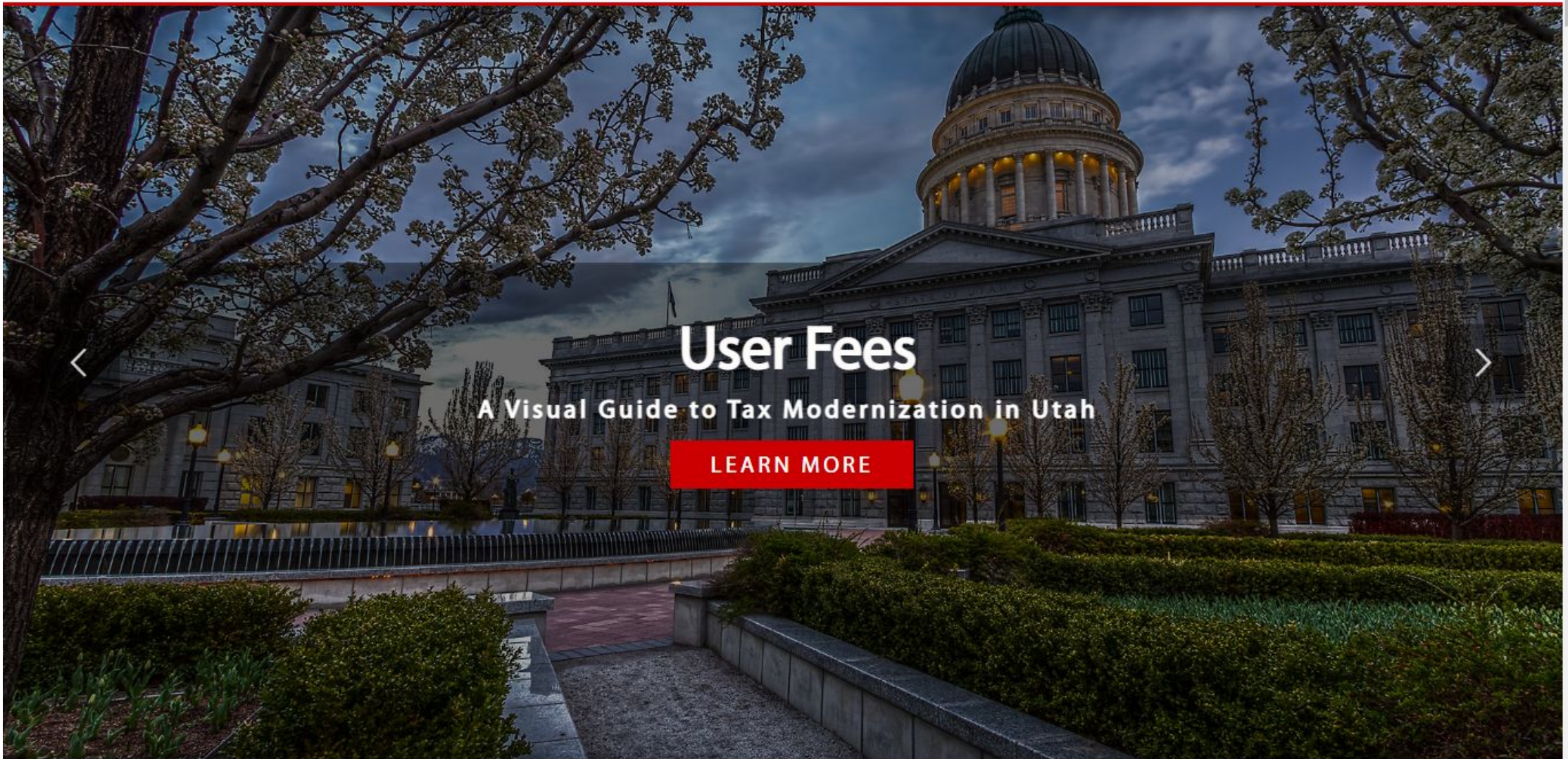
Defense industry contributes \$19.3 billion to Utah economy

LEARN MORE

2020 Census

Latest redistricting data now available

LEARN MORE



Outdoor Recreation and Utah Business

Access to recreation most important factor to tech employees

LEARN MORE



Key Insights

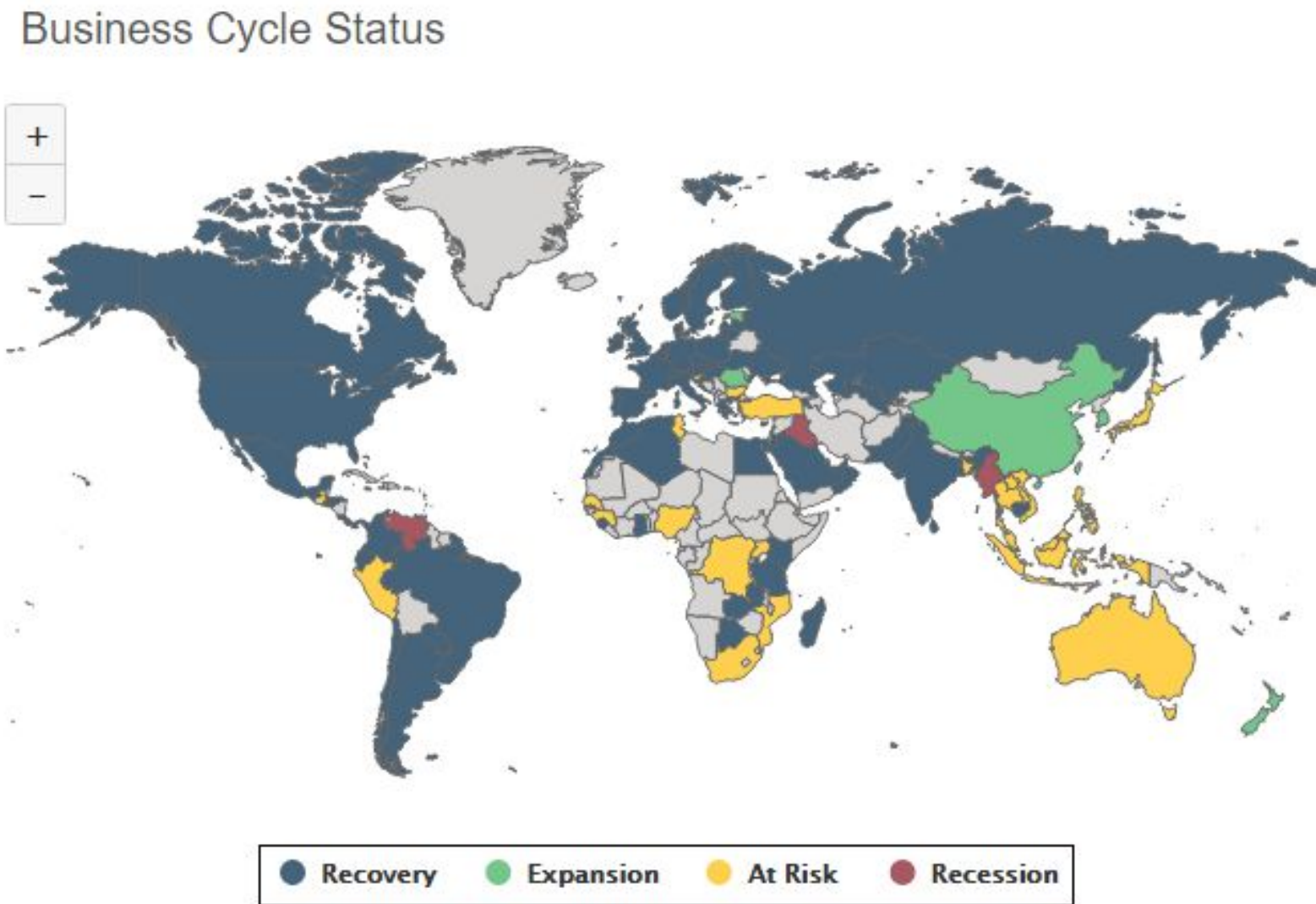
1. An economic recovery is underway
2. Utah leads the nation
3. Economic growth yields growing pains
4. The outlook is positive, with risks



Key Insights

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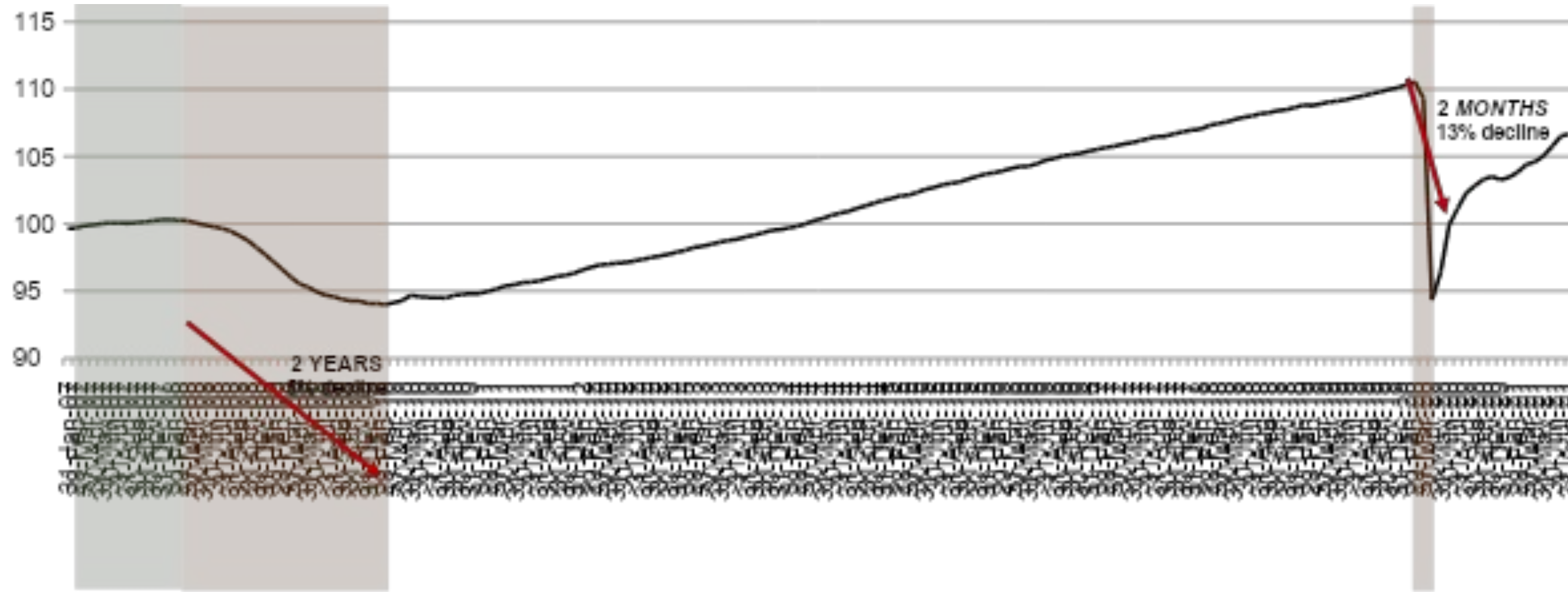
Global economic recovery



Recovering from swift, severe downturn

Jobs Index: United States

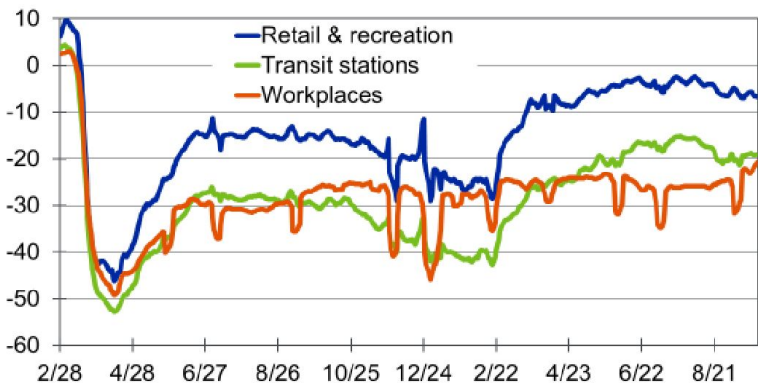
2007 = 100



Recovering from swift, severe downturn

Mobility Is Holding On

Select destinations, % change from baseline, 7-day MA



Sources: Google, Moody's Analytics

Travel Edges Higher

Travelers through TSA checkpoints, ths, 7-day MA



Sources: Transportation Security Administration, Moody's Analytics

Housing Demand Perks Up

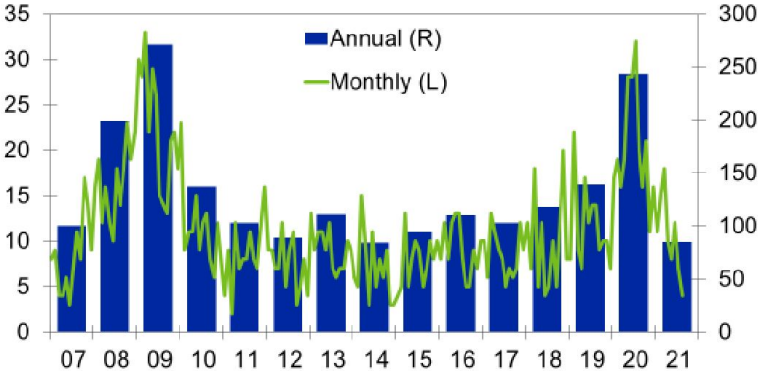
U.S. applications for purchase, index



Sources: Mortgage Bankers Association, Moody's Analytics
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Bankruptcy Filings Slow Further

Chapter 7 & 11 filings, businesses w/ liabilities >\$50 mil



Sources: Bloomberg, Moody's Analytics

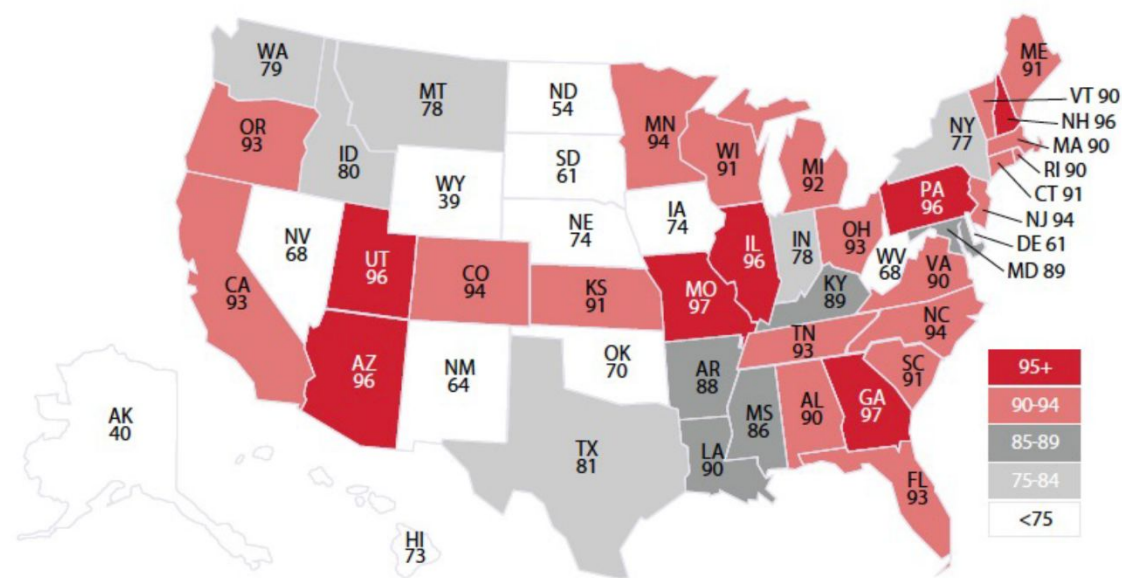


Key Insights

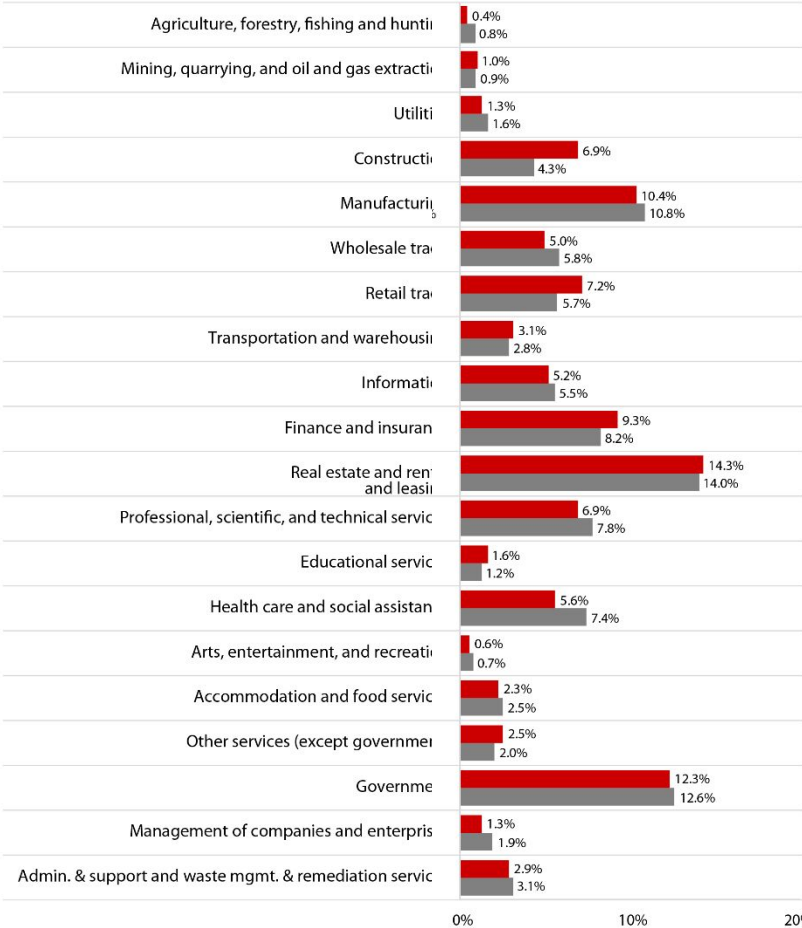
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Utah Advantage 1: Economic Diversity

Hachman Index of Economic Diversity

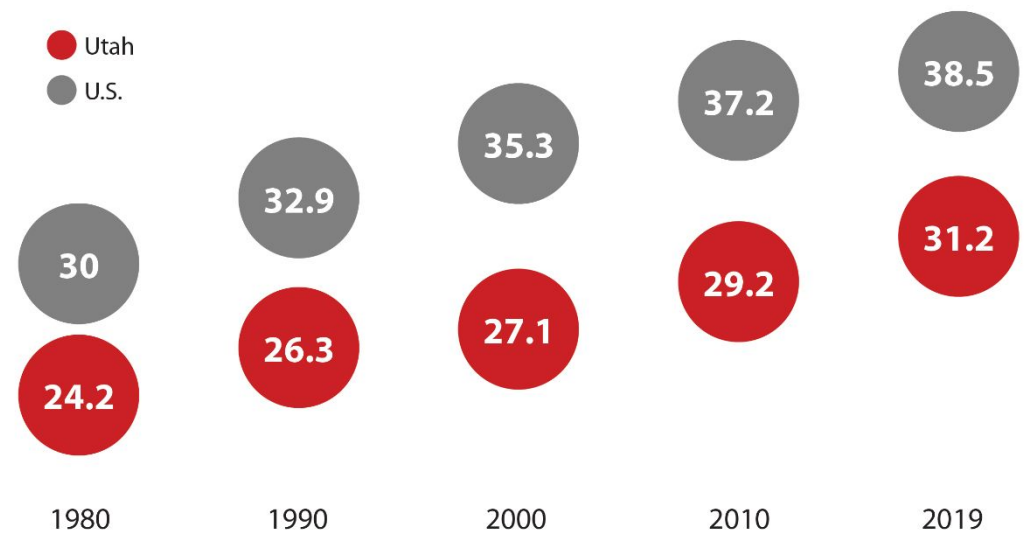


Utah & US Employment by Industry



Utah Advantage 2: Youthful and Innovative

Median Age in Utah and the United States



Adult Population Aged 26-34, 2019

Top 10		Bottom 10	
District of Columbia	26.8%	Hawaii	15.0%
Utah	19.0%	Kentucky	14.9%
Alaska	18.8%	Mississippi	14.7%
Colorado	18.3%	Montana	14.7%
North Dakota	18.2%	Florida	14.4%
Washington	18.0%	Connecticut	14.4%
California	17.9%	New Hampshire	14.4%
Texas	17.9%	Vermont	13.8%
New York	17.1%	Maine	13.6%
Nevada	17.1%	West Virginia	13.3%
United States			16.3%

Utah Advantage 3: Crossroads of the West



Utah Advantage 4: Fiscal Stability and Limited Regulatory Burden

- ✓

Balanced budget
- ✓

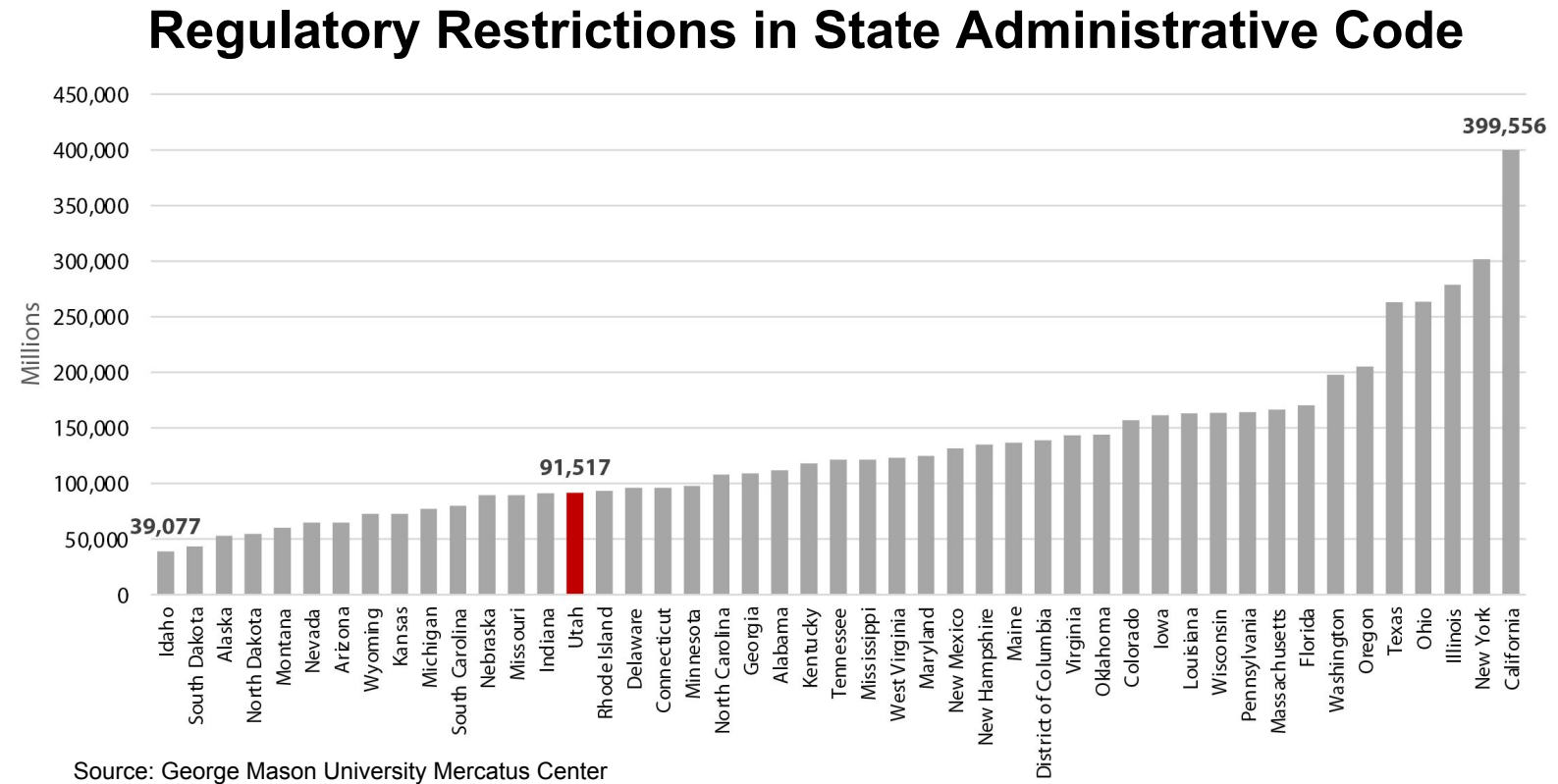
Triple-A credit
- ✓

Appropriation limit
- ✓

Line-item veto
- ✓

Rainy-day fund
- ✓

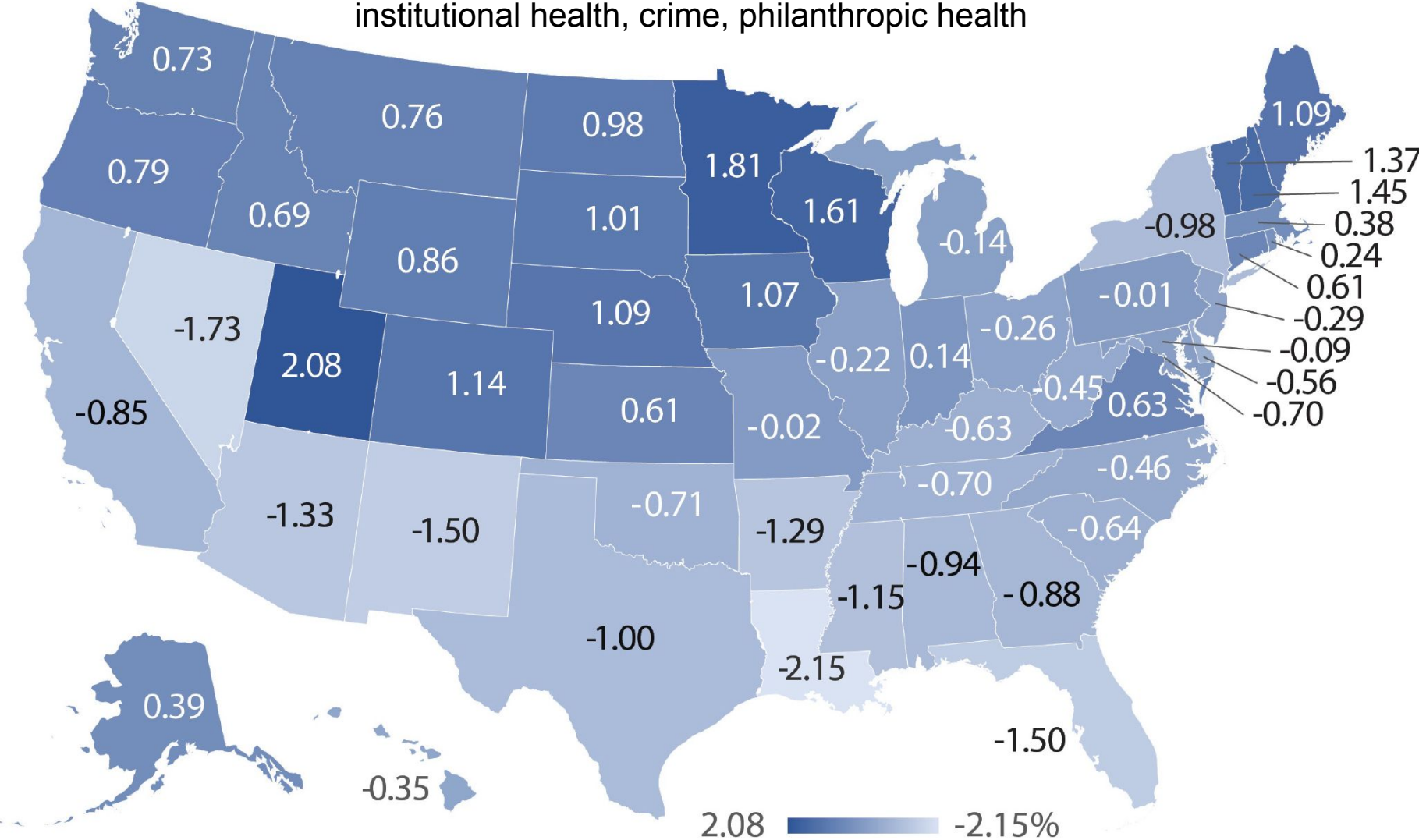
2-year fiscal note process



Utah Advantage 5: Social Capital

Congress Joint Economic Committee Social Capital Index

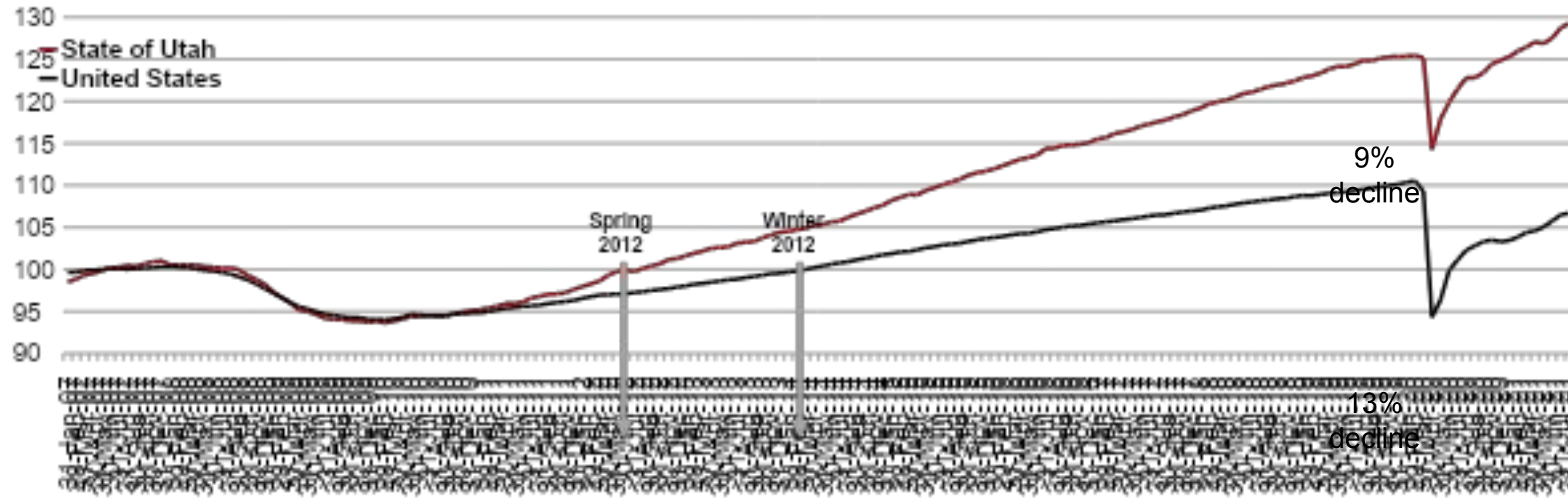
family unity, family interaction, social support, community health,
institutional health, crime, philanthropic health



Utah leads recovery post GR and pandemic recessions

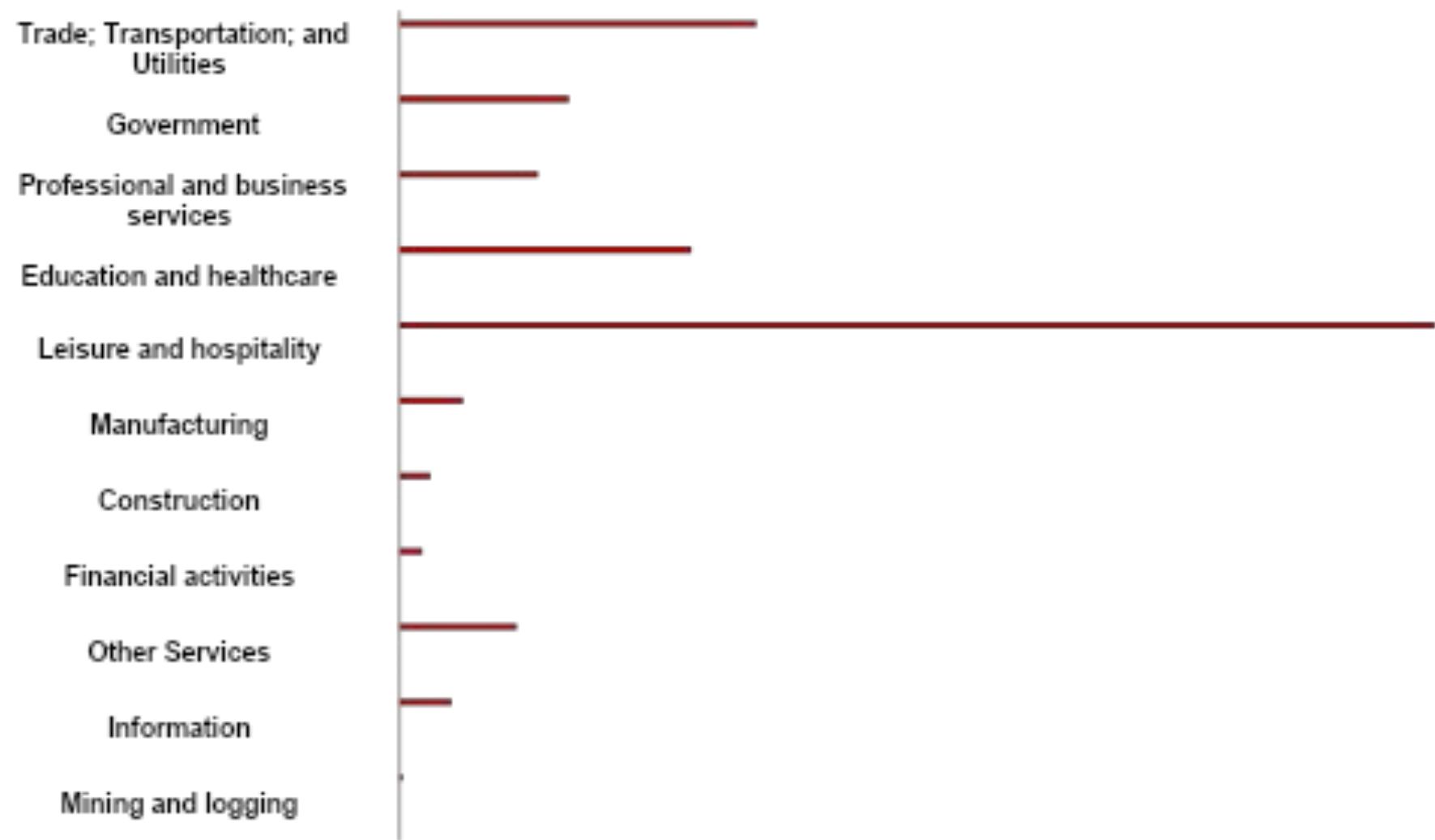
Jobs Index: Utah and the United State

2007 = 100



No industry was spared by COVID-19 pandemic

Utah Job Losses, February-April 2020

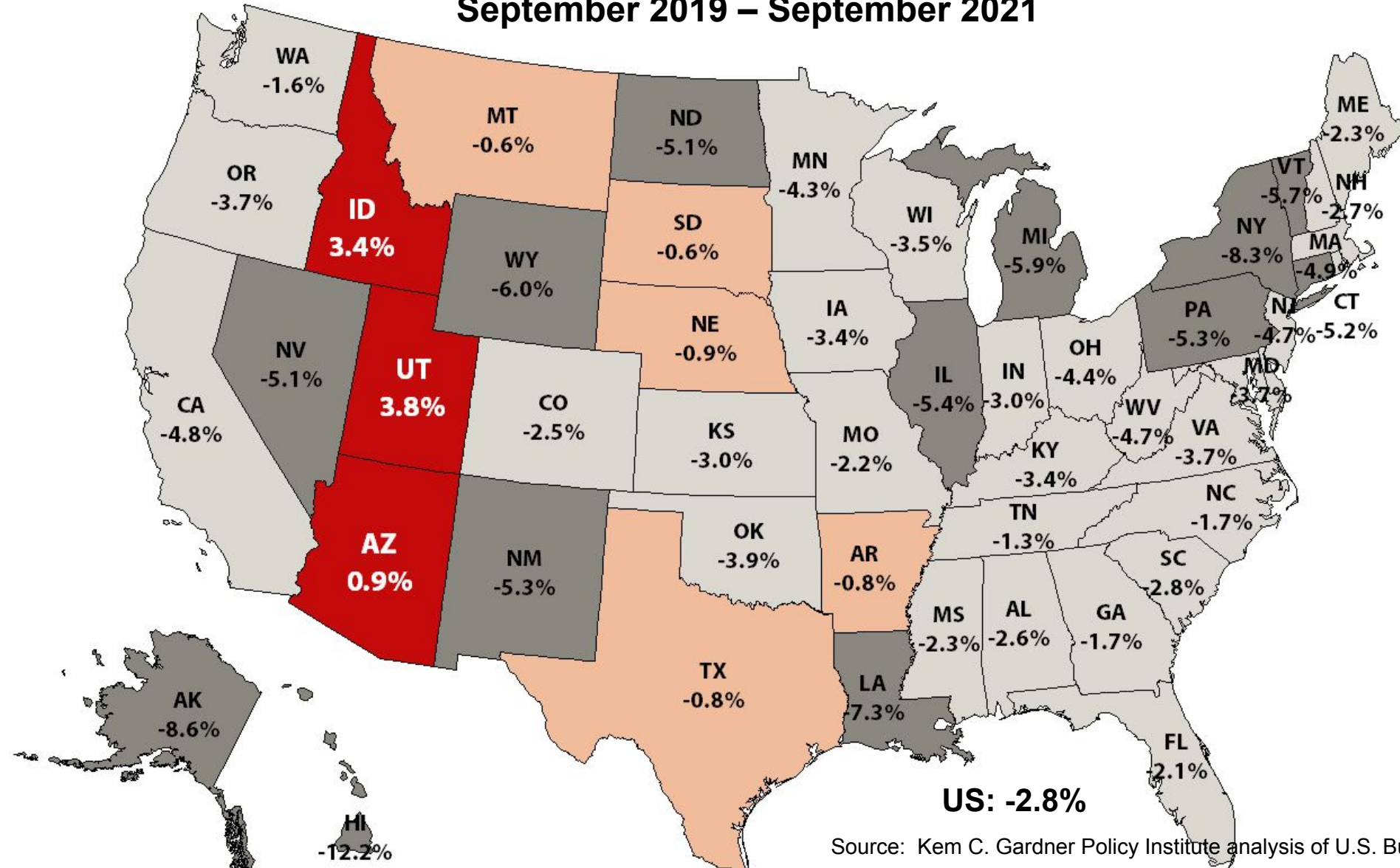


Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Utah leads the nation in job creation

2-year Jobs Change

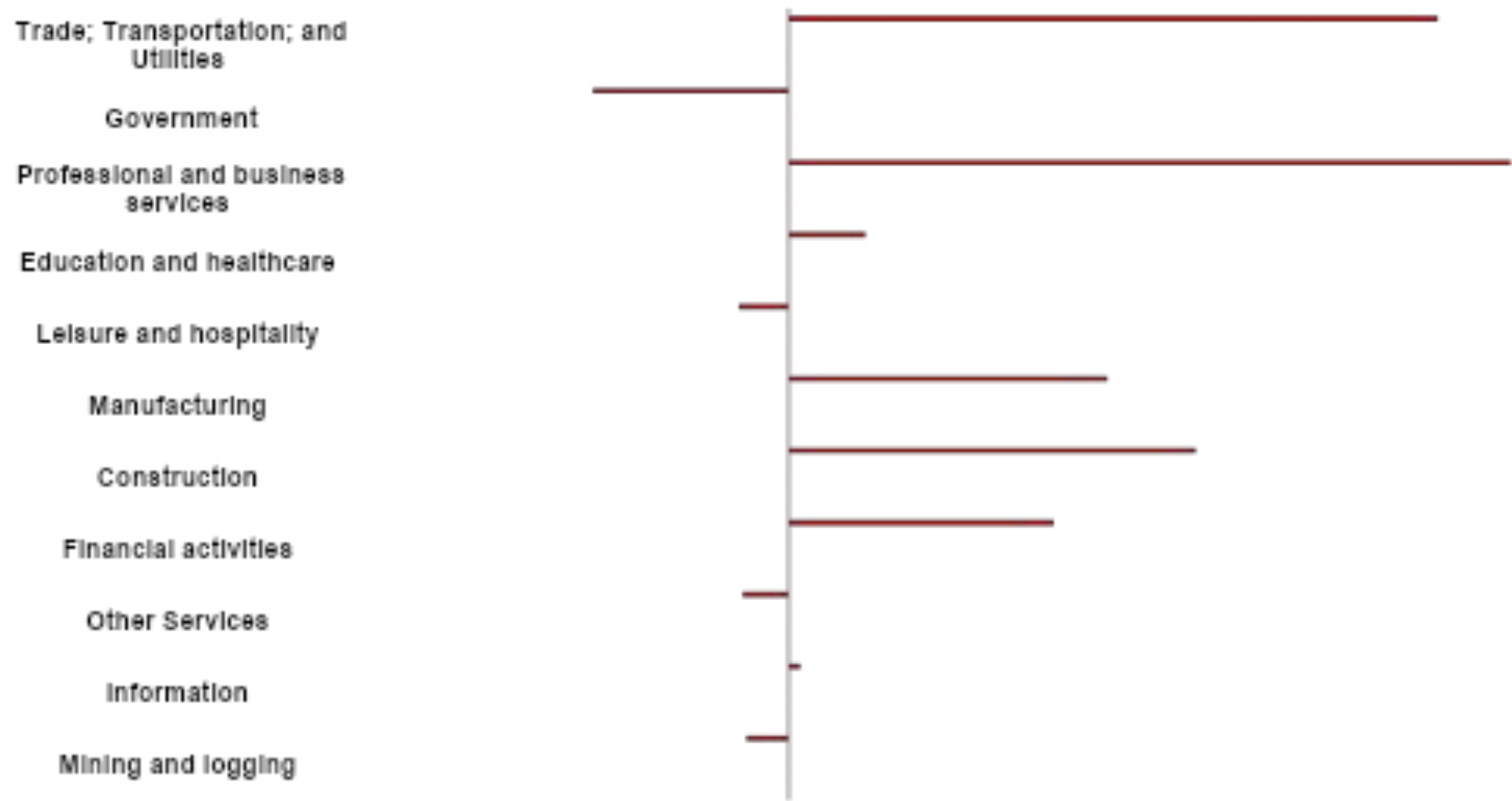
September 2019 – September 2021



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Utah economic growth is broad-based

Utah Job Change by Industry
September 2019 – September 2021



Industry growth rate in brackets
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Utah has weathered COVID-19 economically better than every other state.

Reasons for Utah Economic Position

1. Preparation

Economic and fiscal fundamentals were strong
entering the recession

2. Economic Diversity

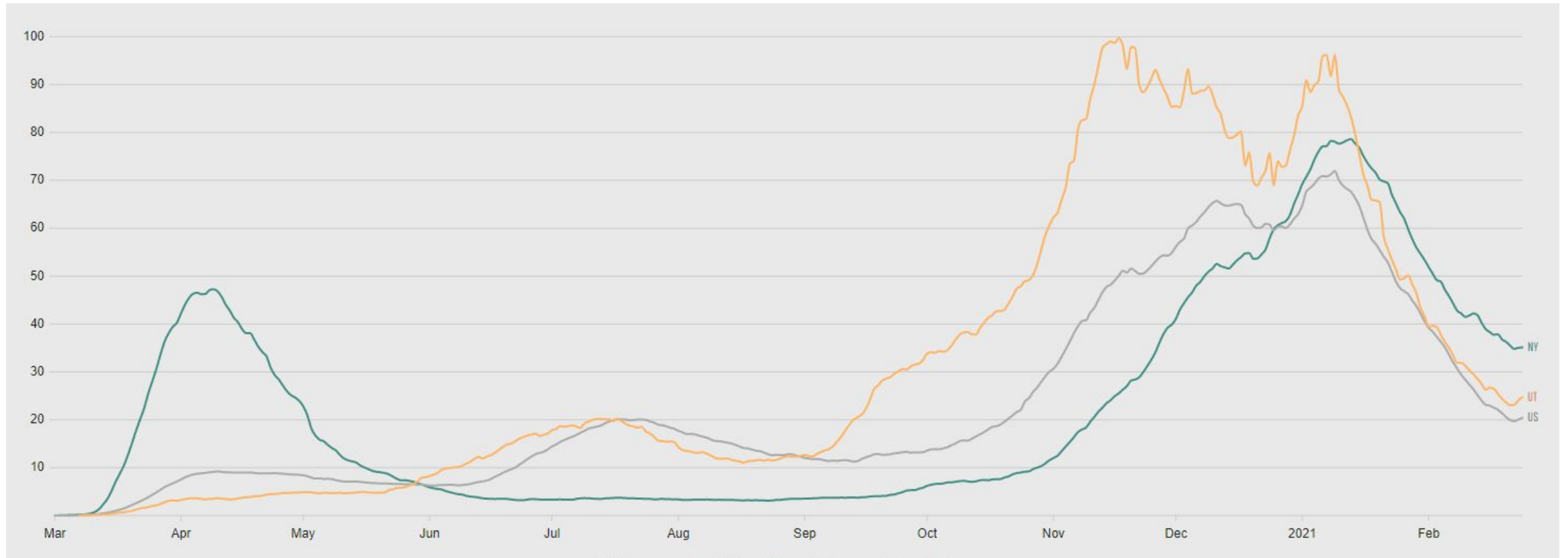
Greatest state economic diversity in the nation; ***our economy is not overly specialized in one industry***

3. Swift Economic Response

- March 11 – NBA Shutdown
- March 18th – Magna Earthquake
- March 24th – Utah Leads Together: Nation's first comprehensive economic response plan

Utah Advantage 6: Initial timing of outbreak was on our side

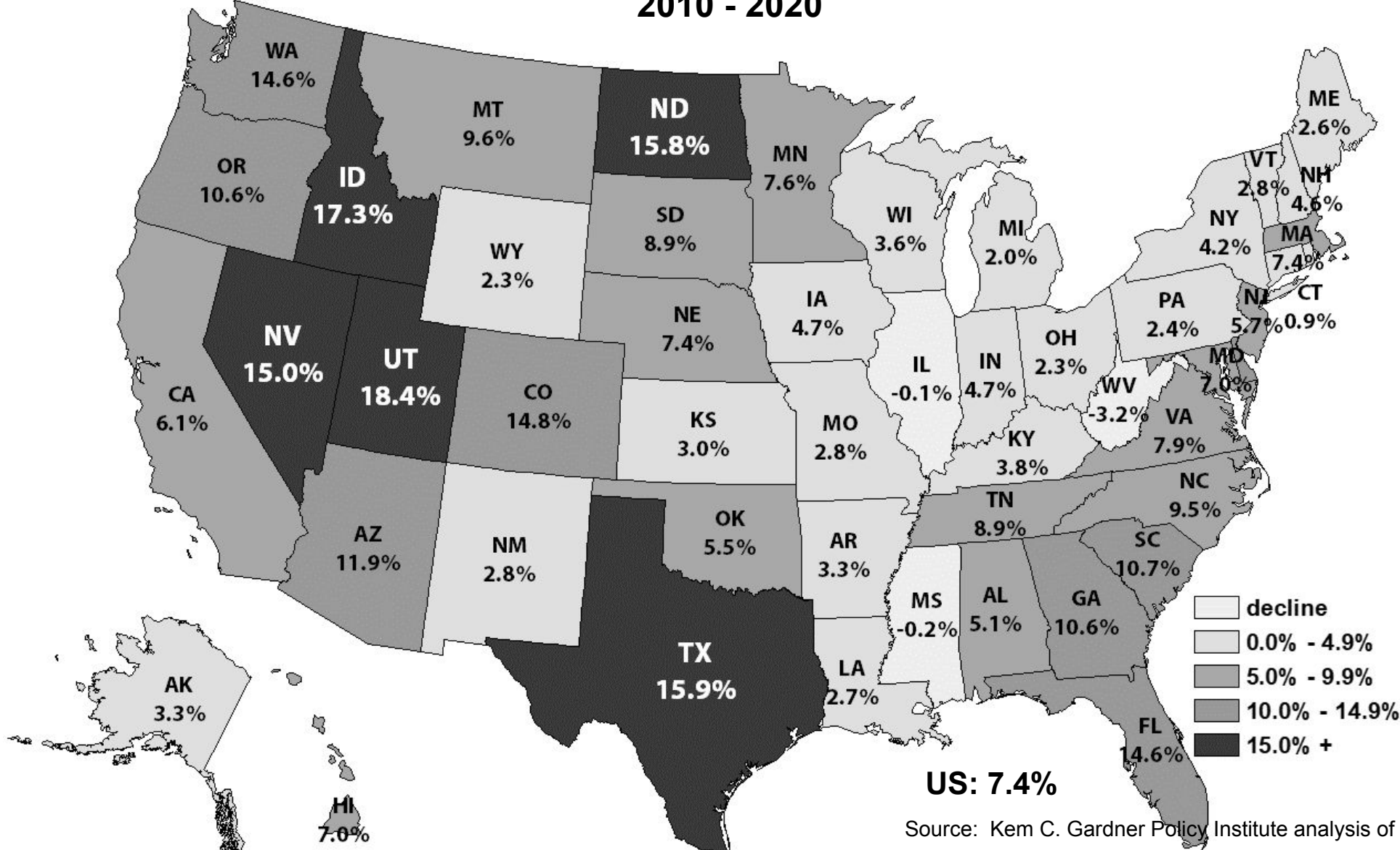
Positive COVID-19 Tests per 100,000 pop



Source: Deloitte

Utah leads the nation in population growth

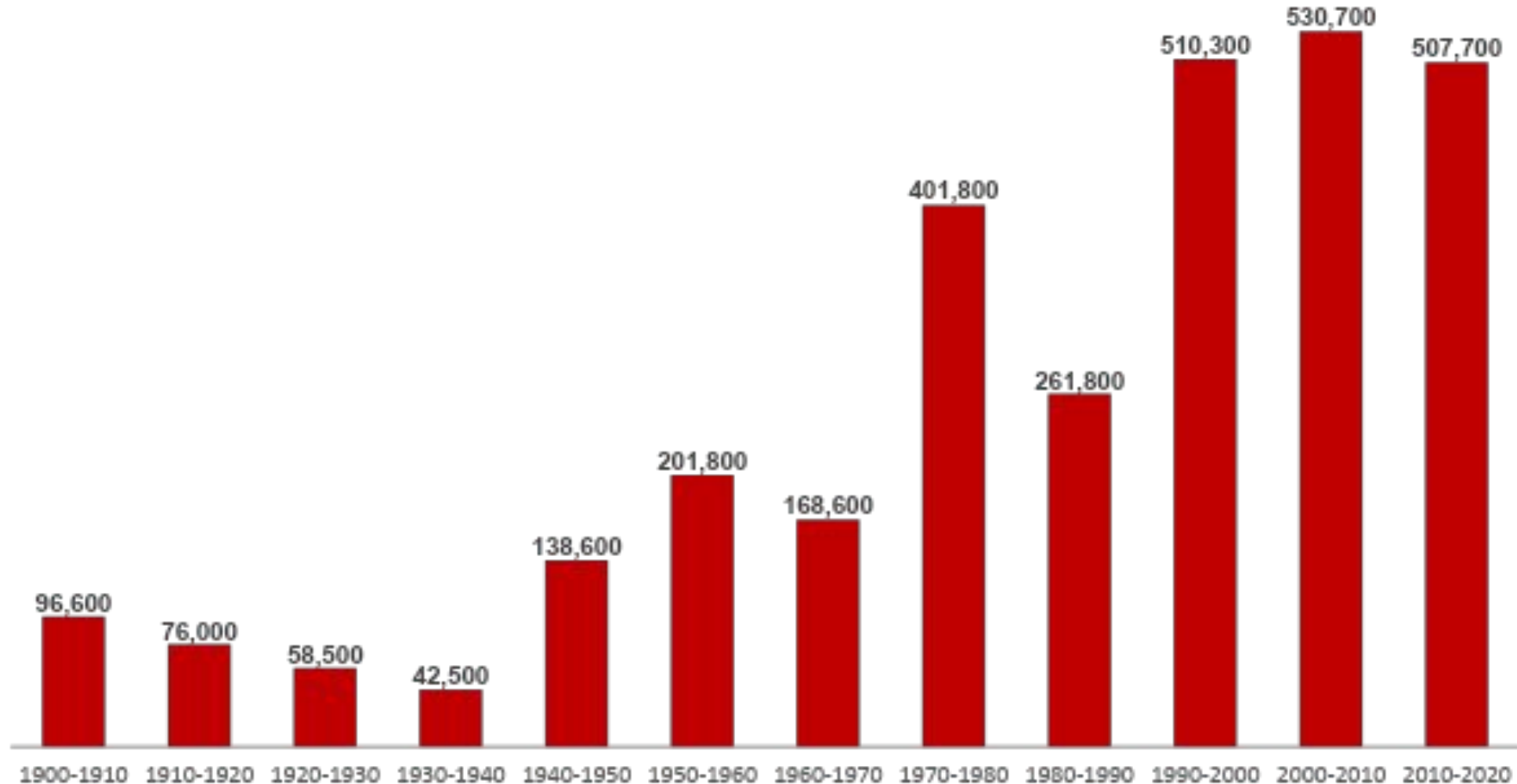
10-year Change in Population
2010 - 2020



Source: Kem C. Gardner Policy Institute analysis of U.S. Census Bureau Data

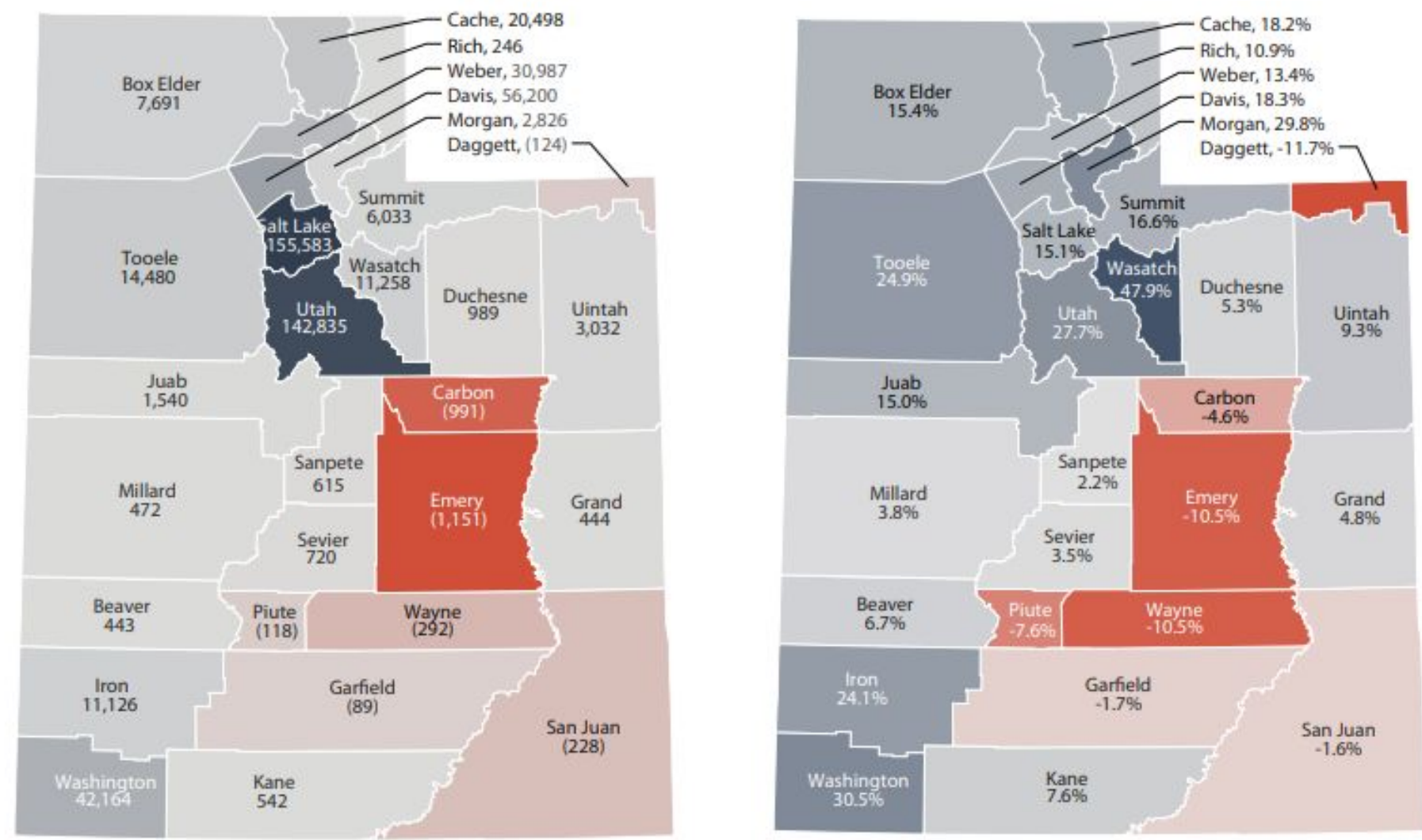
Utah has been adding 500K+ people last 3 decades

10-year Change in Utah's Population



Utah Valley a major driver of Utah's population growth

Population Change in Utah's Counties, 2010 - 2020



Source: Kem C. Gardner Policy Institute analysis of U.S. Census Bureau Data

Utah Valley a major driver of Utah's population growth

Cities with Most Population Growth, 2010 - 2020

<i>Greatest # Change</i>		2010	2020	
Rank	Place	Population	Population	Change
1	Herriman	21,785	55,144	33,359
2	Lehi	47,407	75,907	28,500
3	South Jordan	50,418	77,487	27,069
4	St. George	72,897	95,342	22,445
5	Eagle Mountain	21,415	43,623	22,208

<i>Greatest % Change</i>		2010	2020	
Rank	Place	Population	Population	Change
1	Vineyard	139	12,543	8,923.7%
2	Herriman	21,785	55,144	153.1%
3	Bluffdale	7,598	17,014	123.9%
4	Saratoga Springs	17,781	37,696	112.0%
5	Eagle Mountain	21,415	43,623	103.7%

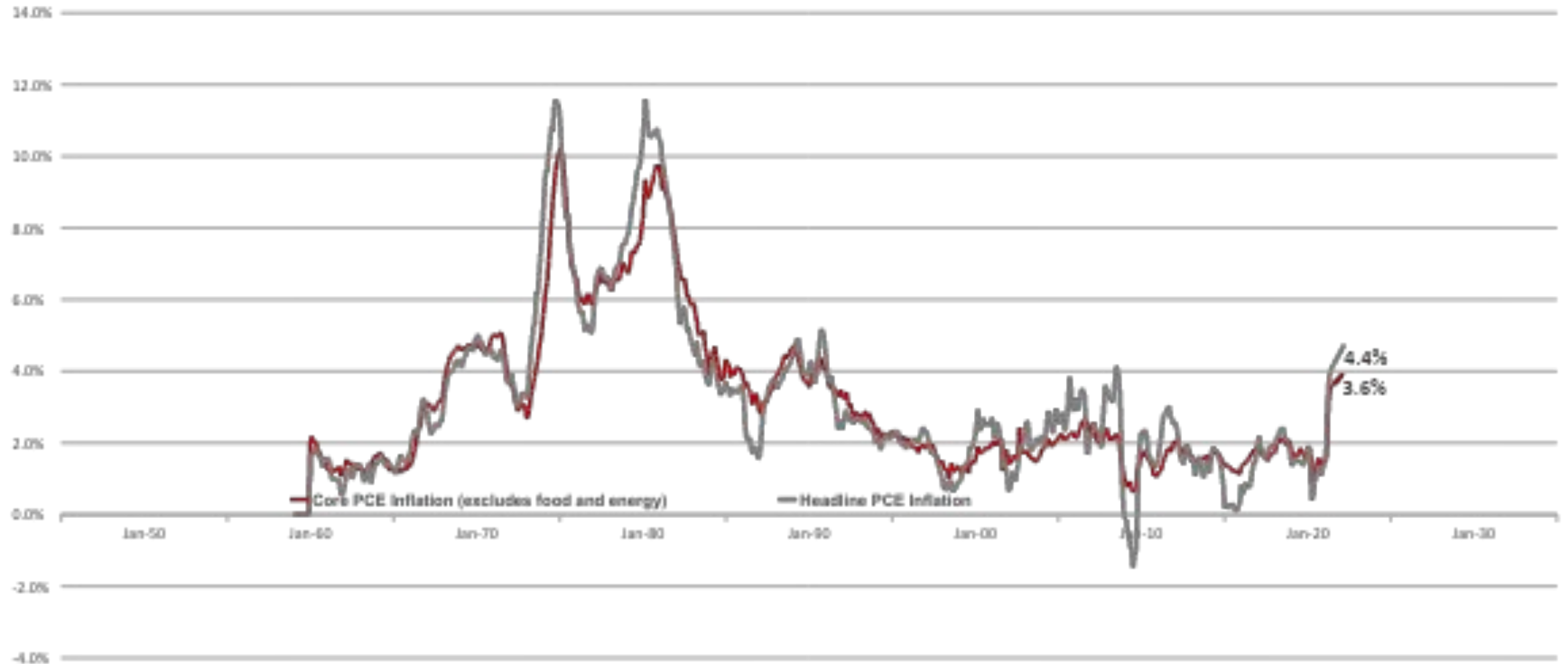


Key Insights

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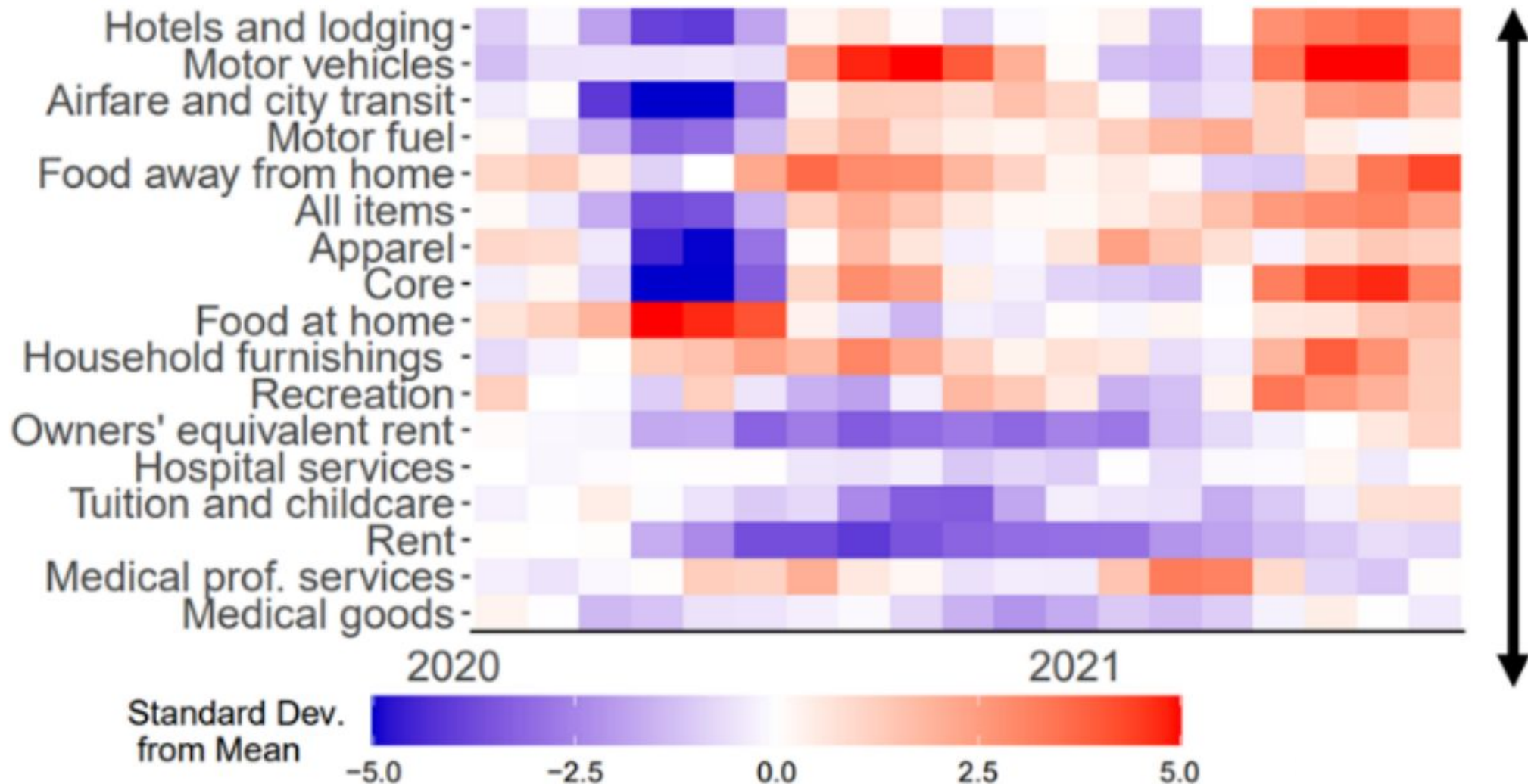
Inflation is running high

Year-over Change in Personal Consumption Expenditure (PCE) Price Index



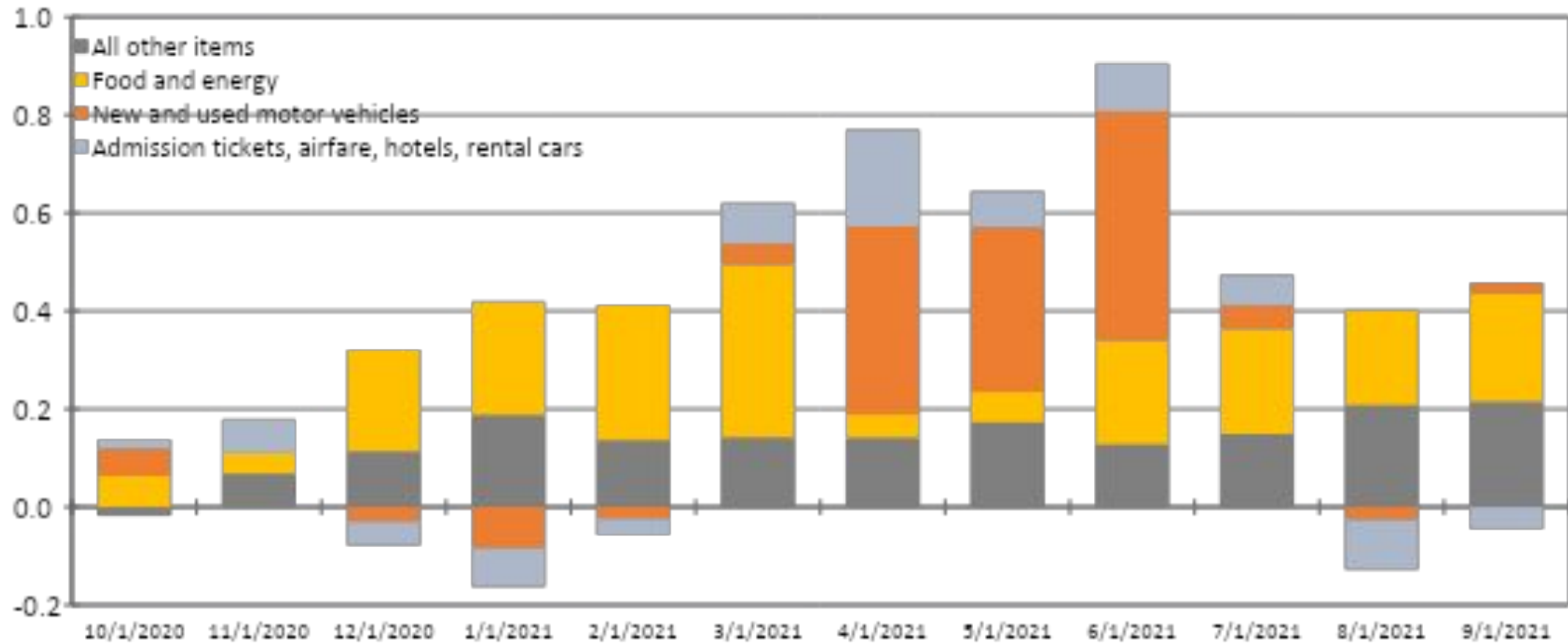
“Transitory factors” are primary driver of inflation

Consumer Price Index: Deviation from 5-year Moving Average



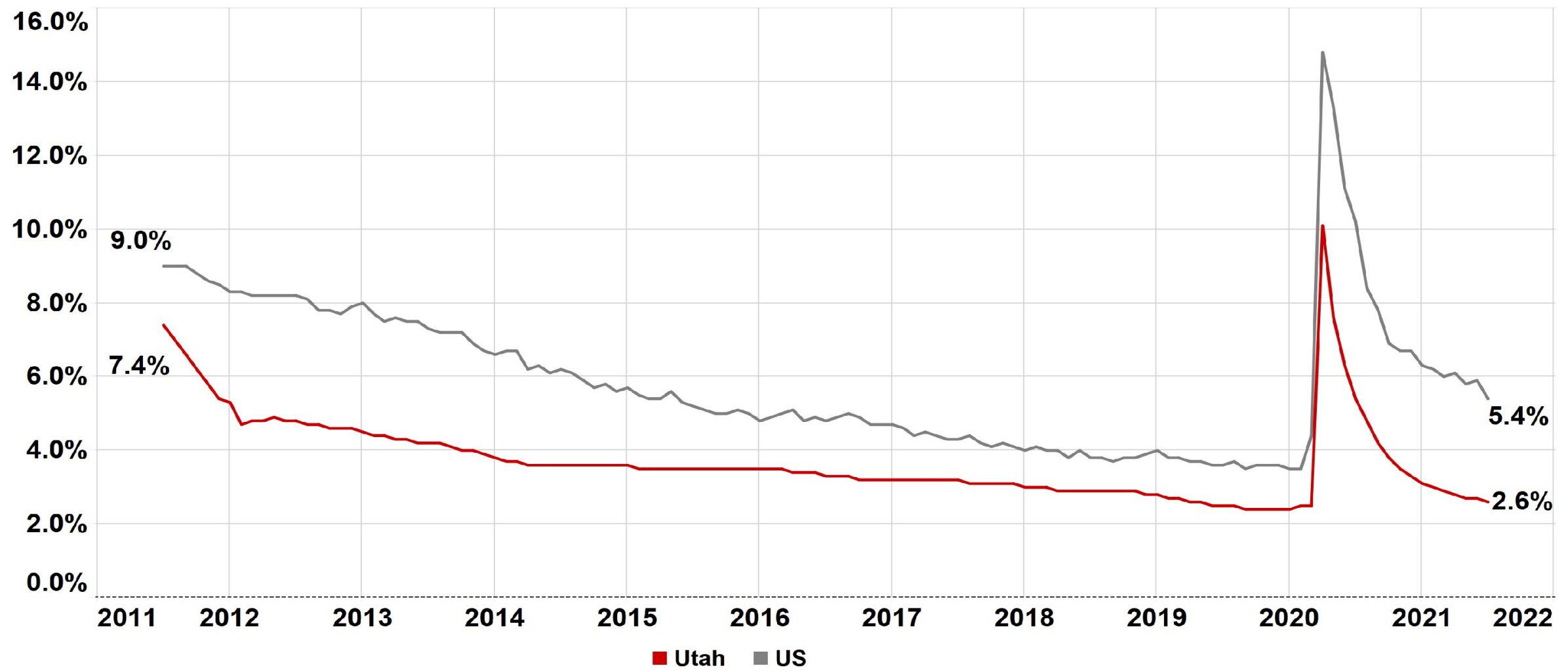
“Transitory factors” are primary driver of inflation

% Change in Consumer Price Index by Component



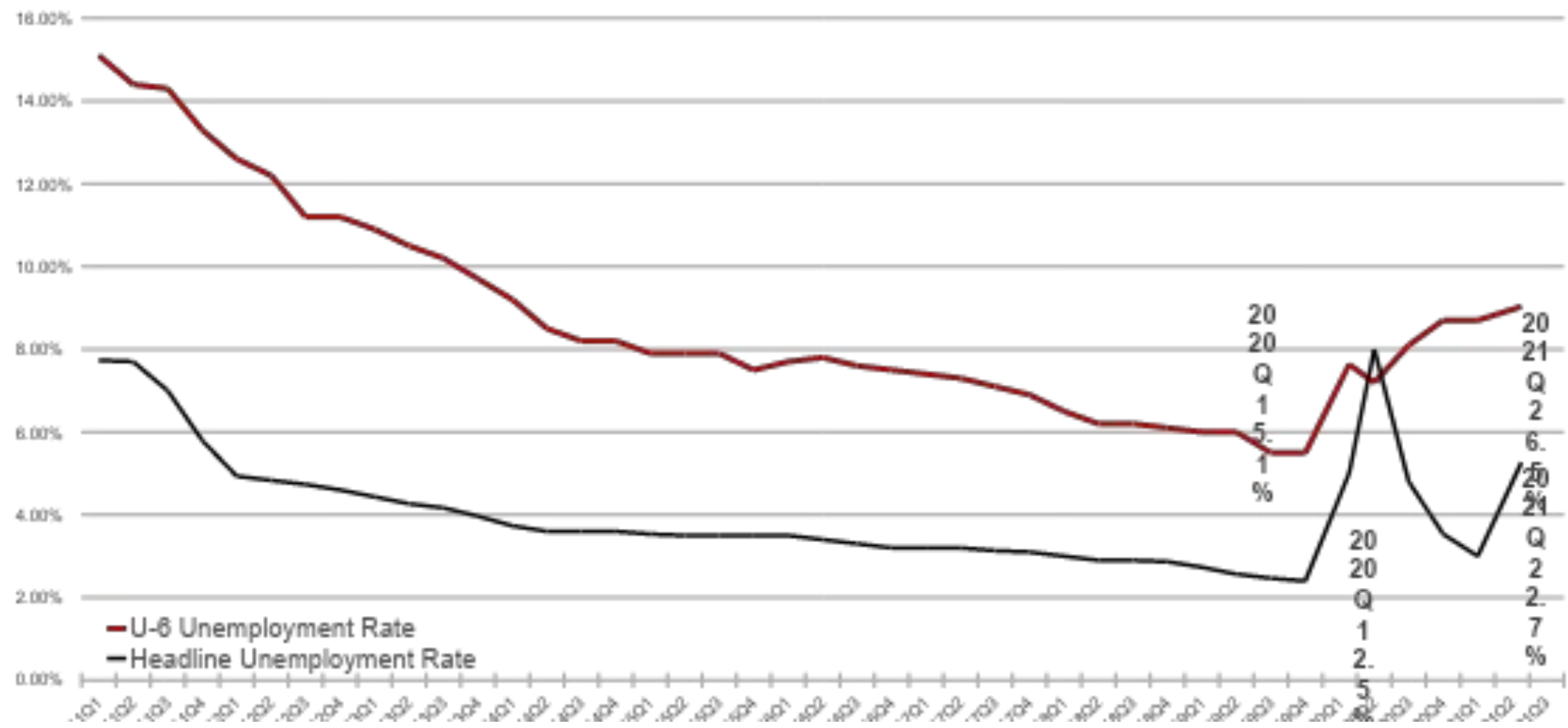
Utah's labor market feels very tight

Utah and US Headline Unemployment Rates



“True” unemployment still a bit elevated

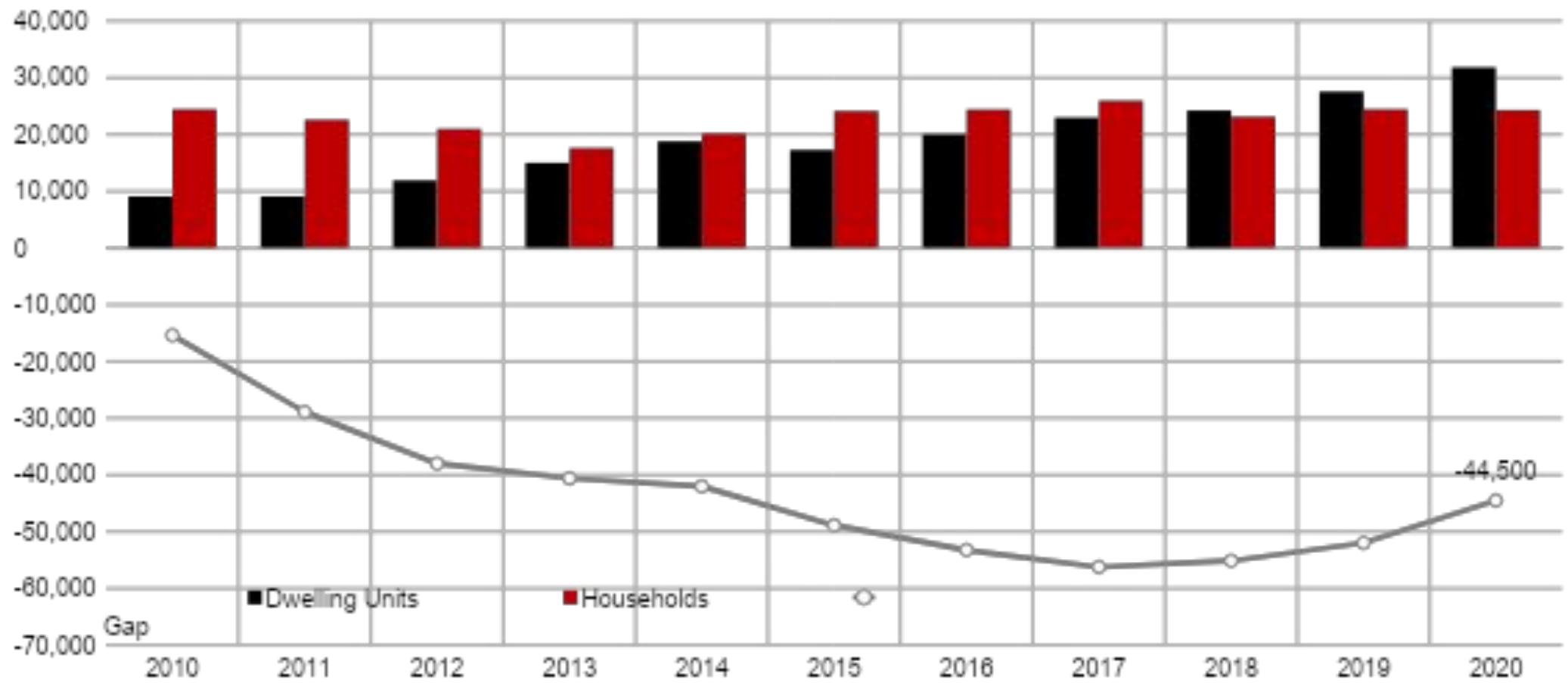
Utah Headline and “TOTAL” Unemployment Rates



Source: Bureau of Labor Statistics

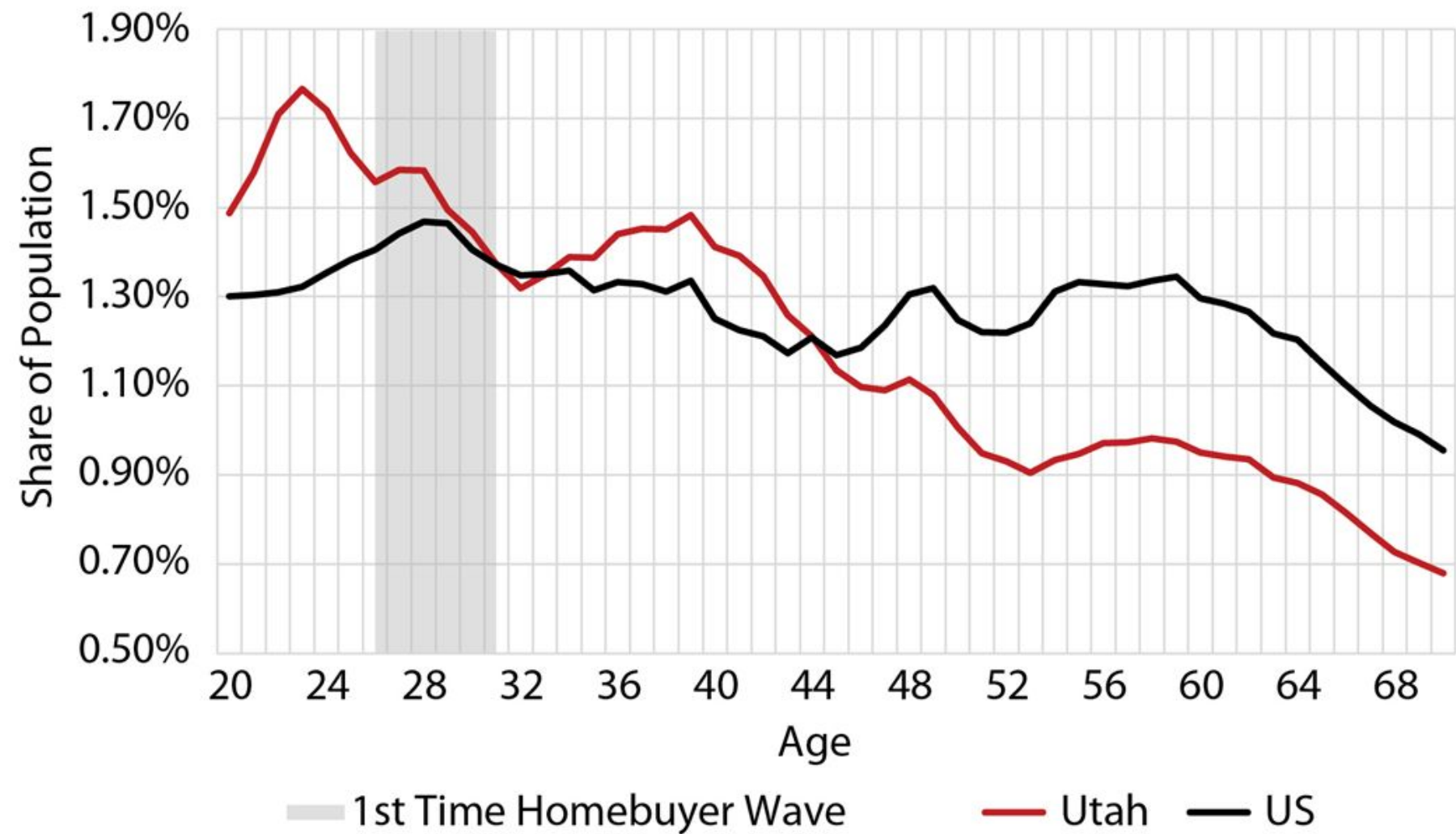
Housing demand is outpacing supply

Utah's Housing Gap
New Dwelling Units vs. New Households



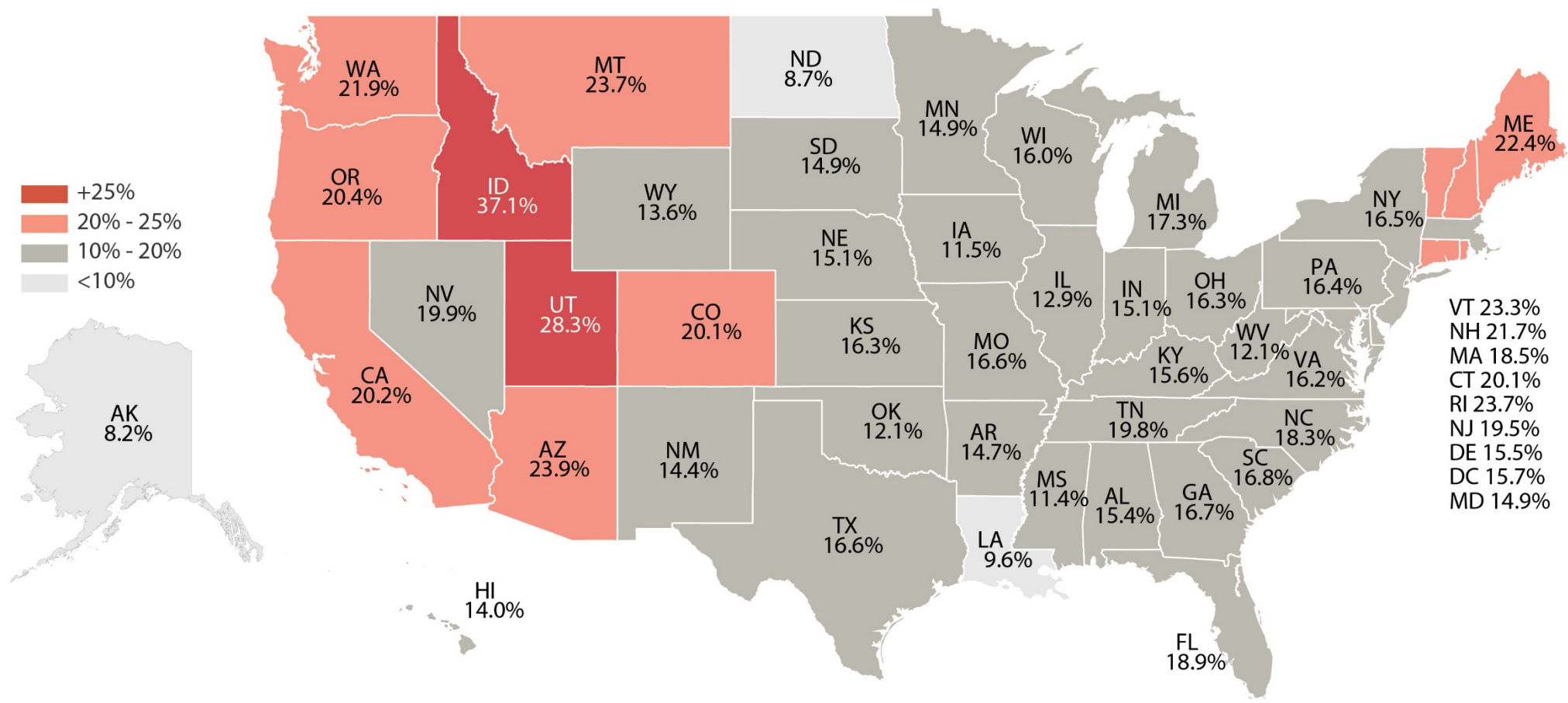
Economic and demographic factors are driving demand

Age Distribution: 2020



ECON 101 Supply < Demand = Price Increases

Housing Price Appreciation
Q2 2020 – Q2 2021



ECON 101 Supply < Demand = Price Increases

Median Sales Price of Single-Family Homes

Utah's Large Cities, Q2 20 – Q2 21

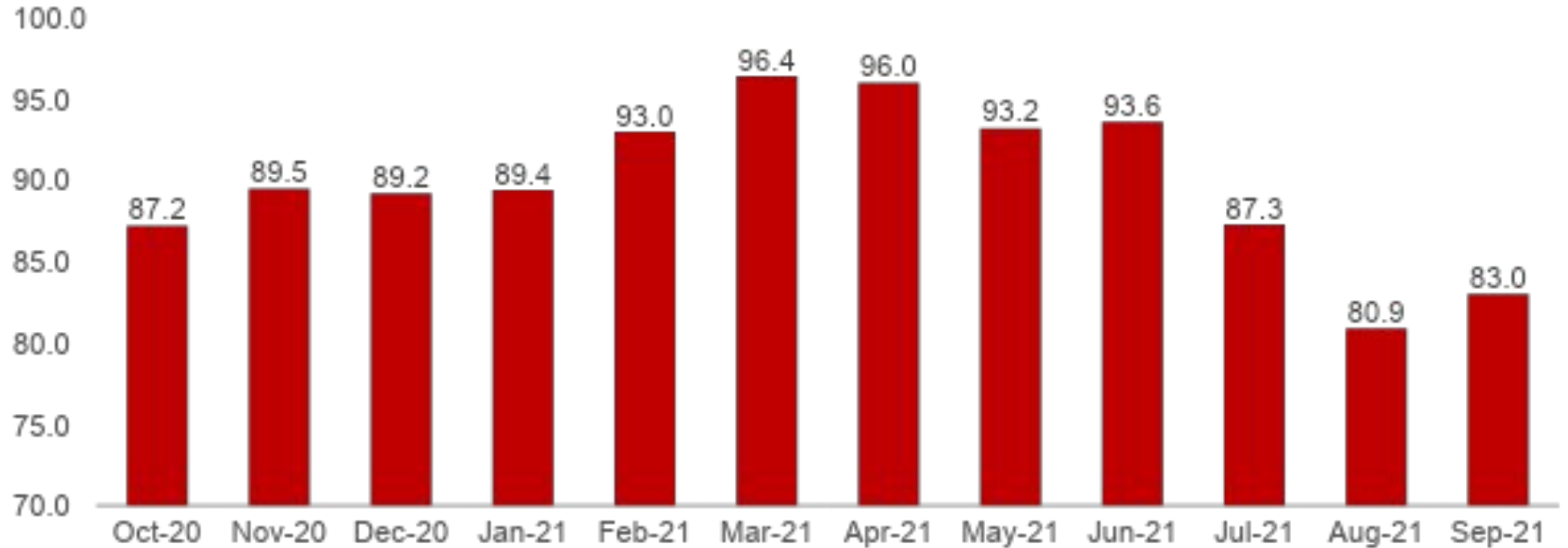
City	2nd Qtr. 2020	2nd Qtr. 2021	Percent Change
Layton	\$355,910	\$504,289	41.7%
Herriman	\$449,000	\$620,000	38.1%
Lehi	\$408,500	\$556,000	36.1%
Logan	\$259,000	\$350,000	35.1%
St. George	\$415,000	\$554,700	33.7%
Provo	\$350,000	\$465,000	32.9%
Ogden	\$250,600	\$332,000	32.5%
Orem	\$344,900	\$455,000	31.9%
Sandy	\$440,000	\$575,000	30.7%
Salt Lake City	\$415,000	\$542,000	30.6%
Taylorsville	\$330,000	\$430,000	30.3%
West Valley City	\$315,000	\$405,000	28.6%
South Jordan	\$500,000	\$630,000	26.0%
West Jordan	\$379,000	\$473,000	24.8%



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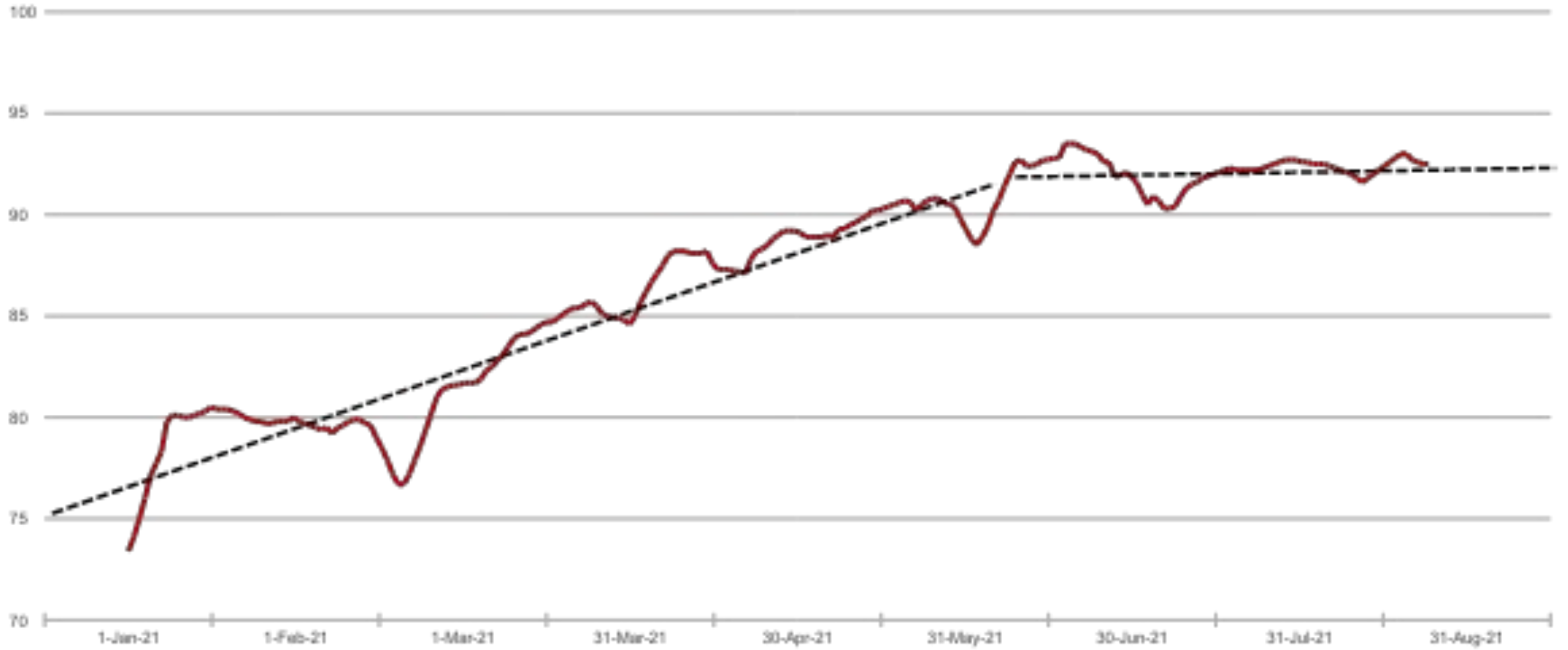
Consumer psyches are fragile

University of Utah Consumer Confidence Index



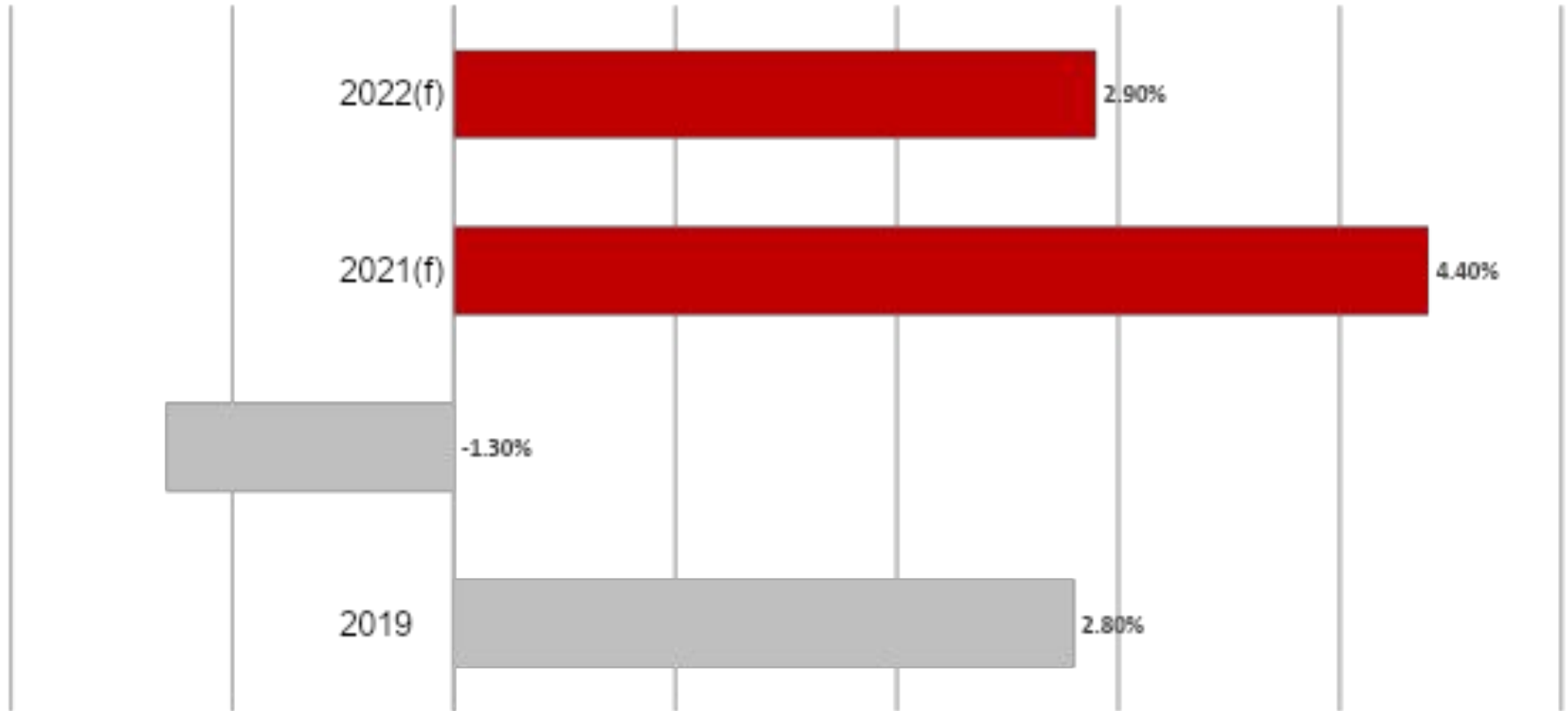
COVID-19 Delta Variant is a major headwind

Moody's & CNN Business Back-to-Normal Index



Utah's economic outlook is still optimistic

Utah July State Revenue Assumptions: Employment Growth Forecast



Source: Utah Revenue Assumptions Working Committee

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