

# Economic Insights

**Central Bank**

January 25, 2024

INFORMED DECISIONS™

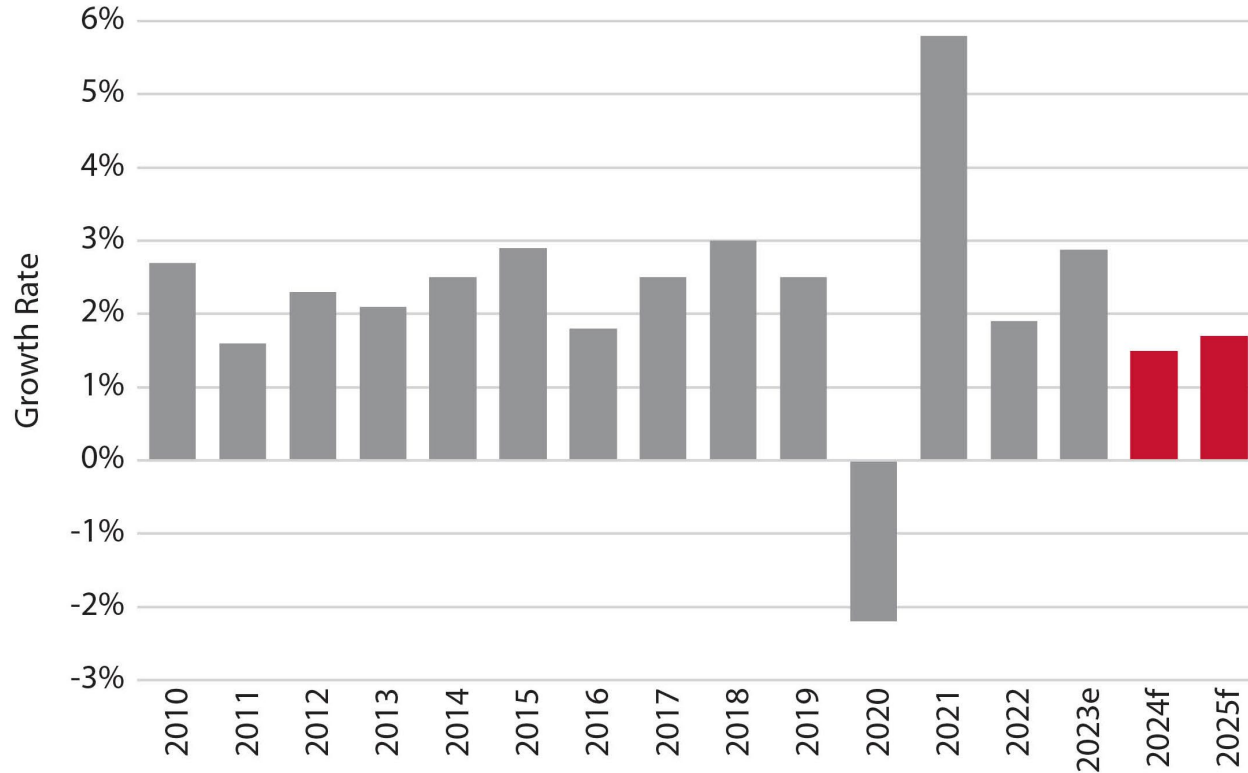
“ECONOMIC FORECASTING  
IS A **FRAUGHT** BUSINESS.  
THE ECONOMY IS A **COMPLEX**, QUICKLY  
**CHANGING** SET OF NONLINEAR  
RELATIONSHIPS AMONG **SEEMINGLY**  
**NON-RATIONAL**  
HOUSEHOLDS, BUSINESSES, AND GOVERNMENTS.  
IT IS **CONTINUALLY** BUFFETED  
BY GEOPOLITICAL, TECHNOLOGICAL, AND  
ENVIRONMENTAL **SHOCKS**.  
IN FORECASTING, IT IS WISE TO  
REMAIN **HUMBLE.**”

- Mark Zandi, Moody's Analytics

# Summary

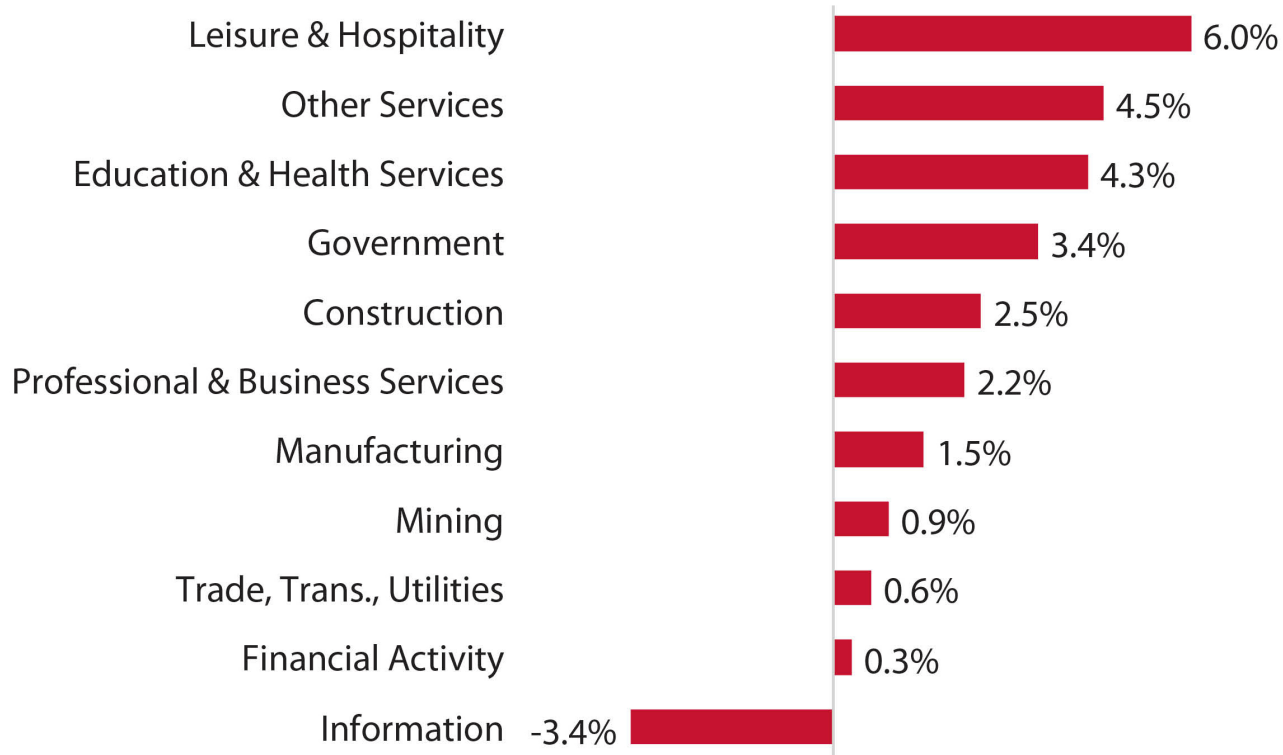
- **2023 – Remarkable resiliency** – The U.S. and Utah economies successfully navigated 2023’s choppy waters of rising interest rates, banking turmoil, and elevated inflation.
- **2024 – Unsettled normalcy** – The economy trends toward “normalcy,” but remains unsettled. A storied soft landing will require inflation to continue downward, interest rates to follow suit, and labor markets to remain strong. Growth will likely decelerate in 2023.
- **U.S. and Utah economies remain correlated** – While Utah’s economy outperforms many states, it remains tied to national economic performance.
- **Keep an eye on** – Labor force participation rates, in-migration, housing, architectural billings, and consumer sentiment.
- **New Utah** – Utah faces an inflection point impacted by six transitions. Our actions matter and we face several challenges as we ramp up for another Olympic and Paralympic Winter Games.

# U.S. Real GDP Percent Change



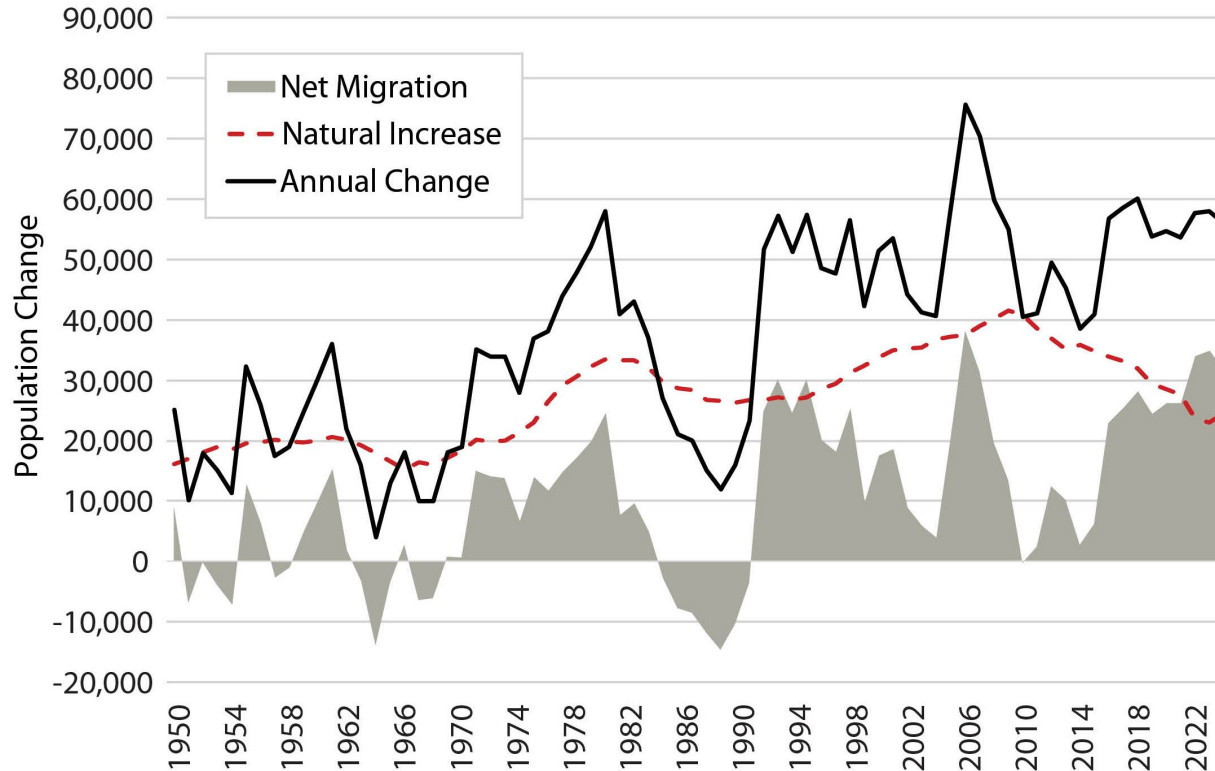
Source: U.S. Bureau of Economic Analysis

# Utah's Employment Change by Industry, 2022-2023



Source: U.S. Bureau of Labor Statistics

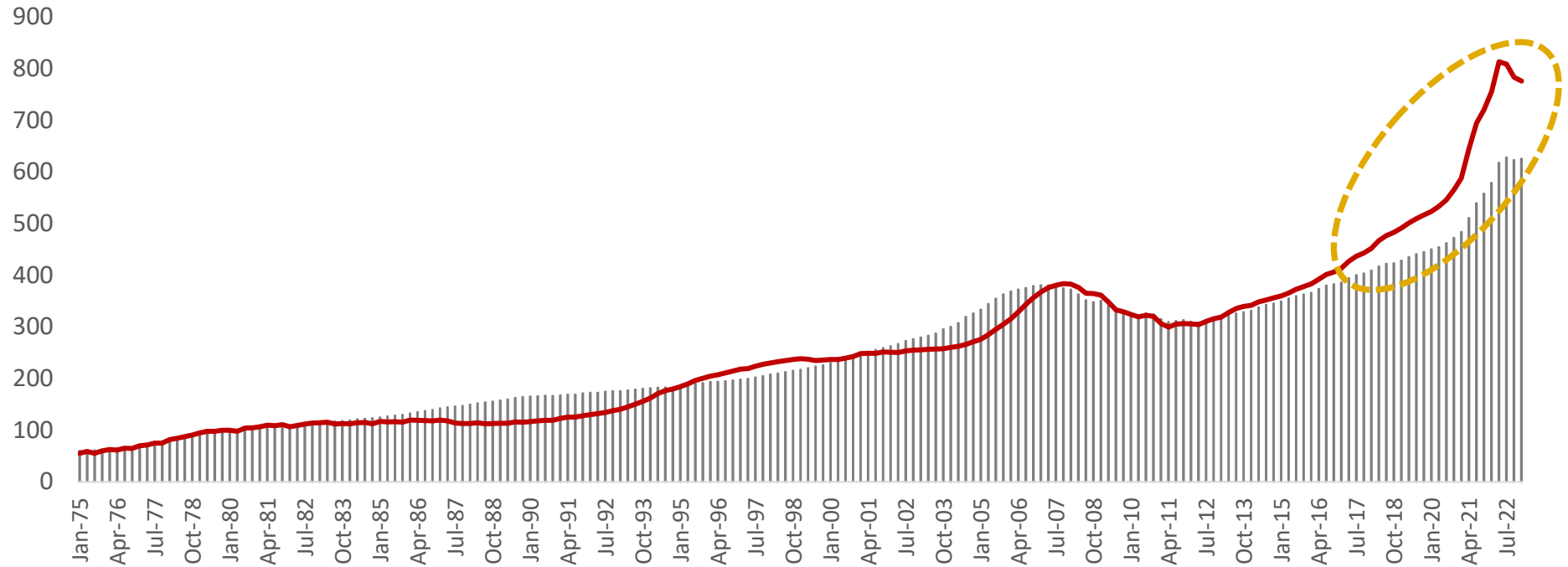
# Utah Components of Population Change



Source: Utah Population Committee

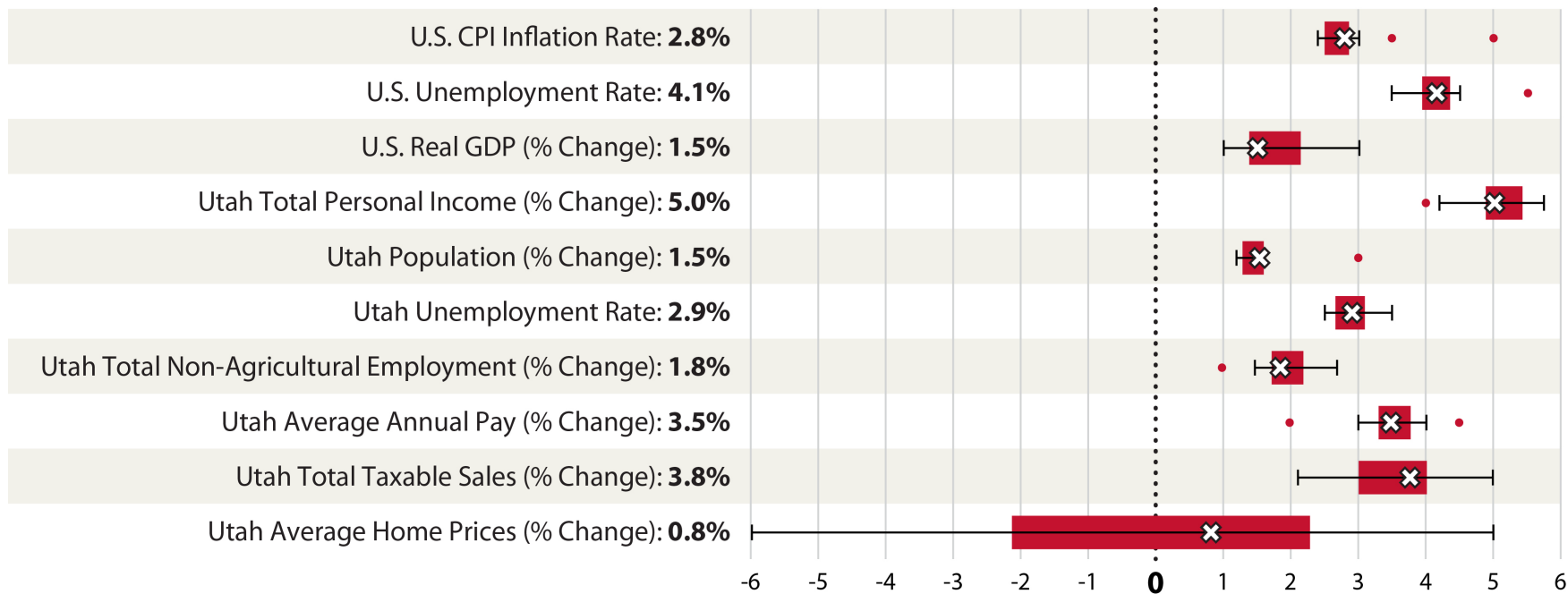
# Housing Price Index

*Utah and U.S., All Transactions*



Source: U.S. Federal Housing Finance Agency

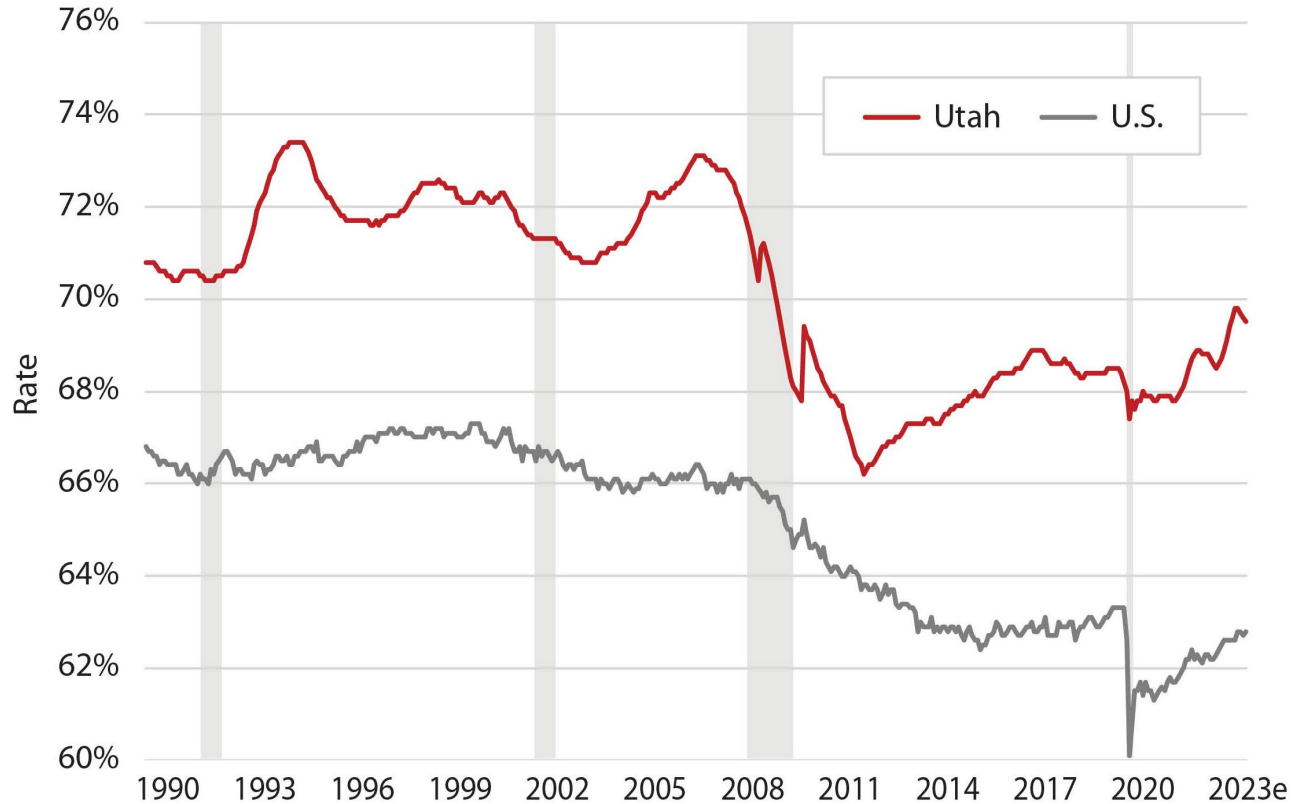
# Utah Economic Council Forecast, 2024



Source: Utah Economic Council



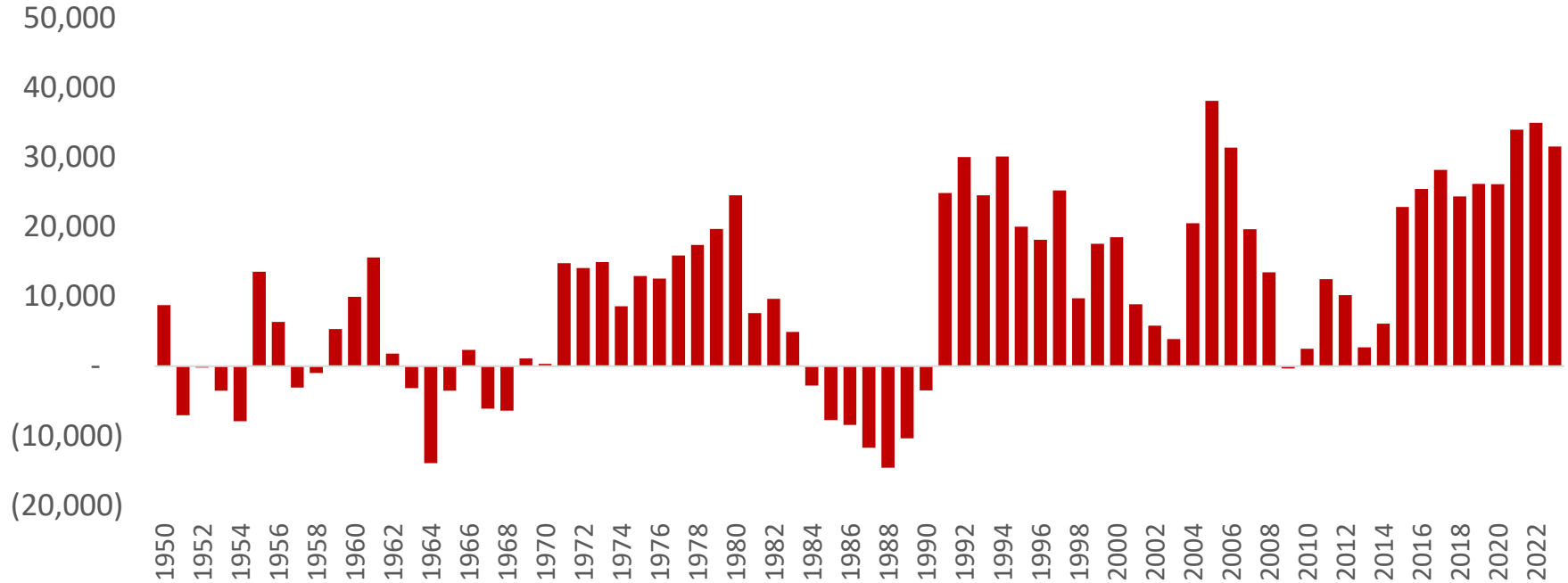
# Labor Force Participation Rates



Source: U.S. Bureau of Labor Statistics

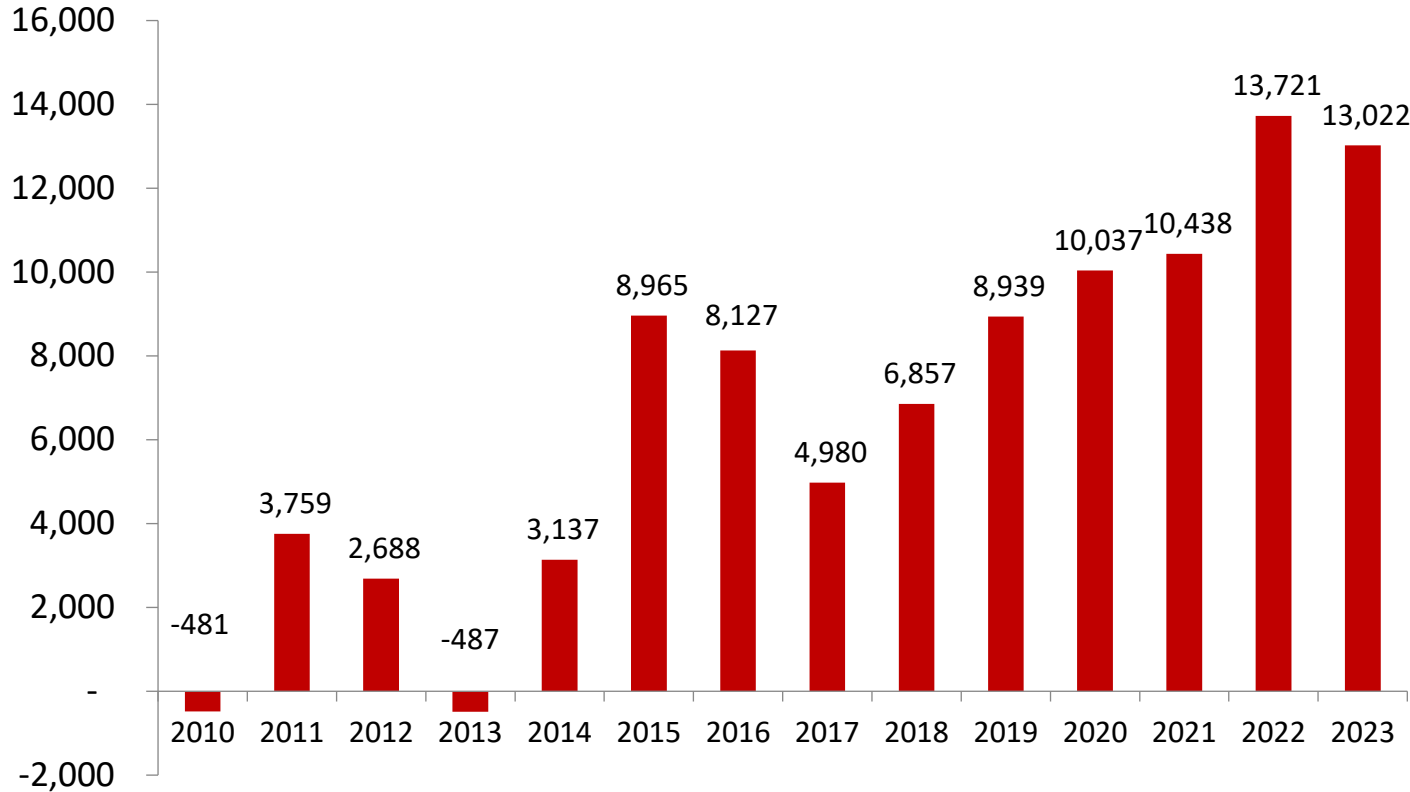
# Utah Net Migration

*Utah experienced net migration in 32 of the past 33 years*



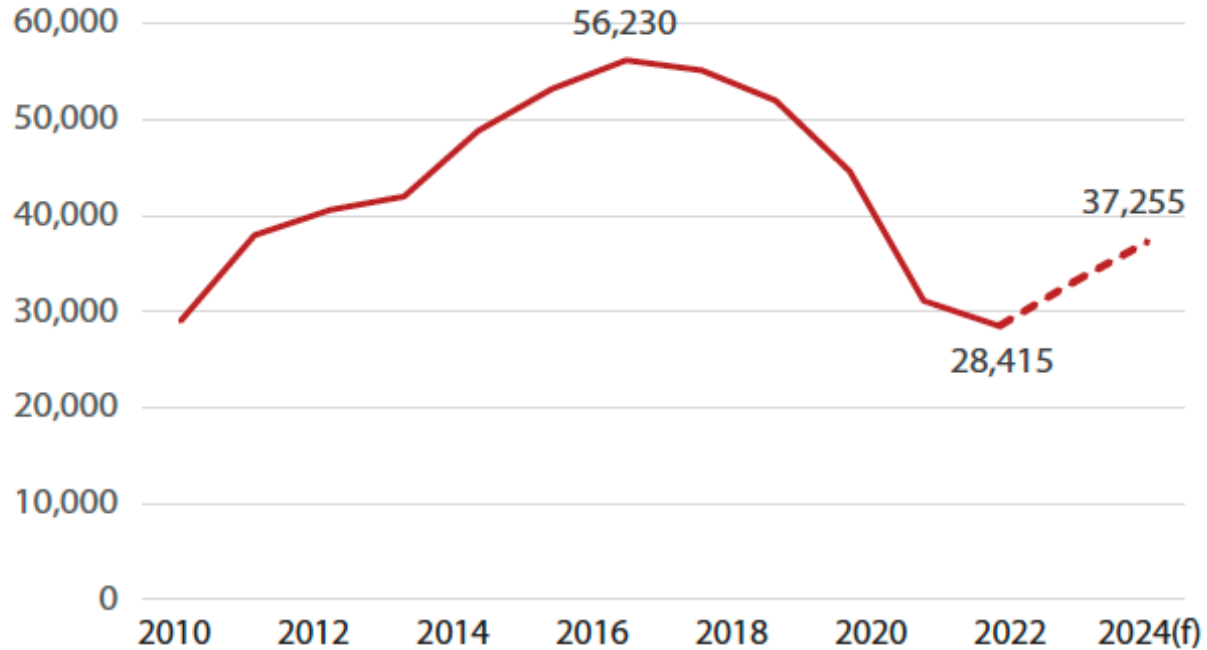
Source: Kem C. Gardner Policy Institute, and Utah Population Committee

# Utah County Net Migration



Source: Kem C. Gardner Policy Institute, Utah Population Committee

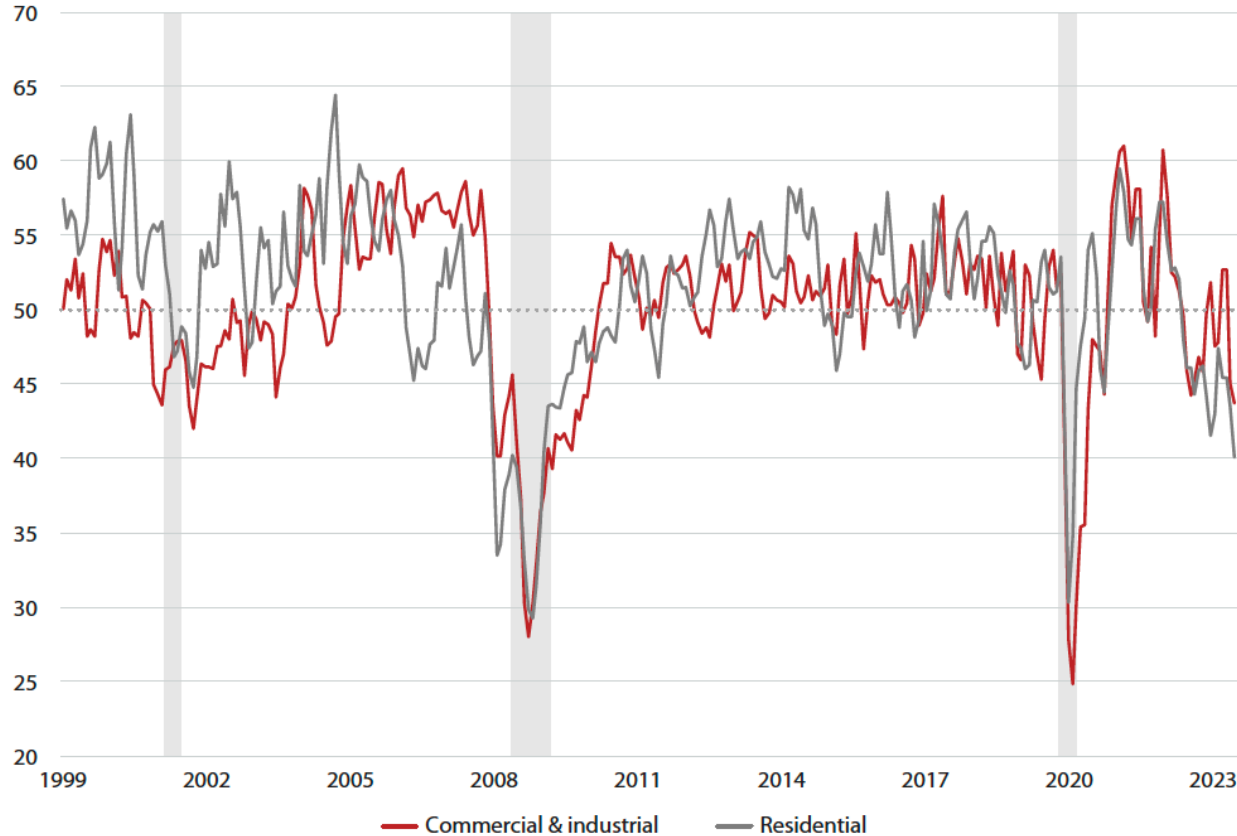
# After Years of Progress, Growing Housing Shortage in Utah



(f) = forecast (2023–2024)

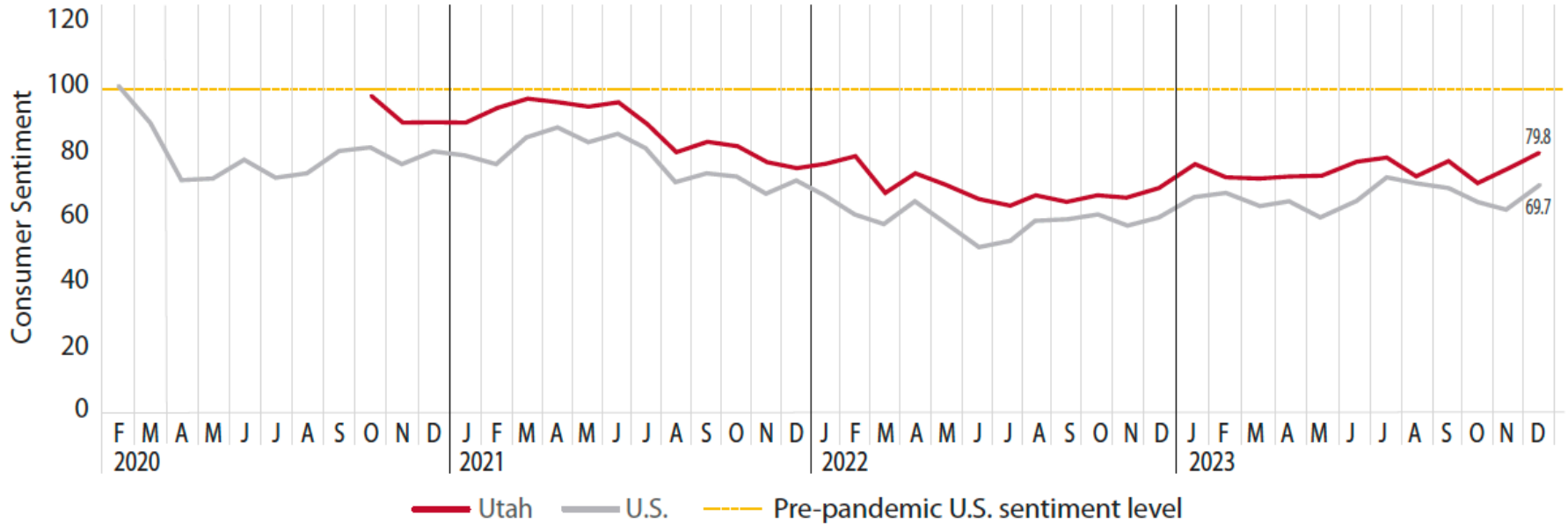
Source: Kem C. Gardner Policy Institute

# Architectural Billings Index, U.S.



can Institute of Architects

# Consumer Sentiment Rising



Source: Kem C. Gardner Policy Institute and University of Michigan

Source: Federal Reserve Bank of New York

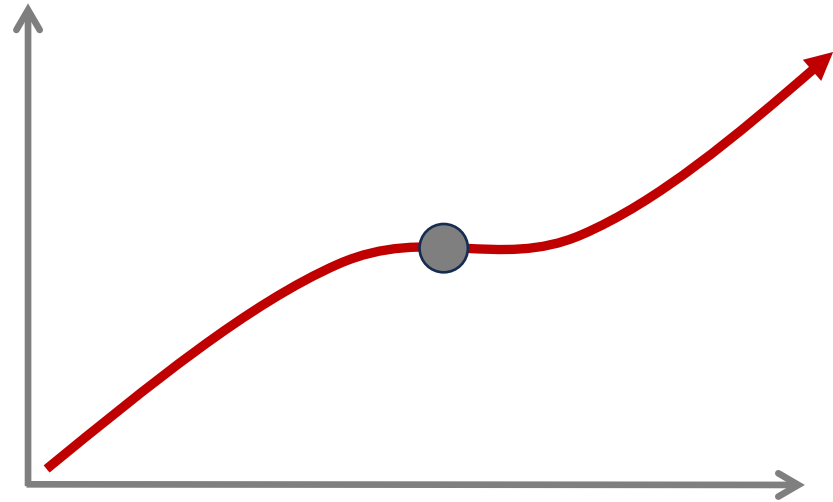
# THE NEW UTAH IS HERE

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# Metaphors for Change

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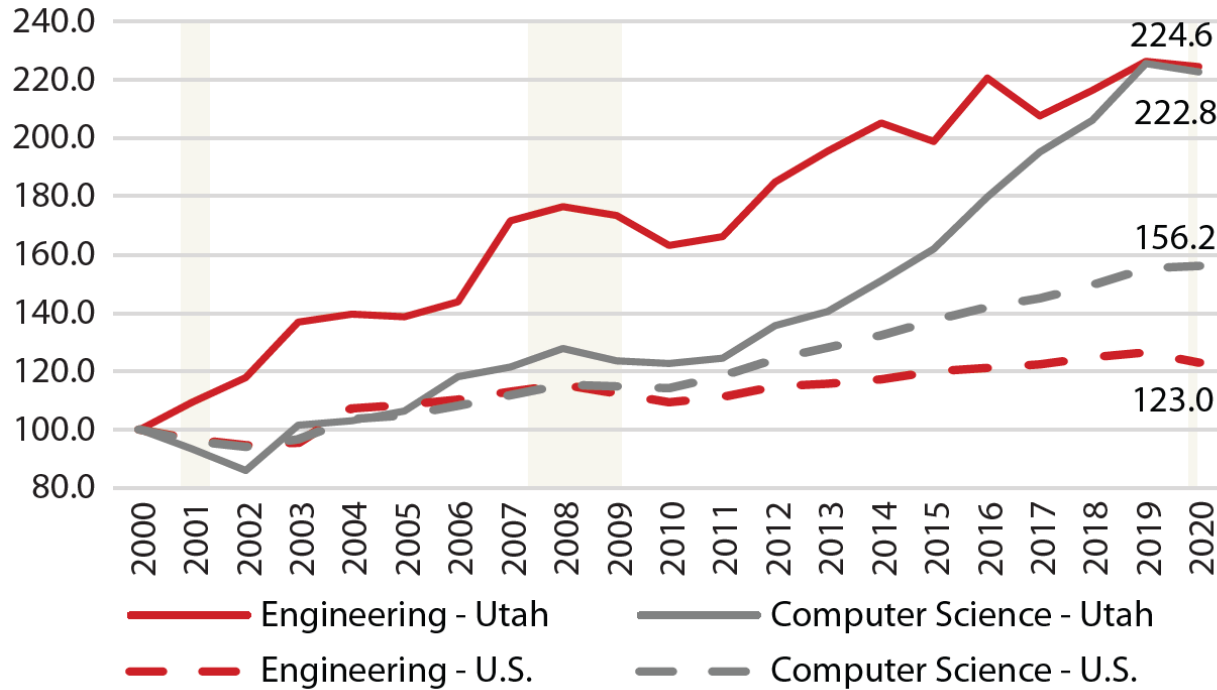
- Inflection point
- Hinge point
- Shift
- Changeover
- Transformation
- Ground shift
- Turning point
- Crossroads
- Tipping point





# Employment Index

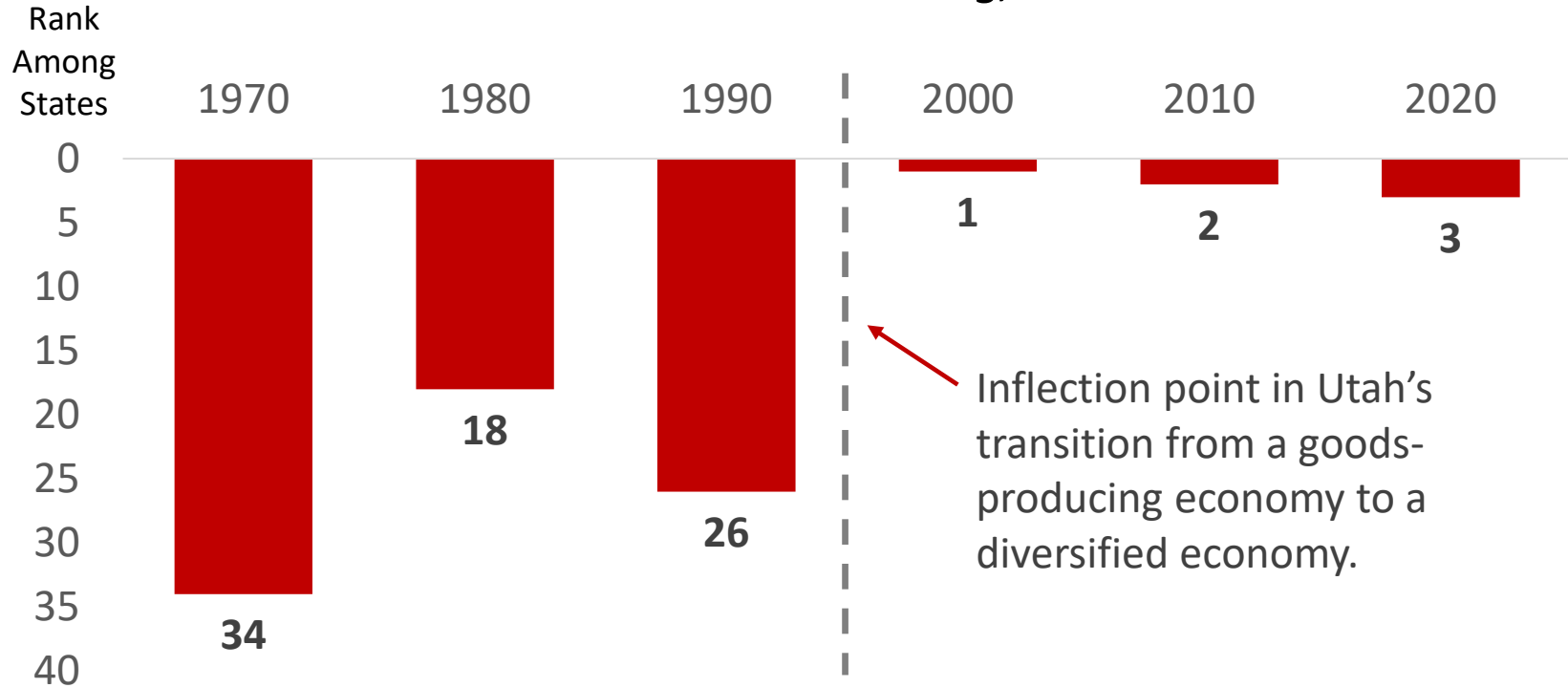
*Computer Science and Engineering; 100=Number of Jobs in 2000*



Source: Compiled by Kem C. Gardner Policy Institute, based on U.S. Bureau of Labor Statistics data

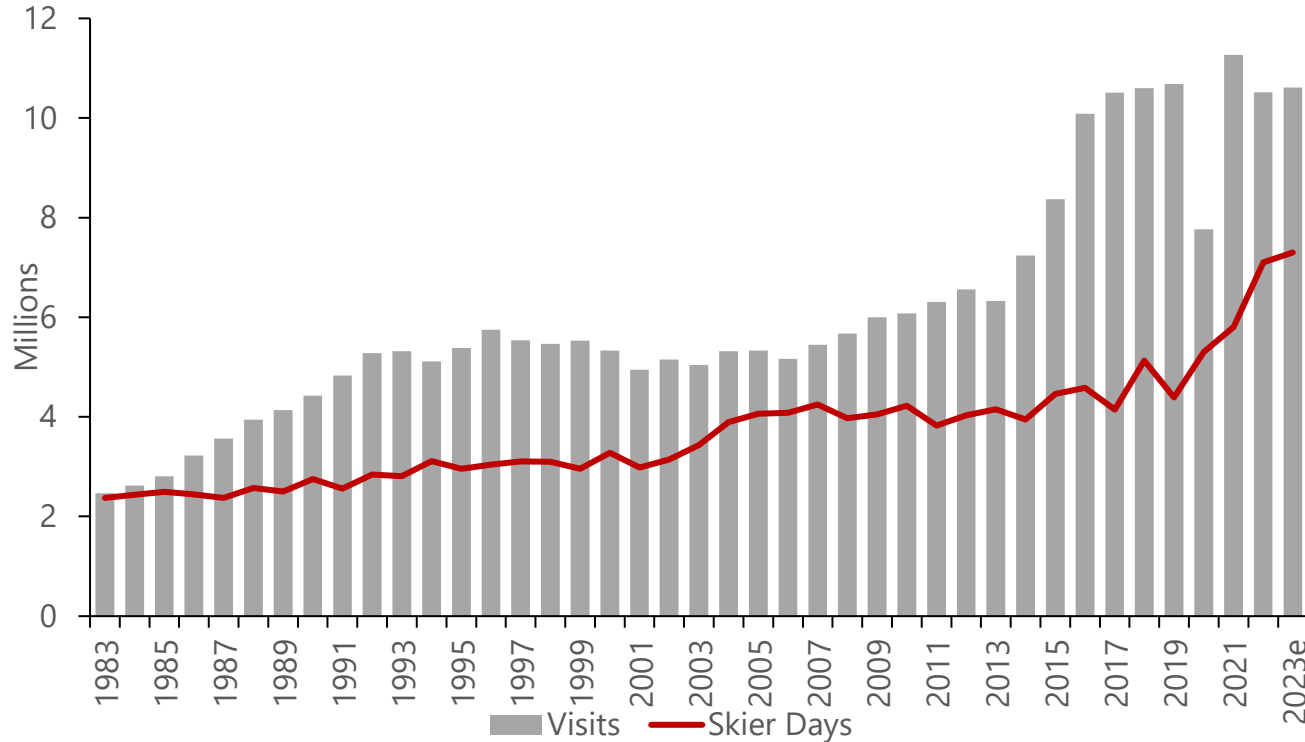
# Utah Economic Diversity

*Hachman Index State Ranking, 1970-2020*



Source: Compiled by Kem C. Gardner Policy Institute

# Utah National Park Visits and Skier Days



Source: Ski Utah and National Park Service

“Historically, pandemics have forced humans to break with the past and imagine their world anew. This one is no different. It is a portal, a gateway between one world and the next.”

- Arundhati Roy, author

# The New Utah

## OLD UTAH

### Small State

Population rank **34<sup>th</sup>** (1990, 2000, 2010)

### Internal Growth (births)

**34%** of growth from migration (2000-2020)

### Less Multicultural

**9.5%** minority (1990)

### Young

**9.1%** age 65+ (2010)

### Strong Economy

Utah **job growth strong**, but **ebbs and flows**

### Affordable Housing

Utah **housing costs** to **wages** highly competitive

## NEW UTAH

### More Populous, Mid-Sized State

Population rank **30<sup>th</sup>** (2020)

### External Growth (migration, much lower fertility)

**61%** of growth from migration (2021 and 2022)

### Multicultural

**23.3%** minority (2022) (*30+% in 2040*)

### Older

**20.0%** age 65+ (2050)

### Elite Economy

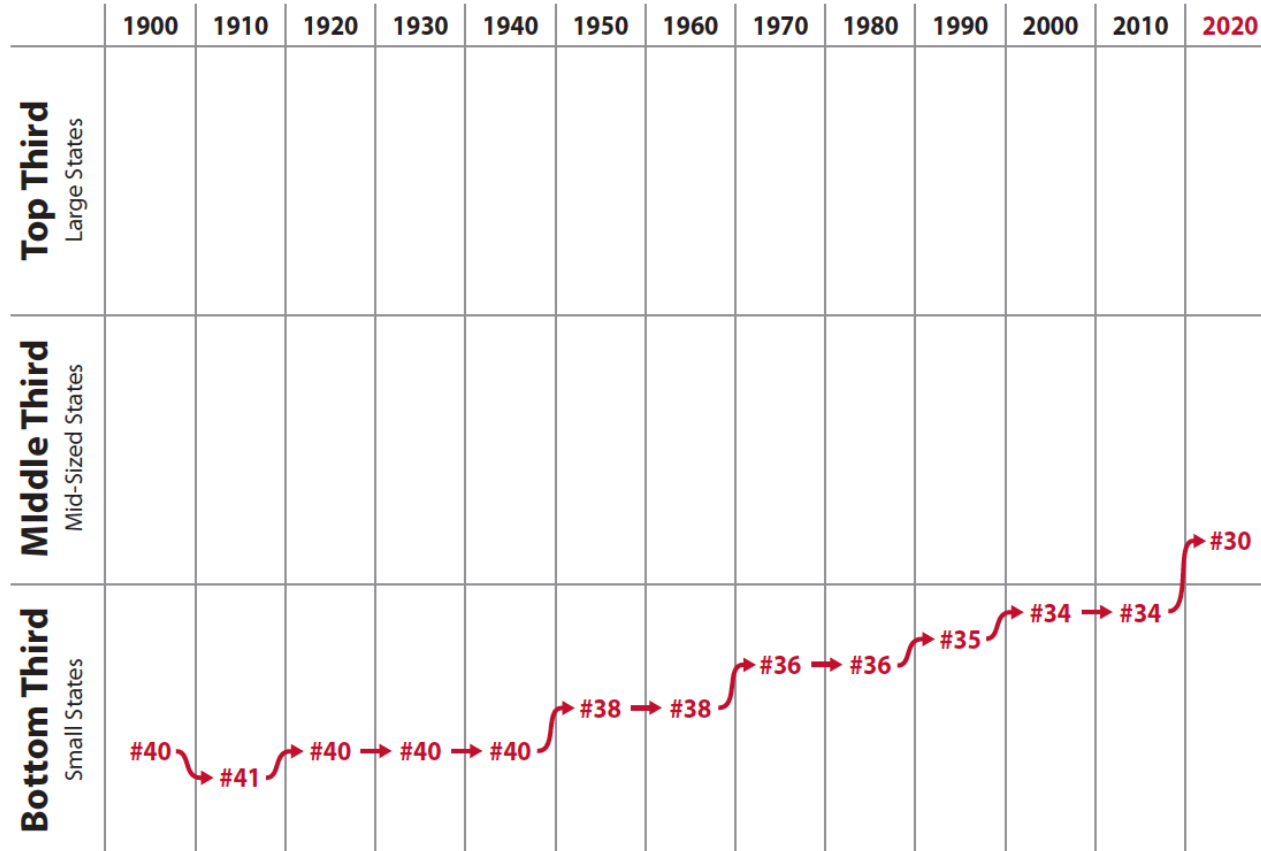
Utah **job growth** consistently best in nation and **top COVID outcomes**

### Unaffordable Housing

Utah **housing costs** represent **major economic risk**

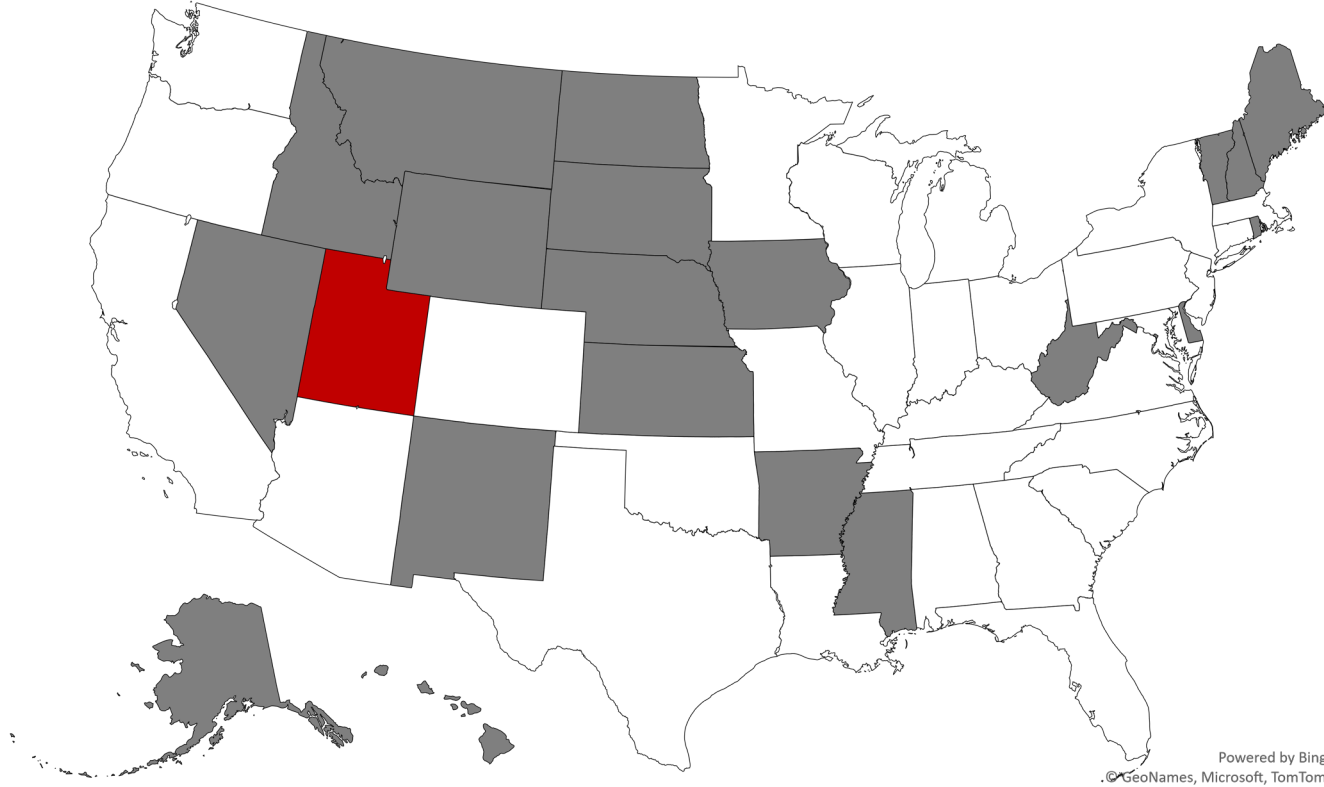
Source: Kem C. Gardner Policy Institute

# Utah's State Rank by Population Size



Source: U.S. Census Bureau, Decennial Census

# 20 States Have Smaller Populations Than Utah, 2020



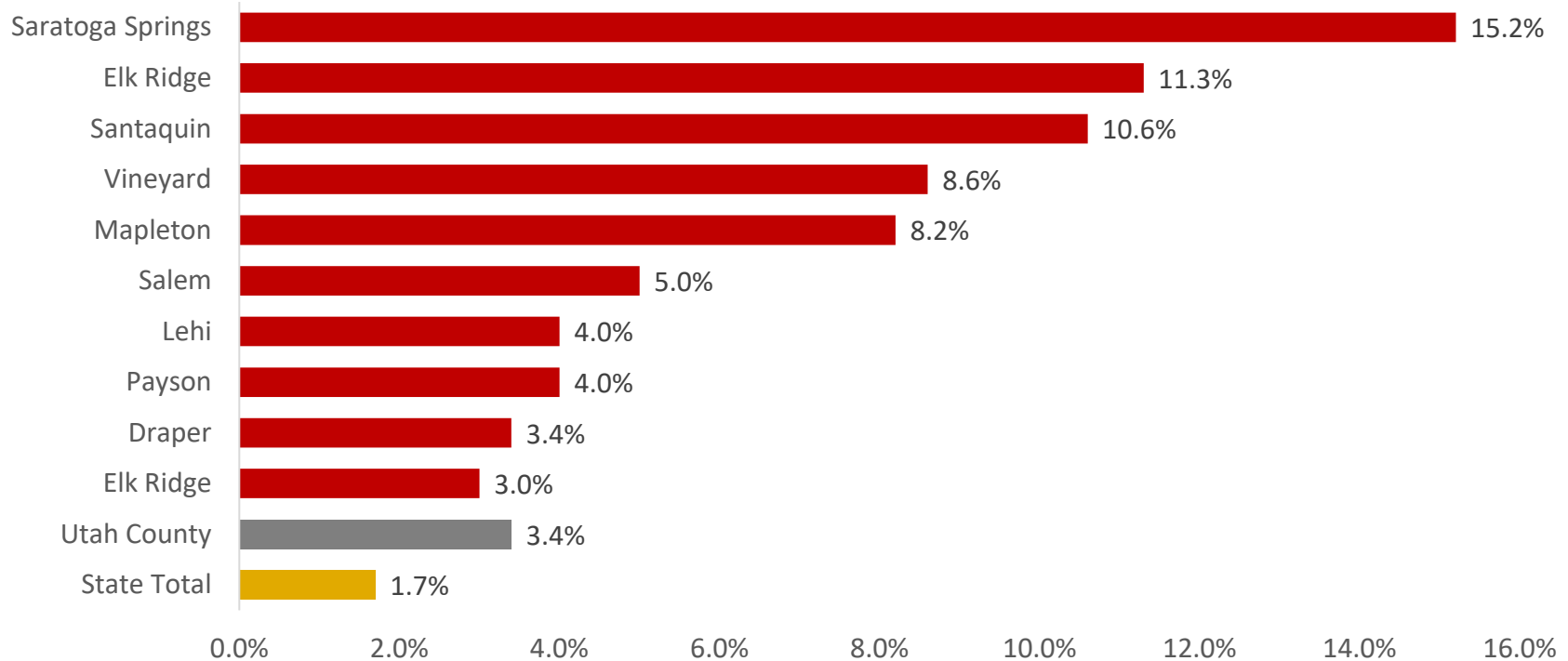
Powered by Bing  
© GeoNames, Microsoft, TomTom

Note: States shaded gray had populations less than 3,271,616 in 2020. D.C. also has a smaller population than Utah.

Source: U.S. Census Bureau

# Utah County Population Growth

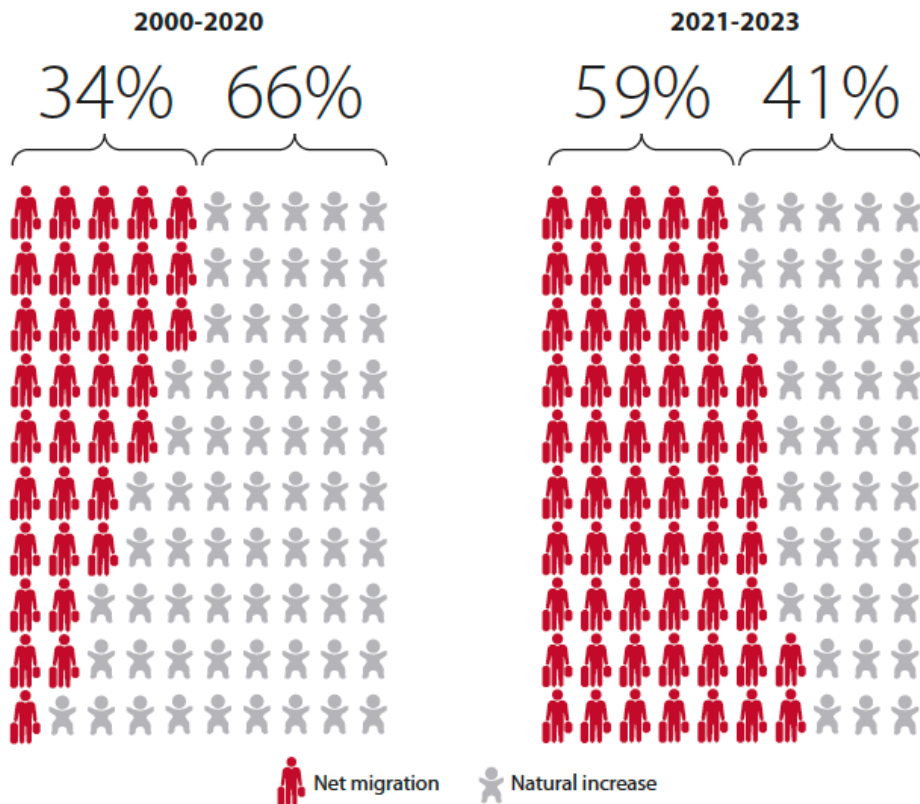
*Top Ten Cities, 2021-2022*



Source: U.S. Bureau of the Census



# Utah Components of Population Change



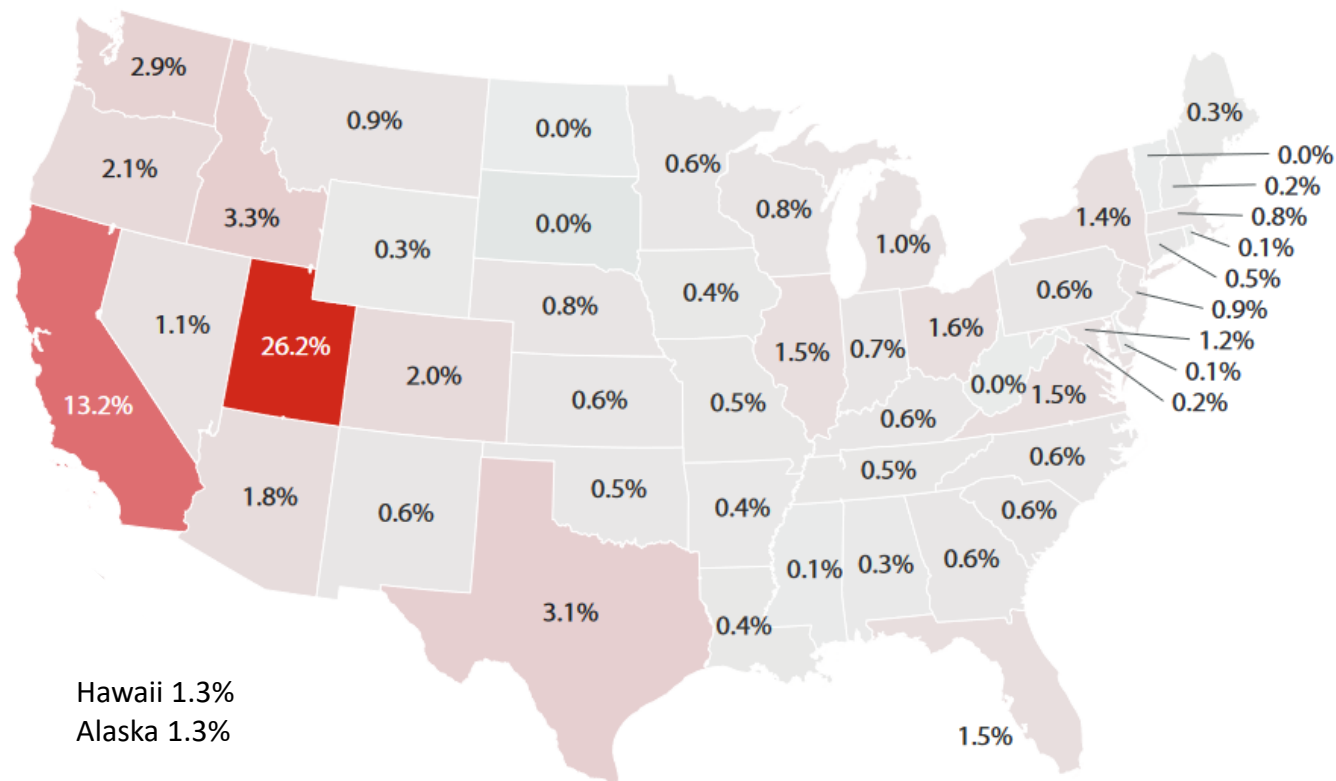
Source: Utah Population Committee

Map showing the percentage of the population aged 65 and over in each state of the United States. The percentages are as follows:

State	Percentage
Alabama	7.2%
Alaska	0.7%
Arizona	4.6%
Arkansas	0.1%
California	16.6%
Colorado	3.8%
Connecticut	2.4%
Delaware	0.6%
District of Columbia	0.1%
Florida	3.0%
Georgia	2.0%
Hawaii	2.1%
Idaho	1.1%
Illinois	1.7%
Indiana	0.8%
Iowa	0.4%
Kansas	0.5%
Kentucky	0.3%
Louisiana	0.3%
Maine	0.1%
Maryland	0.5%
Massachusetts	0.5%
Michigan	0.5%
Minnesota	0.1%
Mississippi	0.3%
Missouri	0.5%
Montana	0.5%
Nebraska	0.0%
Nevada	3.3%
New Hampshire	0.3%
New Jersey	0.3%
New Mexico	1.1%
New York	0.1%
North Carolina	0.5%
North Dakota	0.1%
Ohio	1.0%
Oklahoma	0.4%
Oregon	4.1%
Oklahoma	0.4%
Oregon	5.3%
Pennsylvania	0.3%
Rhode Island	0.5%
South Carolina	0.3%
South Dakota	0.1%
Tennessee	0.3%
Texas	7.2%
Utah	1.3%
Vermont	0.1%
Virginia	0.5%
Washington	6.6%
West Virginia	0.3%
Wisconsin	0.7%
Wyoming	1.1%

UNIVERSITY OF UTAH

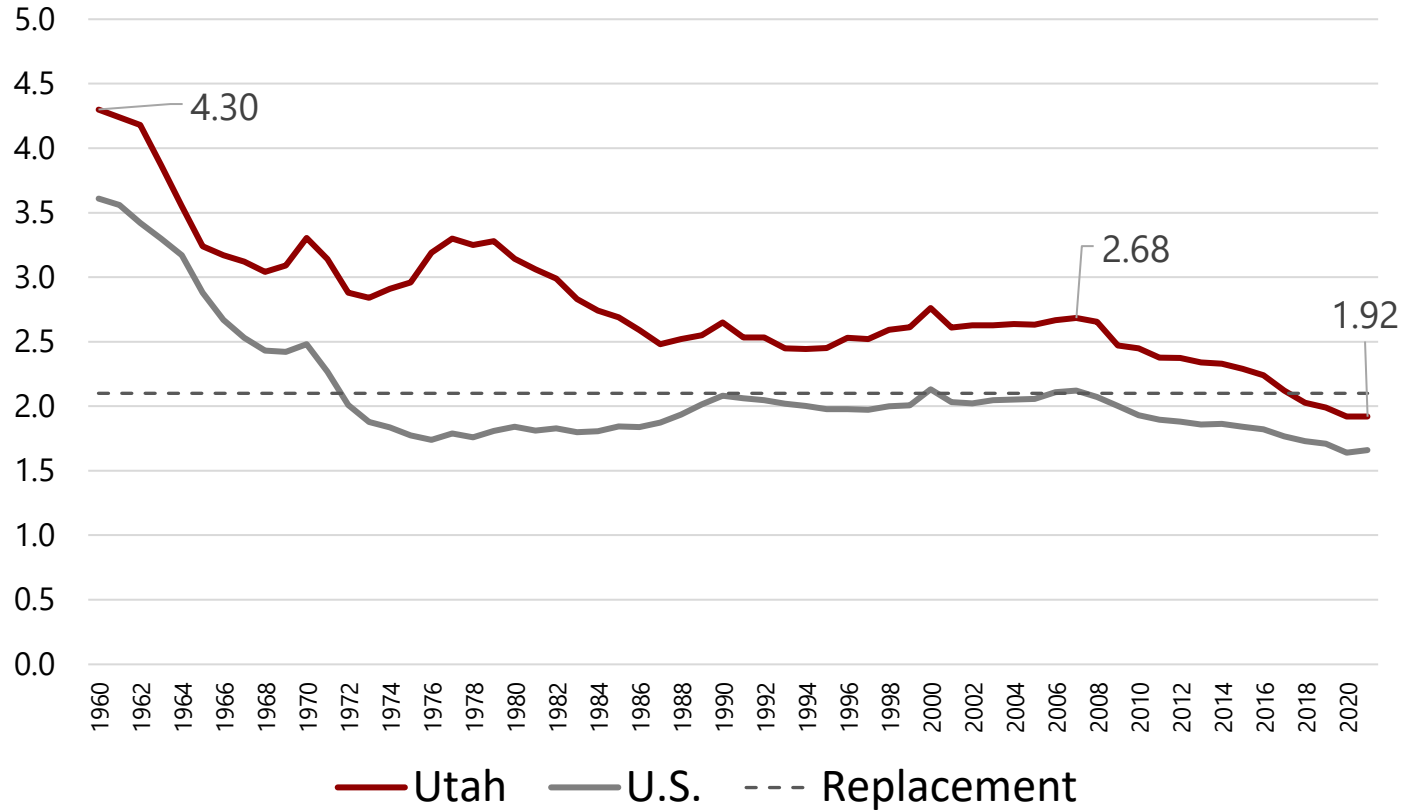
***Utah In-Migrant  
Place of Birth,  
2014–2018***  
*5-Year American  
Community Survey*



Source: Kem C. Gardner Policy Institute

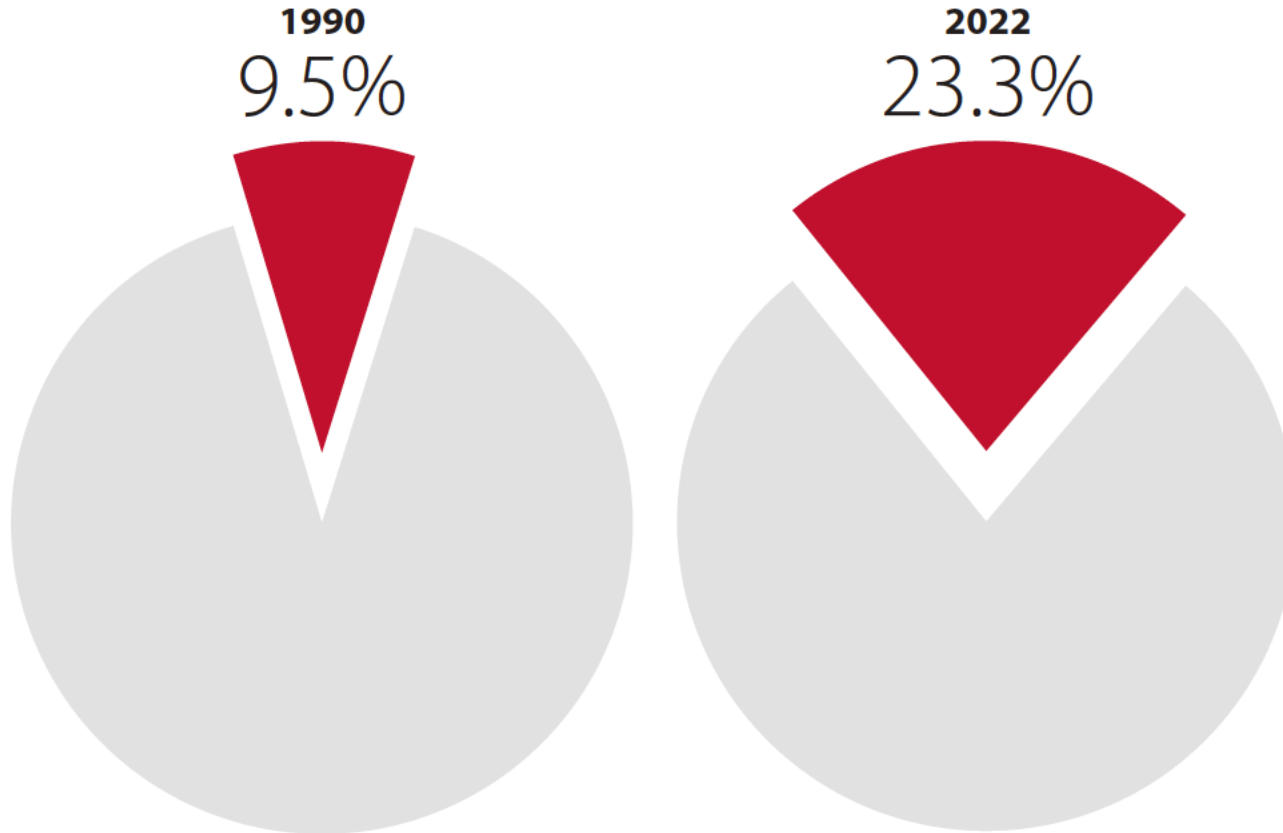
# Total Fertility Rate

1960-2021



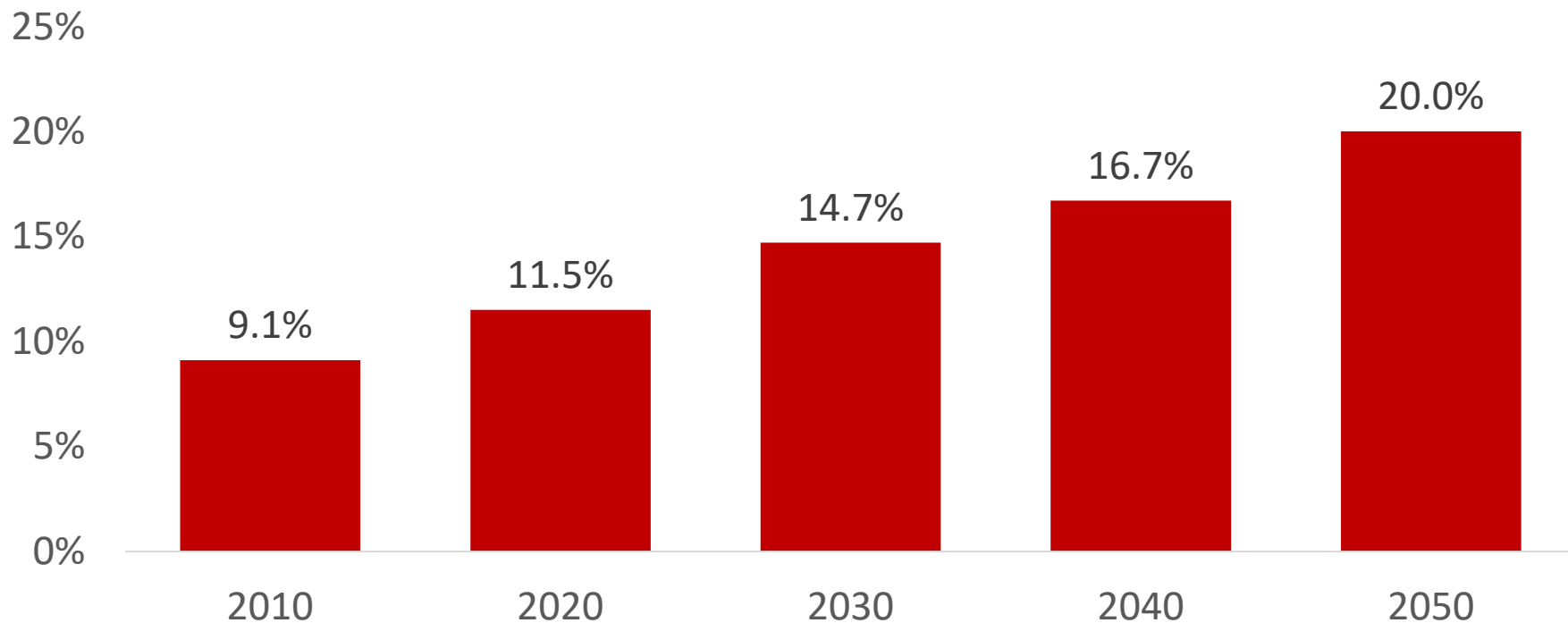
Source: National Center for Health Statistics

# Utah Minority Population Shares



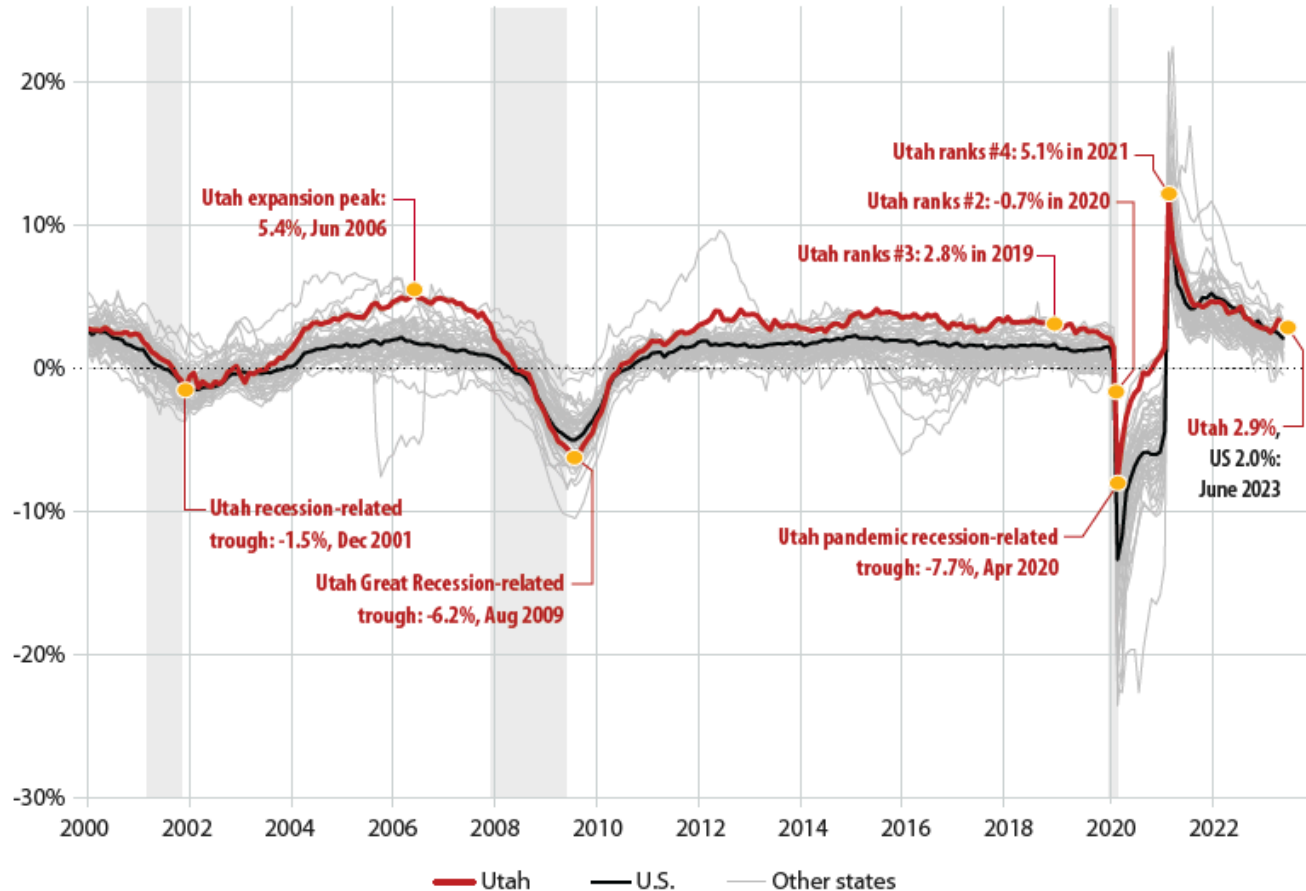
Source: 1990 Census and American Community Survey

# Utah Population 65+ and Over



Source: Kem C. Gardner Policy Institute

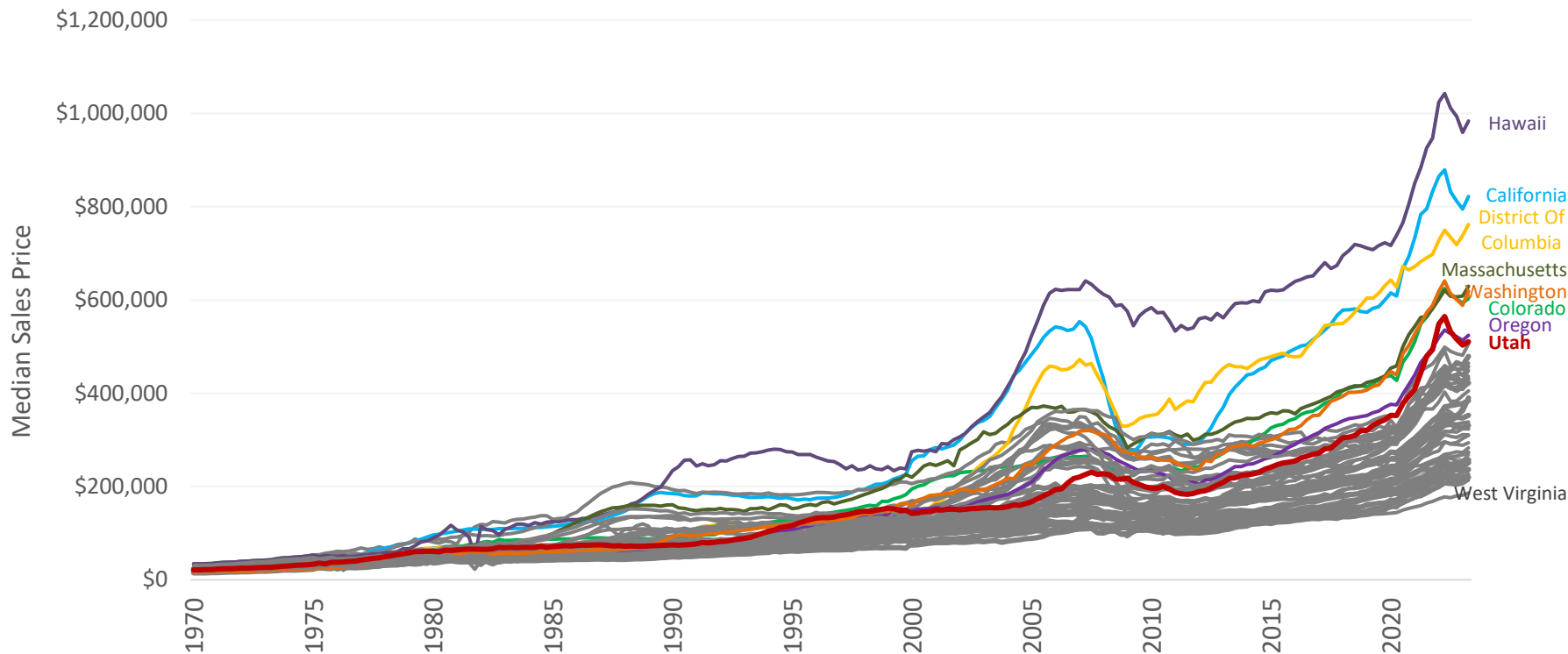
# Job Growth for All 50 States



Source: Utah Governor's Office of Planning and Budget and U.S. Bureau of Labor Statistics

# Median Sales Price Existing Single-Family Homes

*Utah ranks 8<sup>th</sup> highest in the U.S., 2023 2Q*



Source: National Association of Realtors



# Strategic Questions

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1. How do we grow and maintain the distinctive features Utahns value?
2. How do we remain prosperous and help all Utahns thrive?

# Utah: A National Success Story

Fiscal Responsibility Social Mobility  
Social Capital **Best-Managed State** Happiest  
Fastest Growing **#1** Ranked  
Economy  
**Youthful** Collaboration  
Diverse **And more...**  
Economy  
Covid-19 Performance  
Thriving Urban Center

# Utah's Nine Flashpoints

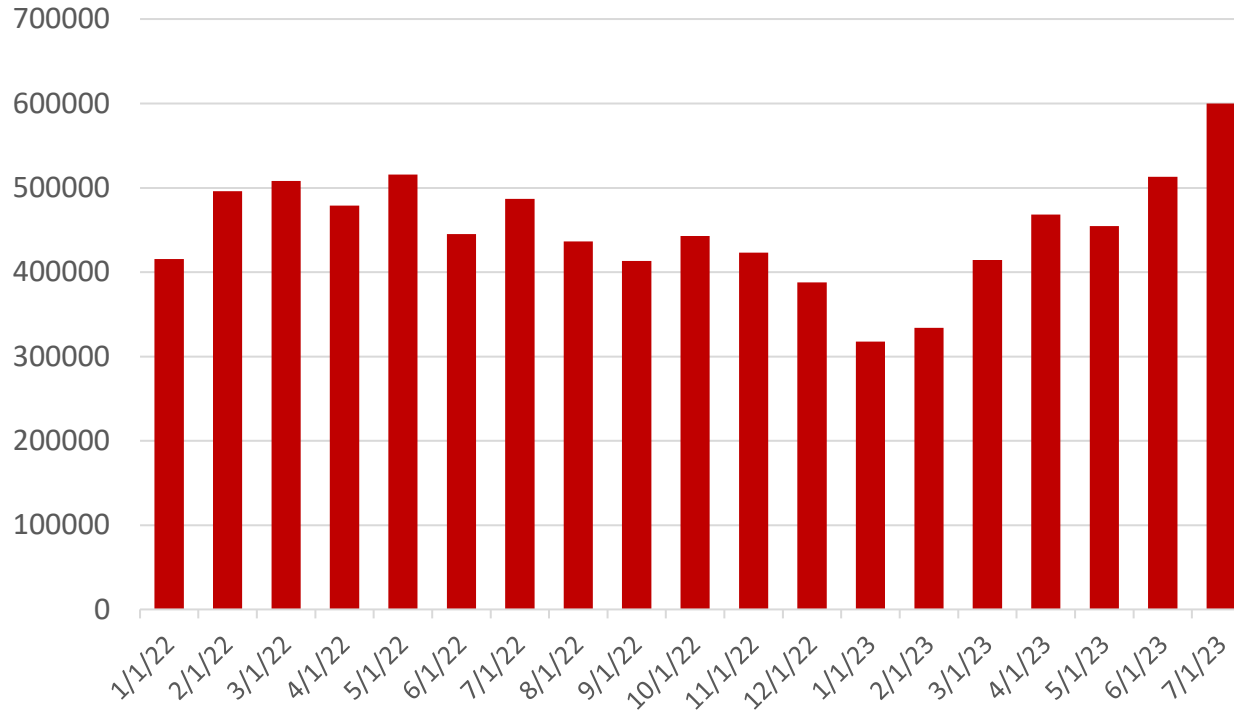
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1. Infrastructure investment
2. Energy safeguarding energy
3. Educational disparities
4. Bounty and spread
5. Housing affordability
6. Air quality
7. Great Salt Lake
8. Mental health
9. Chronic homelessness

Source: Kem C. Gardner Policy Institute

# Hours of Delay on Utah Roads

*Difference between actual travel time and free flow travel time*

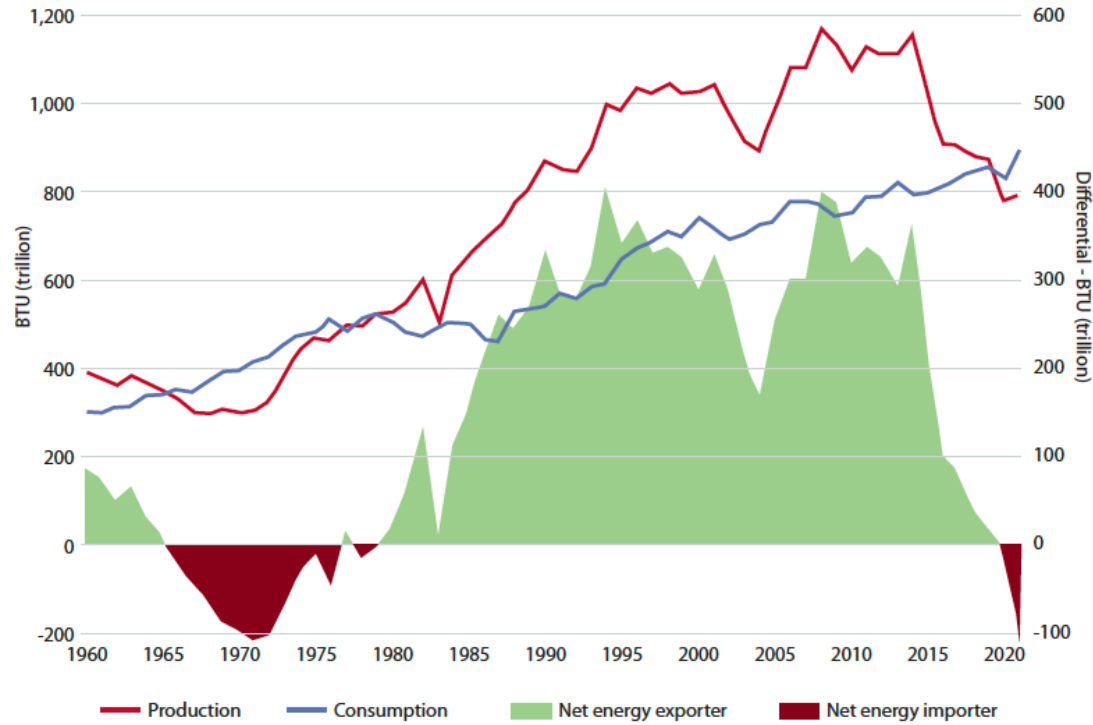


Note: Data for 2023 will be updated as additional information becomes available.

Source: Utah Dept. of Transportation

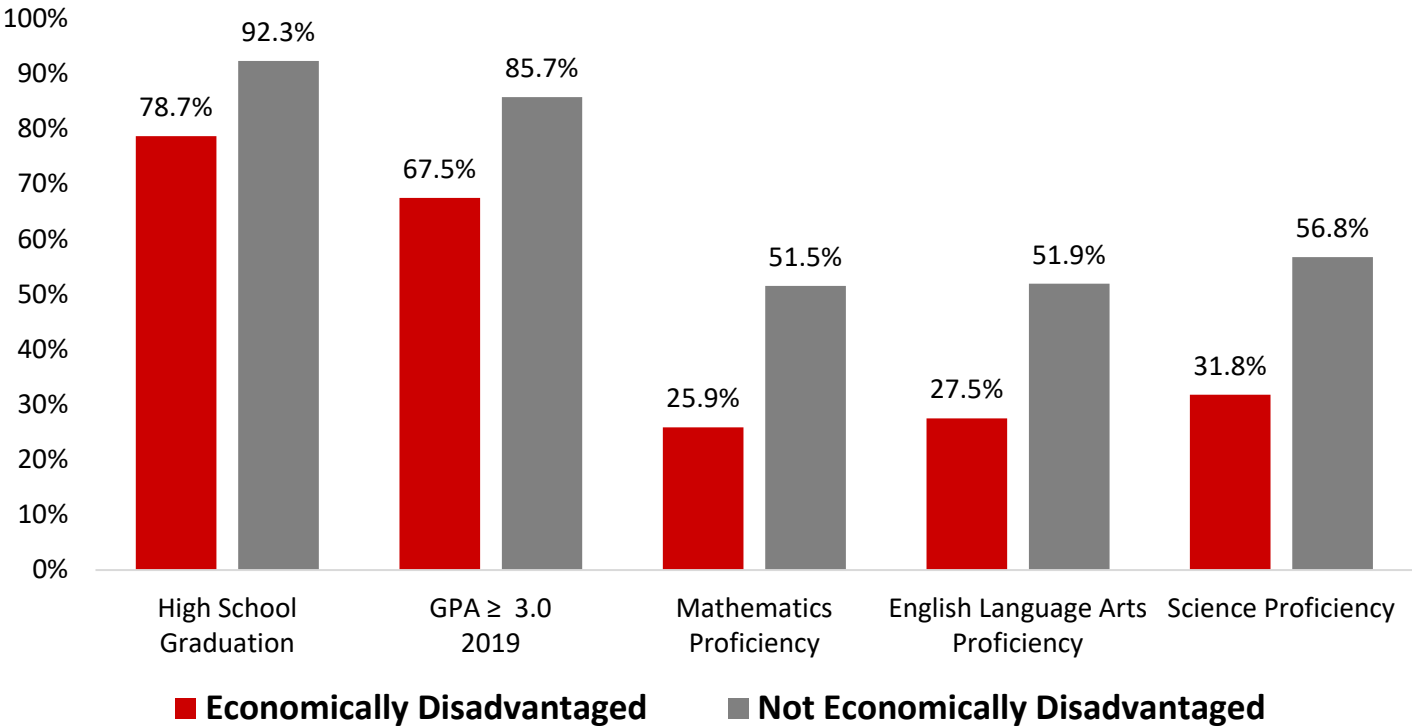
# Utah Energy Production and Consumption

*Utah has become a net energy importer for the first time in 40 years*



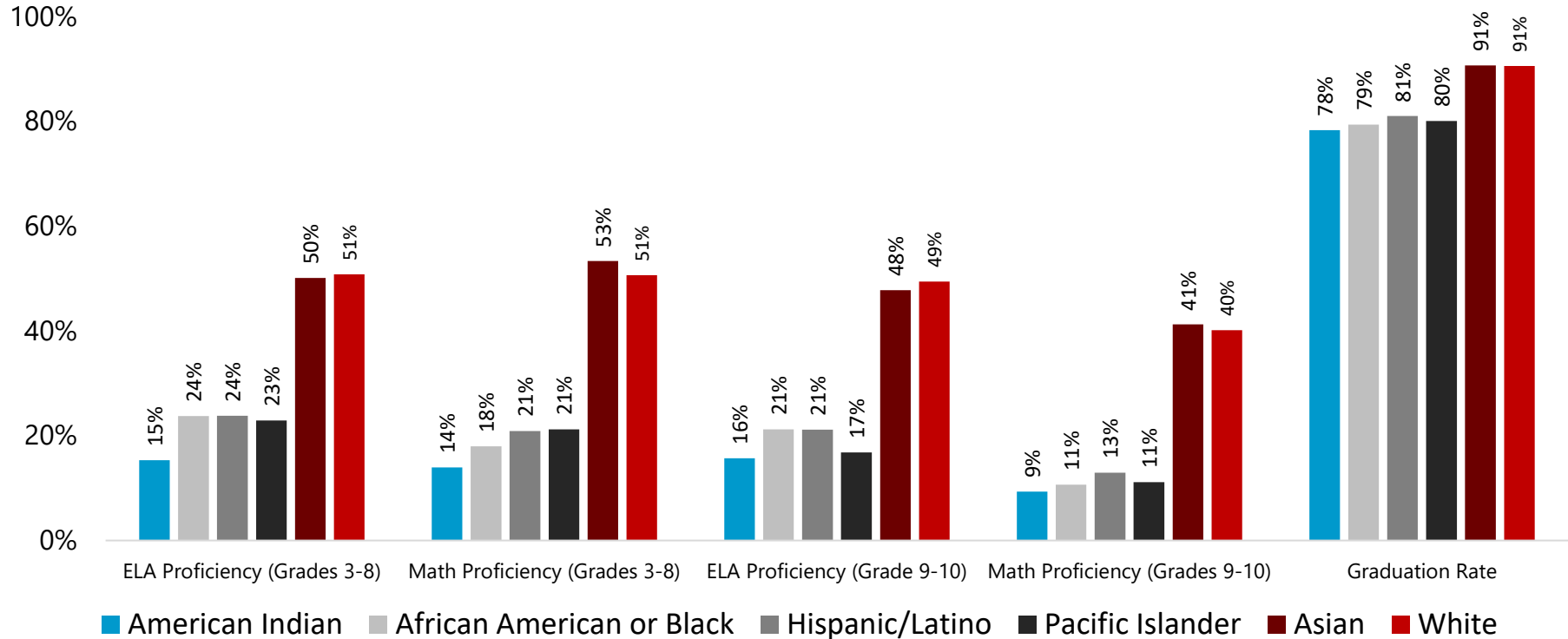
Source: Utah Geological Survey

# Utah Student Achievement by Socio-Economic Status, 2023



Note: GPA data is 2019. Math, ELA, and Science proficiencies include RISE test, grades 3-8.  
Source: Kem C. Gardner Policy Institute analysis of Utah State Board of Education data

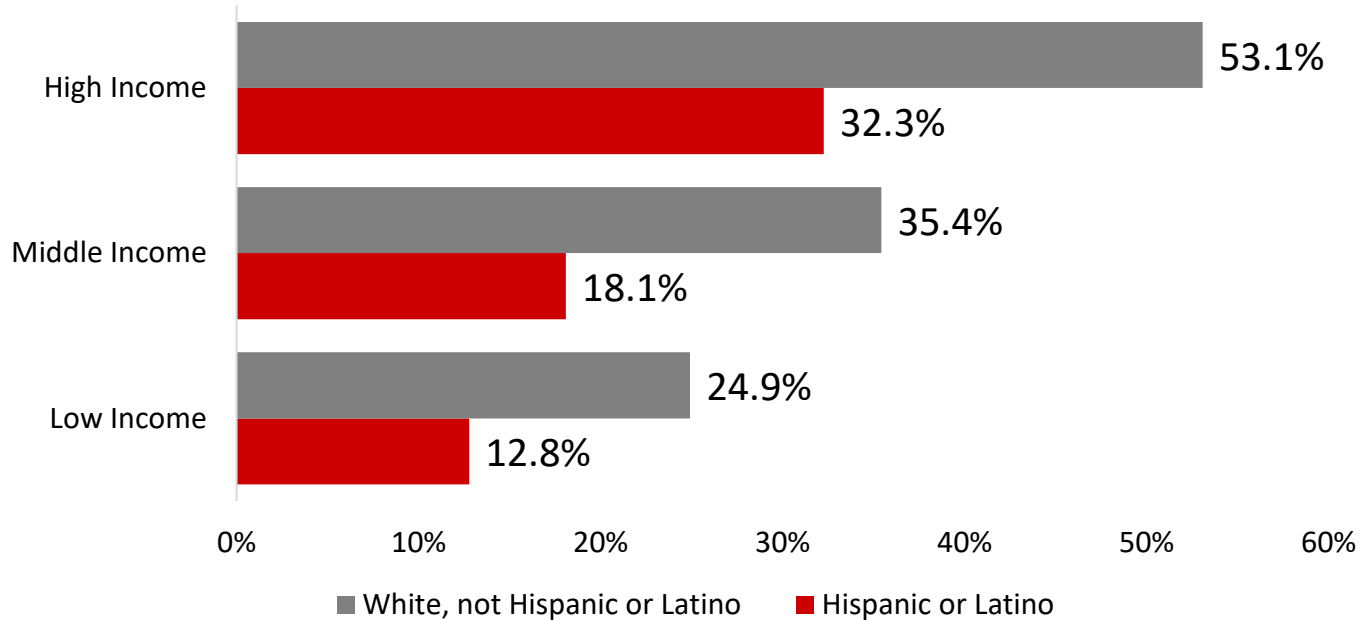
# Utah Student Achievement by Race/Ethnicity, 2022



Source: Utah State Board of Education

# Share of Utahns with a Bachelor's Degree or Higher by Race, Ethnicity, and Income, 2018–2022

*Population Age 25 and Above*

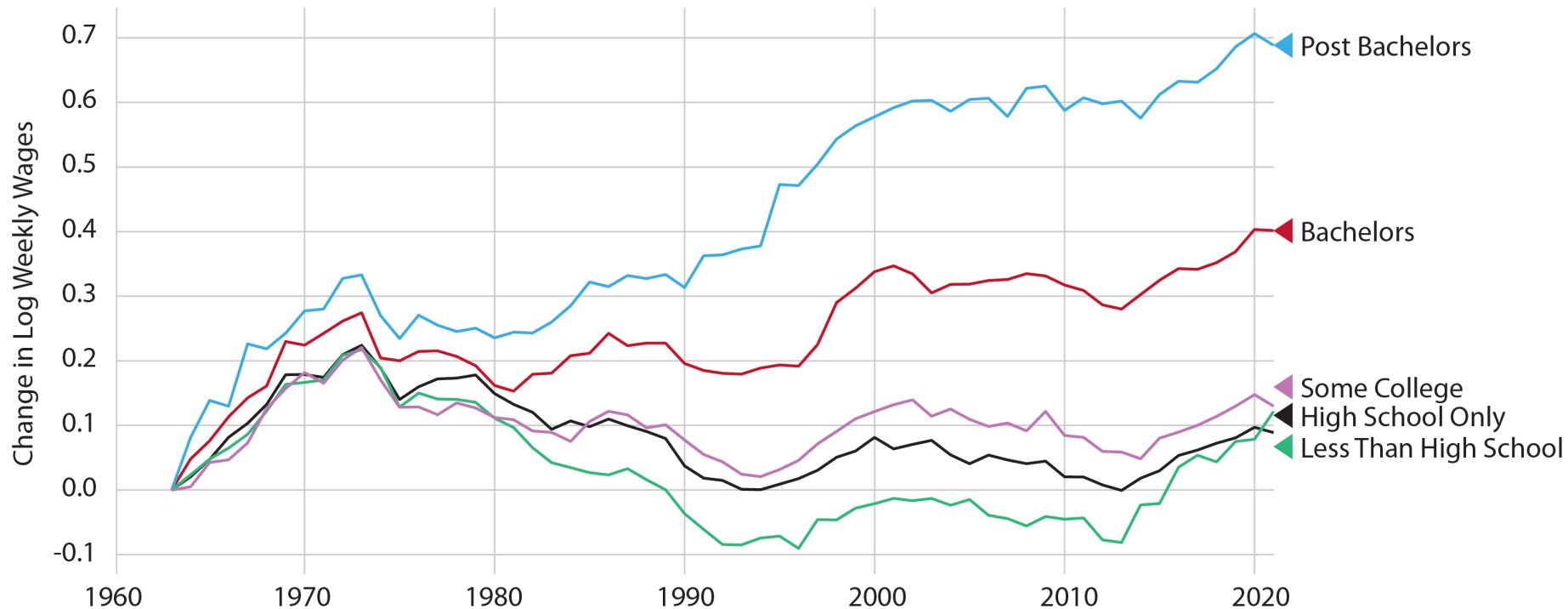


Note: Middle income limits based on household income relative to the Utah median (between 50% and 150%) and to the federal poverty level (between the 30th and 70th percentiles) with both criteria weighted equally and all measures adjusted by household size. Gardner Institute bases its income level estimates on household income, compared with state medians and federal poverty guidelines by household size.

Source: Kem C. Gardner Policy Institute analysis of Utah sample data (n=97,372) from the U.S. Census Bureau, American Community Survey, Integrated Public Use Microdata Series

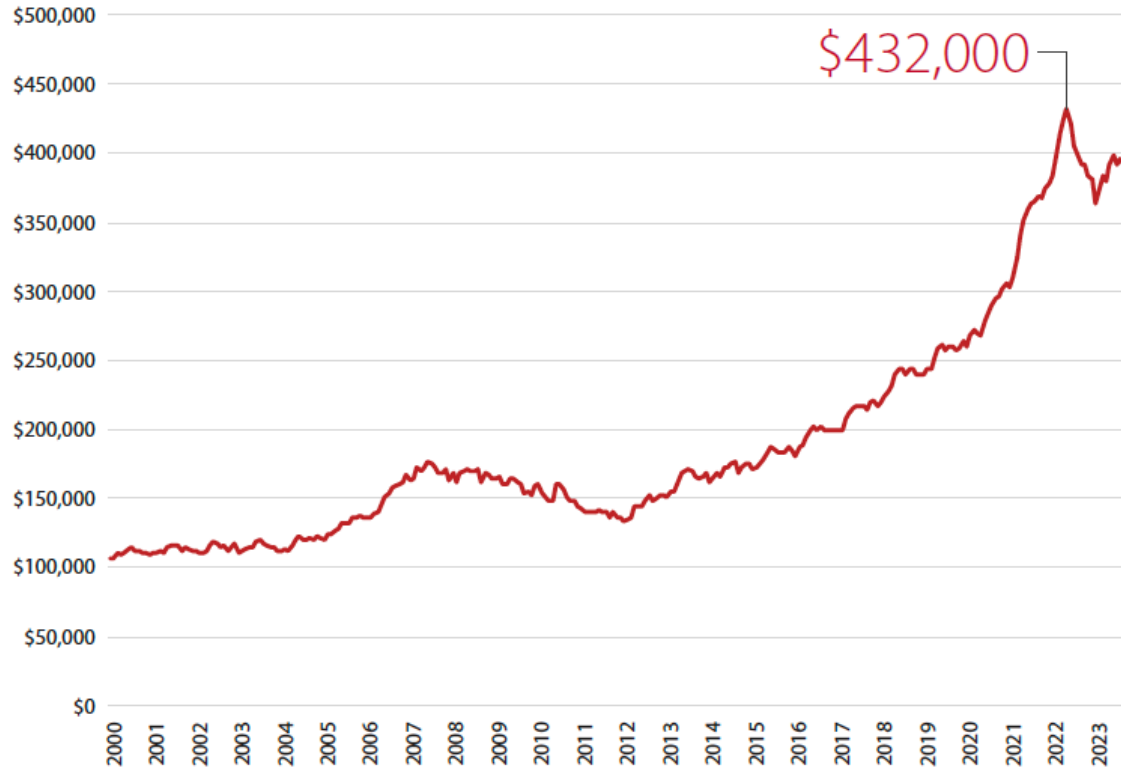


# Wages for Full Time, U.S. Male Workers



Source: The Second Machine Age, Brynjolfsson and McAfee and Kem C. Gardner Policy Institute

# Price of a Starter Home in Utah



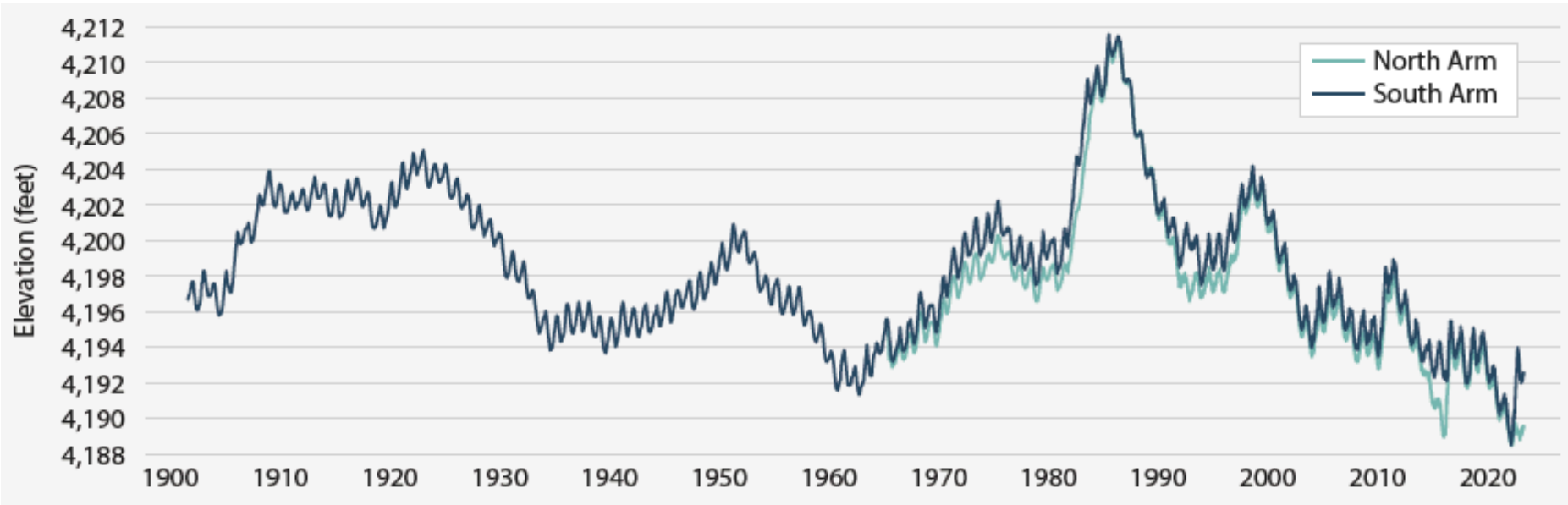
Source: Utah RealEstate.com



(Megan Nielsen/Deseret News)

# Elevation of Great Salt Lake North and South Arms

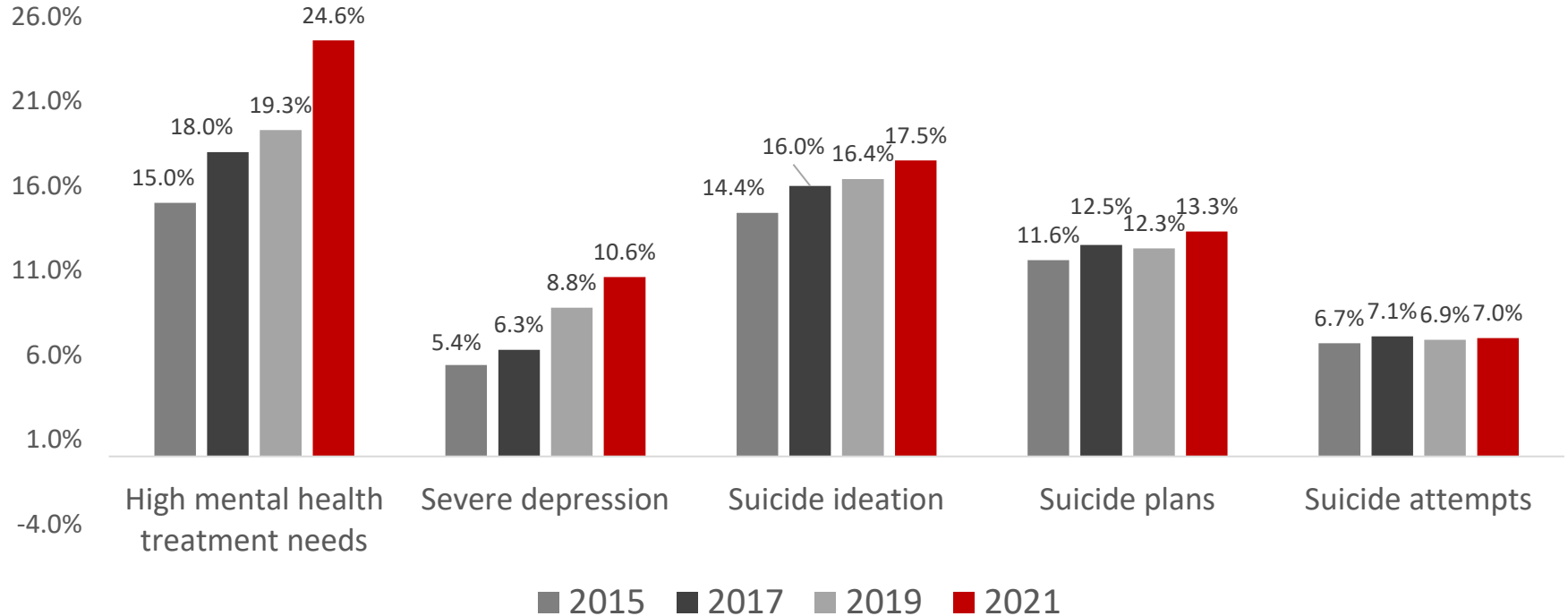
*Daily Elevation*



Source: U.S. Geological Survey

# Utah's Youth Mental Health Indicators

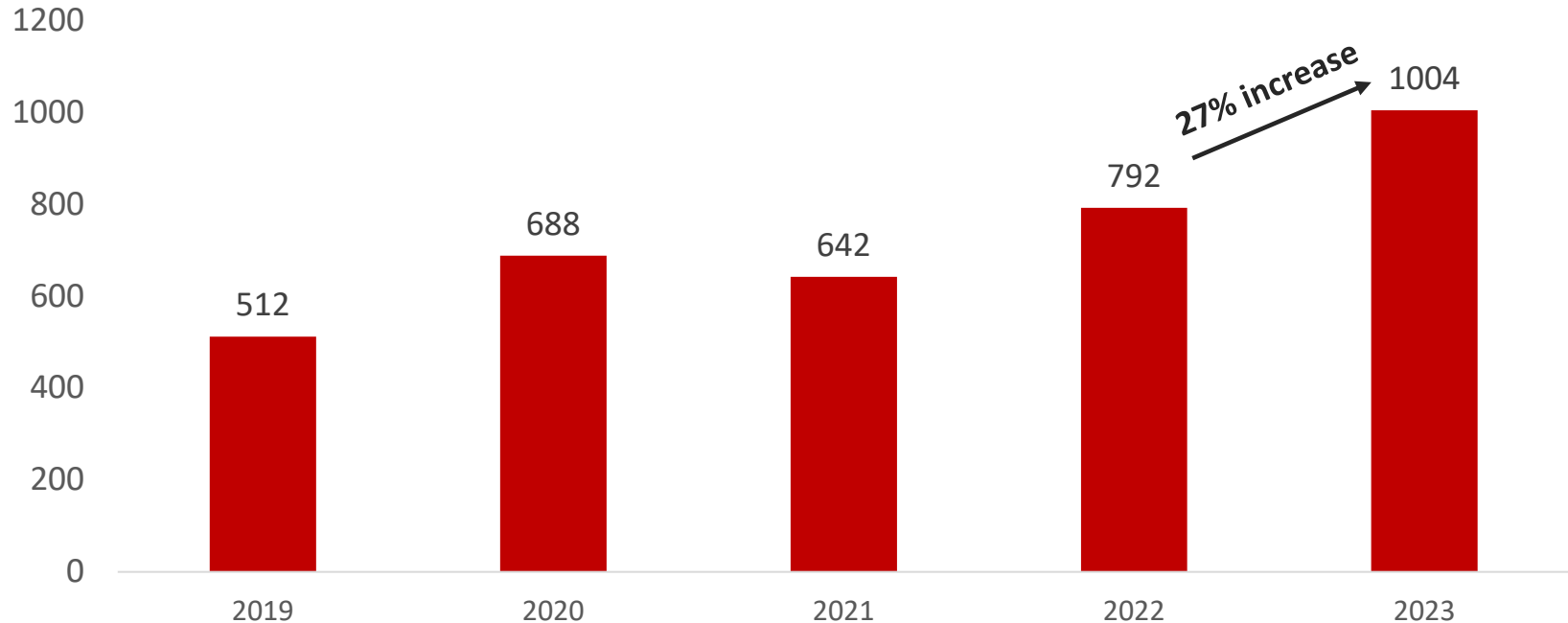
*Share of Utah Middle and High School Students with Select Mental Health Needs, 2015–2021*



Note: Survey responses are from students in grades 6, 8, 10, and 12.

Source: Student Health and Risk Prevention: Prevention Needs Assessment Survey. Utah Division of Substance Abuse and Mental Health

# People Experiencing Chronic Homelessness in Utah



Source: Utah Point in Time Count (2021 is not comparable to other years because of inconsistencies caused by COVID)

