

Economic Insights

Salt Lake County Council

June 4, 2024

INFORMED DECISIONS™

Summary

- **Economic humility** – Now is a difficult time to forecast.
- **Positives and negatives** – The economy faces simultaneous positives and negatives.
- **Inflation and interest rates** – Be aware of “long and variable” lags.
- **Utah’s decelerating growth** – The Beehive State is no longer the nation’s best economy.
- **Trends to watch** – Keep an eye on unemployment, net migration, housing, and consumer sentiment.

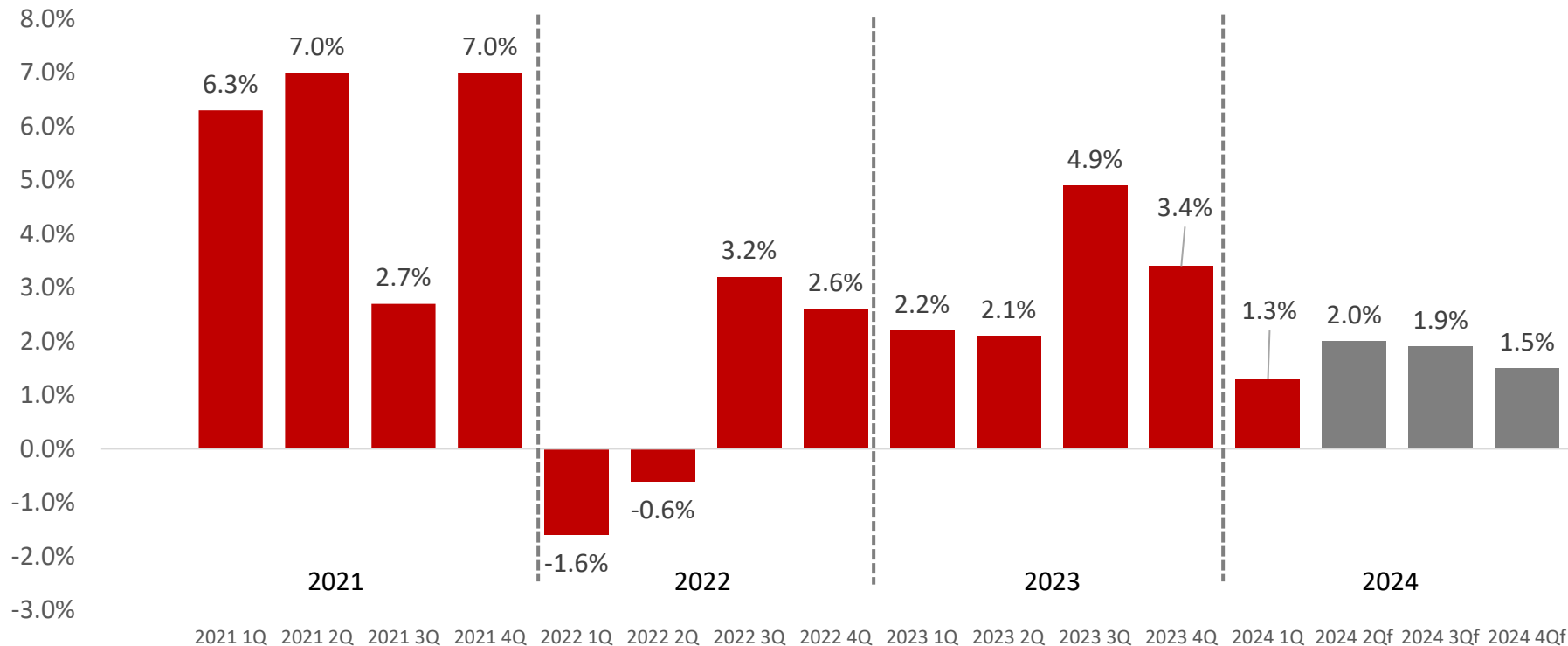
U.S. Economic T-Chart

Positives	Negatives
Full employment (unemployment below 4%)	Inflation still above target
Real GDP near potential of ~2%	High short-term interest rates
Employment expanding @ ~200k/mo.	Elevated mortgage rates at 7%
Wage growth outpacing inflation	Inverted yield curve
Strong corporate earnings	Social unrest in an election year
Stocks hitting record highs	Geopolitical conflicts

Source: Kem C. Gardner Policy Institute

U.S. Real GDP Growth

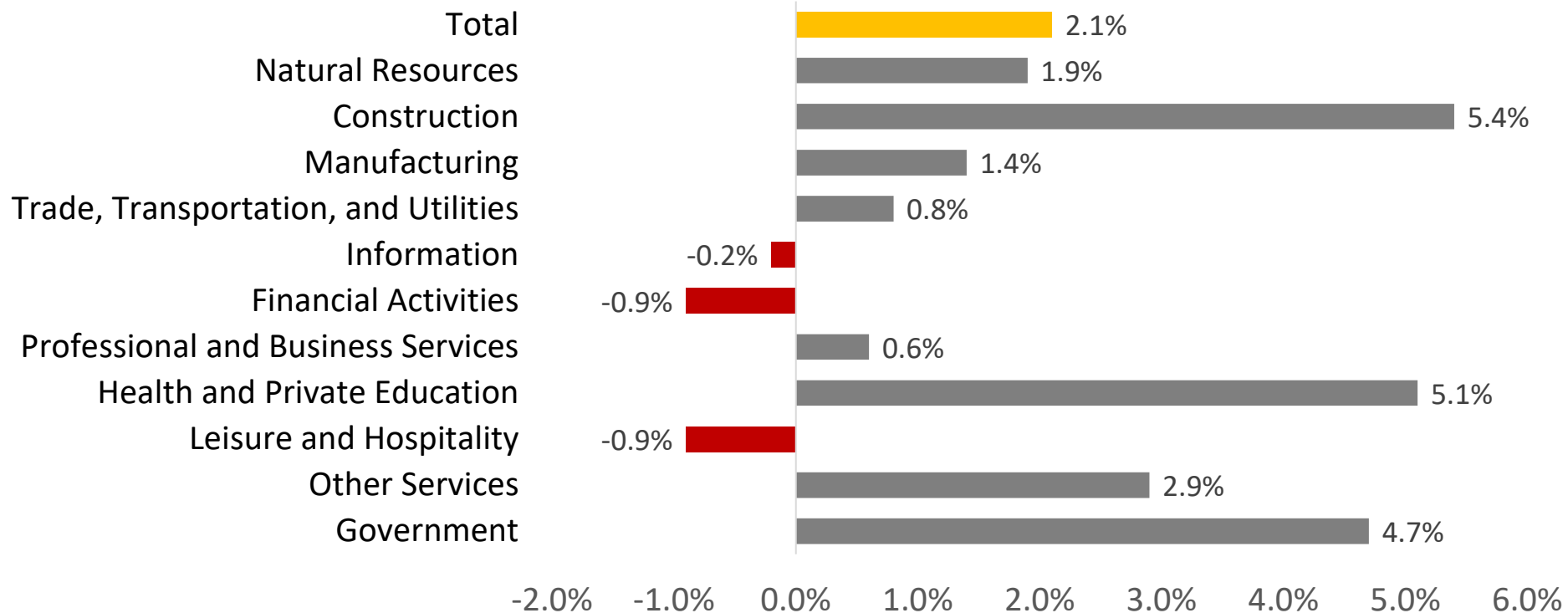
Quarter-over, seasonally adjusted annual rate



Source: Bureau of Economic Analysis, Gardner Institute, and Wells Fargo Economics

Utah Job Growth

Year-over percent change, April 2024

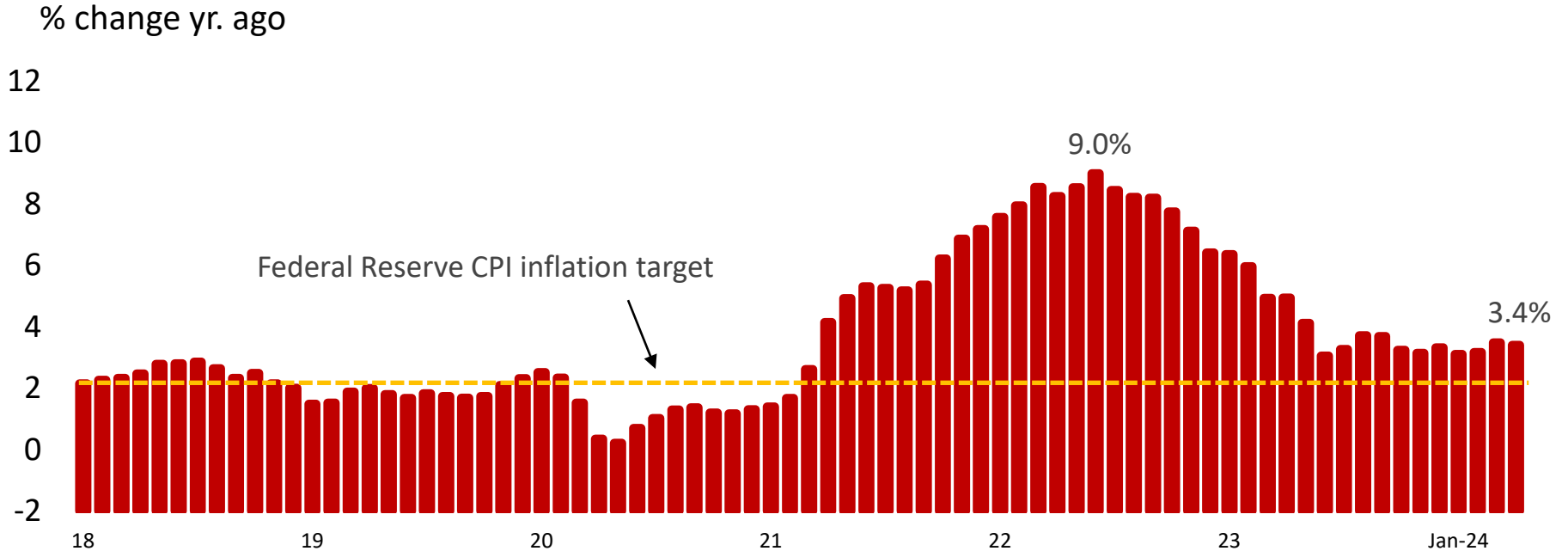


Source: U.S. Bureau of Labor Statistics

*You may not be interested in
monetary policy, but monetary
policy is interested in you.*

- Adapted from Leon Trotsky

U.S. Consumer Price Inflation



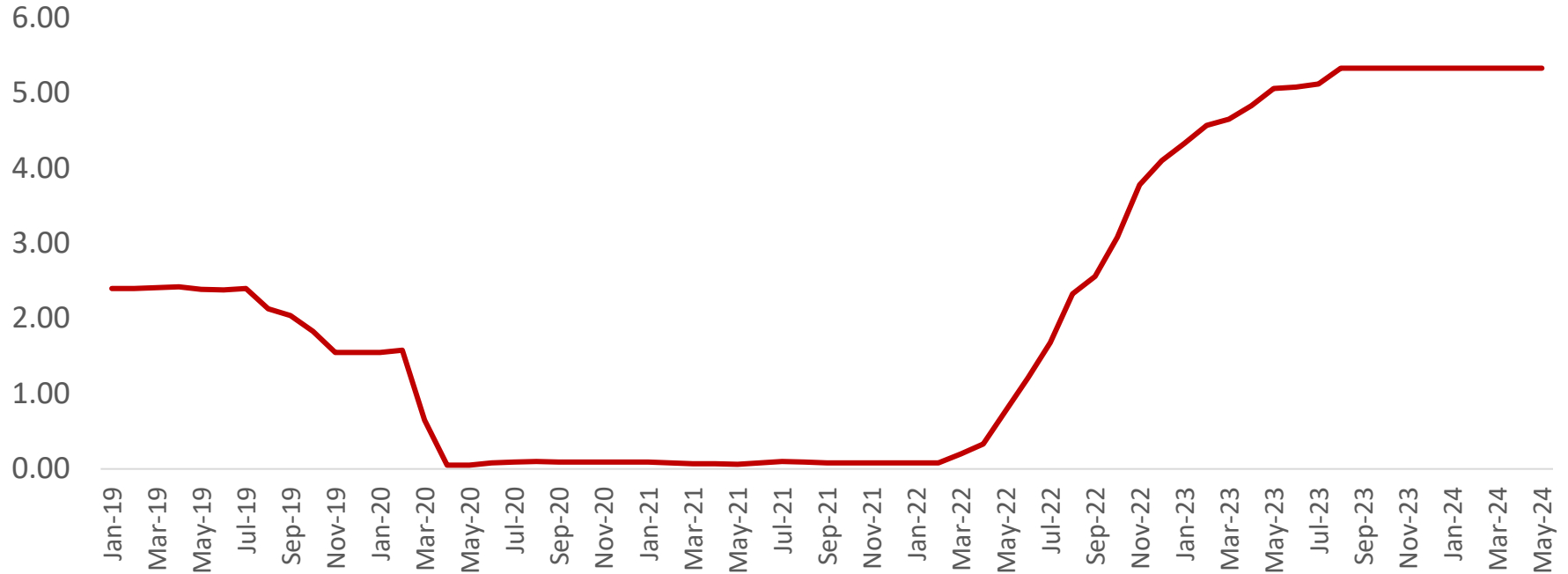
Source: U.S. Bureau of Labor Statistics

*"We are navigating by the **stars**
under **cloudy skies.**"*

- Jerome Powell, August 2023 FED Statement

Effective Federal Funds Rate

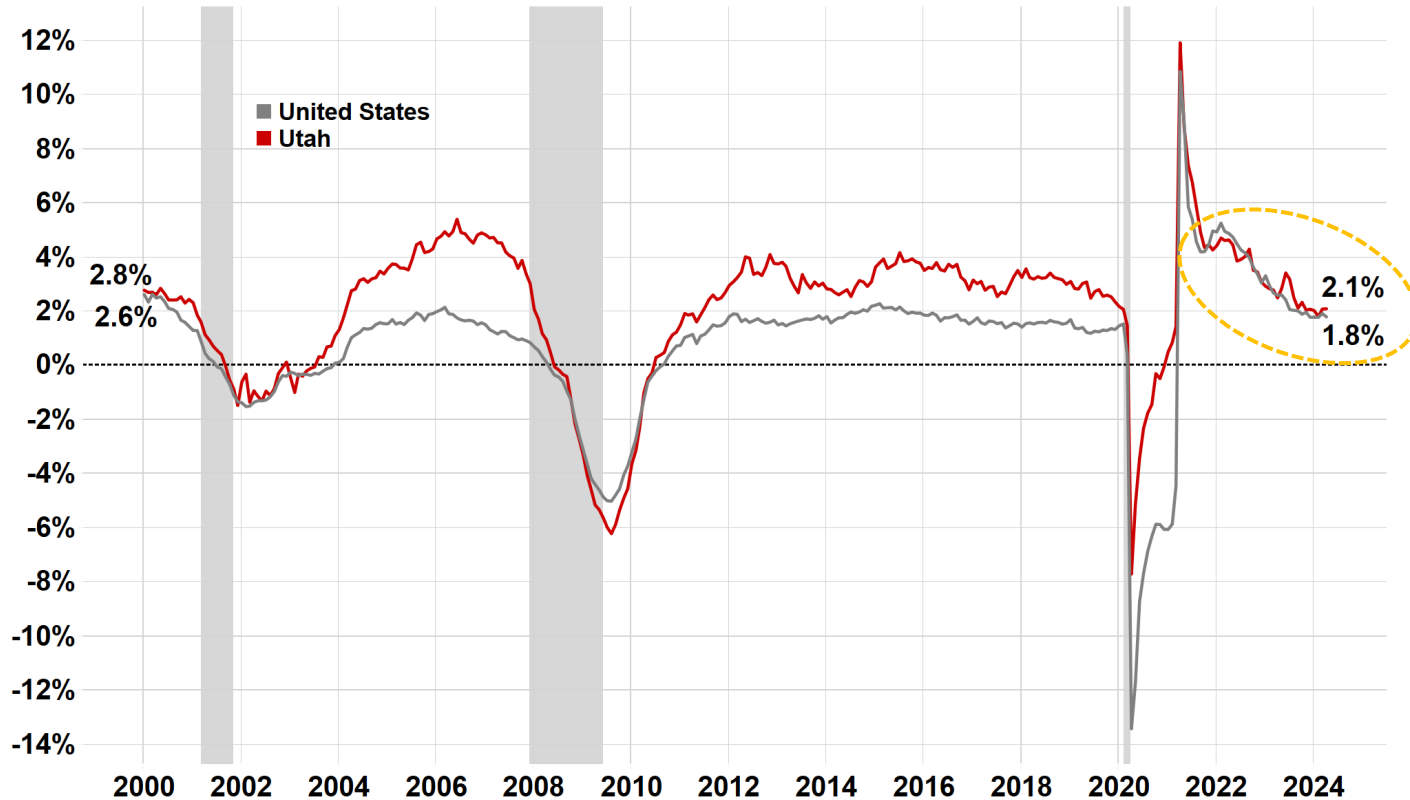
Percent, Not Seasonally Adjusted



Source: Federal Reserve

U.S. and Utah Monthly Job Growth

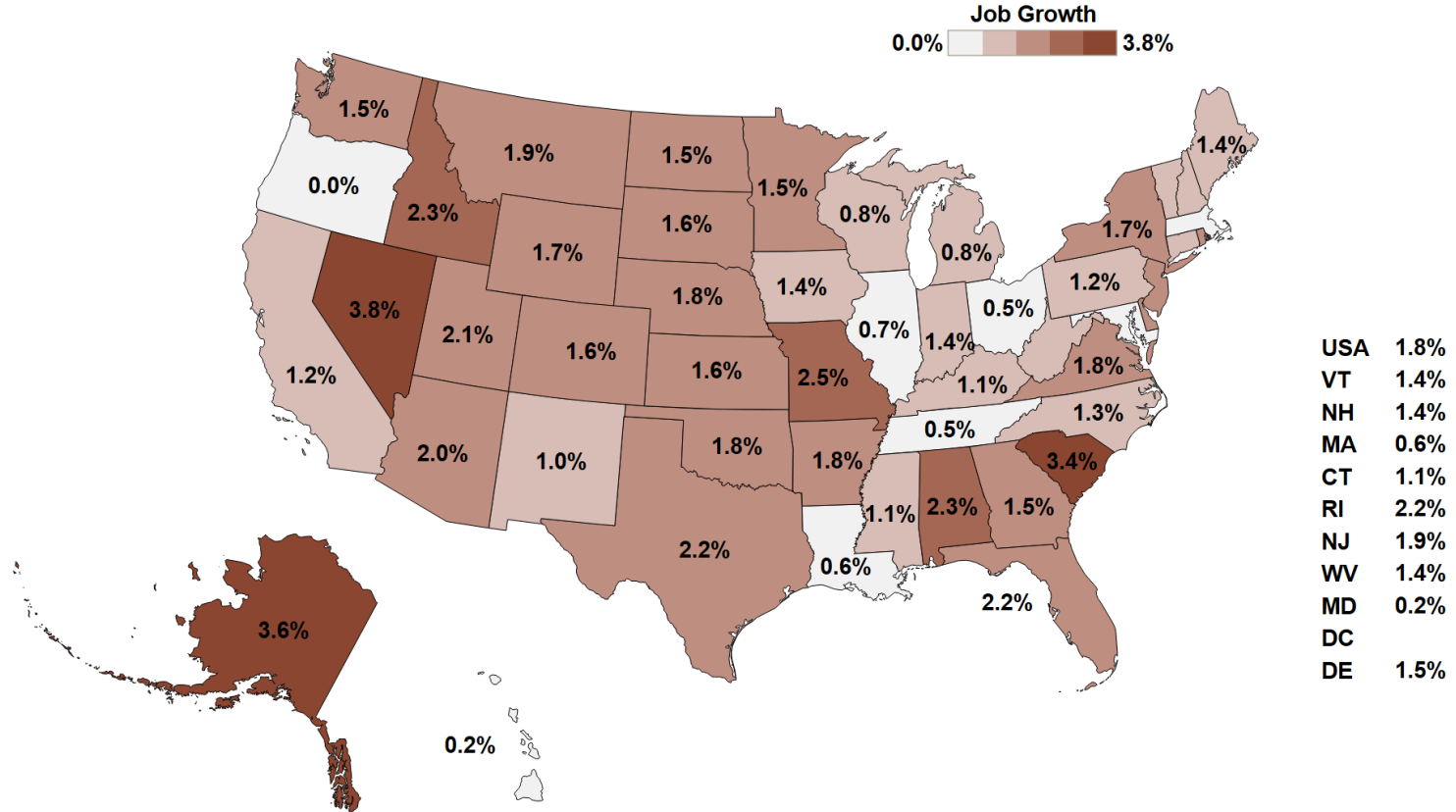
Year-Over Percent Change, Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

Job Growth

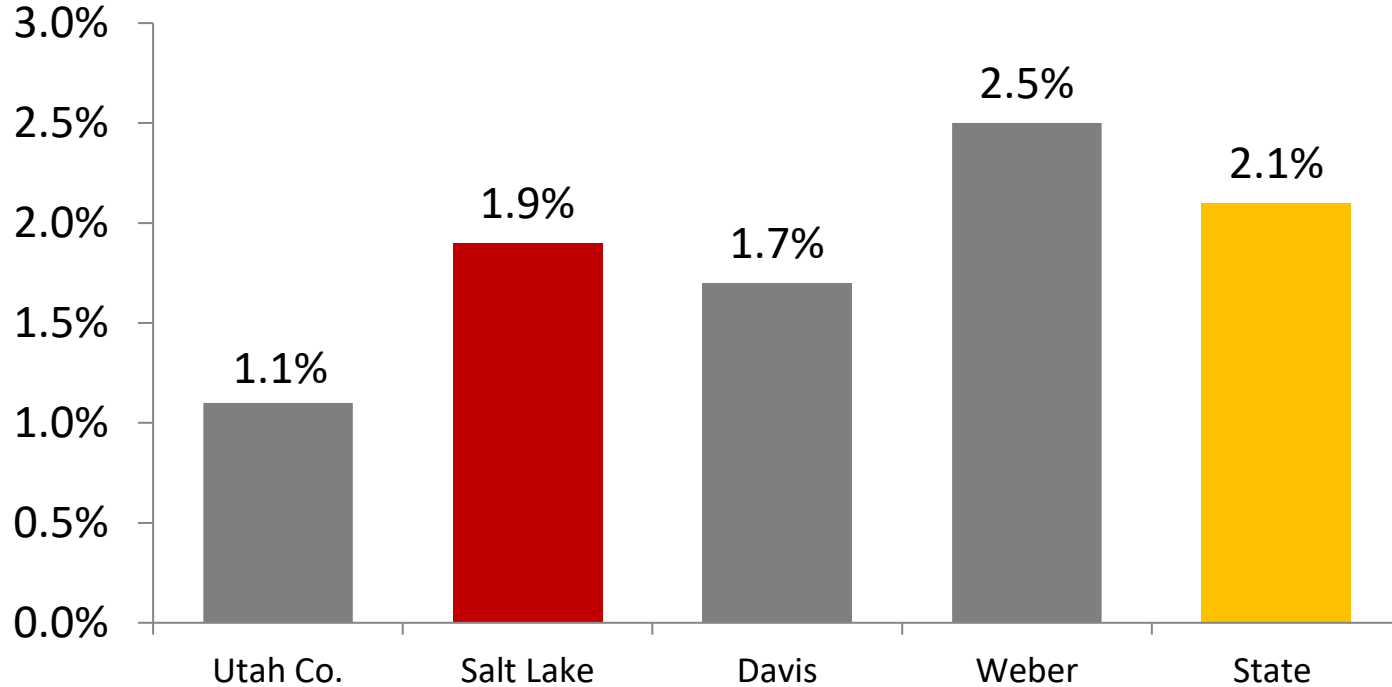
Year-over, April 2024



Source: U.S. Bureau of Labor Statistics

Job Growth

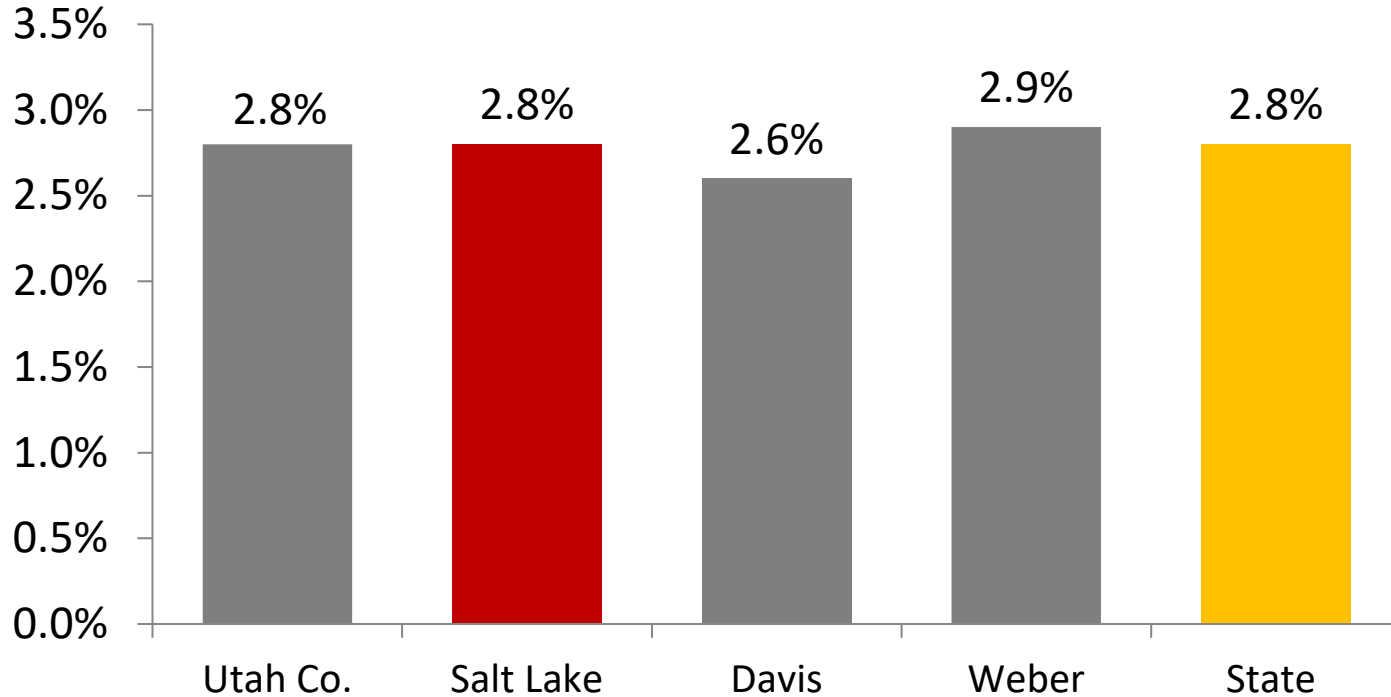
April 2023-2024



Source: Utah Dept. of Workforce Services

Unemployment Rate

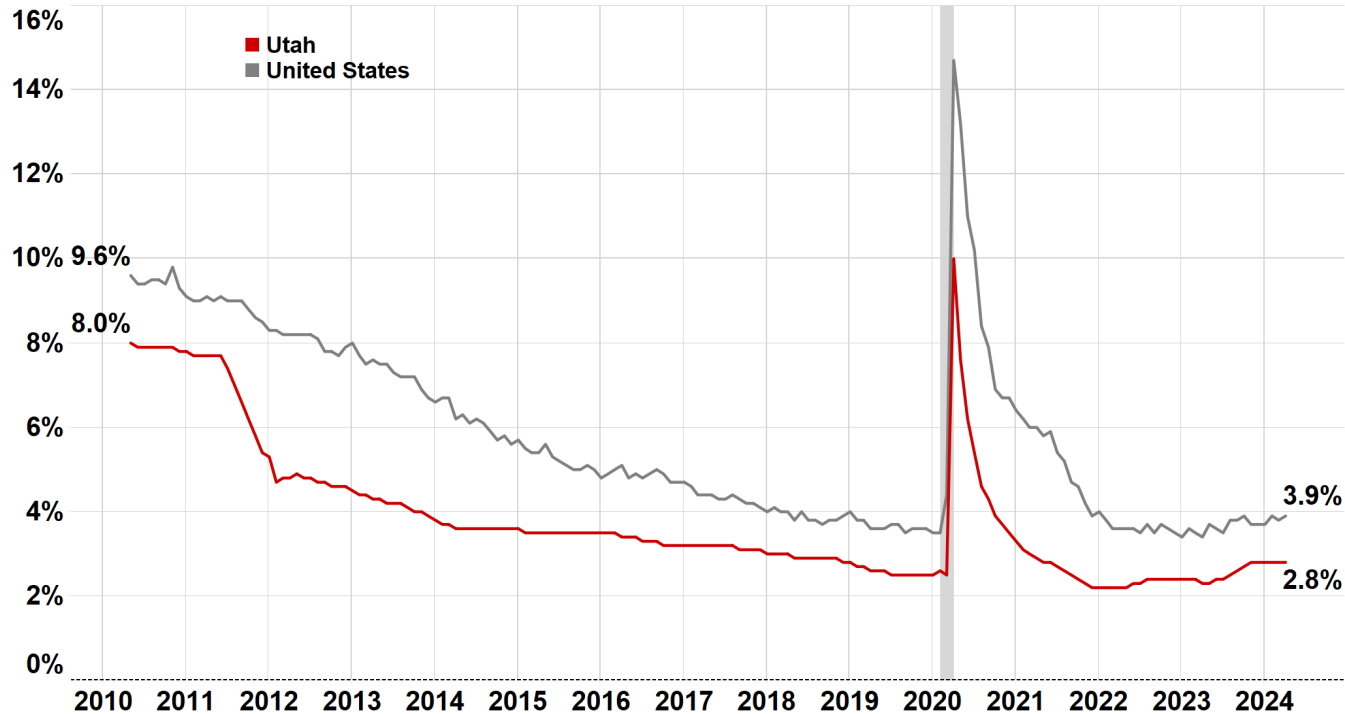
April 2024



Source: Utah Dept. of Workforce Services

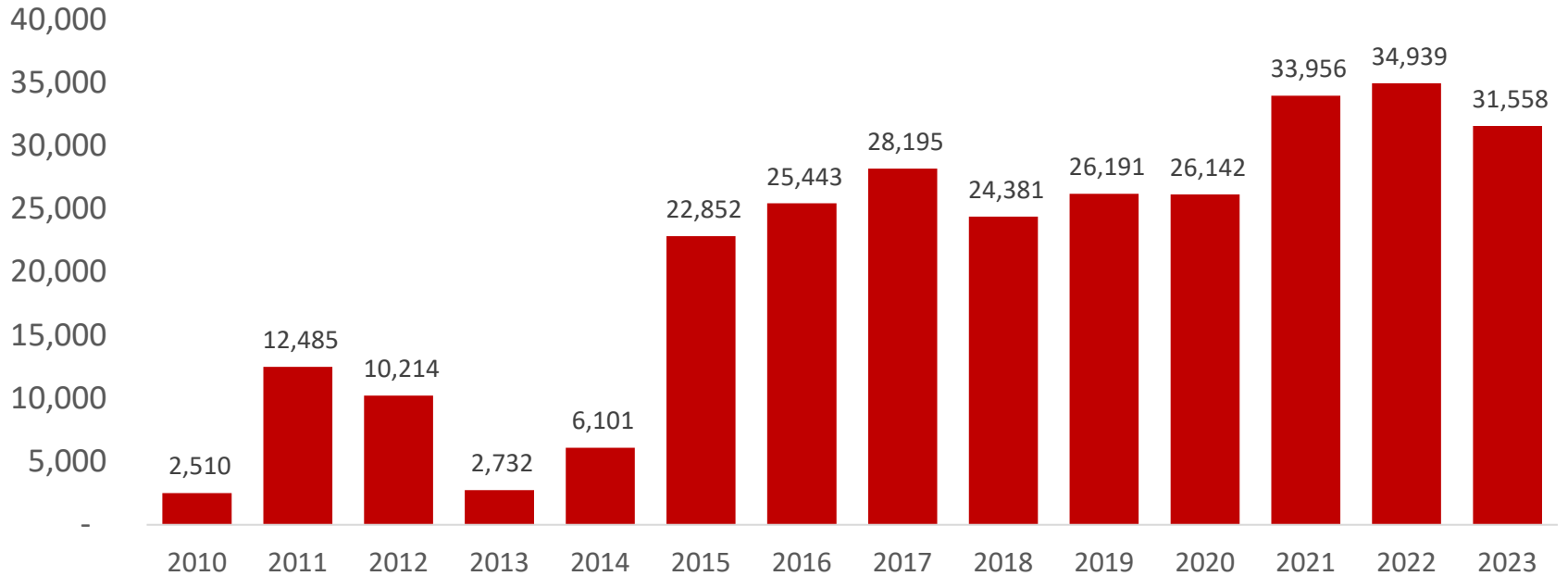
Unemployment Rate

U.S. and Utah, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

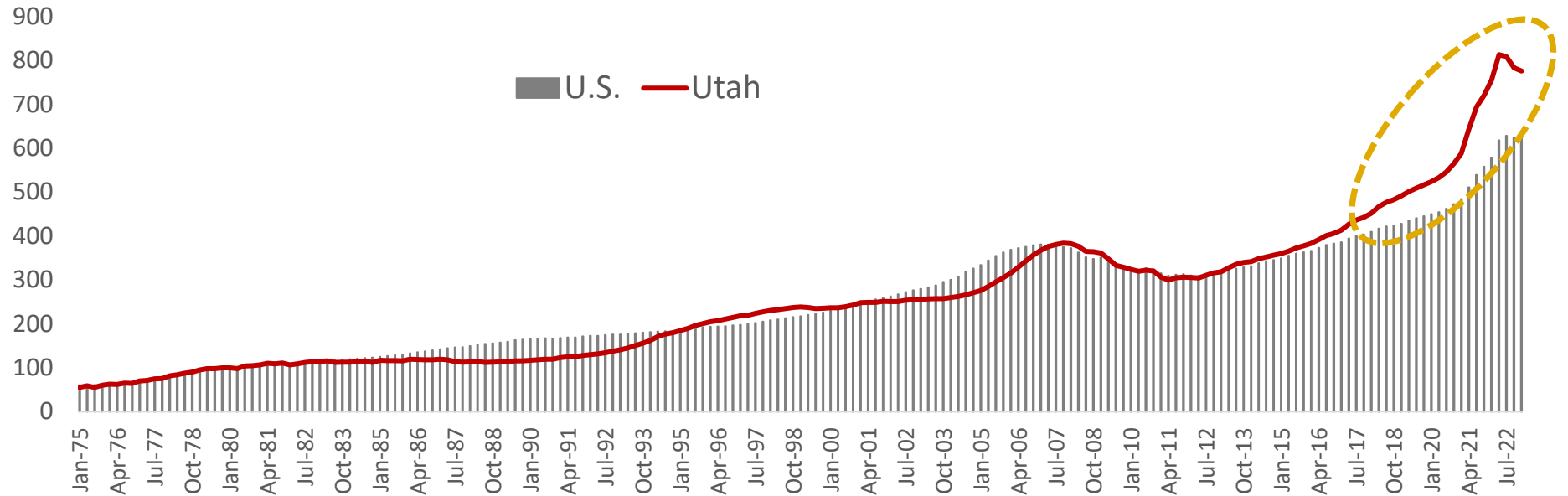
Utah Net Migration



Source: Utah Population Committee

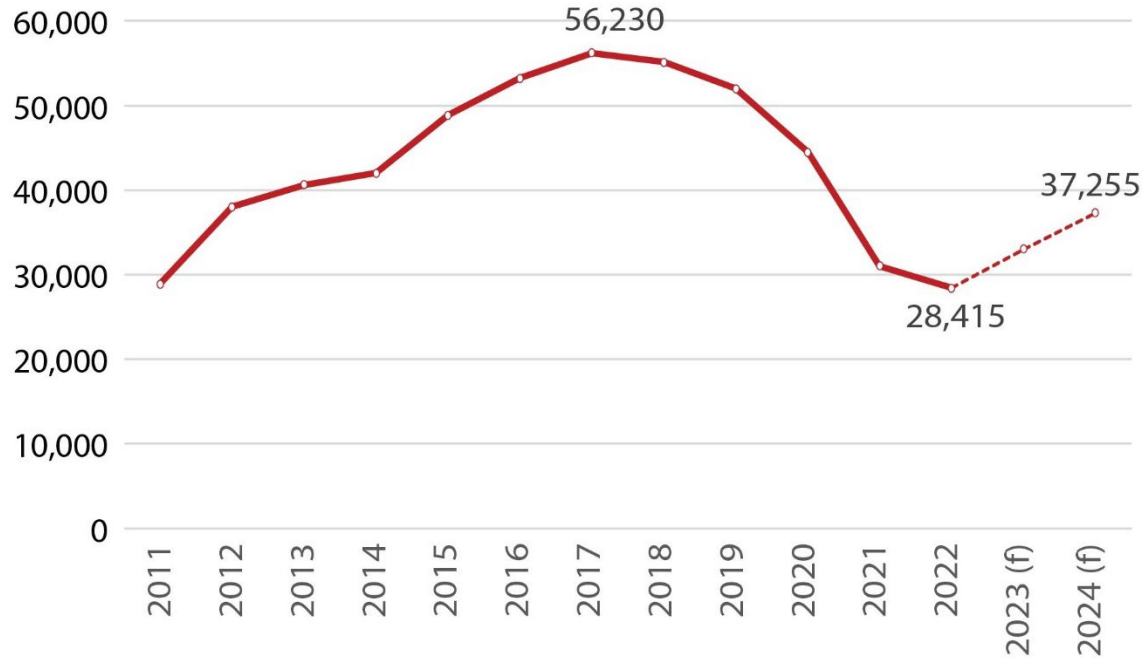
Housing Price Index

Utah and U.S., All Transactions



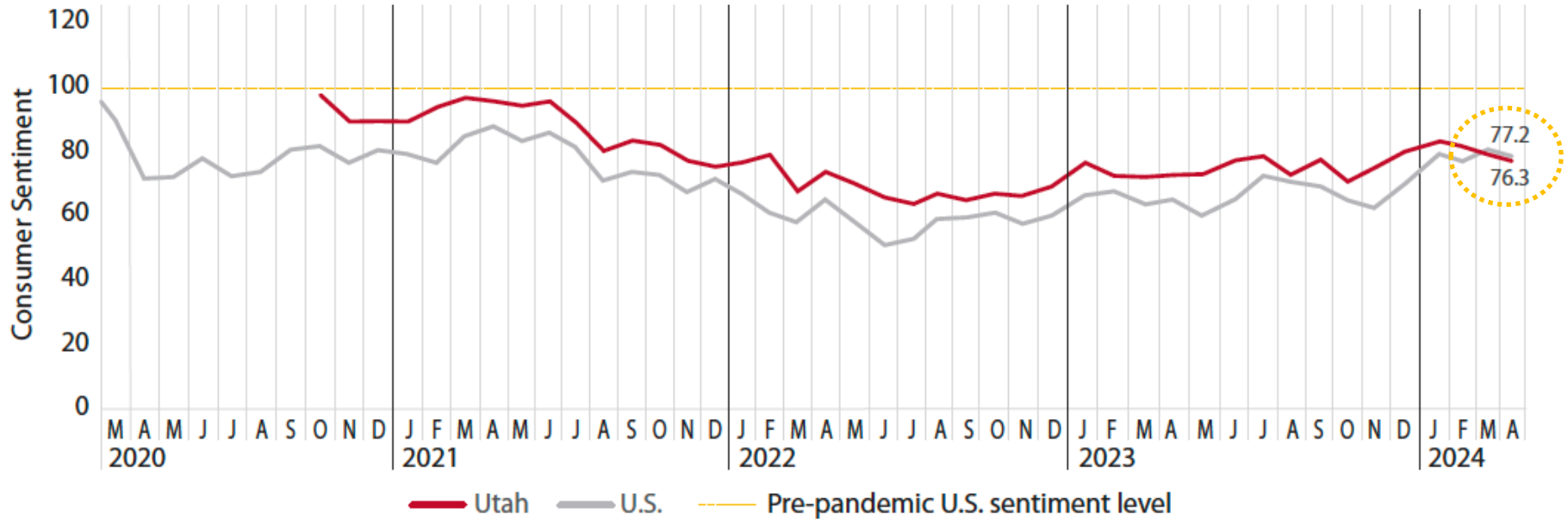
Source: U.S. Federal Housing Finance Agency

Utah Housing Shortage, 2011-2024(f)



Source: Kem C. Gardner Policy Institute

Consumer Sentiment



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

In a Nutshell...

- **Inflation and interest rates** – Beware of “long and variable” lags.
- **Utah’s decelerating growth** – The Beehive State no longer has the nation’s best economy.
- **Salt Lake County** – Performing at about the state average. Expect slower growth moving forward.
- **Issues** – Keep an eye on monetary policy, housing, and consumer sentiment. Be mindful of social unrest and geopolitical conflicts.