

# 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.

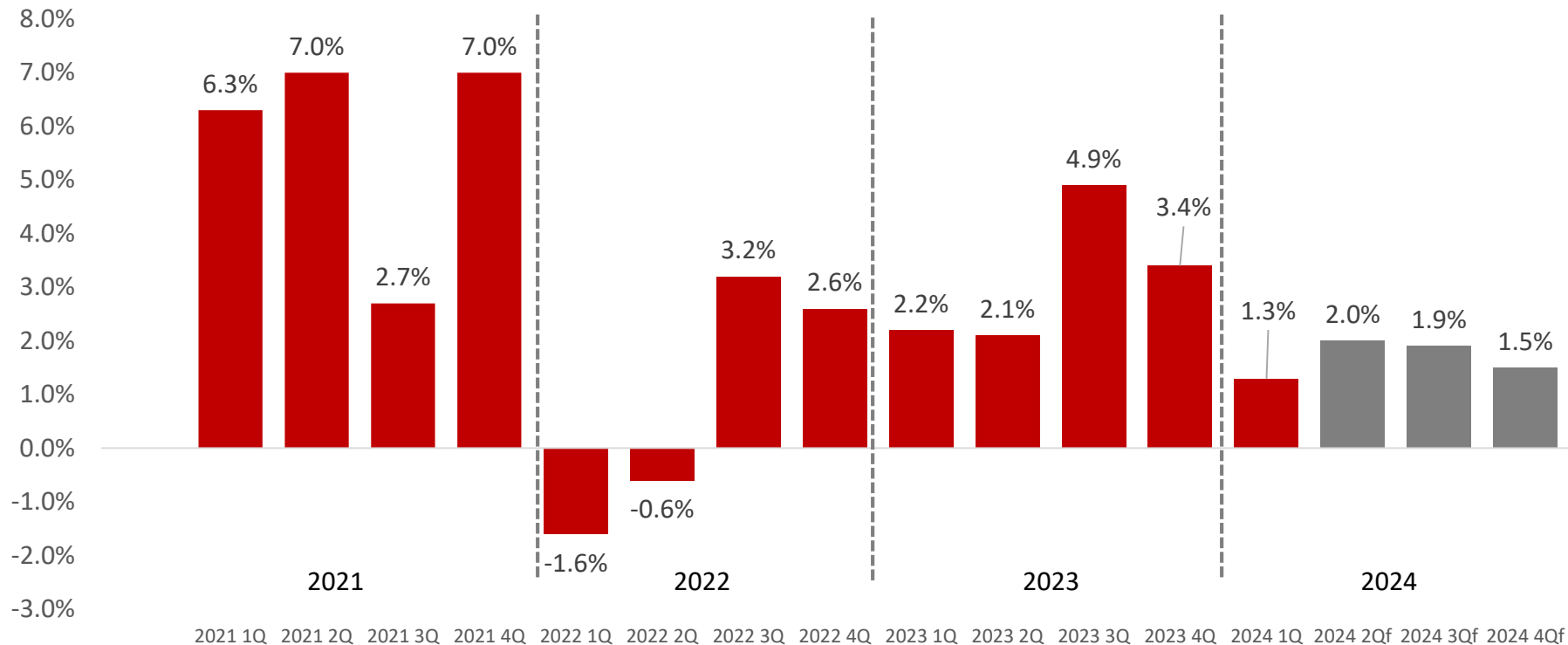
# U.S. Economic T-Chart

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

Source: Kem C. Gardner Policy Institute

# U.S. Real GDP Growth

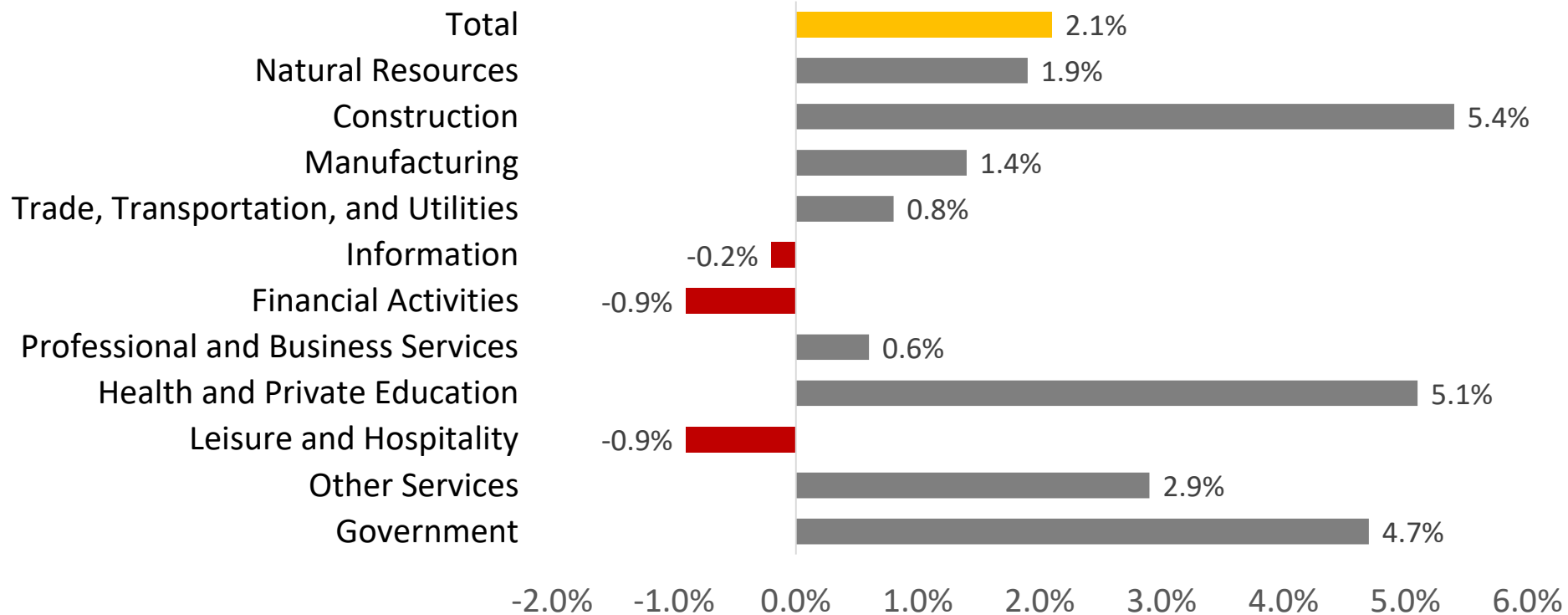
*Quarter-over, seasonally adjusted annual rate*



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

# Utah Job Growth

Year-over percent change, April 2024

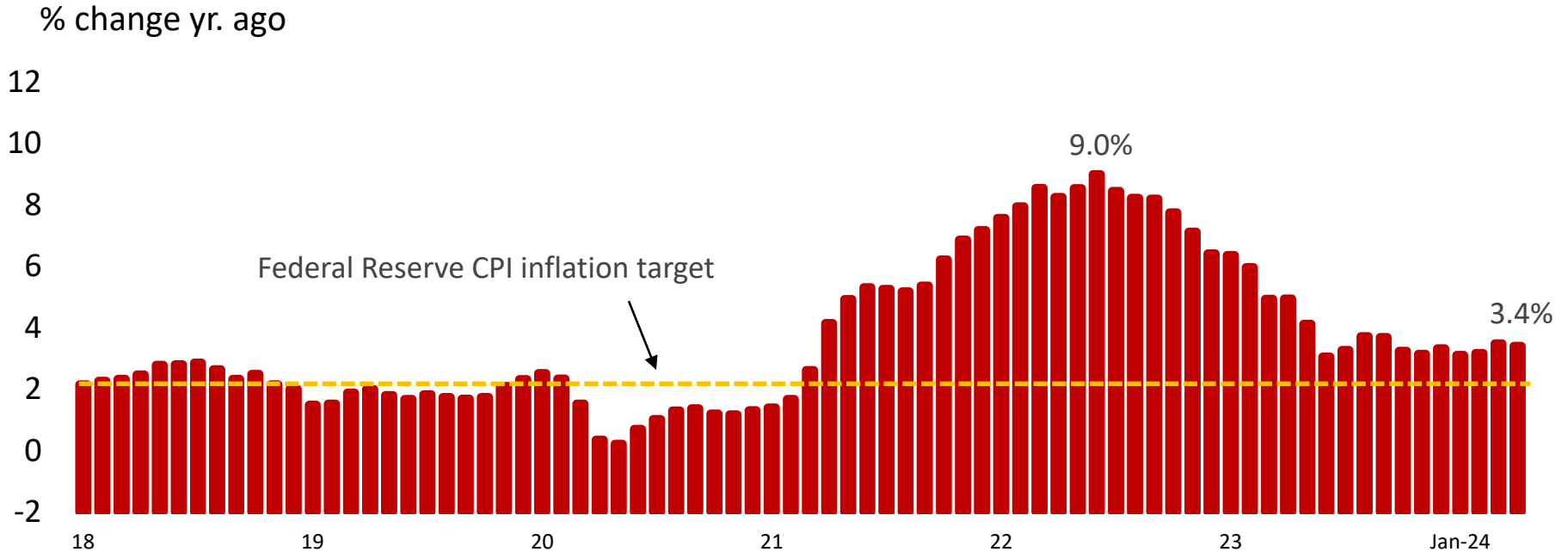


Source: U.S. Bureau of Labor Statistics

*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

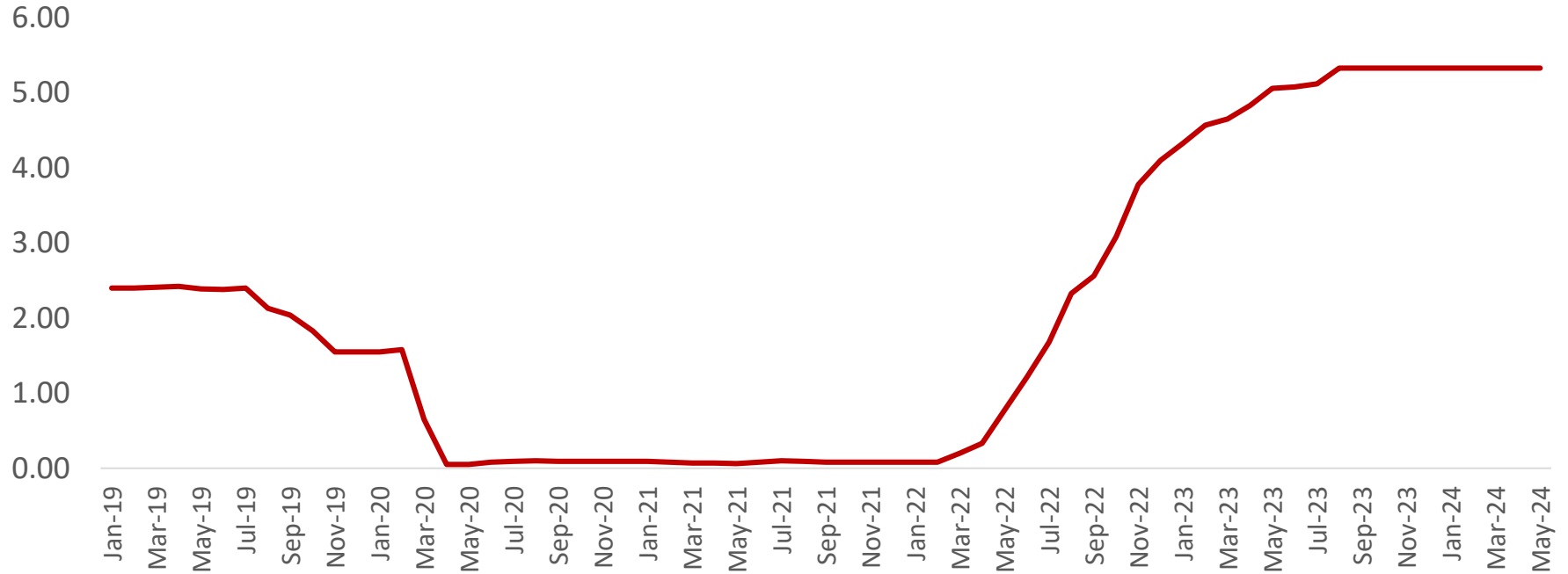
*"We are navigating by the **stars**  
under **cloudy skies.**"*

- Jerome Powell, August 2023 FED Statement



# Effective Federal Funds Rate

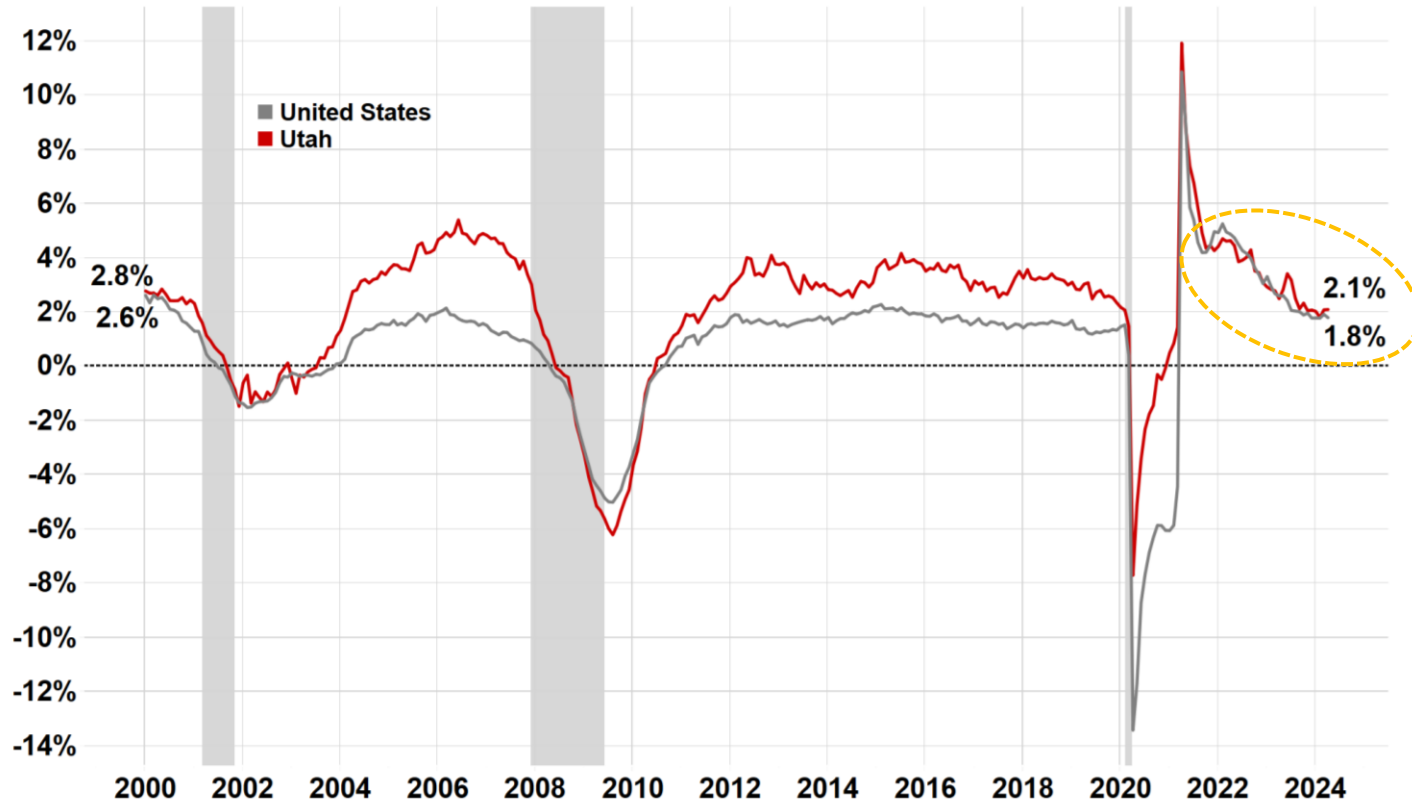
*Percent, Not Seasonally Adjusted*



Source: Federal Reserve

# U.S. and Utah Monthly Job Growth

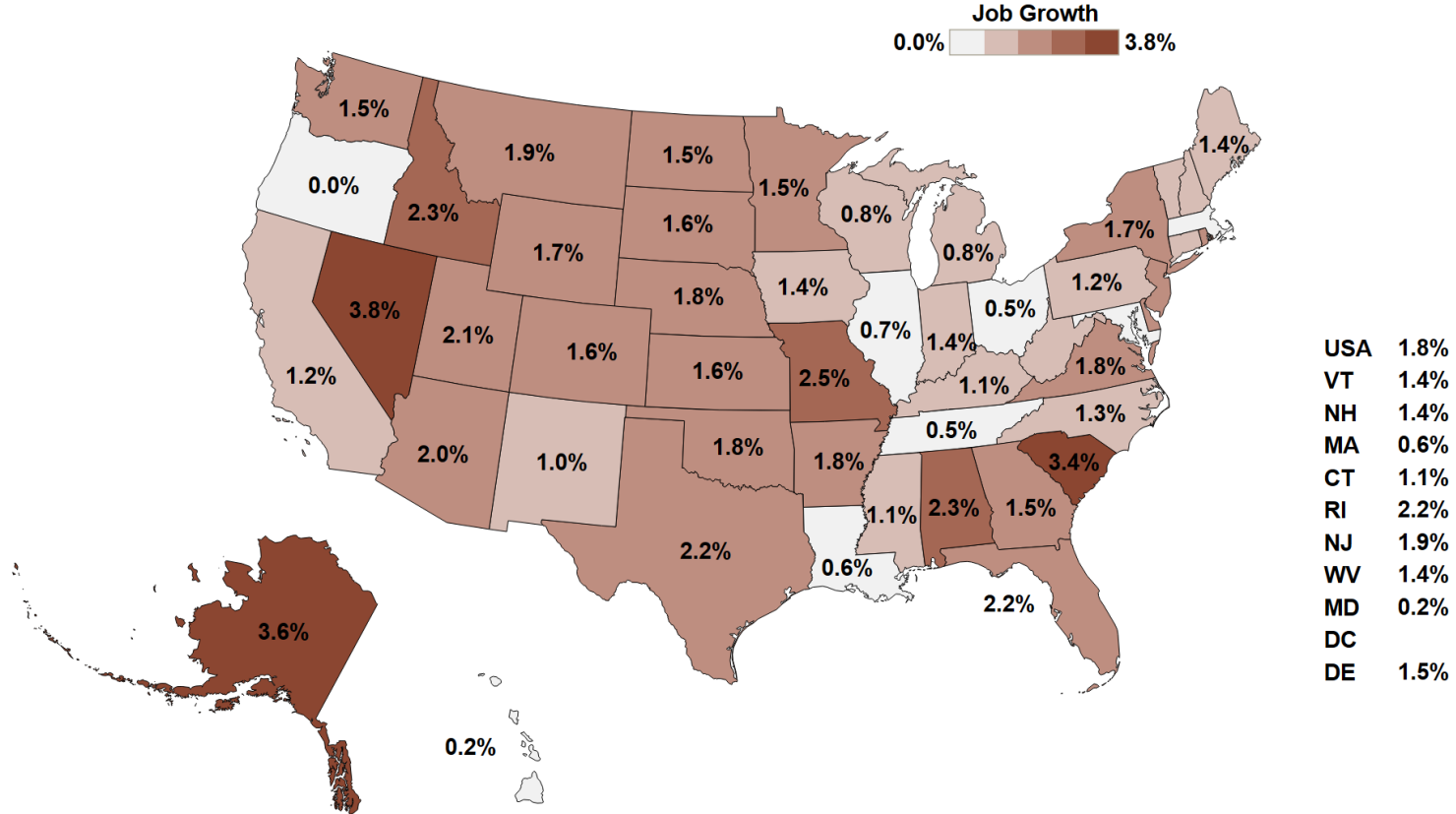
*Year-Over Percent Change, Seasonally Adjusted*



Source: U.S. Bureau of Labor Statistics

# Job Growth

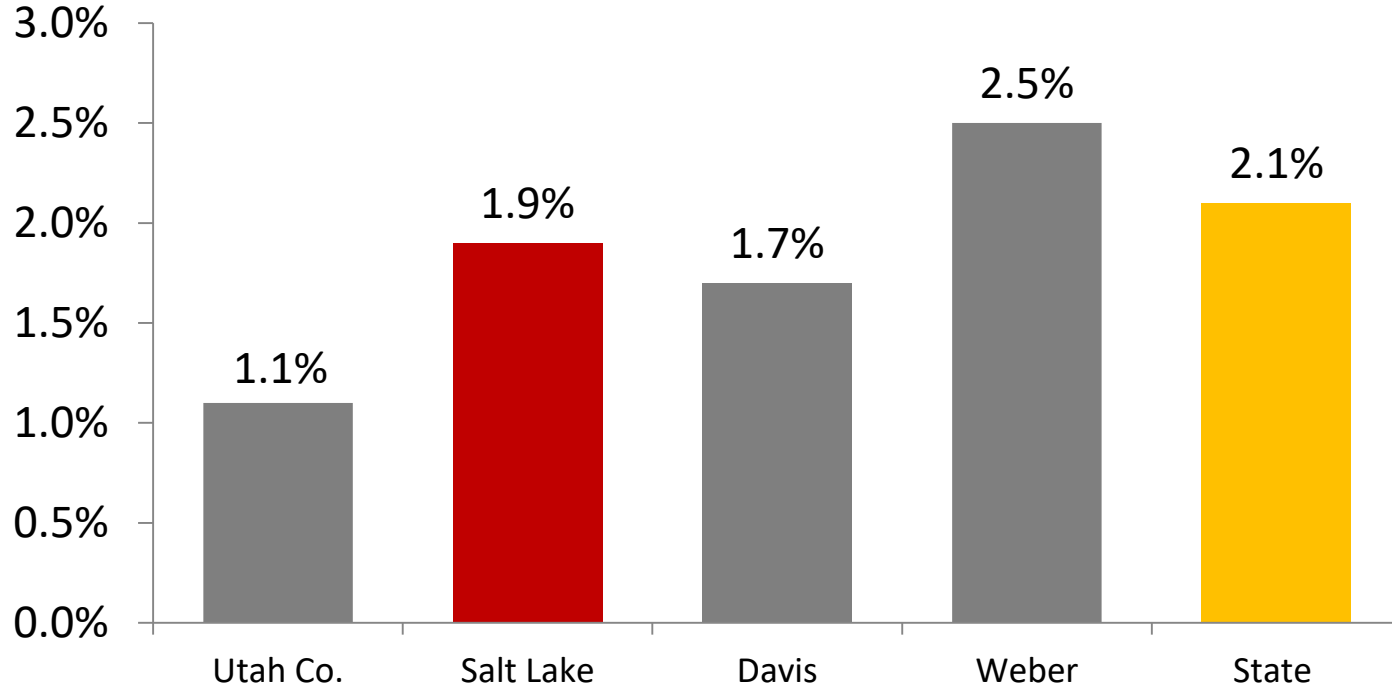
Year-over, April 2024



Source: U.S. Bureau of Labor Statistics

# Job Growth

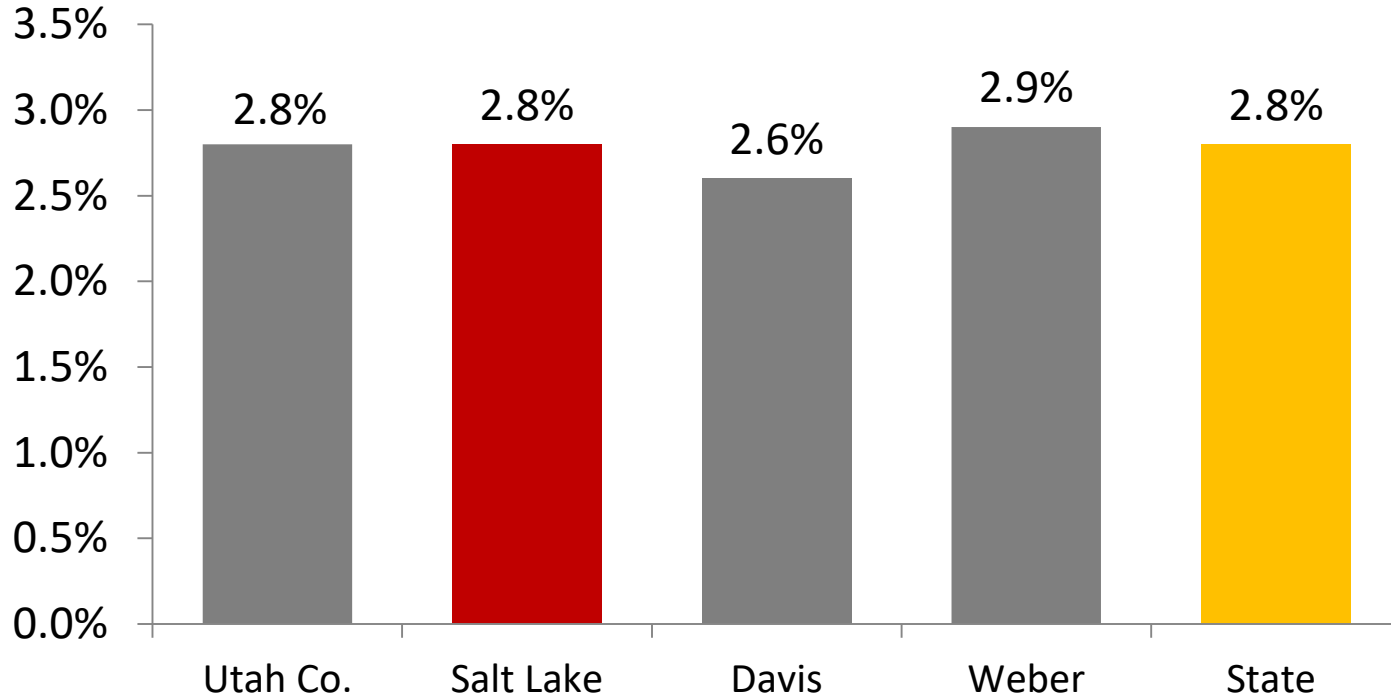
*April 2023-2024*



Source: Utah Dept. of Workforce Services

# Unemployment Rate

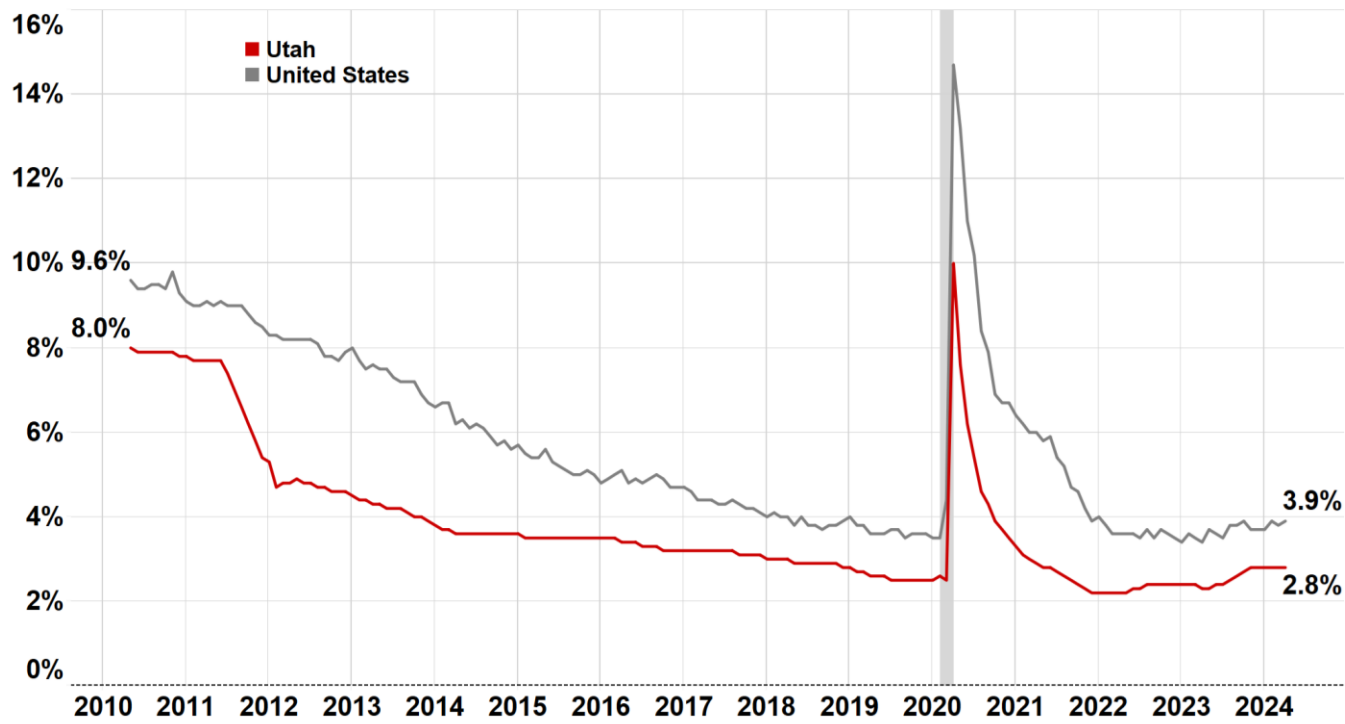
April 2024



Source: Utah Dept. of Workforce Services

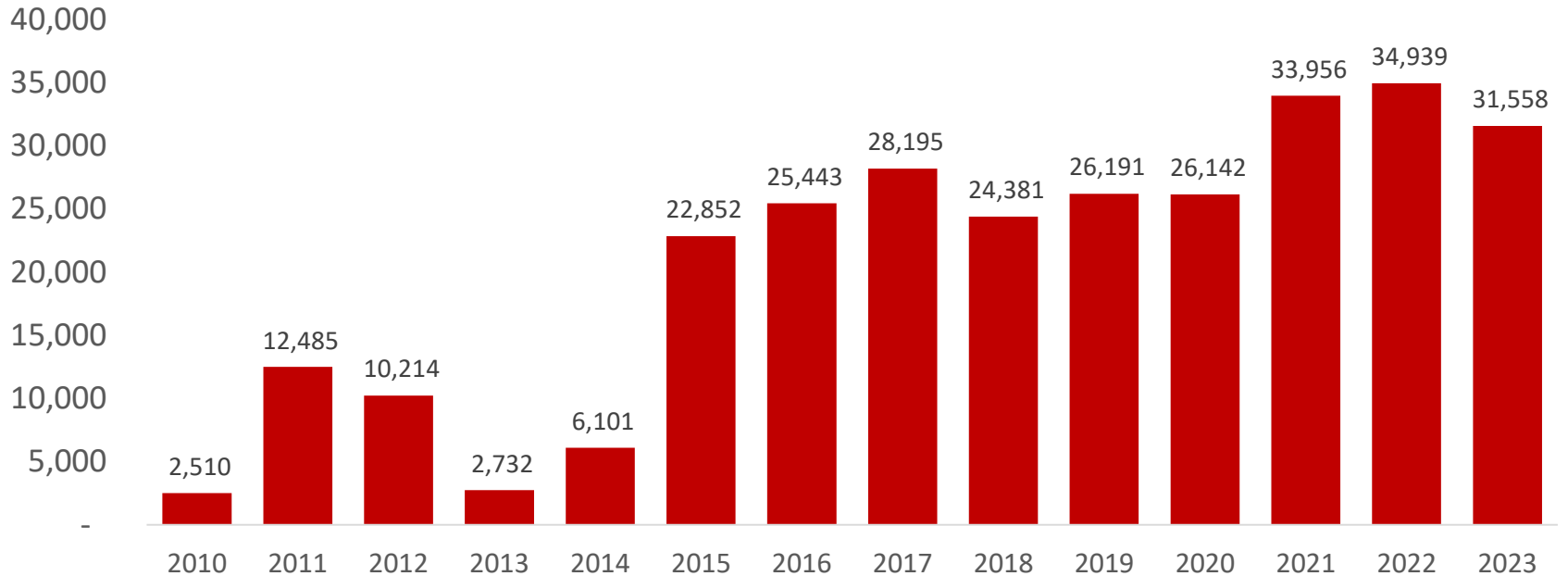
# Unemployment Rate

*U.S. and Utah, Not Seasonally Adjusted*



Source: U.S. Bureau of Labor Statistics

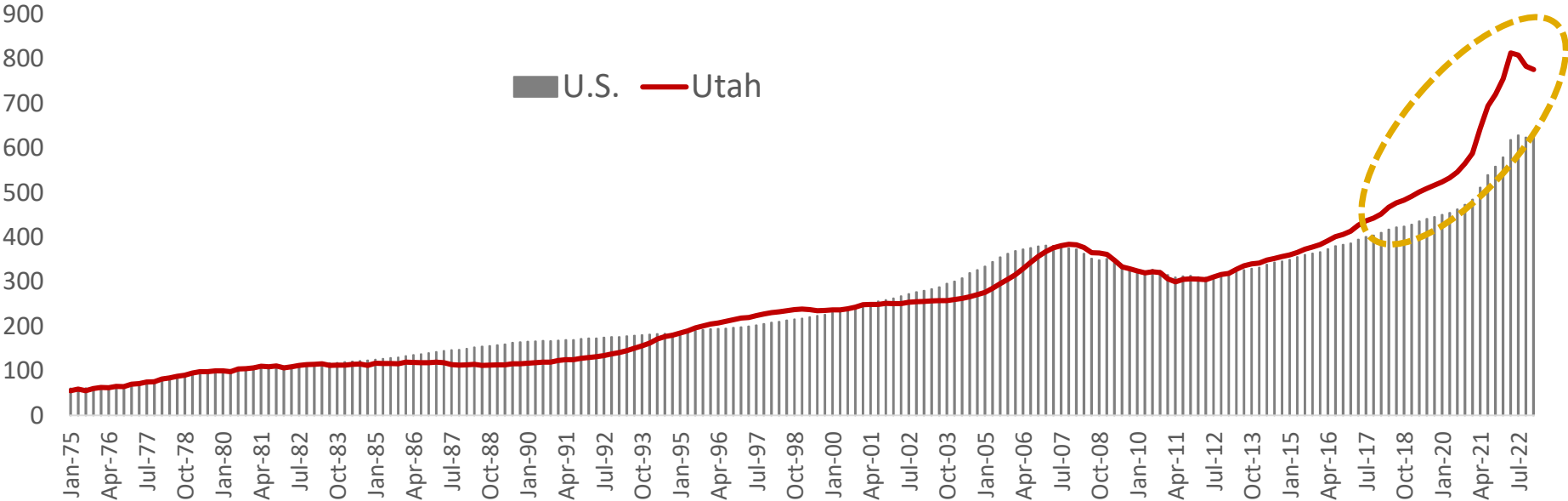
# Utah Net Migration



Source: Utah Population Committee

# Housing Price Index

*Utah and U.S., All Transactions*



Source: U.S. Federal Housing Finance Agency

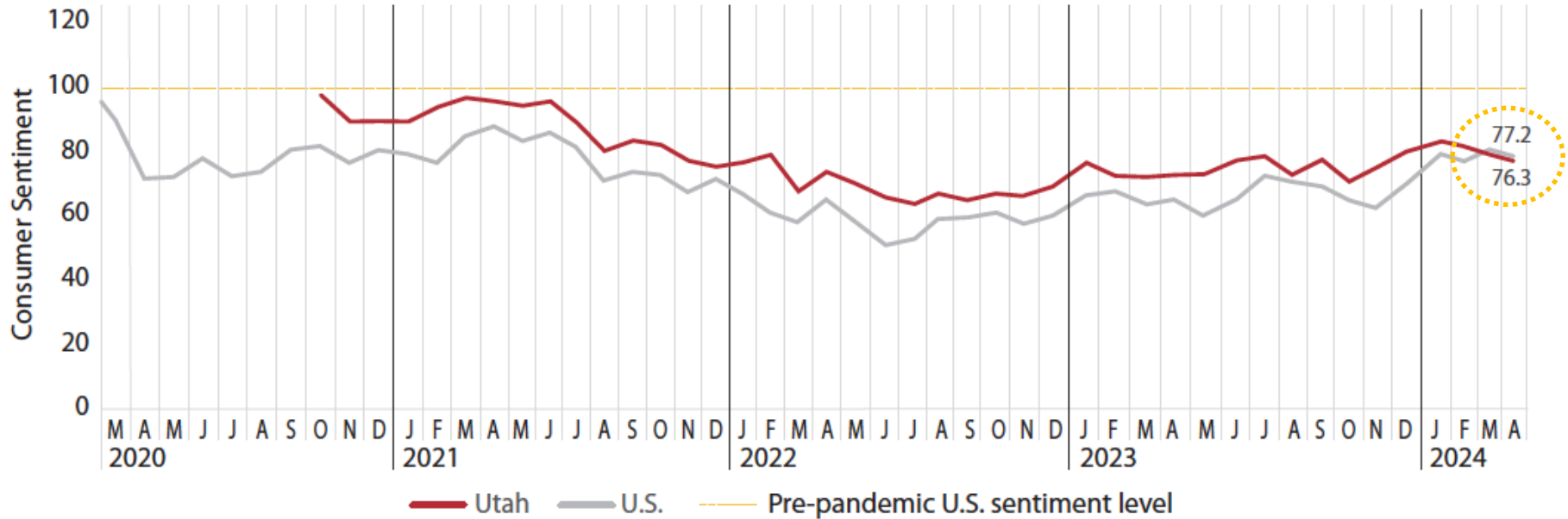


# Utah Housing Shortage, 2011-2024(f)



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.