

Salt Lake County Economy

What's on the horizon?

September 1, 2020

INFORMED DECISIONS™

Today's Conversation

1. Insights on the Utah economy
2. Salt Lake County perspective
3. What's next?

Utah Economic Insights

*Impact sudden,
severe and
uneven*

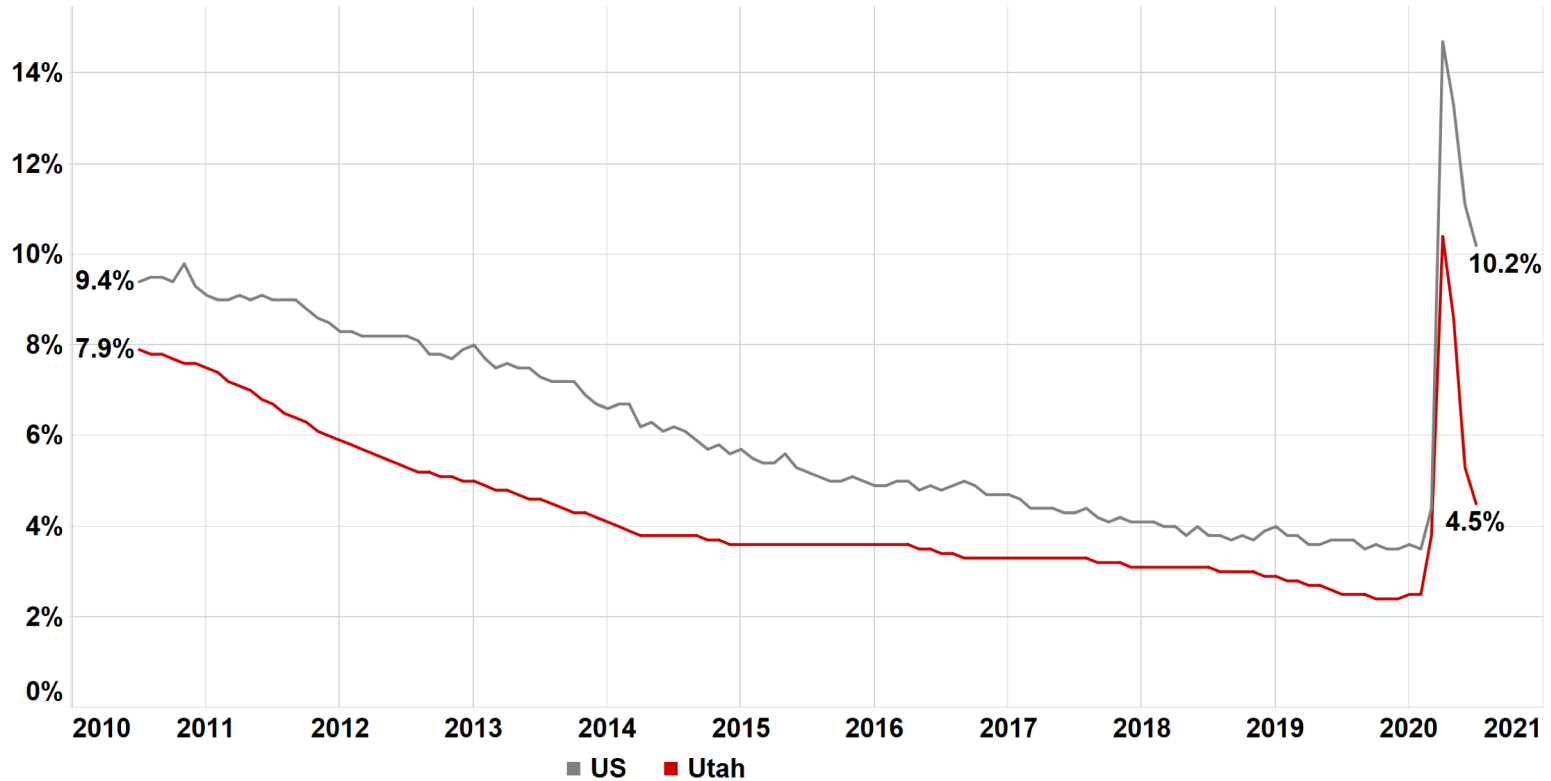
*Utah a top
performer*

Worst is over

*Economic diversity
a plus*

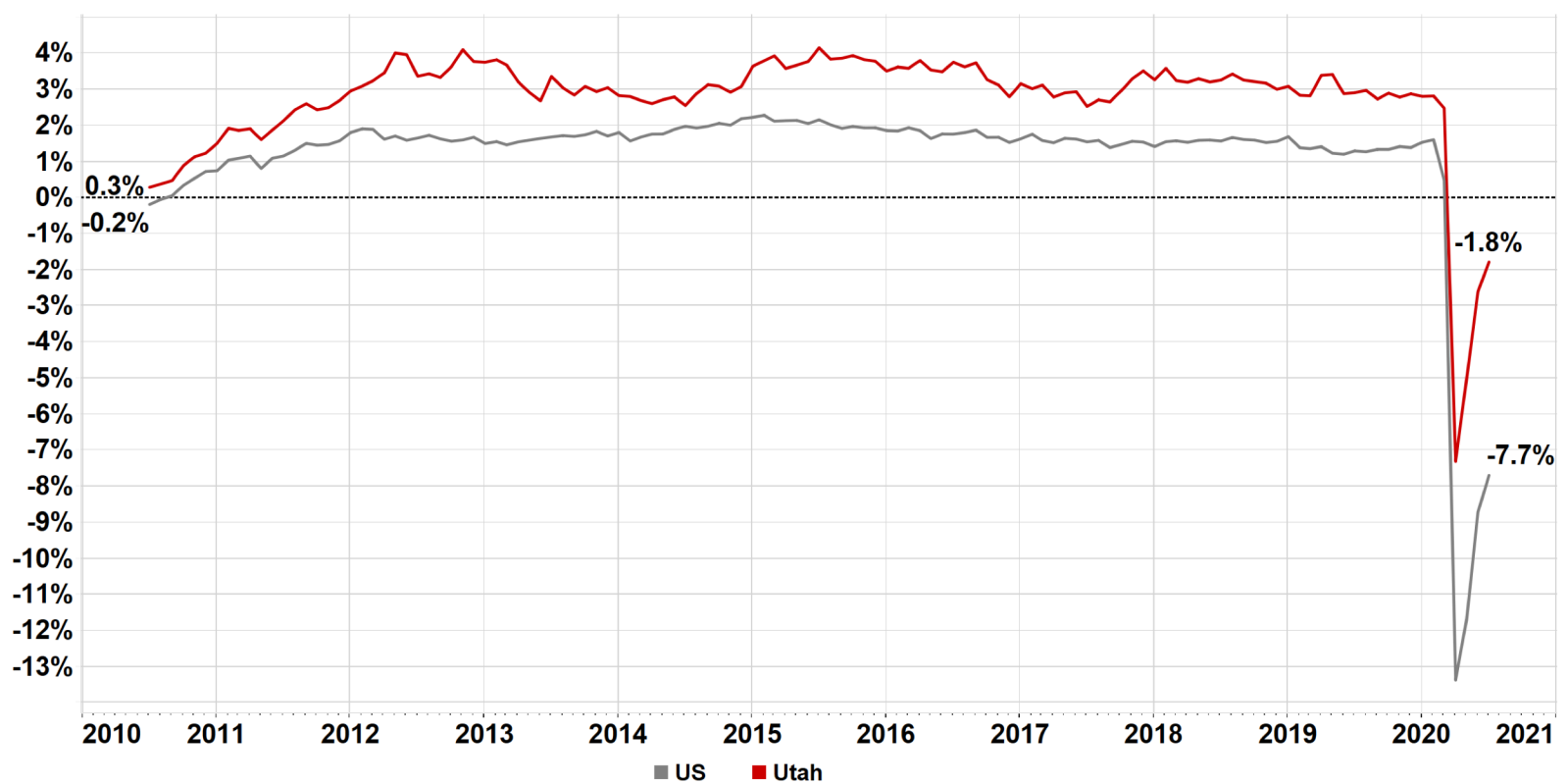
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Unemployment Rate



Source: U.S. Bureau of Labor Statistics

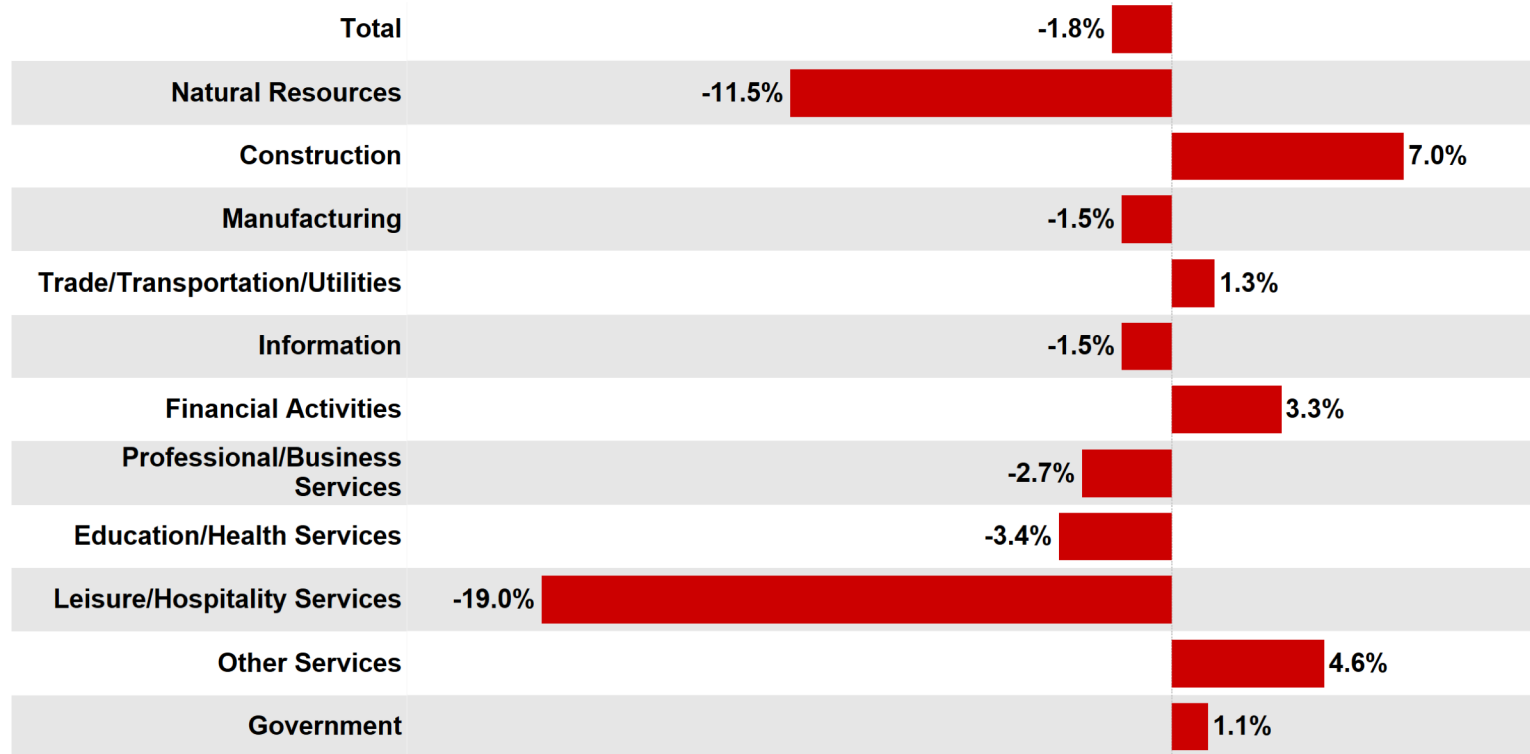
Job Change



Source: U.S. Bureau of Labor Statistics

Utah Job Change by Industry

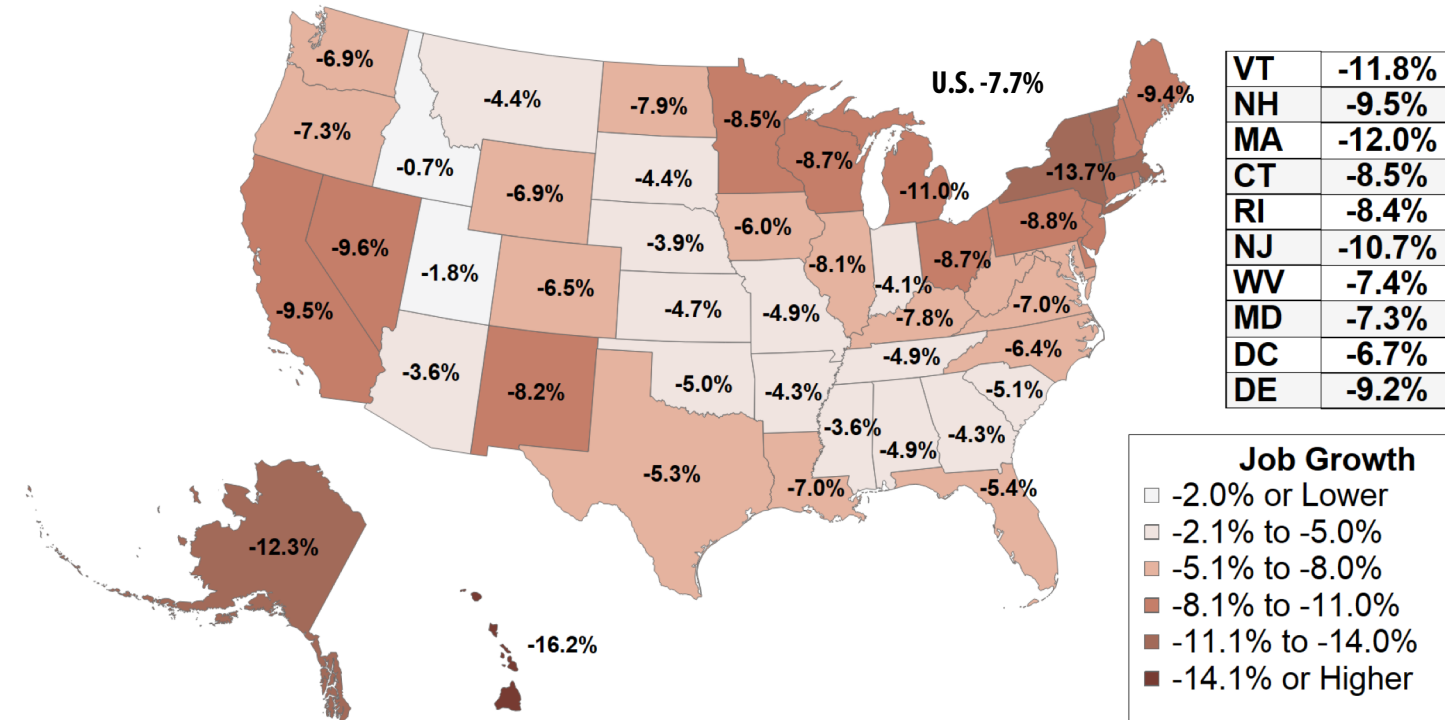
July 2019 – July 2020



Source: U.S. Bureau of Labor Statistics

Job Change

Year-Over Percent Change July 2020

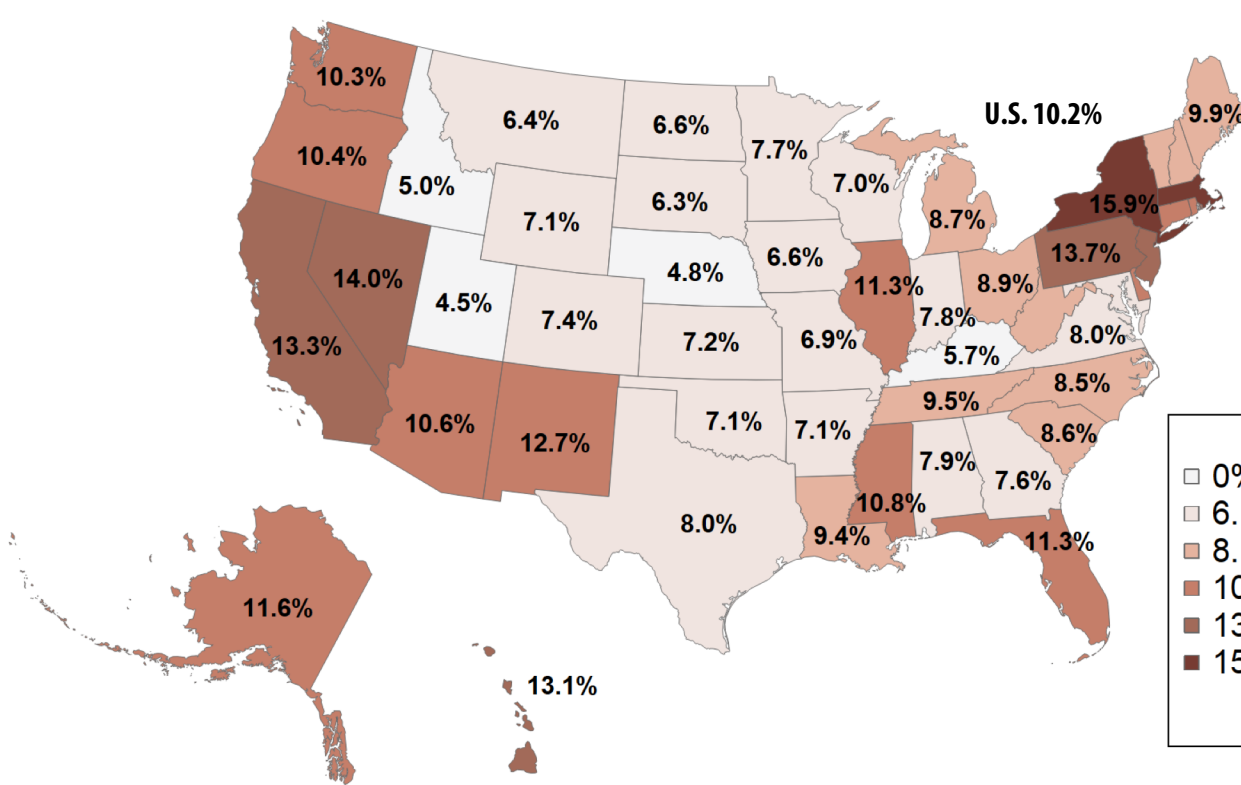


box © OpenStreetMap

Source: U.S. Bureau of Labor Statistics

Unemployment Rate

July 2020

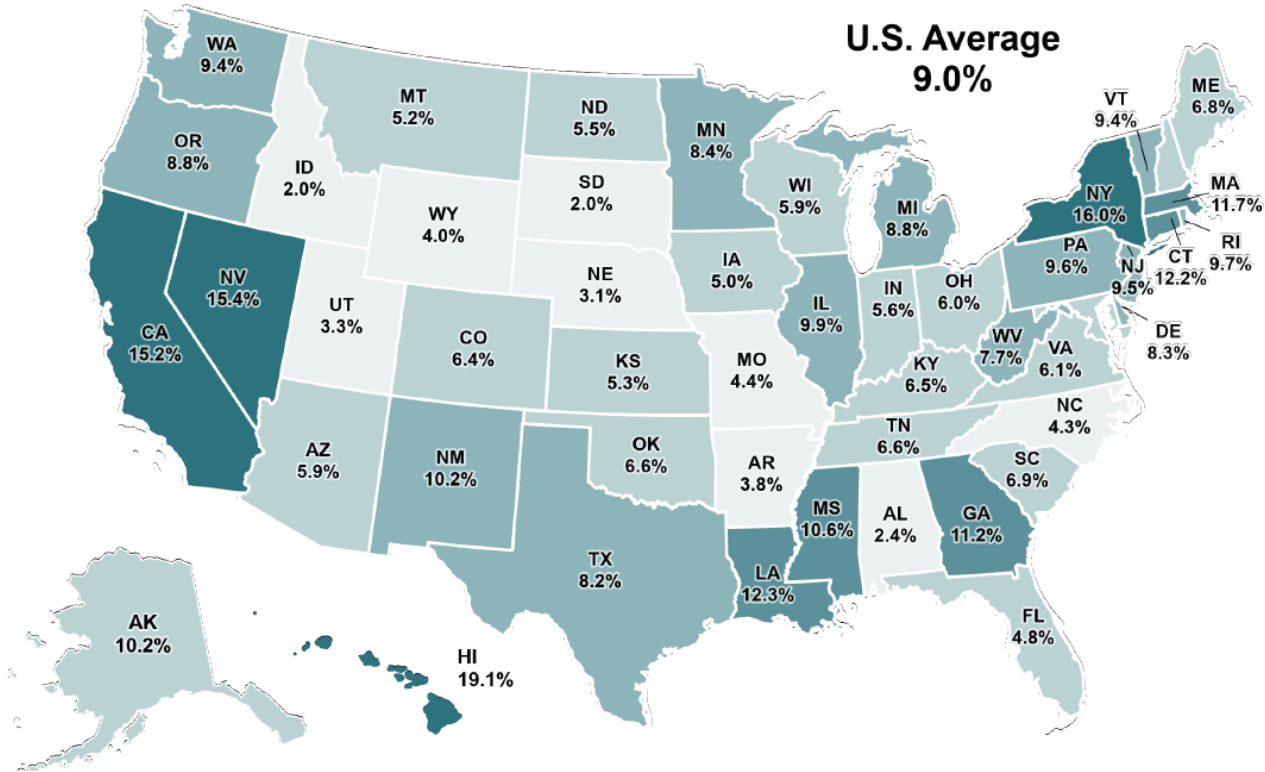


VT	8.3%
NH	8.1%
MA	16.1%
CT	10.2%
RI	11.2%
NJ	13.8%
WV	9.9%
MD	7.6%
DC	8.4%
DE	10.4%

Source: U.S. Bureau of Labor Statistics

Continued Unemployment Claims as a % of Workforce

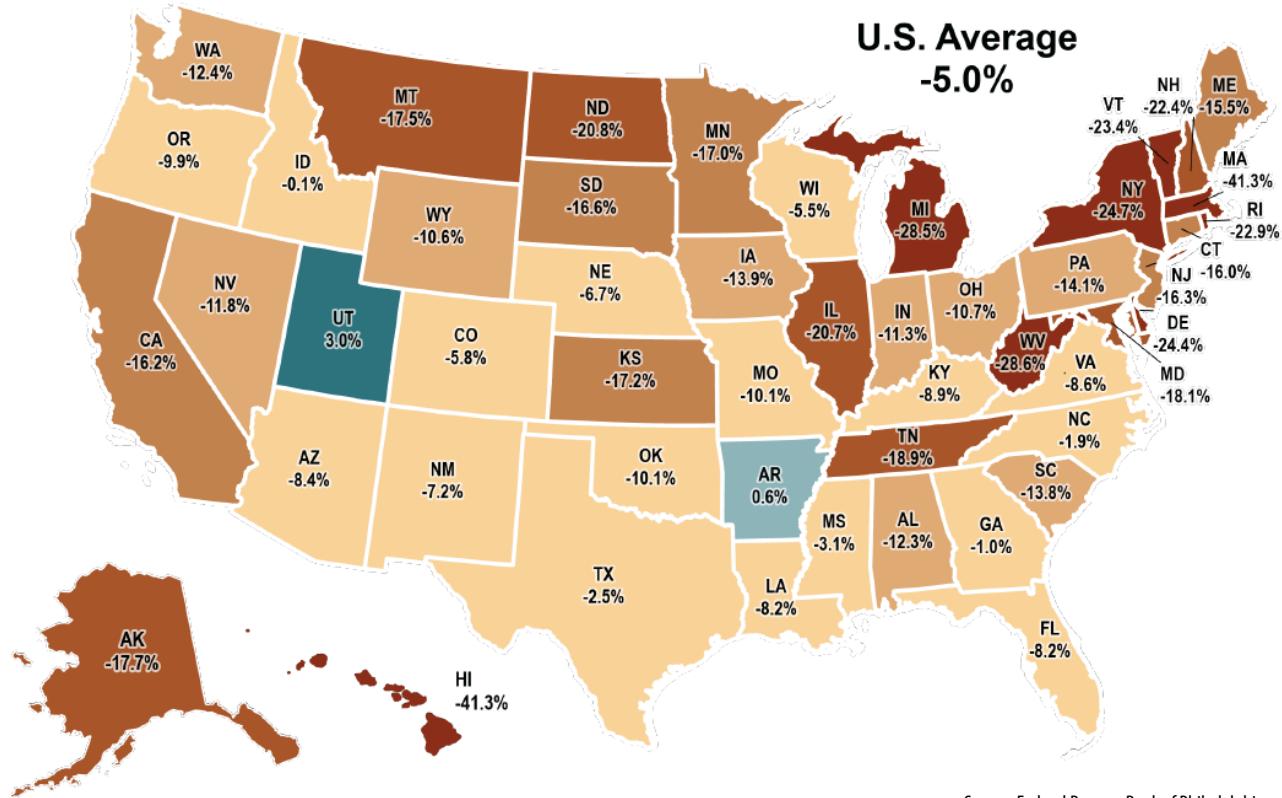
August 2020



Source: Utah Dept. of Workforce Services and Governor's Office of Management and Budget

Coincident Indicator Index

Three-month change: June 2020



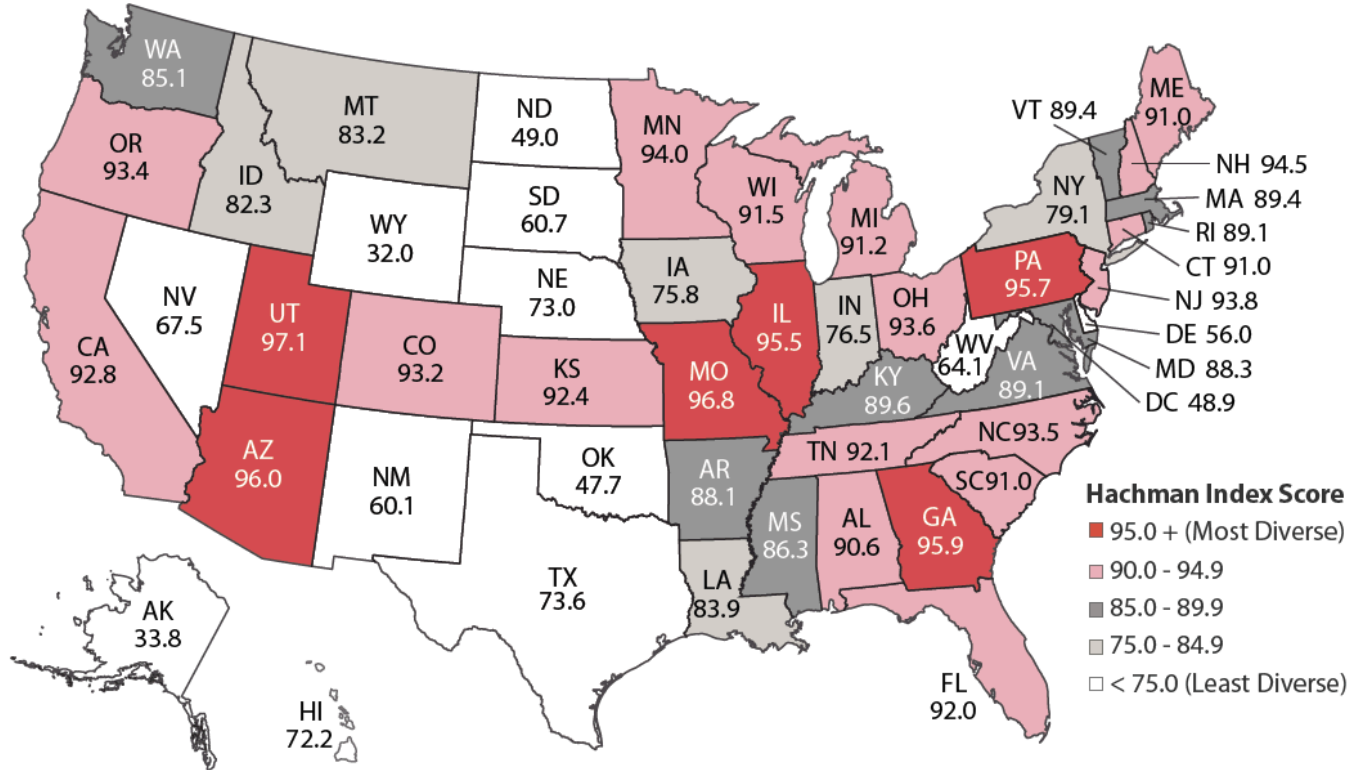
Source: Federal Reserve Bank of Philadelphia and and Kem C. Gardner Policy Institute

“This is not a short-term problem, but rather a new risk we must learn to manage.”

- Former HHS Secretary Mike Leavitt

Economic Diversity by State

2018



Source: Kem C. Gardner Policy Institute

Salt Lake County Perspective

*Tracks the
state*

*Stacks up
well to other
urban
counties*

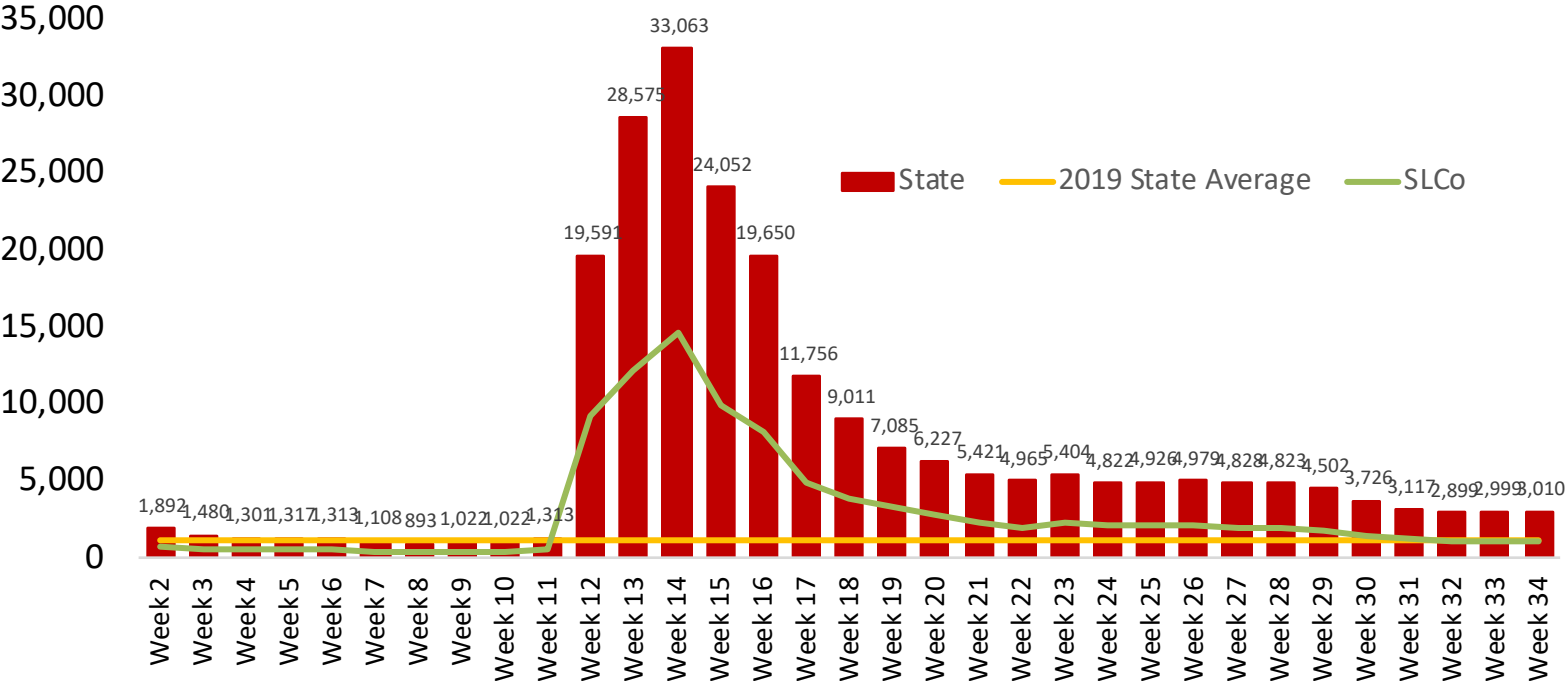
*Economic
diversity
provides
resiliency*

*Face coverings an
economic tool*

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New Weekly Unemployment Claims

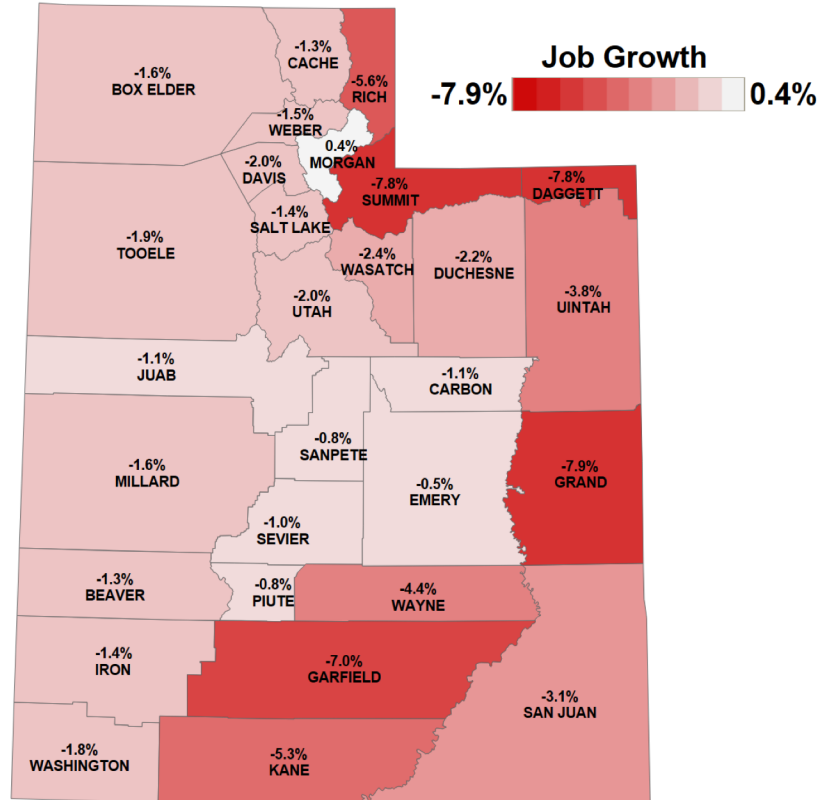
January 2020 – August 2020



Source: Utah Department of Workforce Services

Job Change by County

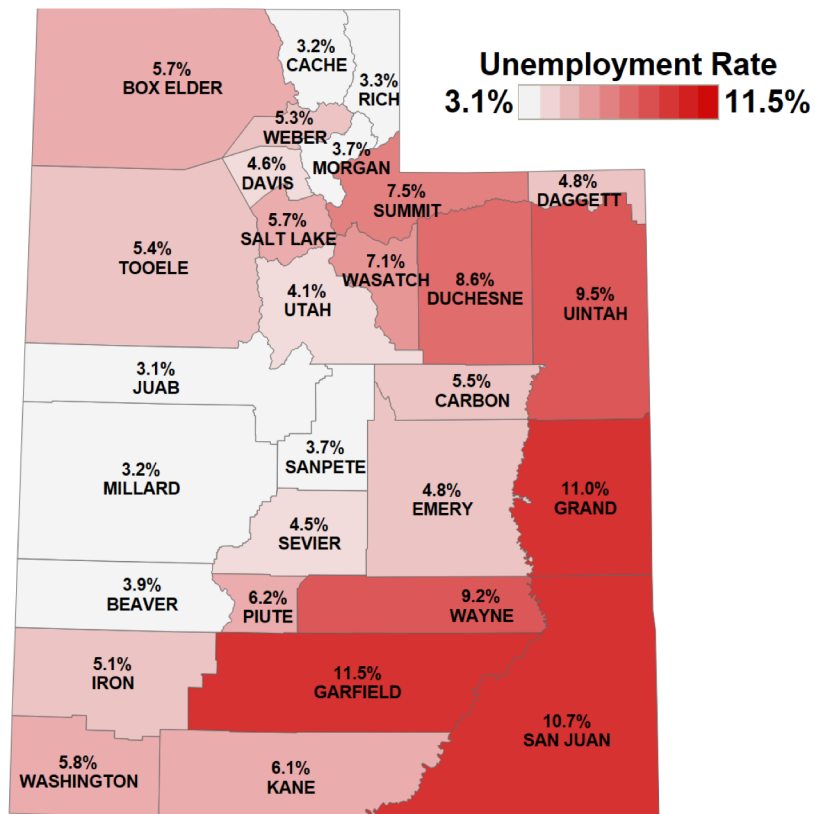
July 2019-July 2020



Source: U.S. Bureau of Labor Statistics

Unemployment Rate by County

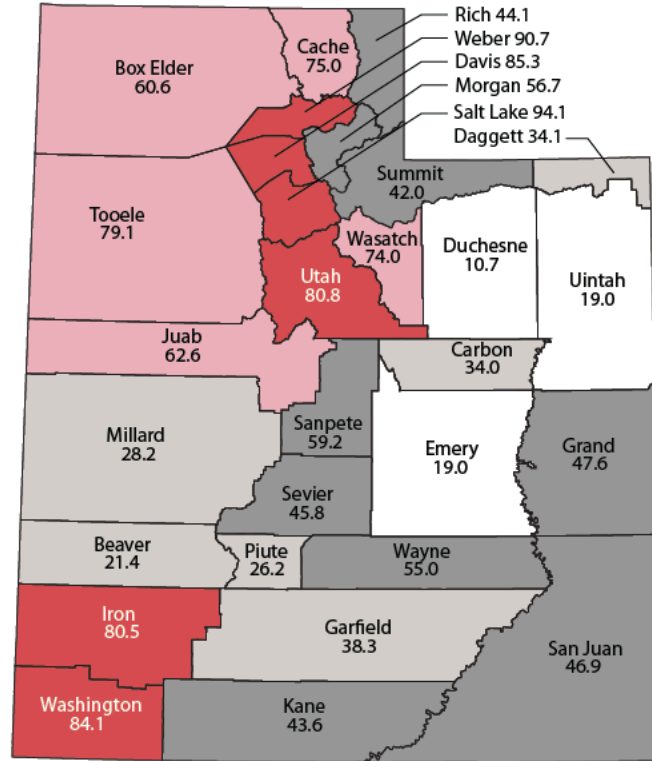
July 2020



Source: U.S. Bureau of Labor Statistics

Economic Diversity by County

2018



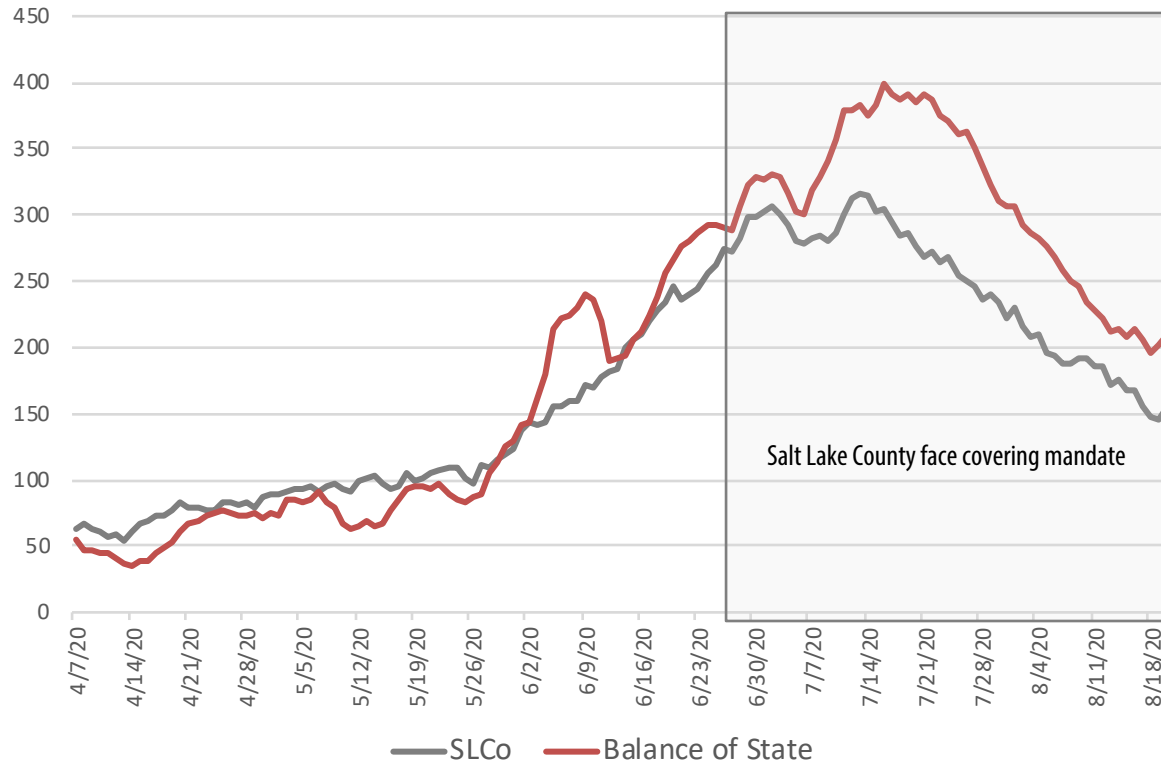
Legend for Economic Diversity by County (2018):

- < 20.0 (Least Diverse)
- 20.0 - 39.9
- 40.0 - 59.9
- 60.0 - 79.9
- 80.0 + (Most Diverse)

Source: Kem C. Gardner Policy Institute

COVID-19 Cases

Seven-day Average



Source: Governor's Office of Management and Budget

What's next?

*Froth v.
recovery*

*Need for
another
stimulus*

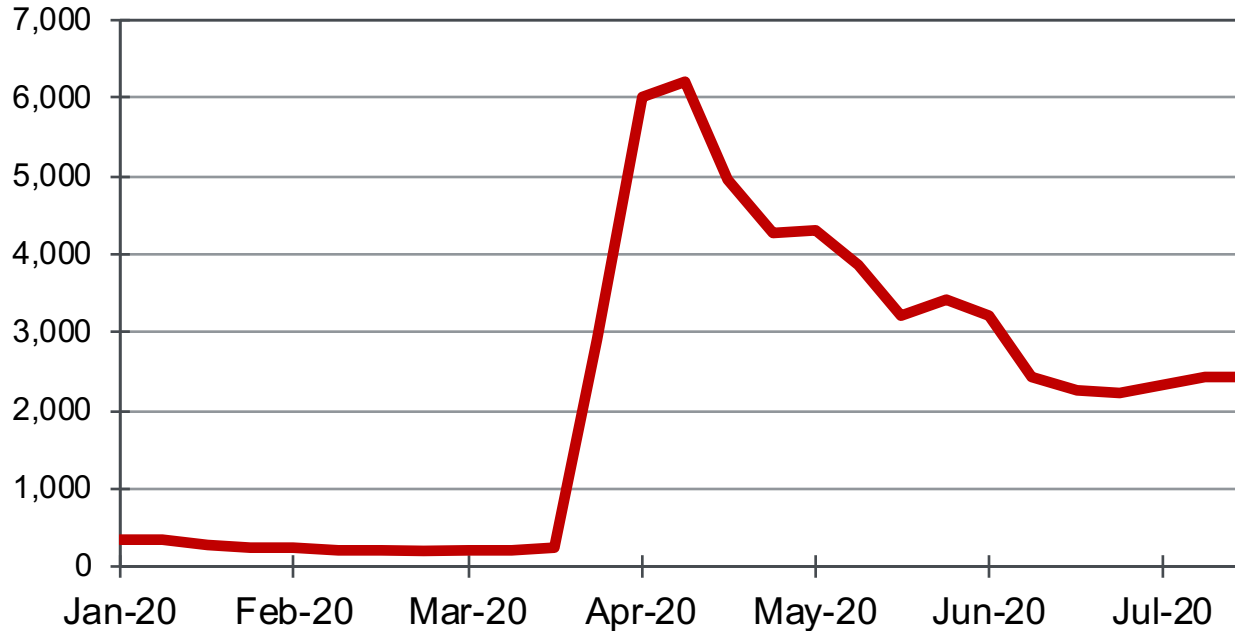
*Structural
changes have
commenced*

*Debt: the next
shoe to job*

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U.S. Economy Moves Sideways

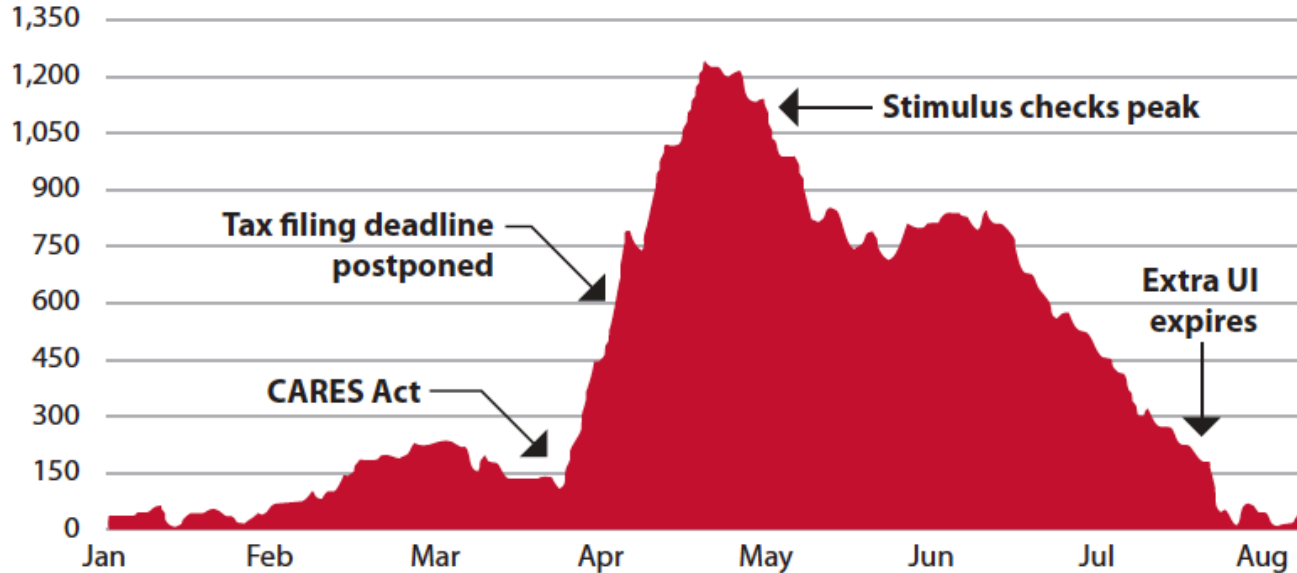
U.S. Initial UI claims, ths, NSA



Sources: BLS, Moody's Analytics

The COVID-19 Fiscal Cliff

Monthly change in federal debt, \$ bil, 2020



Sources: U.S. Treasury, Moody's Analytics

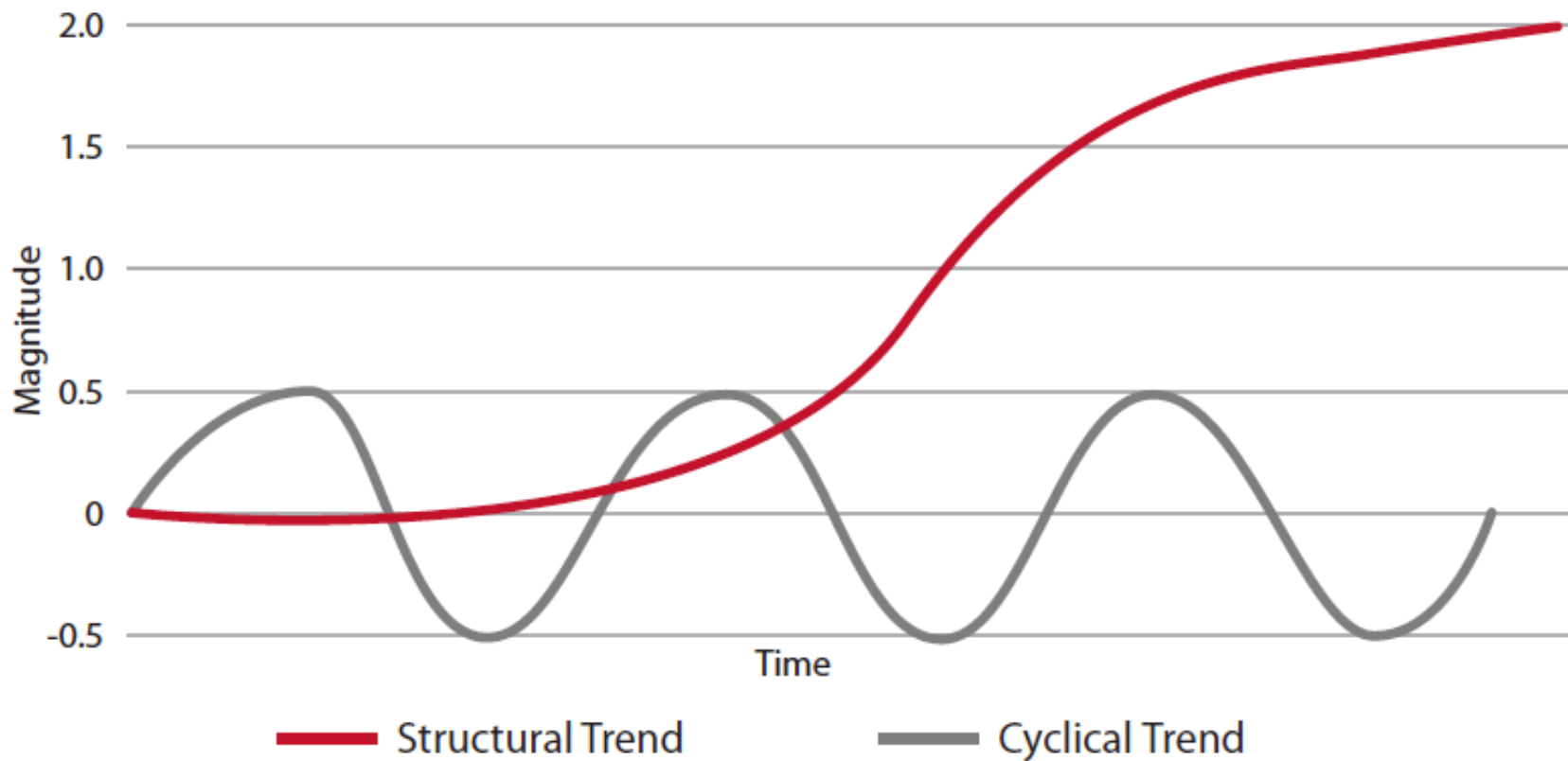
Stimulus Debate: Four Proposals

- 1. House Democrats** – \$3.4 trillion HEROES act...now \$2.5 trillion
- 2. Senate Republicans** – \$1.0 trillion
- 3. Pres. Trump Executive Orders** – \$400 billion (optimistic)
- 4. Moody's macro model** – \$1.5 trillion needed

“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.”

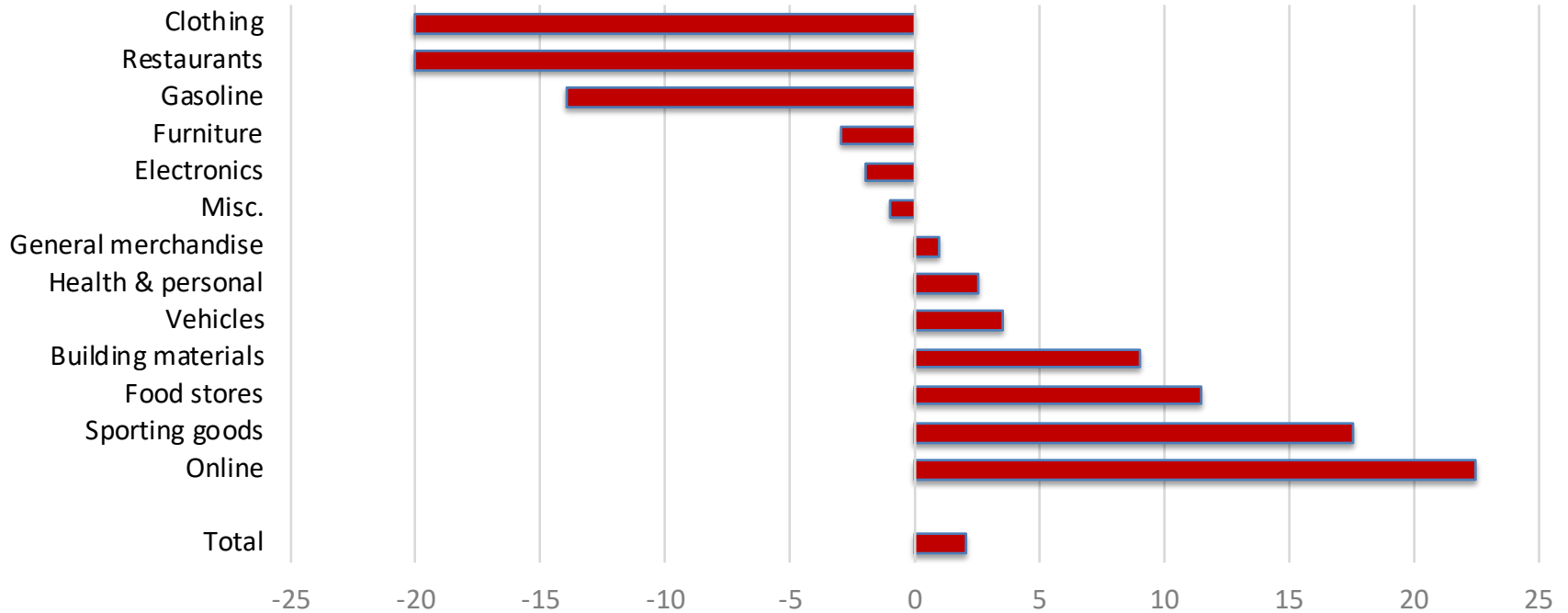
- Arundhati Roy, author

Cyclical vs. Structural Trends



U.S. Retail Winners and Losers

% change, July v. February 2020



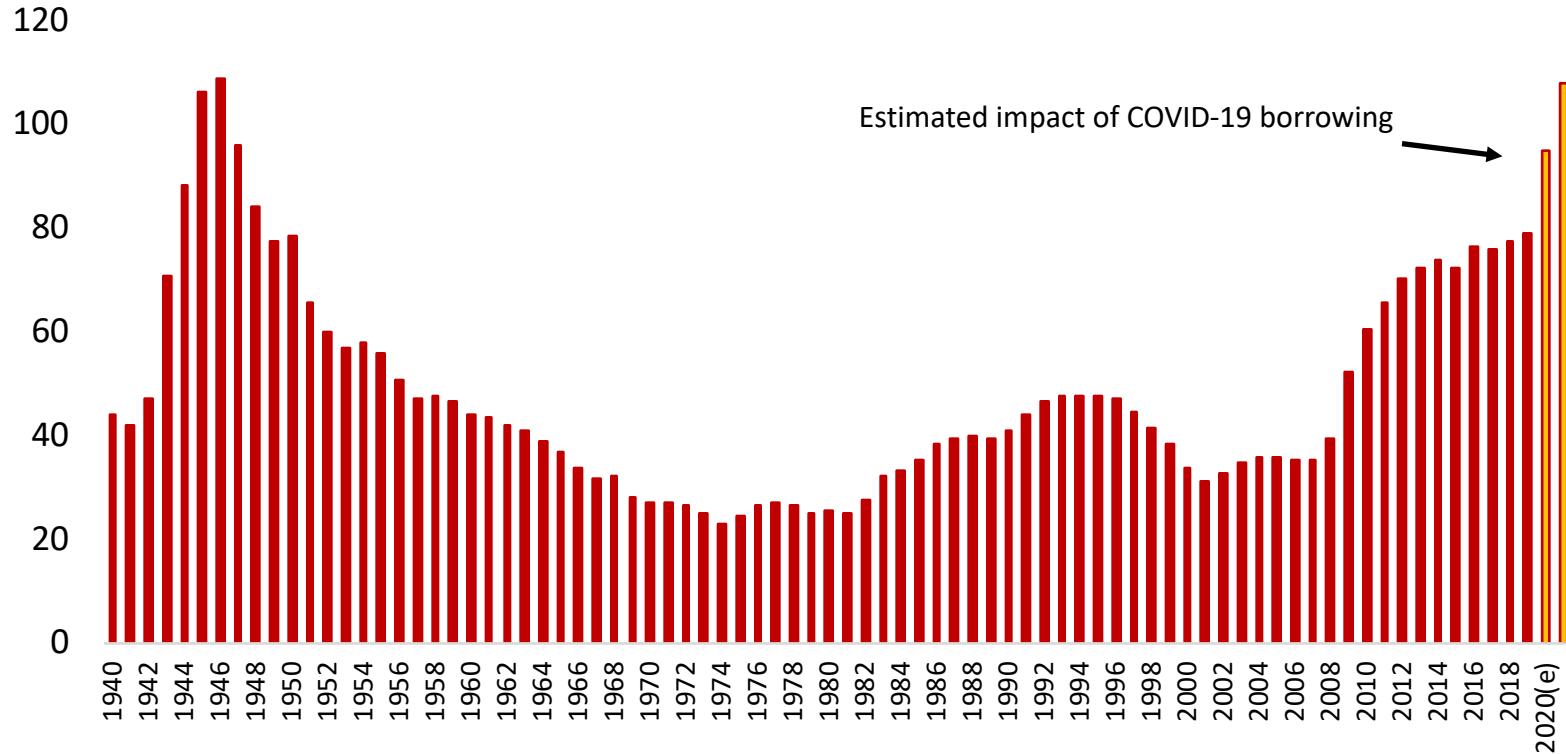
Source: Census Bureau, Moody's Analytics

Four Structural Changes to Watch

1. **New banking paradigm** – Zero interest rates and a flat yield curve present new challenges for financial services.
2. **De-globalization** – Reshoring and shorter supply chains will become more common.
3. **Tech-enabled services** – Remote work, telemedicine, remote sales, online education, and other technology-enabled services have been accelerated.
4. **Reckoning of commercial real estate** – Behavioral changes increase risk.

U.S. Debt to GDP Ratio

Held by the Public; End of the Period



Sources: Department of the Treasury, Office of Management and Budget, and Moody's Analytics

Back-to-Normal Index

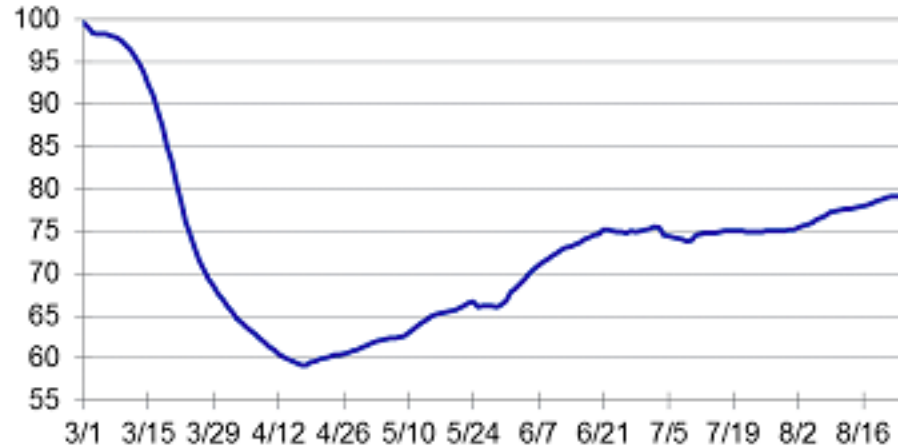
What's in the index?

Frequency	Indicator	Source
Daily	High frequency GDP model*	Moody's Analytics
	Seated restaurant diners	OpenTable
	Workplace mobility index	Google
	Airline checkpoint traveler throughput	Transportation Safety Administration
	Hrs worked - small businesses	Homebase
	New-home postings	Zillow
Weekly	U.S. petroleum products supplied (bpd)	Energy Information Administration
	Railroad traffic: Intermodal traffic (trailers)	Association of American Railroads
	Unemployment insurance: Continuing claims	Employment & Training Administration
	MBA Applications Survey: Activity index - purchase	Mortgage Bankers Association
	Business Confidence Index: North America	Moody's Analytics
	Johnson Redbook Index: Same-Store - all	Redbook Research Inc.
Monthly	Employment	Bureau of Labor Statistics

Sources: Moody's Analytics

Back-to-Normal Index

Early March = 100



Sources: CNN and Moody's Analytics