

# Economic Insights

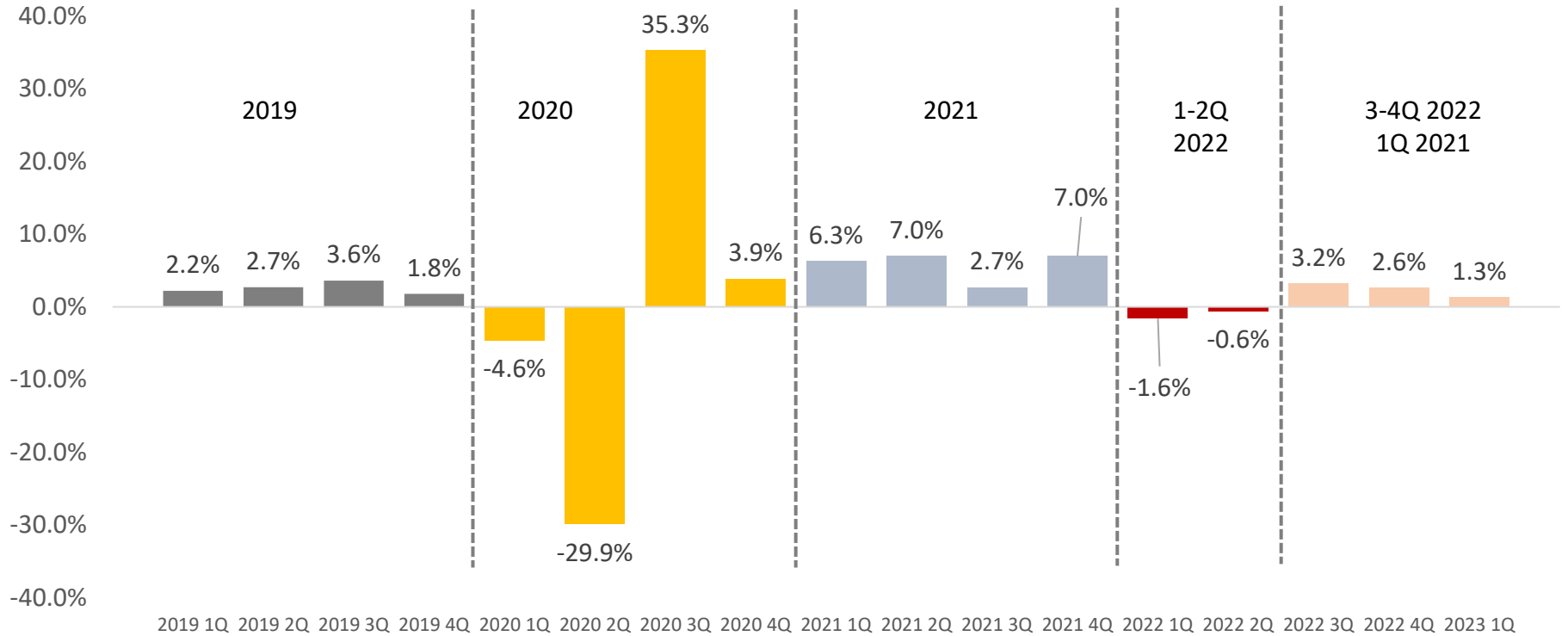
## Utah and Salt Lake County

Salt Lake County Council  
June 6, 2023

INFORMED DECISIONS™

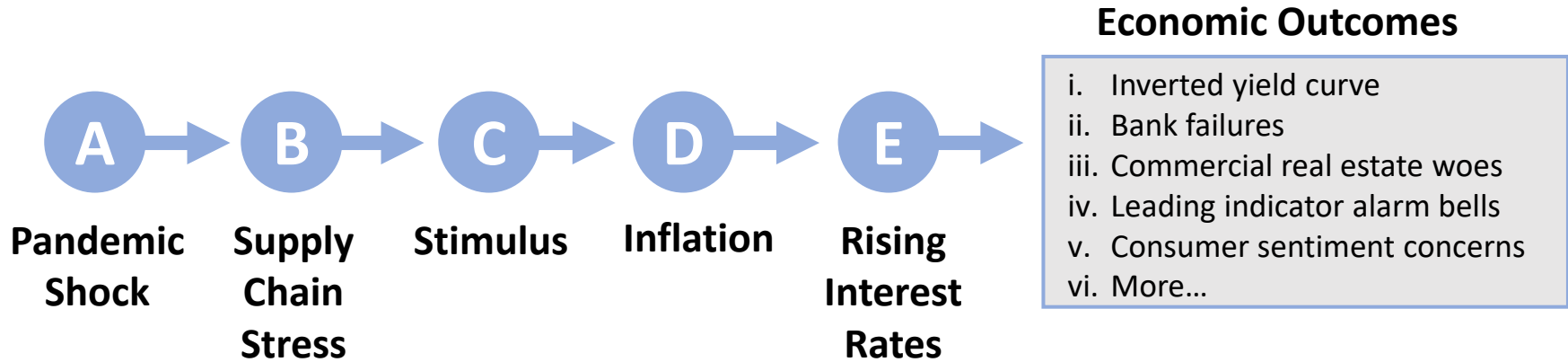
# U.S. Real GDP Growth

*Quarter-Over, Seasonally adjusted annual rate*



Source: Bureau of Economic Analysis

# How did we get here?

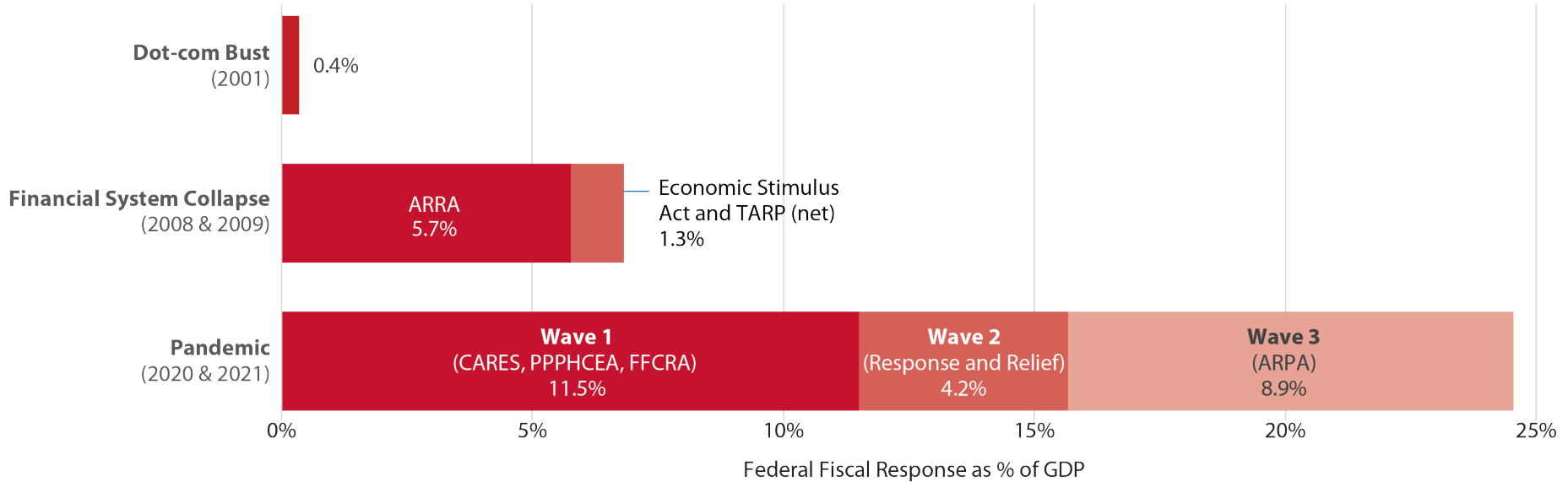


**Additional factors:** war in Europe, structural changes created by the pandemic, tight labor markets, and fiscal and monetary policy mistakes

Source: Kem C. Gardner Policy Institute

# Federal Fiscal Support Comparables

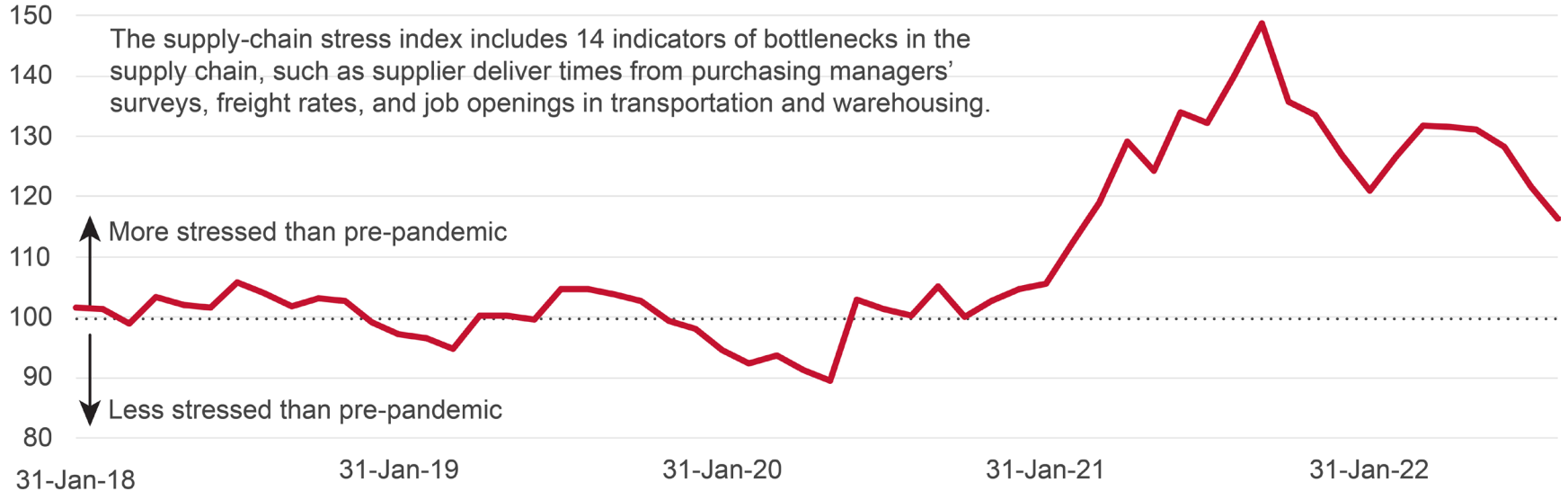
2019 Q4 = 100



Source: Congressional Budget Office and National Bureau of Economic Research

# U.S. Supply Chain Stress Index

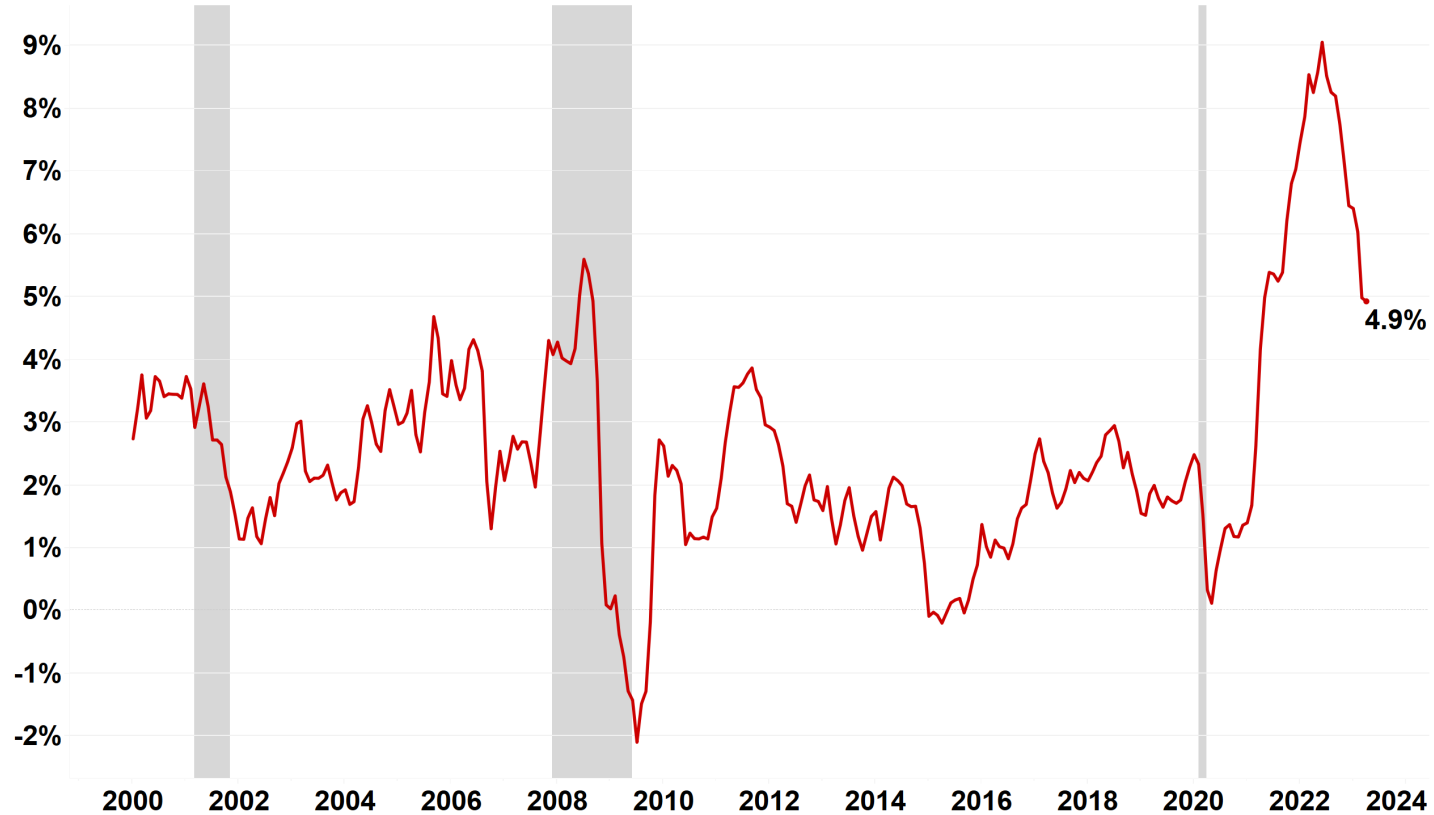
2019 Q4 = 100



Source: Moody's Analytics

# Inflation

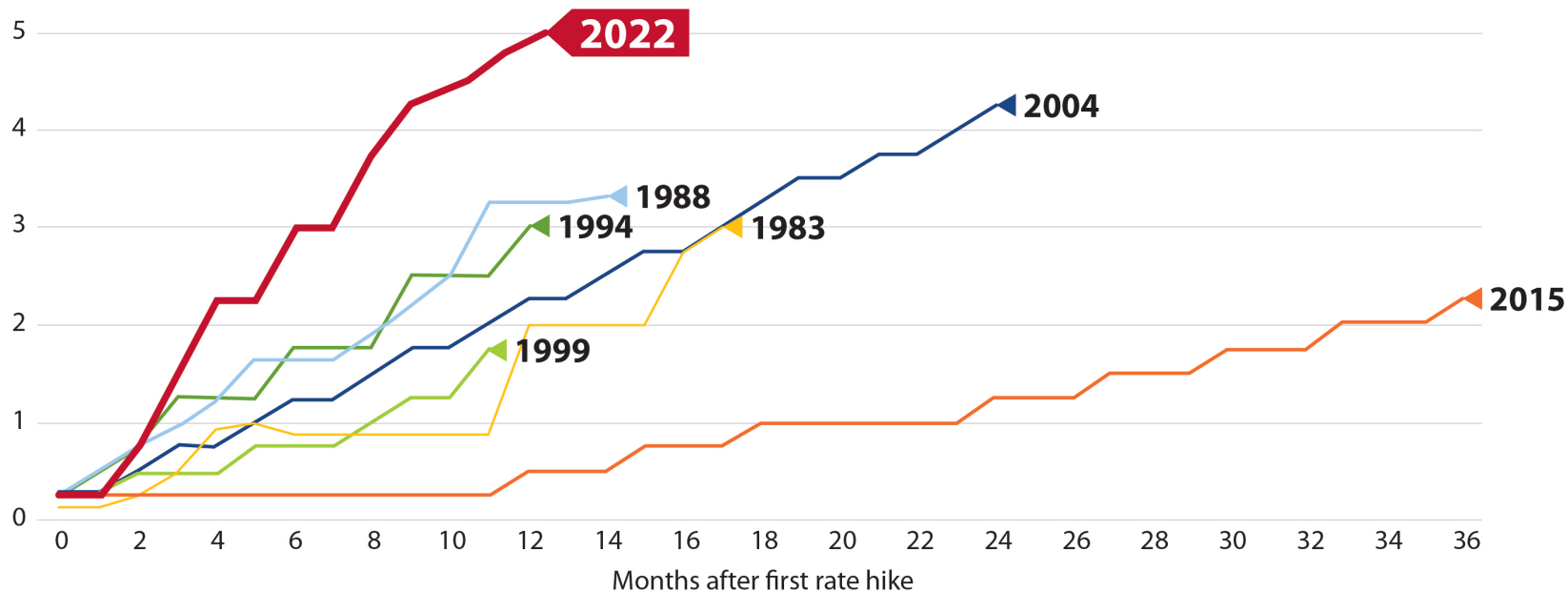
## Consumer Price Index, Year-over Change



Source: U.S. Bureau of Labor Statistics

# The Fed Moving Fast to Tame Inflation

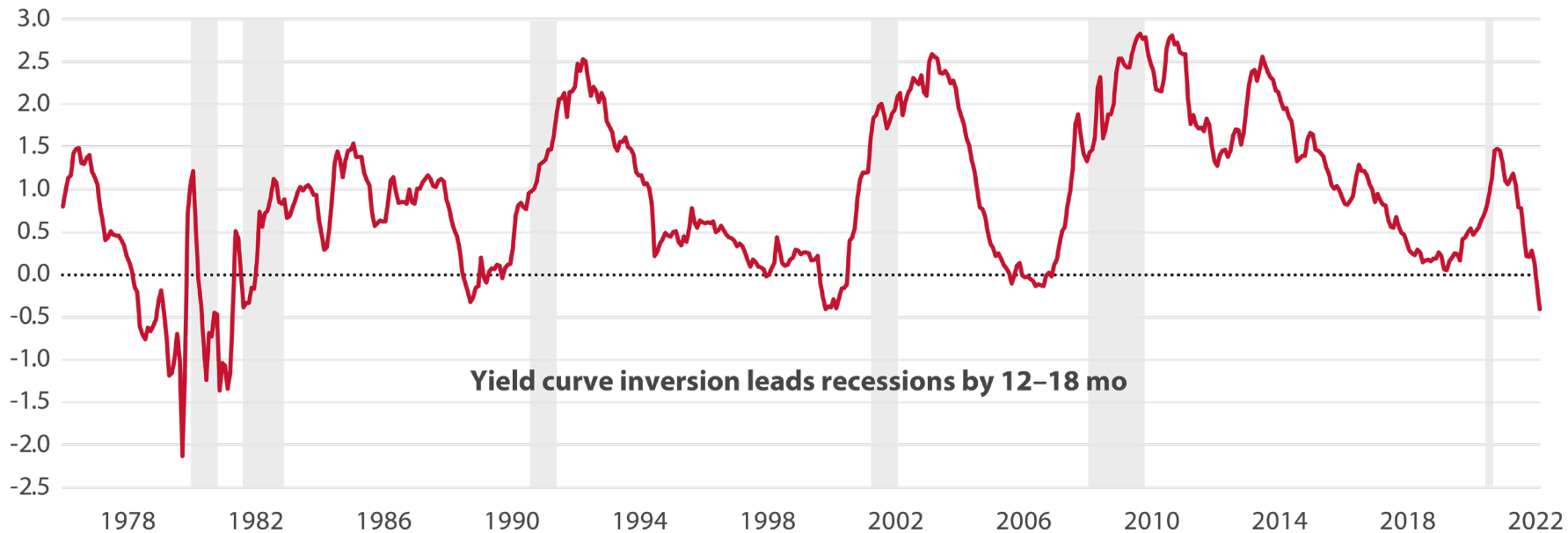
*Changes in the federal funds target rate in past tightening cycles (in percentage points)*



Source: Federal Reserve

# Treasury Yield Curve

*Difference between 10-year and 2-year Treasury yield, ppt*



Source: Federal Reserve and Moody's Analytics



# Blue Chip Forecast Misses Since 2022 Q2

Quarter	Blue Chip Initial Average Forecast % Change	Actual Real GDP % Change
2022 Q3	2.0%	3.2%
2022 Q4	0.7%	2.6%
2023 Q1	-0.4%	1.1% (Initial estimate)
2023 Q2	0.0%	2.9% (May 18 GDPNow)

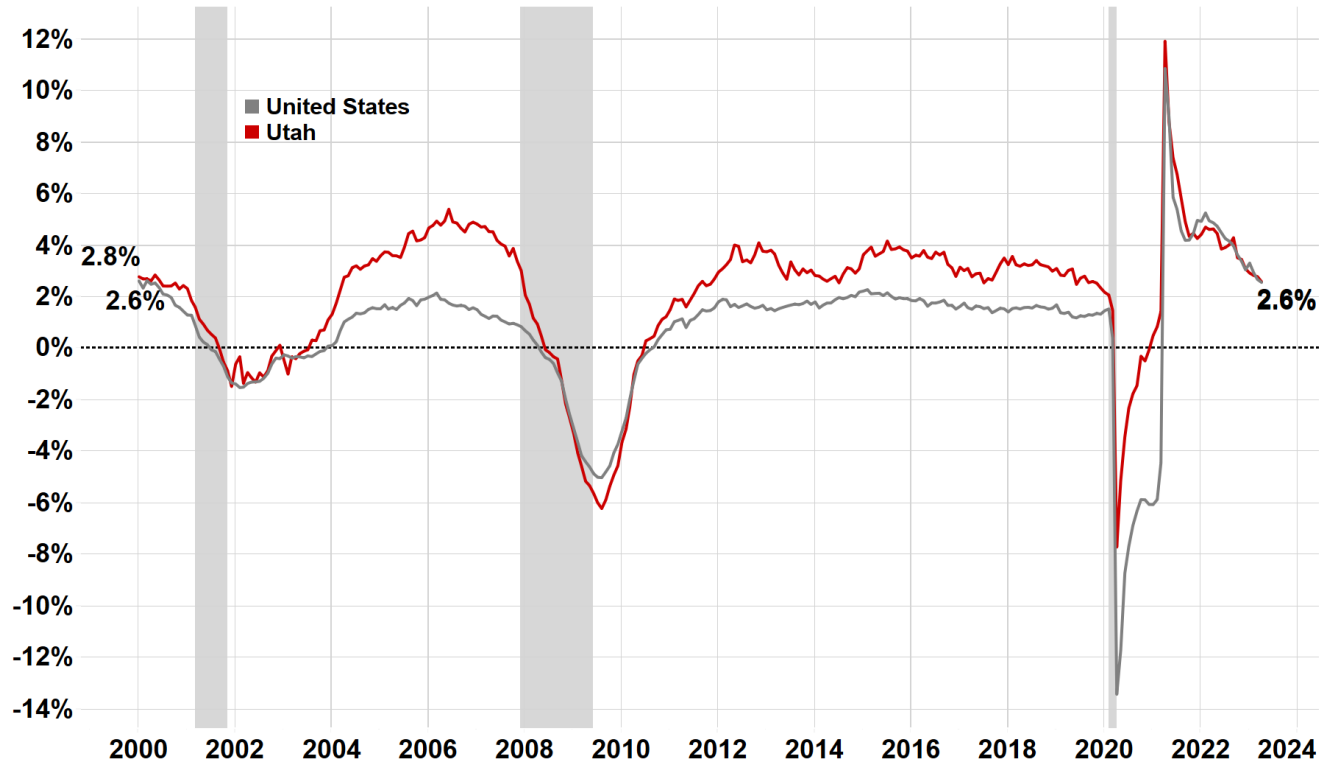
# 2023 Q1 Real GDP – Most Categories Quite Strong

GDP Categories with Increase	Real % Change	GDP Categories with Decrease	Real % Change
Personal consumption - goods	6.3%	<b>Business equipment</b>	<b>-7.0%</b>
Personal consumption - services	2.5%	<b>Residential construction</b>	<b>-5.4%</b>
Business structures	11.0%		
Business intellectual property	5.2%		
Exports	5.2%		
Imports	4.0%		
Government	5.2%		

Source: U.S. Bureau of Economic Analysis

# Job Change

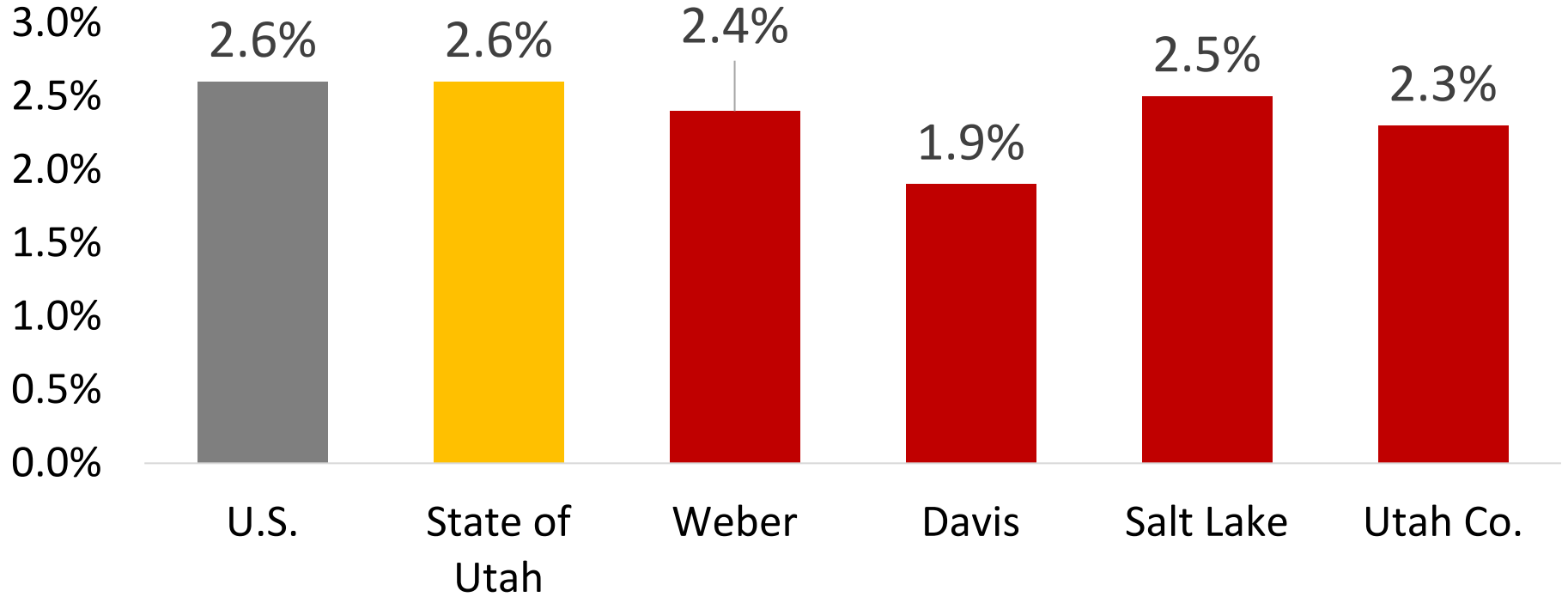
Year-over percent change



Source: Bureau of Labor Statistics

# Job Growth

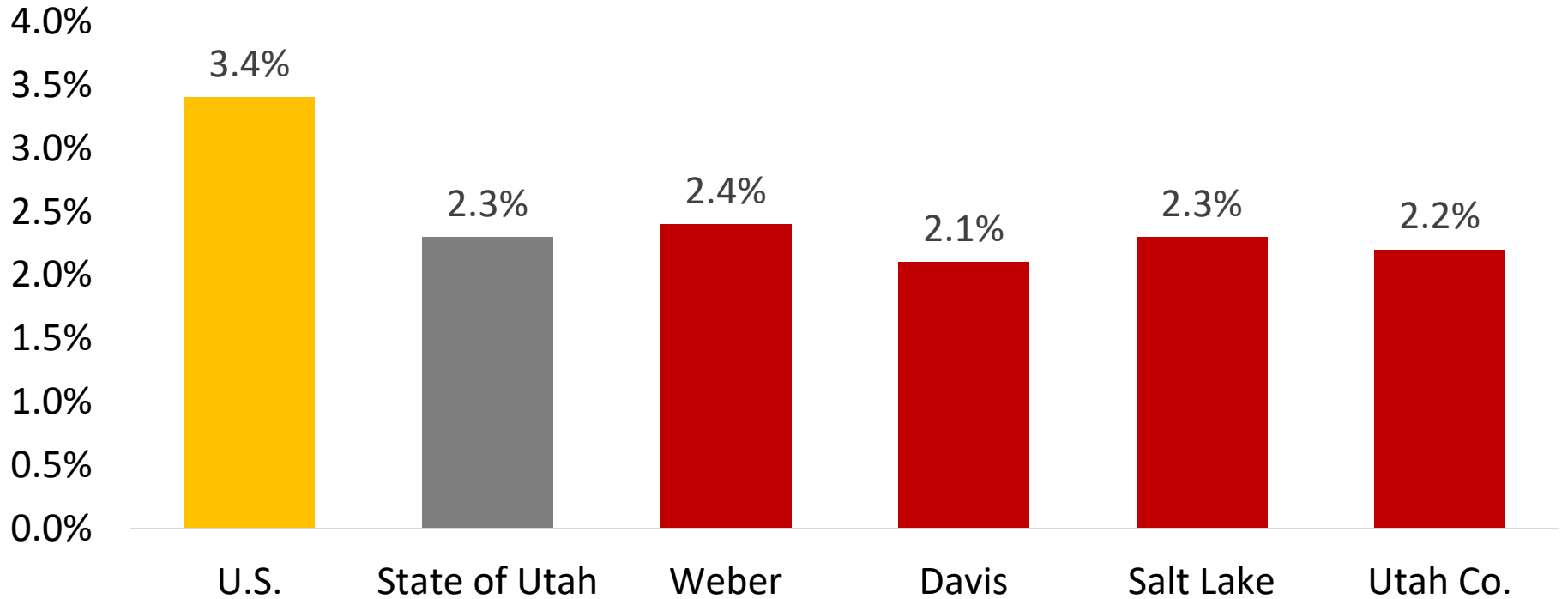
*April 2022-2023, Not Seasonally Adjusted*



Source: Bureau of Labor Statistics

# Unemployment Rate

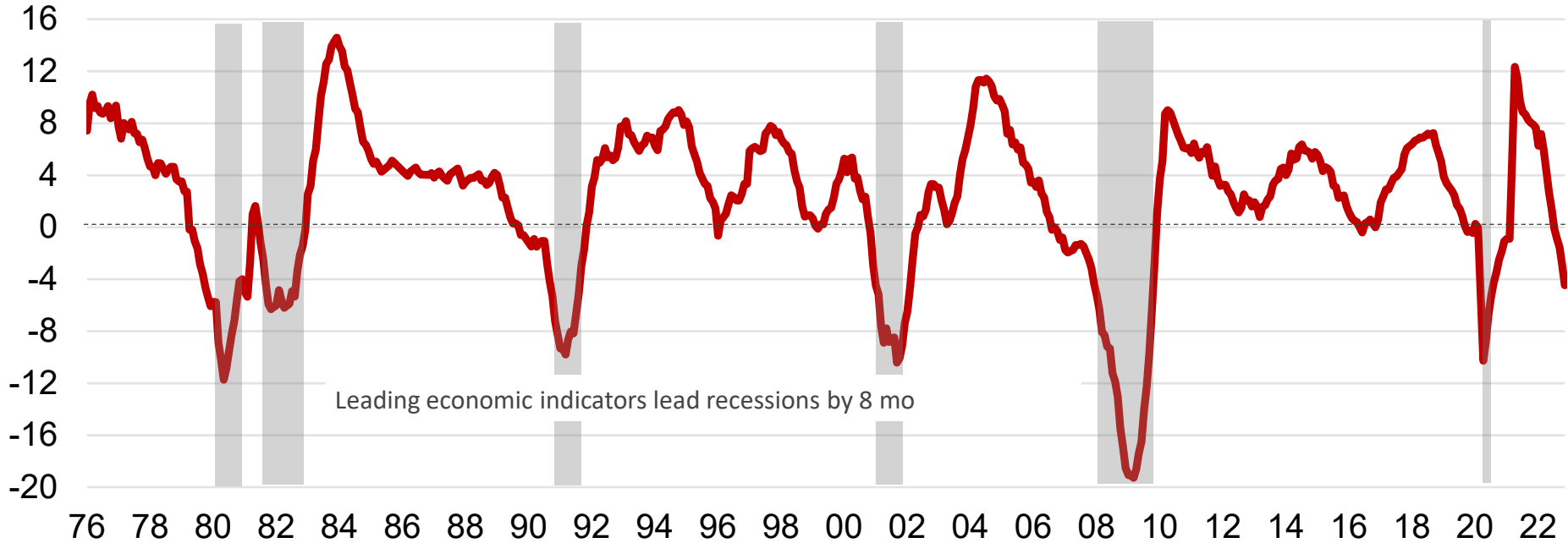
*April 2023, Seasonally Adjusted*



Source: Bureau of Labor Statistics

# U.S. Leading Indicators

*Year-Over Percent Change*



Source: Conference Board, Moody's Analytics

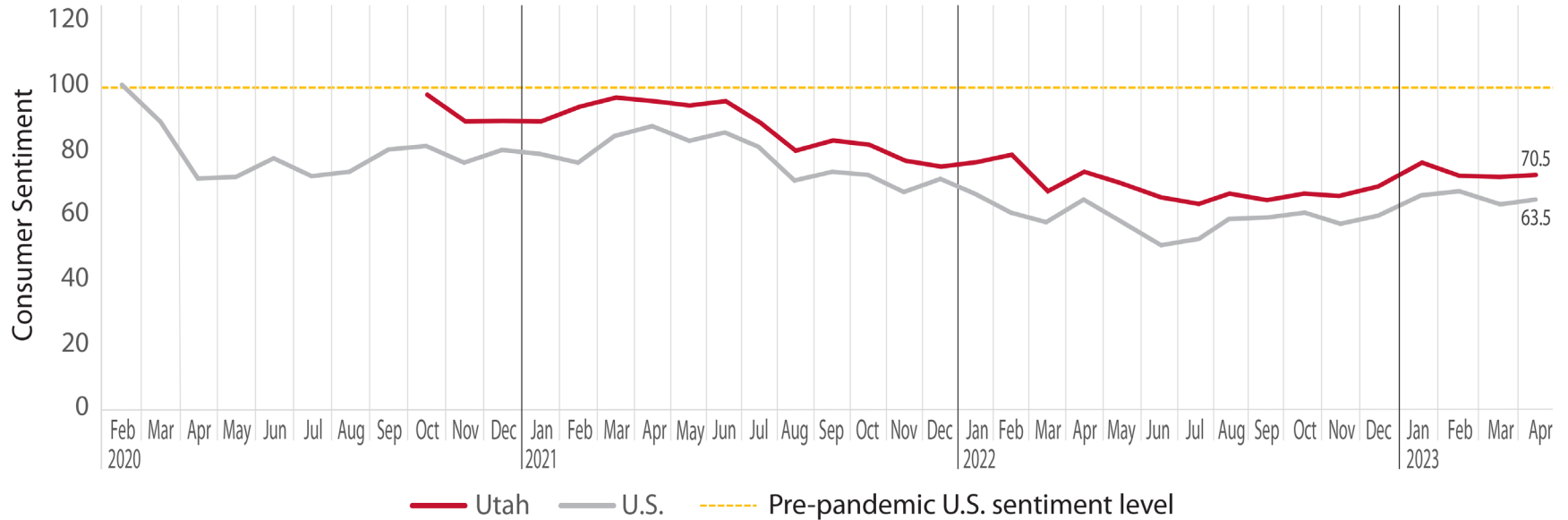
# Commercial Real Estate Risk

- **COVID resiliency** – Observed real estate properties surprisingly resilient during pandemic.
- **New environment** – Trend expected to change as the hybrid work environment takes hold and new leases come due.
- **Headwinds** – Property owners face dual headwinds of lower demand and higher financing costs.

Source: Moody's and Kem C. Gardner Policy Institute

# Utah and U.S. Consumer Sentiment

## Consumer Sentiment Index: Utah and U.S.

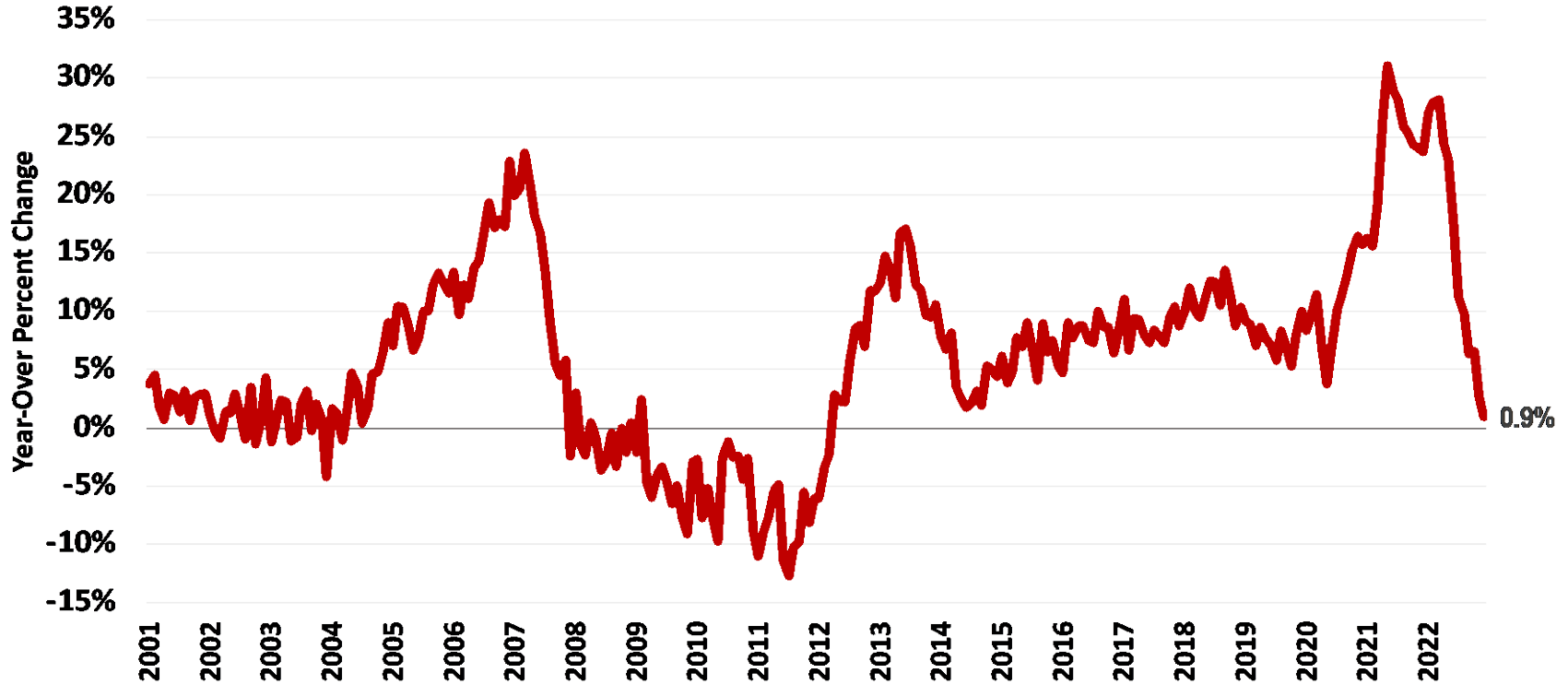


Source: Kem C. Gardner Policy Institute and University of Michigan

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



# Utah Home Price Change



Source: Kem C. Gardner Policy Institute, UtahRealEstate.com Sales Data

Utah ready for 2030 Games

Legislature expands affordable housing

Shriver shines as U commencement speaker

MAY 1-7, 2023

# THE NEW UTAH

PRESENT & FUTURE:

Mid-size Elite  
External Economy  
Growth Older  
(migration)  
Multicultural



PAST:

Strong Economy  
Monocultural  
Internal Growth  
(birds)  
Young  
Small

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Dean Rachel M Hayes  
David Eccles School of Business  
SFEBB 7100  
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Salt Lake City UT 84112-8939

# The New Utah

OLD

NEW

## Small State

Population rank **36<sup>th</sup> - 34<sup>th</sup>** (1980, 1990, 2000, 2010)



## Mid-Sized State

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

## Internal growth (births)

**66%** of growth from ourselves (2000-2020)



## External growth (migration)

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

## Monocultural

**10%** minority (1990)



## Multicultural

**28%** minority (2020) (*30+% in 2040*)

## Young

**11.5%** are 65+ (2020)



## Older

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

## Strong Economy

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



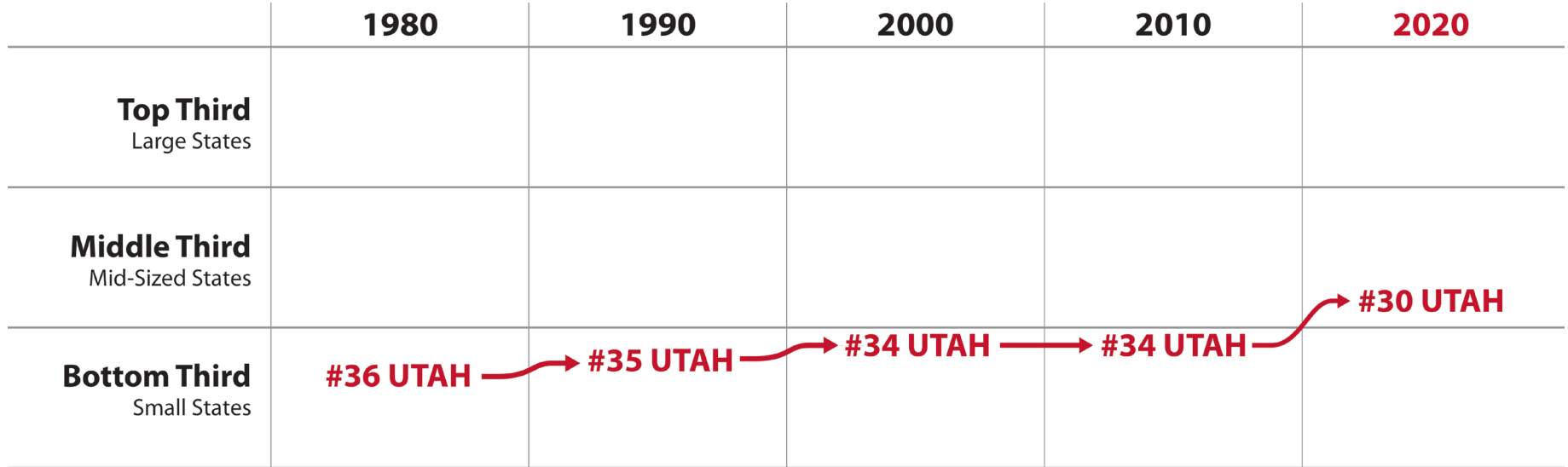
## Elite Economy

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

Source: Kem C. Gardner Policy Institute

# Utah is Now a Mid-Size State

*State rank by population size*

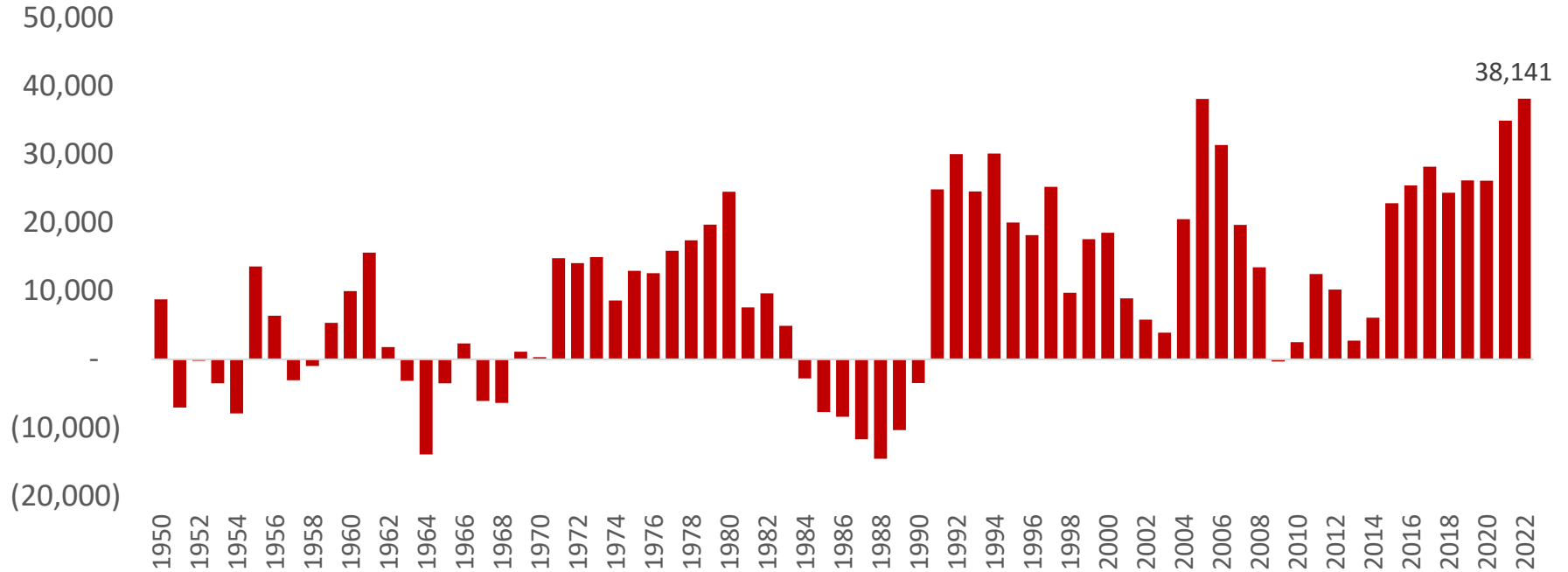


\*Includes District of Columbia

Source: Census Bureau, Decennial Census

# Utah Net Migration

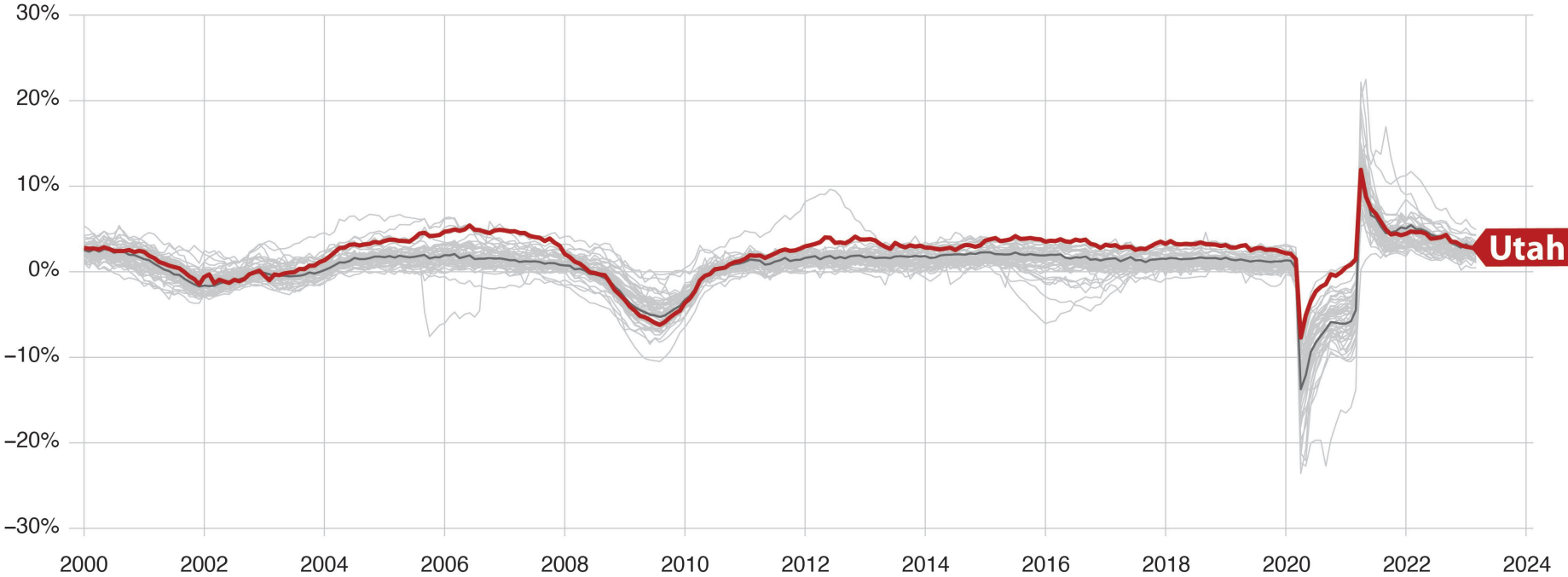
*Utah experienced net migration in 31 of the past 32 years*



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

# Utah Job Growth by State

*Utah's elite economy*



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