



Trends to Watch

Presented to Association of Government Accountants

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Kern C. Gardner Policy Institute • David Eccles School of Business • 1655 E. Campus Center Dr. • Salt Lake City, UT 84112-8939
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Key Points

1. Extraordinary time
2. Utah's economy continues to thrive, but is late in the cycle
3. Income growth strong and equal
4. High tech employment remains strong
5. Significant demographic trends
6. "Stop, look and listen"

Extraordinary time

Peggy Noonan, Wall Street Journal

We have never had a political moment like this in our lives. We have never had a president like this, such a norm-breaker, in all the ways we know. We are in uncharted seas.

Donald Rumsfeld's Trio

There are known knowns. These are things we know that we know.

There are known unknowns. That is to say, there are things that we know we don't know.

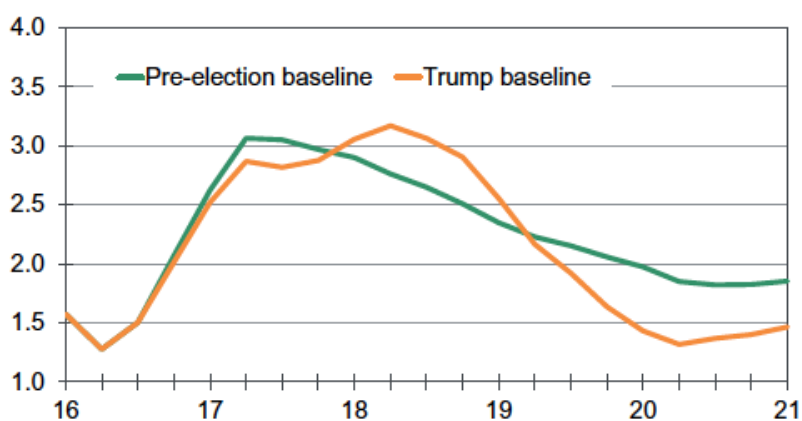
But there are also unknown unknowns. There are things we don't know we don't know.

Extraordinary Time

- Monetary policy
- Fiscal policy
- Geopolitical tensions
- Globalization on trial
- Structural changes
- Many other factors

The Trump Economy

Real GDP Growth, % Ch. Year Ago



Sources: BEA, Moody's Analytics

Utah economy thriving, but we
are in a period of risk and late in
the economic cycle

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Labor Market Indicators

March 2017

Unemployment rate

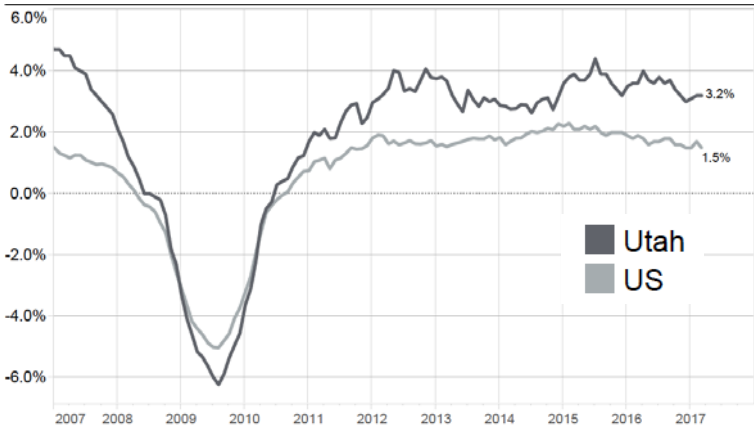
Utah	3.1%
U.S.	4.5%

Job Growth Rate (year-over)

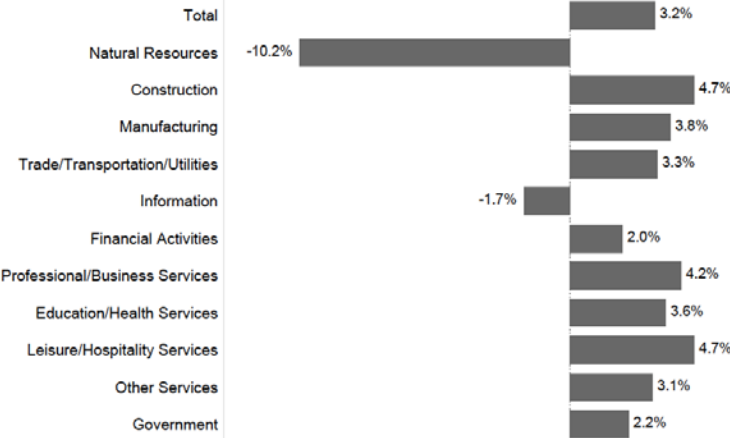
Utah	3.2%
U.S.	1.5%

Source: Utah Department of Workforce Services

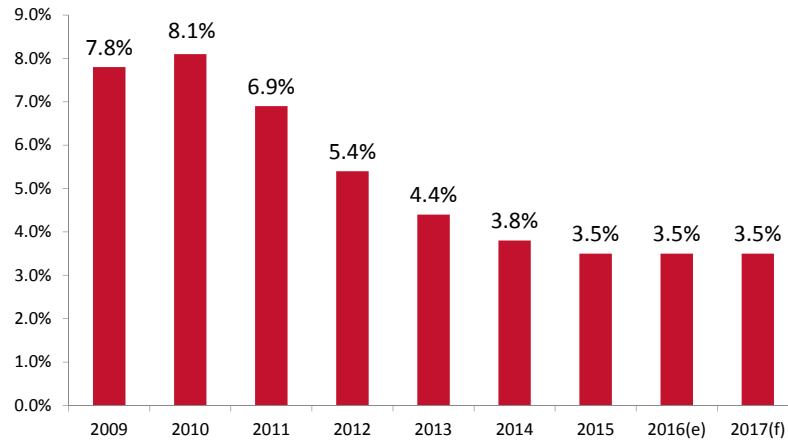
Utah and U.S. Job Growth



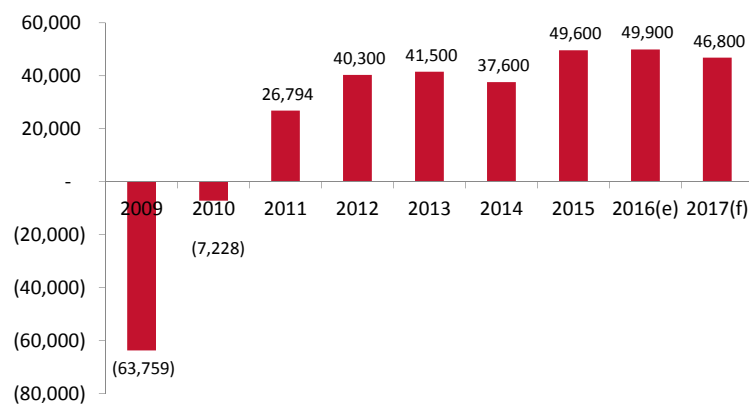
Utah Job Growth by Industry



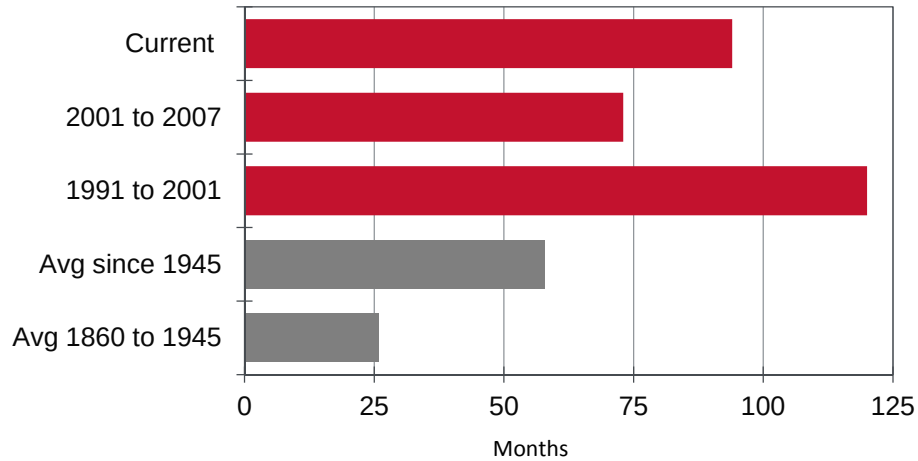
Utah Unemployment Rate



Utah Job Creation

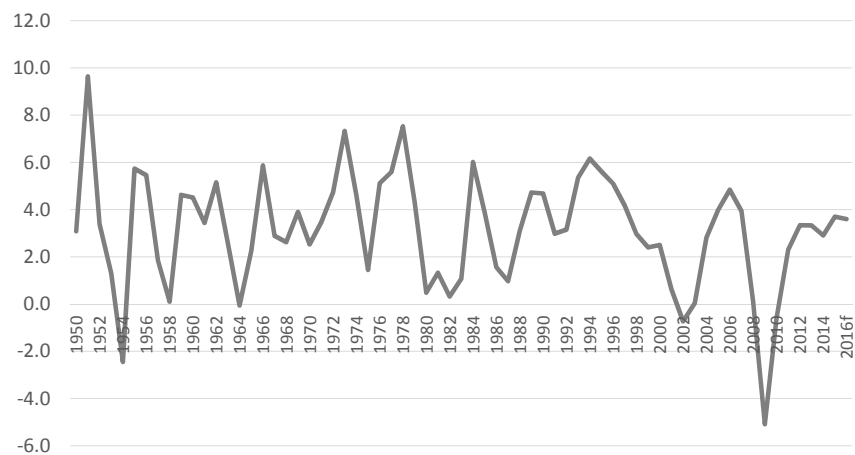


A long economic expansion...



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Utah Job Growth Rate



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Source: Utah Dept. of Workforce Services and Eccles School

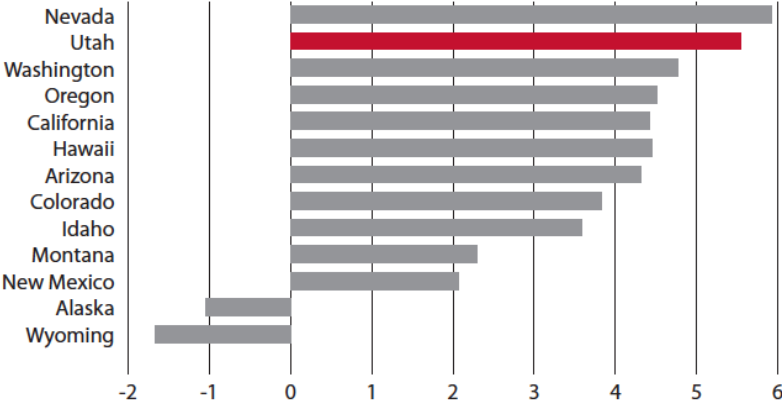
Income growth strong and equal

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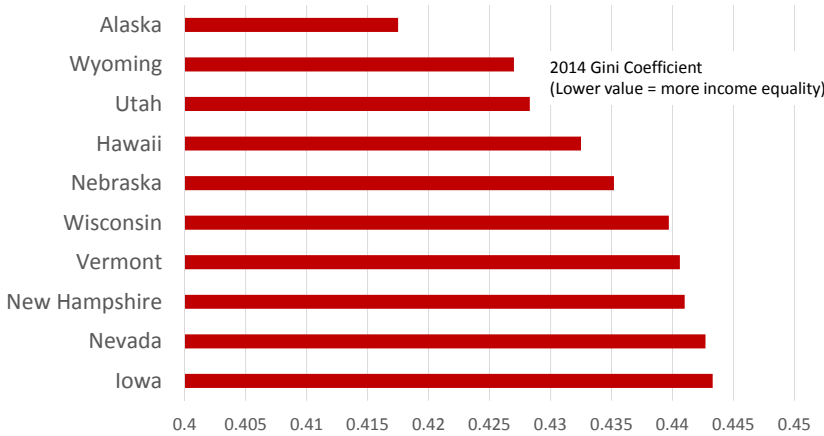
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Income Gains

Nominal personal income, annualizes % change, 2016Q4



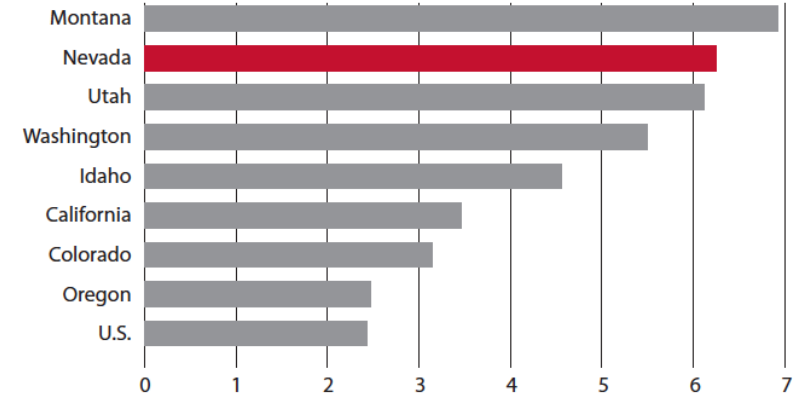
Top Ten Most Equal Income Distributions



Silicon Slopes is real

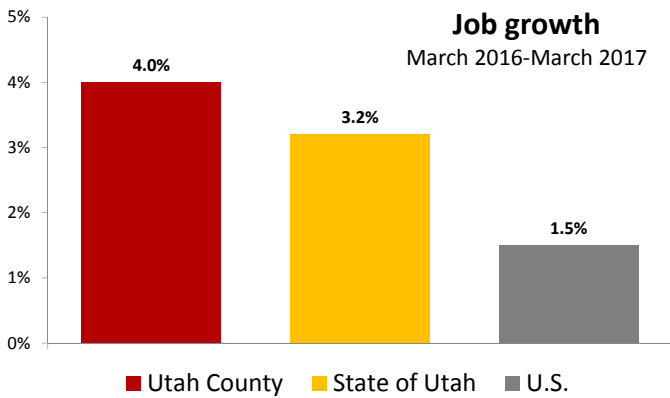
High Tech Employment

High-tech employment, % change yr ago, 2016



Source: BLS; Moody's Analytics

Utah County growing at a rapid clip

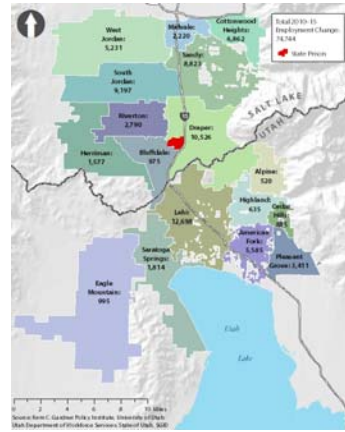


Source: Utah Dept. of Workforce Services

Utah's Silicon Slopes Corridor

Key Stats

- 25 miles
- 17 cities
- 74,744 net new jobs since 2010
- 252,486 total jobs
- 38% of increase in jobs statewide 2010-2015
- Annual growth averages 8.4%



Nearly one out of every five new residential units located in four cities

Utah residential construction: 2010-2016

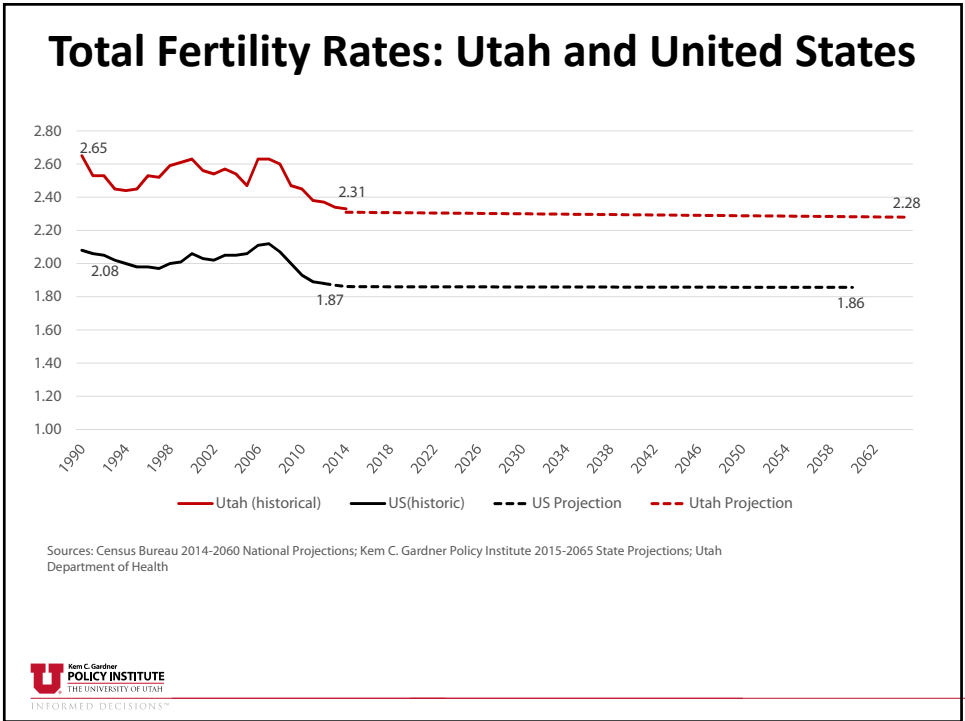
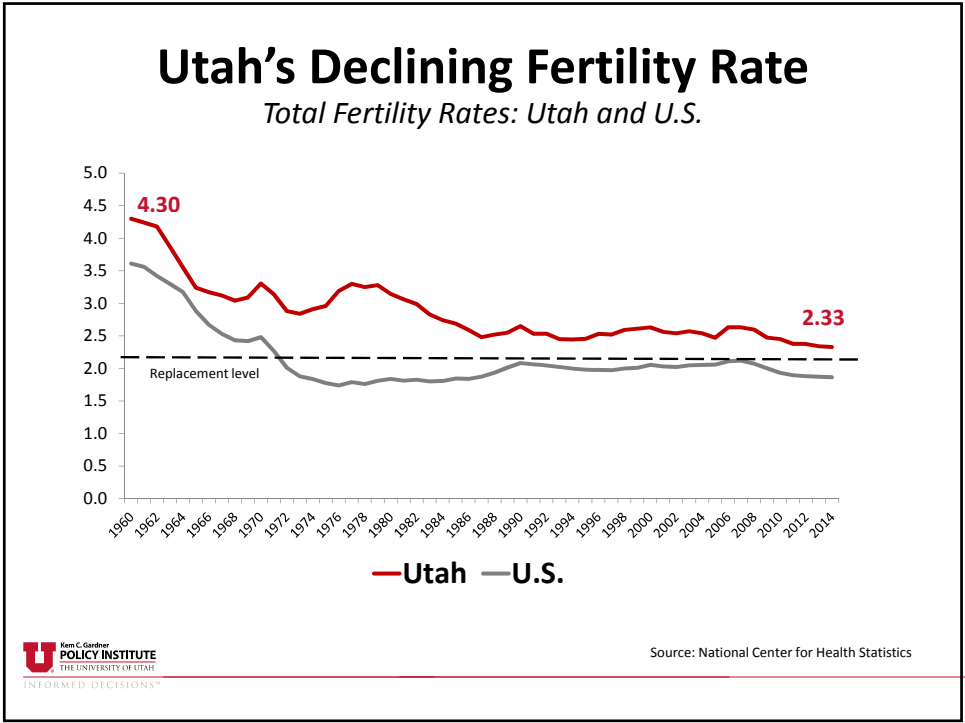
	Residential Units
South Jordan	5,914
Herriman	4,841
Lehi	4,285
Sandy	3,233
Four-City Total	18,273
State Total	100,631
% Share of State	18.2%

Lehi office construction almost matches Salt Lake City

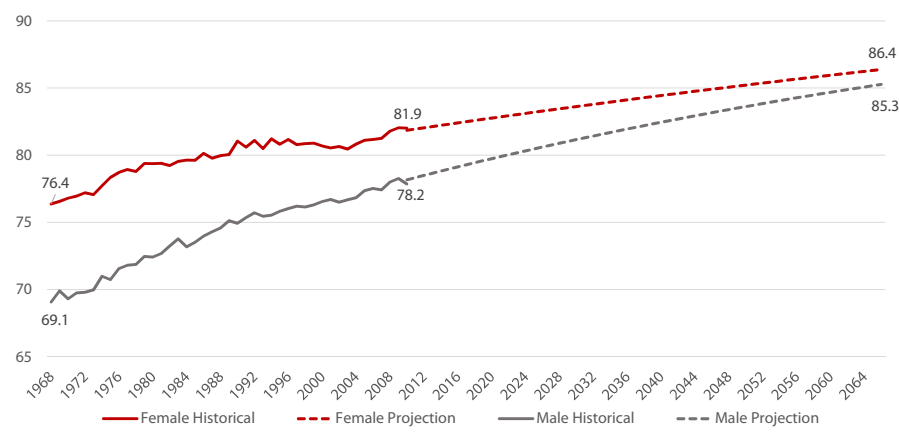
Utah office construction: Top five cities 2010-2016

	Value (millions)	Share of State
Salt Lake City	\$466.7	24.3%
Lehi	\$370.8	19.3%
Provo	\$196.7	10.3%
Midvale	\$107.7	5.6%
Draper	\$97.9	5.1%
State	\$1,917.2	100.0%

Significant demographic trends impacting the state



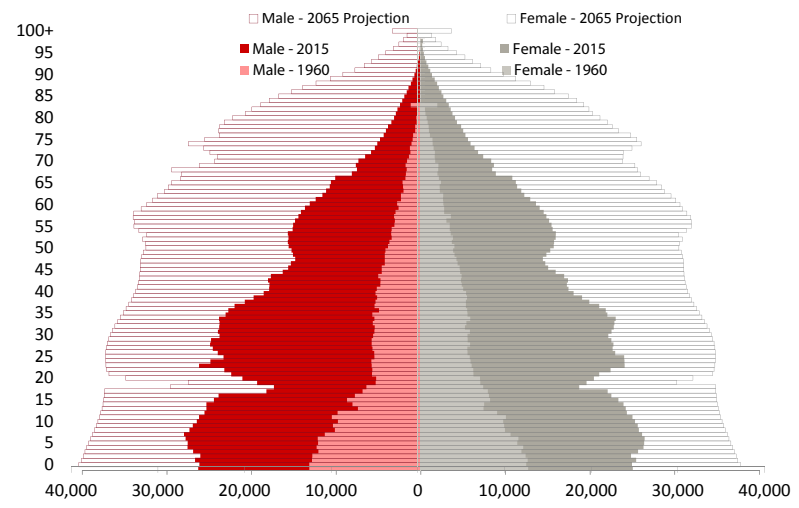
Historical & Projected Utah Life Expectancy



Sources: Kem C. Gardner Policy Institute 2015-2065 State Projections; Utah Department of Health

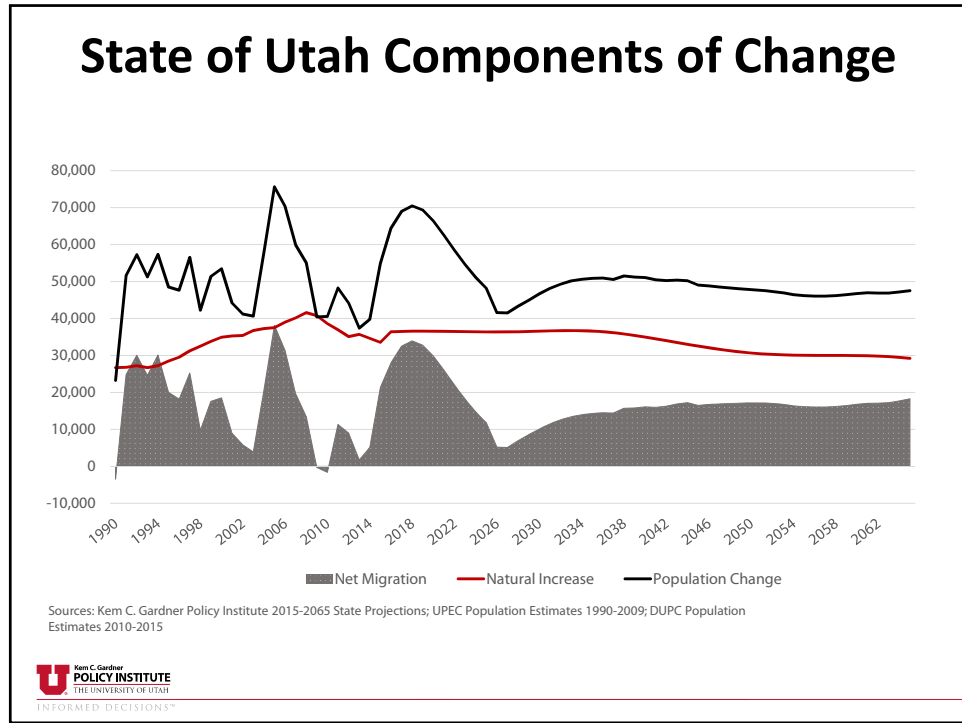


Utah Population Pyramid



Source: Kem C. Gardner Policy Institute





Stop, look and listen

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E. F. Schumacher

In his urgent attempt to obtain reliable knowledge about his essentially indeterminate future, the modern man of action may surround himself by ever-growing armies of forecasters, by ever-growing mountains of factual data to be digested by ever more wonderful mechanical contrivances: I fear that the result is little more than a huge game of make-believe and an ever more marvelous vindication of Parkinson's Law. The best decisions will still be based on the judgments of mature non-electronic brains possessed by men [and women] who have looked steadily and calmly at the situation and seen it whole.

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