

# Revenue & Economic Update May 2019

Presentation to the Association of Governmental Accountants

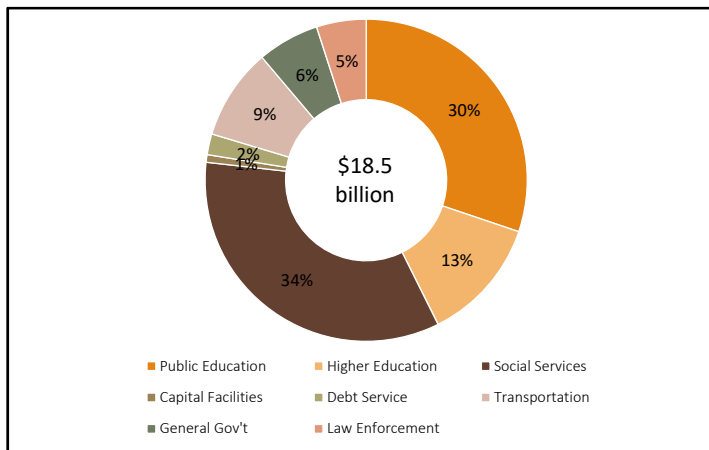


Andrea Wilko Ph.D., Chief Economist

May 2019

1

## Total State Revenue

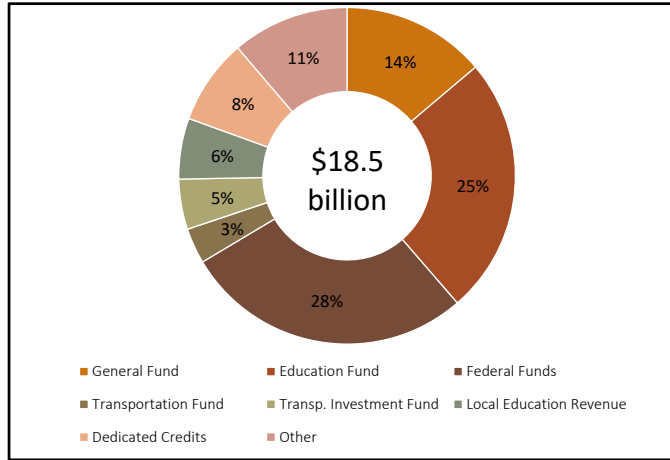


Source: Budget of the State of Utah



2

# Total State Budget

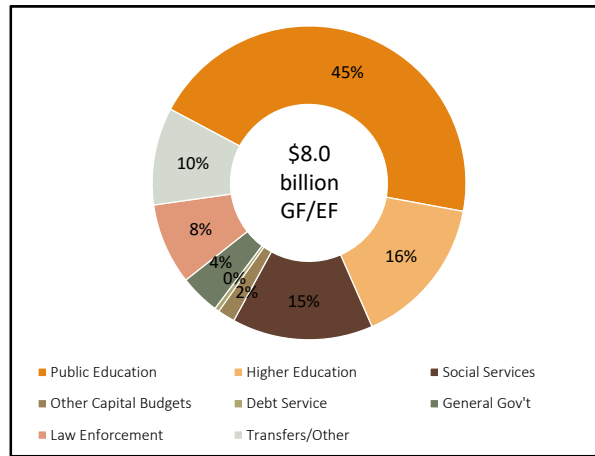


Source: Budget of the State of Utah



3

# State Fund Budget

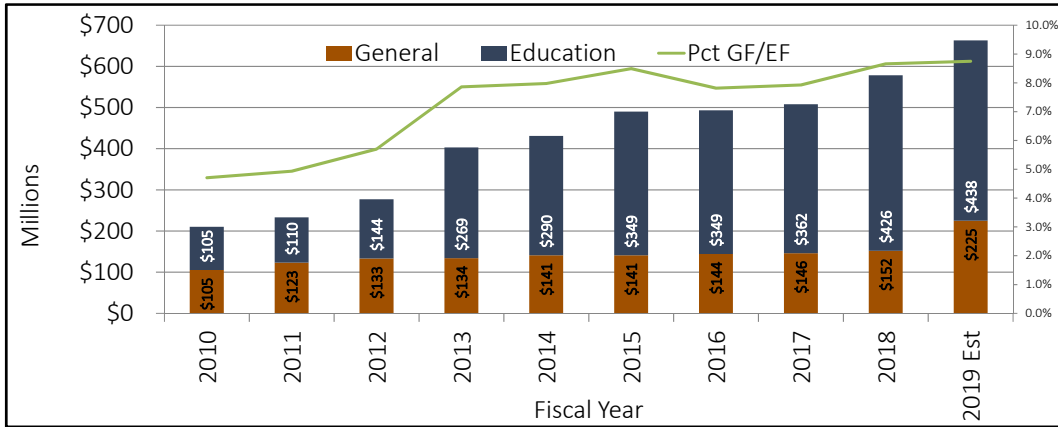


Source: Budget of the State of Utah



4

# State Rainy Day Funds

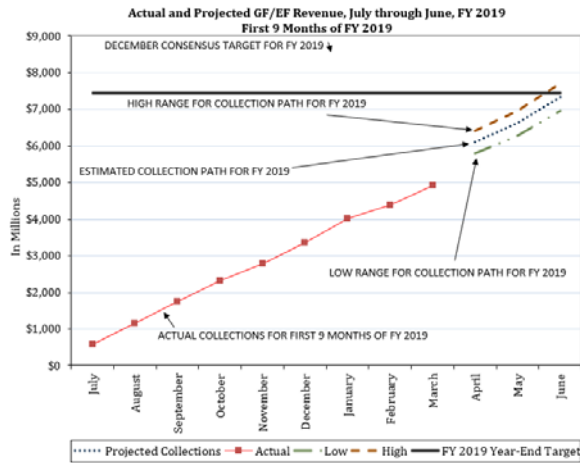


Source: Budget of the State of Utah



5

# Revenue Trend

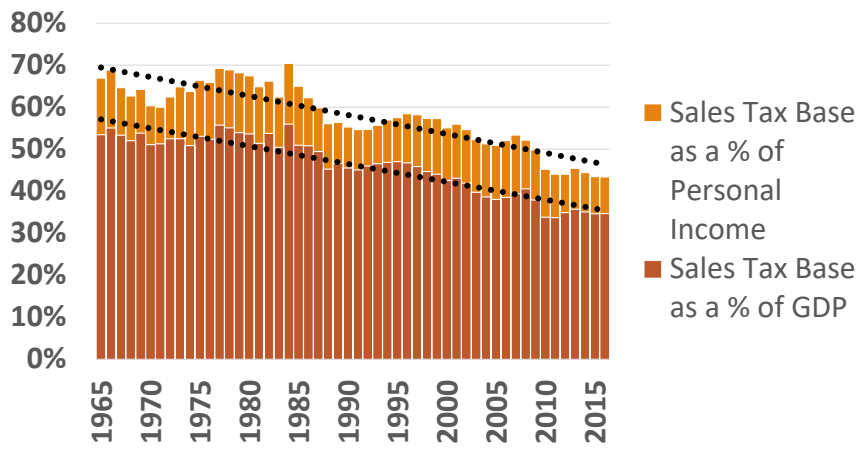


6

# Why Tax Reform?

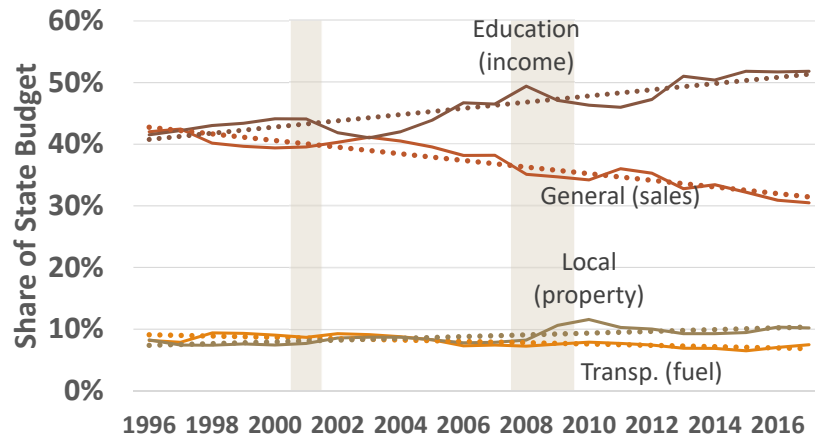
7

## Sales Tax Base



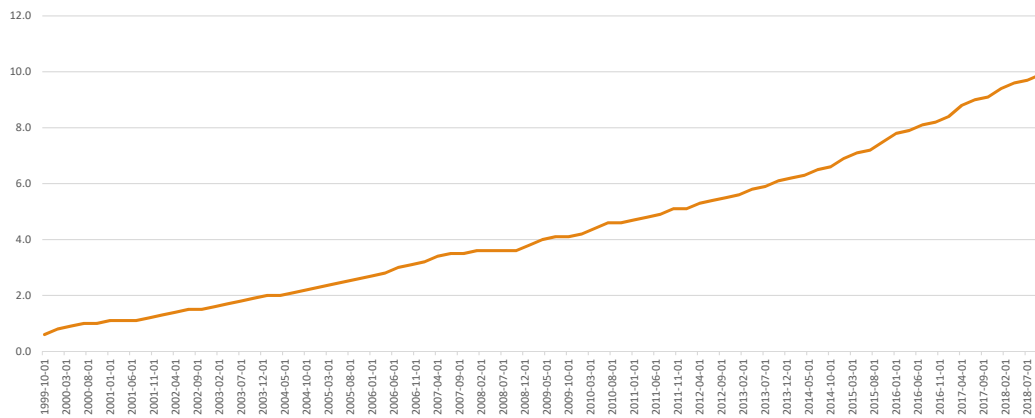
8

## GF Share of Budget Declining



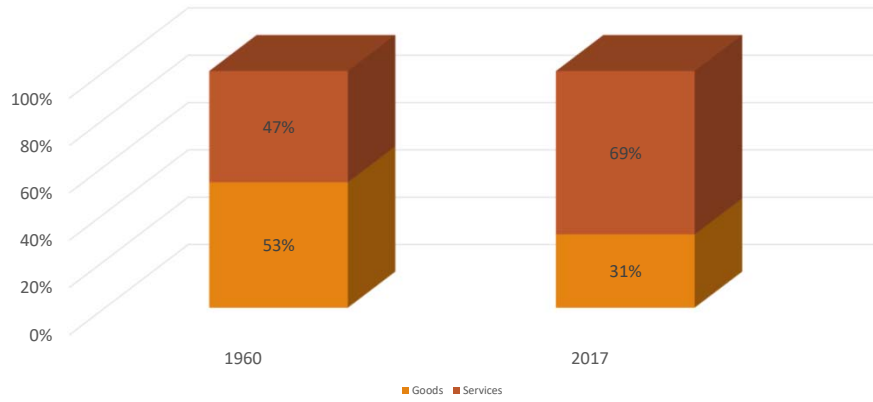
9

## E-commerce as a Percent of Total Sales 1999-2018



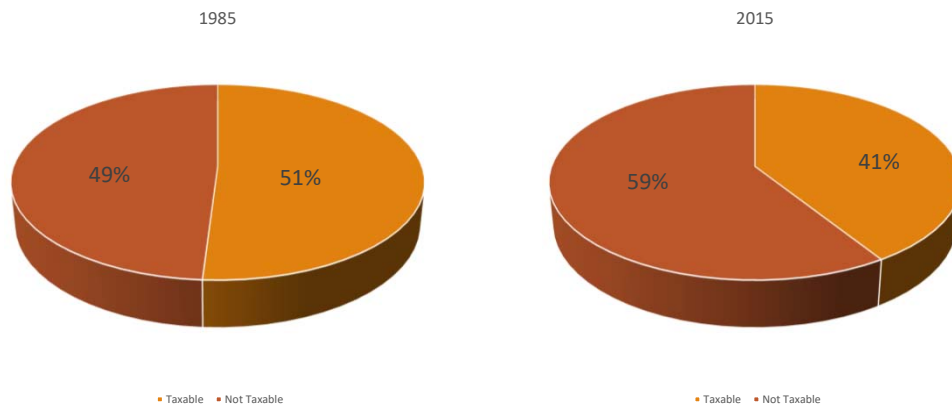
10

## Goods and Services as a Percent of Personal Consumption Expenditures



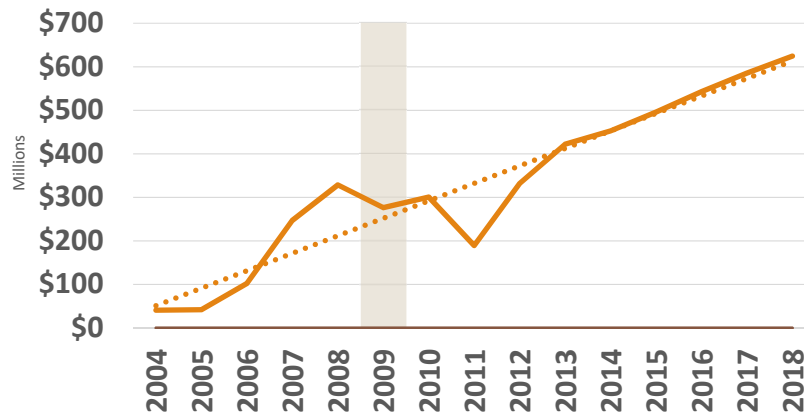
11

## Taxable and Not Taxable Expenditures



12

## Sales Tax Earmarks



13

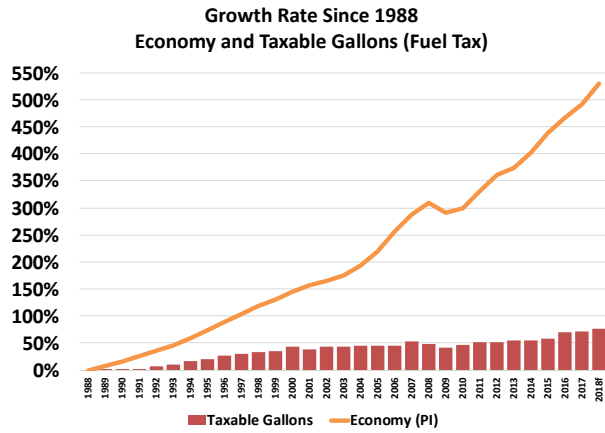
## General Fund Earmarks

- Transportation Related - \$644.1 million
- Water, Agriculture, and Natural Resources- \$66.8 million
- Social Services Related – \$97.5 million
- Business, Economic Development, and Labor Related - \$33.8 million
- Permanent State Endowment - \$10.0 million



14

# Gas Tax



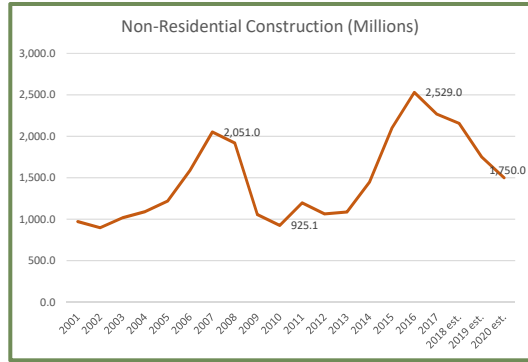
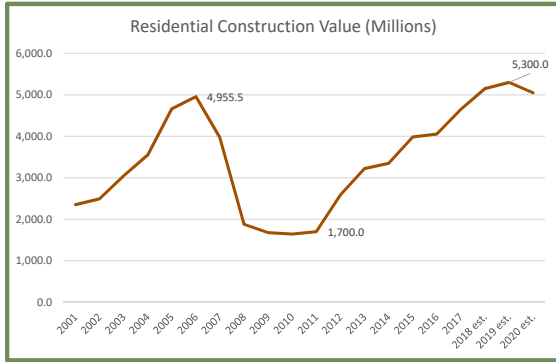
15

# Economic Indicators

16

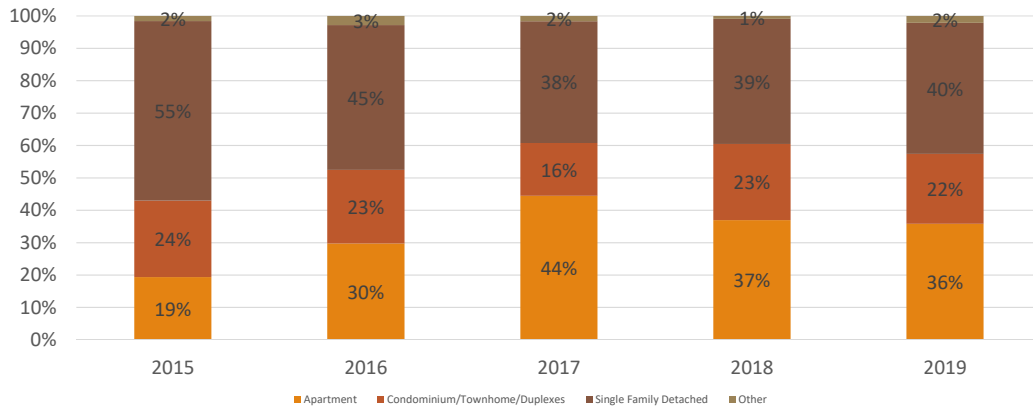


# Construction Values

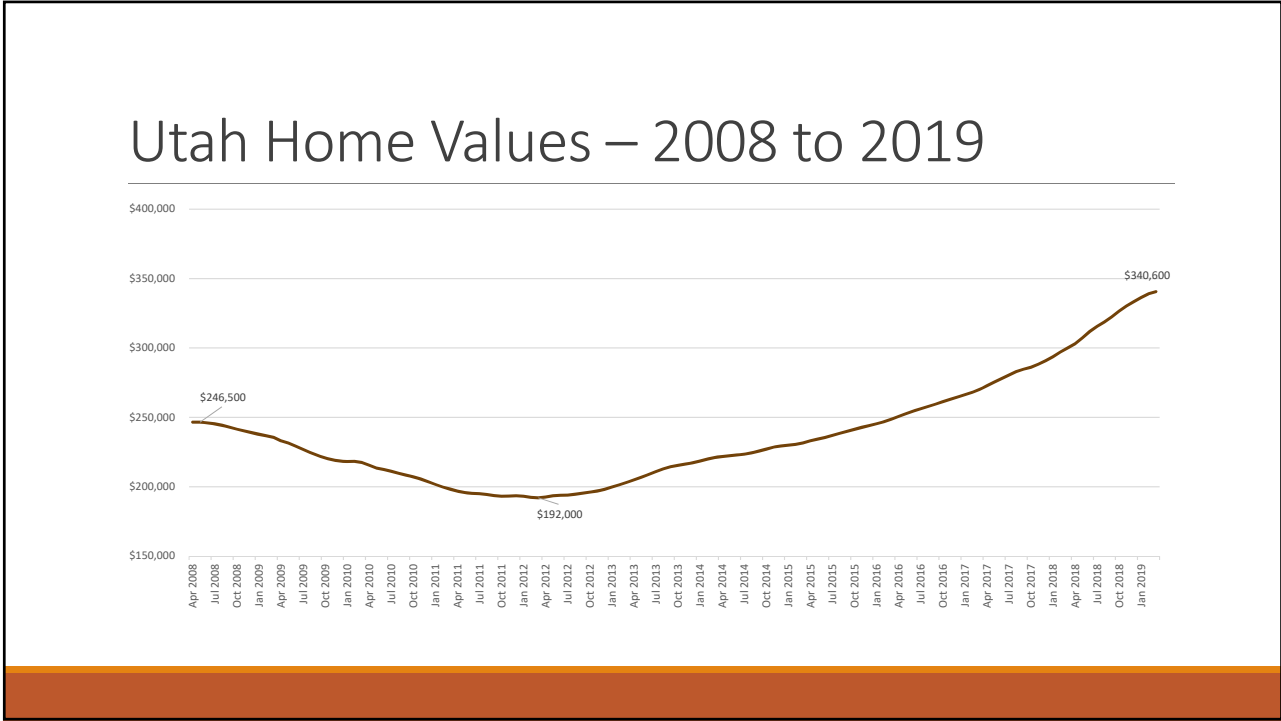


17

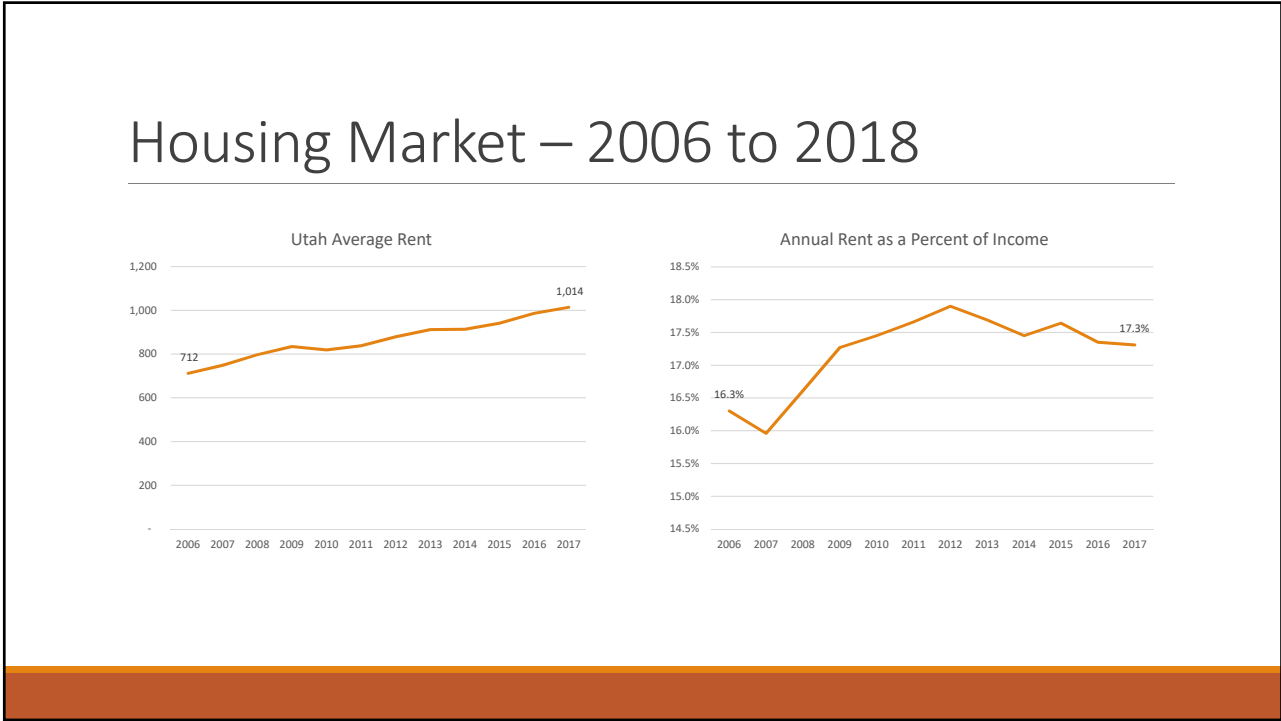
# Dwelling Permits by Type



18

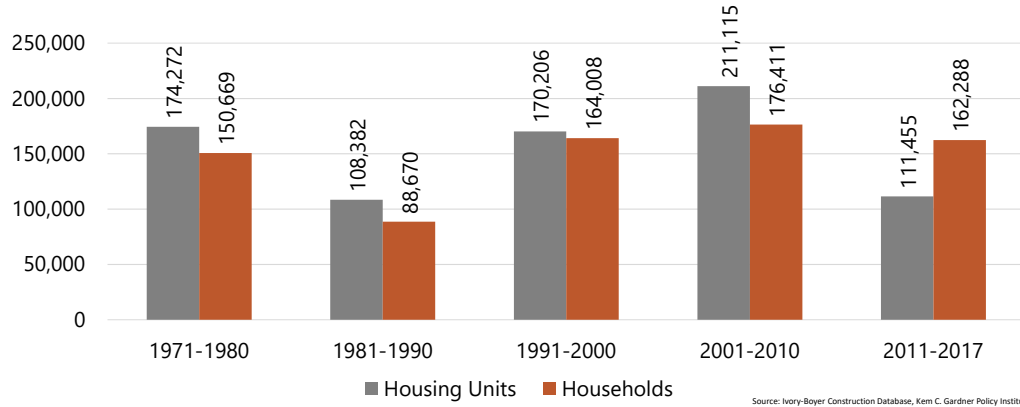


19



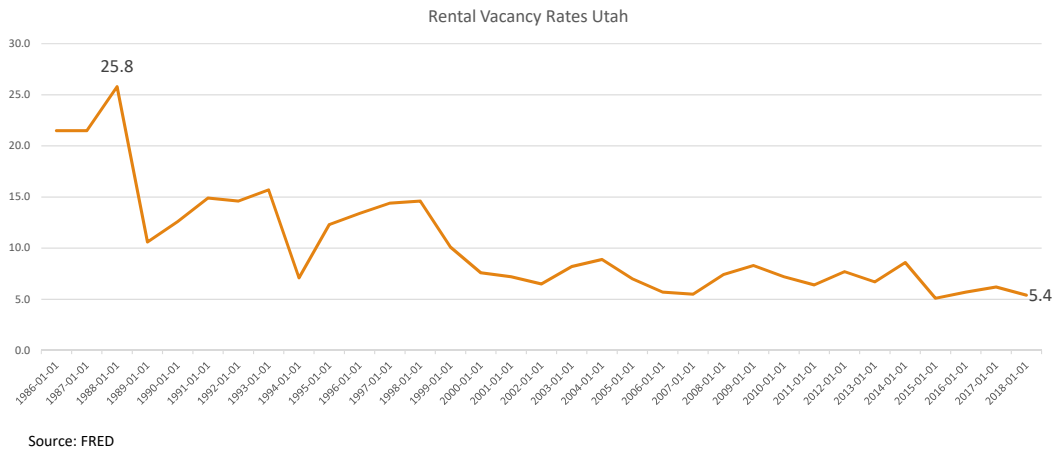
20

## Households are Outpacing Housing Units



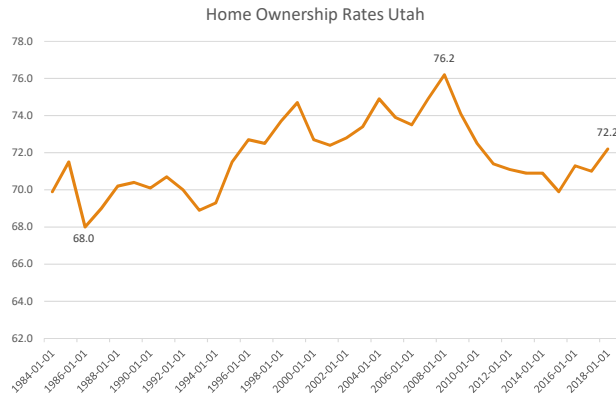
21

## Vacancy Rates – 1986 to 2019



22

# Home Ownership – 1984 to 2018



23

# Mortgage Rates – 1991 to 2019

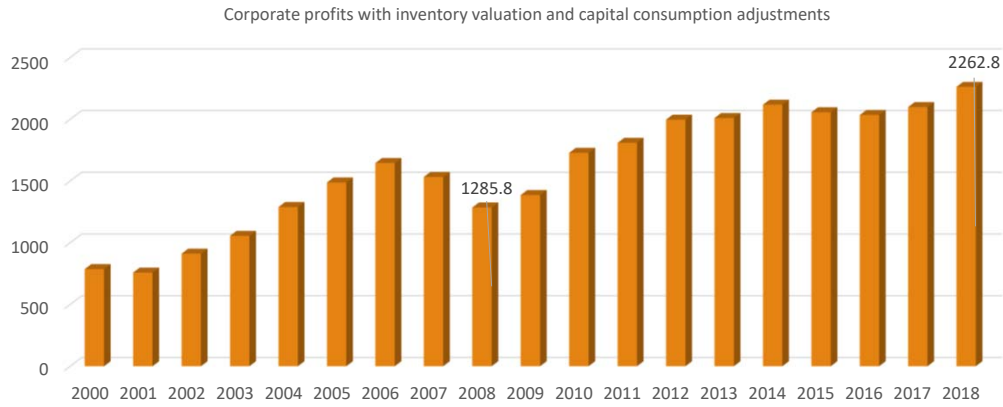


Source: FRED



24

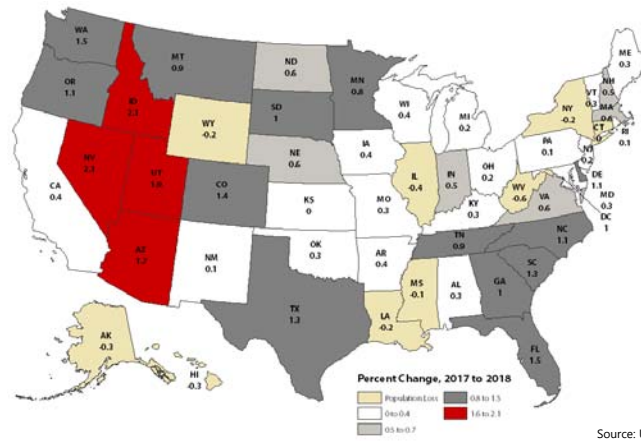
# Corporate Profits – 2000 to 2018



Source: Bureau of Economic Analysis

25

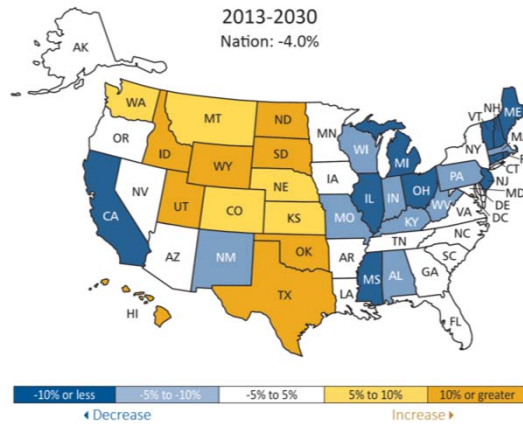
# Demographic Trends



Source: U.S. Census Bureau Vintage 2018 Population Estimates

26

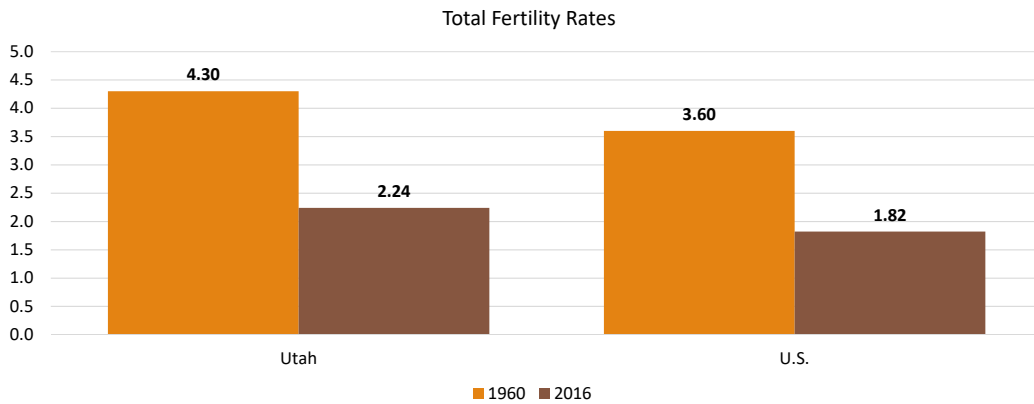
# Traditional Age High School Graduate Projections



Source: William J. Hussar and Tabitha M. Bailey. "Projections of Education Statistics to 2024: Forty-Third Edition", Table 9 (1979 to 2012). And, Western Interstate Commission for Higher Education, "Knocking at the College Door", 2016 (2013 to 2032).

27

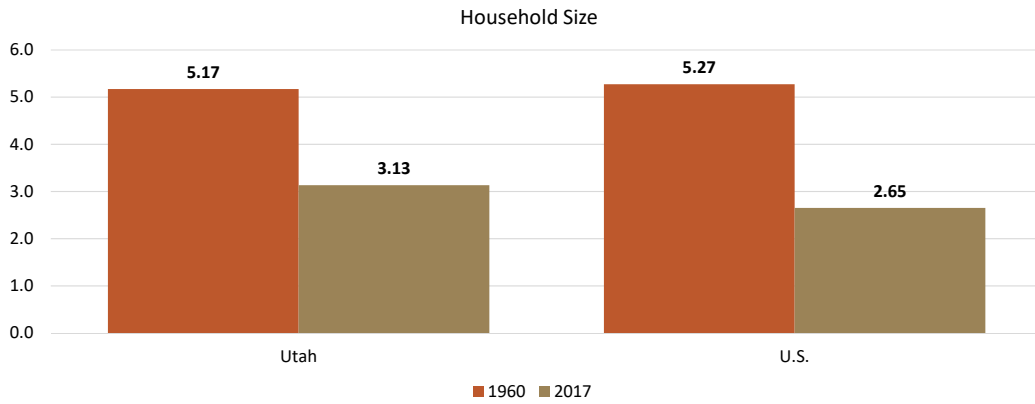
# Utah Trend Toward Nation



Source: NCHS - National Vital Statistics Reports, Volume 67, Number 1 January 31, 2018

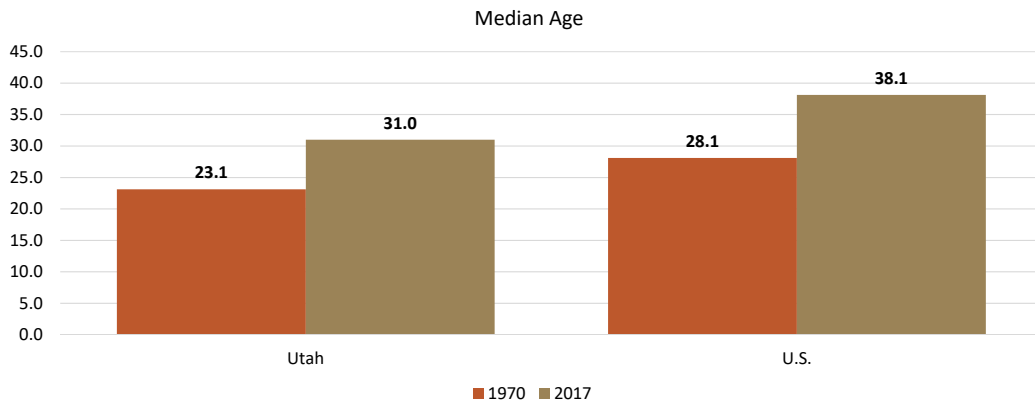
28

## Utah Trend Toward Nation



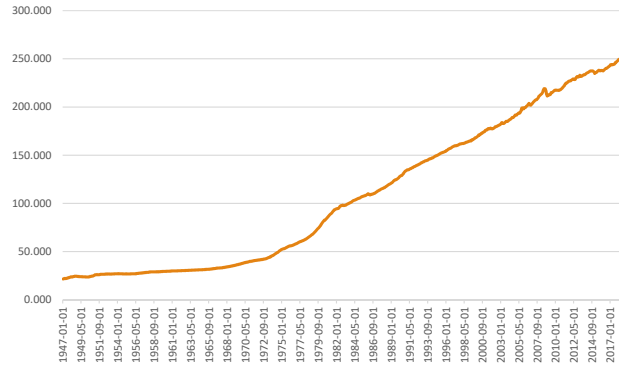
29

## Utah Trend Towards Nation



30

# Inflation – 1947 to 2019

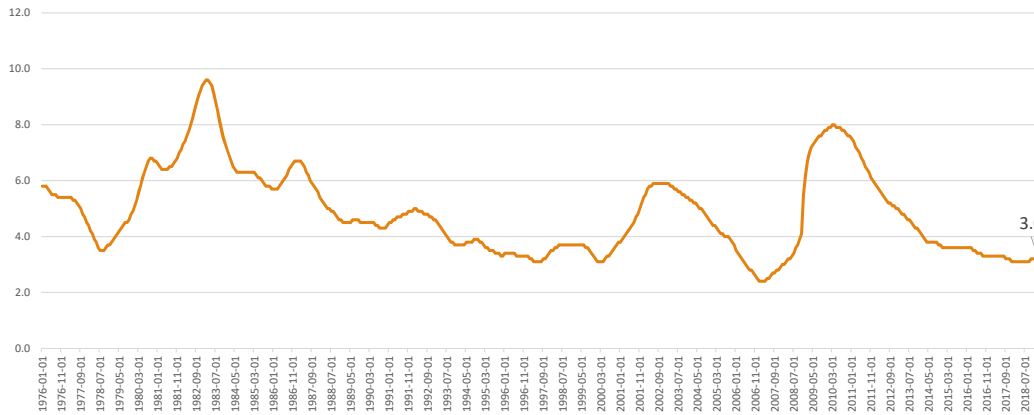


Source: Bureau of Labor Statistics

Index 1982-1984=100, Seasonally Adjusted

31

# Unemployment Rate – 1976 to 2019



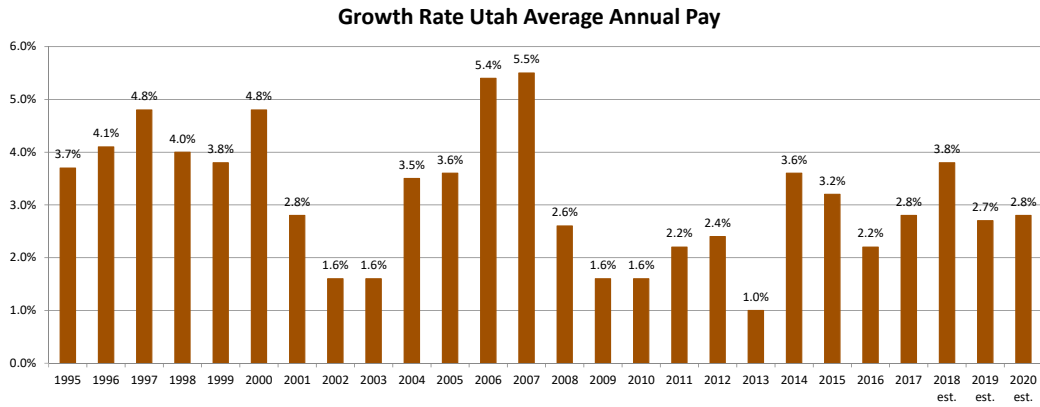
Source: Bureau of Labor Statistics



32



## Wage Growth – 1995 to 2020 est.



Source: Bureau of Labor Statistics



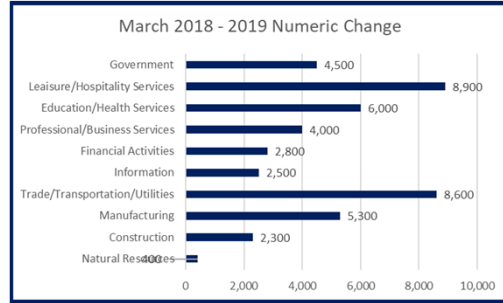
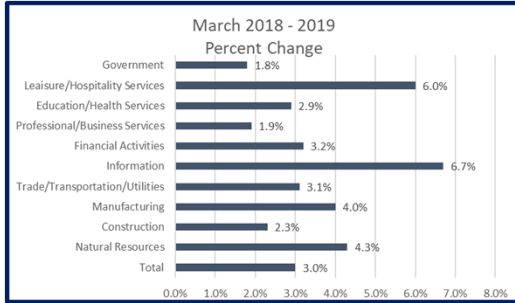
33

## Personal Income – 1991 to 2020 est.



34

# Employment By Sector (March 2019)

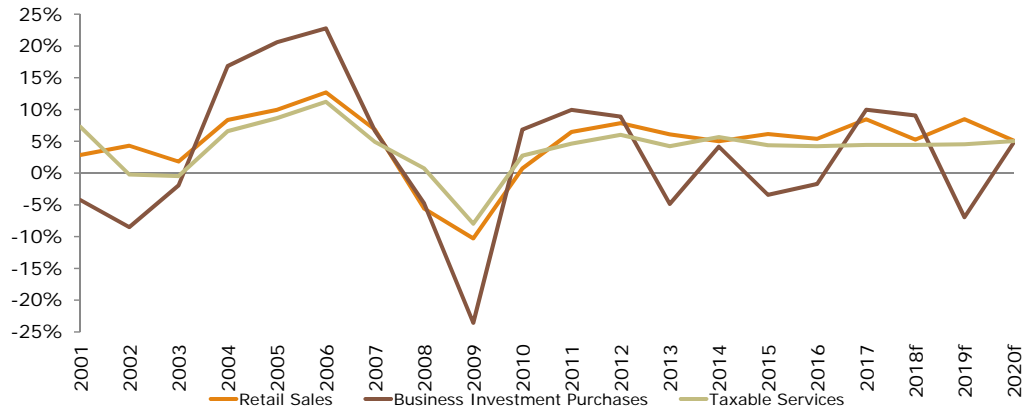


Source: Utah Department of Workforce Services



35

# Taxable Sales by Component



Source: Utah State Tax Commission

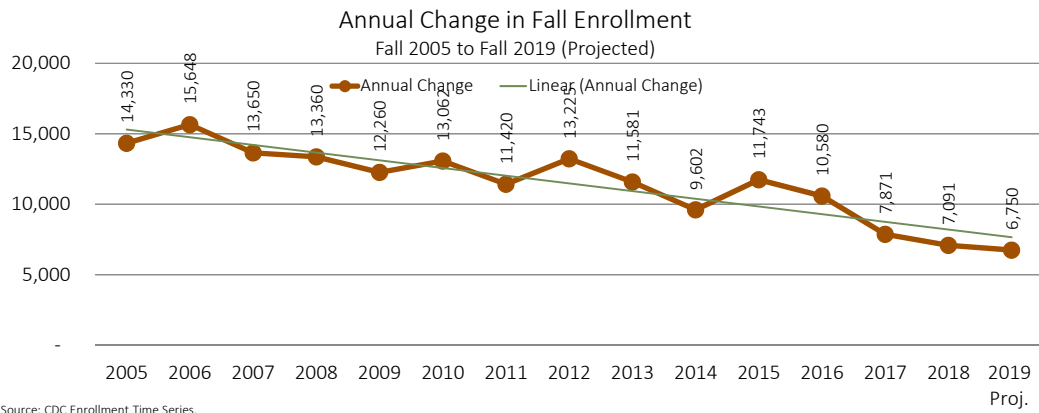


36

# Education Trends

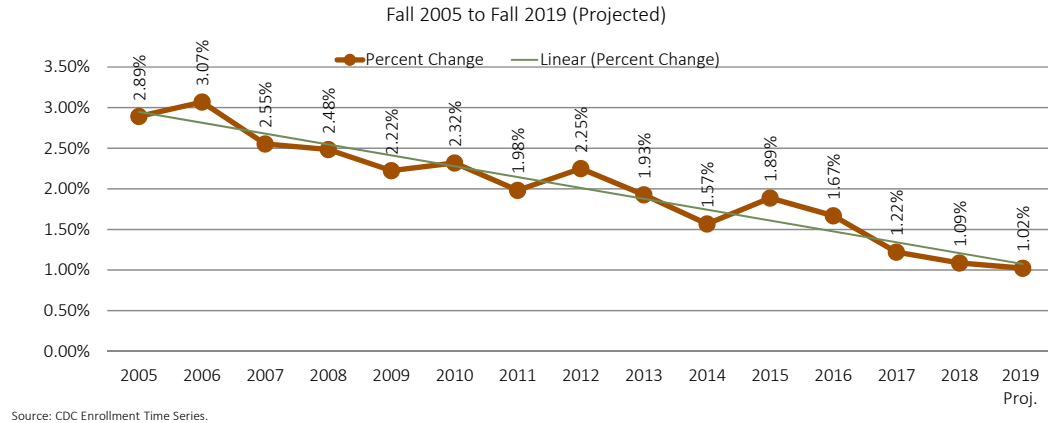
37

## Fall Enrollment Growth



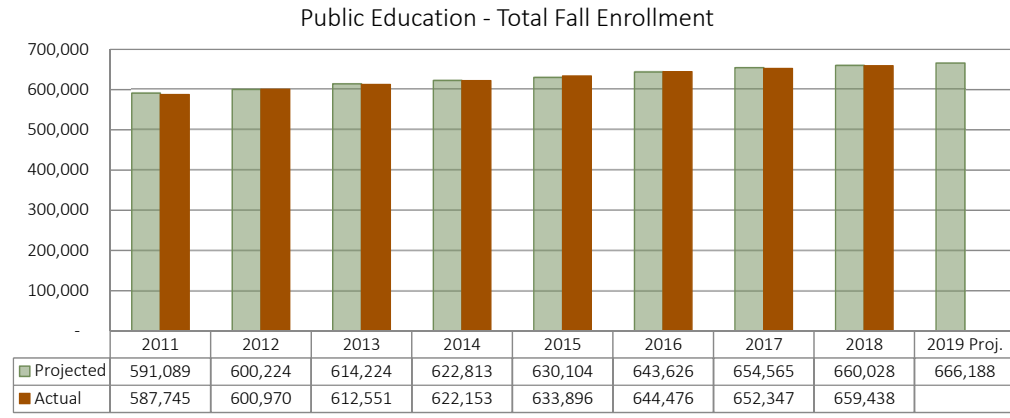
38

# Annual Percent Change in Fall Enrollment



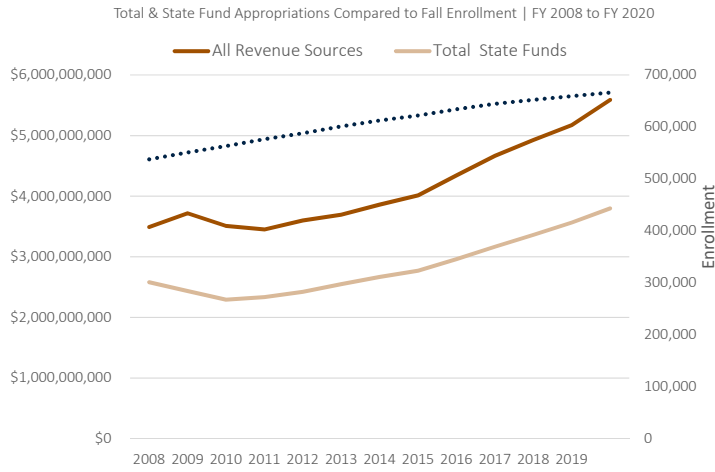
39

# Projections vs. Actual Enrollments



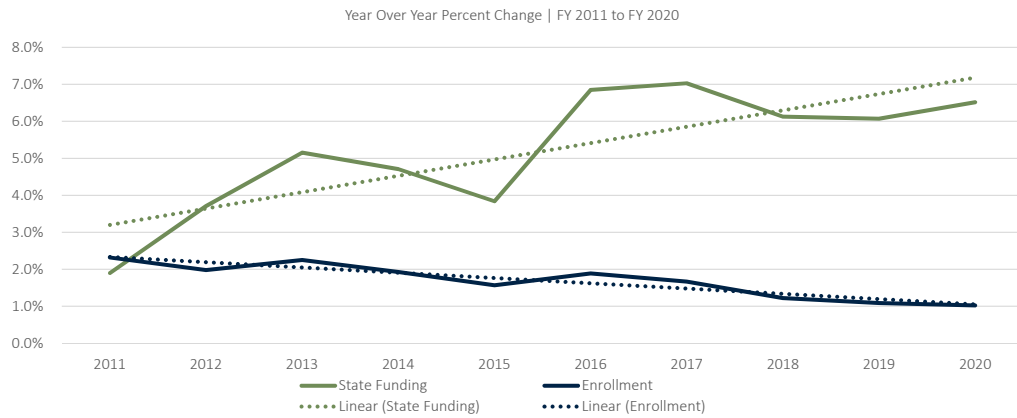
40

# Education Funding Compared to Enrollment



41

# Public Education Funding Compared to Enrollment



42



Questions?

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