

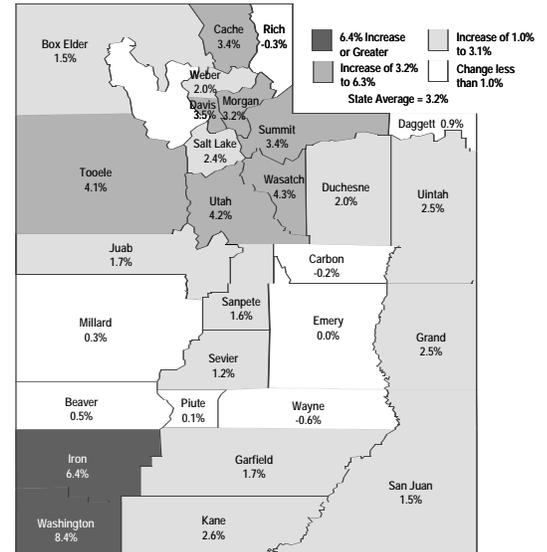


Demographics

- ▶ **Population:** The state's official July 1, 2005 population was estimated to be 2.5 million, increasing 3.2% from 2004. Net migration made up 52.0% of this increase, the highest level since World War II.
- ▶ **Rate of Growth:** According to the U.S. Census Bureau, Utah ranked fifth among states with a population growth rate of 2.0% from 2004 to 2005. The U.S. rate of growth was 0.9%.
- ▶ **Median Age:** According to U.S. Census Bureau, Utah continued to be the youngest state in the nation in 2004, with a median age of 27.9, compared to the national average of 36.0.
- ▶ **Long-Term Projections:** The state's population is projected to be 2.8 million in 2010, 3.5 million by 2020, 4.1 million in 2030, 4.7 million in 2040, and will reach 5.4 million by 2050.

2005 Utah Population Estimate	2,547,389
2004-2005 Percent Change	3.2%
2005 Net Migration	40,647
2005 Natural Increase	37,512
2005 Fiscal Year Births	50,431
2005 Fiscal Year Deaths	12,919

Population Growth Rates: 2004-2005

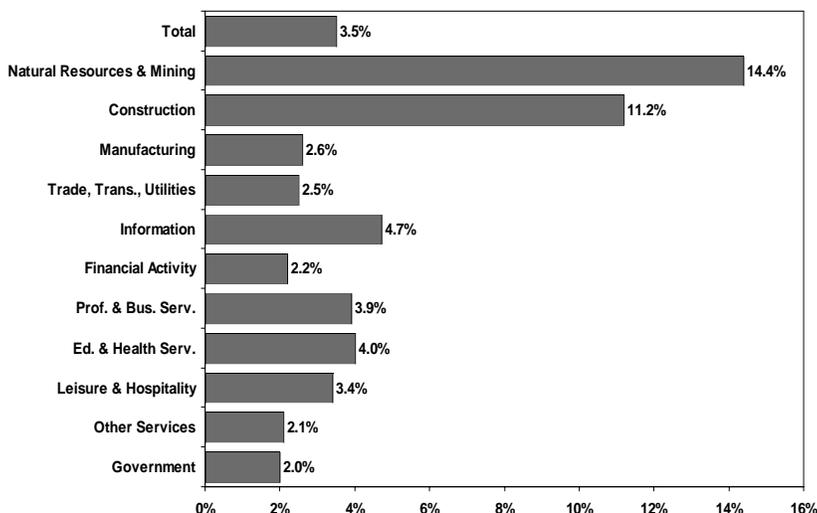


Source: Utah Population Estimates Committee

Employment and Wages

- ▶ Utah's economy continued to improve in 2005, completely recovering from the downturn that began in 2001.
- ▶ **Job Growth** – Job growth rebounded from 0.0% in 2003, to 2.8% in 2004, and 3.5% in 2005.
- ▶ **Industry Focus** – Natural resources and mining, construction, information, education and health services, and professional and business services all experienced job growth higher than the state average of 3.5%. All other sectors also experienced positive job growth from 2004 to 2005.
- ▶ **Unemployment** – Utah's 2005 unemployment rate was 4.7%, down from 5.2% in 2004. On average, there were 58,275 Utahns unemployed in 2005.
- ▶ **Average Wage** – In 2005, Utah's average annual nonagricultural wage was \$32,890, an increase of 3.8% from 2004.

Percent Change in Utah Employment by Industry: 2004-2005 Annual Averages



Source: Department of Workforce Services

Total Nonagricultural Employment (2005p)	1,143,500
Increase (2004-2005)	39,172
Percent Change (2004-2005)	3.5%
Unemployment Rate (2005)	4.7%
Total Nonagricultural Wages (2005p)	\$37.6 billion
Percent Change (2004-2005)	7.4%
Average Annual Wage (2005p)	\$32,890
Percent Change (2004-2005)	3.8%
Total Personal Income (2005p)	\$69.6 billion
Percent Change (2004-2005)	8.1%
Per Capita Personal Income (2005p)	\$28,235
Percent Change (2004-2005)	4.8%

Note: p=preliminary

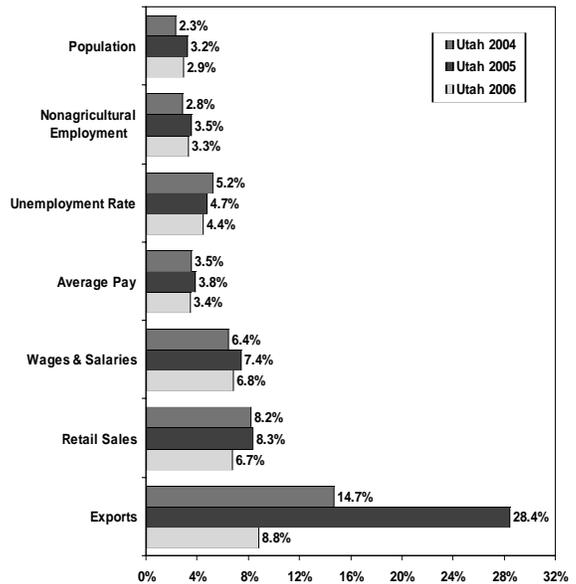
Industry Focus

- ▶ **Construction** - Continuing low interest rates and a growing economy powered construction value to an all-time high in 2005 of \$6.4 billion, a 25.0% increase from the 2004 record of \$5.1 billion. Residential construction again led the way with a record \$4.5 billion in new construction, and a record high 26,800 new dwelling units receiving building permits.
- ▶ **Tourism** - Utah's travel and tourism sector experienced strong growth in 2005. Each of the five major tourism sectors - transportation, eating and drinking, hotels and lodging, amusement and recreation, and car rentals, experienced gains. For the second year in a row, the Utah ski industry enjoyed a record breaking number of skier visits. The outlook for 2006 is cautiously optimistic, business and leisure travel should increase, but there are still concerns about consumer confidence, gasoline prices, the wars in Iraq and Afganistan, and the U.S. image abroad.
- ▶ **Exports** - Utah's exports increased 28.4% during 2005, from \$4.7 billion to \$6.1 billion. Shipments of gold accounted for almost 35% of the total during 2005. Utah's largest markets for merchandise exports are in Western Europe, East Asia, and Canada. Utah's exports to China exceeded \$100 million for the third year in a row, ranking China as Utah's number five market. As the world economic recovery strengthens during 2006, Utah's exports should continue to grow.
- ▶ **Defense** - Defense related spending in Utah in FY 2004 was estimated at \$3.2 billion, rising 4.5% from the previous year. Utah faired well under the Defense Base Realignment and Closure Commission's recommendations, as Hill Air Force Base will experience minimal impacts. The current level of defense activity is expected to continue in 2006, a result of military involvement overseas and base realignment.
- ▶ **Energy and Minerals** - The value of mineral production in Utah grew 52% during 2005 to \$3.5 billion, from \$2.3 billion in 2004. This record is due to significant increases in all precious-metal and nearly all base-metal prices, and the increased production of both base and precious metals, coal, and most industrial minerals. Utah experienced a significant increase in all areas of energy production in 2005. Production of coal and natural gas continued to satisfy increasing demand. Prices for oil and natural gas were at record highs during 2005, do to increasing demand, supply constraints, and instability in the Middle East.
- ▶ **Agriculture** - Net farm income grew a modest 3.8%, from \$368 million in 2003 to \$382 million in 2004, setting a record in 2005, and should continue growing in 2006. Relatively high prices for livestock and crops are generating welcome income growth for Utah's ranchers and farmers.

Major Findings

- ▶ **Overview of the Economy** - Utah's economy grew strongly during 2005. For the second year in a row, the state outperformed the nation, with job growth of 3.5%, compared to 1.4%. After two years of solid performance, Utah appears poised to repeat the long expansion of the 1990s. Strong growth in the construction and professional and business services sectors, as well as in exports and defense spending, strengthened the Utah economy in 2005.
- ▶ **School Enrollment** - In 2005, there were an estimated 510,000 students in Utah's public education system, a 2.9% increase over 2004. Enrollment in 2005 increased by 14,300 students: 8,700 due to Utah's high birthrate and 5,800 because of migration, the largest increase due to net in-migration in history. These students are becoming increasingly diverse, and score respectably with their national peers.
- ▶ **Mountain States Region** - The mountain region is expanding more rapidly than the nation and appears to be emerging as a growth center. Comparing October 2005 over October 2004, mountain state employment grew 3.5%, more than twice the nation's 1.6%. Further, the region held four of the top five fastest growing states. However, the mountain region continues to pay lower wages, with only Colorado above the national average.
- ▶ **Outlook for 2006** - As the expansion progresses, Utah's economy will continue on the growth path that began in 2004. With strong growth during 2005 and the continuing momentum of expansion, employment should grow 3.3% during 2006. The unemployment rate is expected to fall from the current 4.7% to 4.4%, a level that signals little economic slack. Construction will be up with 7.4% job growth and slightly higher valuation than in 2005.

Utah Economic Indicators: 2004-2006



Significant Utah Rankings

Demographic	State Rank	Value	Year
Population Growth Rate	5th	2.0%	2004-2005
Fertility Rate	1st	2.56	2002
Life Expectancy	3rd	78.6 years	2000
Median Age	1st	27.9 years	2004
Household Size	1st	3.07 persons	2004
Social Indicators			
Violent Crime	8th	236.0 per 100,000 people	2004
Poverty Rate	9th	9.6%	2002-2004
Educational Attainment	5th	91.0% of persons 25+ w/ high school degree	2004

Economic	State Rank	Value	Year
Rate of Job Growth	6th	2.8%	2004
Urban Status	9th	88.3%	2000
Unemployment Rate	25th	5.2%	2004
Median Household Income	11th	\$50,614	2002-2004
Average Annual Pay	36th	\$32,171	2004
Per Capita Personal Income	46th	\$26,946	2004

Notes: 1) Rankings are based on the most current national data available for all states, and may differ from other data.
 2) Rank is most favorable to least favorable.