



# STATE OF UTAH

OFFICE OF THE GOVERNOR  
SALT LAKE CITY, UTAH  
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JON M. HUNTSMAN, JR.  
GOVERNOR

GARY R. HERBERT  
LIEUTENANT GOVERNOR

January 2006

My Fellow Utahns:

I am honored to accept the 20<sup>th</sup> annual *Economic Report to the Governor*. I commend the members of the Council of Economic Advisors for their service and for the time and effort that went into the preparation of this report. Throughout the past two decades, the *Economic Report to the Governor* has served as the preeminent source of information about Utah's economy. The report provides information to elected officials, business leaders, and citizens which highlights Utah's economic conditions of the past, present, and future.

Utah's economy has once again returned to the path of long-term prosperity. Employment growth is strong, the unemployment rate is dropping, and all job sectors are experiencing healthy increases. Utah's employment growth is among the fastest in the nation, and is twice the U.S. growth rate. Utah is also seeing strong population growth. In 2005, Utah experienced its largest population increase in history, and the highest level of in-migration since World War II. Construction valuation and housing starts are also at all-time highs.

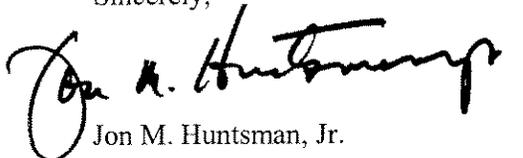
Throughout the past year, I have made growing and expanding the state's economy a primary focus of my administration. To further this goal, I am emphasizing the following four policy priorities:

- Economic Revitalization
- Education
- Quality of Life
- Governance

In order to accomplish these objectives, I placed tax reform at the forefront of my agenda. In the fall of 2005 I proposed an overhaul in the state's income tax which will result in a system that is simpler, flatter, and fairer to individual income tax payers than the existing system. This proposal, along with many others, will be considered by the Utah State Legislature with the goal of making the state's tax system reflective of current demands, and adequate for future needs.

It is my honor to serve the people of this great state in a time of increasing prosperity. Utah's future is bright. Together we can guarantee that our state remains among the best in the nation.

Sincerely,



Jon M. Huntsman, Jr.  
Governor