

**ECONOMIC  
REPORT  
TO THE  
GOVERNOR**

**Annual**

# Utah Economic Review

Council of Economic Advisors

January 2004

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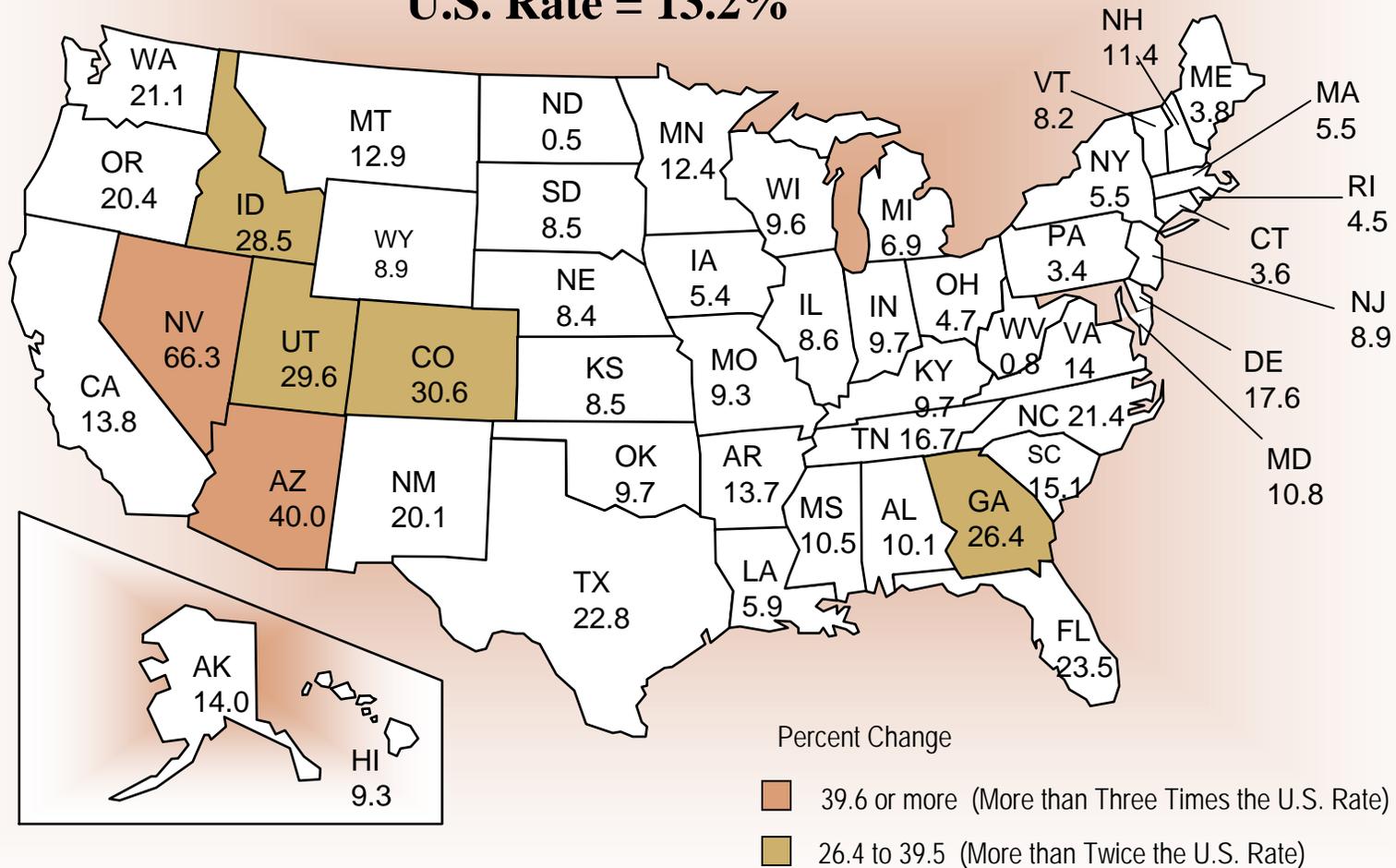
# Overview

- **Key Indicators**
- **Important Factors**
- **Outlook**

# Utah is in the Center of the Fastest Growing Region in the Country

## Percent Change in Population for States: 1990 to 2000

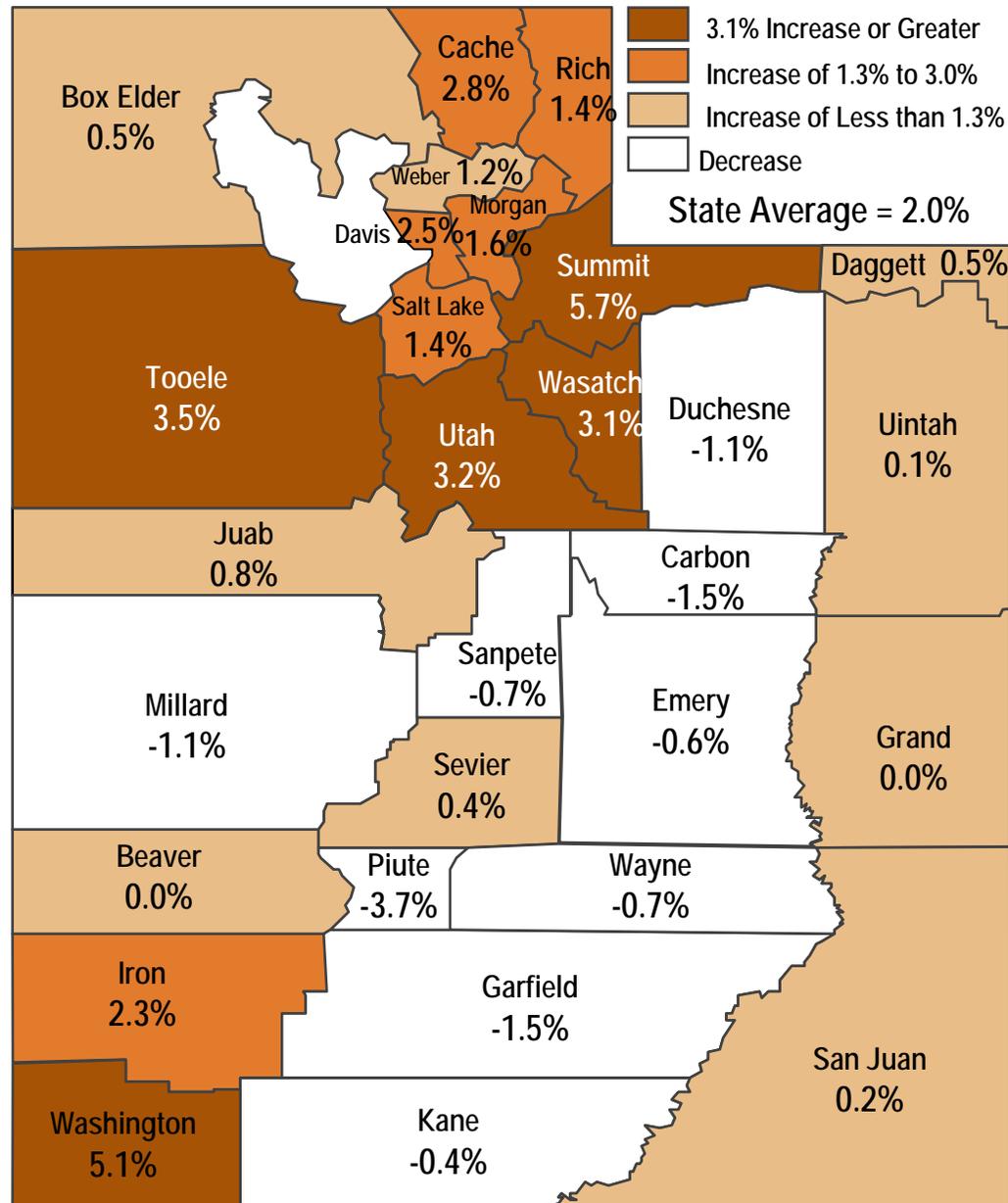
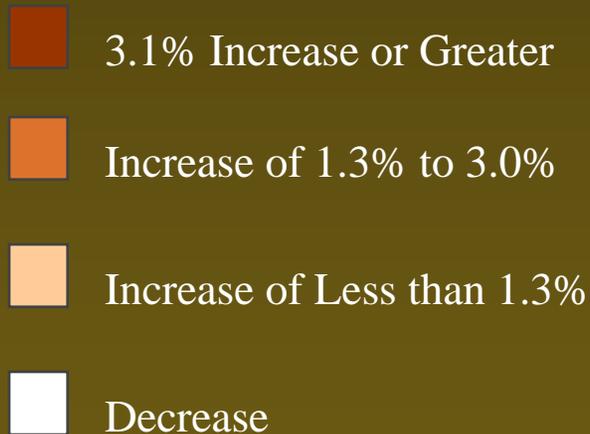
U.S. Rate = 13.2%



Source: U.S. Census Bureau

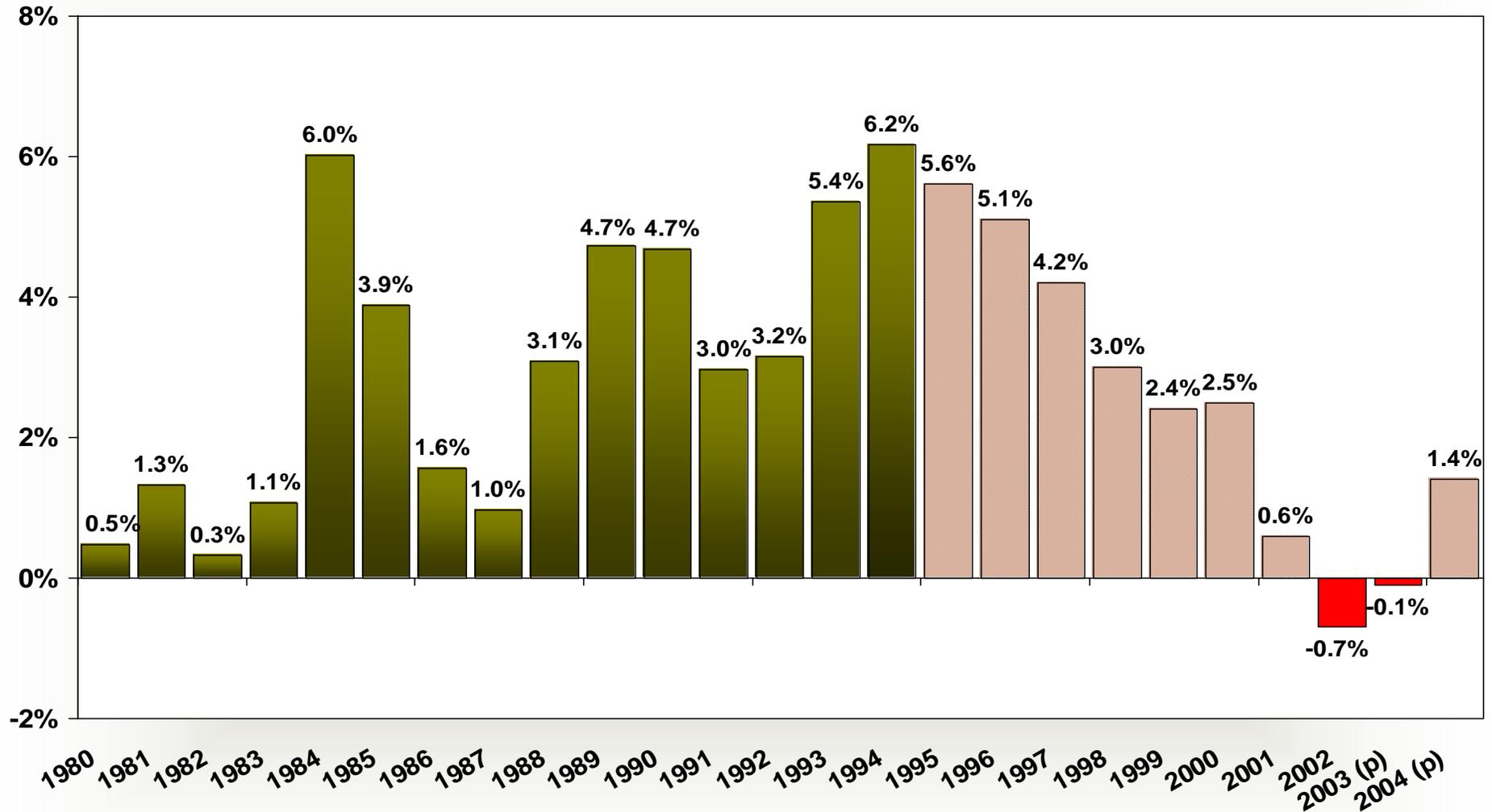
# Utah Population Growth Rates By County 2002 to 2003

State Average = 2.0%



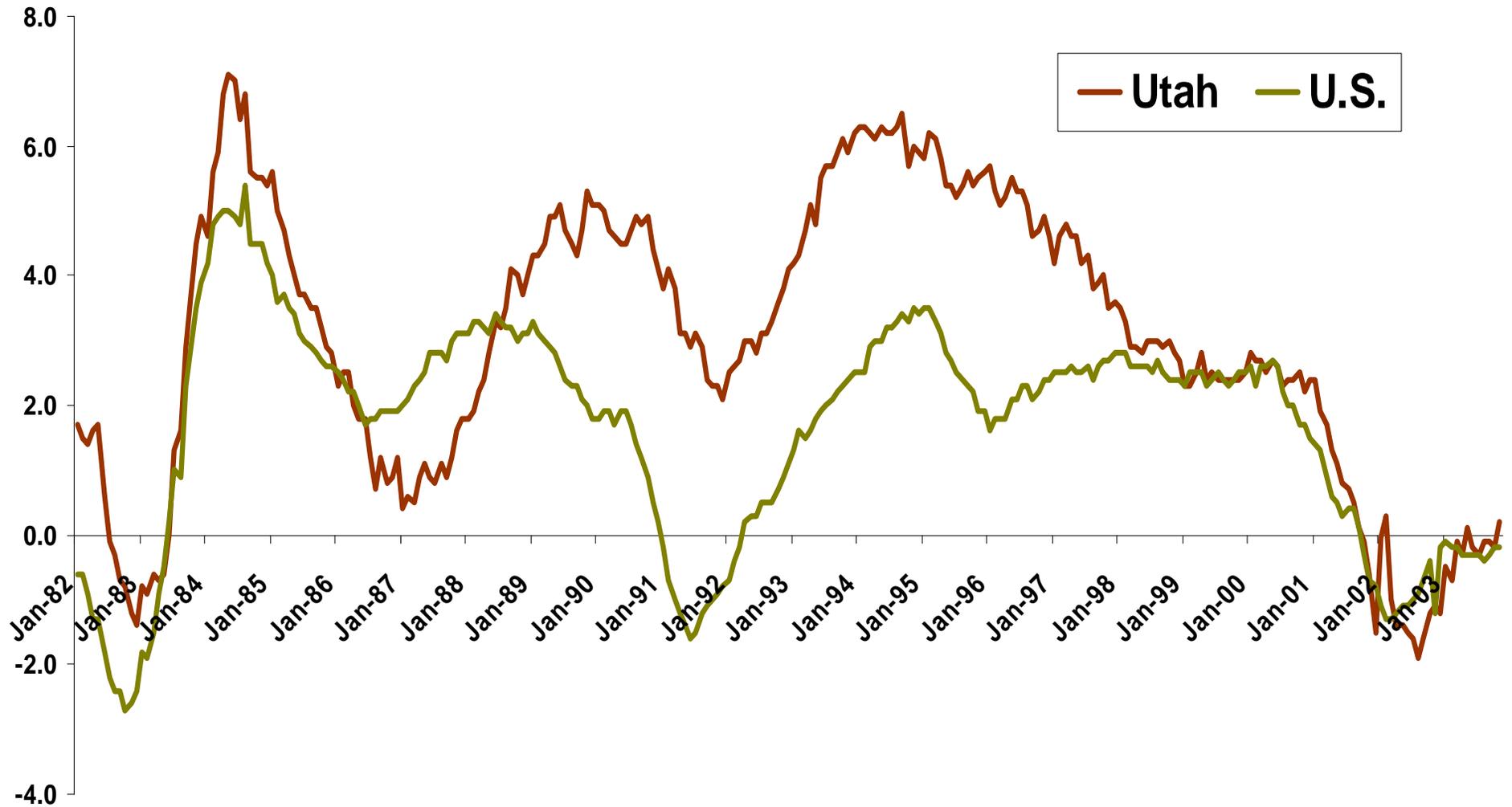
# Job Growth Improving

Year Over Rate of Job Growth



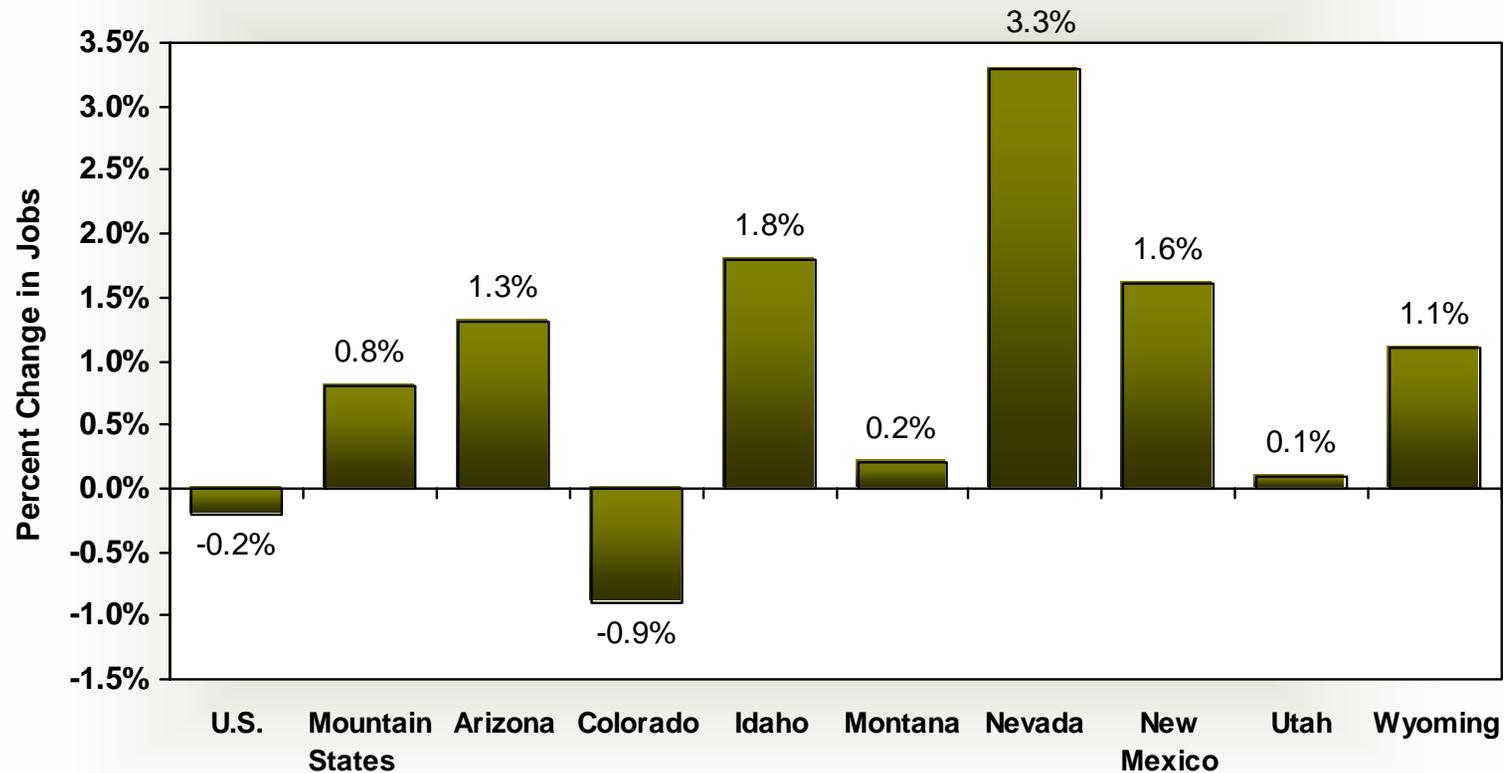
Source: Utah Department of Workforce Services

# Year Over Job Growth: Utah vs. U.S.



# End of Struggle for Mountain States

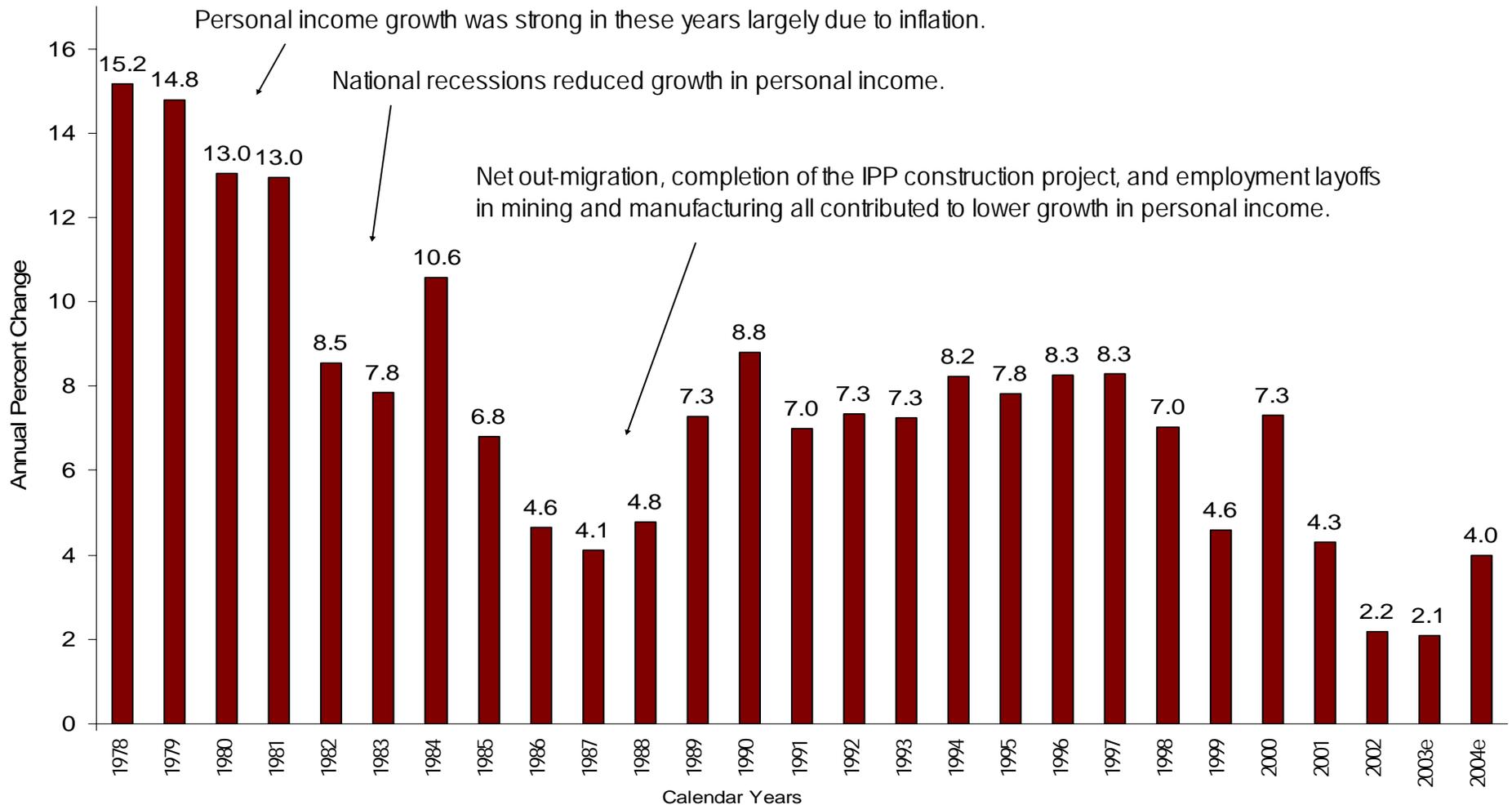
Mountain States Job Growth: October 2003 over October 2002



Source: Department of Workforce Services

# Utah Personal Income Rising

## Utah Personal Income Growth Rates



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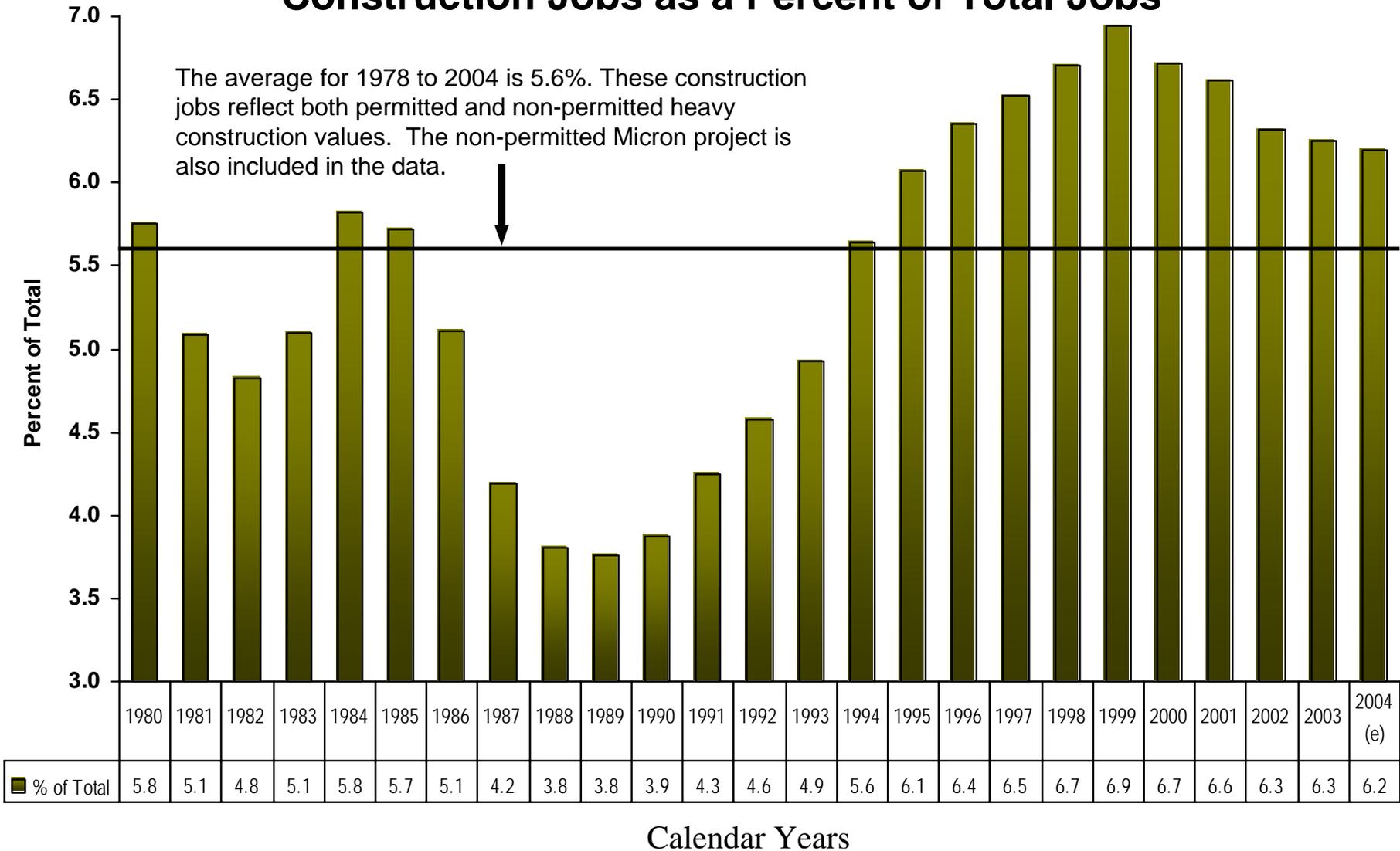
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# Important Factors

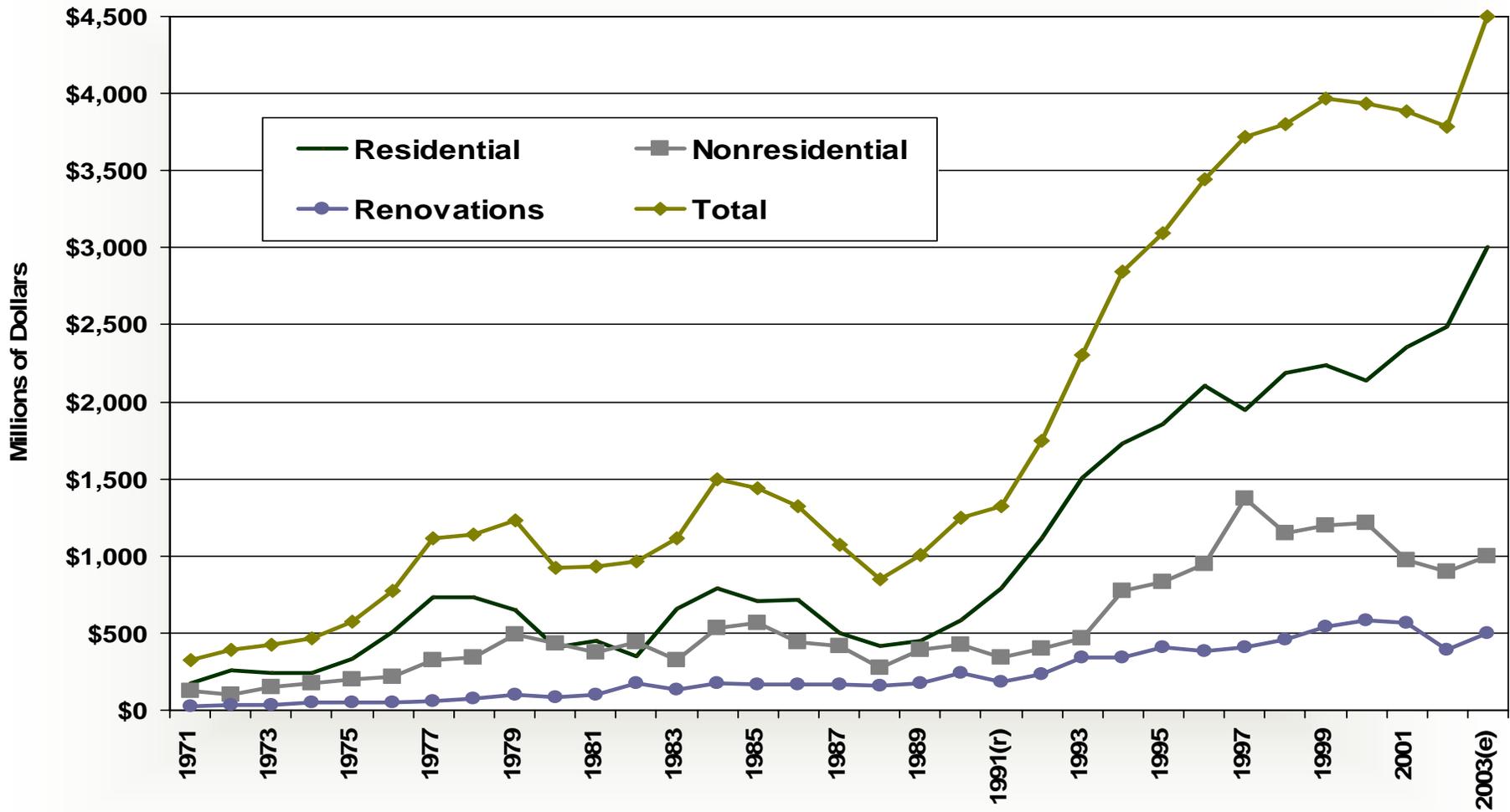
- **Adverse Influences**
  - **Many Industries Contracting**
  - **Decline in Exports**

# The Construction Contraction Continues

## Construction Jobs as a Percent of Total Jobs

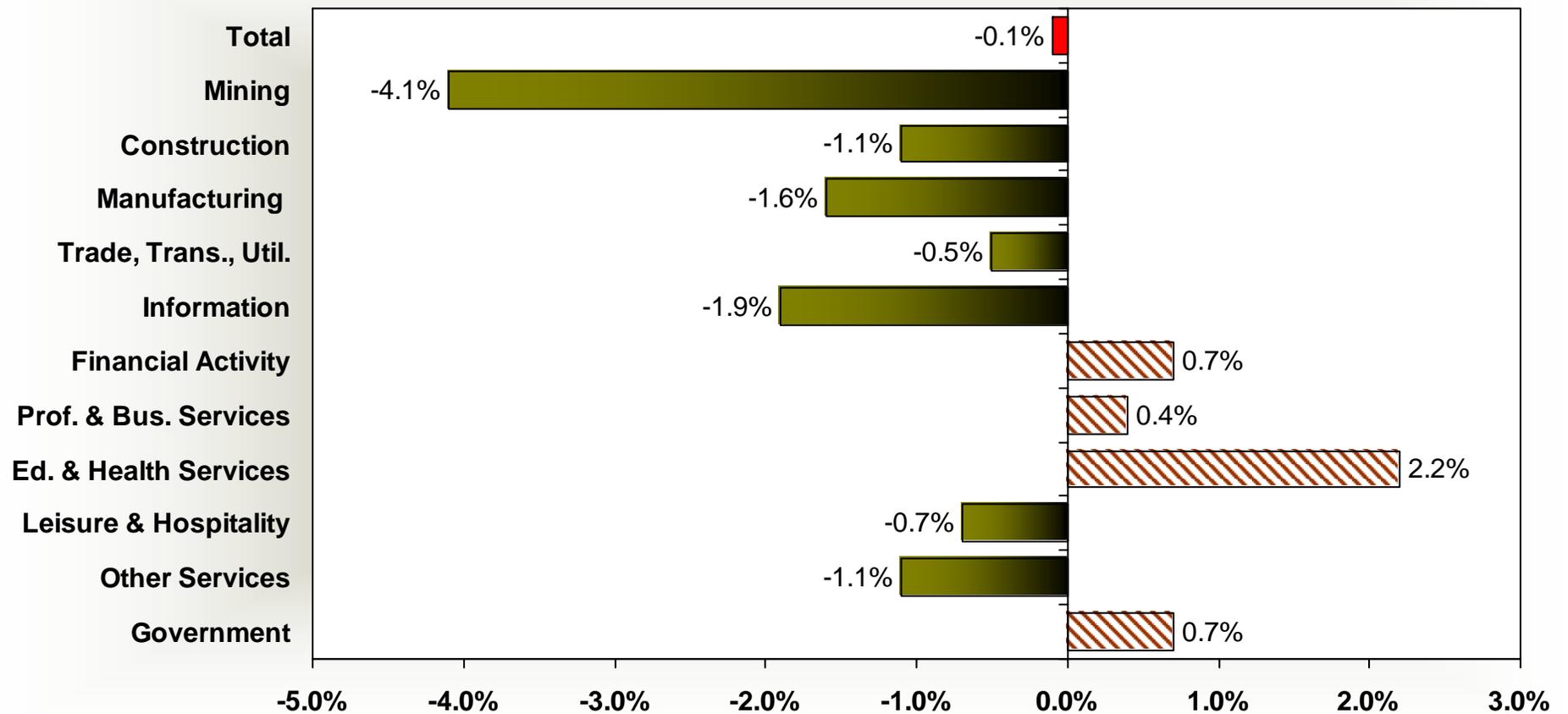


# Construction Valuation: 1970 - 2003



# Many Utah Industries Contracting

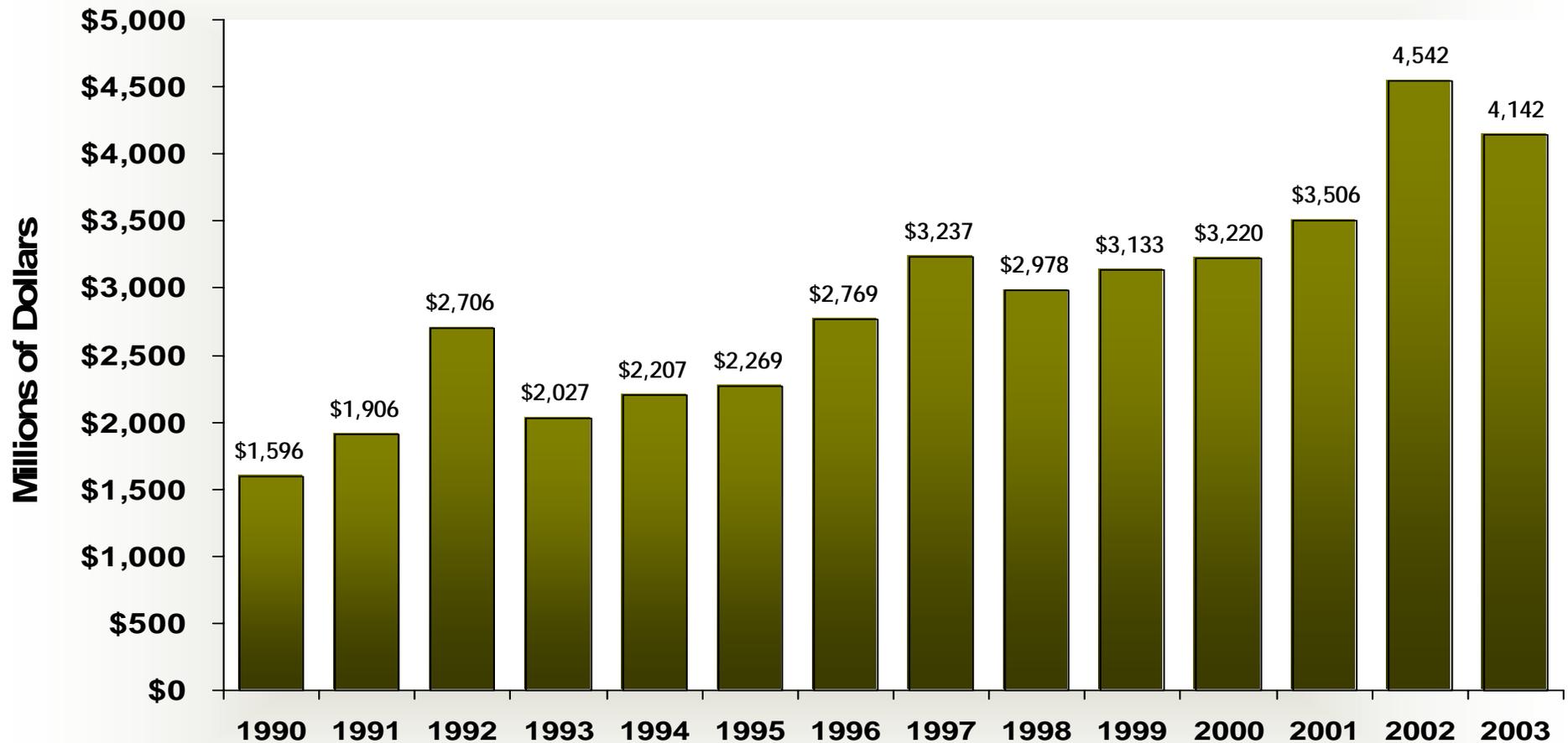
Percent Change in Employment: 2002 - 2003



Source: Utah Department of Workforce Services

# Utah Exports Decline by 9% in 2003

## Utah Merchandise Exports



Source: U.S. Census Bureau

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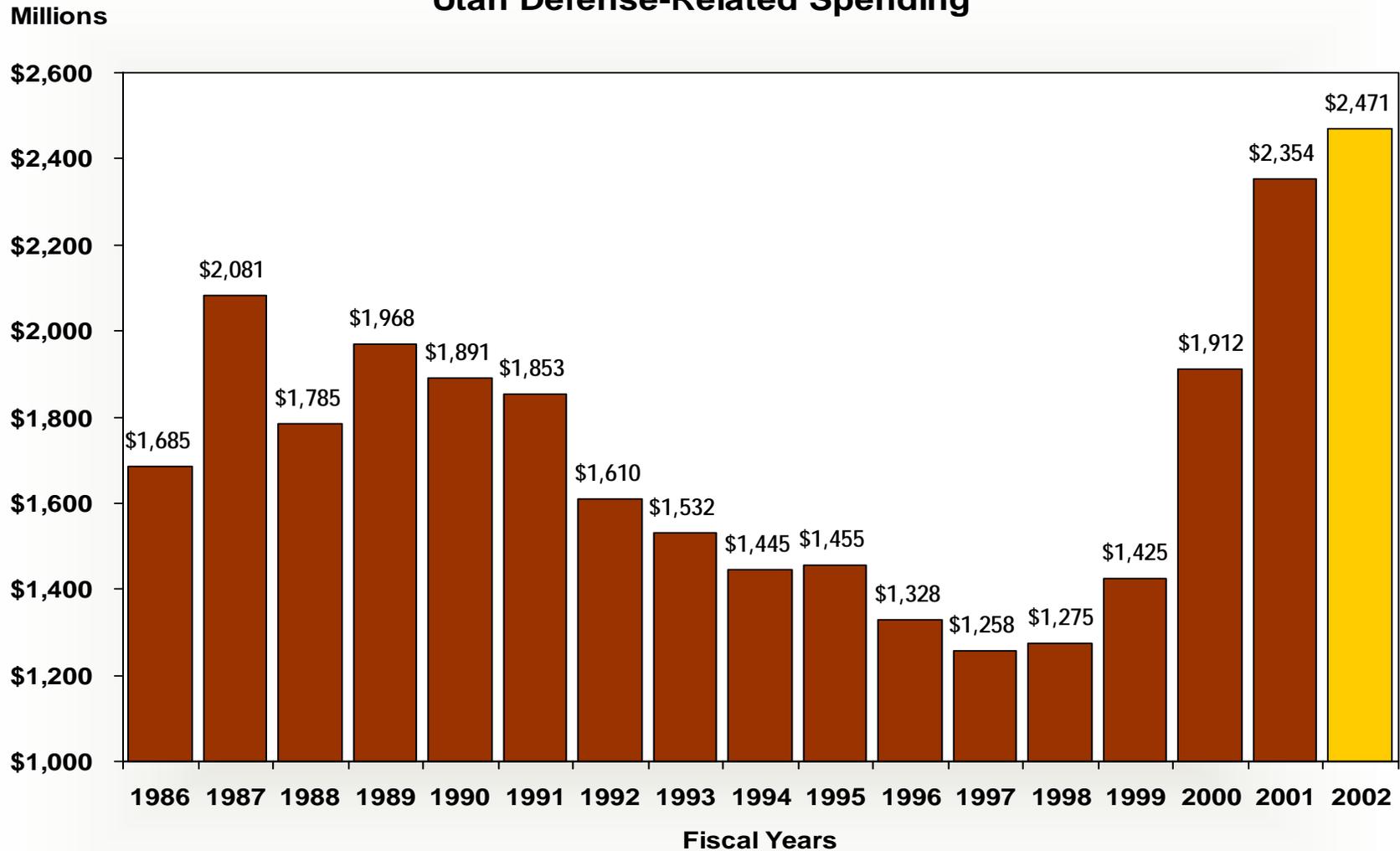
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# Important Factors

- **Stabilizing Influences**
  - Defense
  - Layoffs have slowed
  - Residential construction remains strong

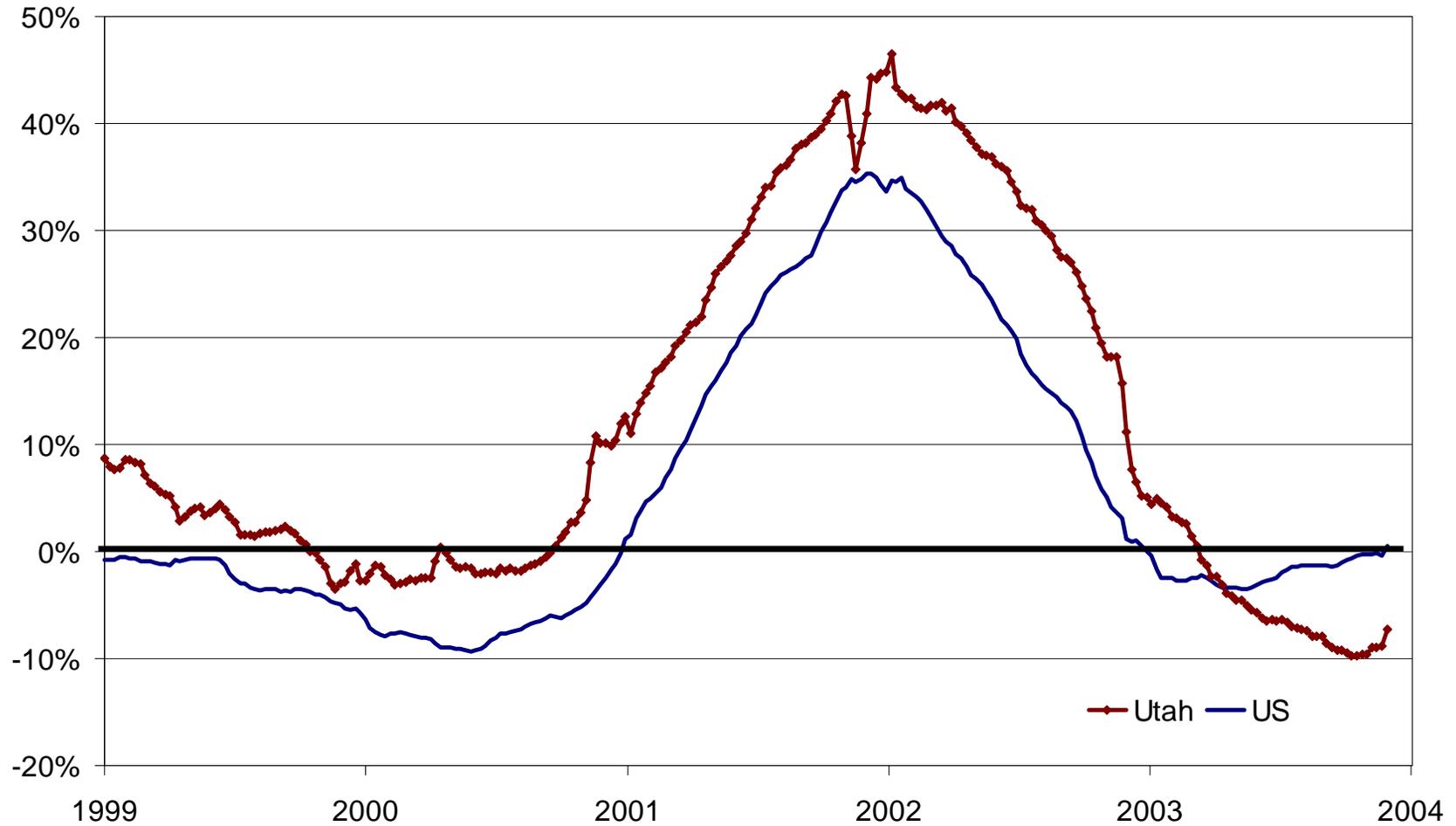
# Defense Spending Increased 5% in 2002

Utah Defense-Related Spending

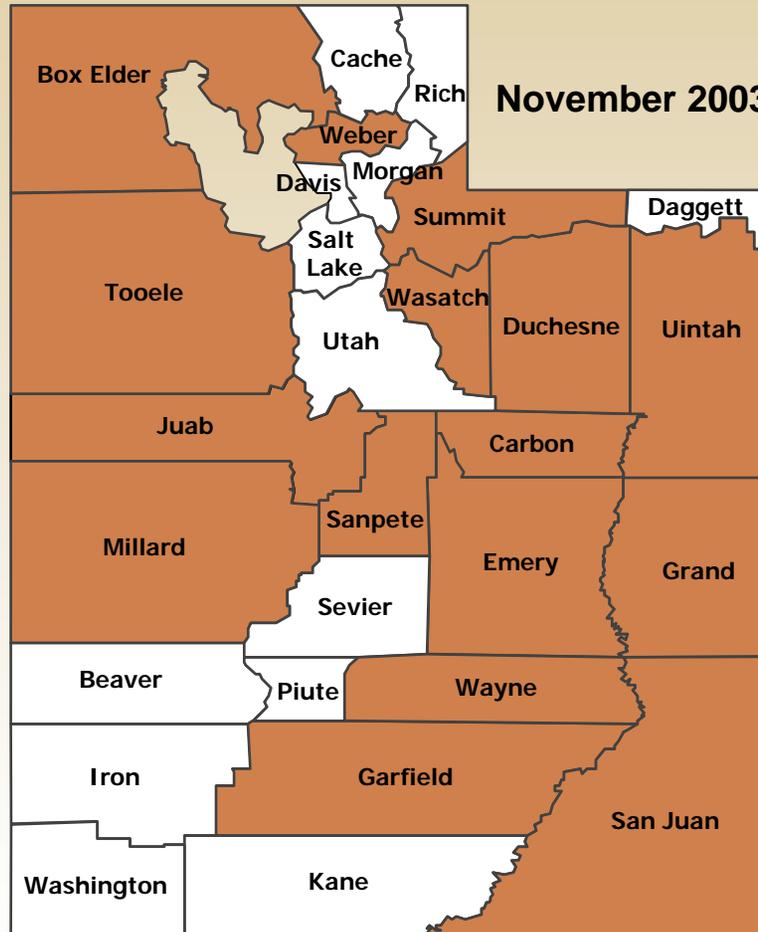


# Unemployment Continues to Recover

Initial Unemployment Insurance Claims  
Year on Year Percent Change in 52 Week Moving Average of Weekly Claims  
Utah and the US



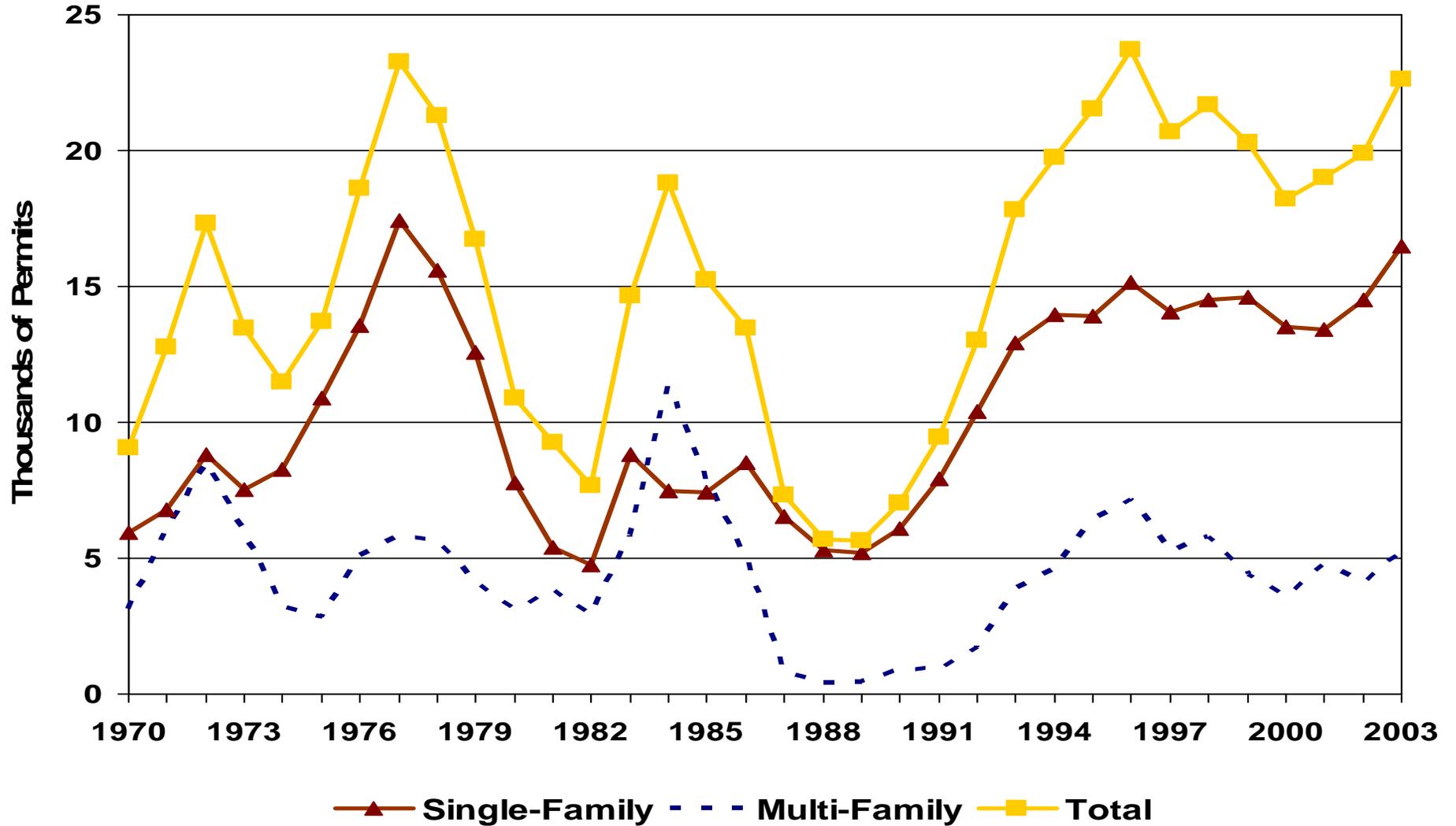
# Utah Unemployment Rates by County



 Unemployment Above 5%       Unemployment at or Below 5%

# Residential Construction Continues to Hold Strong

Utah Residential Construction Permits: 1970 to 2003



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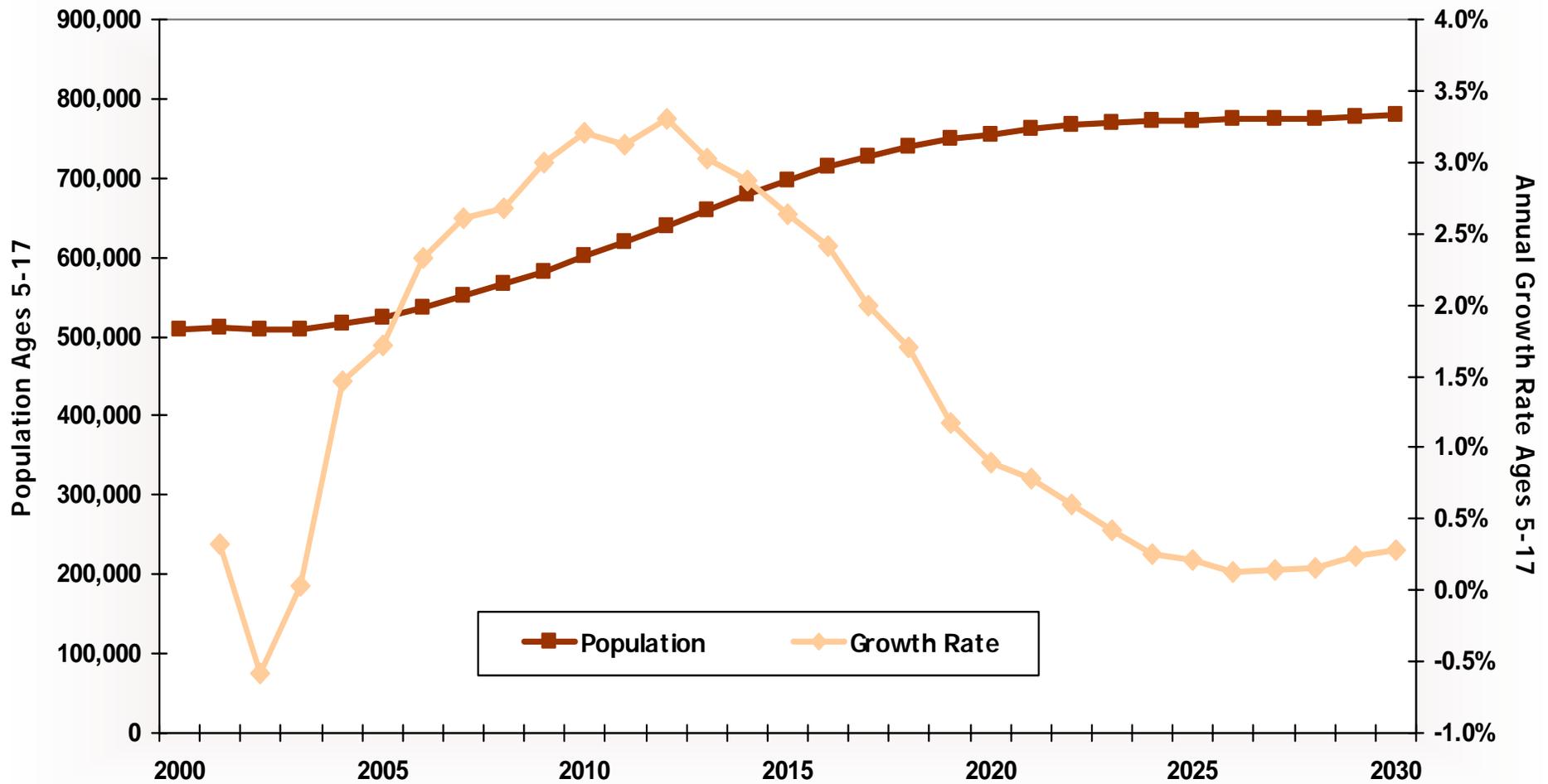


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# Outlook: Challenges

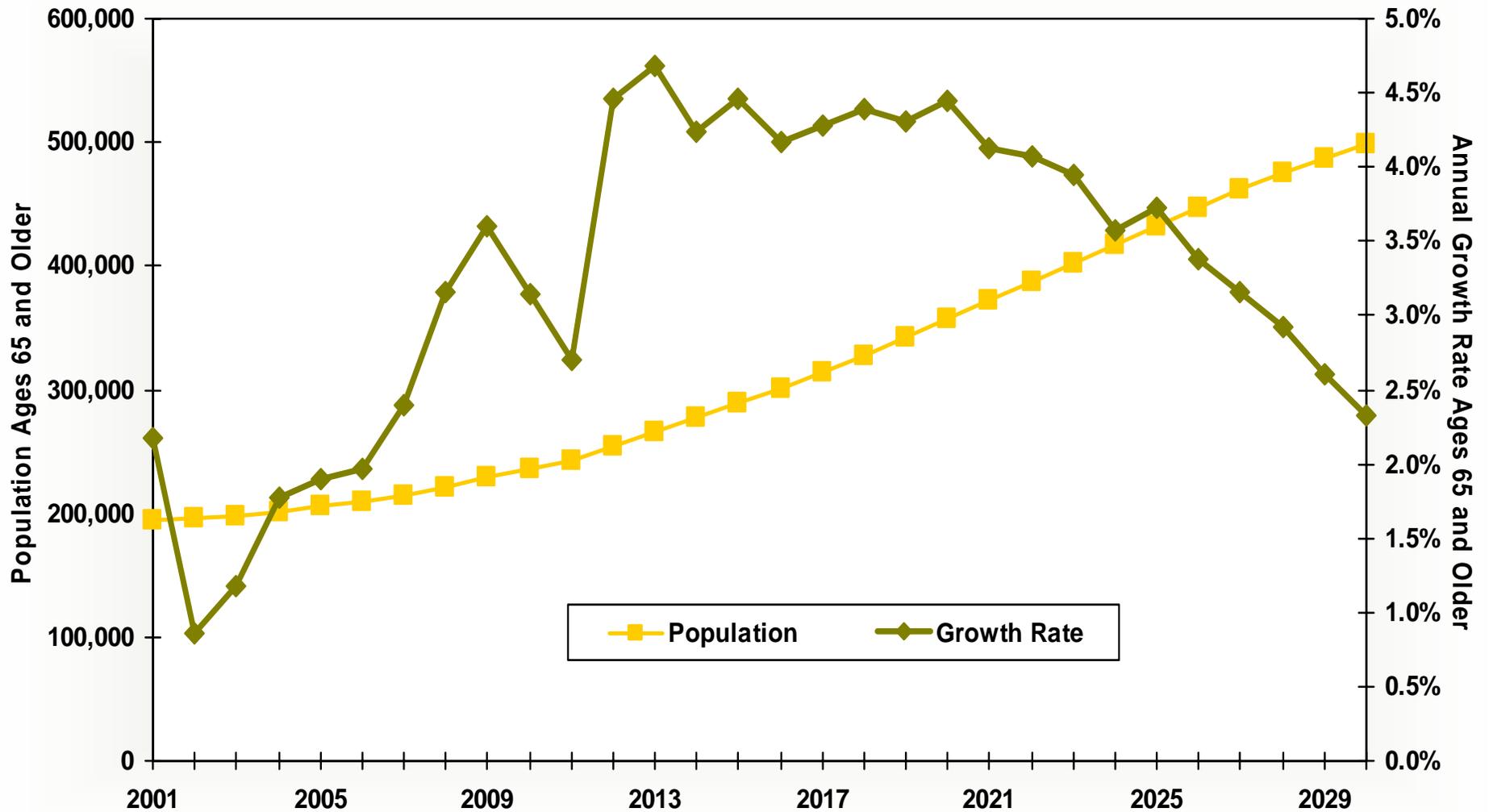
- **Surge in School-Age and 65 and Older Population**
- **Geopolitical Tensions**

# Utah's School Age Population is Expected to Dramatically Increase Over the Next Decade



Source: 2002 Baseline Projections, GOPB; UPED Model System

# Utah Growth of 65 and Older Age Group



Source: 2002 Baseline Projections, GOPB; UPED Model System

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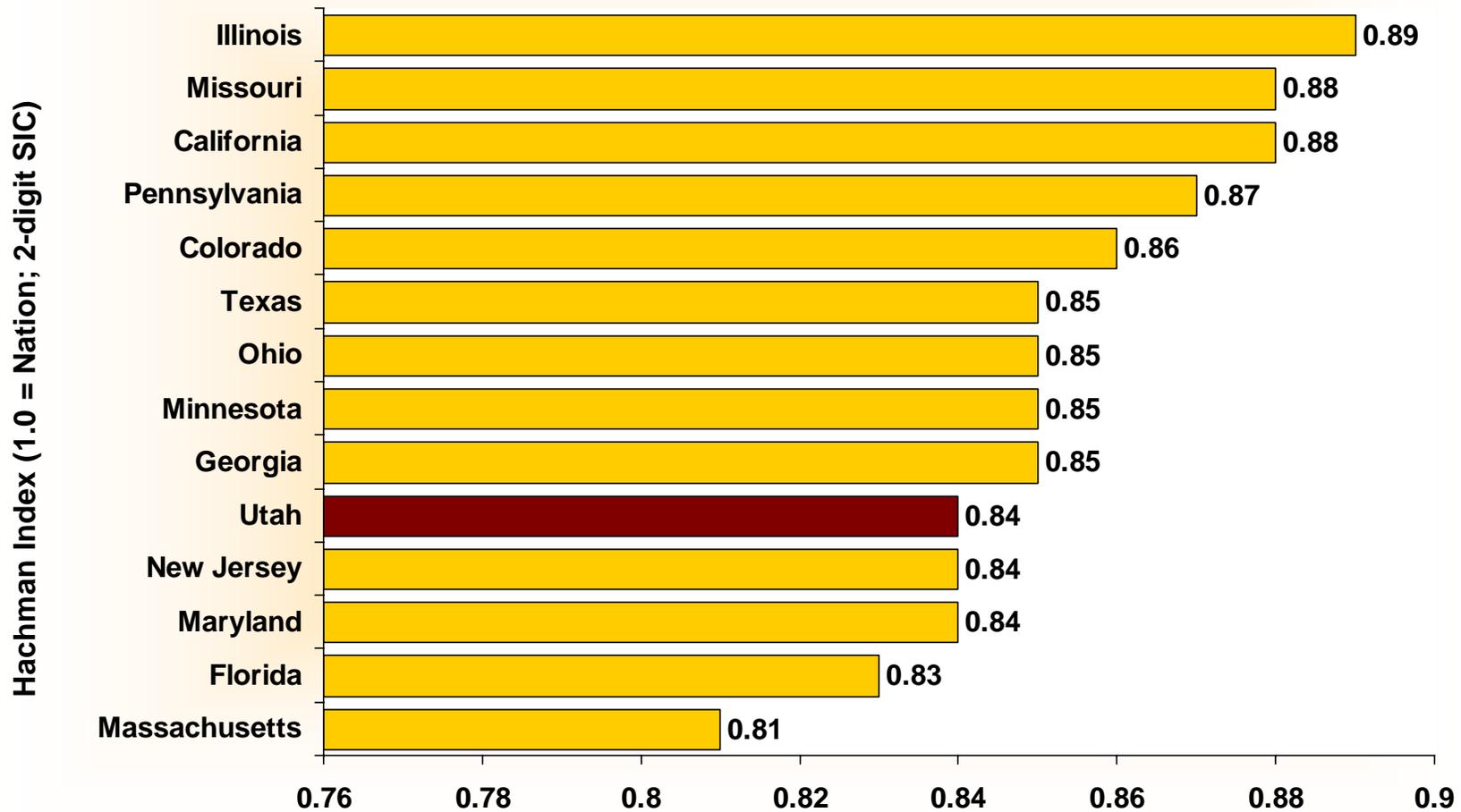
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# Outlook: Opportunities

- **Economic Diversity**
- **Education and Income Above that of the Nation**
- **Mega-Projects**

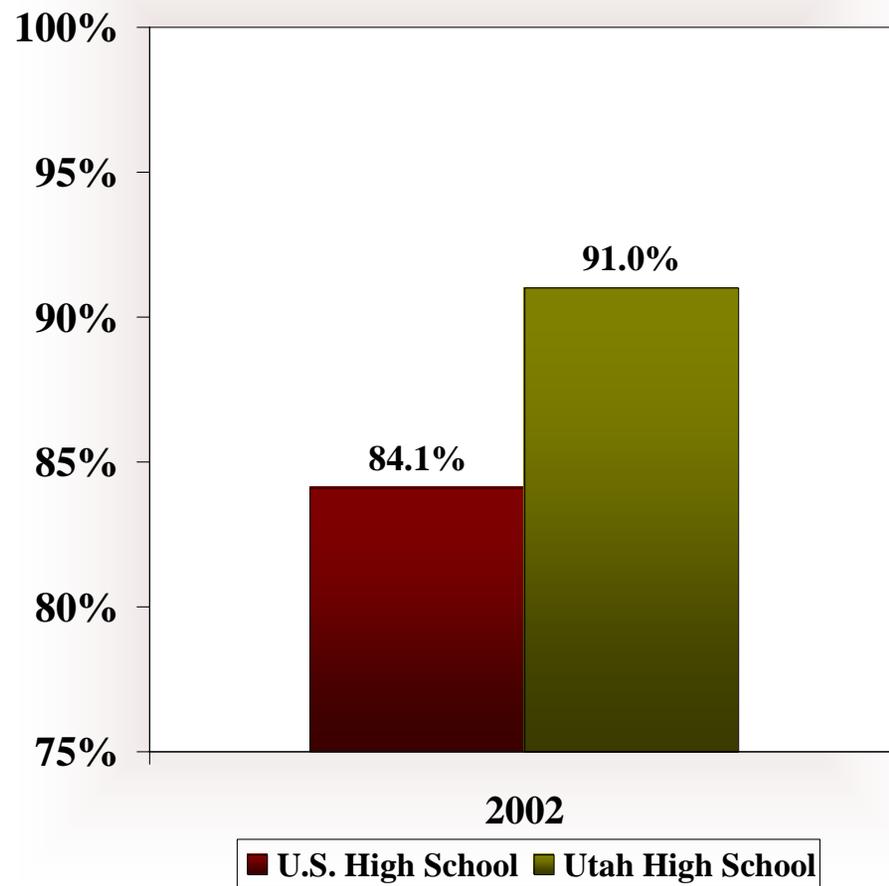
# Utah's Economy Remains Relatively Well-Diversified

## Most Diversified Economies in the Country: 2002

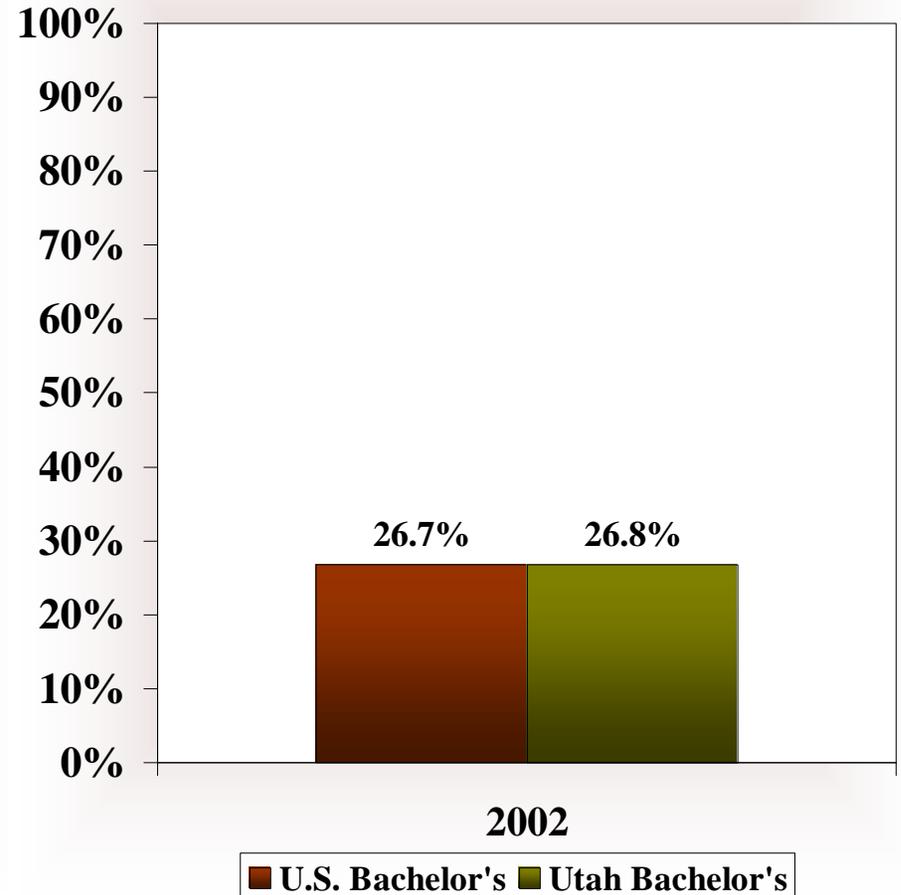


# Education-Minded

## High School Diploma or Higher



## Bachelor's Degree or Higher

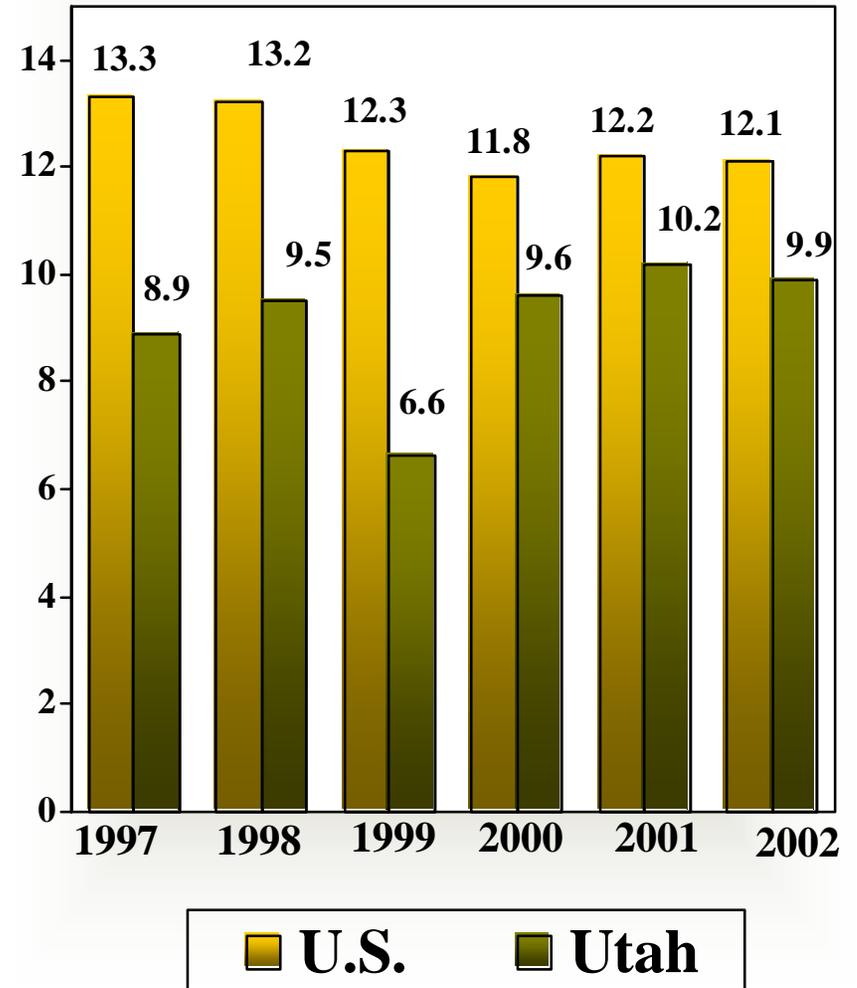


# Utah Incomes Continue to Exceed that of the Nation

## Median Household Income

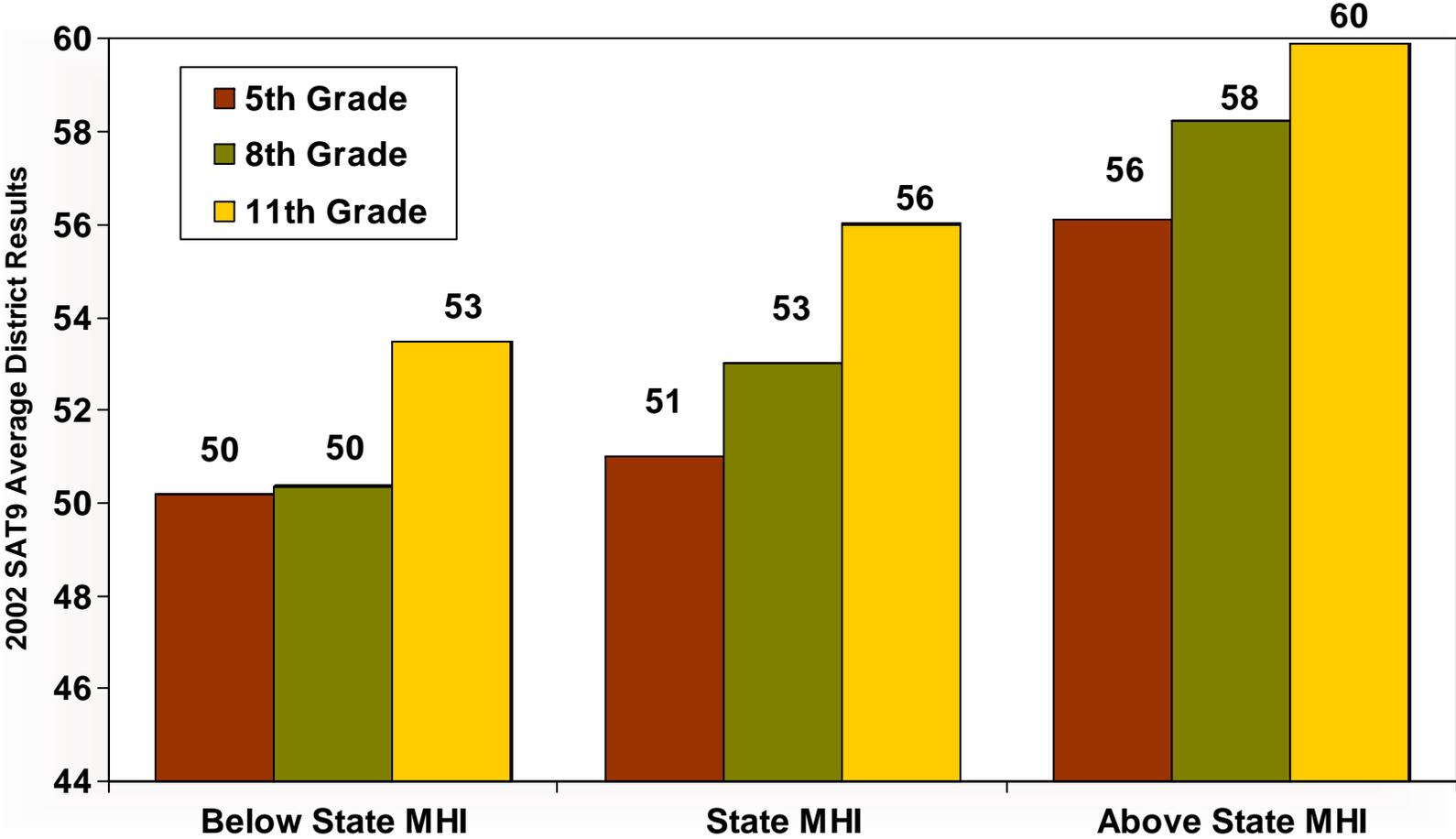


## Percent of Persons in Poverty



Source: U.S. Census Bureau, Current Population Survey (adjusted to 2002 dollars)

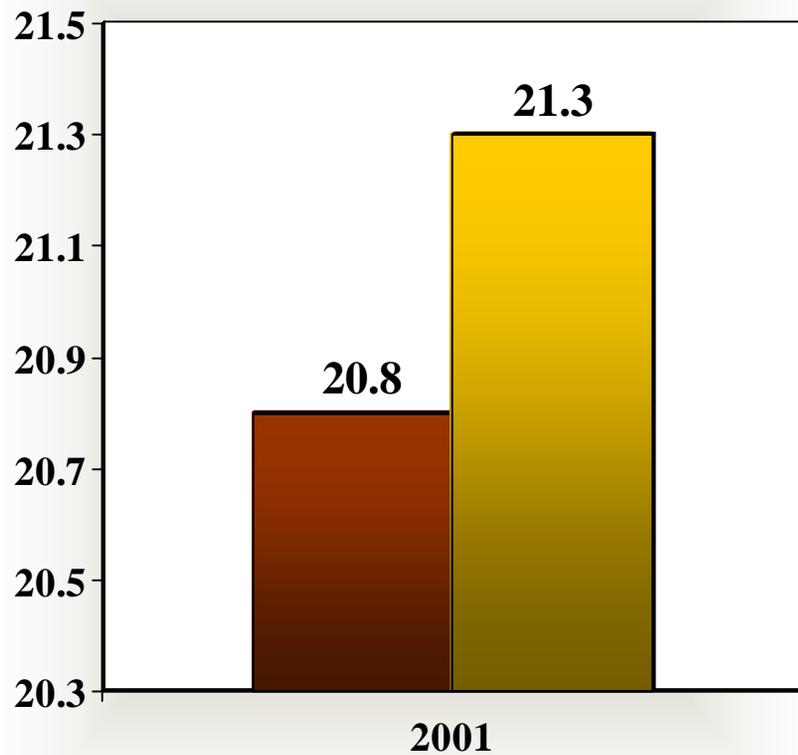
# Student Achievement as Compared to Median Household Income: Utah School Districts



Source: Utah State Office of Education, Utah Governor's Office of Planning and Budget, and the U.S. Census Bureau; Census 2000

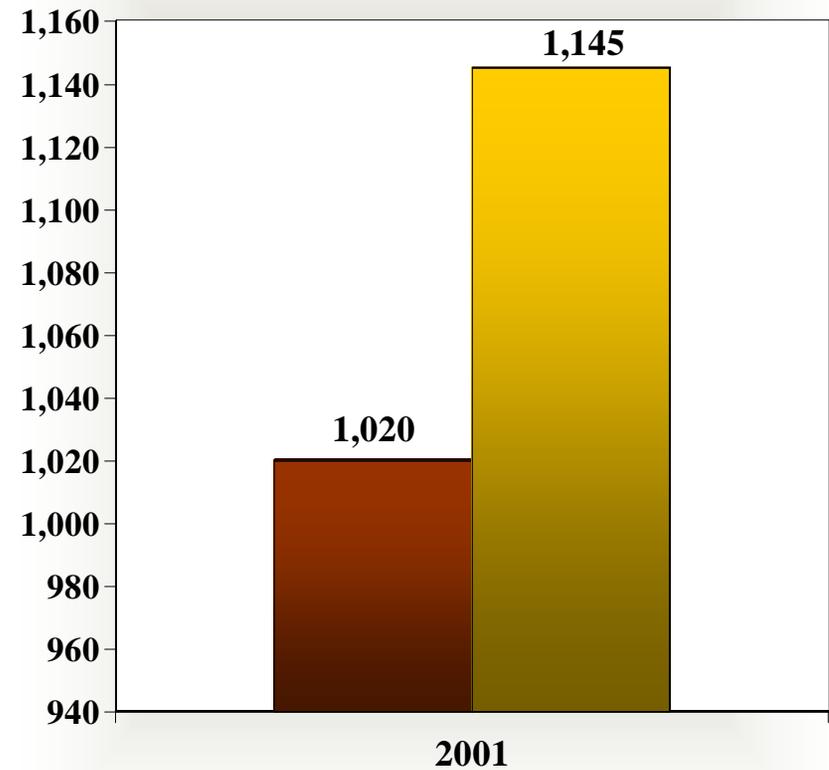
# College Entrance Examinations: Utah and the U.S.

## ACT Scores



■ U.S. Average ■ Utah Average

## SAT Scores



■ U.S. Average ■ UT Average

# National Assessment of Educational Progress "The Nation's Report Card"

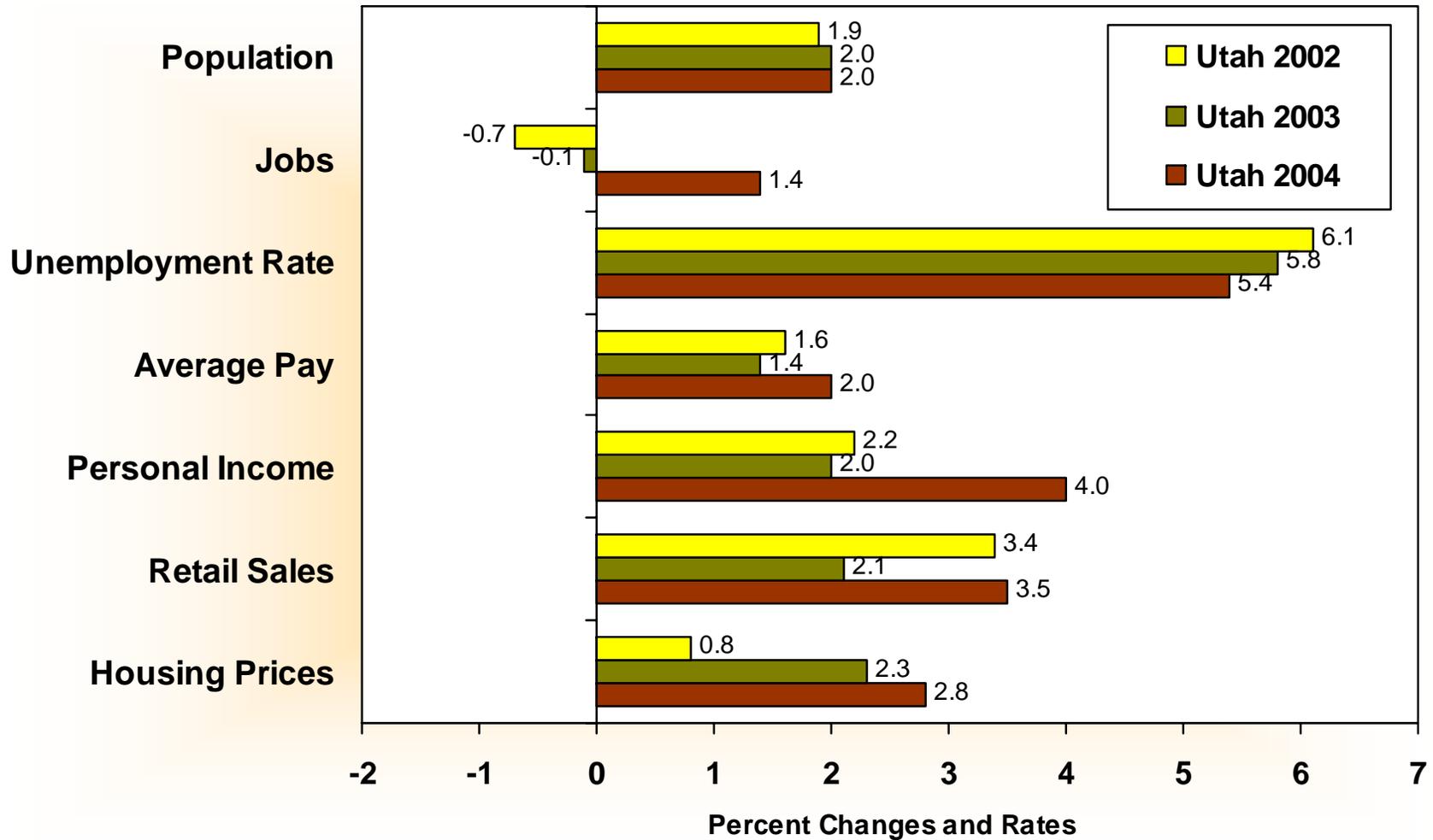
	<b>Reading (2003)</b>	<b>Writing (2002)</b>	<b>Math (2003)</b>	<b>Science (2000)</b>
<b>Utah 4th Grade</b>	<b>219</b>	<b>145</b>	<b>235</b>	<b>155</b>
<b>Nation's 4th Grade Avg.</b>	<b>216</b>	<b>153</b>	<b>234</b>	<b>148</b>
<b>Utah 8th Grade</b>	<b>261</b>	<b>143</b>	<b>281</b>	<b>155</b>
<b>Nation's 8th Grade Avg.</b>	<b>263</b>	<b>152</b>	<b>276</b>	<b>149</b>



# Mega-Projects

- 2003
  - Traverse Mountain (at Fox Ridge) - \$2b
  - Airport Expansion - \$1b
  - Daybreak by Kennecott - \$1b
  - Kern River Gas Pipeline (UT) - \$526m
  - Jordan Landing (mixed use) - \$500m
  - IHC "Healing Place" Murray Hospital - \$362.5m
  - RiverPark Corporate Center - \$300m
  - Williams' Petroleum Pipeline - \$200m
  - Pleasant Grove Town Center - \$200m
- 2004
  - LDS Downtown Rejuvenation - \$500m
  - Commuter Rail - \$450m (\$100m for cars)
  - Currant Creek Gas Power Plant - \$350m
  - Quilt Crossing - \$210m
  - Capitol renovation - \$170m

# Utah Economic Forecast



Source: Council of Economic Advisors



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