



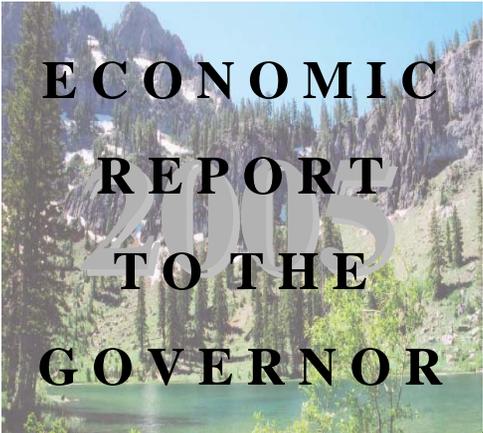
**ECONOMIC
REPORT
2005
TO THE
GOVERNOR**

Annual Utah Economic Review

Council of Economic Advisors
January 2005

Overview

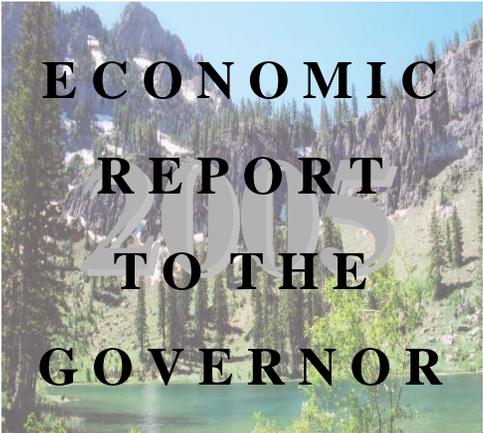
- **Contributors**
- **Special Thanks**
- **Key Indicators**
- **Important Factors**
- **Outlook**



ECONOMIC
REPORT
TO THE
GOVERNOR

Contributors

- Governor's Office of Planning and Budget
- Bureau of Economic and Business Research
- Utah Foundation
- Utah State University
- Kennecott Land Company
- State Government Agencies
 - Department of Community & Economic Development
 - Division of Travel Development
 - State Tax Commission
 - Department of Workforce Services
 - Department of Natural Resources
 - Office of the Legislative Fiscal Analyst

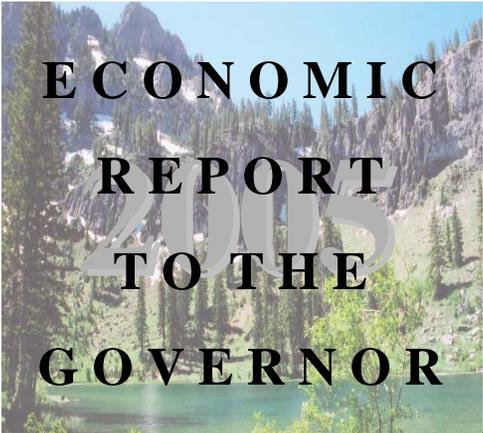


**ECONOMIC
REPORT
TO THE
GOVERNOR**

2015

Special Thanks To...

- **Richard Ellis**
- **Neil Ashdown**
- **Morgan Lyon Cotti**
- **Peter Donner**
- **Justin Farr**
- **Effie Johnson**
- **Lance Rovig**
- **Robert Spendlove**
- **Michael Hansen**
- **Brian Carver**
- **Clara Walters**

The image shows the cover of the 'Economic Report to the Governor 2015'. The top half features a scenic photograph of a mountain range with a lake and forest. The text 'ECONOMIC REPORT TO THE GOVERNOR' is printed in a serif font across the top. A large, semi-transparent '2015' is overlaid in the center. The bottom half of the cover is a solid dark green color.

**ECONOMIC
REPORT
TO THE
GOVERNOR**

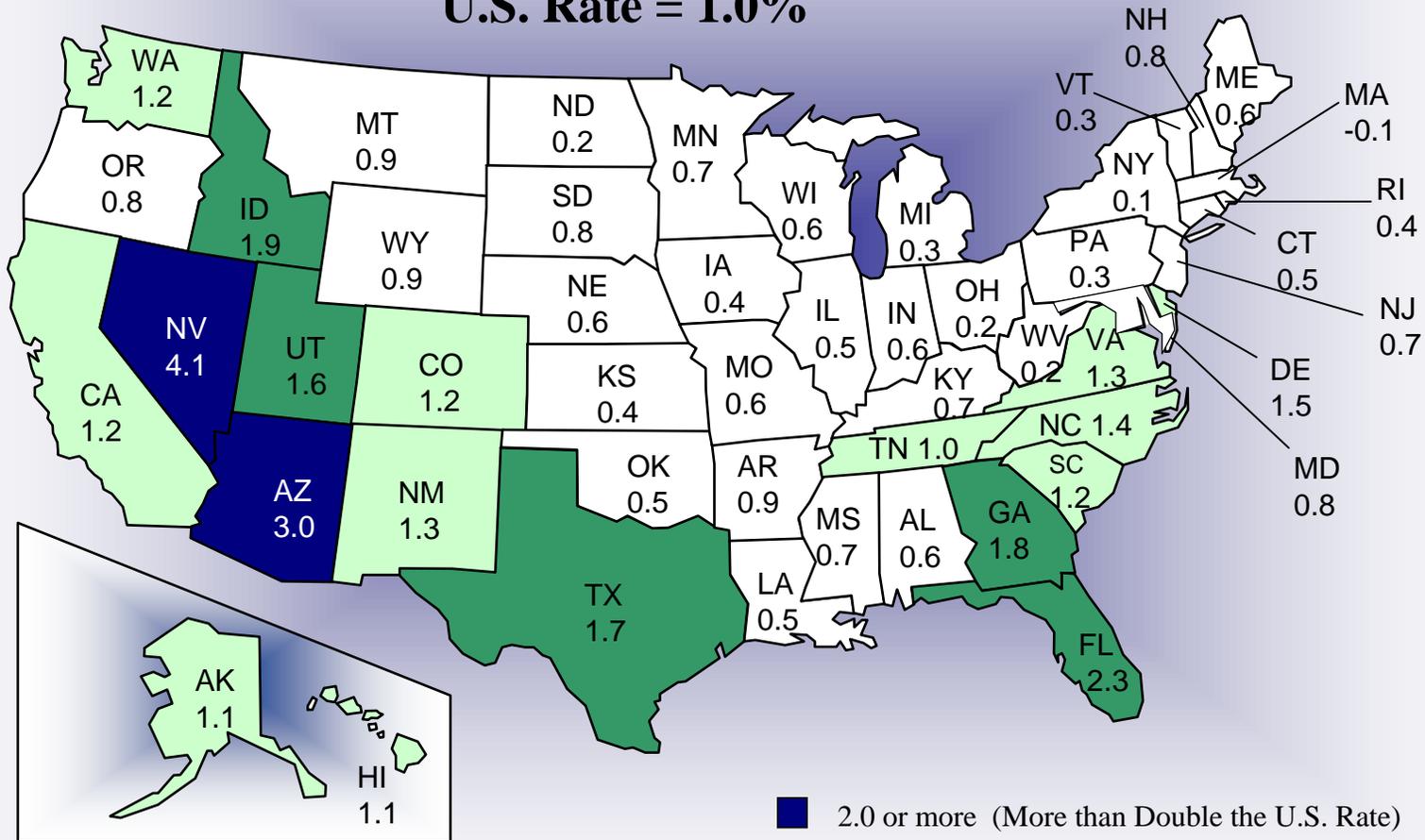
Key Indicators

- **Population**
- **Job Growth**

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

Percent Change in Population for States : 2003 to 2004

U.S. Rate = 1.0%

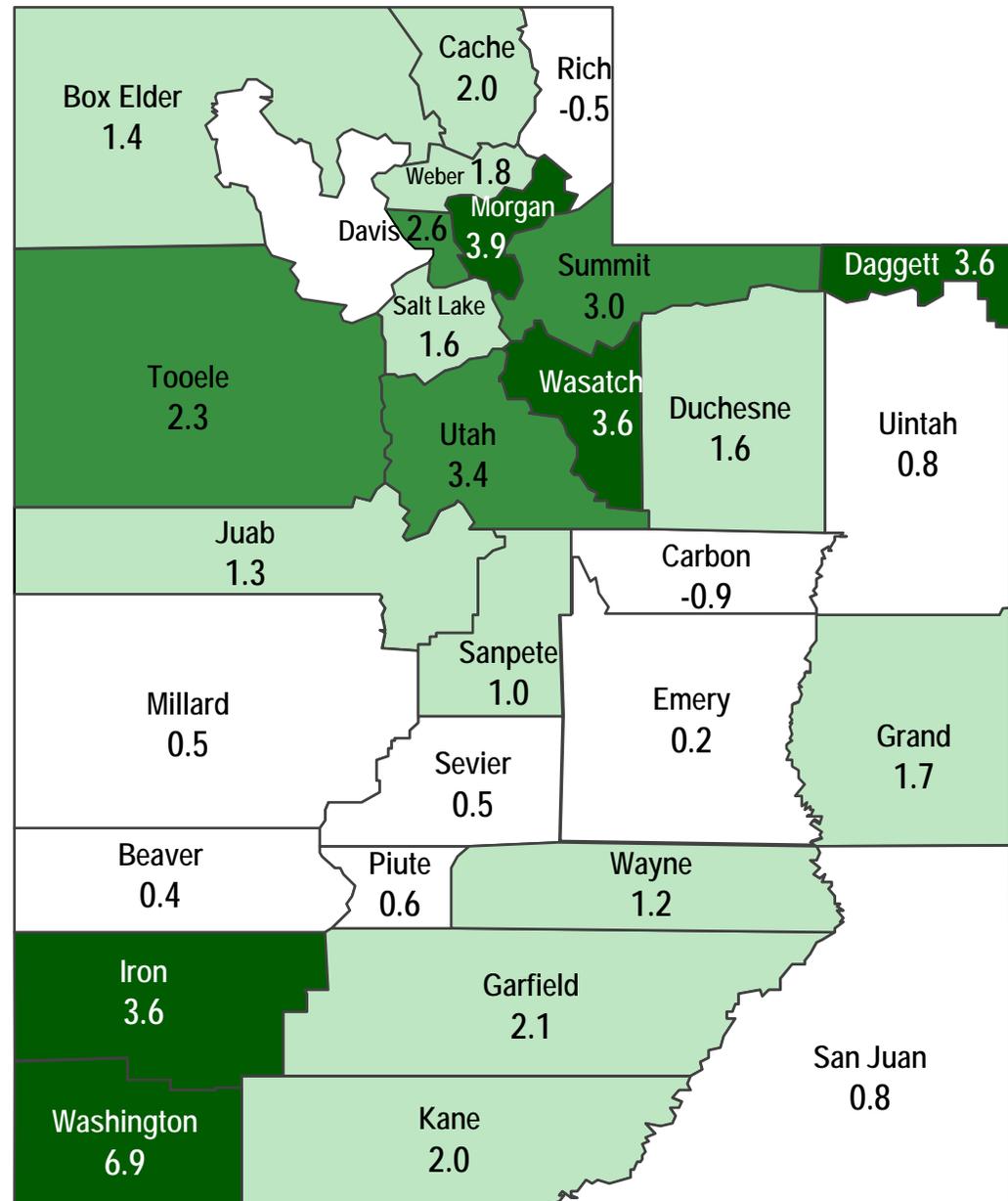


Source: U.S. Census Bureau

Utah Population Growth Rates By County 2003 to 2004

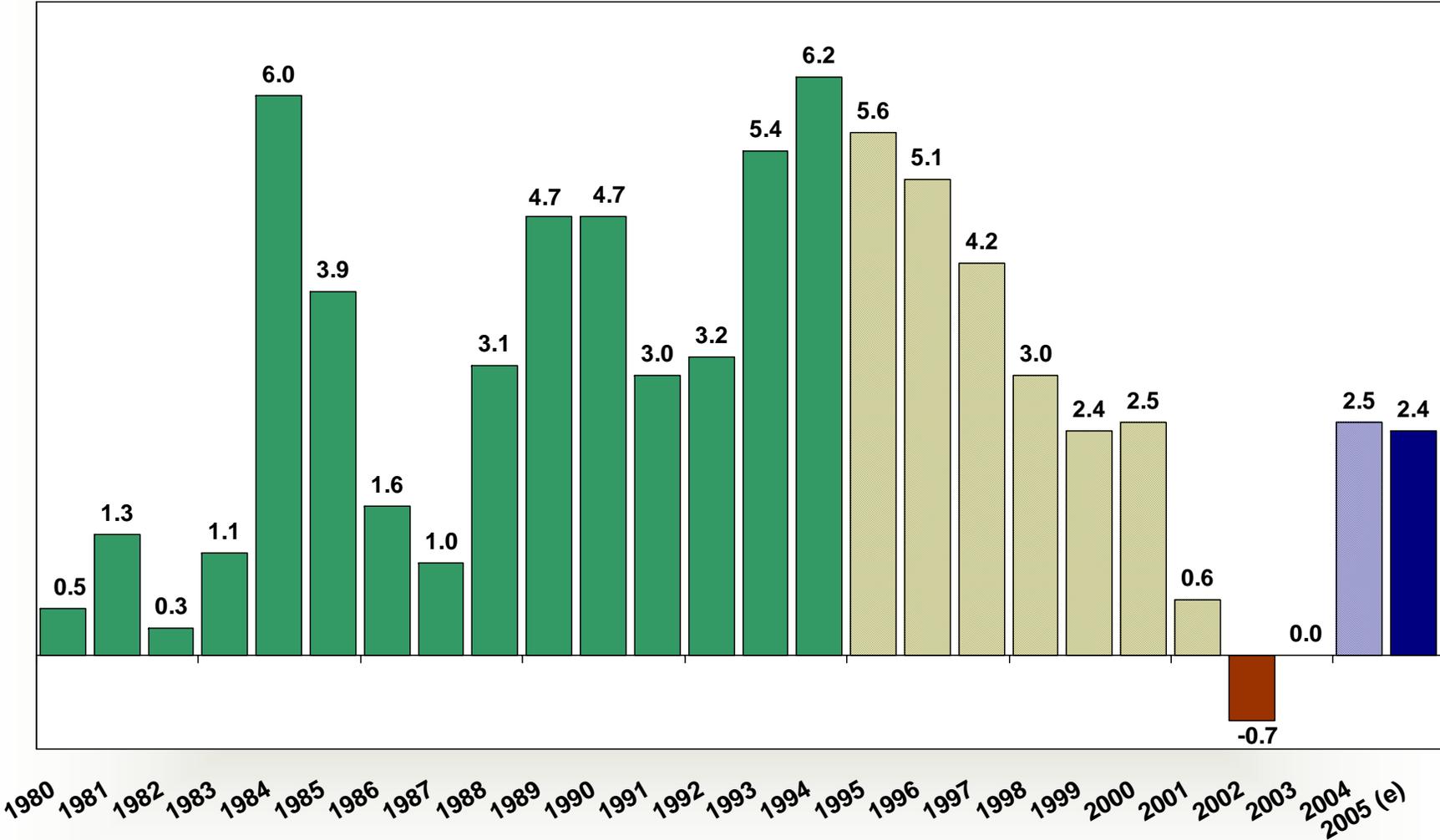
State Average = 2.3%

- Increase of 3.6 or Greater
- Increase of 2.3 to 3.5
- Increase of 1.0 to 2.2
- Change of less than 1.0



Job Growth Continues to Improve

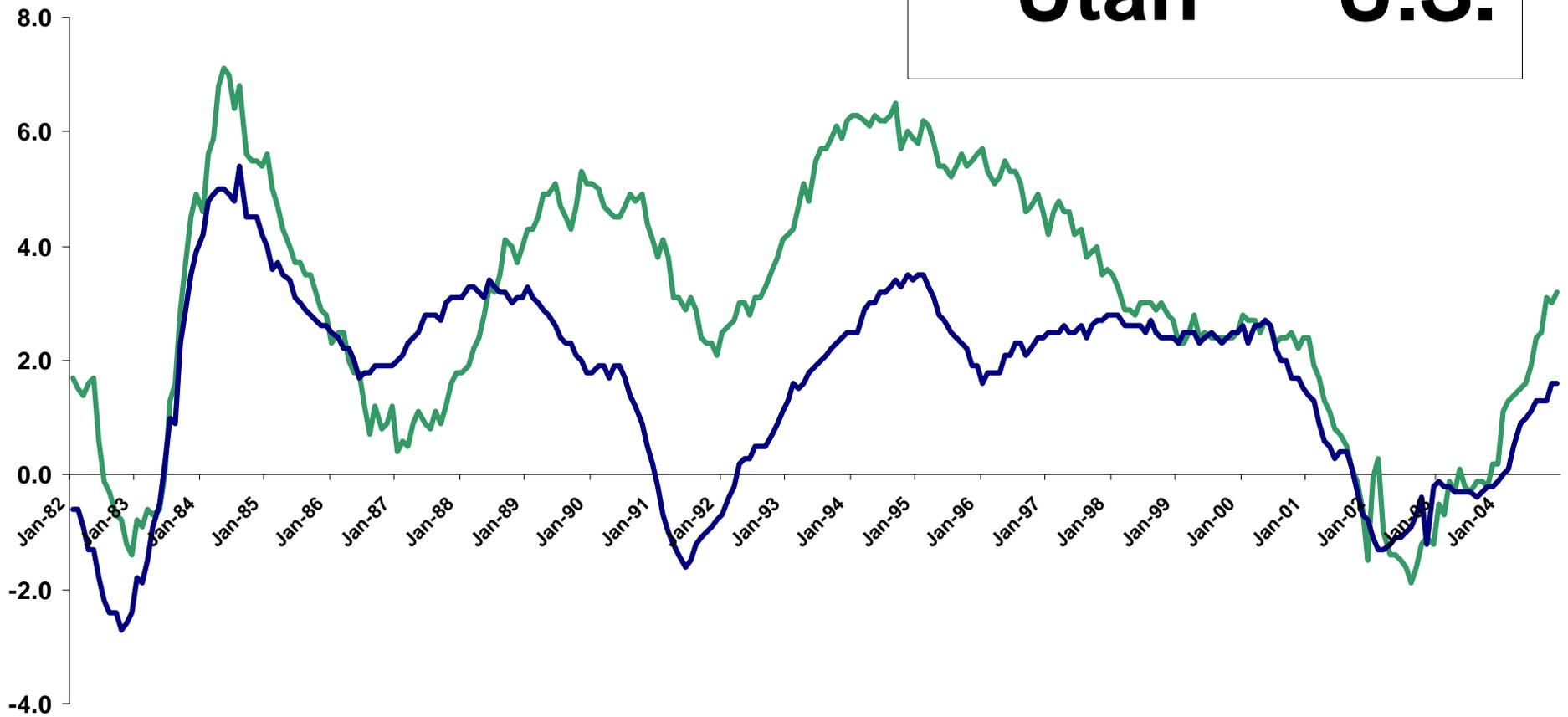
Year Over Rate of Job Growth



Source: Utah Department of Work Force Services

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

— Utah — U.S.

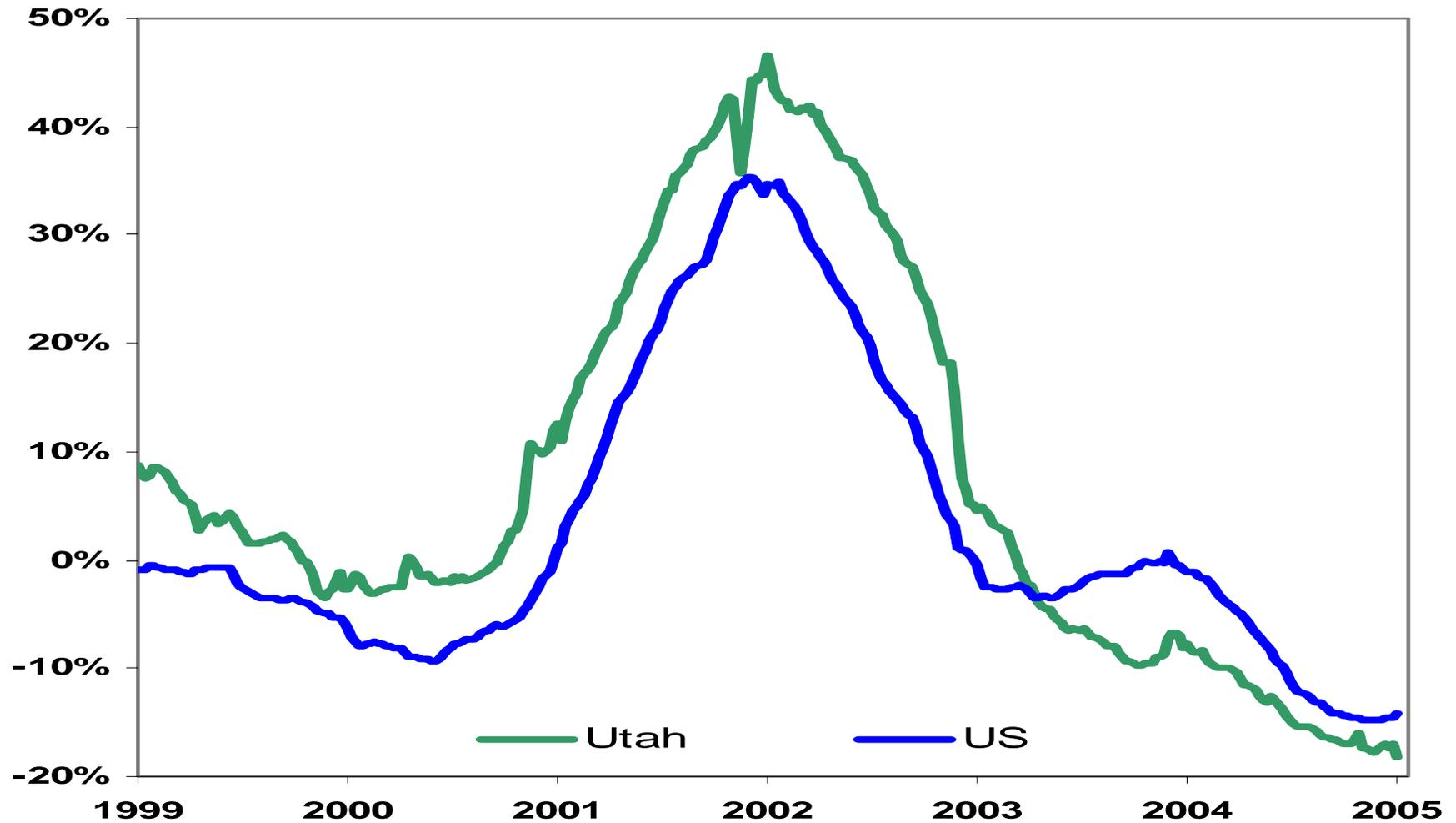


Important Factors

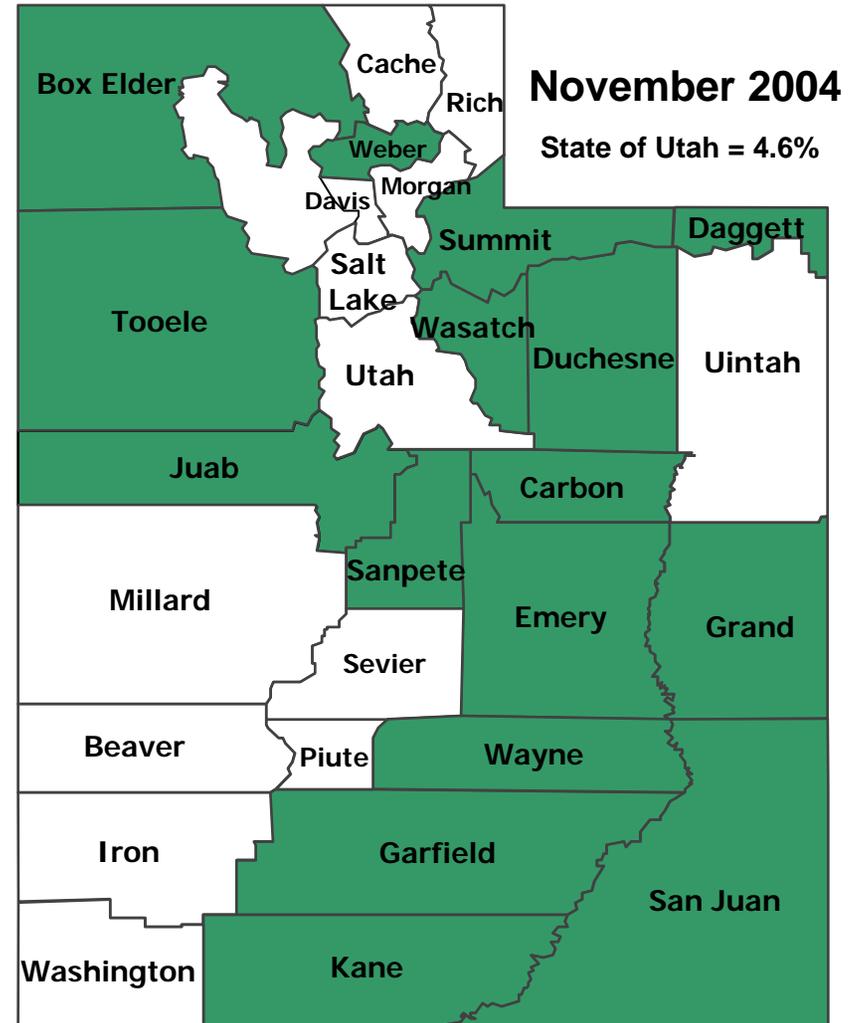
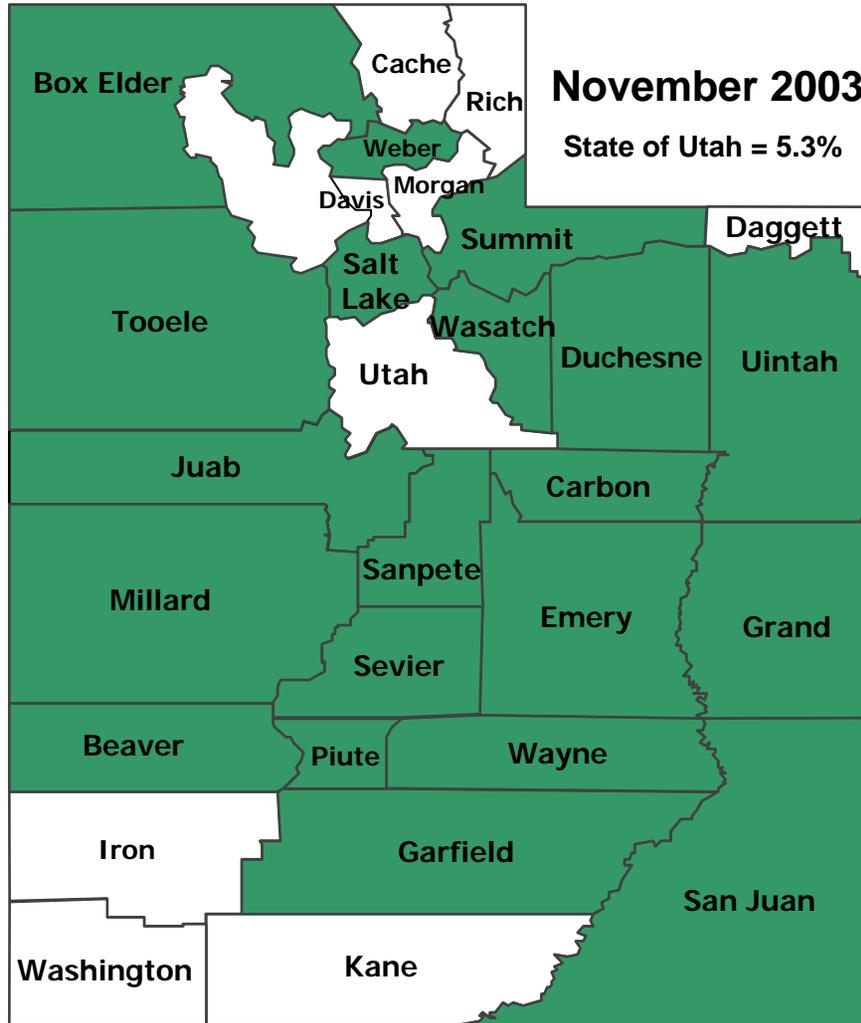
- **Unemployment**
- **Employment Detail**
- **Construction**
- **Exports**
- **Defense Spending**

Unemployment Continues to Recover

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



Utah Unemployment Rates by County

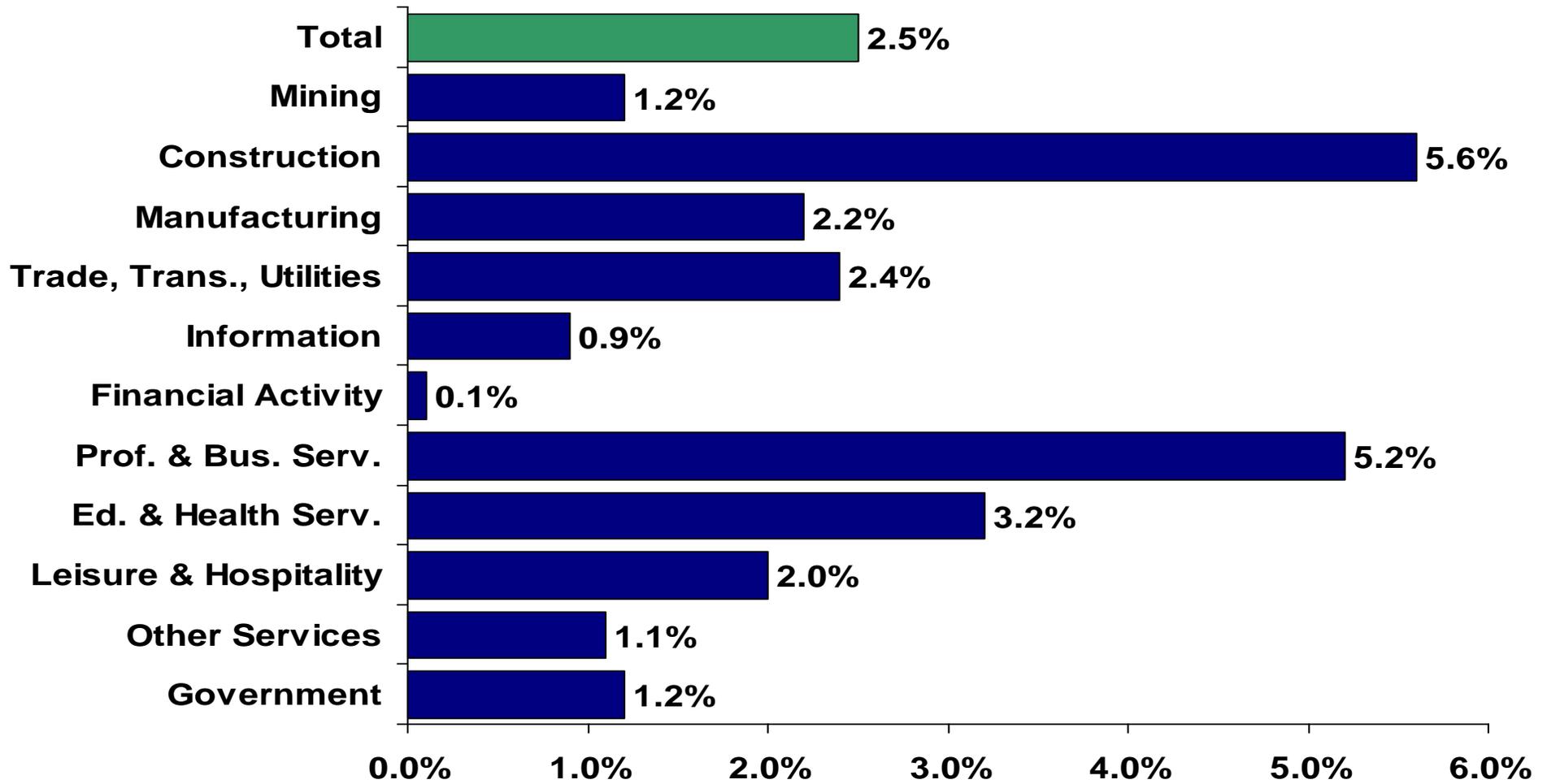


Unemployment Above 5%

Unemployment at or Below 5%

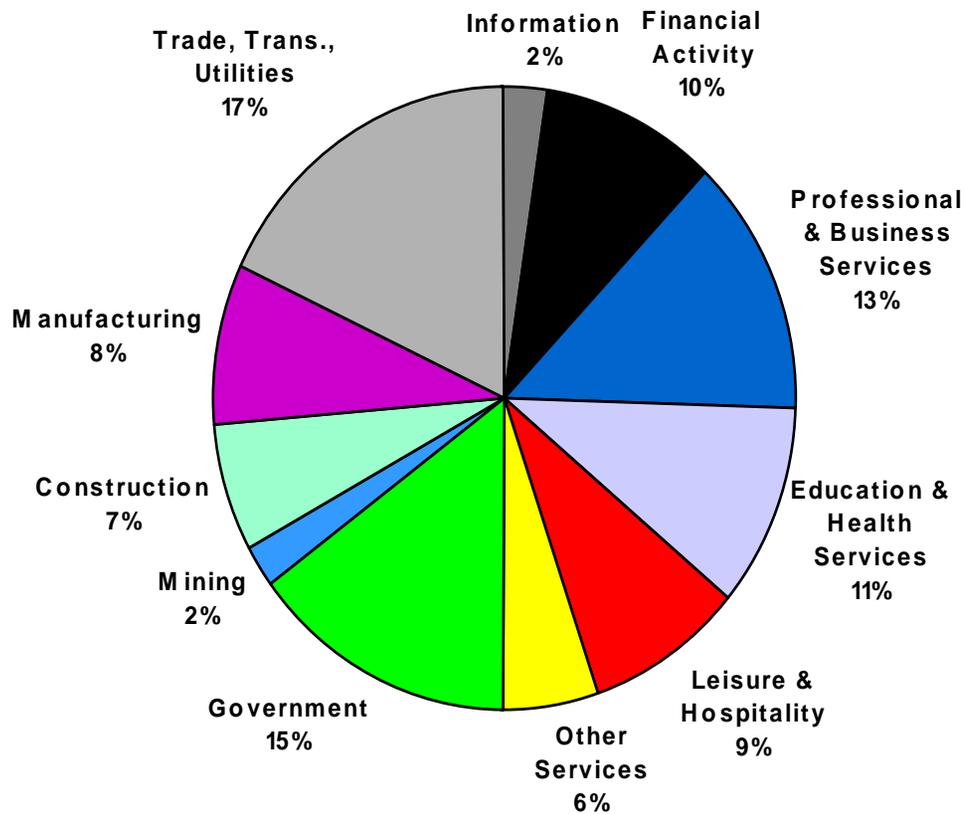
All Utah Industries Growing

Percent Change in Utah Employment by Industry: 2003-2004

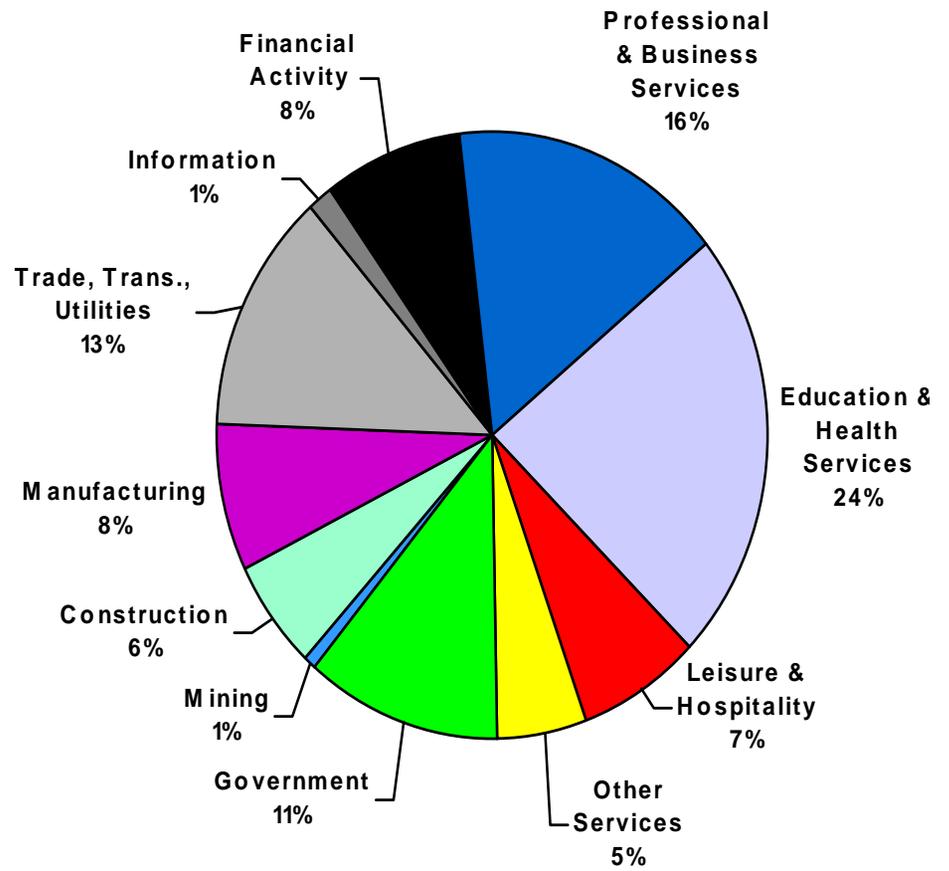


Utah Employment by Industry as a Share of Total State Employment

2005

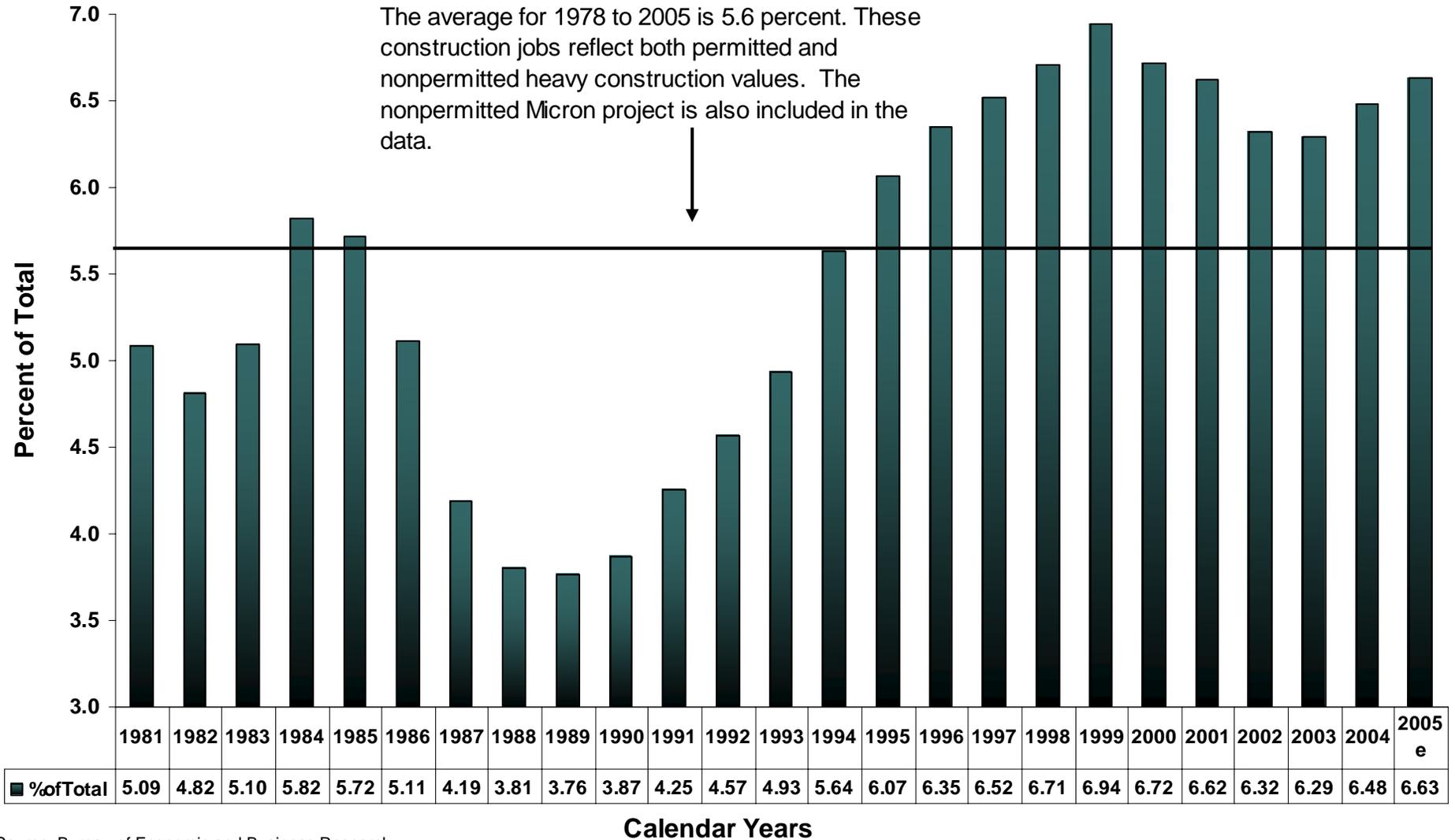


2050



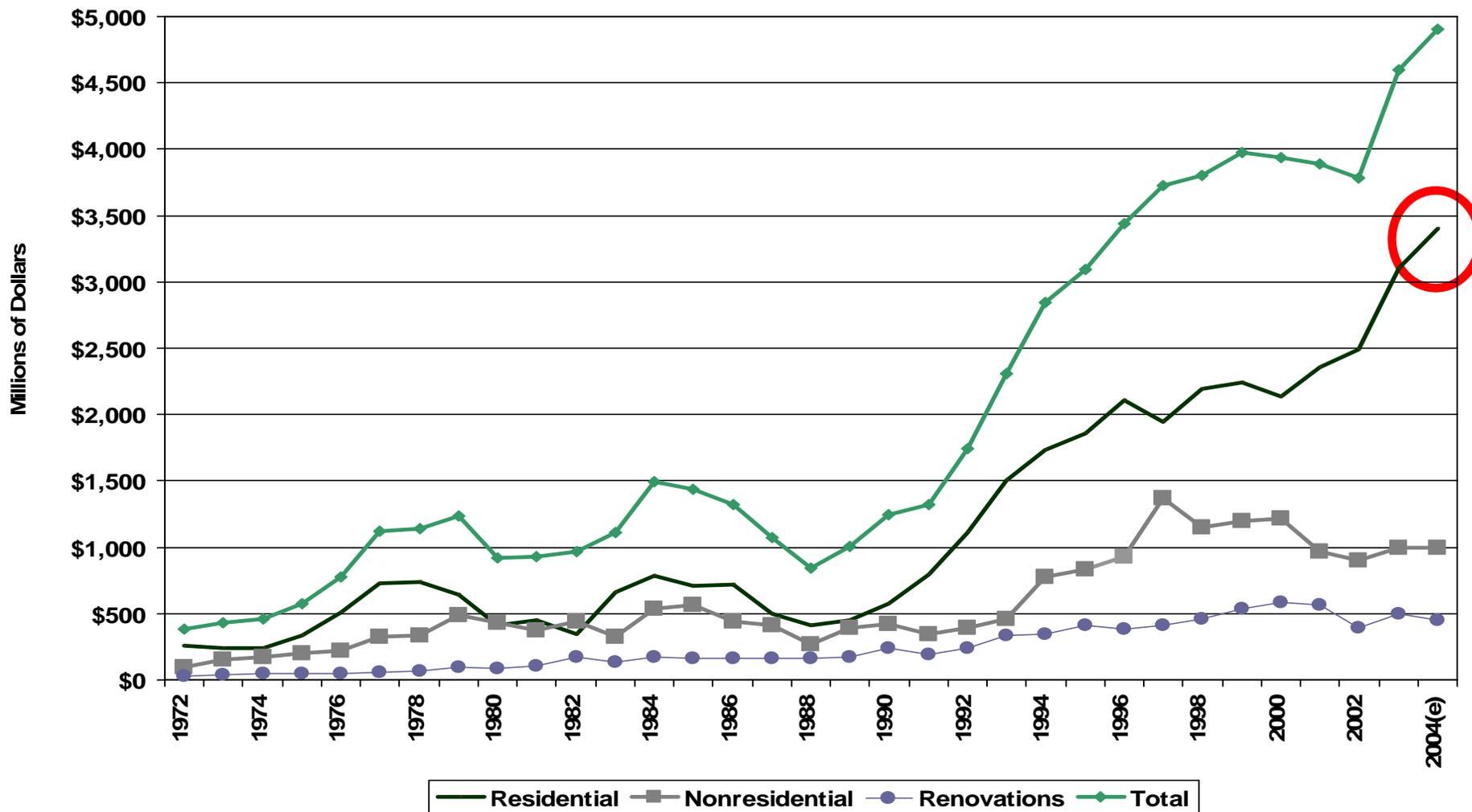
The Construction Contraction Ends

Construction Jobs as a Percent of Total Jobs

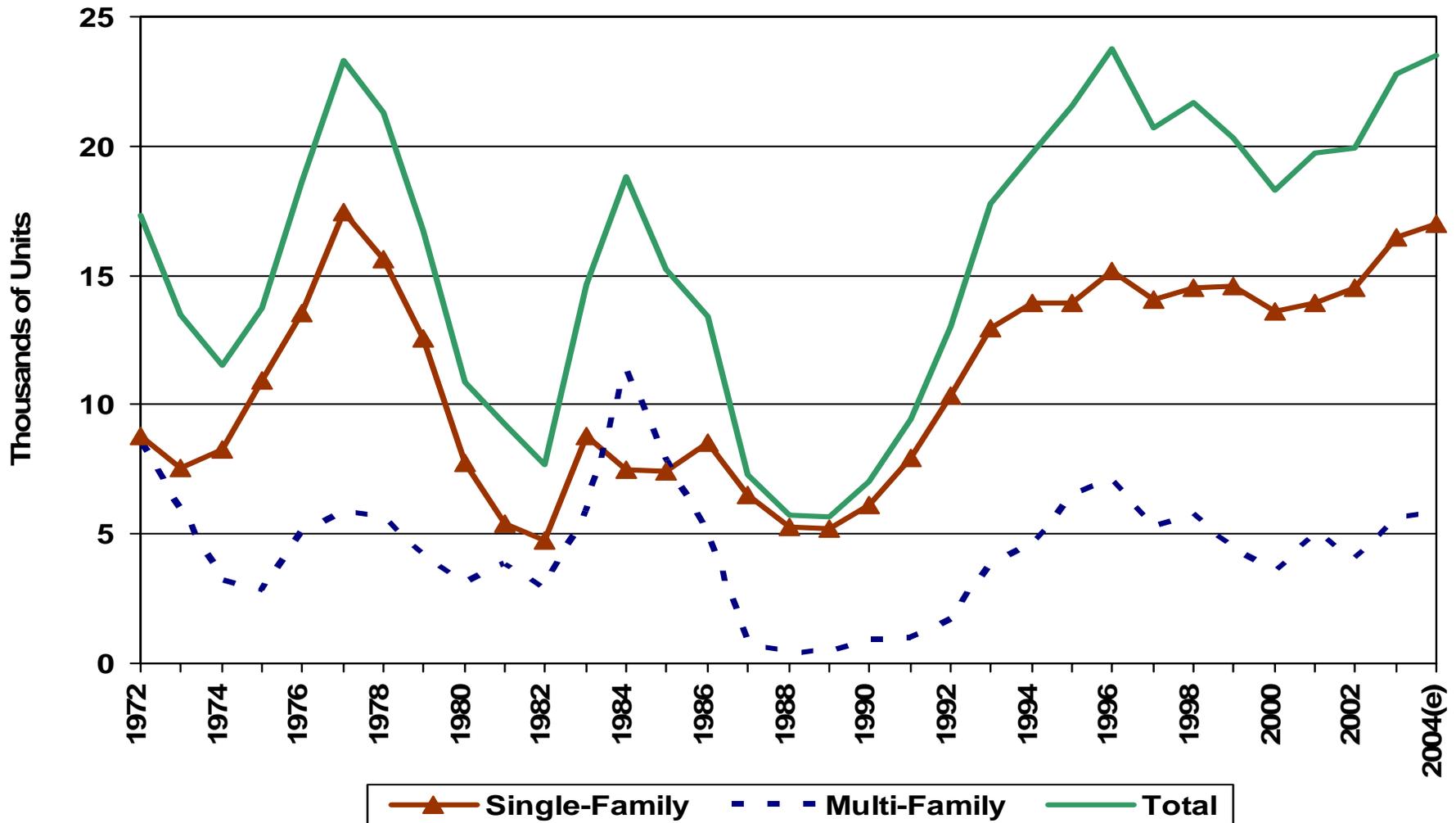


Source: Bureau of Economic and Business Research

Construction Valuation: 1972 - 2004

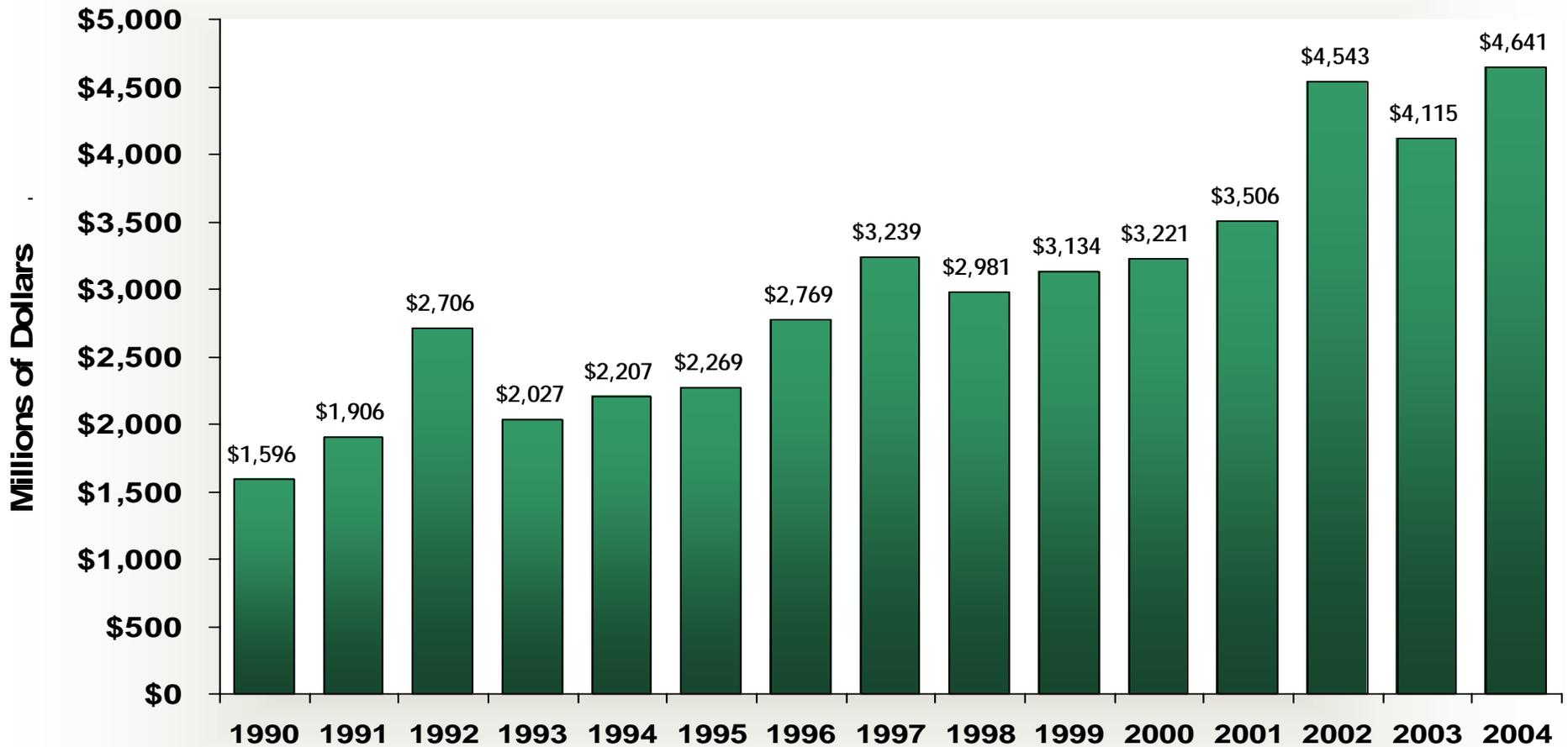


Residential Construction Continues to Hold Strong



Utah Exports Increase by 13% in 2004

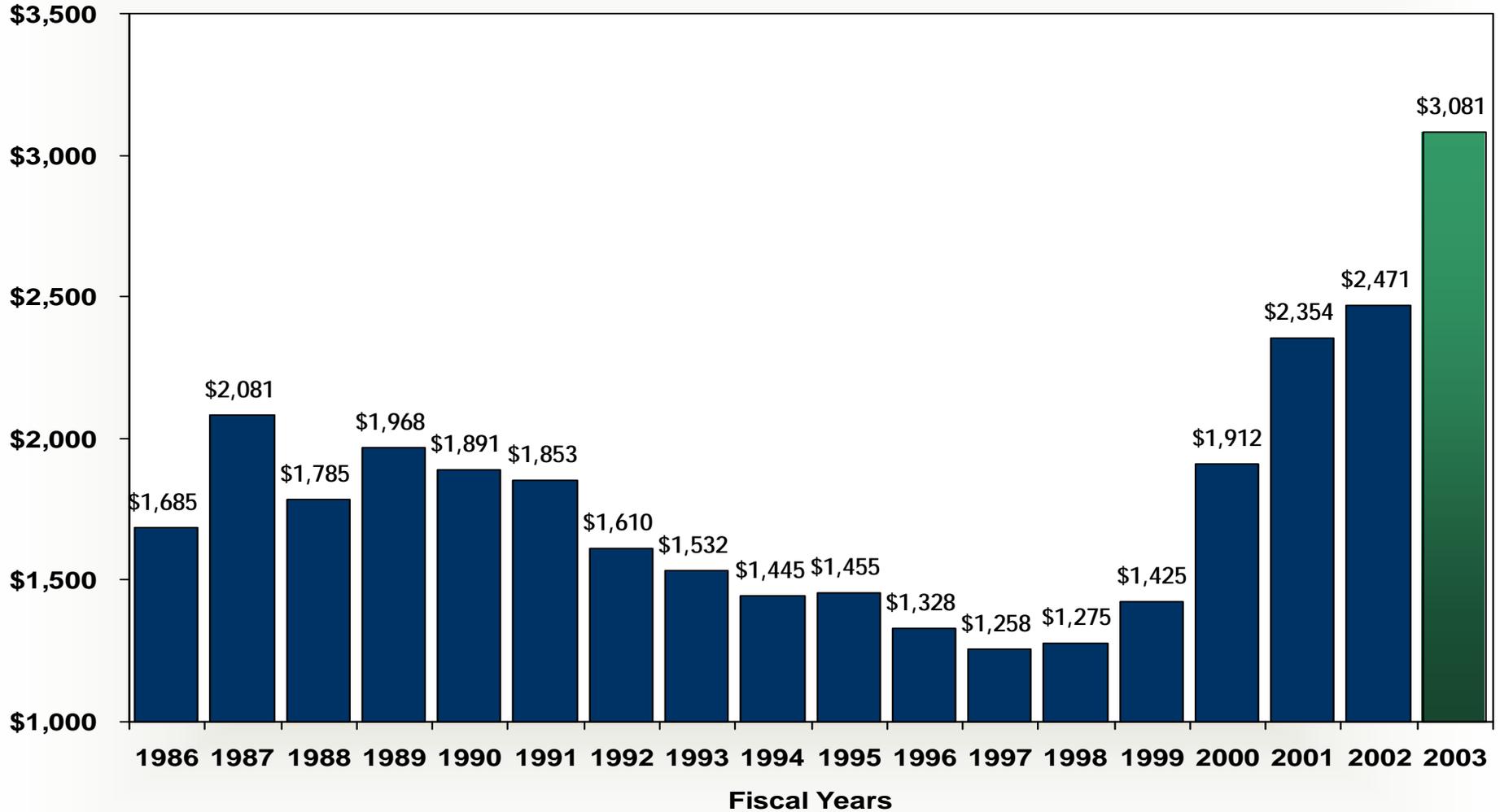
Utah Merchandise Exports



Defense Spending Increased 25% in 2003

Millions

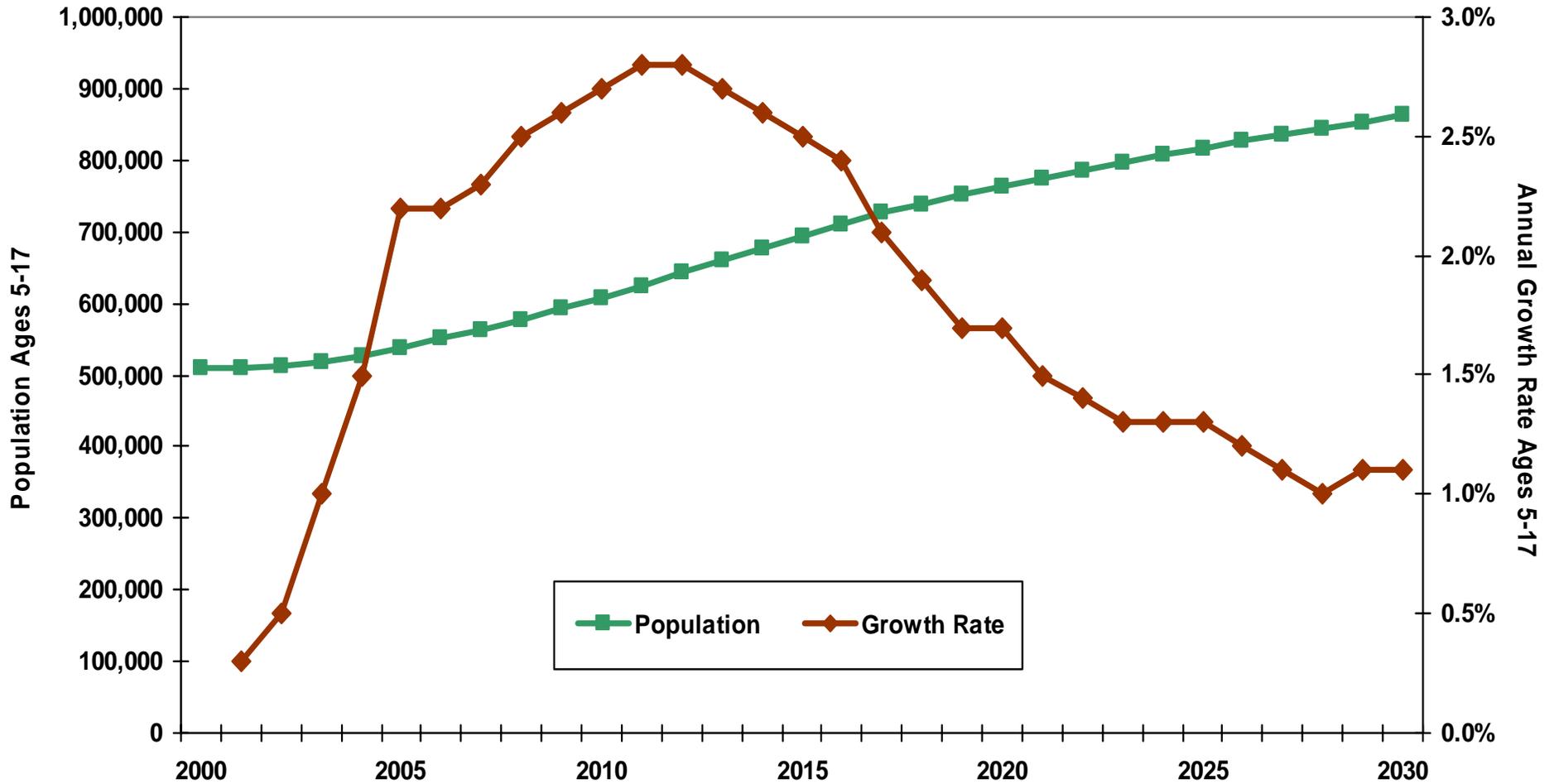
Utah Defense-Related Spending



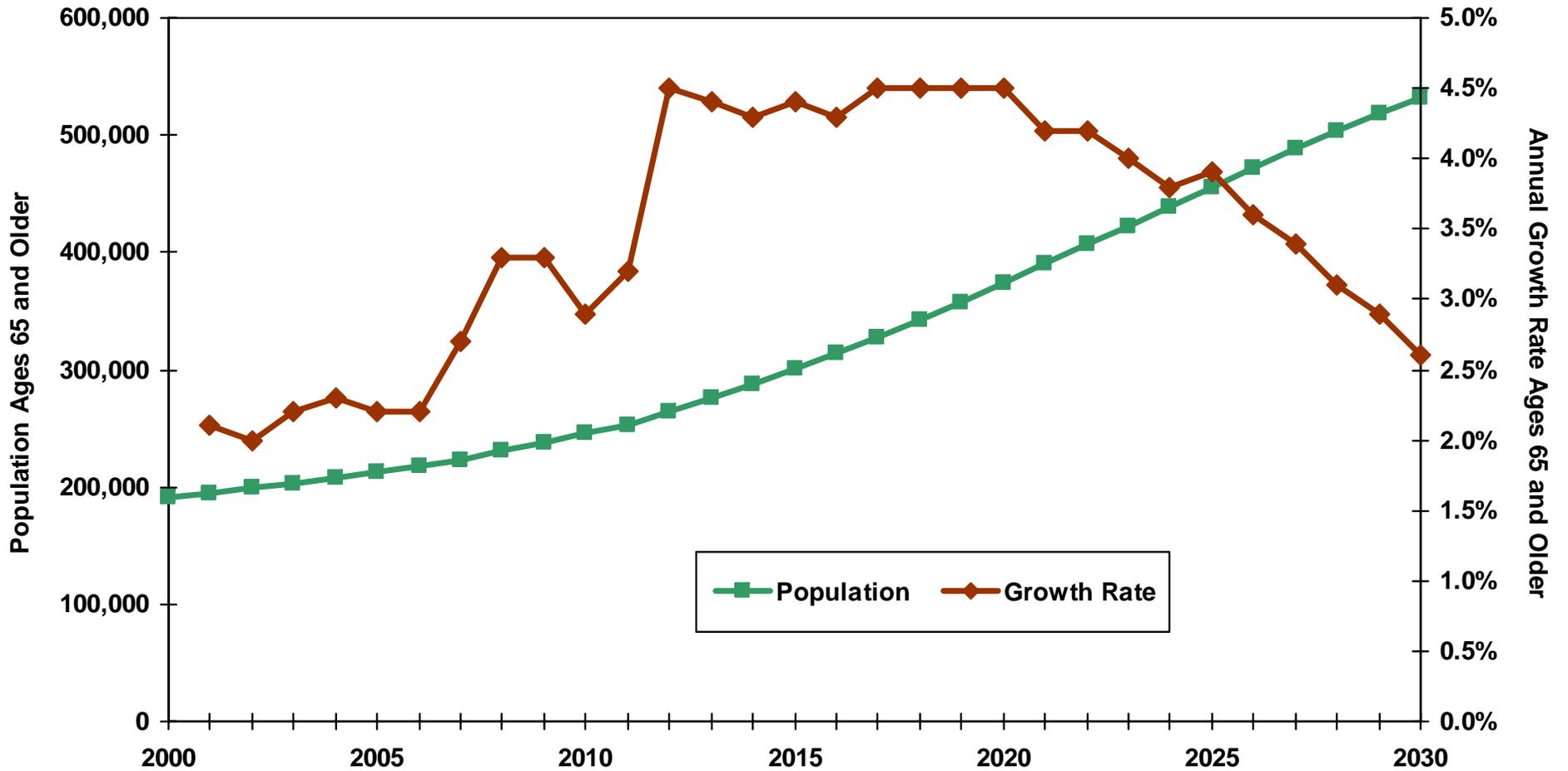
Outlook: Challenges

- **Growth Issues**
- **Hill Air Force Base**
- **Energy Prices**

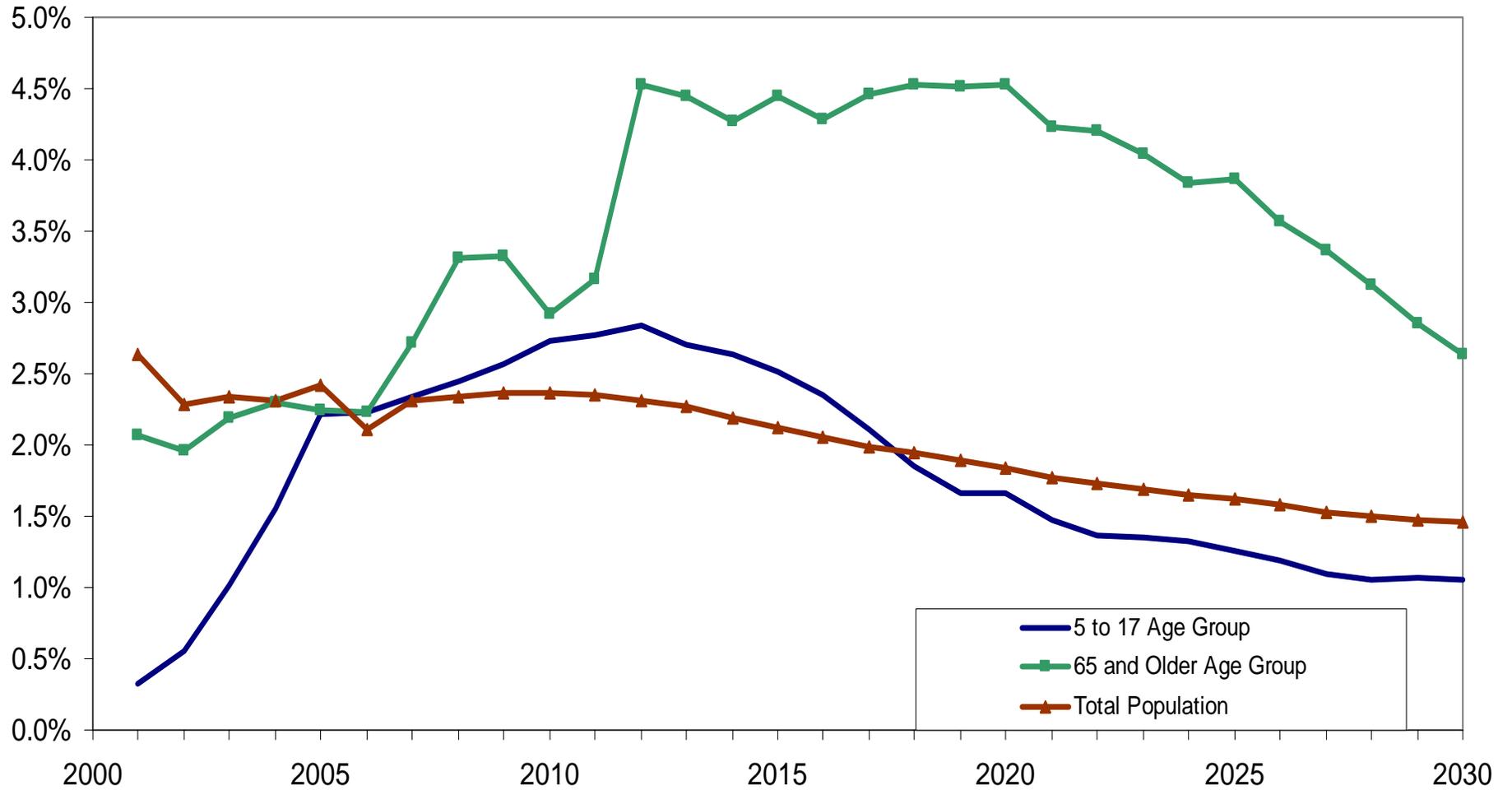
Growth of School Age Population



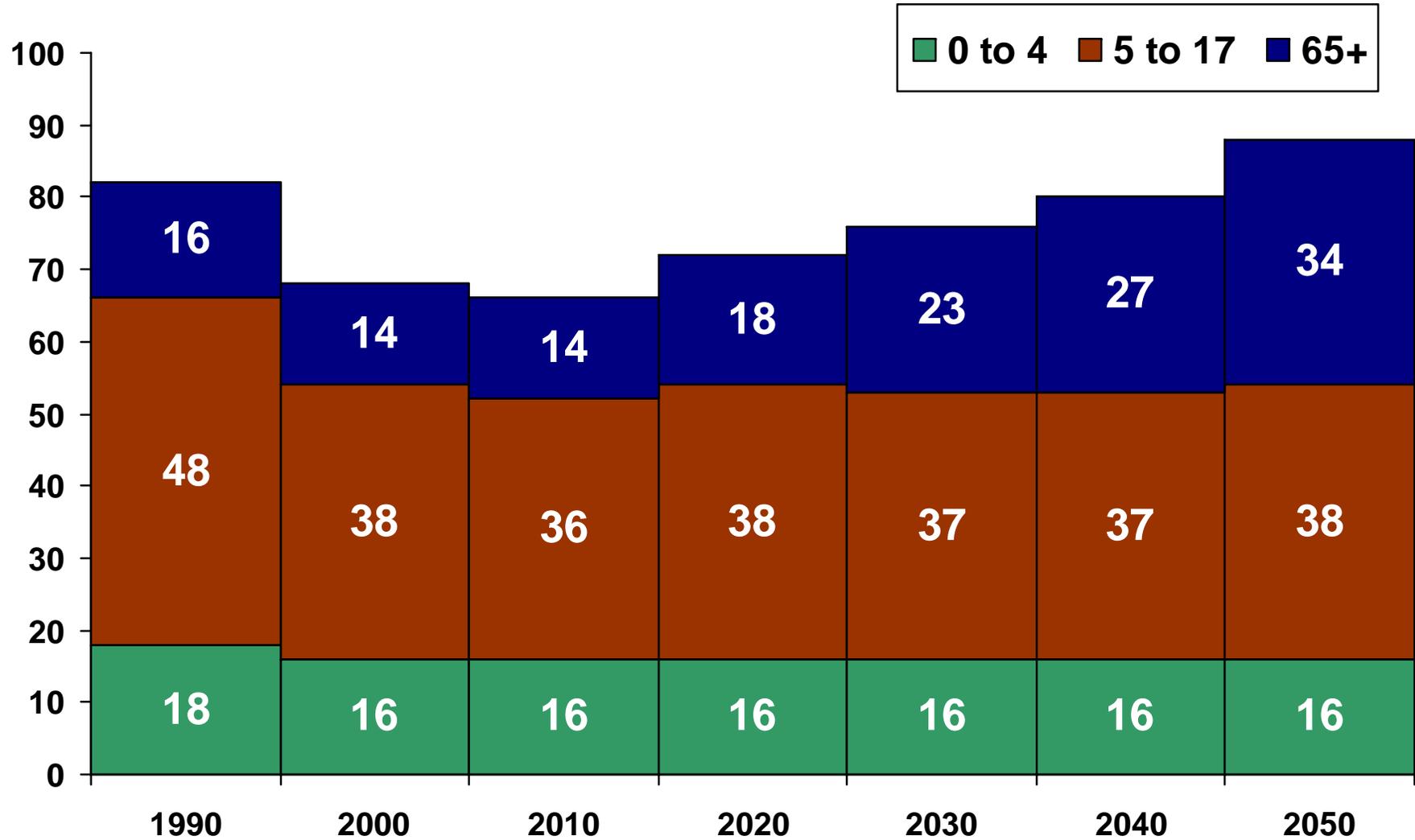
Growth of 65 and Older Age Group



Growth Rates of Utah Populations



Utah Dependency Ratios



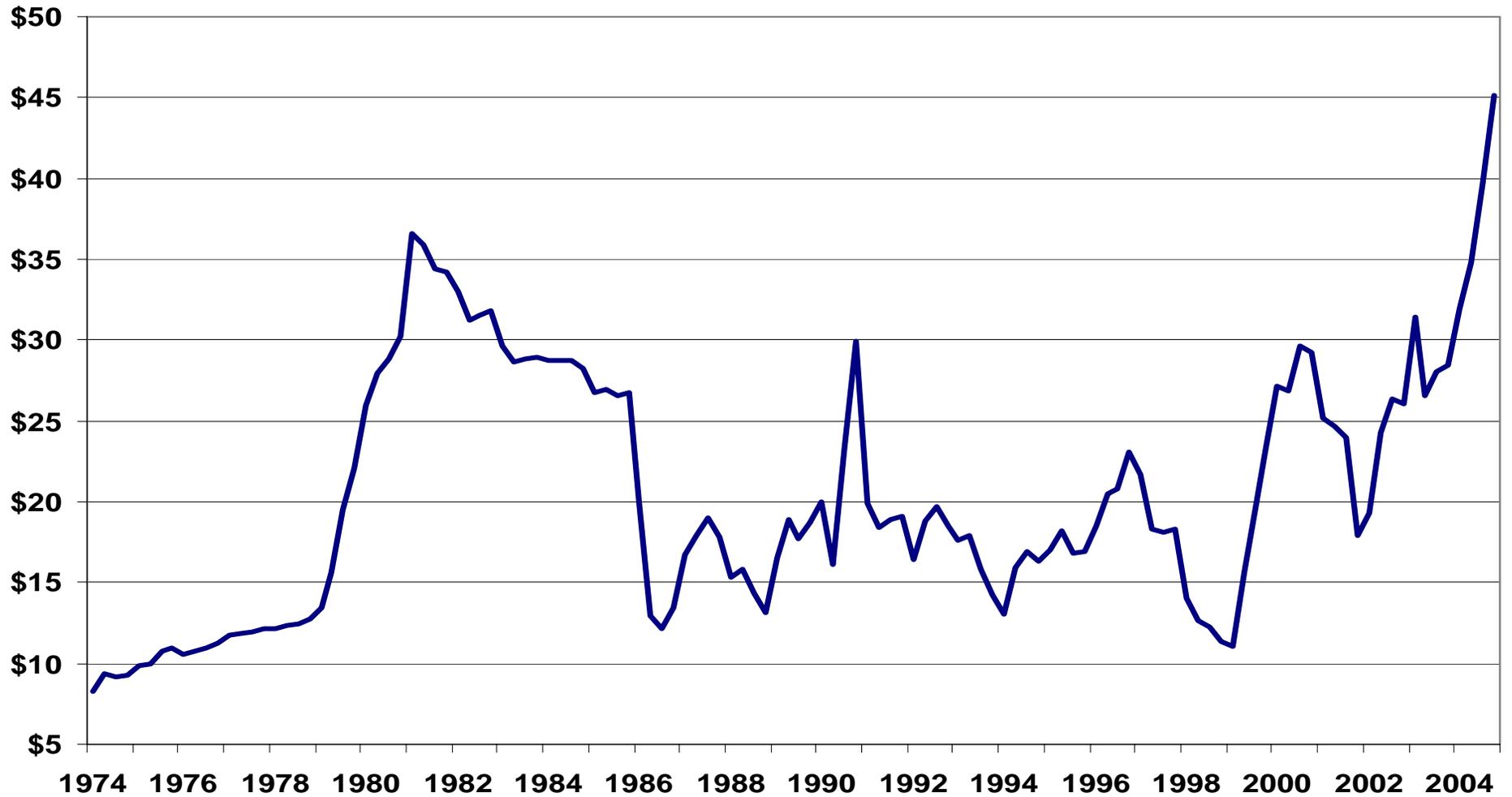


Hill Air Force Base Employment Impact

- 5/16/2005 – Secretary of Defense will submit proposals for base closure and realignment
- 9/8/2005 – BRAC will submit a final list of recommendations to the President
- 9/23/2005 – President's approval or disapproval of recommendations
- 10/20/2005 – BRAC's revised recommendations
- 11/7/2005 – President recommends a final list
 - Congress has 45 days to accept or reject the list

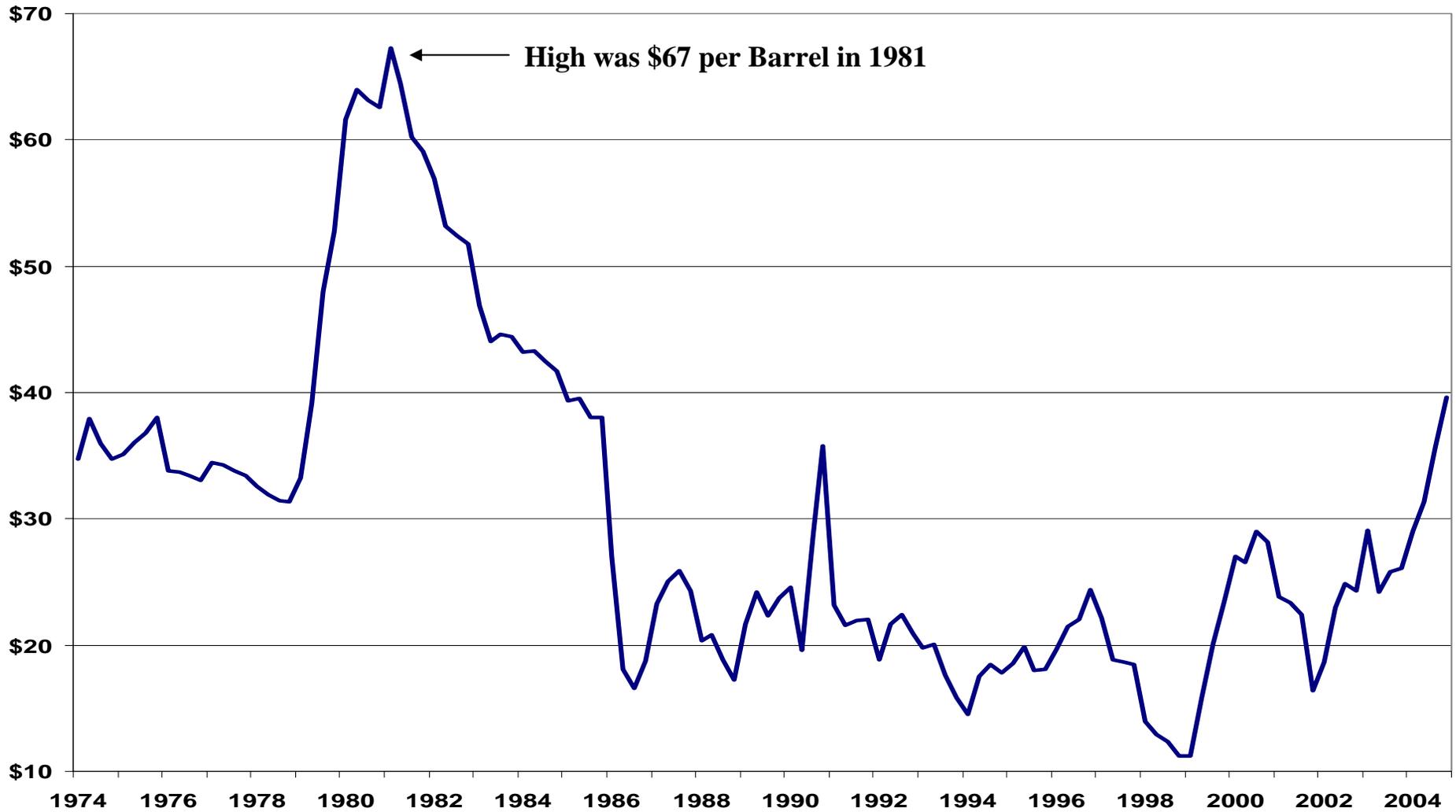
Increasing Cost of Oil

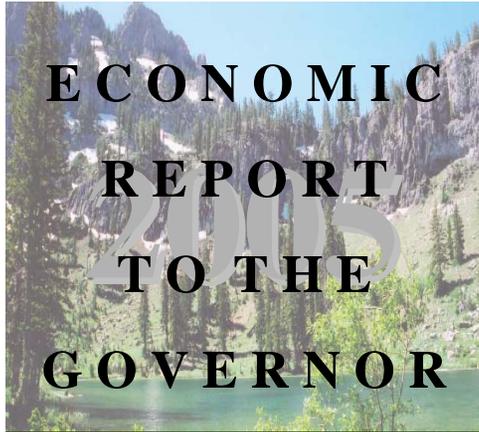
Average Quarterly Price of Crude Oil: Nominal Dollars per Barrel



Increasing Cost of Oil

Quarterly Real Price of Oil: 2000 Dollars per Barrel



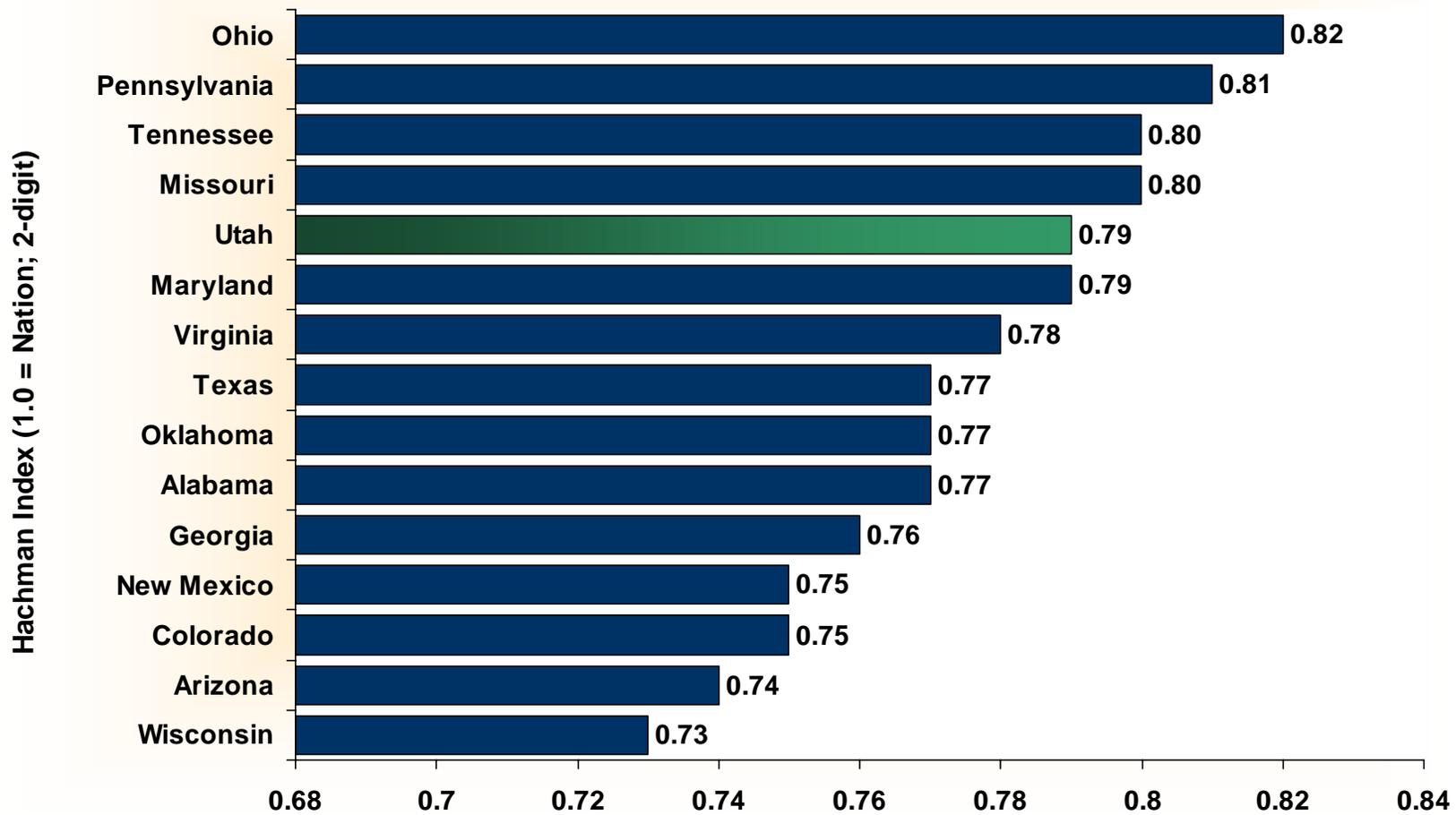


Outlook: Opportunities

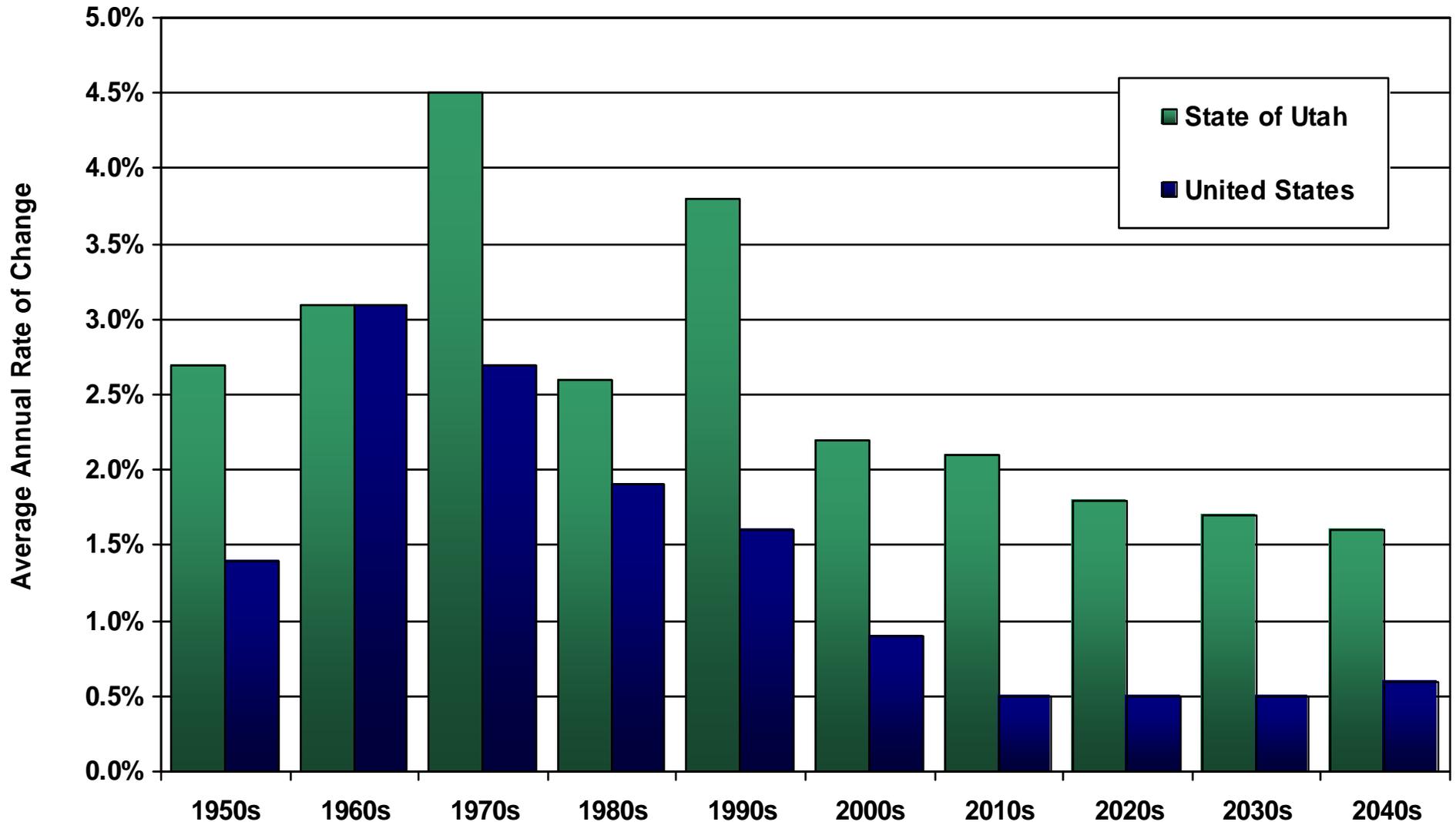
- **Economic Diversity**
- **Income and Education Above the Nation**
- **Mega-Projects**

Utah's Economy Remains Well-Diversified

Most Diversified Economies in the Country: 2003



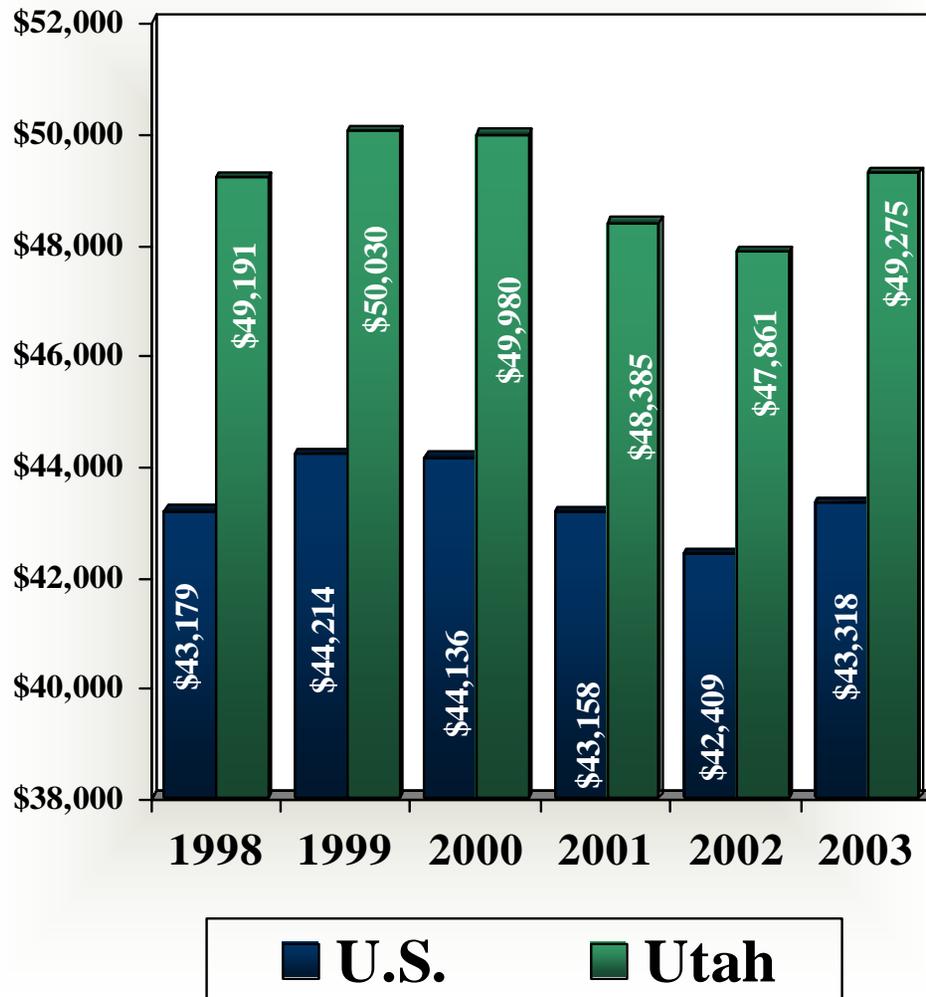
Total Employment Growth by Decade for Utah and the U.S.



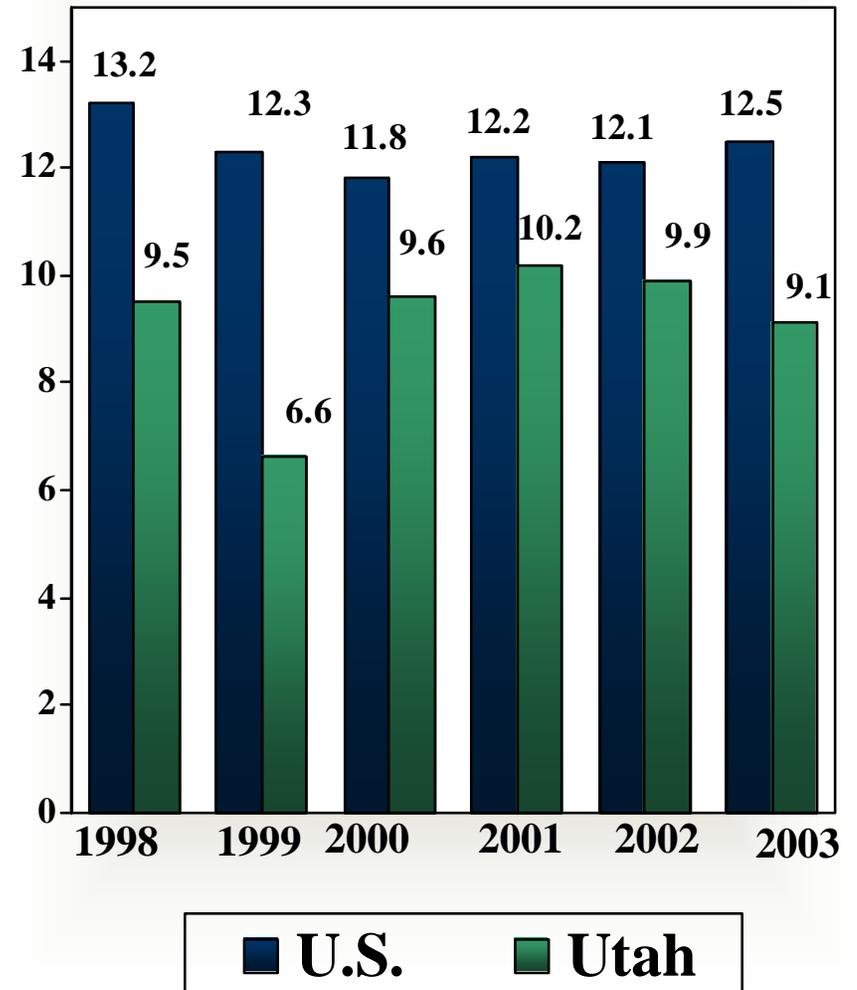
Source: 2005 Baseline Projections, GOPB

Utah Incomes Continue to Exceed that of the Nation

Median Household Income

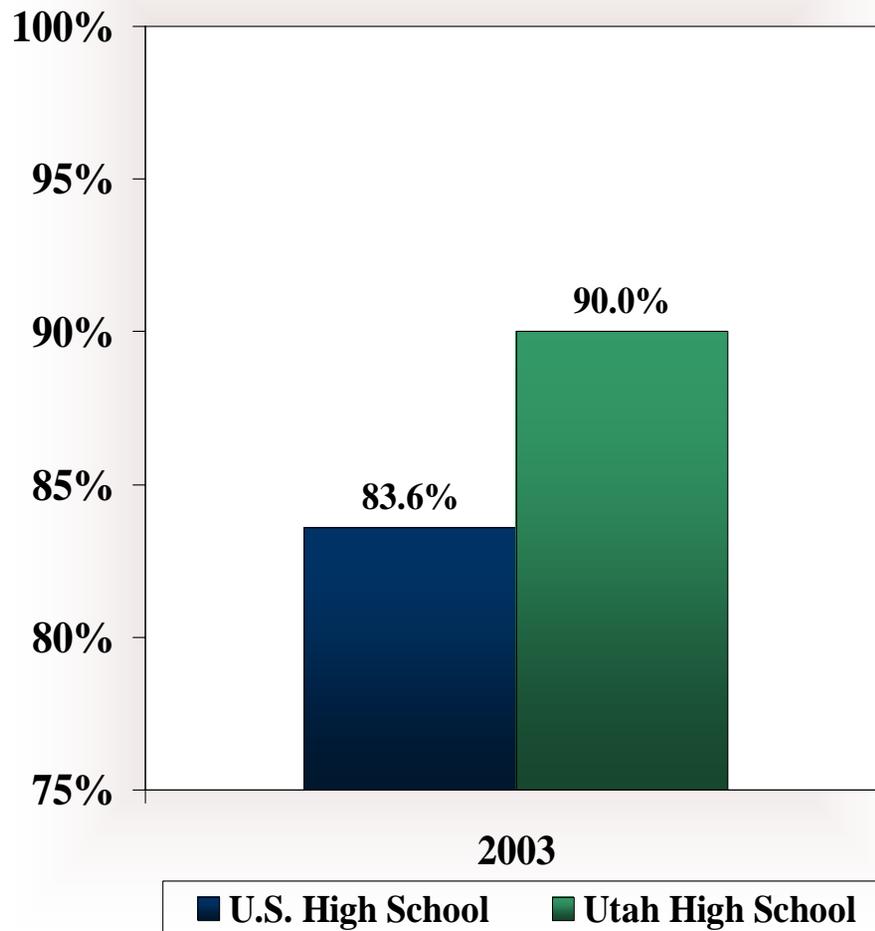


Percent of Persons in Poverty

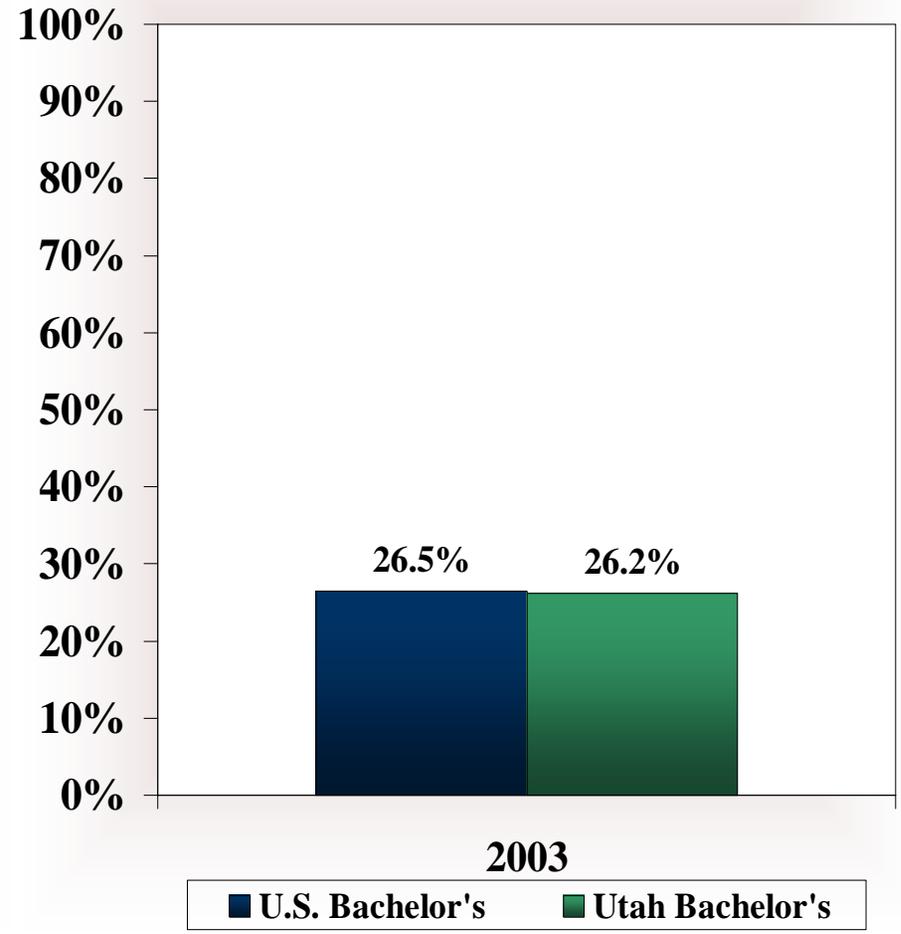


Education-Minded

High School Diploma or Higher



Bachelor's Degree or Higher

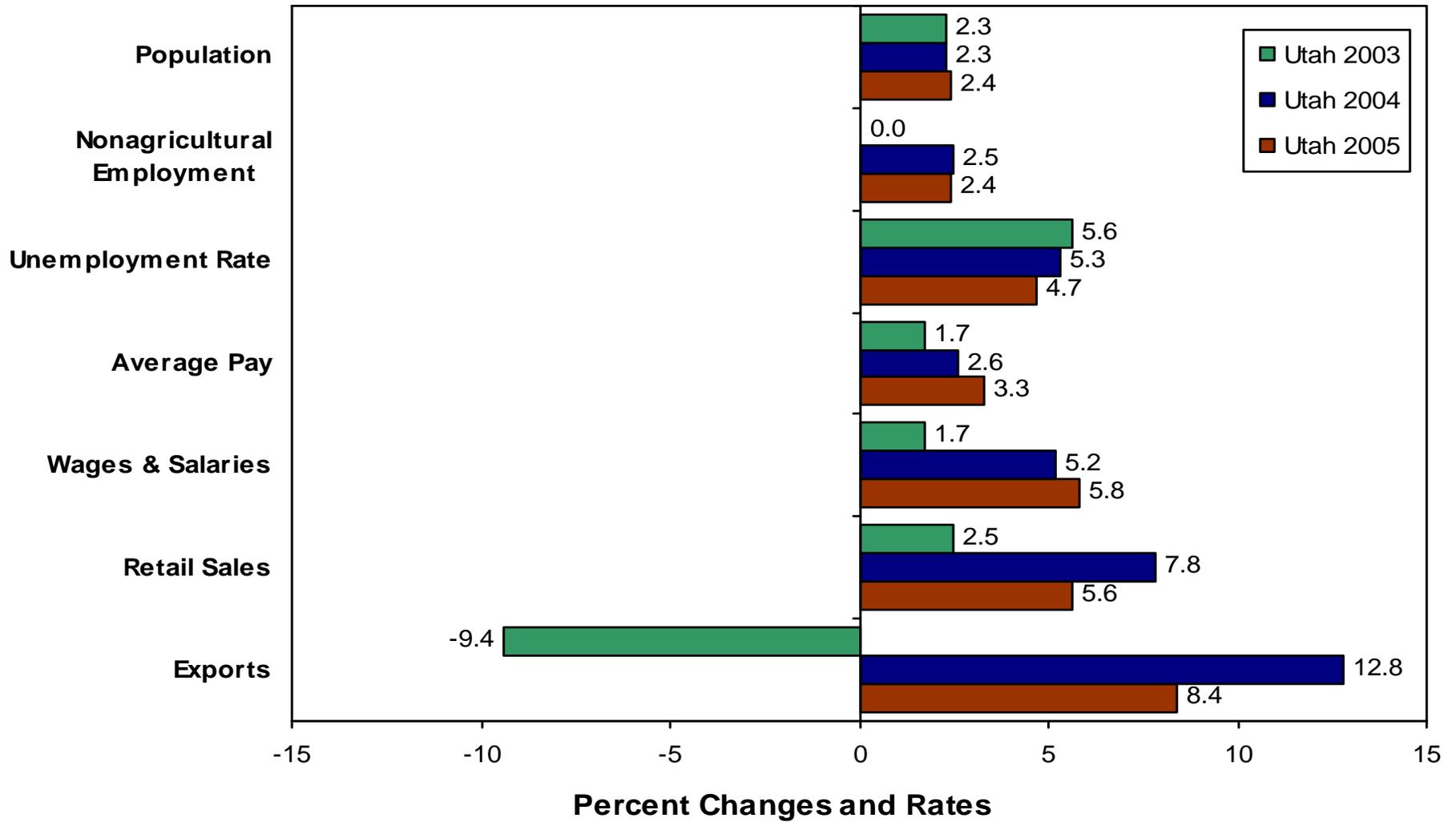




Mega-Projects

- Traverse Mountain - \$2 billion
- Airport Expansion - \$1 billion
- Daybreak by Kennecott Land - \$1 billion
- Jordan Bluffs Mixed Use - \$500m
- Commuter Rail - \$500m
- IHC Intermountain Medical Center - \$363m

Utah Economic Forecast





**ECONOMIC
REPORT
2005
TO THE
GOVERNOR**

Annual Utah Economic Review
Council of Economic Advisors
January 2005