

Economic And Demographic Trends & Issues In Utah

Utah League of Cities and Towns

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September 15, 2000

Forces Shaping the Future

Changing Political and Economic Institutions

Increasing Ethnic Diversity

Growth

Globalization

Technology

Third Wave

Urban/Rural Issues

Tax Structure



Aging

Increasing Life Expectancy

Status of Women

Changing Household Composition

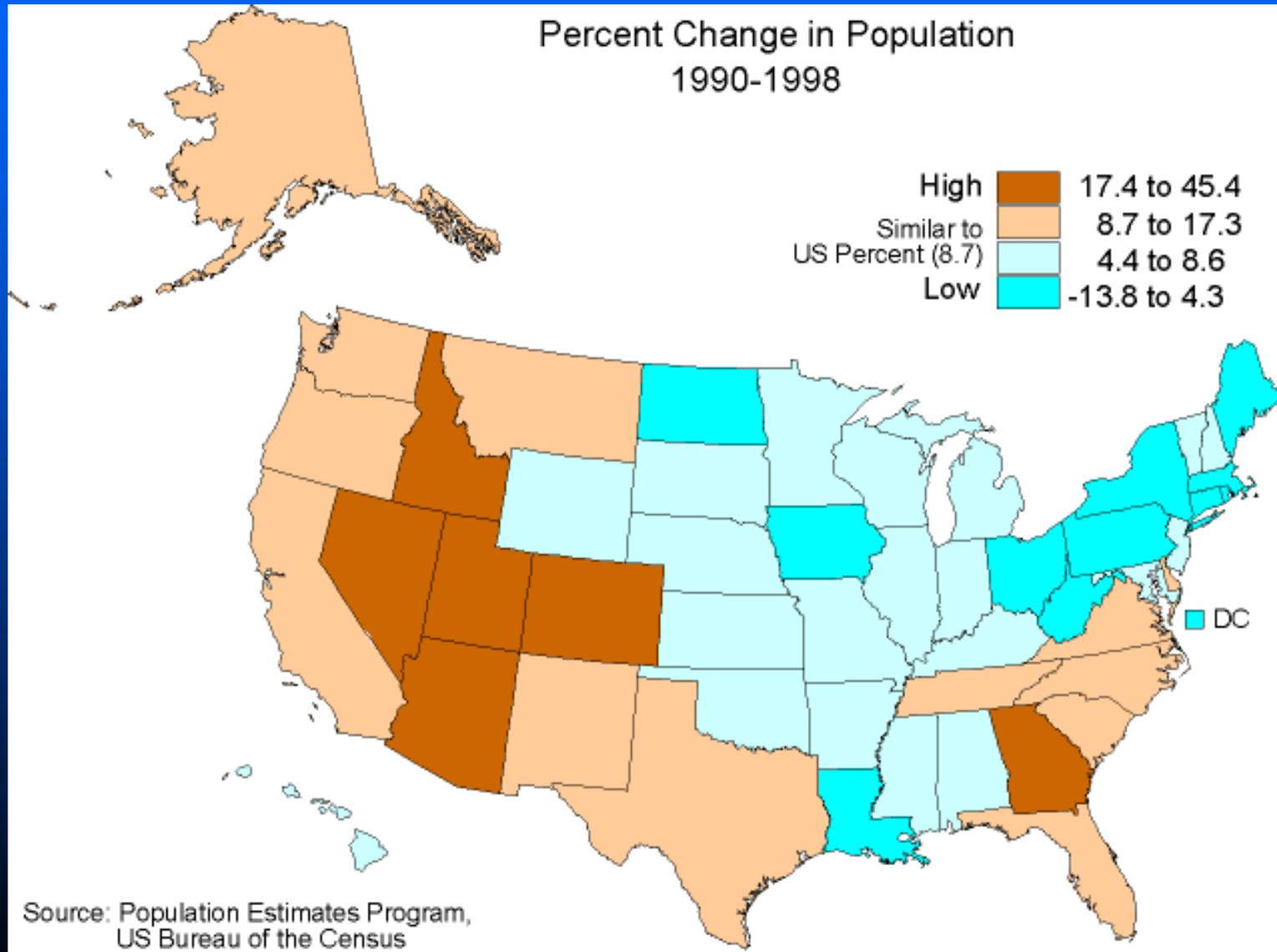
Slowing Economy



“Growth will be the dominant issue in our state over the next decade and beyond.”

Governor Mike Leavitt
State-of-State Address
January 16, 1995

Utah is Right in the Center of the Nation's Fastest Growing Area

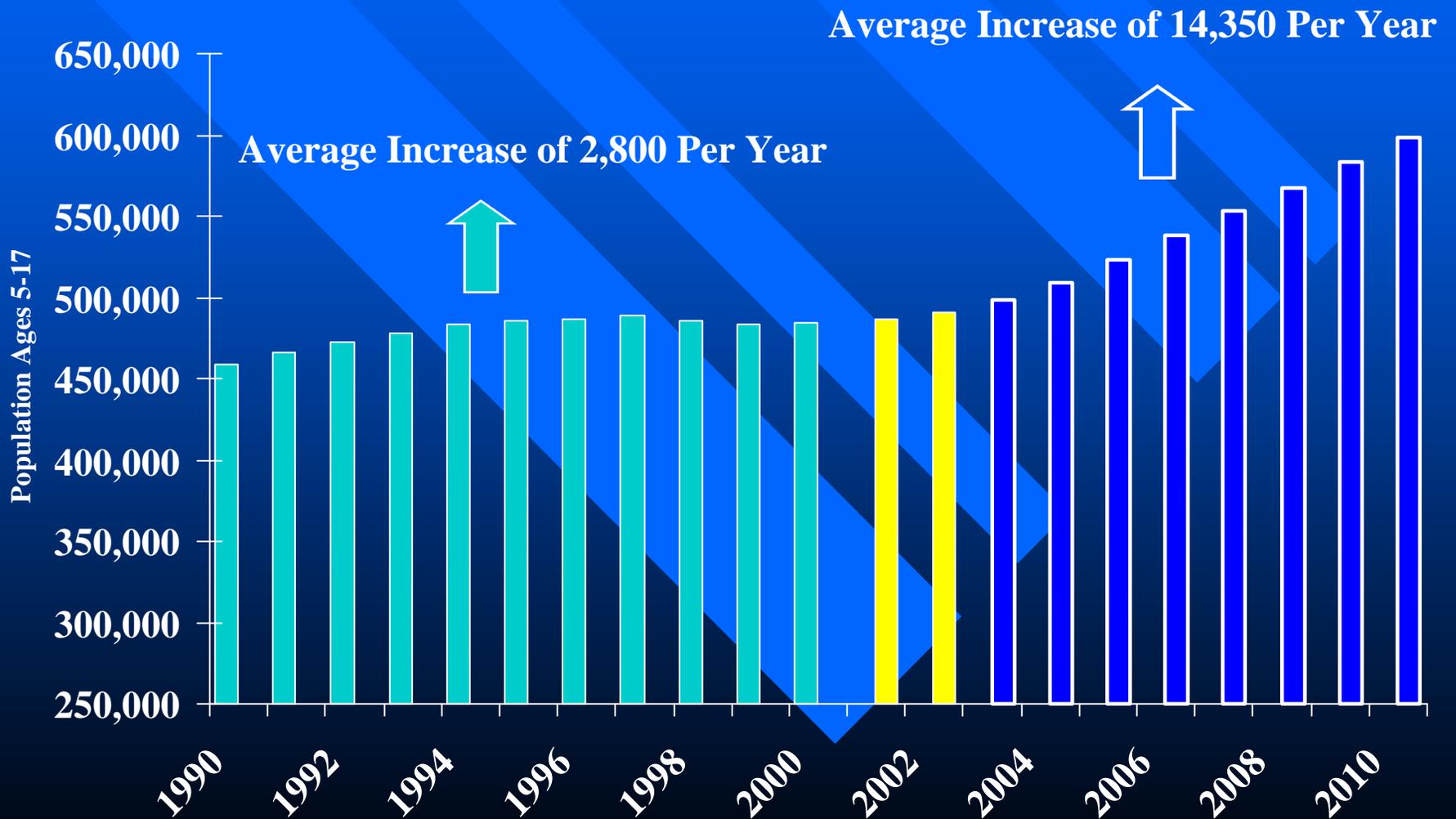


Growth Issues

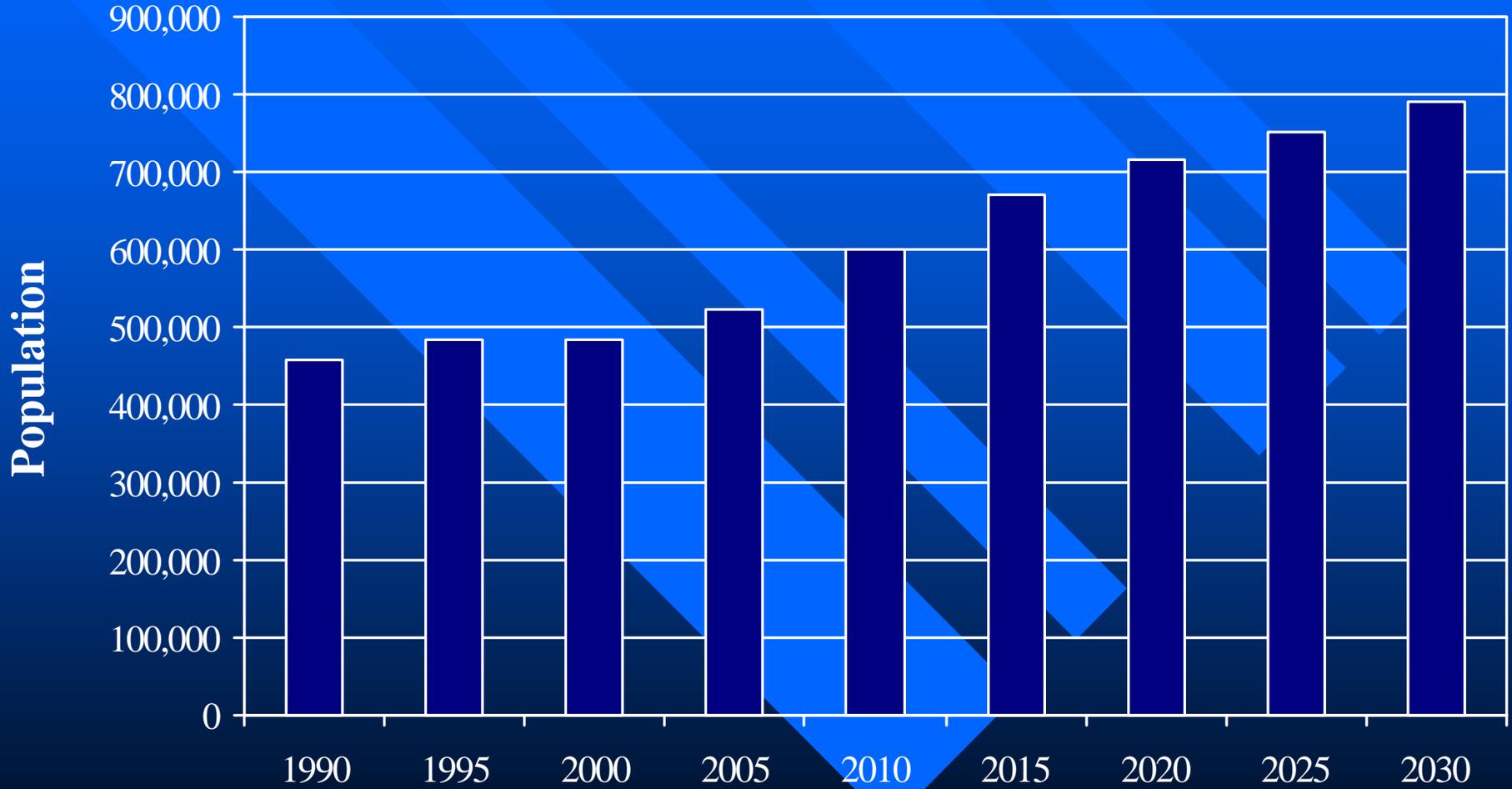
- **Rapid population and economic growth**
- **Treasured quality of life**
- **Spectacular natural environment**
- **Planning for the next million people**
 - **Congestion**
 - **Water Supply**
 - **Air Quality**
 - **Infrastructure Costs**
 - **Critical Lands**
 - **Multiple Jurisdictions**
 - **Tax Structure**

Utah School Age Population

(Two-Thirds More Students In Half The Time)

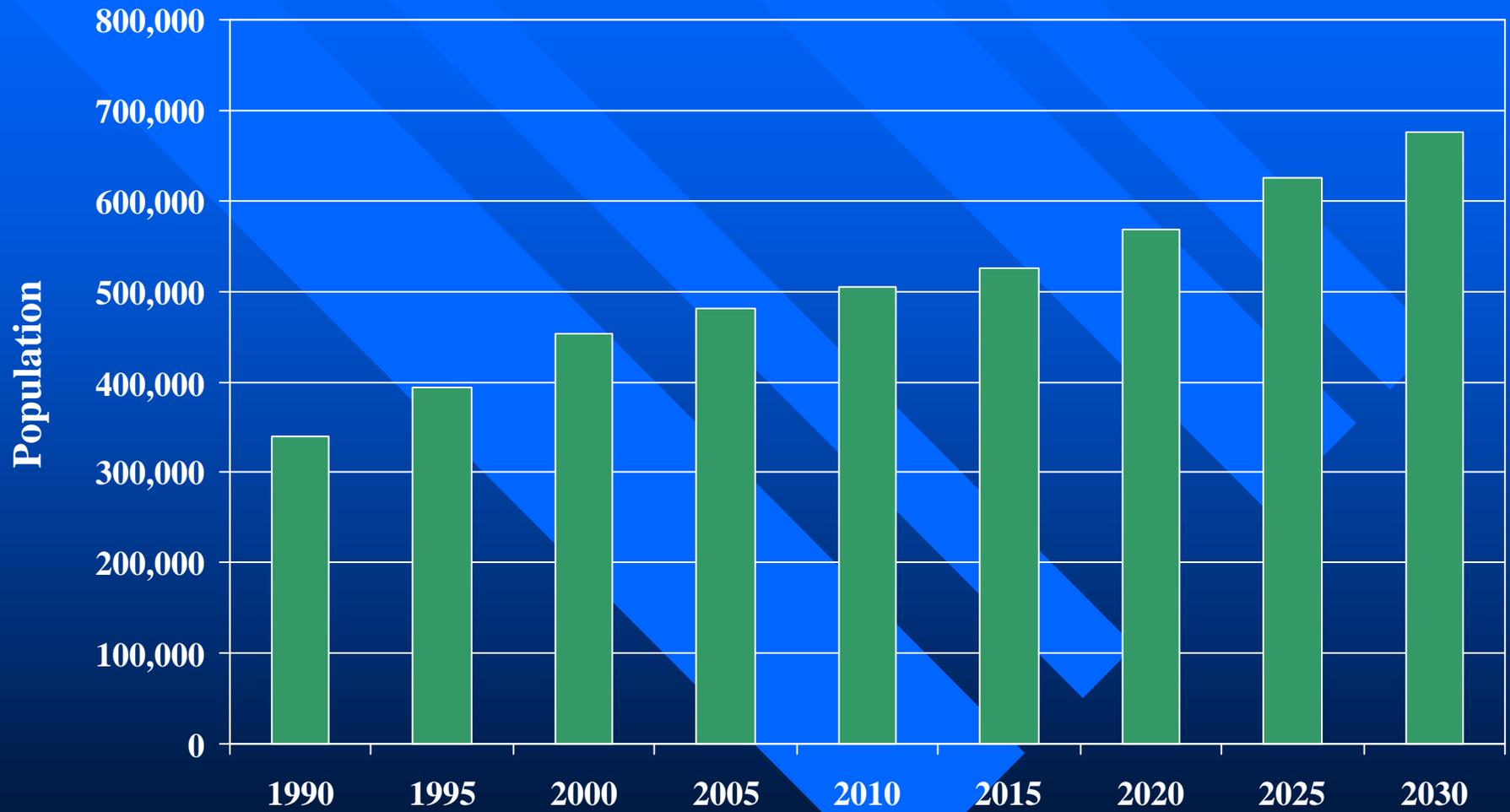


State of Utah Population Projections Ages 5-17



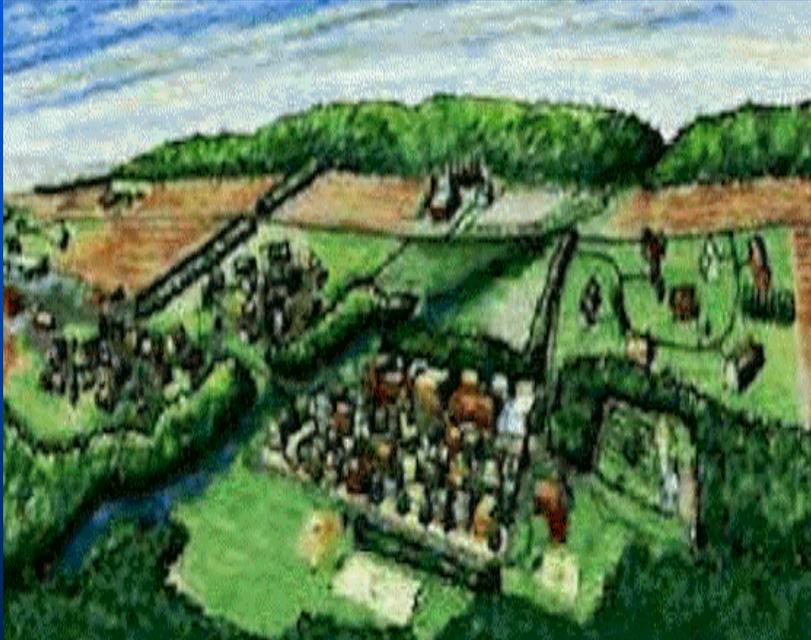
Source: Governor's Office of Planning and Budget

State of Utah Population Projections Ages 18-29



Source: Governor's Office of Planning and Budget

Challenges of Urbanization



- Crime
- Pollution
- Congestion
- Deteriorating Infrastructure
- Poverty
- Declining Tax Bases

Urban/Rural Conundrum

- Will future migration patterns be from urban to rural or rural to urban?

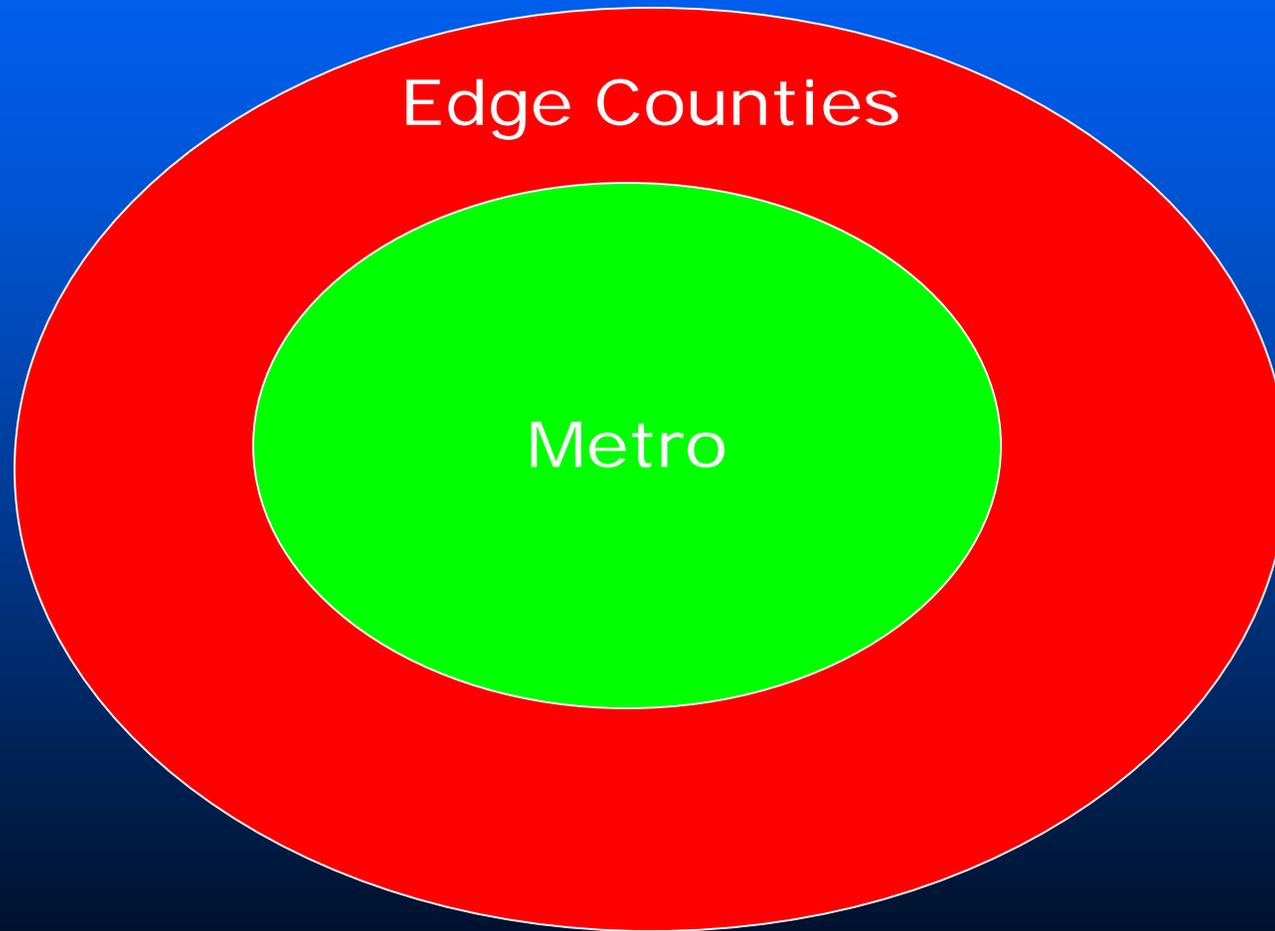
- **Urban to Rural**

- » Movement back to small towns (security and control)
 - » Movement to mild and wild places (outdoor recreation)
 - » Telecommuting, teleconferencing, telecomputing
 - » Increased affluence
 - » Aging population and retiree migration

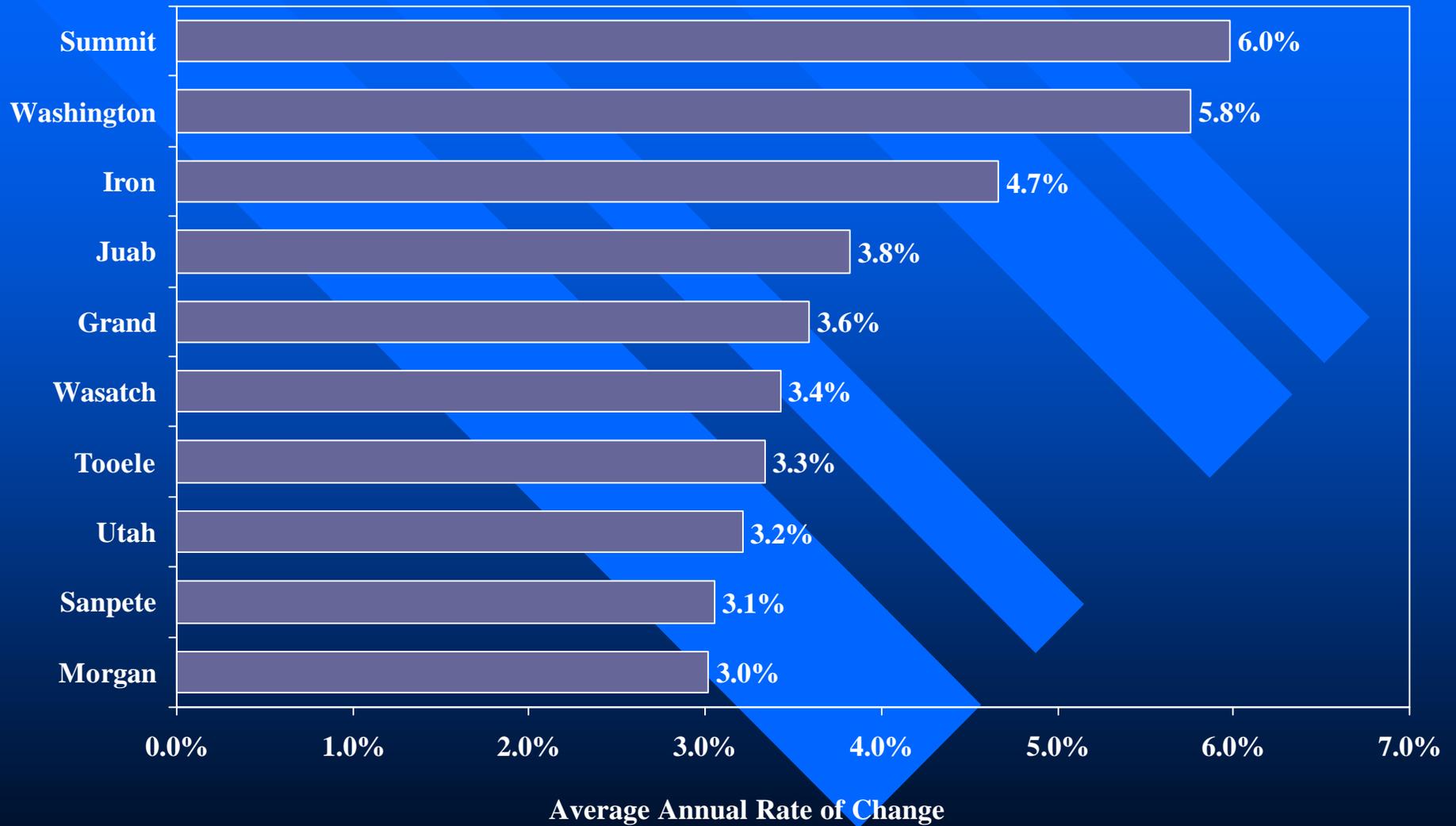
- **Rural to Urban**

- » Mechanization of extractive industries
 - » Urban demand for water and its impact on agricultural capacity
 - » Welfare reform eliminates important subsidy
 - » Tourism too seasonal and low income to support year round growth

Expect Rapid Growth in Edge Counties

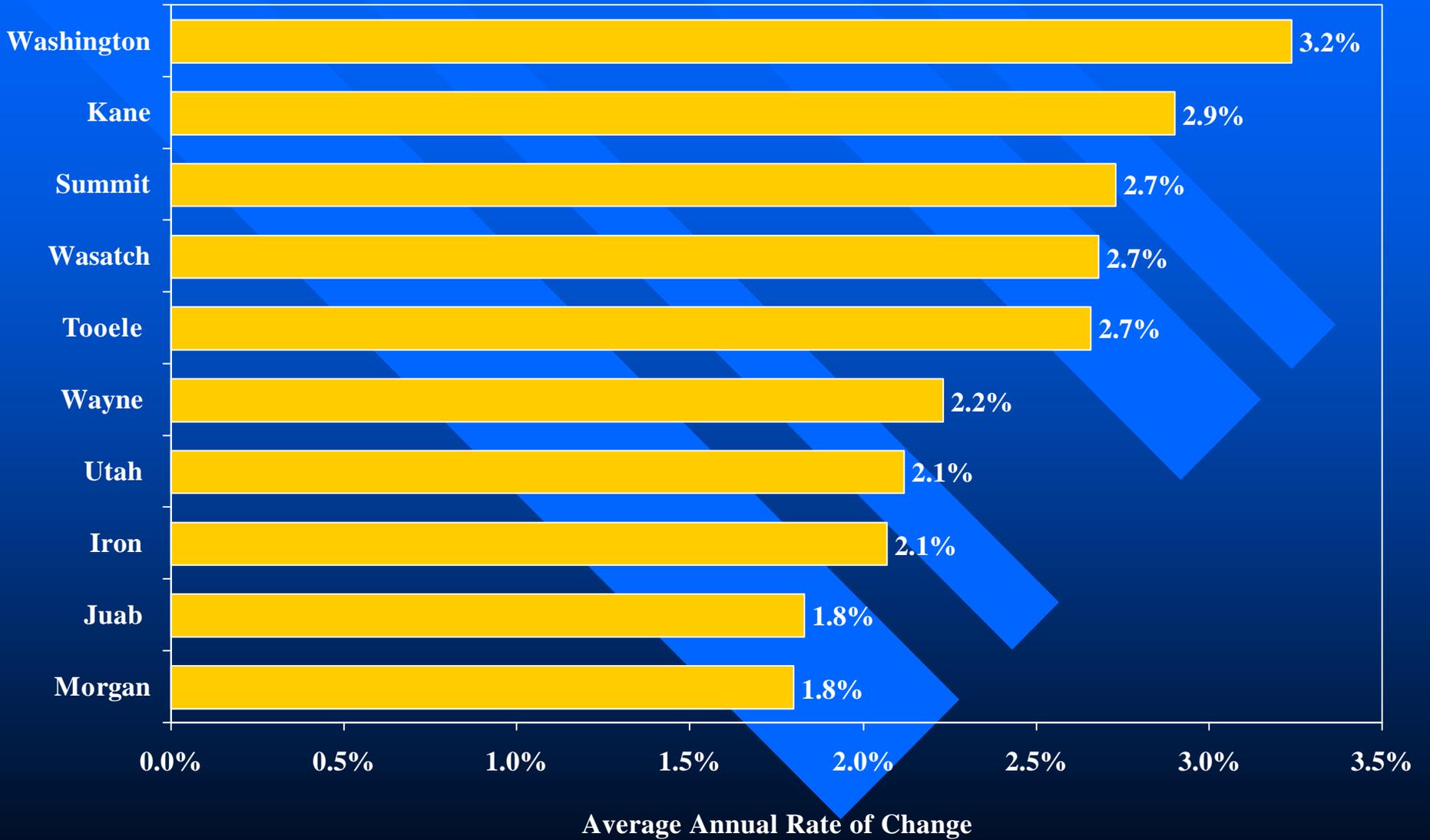


Utah's Ten Fastest Growing Counties 1990-1999



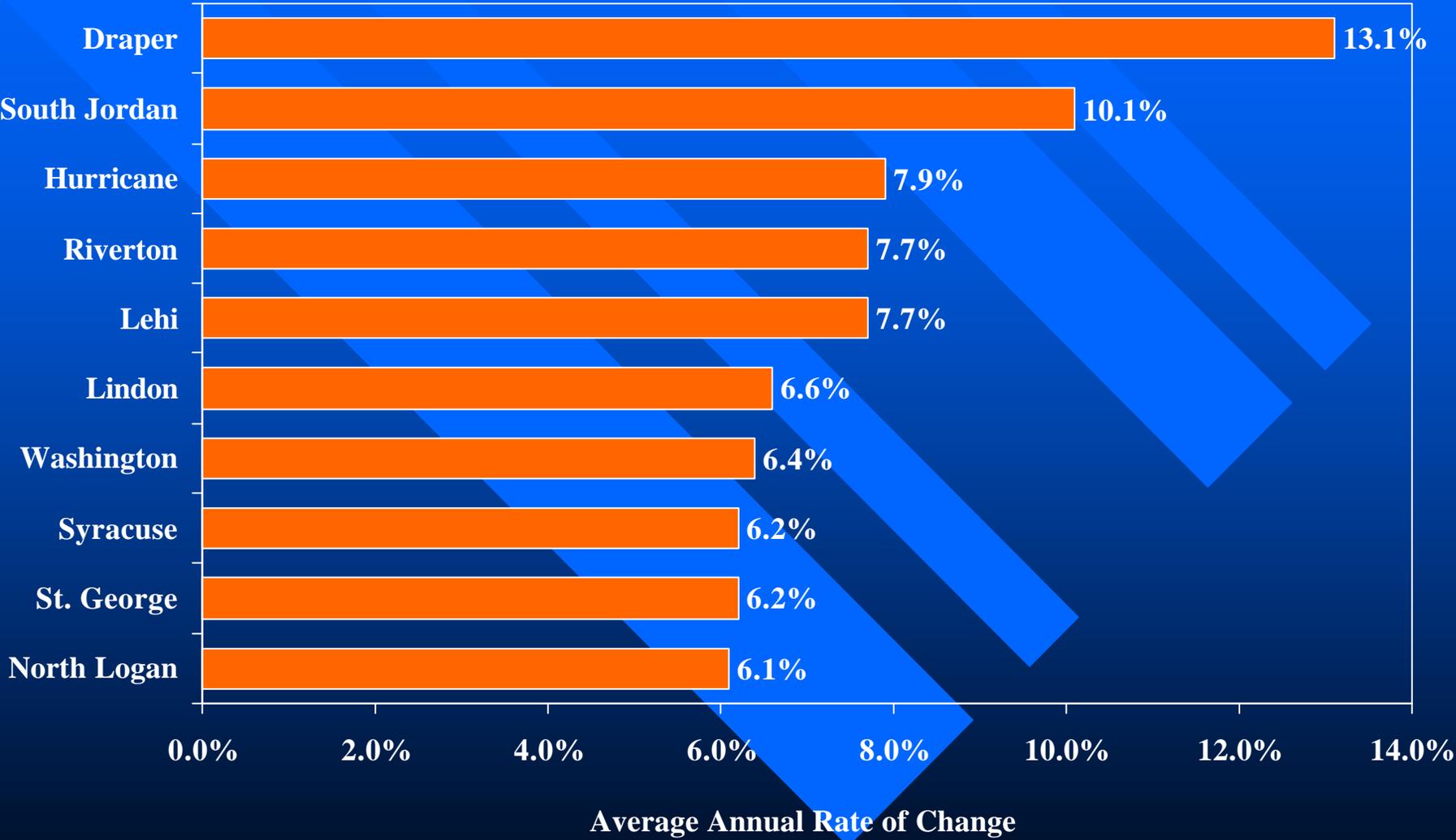
Source: Utah Population Estimate's Committee

Utah's Ten Fastest Growing Counties 2000-2030



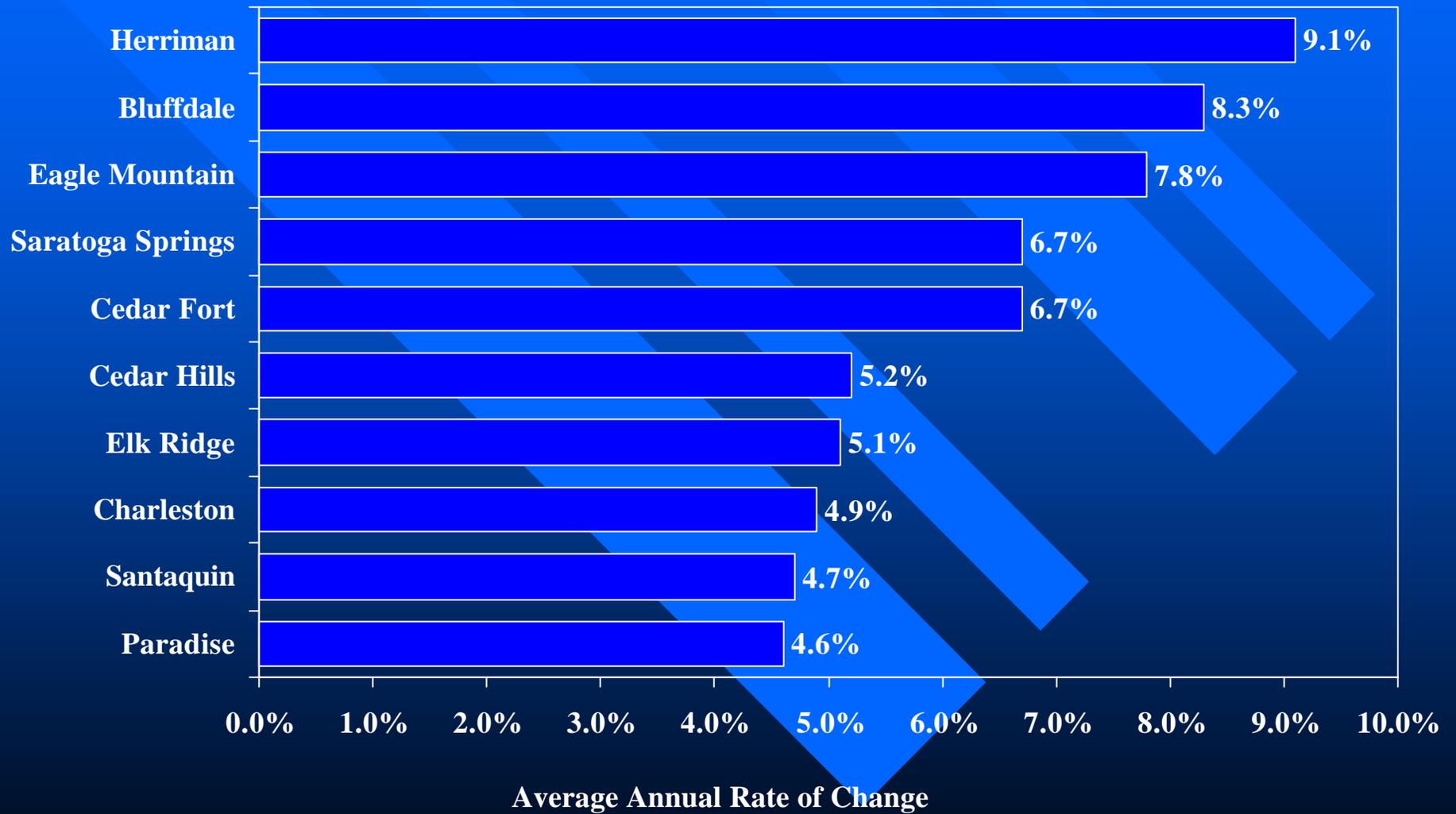
Source: Governor's Office of Planning and Budget

Utah's Ten Fastest Growing Cities 1990-1998



Source: U.S. Bureau of the Census

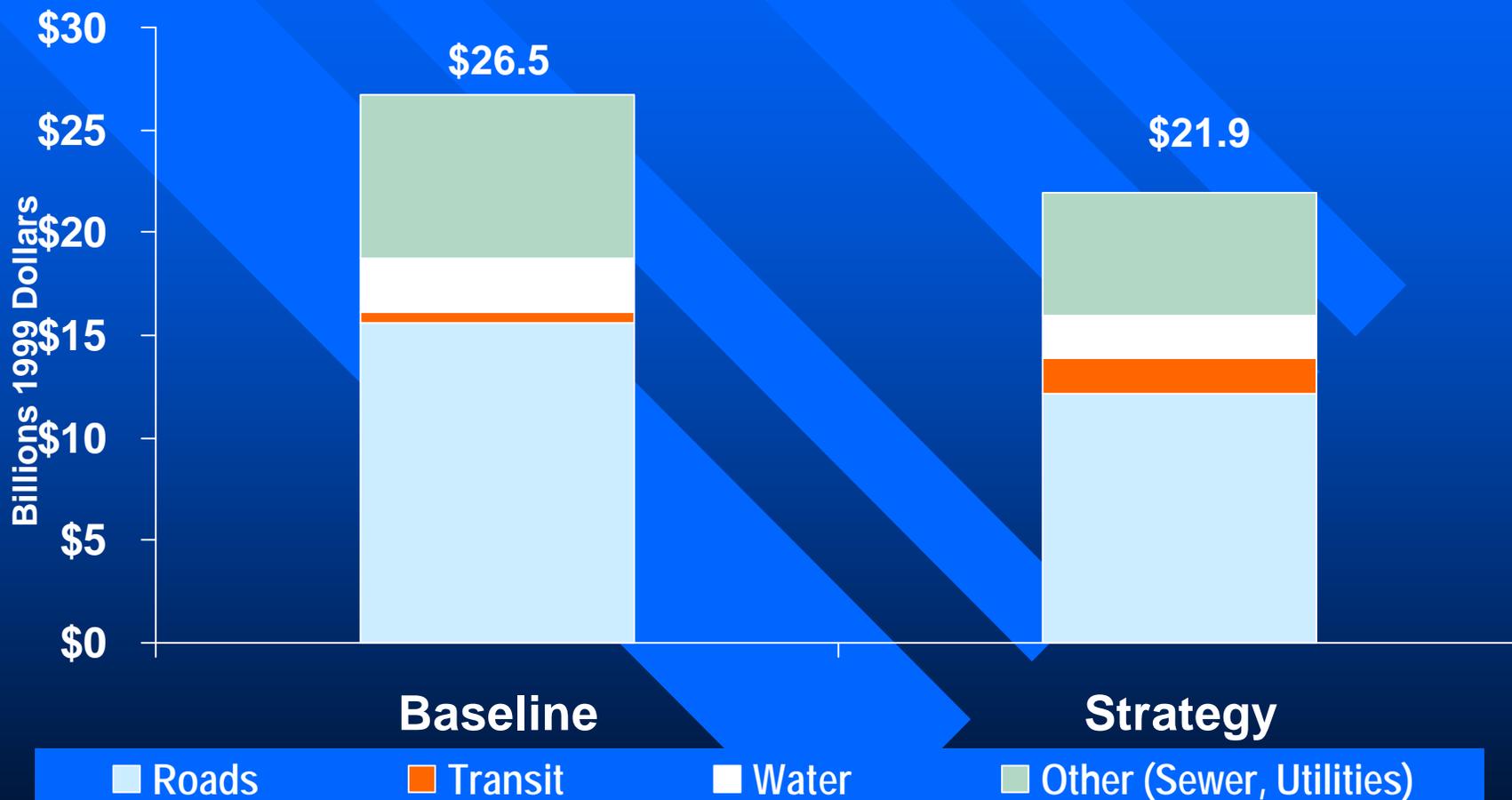
Utah's Ten Fastest Growing Cities 2000-2030



Source: Governor's Office of Planning and Budget



Total Infrastructure Costs: 1998-2020



Linear Infrastructure Cost

Collector	\$6.2 Million per Mile
Minor Arterial	\$5.9 Million per Mile
Principal Arterial	\$15.5 Million per Mile
Water Transmission	\$690 Thousand per Mile
Water Distribution	\$273 Thousand per Mile
Sewer Transmission	\$70 per Foot
Storm Drain	\$40 per Foot

The New Economic Environment

- Increasing globalization
- More intense competition
- Accelerating pace of technological change
- Changing tax structure
- New demands on education/skills

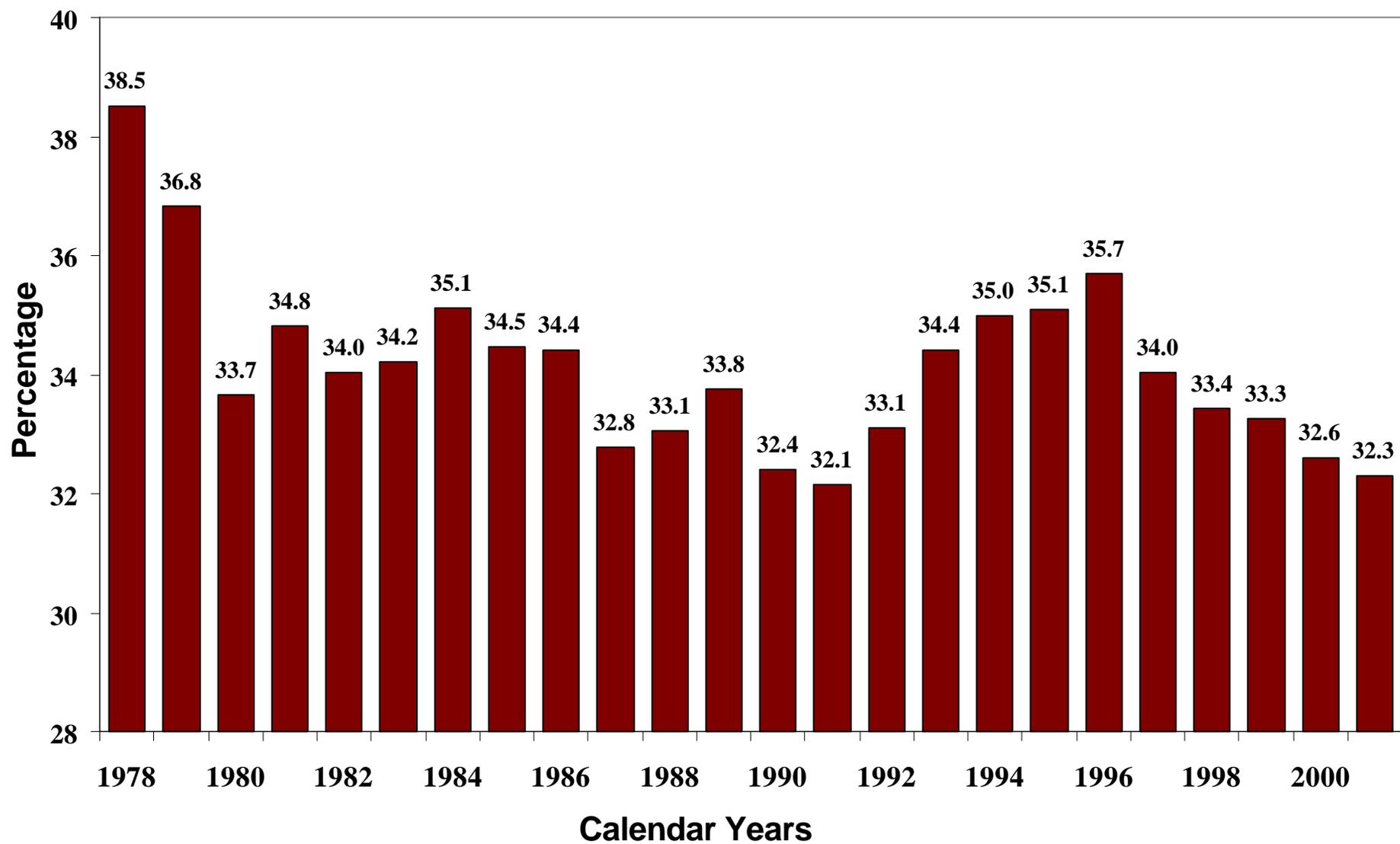
Five Key Strategies To Be Successful In The New Economy

- Co-invest in the skills of the workforce
- Co-invest in an infrastructure for innovation
- Foster the transformation to a digital economy
- Promote innovation and customer-oriented government
- Foster civic collaboration

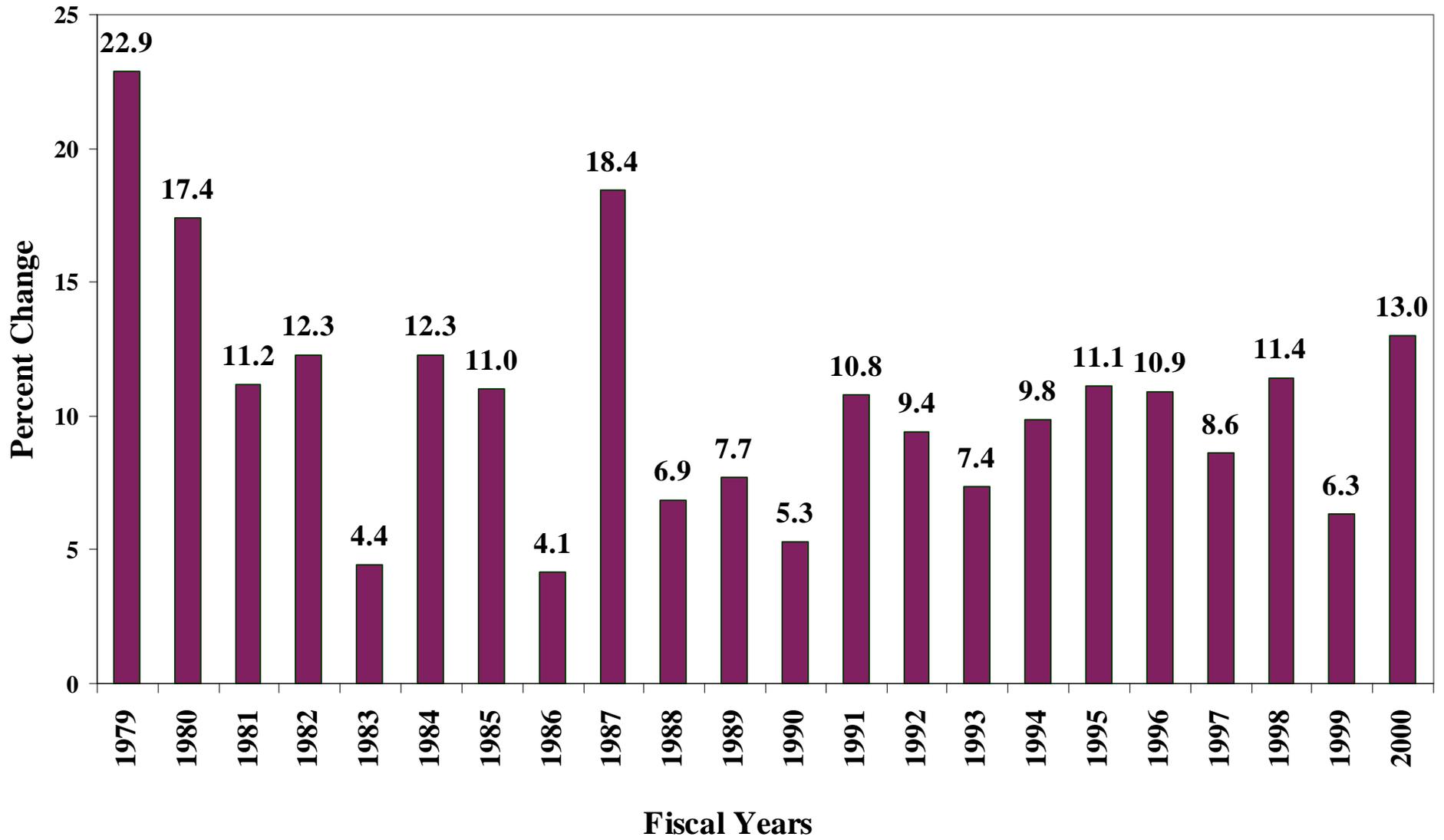
Characteristics Of Communities Where The New Economy Prosper

- Workforce
- Superior education system
- Quality of life
- Digital infrastructure
- Environment of entrepreneurship

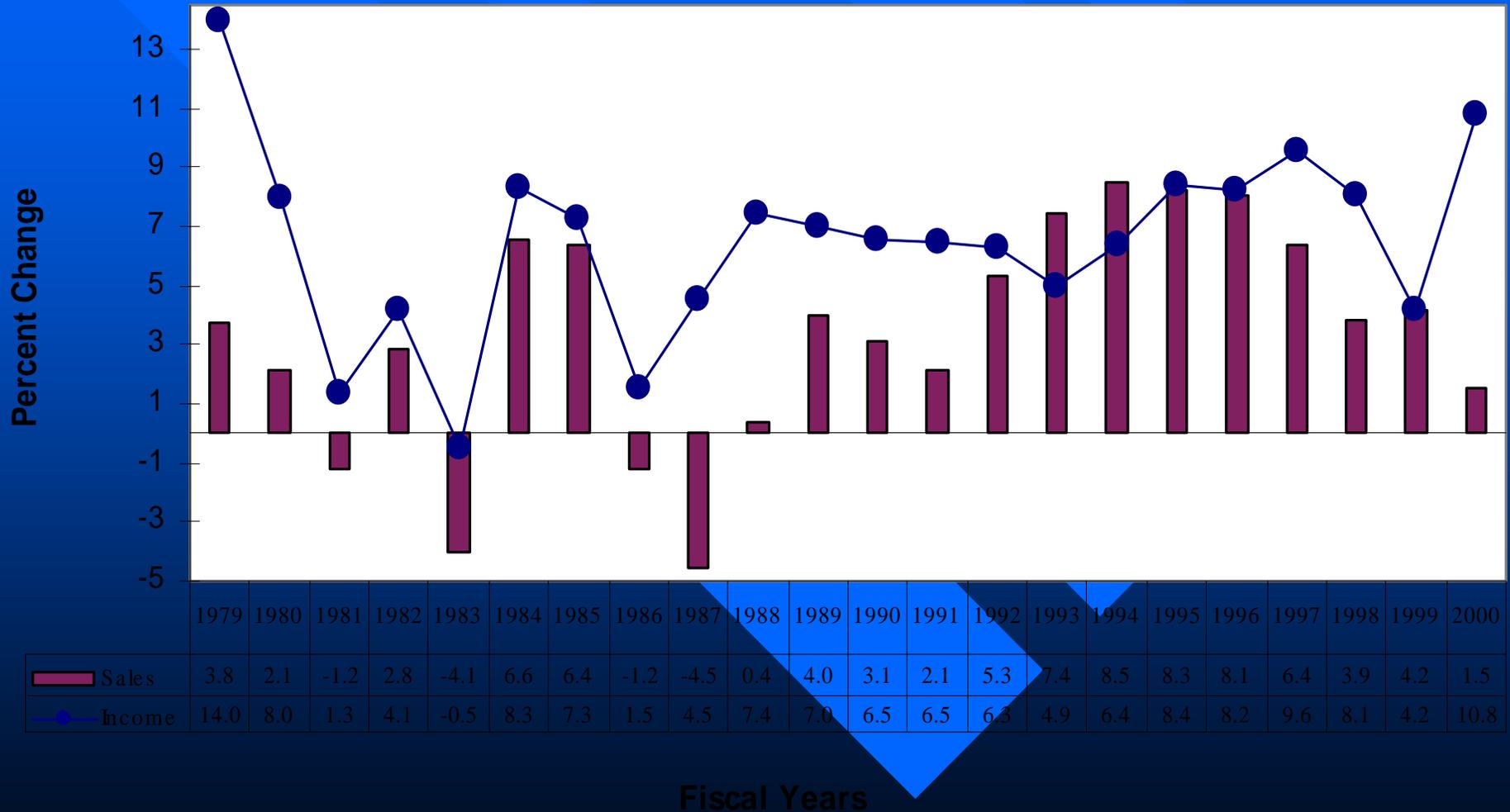
Taxable Retail Sales as a Percent of Personal Income



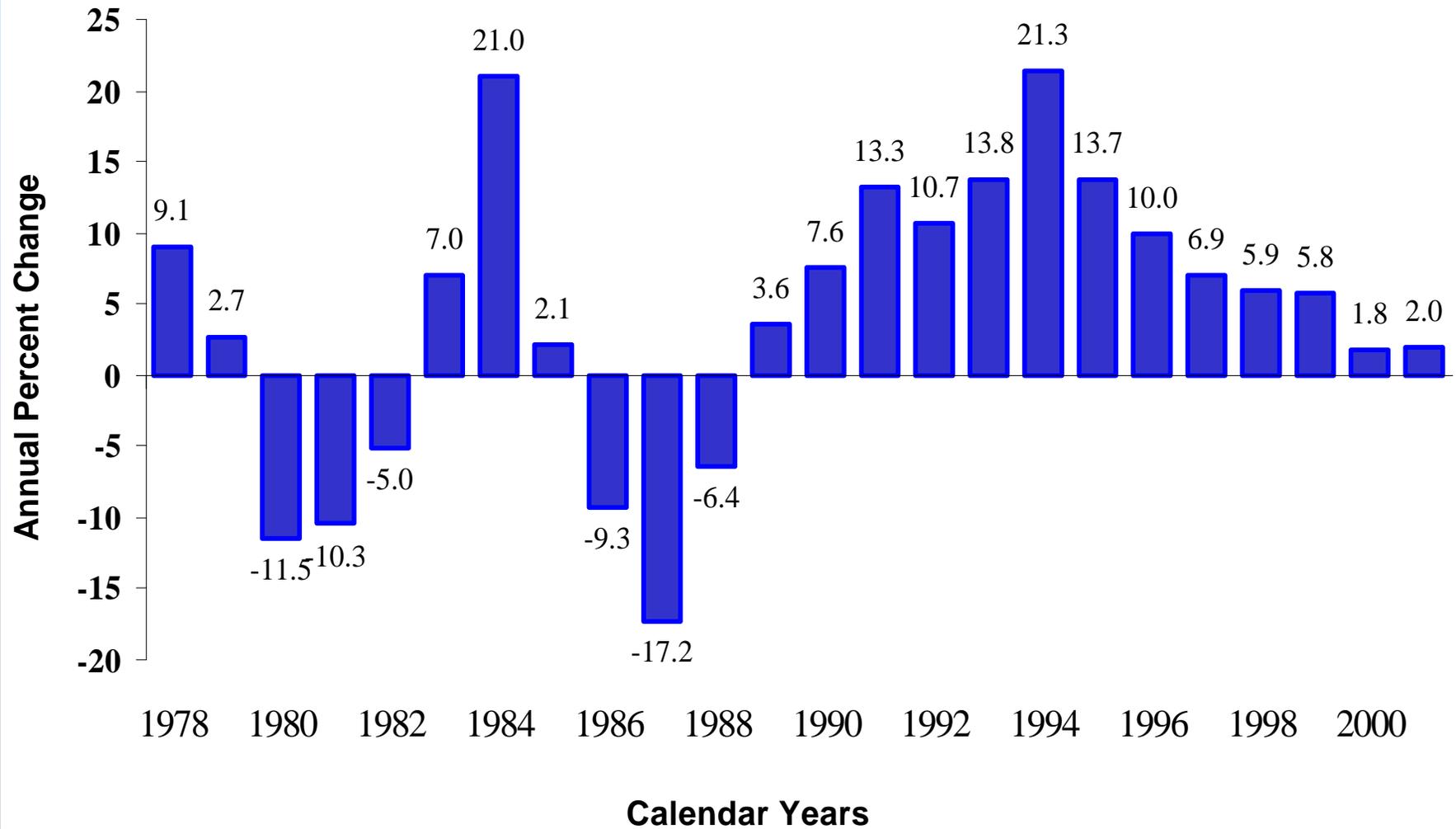
Percent Change in Income Tax Collections



Percent Change in Sales and Income Tax Collections Adjusted for Inflation and Tax Rate and Base Changes



Utah Construction Job Growth Rates



SUMMARY OF APPROPRIATIONS BY DEPARTMENT

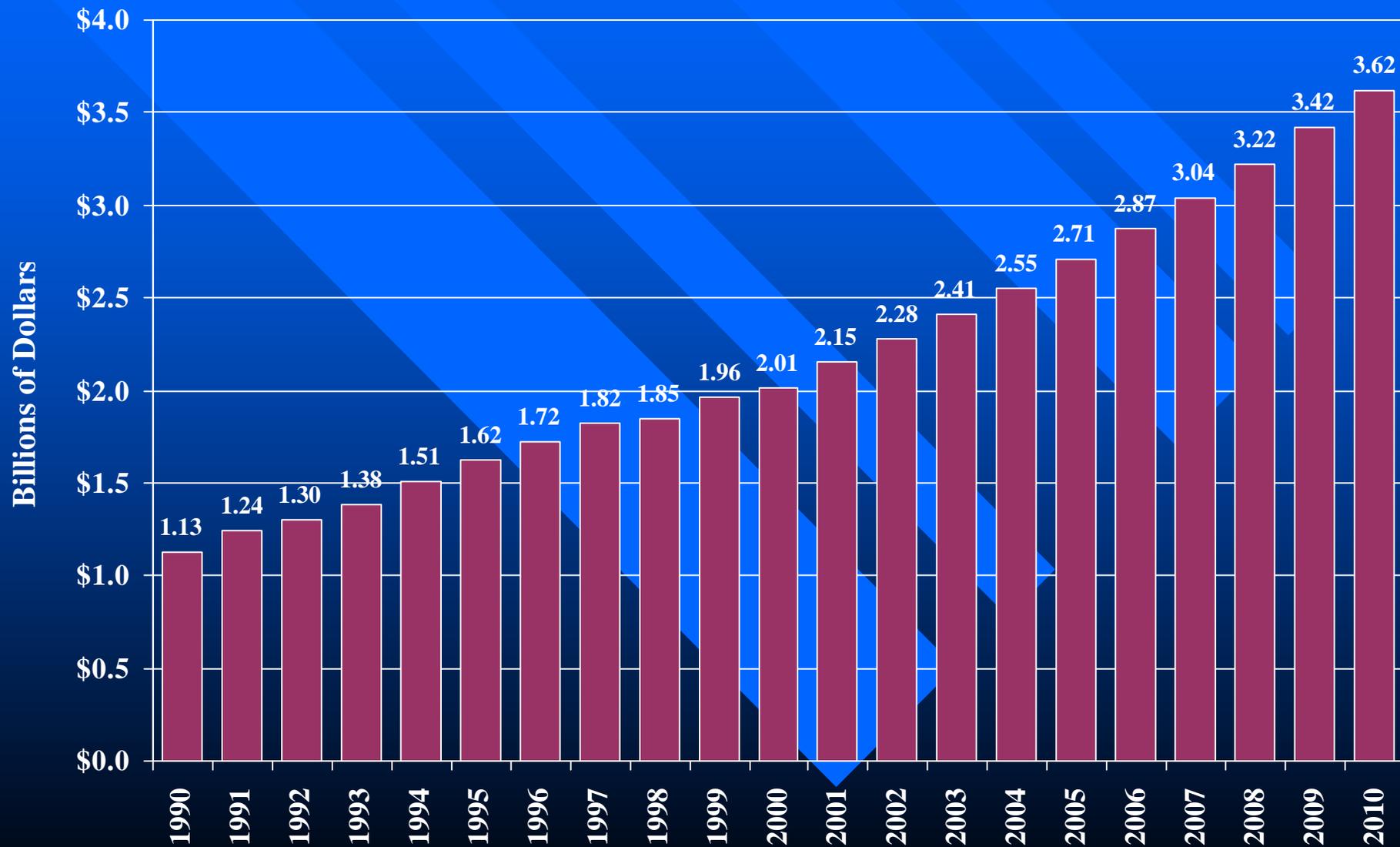
Operations and Capital Budgets Combined

General Fund and School Funds*

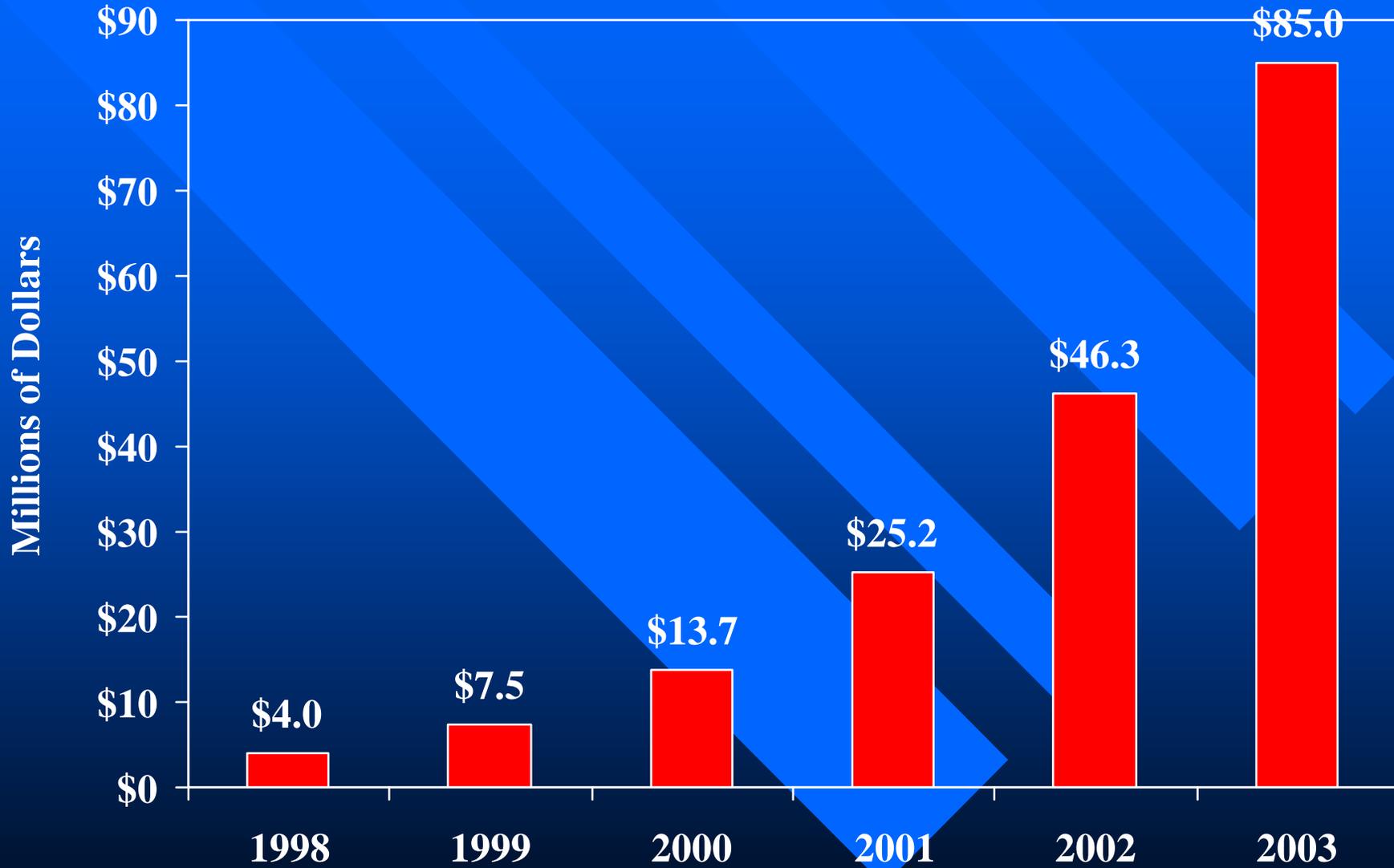
Three-Year Comparison

	Actual FY 1999	Authorized FY 2000	Percent Change 99/00	Appropriated FY 2001	Percent Change 00/01
Appropriations					
Administrative Services	\$78,310,100	\$61,035,500	(22.1%)	\$73,131,300	19.8%
Commerce and Revenue	103,162,800	105,670,600	2.4	109,460,500	3.6
Corrections (Adult and Youth)	210,792,100	225,668,800	7.1	240,954,400	6.8
Courts	82,736,000	85,760,200	3.7	89,512,500	4.4
Economic Dev. and Human Res.	40,381,800	35,072,900	(13.1)	38,475,000	9.7
Elected Officials	26,711,600	28,788,500	7.8	29,886,400	3.8
Environmental Quality	9,084,100	10,728,100	18.1	9,759,000	(9.0)
Health	174,081,500	183,647,800	5.5	194,316,600	5.8
Higher Education	527,287,500	545,585,300	3.5	570,476,700	4.6
Human Services	180,571,100	193,430,900	7.1	201,383,700	4.1
Legislature	12,427,000	12,620,000	1.6	13,569,800	7.5
National Guard	3,298,600	3,475,300	5.4	3,672,300	5.7
Natural Resources	44,030,900	46,266,400	5.1	46,316,200	0.1
Public Education	1,516,144,600	1,568,603,200	3.5	1,664,804,746	6.1
Public Safety	39,743,500	42,137,200	6.0	43,812,100	4.0
Transportation	111,093,300	123,697,600	11.3	135,142,600	9.3
Debt Service	88,377,700	91,359,200	3.4	93,376,400	2.2
TOTAL APPROPRIATIONS	\$3,248,234,200	\$3,363,547,500	3.6%	\$3,558,050,246	5.8%

Secondary and Elementary State and Local Education Expenditures



State Sales Tax Losses from Internet Sales



Source: Forester Research, April 2000

We Need to Pay Relentless Attention to the Future

- Skate to where the puck is *going* to be
- All change doesn't mean progress; all progress requires change
- Become a generation of planners
- The best way to predict the future is to invent it

NEED TO FOCUS ON

- Education
- Business Climate
- Younger Population
- Nuturing High Tech
- Physical Infrastructure
- Quality of Life
- Tax Structure