



State of Utah
Jon M. Huntsman, Jr.
Governor



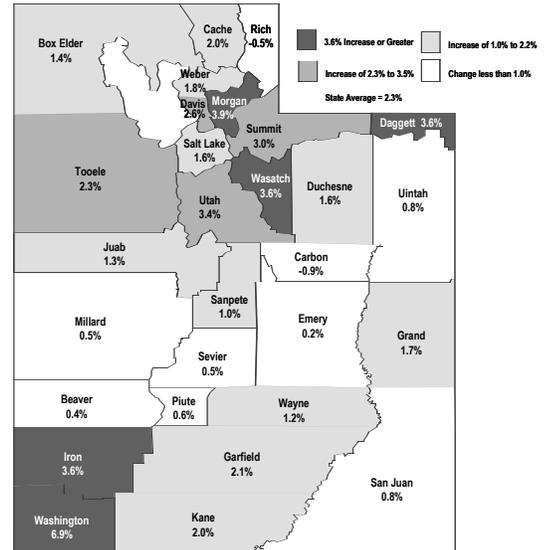


Demographics

- ▶ **Population:** The state's official July 1, 2004 population was estimated to be 2.47 million, increasing 2.3% from 2003. Although the state continues to experience net in-migration, natural increase accounts for the majority of Utah's population growth.
- ▶ **Rate of Growth:** According to the U.S. Census Bureau, Utah ranked seventh among states with a population growth rate of 1.6% from 2003 to 2004. The U.S. rate of growth was 1.0%.
- ▶ **Median Age:** According to U.S. Census Bureau, Utah continued to be the youngest state in the nation in 2003, with a median age of 27.5, compared to 35.9 nationally.
- ▶ **Long-Term Projections:** The state's population is projected to be 2.83 million in 2010, 3.49 million by 2020, 4.09 million in 2030, 4.7 million in 2040, and will reach 5.4 million by 2050.

2004 Utah Population Estimate	2,469,230
2003-2004 Percent Change	2.3%
2004 Net Migration	18,367
2004 Natural Increase	37,245
2004 Fiscal Year Births	50,527
2004 Fiscal Year Deaths	13,282

Population Growth Rates: 2003-2004

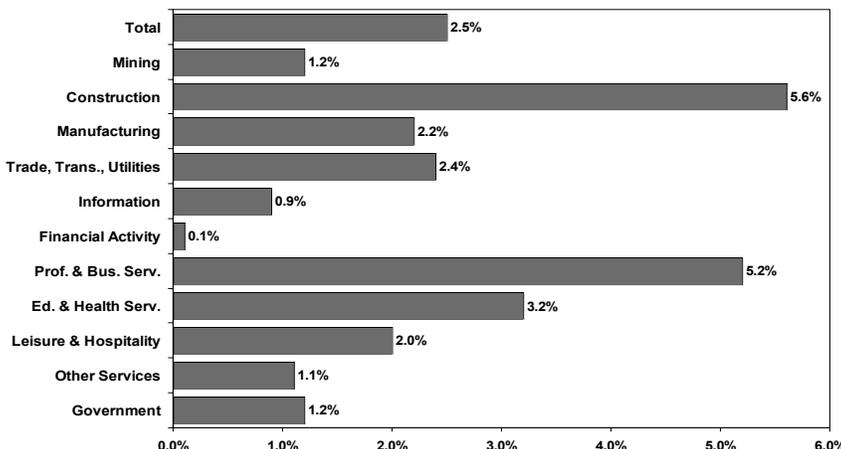


Source: Utah Population Estimates Committee

Employment and Wages

- ▶ **Utah's economy improved significantly in 2004, rebounding from the downturn that began in 2001.**
- ▶ **Job Growth** – Job growth rebounded from 0.0% in 2003 to 2.5% in 2004.
- ▶ **Industry Focus** – Construction, professional and business services, and education and health services all experienced job growth higher than the state average of 2.5%. All other sectors also experienced positive job growth from 2003 to 2004.
- ▶ **Unemployment** – Utah's 2004 unemployment rate was 5.3%. On average, there were 63,100 Utahns unemployed in 2004.
- ▶ **Average Wage** – In 2004, Utah's average annual nonagricultural wage was \$31,415, an increase of 2.6% from 2003.

Percent Change in Utah Employment by Industry: 2003-2004 Annual Averages



Source: Department of Workforce Services

Total Nonagricultural Employment (2004p)	1,101,400
Increase (2003-2004)	27,269
Percent Change (2003-2004)	2.5%
Unemployment Rate (2003)	5.3%
Total Nonagricultural Wages (2004p)	\$34.6 billion
Percent Change (2003-2004)	5.2%
Average Annual Wage (2004p)	\$31,415
Percent Change (2003-2004)	2.6%
Total Personal Income (2004p)	\$62.2 billion
Percent Change (2003-2004)	4.9%
Per Capita Personal Income (2004p)	\$25,870
Percent Change (2003-2004)	2.5%

Note: p=preliminary

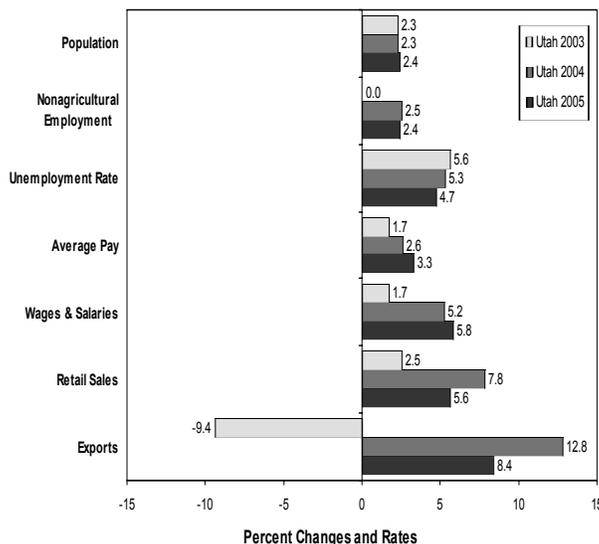
Industry Focus

- ▶ **Construction** - The value of permit-authorized construction set an all-time record in 2004 of \$4.9 billion. Residential construction led the way with a record \$3.4 billion in new construction. Low mortgage rates throughout 2004 drove demand for new single-family homes to a near record high of 17,000 units.
- ▶ **Tourism** - Utah's travel and tourism sector saw improvements in 2004, as did the industry on a national basis. Each of the five major tourism sectors - transportation, eating and drinking, hotels and lodging, amusement and recreation, and car rentals, all experienced gains. Like the rest of the nation, Utah benefited from an improving economy and the fact that the devastating effects of 9-11 have been dissipating. However, the long-lasting drought, the rise in energy prices, and losses in the national share of the market will pose challenges in 2005.
- ▶ **Exports** - Utah's exports increased 12.8% during 2004, from \$4.1 billion to \$4.6 billion. Shipments of gold accounted for almost 31% of the total during 2004, continuing this new trend in the global economy. Utah's exports to China exceeded \$100 million for the second year in a row, ranking China as Utah's number nine market. As the world economic recovery strengthens during 2005, Utah's exports should continue to grow.
- ▶ **High Technology** - Utah's technology sector continued to lose jobs during 2004, extending a decline that began in 2001. From January 2001 through June 2004 Utah's technology sector lost 9,492 jobs - a drop of over 14%. However, these losses began to abate in 2004. In 2003, 14 industries posted job losses, seven of which were more than 100 workers. In 2004, ten industries posted job losses, however, only two of these (computer and peripheral equipment and motion picture and video production) had losses of more than 100 workers. Five industries reported job growth of more than 100 workers.
- ▶ **Energy and Minerals** - Energy production in Utah was generally on the decline, while consumption and prices were on the rise. Despite recent declines, production of coal and natural gas has satisfied increasing demand, unlike crude oil production, which is only a third of what it was 20 years ago. The value of mineral production in Utah grew 27% during 2004 to \$2.2 billion, from \$1.8 billion in 2003. The record value of production results from substantial increases in both metal prices, and increases in the production and prices of most industrial mineral commodities.
- ▶ **Agriculture** - Net farm income grew from \$ 254 million in 2002 to \$368 million in 2003, which represents a 45% growth rate. Due to high prices for livestock and crops, farm income is forecast to set record levels in 2004 and continue growing in 2005.

Major Findings

- ▶ **Overview of the Economy** - Utah's economy improved significantly in 2004. The slowdown beginning with the 2001 recession ended, and growth accelerated. Continuing the trend from the 1990s, Utah outperformed the nation in 2004, with job growth of 2.5%, compared to 1.0% nationally. Strong growth in the construction and professional and business services sectors, as well as in defense spending, strengthened the Utah economy in 2004.
- ▶ **The Construction Boom Continues** - Low interest rates and a growing economy powered construction value to an all-time high in 2004 of \$4.9 billion, up 6.4% from the 2003 record of \$4.6 billion. The number of new dwelling units receiving building permits totaled 23,500 in 2004. Low mortgage rates throughout 2004 drove demand for new single-family homes to a near record high of 17,000 units, just under the 1977 record of 17,424. For the second year, condominium construction was very strong, capturing 12% of the residential market.
- ▶ **Record Defense Spending** - Utah's defense industry continued to expand in 2004, due to heightened geopolitical conflict. Defense spending in Utah in 2003 totaled \$3.1 billion, rising 24.7% from the previous year.
- ▶ **Outlook for 2004** - The outlook calls for continued growth during 2005. Employment growth of 2.4% will nearly match the 2004 rate of 2.5%. Population growth will be at 2.4%, a slight increase over 2004's 2.3%, due to stronger net in-migration. Net in-migration is expected to be up since the Utah economy will outperform the national economy in 2004. Construction job growth will remain strong at 4.8% with total value on track to meet or exceed the 2004 record.

Utah Economic Indicators: 2003-2005



Source: Council of Economic Advisors' Revenue Assumptions Committee

Significant Utah Rankings

	State Rank	Value	Year
<u>Demographic</u>			
Population Growth Rate	7th	1.6%	2003-2004
Fertility Rate	1st	2.56	2002
Life Expectancy	3rd	78.6 years	2000
Median Age	1st	27.5 years	2003
Household Size	1st	3.13 persons	2000
<u>Social Indicators</u>			
Violent Crime	8th	248.6 per 100,000 people	2003
Poverty Rate	35th	9.8%	2001-2003
Educational Attainment	5th	90.0% of persons 25+ w/ high school degree	2003

	State Rank	Value	Year
<u>Economic</u>			
Rate of Job Growth	20th	0.0%	2003
Urban Status	9th	88.3% urban	2000
Unemployment Rate	23rd	5.6%	2003
Median Household Income	12th	\$49,143	2001-2003
Average Annual Pay	36th	\$31,415	2003
Per Capita Personal Income	47th	\$25,870	2003

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.



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January 13, 2005

My Fellow Utahns:

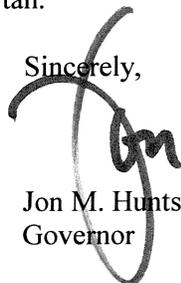
It is with great pleasure that I accept the *2005 Economic Report to the Governor*. I commend the Council of Economic Advisors for their service and for the research that went into the preparation of this annual report. The report serves as a critical resource for the state of Utah's research and planning needs during the upcoming year.

The last three years have been difficult from an employment perspective for the state, but 2004 has seen the beginnings of renewed job growth and I have a sense of optimism about our future. We live in the greatest state in America, and people all around the globe are on the verge of discovering us. From the outset of my campaign I vowed to listen and learn from the citizens of this great state. Repeatedly I heard themes from families of the desire to live, work, and raise their children in Utah, but economic situations often proved too difficult and forced them or their children out of state to find a job that paid a higher wage. This state has seen unprecedented growth that is not presently forecasted to slow down anytime soon. We must broaden our economic base, create new high-paying jobs that allow Utahns to remain at home and create revenue to the state that will allow us to pay the bills going forward.

I believe that the best way to maintain a high standard of living is to broaden and strengthen our state's economic foundation. Tax reform is at the top of my list of objectives because I am confident that a sound tax structure is the foundation to economic vitality, both for our existing businesses and for future business development. An appropriate tax structure must be competitive and ensure that the needs of the state are adequately funded, but in turn, serve as a catalyst, not an inhibitor for economic development. I will work with the legislature this year to pass a tax reform package that will fairly provide for the needs of generations to come.

I indicated along the campaign trail that I would be asking people who never thought about public service before, to contribute their time and talents. I have started down that pathway by including people from varying backgrounds to help in the transition process and they have given me invaluable feedback and recommendations. I will be calling on many of you in the future as well and encourage you to contribute in any way you can. I am honored and grateful for the trust you have bestowed on me as governor of this great state and welcome your counsel and advice as we move forward together toward a new day for Utah.

Sincerely,



Jon M. Huntsman, Jr.
Governor

Preface

The *2005 Economic Report to the Governor* is the 19th annual publication of its kind in Utah. The Economic Report is the principal source for data, research, and analysis about the Utah economy. It includes a national and state economic outlook, a summary of state government economic development activities, an analysis of economic activity based on the standard indicators, and a more detailed review of industries and issues of particular interest. The primary goal of the report is to improve readers' understanding of the Utah economy. With an improved economic literacy, decision makers in the public and private sector will then be able to plan, budget, and make policy with an awareness of how their actions are both influenced by and impact economic activity.

Council of Economic Advisors. The Council of Economic Advisors (CEA) provides guidance for the contents of this report. The CEA is an advisory committee to the Governor and includes representatives from state government agencies, Wells Fargo Bank, Thredgold Economic Associates, Federal Reserve Bank of San Francisco, Utah Foundation, and all of Utah's major research universities. The mission of the CEA is to provide information and analysis that enhances economic decision-making in Utah. This report is the primary means of the CEA to communicate economic information to the general public.

Collaborative Effort/Contributors. Chapter authors, many of whom are special advisors to the CEA and who represent both public and private entities, devote a significant amount of time to this report, making sure it contains the latest economic and demographic information. While this report is a collaborative effort which results in a consensus forecast for the next year, each chapter is the work of the contributing organization, with review and comment by the Governor's Office of Planning and Budget. More detailed information about the findings in each chapter can be obtained by contacting the authoring entity (see list of Contributors).

Statistics Used in This Report. The statistical contents of this report are from a multitude of sources which are listed at the bottom of each table and figure. Statistics are generally for the most recent year or period available as of mid-December 2004. Since there is a quarter or more of lag time before economic data become final, the data for 2004

are preliminary estimates (p). Final estimates (e) can be obtained later in 2005 from the contributing entities. Forecasts will be indicated in tables and figures with an (f). An (r) indicates the data has been revised. An (na) indicates that the data was not available at the time of printing. All of the data in this report are subject to error arising from a variety of factors, including sampling variability, reporting errors, incomplete coverage, non-response, imputations, and processing error. If there are questions about the sources, limitations, and appropriate use of the data included in this report, the relevant entity should be contacted.

Statistics for States and Counties. This report focuses on the state, multi-county, and county geographic level. Additional data at the metropolitan, city, and other sub-county level may be available. For information about data for a different level of geography than shown in this report, the contributing entity should be contacted.

New This Year. While the content of this report, other than introducing a new year of data and analysis, is similar to prior years, several updates and new data series or research efforts are worthy of highlighting. The Special Topics section of this report contains five new chapters, including: Kennecott Land's Plan for the Salt Lake Valley West Bench; Hill Air Force Base Impact; Forest Service Portfolio; Utah's Water Situation; and Evaluating Economic Development Programs.

Electronic Access. This report is available on the Governor's Office of Planning and Budget's Internet web site at <http://www.governor.utah.gov/dea>.

Glossary. Terms and definitions used in this report are available on the Governor's Office of Planning and Budget web site at the address listed above.

Suggestions and Comments. Users of the Economic Report to the Governor are encouraged to write or call with suggestions that will improve future editions. Suggestions and comments for improving the coverage and presentation of data and quality of research and analysis should be sent to the Governor's Office of Planning and Budget, State Capitol Complex Suite E210, Salt Lake City, Utah 84114. The telephone number is (801) 538-1027.



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Chapter: Kennecott Land's Plan for the Salt Lake Valley West Bench.

Photograph courtesy of Effie Johnson

White Pine Lake nestled between Mt. Gog and Mt. Magog

Council of Economic Advisors

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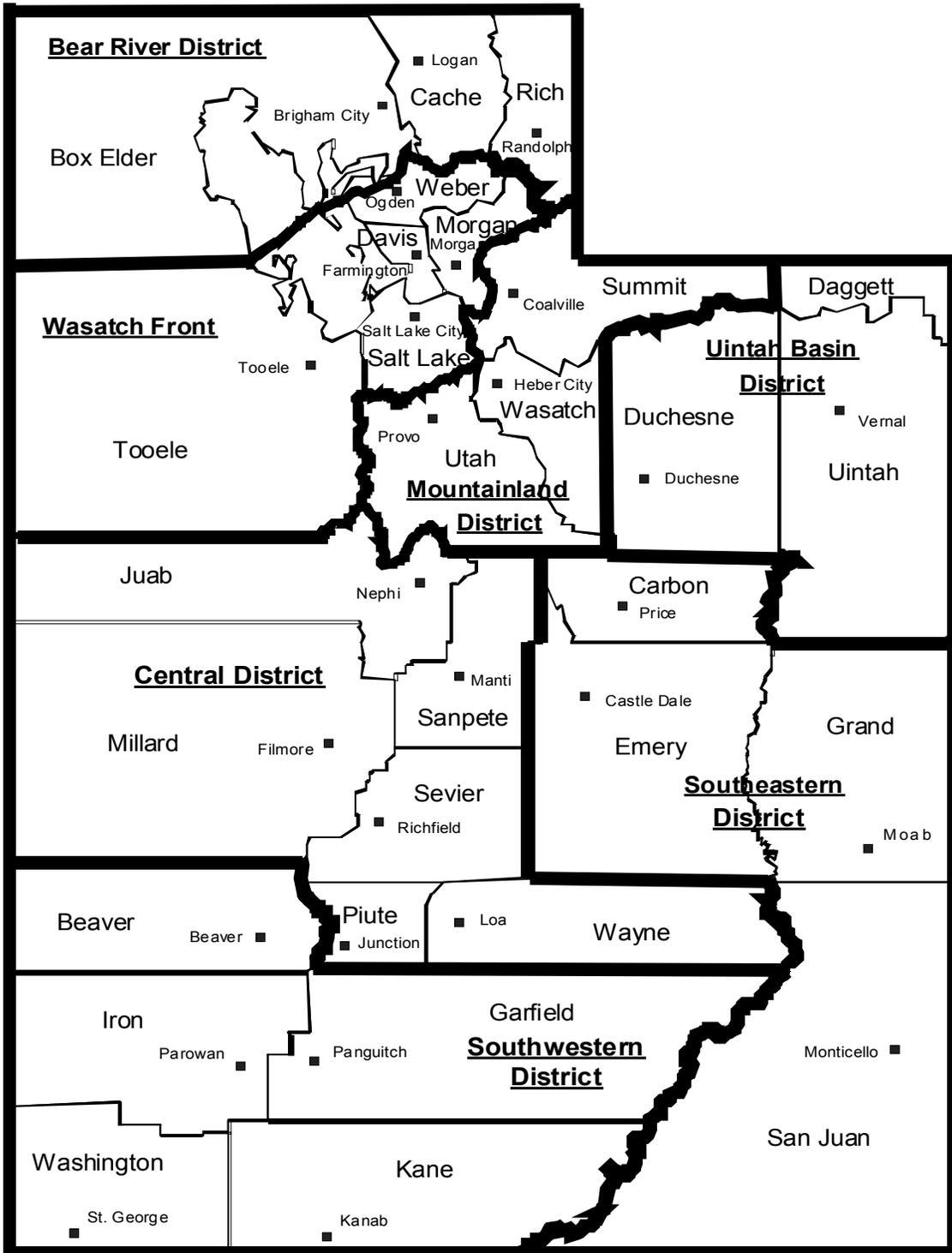
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Map of Utah





Executive Summary

Executive Summary

Overview

Utah's economy improved significantly in 2004. The slowdown beginning with the 2001 recession has ended, and growth has accelerated. Continuing the trend from the 1990s, Utah outperformed the nation in 2004, with job growth of 2.5%, compared to just 1.0% nationally. Growth in 2004 is a welcome contrast to 2003, when Utah's economy was flat.

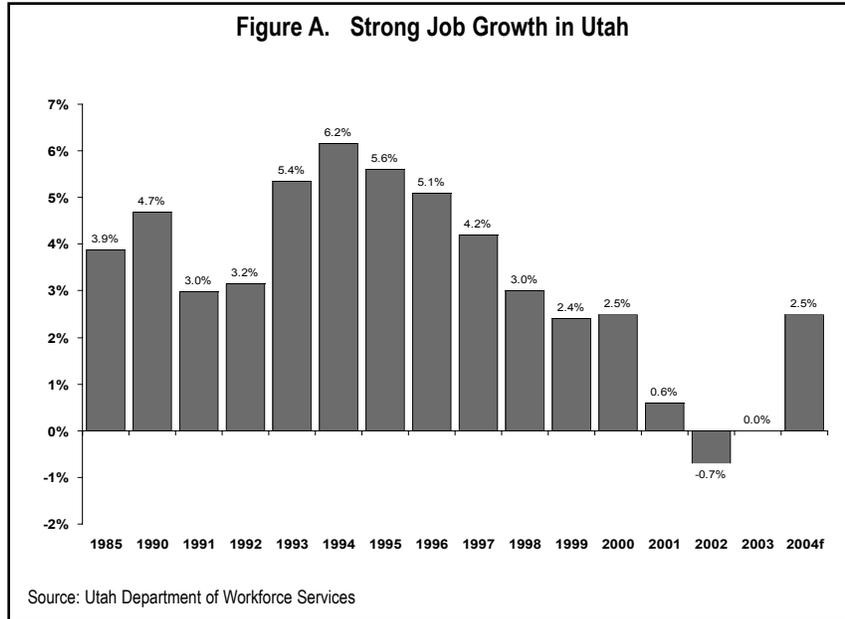
Between January 2001 and June 2004, employment fell 14.3% in Utah's technology sector, a loss of almost 9,500 jobs. This sector lost just a few hundred jobs during 2004 as the pace of high technology job losses slowed significantly compared to the three prior years. Still, while many sectors including high technology and manufacturing suffered from the onset of the recession and the 9-11 terrorist attack, the state has also been the recipient of increased federal defense spending targeted at the war on terror.

Strong growth in the construction and professional and business services sectors, and in defense spending, strengthened the Utah economy during 2004. At 5.6%, construction employment showed the largest gain. Professional and business services came in a strong second at 5.2%. Construction value set a record, reaching \$4.9 billion.

Outlook

The outlook calls for continued growth during 2005. Employment growth of 2.4% will nearly match the 2004 rate of 2.5%. Population growth will also be at 2.4%, a slight increase over 2004's 2.3%, due to stronger net in-migration. Net in-migration is expected to be up since the Utah economy will outperform the national economy in 2004.

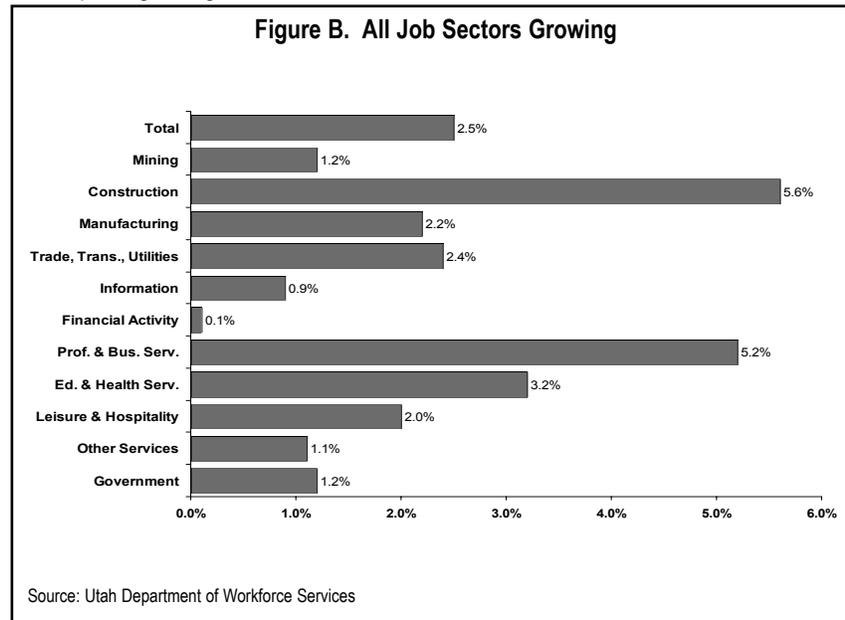
Construction job growth will remain strong at 4.8% with total value on track to meet or exceed the 2004 record. Residential value is expected to decrease slightly but nonresidential value should increase. Higher interest rates, expiring auto incentives, and sustained high energy prices may dampen economic growth during 2005.



International, National, and Regional Context

Global Growth
During 2004, the world wide recovery accelerated, with global GDP growing 5.0%, the highest in nearly three decades. As 2004 closed, however, growth momentum slowed, notably in the U.S., Japan, and China, following the sharp rise in oil prices. Looking forward, the global expansion will continue, but at a slower pace, with global GDP growing about 4.0% during 2005. Since the late 1990s, the U.S. has driven world

growth by importing substantially more than it exports. During 2004, however, the U.S. trade deficit reached a record 5.4% of GDP, a situation that can not continue forever. The key challenge facing the global economy in the next few years is how to resolve the imbalance between the U.S and its largest trading partners in Asia and Europe.



National Recovery

After two years of contraction, U.S. employment grew 1.0% during 2004, and is expected to grow 1.7% during 2005. Despite the growth during 2004, employment is still below the peak reached in March 2001, but should pass the peak during 2005. Oil prices are expected to remain above \$35 per barrel which means consumers will spend more for gasoline and less on other goods and services. The net effect is to dampen consumption,

investment, and production. Despite higher oil costs and continuing geopolitical tensions, GDP is expected to grow 3.2% in 2005, down from 4.4% in 2004.

Mountain States Recovery. The mountain region has recovered fairly well from the 2001 recession. Although 2003 was a difficult year for employment and income, 2004 improved significantly. In the 12 month period ending in October 2004, the region held four of the top five fastest growing states. Employment grew 2.6% across the region, more than twice the national rate of 1.2%. Nevada was the fastest growing state in the nation and the region, with Idaho and Utah in second and third, respectively, in both the nation and the region. However, the mountain region continues to be known for lower wages, with only Colorado above the national average.

Population

Utah's population grew 2.3% during 2004, more than twice the national rate. With a growing economy, net migration was over 18,000. Despite strong migration, natural increase, or the difference between births and deaths, accounts for almost 70% of Utah's population growth. During 2004, for the first time ever, the number of births in Utah exceeded 50,000. Utah continues to lead the nation in total fertility, or the number of births each woman can expect during her lifetime, so births should continue at or above the current record level for the foreseeable future.

Jobs and Wages

As 2004 closed, Utah's economy accelerated out of its worst slump since 1954. After reaching a peak in January 2001, employment fell for over two years, then began growing in mid-2003, and passed the 2001 peak in January 2004. By September of 2004, year over employment growth rates were above 3%. Employment growth is expected to temper somewhat as 2005 progresses, averaging 2.4% for the year. With employment growing at a good pace, the unemployment rate is expected to fall from 5.3% in 2004 to 4.7% in 2005.

Each of Utah's major employment sectors grew during 2004, with growth

rates ranging from 0.1% in financial activity to 5.6% in construction. The decline in manufacturing stopped during 2004 as the sector grew 2.2%. Two other sectors grew more than 3.0% during 2004: professional and business services grew 5.2%; and education and health services grew 3.2%.

Utah's average annual nonagricultural pay was \$31,415 during 2004, up 2.6% from 2003. For the second year in a row, wages failed to keep pace with inflation during 2004. From 1994 to 2000, wages increased significantly faster than inflation. In 2001 and 2002, wages essentially matched inflation. With the economy growing well, wages should outpace inflation during 2005, so the standard of living in Utah will improve.

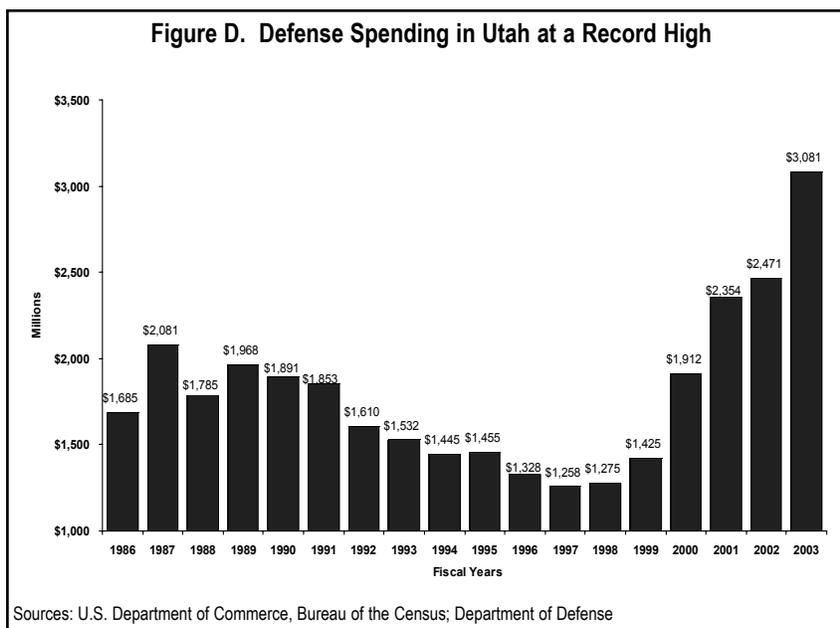
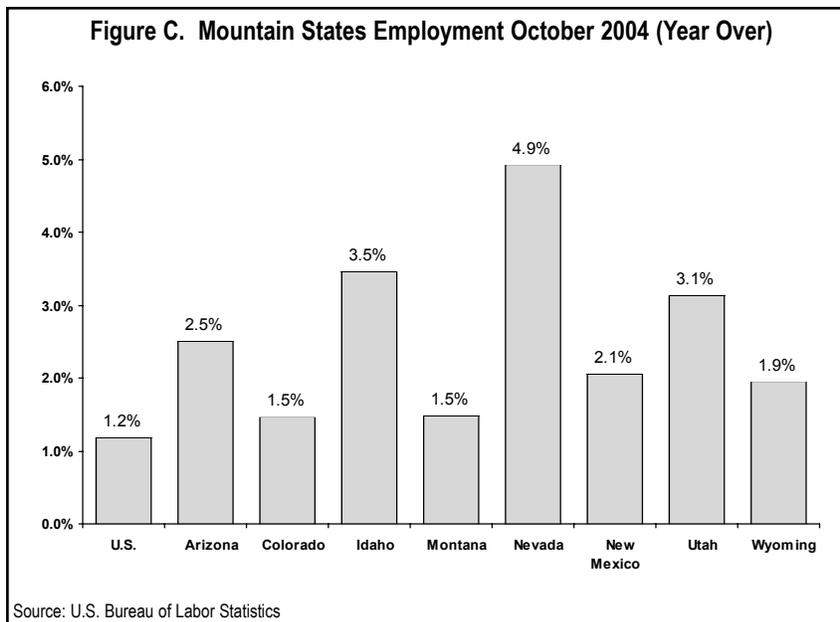
Economic Performance by Sector

Economic performance was quite good across most sectors during 2004. Strong demand and prices boosted agriculture. Continuing low interest rates combined with growing employment and population powered construction to an all-time high. The ongoing geopolitical situation and the primary role Hill Air Force Base plays in air logistics kept defense growing. Minerals were up as well with global economic growth accelerating. Most other sectors had varying levels of improvement. Energy production was down.

Agriculture, Construction, Defense, Minerals, Tourism, and Exports Up

Agriculture. Utah's agricultural production and income rose sharply in 2003 and 2004. As the drought ends, the value of agricultural production in Utah during 2005 should hit record levels, with all sectors improving. Net

farm income grew by nearly 45%, from \$254 million in 2002 to \$368 million in 2003, setting a record in 2004, and should continue growing in 2005. Relatively high prices for livestock and crops are generating



welcome income growth for Utah's ranchers and farmers.

Construction. Low interest rates and a growing economy powered construction value to an all-time high in 2004 of \$4.9 billion, up 6.4% from the 2003 record of \$4.6 billion. Residential construction led the way with a record \$3.4 billion in new construction activity. The number of new dwelling units receiving building permits totaled 23,500, which includes new homes, apartments, condominiums, manufactured homes and cabins. Low mortgage rates throughout 2004 drove demand for new single-family homes to a near record high of 17,000 units. The only other year to surpass 17,000 single-family units was 1977 when 17,424 new homes received building permits. For the second year, condominium construction was very strong capturing 12% of the residential market. Nonresidential construction held steady at \$1.0 billion, about the same as in 2003.

Defense. Utah's defense industry continued to expand in 2004, due to heightened geopolitical conflict. Hill Air Force Base (HAFB), while threatened by the current round of base closures, has many competitive advantages that bode well for the future. HAFB has recently started several programs that will help the long-term future of one of Utah's largest employers. Although the defense industry experienced reductions during most of the 1990s, this trend reversed in the latter part of the decade. Defense spending in Utah in 2003 totaled \$3.1 billion, rising 24.7% from the previous year. Increased defense activity is expected to continue in 2005, as a result of military involvement overseas. On the downside, if HAFB is closed, the impact will be a significant drag on Utah's economy.

Minerals. The value of mineral production in Utah grew 27% during 2004 to \$2.2 billion, from \$1.8 billion in 2003. The record value of production results from substantial increases in both metal prices, and increases in the production and prices of most industrial mineral commodities. However, with the exception of magnesium, metal production fell during 2004.

Tourism. Utah's travel and tourism sector improved during 2004. Each of the five major tourism sectors (transportation, eating and drinking, hotels and lodging, amusement and recreation, and car rentals) experienced gains. The Utah ski industry enjoyed its best year on record in terms of skier visits. Visitation increased at the national parks, and hotel occupancies were also up. All of these increases resulted in higher amounts of traveler spending and increased travel-related employment in 2004 compared to 2003. However, Utah's share of U.S.

traveler spending is declining and competition for visitors is fierce. The outlook for the industry in 2005 is cautiously optimistic with industry experts forecasting continued, but perhaps slower growth in 2005. Travel among business and leisure travelers, both international and domestic, should increase, however, there are still concerns about the economy, employment, the war in Iraq, and terrorism.

Exports. Utah's exports increased 12.8% during 2004, from \$4.1 billion in 2003 to \$4.6 billion. Utah's merchandise exports have been at or above \$3.0 billion since 1997 and above \$4.0 billion since 2002. Shipments of gold accounted for almost 31% of the total during 2004, continuing this trend in the global economy. Utah's exports to China exceeded \$100 million for the second year in a row, ranking China the number nine market. As the world economic recovery strengthens during 2005, Utah's exports should continue to grow.

High Technology Mixed. While Utah's technology sector continued to lose jobs during 2004, extending a decline that began in 2001, a turn around appears to be at hand. From January 2001 through June 2004,

Utah's technology sector lost 9,500 jobs, a drop of 14.3%. However, these losses began to abate in 2004. In 2003, 14 industries posted job losses, seven of which were more than 100 workers. In 2004, ten industries posted job losses, two of these (computer and peripheral equipment and motion picture and video production) had losses of more than 100 workers. Five industries reported job growth of more than 100 workers.

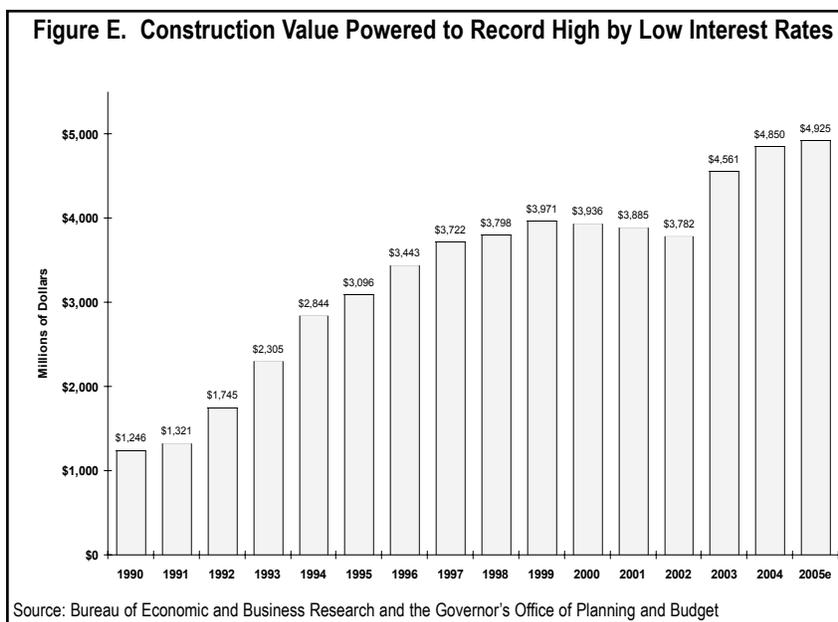
Energy Down. During 2004, energy production in Utah was generally on

the decline, while consumption and prices were on the rise. Despite recent declines, production of coal and natural gas has satisfied increasing demand, unlike crude oil production, which is only a third of what it was 20 years ago. Increasing energy prices in Utah are related to national events and have been driven up by high demand, low stocks and foreign conflicts.

Significant Issues: Kennecott Land, Forest Service Portfolio, Water

Kennecott Land. Kennecott Land was established in 2001 to focus on protecting and developing Kennecott Utah Copper's non-mining land and water assets. Kennecott Land owns 93,000 acres of land in the Oquirrh Mountains and foothills, the largest remaining land holding in the Salt Lake Valley. With significant population growth expected in the Salt Lake Valley over the next 100 years, much of the housing, jobs, transit, roads and open space will be built or protected on Kennecott land.

Forest Service Portfolio. Utah contains six National Forests. Four of



those forests are currently updating their forest plans. Forest plans are revised every 10 to 15 years for the Forest Service to incorporate changes in the natural environment, new scientific understandings, social trends, and new laws and policies. In an effort to provide a fresh approach to forest resource planning, the Governor's Office of Planning and Budget (GOPB), has been exploring new methods of encouraging collaboration between Forest managers and the local communities that are impacted by Forest decisions. GOPB is currently developing Social and Economic Assessments for the Ashley, Dixie, Fishlake, and Manti-La Sal National Forests.

Water. The current drought began in 1999 and has impacted every water basin in Utah. Although it is not as severe as the drought in 1990, population growth raises concerns about demand outstripping supply even when drought conditions don't exist. Water use fluctuates and is dependent upon water basin, the type of water used, the type of water user, and the drought cycle. Lot size of residential property also has an influence on the amount of water used for outdoor purposes. The concern that tax funded water systems are charging customers less than the full cost of the water and using tax revenue to make up the difference seems to be unfounded. Also, Utah's use of groundwater may be cause for concern as it is not as easily replenished as surface water.

Looking Ahead

As the expansion progresses, Utah's economy will continue on the growth path in 2005 that began in 2004. With 2004 showing reasonably strong growth after two consecutive years of job losses, employment should grow 2.4% during 2005. The unemployment rate is expected to fall from the current 5.3% to 4.7%, a level that signals a strong economy. Resuming a trend interrupted in 2001, wages will increase faster than inflation during 2005.



Economic Outlook

National Outlook

Overview

The economic status of the United States is currently characterized by a slowdown in consumer spending. Consumers are slowly being affected by higher interest rates and energy prices. Construction spending, however, remains strong and is anticipated to continue. To keep the economy moving, businesses may need to compensate for the slowdown in consumer spending. The continued high price of oil will affect GDP growth and spending patterns for the foreseeable future.

spending accounts for more than two thirds of the GDP. The decrease in consumer spending has resulted from soaring gasoline prices. High gas prices are leaving consumers with less to spend on other items.

Summary of Economic Conditions

The Federal Reserve Board continues to tighten monetary policy. Tightening moves are also expected throughout 2005 into 2006. In 2004 the price of oil was volatile, causing much consternation among consumers and financial markets. The prospects for growth in business lending over the next fiscal year remain encouraging, largely due to a resurgence in business confidence and, along with it, a revival in inventory investment and capital spending activity. Housing, autos, and retail sales are doing very well. Employment has been expanding consistently throughout 2004.

Real GDP is estimated to have grown by 4.4% in 2004, followed by 3.2% growth in 2005. Consumer prices are expected to advance by 2.2% in 2005, a slight decrease from the 2004 growth rate of 2.7%.

Outlook for 2005

Real GDP, incomes, profits, and even employment are now near or above their pre-recession peaks. The economy's prospects through 2005 are upbeat. Also, if energy prices moderate a bit further, real GDP growth next year should reach 3.2%.

Rising interest rates will work against the national economy in 2005. Housing starts and home sales continue to be positively influenced by low mortgage rates and high affordability ratios.

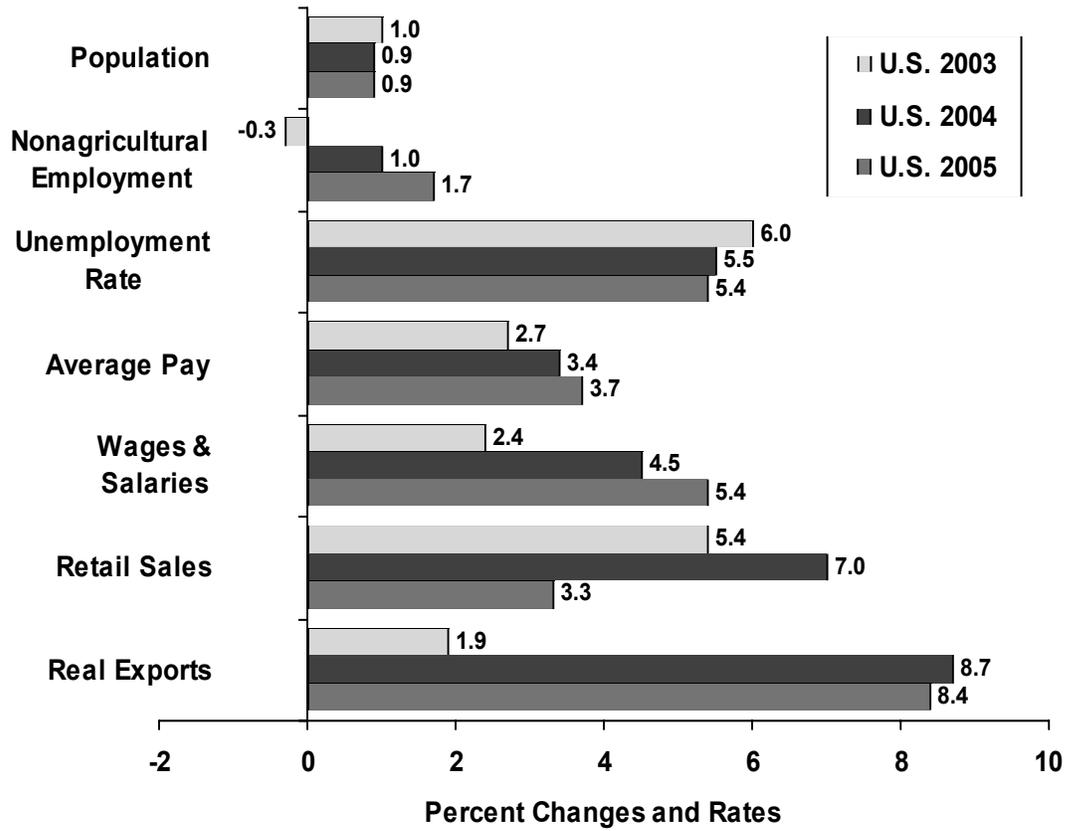
Significant Issues

Business Investment. Healthy corporate balance sheets indicate a positive outlook for business and financial services. However, these industries face a number of significant risks. Revenue growth for financial and business providers is expected to be in line with that of other industry groups throughout 2005. However, in aggregate, profit margins are expected to be considerably stronger, thanks to cost-cutting measures, pricing power, and still favorable interest rates. Risks include: a negative shock to business confidence or to profits and cash flow by way of elevated oil and other commodity prices; the impacts of higher interest rates and a flat equities market; and greater erosion in household credit quality.

Energy Prices. Rising energy prices pose a significant risk to the economy. The higher prices are weighing on economic growth, and an increase to these high prices would threaten the economic expansion. The future path of energy prices will also be a significant factor in the performance of the economy in 2005. Forecasts for natural gas suggest a continuation of prices in the \$4.50-5.50 per thousand cubic feet range through 2005. Forecasts for crude oil call for some moderation in 2005, but prices are projected to remain above the \$35 per barrel range throughout 2005.

Consumer Spending. The slow growth of consumer spending is projected to affect GDP growth. This is due to the fact that consumer

Figure 1
 U.S. Economic Indicators: 2003-2005



Source: Council of Economic Advisors' Revenue Assumptions Committee

Overview

The Utah economy improved significantly in 2004. The sharp turn around in economic activity and state tax collections in 2004 stands in stark contrast to recent years. In just four years the swing in actual, inflation-adjusted (2005 dollars), state revenue collections went from a positive \$352 million in 2000, down to a negative \$205 million in 2002, and then back up to a positive \$194 million in 2004.

The lingering effects of the 2001 recession are still being felt in Utah, but at a much diminished rate. Utah continued to outperform the nation in 2004 with 2.5% year-over growth in total employment compared to average growth of just 1.0% nationwide. By comparison, Utah showed no job growth (0.0%) in 2003 due to the residual effects of the national recession, the dot-com investment implosion, and the completion of the 2002 Olympic Winter Games.

Between January 2001 and June 2004, Utah's technology sector lost 9,500 jobs (an employment drop of 14.3%). This sector only lost a few hundred jobs during 2004 as the pace of high technology job losses slowed significantly compared to the three prior years. Still, while many sectors including high-tech and manufacturing suffered from the onset of the recession and the 9-11 terrorist attack, the state has also been the recipient of increased federal defense spending targeted at the war on terror.

Strong growth in professional and business services employment, defense spending and construction valuations helped propel the Utah economy forward in 2004. Construction employment showed the strongest gains with 5.6% year-over growth. And, professional and business services came in a strong second in year-over job growth at 5.2%. Utah also experienced its best construction valuation year ever by reaching the \$4.9 billion mark. Even after adjusting for inflation, this remained the largest historic valuation ever tabulated.

Outlook for 2005

Utah's economy is expected to grow moderately in 2005 (assuming no adverse announcements regarding Hill Air Force Base). Employment growth of 2.4% will nearly match the 2004 rate of 2.5%. Population growth will also be at 2.4%, a slight increase over 2004's 2.3%, due to stronger net in-migration. Net in-migration is expected to be up since the Utah economy will outperform the national economy in the prior year (2004).

Construction job growth will remain strong at 4.8% and total (non-inflation adjusted) construction valuation should exceed or at least match the record set in 2004. Residential valuation will decrease slightly but nonresidential valuation should increase. Still higher interest rates, expiring auto incentives, and sustained high energy prices will dampen growth in 2005. The higher energy prices, the lower the amount of disposable income Utah consumers have available for non-energy purchases.

Summary of Economic Conditions

Job Growth. Since the peak year of the current cycle, the rate of job growth fell from 6.2% in 1994 to a negative 0.7% in 2002. Employment remained flat in 2003 at 0.0% growth. Strong growth in professional and business services employment, defense expenditures and construction valuations helped propel job growth to 2.5% in 2004.

Most of the job losses in Utah since 2001 have occurred in metropolitan areas along the Wasatch Front. Much of this slowdown has been technology driven. An estimated 56,000 people were employed in Utah's high technology sector in 2004 (5% of the state's workers). This sector includes computer systems design, medical equipment, and aerospace jobs.

Between January 2001 and June 2004, Utah's high technology sector lost 9,500 jobs (an employment drop of 14.3%). The technology-centered Wasatch Front lagged behind the rest of the state in job growth in 2004. The technology sector lost a few hundred jobs in 2004 but the pace of high technology job losses slowed significantly compared to the three prior years.

Many other industries showed good improvement in 2004. Construction showed the strongest gains with 5.6% year-over employment growth (3,800 jobs). Professional and business services came in a strong second in year-over job growth at 5.2% (6,900 jobs). Many of the state's high-education, brainpower jobs can be found in this industry. These include lawyers, accountants, engineers, designers, programmers, researchers, technicians, and consultants. However, this sector also contains lesser paying jobs such as telemarketing and temporary help employment. For all the talk of global off-shoring, the telemarketing industry in Utah is thriving and growing.

Construction Boom. Construction is the most volatile of Utah's major industries. Construction employment began to contract in 2000 and continued to decline into 2003. This was expected after the completion of projects for the 2002 Olympic Winter Games. Nonetheless, due to the lowest mortgage rates in 50 years residential construction valuation topped \$4 billion in 2003 for the first time ever. Total construction valuation also set a new record that year at \$4.6 billion.

This residential construction boom accelerated into 2004, with residential valuation reaching \$3.4 billion and permitted single-family housing units setting a near-record high of 17,000 units. Only 1977 came in higher at 17,424 units. Consequently, the total value of construction permits set another new record of \$4.9 billion in 2004. Even after adjusting for inflation, this remained the largest historic valuation ever tabulated. Attainment of this record was due to strong net in-migration, low mortgage rates, and solid employment gains.

Construction projects are usually listed in reports at either their "project value" or "construction value." Construction values are the value of "sticks and bricks." Project values include construction values as well as architectural and engineering costs. For the most part, the projects listed in this chapter are project values and include both construction permitted and non permitted projects. Heavy construction, such as highways, does not require permits. Nonresidential construction projects of at least \$30 million that were under construction in 2004 or scheduled for 2005 are listed in a table at the end of this chapter.

Strong Defense Spending. Federal defense related spending in Utah grew 24.7% in 2003 as heightened geopolitical conflicts, and base closures and realignments in other states shifted jobs and military spending to Utah. Nationally the growth was much less at 12.1% (2003 is the latest data available). Indeed, growth in defense-related spending in Utah over the past five years has increased almost three and one-half times faster than the nation.

From 1998 to 2003 defense related spending in Utah increased from \$1.3 billion to \$3.1 billion or 141.7%. This represents an increase from 2.7% to 5.2% of Utah personal income. For the nation the increase was from \$222.6 billion to \$316.6 billion or 42.2% (an increase from 3.0% to 3.5% of U.S. personal income). Increased defense spending is expected in both Utah and the nation in 2004 due to military involvement overseas and the war on terror.

Hill Air Force Base Under Review. Hill Air Force Base (HAFB) is one of three large repair and maintenance air logistic centers in the nation. It is also the headquarters for one of ten forces used for quick deployment to trouble areas around the world. The base serves as the Air Force's new "center of excellence" for low observable technology. HAFB is also the home of Northrop Grumman Corp., the prime contractor for the B-2 stealth bomber. And, because of close proximity to the Utah Test and Training Range (UTTR) in the west desert HAFB has unlimited use of the UTTR for live-fire training.

The Secretary of Defense will submit proposals for base closure and realignment by May 16, 2005. The Base Realignment and Closure Commission (BRAC) will then submit a final list of recommendations to the President by September 8, 2005. BRAC then has until October 20th to make any final changes recommended by the President. A final decision by the President is due on November 7th. Congress then has 45 days to accept or reject the final list without modifications. Selected bases will be terminated in April 2006.

Allegedly, the Pentagon has reported that between 20% and 25% of current military infrastructure at the 425 bases nationwide is in excess of its needs. HAFB is one of the largest employers in Utah with direct employment of about 20,000 civilian and military personnel. As the Air Force moves to the new F/A-22 and F/A-35 fighter planes, the base's long-term future becomes less assured. Hill maintains the older F-16 falcon jet, which is the plane used by its 388th and 419th fighter wings. HAFB also faces increased vulnerability if nuclear waste is stockpiled near the UTTR. An above ground nuclear waste facility could be in the flight path of fighter jets and would make up to one-third of the UTTR unusable.

In order to avoid a BRAC closure, the base will seek workload transfers from other logistics bases, upgraded jets, or other fighter wings to replace or complement the 388th and 419th units. Efforts are also being made to keep the UTTR entirely open by blocking the above ground storage of up to 44,000 tons of nuclear waste on Goshute tribal lands in the west desert.

The closure of HAFB could be devastating to Utah's economy (especially in Davis County). Federal civilian jobs at Hill pay double the state average wage. A recent study by the Bureau of Economic and Business Research at the University of Utah showed that closing HAFB would result in a long-term permanent loss of 41,700 jobs, 50,500 in resident population, and \$2.7 billion in personal income. Additionally, the state would experience an annual loss of \$199 million in tax revenues.

Strong Net In-Migration. The state experienced its 14th straight year of net in-migration in 2004. Population growth slowed slightly in 2002 after the February 2002 Olympic Winter Games as many construction employees and other workers helping to host the Games left the state. However, population growth rebounded in 2003 and 2004. With the Olympics buildup, net in-migration at 23,850 contributed to 2.6%

population growth in 2001. During 2002, however, net in-migration slipped to 17,300 and population growth slowed to 2.3%. Net in-migration rebounded slightly in 2003 to 18,570 and remained strong at 18,370 in 2004.

More Firm Openings than Closings. In order to track trends in Utah employment, state economists follow announcements of job additions and subtractions of 50 or more employees. Using this methodology, Utah registered healthy employment growth as announced job gains far exceeded job losses.

Utah Rankings in National Reports. Utah received several national rankings in magazines, research reports, newspapers and newsletters during 2004. The Beacon Hill Institute at Suffolk University in Boston ranked Utah second among all states in overall business competitiveness. The rankings were based on several variables, ranging from electricity prices and crime statistics to venture capital investments and science degrees awarded. Utah scored high in technology, labor force and infrastructure.

Utah ranked fifth in the Economic Freedom Index published by the Pacific Research Institute in association with Forbes magazine. The Index ranked states based on more than 100 variables, including taxes and regulatory obstacles. The Milken Institute's State Technology and Science Index ranked Utah ninth highest. The Index is based on five sub-indexes: research and development inputs; risk capital and infrastructure; human capital investment; technology and science workforce; and technology concentration.

Salt Lake City ranked eighth among the country's "most innovative" regions, according to Visa's Innovation Index. The rankings were based on a combined score of categories for "community," "entrepreneur," and "self-expression." And, Salt Lake made the "short list" of cities west of the Mississippi attractive to information technology companies looking to flee the cost-prohibitive California market. The Boyd Co. Inc. compared 18 California and 12 western and central regional locations nationwide in the cost of operating a 35,000 square-foot, 125-worker information technology facility. Among the cities surveyed, Salt Lake City was the fifth least expensive city.

Another Utah city, Provo, ranked sixth in Forbes' Best Places for Business and Careers survey. This survey weighed job and income growth, cost of doing business and work-force qualification of the 150 largest metropolitan areas. Additionally, Utah scored well in several breakout categories in the survey, and Salt Lake City finished high in entrepreneurship and infrastructure.

The United Health Foundation's annual ranking of states on health issues placed Utah fifth highest nationally, based on 18 categories of risk factors and outcomes, such as smoking rates, cancer deaths, violent crime and child poverty. Utah has never been outside the top ten since the reports began in 1990. Also, Salt Lake City is the nation's most "fiscally fit" metropolitan area, according to a report released by State Farm Insurance Company. State Farm ranked 50 U.S. cities in the percentage of respondents with retirement, savings, stock market or other investments; the percentage of households with life insurance; and the quality of life, as measured by marriage rates, incidence of smoking, obesity and physical activity.

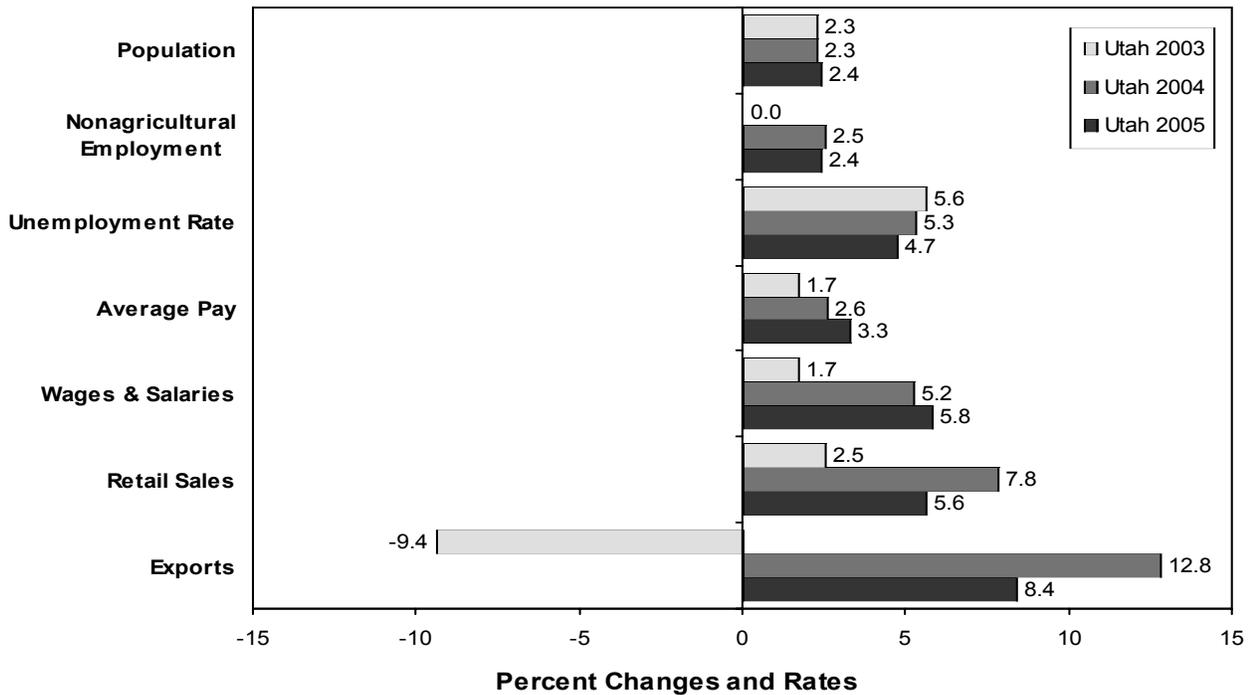
Not all national rankings for Utah were favorable in 2004. According to a

report released by the Virginia-based American Bankruptcy Institute, Utah continued to lead the country in households filing for bankruptcy. The top five reasons people filed for bankruptcy were ease of obtaining personal credit and credit cards, loss of a job, financial mismanagement, medical problems and divorce. Foreclosures remained high according to a report released by the Mortgage Bankers Association of America. Utah's 2004 foreclosure rate of 1.6% tied with North Carolina as the tenth-highest ranking.

Salt Lake City ranked low in quality of life for singles out of the 40 largest metropolitan cities in the United States. The city ranked 34th in nightlife, culture, job growth, number of other singles, cost of living alone, and "coolness." This was a sizeable decline from last year's ranking of 22nd, according to Forbes.com.

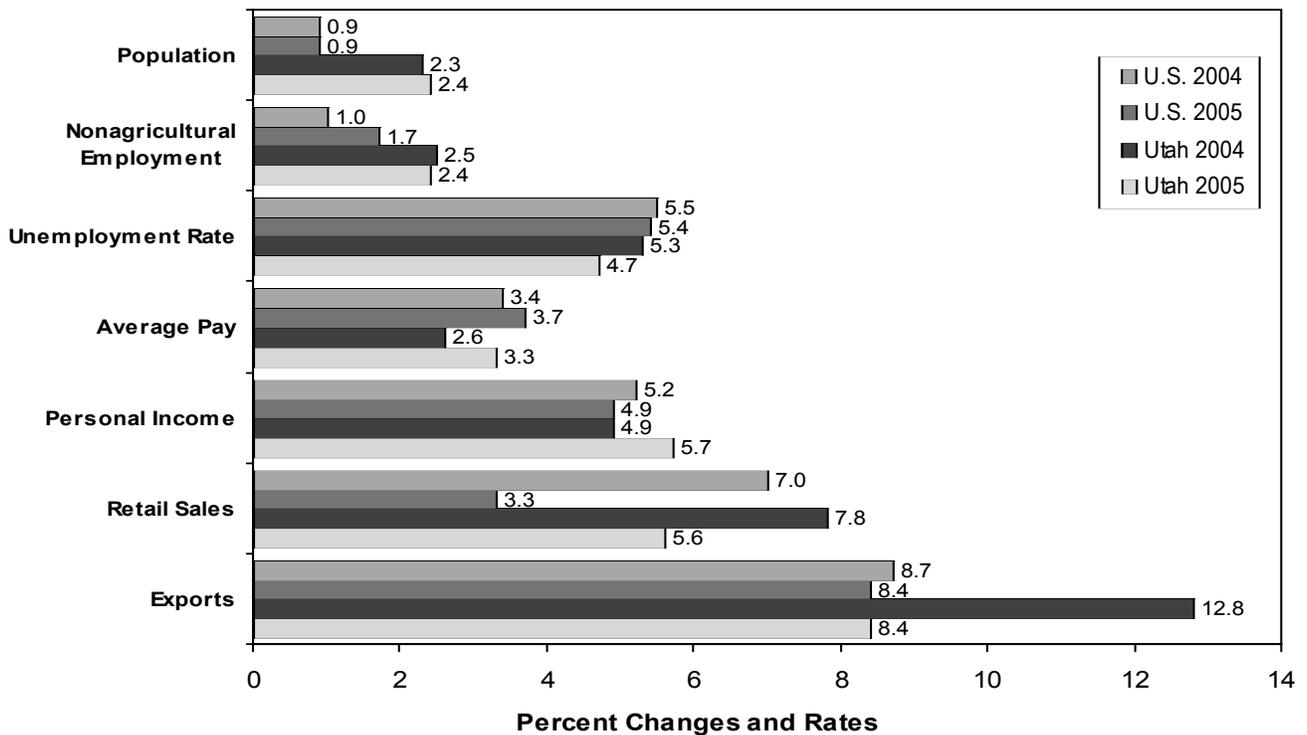
Finally, Utah only ranked 26th among the fifty states in business tax-competitiveness according to the national Tax Foundation. Generally, the "2004 State Business Tax Climate Index" ranked states higher if they had low rates and tax burdens, simple and transparent codes, and avoided business input taxation (tax pyramiding). Five of the top ten states were located in the West: Nevada, Wyoming, Colorado, Washington, and Oregon. Utah could be re-evaluating its tax structure in the upcoming 2005 Legislative session.

Figure 2
Utah Economic Indicators: 2003-2005



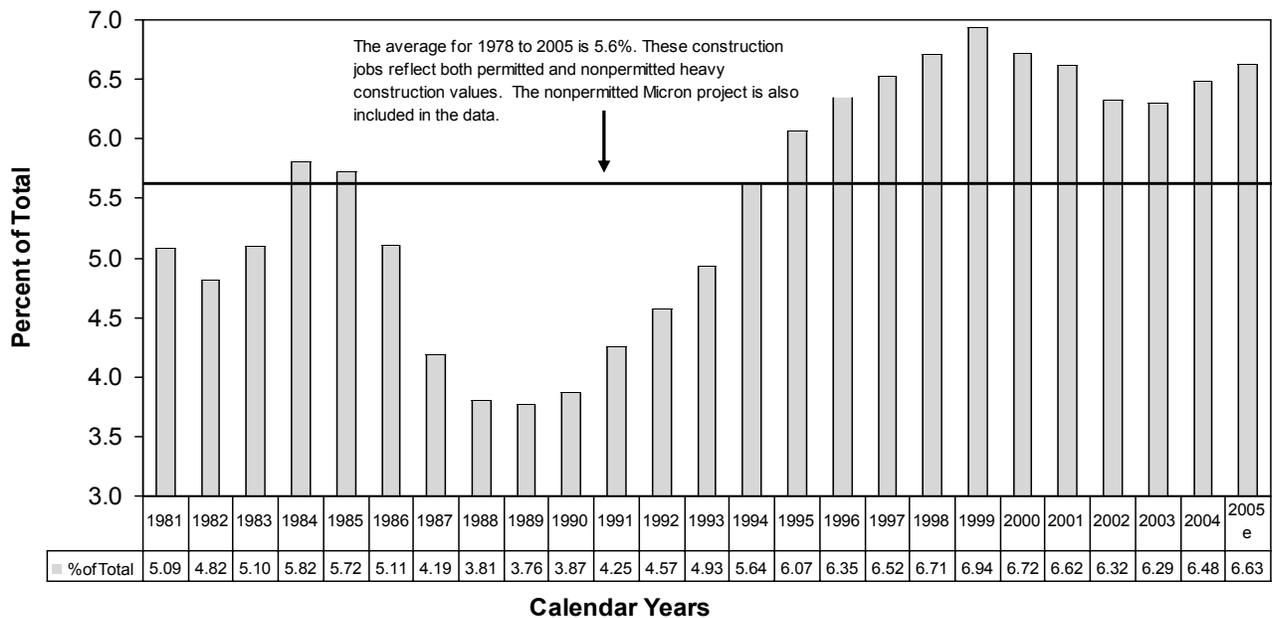
Source: Council of Economic Advisors' Revenue Assumptions Committee

Figure 3
Comparison of Utah and U.S. Economic Indicators: 2004 Estimates and 2005 Forecasts



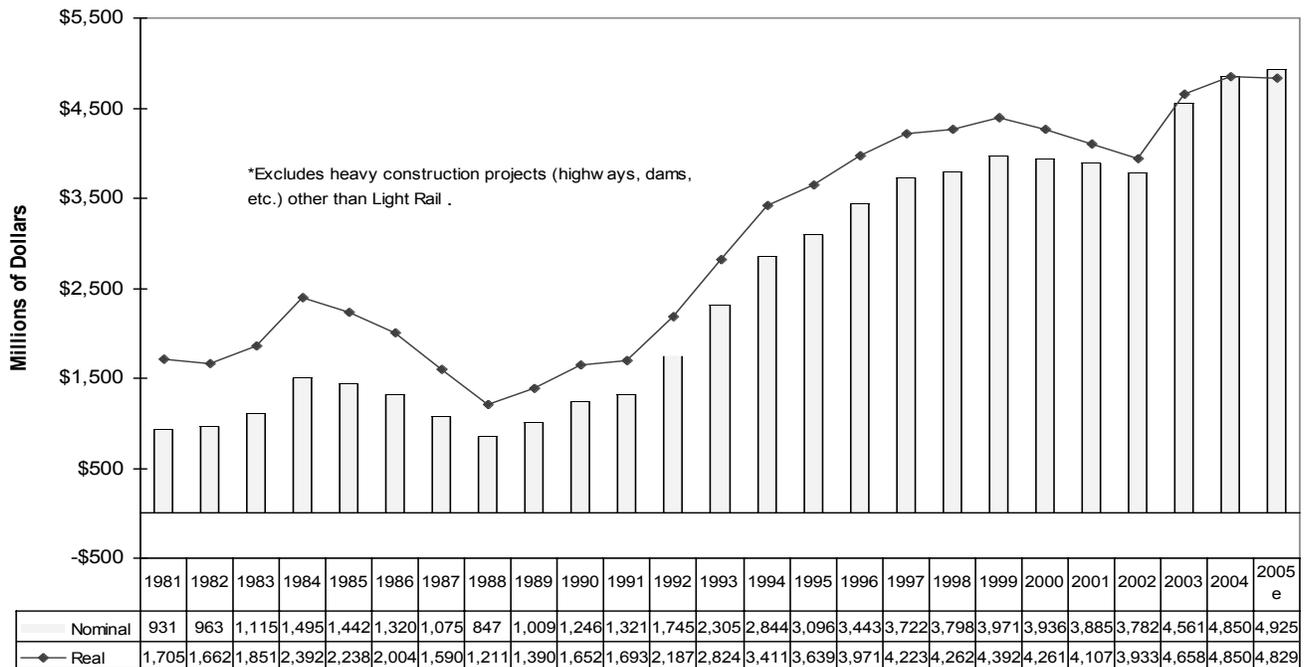
Source: Council of Economic Advisors' Revenue Assumptions Committee

Figure 4
Construction Jobs as a Percent of Total Jobs



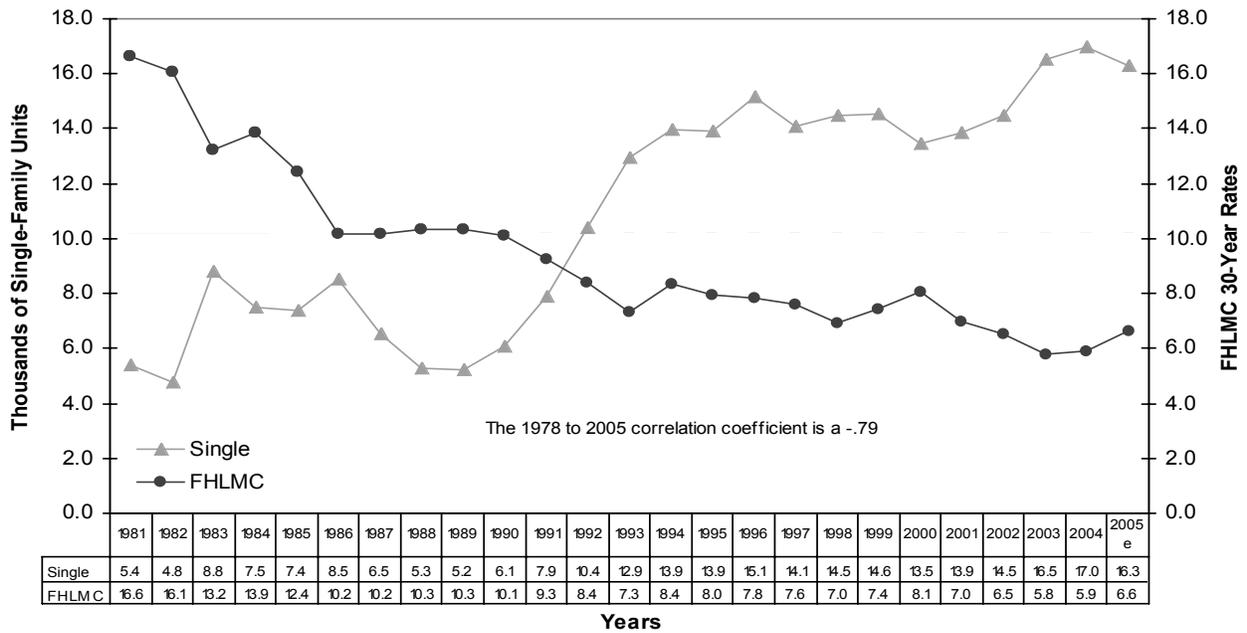
Sources: Department of Workforce Services and the Governor's Office of Planning and Budget

Figure 5
Real and Nominal Total Permitted Construction Values (2004 \$'s)



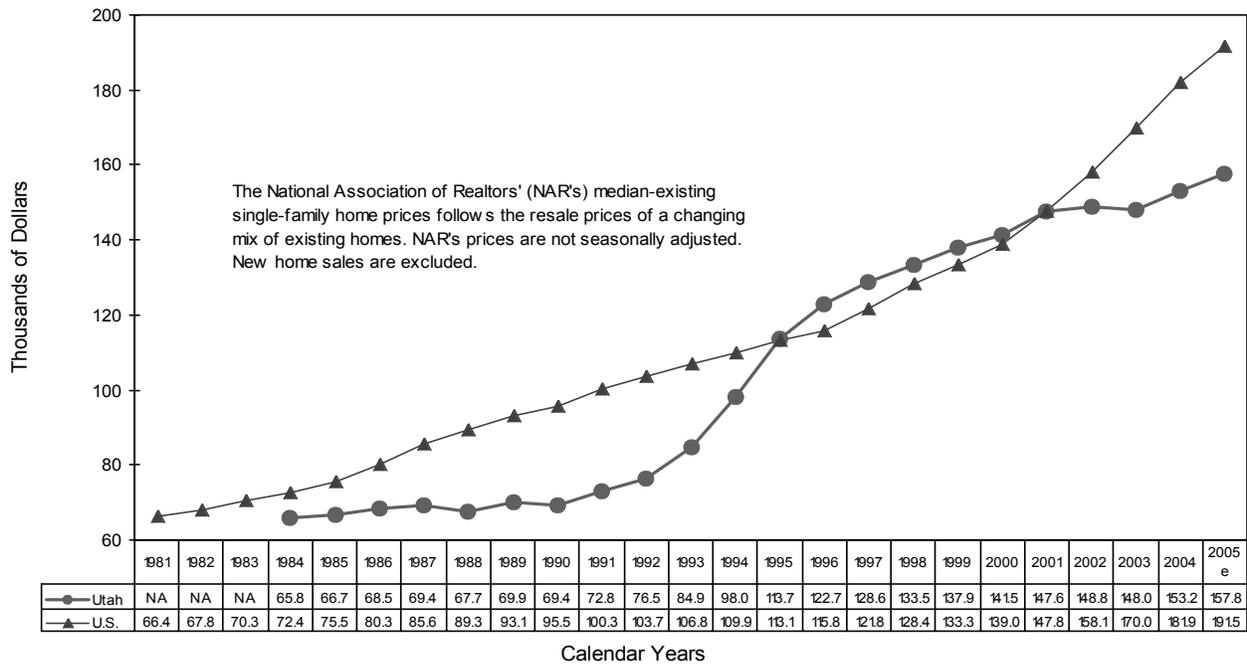
Source: Bureau of Economic and Business Research and the Governor's Office of Planning and Budget

Figure 6
FHLMC 30-Year Fixed Mortgage Rates and Permitted Single-Family Units in Utah



Sources: Bureau of Economic and Business Research and the Governor's Office of Planning and Budget

Figure 7
Median Housing Prices for Sales of Existing Homes



Source: National Association of Realtors'

Table 1

Actual and Estimated Economic Indicators Utah and the U.S.: November 2004

ECONOMIC INDICATORS	UNITS	2002 ACTUAL	2003 ACTUAL	2004 ESTIMATE	2005 FORECAST	% CHG CY02-03	% CHG CY03-04	% CHG CY04-05
PRODUCTION AND SPENDING								
U.S. Real Gross Domestic Product	Billion Chained \$00	10,074.8	10,381.3	10,836.6	11,186.8	3.0	4.4	3.2
U.S. Real Personal Consumption	Billion Chained \$00	7,123.4	7,355.5	7,619.9	7,836.0	3.3	3.6	2.8
U.S. Real Fixed Investment	Billion Chained \$00	1,548.9	1,627.4	1,793.3	1,889.9	5.1	10.2	5.4
U.S. Real Defense Spending	Billion Chained \$00	414.7	451.8	485.5	502.5	9.0	7.5	3.5
U.S. Real Exports	Billion Chained \$00	1,012.4	1,031.8	1,121.5	1,215.9	1.9	8.7	8.4
Utah Exports (NAICS, Census)	Million Dollars	4,542.7	4,114.5	4,641.1	5,032.1	-9.4	12.8	8.4
Utah Coal Production	Million Tons	25.3	23.1	21.9	22.1	-8.8	-5.0	1.0
Utah Oil Production Sales	Million Barrels	13.8	13.1	13.8	13.5	-4.9	5.3	-2.0
Utah Natural Gas Production Sales	Billion Cubic Feet	247.6	242.3	244.2	249.1	-2.1	0.8	2.0
Utah Copper Mined Production	Million Pounds	573.6	621.3	559.5	587.5	8.3	-9.9	5.0
SALES AND CONSTRUCTION								
U.S. New Auto and Truck Sales	Millions	16.8	16.6	16.8	16.9	-0.9	0.7	0.9
U.S. Housing Starts	Millions	1.71	1.85	1.94	1.83	8.3	4.8	-5.6
U.S. Residential Investment	Billion Dollars	504.1	572.3	665.0	683.9	13.5	16.2	2.8
U.S. Nonresidential Structures	Billion Dollars	271.6	261.6	280.4	317.5	-3.7	7.2	13.2
U.S. Repeat-Sales House Price Index	1980Q1 = 100	275.8	295.1	319.0	327.0	7.0	8.1	2.5
U.S. Existing S.F. Home Prices (NAR)	Thousand Dollars	158.1	170.0	181.9	191.5	7.5	7.0	5.3
U.S. Retail Sales	Billion Dollars	3,564.4	3,756.3	4,019.5	4,150.2	5.4	7.0	3.3
Utah New Auto and Truck Sales	Thousands	92.1	92.4	99.9	99.9	0.3	8.1	0.0
Utah Dwelling Unit Permits	Thousands	19.9	22.8	23.5	22.5	14.5	2.9	-4.3
Utah Residential Permit Value	Million Dollars	2,491.0	3,046.4	3,400.0	3,375.0	22.3	11.6	-0.7
Utah Nonresidential Permit Value	Million Dollars	897.0	1,017.4	1,000.0	1,100.0	13.4	-1.7	10.0
Utah Additions, Alterations and Repairs	Million Dollars	393.0	497.0	450.0	450.0	26.5	-9.5	0.0
Utah Repeat-Sales House Price Index	1980Q1 = 100	253.8	258.9	265.4	271.5	2.0	2.5	2.3
Utah Existing S.F. Home Prices (NAR)	Thousand Dollars	148.8	148.0	153.2	157.8	-0.5	3.5	3.0
Utah Taxable Retail Sales	Million Dollars	18,356	18,809	20,266	21,405	2.5	7.8	5.6
DEMOGRAPHICS AND SENTIMENT								
U.S. July 1st Population (BEA, Census)	Millions	288.0	290.8	293.5	296.2	1.0	0.9	0.9
U.S. Consumer Sentiment of U.S. (UofM)	1966 = 100	89.6	87.6	94.9	92.9	-2.2	8.3	-2.1
Utah July 1st Population (UPEC)	Thousands	2,358	2,414	2,469	2,529	2.3	2.3	2.4
Utah Net Migration (UPEC)	Thousands	17.3	18.6	18.4	22.0	na	na	na
Utah July 1st Population (Census)	Thousands	2,320	2,352	2,389	2,447	1.4	1.6	2.4
PROFITS AND RESOURCE PRICES								
U.S. Corporate Before Tax Profits	Billion Dollars	758.0	874.5	992.3	1,338.1	15.4	13.5	34.9
U.S. Before Tax Profits Less Fed. Res.	Billion Dollars	735.2	855.2	973.7	1,316.4	16.3	13.8	35.2
U.S. Oil Refinery Acquisition Cost	\$ Per Barrel	24.0	28.6	37.9	41.5	19.2	32.5	9.6
U.S. Coal Price Index	1982 = 100	99.8	99.9	109.7	113.3	0.2	9.7	3.3
Utah Coal Prices	\$ Per Short Ton	18.5	16.6	16.7	17.4	-9.9	0.5	4.0
Utah Oil Prices	\$ Per Barrel	23.9	28.9	39.0	37.8	21.0	35.0	-3.0
Utah Natural Gas Prices	\$ Per MCF	1.99	4.38	4.82	4.91	120.1	10.0	1.9
Utah Copper Prices	\$ Per Pound	0.71	0.80	1.29	1.23	12.7	60.6	-4.3
INFLATION AND INTEREST RATES								
U.S. CPI Urban Consumers (BLS)	1982-84 = 100	179.9	184.0	188.9	193.0	2.3	2.7	2.2
U.S. GDP Chained Price Indexes	2000 = 100	104.1	106.0	108.3	110.4	1.8	2.1	2.0
U.S. Federal Funds Rate	Percent	1.67	1.13	1.33	2.62	na	na	na
U.S. 3-Month Treasury Bills	Percent	1.61	1.01	1.34	2.61	na	na	na
U.S. T-Bond Rate, 10-Year	Percent	4.61	4.02	4.28	4.72	na	na	na
30 Year Mortgage Rate (FHLMC)	Percent	6.54	5.82	5.92	6.63	na	na	na
EMPLOYMENT AND WAGES								
U.S. Establishment Employment (BLS)	Millions	130.3	129.9	131.3	133.5	-0.3	1.0	1.7
U.S. Average Annual Pay (BLS)	Dollars	36,764	37,765	39,061	40,507	2.7	3.4	3.7
U.S. Total Wages & Salaries (BLS)	Billion Dollars	4,792	4,907	5,128	5,408	2.4	4.5	5.4
Utah Nonagricultural Employment (WS)	Thousands	1,073.7	1,074.1	1,101.4	1,128.1	0.0	2.5	2.4
Utah Average Annual Pay (WS)	Dollars	30,112	30,617	31,415	32,444	1.7	2.6	3.3
Utah Total Nonagriculture Wages (WS)	Million Dollars	32,333	32,887	34,600	36,600	1.7	5.2	5.8
INCOME AND UNEMPLOYMENT								
U.S. Personal Income (BEA)	Billion Dollars	8,868	9,149	9,624	10,095	3.2	5.2	4.9
U.S. Unemployment Rate (BLS)	Percent	5.8	6.0	5.5	5.4	na	na	na
Utah Personal Income (BEA)	Million Dollars	57,732	59,327	62,234	65,781	2.8	4.9	5.7
Utah Unemployment Rate (WS)	Percent	6.1	5.6	5.3	4.7	na	na	na

Note: This forecast assumes no closure of Hill Air Force Base.

Source: Council of Economic Advisors' Revenue Assumptions Committee.

Table 2
2004 and 2005 Large Construction and Employment Summary

2004 Announced Additions of 50 or more jobs:

Alliant Techsystems - minuteman III rocket fuel
 Alpine Access - home-based telemarketing
 ATK Thiokol - solid rocket fuel
 Atlantic Southeast Airlines - airline
 BD Medical - medical and diagnostic supplies
 Cadence Design Systems - electronic design products
 Challenger Process Systems Co. - oil processing equipment
 Cephalon Inc. - pharmaceutical drugs
 Communications Systems-West - spy satellite equipment
 Craft & Novelty - crafts and novelty items
 GMAC Automotive Bank - auto financing
 Kohl's - department stores
 Loft House Foods - cookie maker
 Lozier Corp. - manufactures metal retail store fixtures
 Malt-O-Meal - cereal manufacturing
 MedQuist - medical transcription
 Merit Medical - disposable medical products
 MyFamily.com - geneology
 North Pacific Group of Portland - building products mfg.
 Omniture Inc. - web analytics
 Practice Rx - medical billing
 Qwest - dsl customer calls
 Roll-A-Flex Doors Corp. - roll-up doors manufacturing
 Rose Ranch - dairy farm
 Sento Corp. - service call center
 SkyWest Airlines - airline
 Verizon - customer service center
 Wal-Mart Super Store - retail and groceries
 Wild Oats - health food store
 WorkingRx - workers compensation claims specialists

2004 Announced Subtractions of 50 or more jobs:

Amalgamated Sugar Co. - sugar manufacturing
 Fred Meyer - retail supercenters
 Iomega Corp. - data storage manufacturer
 Kimberly-Clark - disposable medical devices
 Southwest Airlines - reservation center
 Toys 'R' Us - clothing stores
 Utah Power - electric power

Source: Governor's Office of Planning and Budget

\$30 Million Plus Projects Ending in 2004:

East and West Capitol Office Buildings - \$50m
 Diamond Fork Conveyance System CUP - \$150m
 Huntsman Cancer Institute Research Hospital - \$100m
 Joseph F. Smith Building BYU - \$70m
 One Airport Center - \$100m
 Payson gas fired power plant - \$100m
 Renaissance Towne Centre - \$100m
 Sandwash Reservoir - \$50m
 Union Pacific Maintenance Facility - \$150m
 Williams petroleum pipeline - \$200m

\$30 Million Plus Projects Extending Beyond 2004:

Airport Expansion - \$1b
 Alpine Village - \$33m
 Big Sand Wash Reservoir - \$40m
 State Capitol renovation - \$200m
 Cephalon Inc. manufacturing plant - \$50m
 Commuter Rail \$500m in construction and \$100m in cars
 CUMC Physicians Building - \$35m
 Currant Creek power plant - \$200m
 Daybreak mixed use by Kennecott - \$1b
 Emma Eccles Jones Medical Sciences Building - \$46m
 Geneva Cleanup - \$42m
 Hamilton Partners Office Tower - \$30m
 IHC Intermountain Medical Center - \$362.5m
 Summit IHC Hospital - \$50m
 Jordan Bluffs mixed use at old superfund site - \$500m
 Lake Side Power Project - \$330m
 LDS Downtown Rejuvenation - \$500m
 Midtown Village - \$75m
 Moran Eye Center - \$53m
 Moss Federal Courthouse annex - \$115m
 Newspaper Agency printing plant - \$80m
 Ogden City Downtown Redevelopment - \$150m
 Pleasant Grove Town Center - \$200m
 POMA pipeline \$62m and treatment plant \$80m
 Quilt Crossing - \$210m
 RiverPark Corporate Center - \$300m
 Salt Lake Regional Medical Center - \$36m
 Salt Palace Convention Center expansion - \$52m
 SLCC 90th South Campus - \$143m
 St. George Regional Airport - \$78m
 Traverse Mtn. (Fox Ridge) \$2b
 Utah Lake System project CUP \$460m plants and pipelines
 U of U Health Sciences Building - \$33m
 USU Living/Learning Housing System & Garage - \$36m
 USU Merrill Library - \$40m
 Wal-Mart Distribution Center - \$55m
 Wasatch Spectrum - \$100m

Utah's Long-Term Projections

Overview

Utah's population reached 2.2 million in 2000 and is expected to reach 5.4 million by the year 2050. The growth rate, which exceeds the rate of growth for the nation, will be sustained by a rapid rate of natural increase and a strong and diversified economy.

State Level Results

The 2005 Baseline demographic and economic projections were produced by the Demographic and Economic Analysis section of the Governor's Office of Planning and Budget (GOPB), in association with numerous state and local representatives. The 2005 Baseline is unique because it is the first time GOPB has used its new econometric model to generate official demographic and economic projections.

Population. Utah's population, which was 1.7 million in 1990, reached 2.2 million in 2000, and is projected to achieve 2.8 million in 2010, 3.5 million in 2020, 4.1 million in 2030, 4.7 million in 2040, and 5.4 million in 2050. Although the projected average annual growth rate decelerates from 2.4% per year in the 1990s to 1.3% per year in the 2040s, these growth rates are more than twice the projected rates for the nation as a whole.

Natural Increase. Natural increase, which is the amount by which annual births exceed annual deaths, will fuel 86% of Utah's population growth over the next 50 years. The number of births per year is projected to average 50,900 in the 2000s, 60,500 in the 2010s, 69,000 in the 2020s, 78,800 in the 2030s, and 88,500 in the 2040s. This compares to projected annual average deaths of 13,400 in the 2000s, 16,200 in the 2010s, 19,700 in the 2020s, 24,600 in the 2030s, and 29,900 in the 2040s.

Migration. Net migration is gross in-migration less gross out-migration. Positive net in-migration occurs when more people move into an area than move out of an area for a given period of time. Net in-migration is projected to occur in the State of Utah over the next five decades. Approximately 399,500 of the 2.9 million population increase over the 45 year projection period can be attributed to net in-migration, meaning in-migration accounts for about 14% of the projected increase. Net in-migration occurs when 1) there is enough job creation to accommodate residents who are new entrants to the labor force, and 2) there is additional job creation, such that in-migration is necessary to satisfy labor demand within the state. The sustained net in-migration is projected because job creation is also projected to be relatively rapid over the next three decades.

Age Structure and Fertility. A significant amount of attention has been paid to the trends of the growing school-age population (ages 5 to 17) in Utah. The growth spurt in this age group is a consequence of the fact that the grandchildren of the baby boomers are now entering the school-age years. The State of Utah is projecting an increase of nearly 156,000 people in the school-age population over the next decade. It is important to note that this increase is not mainly fertility-driven or migration-driven. Rather, it is primarily due to the fact that a significantly large number of women are presently in their childbearing years. Utah's population is relatively young when compared to the nation. Consequently, a greater proportion of the state's females are in their childbearing years than the U.S. Therefore, even if Utah's fertility rate (children per woman) was equal to that of the nation, more children would be born in Utah relative to the size of the population.

In addition to the young population, Utah's women have higher fertility rates, ranking the state first among states nationwide. For the projection period, Utah's fertility rate is projected to remain constant at 2.5 children per woman of childbearing age. At the national level, the fertility rate is projected to increase from 2.01 in 2000 to 2.19 in 2050. Further contributing to the rapid rate of natural increase is the fact that Utahns tend to have longer life expectancies (mortality rates at any given age are lower) compared to the nation.

The median age is the age that divides the age distribution of a given population into two equal groups--one that is younger than the median and one that is older than the median. Utah's median age is projected to increase from 27 years in 2000 to 34 years by the year 2050. Over the same period, the U.S. median age is projected to increase from 35 to 39. The increasing median ages in both cases are largely the result of the aging of the baby boomers over time. The difference in median ages reflects the cumulative effect of Utah's higher fertility rate and the interaction of this high fertility rate with the younger population profile of the state. As Utah women in childbearing years continue to have more children on average than women nationally, the younger age groups continue to be relatively larger as a portion of the population than is the case for the U.S. as a whole.

Dependency Ratio. One summary measure of a population's age structure is the dependency ratio. This ratio is defined as the number of non-working age persons (younger than 18, and 65 years and over) divided by the number of working age persons (ages 18 through 64). Historically, Utah's dependency ratio has been significantly higher than that of the nation. This has occurred because the preschool and school-age portions of Utah's population have been substantial, relative to its total population. In 1970, Utah's dependency ratio was 90 while the nation's was 79. In 2000, the dependency ratio for the state fell to 68 while the nation's fell to 62. In both cases, this decline occurred primarily because the baby boomers reached working age.

Utah's age structure is projected to continue to be characterized by a relatively high dependency ratio. However, the state's dependency ratio is projected to drop below that of the nation beginning in 2028, and continue for about ten years. By 2050, Utah's dependency ratio will once again be securely above the nation's ratio. The projected dependency ratio for Utah in 2050 is 88, while that of the nation is 79. The trend of converging, then crossing, dependency ratios is primarily because the working age proportion of Utah's population is projected to increase while that of the nation is projected to decline. The aging of the baby boomers affects the age structure of both Utah and the U.S. However, the aging and retirement of the baby boomers will have a larger effect on the national dependency ratio because the younger age groups in Utah's population will increase more rapidly than those of the nation throughout the entire period.

Employment. Utah's total employment is projected to increase from 1.4 million in 2000 to 3.5 million in 2050. This is an increase of over two million jobs over the projections period. The State of Utah's average annual growth rate for the projections period is 1.8%, while the corresponding growth rates for the U.S. are projected to be about half that of Utah.

Over the next five decades, employment growth is projected for every major industry except mining in Utah. Further, average annual growth in

every industry is projected to be higher than for those same industries at the national level. National projections indicate that four of the 11 major industries will experience net declines in employment levels. The four industries are mining; manufacturing; trade, transportation, and utilities; and information. In Utah, of the ten major industries, education and health services is projected to have the highest average annual growth rate over the next five decades. The projected average annual rate of change for 2001 through 2050 for Utah's education and health services sector is 3.6%. Other major industries in Utah that are projected to have strong employment growth (around 2.0% per year on average) for the 2001 to 2050 period are professional and business services (2.3%), and other services (1.8%). Slower growing industries include construction (1.5%), manufacturing (1.5%), financial activity (1.5%), leisure and hospitality (1.5%), government (1.3%), trade, transportation, and utilities (1.1%), and information (0.7%).

Currently, the three largest industries (in terms of employment) in Utah are: trade, transportation, and utilities; government; and professional and business services. Looking forward, the number of jobs in these industries is expected to more than double, increasing from 647,400 in 2000 to 1.4 million in 2050, an increase of nearly 760,000 jobs.

Diversification. The State of Utah is becoming more economically diverse, and hence more like the economic structure of the United States, as measured by the Hachman Index. There are specific counties that are very different from the U.S., and this is not necessarily bad. For example, if the mining industry moved out of Duchesne County, the economic structure of the county would score higher on the Hachman Index, meaning it would now be more representative of the economic base of the nation. However, the county's economy would not be better off. Although the direction of shifts in composition of employment by industry are projected to be similar for Utah and the U.S., the projected 2000 and 2050 distributions of employment by industry are different for Utah and the U.S. In 2001, the most significant differences between the industrial composition of Utah and the U.S. were the large concentration of employment in the construction and the financial activity sectors, as well as the somewhat large employment concentration in the information and government sectors. The concentration of employment in the trade, transportation, and utilities sector was slightly higher in Utah when compared to the nation. The Utah industries with smaller proportions of the overall employment than their national counterparts included professional and business services, leisure and hospitality, other services, manufacturing, education and health services, and mining.

The most significant differences between the employment shares for the projected industrial composition in 2050 of Utah and the U.S. are the relatively larger concentration of Utah's employment in the manufacturing, financial activity, and construction sectors, and the relatively smaller share of Utah's employment in mining. When compared to the nation, Utah is also projected to have a slightly larger share of employment in: professional and business services; other services; and leisure and hospitality. It is projected to have a slightly smaller share of employment in: trade, transportation, and utilities; government; information; and education and health services. This is the combined result of the differential shifts in industrial composition between Utah and the U.S. in the projections period, and the initial differences in the composition of employment between the two.

County Level Population and Employment Projections

Population. About 1.9 million (or 61%) of the 3.1 million population

increase projected for the state between 2000 and 2050 will be concentrated in the counties of Salt Lake, Utah, Davis, and Weber. This is somewhat less than the 76% share of the state's population in these counties in 2000. Therefore, the projected share of the state's population in these four counties in 2050 will decline slightly to 67%.

The counties with the highest projected average annual rates of growth over the 2000 to 2050 period are Washington (3.9%), Morgan (3.8%), Summit (3.0%), Wasatch (2.9%), Tooele (2.6%), Utah (2.3%), Iron (2.3%), Cache (2.2%), and Beaver (2.1%). These growth rates are all in excess of the state's average annual rate of growth of 1.8% for the 2000 to 2050 period. Thus, these counties will gain in terms of their shares of the state's total population.

Employment. Of the 2.1 million net nonagricultural employment creation projected for the state from 2001 to 2050, 1.4 million jobs (67%) are expected to be within Salt Lake, Utah, Davis, and Weber counties. Among these, Utah is the only county projected to have average annual growth rates of employment in excess of that of the state as a whole.

The counties with the most rapid rates of projected employment growth are also those counties with rapid rates of projected population growth. Rapid employment growth makes it possible for a region to support more people. Population growth reinforces economic expansion as well. The counties with the most rapid rates of projected employment growth from 2001 to 2050 are Morgan (4.2%), Washington (4.0%), Wasatch (2.8%), Utah (2.6%), Cache (2.6%), Summit (2.5%), Iron (2.4%), and Beaver (2.0%).

Methods and Assumptions

Models. The 2005 Baseline represents the first time the state's new economic model has been used to produce an official projection baseline. The State of Utah has now officially switched from using the Utah Process Economic and Demographic (UPED) model to using a model from Regional Economic Models Incorporated (REMI) to produce the official long-term baseline projections. The REMI model is very similar to the UPED model, in that it combines economic and demographic components in order to produce a complete picture of the complex relationships that exist in a society. Its ability to capture these complex relationships makes REMI fairly unique among models of economic and demographic growth.

The REMI model is a structural model, which means that it includes cause-and-effect relationships among the different parts. The basic assumptions underlying the model are that households maximize utility and that producers maximize profits. The five major model blocks are: (1) output and demand, (2) labor and capital demand, (3) population and labor force, (4) wages, prices and costs, and (5) market shares. These blocks provide the foundation upon which the model linkages are built.

The models GOPB uses to produce the official baseline long-term projections for the State of Utah and its counties were custom designed by REMI. Not only do they incorporate regional data from national sources such as the U.S. Bureau of Economic Analysis, the U.S. Bureau of Labor Statistics, and the U.S. Census Bureau, the models also specifically include locally produced data.

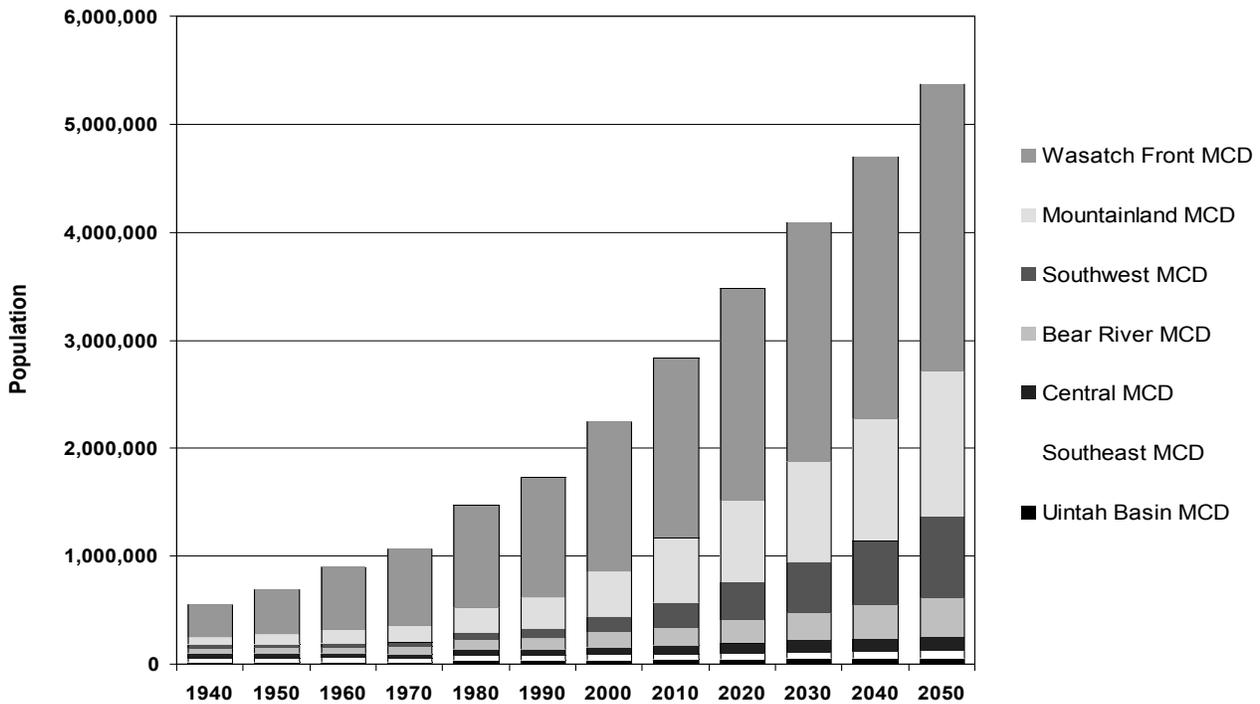
Fertility. State level birth probabilities by age of mother are assumed to remain constant at their estimated 2004 levels to 2050. The resulting total fertility rates (central birth rates) is 2.5 for the state.

Survival. State-level survival rates by age and sex are assumed for the state. Survival rates are assumed to increase along with projected U.S. survival rates to 2050. This assumption yields an increase in life expectancy of 4.1 years, from 74.9 years in 1990 to 79.0 years in 2030, for males. For females the similar increase is 3.1 years, from 80.4 in 1990 to 83.5 in 2030.

Employment Growth Assumptions. The underlying assumption in the production of employment projections is that industry shares of growth will remain constant over time. Therefore, the process of creating long-term employment projections involved extrapolating employment by industry based on a trend analysis of that industry's share of national employment. For instance, if a Utah industry constituted 1% of national industry employment in 1980, 2% in 1990, and 3% in 2000, that industry would be projected to constitute 4% in 2010, 5% in 2020, and 6% in 2030. This procedure was performed for all major industries and for all counties in Utah.

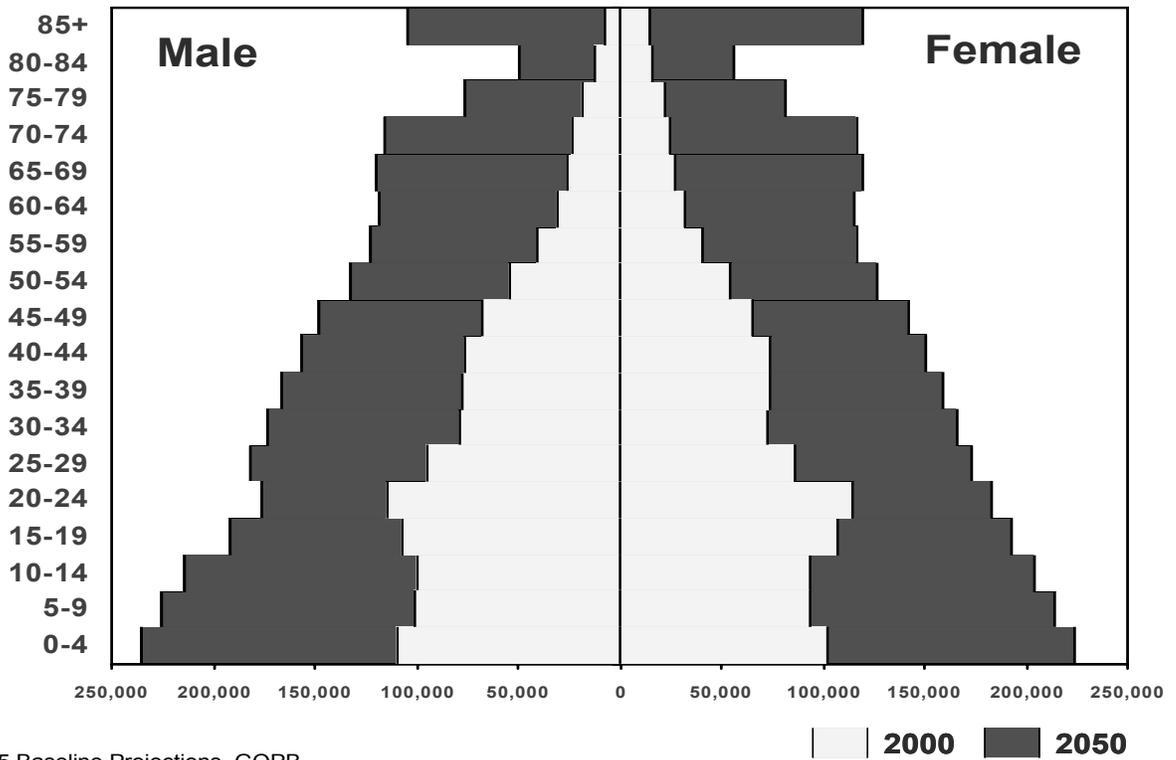
Additional Information. For additional information on historical as well as projected economic and demographic data, including methods, procedures, and assumptions, visit the web site: www.governor.utah.gov/dea/people.html.

Figure 8
Population Estimates and Projections by MCD: 1940-2050



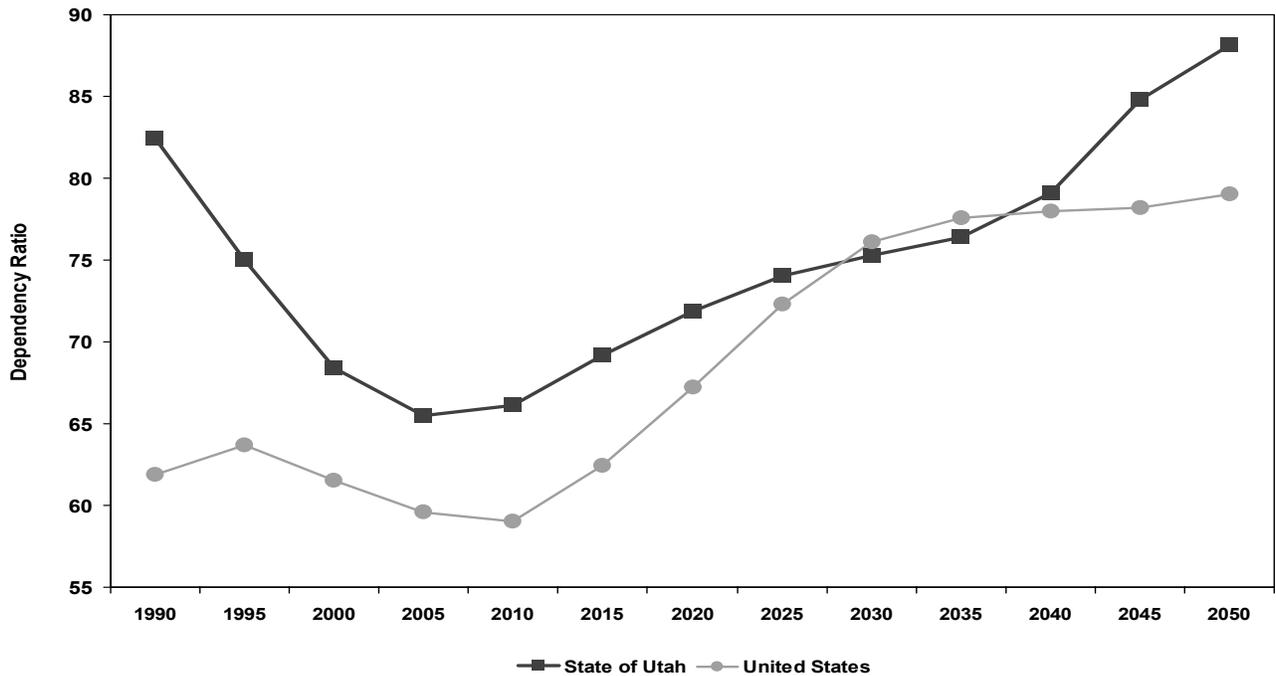
Source: 2005 Baseline Projections, GOPB.

Figure 9
Utah's Changing Age Structure



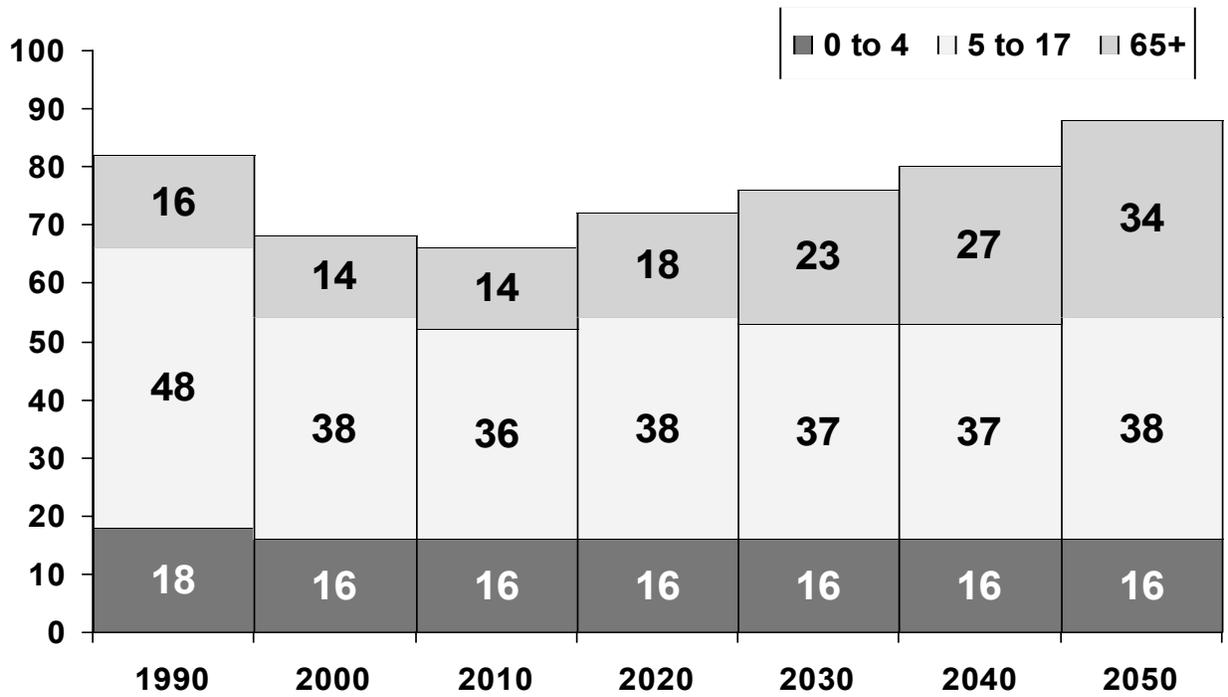
Source: 2005 Baseline Projections, GOPB.

Figure 10
Historical and Projected Dependency Ratios for Utah and the U.S.



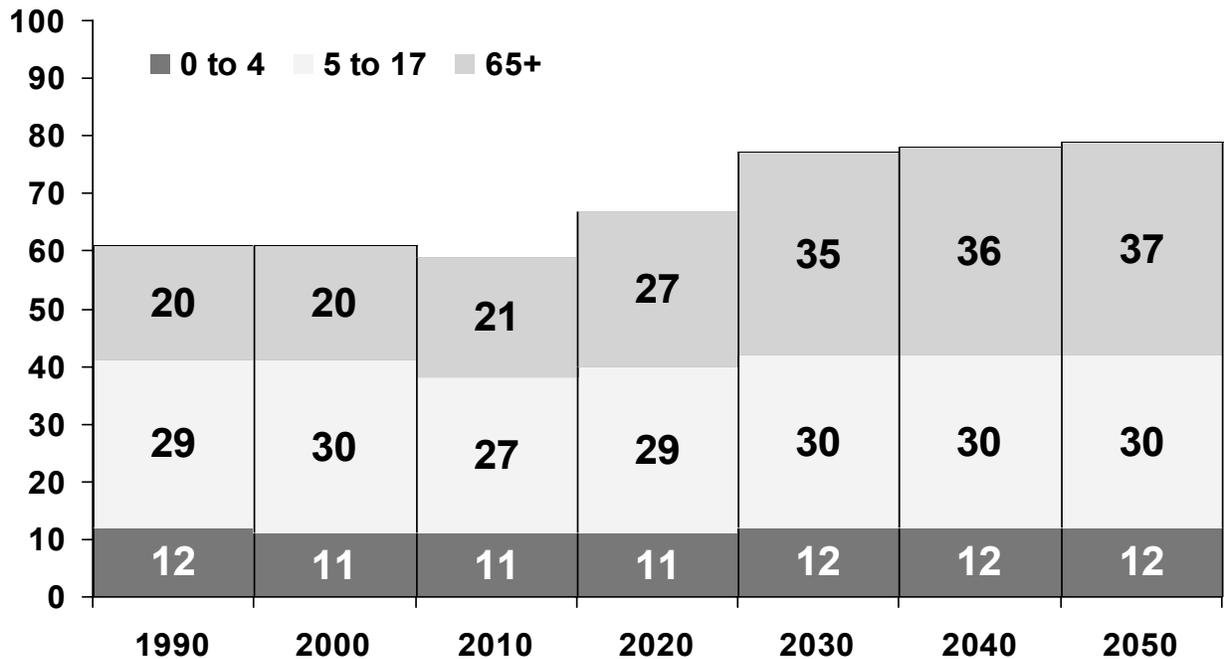
Source: 2005 Baseline Projections, GOPB.

Figure 11
Utah Dependency Ratios: 1990 to 2050



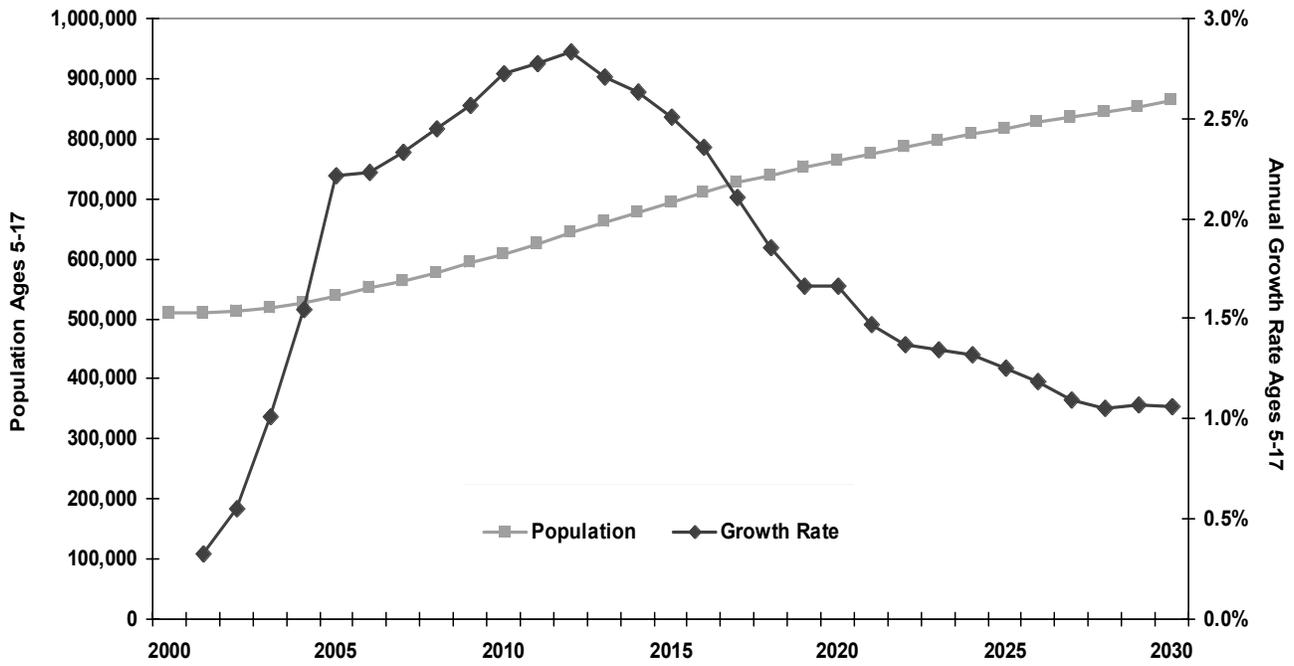
Source: 2005 Baseline Projections, GOPB.

Figure 12
U.S. Dependency Ratios: 1990 to 2050



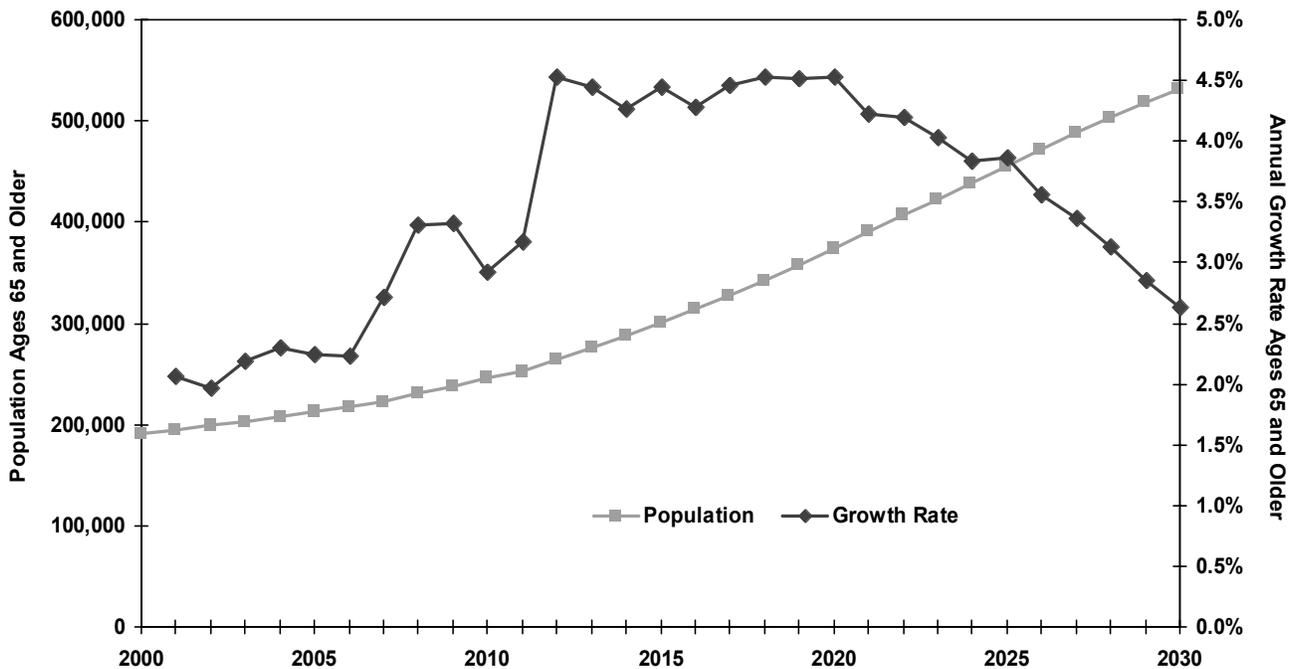
Source: 2005 Baseline Projections, GOPB.

Figure 13
Growth of School-Age Population: 2000 to 2030



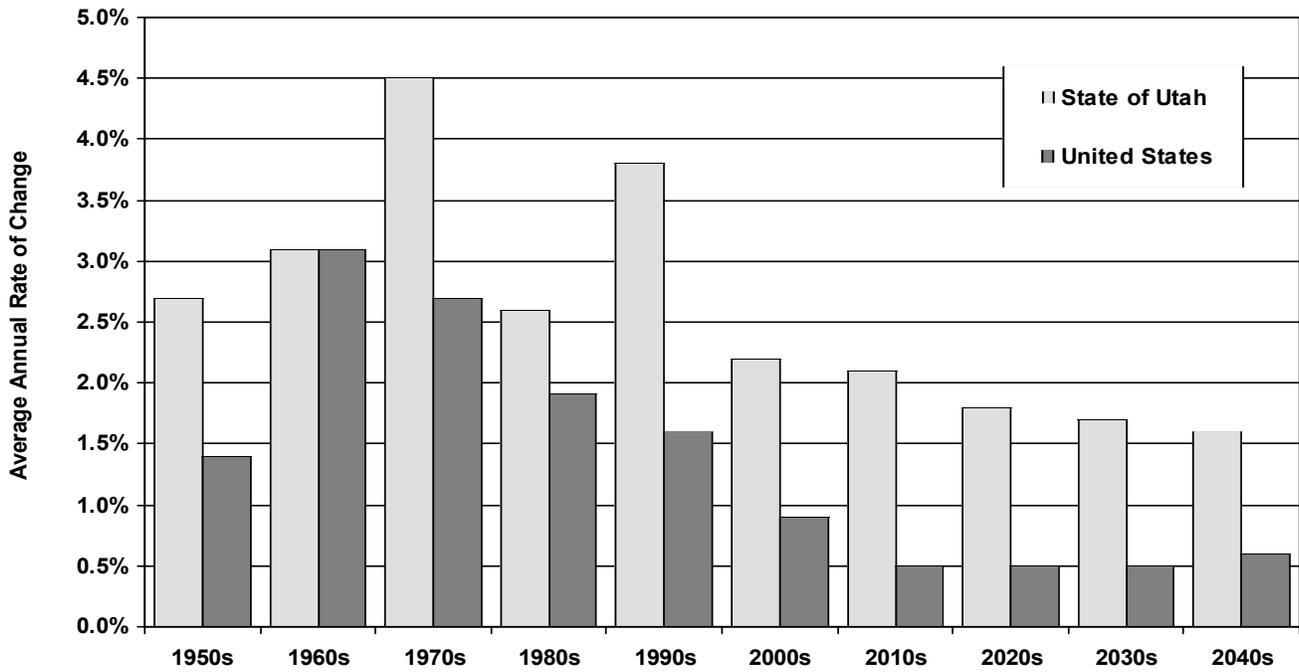
Source: 2005 Baseline Projections, GOPB.

Figure 14
Growth of 65 and Older Age Group: 2000 to 2030



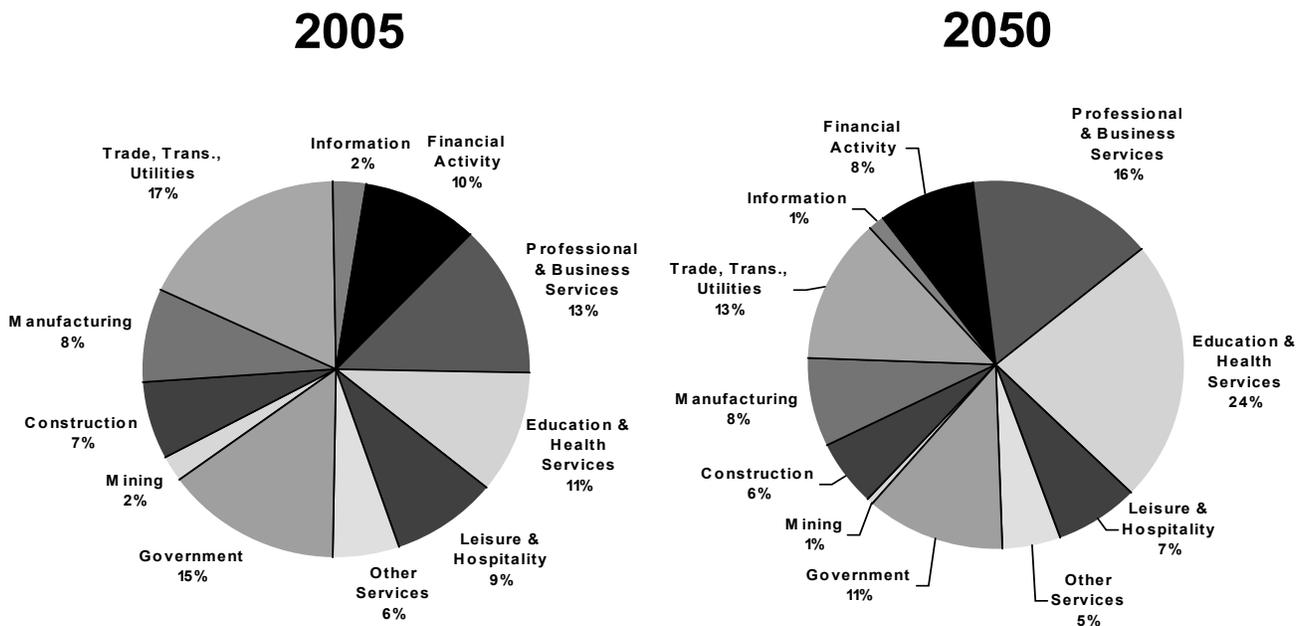
Source: 2005 Baseline Projections, GOPB.

Figure 15
Total Employment Growth by Decade for Utah and the U.S.



Source: 2005 Baseline Projections, GOPB.

Figure 16
Utah Employment by Industry as a Share of Total State Employment



Source: 2005 Baseline Projections, GOPB.

Table 3
Utah Economic and Demographic Summary

Year	July 1 Population Total Population		School-Age Population (Ages 5-17)		Total Employment*		Households		
	Total	Growth Rate	Total	Growth Rate	Total	Growth Rate	Total	Growth Rate	Average Size
2000	2,246,553	na	509,092	na	1,392,577	na	706,978	na	3.12
2005	2,528,926	2.4%	538,492	1.1 %	1,482,410	1.3%	827,150	3.2%	3.01
2010	2,833,337	2.3%	608,071	2.5%	1,697,725	2.7%	943,143	2.7%	2.96
2020	3,486,218	2.1%	763,907	2.3%	2,084,097	2.1%	1,179,874	2.3%	2.91
2030	4,086,319	1.6%	862,532	1.2%	2,493,070	1.8%	1,417,632	1.9%	2.83
2040	4,701,369	1.4%	967,828	1.1%	2,946,187	1.7%	1,657,488	1.6%	2.78
2050	5,368,567	1.3%	1,097,703	1.3%	3,452,532	1.6%	1,914,879	1.5%	2.75

Notes:

*Includes self-employed and others not included in nonagricultural employment.

1. All numbers are dated July 1.

2. The 2000 number for total employment is actually a 2001 number. The 2000 number is not available in a NAICS consistent format.

Source: 2005 Baseline Projections, Governor's Office of Planning and Budget.

Table 4
Population Projections by County and District

County	2000	2005	2010	2020	2030	2040	2050	AARC 2000- 2050
Beaver	6,023	6,335	7,575	11,549	13,761	15,535	17,373	2.1%
Box Elder	42,860	45,142	49,254	61,675	73,833	85,455	97,789	1.7%
Cache	91,897	102,477	114,304	147,776	183,989	223,185	266,711	2.2%
Carbon	20,396	19,205	19,023	20,982	23,188	25,118	27,039	0.6%
Daggett	933	967	1,024	1,141	1,209	1,258	1,305	0.7%
Davis	240,204	276,374	304,502	352,320	382,219	404,170	424,177	1.1%
Duchesne	14,397	15,043	15,897	19,021	21,497	23,516	25,543	1.2%
Emery	10,782	10,492	10,346	11,359	12,536	13,396	14,240	0.6%
Garfield	4,763	4,645	4,955	5,973	6,747	7,356	7,966	1.0%
Grand	8,537	8,691	9,039	9,751	10,129	10,403	10,661	0.4%
Iron	34,079	40,212	48,772	65,607	77,493	90,268	103,920	2.3%
Juab	8,310	8,917	10,112	12,798	14,546	16,067	17,611	1.5%
Kane	6,037	6,093	6,618	8,359	9,783	11,033	12,327	1.4%
Millard	12,461	13,305	14,199	18,386	22,439	25,726	29,179	1.7%
Morgan	7,181	8,525	10,183	16,200	24,595	34,290	46,596	3.8%
Piute	1,436	1,356	1,503	1,790	1,797	1,913	2,026	0.7%
Rich	1,955	2,086	2,147	2,447	2,636	2,724	2,809	0.7%
Salt Lake	902,777	970,748	1,053,258	1,230,817	1,381,519	1,521,926	1,663,994	1.2%
San Juan	14,360	14,444	14,481	15,419	16,910	18,269	19,620	0.6%
Sanpete	22,846	25,447	27,904	32,902	35,181	36,866	38,492	1.0%
Sevier	18,938	19,494	21,038	24,855	26,892	28,337	29,738	0.9%
Summit	30,048	36,417	44,511	65,001	85,660	107,554	132,681	3.0%
Tooele	41,549	51,835	67,150	95,696	112,722	130,092	148,486	2.6%
Uintah	25,297	26,317	27,071	29,289	30,641	31,614	32,538	0.5%
Utah	371,894	453,977	527,502	661,319	804,112	964,893	1,147,333	2.3%
Wasatch	15,433	20,138	25,516	37,082	46,193	55,179	65,010	2.9%
Washington	91,104	125,010	162,544	251,896	353,922	472,355	607,334	3.9%
Wayne	2,515	2,527	2,764	3,469	3,943	4,292	4,640	1.2%
Weber	197,541	212,707	230,145	271,339	306,227	338,579	371,429	1.3%
MCD								
Bear River	136,712	149,705	165,705	211,898	260,458	311,364	367,309	2.0%
Central	66,506	71,046	77,520	94,200	104,798	113,201	121,686	1.2%
Mountainland	417,375	510,532	597,529	763,402	935,965	1,127,626	1,345,024	2.4%
Southeast	54,075	52,832	52,889	57,511	62,763	67,186	71,560	0.6%
Southwest	142,006	182,295	230,464	343,384	461,706	596,547	748,920	3.4%
Uintah Basin	40,627	42,327	43,992	49,451	53,347	56,388	59,386	0.8%
Wasatch Front	1,389,252	1,520,189	1,665,238	1,966,372	2,207,282	2,429,057	2,654,682	1.3%
State of Utah	2,246,553	2,528,926	2,833,337	3,486,218	4,086,319	4,701,369	5,368,567	1.8%

Notes:

1. AARC is average annual rate of change.
2. All populations are dated July 1.

Source: 2005 Baseline Projections, Governor's Office of Planning and Budget.

Table 5
Utah Population Projections by Selected Age Groups

Age	2000	2005	2010	2020	2030	2040	2050
0-4	212,172	249,960	274,564	319,883	361,961	411,826	458,120
5-17	509,092	538,492	608,071	763,907	862,532	967,828	1,097,703
18-29	499,544	547,219	525,553	568,051	685,700	768,969	858,218
30-39	300,677	348,282	458,897	497,720	497,802	591,742	665,868
40-64	533,956	632,391	721,003	962,474	1,146,904	1,263,686	1,330,475
65+	191,112	212,582	245,249	374,183	531,420	697,318	958,183
15-44	1,072,904	1,170,569	1,271,973	1,504,362	1,616,339	1,830,933	2,071,539
16-64	1,417,564	1,607,235	1,787,693	2,138,213	2,457,441	2,764,213	3,013,631
60+	254,031	292,870	353,155	526,475	695,695	958,992	1,191,065
Total	2,246,553	2,528,926	2,833,337	3,486,218	4,086,319	4,701,369	5,368,567
Median Age	27	28	30	32	33	33	34

Note: All populations are dated July 1.

Source: 2005 Baseline Projections, Governor's Office of Planning and Budget.

Table 6
Utah Population by Selected Age Groups as a Percent of Total

Age	2000	2005	2010	2020	2030	2040	2050
0-4	9.4%	9.9%	9.7%	9.2%	8.9%	8.8%	8.5%
5-17	22.7%	21.3%	21.5%	21.9%	21.1%	20.6%	20.4%
18-29	22.2%	21.6%	18.5%	16.3%	16.8%	16.4%	16.0%
30-39	13.4%	13.8%	16.2%	14.3%	12.2%	12.6%	12.4%
40-64	23.8%	25.0%	25.4%	27.6%	28.1%	26.9%	24.8%
65+	8.5%	8.4%	8.7%	10.7%	13.0%	14.8%	17.8%
15-44	47.8%	46.3%	44.9%	43.2%	39.6%	38.9%	38.6%
16-64	63.1%	63.6%	63.1%	61.3%	60.1%	58.8%	56.1%
60+	11.3%	11.6%	12.5%	15.1%	17.0%	20.4%	22.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: All populations are dated July 1.

Source: 2005 Baseline Projections, Governor's Office of Planning and Budget.

Table 7
Total Employment Projections by Major Industry

Industry	2001	2005	2010	2020	2030	2040	2050
Mining	32,282	31,459	29,895	28,228	27,576	27,983	29,463
Construction	95,869	98,937	114,959	141,999	161,705	183,430	198,791
Manufacturing	127,828	123,039	131,677	150,920	180,666	218,190	266,491
Trade, Trans., Utilities	259,741	271,735	305,185	342,687	378,185	414,519	452,827
Information	36,535	33,770	38,134	41,166	44,025	47,416	51,711
Financial Activity	130,519	143,752	163,555	194,359	221,565	246,804	271,310
Professional & Business Services	181,034	199,315	236,776	301,647	374,448	457,369	556,671
Education & Health Services	134,218	156,429	191,684	294,044	430,409	596,484	801,429
Leisure & Hospitality	115,490	125,644	146,355	175,690	201,267	226,142	248,618
Other Services	72,467	81,394	93,441	113,366	133,925	155,601	178,493
Government	206,594	216,936	246,064	299,991	339,299	372,249	396,728
Total	1,392,577	1,482,410	1,697,725	2,084,097	2,493,070	2,946,187	3,452,532

Notes:

1. Numbers in this table may differ from other tables due to different data sources.
2. The 2000 number is not available in a NAICS consistent format.

Source: 2005 Baseline Projections, Governor's Office of Planning and Budget.

Table 8
Location Quotients and Hachman Index for the State of Utah

Industry	2001	2005	2010	2020	2030	2040	2050
Mining	0.79	0.77	0.71	0.64	0.59	0.57	0.56
Construction	1.17	1.17	1.19	1.18	1.15	1.16	1.14
Manufacturing	0.90	0.95	0.99	1.07	1.16	1.23	1.29
Trade, Trans., Utilities	1.01	0.98	0.97	0.97	0.98	0.98	0.98
Information	1.09	0.99	0.98	0.95	0.93	0.91	0.89
Financial Activity	1.17	1.17	1.17	1.18	1.20	1.22	1.24
Professional & Business Services	0.99	1.00	1.01	1.01	1.03	1.04	1.05
Education & Health Services	0.86	0.90	0.89	0.89	0.89	0.89	0.88
Leisure & Hospitality	0.98	0.97	0.97	0.97	0.98	1.00	1.01
Other Services	0.97	1.01	1.01	1.01	1.02	1.03	1.04
Government	1.07	1.04	1.02	1.00	0.97	0.95	0.94
Hachman Index	0.98	0.98	0.98	0.98	0.98	0.97	0.97

Notes:

1. Location Quotients are measures of relative shares. The share of a given industry in the subject area (Utah) is compared to that of the reference region (United States). A location greater than one indicates specialization in a subject region relative to the reference region.
2. The Hachman Index measures how closely the employment distribution of the subject region (Utah) resembles that of the reference region (United States). As the value of the index approaches one, this means that the subject region's employment distribution among industries is more similar to that of the reference region.
3. The 2000 number is not available in a NAICS consistent format.

Source: 2005 Baseline Projections, Governor's Office of Planning and Budget.

Table 8
Hachman Index by Individual County in the State of Utah

County	2001	2005	2010	2020	2030	2040	2050
Beaver	0.35	0.36	0.39	0.45	0.50	0.53	0.54
Box Elder	0.59	0.59	0.58	0.57	0.56	0.54	0.52
Cache	0.81	0.81	0.81	0.79	0.77	0.75	0.73
Carbon	0.79	0.82	0.85	0.87	0.88	0.89	0.90
Daggett	0.37	0.35	0.36	0.37	0.37	0.35	0.34
Davis	0.65	0.67	0.71	0.77	0.80	0.82	0.84
Duchesne	0.31	0.31	0.34	0.38	0.40	0.40	0.40
Emery	0.33	0.34	0.36	0.40	0.43	0.43	0.42
Garfield	0.39	0.41	0.43	0.47	0.49	0.51	0.53
Grand	0.56	0.56	0.57	0.59	0.59	0.58	0.58
Iron	0.86	0.87	0.87	0.86	0.87	0.88	0.88
Juab	0.69	0.70	0.73	0.76	0.78	0.79	0.79
Kane	0.56	0.55	0.55	0.54	0.52	0.49	0.47
Millard	0.36	0.38	0.41	0.47	0.53	0.56	0.59
Morgan	0.53	0.53	0.58	0.64	0.68	0.71	0.71
Piute	0.13	0.12	0.12	0.14	0.16	0.17	0.18
Rich	0.31	0.31	0.35	0.44	0.51	0.57	0.61
Salt Lake	0.93	0.93	0.93	0.94	0.93	0.93	0.92
San Juan	0.62	0.65	0.69	0.73	0.75	0.74	0.73
Sanpete	0.59	0.62	0.64	0.67	0.68	0.68	0.67
Sevier	0.64	0.66	0.69	0.73	0.75	0.76	0.77
Summit	0.52	0.54	0.54	0.54	0.53	0.52	0.51
Tooele	0.61	0.63	0.68	0.74	0.76	0.77	0.77
Uintah	0.22	0.19	0.19	0.19	0.20	0.19	0.18
Utah	0.79	0.80	0.81	0.80	0.79	0.79	0.79
Wasatch	0.75	0.76	0.75	0.74	0.74	0.72	0.69
Washington	0.84	0.83	0.84	0.85	0.87	0.87	0.87
Wayne	0.40	0.41	0.45	0.54	0.60	0.65	0.67
Weber	0.86	0.85	0.87	0.88	0.90	0.90	0.90

Source: 2005 Baseline Projections, Governor's Office of Planning and Budget.

Note:

1. The subject region is each individual county, and the reference region is the United States.
2. The 2000 number is not available in a NAICS consistent format.

Table 10
Historical and Projected Life Expectancies for Utah and the U.S.

Year	Utah			U.S.		
	Male	Female	Total	Male	Female	Total
1970	69.5	76.6	73.0	67.0	74.6	70.8
1980	72.4	79.2	75.8	70.1	77.6	73.9
1990	74.9	80.4	77.7	71.8	78.8	75.3
2000	75.5	81.9	78.7	74.5	80.2	80.2
2010	77.2	83.1	80.1	75.8	81.7	81.7
2020	78.2	84.5	81.4	77.1	83.3	83.3
2030	79.7	86.2	82.9	78.6	84.5	84.5
2040	81.0	87.7	84.3	80.1	85.8	85.8
2050	82.5	88.6	85.5	81.6	87.1	87.1

Sources: National Center for Health Statistics, Vital Statistics of the United States, Decennial Life Tables; Governor's Office of Planning and Budget.

Table 11
Utah Dependency Ratios

	2000	2005	2010	2020	2030	2040	2050
Dependency Ratio	68	66	66	72	75	79	88
Pop 0-4 per 100 Pop age 18-64	16	16	16	16	16	16	16
Pop 5-17 per 100 Pop age 18-64	38	35	36	38	37	37	38
Pop 65+ per 100 Pop age 18-64	14	14	14	18	23	27	34

Note: All populations are dated July 1.

Source: 2005 Baseline Projections, Governor's Office of Planning and Budget.



Economic Indicators

Demographics

Overview

The state's July 1, 2004 population was estimated to be 2,469,230 persons, increasing 2.3% from 2003. Although the state continues to experience net in-migration, natural increase accounts for the majority of the state's population growth. Utah's population growth is characterized by a high birth rate and low death rate, both at record levels for the state in 2004.

According to the U.S. Census Bureau's July 1, 2004 population estimates, Utah's population increased 1.6% from 2003 to 2004, ranking Utah seventh among states in population growth. Utah also continues to have a distinctive demographic profile. The state's population is younger, women tend to have more children, people on average live in larger households, and people tend to survive to older ages in comparison to other states.

2004 State and County Population Estimates

The Utah Population Estimates Committee recently released July 1, 2004 population estimates for the State of Utah and its counties. The state's population reached 2,469,230 in 2004, a year-over increase of 55,612 persons, or 2.3%. The state experienced its 14th straight year of net in-migration in 2004, as well as record setting years for births, deaths, and natural increase (births minus deaths). The U.S. Census Bureau also recently released July 1, 2004 population estimates for the fifty states. According to the Census Bureau, Utah's population reached 2,389,039 in 2004, an increase of 1.0% from 2003.

Utah's counties experienced varying growth rates in 2004. The most rapid growth in Utah occurred in counties within or adjacent to the northern metropolitan region, and in the southwestern portion of the state. The counties that are estimated to have grown faster than the state rate of 2.3% over the past year include, Washington County, with the highest growth rate of 6.9%, followed by Morgan (3.9%), Iron (3.6%), Daggett (3.6%), Wasatch (3.6%), Utah (3.4%), Summit (3.0%), Davis (2.6%), and Tooele (2.3%).

Several counties experienced an increase in population of less than 1.0% from 2003 to 2004. The majority of these counties are located in the mid-to-southern central areas of the state. They are Emery (0.2%), Beaver (0.4%), Millard (0.5%), Sevier (0.5%), Piute (0.6%), San Juan (0.8%), and Uintah (0.8%) counties. Carbon County experienced negative growth with -0.9%, followed by Rich (-0.5%).

Components of Population Change

Annual changes in population are comprised of two components: natural increase and net migration. Natural increase is the number of births minus the number of deaths. Annual births were at a record level in 2004 at 50,527, as well as annual deaths at 13,282. Since 1998, over 60% of the state's population growth has resulted from natural increase.

Net migration is the second component of population change. For a given period, net migration is in-migration minus out-migration, or the number of people moving into a place minus the number of people moving out. The total population in Utah increased by 55,612 persons from 2003 to 2004. Natural increase accounted for 37,245 persons, or 67.0%, while net in-migration accounted for 18,367 persons, or 33.0% of the total population increase. In 2004, Utah experienced net in-migration for the 14th year in a row.

Fluctuations in the annual amount of natural increase may result from

changes in the size, age structure, and vital rates (fertility and mortality) of the population. Total fertility rate is the number of births a woman would have during her lifetime if, at each year of age, she experienced the birth rate occurring for that specific year. Utah's fertility rate, 2.54 in 2002, continues to be the highest among states nationwide.

According to the National Center for Health Statistics, life expectancy has increased for both men and women in Utah and the U.S. from 1990 through 2000, although Utah life expectancy has been consistently higher than the national average. Life expectancy in Utah has risen from 77.7 in 1990 to 78.6 in 2000, compared to 75.4 in 1990 to 77.0 in 2000 for the U.S.

Utah's Young Population

Utah's rate of population growth continues to be higher than that of the nation. In comparison to other states, Utah's population is younger, women tend to have more children, people on average live in larger households, and people tend to survive to older ages. All these factors lead to an age structure that is quite unique among the states.

The Census Bureau's Population Estimates Program publishes population numbers between censuses. In comparison to the nation in 2003, Utah has the highest share of its total population in the preschool age group (9.8%), and also the highest share of its total population in the school-age group (21.8%). Conversely, the state has the smallest share of its population in the working age group (59.8%). Only Alaska (6.3%) has a smaller share of its total population in the 65 and older age group than does Utah (8.6%).

Another way to look at the age structure of a population is to examine the dependency ratio, which is a calculation of the number of non-working age persons (under 18 and 65 and over) per 100 persons of working age (18 to 64). Based on the U.S. Census Bureau's July 1, 2003 results, the total dependency ratio for Utah was 67.3, compared to 67.8 in 2002. Despite this decrease, Utah still had the highest dependency ratio in the nation, ranking first in 2002 and in 2003.

July 1, 2003 Census Bureau Population Estimates

According to the U.S. Census Bureau, Utah's population reached 2,351,467 in 2003, increasing by 32,678 people, or 1.4% from 2002 to 2003; ranking Utah eighth among states in population growth over a one year period. Nevada grew the fastest at 3.4%, followed by Arizona (2.6%), Florida (2.0%), Texas (1.8%), and Idaho (1.7%).

July 1, 2003 Census Bureau County Population Estimates

Salt Lake County continued to be the largest county in the state, with a 2003 population of 924,247, followed by Utah (398,059), Davis (255,597), Weber (205,827), and Washington (104,132). Washington County experienced the most population growth from 2002 to 2003 (4.7%), followed by Tooele (4.3%), Summit (3.5%), Wasatch (3.5%) and Rich (3.4%). Counties that experienced negative growth from 2002 to 2003 were Wayne (-2.7%), Garfield (-1.3%), Piute (-0.5%), Daggett (-0.4%), Carbon (-0.2%), Sevier (-0.1%), and Duchesne (-0.1%).

July 1, 2003 Census Bureau City Population Estimates

Salt Lake City was the largest city in the state in 2003, with a population of 179,894, followed by West Valley City (111,687), Provo (105,410), Sandy (89,319), and Orem (87,559). The City of Syracuse, in Davis County, led the way in population growth among the state's largest cities

(greater than 9,000). Syracuse increased 14.0% from 2002 to 2003. Other large cities that experienced significant increases from 2002 to 2003 include Washington (8.6%), Clinton (6.4%), Draper (6.3%), Lehi (6.2%), South Jordan (5.9%), St. George (4.5%), Tooele (4.4%), Hurricane (3.8%) and Riverton (3.7%).

Despite these trends, Utah ranked first in the nation in 2000 in the percent of family households (76%) and percent of married couple families (63%).

State and County Race and Hispanic Origin Counts

Race and Hispanic origin estimates are derived by updating the modified Census 2000 population with data on the components of population change. The enumerated resident population in Census 2000 is the base for the post-2000 population estimates. The enumerated population was modified in two ways for purposes of developing new estimates. First, the race data were modified to eliminate the "Some Other Race" category. Second, the April 1, 2000 population estimates base reflects modifications to the Census 2000 population as documented in the Count Question Resolution program.

The Office of Management and Budget (OMB) standards identify five minimum race categories: White; Black or African American; American Indian and Alaska Native; Asian; and Native Hawaiian and Other Pacific Islander. Additionally, the OMB recommended that respondents be given the option of selecting two or more races to indicate their racial identity. On the Census 2000 questionnaire, the OMB approved including a sixth category--"Some Other Race"--for respondents unable to identify with any of the five race categories. For purposes of estimates production, responses of "Some Other Race" alone were modified by imputing an OMB race alone or in combination with another race response. Responses of both "Some Other Race" and an OMB race were modified by keeping only the OMB race response.

The majority of Utahns (98.7%) were of a single race in 2003. Among those that were of a single race, the majority were White (93.6%), followed by Asian (1.9%), American Indian and Alaska Native (1.4%), Black or African American (1.0%), and Native Hawaiian or Other Pacific Islander (0.7%).

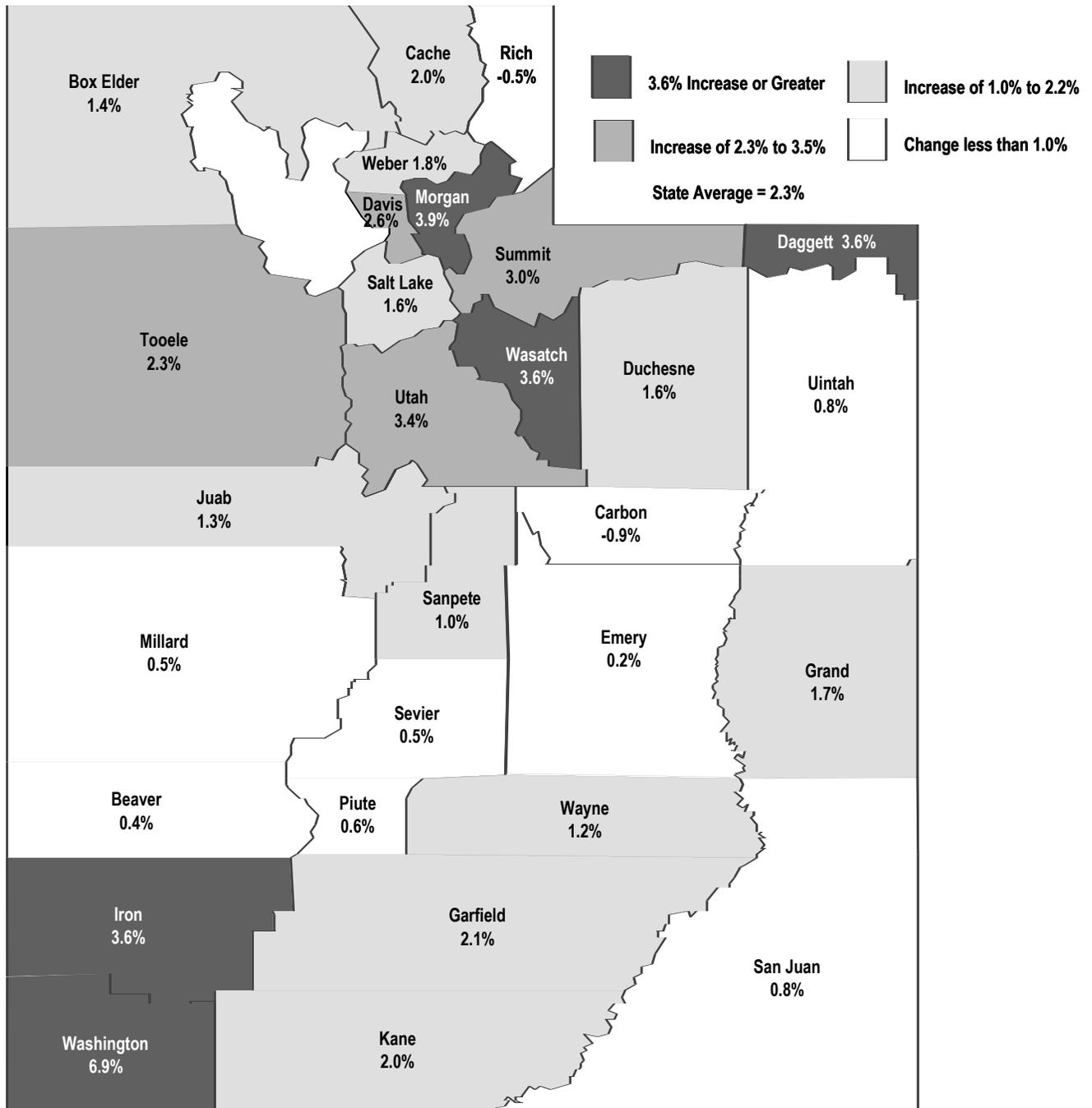
The Hispanic population in Utah increased 4.4%, from 223,540 in 2002 to 233,425 in 2003. Hispanics accounted for 9.9% of the state's population in 2003, compared to 9.6% in 2002. Among Utah's counties, Wasatch County had the fastest growing Hispanic population (14.6%) from 2002 to 2003, followed by Sanpete (9.2%), Emery (7.8%), Millard (7.4%), and Washington (7.3%). Hispanics made up 13.9% of the total population in Weber County in 2003, the largest percentage among all counties, followed by Salt Lake (13.4%), Carbon (9.8%), Tooele (9.1%), and Summit (9.0%).

Census 2000 Household and Family Characteristics

Utah continued to have the largest households in the nation, with 3.13 persons per household in 2000, compared to 2.59 nationally. The number of households in the state reached 701,281 in 2000, a 30.5% increase from 1990. Utah also continued to have the largest families in 2000, with 3.57 persons per family, compared to 3.14 nationally.

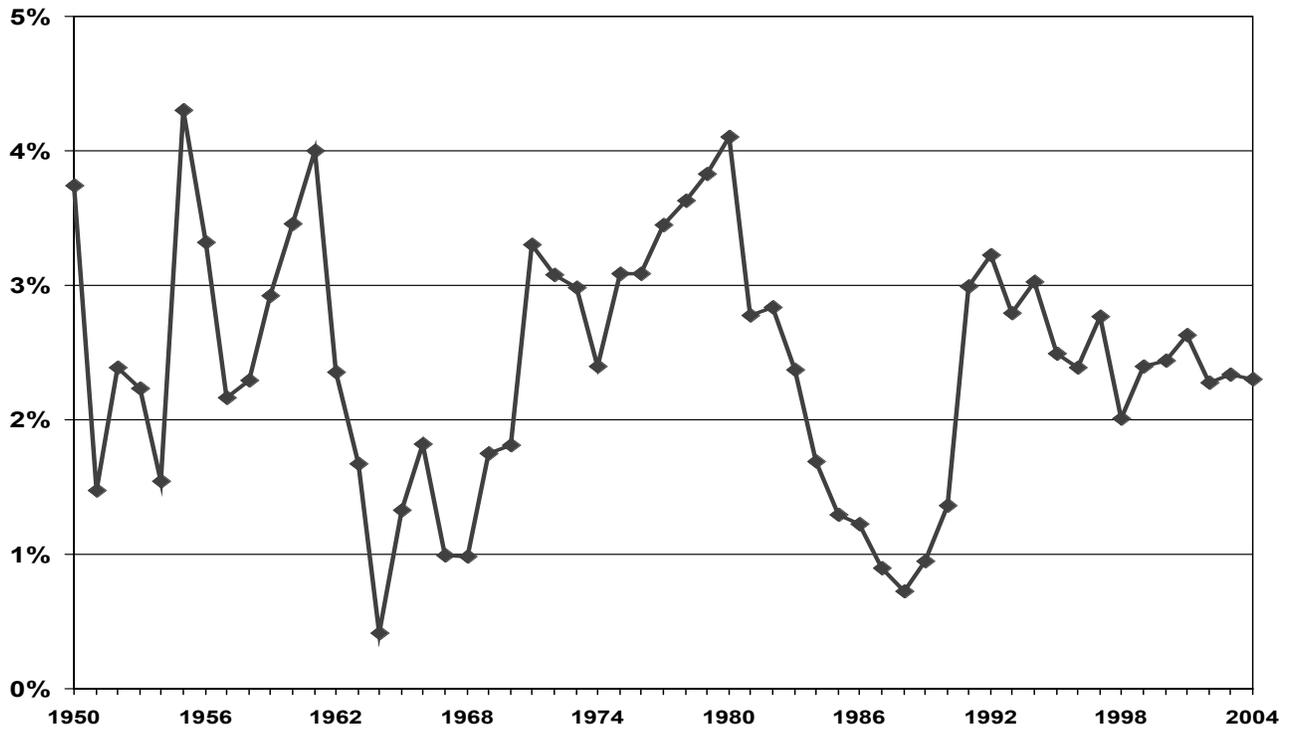
Over the past several decades, the composition of households in Utah has changed significantly. The number of family households increased by 30%; however the proportion of households that are designated as family households remained at 76%. Only 35% of households in Utah in 2000 were composed of married couples with their own children under 18, compared to 42% in 1980. The number of married couples, with or without children, has declined from 69% in 1980 to 63% in 2000.

Figure 17
Utah Population Growth Rates by County: 2003 to 2004



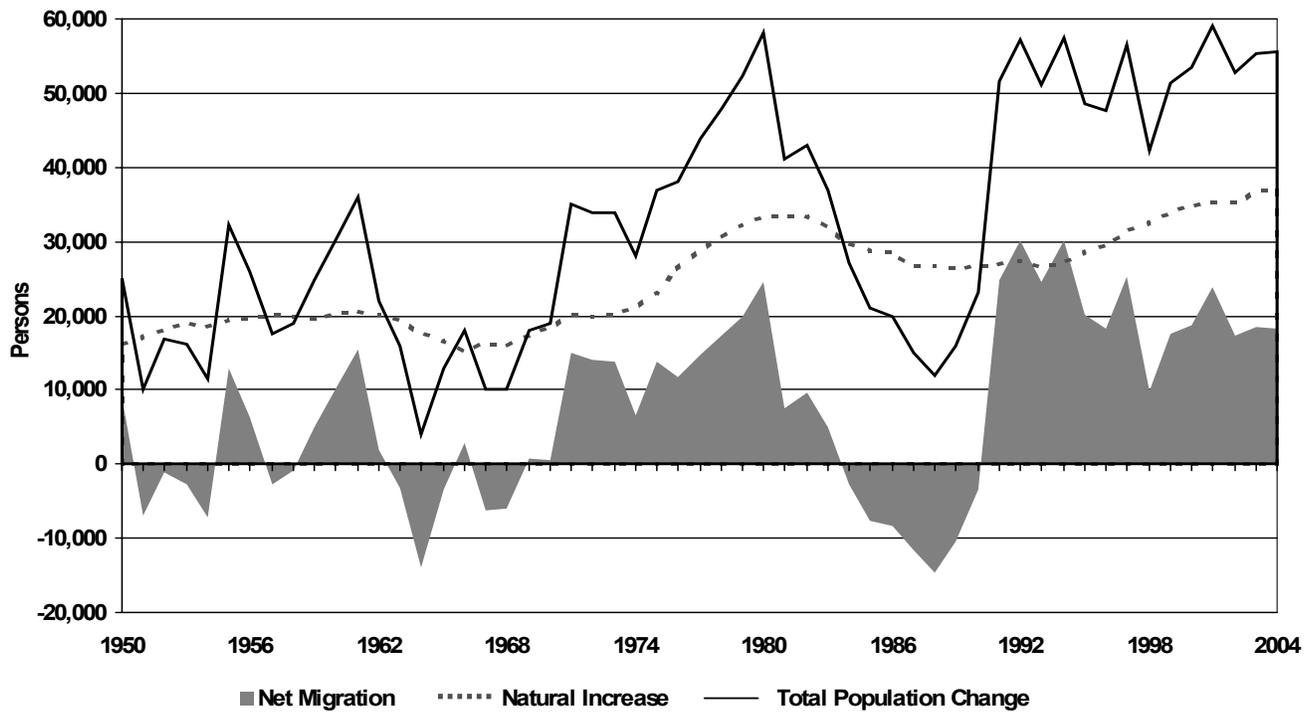
Source: Utah Population Estimates Committee

Figure 18
Utah Population – Annual Percent Change



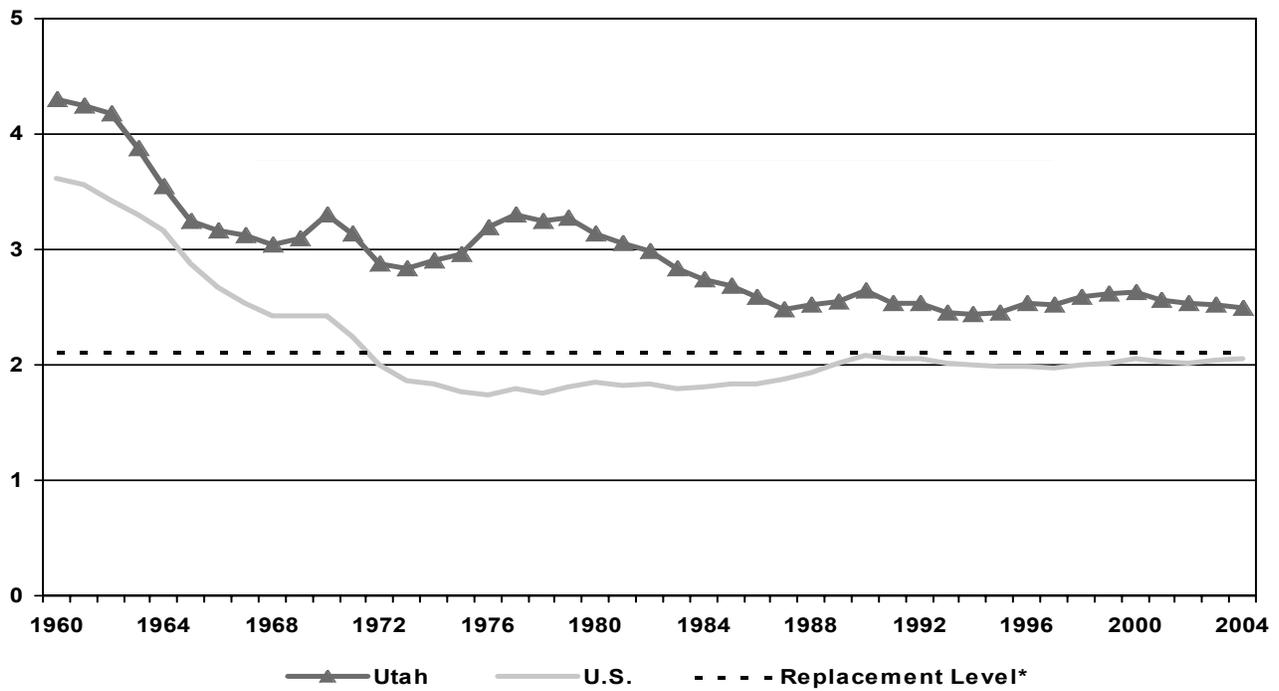
Source: Utah Population Estimates Committee

Figure 19
State of Utah Components of Population Change



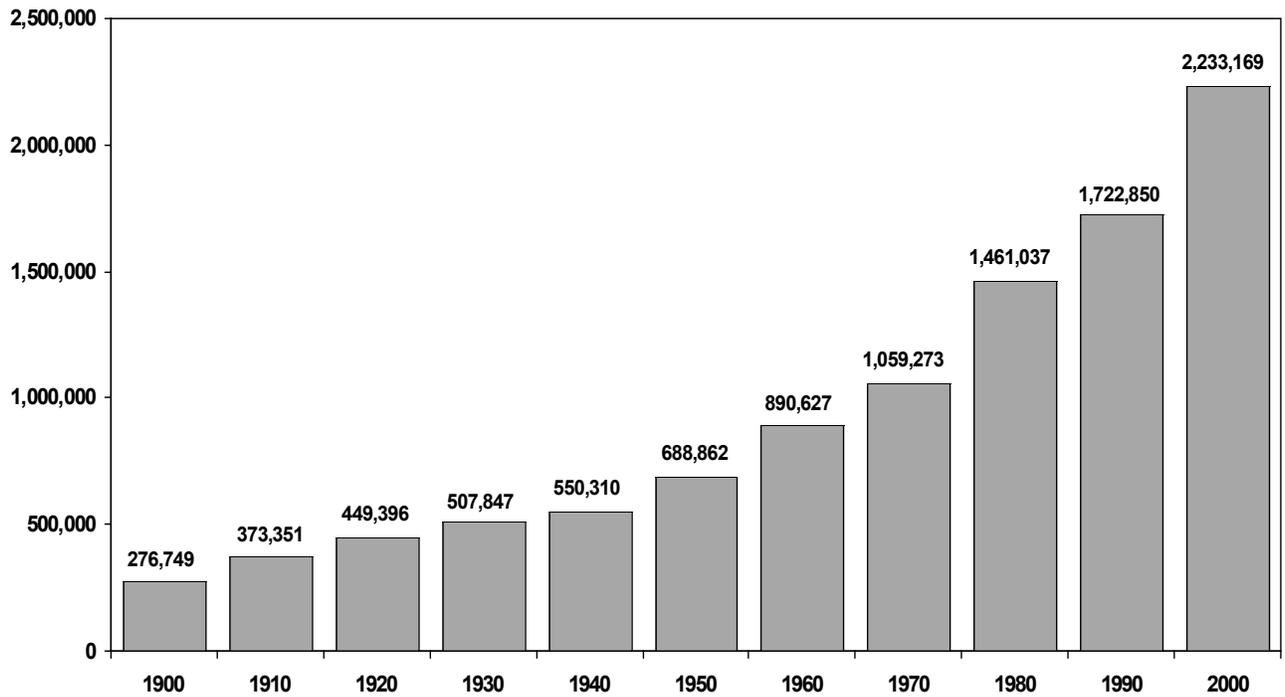
Source: Utah Population Estimates Committee

Figure 20
Total Fertility for Utah and the U.S.



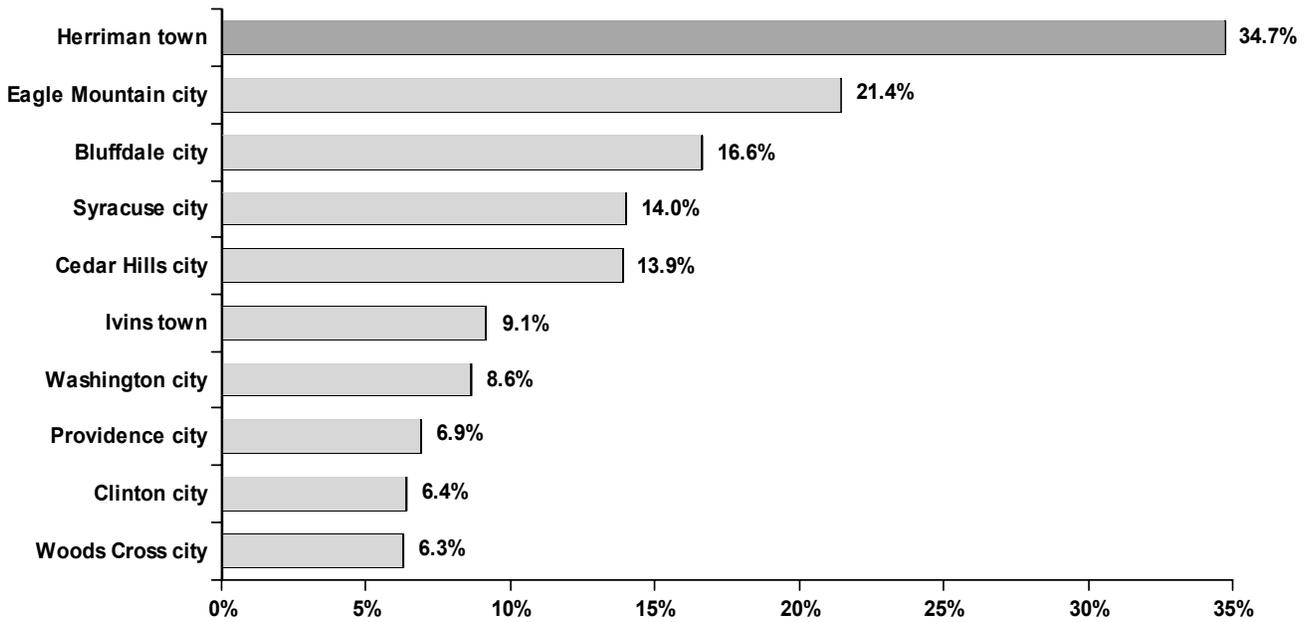
Note: The Replacement Level is the fertility level at which the current population is replaced
 Sources: National Center for Health Statistics, Governor's Office of Planning and Budget, UPED/CASA, Eileen Brown, "Fertility in Utah: 1960-1985"

Figure 21
State of Utah Total Population 1900-2000



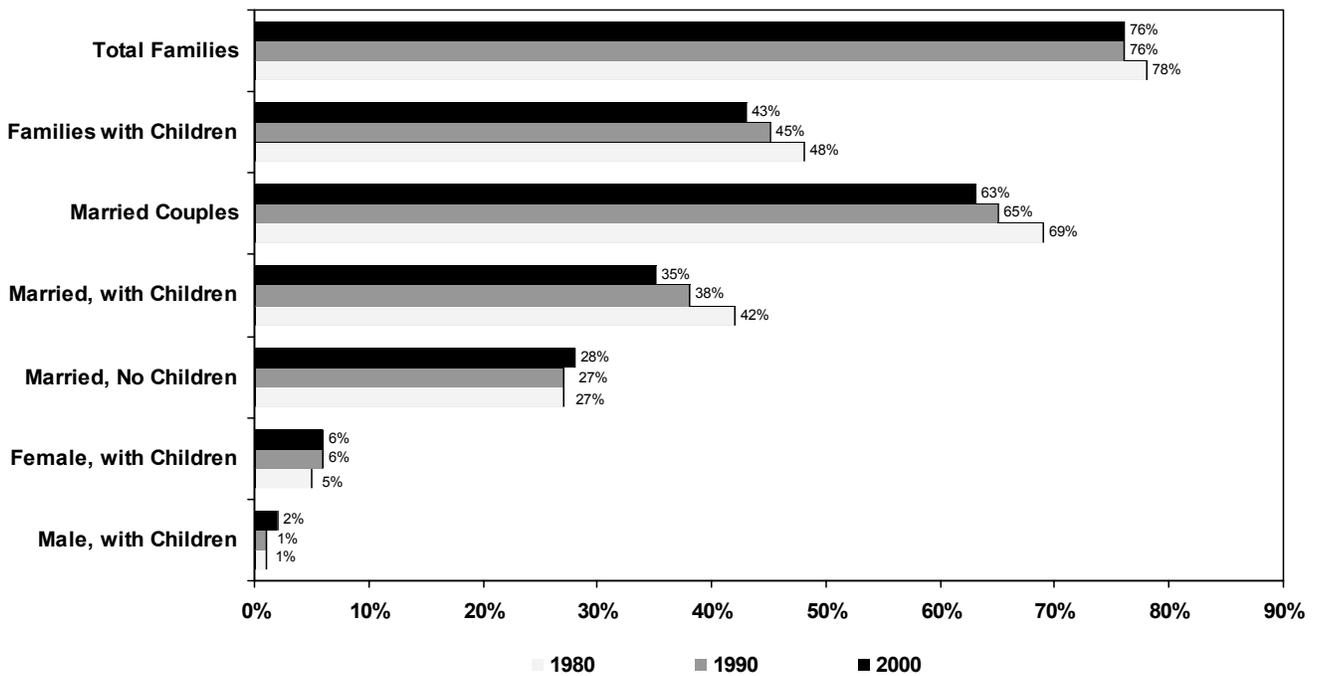
Source: U.S. Census Bureau

Figure 22
Fastest Growing Cities in Utah from 2002 to 2003: (Population 5,000+)



Source: U.S. Census Bureau

Figure 23
Utah Family Characteristics as a Percent of Total Households: 1980-2000



Source: U.S. Census Bureau

Table 12
Utah Population Estimates, Net Migration, Births and Deaths

Year	July 1st Population*	Percent Change	Increase	Net Migration	Net Migration as a Percent of Previous Year's Population	Natural Increase	Fiscal Year Births	Fiscal Year Deaths
1940	551,800	---	---	---	---	8,419	13,038	4,619
1941	551,000	-0.1%	-800	-9,631	-1.7%	8,831	13,293	4,462
1942	571,200	3.7%	20,200	10,231	1.8%	9,969	14,357	4,388
1943	640,000	12.0%	68,800	57,284	9.0%	11,516	16,182	4,666
1944	604,700	-5.5%	-35,300	-47,122	-7.8%	11,822	16,536	4,714
1945	589,100	-2.6%	-15,600	-26,992	-4.6%	11,392	15,937	4,545
1946	638,000	8.3%	48,900	36,649	5.7%	12,251	16,955	4,704
1947	636,000	-0.3%	-2,000	-19,178	-3.0%	17,178	21,905	4,727
1948	653,000	2.7%	17,000	943	0.1%	16,057	20,856	4,799
1949	670,800	2.7%	17,800	2,207	0.3%	15,593	20,354	4,761
1950	695,900	3.7%	25,100	8,966	1.3%	16,134	21,027	4,893
1951	706,100	1.5%	10,200	-6,842	-1.0%	17,042	21,801	4,759
1952	723,000	2.4%	16,900	-1,160	-0.2%	18,060	23,116	5,056
1953	739,100	2.2%	16,100	-2,789	-0.4%	18,889	23,573	4,684
1954	750,500	1.5%	11,400	-7,069	-0.9%	18,469	23,439	4,970
1955	782,800	4.3%	32,300	12,784	1.6%	19,516	24,584	5,068
1956	808,800	3.3%	26,000	6,348	0.8%	19,652	24,975	5,323
1957	826,300	2.2%	17,500	-2,639	-0.3%	20,139	25,443	5,304
1958	845,200	2.3%	18,900	-955	-0.1%	19,855	25,760	5,905
1959	869,900	2.9%	24,700	4,959	0.6%	19,741	25,610	5,869
1960	900,000	3.5%	30,100	10,047	1.1%	20,053	26,011	5,958
1961	936,000	4.0%	36,000	15,371	1.6%	20,629	26,560	5,931
1962	958,000	2.4%	22,000	1,817	0.2%	20,183	26,431	6,248
1963	974,000	1.7%	16,000	-3,317	-0.3%	19,317	25,648	6,331
1964	978,000	0.4%	4,000	-13,863	-1.4%	17,863	24,461	6,598
1965	991,000	1.3%	13,000	-3,553	-0.4%	16,553	23,082	6,529
1966	1,009,000	1.8%	18,000	2,810	0.3%	15,190	21,953	6,763
1967	1,019,000	1.0%	10,000	-6,350	-0.6%	16,350	23,030	6,680
1968	1,029,000	1.0%	10,000	-6,029	-0.6%	16,029	22,743	6,714
1969	1,047,000	1.7%	18,000	798	0.1%	17,202	24,033	6,831
1970	1,066,000	1.8%	19,000	612	0.1%	18,388	25,281	6,893
1971	1,101,150	3.3%	35,150	14,966	1.4%	20,184	27,400	7,216
1972	1,135,100	3.1%	33,950	14,046	1.2%	19,904	27,146	7,242
1973	1,168,950	3.0%	33,850	13,810	1.2%	20,040	27,562	7,522
1974	1,196,950	2.4%	28,000	6,621	0.6%	21,379	28,876	7,497
1975	1,233,900	3.1%	36,950	13,897	1.1%	23,053	30,566	7,513
1976	1,272,050	3.1%	38,150	11,761	0.9%	26,389	33,773	7,384
1977	1,315,950	3.5%	43,900	14,824	1.1%	29,076	36,707	7,631
1978	1,363,750	3.6%	47,800	17,220	1.3%	30,580	38,289	7,709
1979	1,415,950	3.8%	52,200	19,868	1.4%	32,332	40,216	7,884
1980	1,474,000	4.1%	58,050	24,536	1.7%	33,514	41,645	8,131
1981	1,515,000	2.8%	41,000	7,612	0.5%	33,388	41,509	8,121
1982	1,558,000	2.8%	43,000	9,662	0.6%	33,338	41,773	8,435
1983	1,595,000	2.4%	37,000	4,914	0.3%	32,086	40,555	8,469
1984	1,622,000	1.7%	27,000	-2,793	-0.2%	29,793	38,643	8,850
1985	1,643,000	1.3%	21,000	-7,714	-0.5%	28,714	37,664	8,950
1986	1,663,000	1.2%	20,000	-8,408	-0.5%	28,408	37,309	8,901
1987	1,678,000	0.9%	15,000	-11,713	-0.7%	26,713	35,631	8,918
1988	1,690,000	0.7%	12,000	-14,557	-0.9%	26,557	35,809	9,252
1989	1,706,000	0.9%	16,000	-10,355	-0.6%	26,355	35,439	9,084
1990	1,729,227	1.4%	23,227	-3,480	-0.2%	26,707	35,830	9,123
1991	1,780,870	3.0%	51,643	24,878	1.4%	26,765	36,194	9,429
1992	1,838,149	3.2%	57,279	30,042	1.6%	27,237	36,796	9,559
1993	1,889,393	2.8%	51,244	24,561	1.3%	26,683	36,738	10,055
1994	1,946,721	3.0%	57,328	30,116	1.5%	27,212	37,623	10,411
1995	1,995,228	2.5%	48,507	20,024	1.0%	28,483	39,064	10,581
1996	2,042,893	2.4%	47,665	18,171	0.9%	29,494	40,495	11,001
1997	2,099,409	2.8%	56,516	25,253	1.2%	31,263	42,512	11,249
1998	2,141,632	2.0%	42,223	9,745	0.5%	32,478	44,126	11,648
1999	2,193,014	2.4%	51,382	17,584	0.8%	33,798	45,434	11,636
2000	2,246,553	2.4%	53,539	18,612	0.8%	34,927	46,880	11,953
2001	2,305,652	2.6%	59,099	23,848	1.0%	35,251	47,688	12,437
2002	2,358,330	2.3%	52,678	17,299	0.7%	35,379	48,041	12,662
2003	2,413,618	2.3%	55,288	18,568	0.8%	36,720	49,518	12,798
2004	2,469,230	2.3%	55,612	18,367	0.7%	37,245	50,527	13,282

Notes:

- 1) In 1996, the Utah Population Estimates Committee changed its convention on rounded estimates so that it now publishes unrounded estimates. Accordingly, the revised estimates for 1990 and thereafter are not rounded.
- 2) The Utah Population Estimates Committee revised the population estimates for the years from 2000 to 2003.

Sources:

- 1) Population: Utah Population Estimates Committee
- 2) Births: 1939-1949 and 1953-1972- Utah's Vital Statistics Reports, Utah Bureau of Vital Records; 1950-1952, 1973-1996- Birth Certificates held in the Utah Population Database, partially funded by the Huntsman Cancer Institute. 1997-2004 Birth records file, Utah Bureau of Vital Records; 1998-2004 Summary data file, Utah Bureau of Vital Statistics.
- 3) Deaths: 1939-2004 Utah's Vital Statistics Reports, Utah Bureau of Vital Records; 1940-1996- Death Certificates held in the Utah Population Database, partially funded by the Huntsman Cancer Institute. 1997-2004 Death records file, Utah Bureau of Vital Records; 1998-2004 Summary data file, Utah Bureau of Vital Statistics.

Table 13
Utah Population Estimates by County

County	Census	July 1, 2000	July 1, 2001	July 1, 2002	July 1, 2003	July 1, 2004	2003 - 2004		2000 - 2004			2004 Percent of Total Population
	April 1, 2000						Absolute Change	Percent Change	Absolute Change	Percent Change	AARC	
Beaver	6,005	6,023	6,198	6,285	6,285	6,308	23	0.4%	285	4.7%	1.2%	0.26%
Box Elder	42,745	42,860	43,245	43,812	44,022	44,654	632	1.4%	1,794	4.2%	1.0%	1.81%
Cache	91,391	91,897	93,372	95,460	98,176	100,182	2,006	2.0%	8,285	9.0%	2.2%	4.06%
Carbon	20,422	20,396	19,858	19,858	19,558	19,385	-173	-0.9%	-1,011	-5.0%	-1.3%	0.79%
Daggett	921	933	944	916	921	954	33	3.6%	21	2.3%	0.6%	0.04%
Davis	238,994	240,204	246,744	255,099	262,038	268,916	6,878	2.6%	28,712	12.0%	2.9%	10.89%
Duchesne	14,371	14,397	14,646	14,856	14,698	14,933	235	1.6%	536	3.7%	0.9%	0.60%
Emery	10,860	10,782	10,473	10,540	10,477	10,493	16	0.2%	-289	-2.7%	-0.7%	0.42%
Garfield	4,735	4,763	4,630	4,599	4,532	4,625	93	2.1%	-138	-2.9%	-0.7%	0.19%
Grand	8,485	8,537	8,423	8,468	8,464	8,611	147	1.7%	74	0.9%	0.2%	0.35%
Iron	33,779	34,079	35,541	36,122	37,559	38,925	1,366	3.6%	4,846	14.2%	3.4%	1.58%
Juab	8,238	8,310	8,570	8,643	8,713	8,826	113	1.3%	516	6.2%	1.5%	0.36%
Kane	6,046	6,037	6,037	5,958	5,937	6,056	119	2.0%	19	0.3%	0.1%	0.25%
Millard	12,405	12,461	12,486	12,760	13,068	13,127	59	0.5%	666	5.3%	1.3%	0.53%
Morgan	7,129	7,181	7,548	7,639	7,938	8,249	311	3.9%	1,068	14.9%	3.5%	0.33%
Piute	1,435	1,436	1,404	1,409	1,358	1,366	8	0.6%	-70	-4.9%	-1.2%	0.06%
Rich	1,961	1,955	1,983	2,050	2,079	2,069	-10	-0.5%	114	5.8%	1.4%	0.08%
Salt Lake	898,387	902,777	918,279	927,564	940,465	955,166	14,701	1.6%	52,389	5.8%	1.4%	38.68%
San Juan	14,413	14,360	14,063	14,216	14,240	14,353	113	0.8%	-7	0.0%	0.0%	0.58%
Sanpete	22,763	22,846	23,572	24,521	24,787	25,043	256	1.0%	2,197	9.6%	2.3%	1.01%
Sevier	18,842	18,938	19,180	19,232	19,318	19,415	97	0.5%	477	2.5%	0.6%	0.79%
Summit	29,736	30,048	31,279	32,236	34,073	35,090	1,017	3.0%	5,042	16.8%	4.0%	1.42%
Tooele	40,735	41,549	44,425	47,019	48,956	50,075	1,119	2.3%	8,526	20.5%	4.8%	2.03%
Uintah	25,224	25,297	26,049	25,984	26,019	26,224	205	0.8%	927	3.7%	0.9%	1.06%
Utah	368,536	371,894	390,447	405,977	423,286	437,627	14,341	3.4%	65,733	17.7%	4.2%	17.72%
Wasatch	15,215	15,433	16,278	17,476	18,515	19,177	662	3.6%	3,744	24.3%	5.6%	0.78%
Washington	90,354	91,104	96,902	103,750	109,767	117,316	7,549	6.9%	26,212	28.8%	6.5%	4.75%
Wayne	2,509	2,515	2,509	2,504	2,487	2,518	31	1.2%	3	0.1%	0.0%	0.10%
Weber	196,533	197,541	200,567	203,377	205,882	209,547	3,665	1.8%	12,006	6.1%	1.5%	8.49%
MCD												
Bear River	136,097	136,712	138,600	141,322	144,277	146,905	2,628	1.8%	10,193	7.5%	1.8%	5.95%
Central	66,192	66,506	67,721	69,069	69,731	70,295	564	0.8%	3,789	5.7%	1.4%	2.85%
Mountainland	413,487	417,375	438,004	455,689	475,874	491,894	16,020	3.4%	74,519	17.9%	4.2%	19.92%
Southeastern	54,180	54,075	52,817	53,082	52,739	52,842	103	0.2%	-1,233	-2.3%	-0.6%	2.14%
Southwestern	140,919	142,006	149,308	156,714	164,080	173,230	9,150	5.6%	31,224	22.0%	5.1%	7.02%
Uintah Basin	40,516	40,627	41,639	41,756	41,638	42,111	473	1.1%	1,484	3.7%	0.9%	1.71%
Wasatch Front	1,381,778	1,389,252	1,417,563	1,440,698	1,465,279	1,491,953	26,674	1.8%	102,701	7.4%	1.8%	60.42%
State of Utah	2,233,169	2,246,553	2,305,652	2,358,330	2,413,618	2,469,230	55,612	2.3%	222,677	9.9%	2.4%	100.00%

Notes:

- 1) Totals may not add due to rounding.
- 2) AARC is the Average Annual Rate of Change.
- 3) The MCDs are multi-county districts and are divided as follows: Bear River MCD: Box Elder, Cache, and Rich counties; Central MCD: Juab, Millard, Piute, Sanpete, Sevier, and Wayne counties; Mountainland MCD: Summit, Utah, and Wasatch counties; Southeastern MCD: Carbon, Emery, Grand, and San Juan counties; Southwestern MCD: Beaver, Garfield, Iron, Kane and Washington counties; Uintah Basin MCD: Daggett, Duchesne, and Uintah counties; Wasatch Front MCD: Davis, Morgan, Salt Lake, Tooele, and Weber Counties.

Sources:

- 1) April 1, 2000: U.S. Census Bureau
- 2) July 2000-2004: Utah Population Estimates Committee

Table 14
Total Fertility Rates for Utah and the U.S.

Year	Utah	U.S.	Year	Utah	U.S.
1960	4.30	3.61	1983	2.83	1.80
1961	4.24	3.56	1984	2.74	1.81
1962	4.18	3.42	1985	2.69	1.84
1963	3.87	3.30	1986	2.59	1.84
1964	3.55	3.17	1987	2.48	1.87
1965	3.24	2.88	1988	2.52	1.93
1966	3.17	2.67	1989	2.55	2.01
1967	3.12	2.53	1990	2.65	2.08
1968	3.04	2.43	1991	2.53	2.06
1969	3.09	2.42	1992	2.53	2.05
1970	3.30	2.43	1993	2.45	2.02
1971	3.14	2.25	1994	2.44	2.00
1972	2.88	2.00	1995	2.45	1.98
1973	2.84	1.86	1996	2.53	1.98
1974	2.91	1.84	1997	2.52	1.97
1975	2.96	1.77	1998	2.59	2.00
1976	3.19	1.74	1999	2.61	2.01
1977	3.30	1.79	2000	2.63	2.06
1978	3.25	1.76	2001	2.56	2.03
1979	3.28	1.81	2002	2.54	2.01
1980	3.14	1.85	2003	2.52	2.04
1981	3.06	1.82	2004	2.50	2.05
1982	2.99	1.83			

Note: Utah fertility rates were revised beginning in 1990.

Sources:

- 1) National Center for Health Statistics
- 2) Governor's Office of Planning and Budget (2003-2004 Utah numbers only)

Table 15

U.S. Census Bureau National and State Population Counts: 2003 and 2004 Population Estimates

Area	July 1, 2003 Population	2003 Rank	July 1, 2004 Population	2004 Rank	2003-2004 Absolute Change	2003-2004 Percent Change	Rank Based on Percent Change
U.S.	290,788,976	na	293,655,404	na	2,866,428	1.0%	na
Region							
Northeast	54,426,252	4	54,571,147	4	144,895	0.3%	4
Midwest	65,428,910	3	65,729,852	3	300,942	0.5%	3
South	103,933,774	1	105,391,442	1	1,457,668	1.4%	2
West	66,442,420	2	67,409,440	2	967,020	1.5%	1
State							
Alabama	4,503,726	23	4,530,182	23	26,456	0.6%	34
Alaska	648,280	47	655,435	47	7,155	1.1%	17
Arizona	5,579,222	18	5,743,834	18	164,612	3.0%	2
Arkansas	2,727,774	32	2,752,629	32	24,855	0.9%	20
California	35,462,712	1	35,893,799	1	431,087	1.2%	12
Colorado	4,547,633	22	4,601,403	22	53,770	1.2%	14
Connecticut	3,486,960	29	3,503,604	29	16,644	0.5%	39
Delaware	818,166	45	830,364	45	12,198	1.5%	8
District of Columbia	557,620	50	553,523	50	-4,097	-0.7%	51
Florida	16,999,181	4	17,397,161	4	397,980	2.3%	3
Georgia	8,676,460	9	8,829,383	9	152,923	1.8%	5
Hawaii	1,248,755	42	1,262,840	42	14,085	1.1%	16
Idaho	1,367,034	39	1,393,262	39	26,228	1.9%	4
Illinois	12,649,087	5	12,713,634	5	64,547	0.5%	36
Indiana	6,199,571	14	6,237,569	14	37,998	0.6%	33
Iowa	2,941,976	30	2,954,451	30	12,475	0.4%	40
Kansas	2,724,786	33	2,735,502	33	10,716	0.4%	42
Kentucky	4,118,189	26	4,145,922	26	27,733	0.7%	28
Louisiana	4,493,665	24	4,515,770	24	22,105	0.5%	37
Maine	1,309,205	40	1,317,253	40	8,048	0.6%	32
Maryland	5,512,310	19	5,558,058	19	45,748	0.8%	24
Massachusetts	6,420,357	13	6,416,505	13	-3,852	-0.1%	50
Michigan	10,082,364	8	10,112,620	8	30,256	0.3%	44
Minnesota	5,064,172	21	5,100,958	21	36,786	0.7%	26
Mississippi	2,882,594	31	2,902,966	31	20,372	0.7%	27
Missouri	5,719,204	17	5,754,618	17	35,414	0.6%	31
Montana	918,157	44	926,865	44	8,708	0.9%	19
Nebraska	1,737,475	38	1,747,214	38	9,739	0.6%	35
Nevada	2,242,207	35	2,334,771	35	92,564	4.1%	1
New Hampshire	1,288,705	41	1,299,500	41	10,795	0.8%	23
New Jersey	8,642,412	10	8,698,879	10	56,467	0.7%	29
New Mexico	1,878,562	36	1,903,289	36	24,727	1.3%	10
New York	19,212,425	3	19,227,088	3	14,663	0.1%	49
North Carolina	8,421,190	11	8,541,221	11	120,031	1.4%	9
North Dakota	633,400	48	634,366	48	966	0.2%	48
Ohio	11,437,680	7	11,459,011	7	21,331	0.2%	47
Oklahoma	3,506,469	28	3,523,553	28	17,084	0.5%	38
Oregon	3,564,330	27	3,594,586	27	30,256	0.8%	22
Pennsylvania	12,370,761	6	12,406,292	6	35,531	0.3%	45
Rhode Island	1,076,084	43	1,080,632	43	4,548	0.4%	41
South Carolina	4,148,744	25	4,198,068	25	49,324	1.2%	13
South Dakota	764,905	46	770,883	46	5,978	0.8%	25
Tennessee	5,845,208	16	5,900,962	16	55,754	1.0%	18
Texas	22,103,374	2	22,490,022	2	386,648	1.7%	6
Utah	2,352,119	34	2,389,039	34	36,920	1.6%	7
Vermont	619,343	49	621,394	49	2,051	0.3%	43
Virginia	7,365,284	12	7,459,827	12	94,543	1.3%	11
Washington	6,131,298	15	6,203,788	15	72,490	1.2%	15
West Virginia	1,811,440	37	1,815,354	37	3,914	0.2%	46
Wisconsin	5,474,290	20	5,509,026	20	34,736	0.6%	30
Wyoming	502,111	51	506,529	51	4,418	0.9%	21

Source: U.S. Census Bureau, Population Division

Table 16
Rankings of States by Selected Age Groups as a Percent of Total Population: July 1, 2003

Rank	All Ages			Under Age 5			Ages 5-17			Ages 18-64			Ages 65+			Median Age	
	State	Population	Percent of Total	State	Population	Percent of Total	State	Population	Percent of Total	State	Population	Percent of Total	State	Population	Percent of Total		
1	United States	290,809,777	6.8%	United States	19,769,279	6.8%	United States	53,274,227	18.3%	United States	181,847,097	62.5%	United States	35,919,174	12.4%	United States	35.9
2	California	35,484,453	9.8%	Utah	230,319	8.2%	Utah	512,608	21.8%	District of Columbia	387,136	68.7%	Florida	2,887,383	17.0%	Maine	40.2
3	Texas	22,118,509	8.2%	Texas	1,807,172	8.2%	Alaska	140,609	21.7%	Colorado	2,956,566	65.0%	Pennsylvania	1,901,764	15.4%	West Virginia	39.8
4	New York	19,190,115	7.8%	Arizona	436,172	7.8%	Texas	4,432,990	20.0%	Vermont	477,220	15.3%	Vermont	277,220	15.3%	West Virginia	39.3
5	Florida	17,019,068	7.6%	Georgia	659,238	7.6%	Idaho	270,495	19.8%	Alaska	418,931	64.6%	Florida	93,837	14.8%	Florida	39.1
6	Illinois	12,653,544	7.5%	Alaska	48,680	7.5%	New Mexico	1,083,140	19.4%	Virginia	4,754,136	14.7%	Pennsylvania	433,618	14.7%	Pennsylvania	39.0
7	Pennsylvania	12,365,455	7.4%	Idaho	101,532	7.4%	Arizona	3,944,281	64.3%	Washington	3,944,281	64.3%	Montana	188,385	14.4%	Montana	39.0
8	Ohio	11,435,798	7.3%	Mississippi	210,550	7.3%	California	6,875,946	19.4%	New Hampshire	827,282	64.2%	South Dakota	109,040	14.3%	Connecticut	38.5
9	Michigan	10,079,985	7.3%	Nevada	163,442	7.3%	Mississippi	590,773	19.1%	Georgia	5,561,450	64.0%	Rhode Island	150,797	14.0%	New Hampshire	38.5
10	Georgia	8,684,715	7.2%	Louisiana	324,428	7.2%	Louisiana	853,127	19.0%	Wyoming	320,206	63.9%	Arkansas	377,682	13.9%	Rhode Island	37.8
11	New Jersey	8,638,396	7.2%	Colorado	327,773	7.2%	Indiana	1,173,735	18.9%	Tennessee	3,720,586	63.7%	Montana	125,160	13.6%	low a	37.7
12	North Carolina	8,407,248	7.2%	California	2,544,024	7.2%	Georgia	1,637,521	18.9%	Maryland	3,505,837	63.6%	Connecticut	470,689	13.5%	New Jersey	37.6
13	Virginia	7,386,330	7.1%	New Mexico	133,454	7.1%	South Dakota	143,835	18.8%	Maine	830,597	63.6%	Hawaii	169,346	13.5%	Massachusetts	37.5
14	Massachusetts	6,433,422	7.0%	North Carolina	590,099	7.0%	Michigan	1,891,163	18.8%	Massachusetts	4,089,322	63.6%	Nebraska	232,387	13.4%	Hawaii	37.5
15	Washington	6,195,643	7.0%	Illinois	886,515	7.0%	Nevada	505,814	18.6%	Kentucky	2,611,264	63.4%	Missouri	759,980	13.3%	Wyoming	37.4
16	Tennessee	5,841,748	6.9%	Kansas	189,267	6.9%	Illinois	2,344,091	18.5%	Oregon	12,168,408	63.4%	Ohio	1,516,771	13.3%	Ohio	37.1
17	Missouri	5,704,484	6.9%	Indiana	430,166	6.9%	Nebraska	320,094	18.4%	Rhode Island	681,318	63.3%	Alabama	592,181	13.2%	Wisconsin	37.0
18	Arizona	5,580,811	6.9%	Nebraska	120,746	6.9%	Maryland	1,013,585	18.4%	Minnesota	3,201,209	63.3%	Oklahoma	461,133	13.1%	New York	37.0
19	Maryland	5,508,909	6.8%	Arkansas	185,941	6.8%	Minnesota	922,744	18.2%	West Virginia	1,142,233	63.1%	Delaware	106,896	13.1%	Delaware	36.8
20	Wisconsin	5,472,299	6.8%	Hawaii	85,073	6.8%	Arkansas	496,072	18.2%	North Carolina	5,303,591	63.1%	Wisconsin	711,991	13.0%	Maryland	36.8
21	Minnesota	5,059,375	6.8%	South Dakota	51,591	6.8%	Wisconsin	993,708	18.2%	South Carolina	2,611,916	63.0%	New Jersey	1,123,842	13.0%	Missouri	36.7
22	Colorado	4,560,688	6.7%	Ohio	277,113	6.7%	Ohio	2,074,989	18.1%	Hawaii	791,120	62.9%	Kansas	353,585	13.0%	Oregon	36.7
23	Alabama	4,500,752	6.7%	Missouri	491,223	6.7%	Missouri	1,034,737	18.1%	Nevada	1,408,970	62.9%	New York	2,488,959	13.0%	Tennessee	36.7
24	Louisiana	4,496,334	6.6%	Maryland	364,507	6.6%	Colorado	824,978	18.1%	Montana	576,687	62.8%	Vermont	80,132	12.9%	Kentucky	36.6
25	South Carolina	4,147,152	6.6%	Alabama	297,364	6.6%	New Jersey	1,564,041	18.1%	California	22,299,613	62.8%	Arizona	714,467	12.8%	Alabama	36.6
26	Kentucky	4,117,827	6.6%	Delaware	53,938	6.6%	New Hampshire	233,025	18.1%	Wisconsin	3,427,418	62.6%	Oregon	453,968	12.7%	Arkansas	36.5
27	Oregon	3,559,596	6.6%	Kentucky	270,957	6.6%	Oklahoma	634,104	18.1%	Delaware	511,753	62.6%	Kentucky	512,381	12.4%	Michigan	36.4
28	Oklahoma	3,511,532	6.6%	New Jersey	567,576	6.6%	Washington	1,106,956	18.1%	Illinois	7,915,561	62.6%	Tennessee	726,683	12.4%	Virginia	36.3
29	Connecticut	3,483,372	6.6%	Tennessee	382,664	6.6%	Alabama	810,609	18.0%	Michigan	6,304,564	62.5%	South Carolina	511,732	12.3%	South Dakota	36.3
30	low a	2,944,062	6.5%	Missouri	372,569	6.5%	South Carolina	746,391	18.0%	Connecticut	2,177,308	62.5%	Indiana	763,059	12.3%	Minnesota	36.2
31	Mississippi	2,881,281	6.5%	Ohio	740,300	6.5%	Wyoming	90,055	18.0%	New Jersey	5,382,937	62.3%	Michigan	1,236,501	12.3%	South Carolina	36.1
32	Arkansas	2,725,714	6.4%	Minnesota	326,026	6.4%	Connecticut	624,073	17.9%	Alabama	2,800,598	62.2%	Mississippi	349,407	12.1%	Washington	36.1
33	Kansas	2,723,507	6.4%	Michigan	647,757	6.4%	North Carolina	1,497,344	17.8%	Louisiana	2,794,431	62.1%	North Carolina	1,016,214	12.1%	Oklahoma	35.8
34	Utah	2,351,467	6.4%	Washington	389,625	6.4%	Delaware	144,904	17.7%	Ohio	7,103,738	62.1%	Minnesota	609,396	12.0%	Nebraska	35.7
35	Nevada	2,241,154	6.3%	New York	1,215,052	6.3%	Virginia	1,307,538	17.7%	North Dakota	393,173	62.0%	District of Columbia	67,845	12.0%	Indiana	35.5
36	New Mexico	1,874,614	6.3%	Oregon	223,606	6.3%	Montana	162,264	17.6%	Missouri	3,537,162	62.0%	New Mexico	225,266	12.0%	North Carolina	35.5
37	West Virginia	1,810,354	6.2%	Wisconsin	339,186	6.2%	Oregon	625,566	17.6%	Texas	13,703,091	62.0%	New Hampshire	154,174	12.0%	Kansas	35.5
38	Nebraska	1,739,291	6.2%	Nebraska	1,054,865	6.2%	Kentucky	723,225	17.6%	Oklahoma	2,172,156	61.9%	Wyoming	59,963	12.0%	New Mexico	35.3
39	Iowa	1,366,332	6.2%	Wyoming	31,018	6.2%	Iowa	511,825	17.4%	Indiana	3,828,663	61.8%	Illinois	1,507,377	11.9%	Illinois	35.2
40	Maine	1,305,728	6.2%	Massachusetts	397,693	6.2%	North Dakota	109,843	17.3%	Pennsylvania	7,632,997	61.7%	Louisiana	524,348	11.7%	District of Columbia	35.0
41	New Hampshire	1,287,687	6.2%	Iowa	181,603	6.2%	Tennessee	1,011,815	17.3%	low a	1,817,016	61.7%	Idaho	155,652	11.4%	Nevada	34.9
42	Hawaii	1,257,608	6.1%	Connecticut	211,302	6.1%	New York	3,317,696	17.3%	Kansas	1,674,841	61.5%	Maryland	624,960	11.3%	Louisiana	34.6
43	Rhode Island	1,076,164	6.0%	District of Columbia	33,598	6.0%	Pennsylvania	2,126,043	17.2%	Mississippi	1,770,606	61.5%	Virginia	833,427	11.3%	Colorado	34.3
44	Montana	917,621	5.8%	North Dakota	36,984	5.8%	Vermont	106,419	17.2%	Idaho	838,653	61.4%	Washington	690,583	11.3%	Mississippi	34.3
45	Delaware	817,491	5.8%	Montana	53,510	5.8%	Rhode Island	182,538	17.0%	Nebraska	1,066,064	61.3%	Nevada	250,787	11.2%	California	34.0
46	South Dakota	764,309	5.7%	Rhode Island	61,511	5.7%	New Mexico	1,089,425	16.9%	New Mexico	1,147,314	61.2%	California	3,764,870	10.6%	Arizona	33.9
47	Alaska	648,818	5.7%	Pennsylvania	704,651	5.7%	Hawaii	212,060	16.9%	Arkansas	1,666,019	61.1%	Texas	2,175,256	9.8%	Idaho	33.8
48	North Dakota	633,837	5.7%	New Hampshire	73,206	5.7%	Florida	2,869,288	16.9%	South Dakota	441,371	9.7%	Georgia	826,506	9.5%	Georgia	33.6
49	Vermont	619,107	5.6%	West Virginia	101,294	5.6%	Maine	219,519	16.8%	Arizona	3,347,032	60.0%	Georgia	265,506	9.5%	Alaska	32.6
50	District of Columbia	563,394	5.1%	Maine	67,227	5.1%	West Virginia	289,607	16.0%	Florida	10,197,562	59.9%	Utah	203,007	8.6%	Texas	32.6
51	Wyoming	501,242	5.0%	Vermont	31,027	5.0%	District of Columbia	74,805	13.3%	Utah	1,405,533	59.8%	Alaska	40,598	6.3%	Utah	27.5

Note: Totals may differ in this table from other tables in this report due to different release dates or data sources.

Source: U.S. Census Bureau, Population Division

Table 17
Dependency Ratios for States: July 1, 2003

Rank	State	Preschool-Age (under age 5) per 100 of Working Age	State	School-Age (5-17) per 100 of Working Age	State	Retirement Age (65 & over) per 100 of Working Age	State	Total Non-Working Age per 100 of Working Age
	United States	10.9	United States	29.3	United States	19.8	United States	59.9
1	Utah	16.4	Utah	36.5	Florida	28.4	Utah	67.3
2	Texas	13.2	Alaska	33.6	Pennsylvania	24.9	Florida	66.9
3	Arizona	13.0	Arizona	32.4	West Virginia	24.3	Arizona	66.7
4	Idaho	12.1	Texas	32.4	North Dakota	23.9	South Dakota	66.2
5	Mississippi	11.9	Idaho	32.3	Iowa	23.9	Arkansas	63.6
6	Georgia	11.9	New Mexico	32.1	South Dakota	23.7	New Mexico	63.4
7	New Mexico	11.6	South Dakota	31.3	Maine	22.7	Nebraska	63.2
8	Alaska	11.6	Mississippi	31.1	Arkansas	22.7	Idaho	62.9
9	Louisiana	11.6	California	30.8	Rhode Island	22.1	Mississippi	62.7
10	Nevada	11.6	Indiana	30.7	Nebraska	21.8	Kansas	62.6
11	California	11.4	Louisiana	30.5	Montana	21.7	Iowa	62.0
12	Nebraska	11.3	Kansas	30.2	Connecticut	21.6	Pennsylvania	62.0
13	Kansas	11.3	Nebraska	30.0	Missouri	21.5	Indiana	61.8
14	Oklahoma	11.2	Michigan	30.0	Hawaii	21.4	Oklahoma	61.7
15	Indiana	11.2	Arkansas	29.8	Ohio	21.4	Texas	61.4
16	South Dakota	11.2	Nevada	29.7	Arizona	21.3	Missouri	61.3
17	Illinois	11.2	Illinois	29.6	Oklahoma	21.2	North Dakota	61.2
18	Arkansas	11.2	Georgia	29.4	Alabama	21.1	Ohio	61.0
19	North Carolina	11.1	Missouri	29.3	Kansas	21.1	Louisiana	60.9
20	Colorado	11.1	Ohio	29.2	Massachusetts	21.0	Alabama	60.7
21	Hawaii	10.8	Oklahoma	29.2	Delaware	20.9	New Jersey	60.5
22	Alabama	10.6	New Jersey	29.1	New Jersey	20.9	Connecticut	60.0
23	South Carolina	10.6	Wisconsin	29.0	Wisconsin	20.8	Michigan	59.9
24	New Jersey	10.5	Alabama	28.9	New York	20.5	Illinois	59.9
25	Delaware	10.5	Maryland	28.9	Oregon	20.1	Delaware	59.7
26	Missouri	10.5	Minnesota	28.8	Vermont	20.0	Wisconsin	59.7
27	Ohio	10.4	Connecticut	28.7	Indiana	19.9	California	59.1
28	Maryland	10.4	South Carolina	28.6	Mississippi	19.7	Montana	59.1
29	Kentucky	10.4	Delaware	28.3	New Mexico	19.6	Nevada	59.1
30	Florida	10.3	North Carolina	28.2	Kentucky	19.6	Hawaii	59.0
31	Virginia	10.3	Iowa	28.2	Michigan	19.6	South Carolina	58.8
32	Tennessee	10.3	New Hampshire	28.2	South Carolina	19.6	North Carolina	58.5
33	Michigan	10.3	Montana	28.1	Tennessee	19.5	West Virginia	58.5
34	Minnesota	10.2	Florida	28.1	North Carolina	19.2	Minnesota	58.0
35	Iowa	10.0	Wyoming	28.1	Illinois	19.0	Rhode Island	58.0
36	New York	10.0	Washington	28.1	Minnesota	19.0	Oregon	57.7
37	Oregon	9.9	North Dakota	27.9	Louisiana	18.8	New York	57.7
38	Wisconsin	9.9	Colorado	27.9	Wyoming	18.7	Kentucky	57.7
39	Washington	9.9	Pennsylvania	27.9	New Hampshire	18.6	Massachusetts	57.3
40	Massachusetts	9.7	Oregon	27.7	Idaho	18.6	Maine	57.2
41	Connecticut	9.7	Kentucky	27.7	Maryland	17.8	Maryland	57.1
42	Wyoming	9.7	Virginia	27.5	Nevada	17.8	Tennessee	57.0
43	North Dakota	9.4	New York	27.3	Virginia	17.5	Wyoming	56.5
44	Montana	9.3	Tennessee	27.2	District of Columbia	17.5	Georgia	56.2
45	Pennsylvania	9.2	Hawaii	26.8	Washington	17.5	New Hampshire	55.7
46	Rhode Island	9.0	Rhode Island	26.8	California	16.9	Washington	55.5
47	West Virginia	8.9	Massachusetts	26.6	Texas	15.9	Virginia	55.4
48	New Hampshire	8.8	Vermont	26.5	Colorado	14.9	Alaska	54.9
49	District of Columbia	8.7	Maine	26.4	Georgia	14.9	Vermont	54.2
50	Maine	8.1	West Virginia	25.4	Utah	14.4	Colorado	53.9
51	Vermont	7.7	District of Columbia	19.3	Alaska	9.7	District of Columbia	45.5

Source: U.S. Census Bureau

Table 18
Housing Units, Households, and Persons Per Household by State: 1990 and 2000 Decennial Census (Thousands)

State	April 1, 1990				April 1, 2000				1990-2000 Percent Change			
	Total Housing Units	Total Households	Persons per Household	Persons per Household Rank	Total Housing Units	Total Households	Persons per Household	Persons per Household Rank	Total Housing Units	Total Households	Persons per Household	Persons per Household Rank
	United States	102,262	91,946	2.63	18	115,905	105,480	2.59	32	13.3%	14.7%	-1.6%
Alabama	1,670	1,507	2.62	18	1,964	1,737	2.49	32	17.6%	15.3%	-5.0%	
Alaska	233	189	2.80	3	261	222	2.74	4	12.0%	17.5%	-2.2%	
Arizona	1,659	1,369	2.62	18	2,189	1,901	2.64	9	31.9%	38.9%	0.8%	
Arkansas	1,001	891	2.57	31	1,173	1,043	2.49	32	17.2%	17.1%	-3.2%	
California	11,183	10,381	2.79	4	12,214	11,503	2.87	3	9.2%	10.8%	2.7%	
Colorado	1,477	1,282	2.51	49	1,808	1,658	2.53	20	22.4%	29.3%	0.9%	
Connecticut	1,321	1,230	2.59	26	1,386	1,302	2.53	20	4.9%	5.9%	-2.7%	
Delaware	290	247	2.61	21	343	299	2.54	18	18.3%	21.1%	-2.7%	
Florida	6,100	5,135	2.46	50	7,303	6,338	2.46	44	19.7%	23.4%	0.0%	
Georgia	2,638	2,366	2.66	13	3,282	3,006	2.65	8	27.0%	27.0%	-0.5%	
Hawaii	390	356	3.01	2	461	403	2.92	2	24.4%	13.2%	-2.8%	
Idaho	413	361	2.73	7	528	470	2.69	6	27.8%	30.2%	-1.5%	
Illinois	4,506	4,202	2.65	15	4,886	4,592	2.63	10	8.4%	9.3%	-0.8%	
Indiana	2,246	2,065	2.61	21	2,532	2,336	2.53	20	12.7%	13.1%	-2.9%	
Iowa	1,144	1,064	2.52	47	1,233	1,149	2.46	44	7.8%	8.0%	-2.2%	
Kansas	1,044	945	2.53	41	1,131	1,038	2.51	27	8.3%	9.8%	-1.0%	
Kentucky	1,507	1,380	2.60	25	1,751	1,591	2.47	42	16.2%	15.3%	-4.9%	
Louisiana	1,716	1,499	2.74	6	1,847	1,656	2.62	13	7.6%	10.5%	-4.4%	
Maine	587	465	2.56	34	652	518	2.39	50	11.1%	11.4%	-6.6%	
Maryland	1,892	1,749	2.67	12	2,145	1,981	2.61	15	13.4%	13.3%	-2.2%	
Massachusetts	2,473	2,247	2.68	29	2,622	2,444	2.51	27	6.0%	6.0%	-2.8%	
Michigan	3,848	3,419	2.56	13	4,234	3,786	2.56	17	10.0%	10.7%	-3.6%	
Minnesota	1,849	1,648	2.58	29	2,066	1,895	2.52	26	11.7%	15.0%	-2.5%	
Mississippi	1,010	911	2.75	5	1,162	1,046	2.63	10	15.0%	14.8%	-4.3%	
Missouri	2,199	1,961	2.53	41	2,242	2,195	2.48	38	2.0%	11.9%	-4.3%	
Montana	361	306	2.53	41	413	359	2.45	46	14.4%	17.3%	-3.3%	
Nebraska	661	602	2.54	39	723	666	2.49	32	9.4%	10.6%	-2.0%	
Nevada	519	466	2.53	41	627	571	2.62	13	59.3%	61.2%	3.7%	
New Hampshire	504	411	2.62	18	547	475	2.53	20	8.5%	15.6%	-3.4%	
New Jersey	3,075	2,795	2.70	10	3,310	3,065	2.68	7	7.6%	9.7%	-0.9%	
New Mexico	632	543	2.74	6	781	678	2.63	10	23.6%	24.9%	-4.0%	
New York	7,227	6,639	2.63	16	7,679	7,057	2.61	15	6.3%	6.3%	-0.1%	
North Carolina	2,818	2,517	2.54	39	3,524	3,132	2.49	32	25.1%	24.4%	-2.1%	
North Dakota	276	241	2.55	36	290	257	2.41	48	5.1%	6.6%	-5.5%	
Ohio	4,372	4,088	2.59	26	4,783	4,446	2.49	32	9.4%	8.8%	-3.9%	
Oklahoma	1,406	1,206	2.53	41	1,514	1,342	2.49	32	7.7%	11.3%	-1.6%	
Oregon	1,194	1,103	2.52	47	1,453	1,334	2.51	27	21.7%	20.9%	-0.2%	
Pennsylvania	4,938	4,496	2.57	31	5,250	4,777	2.48	38	6.3%	6.3%	-3.3%	
Rhode Island	415	378	2.55	36	440	408	2.47	42	6.0%	7.9%	-3.2%	
South Carolina	1,424	1,258	2.68	11	1,754	1,534	2.53	20	23.2%	21.9%	-5.5%	
South Dakota	292	259	2.59	26	323	290	2.50	30	10.6%	12.0%	-3.4%	
Tennessee	2,026	1,854	2.56	34	2,439	2,233	2.48	38	20.4%	20.4%	-3.2%	
Texas	7,009	6,071	3.15	1	8,158	7,393	2.74	4	16.4%	21.8%	0.2%	
Utah	598	537	3.15	1	769	701	3.13	4	28.6%	30.5%	-0.7%	
Vermont	271	211	2.57	31	294	241	2.44	47	8.5%	14.2%	-5.0%	
Virginia	2,497	2,292	2.61	21	2,904	2,699	2.54	18	16.3%	17.8%	-2.6%	
Washington	2,032	1,872	2.53	41	2,451	2,271	2.53	20	20.6%	21.3%	-0.2%	
West Virginia	781	689	2.55	36	845	736	2.40	49	8.2%	6.8%	-5.9%	
Wisconsin	2,056	1,822	2.61	21	2,321	2,085	2.50	30	12.9%	14.4%	-4.3%	
Wyoming	203	169	2.63	16	224	194	2.48	38	10.3%	14.8%	-5.6%	

Note: Numbers may not sum due to rounding.

Source: U.S. Census Bureau

Table 19
Total County Population by Race in Utah: 2003

Geographic Area		Total Population by Race							Two or More Races	Hispanic Origin (of any race)
	Total Population	Single Race								
		Total	White	Black/African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander			
State	2,351,467	2,320,328	2,202,148	22,592	33,388	44,599	17,601	31,139	233,425	
Beaver	6,105	6,069	5,917	16	70	66	0	36	416	
Box Elder	44,504	44,138	43,104	119	388	514	13	366	3,028	
Cache	95,664	94,861	91,479	524	647	2,004	207	803	7,135	
Carbon	19,764	19,662	19,250	70	262	78	2	102	1,938	
Daggett	889	887	869	10	8	0	0	2	52	
Davis	255,597	251,685	241,313	3,300	1,650	4,640	782	3,912	14,997	
Duchesne	14,846	14,592	13,657	25	859	50	1	254	522	
Emery	10,651	10,581	10,419	27	85	43	7	70	570	
Garfield	4,542	4,527	4,395	9	102	21	0	15	144	
Grand	8,759	8,690	8,164	29	475	22	0	69	503	
Iron	35,741	35,366	33,812	171	865	371	147	375	1,567	
Juab	8,792	8,785	8,637	15	98	31	4	7	217	
Kane	6,039	6,012	5,885	4	108	15	0	27	136	
Millard	12,455	12,395	12,074	20	215	65	21	60	1,074	
Morgan	7,518	7,465	7,435	5	15	10	0	53	98	
Piute	1,380	1,380	1,361	2	15	2	0	0	69	
Rich	2,019	2,017	2,007	0	0	10	0	2	38	
Salt Lake	924,247	910,577	849,407	12,079	9,078	27,331	12,682	13,670	123,571	
San Juan	13,901	13,788	5,633	18	8,103	34	0	113	460	
Sanpete	23,689	23,518	22,912	99	235	129	143	171	1,776	
Sevier	19,103	18,994	18,480	66	381	54	13	109	571	
Summit	33,020	32,828	32,228	110	141	348	1	192	2,987	
Tooele	47,965	47,316	45,262	709	895	346	104	649	4,369	
Uintah	26,296	26,032	23,343	48	2,557	72	12	264	1,005	
Utah	398,059	392,357	380,868	1,559	2,558	4,828	2,544	5,702	30,487	
Wasatch	17,509	17,298	17,056	39	118	71	14	211	1,136	
Washington	104,132	102,876	99,862	331	1,632	530	521	1,256	5,961	
Wayne	2,454	2,448	2,430	3	8	0	7	6	60	
Weber	205,827	203,184	194,889	3,185	1,820	2,914	376	2,643	28,538	

Note: As a result of the revised standards for collecting data on race and ethnicity issued by the U.S. Office of Management and Budget in 1997, the federal government treats Hispanic origin and race as separate and distinct concepts. Thus Hispanics may be of any race. Also, respondents were allowed to select more than one race. Respondents that selected more than one race are included in the "Two or More Races" category. For postcensal population estimates, the "Some Other Race" category was omitted.

Source: U.S. Census Bureau, Population Division

**Table 20
Utah Net In-Migration by State: 1985 - 2003**

State	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	1985-2003
Alabama	-20	-107	-65	-209	-71	-94	-62	-81	60	136	75	69	-60	-113	-3	-51	-51	-70	-122	-839
Alaska	-72	33	355	130	47	-93	-43	-29	15	128	71	46	24	0	115	34	4	4	-98	655
Arizona	-2,403	-2,544	-3,112	-2,366	-1,112	50	429	199	464	-44	-978	-742	-220	-752	-1,281	-1,594	-1,504	-1,603	-1,712	-20,825
Arkansas	-25	71	-314	-106	61	29	40	35	-22	16	-17	-64	-67	-15	-151	-29	-89	-68	-93	-808
California	-4,277	-3,821	-5,003	-4,094	-2,109	1,212	4,853	7,884	10,956	12,125	9,265	7,380	5,121	2,518	1,212	1,826	464	1,046	579	47,137
Colorado	-262	-195	-261	-394	-412	25	-87	153	-308	186	-153	-123	-49	-806	-1,152	-1,033	-1,216	-792	-142	-7,021
Connecticut	-40	-24	-117	-77	-54	73	81	137	123	150	104	39	80	22	-64	-38	-47	-124	-126	98
Delaware	22	4	-76	-47	-65	20	-1	22	20	-5	13	41	36	-28	-7	-8	-10	1	8	-60
Dist. of Col.	-33	-29	-9	-12	-13	-2	-8	-23	-27	1	11	-5	3	-9	-22	-17	-29	1	-9	-231
Florida	-366	-372	-508	-567	-280	-297	274	249	342	254	246	97	-45	-296	-267	-356	-259	-170	-490	-2,811
Georgia	-146	-189	-349	-160	-102	-51	144	-86	-199	-189	-156	-126	-53	-106	62	-216	-137	9	-268	-2,318
Hawaii	27	174	3	-2	39	-2	217	180	291	413	146	327	289	293	318	356	122	-58	-75	3,058
Idaho	1,620	1,924	2,003	915	251	76	18	-429	9	-186	-270	-248	38	-395	-444	-1,035	-78	-282	-727	2,760
Illinois	77	95	-135	-97	48	-43	145	98	248	261	393	43	253	249	-15	-230	6	35	-105	1,326
Indiana	-40	-28	-12	-226	-105	9	-12	34	66	54	23	-68	40	-108	-79	-71	-109	-107	-164	-903
Iowa	196	99	96	-43	40	-65	-24	-37	-20	-94	-31	-60	-96	-110	-23	-89	-135	-52	-94	-542
Kansas	9	35	-39	-66	79	89	-69	-52	121	67	11	-56	-3	-7	-106	-127	-97	-133	-21	-365
Kentucky	-1	-7	-126	-98	2	-82	-64	-25	17	-5	44	-106	-48	-33	-70	-67	-93	-89	-135	-986
Louisiana	18	-7	200	-27	121	56	33	64	192	64	-38	106	45	-13	133	68	35	-53	-35	962
Maine	-27	-72	-68	-90	-17	17	38	50	51	130	33	-54	42	0	-11	-4	-16	-69	-13	-80
Maryland	-168	-158	-215	-304	-207	102	41	223	139	155	90	125	51	-63	-87	-79	-129	-304	-412	-1,200
Massachusetts	-160	-112	-251	-307	-182	89	162	283	49	122	141	-58	-65	-116	-217	-251	-136	-138	-63	-1,210
Michigan	0	-266	-189	-117	-97	-71	29	65	160	84	-62	128	5	-21	-35	-45	-185	-87	-46	-750
Minnesota	-48	-36	-50	-161	-41	-88	154	68	-60	-91	-53	-36	115	-188	-279	-345	-242	-90	-243	-1,200
Mississippi	-18	-9	-45	31	40	12	-36	-65	38	-42	-7	81	-22	-45	-45	-34	-56	-54	-23	-209
Missouri	-110	-205	-214	-171	-153	-60	14	217	-127	-59	-308	-200	-229	-164	-229	-277	-184	-333	-284	-3,076
Montana	236	450	172	85	90	77	-29	-78	-61	-111	-170	7	213	86	-78	-197	-35	-130	-180	347
Nebraska	32	-13	61	-153	-32	-221	-4	-2	34	-21	-23	-6	-37	7	-89	-42	69	-44	-42	-522
Nevada	-423	-800	-1,821	-2,614	-3,103	-2,449	-508	419	837	-71	67	-235	-653	-910	-1,024	-1,014	-960	-1,090	-1,557	-17,909
New Hampshire	-27	-15	-31	-67	-70	62	152	90	110	18	-17	30	-138	-43	-68	-43	-131	0	36	-152
New Jersey	-88	-61	-64	-150	-25	99	150	182	290	135	361	55	31	39	-12	-14	30	132	124	1,214
New Mexico	-244	-444	-187	68	-433	239	68	-45	-386	89	-97	-142	94	269	-174	81	-307	71	-171	-1,651
New York	-111	-109	-33	-142	-69	133	256	288	386	303	143	376	255	94	64	-56	-104	29	-109	1,594
North Carolina	-74	9	-226	-195	-180	95	86	-14	-17	-69	72	-76	-36	-101	-79	-74	-99	-72	-88	-1,138
North Dakota	71	104	112	92	93	143	100	50	57	97	15	-12	60	25	49	28	33	37	27	1,181
Ohio	-88	-137	-120	-159	-232	-167	61	10	106	95	-14	-70	48	94	-135	-105	-54	-246	-105	-1,218
Oklahoma	16	-62	261	141	-41	28	5	-140	62	7	30	-244	-111	-251	-20	55	-67	-82	16	-397
Oregon	-162	-162	-449	-809	-790	-864	-397	-87	-406	-152	-217	-584	-504	-350	-789	-547	-486	-862	-537	-9,154
Pennsylvania	50	-128	-238	-323	-12	9	70	73	250	226	41	45	207	45	-69	-95	-185	-104	-100	-238
Rhode Island	10	-9	-12	-22	-14	-2	15	27	10	36	-9	4	-9	-44	12	-3	-83	15	15	-63
South Carolina	-14	-76	-8	-18	-64	-58	54	94	218	82	33	-50	-47	-42	-19	-169	-8	-54	-87	-233
South Dakota	19	-48	11	46	86	52	28	15	-12	3	-62	-3	136	24	-19	48	-43	-83	-87	111
Tennessee	-78	-109	-257	-184	-107	-25	26	-73	-38	-92	-124	-187	29	75	0	-164	-79	-33	-137	-1,707
Texas	-934	-773	-201	-395	-423	-295	-109	289	24	187	-93	-269	-49	-711	-738	-521	-482	-971	-630	-7,094
Vermont	0	-10	-37	-68	9	-2	41	74	12	40	30	1	23	9	-12	-6	-87	-13	27	8
Virginia	-239	-251	-317	-408	-197	-188	113	121	161	107	209	235	-2	-261	-409	-347	-390	-485	-596	-3,144
Washington	-550	-818	-968	-1,204	-1,605	-1,801	-806	-585	-53	606	14	109	-367	-950	-510	-453	-781	-470	-401	-11,593
West Virginia	-1	85	-30	-45	5	-38	-29	-16	-15	22	13	-29	27	13	0	-41	31	-16	-50	-114
Wisconsin	99	52	-83	-47	-20	75	-65	-135	19	-68	-84	-47	-61	-55	-146	-178	-215	-53	-44	-1,056
Wyoming	350	642	962	375	58	187	27	88	239	-38	96	272	288	54	138	135	64	-217	14	3,606
Foreign	0	-361	-341	-194	272	192	906	1,725	1,728	922	1,038	779	692	680	667	962	1,044	1,004	959	12,674
Total	-8,397	-8,790	-12,345	-15,055	-11,096	-3,808	6,477	11,508	16,153	15,984	9,854	6,495	5,274	-2,556	-6,186	-6,478	-7,551	-7,399	-8,656	-26,572

Note: Total net in-migration differs from data from other tables because this methodology does not account for the full extent of foreign net in-migration.
Source: IRS Area-to-Area Migration Data; Statistical Information Services, IRS

Table 21
U.S. Census Bureau City Population Estimates: 2001-2003

Geographic Area	Census 2000	2001	2002	2003	Change 02-03	AARC Change 00-03		Census 2000	2001	2002	2003	Change 02-03	AARC Change 00-03
Beaver County	6,005	6,031	6,108	6,105	0.0%	0.8%	Clinton city	12,585	13,541	14,356	15,281	6.4%	10.2%
Beaver city	2,454	2,464	2,504	2,511	0.3%	1.2%	Farmington city	12,081	12,413	12,996	13,407	3.2%	5.3%
Milford city	1,451	1,440	1,450	1,438	-0.8%	-0.4%	Fruit Heights city	4,701	4,749	4,767	4,775	0.2%	0.8%
Minersville town	817	821	830	829	-0.1%	0.7%	Kaysville city	20,351	20,637	20,964	21,386	2.0%	2.5%
Balance of Beaver County	1,283	1,306	1,324	1,327	0.2%	1.7%	Layton city	58,474	59,602	60,026	60,769	1.2%	1.9%
Box Elder County	42,745	43,332	43,968	44,504	1.2%	2.0%	North Salt Lake city	8,749	9,088	9,178	9,321	1.6%	3.2%
Bear River City city	750	764	777	791	1.8%	2.7%	South Weber city	4,260	4,735	5,177	5,384	4.0%	12.4%
Brigham City city	17,411	17,329	17,363	17,334	-0.2%	-0.2%	Sunset city	5,204	5,164	5,102	5,068	-0.7%	-1.3%
Corinne city	621	640	650	650	0.0%	2.3%	Syracuse city	9,398	10,796	12,425	14,159	14.0%	22.7%
Deweyville town	278	287	296	303	2.4%	4.4%	West Bountiful city	4,484	4,552	4,560	4,597	0.8%	1.3%
Elwood town	678	673	674	674	0.0%	-0.3%	West Point city	6,033	6,096	6,252	6,472	3.5%	3.6%
Fielding town	448	448	450	449	-0.2%	0.1%	Woods Cross city	6,419	6,779	7,021	7,466	6.3%	7.8%
Garland city	1,943	1,958	1,967	1,964	-0.2%	0.5%	Balance of Davis County	4,395	4,172	4,221	4,217	-0.1%	-2.0%
Honeyville city	1,214	1,220	1,263	1,276	1.0%	2.5%	Duchesne County	14,371	14,568	14,859	14,846	-0.1%	1.6%
Howell town	221	226	232	238	2.6%	3.8%	Altamont town	178	178	180	178	-1.1%	0.0%
Mantua town	791	797	801	796	-0.6%	0.3%	Duchesne city	1,408	1,427	1,446	1,447	0.1%	1.4%
Perry city	2,383	2,581	2,736	2,832	3.5%	9.0%	Myton city	539	545	555	552	-0.5%	1.2%
Plymouth town	328	342	358	377	5.3%	7.2%	Roosevelt city	4,299	4,320	4,414	4,404	-0.2%	1.2%
Portage town	257	254	258	267	3.5%	1.9%	Tabiona town	149	149	152	150	-1.3%	0.3%
Snowville town	177	177	177	176	-0.6%	-0.3%	Balance of Duchesne County	7,798	7,949	8,112	8,115	0.0%	2.0%
Tremonton city	5,592	5,900	5,997	6,083	1.4%	4.3%	Emery County	10,860	10,644	10,607	10,651	0.4%	-1.0%
Willard city	1,630	1,622	1,637	1,647	0.6%	0.5%	Castle Dale city	1,657	1,612	1,605	1,618	0.8%	-1.2%
Balance of Box Elder County	8,023	8,114	8,332	8,647	3.8%	3.8%	Clawson town	153	153	157	157	0.0%	1.3%
Cache County	91,391	92,175	94,371	95,664	1.4%	2.3%	Cleveland town	508	509	508	510	0.4%	0.2%
Amalga town	427	427	427	428	0.2%	0.1%	Elmo town	368	368	367	372	1.4%	0.5%
Clarkston town	688	686	686	686	0.0%	-0.1%	Emery town	308	300	303	302	-0.3%	-1.0%
Cornish town	259	259	259	259	0.0%	0.0%	Ferron city	1,623	1,576	1,574	1,576	0.1%	-1.5%
Hyde Park city	2,955	2,918	2,940	2,978	1.3%	0.4%	Green River city	973	957	955	958	0.3%	-0.8%
Hyrum city	6,316	6,296	6,296	6,305	0.1%	-0.1%	Huntington city	2,131	2,087	2,079	2,087	0.4%	-1.0%
Lewiston city	1,877	1,862	1,864	1,847	-0.9%	-0.8%	Orangeville city	1,398	1,363	1,351	1,349	-0.1%	-1.8%
Logan city	42,670	42,342	43,568	43,675	0.2%	1.2%	Balance of Emery County	1,741	1,719	1,708	1,722	0.8%	-0.5%
Mendon city	898	904	938	993	5.9%	5.2%	Garfield County	4,735	4,688	4,603	4,542	-1.3%	-2.1%
Millville city	1,507	1,503	1,502	1,504	0.1%	-0.1%	Antimony town	122	120	117	115	-1.7%	-2.9%
Newton town	699	700	707	717	1.4%	1.3%	Boulder town	180	179	181	180	-0.6%	0.0%
Nibley city	2,045	2,117	2,212	2,384	7.8%	8.0%	Cannonville town	148	146	143	140	-2.1%	-2.7%
North Logan city	6,163	6,640	6,750	6,872	1.8%	5.6%	Escalante city	818	805	786	771	-1.9%	-2.9%
Paradise town	759	755	754	753	-0.1%	-0.4%	Hatch town	127	124	121	118	-2.5%	-3.6%
Providence city	4,377	4,526	4,849	5,186	6.9%	8.8%	Henrieville town	159	156	152	149	-2.0%	-3.2%
Richmond city	2,051	2,046	2,044	2,045	0.0%	-0.1%	Panguitch city	1,623	1,594	1,554	1,525	-1.9%	-3.1%
River Heights city	1,496	1,482	1,482	1,484	0.1%	-0.4%	Tropic town	508	500	488	479	-1.8%	-2.9%
Smithfield city	7,261	7,392	7,610	7,877	3.5%	4.2%	Balance of Garfield County	1,050	1,064	1,061	1,065	0.4%	0.7%
Trenton town	449	450	451	451	0.0%	0.2%	Grand County	8,485	8,590	8,710	8,759	0.6%	1.6%
Wellsville city	2,728	2,728	2,726	2,729	0.1%	0.0%	Castle Valley town	349	348	349	348	-0.3%	-0.1%
Balance of Cache County	5,766	6,142	6,306	6,491	2.9%	6.1%	Moab city	4,779	4,794	4,838	4,845	0.1%	0.7%
Carbon County	20,422	19,760	19,812	19,764	-0.2%	-1.6%	Balance of Grand County	3,357	3,448	3,523	3,566	1.2%	3.1%
East Carbon city	1,393	1,323	1,322	1,313	-0.7%	-2.9%	Iron County	33,779	34,557	35,375	35,741	1.0%	2.9%
Helper city	2,025	1,924	1,922	1,911	-0.6%	-2.9%	Brian Head town	118	115	115	112	-2.6%	-2.6%
Price city	8,402	8,266	8,271	8,229	-0.5%	-1.0%	Cedar City city	20,527	21,014	21,542	21,946	1.9%	3.4%
Scofield town	28	26	26	26	0.0%	-3.6%	Enoch city	3,467	3,681	3,841	3,876	0.9%	5.7%
Sunnyside city	404	387	389	388	-0.3%	-2.0%	Kanarrville town	311	305	307	302	-1.6%	-1.5%
Wellington city	1,666	1,591	1,595	1,592	-0.2%	-2.2%	Paragonah town	470	465	466	458	-1.7%	-1.3%
Balance of Carbon County	6,504	6,243	6,287	6,305	0.3%	-1.5%	Parowan city	2,565	2,550	2,559	2,518	-1.6%	-0.9%
Daggett County	921	921	893	889	-0.4%	-1.8%	Balance of Iron County	6,321	6,427	6,545	6,529	-0.2%	1.6%
Manila town	308	311	300	297	-1.0%	-1.8%	Juab County	8,238	8,476	8,613	8,792	2.1%	3.3%
Balance of Daggett County	613	610	593	592	-0.2%	-1.7%	Eureka city	766	771	769	772	0.4%	0.4%
Davis County	238,994	244,460	249,406	255,597	2.5%	3.4%	Levan town	688	740	776	782	0.8%	6.6%
Bountiful city	41,301	41,437	41,279	41,401	0.3%	0.1%	Mona city	850	887	911	993	9.0%	8.1%
Centerville city	14,585	14,737	14,694	14,748	0.4%	0.6%	Nephi city	4,733	4,835	4,898	4,962	1.3%	2.4%
Clearfield city	25,974	25,962	26,388	27,146	2.9%	2.2%							

Table 21 (Continued)
U.S. Census Bureau City Population Estimates: 2001-2003

Geographic Area	Census 2000	2001	2002	2003	Change 02-03	AARC Change 00-03		Census 2000	2001	2002	2003	Change 02-03	AARC Change 00-03
Rocky Ridge town	403	407	408	429	5.1%	3.2%	Sanpete County	22,763	23,200	23,364	23,689	1.4%	2.0%
Balance of Juab County	798	836	851	854	0.4%	3.4%	Centerfield town	1,048	1,048	1,053	1,068	1.4%	0.9%
Kane County	6,046	5,952	6,018	6,039	0.3%	-0.1%	Ephraim city	4,505	4,913	4,878	4,962	1.7%	4.9%
Alton town	134	132	132	130	-1.5%	-1.5%	Fairview city	1,160	1,154	1,157	1,170	1.1%	0.4%
Big Water town	417	413	416	416	0.0%	-0.1%	Fayette town	204	203	203	206	1.5%	0.5%
Glendale town	355	346	346	346	0.0%	-1.3%	Fountain Green city	945	939	942	952	1.1%	0.4%
Kanab city	3,564	3,482	3,506	3,490	-0.5%	-1.0%	Gunnison city	2,394	2,394	2,463	2,484	0.9%	1.9%
Orderville town	596	585	594	593	-0.2%	-0.3%	Manti city	3,040	3,025	3,034	3,070	1.2%	0.5%
Balance of Kane County	980	994	1,024	1,064	3.9%	4.2%	Mayfield town	420	417	417	421	1.0%	0.1%
Millard County	12,405	12,406	12,377	12,455	0.6%	0.2%	Moroni city	1,280	1,275	1,280	1,296	1.3%	0.6%
Delta city	3,209	3,170	3,160	3,186	0.8%	-0.4%	Mount Pleasant city	2,707	2,696	2,704	2,735	1.1%	0.5%
Fillmore city	2,253	2,225	2,207	2,220	0.6%	-0.7%	Spring City city	956	951	954	965	1.2%	0.5%
Hinckley town	698	746	756	755	-0.1%	4.0%	Sterling town	235	250	251	255	1.6%	4.2%
Holden town	400	394	391	393	0.5%	-0.9%	Wales town	219	224	224	227	1.3%	1.8%
Kanosh town	485	479	475	476	0.2%	-0.9%	Balance of Sanpete County	3,650	3,711	3,804	3,878	1.9%	3.1%
Leamington town	217	215	214	214	0.0%	-0.7%	Sevier County	18,842	19,045	19,120	19,103	-0.1%	0.7%
Lynndyl town	134	132	131	130	-0.8%	-1.5%	Annabella town	603	605	605	598	-1.2%	-0.4%
Meadow town	254	251	249	250	0.4%	-0.8%	Aurora city	947	950	950	939	-1.2%	-0.4%
Oak City town	650	648	643	644	0.2%	-0.5%	Elsinore town	733	735	734	724	-1.4%	-0.6%
Scipio town	290	292	293	297	1.4%	1.2%	Glenwood town	437	437	436	430	-1.4%	-0.8%
Balance of Millard County	3,815	3,854	3,858	3,890	0.8%	1.0%	Joseph town	269	271	271	268	-1.1%	-0.2%
Morgan County	7,129	7,307	7,452	7,518	0.9%	2.7%	Koosharem town*	276	277	276	272	-1.4%	-0.7%
Morgan city	2,635	2,669	2,706	2,711	0.2%	1.4%	Monroe city	1,845	1,845	1,843	1,819	-1.3%	-0.7%
Balance of Morgan County	4,494	4,638	4,746	4,807	1.3%	3.4%	Redmond town	788	790	789	778	-1.4%	-0.6%
Piute County	1,435	1,400	1,387	1,380	-0.5%	-1.9%	Richfield city	6,847	6,885	6,881	6,936	0.8%	0.6%
Circleville town	505	492	487	484	-0.6%	-2.1%	Salina city	2,393	2,405	2,405	2,378	-1.1%	-0.3%
Junction town	177	173	171	170	-0.6%	-2.0%	Sigurd town	430	431	430	424	-1.4%	-0.7%
Kingston town	142	138	137	136	-0.7%	-2.1%	Balance of Sevier County*	3,274	3,414	3,500	3,537	1.1%	3.9%
Marysvale town	381	368	362	357	-1.4%	-3.2%	Summit County	29,736	30,977	31,895	33,020	3.5%	5.4%
Balance of Piute County	230	229	230	233	1.3%	0.7%	Coalville city	1,382	1,398	1,398	1,426	2.0%	1.6%
Rich County	1,961	1,949	1,952	2,019	3.4%	1.5%	Francis town	698	707	706	761	7.8%	4.4%
Garden City town	357	359	363	377	3.9%	2.8%	Henefer town	684	700	704	723	2.7%	2.8%
Laketown town	188	183	181	185	2.2%	-0.8%	Kamas city	1,274	1,355	1,380	1,429	3.6%	5.9%
Randolph city	483	472	468	478	2.1%	-0.5%	Oakley city	948	992	1,004	1,125	12.1%	8.9%
Woodruff town	194	190	188	192	2.1%	-0.5%	Park City city	7,371	7,659	7,724	7,854	1.7%	3.2%
Balance of Rich County	739	745	752	787	4.7%	3.2%	Balance of Summit County	17,379	18,166	18,979	19,702	3.8%	6.5%
Salt Lake County	898,387	909,722	917,482	924,247	0.7%	1.4%	Tooele County	40,735	43,943	45,967	47,965	4.3%	8.5%
Alta town	370	368	367	365	-0.5%	-0.7%	Grantsville city	6,015	6,392	6,626	6,824	3.0%	6.5%
Bluffdale city	4,700	4,837	4,864	5,672	16.6%	9.9%	Ophir town	23	23	23	23	0.0%	0.0%
Draper city	25,220	26,724	29,192	31,020	6.3%	10.9%	Rush Valley town	453	473	488	506	3.7%	5.7%
Herriman town	1,523	2,906	4,182	5,632	34.7%	92.3%	Stockton town	443	503	528	555	5.1%	11.9%
Holladay city	14,561	19,969	19,879	19,667	-1.1%	16.2%	Tooele city	22,502	24,692	25,923	27,052	4.4%	9.6%
Midvale city	27,029	27,224	27,189	27,166	-0.1%	0.3%	Vernon town	236	246	253	262	3.6%	5.4%
Murray city	34,024	44,145	43,915	43,617	-0.7%	13.2%	Wendover city	1,537	1,575	1,606	1,620	0.9%	2.7%
Riverton city	25,011	26,076	28,213	29,244	3.7%	8.1%	Balance of Tooele County	9,526	10,039	10,520	11,123	5.7%	8.1%
Salt Lake City city	181,743	181,277	181,160	179,894	-0.7%	-0.5%	Uintah County	25,224	25,751	26,204	26,296	0.4%	2.1%
Sandy city	88,418	89,822	89,525	89,319	-0.2%	0.5%	Ballard town	566	575	582	590	1.4%	2.1%
South Jordan city	29,437	30,665	31,722	33,589	5.9%	6.8%	Naples city	1,300	1,340	1,380	1,411	2.2%	4.2%
South Salt Lake city	22,038	21,968	21,843	21,719	-0.6%	-0.7%	Vernal city	7,714	7,766	7,898	7,892	-0.1%	1.1%
Taylorville city	57,439	59,017	58,940	58,701	-0.4%	1.1%	Balance of Uintah County	15,644	16,070	16,344	16,403	0.4%	2.4%
West Jordan city	68,336	81,839	83,410	84,701	1.5%	11.3%	Utah County	368,536	382,645	391,988	398,059	1.5%	3.9%
West Valley City city	108,896	110,208	110,925	111,687	0.7%	1.3%	Alpine city	7,146	7,536	7,750	7,937	2.4%	5.4%
Balance of Salt Lake County	209,642	182,677	182,156	182,254	0.1%	-6.8%	American Fork city	21,941	22,493	22,533	22,876	1.5%	2.1%
San Juan County	14,413	13,615	13,853	13,901	0.3%	-1.8%	Cedar Fort town	341	339	334	330	-1.2%	-1.6%
Blanding city	3,162	2,968	3,020	3,035	0.5%	-2.0%	Cedar Hills city	3,094	4,012	4,529	5,160	13.9%	29.1%
Monticello city	1,958	1,860	1,898	1,900	0.1%	-1.5%	Eagle Mountain city	2,157	4,667	6,102	7,405	21.4%	85.3%
Balance of San Juan County	9,293	8,787	8,935	8,966	0.3%	-1.8%	Elk Ridge city	1,838	1,946	2,011	2,064	2.6%	6.0%
							Genola town	965	958	942	937	-0.5%	-1.5%
							Goshen town	874	870	853	846	-0.8%	-1.6%

Table 21 (Continued)
U.S. Census Bureau City Population Estimates: 2001-2003

Geographic Area	Census 2000	2001	2002	2003	Change 02-03	AARC Change 00-03		Census 2000	2001	2002	2003	Change 02-03	AARC Change 00-03
Highland city	8,172	8,923	9,738	9,642	-1.0%	8.6%	Weber County	196,533	200,225	203,535	205,827	1.1%	2.3%
Lehi city	19,028	20,766	21,902	23,266	6.2%	10.6%	Farr West city	3,094	3,345	3,615	3,850	6.5%	11.6%
Lindon city	8,363	8,531	8,660	8,680	0.2%	1.9%	Harrisville city	3,645	3,907	4,164	4,452	6.9%	10.5%
Mapleton city	5,809	5,989	6,062	6,180	1.9%	3.1%	Hooper city	(X)	4,019	4,009	4,019	0.2%	na
Orem city	84,324	85,664	86,346	87,599	1.5%	1.9%	Huntsville town	649	643	644	650	0.9%	0.1%
Payson city	12,716	13,851	14,356	14,761	2.8%	7.7%	Marriott-Slaterville city	1,425	1,426	1,425	1,425	0.0%	0.0%
Pleasant Grove city	23,468	23,623	23,632	23,901	1.1%	0.9%	North Ogden city	15,026	15,448	15,759	16,084	2.1%	3.5%
Provo city	105,166	105,980	106,411	105,410	-0.9%	0.1%	Ogden city	77,226	78,232	78,443	78,293	-0.2%	0.7%
Salem city	4,372	4,766	4,878	4,926	1.0%	6.1%	Plain City city	3,489	3,633	3,821	3,932	2.9%	6.2%
Santaquin city	4,834	5,366	5,589	5,751	2.9%	9.1%	Pleasant View city	5,632	5,780	5,877	5,965	1.5%	2.9%
Saratoga Springs city	1,003	1,670	3,161	3,119	-1.3%	76.3%	Riverdale city	7,656	7,732	7,776	7,791	0.2%	0.9%
Spanish Fork city	20,246	21,696	22,449	23,000	2.5%	6.6%	Roy city	32,885	34,254	34,900	35,249	1.0%	3.5%
Springville city	20,424	21,051	21,577	21,929	1.6%	3.6%	South Ogden city	14,377	14,299	14,648	15,003	2.4%	2.2%
Vineyard town	150	148	144	141	-2.1%	-3.0%	Uintah town	1,127	1,164	1,196	1,205	0.8%	3.4%
Woodland Hills city	941	1,024	1,069	1,099	2.8%	8.1%	Washington Terrace city	8,551	8,511	8,500	8,455	-0.5%	-0.6%
Balance of Utah County	11,164	10,776	10,960	11,100	1.3%	-0.3%	West Haven city	3,976	4,132	4,865	4,991	2.6%	12.0%
Wasatch County	15,215	16,171	16,921	17,509	3.5%	7.3%	Balance of Weber County	17,775	13,700	13,893	14,463	4.1%	-9.8%
Charleston town	378	386	393	404	2.8%	3.4%	State of Utah	2,233,169	2,279,590	2,318,789	2,351,467	1.4%	2.6%
Heber city	7,291	7,925	8,433	8,605	2.0%	8.6%							
Midway city	2,121	2,255	2,320	2,387	2.9%	6.1%							
Wallsburg town	274	275	278	278	0.0%	0.7%							
Balance of Wasatch County	5,151	5,330	5,497	5,835	6.1%	6.4%							
Washington County	90,354	94,554	99,426	104,132	4.7%	7.4%							
Enterprise city	1,285	1,281	1,293	1,298	0.4%	0.5%							
Hildale city	1,895	1,897	1,917	1,938	1.1%	1.1%							
Hurricane city	8,250	8,717	9,121	9,465	3.8%	7.1%							
Ivins town	4,450	5,047	5,544	6,049	9.1%	16.6%							
La Verkin city	3,392	3,521	3,663	3,731	1.9%	4.9%							
Leeds town*	547	557	569	576	1.2%	2.6%							
New Harmony town	190	189	189	191	1.1%	0.3%							
Rockville town	247	251	256	259	1.2%	2.4%							
Santa Clara city	4,630	4,847	5,086	5,360	5.4%	7.6%							
Springdale town	457	472	492	510	3.7%	5.6%							
St. George city	49,663	51,573	53,978	56,382	4.5%	6.6%							
Toquerville town	910	915	945	990	4.8%	4.3%							
Virgin town	394	414	433	450	3.9%	6.9%							
Washington city	8,186	8,809	9,665	10,496	8.6%	13.2%							
Balance of Washington County*	5,858	6,064	6,275	6,437	2.6%	4.8%							
Wayne County	2,509	2,526	2,523	2,454	-2.7%	-1.1%							
Bicknell town	353	353	349	337	-3.4%	-2.3%							
Hanksville town	(X)	203	203	197	-3.0%	na							
Loa town	525	527	521	504	-3.3%	-2.0%							
Lyman town	234	235	232	224	-3.4%	-2.2%							
Torrey town	171	173	171	166	-2.9%	-1.5%							
Balance of Wayne County	1,226	1,035	1,047	1,026	-2.0%	-8.5%							

Notes:

- 1) AARC = Average Annual Rate of Change
- 2) *The Utah Population Estimates Committee provided July 1, 2003 estimates for the following areas: Leeds, 621; resulting Balance of Washington County, 6,392; Koosharem, 385; resulting Balance of Sevier County, 3,424.
- 3) An "(X)" in the Census 2000 field indicates a locality that was formed or incorporated after Census 2000 or was erroneously omitted from Census 2000.
- 4) Dash (-) represents zero or rounds to zero.

Source: U.S. Census Bureau

Employment, Wages, and Labor Force

Overview

The 2004 Utah economy rebounded from a three-year lethargy that began in 2001 and extended through 2002 and 2003 with continued job losses. Although modest improvement was seen in 2003, the Utah economy did not start to recover until the latter half of 2004. The previous employment peak was registered in January 2001. This was reached again in January 2004, and improved in each month thereafter.

By September of 2004, employment growth rates had risen above 3.0%. This doubled the employment growth that was emerging at the national level. The stronger growth in Utah is evidence of demographic pressures. Utah has high internal population growth, which is well above the national average. The pressures of population growth continued to build while the economy failed to add new jobs for three consecutive years. Because of this, the Utah economy rebounded from recession in a more robust manner than the nation as a whole.

Job growth appeared to slow in the latter half of 2004 as the pressures of high-energy costs began to take their toll on economic vitality. Although not enough to bring the recovery to a halt, it had a tempering effect. According to first and second quarter data, employment growth for 2004 averaged 2.5%.

Job Growth by Industrial Sector

Employment growth in 2004 witnessed great diversity with all industrial sectors expanding. This is very beneficial in order to have economic benefits reach the broadest possible spectrum throughout the state.

Mining. The mining industry has more significance in Utah's history than it does in its current economy. Historically, mining was the foundational industry in Utah; it now employs around 6,700 workers, or less than 1% of all employment. It is still significant in some regions of Utah, such as oil and gas mining in the Uintah Basin, and coal mining in central Utah. The mining industry experienced the addition of only about 100 jobs in Utah in 2004, as gains in the oil and gas industry were nearly offset by losses in coal mining.

Construction. Construction employment experienced a rise in 2004. After more than doubling during the 1990s, construction employment peaked (on a seasonally-adjusted basis) in February 2000 at 73,700. A steady three-year decline then ensued, bottoming out in December 2003 at 66,600. By the end of 2004, construction employment was still below the 2000 peak by about 1,000 jobs, however, it is anticipated that construction employment will continue to recover in 2005.

Manufacturing. After seven years of no job growth, the manufacturing industry experienced job gains in 2004. Manufacturing peaked in 1997 with about 137,000 jobs; by 2004 it had fallen to around 114,800. Even though the number of positions was below the 1997 peak, manufacturing employment increased 2.2% in 2004. Both heavy durable goods and lighter nondurable goods production increased, however not all aspects of manufacturing added new jobs.

Trade, Transportation, Utilities. Trade, transportation, and utilities was the largest employment sector in Utah with just over 219,200 employees. It recovered from a contraction in 2003 to add roughly 5,200 new jobs in 2004. Trade makes up 80% of the employment in this sector in 2004, and accounted for most of the new job development; particularly in retail trade. Transportation also added jobs, with most growth occurring in the trucking industry. Air transportation employment also rose with the

movement of some of Delta Airline's operations from Dallas to Salt Lake City. St. George-based SkyWest Airlines also fared well.

Information. With 30,300 jobs, information was the second smallest employment sector in Utah. Some of the major components of this sector include software development, internet service providers, and the telecommunications industry. Other components of the information industry include libraries, newspapers, and broadcast media outlets. Employment was slow to expand in this industry, adding only about 300 new jobs in 2004. Telecommunications failed to recover from overbuilding and subsequent cutbacks that characterized its contribution to the national recession.

Financial Activity. Financial activity was one of only three industries in Utah that did not experience employment cutbacks during the recent recession. However, this area saw the least amount of growth in 2004. This was due to the fact that the economics that kept this industry growing throughout the recession, namely historically low mortgage interest rates, began to dissipate.

Professional and Business Services. Professional and business Services was one of the largest employment sectors in Utah. It also led the economic expansion, adding 6,900 new jobs in 2004, or growing at a rate of 5.2%. This industry employed close to 138,800 workers, covering a broad spectrum, from high-paying to modest-paying jobs. Part of the economy's high-education jobs are found in this industry, which can include lawyers, accountants, engineers, designers, programmers, researchers, technicians, and consultants.

This sector also contains industries such as computer and software development, company headquarters, call centers, research firms and waste management. The telemarketing industry, which is thriving and growing in Utah, contributed to the growth in this sector. Another big component of this sector is the temporary help or placement industry, which experienced large employment gains. This is expected to continue as the economy improves.

Education and Health Services. The education and health services sector helped the Utah economy through the recent recession. While most industries lost jobs, this sector was in need of more workers, particularly in the healthcare industry. Worker shortages were noted in some healthcare occupations, such as nursing and technician positions.

This industry employed around 122,200 workers in 2004. It grew at a rate of 3.2%, adding around 3,800 new jobs. About 80% of the employment in this sector is in healthcare. The education component is limited to private education facilities as public education employment is placed within the government classification.

Leisure and Hospitality. Utah is known to be a tourism and recreation destination. Many of the jobs dependent upon those activities are found in the leisure and hospitality sector. Hotels and restaurants are some of the major components. The aftermath of 9-11 left a two-year negative impact upon this industry, however, the negative impact began to recede in 2004. This sector enjoyed employment growth of 2.0%, or about 1,900 workers. Statewide, this sector employs about 101,600 workers.

Other Services. Comprised of a variety of businesses within its classification, other services is a catchall sector within NAICS. This

sector, which has great diversity, employed around 32,800 Utahns in 2004. After having a minor employment setback during the recession, a modest increase was experienced in 2004, with the addition of about 300 jobs.

Government. Government is one of the largest employment sectors in Utah. It includes the federal, state, and local levels, and in 2004 employed around 198,800 workers. Government employment grew by approximately 2,200 workers. Local government accounts for just over half of all government employment. This includes city and county governments, as well as all of the public school districts and their teachers. Correspondingly, it accounted for over half of the new jobs created in this sector.

State government constituted about 30% of government employment, accounting for the remainder of government employment growth. Federal government jobs accounted for about 20% of all government employment. Federal government employment declined in 2004; fewer IRS jobs accounted for part of this decline.

Significant Issues

The Wasatch Front and Off the Wasatch Front. The Wasatch Front consists of the urbanized corridor that extends from Ogden to Provo. It accounts for over 80% of all Utah jobs. Employment growth was experienced throughout Utah, but employment growth on a percentage basis was higher off the Wasatch Front than on the Wasatch Front. Outside of the urban corridor, employment grew by 5.0% to 5.5%, while on the corridor it grew by 2.0% to 2.5%. In terms of numeric increase, the Wasatch Front employment growth was much higher than the remainder of Utah.

Non-urban expansion was seen in several counties, notable areas include Washington, Cache, Box Elder, Tooele, Summit, Uintah, and Iron counties. Washington County's employment growth rate rose to over 10% in the first half of 2004. An inflow from California continues to have some influence on Washington County's economy, and was augmented by a significant inflow of people from the Las Vegas area.

Wage Growth Slows. Utah's 2004 average nonagricultural wage was \$31,415. This reflected year-over wage growth of 2.6%. This was an improvement over the 1.7% increase in 2003. A rebounding economy produced this turnaround, but from a historical perspective, it is still somewhat low. High benefit costs, particularly related to the cost of healthcare, hindered further wage increases from an employer's perspective, as they look at a total compensation package.

Major Employers. Utah's list of top ten major employers changes little from year to year. Intermountain Health Care, a large health care organization with numerous hospitals and clinics, and the State of Utah were the two largest employers. Both had employment levels over 20,000. Education is a large employer in Utah as well, and five of the remaining top eight employers fell within this classification. The University of Utah (including the University Hospital) and Brigham Young University each had between 15,000 and 20,000 employees. Granite and Jordan school districts ranged from 7,000 to 10,000 workers, while Davis County School District had between 5,000 and 7,000 employees. Hill Air Force Base ranked fifth with 10,000 to 15,000 civilian jobs, although a recent study by the Bureau of Economic and Business Research estimated the number is closer to 20,000. Wal-Mart, with its growing number of stores in Utah, ranked sixth. Convergys, a multi-

county telemarketing company was also one of the top ten major employers in Utah.

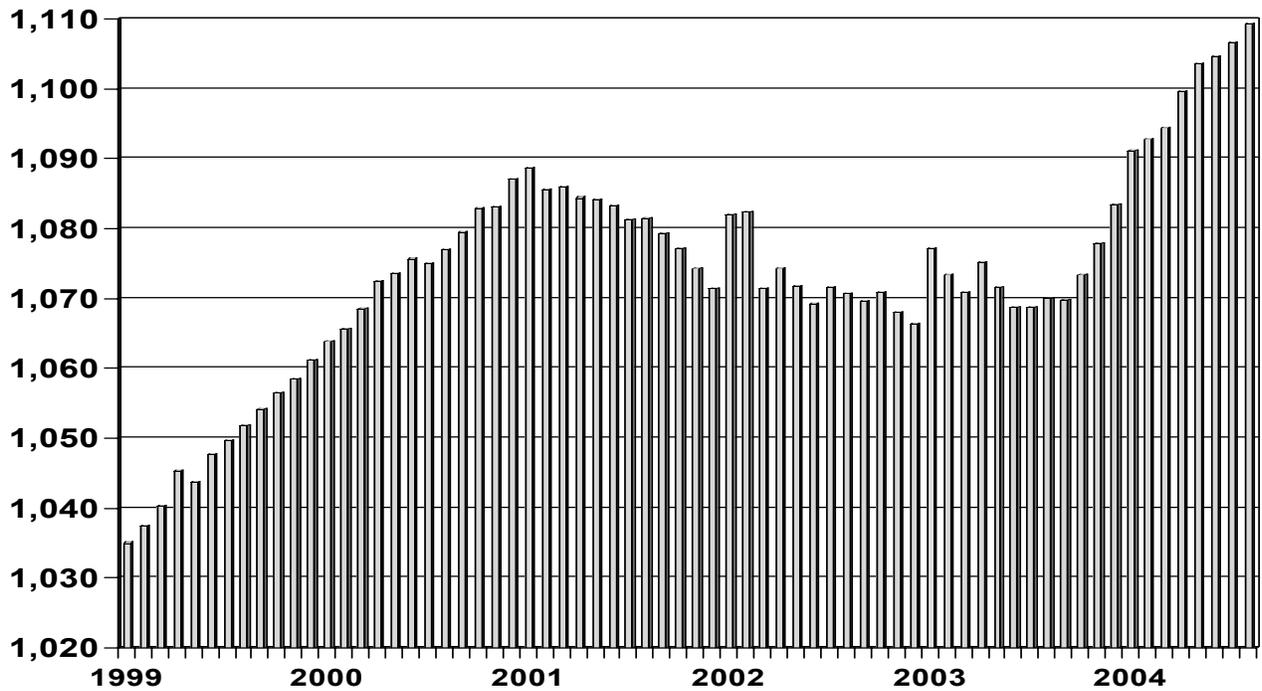
Labor Force Composition. In 2003, Utah's civilian, non-institutionalized labor force comprised 71.3% of the state's 16-years-and-over population. This was significantly higher than the national average of 66.2%. Both Utah women (63.4% in Utah vs. 59.5% nationally) and men (79.5% in Utah vs. 73.5% nationally) took part in the labor market at higher rates than their national counterparts.

One reason for Utah's high labor force participation is its young population. Moreover, Utah's teenagers and young adults are much more likely to work than their peers throughout the nation; 16 to 19-year-olds in Utah participate at a rate of 57.2%, as opposed to 44.5% on a national level. Although Utah's population of people between 55 and 64 years comprises a relatively small share of the state's adult population, Utahns in this category are also more likely to work than their U.S. peers (68.6% in Utah vs. 62.4% nationally).

Conclusion

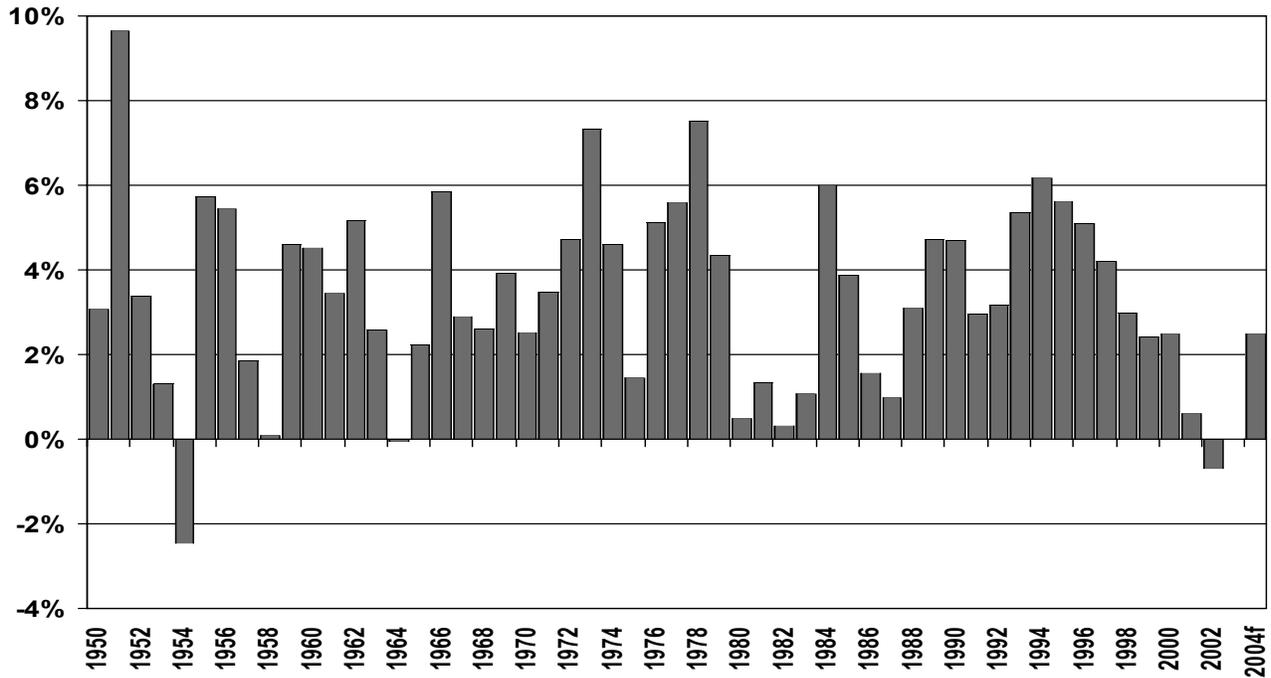
An economic rebound finally ended the recent recession and its three-year impact. Employment growth emerged in the latter half of 2003 and continued to grow in 2004 (2.5%). The middle months of 2004 did attain 3.0% growth, but high-energy prices produced some economic softening in the latter months. High-energy prices could continue to weaken the economy in 2005. The nation's economic indicators showed a trend toward a strengthening of the national economy in 2005; however high-energy prices could also influence that trend.

Figure 24
Utah Employment (Seasonally Adjusted in Thousands)



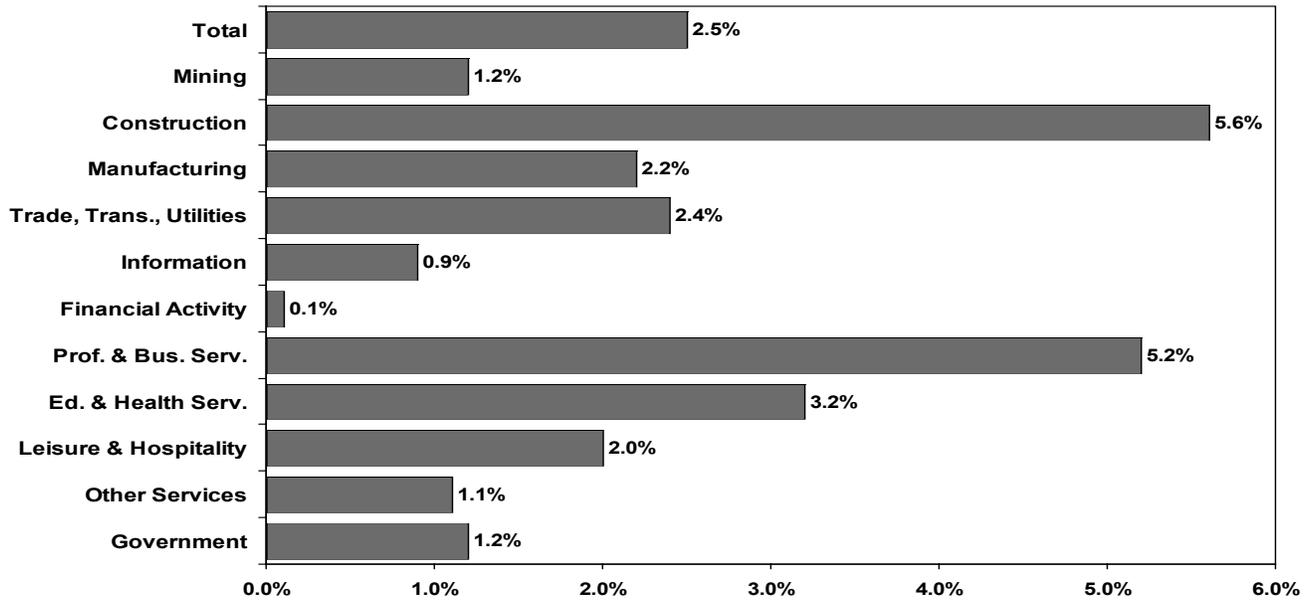
Source: U.S. Bureau of Labor Statistics; October 2004

Figure 25
Utah Nonagricultural Employment -- Annual Percent Change: 1950 to 2004



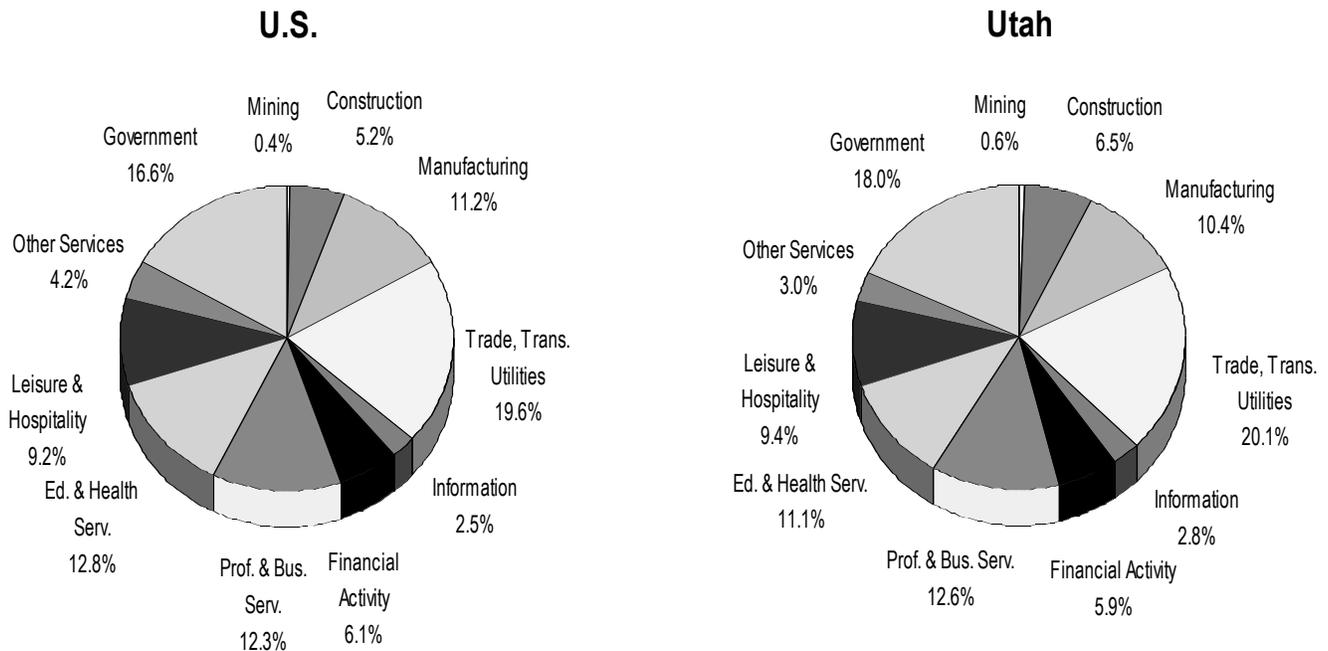
Source: Utah Department of Workforce Services

Figure 26
Percent Change in Utah Employment by Industry: 2003-2004 Annual Averages



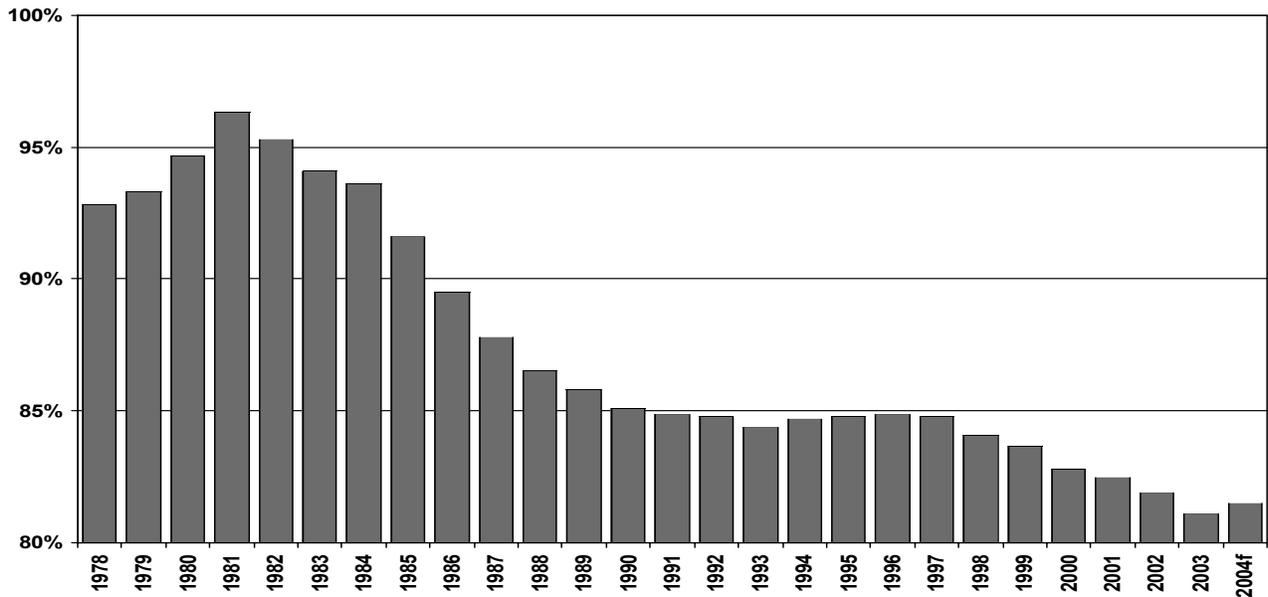
Source: Utah Department of Workforce Services

Figure 27
Utah and U.S. Nonagricultural Employment by Industry: 2004



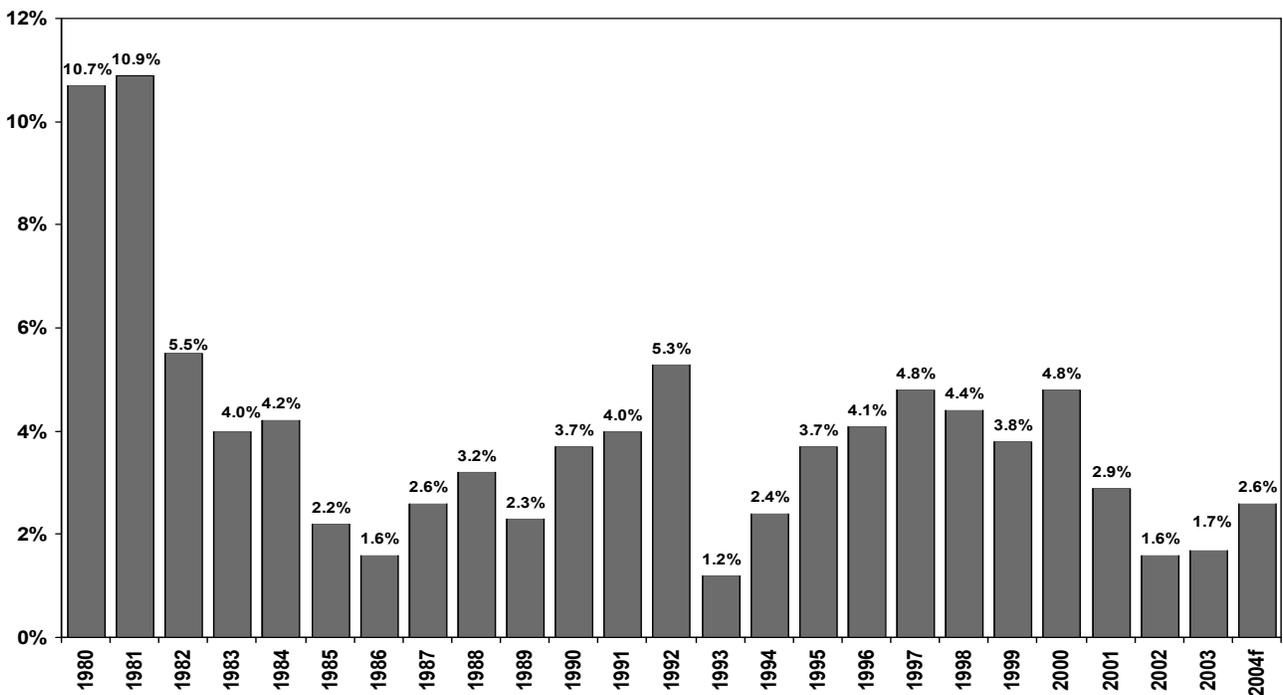
Sources: Utah Department of Workforce Services

Figure 28
Utah Average Annual Pay as a Percent of the U.S. Average



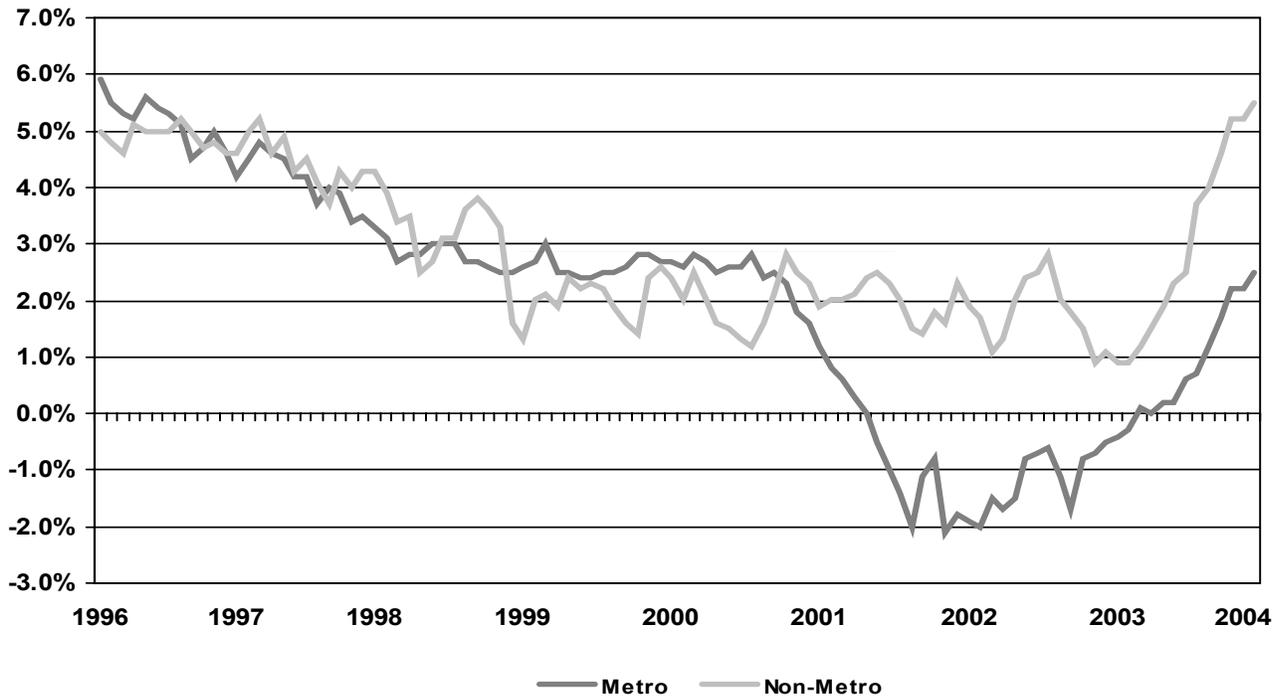
Note: For workers covered by unemployment insurance
 Source: Bureau of Labor Statistics

Figure 29
Utah Average Annual Pay Growth Rates : Percent Change



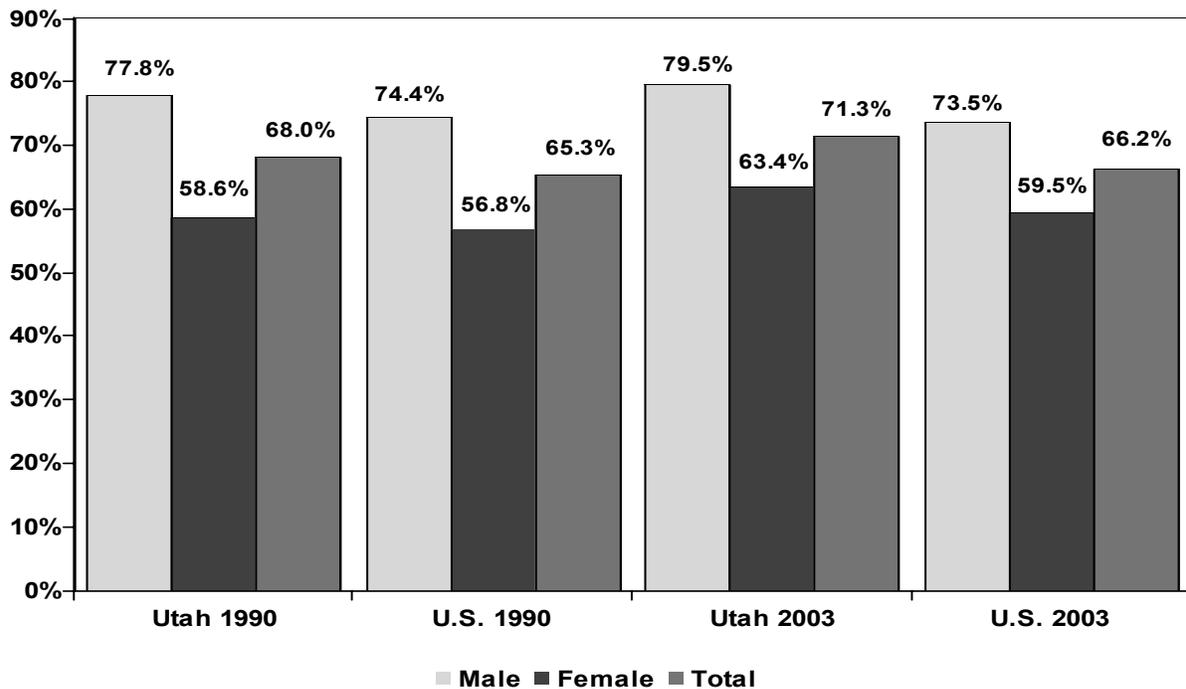
Sources: Utah Department of Workforce Services, Council of Economic Advisors

Figure 30
Employment Growth: Metro vs. Non-Metro Utah



Source: Utah Department of Workforce Services

Figure 31
Utah and U.S. Civilian Labor Force Participation Rates: Persons 16 years and Older



Source: U.S. Bureau of Labor Statistics

Table 22
Utah Nonagricultural Employment by Industry and Unemployment Rate

Year	Total Employment			Mining	Constru.	Manufact.	Trade, Trans. Utilities	Infor.	Financial Activity	Prof. & Bus Services	Edu. & Health	Leisure & Hospitality	Other Services	Govt.	Unemployment Rate	
	Number	Percent Change	Absolute Change													
1940	115,000	4.6	5,100	na	na	na	na	na	na	na	na	na	na	na	na	na
1941	131,800	14.6	16,800	na	na	na	na	na	na	na	na	na	na	na	na	na
1942	170,800	29.6	39,000	na	na	na	na	na	na	na	na	na	na	na	na	na
1943	189,400	10.9	18,600	na	na	na	na	na	na	na	na	na	na	na	na	na
1944	173,100	-8.6	-16,300	na	na	na	na	na	na	na	na	na	na	na	na	na
1945	168,800	-2.5	-4,300	na	na	na	na	na	na	na	na	na	na	na	na	na
1946	168,500	-0.2	-300	na	na	na	na	na	na	na	na	na	na	na	na	na
1947	178,000	5.6	9,500	na	na	na	na	na	na	na	na	na	na	na	na	na
1948	183,400	3.0	5,400	na	na	na	na	na	na	na	na	na	na	na	na	na
1949	183,500	0.1	100	na	na	na	na	na	na	na	na	na	na	na	na	na
1950	189,153	3.1	5,653	na	na	na	na	na	na	na	na	na	na	na	na	5.5
1951	207,386	9.6	18,233	na	na	na	na	na	na	na	na	na	na	na	na	3.3
1952	214,409	3.4	7,023	na	na	na	na	na	na	na	na	na	na	na	na	3.2
1953	217,194	1.3	2,785	na	na	na	na	na	na	na	na	na	na	na	na	3.3
1954	211,864	-2.5	-5,330	na	na	na	na	na	na	na	na	na	na	na	na	5.2
1955	224,007	5.7	12,143	na	na	na	na	na	na	na	na	na	na	na	na	4.1
1956	236,225	5.5	12,218	na	na	na	na	na	na	na	na	na	na	na	na	3.4
1957	240,577	1.8	4,352	na	na	na	na	na	na	na	na	na	na	na	na	3.7
1958	240,816	0.1	239	na	na	na	na	na	na	na	na	na	na	na	na	5.3
1959	251,940	4.6	11,124	na	na	na	na	na	na	na	na	na	na	na	na	4.6
1960	263,307	4.5	11,367	na	na	na	na	na	na	na	na	na	na	na	na	4.8
1961	272,355	3.4	9,048	na	na	na	na	na	na	na	na	na	na	na	na	5.3
1962	286,382	5.2	14,027	na	na	na	na	na	na	na	na	na	na	na	na	4.9
1963	293,758	2.6	7,376	na	na	na	na	na	na	na	na	na	na	na	na	5.4
1964	293,576	-0.1	-182	na	na	na	na	na	na	na	na	na	na	na	na	6.0
1965	300,164	2.2	6,588	na	na	na	na	na	na	na	na	na	na	na	na	6.1
1966	317,771	5.9	17,607	na	na	na	na	na	na	na	na	na	na	na	na	4.9
1967	326,953	2.9	9,182	na	na	na	na	na	na	na	na	na	na	na	na	5.2
1968	335,527	2.6	8,574	na	na	na	na	na	na	na	na	na	na	na	na	5.4
1969	348,612	3.9	13,085	na	na	na	na	na	na	na	na	na	na	na	na	5.2
1970	357,435	2.5	8,823	na	na	na	na	na	na	na	na	na	na	na	na	6.1
1971	369,836	3.5	12,401	na	na	na	na	na	na	na	na	na	na	na	na	6.6
1972	387,271	4.7	17,435	na	na	na	na	na	na	na	na	na	na	na	na	6.3
1973	415,641	7.3	28,370	na	na	na	na	na	na	na	na	na	na	na	na	5.8
1974	434,793	4.6	19,152	na	na	na	na	na	na	na	na	na	na	na	na	6.1
1975	441,082	1.4	6,289	na	na	na	na	na	na	na	na	na	na	na	na	6.5
1976	463,658	5.1	22,576	na	na	na	na	na	na	na	na	na	na	na	na	5.7
1977	489,580	5.6	25,922	na	na	na	na	na	na	na	na	na	na	na	na	5.3
1978	526,400	7.5	36,820	na	na	na	na	na	na	na	na	na	na	na	na	3.8
1979	549,242	4.3	22,842	na	na	na	na	na	na	na	na	na	na	na	na	4.3
1980	551,889	0.5	2,647	na	na	na	na	na	na	na	na	na	na	na	na	6.3
1981	559,184	1.3	7,295	na	na	na	na	na	na	na	na	na	na	na	na	6.7
1982	560,981	0.3	1,797	na	na	na	na	na	na	na	na	na	na	na	na	7.8
1983	566,991	1.1	6,010	na	na	na	na	na	na	na	na	na	na	na	na	9.2
1984	601,068	6.0	34,077	na	na	na	na	na	na	na	na	na	na	na	na	6.5
1985	624,387	3.9	23,319	na	na	na	na	na	na	na	na	na	na	na	na	5.9
1986	634,138	1.6	9,751	na	na	na	na	na	na	na	na	na	na	na	na	6.0
1987	640,298	1.0	6,160	na	na	na	na	na	na	na	na	na	na	na	na	6.4
1988	660,075	3.1	19,777	na	na	na	na	na	na	na	na	na	na	na	na	4.9
1989	691,244	4.7	31,169	na	na	na	na	na	na	na	na	na	na	na	na	4.6
1990	723,629	4.7	32,385	7,862	28,466	104,221	154,528	17,242	34,804	70,801	66,166	62,636	19,963	156,940		4.3
1991	745,202	3.0	21,573	8,095	32,206	104,445	159,321	17,281	36,803	77,853	66,668	65,814	17,468	159,249		5.0
1992	768,602	3.2	23,488	8,132	35,847	104,181	163,871	19,525	38,713	77,682	70,274	69,716	18,293	162,366		5.0
1993	809,731	5.4	41,129	8,073	40,688	108,406	171,081	18,625	42,826	87,021	74,505	74,113	19,454	164,938		3.9
1994	859,626	6.2	49,895	7,993	49,307	114,008	181,405	20,586	47,182	95,488	77,541	78,435	20,642	167,041		3.7
1995	907,886	5.6	48,260	7,911	56,282	118,930	191,769	22,264	48,449	107,227	80,936	83,290	21,304	169,525		3.6
1996	954,183	5.1	46,297	7,474	61,860	123,535	198,651	26,375	51,775	116,983	84,505	87,472	22,259	173,293		3.5
1997	993,999	4.2	39,816	7,789	65,420	127,728	205,949	27,672	54,154	123,532	88,449	90,471	23,497	179,338		3.1
1998	1,023,480	3.0	29,461	7,690	69,268	129,024	211,587	29,962	56,848	127,926	91,550	91,655	25,128	182,845		3.8
1999	1,048,498	2.4	25,018	7,260	73,364	127,707	215,441	32,861	58,397	134,112	93,868	93,082	26,071	186,330		3.7
2000	1,074,879	2.5	26,381	7,311	72,306	125,788	219,721	35,932	58,730	139,524	104,787	95,287	29,887	184,537		3.2
2001	1,081,685	0.6	6,806	7,209	71,620	122,092	219,954	33,514	62,214	136,646	109,520	98,328	30,471	190,117		4.4
2002	1,073,746	-0.7	-7,939	6,880	67,838	113,873	216,032	31,004	63,352	131,912	113,696	100,943	32,970	195,246		6.1
2003	1,074,131	0.0	385	6,670	67,599	112,291	213,970	30,016	64,674	131,910	118,379	99,634	32,451	196,537		5.6
2004f	1,101,400	2.5	27,269	6,750	71,400	114,800	219,200	30,300	64,750	138,800	122,200	101,600	32,800	198,800		5.3

na = not available
Source: Utah Department of Workforce Services, Workforce Information



Table 23
Utah Nonagricultural Payroll Employment by County and Major Industry: 2003

	Total		Mining		Construction		Manufacturing		Trade, Transp., Utilities		Information		Financial Activity		Profess. & Business Services		Education & Health Services		Leisure & Hospitality		Other Services		Government		
State Total	1,074,131	6,670	67,599	112,291	213,970	30,016	64,674	131,910	118,379	99,634	32,451	196,537													
Beaver	1,850	51	80	67	505	0	37	11	48	356	31	664													
Box Elder	17,799	40	968	7,040	3,492	153	408	584	1,118	1,230	324	2,442													
Cache	44,236	11	2,202	8,161	6,481	629	1,071	7,045	3,906	3,213	1,029	10,488													
Carbon	8,602	742	285	272	2,060	101	253	640	913	729	349	2,258													
Daggett	445	0	16	2	25	2	1	3	0	136	5	255													
Davis	89,722	62	6,861	10,353	18,393	893	3,556	7,740	8,003	8,013	2,685	23,163													
Duchesne	5,049	451	374	116	1,080	170	138	142	460	311	149	1,658													
Emery	3,498	648	337	35	902	154	55	90	87	169	163	858													
Garfield	2,075	9	63	97	214	118	27	15	146	759	28	599													
Grand	4,265	77	230	49	842	48	151	170	257	1,514	86	841													
Iron	14,108	3	909	1,497	2,569	110	604	1,317	1,221	1,563	337	3,978													
Juab	2,559	54	204	370	399	0	44	144	309	374	70	591													
Kane	2,741	2	143	154	363	11	75	32	45	874	304	738													
Millard	3,732	76	116	148	1,222	32	78	277	260	367	87	1,069													
Morgan	1,744	10	333	222	381	1	39	133	41	165	40	379													
Piute	292	0	5	2	62	0	7	0	19	34	4	159													
Rich	633	0	57	4	69	0	38	11	59	124	63	208													
Salt Lake	527,955	1,702	30,192	48,898	112,664	17,583	44,019	79,701	49,630	43,802	17,440	82,324													
San Juan	3,864	180	210	91	463	12	61	82	355	574	82	1,754													
Sanpete	6,841	18	364	886	1,082	161	198	257	557	477	165	2,676													
Sevier	7,160	390	358	507	2,142	70	177	279	732	795	159	1,551													
Summit	16,418	67	1,320	508	2,804	221	1,117	1,034	674	6,171	379	2,123													
Tooele	12,324	29	541	1,364	1,662	175	331	2,124	845	1,164	296	3,793													
Uintah	10,323	1,845	551	189	2,190	133	323	466	784	970	282	2,590													
Utah	152,878	48	10,483	16,344	24,922	6,657	5,780	17,885	32,438	11,977	3,956	22,388													
Wasatch	5,031	19	635	304	833	59	225	405	410	917	104	1,120													
Washington	39,000	129	4,747	2,503	9,605	856	1,700	2,684	5,113	5,110	1,149	5,404													
Wayne	982	0	96	11	118	1	7	3	250	180	19	297													
Weber	88,005	7	4,919	12,097	16,426	1,666	4,154	8,636	9,699	7,566	2,666	20,169													

Note: These data are based on the new NAICS classification system.
Source: Utah Department of Workforce Services, Workforce Information.

**Table 24
Utah Nonagricultural Payroll Wages by County and Major Industry: 2003**

County	Total	Trade										Leisure & Hospitality	Other Services
		Mining	Construction	Manufacturing	Utilities	Information	Financial Activity	Professional & Business Serv.	Education & Health Serv.	Leisure & Hospitality	Other Services		
State Total	\$32,886,941,421	\$339,620,555	\$2,063,850,232	\$4,256,320,157	\$6,224,024,437	\$1,203,897,792	\$2,540,976,818	\$4,573,428,902	\$3,341,769,918	\$1,253,043,554	\$732,101,585		
Beaver	42,976,584	1,546,529	1,880,286	2,675,971	15,297,189	-	864,497	146,546	1,260,053	3,099,185	530,116		
Box Elder	588,806,209	1,233,428	26,573,181	352,965,591	78,243,335	2,979,809	11,485,435	9,703,654	22,919,710	10,966,207	5,145,540		
Cache	1,051,053,662	263,662	47,457,121	249,058,526	120,678,414	17,773,299	32,079,394	166,492,138	85,591,723	28,583,413	20,853,814		
Carbon	236,074,029	47,927,880	9,051,936	8,271,490	56,427,258	1,957,901	5,865,367	12,902,521	21,751,457	6,141,888	9,147,930		
Daggett	10,613,526	-	526,900	24,650	707,369	2,600	22,500	49,000	-	1,804,972	112,012		
Davis	2,783,559,443	3,101,303	224,467,630	372,327,658	482,154,076	26,964,075	99,988,102	286,029,860	209,889,562	81,299,814	61,655,022		
Duchesne	127,674,601	20,919,008	9,471,426	3,261,114	24,766,624	4,679,828	3,054,141	5,082,083	10,231,334	2,688,100	3,013,134		
Emery	118,808,754	31,773,790	11,534,943	914,536	39,240,300	4,144,274	1,015,049	2,167,987	1,494,502	1,272,929	4,656,533		
Garfield	41,775,117	396,859	1,201,855	1,822,748	3,634,660	4,321,654	471,848	254,586	3,221,010	10,372,411	378,577		
Grand	86,954,890	3,080,222	5,472,252	878,257	17,463,055	1,065,786	3,205,711	3,976,054	6,128,563	18,647,954	1,783,455		
Iron	299,350,203	88,897	20,652,452	41,813,582	54,312,344	2,537,015	17,157,839	19,097,400	23,733,230	15,153,889	6,312,238		
Juab	57,495,879	1,612,178	5,066,899	11,710,339	6,529,804	-	959,872	6,646,013	6,130,633	2,858,650	1,412,205		
Kane	53,901,624	39,272	2,678,762	3,403,671	5,887,032	119,125	1,618,783	335,824	705,233	13,127,394	6,799,812		
Millard	105,662,429	3,510,660	3,424,218	4,669,649	42,637,775	704,496	1,946,809	7,673,100	6,029,598	2,672,315	2,169,467		
Morgan	44,142,673	212,293	8,571,395	8,278,757	11,549,075	12,736	891,588	3,183,912	523,192	1,046,800	685,456		
Plute	5,415,820	-	69,256	17,802	1,275,330	-	111,625	1,585	224,348	163,674	81,096		
Rich	10,775,476	-	1,308,288	128,180	1,087,871	1,813	486,303	156,443	892,010	1,098,743	697,730		
Salt Lake	17,932,394,725	101,893,085	1,022,903,360	1,948,185,588	3,754,966,347	670,767,586	1,895,905,658	3,048,141,309	1,593,033,773	616,980,420	419,952,631		
San Juan	87,837,735	8,162,331	4,342,751	1,709,632	8,167,830	146,027	1,243,006	1,328,480	7,747,226	8,333,610	1,442,666		
Sanpete	132,971,280	619,053	8,755,449	18,919,275	16,469,981	4,968,746	4,906,220	2,972,109	11,537,713	2,671,878	3,120,858		
Sevier	166,537,553	15,636,307	6,932,499	12,040,667	53,366,852	1,590,183	5,046,103	6,252,247	13,761,034	6,697,748	3,023,091		
Summit	435,381,428	2,873,367	42,283,513	23,539,213	65,126,941	8,380,250	40,556,145	43,237,585	18,448,958	119,269,850	8,355,162		
Tooele	409,024,016	1,352,726	14,000,550	53,944,392	34,144,355	5,018,770	8,417,206	106,255,762	18,821,136	10,524,101	5,317,680		
Uintah	293,063,587	88,678,554	13,511,217	3,364,242	61,569,229	3,001,444	12,920,568	10,995,626	14,941,139	7,448,948	6,173,457		
Utah	4,214,473,519	1,624,876	292,743,653	552,901,296	617,899,899	370,521,916	194,069,836	540,163,296	812,737,752	125,103,253	78,992,361		
Wasatch	126,352,016	720,358	16,916,186	10,368,160	19,461,872	1,115,569	6,812,825	15,555,170	8,715,898	10,966,433	2,573,351		
Washington	915,477,234	2,177,897	112,643,331	66,128,493	237,736,464	22,762,320	49,306,779	59,315,722	144,186,627	59,753,988	20,717,652		
Wayne	20,457,412	-	2,307,463	89,001	1,953,273	3,344	174,036	59,591	6,385,313	1,578,581	290,595		
Weber	2,487,929,997	176,020	147,111,460	502,907,677	391,269,883	48,357,226	140,393,573	215,253,299	290,726,991	82,716,406	56,707,944		

Notes: Totals differ in this table from other tables due to different release dates or data sources.

Source: Utah Department of Workforce Services, Workforce Information.

Table 25
Utah Average Monthly Wage by Industry

Industry	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Average Nonagricultural Wage	\$1,801	\$1,823	\$1,867	\$1,936	\$2,016	\$2,114	\$2,202	\$2,291	\$2,401	\$2,470	\$2,509	\$2,551
Mining	3,179	3,253	3,293	3,314	3,470	3,658	3,752	3,759	3,997	4,264	4,122	4,243
Construction	1,888	1,875	1,942	2,049	2,102	2,209	2,279	2,370	2,481	2,536	2,563	2,544
Manufacturing	2,233	2,238	2,300	2,386	2,502	2,616	2,684	2,767	2,915	3,020	3,068	3,159
Trade, Trans., Utilities	1,694	1,740	1,788	1,825	1,951	2,047	2,112	2,245	2,322	2,335	2,395	2,424
Information	2,648	2,513	2,301	2,408	2,531	2,797	2,929	3,303	3,506	3,369	3,329	3,342
Financial Activity	2,000	2,097	2,097	2,212	2,367	2,511	2,728	2,754	2,925	3,045	3,139	3,274
Professional & Business Serv.	2,079	2,098	2,154	2,259	2,229	2,341	2,474	2,602	2,720	2,836	2,814	2,889
Education & Health Serv.	1,745	1,769	1,820	1,873	1,925	1,996	2,061	2,099	2,210	2,253	2,294	2,352
Leisure & Hospitality	640	653	678	709	752	796	848	888	958	1,021	1,115	1,048
Other Services	1,119	1,162	1,223	1,294	1,373	1,453	1,532	1,591	1,639	1,843	1,854	1,880
Government	1,883	1,911	1,970	2,040	2,116	2,185	2,264	2,304	2,417	2,544	2,653	2,696

Industry	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Average Nonagricultural Wage	5.3	1.2	2.4	3.7	4.1	4.8	4.2	4.1	4.8	2.8	1.7
Mining	6.9	2.3	1.2	0.6	4.7	5.4	2.6	0.2	6.3	6.7	2.9
Construction	-1.5	-0.7	3.6	5.5	2.6	5.1	3.2	4.0	4.7	2.2	-0.7
Manufacturing	4.2	0.2	2.8	3.7	4.9	4.6	2.6	3.1	5.4	3.6	3.0
Trade, Trans., Utilities	5.6	2.7	2.8	2.1	6.9	4.9	3.2	6.3	3.4	0.6	1.2
Information	7.0	-5.1	-8.4	4.7	5.1	10.5	4.7	12.8	6.1	-3.9	0.4
Financial Activity	8.8	4.8	0.0	5.5	7.0	6.1	8.7	0.9	6.2	4.1	4.3
Professional & Business Serv.	12.2	0.9	2.7	4.9	-1.3	5.0	5.7	5.2	4.5	4.3	2.7
Education & Health Serv.	4.3	1.4	2.9	2.9	2.8	3.7	3.3	1.8	5.3	1.9	2.5
Leisure & Hospitality	4.5	1.9	3.9	4.6	6.1	5.9	6.5	4.7	7.9	6.6	-6.0
Other Services	1.2	3.9	5.3	5.8	6.1	5.8	5.4	3.9	3.0	12.5	1.4
Government	4.4	1.5	3.1	3.6	3.7	3.2	3.6	1.8	4.9	5.3	1.6

Source: Utah Department of Workforce Services, Workforce Information.

Table 26
Utah Labor Force, Nonagricultural Jobs and Wages

	Percent Change								
	2001	2002	2003	2004f	2005f	01-02	02-03	03-04	04-05
Civilian Labor Force	1,161,070	1,180,007	1,184,385	1,200,300	1,210,600	1.6	0.4	1.3	0.9
Employed Persons	1,110,359	1,107,946	1,117,732	1,137,200	1,153,200	-0.2	0.9	1.7	1.4
Unemployed Persons	50,711	72,061	66,653	63,100	57,400	-11.8	-11.8	39.7	16.0
Unemployment Rate	4.4	6.1	5.6	5.3	4.7				
U.S. Rate	4.8	5.8	6.0	5.5	5.4				
Total Nonfarm Jobs	1,081,685	1,073,746	1,074,131	1,101,400	1,128,100	-0.7	0.0	2.5	2.4
Mining	7,209	6,880	6,670	6,750	6,900	-4.6	-3.1	1.2	2.2
Construction	71,621	67,838	67,599	71,400	74,800	-5.3	-0.4	5.6	4.8
Manufacturing	122,093	113,873	112,291	114,800	116,800	-6.7	-1.4	2.2	1.7
Trade, Trans., Utilities	219,945	216,032	213,970	219,200	224,200	-1.8	-1.0	2.4	2.3
Information	33,512	31,004	30,016	30,300	31,900	-7.5	-3.2	0.9	5.3
Financial Activity	62,213	63,352	64,674	64,750	64,800	1.8	2.1	0.1	0.1
Professional & Business Services	136,645	131,912	131,910	138,800	144,100	-3.5	0.0	5.2	3.8
Education & Health Services	109,516	113,696	118,379	122,200	125,900	3.8	4.1	3.2	3.0
Leisure & Hospitality	98,345	100,943	99,634	101,600	103,600	2.6	-1.3	2.0	2.0
Other Services	30,471	32,970	32,451	32,800	34,000	8.2	-1.6	1.1	3.7
Government	190,115	195,246	196,537	198,800	201,100	2.7	0.7	1.2	1.2
Goods-producing	200,923	188,591	186,560	192,950	198,500	-6.1	-1.1	3.4	2.9
Service-producing	880,762	885,155	887,571	908,450	929,600	0.5	0.3	2.4	2.3
Percent Svc.-producing	81.4%	82.4%	82.6%	82.5%	82.4%				
U.S. Nonfarm Job Growth %	0.2	-0.9	-0.3	1.0	1.7				
Total Nonag Wages (millions)	\$32,060	\$32,333	\$32,887	\$34,600	\$36,600	0.9	1.7	5.2	5.8
Average Annual Wage	\$29,639	\$30,112	\$30,617	\$31,415	\$32,444	1.6	1.7	2.6	3.3
Average Monthly Wage	\$2,470	\$2,509	\$2,551	\$2,618	\$2,704	1.6	1.7	2.6	3.3
Establishments (first quarter)	66,287	67,876	69,172	72,510	74,100				

p = preliminary
f = forecast

Note: Numbers in this table may differ from other tables due to different data sources.

Source: Utah Department of Workforce Services, Workforce Information.

Table 27
Utah's Civilian Labor Force and Components by County: 2003 Annual Averages

County	Civilian Labor Force	Total Employed	Total Unemployed	Unemployment Rate
State Total	1,184,385	1,117,732	66,653	5.6
Beaver	2,497	2,360	137	5.5
Box Elder	18,299	17,150	1,149	6.3
Cache	49,050	47,241	1,809	3.7
Carbon	9,474	8,731	743	7.8
Daggett	469	447	22	4.7
Davis	124,837	118,305	6,532	5.2
Duchesne	6,381	5,865	516	8.1
Emery	4,027	3,583	444	11.0
Garfield	2,806	2,502	304	10.8
Grand	5,632	5,221	411	7.3
Iron	15,971	15,179	792	5.0
Juab	3,933	3,647	286	7.3
Kane	2,857	2,725	132	4.6
Millard	4,801	4,531	270	5.6
Morgan	4,027	3,858	169	4.2
Piute	633	595	38	6.0
Rich	1,102	1,053	49	4.4
Salt Lake	512,293	483,088	29,205	5.7
San Juan	4,645	4,173	472	10.2
Sanpete	9,413	8,742	671	7.1
Sevier	8,607	8,145	462	5.4
Summit	16,599	15,301	1,298	7.8
Tooele	14,536	13,219	1,317	9.1
Uintah	13,013	12,215	798	6.1
Utah	181,831	173,410	8,421	4.6
Wasatch	7,725	7,176	549	7.1
Washington	47,927	45,817	2,110	4.4
Wayne	1,504	1,395	109	7.2
Weber	109,497	102,058	7,439	6.8
Salt Lake-Ogden MSA	746,627	703,451	43,176	5.8

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information.

Table 28
Utah's Largest Nonagricultural Employers: 2003

Firm Name	Business	Employment Range
Intermountain Health Care (IHC)	Hospitals and Clinics	20000+
State of Utah	State Government	20000+
University of Utah (Incl. Hospital)	Higher Education	15,000-19,999
Brigham Young University	Higher Education	15,000-19,999
Hill Air Force Base	Military Installation	10,000-14,999
Wal-Mart Stores	Department Stores	10,000-14,999
Granite School District	Public Education	7,000-9,999
Convergys	Telemarketing	7,000-9,999
Jordan School District	Public Education	7,000-9,999
Davis County School District	Public Education	5,000-6,999
Kroger Group Cooperative	Retail Stores	5,000-6,999
Salt Lake County	Local Government	5,000-6,999
Utah State University	Higher Education	5,000-6,999
Internal Revenue Service	Federal Government	5,000-6,999
Alpine School District	Public Education	5,000-6,999
U.S. Postal Service	Mail Distribution	5,000-6,999
Novus (Discover Card)	Consumer Loans	5,000-6,999
Albertsons	Grocery Stores	4,000-4,999
Autoliv ASP (Morton Int'l)	Automotive Components Mfg.	4,000-4,999
ATK Aerospace Company	Aerospace Equipment Mfg.	4,000-4,999
Delta Airlines	Air Transportation	4,000-4,999
Salt Lake City School District	Public Education	3,000-3,999
Zions First National Bank	Banking	3,000-3,999
Weber County School District	Public Education	3,000-3,999
Icon Health and Fitness	Exercise Equipment Mfg.	3,000-3,999
SOS Temporary Services	Temporary Employment Placement	3,000-3,999
Salt Lake City Corporation	Local Government	3,000-3,999
United Parcel Service	Courier Service	3,000-3,999
Weber State University	Higher Education	2,000-2,999
Teleperformance USA	Telemarketing	2,000-2,999
Utah Valley State College	Higher Education	2,000-2,999
Nebo School District	Public Education	2,000-2,999
Salt Lake Community College	Higher Education	2,000-2,999
Qwest Corporation	Telephone Service/Communications	2,000-2,999
Provo City School District	Public Education	2,000-2,999
Washington County School District	Public Education	2,000-2,999
Home Depot	Building Supply Store	2,000-2,999
Macey's Inc.	Grocery Stores	2,000-2,999

Source: Utah Department of Workforce Services, Workforce Information.

Table 29
Employment Status of Utah's Civilian Noninstitutional Population by Sex & Age: 2003 Annual Averages

	Civilian Noninstitutional Population			Civilian Labor Force			Unemployment			U.S. Civilian Labor Force % of Population
	Noninstitutional Population	Number	Percent of Population	Employment	Total	Number	Rate	Error Range of Rate*		
Total	1,660,000	1,184,000	71.3	1,118,000	1,118,000	67,000	5.6	5.0 - 6.2	66.2	
16 to 19 years	168,000	96,000	57.2	80,000	80,000	16,000	16.9	14.0 - 19.8	44.5	
20 to 24 years	218,000	180,000	82.6	167,000	167,000	13,000	7.1	5.4 - 8.8	75.4	
25 to 34 years	358,000	292,000	81.6	277,000	277,000	15,000	5.2	4.0 - 6.4	82.9	
35 to 44 years	302,000	262,000	86.6	250,000	250,000	11,000	4.3	3.1 - 5.5	83.9	
45 to 54 years	259,000	216,000	83.4	210,000	210,000	6,000	3.0	1.9 - 4.1	82.1	
55 to 64 years	163,000	112,000	68.6	108,000	108,000	3,000	3.1	1.6 - 4.6	62.4	
65 and over	191,000	26,000	13.4	25,000	25,000	1,000	4.0	0.5 - 7.5	14.0	
Men										
Total	818,000	650,000	79.5	613,000	613,000	38,000	5.8	5.0 - 6.6	73.5	
16 to 19 years	79,000	45,000	56.5	37,000	37,000	8,000	17.4	13.2 - 21.6	44.3	
20 to 24 years	114,000	99,000	86.3	90,000	90,000	9,000	9.3	6.8 - 11.8	80.0	
25 to 34 years	174,000	164,000	93.9	154,000	154,000	9,000	5.6	4.0 - 7.2	91.8	
35 to 44 years	157,000	148,000	94.5	143,000	143,000	5,000	3.5	2.1 - 4.9	92.1	
45 to 54 years	128,000	117,000	92.0	114,000	114,000	4,000	3.2	1.7 - 4.7	87.7	
55 to 64 years	78,000	62,000	79.0	60,000	60,000	2,000	3.2	1.2 - 5.2	68.7	
Women										
Total	842,000	534,000	63.4	505,000	505,000	29,000	5.4	4.5 - 6.3	59.5	
16 to 19 years	89,000	52,000	57.8	43,000	43,000	8,000	16.4	12.5 - 20.3	44.8	
20 to 24 years	104,000	81,000	78.5	78,000	78,000	4,000	4.4	2.3 - 6.5	70.7	
25 to 34 years	184,000	129,000	70.0	123,000	123,000	6,000	4.7	3.0 - 6.4	74.1	
35 to 44 years	145,000	114,000	78.0	107,000	107,000	6,000	5.4	3.5 - 7.3	76.0	
45 to 54 years	132,000	99,000	75.1	96,000	96,000	3,000	2.6	1.1 - 4.1	76.8	
55 to 64 years	85,000	50,000	59.1	49,000	49,000	1,000	2.9	0.7 - 5.1	56.6	
Hispanic Origin										
Men	162,000	117,000	72.6	106,000	106,000	11,000	9.3	6.9 - 11.7		
Woman	90,000	75,000	82.7	68,000	68,000	6,000	8.5	5.6 - 11.4		
	71,000	42,000	59.8	38,000	38,000	4,000	10.6	6.4 - 14.8		

Notes: * 90-percent confidence interval.
 Totals may not add due to rounding.

Source: U.S. Bureau of Labor Statistics, unpublished printout.

Personal Income

Overview

Utah's forecasted 2004 total personal income is \$62.2 billion, 4.9% above the 2003 preliminary estimate of \$59.3 billion. This is slightly below the U.S. growth forecast of 5.2%. Utah's 2004 per capita personal income is estimated to be \$25,870, an increase of 2.5% over the 2003 estimate. The most recent available income estimates for Utah from the U.S. Bureau of Economic Analysis (BEA) are for 2003. According to the BEA, Utah's 2003 per capita income of \$25,230 ranks Utah 47th among the 50 states (excluding Washington, D.C.).

2003 Summary and 2004 Outlook

The Utah 2004 total personal income (TPI) is forecasted to be \$62.2 billion, up 4.9% from the 2003 total. This is a strong rebound from the historically low gains of the past three years. Utah's economy bounced back in 2004 after having endured a three-year recession; Utah had not experienced such a downturn since World War II. Wage gains are still not particularly strong, as the economy is still recovering and also due to unemployment rates high enough to not generate wage "bidding" by the business community.

Per capita personal income (PCI) is an area's annual total personal income divided by the total population as of July 1 of that year. Utah's 2004 PCI is approximately \$25,870, an increase of 2.5% over the 2003 estimate. Utah's 2004 PCI is just under 80% of the national PCI. Utah's PCI, as a percent of the national PCI, rose in the early 1990s from 77% in 1990, to about 81% in 1997. It has since settled around 80%. Utah's PCI weakness against the national average is a combination of two factors: 1) the state's average wages are moderately below the national average, and 2) Utah's population is the nation's youngest and its family size is the highest. This means that in the PCI calculation (TPI divided by population), Utah has a higher percentage of nonwage earners in its denominator than does any other state.

Composition of Total Personal Income. The largest single component of total personal income is "earnings by place of work." This consists of the total earnings from farm and nonfarm industries, including contributions for social insurance. In 2003, Utahns' earnings by place of work reached \$49.1 billion, representing 83% of TPI. About 12% of this was proprietors' income, while 71% was wages; the remaining 17% was supplements to wages and salaries. Private sector nonfarm earnings accounted for 81% of nonfarm earnings, while earnings from public (government) industries made up 19%. Although earnings from government employment have been declining as a share of Utah's total earnings, it is still relatively larger than the U.S. share (17%).

The other two major components of TPI are: dividends, interest, and rent (DIR), and transfer payments (such as social security, welfare, or retirement). In 2003, DIR amounted to \$8.7 billion, and transfer payments to \$6.8 billion. Some of the major differences between the economic compositions of Utah and the United States lie between these two parameters. Perhaps the most significant is that Utah transfer payments comprise a much smaller share of TPI than the national figure (11% in Utah versus 15% nationally). DIR is only slightly smaller (15% in Utah vs. 16% nationally). Thus, Utahns rely to a greater extent on wage earnings.

The evolution of the industrial composition of Utah's TPI has changed in recent years. In 1980, prior to the last two recessions, goods-producing industries (natural resources and mining, construction, manufacturing)

generated over 30% of Utah's total earnings. By 2003, that share had dropped to 19%. Similarly, 18% of U.S. earnings are currently within goods-producing jobs.

Government is the largest wage income industry in Utah. It generates 19% of all the wage income earned in Utah. It is also the largest wage income industry in the nation, at 17%. Trade, transportation, utilities is not far behind by producing 17% of Utah's wage earnings. That sector employs more workers than does the government sector, but the wage levels paid are considerably below that paid within the government sector. Professional and business services provide 14% of Utah's wages. Having a high wage-income percentage in this sector is desired because many businesses in Utah are high paying, knowledge-based jobs. Manufacturing, for all its recent hardships, still accounts for 12% of Utah's wage earnings and 12% nationally.

Per Capita Personal Income. Utah's 2003 per capita personal income was \$25,230, ranking Utah 47th among the 50 states. During the 1970s, Utah's PCI ranged between 83% and 86% of the nation's PCI. However, from 1977 to 1989, this parameter dropped 10 percentage points to 76%. From 1989 to 1997, gradual improvements in this comparison occurred: it recently peaked at 81% in 1997. It has since settled around 80%.

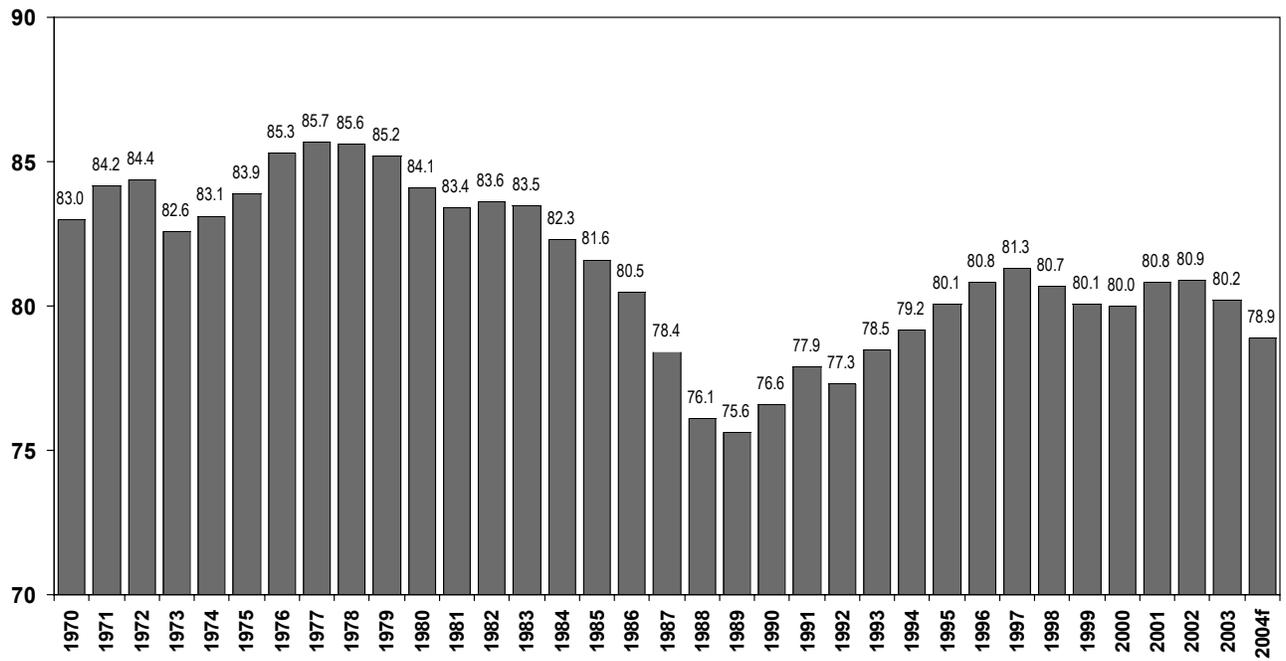
County Personal and Per Capita Income. None of Utah's 29 counties posted double digit personal income growth between 2002 and 2003. Washington County registered growth of over 7%, as did Wasatch County. Washington County has enjoyed employment growth through the recent economic downturn, and in 2003 experienced employment growth of 4.4%. Most counties experienced personal income growth in 2003 in the 3% to 6% range.

Three counties, Summit, Salt Lake, and Davis, had 2003 per capita income estimates higher than the state average. Summit County was the highest in Utah (\$45,427), exceeding the state average by 80%. At only 56% of the Utah average, San Juan County (\$14,190) was the lowest. The 2003 per capita income for the United States (\$31,459) was higher than that of all of Utah's counties except Summit County.

Conclusion

Utah's total personal income increased 4.9% in 2004 and is the direct result of the significant economic rebound the state is experiencing. Yet, wage gains may not have added much to this increase. Instead it is simply the fact that more people found jobs in 2004. Wages are the highest source of income in Utah and nationally, but wages make up 83% of Utahns' personal income while it makes up 78% of the nation's income. Generating income from transfer payments is a larger form of income generation on the national level than it is in Utah, probably due to the fact that Utah has a smaller retirement aged population than the nation.

Figure 32
Utah Per Capita Personal Income as a Percent of U.S.



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Governor's Office of Planning and Budget

Table 30
Components of Utah's Total Personal Income

Components	Millions of Dollars		Percent Change 02-03	2003 Percent Distribution		Industry Distribution Utah U.S.
	2002r	2003p		Utah	U.S.	
	Personal income	57,732	59,327	2.8	100.0	100.0
Earnings by place of work	47,521	49,100	3.3	82.8	77.7	
less: Personal contrib. for social insurance	5,146	5,286	2.7			
plus: Adjustment for residence	10	21	110.0			
equals: Net earnings by place of residence	42,384	43,835	3.4			
plus: Dividends, interest, and rent	8,896	8,722	-2.0	14.7	16.1	
plus: Transfer payments	6,452	6,770	4.9	11.4	14.6	
Components of earnings	47,521	49,100	3.3	82.8	77.7	
Wage and salary disbursements	34,232	34,933	2.0	58.9	55.7	
Supplements to wages and salaries	7,823	8,358	6.8	14.1	12.9	
Proprietors' income	5,466	5,809	6.3	9.8	9.2	
Farm proprietors' income	77	132	71.4	0.2	0.3	
Nonfarm proprietors' income	5,389	5,678	5.4	9.6	8.9	
Earnings by industry	47,521	49,100	3.3	82.8	71.2	100.0
Farm earnings	199	265	33.2	0.4	0.6	0.8
Nonfarm earnings	47,322	48,835	3.2	82.3	70.7	99.5
Private earnings	38,361	39,564	3.1	66.7	58.8	80.6
Natural Resources and Mining	571	572	0.2	1.0	0.8	1.2
Construction	3,504	3,599	2.7	6.1	4.5	7.3
Manufacturing	5,817	6,111	5.1	10.3	8.7	12.2
Durable goods	3,949	4,124	4.4	7.0	5.6	8.4
Nondurable goods	1,868	1,987	6.4	3.3	3.1	4.0
Trade, Transportation, Utilities	8,455	8,542	1.0	14.4	11.5	17.4
Wholesale trade	2,159	2,189	1.4	3.7	3.6	4.5
Retail trade	3,722	3,861	3.7	6.5	4.8	7.9
Information	1,568	1,541	-1.7	2.6	2.9	3.1
Financial Activities	2,794	2,978	6.6	5.0	6.6	6.1
Professional & Business Services	6,531	6,697	2.5	11.3	10.5	13.6
Educational & Health Services	4,240	4,557	7.5	7.7	7.8	9.3
Leisure & Hospitality	1,843	1,752	-4.9	3.0	3.2	3.6
Other Services	2,074	2,156	4.0	3.6	2.0	4.4
Government and government enterprises	8,961	9,271	3.5	15.6	12.1	18.9
Federal, civilian	2,399	2,438	1.6	4.1	2.4	5.0
Military	537	634	18.1	1.1	1.1	1.3
State	2,450	2,523	3.0	4.3	2.4	5.1
Local	3,576	3,677	2.8	6.2	7.3	7.5

r = revised

p= preliminary

Source: U.S. Department of Commerce, Bureau of Economic Analysis, November 2004

Table 31
Personal and Per Capita Income Utah and U.S.

Year	Total Personal Income (Millions of Dollars)		Annual Growth Rates		Per Capita Personal Income (dollars)		Utah as % of U.S.
	Utah	U.S.	Utah	U.S.	Utah	U.S.	
1960	\$1,832	\$409,617	6.9	4.4	\$2,035	\$2,276	89.4
1961	1,958	427,094	6.9	4.3	2,091	2,334	89.6
1962	2,137	454,486	9.1	6.4	2,230	2,447	91.1
1963	2,221	477,521	4.0	5.1	2,281	2,534	90.0
1964	2,334	511,831	5.1	7.2	2,386	2,679	89.1
1965	2,472	553,074	5.9	8.1	2,494	2,859	87.2
1966	2,629	601,119	6.3	8.7	2,605	3,075	84.7
1967	2,773	644,282	5.5	7.2	2,721	3,264	83.4
1968	2,984	707,542	7.6	9.8	2,900	3,550	81.7
1969	3,238	772,235	8.5	9.1	3,093	3,836	80.6
1970	3,611	832,429	11.5	7.8	3,389	4,085	83.0
1971	4,023	897,952	11.4	7.9	3,655	4,342	84.2
1972	4,516	987,137	12.2	9.9	3,980	4,717	84.4
1973	5,052	1,105,605	11.9	12.0	4,323	5,231	82.6
1974	5,688	1,217,556	12.6	10.1	4,745	5,707	83.1
1975	6,392	1,329,892	12.4	9.2	5,180	6,172	83.9
1976	7,328	1,469,467	14.7	10.5	5,760	6,754	85.3
1977	8,356	1,627,310	14.0	10.7	6,348	7,405	85.7
1978	9,623	1,831,117	15.2	12.5	7,054	8,245	85.6
1979	11,035	2,053,827	14.7	12.2	7,792	9,146	85.2
1980	12,519	2,298,255	13.5	11.9	8,501	10,114	84.1
1981	14,206	2,580,600	13.5	12.3	9,374	11,246	83.4
1982	15,541	2,764,886	9.4	7.1	9,973	11,935	83.6
1983	16,803	2,949,883	8.1	6.7	10,535	12,618	83.5
1984	18,546	3,275,805	10.4	11.0	11,431	13,891	82.3
1985	19,794	3,511,344	6.7	7.2	12,048	14,758	81.6
1986	20,663	3,708,199	4.4	5.6	12,426	15,442	80.5
1987	21,361	3,934,655	3.4	6.1	12,729	16,240	78.4
1988	22,287	4,237,460	4.3	7.7	13,192	17,331	76.1
1989	23,891	4,571,133	7.2	7.9	14,005	18,520	75.6
1990	25,817	4,861,936	8.1	6.4	14,913	19,477	76.6
1991	27,573	5,032,196	6.8	3.5	15,492	19,892	77.9
1992	29,601	5,349,384	7.4	6.3	16,115	20,854	77.3
1993	31,810	5,548,121	7.5	3.7	16,756	21,346	78.5
1994	34,437	5,833,906	8.3	5.2	17,566	22,172	79.2
1995	37,218	6,144,741	8.1	5.3	18,478	23,076	80.1
1996	40,386	6,512,485	8.5	6.0	19,529	24,175	80.8
1997	43,667	6,907,332	8.1	6.1	20,600	25,334	81.3
1998	47,019	7,415,709	7.7	7.4	21,708	26,883	80.7
1999	49,343	7,796,137	4.9	5.1	22,393	27,939	80.1
2000	53,561	8,422,074	8.5	8.0	23,878	29,847	80.0
2001	56,332	8,718,165	5.2	3.5	24,711	30,580	80.8
2002	57,732	8,868,261	2.5	1.7	24,898	30,795	80.9
2003(p)	59,327	9,148,680	2.8	3.2	25,230	31,459	80.2
2004(f)	62,234	9,624,000	4.9	5.2	25,870	32,790	78.9

p = preliminary
f = forecast

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Utah Department of Workforce Services

Table 32
Total Personal Income by County

	Millions of Dollars				Percent Change		
	2000	2001	2002(p)	2003(f)	00-01	01-02	02-03
State Total	\$53,561.2	\$56,331.7	\$57,732.1	\$59,326.7	5.2	2.5	2.8
Beaver	127.8	148.0	147.3	153.8	15.8	-0.5	4.4
Box Elder	872.7	931.7	948.1	967.1	6.8	1.8	2.0
Cache	1,720.1	1,800.8	1,867.8	1,976.1	4.7	3.7	5.8
Carbon	435.1	447.9	462.9	459.8	2.9	3.3	-0.7
Daggett	14.1	15.2	15.5	16.3	7.8	2.0	5.2
Davis	6,023.5	6,216.5	6,471.3	6,801.3	3.2	4.1	5.1
Duchesne	272.9	304.4	309.9	309.2	11.5	1.8	-0.2
Emery	197.1	197.3	199.2	199.8	0.1	1.0	0.3
Garfield	87.0	89.6	90.6	92.0	3.0	1.1	1.6
Grand	169.7	173.0	180.1	182.4	1.9	4.1	1.3
Iron	556.7	602.4	634.6	671.5	8.2	5.3	5.8
Juab	149.3	154.7	165.6	168.7	3.6	7.0	1.9
Kane	131.6	136.0	141.5	146.8	3.3	4.0	3.7
Millard	215.7	241.6	255.2	260.6	12.0	5.6	2.1
Morgan	155.8	166.7	166.9	173.2	7.0	0.1	3.8
Piute	22.3	24.2	25.0	25.8	8.5	3.3	3.2
Rich	40.9	43.2	44.8	47.6	5.6	3.7	6.3
Salt Lake	24,924.2	25,658.1	26,184.0	27,048.1	2.9	2.0	3.3
San Juan	185.1	188.7	198.1	202.1	1.9	5.0	2.0
Sanpete	345.4	363.6	385.5	405.2	5.3	6.0	5.1
Sevier	333.9	349.7	360.0	366.2	4.7	2.9	1.7
Summit	1,336.0	1,401.6	1,439.1	1,502.4	4.9	2.7	4.4
Tooele	820.3	877.0	916.9	964.6	6.9	4.5	5.2
Uintah	427.7	476.8	480.6	502.7	11.5	0.8	4.6
Utah	7,283.9	7,549.1	7,684.0	8,052.8	3.6	1.8	4.8
Wasatch	321.3	348.7	366.0	392.4	8.5	5.0	7.2
Washington	1,751.9	1,877.4	1,994.4	2,140.0	7.2	6.2	7.3
Wayne	46.4	50.1	49.9	49.8	8.0	-0.4	-0.2
Weber	4,592.8	4,760.4	4,948.9	5,112.2	3.6	4.0	3.3
Salt Lake - Ogden MSA	35,540.5	36,635.0	37,604.2	38,961.6	3.1	2.6	3.6
U.S. percentage change	--	--	--	--	3.3	2.3	3.3

Sources: 2000-2002: U.S. Dept. of Commerce, BEA, May 2004. f=forecast p=preliminary
2003: Utah Department of Workforce Services, Workforce Information, June 2004.

Table 33
Total Per Capita Personal Income by County

					Percent Change		
	2000	2001	2002(p)	2003(f)	00-01	01-02	02-03
State Total	\$23,878	\$24,711	\$24,898	\$25,230	3.5	0.8	1.3
Beaver	21,224	24,533	24,111	24,468	15.6	-1.7	1.5
Box Elder	20,352	21,502	21,563	21,968	5.7	0.3	1.9
Cache	18,757	19,537	19,792	20,128	4.2	1.3	1.7
Carbon	21,356	22,667	23,365	23,510	6.1	3.1	0.6
Daggett	15,201	16,507	17,330	17,698	8.6	5.0	2.1
Davis	25,064	25,430	25,947	26,510	1.5	2.0	2.2
Duchesne	18,987	20,893	20,854	21,037	10.0	-0.2	0.9
Emery	18,160	18,538	18,776	19,070	2.1	1.3	1.6
Garfield	18,327	19,118	19,688	20,311	4.3	3.0	3.2
Grand	19,930	20,137	20,678	21,550	1.0	2.7	4.2
Iron	16,389	17,432	17,939	18,494	6.4	2.9	3.1
Juab	18,031	18,253	19,224	19,367	1.2	5.3	0.7
Kane	21,644	22,851	23,513	24,726	5.6	2.9	5.2
Millard	17,372	19,472	20,620	21,357	12.1	5.9	3.6
Morgan	21,749	22,820	22,397	22,995	4.9	-1.9	2.7
Piute	15,522	17,306	18,043	18,999	11.5	4.3	5.3
Rich	20,799	22,148	22,963	22,896	6.5	3.7	-0.3
Salt Lake	27,674	28,204	28,539	28,760	1.9	1.2	0.8
San Juan	12,877	13,861	14,297	14,190	7.6	3.1	-0.8
Sanpete	15,139	15,674	16,501	17,321	3.5	5.3	5.0
Sevier	17,685	18,362	18,828	18,956	3.8	2.5	0.7
Summit	44,546	45,247	45,121	45,427	1.6	-0.3	0.7
Tooele	19,683	19,956	19,947	20,166	1.4	0.0	1.1
Uintah	16,928	18,516	18,341	19,320	9.4	-0.9	5.3
Utah	19,641	19,729	19,603	19,604	0.4	-0.6	0.0
Wasatch	20,819	21,565	21,627	22,591	3.6	0.3	4.5
Washington	19,206	19,856	20,059	20,246	3.4	1.0	0.9
Wayne	18,292	19,825	19,788	20,024	8.4	-0.2	1.2
Weber	23,263	23,775	24,315	24,831	2.2	2.3	2.1
Salt Lake - Ogden MSA	24,748	26,176	26,780	27,772	5.8	2.3	3.7
United States	29,847	30,580	30,795	31,459	2.3	1.2	1.3

Sources: 2000-2002: U.S. Dept. of Commerce, BEA, May 2004. f=forecast p=preliminary
2003: Utah Department of Workforce Services, Workforce Information, November 2004.

Utah Taxable Sales

Overview

Following three years of near zero growth, Utah taxable sales will rise about 8.0%¹ in 2004, is the best growth since 1996. Continually improving job gains throughout the year, a booming construction sector, as well as the rebound in U.S. and Utah business investment spending have all helped jump-start taxable sales. First half growth of nearly 9% compared favorably to the same period in 2003 due to the war in Iraq. Relatively low mortgage rates, ample supplies of lending money, improved hiring, and mild gains in the core CPI all led to improved consumer confidence in early 2004. In 2005, interest rates will rise and the spread between long-term and short-term rates will narrow from 300 to 200 basis points, putting downward demand and supply pressure on residential building. These negative factors will be offset somewhat by steadily improving job prospects and lower energy prices. Taxable sales will grow 5.3% in 2005, slightly less than the 5.8% estimate for non-agricultural wages and salaries. However, other influencing economic forces that must be taken into consideration include:

- Job growth and average wages have improved markedly, but these may or may not continue into 2005.
- Corporate profits are beginning to tail off, possibly narrowing future business investments.
- Cheap, high-quality imported goods from China and other Southeast Asian countries have lowered goods inflation, effectively cutting into nominal dollar taxable sales growth.
- Any major terrorist attacks will cast another shadow on consumer and business confidence.
- Mounting Internet purchases by Utah consumers will cut the sales tax base by 3% in FY 2005.

Taxable sales can be dissected into three major components:

1. Retail Trade, at \$20.3 billion, represents about 57.6% of taxable sales. Retail trade grew 7.8% in 2004, the fastest rate since 1996. This rate is also about three times higher than the projected rate, and ahead of the ten-year average of 5.3%. Retail trade is projected to grow about 5.6% in 2005.
2. Taxable Business Investment and Utility Sales, which, at \$8.9 billion represents slightly more than 25.3% of taxable sales, will grow nearly 12.5% in 2004. This growth rate is expected to slow down to 4.1% in 2005.
3. Taxable Services will rise about 5.1% in 2004 to \$4.6 billion. Taxable services comprise 13.1% of taxable sales. This gain is the first increase since 2000, when business services were expanding to meet Y2K demands for software and hardware. Taxable Services are expected to grow 7.0% in 2005 as business services begin to improve.

¹ Taxable sales consist of final sales of most tangible personal property in the state. Taxable sales of selected services such as hotel and lodging, automobile leases, amusements and repairs to tangible personal property are also taxable in Utah.

2004 Summary

Retail Trade. Utah taxable sales have remained strong since 1990. Consumers have been aided by ample supplies of money from the Federal Reserve and financial flexibility through increased use of home-equity loans and credit cards. It is estimated that credit cards have increased retail trade sales between 2.5% and 11.5% from 1990 through 2004. Retail Trade growth slipped to 2.5% in 2001 and 2003, but this was in part due to the 9-11 terrorist attack and the war in Iraq, respectively. Retail Trade sales rebounded in 2004 to a 7.8% rate.

Generally, people spend most of what they earn. Over the past ten years, retail trade sales have grown 5.3% per year, 1.6% less than Utah non-agricultural wages and salaries, which rose 6.9% per year. This may be due in part to increased purchases by consumers of nontaxable sales on the Internet.

Retail Nondurable Goods. Nondurable goods sold by retailers are classified into the following sectors: general merchandise; apparel; food stores; eating and drinking; and miscellaneous shopping goods. At \$12.8 billion in 2004, nondurable retail sales represented 36% of all taxable sales. In 2004, sales in this sector grew 6.4%. Nondurable goods sales rose 8% in the first quarter, partially due to a comparison with the early 2003 Iraqi war effect on consumer confidence. General merchandise store sales, whose big discount stores are taking market share not only from traditional department stores, but also from grocery and miscellaneous shopping goods stores, saw gains of at least 7.3% in 2004. For the first three quarters of 2004, department store sales were up nearly 10%, while variety store sales jumped 23%. Retail apparel stores, which typically follow general merchandise store growth patterns, grew 6% to 9% in 2004. This is a strong (real dollar) gain, since clothing and shoe prices were flat in 2004. Food store sales, which have been meeting stiff competition from big discount department stores, fell three years in a row from 2001 through 2003. These sales increased 1.9% in 2004, slightly lower than the 2.9% rise in food prices. Restaurant sales bounced back nicely from three years of 2% to 3% growth by rising 9% in 2004. Fast-food, family and white-tablecloth restaurant sales rose more than 10%. Theme restaurant sales appeared to be flat in 2004. Following a modest 3% gain in 2003, miscellaneous shopping goods store sales improved 9% in 2004. Intense competition from big discount department stores, as well as Internet sales, cut into sales for these stores, but the apparent return of out-of-state skiers and other tourists, as well as improving local economic conditions, bodes well for them.

Barring another Middle-East war or major terrorist attack, nondurable retail sales are projected to increase 5.4% in 2005, partially due to comparisons with a strong 2004, rather than the war-plagued year of 2003. According to Global Insight, the national 7.5% gain in nondurable sales in 2004 will slow to 3.7% in 2005.

Retail Durable Goods. Retail durable goods are defined as items that last three or more years and are classified into three broad sectors: building and garden stores, furniture stores, and motor vehicle dealers. These sectors are usually impacted by changes in housing starts, movements in interest rates, and job growth. All of these conditions were favorable in 2004, boosting a 10.1% increase in sales. Residential construction values rose 11.5% in 2004, building and garden store sales increased nearly 26%, lumber store sales rose nearly 30%, and hardware store sales (including big discount types) were up 18%. Nursery store sales were also up in double-digits.

Other types of stores were also favorably affected by the increase in residential construction. Furniture and home furnishing store sales saw a 9.6% gain in 2004. Electronic and computer store sales grew slightly less than 10% in 2004. All of these strong growth rates will be difficult to eclipse in 2005, especially if housing permits recede from 2004 peak levels.

Despite an 8% gain in unit sales of new cars and light trucks, motor vehicle dealer sales growth was up 3.7% in 2004. The dramatic jump in gasoline prices made SUV purchases less attractive, which lowered the average new car sale value and gain in taxable sales. In fact, despite the 8% rise in new car and light trucks in 2004 to almost 100,000, new car dealer sales volume was up only 3.7% during the first three quarters compared to 2003. Used (only) car dealer sales were down 3% in the first nine months. Again, retiring baby-boomers and low interest rates enabled strong growth for both recreation and utility trailer (17%), and motorcycle (including ATVs and snowmobiles) dealers (13%). Unit sales of new and used car dealers should be fairly flat in 2005, close to 100,000. If gasoline prices recede as expected in 2005, consumers may return to the more expensive SUVs and trucks, bolstering taxable sales.

Business Investment and Utility Sales. This category includes taxable business-to-business purchases of supplies and equipment and business-to-consumer sales of utilities and final sales at wholesale trade stores. In 2004, these sectors comprised 25% of all taxable sales (down from a peak of 27% in 2001). Almost 15% were in goods-producing sectors of agriculture, mining and manufacturing, and their wholesale trade counterparts. About 10% of taxable sales are in the service producing sectors: transportation, communication, and public utilities. Business investment purchases began to decline during the fall of 2001 due both to recession and the 9-11 terrorist attacks. Investment fell in 2002 and 2003 as the nation struggled with the recession and geopolitical issues.

The 13% gain in U.S. fixed investment for equipment and software in 2004 fueled Utah business investment as well. With the end of bonus depreciation in view, Utah businesses have increased their January through September investment purchases by nearly 13.7% over 2003. Mining purchases were up 50% in 2004, in part due to the end of bonus depreciation, but also due to the stimulus of higher copper, oil and gas prices. Both Manufacturing and Construction purchases were up more than 20% in 2004. Transportation sector purchases were up more than 30% in 2004 with purchases by airlines growing more than 70%.

Communications sales and purchases were mixed in 2004: mobile telephone companies reported 12% sales growth, while land-line companies faced a 4% drop in sales. In addition, the Utah State Legislature exempted cable and satellite TV services beginning July 1, 2004, causing taxable sales to drop by \$150 million in 2004 and up to \$300 million in 2005.² Electric services were up about 6% in 2004, but natural gas sales and purchases were down 3%. Final sales by Utah's wholesalers increased, especially for the durable goods sellers, who sell to the mining, manufacturing and construction sectors. Hard goods wholesale sales were up about 18% in 2004. Nondurable wholesale goods store final sales approached 10% in 2004.

The outlook for business investment and utility sales in 2005 foresees a

² The Legislature recaptured these sales by creating the Multi-channel Video or Audio Service Tax.

4.1% increase over 2004. Despite the July 1, 2004 exemption, cable and satellite TV services are still projected to increase 6% in 2005. In addition, U.S. investment in software and equipment will ratchet down from 13% to 9% in 2005. If oil and copper prices recede as expected, business investment may not reach the 4.1% forecast. Taxable business investment purchases and utility sales will be \$9.3 billion in 2005. Finally, the 2005 taxable sales will be compared to strong 2004 sales, in contrast to this years comparison to very weak Iraqi war period in 2003.

Taxable Services. This sector is an eclectic mix of Utah consumer spending and includes: hotels and lodging; amusement and recreation; personal; health; education, legal and social; auto rental and repairs; business; and financial insurance and real estate. Driving this sector are permanent Utah wages, Salt Lake City International Airport arrivals and departures, and U.S. business spending on software and equipment.

Between 1990 and 2000, Taxable Services rose more than 9% in eight out of the 11 years. The streak ended abruptly with the end of the year 2000 (Y2K) buildup, which had fueled business services in the 1990s, and with the 9-11 terrorist attacks, which crippled tourism. Taxable services declined for three straight years from 2001 through 2003. Finally, in 2004, this sector began to grow. The tourist portion of taxable services improved markedly. Hotel sales were up 6% to 8% in 2004, amusement and recreation sales rose 6.6%, auto rentals increased 10%, and motion picture theater sales were up 14%.

The business portion of taxable services was mixed in 2004. Purchases by the legal, social and engineering companies were up in the double-digits, while education sales were flat. Auto repairs were up almost 5%. Within the business service sub sector, computer and data processing service company sales dropped 6%, while the miscellaneous business services sub-sector saw sales growth of 9%.

Analysis suggests there may be pent-up demands for taxable services in 2005 and that a 7.0% gain is possible if wage growth, tourism and business services are positive. Taxable services are expected to grow to \$4.9 billion in 2005, past the 2000 peak of \$4.8 billion.

Sales Forecast and Other Public Policy Issues. Several issues affect this tax base for Utah local and state governments. In some cases the impacts are not independent of each other. The manner in which these issues are resolved may affect how taxable sales are reported or if they are reported at all.

1. 9-11 Impact on Taxable Sales: Until 2004, the economic impact from the 9-11 terrorist attacks on tourism, transportation and investment depressed taxable sales about 2.3% per year; \$810 million in taxable sales, \$38 million in state sales taxes and more than \$14 million in local sales taxes. In the 2005 sales tax forecast, this negative impact is cut in half.
2. Internet Sales: Given the fact that surveys find Utahns in the top ten among Internet users and PC purchasers, the inability to tax remote sales is an important issue to the sales tax base. Dr. William Fox et al from University of Tennessee estimated that Internet sales would cost Utah about \$55 million in state and local sales taxes by 2004.³ Based on recent quarterly surveys at

³ Donald Bruce and William Fox, "State and Local Sales Tax Revenue Losses from E-Commerce: Updated Estimates," University of Tennessee, September 2001.

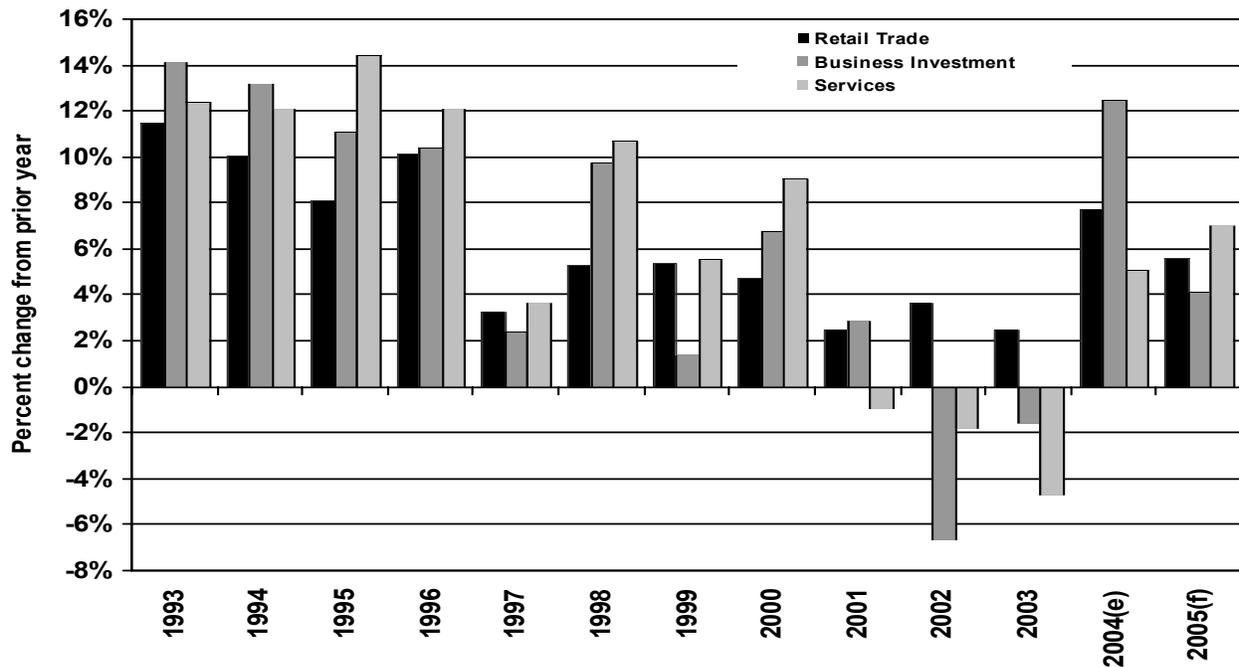
the U.S. Department of Commerce it is calculated the loss will amount to 3% of state sales taxes.⁴

from moving towards a more population-driven distribution system.

3. Zoning for Dollars. Many studies and discussions have recently occurred with respect to the attempts by local government to build up their respective tax bases by luring big discount stores into their cities with direct and indirect subsidies. One insight brought to light the importance of the two-decade old "¼ of 1% hold harmless" provision. This provision effectively discourages local governments

⁴ Commerce reported Internet B2C retail sales amounted to between 1.7 and 1.9% of total retail sales during the first three quarters of 2004. E-commerce sales were 0.8% of total sales in the second quarter of 2000. See www.census.gov/mrts/www/current.html.

Figure 33
Change in Taxable Sales by Major Sector



Source: Utah State Tax Commission

Table 34
Utah Taxable Sales and Annual Percent Change by Sector

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004(e)	Avg. Annual % Change 1993-2003
Retail Trade	10,994	12,097	13,080	14,404	14,873	15,657	16,493	17,278	17,748	18,356	18,808	20,266	
	11.5%	10.0%	8.1%	10.1%	3.3%	5.3%	5.3%	4.8%	2.7%	3.4%	2.5%	7.8%	5.5%
Nondurables	7,140	7,656	8,295	9,047	9,482	10,006	10,492	11,091	11,367	11,769	11,990	12,759	
	7.3%	7.2%	8.3%	9.1%	4.8%	5.5%	4.9%	5.7%	2.5%	3.5%	1.9%	6.4%	5.3%
General Merchandise	1,717	1,816	2,033	2,256	2,328	2,463	2,619	2,797	3,100	3,598	3,820	4,099	
	6.1%	5.8%	12.0%	11.0%	3.2%	5.8%	6.3%	6.8%	10.8%	16.1%	6.2%	7.3%	8.3%
Apparel	581	591	614	665	693	757	760	789	802	832	853	908	
	14.8%	1.7%	3.9%	8.3%	4.2%	9.3%	0.4%	3.8%	1.6%	3.7%	2.5%	6.4%	3.9%
Food Stores	2,496	2,677	2,784	3,050	3,258	3,381	3,493	3,641	3,513	3,203	3,054	3,112	
	5.1%	7.3%	4.0%	9.5%	6.8%	3.8%	3.3%	4.2%	-3.5%	-8.8%	-4.7%	1.9%	2.0%
Eating and Drinking	1,140	1,234	1,349	1,473	1,554	1,677	1,815	1,906	1,946	2,013	2,068	2,244	
	11.2%	8.2%	9.3%	9.2%	5.5%	7.9%	8.2%	5.0%	2.1%	3.4%	2.7%	8.5%	6.1%
Miscellaneous Shopping Goods	1,206	1,338	1,515	1,603	1,649	1,728	1,805	1,958	2,006	2,123	2,195	2,397	
	6.4%	10.9%	13.2%	5.8%	2.9%	4.8%	4.5%	8.5%	2.5%	5.8%	3.4%	9.2%	6.2%
Durables	3,854	4,441	4,785	5,357	5,392	5,651	6,002	6,187	6,342	6,587	6,818	7,508	
	20.3%	15.2%	7.7%	12.0%	0.7%	4.8%	6.2%	3.1%	2.5%	3.9%	3.5%	10.1%	5.9%
Motor Vehicles	2,140	2,331	2,431	2,710	2,775	2,965	3,175	3,390	3,570	3,734	3,812	3,952	
	20.0%	8.9%	4.3%	11.5%	2.4%	6.8%	7.1%	6.8%	5.3%	4.6%	2.1%	3.7%	5.9%
Building & Garden	941	1,160	1,241	1,337	1,310	1,351	1,476	1,426	1,460	1,487	1,614	2,030	
	23.2%	23.3%	7.0%	7.7%	-2.0%	3.1%	9.3%	-3.4%	2.4%	1.8%	8.5%	25.8%	5.5%
Furniture & Home Furnishings	773	950	1,112	1,310	1,307	1,335	1,351	1,371	1,312	1,366	1,392	1,526	
	17.8%	22.9%	17.1%	17.8%	-0.2%	2.1%	1.2%	1.5%	-4.3%	4.1%	1.9%	9.6%	6.1%
Business Investment	4,956	5,609	6,231	6,878	7,044	7,729	7,839	8,372	8,588	8,039	7,909	8,899	
	14.1%	13.2%	11.1%	10.4%	2.4%	9.7%	1.4%	6.8%	2.6%	-6.4%	-1.6%	12.5%	4.8%
Agriculture, Forestry & Fishing	23	19	13	17	26	22	27	32	36	38	42	45	
	72.9%	-17.4%	-31.6%	33.8%	48.3%	-13.2%	20.5%	18.5%	12.5%	5.6%	11.0%	6.3%	6.3%
Mining	142	149	176	174	245	259	180	202	210	157	141	212	
	-7.2%	4.9%	18.1%	-0.9%	40.7%	5.6%	-30.5%	12.2%	4.0%	-25.2%	-10.2%	50.3%	-0.1%
Construction	247	290	343	371	389	400	422	408	368	315	306	377	
	8.3%	17.4%	18.3%	8.1%	4.8%	3.0%	5.5%	-3.3%	-9.8%	-14.4%	-2.9%	23.2%	2.2%
Manufacturing	1,083	1,155	1,368	1,513	1,464	1,601	1,540	1,543	1,583	1,369	1,392	1,683	
	8.3%	6.6%	18.4%	10.6%	-3.2%	9.3%	-3.8%	0.2%	2.6%	-13.5%	1.7%	20.9%	2.5%
Transportation, Comm. & Public Util.	1,552	1,657	1,776	1,935	2,062	2,291	2,392	2,742	3,164	3,060	2,923	2,958	
	10.3%	6.8%	7.2%	8.9%	6.6%	11.1%	4.4%	14.6%	15.4%	-3.3%	-4.5%	1.2%	6.5%
Wholesale Trade	1,909	2,339	2,555	2,869	2,858	3,157	3,278	3,445	3,251	3,100	3,105	3,624	
	23.9%	22.5%	9.2%	12.3%	-0.4%	10.5%	3.8%	5.1%	-5.6%	-4.6%	0.2%	16.7%	5.0%
Services	2,499	2,802	3,205	3,594	3,724	4,122	4,351	4,746	4,709	4,615	4,396	4,620	
	12.4%	12.1%	14.4%	12.1%	3.6%	10.7%	5.5%	9.1%	-0.8%	-2.0%	-4.7%	5.1%	5.8%
Hotels & Lodging	400	423	473	528	557	551	556	583	597	674	600	645	
	7.2%	5.8%	11.8%	11.6%	5.5%	-1.1%	0.9%	4.9%	2.4%	12.9%	-11.0%	7.6%	4.1%
Amusement & Recreation	303	378	451	495	544	572	650	714	723	732	730	778	
	18.4%	24.8%	19.4%	9.6%	9.9%	5.2%	13.6%	9.8%	1.3%	1.2%	-0.3%	6.6%	9.2%
Personal	130	146	167	178	177	185	190	200	208	212	211	220	
	18.2%	12.3%	14.4%	6.5%	-0.2%	4.3%	2.7%	5.3%	4.0%	1.9%	-0.5%	4.5%	5.0%
Health	85	84	91	90	92	88	86	93	95	104	114	109	
	10.4%	-1.2%	8.0%	-1.2%	2.5%	-4.1%	-2.3%	8.1%	2.2%	9.5%	9.6%	-4.8%	3.0%
Education, Legal & Social	144	160	175	194	167	195	207	224	225	220	205	246	
	5.1%	11.1%	9.6%	10.6%	-13.8%	16.7%	6.2%	8.2%	0.4%	-2.2%	-6.8%	20.0%	3.6%
Auto Rental & Repairs	677	763	901	1,012	1,073	1,160	1,169	1,239	1,268	1,211	1,174	1,245	
	12.6%	12.7%	18.1%	12.2%	6.1%	8.1%	0.8%	6.0%	2.3%	-4.5%	-3.1%	6.1%	5.7%
Business	625	645	711	780	775	948	1,042	1,223	1,158	1,005	973	1,023	
	10.8%	3.2%	10.2%	9.7%	-0.6%	22.3%	9.9%	17.4%	-5.3%	-13.2%	-3.2%	5.1%	4.5%
Finance Insurance & Real Estate	135	203	236	318	339	423	450	469	427	457	390	353	
	28.6%	50.4%	16.2%	34.9%	6.5%	24.9%	6.4%	4.2%	-9.0%	7.0%	-14.7%	-9.4%	11.2%
All Other	892	1,019	1,093	968	1,188	1,137	1,316	1,250	1,381	1,502	1,447	1,387	
	0.5%	14.2%	7.2%	-11.4%	22.7%	-4.2%	15.7%	-5.0%	10.5%	8.8%	-3.7%	-4.1%	5.0%
Grand Total Taxable Sales	19,341	21,527	23,609	25,844	26,829	28,646	29,999	31,645	32,426	32,512	32,560	35,172	
	11.7%	11.3%	9.7%	9.5%	3.8%	6.8%	4.7%	5.5%	2.5%	0.3%	0.1%	8.0%	5.3%

(e) = estimate

Source: Utah State Tax Commission

Table 35
Utah Taxable Sales by Component

Calendar Year	Retail Sales	Business Investment Purchases	Taxable Services	All Other	Total Taxable Sales
1981	\$4,901	\$3,821	\$919	\$217	\$9,857
1982	5,200	3,513	1,062	244	\$10,020
1983	5,638	3,648	1,138	262	\$10,686
1984	6,401	4,254	1,385	284	\$12,324
1985	6,708	4,122	1,440	304	\$12,574
1986	7,010	3,689	1,414	265	\$12,378
1987	6,951	3,398	1,587	252	\$12,188
1988	7,346	3,684	1,718	269	\$13,017
1989	8,048	3,675	1,849	320	\$13,892
1990	8,407	3,874	1,829	664	\$14,774
1991	8,918	4,355	2,040	685	\$15,998
1992	9,860	4,342	2,223	888	\$17,313
1993	10,994	4,956	2,499	892	\$19,341
1994	12,097	5,609	2,802	1,019	\$21,527
1995	13,080	6,231	3,205	1,093	\$23,609
1996	14,404	6,878	3,594	968	\$25,844
1997	14,873	7,044	3,724	1,188	\$26,829
1998	15,657	7,729	4,122	1,137	\$28,646
1999	16,493	7,839	4,351	1,316	\$29,999
2000	17,278	8,372	4,746	1,250	\$31,645
2001	17,748	8,588	4,709	1,381	\$32,426
2002	18,356	8,039	4,615	1,502	\$32,512
2003	18,808	7,909	4,396	1,447	\$32,560
2004 (e)	20,266	8,899	4,620	1,387	\$35,172
2005 (f)	21,405	9,264	4,944	1,419	\$37,032

Calendar Year	Retail Sales	Business Investment Purchases	Taxable Services	All Other	Total Taxable Sales
1982	6.1%	-8.0%	15.6%	12.6%	1.7%
1983	8.4%	3.8%	7.2%	7.4%	6.6%
1984	13.5%	16.6%	21.7%	8.5%	15.3%
1985	4.8%	-3.1%	4.0%	7.0%	2.0%
1986	4.5%	-10.5%	-1.8%	-12.7%	-1.6%
1987	-0.8%	-7.9%	12.3%	-5.0%	-1.5%
1988	5.7%	8.4%	8.2%	6.7%	6.8%
1989	9.6%	-0.2%	7.6%	18.8%	6.7%
1990	4.5%	5.4%	-1.1%	107.8%	6.3%
1991	6.1%	12.4%	11.6%	3.2%	8.3%
1992	10.6%	-0.3%	9.0%	29.6%	8.2%
1993	11.5%	14.1%	12.4%	0.5%	11.7%
1994	10.0%	13.2%	12.1%	14.2%	11.3%
1995	8.1%	11.1%	14.4%	7.2%	9.7%
1996	10.1%	10.4%	12.1%	-11.4%	9.5%
1997	3.3%	2.4%	3.6%	22.7%	3.8%
1998	5.3%	9.7%	10.7%	-4.2%	6.8%
1999	5.3%	1.4%	5.5%	15.7%	4.7%
2000	4.8%	6.8%	9.1%	-5.0%	5.5%
2001	2.7%	2.6%	-0.8%	10.5%	2.5%
2002	3.4%	-6.4%	-2.0%	8.8%	0.3%
2003	2.5%	-1.6%	-4.7%	-3.7%	0.1%
2004 (e)	7.8%	12.5%	5.1%	-4.1%	8.0%
2005 (f)	5.6%	4.1%	7.0%	2.3%	5.3%

(e) = estimate
(f) = forecast

Source: Utah State Tax Commission

Table 36
Utah Total Taxable Sales by County

County	1998	1999	2000	2001	2002	2003	2004 e
Beaver	\$54,028,444	\$56,796,599	\$59,533,738	\$57,150,257	\$78,643,822	\$78,321,295	\$53,660,000
Box Elder	378,656,784	392,554,576	388,463,051	387,021,110	397,597,890	414,494,710	419,468,647
Cache	815,747,488	877,516,245	881,748,639	936,524,543	991,873,325	1,029,987,061	1,102,086,155
Carbon	350,262,447	344,787,305	346,715,900	361,995,352	351,112,861	333,785,502	373,839,762
Daggett	10,152,206	11,083,920	13,701,974	14,635,105	14,748,590	11,692,322	9,353,858
Davis	2,333,000,552	2,501,488,171	2,561,945,556	2,690,459,983	2,759,164,731	2,795,943,681	2,997,251,626
Duchesne	148,993,949	113,995,306	152,667,814	163,956,901	145,071,558	157,009,682	213,533,168
Emery	108,296,650	86,178,899	78,516,158	102,774,219	106,343,423	104,310,439	125,172,527
Garfield	67,964,766	71,530,129	73,145,377	66,630,018	67,872,943	68,752,485	77,002,783
Grand	143,307,479	167,663,347	162,911,808	166,019,643	174,635,577	163,637,016	180,000,718
Iron	358,583,543	403,990,858	417,168,360	420,501,521	457,128,755	480,123,467	456,117,294
Juab	61,049,366	67,800,309	73,826,705	69,528,286	104,467,036	99,188,624	56,406,000
Kane	92,767,501	99,972,386	107,426,955	101,852,245	99,787,339	97,504,725	99,607,000
Millard	102,324,784	108,565,176	107,366,842	120,662,495	128,805,095	128,822,920	136,294,649
Morgan	43,190,274	52,752,568	55,091,635	55,255,017	48,655,061	49,300,117	53,737,128
Piute	5,197,828	5,556,641	5,742,323	5,672,633	6,183,485	6,617,576	6,683,752
Rich	14,599,275	15,593,403	16,731,346	16,224,980	17,302,794	18,373,609	18,373,609
Salt Lake	14,480,792,082	15,032,355,344	15,941,513,323	15,864,887,932	15,706,919,505	15,445,006,387	16,557,046,847
San Juan	102,358,862	96,128,945	89,321,720	87,476,582	88,823,783	85,238,249	83,533,484
Sanpete	117,860,224	125,822,688	143,234,506	158,395,663	158,154,750	162,116,042	166,979,523
Sevier	247,516,691	212,472,805	219,208,375	219,577,652	229,937,800	225,887,000	250,734,570
Summitt	631,299,089	685,939,692	742,862,484	830,104,320	862,281,570	854,703,303	957,267,699
Tooele	282,754,708	306,930,181	330,279,699	363,273,243	408,234,189	325,233,649	439,065,426
Uintah	335,704,139	331,526,601	439,786,724	497,920,681	452,556,426	484,733,738	665,878,736
Utah	3,670,050,662	3,938,892,458	4,170,665,617	4,326,455,093	4,394,333,416	4,433,228,375	4,743,554,361
Wasatch	136,583,244	155,799,341	171,726,889	174,016,839	186,566,663	184,211,496	188,816,783
Washington	1,066,865,802	1,159,452,168	1,237,822,795	1,376,922,982	1,503,264,367	1,626,273,410	1,919,002,624
Wayne	22,689,627	23,000,106	23,460,239	23,595,162	23,570,949	27,607,530	32,024,735
Weber	2,264,121,035	2,375,445,131	2,456,562,991	2,510,725,246	2,552,414,748	2,599,184,450	2,755,135,517
Out-of-State Use Tax	200,035,296	176,949,415	175,863,321	255,972,886	-4,301,122	68,753,302	34,376,651
Total	\$28,646,754,797	\$29,998,540,713	\$31,645,012,864	\$32,426,188,589	\$32,512,151,329	\$32,560,042,162	\$35,172,005,631

e = estimate

Source: Utah State Tax Commission

Tax Collections

Overview

The Utah economy is prospering once again. General and School Fund year-end revenue collections for FY 2004 exceeded budget estimates by \$94.4 million. The state ended the 2004 budget year with a remaining surplus of \$54.4 million after distributions to various funds, including allocations to General and School Fund rainy day accounts and the Industrial Assistance Fund. FY 2005 tax collections will continue to show strong growth. General and School Fund revenues in FY 2005 will increase about \$188 million or 5.1% over FY 2004 collections.

The sharp turn around in tax collections in FY 2004 and FY 2005 stands in stark contrast to the prior two years. In just four years (between FY 2000 and FY 2004) the inflation-adjusted swing in revenue growth went from a positive \$352 million (FY 2000) down to a negative \$205 million (FY 2002) and then back up to a positive \$194 million (FY 2004).

Fiscal Years 2002 and 2003

FY 2002 General and School Fund revenue collections fell 5.4% compared to the prior year. This was due to a global recession, which was deepened by the attacks on and effects of September 11, 2001; the end of the 2002 Olympic Winter Games construction build-up; and the dot-com implosion and associated stock market crash. Capital gains income tax payments declined to \$115 million in FY 2002 from \$185 million in the prior fiscal year. The fiscal year 2002 revenue deficit was turned into a \$736,000 surplus through budget cutbacks, bonding, lapsing monies, rainy day funds, and revenue transfers from restricted funds.

General and School Fund revenues grew only 1.9% in FY 2003. Total income as reported by the Internal Revenue Service actually decreased 2.4% in calendar year 2002 (FY 2003). All sources of taxable income declined that year except for wages, which only grew 1.4%. Capital gains income tax payments declined to \$84 million in FY 2003 from \$115 million in the prior fiscal year.

The state ended FY 2003 with a \$0.0 million General Fund surplus, and a \$1.8 million Uniform School Fund surplus. Even though tax collections were \$12 million short of estimates, the \$1.8 million Uniform School Fund surplus was made possible by the return of unspent money from state departments and a federal relief grant of \$38 million the state received in June of 2003. Funding was also available due to FY 2003 ongoing budget cuts of \$353.6 million.

Fiscal Year 2004

The Legislature cut ongoing agency FY 2004 budgets by \$45.7 million during the 2003 General Session. After the 2003 General Session, which ended in March, the Utah economy emerged from its prolonged recession. Job growth in Utah has remained consistently positive since July 2003. Prior to July 2003, the percent change in year-over employment growth in Utah was flat or negative for 22 consecutive months (except for one month).

General and School Fund year-end revenue collections grew 5.4% in FY 2004 and exceeded budget estimates by \$94.4 million. The state ended the 2004 budget year with a remaining surplus of \$54.4 million after distributions to various funds including allocations to General and School Fund rainy day accounts and the Industrial Assistance Fund. The School Fund ending surplus balance was \$38 million and the General Fund net surplus was \$16.4 million. Additionally, the Education Budget Reserve Account received \$12.7 million and the General Fund Budget

reserve account received \$22.4 million in rainy day funds. The Industrial Assistance Fund received \$4.3 million.

Fiscal Year 2005

FY 2005 tax collections will continue to show strong growth. The Governor's recommended budget in December 2004 showed an increase in General and School Fund revenues in FY 2005 of about \$188 million or 5.1% over FY 2004 collections. These FY 2005 budget and revenue estimates will be revised in February 2005 during the General Session of the Legislature. Updated tax collection information will also be available at that time. Revenues in FY 2005 will not include \$38 million in federal relief grant money that was received in both FY 2003 and FY 2004.

2004 General and Special Session Tax Policy

The legislature passed two bills in the 2004 General Session that affect tax collections. Senate Bill 195, Taxation of Multi-channel Video or Audio Service (Waddoups), changed the sales tax on cable and satellite TV services to an excise tax. The net result was a \$4.4 million increase in taxes collected. And, House Bill 273, Tax and Charge Amendments (Harper), required remote sales tax collections greater than \$8.8 million to be deposited into a restricted account. SB4002, Treatment of Certain Military Income (Bramble) was passed in the September 2004 Special Session. This bill carried a \$4 million fiscal note and exempts active national guard and reservists from income taxation in CY 2004 (FY 2005).

2004 Spending Legislation

House Bill 66, State Spending and Debt Limitations Amendments (Hughes), modified the formula for calculating the appropriations spending limit and exempted certain appropriations from the limit. In general, Uniform School Fund, Transportation Fund, and Centennial Highway Fund appropriations are exempt from the limit. All unrestricted General Fund appropriations are subject to a limit based upon the combined changes in population and inflation. The outstanding general obligation debt of the state may not exceed 45% of the maximum allowable appropriations limit unless approved by more than a two-thirds vote of both houses of the legislature.

Inflation-Adjusted Revenues

Inflation-adjusted General Fund and School Fund revenues increased \$194 million (in 2005 dollars) in FY 2004 after increasing just \$66.8 million in FY 2003, and after decreasing \$204.8 million in FY 2002. By comparison, fiscal year 2000 had the largest single-year growth in revenue since 1984 (when inflation-adjusted revenues grew \$377.2 million), and FY 2002 had the largest decrease in revenue. In a period of just four years the inflation-adjusted swing in revenue growth went from a positive \$352.2 million (in FY 2000) down to a negative \$204.8 million (in FY 2002) and then back up to a positive \$194 million (in FY 2004).

Inflation-Adjusted Surpluses

State government's \$55.5 million (in 2005 dollars) surplus in FY 2004 was much larger than the \$1.9 million inflation-adjusted surplus in FY 2003. In fact, the FY 2003 surplus would have been a deficit were it not for \$38 million in federal relief that the state received in June 2003. For budgeting purposes, year-end surpluses are the beginning revenue balance for the start of the next fiscal year and are considered one-time money.

Windfall, Inflation, and Tax Rate and Base-Adjusted Revenue Growth

When revenues are adjusted not only for inflation, but also for windfalls and tax rate and base changes, FY 2004 revenues increased \$189.7 million (in 2005 dollars). This compares to an increase of only \$4.9 million in FY 2003, and a drop in revenue of \$159.6 million in FY 2002. For historic comparison purposes, revenue growth in inflation, windfall, and tax rate and base-adjusted collections from 1980 to 2005 averaged around \$154.8 million. Thus, growth in FY 2004 (at \$189.7 million) was slightly above historic returns.

Income Tax Continues Its Preeminence

Income taxes were larger than sales taxes in FY 2004 for the seventh year in a row. Prior to fiscal year 1998, the sales tax made up the largest portion of state government's unrestricted revenues. In fiscal year 2004 income tax collections were 40.9% of total unrestricted revenue collections, whereas sales tax collections were only 36.3% of the total. Income taxes were only 34.1% of the total as recently as 1989 (when sales taxes were 37.1% of the total). This reversal in tax preeminence is due in part to: 1) sales tax rate reductions; 2) stronger historic growth in sales tax exempt services industries than in taxable goods industries; 3) increased sales tax exemptions; 4) increased sales over the internet; 5) income tax bracket creep; 6) capital gains realizations; and 7) the transfer of unrestricted general fund monies to restricted accounts (earmarking).

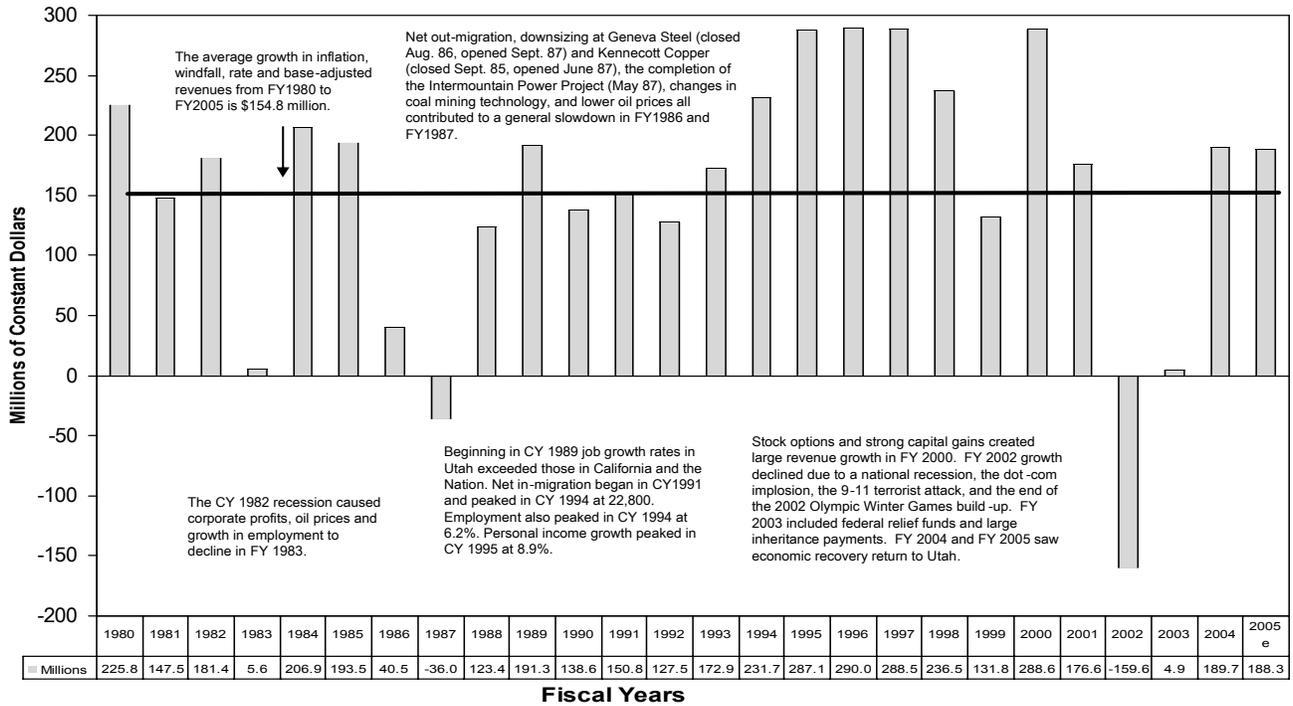
Historic Tax Reductions

Tax collections in Utah experienced a net reduction of \$159.4 million (on an annualized basis) due to statutory changes that occurred during the past ten legislative sessions. The cumulative reduction in taxes authorized in these sessions for FY 1996 through FY 2005 is \$1.8 billion. The net reduction in tax collections does not, however, account for income tax increases due to inflation or "bracket creep." Around \$4 million per year is currently raised from income tax bracket creep. The cumulative bracket creep effect from FY 1996 to FY 2005 is a tax increase of \$220 million. Thus, the net reduction in state government taxes over this period including bracket creep is \$1.6 billion.

An individual taxpayer may actually be paying more in taxes now than ten years ago. This is because non-state government taxes may have increased, and/or an individual's income, spending, or property values may have increased. More income or spending, or greater property values, can result in higher taxes even at lower tax rates. There are 633 taxing entities other than state government in Utah.

Figure 34

Windfall, Inflation, Rate and Base-Adjusted Revenue Growth in Combined General and School Fund Revenues (in 2005 \$'s)

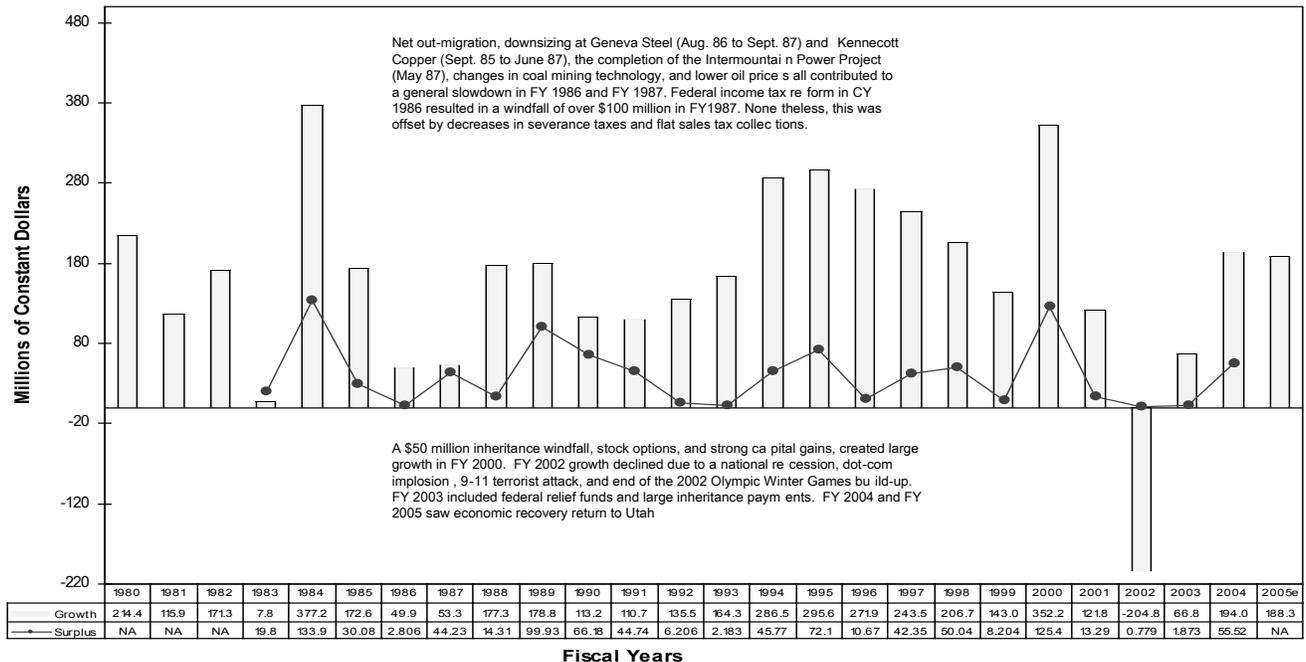


e = estimate

Source: Governor's Office of Planning and Budget

Figure 35

Inflation-Adjusted Revenue Growth and Surpluses for Combined General and School Fund Revenues (in 2005 \$'s)

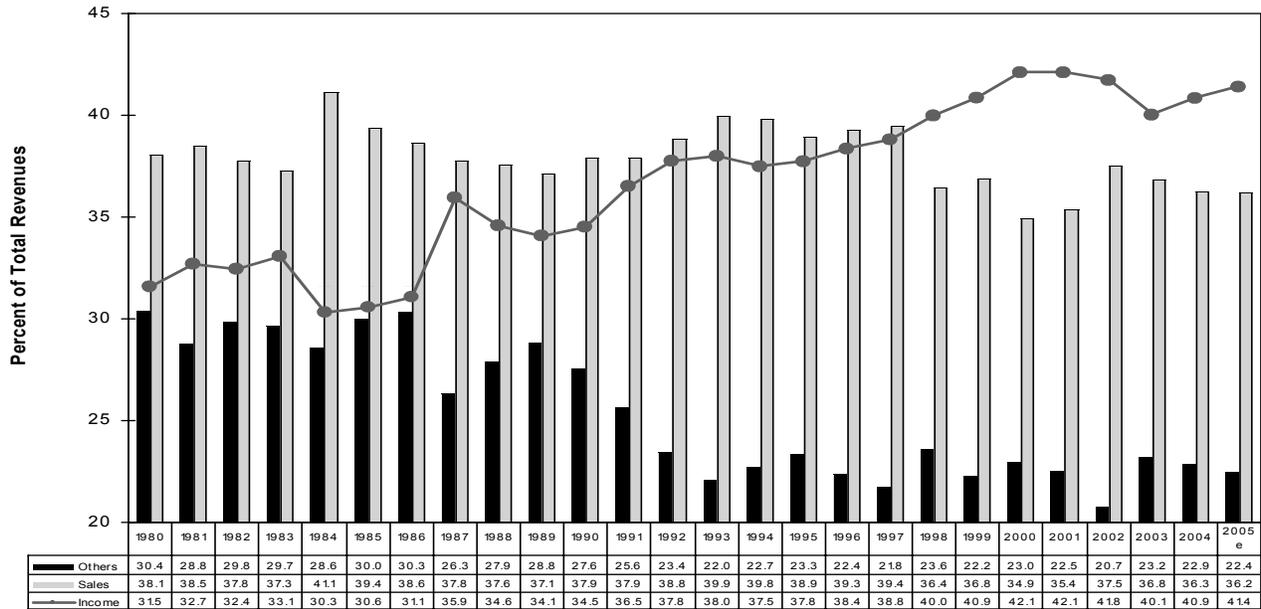


e = estimate

Source: Governor's Office of Planning and Budget



Figure 36
Sales Tax, Income Tax, and All Other Unrestricted Revenues as a Percent of Total State Unrestricted Revenues*

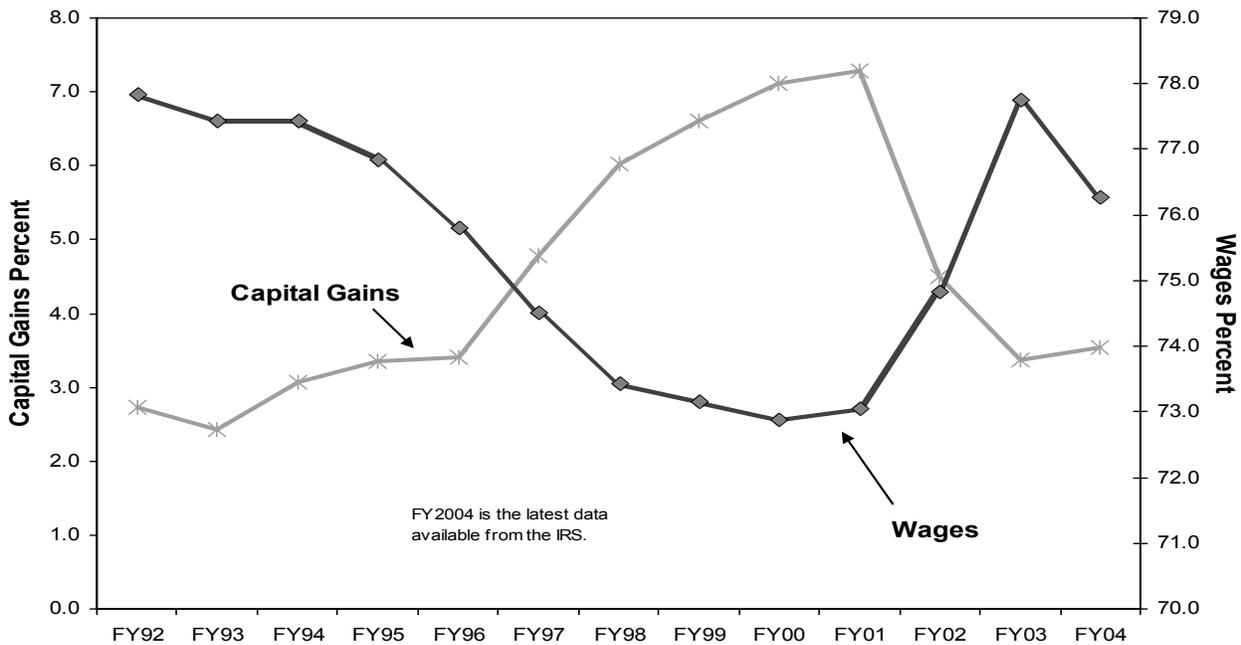


*The "Others" category includes unrestricted fines and fees, investment income, liquor profits, mineral lease, school land income (ended in fiscal 1988), federal revenue sharing (ended in fiscal 1982); and, corporate, gross receipts, severance, beer, cigarette, insurance, inheritance and motor fuels taxes.

e = estimate

Source: Governor's Office of Planning and Budget

Figure 37
IRS Wages and Capital Gains as a Percent of Total Taxable Income



Source: Governor's Office of Planning and Budget

**Table 37
Cash Collection Unrestricted Revenues (Millions of Current Dollars): FY 1990 to FY 2005**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund (GF)																
Sales and Use Tax	707.4	740.3	802.4	881.9	978.2	1,055.1	1,162.5	1,252.1	1,251.8	1,316.4	1,369.6	1,431.4	1,441.3	1,444.0	1,501.9	1,565.0
Cable/Satellite Excise Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.5
Liquor Profits	16.6	17.6	16.6	18.1	17.9	20.1	22.2	24.3	26.3	26.9	28.7	30.3	32.5	33.2	36.4	38.0
Insurance Premiums	30.0	27.8	30.2	34.0	38.2	40.9	40.1	43.1	44.6	47.7	52.2	46.0	56.6	59.0	62.4	66.0
Beer, Cigarette, and Tobacco	30.2	31.0	34.6	34.3	36.4	37.7	37.8	41.2	53.2	60.1	58.0	57.9	60.0	54.2	62.8	63.0
Severance Taxes	30.1	31.0	18.2	19.3	18.9	21.4	20.4	23.8	23.0	13.1	23.0	45.6	23.8	32.6	42.7	54.5
Inheritance Tax	7.6	4.8	4.0	7.6	8.2	25.0	8.3	10.3	25.4	8.2	64.6	30.0	9.4	33.0	9.7	4.8
Investment Income	17.9	11.0	7.0	4.4	6.4	12.3	16.8	16.3	15.7	15.0	19.5	27.5	9.7	6.5	5.5	10.0
Other	32.6	33.9	27.7	26.0	30.0	32.9	37.2	34.9	40.8	38.3	41.0	46.5	50.6	88.2	87.9	47.0
Circuit Breaker Credits	-3.4	-3.5	-4.1	-4.2	-4.5	-4.7	-4.6	-4.4	-4.5	-5.3	-4.4	-5.4	-5.3	-5.5	-5.6	-5.6
Subtotal GF	869.1	894.0	936.5	1,021.4	1,129.7	1,240.6	1,340.6	1,441.6	1,476.2	1,520.4	1,652.2	1,709.8	1,678.7	1,745.0	1,803.7	1,861.2
School Fund (SF)																
Individual Income Tax	647.6	717.6	784.4	842.3	925.3	1,026.9	1,139.1	1,237.3	1,377.5	1,463.9	1,654.9	1,712.7	1,610.2	1,575.5	1,699.6	1,801.0
Corporate Franchise Tax	99.7	87.8	80.9	79.5	121.1	153.5	168.4	182.9	189.1	184.3	179.6	174.8	119.4	152.4	154.9	182.0
Gross Receipts Tax	4.2	3.7	3.6	4.5	4.1	4.4	8.4	9.1	7.2	7.9	7.3	8.3	8.0	8.1	8.0	8.0
Other	11.2	12.9	16.4	5.5	6.9	8.4	8.5	4.8	7.1	7.6	8.5	9.7	5.6	5.0	9.7	12.0
Subtotal SF	762.6	821.9	885.3	931.7	1,057.4	1,193.1	1,324.3	1,434.2	1,580.8	1,663.7	1,850.4	1,905.5	1,743.0	1,741.0	1,872.2	2,003.0
Transportation Fund (TF)																
Motor Fuel Tax	132.5	131.1	136.4	141.3	150.4	155.5	163.2	168.4	217.7	225.2	237.6	229.4	237.9	236.6	239.9	235.5
Special Fuel Tax	29.1	36.8	33.4	35.6	36.2	40.7	43.7	46.2	72.4	73.2	76.6	80.6	84.4	84.5	86.2	90.5
Other	38.7	39.6	44.6	47.3	49.6	52.6	54.3	52.6	54.8	58.5	65.0	64.5	62.8	65.4	64.9	65.5
Subtotal TF	200.3	207.4	214.3	224.2	236.2	248.7	261.2	267.3	344.9	356.9	379.1	374.5	385.2	386.6	391.0	391.5
Mineral Lease Payments	34.9	32.4	32.5	30.3	33.3	29.1	34.7	34.1	33.5	31.5	39.6	57.9	36.6	53.1	74.8	72.5
TOTAL	1,866.9	1,955.7	2,068.7	2,207.6	2,456.6	2,711.5	2,960.8	3,177.1	3,435.5	3,572.4	3,921.3	4,047.6	3,843.6	3,925.7	4,141.7	4,328.2

Sources: Comprehensive Annual Reports, Division of Finance; Utah State Tax Commission Annual Reports; Governor's Office of Planning and Budget.

Table 38
Cash Collection Unrestricted Revenues (Current Dollar Percent Changes): FY 1990 to FY 2005

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund (GF)																
Sales and Use Tax	6.0	4.6	8.4	9.9	10.9	7.9	10.2	7.7	0.0	5.2	4.0	4.5	0.7	0.2	4.0	4.2
Liquor Profits	3.9	5.8	-5.5	9.3	-1.3	12.2	10.3	9.7	8.2	2.3	6.6	5.6	7.6	1.9	9.8	4.3
Insurance Premiums	13.7	-7.2	8.4	12.7	12.3	7.3	-2.0	7.4	3.4	7.1	9.3	-11.8	23.1	4.2	5.8	5.7
Beer, Cigarette, and Tobacco	-1.8	2.7	11.5	-0.9	6.3	3.4	0.3	9.0	29.2	12.8	-3.4	-0.2	3.5	-9.6	15.9	0.3
Severance Taxes	7.0	3.1	-41.5	6.1	-2.0	13.4	-4.9	16.8	-3.2	-43.3	76.3	98.0	-47.7	36.6	31.0	27.7
Inheritance Tax	-22.3	-36.6	-17.4	91.9	7.4	204.8	-66.6	23.5	147.2	-67.6	683.7	-53.5	-68.6	249.9	-70.7	-50.4
Investment Income	-7.0	-38.8	-36.1	-37.8	46.2	93.4	36.5	-2.8	-3.6	-4.5	29.9	40.9	-64.6	-33.5	-14.9	81.7
Other	18.8	4.2	-18.4	-6.0	15.3	9.6	12.9	-6.1	16.8	-6.1	7.1	13.5	8.8	74.1	-0.3	-46.5
Circuit Breaker Credits	140.9	4.5	15.8	2.9	7.0	5.7	-1.7	-4.4	1.8	17.0	-17.4	23.8	-1.3	3.2	2.2	-0.6
Subtotal GF	5.5	2.9	4.8	9.1	10.6	9.8	8.1	7.5	2.4	3.0	8.7	3.5	-1.8	3.9	3.4	3.2
School Fund (SF)																
Individual Income Tax	5.2	10.8	9.3	7.4	9.9	11.0	10.9	8.6	11.3	6.3	13.1	3.5	-6.0	-2.2	7.9	6.0
Corporate Franchise Tax	7.2	-12.0	-7.8	-1.8	52.3	26.8	9.7	8.6	3.4	-2.5	-2.5	-2.7	-31.7	27.7	1.6	17.5
Gross Receipts Tax	48.3	-11.7	-2.9	25.9	-8.4	6.3	90.3	8.6	-20.8	10.3	-7.4	13.6	-4.6	1.7	-1.8	0.6
Other	-18.6	15.1	27.1	-66.4	25.9	20.7	1.3	-42.7	45.9	7.1	11.9	13.8	-42.4	-10.7	95.8	23.5
Subtotal SF	5.3	7.8	7.7	5.2	13.5	12.8	11.0	8.3	10.2	5.2	11.2	3.0	-8.5	-0.1	7.5	7.0
Transportation Fund (TF)																
Motor Fuel Tax	1.0	-1.1	4.0	3.6	6.4	3.4	5.0	3.2	29.3	3.5	5.5	-3.4	3.7	-0.5	1.4	-1.8
Special Fuel Tax	-0.7	26.4	-9.2	6.5	1.8	12.3	7.6	5.7	56.7	1.1	4.6	5.2	4.7	0.1	1.9	5.0
Other	4.9	2.3	12.7	6.1	4.8	6.1	3.1	-3.0	4.1	6.7	11.1	-0.8	-2.6	4.1	-0.8	1.0
Subtotal TF	1.4	3.6	3.3	4.6	5.4	5.3	5.0	2.3	29.0	3.5	6.2	-1.2	2.9	0.4	1.1	0.1
Mineral Lease Payments	-31.2	-7.3	0.5	-6.9	10.1	-12.8	19.5	-1.8	-1.8	-6.1	26.0	46.0	-36.7	45.0	40.9	-3.1
TOTAL	4.0	4.8	5.8	6.7	11.3	10.4	9.2	7.3	8.1	4.0	9.8	3.2	-5.0	2.1	5.5	4.5
Average Annual Growth Rates	na	4.8	5.3	5.7	7.1	7.8	8.0	7.9	7.9	7.5	7.7	7.3	6.2	5.9	5.9	5.8

Sources: Comprehensive Annual Reports, Division of Finance; Utah State Tax Commission Annual Reports; Governor's Office of Planning and Budget.

Table 39

Rolling 10 Year State Tax and Fee Changes (Over \$500,000) Regular and Special Legislative Sessions (A)(B)(C)

Bill Number and Effective Year	Bill Subject	Tax & Fee Changes	10 Year Cumulative
FY 1996			
Various Bills (1995 Session)	Sales Tax Exemptions Authorized	(\$3,613,000)	
S.B. 254 (1995 Session)	Gross Receipts Taxes	9,400,000	
S.B. 56 and 254 (1995 Session)	Property Taxes (1)	(141,440,833)	
S.B. 56 and 254 (1995 Session)	Income Taxes (1)	4,500,000	
	Subtotal FY 1996	<u>(\$131,153,833)</u>	<u>(\$1,311,538,330)</u>
FY 1997			
S.B. 56 and 254 (1995 Session)	Property Taxes (Restricted to New Growth, 1995 Session) (1)	(\$8,703,800)	
H.B. 274 (1995 Session)	Additional Sales Tax on Construction Projects (1995 Session)	(2,000,000)	
Various Bills (1996 Session)	Reinstate Sales Tax Exemptions	(1,188,300)	
H.B. 349 (1996 Regular Session)	Gross Receipts Taxes - Modifications (2)	(4,750,000)	
H.B. 404 (1996 Regular Session)	Income Tax - Health Care Insurance Deduction (3)	(4,000,000)	
H.B. 405 (1996 Regular Session)	Minimum School Program Act (Property Taxes)	(30,000,000)	
H.B. 405 (1996 Regular Session)	Income Taxes (1)	1,500,000	
H.B. 3001 (1996 November Session)	Sales Tax - Manufacturing Exemption Modifications (1996 November Session) (4)	(8,700,000)	
S.B. 195 (1996 Regular Session)	Income Tax - Credit for Disabled Education Costs	(750,000)	
S.B. 237 (1996 Regular Session)	Income Tax Rate Reductions (5)	(41,000,000)	
	Subtotal FY 1997	<u>(\$99,592,100)</u>	<u>(\$896,328,900)</u>
FY 1998			
H.B. 3001 (1996 November Session)	Additional Sales Tax - Manufacturing Exemption Modifications (1996 November Session) (4)	(8,700,000)	
S.B. 161 (1997 Session)	Motor Vehicle Compliance With Insurance, Registration, And Sales Tax Requirements	870,000	
S.B. 252 (1997 Session)	Collection of Fuel Tax (7)	10,000,000	
S.B. 253 (1997 Session)	Fuels Taxes, and Repeal of Environmental Surcharge on Petroleum (8)	63,250,000	
S.B. 253 (1997 Session)	Sales Tax Reduction (8)	(34,300,000)	
H.B. 27 (1997 Session)	Cigarettes Tax Increase and Regulation (6)	21,800,000	
H.B. 111 (1997 Session)	Transportation Corridor Funding (9)	4,300,000	
H.B. 225 (1997 Session)	Assessment on Workers' Compensation (10)	6,100,000	
H.B. 414 (1997 Session)	Registration Fee on Vehicles (11)	16,500,000	
	Subtotals FY 1998	<u>\$79,820,000</u>	<u>\$638,560,000</u>
FY 1999			
H.B. 3001 (1996 November Session)	Additional Sales Tax - Manufacturing Exemption Modifications (1996 November Session) (4)	(\$11,200,000)	
	Subtotals FY 1999	<u>(\$11,200,000)</u>	<u>(\$78,400,000)</u>
FY 2000			
H.B. 58 (1998 Session)	Oil and Gas Severance Tax Amendments (12)	(\$900,000)	
S.B. 47 (1998 Session)	Research Tax Credit (13)	(3,200,000)	
S.B. 185 (1998 Session)	Sales and Use Tax Exemption Amendments and Study (14)	5,600,000	
S.B. 220 (1998 Session)	Research and Development Credit for Machinery and Equipment (15)	(2,000,000)	
H.B. 396 (1999 Session)	Sales and Use Tax Exemption for Steel Mills	(617,500)	
S.B. 69 (1999 Session)	Manufacturing Sales and Use Tax Exemption (16)	(5,600,000)	
S.B. 150 (1999 Session)	Utilities in Highway Rights-of-Way (17)	1,600,000	
	Subtotals FY 2000	<u>(\$5,117,500)</u>	<u>(\$30,705,000)</u>
FY 2001			
H.B. 25 (1999 Session)	Income Tax Deduction for Health Care Insurance (18)	(\$1,770,000)	
S.B. 62 (1999 Session)	Individual Income Tax Credits for At-Home Parents	(500,000)	
H.B. 345 (2000 Session)	Unemployment Insurance Amendments (19)	(26,500,000)	
S.B. 15 (2000 Session)	Use of Tobacco Settlement Revenues (20)	(5,500,000)	
	Subtotals FY 2001	<u>(\$34,270,000)</u>	<u>(\$171,350,000)</u>
FY 2002			
HB 78 (2001 Session)	Sales and Use Tax - Sales Relating to Schools (School Related Activities)	(\$281,000)	
SB 34 (2001 Session)	Individual Income Tax - Relief for Low Income Individuals (21)	(800,000)	
SB 36 (2001 Session)	Individual Income Tax Bracket Adjustments (22)	(18,000,000)	
SB 58 (2001 Session)	Repeal of Nursing Facilities Assessment (23)	(4,422,400)	
HB 205 (2001 Session)	Employers' Reinsurance Fund Special Assessment (Workers' Compensation) (10)	6,135,000	
HB370 (2001 Session)	Hazardous Waste Amendment (24)	1,694,000	
	Subtotals FY 2002	<u>(\$15,674,400)</u>	<u>(\$62,697,600)</u>
FY 2003			
HB238 (2002 Session)	Cigarette and Tobacco Tax Amendments (25)	\$13,800,000	
	Subtotals FY 2003	<u>\$13,800,000</u>	<u>\$41,400,000</u>
FY 2004			
SB66 (2003 Session)	Alcoholic Beverage Enforcement & Treatment (26)	\$1,567,000	
SB85 (2003 Session)	Underground Storage Tank Amendments (27)	4,048,900	
SB153 (2003 Session)	Alcoholic Beverage Amendments (28)	3,818,000	
SB213 (2003 Session)	Cable and Satellite TV Service Tax (29)	14,000,000	
HB286 (2003 Session)	Hazardous Waste Collection/Storage Fee (30)	2,769,500	
HB371 (2003 Session)	Court Security Fee (31)	2,200,000	
	Subtotals FY 2004	<u>\$28,403,400</u>	<u>\$56,806,800</u>
FY 2005			
SB4002 (September Session)	Treatment of Certain Military Income (one-time only) (32)	(\$4,000,000)	
SB1 (2004 Session)	Appropriations Act (33)	4,555,157	
SB128 (2004 Session)	Long-Term Care Facilities Amendments (34)	10,100,000	
SB195 (2004 Session)	Taxation of Multi-Channel Video or Audio Service (35)	4,421,100	
HB13 (2004 Session)	Hazardous Waste and Nonhazardous Solid Waste Fee (36)	(712,900)	
HB239 (2004 Session)	Sexually Explicit Business and Escort Service Tax (37)	510,000	
HB312 (2004 Session)	Nonparticipating Tobacco Manufacturer's Fee (38)	680,000	
	Subtotals FY 2005	<u>\$15,553,357</u>	<u>\$15,553,357</u>
Grand Total for Rolling 10 Year Taxes and Fees (A)(B)(C)		<u>(\$159,431,076)</u>	<u>(\$1,798,699,673)</u>

*See next page for footnotes

Figure 39 (Continued)

Rolling 10 Year State Tax and Fee Changes (Over \$500,000) Regular and Special Legislative Sessions (A)(B)(C)

FOOTNOTES:

- (A) This table is not adjusted for tax increases due to income tax "bracket creep." The most recent fiscal note estimate for indexing income taxes for inflation is \$4 million (fiscal note from the 2000 General Session). Tax increases due to "bracket creep" have been lessened in the 1990's due to lower inflation (than in the 1970's and 1980's) and because most taxpayers have "creeped" into the top income tax bracket.
- B) This table is not adjusted for inflation. Only fiscal notes for state tax and fee increases or decreases greater than or equal to \$500,000 are listed. Changes in local taxes are excluded. Extensions of existing laws are excluded.
- (C) This table does NOT include shifts within the total state budget due to earmarking or other diversions. For example, H.B. 393 (1996 Session) reduces General Fund sales tax revenues by \$36 million beginning in FY 1998 in order to earmark sales taxes to local water and local transportation projects; but, total budget sales taxes were not reduced by this bill.
- (1) In 1995 the Legislature and Tax Commission increased the residential exemption from 32% to 45%, decreased the basic school rate from .00422 to .00264, and reduced the state assessing and collecting rate from .0003 to .000281. The 1995 Legislature also restricted the growth in taxable valuations to new growth only, effective in FY 1997. In 1996 the Legislature further ordered the Tax Commission to reduce the basic school rate to a level sufficient to generate a \$30 million tax cut. State income taxes increased due to the reduction in property tax deductibility against federal income taxes owed.
- (2) Effective January 1, 1996, reduced gross receipts tax rates 53% to benefit electric utilities.
- (3) Effective January 1, 1996, allows 60% of health care insurance, not already deductible against federal taxes, to be deducted against state taxes owed.
- (4) As of July 1996 (FY97) 30% of the exemption is allowed, as of July 1997 60% is allowed, and as of July 1998 100% is allowed. The original fiscal note for FY99 was \$28.6 million. The Tax Commission subsequently ruled that parts (in addition to equipment) were eligible for the exemption (which raised the fiscal note to \$71.3 million). In November 1996 a special session of the legislature met to modify the law in order to restore the fiscal note to \$28.6 million in FY99.
- (5) Reduced effective income tax rates as of January 1, 1996. Reduced top rate from 7.2% to 7.0% on taxable incomes over \$7,500. The minimum income tax rate will be reduced from 2.55% to 2.3%.
- (6) Increases the cigarette tax 25 cents per pack. FY 1997 fiscal impact is from stocking up of inventories in order to partially avoid the July 1, 1997 tax increase.
- (7) Changes the point of collection for the diesel fuels tax from dealers to refineries.
- (8) Raises the diesel and gasoline tax 5 cents a gallon and reduces the sales tax by 1/8th cent. Enactment of this bill will generate \$63,250,000 in increased revenue to the Transportation Fund due to the increase in the diesel and gas tax and the 1/2 cent diversion from underground storage tanks to highways. There will be a decrease in General Fund sales taxes of \$34,300,000. The net tax change from this bill is \$28,950,000.
- (9) Implements a 2.5% tax on rental cars to pay for transportation corridors.
- (10) Permits the Department of Workforce Services to impose an assessment related to the Employers' Reinsurance Fund.
- (11) Increases the vehicle registration fee by \$10 and trucking fees by about 10%. This restricted money goes into the Centennial Highway Trust Fund.
- (12) Extends the repeal date for a tax credit for workover credits and recompletions of oil wells.
- (13) Gives a 6% tax credit for qualified research activities conducted in the state.
- (14) Reduces the sales tax exemption for machinery and equipment from 100% in FY 1999 to 80% in FY 2000. After July 1, 1999, vendors shall collect sales tax on 20% of the sales price of normal operating replacements.
- (15) Gives a 6% individual or corporate income tax credit on the purchase price of machinery, equipment or both.
- (16) Reinstates the manufacturing sales tax exemption on replacement parts at 100%. S.B. 185 (1998 Session) had previously reduced this exemption to 80%.
- (17) Permit fees and compensation paid into the Transportation Fund for access to rights-of-way on Interstate Highways by telecommunication companies.
- (18) Increases income tax deduction for amounts paid for health care insurance from 60% to 100% of amounts not deducted from federal taxes.
- (19) Changes in the reserve rate and calculation method will produce a tax reduction for all employers paying this insurance at the contributory rate. Taxes (income to the Employment Compensation Fund) will be reduced by \$26,500,000 per year beginning in FY 2001. The reserve fund was reduced from 22 to 18 months.
- (20) The hospital assessment tax was repealed in FY 2001. This was a tax rate on hospital gross revenues, as well as \$0.9 for each surgery performed. The tax rate was adjusted quarterly so that no more than \$5.5 million annually was collected.
- (21) Exempts an individual from paying income taxes if federal AGI is less than the sum of the individual's personal exemptions plus his/her standard deduction (removes about 30,000 low income individuals from state income tax rolls).
- (22) The top bracket was increased from \$7,500 to \$8,626 and the bottom bracket was increased from \$1,500 to \$1,726 (15,000 taxpayers were dropped out of the highest bracket).
- (23) Repeals the \$1.83 per patient day nursing home "bed" tax (the hospital bed tax was repealed in the 2000 General Session).
- (24) Established fees and taxes that apply to the reprocessing, treatment, or disposal of certain types of radioactive waste.
- (25) Increased tax on cigarettes 18 cents per 20 pack, from 51.5 cents to 69.5 cents.
- (26) Increased tax on 31-gallon barrel of beer from \$11 to \$12.80 and created the Alcoholic Beverage Enforcement and Treatment Restricted Account.
- (27) Increased the environmental assurance fee of 1/4 cent per gallon on the first sale or use of petroleum products to 1/2 cent per gallon. The fee will be reduced when the cash balance in the restricted Petroleum Storage Tank Trust Fund exceeds \$20,000,000 in any year.
- (28) Increased some fees and the mark-up on liquor from 61% to 64.5%.
- (29) Imposed sales and use tax on cable and satellite TV service.
- (30) Increased regulatory fees and taxes on radioactive and hazardous waste received at waste facility for treatment or disposal.
- (31) Increased court filing fees to fund creation of Court Security Account which will be used to contract for security at courts across the state. Money is deposited into a restricted account.
- (32) Provides a one-time only (FY 2005) subtraction from federal taxable income an active reservist or guardsman receives for qualifying military service.
- (33) Restricted revenues for commerce (professional licensing), courts, natural resources, agriculture and other general user fees.
- (34) This bill establishes an assessment on nursing care facilities in order to gain federal matching funds to enhance the total funding for these facilities. The bill authorizes the assessment to be up to 6% of each nursing care facility's total gross revenue.
- (35) Imposes a state excise tax of 6.25% on amounts paid or charged for cable and satellite TV service.
- (36) Reduces the tipping fee from \$28 to \$14 per ton and eliminates the 3% gross receipts tax (created in 2003 General Session by HB 286s 1) for nonhazardous and low radioactive waste.
- (37) Imposes a 10% tax on nude dancing and escort services.
- (38) Levies an equity assessment of 1.75 cents per cigarette on nonparticipating tobacco product manufacturers.

International Merchandise Exports

Overview

Utah's merchandise exports increased 12.8% during 2004, from \$4.1 billion to \$4.6 billion. Utah's exports have been at or above \$3.0 billion since 1999 and above \$4.0 billion since 2002. Shipments of gold accounted for almost 31% of the total during 2004, continuing this new trend in the global economy. Utah's exports to China exceeded \$100 million for the second year in a row, ranking China as Utah's number nine market. As the world economic recovery strengthens during 2005, Utah's exports should continue to grow.

2004 Summary

Utah's Merchandise Exports in National Context. Utah was again ranked 32nd among the states in the value of merchandise exports during 2004. Export estimates for 2004 are based on the first three quarters of data reported by the U.S. Census Bureau. Utah's exports increased by 12.8% in 2004, as merchandise exports for the nation as a whole followed a similar trend and increased 11.2%, from \$724.0 billion in 2003 to \$805.2 billion in 2004. Exports grew in 50 states (including the District of Columbia, Puerto Rico and the Virgin Islands), and fell in three states. Texas was the leading exporter in the nation, exporting \$115.3 billion in 2004. This accounted for over 14% of the nation's total. Texas was followed by California (\$108.6 billion) and New York (\$43.0 billion). Together these three states account for nearly one-third of the nation's total exports.

Utah's Merchandise Exports by Industry. During 2004, the leading merchandise export in Utah was primary metal products (almost exclusively gold). This accounted for \$1.5 billion of Utah's exports, or 32.4% of the total. Other major export products included: computers and electronics (\$855 million, or 18.4%); transportation equipment (\$468 million, or 10.1%); chemicals (\$439 million, or 9.5%); and food (\$294 million, or 6.3%).

Destination of Utah's Merchandise Exports. Utah's largest markets for merchandise exports are in Western Europe, East Asia, and Canada. During 2004, the top five purchasing countries accounted for \$2.9 billion of the \$4.6 billion total, or 62.1%. The top ten accounted for \$3.5 billion, or 74.5%. West Asia ranked as the number four market, in large part due to an astounding increase in gold shipments to the United Arab Emirates. Air shipments of gold to Canada, Switzerland and the United Kingdom make them, respectively, Utah's top three customers. China is now Utah's number nine customer.

Significant Issues

Gold. The amount of gold the Census Bureau reports as being exported from Utah is dramatically larger than what is mined in Utah. It appears the gold exported from Utah is mined in other Western States. Partially refined ore is shipped into Utah for final processing to pure gold, it seems, which is then shipped to customers, the majority of which are in the United States. However, the shipment of gold outside of the United States makes up nearly 31% of Utah's exports. Exports of gold increased by 25.2% in 2004. This was bolstered by a very large increase in the amount of gold exported to the United Arab Emirates.

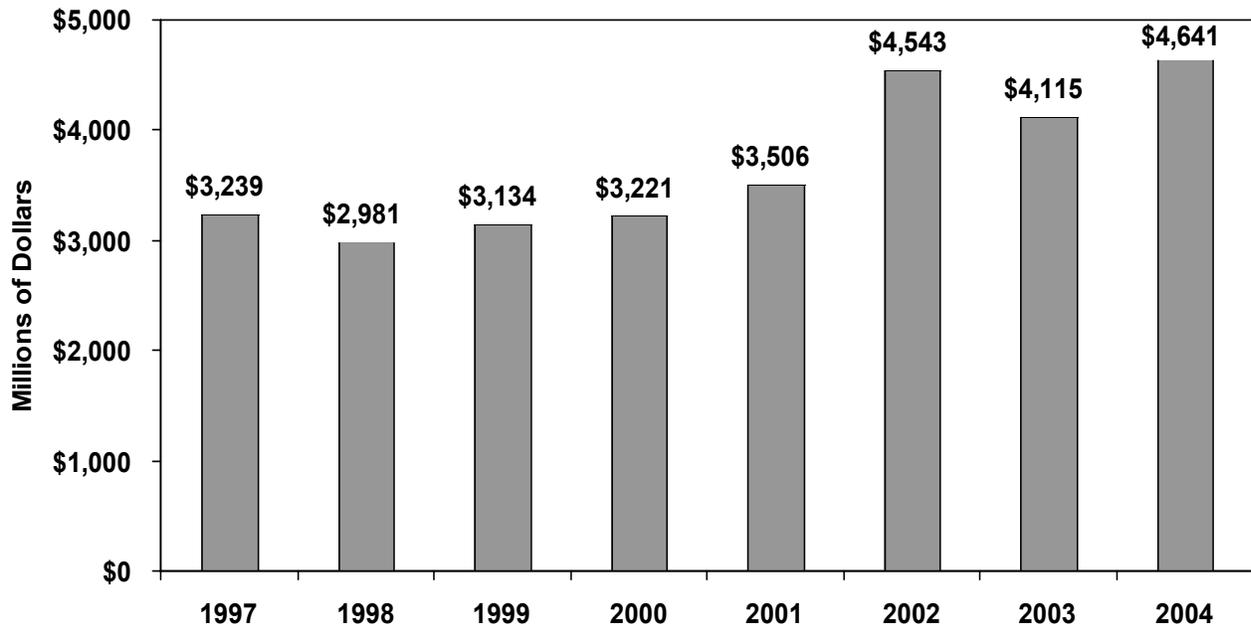
China. World Trade Organization (WTO) membership for China continued to yield returns for Utah exporters in 2004. Utah's exports to China almost tripled from \$40.6 million before entering the WTO in 2001, to \$114.0 million during 2003. In 2004, exports to China decreased slightly by 4.8% to \$108.6 million. Despite this, China remained one of

the top ten countries to which Utah exported. At \$44.5 million, computers and electronics are Utah's largest export to China, accounting for 41.0% of the total. China also made large purchases of food, chemicals, transportation equipment, and machinery from Utah.

Conclusion

Utah's exports increased 12.8% during 2004, from \$4.1 billion in 2003 to \$4.6 billion. Final processing in Utah of gold ore mined out of state appears to account for almost 31% of Utah's Exports. For the second time ever, Utah exporters shipped more than \$100 million of products to China. With demand rising world wide, Utah's exports should increase during 2005.

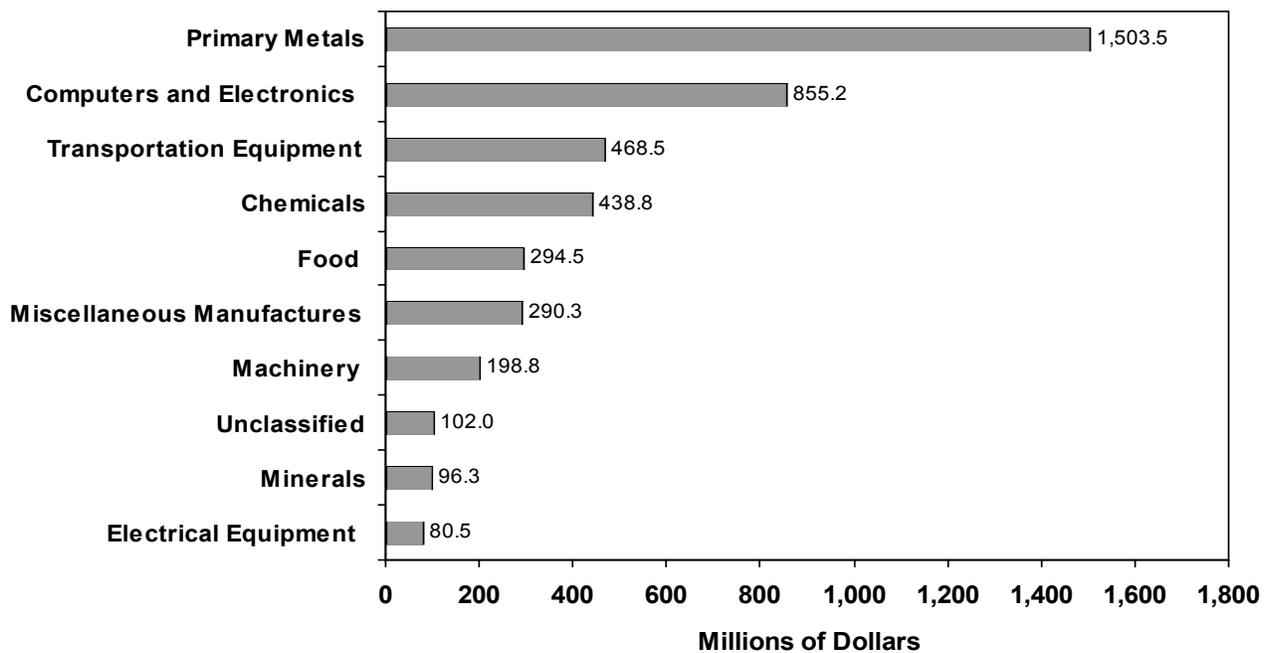
Figure 38
Utah Merchandise Exports (Millions of Dollars)



Note: Exports for 2004 are estimated based on first three quarters.

Source: U.S. Census Bureau

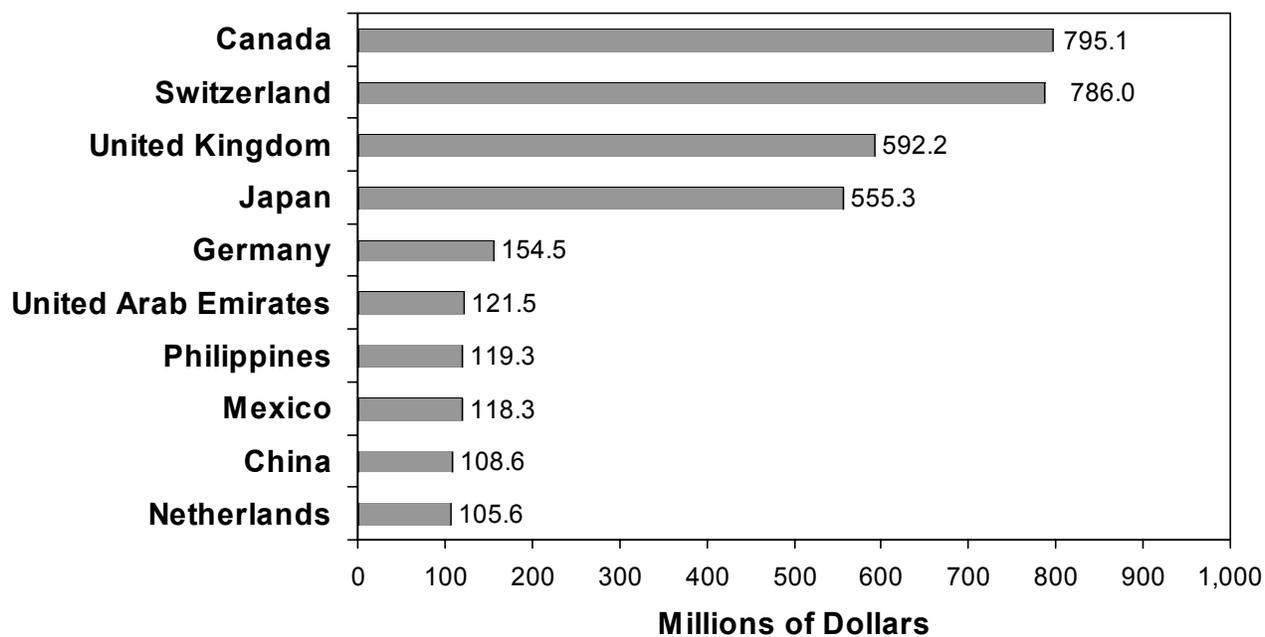
Figure 39
Utah Merchandise Exports by Top Ten Industries: 2004



Note: Exports for 2004 are estimated based on first three quarters.

Source: U.S. Census Bureau

Figure 40
Utah Merchandise Exports to Top Ten Purchasing Countries: 2004



Note: Exports for 2004 are estimated based on first three quarters.

Source: U.S. Census Bureau

Table 40
U.S. Merchandise Exports by State (Millions of Dollars)

Rank	State	1997	1998	1999	2000	2001	2002	2003	2004	2003-04	
										Percent Change	2004 Share
26	Alabama	5,932	6,372	6,192	7,317	7,570	8,267	8,340	8,717	4.5%	1.1%
34	Alaska	2,721	1,954	2,564	2,464	2,418	2,516	2,739	3,399	24.1%	0.4%
17	Arizona	13,820	11,415	11,824	14,334	12,514	11,871	13,323	13,652	2.5%	1.7%
35	Arkansas	2,305	2,286	2,178	2,599	2,911	2,804	2,962	3,321	12.1%	0.4%
2	California	99,161	95,768	97,920	119,640	106,777	92,214	93,995	108,647	15.6%	13.5%
28	Colorado	5,120	5,266	5,931	6,593	6,126	5,522	6,109	6,530	6.9%	0.8%
27	Connecticut	7,058	7,297	7,231	8,047	8,610	8,313	8,136	8,443	3.8%	1.0%
45	Delaware	2,067	2,232	2,287	2,197	1,985	2,004	1,886	2,027	7.5%	0.3%
47	District Of Columbia	485	348	412	1,003	1,034	1,066	809	1,288	59.2%	0.2%
8	Florida	23,234	24,452	24,155	26,543	27,185	24,544	24,953	28,242	13.2%	3.5%
10	Georgia	12,949	13,476	13,749	14,925	14,644	14,413	16,286	19,047	17.0%	2.4%
52	Hawaii	334	276	274	387	370	514	368	421	14.2%	0.1%
39	Idaho	1,664	1,510	2,192	3,559	2,122	1,967	2,096	2,892	38.0%	0.4%
7	Illinois	26,455	28,914	29,432	31,438	30,434	25,686	26,473	29,496	11.4%	3.7%
11	Indiana	12,029	12,318	12,910	15,386	14,365	14,923	16,402	18,943	15.5%	2.4%
29	Iowa	5,118	4,901	4,094	4,466	4,660	4,755	5,236	6,282	20.0%	0.8%
31	Kansas	4,292	4,039	4,669	5,145	5,005	4,988	4,553	4,730	3.9%	0.6%
20	Kentucky	7,953	8,100	8,877	9,612	9,048	10,607	10,734	12,520	16.6%	1.6%
13	Louisiana	18,732	16,836	15,842	16,814	16,589	17,567	18,390	18,676	1.6%	2.3%
41	Maine	1,723	1,825	2,014	1,779	1,813	1,973	2,188	2,421	10.7%	0.3%
30	Maryland	5,214	4,722	4,009	4,593	4,975	4,474	4,941	5,642	14.2%	0.7%
9	Massachusetts	16,526	15,878	16,805	20,514	17,490	16,708	18,663	21,831	17.0%	2.7%
4	Michigan	32,254	28,977	31,086	33,845	32,366	33,775	32,941	35,308	7.2%	4.4%
22	Minnesota	9,447	9,147	9,373	10,303	10,524	10,402	11,266	12,297	9.2%	1.5%
38	Mississippi	2,290	2,286	2,216	2,726	3,557	3,058	2,558	2,979	16.5%	0.4%
25	Missouri	6,724	5,762	6,059	6,497	6,173	6,791	7,234	8,889	22.9%	1.1%
51	Montana	530	421	427	541	489	386	361	571	58.1%	0.1%
42	Nebraska	1,971	1,995	2,096	2,511	2,702	2,528	2,724	2,297	-15.6%	0.3%
40	Nevada	1,075	688	1,067	1,482	1,423	1,177	2,033	2,676	31.7%	0.3%
43	New Hampshire	1,597	1,728	1,930	2,373	2,401	1,863	1,931	2,225	15.2%	0.3%
12	New Jersey	15,167	15,371	15,355	18,638	18,946	17,002	16,818	18,933	12.6%	2.4%
44	New Mexico	1,776	1,855	3,134	2,391	1,405	1,196	2,326	2,211	-4.9%	0.3%
3	New York	37,979	37,384	37,068	42,846	42,172	36,977	39,181	43,102	10.0%	5.4%
14	North Carolina	16,402	15,706	15,007	17,946	16,799	14,719	16,199	18,287	12.9%	2.3%
48	North Dakota	778	750	699	626	806	859	854	959	12.3%	0.1%
6	Ohio	24,903	24,852	24,883	26,322	27,095	27,723	29,764	30,414	2.2%	3.8%
37	Oklahoma	2,728	2,785	2,987	3,072	2,661	2,444	2,660	3,060	15.1%	0.4%
24	Oregon	9,151	9,031	10,471	11,441	8,900	10,086	10,357	11,221	8.3%	1.4%
15	Pennsylvania	16,069	15,974	16,170	18,792	17,433	15,768	16,299	18,166	11.5%	2.3%
19	Puerto Rico	5,601	na	8,301	9,735	10,573	9,732	11,914	12,749	7.0%	1.6%
46	Rhode Island	1,088	1,102	1,116	1,186	1,269	1,121	1,178	1,301	10.5%	0.2%
18	South Carolina	7,517	7,749	7,150	8,565	9,956	9,656	11,773	13,291	12.9%	1.7%
49	South Dakota	517	446	495	679	595	597	672	807	20.1%	0.1%
16	Tennessee	9,233	9,552	9,868	11,592	11,320	11,621	12,612	15,800	25.3%	2.0%
1	Texas	76,184	78,875	82,999	103,866	94,995	95,396	98,846	115,336	16.7%	14.3%
32	Utah	3,239	2,981	3,134	3,221	3,506	4,543	4,115	4,641	12.8%	0.6%
36	Vermont	3,811	3,668	4,023	4,097	2,830	2,521	2,627	3,174	20.8%	0.4%
53	Virgin Islands	233	90	155	174	187	258	253	344	36.3%	0.0%
23	Virginia	12,755	12,514	11,483	11,698	11,631	10,796	10,853	11,522	6.2%	1.4%
5	Washington	32,752	38,249	36,731	32,215	34,929	34,627	34,173	32,810	-4.0%	4.1%
33	West Virginia	2,276	2,106	1,893	2,219	2,241	2,237	2,380	3,405	43.1%	0.4%
21	Wisconsin	10,125	9,752	9,673	10,508	10,489	10,684	11,510	12,442	8.1%	1.5%
50	Wyoming	560	500	458	503	503	553	582	666	14.4%	0.1%
	Unknown State	67,275	70,497	61,944	60,464	41,377	34,727	35,431	36,165	2.1%	4.5%
	United States	688,896	682,977	695,009	782,429	730,897	693,517	724,006	805,217	11.2%	100.0%

Notes:

1. Rank based on 2004 exports.
2. 2004 exports based on first three quarters.

Source: U.S. Census Bureau



Table 41
Utah Merchandise Exports by Industry (Thousands of Dollars)

Rank	INDUSTRY		2003-04											
	Code	Name	1997	1998	1999	2000	2001	2002	2003	2004	Percent Change	2004 Share		
19	111	Agricultural Products	18,970	18,459	17,238	21,547	7,106	4,399	5,462	8,168	49.5%	0.2%		
28	112	Livestock And Livestock Products	252	318	437	475	402	722	1,749	1,995	14.0%	0.0%		
30	113	Forestry Products	535	389	548	606	514	484	530	561	5.9%	0.0%		
25	114	Fish Products	10,507	5,043	3,047	2,161	5,228	1,267	1,702	3,037	78.4%	0.1%		
29	211	Oil and Gas	13	49	0	39	0	15	70	1,180	1595.8%	0.0%		
9	212	Minerals	312,700	167,523	130,711	171,546	104,973	62,487	43,021	96,318	123.9%	2.1%		
5	311	Food	131,589	129,669	135,425	176,394	231,218	255,310	283,210	294,458	4.0%	6.3%		
18	312	Beverages	1,717	3,923	5,016	3,625	5,278	5,724	26,306	9,870	-62.5%	0.2%		
24	313	Raw Textiles	3,305	2,724	3,783	10,011	8,146	7,110	3,634	3,911	7.6%	0.1%		
21	314	Milled Textiles	2,565	1,292	2,362	1,623	1,905	2,103	5,176	6,162	19.1%	0.1%		
23	315	Apparel	5,089	4,412	6,560	4,370	5,038	3,434	4,270	4,303	0.8%	0.1%		
20	316	Leather	5,775	7,279	14,485	10,114	7,047	6,554	6,075	8,038	32.3%	0.2%		
26	321	Wood Products	1,157	1,207	1,731	1,119	1,791	1,969	2,671	2,976	11.4%	0.1%		
13	322	Paper	7,519	10,979	37,419	43,046	45,158	43,496	27,659	31,030	12.2%	0.7%		
15	323	Printed Material	34,443	22,254	24,647	21,775	21,600	24,238	21,888	23,165	5.8%	0.5%		
22	324	Refined Petroleum	90	1,687	2,027	165	1,052	2,681	1,800	4,447	147.0%	0.1%		
4	325	Chemicals	213,598	204,356	153,424	170,488	229,890	264,547	340,250	438,781	29.0%	9.5%		
11	326	Plastics	37,224	26,061	30,899	51,584	57,364	65,648	74,885	73,431	-1.9%	1.6%		
17	327	Stone, Clay, Glass, Concrete	7,940	7,328	9,981	10,930	12,451	11,231	9,956	11,543	15.9%	0.2%		
1	331	Primary Metals	944,850	944,538	975,144	661,588	1,008,351	1,913,423	1,465,736	1,503,516	2.6%	32.4%		
12	332	Fabricated Metals	55,899	49,102	38,921	47,664	57,331	53,854	61,898	66,829	8.0%	1.4%		
7	333	Machinery	152,621	161,839	188,201	229,525	184,967	140,015	141,408	198,760	40.6%	4.3%		
2	334	Computers and Electronics	557,412	521,952	499,647	537,826	511,068	758,292	623,985	855,208	37.1%	18.4%		
10	335	Electrical Equipment	63,568	84,442	100,800	116,804	101,712	102,662	85,685	80,494	-6.1%	1.7%		
3	336	Transportation Equipment	418,257	384,271	497,094	619,264	588,761	489,050	467,223	468,468	0.3%	10.1%		
16	337	Furniture	4,147	5,481	6,446	15,701	11,559	12,270	13,352	21,698	62.5%	0.5%		
6	339	Miscellaneous Manufactures	165,415	142,788	163,638	192,584	214,566	213,290	293,473	290,308	-1.1%	6.3%		
14	910	Scrap	5,812	3,000	3,374	5,703	4,934	9,720	12,646	28,274	123.6%	0.6%		
27	920	Used Merchandise	6,123	4,359	3,250	3,076	2,616	2,635	1,983	2,180	9.9%	0.0%		
8	980	Unclassified	69,611	63,975	77,243	89,447	74,375	84,069	86,799	101,958	17.5%	2.2%		
		Total	3,238,700	2,980,700	3,133,500	3,220,800	3,506,400	4,542,700	4,114,500	4,641,067	12.8%	100.0%		

Notes:

1. Rank based on 2004 exports.
2. 2004 exports based on first three quarters.

Source: U.S. Census Bureau

Table 42

Utah Merchandise Exports by Purchasing Country and Region (Millions of Dollars)

Rank	Country	1997	1998	1999	2000	2001	2002	2003	2004	2003-04	2004
										Percent Change	Share
1	Canada	495.8	486.8	568.5	605.8	543.2	513.3	544.3	795.1	46.1%	17.1%
2	Switzerland	71.4	248.8	399.5	452.9	696.4	1,341.2	1,105.2	786.0	-28.9%	16.9%
3	United Kingdom	768.2	720.2	628.9	246.0	421.3	710.2	486.5	592.2	21.7%	12.8%
4	Japan	516.3	397.1	378.5	402.1	396.4	427.1	475.6	555.3	16.8%	12.0%
5	Germany	147.1	88.0	75.7	104.5	93.6	68.8	118.7	154.5	30.2%	3.3%
6	United Arab Emirates	7.7	9.2	20.6	16.0	5.3	5.5	4.5	121.5	2582.3%	2.6%
7	Philippines	94.5	111.6	79.6	105.2	79.4	84.8	103.6	119.3	15.1%	2.6%
8	Mexico	88.6	77.1	78.7	102.1	113.6	134.2	111.2	118.3	6.4%	2.5%
9	China	26.0	33.6	17.3	32.6	40.6	64.2	114.0	108.6	-4.8%	2.3%
10	Netherlands	108.8	98.2	120.8	151.2	154.3	137.8	124.4	105.6	-15.1%	2.3%
11	Singapore	63.0	38.0	44.0	54.9	46.3	263.6	38.4	93.0	141.9%	2.0%
12	Belgium	74.0	45.2	53.1	72.8	58.6	62.7	69.3	92.4	33.2%	2.0%
13	Hong Kong	44.1	28.5	40.4	58.4	53.2	67.4	58.9	90.7	54.1%	2.0%
14	Korea	112.1	50.7	67.2	128.9	127.6	88.4	69.9	86.4	23.7%	1.9%
15	Taiwan	98.8	44.6	43.6	76.3	57.1	59.7	62.8	80.1	27.7%	1.7%
16	Australia	33.2	44.2	44.9	59.7	54.1	51.6	67.3	73.3	9.0%	1.6%
17	France	46.1	42.7	57.1	46.9	54.1	51.1	66.3	67.2	1.3%	1.4%
18	Thailand	74.9	50.9	23.4	17.9	23.3	29.0	30.3	67.1	121.2%	1.4%
19	Italy	48.6	27.0	45.9	39.6	37.5	39.1	39.0	43.1	10.3%	0.9%
20	Israel	9.6	9.7	8.6	8.9	9.7	9.4	20.4	42.8	109.9%	0.9%
21	Brazil	15.4	14.6	24.5	41.1	41.7	12.8	22.9	38.9	69.5%	0.8%
22	Chile	23.9	17.8	6.2	7.1	5.9	6.2	12.4	38.8	212.5%	0.8%
23	Malaysia	57.5	70.5	47.3	44.0	50.3	31.2	26.6	35.6	33.8%	0.8%
24	Costa Rica	2.9	2.2	2.7	18.6	20.8	31.0	32.2	28.2	-12.4%	0.6%
25	Spain	15.7	19.3	15.0	18.2	19.6	23.9	26.8	23.8	-11.2%	0.5%
26	India	7.4	4.6	5.8	11.8	12.0	12.8	23.5	19.5	-17.1%	0.4%
27	Sweden	21.6	23.7	7.1	12.2	13.6	14.0	11.3	18.4	63.3%	0.4%
28	Ireland	45.9	50.5	64.0	98.3	55.3	18.0	24.3	16.7	-31.3%	0.4%
29	Russian Federation	4.8	2.3	3.0	5.7	3.8	7.8	11.7	15.9	35.6%	0.3%
30	New Zealand	12.1	9.2	9.7	7.0	6.4	6.9	8.7	11.9	36.9%	0.3%
31	Norway	3.7	5.6	3.8	5.7	8.8	11.6	8.8	9.9	11.6%	0.2%
32	Austria	4.5	3.9	5.4	4.3	5.8	3.0	3.6	9.5	163.6%	0.2%
33	Peru	4.1	3.7	2.9	4.7	5.8	3.7	7.2	9.0	26.2%	0.2%
34	Dominican Republic	3.6	2.8	3.2	4.2	1.3	4.1	5.9	8.8	48.5%	0.2%
35	South Africa	7.0	5.2	4.0	5.2	8.9	3.6	4.2	7.9	88.0%	0.2%

Rank	Region	1997	1998	1999	2000	2001	2002	2003	2004	2003-04	2004
										Percent Change	Share
1	Western Europe	1,370.3	1,393.5	1,521.0	1,301.6	1,669.7	2,525.5	2,113.5	1,946.3	-7.9%	41.9%
2	East Asia	1,096.4	830.3	746.0	923.4	880.3	1,119.6	985.2	1,241.0	26.0%	26.7%
3	Canada	495.8	486.8	568.5	605.8	543.2	513.3	544.3	795.1	46.1%	17.1%
4	West Asia	34.6	44.2	52.6	58.1	50.2	50.6	88.6	202.3	128.4%	4.4%
5	Latin America	78.0	65.0	71.7	109.9	119.3	94.1	121.7	171.6	41.1%	3.7%
6	Mexico	88.6	77.1	78.7	102.1	113.6	134.2	111.2	118.3	6.4%	2.5%
7	Australia/Pacific	46.2	54.4	55.9	68.0	61.8	60.3	78.8	90.2	14.5%	1.9%
8	Eastern Europe	15.3	18.2	24.8	31.9	38.8	32.1	45.3	43.5	-3.9%	0.9%
9	Africa	13.4	11.3	14.2	19.5	27.0	13.0	25.7	32.8	27.6%	0.7%
	Total	3,238.5	2,980.6	3,133.4	3,220.4	3,503.7	4,542.7	4,114.5	4,641.1	12.8%	100.0%

Notes:

- Rank based on 2004 exports.
- 2004 exports based on first three quarters.

Source: U.S. Census Bureau

Table 43
Utah Merchandise Exports to Top Ten Purchasing Countries by Industry during 2004 (Thousands of Dollars)

Code	Industry Name	United Kingdom				United Arab Emirates				Mexico	China	Netherlands	Industry Total
		Canada	Switzerland	Japan	Germany	United Arab Emirates	Philippines	Philippines					
111	Agricultural Products	556	7	26	4,675	0	37	0	0	19	0	285	5,605
112	Livestock And Livestock Products	5	0	0	33	390	0	0	0	0	0	0	429
113	Forestry Products	386	0	0	9	59	0	0	23	0	0	0	477
114	Fish Products	7	0	38	15	17	32	32	484	11	0	150	786
211	Oil and Gas	1,328	0	0	0	0	0	0	0	0	0	0	1,328
212	Minerals	1,586	0	385	1,440	862	0	265	279	12,239	279	277	17,332
311	Food	47,486	544	2,404	88,283	11,654	949	2,209	12,509	15,955	13,409	13,409	195,402
312	Beverages	2,376	0	271	4,331	69	0	0	0	450	0	58	7,555
313	Raw Textiles	976	0	50	4	101	0	125	32	802	32	0	2,090
314	Milled Textiles	2,441	18	44	303	50	19	0	31	806	31	13	3,725
315	Apparel	322	19	300	366	203	6	6	6	1,489	6	15	2,731
316	Leather	1,863	27	231	4,410	110	158	0	0	165	0	82	7,046
321	Wood Products	542	98	18	40	58	22	0	110	19	110	94	1,002
322	Paper	21,903	0	82	381	27	0	27	567	567	1,259	27	24,273
323	Printed Material	5,352	66	1,992	917	685	18	1,276	470	1,459	470	850	13,087
324	Refined Petroleum	294	0	68	10	1,565	0	0	7	58	0	0	2,002
325	Chemicals	64,822	849	7,499	181,487	10,141	711	280	10,958	20,351	3,964	3,964	301,061
326	Plastics	10,882	13	3,452	5,719	1,640	16	197	1,374	5,443	1,374	61	28,797
327	Stone, Clay, Glass, Concrete	6,801	0	443	263	119	25	7	374	117	374	188	8,338
331	Primary Metals	250,630	767,203	331,992	9,681	1,299	117,155	427	466	381	466	152	1,479,386
332	Fabricated Metals	23,201	136	3,310	1,807	539	56	1,121	2,399	3,097	2,399	799	36,466
333	Machinery	44,411	259	29,025	11,008	17,442	184	192	9,479	4,944	9,479	4,229	121,172
334	Computers and Electronics	51,050	4,066	150,161	108,118	78,657	778	111,030	44,476	7,414	44,476	13,881	569,631
335	Electrical Equipment	9,266	565	13,198	6,011	4,581	244	78	1,297	558	1,297	783	36,581
336	Transportation Equipment	180,146	176	25,618	79,427	5,199	443	1,174	9,700	23,969	45,582	45,582	371,435
337	Furniture	8,771	28	623	959	253	5	155	0	5,640	0	32	16,466
339	Miscellaneous Manufactures	37,009	11,834	18,975	43,761	16,017	606	248	3,363	7,338	20,346	20,346	159,497
910	Scrap	1,550	0	29	598	41	0	398	8,040	3,665	0	73	14,394
920	Used Merchandise	954	26	64	413	23	53	0	0	27	0	0	1,559
980	Unclassified	18,164	18	1,943	871	2,715	5	77	1,441	1,319	240	240	26,793
	Total	795,081	785,951	592,240	555,344	154,517	121,522	119,323	108,577	118,301	108,577	105,590	3,456,447

Note: 2004 exports based on first three quarters.

Source: U.S. Census Bureau

Price Inflation and Cost of Living

Overview

Inflation increased in 2004 to 2.7%, compared to 2.3% in 2003, as measured by the CPI-U. The gross domestic product chain-type price deflator increased by 2.1% in 2004, compared to a 1.8% increase in 2003. The cost-of-living index went down for most of the monitored cities in Utah. The first quarter 2004 composite index (national average equals 100) for cities in Utah were: Salt Lake City, 98.0; Cedar City, 90.5; St. George, 92.4; and Logan, 93.3.

2004 Summary

Consumer Price Index. The national rate of inflation increased at a somewhat faster rate in 2004. The Consumer Price Index Urban Consumers (CPI-U) is estimated to have increased by 2.7% in 2004, measured on an annual average basis, compared with 2.3% in 2003. The CPI-U in 2005 is forecasted to increase by 2.2%.

Gross Domestic Product Deflators. In 2004, the Gross Domestic Product (GDP) chain-type implicit price deflator was estimated to have increased by 2.1%. The GDP personal consumption deflator in 2004 was estimated to have increased by 2.1% compared to 1.9% in 2003. Beginning in 1996, the Real Gross Domestic Product has been reported using a chain-weighted inflation index. Under this method, the composition of economic output (weighting) is updated annually.

Utah Cost of Living. The American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index is prepared quarterly and includes comparative data for approximately 309 urban areas. Participation in the Index is voluntary, and only those areas whose chambers of commerce or similar organizations choose to participate are included in the report. The Index consists of price comparisons for a single point in time and does not measure inflation or price changes over time.

The cost of consumer goods and services in the urban areas is measured and compared with a national average of 100. The composite index is based on six components: grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services.

The first quarter 2004 composite index for Salt Lake City was 98.0, a decline from the composite index from the same period in 2003 (103.5). Utah cities included in the first quarter survey were Cedar City (90.5), Logan (93.3), and St. George (92.4). Most western cities were near or slightly above the national composite index of 100, however a few cities such as Los Angeles-Long Beach and San Francisco had first quarter composite indexes well above the national index.

Significant Issues

Labor Market. Utah witnessed a decrease in the unemployment rate in 2004; however, the high unemployment in 2002 affected average wages, and in part caused them to fail to keep pace with the U.S. The state also experienced an increase in the disparity between Utah's average annual pay and that of the nation according to the Bureau of Labor Statistics. In 2004, the average annual pay in Utah was 18.3% lower than the U.S., compared to 17.6% in 2003, and 16.8% in 2002. Unemployment is expected to fall during 2004. Utah nonagricultural job growth saw a 2.5% increase in 2004. Of chief concern is how increases in wages, and energy and commodity price pressures will translate into inflation.

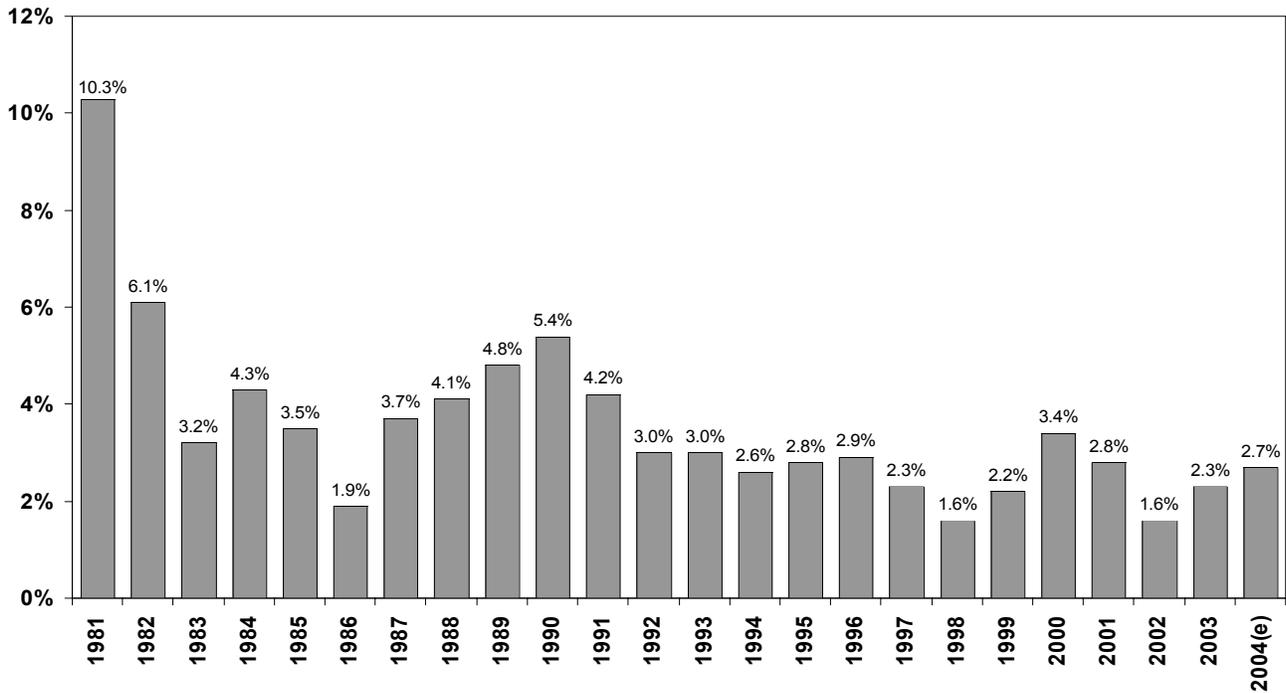
Housing. According to Freddie Mac, interest rates on 30-year and 15-year fixed-rate mortgages in 2003 were the lowest in three decades. Mortgage rates remained at or near these record low rates throughout 2004. These low rates maintained the 2002 trend of increased housing construction and home sales. As rates continue to increase they will negatively impact Utah's housing market.

Federal Reserve. In an attempt to stimulate consumer spending and investment activities, the federal funds rate was cut to 1.0% in 2003, its lowest point in over four decades. As the economy began picking up momentum in 2004, the Federal Open Market Committee (FOMC) started gradually increasing the rate. The first increase of 25 basis points came on June 30. Subsequent increases of 25 basis points were announced at each of the August, September, November, and December meetings. The Federal Funds rate ended 2004 at 2.25% and is expected to increase gradually in 2005.

Conclusion

Economic indicators show a trend toward improvement of the national economy in 2005. However, this trend could be influenced by high-energy prices. Unemployment is expected to remain stable, perhaps inching its way down throughout the year.

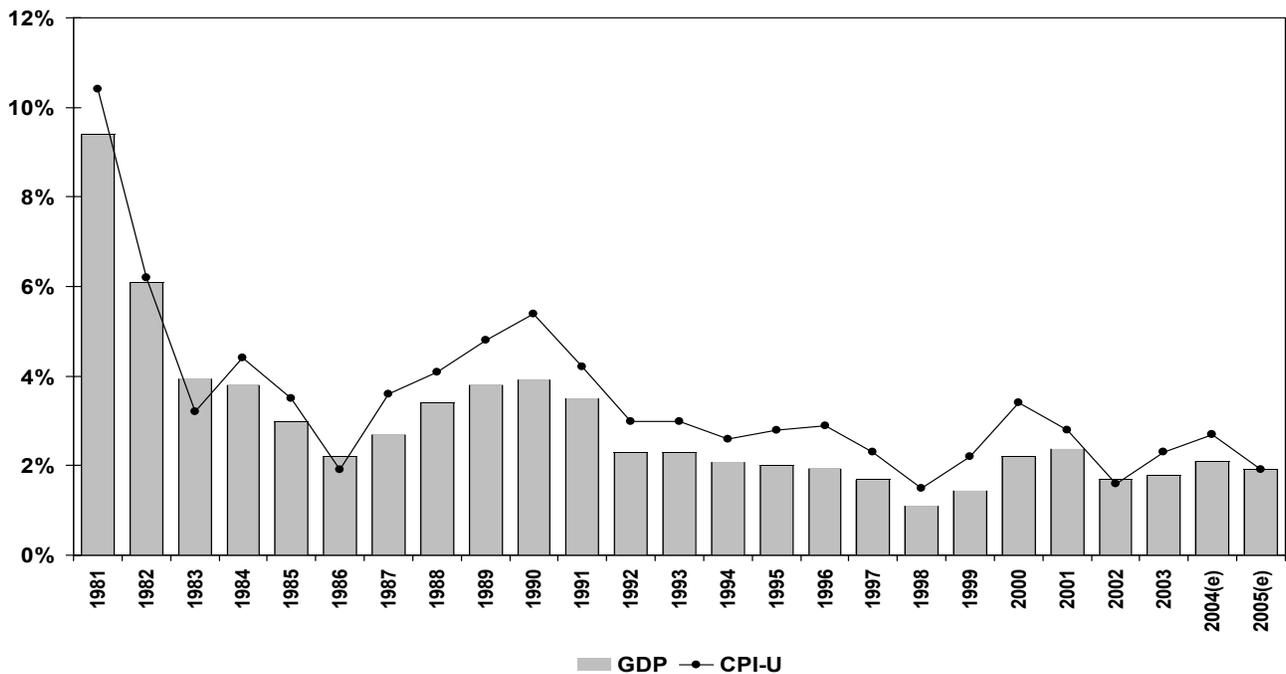
Figure 41
U.S. Consumer Price Index (CPI-U): Average Annual Percent Change



e = estimate

Source: U.S. Bureau of Labor Statistics

Figure 42
CPI-U and GDP Deflator Inflation



e = estimate

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Council of Economic Advisors



Table 44
U.S. Consumer Price Index for All Urban Consumers (1982-1984=100): (Not Seasonally Adjusted)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Avg. Index	Dec-Dec	Annual Avg. Percent Change
1959	29.0	28.9	28.9	29.0	29.0	29.1	29.2	29.2	29.3	29.4	29.4	29.4	29.2	1.4%	1.5%
1960	29.3	29.4	29.4	29.5	29.5	29.6	29.6	29.6	29.6	29.8	29.8	29.8	29.6	0.7	1.1
1961	29.8	29.8	29.8	29.8	29.8	29.8	30.0	29.9	30.0	30.0	30.0	30.0	29.9	1.3	1.2
1962	30.0	30.1	30.1	30.2	30.2	30.2	30.3	30.4	30.4	30.4	30.4	30.4	30.3	1.6	1.2
1963	30.4	30.4	30.5	30.5	30.5	30.6	30.7	30.7	30.7	30.8	30.8	30.9	30.6	1.0	1.3
1964	30.9	30.9	30.9	30.9	30.9	31.0	31.1	31.0	31.1	31.1	31.2	31.2	31.0	1.9	1.6
1965	31.2	31.2	31.3	31.4	31.4	31.6	31.6	31.6	31.6	31.7	31.7	31.8	31.5	3.5	3.0
1966	31.8	32.0	32.1	32.3	32.3	32.4	32.5	32.7	32.7	32.9	32.9	32.9	32.5	4.7	4.3
1967	32.9	32.9	33.0	33.1	33.2	33.3	33.4	33.5	33.6	33.7	33.8	33.9	33.4	6.2	5.5
1968	34.1	34.2	34.3	34.4	34.5	34.7	34.9	35.0	35.1	35.3	35.4	35.5	34.8	5.6	5.8
1969	35.6	35.8	36.1	36.3	36.4	36.6	36.8	37.0	37.1	37.3	37.5	37.7	36.7	3.3	4.3
1970	37.8	38.0	38.2	38.5	38.6	38.8	39.0	39.0	39.2	39.4	39.6	39.8	38.8	8.7	6.2
1971	39.8	39.9	40.0	40.1	40.3	40.6	40.7	40.8	40.8	40.9	40.9	41.1	40.5	12.3	11.1
1972	41.1	41.3	41.4	41.5	41.6	41.7	41.9	42.0	42.1	42.3	42.4	42.5	41.8	6.9	9.1
1973	42.6	42.9	43.3	43.6	43.9	44.2	44.3	45.1	45.2	45.6	45.9	46.2	44.4	4.9	5.7
1974	46.6	47.2	47.8	48.0	48.6	49.0	49.4	50.0	50.6	51.1	51.5	51.9	49.3	9.0	7.6
1975	52.1	52.5	52.7	52.9	53.2	53.6	54.2	54.3	54.6	54.9	55.3	55.5	53.8	13.3	13.5
1976	55.6	55.8	55.9	56.1	56.5	56.8	57.1	57.4	57.6	57.9	58.0	58.2	56.9	12.5	13.5
1977	58.5	59.1	59.5	60.0	60.3	60.7	61.0	61.2	61.4	61.6	61.9	62.1	60.6	8.9	10.3
1978	62.5	62.9	63.4	63.9	64.5	65.2	65.7	66.0	66.5	67.1	67.4	67.7	65.2	3.8	3.5
1979	68.3	69.1	69.8	70.6	71.5	72.3	73.1	73.8	74.6	75.2	75.9	76.7	72.6	4.4	3.7
1980	77.8	78.9	80.1	81.0	81.8	82.7	82.7	83.3	84.0	84.8	85.5	86.3	82.4	4.4	4.1
1981	87.0	87.9	88.5	89.1	89.8	90.6	91.6	92.3	93.2	93.4	93.7	94.0	90.9	4.6	4.8
1982	94.3	94.6	94.5	94.9	95.8	97.0	97.5	97.7	97.9	98.2	98.0	97.6	96.5	6.1	3.2
1983	97.8	97.9	97.9	98.6	99.2	99.5	99.9	100.2	100.7	101.0	101.2	101.3	99.6	3.8	3.2
1984	101.9	102.4	102.6	103.1	103.4	103.7	104.1	104.5	105.0	105.3	105.3	105.3	103.9	3.9	4.3
1985	105.5	106.0	106.4	106.9	107.3	107.6	107.8	108.0	108.3	108.7	109.0	109.3	107.6	3.8	3.5
1986	109.6	109.3	108.8	108.6	108.9	109.5	109.5	109.7	110.2	110.3	110.4	110.5	109.6	1.1	1.9
1987	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3	115.4	115.4	113.6	4.4	3.7
1988	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2	120.3	120.5	118.3	4.6	4.8
1989	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6	125.9	126.1	124.0	6.1	5.4
1990	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8	130.7	2.9	3.0
1991	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9	136.2	2.7	2.6
1992	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9	140.3	2.5	2.8
1993	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8	144.5	1.7	2.3
1994	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7	148.2	1.6	1.6
1995	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5	152.4	3.3	2.9
1996	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6	156.9	3.3	2.9
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.5	1.7	2.3
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	164.0	163.0	1.6	1.6
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6	2.7	2.2
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	173.7	174.0	174.0	174.1	174.0	172.2	3.4	3.4
2001	175.8	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	1.6	2.8
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	2.4	1.6
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	1.9	2.3
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	191.0	188.9(e)	3.6(e)	2.7(e)

e = estimate

Sources: U. S. Bureau of Labor Statistics and the Governor's Office of Planning and Budget

Table 45
Gross Domestic Product Price Deflators: 2000=100

Year	Gross Domestic Product (Chain-Type) Deflator	Change from Previous Year	Personal Consumption Expenditures (Chain-Type) Deflator	Change from Previous Year
1970	27.5	5.0%	26.4	4.5%
1971	28.9	4.8%	27.6	4.1%
1972	30.2	4.2%	28.5	3.3%
1973	31.8	5.3%	30.1	5.2%
1974	34.7	8.3%	33.2	9.4%
1975	38.0	8.6%	36.0	7.7%
1976	40.2	5.5%	37.9	5.3%
1977	42.8	6.0%	40.4	6.1%
1978	45.8	6.6%	43.2	6.6%
1979	49.5	7.7%	47.1	8.1%
1980	54.0	8.3%	52.1	9.6%
1981	59.1	8.6%	56.7	8.2%
1982	62.7	5.8%	59.9	5.2%
1983	65.2	3.8%	62.4	4.1%
1984	67.7	3.6%	64.8	3.6%
1985	69.7	3.0%	66.9	3.2%
1986	71.3	2.2%	68.6	2.4%
1987	73.2	2.7%	70.9	3.4%
1988	75.7	3.3%	73.8	3.8%
1989	78.6	3.6%	77.0	4.2%
1990	81.6	3.7%	80.5	4.4%
1991	84.4	3.4%	83.4	3.5%
1992	86.4	2.2%	85.8	2.8%
1993	88.4	2.3%	87.8	2.3%
1994	90.3	2.1%	89.7	2.1%
1995	92.1	2.0%	91.6	2.1%
1996	93.9	1.9%	93.5	2.1%
1997	95.4	1.6%	95.1	1.7%
1998	96.5	1.1%	96.0	0.9%
1999	97.9	1.4%	97.6	1.6%
2000	100.0	2.1%	100.0	2.4%
2001	102.4	2.3%	102.1	2.1%
2002	104.1	1.6%	103.5	1.4%
2003	106.0	1.8%	105.5	1.9%
2004 (e)	108.3	2.1%	107.8	2.1%

e=estimate

Sources: U.S. Department of Commerce, Bureau of Economic Analysis and estimates by Governor's Office of Planning and Budget

Table 46
American Chamber of Commerce Researchers Association
Cost of Living Comparisons for Selected Metropolitan Areas: First Quarter 2004

Component Index Weights:	100% Composite Index	13% Grocery Items	30% Housing	9% Utilities	9% Trans- portation	4% Health Care	35% Misc. Goods & Services
U.S. Average	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Utah Areas							
Salt Lake City	98.0	100.8	93.5	87.7	103.3	99.8	101.8
Cedar City (Nonmetro)	90.5	111.1	70.5	84.6	93.4	87.5	101.0
Logan	93.3	101.8	78.0	97.4	110.7	91.4	97.9
St. George	92.4	106.8	77.8	81.6	97.2	90.2	101.5
Western Areas							
Phoenix AZ	98.7	103.0	90.1	93.5	105.1	110.0	103.0
L.A.-Long Beach CA	149.9	115.7	235.2	119.7	108.5	102.8	113.3
San Francisco CA	173.3	134.9	296.4	111.7	132.9	110.6	115.3
Denver CO	105.5	105.8	112.6	93.1	104.2	114.9	101.8
Boise ID	97.5	88.2	93.1	96.8	103.3	112.4	101.8
Las Vegas NV	109.3	106.5	125.9	83.5	107.7	125.1	101.5
Albuquerque NM	105.0	100.3	110.3	128.9	97.7	104.5	97.9
Portland OR	114.3	123.1	111.4	116.1	107.3	128.9	113.3
Cheyenne WY	108.8	115.5	118.7	115.1	91.3	102.3	101.4
Seattle WA	119.5	114.9	129.0	113.9	114.3	147.1	111.6
Other Areas							
Atlanta GA	98.7	95.6	94.8	90.3	106.7	104.3	102.6
Miami FL	112.2	99.2	129.0	95.2	106.3	123.0	107.2
Boston MA	138.0	121.7	183.9	145.4	112.0	113.6	106.6
Minneapolis MN	114.0	98.5	131.0	112.3	108.1	114.7	107.0
St. Louis MO-IL	101.5	106.7	99.8	82.9	100.4	97.7	106.6
New York (Manhattan) NY	216.6	136.0	403.3	114.0	125.5	145.2	136.7
Philadelphia PA	117.2	115.2	126.3	123.5	116.6	104.7	110.2
Dallas TX	97.6	96.4	87.5	92.2	108.8	103.2	104.5

Note: For data on additional cities, visit the ACCRA website at www.coli.org.

Source: American Chamber of Commerce Researchers Association (ACCRA), P.O. Box 407, Arlington VA 22210-0407.

Regional / National Comparisons

Overview

The mountain region has recovered fairly well from the 2001 recession. Although 2003 was a difficult year for employment and income growth, 2004 improved significantly. In the 12 month period ending in October 2004, the mountain region held four of the top five states for employment growth. Utah had the third fastest growing job rolls in the nation during that period. However, the mountain region continues to be known for lower wages, with only Colorado above the national average. Utah has continued to fall behind the national average in pay rates. Mountain states have done well in terms of unemployment, staying below the national average in 2004. Also, poverty rates are generally good, except for New Mexico, Montana, and Arizona. Overall, the region seems to have weathered the recession and its aftermath well and is beginning to lead the nation in economic growth as the recovery takes hold.

Population Growth

From 2002 to 2003, population grew by 1.0% nationally. The mountain states saw a growth rate of 1.8%. Much of that growth was in Nevada and Arizona, with growth rates of 3.4% and 2.6%, respectively. According to the U.S. Census Bureau, Utah's population grew by 1.4%, placing it among Colorado, Idaho, and New Mexico regionally. Wyoming had the slowest growth rate in the region, at 0.5%. This annual growth in population ranks Arizona, Idaho and Utah in the top ten of all states, with Nevada leading the nation.

Personal Income Growth

Total personal income in the mountain region grew 5.6% per year during the 1998 to 2003 period, faster than the national average of 4.3%. Utah's growth over the five-year period was 4.8%, placing the state regionally with Idaho, Montana, and New Mexico. Nevada led the region and the nation with an average annual growth rate of 6.1%. Six states in the region, Arizona, Colorado, Idaho, Nevada, New Mexico, and Wyoming ranked in the top ten nationally for this five-year period.

Despite the rapid growth during the 1998 to 2003 period, the states of the mountain region are still some of the smallest in the United States in terms of personal income. As personal income is a measurement of the size of the economic base, only Colorado and Arizona have economies larger than the median of the 50 states. Utah has the 35th largest economy, placing it between Arkansas and Nebraska in relative size. Wyoming has the smallest economy in the nation at 51st place, behind Washington D.C.

The mountain region produced \$559.8 billion in personal income in 2003, or 6.1% of the nation's total of \$9.2 trillion, the same as in 2002. Utah accounted for 10.6% of the mountain region's income, slightly down from 10.7% in 2002. Utah's per capita personal income in 2003 was \$25,230, ranking 48th in the nation (including Washington D.C.). Utah's per capita income growth rate from 1998 to 2003 was 3.1%, ranking the state 37th in terms of growth. Per capita personal income in the mountain states was \$28,884 in 2003, about 91.8% of the national average. Utah is well below the mountain states average, at 80.2% of the national average. This percentage has declined since 1998, when Utah's per capita personal income was 80.7% of the national average. Colorado has the highest per capita income among the mountain states. In 2003, Colorado, Nevada, and Wyoming exceeded the national average.

Median Household Income

Utah is anomalous when comparing personal income and median household income. While Utah has a very low per capita personal income, the state's median household income is ranked 12th in the nation. This is largely explained by Utah having the largest household size in the nation. The per capita figures are diluted by a larger number of children. Therefore, the median household figures provide a more accurate measure of family income. Utah's \$49,143 median household income is 113% of the national average of \$43,527. Colorado is the only mountain state with a higher household income at \$50,224. Some of the lowest household incomes are found in the mountain states, with Montana ranking 47th and New Mexico ranking 46th. These figures are three-year averages from 2001-2003. Because of sampling variability, the Census Bureau recommends using three-year averages for ranking purposes.

Average Annual Pay

Another measure of income is the average annual pay of workers covered by unemployment insurance. Among the mountain states, all but Colorado are below the national average. Utah's average annual pay of \$31,106 per worker in 2003 was 82.4% of the national average; the mountain region as a whole averages \$32,018, or 84.8% of the national average of \$37,765. In 2003, wages in four states of the region were a lower percentage of the national average than in 1998. Arizona, Colorado, Montana and Wyoming had wages that were a higher percentage of the national average than they were in 1997. Utah ranked 36th among the states for wages. Regionally, Utah was in the middle of the mountain states. Arizona, Colorado and Nevada all ranked higher, while Idaho, Montana, New Mexico, and Wyoming ranked lower. Those four states, collectively, had some of the lowest wage rates in the nation, with Montana ranking 51st.

Nonagricultural Payrolls

All mountain states showed positive employment growth in 2003 except for Colorado, which showed a loss, and Utah, which showed no growth. Achieving no growth was actually a fairly decent performance, since most states lost employment in 2003. Thirty-one states saw contractions in their nonagricultural payroll employment during 2003, with Oklahoma and Massachusetts showing the biggest decline, losing 2.4% and 2.0% of their jobs, respectively. During the five-year period of 1998-2003, the national growth rate was 0.6%. Six of the mountain states ranked within the top ten fastest growing. Utah's five-year growth rate was 1.0%, ranking it 16th nationally and second to last in the region, ahead of Colorado.

Data from the Bureau of Labor Statistics for the period of October 2003 to October 2004 showed a gain of 3.1% in Utah's employment. Only Idaho and Nevada had faster growth rates than Utah during this period. Five mountain states: Arizona, Idaho, Nevada, New Mexico and Utah were some of the fastest growing in the nation, with Nevada ranked number one. During this time period, Nevada increased its payrolls by 4.9%. Outside the mountain west region, Hawaii, Oregon, Virginia, Washington and Wisconsin round out the top ten in employment growth while Michigan and Ohio were at the bottom.

Unemployment in the mountain states during 2003 was, with the exception of Wyoming and Montana, at or above 5.2%. The national

average was 6.0%. Utah was tied with Arizona for the third highest regional unemployment rates during 2003, at 5.6%. Colorado was slightly higher at 6.0%, and New Mexico was significantly higher at 6.4%. Additionally, the rate of change for Utah from 1998 to 2003 was 1.8%, the second highest in the region and the 14th highest nationally. However, since 2003, it appears unemployment in Utah is declining. During October 2003, the state's unemployment rate was 4.9%. By October 2004, it had declined to 4.4%. This rate of 4.4% was less than the national average of 5.1% and within the region; only Wyoming had a lower rate, at 3.4%.

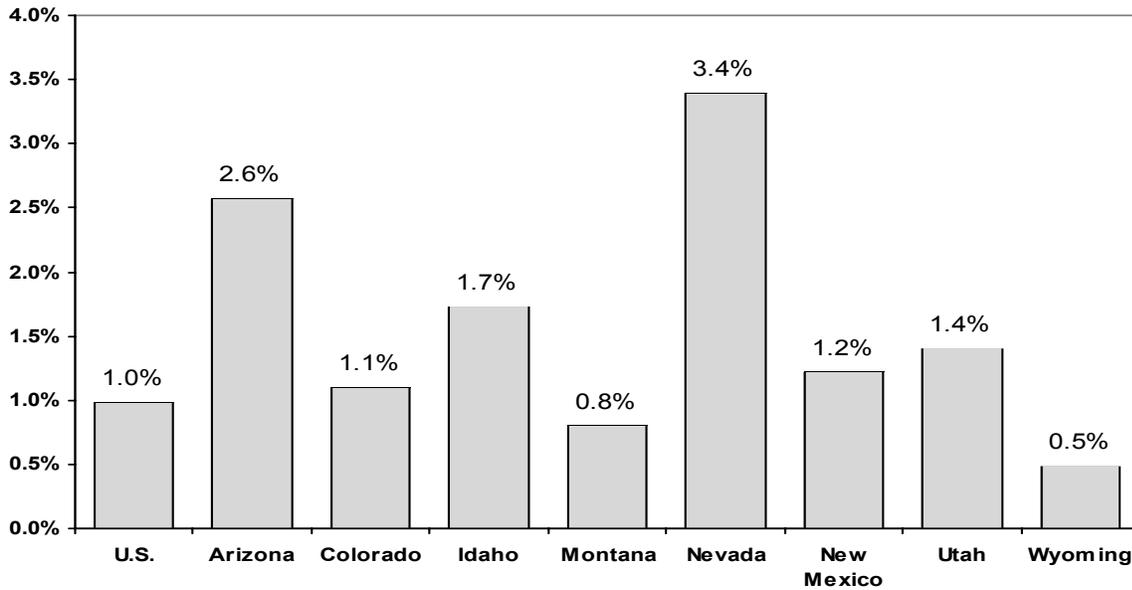
Poverty Rates

Similar to median household income, the Census Bureau's measure of poverty rates has considerable volatility, and the Bureau suggests using three-year averages for ranking purposes and two-year averages to evaluate movement over time. The mountain states exhibit wide disparity in poverty rates, with New Mexico the second highest in the nation, having 18.0% of its residents classified as living below the poverty line. Recently, Utah's poverty rate declined over the two-year periods. From 2001-2002, the state's poverty rate was 10.2%; for the 2002-2003 period it climbed to 9.5%. Over the three-year period, Utah ranks 35th in the nation, with Colorado, Nevada, and New Mexico having lower poverty rates among the mountain states.

Conclusion

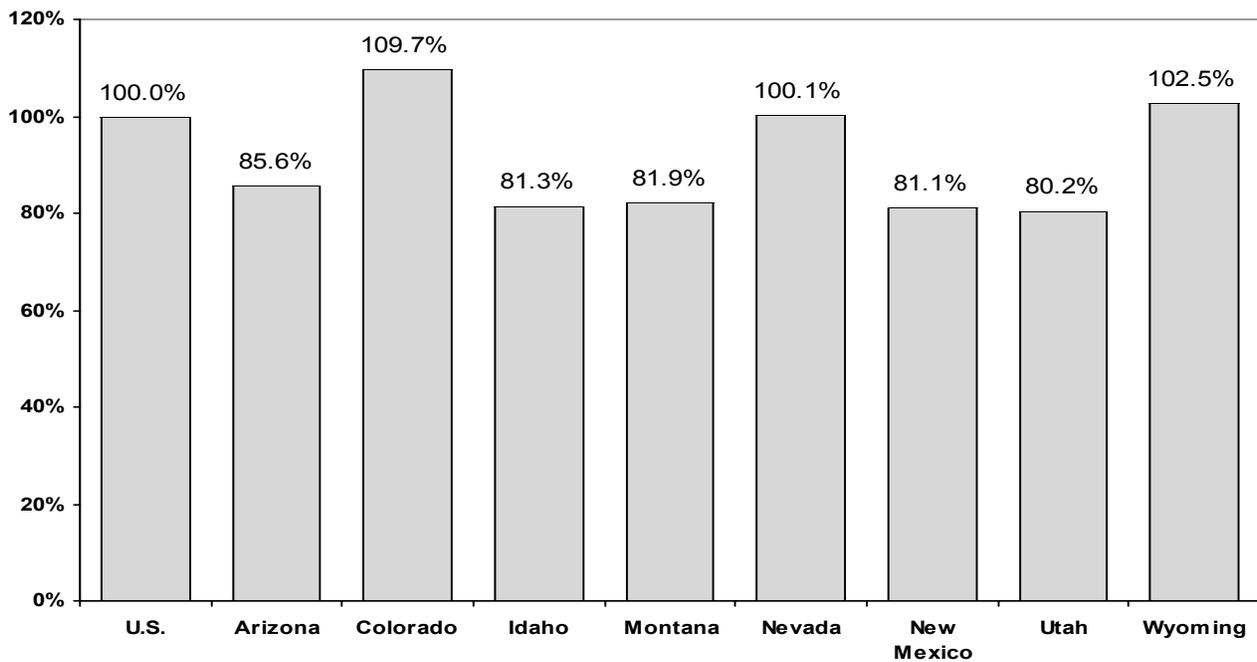
In the aftermath of the 2002 Olympic Winter Games, Utah struggled to keep jobs in the state. However, from October 2003 to October 2004 there was a promising gain of 34,000 jobs, which is significantly better than the gain of only 1,000 jobs in the previous October period. This impressive gain was third highest in the nation. Despite the sluggish growth in jobs in 2003, poverty rates showed a decline in both annual rates and two-year moving averages. It is important to note that unemployment rates paradoxically decreased in 2003, despite the minimal gain in jobs. Research has shown that this phenomenon was a result of a shrinking labor force that reduced unemployment numbers. However, with the recent increase in job numbers in 2004, it is believed that solid employment gains will continue into 2005.

Figure 43
Population Growth Rates—U.S. and Mountain Division States: 2002-2003



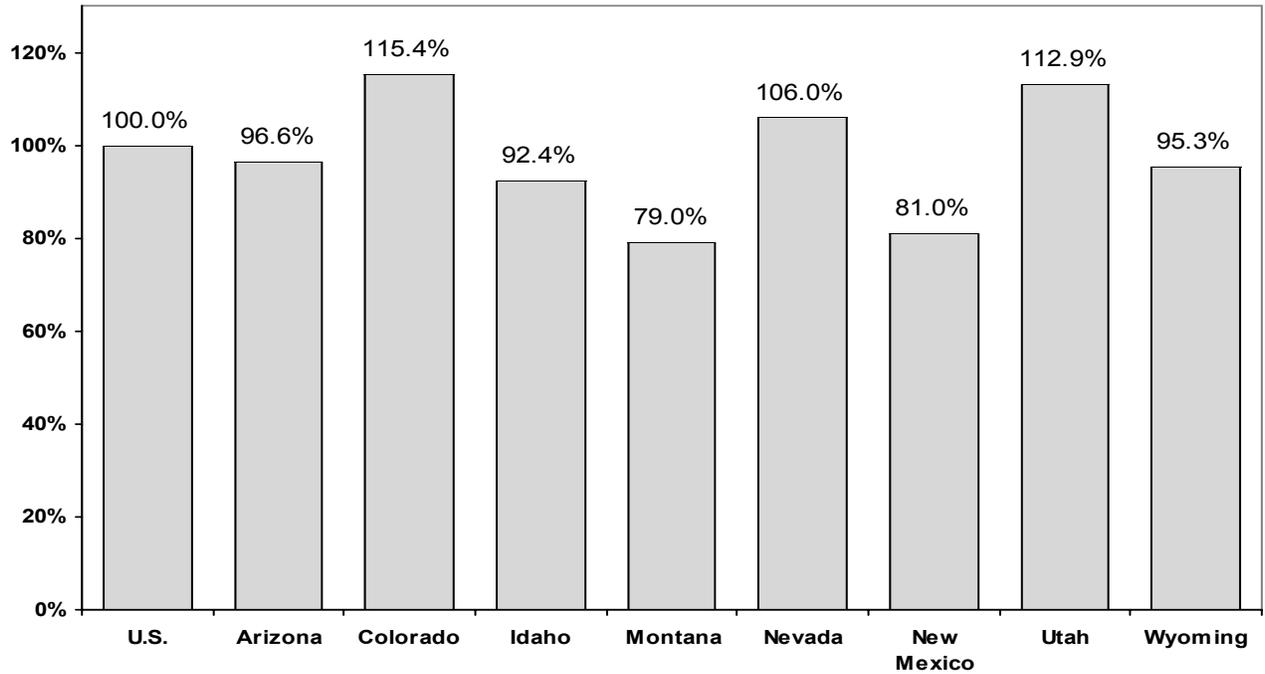
Note: Numbers in this chart may differ from other tables due to different data sources
 Source: U.S. Census Bureau

Figure 44
Per Capita Income as a Percent of U.S. – Mountain Division States 2003



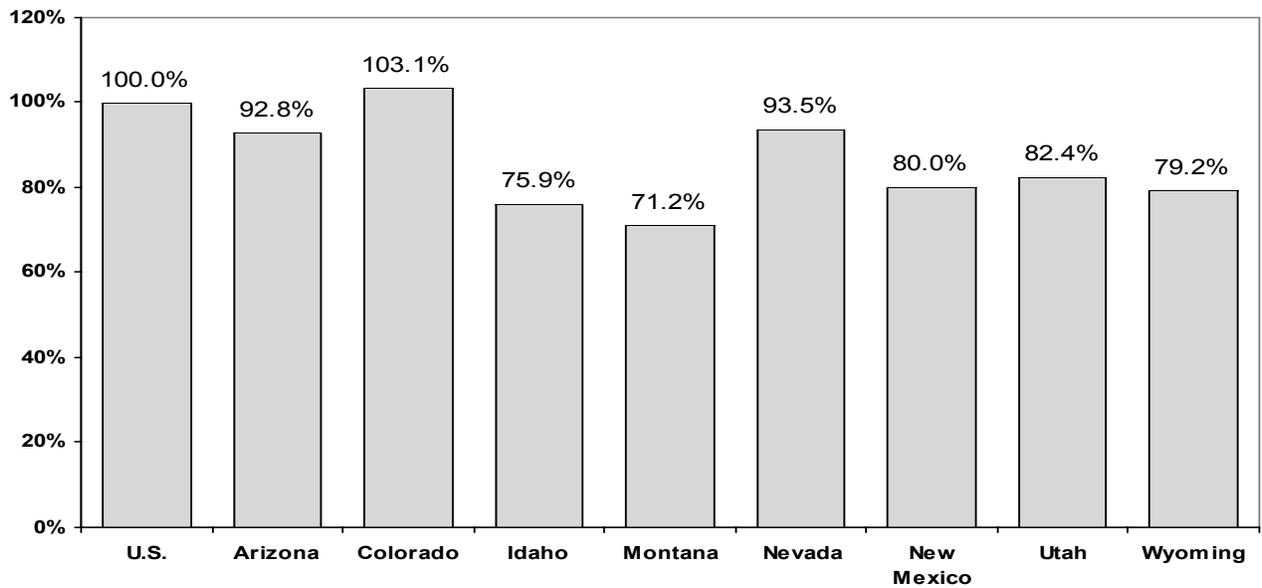
Note: Numbers in this chart may differ from other tables due to different data sources
 Source: U.S. Bureau of Economic Analysis

Figure 45
Median Household Income as Percent of U.S.—Mountain Division States: 2001-2003 Three-Year Average



Source: U.S. Census Bureau

Figure 46
Average Annual Pay as a Percent of U.S.—Mountain Division States: 2003

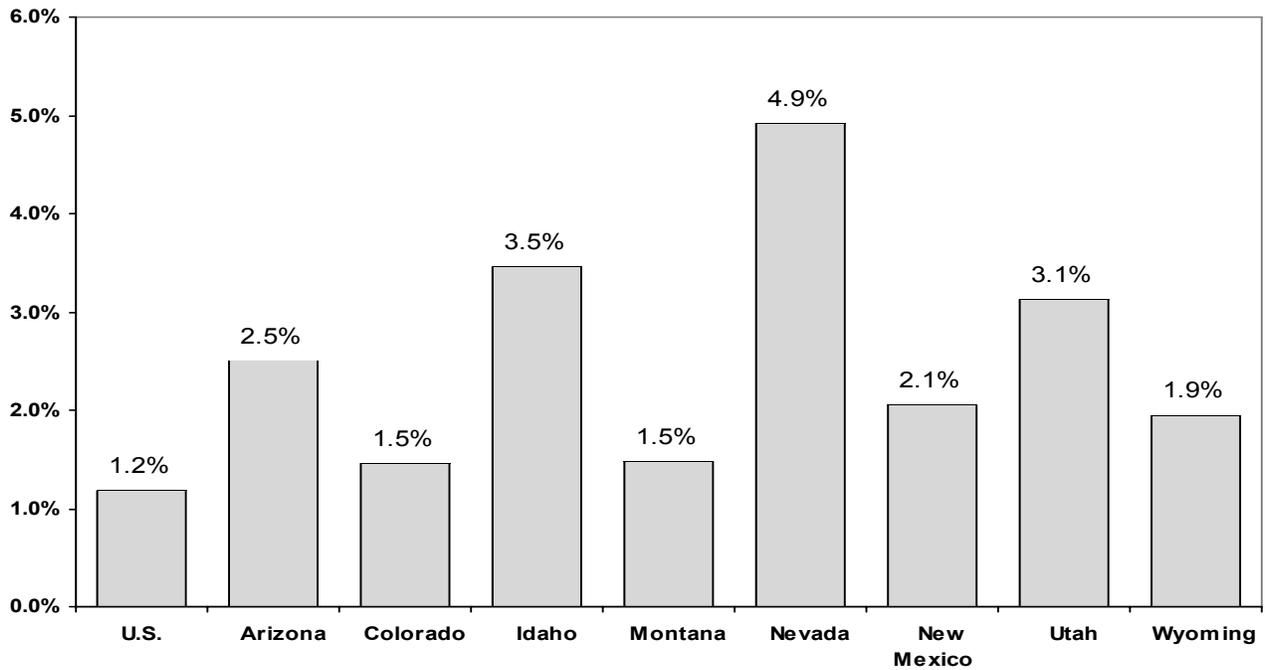


Note: For workers covered by unemployment insurance.

Source: U.S. Bureau of Labor Statistics

Figure 47

Nonagricultural Employment Growth—U.S. and Mountain Division States: October 2004 over October 2003

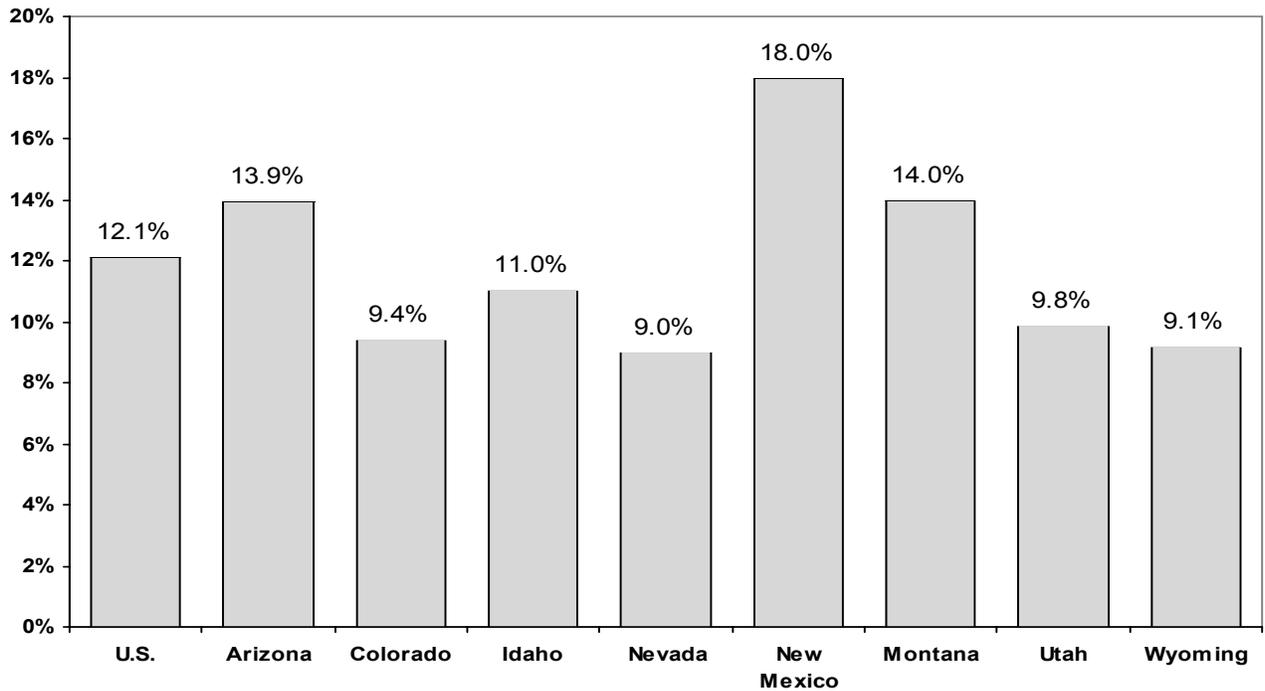


Note: Numbers in this chart may differ from other tables due to different data sources

Source: U.S. Bureau of Labor Statistics

Figure 48

Percent of Persons in Poverty: Three-Year Average 2001 to 2003



Source: U.S. Census Bureau

Table 47
Population and Households--U.S., Mountain Division, and States

Division/State	Population (July 1 Estimates)		Annual Growth Rate 2002-03	Households (July 1 Estimates)		Rankings			
	2002 (thousands)	2003 (thousands)		2003 (thousands)	Persons per Household	Rank by	Rank by	Rank by	Rank by
						Population	Population	Annual Growth Rate	Persons per Household
United States	287,974	290,810	1.0%	108,420	2.61				
Mountain States	19,033	19,384	1.8%	7,222	2.63				
Arizona	5,441	5,581	2.6%	2,049	2.67	19	18	2	8
Colorado	4,501	4,551	1.1%	1,821	2.44	22	22	16	45
Idaho	1,343	1,366	1.7%	503	2.65	39	39	5	10
Montana	910	918	0.8%	366	2.44	44	44	23	45
Nevada	2,167	2,241	3.4%	834	2.64	35	35	1	11
New Mexico	1,852	1,875	1.2%	698	2.63	36	36	13	13
Utah	2,319	2,351	1.4%	752	3.07	34	34	8	1
Wyoming	499	501	0.5%	199	2.45	51	51	39	42
Other States									
Alabama	4,479	4,501	0.5%	1,743	2.52	23	23	38	26
Alaska	641	649	1.1%	229	2.75	47	47	14	5
Arkansas	2,706	2,726	0.7%	1,076	2.46	33	32	26	39
California	35,002	35,484	1.4%	11,857	2.92	1	1	9	2
Connecticut	3,459	3,483	0.7%	1,323	2.55	29	29	27	21
Delaware	806	817	1.4%	304	2.61	45	45	7	15
D.C.	569	563	-1.0%	247	2.14	50	50	51	51
Florida	16,692	17,019	2.0%	6,638	2.50	4	4	3	29
Georgia	8,544	8,685	1.6%	3,153	2.68	10	9	6	7
Hawaii	1,241	1,258	1.4%	419	2.91	42	42	10	3
Illinois	12,586	12,654	0.5%	4,625	2.67	5	5	35	8
Indiana	6,157	6,196	0.6%	2,351	2.56	14	14	31	18
Iowa	2,936	2,944	0.3%	1,158	2.45	30	30	47	42
Kansas	2,712	2,724	0.4%	1,059	2.50	32	33	42	29
Kentucky	4,090	4,118	0.7%	1,607	2.49	26	26	29	32
Louisiana	4,476	4,496	0.4%	1,673	2.61	24	24	40	15
Maine	1,295	1,306	0.8%	535	2.37	40	40	22	50
Maryland	5,451	5,509	1.1%	2,048	2.62	18	19	17	14
Massachusetts	6,422	6,433	0.2%	2,436	2.55	13	13	49	21
Michigan	10,043	10,080	0.4%	3,884	2.53	8	8	43	24
Minnesota	5,025	5,059	0.7%	2,012	2.45	21	21	28	42
Mississippi	2,867	2,881	0.5%	2,012	2.64	31	31	37	11
Missouri	5,670	5,704	0.6%	2,285	2.42	17	17	33	47
Nebraska	1,728	1,739	0.7%	675	2.50	38	38	30	29
New Hampshire	1,274	1,288	1.0%	493	2.54	41	41	20	23
New Jersey	8,575	8,638	0.7%	3,123	2.70	9	10	24	6
New York	19,134	19,190	0.3%	7,119	2.61	3	3	46	15
North Carolina	8,306	8,407	1.2%	3,271	2.49	11	11	12	32
North Dakota	634	634	0.0%	254	2.39	48	48	50	49
Ohio	11,409	11,436	0.2%	4,480	2.49	7	7	48	32
Oklahoma	3,490	3,512	0.6%	1,341	2.53	28	28	32	24
Oregon	3,520	3,560	1.1%	1,409	2.47	27	27	15	37
Pennsylvania	12,329	12,365	0.3%	4,801	2.48	6	6	45	35
Rhode Island	1,068	1,076	0.7%	412	2.52	43	43	25	26
South Carolina	4,104	4,147	1.1%	1,568	2.56	25	25	19	18
South Dakota	760	764	0.5%	299	2.46	46	46	36	39
Tennessee	5,790	5,842	0.9%	2,296	2.48	16	16	21	35
Texas	21,737	22,119	1.8%	7,635	2.82	2	2	4	4
Vermont	616	619	0.4%	242	2.47	49	49	41	37
Virginia	7,288	7,386	1.4%	2,790	2.56	12	12	11	18
Washington	6,067	6,131	1.1%	2,382	2.51	15	15	18	28
West Virginia	1,805	1,810	0.3%	732	2.41	37	37	44	48
Wisconsin	5,440	5,472	0.6%	2,159	2.46	20	20	34	39

Note: Population numbers will be revised by the U.S. Census Bureau in December 2004.

Source: U.S. Census Bureau

Table 48

Total Personal Income -- U.S., Mountain Division, and States

Division/State	Total Personal Income			Rates of Total Personal Income Change		Total Personal Income (saar)			Rankings			
	1998	2002	2003	Avg. Ann. Growth Rate	Percent Change	2nd Quarter	2nd Quarter	Percent Change	Rank by Total Personal Income	Rank by Avg. Ann. Growth Rate	Rank by Percent Change	Rank by Percent Change
	(millions)	(millions)	(millions)	1998-2003	2002-2003	(millions)	(millions)	2002-03	2003	1998-2003	2002-03	2003-04
United States	\$7,415,709	\$8,868,261	\$9,148,680	4.3%	3.2%	\$9,093,138	\$9,565,281	5.2%				
Mountain States	426,631	539,239	559,801	5.6%	3.8%	555,636	590,512	6.3%				
Arizona	113,370	143,680	150,295	5.8%	4.6%	149,164	158,774	6.4%	23	2	8	5
Colorado	118,493	153,593	157,043	5.8%	2.2%	156,017	164,960	5.7%	21	4	45	14
Idaho	27,287	33,963	34,954	5.1%	2.9%	34,748	36,649	5.5%	42	9	38	22
Montana	18,857	22,526	23,651	4.6%	5.0%	23,637	24,849	5.1%	46	21	5	27
Nevada	52,371	66,534	70,567	6.1%	6.1%	69,574	75,687	8.8%	32	1	3	1
New Mexico	37,046	45,801	47,807	5.2%	4.4%	47,444	50,505	6.5%	37	8	11	4
Utah	47,019	57,732	59,327	4.8%	2.8%	59,074	62,060	5.1%	35	19	42	30
Wyoming	12,189	15,410	16,157	5.8%	4.9%	15,978	17,028	6.6%	51	3	6	2
Other States	97,012	113,647	118,260	4.0%	4.1%	117,442	123,273	5.0%	24	35	16	32
Alabama	17,085	20,899	21,576	4.8%	3.2%	21,498	22,512	4.7%	48	18	28	37
Arkansas	53,810	63,505	66,224	4.2%	4.3%	65,755	70,018	6.5%	34	31	13	3
California	936,009	1,149,144	1,185,302	4.8%	3.1%	1,178,114	1,245,376	5.7%	1	16	30	16
Connecticut	123,918	147,856	150,801	4.0%	2.0%	149,867	158,184	5.5%	22	37	49	18
Delaware	21,565	26,183	27,240	4.8%	4.0%	27,131	28,510	5.1%	44	17	17	29
D.C.	20,562	26,125	26,651	5.3%	2.0%	26,544	28,086	5.8%	45	7	48	12
Florida	402,454	492,218	510,090	4.9%	3.6%	507,044	536,837	5.9%	4	14	23	7
Georgia	198,782	246,781	254,104	5.0%	3.0%	252,511	267,346	5.9%	10	11	37	8
Hawaii	31,757	36,759	38,470	3.9%	4.7%	38,277	40,496	5.8%	40	40	7	13
Illinois	360,095	412,262	420,156	3.1%	1.9%	418,348	436,736	4.4%	5	49	50	46
Indiana	149,336	171,841	178,415	3.6%	3.8%	177,063	185,298	4.7%	16	44	19	39
Iowa	71,704	81,925	83,604	3.1%	2.1%	83,008	87,837	5.8%	30	50	47	11
Kansas	67,800	78,290	80,466	3.5%	2.8%	79,811	83,396	4.5%	31	46	41	44
Kentucky	87,851	104,055	108,515	4.3%	4.3%	107,818	112,697	4.5%	26	27	12	42
Louisiana	96,677	113,277	117,074	3.9%	3.4%	116,469	122,062	4.8%	25	41	26	35
Maine	29,710	36,295	37,781	4.9%	4.1%	37,428	39,486	5.5%	41	12	15	21
Maryland	157,784	198,544	206,166	5.5%	3.8%	205,124	217,175	5.9%	14	5	18	9
Massachusetts	203,987	249,889	253,528	4.4%	1.5%	251,842	263,279	4.5%	11	26	51	41
Michigan	265,098	302,019	314,460	3.5%	4.1%	311,916	321,735	3.1%	9	47	14	51
Minnesota	139,553	166,718	172,217	4.3%	3.3%	171,509	180,630	5.3%	17	29	27	25
Mississippi	54,820	64,328	67,258	4.2%	4.6%	66,738	70,561	5.7%	33	32	9	15
Missouri	137,619	160,962	165,967	3.8%	3.1%	165,201	172,633	4.5%	20	42	35	43
Nebraska	43,314	49,872	52,755	4.0%	5.8%	52,661	54,412	3.3%	36	36	4	50
New Hampshire	35,149	43,468	44,686	4.9%	2.8%	44,306	46,749	5.5%	38	13	40	20
New Jersey	282,721	337,853	345,557	4.1%	2.3%	343,586	359,900	4.7%	7	33	44	36
New York	591,847	680,182	696,531	3.3%	2.4%	692,960	730,795	5.5%	2	48	43	23
North Carolina	193,223	230,696	237,931	4.3%	3.1%	235,357	249,087	5.8%	13	30	32	10
North Dakota	14,810	16,780	18,078	4.1%	7.7%	18,004	18,969	5.4%	50	34	1	24
Ohio	294,292	331,968	342,533	3.1%	3.2%	340,717	353,305	3.7%	8	51	29	49
Oklahoma	74,118	90,077	93,290	4.7%	3.6%	92,918	97,215	4.6%	29	20	25	40
Oregon	85,629	100,434	102,538	3.7%	2.1%	101,706	107,098	5.3%	28	43	46	26
Pennsylvania	330,161	380,162	392,058	3.5%	3.1%	389,538	406,886	4.5%	6	45	33	45
Rhode Island	27,501	33,156	34,369	4.6%	3.7%	34,026	35,612	4.7%	43	22	22	38
South Carolina	86,854	104,540	108,398	4.5%	3.7%	107,559	113,072	5.1%	27	24	21	28
South Dakota	17,523	20,261	21,629	4.3%	6.7%	21,599	22,664	4.9%	47	28	2	33
Tennessee	133,620	159,833	166,867	4.5%	4.4%	165,512	174,752	5.6%	19	23	10	17
Texas	507,681	623,697	643,129	4.8%	3.1%	639,743	675,071	5.5%	3	15	34	19
Vermont	14,788	18,247	18,904	5.0%	3.6%	18,742	19,687	5.0%	49	10	24	31
Virginia	191,711	239,480	248,554	5.3%	3.8%	246,895	262,235	6.2%	12	6	20	6
Washington	163,762	198,367	203,956	4.5%	2.8%	203,671	212,396	4.3%	15	25	39	47
West Virginia	36,722	43,305	44,665	4.0%	3.1%	44,477	46,657	4.9%	39	38	31	34
Wisconsin	138,667	163,118	168,128	3.9%	3.1%	167,067	174,045	4.2%	18	39	36	48

saar = seasonally adjusted annual rate.

Source: U.S. Bureau of Economic Analysis

Table 49
Per Capita Personal Income -- U.S., Mountain Division, and States

Division/State	Per Capita Personal Income			Rates of Per Capita Personal Income Change		Per Capita Personal Income as a Percent of U.S. Per Capita Personal Income			Rankings		
	1998	2002	2003	Avg. Ann. Growth Rate 1998-2003	Annual Growth Rate 2002-03	1998	2002	2003	Rank by Per Capita Personal Income 2003	Rank by Average Annual Growth Rate 1998-2003	Rank by Average Annual Growth Rate 2002-03
United States	\$26,883	\$30,795	\$31,459	3.2%	2.2%	100.0%	100.0%	100.0%			
Mountain States											
Arizona	23,216	26,406	26,931	3.0%	2.0%	86.4%	85.7%	85.6%	39	38	35
Colorado	28,784	34,124	34,510	3.7%	1.1%	107.1%	110.8%	109.7%	8	15	50
Idaho	21,789	25,287	25,583	3.3%	1.2%	81.1%	82.1%	81.3%	46	30	49
Montana	21,130	24,744	25,775	4.1%	4.2%	78.6%	80.4%	81.9%	45	9	5
Nevada	28,260	30,697	31,487	2.2%	2.6%	105.1%	99.7%	100.1%	19	51	27
New Mexico	20,656	24,730	25,502	4.3%	3.1%	76.8%	80.3%	81.1%	47	5	16
Utah	21,708	24,898	25,230	3.1%	1.3%	80.7%	80.9%	80.2%	48	37	45
Wyoming	24,836	30,892	32,235	5.4%	4.3%	92.4%	100.3%	102.5%	16	2	4
Other States											
Alabama	22,025	25,374	26,276	3.6%	3.6%	81.9%	82.4%	83.5%	42	20	9
Alaska	27,560	32,580	33,254	3.8%	2.1%	102.5%	105.8%	105.7%	14	13	34
Arkansas	20,489	23,466	24,296	3.5%	3.5%	76.2%	76.2%	77.2%	50	24	10
California	28,374	32,831	33,403	3.3%	1.7%	105.5%	106.6%	106.2%	11	27	38
Connecticut	36,822	42,751	43,292	3.3%	1.3%	137.0%	138.8%	137.6%	2	29	48
Delaware	28,252	32,487	33,321	3.4%	2.6%	105.1%	105.5%	105.9%	12	26	28
D.C.	36,379	45,902	47,305	5.4%	3.1%	135.3%	149.1%	150.4%	1	1	17
Florida	25,987	29,489	29,972	2.9%	1.6%	96.7%	95.8%	95.3%	25	44	41
Georgia	25,279	28,884	29,259	3.0%	1.3%	94.0%	93.8%	93.0%	28	41	46
Hawaii	26,132	29,628	30,589	3.2%	3.2%	97.2%	96.2%	97.2%	22	35	12
Illinois	29,343	32,754	33,205	2.5%	1.4%	109.2%	106.4%	105.6%	15	49	43
Indiana	24,894	27,910	28,797	3.0%	3.2%	92.6%	90.6%	91.5%	33	42	14
Iowa	24,701	27,905	28,398	2.8%	1.8%	91.9%	90.6%	90.3%	36	47	37
Kansas	25,483	28,870	29,545	3.0%	2.3%	94.8%	93.7%	93.9%	27	39	32
Kentucky	22,043	25,442	26,352	3.6%	3.6%	82.0%	82.6%	83.8%	41	18	8
Louisiana	21,772	25,307	26,038	3.6%	2.9%	81.0%	82.2%	82.8%	44	17	21
Maine	23,596	28,030	28,935	4.2%	3.2%	87.8%	91.0%	92.0%	31	7	13
Maryland	30,317	36,427	37,424	4.3%	2.7%	112.8%	118.3%	119.0%	5	6	24
Massachusetts	32,524	38,913	39,408	3.9%	1.3%	121.0%	126.4%	125.3%	4	11	47
Michigan	26,919	30,072	31,196	3.0%	3.7%	100.1%	97.7%	99.2%	20	40	7
Minnesota	28,993	33,179	34,039	3.3%	2.6%	107.8%	107.7%	108.2%	9	31	26
Mississippi	19,545	22,440	23,343	3.6%	4.0%	72.7%	72.9%	74.2%	51	19	6
Missouri	24,923	28,391	29,094	3.1%	2.5%	92.7%	92.2%	92.5%	29	36	29
Nebraska	25,542	28,869	30,331	3.5%	5.1%	95.0%	93.7%	96.4%	24	23	3
New Hampshire	29,147	34,109	34,703	3.6%	1.7%	108.4%	110.8%	110.3%	7	22	39
New Jersey	34,115	39,399	40,002	3.2%	1.5%	126.9%	127.9%	127.2%	3	33	42
New York	31,555	35,548	36,296	2.8%	2.1%	117.4%	115.4%	115.4%	6	46	33
North Carolina	24,743	27,775	28,301	2.7%	1.9%	92.0%	90.2%	90.0%	37	48	36
North Dakota	22,872	26,471	28,521	4.5%	7.7%	85.1%	86.0%	90.7%	35	3	1
Ohio	26,017	29,098	29,953	2.9%	2.9%	96.8%	94.5%	95.2%	26	45	18
Oklahoma	21,766	25,812	26,567	4.1%	2.9%	81.0%	83.8%	84.4%	40	8	19
Oregon	25,542	28,530	28,806	2.4%	1.0%	95.0%	92.6%	91.6%	32	50	51
Pennsylvania	26,961	30,835	31,706	3.3%	2.8%	100.3%	100.1%	100.8%	18	28	23
Rhode Island	26,670	31,035	31,937	3.7%	2.9%	99.2%	100.8%	101.5%	17	16	20
South Carolina	22,161	25,474	26,138	3.4%	2.6%	82.4%	82.7%	83.1%	43	25	25
South Dakota	23,488	26,644	28,299	3.8%	6.2%	87.4%	86.5%	90.0%	38	14	2
Tennessee	23,989	27,606	28,565	3.6%	3.5%	89.2%	89.6%	90.8%	34	21	11
Texas	25,186	28,693	29,076	2.9%	1.3%	93.7%	93.2%	92.4%	30	43	44
Vermont	24,629	29,603	30,534	4.4%	3.1%	91.6%	96.1%	97.1%	23	4	15
Virginia	27,780	32,860	33,651	3.9%	2.4%	103.3%	106.7%	107.0%	10	12	31
Washington	28,384	32,696	33,264	3.2%	1.7%	105.6%	106.2%	105.7%	13	34	40
West Virginia	20,226	23,993	24,672	4.1%	2.8%	75.2%	77.9%	78.4%	49	10	22
Wisconsin	26,175	29,987	30,723	3.3%	2.5%	97.4%	97.4%	97.7%	21	32	30

Source: U.S. Bureau of Economic Analysis



Table 50
Median Income of Households by State, U.S., Mountain Division, and States

	Median Income of Households (2003 Dollars)			Median Income of Households (2003 Dollars) Two-year Moving Average*					Median Income of Households Three-year Average* (2003 Dollars)			
	1998	2002	2003	2001-02	2002-03		Two-year Average		2001-2003		As a % of the U.S.	
	Amount	Amount	Amount	Amount	Amount	Standard Error	Difference	Pct. Chg.	Amount	Standard Error		Amount
United States	\$38,885	\$42,409	\$43,318	\$43,631	\$43,349	136	-\$282	-0.6%	\$43,527	\$108		100.0%
Mountain States												
Arizona	37,090	39,734	41,166	42,463	42,511	1,012	48	0.1%	42,062	908	31	96.6%
Colorado	46,599	48,294	49,940	50,279	50,366	1,095	87	0.2%	50,224	920	10	115.4%
Idaho	36,680	37,715	42,372	39,062	39,159	876	97	0.2%	40,230	736	35	92.4%
Montana	31,577	34,835	34,108	33,432	34,509	949	1,077	3.2%	34,375	734	47	79.0%
Nevada	39,756	44,958	45,184	46,954	46,585	1,131	-369	-0.8%	46,118	911	15	106.0%
New Mexico	31,543	35,457	35,105	35,148	35,346	915	198	0.6%	35,265	815	46	81.0%
Utah	44,299	47,861	49,275	48,875	49,077	856	202	0.4%	49,143	886	12	112.9%
Wyoming	35,250	39,763	42,555	40,867	40,975	821	108	0.3%	41,501	746	33	95.3%
Other States												
Alabama	36,266	37,603	37,255	37,501	37,860	1,104	359	1.0%	37,419	867	44	86.0%
Alaska	50,692	52,774	51,837	56,797	52,910	855	-3,887	-6.8%	55,143	994	4	126.7%
Arkansas	27,665	32,387	32,002	33,887	32,565	646	-1,322	-3.9%	33,259	645	49	76.4%
California	40,934	47,437	49,300	48,819	48,912	658	93	0.2%	48,979	550	13	112.5%
Connecticut	46,508	53,387	54,965	55,024	54,788	1,218	-236	-0.4%	55,004	992	5	126.4%
Delaware	41,458	49,650	49,019	51,166	49,903	1,278	-1,263	-2.5%	50,451	1,090	9	115.9%
D.C.	33,433	39,070	45,044	41,373	42,505	1,007	1,132	2.7%	42,597	813	28	97.9%
Florida	34,909	38,024	38,972	38,372	38,934	660	562	1.5%	38,572	493	38	88.6%
Georgia	38,665	42,939	42,438	44,083	43,180	868	-903	-2.0%	43,535	756	23	100.0%
Hawaii	40,827	47,303	51,834	48,842	50,110	1,123	1,268	2.6%	49,839	945	11	114.5%
Illinois	43,178	42,710	45,153	45,834	44,421	802	-1,413	-3.1%	45,607	664	17	104.8%
Indiana	39,731	41,047	42,425	41,974	42,206	710	232	0.6%	42,124	625	30	96.8%
Iowa	37,019	41,049	41,384	42,285	41,687	851	-598	-1.4%	41,985	764	32	96.5%
Kansas	36,711	42,619	44,232	43,316	43,914	987	598	1.4%	43,622	824	22	100.2%
Kentucky	36,252	36,762	36,936	38,774	37,270	719	-1,504	-3.9%	38,161	652	40	87.7%
Louisiana	31,735	34,008	33,507	34,707	34,147	983	-560	-1.6%	34,307	852	48	78.8%
Maine	35,640	36,853	37,113	37,872	37,405	744	-467	-1.2%	37,619	649	42	86.4%
Maryland	50,016	56,407	52,314	56,663	55,007	1,150	-1,656	-2.9%	55,213	1,061	2	126.8%
Massachusetts	42,345	49,855	50,955	52,649	50,976	878	-1,673	-3.2%	52,084	874	8	119.7%
Michigan	41,821	42,715	45,022	45,253	44,358	860	-895	-2.0%	45,176	707	19	103.8%
Minnesota	47,926	54,622	52,823	55,309	54,348	1,007	-961	-1.7%	54,480	847	6	125.2%
Mississippi	29,120	30,882	32,728	31,466	32,159	785	693	2.2%	31,887	719	50	73.3%
Missouri	40,201	42,776	43,762	43,357	43,759	813	402	0.9%	43,492	758	25	99.9%
Nebraska	36,413	42,796	43,974	44,548	43,875	975	-673	-1.5%	44,357	817	20	101.9%
New Hampshire	44,958	44,958	45,184	54,965	56,078	1,077	1,113	2.0%	55,166	809	3	126.7%
New Jersey	49,826	54,568	56,045	54,809	55,932	1,109	1,123	2.0%	55,221	880	1	126.9%
New York	37,394	41,966	42,788	43,346	42,858	607	-488	-1.1%	43,160	486	27	99.2%
North Carolina	35,838	36,515	37,279	38,504	37,315	690	-1,189	-3.1%	38,096	614	41	87.5%
North Dakota	30,304	36,200	40,410	37,112	38,720	696	1,608	4.3%	38,212	590	39	87.8%
Ohio	38,925	42,684	43,520	43,542	43,591	710	49	0.1%	43,535	565	23	100.0%
Oklahoma	33,727	36,458	35,902	37,149	36,598	580	-551	-1.5%	36,733	492	45	84.4%
Oregon	39,067	41,802	41,638	42,825	42,199	756	-626	-1.5%	42,429	612	29	97.5%
Pennsylvania	39,015	42,498	42,933	44,337	43,202	654	-1,135	-2.6%	43,869	548	21	100.8%
Rhode Island	40,686	42,417	44,711	45,452	44,050	887	-1,402	-3.1%	45,205	768	18	103.9%
South Carolina	33,267	37,812	38,479	38,946	38,579	976	-367	-0.9%	38,791	808	37	89.1%
South Dakota	32,786	37,873	39,522	39,983	39,131	813	-852	-2.1%	39,829	670	36	91.5%
Tennessee	34,091	37,030	37,523	37,532	37,701	952	169	0.5%	37,529	742	43	86.2%
Texas	35,783	40,149	39,271	41,765	40,170	552	-1,595	-3.8%	40,934	437	34	94.0%
Vermont	39,372	42,999	43,261	43,188	43,623	751	435	1.0%	43,212	650	26	99.3%
Virginia	43,354	49,631	54,783	51,489	52,776	1,186	1,287	2.5%	52,587	952	7	120.8%
Washington	47,421	45,183	47,508	45,186	46,863	985	1,677	3.7%	45,960	851	16	105.6%
West Virginia	26,704	29,359	32,763	30,434	31,397	706	963	3.2%	31,210	561	51	71.7%
Wisconsin	41,327	45,903	46,269	47,039	46,612	799	-427	-0.9%	46,782	723	14	107.5%

*Because the sample of households contacted in small population states like Utah is relatively few in number, the data collected for two or three years is combined to calculate less variable estimates. The Census Bureau recommends using 2-year averages for evaluating changes in state estimates over time, and 3-year averages when comparing the relative ranking of states.

Notes: The Standard Error is a measurement that indicates the magnitude of sampling variability for the estimates. Note that the standard errors for U.S. estimates are much smaller than those for the states.

Ranking is done for the 50 states and the District of Columbia.

Source: 2004 August Current Population Survey, U.S. Census Bureau, Money Income in the United States: 2000.



Table 51

Average Annual Pay for All Workers Covered by Unemployment Insurance: U.S., Mountain Division, and States

Division/State	Average Annual Pay			Rates of Change for Average Annual Pay		Average Annual Pay as a Percent of U.S. Average Annual Pay			Rankings		
	1998	2002	2003	Avg. Ann. Growth Rate 1998-2003	Percent Change 2002-03	1998	2002	2003	Rank by Average Annual Pay 2003	Rank by Avg. Ann. Growth Rate 1998-2003	Rank by Percent Change 2002-03
	United States	\$31,945	\$36,764	\$37,765	3.4%	2.7%	100.0%	100.0%	100.0%		
Mountain States											
Arizona	29,322	34,036	35,056	3.6%	3.0%	91.8%	92.6%	92.8%	23	15	28
Colorado	32,248	38,005	38,942	3.8%	2.5%	100.9%	103.4%	103.1%	12	6	38
Idaho	24,868	28,163	28,677	2.9%	1.8%	77.8%	76.6%	75.9%	47	47	49
Montana	22,648	26,001	26,907	3.5%	3.5%	70.9%	70.7%	71.2%	51	22	8
Nevada	30,203	33,993	35,329	3.2%	3.9%	94.5%	92.5%	93.5%	21	37	4
New Mexico	25,711	29,431	30,202	3.3%	2.6%	80.5%	80.1%	80.0%	42	31	33
Utah	26,873	30,585	31,106	3.0%	1.7%	84.1%	83.2%	82.4%	36	45	51
Wyoming	24,725	28,975	29,924	3.9%	3.3%	77.4%	78.8%	79.2%	43	5	18
Other States											
Alabama	27,042	31,163	32,236	3.6%	3.4%	84.7%	84.8%	85.4%	32	17	11
Alaska	33,847	37,134	37,804	2.2%	1.8%	106.0%	101.0%	100.1%	15	51	50
Arkansas	24,425	28,074	28,893	3.4%	2.9%	76.5%	76.4%	76.5%	46	24	30
California	35,348	41,419	42,592	3.8%	2.8%	110.7%	112.7%	112.8%	6	11	31
Connecticut	40,895	46,852	48,328	3.4%	3.2%	128.0%	127.4%	128.0%	2	26	24
Delaware	33,969	39,684	40,954	3.8%	3.2%	106.3%	107.9%	108.4%	7	10	21
D.C.	48,462	57,914	60,417	4.5%	4.3%	151.7%	157.5%	160.0%	1	1	2
Florida	28,184	32,426	33,544	3.5%	3.4%	88.2%	88.2%	88.8%	28	18	10
Georgia	30,856	35,734	36,626	3.5%	2.5%	96.6%	97.2%	97.0%	19	23	36
Hawaii	29,036	32,671	33,742	3.0%	3.3%	90.9%	88.9%	89.3%	26	41	17
Illinois	34,715	39,688	40,540	3.2%	2.1%	108.7%	108.0%	107.3%	9	39	44
Indiana	29,108	32,603	33,379	2.8%	2.4%	91.1%	88.7%	88.4%	31	48	39
Iowa	26,026	29,668	30,708	3.4%	3.5%	81.5%	80.7%	81.3%	40	27	7
Kansas	26,845	30,825	31,489	3.2%	2.2%	84.0%	83.8%	83.4%	35	33	43
Kentucky	26,697	30,904	31,855	3.6%	3.1%	83.6%	84.1%	84.4%	34	16	25
Louisiana	26,910	30,115	30,782	2.7%	2.2%	84.2%	81.9%	81.5%	37	49	42
Maine	25,875	29,736	30,750	3.5%	3.4%	81.0%	80.9%	81.4%	38	21	12
Maryland	33,301	39,382	40,686	4.1%	3.3%	104.2%	107.1%	107.7%	8	4	16
Massachusetts	37,774	44,954	46,323	4.2%	3.0%	118.2%	122.3%	122.7%	5	3	27
Michigan	34,521	38,135	39,433	2.7%	3.4%	108.1%	103.7%	104.4%	10	50	13
Minnesota	32,075	37,458	38,610	3.8%	3.1%	100.4%	101.9%	102.2%	13	12	26
Mississippi	23,822	26,665	27,591	3.0%	3.5%	74.6%	72.5%	73.1%	49	44	9
Missouri	28,907	33,118	33,788	3.2%	2.0%	90.5%	90.1%	89.5%	25	38	46
Nebraska	25,539	29,448	30,382	3.5%	3.2%	79.9%	80.1%	80.5%	41	20	22
New Hampshire	30,944	36,176	37,321	3.8%	3.2%	96.9%	98.4%	98.8%	16	8	23
New Jersey	39,516	45,182	46,351	3.2%	2.6%	123.7%	122.9%	122.7%	4	34	34
New York	40,684	46,328	47,247	3.0%	2.0%	127.4%	126.0%	125.1%	3	42	48
North Carolina	28,176	32,689	33,532	3.5%	2.6%	88.2%	88.9%	88.8%	29	19	35
North Dakota	22,990	26,550	27,628	3.7%	4.1%	72.0%	72.2%	73.2%	48	13	3
Ohio	30,392	34,214	35,153	3.0%	2.7%	95.1%	93.1%	93.1%	22	46	32
Oklahoma	25,122	28,654	29,699	3.4%	3.6%	78.6%	77.9%	78.6%	44	25	6
Oregon	29,544	33,684	34,450	3.1%	2.3%	92.5%	91.6%	91.2%	24	40	41
Pennsylvania	31,584	35,808	36,995	3.2%	3.3%	98.9%	97.4%	98.0%	17	36	15
Rhode Island	30,156	34,810	36,415	3.8%	4.6%	94.4%	94.7%	96.4%	20	7	1
South Carolina	26,161	30,003	30,750	3.3%	2.5%	81.9%	81.6%	81.4%	38	30	37
South Dakota	22,751	26,360	27,210	3.6%	3.2%	71.2%	71.7%	72.1%	50	14	20
Tennessee	28,462	32,531	33,581	3.4%	3.2%	89.1%	88.5%	88.9%	27	28	19
Texas	31,515	36,248	36,968	3.2%	2.0%	98.7%	98.6%	97.9%	18	32	47
Vermont	26,611	31,041	32,086	3.8%	3.4%	83.3%	84.4%	85.0%	33	9	14
Virginia	31,373	37,222	38,585	4.2%	3.7%	98.2%	101.2%	102.2%	14	2	5
Washington	33,076	38,242	39,021	3.4%	2.0%	103.5%	104.0%	103.3%	11	29	45
West Virginia	25,276	28,612	29,284	3.0%	2.3%	79.1%	77.8%	77.5%	45	43	40
Wisconsin	28,531	32,464	33,425	3.2%	3.0%	89.3%	88.3%	88.5%	30	35	29

Note: This data varies slightly from data reported by the State of Utah Department of Workforce Services.

Source: U.S. Bureau of Labor Statistics

Table 52
Employees on Nonagricultural Payrolls--U.S., Mountain Division, and States

Division/State	Employees on Nonagricultural Payrolls			Rates of Change for Employees on Nonagricultural Payrolls		Employees on Nonagricultural Payrolls (not seasonally adjusted)			Rankings			
	1998	2002	2003	Avg. Ann. Growth Rate	Percent Change	October 2003	October 2004(p)	Percent Change	Rank by Employees on Nonag. Payrolls 2003	Rank by Average Annual Growth Rate 1998-2003	Rank by Percent Change 2002-03	Rank by Percent Change (unadjust.) 2003-04
	(thousands)	(thousands)	(thousands)	1998-2003	2002-03	(thousands)	(thousands)	2003-04				
United States	125,930	130,341	129,931	0.6%	-0.3%	138,624	140,255	1.2%				
Mountain States	7,923	8,551	8,598	1.7%	0.6%	8,637	8,861	2.6%				
Arizona	2,075	2,265	2,289	2.0%	1.1%	2,303	2,361	2.5%	21	2	6	5
Colorado	2,057	2,183	2,150	0.9%	-1.5%	2,154	2,186	1.5%	22	21	47	19
Idaho	521	568	572	1.9%	0.6%	571	591	3.5%	42	4	11	2
Montana	373	396	400	1.4%	1.0%	398	404	1.5%	46	9	7	18
Nevada	926	1,052	1,087	3.3%	3.4%	1,102	1,156	4.9%	34	1	1	1
New Mexico	720	766	776	1.5%	1.2%	778	794	2.1%	37	8	5	10
Utah	1,023	1,073	1,074	1.0%	0.0%	1,078	1,112	3.1%	35	16	20	3
Wyoming	228	248	250	1.8%	0.8%	252	257	1.9%	51	5	10	13
Other States												
Alabama	1,898	1,883	1,875	-0.2%	-0.4%	1,874	1,888	0.8%	24	47	34	35
Alaska	275	295	300	1.7%	1.6%	300	303	1.2%	49	6	3	24
Arkansas	1,122	1,146	1,144	0.4%	-0.2%	1,147	1,153	0.6%	32	32	28	42
California	13,596	14,458	14,410	1.2%	-0.3%	14,450	14,577	0.9%	1	13	32	32
Connecticut	1,643	1,665	1,643	0.0%	-1.3%	1,638	1,644	0.3%	27	42	46	46
Delaware	400	415	414	0.7%	-0.2%	416	424	1.9%	45	25	27	15
D.C.	614	664	665	1.6%	0.1%	665	671	0.9%	39	7	19	29
Florida	6,636	7,180	7,286	1.9%	1.5%	7,331	7,476	2.0%	4	3	4	11
Georgia	3,741	3,870	3,860	0.6%	-0.3%	3,880	3,912	0.8%	10	26	30	34
Hawaii	531	557	567	1.3%	1.9%	572	590	3.0%	43	11	2	4
Illinois	5,899	5,884	5,818	-0.3%	-1.1%	5,822	5,828	0.1%	5	48	45	47
Indiana	2,917	2,901	2,897	-0.1%	-0.1%	2,901	2,911	0.3%	14	46	25	45
Iowa	1,443	1,447	1,440	0.0%	-0.5%	1,447	1,455	0.6%	30	45	35	43
Kansas	1,312	1,335	1,312	0.0%	-1.7%	1,311	1,336	1.9%	31	43	49	14
Kentucky	1,753	1,789	1,783	0.3%	-0.3%	1,785	1,798	0.7%	26	33	33	37
Louisiana	1,889	1,898	1,906	0.2%	0.4%	1,906	1,903	-0.2%	23	37	13	49
Maine	569	607	606	1.3%	-0.1%	607	613	1.0%	41	12	21	27
Maryland	2,324	2,477	2,483	1.3%	0.2%	2,486	2,535	2.0%	20	10	15	12
Massachusetts	3,179	3,250	3,186	0.0%	-2.0%	3,177	3,180	0.1%	13	41	50	48
Michigan	4,510	4,478	4,412	-0.4%	-1.5%	4,405	4,373	-0.7%	8	51	48	51
Minnesota	2,555	2,655	2,651	0.7%	-0.1%	2,659	2,684	0.9%	19	24	23	30
Mississippi	1,134	1,124	1,117	-0.3%	-0.6%	1,120	1,128	0.8%	33	49	37	36
Missouri	2,684	2,699	2,681	0.0%	-0.7%	2,679	2,713	1.3%	16	44	40	23
Nebraska	876	906	904	0.6%	-0.2%	907	913	0.7%	36	27	26	38
New Hampshire	589	618	617	0.9%	-0.3%	621	630	1.4%	40	20	31	20
New Jersey	3,801	3,984	3,980	0.9%	-0.1%	3,998	4,066	1.7%	9	19	22	16
New York	8,237	8,459	8,404	0.4%	-0.7%	8,407	8,465	0.7%	3	30	38	39
North Carolina	3,774	3,837	3,803	0.2%	-0.9%	3,815	3,867	1.4%	11	38	42	21
North Dakota	319	330	333	0.8%	0.8%	334	336	0.4%	48	22	9	44
Ohio	5,482	5,445	5,391	-0.3%	-1.0%	5,377	5,363	-0.3%	7	50	44	50
Oklahoma	1,441	1,487	1,451	0.1%	-2.4%	1,446	1,460	0.9%	29	40	51	28
Oregon	1,552	1,573	1,562	0.1%	-0.7%	1,565	1,599	2.2%	28	39	39	8
Pennsylvania	5,495	5,641	5,602	0.4%	-0.7%	5,591	5,653	1.1%	6	31	41	26
Rhode Island	458	479	484	1.1%	0.9%	485	489	0.9%	44	14	8	31
South Carolina	1,783	1,805	1,813	0.3%	0.4%	1,816	1,838	1.2%	25	34	12	25
South Dakota	363	377	378	0.8%	0.2%	379	382	0.7%	47	23	14	40
Tennessee	2,638	2,664	2,668	0.2%	0.1%	2,674	2,689	0.6%	17	35	18	41
Texas	8,940	9,423	9,373	1.0%	-0.5%	9,370	9,491	1.3%	2	17	36	22
Vermont	285	299	299	0.9%	-0.2%	299	302	0.9%	50	18	29	33
Virginia	3,320	3,494	3,500	1.1%	0.2%	3,511	3,591	2.3%	12	15	17	7
Washington	2,595	2,654	2,659	0.5%	0.2%	2,671	2,732	2.3%	18	28	16	6
West Virginia	719	733	726	0.2%	-0.9%	724	735	1.5%	38	36	43	17
Wisconsin	2,718	2,782	2,779	0.4%	-0.1%	2,784	2,841	2.1%	15	29	24	9

Note: This data varies slightly from data reported by the State of Utah Department of Workforce Services.
p = preliminary

Source: U.S. Bureau of Labor Statistics

Table 53
Unemployment Rates--U.S., Mountain Division, and States

Division/State	Unemployment Rate			Unemployment Rate Change		Unemployment Rate (not seasonally adjusted)		Rankings by Unemployment Rate				
	1998	2002	2003	1998-2003	2002-03	October 2003	October 2004(p)	1998	2002	2003	(unadjust.) 2003	(unadjust.) 2004(p)
	United States	4.5	5.8	6.0	1.5	0.2	5.6	5.1				
Mountain States												
Arizona	4.1	6.2	5.6	1.5	-0.6	5.2	4.7	32	10	25	24	20
Colorado	3.8	5.7	6.0	2.2	0.3	5.5	4.6	34	20	19	19	23
Idaho	5.0	5.8	5.4	0.4	-0.4	4.3	4.3	13	18	31	40	31
Montana	5.6	4.6	4.7	-0.9	0.1	4.2	4.3	8	37	39	42	31
Nevada	4.3	5.5	5.2	0.9	-0.3	4.9	3.4	25	24	34	30	43
New Mexico	6.2	5.4	6.4	0.2	1.0	6.3	5.1	3	28	12	8	14
Utah	3.8	6.1	5.6	1.8	-0.5	4.9	4.4	34	12	25	30	28
Wyoming	4.8	4.2	4.4	-0.4	0.2	3.7	3.4	15	43	44	48	43
Other States												
Alabama	4.2	5.9	5.8	1.6	-0.1	6.2	5.8	28	17	21	11	7
Alaska	5.8	7.7	8.0	2.2	0.3	7.3	6.6	6	1	2	1	2
Arkansas	5.5	5.4	6.2	0.7	0.8	5.5	4.7	11	28	15	19	20
California	5.9	6.7	6.7	0.8	0.0	6.5	5.6	5	5	8	7	9
Connecticut	3.4	4.3	5.5	2.1	1.2	5.0	4.2	40	42	30	27	34
Delaware	3.8	4.2	4.4	0.6	0.2	4.0	3.6	34	43	44	43	42
D.C.	8.8	6.4	7.0	-1.8	0.6	7.0	8.4	1	8	5	4	1
Florida	4.3	5.5	5.1	0.8	-0.4	5.0	4.5	25	24	35	27	25
Georgia	4.2	5.1	4.7	0.5	-0.4	4.5	4.2	28	31	39	35	34
Hawaii	6.2	4.2	4.3	-1.9	0.1	4.5	3.3	3	43	46	35	45
Illinois	4.5	6.5	6.7	2.2	0.2	6.1	5.5	22	7	8	13	10
Indiana	3.1	5.1	5.1	2.0	0.0	4.8	5.0	45	31	35	33	17
Iowa	2.8	4.0	4.5	1.7	0.5	3.9	4.2	49	47	42	44	34
Kansas	3.8	5.1	5.4	1.6	0.3	5.2	4.7	34	31	31	24	20
Kentucky	4.6	5.6	6.2	1.6	0.6	5.7	4.5	18	23	15	17	25
Louisiana	5.7	6.1	6.6	0.9	0.5	5.9	5.3	7	12	10	15	11
Maine	4.4	4.4	5.1	0.7	0.7	4.8	4.2	24	39	35	33	34
Maryland	4.6	4.4	4.5	-0.1	0.1	4.3	3.8	18	39	42	40	40
Massachusetts	3.3	5.3	5.8	2.5	0.5	5.4	4.3	43	30	21	21	31
Michigan	3.9	6.2	7.3	3.4	1.1	6.9	6.0	33	10	4	6	6
Minnesota	2.5	4.4	5.0	2.5	0.6	4.5	3.8	51	39	38	35	40
Mississippi	5.4	6.8	6.3	0.9	-0.5	6.3	6.5	12	4	13	8	3
Missouri	4.2	5.5	5.6	1.4	0.1	5.0	5.1	28	24	25	27	14
Nebraska	2.7	3.6	4.0	1.3	0.4	3.7	3.1	50	50	49	48	47
New Hampshire	2.9	4.7	4.3	1.4	-0.4	3.9	3.0	46	36	46	44	48
New Jersey	4.6	5.8	5.9	1.3	0.1	5.4	4.5	18	18	20	21	25
New York	5.6	6.1	6.3	0.7	0.2	6.2	5.0	8	12	13	11	17
North Carolina	3.5	6.7	6.5	3.0	-0.2	6.1	4.6	39	5	11	13	23
North Dakota	3.2	4.0	4.0	0.8	0.0	2.5	2.5	44	47	49	51	51
Ohio	4.3	5.7	6.1	1.8	0.4	5.4	5.8	25	20	17	21	7
Oklahoma	4.5	4.5	5.7	1.2	1.2	5.6	4.4	22	38	24	18	28
Oregon	5.6	7.5	8.2	2.6	0.7	7.1	6.4	8	2	1	2	5
Pennsylvania	4.6	5.7	5.6	1.0	-0.1	4.9	5.1	18	20	25	30	14
Rhode Island	4.9	5.1	5.3	0.4	0.2	4.5	4.0	14	31	33	35	39
South Carolina	3.8	6.0	6.8	3.0	0.8	7.1	6.5	34	16	6	2	3
South Dakota	2.9	3.1	3.6	0.7	0.5	3.2	2.9	46	51	51	50	49
Tennessee	4.2	5.1	5.8	1.6	0.7	5.9	5.0	28	31	21	15	17
Texas	4.8	6.3	6.8	2.0	0.5	6.3	5.3	15	9	6	8	11
Vermont	3.4	3.7	4.6	1.2	0.9	3.9	2.7	40	49	41	44	50
Virginia	2.9	4.1	4.1	1.2	0.0	3.8	3.2	46	46	48	47	46
Washington	4.8	7.3	7.5	2.7	0.2	7.0	5.2	15	3	3	4	13
West Virginia	6.7	6.1	6.1	-0.6	0.0	5.1	4.4	2	12	17	26	28
Wisconsin	3.4	5.5	5.6	2.2	0.1	4.5	4.1	40	24	25	35	38

(p)=preliminary

Source: U.S. Bureau of Labor Statistics



Table 54
Percent of People in Poverty by State, U.S., Mountain Division, and States

	Percent of Persons in Poverty			Percent of Persons in Poverty Two-year Moving Average**				Percent of Persons in Poverty Three-year Average**		
	1998	2002	2003	2001-02	2002-03	Standard Error	Two-year Average Difference	2001-03 Standard Error	Amount Rank	
	Percent	Percent	Percent	Amount	Amount					
United States	12.7	12.1	12.5	11.9	12.3	0.2	0.4	12.1	0.1	
Mountain States										
Arizona	16.6	13.5	13.5	14.1	13.5	1.01	-0.6	13.9	0.9	15
Colorado	9.2	9.8	9.7	9.2	9.7	0.72	0.5	9.4	0.6	37
Idaho	13.0	11.3	10.2	11.4	10.8	0.91	-0.6	11.0	0.8	25
Montana	16.6	13.5	15.1	13.4	14.3	1.09	0.9	14.0	0.9	12
Nevada	10.6	8.9	10.9	8.0	9.9	0.76	1.9	9.0	0.6	42
New Mexico	20.4	17.9	18.1	17.9	18.0	1.26	0.1	18.0	1.1	2
Utah	9.0	9.9	9.1	10.2	9.5	0.81	-0.7	9.8	0.7	35
Wyoming	10.6	9.0	9.8	8.8	9.4	0.82	0.6	9.1	0.7	41
Other States										
Alabama	14.5	14.5	15.0	15.2	14.7	0.99	-0.5	15.1	1.4	8
Alaska	9.4	8.8	9.6	8.7	9.2	0.78	0.5	9.0	1.1	42
Arkansas	14.7	19.8	17.8	18.8	18.8	1.16	0.0	18.5	1.6	1
California	15.4	13.1	13.1	12.8	13.1	0.45	0.3	12.9	0.6	17
Connecticut	9.5	8.3	8.1	7.8	8.2	0.68	0.4	7.9	0.9	47
Delaware	10.3	9.1	7.3	7.9	8.2	0.78	0.3	7.7	1.1	48
D.C.	22.3	17.0	16.8	17.6	16.9	1.16	-0.7	17.3	1.6	4
Florida	13.1	12.6	12.7	12.6	12.6	0.54	0.0	12.7	0.8	18
Georgia	13.5	11.2	11.9	12.1	11.5	0.87	-0.6	12.0	1.3	19
Hawaii	10.9	11.3	9.3	11.4	10.3	0.85	-1.1	10.7	1.2	28
Illinois	10.1	12.8	12.6	11.5	12.7	0.61	1.2	11.8	0.8	20
Indiana	9.4	9.1	9.9	8.8	9.5	0.7	0.7	9.2	0.9	40
Iowa	9.1	9.2	8.9	8.3	9.1	0.74	0.8	8.5	1.0	45
Kansas	9.6	10.1	10.8	10.1	10.4	0.8	0.3	10.3	1.1	31
Kentucky	13.5	14.2	14.4	13.4	14.3	0.96	0.9	13.7	1.3	16
Louisiana	19.1	17.5	17.0	16.9	17.2	1.12	0.3	16.9	1.6	5
Maine	10.4	13.4	11.6	11.9	12.5	0.81	0.6	11.8	1.1	20
Maryland	7.2	7.4	8.6	7.3	8.0	0.68	0.7	7.7	0.9	48
Massachusetts	8.7	10.0	10.3	9.5	10.1	0.7	0.6	9.7	1.0	36
Michigan	11.0	11.6	11.4	10.5	11.5	0.63	1.0	10.8	0.8	27
Minnesota	10.3	6.5	7.4	6.9	6.9	0.63	0.0	7.1	0.9	50
Mississippi	17.6	18.4	16.0	18.9	17.2	1.16	-1.7	17.9	1.7	3
Missouri	9.8	9.9	10.7	9.8	10.3	0.78	0.5	10.1	1.1	32
Nebraska	12.3	10.6	9.8	10.0	10.2	0.83	0.2	9.9	1.2	33
New Hampshire	9.8	5.8	5.8	6.1	5.8	0.59	-0.3	6.0	0.8	51
New Jersey	8.6	7.9	8.6	8.0	8.3	0.56	0.3	8.2	0.8	46
New York	16.7	14.0	14.3	14.1	14.2	0.5	0.1	14.2	0.7	10
North Carolina	14.0	14.3	15.7	13.4	15.0	0.81	1.6	14.2	1.1	10
North Dakota	15.1	11.6	9.7	12.7	10.6	0.83	-2.1	11.7	1.2	22
Ohio	11.2	9.8	10.9	10.1	10.3	0.58	0.2	10.4	0.8	30
Oklahoma	14.1	14.1	12.8	14.6	13.5	0.95	-1.1	14.0	1.4	12
Oregon	15.0	10.9	12.5	11.3	11.7	0.87	0.4	11.7	1.2	22
Pennsylvania	11.3	9.5	10.5	9.5	10.0	0.53	0.5	9.9	0.7	33
Rhode Island	11.6	11.0	11.5	10.3	11.3	0.76	1.0	10.7	1.0	28
South Carolina	13.7	14.3	12.7	14.7	13.5	0.94	-1.2	14.0	1.3	12
South Dakota	10.8	11.5	12.7	10.0	12.1	0.84	2.1	10.9	1.1	26
Tennessee	13.4	14.8	14.0	14.5	14.4	1.02	-0.1	14.3	1.4	9
Texas	15.1	15.6	17.0	15.3	16.3	0.6	1.0	15.8	0.8	7
Vermont	9.9	9.9	8.5	9.8	9.2	0.76	-0.6	9.4	1.1	37
Virginia	8.8	9.9	10.0	8.9	10.0	0.78	1.1	9.3	1.0	39
Washington	8.9	11.0	12.6	10.8	11.8	0.87	1.0	11.4	1.2	24
West Virginia	17.8	16.8	17.4	16.6	17.1	0.99	0.5	16.9	1.4	5
Wisconsin	8.8	8.6	9.8	8.2	9.2	0.7	1.0	8.8	1.0	44

Notes:

*Statistically significant at the 90% confidence level

**Because the sample of households contacted in small population states like Utah is relatively few in number, the data collected for two or three years is combined to calculate less variable estimates. The Census Bureau recommends using 2-year averages for evaluating changes in state estimates over time, and 3-year averages when comparing the relative ranking of states.

The Standard Error is a measurement that indicates the magnitude of sampling variability for the estimates. Note that the standard errors for U.S. estimates are much smaller than those for the states.

Ranking is done for the 50 states and the District of Columbia.

Source: March Current Population Survey, U.S. Census Bureau, Poverty in the United States: 2003.



Social Indicators

Overview

Quality of life is a subjective concept that is difficult to measure. The connection between economic performance and quality of life is indisputable. Despite a state economy that continued to follow the national trend of slow growth throughout 2004, Utah remained among the top states in terms of quality of life. Utah's transportation infrastructure is diverse and growing. Although Utah's violent crime rate has followed the national trend upward, it remained among the lowest in the U.S. While poverty rates increased, educational attainment decreased slightly, and Utah's birth rate continued to be the highest among the states. Utah ranked fifth in the nation on the indicators of child well being and fifth-highest in overall health status. The combination of these and other measurable data reveal that Utah's social structure continues to be among the best in the Nation.

Utah Quality of Life Information

Utah's Kids Count. According to the Annie E. Casey Foundation, Utah ranked fifth among states in child well-being in 2004, behind Minnesota, New Hampshire, New Jersey, and Iowa. The Foundation tracks indicators of child well-being by state. The results were published in the 2004 Kids Count Data Book. A state's National Composite Rank is determined by the sum of the state's standing on each of ten measures with the condition of children arranged in order from best (1) to worst (51). The Foundation's indicators are: percent low birth weight babies; infant mortality rate; child death rate; rate of teen deaths by accident, homicide, and suicide; teen birth rate; percent of teens who are high school dropouts; percent of teens not attending school and not working; percent of children living with parents who do not have full-time, year-round employment; percent of children in poverty; and percent of families with children headed by a single parent.

Transportation Choices. The availability of multiple transportation alternatives is an often overlooked measure of an area's quality of life. The 2003 American Community Survey shows the majority of working Utahns (77.4%) drive alone as their means of transportation to work, 13.8% carpool, and 2.0% use public transportation. Between 2002 and 2003, the Utah Transit Authority (UTA) reported a 44.6% increase in the number of people using vanpools, in large part due to a 40.0% increase in the number of vanpools available. UTA also reported a 4.4% increase in the number of passengers using the Trax light rail system and a 2.1% increase in the number of passengers using any of their regular transportation services including bus, rail, paratransit, and vanpool.

Current Data on Social Well Being

Crime. Statistics for 2003 from the Federal Bureau of Investigation's (FBI) Uniform Crime Reports show the rate of violent crime (murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault) in Utah to be 248.6 per 100,000 people. This is a 4.9% increase from the 2002 violent crime rate. Only six other states had lower rates than Utah. Utah's rate continues to be significantly lower than the U.S. rate (475.0 per 100,000 people in 2003).

Education. The 2003 American Community Survey conducted by the U.S. Census Bureau ranks Utah as the fifth-highest state in its proportion of persons age 25 and over with at least a high school degree (90.0%). Utah ranks as 21st in higher education, with 26.2% of persons 25 years and over having obtained a Bachelor's degree or higher.

Home Ownership. Home ownership rates for 2003 show that Utah has the 15th-highest percent of homeowners at 73.4%. The rate for the nation is 68.3%. The highest rates occurred in West Virginia (78.1%), Minnesota (77.2%), Delaware (77.2%), Alabama (76.2%), and Michigan (75.6%). The lowest rates were in the District of Columbia (43.0%), New York (54.3%), Hawaii (58.3%), and California (58.9%).

Vital Statistics and Health. Utah's unique age structure impacts its ranking among other states on many vital statistics. According to the U.S. Census Bureau, Utah continues to have the highest percentage of the population less than 18 years of age (31.6% in 2003) in the nation and the lowest median age (27.5 in 2003). Utah also has the second lowest percentage of the population age 65 and over (8.6% in 2003) behind Alaska.

Births. Final data for 2002 from the National Center for Health Statistics revealed that Utah's birth rate continued to be the highest estimated rate of all states at 21.2 births per 1,000 people. Texas and Arizona rank second and third at 17.1 and 16.1 respectively. The U.S. rate was 13.9.

Deaths. According to the National Center for Health Statistics, the overall death rate in Utah was 5.7 per 1,000 people in 2002—the second-lowest among U.S. states. The age adjusted death rate was 7.8 per 1,000 people, ranking Utah as the ninth-lowest. The infant mortality rate (deaths to infants less than one year old per 1,000 live births) was 5.6 in Utah in 2002, up from 4.8 in 2001. Using data from the American Cancer Society, Utah's deaths by cancer per 100,000 people in 2004 was estimated at 111.4, the lowest death rate by cancer in the nation. The Centers for Disease Control and Prevention reported Utah's HIV/AIDS rate per 100,000 people in 2003 at 3.1, the eighth-lowest in the nation. Actual deaths by AIDS in 2002 numbered 19 for the entire Utah population.

Health Insurance Coverage. According to the U.S. Census Bureau, approximately 13.6% of the Utah population was without health insurance coverage (three-year moving average). Utah was ranked 24th among states. The U.S. average was 15.1%.

Poverty. According to the 2003 Current Population Survey, Utah's 2003 poverty rate (three-year moving average) was 9.8%, the 17th-lowest in the nation. The states with the lowest poverty rates were New Hampshire (6.0), Minnesota (7.1), Delaware (7.7), Maryland (7.7), and Connecticut (7.9). In the U.S., approximately 12.1% of the population was in poverty.

Public Assistance. There were an estimated 19,982 recipients of Temporary Assistance to Needy Families (TANF) in 2002, ranking Utah 10th-lowest among states in the total number of TANF recipients. Approximately 105,630 people in Utah received benefits from the Federal Food Stamp Program, which dispersed \$19.5 million worth of benefits in Utah in 2003. Utah ranked 38th in the number of food stamp recipients, and 32nd in the amount of benefits from the Federal Food Stamp Program.

Table 55
Crime, Education and Home Ownership

	Violent Crime*		Property Crime**		Educational Attainment Persons 25 Years Old and Over 2003 (2)				Home Ownership Rates 2003 (3)	
	per 100,000 People 2003 (1)		per 100,000 People 2003 (1)		High School or Higher		Bachelor's Degree or Higher		Percent	
	Rate	Rank	Rate	Rank	Percent	Rank	Percent	Rank	Percent	Rank
U.S.	475.0	(X)	3,588.4	(X)	83.6	(X)	26.5	(X)	68.3	(X)
Alabama	429.5	23	4,049.1	17	78.8	47	21.2	45	76.2	4
Alaska	593.4	10	3,742.2	22	91.2	1	26.6	19	70.0	32
Arizona	513.2	14	5,632.4	2	83.5	33	24.3	29	67.0	41
Arkansas	456.1	20	3,621.4	26	79.7	45	19.0	48	69.6	34
California	579.3	11	3,424.3	27	80.2	43	29.1	13	58.9	48
Colorado	345.1	30	3,940.9	20	88.1	15	34.7	3	71.3	26
Connecticut	308.2	33	2,606.7	41	87.6	20	34.6	4	73.0	18
Delaware	658.0	7	3,384.4	28	86.0	24	27.6	18	77.2	2
District of Columbia	1,608.1	1	5,800.3	1	81.7	37	44.2	1	43.0	51
Florida	730.2	3	4,452.0	8	84.0	31	25.0	26	69.5	35
Georgia	453.9	22	4,254.6	14	80.9	41	25.7	24	71.4	24
Hawaii	270.4	39	5,237.5	3	87.8	17	28.2	16	58.3	49
Idaho	242.7	45	2,908.7	37	87.9	16	24.0	34	74.4	8
Illinois	556.8	12	3,284.4	31	85.2	29	28.1	17	70.7	29
Indiana	352.8	28	3,357.7	29	83.7	32	21.0	46	74.4	8
Iowa	272.4	38	2,961.1	36	88.9	9	22.5	41	73.4	15
Kansas	395.5	25	3,994.0	19	88.8	10	28.7	15	70.3	30
Kentucky	261.7	42	2,681.5	40	78.7	48	18.6	50	74.4	8
Louisiana	646.3	8	4,349.5	10	78.9	46	21.3	44	67.5	40
Maine	108.9	50	2,456.7	44	88.3	14	25.9	22	73.7	13
Maryland	703.9	4	3,801.4	21	86.8	23	34.5	5	71.6	22
Massachusetts	469.4	18	2,549.5	42	87.7	18	35.8	2	64.3	46
Michigan	511.2	15	3,277.3	32	87.1	21	24.3	29	75.6	5
Minnesota	262.6	40	3,116.8	33	90.8	2	30.6	9	77.2	2
Mississippi	325.5	32	3,720.4	23	77.4	51	18.7	49	73.4	15
Missouri	472.8	17	4,014.5	18	85.4	27	24.1	33	74.0	12
Montana	365.2	27	3,098.0	34	90.5	3	25.8	23	71.5	23
Nebraska	289.0	35	3,711.4	24	89.7	6	25.3	25	69.5	35
Nevada	614.2	9	4,288.4	12	82.1	36	19.5	47	64.8	44
New Hampshire	148.8	48	2,053.9	50	89.4	8	30.3	10	74.4	8
New Jersey	365.8	26	2,544.4	43	85.3	28	32.1	7	66.9	42
New Mexico	665.2	6	4,123.6	16	80.3	42	23.7	36	70.3	30
New York	465.2	19	2,248.3	47	83.2	35	29.7	12	54.3	50
North Carolina	454.9	21	4,278.0	13	80.1	44	24.3	29	70.0	32
North Dakota	77.8	51	2,096.1	49	88.4	13	25.0	26	68.7	38
Ohio	333.2	31	3,640.5	25	86.0	24	23.0	40	72.8	20
Oklahoma	505.7	16	4,306.0	11	83.3	34	21.9	42	69.1	37
Oregon	295.5	34	4,782.3	4	87.7	18	26.4	20	68.0	39
Pennsylvania	398.0	24	2,431.3	45	85.6	26	24.2	32	73.7	13
Rhode Island	285.6	36	2,995.0	35	81.6	38	29.1	13	59.9	47
South Carolina	793.5	2	4,477.1	7	81.5	39	23.2	38	75.0	6
South Dakota	173.4	47	2,001.7	51	88.6	11	23.1	39	70.9	27
Tennessee	687.8	5	4,379.4	9	81.1	40	21.5	43	70.8	28
Texas	552.5	13	4,595.3	6	77.8	50	24.5	28	64.5	45
Utah	248.6	44	4,225.5	15	90.0	5	26.2	21	73.4	15
Vermont	110.2	49	2,200.1	48	88.6	11	32.0	8	71.4	24
Virginia	275.8	37	2,704.1	39	84.5	30	32.2	6	75.0	6
Washington	347.0	29	4,754.9	5	89.7	6	30.2	11	65.9	43
West Virginia	257.5	43	2,359.4	46	78.3	49	17.0	51	78.1	1
Wisconsin	221.0	46	2,882.6	38	87.1	21	23.8	35	72.8	20
Wyoming	262.1	41	3,321.3	30	90.4	4	23.7	36	72.9	19

Notes: Rank is high to low. When states share the same rank, the next lower rank is omitted.

* Violent crimes are offenses of murder, forcible rape, robbery, and aggravated assault.

** Property crimes are offenses of burglary, larceny-theft, and motor-vehicle thefts.

Sources: (1) Federal Bureau of Investigation. "Crime in the United States, 2002." October 2003. (2) Source: U.S. Census Bureau, 2003 American Community Survey. (3) U.S. Census Bureau. *Housing Vacancy Survey Annual Statistics: 2003*.

Table 56
Vital Statistics and Health

	Births per 1000 People 2002 (1)		Deaths per 1000 People 2002 (2)		Estimated Deaths by Cancer per 100,000 People 2004 (3)		AIDS cases per 100,000 People 2003 (4)		State Health Ranking 2004 (5)		Persons Without Health Insurance (3 Year Average) (2001-2003) (6)	
	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank	Score	Rank	Percent	Rank
U.S.	13.9	(X)	8.5	(X)	193.8	(X)	15.2	(X)	(X)	(X)	15.1	(X)
Alabama	13.1	31	10.3	4	222.2	10	10.5	21	-10.4	43	13.3	25
Alaska	15.4	6	4.7	51	120.2	50	3.5	39	2.9	24	17.8	7
Arizona	16.1	3	7.8	37	174.0	41	11.0	20	3.0	23	17.3	10
Arkansas	13.8	20	10.5	3	223.8	8	6.9	29	-12.1	46	16.6	12
California	15.1	8	6.7	48	156.0	48	16.6	12	3.6	22	18.7	4
Colorado	15.2	7	6.5	49	140.4	49	8.0	27	11.6	13	16.3	15
Connecticut	12.1	44	8.7	26	201.2	27	21.1	8	15.0	8	10.4	41
Delaware	13.7	22	8.5	31	221.4	11	26.1	5	-0.1	32	10.1	43
District of Columbia	13.1	31	10.2	5	209.4	24	170.6	1	na	na	13.3	25
Florida	12.3	42	10.0	7	235.6	4	27.4	4	-8.4	42	17.6	8
Georgia	15.6	4	7.6	43	168.1	43	22.0	7	-11.1	45	16.4	14
Hawaii	14.0	19	7.1	46	166.2	44	8.7	24	17.7	4	9.9	44
Idaho	15.6	4	7.4	45	164.7	46	1.9	47	6.4	18	17.5	9
Illinois	14.3	16	8.5	31	196.3	34	13.7	16	0.3	29	14.0	22
Indiana	13.8	20	9.0	23	213.9	19	8.2	26	-0.1	32	12.9	30
Iowa	12.8	38	9.5	15	223.2	9	2.6	45	13.2	11	9.5	48
Kansas	14.5	12	9.2	19	195.7	36	4.3	37	7.3	16	10.9	36
Kentucky	13.3	28	9.9	9	227.3	6	5.3	35	-7.1	39	13.3	25
Louisiana	14.5	12	9.4	16	215.7	17	23.2	6	-21.3	50	19.4	3
Maine	10.5	50	9.8	10	237.4	3	4.0	38	13.7	10	10.7	38
Maryland	13.4	25	8.1	36	189.3	38	28.5	3	-2.0	34	13.2	28
Massachusetts	12.5	41	8.9	24	211.7	21	11.8	19	17.3	6	9.6	47
Michigan	12.9	37	8.7	26	197.1	32	6.7	32	0.3	29	11.0	34
Minnesota	13.6	24	7.7	40	185.0	39	3.5	39	25.0	1	8.2	51
Mississippi	14.5	12	10.0	7	216.2	15	17.6	10	-20.2	49	17.0	11
Missouri	13.3	28	9.7	12	218.8	12	7.1	28	-4.2	36	10.9	36
Montana	12.1	44	9.4	16	224.5	7	0.8	50	2.1	26	16.1	16
Nebraska	14.7	11	9.1	21	196.1	35	3.4	41	11.7	12	10.3	42
Nevada	15.0	9	7.8	37	202.1	26	12.4	18	-5.8	37	18.3	6
New Hampshire	11.3	49	7.7	40	201.1	28	2.9	44	23.9	2	9.9	44
New Jersey	13.4	25	8.6	29	209.1	25	17.5	11	7.2	17	13.7	23
New Mexico	15.0	9	7.7	40	165.9	45	5.8	34	-6.6	38	21.3	2
New York	13.1	31	8.3	34	189.4	37	34.8	2	0.1	31	15.5	18
North Carolina	14.1	17	8.7	26	197.2	31	12.9	17	-7.5	41	16.1	16
North Dakota	12.2	43	9.3	18	211.4	22	0.5	51	15.8	7	10.5	40
Ohio	13.0	35	9.6	13	214.1	18	6.8	30	2.1	26	11.7	33
Oklahoma	14.4	15	10.2	5	217.6	14	6.1	33	-7.2	40	18.7	4
Oregon	12.8	38	8.8	25	200.0	29	6.8	30	5.2	21	14.8	19
Pennsylvania	11.6	47	10.6	2	241.9	2	15.3	13	2.8	25	10.7	38
Rhode Island	12.1	44	9.6	13	227.7	5	9.5	23	10.9	14	9.3	50
South Carolina	13.3	28	9.2	19	213.6	20	18.7	9	-12.9	47	13.1	29
South Dakota	14.1	17	9.1	21	215.9	16	1.7	48	6.3	19	11.0	34
Tennessee	13.4	25	9.8	10	217.6	13	14.3	15	-13.1	48	11.8	32
Texas	17.1	2	7.1	46	157.5	47	15.3	13	-2.7	35	24.6	1
Utah	21.2	1	5.7	50	111.4	51	3.1	43	17.6	5	13.6	24
Vermont	10.4	51	8.2	35	210.0	23	2.6	45	22.8	3	9.9	44
Virginia	13.7	22	7.8	37	174.0	42	10.5	21	5.9	20	12.5	31
Washington	13.0	35	7.5	44	184.0	40	8.6	25	9.1	15	14.3	21
West Virginia	11.5	48	11.7	1	260.2	1	5.2	36	-10.4	43	14.8	19
Wisconsin	12.6	40	8.6	29	197.0	33	3.4	41	14.4	9	9.5	48
Wyoming	13.1	31	8.4	33	199.5	30	1.6	49	2.0	28	16.5	13

Note: Rank is high to low. When states share the same rank, the next lower rank is omitted.

Sources: (1) National Center for Health Statistics. "National Vital Statistics Reports." Vol 52, No 12. (2) National Center for Health Statistics. "National Vital Statistics Reports." Vol 53, No 5. Not age adjusted. (3) American Cancer Society. "Cancer Facts and Figures 2004." Rates calculated by the Governor's Office of Planning and Budget using Census Bureau 2003 population estimates. Not age-adjusted. (4) Centers for Disease Control and Prevention. "HIV/AIDS Surveillance Report." Vol 15. U.S. total includes Puerto Rico, Guam, U.S. Virgin Islands, and U.S. Pacific Islands as well as persons whose state of residence is unknown. (5) United Health Foundation. "America's Health: United Health Foundation State Health Rankings 2004." (6) U.S. Census Bureau. "Health Insurance Coverage in the United States: 2002." Current Population Survey. August 2004.



Table 57
Poverty and Public Assistance

	All Ages in Poverty 3-year Average 2001-2003 (1)		Temporary Assistance for Needy Families (TANF) (Monthly) 2002 (2)			Federal Food Stamp Program			
			Recipients	Percent of USA	Rank	2003 (3)		2003 (4) Thousands of Dollars	
						Persons	Rank	Benefits	Rank
U.S.	12.1	(X)	5,146,132	100%	(X)	21,260,293	(X)	\$4,013,337	(X)
Alabama	15.1	8	42,706	0.8%	28	472,066	15	33,573	23
Alaska	9.0	42	17,623	0.3%	43	50,687	46	7,742	47
Arizona	13.9	15	94,279	1.8%	17	466,153	17	32,532	24
Arkansas	18.5	1	27,731	0.5%	38	310,359	25	22,989	30
California	12.9	17	1,160,882	22.6%	1	1,708,354	2	347,047	1
Colorado	9.4	37	31,491	0.6%	36	208,053	31	26,856	28
Connecticut	7.9	47	53,102	1.0%	24	180,512	33	26,388	29
Delaware	7.7	48	12,357	0.2%	47	46,027	47	8,077	45
District of Columbia	17.3	4	42,159	0.8%	29	81,777	41	10,190	42
Florida	12.7	18	123,247	2.4%	12	1,041,315	4	88,333	9
Georgia	12.0	19	128,177	2.5%	11	750,208	9	74,269	11
Hawaii	10.7	28	30,466	0.6%	37	100,382	39	12,966	36
Idaho	11.0	25	2,374	0.05%	50	81,524	42	8,962	43
Illinois	11.8	20	133,708	2.6%	10	953,929	5	94,181	6
Indiana	9.2	40	138,885	2.7%	8	470,182	16	40,914	18
Iowa	8.5	45	53,434	1.0%	23	153,816	35	19,788	31
Kansas	10.3	31	35,808	0.7%	35	160,705	34	13,620	35
Kentucky	13.7	16	77,658	1.5%	19	502,677	14	30,781	27
Louisiana	16.9	5	60,704	1.2%	22	655,300	11	48,132	14
Maine	11.8	20	26,039	0.5%	40	132,582	36	8,477	44
Maryland	7.7	48	65,565	1.3%	21	252,294	28	36,086	21
Massachusetts	9.7	36	108,068	2.1%	14	292,200	27	31,642	26
Michigan	10.8	27	201,695	3.9%	5	837,629	7	89,394	8
Minnesota	7.1	50	94,584	1.8%	16	234,631	30	56,594	12
Mississippi	17.9	3	40,434	0.8%	32	355,783	23	34,164	22
Missouri	10.1	32	118,753	2.3%	13	591,532	13	48,492	13
Montana	14.0	12	16,440	0.3%	44	71,320	44	11,785	37
Nebraska	9.9	33	25,500	0.5%	41	99,243	40	14,925	34
Nevada	9.0	42	27,640	0.5%	39	111,352	37	11,150	40
New Hampshire	6.0	51	14,499	0.3%	45	44,783	48	5,377	50
New Jersey	8.2	46	102,657	2.0%	15	339,047	24	93,803	7
New Mexico	18.0	2	47,338	0.9%	26	194,795	32	18,471	33
New York	14.2	10	412,530	8.0%	2	1,435,986	3	264,580	2
North Carolina	14.2	10	91,084	1.8%	18	649,426	12	74,988	10
North Dakota	11.7	22	8,344	0.2%	48	39,663	50	7,809	46
Ohio	10.4	30	190,998	3.7%	6	855,401	6	121,992	5
Oklahoma	14.0	12	36,923	0.7%	34	380,299	22	45,367	16
Oregon	11.7	22	40,916	0.8%	31	398,377	20	45,220	17
Pennsylvania	9.9	33	210,595	4.1%	4	822,696	8	160,545	4
Rhode Island	10.7	28	38,957	0.8%	33	74,068	43	7,389	48
South Carolina	14.0	12	50,866	1.0%	25	450,556	18	32,232	25
South Dakota	10.9	26	6,603	0.1%	49	51,176	45	10,888	41
Tennessee	14.3	9	164,823	3.2%	7	728,305	10	39,163	20
Texas	15.8	7	331,363	6.4%	3	1,872,473	1	190,187	3
Utah	9.8	35	19,982	0.4%	42	105,630	38	19,542	32
Vermont	9.4	37	13,407	0.3%	46	41,333	49	11,534	39
Virginia	9.3	39	67,262	1.3%	20	393,911	21	4,460	51
Washington	11.4	24	137,755	2.7%	9	403,992	19	40,114	19
West Virginia	16.9	5	41,643	0.8%	30	246,890	29	11,634	38
Wisconsin	8.8	44	45,231	0.9%	27	296,719	26	45,512	15
Wyoming	9.1	41	826	0.02%	51	25,306	51	6,159	49

Note: Rank is high to low. When states share the same rank, the next lower rank is omitted.

Sources: (1) U.S. Census Bureau. "Poverty In the United States: 2003." *Current Population Survey*. August 2004. (2) U.S. Department of Health and Human Services, Administration for Children and Families. "Total Number of Recipients for Fiscal Year 2002." February 2003. Welfare reform replaced the Aid to Families with Dependent Children (AFDC) program with Temporary Assistance to Needy Families (TANF) as of July 1, 1997. National total includes 80,021 recipients in U.S. territories (67,413 in Puerto Rico). (3) U.S. Department of Agriculture, Food and Nutrition Services. "Food Stamp Program: Average Monthly Participation." August 2004. (4) U.S. Department of Commerce. "Federal Aid to States for Fiscal Year 2003." September 2004.



Industry Focus

Overview

Agricultural production and income in the nation and in Utah have risen sharply in 2003 and 2004; further increases are expected in 2005. As a result, the agriculture sector will contribute to the improvement of the economy. If normal amounts of moisture are received in the coming year, the value of agricultural production in Utah in 2005 should be at record levels; and almost all of the sectors of Utah agriculture will be positively affected.

National. According to USDA, net farm income was a record high \$59.2 billion in 2003. This was an increase of \$22 billion from 2002. Net cash income was also at a record \$68.6 billion. In addition, the farm sector was estimated to have contributed a record \$101.4 billion in value to the national economic output in 2003. This is the first time that economic output attributable to farmers and other agricultural stakeholders has reached \$100 billion. All of these changes were significant increases from 2003 and significantly greater than the previous 10 year average. These improvements in the agricultural sector contributed to the economic recovery that became evident in 2004.

The growth in production and income that occurred in 2003 is expected to continue in 2004 and will likely extend into 2005. USDA summarized the reasons for this growth in the following manner: "Improvement in the agricultural sector of the economy in 2004 comes as the result of exceptionally large domestic harvests of major crops, increased demand for crop and most livestock exports, strong prices for livestock and milk and modest increases in costs of production relative to increases in the value of production. All of these factors are expected to result in record levels of net farm income and net value added for the agricultural sector." Net farm income, for example, is expected to be \$73.7 billion in 2004, an increase of more than 20% from the records set in 2003. Net value added is expected to be up about 17% from the levels set in 2003. The value of livestock production is leading this growth.

A national trend that is becoming increasingly evident is the change in the type of farms. The classic image of the American farm operation as a sole proprietor where the farm business is the primary source of household income can no longer be considered the most common type of farm. While about 50% of the farms are still classified as sole proprietorships, these farms only accounted for about 25% of the value of farm production in 2003. Large commercial (those with sales of over \$250,000) operations are becoming the dominant type of producing unit. Most of these commercial farms are family operations but are organized as corporations, partnerships, LLCs, etc. Furthermore, most of the small farms that are organized as sole proprietorships were operated by those who do not consider farming as their primary source of household income. Farming and farm families are therefore becoming an increasingly complex industry that influences and is influenced by other sectors of the economy. While similar data are not available for Utah, casual observation suggests that this trend is as common in Utah (if not more so) as in most other parts of the country.

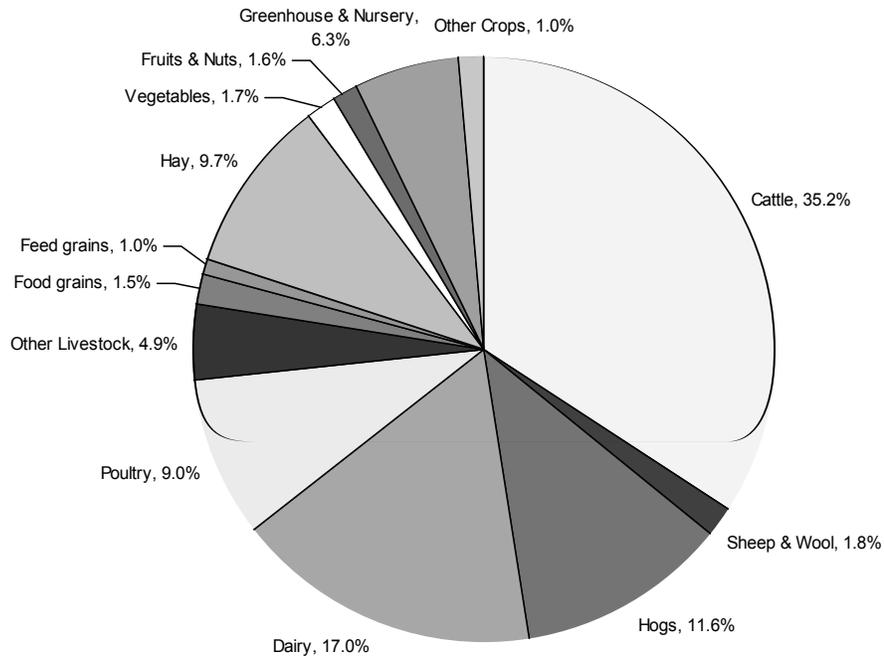
State. The strong growth in agricultural production that occurred nationally also occurred in Utah. Net farm income grew by nearly 45%, from \$254 million in 2002 to \$368 million in 2003. It is likely net farm increases will be even larger in 2004. Net farm income in 2004 will likely set a new record and further increases are expected in 2005.

Net farm income is expected to increase in 2004 in part due to the relatively high prices for livestock and livestock products. For example, the price of milk increased from record low prices in 2002 and 2003 to record high levels in 2004. The prices ranchers received for calves and lambs sold during the fall of 2004 were also at record high levels. Utah is also benefiting from the record setting amounts of grain that were produced in the Midwestern United States. The large amount of corn in particular is keeping feed costs low, in turn reducing the cost of feeding animals destined for slaughter. These favorable conditions will likely continue, barring adverse weather conditions limit the production of grains, in 2005.

Regional/Sector. While there is a very favorable outlook for agriculture, some sectors and regions in the state did not prosper in 2004. The drought that has plagued Utah since 1999 continued to limit production and severely affected agricultural production in some sectors and regions of the state. For example, dry land grain production was very limited in 2004 as the result of continued drought. This sector also felt the effects of lower prices that were caused by record setting levels of grain production in regions of the country that were not experiencing drought. As a result, grain farmers in the major dry land grain production regions (e.g., Box Elder and San Juan Counties) experienced significant reductions in production and net income. Ranchers that depend heavily on rangelands have also been adversely affected by the drought. The plentiful amount of rainfall that occurred in the fall of 2004 had the potential to improve growing conditions for dry land grain and forage production on rangelands. If normal precipitation occurs in the winter and spring of 2005, the income received by producers in these sectors will improve by several orders of magnitude.

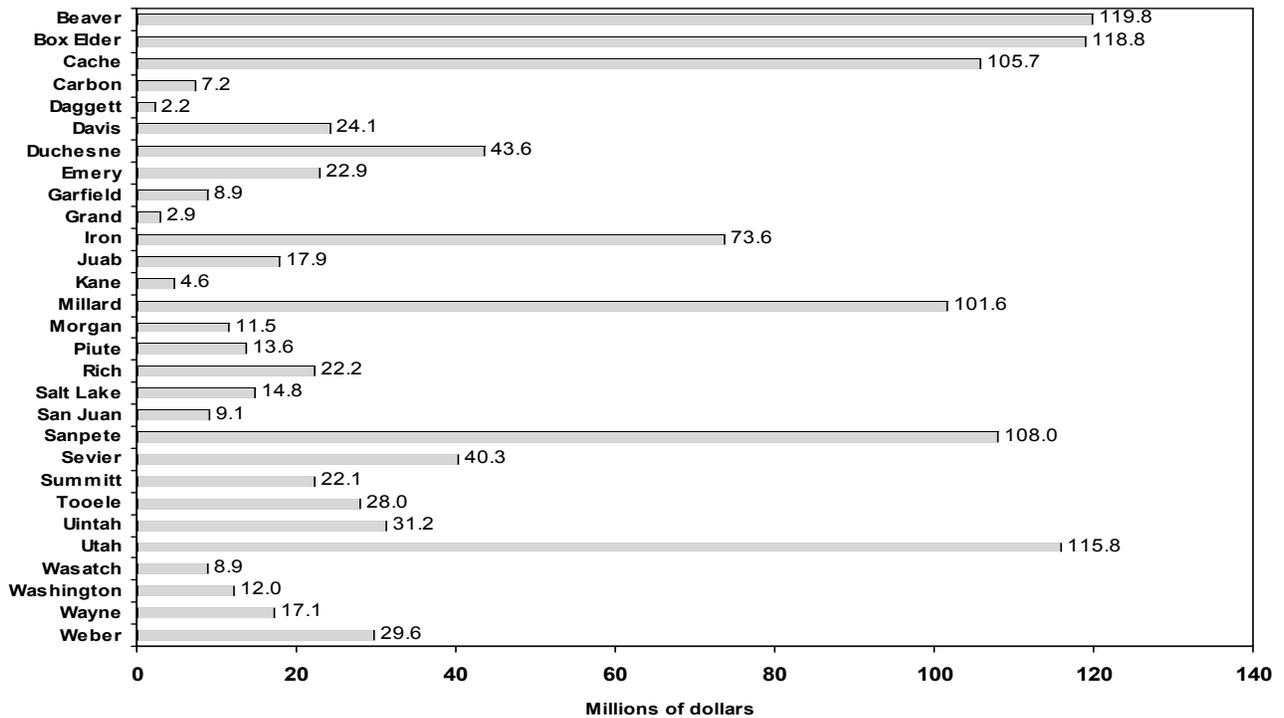
A significant change in the dairy industry occurred on April 1st, 2004 when milk marketing order 135 (primarily Utah, southern Idaho and eastern Oregon) was dissolved. The dissolution of this order means that milk prices received by dairy farmers are no longer governed by federal order guidelines and that marketing information for the area that was included in order 135 is no longer available. In addition, a new Class I bottling plant opened just north of Las Vegas this fall. The capacity of this plant is not known at the present time, but it has the potential to either benefit (if producers in Utah supply milk to this plant) or harm (if milk from other states is shipped to this plant and marketed in Utah) the dairy industry in Utah. As a result, dairy production in Utah is subject to a set of market forces that have not been faced before.

Figure 49
Utah Cash Receipts by Commodity: 2003



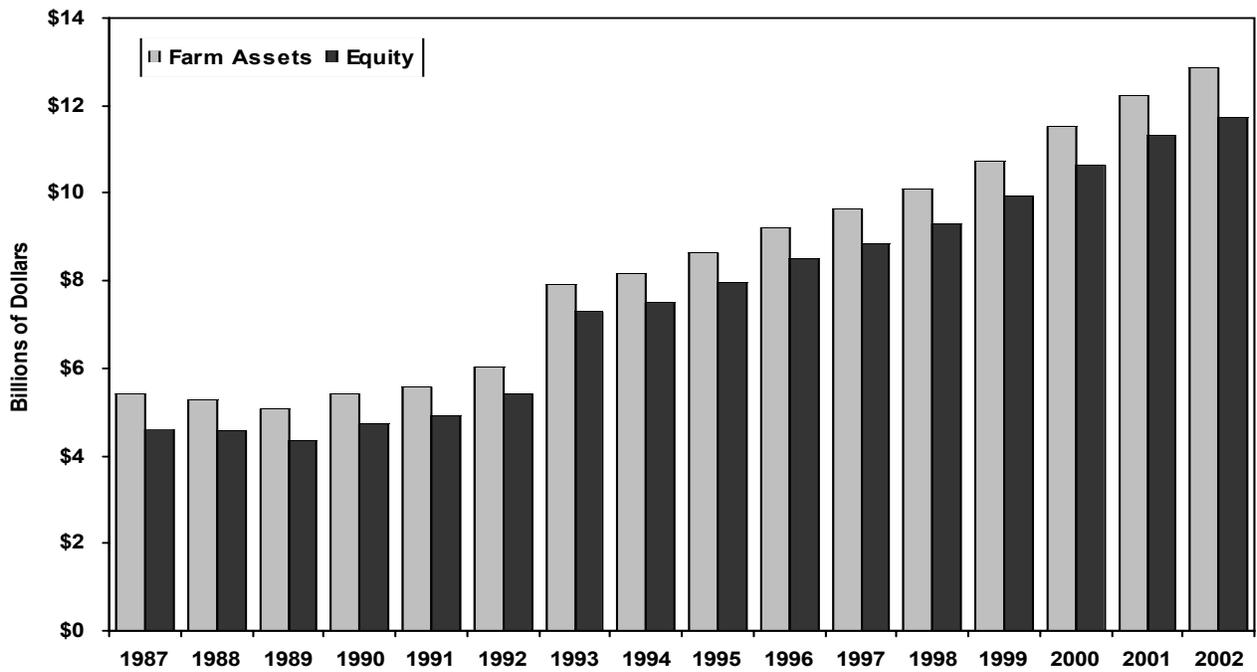
Source: Utah Agricultural Statistics

Figure 50
Farm Cash Receipts by County in Utah: 2003



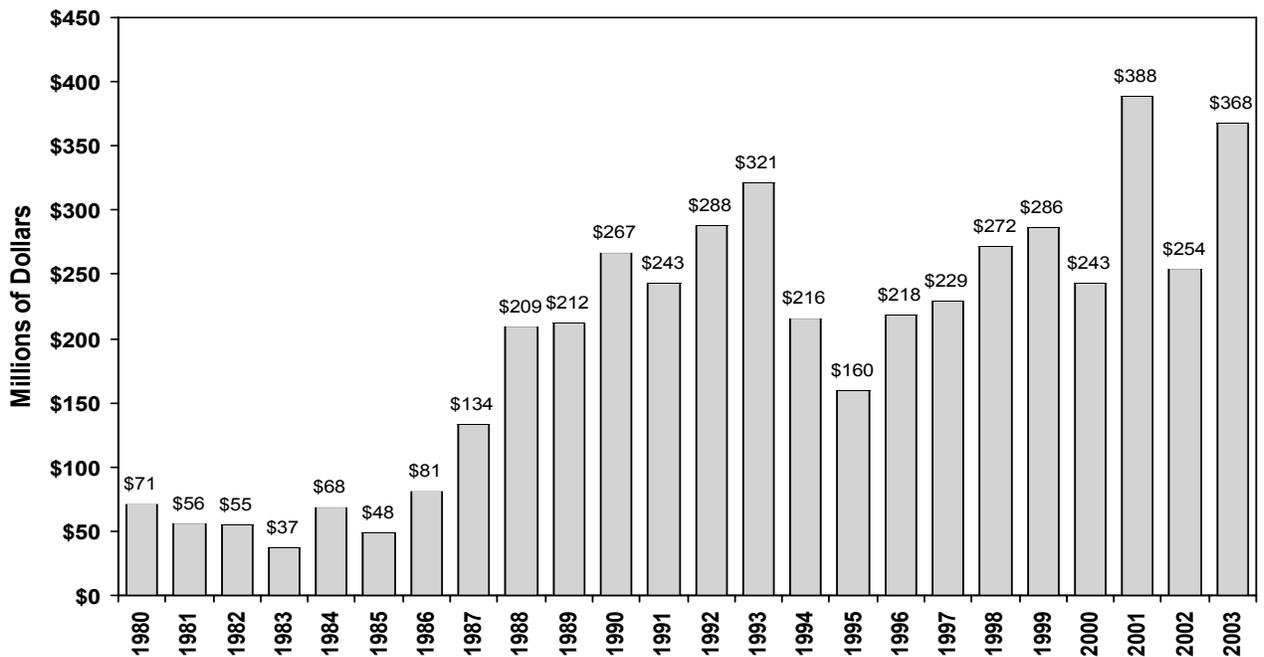
Source: Utah Agricultural Statistics

Figure 51
Farm Assets and Equity in Utah



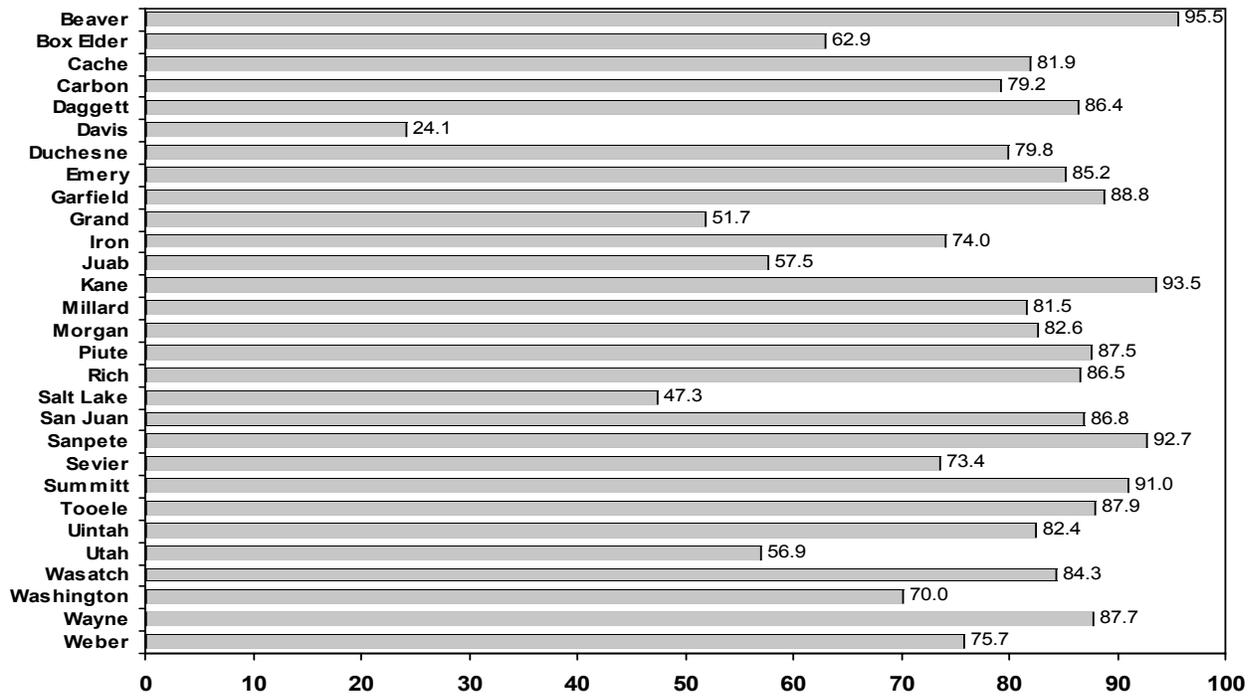
Source: United States Department of Agriculture

Figure 52
Net Farm Income in Utah, 1980-2003



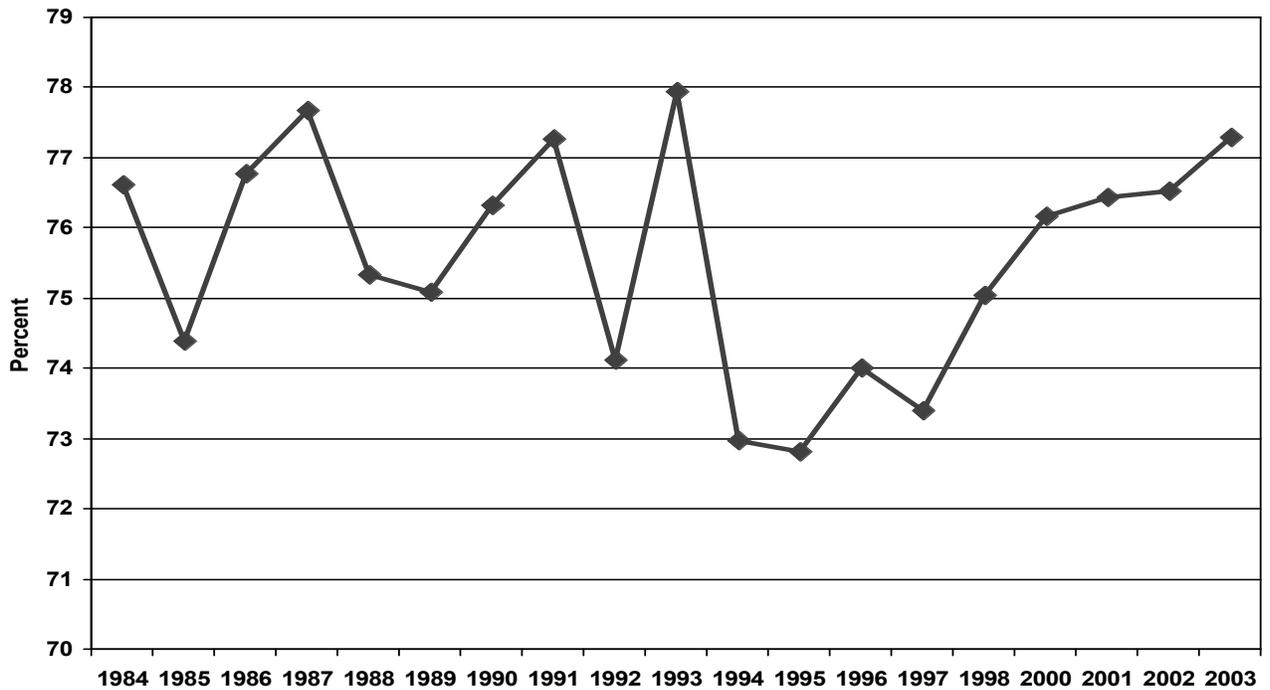
Source: United States Department of Agriculture

Figure 53
Livestock and Livestock Products as a Percentage of Total Cash Receipts by County in Utah: 2003



Source: United States Department of Agriculture

Figure 54
Livestock Receipts as a Percent of Total Cash Receipts in Utah: 1984-2003



Source: United States Department of Agriculture

Table 58
Farm Balance Sheet for Utah (Millions of Dollars)

Category	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Assets	5,406.3	5,585.4	6,036.3	7,933.9	8,158.6	8,630.6	9,201.2	9,624.9	10,107.8	10,653.4	11,436.5	12,195.0	12,686.9
Real Estate	4,160.1	4,433.6	4,841.2	6,706.5	6,956.3	7,250.2	7,776.2	8,045.3	8,523.9	8,972.5	9,720.2	10,571.8	10,966.4
Livestock & Poultry	582.7	566.3	637.9	626.9	626.4	511.0	553.4	625.3	586.9	684.2	745.3	684.3	758.9
Machinery & Motor Vehicles	440.5	441.0	428.4	457.4	465.7	486.7	490.5	543.3	549.9	584.2	588.1	565.5	583.9
Crops	114.6	95.2	90.3	117.7	114.7	101.2	121.0	150.9	147.7	126.0	127.3	123.9	112.5
Purchased Inputs	15.5	17.5	27.2	25.1	36.3	22.6	24.4	27.5	28.3	22.6	27.5	18.0	31.6
Financial	92.9	31.8	11.2	289.0	-40.8	258.9	235.7	232.5	271.2	263.9	228.1	231.1	233.7
Liabilities	661.9	660.8	618.8	650.4	634.9	655.0	678.4	730.3	752.7	787.1	884.8	926.5	933.1
Real Estate Debt	372.7	355.8	317.6	340.4	305.4	314.9	319.8	342.9	348.4	376.0	456.7	484.7	485.5
Non Real Estate Debt	289.2	305.0	301.2	310.0	329.4	340.1	358.6	387.6	404.3	411.1	428.1	441.8	447.7
Equity	4,744.4	4,924.6	5,417.5	7,283.5	7,523.8	7,975.6	8,522.8	8,894.6	9,355.1	9,866.3	10,551.7	11,268.5	11,753.8
Debt/Equity	14.0	13.4	11.4	8.9	8.4	8.2	8.0	8.2	8.0	8.0	8.4	8.2	7.9
Number of Farms	13,200	13,300	13,200	14,500	14,500	15,000	15,000	15,000	15,000	15,500	15,500	15,000	15,000

Source: USDA, ERS

Table 59
Percent of Agricultural Receipts by Sector

	1998	1999	2000	2001	2002	2003
Cattle	31.0	32.8	34.5	33.5	33.8	35.2
Sheep & Wool	2.0	1.9	2.1	1.5	1.7	1.8
Dairy	23.6	23.2	18.4	21.2	18.3	17.0
Poultry	7.2	7.7	8.0	7.9	9.7	9.0
Hogs	5.0	5.7	9.7	9.5	10.0	11.6
Other Livestock	4.9	3.1	3.4	2.8	2.6	2.7
Greenhouse & Nursery	5.9	6.6	5.9	5.6	5.9	6.3
Feed Grains	2.0	1.8	1.5	1.2	1.7	1.0
Food Grains	2.6	2.3	1.9	1.7	1.7	1.5
Fruit & Nut	1.5	1.0	1.8	0.9	0.6	1.6
Vegetables	2.5	2.1	2.1	2.8	2.1	1.7
All Hay	10.8	10.4	9.7	11.4	11.1	9.7
Other Crops	1.0	1.4	1.0	0.5	0.8	0.9
Total	100	100	100	100	100	100

Source: Utah Agricultural Statistics

Table 60
Personal Income from Farming by County (Thousands of Dollars)

County	1975	1980	1984	1990	1992	1997	1998	1999	2000	2001	2002
Beaver	776	1,365	1,052	11,295	9,297	11,225	12,723	23,735	37,086	51,514	45,368
Box Elder	11,117	12,101	6,523	30,739	26,769	28,089	30,511	27,915	22,214	26,446	22,975
Cache	10,343	15,569	9,132	29,493	31,862	21,955	27,139	36,402	22,419	39,259	22,737
Carbon	181	771	772	2,670	964	-2,777	6	-1,926	-2,150	-2,241	-2,214
Daggett	370	636	346	684	710	-97	-151	-113	-304	323	-92
Davis	2,941	7,499	3,137	16,060	26,746	8,763	9,713	9,577	6,403	9,176	9,925
Duchesne	1,697	3,340	1,830	14,445	11,724	2,930	2,609	1,456	794	5,939	708
Emery	180	432	583	6,840	3,663	1,850	1,817	751	-296	1,420	478
Garfield	498	949	1,421	5,231	3,320	-322	-485	-452	-853	402	-1,961
Grand	325	744	321	782	493	82	30	288	-290	-303	-229
Iron	1,261	1,283	2,075	12,864	7,545	11,254	10,193	15,996	11,879	25,045	23,647
Juab	492	328	558	4,587	3,959	295	-187	4,770	1,341	3,521	3,309
Kane	132	382	431	1,913	510	702	585	778	441	466	-81
Millard	5,665	8,153	8,117	16,592	17,010	13,784	15,326	25,324	17,834	34,815	31,950
Morgan	1,910	2,053	2,255	4,741	3,010	5,106	5,847	7,747	4,179	2,740	212
Piute	760	1,239	1,031	3,050	1,802	2,414	2,873	4,217	2,325	4,141	4,303
Rich	852	1,217	1,239	6,886	9,158	2,640	2,176	4,564	5,503	2,878	2,603
Salt Lake	7,152	11,474	3,921	12,477	12,978	2,911	3,528	2,684	2,255	1,454	1,991
San Juan	1,686	2,048	3,014	5,902	2,291	1,457	1,178	3,010	-513	-1,818	-4,063
Sanpete	3,838	2,139	6,719	19,998	22,014	13,093	16,975	20,064	22,095	24,889	30,955
Sevier	2,193	3,829	9,068	10,583	18,250	11,668	12,809	7,731	9,841	17,112	10,904
Summit	2,001	3,498	2,624	9,074	2,722	4,602	5,390	14,633	9,947	4,603	4,453
Tooele	1,434	2,152	1,946	6,262	1,818	1,985	1,927	2,064	3,758	5,347	5,351
Uintah	813	3,190	4,774	12,900	6,615	2,229	1,399	4,366	721	3,746	-1,657
Utah	8,869	8,620	8,067	23,743	20,412	19,744	22,673	30,506	33,768	26,505	24,796
Wasatch	956	1,486	1,247	4,226	2,264	2,226	2,539	2,186	-272	207	-331
Washington	1,890	3,031	2,002	4,819	2,051	-582	-736	73	-1,298	-170	-864
Wayne	303	917	485	3,241	4,410	2,791	3,385	5,119	4,305	5,582	3,606
Weber	2,302	4,261	2,579	10,762	14,002	1,800	4,220	4,650	741	4,531	1,056
State	72,937	104,706	87,269	292,859	268,369	171,817	196,012	258,115	213,873	297,529	239,835

Source: Bureau of Economic Analysis

Table 61
Cash Receipts by Source in Utah Counties (Millions of Dollars)

County	1992			1994			1996			1998		
	Livestock	Crops	Total									
Beaver	17.8	2.8	20.6	18.5	4.3	22.8	24.7	4.3	29.0	63.3	5.8	69.1
Box Elder	46.0	30.5	76.5	49.6	35.4	85.0	55.8	39.4	95.2	61.9	37.3	99.2
Cache	80.0	13.7	93.7	83.1	17.4	100.5	86.2	22.1	108.3	93.2	17.8	111.0
Carbon	3.5	0.5	4.0	4.0	0.7	4.7	4.2	0.8	5.0	4.8	1.1	5.9
Daggett	1.0	0.3	1.3	1.0	0.5	1.5	0.9	0.4	1.3	1.9	0.6	2.5
Davis	11.8	29.7	41.5	12.6	25.8	38.4	14.5	22.2	36.7	9.8	29.1	38.9
Duchesne	25.3	3.5	28.8	26.7	6.3	33.0	29.5	6.5	36.0	30.1	8.0	38.1
Emery	10.8	1.5	12.3	10.4	2.3	12.7	11.0	2.0	13.0	11.8	3.4	15.2
Garfield	7.0	0.9	7.9	6.5	1.4	7.9	7.0	1.2	8.2	8.3	1.8	10.1
Grand	1.6	0.7	2.3	1.6	0.8	2.4	1.5	0.5	2.0	6.2	1.1	7.3
Iron	10.5	10.5	21.0	11.5	12.5	24.0	12.1	10.8	22.9	17.8	12.8	30.6
Juab	5.1	2.7	7.8	5.4	3.9	9.3	5.1	4.6	9.7	10.8	4.0	14.8
Kane	3.7	0.4	4.1	4.3	0.6	4.9	3.9	0.5	4.4	4.3	0.5	4.8
Millard	24.4	16.5	40.9	24.5	21.0	45.5	35.8	24.2	60.0	49.9	22.2	72.1
Morgan	10.9	1.0	11.9	10.5	1.4	11.9	12.3	1.7	14.0	13.1	1.9	15.0
Piute	6.4	0.9	7.3	7.7	1.2	8.9	8.2	1.1	9.3	9.3	1.6	10.9
Rich	16.7	2.2	18.9	16.4	4.0	20.4	16.6	3.6	20.2	19.7	4.4	24.1
Salt Lake	24.6	13.7	38.3	33.0	13.0	46.0	37.9	11.8	49.7	17.5	11.2	28.7
San Juan	7.0	2.7	9.7	9.5	3.5	13.0	7.8	2.0	9.8	9.0	7.1	16.1
Sanpete	70.7	3.8	74.5	70.2	6.5	76.7	74.3	6.7	81.0	77.3	9.2	86.5
Sevier	25.4	3.2	28.6	30.5	5.0	35.5	31.0	5.4	36.4	26.7	5.9	32.6
Summitt	13.5	0.9	14.4	15.1	1.4	16.5	14.5	1.2	15.7	19.6	2.0	21.6
Tooele	7.4	3.0	10.4	7.5	3.4	10.9	8.2	3.7	11.9	10.5	3.1	13.6
Uintah	19.2	3.2	22.4	21.2	4.3	25.5	17.3	4.9	22.2	25.0	6.8	31.8
Utah	58.7	32.0	90.7	61.6	29.2	90.8	70.2	30.8	101.0	74.6	30.5	105.1
Wasatch	9.5	1.3	10.8	9.0	1.5	10.5	9.4	1.6	11.0	8.4	1.6	10.0
Washington	6.9	4.3	11.2	7.7	4.8	12.5	6.9	4.0	10.9	9.5	4.0	13.5
Wayne	8.7	1.2	9.9	8.0	1.5	9.5	11.0	1.8	12.8	12.5	2.1	14.6
Weber	23.8	7.3	31.1	30.0	7.7	37.7	28.3	7.2	35.5	29.3	7.9	37.2
Total	557.9	194.9	752.8	597.6	221.3	818.9	646.1	227.0	873.1	736.1	244.8	980.9

County	2000			2001			2002			2003		
	Livestock	Crops	Total									
Beaver	118.7	5.7	124.4	110.8	7.2	118.0	107.2	7.2	114.4	114.4	5.4	119.8
Box Elder	67.4	32.6	100.0	76.2	33.9	110.1	69.6	32.7	102.3	74.7	44.1	118.8
Cache	83.4	16.7	100.1	100.7	17.1	117.8	83.9	17.3	101.2	86.6	19.1	105.7
Carbon	4.9	1.1	6.0	4.9	1.2	6.1	5.0	1.1	6.1	5.7	1.5	7.2
Daggett	1.6	0.5	2.1	1.8	0.7	2.5	1.8	0.5	2.3	1.9	0.3	2.2
Davis	5.0	30.1	35.1	6.0	32.6	38.6	5.4	32.3	37.7	5.8	18.3	24.1
Duchesne	32.5	7.7	40.2	34.5	9.5	44.0	31.1	8.7	39.8	34.8	8.8	43.6
Emery	12.2	3.2	15.4	12.9	3.7	16.6	12.3	3.4	15.7	19.5	3.4	22.9
Garfield	8.5	1.7	10.2	8.6	2.2	10.8	7.3	1.9	9.2	7.9	1.0	8.9
Grand	3.7	1.2	4.9	3.4	1.3	4.7	3.7	1.2	4.9	1.5	1.4	2.9
Iron	16.8	13.3	30.1	30.1	16.7	46.8	29.0	16.1	45.1	54.5	19.1	73.6
Juab	8.2	3.3	11.5	8.8	7.6	16.4	8.4	7.3	15.7	10.3	7.6	17.9
Kane	4.1	0.5	4.6	4.3	0.6	4.9	3.9	0.6	4.5	4.3	0.3	4.6
Millard	55.5	16.3	71.8	66.4	18.5	84.9	68.3	17.0	85.3	82.8	18.8	101.6
Morgan	10.8	1.8	12.6	12.2	1.9	14.1	9.8	1.8	11.6	9.5	2.0	11.5
Piute	8.4	1.3	9.7	9.3	1.5	10.8	10.7	1.3	12.0	11.9	1.7	13.6
Rich	21.4	3.8	25.2	22.2	4.4	26.6	19.2	3.6	22.8	19.2	3.0	22.2
Salt Lake	15.9	12.5	28.4	16.3	13.0	29.3	15.3	13.2	28.5	7.0	7.8	14.8
San Juan	7.9	5.0	12.9	8.6	3.6	12.2	7.3	3.1	10.4	7.9	1.2	9.1
Sanpete	85.3	7.9	93.2	89.3	9.7	99.0	101.6	8.1	109.7	100.1	7.9	108.0
Sevier	30.7	6.0	36.7	34.9	7.1	42.0	28.8	6.7	35.5	29.6	10.7	40.3
Summitt	17.5	1.8	19.3	20.9	2.2	23.1	20.0	2.1	22.1	20.1	2.0	22.1
Tooele	12.2	3.1	15.3	13.3	3.5	16.8	12.5	3.3	15.8	24.6	3.4	28.0
Uintah	22.9	6.2	29.1	26.6	7.9	34.5	22.3	6.7	29.0	25.7	5.5	31.2
Utah	65.5	41.3	106.8	73.5	37.9	111.4	72.9	33.8	106.7	65.9	49.9	115.8
Wasatch	6.5	1.9	8.4	6.8	2.2	9.0	7.2	1.9	9.1	7.5	1.4	8.9
Washington	8.1	3.7	11.8	9.4	3.9	13.3	8.6	3.8	12.4	8.4	3.6	12.0
Wayne	12.7	2.2	14.9	13.6	2.7	16.3	13.0	2.5	15.5	15.0	2.1	17.1
Weber	21.9	8.5	30.4	26.9	9.0	35.9	21.9	8.6	30.5	22.4	7.2	29.6
Total	770.2	240.9	1,011.1	853.3	263.1	1,116.4	807.8	247.8	1,055.6	879.7	258.4	1,138.1

Source: Utah Agricultural Statistics



Residential and Nonresidential Construction

Overview

The value of permit-authorized construction reached an all-time high in 2004 of \$4.9 billion, up 6.4% from the 2003 record valuation of \$4.6 billion. Residential construction led the way with a record \$3.4 billion in new construction activity. The number of new dwelling units receiving building permits totaled 23,500, which includes new homes, apartments, condominiums, manufactured homes and cabins. Low mortgage rates throughout 2004 drove demand for new single-family homes to near record high of 17,000 units. The only other year to surpass 17,000 single-family units was 1977 when 17,424 new homes received building permits. For the second year, condominium construction was very strong, capturing 12.0% of the residential market. Permit-authorized nonresidential construction held steady at \$1.0 billion, which was very similar to the level of activity in 2003. The nonresidential sector benefited from over \$100.0 million in permits issued to the new Intermountain Health Care (IHC) hospital.

2004 Summary

Residential Sector. The number of new residential units receiving building permits in 2004 increased to 23,500 units, up 2.9%. However, value increased 11.6%. The disproportionate rise in value is due to rising cost of construction materials and low interest rates. Low rates have allowed homebuyers to qualify for higher priced homes and induced homebuilders to build more expensive homes. The value of residential construction rose from \$3.0 billion in 2003 to \$3.4 billion in 2004.

The residential sector has two broad categories of building types: single-family and multifamily units. Both experienced modest increases in the number of new units in 2004. The number of single-family units was up 3.0%, or 500 units. The number of multifamily units was up 4.0%, or 250 units. The total number of new single-family units in 2004 was 17,000, which is the second highest year on record. Only 1977, with 17,424 new homes, exceeded the 2004 value. New home construction continues to dominate residential construction. In 2004, new detached single-family units outnumbered multifamily units by about 17,000 units to 5,800 units. A third but small category of building type is manufactured homes/cabins, which had 700 new units in 2004, down nearly 9% from 2003.

New home construction is highly concentrated in Utah, with a few communities capturing most of the new construction activity. About 60.0% of all new home construction in 2004 was located in Salt Lake, Utah and Washington counties. Salt Lake County had 4,500 new single-family homes in 2004, Utah County had 3,500 and Washington County 2,500. St. George led all cities in new home construction, issuing building permits to nearly 1,000 new detached single-family homes. Nearby Washington City was another top ranked city with over 700 new single family homes. Three other cities topped 700 new homes; West Jordan, South Jordan and Lehi. These five cities account for one out of every five new homes built in the state in 2004.

New multifamily construction (apartments, townhomes and condominiums) held steady. Building permits were issued for 5,800 new multifamily units in 2004. The number of new condominiums exceeded the number of new rental units for the second year in a row. The share of new multifamily units by type of units was as follows: condominiums 50.0%, apartments 37.0% and townhomes 13.0%. Three out of four new condominiums in 2004 were located in Salt Lake, Utah or Washington Counties.

In 2004, only 2,150 new apartment units were added to the rental inventory in the state. These new units amounted to an increase of only 1.2% of the rental inventory. Nearly half of these new rental units were low income tax credit units targeted at moderate to low income renter households. The largest apartment project statewide in 2004 was Emigration Court, a 238 unit project located in Salt Lake City, followed by a 222 unit project, The Boulders, in Herriman.

The very modest level of new apartment construction reflected the weak market conditions for new rental units. In the first half of 2004, vacancy rates were near 10.0% in many Wasatch Front's rental markets. While vacancy rates rose, rental rates remained almost unchanged over the past three or four years and landlords continue to offer move-in specials and concessions to entice new renters. These weak market conditions can not be attributed to over building but rather primarily to low mortgage rates which have made it easier for renters to qualify for homeownership. The loss of renters to homeownership led to higher vacancy rates and pressure on rental rates.

Nonresidential Construction. The value of new nonresidential permit authorized construction in Utah in 2004 was \$1.0 billion, nearly identical to the level of activity in 2003. In 2003, the largest project was the \$200.0 million Current Creek power plant in Mona. In 2004, the largest permit authorized project was the IHC's Intermountain Medical Center located in Murray, which will be one of the largest medical centers in the Western United States. It will be comprised of five specialty hospitals on a 100-acre campus. Total cost of the facility will be \$362.5 million of which \$210 million will be in construction with the remaining \$152 million in equipment and interior finish. In 2004 just over \$100 million in three building permits were issued for the Intermountain Medical Center. Other large nonresidential projects included: a \$23 million water treatment plant in Hurricane, an \$8 million athletic center at Westminster College, a \$7.5 million hospital building at IHC's Utah Valley Regional Medical Center in Provo, a \$7.2 million office building in Provo, and a \$6.8 million office building in Salt Lake County.

New nonresidential construction activity in the office, industrial, retail and hotel sectors continued to be hampered by excess capacity; especially the office and hotel sectors. The vacancy rate for office buildings in Salt Lake County was 15.1%, down from a high of 17.1% in 2002. Office vacancy was even higher in Weber County with a vacancy rate of 21.0%. Utah County's office vacancy rate was relatively low at 12.1%. The value of new office construction was about 10.0% below the five-year average. The occupancy rate for Salt Lake County hotels improved only slightly to 62.0%. Consequently, the value of new hotel construction was a very modest \$20.0 million. New retail construction was only about 5.0% below the five-year average, but new industrial construction was more than 30.0% below the five year average.

Conclusion

Total construction value in Utah in 2004 was \$4.9 billion, which included \$3.4 billion in residential construction; \$1.0 billion in nonresidential construction and \$450.0 million in additions, alterations and repairs. New residential construction activity set an all-time record for valuation. High prices can be attributed to rising materials cost and low mortgage rates, which have allowed homebuyers to purchase higher priced homes.

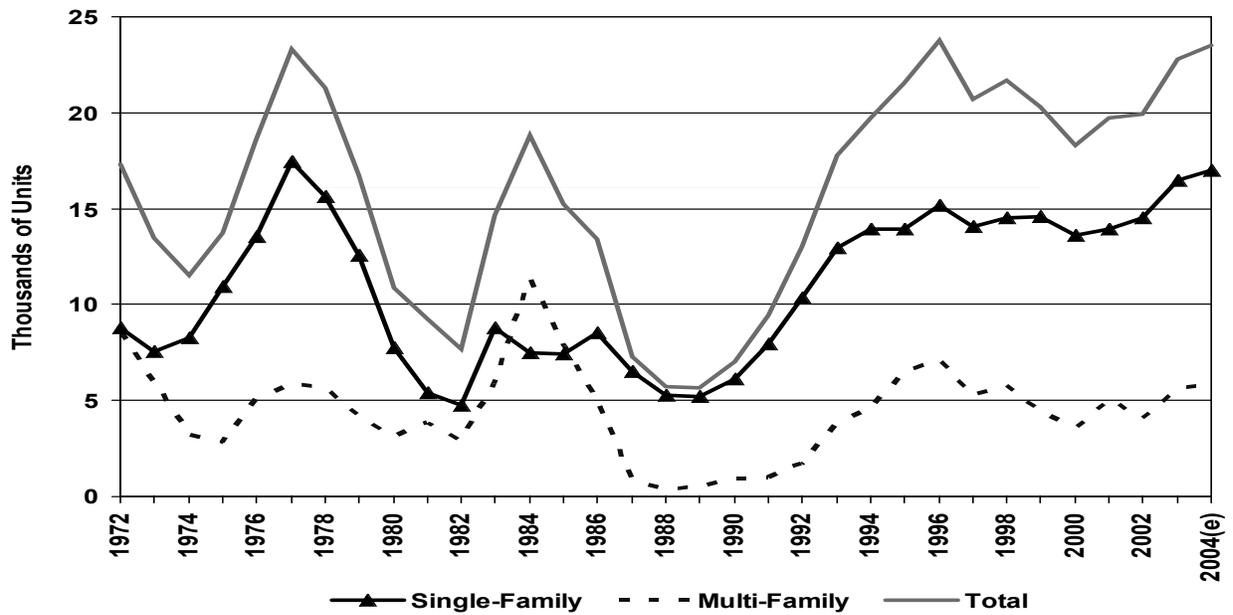
In contrast prices of existing housing were sluggish. The housing price

index published by the Office of Federal Housing Enterprise Oversight showed that the sales price of existing housing in Utah continues to show the lowest appreciation among all states. In the past year, existing housing in Utah appreciated by 2.5% compared to a national average of 8.1%. Over the past five years existing housing has appreciated by only 12.1% in Utah-last in the nation-compared to 43.0% nationally.

Multifamily units accounted for about one out of every four new dwelling units and condominiums represented half of all multifamily units. Condominiums totaled 2,900 units while apartments totaled 2,150 units and townhomes 750 units.

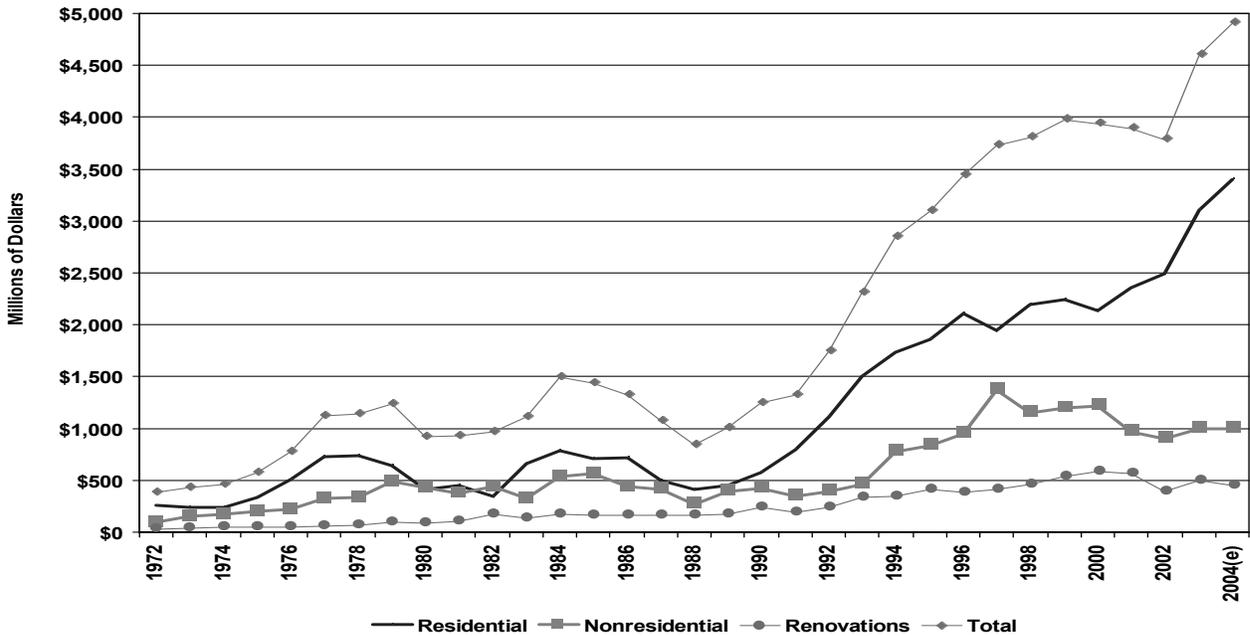
The nonresidential construction value of \$1.0 billion remained essentially unchanged from 2003. The largest single project was the Intermountain Medical Center, which received over \$100.0 million in building permits in 2004. Excess capacity in the office and industrial buildings and hotels discouraged construction activity in these sectors.

Figure 55
Utah Residential Construction Activity



Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research

Figure 56
Value of New Construction



Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research

Table 62
Residential and Nonresidential Construction Activity in Utah

Year	Single-Family Units	Multi-Family Units	Mobile Homes/Cabins	Total Units	Value of Residential Construction (millions)	Value of Nonresidential Construction (millions)	Value of Add., Alt., and Repairs (millions)	Total Valuation (millions)
1970	5,962	3,108	na	9,070	\$117.0	\$87.3	\$18.0	\$222.3
1971	6,768	6,009	na	12,777	176.8	121.6	23.9	322.3
1972	8,807	8,513	na	17,320	256.5	99.0	31.8	387.3
1973	7,546	5,904	na	13,450	240.9	150.3	36.3	427.5
1974	8,284	3,217	na	11,501	237.9	174.2	52.3	464.4
1975	10,912	2,800	na	13,712	330.6	196.5	50.0	577.1
1976	13,546	5,075	na	18,621	507.0	216.8	49.4	773.2
1977	17,424	5,856	na	23,280	728.0	327.1	61.7	1,116.8
1978	15,618	5,646	na	21,264	734.0	338.6	70.8	1,143.4
1979	12,570	4,179	na	16,749	645.8	490.3	96.0	1,232.1
1980	7,760	3,141	na	10,901	408.3	430.0	83.7	922.0
1981	5,413	3,840	na	9,253	451.5	378.2	101.6	931.3
1982	4,767	2,904	na	7,671	347.6	440.1	175.7	963.4
1983	8,806	5,858	na	14,664	657.8	321.0	136.3	1,115.1
1984	7,496	11,327	na	18,823	786.7	535.2	172.9	1,494.8
1985	7,403	7,844	na	15,247	706.2	567.7	167.6	1,441.5
1986	8,512	4,932	na	13,444	715.5	439.9	164.1	1,319.5
1987	6,530	755	na	7,305	495.2	413.4	166.4	1,075.0
1988	5,297	418	na	5,715	413.0	272.1	161.5	846.6
1989	5,197	453	na	5,632	447.8	389.6	171.1	1,008.5
1990	6,099	910	na	7,009	579.4	422.9	243.4	1,245.7
1991(r)	7,911	958	572	9,441	791.0	342.6	186.9	1,320.5
1992	10,375	1,722	904	13,001	1,113.6	396.9	234.8	1,745.3
1993	12,929	3,865	1,010	17,804	1,504.4	463.7	337.3	2,305.4
1994	13,947	4,646	1,154	19,747	1,730.1	772.2	341.9	2,844.2
1995	13,904	6,425	1,229	21,558	1,854.6	832.7	409.0	3,096.3
1996	15,139	7,190	1,408	23,737	2,104.5	951.8	386.3	3,442.6
1997	14,079	5,265	1,343	20,687	1,943.5	1,370.9	407.1	3,721.6
1998	14,476	5,762	1,505	21,743	2,188.7	1,148.4	461.3	3,798.4
1999	14,561	4,443	1,346	20,350	2,238.0	1,195.0	537.0	3,971.0
2000	13,463	3,629	1,062	18,154	2,140.1	1,213.0	583.3	3,936.0
2001	13,851	5,089	735	19,675	2,352.7	970.0	562.8	3,885.4
2002	14,466	4,149	926	19,941	2,491.0	897.0	393.0	3,782.0
2003	16,515	5,555	766	22,836	3,046.4	1,017.4	497.0	4,560.8
2004(e)	17,000	5,800	700	23,500	3,400.0	1,000.0	450.0	4,850.0

r = revised
e = estimate
na = not available

Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research, November 2004.

Table 63
Summary of Construction Activity in Utah

Type of Construction	2003	2004(e)	% Change 2003-2004
Total Construction Value	\$4.56 billion	\$4.85 billion	6.4%
Residential Value	\$3.05 billion	\$3.4 billion	11.5%
Total Dwelling Units	22,836	23,500	2.9%
Single Family Units	16,515	17,000	2.9%
Multifamily Units	5,555	5,800	4.4%
Mobile Homes/Cabins	766	700	-8.6%
Nonresidential Value	\$1.02 billion	\$1 billion	-1.9%
Additions, Alterations, and Repairs	\$497 million	\$450 million	-9.5%

Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research, November 2004.

Table 64
Average Annual Mortgage for 30-year Conventional Mortgage for Utah

Year	Mortgage Rates	Year	Mortgage Rates
1967	6.52%	1986	10.18%
1968	7.03%	1987	10.19%
1969	7.82%	1988	10.33%
1970	8.35%	1989	10.32%
1971	7.55%	1990	10.13%
1972	7.38%	1991	9.25%
1973	8.04%	1992	8.40%
1974	9.19%	1993	7.33%
1975	9.04%	1994	8.36%
1976	8.86%	1995	7.95%
1977	8.84%	1996	7.81%
1978	9.63%	1997	7.60%
1979	11.19%	1998	6.95%
1980	13.77%	1999	7.43%
1981	16.63%	2000	8.06%
1982	16.09%	2001	6.97%
1983	13.23%	2002	6.54%
1984	13.87%	2003	5.80%
1985	12.42%	2004(e)	5.85%

e = estimate

Source: Freddie Mac

Table 65
Housing Prices for Utah: 1980 to Second Quarter 2004

Year	Index	Year-Over Percent Change	Year	Index	Year-Over Percent Change
1980	102.1	(x)	1993	148.2	10.9%
1981	109.1	6.8%	1994	173.0	16.7%
1982	112.5	3.2%	1995	193.1	11.6%
1983	114.2	1.5%	1996	209.8	8.6%
1984	113.8	-0.4%	1997	222.8	6.2%
1985	116.5	2.4%	1998	234.3	5.1%
1986	118.8	2.0%	1999	236.7	1.0%
1987	116.3	-2.2%	2000	239.0	1.0%
1988	113.0	-2.8%	2001	249.9	4.6%
1989	114.8	1.6%	2002	253.8	1.6%
1990	118.6	3.3%	2003	258.9	2.0%
1991	125.4	5.8%	2004(e)	265.4	2.5%
1992	133.6	6.5%			

Source: Office of Federal Housing Enterprise Oversight, Housing Price Index, Washington D.C., 2004.

Overview

Utah's defense industry continued to expand in 2004, due to sustained geopolitical activity. Hill Air Force Base, while threatened by the current round of base closures, has many competitive advantages that bode well for the future. Hill has recently started several programs that will help the long-term future of one of Utah's largest employers. Although the defense industry experienced reductions during most of the 1990s, this trend reversed in the latter end of the decade. Defense spending in Utah in 2003 totaled \$3.1 billion, rising 24.7% from the previous year. Increased defense activity is expected to continue in 2005, as a result of military involvement overseas.

Trends

Nationwide defense spending, as a percent of U.S. personal income, was 6.2% in 1986; it dropped to 2.9% in 2000, but has since risen to 3.5% in 2003. Conversely, total defense spending in Utah equaled \$3.1 billion in 2003, a 24.7% growth from 2002 and a 144.9% growth from 1997 when defense spending was the lowest in recent history. As a percent of Utah personal income, defense outlays, while higher than the lows of the late 1990s, are still below the spending of the 1980s, from a high of 9.7% in 1987, to a low of 2.7% in 1998. Lately, however, this has reversed, with a rate of 4.2% in 2001, 4.3% in 2002, and 5.2% in 2003. This represents the highest defense spending in Utah since 1992.

Contracting Activity

During the cold war build-up of the mid-1980s, a number of defense contractors in Utah routinely received contracts in the \$50 million range on an annual basis. Throughout the 1990s, defense contracts to private firms decreased considerably at both the state and national level. In recent years, however, defense contracting in Utah has increased significantly. Procurement contract awards increased 73.1% in 2000, 34.4% in 2001, and an additional 1.8% in 2002. Surprisingly, at 44.2% growth, defense contracting in Utah showed a very robust increase in 2003. Procurement contract awards now total nearly \$1.9 billion, a new record for Utah.

Much of the large increase in contracting in recent years can be attributed to Northrop Grumman Corporation. Northrop was the state's top prime contract recipient with \$966.5 million in fiscal year 2003. Northrop is not only the largest prime contractor in the State of Utah, but it is also one of the top defense contractors in the nation. Other top prime contractors in Utah include L-3 Communications, Chevron Corp., Wasatch Energy LLC., Utah State University, URS Corp., Alcoa Inc., Lockheed Martin Corp., Veritas Capital Management LLC, and Kitco Inc. ATK Corporation, while not a top prime contractor in Utah, remains a large defense contractor in the state. ATK and Northrop are currently working together on a 15-year defense contract charged with sustaining and modernizing the silo-based Inter-Continental Ballistic Missile fleet.

Geographic Distribution

Federal defense spending in Utah is concentrated in Davis (61.0% of the state's defense spending in 2002), Salt Lake (22.7%), Tooele (5.4%), and Weber (2.9%) Counties. However, significant spending occurs in Utah (2.4%), Cache (1.7%), Washington (1.3%), and Box Elder (1.2%) Counties as well.

Military Facilities

Hill Air Force Base, one of the state's largest basic employers and center of Utah's defense industry, has for years had the looming possibility of

base closures as a threat to its survival. Developments over the past several years may serve to ease that possibility. In 2004 Hill began its Falcon STAR (Structural Augmentation Roadmap) program. The purpose of this \$1 billion program is to ensure that F-16s meet their original expectations and serve beyond the year 2020. Aircraft modifications will continue through 2014, with most of the work being performed at Hill. In the end, more than 1,200 F-16s will be modified, including those flown by the active duty Air Force, the Air National Guard, and the Air Force Reserve.

Additionally, because of military downsizing in other parts of the country, Hill has become the home of the prime contractor for the military's B-2 stealth bomber. The move helped make Hill the Air Force's "center of excellence" for low-observable and stealth technology.

Defense Depot Ogden (DDO) was designated for closure by the Defense Base Closure and Realignment Commission (BRAC) in 1995, and was officially closed in September 1997 after 56 years of operation. Most of the property has been converted to private use and is now referred to as the Business Depot Ogden (BDO). In December 1999 the city approved a 70-year redevelopment project for BDO. Under the terms of the agreement, the city is leasing the 1,128 acres to the Boyer Company, which is in turn redeveloping the property into a major regional business and industrial park. The lease is for 40 years, with three 10-year renewal options and a long-term buyout option of \$22 million. The property will be developed over the next 15 to 20 years and is expected to create approximately 7,000 to 10,000 jobs. Currently, BDO contains 6.6 million square feet of space, is 84% leased by 61 different companies, and has employment of around 2,500 workers.

Workforce reductions at Tooele Army Depot (TEAD) have brought the total number of jobs lost to reductions in force and realignment since 1988 to roughly 2,500. The current workforce at TEAD roughly numbers 521 employees. The 1,700 acres that were formerly owned and occupied by TEAD have been transferred to a private developer, who has renamed the area the Utah Industrial Depot (UID). More than 46 businesses or organizations have taken up residency at the depot, which has 2.5 million square feet of existing space. New job projections total more than 3,800 as a result of the redevelopment of this property. UID currently employs around 840 workers.

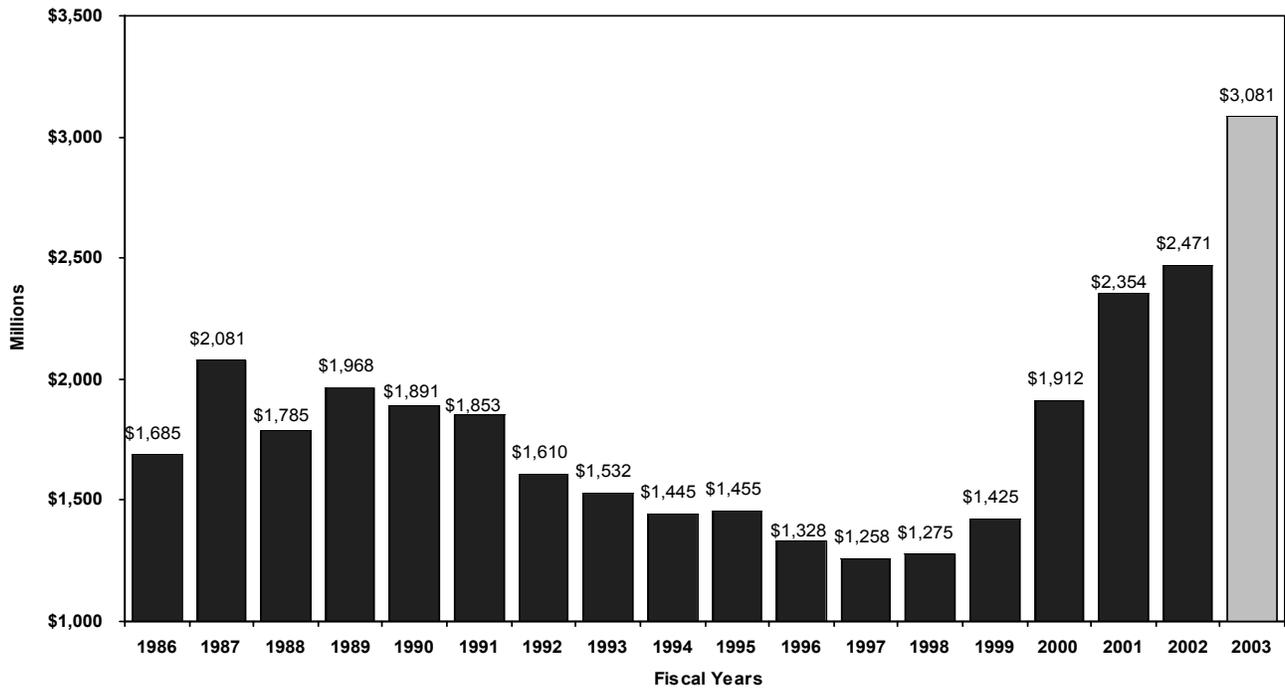
Outlook

As recently as 2000, the United States spent as little as 2.9% of U.S. personal income on defense. Within the past few years, however, this trend has reversed. Homeland security and the war on terror warranted increased defense spending during the 2000s and defense spending in fiscal year 2003 had risen to 3.5% of U.S. personal income. In Utah, Defense spending has also recently increased. As a share of Utah personal income, defense spending has risen from 2.7% in 1998 to 5.2% in 2003.

In order to transform the military to accommodate modern needs, future closures of unneeded bases will continue, thereby improving military efficiency. During the next round of closures scheduled for 2005, it is anticipated that about 100 of the nation's 425 military bases will be closed or realigned. The list of the military installations recommended for closure or realignment is due May 16, 2005. The Defense Base Closure and Realignment Commission will then review the list and add or delete any bases that it deems necessary. The commission will then

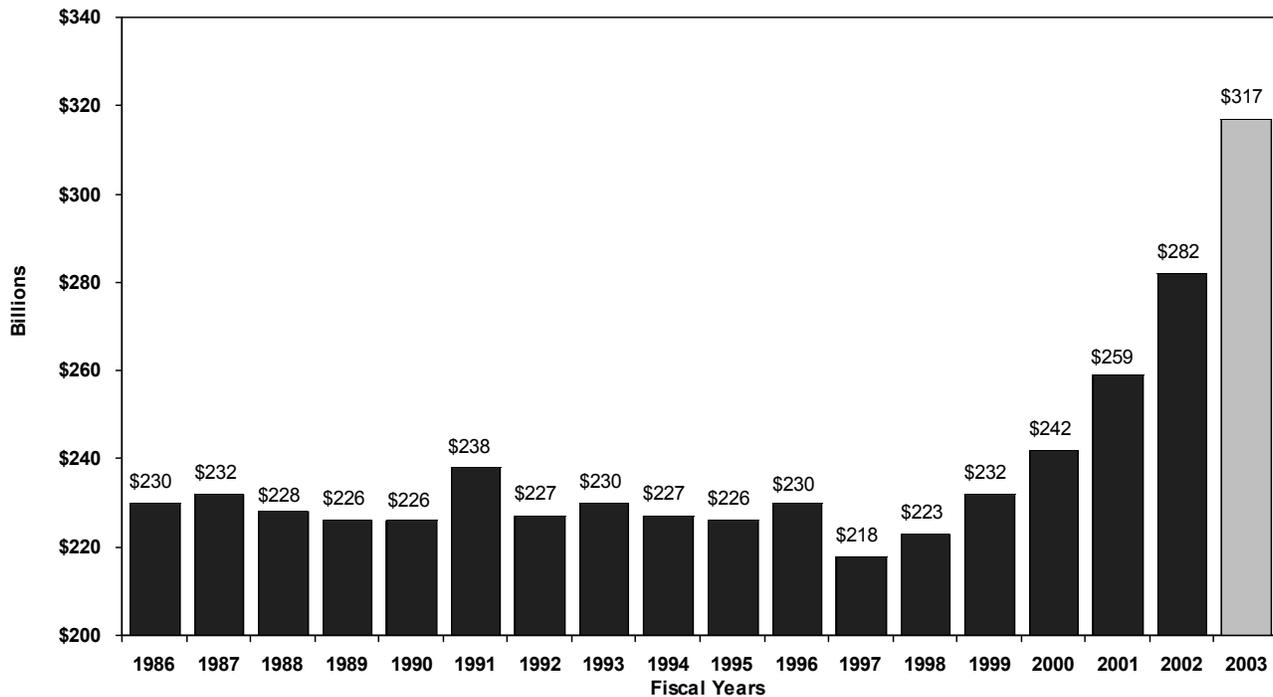
send its final list to the President by September 8, 2005. The President may either accept or reject the entire list, but he may not amend it. If he accepts the list, he will then submit the report to Congress by September 23, 2005. Congress also has the opportunity to reject, but not amend, the list within 45 days before it becomes final.

Figure 57
Federal Defense Spending in Utah



Sources: U.S. Department of Commerce, Bureau of the Census; Department of Defense

Figure 58
Primary Federal Defense Spending



Sources: U.S. Department of Commerce, Bureau of the Census; Department of Defense

Table 66
Federal Defense-Related Spending: Utah Total (Thousands of Dollars)

Fiscal Year	Wages and Salaries*	Procurement Contract Awards	Military Retirement	State/Local Grants	Total**	Utah Personal Income	Defense Spending as a Percent of Personal Income
1986	\$784,567	\$805,747	\$94,612	\$301	\$1,685,227	\$20,662,998	8.2%
1987	794,294	1,182,097	98,743	5,766	2,080,900	21,360,531	9.7%
1988	817,787	866,782	98,876	1,318	1,784,763	22,286,927	8.0%
1989	870,295	979,116	108,005	10,186	1,967,602	23,891,207	8.2%
1990	890,892	883,014	115,442	1,232	1,890,580	25,817,262	7.3%
1991	922,035	804,404	125,526	598	1,852,563	27,572,684	6.7%
1992	852,772	614,286	134,844	8,431	1,610,333	29,600,697	5.4%
1993	847,053	532,269	146,743	5,932	1,531,997	31,810,422	4.8%
1994	763,608	524,001	152,426	4,514	1,444,549	34,437,445	4.2%
1995	794,333	495,771	161,964	2,845	1,454,913	37,218,302	3.9%
1996	760,514	393,157	171,978	2,849	1,328,498	40,386,432	3.3%
1997	642,492	433,428	180,862	1,212	1,257,994	43,667,135	2.9%
1998	620,622	464,739	189,130	171	1,274,662	47,018,856	2.7%
1999	678,173	548,103	193,157	5,445	1,424,878	49,342,572	2.9%
2000	762,281	948,877	200,412	155	1,911,725	53,561,211	3.6%
2001	867,407	1,275,131	210,903	120	2,353,561	56,331,697	4.2%
2002	957,041	1,297,489	216,120	18	2,470,668	57,732,107	4.3%
2003	992,538	1,871,074	217,129	0	3,080,741	59,326,749	5.2%

Percent Change

2002 to 2003	3.7%	44.2%	0.5%	-100.0%	24.7%
1986 to 2003	26.5%	132.2%	129.5%	-100.0%	82.8%

Absolute Change

2002 to 2003	\$35,497	\$573,585	\$1,009	-\$18	\$610,073
1986 to 2003	\$207,971	\$1,065,327	\$122,517	-\$301	\$1,395,514

Notes: Numbers in the "State/Local Grants" column are taken from the Census Bureau's *Federal Aid to States for FY 2003*.

* Does not include fringe benefits. ** These totals do not match those in the Federal Defense-Related Spending in Utah by County table because the data sources and concepts are slightly different.

Sources: *Federal Aid to States for FY 2003*; U.S. Department of Commerce, Bureau of the Census. *Consolidated Federal Funds Report FY 2003*; U.S. Department of Commerce, Bureau of the Census. Personal Income, U.S. Department of Commerce, Bureau of Economic Analysis.

Table 67

Primary U.S. Federal Defense-Related Spending (Selected Categories): All States and Territories (Thousands of Dollars)

Fiscal Year	Wages and Salaries*	Procurement Contract Awards	Military Retirement	State/Local Grants	Total	Defense Spending as a Percent of U.S. Personal Income	
						Personal Income	Personal Income
1986	\$61,900,746	\$150,055,345	\$17,769,127	\$111,366	\$229,836,584	\$3,708,199,000	6.2%
1987	65,097,948	147,616,385	18,732,723	127,430	231,574,486	3,934,655,000	5.9%
1988	67,270,619	142,175,108	18,640,881	113,637	228,200,245	4,237,460,000	5.4%
1989	72,771,040	132,259,473	20,669,532	172,125	225,872,170	4,571,133,000	4.9%
1990	69,103,253	135,259,039	21,235,041	175,978	225,773,311	4,861,936,000	4.6%
1991	75,254,721	139,570,721	22,669,073	111,454	237,605,969	5,032,196,000	4.7%
1992	73,851,077	129,124,509	24,024,591	223,899	227,224,076	5,349,384,000	4.2%
1993	73,947,670	130,228,557	25,752,104	241,816	230,170,147	5,548,121,000	4.1%
1994	73,470,136	126,352,532	26,478,356	212,466	226,513,490	5,833,906,000	3.9%
1995	71,192,209	126,799,470	27,695,928	244,824	225,932,431	6,144,741,000	3.7%
1996	72,955,074	128,495,652	27,922,897	247,408	229,621,031	6,512,485,000	3.5%
1997	66,719,191	121,979,960	29,595,559	191,715	218,486,425	6,907,332,000	3.2%
1998	67,178,127	124,820,849	30,457,015	171,324	222,627,315	7,415,709,000	3.0%
1999	70,412,959	130,769,078	31,078,737	159,370	232,420,144	7,796,137,000	3.0%
2000	70,009,814	139,297,304	32,110,614	114,372	241,532,104	8,422,074,000	2.9%
2001	70,273,656	155,435,133	33,321,020	163,250	259,193,059	8,718,165,000	3.0%
2002	76,100,377	172,335,745	33,803,849	224,076	282,464,047	8,868,261,000	3.2%
2003	81,690,144	201,229,510	33,428,532	281,448	316,629,634	9,148,680,000	3.5%

Percent Change

2002 to 2003	7.3%	16.8%	-1.1%	25.6%	12.1%
1986 to 2003	32.0%	34.1%	88.1%	152.7%	37.8%

Absolute Change

2002 to 2003	\$5,589,767	\$28,893,765	-\$375,317	\$57,372	\$34,165,587
1986 to 2003	\$19,789,398	\$51,174,165	\$15,659,405	\$170,082	\$86,793,050

Note: Numbers in the "State/Local Grants" column are taken from the Census Bureau's *Federal Aid to States for FY 2003*.

* Does not include fringe benefits.

Sources: *Federal Aid to States for FY 2003*; U.S. Department of Commerce, Bureau of the Census. *Consolidated Federal Funds Report FY 2003*; U.S. Department of Commerce, Bureau of the Census. Personal Income, U.S. Department of Commerce, Bureau of Economic Analysis.

Table 68
Federal Defense-Related Spending in Utah by County (Thousands of Dollars)

County	2003			2002		Change in Total Spending from 2002 to 2003		
	Wages*	Procurement	Other	Total**	% of State	Total**	Absolute	Percentage
Beaver	\$722	\$4	\$373	\$1,099	0.0%	\$1,116	-\$17	-1.5%
Box Elder	5,473	27,090	3,788	36,351	1.2%	29,484	6,867	23.3%
Cache	2,741	40,497	8,065	51,302	1.7%	38,849	12,453	32.1%
Carbon	309	0	1,126	1,435	0.0%	1,464	-29	-2.0%
Daggett	0	0	74	74	0.0%	74	0	0.0%
Davis	730,444	1,104,471	56,633	1,891,548	61.0%	1,498,332	393,216	26.2%
Duchesne	0	365	628	993	0.0%	2,114	-1,121	-53.0%
Emery	0	25	404	429	0.0%	395	34	8.6%
Garfield	0	1	256	257	0.0%	334	-77	-23.0%
Grand	0	0	348	348	0.0%	338	10	3.0%
Iron	1,235	1,136	2,723	5,094	0.2%	4,147	947	22.8%
Juab	0	2,458	335	2,793	0.1%	612	2,181	356.3%
Kane	2	255	747	1,004	0.0%	688	316	45.9%
Millard	789	1,881	617	3,287	0.1%	2,231	1,056	47.4%
Morgan	0	43	1,363	1,406	0.0%	1,524	-118	-7.7%
Piute	0	19	134	153	0.0%	137	16	11.5%
Rich	0	45	181	226	0.0%	182	44	24.2%
Salt Lake	143,218	485,249	74,635	703,103	22.7%	607,082	96,021	15.8%
San Juan	345	2	374	721	0.0%	1,741	-1,020	-58.6%
Sanpete	1,737	0	1,276	3,013	0.1%	3,042	-29	-1.0%
Sevier	1,083	25	1,437	2,545	0.1%	2,558	-13	-0.5%
Summit	3,904	12,237	3,391	19,532	0.6%	17,728	1,804	10.2%
Tooele	51,016	111,982	3,966	166,964	5.4%	123,215	43,749	35.5%
Uintah	464	24	1,146	1,634	0.1%	1,564	70	4.5%
Utah	9,308	40,298	24,752	74,358	2.4%	46,213	28,145	60.9%
Wasatch	0	454	681	1,135	0.0%	769	366	47.6%
Washington	26,497	1,325	12,399	40,221	1.3%	38,922	1,299	3.3%
Wayne	0	0	207	207	0.0%	210	-3	-1.4%
Weber	13,251	41,190	36,317	90,758	2.9%	82,868	7,890	9.5%
Undistributed	0	0	0	0	0.0%	0	0	0.0%
State Total	\$992,538	\$1,871,074	\$238,376	\$3,101,988	100.0%	\$2,507,933	\$594,055	23.7%

Notes: * Does not include fringe benefits. ** The totals here will not match the previous Utah table because the data sources and concepts are slightly different.

Source: *Consolidated Federal Funds Report for Fiscal Year 2003*: U.S. Department of Commerce, Bureau of the Census.

Table 69
Federal Defense-Related Spending in Utah (Thousands of Dollars)

UTAH - TOTAL (Dollars in Thousands)					
Fiscal Year 2003					
PERSONNEL/EXPENDITURES	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities
I. Personnel - Total	33,860	11,314	1,653	20,074	819
Active Duty Military	5,613	304	206	5,103	0
Civilian	14,608	2,343	24	11,422	819
Reserve and National Guard	13,639	8,667	1,423	3,549	0
II. Expenditures - Total	3,264,838	576,614	231,781	2,223,127	233,316
A. Payroll Outlays - Total	1,343,031	285,713	51,310	951,371	54,637
Active Duty Military Pay	219,790	11,552	9,356	198,882	0
Civilian Pay	769,962	113,526	1,569	600,230	54,637
Reserve and National Guard Pay	136,150	101,987	3,066	31,097	0
Retired Military Pay	217,129	58,648	37,319	121,162	0
B. Contracts - Total	1,898,545	271,992	177,544	1,270,365	178,644
Supply and Equipment Contracts	493,759	100,660	138,982	138,494	115,623
RDT&E Contracts	124,664	46,542	18,005	27,216	32,901
Service Contracts	1,235,460	88,881	20,560	1,095,899	30,120
Construction Contracts	38,976	30,223	-3	8,756	0
Civil Function Contracts	5,686	5,686	0	0	0
C. Grants	23,262	18,909	2,927	1,391	35

EXPENDITURES (\$000)				MILITARY & CIVILIAN PERSONNEL			
Major Locations	Total	Payroll Outlays	Grants/Contracts	Major Locations	Total	Active Duty Military	Civilian
Hill AFB	997,601	814,587	183,014	Hill AFB	16,641	5,062	11,579
Clearfield	888,327	14,699	873,628	Salt Lake City	888	367	521
Salt Lake City	578,682	109,697	468,985	Dugway	583	0	583
Ogden	77,504	38,102	39,402	Tooele	540	0	540
Dugway Proving Grd	62,174	1,670	60,504	Tooele Army Depot	521	0	521
Draper	48,777	30,565	18,212	Draper	255	12	243
Tooele	46,920	28,917	18,003	Ogden	168	4	164
Dugway	45,003	32,831	12,172	West Jordan	133	18	115
Farmington	44,344	1,954	42,390	Park City	80	77	3
Tooele Army Depot	43,107	27,285	15,822	Brigham City	78	2	76

PRIME CONTRACT AWARDS (\$000)						
Prior 7 Fiscal Years	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities	
2002	1,509,355	158,032	126,908	1,112,107	112,308	
2001	1,250,523	171,938	81,979	836,374	160,231	
2000	949,993	122,195	143,204	592,796	91,798	
1999	532,907	104,705	80,850	284,789	62,563	
1998	470,140	117,115	84,675	203,773	64,576	
1997	442,443	94,060	111,371	157,009	80,003	
1996	394,677	96,900	48,194	200,486	49,097	

Top 10 Contractors Receiving the Largest Dollar Volume of Prime Contract Awards in Utah	Total Amount (\$000)
NORTHROP GRUMMAN CORPORATION	966,492
L-3 COMMUNICATIONS HOLDING, INC	223,849
CHEVRON CORPORATION	55,777
WASATCH ENERGY LLC	41,213
UTAH STATE UNIVERSITY RESEARCH	36,876
URS CORPORATION	32,150
ALCOA EXTRUSIONS, INC	26,487
LOCKHEED MARTIN CORPORATION	21,422
VERITAS CAPITAL MANAGEMENT LLC	20,791
KITCO INC	18,756

Note: Accounting conventions used by DIOR differ from those used by the Census Bureau and therefore numbers may not match.

Source: "Atlas/Data Abstract for the US and Selected Areas," by the Statistical Information Analysis Division of the Directorate of Information Operations and Reports (DIOR).

Table 70

Federal Defense-Related Spending in the United States (Thousands of Dollars)

UNITED STATES - TOTAL						
(Dollars in Thousands)						
Fiscal Year 2003						
PERSONNEL/EXPENDITURES	Total	Army	Marine Corps	Force	Activities	
I. Personnel - Total	2,805,747	1,269,353	779,588	672,996	83,810	
Active Duty Military	1,070,511	394,550	364,990	310,971	0	
Civilian	630,567	216,642	177,008	153,107	83,810	
Reserve and National Guard	1,104,669	658,161	237,590	208,918	0	
II. Expenditures - Total	316,647,887	94,746,147	95,871,534	89,104,597	36,925,611	
A. Payroll Outlays - Total	122,270,018	41,020,198	41,136,013	35,510,958	4,602,489	
Active Duty Military Pay	46,613,658	14,840,900	18,524,551	13,248,207	0	
Civilian Pay	35,041,005	11,122,308	11,632,223	7,683,625	4,602,849	
Reserve and National Guard Pay	7,306,204	4,623,346	579,721	2,103,137	0	
Retired Military Pay	33,309,151	10,433,644	10,399,518	12,475,989	0	
B. Contracts - Total	191,221,965	51,633,632	54,147,244	53,286,398	32,154,691	
Supply and Equipment Contracts	84,702,535	20,331,763	23,146,805	25,389,910	15,834,057	
RDT&E Contracts	31,503,792	8,165,672	10,491,364	9,414,710	3,432,046	
Service Contracts	65,627,835	16,169,676	18,657,062	18,104,783	12,696,314	
Construction Contracts	5,789,950	3,368,668	1,852,013	376,995	192,274	
Civil Function Contracts	3,597,853	3,597,853	0	0	0	
C. Grants	3,155,904	2,092,317	588,277	307,241	168,071	

EXPENDITURES (\$000)				MILITARY & CIVILIAN PERSONNEL			
Major Locations	Total	Payroll Outlays	Grants/Contracts	Major Locations	Total	Active Duty Military	Civilian
Fort Worth, TX	11,135,714	215,107	10,920,607	Fort Bragg, NC	48,206	42,634	5,572
San Diego, CA	7,340,029	3,180,150	4,159,879	Fort Hood, TX	47,163	43,522	3,641
St. Louis, MO	5,485,952	192,232	5,293,720	Camp Pendleton, CA	37,262	35,043	2,219
Norfolk, VA	4,922,561	3,060,366	1,862,195	San Diego, CA	34,318	22,263	12,055
Long Beach, CA	4,229,385	55,972	4,173,413	Camp Lejeune, NC	33,628	30,845	2,783
Huntsville, AL	4,166,884	241,170	3,925,714	Fort Campbell, KY	28,131	25,760	2,371
Arlington, VA	3,953,990	1,908,465	2,045,525	Norfolk, VA	26,217	16,989	9,228
Sunnydale, CA	3,953,060	44,412	3,908,648	Arlington, VA	25,309	10,916	14,393
Washington, DC	3,281,861	1,403,730	1,878,131	Fort Benning, GA	22,954	19,881	3,073
Groton, CT	2,994,267	285,625	2,708,642	Washington, DC	22,918	8,979	13,939

PRIME CONTRACT AWARDS (\$000)						
Prior 7 Fiscal Years	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities	
2002	158,737,107	42,326,057	45,610,812	44,572,156	26,228,083	
2001	135,224,752	36,515,221	40,497,012	38,023,684	20,188,835	
2000	123,294,978	32,614,979	38,963,003	35,368,606	16,348,400	
1999	114,875,127	30,049,383	37,451,740	32,438,343	14,935,661	
1998	109,385,850	28,471,955	36,652,133	30,138,618	14,123,145	
1997	106,561,099	28,249,679	34,522,055	30,971,306	12,818,059	
1996	109,407,896	28,829,374	33,855,101	34,886,724	11,836,698	

Top 10 Contractors Receiving the Largest Dollar Volume of Prime Contract Awards in the US Only	Total Amount (\$000)
LOCKHEED MARTIN CORPORATION	21,810,091
THE BOEING COMPANY	17,365,241
NORTHROP GRUMMAN CORPORATION	10,831,216
GENERAL DYNAMICS CORPORATION	8,187,200
RAYTHEON COMPANY	7,692,453
UNITED TECHNOLOGIES CORP	4,540,163
GENERAL ELECTRIC COMPANY INC	2,833,235
SCIENCE APPLICATION INT CORP	2,531,775
HUMANA INC	2,362,112
COMPUTER SCIENCES CORPORATION	2,349,147

Note: Accounting conventions used by DIOR differ from those used by the Census Bureau and therefore numbers may not match.

Source: "Atlas/Data Abstract for the US and Selected Areas," by the Statistical Information Analysis Division of the Directorate of Information Operations and Reports (DIOR).

Energy Overview

During 2004, energy production in Utah was generally on the decline, while consumption and prices were on the rise. Despite recent declines, production of coal and natural gas has satisfied increasing demand, unlike crude oil production, which is only a third of what it was 20 years ago. Increasing energy prices in Utah are related to national events and have been driven up by high demand, low stocks and foreign conflicts.

Crude oil production in Utah rose slightly in 2004, but in order to keep up with increasing demand Utah had to import significant amounts of crude oil, including record-high imports from Canada. Production of both natural gas and coal was down for the third straight year, while electricity net generation hit an all-time high. All categories of energy consumption in Utah increased in 2004, with petroleum and electricity hitting all-time highs and natural gas and coal consumption continuing recent upward trends.

Energy prices for Utah rose across the board in 2004. Wellhead prices for crude oil and natural gas increased significantly. As a consequence, the energy products most heavily used by consumers - motor gasoline, diesel and home-heating natural gas - also rose to record highs. The average cost of electricity in Utah continued to remain below the national average due to the abundance of low-cost Utah coal.

2004 Summary

Petroleum

Production. Utah crude oil production rose 5.3% in 2004 to 13.8 million barrels. However, this is still less than one-third of peak year production in 1985. Total crude oil imports reached near record highs with 7.6 million barrels coming from Colorado, 23.8 million barrels from Wyoming, and a record-high of 13.3 million barrels from Canada. Refinery receipts increased 11.0% during 2004, mostly due to the high demand for motor gasoline, diesel and other petroleum products. Crude oil exports for 2004 reached 5.3 million barrels, up from 4.9 million barrels in 2003.

Prices. Utah's relative independence from overseas crude oil will probably assure steady supplies, but prices will be increasingly dependent upon world conditions. Military conflict in Iraq; supply problems in Nigeria, Venezuela, Norway and Russia; surging demand in China and pipeline damage caused by Hurricane Ivan, have all caused crude oil prices to reach record highs in nominal dollars. The price of Utah crude oil rose commensurately, averaging about \$39 per barrel for 2004. This is 35.0% higher than in 2003 and more than triple the average price in 1998. As a result, Utah consumers paid 20 to 60 cents more per gallon for motor gasoline in 2004.

Consumption. In order to keep up with an increase in petroleum product demand, refinery production and product imports were both at record highs in 2004. Jet fuel consumption rose 7.5% in 2004 to 7.7 million barrels, the second highest level in history. Motor gasoline demand increased by 3.2% in 2004 to an all-time high of 25.0 million barrels. This suggests that the significant increase in prices was not enough to dampen enthusiasm for driving. In contrast, distillate fuel consumption declined by 3.9% to 11.8 million barrels, suggesting that high fuel prices did have an effect on commercial businesses. Despite this high in-state demand, Utah was still able to export 26.6 million barrels of petroleum products to other states.

Natural Gas

Production. Conventional natural gas production in Utah continues to decline as fields are depleted. Meanwhile, the rise in natural gas production from coal bed methane fields in Emery and Carbon Counties will help make up that loss for about the next 10 years. Overall, Utah produced 285.6 billion cubic feet of natural gas in 2004, roughly 30% of which was coal bed methane. Production sales of natural gas in 2004 were 244.2 billion cubic feet.

Prices. Natural gas prices in the United States remained high in 2004 due to national concerns about adequacy of supplies. Meanwhile, the 2003 capacity expansion of the Kern River gas pipeline from 900 million to 1.7 billion cubic feet per day signaled the end of comparatively low natural gas prices in Utah. Natural gas that was once captive to the Intermountain West due to the lack of pipeline capacity is now able to flow more freely to California consumers. As a result, the wellhead price of natural gas in Utah has increased several dollars in the last few years and was \$4.82 in 2004, an all-time record in nominal dollars. Utah natural gas prices are now only about 30 cents lower than the national benchmark Henry Hub price.

Consumption. Total natural gas consumption in Utah increased slightly in 2004 to 153.3 billion cubic feet, but is still 9.7% lower than peak consumption in 1998. Consumption increased the most in the residential sector, where Utah households consumed an all-time high of 59.5 billion cubic feet in 2004. Electric utilities in 2004 consumed 15.8 billion cubic feet of natural gas. Industrial use of natural gas declined by 45.8% during the last decade, this illustrates the loss of Utah's industrial base. However, natural gas for power generation has nearly doubled over the last 10 years. This occurred as concerns over air quality prompted construction of gas-fired power plants to provide quick-start peaking capacity, as well as supplying more base load. Furthermore, additional natural gas-fired power plants are in the planning or construction stages, which will keep Utah's demand for natural gas high. Use of natural gas in motor vehicles has more than doubled over the past five years, but still remains a tiny part of Utah's overall demand. Utah consumes only 53.7% of in-state production, making Utah a net exporter of natural gas.

Coal

Production. Utah coal production declined 5.0% from 23.1 million tons in 2003 to 21.9 million tons in 2004, the lowest since 1993. Most of this production loss can be attributed to the May 2004 closure of the Skyline mine, which was one of Utah's largest. However, company reports suggest that Skyline might reopen in the winter of 2005. The reopening of Skyline, along with the completion of development work at other Utah mines, should help stabilize or even increase production for 2005 and beyond. Utah imported 2.4 million tons of coal in 2004, the vast majority of which was Colorado coal shipped to the Bonanza power plant in eastern Utah. Utah exported 9.3 million tons of coal in 2004, most of which went to power plants in Nevada and cogeneration plants in California.

Prices. The mine sale price for Utah coal increased slightly from \$16.64 in 2003 to \$16.72 in 2004, but is still significantly lower than the early 1990s. Low coal prices on multi-year contracts account for this current low average price. Data on multi-year contracts are incomplete, but suggest prices as low as \$10 per ton in 2004. Conversely, data on spot prices for Utah coal range above \$25 per ton and could be a better

indicator of the outlook for Utah coal prices in coming years. Furthermore, the end-use price of coal at electric utilities increased to \$26.31 in 2004, a 13.4% increase over 2003.

Consumption. Utah consumed 16.9 million tons of coal in 2004, 95.5% of which was burned as electric utilities. Planned expansion at Utah's Intermountain Power Project and PacifiCorp will keep demand for Utah coal high. Coke consumption in Utah ended in 2002 when Geneva Steel went out of business, and coal sales for business, industry and home use have declined through the years as consumers opt for the convenience of natural gas.

Electricity

Production. Electricity generation in Utah reached an all-time high in 2004 of 38,625 gigawatt-hours (GWh), 95.1% of which came from burning coal. Natural gas accounted for 3.0% of electricity generation, more than double its share from just six years ago. Petroleum accounted for 0.1%, while renewable resources, primarily hydroelectric and geothermal, accounted for 1.8% of total electricity generation.

Prices. Electricity prices for all sectors in Utah increased by roughly 4.3% in 2004, based on an increase in natural gas and end-use coal prices. Utah's 2004 average rate of 5.6 cents per kilowatt-hour (kWh) for all sectors of the economy is much lower than the national average of 7.5 cents. This is due in part to Utah's relatively cheap and abundant coal, which supplies over 95% of electric generation in the state.

Consumption. Electricity consumption in Utah increased 1.6% in 2004 to 24,541 GWh, a new record high. Residential and industrial demand increased 2.8% and 4.6%, respectively, while commercial consumption decreased 1.9%, its first decrease since 1981.

Conclusion and Outlook for Utah Energy

The abundance of low-cost Utah coal will assure affordable, reliable electric power in Utah for the foreseeable future. Utah also produces more natural gas than it consumes; however, the natural gas prices will probably increase due to long-term market changes. Utah will become increasingly dependent on other states and Canada for crude oil and petroleum products as Utah's crude oil production only meets one-third of in-state demand. Also, prices for petroleum products are expected to remain high while world crude oil prices react to increasing demand, supply disruptions and military conflicts. Utah's renewable energy capacity will continue to grow slowly as technology improves.

Minerals Overview

The Utah Geological Survey (UGS) estimated that the value of mineral production in Utah in 2004 was \$2.2 billion, approximately \$480 million higher than the 2003 value of \$1.8 billion. This is due to substantial increases in both base- and precious-metal prices, and increases in the production and prices of most industrial mineral commodities. However, with the exception of magnesium metal, all base- and precious-metal production was lower than in 2003. Coal production was modestly lower in 2004 (1.2 million tons) due to the temporary closure of two operating mines; coal prices were slightly higher. Contributions from the major industry segments were: base metals, industrial minerals, coal, and precious metals. In mid-November 2004, the Utah Division of Oil, Gas and Mining (DOGGM) listed 89 active Large Mine permits (five acres and larger disturbance) and 149 active Small Mine permits (less than five acres disturbance), compared to 82 active Large Mine and 113 Small Mine permits in 2003. Through mid-November 2004, DOGGM received nine new Large Mine permit applications and 13 new Small Mine permit applications. Six of the Large Mine applications were made to change from Small Mine to Large Mine permit status, three were for new mines. Nationally, The U.S. Geological Survey (USGS) ranked Utah ninth in the value of nonfuel mineral production for 2003. Based on tonnage reported by the Energy Information Agency, Utah ranked 13th in coal production in 2003. Utah contributed about 3.4% of the U.S. total value of nonfuel minerals production in 2003, up slightly from 2002.

Operator surveys indicate that, with the exception of molybdenum, both precious-metal and base-metal production for 2005 will increase modestly. Industrial-mineral production was at an all-time high and is projected to increase slightly, if at all. Industrial-mineral production is closely linked to regional and local construction and population growth. It will be affected primarily by the level of construction activity along the Wasatch Front and in adjacent states. Coal production was forecast to increase modestly in 2005 and coal prices are also expected to increase. Higher metal prices over the past two years have led to the announcement of plans to open several small base- and precious-metal mines within the next two to three years. From all indications, metal prices will remain high in 2005.

The decreased availability of public lands, state and federal regulations, and the negative public perception of the mining industry are all significant issues that will continue to impact the minerals industry in Utah.

2004 Summary

The value of Utah's mineral production in 2004 was estimated to be \$2.2 billion, an increase of about \$480 million (27%) from 2003. Estimated contributions from each of the major industry segments were:

- Base metals, \$1.2 billion (47% of total)
- Industrial minerals, \$663 million (30% of total)
- Coal, \$366 million (16% of total)
- Precious metals, \$153 million (7% of total)

Compared to 2003, the 2004 values changed as follows: (1) base metals increased \$372 million, (2) industrial minerals increased \$108 million, (3) coal decreased \$18 million, and (4) precious metals increased \$17 million.

Base Metals

Base-metal production, valued at approximately \$1.1 billion, was the largest contributor to the value of minerals produced in 2004. The value of base metals increased approximately \$372 million (54%) since 2003, due primarily to a substantial increase in copper and molybdenum metal prices, despite lower production of both metals. In descending order of value, base metals produced were: copper, molybdenum, magnesium, and beryllium. These metals were produced by Kennecott Utah Copper Company (copper and molybdenum) from one mine in Salt Lake County; by Brush Resources, Inc. (beryllium) from two mines in Juab County; and by U.S. Magnesium LLC (magnesium) from its electrolytic facility using brines from the Great Salt Lake.

Industrial Minerals

Industrial-minerals production (including sand and gravel) was valued at approximately \$663 million and was the second-largest contributor to the value of minerals produced in 2004. It accounted for approximately 30% of the total value of minerals produced. In comparison to the relatively few (five) Large Mines and facilities that produce base and precious metals, there were about 68 active Large Mines and brine-processing facilities and 96 Small Mines that produced a myriad of industrial-mineral commodities and products. These mines do not include the approximately 112 sand and gravel operations that are spread throughout the state. The estimated value of industrial minerals increased approximately \$108 million (19%) in 2004, due primarily to increased values of sand, gravel and crushed stone, lime and quicklime, and salines. Overall, most commodity prices increased during the year.

The five most important commodities or groups of commodities produced, in descending order of value, were: (1) salines, including salt, potash (potassium chloride), sulfate of potash (potassium sulfate), and magnesium chloride; (2) construction sand and gravel, crushed stone, and silica; (3) Portland cement; (4) lime, including quicklime and hydrated lime; and (5) phosphate. Together, these commodities contributed 90% of the total value of industrial minerals produced in 2004.

Coal

Approximately 21.9 million tons of high-Btu, low-sulfur coal valued at \$366 million was produced from 12 mines operated by eight companies in 2004. The mines are located in Carbon, Emery, and Sevier counties. Coal was the third-largest contributor to the value of minerals produced in 2004, and accounted for 16% of the total value of minerals produced. Despite slightly higher coal prices, the value of coal decreased about \$18 million (5%) in 2004, due to a 1.1 million ton decrease in production, despite marginally higher coal prices. The drop in production was primarily due to the suspension of mining operations of two mines. No dates have been announced for the resumption of activity at either mine.

Precious Metals

Precious metals, valued at \$153.0 million, accounted for approximately 7% of the total value of nonfuel minerals produced in 2004. The value of precious-metal production was attributed to gold (85%) and silver (15%). Precious-metal values increased by approximately \$17 million (13%) in 2004; due to substantial increases in the market price of both gold and silver even though both gold and silver production was lower than 2003. The two primary producers of precious metals were Kennecott's Bingham Canyon mine, which recovers both silver and gold as by-products, and Kennecott's Barneys Canyon mine, which is a primary gold producer. Chief Consolidated Mining Company's Trixie mine, which

produced a small amount of gold and silver in 2002, was idle in 2003 and 2004. The Bingham Canyon and Barneys Canyon mines are located in western Salt Lake County, and the Trixie mine is located in southwestern Utah County near the town of Eureka. The Barneys Canyon mine is in its final stage of heap-leach operation and is expected to end gold production in 2006.

Active Mines and New Mine Permits

As many as 89 active Large Mines (excluding sand and gravel) and 149 active Small Mines could report production in 2004. In 2003 there were 80 Large Mines and 80 Small Mines reporting production, and 81 Large Mines and 94 Small Mines in 2002. The Large Mines reporting production in 2003, grouped by industry segment, were industrial minerals (61), base metals (4), precious metals (3), and coal (12). The Small Mines reporting production were grouped as industrial minerals (55), base metals (1), precious metals (6), and gemstones, fossils, geodes, and other (18).

Through mid-November 2004, DOGM received nine new Large Mine permit applications and 16 new Small Mine permit applications. Six of the Large Mine applications were made to change from Small Mine to Large Mine permit status, three permit applications were for new mines. This was an increase of four Large Mine permit applications and a decrease of three Small Mine permit applications compared to 2003. Seven of the Large Mine applications were for industrial mineral operations, one application was for an oil shale recovery facility, and one was for a gemstone mine. New Small Mine applications included 11 for industrial minerals, one for precious metals, and four for gems, fossils, geodes, and other. The trend during the past ten years shows that the number of Small Mine permit applications has decreased significantly while Large Mine permit applications have remained relatively stable.

The number of exploration permits issued was estimated to decrease in 2004, despite two years of increased metal and industrial mineral prices. Only 13 Notices of Intent (NOI) to explore on public lands were filed with DOGM through mid-November 2004, compared to 21 for all of 2003, and 11 for 2002. The 2004 NOIs included eight for precious metals, three for industrial minerals, and two for base metals.

Nonfuel Mineral Production Trends

Increasing metal and mineral commodity prices over the past two years and increased industrial mineral production have led to increasingly high nonfuel mineral values. This trend is projected to continue for the next several years as the national and regional economy grows. According to preliminary data from the USGS, the value of Utah's nonfuel mineral production in 2003 was \$1.3 billion, an increase of about 2% from that of 2002. This follows a nearly 9% decrease from 2001 to 2002. Nationally, Utah ranked ninth in 2003 (10th in 2002) in the value of nonfuel mineral production and accounted for approximately 3.4% of the U.S. total in 2003. USGS data show that during the period from 1992 through 2003, the value of nonfuel mineral production in Utah ranged from a low of \$1.2 billion (2002), to a high of \$1.9 billion (1995). The USGS estimated the value of nonfuel mineral production in 2004 was \$1.9 billion, 36% higher than its revised nonfuel minerals production estimate of \$1.4 billion for 2003.

Significant Issues Affecting Utah's Mining Industry

The decreased availability of public lands open for mineral exploration and development, and state and federal regulations that cause difficulties and delays in obtaining required permits are significant issues

that may affect the long-term viability of Utah's mineral industry. The negative public perception of the mining industry also dampens industry's willingness to develop new resources.

2005 Outlook

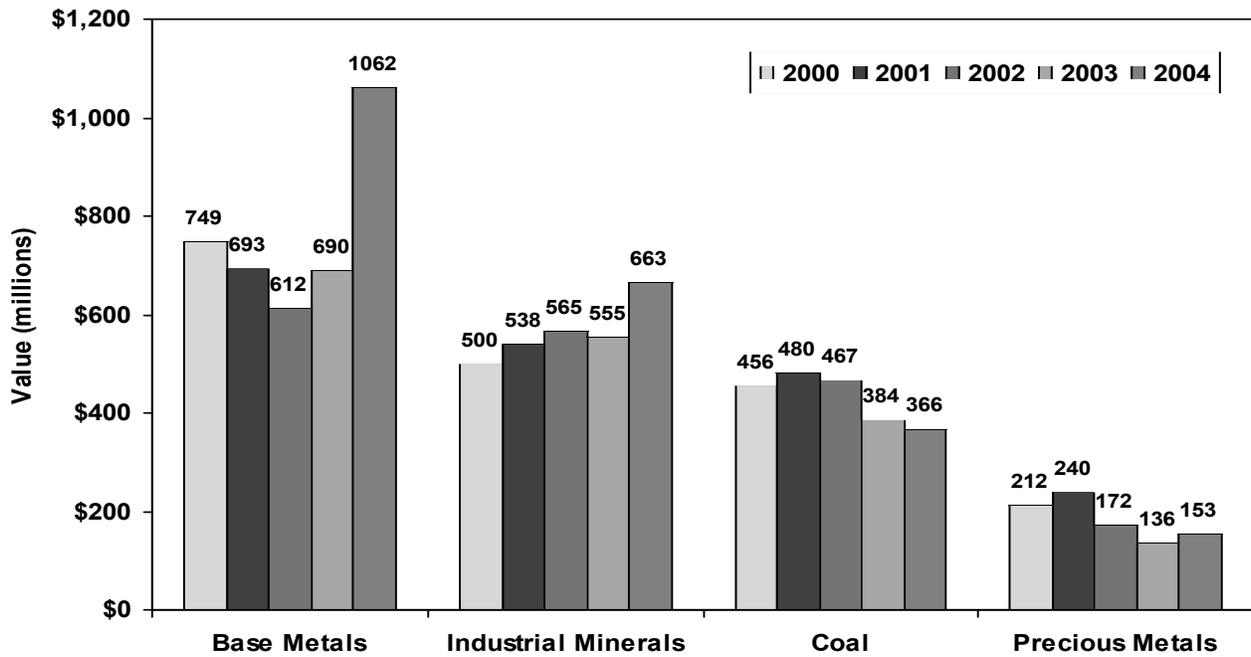
The overall value of mineral production in Utah is expected to increase in 2005 due to increased base- and precious-metal production and sustained metal and mineral commodity prices. Precious-metal production will be higher in 2005 due to increased gold and silver production from Kennecott's Bingham Canyon mine, partially offset by lower gold production from Kennecott's Barneys Canyon mine. Barneys Canyon will produce less gold each year until its leach pads are depleted in 2006. Industrial-mineral values are projected to be higher in 2005, as the production of sand and gravel and crushed stone, salines, cement, lime, and phosphate ore is projected to increase. Industrial mineral prices are expected to remain at their currently high levels. Coal production is expected to increase, as one currently idle mine will resume production in 2005. Coal prices are also expected to increase slightly in 2005.

The number of NOIs approved for exploration is still low, but it is anticipated that the continued increase in metal prices will have a positive effect on metals exploration within the next several years.

Conclusions

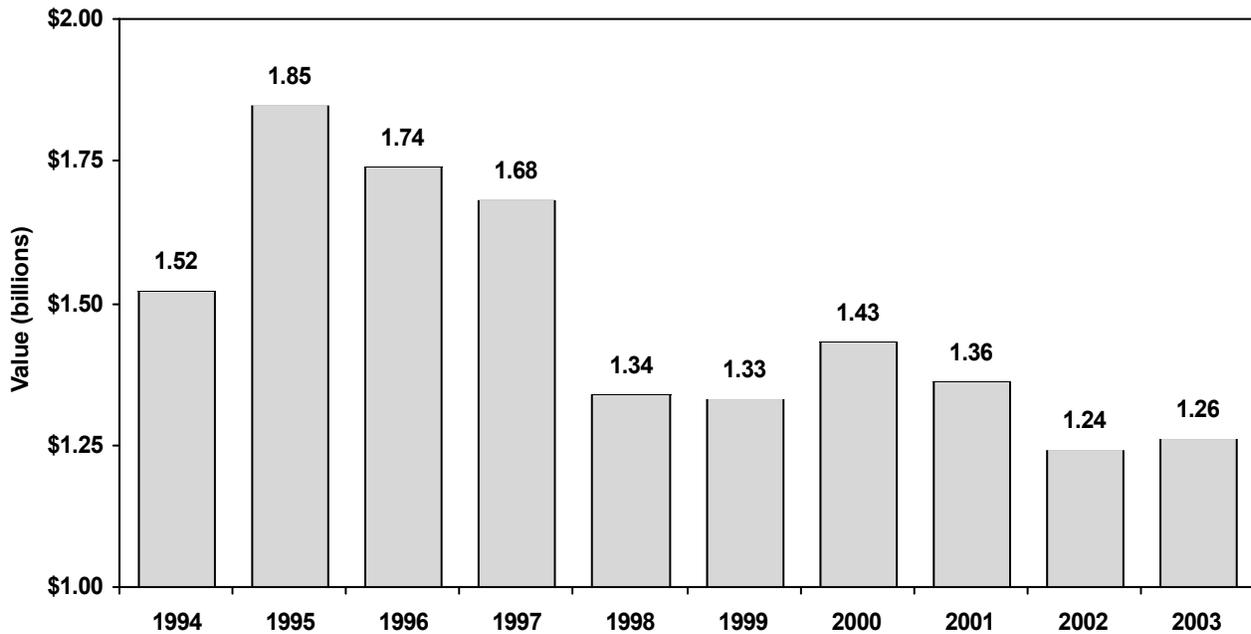
The value of Utah's mineral production increased substantially in 2004, due to increases in both base- and precious-metal prices and the increased production of most industrial minerals. This increased value was partially offset by the lower production of most base metals, gold and silver, and coal. In addition, the number of producing mines statewide and the overall level of mineral exploration declined during the year. All metals and most industrial-mineral prices were higher in 2004, coal, however, was slightly lower. It is anticipated that Utah's mineral valuation will increase again in 2005, due to projected increases in the production of copper, gold, silver, magnesium metal, coal, and several major industrial-mineral commodities. Metal and mineral commodity prices are expected to remain at or near their current high levels. Utah ranked ninth in the nation in the value of nonfuel mineral production and 13th in coal production in 2003. The nonfuel ranking is expected to improve as metal production increases and prices remain high, but Utah's coal ranking is unlikely to improve as coal production is at a 12-year low and is projected to increase only slightly in 2005.

Figure 59
Mineral Valuation – Gross Value Estimates



Source: Utah Geological Survey

Figure 60
Value of Nonfuel Minerals



Source: U.S. Geological Survey

Table 71
Supply and Disposition of Crude Oil in Utah (Thousand Barrels)

Year	Supply				Disposition			
	Utah Field Production	Colorado Imports	Wyoming Imports	Canadian Imports	Utah Crude Exports	Refinery Receipts	Refinery Inputs	Refinery Beginning Stocks
1980	24,979	15,846	12,233	0	8,232	44,291	44,421	665
1981	24,309	14,931	11,724	0	7,866	42,876	43,007	762
1982	23,595	13,911	12,033	0	7,826	40,372	40,368	593
1983	31,045	14,696	7,283	0	8,316	43,901	43,844	632
1984	38,054	13,045	6,195	0	13,616	43,745	43,544	606
1985	41,080	13,107	6,827	0	14,597	45,224	45,357	695
1986	39,243	12,567	7,574	0	15,721	45,086	45,034	559
1987	35,829	13,246	7,454	0	12,137	45,654	45,668	613
1988	33,365	12,783	14,739	0	8,411	48,690	48,604	599
1989	28,504	13,861	18,380	0	6,179	47,989	47,948	626
1990	27,705	14,494	18,844	0	7,725	49,104	48,977	656
1991	25,928	14,423	20,113	0	8,961	48,647	48,852	749
1992	24,074	13,262	21,949	0	6,901	50,079	49,776	513
1993	21,826	11,575	22,279	0	7,417	48,554	48,307	645
1994	20,668	10,480	26,227	0	7,195	48,802	48,486	691
1995	19,976	9,929	24,923	60	7,020	46,641	46,634	806
1996	19,529	9,857	24,297	783	7,117	46,126	46,265	767
1997	19,593	8,565	28,162	2,858	7,349	48,492	48,477	633
1998	19,218	8,161	28,779	6,097	7,670	50,017	49,476	613
1999	16,362	7,335	28,461	8,067	7,128	52,271	50,556	703
2000	15,609	7,163	26,367	11,528	6,565	49,716	49,999	786
2001	15,274	7,208	25,100	12,188	5,835	50,310	50,143	457
2002	13,771	7,141	25,455	10,966	5,526	49,962	49,987	591
2003	13,100	6,964	24,152	9,966	4,867	48,267	48,284	549
2004 (e)	13,791	7,582	23,775	13,262	5,252	53,575	53,511	532

e = estimate

Source: Utah Energy Office

Table 72
Supply and Disposition of Petroleum Products in Utah (Thousand Barrels)

Year	Supply			Consumption by Product					Exports - Other States
	Refined in Utah	Refinery Beginning Stocks	Imports	Motor Gasoline	Jet Fuel	Distillate Fuel	All Other	Total	
1980	45,340	3,202	7,070	15,534	2,637	8,401	9,412	35,983	24,350
1981	49,622	3,376	8,141	15,548	2,424	7,098	5,742	30,812	25,993
1982	44,011	2,979	9,826	15,793	2,801	6,438	5,531	30,563	24,331
1983	47,663	3,153	7,637	15,954	3,284	6,387	6,691	32,316	27,828
1984	48,493	2,842	9,037	16,151	3,413	6,107	6,458	32,129	26,533
1985	50,188	2,989	8,833	16,240	3,808	5,715	6,046	31,809	25,702
1986	51,822	2,803	9,643	17,541	4,335	6,978	5,552	34,406	22,030
1987	51,519	2,661	9,565	17,623	4,969	6,507	6,074	35,172	22,394
1988	57,354	2,306	9,819	18,148	4,977	7,060	5,787	35,971	24,234
1989	55,184	2,685	10,505	17,311	5,095	5,917	6,372	34,694	23,550
1990	57,349	3,000	11,712	16,724	5,281	7,162	5,915	35,082	23,561
1991	57,446	2,758	12,605	17,395	5,917	7,038	6,583	36,933	24,110
1992	57,786	2,746	11,587	17,905	5,607	7,286	5,726	36,524	23,196
1993	57,503	2,840	11,778	18,837	5,518	7,422	5,645	37,422	21,493
1994	59,458	3,173	12,711	19,433	5,270	7,653	5,919	38,275	23,458
1995	57,974	2,907	13,518	20,771	5,658	8,469	6,820	41,718	22,563
1996	58,852	3,253	13,961	21,170	6,303	8,746	8,410	44,628	22,563
1997	58,677	2,640	14,244	22,024	6,277	9,976	6,249	44,526	24,689
1998	62,012	2,908	14,126	22,735	6,373	10,398	5,940	45,446	24,722
1999	58,201	2,780	15,960	23,141	7,443	9,793	6,429	46,806	25,176
2000	59,125	2,426	16,025	23,895	7,701	10,629	6,954	49,179	25,092
2001	59,084	2,306	17,340	22,993	6,880	11,236	6,831	47,939	26,330
2002	59,510	2,739	18,533	23,544	7,039	11,767	6,622	48,972	26,490
2003	57,516	2,846	18,167	24,207	7,150	12,276	6,805	50,438	25,002
2004 (e)	62,883	2,566	19,931	24,988	7,687	11,803	7,137	51,615	26,589

e = estimate

Source: Utah Energy Office



Table 73
Supply and Disposition of Natural Gas in Utah (Million Cubic Feet)

Year	Supply			Consumption by End Use						Total
	Gross Production	Marketed Production	Actual Sales	Residential	Commercial	Industrial	Electric Utilities	Lease & Plant	Pipeline	
1980	87,766	47,857	na	45,735	12,234	43,545	5,133	7,594	851	115,092
1981	90,936	58,865	na	43,497	11,635	42,779	3,097	511	721	102,240
1982	100,628	56,368	na	53,482	14,306	39,804	3,023	5,965	1,126	117,706
1983	96,933	54,700	na	49,645	13,279	40,246	1,259	4,538	1,218	110,185
1984	183,062	73,154	na	49,869	13,339	42,709	271	8,375	1,015	115,578
1985	210,267	80,370	na	53,043	14,189	37,448	235	9,001	1,201	115,117
1986	239,259	90,884	na	49,144	13,146	28,264	230	13,289	1,102	105,175
1987	262,084	87,331	na	41,536	14,811	23,884	263	17,671	822	98,987
1988	278,578	102,040	na	42,241	17,911	30,354	196	16,889	1,362	108,953
1989	278,321	120,329	na	45,168	16,522	33,963	636	16,211	1,037	113,537
1990	323,028	149,271	63,336	43,424	16,221	35,502	907	19,719	875	116,648
1991	329,464	150,621	65,288	50,572	19,282	43,120	5,190	13,738	864	132,766
1992	317,763	174,781	94,725	44,701	16,734	40,878	6,576	12,611	1,284	122,784
1993	338,276	227,494	137,864	51,779	22,776	42,301	6,305	12,526	2,513	138,200
1994	348,140	271,979	160,967	48,922	26,702	36,618	8,900	13,273	2,807	137,222
1995	308,695	246,752	164,059	48,975	27,111	42,373	8,707	27,012	2,831	157,009
1996	280,439	249,998	179,943	54,344	29,921	42,213	4,087	27,119	3,601	161,284
1997	272,554	254,922	183,427	58,108	31,402	44,162	4,079	24,619	2,935	165,305
1998	297,503	277,625	201,416	56,843	31,233	45,501	5,945	27,466	2,788	169,776
1999	277,494	263,140	205,036	55,474	30,708	40,859	6,478	23,810	2,561	159,890
2000	281,170	269,337	225,958	55,626	31,664	39,378	10,544	24,670	2,674	164,556
2001	300,967	283,459	247,056	55,008	31,350	33,585	15,141	20,014	4,161	159,259
2002	293,099	274,775	247,561	59,398	33,983	26,879	15,439	21,697	5,998	163,394
2003	287,147	270,847	242,266	54,635	31,420	25,208	15,164	18,700	7,100	152,227
2004 (e)	285,570	271,989	244,175	59,515	32,202	19,861	15,835	20,088	5,768	153,269

e = estimate
na = not available

Source: Utah Energy Office

Table 74
Supply and Disposition of Coal in Utah (Thousand Short Tons)

Year	Supply		Consumption by End Use				Exports		
	Production	Imports	Residential & Commercial	Coke Plants	Other Industrial	Electric Utilities	Total	Other States	Overseas
1980	13,236	1,214	237	1,528	446	4,895	7,106	na	na
1981	13,808	1,136	196	1,567	714	4,956	7,432	5,292	3,472
1982	16,912	798	177	841	822	4,947	6,787	6,084	2,177
1983	11,829	937	191	829	629	5,223	6,873	4,787	1,346
1984	12,259	1,539	259	1,386	548	5,712	7,905	5,583	849
1985	12,831	1,580	252	1,254	472	6,325	8,303	5,924	625
1986	14,269	1,145	191	785	380	6,756	8,112	4,815	551
1987	16,521	1,358	124	231	276	11,175	11,807	5,078	555
1988	18,164	2,191	196	1,184	589	12,544	14,513	4,881	1,044
1989	20,517	2,344	231	1,179	686	12,949	15,044	5,108	2,175
1990	22,012	2,121	267	1,231	676	13,563	15,738	5,759	1,708
1991	21,875	2,014	305	1,192	508	12,829	14,834	5,842	2,112
1992	21,015	2,672	223	1,114	525	13,857	15,719	6,087	2,245
1993	21,723	2,076	121	1,005	727	13,995	15,848	6,194	2,567
1994	24,422	2,427	105	1,007	835	14,269	16,216	7,471	2,717
1995	25,051	1,847	77	990	915	13,325	15,307	9,037	3,811
1996	27,071	1,785	94	1,047	512	13,585	15,237	9,648	5,468
1997	26,428	2,840	123	1,020	709	14,252	16,105	7,862	3,513
1998	26,600	2,543	113	971	1,304	14,664	17,052	10,535	2,735
1999	26,491	1,938	114	741	745	14,590	16,190	9,514	2,567
2000	26,920	2,535	59	985	1,166	14,688	16,897	9,672	2,960
2001	27,024	3,062	60	873	1,235	14,403	16,571	10,728	2,404
2002	25,299	2,251	198	0	592	15,644	16,434	9,387	875
2003	23,069	2,039	61	0	611	16,217	16,889	9,673	222
2004 (e)	21,907	2,436	128	0	641	16,152	16,921	8,904	390

e = estimate
na = not available

Source: Utah Energy Office

Table 75
Supply and Disposition of Electricity in Utah (Gigawatthours)

Year	Net Generation by Fuel Type						Consumption by End Use			
	Coal	Petroleum	Natural Gas	Hydro	Other	Total	Residential	Commercial	Industrial	Total
1980	10,870	63	358	821	0	12,112	3,116	3,141	4,448	10,705
1981	10,869	40	230	623	0	11,762	3,436	2,999	5,451	11,886
1982	10,635	29	203	1,024	0	11,891	3,785	3,207	5,399	12,391
1983	10,921	40	69	1,394	0	12,424	3,804	3,350	6,040	13,194
1984	12,321	30	8	1,391	38	13,788	3,856	4,269	4,592	12,717
1985	14,229	40	14	1,019	109	15,411	3,985	4,596	4,458	13,039
1986	15,155	74	6	1,413	171	16,819	3,989	4,682	4,318	12,989
1987	25,221	92	13	893	127	26,346	3,980	4,863	4,555	13,398
1988	28,806	59	5	593	174	29,637	4,151	5,035	5,321	14,507
1989	29,676	48	37	562	173	30,496	4,163	5,173	5,629	14,965
1990	31,523	52	146	508	334	32,563	4,246	5,389	5,766	15,402
1991	28,888	51	550	627	390	30,506	4,460	5,571	5,876	15,907
1992	31,553	34	631	602	463	33,050	4,505	5,850	6,212	16,567
1993	32,125	37	606	860	468	34,096	4,726	5,920	6,221	16,867
1994	33,131	33	807	750	514	35,235	5,009	6,340	6,498	17,847
1995	30,611	36	791	969	429	32,836	5,041	6,462	6,957	18,460
1996	31,101	47	324	1,049	462	32,983	5,481	6,717	7,660	19,858
1997	32,544	47	328	1,344	485	34,748	5,661	7,285	7,430	20,376
1998	33,588	35	528	1,315	480	35,946	5,756	7,433	7,511	20,700
1999	34,534	31	610	1,255	385	36,815	6,236	8,075	7,568	21,879
2000	34,491	58	890	751	454	36,644	6,514	8,754	7,917	23,185
2001	33,679	58	1,446	508	195	35,886	6,693	9,113	7,411	23,217
2002	34,488	54	1,380	458	229	36,608	6,938	9,309	7,019	23,267
2003	36,016	116	1,568	487	209	38,396	7,221	9,385	7,561	24,167
2004 (e)	36,713	56	1,162	468	226	38,625	7,420	9,210	7,910	24,541

e = estimate

Source: Utah Energy Office

Table 76
Energy Prices in Utah (Current Dollars)

Year	Field Price			Average End-Use Price									
	Coal (\$/ton)	Crude Oil (\$/barrel)	Natural Gas (\$/mcf)	Coal - Electric Utilities (\$/ton)	No. 2 Distillate (\$/gallons)	Motor Fuel (all grades) (\$/gallons)	Natural Gas Residential (\$/mcf)	Natural Gas Commercial (\$/mcf)	Natural Gas Industrial (\$/mcf)	Electric Power Residential (c/kWh)	Electric Power Commercial (c/kWh)	Electric Power Industrial (c/kWh)	Electric Power All Sectors (c/kWh)
1980	25.63	19.79	1.12	26.06	0.91	1.23	2.74	5.59	2.26	5.5	4.3	3.3	4.3
1981	26.87	34.14	1.10	28.99	1.04	1.37	3.23	5.35	2.58	6.0	5.0	3.7	4.7
1982	29.42	30.50	3.06	32.59	1.01	1.35	3.41	3.43	2.45	6.3	5.7	4.2	5.2
1983	28.32	28.12	3.40	30.96	0.96	1.13	4.26	4.32	3.15	6.9	6.3	4.4	5.6
1984	29.20	27.21	4.08	30.65	0.96	1.12	5.68	4.96	3.52	7.4	6.5	4.6	6.0
1985	27.69	23.98	3.52	32.34	0.93	1.14	4.86	4.91	3.23	7.8	6.9	5.0	6.4
1986	27.64	13.33	2.90	32.33	0.78	0.85	4.64	4.73	3.00	8.0	7.1	5.2	6.6
1987	25.67	17.22	1.88	29.09	0.84	0.93	4.97	4.98	3.20	8.0	7.1	4.9	6.5
1988	22.85	14.24	2.39	29.07	0.85	0.96	5.11	4.08	3.10	7.8	7.0	4.6	6.2
1989	22.01	18.63	1.58	28.06	0.94	1.03	5.14	4.16	3.30	7.4	6.7	4.1	5.8
1990	21.78	22.61	1.70	26.80	1.11	1.14	5.28	4.30	3.62	7.1	6.3	3.9	5.5
1991	21.56	19.99	1.54	27.39	1.03	1.10	5.44	4.50	3.69	7.1	6.1	4.0	5.4
1992	21.83	19.39	1.63	27.53	1.02	1.12	5.44	4.40	3.91	7.0	6.0	3.7	5.3
1993	21.17	17.48	1.77	27.76	1.01	1.10	5.13	4.06	3.67	6.9	6.0	3.8	5.3
1994	20.07	16.38	1.54	26.82	0.99	1.12	4.96	3.84	2.74	6.9	5.9	3.8	5.4
1995	19.11	17.71	1.15	25.97	1.05	1.16	4.74	3.64	2.34	6.9	5.9	3.7	5.3
1996	18.50	21.10	1.39	25.35	1.19	1.26	4.47	3.38	2.10	7.0	5.9	3.7	5.3
1997	18.34	18.57	1.86	25.93	1.17	1.31	5.13	3.92	2.55	6.9	5.7	3.5	5.2
1998	17.83	12.52	1.73	26.74	1.04	1.14	5.57	4.35	3.00	6.8	5.7	3.5	5.2
1999	17.36	17.69	1.93	24.65	1.14	1.26	5.37	4.13	2.94	6.3	5.3	3.4	4.9
2000	16.93	28.53	3.28	24.38	1.49	1.53	6.20	4.92	3.93	6.3	5.2	3.4	4.8
2001	17.76	24.09	3.52	26.87	1.37	1.45	8.09	6.78	5.29	6.7	5.6	3.5	5.2
2002	18.47	23.87	1.99	21.88	1.30	1.37	6.39	5.20	3.91	6.8	5.6	3.8	5.4
2003	16.64	28.88	4.38	23.21	1.48	1.60	7.33	5.95	5.03	6.8	5.6	3.8	5.3
2004 (e)	16.72	38.98	4.82	26.31	1.73	1.82	8.31	6.63	5.72	7.1	5.8	4.0	5.6

e = estimate

Source: Utah Energy Office



High Technology

Overview

Utah's technology sector continued to lose jobs during 2004, extending a decline that began in 2001. From January 2001 through June 2004 Utah's technology sector lost 9,492 jobs - a drop of 14.3%. However, these losses began to abate in 2004. In 2003, 14 industries posted job losses, seven of which were more than 100 workers. In 2004, ten industries posted job losses, however, two of these (computer and peripheral equipment and motion picture and video production) had losses of more than 100 workers. Five industries reported job growth of more than 100 workers.

2004 Summary

Utah's technology sector experienced deep and persistent contractions which began in January 2001 and continued through the first quarter of 2004. Since January 2001 Utah's technology sector has lost 9,492 jobs, a drop of 14.3%. However, employment declines abated in 2004, after a severe cut in January. In 2004, an estimated 56,021 people were employed in the technology sector, or 5% of the state's nonagricultural workers.

Preliminary data for 2004 show that the technology sector may have lost an additional 566 jobs during the first six months of the year. However, the rate at which technology jobs were declining appears to have slowed in the last two years. Average employment in the technology sector in 2003 was 1.8% lower than in 2002, and the first six months of 2004 was just 1.0% lower than average employment during the same period in 2003.

Major Industry Segment Analysis

Utah's technology sector is highly concentrated in three industry segments - computer systems design, medical equipment, and aerospace. When combined, employment in these industry segments accounts for over 44% of all technology employment in Utah. Other important, but smaller segments of the state's technology base include engineering services, software, and companies involved in scientific research.

A comparison of year-over average annual employment for 2003 and the first six months of 2004 show that exactly half of the industry segments posted job losses. This is an improvement from last year when 70% of the sectors reported job losses. In 2004, the largest losses were in the computer and peripheral equipment sector and the motion picture and video production. More than 1,000 jobs were lost in these two industries alone. However, these were the only two industries that posted losses of more than 100 workers, again an improvement from the previous year. Five industries reported increases of more than 100 workers. The largest of which was the semiconductor and electronic components industry which added 210 new positions. The other four industries include: communication equipment, engineering services, medical equipment and supplies, and the carbon and graphite product manufacturing sector.

Computer Systems Design

The largest technology segment (as measured by employment) is computer systems design, which despite its jobs losses, still accounted for over 19% of the state's technology workers - an average of about 10,700 people. This industry includes companies that provide expertise in the field of information technologies and is characterized by a large number of small firms - approximately 1,300 companies make up this industry segment. The largest employers include 3M Company and

Unisys-both companies employ fewer than 500 people.

Employment in this sector of 10,732, averaged over the first six months of 2004, is slightly lower than average annual employment reported for 2003 of 10,796. However, the stability of the sector, as conveyed by averages may be misleading. After a large decrease, this sector employed 10,606 in January of 2004, employment in the industry then fluctuated until it reached the reported levels.

Medical Equipment

Medical equipment manufacturing posted modest gains during the first six months of 2004 with an average employment base of about 7,700 (an increase of 108 workers over the 2003 annual average). This industry has been an important and relatively stable component of the technology sector for many years. This is in part due to the fact that many of these companies produce products that are in high demand and meet the needs of aging baby boomers.

Becton Dickinson and Fresenius, USA, are the two largest employers in this sector. Another large medical equipment employer is South Jordan based Merit Medical, which is a manufacturer and marketer of proprietary disposable products used primarily in cardiology and radiology procedures. The company was ranked on the 2004 Forbes magazine list of "200 Best Small Companies in America."

Aerospace Products

Utah's aerospace industry has undergone a significant transformation over the past decade. Most of Utah's aerospace companies downsized during the late 1990s by restructuring their core business activities. While they were once the largest component of the technology sector, aerospace companies now employ about 6,400 people. Despite this, they still represents over 11% of high technology employment, and experienced a very modest increase (1.1%) in employment in 2004.

Significant Issues

In Utah the recession did not see many high technology establishments go out of business. Although the employment counts fell, the number of firms actually increased. In 2000, there was an average of 3,201 firms. Since that time, five sectors experienced a decrease in the number of firms. The rest of the sectors experienced growth or zero growth, increasing the total number of firms to 3,432 in 2003. This accounts for an increase of 232 establishments, or a 7.2% increase.

High technology jobs pay above the Utah average. Before the job contractions in December 2002, they paid 75.4% higher than the Utah average. In 2004, high technology payrolls accounted for 9.2% of Utah's total payrolls. This is a decline from 2000, when it represented 10.6%. However, it is still a significant proportion considering that high technology jobs make up about 5% of nonagricultural employment in Utah.

Conclusion

The downturn in Utah's technology sector continued through the first quarter of 2004, but abated after a severe cut in January. While the hey-day of the technology sector - the fast pace of new technology startups, billion dollar IPO's, and dizzying returns on investments - will most likely not be repeated, the development of new products and technologies is still the backbone of Utah's economic growth. The sector will eventually rebound as the overall economy improves, but it may take several years before employment surpasses former peak levels.

Table 77
Technology Employment by Detailed Industry: Annual Averages

Sector	NAICS Code	Average Annual Employment				2002-2003 Net Change
		2000	2001	2002	2003	
In-Vitro Diagnostic Substances	325413	18	22	23	23	0
Optical Instrument and Lens Manufacturing	333314	174	170	158	154	-4
Computer and Peripheral Equipment	3341	3,575	3,181	1,540	1,260	-280
Communication Equipment	3342	2,286	2,393	2,370	2,432	63
Semiconductor and Electronic Components	3344	4,110	4,215	3,315	2,888	-427
Navigational, Measuring and Electromedical Products	3345	3,211	3,242	3,109	3,182	73
Carbon and Graphite Product Manufacturing	335991	398	368	341	324	-17
Aerospace Products and Parts Manufacturing	3364	7,465	7,201	6,634	6,314	-320
Medical Equipment and Supplies	3391	7,530	7,479	7,575	7,593	18
Software	5112	5,819	5,348	4,845	4,751	-94
Motion Picture and Video Production	51211	2,685	2,643	2,478	2,346	-132
Post Production Services	51219	42	42	49	28	-21
Wireless Telecommunications Carriers	5172	1,480	1,179	879	701	-178
Satellite Telecommunications	5174	100	96	90	79	-11
Other Telecommunications	5179	25	98	119	82	-38
Internet Service Providers	5181	3,476	3,276	3,016	2,974	-42
Engineering Services	54133	5,502	5,767	5,579	5,849	270
Testing Laboratories	54138	1,182	1,214	1,152	1,173	20
Computer Systems Design	5415	13,028	12,491	10,521	10,796	275
Scientific Research	54171	2,847	3,340	3,815	3,639	-176
Total		64,951	63,766	57,609	56,588	-1,022

Note: NAICS stands for North American Industry Classification System.
Source: Utah Department of Workforce Services

Table 78
Technology Employment by Detailed Industry: Comparison of 2003 and Six Month Average of 2004

Sector	NAICS Code	Average Employment		2003-2004 Net Change
		2003	2004	
In-Vitro Diagnostic Substances	325413	23	29	6
Optical Instrument and Lens Manufacturing	333314	154	135	-19
Computer and Peripheral Equipment	3341	1,260	701	-559
Communication Equipment	3342	2,432	2,597	165
Semiconductor and Electronic Components	3344	2,888	3,098	210
Navigational, Measuring and Electromedical Products	3345	3,182	3,100	-82
Carbon and Graphite Product Manufacturing	335991	324	427	103
Aerospace Products and Parts Manufacturing	3364	6,314	6,385	72
Medical Equipment and Supplies	3391	7,593	7,701	108
Software	5112	4,751	4,701	-50
Motion Picture and Video Production	51211	2,346	1,850	-496
Post Production Services	51219	28	23	-5
Wireless Telecommunications Carriers	5172	701	705	4
Satellite Telecommunications	5174	79	83	4
Other Telecommunications	5179	82	73	-9
Internet Service Providers	5181	2,974	2,999	25
Engineering Services	54133	5,849	5,998	149
Testing Laboratories	54138	1,173	1,112	-60
Computer Systems Design	5415	10,796	10,732	-63
Scientific Research	54171	3,639	3,572	-67
Total		56,588	56,021	-566

Note: NAICS stands for North American Industry Classification System.
Source: Utah Department of Workforce Services

Table 79

Technology Employment by Detailed Industry: Actual January 2001 and June 2004

Sector	Actual Employment			
	NAICS Code	January 2001	June 2004	2003-2004 Net Change
In-Vitro Diagnostic Substances	325413	17	29	12
Optical Instrument and Lens Manufacturing	333314	186	141	-45
Computer and Peripheral Equipment	3341	3,850	654	-3,196
Communication Equipment	3342	2,385	2,721	336
Semiconductor and Electronic Components	3344	4,651	3,155	-1,496
Navigational, Measuring and Electromedical Products	3345	3,284	3,110	-174
Carbon and Graphite Product Manufacturing	335991	365	440	75
Aerospace Products and Parts Manufacturing	3364	7,409	6,498	-911
Medical Equipment and Supplies	3391	7,409	7,894	485
Software	5112	5,531	4,649	-882
Motion Picture and Video Production	51211	2,459	1,938	-521
Post Production Services	51219	45	25	-20
Wireless Telecommunications Carriers	5172	1,380	713	-667
Satellite Telecommunications	5174	87	89	2
Other Telecommunications	5179	91	77	-14
Internet Service Providers	5181	3,708	3,076	-632
Engineering Services	54133	5,611	6,195	584
Testing Laboratories	54138	1,189	1,030	-159
Computer Systems Design	5415	13,626	10,770	-2,856
Scientific Research	54171	3,083	3,670	587
Total		66,366	56,874	-9,492

Note: NAICS stands for North American Industry Classification System.

Source: Utah Department of Workforce Services

Table 80

High Technology Establishments in Utah: Annual Averages

Sector	NAICS Code	Average Number of Firms				2000-2003 Net Change
		2000	2001	2002	2003	
In-Vitro Diagnostic Substances	325413	5	5	5	5	0
Optical Instrument and Lens Manufacturing	333314	7	8	7	7	0
Computer and Peripheral Equipment	3341	26	24	25	23	-3
Communication Equipment	3342	33	36	32	28	-5
Semiconductor and Electronic Components	3344	56	59	56	52	-4
Navigational, Measuring and Electromedical Products	3345	54	57	59	59	5
Carbon and Graphite Product Manufacturing	335991	4	4	2	2	-2
Aerospace Products and Parts Manufacturing	3364	48	45	41	44	-4
Medical Equipment and Supplies	3391	182	187	185	182	0
Software	5112	153	150	156	158	5
Motion Picture and Video Production	51211	181	184	184	185	5
Post Production Services	51219	14	19	23	22	8
Wireless Telecommunications Carriers	5172	74	82	92	81	7
Satellite Telecommunications	5174	10	11	15	13	3
Other Telecommunications	5179	5	6	7	7	3
Internet Service Providers	5181	209	265	243	236	27
Engineering Services	54133	562	577	597	626	65
Testing Laboratories	54138	101	105	107	104	3
Computer Systems Design	5415	1,264	1,365	1,357	1,354	90
Scientific Research	54171	216	237	250	245	29
Total		3,201	3,422	3,440	3,432	232

Note: NAICS stands for North American Industry Classification System.

Source: Utah Department of Workforce Services

Table 81

High Technology Total Wages in Utah: January 2000 thru June 2004p (Millions of Dollars)

Sector	NAICS Code	Total Wages				
		2000	2001	2002	2003	2004p
In-Vitro Diagnostic Substances	325413	\$ 1.1	\$ 1.0	\$ 1.0	\$ 1.1	1.2
Optical Instrument and Lens Manufacturing	333314	4.0	4.4	4.2	4.5	3.8
Computer and Peripheral Equipment	3341	185.4	184.0	111.6	91.4	45.0
Communication Equipment	3342	152.3	152.8	153.3	158.7	177.1
Semiconductor and Electronic Components	3344	149.9	148.4	124.4	114.1	125.2
Navigational, Measuring and Electromedical Products	3345	162.8	165.6	155.4	172.2	169.0
Carbon and Graphite Product Manufacturing	335991	19.2	18.5	17.7	18.2	21.7
Aerospace Products and Parts Manufacturing	3364	403.6	416.6	399.3	380.3	403.5
Medical Equipment and Supplies	3391	247.5	257.2	273.8	295.5	308.9
Software	5112	463.8	381.4	351.0	346.2	355.4
Motion Picture and Video Production	51211	58.7	66.1	52.7	52.7	43.0
Post Production Services	51219	0.8	1.0	0.4	0.5	0.4
Wireless Telecommunications Carriers	5172	65.1	56.6	52.7	42.6	43.9
Satellite Telecommunications	5174	4.1	3.4	3.2	3.2	3.1
Other Telecommunications	5179	1.3	3.9	4.7	3.3	3.0
Internet Service Providers	5181	149.9	150.1	118.9	118.2	123.9
Engineering Services	54133	260.8	283.9	290.1	302.8	305.3
Testing Laboratories	54138	42.1	43.2	42.1	44.0	45.8
Computer Systems Design	5415	753.6	739.6	647.4	688.3	686.9
Scientific Research	54171	159.4	185.8	198.6	196.4	211.8
Total High Technology Wages		3,285.2	3,263.4	3,002.4	3,034.2	3,078.0
Utah State Wide Wages		30,972.6	32,059.7	32,337.3	32,885.0	33,574.1
High Technology Wages as Percent of Total		10.6%	10.2%	9.3%	9.2%	9.2%

Note: Wages for 2004 are preliminary based on the first two quarters only.

Note: NAICS stands for North American Industry Classification System.

Source: Utah Department of Workforce Services

Tourism, Travel, and Recreation

Overview

Utah's travel and tourism sector saw improvements in 2004. Each of the five major tourism sectors - transportation, eating and drinking, hotels and lodging, amusement and recreation, and car rentals, all experienced gains. The Utah ski industry enjoyed its best year on record in terms of skier visits. Visitation increased at the national parks, and hotel occupancies were also up. All of these increases resulted in higher amounts of traveler spending and increased travel-related employment compared to 2003. However, Utah's share of U.S. traveler spending is declining and competition for visitors is fierce. The outlook for the industry for 2005 is cautiously optimistic, in that travel among business and leisure travelers (both international and domestic) should increase. There are still concerns about the economy, employment, the war in Iraq, and terrorism, but industry experts forecast continued (but perhaps slower) growth in 2005.

2004 Summary

Utah's Travel Industry Sees Gains. Utah's travel and tourism sector saw improvements in 2004, as did the industry on a national basis. Non-resident tourism arrivals to Utah surpassed 2003 levels, increasing 3.6% to 17.5 million. The number of domestic travelers grew 3.7% to 16.9 million, while international visitation rose 5.1% to 600,000. Despite high gas prices, visitation reports indicated a 1.8% increase in vehicle traffic along Utah's interstates, but visitation decreased 6.5% at state-operated welcome centers. The number of visitors at Utah's five national parks increased 8.0%. Hotel occupancies were 63.2% in 2004, a 7.5% increase from 2003. Following a national trend, statewide room rates increased slightly when compared to 2003, indicating higher demand in the state's lodging sector. Hotel room rents for 2004 surpassed room rents for 2003 by 6.6%, continuing an upward trend that has lasted over 20 years (as 2003's decline compared to 2002 was due to the 2002 Olympic Winter Games). This trend coincided with a 115% increase in the supply of rooms since 1994. Nationwide, the larger airlines continued to struggle in 2004, and the number of passengers at the Salt Lake International Airport declined slightly by 1.6%. However, Delta announced plans for more routes passing through Salt Lake International Airport, which will be beneficial to the state.

The long-lasting drought continued to cause difficulties at many state parks and prompted a 4.3% decline in state park visitation in 2004. The 2003/04 ski season was the best year on record in Utah based on skier visits. Early snowfall helped attract some of the local skiers that skied less the previous year due to below-average snowfall. A large number of out-of-state skiers also continued to come. The ski industry believes that it continued to benefit from the publicity of the 2002 Olympic Winter Games during the 2003/04 season.¹

In 2001, consumers began retrenching, given the increase in economic uncertainty related to employment, income growth, and the stock market. Reactions to the terrorist events of 9-11 prompted further changes in travel behavior. Continued economic uncertainty, combined with the war on terrorism, further embedded those changes in 2002. The war with Iraq, SARS, terrorism, and a weak economy caused the trends of 2002 to continue in 2003. In 2004, high fuel prices contributed to these concerns. Despite these issues, 2004 was a far more robust year for the tourism industry than 2003. Nationwide, the industry saw healthier demand patterns. Additionally, there is a continued shift among consumers from a focus on price to a focus on value. Throughout the last few difficult years, domestic leisure travel has remained a bright spot. Some trends in domestic leisure travel include:²

- Slow but steady growth
- Leisure travelers took trips closer to home
- Highway travel
- Short getaways
- Visits to small towns and rural areas
- Travelers are trying to economize

Like the rest of the nation, Utah has benefited from an improving economy and the fact that the devastating effects of 9-11 have been dissipating. Traveler spending has grown and each of the traditional tourism sectors - transportation, eating and drinking, auto rentals, hotels and lodging, and amusement and recreation - have all been on the rise in 2004.³ Total traveler spending rose 7.1% in 2004 to nearly \$5.0 billion. Total state and local taxes generated by traveler spending totaled \$394 million in 2004. The increase in traveler spending also prompted travel-related employment to increase 3.0% in 2004. Total travel-related employment was 112,000 in 2004, accounting for about 10% of total Utah nonfarm jobs.⁴

Utah Continues to Lose Market Share. Nationally, 2004 saw much improvement for the tourism industry, and Utah also experienced increases in traveler spending and employment. Nevertheless, Utah's share of U.S. traveler spending has been trending downward since 1996.⁵ One study showed that Utah's share of U.S. traveler spending has dropped from 1.0% in 1996 to 0.9% in 2003.⁶ A study by a different firm⁷ determined that Utah's market share has dropped from 0.9% in 1996 to 0.8% in 2002.

Each study used a different methodology; nevertheless, both show an overall downward trend in market share since 1996. Of course, there have been ups and downs, but overall, other states are getting a larger share of the traveler spending pie. Even though Utah's tourism indicators are starting to grow again with an improving economy, Utah isn't growing as fast as other states.

¹Visitation reports collected from Salt Lake City Department of Airports, National Park Service, Utah Division of Travel Development, Utah Division of State Parks, Utah Department of Transportation, Ski Utah, and the Rocky Mountain Lodging Report.

²*Outlook on U.S. Tourism - An Overview*, Suzanne Cook, Travel Industry Association of America, October 2004.

³*Second Quarter 2004 Taxable Sales*, Utah State Tax Commission.

⁴The Utah Department of Community and Economic Development, using a model that includes numbers provided by the Utah Department of Workforce Services and the Utah State Tax Commission, generate traveler spending and employment figures.

⁵Based on two independent studies: 1) *Impact of Travel on State Economies*, Travel Industry Association of America updates this study each year - 2004 is the latest edition; 2) Utah U.S. *Final Visitor Volume and Spending Estimates*, D.K. Shifflet and Associates has provided visitor volume and spending information to the state since 1992.

⁶*Final Utah U.S. 2003 Volume*, D.K. Shifflet and Associates, September 2004.

⁷*Impact of Travel on State Economies*, Travel Industry Association of America, each edition from 1992 through 2004.

2002 Olympic Winter Games. Several sectors of the tourism industry experienced significant increases in the first quarter of 2002 due to the 2002 Olympic Winter Games, but in 2003, many of those numbers dropped back to pre-Olympic levels. Notwithstanding, the Olympics definitely had a positive affect on Utah's ski industry the last two years and that may continue. Also, the state is benefiting from improved infrastructure related to hosting the games. Furthermore, from conversations with international tour operators, it was found that Utah is better known around the world as a result of the 2002 Olympic Winter Games. In the second half of 2003 and in 2004, tourism sector taxable sales began to increase, but the increase appeared to coincide with a slowly improving economy and some stabilization of geopolitical issues.

2005 Outlook - Cautious Optimism

Despite a fair amount of uncertainty, the outlook for 2005 is cautiously optimistic. Factors such as the economy, employment, high fuel prices, consumer confidence, the continued presence of U.S. troops in Iraq, and the ever-present possibility of another major terrorist attack could cloud the view. Nonetheless, Utah tourism is expected to increase in 2005, although it may be at a slower pace than in 2004. Slow but steady growth in domestic leisure travel should occur, especially if the economy continues to improve. Business travel is predicted to improve, but may never reach pre-9-11 levels. Additionally, the Travel Industry Association of America and others are actively promoting the nation's national parks, and Utah should benefit from these efforts. Early snowfall allowed most Utah ski resorts to open early, and optimism is high for another successful ski year.

Competition among nearby destinations for the local and regional markets will continue to intensify as marketers continue to focus their priorities towards close-to-home markets and quick getaways. National trends highlight opportunities in key segments of the travel market including adventure travel, cultural and heritage tourism, nature-based travel, and family travel. Utah is well positioned to attract visitors seeking a higher quality, more unique experience, as current travel forecasters predict the traveler is looking for "the experience", and not just the product.

Figure 61
Utah Tourism Indicators – Travel-Related Employment (Thousands of Jobs)

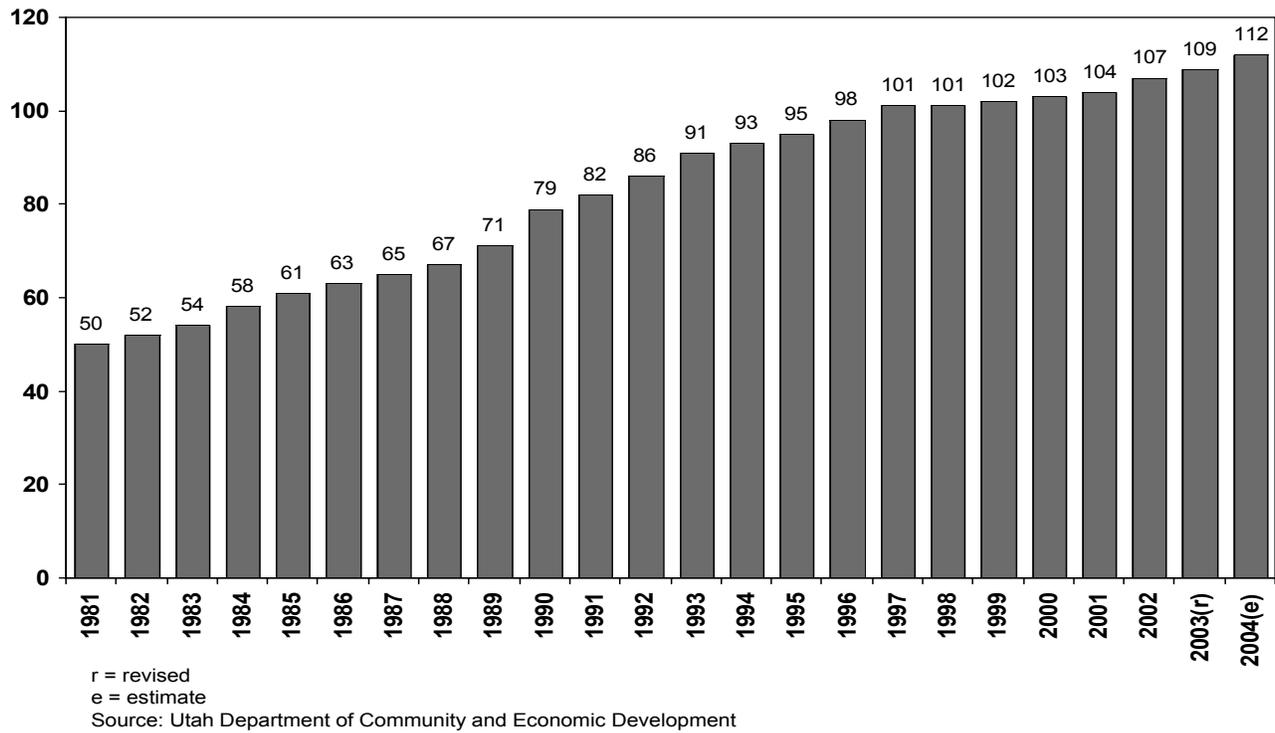


Figure 62
Utah Tourism Indicators -- Traveler Spending (Millions of Current Dollars)

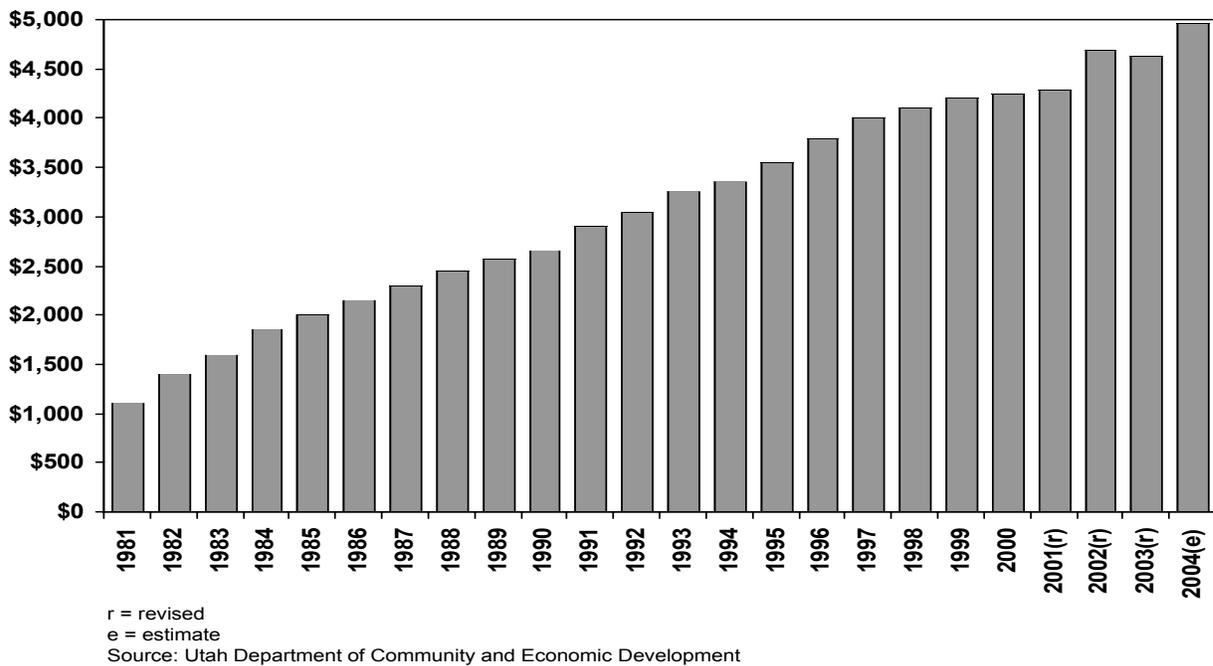
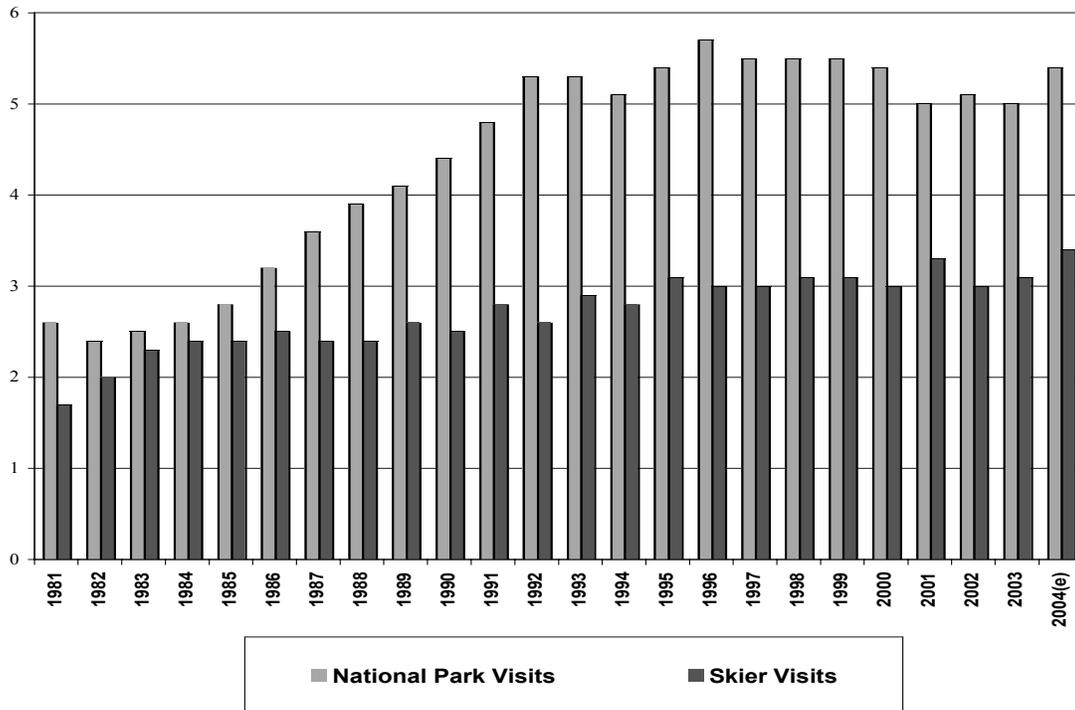
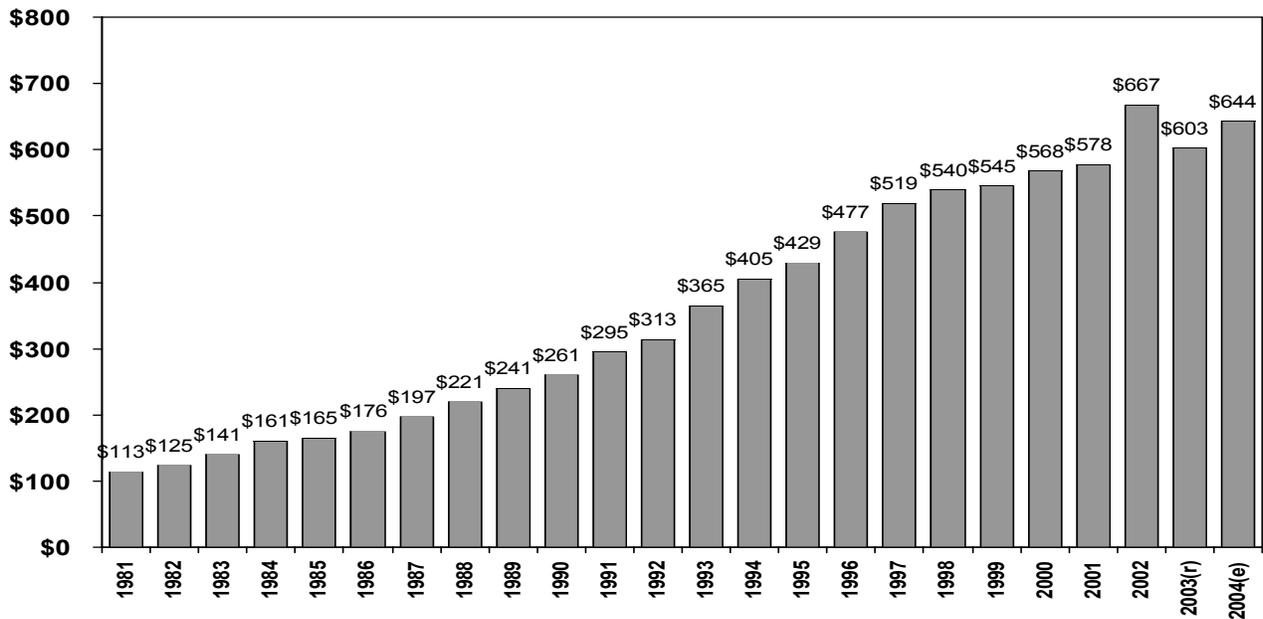


Figure 63
Utah Tourism Indicators -- National Park and Skier Visits (Millions of Visits)



Sources: National Park Service; Ski Utah

Figure 64
Utah Tourism Indicators -- Hotel Room Rents (Millions of Current Dollars)



Note: From 1994 to 2004, the supply of hotel rooms has increased 115%, meaning it would be logical for the total amount of hotel room rents to increase.

Source: Utah State Tax Commission, Rocky Mountain Lodging Report

Table 82
National Parks Recreation Visits

Year	Arches	Bryce	Canyonlands	Capitol Reef	Zion	Total National Parks
1981	326,508	474,092	89,915	397,789	1,288,808	2,577,112
1982	339,415	471,517	97,079	289,486	1,246,290	2,443,787
1983	287,875	472,633	100,022	331,734	1,273,030	2,465,294
1984	345,180	495,104	102,533	296,230	1,377,254	2,616,301
1985	363,464	500,782	116,672	320,503	1,503,272	2,804,693
1986	419,444	578,018	172,987	383,742	1,670,503	3,224,694
1987	468,916	718,342	172,384	428,808	1,777,619	3,566,069
1988	520,455	791,348	212,100	469,556	1,948,332	3,941,791
1989	555,809	808,045	257,411	515,278	1,998,856	4,135,399
1990	620,719	862,659	276,831	562,477	2,102,400	4,425,086
1991	705,882	929,067	339,315	618,056	2,236,997	4,829,317
1992	799,831	1,018,174	395,698	675,837	2,390,626	5,280,166
1993	773,678	1,107,951	434,844	610,707	2,392,580	5,319,760
1994	777,178	1,028,134	429,921	605,324	2,270,871	5,111,428
1995	859,374	994,548	448,769	648,864	2,430,162	5,381,717
1996	856,016	1,269,600	447,527	678,012	2,498,001	5,749,156
1997	858,525	1,174,824	432,697	625,680	2,445,534	5,537,260
1998	837,161	1,166,331	436,524	656,026	2,370,048	5,466,090
1999	869,980	1,081,521	446,160	680,153	2,449,664	5,527,478
2000	786,429	1,099,275	401,558	612,656	2,432,348	5,332,266
2001	754,026	1,068,619	368,592	527,760	2,227,490	4,946,487
2002	769,672	886,436	375,549	523,458	2,592,835	5,147,950
2003(r)	757,781	903,760	386,985	535,439	2,458,791	5,042,756
2004(e)	746,414	1,025,768	376,923	569,707	2,729,258	5,448,070

Percent Change

1981-2004	128.6%	116.4%	319.2%	43.2%	111.8%	111.4%
2003-2004	-1.5%	13.5%	-2.6%	6.4%	11.0%	8.0%

Average Annual Rate of Change

1981-2004	3.7%	3.4%	6.4%	1.6%	3.3%	3.3%
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r = revised
e = estimate

Source: National Park Service

Table 83
Profile of the Utah Travel Industry

Category	1996	1997	1998	1999	2000	2001(r)	2002(r)	2003(r)	2004(e)	% Change	AARC
										2003-2004	1994-2004
Total Spending by Travelers and Tourists (millions)	\$3,800	\$4,000	\$4,100	\$4,200	\$4,250	\$4,280	\$4,690	\$4,630	\$4,960	7.1%	3.4%
Total Number of Foreign and Domestic Visits (millions)	17.0	17.4	17.8	18.2	17.7	17.3	17.3	16.9	17.5	3.6%	0.4%
Number of U.S. Visits	16.1	16.7	17.2	17.5	17.1	16.7	16.7	16.3	16.9	3.7%	0.6%
Number of Foreign Visits	0.88	0.72	0.64	0.69	0.70	0.60	0.61	0.59	0.62	5.1%	-4.2%
Total Travel and Recreation-Related Employment	98,300	100,800	101,200	102,200	102,900	104,000	106,700	108,700	112,000	3.0%	1.6%
Direct Travel and Recreation-Related Employment	67,400	69,100	69,400	70,100	70,600	71,500	73,300	74,700	77,000	3.1%	1.7%
Indirect Travel and Recreation-Related Employment	30,900	31,700	31,800	32,100	32,300	32,500	33,400	34,000	35,000	2.9%	1.6%
Percent of All Utah Non-Agricultural Jobs	10.3%	10.1%	9.9%	9.7%	9.6%	9.6%	9.9%	9.9%	9.9%	0.0%	-0.5%
Total Direct State and Local Taxes Generated by Travel Spending (millions)	\$304	\$320	\$328	\$336	\$340	\$336	\$372	\$367	\$394	7.4%	3.3%
State Government Portion	\$225	\$237	\$243	\$249	\$252	\$247	\$274	\$270	\$290	7.4%	3.2%
Local Government Portion	\$79	\$83	\$85	\$87	\$88	\$89	\$98	\$97	\$104	7.2%	3.5%
Total Airline Passengers at Salt Lake International Airport (millions)	21.1	21.1	20.3	19.9	19.9	18.4	18.7	18.5	18.2	-1.6%	-1.8%
Total Traffic Count at Interstate Borders (millions)	18.0	18.7	19.6	20.7	21.2	21.7	22.9	22.0	22.4	1.8%	2.8%
Total National Park Recreation Visits (millions)	5.7	5.5	5.5	5.5	5.3	4.9	5.1	5.0	5.4	8.0%	-0.7%
Total Skier Visits (millions)	2.9	3.0	3.1	3.1	3.0	3.3	3.0	3.1	3.4	9.7%	2.0%
Total State Park Visits (millions)	7.5	7.2	6.9	6.8	6.6	6.1	5.8	4.6	4.4	-4.3%	-6.4%
Taxable Room Rents (millions)	\$477	\$519	\$540	\$545	\$568	\$578	\$667	\$604	\$644	6.6%	3.8%
Hotel/Motel Occupancy Rates	73.1%	68.0%	63.8%	61.6%	60.9%	59.9%	62.1%	58.8%	63.2%	(x)	(x)

r = revised
e = estimate

AARC = Average Annual Rate of Change

Sources: Estimates are based on information gathered from a variety of sources including: National Park Service, Utah State Tax Commission, Utah Department of Transportation, Utah Department of Workforce Services, Utah Department of Natural Resources, Salt Lake International Airport, U.S. Department of Commerce, Ski Utah, Rocky Mountain Lodging Report, and the Utah Department of Community and Economic Development.

Table 84
Utah Tourism Indicators

Year	Hotel Room Rents (Current \$)	National Park Visits	State Park Visits	Salt Lake Int'l. Airport Passengers	Skier Visits	Stateline Vehicle Crossings	Hotel Occupancy Rate	Travel-Related Employment	Traveler Spending (Millions)
1981	\$113,273,174	2,577,112	6,430,174	4,149,316	1,726,000	na	na	50,000	\$1,100
1982	124,787,207	2,443,787	6,436,488	5,861,477	2,038,544	na	na	52,000	1,400
1983	140,728,877	2,465,294	5,214,498	7,059,964	2,317,255	na	na	54,000	1,600
1984	161,217,797	2,616,301	4,400,103	7,514,113	2,369,901	na	na	58,000	1,850
1985	165,280,248	2,804,693	4,846,637	8,984,780	2,436,544	na	na	60,700	2,000
1986	175,807,344	3,224,694	5,387,791	9,990,986	2,491,191	na	na	62,500	2,150
1987	196,960,612	3,566,069	5,489,539	10,163,883	2,440,668	na	na	64,500	2,300
1988	220,687,694	3,941,791	5,072,123	10,408,233	2,368,985	na	na	67,000	2,450
1989	240,959,095	4,135,399	4,917,615	11,898,847	2,572,154	na	na	71,000	2,570
1990	261,017,079	4,425,086	5,033,776	11,982,276	2,500,134	14,135,400	63.8%	79,000	2,660
1991	295,490,324	4,829,317	5,425,129	12,477,926	2,751,551	14,886,000	69.4%	82,000	2,900
1992	312,895,967	5,280,100	5,908,000	13,870,609	2,560,805	15,510,600	70.3%	86,000	3,050
1993	352,445,691	5,338,707	6,950,063	15,894,404	2,850,000	15,669,500	71.9%	91,000	3,250
1994	378,024,547	5,111,400	6,953,400	17,564,149	2,800,000	16,589,300	73.7%	93,400	3,350
1995	429,189,045	5,381,717	7,070,702	18,460,000	3,113,800	17,301,000	73.5%	94,600	3,550
1996	477,409,577	5,749,110	7,478,764	21,088,482	2,954,690	17,963,500	73.1%	98,300	3,800
1997	519,160,181	5,537,260	7,184,639	21,068,314	3,042,767	18,696,400	68.0%	100,800	4,000
1998	540,424,182	5,466,090	6,943,780	20,297,371	3,101,735	19,590,300	63.8%	101,200	4,100
1999	545,328,875	5,527,478	6,768,016	19,944,556	3,144,328	20,675,000	61.6%	102,200	4,200
2000	567,708,954	5,322,266	6,555,299	19,900,770	2,976,769	21,191,900	60.9%	102,900	4,250
2001	578,445,705	4,946,487	6,075,456	18,367,961	3,278,291	21,721,698	59.9%	104,000(r)	4,280(r)
2002	666,718,674	5,147,950	5,755,782	18,662,030	2,974,574	22,916,391	62.1%	106,700(r)	4,690(r)
2003(r)	603,565,200	5,042,756	4,570,393	18,466,756	3,141,212	22,006,945	58.8%	108,700	4,630
2004(e)	644,004,068	5,448,070	4,401,288	18,152,821	3,386,141	22,403,070	63.2%	112,000	4,960

Percent Change

1981-2004	468.5%	111.4%	-31.6%	337.5%	96.2%	58.5%	-0.9%	124.0%	350.9%
2003-2004	6.7%	8.0%	-3.7%	-1.7%	7.8%	1.8%	7.5%	1.0%	7.1%

Average Annual Rate of Change

1981-2004	7.8%	3.3%	-1.6%	6.6%	3.0%	-3.0%	0.1%	3.6%	6.8%
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r = revised
e = estimate

Sources: National Park Service, Utah State Tax Commission, Utah Department of Transportation, Utah Department of Workforce Service, Utah Department of Natural Resources, Salt Lake International Airport, Ski Utah, Rocky Mountain Lodging Report, Utah Department of Community and Economic Development, adapted by Utah Division of Travel Development.



Special Topics

Kennecott Land's Plan for the Salt Lake Valley West Bench

Overview

Kennecott Land was established in 2001 to focus on protecting and developing Kennecott Utah Copper's non-mining land and water assets. Kennecott Land owns 93,000 acres of land in the Oquirrh Mountains and foothills, the largest remaining land holding in the Salt Lake Valley. With significant population growth expected in the Salt Lake Valley over the next 100 years, much of the housing, jobs, transit, roads and open space will be built or protected on Kennecott land.

Background

Daybreak is a new Master Planned Community on the Salt Lake Valley's west bench that is being developed by Kennecott Land, a subsidiary of the international mining company Rio Tinto. Kennecott Land was established in 2001 and owns 93,000 acres of land in the Oquirrh Mountains and foothills. This is the largest remaining land holding in the Salt Lake Valley - equal to the size of the city of San Francisco. Across the country, there is no other private landowner that holds this much land adjacent to a metropolitan area. With significant population growth expected in the Salt Lake Valley over the next 100 years, much of the housing, jobs, transit, roads and open space will be built or protected on this land.

Daybreak is the first of Kennecott Land's planned communities. Situated on 4,126 acres in the city of South Jordan, the Daybreak community opened in 2004. Over the next 10 to 20 years, nearly 14,000 homes will be built at Daybreak, more than nine million square feet of commercial and industrial space will be developed, and major transportation corridors - including light rail and the Mountain View Corridor - will be built into the community.

The neighborhoods at Daybreak are linked together by open space, and will be connected by light rail to minimize traffic and provide easy access to Salt Lake City. Grocery stores and other amenities are all within walking distance, and a large town center will provide commercial and job opportunities. Most of the homes at Daybreak are planned within a quarter mile of schools, office space, shopping and parks to allow for convenient walking and biking.

Kennecott Land is collaborating with local governments to improve the quality of life in the Salt Lake community. These efforts are taking the form of public-private partnerships aimed at enhancing education in the south-west part of the Salt Lake valley, and accelerating progress on west side transportation projects.

Education

Over the last several years, this collaboration has resulted in Utah's first joint-use public elementary school. The new school is unique on two levels. First, a community center will be attached to it, making the joint-use facility a highly functional community focal point. This design concept will provide for a meeting place and will also allow members of the community to have access to continuing education, fitness, and indoor and outdoor recreation. Another feature of the school is its floor plan. It features a clustered classroom layout and rooms with moveable walls, creating an environment which accommodates collaborative and technology-based learning.

Located at Daybreak, the new school is slated for completion in 2005 and is one of only a handful of joint-use facilities in the United States. Kennecott Land helped fund the joint-use design and will contribute funding toward the construction of the community center.

Transportation

In June 2004 Kennecott Land joined forces with Midvale, Murray, South Jordan, West Jordan and the Utah Transit Authority to accelerate construction of the ten-mile Mid-Jordan light rail line. Together they raised the \$3.2 million needed to complete an environmental impact statement and begin the preliminary engineering of this new light rail extension. As a result, light-rail cars will be pulling into stations on the west side of the Salt Lake Valley, including Daybreak, as early as 2009-2010.

Other transportation projects include working with west-side communities and the Utah Department of Transportation to plan a new major highway, the Mountain View Corridor, on the valley's west bench. The planned alignment for the Mountain View Corridor bisects the Daybreak project.

The Environment

Much of the land in and surrounding Daybreak will be protected as open and natural space. This will protect the Oquirrh Mountain's sensitive and scenic natural areas. Sensitive areas such as steep slopes, streams, and wildlife corridors will be protected by designating them as conservation areas. These conservation efforts have already begun at Daybreak where more than 30% of the project is set aside as open space for parks and natural areas.

Daybreak and the subsequent communities that will be developed on this land will consume fewer resources and produce fewer environmental impacts than more traditional projects. In Utah's high desert climate, reducing water usage is critical. Landscape designs at Daybreak utilize drought tolerant plantings to conserve water. A watershed management system also collects 100% of Daybreak's storm water and snowmelt runoff for re-use. The heart of the watershed management system is Oquirrh Lake, which will filter and hold the water for use in irrigating Daybreak's parks and open spaces. The recreation-sized lake will also function as a significant community amenity. In 2002, Envision Utah recognized Daybreak with a Governor's Award for Quality Growth for its approach to water-wise planting design and landscape maintenance.

All homes at Daybreak are independently certified under the Environmental Protection Agency's Energy Star program. Homes built to these standards are approximately 30% more efficient than typical houses in Utah and will save their owners an average of \$300 to \$500 each year in utility costs. Energy Star homes also emit 4,500 fewer pounds of greenhouse gases annually than a typical home.

Economic development

To facilitate economic development at Daybreak, Kennecott Land has formed a venture with Sahara, Inc., a local development company focused on retail and office facilities. This venture's new company, Copper Rock Development, will leverage Kennecott Land's 93,000 acres of property with the development, designs, and building expertise of Sahara, Inc. Copper Rock's initial focus is on the nine million square feet of office, retail and industrial space approved for Daybreak.

Conclusion

Kennecott Utah Copper has been a part of the Salt Lake Valley for over 100 years. With over 93,000 acres of land situated next to a rapidly growing metropolitan area, Kennecott Land is now positioned to develop its non-mining land and water assets. Beginning with Daybreak, Kennecott Land will build many planned communities on the west bench of the Salt Lake Valley.

Figure 65
Kennecott Land Property on Salt Lake Valley's West Bench



Figure 66
A Street at Daybreak



Hill Air Force Base Impact

Overview

The upcoming round of Defense Base Closures and Realignments (BRAC) is threatening the existence of Hill Air Force Base (Hill AFB). The Department of Defense is aggressively approaching this round of BRAC in its attempt to eliminate 20% to 25% of its current capacity. This chapter is a summary of a much larger study that used the REMI model to assess the economic, demographic and fiscal impacts of closing Hill AFB on the state of Utah and the Davis/Weber region.¹

Background

Hill AFB has been the largest component of Utah's defense sector, and one of the largest employers in the state for decades. Long established as an engine of economic growth, Hill AFB directly pumps more than \$1.0 billion into Utah's economy each year. The direct operations include a Utah payroll of \$962.2 million, direct employment of about 20,000 workers and local purchases totaling \$152.9 million. Clearly, Hill's economic contributions are substantial and an important source of economic activity in the state of Utah.

Hill has had a presence in Utah since 1920 when the War Department established the Ogden Arsenal Army Reserve Depot in the area now occupied by the northwestern portion of Hill AFB. Over time, Hill AFB's missions have changed and expanded. Today, the missions of Hill AFB encompass supply and repair of aircraft and missile parts, including munitions storage and handling. The base is one of three air logistics centers in the USAF Materiel Command, serving as home to the Ogden Air Logistics Center which provides worldwide engineering and logistics management for the F-16, A-10, Minuteman III and Peacekeeper Intercontinental Ballistic Missiles. In addition, Hill AFB is host to the 388th Fighter Wing, the 419th Fighter Wing and the Air Force Reserve F-16 wing. Other units include the 84th Radar Evaluation Squadron and Defense Enterprise Computing Center Ogden.

Employment

In FY 2003, the workforce at Hill AFB included 5,178 military personnel and 13,491 civilians, all working in Davis County. The military payroll was \$156.5 million and the federal civilian payroll was \$677.4 million. Another 1,409 Air Force reserves (reservists) visited the base during the course of the year for training. Of these, 1,290 were Utah residents and 119 lived in other states. Also located on base are employees of private business that provided services to Hill's employees, and civilian contractors that provided services specific to Hill's missions. About 4,300 people who were not directly employed by Hill or by the U.S. Air Force worked on base in 2003. In total, more than 24,000 people traveled to and worked at Hill AFB during the course of a given year. Base employees reside throughout the Wasatch Front; however, more than 91%, or 17,895 employees of the base lived in either Davis or Weber County.

Components of Hill AFB Base Spending

Hill AFB's direct spending in Utah totals over \$1.0 billion each year and includes payroll and contract spending. Indirectly, the U.S. Air Force provides money to Utah companies through the Prime Contracting process to support the missions at Hill. Approximately 86.3% of Hill's

direct spending in Utah is payroll-related. In FY 2003, Hill's payroll totaled \$962.2 million and included \$950.7 million paid to military and civilian employees and \$11.5 million paid to reservists living in Utah. In 2002, Hill AFB purchased \$152.9 million in goods and services from Utah businesses. Of this, \$67.0 million was spent locally through procurement arrangements for goods and services needed to operate the base. Another \$47.9 million was spent on services for Hill employees (health care, education, etc.) and for goods sold at the base commissary and base exchange. New construction totaled \$38.0 million. In FY 2002, Prime Contracts with Utah companies through central procurement at Hill totaled \$790.0 million. Based on interviews with Utah's largest prime contractors, about \$425.0 million of all contracts awarded to Utah companies remained in the state. The largest prime contractor in Utah is Northrop Grumman with prime contracts totaling \$966.5 million. When the direct operations of Hill AFB are combined with the estimated value of Prime Contract Awards performed in Utah, total spending tied to the base is about \$1.5 billion.

The Role of Hill Air Force Base in the Davis/Weber Region

Hill's impact is felt throughout the state of Utah; however, the two counties most directly affected by Hill's operations are Davis County and Weber County (Davis/Weber region). With about 20,000 employees Hill AFB is the largest employer in the region. If treated as a separate industry, only services and retail trade employ more people. For many years, Davis County's economy has been driven by Hill AFB. While the county's economic base has become more diversified, Hill is still the largest employer and still plays a major role in the economic vitality and stability of the area. Weber is impacted by Hill AFB because of the large number of civilians who work at the base and live in the county. The importance of federal workers to the region's economic base is underscored by the share of earnings they provide compared to the share of employment they represent. Federal government jobs account for about 10% of total employment and 20% of total earnings. This disparity occurs because the average earnings of federal civilian employees are much higher than the average earnings of all workers in the region.

Statewide Impact of Closing Hill Air Force Base

As one of Utah's largest employers, Hill AFB makes a significant contribution to the state and has an even greater impact on the communities in close proximity to the base. The loss of Hill would translate to lost jobs and income for Utah workers, reduce the number of households that can be supported, and permanently change the structure and size of the Utah economy. The economic, demographic and fiscal impacts on the state are presented in two window years--2009 and 2020 (financial projections are in constant 2001 dollars).

Short-Term Impacts. In 2009, the impact of closing Hill AFB would be a loss of 47,400 jobs, a decline of \$2.4 billion in earnings and \$2.3 billion in personal income. Hill AFB's closure shrinks the state's economy by \$3.6 billion. The annual loss of state tax revenue would be \$192.4 million. The population impact of closing Hill AFB would be 31,000 fewer people living in the state than if Hill AFB remained in operation. This population impact includes about 7,600 school age children, or about 1.3% from the projected school age population baseline of 578,000. The impact on school age population would moderate, but not eliminate the upcoming boom expected to begin in 2005. Closing Hill would also lower per capita personal income by \$542 in 2009.

¹Jan E. Crispin-Little and Pamela S. Perlich (2004). Economic, Demographic and Fiscal Impacts of Closing Hill Air Force Base: A Statewide and Regional Analysis. Bureau of Economic and Business Research, University of Utah. (Research sponsored by the Utah Defense Alliance).

Long-Term Impacts. The long-term, statewide impact of closing Hill AFB would be a permanent loss of 41,700 jobs, an annual decline of \$2.5 billion in earnings and \$2.7 billion in personal income. The economy would be \$3.4 billion smaller (a decline of 1.7% from the baseline projection). The annual loss of tax revenue would be \$199 million. The resident population in Utah would be 50,500 less than if Hill remained in operation. This impact includes 15,400 school age children—a change of 2.1% of the baseline projection of 743,000. The permanent employment impact represents a change of 2.1% on a projected baseline of 3.3 million. The population impacts represent a change of 1.6% in a projected baseline of 3.3 million.

How Long to Recovery?

The speed at which the state would begin its new growth path would be dependent on job growth. To offset the short-term employment impact of closing Hill AFB, the state would need to create almost 48,000 new jobs. In robust economic times, this is equivalent to losing one to three years of economic growth. In recent historical experience, job growth in this range has not occurred on an annual basis since the economic boom of the mid-1990s.

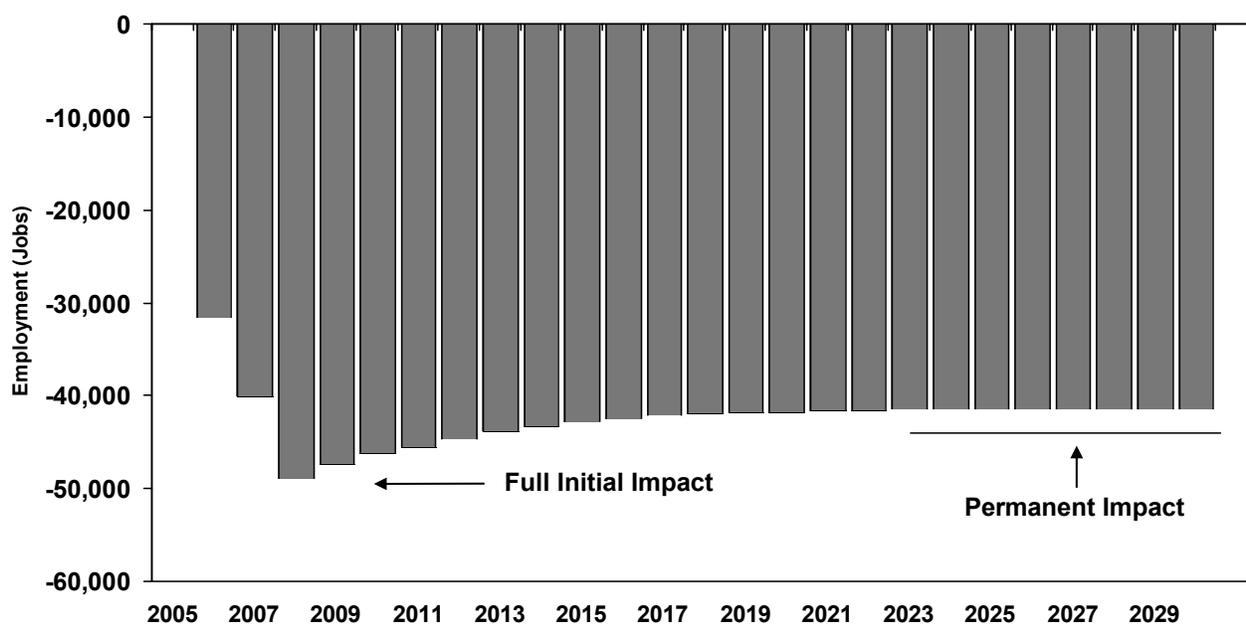
Offsetting the impact on earnings would be even more difficult. The federal civilian jobs at Hill AFB are not "average" jobs. They are some of the best jobs in Utah. As high-paying, stable jobs with benefits they would be hard to replace. Since the earnings of most civilians working at Hill AFB are almost double the state average it would take almost 68,000 new jobs to offset the loss of \$2.4 billion in earnings.

In a sense, Utah would never really "recover" from the closing of Hill AFB; the economy would always be permanently smaller than if the base remained in operation. However, Utah's economy has demonstrated it can survive dramatic economic events (closure of Geneva Steel, employment losses at Kennecott, the energy bust of the 1980s and dramatic declines in defense spending in the 1990s). The question is not whether the Utah economy would begin to expand but when. The closure of Hill AFB would be the equivalent of losing a few years of economic growth. Eventually the economy would stabilize on a new growth path. Statewide, this could happen within two to three years of base closure.

Regional Impact of Closing Hill Air Force Base

Closing Hill AFB would have economic repercussions on the Davis/Weber region unparalleled since the Great Depression. The departure of such a large employer would have enduring impacts on the size, structure and composition of the regional economic base, leading to a decrease in jobs, population, earnings and income, and a much smaller regional economy. The impacts of closing Hill AFB would disproportionately affect Davis County. Since WWII, Hill AFB has been one of the dominant influences on Davis County's economy, and has been the defining factor in establishing Davis as one of Utah's most prosperous counties. The closure of Hill AFB represents the loss of an industry that has been the foundation of Davis County's economy for the past 60 years. These economic losses from the closure of Hill AFB would be so large that employment in Davis County would not return to the 2005 pre-base closure level until 2014. The regional impacts of closing Hill AFB would be large-scale and enduring. The speed at which the region moved to its new growth path would be dependent on job growth. To offset the short-term employment impact, the region would need almost 35,000 jobs. In robust economic times, this is the equivalent of losing five to seven years of growth.

Figure 67
Statewide Annual Employment Impact: 2006-2030



Source: Bureau of Economic and Business Research, University of Utah

Table 85
Hill Air Force Base Utah Personnel Statistics: FY 2003 (Current \$)

Personnel Classification	Employed/ on Base	Share of Total ⁴	Payroll	Share of Total ⁴
Active Duty Military ¹	5,178	25.8%	\$156,549,143	16.3%
Federal Civilians ²	11,290	56.2%	\$677,400,000	70.4%
Non-Appropriated Fund Civilians	360	1.8%	\$6,329,257	0.6%
Tenants ³	1,841	9.2%	\$110,460,000	11.4%
Reserves				
Utah residents: 1,290				
Non-Utah residents: 119	1,409	6.4%	\$12,554,000	1.3%
Contractors	4,344		na	--
Total	24,422	100.0%	\$962,232,300	100.0%

Note: "Share of Total" column only includes groups for which payroll information was available.

¹ The payroll for Active Duty Military includes a housing allowance for personnel living off-base.

² Includes civilian employees serviced by Hill AFB Human Resources.

³ Includes civilians not serviced by Hill AFB Human Resources, but employed by the U.S. Air Force.

⁴This includes only the military portion that are Utah residents

Source: Hill Air Force Base Economic, Plans and Programs Directorate. Estimates of housing allowance made by BEBR based on discussion with Hill AFB staff.

Table 86

Summary of Hill Air Force Base Activity in Utah Payroll: FY 2003; Non-Payroll: FY 2002 (Current \$)

Employment	
Military Personnel	5,178
Civilian Personnel	13,491
Reserves	1,290
Total Employment	19,959
Payroll	
Military Personnel	\$156,549,143
Civilian Personnel	\$794,189,257
Utah Reservists	\$11,783,000
Total Payroll	\$962,521,400
Procurements and Contracts	\$152,945,665
Prime Contract Awards	\$425,000,000
Total Spending	\$1,540,467,065

Note: The total presented for Prime Contract Awards includes the estimated amount spent in Utah only.

Source: Hill Air Force Base

Table 87

Hill Air Force Base Closure Analysis Statewide Economic, Demographic and Fiscal Impact Summary (2001 \$)

Variable	Change From		Change From	
	2009	Baseline	2020	Baseline
Employment	-47,430	-2.9%	-41,730	-2.1%
Earnings (Bil.)	-\$2.35	-4.1%	-\$2.50	-3.0%
Personal Income (Bil.)	-\$2.29	-3.7%	-\$2.65	-2.4%
Gross State Product (Bil.)	-\$3.58	-2.6%	-\$3.43	-1.7%
Population	-31,000	-1.2%	-50,480	-1.6%
School Age Population	-7,555	-1.3%	-15,405	-2.1%
State Tax Revenue(Mil.)				
Individual Income Tax	-\$69.8		-\$73.8	
General Sales Tax	-\$88.8		-\$94.0	
Motor Fuel Sales Tax	-\$14.8		-\$11.2	
Other Taxes	-\$19.0		-\$20.1	
Total	-\$192.4	na	-\$199.1	na

Note: The financial losses shown in 2020 are permanent, annual losses in the economy.

Source: Bureau of Economic and Business Research, University of Utah.

Forest Service Portfolio

Overview

Utah contains six National Forests. Four of those forests are currently updating their forest plans. Forest plans are revised every 10 to 15 years for the Forest Service to incorporate changes in the natural environment, new scientific understandings, social trends, and new laws and policies.

In an effort to provide a fresh approach to forest resource planning, the Planning Section, in cooperation with the Demographic and Economic Analysis Section of the Governor's Office of Planning and Budget (GOPB), has been exploring new methods of encouraging collaboration between National Forest managers and the local communities that are impacted by forest decisions. GOPB is currently developing Social and Economic Assessments for the Ashley, Dixie, Fishlake, and Manti-La Sal National Forests.

Forest Planning

Forest plans are revised every 10 to 15 years so the Forest Service can incorporate changes in the natural environment, new scientific understandings, social trends, and new laws and policies. This requirement was established by the Forest and Rangeland Renewable Resources Planning Act of 1974, which created the need to prepare and periodically revise land management plans. The National Forest Management Act of 1976, required that each National Forest and Grassland complete and periodically update a management plan.

The Forest Service faces a very difficult situation in revising their forest plans. It must attempt to find a balance between the various interests of its diverse constituent base (the American public), comply with the many federal laws that guide its actions, and assure that the land and resources are capable of accommodating these expectations.

A New Approach to the Process

One of the first tasks of the forest plan revision process is to inventory and assess relevant information on current conditions. This helps the Forest Service understand local management challenges. An appraisal of social and economic conditions is one of these required assessments. It is also one of the most challenging and significant assessments because many of the most difficult and contentious issues and demands facing the Forest Service today involve the relationships between the social and economic interests of people and public lands.

The social and economic assessments illustrate how people and forests are connected and influenced by one another. Economic, social, and environmental sustainability are interdependent goals for forest management, yet the Forest Service has traditionally focused primarily on environmental factors. As human uses and impacts have grown, it has become evident that forest management goals cannot be achieved without understanding economic and social factors as well.

A primary goal of these assessments is to promote a greater understanding, in both forest management officials and the general public, of how Forest Service decisions and actions affect local communities and others who use the forest. Conversely, it also attempts to illustrate how people and their activities affect forest lands. A second goal of this assessment is to involve people more closely in forest planning and to encourage collaborative planning that can ultimately help resolve many of these shared challenges.

From the outset, this study strived to go beyond the traditional economic and demographic "snapshot" of a place at one moment in time. While such information was collected in this process, as it is useful as a means for establishing an understanding of a shared background, this assessment went a step further by also establishing a new approach to understanding the various ways in which people are connected to the forests.

This project also broke new ground in the process of creating the assessment. It utilized a collaborative approach to include numerous stakeholders in development. Local communities participated in regional and county workshops to review and develop the materials. Their eager participation points to one of the most important conclusions of this assessment—that people want to be involved in planning the future of the forests and are committed to working collaboratively towards their goals. Thus, the process and interaction established in this assessment were important tools to establish its recommendations.

As the Ashley, Dixie, Fishlake, and Manti-La Sal National Forests designed their forest plan revision process, they recognized that decisions made by the federal government also affect state and local governments as well as American Indian tribes. In order to better understand and manage these complex relationships, an assessment team was assembled with partners from GOPB, the Utah Division of Indian Affairs, and the Natural Resource and Environmental Policy Program in the College of Natural Resources at Utah State University. The Forest Service also established cooperative agreements with the local communities through either their counties or Associations of Government.

Within this broader context, traditional planning rarely stayed current. A more adaptive planning approach with strong stakeholder participation is needed to remain current and effective. Greater responsibility and stewardship for making decisions and acting upon them is also an important part of ensuring that shared goals are met.

Forests in Utah

Utah contains six National Forests. Four of those forests are currently updating their forest plans (Ashley, Dixie, Fishlake, and Manti-La Sal). The study area for this project encompasses 19 counties in Utah, two counties in Colorado, one in Wyoming and nine American Indian tribes. The study area covers well over two-thirds of the state of Utah—almost 54,000 square miles, including over 7,000 square miles of National Forest System lands.

More than half of the population of the study area now resides in or near urbanized areas such as Cedar City and St. George. In fact, 85% of Utah's total population lives in urban areas that are expanding and changing rapidly. The population is also becoming more ethnically diverse. Like much of the nation, Utah is transitioning away from a traditional resource-based economy, such as mining and agriculture, toward an information- and service-based economy. Many communities in this region have felt not only the economic impact of these changes, but have also felt an erosion of traditional lifestyles and cultures that accompanied this transition.

Many of the newest and fastest-growing uses of the forest are recreation-based, and have begun to compete with more traditional uses

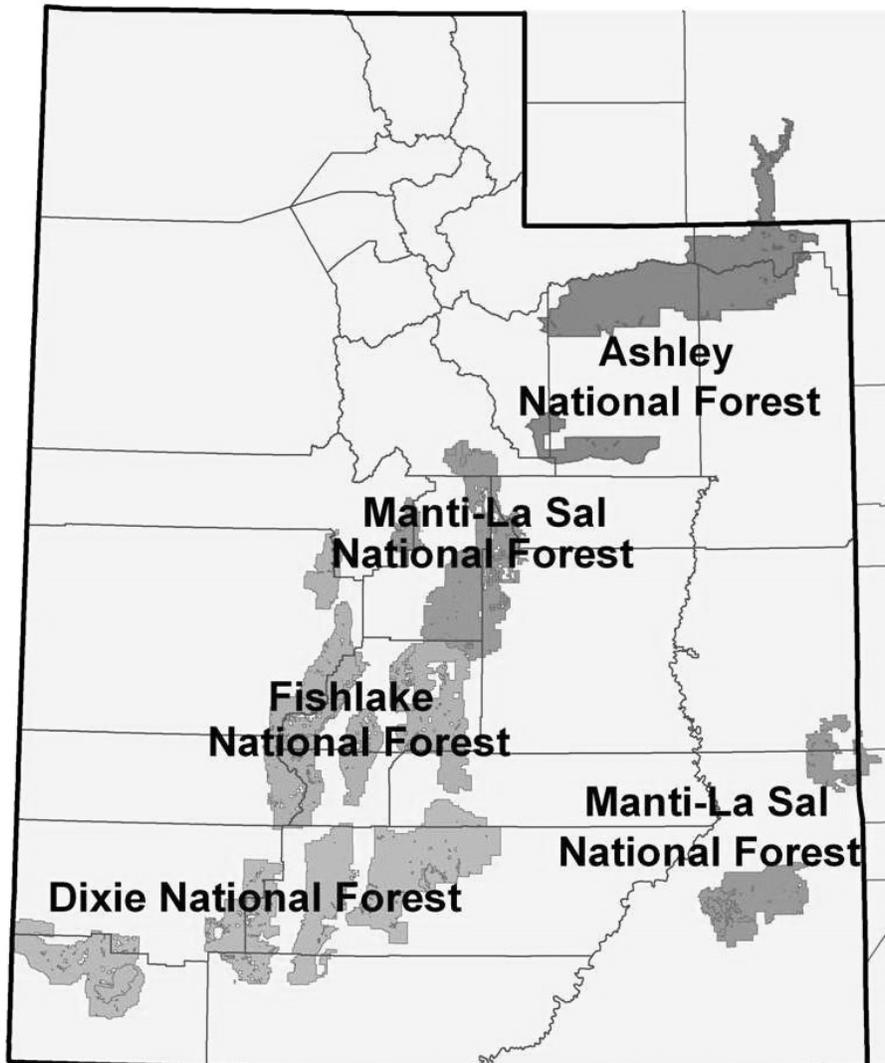
for the same resources. Recreation and tourism are becoming economic drivers in this region as they attract new residents and businesses. Many new users and residents have expectations about resource management that are different from the traditional views. These newer groups sometimes feel as though they are often not well represented in current government leadership and in the data and statistics used to help guide planning and allocate funding.

Many rural residents who have lived and functioned in the traditional economic setting for generations are facing new economic realities and trends. Rural communities often express an uneasy sense that their culture and traditional way of life is at risk, and they focus a great deal of their energy on safeguarding and defending these important social values and traditional economic activities.

Conclusion

This review of the social and cultural context displays the broad trends that are rapidly changing the demands placed on Forest Service lands. It also reveals the many different perspectives of people wishing to further their interests on forest lands. The assessment package developed by GOPB provided reference information, tools, and ideas that can be used throughout the forest planning process. It is also hoped to be useful for implementing the forest plans-including developing future alternatives, and formulating appropriate decisions, actions, and projects. While the framework and materials were developed specifically for four forests, they were designed to be used in other projects as well.

Figure 68
GOPB/USFS Socio-Economic Assessment



Source: Governor's Office of Planning and Budget

Figure 69
USFS Socio-Economic Study Area



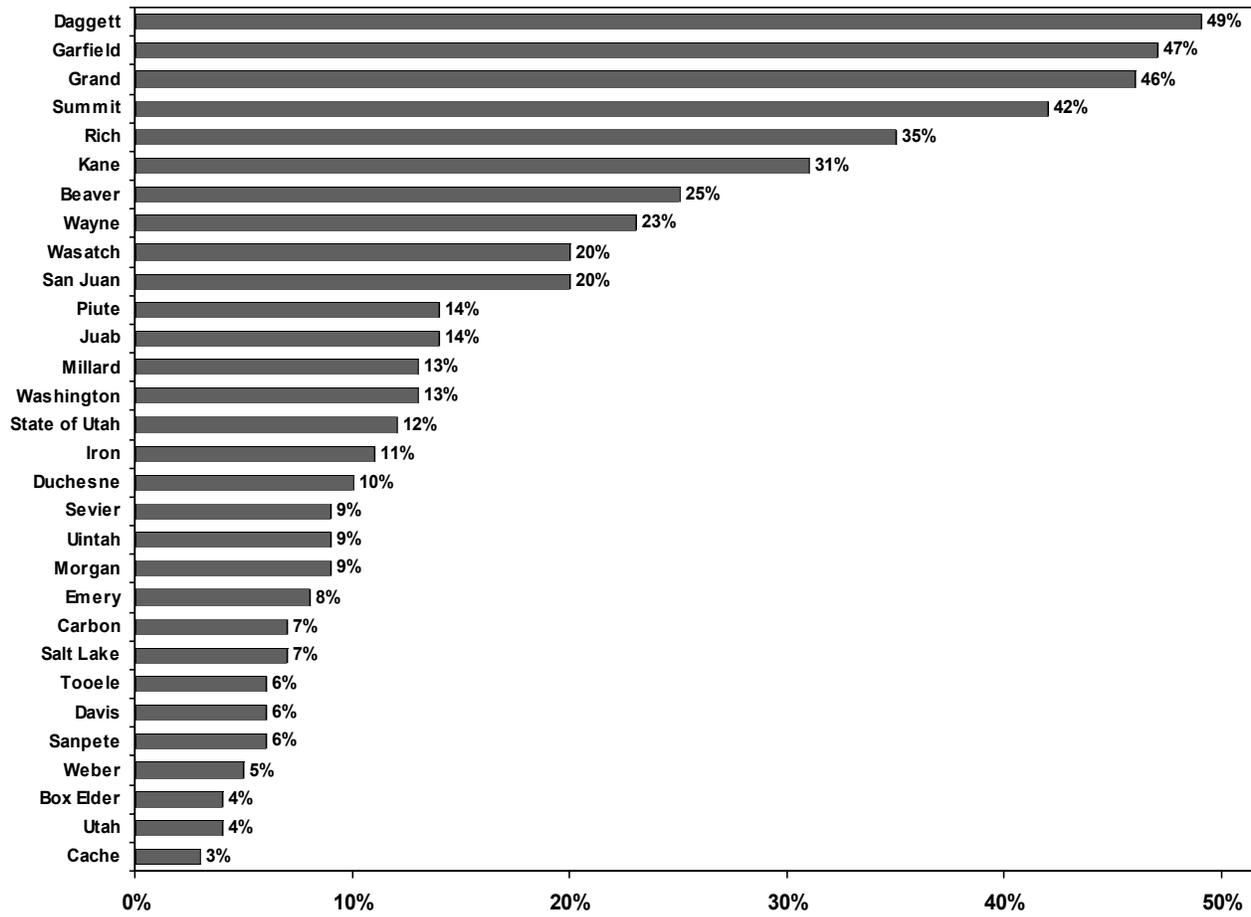
22 Counties: 18 counties in Utah, two counties in Colorado (Mesa and Montrose) and one county in Wyoming (Sweetwater).

8 Indian Tribes: Northwestern Band of Shoshone, Goshute Indian Tribe, Paiute Indian Tribe, Hopi Tribe (AZ), Navajo Nation (UT & AZ), Northern Ute Tribe, Ute Mountain Tribe (CO), White Mesa Band of Utes

Approximately 500,000 people, or 20% of Utah's population.

Source: Governor's Office of Planning and Budget

Figure 71
Tourism Employment by County (Percentage of Total County Employment)



Source: Department of Workforce Services, Adapted by Utah Division of Travel Development, 2002

Utah's Water Situation

Overview

The current drought began in 1999 and has impacted every water basin in Utah. Although it is not as severe as the drought in 1990, vigorous population growth raises concerns about demand outstripping supply even when drought conditions don't exist. Water use fluctuates and is dependent upon water basin, the type of water used, type of water user, and the drought cycle. Lot size of residential property also has an influence on the amount of water used for outdoor purposes. The concern that tax funded water systems are charging customers less than the full cost of the water and using tax revenue to make up the difference seems to be unfounded. Also, Utah's use of groundwater may be cause for concern as it is not as easily replenished as surface water.

Drought Cycles & Water Locality

The ongoing drought has impacted, to some extent, all of the water basins in Utah. The Utah Division of Natural Resources has designated 11 water basins in Utah. Each of these can be considered a discrete river system unto itself because each has unique features, geologically and climatologically. One unique feature of each basin is the amount of annual precipitation it receives.

The Palmer Drought Severity Index is used to determine dryness and uses temperature and rainfall information to do so. It has been used since 1895 to determine monthly precipitation relative to an area's "normal" or "average" amount. The Palmer Index ranges from +4 to -4, with a +4 signifying an extremely moist month and a -4 an extremely dry month. The Palmer Index data for Utah is made up of seven divisions, which roughly correspond to the 11 water basins. For each of the seven divisions, the Palmer Index was examined for five-year intervals from 1985 to 2000 as well as the last complete year of data, 2002. The years examined correspond with the U.S. Geological Service water use data by state.

The Palmer Index ranges monthly data on a continuum from extremely moist to extremely dry, however, the data is not arranged in chronological order. This puts researchers at a slight disadvantage when using this data; since the reader cannot tell whether, for example, if January 1990 was moderately dry while July 1990 was extremely dry. Only that there were four months of moderately dry conditions and eight months of extremely dry conditions within a given region during 1990. Since Utah is dependent on winter snow being captured by reservoirs and released during the summer months, a moderately dry January has a greater impact on water supply than an extremely dry July. Despite this limitation, the data are very important in quantifying Utah's drought cycles.

Utah Foundation tallied the number of moderate, severe and extreme dry months for each of the seven divisions in Utah. With the exception of Divisions 2 and 6, 1990 had more extremely dry months than 2002. However, when the division totals were tallied into one grand total, there were more moderately dry months in 2002 on an aggregate state basis than in 1990, but fewer severely and extremely dry months.

From this grand total, Utah Foundation created a weighted drought index for the entire state which weighs extremely dry months more heavily than those of less severity. By dividing this weighted figure against the "worst case scenario" twelve months of extremely dry conditions in all seven districts, a drought severity index can be calculated. An index reading of 100 would reflect the worst case scenario, while an index

reading of 0 would mean no drought conditions exist. The index shows that at the aggregate state level, the drought during 1990 was more severe than during 2002. However, the rapid increase in the ratings between 2000 and 2002 is cause for concern. The current drought began in 1999, but vigorous population growth during 1990-2000 raises concerns about demand outstripping supply even when drought conditions don't exist.

The final piece of information gleaned from the Palmer Index is that the Southwest Corner and the Central Highlands, the divisions that have experienced the greatest impact from the current drought cycle, have not had as many extremely dry months as they had in 2002 since the turn of the last century. For the Southwest Corner, the year was 1900 and for the Central Highlands, it was 1902.

Statewide Water Usage

Every five years, the U.S. Geological Survey releases data on water usage by state. The data detail the amount of water used for agriculture, municipal and industrial uses (M&I- public or private water utility providers), mining, private industrial wells, and thermoelectric generation. The data also provide a look at the sources of water within the state, either surface sources, such as lakes, reservoirs, and rivers, or ground sources (such as wells and springs). Irrigation remains Utah's largest use category, and the percentage of water used for this purpose is up slightly from 79.2% in 1995 to 81.1% in 2000.

In addition to the increase in the percentage of water used for irrigation purposes, the consumption of municipal water per capita in Utah also increased from 1995 to 2000. In 1995, 269 gallons were used per person per day in the state. In 2000, that increased to 293 gallons. This was one of the largest increases in the country. Only four states, Colorado, Hawaii, Texas, and Louisiana, had larger increases in the amount of municipal water used per person, all four of which were also experiencing drought conditions in 2000. Utah's per capita usage also increased, ranking Utah 20th in the nation in terms of growth in per capita water consumption, Alabama saw the greatest growth, and Pennsylvania saw the greatest decline.

Utah's per capita usage fluctuates greatly between drought and non-drought years. In 1990, the rate was 308 gallons per day. In 2000, when the current drought started to become of greater concern statewide, the rate was 293 gallons per capita daily. The intermountain states mostly followed a similar trend in which water usage increased during the drought years of 1990 and 2000, but was lower in the normal-to-wet years of 1985 and 1995. In fact, Utah appears to have reduced water consumption over time from wet year to wet year (1985 to 1995) and from dry year to dry year (1990 to 2000).

Water Usage by Basin

There is a surprising amount of variation in water usage among Utah's water basins. However, there are two important notes to these data provided by the Division of Water Resources. First, the volume of water for each basin only includes water utilized in public M&I systems. It does not include privately supplied industrial or residential entities that have their own well system, nor does it include agricultural water. Yet, the volume does count secondary water systems that municipalities employ for outside watering by residents and businesses. Second, some of these data are dated, collected at the time each basin's latest water plan was authored. Despite these limitations, the data can be

used to compare one basin against another.

The different categories of water customers include residential, commercial, institutional (including schools and churches) and industrial. Overall water use, potable and non-potable, ranges from a low of 263 gallons per capita daily (GPCD) in the Jordan River basin, to 439 GPCD in the Kanab/Virgin River basin. Additionally, the residential users in the southern part of the state have the highest GPCD rate of total potable and non-potable residential use, while the Sevier basin has the lowest rate.

Residential customers are both the largest customer type and the largest water consumers for community water systems. Residential customers range from a low of using 56.5% of the basin's total public system in the Sevier basin, to a high of 75.7% in the Uintah basin. Commercial and institutional each account for 20.0% or less of consumption within public systems, with two exceptions. In the Cedar/Beaver basin, commercial customers account for approximately 25.0% of all water consumed. In the Sevier basin, institutional customers make up 32.4% of consumption. Finally, industrial users range from a high of 9.0% of water consumed in the Bear River basin to a low of 1.3% in the Cedar/Beaver basin. The Weber Basin has the highest secondary water utilization rate, followed by Sevier and the West Colorado Basin. On the opposite end of the spectrum, the Jordan Valley Basin has the lowest rate of secondary system utilization, 94.0% of outdoor water comes from the culinary system. However, Jordan Valley uses the second lowest amount (113 GPCD) and proportion (62.0%) of residential water that is used outside, ranking only behind the West Desert Basin.

Water Use within a Basin

There are also differences in water use patterns within a basin in the amount and proportion of outdoor residential use. Homeowners that are part of Salt Lake City Public Utility system (SLPU) have a lower level of outdoor water use, and secondary water use is insignificant. Residential customers in the rest of the Jordan Valley Basin are more reliant on secondary water than SLPU customers; they also use a larger percentage of their water outside.

The differences between utilization of water resources within the Jordan Valley Basin may have several root causes. First, residents of the SLPU service area don't have much access to secondary systems; therefore all water comes from the culinary system. Culinary water is more expensive, and SLPU has recently restructured the water rate system into an increasing block rate model that couples high water usage with increasingly high rates. This type of pricing structure is meant to discourage overuse of water for outdoor purposes. Beyond these measures, SLPU residential customers seem to be more receptive to ideas such as voluntary drought restriction measures and investment in xeric landscaping. Lot sizes may be another factor that should be considered.

A cursory examination of residential property for sale revealed an interesting trend in lot sizes. Properties listed for sale were grouped by two variables- location and lot size. Location was defined as Salt Lake City, other cities within Salt Lake County, and Utah County. Lot sizes were placed into categories by 0.10 of one acre increments. This data does not include homes that are for sale by owner, which are especially prevalent in Utah County. Therefore the data on houses in Utah County may not be representative of all homes for sale within the county. Also, condominiums, townhouses and other multi-family units for sale are

included in the category 0.0 to 0.9. The decision to include these dwellings was made because most multi-family homes do have common landscaped areas and lawns that draw on municipal water. However, there were also some single-family detached dwellings in all three areas that were situated on lots less than 0.10 of an acre. Within Salt Lake City, 3.9% of total homes for sale had lot sizes smaller than 0.10 of an acre. For the rest of the county, 2.3% of total homes for sale had lot sizes smaller than 0.10 of an acre. In Utah County, it was 1.3% of the total.

The percent of Salt Lake City lots that are between 0.10 and 0.19 of an acre are significantly higher than other cities in the county or in Utah County. Additionally, Salt Lake City has a smaller percentage of lots that are above 0.20 of an acre than the other two areas. It also appeared that houses of higher price ranges (\$350,000 and up) were just as likely in Salt Lake City to be on small lots as lower priced houses. This was not true in the rest of Salt Lake County or in Utah County. Both the lot size and price factors are important. Smaller lots require less water, and wealthier homeowners are more likely to have the monetary ability to install xeric landscaping.

Combining this information with the water use data implies that smaller lot sizes lead to a lower proportion of outside water use. However, smaller lots also usually mean more households (water users) per acre, and it is not clear whether this increased density would lead to aggregate reductions in water use.

Pricing

In most counties, there is one large water system with the majority of connections and several smaller systems. The largest system is the Salt Lake Public Utilities which has 89,126 connections. The next largest system is the Sandy Water System, which has 26,411 connections. Additionally, while tax revenue accounts for 11.8% of overall statewide revenue, it varies from county to county. Tax revenue as a percentage of total revenue is the highest in Box Elder County at 39.4%. Kane County is excluded from the ranking, because it has one small water system using tax revenue as its major funding source.

One of the concerns around water systems that collect tax revenue in addition to billing for water use is that the system can charge customers less than the full cost of the water and use tax revenue to make up the difference. In this broad analysis, it does not seem to be the case when comparing county averages. Of the 13 counties that have an average monthly cost higher than the statewide average, only five were counties with water systems that collect tax revenue.

Water Sources in Utah and the West

Water is classified as having two sources of origin. Water comes from either surface sources (lakes, rivers, and streams) or from ground sources (springs and wells). Ground water tends to be of a higher quality and requires less treatment to reach drinking water quality. In Utah, 78.6% of total water withdrawals are from surface sources. However, for public drinking water supplies, 57.1% comes from ground water sources; this ranks the state 10th in the nation for the percentage of public drinking water that originates from ground sources. Colorado is the lowest ground water user in the nation; only 6% of Colorado's publicly supplied drinking water originates from ground sources. Conversely, both Idaho and New Mexico receive over 88% of their drinking water from ground sources, ranking them third and fifth respectively. In the case of New Mexico, there is little potable surface

water to utilize in public systems. In Idaho, it appears to be a case of water rights as most of the surface water in the state is used for irrigation.

Nationally, there seems to be an increase in the proportion of ground water used. There are concerns with ground water usage because this water is not as readily replenished as surface water, and over-usage of this resource may dry up deep aquifers. In the Intermountain West as well as in Utah, ground water usage has fluctuated over the time series with a peak in 1990. Both indicators suggest there is reason to be concerned about overuse of groundwater sources, and that perhaps groundwater is being used to cushion residents in western states from the full impact of drought conditions.

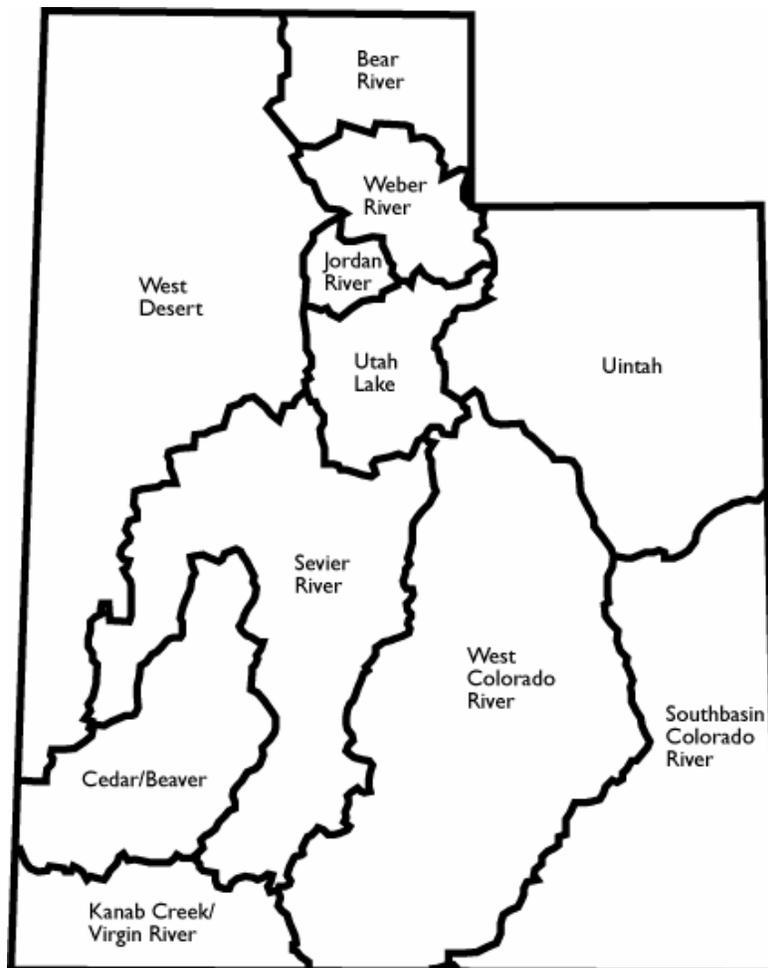
Currently, the best way to gauge groundwater use conditions is to examine the parts of Utah that are open or closed to new groundwater claims through the Division of Water Rights. There are certain portions of the state in which new water rights claims for groundwater can be filed, there are also areas that have restrictions on those filings and some which are closed to new claims. The areas closed to new claims

include the Wasatch Front and areas in the southwest, both of which are experiencing population growth. Restricted areas include most of eastern Utah. Contained in the restricted area are the source springs for many of the rivers and streams that feed into the surface water supply. The areas of the state that are still open to groundwater claims are in the western portion of the state, where water is scarce and may not be potable. In addition, groundwater mining in southwestern Utah is causing water levels to drop faster than they can be replenished.

Conclusion

Utah's water use has been largely dependent on the drought cycle. A comparative analysis of drought conditions versus statewide water usage confirms that in times of scarce precipitation, residents rely more heavily on water stored in reservoirs and from deep wells. Much of Utah's M&I water is still used outdoors; however, more of it is coming from secondary systems. Water usage, outdoor use specifically, varies from basin to basin. Even within basins, there can be significantly different patterns of water usage. Finally, Utah's reliance on groundwater in the municipal system may be affected as the population increases and continues to move into urban and suburban areas.

Figure 72
Water Basins in Utah



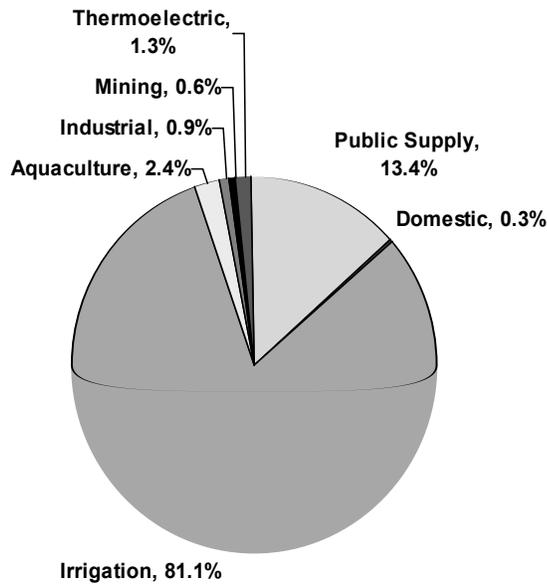
Source: Utah Division of Water Resources

Figure 73
Groundwater Permitting Availability in Utah



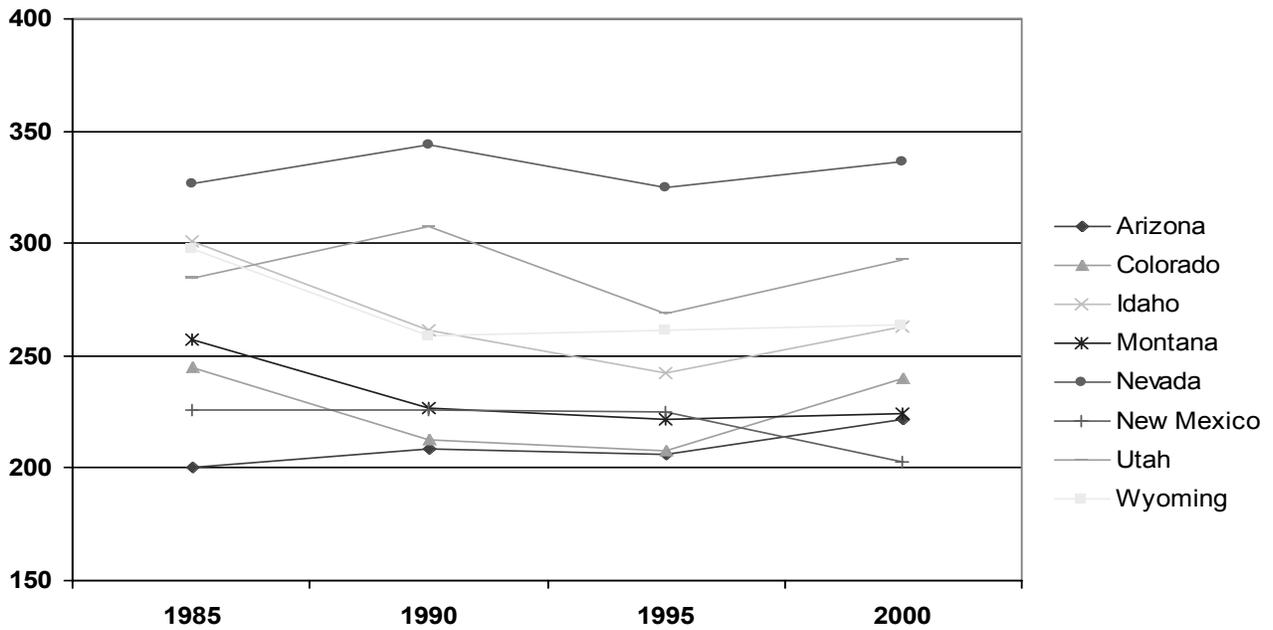
Source: Utah Division of Water Rights

Figure 74
Utah Fresh Water Use by Category: 2000



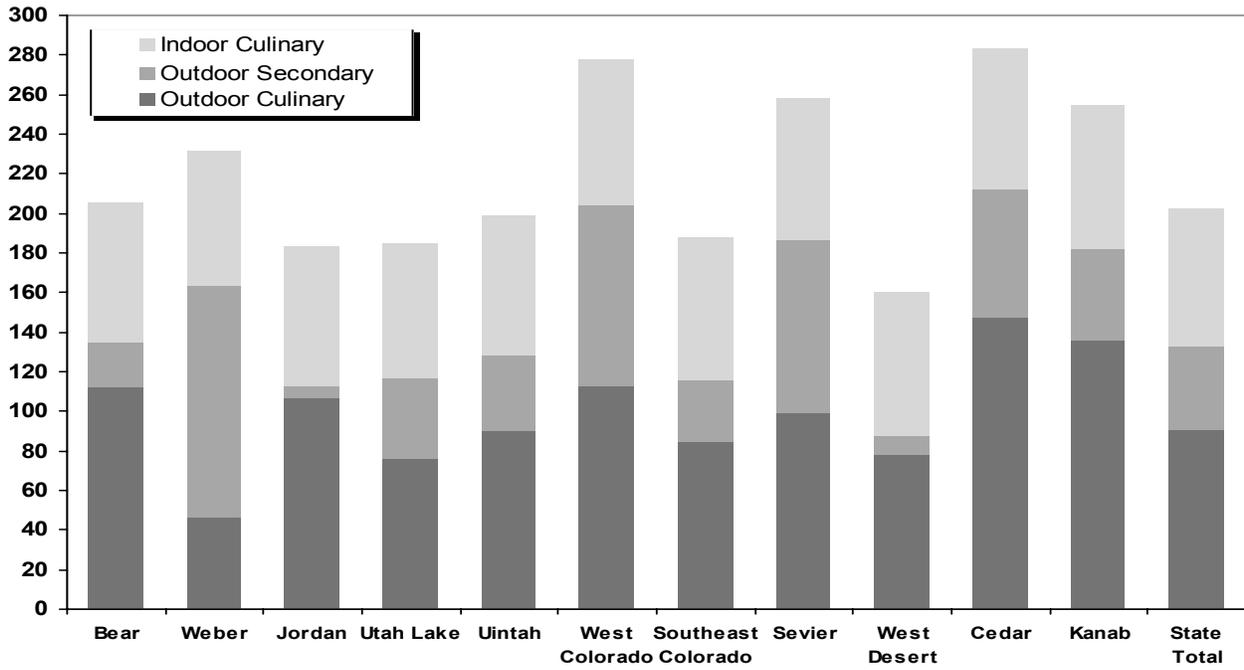
Source: United States Geological Survey (USGS)

Figure 75
Intermountain States Water Use (Gallons Per Capita Daily)



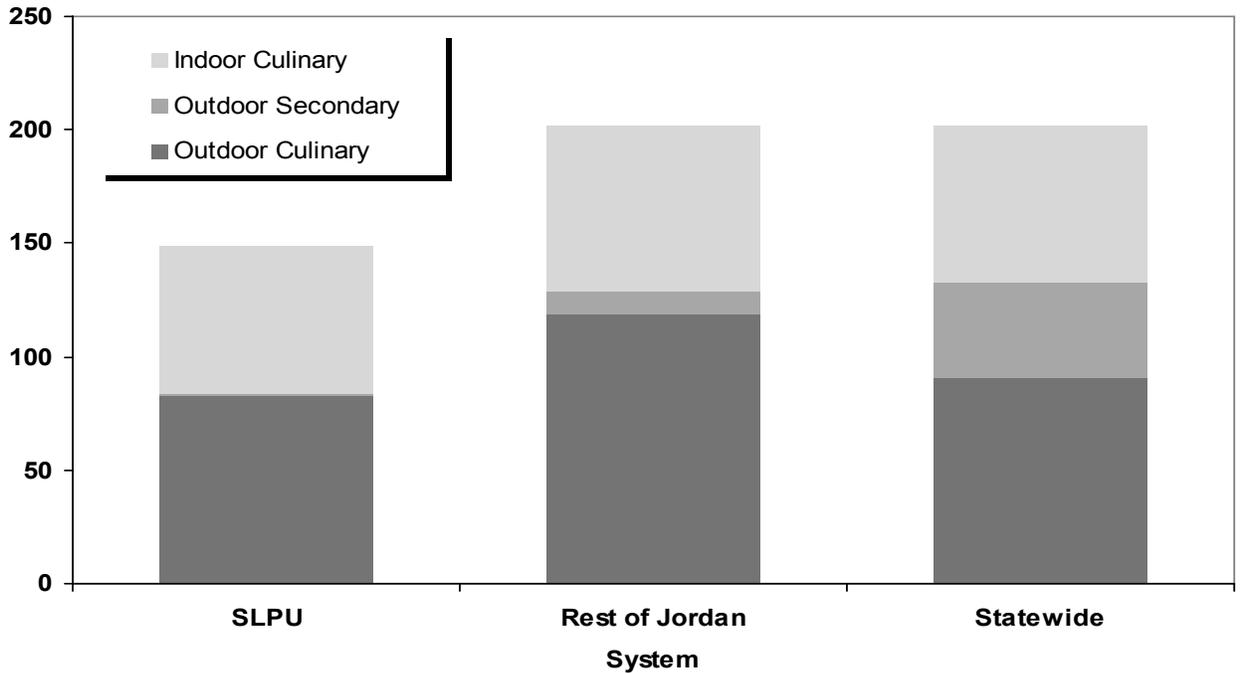
Source: USGS

Figure 76
Indoor & Outdoor Residential Water Use by Basin: 2000 (Gallons Per Capita Daily)



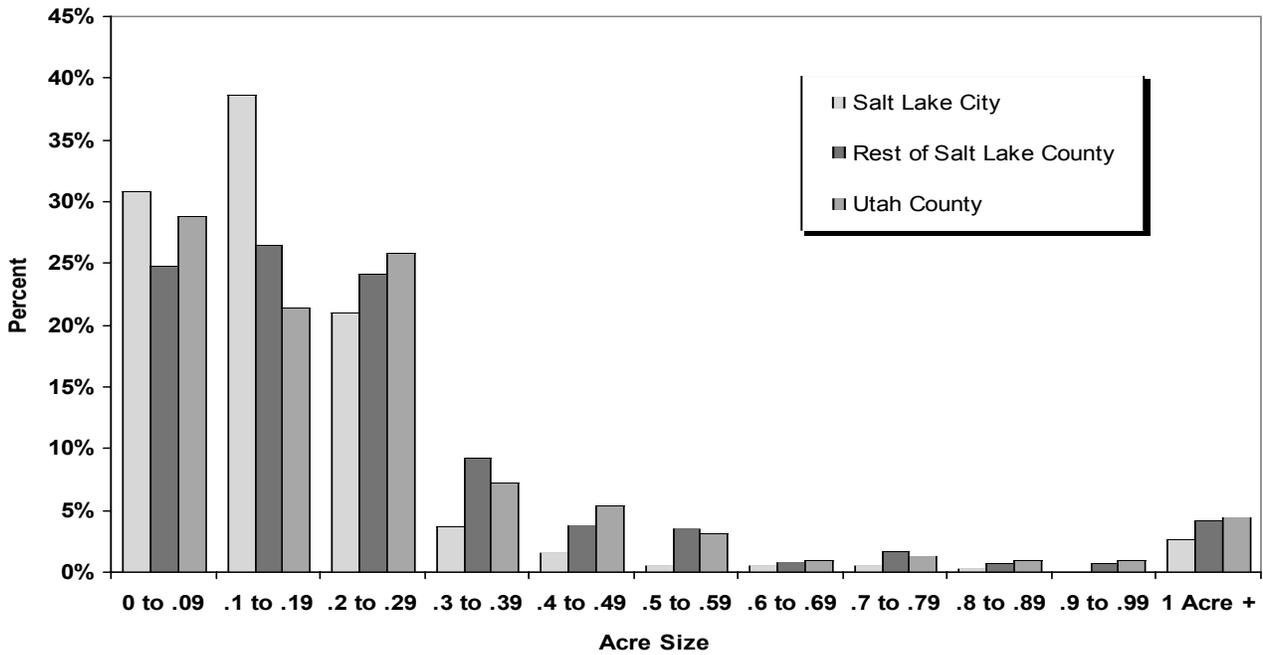
Source: Utah Division of Water

Figure 77
Utah Indoor & Outdoor Residential Water Use: 2000 (Gallons Per Capita Daily)



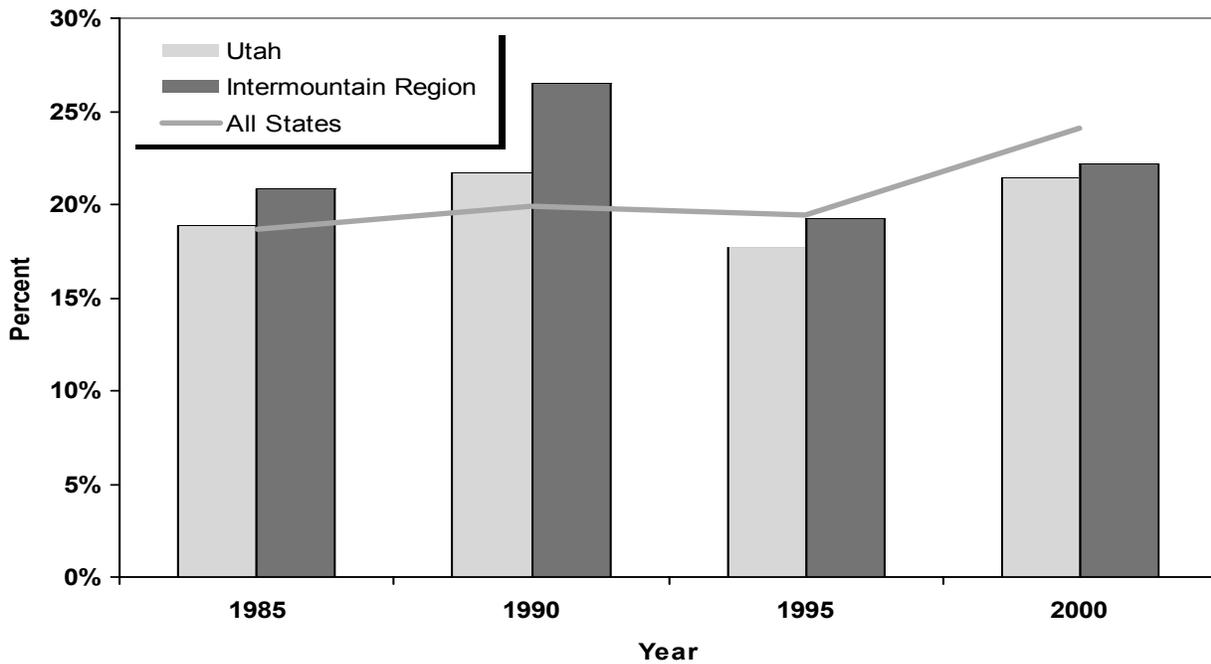
Source: Ibid

Figure 78
Residential Property for Sale by Lot Size



Source: Wasatch Front Regional Multiple Listing Service (MLS), calculation by Utah Foundation

Figure 79
Utah, Intermountain Region and U.S. Groundwater Use as a Percent of Total Water Withdrawals: 1985-2000



Source: USGS

Table 88

Palmer Indices and Utah Foundation Statewide Drought Rating for Selected Years

	Division 1-West Desert*			Division 2-Southwest Corner		
	Moderate	Severe	Extreme	Moderate	Severe	Extreme
1985	1	0	0	0	0	0
1990	0	5	7	4	6	2
1995	2	0	0	0	0	0
2000	5	3	4	5	5	0
2002	0	4	3	0	3	9

	Division 3-Wasatch Front			Division 4-South Central		
	Moderate	Severe	Extreme	Moderate	Severe	Extreme
1985	0	0	0	0	0	0
1990	0	0	12	0	2	10
1995	0	0	0	0	0	0
2000	4	3	0	1	0	0
2002	10	2	0	5	2	3

	Division 5-Northeast Mtn.			Division 6-Central Highlands		
	Moderate	Severe	Extreme	Moderate	Severe	Extreme
1985	0	0	0	0	0	0
1990	6	6	0	2	10	2
1995	0	0	0	0	0	0
2000	5	0	0	4	3	0
2002	10	2	0	0	6	6

	Division 7-Southeastern			Statewide Total			Drought Rating
	Moderate	Severe	Extreme	Moderate	Severe	Extreme	
1985	0	0	0	1	0	0	0.6
1990	1	4	7	13	33	40	85.6
1995	0	0	0	2	0	0	1.2
2000	5	4	0	29	18	4	38.4
2002	5	3	4	30	22	25	67.9

*2002 data for Division 1 is incomplete
 Source: Utah Division of Water Resources

Table 89
Utah Municipal Pricing Structure Comparisons by County

County	Avg. No. of Connections	Median No. of Connections	No. of Systems that Collect tax revenue	Percent of Systems that Collect tax revenue	Avg. Monthly Cost	Avg. Monthly Cost w/o Tax Revenue	Difference in Cost	Taxes as a Percent of Avg. Monthly Cost
Beaver	na	na	na	na	na	na	na	na
Box Elder	657	240	1	5.6%	\$40.82	\$24.73	\$16.09	39.4%
Cache	1,507	563	0	0.0%	26.56	26.56	0.00	0.0%
Carbon	1,550	1,113	2	40.0%	30.76	29.24	1.52	4.9%
Daggett	na	na	na	na	na	na	na	na
Davis	4,364	2,971	1	8.3%	20.48	20.15	0.33	1.6%
Duchesne	378	349	2	40.0%	45.01	39.67	5.34	11.9%
Emery	989	428	1	25.0%	29.14	25.38	3.76	12.9%
Garfield	335	109	1	20.0%	21.73	21.41	0.33	1.5%
Grand	996	1,168	1	33.3%	41.92	41.68	0.25	0.6%
Iron	861	132	0	0.0%	28.11	28.11	0.00	0.0%
Juab	611	285	0	0.0%	38.54	38.54	0.00	0.0%
Kane*	363	64	3	50.0%	471.22	49.71	421.50	89.5%
Millard	373	246	0	0.0%	23.38	23.38	0.00	0.0%
Morgan	248	141	0	0.0%	39.19	39.19	0.00	0.0%
Piute	na	na	na	na	na	na	na	na
Rich	na	na	na	na	na	na	na	na
Salt Lake	13,459	3,940	2	14.3%	37.16	36.48	0.68	1.8%
San Juan	527	444	0	0.0%	46.47	46.47	0.00	0.0%
Sanpete	640	517	2	20.0%	26.87	25.14	1.74	6.5%
Sevier	463	220	0	0.0%	21.35	21.35	0.00	0.0%
Summit	860	335	1	14.3%	27.37	25.95	1.42	5.2%
Tooele	1,678	252	1	14.3%	21.36	21.25	0.11	0.5%
Uintah	1,067	630	4	66.7%	38.70	33.39	5.30	13.7%
Utah	4,138	1,532	0	0.0%	29.94	29.94	0.00	0.0%
Wasatch	839	127	0	0.0%	28.44	28.44	0.00	0.0%
Washington	1,180	268	0	0.0%	36.48	36.48	0.00	0.0%
Wayne	171	144	0	0.0%	19.46	19.46	0.00	0.0%
Weber	4,288	2,045	5	38.5%	25.22	23.97	1.25	5.0%
Statewide	2,442	389	27	11.8%	32.96	27.20	5.76	17.5%

*Kane County has one small (15 connections) water system that uses tax revenue as its major funding source. This system skews the figures for Kane County.

Source: Utah Division of Drinking Water

Table 90
Municipal & Industrial Water Use by State 1985-2000

State or Region	Per Capita Water Use (gallons per day)				
	1985	1990	1995	2000	% Change
Alabama	175	193	237	233	-1.7%
Alaska	218	245	213	190	-10.8%
Arizona	200	209	206	222	7.8%
Arkansas	153	174	191	181	-5.2%
California	219	229	184	203	10.3%
Colorado	245	213	208	240	15.4%
Connecticut	135	140	155	159	2.6%
Delaware	150	161	158	154	-2.5%
Florida	172	172	170	174	2.4%
Georgia	179	187	195	186	-4.6%
Hawaii	181	225	191	219	14.7%
Idaho	301	262	242	263	8.7%
Illinois	181	184	175	161	-8.0%
Indiana	157	151	156	150	-3.8%
Iowa	164	154	173	159	-8.1%
Kansas	158	167	159	166	4.4%
Kentucky	146	166	148	150	1.4%
Louisiana	161	171	166	191	15.1%
Maine	130	154	141	140	-0.7%
Maryland	217	203	200	189	-5.5%
Massachusetts	144	130	130	126	-3.1%
Michigan	170	184	188	159	-15.4%
Minnesota	175	176	145	133	-8.3%
Mississippi	138	167	152	164	7.9%
Missouri	156	166	161	183	13.7%
Montana	257	227	222	224	0.9%
Nebraska	188	251	222	239	7.7%
Nevada	327	344	325	336	3.4%
New Hampshire	140	137	141	128	-9.2%
New Jersey	156	152	150	141	-6.0%
New Mexico	226	226	225	203	-9.8%
New York	180	183	185	150	-18.9%
North Carolina	172	169	162	177	9.3%
North Dakota	135	157	149	129	-13.4%
Ohio	160	143	153	154	0.7%
Oklahoma	184	193	194	214	10.3%
Oregon	214	212	234	207	-11.5%
Pennsylvania	196	189	171	145	-15.2%
Rhode Island	131	109	130	129	-0.8%
South Carolina	142	166	200	179	-10.5%
South Dakota	146	137	146	149	2.1%
Tennessee	171	175	176	170	-3.4%
Texas	194	192	187	215	15.0%
Utah	285	308	269	293	8.9%
Vermont	155	117	149	166	11.4%
Virginia	138	151	158	136	-13.9%
Washington	271	221	266	208	-21.8%
West Virginia	115	136	133	146	9.8%
Wisconsin	184	174	169	172	1.8%
Wyoming	298	259	262	264	0.8%
Intermountain Region Average	267	256	245	256	4.4%
U.S. Average	184	186	184	183	-0.6%

Source: USGS

Evaluating Economic Development Programs

Overview

Federal, state and local governments spend billions of dollars annually on economic development programs. Evaluation of these programs to determine effectiveness has often been resisted. This occurs for various reasons, but most center on the cost incurred to monitor and evaluate these programs. There are various levels of evaluation available, ranging from simple process monitoring, to outcomes evaluation, and finally to true cost/benefit or net impact evaluation.

Defining Economic Development Evaluation

Estimates show that federal, state and local governments spend approximately \$30 billion on "economic development" every year. Roughly 80% to 90% of these resources are in the form of tax incentives targeted towards various industries or areas. The remaining 10% to 20% are spent directly by economic development programs.

Methodologies

Evaluation methodologies range from simple process and outcome evaluations to sophisticated impact evaluations that attempt to distinguish changes due to the program from other non-program factors. The following sections will outline the evaluation continuum and offer some examples as illustration. Process evaluations focus on how a program is delivered. Outcome evaluations focus on the program's results. Impact evaluations attempt to assess the relative magnitude of a program's net benefit.

Process Evaluations:

Monitoring and Program Assessment. The first level of evaluation, monitoring activities, simply examines the internal working of a program. The evaluation typically examines program management: whether contractual obligations are being met, staff resources are allocated efficiently, the program is administratively sound, and staff is adequately trained for their jobs. These process evaluations may result in calls for better planning, increased targeting of resources, and improved monitoring of program activities.

The next level of evaluation is assessing program activities. Whether the right activities are taking place, the target of the activity is being met (businesses, cities, citizens), problems or needs are being addressed, clients are satisfied, and whether the program has a favorable image or could be implemented more efficiently.

Enumerating Outcomes. The next approach is to document outcomes, with the assumption that the results are directly attributable to the economic development program. Quantifying outcomes allows one to further demonstrate whether program objectives have been achieved. Typical questions at this level include: "what is the result of the activities described in the process evaluation," and "how has the target group or area been affected"?

Process and outcome evaluations are by far the most common form of assessment and are widely used in the Department of Community and Economic Development (DCED), the Division of State History, the Division of Fine Arts, the State Library, and the Division of Indian Affairs. The Division of Housing and Community Development and its various federally funded grant programs also carry on these two levels of evaluation.

Measuring Effectiveness. The real difficulty in evaluating economic development programs is in trying to determine what would have happened if the program did not exist. It is hard to determine what would have occurred if the program had existed because of the many changes taking place in the world, such as the "business cycle." These exterior influences may make it look as though the program works when it actually does not, or, conversely, makes it look as though the program does not work when it actually does. For some economic development programs, "selection bias" may make the programs look worse than they actually are. For example, the various state Enterprise Zone programs target and provide assistance to areas that are generally inhospitable to businesses due to problems with high crime, high unemployment, poor infrastructure, inadequate labor skills, and low consumer demand. These issues are subjective to so many exterior sources, it is extremely difficult to determine program effectiveness.

Comparison Groups. One widely used way to measure the effects of economic development programs is to compare the performance of program participants with a group of non-participants. Both groups are measured before and after the program and their differences are compared. An example of this type of evaluation is conducted on the activities of DCED's National Business Development Program. This program coordinates state and local economic development resources for the purpose of recruiting companies from outside of Utah that will create jobs with above average wages. Like the preceding levels of evaluation, National Business Development enumerates program outcomes.

Control Groups. Another process evaluation technique is to compare the performance of program clients/participants to a control group. The significant difference between this design and the comparison group design is that clients/participants are assigned to the program and control groups are selected randomly. The firms in the program group receive program assistance and those in the control group do not. This approach is rarely used in the economic development community because it requires deliberately denying services to eligible clients who may desire and qualify for assistance. Consequently, this option is resisted at most levels of government. This type of study was conducted a decade ago by Utah on its job training programs and showed that, controlling for self-selection bias, job training programs in Utah significantly increased participants' long-term earnings.

Surveys. To supplement process and outcomes evaluations, many programs have asked clients to assess their impact. However, for firms that receive direct financing, there may be some incentive to misrepresent the effects of the financing.

Costs-Benefit Analysis. Simply because a program meets a certain goal, like creating better paying jobs, does not mean that the program "pays for itself". Cost-benefit analysis attempts to determine whether the program benefits outweigh the program costs. Although cost-benefit analysis is conceptually the best way to approach economic development evaluation, or indeed any other public policy evaluation, it can be difficult to apply in practice. Many programs find it difficult to put a dollar value on programs benefits. For instance, it is a formidable task to try to put a value on increased access to information through an on-line library system, or on amenities that may increase the "quality of life."

Impact Evaluation. At the final, highest level, cost-benefit analysis requires the use of sophisticated demographic and fiscal impact models. Most of the businesses receiving IAF grants are also evaluated using the state's fiscal impact model, currently the widely utilized REMI model, to determine the net impact to the state.

Impact evaluation is often expensive in its demands for data and expertise in statistics and economic modeling. The federal government and major national research organizations have attempted a handful such evaluations, and the results are widely disseminated to economic development agencies that use, or may use, similar programs.

Conclusion

All of the state level economic development programs in Utah currently use one or more of these types of evaluations. Many local economic development programs are also beginning to implement such evaluations at various levels, and will continue to do so as the use of development zones, tax increment financing, tax abatements and other types of economic development tools increase.