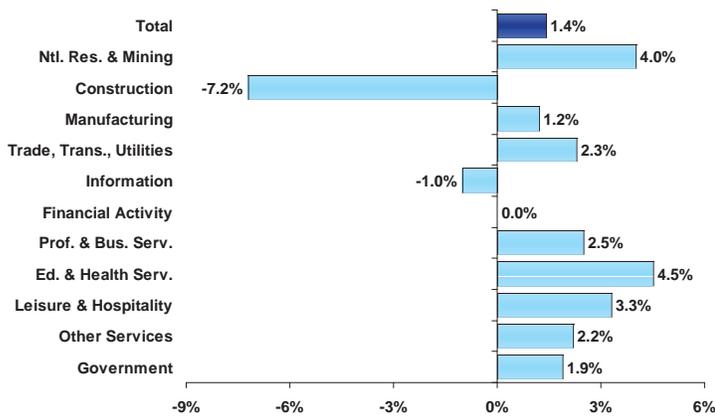




Employment

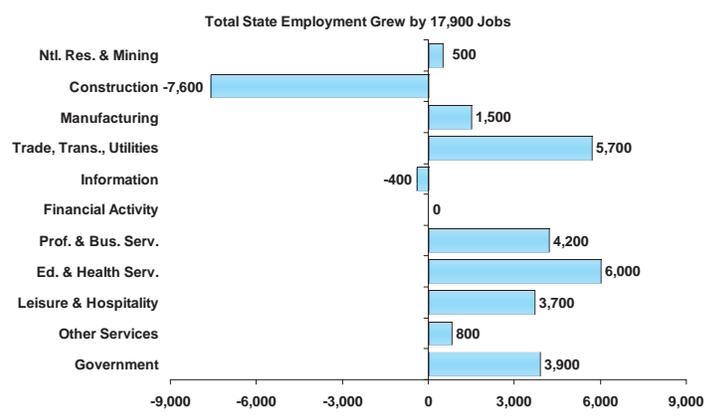
- ▶ **Employment Growth** – Year-over job growth in Utah was 1.4% in May 2008, much lower than the 4.5% growth measured for the same period last year but still greater than the national rate of 0.1%. In the past 12 months, approximately 17,900 jobs were created in Utah's job market. The U.S. job market experienced a month-over loss of 49,000 jobs in May 2008. From January to May 2008 U.S. payroll employment has declined by 324,000.
- ▶ **Unemployment** – Utah's April 2008 unemployment rate was 3.1%, higher than the April 2007 rate of 2.5%. The national May 2008 unemployment rate was 5.5%.

Percent Change in Utah Employment by Industry: May 2007-2008



Source: Department of Workforce Services

Numerical Change in Utah Employment by Industry: May 2007-2008

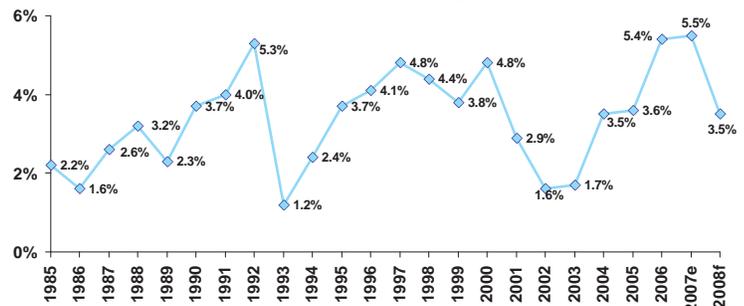


Source: Department of Workforce Services

Wages and Income

- ▶ **Total Personal Income** – Utah's total personal income reached \$85.7 billion in first quarter 2008. Using this measure, economic activity expanded at an annual rate of 6.6% from Q1 2007 to Q1 2008, which ranked Utah eighth in the nation. National growth in personal income over the same period was 4.8%, 1.8% less than Utah.
- ▶ **Wage** – Utah's average payroll wage reached \$35,130 per job in 2006, which ranked 40th in the nation. Real pay (the best measure of an employee's standard of living) grew 2.1% from 2005 to 2006, which ranked Utah 10th in the nation. The national growth rate in pay averaged 1.3%, which was less than Utah's growth. Utah's pay averages 83% of the nation's.

Growth Rates for Utah Average Annual Pay



Sources: Department of Workforce Services, Council of Economic Advisors f = forecast

GDP, CPI, Interest Rates, and Home Prices

Indicator	Period	Value	Period	Value
GDP	Q1-08	0.9%	Q4-07	0.6%
CPI	May-08	4.2%	Apr-08	3.9%
CPI-core	May-08	2.3%	Apr-08	2.3%

Note: CPI-core excludes Food and Energy

- ▶ **Interest Rates** – The 30-year fixed-rate mortgage (FRM) averaged 6.42% for the week ending June 19, 2008 according to Freddie Mac. On April 30, 2008 the Federal Reserve cut 25 basis points from the target for the federal funds rate from 2.25% to 2.0%.
- ▶ **Home Prices** – According to the Office of Federal Housing Enterprise Oversight (OFHEO) House Price Appreciation Ranking, Utah's house prices were up 5.6% in the first quarter of 2008 from first quarter of 2007. This ranks Utah second in the nation.

Existing Home Prices First Quarter 2008 Over First Quarter 2007

	Home Price	Percent Change
Cache/Logan	\$148,260	6.0%
Salt Lake	\$219,080	5.4%
Provo	\$201,090	6.8%
Washington/St. George	\$209,600	-3.7%
State of Utah	\$199,710	5.6%
United States	\$201,070	0.0%

Note: The home price is the median price of existing single family homes, seasonally adjusted, from Economy.com. The percent change is calculated from OFHEO home price appreciation index.

Sources: Moody's Economy.com; Office of Federal Housing Enterprise Oversight

Significant Utah Rankings

Demographic	State Rank	Value	Period	Economic	State Rank	Value	Period
Population Growth Rate ¹	3rd	2.6%	2006-2007	Rate of Job Growth ^{1, 2}	3rd	1.6%	May 2008
Fertility Rate	1st	2.54	2002	Unemployment Rate ^{1, 2}	3rd	3.2%	May 2008
Life Expectancy	3rd	78.6 years	2000	Median Household Income	9th	\$55,179	2004-2006
Median Age	1st	28.3 years	2006	Average Wage	40th	\$35,130	2006
Household Size	1st	3.08 persons	2006	Per Capita Personal Income	45th	\$31,189	2007
Social Indicators				Total Personal Income (% Change)	8th	6.6%	Q1 07-Q1 08
Poverty Rate	11th	9.5%	2004-2006				
Educational Attainment of persons 25+	high school degree 5th bachelor's degree 24th	91.2% 27.0%	2006 2006				

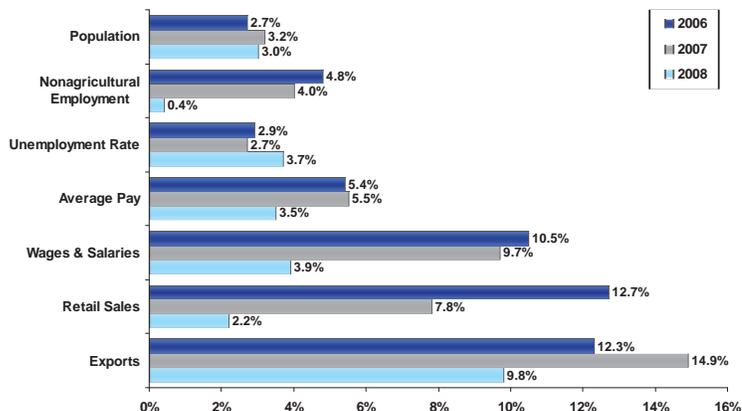
Notes: 1) Rankings are based on the most current national data available for all states and may differ from other data.
 2) Job Growth and Unemployment rate are seasonally adjusted and are based on national data from BLS, which can differ from state values.
 3) Rank is most favorable to least favorable.

Industry Focus

- ▶ **Construction** - The value of permit authorized construction in Utah in 2007 was \$7.0 billion, slightly below the all-time record high of \$7.4 billion in 2006. Total construction valuation remained very strong despite the sharp reversal in residential construction activity and valuation.
- ▶ **Tourism** - Utah's travel and tourism sector saw improvements in leading indicators in 2007. Each of the five major tourism sectors experienced gains. For the fourth consecutive year, the Utah ski industry enjoyed a record-breaking number of skier visits. The outlook for 2008 is cautiously optimistic.
- ▶ **Exports** - Utah's exports increased 14.9% during 2007, from \$6.8 billion to \$7.8 billion. Shipments of gold accounted for approximately 41.3% of the total during 2007. Utah's largest markets for merchandise exports are in Western Europe, East Asia, and Canada. In the first quarter of 2008, Utah's exports totaled \$2.9 billion which should continue to grow as worldwide economic expansion continues.
- ▶ **Defense** - Defense-related spending in Utah in FY 2006, the most recent year for which data are available, was estimated at \$3.9 billion, rising 10.7% from 2005. The current level of defense activity is expected to continue in 2008, a result of military involvement overseas and base realignment.
- ▶ **Energy and Minerals** - The estimated value of energy and mineral production in Utah was \$7.7 billion, about \$400 million less than the record high of \$8.1 billion in 2006. The 2007 value is mostly due to higher prices of crude oil and metals rather than increased production. Utah experienced a significant increase in crude oil and natural gas production in 2007; however, coal production declined due to unexpected mine closures. Prices for oil rose to record highs in nominal dollars in 2007.
- ▶ **Agriculture** - Rising grain prices are driving strong economic growth in areas of the nation, such as North Dakota, which focus on crop production. Corn prices jumped 22% in the first quarter of 2008, while wheat prices rose 18% and soybean prices 17%. At the same time, higher grain prices raise expenses for livestock growers, which lowers farm income in states such as Utah, where over 50% of sales are from cattle. Utah's net farm income plummeted over -90% during first quarter 2008.
- ▶ **Manufacturing** - The manufacturing sector is growing in Utah. In 2007, the Governor's Office of Economic Development (GOED) offered post performance tax incentives awards to nine companies. One is in operation, four are under construction, and two have acquired land for construction.
- ▶ **Professional** - Venture capital investment in the first quarter of 2007 was \$25 million, down from \$61 million in the same quarter of 2006. This included an investment of \$3.6 million to a Heber City-based company that is developing a wind farm. This is consistent with a national trend that is directing more venture capital into energy-tech startups.

Economic Outlook

Utah Economic Indicators: 2006-2008



- ▶ **Overview of the Economy** - Utah's economy realized strong growth throughout 2007. The state experienced job growth at 4.0%, more than triple the national rate at 1.1%. The unemployment rate was at a record low of 2.7%. Growth in construction employment continued, with sustained growth in the energy industry and in the professional, business, and financial services. Utah has one of the best economies in the nation.
- ▶ **Outlook 2008** - Growth is expected to continue at a slower pace as economic indicators are expected to soften. Employment growth will move from 4.0% in 2007 to 0.4% in 2008, while the unemployment rate should tick upward from a low of 2.7% in 2007 to 3.7% in 2008. Residential construction is expected to weaken further, though overall construction employment should be buoyed somewhat by growth in nonresidential building.

Demographics

- ▶ **Population:** The state's official July 1, 2007 population was estimated to be 2.7 million, an increase of 3.2% from 2006. Net migration made up 52.4% of this increase.
- ▶ **Rate of Growth:** The U.S. Census Bureau ranked Utah third among states with a population growth rate of 2.6% from 2006 to 2007. The U.S. rate of growth was 1.0%.
- ▶ **Long-Term Projections:** The state's population is projected to reach 2.9 million in 2010, 3.6 million in 2020, 4.4 million in 2030, 5.2 million in 2040, 6.0 million in 2050, and 6.8 million in 2060.
- ▶ **School Enrollment** - In 2007, an estimated 537,700 students were in Utah's public education system; an increase of 13,650 students, or 2.6%, over 2006.

2007 Utah Population Estimate	2,699,553
2006-2007 Percent Change	3.2%
2006-2007 Absolute Change	84,425
2007 Net Migration	44,252
2007 Fiscal Year Births	53,953
2007 Fiscal Year Deaths	13,780
2007 Natural Increase	41,173