Economic Insights
Utah and Salt Lake County

Salt Lake County Council
June 7, 2022
Key Points

1. We have entered a new economic environment.

2. It’s serious and complicated.

3. Utah and Salt Lake County are favorably positioned, but not immune.
Job Growth

Year-Over Percent Change, Utah and U.S.

Source: U.S. Bureau of Labor Statistics
### Utah Job Growth By Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3.9%</td>
</tr>
<tr>
<td>Ntl. Res. &amp; Mining</td>
<td>16.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>6.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4.1%</td>
</tr>
<tr>
<td>Trade, Trans., Util.</td>
<td>5.3%</td>
</tr>
<tr>
<td>Information</td>
<td>13.3%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>0.1%</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv.</td>
<td>0.1%</td>
</tr>
<tr>
<td>Ed. &amp; Health Serv.</td>
<td>3.2%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>7.7%</td>
</tr>
<tr>
<td>Other Services</td>
<td>6.7%</td>
</tr>
<tr>
<td>Government</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Labor Statistics
Job Growth

April 2021-2022, Not Seasonally Adjusted

- U.S.: 4.6%
- State of Utah: 3.9%
- Weber: 3.4%
- Davis: 2.2%
- Salt Lake: 3.7%
- Utah Co.: 5.0%

Source: Bureau of Labor Statistics
Unemployment Rate

April 2022, Seasonally Adjusted

U.S.: 3.6%
State of Utah: 1.9%
Weber: 2.0%
Davis: 1.7%
Salt Lake: 1.9%
Utah Co.: 1.6%

Source: Bureau of Labor Statistics
The Sting of Accelerating Inflation

Consumer Price Index for All Urban Consumers: All Items in U.S. City Average

Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

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Recession Root Causes

1. Imbalances
   - Shortages of goods, labor, and housing

2. Overheating
   - High inflation

3. Exogenous shocks
   - Lingering pandemic and Putin’s war

4. Policy errors
   - Fiscal policy
   - Monetary policy
Federal Funds Target Rate

Upper Bound

Federal Funds Q4: 0.25%

Source: Federal Reserve Board and Wells Fargo Economics
Yield Curve

Difference between 10-yr Treasury and 2-yr Treasury yield, ppt

Sources: Federal Reserve, Moody’s Analytics
Job Growth Rates
Utah and the U.S.

Source: U.S. Bureau of Labor Statistics
Unemployment Rates
Utah and the U.S.

Source: U.S. Bureau of Labor Statistics
Economic Tailwinds

1. Supply chain improving
2. Demand remains strong
3. Household budgets and balance sheets strong
4. Labor shortage cushion
5. Utah’s relative economic positioning through COVID-19
6. Utah’s well-diversified economy
7. Utah’s status as an energy exporter
8. Utah’s economic leadership
Economic Strategies

1. First, do no harm.
2. Recognize the economic re-sorting.
3. Take care of yourself and your people.
4. Care for those left behind.
5. Keep an eye on consumer confidence.
6. Adapt and lead.