

2024

ECONOMIC REPORT *to the* GOVERNOR HIGHLIGHTS



PREPARED BY THE
UTAH ECONOMIC COUNCIL

A collaborative endeavor of
David Eccles School of Business and
Governor's Office of Planning and Budget

January 2024

2024 Economic Report to the Governor

2023 YEAR IN REVIEW: Remarkable Resiliency

The remarkably resilient U.S. economy successfully navigated 2023's choppy waters of rising interest rates, banking turmoil, and moderating-but-still-elevated inflation. Rather than sinking with dire predictions, estimates indicate the U.S. economy expanded in all four quarters, buoyed by strong labor markets (with employers resistant to shed scarce employees), continued robust consumer spending, and carryover effects from massive pandemic-era economic stimulus.

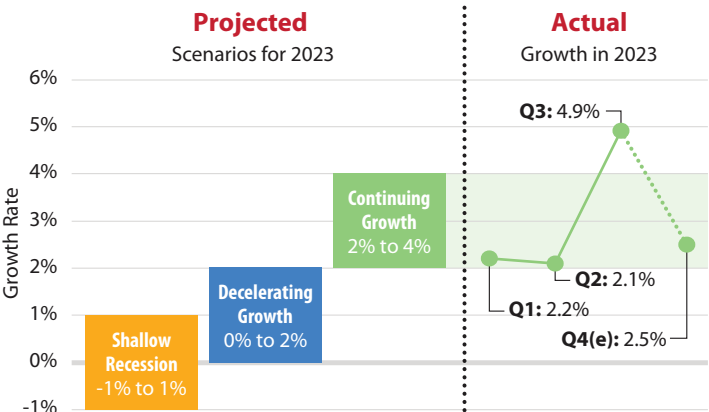
Utah's strong economic performance continued in 2023, although with some year-end tapering. Preliminary estimates show the highest labor force participation rates since 2010. While interest-rate-sensitive sectors like real estate, banking, and tech felt pressure, many other industries enjoyed healthy growth, including tourism, public construction, oil and gas extraction, and health care.

2024 OUTLOOK: Unsettled Normalcy

Entering 2024 amid full employment, the economy sails into unsettled normalcy. While many economic relationships now follow a path to more normal operation, some still haven't fully stabilized. Many key questions remain as economic policymakers chart a course to the storied soft landing on solid ground. Among these are whether inflation will continue downward, interest rate declines will follow suit, and labor markets remain tight. Wise leaders will invest time to understand the economy and adapt quickly to changing winds.

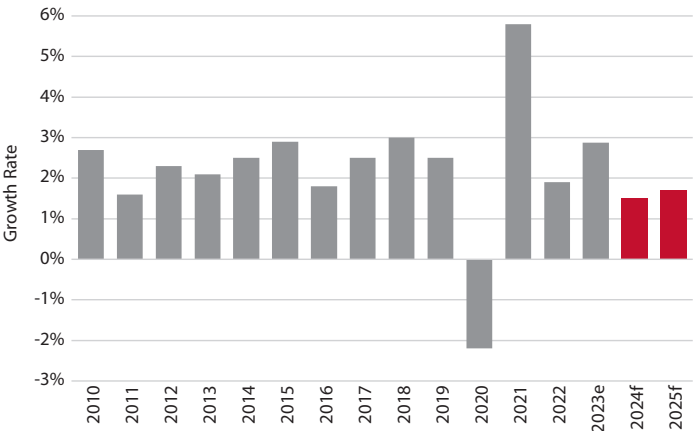
The Utah Economic Council projects continued economic growth in 2024, albeit at a decelerated pace compared to 2023.

Scenarios versus Actual U.S. Real GDP, 2023



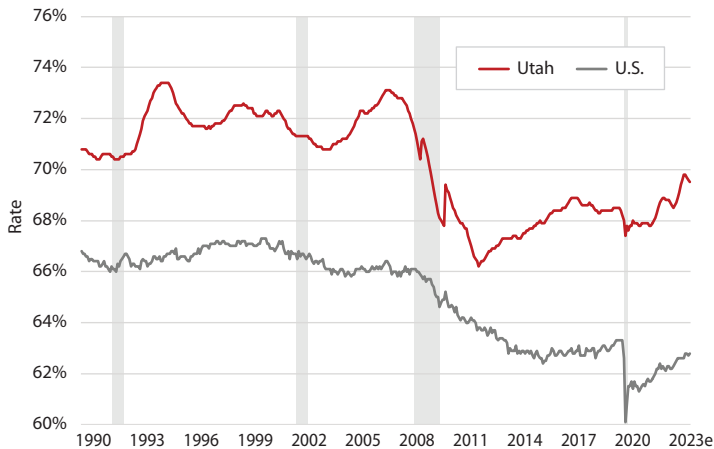
Sources: Kem C. Gardner Policy Institute, U.S. Bureau of Economic Analysis, Federal Reserve Bank of Atlanta GDPNow January 3, 2024 e=estimate

U.S. Real Gross Domestic Product (GDP) Percent Change From Preceding Period, 2010-2025f



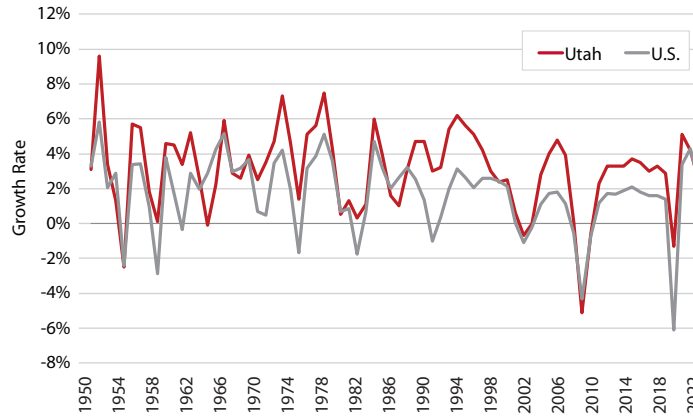
Sources: U.S. Bureau of Economic Analysis, Utah Economic Council e=estimate f=forecast

Utah Labor Force Participation Rate, 1990-2023e



Source: U.S. Bureau of Labor Statistics, seasonally adjusted e=estimate

Annual Average Job Growth Rate in Utah and the U.S., 1950-2023e



Source: U.S. Bureau of Labor Statistics e=estimate

2023: Remarkable Resiliency 2024: Unsettled Normalcy

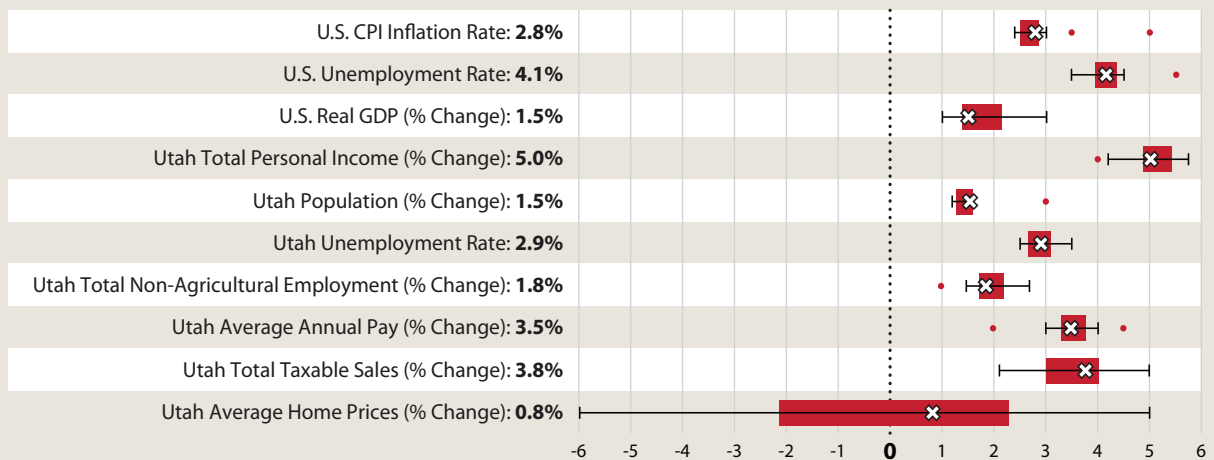
Utah Economic Council Forecast for Selected Economic and Business Indicators, 2024

⊗ Council Point Forecast

■ Middle 50%

• Outliers

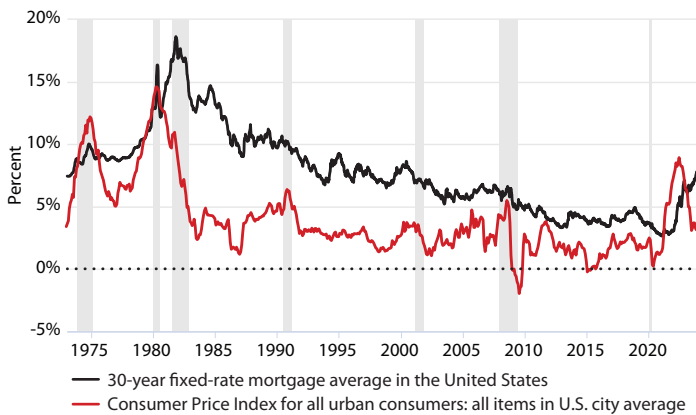
— Range of Point Projections



Note: "Council Point Forecast" (X) represents the median value. "Middle 50%" (red box) represents the 25th to 75th percentile range of values. "Range of Point Projections" (whiskers) represents the range of values falling within the limits calculated as 1.5 times the Middle 50% range below and above the 25th and 75th percentile values, respectively. "Outliers" (red dot) show forecasts outside the "Range of Point Projections".

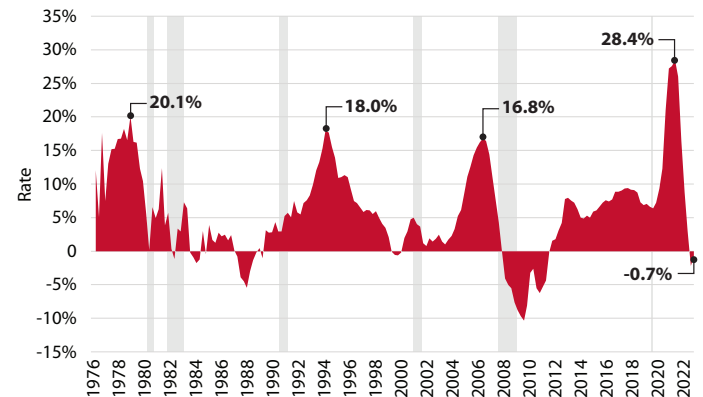
Source: Utah Economic Council

30-Year Conventional Fixed Rate Mortgage and Consumer Price Index Year-over Change, 1973–2023



Sources: FHLMC (Freddie Mac), U.S. Bureau of Labor Statistics

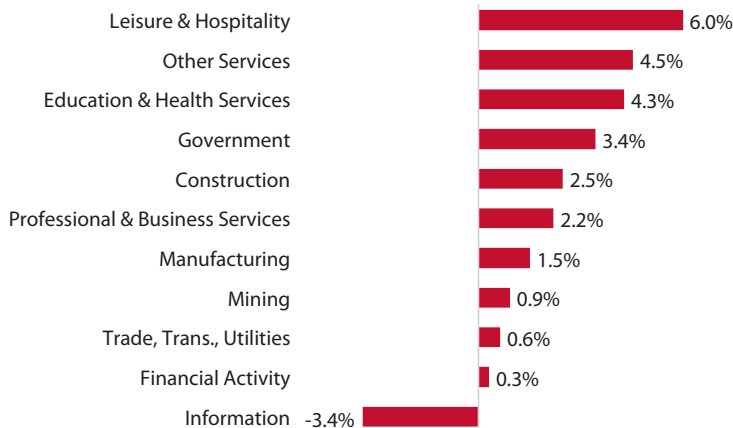
Year-over Growth Rate in Utah Home Prices (FHFA Index), 1976–2023



Note: Data through Q3 2023

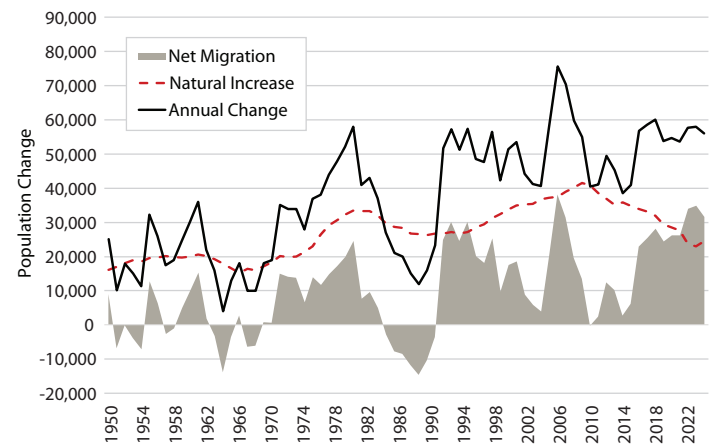
Source: Federal Housing Finance Agency

Utah's Employment Change by Industry, 2022-2023e



Source: U.S. Bureau of Labor Statistics, seasonally adjusted e=estimate

Utah Components of Population Change, 1950–2023



Source: Utah Population Estimates Committee and Utah Population Committee

Utah Economic Council Economic and Business Indicators

Utah and the United States, December 2023

DEMOGRAPHICS	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	Percent Change		
Utah July 1st Population (Thousands)	3,285	3,343	3,400	3,456	1.8%	1.7%	1.6%
Utah Net Migration (Thousands)	26.1	34.0	34.9	31.6	–	–	–
U.S. July 1st Population (Millions)	332	332	333	335	0.1%	0.4%	0.5%
EMPLOYMENT, WAGES, AND INCOME							
Utah Nonagricultural Employment (DWS) (Thousands)	1,539	1,617	1,685	1,727	5.1%	4.2%	2.5%
Utah Total Nonagriculture Wages (DWS) (Millions)	\$83,223	\$92,040	\$101,800	\$108,990	10.6%	10.6%	7.1%
Utah Average Annual Pay (DWS) (Dollars)	\$54,079	\$56,930	\$60,408	\$63,101	5.3%	6.1%	4.5%
Utah Unemployment Rate (DWS) (Percent)	4.7	2.7	2.3	2.6	–	–	–
Utah Personal Income (BEA) (Millions)	\$171,385	\$190,468	\$201,012	\$213,944	11.1%	5.5%	6.4%
U.S. Establishment Employment (BLS) (Millions)	142.1	146.3	152.6	156.2	2.9%	4.3%	2.3%
U.S. Total Wages & Salaries (BEA) (Billions)	\$9,457	\$10,313	\$11,116	\$11,829	9.0%	7.8%	6.4%
U.S. Average Annual Pay (BEA)	\$66,533	\$70,499	\$72,832	\$75,597	6.0%	3.3%	3.8%
U.S. Unemployment Rate (BLS) (Percent)	8.1	5.4	3.6	3.6	–	–	–
U.S. Personal Income (BEA) (Billions)	\$19,832	\$21,408	\$21,841	\$22,966	7.9%	2.0%	5.2%
PRODUCTION AND SALES							
Utah Real GDP (2017 Chained, Millions)	\$194,754	\$209,975	\$213,898	\$218,390	7.8%	1.9%	2.1%
Utah Taxable Sales (Millions)	\$74,731	\$90,105	\$100,893	\$103,034	20.6%	12.0%	2.1%
Utah Exports (Millions)	\$17,713	\$18,060	\$16,542	\$18,106	2.0%	-8.4%	9.4%
U.S. Real GDP (2017 Chained, Billions)	\$20,234	\$21,408	\$21,822	\$22,433	5.8%	1.9%	2.8%
U.S. Total Retail Sales (Billions)	\$6,210	\$7,356	\$8,071	\$8,336	18.5%	9.7%	3.3%
U.S. Real Exports (2017 Chained, Billions)	\$2,232	\$2,281	\$2,440	\$2,498	2.2%	7.0%	2.4%
REAL ESTATE AND CONSTRUCTION							
Utah Dwelling Unit Permits (Units)	31,797	40,144	29,883	21,900	26.3%	-25.6%	-26.7%
Utah Home Price Index (FHFA) (1991Q1 = 100)	540	661	792	783	22.4%	19.8%	-1.2%
Utah Residential Permit Value (Millions)	\$6,785	\$8,850	\$7,122	\$5,300	30.4%	-19.5%	-25.6%
Utah Nonresidential Permit Value (Millions)	\$2,567	\$2,930	\$3,694	\$2,775	14.1%	26.0%	-24.9%
U.S. Private Residential Investment (Billions)	900.8	1,126.2	1,166.4	1,072.6	25.0%	3.6%	-8.0%
U.S. Home Price Index (FHFA) (1991Q1 = 100)	290	338	385	400	16.4%	13.9%	3.9%
ENERGY & NATURAL RESOURCE PRODUCTION AND PRICES							
West Texas Intermediate Crude Oil Price (Per Barrel)	\$68	\$68	\$95	\$78	0.0%	39.4%	-18.0%
Utah Oil Price (Per Barrel)	\$35	\$61	\$81	\$68	73.6%	33.4%	-15.9%
Utah Coal Price (Per Short Ton)	\$37	\$38	\$48	\$44	3.2%	24.6%	-9.1%
Utah Natural Gas Price (Per MCF)	\$2.0	\$4.1	\$7.1	\$4.5	109.2%	72.4%	-36.4%
Utah Copper Price (Per Pound)	\$2.8	\$4.3	\$3.8	\$3.6	51.8%	-10.6%	-5.3%
Utah Crude Oil Production (Million Barrels)	31	36	45	48	15.4%	26.9%	4.6%
Utah Coal Production (Million Tons)	13.3	12.5	10.7	8.0	-5.9%	-14.5%	-25.4%
Utah Natural Gas Production Sales (Billion Cubic Feet)	243	198	216	227	-18.4%	9.1%	5.1%
Utah Copper Mined Production (Million Pounds)	309	351	397	420	13.6%	13.1%	5.8%
INFLATION AND INTEREST RATES							
U.S. CPI Urban Consumers (BLS) (1982-84 = 100)	258.8	271.0	292.6	304.7	4.7%	8.0%	4.1%
U.S. Federal Funds Rate (FRB) (Effective Rate)	0.4	0.1	1.7	5.0	–	–	–
U.S. 3-Month Treasury Bills (FRB) (Discount Rate)	0.4	0.0	2.0	5.1	–	–	–
U.S. 10-Year Treasury Notes (FRB) (Yield (Percent))	0.9	1.4	3.0	4.0	–	–	–
30 Year Mortgage Rate (FHLMC) (Percent)	3.2	3.0	5.4	6.8	–	–	–

Sources: Utah Economic Council, GOPB, Moody's Economy.com, and S&P Global

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