



Kem C. Gardner  
**POLICY INSTITUTE**  
THE UNIVERSITY OF UTAH

DAVID ECCLES SCHOOL OF BUSINESS



# Economic Insights

## 2025 Year in Review & 2026 Outlook

Utah Economic Outlook and Public Policy Summit  
January 16, 2026

INFORMED DECISIONS™

Our purpose is to help  
UTAH'S LEADERS MAKE

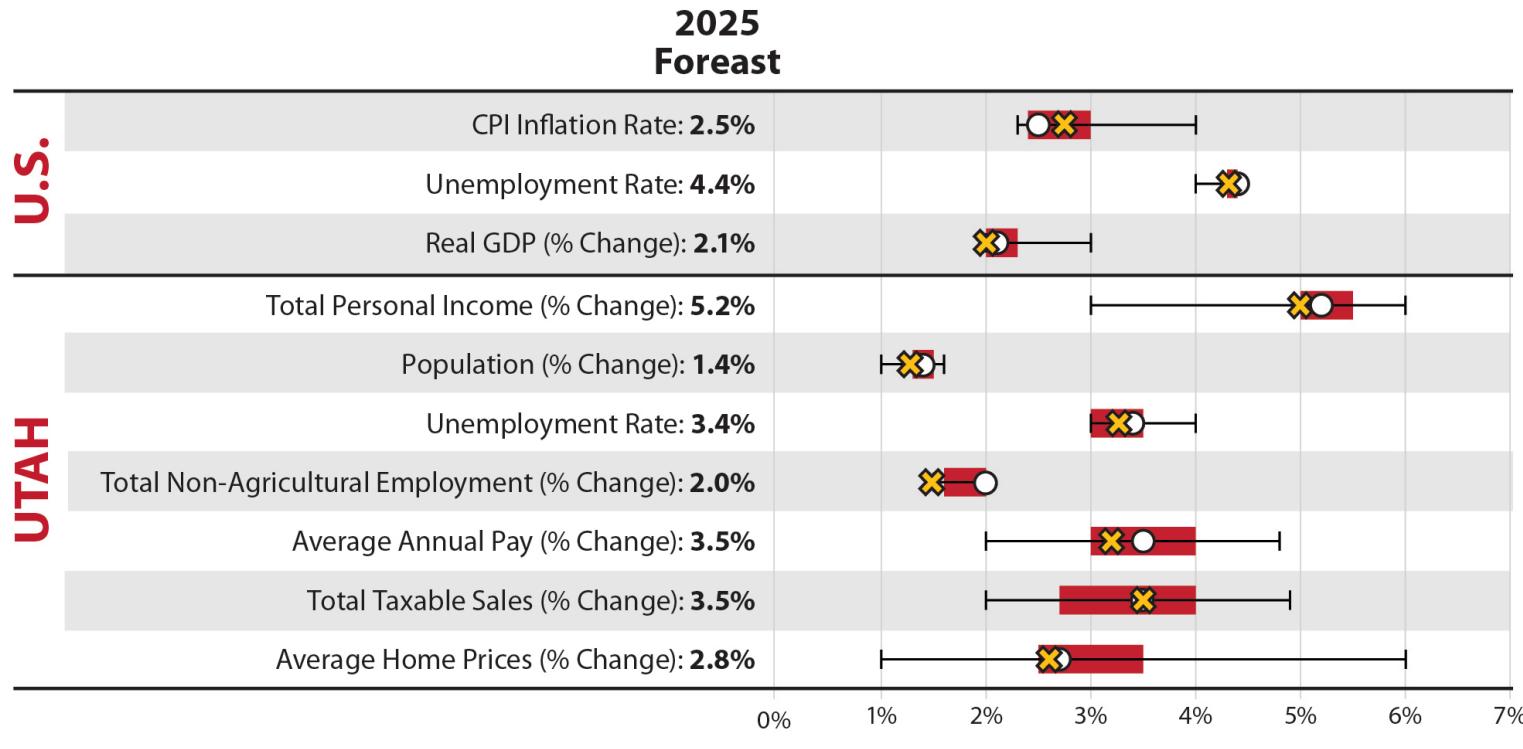
INFORMED  
DECISIONS™

# Today's Economic Playlist

- 1. 2025 Review – Hardiness Amid Policy Change**
- 2. Outlook – Moderate Expansion**
- 3. Think Long-Term – Future Generations**

# Accuracy

## Utah Economic Council 2025 Forecast & Preliminary 2025 Actuals



○ Council 2025 Point Forecast

■ Middle 50%

▬ Range of Point Projections

✖ 2025 Actual

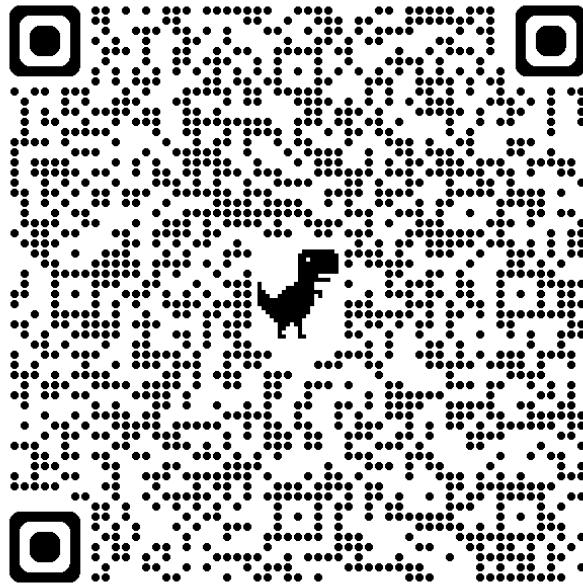


VOLUME TWO  
September 2025

KEEPERS OF THE FLAME

# UTAH'S OLYMPIC-SIZED OPPORTUNITY

• Natalie Gochnour | Phil Dean | Jennifer Robinson



# Utah's Magnificent Seven

## Major Achievements in Utah's Economic Success Story

**1** Economic dynamism and diversity

**2** High household income and low poverty

**3** Upward mobility

**4** Widespread prosperity

**5** Well-trained and educated workforce

**6** Fast growing population and youthfulness

**7** Social cohesion

# Utah's Troubling Seven

## Challenges Threaten Utah's Long-term Success

**1** Housing affordability and homelessness

**2** Traffic congestion

**3** Third grade reading proficiency

**4** College graduation rates

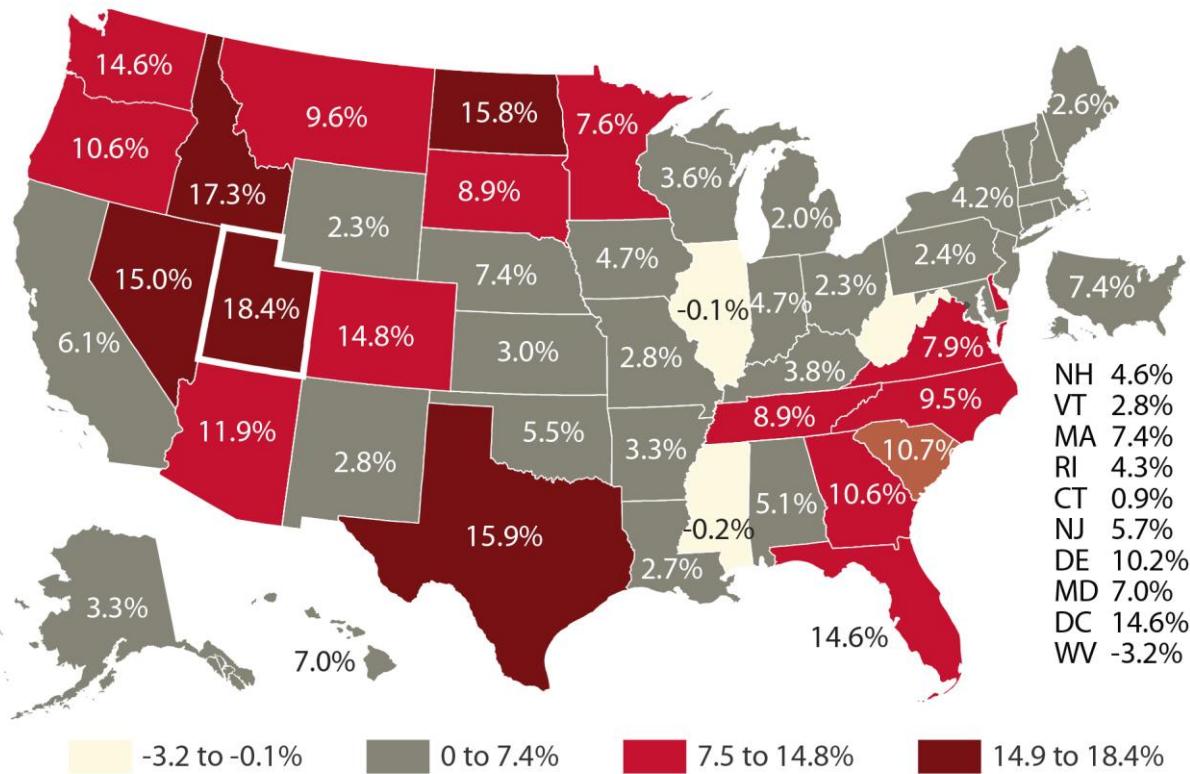
**5** Water and Great Salt Lake

**6** Energy supply

**7** Behavioral health

# Rocky Mountain High, Part I

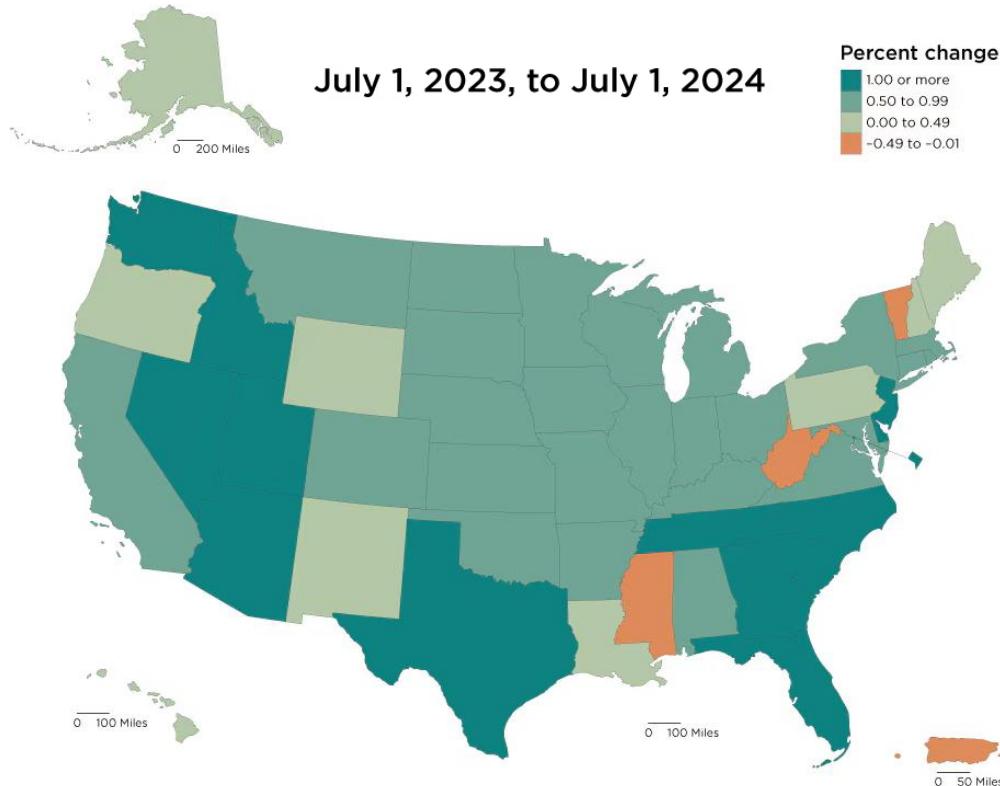
## Percent Change, 2010 to 2020 Census



Source: 2020 Apportionment Data, U.S. Census Bureau

# Rocky Mountain High, Part II

Mountain Region and South Continue to Lead Population Growth

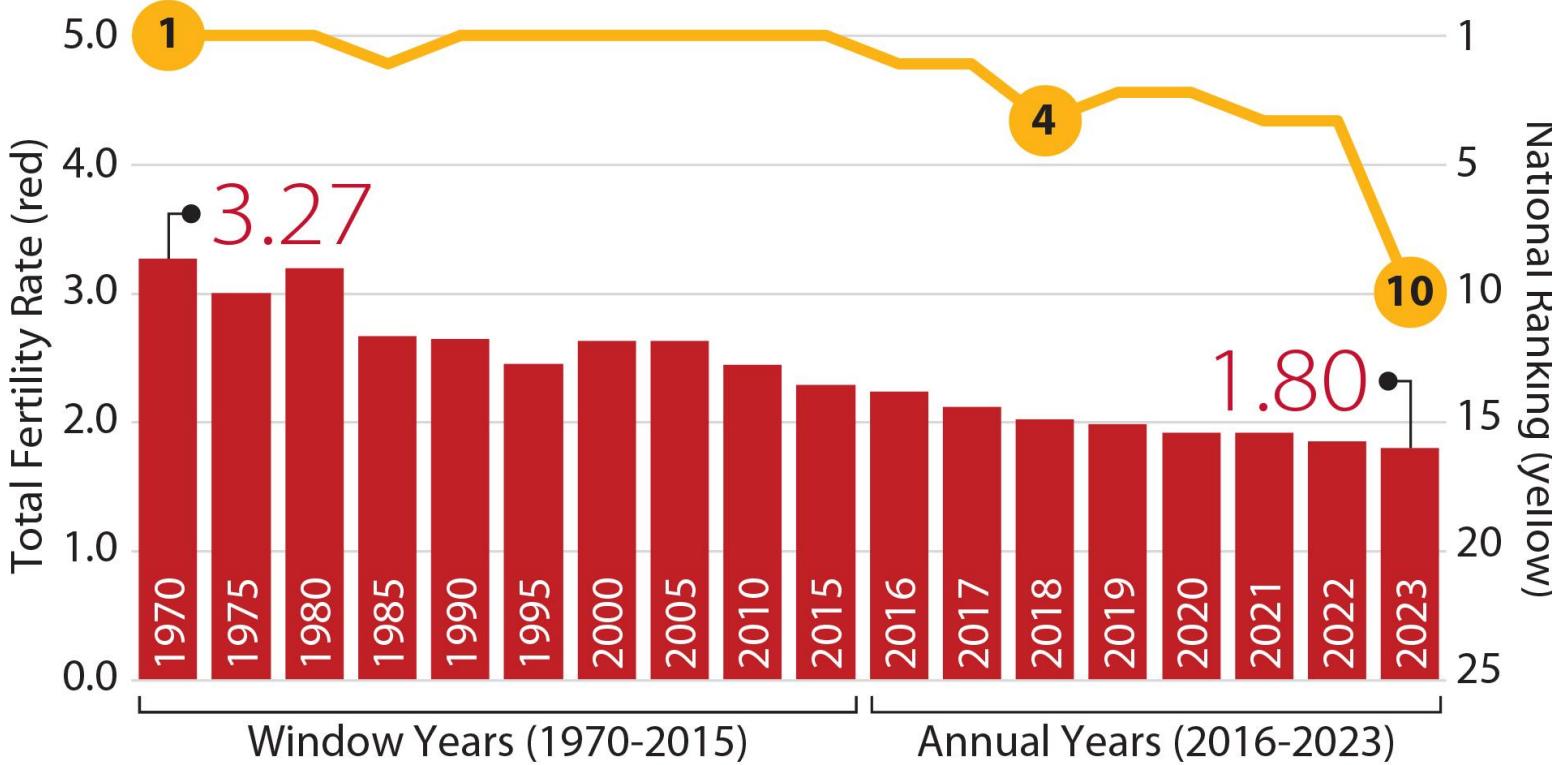


State/District	Population Growth Rate
DC	2.2
Florida	2.0
Texas	1.8
Utah	1.8
South Carolina	1.7
Nevada	1.7
Idaho	1.5
North Carolina	1.5
Delaware	1.5
Arizona	1.5

Source: U.S. Census Bureau

# Sweet Child O' Mine II

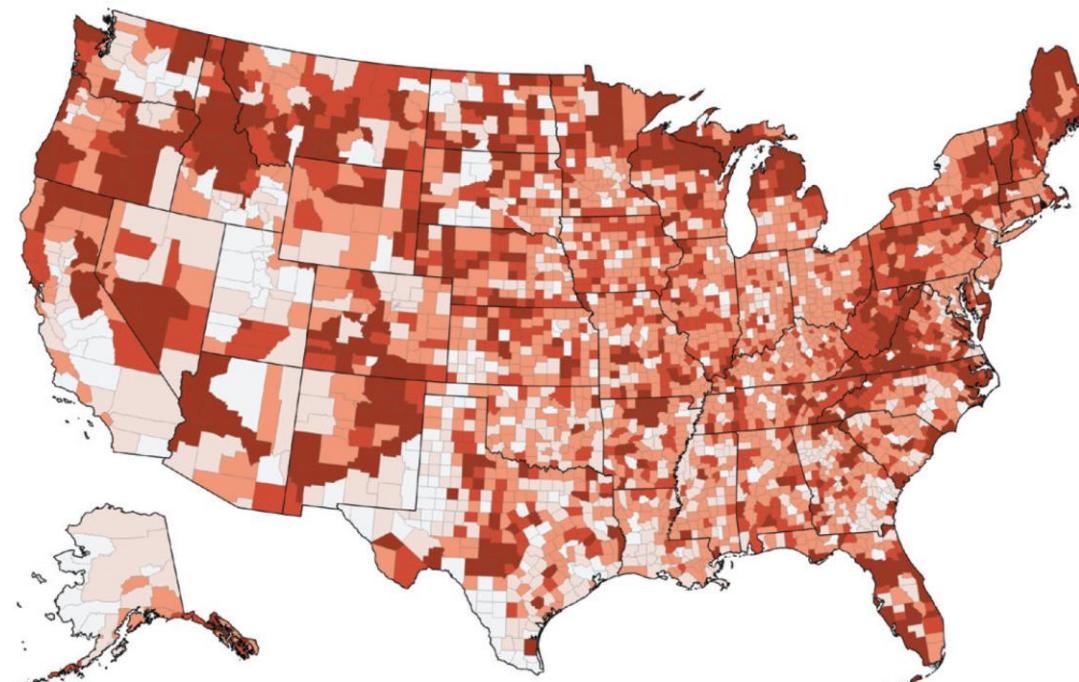
## Utah Fertility Rate Well Below Replacement



Source: National Center for Health Statistics

# Forever Young

## Utah Remains the Youngest State (By Far)...



Note: Utah's median age of 32.4  
ranks youngest in the nation. U.S.  
median age: 39.1

Source: U.S. Census Bureau

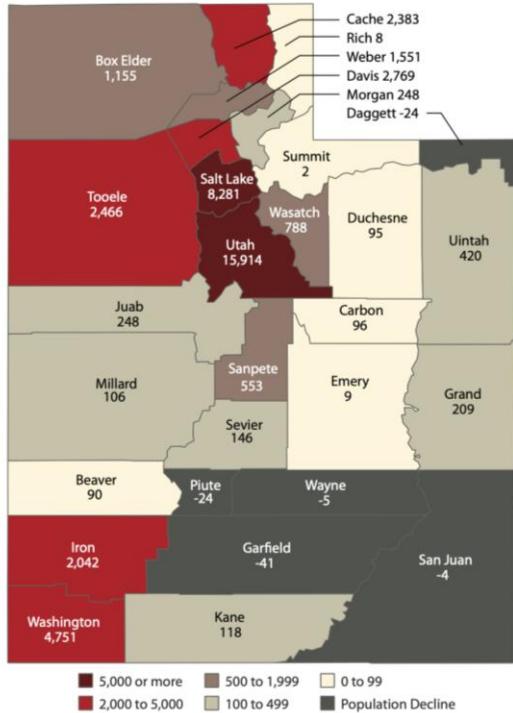
34.9 or less    35.0 to 38.9    39.0 to 42.9    43.0 to 45.9    46.0 or more

# Growing Pains

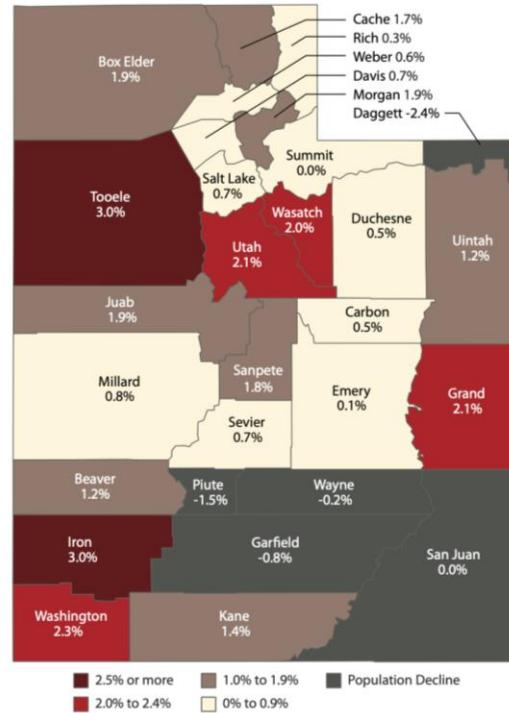
## Utah's Growth Moderates but Continues

Figure 7: Absolute and Percentage Changes in County Population, 2024-2025

Absolute Change



Percent Change



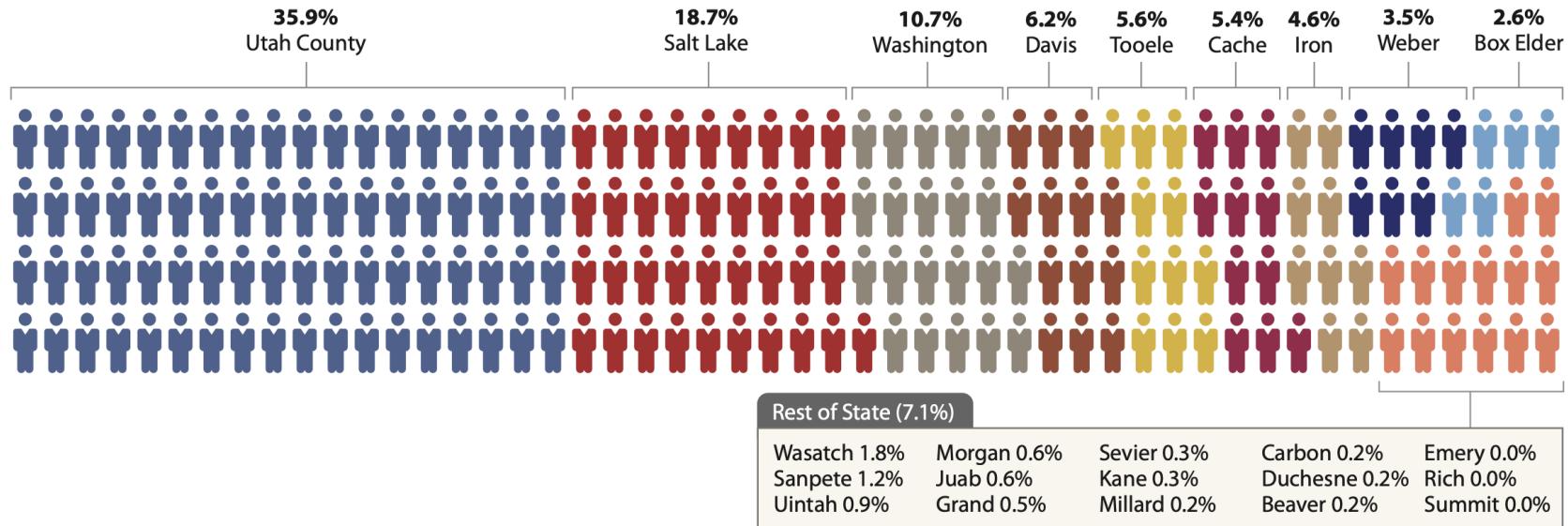
Source: Utah Population Committee, Kem C. Gardner Policy Institute



# Then I'll Be Happy

## "Happy Valley" Leads the Way

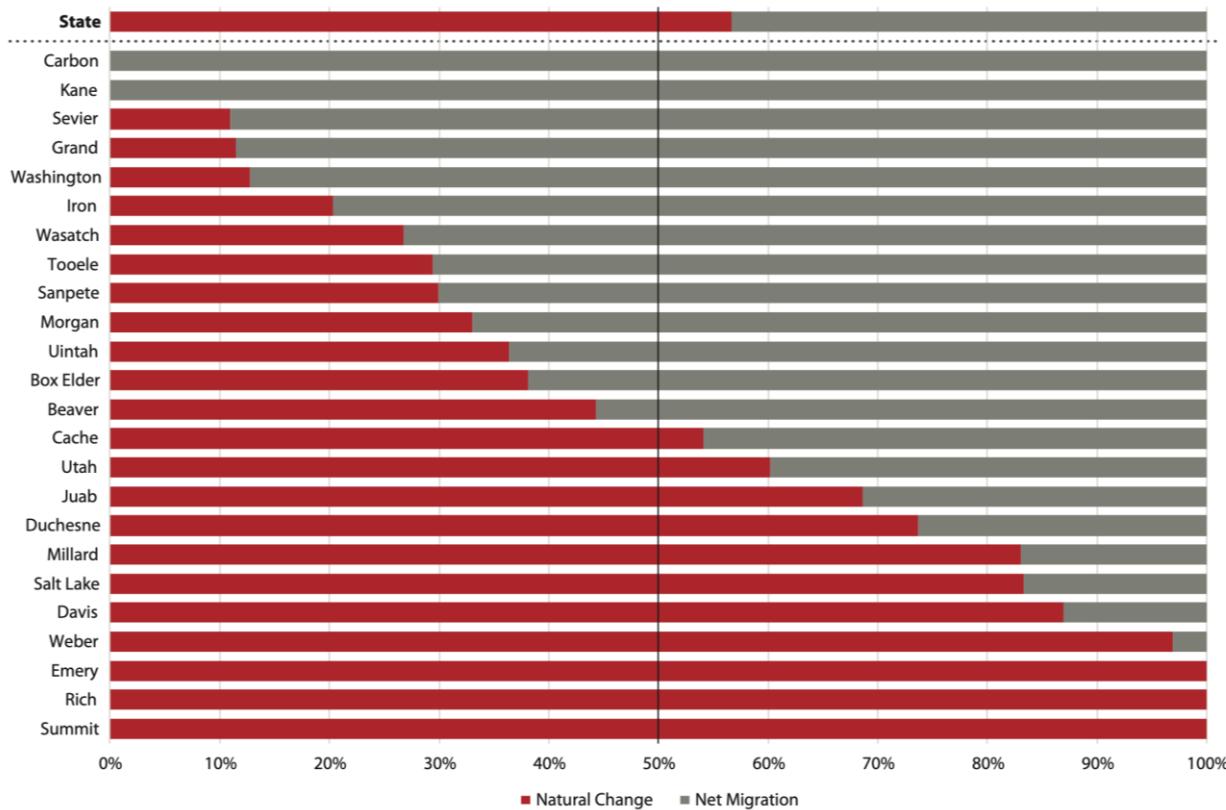
Figure 8: County Share of State Population Growth, 2024-2025



Source: Utah Population Committee, Kem C. Gardner Policy Institute

# Hello

Figure 9: Share of Population Growth by Components of Change by County, 2024-2025



Note: Daggett, Garfield, Piute, San Juan, and Wayne counties are not included due to population declines

Source: Utah Population Committee, Kem C. Gardner Policy Institute

# Makin' Plans

## Trump Administration Overarching Economic Goals

1. **Trade deficit** – Reduce the U.S. trade deficit & rebalance global trade
2. **Deficits** – Lower U.S. federal fiscal deficits (tariff revenue)
3. **Labor** – Reverse decades-long decline in labor's share of income

✓ **Taxes** – Make permanent Trump 1.0 tax cuts & other (OBBA)

Sources: PIMCO Macro Signposts and Kem C. Gardner Policy Institute

# Party in the U.S.A.

## U.S. World's Largest Economy (By Far)

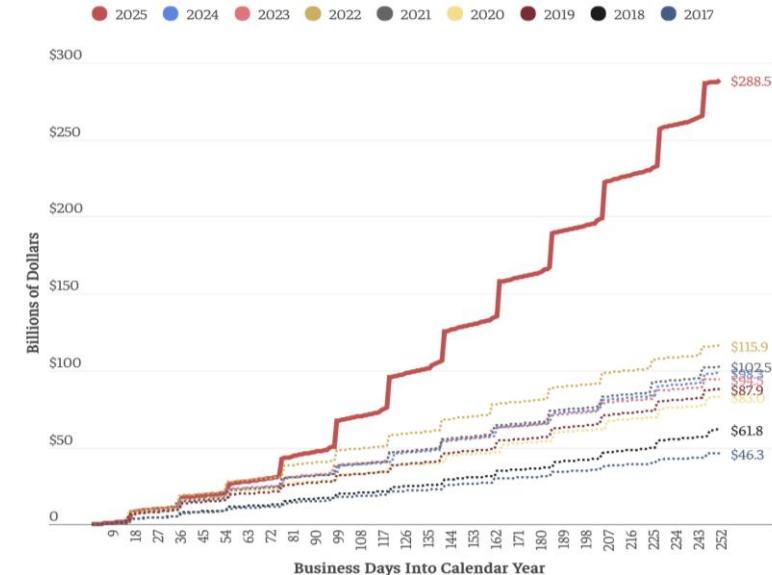


# Rise Up

## Sizable Tariff Revenue

- Tariffs implemented January 6 – Nov 15 would decrease primary deficits by \$2.5 trillion across the 2025-2035 period
- By reducing primary deficits, tariffs would also reduce federal interest costs by an additional \$0.5 trillion
- As a result, tariffs would reduce total deficits by \$3.0 trillion

In 2025, the U.S. Brought in \$289 Billion in Revenue From Gross Tariff and Certain Other Excise Taxes, Tens of Billions Above Levels in Recent Years



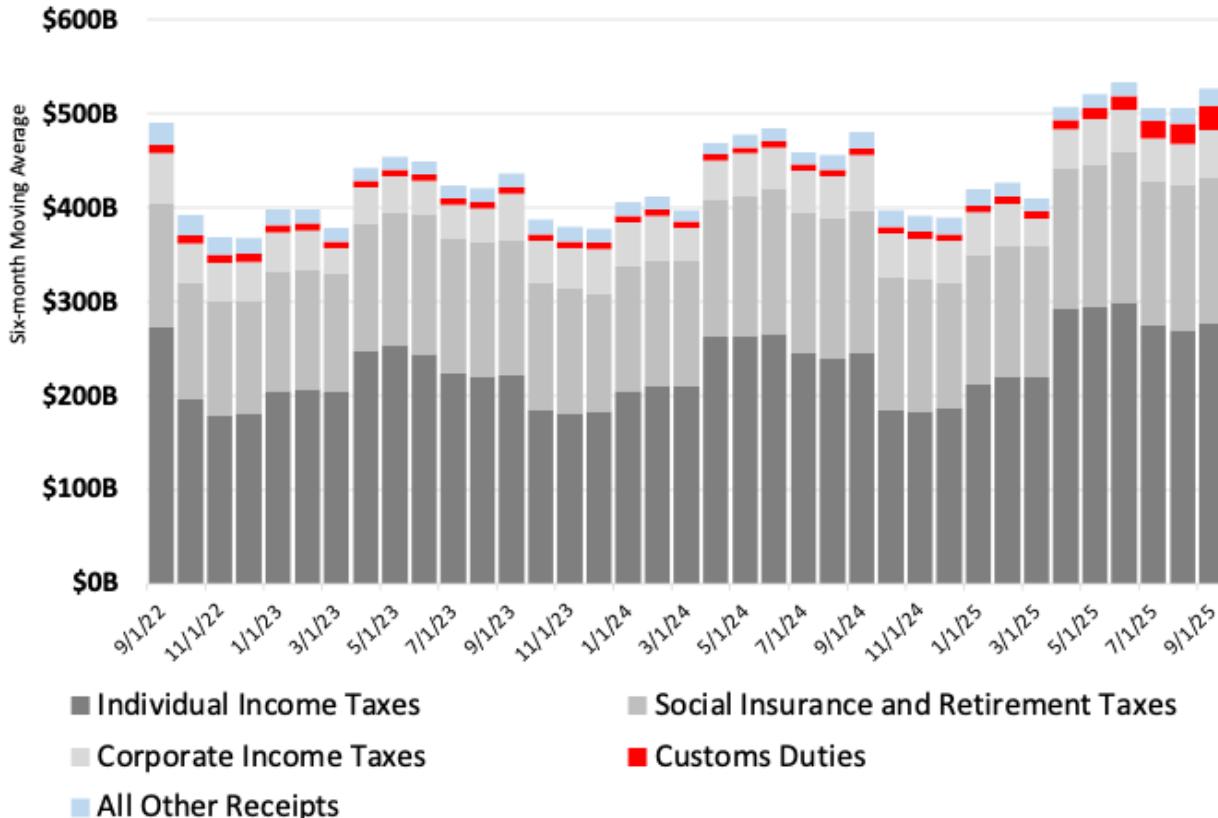
Notes: Totals represent gross tariff and certain other excise tax revenue. Net tariff revenue - which removes "certain other excise tax revenue" and incorporates tariff rebates/refunds - is typically 80-85% of gross tariff and other excise tax revenue and is reflected in Treasury Monthly Statements. Dollars are not adjusted for inflation.

Source: Daily Treasury Statements

Source: Bipartisan Policy Center

# New Kid in Town

## Federal Net Receipts by Category Six-month Moving Average



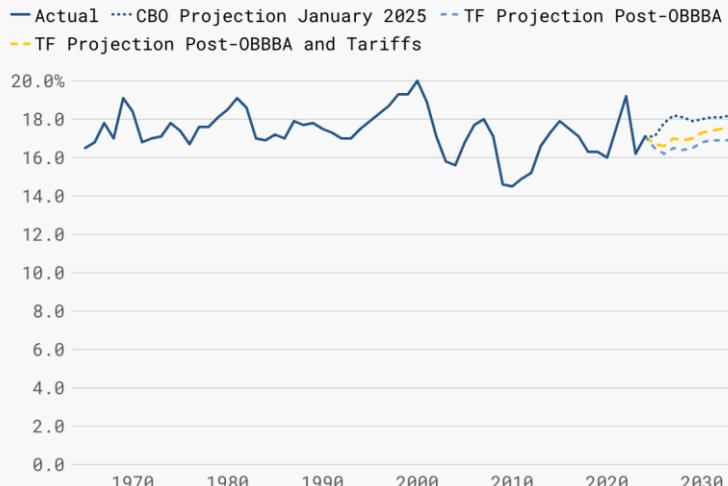
Source: U.S. Treasury

# Big, Big Plans

## One Big Beautiful Bill Act Increases Federal Deficit (and Therefore Debt)

### OBBA Tax Cuts Partially Offset by Higher Tariffs

Federal Tax Revenue as a Share of GDP, Fiscal Years 1965 to 2034



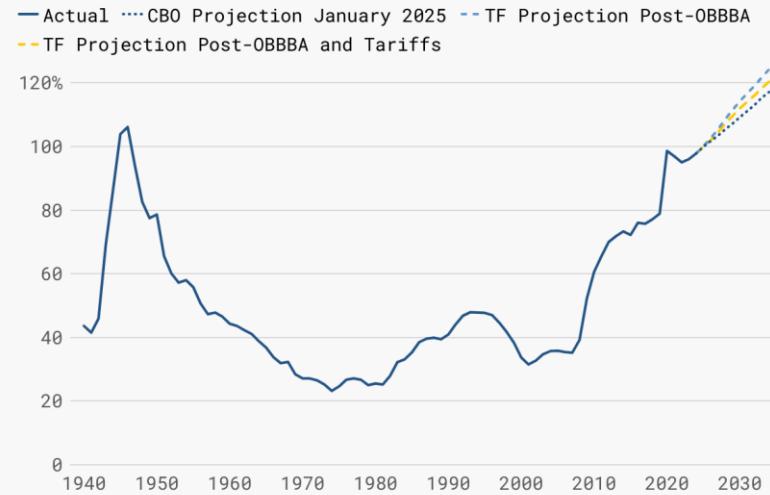
Note: Tax Foundation projections include dynamic effects on revenue, GDP, and other variables.

Source: Congressional Budget Office, "Historical Budget Data" and "The Budget and Economic Outlook: 2025 to 2035," January 2025; Tax Foundation General Equilibrium Model, November 2025.



### US Headed for Record Debt Burden by 2028

Publicly Held Debt as a Share of GDP, Fiscal Years 1940 to 2034



Note: Tax Foundation projections include dynamic effects on revenue, GDP, and other variables.

Source: US Office of Management and Budget, "Historical Tables"; Congressional Budget Office, "The Budget and Economic Outlook: 2025 to 2035," January 2025; Tax Foundation General Equilibrium Model, November 2025.



# You Make Me Feel Brand New

## Previous Provisions v. New H.R. 1 Tax Provisions

- Previously-existing provisions extended
  - Macroeconomic forecasts generally did NOT assume sizable individual income tax increases at the end of 2025 due to legal/technical (but highly unlikely) expiration of many TCJA provisions
- Examples of selected new provisions
  - Tips
  - Overtime
  - Senior deduction
  - Contributions – charitable and school scholarship
  - New car loan
  - Child savings account
  - Business depreciation
  - Business research & development

# The Thunder Rolls

Recent Publications Highlight Federal / State Relationship



## Data Summaries

-  [Federal Employment](#)
-  [Federal Debt and Deficit](#)
-  [Federal Funds in Utah's State Budget](#)
-  [Public Lands](#)
-  [Defense](#)
-  [Travel and Tourism](#)
-  [Medicaid](#)
-  [Balance of Payments](#)
-  [Research Funding](#)

Nearly 130 years ago, Utah became the 45th state in the nation. This long battle for statehood set in motion a beneficial and, at times, tumultuous relationship between the U.S. government and the Beehive State. Among other national contributions, Utah settled vast acreages of land, led out on women's suffrage, provided raw materials for the building of the nation, served as the connection point for the transcontinental railroad, supported two World Wars, and, more recently, emerged as one of the nation's most successful and dynamic economies. As the federal government reinvents itself through significant policy changes and cost-cutting measures, Utah decision-makers will benefit from a data summary of many of the key economic linkages between Utah and the federal government.



Source: Gardner Policy Institute

# Under Pressure

## Federal Employment

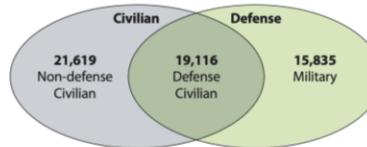
### Size and Composition

Nearly 57,000 federal employees work in Utah, consisting of non-defense civilian employees (nearly 22,000), defense civilian employees (about 19,000), and military personnel (roughly 16,000). Most federal employees in Utah work for the Department of Defense (primarily Hill Air Force Base), Department of Treasury (primarily Internal Revenue Service), the U.S. Postal Service, and Department of Veterans Affairs.

Utah's share of federal jobs to total jobs ranks 14th among U.S. states at 2.4% when excluding the military and 23rd (at 3.3%) when including military employment.<sup>1</sup> Compared with sectors of a similar size in Utah, this ranks slightly higher than the information sector but below the wholesale trade sector.

Table 1: Federal Employees in Utah, 2024

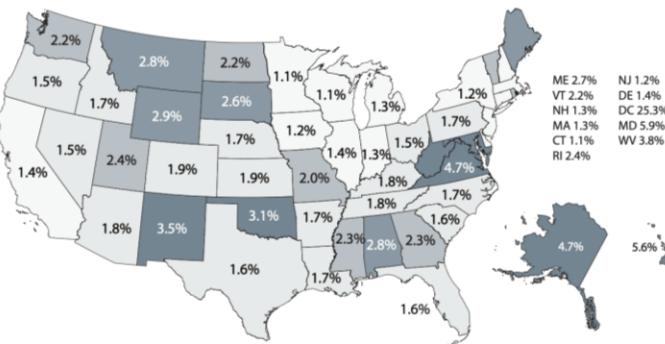
Employment Type	Employees
Non-defense Civilian	21,619
Defense Civilian	19,116
Military	15,835
<b>Total</b>	<b>56,569</b>
Defense share	61.8%



Note: Employment represents average job counts from quarterly data between 2023 Q3 and 2024 Q2, inclusive.

Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (Civilian) and Department of Defense (Military)

Figure 1: Federal Civilian Employment Shares by State, 2024



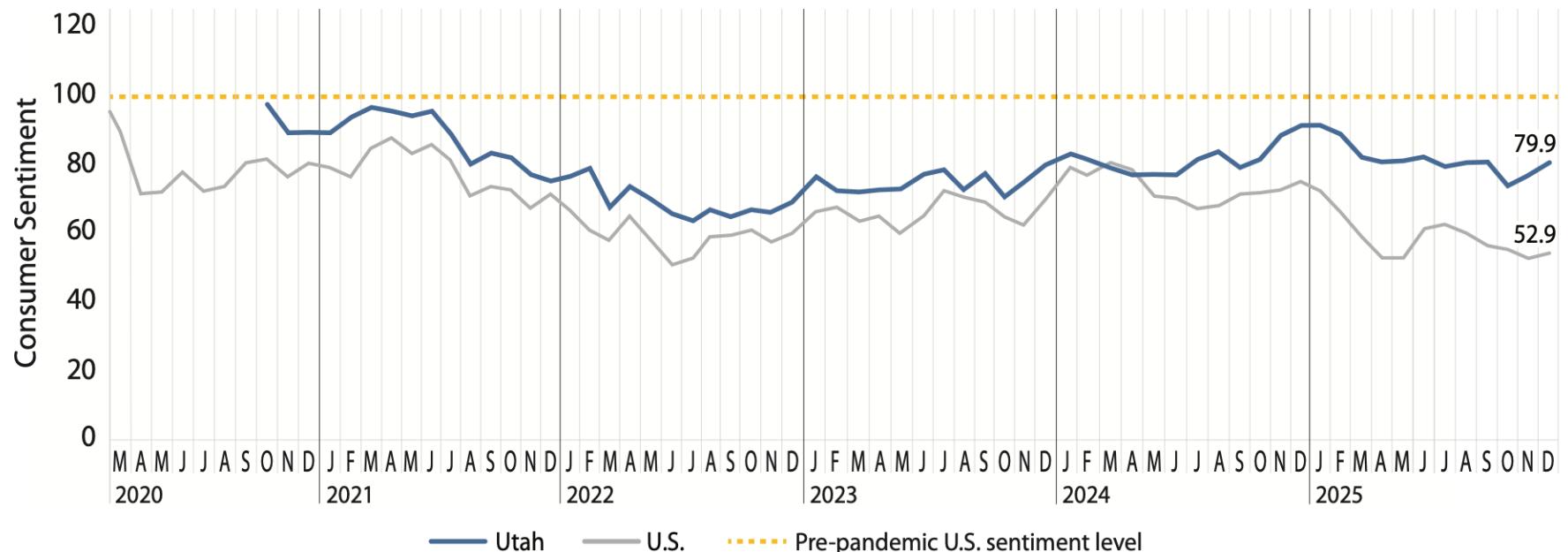
Note: Employment represents average job counts from quarterly data between 2023 Q3 and 2024 Q2, inclusive.

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

# Anxiety

## Utah and U.S. Consumer Sentiment Index

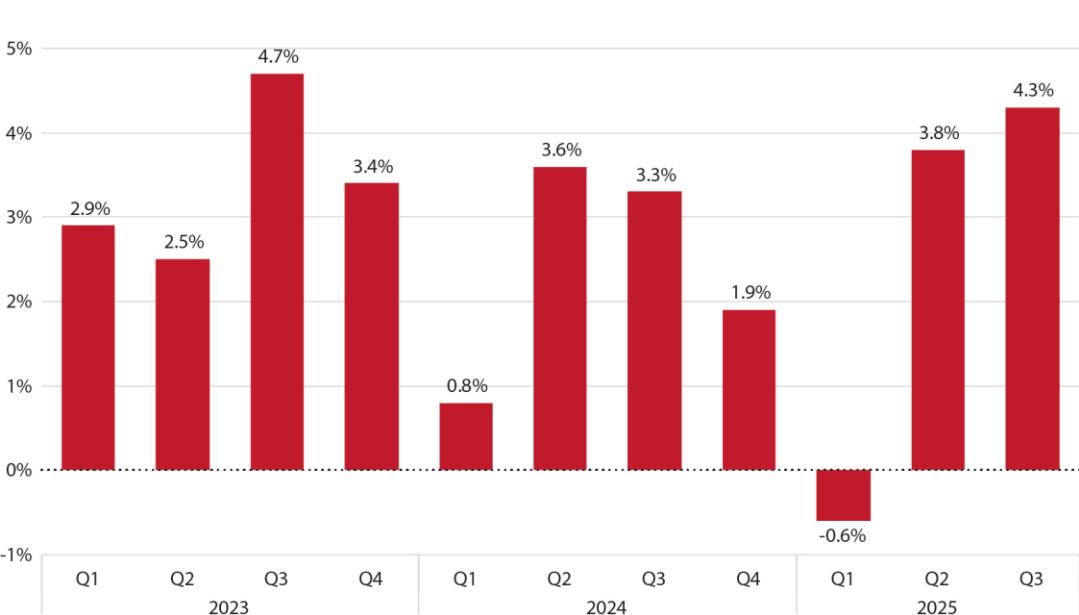
### Consumer Sentiment Index: Utah and U.S.



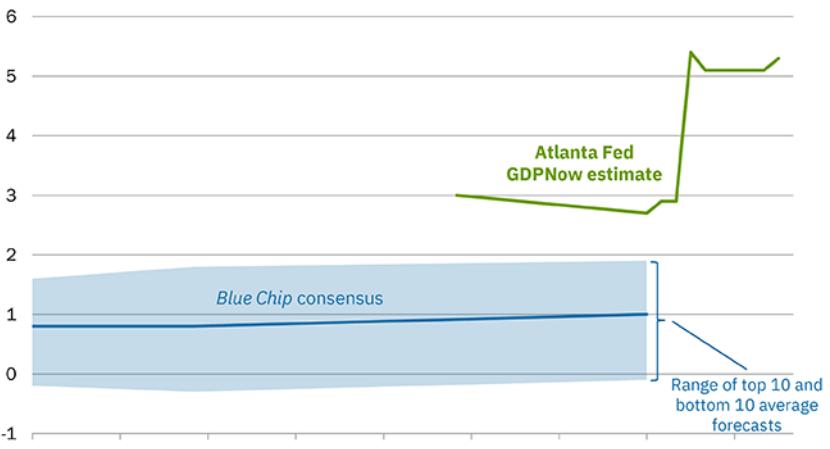
Source: Zions Bank, University of Michigan, and Kem C. Gardner Institute

# Better Now & Time After Time

U.S. GDP Declined Slightly in Q1, then Returned to Strong Growth in Q2&3 (&Q4)



Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q4  
Quarterly percent change (SAAR)

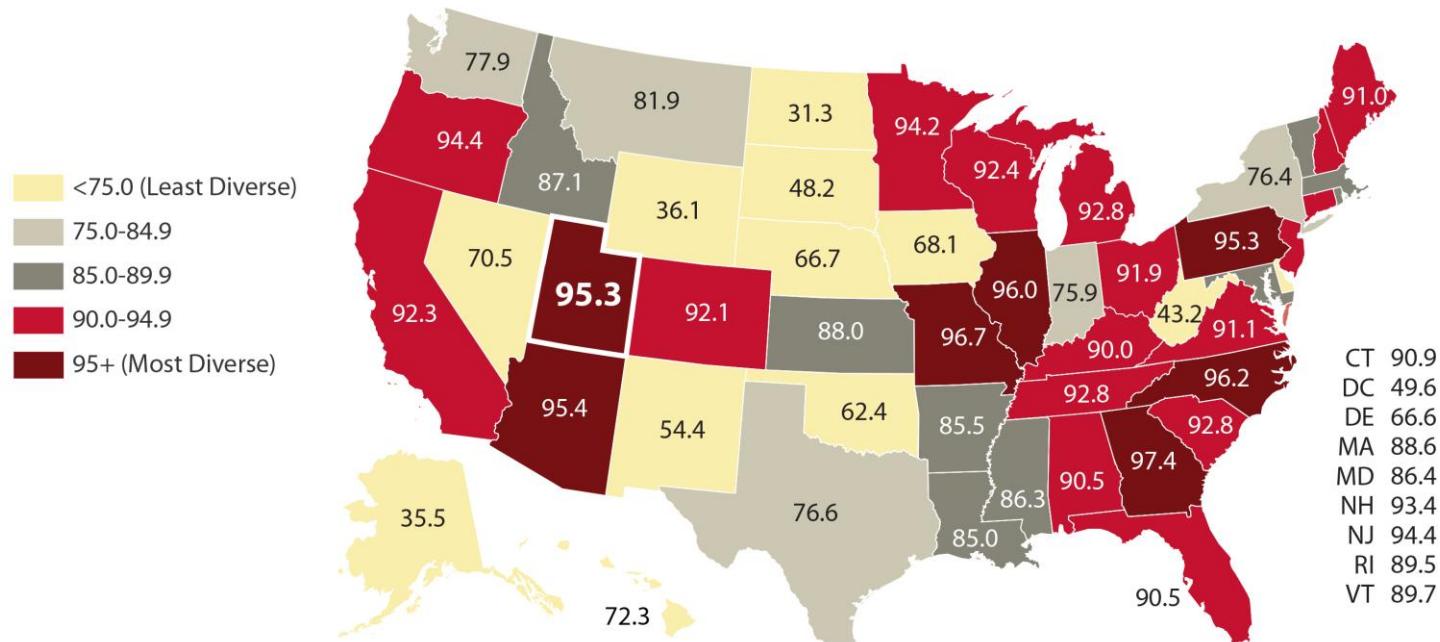


Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

# Mirror Mirror

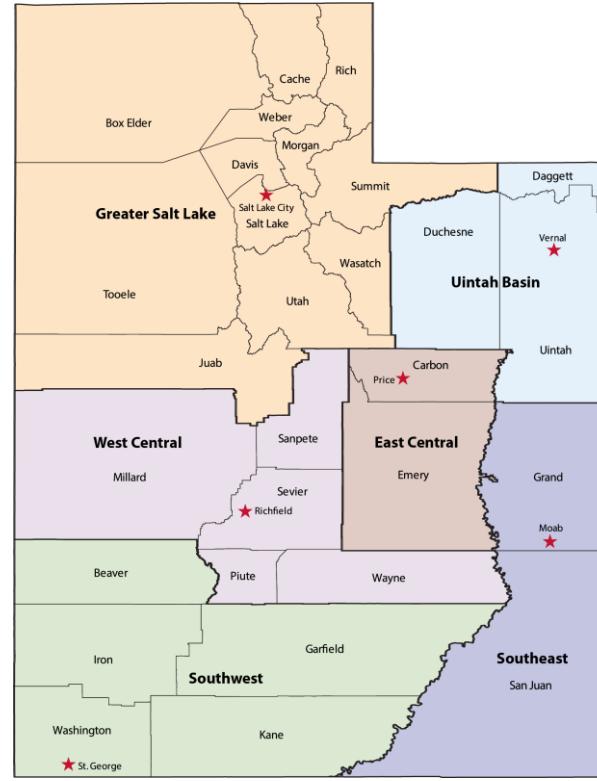
## Utah Among Most Diverse Economies Measured by GDP



# Draw the Line

## Utah's Economic Regions

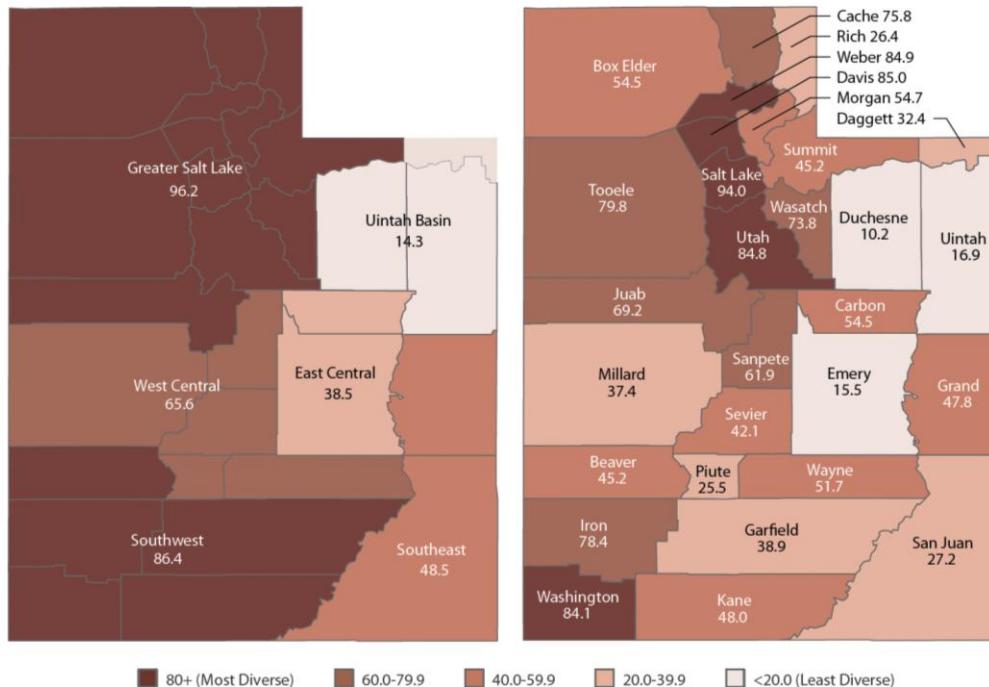
Economies follow  
linkages, not boundaries



# Mirror Mirror II

## Southwest Region Utah's Second Most Diverse Economic Region

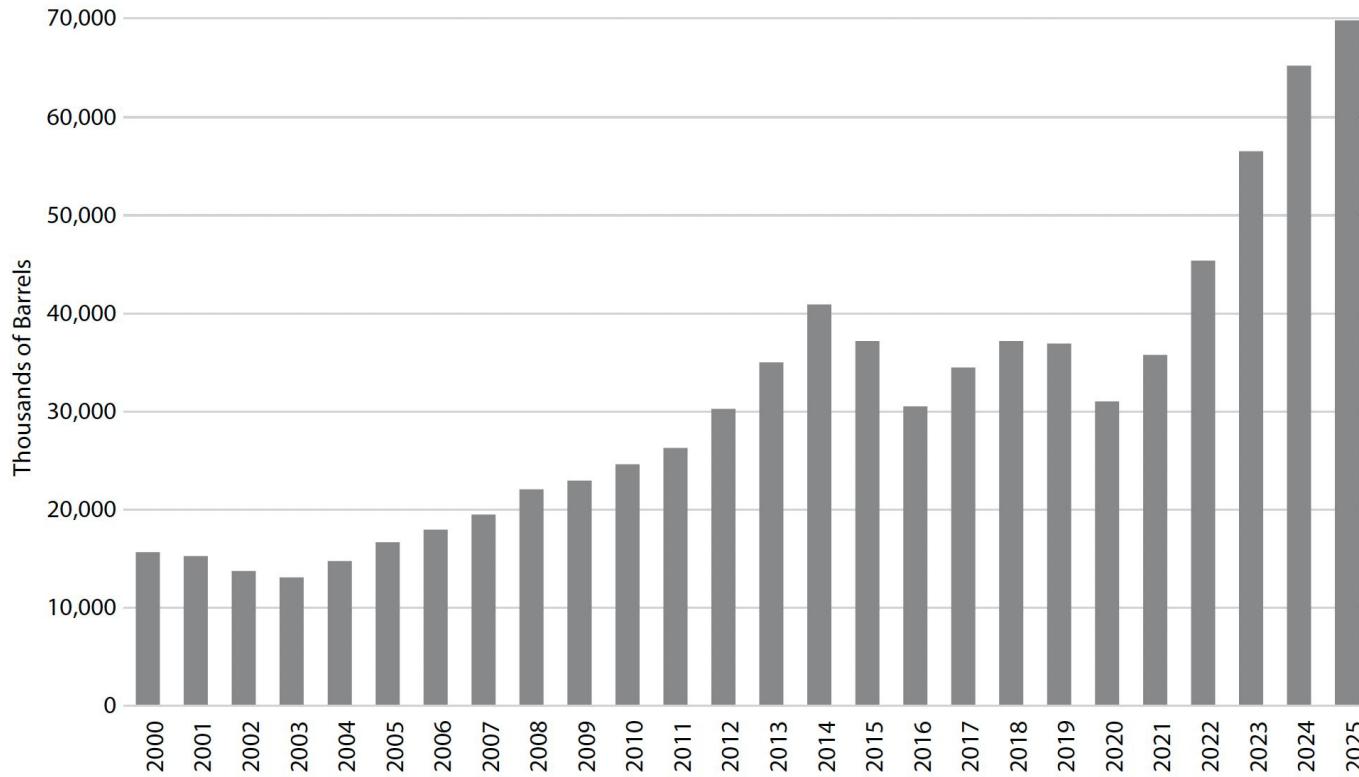
Figure 12.2: Hachman Index Scores for Utah Economic Regions and Counties, 2024



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau Economic Analysis and Utah Department of Workforce Services employment data

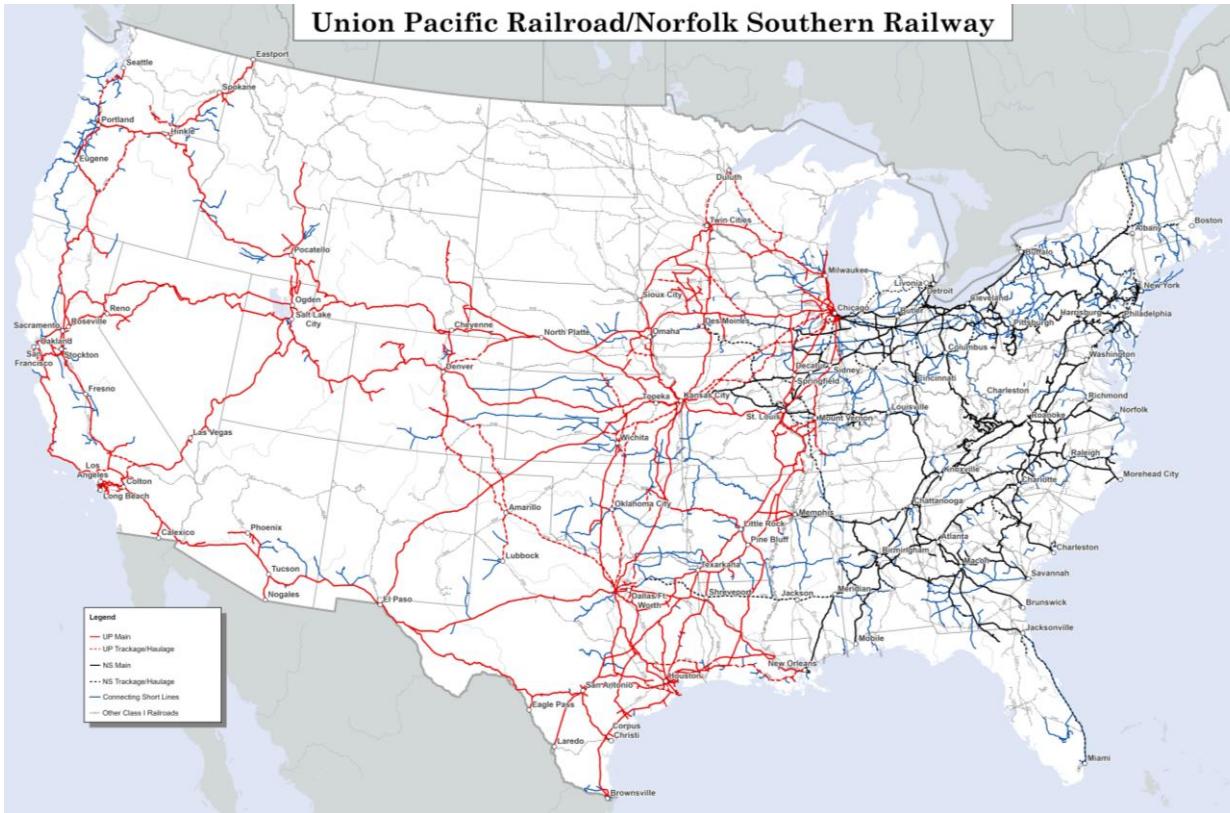
# Running Up That Hill

Utah Oil Production Hit All-time High in 2025

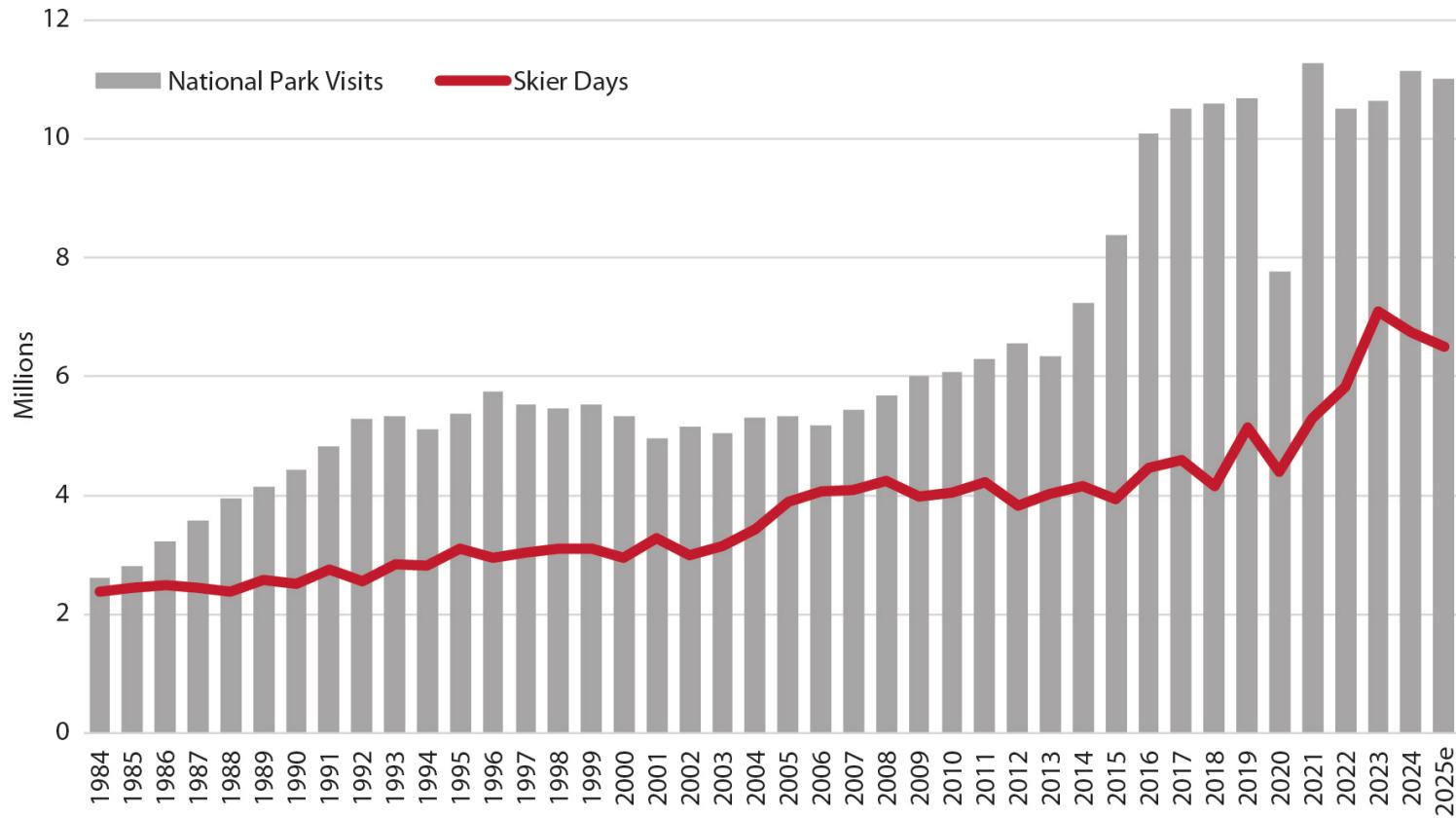


# I've Been Workin' On the Railroad

Connecting the Crossroads of the West with the East



# Let's Go Outside



# **Moving In the Dark**

Federal Economic Data During the Shutdown

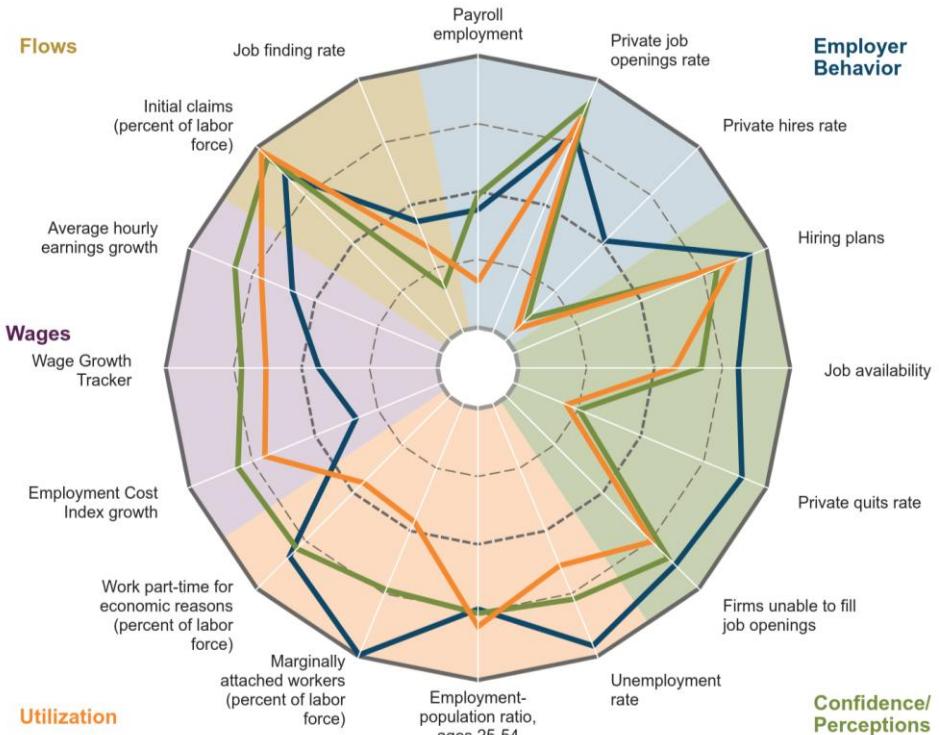
# Stars

## Softer but Still-Resilient U.S. Labor Markets

### Labor Market Distributions Spider Chart

Data since March 1994

- November 2019
- maximum (outer ring)
- November 2024
- minimum (inner ring)
- November 2025
- median (middle ring)



Sources: U.S. Bureau of Labor Statistics, U.S. Department of Labor, National Federation of Independent Business, The Conference Board, and Haver Analytics

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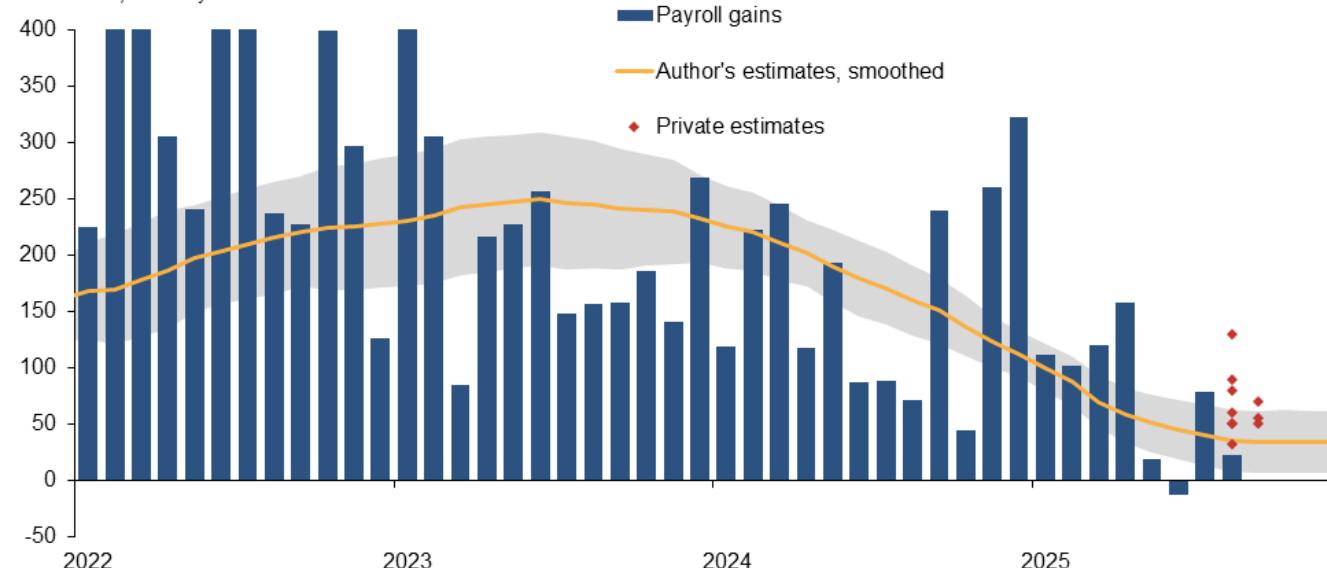
# The Times They Are a Changin'

## Lower Immigration Demands Less Job Growth to Pace

Chart 3

### Breakeven estimate and recent payrolls trend lower

Thousands, monthly



NOTE: Gray area illustrates estimate range.

SOURCES: Bureau of Labor Statistics; author's calculations.

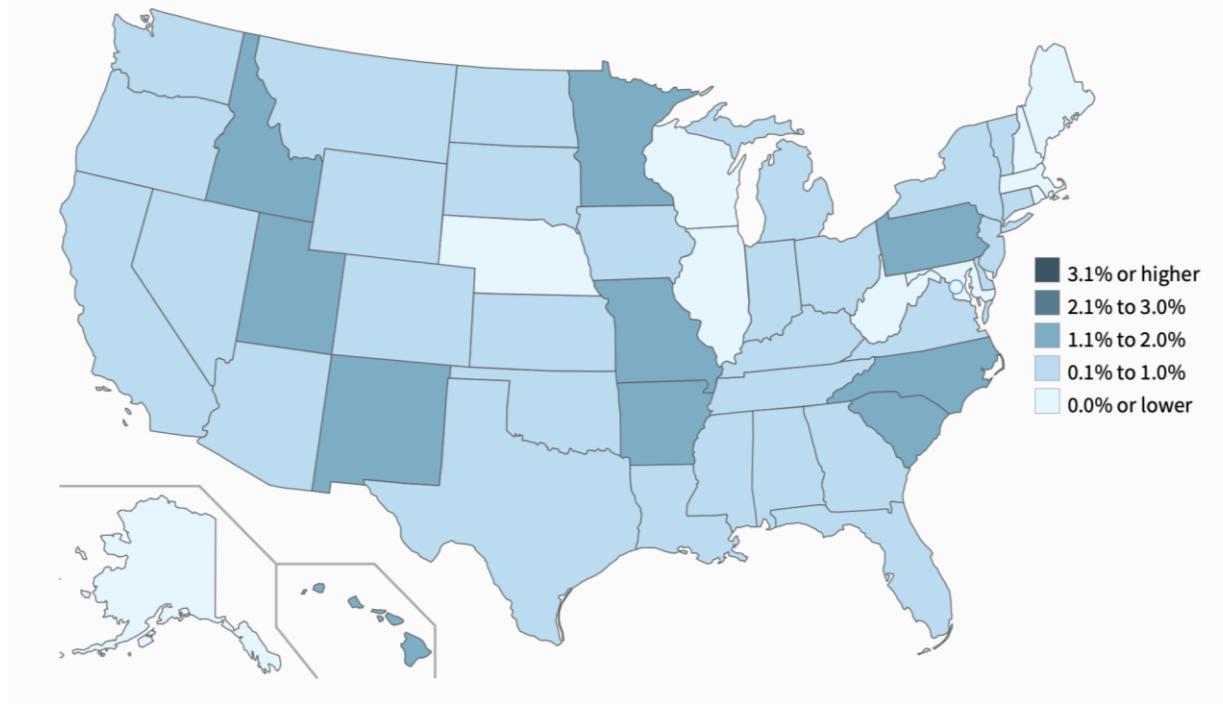
Federal Reserve Bank of Dallas

# Good Things Grow

Utah Remains Among Nation's Job Growth Leaders

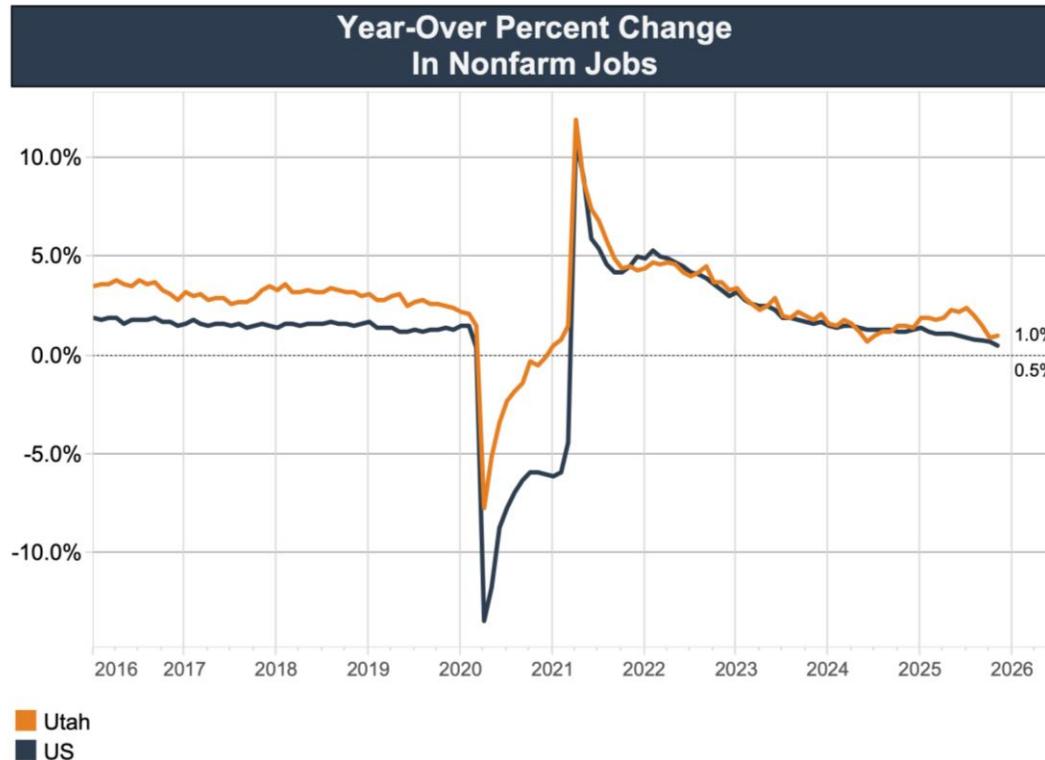
PERCENT CHANGE IN NONFARM EMPLOYMENT BY STATE | NOV. 2024 TO NOV. 2025 (P)

Mouse over a state to see its rate change



# Slow Down Summer

Utah Job Growth Rate Moderated in Latter Half of 2025

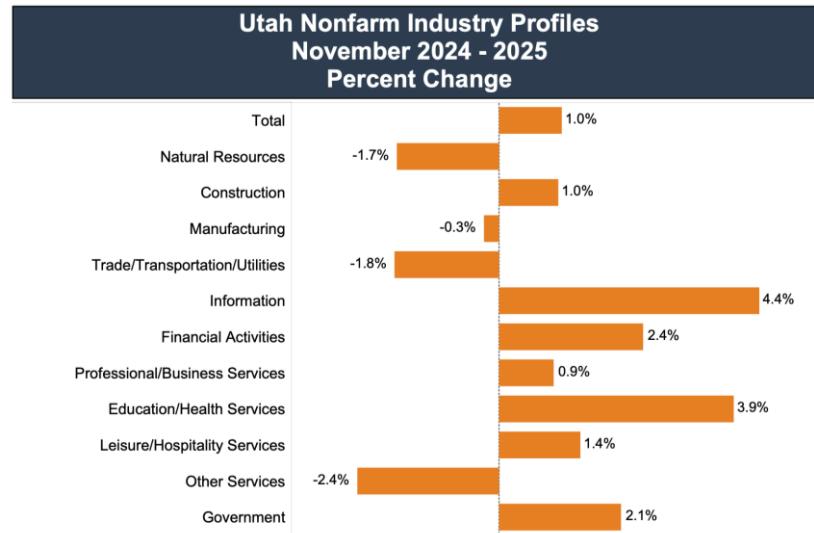
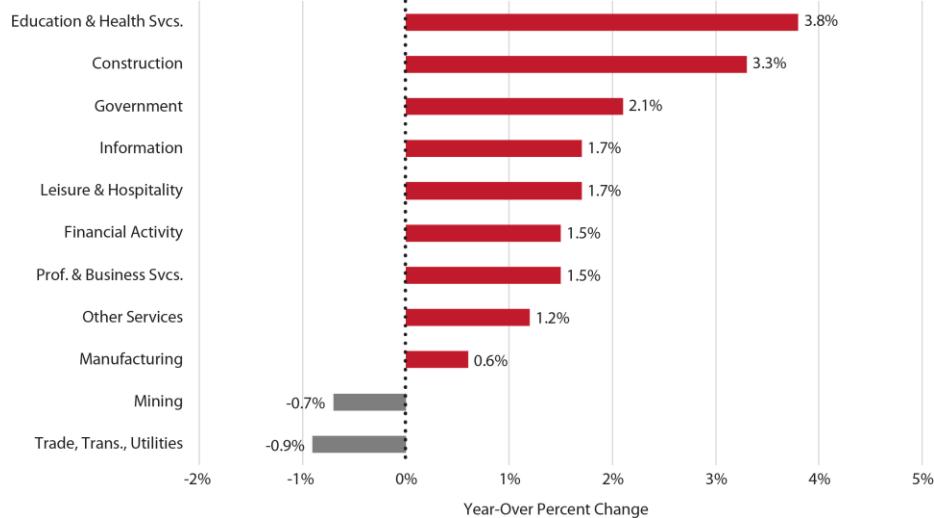


Source: Utah Department  
of Workforce Services

# When I'm 64 & Too Much Information

## Job Growth by Industry

### 2025 Full-year Estimates

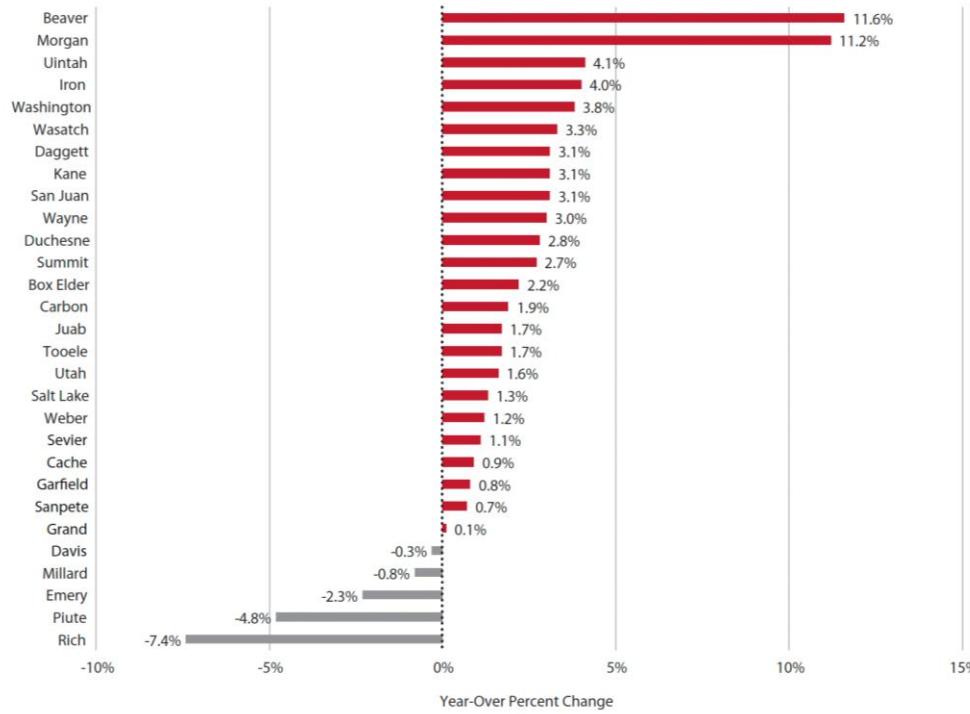


Source: Utah Department of Workforce Services

# Who's Counting

## Job Growth by County in 2025

Figure 1.14: Utah Employment Percent Change by County, 2024–2025e

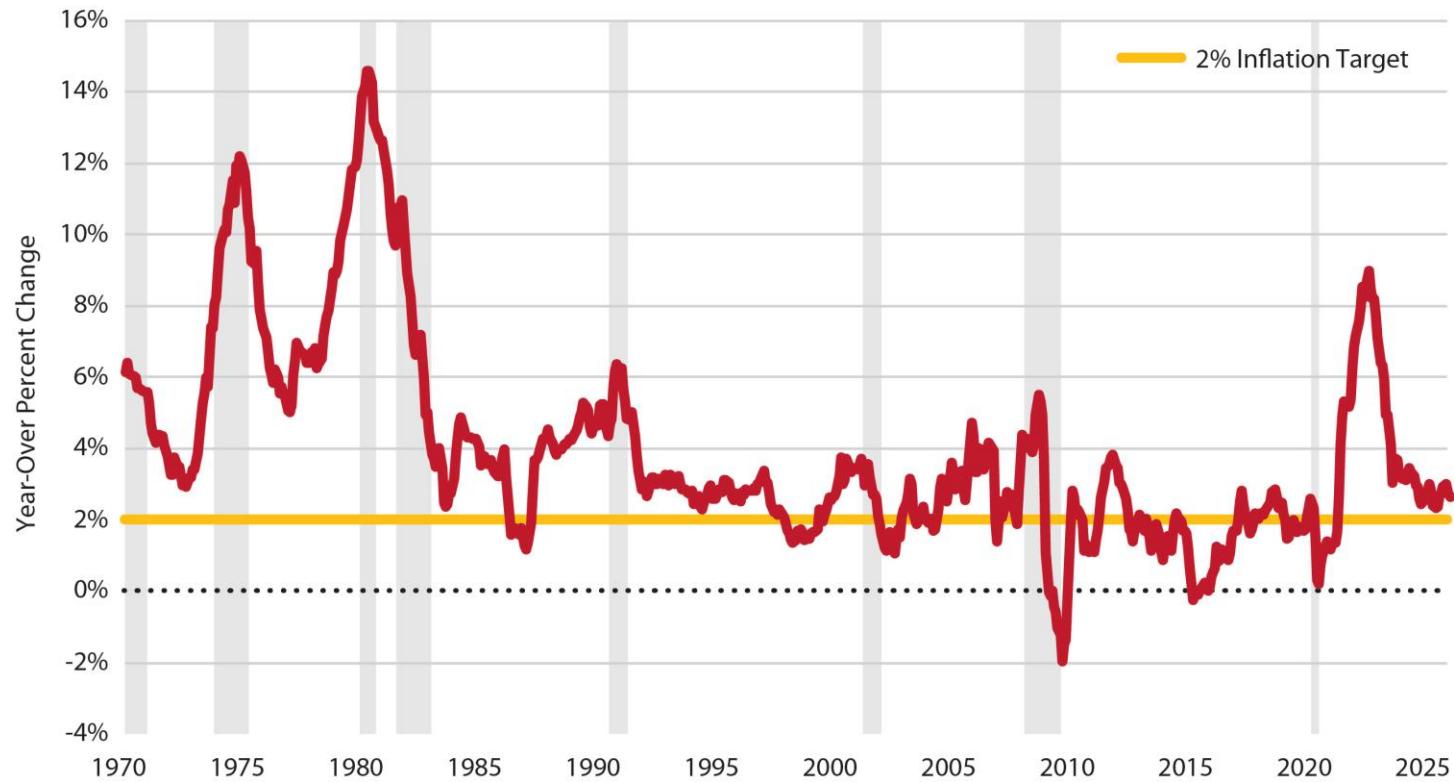


Note: e=estimate

Source: U.S. Bureau of Labor Statistics and Utah Department of Workforce Services

# High Cost of Living

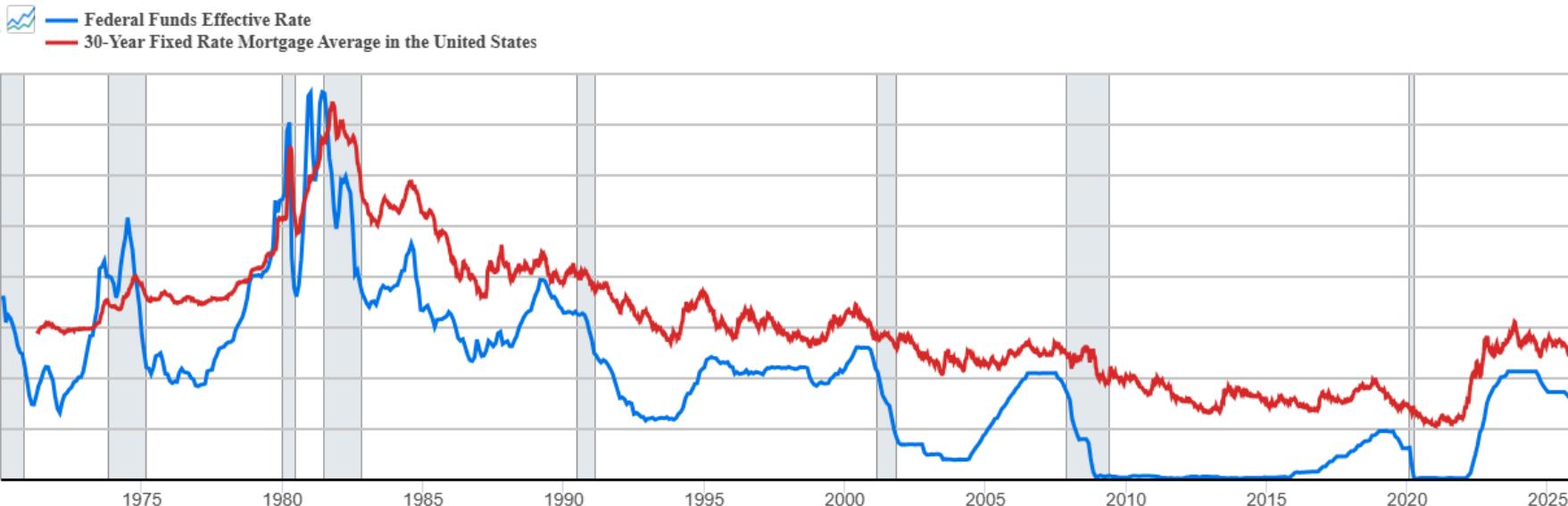
## Will Inflation Return to 2% Target?



# Long Time...Perspective

Interest Rates Higher than Recent History but Not Longer-Term History

**FRED**



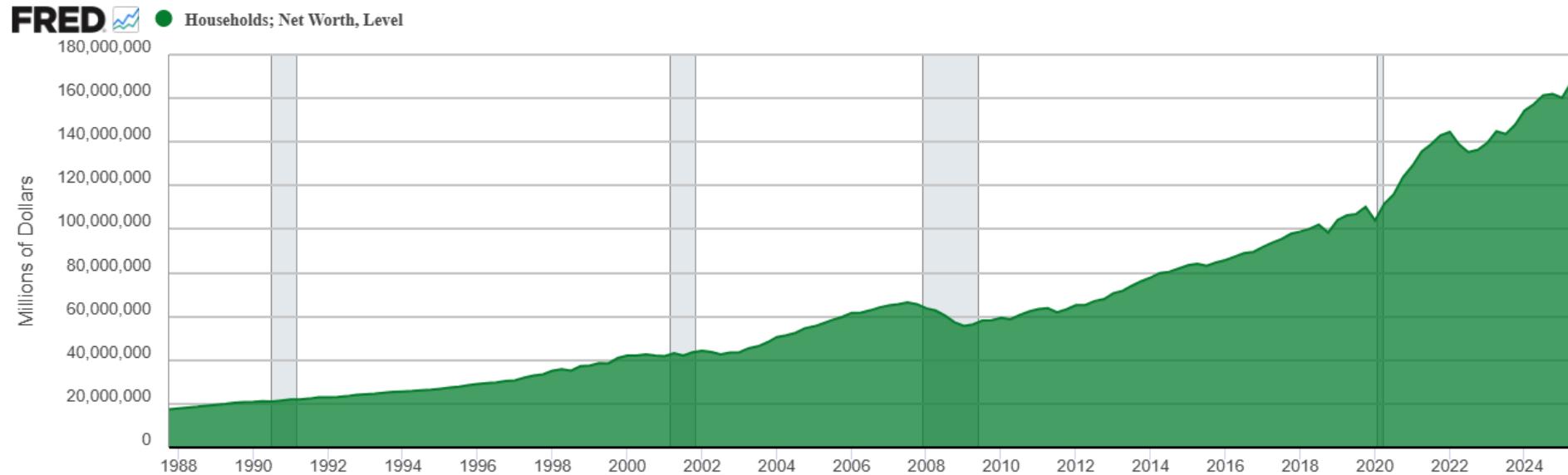
Sources: Board of Governors of the Federal Reserve System (US); Freddie Mac via FRED®

Shaded areas indicate U.S. recessions.

[fred.stlouisfed.org](http://fred.stlouisfed.org)

# You Raise Me Up

## Households Spend from Both Accumulated Wealth & Annual Income Flows

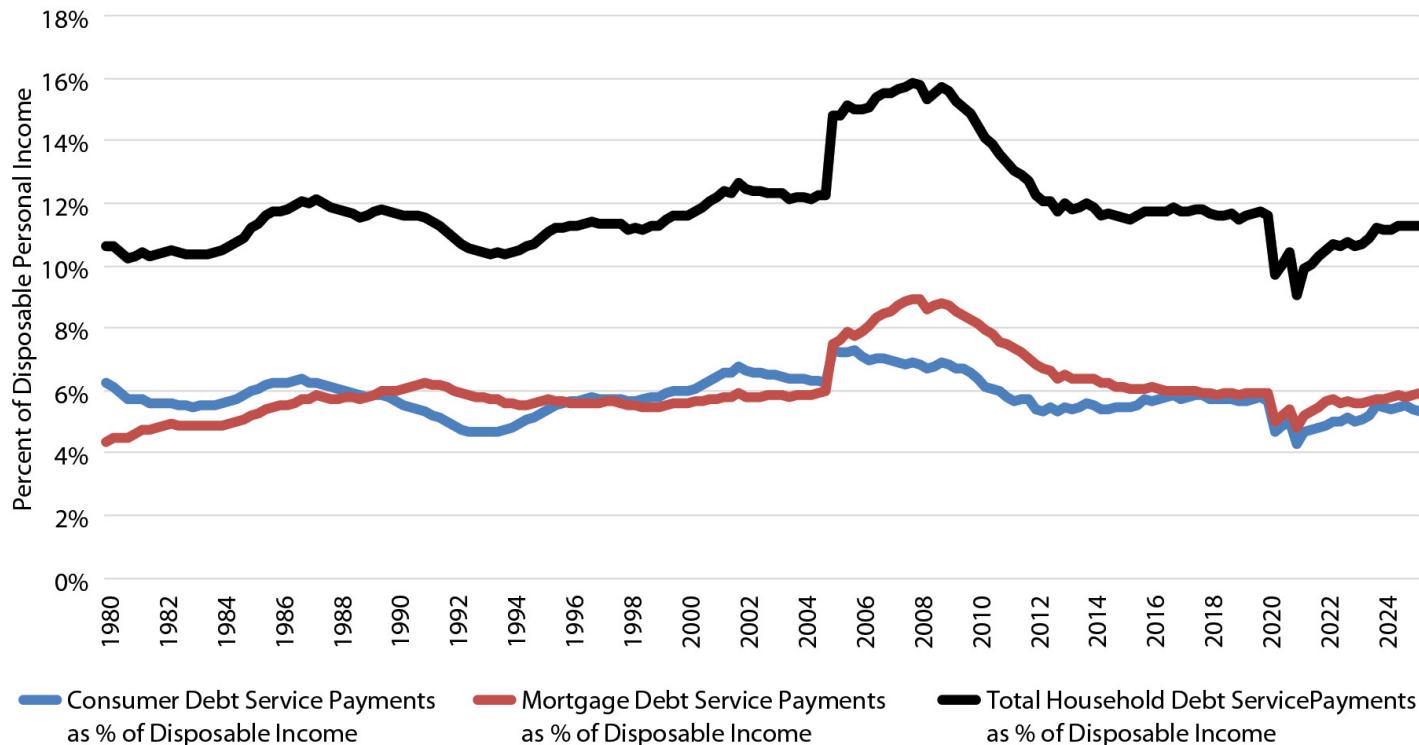


Source: Board of Governors of the Federal Reserve System (US) via FRED®  
Shaded areas indicate U.S. recessions.

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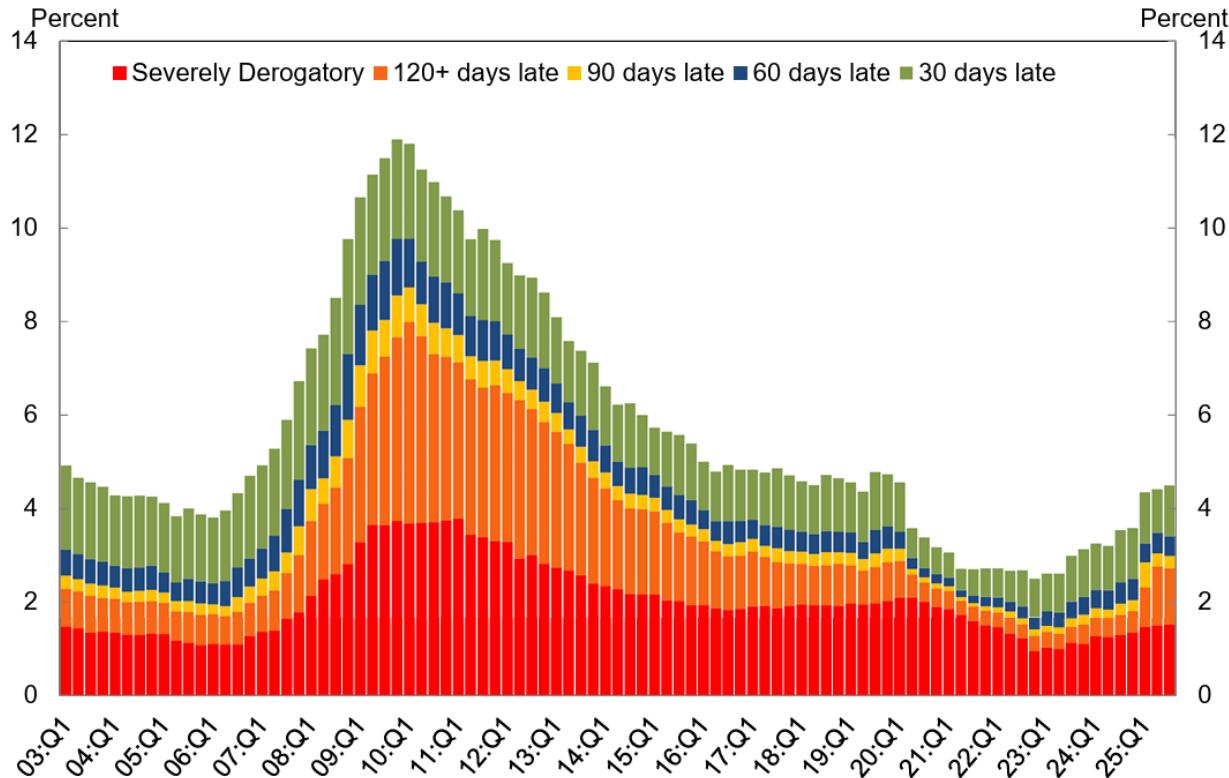
# Pay It Back

Even With Household Debt Up in Aggregate,  
Payments Manageable on Average...



# Running Up That Hill

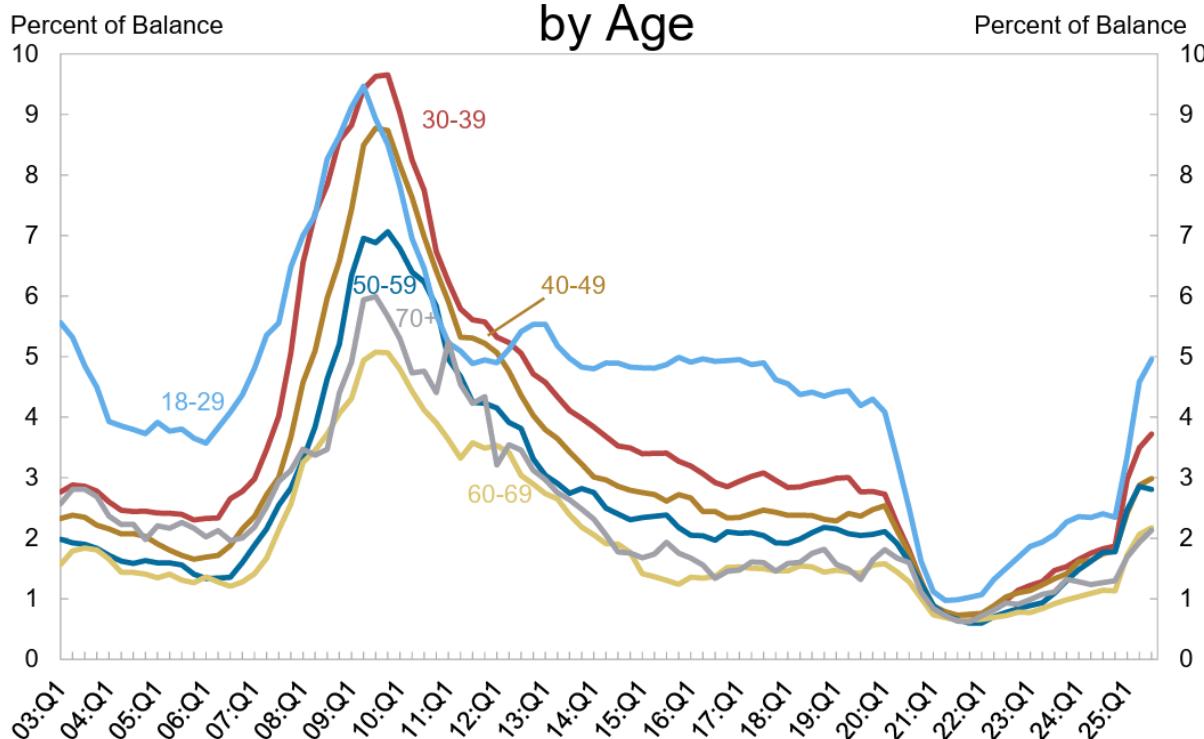
## Total Balance by Delinquency Status



Source: New York Fed Consumer Credit Panel/Equifax

# Young American Heart

## Transition into Serious Delinquency (90+)



Note: 4 Quarter Moving Sum.

Age is defined as the current year minus the birthyear of the borrower.

Age groups are re-defined each year.

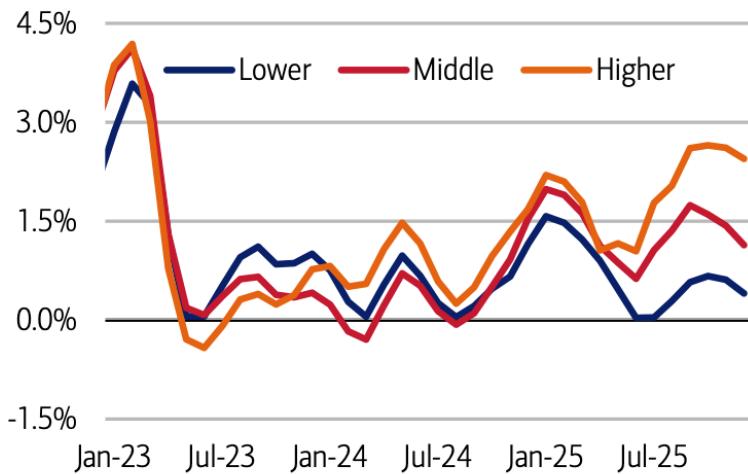
Source: New York Fed Consumer Credit Panel/Equifax

# Separate Ways

## Emerging K-shaped Economy

### Exhibit 2: Lower-income households' spending growth was 0.4% YoY in December, compared to 2.4% for higher-income peers

Total credit and debit card spending per household, according to Bank of America card data, by household income terciles (3-month moving average, YoY%, SA)

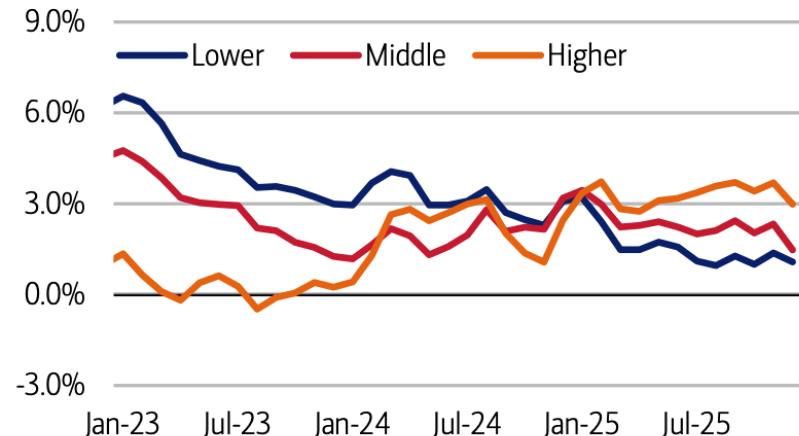


Source: Bank of America internal data

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### Exhibit 3: In December, higher- and middle-income household wage growth slowed to 3% YoY and 1.5%, respectively, while for lower-income households it ticked down to 1.1% YoY

After-tax wage and salary growth by household income terciles, based on Bank of America aggregated consumer deposit data (3-month moving average, YoY%, SA)



Source: Bank of America internal data

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# Take You Higher

## Corporate Profits as % of GDP Near All-Time Highs

**FRED**  — Corporate Profits After Tax (without IVA and CCAdj)/Gross Domestic Product



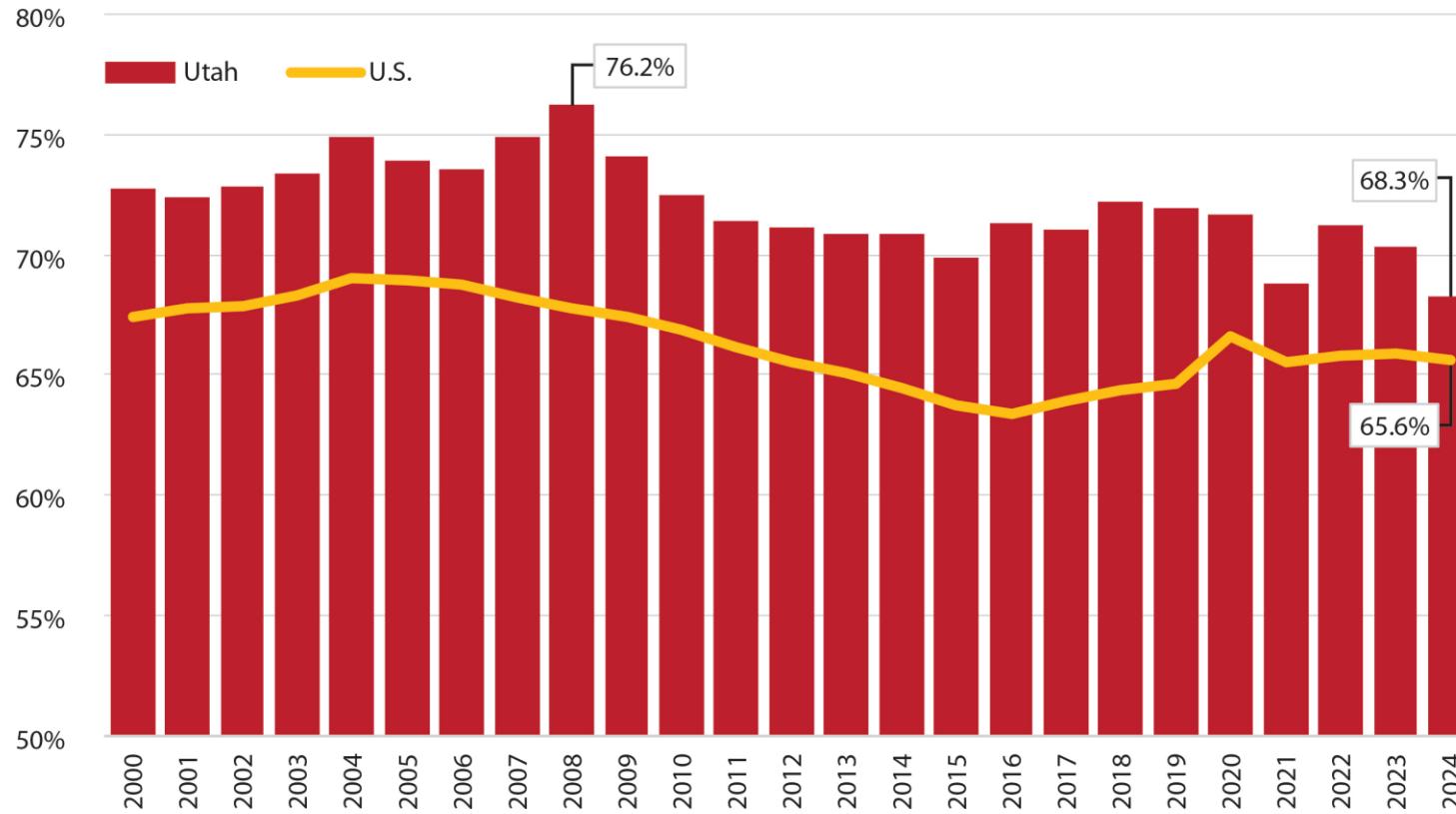
Source: U.S. Bureau of Economic Analysis via FRED®

Shaded areas indicate U.S. recessions.

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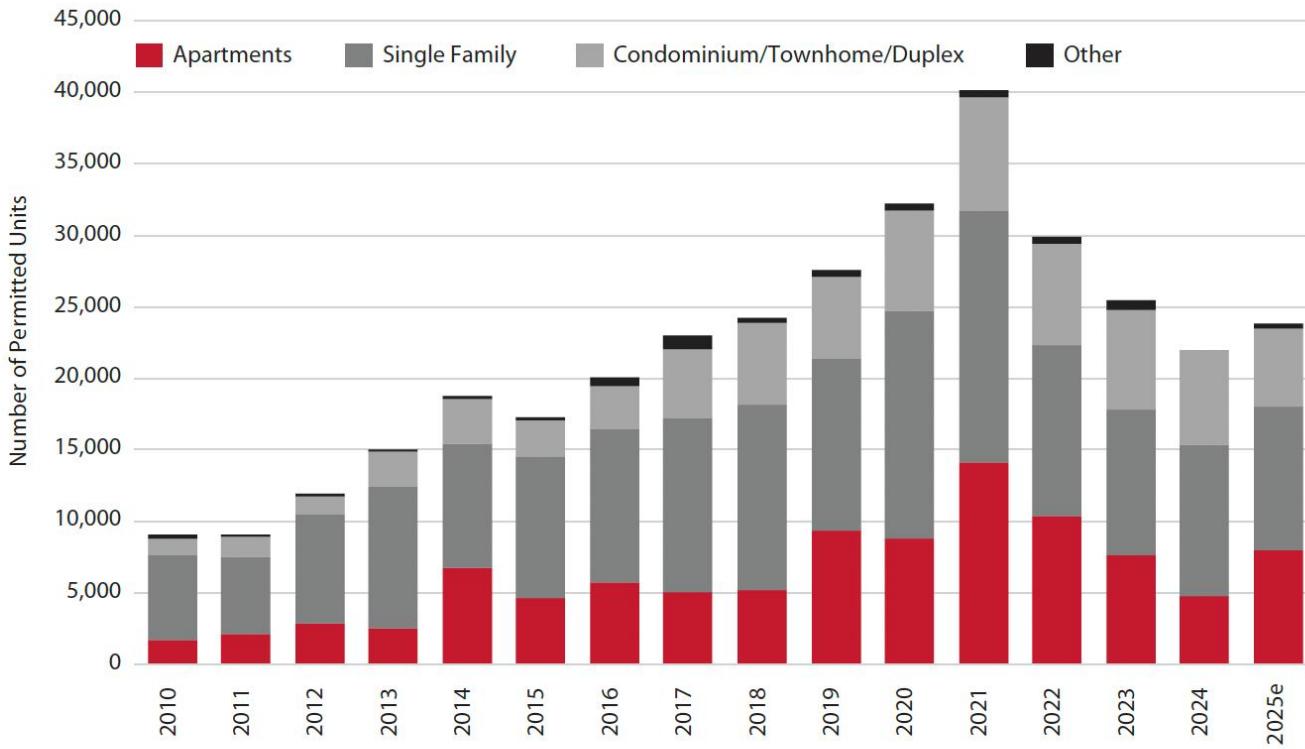
# Danger Zone / What Don't Belong to Me

Homeownership Rate Drops to Lowest Level in Decades, Now Ranks 30<sup>th</sup> in Nation



# Build Me Up Buttercup

Residential Construction Increased in 2025

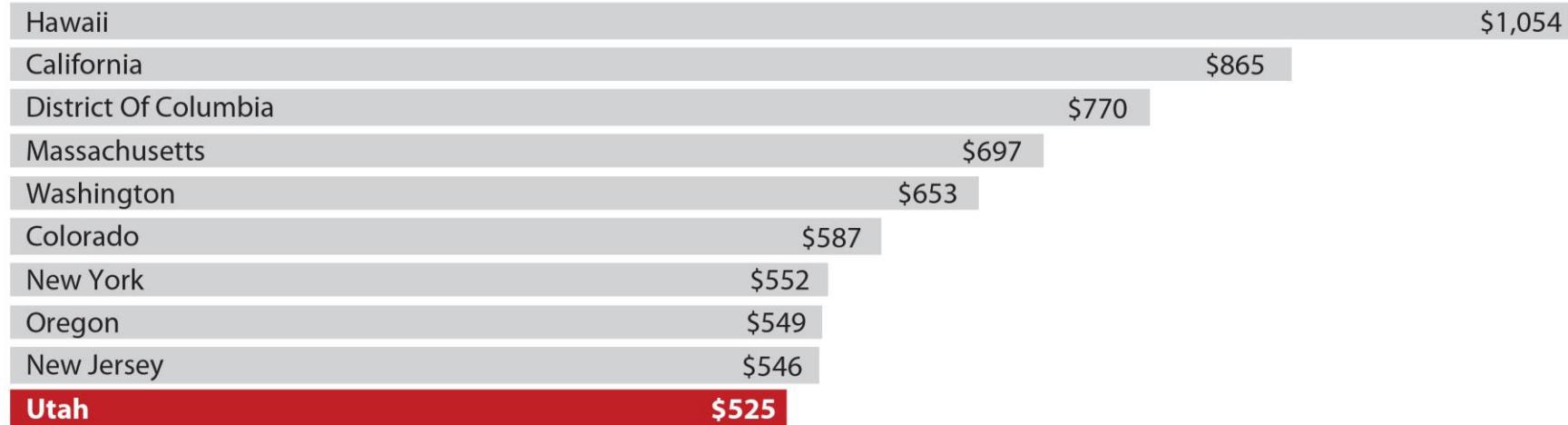


Note: e=estimate. "Other" includes group quarters, mobile homes and cabins, and other residential units.

Source: Ivory-Boyer Construction Database, Kem C. Gardner Policy Institute

# Take Me Home

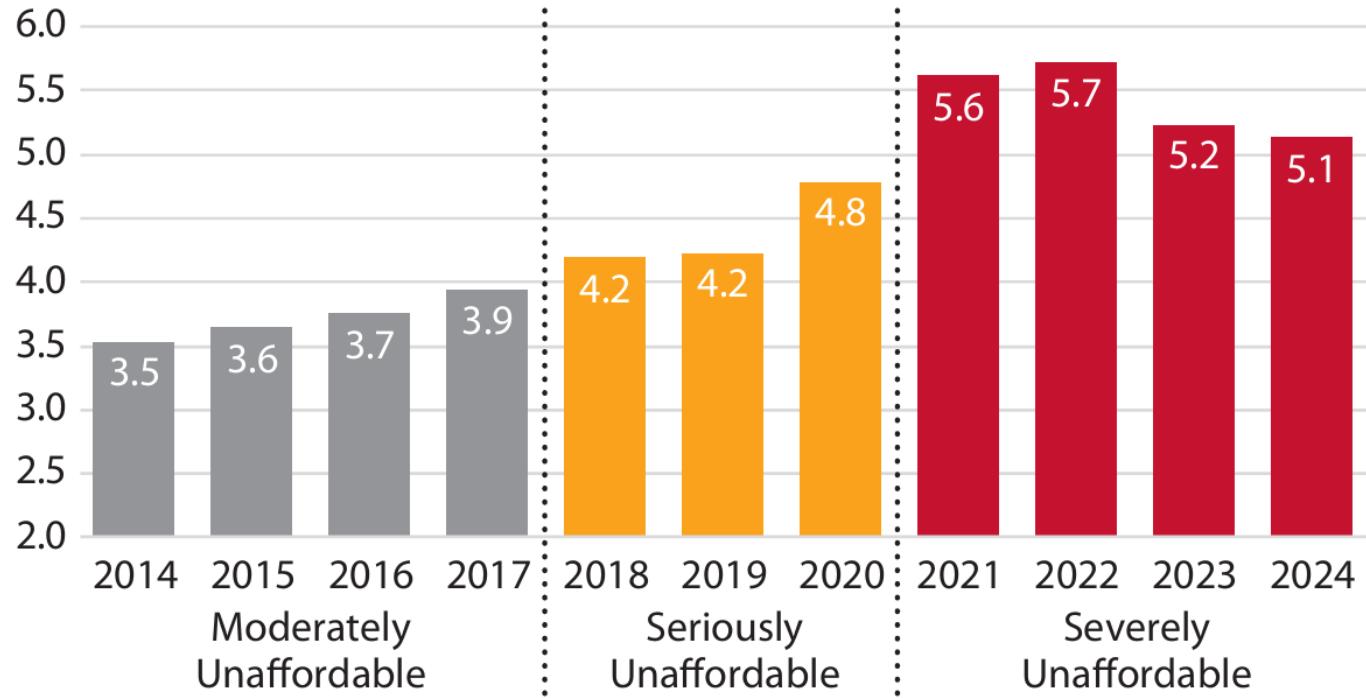
Even with Relatively Flat Growth, Utah House Prices Among Nation's Highest



Source: National Association of Realtors,  
Single family homes, 2025Q2

# Under Pressure

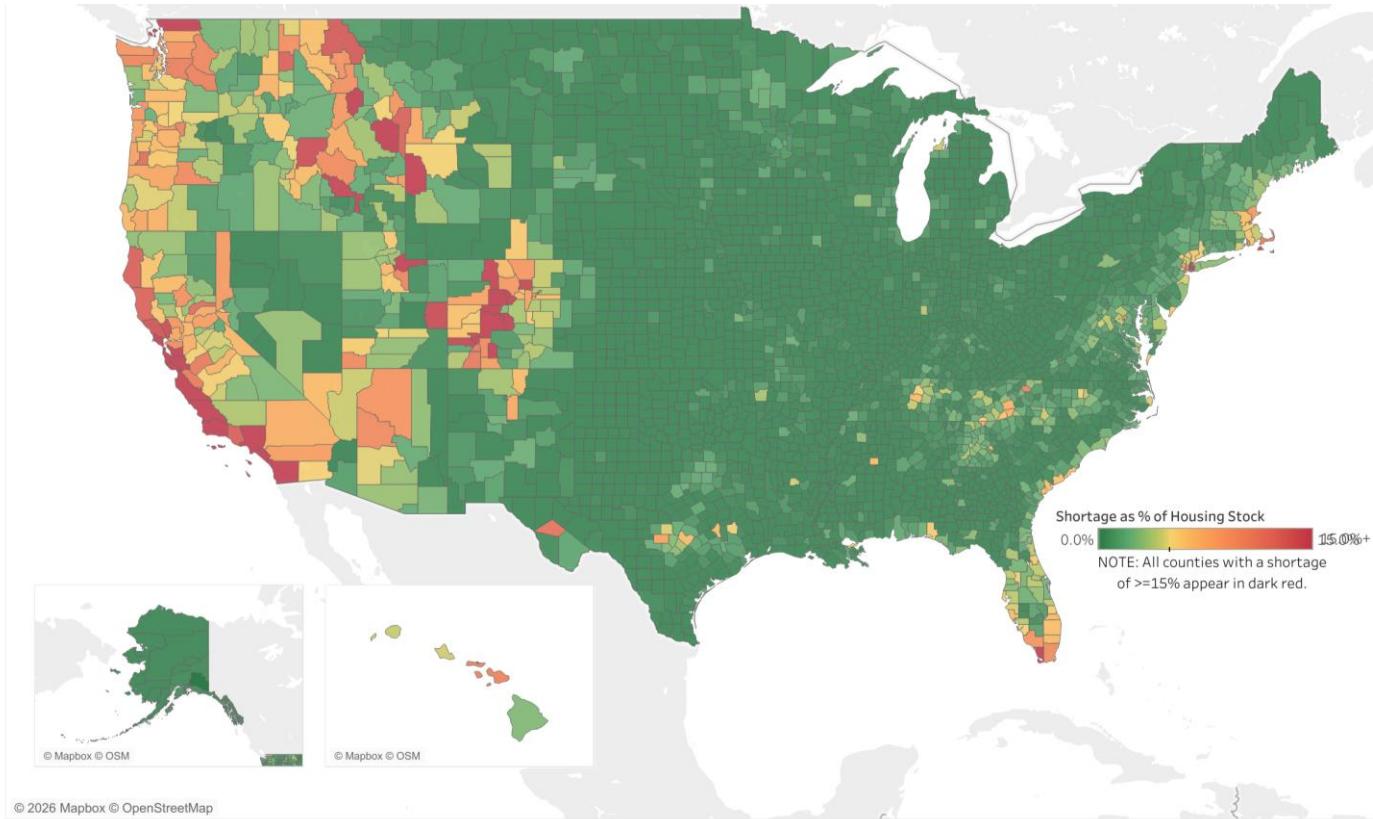
## Median Multiple – Utah More Unaffordable for New Buyers



Source: U.S. Census Bureau, American Community Survey and UtahRealEstate.com

# Long Story Short

## Estimated Housing Shortage by County



Source:  
American  
Enterprise  
Institute

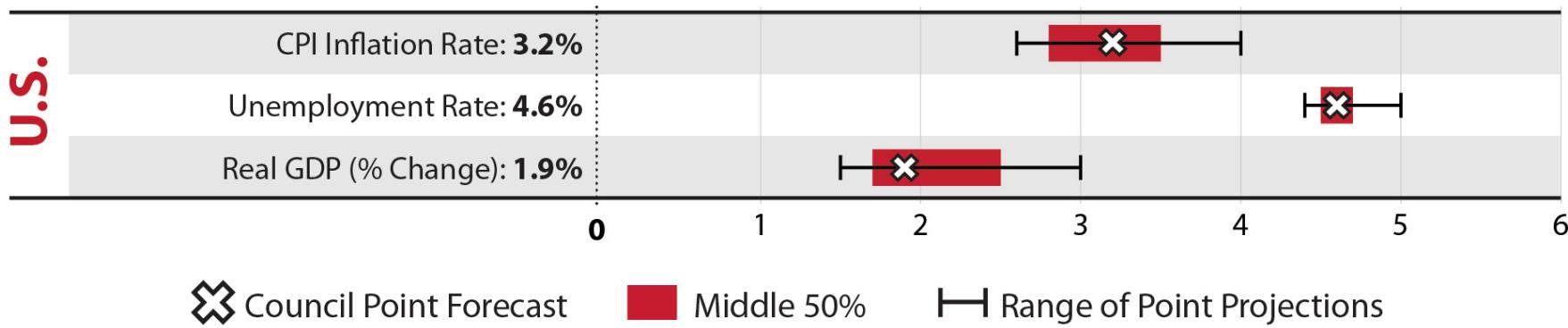
# Hold On with Patience? Turbulence?

## Piecing Together the Continuing Price Uncertainty Puzzle

- **Overall price level** – Sticky inflation or fully normalized?
- **Interest rates (price of borrowing money)**
  - Remain at current levels or drop?
  - Continuing short-term and long-term rate divergence or re-alignment?
- **Wages (price of labor)** – Continued high growth to recoup previously-lost real wages or slowing job growth reducing wage pressures? How does immigration policy impact wages?
- **Home prices** – Interest rate lock-in effect and excess demand driving continued growth or slowing job growth minimizing increases?
- **Energy prices** – Will energy prices continue to decrease with an administration that facilitates fossil fuel expansion and international events?
- **Business input prices** – Will tariff policy changes impact business inputs?

# Sideways

## Utah Economic Council 2026 Forecast



# Sideways

## Utah Economic Council 2026 Forecast

UTAH

Total Personal Income (% Change): **4.9%**



Population (% Change): **1.3%**



Unemployment Rate: **3.6%**



Total Non-Ag. Emp. (% Change): **1.5%**



Average Annual Pay (% Change): **3.4%**



Total Taxable Sales (% Change): **3.5%**



Average Home Prices (% Change): **2.5%**



Council Point Forecast



Middle 50%



Range of Point Projections

# Slow It Down

## Potential Economic Headwinds



- Higher inflation & interest rates
- AI or stock bubble
- Trade disruptions
- Geopolitical risk
- Healthcare funding
- Housing affordability

# Mr. Brightside & High Hopes

## Potential Economic Tailwinds



- Lower inflation & interest rates
- Federal tax reduction impacts
- Trade & geopolitical dividends
- Major Utah projects
- Utah's strong fundamentals

# Don't Stop Me Now / End of the Road

## Final Economic Takeaways

1. U.S. economic growth forecast to continue at a moderate level
2. Long-term interest rates (like mortgages) likely to remain elevated until inflation abates, may drop moderately
3. Utah well situated for continuing but moderating growth
4. High housing prices will likely constrain Utah's economic growth – more basic / starter supply needed

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