



Economic Insights

Utah and Salt Lake County

Salt Lake County Council
October 17, 2023

INFORMED DECISIONS™

“We are navigating by the stars
under cloudy skies.”

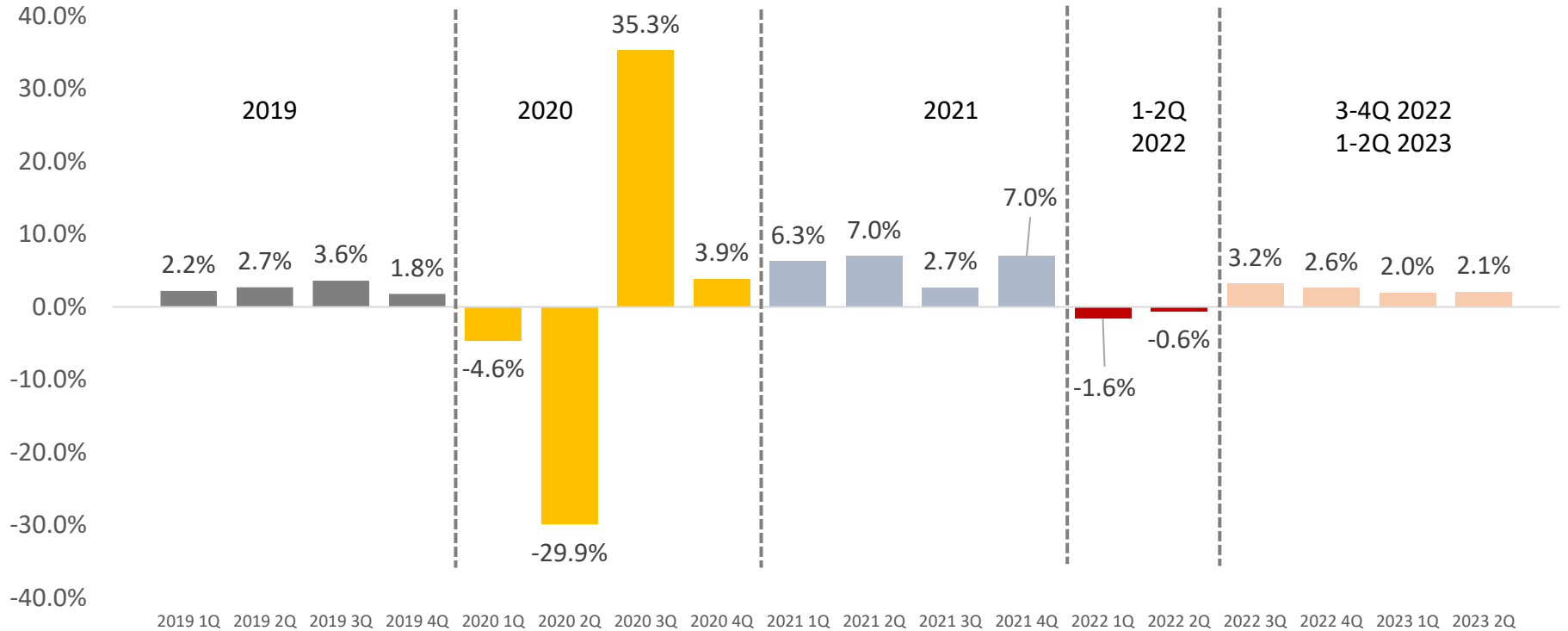
- Jerome Powell, August 2023 FED Statement

“The moderation in price pressures without a material deterioration in economic growth has been remarkable.”

Wells Fargo, Weekly Commentary, October 13, 2023

U.S. Real GDP Growth

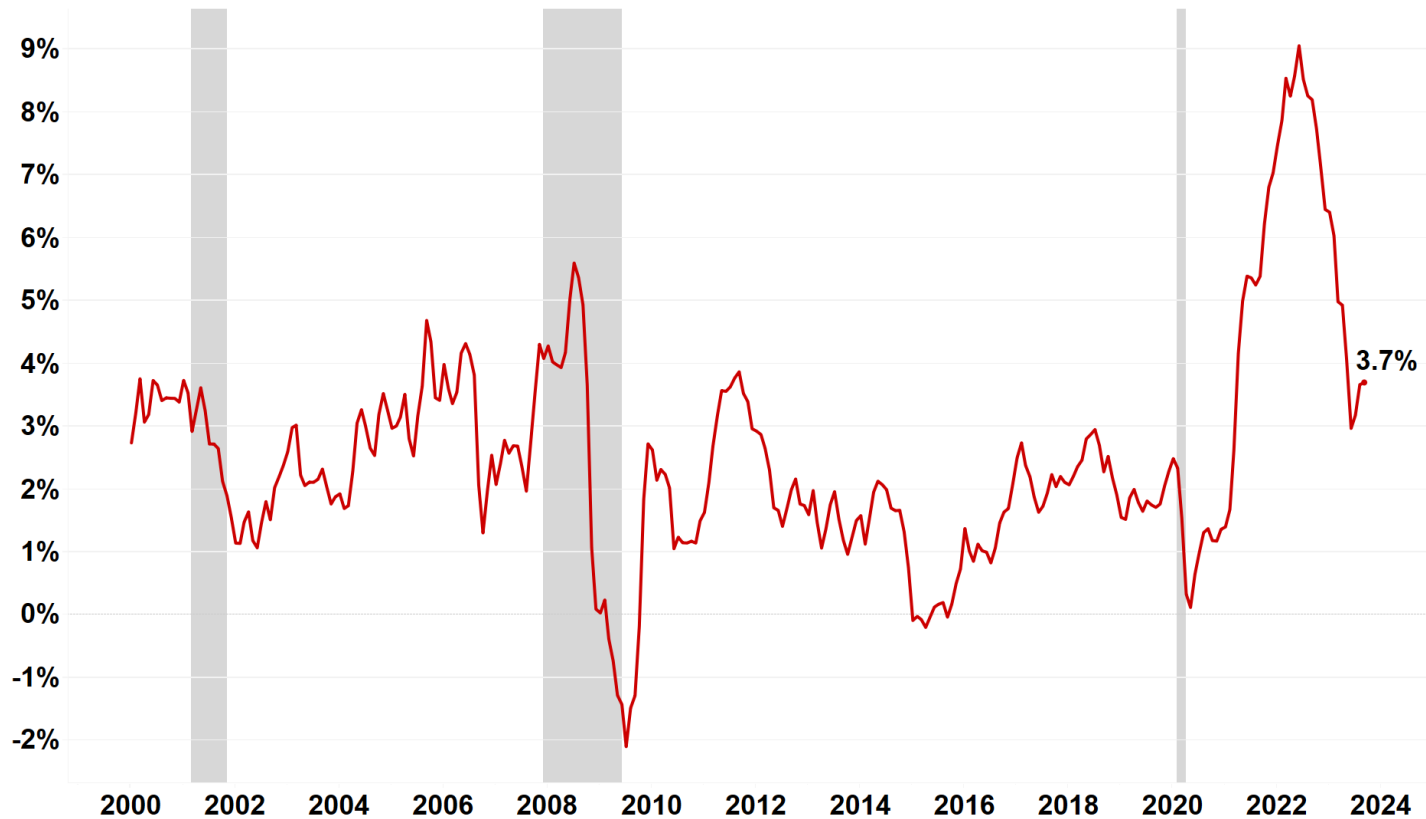
Quarter-Over, Seasonally adjusted annual rate



Source: Bureau of Economic Analysis

Inflation

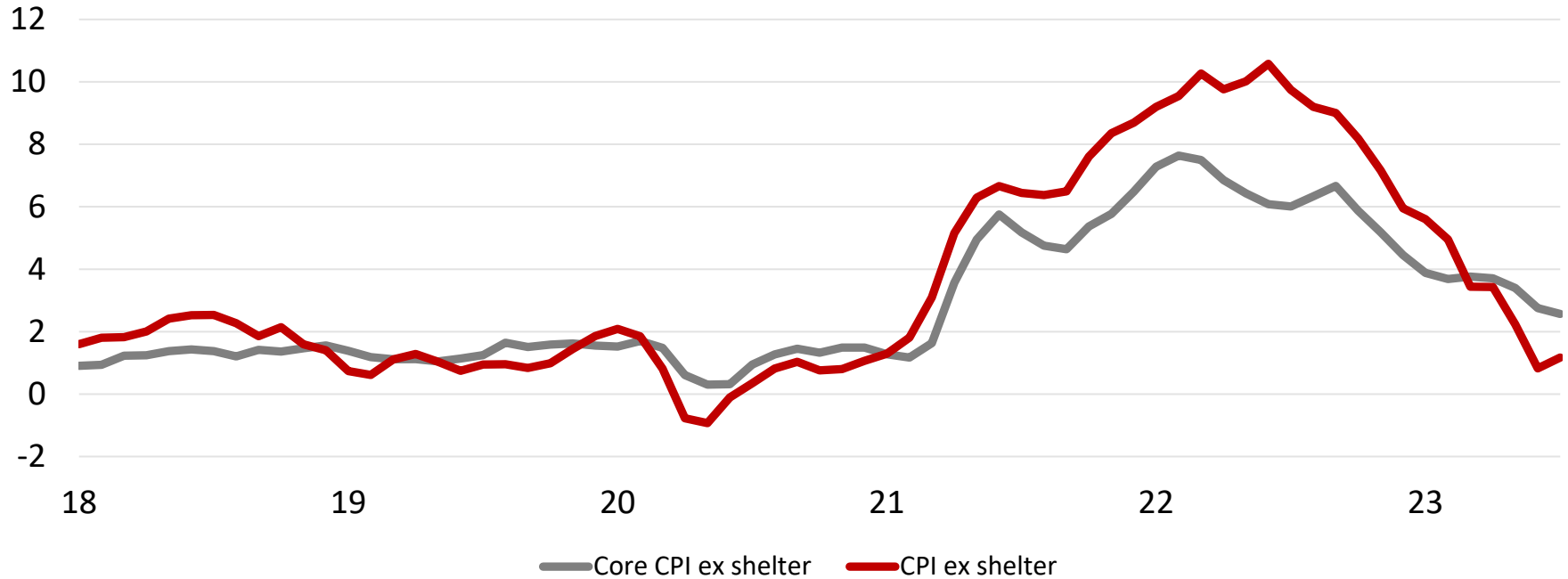
Consumer Price Index, Year-over Change



Source: U.S. Bureau of Labor Statistics

CPI Except Shelter Back on Target

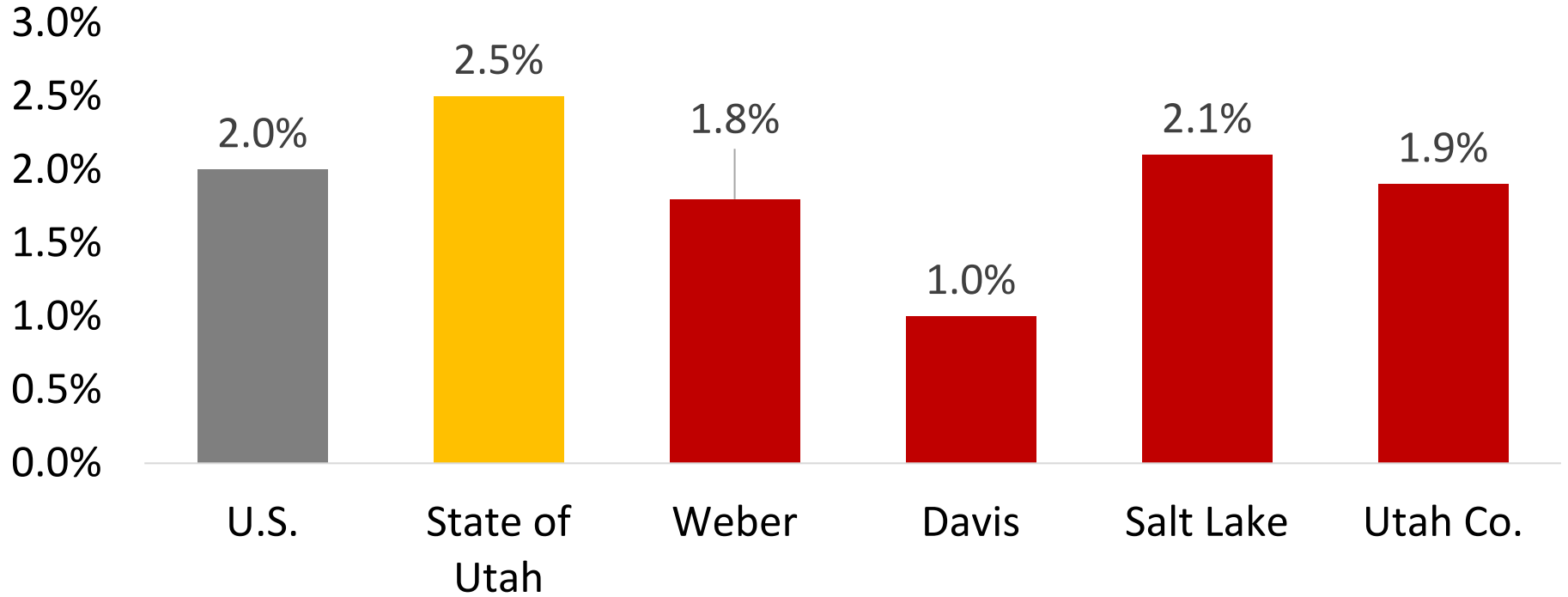
Consumer Price Index, Year-over Change



Source: U.S. Bureau of Labor Statistics, Moody's Analytics

Job Growth

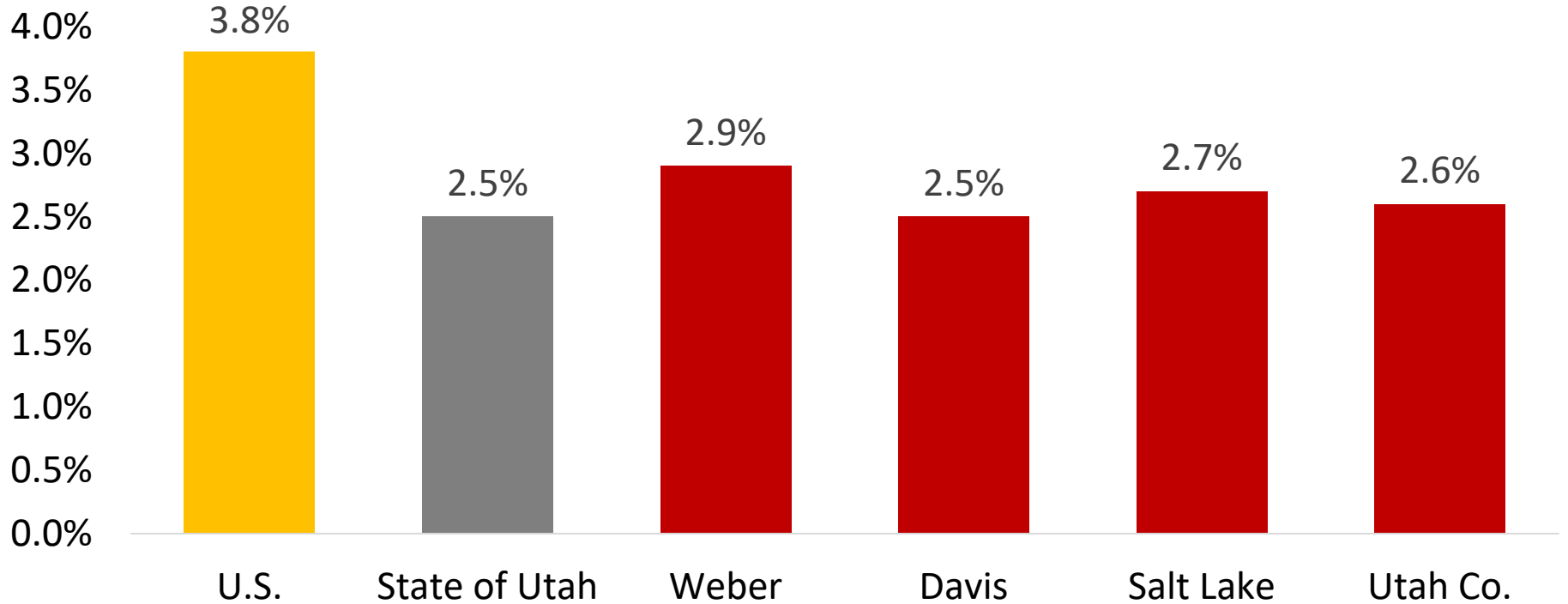
August 2022-2023, Not Seasonally Adjusted



Source: Bureau of Labor Statistics

Unemployment Rate

August 2023, Seasonally Adjusted



Source: Bureau of Labor Statistics

Headwinds

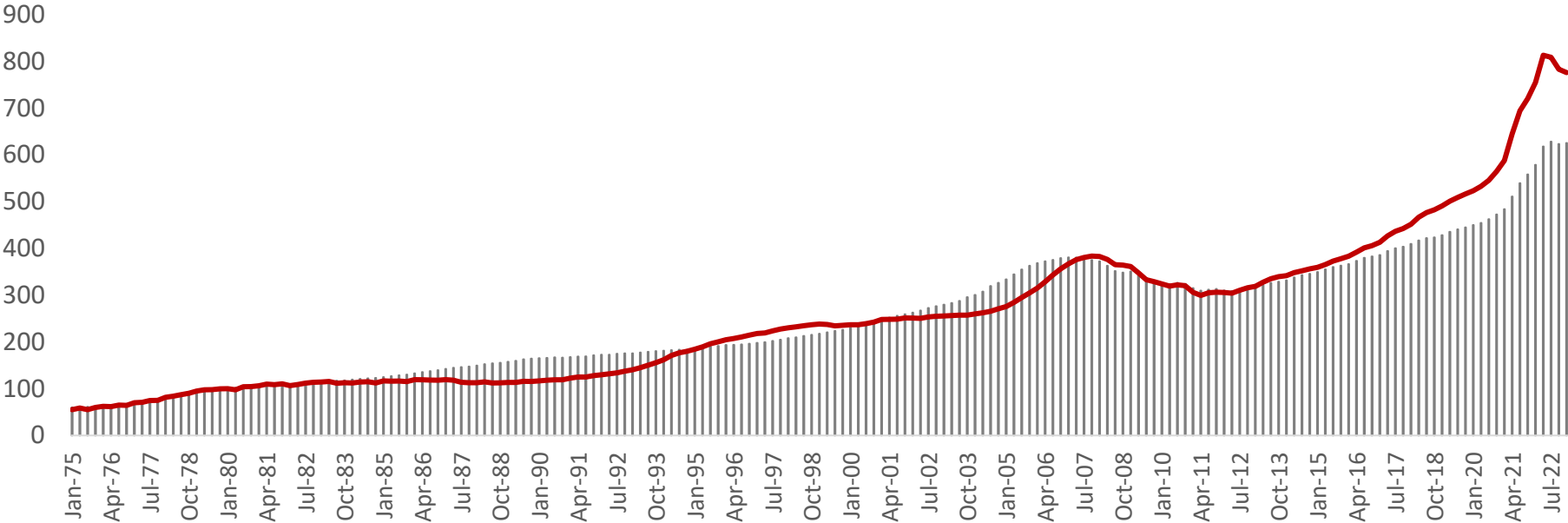
- **Commercial real estate** – Property owners face dual headwinds of lower demand and higher financing costs.
- **Housing price appreciation** – Utah's unaffordable housing creates an economic challenge for residents and new growth.
- **Interest rates** – Relatively high rates chill business growth.
- **Federal government mess** – Leadership failures strain confidence.
- **Geopolitical** – Two major wars. Can they be contained?

Source: Moody's and Kem C. Gardner Policy Institute

Housing Price Index

Utah and U.S., All Transactions

■ U.S. ■ Utah



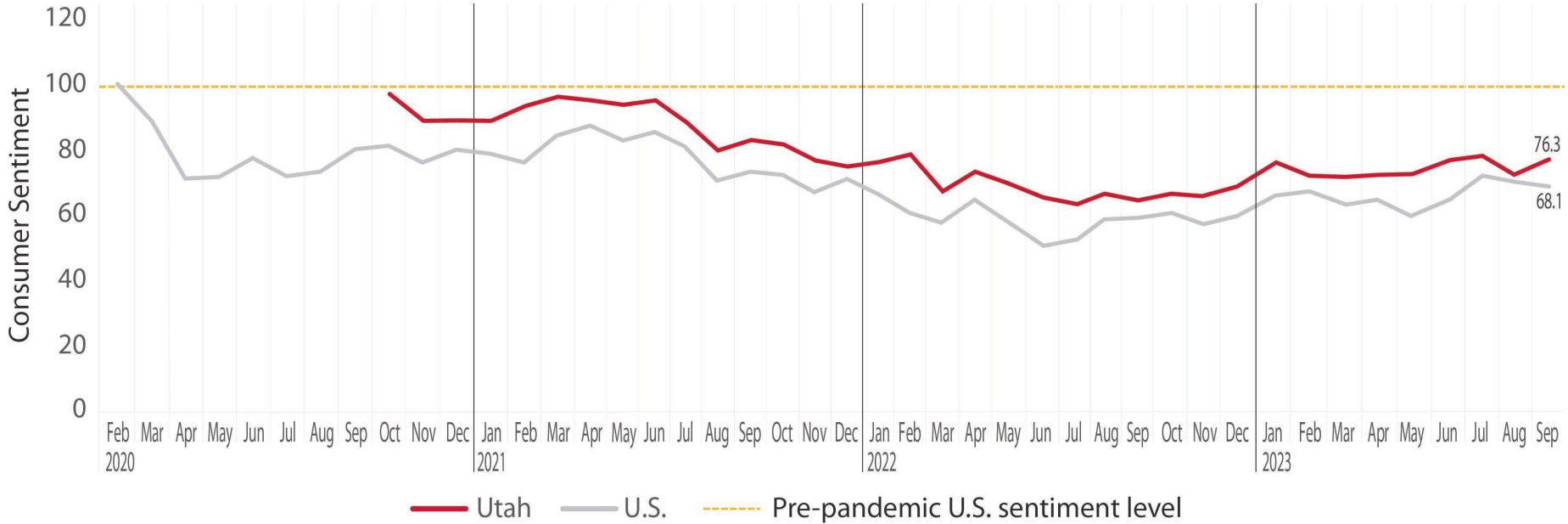
Source: U.S. Federal Housing Finance Agency

Tailwinds

- **Low unemployment** – Labor market provides an economic buffer.
- **Utah's relative economic standing** – Utah's economy continues to outperform most other states.
- **Inflation** – Appears to have cooled. Future rate hikes unlikely.
- **State government success** – Large budget reserve accounts.
- **Sentiment** – Recent uptick in consumer sentiment.

Source: Moody's and Kem C. Gardner Policy Institute

Utah and U.S. Consumer Sentiment



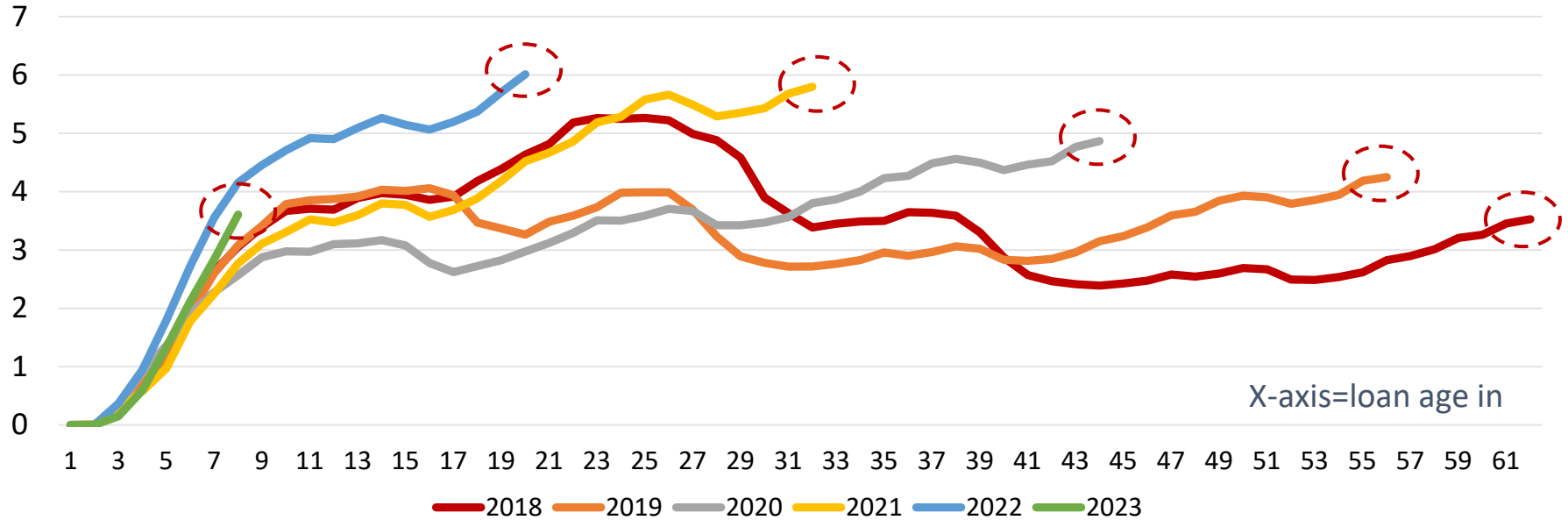
Source: Kem C. Gardner Policy Institute and University of Michigan

A Few Things to Keep an Eye On...

INFORMED DECISIONS™

Delinquency Beginning to Improve

Bank credit card, total delinquency rate by month on book, % of \$, originated in 1Q of year

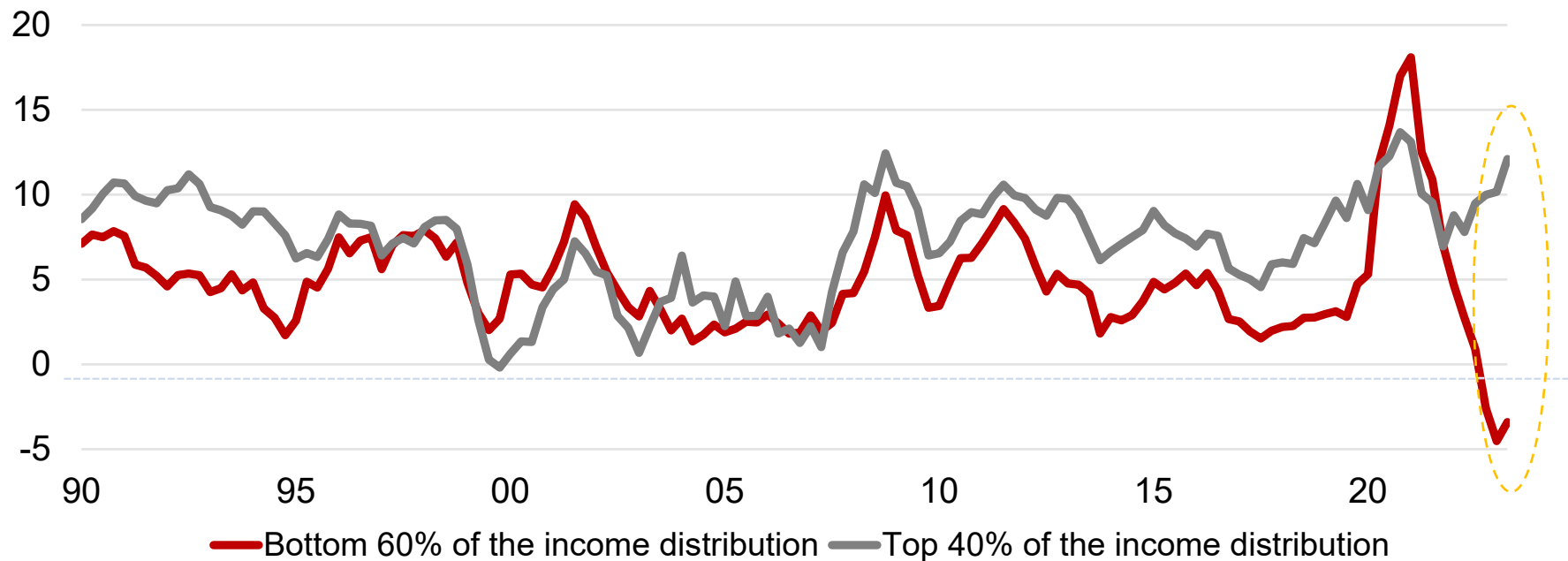


Sources: Equifax, Moody's Analytics

Source: Equifax, Moody's Analytics

High-Income, Low-Income Saving Disparity

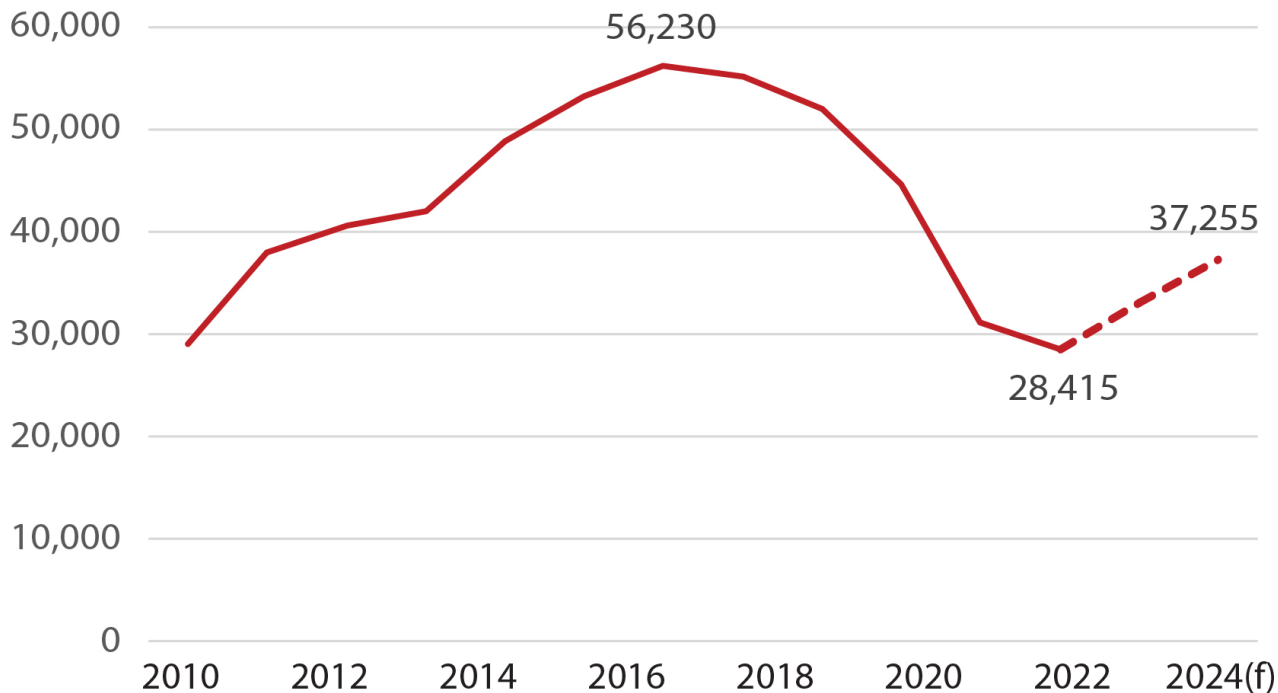
Personal saving rate, 4-qtr moving average



Source: Federal Reserve, Moody's Analytics

Cumulative Housing Shortage in Utah

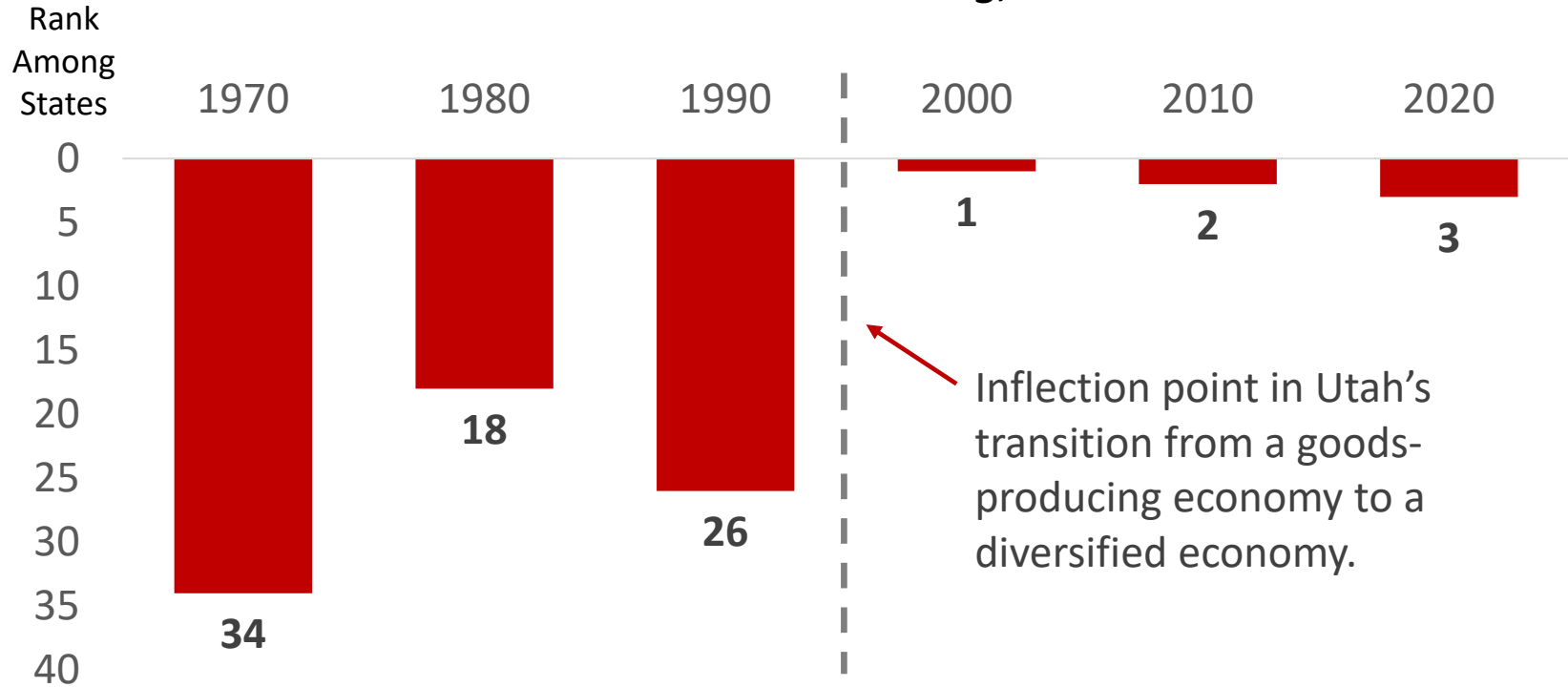
2011-2024(f)



Source: Kem C. Gardner Policy Institute

Utah Economic Diversity

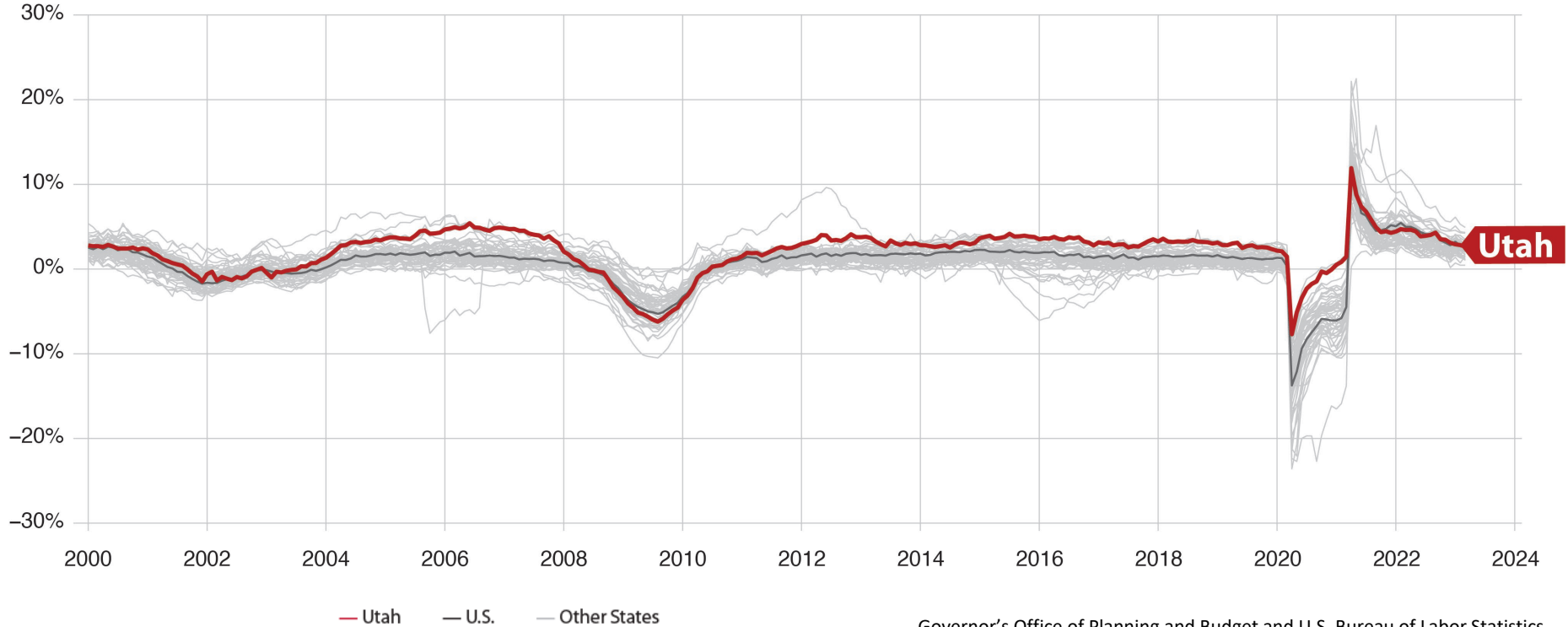
Hachman Index State Ranking, 1970-2020



Source: Compiled by Kem C. Gardner Policy Institute

Utah Job Growth by State

Utah's elite economy



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