



Utah Governor's Office of Management and Budget

ECONOMIC OUTLOOK

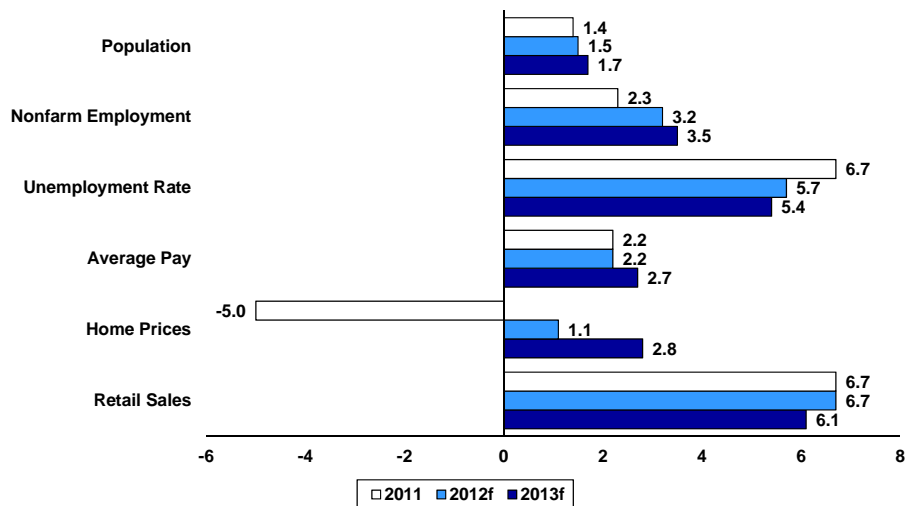
2013 Excerpts

State of Utah
Governor Gary R. Herbert

Economic Outlook

- Overview of the Economy**—Utah typically grows more rapidly than the nation after recessions, and this pattern is continuing in the current recovery. For the U.S., employment grew 1.4% in 2012, compared to 3.2% for Utah. While employment increased during 2012, Utah's unemployment rate also improved to 5.7%, lower than the rate in 2011. Though housing stabilized, with building permits at 11,000 in 2012, home-building is not leading the economy as it does during a typical recovery.
- Outlook 2013**—Utah's job growth is expected to grow at 3.5%, above its long-term average, 3.1%, while the nation stays at 1.4%. With job growth near the long-term average, the unemployment rate will decrease to 5.4%. In contrast to the early stages of the recovery, housing will provide noticeable support to the expansion. Repeating its leading role from 2012, construction employment will grow 9.4% in 2013. The continuing housing recovery accounts for most of the strong showing in construction.

Utah Economic Indicators: 2011-2013



Source: Council of Economic Advisors' Revenue Assumptions Working Group e = estimate f = forecast

Highlights

- Personal Income**—Utah's total personal income is estimated to have increased by 4.7% in 2012, slightly lower growth compared to the 5.9% increase in 2011. The 2012 increase in personal income was led by strong wage growth, 5.5%. All sources of income except interest income were positive in 2012. Moving into 2013 as the economy continues to recover from the recession, Utah personal income is expected to increase by 4.5%, 1.6 percentage points above the anticipated U.S. increase. Per capita personal income is forecast to increase 2.7% in 2013 increasing Utah's share of U.S. per capita personal income to 82.2%.
- Utah Taxable Sales**—Total taxable sales were estimated to increase by 6.2% to \$47.1 billion in 2012, from \$44.3 billion 2011. Retail trade was estimated to grow by 6.7% in 2012 while business investment and utility taxable sales were estimated to grow 6.6%, and taxable services are expected to increase by 6.4%. The sales are expected to continue to recover, helped by expanding housing construction while restrained by federal tax changes. In 2013 retail sales are expected to grow 6.1% and taxable sales should grow 5.4%.
- Tax Collections**—The Consensus Revenue Forecast for the General and Education Fund was released in the Governor's FY2013 Budget Recommendation. Free revenue in the General and Education Funds is forecast to grow in FY2013 to \$5,053.2 million, a 4.0% increase while FY2014 is expected to grow to \$5,277.3 million, a 4.4% increase. This growth is similar to the growth of 4.3% realized in FY2012. Policy changes regarding the earmarking of sales tax to transportation are restraining the growth of free revenue. Total sales tax earmarks grew from \$189.2 million in FY2011 to \$332.4 million in FY2012 and are expected to grow to \$433.6 million in FY2013 and \$482.7 million in FY2014. Collections including earmarks have grown faster than 7% for the last two years, and are expected to fall modestly over the next two years to 5.7% and 5.0% growth.
- Construction**—The recovery in residential construction will accelerate in 2013 as total residential units climb to 15,000, an increase of 25%. Non-residential construction will continue to lag. This sector needs another year of strong employment growth in the state to reduce commercial vacancy rates and improve development feasibility. It will probably be 2014 before nonresidential construction begins its recovery. Overall permit authorized construction, led by the residential sector, will increase from \$4.0 billion in 2012 to \$4.8 billion in 2013, a 20% increase in construction value.

Rankings

Demographic	State Rank	Value	Year	Economic	State Rank	Value	Year
Population Growth Rate	5th	1.5%	2012	Rate of Job Growth	2nd	3.1%	Nov. 2012
Fertility Rate	1st	2.45	2010	Unemployment Rate	5th	5.1%	Nov. 2012
Life Expectancy	3rd	78.7 years	2000	Urban Status	13th	86.7%	2010
Median Age	1st	29.5 years	2011	Median Household Income	11th	\$58,438	2009-2011
Household Size	1st	3.13 persons	2011	Average Annual Pay	36th	\$40,300	2011
Social Indicators				Per Capita Personal Income	47th	\$33,509	2011
Violent Crime	5th	212.7 per 100,000 people	2010				
Poverty Rate	6th	10.2%	2009-2011				
Educational Attainment	14th	90.3% of persons 25+ w/ high school degree	2011				

Notes: 1. Rankings are based on the most current national data available for all states, and may differ from other data.
2. Rank is most favorable to least favorable.

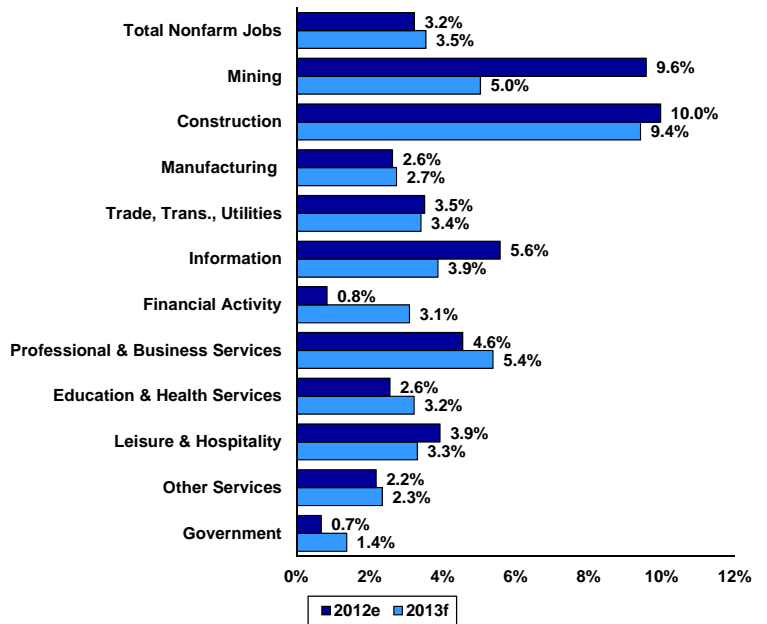
Employment and Wages

- **Employment**—Total Nonfarm employment increased by 39,031 jobs (3.2%) in 2012 and is expected to increase 44,168 jobs (3.5%) in 2013.
- **Unemployment**—Utah's 2012 unemployment rate was 5.7%, down from 6.7% in 2011. In 2012, there were an average of 76,998 unemployed Utahns. The unemployment rate is anticipated to decline to 5.4% in 2013.
- **Average Wage**—In 2012, Utah's average annual nonfarm wage was \$40,552, an increase of 3.3% from 2011. The average annual wage is forecast to increase 2.7% in 2013.

Total Nonfarm Employment (2013)	1,291,848
Change (2012-2013)	44,168
Percent Change (2012-2013)	3.5%
Unemployment (2013)	5.4%
Total Nonfarm Wages (2013)	\$53.8 billion
Percent Change (2012-2013)	6.4%
Average Annual Wage (2013)	\$41,646
Percent Change (2012-2013)	2.7%
Total Personal Income (2013)	\$103.2 billion
Percent Change (2012-2013)	4.5%
Per Capita Personal Income (2013)	\$35,527
Percent Change (2012-2013)	2.7%

2013 = forecast

Percent Change in Utah Employment by Industry



Source: Utah Department of Workforce Services e = estimate f = forecast

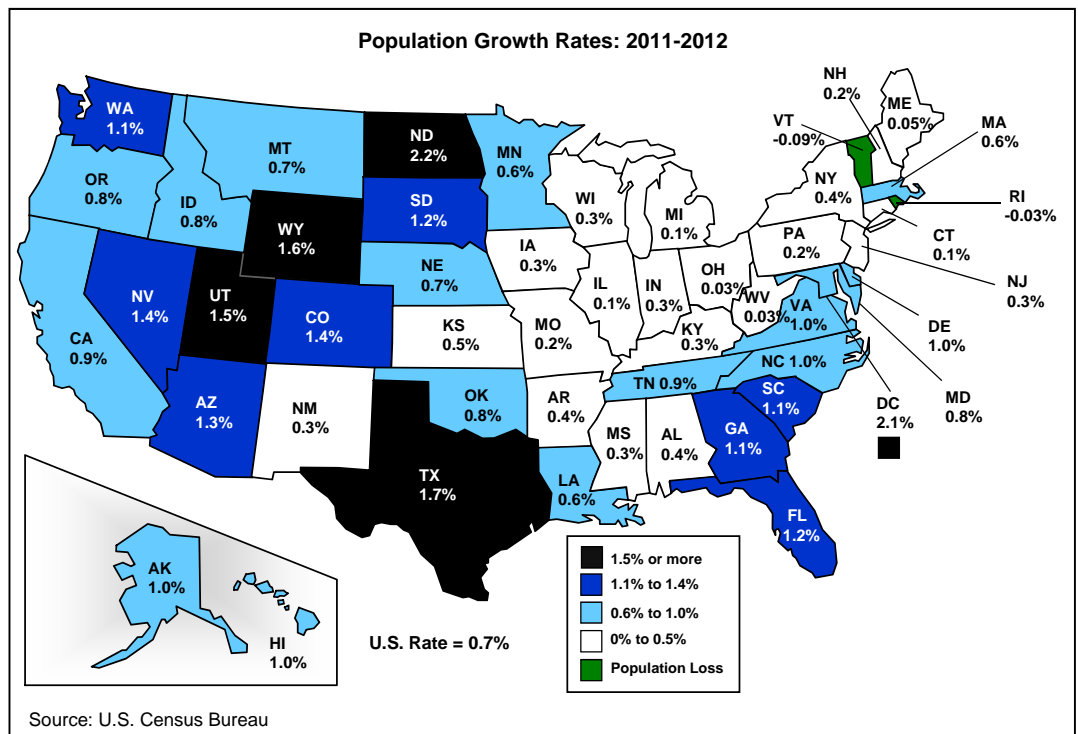
Demographics

- **2012 Census Bureau National and State Population Estimates**—At the end of December 2012, the U.S. Census Bureau released the July 1, 2012 population estimates for the Nation and States. The total July 1, 2012 population estimate for the United States was 313,914,040. This represents a population increase of 2,326,224 people or 0.7% from 2011. This is the slowest national growth since the 1940s. Utah's 2012 total population estimate was 2,855,287. This represents a population increase of 40,940 people or 1.5% from 2011, ranking Utah fifth among states and the District of Columbia in population growth. Utah grew more than twice as fast as the nation from 2011 to 2012.

	Utah	United States
2011 Estimate	2,814,347	311,587,816
2012 Estimate	2,855,287	313,914,040
2011-2012 Percent Change	1.5%	0.7%
2011-2012 Numeric Change	40,940	2,326,224

Source: U.S. Census Bureau

- **Rate of Growth**—The majority of states that experienced the highest growth rates from 2011 to 2012 are located in the West and South regions of the United States. The top ten states or equivalent with the highest growth rates include: North Dakota (2.2%), District of Columbia (2.2%), Texas (1.7%), Wyoming (1.6%), Utah (1.5%), Nevada (1.4%), Colorado (1.4%), Arizona (1.3%), Florida (1.2%), and South Dakota (1.2%).



Source: U.S. Census Bureau



Utah Governor's Office of Management and Budget

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Preface

The *2013 Economic Outlook* is the third publication in what is an annual companion piece to the *Economic Report to the Governor* series, published in the fall. Through the last two decades, the *Economic Report to the Governor* has served as the preeminent source for data, research, and analysis about the Utah economy. The *Economic Outlook* focuses on an estimated summary of the previous year and a forecast for the forthcoming year.

The primary goal of the report is to improve the reader's understanding of the Utah economy. With improved economic literacy, decision makers in the public and private sector will be able to plan, budget, and make policy decisions with an awareness of how their actions are both influenced by and impact economic activity.

Collaborative Effort/Contributors. Authors, who represent both public and private entities, devote a significant amount of time to this report, ensuring that it contains the latest economic and demographic information. While this report is a collaborative effort which results in a consensus outlook for the next year, each topic is the work of the contributing organization, with review and comment by the Governor's Office of Management and Budget. More detailed information about the findings in each chapter can be obtained by contacting the authoring entity.

Statistics Used in This Report. The statistical contents of this report come from a multitude of sources which are listed at the bottom of each table and figure. Statistics are generally

for the most recent year or period available. There may be a quarter or more of lag time before economic data become final, therefore 2012 estimates and 2013 forecasts in this report are based on data available as of mid-December 2012 with some data as of the first of January 2013. All of the data in this report are subject to error arising from a variety of factors, including sampling variability, reporting errors, incomplete coverage, non-response, imputations, and processing error. If there are questions about the sources, limitations, and appropriate use of the data included in this report, the relevant entity should be contacted.

Statistics for States and Counties. This report focuses on data for the state, with occasional data for county geographies. For information about data for a different level of geography than shown in this report, the contributing entity should be contacted.

Electronic Access. This report is available on the Governor's Office of Management and Budget's web site at <http://www.governor.utah.gov/dea>.

Suggestions and Comments. Users of the *Economic Outlook* are encouraged to write with suggestions that will improve future editions. Suggestions and comments for improving the coverage and presentation of data and quality of research and analysis should be sent to the Governor's Office of Management and Budget, PO Box 142210, Salt Lake City, Utah 84114-2210 or by email dea@utah.gov.

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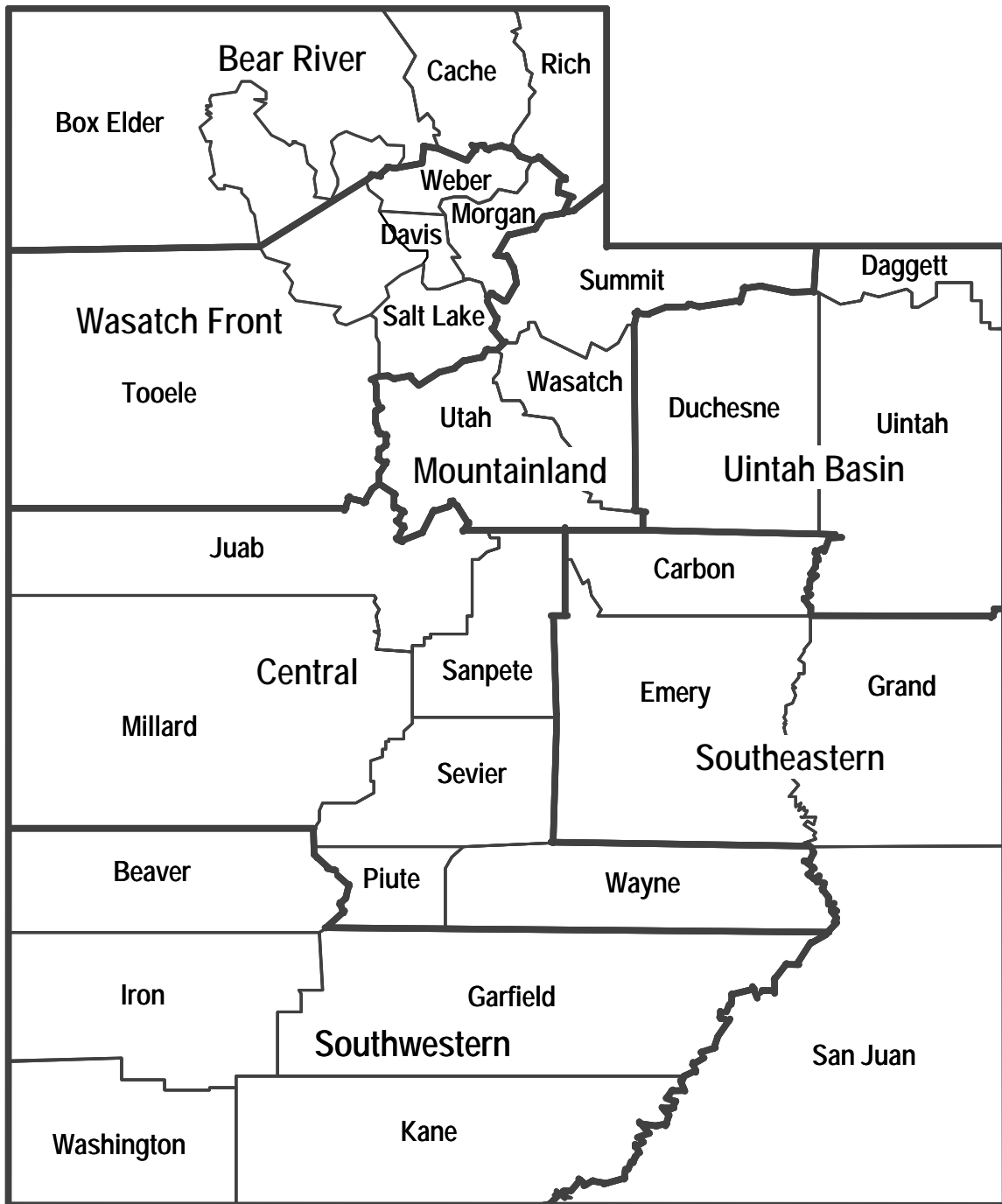
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Cover Photo courtesy of Effie Johnson

Map of Utah



Economic Indicators for Utah and the United States: January 2013

ECONOMIC INDICATORS	UNITS	2010	2011	2012	2013	PERCENT CHANGE		
		ACTUAL	ACTUAL	ESTIMATE	FORECAST	2011	2012	2013
PRODUCTION AND SPENDING								
U.S. Real Gross Domestic Product	Billion Chained \$2005	13,063.0	13,299.1	13,598.6	13,835.9	1.8	2.3	1.7
U.S. Real Personal Consumption	Billion Chained \$2005	9,196.2	9,428.8	9,604.8	9,780.6	2.5	1.9	1.8
U.S. Real Private Fixed Investment	Billion Chained \$2005	1,598.7	1,704.5	1,845.7	1,954.6	6.6	8.3	5.9
U.S. Real Federal Defense Spending	Billion Chained \$2005	717.7	699.1	683.1	662.5	-2.6	-2.3	-3.0
U.S. Real Exports	Billion Chained \$2005	1,665.6	1,776.9	1,839.6	1,898.1	6.7	3.5	3.2
Utah Exports (NAICS, Census)	Million Dollars	13,809.4	19,033.5	18,500.0	17,800.0	37.8	-2.8	-3.8
Utah Coal Production	Million Tons	19.4	20.1	16.3	17.5	3.4	-18.8	7.4
Utah Crude Oil Production	Million Barrels	24.7	26.3	29.0	30.5	6.5	10.4	5.2
Utah Natural Gas Production Sales	Billion Cubic Feet	389.2	404.1	430.0	435.0	3.8	6.4	1.2
Utah Copper Mined Production	Million Pounds	566.5	533.0	323.8	534.4	-5.9	-39.2	65.0
Utah Molybdenum Production	Million Pounds	28.4	25.6	23.7	26.1	-10.1	-7.2	9.9
SALES AND CONSTRUCTION								
U.S. New Auto and Truck Sales	Millions	11.6	12.7	14.4	15.0	10.2	13.3	4.1
U.S. Housing Starts	Millions	0.59	0.61	0.77	0.97	4.5	26.5	25.3
U.S. Private Residential Investment	Billion Dollars	340.6	338.7	382.3	448.3	-0.5	12.9	17.3
U.S. Nonresidential Structures	Billion Dollars	376.3	404.8	457.1	465.7	7.6	12.9	1.9
U.S. Home Price Index (FHFA)	1980Q1 = 100	327.3	315.7	314.3	317.4	-3.5	-0.5	1.0
U.S. Nontaxable & Taxable Retail Sales	Billion Dollars	4,306.4	4,652.0	4,880.1	5,000.4	8.0	4.9	2.5
Utah New Auto and Truck Sales	Thousands	69.1	81.7	95.5	101.7	18.3	16.8	6.5
Utah Dwelling Unit Permits	Thousands	9.1	10.0	12.0	15.0	10.6	19.7	25.0
Utah Residential Permit Value	Million Dollars	1,667.0	1,766.3	2,257.0	3,000.0	6.0	27.8	32.9
Utah Nonresidential Permit Value	Million Dollars	925.1	1,195.8	1,000.0	1,100.0	29.3	-16.4	10.0
Utah Additions, Alterations and Repairs	Million Dollars	672.0	863.7	700.0	700.0	28.5	-19.0	0.0
Utah Home Price Index (FHFA)	1980Q1 = 100	322.2	306.1	309.4	318.0	-5.0	1.1	2.8
Utah Taxable Retail Sales	Million Dollars	22,989	24,523	26,166	27,763	6.7	6.7	6.1
Utah All Taxable Sales	Million Dollars	41,908	44,336	47,085	49,613	5.8	6.2	5.4
DEMOGRAPHICS AND SENTIMENT								
U.S. July 1st Population	Millions	310.1	312.4	315.3	318.4	0.7	0.9	1.0
U.S. Consumer Sentiment (U of M)	Diffusion Index	71.8	67.4	76.5	81.2	-6.3	13.6	6.0
Utah July 1st Population	Thousands	2,774.7	2,813.9	2,856.7	2,904.8	1.4	1.5	1.7
Utah Net Migration	Thousands	4.5	2.3	5.0	10.4			
PROFITS AND RESOURCE PRICES								
U.S. Corporate Before Tax Profits	Billion Dollars	1,816.3	1,854.1	2,157.2	2,107.9	2.1	16.3	-2.3
U.S. Corporate Profit [above less Fed. Res.]	Billion Dollars	1,744.8	1,778.2	2,084.8	2,029.7	1.9	17.2	-2.6
West Texas Intermediate Crude Oil	\$ Per Barrel	79.4	95.1	94.2	94.6	19.7	-1.0	0.5
U.S. Coal Producer Price Index	1982 = 100	189.2	206.7	211.3	219.2	9.2	2.2	3.8
Utah Coal Prices	\$ Per Short Ton	30.9	32.9	35.2	34.5	6.5	7.0	-2.0
Utah Oil Prices	\$ Per Barrel	68.1	82.5	82.9	80.0	21.2	0.4	-3.5
Utah Natural Gas Prices	\$ Per MCF	4.23	3.90	2.75	3.30	-7.8	-29.5	20.0
Utah Copper Prices	\$ Per Pound	3.48	4.00	3.60	3.55	14.8	-10.0	-1.4
Utah Molybdenum Prices	\$ Per Pound	15.9	15.8	13.0	12.5	-0.6	-17.7	-3.8
INFLATION AND INTEREST RATES								
U.S. CPI Urban Consumers (BLS)	1982-84 = 100	218.1	224.9	229.6	232.9	3.1	2.1	1.4
U.S. GDP Chained Price Index (BEA)	2005 = 100	111.0	113.4	115.4	117.1	2.1	1.8	1.5
U.S. Federal Funds Rate (FRB)	Effective Rate	0.18	0.10	0.14	0.16			
U.S. 3-Month Treasury Bills (FRB)	Discount Rate	0.14	0.05	0.09	0.07			
U.S. 10-Year Treasury Notes (FRB)	Yield (%)	3.21	2.79	1.80	2.01			
30 Year Mortgage Rate (FHLMC)	Percent	4.69	4.46	3.66	3.38			
EMPLOYMENT AND WAGES								
U.S. Establishment Employment (BLS)	Millions	129.9	131.4	133.2	135.1	1.2	1.4	1.4
U.S. Average Annual Pay (BLS)	Dollars	49,320	50,710	51,554	52,567	2.8	1.7	2.0
U.S. Total Wages & Salaries (BLS)	Billion Dollars	6,404.6	6,661.3	6,869.0	7,100.9	4.0	3.1	3.4
Utah Nonagricultural Employment (DWS)	Thousands	1,181.7	1,208.6	1,247.7	1,291.8	2.3	3.2	3.5
Utah Average Annual Pay (DWS)	Dollars	38,822	39,687	40,552	41,662	2.2	2.2	2.7
Utah Total Nonagriculture Wages (DWS)	Million Dollars	45,876	47,967	50,595	53,821	4.6	5.5	6.4
INCOME AND UNEMPLOYMENT								
U.S. Personal Income (BEA)	Billion Dollars	12,308	12,950	13,381	13,758	5.1	3.3	2.8
U.S. Unemployment Rate (BLS)	Percent	9.6	9.0	8.1	7.6			
Utah Personal Income (BEA)	Million Dollars	89,152	94,401	98,800	103,200	5.9	4.7	4.5
Utah Unemployment Rate (DWS)	Percent	8.0	6.7	5.7	5.4			

Sources: State of Utah Revenue Assumptions Working Group, Moody's Economy.Com, and IHS Global Insight

National Outlook

After the deepest contraction in more than three generations, the U.S. economy has expanded slowly since the summer of 2009. By some estimates, during 2012, gross domestic product (GDP), was 9% below its potential, the level that would be observed if all the economy's resources were fully employed. With output so far below capacity, unemployment has remained stubbornly high, and many have stopped looking for work altogether. Policy disputes in both Washington and Europe dampen current activity and cloud the mid-term outlook. Most observers expect the economy to continue its slow progress during 2013, with sub-par growth and a continuing gradual decline in unemployment.

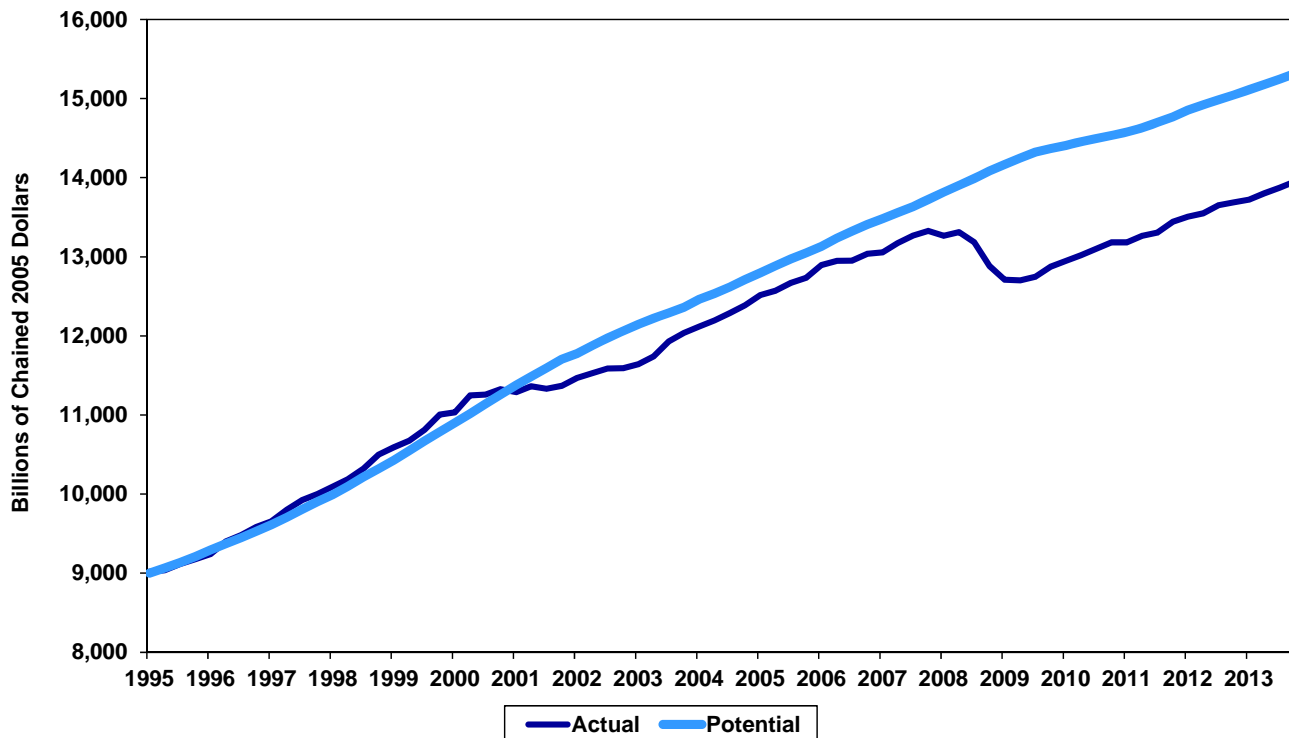
2012 Summary

As 2012 opened, the recovery appeared to be strong and accelerating with job gains averaging 250,000 per month. If this pace had continued, the unemployment rate might have dropped two full percentage points, perhaps to near 7% by year's end. Unfortunately, as the year progressed, the early job gains appeared to result from an unusually warm winter lifting construction and other activity. For the three months ending in September, U.S. job gains averaged 150,000 per month, enough to continue modest improvement in the labor market. Some of the deceleration in U.S. economic activity was due to a broadening slowdown in emerging economies,

such as China, India, and Brazil, which dampened American exports. The policy dispute over managing the single currency immobilized the Eurozone as its economy slipped into recession, weakening an important source of demand for U.S. exports. In the U.S., Congress once again put off making long-term decisions on the federal budget, waiting until the last minute to enact the bare minimum necessary to prevent the economy pitching off the so-called "fiscal cliff" in 2013. Expressing America's frustration, Richard Fisher, President of the Dallas Federal Reserve Bank, compared the "dissolute" lawmakers to drunken sailors, noting patriots might be offended at the insult to drunken sailors. Concerned the labor market would worsen without more policy action, the Federal Reserve announced it would purchase \$40 billion per month of mortgage backed securities and \$45 billion per month of U.S. Treasury securities until the outlook improved. As 2012 closed, most observers marked down global growth prospects during 2013, suggesting another year of slow progress for the American economy.

U.S. nonfarm payroll employment grew by almost 2 million jobs during 2012, or 1.4%, which lowered the unemployment rate from 9.0% to 8.1%. Mining, which is dominated by oil and gas, was the fastest growing sector at 6.5%. Health care, which expanded throughout the recession, created 350,000

Figure 1
U.S. Actual and Potential Gross Domestic Product



Source: Bureau of Economic Analysis and IHS Global Insight 2012 = estimate 2013 = forecast

jobs, the largest sector job growth. Administrative support, which includes temporary employment, was the second fastest growing sector, at 4.3%, which amounted to 280,000. This sector benefits from the slow and uncertain recovery, as employers chose temporary instead of permanent hires. Professional services grew the third fastest at 3.4%, or 250,000 jobs. As activity continues to expand, both tourism and business travel have picked up, giving accommodation and food services almost 300,000 new jobs, a growth rate of 2.5%. Sales, production and shipping have all continued to advance. Combined, wholesale and retail trade added 250,000 jobs. Manufacturing added 210,000 jobs, a rate of 1.8%. Transportation added 90,000 jobs, a rate of 2.0%. After shedding 2.1 million jobs since 2006, the construction contraction appears to be over. The bottom in the housing market seems to have occurred during 2011, with construction adding 26,000 jobs during 2012. Information employment has declined every year since 2000, with the job loss during 2012 totaling 27,000, or -1.0%. Continuing budget pressure in state and local government led to job losses of 87,000 during 2012, a decline of 0.5%. Likewise, the continuing decline in hand-delivered mail—the result of the on-going digital transition in advertising and other communications—is driving a restructuring of the postal service. Consequently, federal employment fell 50,000, or -1.6%, during 2012.

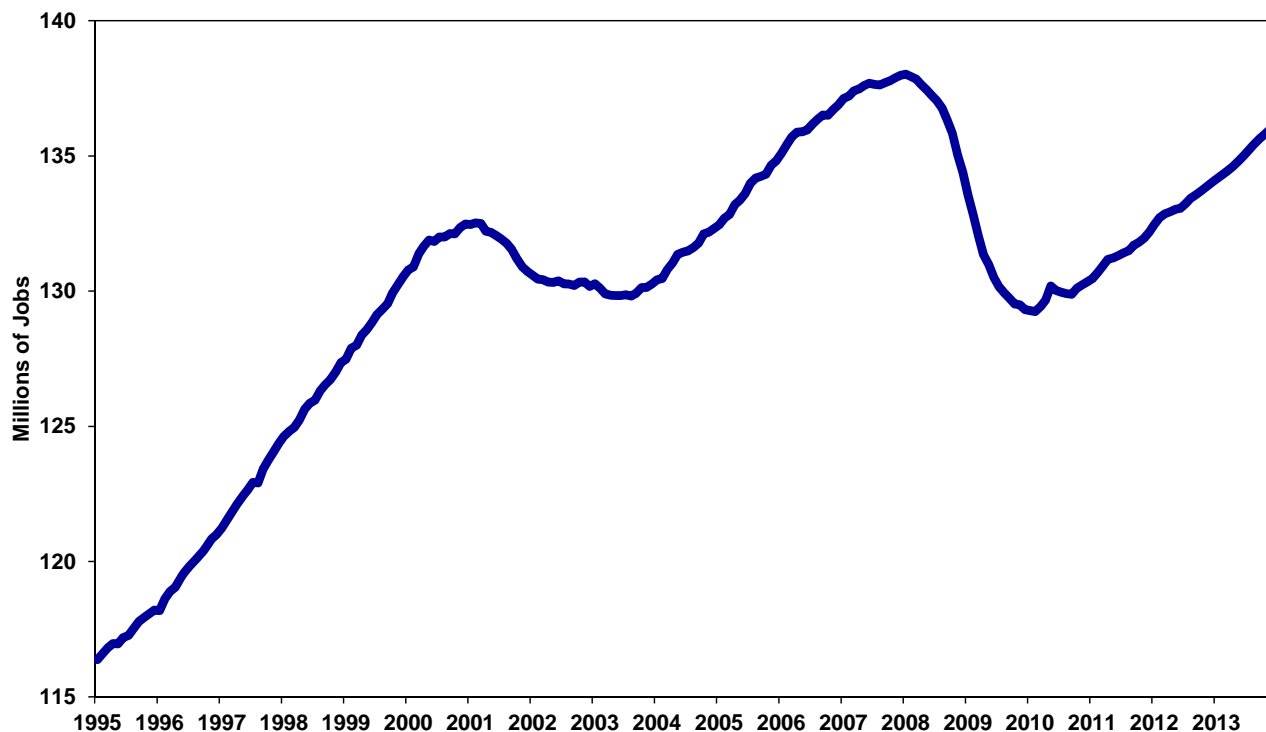
Significant Issues

U.S. Fiscal Policy

As the recession deepened during the winter of 2009, President Obama proposed and the Congress enacted an \$800 billion stimulus program of spending increases and tax cuts. Conservatives objected and said the program was unlikely to work and would add to the national debt, which was on an unsustainable and potentially catastrophic growth path. The conservative argument was especially compelling for voters in the 2010 elections to the House of Representatives, which switched to a Republican majority. Since then, budget agreements have been last minute halting compromises. The government was nearly shut down in May 2011, the U.S. nearly defaulted on its debt in August that same year, and an estimated fiscal contraction of nearly 4% of GDP was narrowly avoided on New Year's Day 2013.

Going forward during the next few months, Congress must make three separate but related decisions concerning the federal budget. The first is dealing with the scheduled across-the-board spending cuts known as the sequester. The second is appropriating funds to operate the government during the current fiscal year, which began October 1, 2012. The third is raising the debt ceiling in order to fund the appropriations that have been made.

Figure 2
United States Nonfarm Payroll Employment



Source: U.S. Bureau of Labor Statistics and Global Insight 2012 = estimate 2013 = forecast

The sequester was created by Congress as part of the deal to increase the debt ceiling in 2011. It was designed to impose across the board cuts nobody supported beginning January 1, 2013, as a means of forcing a compromise on the federal government's long term fiscal situation. Unfortunately, no compromise was reached and the automatic cuts were delayed for two months until February 2013. In the sense it is statutory language that can be eliminated, the sequester is a political issue that will only have negative impacts to the economy if Congress fails to act. Nonetheless, it is a problem Congress has created for itself that must be dealt with.

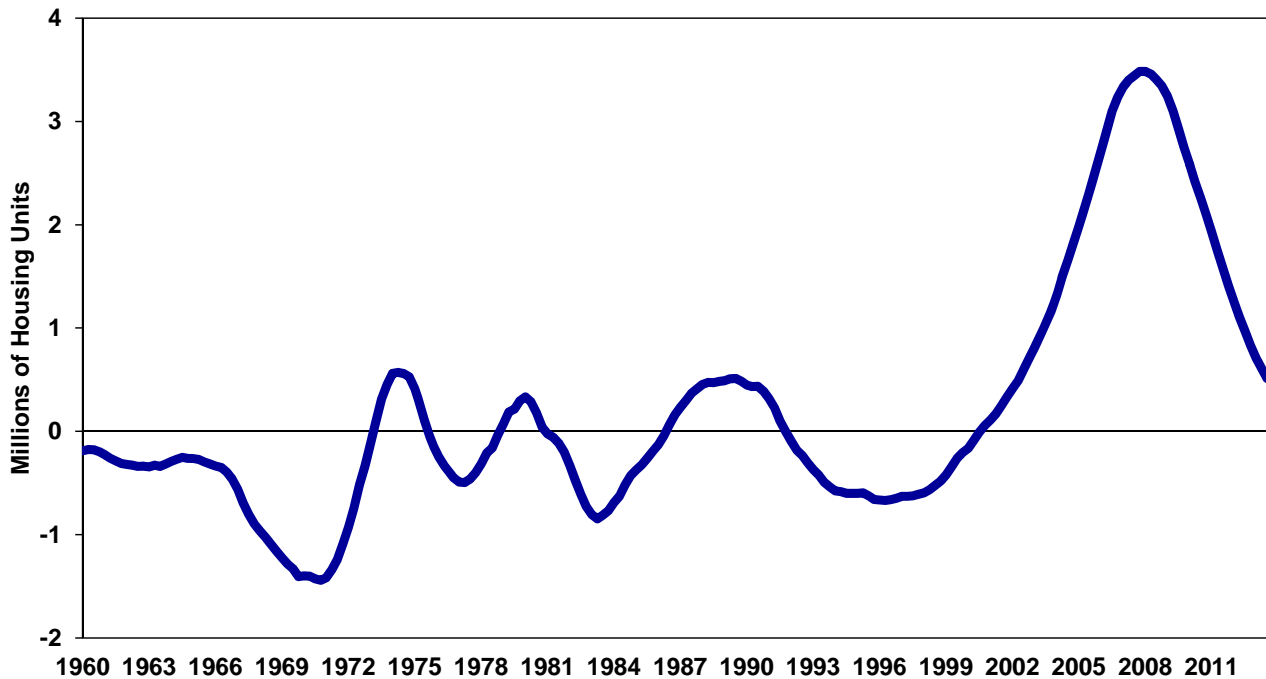
The designated process to formulate the federal budget is for the President to submit his budget in February to take effect the following October, the beginning of the federal fiscal year. Congress is supposed to deliberate on the President's budget during spring and summer and then pass a series of 12 major appropriations acts to fund the various departments and activities of the federal government. Congress has failed to pass all the appropriations acts in every year since 2000 and has instead used what is called a continuing resolution to fund activities at the current level until final appropriations bills are passed. The continuing resolution for the current fiscal year, 2013, expires March 27. If Congress does not make the necessary appropriations or pass another continuing resolution, non-essential functions of the government will shut down at the end of March.

Until World War I, Congress approved every bond needed to fund appropriations for specific purposes when revenue was not available. Beginning with the Second Liberty Bond Act of 1917 and further legislation over the next two decades, Congress enacted limits on the overall amount of authorized federal debt. As it stands today, the debt limit is the amount of money that the United States Government is authorized to borrow to meet its existing legal obligations. As such, raising the debt limit only represents authorizing the Treasury to pay for spending and revenue decisions that have already been made over the years by Congress and the President. Raising the debt limit does not increase the federal government's obligations, it only authorizes the Treasury to pay for obligations that are already existing. Congress has acted 78 separate times since 1960 to raise the debt limit. Failure to raise the debt ceiling in the coming months would result in the government defaulting on its obligations. A default would have serious consequences for economic growth, the credit rating of the federal government, and recipients of Social Security and other federal payments.

Housing

In every recession since World War II, housing has led the recovery a year or two after the business cycle peak. In the typical cycle, imbalances develop during the expansion, interest rates rise to curtail excessive lending, the economy slows, peaks, then declines as the imbalances are worked out, reach-

Figure 3
Housing Surpluses and Shortages in the U.S.



Source: Governor's Office of Management and Budget

ing a trough a year or so after the peak. Future prospects dim during the recession (technically defined as the period of declining activity), so consumers put off major purchases such as cars and homes. Once the recession ends and the outlook brightens, pent up demand for housing causes construction activity to surge initiating a broad based recovery.

The current recession is different because it followed a decade of unprecedented growth in mortgage debt. About 80% of the increase in this debt was for equity withdrawals, the so-called house as ATM, which funded home repairs as well as basic consumer spending. As the process accelerated, credit standards fell, lending and real estate boomed, and the well known story of home price inflation unfolded. This housing inflation was fueled by millions of borrowers who were incapable of repaying their loans. Further, as the boom progressed, a million or more homes were constructed as speculative investments. Once the mortgages began to default, home prices fell, credit standards tightened, the ranks of home buyers thinned, and the housing market crashed. By the second quarter of 2008, the housing stock had 3.5 million surplus units over and above the normal amount of vacant housing.

While real estate speculation was the main component of the credit bubble that inflated during the mid-2000s, many sectors of the economy had excess activity going into the fall of

2008. With broad-based excess led by housing, the financial sector had extended far more credit than prudent. As loan losses mounted, banks confronted inadequate reserves, and a once-in-a-century financial panic set in that was not stopped until the spring of 2009. As the crisis progressed, the flow of credit virtually stopped and unemployment rose from 6.1% in August 2008 to a peak of 10.0% in October 2009, and has remained stubbornly high ever since.

With so many people unemployed, household formation and the demand for housing has remained sluggish. On the supply side, the surplus has been worked down over the past few years, but was still around 1 million units at the end of 2012 and is expected to be around 500,000 at the end of 2013. Further, credit is still tight for both home buyers and real estate developers. While it is true mortgage rates are at historic lows, these rates are only available to the most credit-worthy borrowers, essentially people with FICO scores above 700. Likewise, corporate bond rates are at historic lows, but only for the best companies, and generally not to those involved in real estate.

During 2012 numerous housing indicators—prices, sales, construction—stabilized and began to improve. Part of the objective of the Federal Reserve’s program to purchase mortgage backed securities was to induce banks to ease mortgage standards, thereby supporting and strengthening the nascent

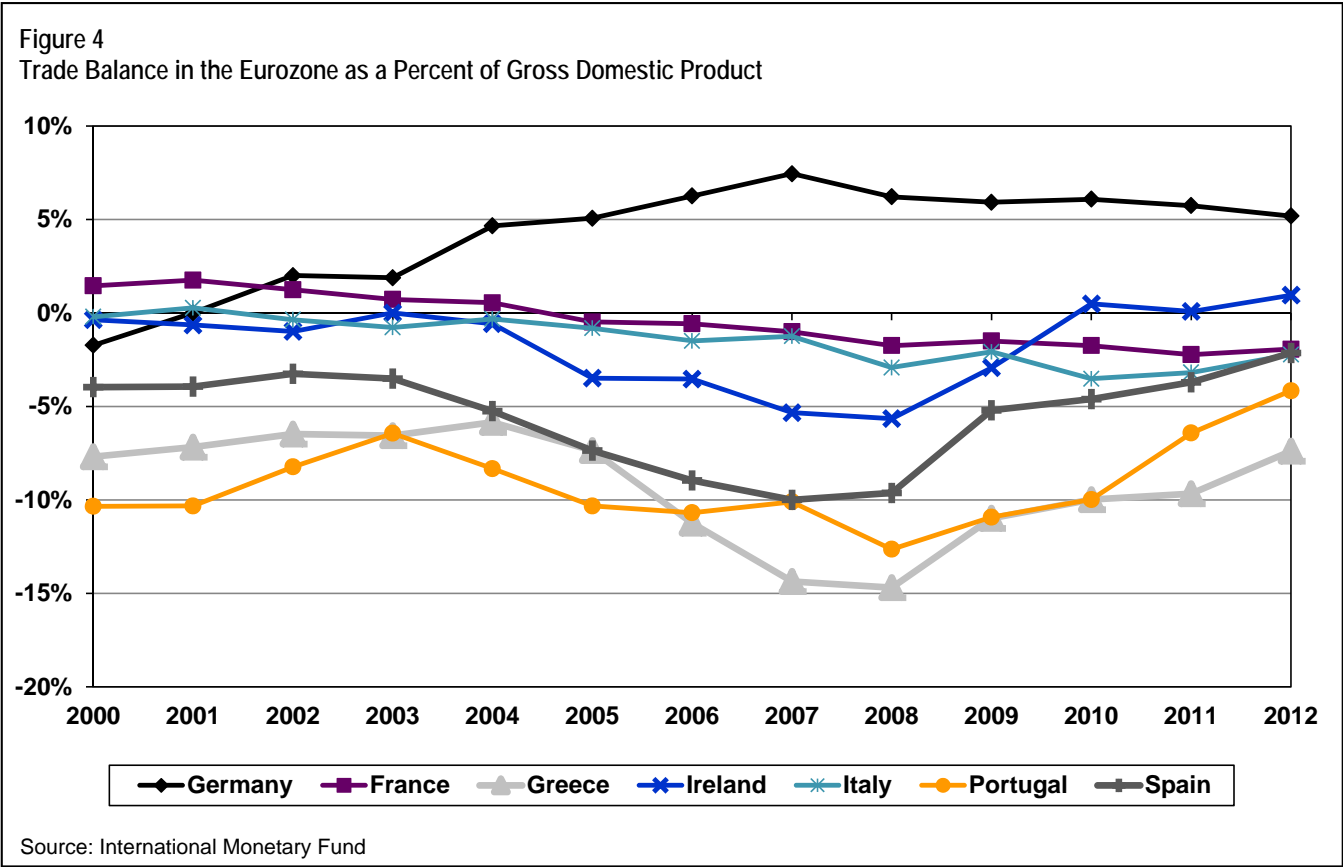
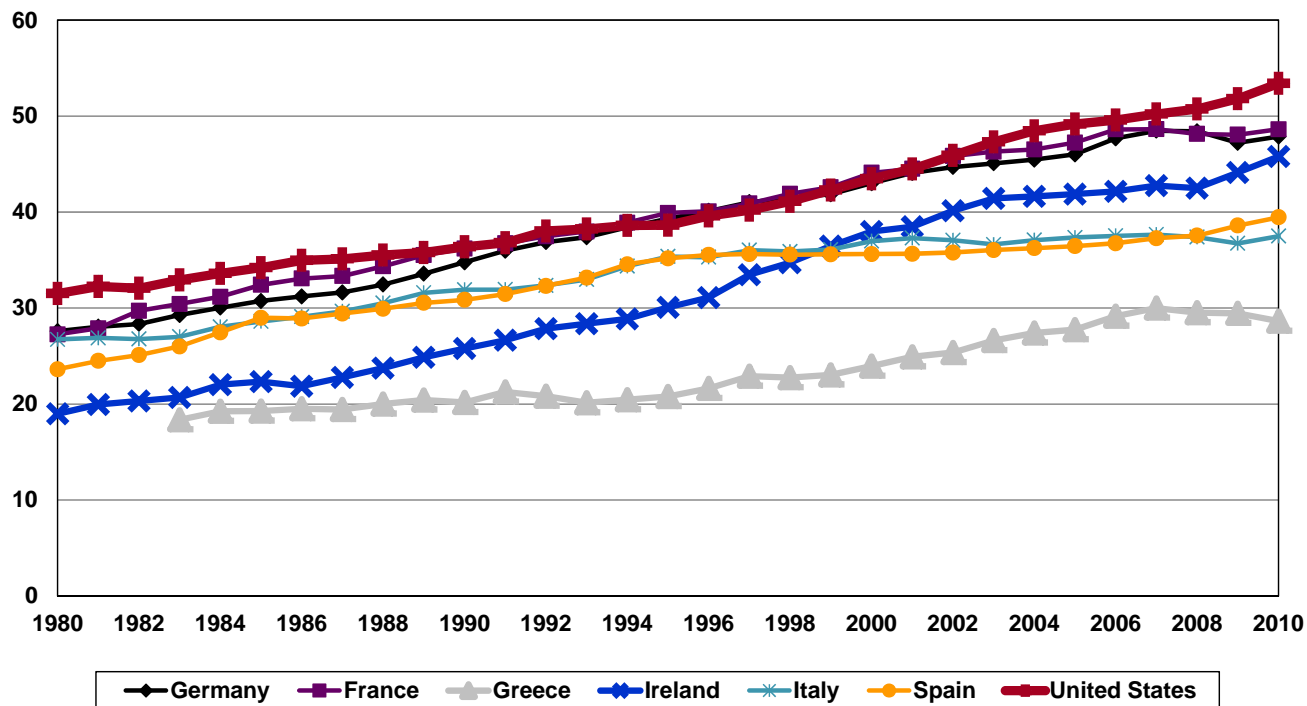


Figure 5
Labor Productivity in the U.S. and the Eurozone: 2005 Dollars of GDP per Hour Worked



Source: World Bank and Organization for Economic Cooperation and Development

housing recovery. For example, many banks are not originating mortgages Fannie Mae and Freddie Mac will buy in fear that the loans might go bad and they would be penalized. On the margin, the new program may induce banks to make more loans to borrowers with FICOs between 650 and 700 than otherwise. Despite supportive policy and improving indicators, credit will remain tight with the housing surplus still higher than the peak from the typical recession. In these conditions, housing construction is not expected to contribute much to growth until late 2013. The housing sector will improve, but its recovery is still in the early stage.

The Future of the Euro

In 2001, the late Nobel laureate Milton Friedman predicted the Euro would come apart within 15 years. Friedman felt the economic and political systems of the individual European countries were too different to sustain one monetary standard. As crisis has become normal in the Eurozone, most observers and political leaders are sympathetic with Friedman's view, but, to date, the logistics of deconstructing the Euro have been too difficult for policy-makers to contemplate.

Simon Johnson, a professor at MIT, argues the main problem confronting the Eurozone is an unbalanced trading system. In simplest terms, Germany exports and the rest of the Euro-

zone imports. This situation can continue only so long as Germany is willing to fund the other countries. Germany's export advantage results from labor productivity that is twice that of Greece. High productivity combined with the single currency makes its goods cheap, as long as Germany finances their purchase.

During the 2000s, private German banks financed exports by investing in the importing countries. These investments were largely in the form of debt obligations of the sovereigns and the banks. For instance, on the eve of the crisis, June 30, 2007, Greek institutions—the national government, banks, business—owed German banks \$37 billion. As the crisis progressed, private German lending to Greece stopped. By December 31, 2012, German bank loans to Greece had fallen to \$24 billion, a decline of \$13 billion, or 35%, from five years earlier.

Private lending to finance exports to the Eurozone has been replaced by the Bundesbank through its credits with the European Central Bank (ECB). The Bundesbank accumulates these credits when Eurozone customers transfer money to Germany, but the local country does not have the money. The ECB processes the transfer as a credit for the Bundesbank, and a debit for the other country's central bank. The Bundesbank's credit almost doubled between August 2011

and December 2012, increasing from €390 billion to €655 billion. The increase, €360 billion, or 14% of Germany's GDP, is a combination of Eurozone purchases of German goods and the transfer of deposits and other financial assets from what are perceived as weak local banks to strong German banks.

During the period the Bundesbank's credits increased by 14% of GDP, much of the Spanish banking system collapsed, as local customers withdrew their deposits, often transferring the funds to Germany. A rescue package has been organized in which the banks will be recapitalized with €60 billion from the European Stability Mechanism and the ECB will buy Spanish government debt to lower yields, which were above 5% in January 2013. Spain is just the latest in a line of countries whose difficulties cumulate into a situation Friedman predicted would eventually unravel the Euro.

Each of Germany's trading partners, Greece initially in 2010, then Ireland and Portugal, now Spain, next Italy and perhaps ultimately France have run into difficulty funding themselves. Germany's trade balance has increased from near 0 in 2000 to

over 5% of GDP in 2012. Meanwhile, Greece's balance was negative throughout the 2000s as it borrowed to finance a consumption boom, reaching -15% of GDP in 2008, but tapering down to -8% in 2012. Each major Eurozone country has been running trade deficits, though none to the extent of Greece.

Observers have reached a rough consensus on two possible futures for the Euro—neither adding to near term growth in the U.S. First, Europe muddles through the next twenty years, though probably not as well as Japan has muddled through the last twenty. In this case, Europe would not boost growth in the U.S., but it wouldn't cause a recession, either. Angela Merkel, Chancellor of Germany, argues this case, indirectly to be sure, when she says Europe is running a marathon on a "tough and strenuous" course. Alternatively, the Euro is deconstructed in a more-or-less orderly fashion. The leading proponent of this line is Vaclav Klaus, Prime Minister of the Czech Republic. Germany returns to the Deutschmark, which appreciates. Spain, Italy, and France, respectively return to the Peseta, Lira, and Franc, which depreciate to varying degrees in accord with labor productivity.

Table 1
U.S. Nonfarm Payroll Employment by Sector (Thousands of Jobs)

	Level				Annual Change					
					Amount			Rate		
	2010	2011	2012e	2013f	2010-11	2011-12	2012-13	2010-1	2011-12	2012-13
Natural Resources & Mining	704	784	835	839	80	51	4	11.3%	6.5%	0.4%
Utilities	553	555	563	566	3	8	3	0.5%	1.4%	0.5%
Construction	5,518	5,504	5,530	5,617	-14	26	87	-0.3%	0.5%	1.6%
Manufacturing	11,527	11,736	11,945	12,113	209	208	168	1.8%	1.8%	1.4%
Wholesale Trade	5,451	5,528	5,629	5,708	77	101	79	1.4%	1.8%	1.4%
Retail Trade	14,443	14,644	14,792	14,991	200	148	200	1.4%	1.0%	1.3%
Transportation & Warehousing	4,189	4,290	4,377	4,476	101	87	99	2.4%	2.0%	2.3%
Information	2,707	2,658	2,632	2,639	-49	-27	8	-1.8%	-1.0%	0.3%
Finance & Insurance	5,718	5,751	5,783	5,800	33	31	17	0.6%	0.5%	0.3%
Real Estate, Rental & Leasing	1,934	1,929	1,955	1,972	-5	26	17	-0.3%	1.3%	0.9%
Professional, Scientific & Technical	7,441	7,692	7,945	8,161	251	254	216	3.4%	3.3%	2.7%
Management of Companies	1,873	1,915	1,950	1,960	42	35	11	2.3%	1.8%	0.5%
Administrative Support	7,407	7,723	8,002	8,423	315	279	421	4.3%	3.6%	5.3%
Educational Services	3,153	3,240	3,320	3,298	87	81	-22	2.8%	2.5%	-0.7%
Health Care & Social Assistance	16,376	16,645	16,998	17,295	269	354	297	1.6%	2.1%	1.7%
Arts, Entertainment & Recreation	1,909	1,909	1,929	1,985	0	20	56	0.0%	1.1%	2.9%
Accommodation & Food Services	11,133	11,409	11,706	11,911	276	297	205	2.5%	2.6%	1.8%
Other Services	5,331	5,342	5,376	5,407	11	34	30	0.2%	0.6%	0.6%
State & Local	19,512	19,247	19,160	19,165	-265	-87	5	-1.4%	-0.5%	0.0%
Federal	2,976	2,858	2,813	2,755	-119	-45	-57	-4.0%	-1.6%	-2.0%
Total	129,856	131,359	133,239	135,082	1,503	1,880	1,842	1.2%	1.4%	1.4%

e = estimate
f = forecast

Source: Bureau of Labor Statistics and Global Insight

The near term effects of this case are unlikely to be positive for the U.S., but in the medium term this should add to growth. A chaotic unraveling of the Euro is a third possibility, but unlikely since the European authorities understand the situation they are in, and they possess the resources necessary to prevent this dire outcome.

2013 Outlook

The consensus outlook for the U.S. economy is continuing slow progress with growth below potential. The fiscal cliff, evidence of Washington's difficulty developing a balanced program for long-term federal operations, clouds the outlook during at least the first half of 2013. The extreme uncertainty of U.S. fiscal policy deters risk-taking, hampering growth. The Federal Reserve's program to purchase \$40 billion of mortgage backed securities per month could provide some limited support to the housing recovery's initial stages. Eurozone leaders will be challenged in managing the future of the Euro. Many observers feel the Euro's design is fundamentally flawed, which has caused a recession in Europe and could be negative for the U.S. during 2013. Growth around the world is expected to slow next year. Emerging markets, particularly China, India and Brazil, are all slowing, though recession appears unlikely. Japan continues to add years to its third decade of a slumping economy. International trade, therefore, appears unlikely to spur the U.S. economy during 2013.

U.S. nonfarm employment is expected to grow 1.8 million jobs, or 1.4%, in 2013, broadly similar to 2012. Narrowing down to specific sectors, however, changes the story a bit. The energy boom is expected to slow as oil prices stabilize, leading to a 0.4% increase in mining jobs, where this sector has grown strongly the past few years, often leading the economy. Continuing uncertainty, both concerning what Washington will do and the normal pattern following an epic finan-

cial crisis, leads employers to extend temporary hiring another year. Administrative support then adds 420,000 jobs, or 5.3%, making it the fastest growing sector during 2013, both in the number of jobs and as a growth rate. Dissipating fear leads people to relax, spurring entertainment and recreation to grow 2.9%, the 2nd fastest rate, or 56,000 jobs. The ongoing recovery leads to almost 216,000 new professional jobs, the 3rd largest amount, and a rate of 2.7%. Production, shipping, and sales advance incrementally, as they have since the recession ended, making transportation the 4th fastest growing industry, at 2.3%. The need to ship 14.9 million cars and trucks, an additional 660,000, or 4.5%, is a main driver of this sector's growth. While automobile manufacturing jobs are expected to grow 4.5%, in line with car shipments, the broad manufacturing sector is expected to grow just 1.4%. Wholesale and retail trade combined adds 280,000 jobs, though their respective growth rates are 1.4% and 1.3%. As the initial stages of the housing recovery progress, construction inches forward 1.6%, or 87,000 jobs. The budget crunch in state and local government is expected to end during 2013, resulting in virtually no job increase at 0.03%, or 5,000 jobs. The prolonged restructuring of the postal service and a generally tight spending environment lead federal employment down -2.0%, a loss of 57,000 jobs.

Conclusion

Continuing slow progress remains the broad storyline, with the economy operating well below potential. Private sector activity in the U.S. is advancing, but Washington's inability to develop a long-term balanced program to operate the federal government clouds the outlook. Housing is moving into the initial stages of recovery. Europe, already in recession, will be challenged to manage its single currency as the likelihood of a serious financial crisis increases from slim to small. Emerging economies are slowing, though recession is not expected. International trade, then, does not appear to be a major

Utah Outlook

Historically Utah grows more rapidly than the nation, with the broader national business cycle governing local recessions and expansions. The current recession and recovery track this general course. Both Utah and the U.S. began growing during the summer of 2009, but unemployment has remained well above pre-recession levels. Over the past two years as the recovery has progressed, both employment and income in Utah have grown more rapidly than in the U.S. The state has especially benefitted from its position as a logistical hub for production and distribution to the west coast, and, more recently, the entire U.S. Utah's economic growth has accelerated during each of the years since the recession ended, but is expected to plateau near the long-term average during 2013.

2012 Summary

As 2012 opened Utah was growing below its long-term average, 3.1%, measured by employment. During the year, growth accelerated slightly above the long-term average, to 3.2%, with support from construction and housing. Personal income, the broadest timely measure of economic activity at the state level, grew 4.7% for the year as a whole, above the long-term average of 3.8%. The unemployment rate averaged 5.7%, slightly above its long-term average, 5.3%.

Construction employment increased 10.0%, or 6,495 jobs, in 2012, making it the fastest sector growth rate. Mining was

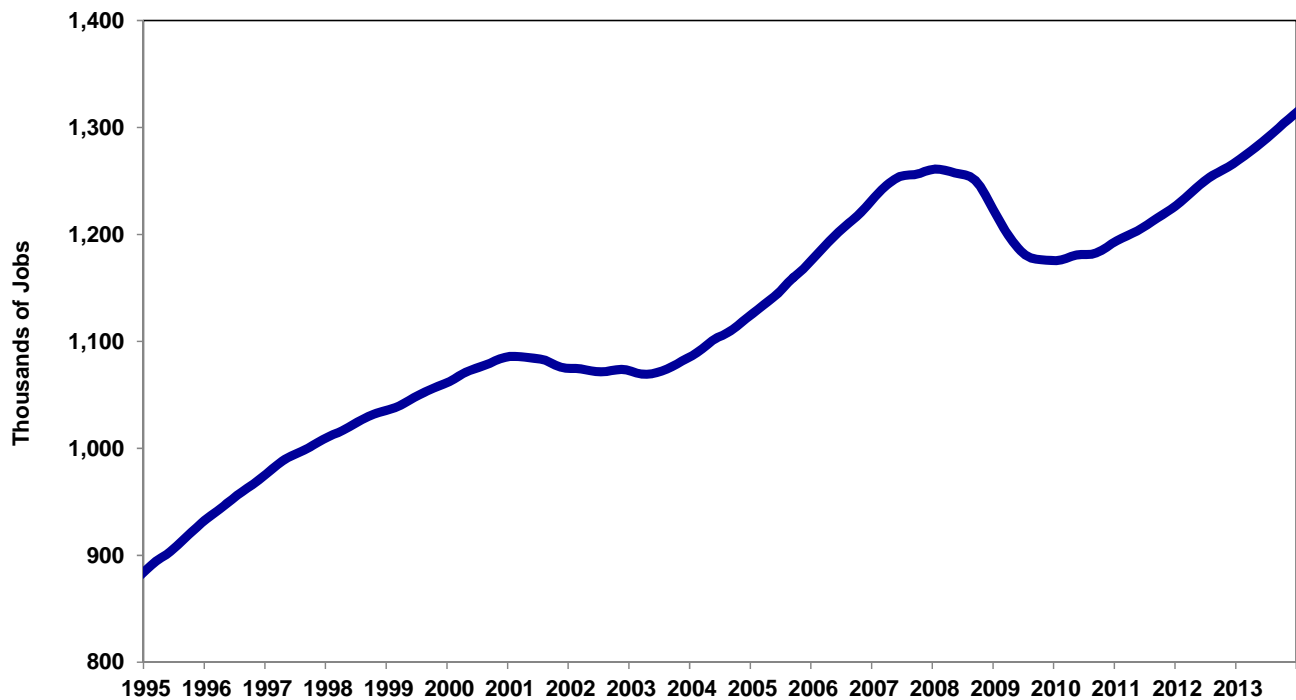
the second fastest growing sector, at 9.6%, or 1,117 jobs. The trade, transportation and utilities sector had the largest level increase, adding 8,181 jobs. Employment in the professional and business services sector increased by 7,257, the second largest level increase for the year.

Utah's coincident index of economic activity, constructed by the Federal Reserve Bank of Philadelphia, is designed to depict the level and direction of the economy. The index increased at a steady pace throughout 2012, reaching 194 in November, higher than the previous peak in December 2007. The level 194 indicates economic activity is 94% higher than July 1992.

Significant Issue: Housing

Housing has recovered more rapidly in Utah than the U.S., but activity is still well below peak. Housing starts in the U.S. peaked at 2.27 million during January 2006. Housing starts in Utah peaked at about 29,000 in Utah in December 2006. If starts for the U.S. and Utah are indexed to 100 at their respective peaks, the U.S. bottomed at 28 during December 2010, while Utah bottomed at 34 in June 2011. The interpretation is starts declined 72% in the U.S. and 66% in Utah, from peak, signifying the housing crash was slightly worse for the U.S. than for Utah. Likewise, as of August 2012, the index for starts has increased to 33 for the U.S., and 42 for

Figure 6
Nonfarm Payroll Employment in Utah



Source: Department of Workforce Services, Governor's Office of Management and Budget, and Revenue Assumptions Working Group

Utah, indicating a slightly stronger housing recovery for Utah than the U.S.

Both home sales and prices have strengthened in Utah. Sales were above 4,000 per month for most of the period from July 2005 to March 2007. As the financial crisis intensified, sales fell to just above 2,000 during February 2009. The homebuyer credit boosted sales to almost 3,000 during January 2010. After the credit expired, sales fell to 2,300 in September 2010. Since then, sales have slowly recovered reaching 3,200 in August 2012. Utah's median home price peaked near \$220,000 during spring 2007, and then declined to \$170,000 in November 2011. Prices have since recovered at a gradual pace to \$188,625, as of November 2012.

2013 Outlook

As usual, Utah is recovering from the recession more quickly than the nation. Utah's employment growth during 2012, 3.2%, was just above its long-term average, 3.1%, and more than twice the national rate, 1.4%. During 2013, Utah's job growth is expected to increase to 3.5%, while the nation holds steady at 1.4%. The Federal Reserve Bank of Philadelphia's leading index for Utah suggests economic activity will grow at a rate over 2.3% for the first half of 2013, which is expected to continue during the last half. With job growth near the long-term average, the unemployment rate will fall to 5.4%.

In contrast to the early stages of the recovery, housing will provide noticeable support to the expansion.

Repeating its leading role from 2012, construction employment will grow 9.4% in 2013, an increase of 6,750 jobs. The continuing housing recovery accounts for most of the strong showing in construction. At 5.4%, professional and business services will be the second fastest growing sector, adding nearly 9,000 jobs. Trade, transportation and Utilities will add 8,200 jobs, the second largest amount. Rising consumer spending will drive the retail expansion, while increasing business will drive the need for administrative support. Reflecting the rising demand for health care, employment in the education and health services sector will grow by 5,200 jobs, at a rate of 3.2%.

Conclusion

Utah is coming out of the recession more rapidly than the U.S., as has been the case with every downturn since World War II. Job growth in Utah will be twice the nation's, but will stabilize just above the long term average. Housing and construction will play a leading role in the strengthening recovery.

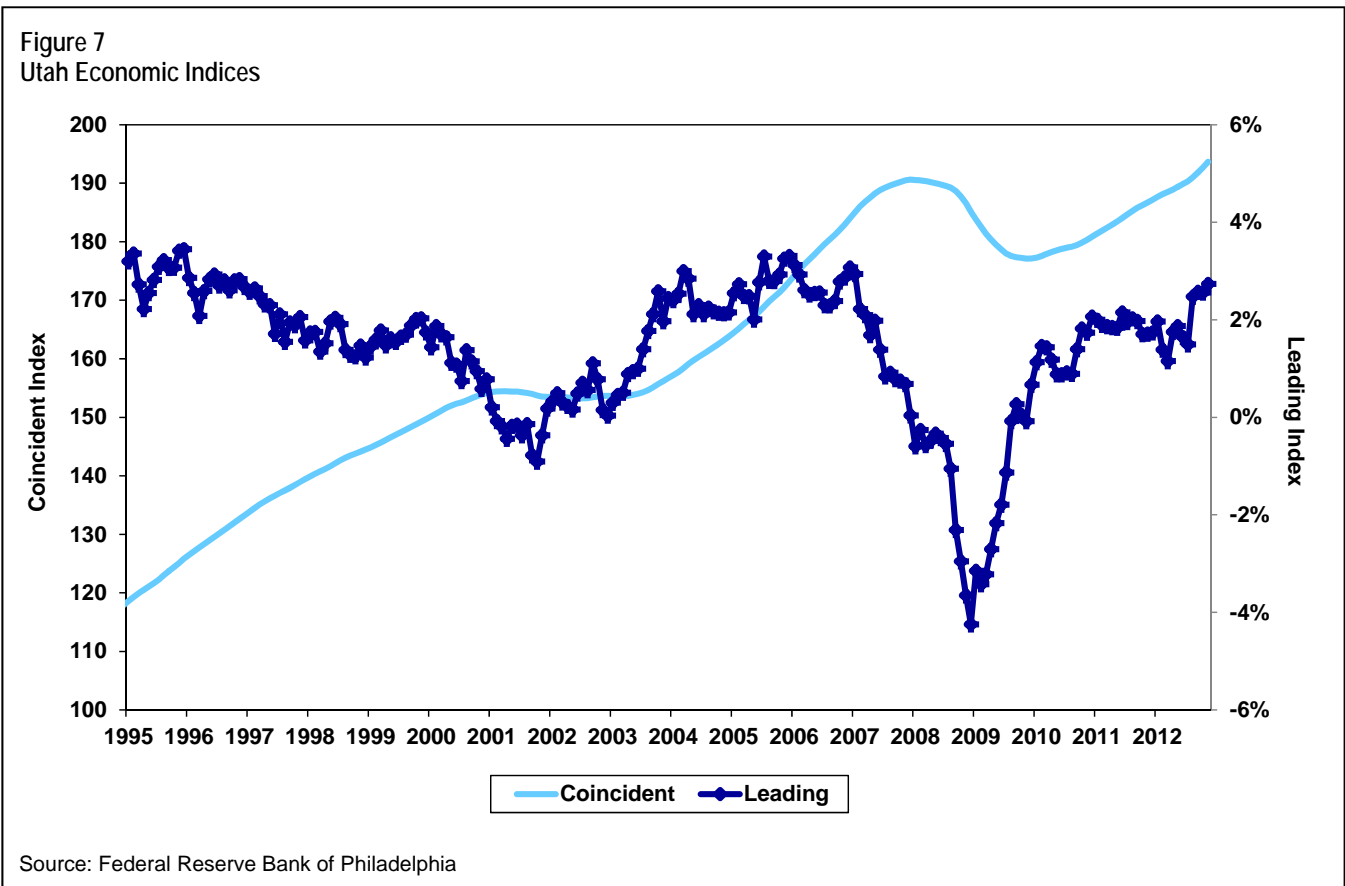
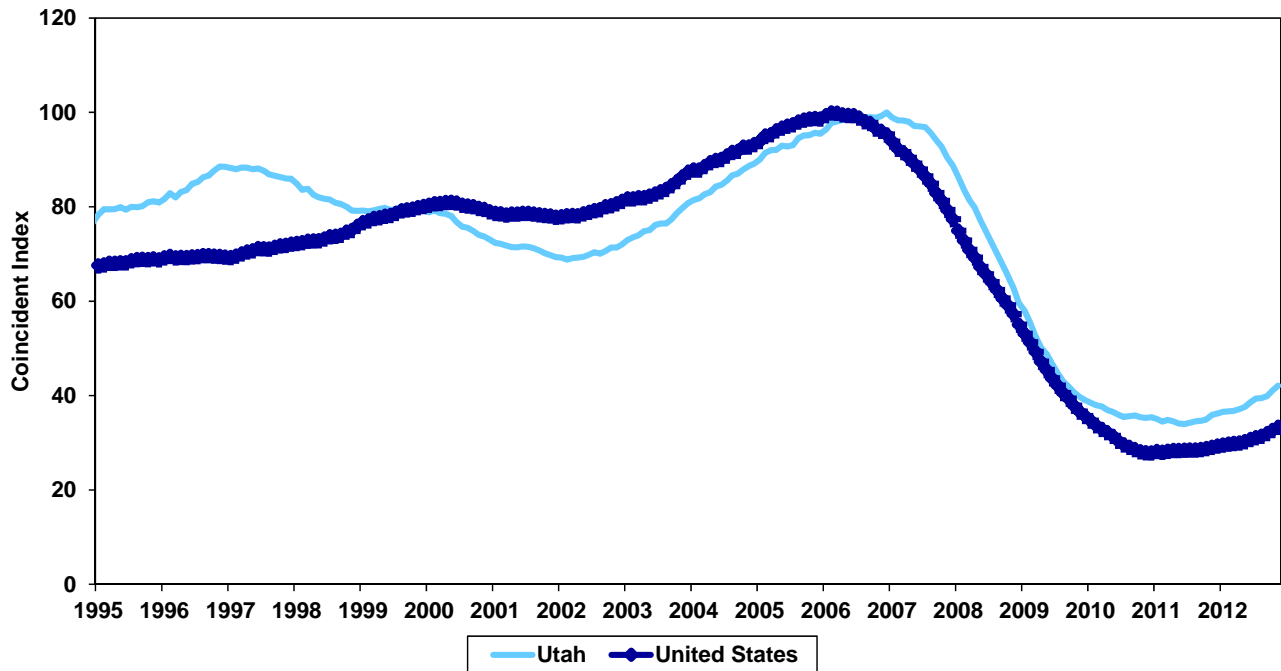
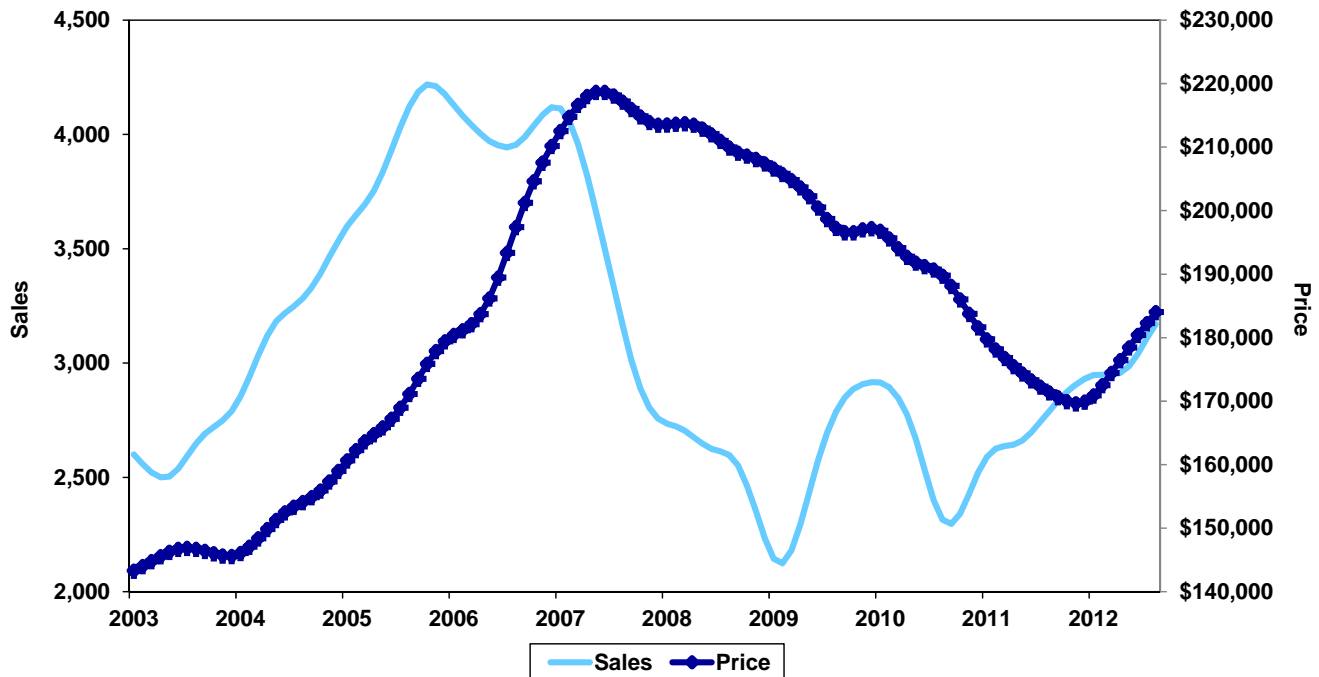


Figure 8
Housing Starts in the U.S. and Utah Indexed to 100 at Peak of Current Cycle



Source: Moody's Analytics and Governor's Office of Management and Budget

Figure 9
Homes in Utah: Sales and Median Price



Source: Utah Association of Realtors and Governor's Office of Management and Budget

Table 2
Utah Nonfarm Payroll Employment by Sector

	Level				Annual Change					
	2010	2011	2012e	2013f	Amount			Rate		
					2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Mining	10,442	11,659	12,775	13,419	1,217	1,116	644	11.7%	9.6%	5.0%
Utilities	4,064	4,021	3,990	3,957	-43	-31	-33	-1.1%	-0.8%	-0.8%
Construction	65,223	65,166	71,661	78,412	-57	6,495	6,751	-0.1%	10.0%	9.4%
Manufacturing	111,075	113,684	116,674	119,871	2,609	2,990	3,198	2.3%	2.6%	2.7%
Wholesale Trade	44,039	46,075	48,062	49,885	2,036	1,987	1,823	4.6%	4.3%	3.8%
Retail Trade	137,946	138,510	143,397	148,228	564	4,887	4,831	0.4%	3.5%	3.4%
Transportation & Warehousing	43,083	44,644	45,982	47,586	1,561	1,338	1,604	3.6%	3.0%	3.5%
Information	29,276	29,495	31,140	32,346	219	1,645	1,207	0.7%	5.6%	3.9%
Finance & Insurance	51,729	51,854	52,511	54,146	125	657	1,635	0.2%	1.3%	3.1%
Real Estate, Rental & Leasing	16,249	16,537	16,455	16,956	288	-82	501	1.8%	-0.5%	3.0%
Professional, Scientific & Technical	65,224	68,064	71,587	75,535	2,840	3,523	3,948	4.4%	5.2%	5.5%
Management of Companies	18,627	18,630	18,860	19,325	3	230	464	0.0%	1.2%	2.5%
Administrative Support	68,485	72,726	76,230	80,792	4,241	3,504	4,562	6.2%	4.8%	6.0%
Educational Services	34,766	36,184	36,665	37,862	1,418	481	1,198	4.1%	1.3%	3.3%
Health Care & Social Assistance	120,239	123,026	126,619	130,679	2,787	3,593	4,060	2.3%	2.9%	3.2%
Arts, Entertainment & Recreation	17,423	17,903	18,854	19,521	480	951	667	2.8%	5.3%	3.5%
Accommodation & Food Services	93,202	95,609	99,117	102,353	2,407	3,508	3,236	2.6%	3.7%	3.3%
Other Services	33,624	34,090	34,832	35,651	466	742	819	1.4%	2.2%	2.3%
State & Local	179,246	184,163	187,205	190,119	4,917	3,042	2,914	2.7%	1.7%	1.6%
Federal	37,657	36,609	35,064	35,203	-1,048	-1,545	139	-2.8%	-4.2%	0.4%
Total	1,181,619	1,208,649	1,247,680	1,291,848	27,030	39,031	44,168	2.3%	3.2%	3.5%

e = estimate

f = forecast

Source: Utah Department of Workforce Services

Economic Indicators

Demographics

2012 Census Bureau State Population Estimates

At the end of December 2012, the U.S. Census Bureau released the July 1, 2012 population estimates for the Nation and States. The total July 1, 2012 population estimate for the United States was 313,914,040. This represents a population increase of 2,326,224 people or 0.7% from 2011. This is the slowest national growth since the 1940s. Utah's 2012 total population estimate was 2,855,287. This represents a population increase of 40,940 people or 1.5% from 2011, ranking Utah fifth among states and the District of Columbia in population growth. Utah grew more than twice as fast as the nation from 2011 to 2012.

The majority of states that experienced the highest growth rates from 2011 to 2012 are located in the West and South regions of the United States. The top ten states or equivalent with the highest growth rates include: North Dakota (2.2%), District of Columbia (2.2%), Texas (1.7%), Wyoming (1.6%), Utah (1.5%), Nevada (1.4%), Colorado (1.4%), Arizona (1.3%), Florida (1.2%), and South Dakota (1.2%). Utah's

ranking is lower in 2012 than in 2011, but this change is not due to a decrease in Utah's growth. Wyoming's growth picked up significantly, they went from a growth rank of 31st in 2011 to fourth in 2012, which replaced Utah and moved the state to fifth.

The United States increased by 2.3 million people from 2011 to 2012. Texas had the largest population increase (427,400) followed by California (357,500), Florida (235,300), Georgia (107,500), and North Carolina (101,000). Utah holds onto the rank of 34th largest state in the nation but is closing the gap with Kansas (2,885,905), and still ahead of Nevada (2,758,931).

2013 Outlook

Utah will continue to experience population growth at a rate higher than most states in 2013 on account of strong natural increase in addition to in-migration. Natural increase (births less deaths) is anticipated to add 37,800 people to Utah's population. While net in-migration has slowed since the peak of the economic expansion, Utah's net migration is projected to remain positive at 10,400 people.

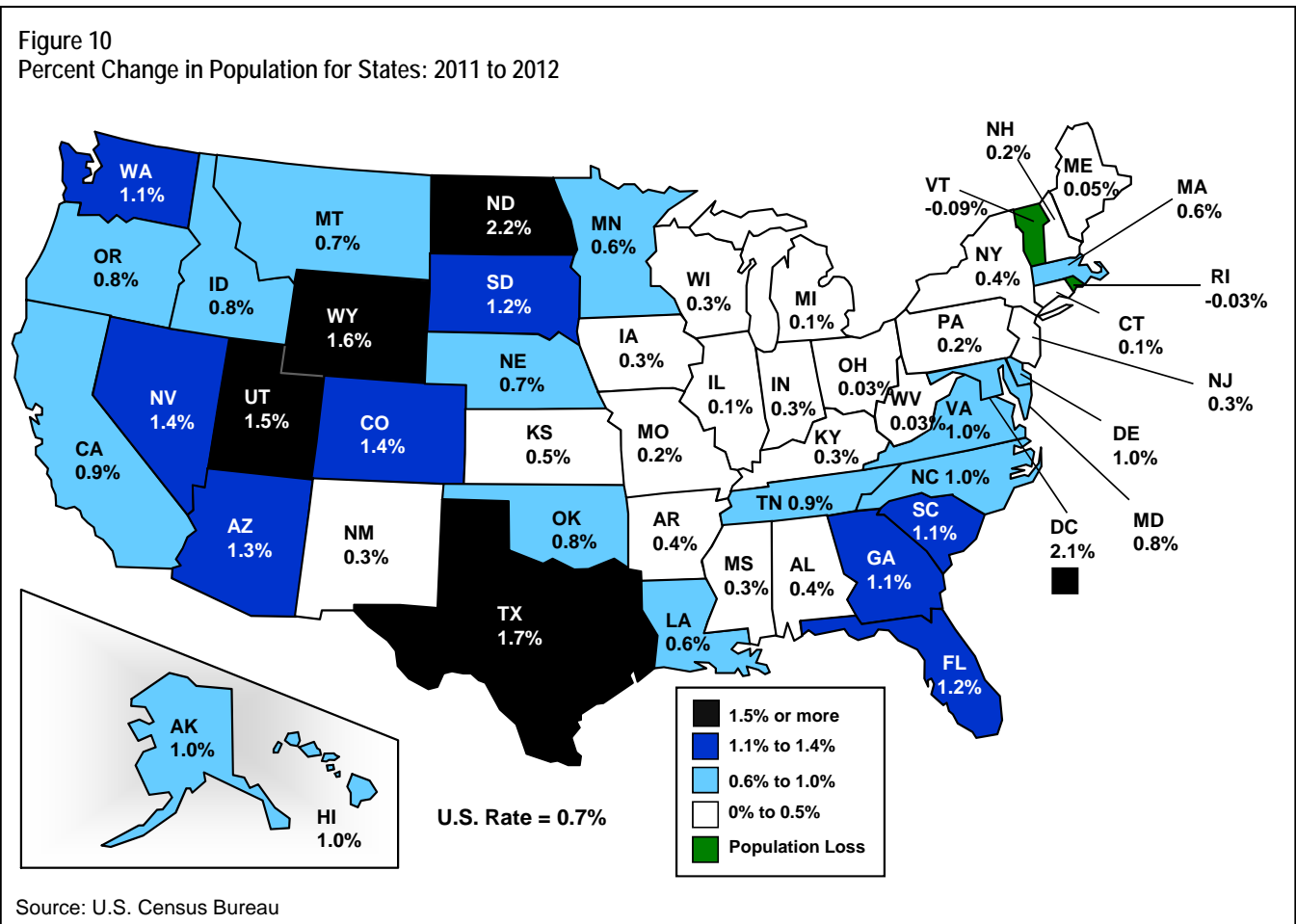
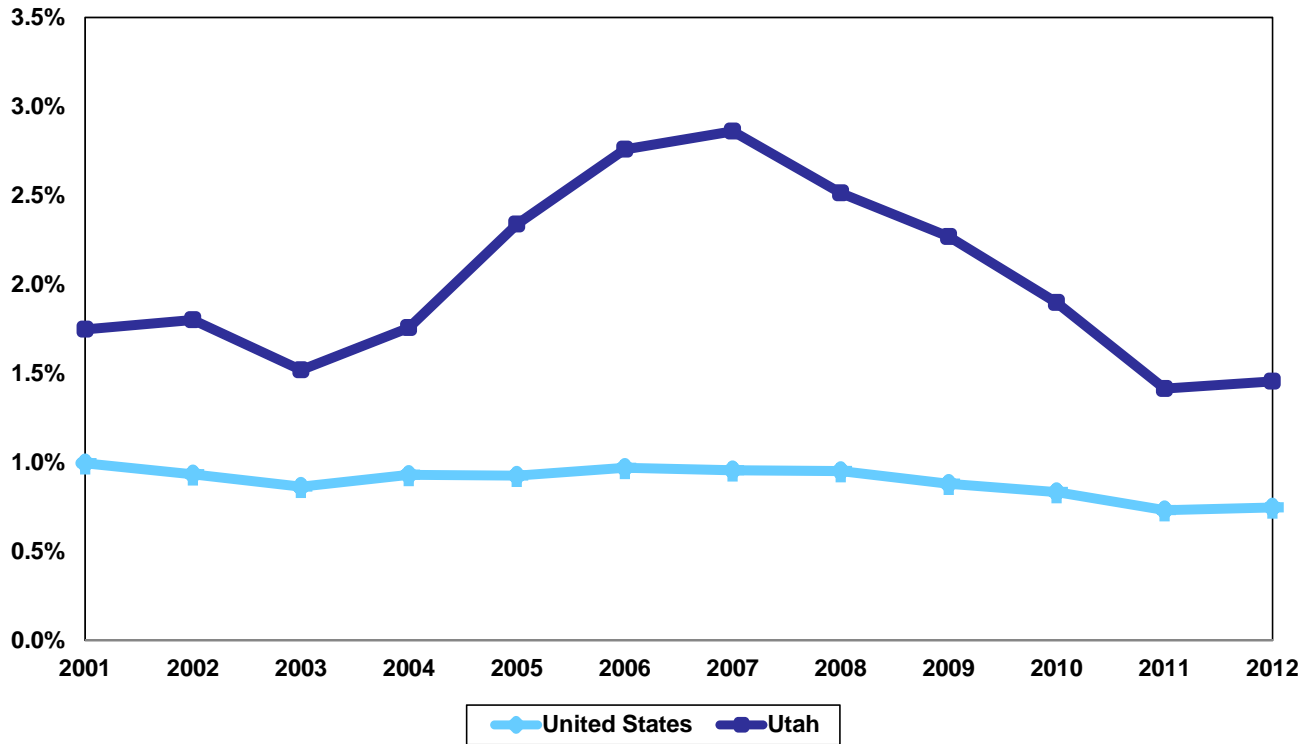
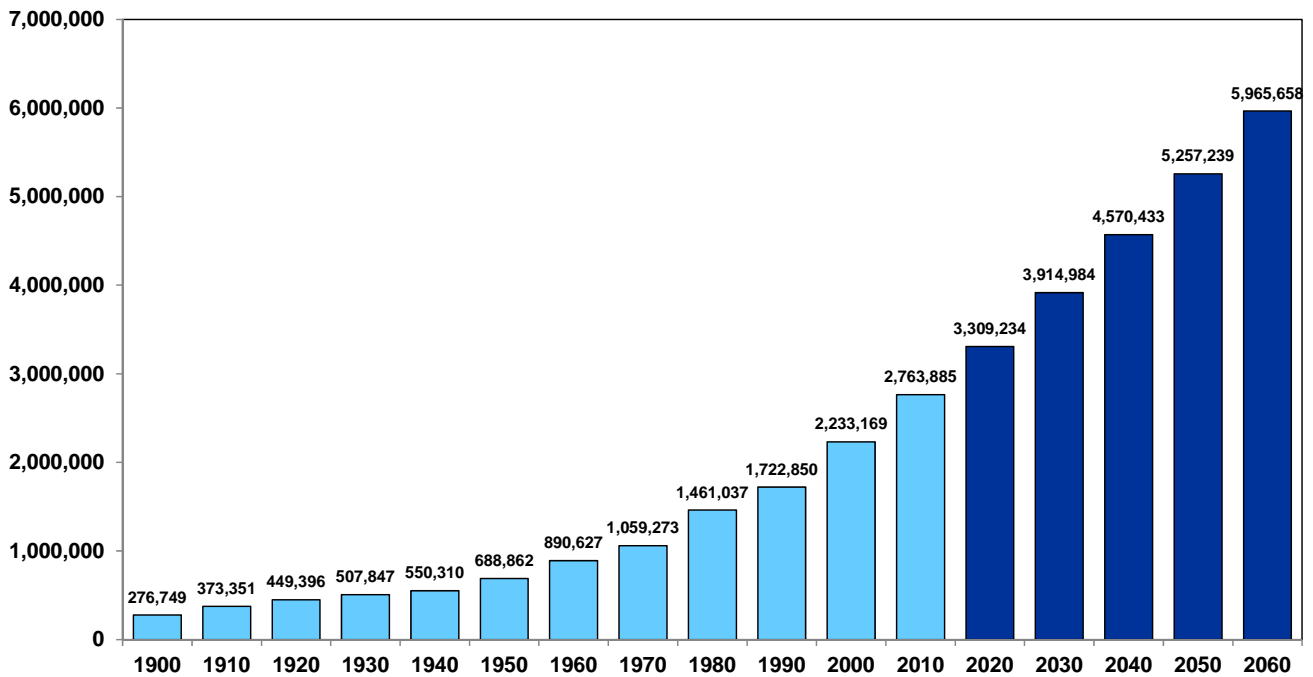


Figure 11
Population Estimate Percent Change



Source: U.S. Census Bureau

Figure 12
Utah Total Population Estimates and Projections



Source: U.S. Census Bureau and Governor's Office of Management and Budget



Table 3
U.S. Census Bureau National and State Population Estimates: 2011 and 2012

Area	July 1, 2011 Population	2011 Rank	July 1, 2012 Population	2012 Rank	2011-2012 Change	2011-2012 % Change	Rank Based on % Change
U.S.	311,587,816	na	313,914,040	na	2,326,224	0.7%	na
Region							
Northeast	55,597,646	4	55,761,091	4	163,445	0.3%	3
Midwest	67,145,089	3	67,316,297	3	171,208	0.3%	4
South	116,022,230	1	117,257,221	1	1,234,991	1.1%	1
West	72,822,851	2	73,579,431	2	756,580	1.0%	2
State							
Alabama	4,803,689	23	4,822,023	23	18,334	0.4%	31
Alaska	723,860	47	731,449	47	7,589	1.0%	14
Arizona	6,467,315	16	6,553,255	15	85,940	1.3%	8
Arkansas	2,938,582	32	2,949,131	32	10,549	0.4%	32
California	37,683,933	1	38,041,430	1	357,497	0.9%	19
Colorado	5,116,302	22	5,187,582	22	71,280	1.4%	7
Connecticut	3,586,717	29	3,590,347	29	3,630	0.1%	45
Delaware	908,137	45	917,092	45	8,955	1.0%	18
District of Columbia	619,020	50	632,323	49	13,303	2.1%	2
Florida	19,082,262	4	19,317,568	4	235,306	1.2%	9
Georgia	9,812,460	9	9,919,945	8	107,485	1.1%	11
Hawaii	1,378,129	40	1,392,313	40	14,184	1.0%	16
Idaho	1,583,744	39	1,595,728	39	11,984	0.8%	24
Illinois	12,859,752	5	12,875,255	5	15,503	0.1%	44
Indiana	6,516,353	15	6,537,334	16	20,981	0.3%	37
Iowa	3,064,097	30	3,074,186	30	10,089	0.3%	36
Kansas	2,870,386	33	2,885,905	33	15,519	0.5%	30
Kentucky	4,366,814	26	4,380,415	26	13,601	0.3%	38
Louisiana	4,574,766	25	4,601,893	25	27,127	0.6%	28
Maine	1,328,544	41	1,329,192	41	648	0.0%	47
Maryland	5,839,572	19	5,884,563	19	44,991	0.8%	23
Massachusetts	6,607,003	14	6,646,144	14	39,141	0.6%	29
Michigan	9,876,801	8	9,883,360	9	6,559	0.1%	46
Minnesota	5,347,299	21	5,379,139	21	31,840	0.6%	27
Mississippi	2,977,457	31	2,984,926	31	7,469	0.3%	40
Missouri	6,008,984	18	6,021,988	18	13,004	0.2%	42
Montana	997,667	44	1,005,141	44	7,474	0.7%	25
Nebraska	1,842,234	38	1,855,525	37	13,291	0.7%	26
Nevada	2,720,028	35	2,758,931	35	38,903	1.4%	6
New Hampshire	1,317,807	42	1,320,718	42	2,911	0.2%	41
New Jersey	8,834,773	11	8,864,590	11	29,817	0.3%	34
New Mexico	2,078,674	36	2,085,538	36	6,864	0.3%	35
New York	19,501,616	3	19,570,261	3	68,645	0.4%	33
North Carolina	9,651,103	10	9,752,073	10	100,970	1.0%	15
North Dakota	684,740	48	699,628	48	14,888	2.2%	1
Ohio	11,541,007	7	11,544,225	7	3,218	0.0%	48
Oklahoma	3,784,163	28	3,814,820	28	30,657	0.8%	21
Oregon	3,868,229	27	3,899,353	27	31,124	0.8%	22
Pennsylvania	12,743,948	6	12,763,536	6	19,588	0.2%	43
Rhode Island	1,050,646	43	1,050,292	43	-354	0.0%	50
South Carolina	4,673,348	24	4,723,723	24	50,375	1.1%	13
South Dakota	823,593	46	833,354	46	9,761	1.2%	10
Tennessee	6,399,787	17	6,456,243	17	56,456	0.9%	20
Texas	25,631,778	2	26,059,203	2	427,425	1.7%	3
Utah	2,814,347	34	2,855,287	34	40,940	1.5%	5
Vermont	626,592	49	626,011	50	-581	-0.1%	51
Virginia	8,104,384	12	8,185,867	12	81,483	1.0%	17
Washington	6,823,267	13	6,897,012	13	73,745	1.1%	12
West Virginia	1,854,908	37	1,855,413	38	505	0.0%	49
Wisconsin	5,709,843	20	5,726,398	20	16,555	0.3%	39
Wyoming	567,356	51	576,412	51	9,056	1.6%	4

Source: U.S. Census Bureau

Employment, Wages, and Labor Force

Utah's economy in 2012 has built upon a noticeable employment improvement that began in 2011. Employment gains for the year were estimated at 3.2%, or 39,031 jobs. This placed Utah above its long-term yearly average employment growth of 3.1%, and marks the first year since 2007 that Utah has achieved above-average growth. Utah's total employment count returned to its pre-recession peak by late 2012. Utah's unemployment rate decreased throughout 2012 and at year end was just above 5.7%.

Utah's current employment rebound is largely driven by positive demographic factors. Labor force-age population (16 and over) has grown by approximately 125,000 since late 2007, when the recession began. Utah's employment is currently equal with the late 2007 employment count, while the labor force-age population has grown by approximately 7%. The disparity between labor-force growth and employment will eventually encourage employment growth. This process is already underway, and Utah is primed for potentially strong employment gains over the next several years, barring any national recession.

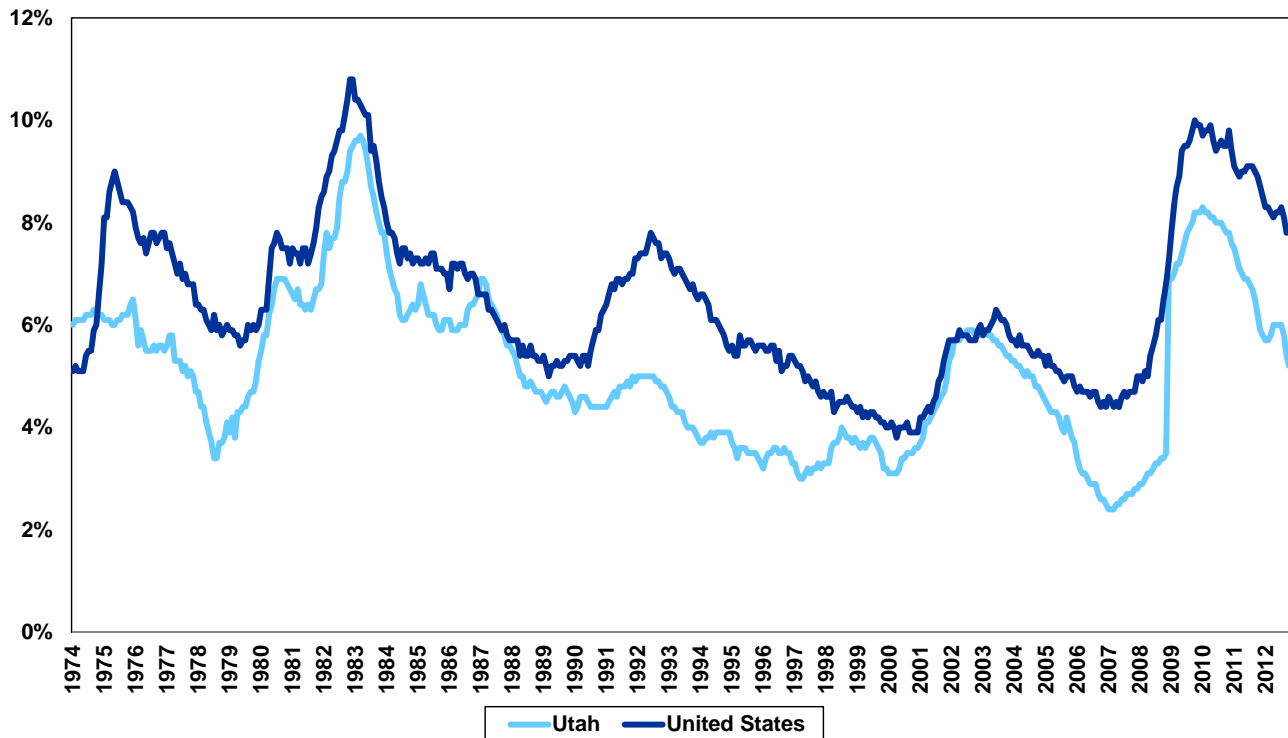
Utah's current employment expansion is diverse in that all industrial sectors are adding jobs for the first time since 2007.

The most encouraging aspect of this news is that the construction industry added jobs. Construction was the first industry to enter into the recession and has been the last to experience a rebound. In the past, nearly all economic rebounds from a recession have a robust construction sector. Construction was not the main driver in 2012, but it did show employment gains signaling the end of its recessionary decline and setting the stage for additional employment gains going forward.

2013 Outlook

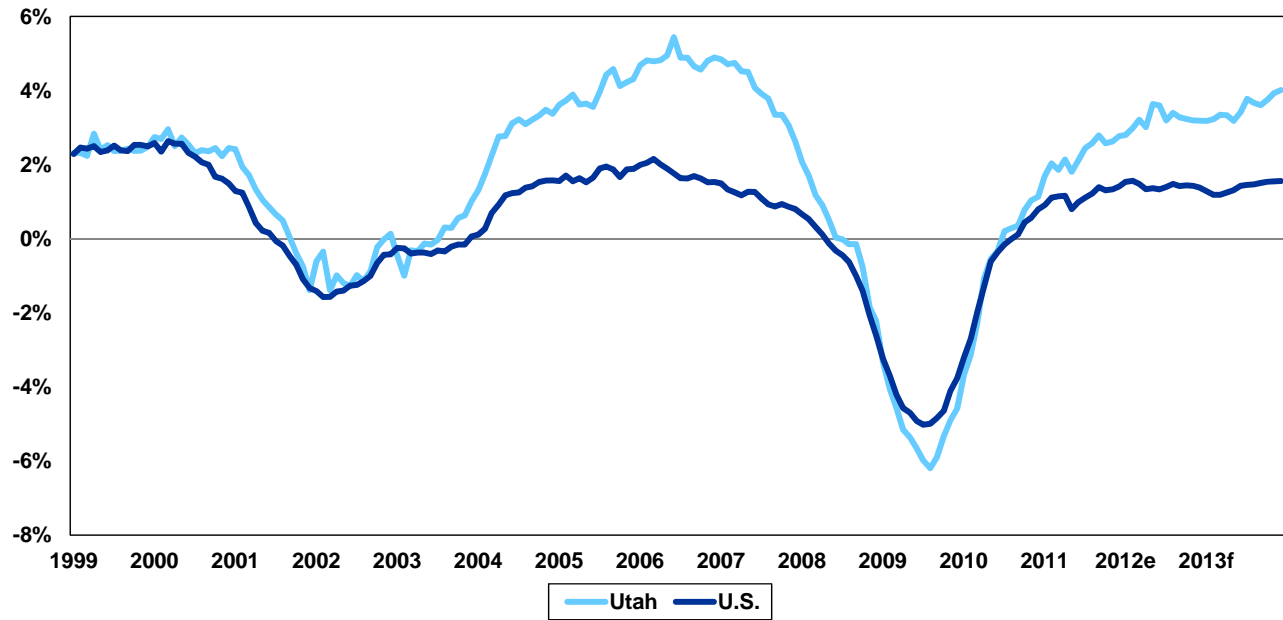
The Utah employment situation is expected to continue improving during 2013. Employment growth for the year is forecast to be 3.5%, and this has the potential to be a low estimate. The housing market in 2012 showed signs of rebound. While there were still lingering housing economic variables that need to strengthen, new housing permits and prices rose in 2012. Multiple years of population growth and household formation could provide the impetus for a strong housing market in 2013 as economic conditions improve. All other industries are already expanding noticeably from the recession setback and should continue to do so through 2013.

Figure 13
Utah Unemployment Rate



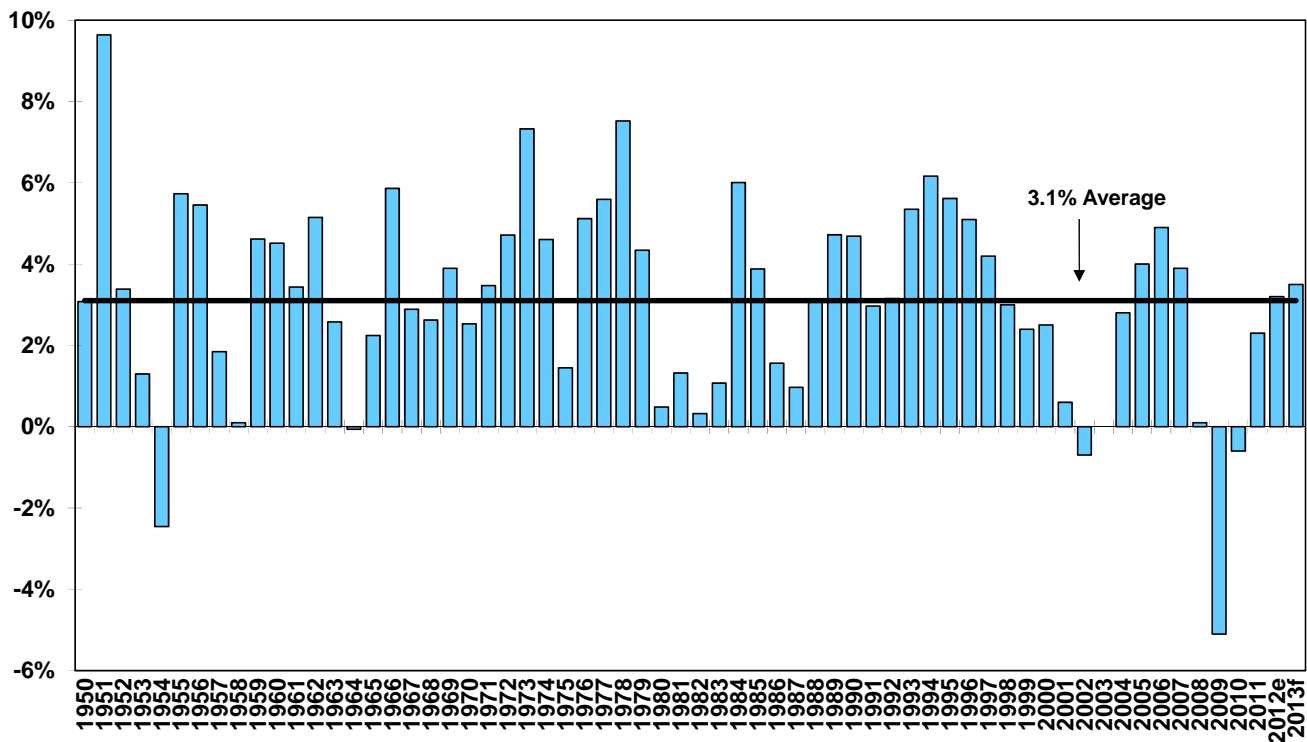
Source: U.S. Bureau of Labor Statistics

Figure 14
Year-Over Monthly Change In Utah Nonfarm Jobs



Source: Utah Department of Workforce Services e = estimate f = forecast

Figure 15
Annual Change Utah Nonfarm Employment



Source: Utah Department of Workforce Services e = estimate f = forecast

Table 4
Utah Nonfarm Employment by Industry and Unemployment Rate

Year	Total Payroll Employment			Unemployment Rate	Year	Total Payroll Employment			Unemployment Rate
	Number	Percent Change	Absolute Change			Number	Percent Change	Absolute Change	
1950	189,153	3.1	5,653	5.5	1982	560,981	0.3	1,797	7.8
1951	207,386	9.6	18,233	3.3	1983	566,991	1.1	6,010	9.2
1952	214,409	3.4	7,023	3.2	1984	601,068	6.0	34,077	6.5
1953	217,194	1.3	2,785	3.3	1985	624,387	3.9	23,319	5.9
1954	211,864	-2.5	-5,330	5.2	1986	634,138	1.6	9,751	6.0
1955	224,007	5.7	12,143	4.1	1987	640,298	1.0	6,160	6.4
1956	236,225	5.5	12,218	3.4	1988	660,075	3.1	19,777	4.9
1957	240,577	1.8	4,352	3.7	1989	691,244	4.7	31,169	4.6
1958	240,816	0.1	239	5.3	1990	723,629	4.7	32,385	4.3
1959	251,940	4.6	11,124	4.6	1991	745,202	3.0	21,573	5.0
1960	263,307	4.5	11,367	4.8	1992	768,602	3.2	23,488	5.0
1961	272,355	3.4	9,048	5.3	1993	809,731	5.4	41,129	3.9
1962	286,382	5.2	14,027	4.9	1994	859,626	6.2	49,895	3.7
1963	293,758	2.6	7,376	5.4	1995	907,886	5.6	48,260	3.6
1964	293,576	-0.1	-182	6.0	1996	954,183	5.1	46,297	3.5
1965	300,164	2.2	6,588	6.1	1997	993,999	4.2	39,816	3.1
1966	317,771	5.9	17,607	4.9	1998	1,023,480	3.0	29,461	3.8
1967	326,953	2.9	9,182	5.2	1999	1,048,498	2.4	25,018	3.7
1968	335,527	2.6	8,574	5.4	2000	1,074,879	2.5	26,381	3.4
1969	348,612	3.9	13,085	5.2	2001	1,081,685	0.6	6,806	4.4
1970	357,435	2.5	8,823	6.1	2002	1,073,746	-0.7	-7,939	5.7
1971	369,836	3.5	12,401	6.6	2003	1,074,131	0.0	385	5.7
1972	387,271	4.7	17,435	6.3	2004	1,104,328	2.8	30,197	5.2
1973	415,641	7.3	28,370	5.8	2005	1,148,320	4.0	43,992	4.3
1974	434,793	4.6	19,152	6.1	2006	1,203,914	4.8	55,594	2.9
1975	441,082	1.4	6,289	6.5	2007	1,251,282	3.9	47,368	2.7
1976	463,658	5.1	22,576	5.7	2008	1,252,470	0.1	1,188	3.7
1977	489,580	5.6	25,922	5.3	2009	1,188,736	-5.1	-63,734	7.1
1978	526,400	7.5	36,820	3.8	2010	1,181,519	-0.6	-7,217	8.0
1979	549,242	4.3	22,842	4.3	2011	1,208,650	2.3	27,131	6.7
1980	551,889	0.5	2,647	6.3	2012e	1,247,680	3.2	39,030	5.7
1981	559,184	1.3	7,295	6.7	2013f	1,291,848	3.5	44,168	5.4

e = estimate

f = forecast

Source: Utah Department of Workforce Services, Workforce Information

Table 5
Utah Population, Labor Force, Nonfarm Jobs and Wages

	2009	2010	2011	2012e	2013f	Annual Percent Change			
						2010	2011	2012e	2013f
Civilian Labor Force	1,382,627	1,361,756	1,338,259	1,350,848	1,442,962	-1.5	-1.7	0.9	6.8
Employed Persons	1,277,162	1,252,715	1,248,197	1,271,744	1,363,495	-1.9	-0.4	1.9	7.2
Unemployed Persons	105,465	109,041	90,062	76,998	77,920	3.4	-17.4	-14.5	1.2
Unemployment Rate	7.6	8.0	6.7	5.7	5.4				
U.S. Rate	9.3	9.6	9.0	8.1	7.6				
Total Nonfarm Jobs	1,188,736	1,181,619	1,208,649	1,247,680	1,291,848	-0.6	2.3	3.2	3.5
Mining	10,694	10,442	11,659	12,775	13,419	-2.4	11.7	9.6	5.0
Construction	70,492	65,223	65,166	71,661	78,412	-7.5	-0.1	10.0	9.4
Manufacturing	112,874	111,075	113,684	116,674	119,871	-1.6	2.3	2.6	2.7
Trade, Trans., Utilities	234,097	229,132	233,251	241,432	249,657	-2.1	1.8	3.5	3.4
Information	29,558	29,276	29,495	31,140	32,346	-1.0	0.7	5.6	3.9
Financial Activity	71,075	67,978	68,391	68,966	71,102	-4.4	0.6	0.8	3.1
Professional & Business Services	149,517	152,336	159,420	166,677	175,651	1.9	4.7	4.6	5.4
Education & Health Services	150,874	155,005	159,210	163,283	168,541	2.7	2.7	2.6	3.2
Leisure & Hospitality	110,852	110,625	113,512	117,971	121,874	-0.2	2.6	3.9	3.3
Other Services	34,024	33,624	34,090	34,832	35,651	-1.2	1.4	2.2	2.3
Government	214,679	216,903	220,772	222,269	225,322	1.0	1.8	0.7	1.4
Goods-producing	194,060	186,740	190,509	201,110	211,703	-3.8	2.0	5.6	5.3
Service-producing	994,676	994,879	1,018,141	1,046,570	1,080,145	0.0	2.3	2.8	3.2
Percent Svc.-producing	83.7%	84.2%	84.2%	83.9%	83.6%				
U.S. Nonfarm Job Growth %	-4.3	-0.7	1.2	1.4	1.4				
Total Nonfarm Wages (millions)	\$45,242	\$45,876	\$47,967	\$50,595	\$53,821	1.4	4.6	5.5	6.4
Average Annual Wage	\$38,059	\$38,825	\$39,686	\$40,512	\$41,722	2.0	2.2	2.1	3.0
Average Monthly Wage	\$3,172	\$3,235	\$3,307	\$3,376	\$3,477	2.0	2.2	2.1	3.0
Establishments (first quarter)	83,263	80,419	80,567	81,888	82,500				

e = estimate

f = forecast

Note: Numbers in this table may differ from other tables as not all industrial sectors are listed here.

Source: Utah Department of Workforce Services, Workforce Information

Personal Income

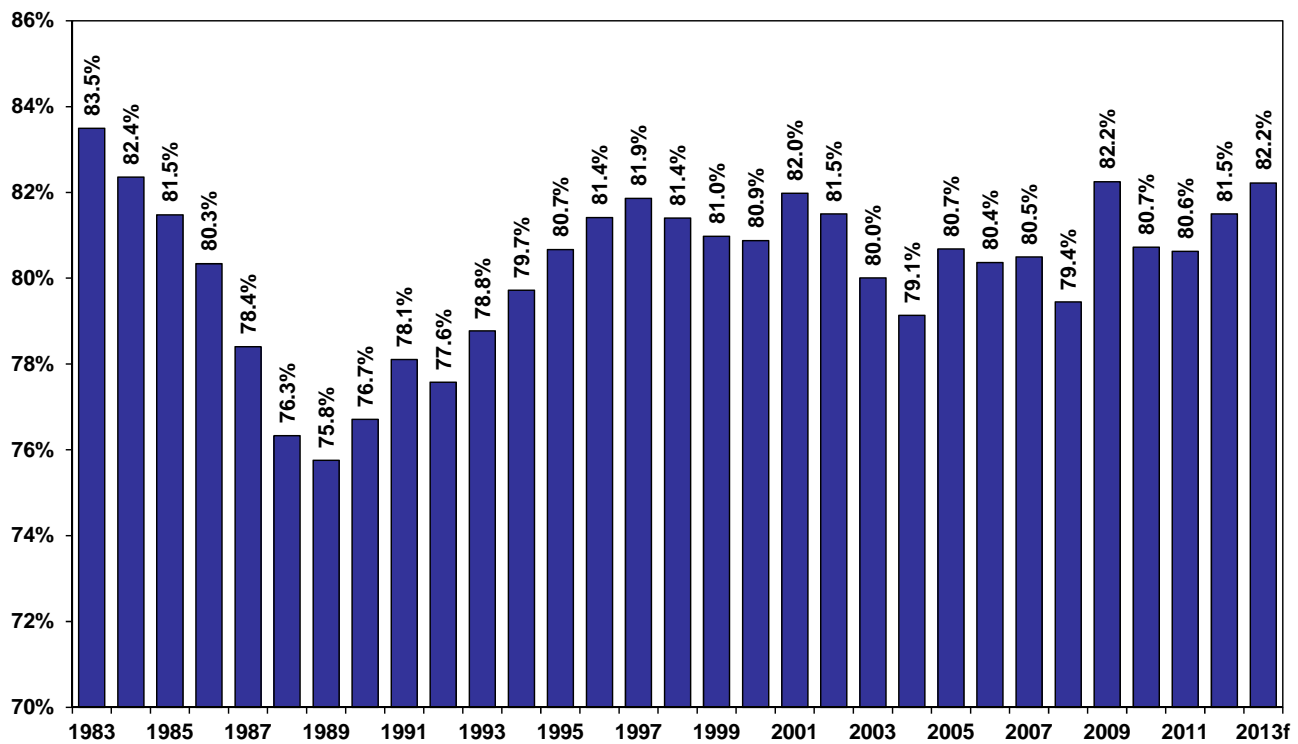
Utah's total personal income in 2012 was an estimated \$98.8 billion, a 4.7% increase from \$94.4 billion in 2011. Utah's estimated 2012 per capita income was \$34,585 up 3.2% from the 2011 level of \$33,509. The two-percentage point reduction in the personal contribution rate for social security, which was part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, accounted for a significant portion of the 2011 growth. The Middle Class Tax Relief and Job Creation Act of 2012 extended the reduction through December of 2012. If Congress decides to extend it through 2013, this will contribute to continued personal income growth in Utah.

2013 Outlook

Utah's total personal income is estimated to have increased by 4.7% in 2012, slightly lower growth compared to the 5.9% increase in 2011. The 2012 increase in personal income was led by strong wage growth, 5.5%. All sources of income except interest income were positive in 2012.

Moving into 2013 as the economy continues to recover from the recession, Utah personal income is expected to increase by 4.5%, 1.6 percentage points above the anticipated U.S. increase. Per capita personal income is forecast to increase 2.7% in 2013 increasing Utah's share of U.S. per capita personal income to 82.2%.

Figure 16
Utah Per Capita Personal Income as a Percent of the United States



Note: Vertical axis does not begin at zero f = forecast

Source: U.S. Department of Commerce, Bureau of Economic Analysis; Governor's Office of Management and Budget

Table 6
Personal and Per Capita Income

Year	Total Personal Income (Dollars)			Annual Growth Rates		Per Capita Personal Income (Dollars)		
	Utah	United States	Utah as % of U.S.	Utah	United States	Utah	United States	Utah as % of U.S.
1970	\$3,611	\$832,238	0.43%	11.1%	7.8%	\$3,389	\$4,084	83.0%
1971	4,016	897,559	0.45%	11.2%	7.8%	3,649	4,340	84.1%
1972	4,505	987,073	0.46%	12.2%	10.0%	3,971	4,717	84.2%
1973	5,045	1,105,426	0.46%	12.0%	12.0%	4,316	5,230	82.5%
1974	5,680	1,217,673	0.47%	12.6%	10.2%	4,738	5,708	83.0%
1975	6,384	1,329,714	0.48%	12.4%	9.2%	5,173	6,172	83.8%
1976	7,322	1,469,355	0.50%	14.7%	10.5%	5,755	6,754	85.2%
1977	8,351	1,626,621	0.51%	14.0%	10.7%	6,344	7,402	85.7%
1978	9,625	1,830,836	0.53%	15.3%	12.6%	7,055	8,243	85.6%
1979	11,034	2,052,037	0.54%	14.6%	12.1%	7,792	9,138	85.3%
1980	12,506	2,292,903	0.55%	13.3%	11.7%	8,492	10,091	84.2%
1981	14,165	2,572,070	0.55%	13.3%	12.2%	9,347	11,209	83.4%
1982	15,510	2,757,048	0.56%	9.5%	7.2%	9,953	11,901	83.6%
1983	16,756	2,941,857	0.57%	8.0%	6.7%	10,506	12,583	83.5%
1984	18,448	3,256,048	0.57%	10.1%	10.7%	11,371	13,807	82.4%
1985	19,593	3,482,520	0.56%	6.2%	7.0%	11,926	14,637	81.5%
1986	20,490	3,683,091	0.56%	4.6%	5.8%	12,322	15,338	80.3%
1987	21,231	3,909,771	0.54%	3.6%	6.2%	12,652	16,137	78.4%
1988	22,236	4,216,123	0.53%	4.7%	7.8%	13,162	17,244	76.3%
1989	23,782	4,541,996	0.52%	7.0%	7.7%	13,941	18,402	75.8%
1990	25,704	4,831,282	0.53%	8.1%	6.4%	14,847	19,354	76.7%
1991	27,549	5,013,484	0.55%	7.2%	3.8%	15,479	19,818	78.1%
1992	29,636	5,335,268	0.56%	7.6%	6.4%	16,135	20,799	77.6%
1993	31,978	5,558,374	0.58%	7.9%	4.2%	16,845	21,385	78.8%
1994	34,848	5,866,796	0.59%	9.0%	5.5%	17,775	22,297	79.7%
1995	37,795	6,194,245	0.61%	8.5%	5.6%	18,765	23,262	80.7%
1996	41,151	6,584,404	0.62%	8.9%	6.3%	19,899	24,442	81.4%
1997	44,518	6,994,388	0.64%	8.2%	6.2%	21,001	25,654	81.9%
1998	48,057	7,519,327	0.64%	8.0%	7.5%	22,188	27,258	81.4%
1999	50,555	7,906,131	0.64%	5.2%	5.1%	22,943	28,333	81.0%
2000	55,025	8,554,866	0.64%	8.8%	8.2%	24,515	30,319	80.9%
2001	58,504	8,878,830	0.66%	6.3%	3.8%	25,618	31,157	82.0%
2002	59,873	9,054,702	0.66%	2.3%	2.0%	25,754	31,481	81.5%
2003	61,485	9,369,072	0.66%	2.7%	3.5%	26,051	32,295	80.0%
2004	65,453	9,928,790	0.66%	6.5%	6.0%	27,254	33,909	79.1%
2005	71,530	10,476,669	0.68%	9.3%	5.5%	29,104	35,452	80.7%
2006	78,378	11,256,516	0.70%	9.6%	7.4%	31,035	37,725	80.4%
2007	85,106	11,900,562	0.72%	8.6%	5.7%	32,761	39,506	80.5%
2008	90,610	12,451,660	0.73%	6.5%	4.6%	34,025	40,947	79.4%
2009	86,544	11,852,715	0.73%	-4.5%	-4.8%	31,778	38,637	82.2%
2010	89,152	12,308,496	0.72%	3.0%	3.8%	32,121	39,791	80.7%
2011	94,401	12,949,905	0.73%	5.9%	5.2%	33,509	41,560	80.6%
2012e	98,800	13,380,528	0.74%	4.7%	3.3%	34,585	42,437	81.5%
2013f	103,200	13,758,143	0.75%	4.5%	2.8%	35,527	43,210	82.2%

e = estimate

f = forecast

Sources:

1. U.S. Department of Commerce, Bureau of Economic Analysis
2. Utah Revenue Assumptions Working Group
3. Utah State Tax Commission

Utah Taxable Sales

Taxable sales are comprised of three major components: retail trade, business investments and utility taxable sales, and taxable services. In 2012, Utah total taxable sales in Utah are expected to increase by 6.2% to an estimated \$47.1 billion. 2012 is expected to be the second consecutive year of positive growth.

Retail trade taxable sales are estimated to be \$26.2 billion in 2012, representing 55.6% of taxable sales. Retail trade taxable sales have increased 6.7% since 2011. Business investment and utility taxable sales are estimated to be \$10.9 billion in 2012, representing 23.2% of taxable sales. This is an increase

of 6.6% over 2011. Taxable services are estimated to be \$6.5 billion for 2012, representing 13.8% of all taxable sales—growth of 6.4% over 2011.

2013 Outlook

Total taxable sales are expected to increase by 5.4% from \$47.1 billion to \$49.6 billion between 2012 and 2013. Retail trade is projected to grow by 6.1% in 2013. Business investment and utility taxable sales is expected to grow another 3.4% in 2013. Taxable services are expected to increase by 3.6% in 2013. These increases are expected due to rising consumer and investor confidence and a stabilization of the housing market coupled with increased credit availability.

Table 7
Utah Taxable Sales by Component

Calendar Year	Millions of Dollars					Percent Change				
	Business				Total	Business				Total
	Retail Sales	Investment Purchases	Taxable Services	All Other	Taxable Sales	Retail Sales	Investment Purchases	Taxable Services	All Other	Taxable Sales
2008	\$27,202	\$11,014	\$6,627	\$2,540	\$47,383					
2009	24,802	8,804	5,867	2,451	41,924	-8.8	-20.1	-11.5	-3.5	-11.5
2010	22,989	9,358	5,966	3,595	41,908	-7.3	6.3	1.7	46.7	0.0
2011	24,523	10,246	6,106	3,461	44,336	6.7	9.5	2.3	-3.7	5.8
2012e	26,166	10,924	6,498	3,497	47,085	6.7	6.6	6.4	1.0	6.2
2013f	27,763	11,299	6,734	3,817	49,613	6.1	3.4	3.6	9.1	5.4

e = estimate f = forecast

Source: Utah State Tax Commission

Tax Collections

The Consensus Revenue Forecast for the General and Education Fund was released in the Governor's FY2013 Budget Recommendation. Free revenue in the General and Education Funds is forecast to grow in FY2013 to \$5,053.2 million, a 4.0% increase while FY2014 is expected to grow to \$5,277.3 million, a 4.4% increase. This growth is similar to the growth of 4.3% realized in FY2012. Policy changes regarding the earmarking of sales tax to transportation are restraining the growth of free revenue. Total sales tax earmarks grew from \$189.2 million in FY2011 to \$332.4 million in FY2012 and are expected to grow to \$433.6 million in FY2013 and \$482.7 million in FY2014. Collections including earmarks have grown faster than 7% for the last two years, and are expected to fall modestly over the next two years to 5.7% and 5.0% growth.

Moderate economic growth is generating higher tax collections. Strong sales of motor vehicles and increasing business investment combined with solid wage growth and continued business profits have pushed tax revenue higher. In the coming two years, the expansion is expected to quicken from increasing oil and gas production paired with more housing construction while being dampened by tax changes resulting from the partial resolution of the U.S. "fiscal cliff". Employment growth is expected to outpace the national growth in employment. Taxable sales should continue to grow above 5%. The continuing major risk to this revenue forecast comes from impasse over resolution of the federal government's fiscal problems, with question over the debt ceiling and a fight over the delayed sequester expected in early March 2013.

Governor's 2013 Budget Recommendation

Collections of unrestricted revenue should grow \$193.9 million in FY2013 to \$5,053.2 million, a 4.0% increase. This adds \$77.7 million to the prior expectation for FY2013 formed in the 2012 General Legislative Session. In the prior forecast collections were expected to grow 4.2%, so this extra growth is largely the result of FY2012 closing with a surplus. The growth in FY2014 is predicted to be an additional \$224.1 million to \$5,277.3 million, a 4.4% increase. Combined with the \$46.4 million surplus available to spend after automatic transfers, and after minor budget adjustments, the expectation is to have \$121.7 million in one-time money and \$300.3 million in ongoing funds in the new budget cycle.

Fiscal Year 2012: Bouncing Back

Collections of unrestricted revenue grew \$200.8 million in FY2012 to \$4,859.3 million, a 4.3% increase. The final FY2012 forecast predicted growth of \$115.6 million to \$4,774.1 million, a 2.5% increase. The forecast underestimated growth by 1.8%, resulting in an \$85.2 million revenue surplus. All collections grew \$386.1 million, a 7.1% increase.

The General Fund grew by \$31.2 million, only 16% of unrestricted growth. The Sales and Use Tax fell by \$18.9 million, a 1.2% decrease. This was due to the restoration of an earmark of sales and use tax to transportation. Total Sales and Use Tax collections grew \$124.4 million. The Cable/Satellite Excise Tax, Liquor Profits, and Insurance Premium Tax all rebounded with growth above 10%. The Beer, Cigarette, and Tobacco Tax remained flat. All other general fund collections increased due to over a \$20 million settlement with banks regarding bad mortgage practices. Severance Taxes grew only modestly, double digit growth early in the fiscal slowed considerably by year end.

The Education Fund grew by \$169.6 million, 84% of unrestricted growth. Individual Income Tax grew \$161.3 million, continuing strong growth with a 7.1% increase. The source of much of the growth was from wage factors: withholding grew to \$2,151.8 million, a 5.7% increase; final payments remained steady at \$689.0 million, a 2.9% increase; refunds continued to fall to \$381.4 million, a 6.2% decline. After growing extremely slowly through most of the fiscal year, corporate collections recovered at year end to \$268.9 million, an increase of \$8.2 million or 3.1%. Mineral Production Withholding grew \$1.7 million, a 6.2% increase. Other collections fell \$1.4 million, a 5.4% decrease due to lower escheat payments.

Legislation Impacting Tax Collections

Overall collections were not significantly impacted by policy changes in FY2012. There were significant shifts between unrestricted and restricted sales tax due to bills passed in the 2010 General Legislative Session that temporarily shifted earmarked sales tax revenue from the Transportation Fund to the General Fund to help dampen the effects of a sharp fall in revenue due to the recession.

Significant policy changes impacting the future distribution of tax collections were enacted in the 2011 General Legislative Session. Under SB229, Transportation Funding Revisions, in addition to the planned sales tax earmarks for transportation projects. Starting in FY2013, 30% of the sales tax growth from FY2011 will be diverted to transportation until the current 8.3% share earmark reaches 17.0%. This will likely take 5 or more years to take effect, during which time, transportation funding from sales tax will exceed that collected from all gas taxes and fees in the Transportation Fund.

The 2012 General Legislative Session largely shifted some tax burdens. Sales tax exemptions were enacted for life science businesses, while some businesses were required to start collecting sales tax. Several income tax credits were restored or enacted regarding: recycling zones, dependents with disabilities, employing veterans.

Fiscal Year 2004: Recovery

Collections grew by \$191.8 million in FY2004 to \$3,634.9 million, a 5.6% increase. The final FY2004 forecast predicted

growth of \$95.6 million to \$3,543.6 million, a 2.8% increase. This resulted in a \$91.3 million revenue surplus, underestimating growth by 2.8%.

Fiscal Year 2005: Strong Growth

Collections grew by \$448.1 million in FY2005 to \$4,083.0 million, a 12.3% increase. The final FY2005 forecast predicted growth of \$236.5 million to \$3,912.4 million, a 6.4% increase. This resulted in a \$170.6 million revenue surplus, underestimating growth by 5.9%.

Fiscal Year 2006: Unprecedented Growth

Collections grew by \$781.2 million in FY2006 to \$4,864.2 million, a 19.1% increase. The final FY2006 forecast predicted growth of \$390.5 million to \$4,473.5 million, a 9.6% increase. This resulted in a \$390.7 million revenue surplus, underestimating growth by 9.5%.

Fiscal Year 2007: Slowdown

Collections grew by \$443.5 million in FY2007 to \$5,307.7 million, a 9.1% increase. The final FY2007 forecast predicted growth of \$186.9 million to \$5,051.2 million, a 3.8% increase. This resulted in a \$256.5 million revenue surplus, underestimating growth by 5.3%.

Fiscal Year 2008: Recession

Collections fell by \$94.8 million in FY2008 to \$5,212.9 million, a 1.8% decline. The final FY2008 forecast predicted a fall of \$13.9 million to \$5,293.9 million, a 0.3% decline. This resulted in an \$81.0 million revenue deficit, underestimating the decline in revenue by 1.5%.

The General Fund declined \$125.9 million, more than the total decline. The Sales and Use Tax fell \$118.4 million, a 6.4% decline. The Education Fund grew \$31.0 million, a 1.0% increase. The Individual Income Tax grew \$37.5 million, a 1.5% increase. Corporate collections fell \$9.1 million, a 2.2% fall.

Fiscal Year 2009: Recession

Collections fell by \$651.5 million in FY2009 to \$4,561.4 million, a record 12.5% decline. The final FY2009 forecast pre-

dicted a fall of \$683.9 million to \$4,529.0 million, a 13.1% decline. This resulted in a \$32.4 million revenue surplus, overestimating the decline in revenue by 0.6%.

The General Fund declined \$230.5 million, 35% of the total decline. The Sales and Use Tax fell \$191.9 million, an 11% decline. The Education Fund declined \$421.0 million, 65% of the total decline. The Individual Income Tax fell \$279.3 million, a 10.7% decline. Corporate collections fell \$149.6 million, a 36.9% decline.

Fiscal Year 2010: Reaching Bottom

Collections fell by \$367.8 million in FY2010 to \$4,193.6 million, an 8.1% decline. The final FY2010 forecast predicted a fall of \$341.3 million to \$4,220.1 million, a 7.5% decline. This resulted in a \$26.5 million revenue deficit, underestimating the decline in revenue by 0.6%.

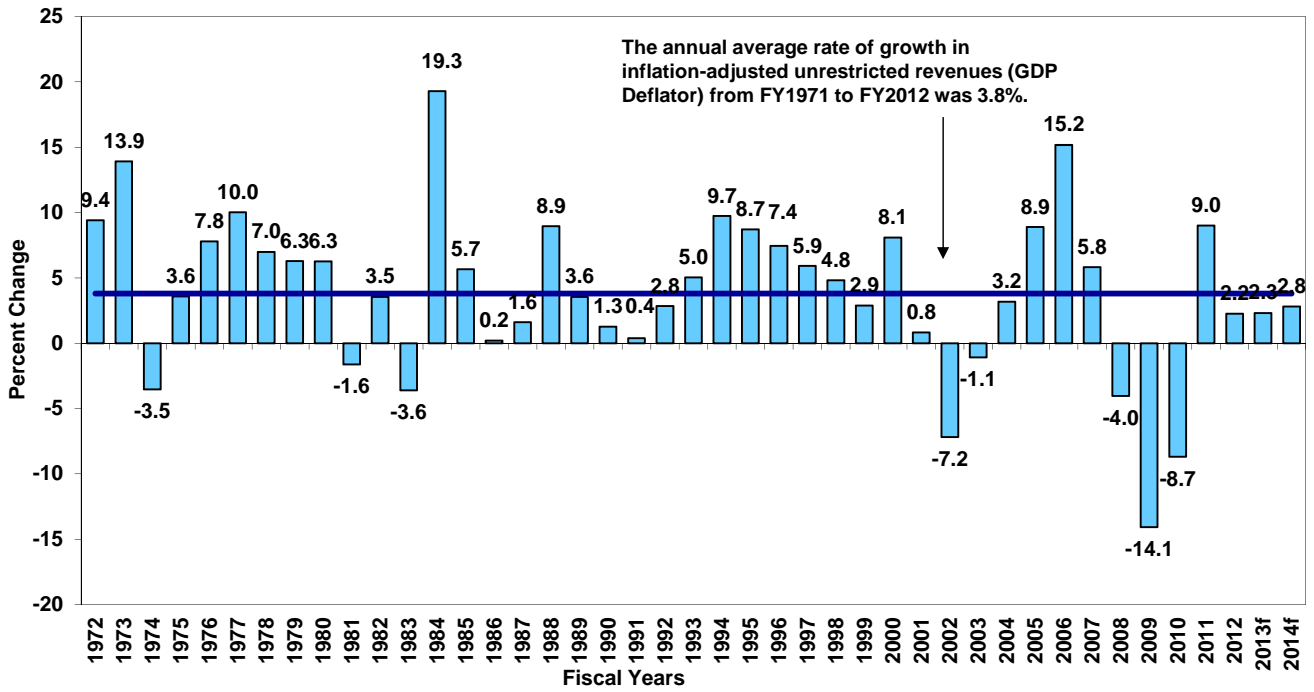
The General Fund declined \$153.3 million, 42% of the total decline. The Sales and Use Tax fell \$144.8 million, a 9.4% decline. The Education Fund declined \$214.6 million, 58% of the total decline. The Individual Income Tax fell \$215.0 million, a 9.3% decline.

Fiscal Year 2011: Recovery

Collections grew by \$464.9 million in FY2011 to \$4,658.5 million, an 11.1% increase. The final FY2011 forecast predicted growth of \$368.0 million to \$4,560.8 million, an 8.8% increase. The forecast underestimated growth by 2.3%, resulting in a \$97.7 million revenue surplus.

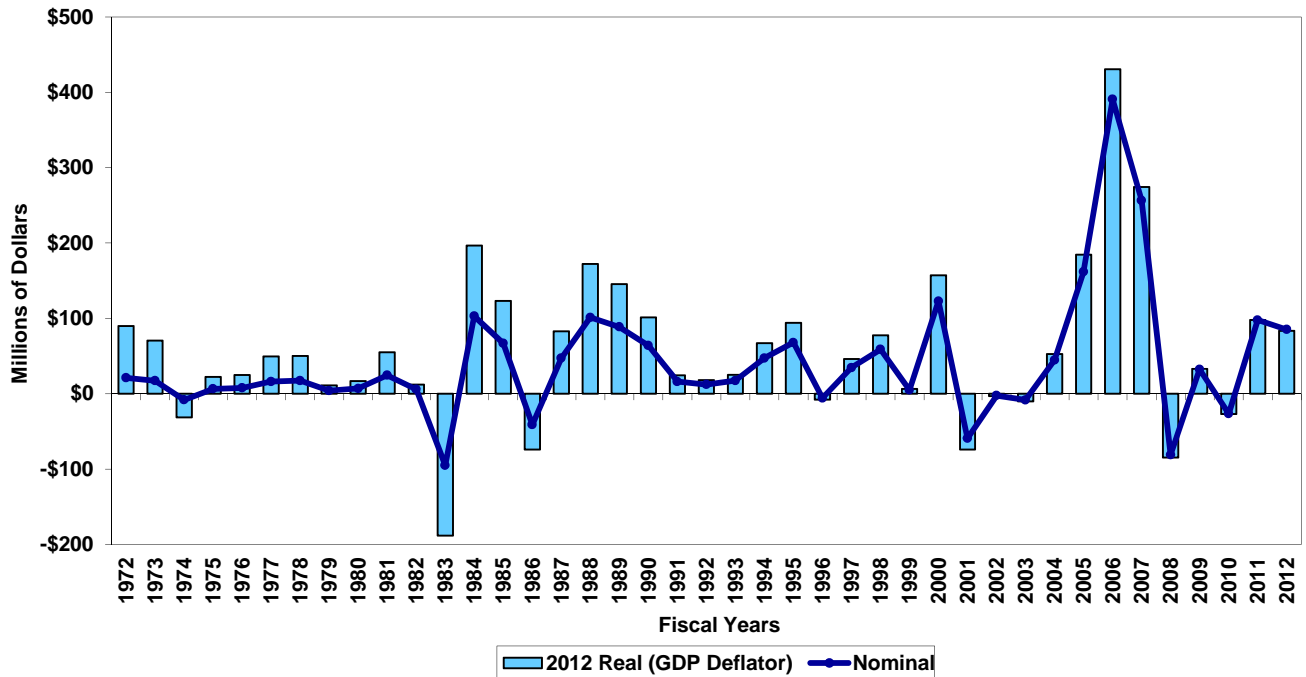
The General Fund grew by \$264.9 million, 57% of total growth. The Beer, Cigarette, and Tobacco Tax grew \$66.8 million, more than doubling from prior year collections due to a doubling of the tax rate. The Education Fund grew by \$200.0 million, 43% of total growth. Individual Income Tax grew \$193.6 million, recovering sharply with a 9.2% increase.

Figure 17
Inflation-Adjusted Percentage Change in Unrestricted General and Education Fund Revenue



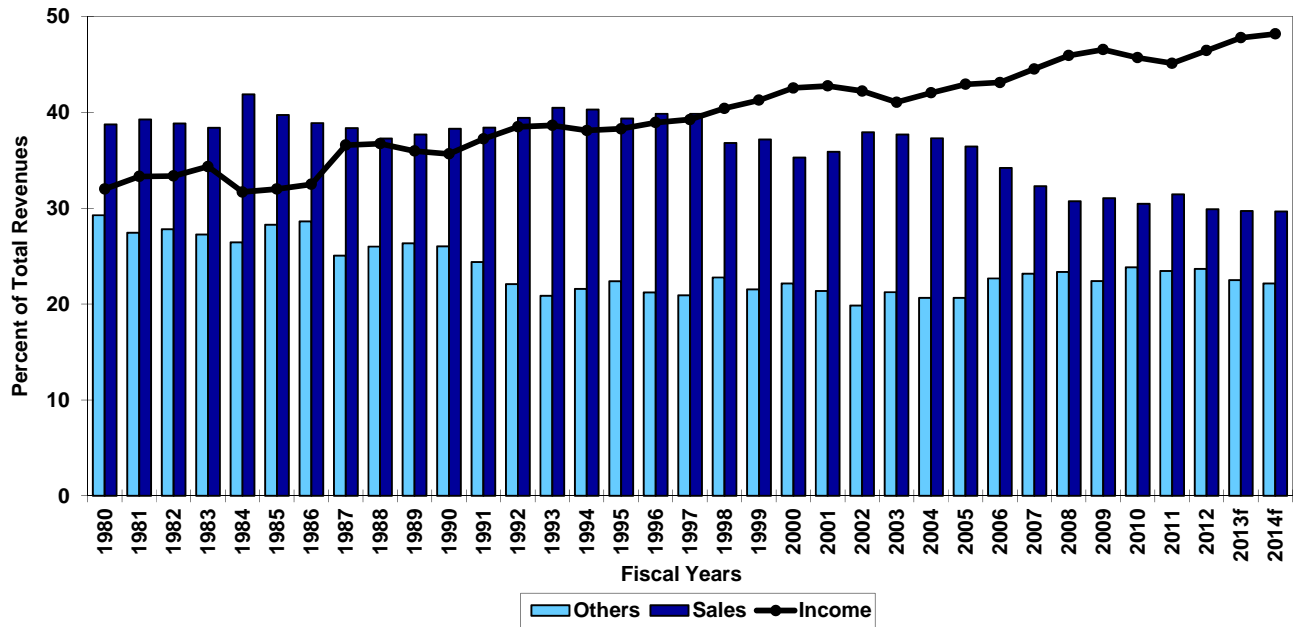
Source: Governor's Office of Management and Budget f = forecast

Figure 18
Actual and Inflation-Adjusted Revenue Surplus for the General and Education Fund Revenue



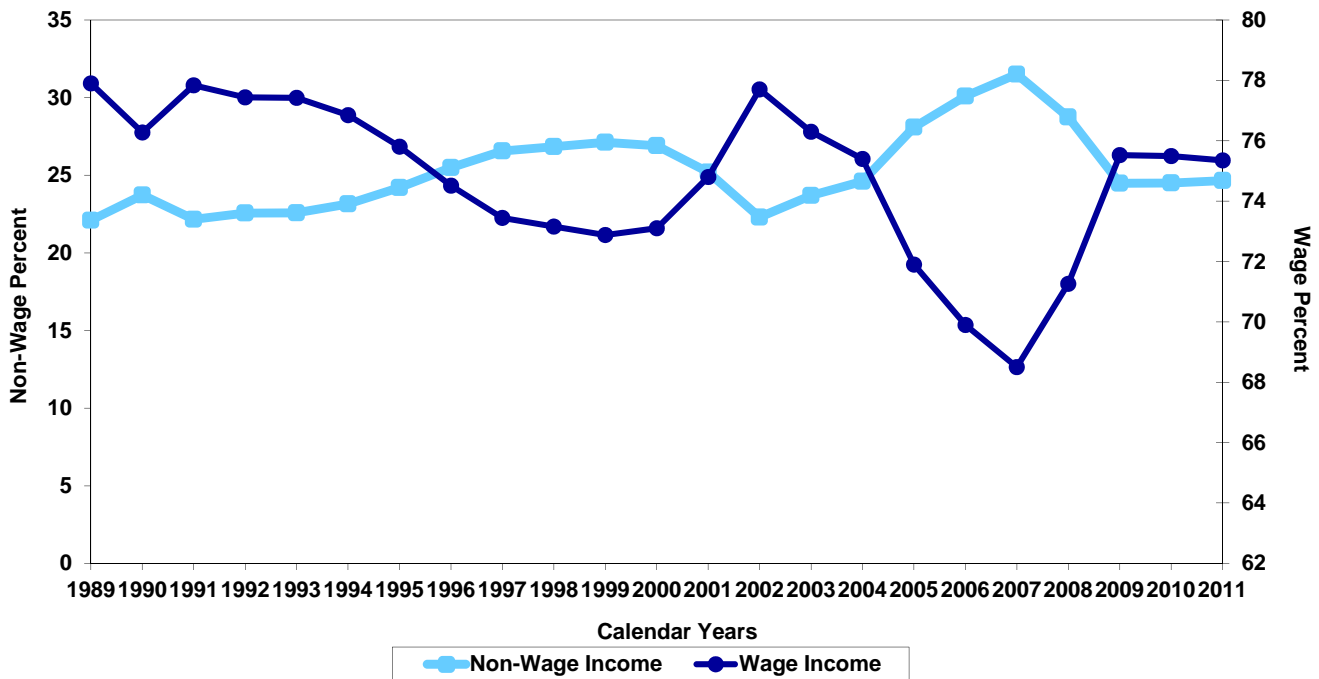
Source: Governor's Office of Management and Budget

Figure 19
Sales Tax, Income Tax, and All Other Unrestricted Revenues as a Percent of Total State Unrestricted Revenues



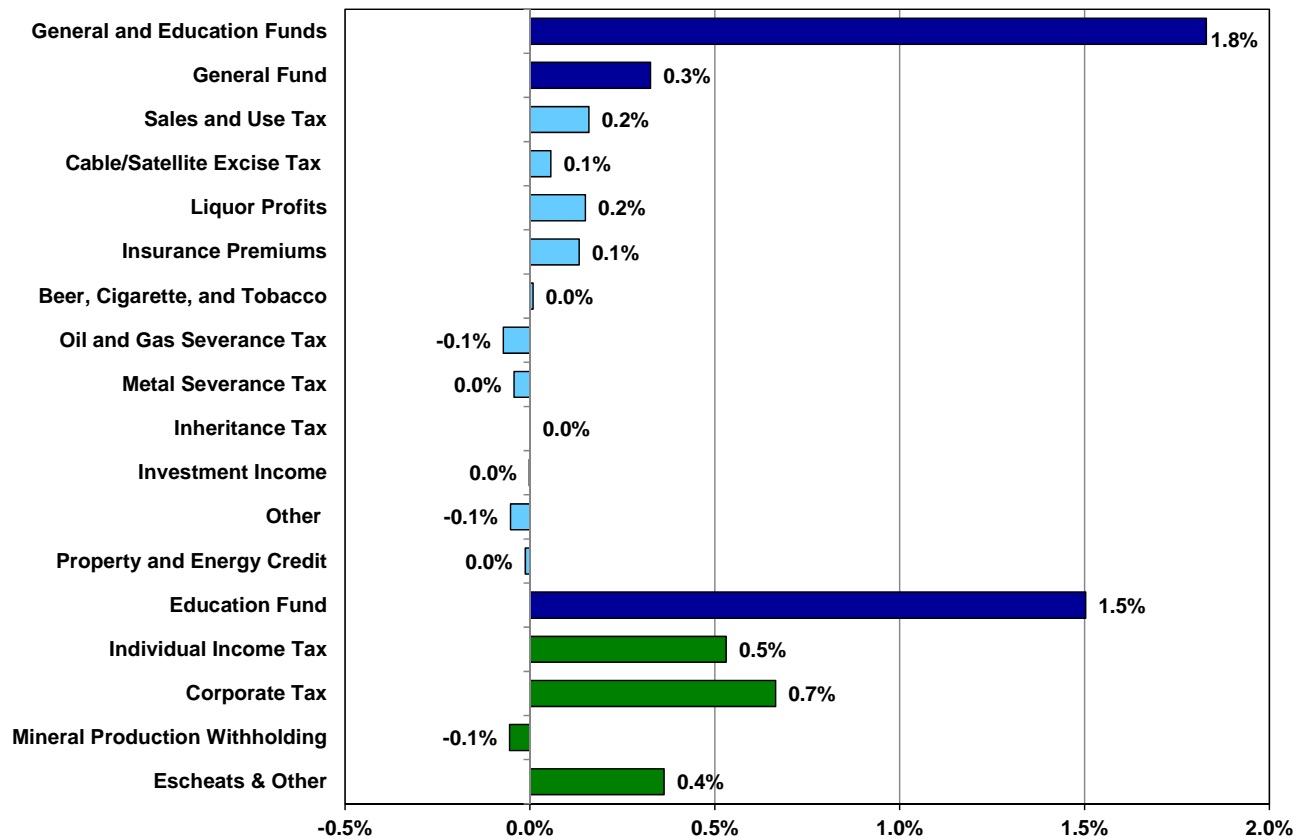
*The "Others" category includes unrestricted fines and fees, investment income, liquor profits, mineral lease, school land income (ended in fiscal 1988), federal revenue sharing (ended in fiscal 1982), corporate, gross receipts, severance, beer, cigarette, insurance, inheritance and motor fuels taxes.
Source: Governor's Office of Management and Budget f = forecast

Figure 20
Inflation-Adjusted Percent Change in General/Education Fund Revenue



Source: Governor's Office of Management and Budget f = forecast

Figure 21
 FY2012 Forecast Percent Growth Error: Contribution to \$85.2 million Revenue Surplus



Source: Governor's Office of Management and Budget

Table 8
Fiscal Year Revenue Collections

Revenue Source	Nominal Revenue (millions)																
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013f	2014f
Sales and Use Tax	\$1,251.8	\$1,316.4	\$1,369.6	\$1,431.4	\$1,441.3	\$1,444.0	\$1,501.9	\$1,634.5	\$1,806.3	\$1,857.8	\$1,739.4	\$1,547.5	\$1,402.7	\$1,601.4	\$1,582.5	\$1,632.0	\$1,698.1
<i>Earmarked Sales and Use Tax</i>	37.6	35.1	39.2	43.7	43.2	29.0	39.1	42.0	100.2	250.0	325.3	276.3	301.0	189.2	332.4	433.6	482.7
<i>Total Sales and Use Tax</i>	1,289.4	1,351.5	1,408.8	1,475.1	1,484.5	1,472.9	1,541.1	1,676.5	1,906.4	2,107.8	2,064.7	1,823.8	1,703.7	1,790.6	1,915.0	2,065.6	2,180.8
Cable/Satellite Excise Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.7	20.5	20.8	24.1	24.8	25.3	25.4	28.7	29.4	30.7
Liquor Profits	26.3	27.0	28.7	30.3	32.6	31.7	37.7	38.1	47.3	53.2	59.7	59.7	58.4	62.3	70.8	71.2	73.4
Insurance Premiums	44.6	47.7	52.2	46.0	56.6	59.0	62.4	67.4	71.4	71.8	77.2	83.0	80.0	75.9	84.4	85.8	88.5
Beer, Cigarette, and Tobacco	53.2	60.0	58.0	57.9	60.0	54.2	62.8	61.9	60.8	62.4	62.8	60.6	58.7	125.5	125.4	124.1	124.3
Oil and Gas Severance Tax	14.0	7.9	17.3	39.4	18.9	26.7	36.7	53.5	71.5	65.4	65.5	71.0	56.2	59.9	65.5	63.5	67.3
Metal Severance Tax	9.0	5.1	5.7	6.2	5.0	5.8	6.0	11.4	17.0	23.6	26.5	14.6	20.9	27.1	25.4	24.6	24.1
Inheritance Tax	25.4	8.2	64.6	30.0	9.4	33.0	9.7	3.0	7.4	0.5	0.1	0.3	0.1	0.1	0.0	0.1	0.1
Investment Income	15.7	15.0	19.5	27.5	9.7	6.5	5.5	13.6	40.0	83.5	62.8	25.1	5.3	2.4	5.6	5.2	5.8
General Fund Other	40.1	38.0	40.8	46.0	45.3	46.7	45.6	46.4	50.8	58.0	53.4	54.4	80.3	72.3	95.9	71.0	72.4
Property and Energy Credit	-4.5	-5.3	-4.4	-5.4	-5.3	-5.5	-5.6	-5.9	-5.6	-6.2	-6.4	-6.2	-6.4	-6.0	-6.8	-6.7	-6.8
General Fund Total	1,475.6	1,520.2	1,652.1	1,709.3	1,673.5	1,702.1	1,762.7	1,935.4	2,187.5	2,290.9	2,165.1	1,934.6	1,781.4	2,046.3	2,077.5	2,100.2	2,177.9
GF & Earmarks Total	1,513.3	1,555.3	1,691.3	1,753.0	1,716.7	1,731.1	1,801.8	1,977.4	2,287.6	2,540.9	2,490.4	2,210.9	2,082.4	2,235.4	2,409.9	2,533.8	2,660.6
Individual Income Tax	1,374.5	1,461.3	1,651.4	1,705.3	1,605.3	1,572.5	1,692.3	1,926.6	2,277.6	2,561.4	2,598.8	2,319.6	2,104.6	2,298.2	2,459.4	2,624.4	2,758.0
<i>Withholding</i>	1,223.9	1,318.2	1,452.7	1,527.5	1,571.9	1,544.6	1,617.9	1,741.6	1,929.6	2,124.0	2,138.2	1,962.3	1,942.1	2,035.3	2,151.8	2,276.6	2,415.5
<i>Final Payments</i>	403.2	413.1	487.9	487.5	396.1	381.5	432.2	549.8	745.2	902.1	962.7	753.4	613.8	669.3	689.0	751.0	769.3
<i>Returns</i>	-252.6	-270.1	-289.2	-309.7	-362.7	-353.6	-357.8	-364.9	-397.2	-464.7	-502.1	-396.1	-451.3	-406.4	-381.4	-403.2	-426.8
Corporate Taxes	191.8	188.1	181.1	171.1	119.0	156.3	158.2	204.2	366.6	414.1	405.1	255.4	258.4	260.7	268.9	287.2	298.6
Mineral Production Withholding	7.5	6.8	9.3	19.5	13.2	7.2	17.3	16.7	22.7	23.1	23.8	32.5	24.6	26.7	28.3	26.4	27.6
Education Fund Other	7.1	7.6	8.5	9.7	5.6	5.0	4.5	0.0	9.8	18.2	20.1	19.3	24.6	26.6	25.2	15.0	15.2
Education Fund Total	1,580.8	1,663.7	1,850.4	1,905.5	1,743.0	1,741.0	1,872.2	2,147.6	2,676.8	3,016.8	3,047.8	2,626.8	2,412.2	2,612.2	2,781.9	2,953.0	3,099.4
GF/EF Total	3,056.5	3,183.9	3,502.4	3,614.8	3,416.5	3,443.1	3,634.9	4,083.0	4,864.2	5,307.7	5,212.9	4,561.4	4,193.6	4,658.5	4,859.3	5,053.2	5,277.3
GF/EF & Earmarks Total	3,094.1	3,219.0	3,541.6	3,658.5	3,459.7	3,472.0	3,674.0	4,125.0	4,964.4	5,557.7	5,538.2	4,837.7	4,494.6	4,847.7	5,191.8	5,486.8	5,760.0
Motor Fuel Tax	217.7	224.7	237.6	229.4	237.9	236.6	239.9	241.5	240.4	254.7	250.7	235.5	243.3	252.5	253.0	253.8	257.4
Special Fuel Tax	72.4	73.7	76.6	80.6	84.4	84.5	86.2	93.8	101.1	111.1	113.0	101.2	94.4	102.2	104.1	104.4	106.7
Other	54.8	58.5	64.9	64.2	62.8	65.4	64.9	70.0	76.6	78.8	82.4	85.4	73.6	80.7	79.2	81.2	83.6
Transportation Fund Total	344.9	356.9	379.0	374.2	385.1	386.6	391.0	405.3	418.1	444.6	446.0	422.1	411.4	435.4	436.2	439.4	447.7
Mineral Lease Payments	33.5	31.5	39.6	57.9	36.5	53.1	74.8	92.0	170.0	160.9	150.3	189.1	147.2	152.8	194.0	161.6	166.7
TOTAL	3,434.8	3,572.2	3,921.1	4,046.8	3,838.1	3,882.7	4,100.7	4,580.3	5,452.4	5,913.2	5,809.2	5,172.7	4,752.2	5,246.7	5,489.5	5,654.2	5,891.7
TOTAL & Earmarks	3,472.5	3,607.3	3,960.3	4,090.5	3,881.3	3,911.7	4,139.8	4,622.3	5,552.6	6,163.2	6,134.6	5,449.0	5,053.2	5,435.9	5,822.0	6,087.8	6,374.4

Source: Governor's Office of Management and Budget

Table 9

Fiscal Year Revenue Collections

Revenue Source	Nominal Revenue (Percent Change)															
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013f	2014f
Sales and Use Tax	5.2%	4.0%	4.5%	0.7%	0.2%	4.0%	8.8%	10.5%	2.9%	-6.4%	-11.0%	-9.4%	14.2%	-1.2%	3.1%	4.1%
<i>Earmarked Sales and Use Tax</i>	-6.7	11.7	11.5	-1.1	-33.0	35.1	7.3	138.5	149.6	30.1	-15.1	8.9	-37.2	75.7	30.4	11.3
<i>Total Sales and Use Tax</i>	4.8	4.2	4.7	0.6	-0.8	4.6	8.8	13.7	10.6	-2.0	-11.7	-6.6	5.1	6.9	7.9	5.6
Cable/Satellite Excise Tax								75.8	1.7	15.5	0.0	2.0	0.3	13.0	2.5	4.4
Liquor Profits	2.5	6.3	5.6	7.7	-2.5	18.6	1.1	24.2	12.5	12.2	3.0	-2.2	6.8	13.6	0.6	3.1
Insurance Premiums	7.1	9.3	-11.8	23.1	4.2	5.8	7.9	6.0	0.5	7.6	7.5	-3.6	-5.2	11.2	1.6	3.1
Beer, Cigarette, and Tobacco	12.8	-3.3	-0.2	3.5	-9.6	15.9	-1.4	-1.8	2.6	0.7	-3.6	-3.1	113.8	-0.1	-1.0	0.2
Oil and Gas Severance Tax	-43.2	118.0	127.3	-52.0	41.6	37.1	45.9	33.7	-8.5	0.1	8.4	-20.8	6.5	9.5	-3.1	6.0
Metal Severance Tax	-43.3	11.5	8.9	-20.2	17.8	3.3	90.0	48.9	38.5	12.5	-45.1	43.2	30.0	-6.3	-3.2	-2.0
Inheritance Tax	-67.6	683.7	-53.5	-68.6	249.9	-70.7	-69.5	152.3	-93.3	-80.9	236.7	-81.1	113.8	-100.0		
Investment Income	-4.5	30.0	40.8	-64.6	-33.5	-14.9	147.1	194.1	108.7	-24.8	-60.1	-78.8	-55.0	135.2	-7.6	11.5
General Fund Other	-5.3	7.4	12.8	-1.5	2.9	-2.3	1.6	9.5	14.3	-8.0	1.8	47.6	-9.9	32.7	-26.0	2.0
Property and Energy Credit	17.0	-17.3	23.8	-1.3	3.2	2.2	5.6	-5.7	9.9	3.8	-2.6	2.4	-6.4	13.8	-1.4	1.5
General Fund Total	3.0	8.7	3.5	-2.1	1.7	3.6	9.8	13.0	4.7	-5.5	-10.6	-7.9	14.9	1.5	1.1	3.7
GF & Earmarks Total	2.8	8.7	3.6	-2.1	0.8	4.1	9.7	15.7	11.1	-2.0	-11.2	-5.8	7.3	7.8	5.1	5.0
Individual Income Tax	6.3	13.0	3.3	-5.9	-2.0	7.6	13.8	18.2	12.5	1.5	-10.7	-9.3	9.2	7.0	6.7	5.1
Withholding	7.7	10.2	5.1	2.9	-1.7	4.7	7.6	10.8	10.1	0.7	-8.2	-1.0	4.8	5.7	5.8	6.1
Final Payments	2.5	18.1	-0.1	-18.7	-3.7	13.3	27.2	35.5	21.1	6.7	-21.7	-18.5	9.0	2.9	9.0	2.4
Refunds	6.9	7.1	7.1	17.1	-2.5	1.2	2.0	8.9	17.0	8.0	-21.1	13.9	-9.9	-6.2	5.7	5.9
Corporate Taxes	-1.9	-3.7	-5.5	-30.5	31.4	1.2	29.1	79.6	13.0	-2.2	-36.9	1.2	0.9	3.1	6.8	4.0
Mineral Production Withholding	-9.6	37.7	109.2	-32.0	-45.7	140.3	-3.1	35.8	1.4	3.4	36.3	-24.4	8.7	6.2	-6.9	4.5
Education Fund Other	7.1	11.9	13.8	-42.4	-10.7	-8.9	-99.1	23,989.4	85.9	10.4	-3.8	27.4	8.1	-5.4	-40.5	1.3
Education Fund Total	5.2	11.2	3.0	-8.5	-0.1	7.5	14.7	24.6	12.7	1.0	-13.8	-8.2	8.3	6.5	6.2	5.0
GF/EF Total	4.2	10.0	3.2	-5.5	0.8	5.6	12.3	19.1	9.1	-1.8	-12.5	-8.1	11.1	4.3	4.0	4.4
GF/EF & Earmarks Total	4.0	10.0	3.3	-5.4	0.4	5.8	12.3	20.3	12.0	-0.4	-12.6	-7.1	7.9	7.1	5.7	5.0
Motor Fuel Tax	3.2	5.7	-3.4	3.7	-0.5	1.4	0.6	-0.4	5.9	-1.6	-6.1	3.3	3.8	0.2	0.3	1.4
Special Fuel Tax	1.8	3.9	5.2	4.7	0.1	1.9	8.9	7.7	9.9	1.7	-10.4	-6.7	8.2	1.9	0.3	2.2
Other	6.7	10.9	-1.1	-2.2	4.2	-0.8	7.9	9.5	2.8	4.6	3.7	-13.8	9.6	-1.9	2.6	3.0
Transportation Fund Total	3.5	6.2	-1.3	2.9	0.4	1.1	3.7	3.2	6.3	0.3	-5.4	-2.5	5.8	0.2	0.7	1.9
Mineral Lease Payments	-5.9	25.7	46.0	-36.9	45.6	40.9	23.0	84.8	-5.4	-6.5	25.8	-22.2	3.8	27.0	-16.7	3.2
TOTAL	4.0	9.8	3.2	-5.2	1.2	5.6	11.7	19.0	8.5	-1.8	-11.0	-8.1	10.4	4.6	3.0	4.2
TOTAL & Earmarks	3.9	9.8	3.3	-5.1	0.8	5.8	11.7	20.1	11.0	-0.5	-11.2	-7.3	7.6	7.1	4.6	4.7

Source: Governor's Office of Management and Budget

Table 10
Comparison of Forecast and Actual General and Education Fund Collections

Fiscal Year	Actual	Forecast (days to close)				Difference to Actual (days to close)			
		Current Year		Prior Year		Current Year		Prior Year	
		Leg. (135)	Gov. (225)	Leg. (495)	Gov. (585)	Leg. (135)	Gov. (225)	Leg. (495)	Gov. (585)
1997	7.9%	6.5%	6.0%	5.4% x	6.2% x	1.4%	1.9%	2.5% x	1.7% x
1998	6.3%	4.1%	4.4%	5.5% x	5.9% x	2.2%	1.9%	0.8% x	0.4% x
1999	4.2%	4.1%	4.4%	6.4%	6.6%	0.1%	-0.2%	-2.2%	-2.5%
2000	10.0%	5.9%	4.6%	4.9% x	4.7% x	4.1%	5.4%	5.1% x	5.3% x
2001	3.2%	4.8%	4.8%	3.4%	4.9%	-1.6%	-1.6%	-0.2%	-1.7%
2002	-5.5%	-5.7%	-0.2%	3.8% x	4.7% x	0.2%	-5.3%	-9.3% x	-10.1% x
2003	0.8%	0.6%	-0.8%	2.8%	4.1%	0.2%	1.6%	-2.1%	-3.3%
2004	5.6%	2.7%	1.4%	2.7%	3.3%	2.8%	4.1%	2.9%	2.2%
2005	12.3%	6.4%	5.1%	2.8%	3.0%	5.9%	7.2%	9.5%	9.3%
2006	19.1%	9.6%	7.6%	3.5% x	2.9% x	9.5%	11.5%	15.6% x	16.2% x
2007	9.1%	3.8%	2.4%	1.0% x	1.1% x	5.3%	6.8%	8.2% x	8.0% x
2008	-1.8%	-0.3%	1.8%	1.2% x	1.1% x	-1.5%	-3.6%	-3.0% x	-2.9% x
2009	-12.5%	-13.1%	-9.8%	0.5%	2.7%	0.6%	-2.7%	-13.0%	-15.2%
2010	-8.1%	-7.5%	-7.5%	-3.4%	-2.1%	-0.6%	-0.6%	-4.6%	-5.9%
2011	11.1%	8.8%	8.2%	3.3% x	4.5% x	2.3%	2.9%	7.7% x	6.6% x
2012	4.3%	2.4%	2.0%	2.6%	2.0%	1.9%	2.3%	1.7%	2.3%
average	4.1%	2.1%	2.2%	2.9%	3.5%	2.1%	2.0%	1.2%	0.6%
median	4.9%	4.0%	3.4%	3.1%	3.7%	1.7%	1.9%	1.2%	1.1%

x - significant policy differences impacting forecast tax collections

Source: Governor's Office of Management and Budget

Construction

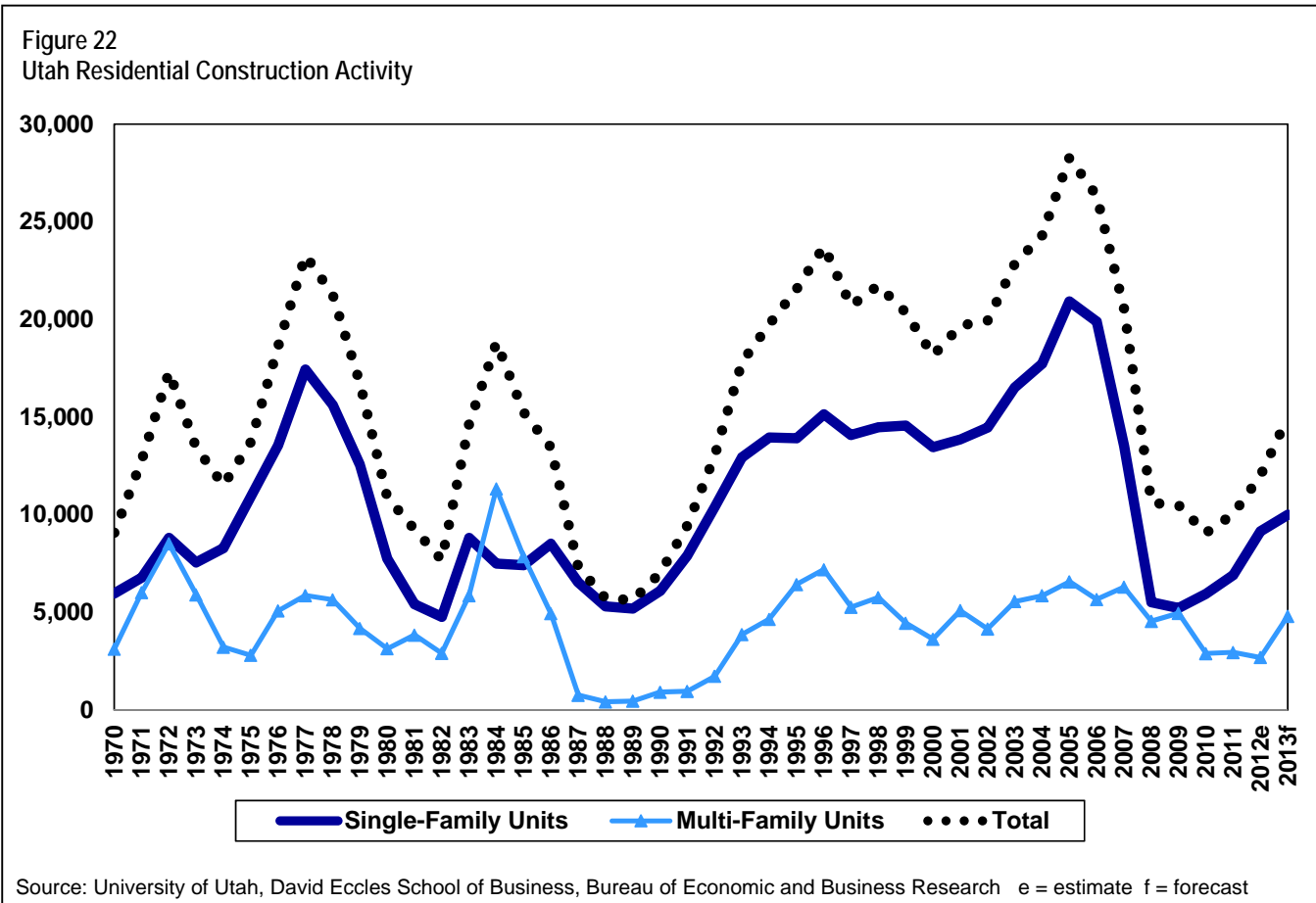
The value of permit authorized construction in Utah is estimated at \$4.0 billion in 2012, slightly higher than the \$3.8 billion in 2011. This modest increase for construction conceals the significant improvement in residential construction. The value of residential construction is up 28% in 2012 to \$2.3 billion. In contrast nonresidential construction continues to struggle with a decline in value of 15%, dropping to year-end total of \$1.0 billion. Residential activity accounted for 57% of permit authorized value in 2012, nonresidential activity captured 25% of total value and additions, alterations and repairs accounted for the remaining 18%.

2012 Summary

The most important development for Utah's construction industry in 2012 was the residential construction expansion. The number of permits issued for new residential units increased by 20% and significantly for home builder's single family home construction was up 33%. The number of multifamily units (apartments, condominiums and town homes) declined to 2,700

units, down 9%. Multifamily construction's share of residential activity dropped from 29% in 2011 to only 22% of residential permits issued in 2012.

Nonresidential construction continues to suffer from commercial real estate market conditions. Generally vacancy rates for retail and office space remain well above of historic averages. This oversupply of space must first be absorbed by the market before new construction becomes attractive for developers. An additional development for the nonresidential sector is the decline in large projects funded by federal, state and local governments. Government projects are not part of the permit authorized activity but nevertheless account for a significant share of new construction activity. Major publically funded projects recently completed or winding down in 2013 are: NSA building (\$1.2 billion), I-15 reconstruction (Utah County corridor \$1.0 billion+), USTAR building University of Utah (\$150 million), FBI offices (\$100 million) and the Frank Moss Federal Courthouse (\$226 million) and Salt Lake City's Public Safety complex (\$125 million)

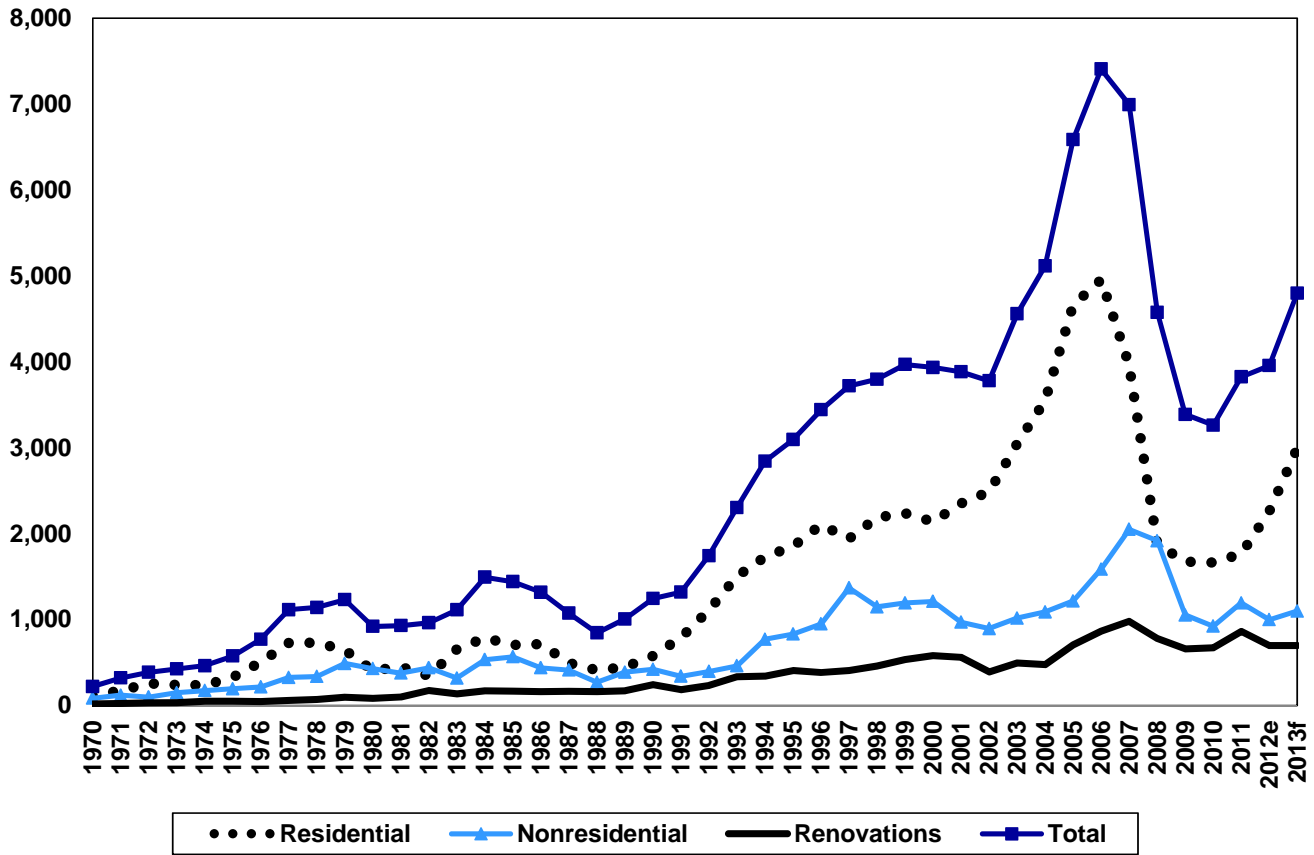


2013 Outlook

The recovery in residential construction will accelerate in 2013 as total residential units climb to 15,000, an increase of 25%. Nonresidential construction will continue to lag. This sector needs another year of strong employment growth in the state to reduce commercial va-

cancy rates and improve development feasibility. It will probably be 2014 before nonresidential construction begins its recovery. Overall permit authorized construction, led by the residential sector, will increase from \$4.0 billion in 2012 to \$4.8 billion in 2013, a 20% increase in construction value.

Figure 23
Value of New Construction



Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research e = estimates f = forecast

Table 11
Residential and Nonresidential Construction Activity

Year	Single-Family Units	Multi-Family Units	Mobile Homes/Cabins	Total Units	Value of Residential Construction (millions)	Value of Nonresidential Construction (millions)	Value of Add., Alt., and Repairs (millions)	Total Valuation (millions)
1970	5,962	3,108	na	9,070	\$117.0	\$87.3	\$18.0	\$222.3
1971	6,768	6,009	na	12,777	176.8	121.6	23.9	322.3
1972	8,807	8,513	na	17,320	256.5	99.0	31.8	387.3
1973	7,546	5,904	na	13,450	240.9	150.3	36.3	427.5
1974	8,284	3,217	na	11,501	237.9	174.2	52.3	464.4
1975	10,912	2,800	na	13,712	330.6	196.5	50.0	577.1
1976	13,546	5,075	na	18,621	507.0	216.8	49.4	773.2
1977	17,424	5,856	na	23,280	728.0	327.1	61.7	1,116.8
1978	15,618	5,646	na	21,264	734.0	338.6	70.8	1,143.4
1979	12,570	4,179	na	16,749	645.8	490.3	96.0	1,232.1
1980	7,760	3,141	na	10,901	408.3	430.0	83.7	922.0
1981	5,413	3,840	na	9,253	451.5	378.2	101.6	931.3
1982	4,767	2,904	na	7,671	347.6	440.1	175.7	963.4
1983	8,806	5,858	na	14,664	657.8	321.0	136.3	1,115.1
1984	7,496	11,327	na	18,823	786.7	535.2	172.9	1,494.8
1985	7,403	7,844	na	15,247	706.2	567.7	167.6	1,441.5
1986	8,512	4,932	na	13,444	715.5	439.9	164.1	1,319.5
1987	6,530	755	na	7,305	495.2	413.4	166.4	1,075.0
1988	5,297	418	na	5,715	413.0	272.1	161.5	846.6
1989	5,197	453	na	5,632	447.8	389.6	171.1	1,008.5
1990	6,099	910	na	7,009	579.4	422.9	243.4	1,245.7
1991r	7,911	958	572	9,441	791.0	342.6	186.9	1,320.5
1992	10,375	1,722	904	13,001	1,113.6	396.9	234.8	1,745.3
1993	12,929	3,865	1,010	17,804	1,504.4	463.7	337.3	2,305.4
1994	13,947	4,646	1,154	19,747	1,730.1	772.2	341.9	2,844.2
1995	13,904	6,425	1,229	21,558	1,854.6	832.7	409.0	3,096.3
1996	15,139	7,190	1,408	23,737	2,104.5	951.8	386.3	3,442.6
1997	14,079	5,265	1,343	20,687	1,943.5	1,370.9	407.1	3,721.5
1998	14,476	5,762	1,505	21,743	2,188.7	1,148.4	461.3	3,798.4
1999	14,561	4,443	1,346	20,350	2,238.0	1,195.0	537.0	3,970.0
2000	13,463	3,629	1,062	18,154	2,140.1	1,213.0	583.3	3,936.4
2001	13,851	5,089	735	19,675	2,352.7	970.0	562.8	3,885.5
2002	14,466	4,149	926	19,941	2,491.0	897.0	393.0	3,781.0
2003	16,515	5,555	766	22,836	3,046.4	1,017.4	497.0	4,560.8
2004	17,724	5,853	716	24,293	3,552.6	1,089.9	476.0	5,118.5
2005	20,912	6,562	811	28,285	4,662.6	1,217.8	707.6	6,588.0
2006	19,888	5,658	776	26,322	4,955.5	1,588.0	865.3	7,408.8
2007	13,510	6,290	739	20,539	3,963.2	2,051.0	979.7	6,993.9
2008	5,513	4,544	546	10,603	1,877.0	1,919.1	781.2	4,577.3
2009	5,217	4,951	320	10,488	1,674.0	1,054.3	660.1	3,388.4
2010	5,936	2,890	240	9,066	1,667.0	925.1	672.0	3,264.1
2011	6,900	2,949	174	10,023	1,766.3	1,195.8	863.7	3,825.8
2012e	9,150	2,689	161	12,000	2,257.0	1,000.0	700.0	3,957.0
2013f	10,000	4,800	200	15,000	3,000.0	1,100.0	700.0	4,800.0

e = estimate
f = forecast

Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research