

ECONOMIC
REPORT
to the
GOVERNOR

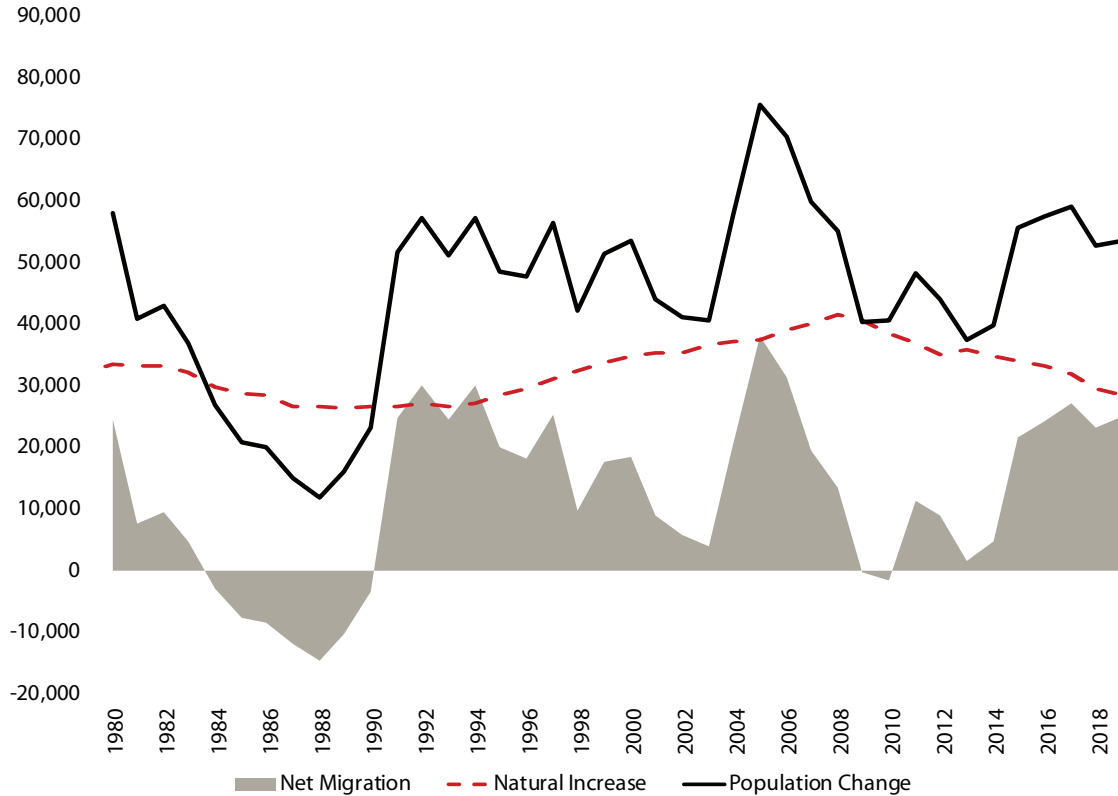
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PREPARED BY THE
UTAH ECONOMIC COUNCIL

2020

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

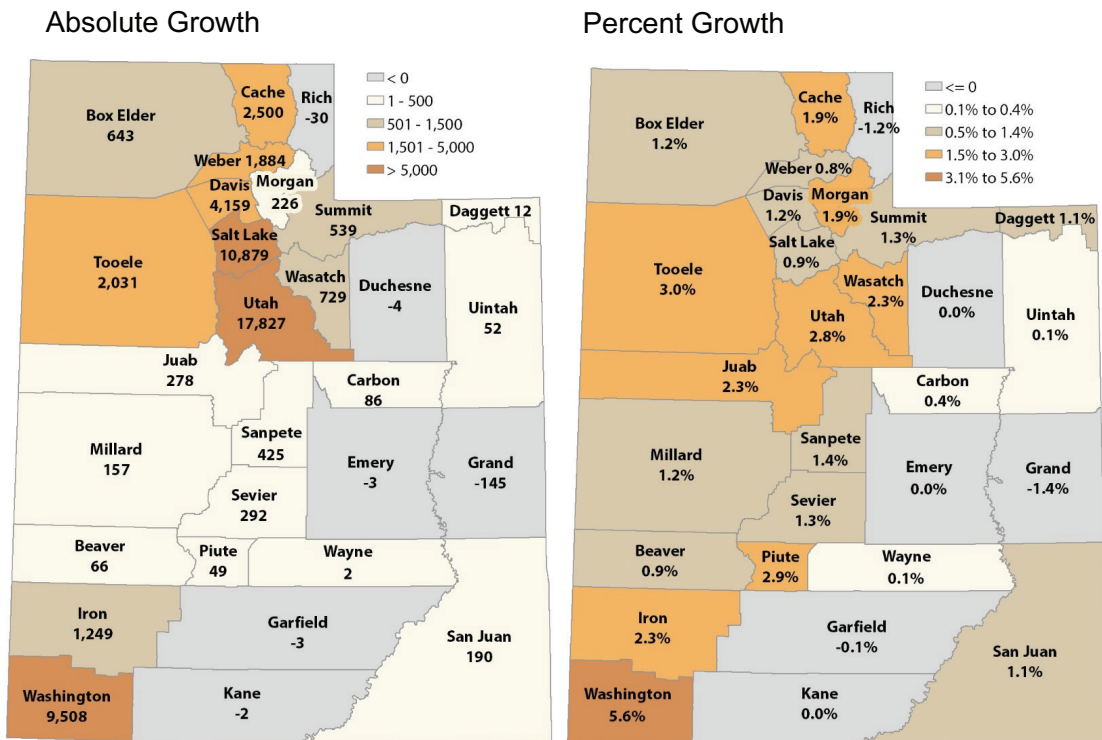
FIGURES

Figure 1.1: State of Utah Components of Population Change



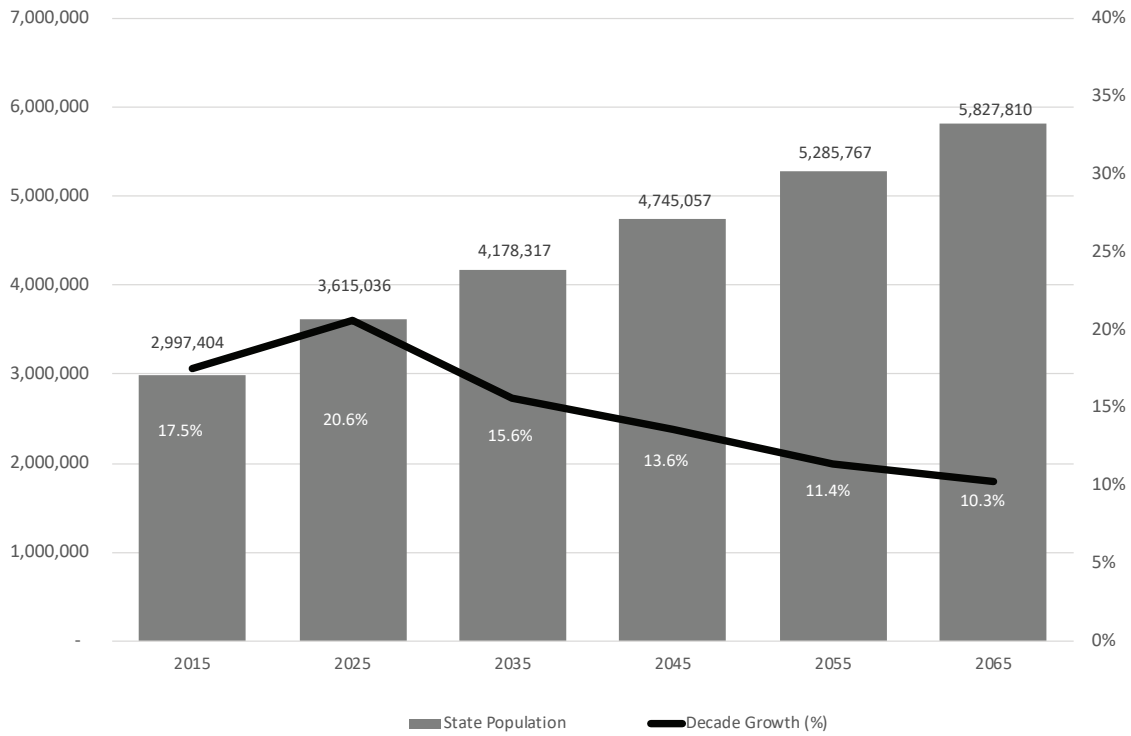
Source: Utah Population Estimates Committee and Utah Population Committee

Figure 1.2: Utah Population Growth by County: 2018-2019



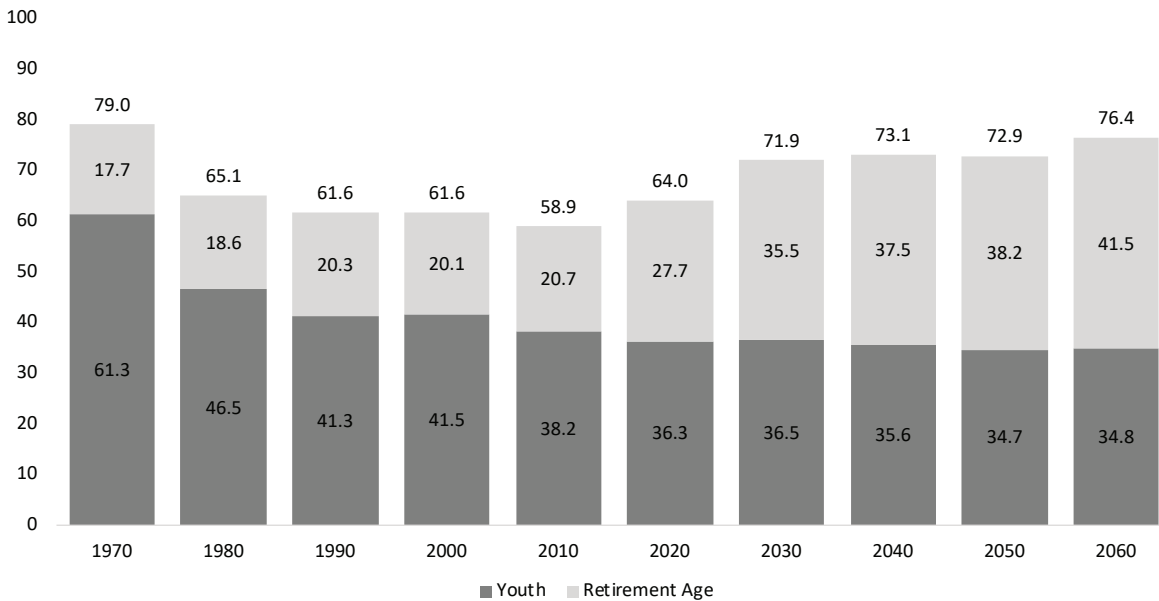
Source: Utah Population Committee

Figure 1.3: Utah Population and Growth Projections by Decade: 2015-2065



Source: Kem C. Gardner Policy Institute 2015-2065 State and County Projections

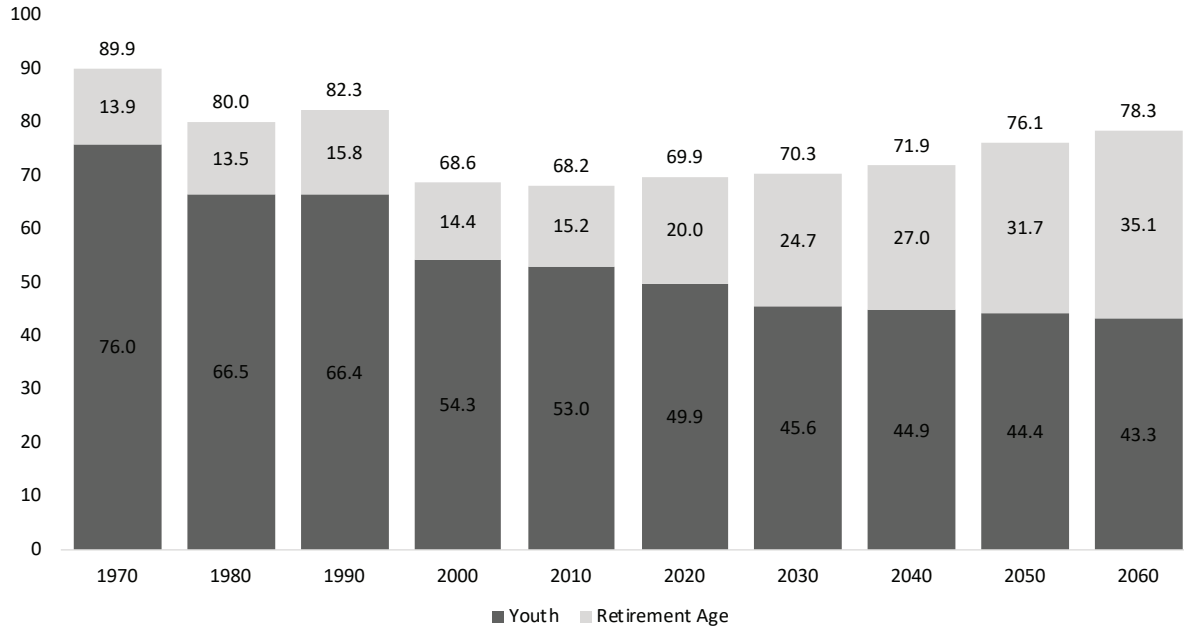
Figure 1.4: U.S. Dependency Ratios: 1970–2060



Note: Dependency Ratios are computed as the number of nonworking age persons per 100 working age (18-64 year old) persons in the population. Youth are less than 18 years old and retirement age is 65 years and older.

Source: Kem C. Gardner Policy Institute analysis of U.S. Census Bureau Decennial Census and Population Division data

Figure 1.5: Utah Dependency Ratios: 1970–2060



Note: Dependency Ratios are computed as the number of nonworking age persons per 100 working age (18-64 year old) persons in the population. Youth are less than 18 years old and retirement age is 65 years and older.

Source: Kem C. Gardner Policy Institute analysis of U.S. Census Bureau Decennial Census data and Kem C. Gardner Policy Institute State Projections

Figure 1.6: Natural Increase Annual Rate of Change: July 1, 2018 to July 1, 2019

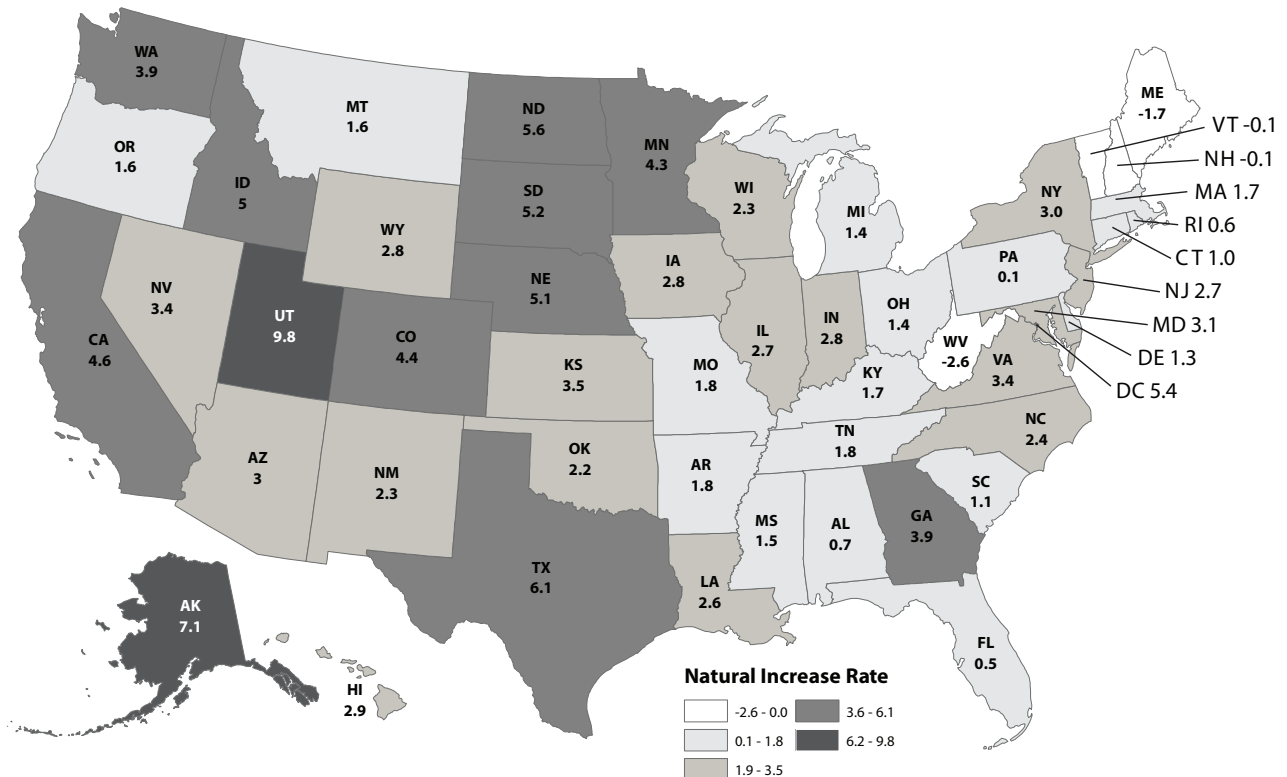
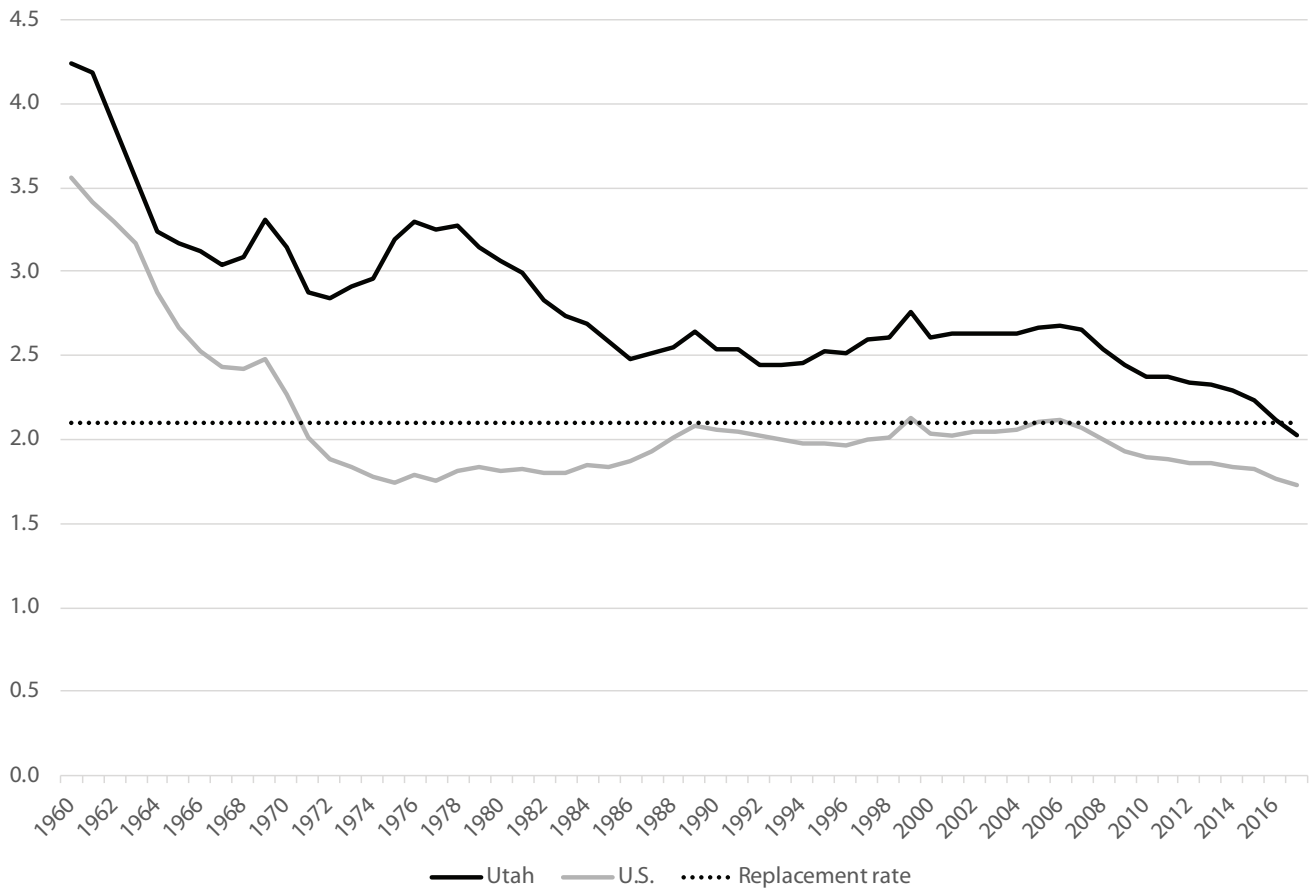
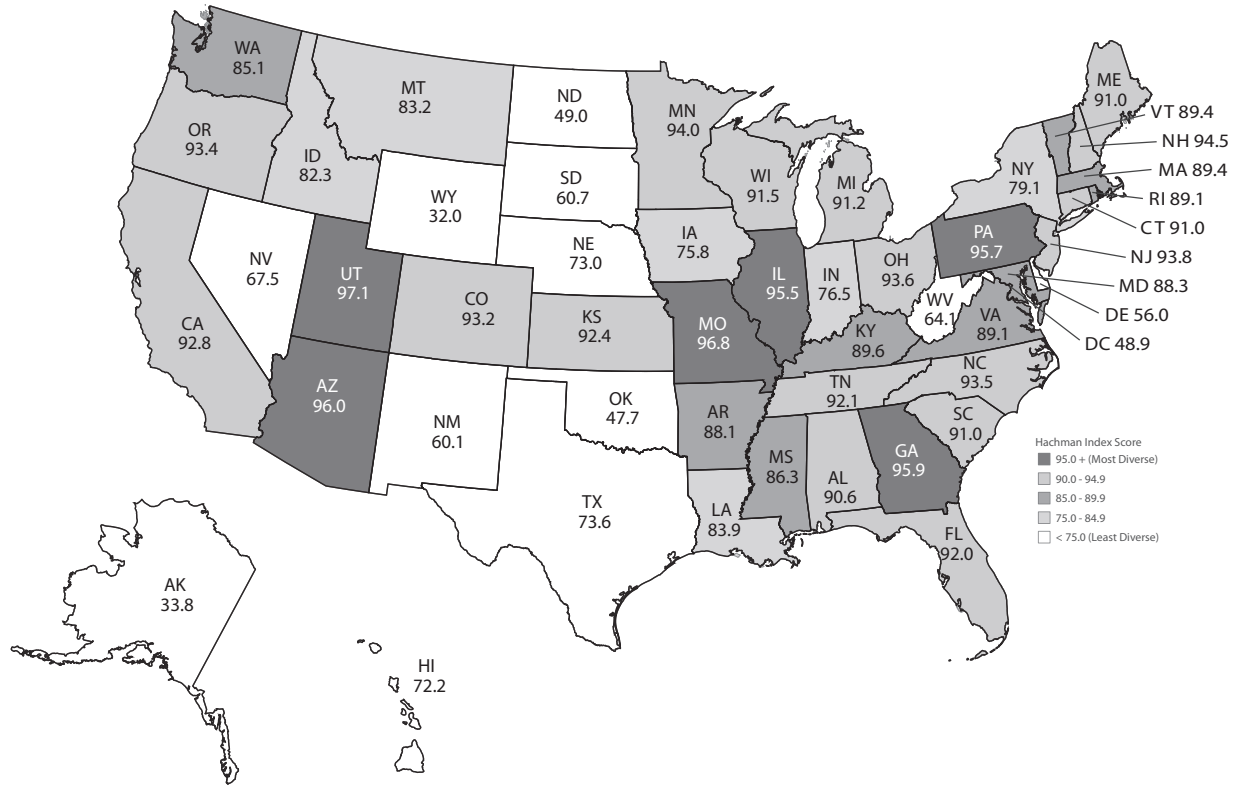


Figure 1.7: Total Fertility for Utah and the United States



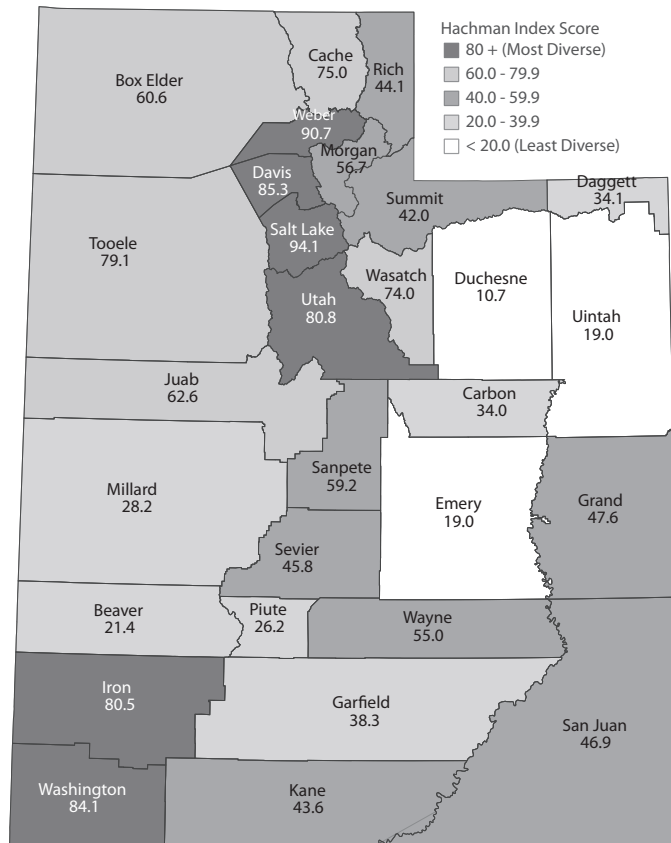
Note: The Replacement Level is the fertility level at which the current population is replaced
 Source: National Center for Health Statistics

Figure 2.1: Hachman Index for States, 2018



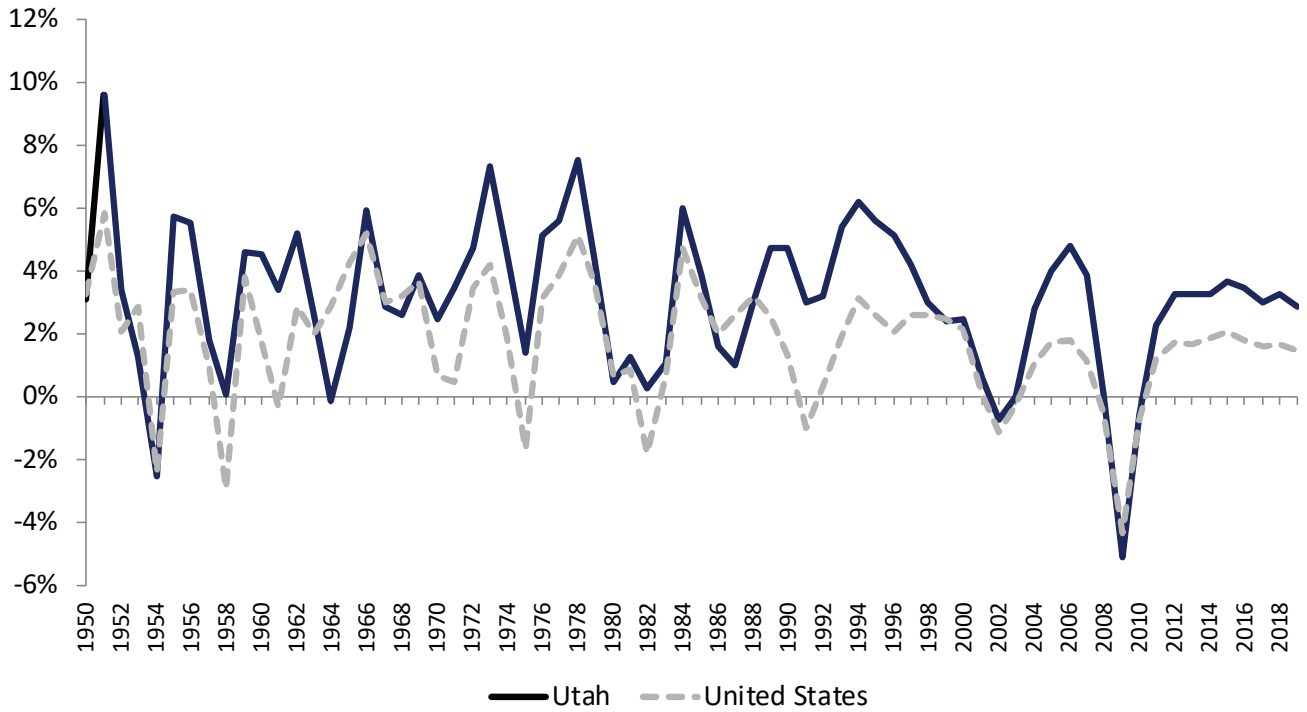
Source: Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis GDP data

Figure 2.2: Hachman Index for Utah Counties, 2018



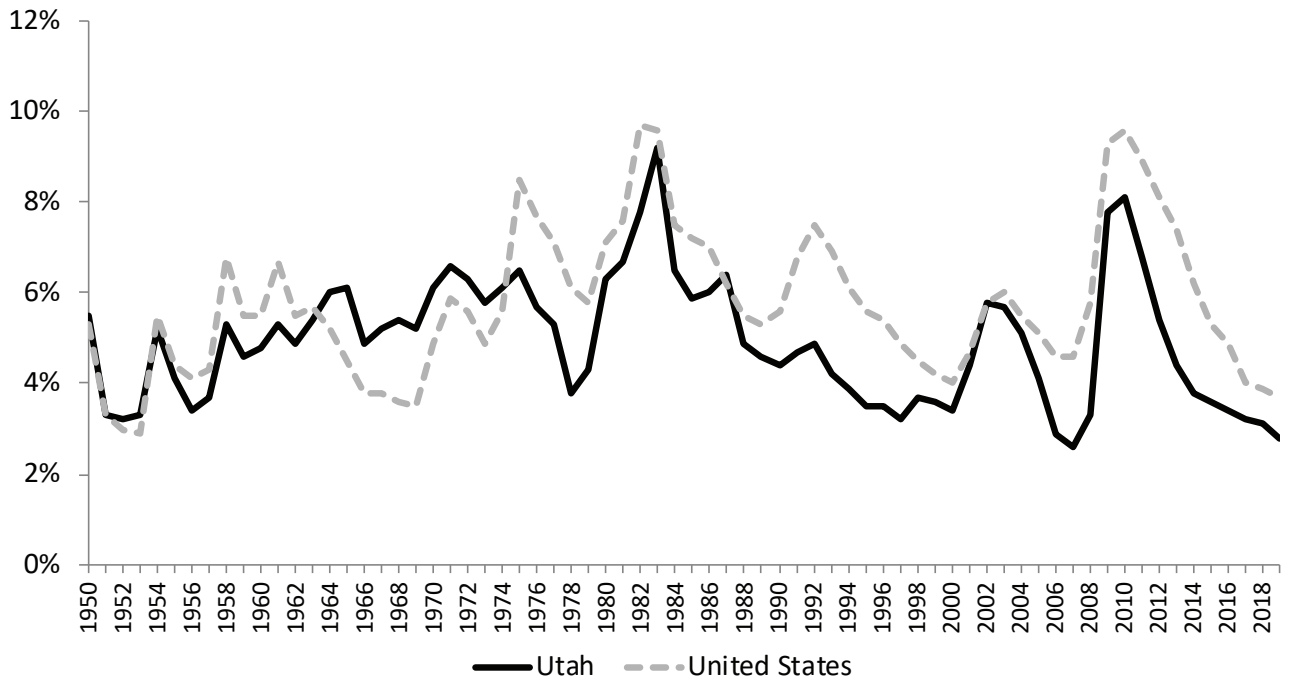
Source: Gardner Policy Institute analysis of Bureau of Labor Statistics (United States) and Utah Department of Workforce Services (Utah counties) employment data

Figure 3.1: Annual Average Job Growth Rate for Utah and the United States



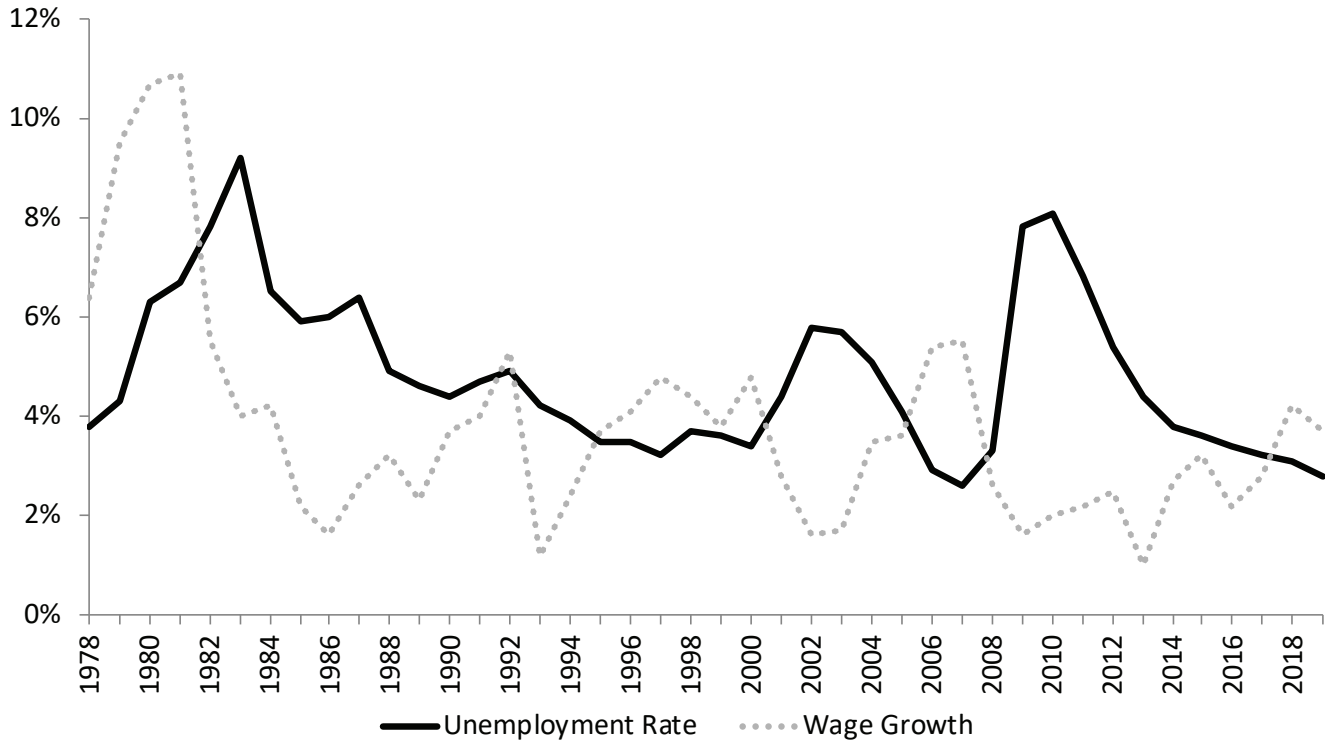
Source: Utah Department of Workforce Services

Figure 3.2: Annual Unemployment Rate for Utah and the United States



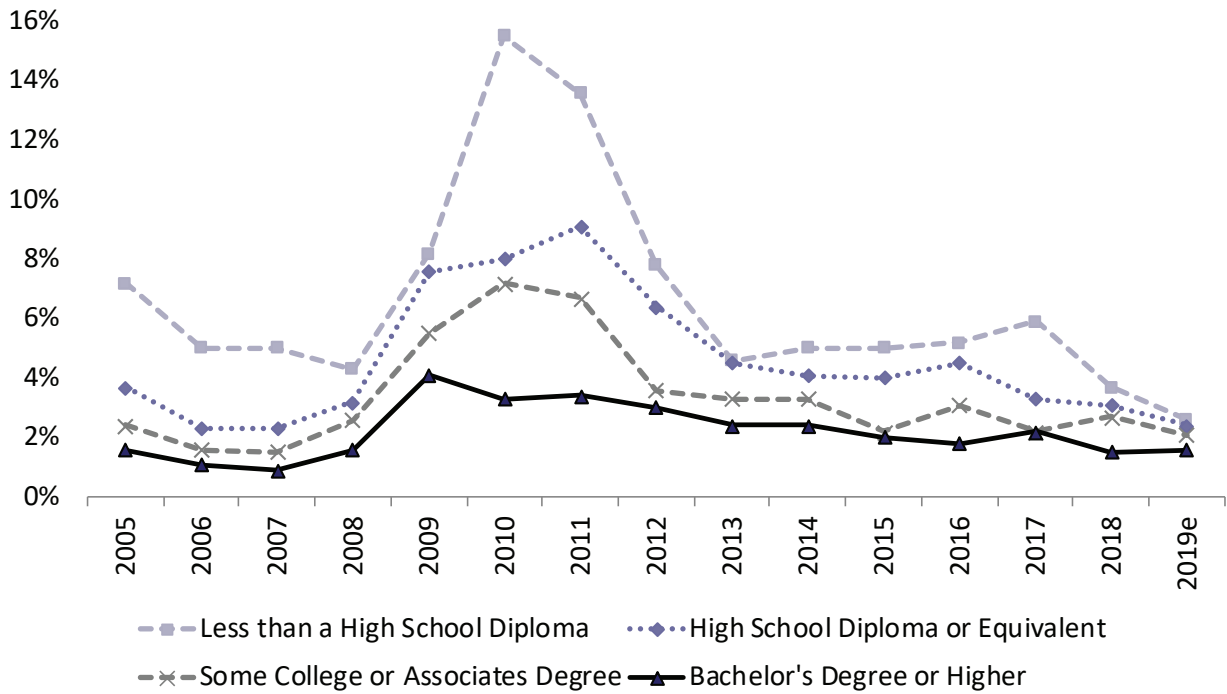
Source: Utah Department of Workforce Services

Figure 3.3: Annual Average Unemployment Rate and Wage Growth



Source: Utah Department of Workforce Services

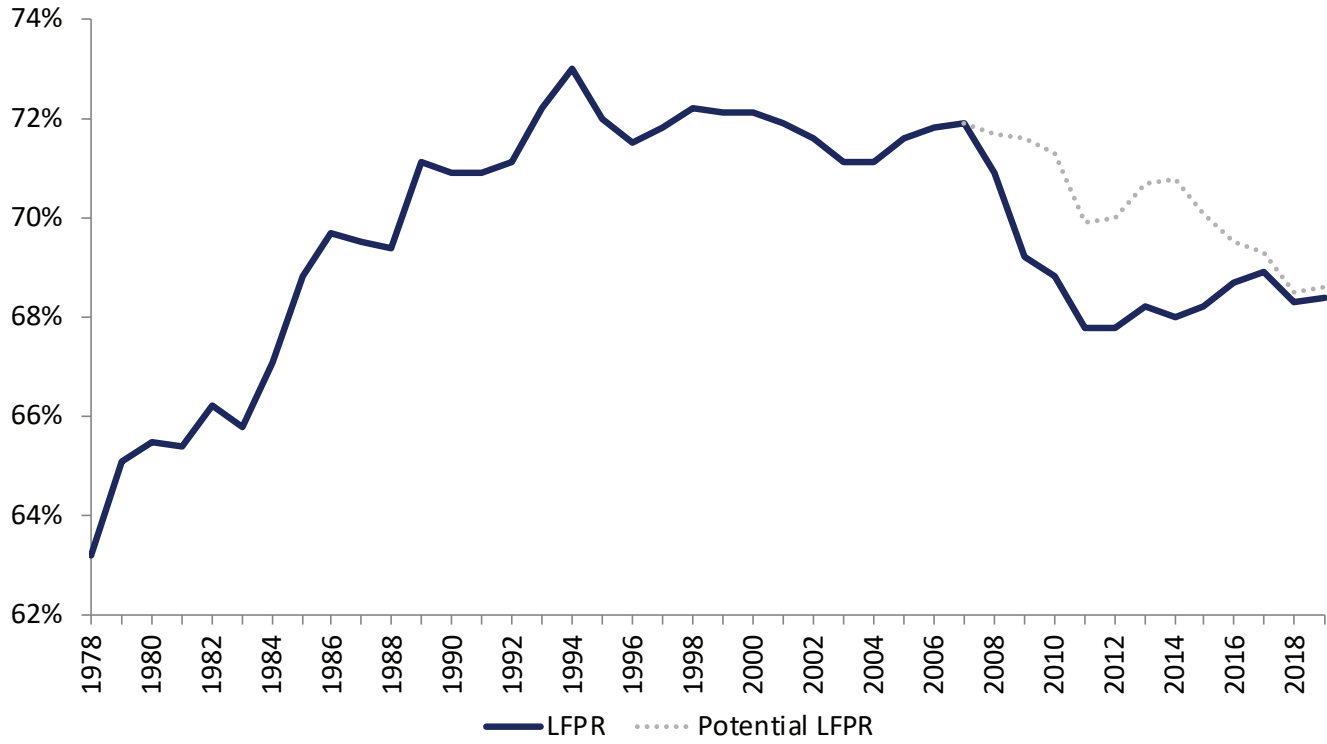
Figure 3.4: Unemployment Rates by Educational Attainment



Note: e=estimate

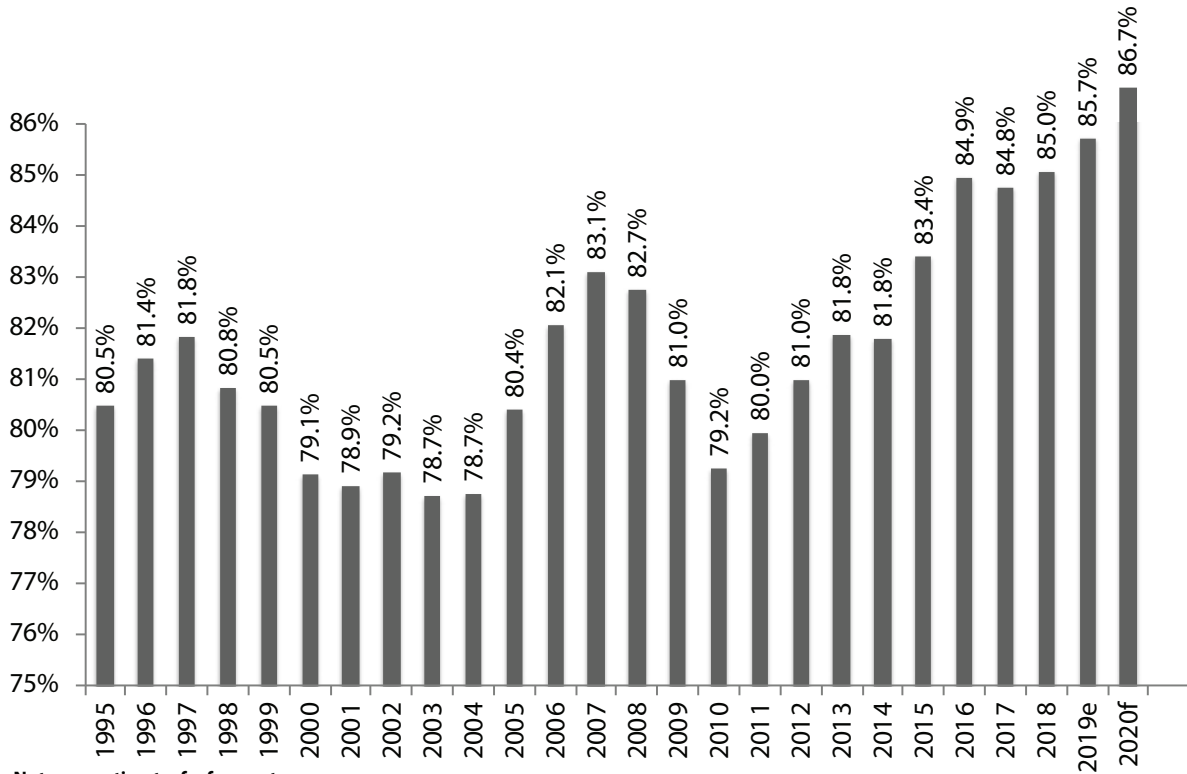
Source: Utah Department of Workforce Services

Figure 3.5: Utah Labor Force Participation Rate



Source: Utah Department of Workforce Services

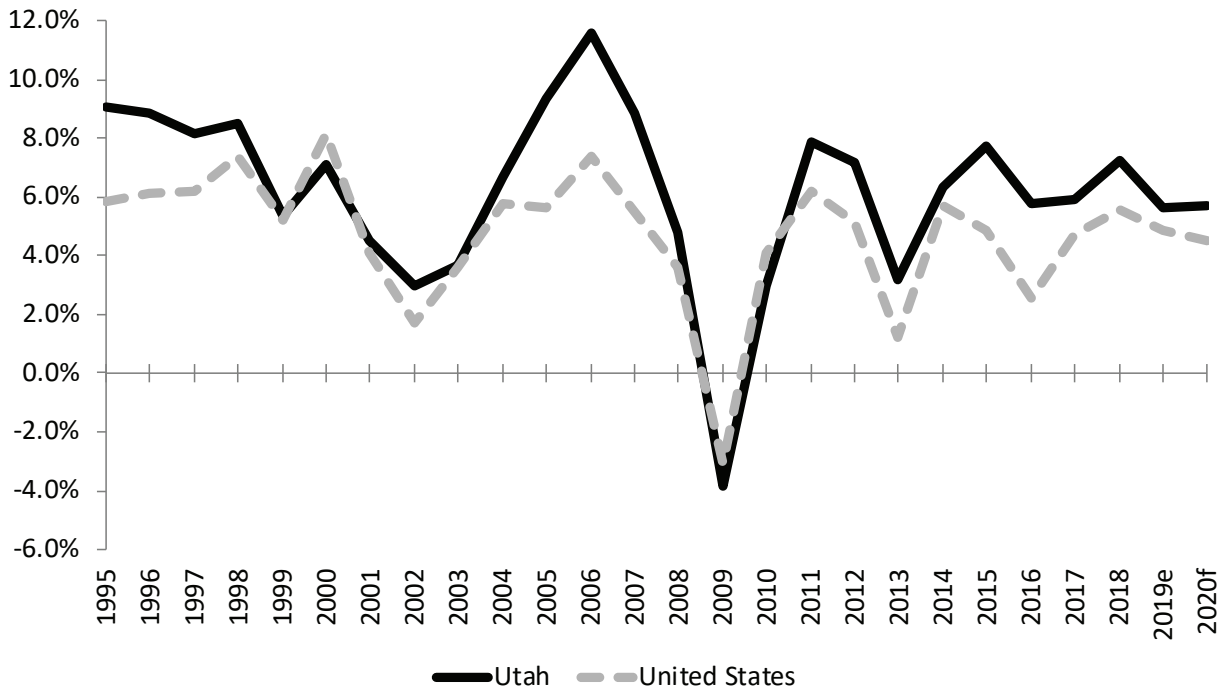
Figure 4.1: Utah Per Capita Income as Percent of U.S. Per Capita Income



Note: e = estimate, f = forecast

Source: U.S. Bureau of Economic Analysis and Utah Revenue Assumptions Working Group

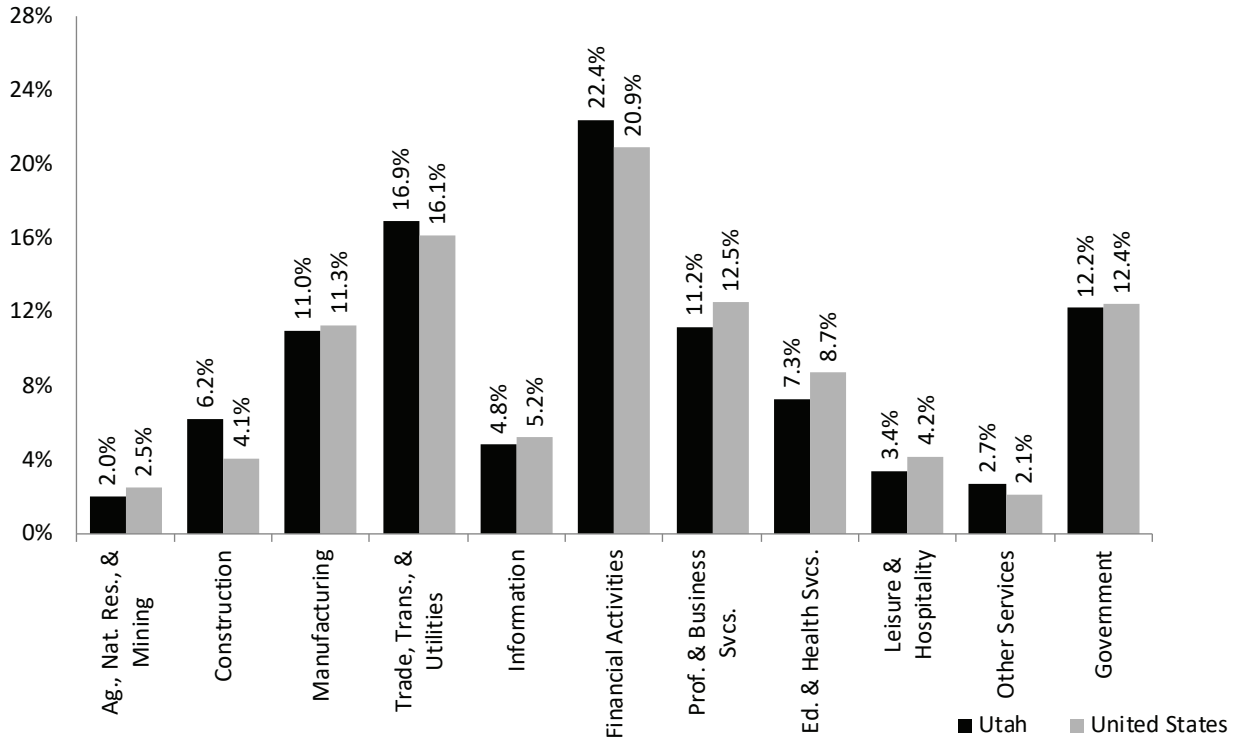
Figure 4.2: Utah vs. U.S. Total Personal Income Growth



Note: e = estimate, f = forecast

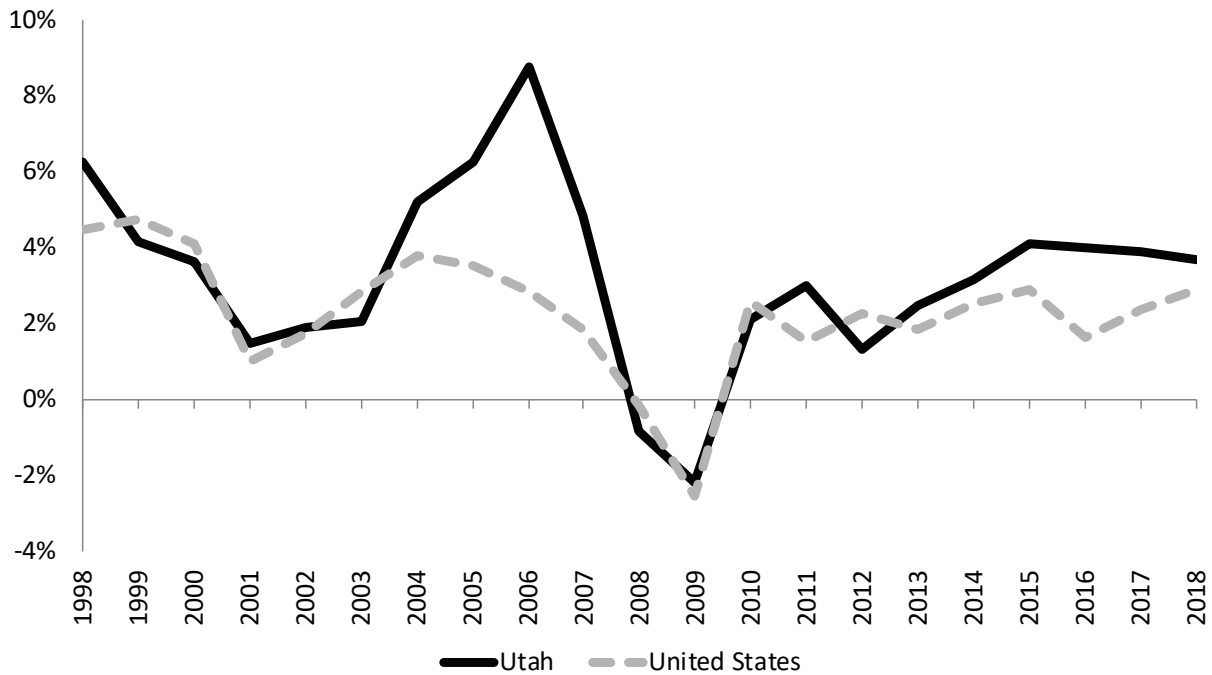
Source: U.S. Bureau of Economic Analysis and Utah Revenue Assumptions Working Group

Figure 5.1: Percent of Gross Domestic Product by Industry: 2018



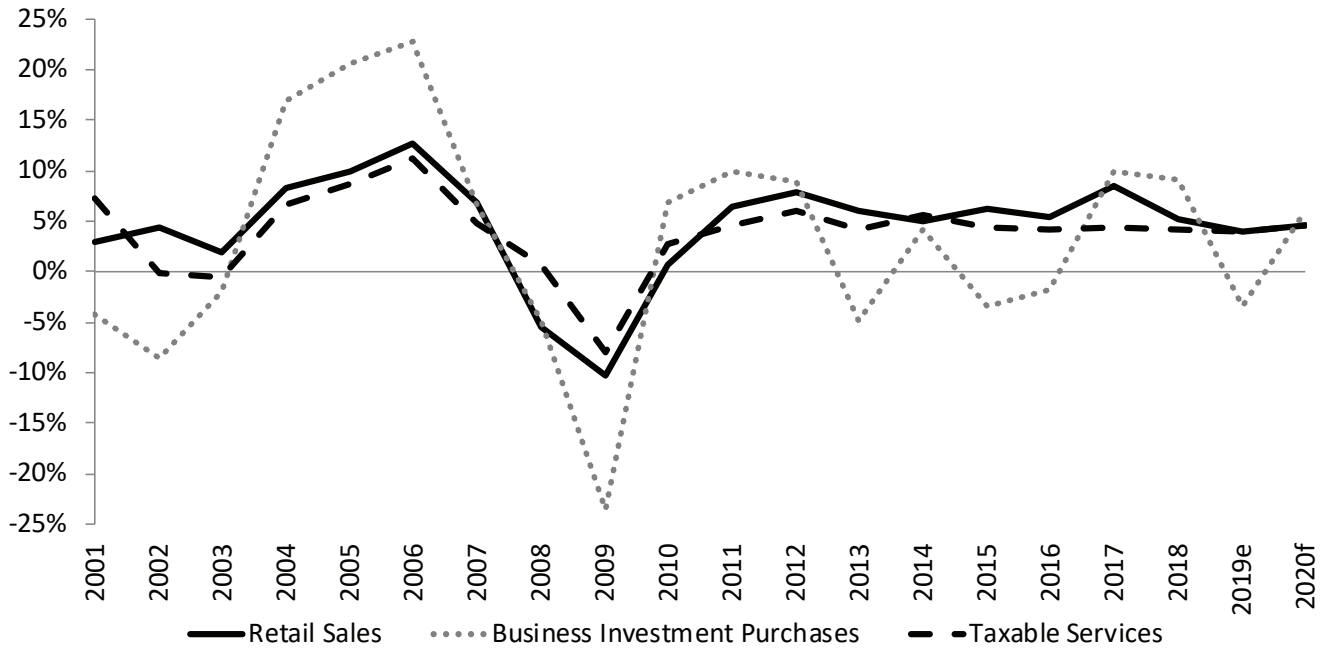
Source: Bureau of Economic Analysis

Figure 5.2: Utah vs. United States Real Gross Domestic Product Growth



Source: Bureau of Economic Analysis

Figure 6.1: Annual Percent Change in Utah Taxable Sales by Component



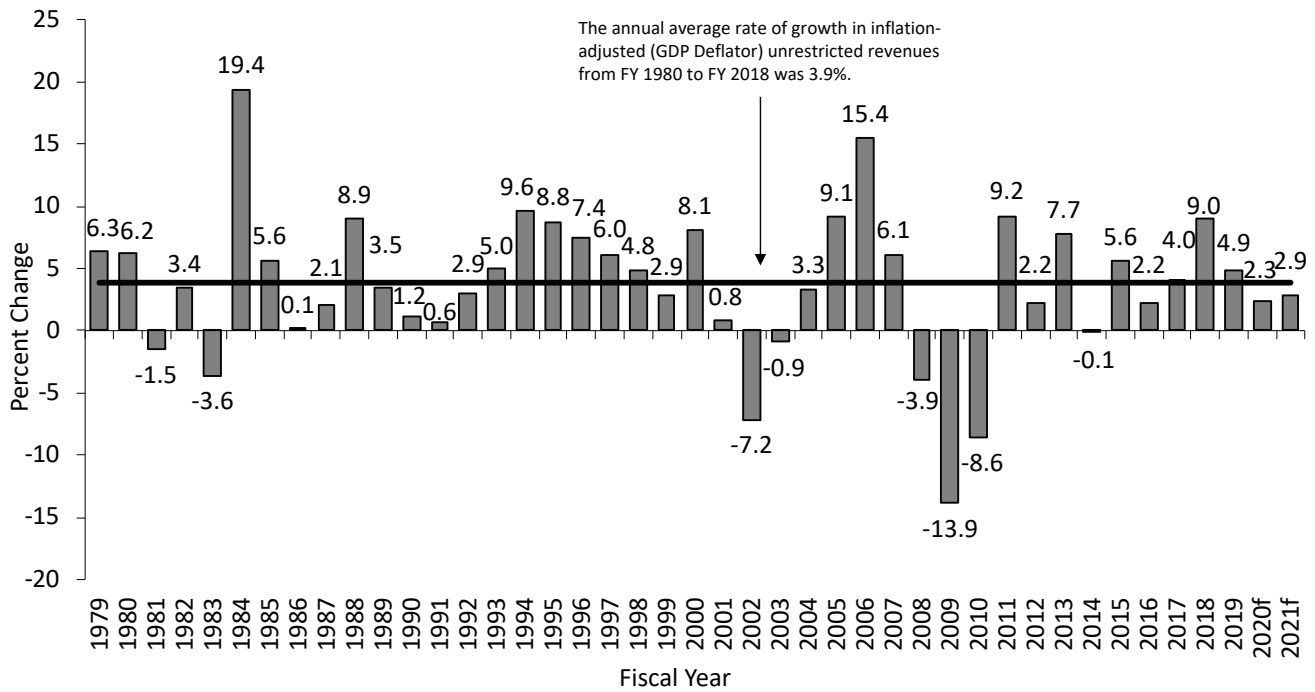
e = estimate

f = forecast prior to 2019 second special session SB2001, Tax Restructuring Revisions (does not include impacts of this bill).

Source: Utah State Tax Commission

Figure 7.1: Unrestricted General and Education Fund Revenues

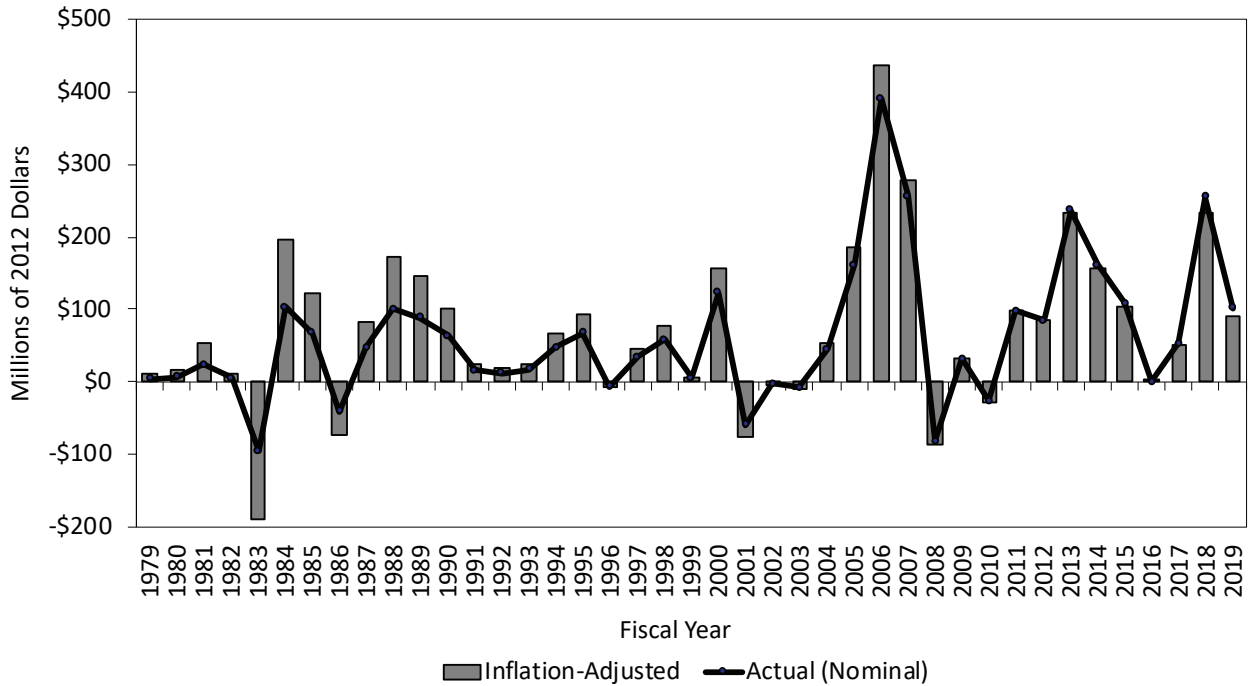
Inflation-Adjusted Percentage Change



f = forecast prior to 2019 second special session SB2001, Tax Restructuring Revisions (does not include impacts of this bill).
Source: Utah State Tax Commission

Figure 7.2: Actual and Inflation-Adjusted Unrestricted Revenues

Surplus/Deficit for the General and Education Fund

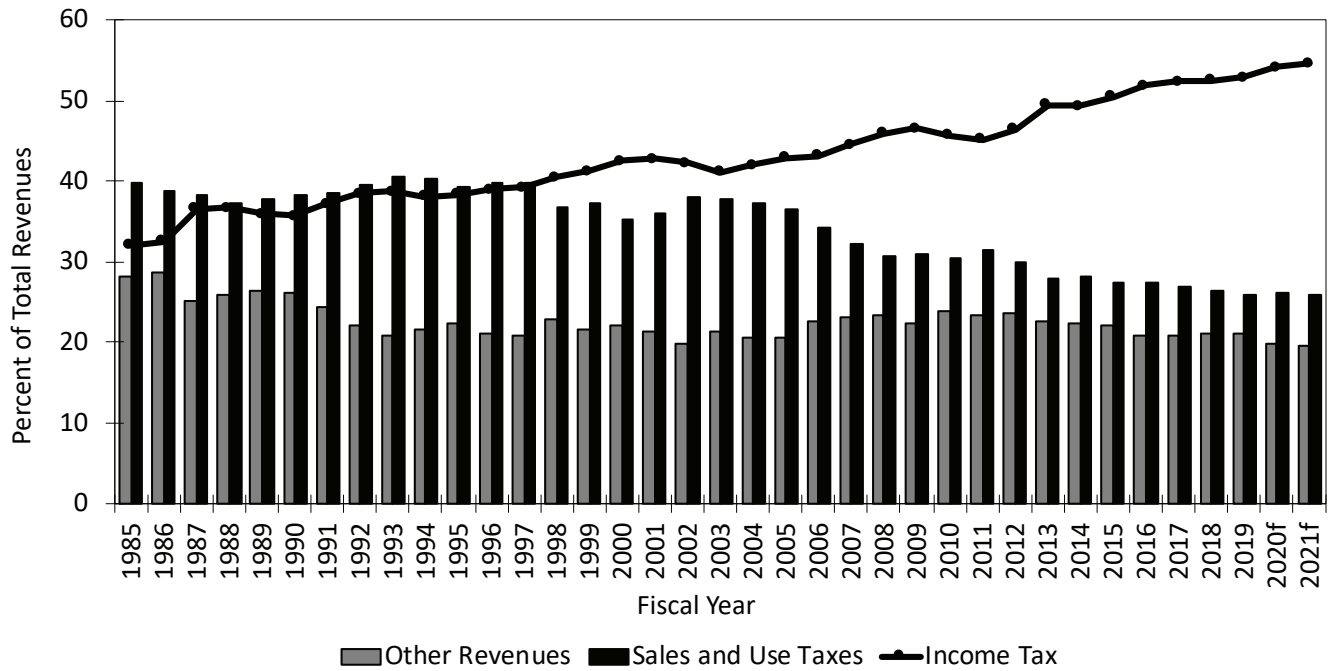


Note: Dollars amounts adjusted for inflation from nominal amounts using the GDP implicit price deflator.

Source: Governor's Office of Management and Budget

Figure 7.3: Sales and Use Taxes, Income Tax, and All Other Unrestricted Revenues

Percent of Total State Unrestricted Revenues



Note: Total State Unrestricted Revenues includes General Fund, Education Fund, and Transportation Fund revenues. Mineral lease revenues are not included. "Other Revenues" category includes all other revenue sources in those funds except for Sales and Use and Income tax.

f = forecast prior to 2019 second special session SB2001, Tax Restructuring Revisions (does not include impacts of this bill).

Source: Utah State Tax Commission and Governor's Office of Management and Budget

2020 OUTLOOK

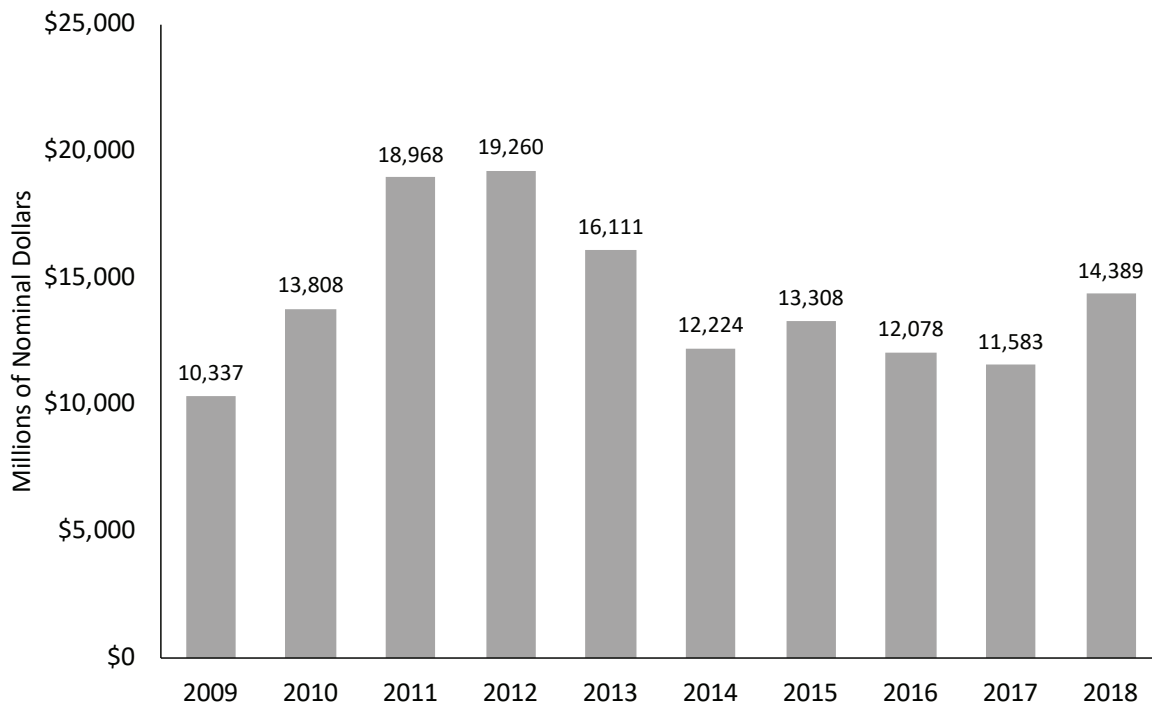
Utah has benefited greatly from international trade and open markets in terms of job creation over the last decade. The global trade system has, however, been roiled by numerous shocks in the last several years. While Utah has managed to weather these shocks better than some other states so far, ongoing uncertainty remains.

The prolonged trade dispute with China is problematic. Utah's exports to China and Hong Kong (much of which is ultimately directed to the mainland) fell by 44.0% in 2018, a loss of \$1.3 billion in export value. This is particularly concerning given

that China has been a high growth export market, and also one to which Utah's exports have been relatively diverse along the sectoral dimension (as opposed to the United Kingdom, with which trade is almost entirely in gold).

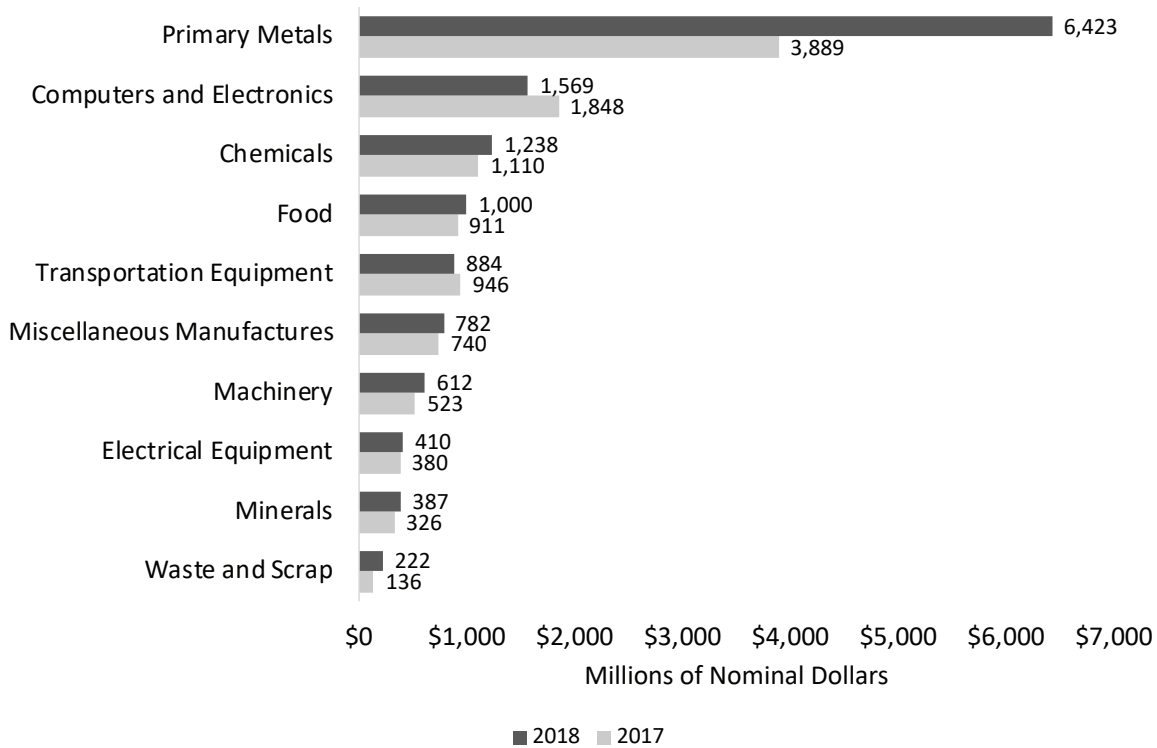
In the absence of progress in China/US trade negotiations, the retaliatory tariffs being imposed by both countries will cause further market erosion. China is the largest single market for Utah's agricultural production, which presents additional risk for Utah's agricultural sector.

Figure 8.1: Utah Merchandise Exports



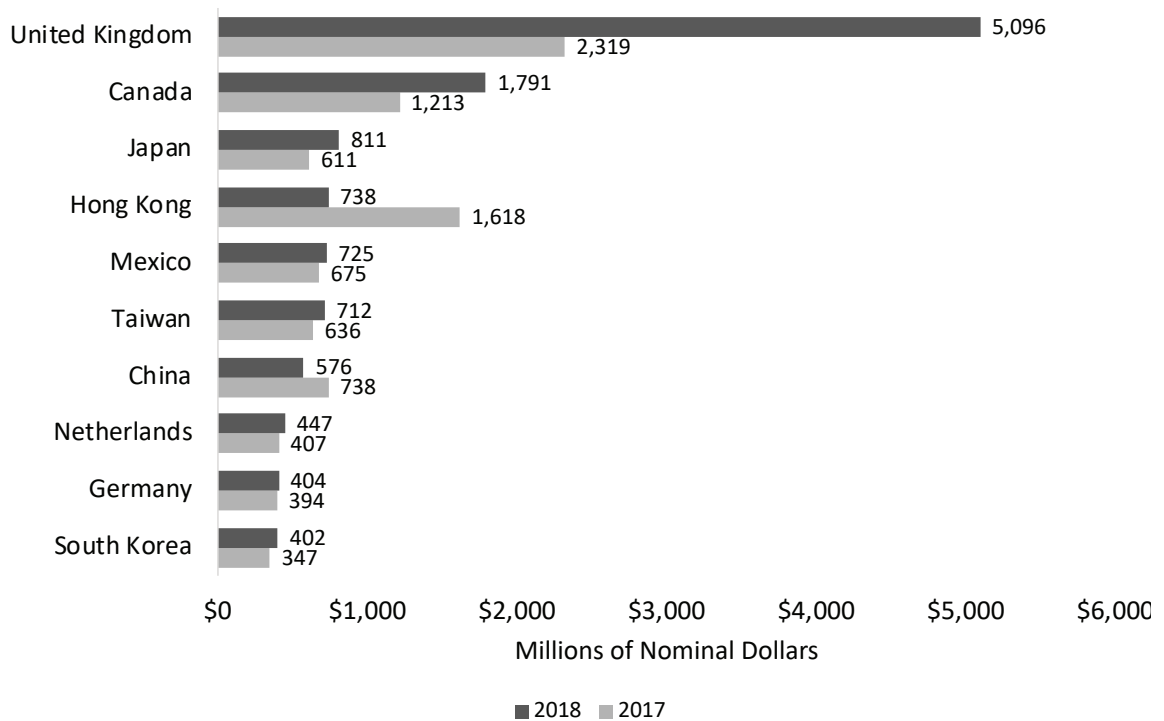
Source: U.S. Census Bureau, USA Trade Online

Figure 8.2: Utah Merchandise Exports of Top Ten Export Industries



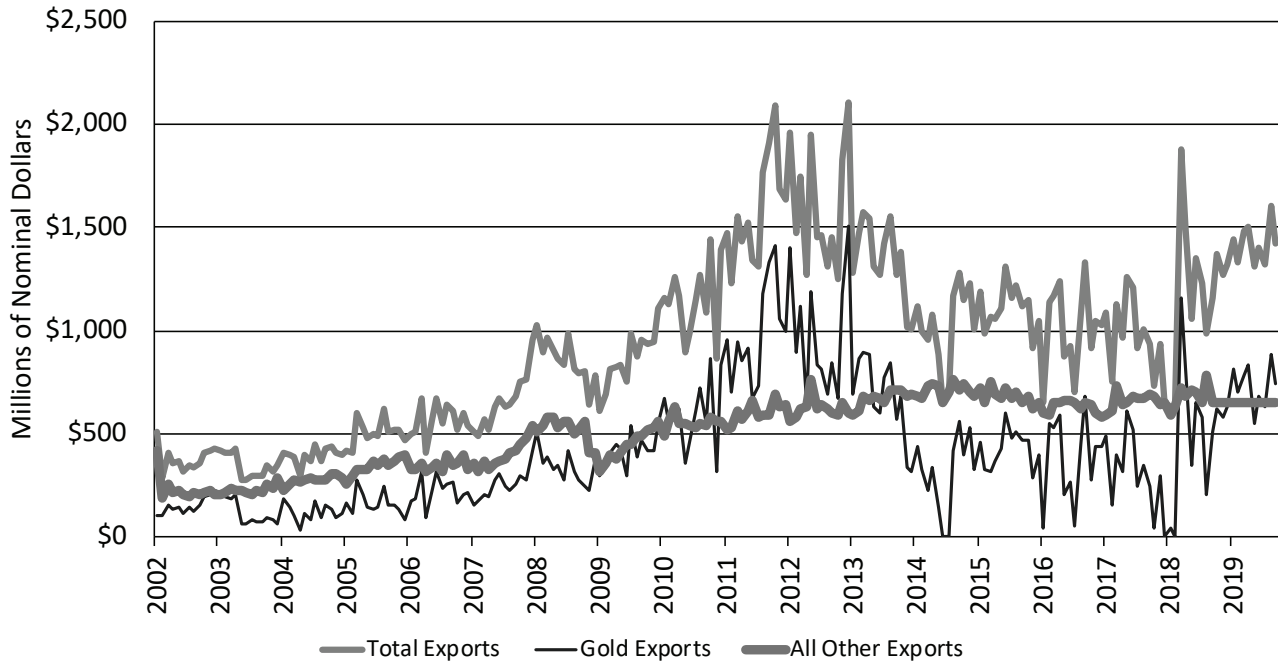
Source: U.S. Census Bureau, USA Trade Online

Figure 8.3: Utah Merchandise Exports to Top Ten Purchasing Countries



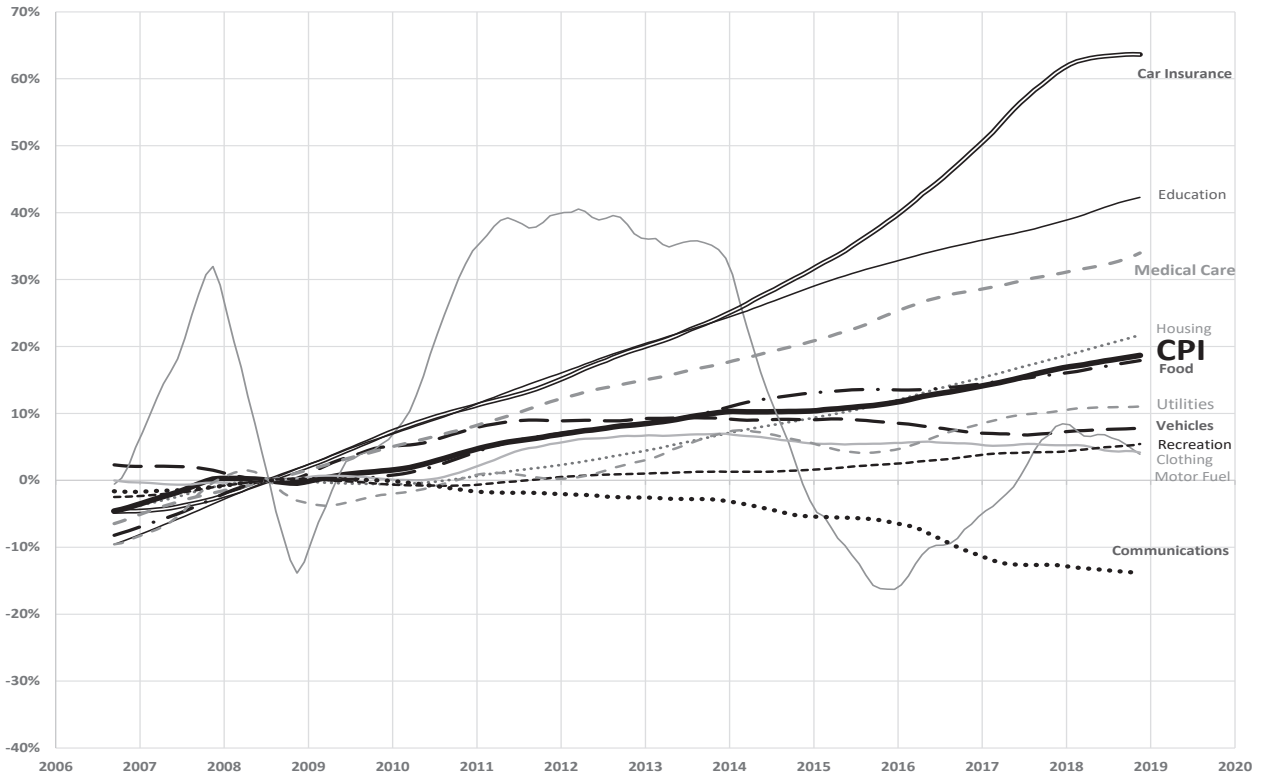
Source: U.S. Census Bureau, USA Trade Online

Figure 8.4: Utah Monthly Exports: With and Without Gold



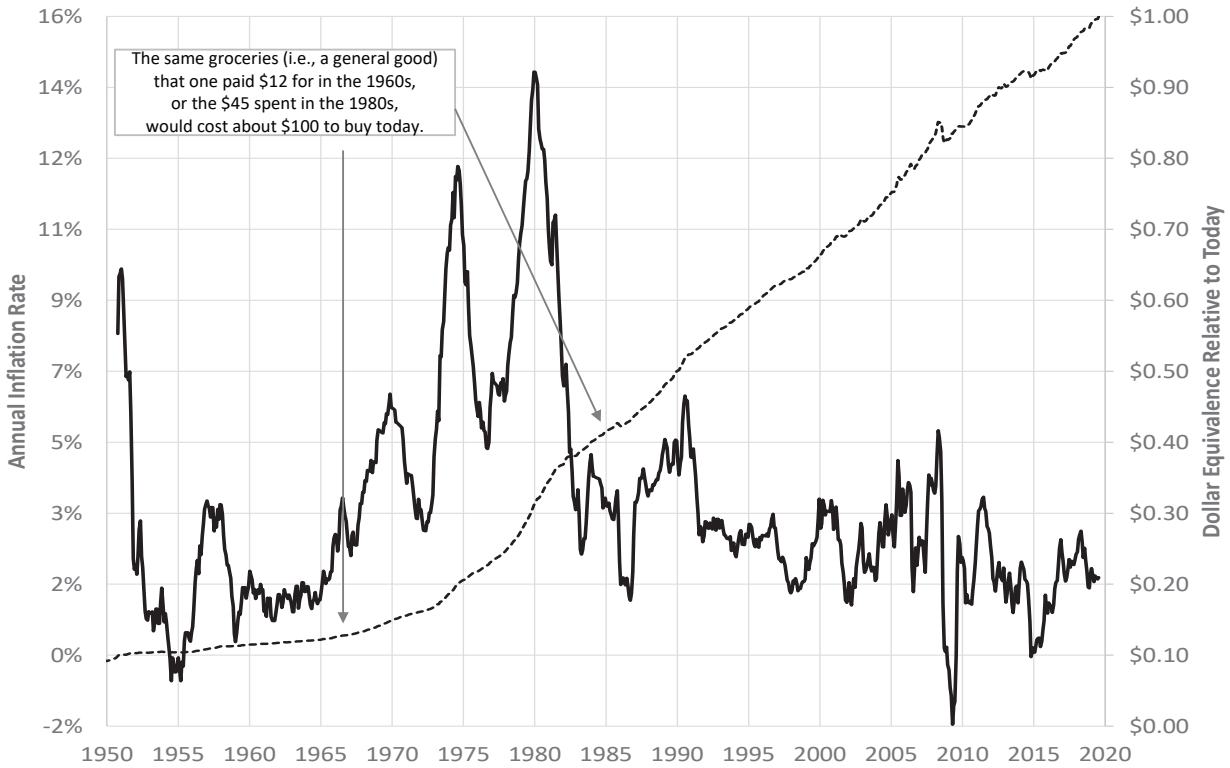
Source: U.S. Census Bureau, USA Trade Online

Figure 9.1: Cumulative Percent Change in Consumer Price Index (CPI) this Decade



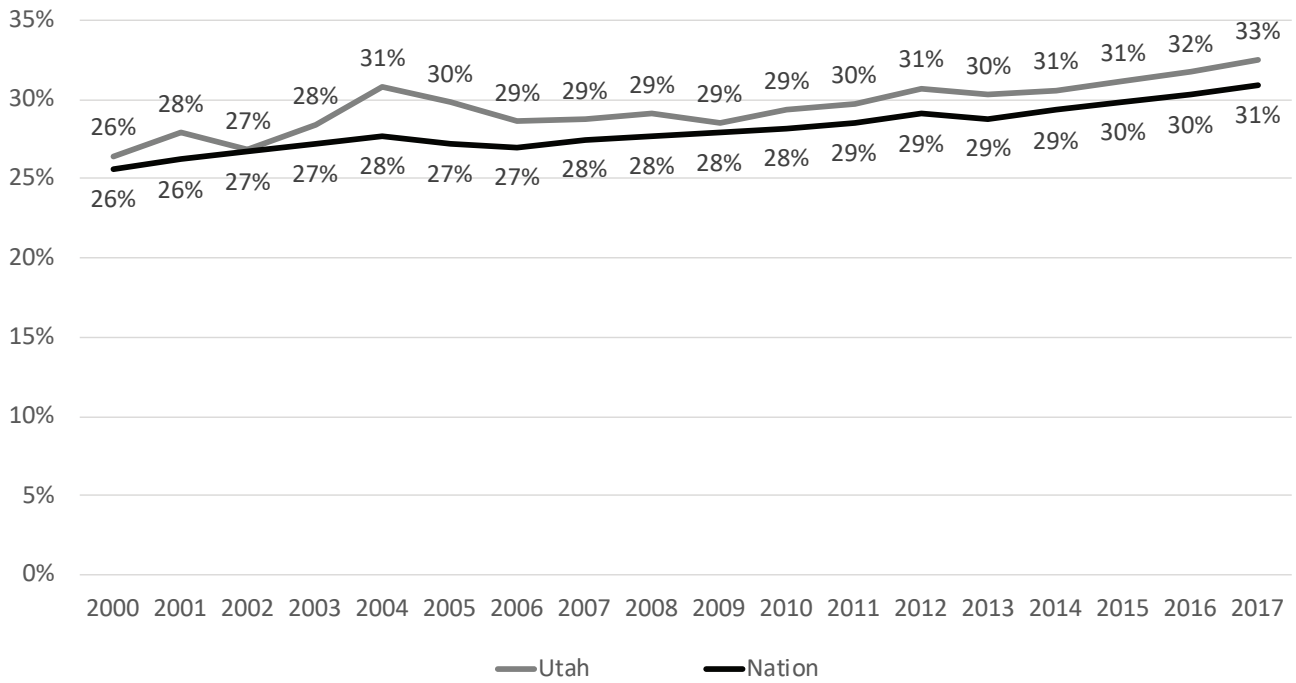
Source: Calculations from CPI data

Figure 9.2: Consumer Price Index (CPI) Year-over-Year Price Change and Relative Value of a Dollar



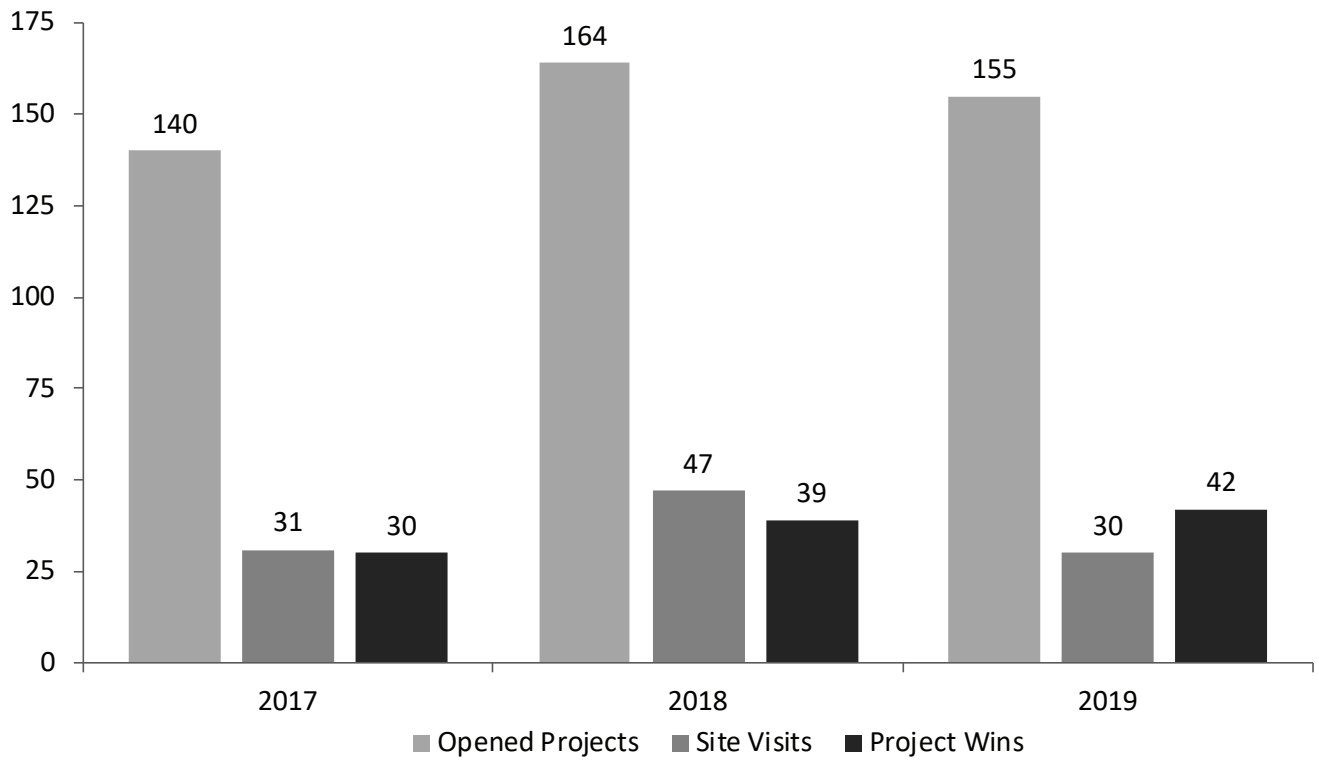
Source: Calculations from CPI data

Figure 10.1: Share of Population Age 25 Years or Older with Bachelor's Degrees or Higher, 2002-2017



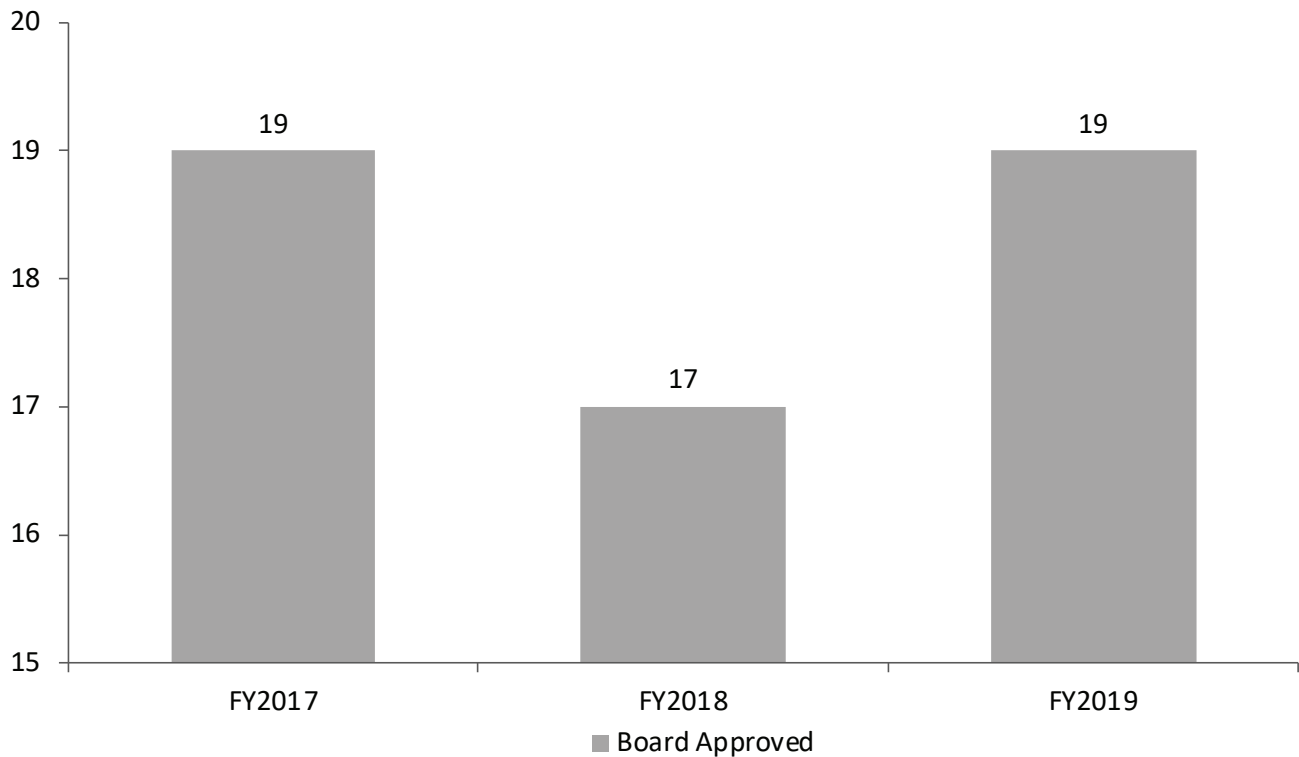
Source: American Community Survey (2017). 5-year data sample. (5-year data not yet available for 2018. Montana and Wyoming not available in 1-year data sample.)

Figure 11.1: Economic Development Project Summary



Source: Economic Development Corporation of Utah

Figure 11.2: EDTIF Project Summary



Source: Utah Governor’s Office of Economic Development

2020–2021 OUTLOOK

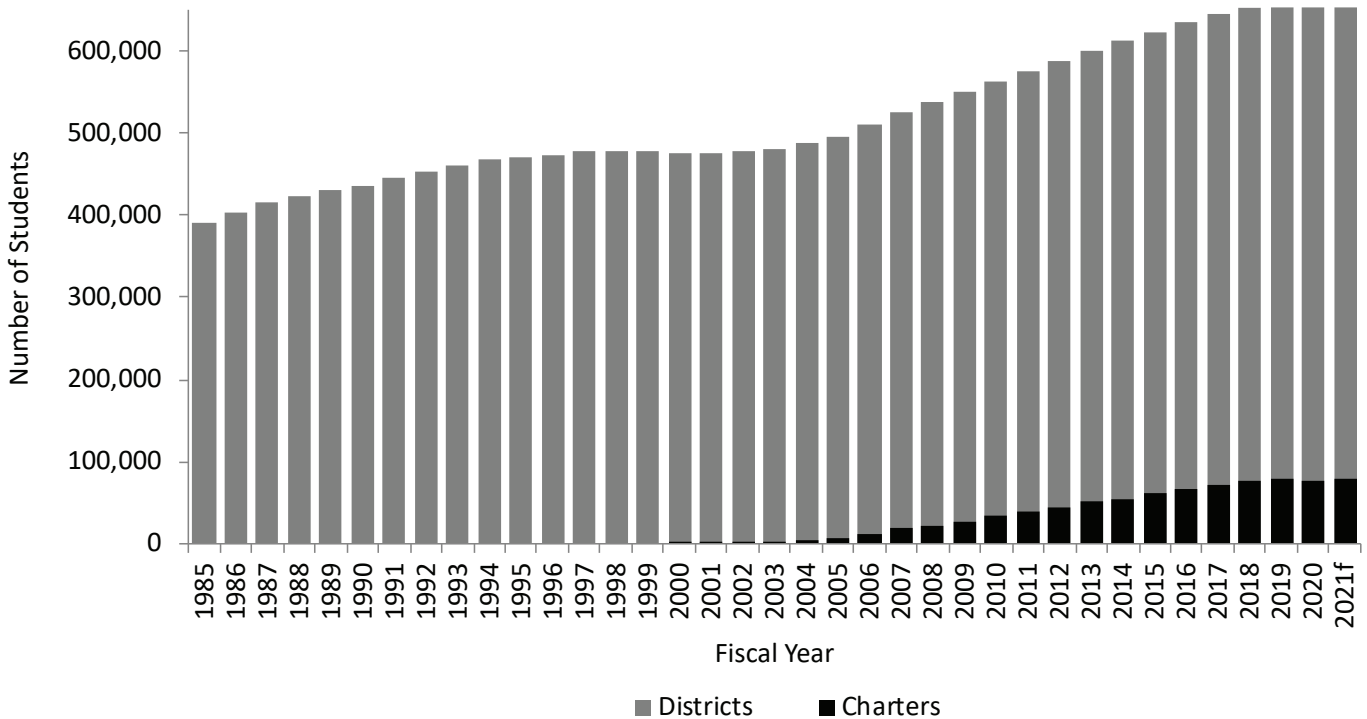
Enrollment

Growth in student enrollment is expected to continue for several years, as Utah experiences net immigration, and has among the nation’s highest birth rate and fertility rate. Total enrollment in Utah’s public education system in fall 2020 is forecasted to increase by 7,902 students (1.2%) to 675,305. A projected additional \$56 million in state funds are needed to fund student growth.

In most of the past five school years, the incoming kindergarten class was smaller than in the prior year. This change corresponds to a declining number of total births five years prior. Based on birth trends, declining kindergarten class size is expected to continue.

Utah’s charter school enrollment has increased by approximately 3.6% per year, on average, over the last four years. It is forecasted that enrollment in charter schools in Utah will grow by 3.2% in the fall of 2020.

Figure 12.1: Utah Public Education Enrollment, FY 1985 – FY 2021



Note: f = forecast

Source: Utah State Board of Education, School Finance & Data and Statistics

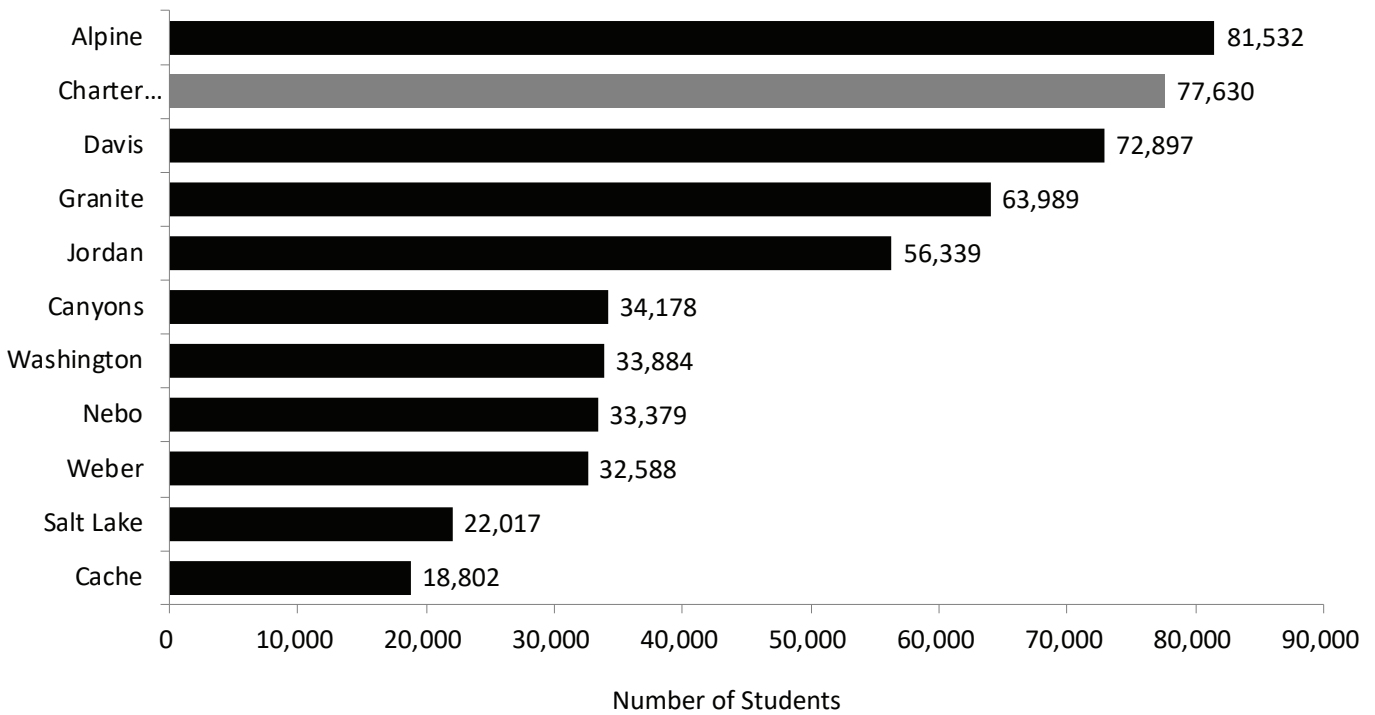
Figure 12.2: Percent Change in Public Education Enrollment FY 1985 – FY 2021



Note: f = forecast

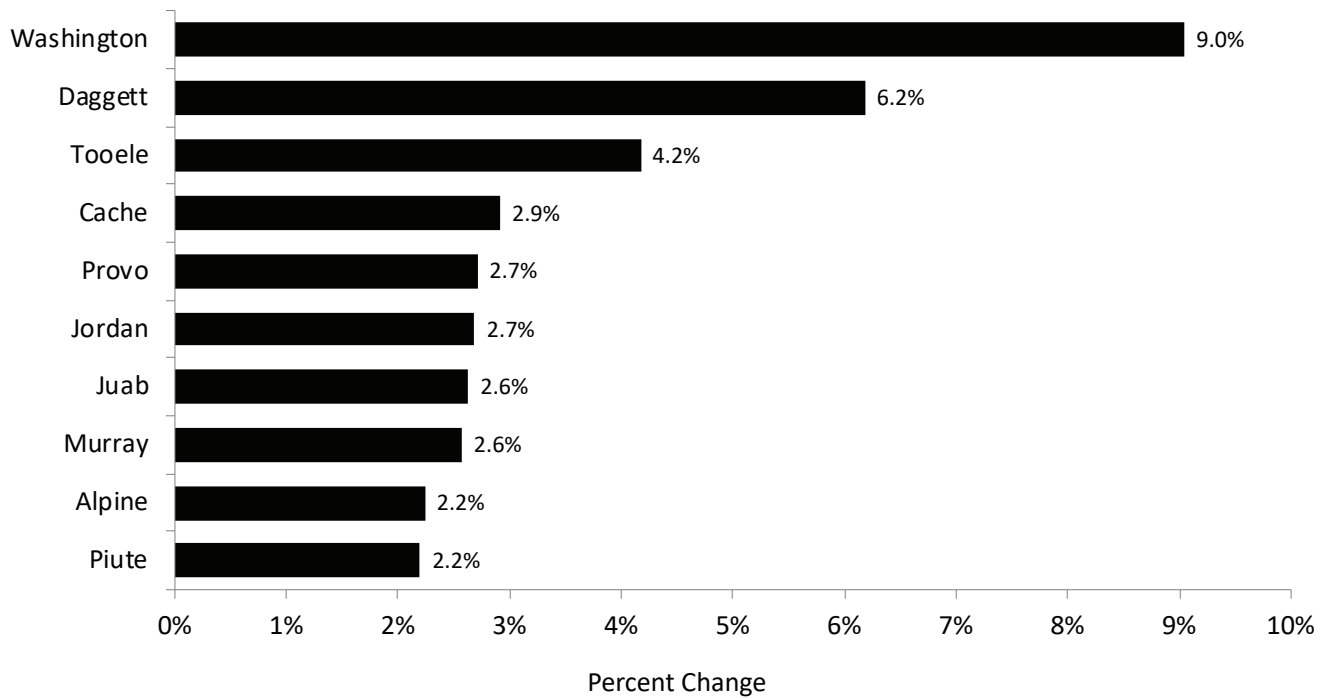
Source: Utah State Board of Education, School Finance & Data and Statistics

Figure 12.3: Largest Enrollment by District, FY 2020



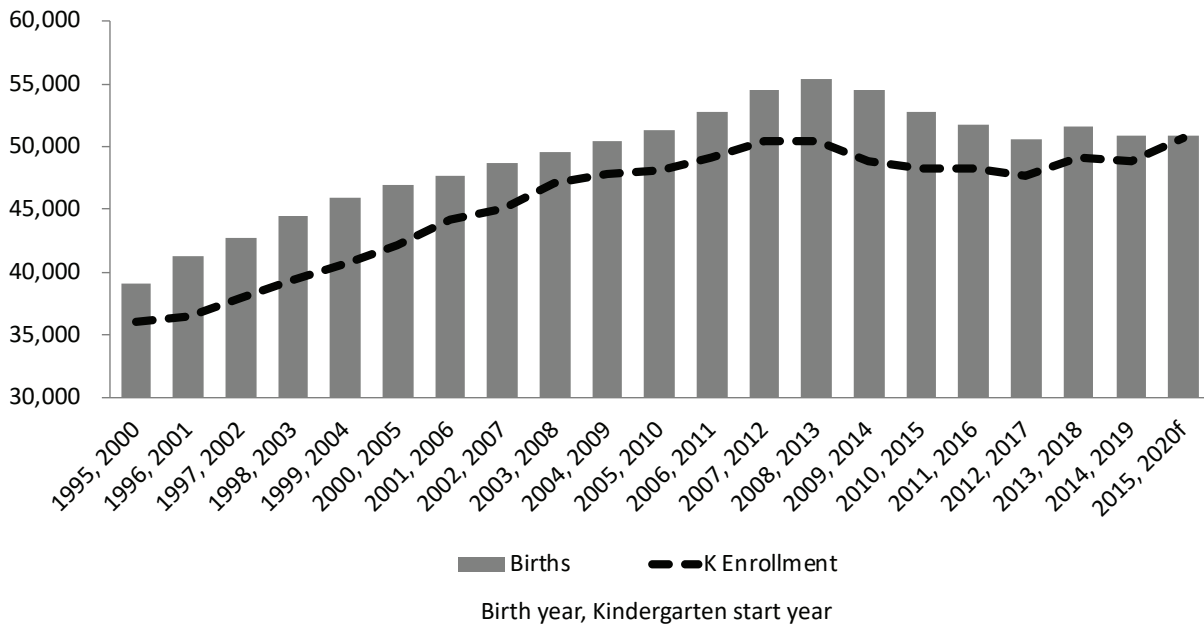
Source: Utah State Board of Education, School Finance & Data and Statistics

Figure 12.4: Largest Enrollment Growth by District, FY 2019 to FY 2020



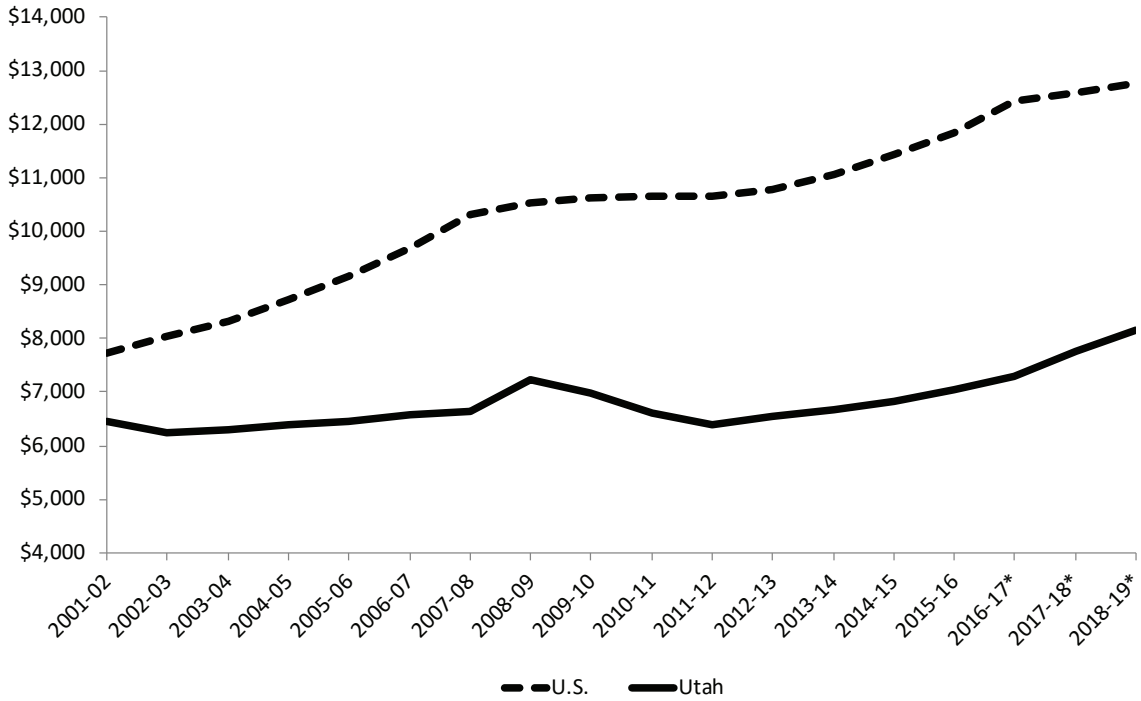
Source: Utah State Board of Education, School Finance & Data and Statistics

Figure 12.5: Kindergarten Enrollment & Five Years Prior Births, 2000-2020



Source: Utah State Board of Education - School Finance & Data and Statistics, Interagency Common Data Committee, and Utah Department of Health

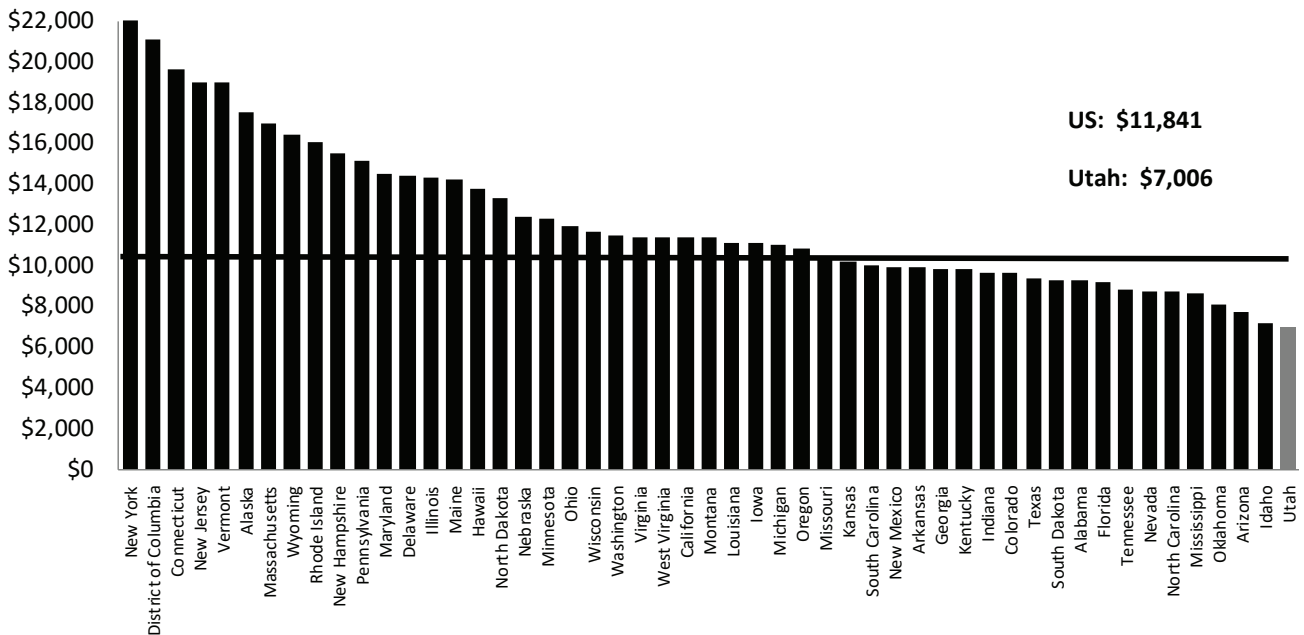
Figure 12.6: U.S. and Utah Current Expenditures per Pupil in Enrollment, FY 2002 – FY 2019



Note: U.S. expenditures are in constant 2018-19 dollars based on the Consumer Price Index adjusted to a school-year basis.
 * For Fiscal Years 2017-2019*, U.S. data is projected at time of publication.

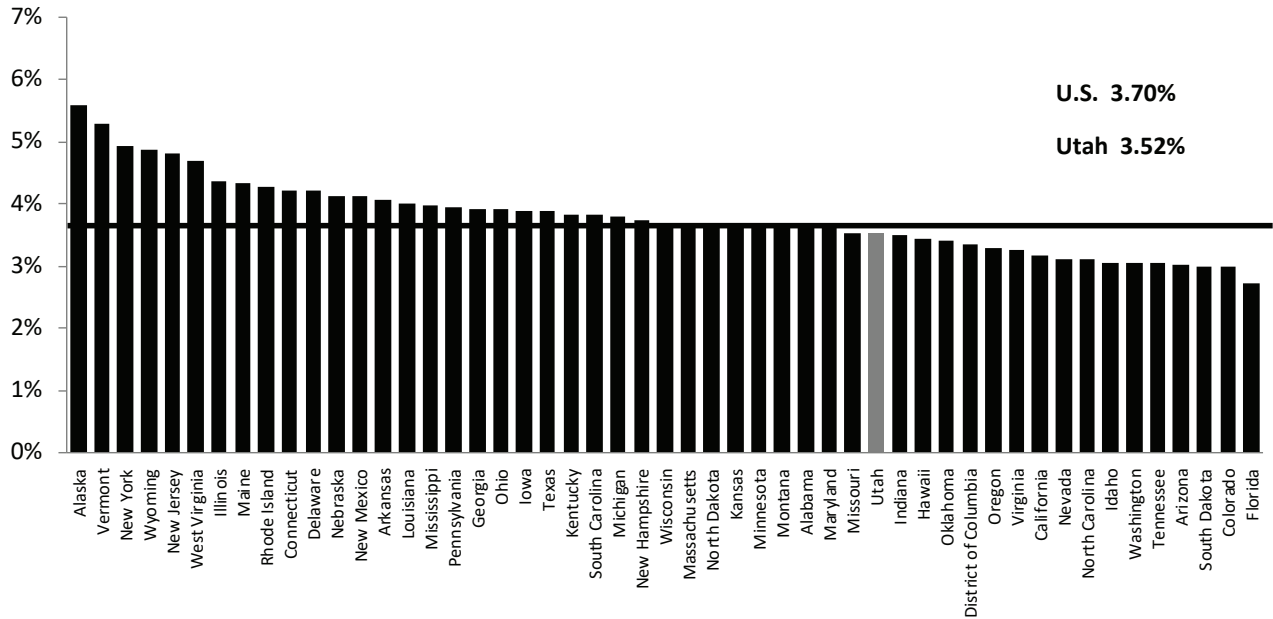
Source: USBE, School Finance, and U.S. Department of Education, National Center for Education Statistics

Figure 12.7: Current Expenditures per Pupil, by State, FY 2016



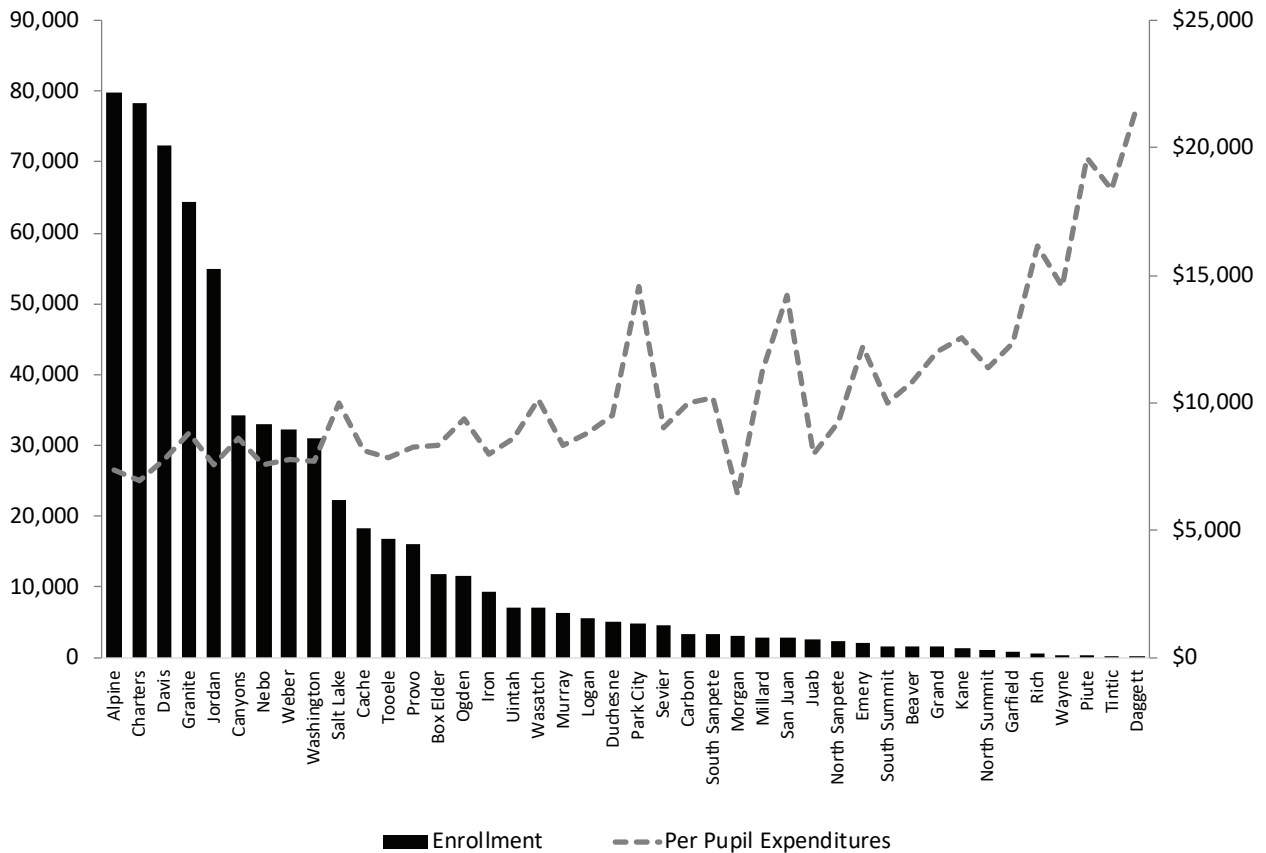
Source: USBE, School Finance, and U.S. Department of Education, National Center for Education Statistics

Figure 12.8: Current Expenditures as a Percentage of Personal Income, by State, FY 2016



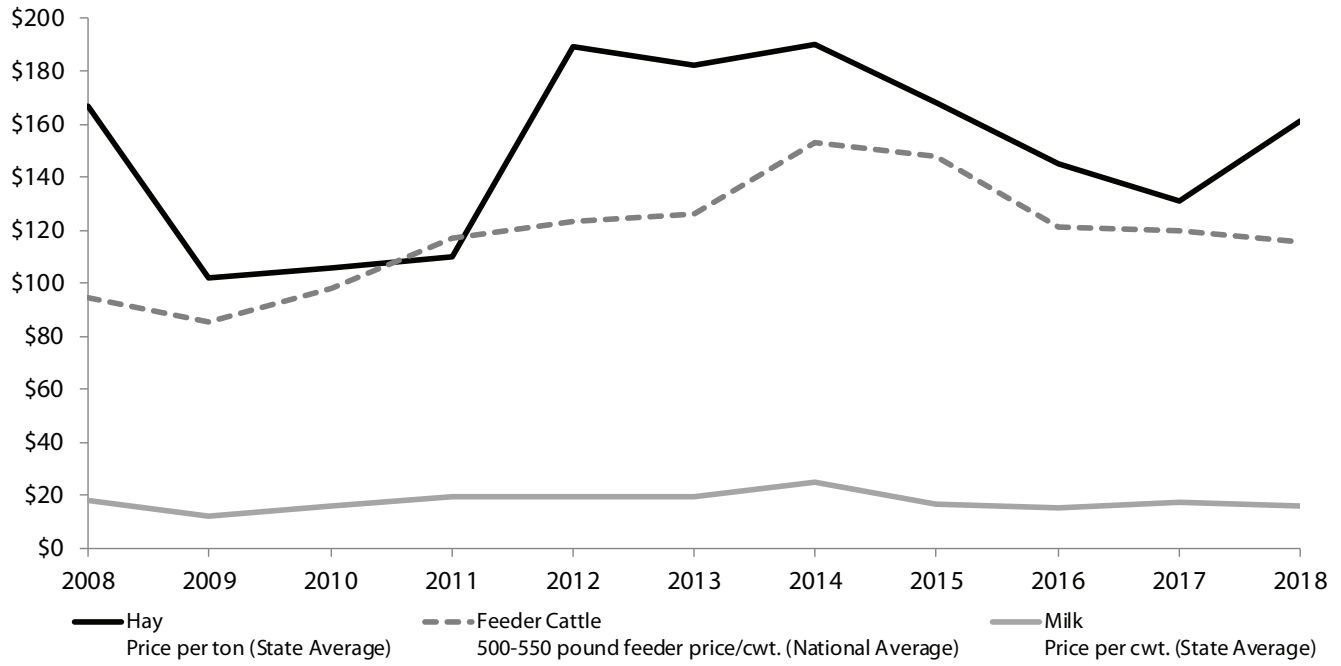
Source: USBE, School Finance, U.S. Department of Education, National Center for Education Statistics, and the Bureau of Economic Analysis

Figure 12.9: Utah Total Enrollment & Current Expenditures per Pupil, FY 2019



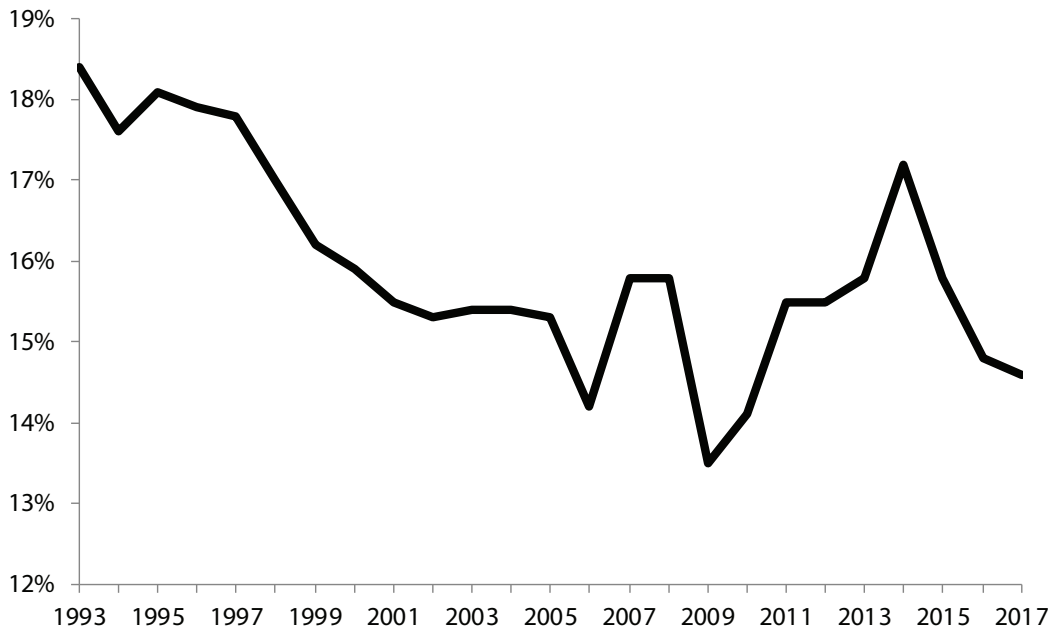
Source: USBE, School Finance

Figure 14.1: Average Annual Price Received in Major Utah Agricultural Sectors



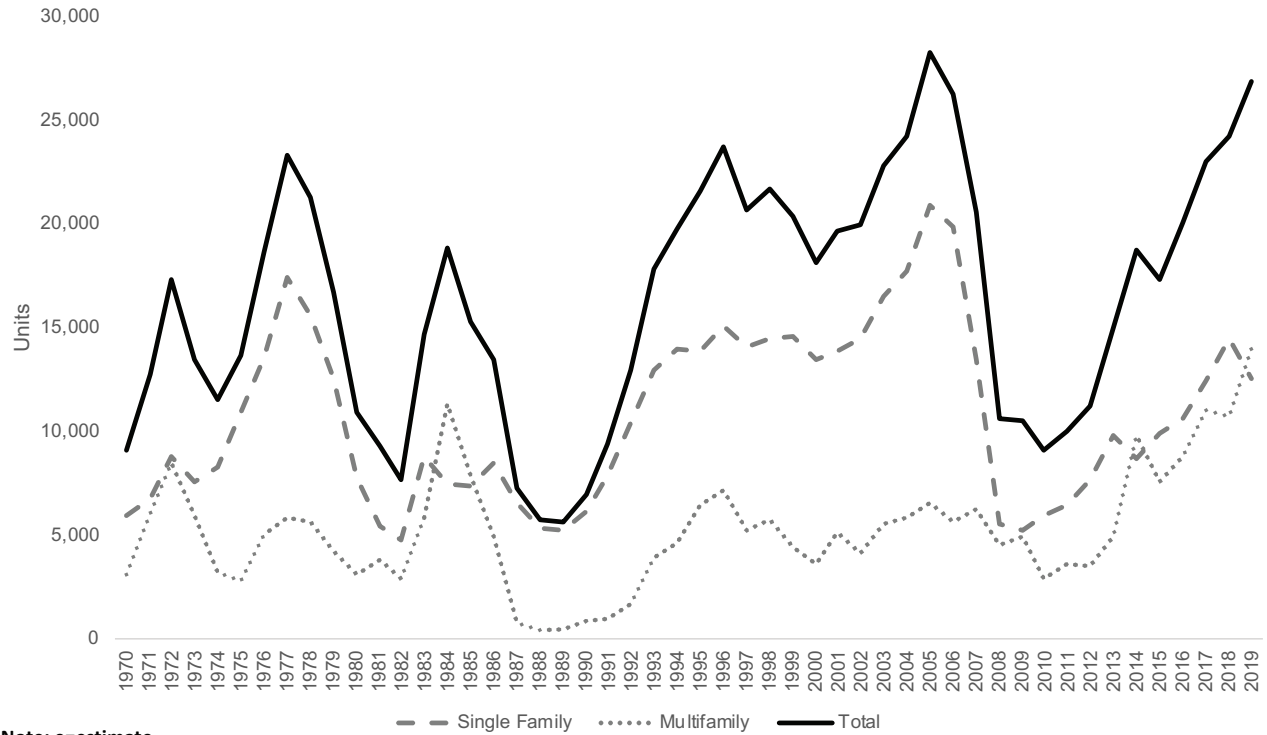
Source: U.S. Department of Agriculture & Utah Department of Agriculture and Food

Figure 14.2: Farmers' Share of Food Spending



Source: U.S. Department of Agriculture

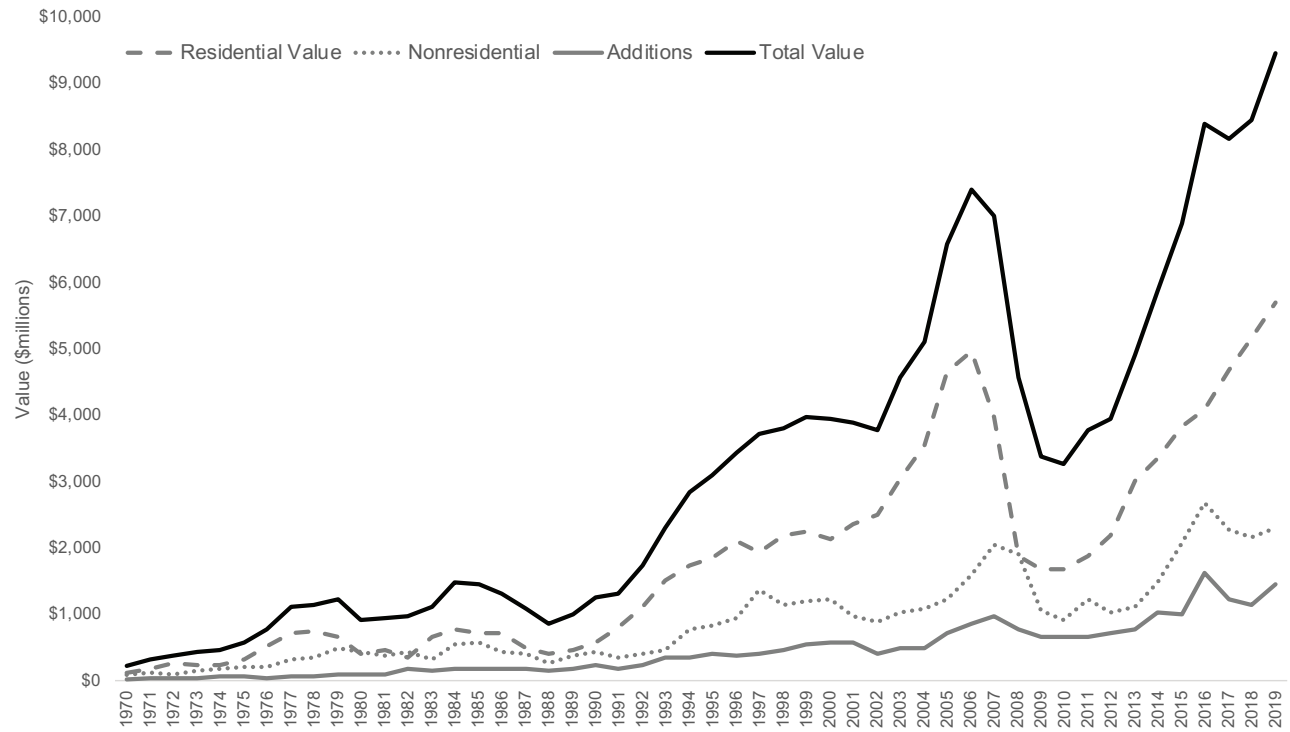
Figure 15.1: Utah Residential Construction Activity



Note: e=estimate

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

Figure 15.2: Value of Permit Authorized Construction in Utah



Note: e=estimate

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

Figure 17.1: Utah's Crude Oil Production, Pipeline Imports, Refinery Receipts, and Wellhead Price, 1980-2019

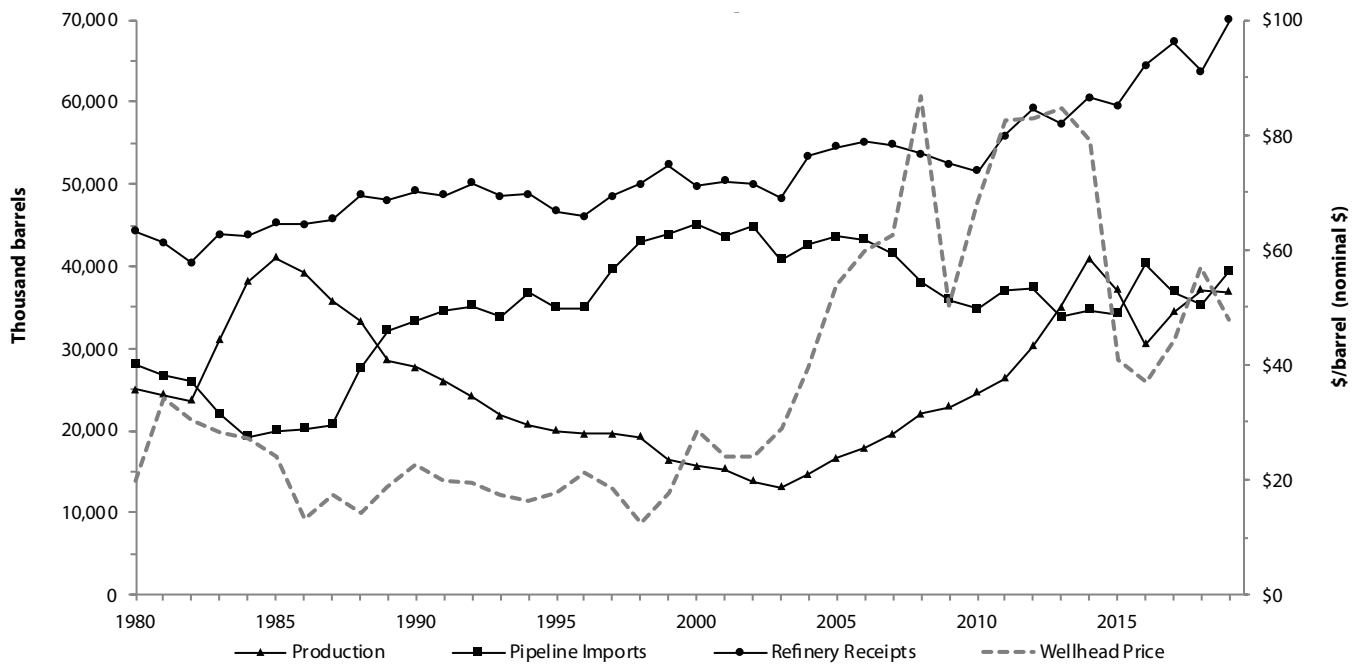


Figure 17.2: Utah's Petroleum Product Production, Consumption, Motor Gasoline, and Diesel Prices, 1980-2019

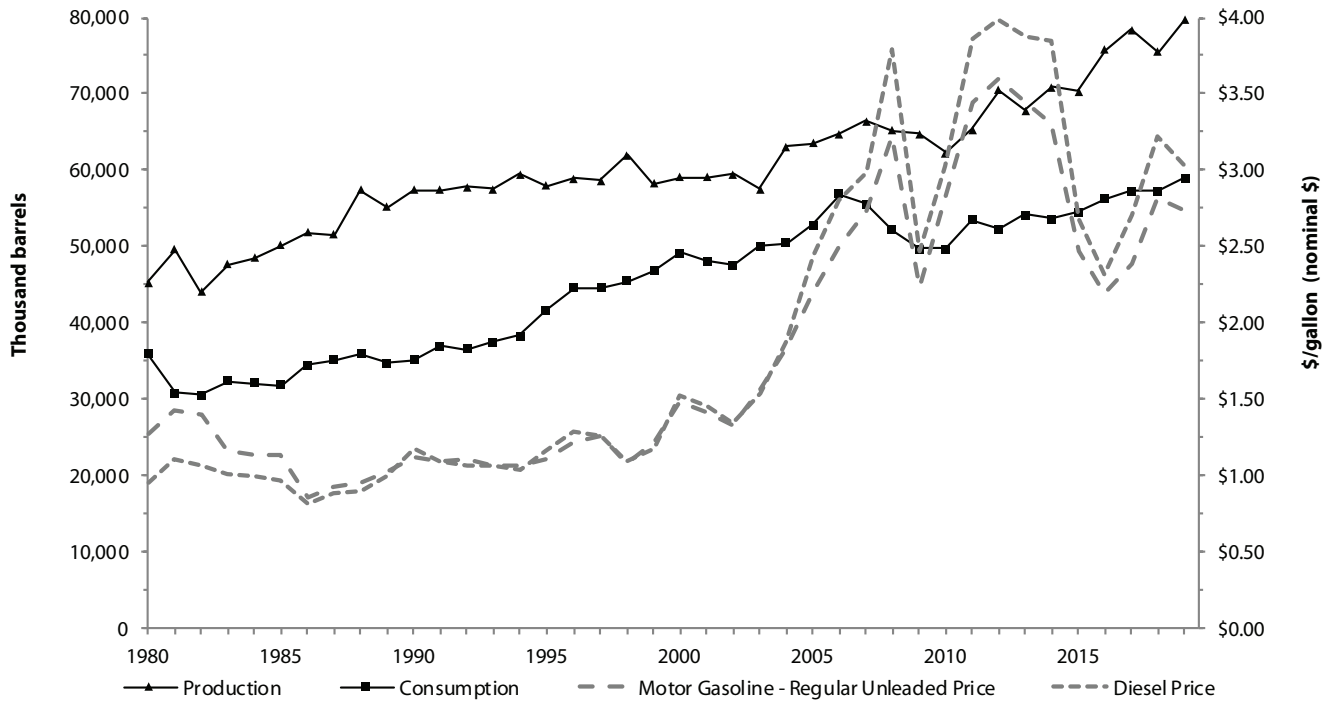


Figure 17.3: Natural Gas Production, Consumption, Wellhead, and Residential Prices, 1980-2019

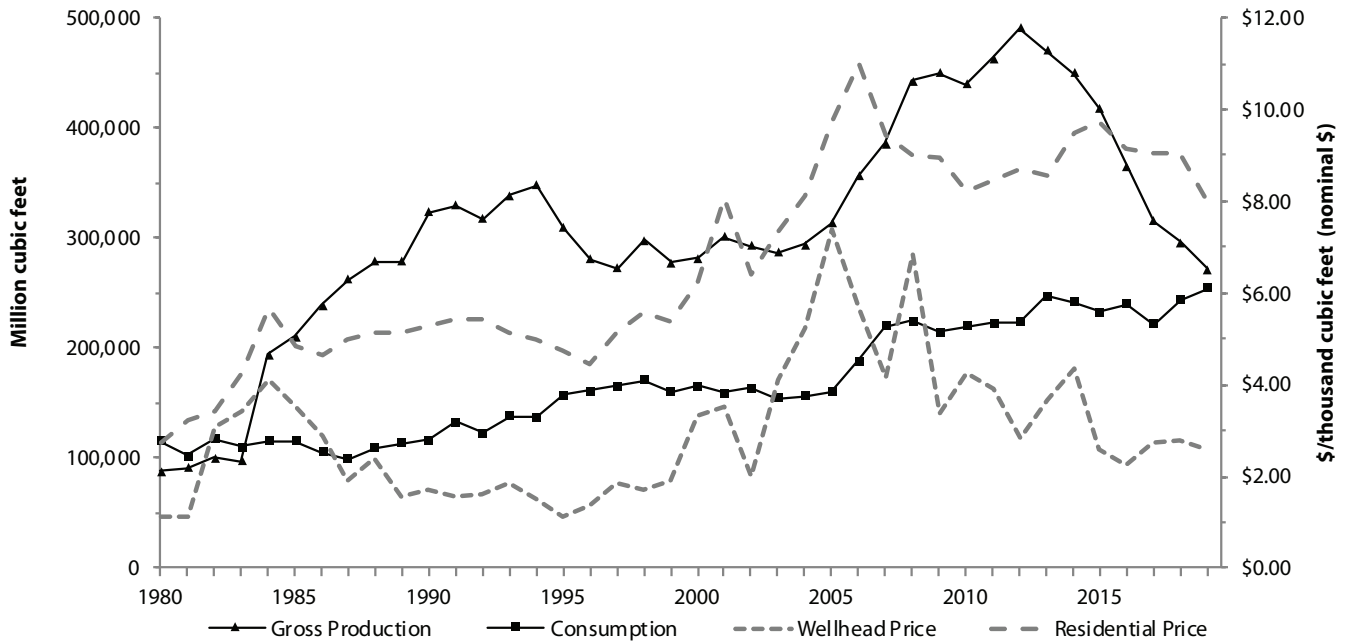


Figure 17.4: Utah's Coal Production, Consumption, Exports, and Mine-Mouth Price, 1980-2019

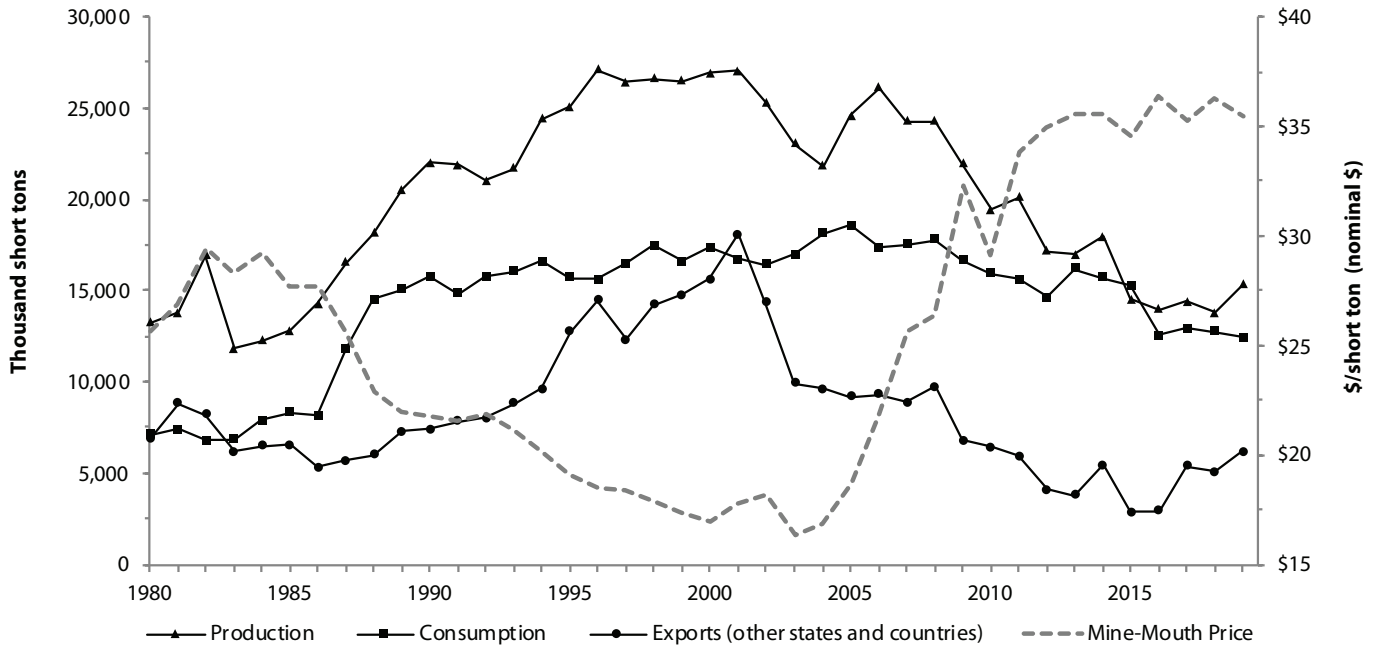


Figure 17.5: Utah's Electricity Net Generation, Consumption, and End-Use Residential Price, 1980-2019

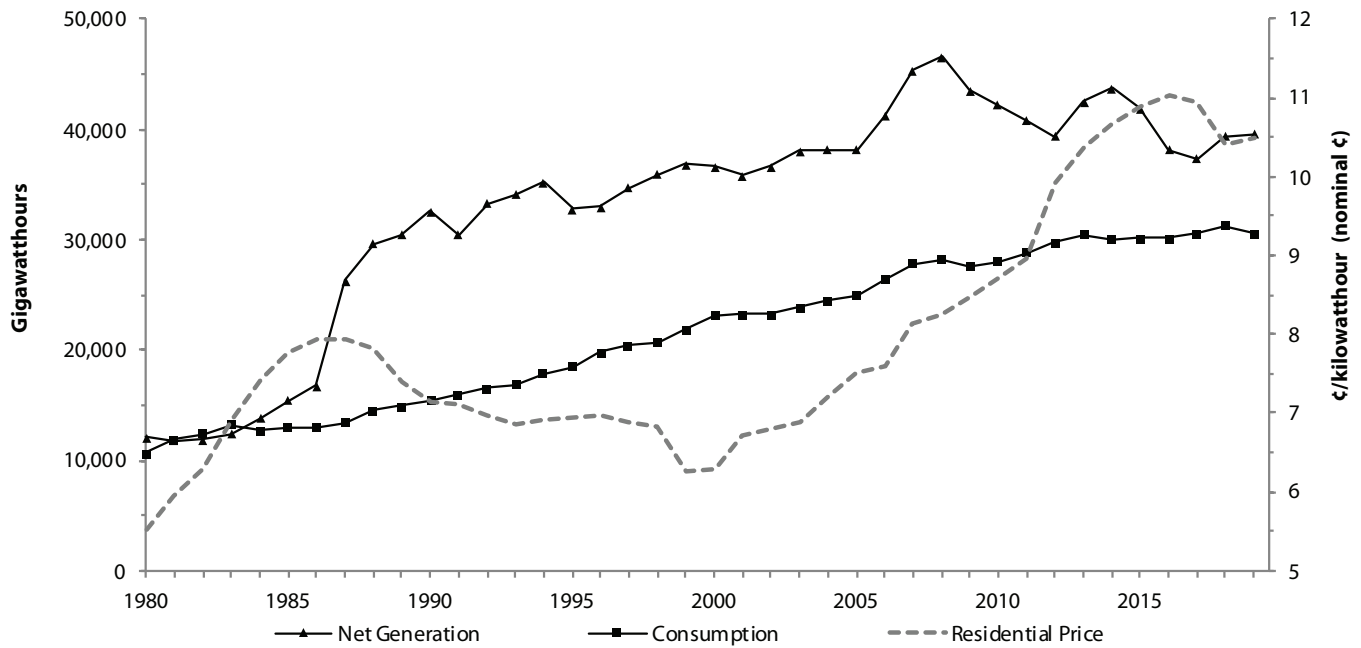
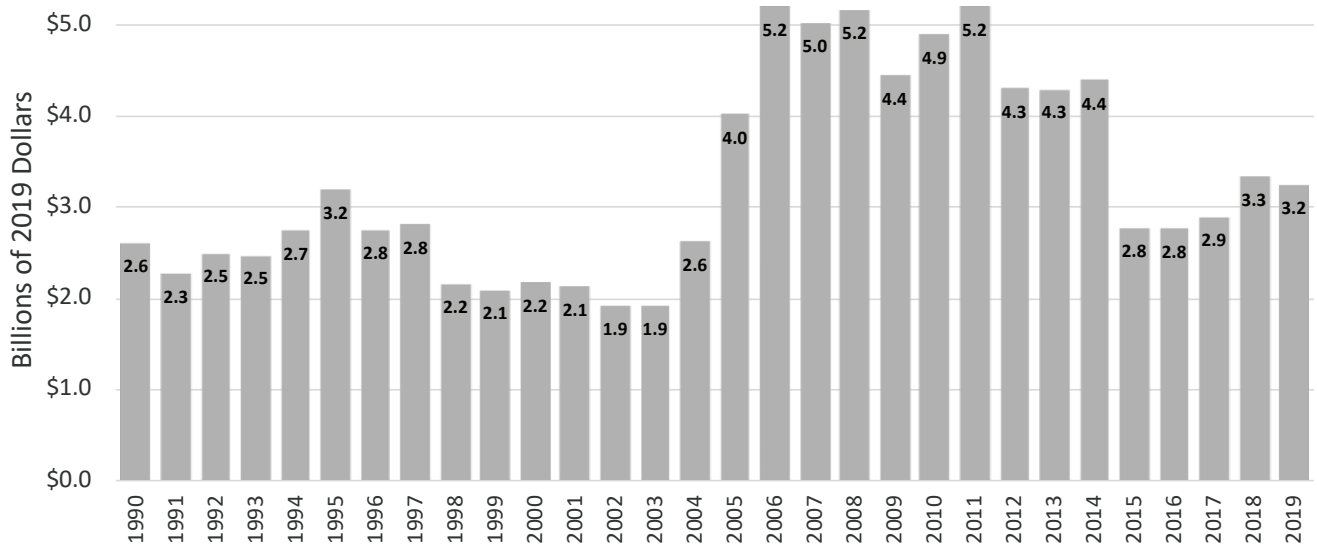


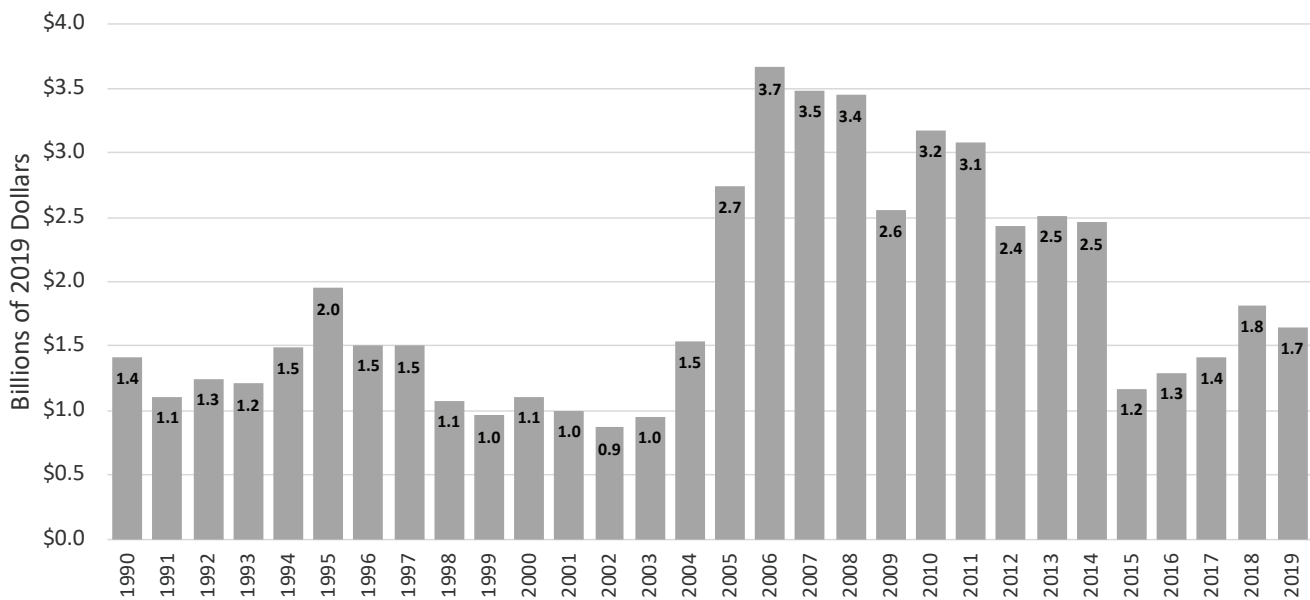
Figure 18.1: Total Value of Utah's Annual Metallic and Industrial Mineral Production



Note: The value presented for 2019 is an estimate.

Source: Utah Geological Survey.

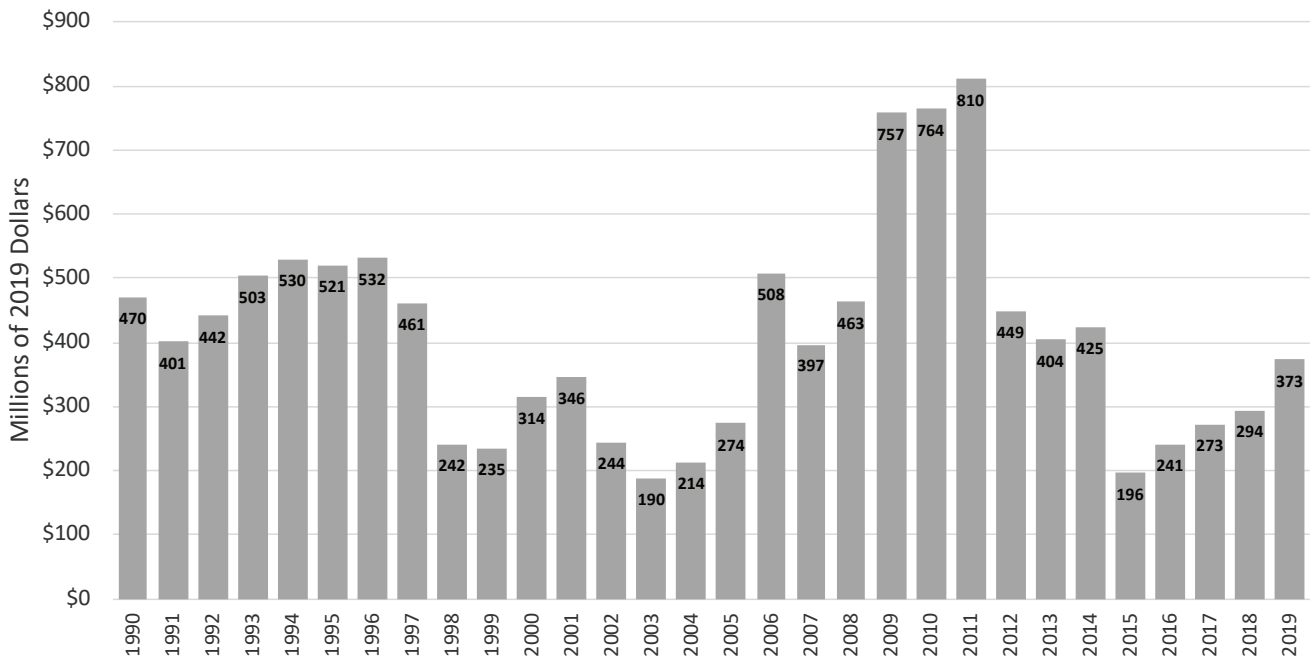
Figure 18.2: Value of Utah's Annual Base Metal Production



Note: The value presented for 2019 is an estimate.

Source: Utah Geological Survey.

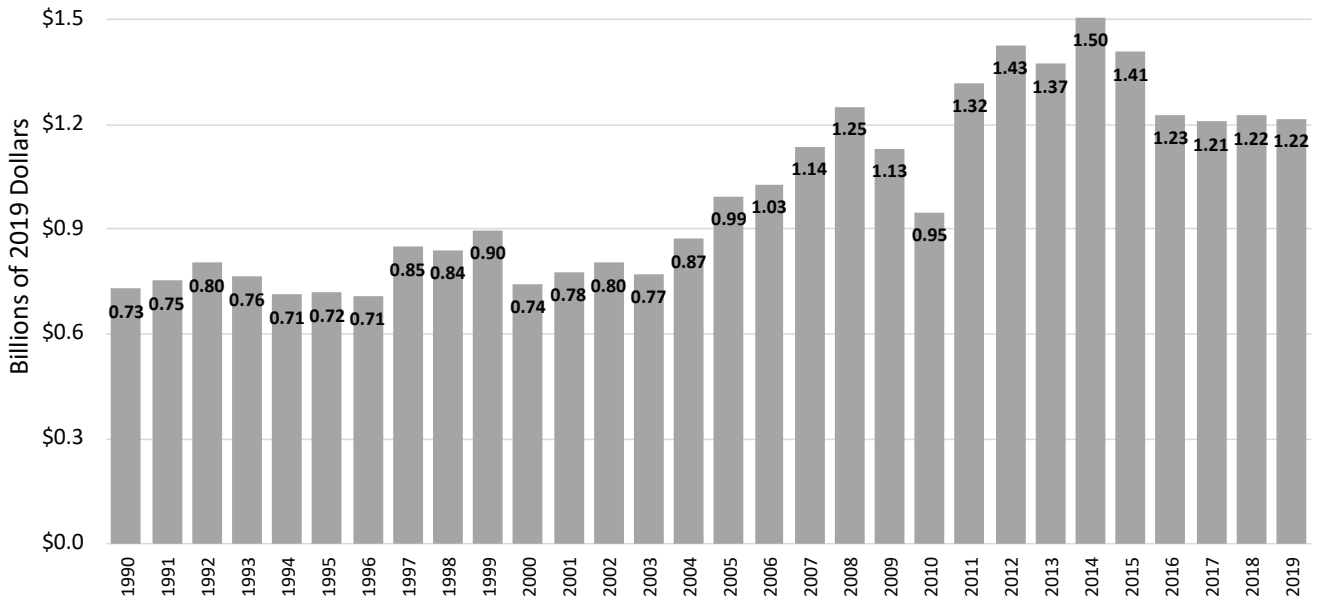
Figure 18.3: Value of Utah's Annual Precious Metal Production



Note: The value presented for 2019 is an estimate.

Source: Utah Geological Survey.

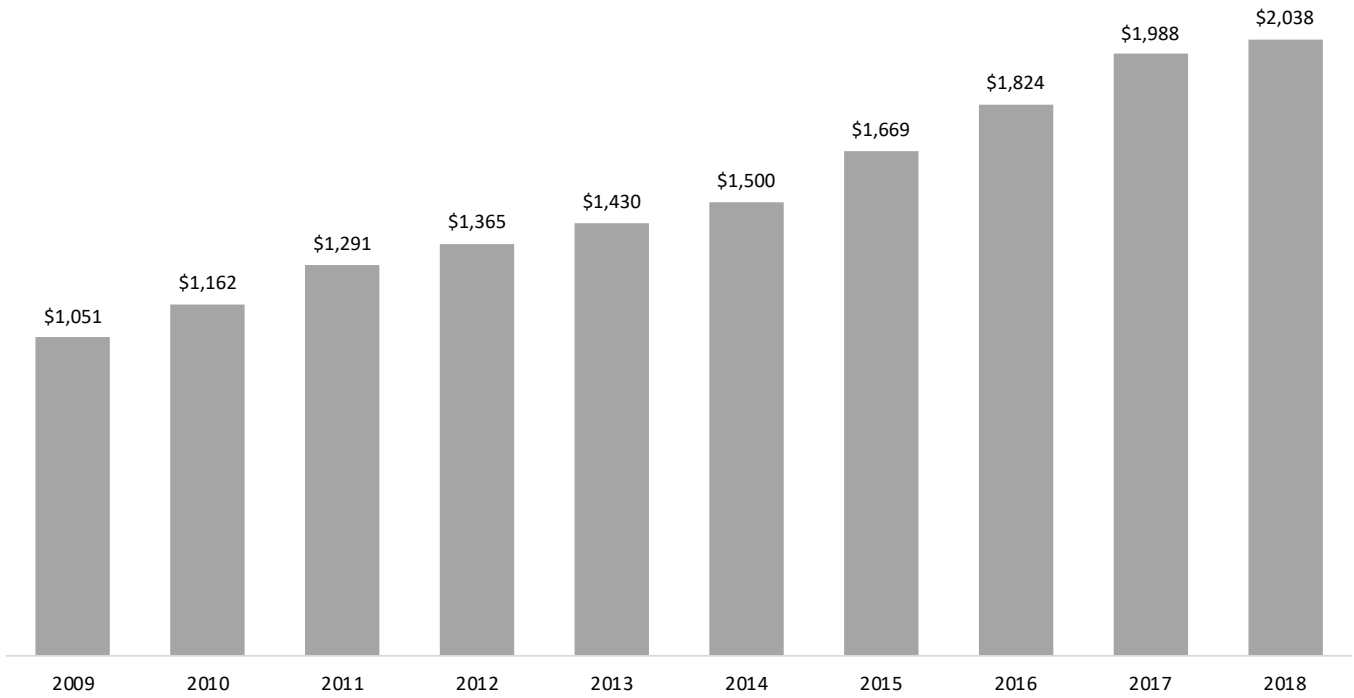
Figure 18.4: Value of Utah's Annual Industrial Mineral Production



Note: The value presented for 2019 is an estimate.

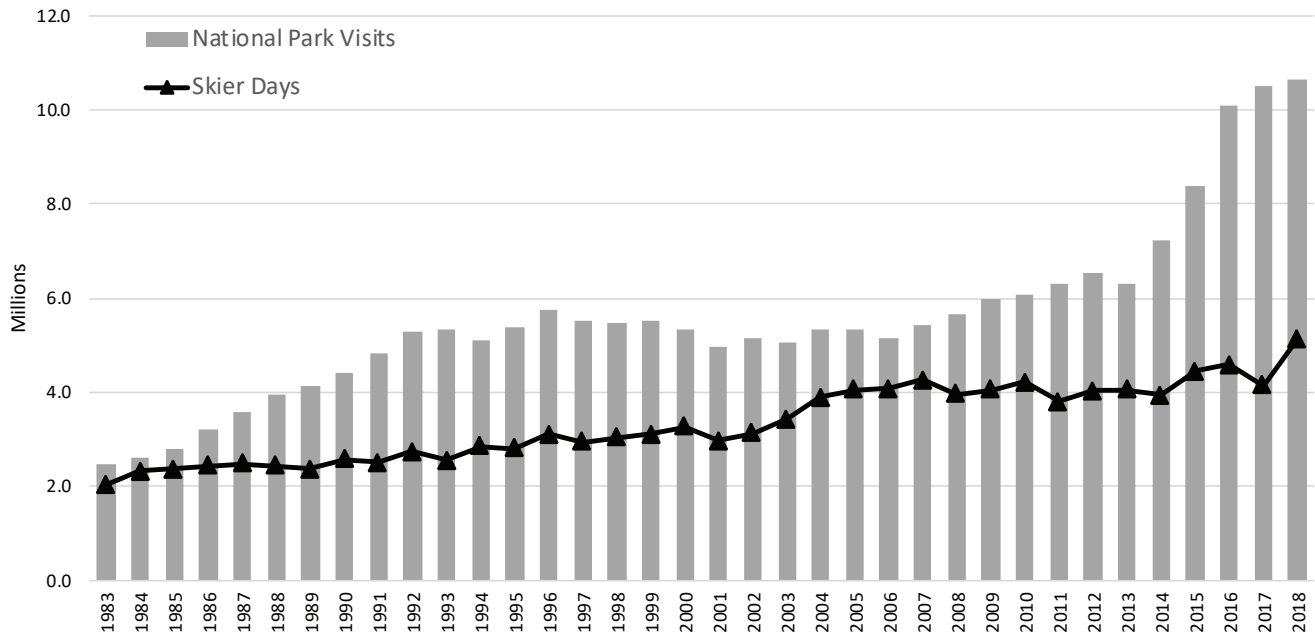
Source: Utah Geological Survey.

Figure 19.1: Accommodations Taxable Sales, 2009-2018 (2018 Dollars in Millions)



Source: Kem C. Gardner Policy Institute analysis of Utah State Tax Commission data

Figure 19.2: Utah National Park and Skier Visits, 1983-2018



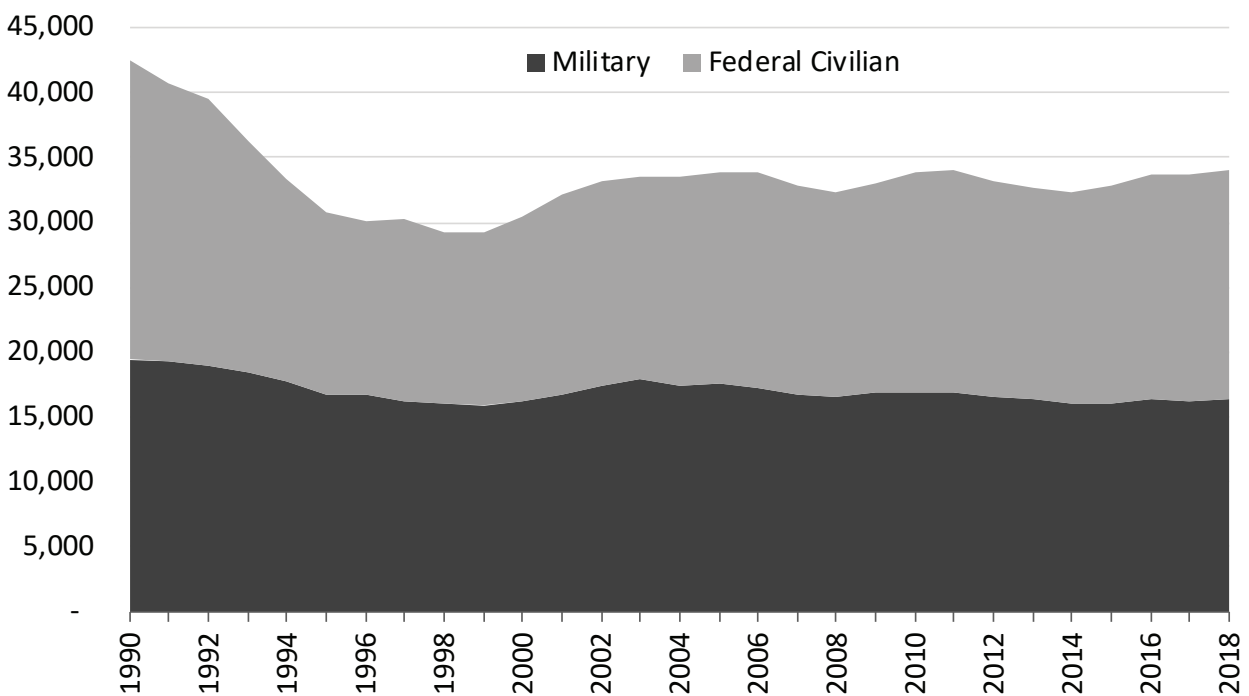
Source: U.S. National Park Service and Ski Utah

2020 OUTLOOK

Defense supports many high paying quality jobs in Utah, and nearly two billion in federal contracts and grants. However, recent history shows a declining trend for both total defense employment and contract and grants. While we expect this trend to continue through the end of 2020, the growth in depot maintenance work associated with procurement and fielding of additional F-35 aircraft, award of the \$80 billion Ground Based Strategic Deterrent (GBSD)

contract in late 2020, and continued growth in software work are anticipated to add 2,500 mostly federal civilian jobs to the Hill AFB workforce over the next five years. Further, with the GBSD contract being managed at Hill, defense contractors are already relocating to the community around the base which will increase the value of Utah's DoD contracts over that period and beyond.

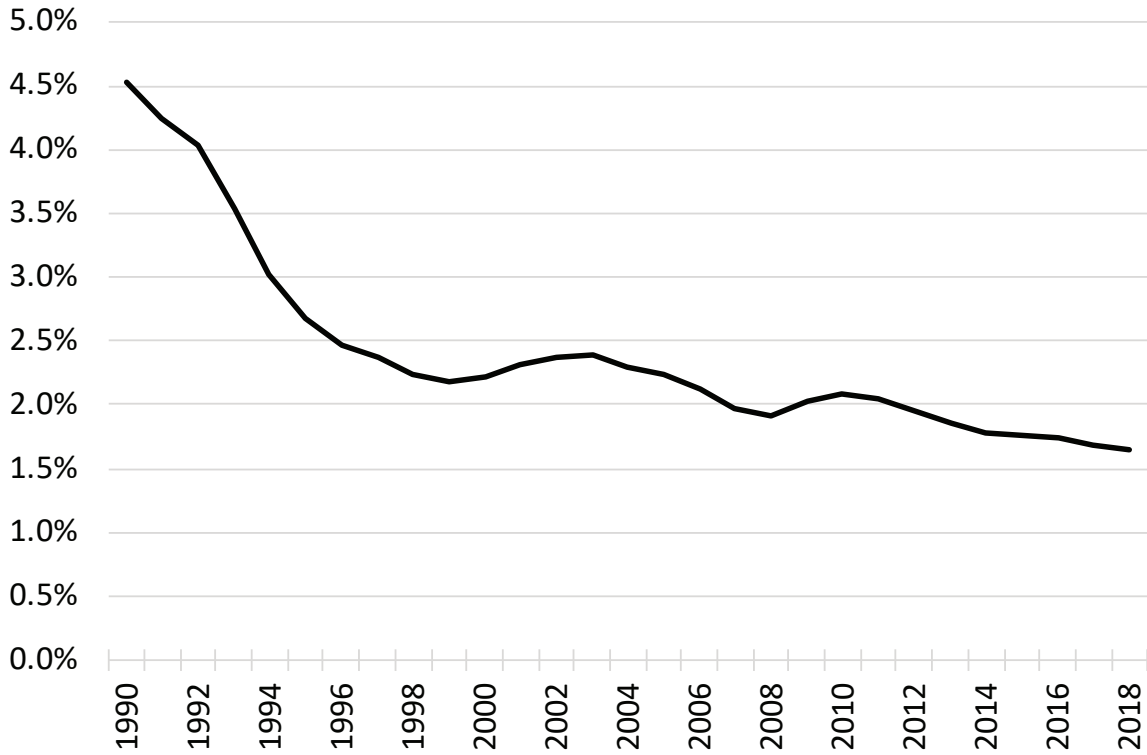
Figure 20.1: Military and Federal Civilian Defense Employment in Utah, 1990–2018



Note: Federal defense employment includes the military, whether active-duty employment or part-time employment in reserve or National Guard units. It also includes federal civilian employment for national security and medical care provided by the VA and DOD.

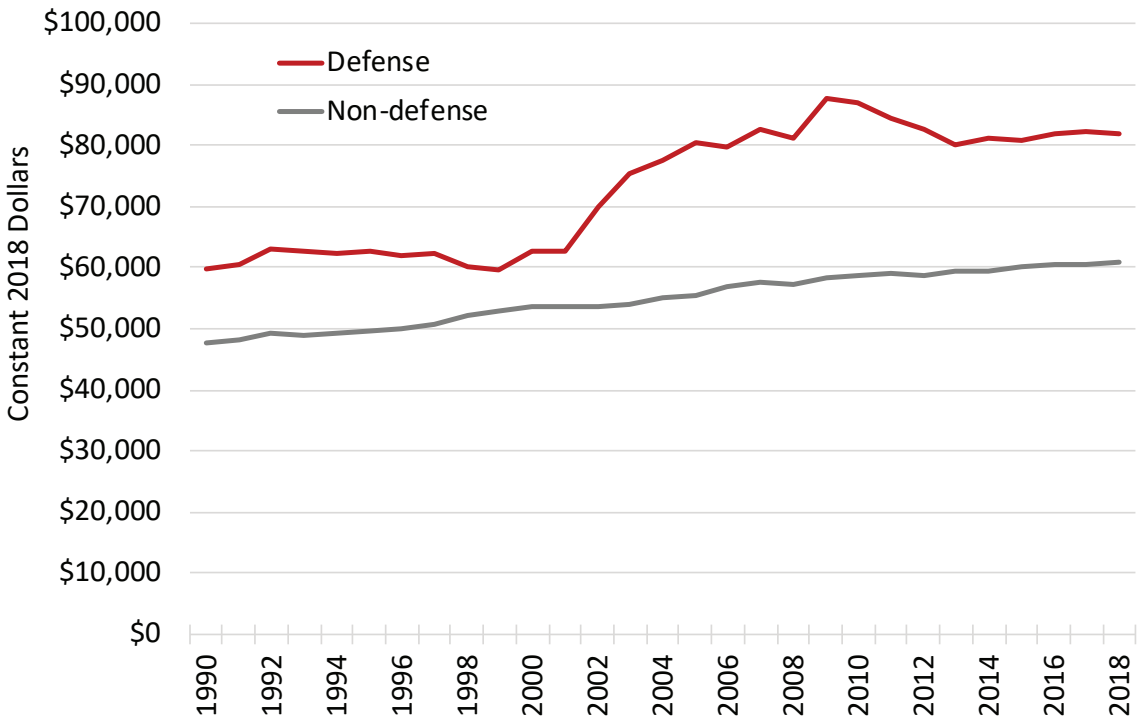
Source: Bureau of Economic Analysis, Bureau of Labor Statistics.

Figure 20.2: Defense Share of Total Employment in Utah, 1990–2018



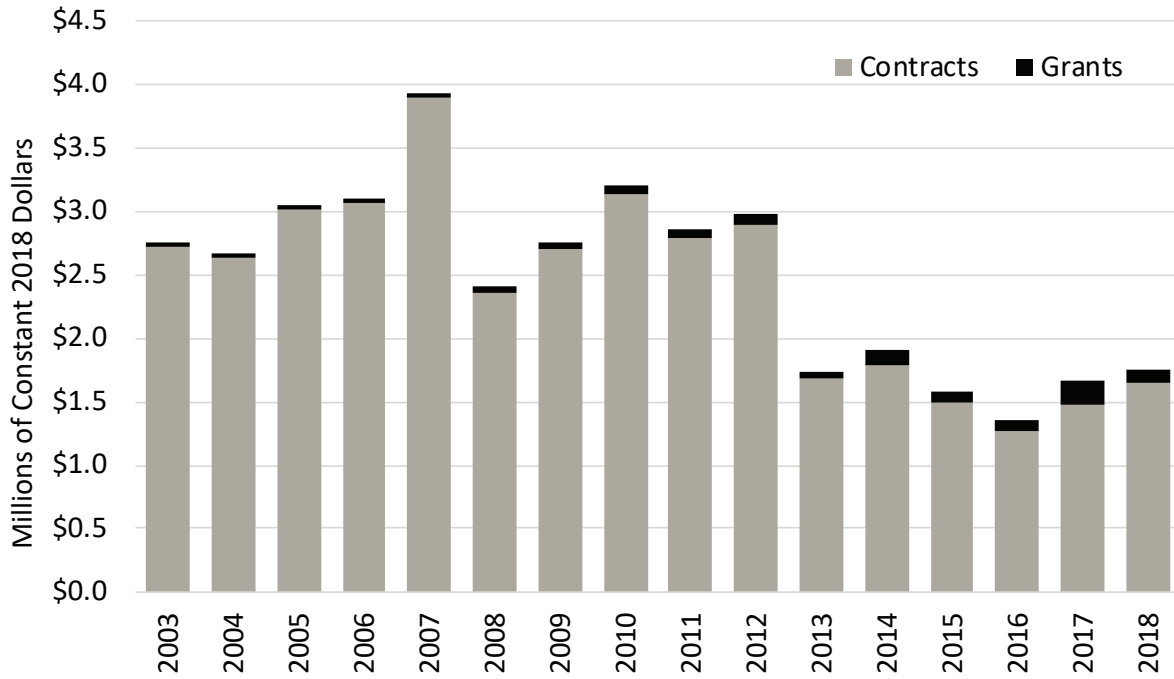
Source: Bureau of Economic Analysis, Bureau of Labor Statistics.

Figure 20.3: Compensation per Utah Job, Defense vs. Non-Defense, 1990–2018



Source: Bureau of Economic Analysis, Bureau of Labor Statistics.

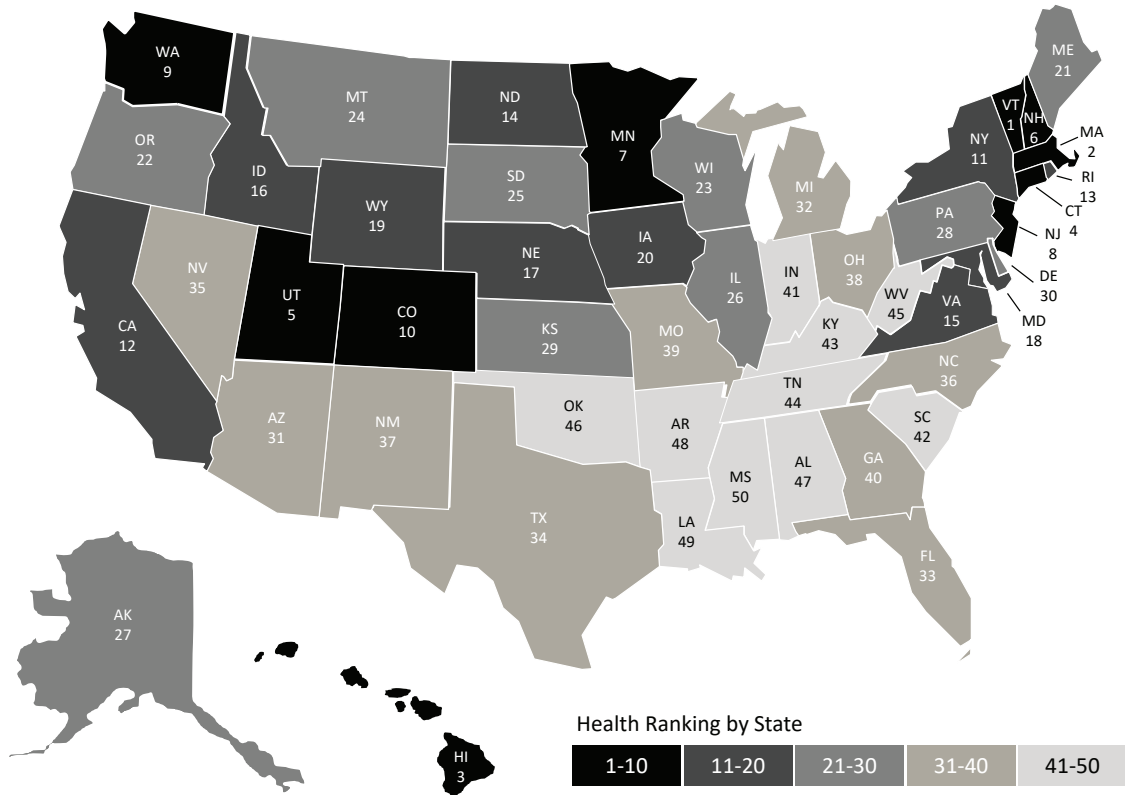
Figure 20.4: Total DoD and VA Prime Contracts and Grants Performed in Utah, 2003–2018



Note: Amounts include dollars obligated each federal fiscal year for prime awards for contracts and grants funded by the U.S. Department of Defense (DoD) and U.S. Department of Veterans Affairs (VA) for which Utah was given as the primary place of performance. All amounts are in constant 2018 dollars.

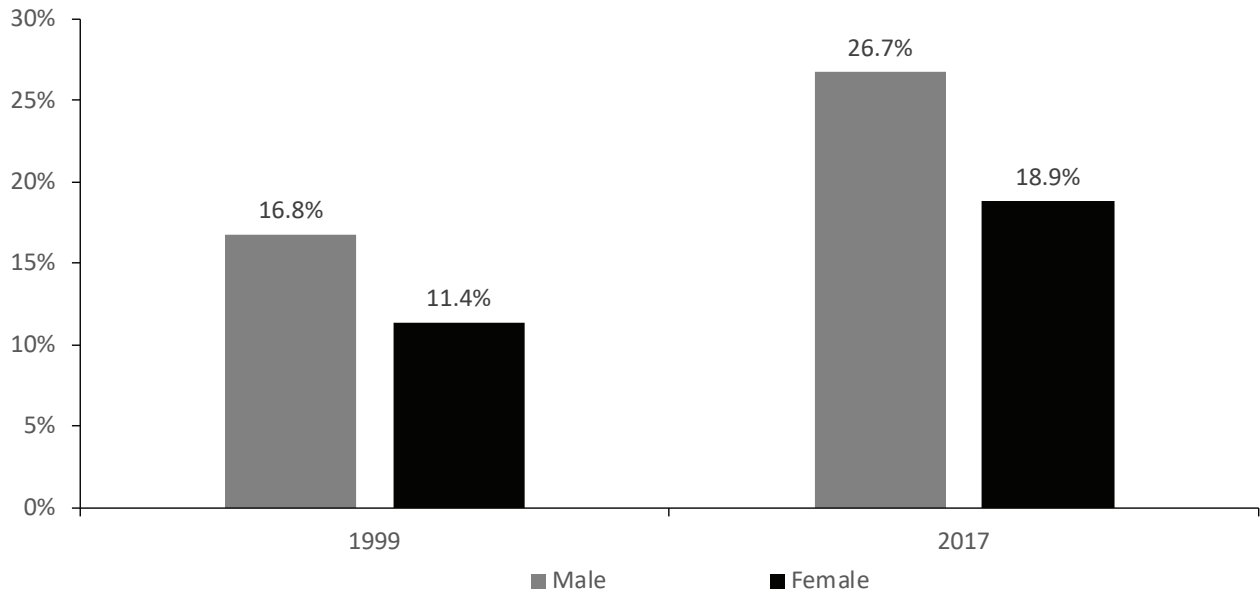
Source: USAspending.gov by the U.S. Department of Treasury.

Figure 21.1: America's Health Rankings, 2019



Source: America's Health Rankings Annual Report, 2019 Edition. ©2019 United Health Foundation.

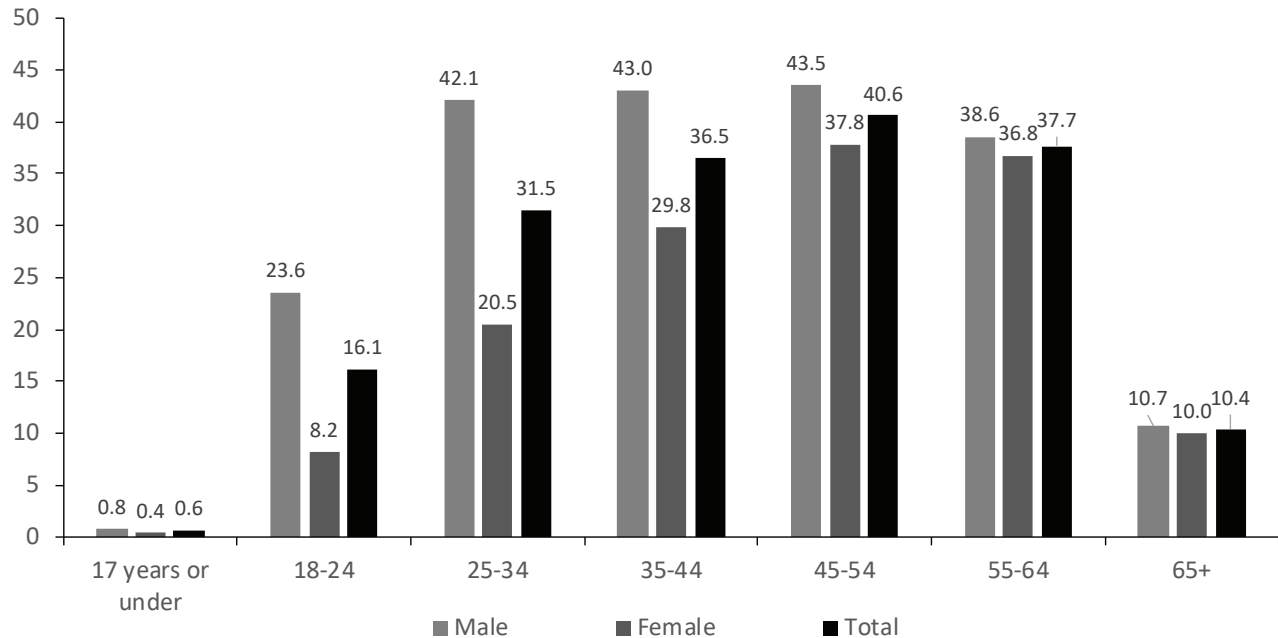
Figure 21.2: Percent of Utah Students Grades 9-12 who are Overweight or Obese, 1999 vs. 2017



Note: Overweight or Obese is defined as at or above the 85th percentile for Body Mass Index. Data are self-reported. Comparisons of annual rates must be interpreted cautiously as methods used to collect YRBS data may vary from year to year.

Source: Utah Youth Risk Behavior Surveillance System, Utah State Office of Education.

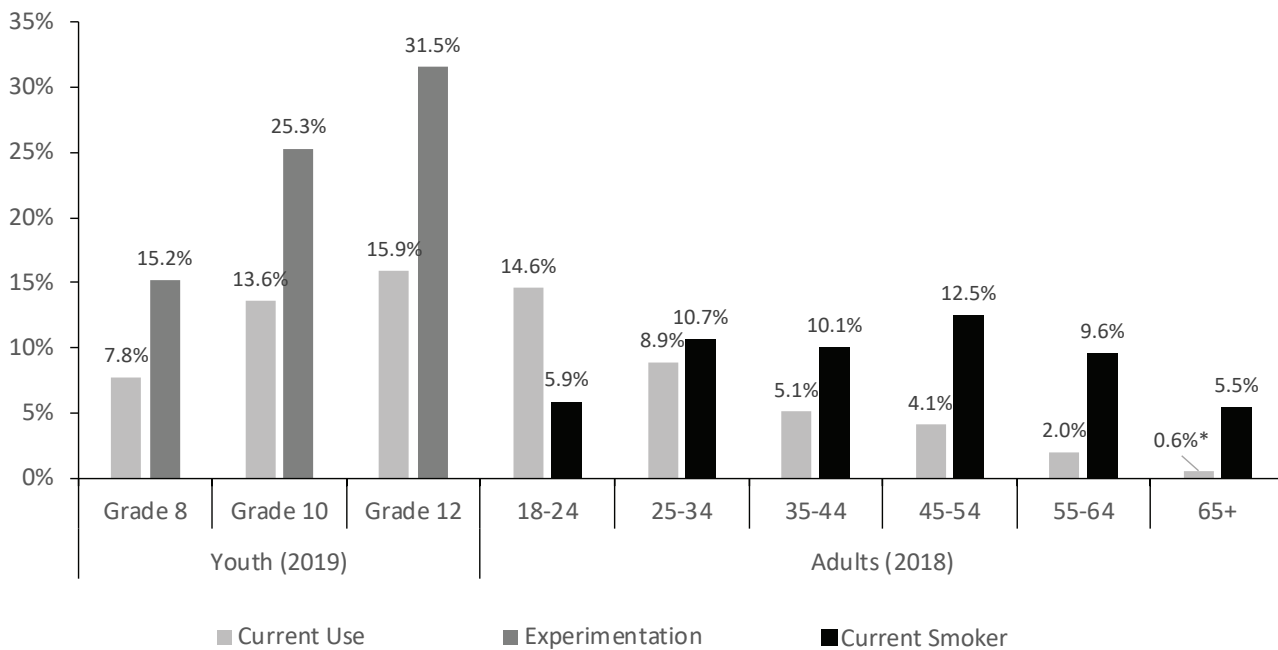
Figure 21.3: Rate of Utah Drug Deaths by Age and Sex, 2016-2018 Average



Note: Rate per 100,000 population.

Source: Utah Death Certificate Database, Office of Vital Records and Statistics, Utah Department of Health. Population Estimates: National Center for Health Statistics (NCHS) through a collaborative agreement with the U.S. Census Bureau, IBIS Version 2017.

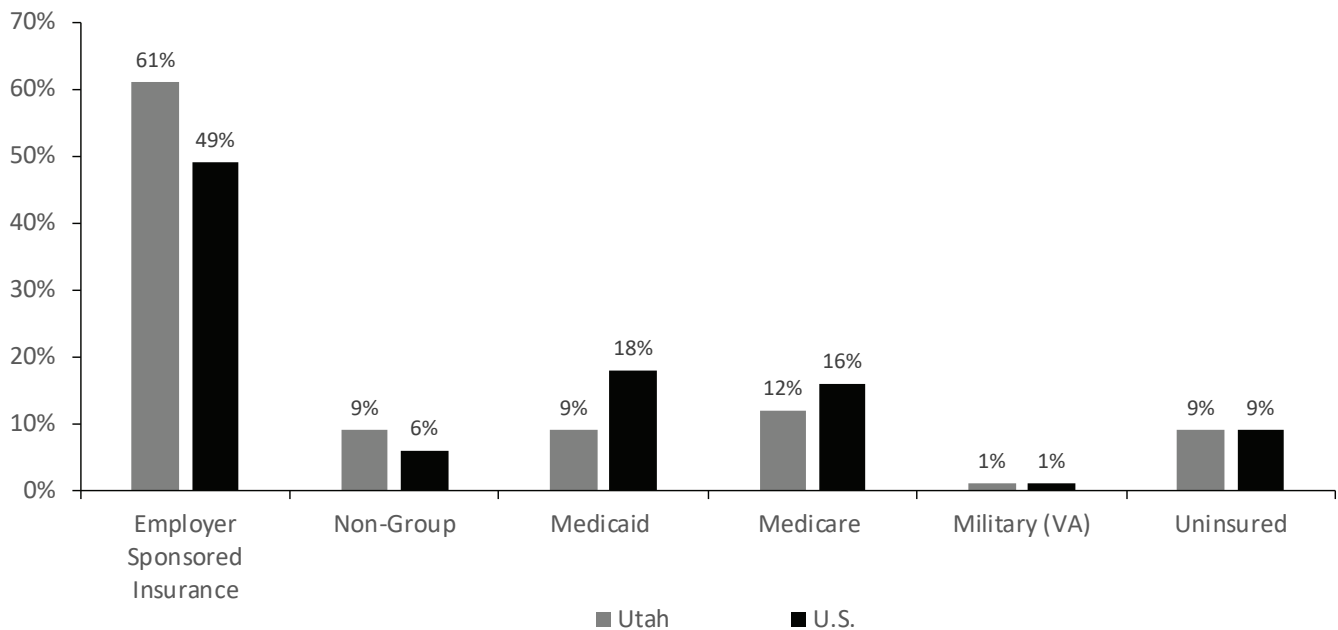
Figure 21.4: Electronic Cigarette Use and Experimentation in Utah by Grade and Age, 2018 & 2019



Note: Experimentation is defined as "ever tried"; current use is defined as use in the past 30 days. Current smoker is defined as currently using "every day" or "some days."
 *Use caution in interpreting; the estimate has a coefficient of variation > 30% and is therefore deemed unreliable by Utah Department of Health standards.

Source: Utah Prevention Needs Assessment Survey. Utah Behavioral Risk Factor Surveillance System, Office of Public Health Assessment, Utah Department of Health.

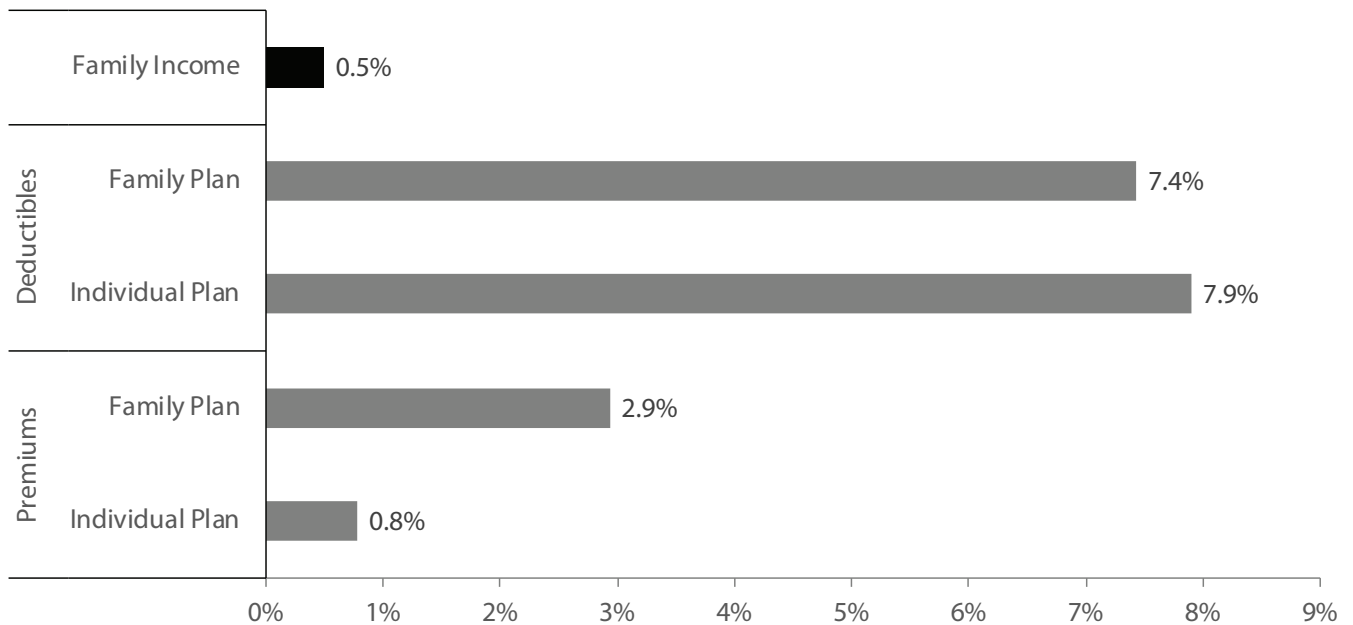
Figure 21.5: Percent of Utah's Population with Health Insurance by Coverage Type, 2018



Note: Data may not sum to totals due to rounding. Data may differ from estimates in Tables 21.2 and 21.3 due to different data sources.

Source: Kaiser Family Foundation estimates based on the Census Bureau's American Community Survey, 2008-2018.

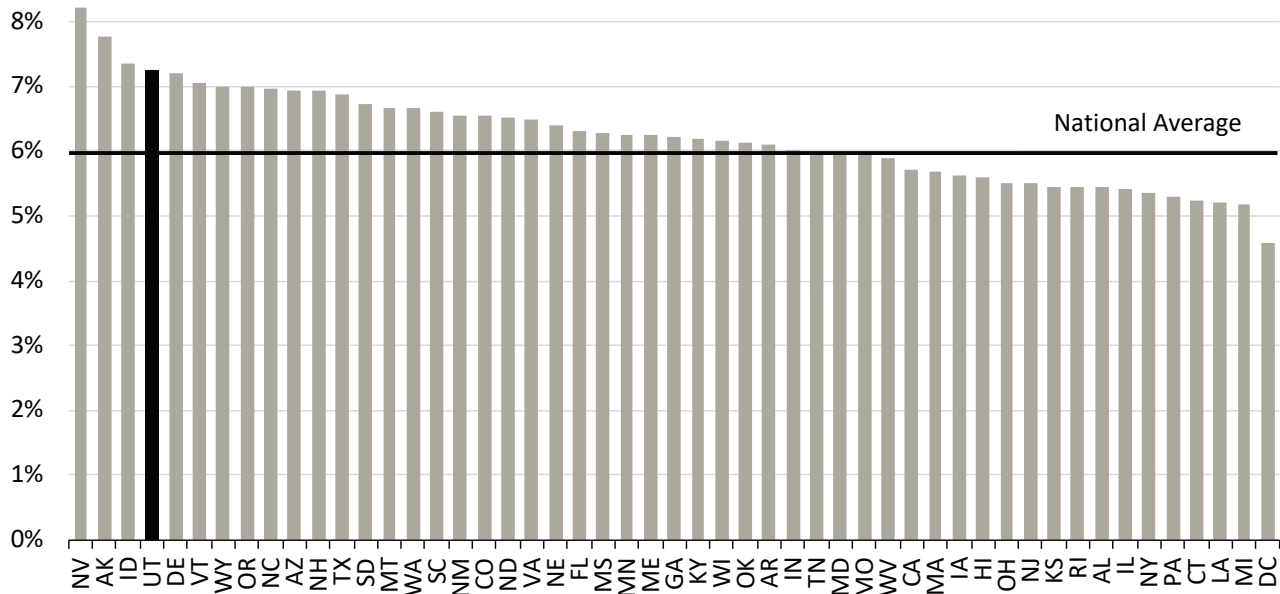
Figure 21.6: Average Annual Growth in Utah's Family Income Compared to Health Insurance Costs, 2006-2017



Note: Income is median family income. Premiums and deductibles represent average employee contributions and deductibles for private-sector employees enrolled in single and family coverage. Inflation-adjusted (2017).

Source: Kem C. Gardner Policy Institute analysis of Medical Expenditure Panel Survey data and Census Bureau, Current Population Survey data.

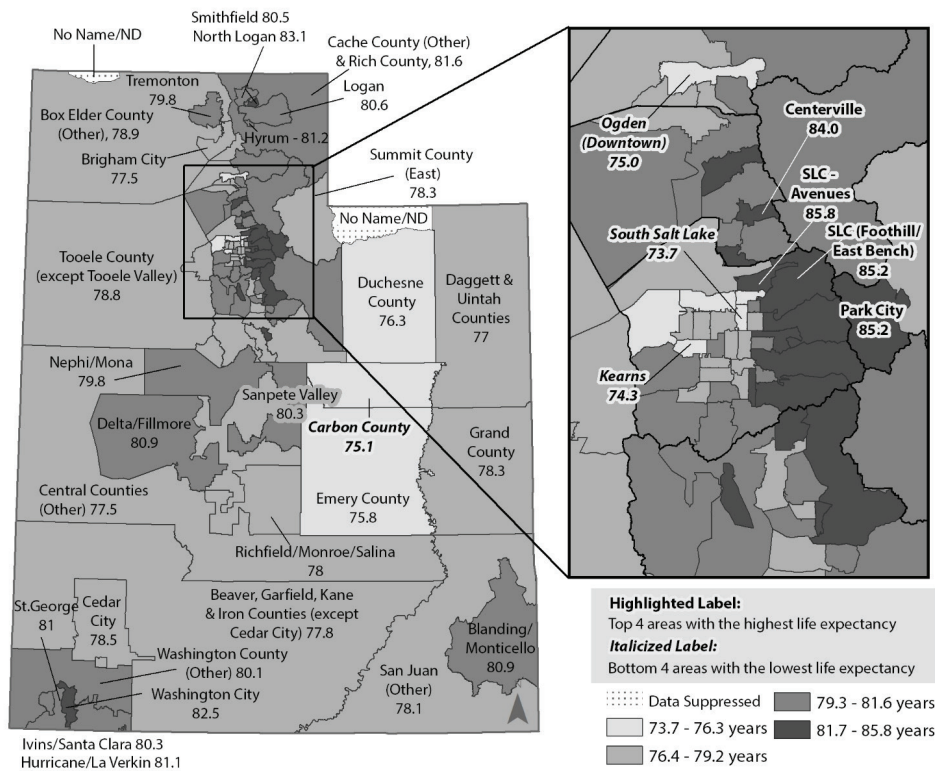
Figure 21.7: Average Annual Percent Growth in Health Care Expenditures, 1991-2014



Note: Health care expenditures includes spending for all privately and publicly funded personal health care services and products.

Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group. National Health Expenditure Data: Health Expenditures by State of Provider, June 2017.

Figure 21.8: Life Expectancy by Utah Small Area, 2014-2018 Average

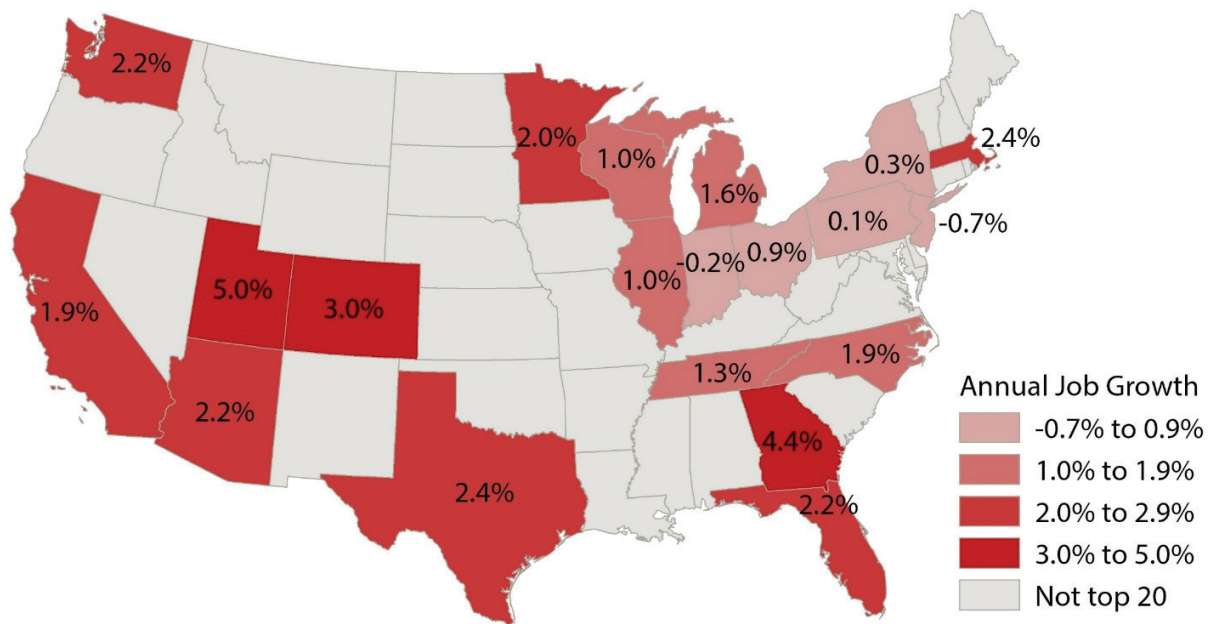


Note: Life expectancy can be used to gauge the overall health of a community. Population estimates produced by the UDOH Center for Health Data and Informatics. Linear interpolation of U.S. Census Bureau and ESRI ZIP Code data provided annual population estimates for ZIP Code areas by sex and age groups, IBIS Version 2018.

Source: Utah Death Certificate Database, Office of Vital Records and Statistics, Utah Department of Health. National Center for Health Statistics.

Figure 22.3: Life Sciences Growth in the Top 20 States, 2012 to 2017

(Five-Year Average Annual Employment Growth Rate)



Note: This chart follows an adapted life sciences definition compatible with historical data limitations.

Source: Utah Department of Workforce Services

Figure 23.1: Tech Industry Share of County Employment, 2018

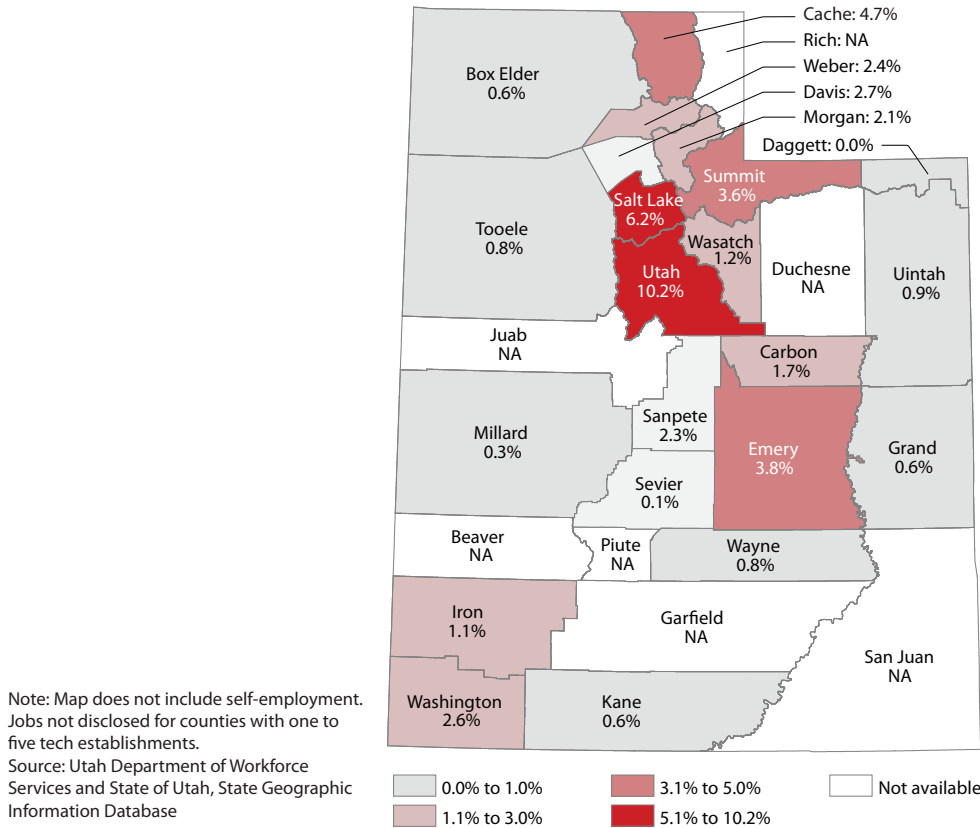
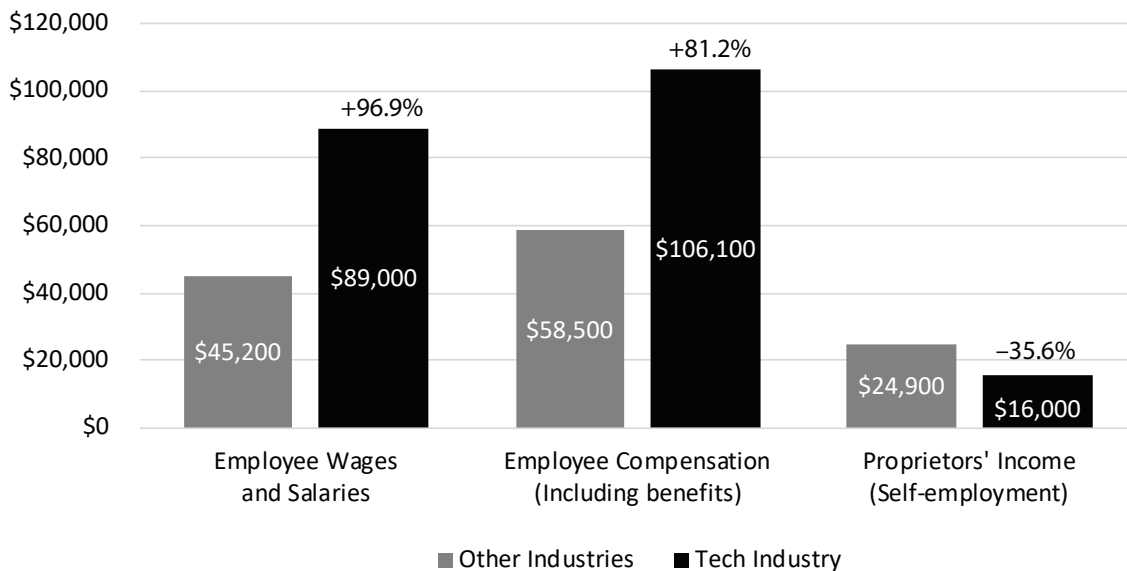


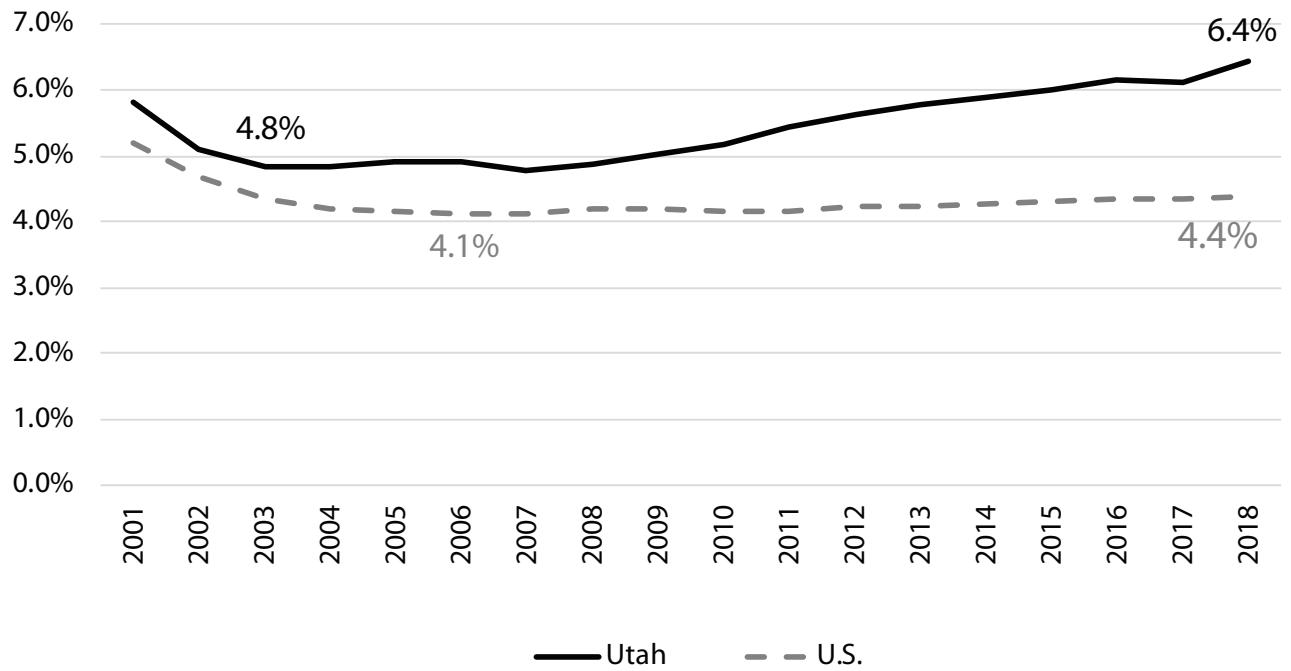
Figure 23.2: Average Annual Earnings per Job in Utah's Tech Industry, 2018



Note: Percentage labels for the tech industry indicate the percent difference compared to industries besides tech. In the tech industry, wages and compensation are for its 83,892 employee jobs, and proprietors' income is for its 34,729 self-employed workers.

Source: Utah Department of Workforce Services and U.S. Bureau of Economic Analysis

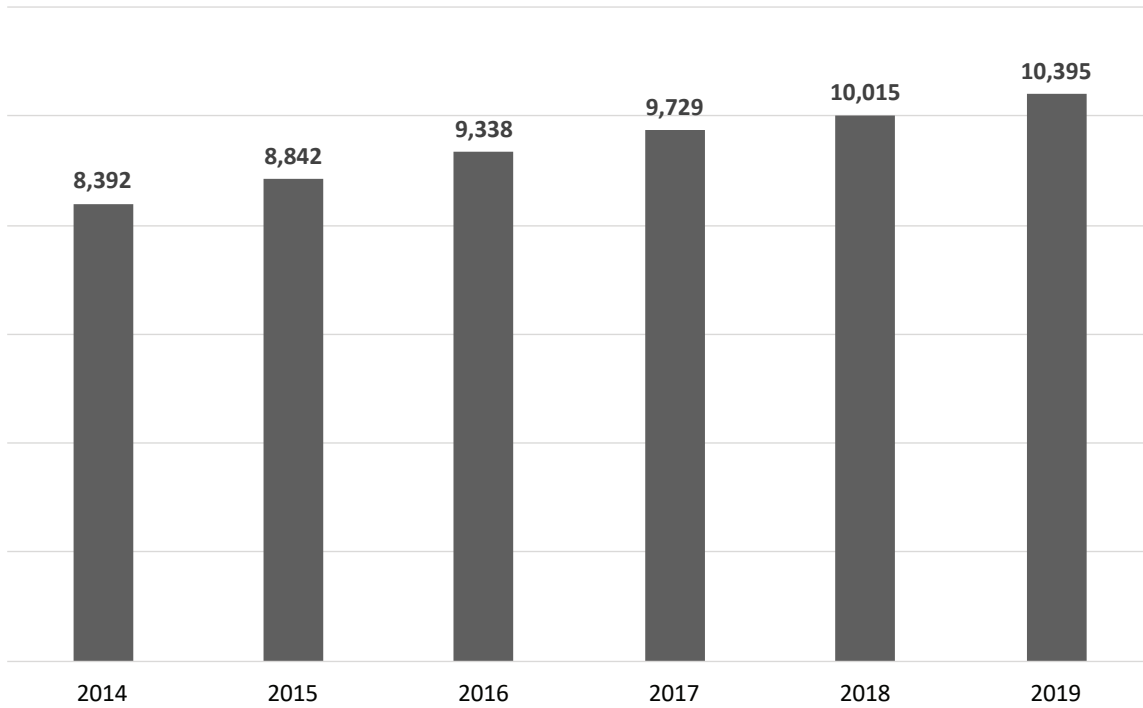
Figure 23.3: Tech Industry’s Share of Utah’s Private Sector Employment, 2001-2018



Note: Percentages equal tech industry employment in Utah divided by total employment for all industries in Utah’s private sector. Chart follows an adapted tech industry definition compatible with historical data limitations.

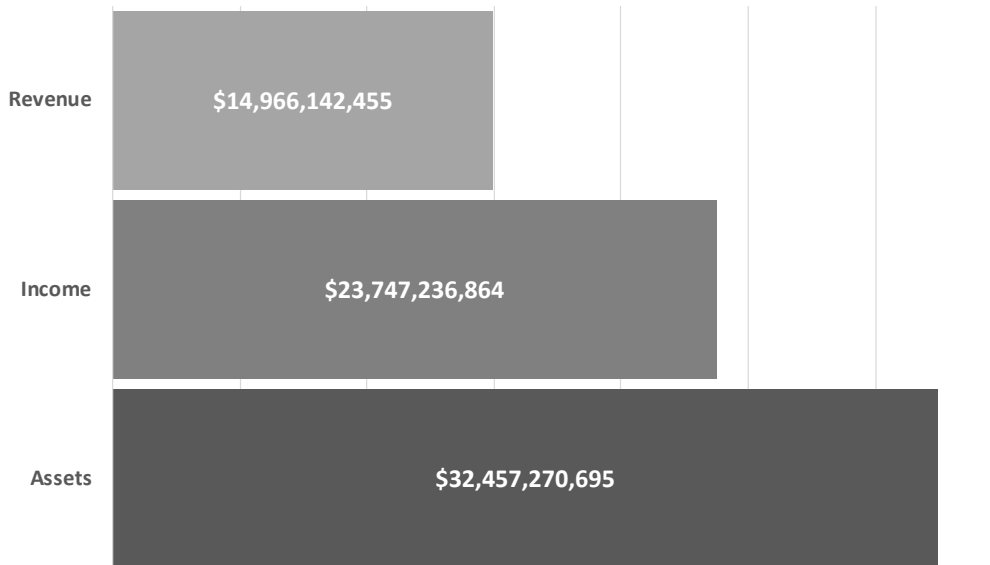
Source: Quarterly Census of Employment and Wages, U.S. Bureau of Labor Statistics

Figure 24.1: Number of Utah Tax Exempt Nonprofit Organizations



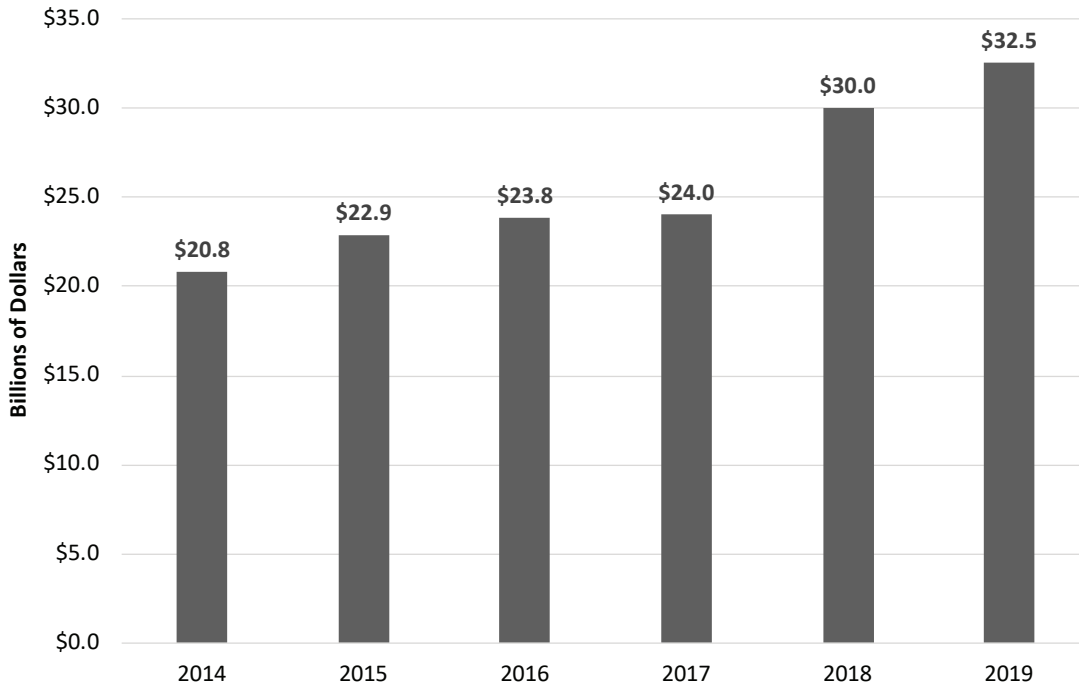
Sources: Internal Revenue Service, (October 2019, October 2018, July 2017, November 2016, December 2015, December 2014) Exempt Organizations Business Master File

Figure 24.2: Utah’s Nonprofit Sector by Combined Revenue, Income, and Assets



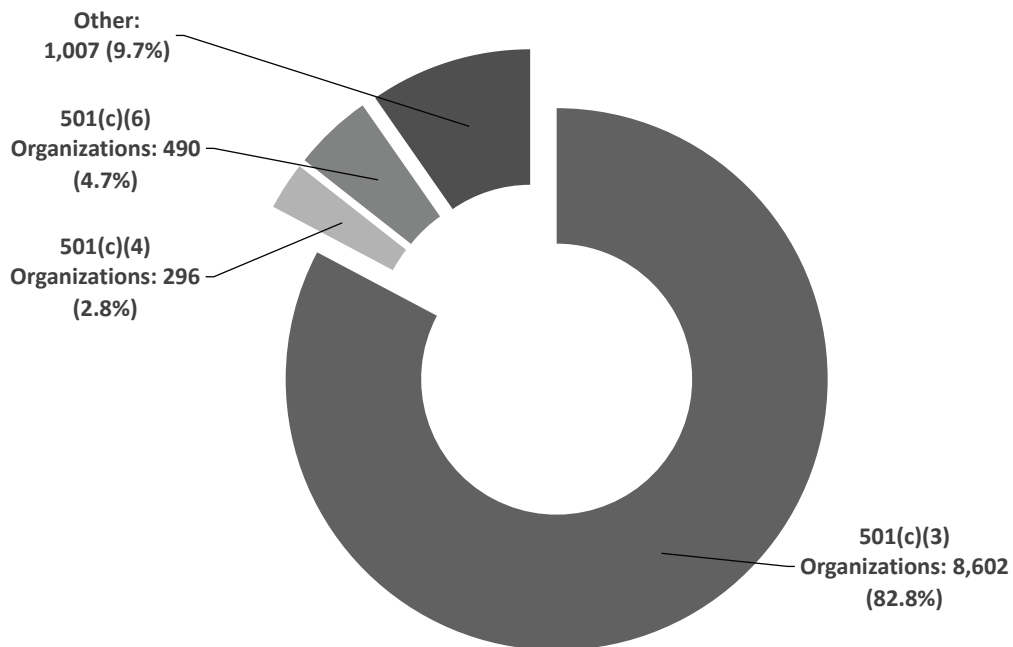
Sources: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File

Figure 24.3: Utah Tax Exempt Nonprofit Organization Assets



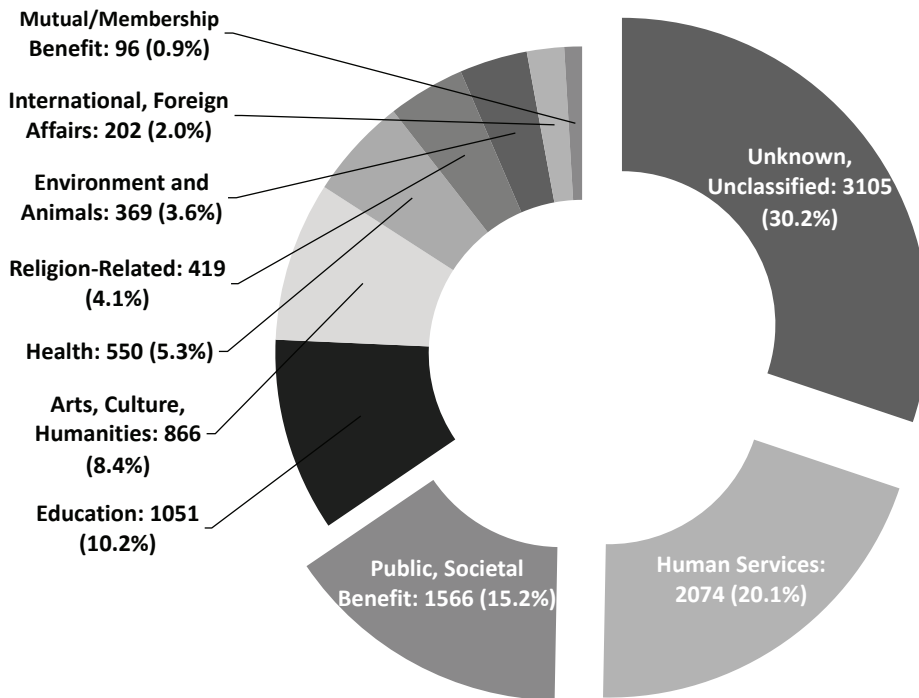
Sources: Internal Revenue Service, (October 2019, October 2018, July 2017, November 2016, December 2015, December 2014) Exempt Organizations Business Master File

Figure 24.4: Utah's Nonprofit Sector by IRS Subsection Designation



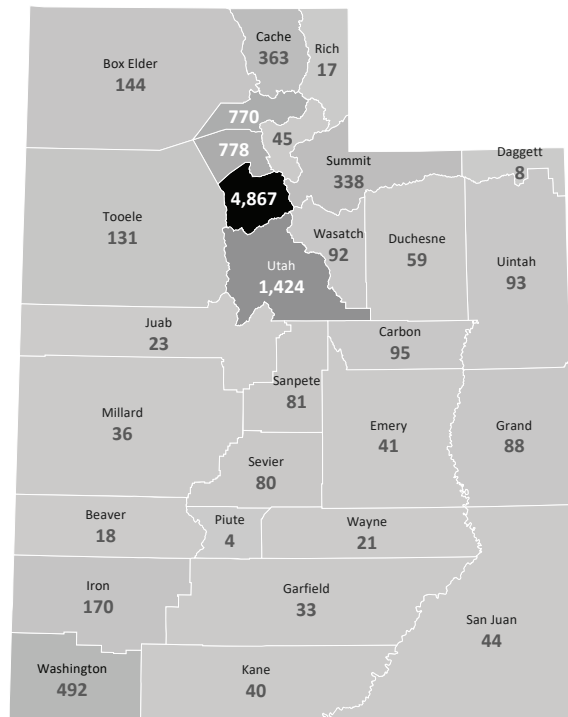
Sources: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File

Figure 24.5: Utah's Nonprofit Sector by NTEE Major Groups



Sources: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File; Jones, "National Taxonomy of Exempt Entities (NTEE) Codes", 2019

Figure 24.6: Utah's Nonprofit Sector by County



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Source: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File

Table 24.1: Utah’s Nonprofit Sector by Reported Income

Reported Income	Number of Organizations
\$0	4,770
\$1 to \$9,999	546
Reported Below \$10,000	5,316
\$10,000 to \$24,999	243
\$25,000 to \$99,999	856
\$100,000 to \$499,999	1,318
Reported Below \$500,000	7,733
\$500,000 to \$999,999	302
\$1,000,000 to \$4,999,999	528
\$5,000,000 to \$9,999,999	132
\$10,000,000 to \$49,999,999	114
\$50,000,000 to Greater	24
Reported Above \$500,000	1,100
Organizations with Reported Income	8,833
No Reported Income	1,562
Total Organizations	10,395

Sources: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File

Table 24.2: Utah’s Nonprofit Sector by Filing Type

IRS Form 990 Filers		Organizations Not Required to File	
Required to File	Total	Not Required	Total
990/990-EZ	2,691	Churches	714
990-PF	1,120	Religious Organizations	35
990-N	5,764	Instrumentalities of State or Political Subdivisions	21
990-Group Return	9	All Other	37
990-Gov’t 501(c)(1)	4		
990-BL	0		
Grand Total	9,588	Grand Total	807
Filers Reporting Revenue, Income, and Assets	8,833	Not Required but Reported Revenue, Income, and Assets	7

Sources: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File