ECONOMIC REPORT TO THE GOVERNOR

2003

State of Utah
Michael O. Leavitt
Governor

STATE OF UTAH
OFFICE OF THE GOVERNOR
SALT LAKE CITY
84114-0601

MICHAEL O. LEAVITT
GOVERNOR

OLENE S. WALKER
LIEUTENANT GOVERNOR

January 9, 2003

My Fellow Utahns:

It is with great pleasure that I accept the *2003 Economic Report to the Governor*. I commend my Council of Economic Advisors for their service and for the research that went into the preparation of this annual report. The report serves as a critical resource for the state of Utah's research and planning needs during the upcoming year.

This past year was a tough one, with many Utahns finding themselves out of work or underemployed. The global, national, and state economies took a downturn in 2001, and were driven deeper by the terrorist attacks on September 11, 2001, and the falling stock market. The downturn continued into 2002 and the recovery has been slow to take hold. However, 2002 also had some highlights; most notably, the state hosted the first world class event following the terrorist attacks, demonstrating that terrorism could not break our nation's resolve. As the world watched, the state delivered one of the most successful Winter Olympics in history. I was proud to be governor during those 17 days when Utahns showed they could safely and competently host the "2002 Olympic Winter Games."

Utah begins 2003 with a sluggish economy and serious budgetary challenges. In 2002, I initiated a "1000 Day Plan" to renew the state's economic momentum. Utah's economic success is tied directly to the achievements of our education system. We must continue to maintain a high standard of public education so our children can obtain quality jobs. Our young and educated work force is the state's largest asset and serves as the greatest incentive for businesses to locate here.

We have outlined specific performance measures so we can track our progress, and the improvements are being felt statewide. In order to maintain our momentum and preserve our quality of life we need to be good stewards of our land and natural resources. Our strategy is to position Utah within the global marketplace as a capital for technology, investment, employment, and entrepreneurship. Utah's future resides with being a regional hub of economic activity, while preserving the quality of life our citizens have come to know and expect.

In this time of uncertainty I am grateful for the trust you have bestowed in me as governor of this great state to help turn our challenges into opportunities. I welcome your involvement as we move forward together into Utah's future.

Sincerely,

Michael O. Leavitt
Governor

Preface

The *2003 Economic Report to the Governor* is the 17th annual publication of its kind in Utah. The Economic Report is the principal source for data, research, and analysis about the Utah economy. It includes a national and state economic outlook, a summary of state government economic development activities, an analysis of economic activity based on the standard indicators, and a more detailed review of industries and issues of particular interest. The primary goal of the report is to improve readers' understanding of the Utah economy. With an improved economic literacy, decision makers in the public and private sector will then be able to plan, budget, and make policy with an awareness of how their actions are both influenced by, and impact economic activity.

Council of Economic Advisors. The Council of Economic Advisors (CEA) provides guidance for the contents of this report. The CEA is an advisory committee to the Governor and includes representatives from state government agencies, Wells Fargo Bank, Thredgold Economic Associates, Federal Reserve Bank of San Francisco, Utah Foundation, and all of Utah's major research universities. The mission of the CEA is to provide information and analysis that enhances economic decision-making in Utah. This report is the primary means of the CEA to communicate economic information to the general public.

Collaborative Effort/Contributors. Chapter authors, many of whom are special advisors to the CEA and who represent both public and private entities, devote a significant amount of time to this report, making sure that it contains the latest economic and demographic information. While this report is a collaborative effort which results in a consensus forecast for the next year, each chapter is the work of the contributing organization, with review and comment by the Governor's Office of Planning and Budget. More detailed information about the findings in each chapter can be obtained by contacting the specific authoring entity (see list of Contributors).

Statistics Used in This Report. The statistical contents of this report are 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 as of mid-December 2002. Since there is a quarter or more of lag time before economic data become final, the data for 2002 are preliminary estimates (p). Final estimates (e) can be obtained later in 2003 from the contributing entities. Forecasts will be indicated in tables and figures with an (f). An (r) indicates the data has been revised. An (na) indicates that the data was not available at the time of printing. 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 the state, multi-county, and county geographic level. Additional data at the metropolitan, city, and other sub-county level may be available. For information about data for a different level of geography than shown in this report, the contributing entity should be contacted.

New This Year. While the content of this report, other than introducing a new year of data and analysis, is consistent with prior years, several updates and new data series or research efforts are worthy of highlighting. The Special Topics section of this report contains four new chapters: *Income Distribution and Poverty Trends in Utah; Utah's School Age Population Boom; Future K-12 Education Challenges;* and *The Economic Impact of Utah's Drought.*

Electronic Access. This report is available on the Governor's Office of Planning and Budget's Internet web site at www.governor.utah.gov/dea.

Glossary. Terms and definitions used in this report are available on the Governor's Office of Planning and Budget web site at the address listed above.

Suggestions and Comments. Users of the *Economic Report to the Governor* are encouraged to write or call with suggestions that will improve future editions. Suggestions and comments for improving the coverage and presentation of data, as well as the quality of research and analysis should be sent to the Governor's Office of Planning and Budget, 116 State Capitol, Salt Lake City, Utah 84114. The telephone number is (801) 538-1036.

Contents (With Links)

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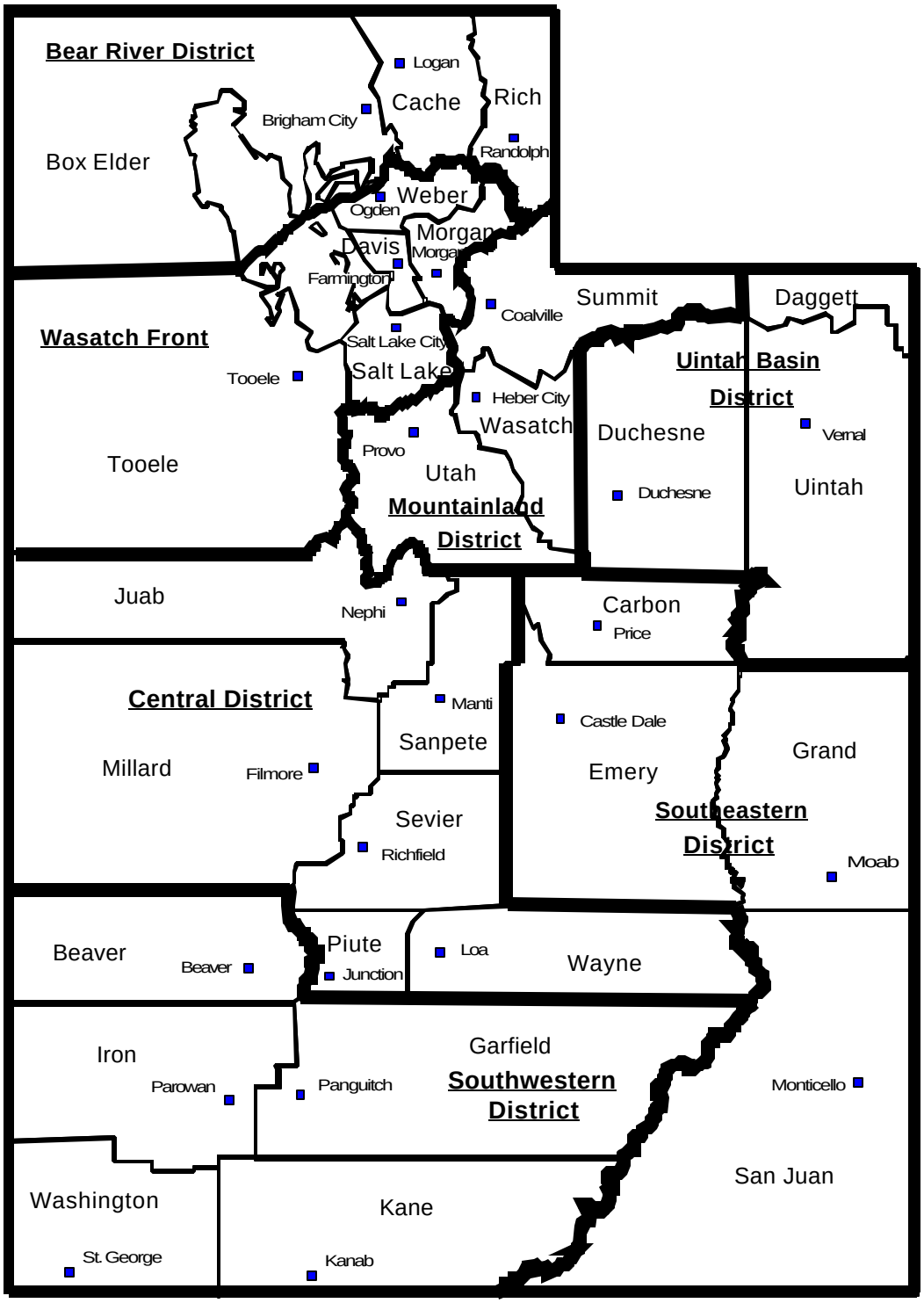
Map of Utah


Bear River District
Logan
Cache
Rich
Brigham City
Box Elder
Randolph
Weber
Ogden
Morgan
Davis
Morgan
Farmington
Summit
Daggett
Coalville
Wasatch Front
Salt Lake City
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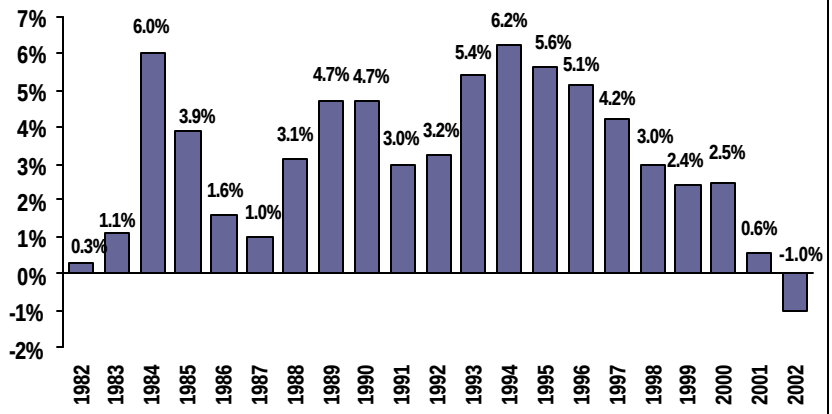
Filmore
Emery
Southeastern District
Sevier
Richfield
Moab
Beaver
Piute
Loa
Wayne
Beaver
Junction
Iron
Garfield
Parowan
Panguitch
Southwestern District
Monticello
San Juan
Washington
Kane
St. George
Kanab

Executive Summary

Executive Summary

Utah's economy slowed significantly in 2002. The national recession, the end of the 2002 Olympic Winter Games, and a degeneration in Utah's relative position compared to California and other states, have all contributed to the slow down. Income, jobs, population, exports, construction, and housing prices, all had slower growth, or outright declines, during 2002. The rate of job growth has fallen gradually from 6.2% in 1994, the peak year of the current cycle, to -1.0% in 2002. The last time employment contracted was 1964, when jobs fell slightly at -0.2%. The last time the rate of change for job growth dipped significantly into negative territory was in 1954, when the state experienced a -2.5% decline. Current expectations are that employment growth in Utah and the U.S. will resume at a modest pace in mid-2003.

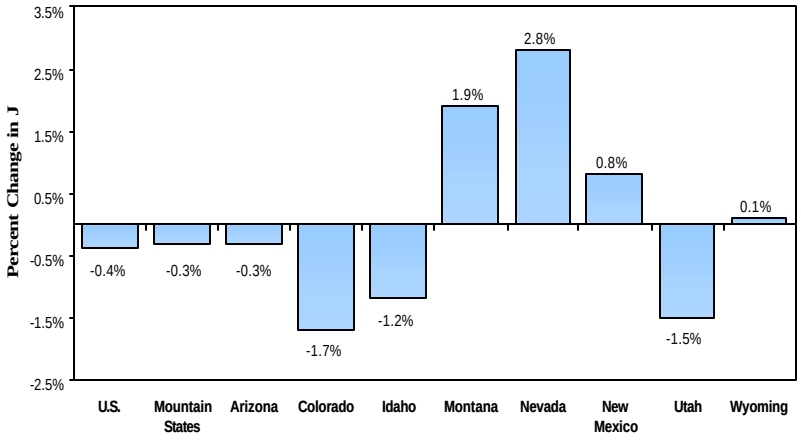
Figure A. Utah's Job Growth Rate Declines



Source: Utah Department of Workforce Services

End of Construction Boom. Construction is the most volatile of Utah's major industries. Construction employment began to contract during 2000, and should continue declining into 2003. Nonetheless, construction jobs in 2003 will still be 5.8% of total nonfarm jobs, slightly above the 1978 to 2002 average of 5.5%. The total value of construction permits peaked at a historic high of $3.97 billion in 1999, and has since declined to $3.7 billion in 2002. Value should increase to $3.85 billion during 2003, however, if a multi-year $325 million project were permitted in stages, instead of entirely during 2003, value would likely decline.

Figure B. Utah Behind the Mountain States and the Nation: 10/01-10/02



Source: U.S. Bureau of Labor Statistics

Olympics-Related Construction. Few if any projects were built solely for the 2002 Olympic Winter Games. Still, most Olympics-related projects had accelerated construction schedules to coincide with the Games. Construction and job growth rates would have been lower in the years preceding 2002 were it not for the Games. A significant amount of activity, scheduled for the 2002 Olympic Winter Games between 2002 and 2003, was shifted to the period before the Games. Job growth in construction increased in the two quarters prior to the 2002 Olympic Winter Games and then fell abruptly in the quarter of the Olympics and the quarter after the Olympics. This is similar to the experience of Atlanta during the 1996 Summer Olympics. Construction job growth accelerated going into the Summer Olympics and then decelerated abruptly for four quarters after the Olympics in Atlanta.

Outlook. The outlook calls for a return to moderate growth during 2003, accelerating into 2004. Utah's job growth is currently below the nation's, and the unemployment rate is above. During 2003, however, this dynamic should switch as Utah returns to higher job growth than the U.S. and a lower unemployment rate. Utah performs better than the nation over the long run due to strong internal population growth, a young, well-educated workforce, low business costs, and a strong work ethic. Service industries will remain the largest source of new jobs in the state in 2003. Manufacturing job growth will be flat, while the mining and construction industries will continue to contract in 2003. Overall, employment should grow 0.7%. With record-high births, but near-zero migration, population growth should remain around 1.6% during 2003.

International, National, and Regional Context

Global Slowdown. Utah's current slowdown occurs against the backdrop of a very weak international economy and a continuing U.S. slump. All the world's major industrial economies are declining or growing slowly with the exception of China. Japan's economy grew at less than 1% per year during the 1990s, one-fourth the rate of the 1970s and 1980s. Though Europe's performance over the past decade was better than Japan's, its major economies are currently growing slowly, if at all. The industrializing economies, which depend on the industrial world to purchase their exports, are slumping too. As the U.S. recovers during 2003, the world economy should pick up as well. With the current slack in world demand, Utah's exports are about $1 billion, or 25% lower than would be the case with robust growth overseas.

National Recovery. For the U.S., 2003 will be a year of moderate growth as the recession ends. Consumer spending will grow 2.2%, GDP 2.6%, and investment 2.2%. Since investment fell from 2000 through 2002, a return to growth during 2003 suggests businesses are beginning to anticipate better profit opportunities. Falling unemployment should boost consumer confidence. The geopolitical situation is a negative influence that continues to dampen consumer spending and business investment. Positives for both business and consumers include low interest rates and a stable inflation outlook.

Utah Behind the Mountain States. While Utah and the mountain states experienced robust economic growth in the 1990s, with each state in the region growing rapidly, the region has begun to grow less uniformly. For the mountain states as a whole, jobs fell 0.3% during 2002, compared to -0.4% for the nation. Within the region, Nevada grew almost 3.0%, Montana grew almost 2.0%, and Wyoming and New Mexico grew less than 1.0%. Utah, Idaho, and Colorado all fell 1.0% or more. Arizona matched the region's -0.3% decline. Personal income growth of 2.9% in the mountain states was higher than the nation's 2.6%. Income growth was positive in all states of the region, though it varied from a low of 1.5% in Colorado to a high of 5.2% in Wyoming, with Utah near the bottom at 2.2%.

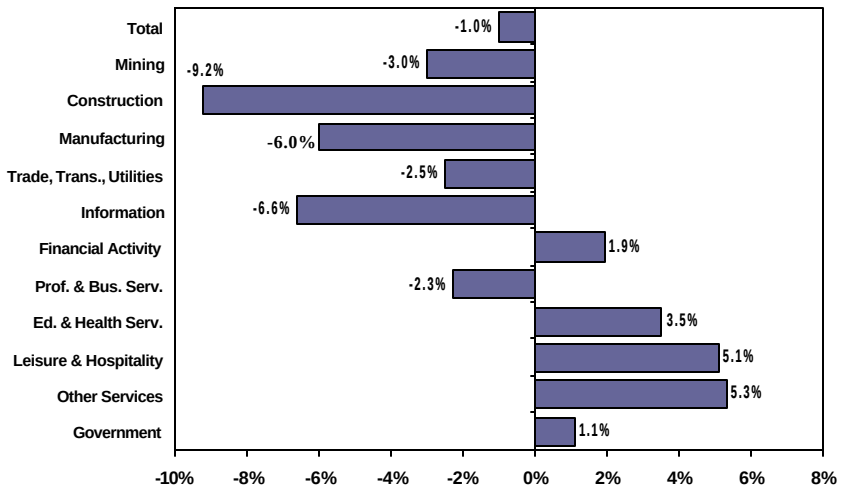
Population

Utah's population grew a robust 1.9% during 2002, down from the 1990s, but still about twice the national average. With the closing of the Olympics, net migration fell from over 14,000 during 2001, to 7,400 during 2002. Although in-migration rates have slowed over the past few years, natural increase continues its strong growth path due to a record number of births in 2002 and Utahns living longer.

Jobs and Wages

During 2002, Utah's economy experienced its worst slump since the 1950s. Nonfarm employment fell by over 10,000 jobs, a contraction rate of -1.0%. This is Utah's worst job contraction since 1954. Correspondingly, Utah's unemployment rate rose to 6.0% from 4.4%, the highest in a decade. A monthly average of about 70,000 people were out of work in 2002.

Figure C. Many Industries Contracting

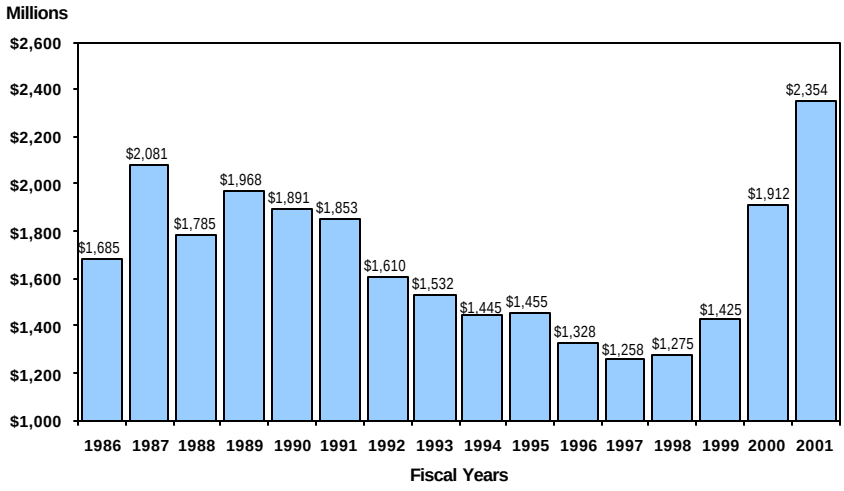


Source: Utah Department of Workforce Services

The 2002 rate of job change by division in Utah's major industries ranged from -9.2% in construction, to 5.3% in miscellaneous services. Information fell -6.6%, manufacturing -6.0%, mining -3.0%, and trade, transportation and utilities, -2.5%. Finance grew at a rate of 1.9%, education and health 3.5%, and leisure and hospitality grew by 5.1%. Growth in finance resulted from low interest rates encouraging mortgage refinancing and other interest-sensitive transactions. In 2003, construction will continue to fall, though not as rapidly, and most industries should see improvement.

Utah's average annual nonagricultural pay was $30,400 during 2002, up 2.6% from 2001. This is the eighth year in a row that wages have grown faster than inflation.

Figure D. Defense Spending in Utah at a Record High



Sources: U.S. Department of Commerce, Bureau of the Census; Department of Defense

Economic Performance by Sector

Economic performance varied across sectors during 2002. Given ongoing geopolitical events, it is not surprising that defense was up. Other sectors range from mixed to down.

Defense Up

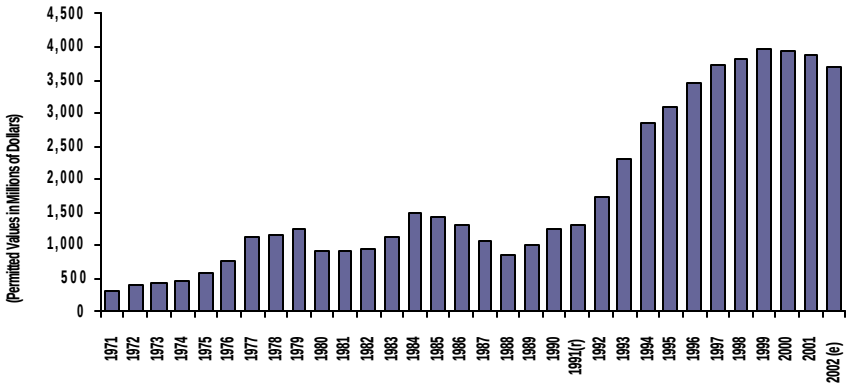
Defense. Utah's defense industry continued with a solid pattern of growth during 2002, as base closures and realignments in other states shifted jobs and military spending to Utah, and as the military build-up accelerated. Hill Air Force Base has become the Air Force's new "center of excellence" for low-observable technology. This new classification, the result of a prime military contractor relocating to Hill, will help ensure the viability of this large Utah employer. Although the

defense industry experienced reductions during most of the 1990s, this trend was reversed in the latter end of the decade. Defense spending in Utah in 2001 totaled $2.35 billion, rising 23% from the previous year. Increased activity is expected to continue in 2003 as a result of the geopolitical situation.

Energy, Minerals, and Tourism Mixed

Energy. Utah's 2002 crude oil production was less than half of its peak year production in 1985. This decline can only be offset in the event of new well drillings in the future. If not, Utah's consumers will increasingly have to look elsewhere for both crude oil and other petroleum products. On the other hand, Utah's natural gas capacity has risen steadily over the years, primarily due to an increase in its coal bed methane fields. The state's electricity consumers were spared the sharp price spikes faced by their west coast neighbors in 2001. Overall, Utah's electricity industry and market environment have drastically changed over the last decade as a result of evolving federal policy and an increasingly competitive electricity market.

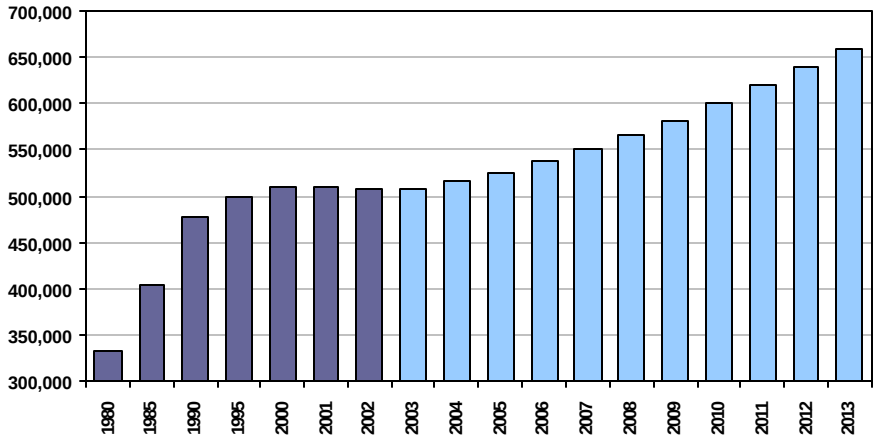
Figure E. Construction Downturn Softened by Low Interest Rates



Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research, November 2002.

Minerals. At $1.8 billion during 2002, the value of mineral production dropped only slightly from 2001. The value of industrial minerals was up, while the value of base metals, coal, and precious metals all declined. Lower values resulted from a combination of low prices, lower production, and slack demand in the national and international economy. In decreasing order of value, contributions from the major industry segments were: base metals ($612 million), industrial minerals ($560 million), coal ($420 million), and precious metals ($173 million). In 2002, the Utah Geological Survey estimates that 89 Large Mines (including coal) will report the same level of production as 80 mines in 2001. Nationally, Utah ranked ninth in the value of nonfuel mineral production, and 12th in coal production in 2001. It is likely that these rankings will be lower for 2002 as production and prices were both down slightly. The state contributed about 3.5% of the U.S. total value of nonfuel minerals production in 2001.

Figure F. Utah's School Age Population Will Grow Nearly as Much in the Next Decade as It Did in the Last Two Decades Combined



Note: Projections are for school age population.
Source: Governor's Office of Planning and Budget

Tourism. The lingering effects of 9/11, heightened geopolitical tensions, and uncertain economic conditions presented a challenging set of circumstances for Utah's travel industry in 2002. Helping to mitigate the negative effects of uncertainty in the marketplace was a successful Olympic Games, which provided much needed growth during the first quarter of 2002, and improved the state's visibility around the world. The domestic leisure travel segment provided the only source of growth in 2002, as both business travel and international travel suffered declines. As a result, tourism employment and traveler spending were both constant during 2002. Given the recession and geopolitical concerns, it appears the Olympics prevented a severe downturn for tourism in the state.

Agriculture, Construction, and High-Tech Down

Agriculture. Drought and lower prices reduced farm income during 2002. A sharp decline in cattle and milk prices, coupled with increasing input costs, especially feed, resulted in lower incomes. The high feed prices had a negative impact for ranchers, but increased income for farmers growing grain and hay. If the drought had not cut hay, forage and grain production in many areas of the state, these sectors of Utah agriculture probably would have experienced near record incomes. These differences have a larger impact in some parts of the state than in others.

Economic Outlook

National Outlook

Overview

The national economic slowdown that characterized the later period of 2001 continued into 2002. Several national and international economic forces have resulted in the current economic malaise. Low investor confidence, a weakening manufacturing sector, a significant decline in the high technology division, and an impending war have all contributed to a slow economic revival. On the international front, weakening foreign economies combined with a strong U.S. dollar have resulted in a larger trade deficit for the nation.

2002 Summary of Economic Conditions

The pace of economic recovery remained slow in 2002. The national GDP grew by 2.3%, reflecting a continuation of the weak economic growth evidenced in 2001. The national unemployment rate rose from 4.8% in 2001 to 5.9%, the highest in eight years. Wages and prices remained steady through most of the year. Despite the decline in employment, the nation consistently had high productivity rates through 2002. The Nonfarm business output per hour index rose from an average of 117.5 in 2001 to 122.5 in 2002. However, business investment continued to be weak, with financial institutions documenting relatively low business loans. Volatility in the stock market has also resulted in weakened investor confidence. Both the manufacturing and services sectors (with a few exceptions, such as the health care industry) have been weak, with the information technology division showing especially significant declines.

The U.S. dollar continues to remain strong in the global economy. While this has helped to sustain our buying power in the world market, it has negatively impacted exports. Weakening foreign economies combined with a strong U.S. dollar have resulted in lower demand for U.S.-produced goods. The U.S. trade balance in September 2002 was -$38.0 billion.

Despite an overall slowdown, there were some positive trends in selected sectors in 2002. Stable and modest consumer spending resulted in impressive profits in retail sales, specifically for large businesses. 2002 second-quarter after-tax profits for large retailers saw a 35.5% increase from $6.2 billion to $8.2 billion, since the second-quarter of 2001. Low mortgage rates continued to encourage consumer spending in residential real estate. Residential real estate was one of the strongest sectors of the economy in 2002. Sales of new one-family houses in October 2002 increased 16.4% from the previous year. Increased new-home sales occurred through most of 2002, giving a much-needed boost to the construction industry, as well as to financial institutions. In October 2002, the median sales price of new houses was $176,700, while the average sales prices was $225,100.

2003 Economic Outlook

Positive factors affecting 2003. We should begin to see signs of recovery in 2003. Business investment should start to trend up as the stock market shows signs of stabilization. Housing and automobile sales should also continue to grow as interest rates remain low. The inflation rate is expected to increase in 2003 but will remain low by historical standards. The stock market is also anticipated to rebound with investor confidence slowly building back. Industrial production will increase with a gradual resurgence in demand, resulting in a healthy productivity rate. Monetary and fiscal policy is also expected to remain expansionary to encourage consumer spending and business investment.

Risks for 2003. While showing some signs of improvement, overall business spending is anticipated to be weak in 2003. Low investor confidence might continue to have a negative impact on the stock market, which would in turn impact consumer spending. Low consumer and business spending could well result in downward pressure on the economy.

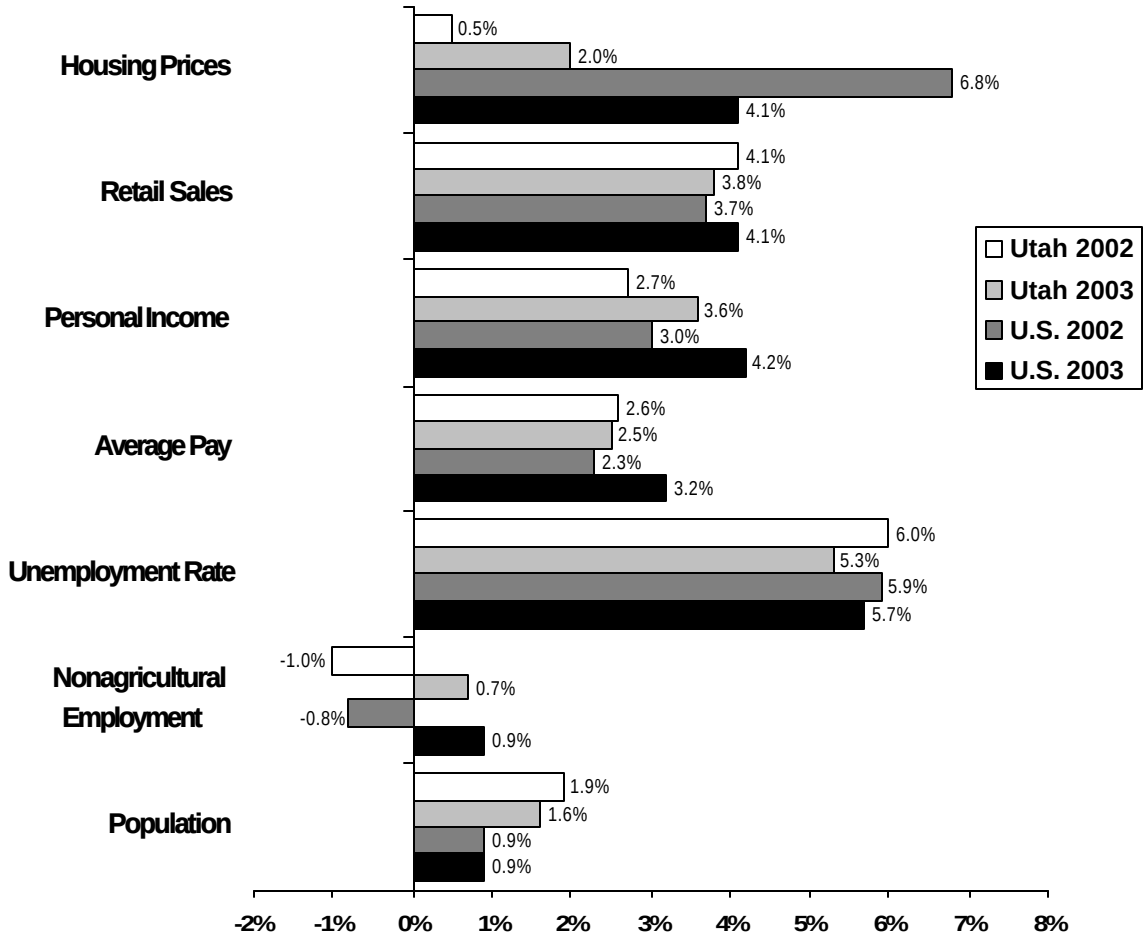
Sustained weakness in the global economy can also have negative repercussions on our national economy, resulting in weaker GDP growth in 2003. Finally, a factor that may impact all sectors of the economy in ways that are uncertain is a potential war with Iraq.

Conclusion

The anticipated economic recovery remained slow and fragile in 2002. A weak overall GDP growth rate did not do much to inspire the confidence of businesses. As a result, hiring was slow and sporadic, resulting in a stable, though lackluster labor market. Demand for commercial loans dropped significantly as businesses showed little inclination toward increased investment spending. Retail sales have been mixed. Both the manufacturing and services sectors have been weak, with the information technology division showing especially significant declines. On the up side, residential real estate continues to hold strong. Mortgage borrowing has been especially aggressive as interest rates continue to maintain record-low figures. Furthermore, prices have held steady, as has the value of the U.S. dollar.

2003 will show some recovery. GDP will grow at 2.6% with an increase in real business fixed investment of 2.2%. Both consumers and businesses should be encouraged by low interest rates and stable inflation.

Figure 1
Comparison of Utah and U.S. Economic Indicators
2002 Estimates and 2003 Forecasts



Source: Council of Economic Advisors' Revenue Assumptions Committee

Utah Outlook

Overview

Utah's economy slowed significantly in 2002. This was largely due to the lingering effects of the national recession and the dot-com implosion, the completion of the 2002 Winter Olympic Games and its related construction build-up, improvements in other states' economies compared to Utah, and the lack of growth in exports.

In 2002, merchandise exports, population growth, copper production, nonresidential construction, average pay, housing price appreciation, and job growth all slowed in Utah. Since 1994 (the peak year of the current cycle), the rate of job growth has fallen gradually from 6.2% to -1.0% in 2002. Such a negative trend was last evidenced in 1954, when job growth declined to -2.5%. Current expectations are that employment growth in Utah and the U.S. will resume at a modest pace by mid-2003.

2002 Summary of Economic Conditions

End of Construction Boom. Construction is the most volatile of Utah's major industries. As of 2000, construction employment began to contract. This decline will continue into 2003. Nonetheless, construction jobs in 2003 will still be 5.8% of total nonfarm jobs (slightly above the 1978 to 2002 average of 5.5%).

The total value of construction permits peaked at a historic high of $3.97 billion in 1999. Total value declined to $3.7 billion in 2002. Permitted construction values will increase in 2003 to $3.85 billion due to the permitting of the entire $325 million Intermountain Health Care "Healing Place" hospital project in that year. The IHC project will be built over several years, however, and construction job growth will continue to decline in 2003.

Large construction projects of at least $30 million that were under construction in 2002 or scheduled for 2003 are listed at the end of this chapter. Construction projects are usually listed in reports at either their "project value" or "construction value". Construction values are the value of "sticks and bricks". Project values include construction values as well as architectural and engineering costs. For the most part, the projects listed in this chapter are "project values" and include both construction permitted and nonpermitted projects. Heavy construction, such as highways, does not require permits.

Olympics-Related Construction. Few if any projects were built just for the 2002 Olympic Winter Games. Even the venues' sites were constructed largely to train athletes before and after the Winter Games. Still, most of the Olympics-related infrastructure and projects listed in this chapter had accelerated construction schedules to coincide with the 2002 Olympic Winter Games. Construction and job growth rates would have been lower in the years preceding 2002 were it not for the Games. These Olympics accelerations, however, borrowed from job growth in subsequent years, including mid-to-late 2002 and 2003.

Construction job growth was slowing in late 2000 and early 2001 due to the early completion of Interstate 15 and other large projects. Job growth in construction increased in the two quarters prior to the 2002 Olympic Winter Games and then fell abruptly in the quarter of the Olympics and the quarter after the Olympics (the latest data available). This is similar to the experience of Atlanta during the 1996 Summer Olympics. Construction job growth accelerated going into the Summer Olympics and then decelerated abruptly for four quarters after the Olympics in Atlanta.

Unlike the Atlanta experience, however, mortgage rates fell to their lowest level in 40 years (since 1971) in 2002. Construction job growth would have been lower in Utah had mortgage rates not been so low. Effective mortgage rates were around 1.3% higher in 1996 than in 2002.

Post-Olympics Slowdown in Net Migration. Population growth slowed in the months after the Olympics as the frenzy of preparations ended, and many of those helping to host the Games left the state. The post-Games lull was accentuated by the lingering national/global recession. During 2001 net migration at 14,200 remained strong in Utah. During 2002, however, net migration fell to around 7,400. Still, with a record number of births, population grew 1.9% in 2002.

Exports. Utah's exports fell 9% during 2002, from $3.5 billion to $3.2 billion. Although Utah's exports more than doubled during the 1990s, most of the growth occurred before 1997. Since then, exports have remained in the range of $3.0 billion to $3.5 billion. East Asia's purchases of Utah goods did not fall in 2002, helping to shore up exports. The fact that the world economy is barely growing, but exports to East Asia are holding up, bodes well for future Utah export growth.

Defense. Utah's defense industry continued to rebound in 2002, as the threat of war in Iraq and base closures and realignments in other states shifted jobs and military spending to Utah. Hill Air Force Base has become the Air Force's new "center of excellence" for low-observable technology. This new classification and an additional workload will help ensure the vitality of the base in the future.

Contracting in Utah has increased significantly. Contract awards increased 73.1% in 2000 and an additional 34.4% in 2001. Overall defense spending in Utah in 2001 totaled $2.35 billion, rising 23% from the previous year. Increased activity is expected to continue into 2002 and 2003 as a result of the war on terrorism.

High Technology. For the first six months of the current year employment in Utah's technology sector declined by 8.8%, representing a net loss of nearly 5,000 jobs. Companies that manufacture computers, peripheral products, and those that design computer systems experienced the largest employment drop, with combined job losses of almost 3,200 workers. Only two industries -- medical equipment and supplies, and scientific research and development services, reported positive job growth.

Utah's high technology sector is concentrated in a few industry segments; computer systems design services (21.5%), medical equipment manufacturing (12.4%), and software development (9.7%). There are very few large corporate headquarters conducting research and development activities in the technology sector in Utah. Many of the technology companies that once formed Utah's elite high-tech core are either gone or struggling.

Firm Openings and Closings. In order to track trends in Utah employment, state economists follow announcements of job additions and subtractions of 50 or more employees. These announcements are listed in this chapter. Job losses exceeded job gains in 2002 by a wide margin. As recently as June 2001, Economy.com's (a national economic consulting firm) forecast indicated that Utah would rank second in the nation for nonfarm job growth in 2002. However, by November 2002, Economy.com ranked Utah 45th in the nation for nonfarm employment growth.

2003 Outlook

During the 1990s, Utah's economy diversified, becoming broadly integrated with the national economy. Utah became much less dependent on single industries such as federal defense and mining. While the national recession of 1991 was hardly felt in Utah (because Utah was recovering from its own recession in 1986/87), the current national/global slowdown is being mirrored in Utah. Indeed, Utah's job growth has recently declined slightly more than that of the nation.

Still, by the end of 2003 Utah should be back on a moderate growth path, and by 2004 Utah should once again be outperforming the nation. Utah usually performs better than the nation over the long-run due to strong internal population growth, a young, well-educated workforce, low business costs, and a strong work ethic. Service industries will remain the largest source of new jobs in the state in 2003. Manufacturing job growth will be flat, and mining and construction industries will continue to contract in 2003.

2002 Nationwide Reports and Rankings

Utah was one of only three states to receive an average "A" grade by *Governing Magazine*. States were graded on financial management, capital management, human resources, managing for results, and information technology. The *2002 Digital States Survey* ranked Utah seventh in the nation in state government's availability to its citizens for online services.

Utah was ranked 11th by *State Policy Reports* based on the quality of the state's budget process. The study looked at states' balanced budget requirements, power to reduce spending, stabilization funds, and understandable finances. Utah received only an average score for its balanced budget requirements and stabilization funds.

Utah maintained its position as one of only ten states to receive a AAA bond rating from all nationally recognized rating services: Fitch, Moody's, and Standard & Poor's. The rating services recognized Utah's careful and timely monitoring of economic circumstances, quick and aggressive action once a shortfall was identified, and its moderate debt structure.

According to a 2002 study by Beacon Hill Institute, Utah was ranked the 11th most competitive state. The authors considered "competitiveness" to be an indicator of a state's ability to ensure and sustain high levels of economic growth and per capita income. The states were ranked according to their performance in nine categories. The report indicated that Utah could improve its environmental policy and exports.

Utah ranked ninth in its ability to succeed in a tech-led information age in a 2002 study by the Milken Institute. The study assumed that investment in science and technology infrastructure, and the leveraging of those assets for economic development, were the keys to economic success. Utah ranked in the top 25 of all nine indicators except for exports and IPO proceeds.

The Progressive Policy Institute ranked Utah 12th best on their "New Economy Index." The index was based on 21 indicators in five categories. The 2002 rank represented a slip from 2001 when Utah was ranked sixth. The Institute felt that this was due to the fact that while all states gained ground in the index, Utah improved at a slower rate.

Yahoo! Internet Life magazine ranked the Salt Lake City-Ogden metropolitan area sixth in the nation for the number of people online, their expertise on the web, and the extent to which business and government use the Internet. The authors of the study attributed the high ranking to the Olympics and expected the area to drop in rankings in the coming year.

Ohio State University researchers ranked Salt Lake City 15th among the most Internet-accessible cities. The study measured the amount of physical infrastructure connecting a city to the Internet. Techies.com, a Minnesota based recruiting company, also ranked Salt Lake City fourth in the nation for offering a good combination of top salaries and a low cost of living for technology professionals.

Utah ranked 12th in Morgan Quinto's Most Livable State Awards for 2002. State Rankings were based on 43 factors such as crime, teenage birth rates, local government spending, and income. Utah was also ranked fourth in the nation by the United Health Foundation in overall health. Utah ranked first in low smoking rates, heart disease risk, and cancer and heart disease deaths.

National Geographic Adventure magazine listed Utah as having five of the "50 Perfect Places in America." The country's top outdoor experts were used to select the 50 places. The Maze in Canyonlands National Park, Rector near Moab, Muley Point, the San Juan River, and Monument Valley were the locations listed for Utah.

Several Utah colleges received recognition in *U.S. News & World Reports* ranking of Best Colleges in the nation. The University of Utah ranked sixth for service learning programs, BYU's doctoral programs were ranked in the top 30 for best value, Westminster ranked in the top 10 "Best Value" colleges in the western United States, and UVSC, the U of U, BYU, and USU were found to leave students with less debt than many peer schools.

Finally, not all rankings were positive for Utah in 2002. The EPA ranked Utah as the second top toxic polluter in the nation. Utah's mining companies and coal-fired electric plants were cited as the main sources of pollution. Most of the pollution reported was a controlled byproduct of the manufacturing process, according to industry representatives.

Utah also led the nation in the number of bankruptcies filed in 2002, according to a report by the American Bankruptcy Institute. The institute reported that one in every 34.5 Utahns filed for bankruptcy in the twelve months ending March 31, 2002. October 2002 filings were up 20% from the same period last year.

Housing Prices and Home Ownership

There are three different measurements of housing price movements in Utah. These measurements come from the National Association of Realtors (NAR), the Office of Federal Housing Enterprise Oversight (OFHEO), and the Utah Association of Realtors (UAR).

National Association of Realtors. The NAR measures median-average prices for existing single-family homes on a changing mix of existing homes. Utah's median housing price exceeded the U.S. median housing price from 1995 to 2000. The U.S. median price has grown closer to the Utah median price each year since its largest gap in 1996. In 1996, Utah's median existing home price was $122,700, and the U.S. median existing home price was $115,800.

Utah prices have since slowed relative to the nation. The 2002 third quarter median existing home price in the U.S. was $161,800 in 2002,

and $152,100 in Utah. The median existing home price is expected to grow by 4.1% in 2003 for the U.S., but only around 2% in Utah.

Office of Federal Housing Enterprise Oversight. The OFHEO follows the price movements on repeat sales of the same single-family homes with Fannie Mae or Freddie Mac mortgages. The growth rate in these prices rose steadily beginning in 1988 to a high of 17% in 1994. As recently as September 30, 1997, Utah's year-over growth ranking in housing price appreciation was ranked second in the nation. As of June 30, 2002, however, Utah's year-over percent change in median housing prices for existing homes dropped to 51st in the nation including the District of Columbia (highlighting the slowdown in price appreciation in the Utah existing housing market).

Utah Association of Realtors. The UAR measures the mean-average price on a changing mix of new and existing homes. These prices are based on homes for sale on the multiple listing service. The mean-average sales price for Utah homes (excluding Park City) in the third quarter of 2002 was $160,926 (versus $158,880 for the same quarter a year ago).

The mean-average, unlike the median-average, can be skewed by high priced homes (this problem is corrected to some extent by excluding Park City). The median is the middle value around which one-half of the values are above and one-half are below. The mean is the total of all values divided by the number of observations.

According to figures released by the Utah Association of Realtors, year-over mean-average sales prices for the State of Utah (excluding Park City) increased by 1.3% from the third quarter of last year. This figure is somewhat higher than NAR's recently reported year-over growth rate of -0.6% for existing homes in the third quarter of 2002.

Lower prices (and lower mortgage rates) contributed to brisk home sales in the third quarter at 5.8% year-over growth. UAR prices usually differ from NAR and OFHEO due to the inclusion of new homes in UAR measurements, and the fact that the UAR uses mean-average prices rather than median-average prices.

Softening Housing Prices. Housing price appreciation in Utah will continue though at a weaker pace in 2003. The softening of housing prices is largely due to the high home-ownership rate in Utah (72.4% in Utah versus 67.8% nationwide in 2001, 16th highest in the nation), the recent slowing of job growth in Utah, and the run up in housing prices during the mid 1990's.

Low interest rates and high internally generated population growth will boost housing price appreciation. OFHEO housing price growth in Utah, however, has lagged behind growth in housing prices in the U.S. since the third quarter of 1998. This is expected to continue through 2003.

Office, Hotel, and Apartment Vacancies and Rents

Offices. Salt Lake City metropolitan area office vacancy rates, as reported by CB Richard Ellis, have increased steadily since 1995 (when they were around 6.6%). Vacancy rates in the third quarter of 2002 reached 20.3%, a rate not seen since 1990. Vacancy rates increased downtown from 13.8% in the third quarter of 2001 to 17.6% in the third quarter of 2002.

Vacancy rates for suburban areas increased from 17.7% in the third quarter of 2001, to 22.1% in the third quarter of 2002. Also, office vacancy rates increased for the entire metropolitan area from 16.1% in the third quarter of 2001, to 20.2% in the third quarter of 2002. By comparison, vacancy rates nationwide increased for metropolitan areas from 12.0% in the third quarter 2001, to 15.1% in the third quarter of 2002.

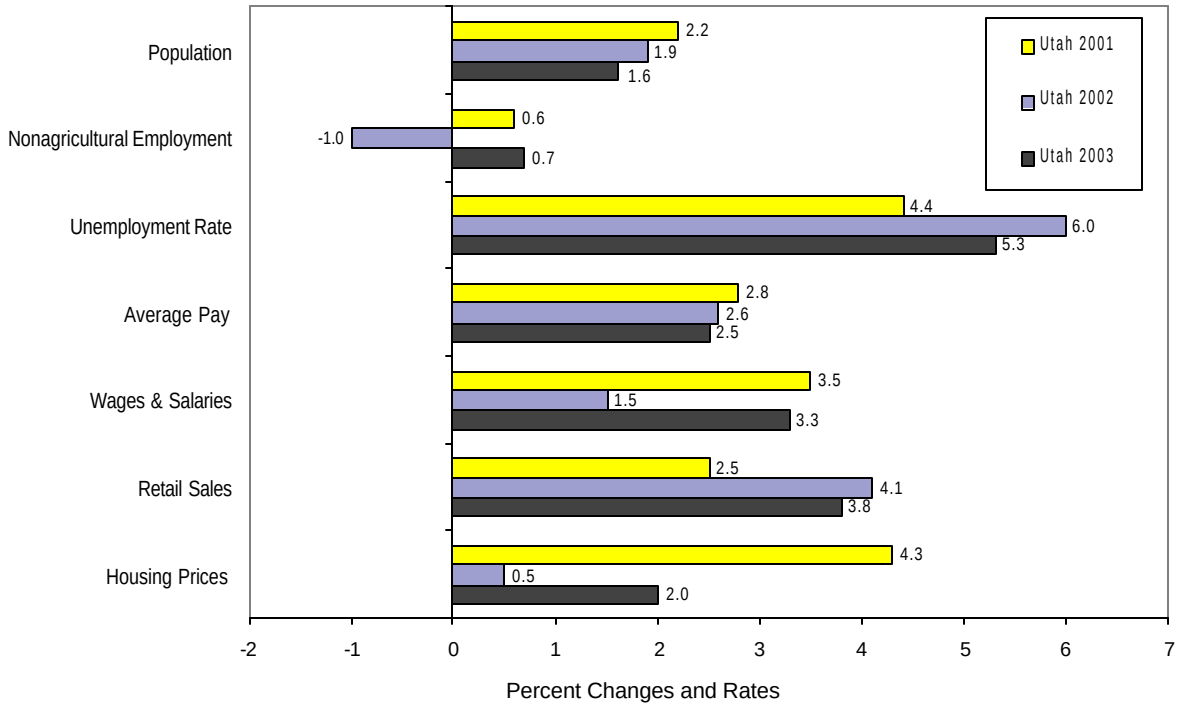
Hotels. According to the Rocky Mountain Lodging Report, hotel occupancy rates in the Salt Lake area increased by 3.4% to 68.7% for the first half of 2002 compared to 66% for the first half of 2001. This was expected due to the hosting of the 2002 Olympic Winter Games. Still, by comparison, occupancy rates in the Salt Lake County area hovered around 80% in the mid-1990s. The primary reason for this decrease is that the number of hotel units in Salt Lake County increased from 10,700 in 1994, to around 17,000 units in 2000 (a 59% increase).

Occupancy and room rates in Salt Lake County were also up in September and October of 2002. Occupancy for these months was up because travel slowed considerably in September and October of 2001 due to the September 11, 2001 terrorist attacks. Average room rates in the Salt Lake County area in October 2002 also grew from around $70 last year to $77 this year.

Apartments. According to EquiMark Properties, Salt Lake County rents grew 0.3% for the first six months of 2002 compared to 1.3% for the first six months of 2001. The overall rental rate increased from $646 on average in June of 2001 to an average of $649 in June 2002. Apartment vacancy rates increased in Salt Lake County to 9.3% in June 2002. Vacancy rates were 7.7% in 1999, 6.3% in 2000, and 7.1% in 2001. Vacancy rates could continue to increase as more renters decide to purchase homes (due to low interest rates and low housing price appreciation).

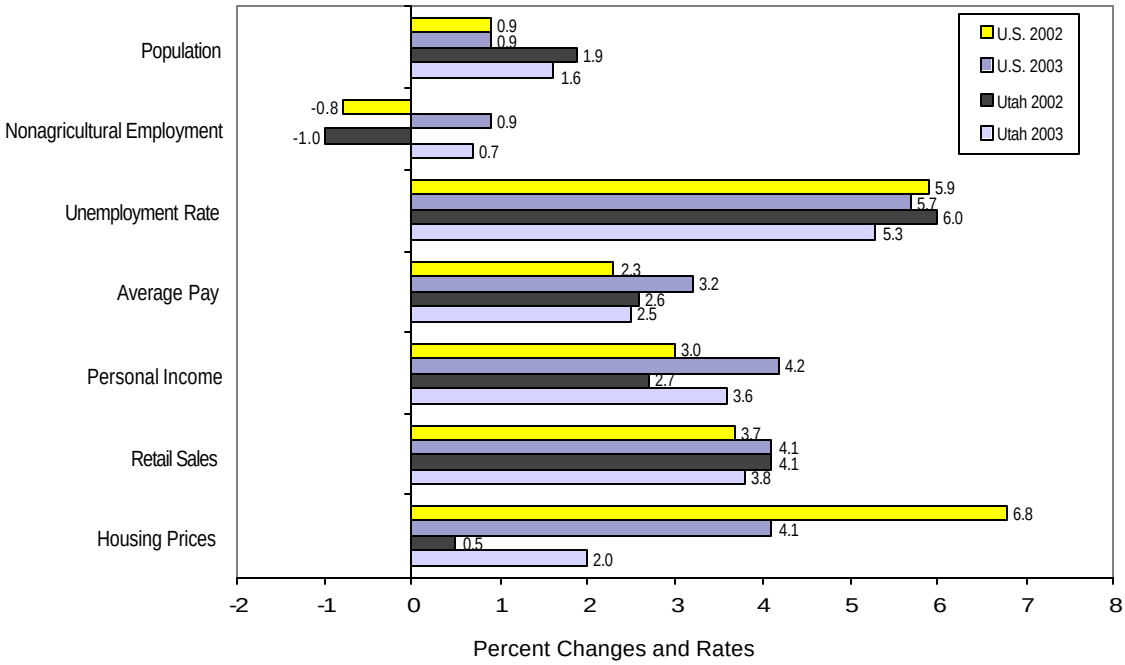
Vacancy rates decreased during the 2002 Olympic Winter Games, but have since increased. Rent growth in Salt Lake County also increased through the 2002 Olympic Winter Games. Landlords are currently offering more concessions to prospective residents. Olympic media and sponsors occupied many of the new multifamily housing units built in 2001. Rental rates have stabilized, and concessions have increased since the 2002 Olympic Winter Games.

Figure 2
Utah Economic Indicators: 2001-2003



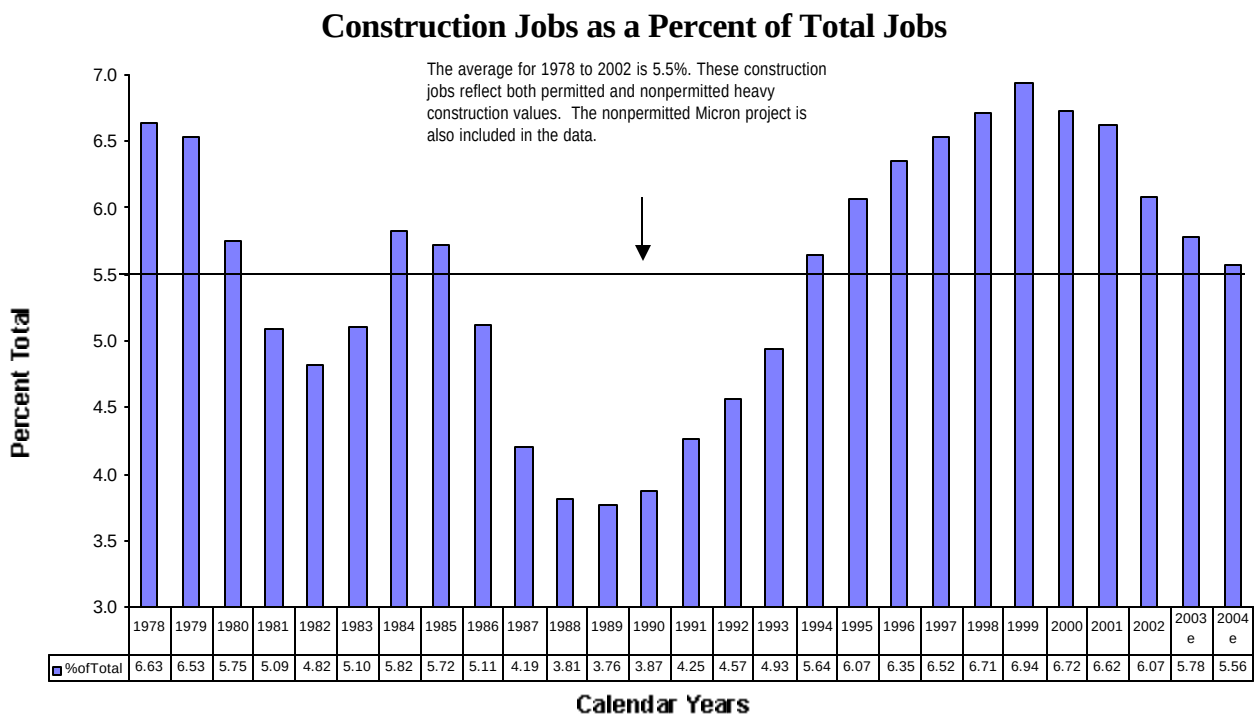
Source: Council of Economic Advisors' Revenue Assumptions Committee

Figure 3
Comparison of Utah and U.S. Economic Indicators: 2002 Estimates and 2003 Forecasts



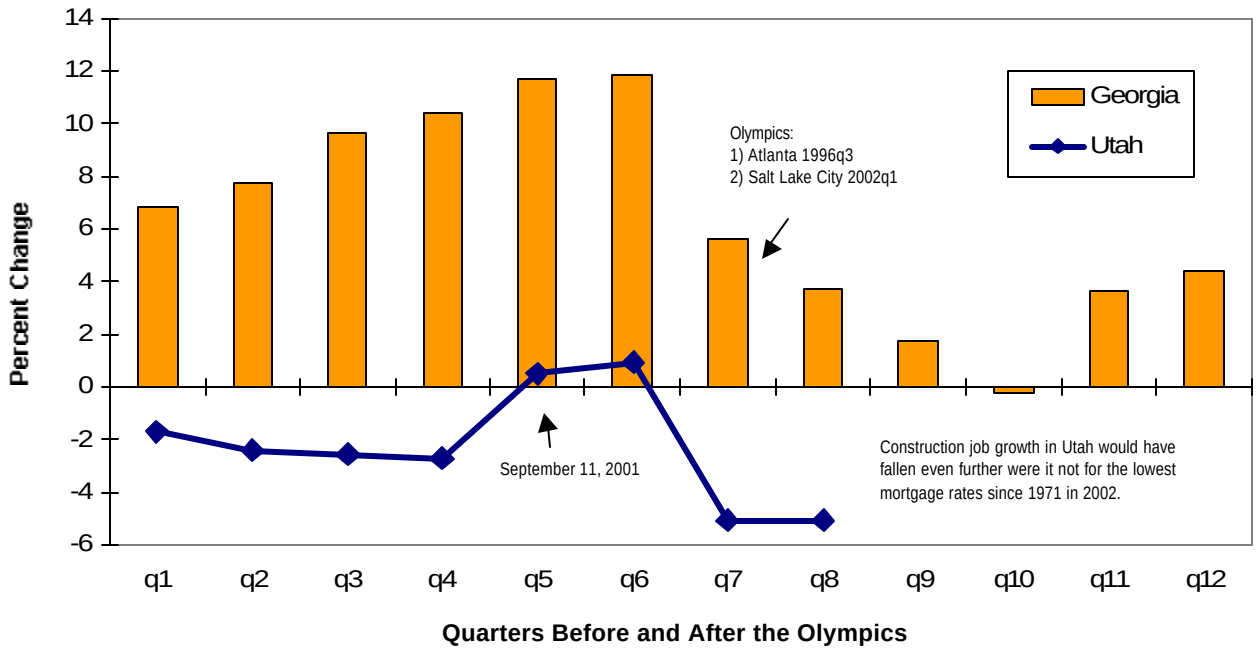
Source: Council of Economic Advisors' Revenue Assumptions Committee

Figure 4
Construction Jobs as a Percent of Total Jobs



Sources: Department of Workforce Services, Governor's Office of Planning and Budget

Figure 5
Year-Over Percent Change in Construction Employment Before and After the Olympics



Sources: Bureau of Labor Statistics, Department of Workforce Services, Governor's Office of Planning and Budget

Table 1
Actual and Estimated Economic Indicators for Utah and the U.S.: December 2002

ECONOMIC INDICATORS	UNITS	2000 ACTUAL	2001 ESTIMATE	2002 ESTIMATE	2003 FORECAST	% CHG CY00-01	% CHG CY01-02	% CHG CY02-03
PRODUCTION AND SPENDING								
U.S. Real Gross Domestic Product	Billion Chained $96	9,191.4	9,219.0	9,431.0	9,676.2	0.3	2.3	2.6
U.S. Real Personal Consumption	Billion Chained $96	6,223.9	6,379.5	6,564.5	6,708.9	2.5	2.9	2.2
U.S. Real Fixed Investment	Billion Chained $96	1,691.9	1,627.6	1,575.5	1,610.2	-3.8	-3.2	2.2
U.S. Real Defense Spending	Billion Chained $96	348.7	366.1	398.4	425.8	5.0	8.8	6.9
U.S. Real Exports	Billion Chained $96	1,137.2	1,075.8	1,061.8	1,118.1	-5.4	-1.3	5.3
Utah Exports (Census)	Million Dollars	3,220.2	3,506.0	3,186.9	3,355.8	8.9	-9.1	5.3
Utah Coal Production	Million Tons	26.7	27.0	24.7	24.7	1.2	-8.5	0.3
Utah Oil Production Sales	Million Barrels	15.6	15.3	14.1	13.5	-1.9	-7.8	-4.3
Utah Natural Gas Production Sales	Billion Cubic Feet	227.7	251.8	250.0	252.5	10.6	-0.7	1.0
Utah Copper Mined Production	Million Pounds	651.9	689.4	564.8	580.0	5.7	-18.1	2.7
SALES AND CONSTRUCTION								
U.S. New Auto and Truck Sales	Millions	17.4	17.1	16.5	16.6	-1.7	-3.5	0.6
U.S. Housing Starts	Millions	1.57	1.60	1.69	1.58	1.71	5.6	-6.5
U.S. Residential Investment	Billion Dollars	426.1	444.8	468.4	472.2	4.4	5.3	0.8
U.S. Nonresidential Structures	Billion Dollars	314.2	324.5	272.6	267.9	3.3	-16.0	-1.7
U.S. Repeat-Sales House Price Index	1980Q1=100	241.5	262.3	280.1	291.6	8.6	6.8	4.1
U.S. Existing S.F. Home Prices (NAR)	Thousand Dollars	139.0	147.8	157.9	164.3	6.3	6.8	4.1
U.S. Retail Sales	Billion Dollars	3,360.8	3,488.5	3,617.6	3,765.9	3.8	3.7	4.1
Utah New Auto and Truck Sales	Thousands	85.0	78.5	84.8	89.0	-7.6	8.0	5.0
Utah Dwelling Unit Permits	Thousands	18.2	19.7	19.0	18.0	8.4	-3.4	-5.3
Utah Residential Permit Value	Million Dollars	2,140.1	2,352.7	2,400.0	2,350.0	9.9	2.0	-2.1
Utah Nonresidential Permit Value	Million Dollars	1,213.0	970.0	900.0	1,100.0	-20.0	-7.2	22.2
Utah Additions, Alterations and Repairs	Million Dollars	583.3	562.8	400.0	400.0	-3.5	-28.9	0.0
Utah Repeat-Sales House Price Index	1980Q1=100	240.5	253.2	255.7	260.8	5.3	1.0	2.0
Utah Existing S.F. Home Prices (NAR)	Thousand Dollars	141.5	147.6	148.3	151.3	4.3	0.5	2.0
Utah Taxable Retail Sales	Million Dollars	17,278	17,709	18,427	19,130	2.5	4.1	3.8
DEMOGRAPHICS AND SENTIMENT								
U.S. July 1st Population (BEA, Census)	Millions	282.1	284.8	287.4	289.9	0.9	0.9	0.9
U.S. Consumer Sentiment of U.S. (UofM)	1966=100	107.6	89.2	89.0	89.8	-17.1	-0.2	0.9
Utah July 1st Population (UPEC)	Thousands	2,247	2,296	2,339	2,376	2.2	1.9	1.6
Utah Net Migration (UPEC)	Thousands	18.6	14.2	7.4	0.8	na	na	na
Utah July 1st Population (Census)	Thousands	2,243	2,279	2,316	2,353	1.6	1.6	1.6
Utah Consumer Sentiment of Utah	1966=100	107.6	95.1	88.4	86.6	-11.6	-7.1	-2.0
PROFITS AND RESOURCE PRICES								
U.S. Corporate Before Tax Profits	Billion Dollars	782.3	670.2	662.2	771.1	-14.3	-1.2	16.4
U.S. Before Tax Profits Less Fed. Res.	Billion Dollars	752.2	642.3	639.9	751.5	-14.6	-0.4	17.4
U.S. Oil Refinery Acquisition Cost	$ Per Barrel	28.2	23.0	24.1	23.6	-18.4	4.8	-2.1
U.S. Coal Price Index	1982=100	88.0	96.2	99.1	95.8	9.3	3.0	-3.3
Utah Coal Prices	$ Per Short Ton	16.9	17.5	17.0	17.0	3.4	-2.9	0.2
Utah Oil Prices	$ Per Barrel	28.5	23.5	25.0	25.5	-17.6	6.4	2.0
Utah Natural Gas Prices	$ Per MCF	3.28	3.66	2.00	2.50	11.6	-45.4	25.0
Utah Copper Prices	$ Per Pound	0.82	0.72	0.71	0.73	-12.2	-1.4	2.8
INFLATION AND INTEREST RATES								
U.S. CPI Urban Consumers (BLS)	1982-84=100	172.2	177.1	179.9	184.1	2.8	1.6	2.3
U.S. GDP Chained Price Indexes	1996=100	106.9	109.4	110.7	113.0	2.4	1.2	2.1
U.S. Federal Funds Rate	Percent	6.23	3.92	1.67	1.68	na	na	na
U.S. 3-Month Treasury Bills	Percent	5.81	3.43	1.61	1.69	na	na	na
U.S. T-Bond Rate, 10-Year	Percent	6.03	5.02	4.61	4.64	na	na	na
30 Year Mortgage Rate (FHLMC)	Percent	8.06	6.97	6.52	6.82	na	na	na
EMPLOYMENT AND WAGES								
U.S. Establishment Employment (BLS)	Millions	131.7	131.9	130.8	132.0	0.2	-0.8	0.9
U.S. Average Annual Pay (BLS)	Dollars	35,320	36,214	37,030	38,198	2.5	2.3	3.2
U.S. Total Wages & Salaries (BLS)	Billion Dollars	4,652	4,777	4,843	5,042	2.4	1.4	4.1
Utah Nonagricultural Employment (WS)	Thousands	1,074.9	1,081.7	1,070.4	1,078.2	0.6	-1.0	0.7
Utah Average Annual Pay (WS)	Dollars	28,817	29,637	30,400	31,163	2.8	2.6	2.5
Utah Total Nonagriculture Wages (WS)	Million Dollars	30,975	32,058	32,540	33,600	3.5	1.5	3.3
INCOME AND UNEMPLOYMENT								
U.S. Personal Income (BEA)	Billion Dollars	8,399	8,678	8,939	9,314	3.3	3.0	4.2
U.S. Unemployment Rate (BLS)	Percent	4.0	4.8	5.9	5.7	na	na	na
Utah Personal Income (BEA)	Million Dollars	52,622	54,884	56,366	58,395	4.3	2.7	3.6
Utah Unemployment Rate (WS)	Percent	3.2	4.4	6.0	5.3	na	na	na

Note: Figures in this table may differ from other tables due to different data sources.
Source: Council of Economic Advisors' Revenue Assumptions Committee

Table 2
2002 and 2003 Large Construction and Employment Summary

2002 Announced Additions of 100 or more jobs:
Best Buy - electronics retail
Bomatic Inc. - plastic containers
CompuCredit - call center
Convergys - telemarketing call center
eCo.Marketing Inc. - call center
Flour Corp - copper smelter maintenance
Fresenius Medical Care - kidney dialysis products
HyClone Laboratories - biopharmaceutical supplies
Ingenix - health-care software/consulting
Jet Blue Airways - reservations center
Siebel Systems Inc. - computer engineering
SkyWest - pilots and mechanics
Twinlab - vitamin distribution
Uinta River Technology - INS data entry
Verizon Wireless - call center
Williams International - jet turbine engines

2002 Announced Subtractions of 100 or more jobs:
American Express - call center
Consolidated Freight - truck drivers
Delta Airlines - various positions
Enterasys - computer network engineers
Evans & Sutherland - visual computer simulations
Fidelity - financial investments
Groen - gyroplanes
Hill Air Force Base - storage and distribution
Infinia Medical Center - care facility
Kmart - retailer
Providian - call center
Qwest - telecommunications
Simons Trucking - drivers and nondrivers
SLOC - Olympic employees
SPS Technologies Inc. - fasteners
Thiokol - propulsion
Utah Power - electric power
Utah State Government - budget cutbacks

$30 Million Plus Projects in 2002 Began Before 2002:
Canyon River Corporate Center - $65m
Diamond Fork CUP - $50m
Fresenius Medical Care facility - $65m
Huntsman Cancer Institute Research Hospital - $100m
Jordan Landing (mixed use) - $500m
Logan Canyon Highway - $60m
McKay-Dee Hospital Complex - $180m
Murray High School - $30m
Nebo School District 5 elementary schools - $45m
NorthShore Corporate Center - $100m
One Airport Center - $100m
Pacific Landing Office Park - $60m
Pleasant Grove Town Center - $200m
RiverPark Corporate Center - $300m
Round Valley Golf Resort - $100m
Salt Lake City Library - $84m
Sand Hollow Reservoir - $35m
Sandy City Center 1 - $85m
SLC School District new schools and retrofitting - $136m
SLCC 90th South Campus - $143m
Tooele 4 new schools - $49.5m
Traverse Mountain (at Fox Ridge) - $2b
University of Utah Hospital expansion - $43m
Weber School District 3 new schools - $40m

$30 Million Plus Projects in 2002 Began in 2002:
BYU Athletic Complex - $31m
Deer Valley Inn - $150m
Fashion Place Mall expansion - $125m
Gadspy power generation facility - $81m
Iasis Hospitals - $33m
Joseph F. Smith Building at BYU - $70m
Kern River gas pipeline (Utah portion) - $526m
State Capitol renovation - $41m
Thanksgiving Point retail center - $105m
University Hospital Trax Line - $89m
USU Engineering Building - $33.2m
Well's Dairy - $40m
Williams' petroleum pipeline - $200m

$30 Million Plus Projects in 2003 to Begin in 2003:
Federal Courthouse expansion - $70m
Intermountain Health Care Murray Hospital - $325m
Sun Rise Development by Kennecott - $1b
Union Pacific maintenance facility - $150m

Table 3
Projects and Infrastructure Built or Accelerated to Coincide with the 2002 Olympic Winter Games

Project and Infrastructure Description	Total Expenditures	Federal Infrastructure Expenditures	Salt Lake Organizing Committee Expenditures
Venues: (1)			
Utah Olympic Park	$97.1 Million	NA	$97.1 Million
E-Center Hockey Arena	$58.3 Million	NA	$11.6 Million
Delta Center Figure Skating	$5.1 Million	NA	$5.1 Million
Oquirrh Park Speed Skating Enclosure	$36.1 Million	NA	$36.1 Million
Soldier Hollow Cross-Country, Biathilon	$11.2 Million	NA	$11.2 Million
Seven Peaks Ice Sheets (Provo)	$12.8 Million	NA	$12.1 Million
Ogden Curling Ice Sheet	$5.9 Million	NA	$3.1 Million
Accord Practice Sheet	$4 Million	NA	$0.8 Million
Steiner Center Ice Sheets	$15 Million	NA	$3.5 Million
Wasatch Mountain State Park	$20 Million	NA	$8.5 Million
U of U Rice Stadium	$52.5 Million	NA	$17.5 Million
Medals Plaza	$3.9 Million	NA	$3.9 Million
Housing:			
U of U Olympics Village Phases I & 2	$120.1 Million	NA	$31.6 Million
Camp Williams Army Reserve Facilities	$12.7 Million	$12.7 Million	NA
Media Housing	$11 Million	$2 Million	$0.5 Million
Transportation: (2)			
I-15 Expansion	$1,590 Million	$372.0 Million	NA
Light Rail North/South Line	$312.5 Million	$241.3 Million	NA
Light Rail U of U Line	$118.5 Million	$84.6 Million	NA
Intelligent Transportation System	$31.6 Million	$27 Million	NA
Snowbasin/Trappers Loop Road	$15.8 Million	$15.8 Million	NA
Soldier Hollow Access Road	$10 Million	$9.4 Million	NA
Winter Sports Park Road	$4.4 Million	$3.0 Million	NA
Temporary Park and Ride Lots	$36 Million	$30.8 Million	NA
Permanent Park and Ride Lots	$6.9 Million	$5.5 Million	NA
Bus Maintenance Facility	$5.8 Million	$4.6 Million	NA
SR248 Reconstruction	$8.3 Million	$7.7 Million	NA
I-80 Silver Creek & Kimball Junction	$52 Million	$49 Million	NA
US89 & I-84 (Corina Drive) Interchange	$24.8 Million	$4.2 Million	NA
SR173 Railroad Bridge	$5.2 Million	Unknown	NA
I-215 & 3500 South Interchange	$1.9 Million	$1.7 Million	NA
Venue Loading/Unloading	$11.4 Million	$11 Million	NA
Transportation Studies	$6.8 Million	$6.8 Million	NA
Park Citv Infrastructure Improvements	$11.4 Million	$9.5 Million	NA
Hotels:			
Hotel Monaco	$32 Million	NA	NA
Marriot Hotel	$50 Million	NA	NA
Little America	$185 Million	NA	NA
Stein Erikson Lodge	$30 Million	NA	NA
Resort Additions or Expansions: (3)			
Snowbasin Facilities	$100 Million	NA	$23.7 Million
Snowbird Expansion	$5 Million	NA	NA
Park City Expansion	$150 Million	NA	$16.3 Million
The Canyons Phase 1 Hotel, Lifts & Village	$202 Million	NA	NA
Deer Valley (Deer Crest) Resort	$100 Million	NA	$17.8 Million
Brighton Resort	$2 Million	NA	NA
Solitude Resort	$100 Million	NA	NA
Zermatt Swiss Resort	$40 Million	NA	NA
Miscellaneous:			
Telecommunications and UCAN	$177.3 Million	$6 Million	NA
Forest Service Funds	$10.5 Million	$10.5 Million	NA
Soldier Hollow Water/Sewer	$11.9 Million	$2.2 Million	$1.4 Million
Gateway Project (Mixed-Use & Transit Hubs)	$375 Million	NA	NA
Salt Palace Expansion	$47 Million	NA	$4.6 Million
Alf Engen Museum	$10 Million	NA	NA
LDS Conference Center	$240 Million	NA	NA
	Total = $4,586.6 Million	**Total = $917.9 Million**	**Total = $306.4 Million**

(1) $58.5 million was repaid by SLOC to the State of Utah for temporary taxpayer assistance in the construction of the Utah Olympic Park.
(2) In addition to these transportation infrastructure projects, around $300 million in federal funds was spent on security, and there was an operations "Olympic Spectator Transportation System" federally funded at $39.9 million. The total Intelligent Transportation System cost was $112 million, but $80.4 million was already included in the $1,590 million listed above for Interstate15 expansion.
(3) According to the Utah Ski Association, between $300 to $500 million was invested in Utah's ski resorts directly as a result of the Olympics.

Utah's Long-Term Projections

Overview

Utah's population reached 2.23 million on April 1, 2000 and is expected to reach 3.77 million by the year 2030. The growth rate, which exceeds the rate of growth for the nation, will be sustained by a rapid rate of natural increase and a strong and diversified economy.

State Level Results

The 2002 baseline demographic and economic projections were recently produced by the Demographic and Economic Analysis section of the Governor's Office of Planning and Budget (GOPB), in association with numerous state and local representatives. While the primary goal of this round of updates was to incorporate data from the 2000 Census, analysts also used the opportunity for revising the projections to include the latest economic indicators as a part of the update process.

Population. Utah's population, which was 1.73 million in 1990, reached 2.23 million on April 1, 2000, and is projected to achieve 2.79 million in 2010, 3.37 million in 2020, and 3.77 million in 2030. Although the projected average annual growth rate decelerates from 2.4% per year in the 1990s to 1.1% per year in the 2020s, these growth rates are more than twice the projected rates for the nation as a whole.

Natural Increase. Natural increase, which is the amount by which annual births exceed annual deaths, will fuel 81% of Utah's population growth over the next thirty years. The number of births per year is projected to average 51,900 in the 2000s, 59,000 in the 2010s, and 63,100 in the 2020s. This compares to projected annual average deaths of 13,800 in the 2000s, 16,700 in the 2010s, and 20,800 in the 2020s.

Migration. Net migration is gross in-migration less gross out-migration. Positive net in-migration occurs when more people move into the state than move out of the state for a given period of time. Net in-migration is projected to occur in the State of Utah over the next three decades. Approximately 294,400 of the 1.5 million population increase over the thirty-year projection period can be attributed to net in-migration, meaning in-migration accounts for about 20% of the projected increase. Net in-migration occurs when 1) there is enough job creation to accommodate residents who are new entrants to the labor force, and 2) there is additional job creation, such that in-migration is necessary to satisfy labor demand within the state. The sustained net in-migration is projected because job creation is also projected to be relatively rapid over the next three decades.

Age Structure and Fertility. A significant amount of attention has been paid to the trends of the growing school age population (ages 5 to17) in Utah. The growth spurt in this age group is a consequence of the fact that the grandchildren of the baby boomers are now entering the school age years. The State of Utah is projecting an increase of over 100,000 people in the school age population over the next decade. It is important to note that this increase is not mainly fertility-driven or migration-driven. Rather, it is primarily due to the fact that a significantly large number of women are presently in their childbearing years. Utah's population is relatively young when compared to the nation. Consequently, a greater proportion of the state's females are in their childbearing years than the U.S. Therefore, even if Utah's fertility rate (children per woman) was equal to that of the nation, more children would be born in Utah relative to the size of the population.

In addition to the young population, Utah's women have higher fertility rates, ranking the state first among states nationwide. For the projection period, Utah's fertility rate is projected to remain fairly constant at 2.6 children per woman of childbearing age. National projections have the fertility rate increasing from 2.1 during the next two decades to 2.2 in the last decade of the projection period. Further contributing to the rapid rate of natural increase is the fact that Utahns tend to have longer life expectancies (mortality rates at any given age are lower) compared to the nation.

The median age is the age that divides the age distribution of a given population into two equal groups - one that is younger than the median and one that is older than the median. Utah's median age is projected to increase from 27 years in 2000 to 32 years by the year 2030. Over the same period, the U.S. median age is projected to increase from 36 to 39. The increasing median ages in both cases are largely the result of the aging of the baby boomers over time. The difference in median ages reflects the cumulative effect of Utah's higher fertility rate and the interaction of this high fertility rate with the younger population profile of the state. As Utah women in childbearing years continue to have more children on average than women nationally, the younger age groups continue to be relatively larger as a portion of the population than is the case for the U.S. as a whole.

Dependency Ratio. One summary measure of a population's age structure is the dependency ratio. This ratio is defined as the number of nonworking age persons (younger than 18, and 65 years and over) divided by the number of working age persons (ages 18 through 64). Historically, Utah's dependency ratio has been significantly higher than that of the nation. This has occurred because the pre-school and school age portions of Utah's population have been substantial, relative to its total population. In 1970, Utah's dependency ratio was 90 while the nation's was 79. In 2000, the dependency ratio for the state fell to 69 while the nation's fell to 63. In both cases, this decline occurred primarily because the baby boomers reached working age.

Utah's age structure is projected to continue to be characterized by a relatively high dependency ratio. However, the state's dependency ratio is projected to drop below that of the nation, beginning in 2025, and continue throughout the remainder of the projections period. However, this anomaly is not expected to last more than a few years. The projected dependency ratio for Utah in 2030 is 74, while that of the nation is 78. The trend of converging, then crossing dependency ratios is primarily because the working age proportion of Utah's population is projected to increase while that of the nation is projected to decline. The aging of the baby boomers affects the age structure of both Utah and the U.S. However, the aging and retirement of the baby boomers will have a larger effect on the national dependency ratio because the younger age groups in Utah's population will increase more rapidly than those of the nation throughout the entire period.

Employment. Utah's nonfarm payroll employment is projected to increase from 1,075,100 in 2000 to 1,798,600 in 2030. This is an increase of 723,500 jobs over the projections period. The State of Utah's average annual growth rate for the projections period is 1.7%, while the corresponding growth rates for the U.S. are projected to be about half that of Utah. The economies of the western states have suffered along with the national economy. Utah's historically strong job growth has succumbed to negative pressures recently, and in 2002 the state experienced the worst job growth in nearly fifty years. However, because of Utah's history of strong economic and employment growth, it is expected that over the long term, the state's economy will recover

from the current negative conditions, and expand more rapidly than that of the nation throughout the projections period.

Over the next three decades, employment growth is projected for every major industry except agriculture and mining in Utah. Further, average annual growth in every industry except mining is projected to be higher than for those same industries at the national level. National projections indicate that two of the ten major industries will experience net declines in employment levels. The two industries are mining, and agriculture. Of the ten major industries, construction is projected to have the highest average annual growth rate in the State of Utah over the next three decades. The projected average annual rate of change for 1990 through 2030 for Utah's construction sector is 3.4%. Other major industries in Utah that are projected to have strong employment growth (in excess of 2.0% per year on average) for the 1990 to 2030 period are services, FIRE, non-farm proprietors, trade, and TCPU. Utah's slow growth industries are projected to be manufacturing and government.

Services, nonfarm proprietors, and trade are currently the three largest industries (in terms of employment) in Utah. The number of service jobs in Utah is expected to more than double, increasing from 315,400 in 2000 to 643,200 in 2030, an increase of 327,800 jobs. The number of nonfarm proprietor jobs and new trade sector jobs are projected to increase significantly over the projections period as well. These three industries combined are projected to create 71% of the employment growth in the State of Utah over the next three decades.

Diversification. The State of Utah is becoming more economically diverse, and hence more like the economic structure of the United States, as measured by the Hachman Index. There are specific counties that are very different from the U.S., and this is not necessarily bad. For example, if the mining industry moved out of Carbon County, the economic structure of Carbon County would score higher on the Hachman Index, meaning it would now be more representative of the economic base of the nation. However the economy of Carbon County would not be better off. Although the direction of shifts in composition of employment by industry are projected to be similar for Utah and the U.S., the projected 2000 and 2030 distributions of employment by industry are different for Utah and the U.S. In 2001, the most significant differences between the industrial composition of Utah and the U.S. were the large concentration of employment in the mining sector, as well as the somewhat large employment concentration in the construction and nonfarm proprietors sectors. The concentration of employment in the TCPU and government sectors was slightly higher in Utah when compared to the nation. The composition of Utah's trade sector was exactly the same as the nation in 2001. Utah's other four major industries had slightly smaller proportions of the overall employment than their national conuterparts (i.e., FIRE, services, manufacturing, and agriculture).

The most significant differences between the employment shares for the projected industrial composition in 2030 of Utah and the U.S. are the relatively larger concentration of Utah's employment in the construction and nonfarm proprietors sectors, and the relatively smaller share of Utah's employment in agriculture and manufacturing. Utah is also projected to have a slightly larger share of employment in government and TCPU, and a slightly smaller share of employment in services, mining, trade, and FIRE when compared to the nation. This is the combined result of the differential shifts in industrial composition between Utah and the U.S. in the projections period, and the initial differences in the composition of employment between the two.

County Level Population and Employment Projections

Population. About 1.1 million (or 73%) of the 1.5 million population increase projected for the state between 2000 and 2030 will be concentrated in the counties of Salt Lake, Utah, Davis, and Weber. This is slightly less than the 76% share of the state's population in these counties in 2000. Therefore, the projected share of the state's population in these four counties in 2030 will decline slightly to 75%.

The counties with the highest projected average annual rates of growth over the 1990 to 2030 period are Washington (3.0%), Tooele (2.9%), Summit (2.8%), Kane (2.8%), Wasatch (2.7%), Wayne (2.3%), Juab (2.1%), and Utah (2.0%). These growth rates are all in excess of the state's average annual rate of growth of 1.7% for the 1990 to 2030 period. Thus, these counties will gain in terms of their shares of the state's total population.

Employment. Of the 723,400 net nonagricultural employment creation projected for the state from 2000 to 2030, 551,700 jobs (76%) are expected to be within Salt Lake, Utah, Davis, and Weber counties. Among these, Utah and Weber counties are projected to have average annual growth rates of employment in excess of that of the state as a whole.

The counties with the most rapid rates of projected employment growth are also those counties with rapid rates of projected population growth. Rapid employment growth makes it possible for a region to support more people. Population growth reinforces economic expansion as well. The counties with the most rapid rates of projected employment growth from 2000 to 2030 are Washington (3.2%), Kane (3.2%), Wasatch (2.6%), Tooele (2.3%), Summit (2.3%) and Juab (2.2%).

Methods and Assumptions

Models. The 2002 long-term projections were produced using the UPED Model System. The UPED Model is a combination of a three-component cohort population model and an economic base employment model. It produces projections of population, components of population change (births, deaths and migration), households, labor force, and employment at the Multi-County District (MCD), or regional level. The UCAPE and CASA Models allocate the UPED population, components of population change and employment to counties. County or MCD values are aggregated to yield the projection for the State of Utah.

Fertility. MCD-specific birth probabilities by age of mother are assumed to remain constant at their estimated 2001 levels to 2030. County mean differences in total fertility rates, 1990-2001, within MCDs are preserved. The resulting total fertility rates (central birth rates) for MCDs are: 2.41 for Bear River, 2.47 for Wasatch Front, 2.90 for Mountainland, 2.80 for Central, 2.63 for Southwest, 2.73 for Uintah Basin, and 2.22 for Southeast, yielding 2.51 for the state.

Survival. State level survival rates by age and sex are assumed for all MCDs. Survival rates are assumed to increase along with projected U.S. survival rates to 2030. This assumption yields an increase in life expectancy of 4.1 years, from 74.9 years in 1990 to 79.0 years in 2030, for males. For females the similar increase is 3.1 years, from 80.4 in 1990 to 83.5 in 2030.

Labor Force Participation. MCD specific labor force participation rates are assumed to trend with projected U.S. rates to 2020, except where U.S. rates are projected to fall. In effect, this assumes little or no change in Utah male participation rates and increases in middle and older age

female rates. After 2020, labor force participation rates are assumed to remain constant at their 2020 levels.

Unemployment Rates. Unemployment rates at the MCD level are assumed to rise in 2001 and 2002, then fall in 2003. It is further assumed that MCD level unemployment rates continue to fall until 2008, giving an assumed state level unemployment rate of 3.9% from 2008 to 2030.

Multi-Job Holding Rates. MCD specific multi-job holding rates are assumed to revert to their 1990-2001 mean over the interval 2001 to 2006.

Employment Growth Assumptions. For the long-term, 2000 to 2030, basic employment growth was based on a demographic assumption, but was consistent with a conservative mid-range growth assumption based upon alternative growth analysis. Growth in export employment is assumed sufficient to generate cumulative net in-migration equal to 19% of total population change and to generate cumulative natural increase (births minus deaths) equal to 81% of total population change over the interval 2000 to 2030. These percents correspond to those of the last three decades.

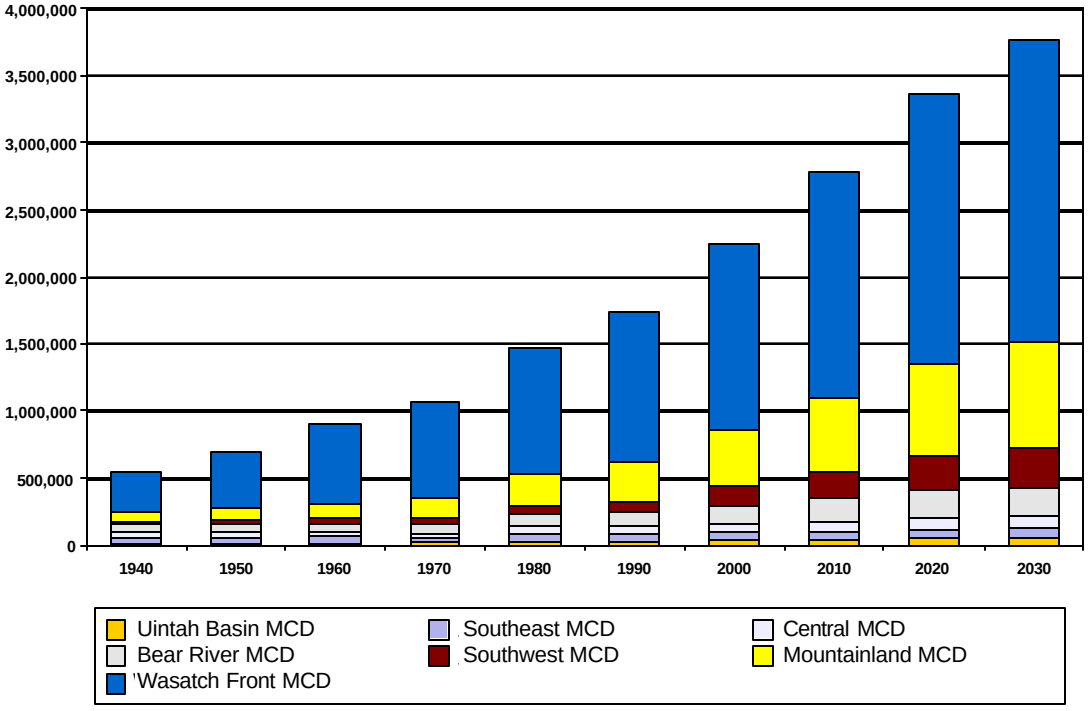
The Department of Natural Resources provided employment forecasts by county for coal mining and oil and gas extraction which were included.

Specific Assumptions. Additional assumptions include:

- Davis County reaches build-out at 400,000 persons
- Construction employment reverts to its historical share of total employment in 2009
- Agricultural jobs trend with the U.S.
- Federal Defense employment remains relatively constant after 2001
- Geneva's closing is included

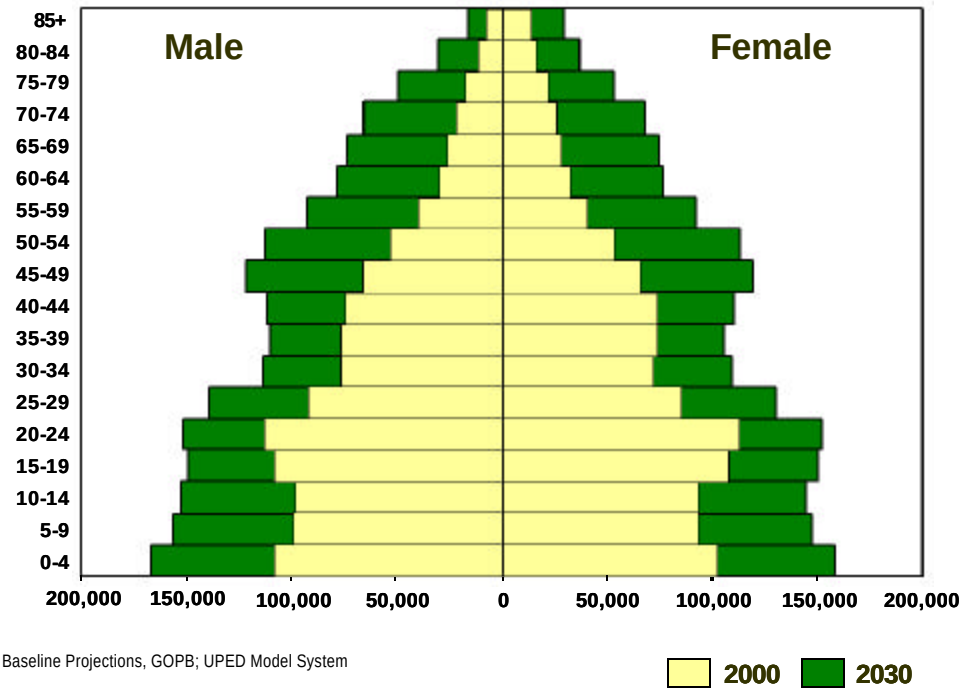
Additional Information. For additional information on historical as well as projected economic and demographic data, including methods, procedures, and assumptions, visit the web site: http://www.governor.utah.gov/projections.

Figure 6
Population Estimates and Projections by MCD: 1940-2030



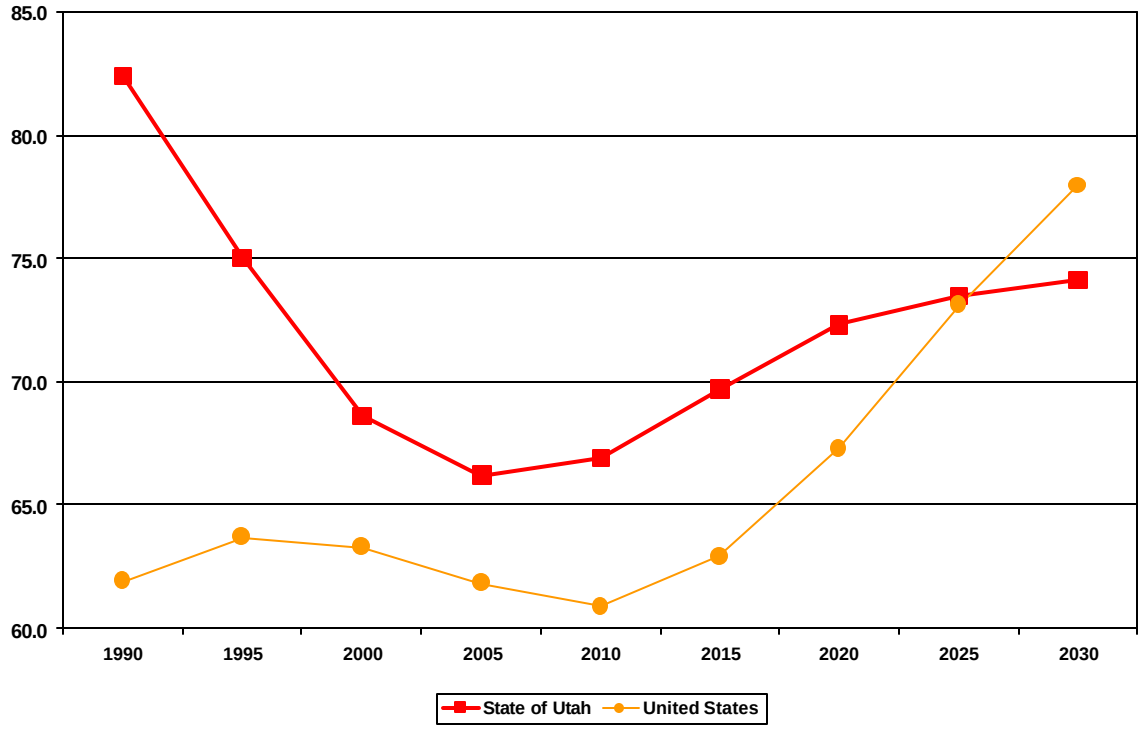
Source: 2002 Baseline Projections, GOPB; UPED Model System

Figure 7
Utah's Changing Age Structure



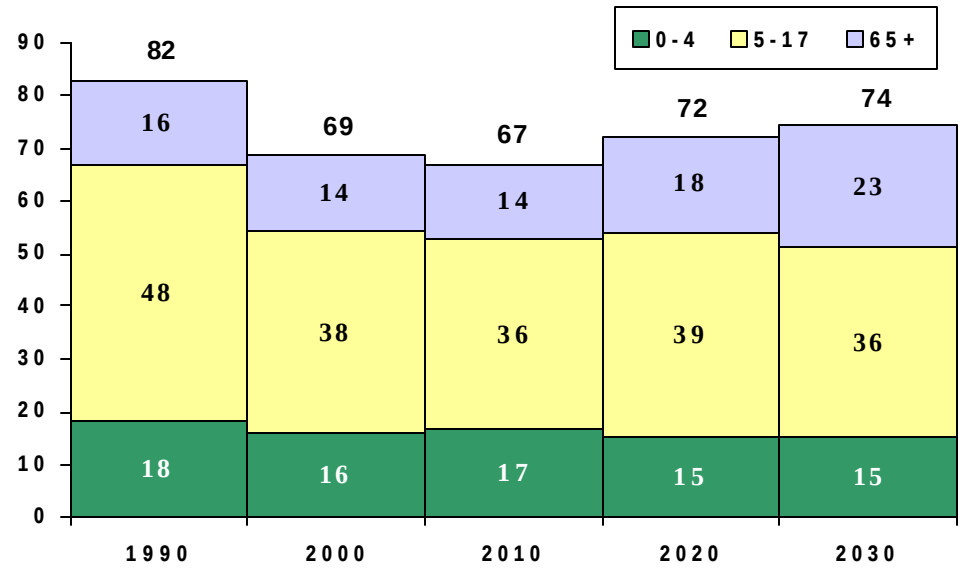
Source: 2002 Baseline Projections, GOPB; UPED Model System

Figure 8
Historical and Projected Dependency Ratios for Utah and the U.S.



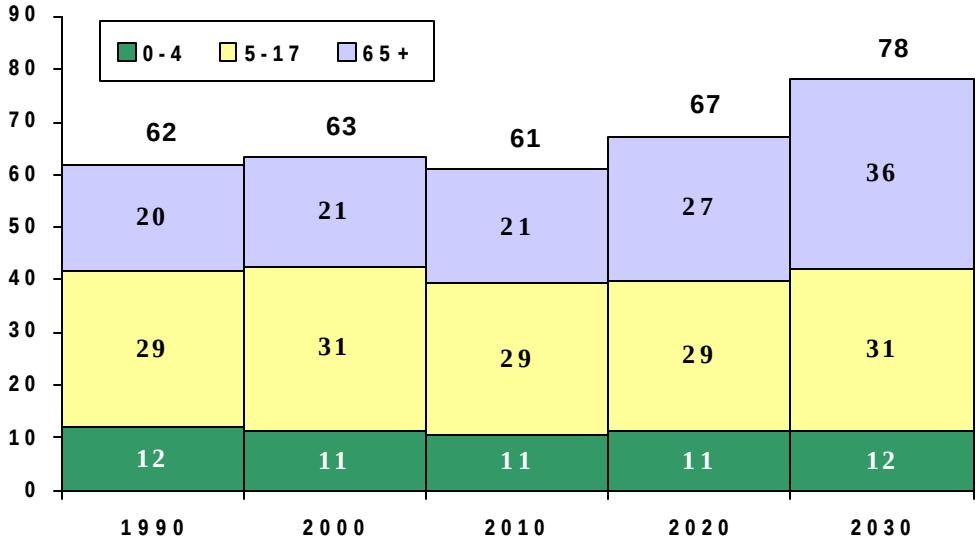
Source: 2002 Baseline Projections, GOPB; UPED Model System

Figure 9
Utah Dependency Ratios: 1990 to 2030



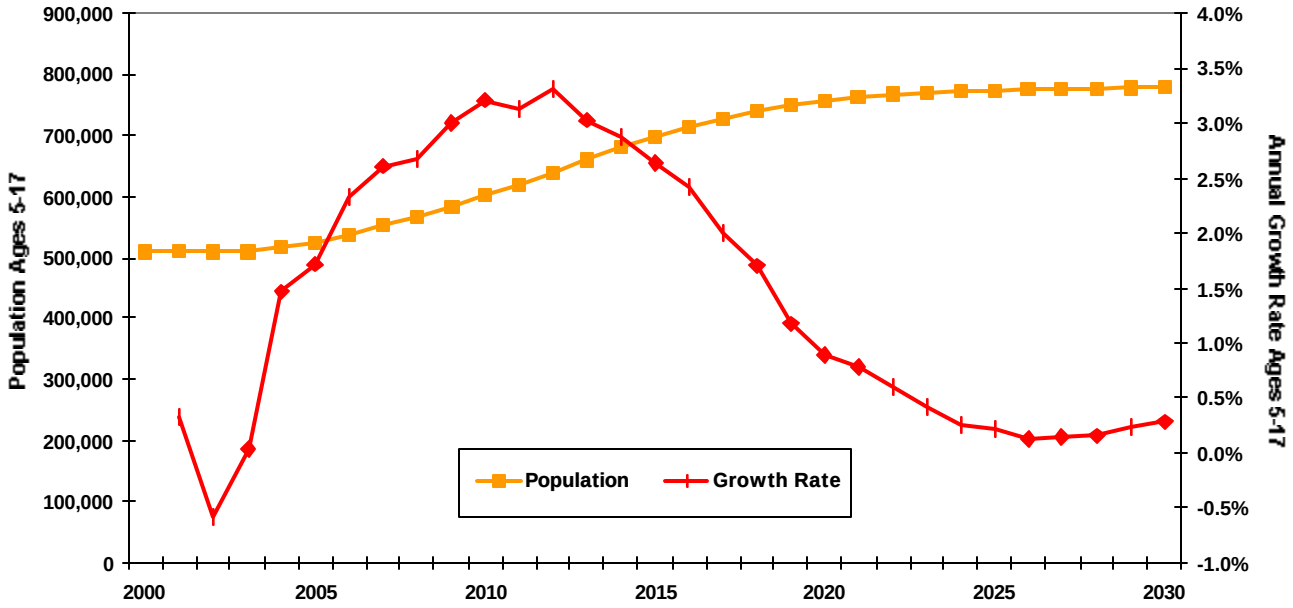
Source: 2002 Baseline Projections, GOPB; UPED Model System

Figure 10
U.S. Dependency Ratios: 1990 to 2030



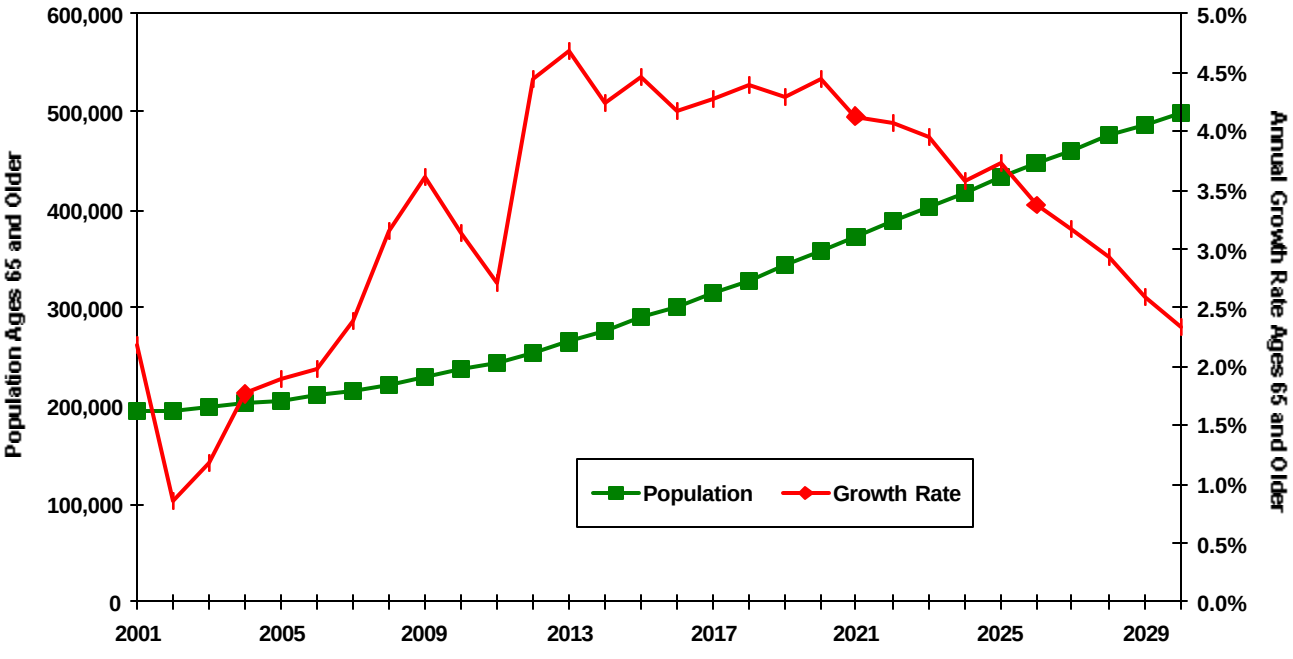
Source: 2002 Baseline Projections, GOPB; UPED Model System

Figure 11
Projected School Age Population



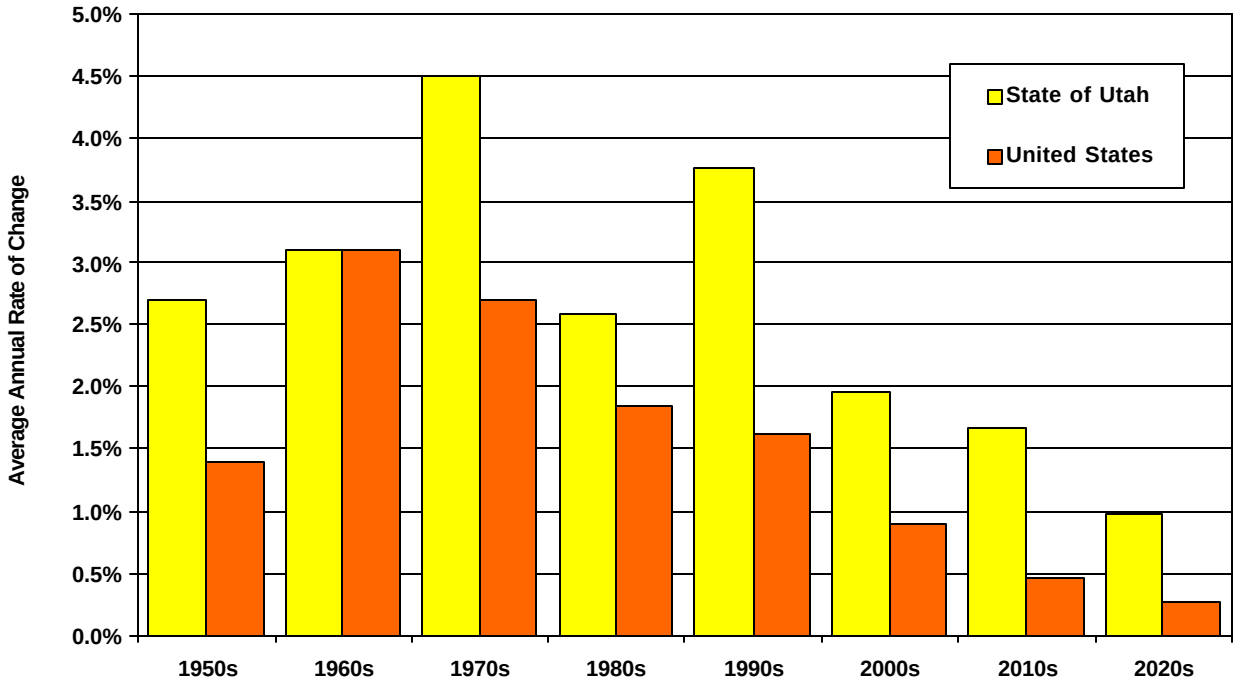
Source: 2002 Baseline Projections, GOPB; UPED Model System

Figure 12
Growth of 65 and Older Age Group



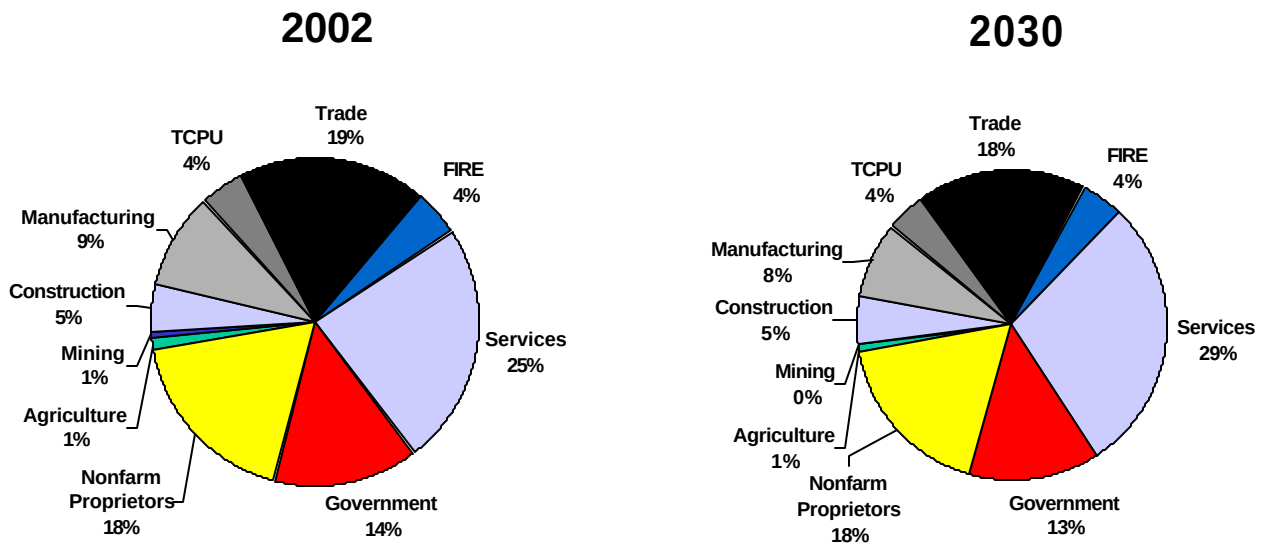
Source: 2002 Baseline Projections, GOPB; UPED Model System

Figure 13
Total Employment Growth by Decade for Utah and the U.S.



Source: 2002 Baseline Projections, GOPB; UPED Model System

Figure 14
Industry Employment as a Share of Total State Employment



Source: 2002 Baseline Projections, GOPB; UPED Model System

Table 4
Utah Economic and Demographic Summary

Year	1-Jul Population Total	AARC*	School Age Population (5-17) Total	AARC*	Non-Ag Payroll Employment Total	AARC*	Households Total	AARC*	Average Size
1990	1,729,227	na	458,454	na	724,013	na	538,385	na	3.16
1995	1,995,228	2.90%	491,657	1.41%	908,371	4.64%	644,477	3.66%	3.04
2000	2,246,553	2.40%	509,320	0.71%	1,075,144	3.43%	705,423	1.82%	3.13
2005	2,464,633	1.87%	524,458	0.59%	1,184,212	1.95%	792,786	2.36%	3.06
2010	2,787,670	2.49%	601,034	2.76%	1,348,977	2.64%	914,309	2.89%	3.00
2015	3,126,736	2.32%	696,579	2.99%	1,503,562	2.19%	1,039,599	2.60%	2.96
2020	3,371,071	1.52%	755,423	1.64%	1,617,315	1.47%	1,142,421	1.90%	2.90
2025	3,570,016	1.15%	772,652	0.45%	1,709,613	1.12%	1,232,017	1.52%	2.85
2030	3,772,042	1.11%	779,863	0.19%	1,798,566	1.02%	1,322,887	1.43%	2.80

*AARC- Average Annual Rate of Change

Note: Numbers in this table may differ from other tables due to different data sources.

Source: Governor's Office of Planning and Budget--Demographic and Economic Analysis Section, UPED Model System.
This is the 2002 Baseline, revised December, 2001.
The last year of historical data is 2001 for employment and 2001 for population.
Total population is the population in households plus the population in group quarters. Persons per household is population in households divided by the number of households.
Populations are dated July 1.

Table 5
Population Projections by County and District: April 1

MCD/County	1980	1990	2000	2005	2010	2015	2020	2030	AARC 2000-2030
BEAR RIVER	92,498	108,393	136,097	150,781	171,102	191,989	203,708	214,036	1.52%
Box Elder	33,222	36,485	42,745	46,928	53,224	59,433	63,391	68,088	1.56%
Cache	57,176	70,183	91,391	101,811	115,697	130,246	137,966	143,615	1.52%
Rich	2,100	1,725	1,961	2,042	2,181	2,310	2,351	2,333	0.58%
WASATCH FRONT	941,172	1,104,356	1,381,778	1,498,463	1,675,743	1,865,039	2,007,635	2,247,652	1.63%
Davis	146,540	187,941	238,994	262,241	292,201	323,992	347,412	386,672	1.62%
Morgan	4,917	5,528	7,129	7,506	8,329	9,250	9,981	11,312	1.55%
Salt Lake	619,066	725,956	898,387	967,390	1,077,556	1,195,554	1,283,784	1,431,843	1.57%
Tooele	26,033	26,601	40,735	50,119	59,780	70,338	79,539	97,055	2.94%
Weber	144,616	158,330	196,533	211,207	237,877	265,905	286,919	320,770	1.65%
MOUNTAINLAND	236,827	289,197	413,487	482,023	567,921	650,065	701,258	792,953	2.19%
Summit	10,198	15,518	29,736	35,162	41,988	49,462	56,001	68,474	2.82%
Utah	218,106	263,590	368,536	428,156	503,039	573,608	615,480	689,586	2.11%
Wasatch	8,523	10,089	15,215	18,705	22,894	26,995	29,777	34,893	2.81%
CENTRAL	47,087	52,294	66,192	71,500	77,256	84,409	90,388	94,874	1.21%
Juab	5,530	5,817	8,238	9,577	10,954	12,552	13,996	15,660	2.16%
Millard	8,970	11,333	12,405	13,051	13,538	14,250	14,730	14,605	0.55%
Piute	1,329	1,277	1,435	1,448	1,508	1,570	1,606	1,588	0.34%
Sanpete	14,620	16,259	22,763	24,488	26,351	28,685	30,611	31,860	1.13%
Sevier	14,727	15,431	18,842	20,117	21,649	23,570	25,159	26,174	1.10%
Wayne	1,911	2,177	2,509	2,819	3,256	3,782	4,286	4,987	2.32%
SOUTHWEST	55,489	83,263	140,919	164,441	193,112	224,438	251,404	303,288	2.59%
Beaver	4,378	4,765	6,005	6,432	6,932	7,470	7,823	8,417	1.13%
Garfield	3,673	3,980	4,735	4,869	5,332	5,833	6,196	6,841	1.23%
Iron	17,349	20,789	33,779	36,457	40,696	45,315	48,954	55,562	1.67%
Kane	4,024	5,169	6,046	6,907	8,272	9,765	11,077	13,628	2.75%
Washington	26,065	48,560	90,354	109,776	131,880	156,055	177,354	218,840	2.99%
UINTAH BASIN	33,840	35,546	40,516	42,866	44,837	48,042	50,189	51,372	0.79%
Daggett	769	690	921	976	1,030	1,112	1,169	1,208	0.91%
Duchesne	12,565	12,645	14,371	15,254	16,251	17,685	18,718	19,545	1.03%
Uintah	20,506	22,211	25,224	26,636	27,556	29,245	30,302	30,619	0.65%
SOUTHEAST	54,124	49,801	54,180	54,559	57,699	62,754	66,489	67,867	0.75%
Carbon	22,179	20,228	20,422	20,562	21,804	23,769	25,236	25,848	0.79%
Emery	11,451	10,332	10,860	10,667	11,103	11,906	12,455	12,438	0.45%
Grand	8,241	6,620	8,485	8,596	8,969	9,638	10,102	10,122	0.59%
San Juan	12,253	12,621	14,413	14,734	15,823	17,441	18,696	19,459	1.01%
STATE OF UTAH	1,461,037	1,722,850	2,233,169	2,464,633	2,787,670	3,126,736	3,371,071	3,772,042	1.76%

Notes:
1) AARC is average annual rate of change.
2) 1980 and 1990 populations are April 1 U.S. Census modified age, race and sex (MARS) populations.
3) 2000 populations are April 1 U.S. Census summary file 1 (SF1) populations; all others are July 1 populations.

Sources:
1) U.S. Bureau of the Census; Utah Population Estimates Committee.
2) 2002 Baseline Projections, Governor's Office of Planning and Budget, UPED Model System.

Table 6
Total Employment Projections by Major Industry

Industry	1980	1990	1995	2000	2005
Agriculture (4)	19,660	19,148	18,468	20,595	19,402
Mining	18,502	8,604	8,114	8,003	7,675
Construction	31,548	27,927	54,793	71,598	67,091
Manufacturing	87,707	107,102	123,865	130,847	129,507
TCPU (1)	34,127	42,286	51,496	60,846	63,791
Trade	128,692	172,394	220,026	251,635	268,359
FIRE (2)	25,768	34,133	47,678	57,327	65,407
Services (3)	105,839	185,865	243,716	315,368	377,275
Government	124,929	150,557	163,669	184,539	209,910
Non-farm Proprietors (4)	90,616	152,403	184,868	239,351	261,683
TOTAL EMPLOYMENT (5)	667,388	900,419	1,116,693	1,340,109	1,470,100
Non-Ag Payroll Emp (6)	551,833	724,013	907,909	1,075,144	1,184,212

Industry	2010	2015	2020	2025	2030
Agriculture (4)	18,901	18,226	17,470	16,515	16,164
Mining	7,511	7,242	6,866	6,465	4,675
Construction	77,730	86,316	93,504	99,958	106,323
Manufacturing	138,729	147,993	156,586	164,974	173,254
TCPU (1)	69,759	75,869	81,499	87,127	93,148
Trade	299,181	328,728	350,783	370,293	392,290
FIRE (2)	73,288	80,710	85,946	90,287	94,777
Services (3)	451,524	519,196	568,268	607,898	643,192
Government	236,206	262,583	278,904	287,510	295,852
Non-farm Proprietors (4)	294,809	327,295	351,708	373,561	397,366
TOTAL EMPLOYMENT (5)	1,667,638	1,854,158	1,991,534	2,104,588	2,217,041
Non-Ag Payroll Emp (6)	1,348,977	1,503,562	1,617,315	1,709,613	1,798,566

Source: Governor's Office of Planning and Budget--Demographic and Economic Analysis Section, UPED Model System.

Note: Numbers in this table may differ from other tables due to different data sources. Also, these data are based on SIC codes and do not reflect the new NAICS classification system.

This is the 2002 Baseline, revised December, 2001.
Calculations may not match other projections in this report due to updated information.
(1) Transportation, Communications and Public Utilities
(2) Finance, Insurance and Real Estate
(3) Includes Private Household and Agricultural Services employment (SICs 88, 07, 08, and 09)
(4) U.S. Bureau of Economic Analysis definition
(5) Totals may not add due to rounding
(6) Excludes Agriculture, Private Household, and Non-Farm Proprietor employment

Table 7
Utah Population Projections by Selected Age Groups

Age	1980	1990	2000	2005	2010	2015	2020	2025	2030
0-4	189,962	172,252	210,667	251,546	280,481	298,969	301,938	306,681	326,705
5-17	350,143	456,783	512,361	524,458	601,034	696,579	755,423	772,652	779,863
18-29	351,391	337,682	499,004	536,770	550,338	555,452	579,211	632,344	695,239
30-39	184,866	261,192	301,065	327,325	410,129	481,227	477,538	445,675	439,531
40-64	275,455	345,459	532,133	618,850	708,984	805,067	899,399	979,906	1,031,962
65+	109,220	149,482	191,323	205,684	236,704	289,442	357,562	432,758	498,742
15-44	678,160	789,887	1,074,503	1,133,894	1,240,101	1,367,760	1,454,150	1,498,069	1,536,089
16-64	864,989	1,003,330	1,416,755	1,560,271	1,749,736	1,933,403	2,064,881	2,174,065	2,285,574
60+	155,480	201,994	254,144	284,137	341,810	422,364	509,415	588,971	654,137
Total	1,461,037	1,722,850	2,246,553	2,464,633	2,787,670	3,126,736	3,371,071	3,570,016	3,772,042
Median Age	24	26	27	28	29	30	31	32	32

Source: Governor's Office of Planning and Budget–Demographic and Economic Analysis Section, UPED Model System.
This is the 2002 Baseline, revised December, 2001.
1980 and 1990 populations are April 1 U.S. Census MARS populations; all others are July 1 populations.

Table 8
Utah Population Projections by Selected Age Groups as a Percent of Total

Age	1980	1990	2000	2005	2010	2015	2020	2025	2030
0-4	13.0%	10.0%	9.4%	10.2%	10.1%	9.6%	9.0%	8.6%	8.7%
5-17	24.0%	26.5%	22.8%	21.3%	21.6%	22.3%	22.4%	21.6%	20.7%
18-29	24.1%	19.6%	22.2%	21.8%	19.7%	17.8%	17.2%	17.7%	18.4%
30-39	12.7%	15.2%	13.4%	13.3%	14.7%	15.4%	14.2%	12.5%	11.7%
40-64	18.9%	20.1%	23.7%	25.1%	25.4%	25.7%	26.7%	27.4%	27.4%
65+	7.5%	8.7%	8.5%	8.3%	8.5%	9.3%	10.6%	12.1%	13.2%
15-44	46.4%	45.8%	47.8%	46.0%	44.5%	43.7%	43.1%	42.0%	40.7%
16-64	59.2%	58.2%	63.1%	63.3%	62.8%	61.8%	61.3%	60.9%	60.6%
60+	10.6%	11.7%	11.3%	11.5%	12.3%	13.5%	15.1%	16.5%	17.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Governor's Office of Planning and Budget--Demographic and Economic Analysis Section, UPED Model System.
This is the 2002 Baseline, revised December, 2001.
1980 and 1990 populations are April 1 U.S. Census MARS populations; all others are July 1 populations.

Table 9
Location Quotients and Hachman Index for the State of Utah

Industry	1980	1990	2000	2010	2020	2030
Agriculture	0.89	0.94	0.81	0.69	0.60	0.55
Mining	3.05	1.86	1.86	1.69	1.45	0.97
Construction	1.20	0.81	1.30	1.15	1.17	1.20
Manufacturing	0.73	0.86	0.87	0.83	0.83	0.87
TCPU	1.13	1.13	1.08	1.01	1.00	1.04
Trade	1.06	1.01	1.01	0.96	0.95	0.96
FIRE	0.82	0.77	0.91	0.94	0.93	0.92
Services	0.88	0.93	0.90	0.97	0.99	0.98
Government	1.14	1.10	1.02	1.08	1.08	1.05
Non-Farm Proprietors	1.12	1.21	1.17	1.13	1.12	1.13
Hachman Index	0.94	0.98	0.98	0.99	0.99	0.99

*Location Quotients are measures of relative shares. The share of a given industry in the subject area (Utah) is compared to that of the reference region (United States). A location greater than 1 indicates specialization in a subject region relative to the reference region.

**The Hachman Index measures how closely the employment distribution of the subject region (Utah) resembles that of the reference region (United States). As the value of the index approaches one, this means that the subject region's employment distribution among industries is more similar to that of the reference region.

Note: These data are based on SIC codes and do reflect the new NAICS classification system.

Source: 2002 Baseline Projections, GOPB, UPED Model System.

Table 10
Hachman Index by Individual County in the State of Utah

County	1980	1990	2000	2010	2020	2030
Beaver	0.48	0.46	0.36	0.42	0.48	0.52
Box Elder	0.69	0.53	0.57	0.61	0.61	0.58
Cache	0.84	0.81	0.85	0.85	0.84	0.82
Carbon	0.15	0.20	0.37	0.42	0.55	0.71
Daggett	0.35	0.49	0.60	0.60	0.61	0.63
Davis	0.73	0.83	0.89	0.91	0.92	0.92
Duchesne	0.21	0.33	0.29	0.43	0.54	0.61
Emery	0.06	0.10	0.10	0.12	0.17	0.27
Garfield	0.40	0.55	0.58	0.66	0.71	0.75
Grand	0.22	0.60	0.81	0.83	0.84	0.84
Iron	0.81	0.84	0.91	0.90	0.90	0.91
Juab	0.65	0.56	0.67	0.72	0.76	0.76
Kane	0.70	0.75	0.87	0.88	0.89	0.89
Millard	0.31	0.40	0.36	0.42	0.44	0.44
Morgan	0.45	0.32	0.47	0.51	0.54	0.55
Piute	0.24	0.13	0.13	0.15	0.17	0.18
Rich	0.22	0.18	0.28	0.32	0.35	0.37
Salt Lake	0.93	0.96	0.95	0.96	0.96	0.96
San Juan	0.10	0.33	0.44	0.33	0.41	0.55
Sanpete	0.47	0.48	0.60	0.65	0.68	0.70
Sevier	0.60	0.62	0.65	0.68	0.73	0.77
Summit	0.41	0.80	0.79	0.81	0.82	0.82
Tooele	0.42	0.53	0.82	0.86	0.87	0.88
Uintah	0.21	0.25	0.19	0.30	0.43	0.51
Utah	0.94	0.92	0.93	0.93	0.93	0.93
Wasatch	0.59	0.68	0.73	0.78	0.79	0.79
Washington	0.81	0.88	0.84	0.88	0.88	0.88
Wayne	0.30	0.27	0.48	0.60	0.68	0.73
Weber	0.93	0.94	0.96	0.96	0.96	0.97

*The subject region is each individual county, and the reference region is the United States.

Source: 2002 Baseline Projections, GOPB, UPED Model System.

Table 11
Utah Dependency Ratios

	1980	1990	2000	2005	2010	2015	2020	2030
Dependency Ratio	80	82	69	66	67	70	72	74
Pop 0-4 per 100 Pop age 18-64	23	18	16	17	17	16	15	15
Pop 5-17 per 100 Pop age 18-64	43	48	38	35	36	38	39	36
Pop 65+ per 100 Pop age 18-64	13	16	14	14	14	16	18	23

Source: Governor's Office of Planning and Budget--Demographic and Economic Analysis Section, UPED Model System.
This is the 2002 Baseline, revised December, 2001.
1980 and 1990 populations are April 1 U.S. Census MARS populations; all others are July 1 populations.
The dependency ratio is defined as the population ages 0-17 and 65 plus per 100 persons ages 18-64.

Table 12
Historical and Projected Life Expectancies for Utah and the U.S.

	Utah			U.S.		
Year	Male	Female	Total	Male	Female	Total
1970	69.5	76.6	73.0	67.0	74.6	70.8
1980	72.4	79.2	75.8	70.1	77.6	73.9
1990	74.9	80.4	77.7	71.8	78.8	75.3
2000	76.0	81.2	78.6	73.0	79.7	76.4
2010	77.0	82.0	79.5	74.1	80.6	77.3
2020	78.0	82.7	80.4	75.3	81.4	78.4
2030	79.0	83.5	81.3	76.7	82.3	79.5

Sources: National Center for Health Statistics, Vital Statistics of the United States, Decennial Life Tables; Governor's Office of Planning and Budget--Demographic and Economic Analysis Section, UPED Model System.

Economic Development Activities

Economic Development Activities

Overview

States offer a variety of business incentives to attract, expand, or retain jobs. Opponents maintain that tax and financial incentives drain dollars from state coffers that could be used for other public services and infrastructure. Advocates of business incentives claim that they have a positive effect on business location decisions and pay for themselves. In an attempt to understand where Utah stands, the Utah Department of Community and Economic Development assembled an incentives workgroup to compare Utah's economic development incentives with other nearby states.

The taskforce found that available surveys of state incentives make it appear that most states have a full menu of incentives to offer. In reality, there are relatively few significant business incentives (at least in western states) and most are restricted, for example, to rural areas and Enterprise Zones. The taskforce also determined that overall, Utah's incentives are "competitive", ranking in the middle of the pack, and that neither a major expansion of existing incentives, nor a range of new incentives appear necessary.

Background

Since the late 1970's, states have offered a variety of business incentives to attract, expand, or retain jobs. Business incentives, using the Council of State Governments definition, are "public subsidies including, but not limited to, tax abatement and financial assistance programs designed to create, retain or lure businesses." Tax incentives refer to credits, abatements, or refunds of corporate or personal income, sales and use, property, or other taxes. Financial incentives are generally any other type of direct loan, grant, loan guarantee, job training assistance, or infrastructure development. In addition to such general tax and financial incentives, some states have gone so far as to pass incentive legislation targeted at specific companies.

Opponents maintain that tax and financial incentives are rarely at the top of the list of factors in a company's location decision. In addition, they contend that these incentives are generally inefficient in creating jobs, often discriminate against existing area businesses, drain dollars from state coffers that could be used for public services and infrastructure, and create a self-defeating zero-sum conflict between the states. Advocates of business incentives claim that they have a positive effect on business location decisions, create jobs, are cost effective, and are necessary in the competitive environment of economic development.

While this debate continues to take place, by 2000, more than 40 states offered incentives in the form of tax credits, exemptions or rebates for such things as equipment and machinery, inventory and goods in transit, manufacturing raw materials, job creation, and research and development. Recently, states have begun linking these exemptions to corporate and personal income taxes. Some states provide low- or zero-interest loans or grants for land, building construction, machinery or plant expansion.

In an attempt to illuminate this ever-changing landscape, the Council of State Governments and the National Association of State Development Agencies, among others, periodically publish reports on the various tax and other incentives that states offer businesses to expand or relocate. However, it is difficult and frequently misleading to try to determine how the various incentive packages compare, or the value of these incentives to businesses, based on these surveys.

Department of Community and Economic Development Taskforce on Incentives

As a result, in September 2002, the Utah Department of Community and Economic Development assembled an incentives workgroup to compare Utah's economic development incentives with other nearby states.

The workgroup decided that three steps were required in order to accomplish this. First, it needed to identify the major incentives available in each state. Second, for the analysis to be meaningful, it was necessary to understand the general tax structure of the states being compared. This would include an understanding of their major taxes, their rates, and tax exemptions related to economic development. The third step was to decide which incentives certain targeted companies would be eligible for in each state, and how much the incentives would be worth.

To assess the value and impact of the various types of incentives, eight test cases were constructed based on examples from Utah's "ecosystems". These examples were chosen from companies that had applied for Industrial Assistance Fund grants and for which complete project data was available. Because of time and resource constraints, the workgroup limited its study to Utah, eight western states, plus an eastern state with which Utah was "competing" for a specific project.

A simplified economic impact model was developed for each state, using the Bureau of Economic Analysis' RIMS II earnings and employment multipliers, and containing each state's tax rates, average per capita government expenditures, as well as other related economic and demographic data. Holding project data constant, an impact model was developed for the eight test cases in each of the ten states.

Members of the workgroup were then assigned a state and asked to determine which of "their" state's incentives would apply to the eight test cases. Only each state's major incentives (usually established by statute) and available to companies seeking to locate in a large metropolitan area, were included in the evaluation. Examples of the types of incentives included are sales and property tax exemptions for machinery and equipment; sales and income tax credits for job creation and/or investment in machinery and equipment; customized job training programs, credits for on-site child care, and direct grants.

Taskforce Findings

Based on a simple cataloging of state incentives, it appears that most states have a full menu of incentives to offer. In reality, there are relatively few significant business incentives (at least in the western states which constituted the majority of the comparison states), and most are restricted, for instance, to rural areas and to Enterprise Zones. As an example, Utah's state-level incentives include:

- A sales and use tax exemption for machinery and equipment purchased or leased by a manufacturer for use in new or expanding operations in Utah.
- A research and development income tax credit for machinery and equipment, applicable to corporate or personal income.
- The Industrial Assistance Fund (IAF), which a company may apply to for assistance in relocation or expansion costs.
- The "Custom Fit Training Program," which provides employee training for new or expanding companies.

- Rural Enterprise Zones that provide tax credits for companies locating in rural areas that qualify for assistance.
- The Private Activity Bond Authority (PAB) which is a tax-exempt bonding authority to create a lower cost, long-term source of capital.

Based on a ranking of the incentives that were potentially available to the eight test cases, Utah's incentive package appears "competitive". Utah ranked fifth overall out of the ten states. The most common incentive is a sales tax exemption for manufacturing equipment and machinery. Nine out of the ten states have this. Eight states offer some type of customized employee training. Four of the comparison states have an investment tax credit.

Some recent studies conclude that incentives have a positive effect in stimulating overall economic growth within a state. On the other hand, fewer and lower tax rates are more economically efficient than a broad range of tax/fiscal incentives (the tax system is easier to administer, less liable to abuse, less distorting to the economy, etc). The more the incentives were made available to companies, and the broader the eligibility for these incentives, the less their effectiveness. They merely shift the tax burden to others and are subject to the problems just noted.

Furthermore, adopting a particular incentive because other states have it is not necessarily good policy. According to the 2000 Council of State Governments incentives survey, just over half of the states use any kind of cost/benefit assessment in designing or allocating their incentives, and even fewer use a full fiscal impact model in their business recruiting efforts.

Taskforce Recommendations

In general, without other offsetting factors, recruiting companies that pay an average annual wage below the state average will result in a net fiscal loss to Utah state government. Recruiting companies with capital investment less than their industry average will usually result in a net loss for local government. Consequently, with few exceptions, Utah's incentives should be targeted to industries and companies that pay higher than the state average wage and fit within Utah's recognized clusters/ecosystems.

The Industrial Assistance Fund is effective and a unique incentive among the states. It accounted for one-fourth of Utah's total incentive package in the eight test cases. In addition, Utah also has several potentially effective incentives that are not currently being fully utilized. For example, Private Activity Bond financing represents a potentially significant incentive for some firms. Utah should increase the allotment of PAB funds available for manufacturing projects and expand the use of this resource as a major incentive.

Based on the findings of the taskforce, neither a major expansion of existing incentives nor a range of new incentives appear necessary in Utah, nor are they desirable from an economic efficiency standpoint.

Finally, Utah should establish and publish a set of clear guidelines regarding the availability, criteria, and use of state incentives. These should then be promoted by training economic development practitioners on their potential use and advantages for the state.

Economic Indicators

Demographics

Overview

The state's July 1, 2002 population was estimated to be 2,338,761 persons, increasing 1.9% from 2001. Although the state continues to experience net in-migration, natural increase accounts for the majority of the state's population growth. Utah's population growth is characterized by a high birth rate and low death rate, both at record levels for the state in 2002.

According to Census 2000, Utah's population increased 29.6% from 1990 to 2000, growing twice as fast as the U.S. over the decade. Utah ranked fourth among states in population growth from 1990 to 2000. Utah also continues to have a distinctive demographic profile. The state's population is younger, women tend to have more children, people on average live in larger households, and people tend to survive to older ages in comparison to other states.

2002 State and County Population Estimates

The Utah Population Estimates Committee recently released July 1, 2002 population estimates for the State of Utah and its counties. The state's population reached 2,338,761 in 2002, a year over increase of 42,790 persons, or 1.9%. The state experienced its twelfth straight year of net in-migration in 2002, as well as record setting years for births and natural increase (births minus deaths).

Utah's counties experienced varied growth rates in 2002. The most rapid growth in Utah occurred in counties within or adjacent to the northern metropolitan region, and in the southwestern portion of the state. The counties that are estimated to have grown faster than the state rate (1.9%) over the past year include, Wasatch County, with the highest growth rate of 5.6%, followed by Washington (5.3%), Tooele (4.0%), Rich (3.4%), Utah (3.2%), Summit (3.1%), Cache (2.2%), and Davis (2.2%).

Several counties experienced population deacrease from 2001 to 2002. The majority of these counties are located in the southern and eastern areas of the state and they include Daggett (-3.0%), Kane (-1.3%), Garfield (-0.7%), Uintah (-0.2%), and Wayne (-0.2%).

Components of Population Change

Annual changes in population are comprised of two components: natural increase and net migration. Natural increase is the number of births minus the number of deaths. Annual births were at a record level in 2002 at 48,041, as well as annual deaths at 12,662. Since 1990, over 60% of the state's population growth has resulted from natural increase.

Net migration is the second component of population change. For a given period, net migration is in-migration minus out-migration, or the number of people moving into a place minus the number of people moving out. Total population in the state increased by 42,790 persons from 2001 to 2002. Natural increase accounted for 35,379 persons, or 83%, while net in-migration accounted for 7,411 persons, or 17% of the total population increase. In 2002, Utah experienced net in-migration for the twelfth year in a row.

Fluctuations in the annual amount of natural increase may result from changes in the size, age structure, and vital statistics (fertility and mortality) of the population. Total fertility rate is the number of births a woman would have during her lifetime if, at each year of age, she experienced the birth rate occurring for that specific year. Utah's fertility rate, 2.68 in 2002, continues to be the highest among states nationwide.

According to the National Center for Health Statistics, life expectancy has increased for both men and women in Utah and the U.S. from 1970 through 1990, although Utah life expectancy has been consistently higher than the national average. Life expectancy in Utah has risen from 72.9 in 1970 to 77.7 in 1990, compared to 70.8 in 1970 and 75.4 in 1990 for the U.S.

Utah's Young Population

Utah's rate of population growth continues to be about twice that of the nation. The state's population is younger, women tend to have more children, people on average live in larger households, and people tend to survive to older ages in comparison to other states. All these factors lead to an age structure that is quite unique among states. According to Census 2000, Utah has the lowest median age (27.1) among states, the highest share of its total population is in the preschool age group (9.4%), and the second highest share of its total population is in the school age group (22.8%). At the same time, the state has one of the smallest shares of its population in the working age group (59.3%). Only Alaska (5.7%) has a smaller share of its total population in the 65 and older age group than does Utah (8.5%).

Utah continues to have the youngest population in the country, ranking first in the percent of the population under 18 (32.2%) in 2000. Utah County had the youngest population of any county in the nation (with a population of 100,000 or more), with a median age of 23.3. The City of Provo, with a median age of 22.9, had the lowest median age of any city in the nation (with a population of 100,000 or more) in 2000.

Another way to look at the age structure of a population is by examining the Dependency Ratio, which is a calculation of the number of non-working age persons (under 18 and 65 and over) per 100 persons of working age (18 to 64). Based on Census 2000 results, the total dependency ratio for Utah was 68.6, compared to 72.2 in 1999. Utah continues to have one of the highest dependency ratios among states, just behind South Dakota (70.0).

Census 2000 Population Counts

On April 1, 2000, the U.S. Census Bureau conducted the 22nd national census. In Census 2000, over 281 million people were counted in the U.S., representing an increase of 33 million people, or 13.2% from 1990. This ten-year population increase was the largest in American history, with every state in the country experiencing growth, although to varying degrees. Population growth varied significantly by region, with the West and South leading the nation, growing 19.7% and 17.3% respectively.

Utah's population reached 2,233,169 on April 1, 2000, increasing by 510,319 people from 1990. This placed Utah fourth among states in population growth over the ten-year period. Nevada grew the fastest at 66.3%, followed by Arizona (40.0%), Colorado (30.6%), Utah (29.6%), and Idaho (28.5%).

Salt Lake County continued to be the state's largest county in the state, with a 2000 population of 898,387, followed by Utah (368,536), Davis (238,994), Weber (196,533), and Cache (91,391). Salt Lake City was the largest city in the state in 2000, with a population of 181,743,

followed by West Valley City (108,896), Provo (105,166), Sandy (88,418), and Orem (84,324).

All of Utah's 29 counties experienced population growth in the 1990s, ranging from a high of 91.6% in Summit County, to a low of 1.0% in Carbon County. Five of the state's fastest growing counties over the decade form a ring of high growth around the northern metropolitan counties. These counties include Summit (91.6%), Tooele (53.1%), Wasatch (50.8%), Juab (41.6%), and Sanpete (40.0%). Southern Utah's rapid growth continued with Washington (86.1%) and Iron (62.5%) counties, the second and third fastest growing counties in the state, growing more than twice as fast the state in the 1990s.

The City of Draper, in Salt Lake County, led the way among the state's largest cities (greater than 9,000). Draper more than tripled in size from 1990 to 2000, increasing 18,000 people, or 248%. Several other of the state's largest cities, all located along the Wasatch Front, doubled in size over the decade, including South Jordan (141%), Lehi (125%), Riverton (122%), and Syracuse (102%).

Census 2000 Household and Family Characteristics

Utah continued to have the largest households in the nation, with 3.13 persons per household in 2000, compared to 2.59 nationally. The number of households in the state reached 701,281 in 2000, a 31% increase from 1990. Utah also continued to have the largest families in 2000, with 3.57 persons per family, compared to 3.14 nationally.

Over the past several decades, the composition of households in Utah has changed significantly. The number of family households increased by 30%. However, the proportion of households that are designated family households remained at 76%. In 2000, only 35% of households in Utah were composed of married couples with "own children" under 18, compared to 42% in 1980. The number of married couples, with or without children, has declined from 69% in 1980 to 63% in 2000. Despite these trends, Utah ranked first in the nation in 2000 in the percent of family households (76%) and percent of married couple families (63%).

Census 2000 State and County Race and Hispanic Origin Counts

As a result of the revised standards for collecting data on race and ethnicity issued by the U.S. Office of Management and Budget in 1997, Census 2000 was the first national census in which respondents were allowed to select more than once race.[1] The six race categories for Census 2000 include, White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, and Some Other Race. Respondents that selected more than one race are included in the "Two or More Race" category. The two categories for ethnicity include: Hispanic or Latino, or Not Hispanic or Latino.

While allowing respondents to report more than one race may provide a more accurate representation of the racial diversity of the country, it also means that data on race from Census 2000 are not directly comparable with the data from previous censuses. Another factor affecting 1990-2000 comparability is the splitting of the 1990 Asian and Pacific Islander category into two separate categories in 2000. The 2000 categories include (1) Asian, and (2) Native Hawaiian and Other Pacific Islander.

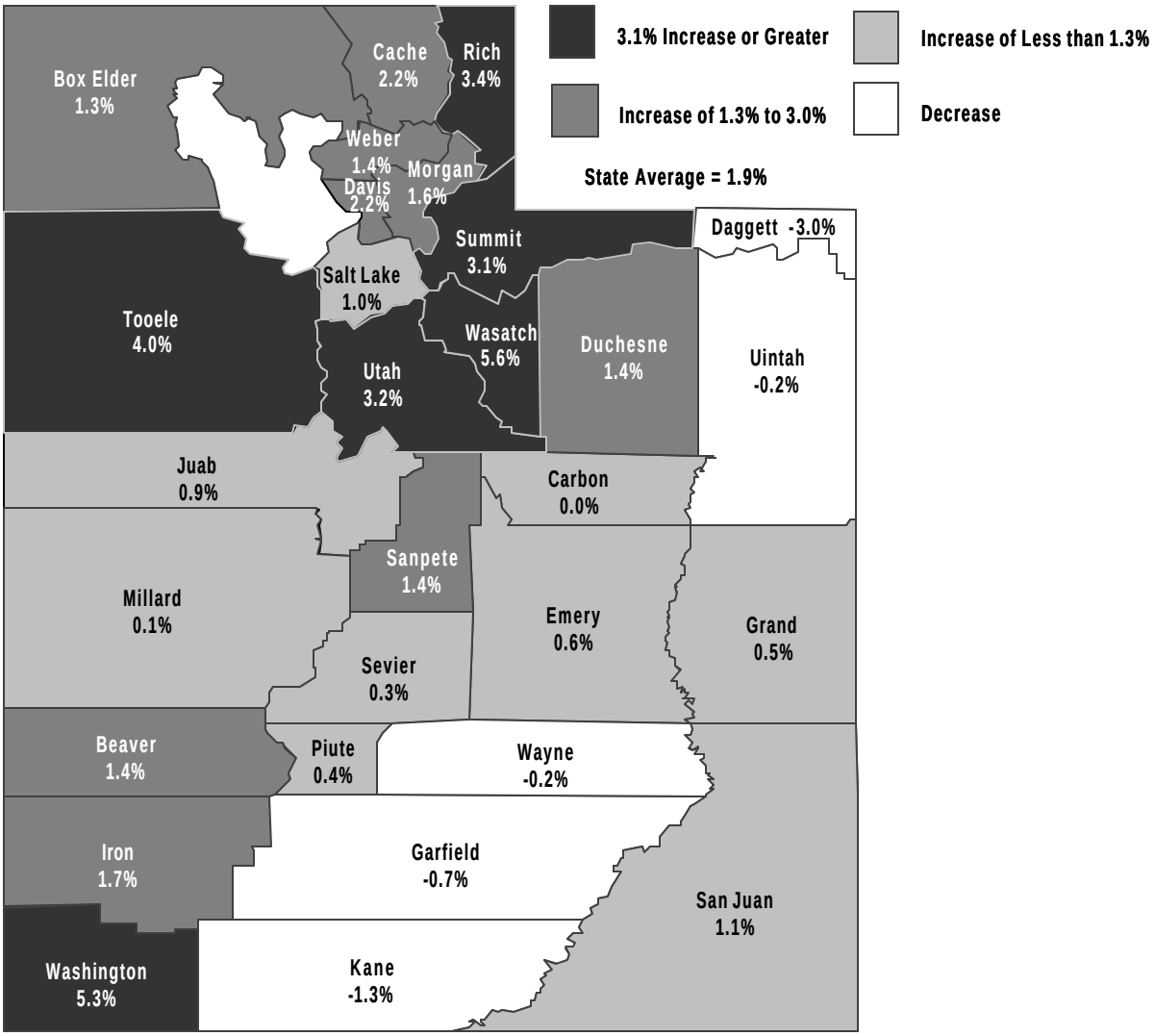
The majority of Utahns (97.9%) selected only one race in 2000. Among those that selected a single race, the majority were White (89.2%), followed by Asian (1.7%), American Indian and Alaska Native (1.3%), Black or African American (0.8%), Native Hawaiian or Other Pacific Islander (0.7%), and Some Other Race (4.2%).

The Hispanic population in Utah increased 138%, from 84,597 in 1990 to 201,559 in 2000. Hispanics accounted for 9% of the state's population in 2000, compared to 4.9% in 1990.

Among Utah's counties, Summit County had the fastest growing Hispanic population (638%) over the decade, followed by Washington (448%), Piute (327%), Garfield (289%), and Iron (262%). Carbon County was the only county that experienced a decrease in Hispanics over the decade (-6.7%). Hispanics made up 12.6% of the total population in Weber County in 2000, the largest percentage among all counties, followed by Salt Lake (11.9%), Carbon (10.3%), Tooele (10.3%), and Summit (8.1%).

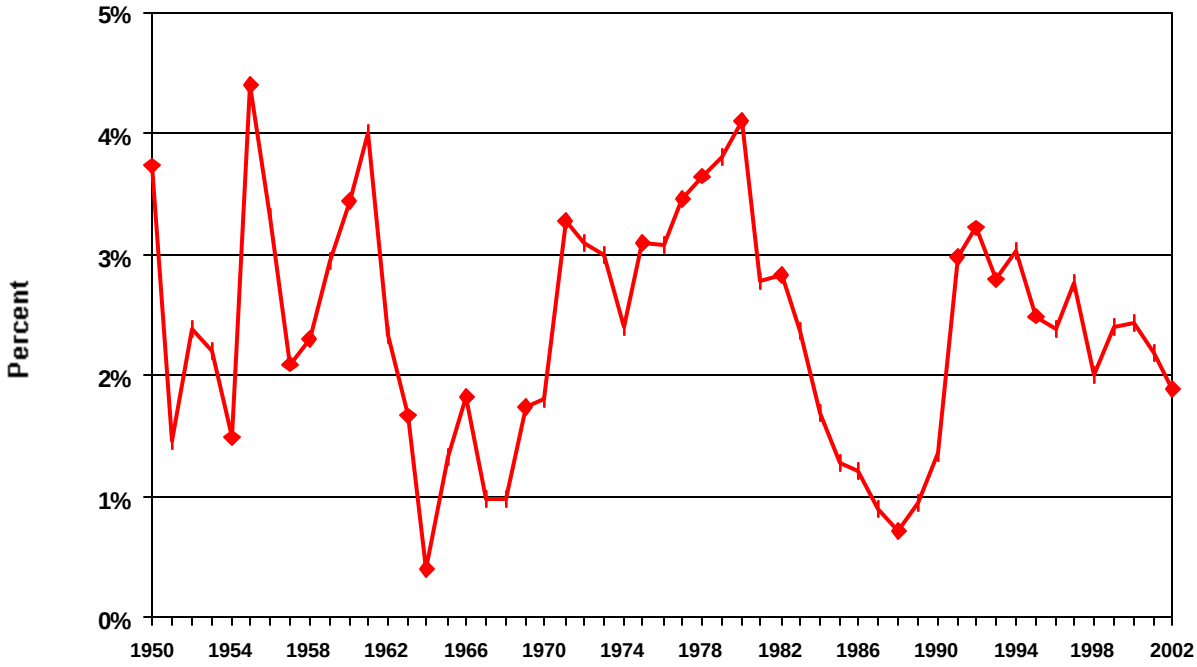
[1] According to the U.S. Census Bureau, the Some Other Race Category was included on the Census 2000 questionnaire for respondents who were unable to identify with the five other race categories.

Figure 15
Utah Population Growth Rates by County: 2001 to 2002



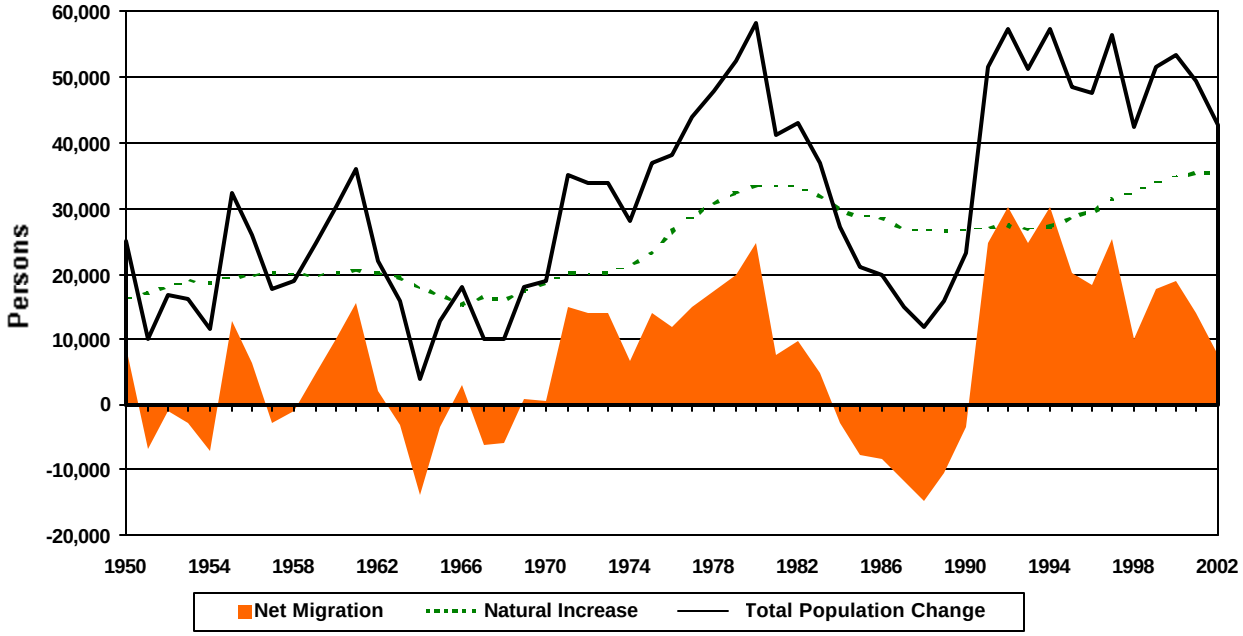
Source: Utah Population Estimates Committee

Figure 16
Utah Population -- Annual Percent Change



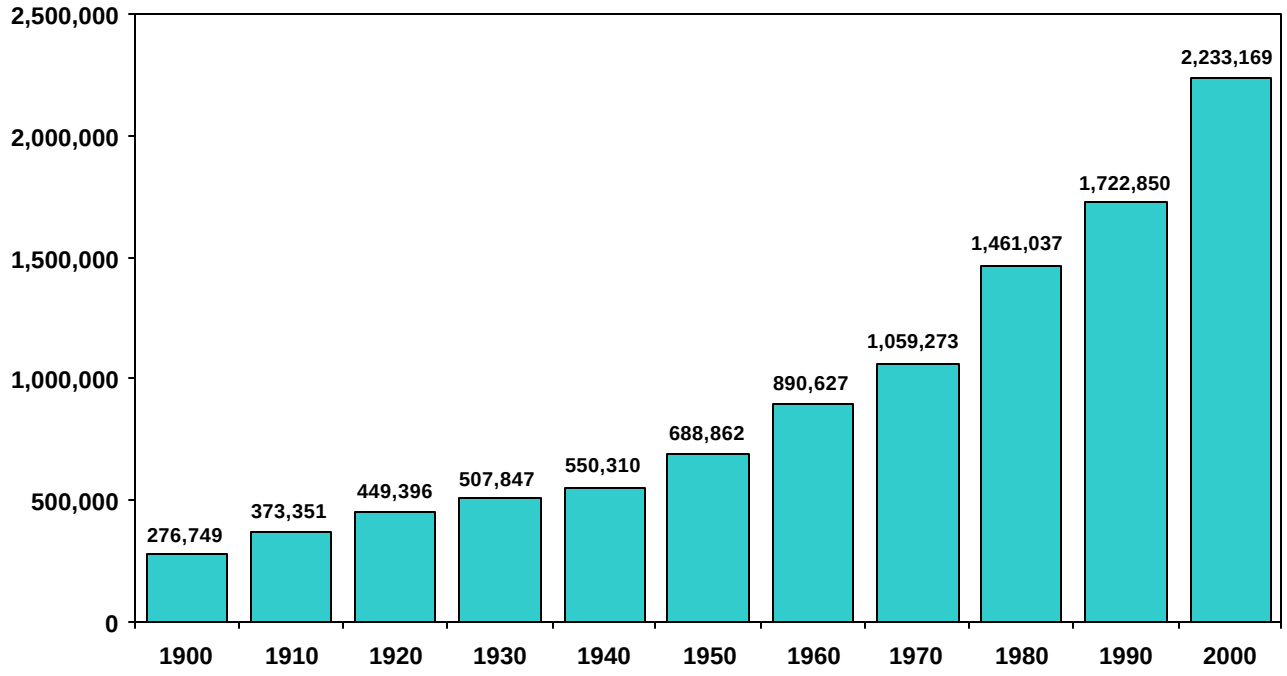
Source: Utah Population Estimates Committee

Figure 17
Utah Components of Population Change



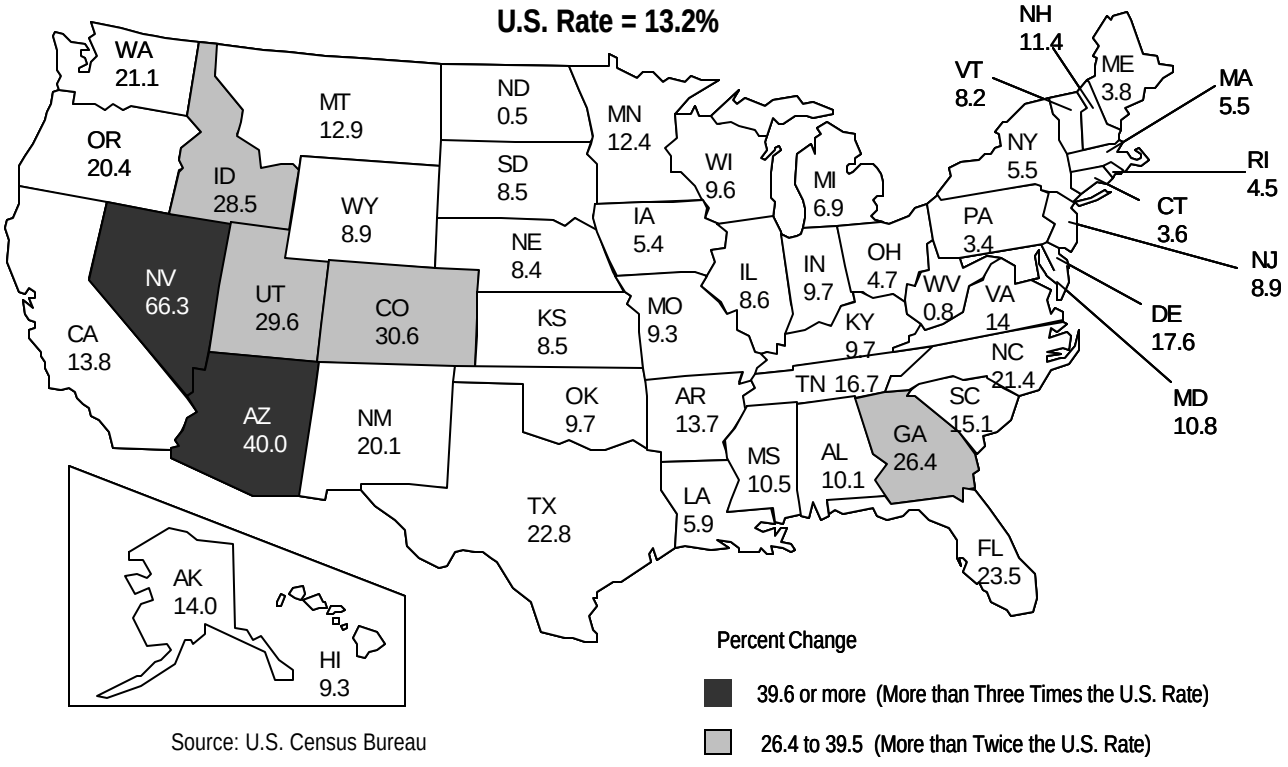
Source: Utah Population Estimates Committee

Figure 18
State of Utah Total Population: 1900-2000



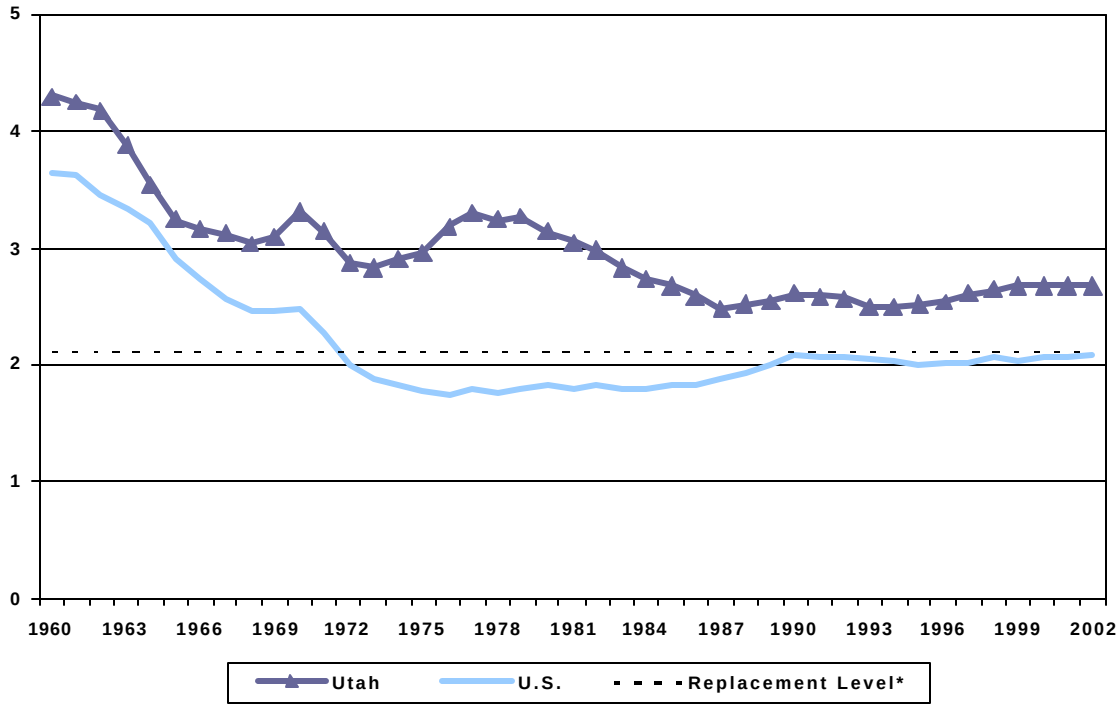
Source: U.S. Census Bureau (April 1st population counts)

Figure 19
Percent Change in Population for States: 1990 to 2000



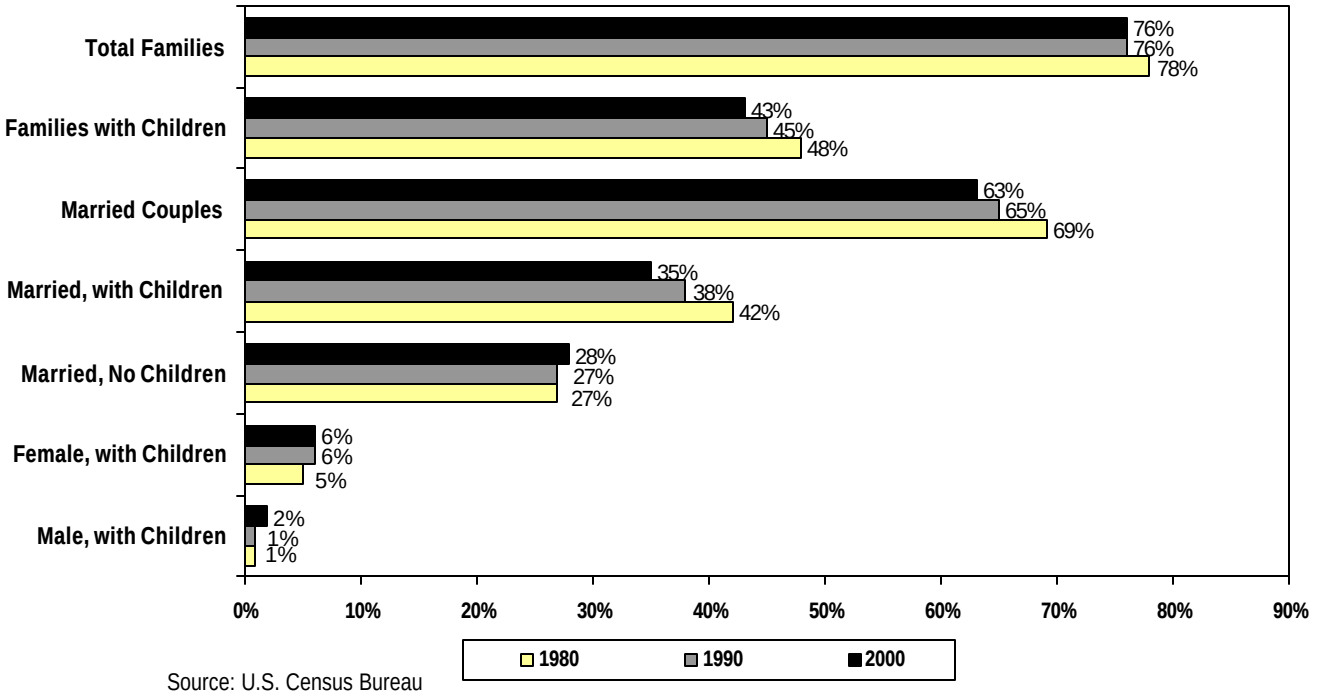
Source: U.S. Census Bureau

Figure 20
Total Fertility for Utah and the U.S.



Note: The Replacement Level is the fertility level at which the current population is replaced.
Sources: National Center for Health Statistics, Governor's Office of Planning and Budget, UPED/CASA, Eileen Brown, "Fertility in Utah: 1960-1985."

Figure 21
Utah Family Characteristics as a Percent of Total Households: 1980-2000



Source: U.S. Census Bureau

Table 13
Utah Population Estimates, Net Migration, Births and Deaths

Year	July 1st Population*	Percent Change	Increase	Net Migration	Net Migration as a Percent of Previous Year's Population	Natural Increase	Fiscal Year Births	Fiscal Year Deaths
1940	551,800	---	---	---	---	8,419	13,038	4,619
1941	551,000	-0.1%	-800	-9,631	-1.7%	8,831	13,293	4,462
1942	571,200	3.7%	20,200	10,231	1.8%	9,969	14,357	4,388
1943	640,000	12.0%	68,800	57,284	9.0%	11,516	16,182	4,666
1944	604,700	-5.5%	-35,300	-47,122	-7.8%	11,822	16,536	4,714
1945	589,100	-2.6%	-15,600	-26,992	-4.6%	11,392	15,937	4,545
1946	638,000	8.3%	48,900	36,649	5.7%	12,251	16,955	4,704
1947	636,000	-0.3%	-2,000	-19,178	-3.0%	17,178	21,905	4,727
1948	653,000	2.7%	17,000	943	0.1%	16,057	20,856	4,799
1949	670,800	2.7%	17,800	2,207	0.3%	15,593	20,354	4,761
1950	695,900	3.7%	25,100	8,966	1.3%	16,134	21,027	4,893
1951	706,100	1.5%	10,200	-6,842	-1.0%	17,042	21,801	4,759
1952	723,000	2.4%	16,900	-1,160	-0.2%	18,060	23,116	5,056
1953	739,100	2.2%	16,100	-2,789	-0.4%	18,889	23,573	4,684
1954	750,500	1.5%	11,400	-7,069	-0.9%	18,469	23,439	4,970
1955	782,800	4.3%	32,300	12,784	1.6%	19,516	24,584	5,068
1956	808,800	3.3%	26,000	6,348	0.8%	19,652	24,975	5,323
1957	826,300	2.2%	17,500	-2,639	-0.3%	20,139	25,443	5,304
1958	845,200	2.3%	18,900	-955	-0.1%	19,855	25,760	5,905
1959	869,900	2.9%	24,700	4,959	0.6%	19,741	25,610	5,869
1960	900,000	3.5%	30,100	10,047	1.1%	20,053	26,011	5,958
1961	936,000	4.0%	36,000	15,371	1.6%	20,629	26,560	5,931
1962	958,000	2.4%	22,000	1,817	0.2%	20,183	26,431	6,248
1963	974,000	1.7%	16,000	-3,317	-0.3%	19,317	25,648	6,331
1964	978,000	0.4%	4,000	-13,863	-1.4%	17,863	24,461	6,598
1965	991,000	1.3%	13,000	-3,553	-0.4%	16,553	23,082	6,529
1966	1,009,000	1.8%	18,000	2,810	0.3%	15,190	21,953	6,763
1967	1,019,000	1.0%	10,000	-6,350	-0.6%	16,350	23,030	6,680
1968	1,029,000	1.0%	10,000	-6,029	-0.6%	16,029	22,743	6,714
1969	1,047,000	1.7%	18,000	798	0.1%	17,202	24,033	6,831
1970	1,066,000	1.8%	19,000	612	0.1%	18,388	25,281	6,893
1971	1,101,150	3.3%	35,150	14,966	1.4%	20,184	27,400	7,216
1972	1,135,100	3.1%	33,950	14,046	1.2%	19,904	27,146	7,242
1973	1,168,950	3.0%	33,850	13,810	1.2%	20,040	27,562	7,522
1974	1,196,950	2.4%	28,000	6,621	0.6%	21,379	28,876	7,497
1975	1,233,900	3.1%	36,950	13,897	1.1%	23,053	30,566	7,513
1976	1,272,050	3.1%	38,150	11,761	0.9%	26,389	33,773	7,384
1977	1,315,950	3.5%	43,900	14,824	1.1%	29,076	36,707	7,631
1978	1,363,750	3.6%	47,800	17,220	1.3%	30,580	38,289	7,709
1979	1,415,950	3.8%	52,200	19,868	1.4%	32,332	40,216	7,884
1980	1,474,000	4.1%	58,050	24,536	1.7%	33,514	41,645	8,131
1981	1,515,000	2.8%	41,000	7,612	0.5%	33,388	41,509	8,121
1982	1,558,000	2.8%	43,000	9,662	0.6%	33,338	41,773	8,435
1983	1,595,000	2.4%	37,000	4,914	0.3%	32,086	40,555	8,469
1984	1,622,000	1.7%	27,000	-2,793	-0.2%	29,793	38,643	8,850
1985	1,643,000	1.3%	21,000	-7,714	-0.5%	28,714	37,664	8,950
1986	1,663,000	1.2%	20,000	-8,408	-0.5%	28,408	37,309	8,901
1987	1,678,000	0.9%	15,000	-11,713	-0.7%	26,713	35,631	8,918
1988	1,690,000	0.7%	12,000	-14,557	-0.9%	26,557	35,809	9,252
1989	1,706,000	0.9%	16,000	-10,355	-0.6%	26,355	35,439	9,084
1990	1,729,227	1.4%	23,227	-3,480	-0.2%	26,707	35,830	9,123
1991	1,780,870	3.0%	51,643	24,878	1.4%	26,765	36,194	9,429
1992	1,838,149	3.2%	57,279	30,042	1.6%	27,237	36,796	9,559
1993	1,889,393	2.8%	51,244	24,561	1.3%	26,683	36,738	10,055
1994	1,946,721	3.0%	57,328	30,116	1.5%	27,212	37,623	10,411
1995	1,995,228	2.5%	48,507	20,024	1.0%	28,483	39,064	10,581
1996	2,042,893	2.4%	47,665	18,171	0.9%	29,494	40,495	11,001
1997	2,099,409	2.8%	56,516	25,253	1.2%	31,263	42,512	11,249
1998	2,141,632	2.0%	42,223	9,745	0.5%	32,478	44,126	11,648
1999	2,193,014	2.4%	51,382	17,584	0.8%	33,798	45,434	11,636
2000	2,246,553	2.4%	53,539	18,612	0.8%	34,927	46,880	11,953
2001	2,295,971	2.2%	49,418	14,167	0.6%	35,251	47,688	12,437
2002	2,338,761	1.9%	42,790	7,411	0.3%	35,379	48,041	12,662

Note: In 1996, the Utah Population Estimates Committee changed its convention on rounded estimates so that it now publishes unrounded estimates. Accordingly, the revised estimates for 1990 and thereafter are not rounded.

Sources:

1) Population: Utah Population Estimates Committee
2) Births: 1939-1949 and 1953-1972- Utah's Vital Statistics Reports, Utah Bureau of Vital Records; 1950-1952, 1973-1996- Birth Certificates held in the Utah Population Database, partially funded by the Huntsman Cancer Institute. 1997- Birth records file, Utah Bureau of Vital Records; 1998-2002 Summary data file, Utah Bureau of Vital Statistics.
3) Deaths: 1939- Utah's Vital Statistics Reports, Utah Bureau of Vital Records; 1940-1996- Death Certificates held in the Utah Population Database, partially funded by the Huntsman Cancer Institute. 1997- Death records file, Utah Bureau of Vital Records; 1998-2002 Summary data file, Utah Bureau of Vital Statistics.

Table 14
Utah Population Estimates by County

County	Census April 1, 2000	July 1, 2000	July 1, 2001	July 1, 2002	2001 - 2002 Absolute Change	2001 - 2002 Percent Change	2000 - 2002 Absolute Change	2000 - 2002 Percent Change	AARC	2002 Percent of Total Population
Beaver County	6,005	6,023	6,198	6,285	87	1.4%	262	4.3%	2.2%	0.27%
Box Elder County	42,745	42,860	43,245	43,812	567	1.3%	952	2.2%	1.1%	1.87%
Cache County	91,391	91,897	93,372	95,460	2,088	2.2%	3,563	3.9%	1.9%	4.08%
Carbon County	20,422	20,396	19,858	19,858	0	0.0%	-538	-2.6%	-1.3%	0.85%
Daggett County	921	933	944	916	-28	-3.0%	-17	-1.8%	-0.9%	0.04%
Davis County	238,994	240,204	244,845	250,265	5,420	2.2%	10,061	4.2%	2.1%	10.70%
Duchesne County	14,371	14,397	14,646	14,856	210	1.4%	459	3.2%	1.6%	0.64%
Emery County	10,860	10,782	10,473	10,540	67	0.6%	-242	-2.2%	-1.1%	0.45%
Garfield County	4,735	4,763	4,630	4,599	-31	-0.7%	-164	-3.4%	-1.7%	0.20%
Grand County	8,485	8,537	8,423	8,468	45	0.5%	-69	-0.8%	-0.4%	0.36%
Iron County	33,779	34,079	34,920	35,507	587	1.7%	1,428	4.2%	2.1%	1.52%
Juab County	8,238	8,310	8,570	8,643	73	0.9%	333	4.0%	2.0%	0.37%
Kane County	6,046	6,037	6,037	5,958	-79	-1.3%	-79	-1.3%	-0.7%	0.25%
Millard County	12,405	12,461	12,326	12,335	9	0.1%	-126	-1.0%	-0.5%	0.53%
Morgan County	7,129	7,181	7,297	7,416	119	1.6%	235	3.3%	1.6%	0.32%
Piute County	1,435	1,436	1,404	1,409	5	0.4%	-27	-1.9%	-0.9%	0.06%
Rich County	1,961	1,955	1,983	2,050	67	3.4%	95	4.9%	2.4%	0.09%
Salt Lake County	898,387	902,777	918,279	927,564	9,285	1.0%	24,787	2.7%	1.4%	39.66%
San Juan County	14,413	14,360	14,063	14,216	153	1.1%	-144	-1.0%	-0.5%	0.61%
Sanpete County	22,763	22,846	23,219	23,550	331	1.4%	704	3.1%	1.5%	1.01%
Sevier County	18,842	18,938	19,180	19,232	52	0.3%	294	1.6%	0.8%	0.82%
Summit County	29,736	30,048	31,279	32,236	957	3.1%	2,188	7.3%	3.6%	1.38%
Tooele County	40,735	41,549	44,431	46,208	1,777	4.0%	4,659	11.2%	5.5%	1.98%
Uintah County	25,224	25,297	26,049	25,984	-65	-0.2%	687	2.7%	1.3%	1.11%
Utah County	368,536	371,894	385,692	398,056	12,364	3.2%	26,162	7.0%	3.5%	17.02%
Wasatch County	15,215	15,433	15,947	16,847	900	5.6%	1,414	9.2%	4.5%	0.72%
Washington County	90,354	91,104	95,584	100,611	5,027	5.3%	9,507	10.4%	5.1%	4.30%
Wayne County	2,509	2,515	2,509	2,504	-5	-0.2%	-11	-0.4%	-0.2%	0.11%
Weber County	196,533	197,541	200,567	203,377	2,810	1.4%	5,836	3.0%	1.5%	8.70%
MCD										
Bear River	136,097	136,712	138,600	141,322	2,722	2.0%	4,610	3.4%	1.7%	6.04%
Central	66,192	66,506	67,208	67,673	465	0.7%	1,167	1.8%	0.9%	2.89%
Mountainland	413,487	417,375	432,918	447,139	14,221	3.3%	29,764	7.1%	3.5%	19.12%
Southeastern	54,180	54,075	52,817	53,082	265	0.5%	-993	-1.8%	-0.9%	2.27%
Southwestern	140,919	142,006	147,369	152,960	5,591	3.8%	10,954	7.7%	3.8%	6.54%
Uintah Basin	40,516	40,627	41,639	41,756	117	0.3%	1,129	2.8%	1.4%	1.79%
Wasatch Front	1,381,778	1,389,252	1,415,419	1,434,830	19,411	1.4%	45,578	3.3%	1.6%	61.35%
State of Utah	2,233,169	2,246,553	2,295,971	2,338,761	42,790	1.9%	92,208	4.1%	2.0%	100.00%

Notes:
1) Totals may not add due to rounding.
2) AARC is the Average Annual Rate of Change
3) The MCDs are multi-county districts and they are divided as follows: Bear River MCD: Box Elder, Cache, and Rich counties; Central MCD: Juab, Millard, Piute, Sanpete, Sevier, and Wayne counties; Mountainland MCD: Summit, Utah, and Wasatch counties; Southeastern MCD: Carbon, Emery, Grand, and San Juan counties; Southwestern MCD: Beaver, Garfield, Iron, Kane, and Washington counties; Uintah Basin MCD: Daggett, Duchesne, and Uintah counties; Wasatch Front MCD: Davis, Morgan, Salt Lake, Tooele, and Weber counties.

Sources:
1) April 1, 2000: U.S. Census Bureau
2) July 2000-2002: Utah Population Estimates Committee

Table 15
Total Fertility Rates for Utah and the U.S.

Year	Utah	U.S.	Year	Utah	U.S.
1960	4.30	3.65	1981	3.06	1.81
1961	4.24	3.63	1982	2.99	1.83
1962	4.18	3.47	1983	2.83	1.80
1963	3.87	3.33	1984	2.74	1.81
1964	3.55	3.21	1985	2.69	1.84
1965	3.24	2.91	1986	2.59	1.84
1966	3.17	2.72	1987	2.48	1.87
1967	3.12	2.56	1988	2.52	1.93
1968	3.04	2.46	1989	2.55	2.01
1969	3.09	2.46	1990	2.61	2.08
1970	3.31	2.48	1991	2.59	2.07
1971	3.14	2.27	1992	2.57	2.07
1972	2.88	2.01	1993	2.50	2.05
1973	2.84	1.88	1994	2.49	2.04
1974	2.91	1.84	1995	2.52	2.02
1975	2.96	1.77	1996	2.55	2.03
1976	3.19	1.74	1997	2.61	2.03
1977	3.30	1.79	1998	2.65	2.07
1978	3.25	1.76	1999	2.68	2.04
1979	3.28	1.81	2000	2.68	2.07
1980	3.14	1.84	2001	2.68	2.07
			2002	2.68	2.08

Note: Utah fertility rates were revised beginning in 1990.

Sources: Eileen Brown, "Fertility in Utah: 1960-1985."
The Governor's Office of Planning and Budget, UPED/CASA.
Ventura, S.J., Martin, J.A., Curtin, S.C., and Mathews, T.J.
Births: Final Data for 1999, NCHS, National Vital Statistics
Report Volume 48, Number 3, March, 2001.

Table 16
National and State Population Counts: 1990 and 2000 Decennial Census

Area	April 1, 1990 Population	1990 Rank	April 1, 2000 Population	2000 Rank	1990-2000 Absolute Change	1990-2000 Percent Change	Rank Based on Percent Change
U.S.	248,709,873	na	281,421,906	na	32,712,033	13.2	na
Region							
Northwest	50,809,229	na	53,594,378	na	2,785,149	5.5	na
Midwest	59,668,632	na	64,392,776	na	4,724,144	7.9	na
South	85,445,930	na	100,236,820	na	14,790,890	17.3	na
West	52,786,082	na	63,197,932	na	10,411,850	19.7	na
States							
Alabama	4,040,587	22	4,447,100	23	406,513	10.1	25
Alaska	550,043	49	626,932	48	76,889	14.0	17
Arizona	3,665,228	24	5,130,632	20	1,465,404	40.0	2
Arkansas	2,350,725	33	2,673,400	33	322,675	13.7	19
California	29,760,021	1	33,871,648	1	4,111,627	13.8	18
Colorado	3,294,394	26	4,301,261	24	1,006,867	30.6	3
Connecticut	3,287,116	27	3,405,565	29	118,449	3.6	47
Delaware	666,168	46	783,600	45	117,432	17.6	13
Florida	12,937,926	4	15,982,378	4	3,044,452	23.5	7
Georgia	6,478,216	11	8,186,453	10	1,708,237	26.4	6
Hawaii	1,108,229	41	1,211,537	42	103,308	9.3	31
Idaho	1,006,749	42	1,293,953	39	287,204	28.5	5
Illinios	11,430,602	6	12,419,293	5	988,691	8.6	34
Indiana	5,544,159	14	6,080,485	14	536,326	9.7	27
Iowa	2,776,755	30	2,926,324	30	149,569	5.4	43
Kansas	2,477,574	32	2,688,418	32	210,844	8.5	35
Kentucky	3,685,296	23	4,041,769	25	356,473	9.7	28
Louisiana	4,219,973	21	4,468,976	22	249,003	5.9	40
Maine	1,227,928	38	1,274,923	40	46,995	3.8	46
Maryland	4,781,468	19	5,296,486	19	515,018	10.8	23
Massachusetts	6,016,425	13	6,349,097	13	332,672	5.5	41
Michigan	9,295,297	8	9,938,444	8	643,147	6.9	39
Minnesota	4,375,099	20	4,919,479	21	544,380	12.4	21
Mississippi	2,573,216	31	2,844,658	31	271,442	10.5	24
Missouri	5,117,073	15	5,595,211	17	478,138	9.3	30
Montana	799,065	44	902,195	44	103,130	12.9	20
Nebraska	1,578,385	36	1,711,263	38	132,878	8.4	37
Nevada	1,201,833	39	1,998,257	35	796,424	66.3	1
New Hampshire	1,109,252	40	1,235,786	41	126,534	11.4	22
New Jersey	7,730,188	9	8,414,350	9	684,162	8.9	33
New Mexico	1,515,069	37	1,819,046	36	303,977	20.1	12
New York	17,990,455	2	18,976,457	3	986,002	5.5	42
North Carolina	6,628,637	10	8,049,313	11	1,420,676	21.4	9
North Dakota	638,800	47	642,200	47	3,400	0.5	50
Ohio	10,847,115	7	11,353,140	7	506,025	4.7	44
Oklahoma	3,145,585	28	3,450,654	27	305,069	9.7	26
Oregon	2,842,321	29	3,421,399	28	579,078	20.4	11
Pennsylvania	11,881,643	5	12,281,054	6	399,411	3.4	48
Rhode Island	1,003,464	43	1,048,319	43	44,855	4.5	45
South Carolina	3,486,703	25	4,012,012	26	525,309	15.1	15
South Dakota	696,004	45	754,844	46	58,840	8.5	36
Tennessee	4,877,185	17	5,689,283	16	812,098	16.7	14
Texas	16,986,510	3	20,851,820	2	3,865,310	22.8	8
Utah	1,722,850	35	2,233,169	34	510,319	29.6	4
Vermont	562,758	48	608,827	49	46,069	8.2	38
Virginia	6,187,358	12	7,078,515	12	891,157	14.4	16
Washington	4,866,692	18	5,894,121	15	1,027,429	21.1	10
West Virginia	1,793,477	34	1,808,344	37	14,867	0.8	49
Wisconsin	4,891,769	16	5,363,675	18	471,906	9.6	29
Wyoming	453,588	50	493,782	50	40,194	8.9	32

Source: U.S. Census Bureau

Table 17

Rankings of States by Selected Age Groups as a Percent of Total Population: April 1, 2000

	All Ages		Under Age 5			Ages 5-17			Ages 18-64			Ages 65+			
Rank	State	Population	State	Population	Percent of Total	State	Population	Percent of Total	State	Population	Percent of Total	State	Population	Percent of Total	State	Median Age
	United States	281,421,906	United States	19,175,798	6.8%	United States	53,035,558	18.9%	United States	173,749,172	61.9%	United States	34,921,855	12.4%	United States	35.3
1	California	33,871,648	Utah	209,378	9.4%	Alaska	143,126	22.8%	Colorado	2,784,393	64.7%	Florida	2,807,597	17.6%	Utah	27.1
2	Texas	20,851,820	Texas	1,624,628	7.8%	Utah	509,320	22.8%	Virginia	4,547,920	64.2%	Pennsylvania	1,919,165	15.6%	Texas	32.3
3	New York	18,976,457	Alaska	47,591	7.6%	Idaho	271,387	21.0%	Georgia	5,231,944	63.9%	West Virginia	276,895	15.3%	Alaska	32.4
4	Florida	15,982,378	Idaho	97,643	7.5%	New Mexico	377,946	20.8%	Alaska	400,516	63.9%	Iowa	436,213	14.9%	Idaho	33.2
5	Illinios	12,419,293	Arizona	382,386	7.5%	Texas	4,262,131	20.4%	North Carolina	5,116,218	63.6%	North Dakota	94,478	14.7%	California	33.3
6	Pennsylvania	12,281,054	California	2,486,981	7.3%	Louisiana	902,407	20.2%	Nevada	1,267,529	63.4%	Rhode Island	152,402	14.5%	Georgia	33.4
7	Ohio	11,353,140	Nevada	145,817	7.3%	South Dakota	151,580	20.1%	Washington	3,718,130	63.1%	Maine	183,402	14.4%	Mississippi	33.8
8	Michigan	9,938,444	Georgia	595,150	7.3%	Mississippi	570,823	20.1%	Maryland	3,341,007	63.1%	South Dakota	108,131	14.3%	Louisiana	34.0
9	New Jersey	8,414,350	Mississippi	204,364	7.2%	California	6,762,848	20.0%	Tennessee	3,587,451	63.1%	Arkansas	374,019	14.0%	Arizona	34.2
10	Georgia	8,186,453	New Mexico	130,628	7.2%	Wyoming	97,933	19.8%	Vermont	383,794	63.0%	Connecticut	470,183	13.8%	Colorado	34.3
11	North Carolina	8,049,313	Louisiana	317,392	7.1%	Kansas	524,285	19.5%	New Hampshire	778,254	63.0%	Nebraska	232,195	13.6%	New Mexico	34.6
12	Virginia	7,078,515	Illinios	876,549	7.1%	Nebraska	333,194	19.5%	Kentucky	2,542,158	62.9%	Massachusetts	860,162	13.5%	Illinois	34.7
13	Massachusetts	6,349,097	Kansas	188,708	7.0%	Minnesota	957,300	19.5%	Massachusetts	3,988,871	62.8%	Missouri	755,379	13.5%	Nevada	35.0
14	Indiana	6,080,485	Indiana	423,215	7.0%	Montana	175,193	19.4%	South Carolina	2,517,038	62.7%	Montana	120,949	13.4%	Indiana	35.2
15	Washington	5,894,121	Colorado	297,505	6.9%	Michigan	1,923,762	19.4%	Oregon	2,136,696	62.5%	Ohio	1,507,757	13.3%	Kansas	35.2
16	Tennessee	5,689,283	Oklahoma	236,353	6.8%	Georgia	1,574,084	19.2%	West Virginia	1,129,056	62.4%	Hawaii	160,601	13.3%	Nebraska	35.3
17	Missouri	5,595,211	Nebraska	117,048	6.8%	Arizona	984,561	19.2%	New York	11,837,998	62.4%	Kansas	356,229	13.3%	North Carolina	35.3
18	Wisconsin	5,363,675	Arkansas	181,585	6.8%	Wisconsin	1,026,416	19.1%	Hawaii	755,169	62.3%	New Jersey	1,113,136	13.2%	Washington	35.3
19	Maryland	5,296,486	South Dakota	51,069	6.8%	Illinios	2,368,902	19.1%	Wyoming	307,216	62.2%	Oklahoma	455,950	13.2%	Minnesota	35.4
20	Arizona	5,130,632	Michigan	672,005	6.8%	Oklahoma	656,007	19.0%	Delaware	487,287	62.2%	Wisconsin	702,553	13.1%	South Carolina	35.4
21	Minnesota	4,919,479	North Carolina	539,509	6.7%	Washington	1,119,537	19.0%	California	21,026,161	62.1%	Alabama	579,798	13.0%	Michigan	35.5
22	Louisiana	4,468,976	New Jersey	563,785	6.7%	Maryland	1,002,779	18.9%	Maine	790,283	62.0%	Arizona	667,839	13.0%	Oklahoma	35.5
23	Alabama	4,447,100	Minnesota	329,594	6.7%	Indiana	1,151,181	18.9%	New Jersey	5,213,656	62.0%	Delaware	101,726	13.0%	South Dakota	35.6
24	Colorado	4,301,261	Washington	394,306	6.7%	New Hampshire	233,877	18.9%	Texas	12,892,529	61.8%	New York	2,448,352	12.9%	Virginia	35.7
25	Kentucky	4,041,769	Maryland	353,393	6.7%	North Dakota	121,449	18.9%	Rhode Island	648,095	61.8%	Oregon	438,177	12.8%	Alabama	35.8
26	South Carolina	4,012,012	Alabama	295,992	6.7%	Missouri	1,057,794	18.9%	Illinios	7,673,817	61.8%	Vermont	77,510	12.7%	Kentucky	35.9
27	Oklahoma	3,450,654	Ohio	754,930	6.6%	Ohio	2,133,409	18.8%	Minnesota	3,038,319	61.8%	Kentucky	504,793	12.5%	New York	35.9
28	Oregon	3,421,399	Missouri	369,898	6.6%	Colorado	803,290	18.7%	Indiana	3,753,258	61.7%	Indiana	752,831	12.4%	Tennessee	35.9
29	Connecticut	3,405,565	South Carolina	264,679	6.6%	Arkansas	498,784	18.7%	Alabama	2,743,880	61.7%	Tennessee	703,311	12.4%	Arkansas	36.0
30	Iowa	2,926,324	Tennessee	374,880	6.6%	Vermont	113,534	18.6%	Michigan	6,123,659	61.6%	Michigan	1,219,018	12.3%	Delaware	36.0
31	Mississippi	2,844,658	Kentucky	265,901	6.6%	Iowa	545,225	18.6%	Connecticut	2,093,694	61.5%	South Carolina	485,333	12.1%	Maryland	36.0
32	Kansas	2,688,418	Delaware	51,531	6.6%	Alabama	827,430	18.6%	Wisconsin	3,292,366	61.4%	Minnesota	594,266	12.1%	Wisconsin	36.0
33	Arkansas	2,673,400	Connecticut	223,344	6.6%	South Carolina	744,962	18.6%	Ohio	6,957,044	61.3%	Illinios	1,500,025	12.1%	Missouri	36.1
34	Utah	2,233,169	New York	1,239,417	6.5%	Nevada	365,982	18.3%	Louisiana	2,732,248	61.1%	Mississippi	343,523	12.1%	Hawaii	36.2
35	Nevada	1,998,257	Virginia	461,982	6.5%	Delaware	143,056	18.3%	Montana	551,184	61.1%	North Carolina	969,048	12.0%	North Dakota	36.2
36	New Mexico	1,819,046	Oregon	223,005	6.5%	Oregon	623,521	18.2%	Missouri	3,412,140	61.0%	New Hampshire	147,970	12.0%	Ohio	36.2
37	West Virginia	1,808,344	Hawaii	78,163	6.5%	New York	3,450,690	18.2%	Oklahoma	2,102,344	60.9%	Wyoming	57,693	11.7%	Wyoming	36.2
38	Nebraska	1,711,263	Iowa	188,413	6.4%	Connecticut	618,344	18.2%	Mississippi	1,725,948	60.7%	New Mexico	212,225	11.7%	Oregon	36.3
39	Idaho	1,293,953	Wisconsin	342,340	6.4%	New Jersey	1,523,773	18.1%	Pennsylvania	7,439,668	60.6%	Louisiana	516,929	11.6%	Massachusetts	36.5
40	Maine	1,274,923	Wyoming	30,940	6.3%	Maine	230,512	18.1%	Arkansas	1,619,012	60.6%	Maryland	599,307	11.3%	Iowa	36.6
41	New Hampshire	1,235,786	Massachusetts	397,268	6.3%	Kentucky	728,917	18.0%	New Mexico	1,098,247	60.4%	Idaho	145,916	11.3%	New Jersey	36.7
42	Hawaii	1,211,537	North Dakota	39,400	6.1%	Virginia	1,276,280	18.0%	Arizona	3,095,846	60.3%	Washington	662,148	11.2%	Rhode Island	36.7
43	Rhode Island	1,048,319	New Hampshire	75,685	6.1%	Tennessee	1,023,641	18.0%	North Dakota	386,873	60.2%	Virginia	792,333	11.2%	New Hampshire	37.1
44	Montana	902,195	Rhode Island	63,896	6.1%	Hawaii	217,604	18.0%	Kansas	1,619,196	60.2%	Nevada	218,929	11.0%	Connecticut	37.4
45	Delaware	783,600	Montana	54,869	6.1%	Pennsylvania	2,194,417	17.9%	Idaho	779,007	60.2%	California	3,595,658	10.6%	Montana	37.5
46	South Dakota	754,844	Pennsylvania	727,804	5.9%	North Carolina	1,424,538	17.7%	Nebraska	1,028,826	60.1%	Texas	2,072,532	9.9%	Vermont	37.7
47	North Dakota	642,200	Florida	945,823	5.9%	Rhode Island	183,926	17.5%	Iowa	1,756,473	60.0%	Colorado	416,073	9.7%	Pennsylvania	38.0
48	Alaska	626,932	West Virginia	101,805	5.6%	Massachusetts	1,102,796	17.4%	Florida	9,528,441	59.6%	Georgia	785,275	9.6%	Maine	38.6
49	Vermont	608,827	Vermont	33,989	5.6%	Florida	2,700,517	16.9%	Utah	1,324,249	59.3%	Utah	190,222	8.5%	Florida	38.7
50	Wyoming	493,782	Maine	70,726	5.5%	West Virginia	300,588	16.6%	South Dakota	444,064	58.8%	Alaska	35,699	5.7%	West Virginia	38.9

Note: Totals may differ in this table from other tables in this report due to different release dates or data sources.

Source: U.S. Census Bureau

Table 18
Dependency Ratios for States: April 1, 2000

Rank	State	Pre-School Age (under age 5) per 100 of Working Age	State	School Age (5-17) per 100 of Working Age	State	Retirement Age (65 & over) per 100 of Working Age	State	Total Non-Working Age per 100 of Working Age
	United States	11.0	United States	30.5	United States	20.1	United States	61.7
1	Utah	15.8	Utah	38.5	Florida	29.5	South Dakota	70.0
2	Texas	12.6	Alaska	35.7	Pennsylvania	25.8	Utah	68.6
3	Idaho	12.5	Idaho	34.8	Iowa	24.8	Florida	67.7
4	Arizona	12.4	New Mexico	34.4	West Virginia	24.5	Iowa	66.6
5	New Mexico	11.9	South Dakota	34.1	North Dakota	24.4	Nebraska	66.3
6	Alaska	11.9	Mississippi	33.1	South Dakota	24.4	Idaho	66.1
7	Mississippi	11.8	Texas	33.1	Rhode Island	23.5	Kansas	66.0
8	California	11.8	Louisiana	33.0	Maine	23.2	North Dakota	66.0
9	Kansas	11.7	Nebraska	32.4	Arkansas	23.1	Arizona	65.7
10	Louisiana	11.6	Kansas	32.4	Nebraska	22.6	New Mexico	65.6
11	Nevada	11.5	California	32.2	Connecticut	22.5	Arkansas	65.1
12	South Dakota	11.5	Wyoming	31.9	Missouri	22.1	Pennsylvania	65.1
13	Illinios	11.4	Arizona	31.8	Kansas	22.0	Mississippi	64.8
14	Nebraska	11.4	Montana	31.8	Montana	21.9	Oklahoma	64.1
15	Georgia	11.4	Minnesota	31.5	Oklahoma	21.7	Missouri	64.0
16	Indiana	11.3	Michigan	31.4	Ohio	21.7	Montana	63.7
17	Oklahoma	11.2	North Dakota	31.4	Arizona	21.6	Louisiana	63.6
18	Arkansas	11.2	Oklahoma	31.2	Massachusetts	21.6	Ohio	63.2
19	Michigan	11.0	Wisconsin	31.2	New Jersey	21.4	Wisconsin	62.9
20	Ohio	10.9	Iowa	31.0	Wisconsin	21.3	Connecticut	62.7
21	Minnesota	10.8	Missouri	31.0	Hawaii	21.3	Michigan	62.3
22	Missouri	10.8	Illinios	30.9	Alabama	21.1	Alabama	62.1
23	New Jersey	10.8	Arkansas	30.8	Delaware	20.9	Indiana	62.0
24	Alabama	10.8	Indiana	30.7	New York	20.7	Minnesota	61.9
25	Iowa	10.7	Ohio	30.7	Oregon	20.5	Illinios	61.8
26	Colorado	10.7	Alabama	30.2	Vermont	20.2	Rhode Island	61.8
27	Connecticut	10.7	Washington	30.1	Indiana	20.1	Texas	61.7
28	Washington	10.6	Georgia	30.1	Michigan	19.9	New Jersey	61.4
29	Maryland	10.6	New Hampshire	30.1	Mississippi	19.9	Maine	61.3
30	Delaware	10.6	Maryland	30.0	Kentucky	19.9	California	61.1
31	North Carolina	10.5	South Carolina	29.6	Tennessee	19.6	Delaware	60.8
32	South Carolina	10.5	Vermont	29.6	Minnesota	19.6	Wyoming	60.7
33	New York	10.5	Connecticut	29.5	Illinios	19.5	Hawaii	60.4
34	Kentucky	10.5	Pennsylvania	29.5	New Mexico	19.3	New York	60.3
35	Tennessee	10.4	Delaware	29.4	South Carolina	19.3	West Virginia	60.2
36	Oregon	10.4	New Jersey	29.2	New Hampshire	19.0	Oregon	60.1
37	Wisconsin	10.4	Oregon	29.2	North Carolina	18.9	South Carolina	59.4
38	Hawaii	10.4	Maine	29.2	Louisiana	18.9	Massachusetts	59.2
39	North Dakota	10.2	New York	29.1	Wyoming	18.8	Kentucky	59.0
40	Virginia	10.2	Nevada	28.9	Idaho	18.7	New Hampshire	58.8
41	Wyoming	10.1	Colorado	28.8	Maryland	17.9	Vermont	58.6
42	Massachusett	10.0	Hawaii	28.8	Washington	17.8	Tennessee	58.6
43	Montana	10.0	Kentucky	28.7	Virginia	17.4	Maryland	58.5
44	Florida	9.9	Tennessee	28.5	Nevada	17.3	Washington	58.5
45	Rhode Island	9.9	Rhode Island	28.4	California	17.1	Nevada	57.6
46	Pennsylvania	9.8	Florida	28.3	Texas	16.1	North Carolina	57.3
47	New Hampshir	9.7	Virginia	28.1	Georgia	15.0	Alaska	56.5
48	West Virginia	9.0	North Carolina	27.8	Colorado	14.9	Georgia	56.5
49	Maine	8.9	Massachusetts	27.6	Utah	14.4	Virginia	55.6
50	Vermont	8.9	West Virginia	26.6	Alaska	8.9	Colorado	54.5

Source: U.S. Census Bureau

Table 19

Housing Units, Households, and Persons Per Household by State: 1990 and 2000 Decennial Census (Thousands)

State	April 1, 1990				April 1, 2000				1990-2000 Percent Change		
	Total Housing Units	Total Households	Persons per Household	Persons per Household Rank	Total Housing Units	Total Households	Persons per Household	Persons per Household Rank	Total Housing Units	Total Households	Persons per Household
United States	102,262	91,946	2.63		115,905	105,480	2.59		13.3%	14.7%	-1.6%
Alabama	1,670	1,507	2.62	18	1,964	1,737	2.49	32	17.6%	15.3%	-5.0%
Alaska	233	189	2.80	3	261	222	2.74	4	12.0%	17.5%	-2.2%
Arizona	1,659	1,369	2.62	18	2,189	1,901	2.64	9	31.9%	38.9%	0.8%
Arkansas	1,001	891	2.57	31	1,173	1,043	2.49	32	17.2%	17.1%	-3.2%
California	11,183	10,381	2.79	4	12,214	11,503	2.87	3	9.2%	10.8%	2.7%
Colorado	1,477	1,282	2.51	49	1,808	1,658	2.53	20	22.4%	29.3%	0.9%
Connecticut	1,321	1,230	2.59	26	1,386	1,302	2.53	20	4.9%	5.9%	-2.3%
Delaware	290	247	2.61	21	343	299	2.54	18	18.3%	21.1%	-2.7%
Florida	6,100	5,135	2.46	50	7,303	6,338	2.46	44	19.7%	23.4%	0.0%
Georgia	2,638	2,366	2.66	13	3,282	3,006	2.65	8	24.4%	27.0%	-0.5%
Hawaii	390	356	3.01	2	461	403	2.92	2	18.2%	13.2%	-2.8%
Idaho	413	361	2.73	7	528	470	2.69	6	27.8%	30.2%	-1.5%
Illinois	4,506	4,202	2.65	15	4,886	4,592	2.63	10	8.4%	9.3%	-0.8%
Indiana	2,246	2,065	2.61	21	2,532	2,336	2.53	20	12.7%	13.1%	-2.9%
Iowa	1,144	1,064	2.52	47	1,233	1,149	2.46	44	7.8%	8.0%	-2.2%
Kansas	1,044	945	2.53	41	1,131	1,038	2.51	27	8.3%	9.8%	-1.0%
Kentucky	1,507	1,380	2.60	25	1,751	1,591	2.47	42	16.2%	15.3%	-4.9%
Louisiana	1,716	1,499	2.74	6	1,847	1,656	2.62	13	7.6%	10.5%	-4.4%
Maine	587	465	2.56	34	652	518	2.39	50	11.1%	11.4%	-6.6%
Maryland	1,892	1,749	2.67	12	2,145	1,981	2.61	15	13.4%	13.3%	-2.2%
Massachusetts	2,473	2,247	2.58	29	2,622	2,444	2.51	27	6.0%	8.8%	-2.8%
Michigan	3,848	3,419	2.66	13	4,234	3,786	2.56	17	10.0%	10.7%	-3.6%
Minnesota	1,849	1,648	2.58	29	2,066	1,895	2.52	26	11.7%	15.0%	-2.5%
Mississippi	1,010	911	2.75	5	1,162	1,046	2.63	10	15.0%	14.8%	-4.3%
Missouri	2,199	1,961	2.53	41	2,242	2,195	2.48	38	2.0%	11.9%	-2.2%
Montana	361	306	2.53	41	413	359	2.45	46	14.4%	17.3%	-3.3%
Nebraska	661	602	2.54	39	723	666	2.49	32	9.4%	10.6%	-2.0%
Nevada	519	466	2.53	41	827	751	2.62	13	59.3%	61.2%	3.7%
New Hampshire	504	411	2.62	18	547	475	2.53	20	8.5%	15.6%	-3.4%
New Jersey	3,075	2,795	2.70	10	3,310	3,065	2.68	7	7.6%	9.7%	-0.9%
New Mexico	632	543	2.74	6	781	678	2.63	10	23.6%	24.9%	-4.0%
New York	7,227	6,639	2.63	16	7,679	7,057	2.61	15	6.3%	6.3%	-0.7%
North Carolina	2,818	2,517	2.54	39	3,524	3,132	2.49	32	25.1%	24.4%	-2.1%
North Dakota	276	241	2.55	36	290	257	2.41	48	5.1%	6.6%	-5.5%
Ohio	4,372	4,088	2.59	26	4,783	4,446	2.49	32	9.4%	8.8%	-3.9%
Oklahoma	1,406	1,206	2.53	41	1,514	1,342	2.49	32	7.7%	11.3%	-1.6%
Oregon	1,194	1,103	2.52	47	1,453	1,334	2.51	27	21.7%	20.9%	-0.2%
Pennsylvania	4,938	4,496	2.57	31	5,250	4,777	2.48	38	6.3%	6.3%	-3.3%
Rhode Island	415	378	2.55	36	440	408	2.47	42	6.0%	7.9%	-3.2%
South Carolina	1,424	1,258	2.68	11	1,754	1,534	2.53	20	23.2%	21.9%	-5.5%
South Dakota	292	259	2.59	26	323	290	2.50	30	10.6%	12.0%	-3.4%
Tennessee	2,026	1,854	2.56	34	2,439	2,233	2.48	38	20.4%	20.4%	-3.2%
Texas	7,009	6,071	2.73	7	8,158	7,393	2.74	4	16.4%	21.8%	0.2%
Utah	598	537	3.15	1	769	701	3.13	1	28.6%	30.5%	-0.7%
Vermont	271	211	2.57	31	294	241	2.44	47	8.5%	14.2%	-5.0%
Virginia	2,497	2,292	2.61	21	2,904	2,699	2.54	18	16.3%	17.8%	-2.6%
Washington	2,032	1,872	2.53	41	2,451	2,271	2.53	20	20.6%	21.3%	-0.2%
West Virginia	781	689	2.55	36	845	736	2.40	49	8.2%	6.8%	-5.9%
Wisconsin	2,056	1,822	2.61	21	2,321	2,085	2.50	30	12.9%	14.4%	-4.3%
Wyoming	203	169	2.63	16	224	194	2.48	38	10.3%	14.8%	-5.6%

Note: Numbers may not sum up to total due to rounding.

Source: U.S. Census Bureau

Table 20

Total County Population by Race in Utah: 2000

Geographic Area		Total Population by Race								
		Single Race							Two or More Races	
	Total Population	Total	White	Black/ African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Total	Hispanic Origin (of any race)
State of Utah	2,233,169	2,185,974	1,992,975	17,657	29,684	37,108	15,145	93,405	47,195	201,559
Beaver	6,005	5,899	5,599	16	54	37	5	188	106	333
Box Elder	42,745	42,061	39,699	71	375	409	34	1,473	684	2,791
Cache	91,391	90,184	84,286	348	529	1,814	181	3,026	1,207	5,786
Carbon	20,422	19,924	18,601	56	216	71	9	971	498	2,097
Daggett	921	907	871	6	7	1	0	22	14	47
Davis	238,994	234,285	220,486	2,615	1,379	3,665	639	5,501	4,709	12,955
Duchesne	14,371	14,012	12,956	21	769	30	8	228	359	508
Emery	10,860	10,725	10,386	20	71	34	11	203	135	568
Garfield	4,735	4,665	4,496	8	87	19	2	53	70	136
Grand	8,485	8,373	7,861	21	327	19	4	141	112	471
Iron	33,779	33,215	31,416	119	737	251	92	600	564	1,383
Juab	8,238	8,154	7,955	12	84	28	4	71	84	217
Kane	6,046	5,961	5,804	2	94	13	3	45	85	140
Millard	12,405	12,255	11,653	13	163	59	25	342	150	891
Morgan	7,129	7,053	6,994	3	13	11	0	32	76	103
Piute	1,435	1,422	1,372	2	17	3	1	27	13	64
Rich	1,961	1,952	1,925	0	1	8	0	18	9	36
Salt Lake	898,387	875,285	775,666	9,495	7,892	22,991	11,075	48,166	23,102	106,787
San Juan	14,413	14,195	5,876	18	8,026	25	5	245	218	540
Sanpete	22,763	22,424	21,040	71	199	109	81	924	339	1,510
Sevier	18,842	18,656	18,014	51	376	49	17	149	186	481
Summit	29,736	29,375	27,299	72	91	285	13	1,615	361	2,406
Tooele	40,735	39,696	36,330	521	694	244	72	1,835	1,039	4,214
Uintah	25,224	24,864	22,130	29	2,365	56	20	264	360	894
Utah	368,536	361,703	340,388	1,096	2,206	3,917	2,122	11,974	6,833	25,791
Wasatch	15,215	15,005	14,549	33	65	45	15	298	210	775
Washington	90,354	88,866	84,543	186	1,328	405	384	2,020	1,488	4,727
Wayne	2,509	2,491	2,441	4	9	2	4	31	18	50
Weber	196,533	192,367	172,339	2,748	1,510	2,508	319	12,943	4,166	24,858

Note: As a result of the revised standards for collecting data on race and ethnicity issued by the U.S. Office of Management and Budget in 1997, Census 2000 was the first national census in which respondents were allowed to select more than one race. Respondents that selected more than one race in 2000 are included in the "Two or More Races" category. Race data from Census 2000 are not directly comparable with data from the 1990 Census and previous censuses.

Source: U.S. Census Bureau

Table 21

Utah Net In-Migration by State

State	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	1985-2000
Alabama	-20	-107	-65	-209	-71	-94	-62	-81	60	136	75	69	-60	-113	-3	-51	-596
Alaska	-72	33	355	130	47	-93	-43	-29	15	128	71	46	24	0	115	34	761
Arizona	-2,403	-2,544	-3,112	-2,366	-1,112	50	429	199	464	-44	-978	-742	-220	-752	-1,281	-1,594	-16,006
Arkansas	-25	71	-314	-106	61	29	40	35	-22	16	-17	-64	-67	-15	-151	-29	-558
California	-4,277	-3,821	-5,003	-4,094	-2,109	1,212	4,853	7,884	10,956	12,125	9,265	7,380	5,121	2,518	1,212	1,826	45,048
Colorado	-262	-195	-261	-394	-412	25	-87	153	-308	186	-153	-123	-49	-806	-1,152	-1,033	-4,871
Connecticut	-40	-24	-117	-77	-54	73	81	137	123	150	104	39	80	22	-64	-38	395
Delaware	22	4	-76	-47	-65	20	-1	22	20	-5	13	41	36	-28	-7	-8	-59
Dist. of Col.	-33	-29	-9	-12	-13	-2	-8	-23	-27	1	11	-5	3	-9	-22	-17	-194
Florida	-366	-372	-508	-567	-280	-297	274	249	342	254	246	97	-45	-296	-267	-356	-1,892
Georgia	-146	-189	-349	-160	-102	-51	144	-86	-199	-189	-156	-126	-53	-106	62	-216	-1,922
Hawaii	27	174	3	-2	39	-2	217	180	291	413	146	327	289	293	318	356	3,069
Idaho	1,620	1,924	2,003	915	251	76	18	-429	9	-186	-270	-248	38	-395	-444	-1,035	3,847
Illinois	77	95	-135	-97	48	-43	145	98	248	261	393	43	253	249	-15	-230	1,390
Indiana	-40	-28	-12	-226	-105	9	-12	34	66	54	23	-68	40	-108	-79	-71	-523
Iowa	196	99	96	-43	40	-65	-24	-37	-20	-94	-31	-60	-96	-110	-23	-89	-261
Kansas	9	35	-39	-66	79	89	-69	-52	121	67	11	-56	-3	-7	-106	-127	-114
Kentucky	-1	-7	-126	-98	2	-82	-64	-25	17	-5	44	-106	-48	-33	-70	-67	-669
Louisiana	18	-7	200	-27	121	56	33	64	192	64	-38	106	45	-13	133	68	1,015
Maine	-27	-72	-68	-90	-17	17	38	50	51	130	33	-54	42	0	-11	-4	18
Maryland	-168	-158	-215	-304	-207	102	41	223	139	155	90	125	51	-63	-87	-79	-355
Massachusetts	-160	-112	-251	-307	-182	89	162	283	49	122	141	-58	-65	-116	-217	-251	-873
Michigan	0	-266	-189	-117	-97	-71	29	65	160	84	-62	128	5	-21	-35	-45	-432
Minnesota	-48	-36	-50	-161	-41	-88	154	68	-60	-91	-53	-36	115	-188	-279	-345	-1,139
Mississippi	-18	-9	-45	31	40	12	-36	-65	38	-42	-7	81	-22	45	-45	-34	-76
Missouri	-110	-205	-214	-171	-153	-60	14	217	-127	-59	-308	-200	-229	-164	-229	-277	-2,275
Montana	236	450	172	85	90	77	-29	-78	-61	-111	-170	7	213	86	-78	-197	692
Nebraska	32	-13	61	-153	-32	-221	-4	2	34	-21	-23	-6	-37	7	-89	-42	-505
Nevada	-423	-800	-1,821	-2,614	-3,103	-2,449	-508	419	837	-71	67	-235	-653	-910	-1,024	-1,014	-14,302
New Hampshire	-27	-15	-31	-67	-70	62	152	90	110	18	-17	30	-138	-43	-68	-43	-57
New Jersey	-88	-61	-64	-150	-25	99	150	182	290	135	361	55	31	39	-12	-14	928
New Mexico	-244	-444	-187	68	-433	239	68	-45	-386	89	-97	-142	94	269	-174	81	-1,244
New York	-111	-109	-33	-142	-69	133	256	288	386	303	143	376	255	94	64	-56	1,778
North Carolina	-74	9	-226	-195	-180	95	86	-14	-17	-69	72	-76	-36	-101	-79	-74	-879
North Dakota	71	104	112	92	93	143	100	50	57	97	15	-12	60	25	49	28	1,084
Ohio	-88	-137	-120	-159	-232	-167	61	10	106	95	-14	-70	48	94	-135	-105	-813
Oklahoma	16	-62	261	141	-41	28	5	-140	62	7	30	-244	-111	-251	-20	55	-264
Oregon	-162	-162	-449	-809	-790	-864	-397	-87	-406	-152	-217	-584	-504	-350	-789	-547	-7,269
Pennsylvania	50	-128	-238	-323	-12	9	70	73	250	226	41	45	207	45	-69	-95	151
Rhode Island	10	-9	-12	-22	-14	-2	15	27	10	36	-9	4	-9	-44	12	-3	-10
South Carolina	-14	-76	-8	-18	-64	-58	54	94	218	82	33	-50	-47	-42	-19	-169	-84
South Dakota	19	-48	11	46	86	52	28	15	-12	3	-62	-3	136	24	-19	48	324
Tennessee	-78	-109	-257	-184	-107	-25	26	-73	-38	-92	-124	-187	29	-75	0	-164	-1,458
Texas	-934	-773	-201	-395	-423	-295	-109	289	24	187	-93	-269	-49	-711	-738	-521	-5,011
Vermont	0	-10	-37	-68	9	-2	41	74	12	40	30	1	23	23	9	-12	133
Virginia	-239	-251	-317	-408	-197	-188	113	121	161	107	218	235	-2	-261	-409	-347	-1,664
Washington	-550	-818	-968	-1,204	-1,605	-1,801	-806	-585	-53	606	14	109	-367	-950	-510	-453	-9,941
West Virginia	-1	85	-30	-45	5	-38	-29	-16	-15	22	13	-29	27	13	0	-41	-79
Wisconsin	99	52	-83	-47	-20	75	-65	-135	19	-68	-84	-47	-61	-55	-146	-178	-744
Wyoming	350	642	962	375	58	187	27	88	239	-38	96	272	288	54	138	135	3,873
Foreign	0	-361	-341	-194	272	192	906	1,725	1,728	922	1,038	779	692	680	667	962	9,667
Total	-8,397	-8,790	-12,345	-15,055	-11,096	-3,808	6,477	11,508	16,153	15,984	9,854	6,495	5,274	-2,556	-6,186	-6,478	-2,966

Note: The IRS area-to-area migration data provides an annual indication of migration flows among the states. Although not differing significantly, the state's official estimates provide the best indication of the net flow of migration, while the IRS data provide the only source of gross flows and of the annual origins and destinations of migrants.

Source: IRS Area-to-Area Migration Data; Statistical Information Services, IRS

Table 22
U.S. Census Bureau City Population Counts: April 1, 1990 and April 1, 2000 Decennial Census

	1990	2000	Percent Change 90-00	AARC 90-00
Beaver County	4,765	6,005	26.0%	2.3
Beaver city	1,998	2,454	22.8%	2.1
Milford city	1,107	1,451	31.1%	2.7
Minersville town	608	817	34.4%	3.0
Balance of Beaver County	1,052	1,283	22.0%	2.0
Box Elder County	36,485	42,745	17.2%	1.6
Bear River City town	700	750	7.1%	0.7
Brigham City city	15,644	17,411	11.3%	1.1
Corinne city	639	621	-2.8%	-0.3
Deweyville town	318	278	-12.6%	-1.3
Elwood town	575	678	17.9%	1.7
Fielding town	422	448	6.2%	0.6
Garland city	1,637	1,943	18.7%	1.7
Honeyville city	1,112	1,214	9.2%	0.9
Howell town	237	221	-6.8%	-0.7
Mantua town	665	791	18.9%	1.8
Perry city	1,211	2,383	96.8%	7.0
Plymouth town	267	328	22.8%	2.1
Portage town	218	257	17.9%	1.7
Snowville town	251	177	-29.5%	-3.4
Tremonton city	4,264	5,592	31.1%	2.7
Willard city	1,298	1,630	25.6%	2.3
Balance of Box Elder County	7,027	8,023	14.2%	1.3
Cache County	70,183	91,391	30.2%	2.7
Amalga town	366	427	16.7%	1.6
Clarkston town	645	688	6.7%	0.6
Cornish town	205	259	26.3%	2.4
Hyde Park city	2,190	2,955	34.9%	3.0
Hyrum city	4,829	6,316	30.8%	2.7
Lewiston city	1,532	1,877	22.5%	2.1
Logan city	32,762	42,670	30.2%	2.7
Mendon city	684	898	31.3%	2.8
Millville city	1,202	1,507	25.4%	2.3
Newton town	659	699	6.1%	0.6
Nibley city	1,167	2,045	75.2%	5.8
North Logan city	3,768	6,163	63.6%	5.0
Paradise town	561	759	35.3%	3.1
Providence city	3,344	4,377	30.9%	2.7
Richmond city	1,955	2,051	4.9%	0.5
River Heights city	1,274	1,496	17.4%	1.6
Smithfield city	5,566	7,261	30.5%	2.7
Trenton town	464	449	-3.2%	-0.3
Wellsville city	2,206	2,728	23.7%	2.1
Balance of Cache County	4,804	5,766	20.0%	1.8
Carbon County	20,228	20,422	1.0%	0.1
East Carbon city	1,270	1,393	9.7%	0.9
Helper city	2,148	2,025	-5.7%	-0.6
Price city	8,712	8,402	-3.6%	-0.4
Scofield town	43	28	-34.9%	-4.2
Sunnyside city	339	404	19.2%	1.8
Wellington city	1,632	1,666	2.1%	0.2
Balance of Carbon County	6,084	6,504	6.9%	0.7
Daggett County	690	921	33.5%	2.9
Manila town	207	308	48.8%	4.1
Balance of Daggett County	483	613	26.9%	2.4
Davis County	187,941	238,994	27.2%	2.4
Bountiful city	36,659	41,301	12.7%	1.2
Centerville city	11,500	14,585	26.8%	2.4
Clearfield city	21,435	25,974	21.2%	1.9
Clinton city	7,945	12,585	58.4%	4.7
Farmington city	9,028	12,081	33.8%	3.0
Fruit Heights city	3,900	4,701	20.5%	1.9
Kaysville city	13,961	20,351	45.8%	3.8
Layton city	41,784	58,474	39.9%	3.4
North Salt Lake city	6,474	8,749	35.1%	3.1
South Weber city	2,863	4,260	48.8%	4.1
Sunset city	5,128	5,204	1.5%	0.1
Syracuse city	4,658	9,398	101.8%	7.3
West Bountiful city	4,477	4,484	0.2%	0.0
West Point city	4,258	6,033	41.7%	3.5
Woods Cross city	5,384	6,419	19.2%	1.8
Balance of Davis County	8,487	4,395	-48.2%	-6.4
Duchesne County	12,645	14,371	13.6%	1.3
Altamont town	167	178	6.6%	0.6
Duchesne city	1,308	1,408	7.6%	0.7
Myton city	468	539	15.2%	1.4
Roosevelt city	3,915	4,299	9.8%	0.9
Tabiona town	120	149	24.2%	2.2
Balance of Duchesne County	6,667	7,798	17.0%	1.6
Emery County	10,332	10,860	5.1%	0.5
Castle Dale city	1,704	1,657	-2.8%	-0.3
Clawson town	151	153	1.3%	0.1
Cleveland town	498	508	2.0%	0.2
Elmo town	267	368	37.8%	3.3
Emery town	300	308	2.7%	0.3
Ferron city	1,606	1,623	1.1%	0.1
Green River city (pt)	744	868	16.7%	1.6
Huntington city	1,875	2,131	13.7%	1.3
Orangeville city	1,459	1,398	-4.2%	-0.4
Balance of Emery County*	1,728	1,846	9.4%	0.9
Garfield County	3,980	4,735	19.0%	1.8
Antimony town	83	122	47.0%	3.9
Boulder town	126	180	42.9%	3.6
Cannonville town	131	148	13.0%	1.2
Escalante town	818	818	0.0%	0.0
Hatch town	103	127	23.3%	2.1
Henrieville town	163	159	-2.5%	-0.2
Panguitch city	1,444	1,623	12.4%	1.2
Tropic town	374	508	35.8%	3.1
Balance of Garfield County	738	1,050	42.3%	3.6
Grand County	6,620	8,485	28.2%	2.5
Castle Valley town	211	349	65.4%	5.2
Green River city (pt)	122	105	-13.9%	-1.5
Moab city	3,971	4,779	20.3%	1.9
Balance of Grand County*	2,316	3,252	37.7%	3.3

Table 22 (Continued)
U.S. Census Bureau City Population Counts: April 1, 1990 and April 1, 2000 Decennial Census

	1990	2000	Percent Change 90-00	AARC 90-00
Iron County	20,789	33,779	62.5%	5.0
Brian Head town	109	118	8.3%	0.8
Cedar City city	13,443	20,527	52.7%	4.3
Enoch city	1,947	3,467	78.1%	5.9
Kanarraville town	228	311	36.4%	3.2
Paragonah town	307	470	53.1%	4.4
Parowan city	1,873	2,565	36.9%	3.2
Balance of Iron County	2,882	6,321	119.3%	8.2
Juab County	5,817	8,238	41.6%	3.5
Eureka city	562	766	36.3%	3.1
Levan town	416	688	65.4%	5.2
Mona town	584	850	45.5%	3.8
Nephi city	3,515	4,733	34.7%	3.0
Rocky Ridge	NA	403	NA	NA
Balance of Juab County	740	798	7.8%	0.8
Kane County	5,169	6,046	17.0%	1.6
Alton town	93	134	44.1%	3.7
Big Water town	326	417	27.9%	2.5
Glendale town	282	355	25.9%	2.3
Kanab city	3,289	3,564	8.4%	0.8
Orderville town	422	596	41.2%	3.5
Balance of Kane County	757	980	29.5%	2.6
Millard County	11,333	12,405	9.5%	0.9
Delta city	2,998	3,209	7.0%	0.7
Fillmore city	1,956	2,253	15.2%	1.4
Hinckley town	658	698	6.1%	0.6
Holden town	402	400	-0.5%	0.0
Kanosh town	386	485	25.6%	2.3
Leamington town	253	217	-14.2%	-1.5
Lynndyl town	120	134	11.7%	1.1
Meadow town	250	254	1.6%	0.2
Oak City town	587	650	10.7%	1.0
Scipio town	291	290	-0.3%	0.0
Balance of Millard County	3,432	3,815	11.2%	1.1
Morgan County	5,528	7,129	29.0%	2.6
Morgan city	2,023	2,635	30.3%	2.7
Balance of Morgan County	3,505	4,494	28.2%	2.5
Piute County	1,277	1,435	12.4%	1.2
Circleville town	417	505	21.1%	1.9
Junction town	132	177	34.1%	3.0
Kingston town	134	142	6.0%	0.6
Marysvale town	364	381	4.7%	0.5
Balance of Piute County	230	230	0.0%	0.0
Rich County	1,725	1,961	13.7%	1.3
Garden City town	193	357	85.0%	6.3
Laketown town	261	188	-28.0%	-3.2
Randolph city	488	483	-1.0%	-0.1
Woodruff town	135	194	43.7%	3.7
Balance of Rich County	648	739	14.0%	1.3
Salt Lake County	725,956	898,387	23.8%	2.2
Alta town	397	370	-6.8%	-0.7
Bluffdale city	2,152	4,700	118.4%	8.1
Draper city	7,257	25,220	247.5%	13.3
Herriman	NA	1,523	NA	NA
Holladay (1990 CDP)	NA	14,561	NA	NA
Midvale city (Annexation)	NA	27,029	NA	NA
Murray city	31,282	34,024	8.8%	0.8
Riverton city	11,261	25,011	122.1%	8.3
Salt Lake City city	159,936	181,743	13.6%	1.3
Sandy city	75,058	88,418	17.8%	1.7
South Jordan city	12,220	29,437	140.9%	9.2
South Salt Lake city (Annexation)	NA	22,038	NA	NA
Taylorsville city (1990 CDP)	NA	57,439	NA	NA
West Jordan city	42,892	68,336	59.3%	4.8
West Valley City city	86,976	108,896	25.2%	2.3
Balance of Salt Lake County*	296,525	209,642	-29.3%	-3.4
San Juan County	12,621	14,413	14.2%	1.3
Blanding city	3,162	3,162	0.0%	0.0
Monticello city	1,806	1,958	8.4%	0.8
Balance of San Juan County	7,653	9,293	21.4%	2.0
Sanpete County	16,259	22,763	40.0%	3.4
Centerfield town	766	1,048	36.8%	3.2
Ephraim city	3,363	4,505	34.0%	3.0
Fairview city	960	1,160	20.8%	1.9
Fayette town	183	204	11.5%	1.1
Fountain Green city	578	945	63.5%	5.0
Gunnison city	1,298	2,394	84.4%	6.3
Manti city	2,268	3,040	34.0%	3.0
Mayfield town	438	420	-4.1%	-0.4
Moroni city	1,115	1,280	14.8%	1.4
Mount Pleasant city	2,092	2,707	29.4%	2.6
Spring City city	715	956	33.7%	2.9
Sterling town	191	235	23.0%	2.1
Wales town	189	219	15.9%	1.5
Balance of Sanpete County	2,103	3,650	73.6%	5.7
Sevier County	15,431	18,842	22.1%	2.0
Annabella town	487	603	23.8%	2.2
Aurora city	911	947	4.0%	0.4
Elsinore town	608	733	20.6%	1.9
Glenwood town	437	437	0.0%	0.0
Joseph town	198	269	35.9%	3.1
Koosharem town	266	276	3.8%	0.4
Monroe city	1,472	1,845	25.3%	2.3
Redmond town	648	788	21.6%	2.0
Richfield city	5,593	6,847	22.4%	2.0
Salina city	1,943	2,393	23.2%	2.1
Sigurd town	385	430	11.7%	1.1
Balance of Sevier County	2,483	3,274	31.9%	2.8
Summit County	15,518	29,736	91.6%	6.7
Coalville city	1,065	1,382	29.8%	2.6
Francis town	381	698	83.2%	6.2
Henefer town	554	684	23.5%	2.1
Kamas city	1,061	1,274	20.1%	1.8
Oakley town	522	948	81.6%	6.1
Park City city	4,468	7,371	65.0%	5.1
Balance of Summit County	7,467	17,379	132.7%	8.8

Table 22 (Continued)
U.S. Census Bureau City Population Counts: April 1, 1990 and April 1, 2000 Decennial Census

	1990	2000	Percent Change 90-00	AARC 90-00
Tooele County	26,601	40,735	53.1%	4.4
Grantsville city	4,500	6,015	33.7%	2.9
Ophir town	25	23	-8.0%	-0.8
Rush Valley town	339	453	33.6%	2.9
Stockton town	426	443	4.0%	0.4
Tooele city	13,887	22,502	62.0%	4.9
Vernon town	181	236	30.4%	2.7
Wendover city	1,127	1,537	36.4%	3.2
Balance of Tooele County	6,116	9,526	55.8%	4.5
Uintah County	22,211	25,224	13.6%	1.3
Ballard town	644	566	-12.1%	-1.3
Naples city	1,334	1,300	-2.5%	-0.3
Vernal city	6,644	7,714	16.1%	1.5
Balance of Uintah County	13,589	15,644	15.1%	1.4
Utah County	263,590	368,536	39.8%	3.4
Alpine city	3,492	7,146	104.6%	7.4
American Fork city	15,696	21,941	39.8%	3.4
Cedar Fort town	284	341	20.1%	1.8
Cedar Hills town	769	3,094	302.3%	14.9
Eagle Mountain town	NA	2,157	NA	NA
Elk Ridge town	771	1,838	138.4%	9.1
Genola town	803	965	20.2%	1.9
Goshen town	578	874	51.2%	4.2
Highland city	5,002	8,172	63.4%	5.0
Lehi city	8,475	19,028	124.5%	8.4
Lindon city	3,818	8,363	119.0%	8.2
Mapleton city	3,572	5,809	62.6%	5.0
Orem city	67,561	84,324	24.8%	2.2
Payson city	9,510	12,716	33.7%	2.9
Pleasant Grove city	13,476	23,468	74.1%	5.7
Provo city	86,835	105,166	21.1%	1.9
Salem city	2,284	4,372	91.4%	6.7
Santaquin city	2,386	4,834	102.6%	7.3
Saratoga Springs	NA	1,003	NA	NA
Spanish Fork city	11,272	20,246	79.6%	6.0
Springville city	13,950	20,424	46.4%	3.9
Vineyard town	151	150	-0.7%	-0.1
Woodland Hills town	301	941	212.6%	12.1
Balance of Utah County	12,604	11,164	-11.4%	-1.2
Wasatch County	10,089	15,215	50.8%	4.2
Charleston town	336	378	12.5%	1.2
Heber city	4,782	7,291	52.5%	4.3
Midway city	1,554	2,121	36.5%	3.2
Wallsburg town	252	274	8.7%	0.8
Balance of Wasatch Count	3,165	5,151	62.7%	5.0
Washington County	48,560	90,354	86.1%	6.4
Enterprise city	936	1,285	37.3%	3.2
Hildale town	1,325	1,895	43.0%	3.6
Hurricane city	3,915	8,250	110.7%	7.7
Ivins town	1,630	4,450	173.0%	10.6
La Verkin city	1,771	3,392	91.5%	6.7
Leeds town	254	547	115.4%	8.0
New Harmony town	101	190	88.1%	6.5
Rockville town	182	247	35.7%	3.1
Santa Clara city	2,322	4,630	99.4%	7.1
Springdale town	275	457	66.2%	5.2
St. George city	28,502	49,663	74.2%	5.7
Toquerville town	488	910	86.5%	6.4
Virgin town	229	394	72.1%	5.6
Washington city	4,198	8,186	95.0%	6.9
Balance of Washington County*	2,432	5,858	140.9%	9.2
Wayne County	2,177	2,509	15.3%	1.4
Bicknell town	327	353	8.0%	0.8
Loa town	444	525	18.2%	1.7
Lyman town	198	234	18.2%	1.7
Torrey town	122	171	40.2%	3.4
Balance of Wayne County*	1,086	1,226	12.9%	1.2
Weber County	158,330	196,533	24.1%	2.2
Farr West city	2,178	3,094	42.1%	3.6
Harrisville city	3,004	3,645	21.3%	2.0
Huntsville town	561	649	15.7%	1.5
Marriott-Slaterville	NA	1,425	NA	NA
North Ogden city	11,668	15,026	28.8%	2.6
Ogden city	63,909	77,226	20.8%	1.9
Plain City city	2,722	3,489	28.2%	2.5
Pleasant View city	3,603	5,632	56.3%	4.6
Riverdale city	6,419	7,656	19.3%	1.8
Roy city	24,603	32,885	33.7%	2.9
South Ogden city	12,105	14,377	18.8%	1.7
Uintah town	760	1,127	48.3%	4.0
Washington Terrace city	8,189	8,551	4.4%	0.4
West Haven city	NA	3,976	NA	NA
Balance of Weber County*	18,609	17,775	-4.5%	-0.5
State Total	1,722,850	2,233,169	29.6%	2.6

AARC = Average Annual Rate of Change

Note: The Utah Population Estimates Committee provided April 1, 2000 population estimates for the following areas: Hanksville, 240; resulting Balance of Wayne County, 986; Hooper, 4,081; resulting Balance of Weber County, 13,694; Leeds, 590; resulting Balance of Washington County, 5,815; Holladay, 19,246; Taylorsville, 58,764; and West Jordan, 78,714; resulting Balance of Salt Lake County, 193,254. In the case of Washington County and Salt Lake County, only the annexation increment impacts the Balance of County figure. The annexation increment for Leeds, is 43, for Holladay is 5,687, for Taylorsville is 1,325, and for West Jordan is 10,378.

Source: US Census Bureau

Employment, Wages, Labor Force

Overview

Utah's economic slowdown in 2002 parallels that of the nation's, and continues to reflect the state of the economy that has characterized the post 9-11 period. One consequence of the recent economic slump has been a significant loss of jobs. Nonfarm employment fell by over 11,000 net jobs, reflecting a contraction rate of 1%. Utah's 2002 unemployment rate of 6.0% is the highest in over a decade. On average, there were 67,660 Utahns unemployed in 2002. This trend is expected to reverse in 2003 with an anticipated, albeit gradual, recovery of the economy.

The 2002 Olympic Winter Games provided a temporary but timely relief for Utahns. The consistent decline in job-growth stalled in January and February, only to continue through the remainder of 2002.

The rapid expansion of the high technology sector during the 1990s stalled at the end of the decade, and by 2001, suffered a major decline. This impacted other areas of the economy at both the national and state level. Rapid and excessive growth during the initial period in the absence of equally high demand resulted in overcapacity and as a result, a significant contraction of the high technology sector in recent years. It appears that this trend will continue into 2003.

Job Growth by Industry. Utah's industries have experienced varying trends in job growth over the past year. Before analyzing these trends, it is important to note that in 2002, Utah implemented the new North American Industry Classification System (NAICS). The implementation of NAICS has had some obvious consequences on the way that the state's industries have been evaluated and profiled. NAICS replaces Standard Industrial Classification (SIC), which was the original industry identifier established in the 1930s. The SIC was developed for a different industrial era and was becoming increasingly incompatible with the changing economy. The present economy has evolved toward a service and information-based one, while the earlier economic era was primarily dominated by manufacturing and raw-material sectors. The SIC was not built with the flexibility to identify the newly emerging industries of the present time. This shortcoming prompted the creation of NAICS.

The new NAICS system is not completely compatible with the SIC system. The two systems use different parameters to define and identify industries. While some of NAICS' classifications share titles with the SIC classifications, such as construction and manufacturing, even those are not defined the same as in the SIC. Other NAICS industries are new, such as information, accommodation and food services, as well as management of companies. More information on NAICS in Utah can be attained at http://jobs.utah.gov.

Mining. While the state's overall employment numbers in this sector are very low, mining is a crucial component of the economy in specific parts of the state. This industry employs around 6,700 workers -- less than 1% of all employment. Employment has fallen in this industry through most of the past decade, and 2002 marks one of the steepest declines yet, with the loss of 500 jobs.

Construction. The construction industry recorded its third straight year of declining employment. This is not surprising, considering that it followed a record 11-year expansion. This industry usually grows in spurts, and the 11-year continuous expansion was quite unique. The industry lost over 6,600 jobs during 2002. Job loss is expected to continue into 2003, although at a slower rate.

Manufacturing. Declining employment rates in 2002 has put this industry in a four-year slump. This year's job losses numbered at 7,300. Over the four-year period, the industry saw a total job loss of 13,000. The continuing decline of the manufacturing sector in Utah parallels that of the nation's. These trends reflect the industry's response to an overbuilding of its production capacity that peaked in 1997.

Trade, Transportation, Utilities. This is a new category within NAICS. Significant changes in definitions have occurred in some of these sub-categories. For instance, "trade" no longer includes restaurants. "Utilities" does not include the communications or waste-disposal industries. This industry category still employs nearly 214,500 Utahns, making it the largest employment classification within NAICS. However, 2002 was not a good year, as approximately 5,400 jobs were eliminated. Both trade and transportation were industries that developed excess capacity, resulting in necessary readjustments in 2002.

Information. This is a new industry category established within NAICS. It includes many of the new information-sector businesses such as internet service providers, satellite communications, cellular phones and pagers. It also includes some of the "old" information industries like libraries, newspapers, television, and radio. This industry enjoyed phenomenal growth during the 1990s as new technology industries emerged. Employment in this industry nearly doubled in the 1990s and peaked in 2000. However, these industries have also experienced excessive growth beyond market sustainability, and are in a second year of decline. The industry employed 31,300 workers in 2002, a reduction of roughly 2,200 positions from the previous year.

Financial Activity. The financial activity sector was one of the growing industries in 2002. Favorable interest rates were the primary spark behind this industry's vitality. This sector employed around 63,400 workers in 2002, 1,100 more than in 2001.

Professional and Business Services. Businesses whose major resource is human capital are grouped together within this sector. This category covers a broad spectrum of diverse industries. Some members include computer and software development, company headquarters, call centers, research firms, and waste management. It is a relatively large sector that employs around 133,500 workers. This industry evidenced robust growth throughout the 1990s, often reaching double-digit growth rates. However, it hasn't been impervious to the readjustments of the high technology industries, and employment declined by 1.9% in 2001, and 2.3% in 2002. The 2002 decline represents a loss of approximately 3,100 jobs. Despite these recent setbacks, this sector will play a lead role in the state's economic growth in the future.

Education and Health Services. This was one of the state's more dynamic economic sectors. Both health care and education are strong industries in the current environment of economic decline. Given Utah's large and growing school age population, the state's education sector will always be stable. Health care is a growing industry nationwide. National demographic trends suggest that this growth will continue well into the future. This industry added around 3,900 additional positions over 2001. The sector currently employs 113,400 workers, making it one of the major employers of the state.

Leisure and Hospitality. This is another new NAICS identified sector. It combines the restaurant division of retail trade from the old SIC system

with the hotel and recreation divisions from services. Together, they make up this new classification that gives us some sense of employment within the tourism industry of Utah. The industry employs around 103,400 workers.

Other Services. This is a catch-all sector within NAICS. It has a potpourri of businesses within its classification. As a result, a simple profile of this sector is difficult. It's not a significantly large sector -- it employs around 32,100 workers. The sector experienced a growth of 5.3% over 2001, and has enjoyed substantial and consistent growth rates throughout the past decade.

Public Administration (Government). Government is a large sector in Utah that currently employs around 192,300 workers. This includes federal, state, and local governments in areas such as national defense, education, administration of government programs, counties, and cities. For 2002, this industry expanded by approximately 2,200 positions. 2002 saw the reversal of a long trend as federal government employment increased, largely as a result of jobs moving into Hill Air Force Base. Local governments grew as a result of expanding public education. State government showed no employment growth.

Wage Growth Slows. In 2002, Utah's average annual nonagricultural wage was $30,400. This reflects a 2.6% year-over wage growth and marks the smallest yearly increase since 1993's 2.4% increase. Last year, average wages increased by 2.8%, slightly higher than the 2002 percentage. But the 2001 gain of 2.8% matched the rate of inflation for that year, as measured by the U.S. Consumer Price Index (CPI-U). Thus, there were no real gains in terms of purchasing-power. The 2002 average wage gain of 2.6% outpaced 2002's 1.6% inflation rate. Although small, this reflects higher real wage gains (1%) than in 2001.

Major Employers. Utah's list of top ten major employers changes little from year to year. With approximately 22,500 employees, the State of Utah ranks as the largest employer. IHC, a large health care organization with several hospitals and clinics, ranks second, with approximately 22,000 jobs. Education is a large employer in Utah as well, and five of the remaining top eight employers fall within this classification. The University of Utah (including the University Hospital) and Brigham Young University each have approximately 18,000 employees. Granite, Jordan, and Davis school districts range from 6,500 to 9,000 workers. Hill Air Force Base, though not employing as many civilian workers as it did several years ago, ranks fifth with 11,500 civilian jobs. Wal-Mart, with its growing number of stores in Utah, now ranks sixth. Convergys, a multi-county telemarketing company that employs roughly 8,000 workers, ranks ninth in the list of top ten major employers in Utah.

Labor Force Composition. In 2001, Utah's civilian, non-institutionalized labor force comprised 72% of the state's 15 years and over population. This is significantly higher than the national average of 67%. Both Utah women and men take part in the labor market at higher rates than their national counterparts.

One reason for Utah's high labor force participation is its young population. Moreover, Utah's teenagers and young adults are much more likely to work than their U.S. peers. In addition, Utah's 55 years and older population comprises a relatively small share of the state's adult population, and Utahns in this category are also more likely to work than their U.S. peers. Other factors that explain Utah's higher than average labor force participation are as follows: 1) Utah's large families and lower-than-average wages may influence families to have more than one wage earne;, and 2) Until the more recent past, Utah's economy has made jobs readily available to persons who are looking for work.

Approximately 97.9% of Utah's workers are employed in nonagricultural industries. Of the nonagricultural workers, 7% are self-employed, private household, or unpaid family workers. Hence, about 91% of employed people are nonagricultural wage and salaried workers.

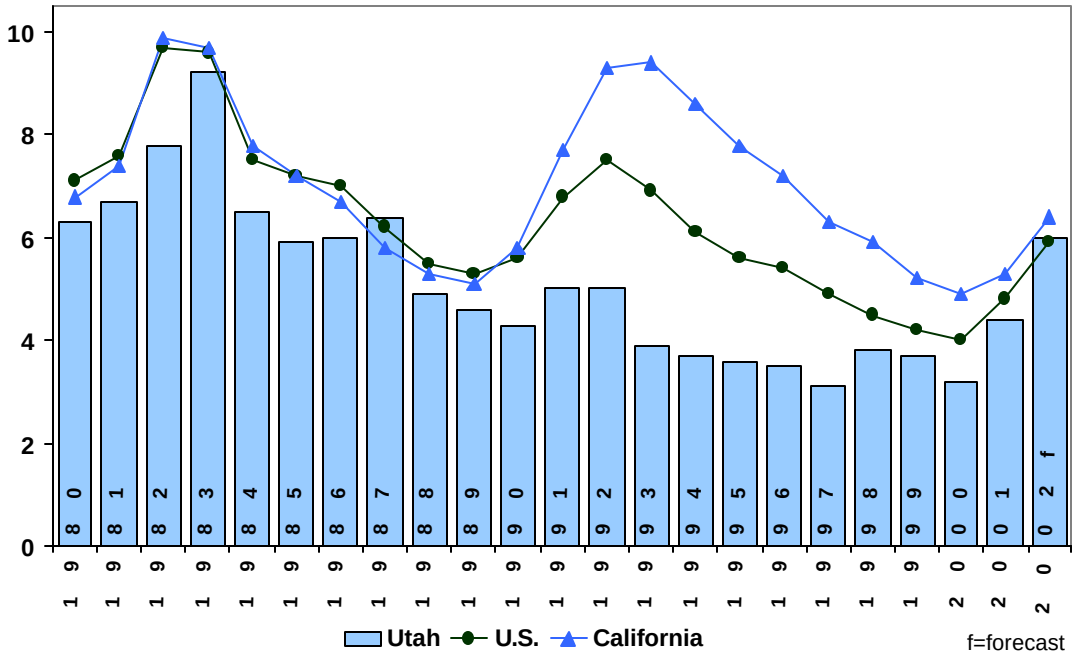
High Technology. Neither the former Standard Industrial Classification (SIC) coding structure, nor the North American Industry Classification System (NAICS) have a "high technology" sector. This designation is the identification of various NAICS codes that encompass work activities that center upon high technology products and services. When evaluating employment in these codes, the downturn in the high technology sector in the last year and a half becomes enumerable. In the first half of 2002, Utah's high-tech sector saw an 8.8% decline, a net loss of nearly 5,000 jobs. This is a significant loss in such a short period of time. Of greater concern is the fact that these high technology jobs are well-paying jobs that average about 70% higher than the state's average wage for all industries statewide.

The excessive capacity-building that occurred in these industries and the subsequent cutbacks was not something unique to Utah. These trends occurred at the national level as well. This has had a negative impact on the overall economy of both Utah and the nation. Despite the recent slowdown, the high technology sector will continue to play an important and significant role in the economic recovery for both regions. However, the current period of economic readjustment might well continue into 2003.

Conclusion

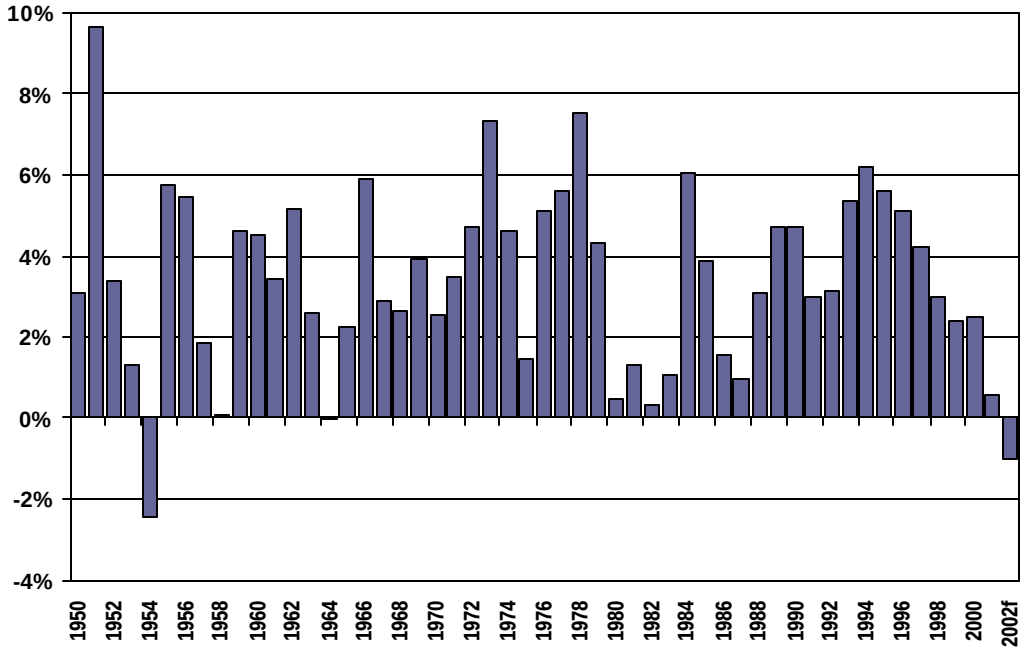
Both Utah and the United States witnessed considerable economic decline over the past year. In 2002, Utah experienced its worst economic performance based on job growth in 48 years. The state enjoyed extraordinary economic success during the 1990's due to the rapid expansion of its high technology sector. However, necessary readjustments within this same sector have also contributed to its current economic malaise. 2003 could well see a continuation of the readjustment process currently affecting this sector. However, it is hoped that following this crucial period of “growing pains," Utah's long-term economic projections will be positive.

Figure 22
Unemployment Rates for Utah, California, and the U.S.



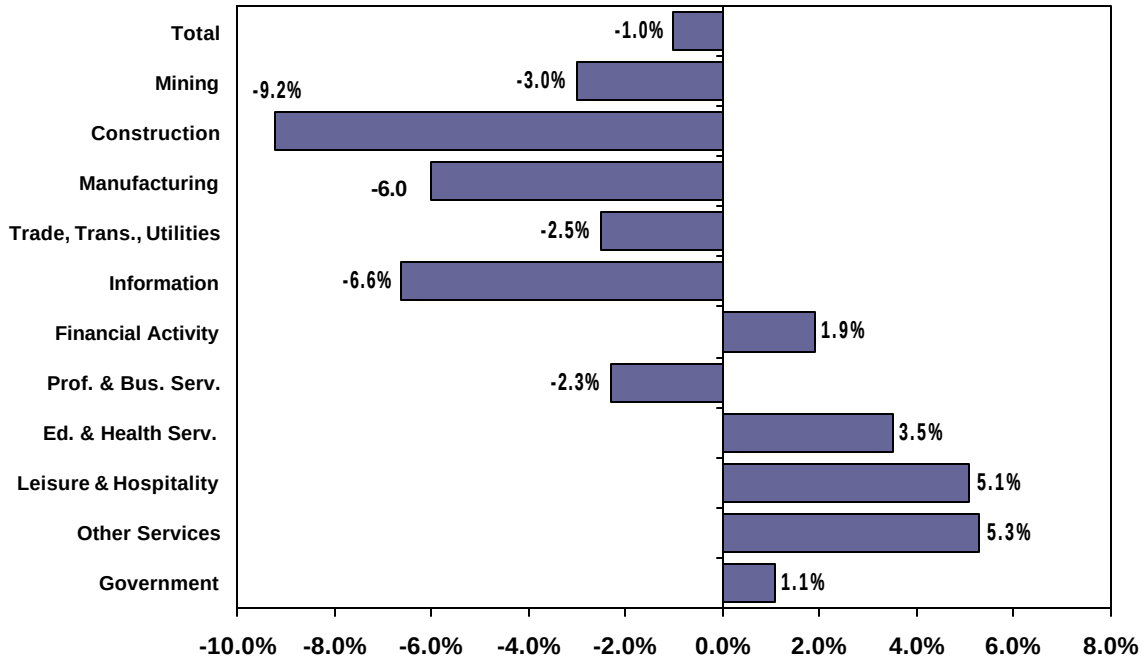
Sources: Utah Department of Workforce Services, Regional Financial Associates, WEFA, Council of Economic Advisors

Figure 23
Utah Nonagricultural Employment -- Annual Percent Change: 1950 to 2002



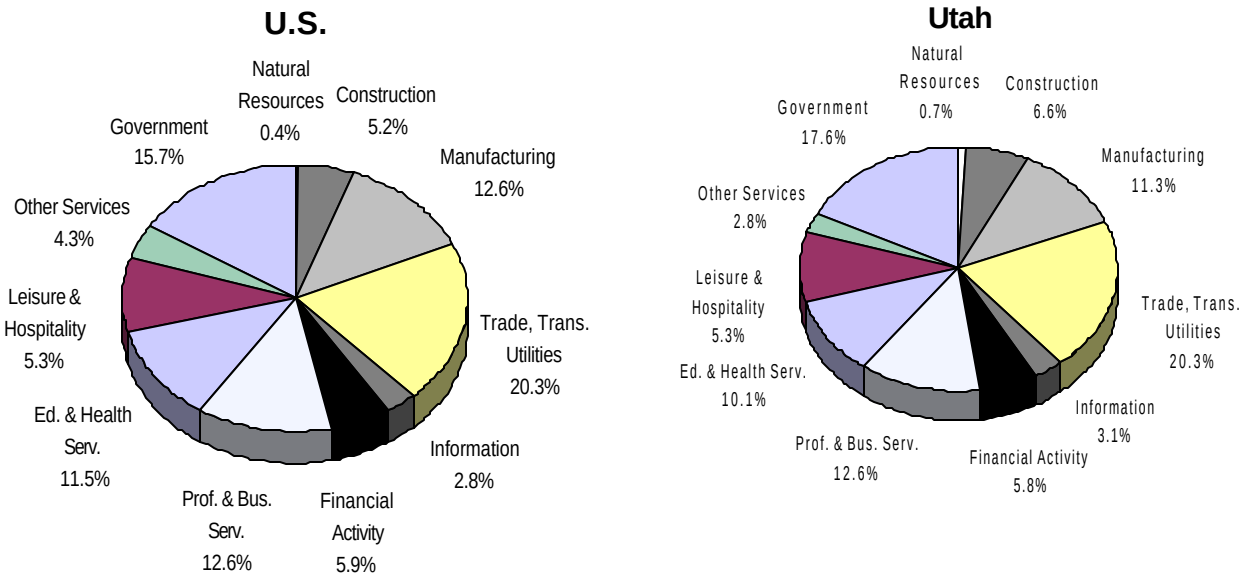
Source: Utah Department of Workforce Services

Figure 24
Percent Change in Utah Employment by Industry: 2001-2002 Annual Averages



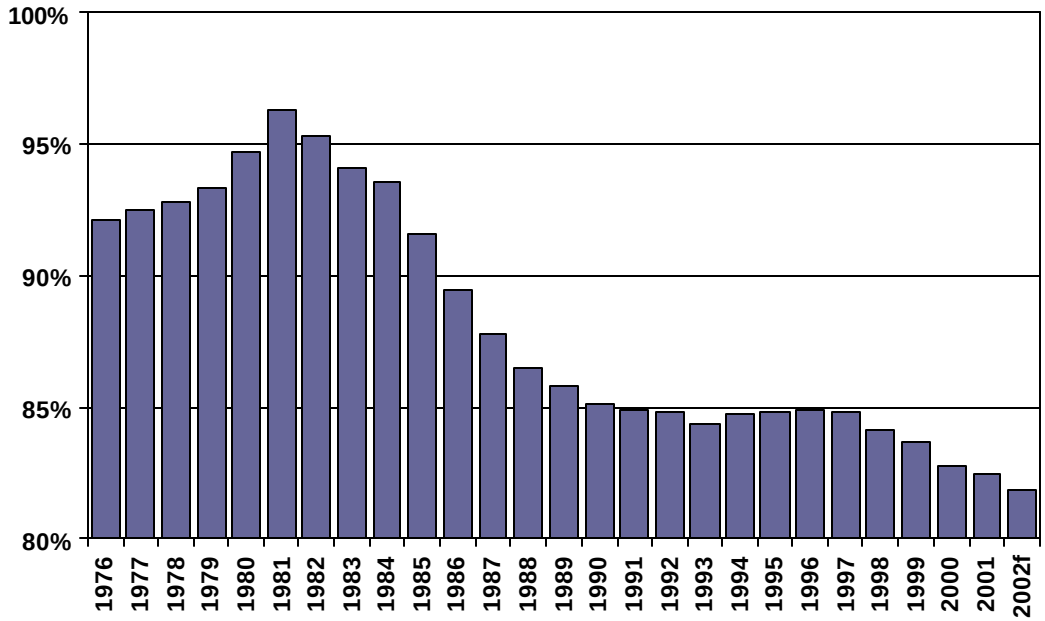
Source: Utah Department of Workforce Services

Figure 25
Utah and U.S. Nonagricultural Employment by Industry: 2001



Source: Utah Department of Workforce Services

Figure 26
Utah Average Annual Pay as a Percent of the U.S. Average



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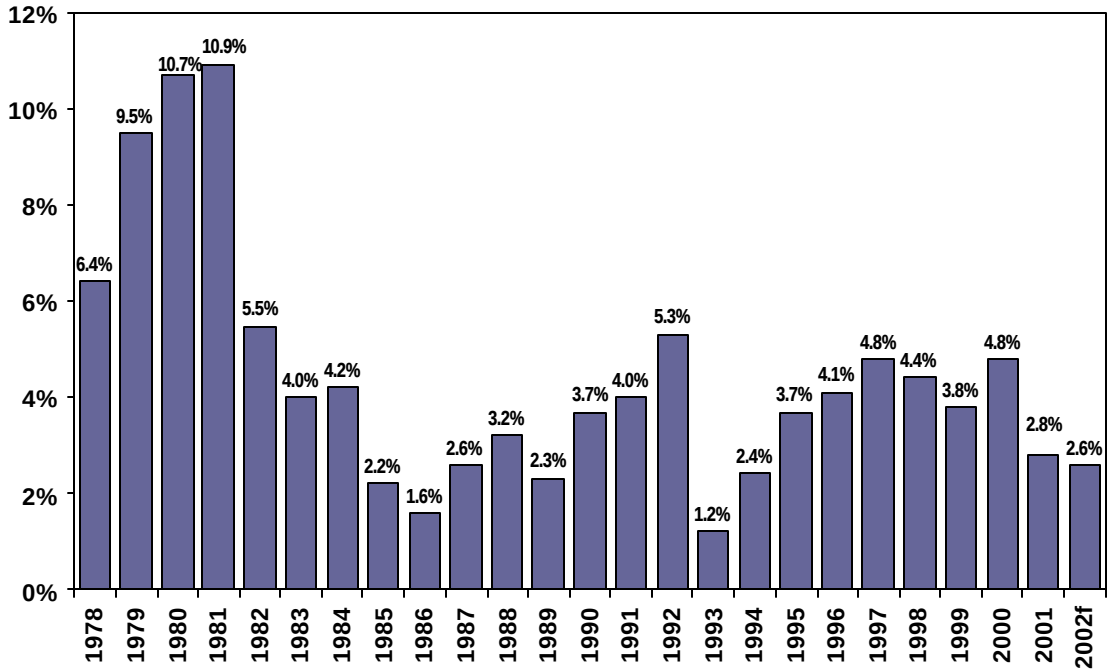
Note: For workers covered by unemployment insurance
Source: Bureau of Labor Statistics

Figure 27
Growth Rates for Utah Average Annual Pay: Percent Change



Source: Utah Department of Workforce Services, Council of Economic Advisors

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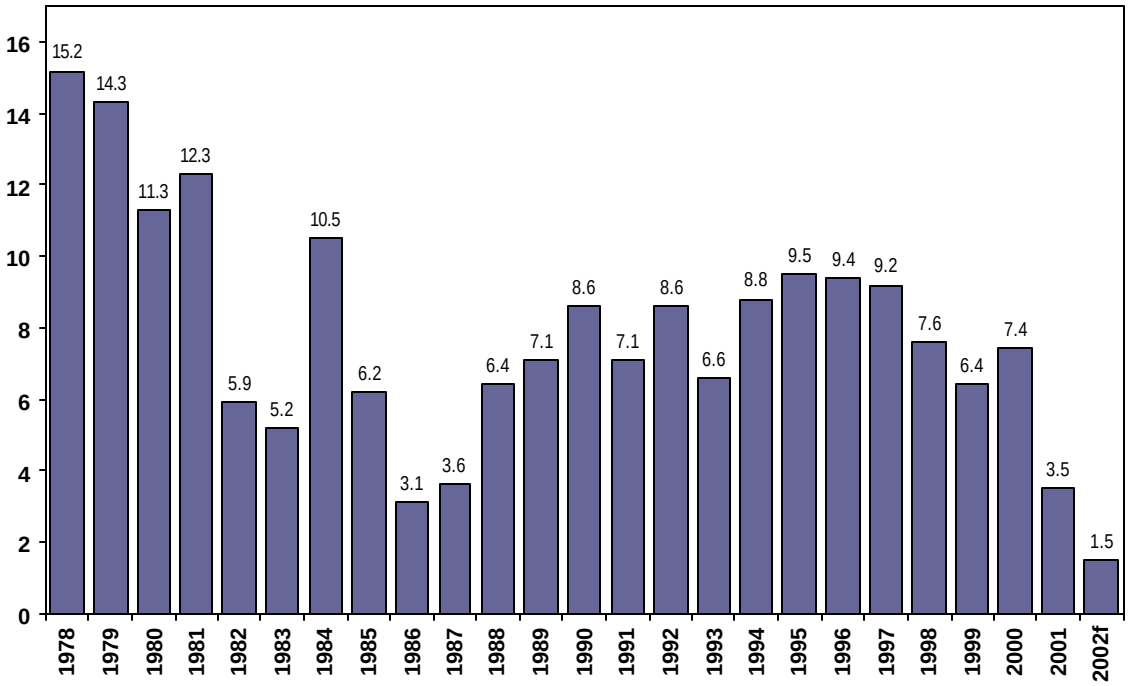
Figure 28
Growth Rates for Utah Total Nonagricultural Wages and Salaries: Percent Change



Source: Utah Department of Workforce Services, Council of Economic Advisors

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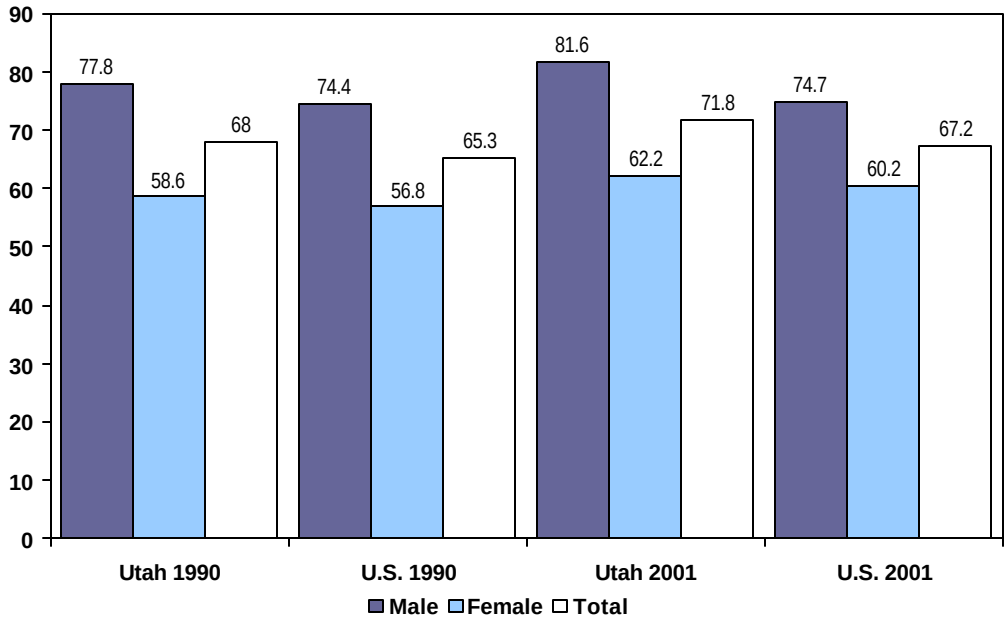
Figure 29
Utah and U.S. Civilian Labor Force Participation Rates: Persons 16 years and Older



Source: U.S. Census Bureau, U.S. Department of Labor, Bureau of Labor Statistics

Table 23
Utah Nonagricultural Payroll Employment, Industry Percent of Total, and Unemployment Rates

	Total Employment			Industry Percent of Total											
Year	Number	Percent Change	Increase	Mining	Constru.	Manufact.	Trade, Trans. Utilities	Infor.	Financial Activity	Prof. & Bus Services	Edu. & Health	Leisure & Hospitality	Other Services	Govt.	Unemployment Rates
1940	115,000	4.6	5,100	na	na	na	na	na	na	na	na	na	na	na	na
1941	131,800	14.6	16,800	na	na	na	na	na	na	na	na	na	na	na	na
1942	170,800	29.6	39,000	na	na	na	na	na	na	na	na	na	na	na	na
1943	189,400	10.9	18,600	na	na	na	na	na	na	na	na	na	na	na	na
1944	173,100	-8.6	-16,300	na	na	na	na	na	na	na	na	na	na	na	na
1945	168,800	-2.5	-4,300	na	na	na	na	na	na	na	na	na	na	na	na
1946	168,500	-0.2	-300	na	na	na	na	na	na	na	na	na	na	na	na
1947	178,000	5.6	9,500	na	na	na	na	na	na	na	na	na	na	na	na
1948	183,400	3.0	5,400	na	na	na	na	na	na	na	na	na	na	na	na
1949	183,500	0.1	100	na	na	na	na	na	na	na	na	na	na	na	na
1950	189,153	3.1	5,653	na	na	na	na	na	na	na	na	na	na	na	5.5
1951	207,386	9.6	18,233	na	na	na	na	na	na	na	na	na	na	na	3.3
1952	214,409	3.4	7,023	na	na	na	na	na	na	na	na	na	na	na	3.2
1953	217,194	1.3	2,785	na	na	na	na	na	na	na	na	na	na	na	3.3
1954	211,864	-2.5	-5,330	na	na	na	na	na	na	na	na	na	na	na	5.2
1955	224,007	5.7	12,143	na	na	na	na	na	na	na	na	na	na	na	4.1
1956	236,225	5.5	12,218	na	na	na	na	na	na	na	na	na	na	na	3.4
1957	240,577	1.8	4,352	na	na	na	na	na	na	na	na	na	na	na	3.7
1958	240,816	0.1	239	na	na	na	na	na	na	na	na	na	na	na	5.3
1959	251,940	4.6	11,124	na	na	na	na	na	na	na	na	na	na	na	4.6
1960	263,307	4.5	11,367	na	na	na	na	na	na	na	na	na	na	na	4.8
1961	272,355	3.4	9,048	na	na	na	na	na	na	na	na	na	na	na	5.3
1962	286,382	5.2	14,027	na	na	na	na	na	na	na	na	na	na	na	4.9
1963	293,758	2.6	7,376	na	na	na	na	na	na	na	na	na	na	na	5.4
1964	293,576	-0.1	-182	na	na	na	na	na	na	na	na	na	na	na	6.0
1965	300,164	2.2	6,588	na	na	na	na	na	na	na	na	na	na	na	6.1
1966	317,771	5.9	17,607	na	na	na	na	na	na	na	na	na	na	na	4.9
1967	326,953	2.9	9,182	na	na	na	na	na	na	na	na	na	na	na	5.2
1968	335,527	2.6	8,574	na	na	na	na	na	na	na	na	na	na	na	5.4
1969	348,612	3.9	13,085	na	na	na	na	na	na	na	na	na	na	na	5.2
1970	357,435	2.5	8,823	na	na	na	na	na	na	na	na	na	na	na	6.1
1971	369,836	3.5	12,401	na	na	na	na	na	na	na	na	na	na	na	6.6
1972	387,271	4.7	17,435	na	na	na	na	na	na	na	na	na	na	na	6.3
1973	415,641	7.3	28,370	na	na	na	na	na	na	na	na	na	na	na	5.8
1974	434,793	4.6	19,152	na	na	na	na	na	na	na	na	na	na	na	6.1
1975	441,082	1.4	6,289	na	na	na	na	na	na	na	na	na	na	na	6.5
1976	463,658	5.1	22,576	na	na	na	na	na	na	na	na	na	na	na	5.7
1977	489,580	5.6	25,922	na	na	na	na	na	na	na	na	na	na	na	5.3
1978	526,400	7.5	36,820	na	na	na	na	na	na	na	na	na	na	na	3.8
1979	549,242	4.3	22,842	na	na	na	na	na	na	na	na	na	na	na	4.3
1980	551,889	0.5	2,647	na	na	na	na	na	na	na	na	na	na	na	6.3
1981	559,184	1.3	7,295	na	na	na	na	na	na	na	na	na	na	na	6.7
1982	560,981	0.3	1,797	na	na	na	na	na	na	na	na	na	na	na	7.8
1983	566,991	1.1	6,010	na	na	na	na	na	na	na	na	na	na	na	9.2
1984	601,068	6.0	34,077	na	na	na	na	na	na	na	na	na	na	na	6.5
1985	624,387	3.9	23,319	na	na	na	na	na	na	na	na	na	na	na	5.9
1986	634,138	1.6	9,751	na	na	na	na	na	na	na	na	na	na	na	6.0
1987	640,298	1.0	6,160	na	na	na	na	na	na	na	na	na	na	na	6.4
1988	660,075	3.1	19,777	na	na	na	na	na	na	na	na	na	na	na	4.9
1989	691,244	4.7	31,169	na	na	na	na	na	na	na	na	na	na	na	4.6
1990	723,629	4.7	32,385	1.1	3.9	14.4	21.4	2.4	4.8	9.8	9.1	8.7	2.8	21.7	4.3
1991	745,202	3.0	21,573	1.1	4.2	13.8	21.7	2.3	4.9	10.3	9.3	8.9	2.6	21.0	5.0
1992	768,602	3.2	23,488	1.0	4.6	13.3	21.5	2.5	5.0	9.9	9.6	9.1	2.5	20.8	5.0
1993	809,731	5.4	41,129	1.0	4.9	13.2	21.3	2.3	5.2	10.6	9.7	9.3	2.6	20.1	3.9
1994	859,626	6.2	49,895	0.9	5.6	13.1	21.3	2.4	5.4	10.9	9.5	9.2	2.5	19.1	3.7
1995	907,886	5.6	48,260	0.9	6.1	12.9	21.3	2.4	5.3	11.6	9.3	9.3	2.5	18.4	3.6
1996	954,183	5.1	46,297	0.8	6.4	12.8	20.9	2.7	5.4	12.1	9.3	9.3	2.5	17.9	3.5
1997	993,999	4.2	39,816	0.8	6.5	12.7	20.7	2.8	5.4	12.3	9.3	9.2	2.5	17.9	3.1
1998	1,023,480	3.0	29,461	0.7	6.7	12.5	20.6	2.9	5.5	12.4	9.4	9.1	2.6	17.7	3.8
1999	1,048,498	2.4	25,018	0.7	6.9	12.1	20.4	3.1	5.5	12.7	9.4	9.0	2.6	17.6	3.7
2000	1,074,879	2.5	26,381	0.7	6.7	11.7	20.4	3.3	5.5	13.0	9.5	9.0	2.7	17.7	3.2
2001	1,081,685	0.6	6,806	0.7	6.6	11.3	20.3	3.1	5.8	12.6	10.1	9.1	2.8	17.6	4.4
2002p	1,070,400	-1.0	-11,285	0.6	6.1	10.7	20.0	2.9	5.9	12.5	10.6	9.7	3.0	18.0	4.4

p = preliminary
na = not available

Source: Utah Department of Workforce Services, Workforce Information

Table 24

Utah Nonagricultural Payroll Employment by County and Major Industry: 2001

	Mining	Construction	Manufacturing	Trade, Transp., Utilities	Information	Financial Activity	Profess. & Business Services	Education & Health Services	Leisure & Hospitality	Other Services	Government	2001 Total	2000 Total	00-01 Percent Change
State Total	7,209	71,620	122,092	219,954	33,514	62,214	136,646	109,520	98,328	30,471	190,117	1,081,685	1,074,879	0.6%
Beaver	44	100	93	458	-	36	12	40	371	35	671	1,860	1,886	-1.4%
Box Elder	28	943	7,193	3,015	153	397	730	1,068	1,270	302	2,428	17,527	17,747	-1.2%
Cache	43	2,217	8,317	6,481	592	1,006	6,400	3,178	3,112	963	10,228	42,537	41,840	1.7%
Carbon	618	414	360	2,004	100	220	703	799	763	331	2,343	8,655	8,871	-2.4%
Daggett	-	17	2	25	2	-	3	1	147	6	224	427	468	-8.8%
Davis	95	7,115	9,925	18,798	752	3,304	6,926	7,566	7,845	2,425	22,828	87,579	84,846	3.2%
Duchesne	633	383	122	1,182	141	132	146	421	293	134	1,535	5,122	4,764	7.5%
Emery	688	269	22	943	162	51	102	84	143	148	893	3,505	3,606	-2.8%
Garfield	10	77	116	208	113	21	12	152	792	18	610	2,129	2,175	-2.1%
Grand	91	267	55	830	43	141	172	267	1,469	53	831	4,219	4,165	1.3%
Iron	34	868	1,496	2,546	110	513	1,654	1,066	1,494	265	3,914	13,960	14,070	-0.8%
Juab	41	204	386	366	-	50	300	217	458	57	582	2,661	2,508	6.1%
Kane	-	133	373	368	6	61	32	46	901	244	738	2,902	2,808	3.3%
Millard	97	64	136	1,197	28	65	168	262	346	66	1,056	3,485	3,515	-0.9%
Morgan	7	337	241	362	-	33	67	21	171	28	369	1,636	1,565	4.5%
Piute	-	5	-	70	-	7	2	13	31	2	146	276	242	14.0%
Rich	-	46	4	77	-	32	7	24	126	54	205	575	559	2.9%
Salt Lake	2,171	33,755	53,423	119,204	20,498	43,764	85,400	46,302	43,821	16,896	79,480	544,714	545,153	-0.1%
San Juan	208	201	160	571	12	51	35	339	488	67	1,683	3,815	4,029	-5.3%
Sanpete	8	436	903	1,133	180	181	309	553	477	120	2,502	6,802	6,846	-0.6%
Sevier	342	377	592	2,048	69	142	305	742	772	187	1,637	7,213	7,187	0.4%
Summit	70	1,562	563	2,663	227	1,049	1,232	531	5,528	386	2,035	15,846	15,228	4.1%
Tooele	41	629	1,486	1,650	183	242	2,004	710	973	263	3,465	11,646	11,130	4.6%
Uintah	1,688	545	166	2,182	115	275	508	678	903	269	2,531	9,860	9,261	6.5%
Utah	70	10,782	19,474	25,477	7,381	5,050	18,386	30,482	12,071	3,567	21,316	154,056	152,699	0.9%
Wasatch	29	614	234	802	43	137	337	408	978	89	1,056	4,727	4,695	0.7%
Washington	153	4,160	2,376	9,128	672	1,489	2,419	4,267	4,878	977	5,221	35,740	33,579	6.4%
Wayne	-	91	38	133	-	7	2	327	174	22	316	1,110	1,091	1.7%
Weber	-	5,009	13,836	16,033	1,932	3,758	8,273	8,956	7,533	2,497	19,274	87,101	88,346	-1.4%

Note: These data are based on the new NAICS classification system and do not reflect the former SIC codes.

Source: Utah Department of Workforce Services, Workforce Information.

Table 25

Utah Nonagricultural Payroll Wages by County and Major Industry: 2001

County	Mining	Construction	Manufacturing	Trade Trans. Utilities	Information	Financial Activity	Professional & Business Serv.	Education & Health Serv.	Leisure & Hospitality	Other Services	Government	2001 Total	2000 Total	00-01 Percent Change
State Total	$368,858,541	$2,179,248,872	$4,424,116,603	$6,162,696,028	$1,355,010,639	$2,273,193,942	$4,649,806,977	$2,960,519,382	$1,205,485,978	$674,007,268	$5,804,953,445	$32,057,897,675	$30,974,712,592	3.5%
Beaver	1,131,575	2,077,180	2,617,611	12,194,714	-	704,533	205,258	999,576	3,441,506	489,840	14,996,007	38,857,800	38,104,902	2.0%
Box Elder	909,614	25,579,455	354,326,108	63,260,452	2,628,283	9,846,980	23,008,711	21,288,398	10,537,431	3,999,145	64,150,514	579,535,091	582,153,218	-0.4%
Cache	1,080,070	46,230,069	237,091,383	117,347,878	18,350,053	23,578,310	140,164,213	70,269,393	25,730,565	17,328,479	253,092,635	950,263,048	907,380,032	4.7%
Carbon	40,448,526	15,908,895	14,202,778	53,059,635	2,343,649	4,929,898	14,825,074	18,793,986	6,339,386	7,827,815	55,753,593	234,433,235	233,790,663	0.3%
Daggett	-	577,795	26,400	646,711	11,050	-	54,252	10,290	2,174,123	105,754	6,416,479	10,022,854	10,793,247	-7.1%
Davis	3,765,060	225,031,281	340,661,468	463,809,395	23,526,374	87,594,054	224,298,527	189,354,705	75,309,922	55,137,001	825,567,335	2,514,055,122	2,333,196,477	7.8%
Duchesne	32,925,325	9,489,322	3,037,049	26,694,756	3,581,704	2,892,069	4,524,585	8,340,871	2,273,762	2,653,970	36,189,208	132,602,621	113,265,555	17.1%
Emery	40,415,085	9,137,745	597,835	40,707,581	4,084,783	902,637	2,076,641	1,541,303	924,394	4,180,035	21,232,890	125,800,929	123,138,964	2.2%
Garfield	430,257	1,393,043	2,170,727	3,216,052	3,601,648	413,432	124,938	2,996,147	9,965,786	260,158	15,872,388	40,444,576	40,453,256	0.0%
Grand	3,745,845	6,321,871	783,953	16,212,932	927,399	2,663,427	4,060,424	5,178,779	16,776,234	921,418	23,753,818	81,346,100	76,245,642	6.7%
Iron	1,178,865	18,365,007	42,217,858	51,442,357	2,518,816	11,543,249	24,735,903	20,052,239	13,038,359	4,685,823	93,223,039	283,001,515	275,057,239	2.9%
Juab	1,234,760	4,988,650	12,474,253	6,538,238	-	1,062,206	10,671,458	2,979,555	3,511,117	1,014,383	13,732,907	58,207,527	53,568,306	8.7%
Kane	-	2,953,599	10,623,357	5,467,090	77,102	1,087,685	278,469	777,626	12,840,075	4,955,426	18,256,865	57,317,294	52,039,438	10.1%
Millard	4,433,619	1,254,080	4,403,311	40,890,767	603,911	1,385,028	4,357,164	5,545,691	2,488,641	1,076,779	28,585,306	95,024,297	91,730,143	3.6%
Morgan	192,585	8,937,698	8,792,880	10,386,557	-	794,657	1,761,121	314,846	1,213,829	486,954	8,993,408	41,874,535	38,785,077	8.0%
Piute	-	71,684	-	1,633,270	-	101,329	36,177	175,745	150,050	48,900	2,810,306	5,027,461	4,695,501	7.1%
Rich	-	1,038,322	108,895	1,123,901	-	402,145	70,828	415,976	1,082,499	634,277	4,563,597	9,440,440	8,701,049	8.5%
Salt Lake	121,691,094	1,142,319,952	1,992,951,000	3,842,874,789	756,926,568	1,753,324,692	3,236,975,994	1,420,790,577	614,590,693	403,653,993	2,625,838,264	17,911,937,616	17,413,002,851	2.9%
San Juan	7,074,199	4,460,040	5,870,624	9,766,774	104,307	915,883	736,062	6,281,891	6,128,648	1,097,323	42,495,799	84,931,550	88,032,368	-3.5%
Sanpete	250,939	9,855,196	17,177,532	17,785,827	4,338,787	3,522,663	4,782,027	10,787,135	2,508,676	2,070,719	52,335,455	125,414,956	121,209,341	3.5%
Sevier	14,923,184	6,880,492	14,370,645	47,946,881	1,434,299	3,760,306	6,855,955	13,393,948	5,822,919	4,461,483	42,575,248	162,425,360	154,453,945	5.2%
Summit	2,586,193	52,525,963	25,187,273	57,895,034	8,739,562	36,379,516	54,498,102	13,465,889	107,010,868	8,742,241	55,889,120	422,919,761	391,357,212	8.1%
Tooele	2,311,138	18,242,083	53,618,562	32,220,053	5,002,154	5,340,627	89,437,341	16,104,776	8,502,452	4,459,697	125,924,990	361,163,873	334,966,355	7.8%
Uintah	80,071,842	12,675,004	3,199,922	57,362,037	2,202,606	9,707,570	11,110,447	12,528,847	6,805,912	6,099,860	67,270,582	269,034,629	229,510,327	17.2%
Utah	2,144,902	296,118,587	644,643,196	601,728,392	431,461,160	153,218,405	528,022,444	726,300,973	121,230,476	67,737,458	574,421,143	4,147,027,136	4,057,824,808	2.2%
Wasatch	755,349	14,727,678	6,726,029	16,996,260	1,174,561	3,433,822	11,307,607	8,935,811	11,353,225	2,199,716	30,044,916	107,654,974	103,403,229	4.1%
Washington	5,158,515	98,612,729	62,538,412	207,301,266	17,453,744	39,303,587	53,709,951	117,002,769	52,407,867	16,892,044	126,931,691	797,312,575	737,254,354	8.1%
Wayne	-	1,908,887	471,405	1,877,776	-	152,621	10,124	7,433,400	1,368,923	327,520	7,367,714	20,918,370	19,515,660	7.2%
Weber	-	141,566,565	563,226,137	354,308,653	63,918,119	114,232,611	197,107,180	258,458,240	79,957,640	50,459,057	566,668,228	2,389,902,430	2,341,083,433	2.1%

Notes: Totals differ in this table from other tables due to different release dates or data sources. Also, these data are based on the new NAICS classification system and do not reflect the former SIC codes.

Source: Utah Department of Workforce Services, Workforce Information.

Table 26

Utah Average Monthly Wage by Industry

Industry	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total Nonagricultural Jobs	$1,644	$1,710	$1,801	$1,823	$1,867	$1,936	$2,016	$2,114	$2,202	$2,291	$2,401	$2,470
Mining	3,010	2,973	3,179	3,253	3,293	3,314	3,470	3,658	3,752	3,759	3,997	4,264
Construction	1,833	1,916	1,888	1,875	1,942	2,049	2,102	2,209	2,279	2,370	2,481	2,536
Manufacturing	2,047	2,143	2,233	2,238	2,300	2,386	2,502	2,616	2,684	2,767	2,915	3,020
Trade, Trans., Utilities	1,621	1,603	1,694	1,740	1,788	1,825	1,951	2,047	2,112	2,245	2,322	2,335
Information	2,260	2,474	2,648	2,513	2,301	2,408	2,531	2,797	2,929	3,303	3,506	3,369
Financial Activity	1,759	1,838	2,000	2,097	2,097	2,212	2,367	2,511	2,728	2,754	2,925	3,045
Professional & Business Serv.	1,658	1,853	2,079	2,098	2,154	2,259	2,229	2,341	2,474	2,602	2,720	2,836
Education & Health Serv.	1,617	1,673	1,745	1,769	1,820	1,873	1,925	1,996	2,061	2,099	2,210	2,253
Leisure & Hospitality	588	613	640	653	678	709	752	796	848	888	958	1,021
Other Services	1,111	1,105	1,119	1,162	1,223	1,294	1,373	1,453	1,532	1,591	1,639	1,843
Government	1,697	1,804	1,883	1,911	1,970	2,040	2,116	2,185	2,264	2,304	2,417	2,544

Year-Over Percent Change

Industry	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	99-00	00-01
Total Nonagricultural Jobs	4.0	5.3	1.2	2.4	3.7	4.1	4.8	4.2	4.1	4.8	2.8
Mining	-1.2	6.9	2.3	1.2	0.6	4.7	5.4	2.6	0.2	6.3	6.7
Construction	4.5	-1.5	-0.7	3.6	5.5	2.6	5.1	3.2	4.0	4.7	2.2
Manufacturing	4.7	4.2	0.2	2.8	3.7	4.9	4.6	2.6	3.1	5.4	3.6
Trade, Trans., Utilities	-1.1	5.6	2.7	2.8	2.1	6.9	4.9	3.2	6.3	3.4	0.6
Information	9.5	7.0	-5.1	-8.4	4.7	5.1	10.5	4.7	12.8	6.1	-3.9
Financial Activity	4.5	8.8	4.8	0.0	5.5	7.0	6.1	8.7	0.9	6.2	4.1
Professional & Business Serv.	11.8	12.2	0.9	2.7	4.9	-1.3	5.0	5.7	5.2	4.5	4.3
Education & Health Serv.	3.5	4.3	1.4	2.9	2.9	2.8	3.7	3.3	1.8	5.3	1.9
Leisure & Hospitality	4.2	4.5	1.9	3.9	4.6	6.1	5.9	6.5	4.7	7.9	6.6
Other Services	-0.5	1.2	3.9	5.3	5.8	6.1	5.8	5.4	3.9	3.0	12.5
Government	6.3	4.4	1.5	3.1	3.6	3.7	3.2	3.6	1.8	4.9	5.3

Source: Utah Department of Workforce Services, Workforce Information.

Table 27

Utah Population, Labor Force, Nonagricultural Jobs and Wages

						Percent Change			
	1999	2000	2001	2002(f)	2003(f)	99-00	00-01	01-02	02-03
Total Population	2,193,000	2,247,000	2,296,000	2,335,000	2,380,000	2.5	2.5	2.2	1.7
Civilian Labor Force	1,086,100	1,104,200	1,115,380	1,127,660	1,141,000	1.7	1.7	3.4	1.9
Employed Persons	1,045,500	1,068,400	1,066,700	1,060,000	1,080,530	2.2	2.2	2.2	1.3
Unemployed Persons	40,600	35,800	48,700	67,660	60,470	-11.8	-11.8	39.7	16.0
Unemployment Rate	3.7	3.2	4.4	6.0	5.3				
U.S. Rate	4.2	4.0	4.8	5.9	5.7				
Total Nonfarm Jobs	1,048,498	1,074,879	1,081,685	1,070,400	1,078,200	2.5	0.6	-1.0	0.7
Mining	7,203	7,350	7,209	6,700	6,500	2.0	-1.9	-7.1	-3.0
Construction	72,783	72,239	71,621	65,000	62,300	-0.7	-0.9	-9.2	-4.2
Manufacturing	126,696	125,675	122,093	114,800	115,200	-0.8	-2.9	-6.0	0.3
Trade, Trans., Utilities	213,735	218,929	219,945	214,500	215,300	2.4	0.5	-2.5	0.4
Information	32,601	34,950	33,512	31,300	31,500	7.2	-4.1	-6.6	0.6
Financial Activity	57,935	58,784	62,213	63,400	63,200	1.5	5.8	1.9	-0.3
Professional & Business Services	133,051	139,298	136,645	133,500	133,200	4.7	-1.9	-2.3	-0.2
Education & Health Services	98,124	101,810	109,516	113,400	116,100	1.4	7.6	3.5	2.4
Leisure & Hospitality	94,348	96,876	98,345	103,400	105,800	1.8	1.5	5.1	2.3
Other Services	27,167	28,849	30,471	32,100	33,300	2.5	5.6	5.3	3.7
Government	184,855	190,119	190,115	192,300	195,800	1.7	0.0	1.1	1.8
Goods-producing	206,682	205,264	200,923	186,500	184,000	1.2	-2.1	-7.2	-1.3
Service-producing	841,816	869,615	880,762	883,900	894,200	2.8	1.3	0.4	1.2
Percent Svc.-producing	80.3%	80.9%	81.4%	82.6%	82.9%				
U.S. Nonfarm Job Growth %	2.4	2.2	0.3	-0.8	1.4				
Total Nonag Wages (millions)	$28,828	$30,975	$32,058	$32,540	$33,600	7.4	3.5	1.5	3.3
Average Annual Wage	$27,495	$28,817	$29,637	$30,400	$31,163	4.8	2.8	2.6	2.5
Average Monthly Wage	$2,291	$2,401	$2,470	$2,533	$2,597	4.8	2.9	2.6	2.5
Establishments (first quarter)	61,818	63,723	66,287	68,000					

p = preliminary
f = forecast

Note: Numbers in this table may differ from other tables due to different data sources.

Source: Utah Department of Workforce Services, Workforce Information.

Table 28
Utah's Civilian Labor Force and Components by Planning District and County: 2001

County	Civilian Labor Force	Total Employed	Total Unemployed	Unemployment Rate
State Total	1,115,380	1,066,661	48,719	4.4
Beaver	2,351	2,253	98	4.2
Box Elder	16,988	16,040	948	5.6
Cache	44,765	43,330	1,435	3.2
Carbon	8,869	8,306	563	6.3
Daggett	413	394	19	4.6
Davis	123,005	118,310	4,695	3.8
Duchesne	6,048	5,671	377	6.2
Emery	3,696	3,341	355	9.6
Garfield	2,731	2,480	251	9.2
Grand	5,197	4,847	350	6.7
Iron	14,865	14,184	681	4.6
Juab	3,694	3,510	184	5.0
Kane	2,859	2,758	101	3.5
Millard	4,291	4,082	209	4.9
Morgan	3,580	3,450	130	3.6
Piute	613	566	47	7.7
Rich	952	915	37	3.9
Salt Lake	486,166	465,220	20,946	4.3
San Juan	4,303	3,913	390	9.1
Sanpete	8,811	8,306	505	5.7
Sevier	8,160	7,785	375	4.6
Summit	15,092	14,216	876	5.8
Tooele	12,834	11,888	946	7.4
Uintah	11,707	11,165	542	4.6
Utah	172,455	165,933	6,522	3.8
Wasatch	6,577	6,213	364	5.5
Washington	41,139	39,580	1,559	3.8
Wayne	1,553	1,471	82	5.3
Weber	101,669	96,535	5,134	5.0
Salt Lake-Ogden MSA	710,840	680,066	30,774	4.3

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information.

Table 29
Utah's Largest Nonagricultural Employers: December 2001

Firm Name	Business	Approximate Employment
State of Utah	State Government	22,500
Intermountain Health Care (IHC)	Hospitals and Clinics	22,000
University of Utah (Incl. Hospital)	Higher Education	18,000
Brigham Young University	Higher Education	18,000
Hill Air Force Base	Military Installation	11,500
Jordan School District	Public Education	9,000
Wal-Mart Stores	Department Stores	9,000
Granite School District	Public Education	8,000
Convergys	Telemarketing	8,000
Davis County School District	Public Education	6,500
Utah State University	Higher Education	6,000
Salt Lake County	Local Government	6,000
Smith's Food King	Grocery Stores	5,500
U.S. Postal Service	Mail Distribution	5,500
Alpine School District	Public Education	5,500
Novus (Discover Card)	Consumer Loans	5,500
Internal Revenue Service	Federal Government	5,000
Albertsons	Grocery Stores	5,000
Delta Airlines	Air Transportation	4,500
Autoliv ASP (Morton Int'l)	Automotive Components Mfg.	4,500
Salt Lake City School District	Public Education	4,000
Weber County School District	Public Education	3,500
United Parcel Service	Courier Service	3,500
Icon Health & Fitness	Exercise Equipment Mfg.	3,500
Zions First National Bank	Banking	3,500
ATK Thiokol Propulsion	Aerospace Equipment Mfg.	3,000
Salt Lake City Corporation	Local Government	3,000
Qwest Communications	Telephone Service/Communications	3,000
Weber State University	Higher Education	3,000
Salt Lake Community College	Higher Education	3,000
K Mart Corp.	Department Stores	2,500
Nebo School District	Public Education	2,500
Dick Simon Trucking	Trucking	2,500
Provo City School District	Public Education	2,500
Utah Valley State College	Higher Education	2,500
Fred Meyer Stores	Department Stores	2,000
Kennecott Minerals	Copper Mining and Smelting	2,000
Communications & Commerce	Telemarketing	2,000
PacificCorp (Utah Power)	Electric Power Generation and Distrib.	2,000
Novell	Computer Software	2,500
Wells Fargo	Banking	2,000
Washington County School District	Public Education	2,000
JC Penney Company	Department Stores	2,000
Super Target Stores	Department Stores	2,000
RC Willey Home Furnishings	Home Furnishings Store	2,000
Shopko Stores	Department Stores	2,000
Macey's Inc.	Grocery Stores	2,000
Kelly Services	Temporary Employment Placement	2,000
Ogden City School District	Public Education	2,000
Skywest Airlines	Air Transportation	2,000
Home Depot	Building Supply Store	2,000
Utah Transit Authority	Bus Transportation	2,000
Sinclair Oil	Hotels and Ski Resort	2,000

Source: Utah Department of Workforce Services, Workforce Information.

Table 30

Employment Status of Utah's Population, Class of Worker, and Reason for Unemployment

	1999		2000		2001			Percent Change	
	Number	Percent Distribution	Number	Percent Distribution	Number	Percent Distribution	U.S. Distribution	1998-99	1999-00
Employment Status of Civilian Noninstitutional Population									
Population Age 16 and Over	1,500,000	100.0	1,527,000	100.0	1,552,000	100.0	100.0	1.8	1.6
Civilian Labor Force	1,086,100	72.4	1,104,200	72.3	1,115,000	71.8	67.2	1.7	1.0
Participation Rate	72.406667	--	72.311722	--	71.842784	--	-	--	--
Total Employed Persons	1,045,500	69.7	1,068,400	70.0	1,067,000	68.8	64.5	2.2	-0.1
Unemployed	40,600	2.7	35,800	2.3	48,000	3.1	2.7	-11.8	34.1
Unemployment Rate	3.7	--	3.2	--	4.3	--	4.0	--	--
Not in Labor Force	413,900	27.6	422,800	27.7	437,000	28.2	32.8	2.2	3.4
Class of Worker of Employed Persons									
Total Employed Persons	1,045,500	100.0	1,068,400	100.0	1,067,000	100.0	100.0	2.2	-0.1
Total Nonagricultural Workers	1,026,700	98.2	1,043,100	97.6	1,044,400	97.9	97.6	1.6	0.1
Wage and Salaried	954,700	91.3	969,100	90.7	970,100	90.9	90.4	1.5	0.1
Self Employed, Private									
Household, Unpaid Family	72,000	6.9	74,000	6.9	74,300	7.0	7.2	2.8	0.4
Total Agricultural Workers	18,800	1.8	25,300	2.4	22,600	2.1	2.4	34.6	-10.7
Reason for Unemployment									
Total Unemployed Persons*	40,000	100.0	36,000	100.0	48,000	100.0		-10.0	33.3
Job Losers	12,000	30.0	13,800	38.3	na	na		15.0	
Job Leavers	7,500	18.8	3,800	10.6	na	na		-49.3	
Re-entrants	17,500	43.7	15,600	43.3	na	na		-10.9	
New Entrants	3,000	7.5	2,800	7.8	na	na		-6.7	

Note: Totals differ in this table from other tables due to different release dates or data sources.

* Total shown is sum of components. It may be different than the unemployed estimate in employment status portion of table.

Source: U.S. Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 1998, 1999, 2000; unpublished tabulations.

Table 31

Employment Status of Utah's Civilian Noninstitutional Population by Sex & Age: 2001 Annual Averages

		Civilian Labor Force			Unemployment			U.S. Civilian Labor Force
	Civilian Noninstitutional Population	Number	Percent of Population	Total Employment	Number	Rate	Error Range of Rate*	Percent of Population
Total	1,552,000	1,115,000	71.8%	1,067,000	48,000	4.3	3.9 - 4.9	67.2
16 to 19 years	157,000	104,000	66.2	91,000	13,000	12.5	9.4 - 14.2	52.2
20 to 24 years	207,000	170,000	82.1	158,000	12,000	7.1	5.3 - 8.5	77.9
25 to 34 years	327,000	269,000	82.3	258,000	11,000	4.1	2.8 - 4.8	84.6
35 to 44 years	288,000	248,000	86.1	240,000	8,000	3.2	2.2 - 4.2	84.8
45 to 54 years	229,000	196,000	85.6	192,000	4,000	2.0	1.4 - 3.2	82.6
55 to 64 years	160,000	103,000	64.4	101,000	2,000	1.9	.3 - 2.1	59.2
65 and over	182,000	27,000	14.8	26,000	1,000	3.7	.4 - 6.2	12.8
Men								
Total	768,000	627,000	81.6	603,000	24,000	3.8	3.2 - 4.6	74.7
16 to 19 years	79,000	53,000	67.1	47,000	6,000	11.3	8.4 - 15.0	53.0
20 to 24 years	103,000	91,000	88.3	84,000	7,000	7.7	5.0 - 9.4	82.6
25 to 34 years	167,000	161,000	96.4	157,000	4,000	2.5	1.8 - 4.0	93.4
35 to 44 years	145,000	139,000	95.9	134,000	5,000	3.6	2.0 - 4.6	92.6
45 to 54 years	115,000	109,000	94.8	107,000	2,000	1.8	.6 - 2.6	88.6
55 to 64 years	80,000	57,000	71.3	57,000				67.3
65 and over								17.5
Women	784,000	488,000	62.2	464,000	24,000	4.9	4.2 - 5.8	
Total	78,000	50,000	64.1	44,000	6,000	12.0	8.4 - 15.2	60.2
16 to 19 years	105,000	79,000	75.2	74,000	5,000	6.3	4.3 - 8.9	51.3
20 to 24 years	159,000	107,000	67.3	102,000	5,000	4.7	3.4 - 7.0	73.3
	143,000	109,000	76.2	106,000	3,000	2.8	1.7 - 4.5	76.3
35 to 44 years	114,000	87,000	76.3	84,000	3,000	3.4	1.6 - 4.8	77.3
45 to 54 years	80,000	45,000	56.3	44,000	1,000	2.2	.4 - 4.2	76.8
55 to 64 years								51.8
65 and over	120,000	90,000	75.0	84,000	6,000	6.7	4.7 - 9.1	9.4
	64,000	57,000	89.1	54,000	3,000	5.3	2.9 - 7.9	
Hispanic Origin	56,000	33,000	58.9	30,000	3,000	9.1	5.4 - 13.4	68.6
Men	56,000	50,000	88.3	47,000	3,000	5.3	2.8 - 7.8	80.6
Woman	48,000	31,000	64.9	29,000	2,000	5.2	2.1 - 8.4	56.9

* 90-percent confidence interval.

Note: Numbers in this table differ from other tables due to rounding.

Source: U.S. Bureau of Labor Statistics, unpublished printout.

Personal Income

Overview

Utah's 2002 forecasted total personal income of $56.4 billion is up 2.7% from the 2001 total. This is below the U.S. growth forecast of 3.0%. Utah's 2002 per capita personal income is forecasted at $24,750, an increase of 2.4% over the 2001 estimate. Utah's 2001 per capita income ranks 45th among the 50 states (excluding Washington, D.C.).

2002 Summary and 2003 Outlook

Utah's 2002 total personal income (TPI) is forecasted at $56.4 billion, up 2.7% from the 2001 total. If the forecast holds, this will be the lowest total personal income growth in at least the last 40 years. The primary cause of this anomoly is the economic recession that has characterized most of 2002. Utah's 2002 TPI growth is lower than the forecasted national TPI growth of 3.0%. The declining national TPI growth will also be the lowest growth rate in over 40 years. The Utah and U.S. economic slowdown of 2001-2002 is evident in these TPI low-growth rates.

Per capita personal income (PCI) is an area's annual total personal income divided by the total population as of July 1 of that year. Utah's 2002 PCI is approximately $24,750, an increase of 2.4% over the 2001 estimate. Utah's 2002 PCI is around 80% of the national PCI. Utah's PCI, as a percent of the national PCI, rose in the early 1990s from 77%, leveling off around 81% in 1997, and has fallen slightly since.

Significant Issues

Composition of Total Personal Income. The largest single component of total personal income is "earnings by place of work." This portion consists of the total earnings from farm and nonfarm industries, including contributions for social insurance. In 2001, Utahns' earnings by place of work reached $42.2 billion, representing 77% of TPI. About 10% of this figure was proprietors' income, while 90% was wages, salaries, and other labor income. Nonfarm earnings ($41.9 billion) were over 99% of total earnings while farm income comprised less than 1%. Private sector nonfarm earnings accounted for 81% of nonfarm earnings, while earnings from public (government) industries made up 19%. Although earnings from government employment have been declining as a share of Utah's total earnings, it is still relatively more important than the U.S. share (19% to 16%, respectively).

The other two major components of TPI are dividends, interest, and rent (DIR), and transfer payments. In 2001, DIR amounted to $9.2 billion, and transfer payments were $5.8 billion. Some of the major differences between the economic compositions of Utah and the United States lie in these two parameters. Perhaps the most significant is that Utah transfer payments comprise a much smaller share of TPI than the national figure (11% versus 14%). DIR is also relatively smaller. Thus, Utahns must rely to a greater extent on wage earnings. The problem with this is that Utah's average wage is only 83% (in 2001) of the U.S. average.

The evolution of the industrial composition of Utah's TPI has changed in recent years. In 1980, prior to the last two recessions, goods-producing industries (mining, construction, manufacturing) generated over 30% of Utah's total earnings. By 2001, that share had dropped to 21%. Similarly, 22% of U.S. earnings are from goods-producing jobs.

Four major industry sectors generate over three-fourths of Utah's total earnings. The service sector is the leader providing 28% of earnings; government (including military) pays 19%. Trade (wholesale plus retail) accounts for roughly 15% of Utah's total earnings, while manufacturing constitutes 13%. Construction, transportation/utilities, and finance/insurance/real estate are all between 7% and 8%, while mining and agriculture/agricultural services each generated about 1% of earnings.

Per Capita Personal Income. Utah's 2001 per capita personal income of $24,180 ranked 45th among the 50 states (excluding Washington D.C.). During the 1970s, Utah's PCI ranged between 83% and 85% of the United States PCI. However, from 1977 to 1989, this parameter dropped 10 percentage points (from 85% to 75%). From 1989 to 1997, gradual improvements in this comparison occurred: it peaked at 81% in 1997, then slipped back to 79% in 2000 and 2001.

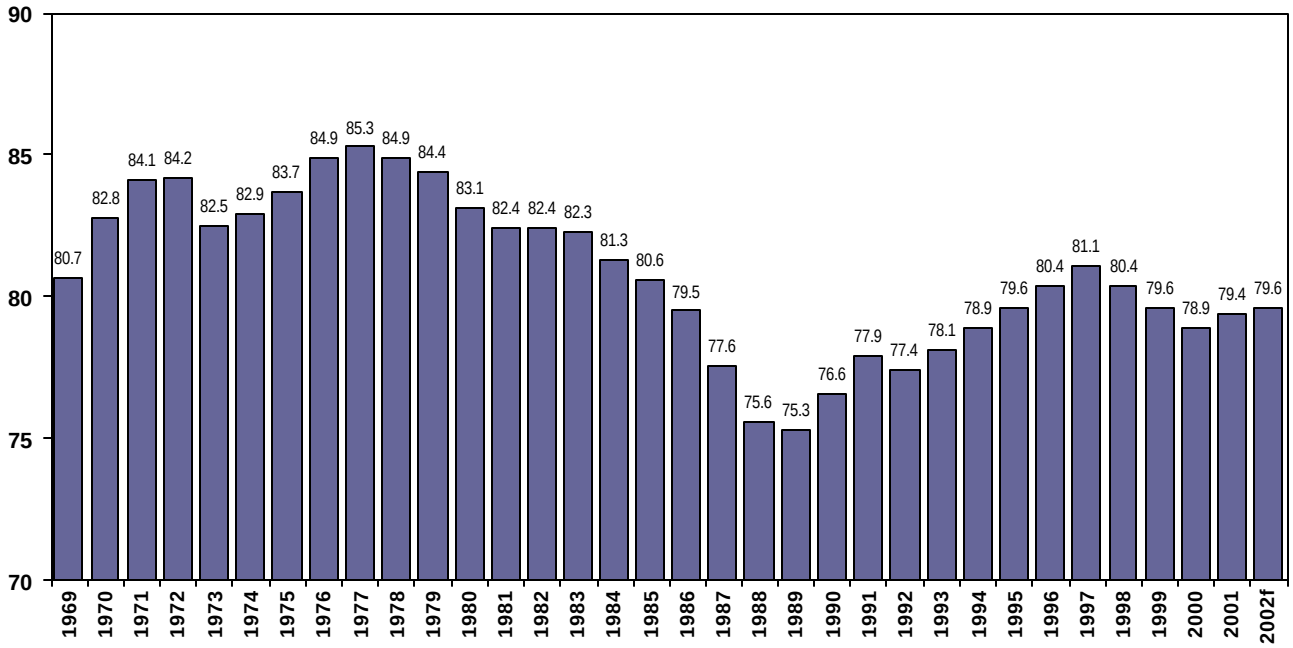
County Personal and Per Capita Income. Unlike the past two years, none of Utah's 29 counties posted double-digit 2000 to 2001 growth rates in total personal income. In fact, only Tooele County registered growth of over 8%. Most counties were in the 3% to 4% growth range. These slower growth rates are a direct reflection of the sharp economic contraction that began in 2001.

Four counties, Summit, Salt Lake, Kane, and Davis, have 2001 PCI estimates higher than the state average. Summit County's $41,400 is the highest in Utah; it exceeds the state average by 71%. San Juan County's $12,800 is the lowest; it is only 53% of the Utah average. The 2001 per capita income of the United States, at $30,177, is higher than that of all of Utah's counties except Summit County.

Conclusion

The slowing year-over gains in Utah's total and per capita personal income estimates are a direct reflection of the current contraction in Utah's economy. Utah's average, to a greater degree than the national average, relies heavily upon wage earnings for its income generation. Lost jobs have a strong negative impact on total personal income. Moreover, the average annual pay of Utah's workers is somewhat lower than the U.S. average, which contributes to the state's lower ranking in per capita personal income.

Figure 30
Utah Per Capita Personal Income as a Percent of U.S.



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Governor's Office of Planning and Budget
f = forecast

Table 32

Components of Utah's Total Personal Income

Components	Millions of Dollars			Percent Change		2001 Percent Distribution			
	1999r	2000r	2001p	99-00	00-01	Utah	U.S.		
Personal income	$48,923	$52,622	$54,884	7.6	4.3	100.0	100.0		
Earnings by place of work	38,071	40,706	42,229	6.9	3.7	76.9	71.9		
less: Personal contrb. for social insurance	2,170	2,293	2,406	5.7	4.9	4.4	4.3		
plus: Adjustment for residence	24	22	26	-8.3	18.2	0.0	0.0		
equals: Net earnings by place of residence	35,925	38,435	39,850	7.0	3.7	72.6	67.6		
plus: Dividends, interest, and rent	7,940	8,854	9,189	11.5	3.8	16.7	18.9		
plus: Transfer payments	5,058	5,334	5,845	5.5	9.6	10.6	13.5		
Components of earnings	38,071	40,706	42,229	6.9	3.7	76.9	71.9		
Wage and salary disbursements	30,410	32,660	33,792	7.4	3.5	61.6	57.0		
Other labor income	3,710	3,959	4,201	6.7	6.1	7.7	6.5		
Proprietors' income 8/	3,951	4,087	4,236	3.4	3.6	7.7	8.4		
Farm proprietors' income	154	84	188	-45.5	123.8	0.3	0.2	Industry Distribution	
Nonfarm proprietors' income	3,797	4,003	4,048	5.4	1.1	7.4	8.2	Utah	U.S.
Earnings by industry	38,071	40,706	42,229	6.9	3.7	76.9	71.9	100%	100%
Farm earnings	251	190	297	-24.3	56.3	0.5	0.5	0.7	0.6
Nonfarm earnings	37,820	40,516	41,932	7.1	3.5	76.4	71.4	99.3	99.4
Private earnings	28,992	33,057	34,006	14.0	2.9	62.0	60.0	80.5	83.4
Ag. services, forestry, fishing & other	157	184	203	17.2	10.3	0.4	0.5	0.5	0.7
Mining	427	468	479	9.6	2.4	0.9	0.6	1.1	0.9
Construction	3,036	3,162	3,227	4.2	2.1	5.9	4.4	7.6	6.1
Manufacturing	5,028	5,260	5,263	4.6	0.1	9.6	10.6	12.5	14.8
Durable goods	3,528	3,714	3,645	5.3	-1.9	6.6	6.6	8.6	9.2
Nondurable goods	1,500	1,547	1,618	3.1	4.6	2.9	4.0	3.8	5.6
Transportation and public utilities	2,789	2,985	3,064	7.0	2.6	5.6	4.9	7.3	6.8
Wholesale trade	2,172	2,345	2,324	8.0	-0.9	4.2	4.3	5.5	6.0
Retail trade	3,908	3,975	4,087	1.7	2.8	7.4	6.3	9.7	8.8
Finance, insurance, and real estate	2,981	3,148	3,355	5.6	6.6	6.1	6.9	7.9	9.7
Services	10,393	11,531	12,006	10.9	4.1	21.9	21.3	28.4	29.7
Government and government enterprises	6,928	7,459	7,926	7.7	6.3	14.4	11.5	18.8	15.9
Federal, civilian	1,776	1,982	2,068	11.6	4.3	3.8	2.2	4.9	3.0
Military	393	424	454	7.9	7.1	0.8	0.9	1.1	1.3
State	1,906	2,053	2,199	7.7	7.1	4.0	2.4	5.2	3.3
Local	2,852	3,000	3,205	5.2	6.8	5.8	6.0	7.6	8.3
Population (thousands)	2,193	2,247	2,296						
Per capita personal income (dollars)	22,202	23,476	24,180						

r = revised
p= preliminary

Note: The above population estimates, prepared by the U.S. Department of Commerce, differ somewhat from Utah Population Estimates Committee numbers.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 2002.

Table 33
Personal and Per Capita Income -- Utah and U.S.

Year	Total Personal Income (millions of dollars)		Annual Growth Rates		Per Capita Personal Income (dollars)		
	Utah	U.S.	Utah	U.S.	Utah	U.S.	Utah as % of U.S.
1960	$1,832	$409,617	6.9	4.4	$2,035	$2,276	89.4
1961	1,958	427,094	6.9	4.3	2,091	2,334	89.6
1962	2,137	454,486	9.1	6.4	2,230	2,447	91.1
1963	2,221	477,521	4.0	5.1	2,281	2,534	90.0
1964	2,334	511,831	5.1	7.2	2,386	2,679	89.1
1965	2,472	553,074	5.9	8.1	2,494	2,859	87.2
1966	2,629	601,119	6.3	8.7	2,605	3,075	84.7
1967	2,773	644,282	5.5	7.2	2,721	3,264	83.4
1968	2,984	707,542	7.6	9.8	2,900	3,550	81.7
1969	3,249	774,262	8.9	9.4	3,103	3,846	80.7
1970	3,614	834,455	11.2	7.8	3,391	4,095	82.8
1971	4,026	899,249	11.4	7.8	3,658	4,348	84.1
1972	4,514	988,362	12.1	9.9	3,979	4,723	84.2
1973	5,057	1,107,992	12.0	12.1	4,326	5,242	82.5
1974	5,686	1,220,181	12.4	10.1	4,743	5,720	82.9
1975	6,355	1,326,214	11.8	8.7	5,150	6,155	83.7
1976	7,302	1,469,752	14.9	10.8	5,739	6,756	84.9
1977	8,331	1,630,901	14.1	11.0	6,328	7,421	85.3
1978	9,606	1,841,340	15.3	12.9	7,041	8,291	84.9
1979	11,026	2,072,839	14.8	12.6	7,786	9,230	84.4
1980	12,464	2,313,921	13.0	11.6	8,464	10,183	83.1
1981	14,078	2,588,335	13.0	11.9	9,290	11,280	82.4
1982	15,282	2,756,954	8.5	6.5	9,807	11,901	82.4
1983	16,481	2,935,040	7.8	6.5	10,333	12,554	82.3
1984	18,223	3,260,064	10.6	11.1	11,233	13,824	81.3
1985	19,462	3,498,662	6.8	7.3	11,846	14,705	80.6
1986	20,367	3,697,359	4.6	5.7	12,248	15,397	79.5
1987	21,208	3,945,515	4.1	6.7	12,638	16,284	77.6
1988	22,225	4,255,000	4.8	7.8	13,156	17,403	75.6
1989	23,843	4,582,429	7.3	7.7	13,977	18,566	75.3
1990	25,939	4,885,525	8.8	6.6	14,996	19,584	76.6
1991	27,750	5,065,416	7.0	3.7	15,603	20,039	77.9
1992	29,788	5,376,622	7.3	6.1	16,234	20,979	77.4
1993	31,950	5,598,446	7.3	4.1	16,844	21,557	78.1
1994	34,579	5,878,362	8.2	5.0	17,651	22,358	78.9
1995	37,278	6,192,235	7.8	5.3	18,514	23,272	79.6
1996	40,354	6,538,103	8.3	5.6	19,519	24,286	80.4
1997	43,696	6,928,545	8.3	6.0	20,618	25,427	81.1
1998	46,781	7,418,497	7.1	7.1	21,624	26,909	80.4
1999	48,923	7,779,511	4.6	4.9	22,202	27,880	79.6
2000	52,623	8,398,796	7.6	8.0	23,476	29,770	78.9
2001(p)	54,884	8,678,255	4.3	3.3	24,180	30,472	79.4
2002(f)	56,366	8,939,000	2.7	3.0	24,750	31,100	79.6

p = preliminary
f = forecast

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Governor's Office of Planning and Budget

Table 34
Total Personal Income by District and County

	Millions of Dollars				Percent Change		
	1998	1999	2000(p)	2001(f)	98-99	99-00	00-01
State Total	$46,771.9	$48,922.7	$52,622.3	$54,883.7	4.6	7.6	4.3
Bear River	2,468.1	2,583.8	2,706.0	2,806.9	4.7	4.7	3.7
Box Elder	856.0	894.3	957.0	1,004.9	4.5	7.0	5.0
Cache	1,582.7	1,656.9	1,714.7	1,766.1	4.7	3.5	3.0
Rich	29.4	32.6	34.3	35.9	10.9	5.2	4.7
Wasatch Front	31,970.9	33,490.9	35,797.8	37,130.7	4.8	6.9	3.7
North	9,272.3	9,745.6	10,437.0	10,890.6	5.1	7.1	4.3
Davis	5,056.5	5,381.5	5,790.3	6,114.6	6.4	7.6	5.6
Morgan	137.5	145.3	157.6	165.7	5.7	8.5	5.1
Weber	4,078.3	4,218.8	4,489.1	4,610.3	3.4	6.4	2.7
South	22,698.6	23,745.3	25,360.8	26,240.1	4.6	6.8	3.5
Salt Lake	22,091.0	23,071.5	24,588.7	25,400.1	4.4	6.6	3.3
Tooele	607.6	673.8	772.1	840.0	10.9	14.6	8.8
Mountainland	7,462.8	7,981.0	8,635.7	9,046.3	6.9	8.2	4.8
Summit	1,040.2	1,124.4	1,214.9	1,295.1	8.1	8.0	6.6
Utah	6,141.5	6,550.6	7,088.8	7,393.6	6.7	8.2	4.3
Wasatch	281.1	306.0	332.0	357.6	8.9	8.5	7.7
Central	992.4	1,037.6	1,078.5	1,112.0	4.6	3.9	3.1
Juab	118.4	121.6	126.0	129.9	2.7	3.6	3.1
Millard	203.3	206.5	209.6	211.5	1.6	1.5	0.9
Piute	21.5	22.1	21.4	21.6	2.7	-3.2	0.9
Sanpete	303.3	324.4	339.0	350.5	7.0	4.5	3.4
Sevier	303.2	317.7	335.0	349.4	4.8	5.4	4.3
Wayne	42.7	45.3	47.5	49.1	6.1	4.9	3.4
Southwestern	2,316.7	2,444.8	2,628.0	2,760.9	5.5	7.5	5.1
Beaver	100.8	110.2	128.5	138.4	9.3	16.6	7.7
Garfield	75.7	79.4	82.8	86.1	4.9	4.3	4.0
Iron	501.3	518.2	546.9	560.8	3.4	5.5	2.5
Kane	128.1	131.0	143.0	148.6	2.3	9.2	3.9
Washington	1,510.8	1,606.0	1,726.8	1,827.0	6.3	7.5	5.8
Uintah Basin	630.1	646.1	702.9	749.8	2.5	8.8	6.7
Daggett	12.9	13.2	13.2	13.3	2.3	0.0	0.8
Duchesne	235.4	236.8	255.7	272.1	0.6	8.0	6.4
Uintah	381.8	396.1	434.0	464.4	3.7	9.6	7.0
Southeastern	931.0	964.4	983.4	1,000.6	3.6	2.0	1.7
Carbon	417.9	430.0	443.2	454.3	2.9	3.1	2.5
Emery	177.7	182.7	189.5	193.1	2.8	3.7	1.9
Grand	157.4	169.2	169.2	172.9	7.5	0.0	2.2
San Juan	178.0	182.5	181.5	180.3	2.5	-0.5	-0.7
Salt Lake - Ogden MSA	31,225.8	32,671.8	34,868.1	36,125.0	4.6	6.7	3.6
U.S. percent change	--	--	--	--	4.9	8.0	3.3

p = preliminary
f = forecast

Note: The 1999 and 2000 state total estimates are comparable with the county estimates but not with the estimates shown elsewhere in this chapter.

Sources: 1998-2000, State Total 2001: U.S. Dept. of Commerce, BEA, May, September 2001; 2001: Utah Department of Workforce Services, Workforce Information, November 2002.

Table 35
Per Capita Income by District and County

	Millions of Dollars				Percent Change		
	1998	1999	2000(p)	2001(f)	98-99	99-00	00-01
State Total	$21,594	$22,202	$23,476	$24,180	2.8	5.7	3.0
Bear River	18,737	19,246	19,793	20,252	2.7	2.8	2.3
Box Elder	20,591	21,104	22,321	23,237	2.5	5.8	4.1
Cache	17,612	18,350	18,714	18,915	4.2	2.0	1.1
Rich	15,729	16,935	17,447	18,104	7.7	3.0	3.8
Wasatch Front	22,802	25,193	25,768	26,233	10.5	2.3	1.8
North	21,771	22,360	23,458	24,057	2.7	4.9	2.6
Davis	21,896	22,812	24,100	24,973	4.2	5.6	3.6
Morgan	20,074	20,779	21,995	22,708	3.5	5.9	3.2
Weber	21,369	21,780	22,757	22,986	1.9	4.5	1.0
South	25,048	25,712	26,856	27,256	2.7	4.4	1.5
Salt Lake	25,051	25,891	27,330	27,661	3.4	5.6	1.2
Tooele	17,188	17,695	18,542	18,906	2.9	4.8	2.0
Mountainland	19,302	19,862	20,691	20,896	2.9	4.2	1.0
Summit	37,189	38,767	40,528	41,405	4.2	4.5	2.2
Utah	17,380	18,114	19,128	19,170	4.2	5.6	0.2
Wasatch	20,144	20,991	21,547	22,424	4.2	2.6	4.1
Central	15,344	15,902	16,217	16,899	3.6	2.0	4.2
Juab	15,122	15,053	15,206	15,158	-0.5	1.0	-0.3
Millard	16,539	16,629	16,880	17,159	0.5	1.5	1.7
Piute	15,743	15,529	14,833	15,385	-1.4	-4.5	3.7
Sanpete	13,877	14,385	14,858	15,095	3.7	3.3	1.6
Sevier	16,389	16,995	17,745	18,217	3.7	4.4	2.7
Wayne	17,703	18,560	18,756	19,570	4.8	1.1	4.3
Southwestern	17,478	17,760	18,506	18,735	1.6	4.2	1.2
Beaver	17,139	18,433	21,339	22,330	7.6	15.8	4.6
Garfield	16,334	17,081	17,426	18,596	4.6	2.0	6.7
Iron	15,836	15,758	16,104	16,060	-0.5	2.2	-0.3
Kane	21,130	21,882	23,578	24,615	3.6	7.8	4.4
Washington	17,808	18,239	18,928	19,114	2.4	3.8	1.0
Uintah Basin	16,065	16,080	17,301	18,007	0.1	7.6	4.1
Daggett	15,201	14,995	14,139	14,089	-1.4	-5.7	-0.4
Duchesne	16,559	16,447	17,782	18,578	-0.7	8.1	4.5
Uintah	15,290	15,717	17,184	17,828	2.8	9.3	3.7
Southeastern	17,011	17,696	18,186	18,945	4.0	2.8	4.2
Carbon	20,158	20,903	21,763	22,877	3.7	4.1	5.1
Emery	16,280	16,737	17,472	18,438	2.8	4.4	5.5
Grand	19,197	20,241	19,868	20,527	5.4	-1.8	3.3
San Juan	12,416	12,673	12,606	12,821	2.1	-0.5	1.7
Salt Lake - Ogden MSA	23,953	24,738	26,075	26,491	3.3	5.4	1.6
U.S.	26,893	27,843	29,469	30,177	4.9	8.0	3.3

p = preliminary
f = forecast

Note: The 1999 and 2000 state total estimates are comparable with the county estimates but not with the estimates shown elsewhere in this chapter.

Sources: 1998-2000, State Total 2001: U.S. Dept. of Commerce, BEA, May, September 2001; 2001: Utah Department of Workforce Services, Workforce Information, November 2002.

Gross State Product

Overview

Gross State Product (GSP) is the market value of final goods and services produced by the labor and property located in a state. It is the regional counterpart to the national Gross Domestic Product (GDP). Conceptually, GSP is gross output less intermediate inputs. The Bureau of Economic Analysis (BEA) released its estimates of GSP for 2000 in June 2002.

Estimates of Real and Nominal GSP

GSP is a measure of production, as distinguished from income or spending. It is the sum of the value added by each industry in the state's economy and is expressed in dollars. Changes in nominal (current dollar) GSP from one year to the next result from quantity changes in production and product price changes. BEA attempts to separate these by calculating real (constant dollar) GSP, which theoretically holds prices constant.

Changes in real gross product for an industry reflect changes in the quantity of output, not the price of the product in the market. In order to calculate real GSP, price indices are constructed to account for the inflationary or deflationary prices. There are alternative approaches to the construction of price indices, and these have significant implications for the measurement of prices and quantity over time. When price indices are used to adjust current dollar GSP, the result is real GSP.

BEA has historically used a fixed weight approach to calculate real GSP. Observed relative prices in a base year are assumed constant over time. This introduces what is called "substitution bias", and tends to understate real growth in rapidly growing industries and overstate it in slower growth industries.

An alternative is a chain-type index that reduces substitution bias but introduces additional complexities in interpretation and use.[1] The most recent BEA estimates include current dollar GSP, and real GSP measured in chained 1996 dollars. But because of the problems mentioned earlier, real GSP measured in fixed weight 1996 dollars has not been included in the measurement.

Current Dollar GSP

Utah's current dollar GSP is estimated by BEA to be $62.780 billion in 1999 and $68.549 billion in 2000. This was the sixth highest rate of growth in the nation at 9.2%. The national average for nominal GSP was 7.1%.

Real GSP

Utah's real GSP (measured in chain-weighted 1996 dollars) has been increasing since 1986. BEA estimates real GSP for Utah to be $59.784 billion in 1999 and $63.242 billion in 2000. This was a 5.8% rate of growth ranking Utah 11th fastest in the nation. The national average for real GSP was 4.5%.

GSP Trends

Utah performed quite well through the 1990s in terms of real GSP. Through this decade, Utah's GSP surpassed that of the nation in all but two years (Utah was slightly lower than the nation in 1997 and tied the national average in 1999). Utah was ranked among the top five fastest growing states four times through the decade.

Utah's industrial composition has evolved over time much like the U.S. In 1965, both the U.S. and Utah were natural resource and manufacturing based economies. Over the last part of the past century in both the U.S. and Utah, agriculture, mining, and manufacturing have decreased, and service and FIRE (finance, insurance, and real estate) have grown.

Significant Issues

In June 1999, the Bureau of Economic Analysis made several major improvements to the way it estimates GSP. The revisions were centered in the manufacturing and financial service industries. As a result, 1996 manufacturing gross product was revised upward 13% for Utah, and the state as a whole is more productive than previously estimated.

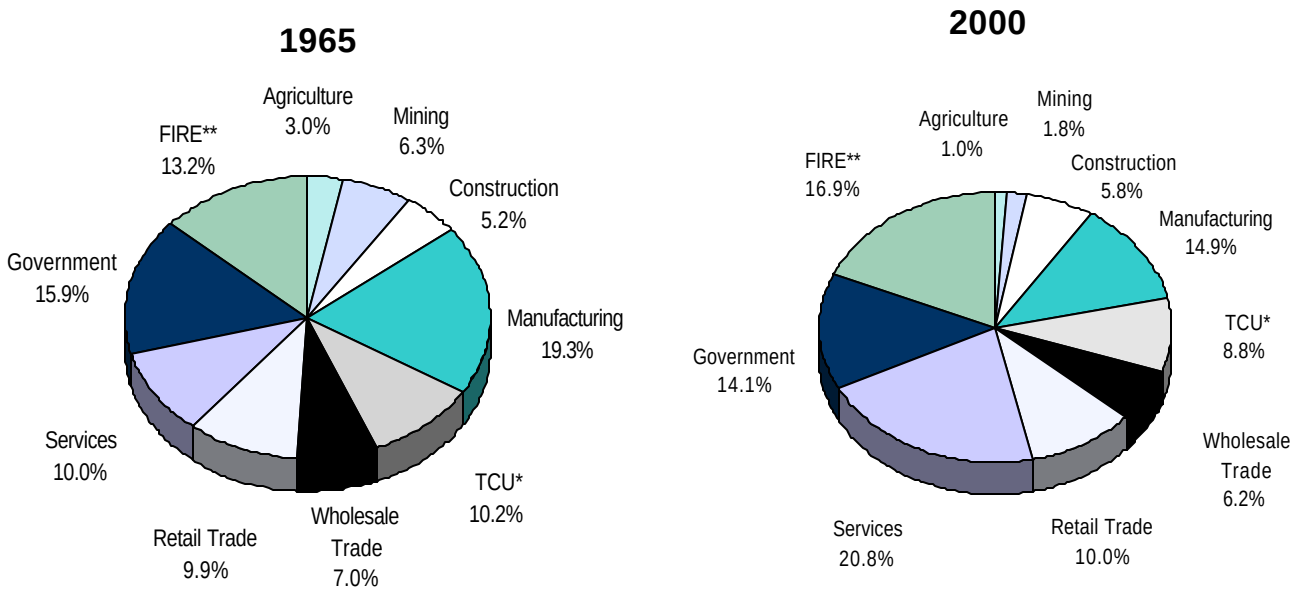
Another important change in GSP has to do with a 1999 reclassification of how GDP, or Gross Domestic Product is calculated. Before the reclassification software purchases were counted as an expense; they are now classified as an investment. Expenses are not included in the figuring of GDP, but investments are. Consequently, software sales, which are growing much faster than the economy as a whole, are now factored into the GDP figures.

Conclusion

Gross State Product can be used to measure aggregate production in a state. For Utah this aggregate production has shown solid increases for more than ten years. This growth should continue at a somewhat slower pace in the future. GSP can also be utilized to show the change in industry composition over time and as such can prove useful in monitoring the diversity in the economic structure of Utah.

[1] J. Stephen Landefeld and Robert P. Perker, "BEA's Chain Indexes, Times Series, and Measures of Long-Term Economic Growth," Survey of Current Business 77 (May 1997): 58-68; and Howard L Friedenberg and Richard M. Beemiller, "Comprehensive Revision of Gross State Product by Industry, 1977-94," Survey of Current Business 77 (June 1997): 15-41.

Figure 31
Utah Gross State Product -- Percent Share by Industry

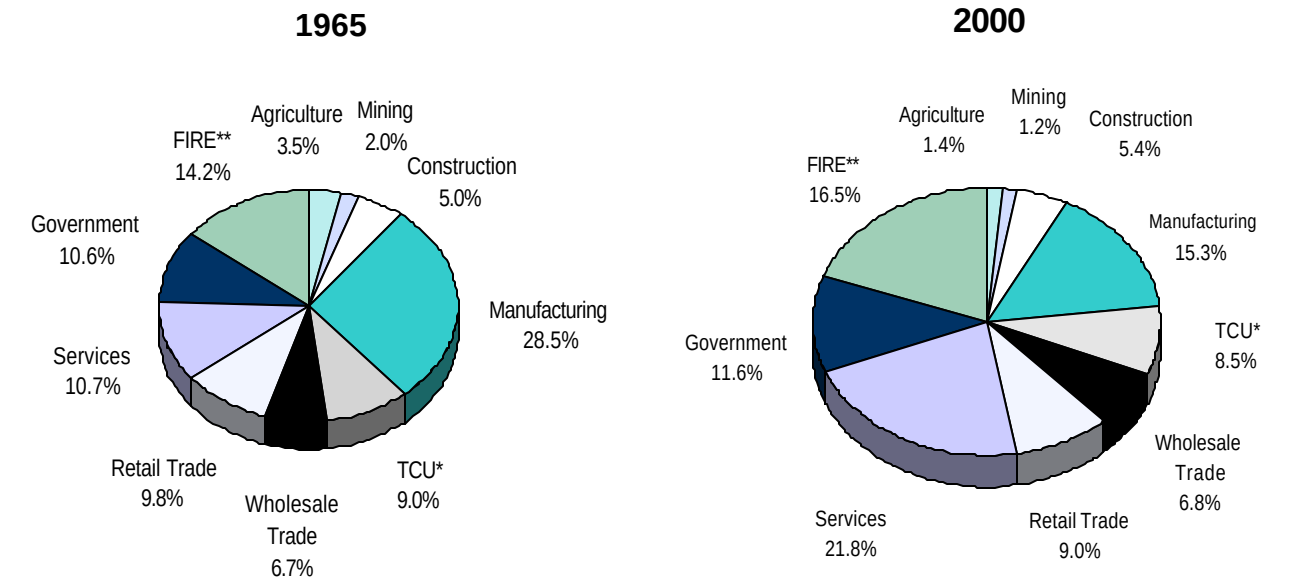


*Transportation, Communication and Utilities

** Finance, Insurance and Real Estate

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Figure 32
U.S. Gross Domestic Product -- Percent Share by Industry



*Transportation, Communication and Utilities

** Finance, Insurance and Real Estate

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 36
Utah Gross State Product by Industry (Millions of Current Dollars): Selected Years

Industry	1986	1990	1994	1995	1996	1997	1998	1999	2000
Total Gross State Product	$24,473	$31,359	$42,236	$46,290	$51,523	$55,070	$59,084	$62,780	$68,549
Private Industries	20,234	25,783	35,386	39,006	43,889	46,948	50,591	53,816	58,874
Agriculture, forestry, and fisheries	356	502	533	510	562	603	658	684	713
Farms	298	427	416	378	409	436	460	462	454
Agricultural services, forestry and fisheries	58	75	117	132	153	167	198	222	259
Mining	1,001	1,534	1,256	1,282	1,296	1,162	1,074	1,061	1,208
Metal mining	142	382	448	514	411	278	237	230	265
Coal mining	255	210	286	304	409	324	335	340	335
Oil and Gas	583	858	484	414	423	452	416	403	517
Nonmetalic minerals	22	84	37	49	53	109	86	88	91
Construction	1,271	1,268	2,307	2,701	3,093	3,369	3,800	4,214	4,405
Manufacturing	3,472	4,638	5,915	6,681	8,115	7,753	7,998	8,212	8,559
Durable goods	2,382	3,216	3,826	4,434	5,186	5,037	5,164	5,278	5,502
Lumber and wood	73	146	173	176	186	175	189	216	216
Furniture and fixtures	73	80	126	133	152	143	180	196	201
Stone, clay, and glass products	199	129	190	226	234	281	317	309	315
Primary metals	95	508	616	720	661	792	782	799	892
Fabricated metals	210	294	408	425	478	525	485	560	569
Industrial machinery	749	446	399	570	1,306	710	830	630	622
Electronic equipment	287	400	385	341	348	428	358	492	487
Motor vehicles	47	129	425	639	495	550	599	592	608
Other transportation equipment	500	696	594	586	591	650	582	592	620
Instruments and related	59	199	222	312	362	356	392	368	415
Misc. manufacturing services	91	188	287	305	374	427	449	525	556
Electronic equipment + instruments	345	599	607	653	709	784	750	859	902
Nondurable goods	1,090	1,423	2,089	2,247	2,929	2,716	2,834	2,935	3,057
Food & kindred products	381	384	490	576	597	681	626	689	666
Tobacco products	0	0	0	0	0	0	0	0	0
Textile mill products	3	25	16	20	16	14	19	20	21
Apparel and other textile products	81	66	88	74	79	68	71	57	53
Paper products	62	91	212	228	301	284	259	350	379
Printing and publishing	264	300	430	413	505	588	610	596	621
Chemicals	118	207	351	448	891	540	576	550	614
Petroleum products	137	253	388	346	359	334	456	410	455
Rubber & plastics	43	95	111	138	176	204	214	259	244
Leather products	1	1	2	5	4	4	4	4	4
Transportation, communications, and utilities	2,735	3,123	4,017	4,372	4,588	4,933	5,253	5,505	5,901
Transportation	1,047	1,393	1,884	2,043	2,149	2,406	2,597	2,680	2,746
Railroad transportation	277	216	256	272	266	270	230	238	238
Local and interurban	26	21	28	31	35	41	49	50	58
Trucking and warehousing	436	589	786	846	915	1,012	1,158	1,180	1,232
Water transportation	2	1	1	2	2	4	5	6	7
Transportation by air	233	479	707	784	812	954	1,021	1,058	1,063
Pipelines, except natural gas	29	17	23	20	19	17	20	17	13
Transportation services	45	70	82	89	101	108	113	129	134
Communications	612	689	905	998	1,064	1,080	1,191	1,335	1,519
Electric, gas, and sanitary	1,075	1,042	1,229	1,332	1,375	1,447	1,465	1,491	1,636
Wholesale trade	1,607	1,878	2,637	2,886	3,185	3,398	3,842	3,993	4,254
Retail trade	2,538	2,919	4,403	4,875	5,261	5,816	6,327	6,741	6,881
Finance, insurance, and real estate	3,395	4,111	5,913	6,658	7,951	9,079	9,796	10,427	12,685
Depository institutions	498	845	1,065	1,262	2,113	2,669	2,759	3,075	5,012
Nondepository institution	131	119	309	358	428	577	683	623	680
Security brokers	70	83	117	127	194	212	244	256	292
Insurance carriers	150	227	431	523	555	666	727	736	726
Insurance agents	103	175	282	307	337	349	369	409	449
Real estate	2,341	2,647	3,669	4,047	4,339	4,606	4,954	5,308	5,525
Holding and investment	103	15	41	34	(16)	(1)	60	20	2
Depository + Nondepository	629	964	1,373	1,620	2,541	3,246	3,441	3,698	5,692
Services	3,859	5,809	8,405	9,042	9,838	10,836	11,844	12,978	14,268
Hotels and lodging	190	240	334	357	396	453	501	556	596
Personal services	158	205	304	278	290	316	351	362	388
Business services	690	1,103	1,944	2,131	2,406	2,808	3,085	3,682	4,300
Auto repair and parking	253	315	444	503	543	597	699	764	784
Misc. repair services	99	124	141	156	169	168	192	192	200
Motion pictures	86	70	110	160	174	182	168	181	180
Amusement and recreation	134	185	268	303	348	391	464	517	599
Health services	1,007	1,623	2,266	2,377	2,583	2,749	2,911	3,007	3,196
Legal services	207	284	359	398	369	422	475	484	567
Educational services	224	328	422	434	449	476	506	563	623
Social services	56	99	174	192	220	247	275	298	345
Other services	276	614	879	986	1,088	1,213	1,362	1,463	1,573
Membership organizations	460	591	728	729	765	775	808	868	872
Private households	21	28	34	37	38	39	45	41	44
Business services + Other services	965	1,717	2,822	3,117	3,494	4,021	4,448	5,145	5,873
Government	4,239	5,575	6,849	7,283	7,634	8,122	8,493	8,965	9,675
Federal civilian	1,491	1,771	1,942	2,039	2,009	2,062	2,130	2,274	2,546
Federal military	368	439	473	476	502	503	512	537	578
State and local	2,380	3,365	4,434	4,769	5,123	5,556	5,851	6,154	6,551

Source: U.S. Bureau of Economic Analysis

Table 37
Utah Real Gross State Product by Industry (Millions of Chained 1996 Dollars): Selected Years

Industry	1986	1990	1994	1995	1996	1997	1998	1999	2000
Total Gross State Product	$32,385	$36,301	$43,952	$46,965	$51,523	$53,999	$57,011	$59,784	$63,242
Private Industries	26,025	29,305	36,676	39,483	43,889	46,111	48,974	51,570	54,661
Agriculture, forestry, and fisheries	446	537	615	575	562	670	756	847	906
Farms	366	452	499	441	409	512	572	660	693
Agricultural services, forestry and fisheries	85	90	121	135	153	161	186	195	216
Mining	919	1,304	1,332	1,286	1,296	1,200	1,309	1,303	1,217
Metal mining	154	323	457	435	411	310	340	374	402
Coal mining	123	134	245	286	409	341	373	433	449
Oil and Gas	697	862	629	530	423	438	510	422	330
Nonmetalic minerals	25	87	38	49	53	104	83	83	89
Construction	1,681	1,482	2,491	2,787	3,093	3,234	3,481	3,664	3,603
Manufacturing	4,042	4,997	5,911	6,691	8,115	7,728	7,928	8,365	8,395
Durable goods	2,626	3,430	3,812	4,410	5,186	5,114	5,332	5,577	5,808
Lumber and wood	119	204	169	173	186	168	181	200	215
Furniture and fixtures	97	93	135	141	152	140	170	181	184
Stone, clay, and glass products	222	150	200	230	234	276	300	279	285
Primary metals	120	513	654	674	661	793	802	911	968
Fabricated metals	255	322	424	443	478	517	460	512	521
Industrial machinery	536	353	352	535	1,306	785	1,025	858	875
Electronic equipment	172	259	285	299	348	470	474	760	880
Motor vehicles	70	187	443	671	495	553	600	571	591
Other transportation equipment	656	871	625	607	591	642	565	562	546
Instruments and related	94	279	255	348	362	331	334	301	311
Misc. manufacturing services	114	217	292	314	374	421	432	499	529
Electronic equipment + instruments	307	541	551	645	709	794	802	977	1,077
Nondurable goods	1,425	1,565	2,099	2,279	2,929	2,619	2,608	2,796	2,627
Food & kindred products	506	437	501	633	597	653	576	608	575
Tobacco products	0	0	0	0	0	0	0	0	0
Textile mill products	3	25	17	21	16	14	18	19	20
Apparel and other textile products	91	71	88	76	79	68	69	53	51
Paper products	88	106	260	202	301	307	261	346	316
Printing and publishing	455	423	478	455	505	557	546	511	510
Chemicals	174	247	368	440	891	538	543	530	591
Petroleum products	126	183	291	321	359	272	367	464	318
Rubber & plastics	42	95	111	141	176	208	209	254	243
Leather products	1	1	3	5	4	4	3	3	4
Transportation, communications, and utilities	2,802	3,292	3,959	4,285	4,588	4,756	4,826	5,136	5,514
Transportation	1,005	1,389	1,829	1,954	2,149	2,270	2,286	2,351	2,451
Railroad transportation	205	198	243	262	266	267	216	231	242
Local and interurban	41	30	31	33	35	41	45	48	56
Trucking and warehousing	442	578	776	823	915	922	969	971	1,033
Water transportation	2	1	1	1	2	4	5	5	6
Transportation by air	228	495	675	729	812	912	915	949	972
Pipelines, except natural gas	29	18	24	18	19	19	21	18	14
Transportation services	62	75	80	88	101	106	112	129	127
Communications	632	722	905	998	1,064	1,065	1,155	1,324	1,534
Electric, gas, and sanitary	1,209	1,196	1,224	1,334	1,375	1,420	1,386	1,472	1,550
Wholesale trade	1,935	1,972	2,650	2,785	3,185	3,502	4,192	4,341	4,470
Retail trade	3,233	3,217	4,379	4,834	5,261	5,853	6,404	6,812	6,973
Finance, insurance, and real estate	5,071	5,148	6,377	6,899	7,951	8,716	9,160	9,567	11,316
Depository institutions	873	1,203	1,209	1,346	2,113	2,397	2,358	2,532	3,941
Nondepository institution	196	134	314	350	428	620	741	703	770
Security brokers	63	82	114	125	194	225	276	387	589
Insurance carriers	399	394	528	565	555	618	653	629	568
Insurance agents	242	286	321	324	337	333	339	368	401
Real estate	3,131	3,036	3,837	4,145	4,339	4,524	4,769	4,980	5,040
Holding and investment	203	28	59	42	(16)	(1)	40	12	1
Depository + Nondepository	1,079	1,325	1,525	1,699	2,541	3,008	3,069	3,222	4,769
Services	5,982	7,334	8,994	9,350	9,838	10,449	10,978	11,585	12,230
Hotels and lodging	279	286	344	362	396	416	432	448	464
Personal services	235	251	318	286	290	305	331	332	343
Business services	902	1,305	2,099	2,216	2,406	2,727	2,882	3,314	3,692
Auto repair and parking	377	387	465	509	543	572	648	699	699
Misc. repair services	162	179	156	169	169	159	170	154	147
Motion pictures	126	84	119	169	174	178	163	166	155
Amusement and recreation	196	228	286	314	348	379	431	471	515
Health services	1,827	2,185	2,399	2,438	2,583	2,675	2,732	2,740	2,837
Legal services	358	373	386	414	369	404	437	434	491
Educational services	358	418	455	456	449	456	458	487	513
Social services	88	125	186	200	220	237	250	259	283
Other services	432	787	945	1,013	1,088	1,168	1,277	1,329	1,384
Membership organizations	636	716	801	764	765	736	728	720	681
Private households	28	34	37	39	38	38	43	38	39
Business services + Other services	1,343	2,086	3,044	3,229	3,494	3,895	4,159	4,644	5,078
Government	6,425	7,054	7,285	7,487	7,634	7,888	8,042	8,226	8,599
Federal civilian	2,424	2,391	2,117	2,098	2,009	2,010	2,039	2,105	2,296
Federal military	492	534	512	505	502	493	495	503	522
State and local	3,546	4,147	4,660	4,884	5,123	5,385	5,507	5,618	5,783

Note: Real GSP data by industry for Utah is not available from the Bureau of Economic Analysis before 1986.

Source: U.S. Bureau of Economic Analysis

Utah Taxable Sales

Overview

In 2002, taxable sales will be flat.[1] The zero-growth rate is less than we were predicting last year. It was predicted that a flat first half would be succeeded by two quarters of 3 to 5% growth, but a rebound in business investment has not occured. The zero-growth rate is the lowest rate since 1986 and 1987 when taxable sales growth fell about 1.5% each year. Following four years of 10% to 12% yearly growth rates, taxable sales slowed down to growth rates between 4% and 7% between 1997 and 2000. The U.S. recession in 2001 contributed to the 2.4% gain in taxable sales. In 2002, first quarter sales rose only 0.6% despite an infusion from the 2002 Olympic Winter Games which appeared to jump start department store, miscellaneous shopping goods, and hotel sales. Second quarter sales fell almost 2%, and third quarter taxable sales should be flat. Declining employment and lower wage gains have combined with falling business investment to dampen taxable sales in 2002. Following a slow start in the first quarter of 2003, we expect taxable sales to increase 4% in the second through fourth quarters. This, of course, assumes no significant impacts from an Iraq War and no new terrorist attacks commence. Taxable sales can be dissected into three major components:

- Retail Trade at $18.4 billion, which represents about 57% of taxable sales, will grow 4.1% in 2002, better than the 2.5% gain in 2001, but well below the last ten-year average of 7.1%.
- Taxable Business Investment and Utility Sales, at $8.1 billion, represents 25% of taxable sales and will drop 6% in 2002.
- Taxable Services, at $4.6 billion, will decline 3% in 2002 and represent 14% of taxable sales. The 3% decline is in contrast to the 8.7% average gains since 1991.

2002 Summary

Retail Trade. Retail trade sales rose in double digits four out of the five years between 1992 and 1996. An end to the economic boom came in 1997 when retail trade sales slowed down to a 3.3% growth rate. Retail trade sales growth improved to 5.3% in 1998 and 1999, and fell back to 4.8% in 2000. But in 2001 retail trade sales decreased to a 2.5% growth rate, despite the nonfarm wage growth of nearly 4%. The slowdown in job growth, tailing off of construction permit values, the national recession, as well as the events of 9-11 took their toll on Utah consumer confidence, which fell from 107.6 to 95.1 in 2001. Zero-rate car loans and historically low mortgage rates stimulated retail sales in 2002. During the first nine months, retail trade rose almost 5% in Utah. This is a decent showing considering consumer inflation has been rising only 1.6%.

Retail Nondurable Goods. Nondurable goods sold by retailers are classified into the following sectors: General Merchandise, Food, Apparel, Eating and Drinking, and Miscellaneous Shopping Goods stores. At $11.9 billion in 2002, Nondurable Retail sales represent more than one-third of all taxable sales. In 2002, sales in this sector are predicted to grow 4.1%. General Merchandise store sales, where big discount stores are taking market share not only from traditional department stores, but also from Grocery and Miscellaneous Shopping Goods stores, will see gains of 18% in 2002. Food store sales, which typically grow less than average due to high competition and smaller price gains, but are now meeting stiff competition from big-box discount department stores, will experience a 9% sales decline in 2002. This follows a near 4% drop in 2001. Apparel store sales will be up about 7%, 1% lower than its ten-year average. Miscellaneous Shopping Goods store sales, which grew 2.5% in 2001, will see an improvement to nearly 5% in 2002. Intense competition from big discount department stores, as well as Internet sellers, has cut into Miscellaneous Shopping Goods store sales. For the year 2002, the Nondurable Retail sales will be up 4.4%, two percentage points lower than its ten-year average of 6.3%, but not bad considering wages and salaries will rise less than 1%.

Retail Durable Goods. We classify Retail Durable goods vis-à-vis the general definition of items that last three or more years into three broad sectors: Building and Garden stores, Furniture stores, and Motor Vehicle Dealers. These sectors are usually impacted by: 1) changes in the housing starts, 2) movements in interest rates, and 3) job growth. Despite declining employment in Utah during 2002, zero-rate auto loans and historically low mortgage rates have boosted hard-goods sales. Residential construction values are expected to rise 2% in 2002, bolstering hard-goods sales. However, Building and Garden store sales were flat in 2002. In contrast, Furniture store sales were predicted to make a near 5% gain in 2002. While lumber store sales will fall 3%, hardware store sales (including some big-box types) will see a near 20% gain. In 2000, Building and Garden store sales fell 3%, so the 5% rebound in housing values contributed to positive growth here.

After homes are built, they must be furnished. Furniture and Home Furnishing store sales are anticipated to make gains near 5% in 2002, possibly due to a 10% gain in lagged 2001 residential permit values that were to be completed into homes. This is the biggest gain since the boom days of 1996. It also may reflect changes in the way retailers sell their wares. The more than 50% gains in the household appliance sector account for half of the 5% gain. Radio, TV and Electronic store sales will advance 10%, while the large Furniture store subsector will grow only 1.5%. For the past four years the housing market in Utah has been more resilient than expected, mostly due to falling interest rates and good growth in housing-purchasing age cohorts. Weaker sales are expected here in 2003 especially if residential construction values decline 2%.

During the first nine months of 2002, Motor Vehicle Dealer sales growth, at 8.5%, were much stronger than nonfarm wage growth at 1.5%. Zero to near-zero% financing lured in consumers with strong job prospects and increasing financial stability. Historically low financing enticed strong sales at recreation and utility trailer dealers (up 17%) and motorcycle dealers (up 13%), who also market the increasingly popular ATVs. It is anticipated that new car sales will not continue to gain 8% in 2003. However, as wages improve somewhat, a near 5% sales growth is expected.

Business Investment and Utility Sales. This category includes taxable business-to-business (B2B) purchases of supplies and equipment and business-to-consumer (B2C) sales of utilities, as well as final sales at wholesale trade stores. In 2002, these sectors will comprise more than 25% of all taxable sales (down from 27% in 2001). Almost 15% are found in the goods-producing sectors of Agriculture, Mining and Manufacturing, and their Wholesaling Trade counterparts, while 10% of

[1] Taxable sales consist of final sales of most tangible personal property in the state. Taxable sales of selected services such as hotel and lodging, automobile leases, amusements and repairs to tangible personal property are also taxable in Utah.

taxable sales are in the service producing sectors: Transportation, Communication, and Public Utilities. In six out of the eight years between 1991 and 1998, taxable sales in this major sector rose more than 10%. However, following the near 10% gain in 1998, taxable sales rose only 1.4% in 1999. Back-to-back 9% gains nationally, in order to meet Y2K expectations for business fixed investment in 1999 and 2000, propelled similar purchases in Utah to a near 7% gain in 2000.

The 3% decline in U.S. fixed investments in 2002 led to steeper declines in Utah where capacity utilization might be higher than average, and where high-tech investment dropped more precipitously due to the Olympic buildup. While expenditures in the very small Agriculture, Forestry and Fishing sector gained 9%, the balance of the goods sectors slashed investment between 10% and 20%. Mining purchases will be off at least 13% in 2002. After several large nonresidential projects were completed in time for the 2002 Olympic Winter Games, Construction sector purchases will be down nearly 13%. Manufacturing purchases will also be down between 15% and 20%.

In contrast, we expect Transportation, Communications and Public Utility sales and purchases to slide only 1%, following the 15% gain in 2001. Through the first nine months of 2002, Electric sales were up 7%, due partially to Utah's warmer summer season increasing air conditioning demand. Natural Gas sales slipped almost 9% following price and rate decreases relative to sharp increases in 2001. While Telephone Communication sales fell 11% during the first three quarters, Mobile Telephone sales growth increased only 3%.

Overall, the mix of Business Investment (down 8%) and Public Utility sales (down 4%) will fall 6% in 2002, but some improvement is expected as U.S. business investment picks up in 2003.

Taxable Services. Taxable services, which rose at lightening speed in the economic expansion between 1990 and 1996, slowed down to less than 4 % growth in 1997. In 1998, taxable service growth went back on the fast track by growing almost 11%. But in 1999 slower tourist-related sales brought down taxable-services growth to less than 6%. Improving tourism and surging Y2K demand in the Business Services sector increased the growth in overall Services to 9% in 2000. Slower growth was anticipated in 2001, but the 1% decline was not foreseen. Even the Winter Olympics boost could not overcome declines in two major subsectors: 1) Auto Rentals and Repairs, where sales will be down nearly 4% in 2000, and 2) Business Services, where sales will be off 8% in 2002, connected to and remarkably close to the Business Investment decline mentioned above.

Sales Forecast and Other Public Policy Issues. Several issues affect this very important tax base for Utah state and local governments. In some cases the impacts are not independent of each other. The manner in which these issues are resolved may affect how taxable sales are reported, or if they are reported at all.

1. **9/11 Impact on Taxable Sales.** Our modeling suggests that 9-11 and its secondary economic affects on tourism, transportation and investment is depressing taxable sales 2.3% per year, or by $37 million in state sales taxes.

2. **2002 Winter Olympics Impact.** The Olympics brought thousands of people, from sports aficionados, contractors, and media people into the state. They spent money on Utah goods and services, particularly in the hotel (up 130% in February), department store (up 33% in February), eating and drinking (up 23% in February), and apparel store (up 23% in February), sectors during calendar year 2002. However, some tradeoffs occurred, as amusement and recreation were flat and business investment purchases fell 11%. Our modeling confirmed earlier estimates by the Governor's Office of Planning and Budget -- that the Olympics would add about $280 million (0.9%) to taxable sales in 2002.

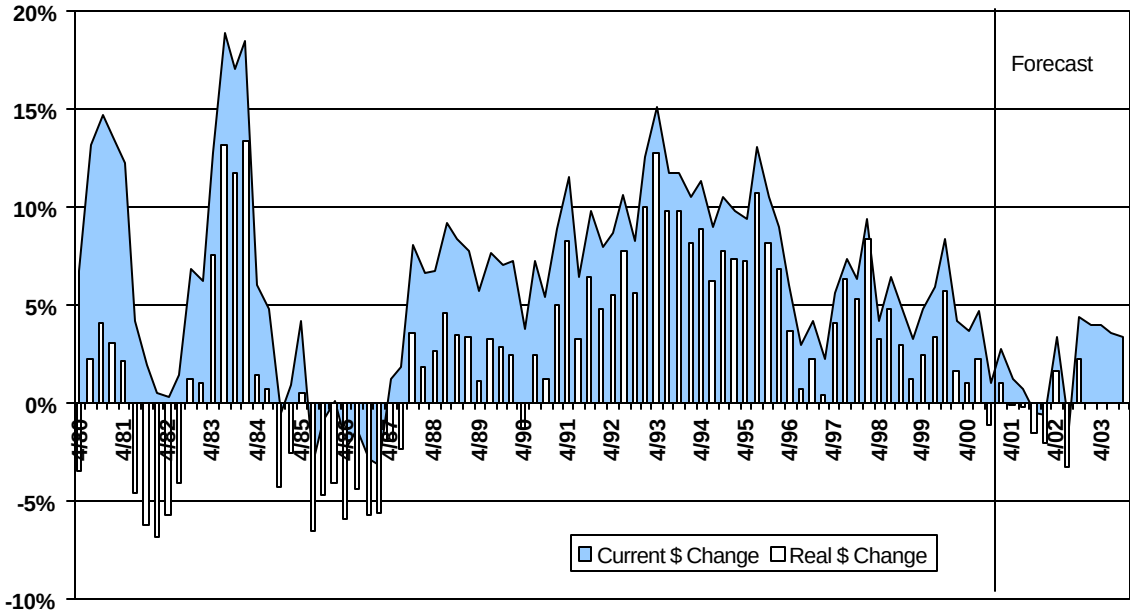
3. **Internet Sales.** Given the fact that surveys put Utahns in the top ten Internet users and PC purchasers, the inability to tax remote sales is a big issue with respect to the sales tax base. Dr. William Fox et al from the University of Tennessee recently estimated that Internet sales would cost Utah about $55 million in state and local sales taxes by 2002, and about $192 million in 2006.[2] Based on quarterly surveys at the U.S. Department of Commerce we calculate the loss to be about 1.4% of state and local sales taxes, or about $22 million in fiscal year 2004.[3]

4. **North American Industry Classification System (NAICS).** The President's Office of Management and Budget, as well as all federal government agencies, have adopted a new, updated classification system, which parallels systems in Mexico and Canada, two of our largest trading partners. If new funding were available, the reporting of taxable sales under the NAICS system would be possible by late 2003. With over 150 new industry classifications, some of which are new technology-driven sectors, the distribution of taxable sales under NAICS would give our reports more definition.

[2] Donald Bruce and William Fox, "State and Local Sales Tax Revenue Losses from E-Commerce: Updated Estimates," University of Tennessee, September 2001.

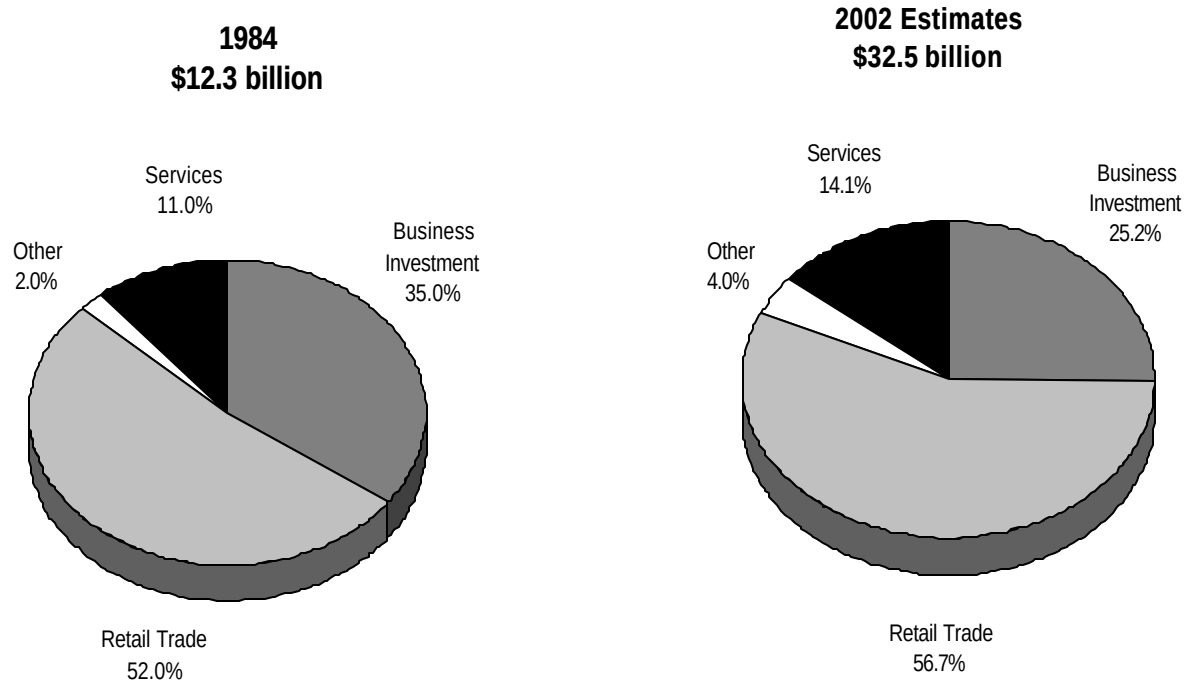
[3] Commerce reported Internet B2C retail sales amounted to between 1.2 and 1.3% of total retail sales during the first three quarters of 2002. E-commerce sales were 0.8% of total sales in the second quarter of 2000. See www.census.gov/mrts/www/current.html.

Figure 33
Percent Change in Utah Taxable Sales



Source: Utah State Tax Commission

Figure 34
Shares of Utah's Sales Tax Base -- Four Major Sectors



Source: Utah State Tax Commission

Table 38
Utah Taxable Sales by Component

Calendar Year	Retail Sales	Business Investment Purchases	Taxable Services	All Other	Total Gross Taxable Sales
1981	$4,901	$3,821	$919	$217	$9,857
1982	5,200	3,513	1,062	244	10,020
1983	5,638	3,648	1,138	262	10,686
1984	6,401	4,254	1,385	284	12,324
1985	6,708	4,122	1,379	304	12,513
1986	7,010	3,689	1,414	265	12,378
1987	6,951	3,398	1,587	252	12,188
1988	7,346	3,684	1,718	269	13,017
1989	8,048	3,675	1,849	320	13,892
1990	8,407	3,874	1,829	664	14,774
1991	8,918	4,355	2,040	685	15,998
1992	9,860	4,342	2,223	888	17,313
1993	10,994	4,956	2,499	892	19,341
1994	12,097	5,609	2,802	1,019	21,527
1995	13,080	6,231	3,205	1,093	23,609
1996	14,404	6,878	3,594	968	25,844
1997	14,873	7,044	3,724	1,188	26,829
1998	15,657	7,729	4,122	1,137	28,646
1999	16,493	7,839	4,351	1,316	29,999
2000	17,278	8,372	4,746	1,250	31,645
2001	17,709	8,611	4,702	1,380	32,402
2002 (e)	18,427	8,076	4,604	1,393	32,500
2003 (f)	19,130	8,345	4,607	1,494	33,576

Calendar Year	Retail Sales	Business Investment Purchases	Taxable Services	All Other	Total Gross Taxable Sales
1982	6.1%	-8.0%	15.6%	12.6%	1.7%
1983	8.4%	3.8%	7.2%	7.4%	6.6%
1984	13.5%	16.6%	21.7%	8.5%	15.3%
1985	4.8%	-3.1%	-0.4%	7.0%	1.5%
1986	4.5%	-10.5%	2.5%	-12.7%	-1.1%
1987	-0.8%	-7.9%	12.3%	-5.0%	-1.5%
1988	5.7%	8.4%	8.2%	6.7%	6.8%
1989	9.6%	-0.2%	7.6%	18.8%	6.7%
1990	4.5%	5.4%	-1.1%	107.8%	6.3%
1991	6.1%	12.4%	11.6%	3.2%	8.3%
1992	10.6%	-0.3%	9.0%	29.6%	8.2%
1993	11.5%	14.1%	12.4%	0.5%	11.7%
1994	10.0%	13.2%	12.1%	14.2%	11.3%
1995	8.1%	11.1%	14.4%	7.2%	9.7%
1996	10.1%	10.4%	12.1%	-11.4%	9.5%
1997	3.3%	2.4%	3.6%	22.7%	3.8%
1998	5.3%	9.7%	10.7%	-4.2%	6.8%
1999	5.3%	1.4%	5.5%	15.7%	4.7%
2000	4.8%	6.8%	9.1%	-5.0%	5.5%
2001	2.5%	2.9%	-0.9%	10.4%	2.4%
2002 (e)	4.1%	-6.2%	-2.1%	0.9%	0.3%
2003 (f)	3.8%	3.3%	0.1%	7.3%	3.3%

e= estimate
f= forecast

Source: Utah State Tax Commission

Table 39

Gross Taxable Retail Sales and Annual Percent Change by Sector

	Dollar Amounts (Millions)													Avg. Annual % Change
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 (e)	90-01
Retail Trade	8,407	8,918	9,860	10,994	12,097	13,080	14,404	14,874	15,657	16,494	17,278	17,709	18,427	
		6.1%	10.6%	11.5%	10.0%	8.1%	10.1%	3.3%	5.3%	5.3%	4.8%	2.5%	4.1%	7.1%
Nondurables	5,757	6,144	6,657	7,140	7,656	8,295	9,047	9,482	10,006	10,492	11,091	11,367	11,867	
		6.7%	8.3%	7.3%	7.2%	8.3%	9.1%	4.8%	5.5%	4.9%	5.7%	2.5%	4.4%	6.3%
General Merchandise	1362	1484	1619	1717	1816	2033	2256	2328	2463	2619	2797	3100	3652	
		9.0%	9.1%	6.1%	5.8%	12.0%	11.0%	3.2%	5.8%	6.3%	6.8%	10.8%	17.8%	7.6%
Apparel	415	452	506	581	591	614	665	693	757	760	789	802	857	
		8.9%	11.9%	14.8%	1.7%	3.9%	8.3%	4.2%	9.3%	0.4%	3.8%	1.6%	6.9%	5.9%
Food Stores	2161	2226	2374	2496	2677	2784	3050	3258	3381	3493	3641	3513	3197	
		3.0%	6.6%	5.1%	7.3%	4.0%	9.5%	6.8%	3.8%	3.3%	4.2%	-3.5%	-9.0%	4.7%
Eating and Drinking	861	935	1025	1140	1234	1349	1473	1554	1677	1815	1906	1946	2063	
		8.6%	9.6%	11.2%	8.2%	9.3%	9.2%	5.5%	7.9%	8.2%	5.0%	2.1%	6.0%	7.6%
Miscellaneous Shopping Goods	958	1047	1133	1206	1338	1515	1603	1649	1728	1805	1958	2006	2098	
		9.3%	8.2%	6.4%	10.9%	13.2%	5.8%	2.9%	4.8%	4.5%	8.5%	2.5%	4.6%	6.7%
Durables	2,650	2,774	3,203	3,854	4,441	4,785	5,357	5,392	5,651	6,002	6,187	6,342	6,560	
		4.7%	15.5%	20.3%	15.2%	7.7%	12.0%	0.7%	4.8%	6.2%	3.1%	2.5%	3.4%	8.6%
Motor Vehicles	1577	1591	1783	2140	2331	2431	2710	2775	2965	3175	3390	3570	3731	
		0.9%	12.1%	20.0%	8.9%	4.3%	11.5%	2.4%	6.8%	7.1%	6.8%	5.3%	4.5%	8.4%
Building & Garden	575	630	764	941	1160	1241	1337	1310	1351	1476	1426	1460	1457	
		9.6%	21.3%	23.2%	23.3%	7.0%	7.7%	-2.0%	3.1%	9.3%	-3.4%	2.4%	-0.2%	8.8%
Furniture & Home Furnishings	498	553	656	773	950	1112	1310	1307	1335	1351	1371	1312	1372	
		11.0%	18.6%	17.8%	22.9%	17.1%	17.8%	-0.2%	2.1%	1.2%	1.5%	-4.3%	4.6%	9.0%
Business Investment	3,874	4,355	4,342	4,956	5,609	6,231	6,878	7,044	7,730	7,839	8,372	8,612	8,076	
		12.4%	-0.3%	14.1%	13.2%	11.1%	10.4%	2.4%	9.7%	1.4%	6.8%	2.9%	-6.2%	7.1%
Agriculture, Forestry & Fishing	10	10	13	23	19	13	17	26	22	27	32	36	39	
		0.0%	30.4%	72.9%	-17.4%	-31.6%	33.8%	48.3%	-13.2%	20.5%	18.5%	12.5%	9.0%	13.4%
Mining	150	186	153	142	149	176	174	245	259	180	202	210	182	
		24.0%	-17.7%	-7.2%	4.9%	18.1%	-0.9%	40.7%	5.6%	-30.5%	12.2%	4.0%	-13.4%	1.2%
Construction	203	207	228	247	290	343	371	389	400	422	408	368	322	
		2.0%	10.1%	8.3%	17.4%	18.3%	8.1%	4.8%	3.0%	5.5%	-3.3%	-9.8%	-12.5%	5.9%
Manufacturing	889	936	1000	1083	1155	1368	1513	1464	1601	1540	1543	1583	1339	
		5.3%	6.8%	8.3%	6.6%	18.4%	10.6%	-3.2%	9.3%	-3.8%	0.2%	2.6%	-15.4%	5.4%
Transportation, Comm. & Public Utilities	1351	1644	1407	1552	1657	1776	1935	2062	2291	2392	2742	3164	3136	
		21.7%	-14.4%	10.3%	6.8%	7.2%	8.9%	6.6%	11.1%	4.4%	14.6%	15.4%	-0.9%	6.8%
Wholesale Trade	1271	1372	1541	1909	2339	2555	2869	2858	3157	3278	3445	3251	3058	
		7.9%	12.3%	23.9%	22.5%	9.2%	12.3%	-0.4%	10.5%	3.8%	5.1%	-5.6%	-6.0%	9.0%
Services	1,829	2,040	2,223	2,499	2,802	3,206	3,594	3,724	4,122	4,350	4,745	4,701	4,604	
		11.5%	9.0%	12.4%	12.1%	14.4%	12.1%	3.6%	10.7%	5.5%	9.1%	-0.9%	-3.0%	8.7%
Hotels & Lodging	307	351	373	400	423	473	528	557	551	556	583	597	665	
		14.3%	6.3%	7.2%	5.8%	11.8%	11.6%	5.5%	-1.1%	0.9%	4.9%	2.4%	11.4%	5.5%
Amusement & Recreation	194	228	256	303	378	451	495	544	572	650	714	723	715	
		17.5%	12.3%	18.4%	24.8%	19.4%	9.6%	9.9%	5.2%	13.6%	9.8%	1.3%	-1.1%	12.2%
Personal	91	99	110	130	146	167	178	177	185	190	200	208	206	
		8.8%	11.1%	18.2%	12.3%	14.4%	6.5%	-0.2%	4.3%	2.7%	5.3%	4.0%	-1.2%	7.7%
Health	76	68	77	85	84	91	90	92	88	86	93	95	100	
		-10.5%	13.2%	10.4%	-1.2%	8.0%	-1.2%	2.5%	-4.1%	-2.3%	8.1%	2.2%	5.2%	3.4%
Education, Legal & Social	111	126	137	144	160	175	194	167	195	207	224	225	218	
		13.5%	8.7%	5.1%	11.1%	9.6%	10.6%	-13.8%	16.7%	6.2%	8.2%	0.4%	-3.1%	6.0%
Auto Rental & Repairs	525	572	601	677	763	901	1012	1073	1160	1169	1239	1268	1222	
		9.0%	5.1%	12.6%	12.7%	18.1%	12.2%	6.1%	8.1%	0.8%	6.0%	2.3%	-3.6%	8.3%
Business	446	502	564	625	645	711	780	775	948	1042	1223	1158	1070	
		12.6%	12.4%	10.8%	3.2%	10.2%	9.7%	-0.6%	22.3%	9.9%	17.4%	-5.3%	-7.6%	8.7%
Finance Insurance & Real Estate	79	94	105	135	203	236	318	339	423	450	469	427	408	
		19.0%	11.7%	28.6%	50.4%	16.2%	34.9%	6.5%	24.9%	6.4%	4.2%	-9.0%	-4.5%	16.3%
All Other	664	685	888	892	1,019	1,092	968	1,188	1,137	1,316	1250	1380	1,394	
		3.2%	29.6%	0.5%	14.2%	7.2%	-11.4%	22.7%	-4.2%	15.7%	-5.0%	10.4%	1.0%	7.3%
Grand Total Taxable Sales	14,774	15,998	17,313	19,341	21,527	23,609	25,844	26,829	28,646	29,999	31,645	32,402	32,500	
		8.3%	8.2%	11.7%	11.3%	9.7%	9.5%	3.8%	6.8%	4.7%	5.5%	2.4%	0.3%	7.3%

e = estimate

Source: Utah State Tax Commission

Table 40

Utah Taxable Retail Sales by County and Region

County	1994	1995	1996	1997	1998	1999	2000	2001	2002 e	Avg. Growth 1994-2001
Box Elder	$270,086,492	$255,311,338	$313,399,510	$341,801,574	$378,656,784	$392,554,576	$388,463,051	$385,714,523	$403,260,000	5.2%
Cache	592,265,682	643,424,439	700,827,166	738,962,198	815,747,488	877,516,245	881,748,639	936,747,843	995,542,000	6.8%
Rich	11,515,077	10,252,664	10,848,221	12,425,163	14,599,275	15,593,403	16,731,346	16,201,275	18,087,000	5.0%
Bear River Region	873,867,251	908,988,441	1,025,074,897	1,093,188,935	1,209,003,547	1,285,664,224	1,286,943,036	1,338,663,641	1,416,889,000	6.3%
Davis	1,628,953,240	1,792,686,798	1,948,114,497	2,082,405,096	2,333,000,552	2,501,488,171	2,561,945,556	2,689,665,418	2,775,043,000	7.4%
Morgan	28,204,835	32,975,103	36,673,879	34,597,815	43,190,274	52,752,568	55,091,635	55,337,047	52,672,000	10.1%
Salt Lake	10,526,443,225	11,456,330,532	12,495,049,840	13,279,907,345	14,480,792,082	15,032,355,344	15,941,513,323	15,849,186,277	15,750,528,000	6.0%
Summit	424,263,835	481,055,880	532,065,605	585,960,819	631,299,089	685,939,692	742,862,484	828,954,759	858,977,000	10.0%
Tooele	189,412,717	204,822,816	229,458,354	247,605,386	282,754,708	306,930,181	330,279,699	363,790,726	383,795,000	9.8%
Utah	2,485,729,203	2,729,006,721	3,018,664,563	3,263,562,889	3,670,050,662	3,938,892,458	4,170,665,617	4,327,743,545	4,437,536,000	8.2%
Wasatch	77,853,975	91,141,976	104,349,093	118,482,941	136,583,244	155,799,341	171,726,889	173,995,773	179,749,000	12.2%
Weber	1,716,143,480	1,871,898,257	2,039,495,130	2,151,273,281	2,264,121,035	2,375,445,131	2,456,562,991	2,507,881,470	2,544,215,000	5.6%
Wasatch Front Region	17,077,004,510	18,659,918,083	20,403,870,961	21,763,795,572	23,841,791,646	25,049,602,886	26,430,648,194	26,796,555,015	26,982,515,000	6.6%
Juab	41,049,378	44,498,957	52,093,322	58,330,085	61,049,366	67,800,309	73,826,705	69,536,762	70,166,000	7.8%
Millard	80,606,243	84,805,492	86,426,974	102,956,430	102,324,784	108,565,176	107,366,842	120,365,006	125,884,000	5.9%
Piute	4,153,237	5,737,337	5,549,494	4,647,900	5,197,828	5,556,641	5,742,323	5,662,930	6,233,000	4.5%
Sanpete	84,773,473	93,422,662	101,273,513	109,374,363	117,860,224	125,822,688	143,234,506	158,161,385	159,613,000	9.3%
Sevier	155,308,506	167,792,163	171,174,291	179,499,588	247,516,691	212,472,805	219,208,375	219,773,375	229,668,000	5.1%
Wayne	14,979,670	17,293,540	17,770,582	18,566,025	22,689,627	23,000,106	23,460,239	23,594,673	24,118,000	6.7%
Central Region	380,870,507	413,550,151	434,288,176	473,374,391	556,638,520	543,217,725	572,838,990	597,094,131	615,682,000	6.6%
Beaver	34,626,306	36,412,579	41,936,668	45,761,964	54,028,444	56,796,599	59,533,738	57,175,694	56,543,000	7.4%
Garfield	46,588,854	53,989,631	59,463,916	64,208,586	67,964,766	71,530,129	73,145,377	66,456,789	68,125,000	5.2%
Iron	269,104,272	296,098,117	328,599,441	334,517,242	358,583,543	403,990,858	417,168,360	420,915,573	425,557,000	6.6%
Kane	68,713,093	79,603,840	85,348,929	91,571,511	92,767,501	99,972,386	107,426,955	101,547,886	98,964,000	5.7%
Washington	790,641,230	876,072,647	954,639,002	994,050,920	1,066,865,802	1,159,452,168	1,237,822,795	1,375,237,567	1,503,247,000	8.2%
Southwest Region	1,209,673,755	1,342,176,814	1,469,987,956	1,530,110,223	1,640,210,056	1,791,742,140	1,895,097,225	2,021,333,509	2,152,436,000	7.6%
Daggett	16,367,912	8,026,924	9,433,030	8,931,045	10,152,206	11,083,920	13,701,974	14,634,974	15,508,000	-1.6%
Duchesne	91,128,287	92,152,625	103,539,767	138,833,857	148,993,949	113,995,306	152,667,814	163,767,205	137,933,000	8.7%
Uintah	225,274,014	238,265,849	249,885,277	300,310,299	335,704,139	331,526,601	439,786,724	497,521,181	474,446,000	12.0%
Uintah Basin Region	332,770,213	338,445,398	362,858,074	448,075,201	494,850,294	456,605,827	606,156,512	675,923,360	627,887,000	10.7%
Carbon	243,379,366	246,727,509	270,180,228	302,766,134	350,262,447	344,787,306	346,715,900	361,591,203	356,953,000	5.8%
Emery	68,117,764	59,567,320	63,933,988	85,273,673	108,296,650	86,178,899	78,516,158	102,670,903	107,095,000	6.0%
Grand	98,898,658	123,463,929	125,597,997	136,682,724	143,307,479	167,663,347	162,911,808	165,549,440	176,413,000	7.6%
San Juan	65,840,801	73,747,605	83,951,301	79,420,183	102,358,862	96,128,945	89,321,720	87,304,705	91,568,000	4.1%
Southeast Region	476,236,589	503,506,363	543,663,514	604,142,714	704,225,438	694,758,497	677,465,586	717,116,251	732,029,000	6.0%
SUBTOTAL	20,350,422,825	22,166,585,250	24,239,743,578	25,912,687,036	28,446,719,501	29,821,591,299	31,469,149,543	32,146,685,907	32,527,438,000	6.7%
OUT-OF-STATE USE TAX	1,176,245,745	1,442,191,794	1,604,193,876	916,015,985	200,035,296	176,949,414	175,863,321	$ 255,447,596	-27,438,000	-19.6%
GRAND TOTAL	$ 21,526,668,570	$ 23,608,777,044	$ 25,843,937,454	$ 26,828,703,021	$ 28,646,754,797	$ 29,998,540,713	$ 31,645,012,864	$ 32,402,133,503	$ 32,500,000,000	6.0%

Source: Utah State Tax Commission

Tax Collections

Overview

Tax collections dropped significantly in fiscal year 2002. Collections fell as a result of the global recession, which was deepened by the World Trade Center disaster on September 11, 2001, the end of the Olympics construction build-up, and the loss of jobs, capital gains, and corporate profits due to the dot-com implosion. Fiscal year 2003 tax collections should remain weak due to continued weakness in investment income, employment reductions, high debt burdens, and a lack of pent-up consumer demand. Current condition highlights include the following:

- General and School Fund revenues grew $314.1 million in fiscal year 2000 and $119.3 million in fiscal year 2001. Revenues stopped growing in fiscal year 2002. That year witnessed a decline of $192.8 million. General and School Fund revenues are expected to decline another $26.9 million in fiscal year 2003.
- Capital gains income tax payments declined to $114.8 million in fiscal year 2002 from $184.9 million in the prior fiscal year. Capital gains payments should continue to decline to around $95 million in fiscal year 2003.
- The year-end revenue surplus also shrank significantly in fiscal year 2002 to $736,000 (well below the $39.1 million inflation-adjusted average for fiscal years 1983 to 2002).
- Indeed, fiscal year 2002 had a $394.7 million revenue deficit that was turned into a $736,000 surplus through $105.5 million in budget cutbacks, the use of $133.3 million in "rainy day" funds (including $20 million from public education's "rainy day" fund), a $53.3 million switch to bonds from cash for projects, $82.3 million in revenue transfers from restricted funds, and $20.3 million from beginning balances and miscellaneous sources.
- Revenue estimates issued in November 2002 for the 2003 fiscal year show an additional shortfall of $117 million. A special session of the Utah Legislature will be held in mid-December 2002 to deal with the new revenue deficit.
- The primary taxes affected are individual income taxes of $88 million and sales taxes of $31 million. The 2003 budget was reduced from $3.7 billion to $3.4 billion and is 7.7% less than the original budget. The $117 million is in addition to the $173 million shortfall for fiscal year 2003 addressed by a special session of the Utah Legislature in July 2002.
- Income tax collections continued to surpass sales tax collections in fiscal year 2002 for the 5th year in a row, even though income taxes as a percent of total revenues declined in that year.
- Cumulative tax collections, including adjustments for "bracket creep," were $1.45 billion lower than they would otherwise have been due to tax reductions authorized during the past nine legislative sessions.

2002 Summary

Inflation-Adjusted Revenues. Inflation-adjusted General Fund and School Fund revenues dropped $192.8 million in fiscal year 2002. After adjusting for inflation, this was considerably lower than the $121.3 million growth that occurred in fiscal year 2001, and the $327 million growth in fiscal year 2000. Fiscal year 2000 had the largest single-year growth in revenue since 1984 (when inflation-adjusted revenues grew $359.6 million), and fiscal year 2002 had the largest decrease in revenue.

Inflation-Adjusted Surpluses. The $736,000 General and School Fund year-end surplus was considerably less than the $12.5 million inflation-adjusted surplus in fiscal year 2001 and the $118.1 million surplus in fiscal year 2000. By comparison, year-end surpluses over the past nineteen years (fiscal year 1983 to fiscal year 2002) have averaged $39.1 million. Indeed, fiscal year 2002 had a $394.7 million revenue deficit that was turned into a $736,000 surplus through budget cutbacks, bonding, lapsing monies, rainy day funds, and revenue transfers from restricted funds. For budgeting purposes, year-end surpluses are the beginning revenue balance for the start of the next fiscal year and are considered one-time money.

Windfall, Inflation, and Tax Rate and Base-Adjusted Revenue Growth. When revenues are adjusted not only for inflation, but also for windfalls, tax rate and base changes, fiscal year 2002 revenues dropped $153.7 million compared to growth of $172 million in fiscal year 2001 and growth of $264.5 million in fiscal year 2000. From 1992 through 2001 inflation, windfall, and tax rate and base-adjusted revenue collections came in above the average growth of $139.2 million (the 1980 to 2003 average). State government experienced an abrupt turnaround in revenue collections when after 10 years of above average growth revenues collections came in at a negative $153.7 million in fiscal year 2002.

Fiscal year 2002 is more reminiscent of, although much more severe than, the Utah recession years of 1983, 1986 and 1987. Rate, base and inflation adjusted growth in revenues was also negative in 1987. Fiscal year 2002 revenue collections would have been $18 million higher were it not for a re-bracketing of the income tax cut that year.

Action to Balance the Budget Shortfall. The decrease in revenue collections in fiscal year 2002 was due to the combination of a national recession, which was deepened by the World Trade Center disaster on September 11, 2001, the end of the Olympics construction build-up, and the drop in capital gains and corporate profits due to the dot-com implosion.

Final (non-withholding) income tax payments declined $144.3 million in fiscal year 2002 (from $177.7 million in fiscal year 2001 to $33.4 million in fiscal year 2002). Final payments are all non-withholding income tax collections net of refunds. Final payments come from volatile capital gains, interest income, entrepreneurial profits, partnership income, and other income distributions. Capital gains income tax payments declined to $114.8 million in fiscal year 2002 from $184.9 million in the prior fiscal year.

The fiscal year 2002 budget shortfall of $394.7 million was balanced through a combination of measures including: 1) $105.5 million in net budget reductions, 2) $113.3 million from the Budget Reserve Account, more commonly known as the rainy day fund, 3) $53.3 million by replacing state fund cash appropriations for capital facilities with bonds, 4) $82.3 million in revenue transfers from restricted funds including $35.4 million made available by replacing restricted fund cash appropriations for capital facilities with bonds, 5) $20 million from the

Reserve for Growth in Student Population (public education rainy day fund), 6) $17.7 million from surpluses and beginning balances, and 7) $2.6 million from miscellaneous sources.

Income Tax Continues Its Preeminence. Income taxes were larger than sales taxes in fiscal year 2002 for the 5th year in a row. Prior to fiscal year 1998, the sales tax made up the largest portion of state government's unrestricted revenues. In fiscal year 2002 income tax collections were 41.7% of total unrestricted revenue collections, whereas sales tax collections were only 37.4% of the total. Income taxes were only 34.0% of the total as recently as 1989 (when sales taxes were 37.1% of the total). This reversal in tax preeminence during the 1990s is due in part to: 1) sales tax rate reductions; 2) stronger historic growth in sales tax exempt services industries than in taxable goods industries; 3) increased sales tax exemptions; 4) increased sales over the internet; 5) income tax bracket creep; 6) capital gains realizations; and 7) the transfer of unrestricted general fund monies to restricted accounts.

Historic Tax Reductions. Tax collections in Utah experienced a net reduction of $222.4 million (on an annualized basis) due to statutory changes that occurred during the past nine legislative sessions. The cumulative reduction in taxes authorized in these sessions for fiscal year 1995 through fiscal year 2003 is $1.63 billion. Nonetheless, an individual taxpayer may actually be paying more in taxes now than eight years ago. This is because non-state government taxes may have increased, and/or an individual's income, spending, or property values may have increased. More income or spending, or greater property values, can result in higher taxes even at lower tax rates. There are 633 taxing entities other than state government in Utah.

Bracket Creep. The net reduction in tax collections does not, however, account for income tax increases due to inflation or "bracket creep." Bracket creep has occurred in Utah since 1973 (the year in which the current brackets were established). Around $3.9 million per year is currently raised from income tax bracket creep. The cumulative "bracket creep" effect from fiscal year 1995 to fiscal year 2003 is a tax increase of $176 million. Thus, the net reduction in state government taxes over this period including "bracket creep" is $1.45 billion. Tax increases due to "bracket creep" have been lessened in the 1990's due to lower inflation (than in the 1970's and 1980's) and because most taxpayers have "crept" into the top income tax bracket.

Fiscal Year 2003 Outlook

The Governor's Office of Planning and Budget, Utah State Tax Commission, and the Office of the Legislative Fiscal Analyst announced on November 22, 2002 that revenue estimates for the 2003 fiscal year showed an additional shortfall of $117 million. This was in addition to the $173 million shortfall for fiscal year 2003 addressed by a special session of the Utah Legislature in July 2002. The primary taxes affected were individual income taxes of $88 million and sales taxes of $31 million. These tax shortfalls were offset by increases in certain other taxes such as the insurance premium tax of $10 million and the inheritance tax of $13 million. Other minor increases and decreases made up the difference to total a net $117 million reduction.

Sales taxes will be weak in fiscal year 2003 due to slow business investment (supply and equipment purchases), and lower consumer confidence and spending. Income tax collections could be negative due to numerous job layoffs and fewer capital gains. And, corporate tax collections should show little or no growth due to recent federal tax changes that allow corporations to accelerate depreciation for three years.

The original fiscal year 2003 budget passed by the 2002 General Session was based on revenue estimates of $3.7 billion. Estimates issued in November 2002 reduced the budget to $3.4 billion and were 7.7% less than the original estimates. A special session of the Utah Legislature will be held in mid-December 2002 to deal with the new revenue deficit. Inflation-adjusted General and School Fund revenues should continue to drop in fiscal year 2003 (by $26.5 million). This $26.5 million reduction is much lower than inflation-adjusted average increases of $139.2 million per year over the past twenty-three years.

Figure 35
Inflation, Windfall, Rate and Base-Adjusted Revenue Growth in Combined General and School Fund Revenues

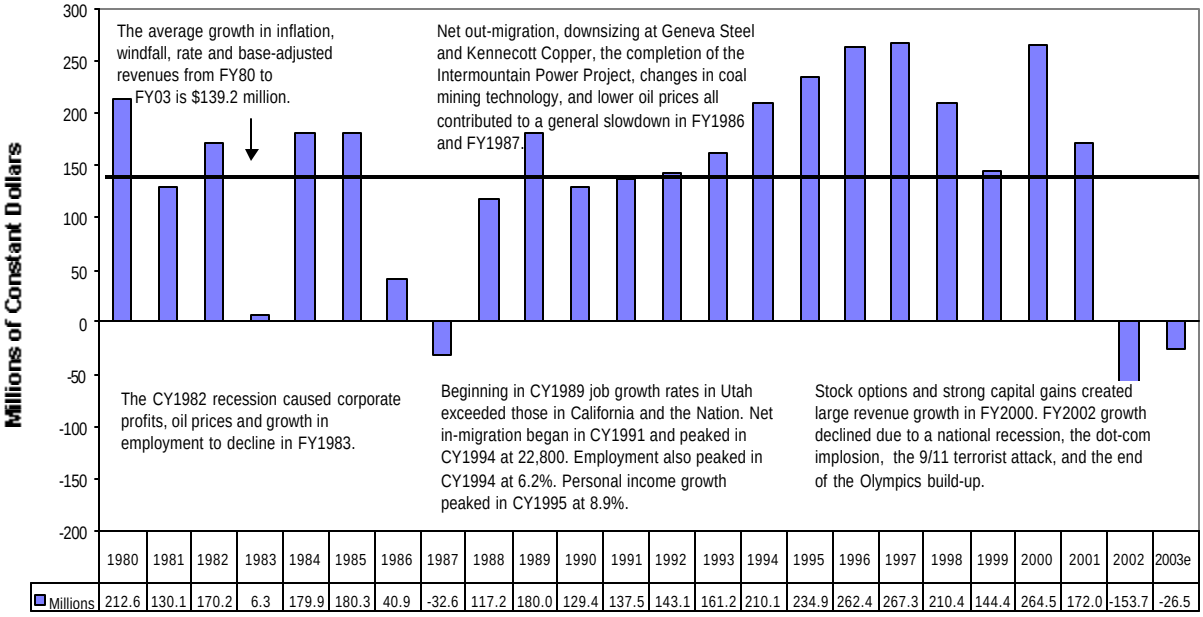


Figure 36
Inflation-Adjusted Revenue Growth and Surpluses for Combined General and School Fund Revenues

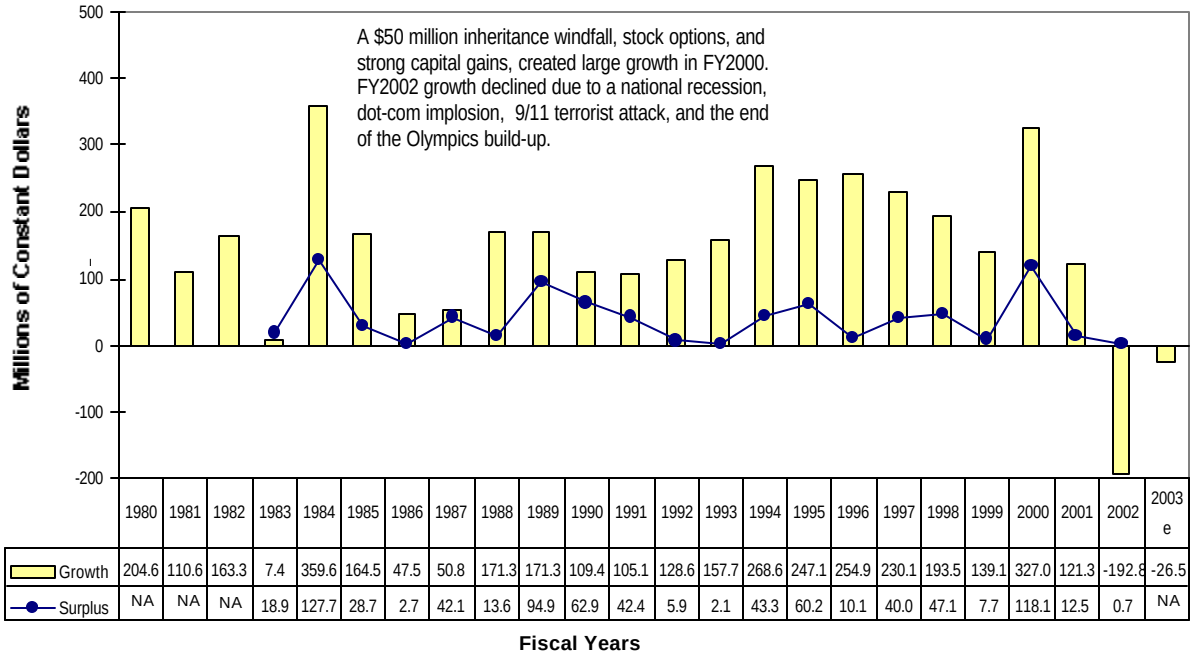
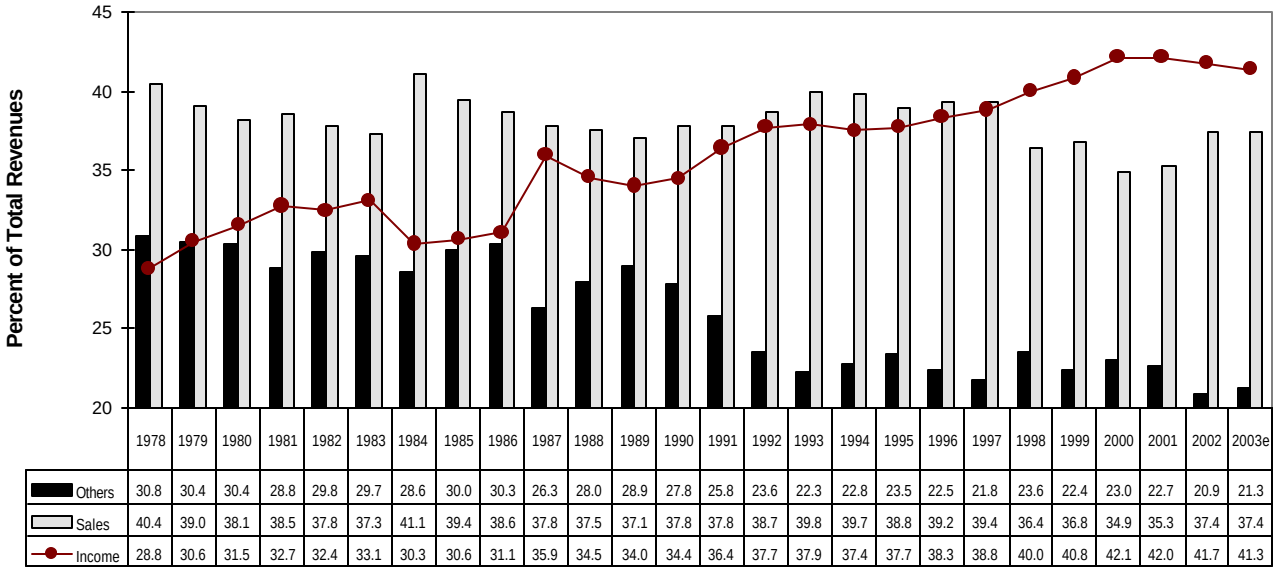


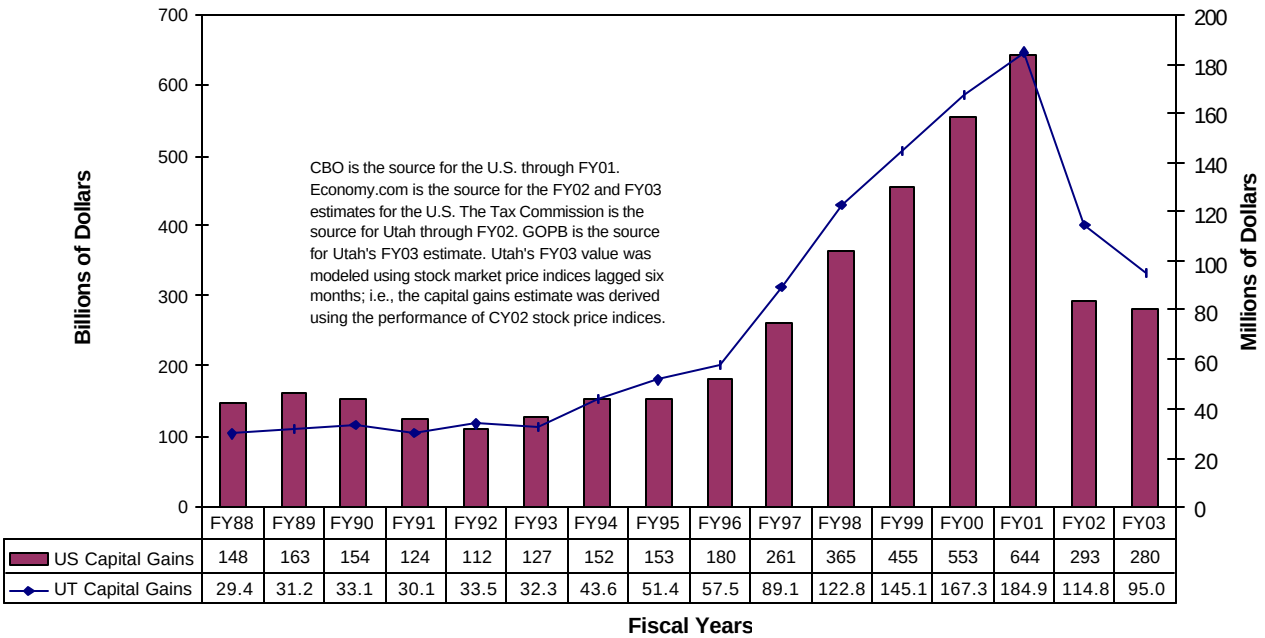
Figure 37
Sales Tax, Income Tax, and All Other Unrestricted Revenues as a Percent of Total State Unrestricted Revenues



	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003e
Others	30.8	30.4	30.4	28.8	29.8	29.7	28.6	30.0	30.3	26.3	28.0	28.9	27.8	25.8	23.6	22.3	22.8	23.5	22.5	21.8	23.6	22.4	23.0	22.7	20.9	21.3
Sales	40.4	39.0	38.1	38.5	37.8	37.3	41.1	39.4	38.6	37.8	37.5	37.1	37.8	37.8	38.7	39.8	39.7	38.8	39.2	39.4	36.4	36.8	34.9	35.3	37.4	37.4
Income	28.8	30.6	31.5	32.7	32.4	33.1	30.3	30.6	31.1	35.9	34.5	34.0	34.4	36.4	37.7	37.9	37.4	37.7	38.3	38.8	40.0	40.8	42.1	42.0	41.7	41.3

*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); and, corporate, gross receipts, severance, beer, cigarette, insurance, inheritance and motor fuels taxes.

Figure 38
Comparison of Utah and U.S. Capital Gains: October 28, 2002



	FY88	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03
US Capital Gains	148	163	154	124	112	127	152	153	180	261	365	455	553	644	293	280
UT Capital Gains	29.4	31.2	33.1	30.1	33.5	32.3	43.6	51.4	57.5	89.1	122.8	145.1	167.3	184.9	114.8	95.0

Table 41

Cash Collection Unrestricted Revenues (Millions of Current Dollars): FY 1985 to FY 2003

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Fund (GF)																			
Sales and Use Tax	555.4	558.6	559.0	617.6	667.4	707.4	740.3	802.4	881.9	978.2	1,055.1	1,162.5	1,252.1	1,251.8	1,316.4	1,369.6	1,431.4	1,441.3	1,434.0
Liquor Profits	18.9	19.0	17.2	15.9	16.0	16.6	17.6	16.6	18.1	17.9	20.1	22.2	24.3	26.3	26.9	28.7	30.3	32.5	32.6
Insurance Premiums	22.3	26.1	27.8	28.2	26.4	30.0	27.8	30.2	34.0	38.2	40.9	40.1	43.1	44.6	47.7	52.2	46.0	56.6	62.1
Beer, Cigarette, and Tobacco	21.3	21.1	24.0	29.2	30.7	30.2	31.0	34.6	34.3	36.4	37.7	37.8	41.2	53.2	60.1	58.0	57.9	60.0	61.5
Severance Taxes	46.9	43.8	21.5	29.2	28.1	30.1	31.0	18.2	19.3	18.9	21.4	20.4	23.8	23.0	13.1	23.0	45.6	23.8	21.8
Inheritance Tax	4.8	4.7	2.3	3.4	9.8	7.6	4.8	4.0	7.6	8.2	25.0	8.3	10.3	25.4	8.2	64.6	30.0	9.4	22.5
Investment Income	14.4	12.0	3.8	10.7	19.2	17.9	11.0	7.0	4.4	6.4	12.3	16.8	16.3	15.7	15.0	19.5	27.5	9.7	7.4
Other	23.4	22.2	24.7	26.5	27.4	32.6	33.9	27.7	26.0	30.0	32.9	37.2	34.9	40.8	38.3	41.0	46.5	50.6	46.0
Circuit Breaker Credits	-2.2	-1.5	-1.2	-1.2	-1.4	-3.4	-3.5	-4.1	-4.2	-4.5	-4.7	-4.6	-4.4	-4.5	-5.3	-4.4	-5.4	-5.3	-5.3
Subtotal GF	705.1	706.0	679.1	759.6	823.7	869.1	894.0	936.5	1,021.4	1,129.7	1,240.6	1,340.6	1,441.6	1,476.2	1,520.4	1,652.2	1,709.8	1,678.7	1,682.5
School Fund (SF)																			
Individual Income Tax	435.5	454.3	533.3	569.9	615.6	647.6	717.6	784.4	842.3	925.3	1,026.9	1,139.1	1,237.3	1,377.5	1,463.9	1,654.9	1,712.7	1,610.2	1,588.8
Corporate Franchise Tax	65.9	84.0	68.9	78.8	93.0	99.7	87.8	80.9	79.5	121.1	153.5	168.4	182.9	189.1	184.3	179.6	174.8	119.4	110.0
School Land Income	18.4	11.2	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent Fund Interest	0.0	0.0	0.0	2.1	3.1	4.5	4.6	4.7	6.5	4.4	4.9	3.2	3.5	2.5	6.8	2.4	9.0	9.6	9.8
Gross Receipts Tax	0.0	0.0	0.5	4.5	2.8	4.2	3.7	3.6	4.5	4.1	4.4	8.4	9.1	7.2	7.9	7.3	8.3	8.0	7.4
Other	9.8	11.2	12.3	9.9	13.7	11.2	12.9	16.4	5.5	6.9	8.4	8.5	4.8	7.1	7.6	8.5	9.7	5.6	6.1
Subtotal SF	529.6	560.8	623.0	665.1	728.3	767.2	826.5	890.0	938.2	1,061.8	1,198.0	1,327.5	1,437.6	1,583.3	1,670.5	1,852.8	1,914.4	1,752.7	1,722.0
Transportation Fund (TF)																			
Motor Fuel Tax	89.3	92.2	100.0	129.4	131.2	132.5	131.1	136.4	141.3	150.4	155.5	163.2	168.4	217.7	225.2	237.6	229.4	237.9	242.8
Special Fuel Tax	17.8	19.4	20.6	27.6	29.3	29.1	36.8	33.4	35.6	36.2	40.7	43.7	46.2	72.4	73.2	76.6	80.6	84.4	86.5
Other	33.8	34.7	34.8	35.5	36.9	38.7	39.6	44.6	47.3	49.6	52.6	54.3	52.6	54.8	58.5	65.0	64.5	62.8	65.0
Subtotal TF	140.9	146.2	155.4	192.4	197.4	200.3	207.4	214.3	224.2	236.2	248.7	261.2	267.3	344.9	356.9	379.1	374.5	385.2	394.3
Mineral Lease Payments	34.2	32.6	22.4	28.8	50.8	34.9	32.4	32.5	30.3	33.3	29.1	34.7	34.1	33.5	31.5	39.6	57.9	36.6	36.6
TOTAL	1,409.8	1,445.6	1,479.9	1,645.9	1,800.2	1,871.4	1,960.3	2,073.4	2,214.1	2,461.0	2,716.4	2,964.0	3,180.6	3,437.9	3,579.2	3,923.7	4,056.5	3,853.2	3,835.3

Sources: Comprehensive Annual Reports, Division of Finance; Utah State Tax Commission Annual Reports; Governor's Office of Planning and Budget

Table 42

Cash Collection of Unrestricted Revenues (Current Dollar Percent Changes): FY 1985 to FY 2003

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Fund (GF)																			
Sales and	na	0.6	0.1	10.5	8.1	6.0	4.6	8.4	9.9	10.9	7.9	10.2	7.7	0.0	5.2	4.0	4.5	0.7	-0.5
Liquor Pr	na	0.7	-9.6	-7.3	0.4	3.9	5.8	-5.5	9.3	-1.3	12.2	10.3	9.7	8.2	2.3	6.6	5.6	7.6	0.0
Insurance	na	17.1	6.5	1.7	-6.4	13.7	-7.2	8.4	12.7	12.3	7.3	-2.0	7.4	3.4	7.1	9.3	-11.8	23.1	9.6
Beer, Cig	na	-1.2	14.0	21.6	5.3	-1.8	2.7	11.5	-0.9	6.3	3.4	0.3	9.0	29.2	12.8	-3.4	-0.2	3.5	2.6
Severanc	na	-6.6	-50.8	35.3	-3.5	7.0	3.1	-41.5	6.1	-2.0	13.4	-4.9	16.8	-3.2	-43.3	76.3	98.0	-47.7	-8.8
Inheritanc	na	-1.3	-50.9	48.5	183.6	-22.3	-36.6	-17.4	91.9	7.4	204.8	-66.6	23.5	147.2	-67.6	683.7	-53.5	-68.6	138.8
Investme	na	-16.3	-68.1	178.6	80.0	-7.0	-38.8	-36.1	-37.8	46.2	93.4	36.5	-2.8	-3.6	-4.5	29.9	40.9	-64.6	-24.5
Other	na	-5.0	11.0	7.2	3.7	18.8	4.2	-18.4	-6.0	15.3	9.6	12.9	-6.1	16.8	-6.1	7.1	13.5	8.8	-9.2
Circuit Br	na	-32.9	-16.4	-7.2	21.2	140.9	4.5	15.8	2.9	7.0	5.7	-1.7	-4.4	1.8	17.0	-17.4	23.8	-1.3	-1.7
Subtotal	na	0.1	-3.8	11.9	8.4	5.5	2.9	4.8	9.1	10.6	9.8	8.1	7.5	2.4	3.0	8.7	3.5	-1.8	0.2
School Fund (SF)																			
Individual	na	4.3	17.4	6.9	8.0	5.2	10.8	9.3	7.4	9.9	11.0	10.9	8.6	11.3	6.3	13.1	3.5	-6.0	-1.3
Corporate	na	27.5	-18.0	14.4	18.0	7.2	-12.0	-7.8	-1.8	52.3	26.8	9.7	8.6	3.4	-2.5	-2.5	-2.7	-31.7	-7.8
School La	na	-39.0	-29.3	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na
Permaner	na	na	na	na	49.9	45.8	1.3	2.8	37.5	-32.0	10.9	-35.5	9.8	-29.4	178.0	-64.9	274.7	7.7	1.6
Gross Re	na	na	na	782.0	-37.4	48.3	-11.7	-2.9	25.9	-8.4	6.3	90.3	8.6	-20.8	10.3	-7.4	13.6	-4.6	-7.0
Other	na	15.2	9.7	-20.2	39.6	-18.6	15.1	27.1	-66.4	25.9	20.7	1.3	-42.7	45.9	7.1	11.9	13.8	-42.4	8.9
Subtotal S	na	5.9	11.1	6.8	9.5	5.3	7.7	7.7	5.4	13.2	12.8	10.8	8.3	10.1	5.5	10.9	3.3	-8.4	-1.7
Transportation Fund (TF)																			
Motor Fue	na	3.2	8.5	29.4	1.4	1.0	-1.1	4.0	3.6	6.4	3.4	5.0	3.2	29.3	3.5	5.5	-3.4	3.7	2.0
Special Fu	na	8.9	6.5	33.6	6.4	-0.7	26.4	-9.2	6.5	1.8	12.3	7.6	5.7	56.7	1.1	4.6	5.2	4.7	2.4
Other	na	2.6	0.5	2.0	3.8	4.9	2.3	12.7	6.1	4.8	6.1	3.1	-3.0	4.1	6.7	11.1	-0.8	-2.6	3.5
Subtotal	na	3.7	6.3	23.8	2.6	1.4	3.6	3.3	4.6	5.4	5.3	5.0	2.3	29.0	3.5	6.2	-1.2	2.9	2.4
Mineral Le	na	-4.7	-31.3	28.8	76.2	-31.2	-7.3	0.5	-6.9	10.1	-12.8	19.5	-1.8	-1.8	-6.1	26.0	46.0	-36.7	-0.2
TOTAL	na	2.5	2.4	11.2	9.4	4.0	4.7	5.8	6.8	11.2	10.4	9.1	7.3	8.1	4.1	9.6	3.4	-5.0	-0.5
Average A	na	2.5	2.5	5.3	6.3	5.8	5.6	5.7	5.8	6.4	6.8	7.0	7.0	7.1	6.9	7.1	6.8	6.1	5.7

Sources: Comprehensive Annual Reports, Division of Finance; Utah State Tax Commission Annual Reports; Governor's Office of Planning and Budget

Table 43
State Tax and Fee Changes (Over $200,000) Enacted in the 1994 through 2002 Regular and Special Legislative Sessions (A)(B)(C)

Bill Number and Effective Year	Bill Subject	Tax & Fee Changes	Cumulative to FY2003
FY 1995			
H.B. 145 (1994 Session)	Sales Tax Exemption - Replacement Parts for Steel Mills	($516,700)	
H.B. 162 (1994 Session)	Sales Tax - Repeal of Flood Tax Authorization	(23,600,000)	
H.B. 205 (1994 Session)	Tax Credit for Low-Income Housing	(226,600)	
Various Bills (1994 Session)	Sales Tax Exemptions Repealed	10,713,500	
S.B. 9 (1994 Session)	Property Tax Rate & Residence Exemption Changes	(8,500,000)	
S.B. 191 (1994 Session)	Treatment of Admission and User Fees	3,290,000	
	Subtotal FY 1995	($18,839,800)	($169,558,200)
FY 1996			
Various Bills (1995 Session)	Sales Tax Exemptions Authorized	($3,613,000)	
S.B. 254 (1995 Session)	Gross Receipts Taxes	9,400,000	
S.B. 56 and 254 (1995 Session)	Property Taxes (1)	(141,440,833)	
S.B. 56 and 254 (1995 Session)	Income Taxes (1)	4,500,000	
	Subtotal FY 1996	($131,153,833)	($1,049,230,664)
FY 1997			
S.B. 56 and 254 (1995 Session)	Property Taxes (Restricted to New Growth, 1995 Session) (1)	($8,703,800)	
H.B. 274 (1995 Session)	Additional Sales Tax on Construction Projects (1995 Session)	(2,000,000)	
H.B. 58 (1996 Regular Session)	Driving Under the Influence -- Repeat Offenders (2)	258,000	
Various Bills (1996 Session)	Reinstate Sales Tax Exemptions	(1,188,300)	
H.B. 349 (1996 Regular Session)	Gross Receipts Taxes - Modifications (3)	(4,750,000)	
H.B. 404 (1996 Regular Session)	Income Tax - Health Care Insurance Deduction (4)	(4,000,000)	
H.B. 405 (1996 Regular Session)	Minimum School Program Act (Property Taxes)	(30,000,000)	
H.B. 405 (1996 Regular Session)	Income Taxes (1)	1,500,000	
H.B. 3001 (1996 November Session)	Sales Tax - Manufacturing Exemption Modifications (1996 Nov. Session) (5)	(8,700,000)	
S.B. 195 (1996 Regular Session)	Income Tax - Credit for Disabled Education Costs	(750,000)	
S.B. 237 (1996 Regular Session)	Income Tax Rate Reductions (6)	(41,000,000)	
S.B. 275 (1996 Regular Session)	Sales Tax - Ski Exemption (7)	(338,000)	
H.B. 27 (1997 Session)	Cigarettes Tax Increase and Regulation (8)	462,000	
	Subtotal FY 1997	($99,210,100)	($694,470,700)
FY 1998			
S.B. 239 (1996 Regular Session)	Tax Credits for Rural Economic Resettlement Zones (Tax Credits)	($275,000)	
H.B. 3001 (1996 November Session)	Additional Sales Tax - Manufacturing Exemption Modifications (1996 Nov. Session) (5)	(8,700,000)	
S.B. 161 (1997 Session)	Motor Vehicle Compliance With Insurance, Registration, And Sales Tax Requirements	870,000	
S.B. 252 (1997 Session)	Collection of Fuel Tax (9)	10,000,000	
S.B. 253 (1997 Session)	Fuels Taxes, and Repeal of Environmental Surcharge on Petroleum (10)	63,250,000	
S.B. 253 (1997 Session)	Sales Tax Reduction (10)	(34,300,000)	
H.B. 27 (1997 Session)	Cigarettes Tax Increase and Regulation (8)	21,800,000	
H.B. 111 (1997 Session)	Transportation Corridor Funding (11)	4,300,000	
H.B. 225 (1997 Session)	Assessment on Workers' Compensation (12)	6,100,000	
H.B. 359 (1997 Session)	Endangered Species Mitigation Fund (13)	400,000	
H.B. 414 (1997 Session)	Registration Fee on Vehicles (14)	16,500,000	
	Subtotals FY 1998	$79,945,000	$479,670,000
FY 1999			
H.B. 3001 (1996 November Session)	Additional Sales Tax - Manufacturing Exemption Modifications (1996 Nov. Session) (5)	($11,200,000)	
S.B. 252 (1997 Session)	Additional Collection of Fuel Tax	300,000	
H.B. 154 (1997 Session)	Property Tax Circuit Breaker	(215,000)	
H.B. 414 (1997 Session)	Additional Registration Fee on Vehicles	495,000	
S.B. 34 (1998 Session)	Sales Tax Exemption for Higher Education Athletic Events (15)	(402,000)	
	Subtotals FY 1999	($11,022,000)	($55,110,000)
FY 2000			
H.B. 58 (1998 Session)	Oil and Gas Severance Tax Amendments (16)	($900,000)	
S.B. 47 (1998 Session)	Research Tax Credit (17)	(3,200,000)	
S.B. 185 (1998 Session)	Sales and Use Tax Exemption Amendments and Study (18)	5,600,000	
S.B. 220 (1998 Session)	Research and Development Credit for Machinery and Equipment (19)	(2,000,000)	
H.B. 396 (1999 Session)	Sales and Use Tax Exemption for Steel Mills	(617,500)	
S.B. 19 (1999 Session)	Sales and Use Tax Exemption for Hearing Aids and Accessories	(311,000)	
S.B. 69 (1999 Session)	Manufacturing Sales and Use Tax Exemption (20)	(5,600,000)	
S.B. 150 (1999 Session)	Utilities in Highway Rights-of-Way (21)	1,600,000	
	Subtotals FY 2000	($5,428,500)	($21,714,000)
FY 2001			
H.B. 25 (1999 Session)	Income Tax Deduction for Health Care Insurance (22)	($1,770,000)	
S.B. 62 (1999 Session)	Individual Income Tax Credits for At-Home Parents	(500,000)	
H.B. 345 (2000 Session)	Unemployment Insurance Amendments (23)	(26,500,000)	
S.B. 15 (2000 Session)	Use of Tobacco Settlement Revenues (24)	(5,500,000)	
	Subtotals FY 2001	($34,270,000)	($102,810,000)
FY 2002			
HB 78 (2001 Session)	Sales and Use Tax - Sales Relating to Schools (School Related Activities)	($281,000)	
HB 98 (2001 Session)	Enterprise Zones (Income Tax Credits for Rural Areas)	(300,000)	
SB 34 (2001 Session)	Individual Income Tax - Relief for Low Income Individuals (25)	(800,000)	
SB 36 (2001 Session)	Individual Income Tax Bracket Adjustments (26)	(18,000,000)	
SB 58 (2001 Session)	Repeal of Nursing Facilities Assessment (27)	(4,422,400)	
SB 71 (2001 Session)	Tax Credits for Special Needs Adoptions (Income Tax Credit of $1,000)	(256,000)	
HB 205 (2001 Session)	Employers' Reinsurance Fund Special Assessment (Workers' Compensation) (12)	6,135,000	
HB370 (2001 Session)	Hazardous Waste Amendment (28)	1,694,000	
	Subtotals FY 2002	($16,230,400)	($32,460,800)
FY 2003			
HB238 (2002 Session)	Cigarette and Tobacco Tax Amendments (29)	$13,800,000	
	Subtotals FY 2003	$13,800,000	$13,800,000
Grand Total for Taxes and Fees FY 1995 to FY 2003 (A)(B)(C)		**($222,409,633)**	**($1,631,884,364)**

* See next page for footnotes

Table 43 (Continued)
State Tax and Fee Changes (Over $200,000) Enacted in the 1994 through 2002 Regular and Special Legislative Sessions (A)(B)(C)

FOOTNOTES:
(A) This table is not adjusted for tax increases due to income tax "bracket creep." The most recent fiscal note estimate for indexing income taxes for inflation is $3.9 million (fiscal note from the 2000 General Session). Tax increases due to "bracket creep" have been lessened in the 1990's due to lower inflation (than in the 1970's and 1980's) and because most taxpayers have "creeped" into the top income tax bracket.
B) This table is not adjusted for inflation. Only fiscal notes for state tax and fee increases or decreases greater than or equal to $200,000 are listed. Changes in local taxes are excluded. Extentions of exiting laws are excluded. For example, SB76 (1999 Session) extended the sales tax exemption for pollution equipment at a cost of $6,000,000.
(C) This table does NOT include shifts within the total state budget due to earmarking or other diversions. For example, H.B. 393 (1996 Session) reduces General Fund sales tax revenues by $36 million beginning in FY1998 in order to earmark sales taxes to local water and local transportation projects; but, total budget sales taxes were not reduced by this bill.
(1) In 1995 the Legislature and Tax Commission increased the residential exemption from 32% to 45%, decreased the basic school rate from .00422 to .00264, and reduced the state assessing and collecting rate from .0003 to .000281. The 1995 Legislature also restricted the growth in taxable valuations to new growth only, effective in fiscal year 1997. In 1996 the Legislature further ordered the Tax Commission to reduce the basic school rate to a level sufficient to generate a $30 million tax cut. State income taxes increased due to the reduction in property tax deductibility against federal income taxes owed.
(2) Increased fines and surcharges.
(3) Effective January 1, 1996, reduced gross receipts tax rates 53 percent to benefit electric utilities.
(4) Effective January 1, 1996, allows 60 percent of health care insurance, not already deductible against federal taxes, to be deducted against state taxes owed.
(5) As of July 1996 (FY97) 30% of the exemption is allowed, as of July 1997 60% is allowed, and as of July 1998 100% is allowed. The original fiscal note for FY99 was $28.6 million. The Tax Commission subsequently ruled that parts (in addition to equipment) were eligible for the exemption (which raised the fiscal note to $71.3 million). In November 1996 a special session of the legislature met to modify the law in order to restore the fiscal note to $28.6 million in FY99.
(6) Reduced effective income tax rates as of January 1, 1996. Reduced top rate from 7.2 percent to 7.0 percent on taxable incomes over $7,500. The minimum income tax rate will be reduced from 2.55% to 2.3%.
(7) This is a consensus estimate. The Fiscal Analyst's estimate is $65,000.
(8) Increases the cigarette tax 25 cents per pack. FY1997 fiscal impact is from stocking up of inventories in order to partially avoid the July 1, 1997 tax increase.
(9) Changes the point of collection for the diesel fuels tax from dealers to refineries.
(10) Raises the diesel and gasoline tax 5 cents a gallon and reduces the sales tax by 1/8th cent. Enactment of this bill will generate $63,250,000 in increased revenue to the Transportation Fund due to the increase in the diesel and gas tax and the ½ cent diversion from underground storage tanks to highways. There will be a decrease in General Fund sales taxes of $34,300,000. The net tax change from this bill is $28,950,000.
(11) Implements a 2.5 percent tax on rental cars to pay for transportation corridors.
(12) Permits the Department of Workforce Services to impose an assessment related to the Employers' Reinsurance Fund.
(13) Creates an Endangered Species Mitigation Fund and imposes a royalty tax on brine shrimp harvesting.
(14) Increases the vehicle registration fee by $10 and trucking fees by about 10 percent. This restricted money goes into the Centennial Highway Trust Fund.
(15) Amounts paid for admission to an athletic event at an institution of higher education that is subject to the provisions of Title IX are exempt from sales and use tax.
(16) Extends the repeal date for a tax credit for workover credits and recompletions of oil wells.
(17) Gives a 6% tax credit for qualified research activities conducted in the state.
(18) Reduces the sales tax exemption for machinery and equipment from 100% in FY1999 to 80% in FY2000. After July 1, 1999, vendors shall collect sales tax on 20% of the sales price of normal operating replacements.
(19) Gives a 6% individual or corporate income tax credit on the purchase price of machinery, equipment or both.
(20) Reinstates the manufacturing sales tax exemption on replacement parts at 100%. S.B. 185 (1998 Session) had previously reduced this exemption to 80%.
(21) Permit fees and compensation paid into the Transportation Fund for access to rights-of-way on Interstate Highways by telecommunication companies.
(22) Increases income tax deduction for amounts paid for health care insurance from 60% to 100% of amounts not deducted from federal taxes.
(23) Changes in the reserve rate and calculation method will produce a tax reduction for all employers paying this insurance at the contributory rate. Taxes (income to the Employment Compensation Fund) will be reduced by $26,500,000 per year beginning in fiscal year 2001. The reserve fund was reduced from 22 to 18 months.
(24) The hospital assessment tax was repealed in fiscal year 2001. This was a tax rate on hospital gross revenues, as well as $0.9 for each surgery performed. The tax rate was adjusted quarterly so that no more than $5.5 million annually was collected.
(25) Exempts an individual from paying income taxes if federal AGI is less than the sum of the individual's personal exemptions plus his/her standard deduction (removes about 30,000 low income individuals from state income tax rolls).
(26) The top bracket was increased from $7,500 to $8,626 and the bottom bracket was increased from $1,500 to $1,726 (15,000 taxpayers were dropped out of the highest bracket).
(27) Repeals the $1.83 per patient day nursing home "bed" tax (the hospital bed tax was repealed in the 2000 General Session).
(28) Established fees and taxes that apply to the reprocessing, treatment, or disposal of certain types of radioactive waste.
(29) Increased tax on cigarettes 18 cents per 20 pack, from 51.5 cents to 69.5 cents.

International Merchandise Exports

Overview

Utah's exports fell 9% during 2002, from $3.5 billion to $3.2 billion. Although Utah's exports more than doubled during the 1990s, most of the growth occurred before 1997. Since then, exports have remained in the range of $3.0 billion to $3.5 billion. Exports would have fallen even farther without a surge in shipments of primary metals to Switzerland. Further, East Asia's purchases of Utah goods did not fall in 2002, helping to shore up exports. The fact that the world economy is barely growing, but exports to East Asia are holding up, bodes well for future Utah export growth.

2002 Summary

Value of Utah's Merchandise Exports. Utah ranked 32nd among the states in the value of merchandise exports during 2002. Export estimates for 2002 are based on the first three quarters of data reported by the U.S. Census Bureau; the growth rate for the year is assumed to be the same as that observed from the third quarter of 2001 to the third quarter of 2002, -9%. In line with Utah's 9% decline, exports for the U.S. and 22 of the states fell from 2001 to 2002. Utah's exports are about 3% of Texas' $94.2 billion. As the leading state, Texas accounted for almost one-seventh of the nation's $688.6 billion merchandise exports during 2002. With $92.1 billion in exports, second place California is essentially tied with Texas. However, during 2001, California was the lead exporting state, exporting about 80% more than Texas. U.S. merchandise exports fell 6% from $731 billion to $689 billion.

Utah's Merchandise Exports by Industry. During 2002, exports of primary metal products (gold, copper and steel) were $1.2 billion, almost one-third of the total. Other major export products include computers and electronics ($601 million, or 15%), transportation equipment ($357 million, or 17%), chemicals ($189 million, or 7%), and food ($169 million, or 7%).

Destination of Utah's Merchandise Exports. Utah's largest markets for merchandise exports are in Western Europe, East Asia, and Canada. During 2002, the top five destination countries for Utah's merchandise exports accounted for $2.3 billion of the $3.2 billion total, or 71%, while the top ten accounted for $2.7 billion, or 83%. Exports of primary metals to Switzerland make it Utah's largest market. Primary metal purchases also make the United Kingdom Utah's second largest market.

Significant Issues

East Asia. The East Asian crisis of 1998 appears to be nearing the end of its course. At any rate, Utah's $877 million in exports to East Asia during 2002 are essentially the same as in 2001. After peaking at $1.1 billion in 1997, Utah's exports there declined to $746 million in 1999, recently stabilizing in a range around $900 million. As a share of total exports, East Asia bottomed at 24% in 1999, before increasing to 28% during 2002. At $322 million, Japan is Utah's largest East Asian market, followed by Singapore at $252 million, Korea at $72 million, the Philippines at $65 million, and Hong Kong at $50 million. Computers and electronics are Utah's largest export to East Asia, followed by transportation equipment. East Asia appears to be on a course leading to larger purchases of Utah's exports.

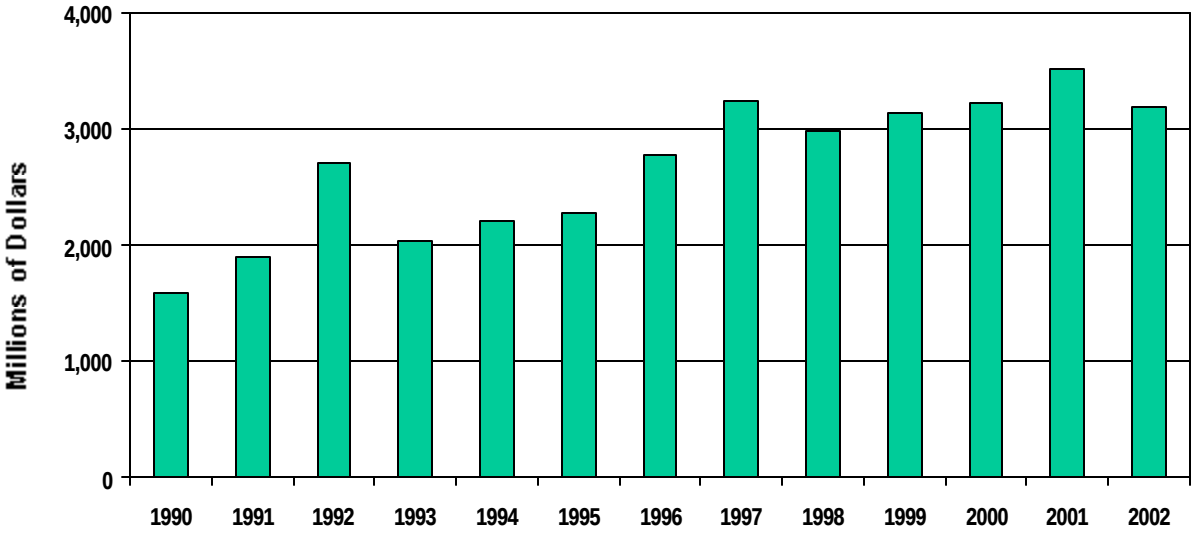
Limitations of Data. The export data presented have been generated by the U.S. Census Bureau's Foreign Trade Division in cooperation with the U.S. Customs Service. Census uses information on the Customs Service shippers export declaration to determine from where in the U.S. the merchandise was shipped. Because shippers often have operations in several states, exports from one state are occasionally attributed to a different state. Errors do occur in the estimates of exports from the states. Still, the Census is the only source of export data by state, and, in Utah's case, the data tend to correspond with known activity.

Another limitation is the data account for the value of merchandise exports but not service exports. This means that exports of business services (such as financial services or computer software), educational services (such as international students paying tuition to purchase Utah education), tourist services (such as purchases made by international travelers in Utah), and other services sold in international markets are not included in the value of these exports.

Conclusion

Utah's exports fell 9% during 2002, from $3.5 billion to $3.2 billion. What appears to be a one-time surge in primary metals shipments to Switzerland bolstered exports during 2002. East Asian demand for Utah products appears set to grow again after several years of decline. With demand rising, East Asia may once again become a primary force for Utah's export growth.

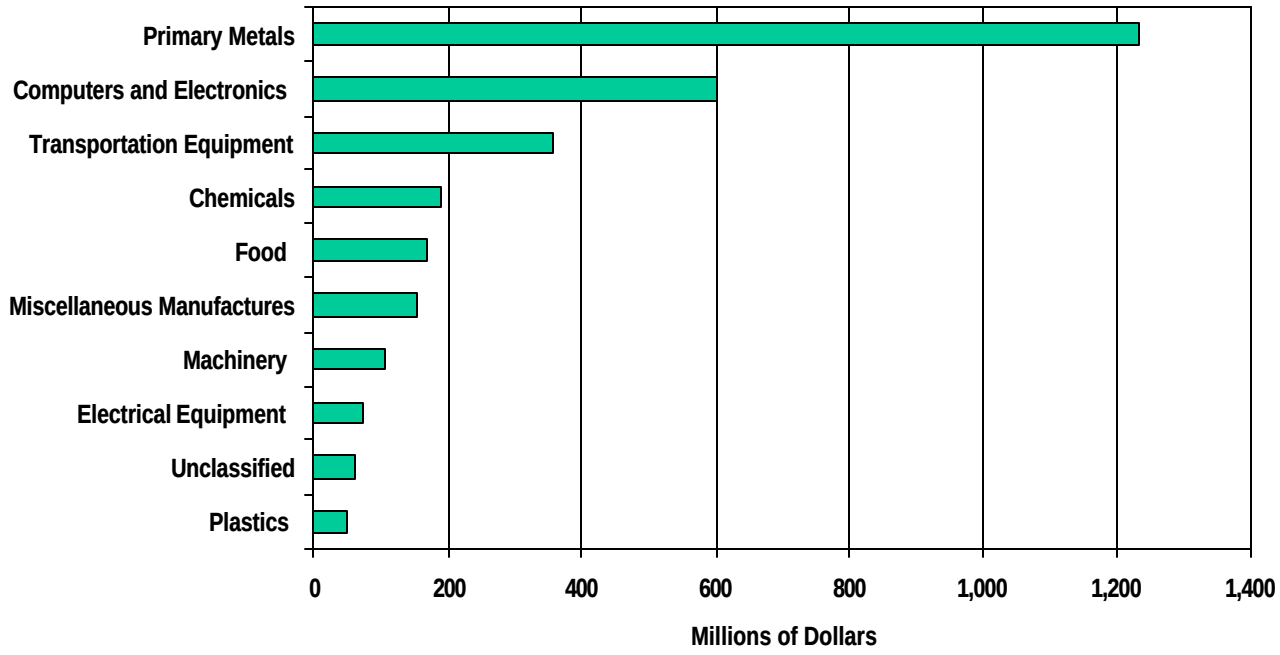
Figure 39
Utah Merchandise Exports (Millions of Dollars)



Note: Exports for 2002 are estimated based on the first three quarters.

Source: U.S. Census Bureau

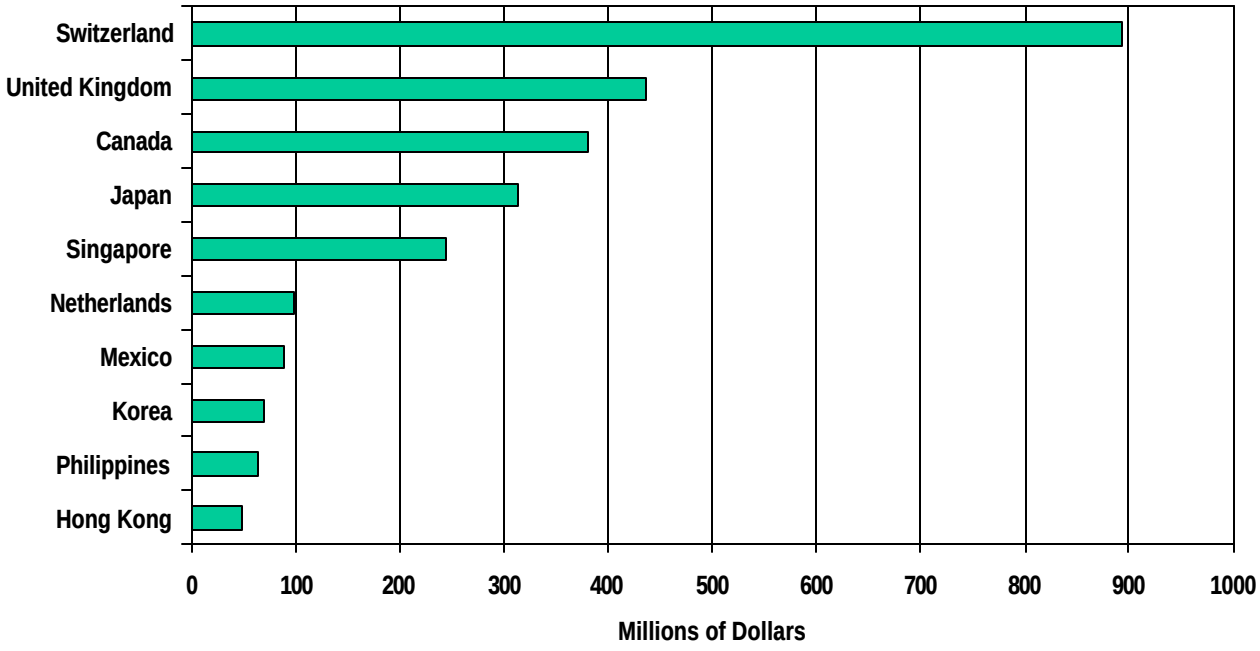
Figure 40
Utah Merchandise Exports by Top Ten Industries: 2002



Note: Exports for 2002 are estimated based on the first three quarters.

Source: U.S. Census Bureau

Figure 41
Utah Merchandise Exports to Top Ten Purchasing Countries: 2002



Note: Exports for 2002 are estimated based on the first three quarters.

Source: U.S. Census Bureau

Table 44
Utah Merchandise Exports by Purchasing Country and Region (Millions of Dollars)

Rank	Country	1997	1998	1999	2000	2001	2002	2001-02 Percent Change
1	Switzerland	$71.4	$248.8	$399.5	$452.9	$696.4	$893.2	28.2%
2	United Kingdom	768.2	720.2	628.9	246.0	421.3	437.8	3.9%
3	Canada	495.8	486.8	568.5	605.8	543.2	379.8	-30.1%
4	Japan	516.3	397.1	378.5	402.1	396.4	314.7	-20.6%
5	Singapore	63.0	38.0	44.0	54.9	46.3	245.5	430.7%
6	Netherlands	108.8	98.2	120.8	151.2	154.3	99.5	-35.5%
7	Mexico	88.6	77.1	78.7	102.1	113.6	90.0	-20.8%
8	Korea	112.1	50.7	67.2	128.9	127.6	70.7	-44.6%
9	Philippines	94.5	111.6	79.6	105.2	79.4	63.7	-19.7%
10	Hong Kong	44.1	28.5	40.4	58.4	53.2	48.5	-8.8%
11	Germany	147.1	88.0	75.7	104.5	93.6	47.6	-49.2%
12	Belgium	74.0	45.2	53.1	72.8	58.6	45.8	-21.8%
13	China	26.0	33.6	17.3	32.6	40.6	44.4	9.2%
14	Taiwan	98.8	44.6	43.6	76.3	57.1	43.1	-24.5%
15	France	46.1	42.7	57.1	46.9	54.1	36.9	-31.9%
16	Australia	33.2	44.2	44.9	59.7	54.1	36.1	-33.2%
17	Costa Rica	2.9	2.2	2.7	18.6	20.8	24.3	16.9%
18	Italy	48.6	27.0	45.9	39.6	37.5	21.8	-41.9%
19	Thailand	74.9	50.9	23.4	17.9	23.3	21.5	-7.9%
20	Malaysia	57.5	70.5	47.3	44.0	50.3	21.5	-57.3%
21	Turkey	4.1	7.5	19.8	30.3	33.5	18.0	-46.2%
22	Spain	15.7	19.3	15.0	18.2	19.6	15.6	-20.5%
23	Ireland	45.9	50.5	64.0	98.3	55.3	13.1	-76.3%
24	Sweden	21.6	23.7	7.1	12.2	13.6	10.9	-19.7%
25	India	7.4	4.6	5.8	11.8	12.0	9.3	-22.7%
26	Brazil	15.4	14.6	24.5	41.1	41.7	9.1	-78.2%
27	Norway	3.7	5.6	3.8	5.7	8.8	8.8	-0.4%
28	Israel	9.6	9.7	8.6	8.9	9.7	6.2	-36.4%
29	Finland	3.4	3.4	4.3	3.4	5.5	6.2	11.5%
30	Ukraine	2.5	3.8	7.1	7.5	8.9	5.1	-43.2%
31	New Zealand	12.1	9.2	9.7	7.0	6.4	5.0	-21.1%
32	Russian Federation	4.8	2.3	3.0	5.7	3.8	4.5	19.4%
33	Denmark	3.2	3.2	14.2	8.7	5.2	4.5	-14.1%
34	Chile	23.9	17.8	6.2	7.1	5.9	4.4	-25.8%
35	Colombia	4.1	4.0	4.6	3.2	4.9	4.0	-18.1%

Rank	Region							2001-02 Percent Change
1	Western Europe	1,370.3	1,393.5	1,521.0	1,301.6	1,669.7	1,666.4	-0.2%
2	East Asia	1,096.4	830.3	746.0	923.4	880.3	876.5	-0.4%
3	Canada	495.8	486.8	568.5	605.8	543.2	379.8	-30.1%
4	Mexico	88.6	77.1	78.7	102.1	113.6	90.0	-20.8%
5	Latin America	78.2	65.0	71.8	110.0	119.3	68.5	-42.5%
6	Australia/Pacific	46.2	54.4	55.9	68.0	61.8	42.2	-31.7%
7	West Asia	34.6	44.2	52.6	58.1	52.8	31.6	-40.2%
8	Eastern Europe	13.9	15.0	24.3	31.3	38.3	22.1	-42.4%
9	Africa	13.4	11.3	14.2	19.8	27.1	9.8	-63.6%
	Total	3,237.3	2,977.6	3,133.0	3,220.2	3,506.0	3,186.9	-9.1%

Notes:
1. Rank based on 2002 exports.
2. 2002 exports based on the first three quarters.

Source: U.S. Census Bureau

Table 45
U.S. Merchandise Exports by State (Millions of Dollars)

Rank	State	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2001-02 Percent Change
26	Alabama	$2,834	$3,325	$3,629	$2,443	$2,833	$3,440	$3,703	$4,537	$4,560	$4,899	$5,625	$5,765	$8,249	43.1%
35	Alaska	2,850	3,134	3,195	746	860	855	850	969	760	950	985	966	2,745	184.2%
16	Arizona	3,729	4,465	5,109	4,154	4,923	6,048	9,938	13,557	10,753	10,123	9,997	9,120	11,865	30.1%
34	Arkansas	920	1,147	1,324	1,046	1,428	1,761	1,997	2,212	1,934	1,829	2,068	2,084	2,833	35.9%
2	California	44,520	50,415	56,307	62,295	71,285	82,692	98,634	103,802	98,809	102,864	129,939	114,390	92,089	-19.5%
28	Colorado	2,274	2,574	2,594	5,526	6,881	8,226	10,065	11,329	10,733	11,171	12,265	11,092	5,471	-50.7%
25	Connecticut	4,356	4,995	5,028	9,925	9,978	12,583	13,053	12,897	12,140	11,335	13,180	13,412	8,276	-38.3%
40	Delaware	1,344	1,441	1,508	3,350	3,646	4,295	4,585	5,104	4,969	4,857	5,888	4,643	2,082	-55.2%
46	District Of Columbia	320	269	344	4,485	4,839	5,163	5,085	4,881	4,392	4,345	4,728	4,972	1,159	-76.7%
8	Florida	11,634	13,257	14,431	13,733	15,601	17,594	19,618	22,889	23,173	22,544	24,213	23,614	24,602	4.2%
15	Georgia	5,763	6,815	7,652	5,758	6,685	8,208	8,618	9,810	11,212	11,061	11,772	12,048	14,055	16.7%
51	Hawaii	179	148	206	187	178	183	295	303	211	244	369	319	475	48.9%
42	Idaho	898	958	1,076	1,189	1,470	1,812	1,610	1,716	1,460	2,117	2,797	1,865	1,935	3.7%
7	Illinois	12,965	14,025	15,328	19,702	23,650	29,456	32,225	34,225	33,838	30,857	32,249	31,807	25,438	-20.0%
13	Indiana	5,273	5,724	6,148	8,287	9,326	10,791	12,119	13,097	13,949	14,584	14,813	14,602	14,830	1.6%
30	Iowa	2,189	2,263	2,476	1,932	2,278	2,494	2,695	3,117	3,412	2,985	3,262	3,312	4,807	45.2%
29	Kansas	2,113	2,148	2,514	3,042	3,441	4,379	4,971	5,133	4,403	4,856	5,050	5,433	5,053	-7.0%
21	Kentucky	3,175	3,217	3,648	3,249	4,000	4,802	5,824	6,904	7,440	8,016	8,758	7,451	10,173	36.5%
10	Louisiana	14,199	15,456	16,151	3,049	3,534	4,516	4,731	4,374	4,392	3,947	3,860	3,983	16,662	318.3%
41	Maine	870	915	902	1,043	1,114	1,285	1,249	1,590	1,664	1,785	1,665	1,620	1,955	20.7%
31	Maryland	2,592	3,363	3,879	2,554	2,721	3,301	3,510	3,861	4,014	4,068	4,997	5,252	4,522	-13.9%
11	Massachusetts	9,501	10,018	10,400	10,980	11,884	13,637	15,368	17,368	16,467	17,106	19,747	17,218	16,380	-4.9%
5	Michigan	18,474	20,236	20,414	24,251	35,392	35,719	38,128	37,920	39,269	41,312	51,615	50,605	34,128	-32.6%
20	Minnesota	5,091	5,376	6,137	9,461	9,580	12,066	13,884	13,793	13,499	14,401	17,539	16,522	10,195	-38.3%
33	Mississippi	1,605	1,738	1,963	796	1,088	1,355	1,222	1,421	1,414	1,454	1,776	2,731	3,026	10.8%
27	Missouri	3,130	3,367	3,664	4,653	5,123	5,566	6,591	7,043	6,832	7,431	7,931	6,884	6,687	-2.9%
52	Montana	229	279	268	239	253	269	341	430	390	404	551	479	385	-19.6%
36	Nebraska	693	960	1,233	1,730	1,947	2,235	2,453	2,494	2,472	1,991	3,141	3,226	2,588	-19.8%
45	Nevada	394	427	507	482	418	613	692	807	765	1,083	1,754	1,678	1,190	-29.0%
43	New Hampshire	973	988	917	1,033	1,189	1,412	1,745	1,931	1,987	2,159	2,475	2,260	1,881	-16.8%
9	New Jersey	7,633	8,740	8,955	13,551	15,635	16,988	18,458	20,815	20,033	21,008	28,778	25,934	16,851	-35.0%
44	New Mexico	249	309	356	390	470	416	917	1,780	1,896	2,965	645	1,198	1,241	3.6%
3	New York	22,072	23,261	22,628	36,504	32,720	39,008	44,965	48,885	45,565	43,297	53,007	52,040	36,902	-29.1%
14	North Carolina	8,010	8,540	10,374	7,669	8,570	10,122	11,587	13,102	12,920	13,571	14,975	14,338	14,734	2.8%
48	North Dakota	360	335	336	324	375	465	576	623	657	635	712	769	855	11.2%
6	Ohio	13,378	14,855	16,306	17,151	18,849	20,271	22,555	25,107	24,815	26,562	29,125	29,225	27,291	-6.6%
38	Oklahoma	1,646	1,770	1,987	2,275	2,116	2,399	2,538	2,722	2,623	2,405	3,257	3,123	2,373	-24.0%
22	Oregon	4,065	4,264	4,890	5,966	6,585	8,980	8,481	8,359	8,144	11,164	9,434	7,251	9,791	35.0%
12	Pennsylvania	4,547	4,951	5,600	6,936	7,427	8,987	9,479	10,300	10,382	10,164	12,864	12,264	15,639	27.5%
24	Puerto Rico			3,872	4,195	4,407	4,484	5,188	5,528		7,894	7,724	8,494	9,424	10.9%
47	Rhode Island	595	679	859	893	964	904	955	1,127	1,113	1,105	1,169	1,120	1,109	-1.0%
23	South Carolina	3,116	3,741	4,222	3,140	3,405	4,350	4,925	5,674	5,857	6,477	7,818	7,996	9,746	21.9%
49	South Dakota	205	218	232	202	245	321	397	435	374	1,143	498	467	558	19.5%
17	Tennessee	3,746	4,344	5,156	5,942	7,307	9,214	9,328	9,917	9,873	9,343	11,414	11,643	11,518	-1.1%
1	Texas	32,931	40,079	43,553	34,192	38,454	42,528	48,252	56,293	59,029	61,706	68,746	63,225	94,189	49.0%
32	Utah	1,596	1,906	2,706	2,027	2,207	2,269	2,769	3,237	2,978	3,133	3,220	3,506	3,187	-9.1%
37	Vermont	1,154	1,091	1,314	1,198	1,202	1,490	2,611	2,592	2,758	2,827	2,660	1,720	2,519	46.5%
53	Virgin Islands					153	225	192	243	115	181	212	207	218	5.5%
18	Virginia	9,333	10,004	9,784	7,868	9,712	10,150	10,926	11,512	11,460	10,722	10,547	7,905	11,034	39.6%
4	Washington	24,432	27,053	28,041	27,057	24,690	21,591	25,498	31,746	37,960	36,826	33,355	35,142	34,756	-1.1%
39	West Virginia	1,550	1,656	1,746	732	911	1,073	1,218	1,299	1,178	897	1,472	1,958	2,219	13.3%
19	Wisconsin	5,158	5,319	6,173	5,638	6,670	7,668	8,410	9,792	9,221	9,546	10,858	11,439	10,205	-10.8%
50	Wyoming	264	328	368	82	85	93	124	176	158	156	142	141	541	282.6%
	Unknown State	82,924	74,967	69,751	69,520	71,965	83,115	58,621	68,119	72,557	64,506	64,790	50,443	35,978	-28.7%
	United States	394,045	421,851	448,156	464,767	512,670	583,865	624,767	688,896	682,977	695,009	782,429	730,897	688,612	-5.8%

Notes:
1. Rank based on 2002 exports.
2. 2002 exports estimated based on the first three quarters.

Source: U.S. Census Bureau

Table 46

Utah Merchandise Exports by Industry (Thousands of Dollars)

INDUSTRY									2001-02 Percent	2002
Rank	Code	Name	1997	1998	1999	2000	2001	2002	Change	Share
21	111	Agricultural Products	$18,970	$18,459	$17,238	$21,547	$7,106	$2,761	-61.2%	0.2%
28	112	Livestock And Livestock Products	252	318	437	475	402	424	5.5%	0.0%
29	113	Forestry Products	535	389	548	606	514	370	-28.0%	0.0%
27	114	Fish Products	10,507	5,043	3,047	2,161	5,228	791	-84.9%	0.1%
30	211	Oil and Gas	13	49	0	39	0	15		0.0%
11	212	Minerals	312,700	167,523	130,711	171,546	104,973	47,657	-54.6%	3.0%
5	311	Food	131,547	129,669	135,425	176,394	231,203	168,896	-26.9%	6.6%
20	312	Beverages	1,717	3,923	4,987	3,625	5,278	3,262	-38.2%	0.2%
18	313	Raw Textiles	3,305	2,724	3,783	10,011	8,146	5,003	-38.6%	0.2%
24	314	Milled Textiles	2,565	1,292	2,362	1,623	1,905	1,689	-11.3%	0.1%
22	315	Apparel	5,089	4,409	6,560	4,370	5,038	2,698	-46.4%	0.1%
19	316	Leather	5,775	7,279	14,485	10,114	7,047	4,791	-32.0%	0.2%
26	321	Wood Products	1,157	1,207	1,731	1,119	1,791	1,289	-28.0%	0.1%
13	322	Paper	7,519	10,979	37,419	43,046	45,158	35,603	-21.2%	1.3%
14	323	Printed Material	34,443	22,254	24,647	21,775	21,597	16,878	-21.8%	0.6%
25	324	Refined Petroleum	90	1,687	2,027	165	1,052	1,574	49.6%	0.0%
4	325	Chemicals	213,598	204,280	153,385	170,403	229,872	189,055	-17.8%	6.6%
10	326	Plastics	37,224	26,061	30,899	51,584	57,355	47,902	-16.5%	1.6%
16	327	Stone, Clay, Glass, Concrete	7,929	7,328	9,981	10,930	12,451	8,629	-30.7%	0.4%
1	331	Primary Metals	944,850	944,538	975,144	661,588	1,008,351	1,232,540	22.2%	28.8%
12	332	Fabricated Metals	54,704	46,312	38,918	47,664	57,331	39,711	-30.7%	1.6%
7	333	Machinery	152,618	161,839	188,180	229,512	184,919	105,431	-43.0%	5.3%
2	334	Computers and Electronics	557,305	521,816	499,391	537,677	510,977	601,289	17.7%	14.6%
8	335	Electrical Equipment	63,560	84,442	100,760	116,804	101,700	73,865	-27.4%	2.9%
3	336	Transportation Equipment	418,257	384,271	497,094	619,264	588,757	357,423	-39.3%	16.8%
15	337	Furniture	4,147	5,481	6,446	15,701	11,559	9,262	-19.9%	0.3%
6	339	Miscellaneous Manufactures	165,403	142,736	163,635	192,570	214,517	155,075	-27.7%	6.1%
17	910	Scrap	5,812	3,000	3,374	5,703	4,934	7,268	47.3%	0.1%
23	920	Used Merchandise	6,123	4,359	3,250	3,076	2,616	2,369	-9.5%	0.1%
9	980	Unclassified	69,633	63,914	77,090	89,098	74,196	63,411	-14.5%	2.1%
		Total	3,237,346	2,977,581	3,132,957	3,220,190	3,505,974	3,186,930	-9.1%	100.0%

Note:

1. Rank based on 2002 exports.
2. 2002 exports estimated based on first three quarters.

Source: U.S. Census Bureau

Table 47

Utah Merchandise Exports to Top Ten Purchasing Countries by Industry During 2002 (Thousands of Dollars)

Code	Industry Name	Switzerland	United Kingdom	Canada	Japan	Singapore	Netherlands	Mexico	Korea	Philippines	Hong Kong	Industry Total
111	Agricultural Products	$0	$5	$212	$1,902	$16	$2	$0	$331	$0	$0	$2,468
112	Livestock And Livestock Products	0	0	104	21	0	0	0	0	0	119	244
113	Forestry Products	0	0	300	21	3	0	0	0	0	9	332
114	Fish Products	0	73	14	0	0	0	0	9	0	0	97
211	Oil and Gas	0	0	15	0	0	0	0	0	0	0	15
212	Minerals	0	175	1,460	18,657	118	10,033	183	43	0	110	30,779
311	Food	734	1,839	25,160	51,457	3,854	4,939	8,616	8,702	723	8,203	114,227
312	Beverages	0	791	1,683	527	0	0	0	0	0	0	3,001
313	Raw Textiles	0	20	233	24	0	0	3,723	13	50	39	4,103
314	Milled Textiles	0	18	1,097	81	9	29	74	0	0	14	1,322
315	Apparel	54	421	217	422	0	9	286	34	6	4	1,453
316	Leather	28	253	777	2,197	219	149	178	109	38	63	4,011
321	Wood Products	13	32	156	28	31	391	125	0	0	0	776
322	Paper	11	450	18,240	408	8,818	4	3,351	11	435	3,322	35,050
323	Printed Material	86	1,028	5,292	388	75	136	1,337	52	1,102	1,495	10,991
324	Refined Petroleum	0	37	1,177	6	226	0	10	30	0	0	1,486
325	Chemicals	139	5,589	32,709	60,812	7,960	5,763	6,426	9,515	338	5,553	134,803
326	Plastics	10	1,433	5,599	2,017	6,746	551	1,454	301	142	123	18,377
327	Stone, Clay, Glass, Concrete	342	267	4,491	100	17	1,344	108	14	14	47	6,744
331	Primary Metals	874,014	300,674	42,108	454	180	3,418	68	595	494	209	1,222,215
332	Fabricated Metals	3	2,052	9,551	1,632	1,135	222	2,211	650	1,172	141	18,768
333	Machinery	544	10,881	32,179	7,791	978	1,660	6,207	1,805	1,091	2,434	65,571
334	Computers and Electronics	13,278	53,136	28,809	73,046	197,657	9,814	11,175	5,548	57,205	23,431	473,100
335	Electrical Equipment	364	23,443	8,818	1,538	13,544	357	425	156	36	741	49,422
336	Transportation Equipment	583	20,791	99,234	64,927	1,118	49,393	38,125	37,348	134	141	311,793
337	Furniture	23	155	5,743	103	40	183	249	20	122	34	6,671
339	Miscellaneous Manufactures	2,697	12,617	26,396	23,844	2,118	10,838	3,964	3,709	322	1,918	88,423
910	Scrap	0	0	2,835	62	0	5	841	0	11	121	3,874
920	Used Merchandise	15	51	1,539	349	0	16	86	11	0	7	2,075
980	Unclassified	223	1,559	23,659	1,849	596	219	780	1,698	276	204	31,062
	Total	893,162	437,788	379,807	314,664	245,458	99,474	90,002	70,706	63,709	48,481	2,643,252

Note:
1. 2002 exports estimated based on the first three quarters.

Source: U.S. Census Bureau

Price Inflation and Cost of Living

Overview

Inflation decreased in 2002 to 1.6%, compared to 2.8% in 2001, as measured by the CPI-U. The gross domestic product chain-type price deflator decreased to 1.2% in 2002 from 2.4% in 2001. Utah's cost-of-living index in selected cities remained near the national average. The third quarter 2002 composite index (national average equals 100) for cities in Utah was: Salt Lake City, 99.0; Provo-Orem,[1] 95.7; Cedar City, 92.1; St. George, 94.9; and Logan,[2] 93.7.

2002 Summary

Consumer Price Index. Due to slow economic growth and potential geopolitical risks, the national rate of inflation decreased in 2002. The Consumer Price Index (CPI-U) is estimated to have decreased to 1.6% in 2002, measured on an annual average basis, compared with 2.8% in 2001, and 3.4% in 2000.

Gross Domestic Product Deflators. In 2002 the Gross Domestic Product (GDP) chain-type implicit price deflator is estimated to decrease to 1.2%. The GDP personal consumption deflator in 2002 is expected to fall to 1.4% compared with 2.0% in 2001. Beginning in 1996, the Real Gross Domestic Product was reported using a chain-weighted inflation index. Under this method, the composition of economic output (the weighting) is updated each year.

Utah Cost of Living. The American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index is prepared quarterly and includes comparative data for approximately 270 urban areas. The index consists of price comparisons for a single point in time, and does not measure inflation or price changes over time.

The cost of consumer goods and services in the urban areas is measured and compared with a national average of 100. The composite index is based on six components: grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services.

The first quarter 2002 composite index for Provo-Orem was 95.7, slightly lower than the national average for the period. The second quarter 2002 composite index for Logan was 93.7. Other Utah cities, included in the third quarter survey, were Cedar City (92.1), Salt Lake City (99.0), and St. George (94.9). Most western cities were near or slightly above the national composite index of 100.

2003 Outlook

The national Consumer Price Index for Urban Consumers (CPI-U) in 2003 is forecast to increase to 2.3%, higher than the 1.6% inflation rate in 2002. This is due to an expected moderate economic recovery.

Significant Issues

Labor market. The increase in unemployment, generated by a national wave of company downsizing and layoffs, is expected to gradually improve during the first half of 2003. Of chief concern is how decreased wage and price pressures will translate into inflation.

Housing. Low interest rates on 30-year and 15-year fixed-rate mortgages in 2002 were the lowest in three decades of record keeping. The low rates increased housing construction, home sales, and encouraged current homeowners to refinance.

Federal Reserve. In an attempt to stimulate consumer spending and investment activities, the federal funds rate was cut to 1.25%, its lowest point in four decades. Economic recovery will determine whether or not additional cuts will follow. The Fed's policy shift is due to a vulnerable economic outlook fueled by slow economic growth and potential geopolitical risks.

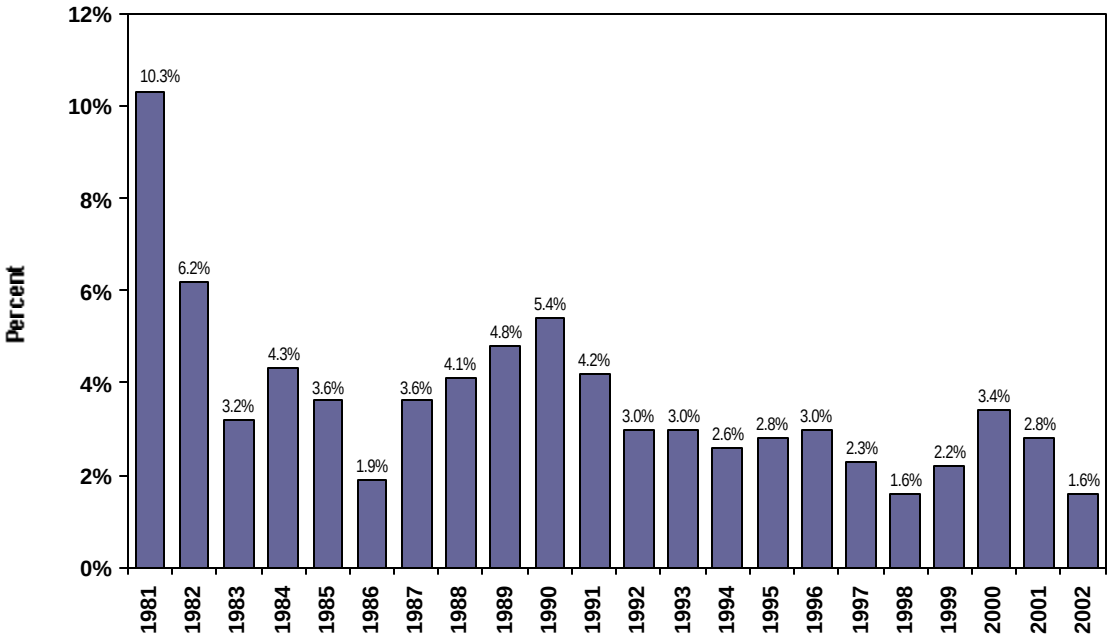
Conclusion

Although inflation has gradually increased in the past few years, a short economic decline is expected to keep inflation low throughout much of 2002. Likewise, energy prices are anticipated to stay relatively low. Economic growth is expected to resume at a moderate rate during the second half of 2002.

[1] The cost of living data for Provo-Orem are for first quarter 2002; both second and third quarter 2002 data were not published.

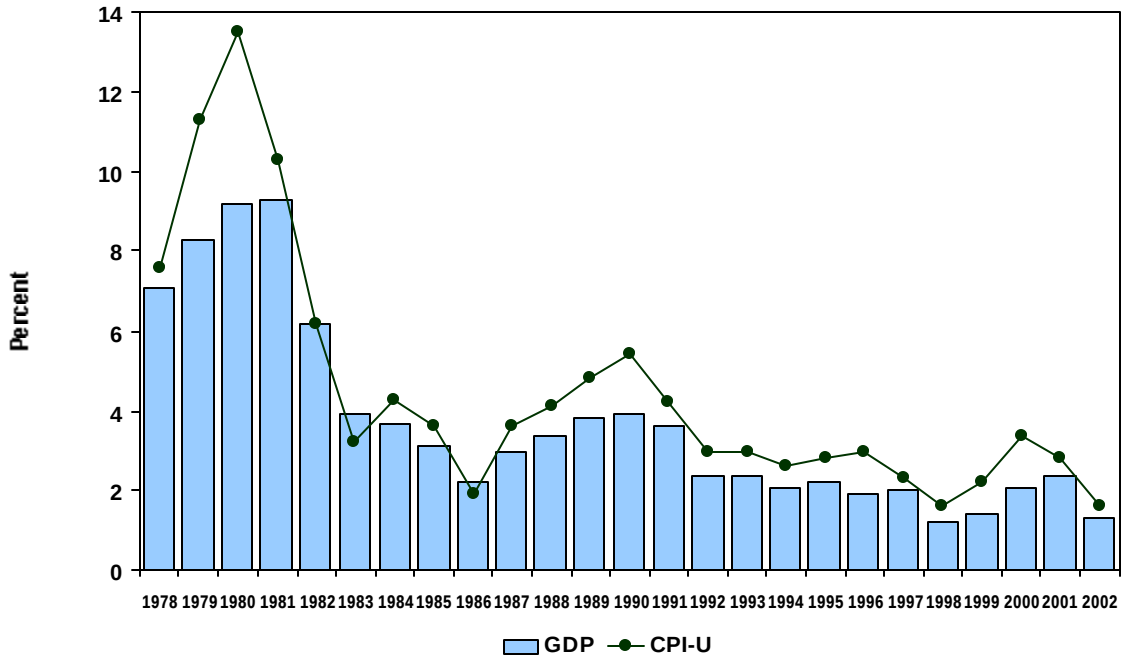
[2] The cost of living data for Logan are for second quarter 2002; third quarter 2002 data were not published.

Figure 42
U.S. Consumer Price Index (CPI-U): Average Annual Percent Change



Source: U.S. Bureau of Labor Statistics

Figure 43
CPI-U and GDP Deflator Inflation



Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Council of Economic Advisors

Table 48

U.S. Consumer Price Index for All Urban Consumers (1982-1984=100): (Not Seasonally Adjusted)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Avg. Index	Dec-Dec	Annual Avg. Percent Change
1959	29	28.9	28.9	29	29	29.1	29.2	29.2	29.3	29.4	29.4	29.4	29.2		
1960	29.3	29.4	29.4	29.5	29.5	29.6	29.6	29.6	29.6	29.8	29.8	29.8	29.6	1.4%	1.5%
1961	29.8	29.8	29.8	29.8	29.8	29.8	30.0	29.9	30.0	30.0	30.0	30.0	29.9	0.7	1.1
1962	30.0	30.1	30.1	30.2	30.2	30.2	30.3	30.3	30.4	30.4	30.4	30.4	30.3	1.3	1.2
1963	30.4	30.4	30.5	30.5	30.5	30.6	30.7	30.7	30.7	30.8	30.8	30.9	30.6	1.6	1.2
1964	30.9	30.9	30.9	30.9	30.9	31.0	31.1	31.0	31.1	31.1	31.2	31.2	31.0	1.0	1.3
1965	31.2	31.2	31.3	31.4	31.4	31.6	31.6	31.6	31.6	31.7	31.7	31.8	31.5	1.9	1.6
1966	31.8	32.0	32.1	32.3	32.3	32.4	32.5	32.7	32.7	32.9	32.9	32.9	32.5	3.5	3.0
1967	32.9	32.9	33.0	33.1	33.2	33.3	33.4	33.5	33.6	33.7	33.8	33.9	33.4	3.0	2.8
1968	34.1	34.2	34.3	34.4	34.5	34.7	34.9	35.0	35.1	35.3	35.4	35.5	34.8	4.7	4.3
1969	35.6	35.8	36.1	36.3	36.4	36.6	36.8	37.0	37.1	37.3	37.5	37.7	36.7	6.2	5.5
1970	37.8	38.0	38.2	38.5	38.6	38.8	39.0	39.0	39.2	39.4	39.6	39.8	38.8	5.6	5.8
1971	39.8	39.9	40.0	40.1	40.3	40.6	40.7	40.8	40.8	40.9	40.9	41.1	40.5	3.3	4.3
1972	41.1	41.3	41.4	41.5	41.6	41.7	41.9	42.0	42.1	42.3	42.4	42.5	41.8	3.4	3.3
1973	42.6	42.9	43.3	43.6	43.9	44.2	44.3	45.1	45.2	45.6	45.9	46.2	44.4	8.7	6.2
1974	46.6	47.2	47.8	48.0	48.6	49.0	49.4	50.0	50.6	51.1	51.5	51.9	49.3	12.3	11.1
1975	52.1	52.5	52.7	52.9	53.2	53.6	54.2	54.3	54.6	54.9	55.3	55.5	53.8	6.9	9.1
1976	55.6	55.8	55.9	56.1	56.5	56.8	57.1	57.4	57.6	57.9	58.0	58.2	56.9	4.9	5.7
1977	58.5	59.1	59.5	60.0	60.3	60.7	61.0	61.2	61.4	61.6	61.9	62.1	60.6	6.7	6.5
1978	62.5	62.9	63.4	63.9	64.5	65.2	65.7	66.0	66.5	67.1	67.4	67.7	65.2	9.0	7.6
1979	68.3	69.1	69.8	70.6	71.5	72.3	73.1	73.8	74.6	75.2	75.9	76.7	72.6	13.3	11.3
1980	77.8	78.9	80.1	81.0	81.8	82.7	82.7	83.3	84.0	84.8	85.5	86.3	82.4	12.5	13.5
1981	87.0	87.9	88.5	89.1	89.8	90.6	91.6	92.3	93.2	93.4	93.7	94.0	90.9	8.9	10.3
1982	94.3	94.6	94.5	94.9	95.8	97.0	97.5	97.7	97.9	98.2	98.0	97.6	96.5	3.8	6.1
1983	97.8	97.9	97.9	98.6	99.2	99.5	99.9	100.2	100.7	101.0	101.2	101.3	99.6	3.8	3.2
1984	101.9	102.4	102.6	103.1	103.4	103.7	104.1	104.5	105.0	105.3	105.3	105.3	103.9	3.9	4.3
1985	105.5	106.0	106.4	106.9	107.3	107.6	107.8	108.0	108.3	108.7	109.0	109.3	107.6	3.8	3.5
1986	109.6	109.3	108.8	108.6	108.9	109.5	109.5	109.7	110.2	110.3	110.4	110.5	109.6	1.1	1.9
1987	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3	115.4	115.4	113.6	4.4	3.7
1988	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2	120.3	120.5	118.3	4.4	4.1
1989	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6	125.9	126.1	124.0	4.6	4.8
1990	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8	130.7	6.1	5.4
1991	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9	136.2	3.1	4.2
1992	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9	140.3	2.9	3.0
1993	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8	144.5	2.7	3.0
1994	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7	148.2	2.7	2.6
1995	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5	152.4	2.5	2.8
1996	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6	156.9	3.3	2.9
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.5	1.7	2.3
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9	163.0	1.6	1.6
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6	2.7	2.2
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	172.2	3.4	3.4
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	1.6	2.8
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.6 (e)	181.09 (e)	179.9 (e)	2.5 (e)	1.6 (e)

e = estimate

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

Table 49
Gross Domestic Product Price Deflators: 1996=100

Year	Gross Domestic Product (Chain-Type) Deflator	Change from Previous Year	Personal Consumption Expenditures (Chain-Type) Deflator	Change from Previous Year
1970	29.1	5.3%	28.0	4.7%
1971	30.5	5.1	29.2	4.3
1972	31.8	4.2	30.2	3.5
1973	33.6	5.6	31.9	5.4
1974	36.6	8.9	35.1	10.3
1975	40.0	9.4	38.0	8.2
1976	42.3	5.6	40.1	5.4
1977	45.0	6.5	42.7	6.6
1978	48.2	7.1	45.8	7.1
1979	52.2	8.3	49.8	8.8
1980	57.1	9.2	55.2	10.8
1981	62.4	9.3	60.1	8.8
1982	66.3	6.2	63.5	5.7
1983	68.9	3.9	66.2	4.3
1984	71.4	3.7	68.6	3.7
1985	73.7	3.1	71.0	3.4
1986	75.3	2.2	72.7	2.4
1987	77.6	3.0	75.5	3.8
1988	80.2	3.4	78.4	3.9
1989	83.3	3.8	81.9	4.4
1990	86.5	3.9	85.6	4.6
1991	89.7	3.6	88.9	3.8
1992	91.9	2.4	91.6	3.0
1993	94.1	2.4	93.8	2.4
1994	96.0	2.1	95.7	2.0
1995	98.1	2.2	97.9	2.3
1996	100.0	1.9	100.0	2.1
1997	102.0	2.0	101.9	1.9
1998	103.2	1.2	103.0	1.1
1999	104.7	1.4	104.7	1.7
2000	106.9	2.1	107.4	2.5
2001	109.4	2.4	109.6	2.0
2002 (e)	110.7	1.2	111.1	1.4

e=estimate

Sources: U.S. Department of Commerce, Bureau of Economic Analysis and estimates by Governor's Office of Planning and Budget and WEFA

Table 50
American Chamber of Commerce Researchers Association (ACCRA)
Cost of Living Comparisons for Selected Metropolitan Areas: Third Quarter 2002

Component Index Weights:	100% Composite Index	16% Grocery Items	28% Housing	8% Utilities	10% Trans-portation	5% Health Care	33% Misc. Goods & Services
U.S. Average	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Utah Areas							
Salt Lake City	99.0	110.3	96.1	82.6	100.7	87.9	101.0
Cedar City (Nonmetro)	92.1	110.9	70.1	84.4	93.1	89.1	103.6
Logan (Nonmetro)*	93.7	102.2	82.9	91.5	97.6	85.7	99.3
Provo-Orem**	95.7	109.2	82.3	87.0	101.1	93.5	101.3
St. George (Nonmetro)	94.9	113.0	79.9	90.2	94.4	93.6	100.3
Western Areas							
Phoenix AZ	96.2	102.0	84.6	96.8	107.2	111.2	97.5
L. A.-Long Beach CA	135.2	109.6	199.1	110.6	112.9	111.1	109.6
San Francisco CA	184.1	141.1	332.7	92.4	130.0	143.8	123.7
Denver CO	102.9	105.5	109.2	75.2	109.5	119.1	98.6
Boise ID	94.9	83.5	91.6	87.4	97.9	106.0	102.5
Las Vegas NV	104.8	107.8	97.8	99.7	109.5	121.6	106.5
Albuquerque NM	99.7	96.8	94.9	97.5	100.9	98.2	105.6
Portland OR	111.7	103.5	121.5	109.5	112.4	119.5	106.6
Cheyenne WY	102.7	113.4	100.6	95.1	98.3	92.4	103.9
Seattle WA	148.2	116.0	228.2	123.3	111.5	160.3	111.2
Other Areas							
Atlanta GA	97.7	101.0	96.2	92.4	102.5	102.0	96.6
Boston MA (MA Part)	135.5	114.8	177.3	153.9	106.4	134.8	114.6
Minneapolis MN	106.1	98.9	103.7	114.1	119.0	121.2	103.5
St. Louis MO-IL	100.7	108.0	93.8	107.2	103.0	97.6	101.2
New York (Manhattan) NY	218.3	146.8	415.7	155.9	120.2	165.6	138.2
Philadelphia PA	120.2	115.1	132.9	141.0	118.7	133.2	105.4
Dallas TX	98.0	96.3	92.6	98.4	96.8	100.7	103.2

Notes: For data on additional cities, visit the ACCRA website at www.coli.org.
* These data are for second quarter 2002; third quarter 2002 data were not published.
**These data are for first quarter 2002; both second and third quarter 2002 data were not published.

Source: American Chamber of Commerce Researchers Association (ACCRA), P.O. Box 407, Arlington VA 22210-0407.

Regional / National Comparisons

Overview

During the first quarter of 2002, the national recession caught up with Utah's economy. Areas in the western United States have shown strikingly different trends during the last five years, with Nevada, New Mexico, Montana, and Wyoming showing signs that they are somewhat insulated from the recession and the remaining states' economies struggling significantly. Population growth has exceeded the national average for almost all western states, including Utah, but income growth has not necessarily followed suit. A majority of the western states rank in the bottom half or the bottom quartile of all states when their rate of income growth over the past year is measured.

Population Growth

During the 1990's, the mountain states were the fastest growing region in the nation. Four states -- Arizona, Colorado, Nevada, and Utah -- were among the fastest growing states in the nation last year. However, these growth rates were generally at least a half a percentage point off the average annual growth rate during the population boom years of the 1990s. Utah's growth rate during this period went from 2.6% a year to 1.3% a year. This is still higher than the average annual growth rate of 0.9%; however, the gap between Utah and the nation's annual growth rate in 2002 is shrinking compared to the 1990s. In the previous decade, Utah's growth rate more than doubled the national average. In the last year, that gap has decreased from 1.4% to 0.4%.

Personal Income Growth

Total personal income in the mountain region grew 7.1% per year during the 1996 to 2001 period. However, March 2001 saw the beginning of a recession and personal income growth in the mountain region and Utah began to slow down. Personal income for the region grew by 4.5% during 2001 and Utah's personal income grew at a marginally slower rate of 4.3%. Despite this, Utah ranked 16th in the nation for growth from 2000-2001. The mountain region was a strong performer, with five of the eight states ranking in the top ten for growth during this period. New Mexico and Wyoming held the first and second place among the 50 states for personal income growth. Only Arizona and Colorado had personal income growth at a slower rate than Utah during 2000-2001.

Despite the rapid growth during the 1996 to 2001 period, the states of the mountain region are still some of the smallest in the United States, in terms of personal income. As personal income is a measurement of the size of the economic base, only Colorado and Arizona have economies larger than the median of the 50 states. Utah has the 35th largest economy, placing it between Arkansas and Missouri in relative size. Wyoming has the smallest economy in the nation at 51st place, behind Washington D.C.

The mountain region produced $514.1 billion in personal income in 2001, or 5.9% of the nation's total of $8.7 trillion. This is the same percentage as in 2000. Utah accounted for 10.7% of the mountain region's income, down slightly from the 10.8% of the region's income in 2000. Utah's per capita personal income in 2001 was $24,180, ranking 46th in the nation (including Washington D.C.). Utah's per capita income growth rate from 1996 to 2001 was slightly below the national median, ranking the state 27th in terms of growth. Per capita personal income in the mountain states was $27,567 in 2001, about 90.5% of the national average. Utah is well below the mountain states average, at 79.4% of the national average. Colorado has the highest per capita income among the mountain states. In 2001, Wyoming joined Colorado and Nevada in exceeding the national average.

Median Household Income

Utah is anomalous when comparing personal income and median household income. While Utah has a very low per capita personal income, the state's median household income is ranked 12th in nation. This is largely explained by Utah having the largest household size in the nation. The per capita figures are diluted by a larger number of children. Therefore, the median household figures provide a more accurate measure of family income. Utah's $47,342 median household income is 112% of the national average of $42,228. The only mountain state with a higher household income than Utah is Colorado, with $49,397, or 117% of the national median. Some of the lowest household incomes are found in the mountain states, with Montana ranking 49th and New Mexico ranking 45th. These figures are three-year averages from 1999-2001. Because of sampling variability, the Census Bureau recommends using three-year averages for ranking purposes.

Average Annual Pay

Another measure of income is the average annual pay of workers covered by unemployment insurance. Among the mountain states, all but Colorado are below the national average. Utah's average annual pay of $30,074 per worker in 2001 is 83% of the national average. The mountain region as a whole averages $30,529, or 84% of the national average of $36,214. Utah ranked 35th among the states for wages. Regionally, Utah was in the middle of the mountain states. Arizona, Colorado and Nevada all ranked higher while Idaho, Montana, New Mexico, and Wyoming ranked lower. Those four states, collectively, have some of the lowest wage rates in the nation, with Montana ranking 51st.

Nonagricultural Payrolls

The mountain states showed positive employment growth for all states in the region in 2001. While the growth for some of the states in this region were below 1%, at least they were positive. Many states in the nation saw contractions in their nonagricultural payroll employment during 2001. During the five-year period of 1996-2001, the national growth rate was 2.0%. Most of the states in the region exceeded this rate, with the exception of New Mexico and Montana. Utah's five-year growth rate was 2.5%, ranking it in the middle of the mountain states. Nevada had the strongest growth during this period at 4.6%, followed by Colorado and Arizona.

The latest data from the federal Bureau of Labor Statistics for the period of October 2001 to October 2002 shows much slowing in Utah's employment. During this time period, employment has contracted by 1.5%. This is the second largest contraction among mountain states. Only Colorado shed more jobs during this time period, losing 1.7% of its total employment. Among all 50 states and DC, Colorado, Utah, Delaware, and Georgia had the largest percentage losses.

The mountain states have performed slightly better than the national average unemployment rate since 1996. The difference in 2001 was about the same as in 1996. During this period, Utah had one of the best unemployment rates in the country, at 3.5% in 1996, 3.2% in 2000 and 4.4% in 2001. During 2001, among the mountain states, only Wyoming and Colorado had lower unemployment rates. Nationally, the unemployment rate rose from 4.0% in 2000 to 4.8% in 2001. While this rise in unemployment both nationally and within Utah is concerning, it is important to note that the rates are still below what many economists have considered a "full employment" rate of 5%.

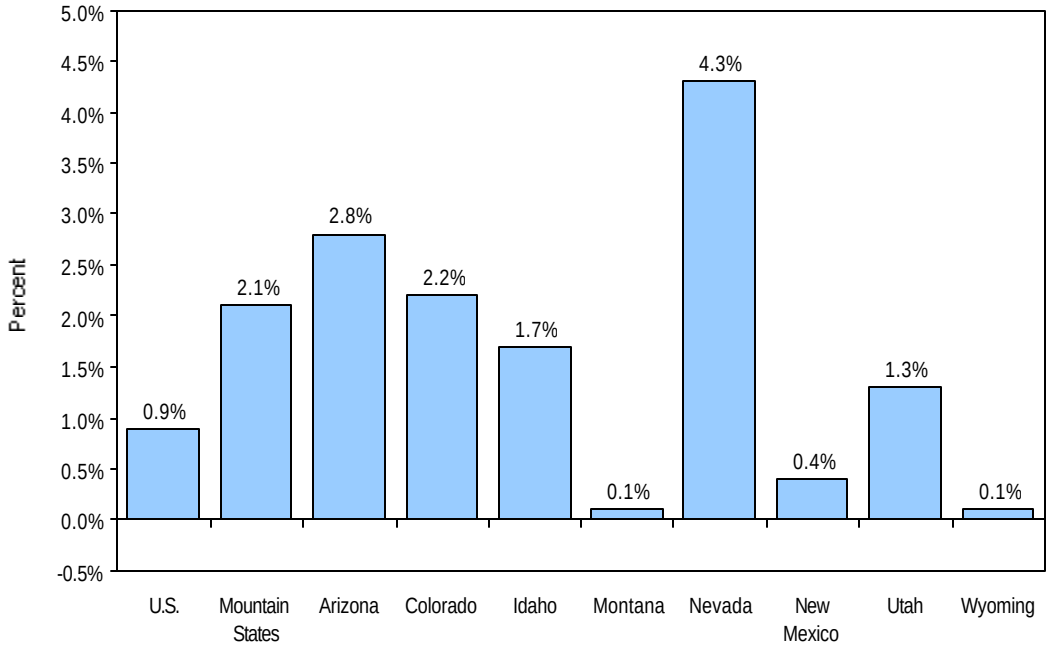
Poverty Rates

Similar to median household income, the Census Bureau's measure of poverty rates has considerable volatility, and the Bureau suggests using three-year averages for ranking purposes and two-year averages to evaluate movement over time. The mountain states have wide disparity in poverty rates, with New Mexico the highest in the nation, having 18.8% of its residents classified as living below the poverty line. Utah has one of the lowest poverty rates in the nation, with only 8.0% of its residents living in poverty. For the three-year period, the national rate was 11.6%, and among the mountain states, Arizona, Idaho, and Montana as well as New Mexico had rates above the national average. Colorado, Nevada, Wyoming and Utah had rates below the national average, with Utah having the lowest poverty rate in the mountain region.

Conclusion

While Utah and the mountain states experienced robust economic growth in the 1990s, that growth has been slowing recently and even turned into a contraction in employment for Utah. Utah's personal income and median household income managed to grow from 2000 to 2001, but employment has declined and unemployment has risen. Employment declined faster than the national and regional averages and unemployment has risen. It appears that the economic recession that began in March of 2001 has picked up steam in Utah this year and has harmed the state more than many other states.

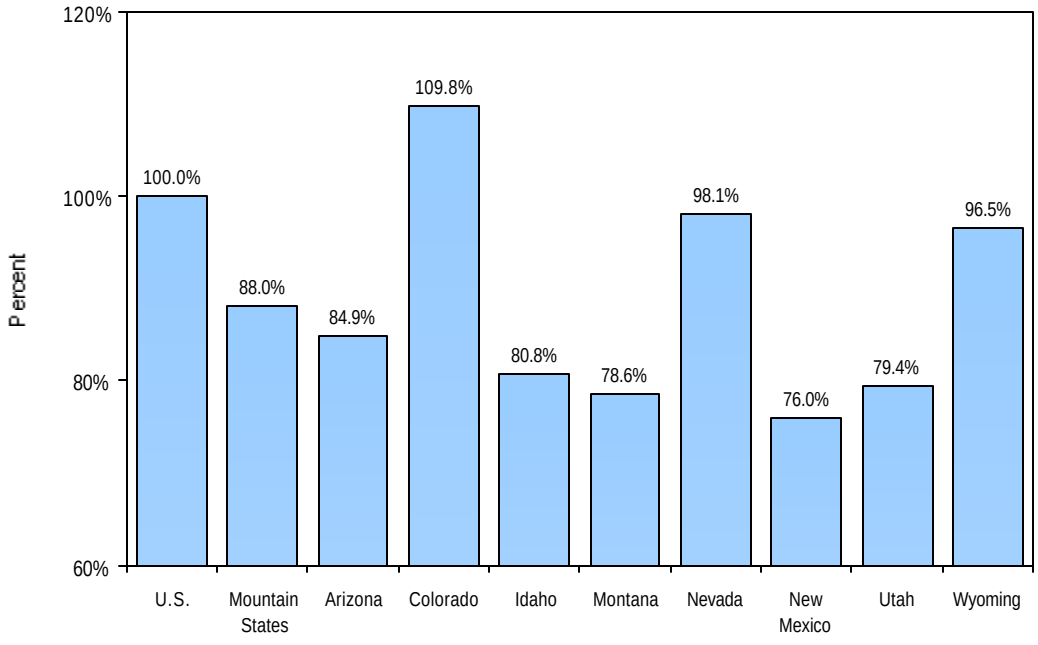
Figure 44
Population Growth Rates -- U.S. and Mountain Division States: 2000-2001



Note: Numbers in this chart may differ from other tables due to different data sources.

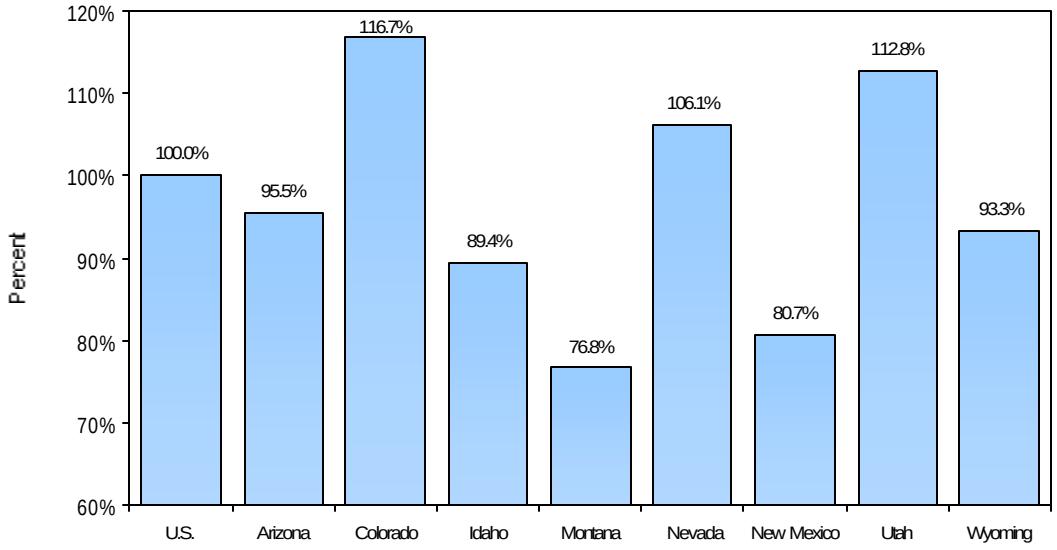
Source: U.S. Census Bureau

Figure 45
Per Capita Income as a Percent of U.S. -- Mountain Division States: 2001



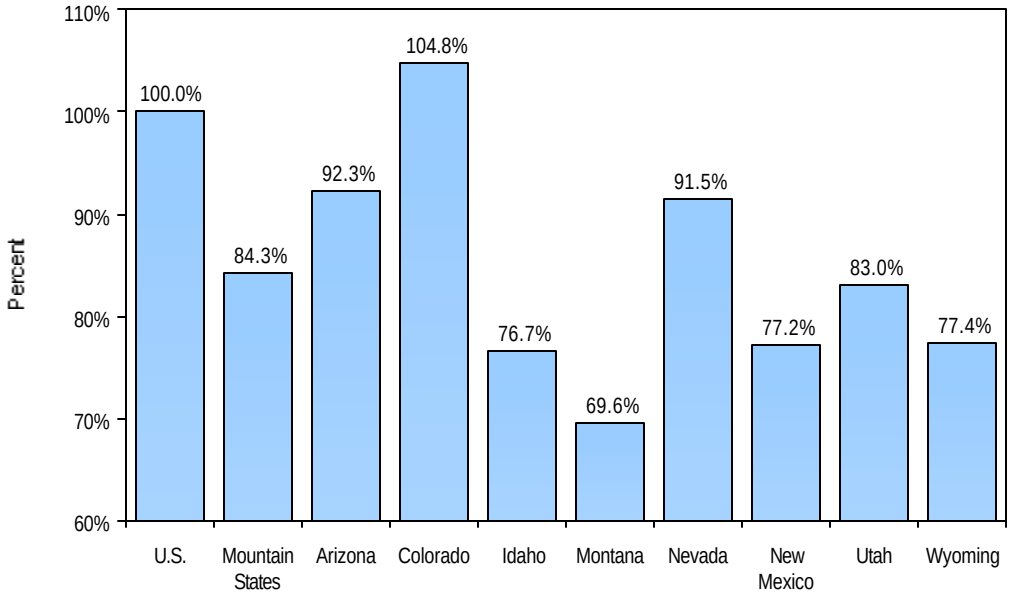
Source: U.S. Bureau of Economic Analysis

Figure 46
Median Household Income as a Percent of U.S. -- Mountain Division States: 1999-2001 Three-Year Average



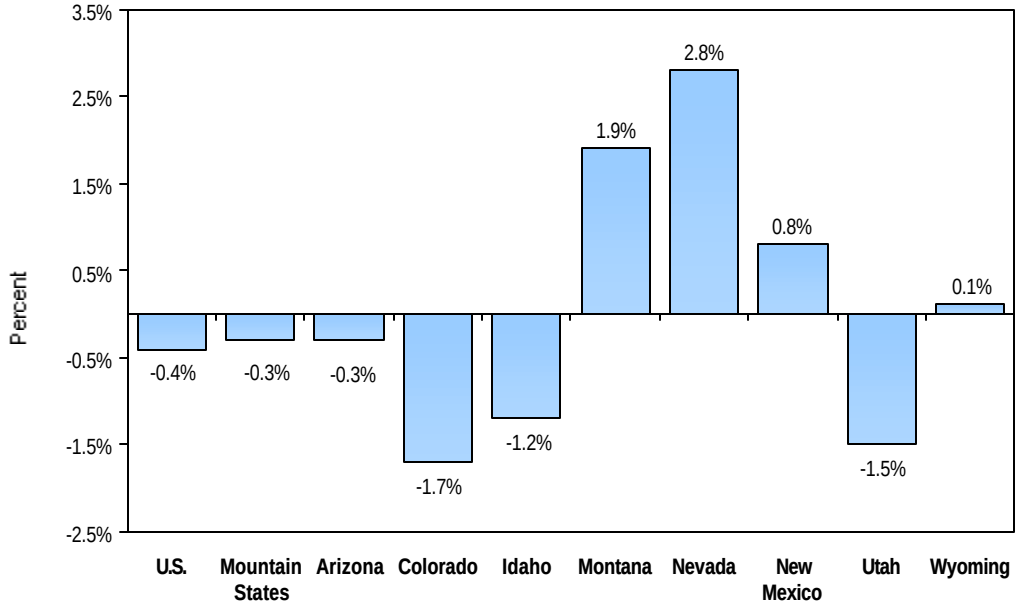
Source: U.S. Census Bureau

Figure 47
Average Annual Pay as a Percent of U.S. -- Mountain Division States: 2001*



*For workers covered by unemployment insurance
Source: U.S. Bureau of Labor Statistics

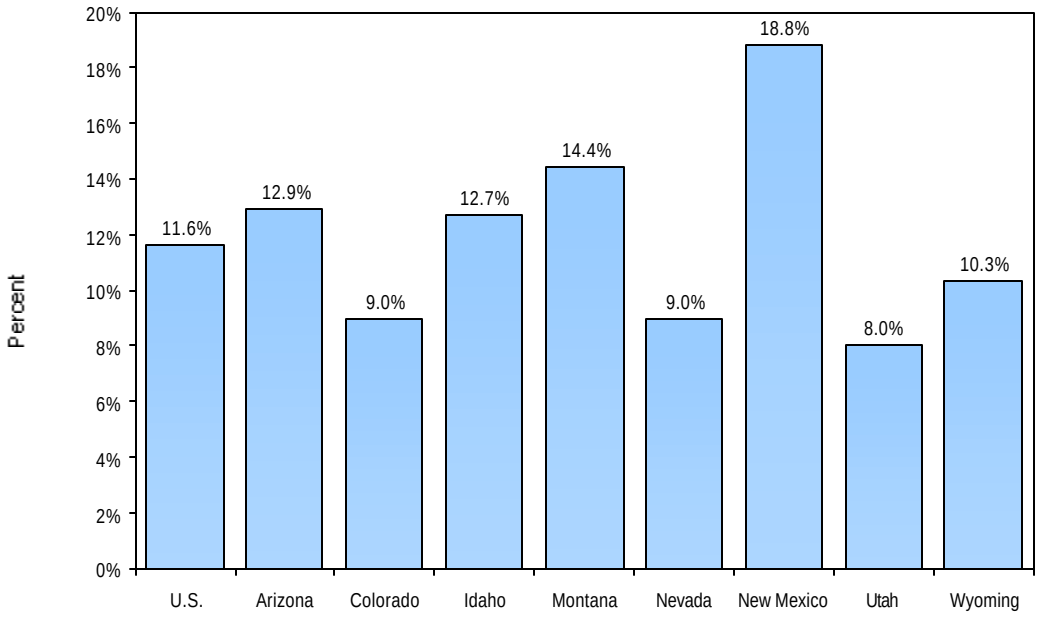
Figure 48
Nonagricultural Employment Growth -- U.S. and Mountain Division States: October 2001 to October 2002



Note: Numbers in this chart may differ from other tables due to different data sources.

Source: U.S. Bureau of Labor Statistics

Figure 49
Percent of Persons in Poverty: Three-Year Average 1999 to 2001



Source: U.S. Census Bureau

Table 51
Population and Households -- U.S., Mountain Division, and States

Division/State	Population (July 1 Estimates) 2000 (thousands)	Population (July 1 Estimates) 2001 (thousands)	Rates of Population Change Annual Growth Rate 2000-01	Households (July 1 Estimates) 2000 (thousands)	Households (July 1 Estimates) Persons per Household 2000	Rankings Rank by Population 2000	Rankings Rank by Population 2001	Rankings Rank by Annual Growth Rate 2000-01	Rankings Rank by Persons per Household 2000
United States	282,125	284,797	0.9%	106,429	2.60				
Mountain States	18,267	18,650	2.1%	6,911	2.65				
Arizona	5,165	5,307	2.8%	1,940	2.68	20	20	2	8
Colorado	4,323	4,418	2.2%	1,754	2.46	24	24	3	43
Idaho	1,299	1,321	1.7%	486	2.65	39	39	7	10
Montana	903	904	0.1%	356	2.47	44	44	40	40
Nevada	2,019	2,106	4.3%	784	2.64	35	35	1	11
New Mexico	1,821	1,829	0.4%	665	2.69	36	36	31	6
Utah	2,242	2,270	1.3%	731	3.05	34	34	14	1
Wyoming	494	494	0.1%	194	2.48	51	51	45	39
Other States									
Alabama	4,451	4,464	0.3%	1,740	2.50	23	23	37	30
Alaska	628	635	1.2%	220	2.80	48	47	17	4
Arkansas	2,678	2,692	0.5%	1,046	2.50	33	33	27	30
California	34,000	34,501	1.5%	11,552	2.92	1	1	9	2
Connecticut	3,410	3,425	0.4%	1,292	2.57	29	29	30	18
Delaware	786	796	1.3%	297	2.60	45	45	13	15
D.C.	571	572	0.1%	243	2.21	50	50	41	51
Florida	16,054	16,397	2.1%	6,432	2.49	4	4	4	32
Georgia	8,230	8,384	1.9%	3,047	2.67	10	10	5	9
Hawaii	1,212	1,224	1.0%	412	2.89	42	42	18	3
Illinois	12,436	12,482	0.4%	4,600	2.64	5	5	34	11
Indiana	6,090	6,115	0.4%	2,339	2.54	14	14	32	21
Iowa	2,928	2,923	-0.1%	1,144	2.47	30	30	49	40
Kansas	2,692	2,695	0.1%	1,040	2.51	32	32	44	26
Kentucky	4,047	4,066	0.4%	1,584	2.49	25	25	29	32
Louisiana	4,470	4,465	-0.1%	1,667	2.60	22	22	48	15
Maine	1,277	1,287	0.8%	529	2.37	40	40	22	50
Maryland	5,311	5,375	1.2%	2,014	2.60	19	19	15	15
Massachusetts	6,357	6,379	0.3%	2,453	2.51	13	13	35	26
Michigan	9,952	9,991	0.4%	3,833	2.54	8	8	33	21
Minnesota	4,931	4,972	0.8%	1,979	2.44	21	21	20	46
Mississippi	2,849	2,858	0.3%	1,048	2.64	31	31	36	11
Missouri	5,604	5,630	0.5%	2,248	2.43	17	17	28	48
Nebraska	1,713	1,713	0.0%	667	2.49	38	38	46	32
New Hampshire	1,240	1,259	1.6%	483	2.53	41	41	8	24
New Jersey	8,429	8,484	0.7%	3,081	2.69	9	9	24	6
New York	18,989	19,011	0.1%	7,058	2.61	3	3	43	14
North Carolina	8,077	8,186	1.3%	3,192	2.49	11	11	10	32
North Dakota	641	634	-1.0%	249	2.45	47	48	51	44
Ohio	11,360	11,374	0.1%	4,453	2.49	7	7	42	32
Oklahoma	3,453	3,460	0.2%	1,317	2.54	27	28	38	21
Oregon	3,429	3,473	1.3%	1,394	2.44	28	27	12	46
Pennsylvania	12,283	12,287	0.0%	4,755	2.49	6	6	47	32
Rhode Island	1,050	1,059	0.8%	406	2.51	43	43	21	26
South Carolina	4,023	4,063	1.0%	1,539	2.55	26	26	19	19
South Dakota	756	757	0.1%	290	2.51	46	46	39	26
Tennessee	5,702	5,740	0.7%	2,268	2.47	16	16	23	40
Texas	20,947	21,325	1.8%	7,487	2.77	2	2	6	5
Vermont	610	613	0.6%	245	2.42	49	49	25	49
Virginia	7,104	7,188	1.2%	2,730	2.55	12	12	16	19
Washington	5,908	5,988	1.3%	2,323	2.52	15	15	11	25
West Virginia	1,807	1,802	-0.3%	718	2.45	37	37	50	44
Wisconsin	5,372	5,402	0.6%	2,105	2.49	18	18	26	32

Note: Population numbers will be revised by the U.S. Census Bureau in December 2002.
Source: U.S. Census Bureau

Table 52
Total Personal Income -- U.S., Mountain Division, and States

Division/State	Total Personal Income 1996 (millions)	Total Personal Income 2000 (millions)	Total Personal Income 2001 (millions)	Rates of Total Personal Income Change Avg. Ann. Growth Rate 1996-2001	Rates of Total Personal Income Change Percent Change 2000-2001	Total Personal Income (saar) 2nd Quarter 2001 (millions)	Total Personal Income (saar) 2nd Quarter 2002 (millions)	Total Personal Income (saar) Percent Change 2001-02	Rankings Rank by Total Personal Income 2001	Rankings Rank by Avg. Ann. Growth Rate 1996-2001	Rankings Rank by Percent Change 2000-01
United States	$6,538,103	$8,398,796	$8,678,255	5.8%	3.3%	$8,669,920	$8,904,967	2.6%			
Mountain States	364,491	491,783	514,119	7.1%	4.5%	513,864	529,140	2.9%			
Arizona	95,787	130,982	137,314	7.5%	4.8%	137,088	141,674	3.2%	23	3	8
Colorado	100,012	142,752	147,860	8.1%	3.6%	148,167	150,422	1.5%	21	1	28
Idaho	24,173	31,314	32,525	6.1%	3.9%	32,484	33,566	3.2%	42	14	20
Montana	16,992	20,678	21,673	5.0%	4.8%	21,633	22,218	2.6%	46	35	9
Nevada	43,331	59,948	62,966	7.8%	5.0%	63,059	65,696	4.0%	32	2	4
New Mexico	33,232	39,772	42,354	5.0%	6.5%	42,070	44,168	4.8%	38	36	1
Utah	40,354	52,622	54,884	6.3%	4.3%	54,918	56,162	2.2%	35	12	16
Wyoming	10,609	13,717	14,544	6.5%	6.0%	14,445	15,234	5.2%	51	11	2
Other States											
Alabama	87,221	105,796	109,773	4.7%	3.8%	109,740	112,647	2.6%	24	41	24
Alaska	15,762	18,773	19,641	4.5%	4.6%	19,650	20,535	4.3%	48	45	11
Arkansas	48,700	59,205	61,613	4.8%	4.1%	61,380	64,151	4.3%	34	39	19
California	812,404	1,099,375	1,128,256	6.8%	2.6%	1,128,323	1,156,811	2.5%	1	7	45
Connecticut	109,354	141,151	145,341	5.9%	3.0%	145,566	147,751	1.5%	22	20	40
Delaware	19,369	24,767	25,853	5.9%	4.4%	25,796	27,114	4.9%	44	19	14
D.C.	18,517	22,158	22,959	4.4%	3.6%	23,036	23,612	2.4%	45	47	27
Florida	355,136	454,106	474,626	6.0%	4.5%	474,193	492,621	3.7%	4	18	12
Georgia	172,935	232,179	240,896	6.9%	3.8%	240,495	248,826	3.3%	11	6	25
Hawaii	30,393	34,308	35,510	3.2%	3.5%	35,411	36,807	3.8%	40	51	30
Illinois	322,790	401,030	412,200	5.0%	2.8%	411,340	418,531	1.7%	5	34	43
Indiana	132,890	165,815	169,885	5.0%	2.5%	169,454	173,182	2.2%	16	33	49
Iowa	64,696	77,790	79,893	4.3%	2.7%	79,761	81,570	2.2%	30	48	44
Kansas	60,074	74,124	76,973	5.1%	3.8%	76,689	80,342	4.5%	31	32	21
Kentucky	78,221	98,125	101,326	5.3%	3.3%	100,934	104,378	3.3%	26	27	35
Louisiana	87,879	103,824	109,560	4.5%	5.5%	108,827	114,077	4.6%	25	44	3
Maine	26,434	32,793	34,384	5.4%	4.9%	34,276	35,861	4.4%	41	24	7
Maryland	140,809	180,353	189,142	6.1%	4.9%	188,899	196,618	3.9%	15	16	6
Massachusetts	180,237	241,318	248,202	6.6%	2.9%	248,478	251,716	1.3%	10	8	42
Michigan	238,095	293,744	297,609	4.6%	1.3%	297,595	302,749	1.7%	9	42	51
Minnesota	122,080	158,817	164,589	6.2%	3.6%	164,370	168,648	2.5%	17	13	26
Mississippi	48,898	59,881	62,163	4.9%	3.8%	61,969	64,731	4.3%	33	37	22
Missouri	123,992	153,830	158,906	5.1%	3.3%	158,423	162,788	2.7%	18	31	34
Nebraska	39,618	47,534	49,489	4.6%	4.1%	49,299	51,922	5.1%	36	43	18
New Hampshire	30,228	41,630	42,986	7.3%	3.3%	42,993	43,835	1.9%	37	4	36
New Jersey	246,659	317,346	326,723	5.8%	3.0%	325,753	338,485	3.8%	8	22	41
New York	530,990	664,927	684,774	5.2%	3.0%	683,235	685,853	0.4%	2	29	39
North Carolina	167,638	218,537	225,234	6.1%	3.1%	225,430	231,609	2.7%	13	15	37
North Dakota	13,607	16,027	16,434	3.8%	2.5%	16,370	16,997	3.7%	50	50	47
Ohio	264,162	320,377	327,745	4.4%	2.3%	327,376	335,314	2.4%	7	46	50
Oklahoma	66,289	83,035	86,750	5.5%	4.5%	86,432	90,107	4.1%	29	23	13
Oregon	75,561	95,406	97,814	5.3%	2.5%	97,723	100,794	3.0%	28	28	48
Pennsylvania	299,001	364,953	377,461	4.8%	3.4%	376,868	392,413	4.0%	6	40	31
Rhode Island	24,818	30,728	31,995	5.2%	4.1%	31,865	33,548	5.0%	43	30	17
South Carolina	76,287	97,659	101,110	5.8%	3.5%	100,766	104,239	3.3%	27	21	29
South Dakota	15,883	19,509	20,174	4.9%	3.4%	20,093	21,130	4.9%	47	38	32
Tennessee	119,287	150,344	154,911	5.4%	3.0%	154,840	159,901	3.2%	20	25	38
Texas	428,726	587,228	609,489	7.3%	3.8%	607,435	623,852	2.6%	3	5	23
Vermont	13,073	16,691	17,531	6.0%	5.0%	17,500	18,121	3.4%	49	17	5
Virginia	169,938	222,498	233,107	6.5%	4.8%	234,189	238,499	1.8%	12	10	10
Washington	139,328	186,863	191,763	6.6%	2.6%	194,386	197,446	1.5%	14	9	46
West Virginia	33,771	39,506	41,230	4.1%	4.4%	41,096	42,678	3.7%	39	49	15
Wisconsin	121,864	152,953	158,116	5.3%	3.4%	157,802	163,018	3.2%	19	26	33

saar = seasonally adjusted annual rate.

Source: U.S. Bureau of Economic Analysis

Table 53
Per Capita Personal Income -- U.S., Mountain Division, and States

Division/State	Per Capita Personal Income			Rates of Per Capita Personal Income Change		Per Capita Personal Income as a Percent of U.S. Per Capita Personal Income			Rankings		
	1996	2000	2001	Avg. Ann. Growth Rate 1996-2001	Annual Growth Rate 2000-01	1996	2000	2001	Rank by Per Capita Personal Income 2001	Rank by Average Annual Growth Rate 1996-2001	Rank by Average Annual Growth Rate 2000-01
United States	$24,270	$29,770	$30,472	4.7%	2.4%	100.0%	100.0%	100.0%			
Mountain States											
Arizona	20,883	25,358	25,872	4.4%	2.0%	86.0%	85.2%	84.9%	39	28	41
Colorado	25,514	33,018	33,470	5.6%	1.4%	105.1%	110.9%	109.8%	8	4	46
Idaho	20,093	24,101	24,621	4.1%	2.2%	82.8%	81.0%	80.8%	43	39	39
Montana	19,173	22,895	23,963	4.6%	4.7%	79.0%	76.9%	78.6%	47	19	5
Nevada	26,004	29,696	29,897	2.8%	0.7%	107.1%	99.8%	98.1%	18	50	51
New Mexico	18,964	21,837	23,155	4.1%	6.0%	78.1%	73.4%	76.0%	48	42	1
Utah	19,514	23,476	24,180	4.4%	3.0%	80.4%	78.9%	79.4%	46	27	23
Wyoming	21,732	27,767	29,416	6.2%	5.9%	89.5%	93.3%	96.5%	20	1	2
Other States											
Alabama	20,138	23,766	24,589	4.1%	3.5%	83.0%	79.8%	80.7%	44	41	17
Alaska	25,901	29,913	30,936	3.6%	3.4%	106.7%	100.5%	101.5%	15	49	18
Arkansas	18,934	22,108	22,887	3.9%	3.5%	78.0%	74.3%	75.1%	49	48	14
California	25,373	32,334	32,702	5.2%	1.1%	104.5%	108.6%	107.3%	11	8	49
Connecticut	32,773	41,392	42,435	5.3%	2.5%	135.0%	139.0%	139.3%	1	6	31
Delaware	26,140	31,500	32,472	4.4%	3.1%	107.7%	105.8%	106.6%	12	25	22
D.C.	32,352	38,801	40,150	4.4%	3.5%	133.3%	130.3%	131.8%	2	26	16
Florida	23,909	28,286	28,947	3.9%	2.3%	98.5%	95.0%	95.0%	23	46	36
Georgia	23,055	28,212	28,733	4.5%	1.8%	95.0%	94.8%	94.3%	26	21	43
Hawaii	25,249	28,301	29,002	2.8%	2.5%	104.0%	95.1%	95.2%	22	51	33
Illinois	26,672	32,248	33,023	4.4%	2.4%	109.9%	108.3%	108.4%	10	30	34
Indiana	22,501	27,228	27,783	4.3%	2.0%	92.7%	91.5%	91.2%	32	34	40
Iowa	22,464	26,572	27,331	4.0%	2.9%	92.6%	89.3%	89.7%	34	45	25
Kansas	22,977	27,537	28,565	4.4%	3.7%	94.7%	92.5%	93.7%	29	23	10
Kentucky	19,957	24,244	24,923	4.5%	2.8%	82.2%	81.4%	81.8%	41	20	28
Louisiana	19,978	23,227	24,535	4.2%	5.6%	82.3%	78.0%	80.5%	45	36	3
Maine	21,163	25,681	26,723	4.8%	4.1%	87.2%	86.3%	87.7%	36	15	9
Maryland	27,545	33,959	35,188	5.0%	3.6%	113.5%	114.1%	115.5%	6	12	11
Massachusetts	29,166	37,960	38,907	5.9%	2.5%	120.2%	127.5%	127.7%	3	2	32
Michigan	24,398	29,516	29,788	4.1%	0.9%	100.5%	99.1%	97.8%	19	43	50
Minnesota	25,904	32,207	33,101	5.0%	2.8%	106.7%	108.2%	108.6%	9	11	29
Mississippi	17,793	21,017	21,750	4.1%	3.5%	73.3%	70.6%	71.4%	51	40	15
Missouri	22,828	27,452	28,226	4.3%	2.8%	94.1%	92.2%	92.6%	30	32	26
Nebraska	23,670	27,756	28,886	4.1%	4.1%	97.5%	93.2%	94.8%	24	44	8
New Hampshire	25,733	33,576	34,138	5.8%	1.7%	106.0%	112.8%	112.0%	7	3	45
New Jersey	30,266	37,649	38,509	4.9%	2.3%	124.7%	126.5%	126.4%	4	13	37
New York	28,566	35,016	36,019	4.7%	2.9%	117.7%	117.6%	118.2%	5	16	24
North Carolina	22,350	27,055	27,514	4.2%	1.7%	92.1%	90.9%	90.3%	33	35	44
North Dakota	20,921	25,007	25,902	4.4%	3.6%	86.2%	84.0%	85.0%	38	31	12
Ohio	23,496	28,202	28,816	4.2%	2.2%	96.8%	94.7%	94.6%	25	37	38
Oklahoma	19,846	24,046	25,071	4.8%	4.3%	81.8%	80.8%	82.3%	40	14	7
Oregon	23,270	27,821	28,165	3.9%	1.2%	95.9%	93.5%	92.4%	31	47	48
Pennsylvania	24,467	29,713	30,720	4.7%	3.4%	100.8%	99.8%	100.8%	16	18	19
Rhode Island	24,310	29,258	30,215	4.4%	3.3%	100.2%	98.3%	99.2%	17	24	20
South Carolina	20,096	24,273	24,886	4.4%	2.5%	82.8%	81.5%	81.7%	42	29	30
South Dakota	21,399	25,823	26,664	4.5%	3.3%	88.2%	86.7%	87.5%	37	22	21
Tennessee	22,022	26,367	26,988	4.2%	2.4%	90.7%	88.6%	88.6%	35	38	35
Texas	22,167	28,035	28,581	5.2%	1.9%	91.3%	94.2%	93.8%	28	7	42
Vermont	22,019	27,376	28,594	5.4%	4.4%	90.7%	92.0%	93.8%	27	5	6
Virginia	25,173	31,320	32,431	5.2%	3.5%	103.7%	105.2%	106.4%	13	9	13
Washington	25,015	31,627	32,025	5.1%	1.3%	103.1%	106.2%	105.1%	14	10	47
West Virginia	18,527	21,861	22,881	4.3%	4.7%	76.3%	73.4%	75.1%	50	33	4
Wisconsin	23,301	28,471	29,270	4.7%	2.8%	96.0%	95.6%	96.1%	21	17	27

Source: U.S. Bureau of Economic Analysis

Table 54
Median Income of Households -- U.S., Mountain Division, and States

	Median Income of Households (2000 Dollars)				Median Income of Households (1999 Dollars) Two-year Moving Average*					Median Income of Households Three-year Average* (2000 Dollars)			
	1996	2000	2001		1999-2000	2000-01				1999-2001			
	Amount	Amount	Amount	Standard Error	Amount	Amount	Standard Error	Two-year Average Difference	Pct. Chg.	Amount	Standard Error	Amount Rank	As a % of the U.S.
United States	$39,869	$41,990	$42,228	$129	$43,195	$42,695	$109	-$500	-1.2%	$42,873	$109		100.0%
Mountain States													
Arizona	35,538	39,783	42,704	1,441	40,095	41,799	1,104	1,704	4.1%	40,965	905	32	95.5%
Colorado	46,000	48,240	49,397	1,190	50,380	49,492	1,011	-888	-1.8%	50,053	941	8	116.7%
Idaho	38,989	37,611	38,241	966	38,344	38,451	903	107	0.3%	38,310	869	39	89.4%
Montana	32,221	32,777	32,126	737	33,330	32,909	730	-421	-1.3%	32,929	660	49	76.8%
Nevada	43,292	45,758	45,403	1,130	45,538	46,219	891	681	1.5%	45,493	946	17	106.1%
New Mexico	28,179	35,093	33,124	1,238	35,337	34,598	1,036	-739	-2.1%	34,599	1,022	45	80.7%
Utah	41,605	47,550	47,342	1,601	48,896	48,110	1,108	-786	-1.6%	48,378	1,007	12	112.8%
Wyoming	34,770	39,629	39,719	1,166	40,150	40,227	925	77	0.2%	40,007	838	34	93.3%
Other States													
Alabama	34,039	35,424	35,160	1,006	37,460	35,786	866	-1,674	-4.5%	36,693	787	42	85.6%
Alaska	59,287	52,847	57,363	2,012	54,458	55,842	1,337	1,384	2.5%	55,426	1,278	1	129.3%
Arkansas	30,468	29,697	33,339	1,144	31,027	31,932	802	905	2.9%	31,798	697	50	74.2%
California	43,598	46,816	47,262	727	47,233	47,692	588	459	1.0%	47,243	507	14	110.2%
Connecticut	47,313	50,172	53,347	1,240	52,657	52,460	1,083	-197	-0.4%	52,887	1,203	3	123.4%
Delaware	44,156	50,365	49,602	1,468	50,650	50,686	1,240	36	0.1%	50,301	1,276	7	117.3%
D.C.	35,908	41,222	41,169	1,023	41,724	41,771	873	47	0.1%	41,539	897	30	96.9%
Florida	34,419	38,856	36,421	417	39,000	38,181	495	-819	-2.1%	38,141	445	40	89.0%
Georgia	36,503	41,901	42,576	1,073	42,474	42,823	794	349	0.8%	42,508	779	24	99.1%
Hawaii	46,923	51,546	47,439	1,256	50,129	50,212	1,020	83	0.2%	49,232	1,034	9	114.8%
Illinois	44,431	46,064	46,171	879	48,281	46,760	770	-1,521	-3.2%	47,578	693	13	111.0%
Indiana	39,481	40,865	40,379	948	42,692	41,192	680	-1,500	-3.5%	41,921	822	28	97.8%
Iowa	37,304	40,991	40,976	1,133	42,895	41,556	812	-1,339	-3.1%	42,255	729	26	98.6%
Kansas	36,603	41,059	41,415	1,115	40,938	41,810	952	872	2.1%	41,097	1,072	31	95.9%
Kentucky	36,410	36,265	38,437	1,009	36,557	37,857	774	1,300	3.6%	37,184	806	41	86.7%
Louisiana	33,994	30,718	33,322	1,195	33,130	32,449	846	-681	-2.1%	33,194	774	48	77.4%
Maine	38,974	37,266	36,612	952	39,793	37,459	752	-2,334	-5.9%	38,733	751	36	90.3%
Maryland	49,418	54,535	53,530	1,652	55,755	54,794	1,271	-961	-1.7%	55,013	1,264	2	128.3%
Massachusetts	44,364	46,753	52,253	1,518	47,400	50,155	1,197	2,755	5.8%	49,018	1,176	11	114.3%
Michigan	44,062	45,512	45,047	868	47,869	45,915	822	-1,954	-4.1%	46,929	727	15	109.5%
Minnesota	46,046	54,251	52,681	1,134	52,865	54,223	1,198	1,358	2.6%	52,804	1,073	4	123.2%
Mississippi	29,967	34,299	30,161	1,186	34,877	32,709	1,061	-2,168	-6.2%	33,305	954	47	77.7%
Missouri	38,490	45,097	41,339	1,204	45,157	43,847	996	-1,310	-2.9%	43,884	859	20	102.4%
Nebraska	38,208	41,750	43,611	1,116	41,972	43,263	889	1,291	3.1%	42,518	838	23	99.2%
New Hampshire	44,266	50,926	51,331	719	50,634	51,839	836	1,205	2.4%	50,866	997	6	118.6%
New Jersey	53,321	50,405	51,771	933	52,320	51,791	802	-529	-1.0%	52,137	807	5	121.6%
New York	39,776	40,744	42,114	600	42,179	41,998	492	-181	-0.4%	42,157	498	27	98.3%
North Carolina	39,991	38,317	38,162	951	39,479	38,774	732	-705	-1.8%	39,040	648	35	91.1%
North Dakota	35,351	35,996	35,793	804	35,848	36,397	784	549	1.5%	35,830	799	44	83.6%
Ohio	38,271	42,962	41,785	661	43,053	42,973	581	-80	-0.2%	42,631	578	22	99.4%
Oklahoma	30,820	32,432	35,609	690	34,027	34,473	583	446	1.3%	34,554	721	46	80.6%
Oregon	39,869	42,499	41,273	752	43,416	42,479	707	-937	-2.2%	42,701	720	21	99.6%
Pennsylvania	39,202	42,176	43,499	723	41,730	43,426	594	1,696	4.1%	42,320	623	25	98.7%
Rhode Island	41,547	42,197	45,723	1,147	44,376	44,549	901	173	0.4%	44,825	1,012	19	104.6%
South Carolina	38,940	37,570	37,736	1,023	38,675	38,177	816	-498	-1.3%	38,362	899	38	89.5%
South Dakota	33,167	36,475	39,671	856	37,775	38,582	643	807	2.1%	38,407	592	37	89.6%
Tennessee	34,587	34,096	35,783	791	36,921	35,415	719	-1,506	-4.1%	36,542	741	43	85.2%
Texas	37,150	38,609	40,860	512	40,391	40,273	548	-118	-0.3%	40,547	576	33	94.6%
Vermont	36,348	39,594	40,794	944	42,435	40,747	777	-1,688	-4.0%	41,888	791	29	97.7%
Virginia	44,046	47,163	50,241	1,148	48,508	49,360	921	852	1.8%	49,085	964	10	114.5%
Washington	41,199	42,525	42,490	1,264	46,007	43,101	1,031	-2,906	-6.3%	44,835	1,108	18	104.6%
West Virginia	28,360	29,411	29,673	674	30,676	29,952	549	-724	-2.4%	30,342	602	51	70.8%
Wisconsin	44,934	45,088	45,346	1,123	47,427	45,846	864	-1,581	-3.3%	46,734	962	16	109.0%

*Because the sample of households contacted in small population states like Utah is relatively few in number, the data collected for two or three years is combined to calculate less variable estimates. The Census Bureau recommends using 2-year averages for evaluating changes in state estimates over time, and 3-year averages when comparing the relative ranking of states.

The Standard Error is a measurement that indicates the magnitude of sampling variability for the estimates. Note that the standard errors for U.S. estimates are much smaller than those for the states.

Ranking is done for the 50 states and the District of Columbia.

Source: 2002 September Current Population Survey, U.S. Bureau of the Census, Money Income in the United States: 2001.

Table 55
Average Annual Pay For All Workers Covered by Unemployment Insurance: U.S., Mountain Division, and States

Division/State	Average Annual Pay			Rates of Change for Average Annual Pay		Average Annual Pay as a Percent of U.S. Average Annual Pay			Rankings		
	1996	2000	2001	Avg. Ann. Growth Rate 1996-2001	Percent Change 2000-01	1996	2000	2001	Rank by Average Annual Pay 2001	Rank by Avg. Ann. Growth Rate 1996-2001	Rank by Percent Change 2000-01
United States	$28,946	$35,320	$36,214	4.6%	2.5%	100.0%	100.0%	100.0%			
Mountain States											
Arizona	26,387	32,610	33,408	4.8%	2.4%	91.2%	92.3%	92.3%	21	12	39
Colorado	28,520	37,168	37,950	5.9%	2.1%	98.5%	105.2%	104.8%	10	1	43
Idaho	23,353	27,701	27,765	3.5%	0.2%	80.7%	78.4%	76.7%	46	45	51
Montana	21,146	24,272	25,194	3.6%	3.8%	73.1%	68.7%	69.6%	51	44	15
Nevada	27,788	32,277	33,122	3.6%	2.6%	96.0%	91.4%	91.5%	24	43	37
New Mexico	23,716	27,498	28,698	3.9%	4.4%	81.9%	77.9%	79.2%	41	36	8
Utah	24,572	29,229	30,074	4.1%	2.9%	84.9%	82.8%	83.0%	35	27	28
Wyoming	22,870	26,836	28,025	4.1%	4.4%	79.0%	76.0%	77.4%	43	25	6
Other States											
Alabama	25,180	29,041	30,090	3.6%	3.6%	87.0%	82.2%	83.1%	34	42	16
Alaska	32,461	35,144	36,140	2.2%	2.8%	112.1%	99.5%	99.8%	15	51	30
Arkansas	22,294	26,317	27,258	4.1%	3.6%	77.0%	74.5%	75.3%	47	28	17
California	31,776	41,207	41,358	5.4%	0.4%	109.8%	116.7%	114.2%	6	4	50
Connecticut	36,592	45,486	46,963	5.1%	3.2%	126.4%	128.8%	129.7%	2	6	21
Delaware	30,711	36,535	38,434	4.6%	5.2%	106.1%	103.4%	106.1%	8	16	2
D.C.	44,458	52,965	56,024	4.7%	5.8%	153.6%	150.0%	154.7%	1	15	1
Florida	25,641	30,560	31,551	4.2%	3.2%	88.6%	86.5%	87.1%	29	22	22
Georgia	27,492	34,214	35,114	5.0%	2.6%	95.0%	96.9%	97.0%	18	9	36
Hawaii	27,363	30,628	31,250	2.7%	2.0%	94.5%	86.7%	86.3%	31	50	44
Illinois	31,296	38,045	39,058	4.5%	2.7%	108.1%	107.7%	107.9%	7	17	35
Indiana	26,477	31,030	31,778	3.7%	2.4%	91.5%	87.9%	87.8%	27	40	40
Iowa	23,679	27,931	28,840	4.0%	3.3%	81.8%	79.1%	79.6%	39	31	20
Kansas	24,609	29,361	30,153	4.1%	2.7%	85.0%	83.1%	83.3%	33	26	34
Kentucky	24,462	28,800	30,017	4.2%	4.2%	84.5%	81.5%	82.9%	36	24	9
Louisiana	24,541	27,888	29,134	3.5%	4.5%	84.8%	79.0%	80.4%	38	47	5
Maine	23,850	27,664	28,815	3.9%	4.2%	82.4%	78.3%	79.6%	40	37	10
Maryland	30,295	36,395	38,237	4.8%	5.1%	104.7%	103.0%	105.6%	9	13	3
Massachusetts	33,937	44,168	44,976	5.8%	1.8%	117.2%	125.1%	124.2%	4	2	45
Michigan	31,521	37,011	37,387	3.5%	1.0%	108.9%	104.8%	103.2%	12	48	48
Minnesota	28,866	35,414	36,585	4.9%	3.3%	99.7%	100.3%	101.0%	14	11	19
Mississippi	21,822	25,208	25,919	3.5%	2.8%	75.4%	71.4%	71.6%	48	46	32
Missouri	26,601	31,384	32,422	4.0%	3.3%	91.9%	88.9%	89.5%	25	29	18
Nebraska	23,294	27,693	28,375	4.0%	2.5%	80.5%	78.4%	78.4%	42	30	38
New Hampshire	27,691	34,736	35,479	5.1%	2.1%	95.7%	98.3%	98.0%	17	7	42
New Jersey	35,928	43,676	44,285	4.3%	1.4%	124.1%	123.7%	122.3%	5	21	46
New York	36,816	45,358	46,664	4.9%	2.9%	127.2%	128.4%	128.9%	3	10	29
North Carolina	25,410	31,068	32,026	4.7%	3.1%	87.8%	88.0%	88.4%	26	14	25
North Dakota	21,242	24,683	25,707	3.9%	4.1%	73.4%	69.9%	71.0%	49	35	11
Ohio	27,776	32,508	33,280	3.7%	2.4%	96.0%	92.0%	91.9%	22	41	41
Oklahoma	23,329	26,988	28,020	3.7%	3.8%	80.6%	76.4%	77.4%	44	39	13
Oregon	27,028	32,776	33,203	4.2%	1.3%	93.4%	92.8%	91.7%	23	23	47
Pennsylvania	28,973	34,015	34,976	3.8%	2.8%	100.1%	96.3%	96.6%	19	38	31
Rhode Island	27,194	32,615	33,592	4.3%	3.0%	93.9%	92.3%	92.8%	20	20	27
South Carolina	24,049	28,179	29,253	4.0%	3.8%	83.1%	79.8%	80.8%	37	32	14
South Dakota	20,724	24,802	25,600	4.3%	3.2%	71.6%	70.2%	70.7%	50	19	23
Tennessee	25,963	30,557	31,491	3.9%	3.1%	89.7%	86.5%	87.0%	30	33	26
Texas	28,129	34,943	36,039	5.1%	3.1%	97.2%	98.9%	99.5%	16	8	24
Vermont	24,480	28,914	30,240	4.3%	4.6%	84.6%	81.9%	83.5%	32	18	4
Virginia	28,003	35,172	36,716	5.6%	4.4%	96.7%	99.6%	101.4%	13	3	7
Washington	28,881	37,099	37,475	5.3%	1.0%	99.8%	105.0%	103.5%	11	5	49
West Virginia	24,075	26,888	27,982	3.1%	4.1%	83.2%	76.1%	77.3%	45	49	12
Wisconsin	26,021	30,694	31,556	3.9%	2.8%	89.9%	86.9%	87.1%	28	34	33

Note: Numbers in this chart may differ from other tables due to different data sources.
Source: U.S. Bureau of Labor Statistics

Table 56
Employees on Nonagricultural Payrolls -- U.S., Mountain Division, and States

Division/State	Employees on Nonagricultural Payrolls 1996 (thousands)	Employees on Nonagricultural Payrolls 2000 (thousands)	Employees on Nonagricultural Payrolls 2001 (thousands)	Rates of Change for Employees on Nonagricultural Payrolls Avg. Ann. Growth Rate 1996-2001	Rates of Change for Employees on Nonagricultural Payrolls Percent Change 2000-01	Employees on Nonagricultural Payrolls (not seasonally adjusted) October 2001 (thousands)	Employees on Nonagricultural Payrolls (not seasonally adjusted) October 2002(p) (thousands)	Employees on Nonagricultural Payrolls (not seasonally adjusted) Percent Change 2001-02	Rankings Rank by Employees on Nonag. Payrolls 2001	Rankings Rank by Average Annual Growth Rate 1996-2001	Rankings Rank by Percent Change 2000-01	Rankings Rank by Percent Change (unadjust.) 2001-02
United States	119,568	131,743	131,968	2.0%	0.2%	132,395	131,849	-0.4%				
Mountain States	7,359	8,489	8,597	3.2%	1.3%	8,619	8,595	-0.3%				
Arizona	1,892	2,243	2,266	3.7%	1.0%	2,274	2,267	-0.3%	21	4	10	30
Colorado	1,900	2,213	2,232	3.3%	0.9%	2,220	2,183	-1.7%	22	5	13	49
Idaho	493	560	569	2.9%	1.8%	577	570	-1.2%	42	6	4	44
Montana	360	388	392	1.7%	1.1%	395	402	1.9%	46	29	9	2
Nevada	843	1,027	1,054	4.6%	2.6%	1,053	1,083	2.8%	35	2	1	1
New Mexico	695	745	757	1.7%	1.6%	762	768	0.8%	37	25	6	5
Utah	955	1,075	1,082	2.5%	0.6%	1,087	1,071	-1.5%	34	9	19	48
Wyoming	221	239	246	2.1%	2.6%	250	251	0.1%	51	17	2	15
Other States												
Alabama	1,829	1,931	1,914	0.9%	-0.9%	1,919	1,900	-1.0%	24	47	46	42
Alaska	264	284	290	1.9%	2.1%	292	296	1.4%	50	20	3	3
Arkansas	1,086	1,159	1,156	1.3%	-0.2%	1,162	1,162	0.0%	32	39	35	19
California	12,743	14,488	14,697	2.9%	1.4%	14,744	14,721	-0.2%	1	7	7	24
Connecticut	1,584	1,693	1,682	1.2%	-0.6%	1,686	1,681	-0.3%	27	41	41	27
Delaware	376	650	651	11.6%	0.1%	419	412	-1.7%	39	1	29	50
D.C.	623	420	419	-7.6%	-0.2%	653	653	0.0%	45	51	34	20
Florida	6,183	7,081	7,198	3.7%	1.7%	7,199	7,228	0.4%	4	3	5	9
Georgia	3,527	3,949	3,954	2.3%	0.1%	3,953	3,866	-2.2%	10	13	27	51
Hawaii	531	551	554	0.8%	0.4%	548	550	0.3%	43	49	22	11
Illinois	5,685	6,045	6,005	1.1%	-0.7%	6,016	5,950	-1.1%	5	43	44	43
Indiana	2,814	3,000	2,938	0.9%	-2.1%	2,955	2,932	-0.8%	14	48	51	40
Iowa	1,383	1,478	1,469	1.2%	-0.6%	1,477	1,475	-0.1%	30	42	42	23
Kansas	1,227	1,345	1,357	2.0%	0.9%	1,369	1,373	0.3%	31	19	12	12
Kentucky	1,672	1,825	1,817	1.7%	-0.4%	1,827	1,850	1.3%	26	31	37	4
Louisiana	1,810	1,920	1,931	1.3%	0.6%	1,948	1,941	-0.3%	23	38	20	31
Maine	543	604	609	2.4%	1.0%	617	620	0.4%	41	12	11	10
Maryland	2,211	2,450	2,470	2.2%	0.8%	2,490	2,489	-0.1%	20	14	15	21
Massachusetts	3,035	3,323	3,335	1.9%	0.3%	3,344	3,302	-1.3%	13	23	24	45
Michigan	4,361	4,674	4,587	1.0%	-1.9%	4,623	4,589	-0.7%	8	45	50	38
Minnesota	2,433	2,676	2,674	1.9%	-0.1%	2,682	2,671	-0.4%	19	22	33	33
Mississippi	1,089	1,154	1,134	0.8%	-1.7%	1,137	1,137	0.0%	33	50	49	16
Missouri	2,567	2,749	2,732	1.3%	-0.6%	2,739	2,699	-1.4%	16	40	39	47
Nebraska	835	909	909	1.7%	0.1%	916	918	0.2%	36	26	30	14
New Hampshire	554	622	627	2.5%	0.8%	628	627	-0.1%	40	10	16	22
New Jersey	3,639	3,995	4,024	2.0%	0.7%	4,041	4,029	-0.3%	9	18	17	28
New York	7,939	8,635	8,633	1.7%	0.0%	8,648	8,609	-0.5%	3	28	31	34
North Carolina	3,547	3,934	3,901	1.9%	-0.8%	3,921	3,921	0.0%	11	21	45	18
North Dakota	309	328	330	1.3%	0.6%	335	334	-0.2%	48	37	18	26
Ohio	5,296	5,625	5,566	1.0%	-1.0%	5,590	5,543	-0.8%	7	46	47	41
Oklahoma	1,354	1,490	1,509	2.2%	1.3%	1,520	1,529	0.6%	29	16	8	7
Oregon	1,475	1,607	1,596	1.6%	-0.7%	1,606	1,603	-0.2%	28	34	43	25
Pennsylvania	5,306	5,691	5,701	1.4%	0.2%	5,719	5,679	-0.7%	6	35	26	37
Rhode Island	442	477	479	1.6%	0.5%	485	488	0.6%	44	33	21	8
South Carolina	1,675	1,860	1,835	1.8%	-1.3%	1,845	1,845	0.0%	25	24	48	17
South Dakota	349	378	379	1.7%	0.4%	382	379	-0.7%	47	27	23	36
Tennessee	2,533	2,729	2,712	1.4%	-0.6%	2,725	2,717	-0.3%	17	36	40	29
Texas	8,256	9,433	9,513	2.9%	0.8%	9,501	9,453	-0.5%	2	8	14	35
Vermont	275	299	299	1.7%	0.1%	302	303	0.2%	49	30	28	13
Virginia	3,136	3,517	3,528	2.4%	0.3%	3,530	3,516	-0.4%	12	11	25	32
Washington	2,416	2,711	2,698	2.2%	-0.5%	2,700	2,664	-1.3%	18	15	38	46
West Virginia	699	736	735	1.0%	-0.1%	738	733	-0.8%	38	44	32	39
Wisconsin	2,601	2,833	2,826	1.7%	-0.3%	2,847	2,868	0.8%	15	32	36	6

Note: This data varies slightly from data reported by the State of Utah Department of Workforce Services.

Source: U.S. Bureau of Labor Statistics

Table 57
Unemployment Rates -- U.S., Mountain Division, and States

Division/State	Unemployment Rate 1996	2000	2001	Unemployment Rate Change 1996-2001	2000-01	Unemployment Rate (not seasonally adjusted) October 2001	October 2002(p)	Rankings by Unemployment Rate 1996	2000	2001	(unadjust.) 2001	(unadjust.) 2002(p)
United States	5.4%	4.0%	4.8%	-0.6%	0.8%	3.9%	5.4%					
Mountain States	5.1%	3.8%	4.5%	-0.6%	0.7%	4.9%	5.1%					
Arizona	5.5%	3.9%	4.7%	-0.8%	0.8%	5.2%	5.7%	17	24	22	13	13
Colorado	4.2%	2.7%	3.7%	-0.5%	1.0%	4.1%	5.2%	41	46	40	27	22
Idaho	5.2%	4.9%	5.0%	-0.2%	0.1%	4.0%	5.5%	23	7	16	31	18
Montana	5.3%	4.9%	4.6%	-0.7%	-0.3%	4.0%	4.3%	20	7	26	31	37
Nevada	5.4%	4.1%	5.3%	-0.1%	1.2%	6.1%	4.5%	18	19	11	3	35
New Mexico	8.1%	4.9%	4.8%	-3.3%	-0.1%	5.6%	5.8%	2	7	20	5	11
Utah	3.5%	3.2%	4.4%	0.9%	1.2%	4.1%	5.1%	47	39	30	27	25
Wyoming	5.0%	3.9%	3.9%	-1.1%	0.0%	3.3%	3.9%	30	24	38	42	43
Other States												
Alabama	5.1%	4.6%	5.3%	0.2%	0.7%	5.4%	5.6%	26	12	11	8	15
Alaska	7.8%	6.6%	6.3%	-1.5%	-0.3%	5.6%	6.8%	3	1	3	5	2
Arkansas	5.4%	4.4%	5.1%	-0.3%	0.7%	3.6%	5.1%	18	14	15	40	25
California	7.2%	4.9%	5.3%	-1.9%	0.4%	5.4%	6.4%	5	7	11	8	6
Connecticut	5.7%	2.3%	3.3%	-2.4%	1.0%	3.0%	4.2%	14	49	47	45	38
Delaware	5.2%	4.0%	3.5%	-1.7%	-0.5%	2.8%	3.9%	23	23	44	47	43
D.C.	8.5%	5.8%	6.5%	-2.0%	0.7%	6.2%	6.0%	1	2	1	1	9
Florida	5.1%	3.6%	4.8%	-0.3%	1.2%	5.0%	5.1%	26	32	20	15	25
Georgia	4.6%	3.7%	4.0%	-0.6%	0.3%	4.2%	4.6%	34	30	36	26	33
Hawaii	6.4%	4.3%	4.6%	-1.8%	0.3%	5.2%	4.0%	8	16	26	13	41
Illinois	5.3%	4.4%	5.4%	0.1%	1.0%	5.0%	6.7%	20	14	9	15	3
Indiana	4.1%	3.2%	4.4%	0.3%	1.2%	4.3%	5.0%	43	39	30	23	28
Iowa	3.8%	2.6%	3.3%	-0.5%	0.7%	2.7%	4.0%	46	47	47	49	41
Kansas	4.5%	3.7%	4.3%	-0.2%	0.6%	3.9%	4.6%	37	30	32	34	33
Kentucky	5.6%	4.1%	5.5%	-0.1%	1.4%	5.0%	4.9%	15	19	6	15	29
Louisiana	6.7%	5.5%	6.0%	-0.7%	0.5%	5.5%	5.8%	6	4	5	7	11
Maine	5.1%	3.5%	4.0%	-1.1%	0.5%	3.8%	4.1%	26	35	36	37	39
Maryland	4.9%	3.9%	4.1%	-0.8%	0.2%	4.3%	3.9%	31	24	35	23	43
Massachusetts	4.3%	2.6%	3.7%	-0.6%	1.1%	3.8%	5.2%	39	47	40	37	22
Michigan	4.9%	3.6%	5.3%	0.4%	1.7%	4.7%	5.6%	31	32	11	20	15
Minnesota	4.0%	3.3%	3.7%	-0.3%	0.4%	3.2%	3.9%	45	38	40	44	43
Mississippi	6.1%	5.7%	5.5%	-0.6%	-0.2%	5.3%	6.7%	11	3	6	12	3
Missouri	4.6%	3.5%	4.7%	0.1%	1.2%	4.0%	4.9%	34	35	22	31	29
Nebraska	2.9%	3.0%	3.1%	0.2%	0.1%	2.8%	3.2%	51	41	50	47	50
New Hampshire	4.2%	2.8%	3.5%	-0.7%	0.7%	3.3%	4.8%	41	45	44	42	32
New Jersey	6.2%	3.8%	4.2%	-2.0%	0.4%	4.5%	5.5%	9	29	34	22	18
New York	6.2%	4.6%	4.9%	-1.3%	0.3%	4.9%	5.7%	9	12	17	18	13
North Carolina	4.3%	3.6%	5.5%	1.2%	1.9%	5.4%	6.0%	39	32	6	8	9
North Dakota	3.1%	3.0%	2.8%	-0.3%	-0.2%	1.4%	3.7%	50	41	51	51	49
Ohio	4.9%	4.1%	4.3%	-0.6%	0.2%	4.1%	5.6%	31	19	32	27	15
Oklahoma	4.1%	3.0%	3.8%	-0.3%	0.8%	3.7%	4.1%	43	41	39	39	39
Oregon	5.9%	4.9%	6.3%	0.4%	1.4%	6.0%	7.0%	13	7	3	4	1
Pennsylvania	5.3%	4.2%	4.7%	-0.6%	0.5%	4.6%	5.3%	20	17	22	21	21
Rhode Island	5.1%	4.1%	4.7%	-0.4%	0.6%	4.1%	5.2%	26	19	22	27	22
South Carolina	6.0%	3.9%	5.4%	-0.6%	1.5%	5.4%	5.5%	12	24	9	8	18
South Dakota	3.2%	2.3%	3.3%	0.1%	1.0%	2.7%	2.7%	49	49	47	49	51
Tennessee	5.2%	3.9%	4.5%	-0.7%	0.6%	4.3%	4.5%	23	24	29	23	35
Texas	5.6%	4.2%	4.9%	-0.7%	0.7%	4.9%	6.2%	15	17	17	18	7
Vermont	4.6%	2.9%	3.6%	-1.0%	0.7%	2.9%	3.9%	34	44	43	46	43
Virginia	4.4%	2.2%	3.5%	-0.9%	1.3%	3.5%	3.8%	38	51	44	41	48
Washington	6.5%	5.2%	6.4%	-0.1%	1.2%	6.2%	6.7%	7	6	2	1	3
West Virginia	7.5%	5.5%	4.9%	-2.6%	-0.6%	3.9%	6.2%	4	4	17	34	7
Wisconsin	3.5%	3.5%	4.6%	1.1%	1.1%	3.9%	4.9%	47	35	26	34	29

(p)=preliminary

Source: U.S. Bureau of Labor Statistics

Table 58
Percent of People in Poverty -- U.S., Mountain Division, and States

	Percent of Persons in Poverty				Percent of Persons in Poverty Two-year Moving Average**				Percent of Persons in Poverty Three-year Average**		
	1996	2000	2001		1999-2000	2000-2001			1999-2001		
	Percent	Percent	Percent	Standard Error	Amount	Amount	Standard Error	Two-year Average Difference	Amount	Standard Error	Amount Rank
United States	13.7	11.3	11.7	0.1	11.6	11.5	0.1	-0.1	11.6	0.1	
Mountain States											
Arizona	20.5	11.7	14.6	1.2	11.9	13.2	1	1.2	12.9	0.9	14
Colorado	10.6	9.8	8.7	0.8	9.1	9.2	0.7	0.1	9	0.7	37
Idaho	11.9	12.5	11.5	1.1	13.3	12	1	-1.3	12.7	0.9	16
Montana	17.0	14.1	13.3	1.3	15	13.7	1.1	-1.3	14.4	1	9
Nevada	8.1	8.8	7.1	0.8	10	7.9	0.7	0.8	9	0.7	37
New Mexico	25.5	17.5	18.0	1.5	19.2	17.7	1.3	-1.5	18.8	1.2	1
Utah	7.7	7.6	10.5	1.0	6.7	9.1	0.8	0.7	8	0.7	42
Wyoming	11.9	10.8	8.7	0.9	11.2	9.7	0.8	-1.5	10.3	0.8	26
Other States											
Alabama	14.0	13.3	15.9	1.2	14.3	14.6	1	0.3	14.8	0.9	8
Alaska	8.2	7.6	8.5	0.9	7.6	8.1	0.7	0.5	7.9	0.7	44
Arkansas	17.2	16.5	17.8	1.4	15.6	17.1	1.1	1.6	16.3	1	4
California	16.9	12.7	12.6	0.5	13.4	12.6	0.4	0.4	13.1	0.4	13
Connecticut	11.7	7.7	7.3	0.8	7.4	7.5	0.7	0.1	7.4	0.7	48
Delaware	8.6	8.4	6.7	0.9	9.4	7.6	0.8	0.9	8.5	0.8	41
D.C.	24.1	15.2	18.2	1.4	15	16.7	1.2	1.7	16.1	1.1	5
Florida	14.2	11.0	12.7	0.7	11.7	11.9	0.5	0.2	12	0.5	21
Georgia	14.8	12.1	12.9	1.1	12.5	12.5	0.9	0.1	12.6	0.8	18
Hawaii	12.1	8.9	11.4	1.1	9.9	10.2	0.9	0.3	10.4	0.8	24
Illinois	12.1	10.7	10.1	0.7	10.3	10.4	0.6	0.1	10.2	0.5	28
Indiana	7.5	8.5	8.5	0.8	7.6	8.5	0.7	0.9	7.9	0.6	44
Iowa	9.6	8.3	7.4	0.8	7.8	7.8	0.7	--	7.7	0.7	46
Kansas	11.2	8.0	10.1	0.9	10.1	9.1	0.8	-1.1	10.1	0.8	31
Kentucky	17.0	12.6	12.6	1.1	12.3	12.6	0.9	0.2	12.4	0.9	19
Louisiana	20.5	17.2	16.2	1.3	18.2	16.7	1.1	-1.5	17.5	1.1	2
Maine	11.2	10.1	10.3	0.9	10.3	10.2	0.7	-0.1	10.3	0.8	26
Maryland	10.3	7.4	7.2	0.8	7.3	7.3	0.7	--	7.3	0.7	49
Massachusetts	10.1	9.8	8.9	0.8	10.8	9.4	0.7	0.7	10.2	0.7	28
Michigan	11.2	9.9	9.4	0.7	9.8	9.6	0.6	-0.2	9.7	0.5	34
Minnesota	9.8	5.7	7.4	0.8	6.5	6.5	0.6	--	6.8	0.6	50
Mississippi	20.6	14.9	19.3	1.4	15.6	17.1	1.2	1.6	16.8	1.1	3
Missouri	9.5	9.2	9.7	0.9	10.4	9.4	0.8	-1	10.2	0.8	28
Nebraska	10.2	8.6	9.4	1.0	9.8	9	0.8	-0.8	9.7	0.8	34
New Hampshire	6.4	4.5	6.5	0.7	6.1	5.5	0.6	-0.6	6.2	0.7	51
New Jersey	9.2	7.3	8.1	0.7	7.6	7.7	0.5	0.1	7.7	0.5	46
New York	16.7	13.9	14.2	0.6	14	14	0.5	--	14.1	0.5	11
North Carolina	12.2	12.5	12.5	0.9	13.1	12.5	0.8	-0.6	12.9	0.7	14
North Dakota	11.0	10.4	13.8	1.1	11.7	12.1	0.9	0.4	12.4	0.9	19
Ohio	12.7	10.0	10.5	0.7	11	10.3	0.6	-0.7	10.8	0.6	23
Oklahoma	16.6	14.9	15.1	1.2	13.9	15	1	1.1	14.3	0.9	10
Oregon	11.8	10.9	11.8	1.0	11.7	11.3	0.9	-0.4	11.8	0.9	22
Pennsylvania	11.6	8.6	9.6	0.6	9	9.1	0.5	0.1	9.2	0.5	36
Rhode Island	11.0	10.2	9.6	0.8	10.1	9.9	0.7	-0.2	10	0.8	32
South Carolina	13.0	11.1	15.1	1.2	11.4	13.1	0.9	*1.7	12.7	0.9	16
South Dakota	11.8	10.7	8.4	0.9	9.2	9.6	0.8	0.3	9	0.7	37
Tennessee	15.9	13.5	14.1	1.2	12.7	13.8	1	1.1	13.2	0.9	12
Texas	16.6	15.5	14.9	0.7	15.4	15.2	0.6	-0.2	15.2	0.5	7
Vermont	12.6	10.0	9.7	0.9	9.8	9.9	0.8	--	9.8	0.8	33
Virginia	12.3	8.3	8.0	0.8	8.1	8.1	0.7	0.1	8	0.7	42
Washington	11.9	10.8	10.7	1.0	10.2	10.8	0.9	0.6	10.4	0.8	24
West Virginia	18.5	14.7	16.4	1.2	15.2	15.6	1	0.4	15.6	0.9	6
Wisconsin	8.8	9.3	7.9	0.8	8.9	8.6	0.7	-0.3	8.6	0.7	40

*Statistically significant at the 90% confidence level

**Because the sample of households contacted in small population states like Utah is relatively few in number, the data collected for two or three years is combined to calculate less variable estimates. The Census Bureau recommends using 2-year averages for evaluating changes in state estimates over time, and 3-year averages when comparing the relative ranking of states.

The Standard Error is a measurement that indicates the magnitude of sampling variability for the estimates. Note that the standard errors for U.S. estimates are much smaller than those for the states.

Ranking is done for the 50 states and the District of Columbia.

Source: March Current Population Survey, U.S. Census Bureau, Poverty in the United States: 2001.

Social Indicators

Overview

Quality of life is a subjective notion that is difficult to measure. However, the connection between economic performance and quality of life is indisputable. Through 2002, Utah's economy continued to reflect the national trend of slow growth that started in the last quarter of 2001. It is too soon to know which quality of life measurements will be affected, and by how much. According to the most recent data available, Utah's violent crime rate continues to drop. Poverty rates remain low, educational attainment remains high, and Utah's birth rate continues to be the highest among states. Utah ranked third in the nation on the indicators of child well-being. The state ranked third highest in overall health status. Overall, Utah continues to rank among the top states in terms of quality of life.

Utah Quality of Life Information

Education and the Economy a Concern to Utahns. The *Utah Consumer Survey*, a quarterly survey conducted by Valley Research, Inc., provides valuable information about consumer sentiment and Utah's demographic characteristics. The survey has been administered for several years and allows comparisons over time. The most recent survey was taken in October 2002. Interviews were conducted by telephone with 500 randomly-selected adults throughout Utah. The survey report details the answers given by respondents. One of the questions asked is "What is the most important issue facing Utah today?" In October 2002, education and the economy were on the minds of Utahns. Of the respondents, 29% indicated that education was the most important issue facing the state. Their main concerns were the lack of adequate funding, class size, and the overall quality of education. Twenty-three percent indicated that the economy was the most important issue facing the state.

Utah's Kids Count. According to the Annie E. Casey Foundation's National Composite Rank, Utah ranked third among states in child well-being, behind New Hampshire and Minnesota in 2002.[1] The Foundation tracks indicators of child well-being by state that are published in the 2002 Kids Count Data Book. A state's National Composite Rank is determined by the sum of the state's standing on each of 10 measures of the condition of children arranged in order from best (1) to worst (51). The Foundation's indicators are: percent low birth weight babies; infant mortality rate; child death rate; rate of teen deaths by accident, homicide, and suicide; teen birth rate; percent of teens who are high school dropouts; percent of teens not attending school and not working; percent of children living with parents who do not have full-time, year-round employment; percent of children in poverty; and percent of families with children headed by a single parent.

Current Data on Social Well-Being

Crime. Statistics for 2001 from the Federal Bureau of Investigation's uniform crime reports show the rate of violent crimes (murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault) in Utah at 234.1 per 100,000 persons. This is an 8.4% decrease from the 2000 violent crime rate. Only six other states had lower rates than Utah. Utah's rate continues to be significantly lower than the U.S. rate of 444.8.

Education. Census 2000 data ranks Utah as the fourth highest state in its proportion of persons age 25 and over with at least a high school degree (87.7%). Between the 1990 and 2000 censuses, there was a 17% increase in the percent of persons 25 years and over with a Bachelor's degree or higher (26.1%) in Utah. The state ranks 16th highest in higher education.

Home Ownership. According to the U.S. Census Bureau, home ownership rates for 2001 show that Utah has the 16th-highest proportion of home owners at 72.4%. The rate for the nation is 67.8%. The lowest rates were in Washington D.C. (42.7%), New York (53.9%), Hawaii (55.5%), and California (58.2%).

Vital Statistics and Health. Utah's unique age structure impacts its ranking among other states on many vital statistics. According to Census 2000, Utah continues to have the highest percentage of the population under 18 years of age (32.2%) in the nation and the lowest median age (27.1). Utah also has the second-lowest percentage of the population age 65 and over (8.5%) behind Alaska. The vital statistics listed below, excluding health insurance coverage, are from the National Center for Health Statistics.

Births. Utah's birth rate in 2001 continues to be the highest estimated rate of all states at 21.8 births per 1,000 people. Texas and Arizona rank second and third at 17.5 and 17.2 respectively. The U.S. rate is 14.5.

Deaths and Other Statistics. The overall death rate in Utah was 5.7 per 1,000 people in 2000, which ranked second-lowest among U.S. states. The age-adjusted death rate was 7.9 per 1,000 people, ranking fifth lowest. Utah ranks last among all states for the estimated death rate for cancer, in 2002. Utah's AIDS rate per 100,000 people for 2001 was 19.0 -- the third lowest in the nation.

Health Insurance Coverage. According to the U.S. Census Bureau, approximately 13.6% of the Utah population was without health insurance coverage (a three-year average for 1999-2001). Utah ranked 22nd among states. The U.S. average was 14.5%.

Poverty. According to the U.S. Census Bureau, Utah's 2001 poverty rate (based on a 3-year moving average) was 8.0%, or the tenth lowest in the nation. States with lower poverty rates than Utah were Alaska (7.9%), Indiana (7.9%), Iowa (7.7%), New Jersey (7.7%), Connecticut (7.4%), Maryland (7.3%), and Minnesota (6.8%).[2] In the U.S., approximately 11.9% of the population was in poverty.

Public Assistance. There were an estimated 22,474 recipients of Temporary Assistance to Needy Families (TANF) in 2001. Utah ranked 11th lowest among states in the total number of TANF recipients. Approximately 79,716 people in Utah received benefits from the Federal Food Stamp Program, which dispersed $22.8 million worth of benefits in Utah in 2001. Utah ranked 39th in the number of food stamps recipients, and 29th in the amount of benefits from the Federal Food Stamp Program.

[1] Rankings are based on data from 1990-1999.

[2] Virginia has the same poverty rate (8.0%) as Utah.

Table 59
Crime, Education, and Home Ownership

	CRIME				EDUCATION				HOME OWNERSHIP	
					Educational Attainment Persons 25 Years Old and Over 2000 (2)					
	Violent Crime* per 100,000 People 2001 (1)		Property Crime** per 100,000 People 2001 (1)		High School or Higher		Bachelor's Degree or Higher		Home Ownership Rates 2001 (3)	
	Rate	Rank	Rate	Rank	Percent	Rank	Percent	Rank	Percent	Rank
U.S.	444.8	(X)	3626.8	(X)	80.4	(X)	24.4	(X)	67.8	(X)
Alabama	438.6	23	3880.8	20	75.3	46	19.0	45	73.2	15
Alaska	588.3	11	3,647.9	26	88.3	1	24.7	21	65.3	43
Arizona	540.3	16	5,537.1	2	81.0	32	23.5	25	68.1	38
Arkansas	452.8	22	3681.4	24	75.3	47	16.7	50	71.2	23
California	617.0	9	3286	34	76.8	42	26.6	13	58.2	48
Colorado	350.7	31	3868.2	21	86.9	8	32.7	3	68.5	35
Connecticut	335.5	33	2782.4	41	84.0	20	31.4	4	71.8	18
Delaware	611.4	10	3441.4	30	82.6	25	25.0	20	75.4	7
District of Colombia	1,736.7	1	5972.8	1	77.8	41	39.1	1	42.7	51
Florida	797.2	2	4772.5	5	79.9	35	22.3	32	69.2	34
Georgia	497.0	19	4149.3	13	78.6	38	24.3	23	70.1	29
Hawaii	254.6	43	5131.5	3	84.6	18	26.2	14	55.5	49
Idaho	243.1	44	2890.3	38	84.7	17	21.7	36	71.7	19
Illinois	636.9	8	3460.8	28	81.4	30	26.1	15	69.4	33
Indiana	371.8	27	3459.6	29	82.1	26	19.4	44	75.3	8
Iowa	269.1	39	3032.1	37	86.1	11	21.2	39	76.6	2
Kansas	404.8	25	3916.6	19	86.0	12	25.8	17	70.4	28
Kentucky	257.0	42	2681.1	42	74.1	50	17.1	48	73.9	13
Louisiana	687.0	7	4651.1	7	74.8	49	18.7	46	67.1	39
Maine	111.5	49	2576.7	45	85.4	13	22.9	28	75.5	6
Maryland	783.0	3	4083.8	15	83.8	22	31.4	5	70.7	27
Massachusetts	479.5	21	2619.1	44	84.8	16	33.2	2	60.6	46
Michigan	554.7	14	3526.8	27	83.4	23	21.8	35	77.1	1
Minnesota	264.4	40	3319.3	33	87.9	2	27.4	11	76.1	4
Mississippi	350.1	32	3835.1	22	72.9	51	16.9	49	74.5	10
Missouri	541.3	15	4234.9	12	81.3	31	21.6	37	74.0	12
Montana	352.4	29	3336.3	32	87.2	6	24.4	22	68.3	37
Nebraska	304.3	36	4025.3	17	86.6	9	23.7	24	70.1	30
Nevada	586.8	12	3679.2	25	80.7	33	18.2	47	64.6	44
New Hampshire	170.3	47	2151.3	51	87.4	5	28.7	9	68.4	36
New Jersey	390.1	26	2835.2	40	82.1	27	29.8	6	66.5	40
New Mexico	781.1	4	4542.8	9	78.9	37	23.5	26	70.8	26
New York	516.0	17	2409.1	47	79.1	36	27.4	12	53.9	50
North Carolina	494.3	20	4443.7	10	78.1	39	22.5	29	71.3	22
North Dakota	79.6	51	2338.1	48	83.9	21	22.0	33	71.0	25
Ohio	351.9	30	3825.7	23	83.0	24	21.1	40	71.2	24
Oklahoma	512.3	18	4094.7	14	80.6	34	20.3	42	71.5	20
Oregon	306.7	35	4737.4	6	85.1	14	25.1	19	65.8	42
Pennsylvania	410.4	24	2550.7	46	81.9	28	22.4	30	74.3	11
Rhode Island	309.6	34	3375.3	31	78.0	40	25.6	18	60.1	47
South Carolina	720.3	6	4032.4	16	76.3	43	20.4	41	76.1	5
South Dakota	154.8	48	2177.2	50	84.6	19	21.5	38	71.5	21
Tennessee	745.3	5	4407.5	11	75.9	44	19.6	43	69.7	32
Texas	572.8	13	4579.9	8	75.7	45	23.2	27	63.9	45
Utah	234.1	45	4008.9	18	87.7	4	26.1	16	72.4	16
Vermont	105.0	50	2664.2	43	86.4	10	29.4	8	69.8	31
Virginia	291.3	37	2886.9	39	81.5	29	29.5	7	75.1	9
Washington	355.0	28	4796.8	4	87.1	7	27.7	10	66.4	41
West Virginia	279.4	38	2280.1	49	75.2	48	14.8	51	76.4	3
Wisconsin	231.1	46	3090.1	36	85.1	15	22.4	31	72.3	17
Wyoming	257.3	41	3260.4	35	87.9	3	21.9	34	73.5	14

Note: Rank is most favorable value to least favorable. When states share the same rank, the next lower rank is omitted.
* Violent crimes are offenses of murder, forcible rape, robbery, and aggravated assault.
** Property crimes are offenses of burglary, larceny-theft, and motor-vehicle thefts.

Sources: (1) Federal Bureau of Investigation, "Crime in the United States, 2001"; (2) U.S. Census Bureau, Census 2000 - Summary File 3; (3) U.S. Census Bureau, "Housing Vacancy Survey," Annual 2001.

Table 60
Vital Statistics and Health

	VITAL STATISTICS AND HEALTH											
	Births per 1000 People 2001 (1)		Deaths per 1000 People 2000 (1)		Estimated Deaths by Cancer per 100,000 Persons 2002 (2)		AIDS cases per 100,000 People 2001 (2)		State Health Ranking 2001 (3)		Persons Without Health Insurance (3 Year Average) (1999-2001) (4)	
	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank	Percent	Rank
U.S.	14.5	(X)	8.7	(X)	195.1	(X)	14.8	(X)	(X)	(X)	14.5	(X)
Alabama	13.7	32	10.3	43	219.5	10	9.8	23	-11.0	45	13.2	25
Alaska	16.0	6	4.7	1	110.3	50	2.8	47	2.4	25	17.7	8
Arizona	17.2	3	8.3	16	180.9	42	10.2	21	-4.4	35	18.4	5
Arkansas	14.3	21	11.0	48	230.3	5	7.4	30	-9.3	42	15.0	17
California	15.5	9	6.8	4	150.1	48	12.5	15	5.2	22	19.2	4
Colorado	15.9	8	6.6	3	142.6	49	6.5	32	13.6	10	15.1	16
Connecticut	12.7	42	9.2	28	204.4	27	17.1	10	16.5	4	9.7	39
Delaware	13.9	30	9.0	24	226.1	7	31.1	5	-5.9	38	9.5	43
District of Colombia	14.7	17	11.5	49	209.9	23	152.1	1	n/a	n/a	13.6	20
Florida	13.2	38	10.7	46	243.3	2	31.3	4	-12.5	46	17.8	7
Georgia	16.5	4	8.1	12	163.4	45	20.9	6	-4.8	36	15.3	14
Hawaii	14.5	18	7.0	5	163.3	46	10.1	22	14.4	7	9.7	40
Idaho	16.0	7	7.5	7	174.1	43	1.4	49	6.8	19	16.5	10
Illinois	15.0	14	8.8	20	198.7	31	10.6	19	-1.6	30	13.6	21
Indiana	14.4	20	9.3	30	212.6	17	6.2	33	4.5	23	10.8	33
Iowa	13.1	39	9.8	37	218.9	12	3.1	46	13.7	8	8.0	49
Kansas	14.5	19	9.3	30	196.7	34	3.6	41	6.9	18	11.4	30
Kentucky	13.6	34	9.9	39	223.8	8	8.2	26	-6.1	39	13.0	27
Louisiana	15.3	11	9.4	34	212.7	16	19.3	8	-21.4	50	19.7	3
Maine	10.9	50	9.8	37	233.2	4	3.7	40	13.7	9	10.7	36
Maryland	14.2	22	8.4	17	189.8	38	34.6	3	1.6	28	11.3	31
Massachusetts	13.0	40	9.1	26	214.8	15	12.0	16	15.4	5	8.7	46
Michigan	13.4	37	8.8	20	198.2	33	5.5	34	0.1	29	9.9	38
Minnesota	13.9	31	7.8	10	181.0	41	3.2	44	23.1	1	7.8	50
Mississippi	15.1	12	10.3	43	216.9	14	14.7	12	-19.1	49	15.2	15
Missouri	13.7	33	10.0	40	218.5	13	7.9	27	-2.1	32	8.8	45
Montana	12.3	45	9.1	26	210.1	22	1.7	48	1.9	27	16.0	11
Nebraska	14.8	15	9.0	24	192.6	36	4.3	38	9.4	16	9.6	42
Nevada	16.1	5	8.1	12	194.7	35	12.0	17	-9.3	43	17.2	9
New Hampshire	11.9	48	8.0	11	198.5	32	3.2	45	20.2	2	9.0	44
New Jersey	14.0	25	9.2	28	209.8	24	20.8	7	6.5	20	12.5	28
New Mexico	15.4	10	7.7	9	164.0	44	7.8	28	-7.6	40	23.2	1
New York	14.0	26	8.7	19	190.4	37	40.5	2	-3.1	33	15.8	12
North Carolina	15.1	13	9.3	30	201.6	30	11.6	18	-3.8	34	14.2	18
North Dakota	12.2	46	9.3	30	204.9	26	0.5	51	11.4	13	10.9	32
Ohio	14.0	27	*	–	223.3	9	5.1	37	3.4	24	10.8	34
Oklahoma	14.8	16	10.4	45	211.0	20	7.0	31	-7.7	41	17.9	6
Oregon	13.5	36	8.8	20	210.2	21	7.5	29	7.8	17	13.1	26
Pennsylvania	12.2	47	10.9	47	242.5	3	15.0	11	2.2	26	8.7	47
Rhode Island	12.7	43	10.1	42	226.6	6	9.7	24	9.7	14	7.2	51
South Carolina	14.1	23	9.4	34	206.7	25	17.9	9	-14.6	48	13.3	24
South Dakota	14.1	24	9.5	36	211.5	19	3.3	43	5.7	21	10.4	37
Tennessee	14.0	28	10.0	40	219.5	11	10.5	20	-10.1	44	10.8	35
Texas	17.5	2	7.3	6	161.8	47	13.6	13	-4.8	37	23.0	2
Utah	21.8	1	5.7	2	110.1	51	5.5	35	19.0	3	13.6	22
Vermont	10.6	51	8.6	18	212.0	18	4.1	39	15.3	6	9.7	41
Virginia	14.0	29	8.1	12	187.8	39	13.2	14	9.6	15	11.9	29
Washington	13.6	35	7.6	8	185.4	40	8.9	25	12.3	12	13.5	23
West Virginia	11.4	49	11.7	50	260.8	1	5.5	36	-12.6	47	14.2	19
Wisconsin	12.9	41	8.8	20	203.6	28	3.6	42	12.4	11	8.5	48
Wyoming	12.7	44	8.1	12	202.3	29	1.0	50	-1.8	31	15.6	13

Note: Rank is most favorable value to least favorable. When states share the same rank, the next lower rank is omitted.
* Due to processing problems, Ohio's data for 2000 are not shown.

Sources: (1) National Center for Health Statistics, "National Vital Statistics Report." 2001 Mortality rates for states had not been released. (2) Morgan Quinto Press. State Rankings 2002. A Statistical View of the 50 United States (Data reprinted with permission from the American Cancer Society); at the time of the printing of this document. (3) CQ's State Fact Finder, 2002. Rankings Across America, by Kendra Hovey and Harold Hovey. Congressional Quarterly. Washington D.C. (4) U.S. Census Bureau, "Health Insurance Coverage: 2001", Current Population Survey. September 2002.

Table 61
Poverty and Public Assistance

	POVERTY		PUBLIC ASSISTANCE						
			Temporary Assistance for Needy Families (TANF) (Monthly)			Federal Food Stamp Program			
	All Ages in Poverty 3-year Average 1999-2001 (1)		2001 (2)			2001 (3)		2001 (4) Thousands of Dollars	
	Percent	Rank	Recipients	Percent of USA	Rank	Persons	Rank	Benefits	Rank
U.S.	11.6	(X)	5,382,063	(X)	(X)	17,316,276	(X)	$3,738,896	(X)
Alabama	14.8	8	42,538	0.8%	28	411,292	15	34,108	25
Alaska	7.9	44	17,484	0.3%	43	37,897	47	8,141	43
Arizona	12.9	14	83,310	1.5%	18	291,372	22	35,649	23
Arkansas	16.3	4	27,375	0.5%	37	256,441	25	20,874	31
California	13.1	13	1244667	23.1%	1	1,668,351	1	288,467	1
Colorado	9.0	37	27,137	0.5%	38	153,952	33	18,913	33
Connecticut	7.4	48	58,653	1.1%	23	157,031	32	22,706	30
Delaware	8.5	41	12,842	0.2%	47	31,886	50	5,571	50
District of Colombia	16.1	5	42,591	0.8%	27	73,494	40	8,276	42
Florida	12.0	21	117,122	2.2%	13	887,256	4	82,897	8
Georgia	12.6	18	117,268	2.2%	12	573,505	9	59,292	11
Hawaii	10.4	24	35,232	0.7%	34	108,313	36	7,989	44
Idaho	12.7	16	2,268	0.0%	50	59,667	44	7,661	45
Illinois	10.2	28	172,408	3.2%	7	825,295	5	89,872	7
Indiana	7.9	45	118,775	2.2%	11	346,551	16	39,822	16
Iowa	7.7	46	44,496	0.8%	25	126,494	34	20,625	32
Kansas	10.1	31	33,076	0.6%	35	124,285	35	10,998	38
Kentucky	12.4	19	79,722	1.5%	19	412,680	14	29,030	27
Louisiana	17.5	2	62,089	1.2%	22	518,384	11	38,068	19
Maine	10.3	26	25,842	0.5%	39	104,383	37	12,254	36
Maryland	7.3	49	66,923	1.2%	20	208,426	29	57,004	13
Massachusetts	10.2	29	91,588	1.7%	16	219,223	27	42,370	15
Michigan	9.7	34	195,499	3.6%	5	641,269	7	152,442	4
Minnesota	6.8	50	115,122	2.1%	14	197,727	30	55,608	14
Mississippi	16.8	3	36,602	0.7%	33	297,805	21	29,373	26
Missouri	10.2	30	119,411	2.2%	10	454,427	13	38,029	20
Montana	14.4	9	15,884	0.3%	44	61,957	43	9,661	40
Nebraska	9.7	35	23,892	0.4%	40	80,652	38	12,731	35
Nevada	9.0	38	19,717	0.4%	42	69,396	42	7,028	47
New Hampshire	6.2	51	13,634	0.3%	46	35,554	49	5,890	49
New Jersey	7.7	47	110,477	2.1%	15	317,579	18	71,192	9
New Mexico	18.8	1	52,119	1.0%	24	163,265	31	16,528	34
New York	14.1	11	592,653	11.0%	2	1,353,542	3	287,119	2
North Carolina	12.9	15	87,739	1.6%	17	493,672	12	58,233	12
North Dakota	12.4	20	8,894	0.2%	48	37,755	48	7,216	46
Ohio	10.8	23	189,592	3.5%	6	640,503	8	97,192	6
Oklahoma	14.3	10	32,499	0.6%	36	271,001	24	37,109	22
Oregon	11.8	22	43,319	0.8%	26	281,450	23	37,489	21
Pennsylvania	9.2	36	210,931	3.9%	4	748,074	6	119,896	5
Rhode Island	10.0	32	40,663	0.8%	30	71,272	41	6,041	48
South Carolina	12.7	17	40,143	0.7%	31	315,718	19	28,752	28
South Dakota	9.0	39	6,236	0.1%	49	44,594	45	9,599	41
Tennessee	13.2	12	156,247	2.9%	8	521,510	10	38,398	17
Texas	15.2	7	338,787	6.3%	3	1,366,210	2	164,567	3
Utah	8.0	42	22,474	0.4%	41	79,716	39	22,786	29
Vermont	9.8	33	14,417	0.3%	45	38,874	46	9,768	39
Virginia	8.0	43	63,633	1.2%	21	332,312	17	62,208	10
Washington	10.4	25	140,446	2.6%	9	308,589	20	34,736	24
West Virginia	15.6	6	39,382	0.7%	32	221,361	26	12,066	37
Wisconsin	8.6	40	41,257	0.8%	29	215,786	28	38,363	18
Wyoming	10.3	27	898	0.0%	51	22,539	51	3,883	51

Note: Rank is most favorable value to least favorable. When states share the same rank, the next lower rank is omitted.

Sources: (1) U.S. Census Bureau. "Poverty In the United States: 2001." *Current Population Survey* , September 2002; (2) U.S. Department of Health and Human Services, Administration for Children and Families. "Total Number of Recipients." As of June 2001. Welfare reform replaced the Aid to Families with Dependent Children (AFDC) program with Temporary Assistance to Needy Families (TANF) as of July 1, 1997. National total includes 86,090 recipients in U.S. territories (73,408 in Puerto Rico); (3) U.S. Department of Agriculture, Food Nutrition and Consumer Services. "Food Stamp Program: Benefits;" (4) Federal Aid to States for Fiscal Year 2001, U.S. Department of Commerce. April 2002.

Industry Focus

Agriculture

Overview

Net farm income from farming was at an all-time high in 2001. This was the result of relatively high prices and increased production. However, drought and lower prices will likely reduce farm incomes in 2002. This decline will likely be reversed in 2003 when livestock prices are expected to increase provided sufficient moisture is received to allow normal levels of production to occur. Agriculture therefore has the potential to be one sector in Utah's economy that will provide some optimism.

2002 Summary

National. On May 13, 2002 President Bush signed the new farm bill. This bill has new provisions to assist farmers and ranchers. However, the new bill does not affect all producers equally. Most of the provisions of the bill are primarily designed to assist farmers in the region where most of the nation's grain is grown. The major exceptions to this generalization are provisions designed to help the dairy sector. The long-term impact of these provisions are not known. Iit is likely that much will be learned in the coming year as farmers adjust to the provisions in the new farm bill. However, it is likely that the primary beneficiaries will be producers in the central states.

The nation's economy is currently in a recession. Agriculture, as most other sectors, is being affected by this downturn. The United States Department of Agriculture (USDA) personnel are forecasting a 2002 net farm income at about $36.2 billion, which represents a decline of about 21% from 2001. Most of this decline is the result of a major reduction in the price of livestock and livestock products. Forecasted milk prices have dropped to the low levels of 2000, which were the lowest (when adjusted for inflation) in at least 20 years. However, farm household income is projected to decline only slightly (just over 1%). The reason for this difference is the outside income received by farm families (nationally more than 54% of farm operators, as well as 55% of their spouses are employed off the farm).

Recent increases in the price of grains have bolstered cash farm receipts. This has also decreased government payments to grain farmers as a result of the counter cyclical provisions of the 2002 farm bill. This did allow payments to be made to farmers in areas such as Utah that were hard hit by the drought. While the disaster payments were not large in total, they were a welcome addition to cash flow.

If weather patterns are normal, grain prices should decline from their current levels. It is also expected that livestock and milk prices will increase. This should result in an increase in the value of agricultural production in Utah in 2003.

State. Agriculture in Utah is dominated by the production of livestock and livestock products (about two-thirds of gross receipts). As a result, the status of these sectors largely determines the status of agriculture in the state.

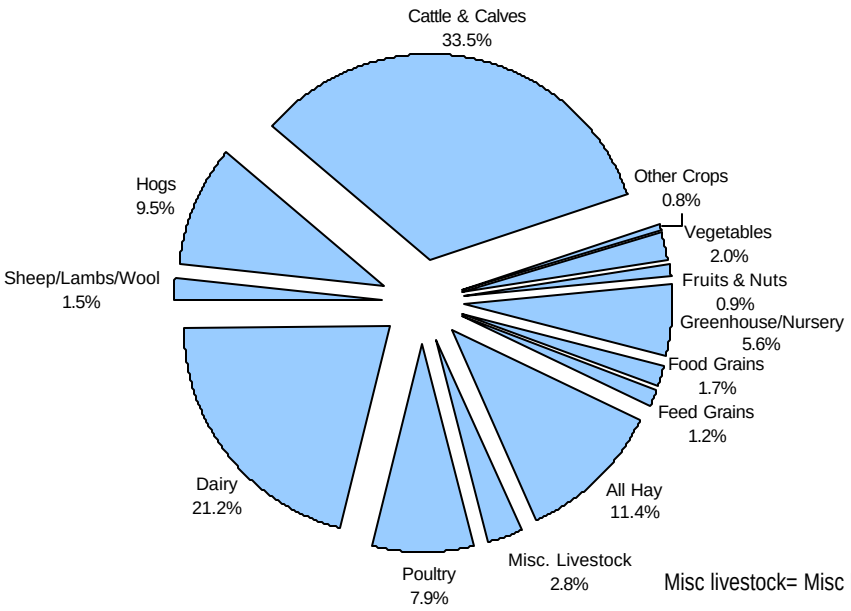
Prices for cattle and milk were relatively high in 2001. Consequently, net farm income in 2001 rose sharply and reached a record level when adjusted for inflation. Utah agriculture was therefore one bright spot in an otherwise dismal economic outlook for the state. However, these record high incomes were short-lived. Cattle and milk prices declined sharply in 2002. Coupled with increasing input costs -- especially feed, this has resulted in income decline for these sectors. Unlike some sectors of the Utah economy, agriculture is one industry that is not affected equally. What is bad for one part of agriculture is oftentimes good for another. High feed prices had a negative impact on the net returns obtained by livestock operators, but these higher prices yielded increasing returns for grain and hay operators. If the drought had not cut hay, forage and grain production in many areas of the state, these sectors probably would have experienced incomes similar to the highs received in the mid 1990s. These differences have a larger impact in some parts of the state than in others.

Regional/Sector. The drought that persisted in 2002 was especially evident in southern Utah where its effect on the production of cattle and calves was devastating. Some operators were not able to use range and pasture lands because little or no forage was produced in some areas. Many cattle producers in southern Utah were forced to liquidate all or a major portion of their cattle operations. Grain producers in southern Utah were also adversely affected. Some planted fields only to "plow them under" when rains did not come and growth did not occur. Operators who had reliable source(s) of water, or were located in the northern part of the state, were able to obtain yields that were near normal. As a result, the effects of the drought affected some areas of the state to a much larger degree than it did other areas.

One consequence of the decline in milk prices was the apparent abandonment of plans to build a large dairy operation in Box Elder County. This operation would have been the largest dairy in the state (about 20,000 cows). Expansion plans for other operations in the dairy industry as well as other agriculture industries have been deferred or abandoned as a result of the recession. The potential for expansion exists in some industries (e.g. increased production in the turkey industry in Sanpete County), but it is likely that expansionary investments will be limited in the short run.

The year 2001 was notable for the shift in the relative importance of agriculture (as measured by personal income) in some areas of the state. Most sectors of the Utah economy have been adversely affected by the recession. As a result, nonfarm personal income declined in many counties. These declines occurred at the same time that personal income from farming increased. The counties that were affected the most by this shift in farm versus nonfarm personal income were Beaver, Rich, Piute, Sanpete, Sevier, and Wayne counties. The gains were especially dramatic in Beaver and Rich counties where hog (Beaver) and cattle (Rich) production are especially important. In most other counties, personal income from farming changed at about the same rate as personal income from nonfarm industries. The only counties where agriculture declined relative to nonagriculture were San Juan and Juab counties, where the livestock and dry farm grain producers have been hurt for several years.

Figure 50
Percentage of Agricultural Cash Receipts by Sector in Utah: 2001

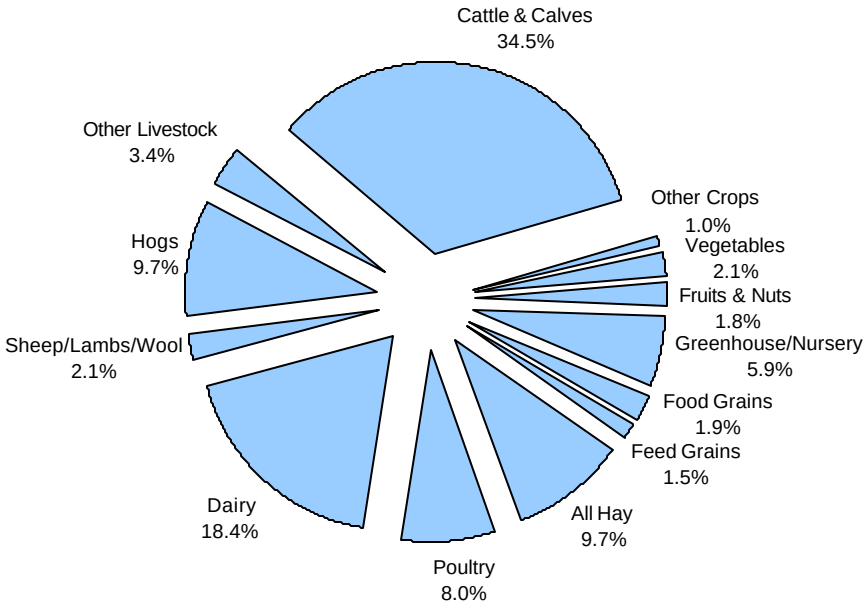


Misc livestock= Misc less wool

Other crops= All other less nursery plus oil crops

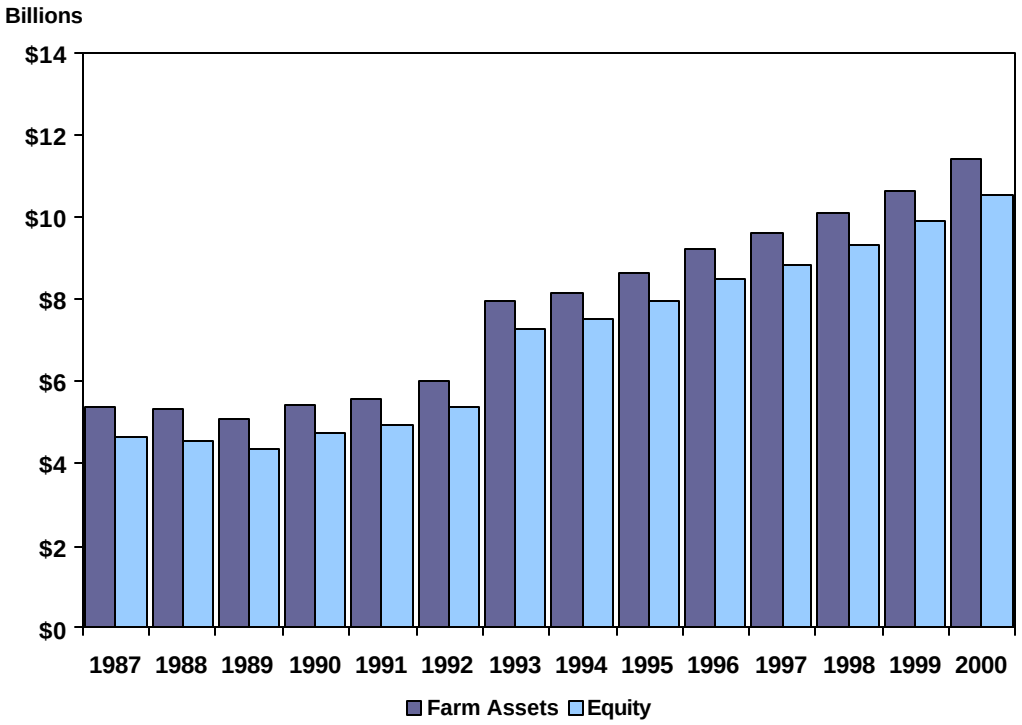
Source: Utah Agricultural Statistics

Figure 51
Utah Cash Receipts by Commodity: 2000



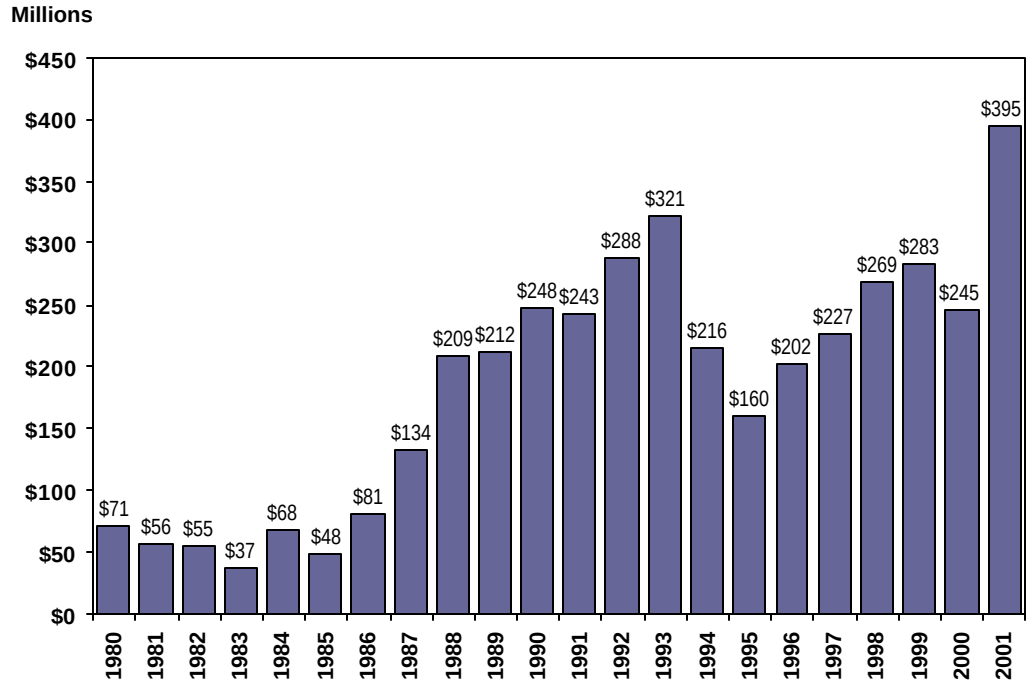
Source: Utah Agricultural Statistics

Figure 52
Farm Assets and Equity in Utah



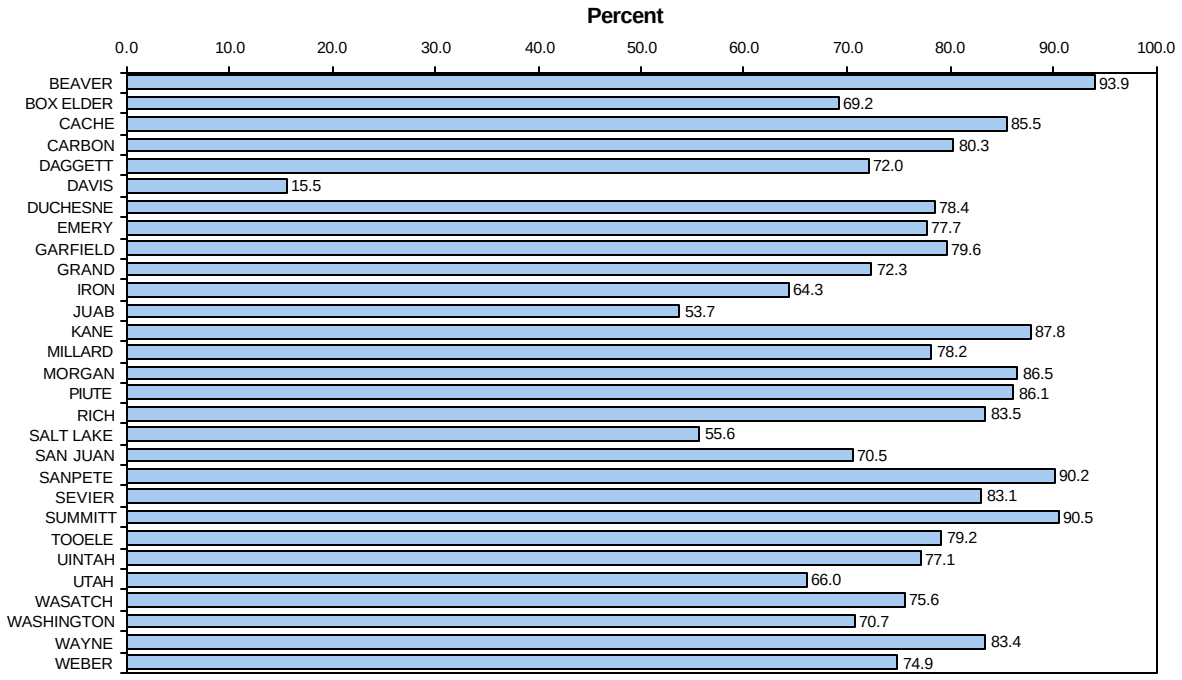
Source: United States Department of Agriculture

Figure 53
Net Farm Income in Utah



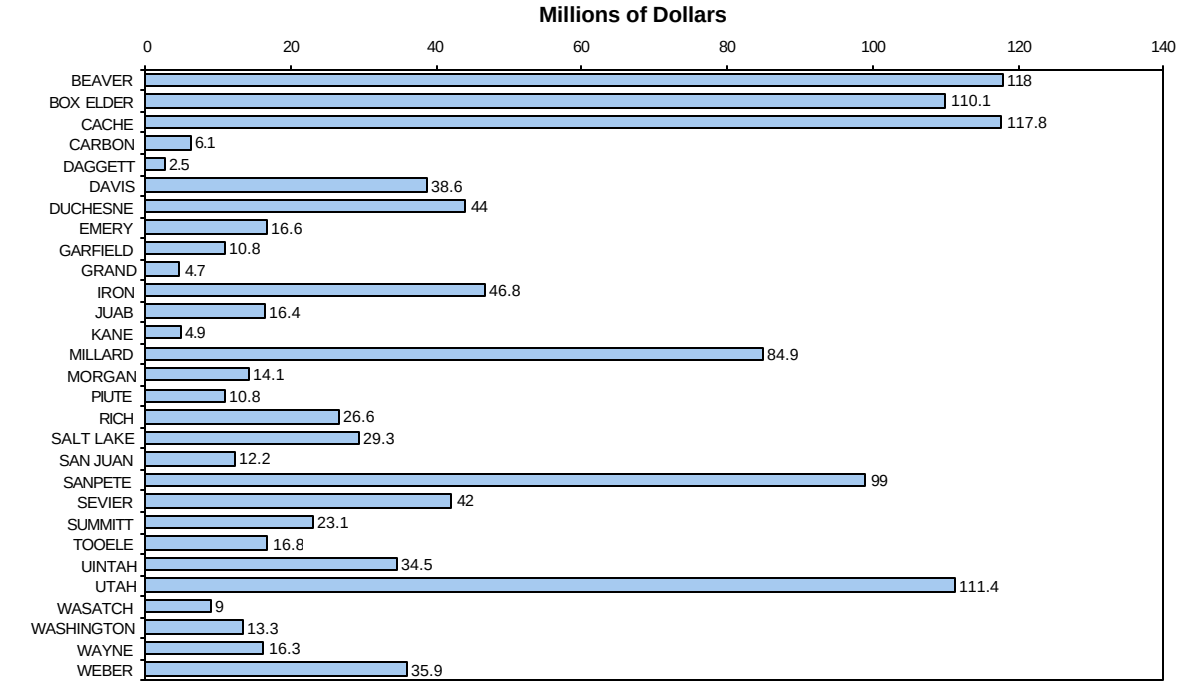
Source: United States Department of Agriculture

Figure 54
Livestock Products as a Percentage of Total Cash Receipts by County in Utah: 2001



Source: United States Department of Agriculture

Figure 55
Farm Cash Receipts by County in Utah: 2001



Source: Utah Agricultural Statistics

Table 62
Farm Balance Sheet for Utah (Millions of Dollars)

Category	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Assets	$5,296	$5,063	$5,406	$5,585	$6,038	$7,942	$8,164	$8,639	$9,210	$9,634	$10,365	$10,653	$11,437
Real Estate	4,112.7	3,881.0	4,160.1	4,433.6	4,841.2	6,706.5	6,956.3	7,250.2	7,776.2	8,045.3	8,523.9	8,972.5	9,720.2
Livestock and Poultry	536.5	572.0	582.7	566.3	637.9	626.9	626.4	511.0	553.4	625.3	583.7	684.2	745.3
Machinery & Motor Vehicles	428.7	444.6	440.5	441.0	430.3	461.0	471.3	495.0	499.2	551.3	552.2	584.2	588.1
Crops	123.5	94.9	114.6	95.2	90.3	117.7	114.7	101.2	121.0	150.9	147.8	126.0	127.3
Purchased inputs	12.2	12.4	15.5	17.5	27.2	29.3	36.4	22.7	24.5	28.7	29.5	22.6	27.5
Financial	82.7	58.1	92.9	31.8	11.2	0.3	-40.9	258.8	236.0	232.7	527.6	263.9	228.1
Claims	743.0	683.1	661.9	660.8	653.7	650.4	668.6	688.2	709.5	766.9	786.6	787.1	884.8
Real estate debt	428.2	390.3	372.7	355.8	352.9	340.4	339.4	348.1	350.9	372.7	375.7	376.0	456.7
Non real estate debt	314.8	292.8	289.2	305.0	300.8	310.0	329.2	340.1	358.6	394.2	410.9	411.1	428.1
Equity	4,553.3	4,379.9	4,744.4	4,924.6	5,384.4	7,291.3	7,495.6	7,950.7	8,500.8	8,867.3	9,578.1	9,866.3	10,551.7
Debt/Equity	16.3	15.6	14.0	13.4	12.1	8.9	8.9	8.7	8.3	8.6	8.2	8.0	8.4

Source: Utah Agricultural Statistics

Table 63
Percent of Agricultural Receipts by Sector

Percent

	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001
Cattle	30.0	28.3	37.7	31.8	27.5	33.2	31.0	32.8	34.5	33.5
Sheep	4.3	4.5	2.1	2.9	3.1	2.1	2.1	2.1	2.1	1.5
Hogs	1.0	0.5	0.7	0.7	1.8	4.0	5.0	5.7	9.7	9.5
Dairy	24.3	25.1	21.8	22.1	24.7	20.4	23.6	23.2	18.4	21.2
Poultry/eggs	8.4	11.7	9.5	8.4	8.2	7.7	7.2	7.7	8.0	7.9
Other livestock	5.2	4.6	4.5	6.2	7.7	4.7	4.7	3.0	3.3	2.8
Food grains	5.8	4.9	2.5	3.9	4.2	3.1	2.6	2.3	1.9	1.7
Feed grains	2.6	3.1	2.0	3.1	3.5	2.4	2.0	1.8	1.6	1.2
Hay	8.0	6.6	9.1	10.3	8.7	11.8	10.8	10.4	9.7	11.4
Vegtables	2.8	3.1	4.1	2.8	2.5	2.5	2.5	2.1	2.1	2.0
Fruits/Nuts	2.9	3.6	1.5	1.1	1.7	1.4	1.5	1.0	1.8	0.9
Greenhouse/Nursery	2.5	2.6	3.3	4.9	4.7	5.3	5.9	6.6	5.9	5.6
Other crops	2.2	1.4	1.2	1.8	1.7	1.4	1.1	1.3	1.0	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Utah Agricultural Statistics

Table 64
Cash Receipts by Source in Utah Counties (Millions of Dollars)

	1990			1992			1994			1996			1998			2000		
County	Livestock	Crops	Total	Livestock	Crops	Total	Livestock	Crops	Total	Livestock	Crops	Total	Livestock	Crops	Total	Livestock	Crops	Total
Beaver	$17	$4	$21	$18	$3	$21	$19	$4	$23	$25	$4	$29	$63	$6	$69	$119	$6	$124
BoxElder	47.3	26.4	73.7	46.0	30.5	76.5	49.6	35.4	85.0	55.8	39.4	95.2	61.9	37.3	99.2	67.4	32.6	100.0
Cache	78.6	13.4	92.0	80.0	13.7	93.7	83.1	17.4	100.5	86.2	22.1	108.3	93.2	17.8	111.0	83.4	16.7	100.1
Carbon	4.3	0.6	4.9	3.5	0.5	4.0	4.0	0.7	4.7	4.2	0.8	5.0	4.8	1.1	5.9	4.9	1.1	6.0
Daggett	1.7	0.2	1.9	1.0	0.3	1.3	1.0	0.5	1.5	0.9	0.4	1.3	1.9	0.6	2.5	1.6	0.5	2.1
Davis	12.4	22.4	34.8	11.8	29.7	41.5	12.6	25.8	38.4	14.5	22.2	36.7	9.8	29.1	38.9	5.0	30.1	35.1
Duchesne	26.0	4.4	30.4	25.3	3.5	28.8	26.7	6.3	33.0	29.5	6.5	36.0	30.1	8.0	38.1	32.5	7.7	40.2
Emery	10.6	2.0	12.6	10.8	1.5	12.3	10.4	2.3	12.7	11.0	2.0	13.0	11.8	3.4	15.2	12.2	3.2	15.4
Garfield	7.7	1.2	8.9	7.0	0.9	7.9	6.5	1.4	7.9	7.0	1.2	8.2	8.3	1.8	10.1	8.5	1.7	10.2
Grand	2.1	0.6	2.7	1.6	0.7	2.3	1.6	0.8	2.4	1.5	0.5	2.0	6.2	1.1	7.3	3.7	1.2	4.9
Iron	12.1	9.7	21.8	10.5	10.5	21.0	11.5	12.5	24.0	12.1	10.8	22.9	17.8	12.8	30.6	16.8	13.3	30.1
Juab	5.3	2.9	8.2	5.1	2.7	7.8	5.4	3.9	9.3	5.1	4.6	9.7	10.8	4.0	14.8	8.2	3.3	11.5
Kane	4.0	0.4	4.4	3.7	0.4	4.1	4.3	0.6	4.9	3.9	0.5	4.4	4.3	0.5	4.8	4.1	0.5	4.6
Millard	27.8	21.5	49.3	24.4	16.5	40.9	24.5	21.0	45.5	35.8	24.2	60.0	49.9	22.2	72.1	55.5	16.3	71.8
Morgan	11.5	1.3	12.8	10.9	1.0	11.9	10.5	1.4	11.9	12.3	1.7	14.0	13.1	1.9	15.0	10.8	1.8	12.6
Piute	7.0	1.0	8.0	6.4	0.9	7.3	7.7	1.2	8.9	8.2	1.1	9.3	9.3	1.6	10.9	8.4	1.3	9.7
Rich	17.1	1.7	18.8	16.7	2.2	18.9	16.4	4.0	20.4	16.6	3.6	20.2	19.7	4.4	24.1	21.4	3.8	25.2
Salt Lake	23.1	9.0	32.1	24.6	13.7	38.3	33.0	13.0	46.0	37.9	11.8	49.7	17.5	11.2	28.7	15.9	12.5	28.4
San Juan	8.1	1.6	9.7	7.0	2.7	9.7	9.5	3.5	13.0	7.8	2.0	9.8	9.0	7.1	16.1	7.9	5.0	12.9
Sanpete	75.7	4.7	80.4	70.7	3.8	74.5	70.2	6.5	76.7	74.3	6.7	81.0	77.3	9.2	86.5	85.3	7.9	93.2
Sevier	24.1	4.2	28.3	25.4	3.2	28.6	30.5	5.0	35.5	31.0	5.4	36.4	26.7	5.9	32.6	30.7	6.0	36.7
Summit	15.6	0.9	16.5	13.5	0.9	14.4	15.1	1.4	16.5	14.5	1.2	15.7	19.6	2.0	21.6	17.5	1.8	19.3
Tooele	8.7	2.9	11.6	7.4	3.0	10.4	7.5	3.4	10.9	8.2	3.7	11.9	10.5	3.1	13.6	12.2	3.1	15.3
Uintah	20.2	3.9	24.1	19.2	3.2	22.4	21.2	4.3	25.5	17.3	4.9	22.2	25.0	6.8	31.8	22.9	6.2	29.1
Utah	56.5	22.5	79.0	58.7	32.0	90.7	61.6	29.2	90.8	70.2	30.8	101.0	74.6	30.5	105.1	65.5	41.3	106.8
Wasatch	9.9	1.3	11.2	9.5	1.3	10.8	9.0	1.5	10.5	9.4	1.6	11.0	8.4	1.6	10.0	6.5	1.9	8.4
Washington	7.6	6.0	13.6	6.9	4.3	11.2	7.7	4.8	12.5	6.9	4.0	10.9	9.5	4.0	13.5	8.1	3.7	11.8
Wayne	8.6	1.5	10.1	8.7	1.2	9.9	8.0	1.5	9.5	11.0	1.8	12.8	12.5	2.1	14.6	12.7	2.2	14.9
Weber	25.4	6.6	32.0	23.8	7.3	31.1	30.0	7.7	37.7	28.3	7.2	35.5	29.3	7.9	37.2	21.9	8.5	30.4
Total	576.1	178.7	754.8	557.9	194.9	752.8	597.6	221.3	818.9	646.1	227.0	873.1	736.1	244.8	980.9	770.2	240.9	1,011.1

Source: Utah Agricultural Statistics

Table 65
Personal Income from Farming by County (Thousands of Dollars)

County	1970	1975	1980	1984	1990	1992	1997	1998	1999	2000
Beaver	$1,360	$776	$1,365	$1,052	$11,295	$9,297	$11,225	$12,723	$23,735	$37,086
Box Elder	10,178	11,117	12,101	6,523	30,739	26,769	28,089	30,511	27,915	22,214
Cache	9,007	10,343	15,569	9,132	29,493	31,862	21,955	27,139	36,402	22,419
Carbon	275	181	771	772	2,670	964	-2,777	6	-1,926	-2,150
Daggett	83	370	636	346	684	710	-97	-151	-113	-304
Davis	2,576	2,941	7,499	3,137	16,060	26,746	8,763	9,713	9,577	6,403
Duchesne	1,617	1,697	3,340	1,830	14,445	11,724	2,930	2,609	1,456	794
Emery	678	180	432	583	6,840	3,663	1,850	1,817	751	-296
Garfield	346	498	949	1,421	5,231	3,320	-322	-485	-452	-853
Grand	-2	325	744	321	782	493	82	30	288	-290
Iron	3,135	1,261	1,283	2,075	12,864	7,545	11,254	10,193	15,996	11,879
Juab	682	492	328	558	4,587	3,959	295	-187	4,770	1,341
Kane	320	132	382	431	1,913	510	702	585	778	441
Millard	2,536	5,665	8,153	8,117	16,592	17,010	13,784	15,326	25,324	17,834
Morgan	1,728	1,910	2,053	2,255	4,741	3,010	5,106	5,847	7,747	4,179
Piute	520	760	1,239	1,031	3,050	1,802	2,414	2,873	4,217	2,325
Rich	1,980	852	1,217	1,239	6,886	9,158	2,640	2,176	4,564	5,503
Salt Lake	6,746	7,152	11,474	3,921	12,477	12,978	2,911	3,528	2,684	2,255
San Juan	1,903	1,686	2,048	3,014	5,902	2,291	1,457	1,178	3,010	-513
Sanpete	5,615	3,838	2,139	6,719	19,998	22,014	13,093	16,975	20,064	22,095
Sevier	3,138	2,193	3,829	9,068	10,583	18,250	11,668	12,809	7,731	9,841
Summit	2,471	2,001	3,498	2,624	9,074	2,722	4,602	5,390	14,633	9,947
Tooele	563	1,434	2,152	1,946	6,262	1,818	1,985	1,927	2,064	3,758
Uintah	1,631	813	3,190	4,774	12,900	6,615	2,229	1,399	4,366	721
Utah	9,806	8,869	8,620	8,067	23,743	20,412	19,744	22,673	30,506	33,768
Wasatch	1,282	956	1,486	1,247	4,226	2,264	2,226	2,539	2,186	-272
Washington	2,214	1,890	3,031	2,002	4,819	2,051	-582	-736	73	-1,298
Wayne	446	303	917	485	3,241	4,410	2,791	3,385	5,119	4,305
Weber	4,677	2,302	4,261	2,579	10,762	14,002	1,800	4,220	4,650	741
State	77,511	72,937	104,706	87,269	292,859	268,369	171,817	196,012	258,115	213,873

Source: Bureau of Economic Analysis

Residential and Nonresidential Construction

Overview

The construction sector was stronger than expected in 2002. The value of permit-authorized construction (residential, nonresidential and additions, alterations and repairs) in the state was $3.7 billion, only 4% below $3.9 billion in 2001. Despite the recession, the value of residential construction reached $2.4 billion in 2002, an all-time record high. The number of new dwelling units that received building permits was 19,000. The residential sector benefited from low interest rates, which fell from 7% at the start of the year to 6% by midsummer, providing a significant financial incentive for new homebuyers. Lower interest rates did not give support to the nonresidential sector. Nonresidential construction activity fell 7% in 2002 to $900 million. However, nonresidential valuation finished higher than projected, gaining strength in the latter half of the year.

2002 Summary

Residential Sector. Residential construction seemed unfazed by weak demographic and economic growth in 2002. Demand for new owner-occupied units was supported by mortgage rates that were below 7% for much of the year and actually fell below 6% for a few months. These extraordinarily low rates pushed the value of residential construction to $2.4 billion, breaking the previous record set in 2001 by $50 million.

The residential sector is comprised of two major categories: single-family and multifamily dwelling units. In 2002 new single-family units outnumbered multifamily units by about 3 to 1. The number of single-family units was just over 13,500 units, followed by multifamily units at 4,500 units, and mobile homes/cabins at 900.

Residential construction is highly concentrated in the state, with a few communities capturing most of the new construction activity. Nearly half of all new residential construction in 2002 was located in Salt Lake and Utah counties. At the county level, an important shift is underway in single-family construction -- Salt Lake County is being seriously challenged for its perennial role as the leader in new home construction. Historically, the level of single-family construction in Salt Lake County has consistently been two to three times greater than the second ranked county, which has almost always been Utah County. However, in the past few years Utah County has closed the gap, and in 2002 the number of new homes in Utah County was only 10% below Salt Lake County's total.

The surge in single-family activity in Utah County is due, in part, to the incorporation of two new cities; Saratoga Springs and Eagle Mountain. Over the past few years these new communities have accounted for 20% to 25% of all new homes in Utah County. While new home construction in Saratoga Springs and Eagle Mountain has been impressive, in 2002 Lehi led all cities in Utah County in new home construction. Salt Lake County's leader was South Jordan. The statewide leader by a significant margin in new home construction was St. George, which produced almost 50% more new homes than the second ranked city, South Jordan.

New multifamily construction (apartments and condominiums) is down some 15% in 2002. Most of the softness is in new apartment construction. In 2002, less than 10% of all new residential units in Utah were new rental units and for the first-time ever, the number of new condominium units exceeded the number of new rental units. In 2002, condominiums accounted for over 10% of all new residential units in the state. As was the case with single-family units, condominium construction was highly concentrated in two counties -- Salt Lake and Utah -- which accounted for over 70% of all new condominium activity. Surprisingly, neither of the two recreation/second home counties -- Washington and Summit -- experienced high levels of new condominium construction in 2002.

Low interest rates have enabled households to move from renting to owning. Consequently the demand for rental units has softened and new apartment construction declined. Currently, there are about 207,000 rental units in the state. In 2002, less than 2,000 new units were added to the inventory, an increase of less than 1%. These data make clear that new apartment construction in relative terms is very modest. Certainly at this point, there is little indication that new apartment construction threatens any of the local apartment markets. Vacancy rates have increased slightly in 2002, but there are no signs of significant excess capacity in the rental market.

Nonresidential Sector. Nonresidential valuation was down about 7% in 2002. With the recent completion of Olympic-related projects and Gateway, 2002 was expected to be as much as 20% lower, but this sector has shown increasing strength as the year progressed. Through the first quarter, nonresidential construction was down more than 30%. By the end of the second quarter, the decline had narrowed to 16% and by the end of the third quarter, to 14%. The fourth quarter was particularly strong with $112 million in new nonresidential construction in October 2002, up 97% over October of 2001.

A review of nonresidential construction by type of use shows that the performance in 2002 for the three major categories of use -- industrial, office and retail -- is below the five-year average. Of these three sectors, the office market is performing closest to its five-year average, followed by retail, then industrial. Two nonresidential sectors that have performed well in 2002 are "hospitals and other institutional buildings" and "schools and other educational buildings". The new IHC hospital in St. George and a new indoor football facility at BYU have been the most significant projects in these two sectors.

Conclusion

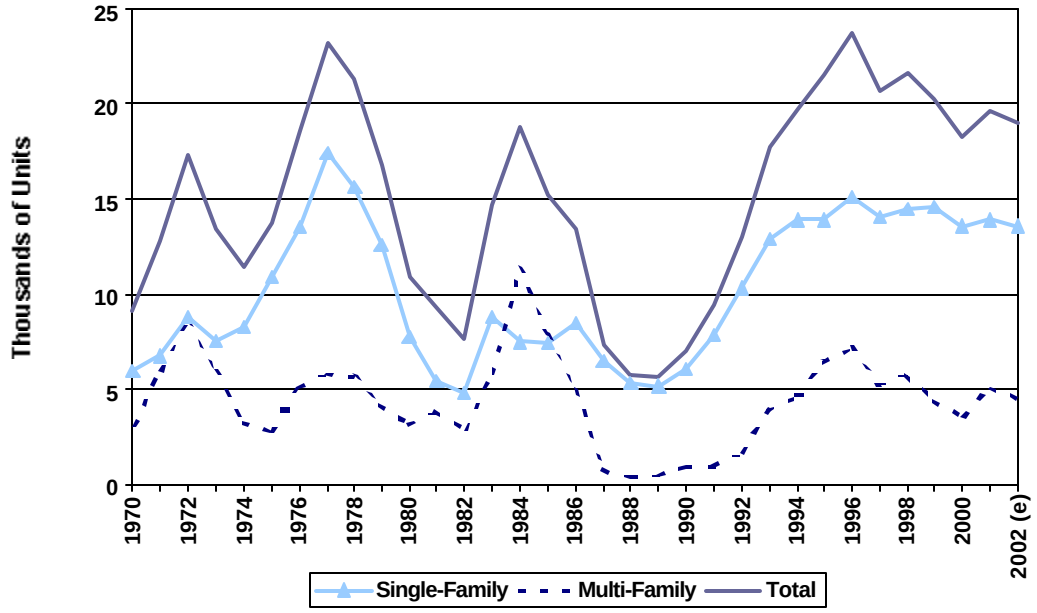
Total construction valuation in Utah in 2002 was $3.7 billion, which included $2.4 billion in residential construction, $900 million in nonresidential construction and $400 million in additions, alterations and repairs.

Despite a slowdown in economic and demographic growth residential construction held up surprisingly well, finishing the year with 19,000 units. The single most important factor contributing to the strength of the residential sector was low mortgage rates.

Multifamily units accounted for about one out of every five new dwelling units. For the first time there were more new condominiums built than apartments. Rental units accounted for only 10% of all new residential units.

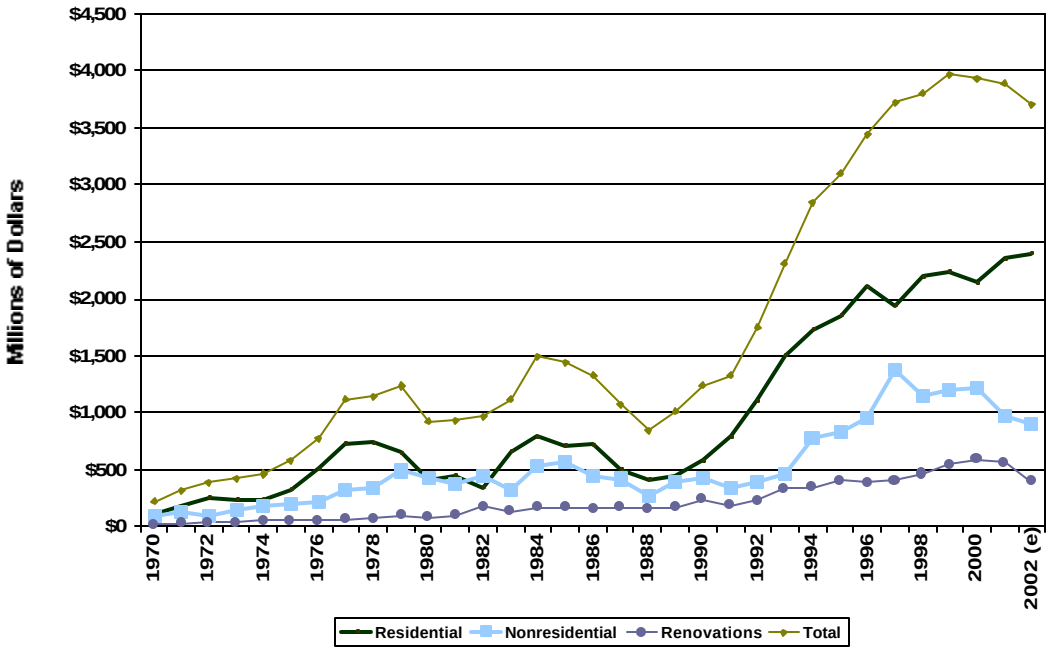
The value of nonresidential construction fell only 7% as institutional buildings, including a new hospital in St. George, gave support to this sector.

Figure 56
Utah Residential Construction Activity



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

Figure 57
Value of New Construction



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

Table 66
Residential and Nonresidential Construction Activity in Utah

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
1991(r)	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	3,721.6
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	3,971.0
2000	13,463	3,629	1,062	18,154	2,140.1	1,213.0	583.3	3,936.0
2001	13,851	5,089	735	19,675	2,352.7	970.0	562.8	3,885.4
2002 (e)	13,600	4,500	900	19,000	2,400.0	900.0	400.0	3,700.0

r = revised
e = estimate
na = not available

Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research, November 2002.

Table 67
Summary of Construction Activity in Utah

Type of Construction	2001	2002(e)	% Change 2001-2002
Total Construction Value	$3.88 billion	$3.70 billion	-4.6%
Residential Value	$2.35 billion	$2.40 billion	2.1%
Total Dwelling Units	19,675	19,000	-3.4%
Single Family Units	13,851	13,600	-1.8%
Multifamily Units	5,089	4,500	-11.6%
Mobile Homes/Cabins	735	900	22.4%
Nonresidential Value	$970.0 million	$900.0 million	-7.2%
Additions, Alterations, and Repairs	$562.8 million	$400 million	-28.9%

Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research, November 2002.

Table 68
Average Annual Mortgage Rates for 30-year Conventional Mortgage for Utah

Year	Mortgage Rates	Year	Mortgage Rates
1967	6.52%	1985	12.42%
1968	7.03%	1986	10.18%
1969	7.82%	1987	10.20%
1970	8.35%	1988	10.34%
1971	7.83%	1989	10.32%
1972	7.38%	1990	10.13%
1973	8.04%	1991	9.25%
1974	9.19%	1992	8.40%
1975	9.04%	1993	7.33%
1976	8.86%	1994	8.35%
1977	8.84%	1995	7.95%
1978	9.63%	1996	7.80%
1979	11.19%	1997	7.60%
1980	13.77%	1998	6.92%
1981	16.63%	1999	7.43%
1982	16.08%	2000	8.06%
1983	13.23%	2001	6.97%
1984	13.87%	2002 (e)	6.50%

e = estimate

Source: Federal Home Mortgage Corporation and Freddie Mac

Table 69
Housing Prices for Utah: 1980 to Second Quarter 2002

Year	Index	Year-Over Percent Change	Year	Index	Year-Over Percent Change
1980	102.0		1992	133.7	6.5
1981	109.1	7.0	1993	148.2	10.8
1982	112.6	3.1	1994	173.6	17.1
1983	114.5	1.7	1995	193.9	11.7
1984	113.9	-0.6	1996	211.1	8.8
1985	116.6	2.4	1997	224.5	6.4
1986	118.9	2.0	1998	236.5	5.3
1987	116.4	-2.1	1999	240.6	1.7
1988	113.1	-2.8	2000	240.5	0.0
1989	114.9	1.5	2001	253.2	5.3
1990	118.7	3.4	2002 (2Q)	255.7	1.0
1991	125.5	5.7			

Source: Office of Federal Housing Enterprise Oversight, Housing Price Index, Washington D.C., 2002.

Defense

Overview

Utah's defense industry continued to expand in 2002, as base closures and realignments in other states shifted jobs and military spending to Utah. Hill Air Force Base has become the Air Force's "center of excellence" for low-observable technology. This new classification, the result of a prime military contractor relocating to Hill, will help ensure the viability of this large Utah employer. Although the defense industry experienced reductions during most of the 1990s, this trend was reversed in the latter end of the decade. Defense spending in Utah in 2001 totaled $2.35 billion, rising 23% from the previous year. Increased activity is expected to continue in 2002 and 2003 as a result of the war on terrorism.

Trends

Nationwide, as a percent of gross domestic product (GDP), defense spending was 2.5% in 1999, 2.4% in 2000, and 2.5% in 2001. In Utah, total defense spending currently stands at $2.35 billion-which is a 23.1% growth from 2000. As a percent of the Gross State Product (GSP), defense outlays have diminished significantly from the 1980's, with a high of over 8.3% in 1987, to a low of 2.2% in 1998. Lately, however, this has reversed, with a rate of 3.4% in 2001.

Contracting Activity

During the cold war build-up of the mid-1980s, a number of defense contractors in Utah routinely received contracts in the $50 million range on an annual basis. Throughout the 1990s, defense contracts to private firms decreased considerably at both the state and national level. However, in recent years, defense contracting in Utah has increased significantly. Contract awards increased 73.1% in 2000 and an additional 34.4% in 2001.

The large increase in contracting is primarily attributed to TRW Inc. In recent years, TRW has been the state's top contract recipient with $296.5 million in 2000 and $566.7 million in 2001 in prime contract awards. The remaining top nine contractors averaged $35.8 million in 2001. Other major defense contractors include L-3 Communications, Sinclair Oil, Evans and Sutherland, B P PLC, URS Corp., Utah State University, Northrop Grumman Corp., Envirofoam Technologies, and Alcoa Inc. In 2002, TRW merged with Northrop Grumman Corp., making Northrop the nation's second largest defense contractor.

Geographic Distribution

Federal defense spending in Utah is concentrated in Davis, Salt Lake, Tooele, and Weber counties, though significant spending occurs in Utah, Cache, Washington, and Box Elder counties. Contracting activity associated with a variety of weapons systems and other projects accounts for most of the defense spending in Salt Lake County. Payroll and procurement contracts at Tooele Army Depot and Dugway Proving Grounds account for spending in Tooele County.

Military Facilities

Hill Air Force Base, one of the state's largest basic employers and center of Utah's defense industry, has for years been faced with the possibility of base closures as a threat to its survival. Developments over the past several years may serve to ease that possibility. In 1999, Hill was selected as headquarters for one of 10 new "expeditionary" forces that will be used for quick deployment to trouble spots around the world. This selection has brought the 388th fighter wing up to full strength for the first time since military downsizing began about a decade ago. Additionally, because of military downsizing in other parts of the country, Hill has become the home of Northrup Grumman Corp., the prime contractor for the military's B-2 stealth bomber. The move helped make Hill the Air Force's new "center of excellence" for low-observable technology. The future of Utah's defense industry is much more certain than in years past, and the increase in operations at Hill Air Force Base should prove to be a buffer against future base closures.

Defense Depot Ogden (DDO) was designated for closure by the Defense Base Closure and Realignment Commission (BRAC) in 1995, and was officially closed in September 1997 after 56 years of operation. Most of the property is being obtained by Ogden City, and in December 1999 the city approved a 70-year redevelopment project for DDO. Under the terms of the agreement, the city will lease the 1,128 acres to the Boyer Company, who will in turn redevelop the property into a major regional business and industrial park. The lease is for 40 years, with three 10-year renewal options and a long-term buyout option of $22 million. The property will be developed over the next 15 to 20 years and is expected to create approximately 7,000 jobs in Northern Utah.

Workforce reductions at Tooele Army Depot (TEAD) have brought the total number of jobs lost to reductions in force and realignment since 1988 to roughly 2,500. The current workforce at TEAD roughly numbers 463 employees. While the loss of jobs at TEAD has been difficult, this is another example of how redevelopment of former military bases can actually help an area's economy. The 1,700 acres that were formerly owned and occupied by TEAD have been transformed to a private developer, who has renamed the area the Utah Industrial Depot (UID). More than 40 businesses or organizations have taken up residency at the depot, which has 2.5 million square feet of existing space. New job projections total more than 3,800 as a result of the redevelopment of this property. IUD currently employs 830 people.

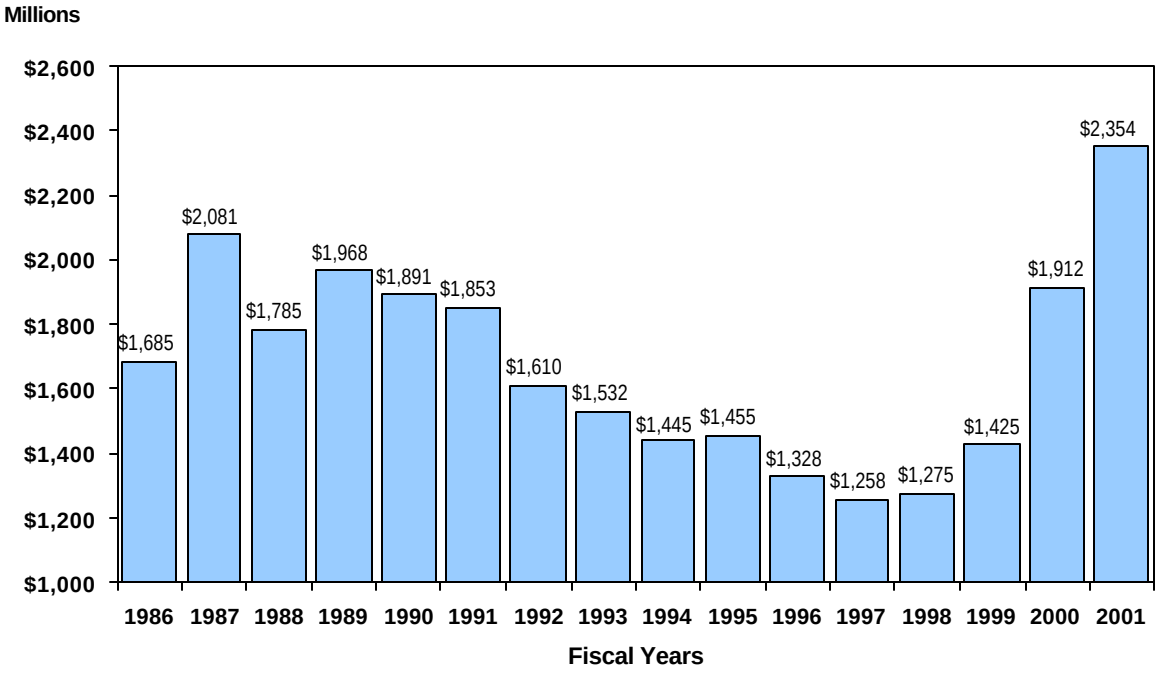
Outlook

In recent years the United States has spent less than 3% of its GDP on defense. Homeland security and the war on terrorism will warrant increased defense spending in 2003. In order to transform the military to accommodate modern needs, future closures of unneeded bases will continue, thereby funneling those costs more efficiently. Increased operations at Hill Air Force Base have improved the chances of surviving the next round of base closures in 2005.

Conclusion

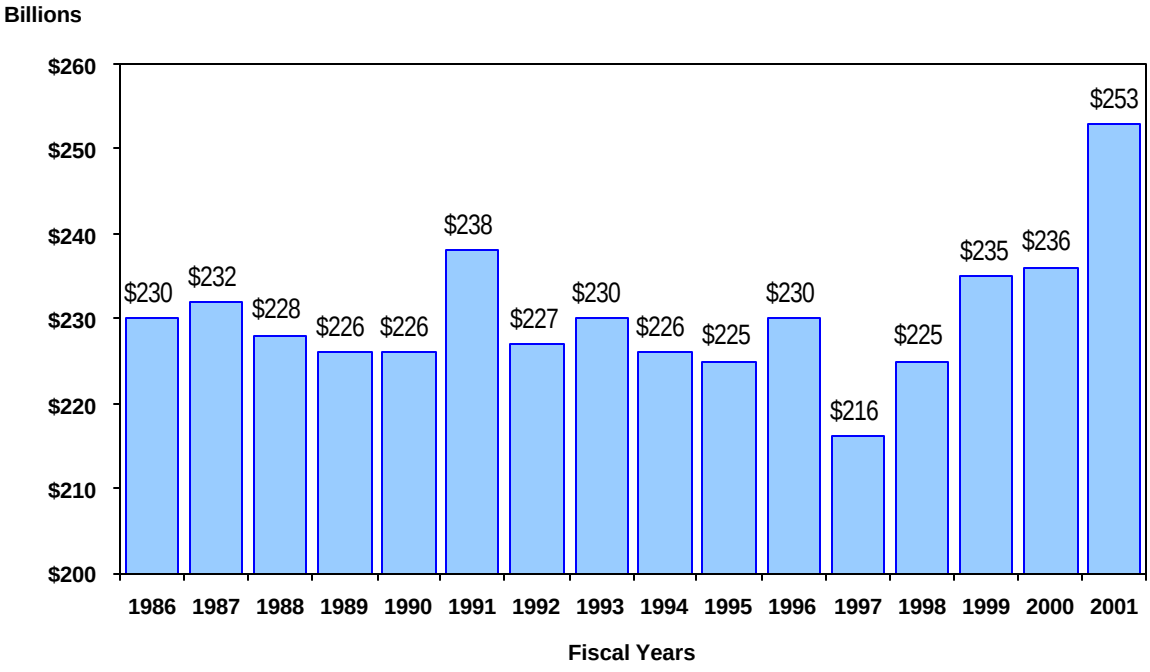
The importance of defense to Utah's economy is gradually increasing as the workload transfers from base closures in other states to produce more jobs locally. The rapid conversion of military facilities at DDO and TEAD to commercial use illustrates the state's ability to absorb jobs lost from federal cutbacks. Expectations of commercial success are strong for both new facilities. In addition, new operations beginning at Hill Air Force Base should prove to be a strengthening influence on the remainder of Utah's defense industry.

Figure 58
Federal Defense-Related Spending in Utah



Sources: U.S. Department of Commerce, Bureau of the Census; Department of Defense

Figure 59
Primary Federal Defense-Related Spending in the United States



Sources: U.S. Department of Commerce, Bureau of the Census; Department of Defense

Table 70
Federal Defense-Related Spending: Utah Total (Thousands of Dollars)

Fiscal Year	Wages and Salaries*	Procurement Contract Awards	Military Retirement	State/ Local Grants	Total**	Gross State Product (Current Dollars)	Defense Spending as Percent of GSP
1986	$784,567	$805,747	$94,612	$301	$1,685,227	$24,473,000	6.9%
1987	794,294	1,182,097	98,743	5,766	2,080,900	25,202,000	8.3%
1988	817,787	866,782	98,876	1,318	1,784,763	27,244,000	6.6%
1989	870,295	979,116	108,005	10,186	1,967,602	28,713,000	6.9%
1990	890,892	883,014	115,442	1,232	1,890,580	31,359,000	6.0%
1991	922,035	804,404	125,526	598	1,852,563	33,658,000	5.5%
1992	852,772	614,286	134,844	8,431	1,610,333	35,671,000	4.5%
1993	847,053	532,269	146,743	5,932	1,531,997	38,395,000	4.0%
1994	763,608	524,001	152,426	4,514	1,444,549	42,236,000	3.4%
1995	794,333	495,771	161,964	2,845	1,454,913	46,290,000	3.1%
1996	760,514	393,157	171,978	2,849	1,328,498	51,523,000	2.6%
1997	642,492	433,428	180,862	1,212	1,257,994	55,070,000	2.3%
1998	620,622	464,739	189,130	171	1,274,662	59,084,000	2.2%
1999	678,173	548,103	193,157	5,445	1,424,878	62,780,000	2.3%
2000	762,281	948,877	200,412	155	1,911,725	68,549,000	2.8%
2001	867,407	1,275,131	210,903	120	2,353,561	69,691,525	3.4%
Percent Change							
2000 to 2001	13.8%	34.4%	5.2%	-22.6%	23.1%		
1986 to 2001	10.6%	58.3%	122.9%	-60.1%	39.7%		
Absolute Change							
2000 to 2001	$105,126	$326,254	$10,491	($35)	$441,836		
1986 to 2001	$82,840	$469,384	$116,291	($181)	$668,334		

Notes: Numbers in the "State/Local Grants" column are taken from the Census Bureau's *Federal Aid to States for FY 2001*.
* Does not include fringe benefits. ** These totals do not match those in the previous table because the data sources and concepts are slightly different.

Sources: Federal Aid to States for FY 2001; U.S. Department of Commerce, Bureau of the Census. Consolidated Federal Funds Report FY 2001; U.S. Department of Commerce, Bureau of the Census. Gross State Product; 1986-00, U.S. Department of Commerce, Bureau of Economic Analysis. 2001, estimated by the Governor's Office of Planning and Budget.

Table 71
Primary U.S. Federal Defense-Related Spending (Selected Categories): All States and Territories (Thousands of Dollars)

Fiscal Year	Wages and Salaries*	Procurement Contract Awards	Military Retirement	State/ Local Grants	Total	Gross Domestic Product (Current Dollars)	Defense Spending as Percent of GDP
1986	$61,900,746	$150,055,345	$17,769,127	$111,366	$229,836,584	$4,452,900,000	5.2%
1987	65,097,948	147,616,385	18,732,723	127,430	231,574,486	4,742,500,000	4.9%
1988	67,270,619	142,175,108	18,640,881	113,637	228,200,245	5,108,300,000	4.5%
1989	72,771,040	132,259,473	20,669,532	172,125	225,872,170	5,489,100,000	4.1%
1990	69,103,253	135,259,039	21,235,041	175,978	225,773,311	5,803,200,000	3.9%
1991	75,254,721	139,570,721	22,669,073	111,454	237,605,969	5,986,200,000	4.0%
1992	73,851,077	129,124,509	24,024,591	223,899	227,224,076	6,318,900,000	3.6%
1993	73,947,670	129,996,047	25,752,104	241,816	229,937,637	6,642,300,000	3.5%
1994	73,470,136	125,982,520	26,478,356	212,466	226,143,478	7,054,300,000	3.2%
1995	71,192,209	126,003,863	27,695,928	244,824	225,136,824	7,400,500,000	3.0%
1996	72,955,074	128,628,822	27,922,897	247,408	229,754,201	7,813,200,000	2.9%
1997	66,719,191	119,858,710	29,595,559	191,715	216,365,175	8,318,400,000	2.6%
1998	67,178,127	126,726,012	30,457,015	171,324	224,532,478	8,781,500,000	2.6%
1999	70,412,959	133,775,555	31,078,737	159,370	235,426,621	9,274,300,000	2.5%
2000	70,009,814	133,830,978	32,110,614	114,372	236,065,778	9,824,600,000	2.4%
2001	70,273,656	149,314,126	33,321,020	163,250	253,072,052	10,082,200,000	2.5%
Percent Change							
2000 to 2001	0.4%	11.6%	3.8%	42.7%	7.2%		
1986 to 2001	13.5%	-0.5%	87.5%	46.6%	10.1%		
Absolute Change							
2000 to 2001	$263,842	$15,483,148	$1,210,406	$48,878	$17,006,274		
1986 to 2001	$8,372,910	($741,219)	$15,551,893	$51,884	$23,235,468		

Note: * Does not include fringe benefits.

Sources: Consolidated Federal Funds Report FY 2001; U.S. Department of Commerce, Bureau of the Census. Gross Domestic Product; U.S. Department of Commerce, Bureau of Economic Analysis.

Table 72
Federal Defense-Related Spending in Utah by County (Thousands of Dollars)

	2001				2000	Change in Total Spending from 2000 to 2001	
County	Wages*	Procurement	Other	Total**	Total**	Absolute	Percentage
Beaver	$537	$0	$397	$934	$861	$73	8.5%
Box Elder	3,897	23,039	3,611	30,547	32,716	(2,169)	-6.6%
Cache	1,767	30,246	9,784	41,797	36,767	5,030	13.7%
Carbon	274	0	1,162	1,436	1,286	150	11.7%
Daggett	0	0	65	65	62	3	4.8%
Davis	654,262	821,838	55,217	1,531,317	1,099,360	431,957	39.3%
Duchesne	0	700	621	1,321	747	574	76.8%
Emery	0	33	386	419	733	(314)	-42.8%
Garfield	0	0	318	318	315	3	1.0%
Grand	0	0	327	327	459	(132)	-28.8%
Iron	896	318	2,616	3,830	3,520	310	8.8%
Juab	0	0	394	394	397	(3)	-0.8%
Kane	0	0	672	672	668	4	0.6%
Millard	471	245	623	1,339	1,648	(309)	-18.8%
Morgan	0	0	1,181	1,181	1,165	16	1.4%
Piute	0	0	121	121	147	(26)	-17.7%
Rich	0	0	182	182	151	31	20.5%
Salt Lake	103,802	248,691	78,792	431,285	462,465	(31,180)	-6.7%
San Juan	193	924	355	1,472	467	1,005	215.2%
Sanpete	950	69	1,130	2,149	1,896	253	13.3%
Sevier	696	0	1,481	2,177	2,050	127	6.2%
Summit	3,374	4,598	3,151	11,123	25,030	(13,907)	-55.6%
Tooele	49,283	68,015	3,762	121,060	119,216	1,844	1.5%
Uintah	294	28	1,110	1,432	1,405	27	1.9%
Utah	14,409	46,065	24,279	84,753	45,832	38,921	84.9%
Wasatch	0	106	655	761	603	158	26.2%
Washington	18,732	28	11,248	30,008	26,786	3,222	12.0%
Wayne	0	0	213	213	198	15	7.6%
Weber	13,570	30,188	34,994	78,752	66,886	11,866	17.7%
Undistributed	0	0	0	0	0	0	0.0%
State Total	$867,407	$1,275,131	$238,847	$2,381,385	$1,933,836	$447,549	23.1%

Notes: * Does not include fringe benefits. ** The totals here will not match the following table because the data sources and concepts are slightly different.

Source: Consolidated Federal Funds Report for Fiscal Year 2001: U.S. Department of Commerce, Bureau of the Census.

Table 73
Federal Defense-Related Spending in Utah (Thousands of Dollars)

UTAH - TOTAL
(Thousands of Dollars)

Fiscal Year 2001

PERSONNEL/EXPENDITURES	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities
I. Personnel - Total	33,070	10,845	1,607	19,304	1,314
Active Duty Military	5,038	319	165	4,554	0
Civilian	14,394	2,121	29	10,930	1,314
Reserve and National Guard	13,638	8,405	1,413	3,820	0
II. Expenditures - Total	$2,394,613	$428,618	$132,742	$1,614,230	$219,023
A. Payroll Outlays - Total	1,118,192	236,546	47,819	775,033	58,794
Active Duty Military Pay	166,440	10,846	5,990	149,604	0
Civilian Pay	639,073	95,312	1,265	483,702	58,794
Reserve and National Guard Pay	101,776	73,814	3,618	24,344	0
Retired Military Pay	210,903	56,574	36,946	117,383	0
B. Contracts - Total	1,250,520	171,935	81,981	836,375	160,229
Supply and Equipment Contracts	283,216	24,204	37,542	105,447	116,023
RDT&E Contracts	108,622	33,176	25,146	24,942	25,358
Service Contracts	806,325	65,478	19,293	702,706	18,848
Construction Contracts	38,752	35,472	0	3,280	0
Civil Function Contracts	13,605	13,605	0	0	0
C. Grants	25,901	20,137	2,942	2,822	0

EXPENDITURES (Thousands of Dollars)				MILITARY & CIVILIAN PERSONNEL			
Major Locations	Total	Payroll Outlays	Grants/ Contracts	Major Locations	Total	Active Duty Military	Civilian
Hill Air Force Base	$801,896	$660,857	$141,039	Hill Air Force Base	15,957	4,490	11,467
Clearfield	588,259	14,302	573,957	Salt Lake City	672	127	545
Salt Lake City	301,393	84,363	217,030	Dugway	546	29	517
North Salt Lake	82,737	746	81,991	Tooele	487	0	487
Draper	66,800	25,492	41,308	Tooele Army Depot	463	9	454
Ogden	66,528	38,251	28,277	Provo	254	247	7
Tooele Army Depot	37,789	23,224	14,565	Draper	234	5	229
Logan	36,875	5,912	30,963	Ogden	234	5	229
Dugway Proving Grounds	35,107	0	35,107	West Jordan	124	0	124
Brigham City	29,264	6,647	22,617	Park City	86	75	11

PRIME CONTRACT AWARDS (Thousands of Dollars)

(Prior 7 Fiscal Years)	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities
2000	$949,993	$122,195	$143,204	$592,796	$91,798
1999	532,907	104,705	80,850	284,789	62,563
1998	470,140	117,115	84,675	203,773	64,576
1997	442,443	94,060	111,371	157,009	80,003
1996	394,677	96,900	48,194	200,486	49,097
1995	479,324	165,912	55,558	141,069	116,785
1994	521,169	203,902	83,620	125,934	107,713

Top 10 Contractors Receiving the Largest Dollar Volume of Prime Contract Awards in Utah	Total Amount (Thousands of Dollars)
TRW Incorporated	$566,739
L-3 Communications Holding, Incorporated	104,722
B P PLC	33,858
Sinclair Oil Corporation	31,863
Evans & Sutherland Cmpt Corporation	29,643
URS Corporation	26,905
Envirofoam Technologies, Incorporated	25,038
Utah State University	24,102
Northrop Grumman Corporation	23,781
Alcoa Incorporated	22,255

Note: Accounting conventions used by DIOR difffer from those used by the Census Bureau and therefore numbers may not match.

Source: "Atlas/Data Abstract for the US and Selected Areas," by the Statistical Information Analysis Division of the Directorate of Information Operations and Reports (DIOR).

Table 74
Federal Defense-Related Spending in the United States (Thousands of Dollars)

UNITED STATES - TOTAL
(Thousands of Dollars)

Fiscal Year 2001

PERSONNEL/EXPENDITURES	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities
I. Personnel - Total	2,781,445	1,285,743	739,963	666,014	89,725
Active Duty Military	991,006	385,875	314,938	290,193	0
Civilian	627,619	210,478	176,399	151,017	89,725
Reserve and National Guard	1,162,820	689,390	248,626	224,804	0
II. Expenditures - Total	$243,778,088	$73,834,340	$75,556,890	$69,797,166	$24,589,690
A. Payroll Outlays - Total	106,013,308	35,988,096	34,409,303	31,397,153	4,218,756
Active Duty Military Pay	37,873,204	12,842,885	14,320,697	10,709,622	0
Civilian Pay	29,878,749	9,759,347	9,110,030	6,790,616	4,218,756
Reserve and National Guard Pay	5,065,731	3,157,508	589,056	1,319,167	0
Retired Military Pay	33,195,624	10,228,356	10,389,520	12,577,748	0
B. Contracts - Total	135,225,127	3,651,533	40,497,100	38,023,710	20,188,924
Supply and Equipment Contracts	63,018,523	13,905,479	19,523,037	18,396,712	11,193,295
RDT&E Contracts	21,085,479	5,579,437	4,550,174	8,779,400	2,176,468
Service Contracts	43,625,967	11,538,033	14,772,978	10,696,664	6,618,292
Construction Contracts	4,394,114	2,391,400	1,650,911	150,934	200,869
Civil Function Contracts	3,101,044	3,101,044	0	0	0
C. Grants	2,539,653	1,330,851	650,487	376,303	182,010

EXPENDITURES (Thousands of Dollars)

Major Locations	Total	Payroll Outlays	Grants/ Contracts
Newport News, VA	$6,014,004	$172,743	$5,841,261
San Diego, CA	4,948,840	2,679,753	2,269,087
St. Louis, MO	4,853,405	176,561	4,676,844
Marietta, GA	4,755,417	109,601	4,645,816
Norfolk, VA	3,614,751	2,430,788	1,183,963
Long Beach, CA	3,091,655	61,043	3,030,612
Washington, DC	2,660,124	1,144,331	1,515,793
Arlington, VA	2,623,188	1,517,894	1,105,294
Huntsville, AL	2,416,315	221,039	2,195,276
Sunnyvale, CA	2,367,839	45,066	2,322,773

MILITARY & CIVILIAN PERSONNEL

Major Locations	Total	Active Duty Military	Civilian
Fort Hood, TX	49,400	45,764	3,636
Fort Bragg, NC	44,475	39,193	5,282
San Diego, CA	33,726	21,592	12,134
Camp Lejeune, NC	31,656	28,821	2,835
Camp Pendleton, CA	30,574	28,328	2,246
Norfolk, VA	27,083	16,817	10,266
Great Lakes, IL	26,931	25,152	1,779
Washington, DC	24,721	10,803	13,918
Arlington, VA	24,397	9,990	14,407
Fort Campbell, KY	24,366	23,740	626

PRIME CONTRACT AWARDS (Thousands of Dollars)

(Prior 7 Fiscal Years)	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities
2000	$123,294,978	$32,614,979	$38,963,003	$35,368,606	$16,348,400
1999	114,875,127	30,049,383	37,451,740	32,438,343	14,935,661
1998	109,385,850	28,471,955	36,652,133	30,138,618	14,123,145
1997	106,561,099	28,249,679	34,522,055	30,971,306	12,818,059
1996	109,407,896	28,829,374	33,855,101	34,886,724	11,836,698
1995	109,004,783	27,290,168	36,900,622	33,399,384	11,414,609
1994	110,315,963	26,844,126	35,111,813	37,062,026	11,297,998

Top 10 Contractors Receiving the Largest Dollar Volume of Prime Contract Awards in the US Only	Total Amount (Thousands of Dollars)
Lockheed Martin Corporation	$14,637,182
The Boeing Company	13,323,975
Newport News Shipbuilding	5,889,298
Raytheon Company	5,476,976
Northrop Grumman Corporation	5,121,300
General Dynamics Corporation	4,892,436
United Technologies Corporation	3,365,091
General Electric Company Incorporated	1,742,781
TRW Incorporated	1,736,810
Science Applications International	1,709,861

Note: Accounting conventions used by DIOR difffer from those used by the Census Bureau and therefore numbers may not match.

Source: "Atlas/Data Abstract for the US and Selected Areas," by the Statistical Information Analysis Division of the Directorate of Information Operations and Reports (DIOR).

Energy and Minerals

Energy Overview

Utah's 2002 crude oil production was less than half of its peak year production in 1985. This decline can only be offset in the event of new well drillings in the future. If not, Utah's consumers will increasingly have to look elsewhere for both crude oil and other petroleum products. On the other hand, Utah's natural gas capacity has risen steadily over the years, primarily due to an increase in its CBM (coal bed methane) fields. The state's electricity consumers were spared the sharp price hikes faced by their West coast neighbors in 2001. Overall, Utah's electricity industry and market environment have drastically changed over the last decade as a result of evolving federal policy and an increasingly competitive electricity market.

2002 Summary and Review

Petroleum and Natural Gas

Production. Utah's production of crude oil continues to decline each year as oil fields are drained to meet rising consumer demand. Fourteen million barrels of Utah crude oil were produced in 2002, less than half of what was produced in its peak year, 1985. This decline may ease a little if a rise in world oil prices inspires new well drilling, or if new technology enhances crude oil recovery efforts from existing fields. However, Utah reserves are still in decline, and consumers will increasingly look to Wyoming, other states, and foreign countries for both crude oil and petroleum products.

In contrast, overall natural gas production in Utah is still rising year by year because of growth in CBM (Coal Bed Methane) fields. This relatively new source of natural gas has made up for the declining conventional gas and petroleum fields in Utah. CBM now accounts for about one-third of all of Utah's natural gas, resulting in a record total output of more than 300 billion cubic feet (Bcf) in 2002. CBM is expected to make up for declining conventional gas fields for 10 to 15 more years, and will then follow the same path of conventional oil and gas fields into decline. Carbon County leads the state in CBM production, at over 100 Bcf per year in 2002, followed by Emery County at a fast-increasing 8 Bcf.

Overall, in contrast to crude oil, Utah's natural gas reserves have shown modest increases over the past few years.

Prices. On a long-term basis, prices for oil and gas are moderate, even trending below average in constant dollars. Sharp price spikes will occur now and then, for several reasons:

- International political tensions
- New regional pipelines that allow fuel to flow more easily away from Utah to meet sudden energy demands caused by hot or cold weather in other places
- Trends in deregulation and regulatory evolution

World oil prices rose sharply in early 2002 to nearly $30 per barrel, and then declined to about $25 per barrel, which is moderate by historic standards. Predictions of military conflict with Iraq in the near future may cause market jitters. However, world production capacity should be able to make up for any loss of Iraqi production.

Natural gas prices also spiked, rising above $3.60 per thousand cubic feet (mcf) in 2001, and then settling to about $2.00 per mcf in 2001. 2003 should see an average of $2.50 per mcf, which is still relatively flat when compared to the last decade or so.

Consumption. Utah's demand for gasoline, jet fuel, diesel and other petroleum products will continue to set annual records due to anticipated economic growth. Gasoline consumption exceeded one billion gallons in 2002, with diesel consumption approaching one half billion gallons. Warm winters have kept Utah residential natural gas demand roughly flat since 1997. Industrial demand for natural gas is in decline, a reflection of industrial activity in Utah.

Electricity

Production. Fossil fuel power plants provide nearly all of Utah's power supply. Hydro-electric power, which once met more than 13% of Utah's needs, has declined to less than 2%, in part because of recent dry weather years that leave reservoir levels below normal.

Prices. Utah largely escaped the electricity price spikes that caused serious economic difficulty along the West Coast in 2001. Meanwhile, urban power demand is rising at about 4% per year, while industrial demand in Utah is down by about the same rate.

Consumption. Hot summers from 2000 through 2002 produced record demand for electricity in Utah.

Industry Trends. The electricity industry and market environment changed greatly in the last decade and new market trends have emerged that are likely to influence electricity prices and supply reliability for the foreseeable future. First, evolving federal policy is encouraging competitive wholesale electricity markets. This in turn has spawned a growing merchant supply sector that has played an increasingly important role in acquiring, constructing, and operating new power plants in the West.

Second, the 2000-2001 experience in the Western electricity markets demonstrates that electricity consumers are increasingly exposed to risk of supply reliability and extreme price volatility that accompany most commodity markets. As competitive wholesale electricity markets continue to evolve in the future, consumers will will be subject to electricity markets that will likely exhibit further uncertainty and volatility.

Third, gas-fired generation has emerged as the resource of choice for the electricity supply industry in the West. While new gas-fired generation can mitigate against future environmental compliance costs, reliance on natural gas will also increase electricity price volatility and supply uncertainty.

Finally, electric utilities whose generation portfolios are dominated by coal-fired generation are increasingly exposed to an uncertain future with respect to environmental regulations and emission-control standards. Multi-pollutant legislation and regulations currently being proposed by the Bush Administration, EPA's regulations on regional haze, the Kyoto protocol, and alternative proposals to control carbon emissions all contribute to regulatory uncertainty and environmental compliance cost risks.

Conclusion

Utah production of crude oil continues to decline each year as oil fields are drained to meet rising consumer demand. On the contrary, the

state's natural gas reserves have shown modest increases over the past few years. Utah residential natural gas demand has remained roughly flat since 1997, while a slack economy over the past two years has resulted in a decline in industrial demand. An anticipated economic recovery in 2003 will likely result in increasing demand for gasoline, jet fuel, diesel and other petroleum products. Price fluctuations are likely to occur for any combination of political, structural, and regulatory reasons.

Minerals Overview

The estimated value of mineral production in Utah was $1.77 billion in 2002. This was modestly lower than the value for 2001 due to a year of continued low metal prices, curtailed production of several base and precious metals, coal, salines, and crushed stone, as well as a stagnant national and international economy. In decreasing order of value, contributions from the major industry segments were: base metals ($612 million), industrial minerals ($560 million), coal ($420 million), and precious metals ($173 million). In 2002, the Utah Geological Survey estimates that 89 Large Mines (including coal) will report the same level of production as 80 mines in 2001. Through mid-November 2002, the Utah Division of Oil, Gas and Mining received five new Large Mine permit applications (five acres and larger disturbance) and 20 new Small Mine permit applications (less than five acres disturbance). All of the Large Mine applications except one were made for changing from Small Mine to Large Mine permit status. Nationally, Utah ranked ninth in the value of nonfuel mineral production and 12th in coal production in 2001. It is likely that these rankings will be lower for 2002. The state contributed about 3.5% of the U.S. total value of nonfuel minerals production in 2001.

Operator surveys indicate that with the exception of copper, both precious metal and base metal production for 2003 will decrease moderately for the second year in a row. Industrial-mineral production should also decrease as several operators predict a reduction in demand for their products. Industrial-mineral production is closely linked to regional and local construction and population growth, and will be affected by decreased construction activity in the Salt Lake Valley. Coal production was moderately lower in 2002, but is not expected to decline in 2003; coal prices are expected to remain steady or increase slightly. Low metal prices have led to significantly reduced exploration activities and delayed the opening of several base- and precious-metal mines. Early indications are that some stabilizing of metal prices will take place in 2003.

Significant regulatory issues that continue to impact the minerals industry in Utah are the decreased availability of public lands open for mineral exploration and development, state and federal regulations that cause difficulties, and delays in obtaining required permits. The negative public perception of the mining industry also dampens the industry's willingness to develop new resources.

2002 Summary

The value of Utah's mineral production in 2002 is estimated to be $1.77 billion, a decrease of about $186 million (10%) from 2001. Estimated contributions from each of the major industry segments were:

- Base metals, $612 million (34% of total)
- Industrial minerals, $560 million (32% of total)
- Coal, $420 million (24% of total)
- Precious metals, $173 million (10% of total)

Compared to 2001, the 2002 values changed as follows: (1) base metals decreased $81 million; (2) industrial minerals increased $23 million; (3) coal decreased $60 million; and (4) precious metals decreased $67 million.

Base Metals. Base metal production valued at approximately $612 million was the largest contributor to the value of minerals produced in 2002. The value of base metals decreased approximately $81 million (12%) compared to 2001, due to lower copper, molybdenum, and beryllium production, as well as continued low metal prices. In descending order of value, base metals produced in Utah were: copper, magnesium, molybdenum, and beryllium. These metals were produced by Kennecott Utah Copper Company (copper and molybdenum) from one mine in Salt Lake County, by Brush Resources, Inc. (beryllium) from two mines in Juab County, and by U.S. Magnesium LLC (magnesium) from its electrolytic facility, using brines from the Great Salt Lake. The facility is located at Rowley in Tooele County.

Industrial Minerals. Industrial-minerals production (including sand and gravel) valued at approximately $560 million was the second-largest contributor to the value of minerals produced in 2002, and accounted for approximately 32% of the total value of minerals produced. In comparison to the relatively few Large Mines (6) and facilities that produce base and precious metals, there are about 72 active Large Mines and brine-processing facilities that produce a myriad of industrial-mineral commodities and products. The above number of mines does not include the numerous sand and gravel operations that are spread throughout every county in the state. The estimated value of industrial minerals increased approximately $22 million (4%) compared to 2001, due primarily to increased values of Portland cement, construction sand and gravel, and phosphate. Overall, most commodity prices were stable, while some commodity prices actually increased during the year.

The five most important commodities or groups of commodities produced, in descending order of value, were: (1) construction sand and gravel, crushed stone, and silica; (2) salines, including salt, potash (potassium chloride), sulfate of potash, and magnesium chloride; (3) Portland cement; (4) lime, including quicklime and hydrated lime; and (5) phosphate. Together, these commodities contributed nearly 90% of the total value of industrial minerals produced in Utah.

Coal. Approximately 24.7 million tons of high-Btu, low-sulfur coal valued at $420 million were produced from 11 mines located in Carbon, Emery, and Sevier Counties in 2002. Coal production was the third-largest contributor to the value of minerals produced in 2002, and accounted for 24% of the total value of minerals produced. The value of coal produced decreased about $60 million (13%) in 2002, due to a moderate decrease in production coupled with lower average coal prices.

Precious Metals. Precious metals valued at $173 million were produced from three Large Mines in 2002 and accounted for approximately 10% of the total value of minerals produced. The value of precious metal production was attributable to gold (91%) and silver (9%). Precious metal values decreased approximately $67 million (28%) compared to 2001, due to substantial decreases in the production of both gold and silver. The three main producers of precious metals were Kennecott's Bingham Canyon mine, which recovers both silver and gold as byproducts; Kennecott's Barneys Canyon mine, which is a primary gold producer; and Chief Gold Mine's Trixie mine, which produces a

small amount of gold and silver. The Bingham Canyon and Barneys Canyon mines are located in western Salt Lake County, and the Trixie mine is located in southwestern Utah County near the town of Eureka. The Barneys Canyon mine is in its final stage of heap-leach operation and will end gold production in the next two to three years.

Active Mines and New Mine Permits. Eighty Large Mines and 110 Small Mines reported production in 2001. The Large Mines, grouped by industry segment were: industrial minerals (60); coal (13); base metals (4); precious metals (2); and gems, fossils, geodes, and other (1). The Small Mines were grouped as follows: precious metals (11); industrial minerals (85); and gemstones, fossils, geodes, and other (14). We estimate that 89 Large Mines (excluding sand and gravel) will report production in 2002.

Through mid-November 2002, the Utah Division of Oil, Gas and Mining received five new Large Mine permit applications (five acres and larger disturbance) and 20 new Small Mine permit applications (less than five acres disturbance). All except one of the Large Mine applications were made to change from Small Mine to Large Mine permit status. These numbers represent a decrease of one Large Mine permit application and 12 Small Mine permit applications compared to 2001. New Large Mine permits included four industrial mineral operations and one base metal operation. New Small Mine permits were grouped as follows: industrial minerals (16); base metals (2); and gems, fossils, geodes, and other (2).

Nonfuel Mineral Production Trends. According to unpublished preliminary data from the U.S. Geological Survey, the value of Utah's nonfuel mineral production in 2001 was $1.35 billion, a decrease of 6% compared to 2000. Nationally, Utah ranked 9th in the value of nonfuel mineral production and accounted for approximately 3.5% of the U.S. total in 2001. Between 1990 and 2001, the value of nonfuel mineral production in Utah ranged from a low of $1.18 billion in 1991, to a high of $1.85 billion in 1995. The Utah Geological Survey's estimate for the value of nonfuel mineral production for 2002 is $1.35 billion, $125 million, or 9% less than its estimate for 2001.

The number of exploration permits issued is expected to be lower in 2002 than in 2001. Only 10 Notices of Intent (NOI) to explore on public lands were filed with the Utah Division of Oil, Gas and Mining through mid-November 2002, compared to 14 for all of 2001, and 15 for 2000. The 2002 NOIs were grouped as: industrial minerals (3), precious metals (4), and base metals (3).

2003 Outlook

The value of mineral production in Utah is expected to decrease again in 2003. Operator surveys indicate that in 2003, overall base metal values will be slightly higher while precious metal values will be substantially lower. A modest increase in metal prices is forecast for the year, but decreased production of several metals will reduce overall values. The opening of one or two small base metal mines in the next two to three years will add incrementally to the state's base-metal values. Precious metal production will be substantially lower in 2003 due to decreased production from Kennecott's Bingham Canyon and Barneys Canyon mines. Industrial-mineral values will also be lower, with lower regional demand for sand, as well as gravel and crushed stone. The production of cement and lime products is expected to remain nearly the same as the current year. Coal production and prices are expected to remain flat in 2003. Low base metal and precious metal prices will continue to depress exploration for these metals for the foreseeable future.

Significant Issues Affecting Utah's Mining Industry

Significant regulatory issues that affect the long-term viability of Utah's mineral industry are the decreased availability of public lands open for mineral exploration and development, and state and federal regulations that cause difficulties and delays in obtaining required permits. The negative public perception of the mining industry also dampens industry's willingness to develop new resources.

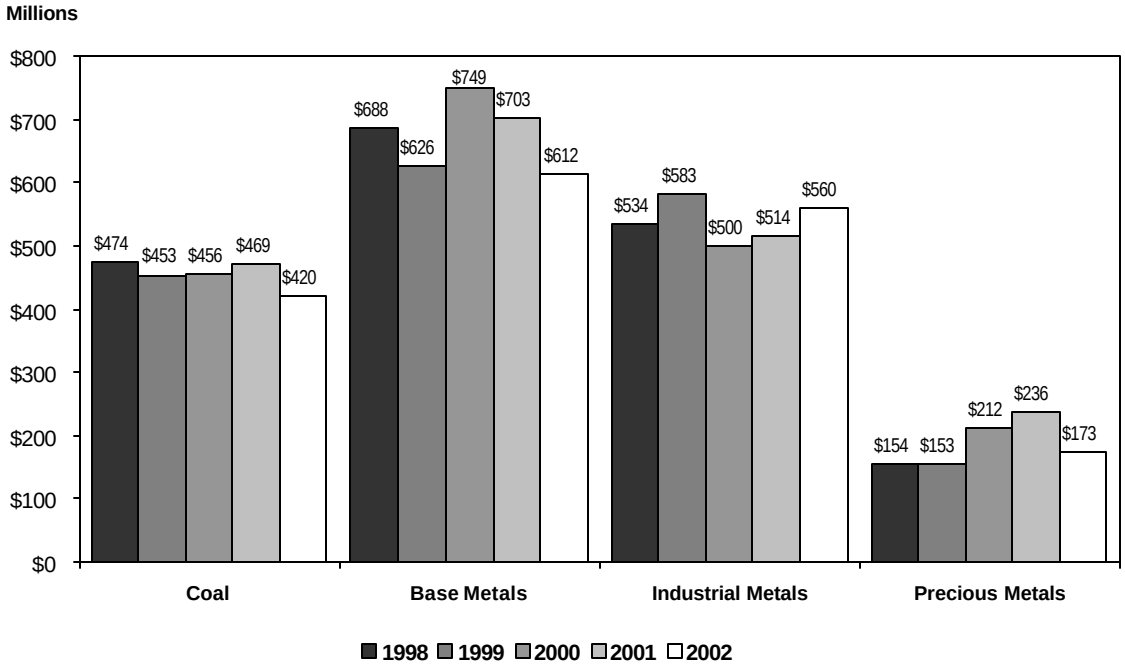
Conclusion

Utah's mineral industry continues to decline primarily due to reduced base metal and precious metal production, continued low metal prices, and a moderate slowdown in coal production coupled with lower coal prices. In contrast, industrial mineral values were higher in 2002, buoyed by increased demand for Portland cement, construction sand and gravel, and phosphate. However, these increased values were not enough to overcome declining values in the other segments of Utah's mineral industry.

Overall, the outlook for 2003 is another year of moderately lower mineral valuation. Industrial-mineral values should remain about the same in 2003, although an anticipated slowdown in the production of several commodities might affect overall values. Coal production and prices will remain nearly the same.

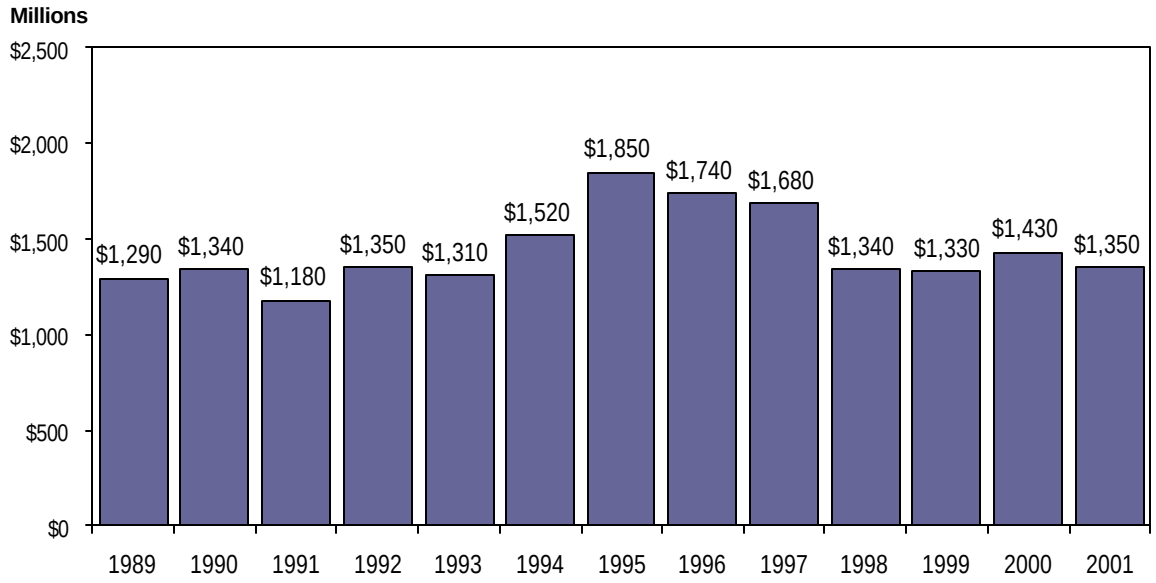
The number of producing Large Mines increased this year, which increased the state's mineral production base. However, the overall level of mineral exploration continued to decline. Utah, which ranked ninth in the nation in the value of nonfuel mineral production, and 12th in coal production in 2001, could fall in rankings in 2002 and 2003. Significant issues that affect the long-term viability of Utah's mineral industry are the limited availability of public lands open for mineral exploration, the difficulty in acquiring permits due to increased regulations, and the negative public perception of the mining industry.

Figure 60
Mineral Valuation -- Gross Value Estimates



Source: Utah Geological Survey

Figure 61
Value of Nonfuel Minerals



Source: U.S. Geological Survey

Table 75
Supply and Disposition of Crude Oil in Utah (Thousand Barrels)

	Supply				Disposition			
Year	Field Production	Colorado Imports	Wyoming Imports	Canadian Imports	Utah Crude Exports	Refinery Receipts	Refinery Inputs	Refinery Stocks
1980	24,979	15,846	12,233	-	8,232	45,516	45,599	665
1981	24,309	14,931	11,724	-	7,866	43,700	42,673	762
1982	23,595	13,911	12,033	-	7,826	41,246	40,368	614
1983	31,045	14,696	7,283	-	8,316	43,615	43,185	632
1984	38,054	13,045	6,195	-	13,616	43,672	43,746	607
1985	41,144	13,107	6,827	-	14,597	45,549	45,021	695
1986	39,245	12,567	7,574	-	15,721	45,132	45,034	559
1987	35,835	13,246	7,454	-	12,137	45,664	44,483	612
1988	33,350	12,783	14,739	-	8,411	48,882	47,618	599
1989	28,512	13,861	18,380	-	6,179	46,775	46,767	609
1990	27,693	14,494	18,844	-	7,725	49,104	48,985	728
1991	25,930	14,423	20,113	-	8,961	48,647	48,852	513
1992	24,075	13,262	21,949	-	6,901	50,079	49,776	645
1993	21,819	11,575	22,279	-	7,758	48,554	48,307	691
1994	20,661	10,480	26,227	-	8,048	48,802	48,506	767
1995	19,988	9,929	24,916	-	7,861	46,695	46,666	767
1996	19,504	9,857	24,905	175	7,713	46,126	45,766	590
1997	19,585	8,565	28,191	525	7,819	48,492	48,486	654
1998	19,198	8,161	28,414	2,200	7,785	49,539	49,023	702
1999	16,255	7,335	28,461	6,400	7,180	49,861	49,870	720
2000	15,635	7,302	25,332	7,948	6,786	49,275	49,178	604
2001	15,265	7,078	26,515	8,505	6,718	49,942	49,686	555
2002 (e)	14,100	6,950	26,780	9,208	6,651	49,713	49,599	560

e = estimate

Source: Utah Energy Office

Table 76
Supply and Disposition of Petroleum Products in Utah (Thousand Barrels)

	Supply			Consumption by Product					
Year	Refined in Utah	Imports	Refinery Stocks	Motor Gasoline	Jet Fuel	Distillate Fuel	All Other	Total	Exports
1980	40,340	7,474	2,237	15,534	2,637	8,401	9,542	36,113	22,136
1981	46,994	8,755	2,137	15,549	2,424	7,098	5,839	30,910	23,630
1982	43,824	10,339	2,209	15,793	2,801	6,438	5,683	30,715	22,119
1983	52,019	8,099	1,851	15,954	3,284	6,387	6,796	32,421	25,298
1984	47,968	10,057	1,982	16,151	3,413	6,894	6,516	32,974	24,121
1985	51,276	9,392	1,915	16,240	3,808	5,941	6,122	32,111	23,365
1986	51,822	8,026	1,863	17,541	4,335	7,312	5,720	34,907	19,983
1987	52,345	8,321	1,581	17,623	4,969	6,768	6,247	35,607	20,719
1988	55,742	8,616	1,808	18,148	4,977	7,328	5,965	36,418	23,327
1989	54,384	9,375	2,190	17,311	5,095	6,179	6,603	35,188	22,326
1990	57,349	11,998	1,733	16,724	5,281	7,339	5,920	35,264	24,969
1991	57,446	11,359	1,823	17,395	5,917	7,789	6,584	37,685	26,544
1992	57,388	10,534	1,619	17,905	5,607	8,062	5,729	37,303	25,642
1993	57,597	10,707	1,692	18,837	5,518	8,000	5,649	38,004	23,691
1994	59,458	11,555	2,153	19,433	5,270	8,401	5,925	39,028	25,265
1995	57,363	12,289	2,015	20,771	5,658	9,164	6,824	42,417	24,205
1996	58,852	12,692	1,724	21,170	6,303	9,921	8,412	45,806	24,561
1997	59,849	12,949	1,505	22,024	6,277	11,260	6,252	45,813	26,248
1998	61,424	12,842	1,655	22,735	6,373	11,191	5,946	46,245	26,527
1999	62,744	14,509	1,687	23,141	7,443	10,576	6,441	47,601	26,756
2000	58,030	14,568	1,568	23,558	7,517	11,663	6,796	48,553	26,861
2001	59,190	15,764	1,537	23,982	7,593	11,004	7,055	49,524	27,666
2002 (e)	60,038	17,135	1,528	24,365	7,752	10,905	6,754	49,776	28,025

e = estimate

Source: Utah Energy Office

Table 77
Supply and Disposition of Natural Gas in Utah (Million Cubic Feet)

	Supply			Consumption by End Use						
Year	Gross Production	Marketed Production	Actual Sales	Residential	Commercial	Industrial	Electric Utilities	Lease & Plant	Pipeline	Total
1980	87,766	47,857	na	40,578	17,391	43,545	5,133	7,594	851	115,092
1981	90,936	58,865	na	38,592	16,540	42,779	3,087	511	721	102,230
1982	100,628	56,368	na	47,452	20,336	39,804	3,023	5,965	1,126	117,706
1983	96,933	54,700	na	44,047	18,877	40,246	1,259	4,538	1,218	110,185
1984	183,062	73,154	na	44,246	18,962	42,709	271	8,375	1,015	115,578
1985	208,803	78,906	na	47,062	20,170	37,448	235	9,001	1,201	115,117
1986	239,411	91,036	na	13,603	18,687	28,264	230	13,289	1,102	75,175
1987	262,045	96,360	na	41,536	14,811	23,884	263	17,671	822	98,987
1988	278,463	101,925	na	42,241	17,911	30,365	196	16,889	1,362	108,964
1989	278,081	120,089	na	45,168	16,522	33,963	636	16,211	1,037	113,537
1990	319,632	145,875	63,336	43,424	16,220	35,502	907	19,719	875	116,648
1991	323,660	144,817	65,288	50,572	19,276	43,120	5,190	13,738	864	132,766
1992	314,275	171,293	94,725	44,701	16,584	40,878	6,576	12,611	1,284	122,649
1993	336,183	225,401	137,864	51,779	22,588	42,301	6,305	12,526	2,513	138,044
1994	347,019	270,858	160,967	48,922	26,501	36,618	8,900	13,273	2,807	137,073
1995	303,233	241,290	164,059	48,975	26,825	42,373	8,707	27,012	2,831	156,824
1996	281,208	250,767	179,943	54,344	29,543	42,213	3,428	27,119	3,601	160,371
1997	274,920	257,139	183,427	58,108	31,129	44,162	4,078	24,619	2,935	165,159
1998	297,265	277,340	201,416	56,843	30,955	45,501	5,945	27,466	2,788	169,634
1999	276,967	262,614	205,036	55,474	30,361	40,859	6,481	23,810	2,561	159,675
2000	281,177	269,285	227,700	55,626	31,282	39,378	10,544	24,670	2,674	164,319
2001	302,706	284,431	251,800	55,331	31,206	33,858	15,155	25,558	2,792	163,900
2002 (e)	309,951	282,736	250,000	61,795	36,334	28,015	8,886	26,478	2,914	164,423

e = estimate
na = not available

Source: Utah Energy Office

Table 78
Supply and Disposition of Electricity in Utah (Gigawatthours)

	Net Generation by Fuel Type					Consumption by End Use				
Year	Coal	Other Fossil Fuels	Hydro	Other	Total	Residential	Commercial	Industrial	Other	Total
1980	10,870	421	823	-	12,114	3,293	3,569	3,800	512	11,174
1981	10,869	270	623	-	11,762	3,476	3,909	3,930	530	11,845
1982	10,635	232	1,024	-	11,891	3,630	3,033	4,610	745	12,018
1983	10,921	109	1,394	-	12,424	3,678	3,375	4,786	769	12,608
1984	12,321	38	1,391	38	13,788	3,825	3,935	4,656	950	13,366
1985	14,229	54	1,019	109	15,411	3,996	4,272	4,663	658	13,589
1986	15,155	80	1,413	171	16,819	3,984	4,262	4,583	662	13,491
1987	25,221	105	856	164	26,346	3,991	4,127	4,570	784	13,472
1988	28,806	64	593	174	29,637	4,186	4,356	5,259	765	14,566
1989	29,676	85	562	173	30,496	4,134	4,365	5,622	782	14,902
1990	31,519	103	486	152	32,260	4,188	4,713	5,553	772	15,225
1991	28,884	484	604	186	30,160	4,458	5,009	5,674	722	15,862
1992	31,543	612	580	186	32,921	4,458	5,170	6,085	668	16,381
1993	31,919	575	818	148	33,461	4,687	5,130	6,093	921	16,831
1994	32,764	780	716	195	34,455	5,031	5,561	6,322	945	17,860
1995	30,260	775	926	140	32,101	5,056	5,503	7,018	781	18,358
1996	30,693	324	1,019	192	32,229	5,481	5,911	7,660	860	19,858
1997	32,144	326	1,331	169	33,969	5,660	6,462	7,430	820	20,373
1998	33,207	494	1,299	160	35,161	5,756	6,709	7,511	724	20,700
1999	34,125	544	1,247	156	36,071	6,236	7,282	7,568	792	21,879
2000	34,046	888	742	160	35,828	6,467	7,934	7,880	869	23,151
2001	33,204	1,157	490	153	35,005	6,757	8,243	7,347	941	23,288
2002 (e)	33,639	799	535	180	35,151	7,083	8,304	6,850	1,022	23,259

e = estimate

Source: Utah Energy Office

Table 79

Energy Prices in Utah (Current Dollars)

	Field Price			Average End-Use Price									
Year	Coal ($/tons)	Crude Oil ($/barrel)	Natural Gas ($/mcf)	Coal ($/tons)	No. 2 Distillate ($/gallons)	Motor Fuel ($/gallons)	Natural Gas Residential ($/mcf)	Natural Gas Commercial ($/mcf)	Natural Gas Industrial ($/mcf)	Electric Power Residential (c/kWh)	Electric Power Commercial (c/kWh)	Electric Power Industrial (c/kWh)	Electric Power Industrial (c/kWh)
1980	$25.63	$19.79	$1.86	$29.63	$0.91	$1.23	$2.74	$5.59	$2.26	5.5	4.3	3.3	4.4
1981	26.87	34.14	1.87	32.79	1.04	1.37	3.23	5.35	2.58	6.0	5.0	3.7	4.9
1982	29.42	30.50	2.47	33.38	1.01	1.35	3.41	3.43	2.45	6.3	5.7	4.2	5.4
1983	28.32	28.12	2.56	30.64	0.96	1.13	4.26	4.32	3.15	6.9	6.3	4.4	5.8
1984	29.20	27.21	3.16	30.64	0.95	1.12	5.68	4.96	3.52	7.4	6.5	4.6	6.2
1985	27.69	23.98	3.23	32.34	0.93	1.14	4.86	4.91	3.23	7.8	6.9	5.0	6.5
1986	27.64	13.33	2.90	32.32	0.78	0.85	4.64	4.73	3.00	8.0	7.1	5.2	6.7
1987	25.67	17.22	1.80	30.95	0.83	0.93	4.97	4.98	3.20	8.0	7.1	4.9	6.6
1988	22.85	14.24	1.70	29.50	0.84	0.96	5.11	4.08	3.10	7.8	7.0	4.6	6.5
1989	22.00	18.63	1.61	28.05	0.94	1.03	5.14	4.16	3.30	7.4	6.7	4.1	6.1
1990	21.78	22.61	1.70	26.80	1.12	1.14	5.28	4.30	3.62	7.1	6.3	3.9	5.7
1991	21.56	19.99	1.54	27.40	1.02	1.10	5.44	4.50	3.69	7.1	6.1	4.0	5.7
1992	21.83	19.39	1.63	27.54	1.01	1.12	5.44	4.40	3.91	7.0	6.0	3.7	5.6
1993	21.17	17.48	1.85	27.34	1.00	1.10	5.13	4.06	3.67	6.9	6.0	3.8	5.5
1994	20.07	16.38	1.53	26.10	0.98	1.12	4.96	3.84	2.74	6.9	5.9	3.8	5.5
1995	19.11	17.71	1.14	25.27	1.00	1.14	4.74	3.64	2.34	6.9	6.0	3.9	5.6
1996	18.50	21.10	1.39	24.50	1.06	1.20	4.47	3.38	2.10	6.9	5.9	3.7	5.5
1997	18.34	18.57	1.85	25.33	1.10	1.25	5.13	3.91	2.55	6.9	5.7	3.5	5.4
1998	17.83	12.53	1.73	25.45	1.05	1.09	5.57	4.34	3.00	6.8	5.7	3.4	5.3
1999	17.36	17.69	1.92	25.15	1.19	1.29	5.37	4.12	2.94	6.2	5.1	3.3	4.9
2000	16.93	28.51	3.28	24.63	1.40	1.50	6.20	4.92	3.93	6.2	5.1	3.3	4.9
2001	17.54	23.50	3.66	27.30	1.25	1.20	8.08	6.79	5.28	6.7	5.5	3.6	5.2
2002 (e)	17.00	25.00	2.00	23.36	1.35	1.40	6.30	5.17	4.45	6.6	5.5	3.8	5.3

e = estimate

Source: Utah Energy Office

High Technology

Overview

The downturn in Utah's high technology sector that began in 2001 gained momentum in 2002. For the first six months of 2002, employment in Utah's technology sector declined by 8.8%, representing a net loss of nearly 5,000 jobs. Companies that manufacture computers and peripheral products and those that design computer systems experienced the largest employment drop in absolute numbers with a combined job loss of almost 3,200 workers. Only two industries -- medical equipment and supplies, and scientific research and development services -- reported positive job growth.

What is High Technology?

The high technology sector has long been a topic of discussion partly because it is viewed as an engine of growth. However, the high technology sector has no universally accepted definition. The definition developed by the Bureau of Economic Business and Research (BEBR) is a combination of basic research at the individual firm level and use of pre-existing data collected by the National Science Foundation (NSF). Inclusion in the high-tech sector requires that an industry be conducting research and development (R&D) at a rate higher than the average for all industries (1.5 times average) and employ a larger share of its workers in science and engineering activities than the rate for all industries (1.5 times average). Based on NSF data, the ratio of R&D spending as a percentage of total sales for all industries in 2000 was 3.4%. The ratio of R&D scientists and engineers as a percentage of all workers for all industries as of January 2001 was 5.9%. Therefore, to be included in BEBR's high-tech sector, an industry must spend, as a percentage of sales, 5.1% on R&D and classify 8.8% of its workers as scientists and engineers.[1]

The second step in defining Utah's high-tech sector utilizes basic research at the individual firm level. Data collected by BEBR through surveys show that some firms in Utah undertake a significant amount of R&D, but are classified in industries that do not meet the criteria outlined above. Data on these companies are included in the category "other". Likewise, at the national level, some industries that spend heavily on R&D and employ large numbers of scientists and engineers, are not included in Utah's high-tech sector. The most notable example of this is Utah's drug and pharmaceutical industry which is comprised primarily of companies that encapsulate herbal supplements.

The data presented here are not strictly comparable with data presented in earlier years due to the reclassification of all industries from Standard Industrial Classification codes (SIC) to the North American Industry Classification System (NAICS).

2002 Summary

Of the 1.1 million jobs in the State of Utah, about 51,000 (or 4.6%) are in the high technology sector. Included in the total are workers in both high-tech manufacturing (computer and peripheral equipment, communication equipment, semiconductor and electronic components, navigational equipment, and medical equipment and supplies) and high-tech services (software development, internet publishing and broadcasting, internet service providers, engineering services, testing laboratories and companies conducting research and development in the physical, engineering and life sciences).

[1] National Science Foundation, Division of Science Resources Statistics, Survey of Industrial Research and Development: 2000; Early Release Tables.

Notably absent from Utah's high-tech list is the drug industry and the aerospace industry (including aircraft parts and guided missiles). Utah's drug industry is comprised primarily of companies that encapsulate herbal supplements. These companies do not have sufficiently large Research and Development (R&D), nor do they employ the requisite number of scientists or engineers to be included in the high-tech sector. Companies that are primarily engaged in medical research are included in the NAICS sector "R&D in physical, engineering, and life sciences". Those companies that are involved in the research and development of drugs have been included in the category "other".

Aerospace has been excluded for similar reasons. In the past, this sector heavily invested in its research and development. However, federal spending for defense-related R&D has been declining and has not been replaced by industry-sponsored research. As a percentage of sales, R&D spending in the Aerospace industry in 2000 was 7.3%, down from 9.3% in 1998. Currently, the ratio of R&D spending to sales in Utah's aerospace industry is less than 1.0% as most of the local manufacturing utilizes "off-the-shelf" technology that was developed during the 1980s. Therefore, Utah's Aerospace industry is no longer included in the high-tech sector, although the industry still employs a large number of scientists and engineers.

Utah's high technology sector is concentrated in only a few industry segments; computer systems design services (21.5%), medical equipment manufacturing (12.4%), and software development (9.7%).

The largest high-tech industry in the state, as measured by employment, is computer systems design services, which accounts for 21.5% of the state's high-tech workers (almost 11,000 people). This industry includes companies that provide expertise in the field of information technologies (firms that test and support software to meet the needs of particular clients), design software systems, and provide on-site management and operation of computer systems. This industry does not include companies that design and manufacture computers and peripheral equipment.

The national economic downturn combined with the dot.com bust has taken a large toll on companies that provide computer systems design services. This segment of Utah's high-tech sector has lost 2,174 jobs locally since 2000. Perhaps the biggest disappointment in this industry has been the rise and fall of TenFold Corp., a company known for its technology used by other companies to develop large scale software applications. Once considered one of Utah's high-tech success stories, TenFold is in the process of restructuring its debt. If unsuccessful, the company could be forced into bankruptcy early next year. In 1999, TenFold employed about 535 workers in Utah. At the present time, TenFold employs fewer than 100 people. Other companies in this industry that announced layoffs in 2002 include Fonix and Caldera/SCO Group.

Although many of the more established companies in Utah's high-tech sector are struggling, there are many up-and-coming companies developing cutting edge technologies that could help strengthen and expand the state's high-tech sector. Furthermore, Utah has experienced some success in marketing itself as a top-tier technology state attracting two new technology companies: Siebel Systems, which plans to locate a 30,000 square foot enterprise data center employing nearly 500 Utahns

by 2005; and Cadence Design Systems, which will provide 300 high-tech jobs over the next few years.

Closely aligned with the design services industry is software development. Companies that develop and publish software are also casualties of the sluggish economy and victims of an industry that is increasingly dominated by a handful of very large players. Over the past two years, employment at software development companies in Utah has dropped by more than 900 workers (from 5,819 workers in 2000 to 4,898 workers as of mid-year 2002). The largest company in this industry is Provo-based Novell Inc., a computer networking software and consulting company. Once the leading network software maker in the U.S., Novell has struggled to maintain its position but lost significant market share to MicroSoft in the late 1990s. Seeking to broaden its product base, Novell acquired Cambridge Technology Partners (an eSolutions consulting company) in 2001 and more recently acquired SilverStream Software, an internet services-oriented applications development company located in Massachusetts. Novell currently employs about 6,000 worldwide, and 2,000 workers in Utah.

Medical equipment manufacturing is one of only two high-tech industries that reported positive growth during the first half of 2002. This industry has long been an important component of Utah's high-tech sector with such stalwarts as Utah Medical Equipment, Abbott Labs and Becton Dickinson. Growth in this industry has helped offset layoffs in other high-tech industries. For example, Fresenius USA, manufacturer of kidney dialysis products, last year hired manufacturing and administrative employees who were laid off from Autoliv and Iomega. Fresenius employs roughly 1,000 workers.

Other high-tech companies that have not fared well include Evans & Sutherland (E&S), Intel, Iomega, and Autoliv. Since September 2001, E&S has sustained three major staff reductions. The latest will reduce employment at the Utah headquarters by 100 workers, bringing the Utah-based employment total to 500, a decline of almost 30% from its total Utah-based workforce six years ago.

Iomega, once a star of Utah's high-tech sector, early on developed ZIP data storage products for personal computers. As PC drives became bigger, consumer demand for the company's products declined. Last year, Iomega undertook a major restructuring that moved the company's headquarters from Roy, Utah to San Diego and shifted virtually all manufacturing from the Roy facility to Penang, Malaysia. Over the past four years, Iomega has laid off roughly 1,200 workers. Currently, the company employs fewer than 700 people in Utah.

One of Utah's largest private employers -- Autoliv, Inc. -- has also cut its Utah labor force over the past two years. During 2001, Autoliv pared its work force by 860 with the relocation of its Ogden air bag cushion production operation to Mexico and closure of its air bag component manufacturing operations in North Ogden. The company currently employs about 4,500 workers in Utah, a 35% decrease from its peak of roughly 7,000 workers five years ago.

Conclusion

Utah's high-tech sector performed well throughout most of the year 2000. However, economic downturns, which began in the latter half of 2001 have worsened in 2002. When averaged, high-tech employment appears more stable than is actually the case. A month-by-month analysis shows that the level of employment decline in high-tech is accelerating.

In addition to the economic factors, there are other issues affecting the overall stability and vitality of the state's technology sector. For example, with very few exceptions, Utah has no large corporate headquarters conducting research and development activities in the technology industry. This is a vulnerability. Rather than attracting technology companies, many of Utah's premier high-tech companies have been acquired, bought out or moved beyond Utah's borders. Many of the technology companies that once formed Utah's elite high-tech core are either gone or struggling. Identifying the reasons and implementing solutions, may pose one of Utah's greatest challenges.

Table 80
High Technology Employment Additions and Reductions

High-Tech Employment Additions		High-Tech Employment Reductions	
Fresenius Medical	200	Enterasys	180
HyClone Laboratories	279	Citrix	50
Ingenix	117	Whizbang	50
Siebel Systems	158	Evans & Sutherland	185
SabiOso	50	Fonix	40
Cadence Design Systems	50	NextPage, Inc.	36
		Paradigm Medical	20

Source: Department of Workforce Services

Table 81
Utah's High Technology Sector Employment Trends: 2000-2002

NAICS Sector	Sector Description	Employment 2000	2001	2002	00-02 Net Change
3341	Computer and Peripheral Equipment	3,575	3,181	1,623	(1,952)
3342	Communications Equipment	2,286	2,393	2,375	89
3344	Semiconductor and Electronic Components	4,110	4,215	3,534	(576)
3345	Navigational, Measuring and Electromedical	3,211	3,242	3,132	(79)
3391	Medical Equipment and Supplies	6,210	6,159	6,293	83
5112	Software	5,819	5,348	4,898	(921)
516	Internet Publishing and Broadcasting	1,052	707	566	(486)
5181	Internet Service Providers	3,476	3,276	3,052	(424)
54133	Engineering Services	5,559	5,806	5,591	32
54138	Testing Laboratories	1,182	1,214	1,137	(45)
5415	Computer Systems Design	13,059	12,526	10,885	(2,174)
54171	R&D in Physical Engineering and Life Sci.	2,247	2,740	3,145	898
	Other	5,443	4,741	4,383	(1,060)
	Total	57,229	55,548	50,614	(6,615)

Source: Utah Department of Workforce Services, Annual Labor Market Information Report

Tourism, Travel, and Recreation

Overview

The lingering effects of 9/11, heightened geopolitical tensions, and uncertain economic conditions presented a challenging set of circumstances for the travel industry in 2002. A successful 2002 Olympic Winter Games helped mitigate the negative effects of uncertainty in the marketplace, as it provided much needed growth during the first quater and boosted the state's visibility around the world. The domestic leisure travel segment provided the only source of growth in 2002, as both business travel and international travel suffered declines. Fortunately, the recent addition of Olympic facilities, resort expansions, hotels, and infrastructure improvements have increased the state's tourism capacity and improved its competitive positioning.

2002 Summary

Utah Bucks the National Trend. Despite many challenges, Utah's travel and tourism sector performed admirably in 2002. Following two years of declines, non-resident tourism arrivals to Utah increased slightly in 2002, to 17.5 million. Domestic travelers accounted for all of the increase, as international visitation fell dramatically for the second straight year. Visitation reports indicated increases in vehicle traffic along Utah's interstates and more visitors at national parks and state-operated welcome centers. Hotel occupancies increased to nearly 62% in 2002, marking the first increase in eight years. Despite falling prices nationally, statewide room rates held steady or increased, indicating strong demand and improved performance in the state's lodging sector. Buoyed by huge increases during the Olympics and steady performance through the remainder of the year, hotel room rents posted a strong 10% gain during 2002. The downturn in air travel continued during 2002, with 2% fewer passengers at the Salt Lake International Airport compared to 2001. Drought-induced difficulties at many state parks prompted a 5% decline in state park visitation during the year. As expected, ski resorts reported a 9% decline in skier days as the Olympics kept many skiers away.[1]

In 2001, consumers began retrenching, given the increase in economic uncertainty related to employment, income growth, and the stock market. Reactions to the terrorist events of September 11th prompted further changes in travel behavior. Continued economic uncertainty, combined with the war on terrorism (including Iraq), further entrenched those changes in 2002. The most salient changes in travel behavior include:

- Shorter trips closer to home
- Less air travel and more drive traffic
- Reduced spending
- More interest in making connections - with family, nature, heritage, and culture
- More interest in outdoor recreation activities and travel to rural America
- Shorter planning and booking horizons

Utah was well positioned to benefit from many of the changing travel patterns among domestic leisure visitors. Utah's gains among domestic leisure travelers, combined with the effects of the Olympics and a strong convention year, helped offset declines in business and international travel. Total traveler spending remained flat in 2002, at $4.15 billion. Total state and local taxes generated by travel spending totaled $332 million in 2002, or $475 per Utah household. Strong gains in the hotel and restaurant sectors and increases from regional and discount airlines prompted travel-related employment to increase slightly in 2002. Total travel-related employment twas 130,000 in 2002, accounting for nearly 12% of total Utah nonfarm jobs.

Impact of the 2002 Olympic Winter Games

According to a recent IOC report, "the 2002 Olympic Winter Games are remembered today as a peaceful and safe gathering amidst turbulent times."[2] Salt Lake hosted nearly 2,400 athletes from 77 countries through 16 days of competition. More than 220,000 visitors came from around the world to participate in the Olympic experience. Another 2.1 billion viewers from 160 countries consumed over 13 billion viewer hours. When news and other media coverage are considered, approximately 3 billion people were exposed to Utah, Salt Lake City, and the Olympic movement.

The 2002 Olympic Winter Games provided a much-needed stimulus to Utah's tourism industry during the first quarter of 2002. Like the rest of the country, Utah's tourism sector declined during the last half of 2001, contracting significantly in the last four months of the year. During the third and fourth quarters, taxable sales in Utah's key tourism sectors declined 0.3% and 3.3%, respectively. However, during the first quarter of 2002, Utah tourism bucked the national trend by posting an Olympic-induced 5.4% gain. The significant increase helped Utah's tourism community prevent a decline in traveler spending, and produced an increase in tourism-related jobs. Hotel and restaurant spending led the way, offsetting declines in transportation and auto rentals.[3] Statewide hotel occupancies, which had declined for six consecutive months prior to the 2002 Olympic Winter Games, began increasing in the lead up to the event and jumped nearly 19% in February. Even after the event, statewide occupancies remained above 2001 levels.

The effect of the 2002 Olympic Winter Games was not limited to the hotel sector. During the first few months of the year, visitation to national and state parks, stateline vehicle traffic, and visitors to state operated welcome centers all increased. Partially offsetting these gains were anticipated declines in airport passengers and skier days.

Despite the significant gains for the state's tourism industry during the Olympic period, research indicates that part of the 2002 Olympic Winter Games legacy may be in increased tourism opportunities in the future. A survey among U.S. residents shortly after the conclusion of the event identified the following changes in Utah's domestic image:[4]

1) Utah's image improved slightly as a result of the 2002 Olympic Winter Games;
2) 7.1 million more adults say they are likely to vacation in Utah than before the Games;
3) Utah is more recognized today for its scenic beauty, mountains, winter sports, ski resorts, cleanliness, and friendly people after exposure through the Games; and
4) Utah's high quality workforce is more recognized by executives around the country following the Games.

[1] Visitation reports collected from Salt Lake City Department of Airports, National Park Service, Utah Division of Travel Development, Utah Division of State Parks, Utah Department of Transportation, Ski Utah and the Rocky Mountain Lodging Report.

[2] *Salt Lake 2002 Marketing Report*, IOC, November 2002.

[3] Utah State Tax Commission, tourism sectors include: Transportation, Eating & Drinking, Auto Rentals, Hotels & Lodging, Amusement & Recreation.

[4] *Measuring the Impact of the Olympic Winter Games on Utah's Image*, Wirthlin Worldwide, Spring 2002.

Because of the depth of the 2002 Olympic Winter Games exposure, similar image and awareness improvements are expected in key markets in Western Europe, North America, and Asia. Despite the increased visibility of Utah among consumers, three major factors influence the effect of the Olympics on future travelers: 1) increased geopolitical tensions; 2) continued economic uncertainty; and 3) ongoing memory decay (Utah's Olympic memory is expected to last only until the torch is lit for the 2004 Games).

Utah has already enjoyed tremendous gains from the event. In addition to the immediate economic impact of planning and hosting the 2002 Olympic WinterGames, Utah's citizens will benefit from the legacy of sport facilities, transportation infrastructure, additional hotel capacity, and resort improvements. Added benefits that are often overlooked are the intangible elements of civic pride, cultural development, and the impact of community outreach programs. Overall, hundreds of thousands of Utah residents joined millions worldwide in experiencing the emotion and excitement of the 2002 Olympic Winter Games. Through increased tourism and business opportunities, this international event will continue to positively impact Utah's economy.[5]

[5] For more information on the economic impacts of planning and hosting the 2002 Olympic Witer Games, consult *2002 Olympic Winter Games: Economic, Demographic & Fiscal Impacts*, GOPB, November 2001.

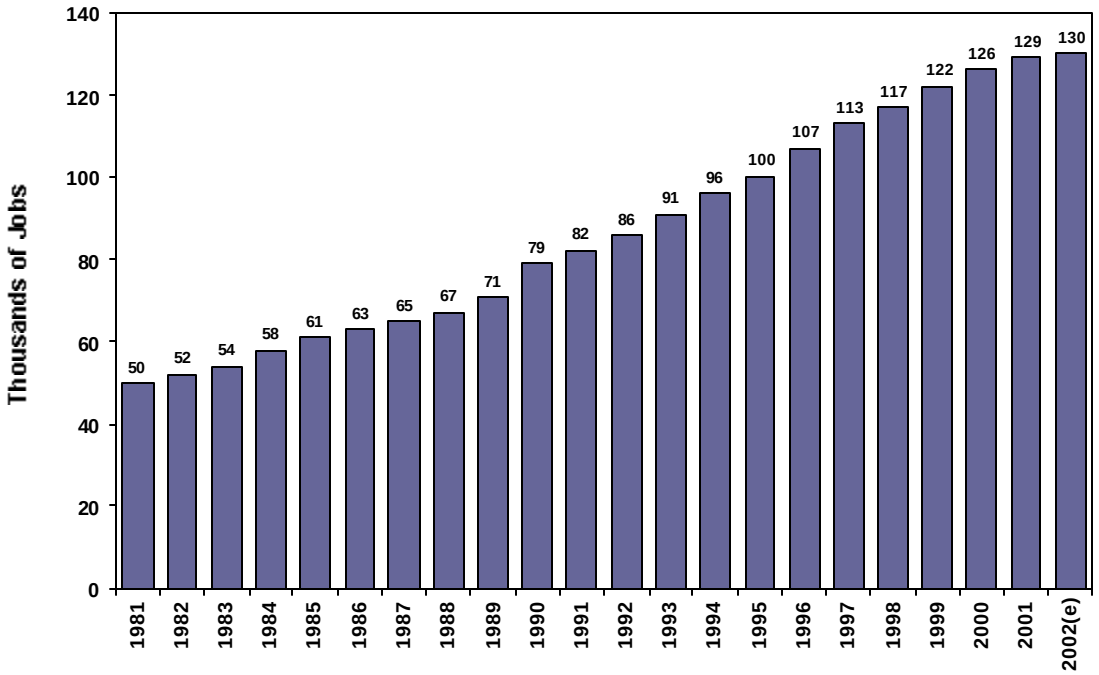
2003 Outlook - Cautious Optimism

There is an unusual amount of uncertainty regarding this year's outlook. Factors such as the economy, consumer confidence, the stock market, shifting travel preferences, and the possibility of war with Iraq all cloud the outlook for 2003. Adding further uncertainty is the magnitude and timing of future visitation increases as a result of the Olympic exposure from the 2002 Olympic Winter Games. Nonetheless, Utah tourism is expected to increase in 2003. Olympic-induced awareness gains combined with product improvements, improving economic conditions, and regional population increases should stimulate growth in Utah's tourism industry during the next several years.

Competition among nearby destinations for the local and regional markets will continue to intensify, as marketers re-focus their priorities towards close-to-home markets and quick getaways. With the notable exception of North America and the United Kingdom, foreign visitation will likely remain weak during the year as sluggish economies and unresolved geopolitical tensions continue to act as a deterrent to international travel.

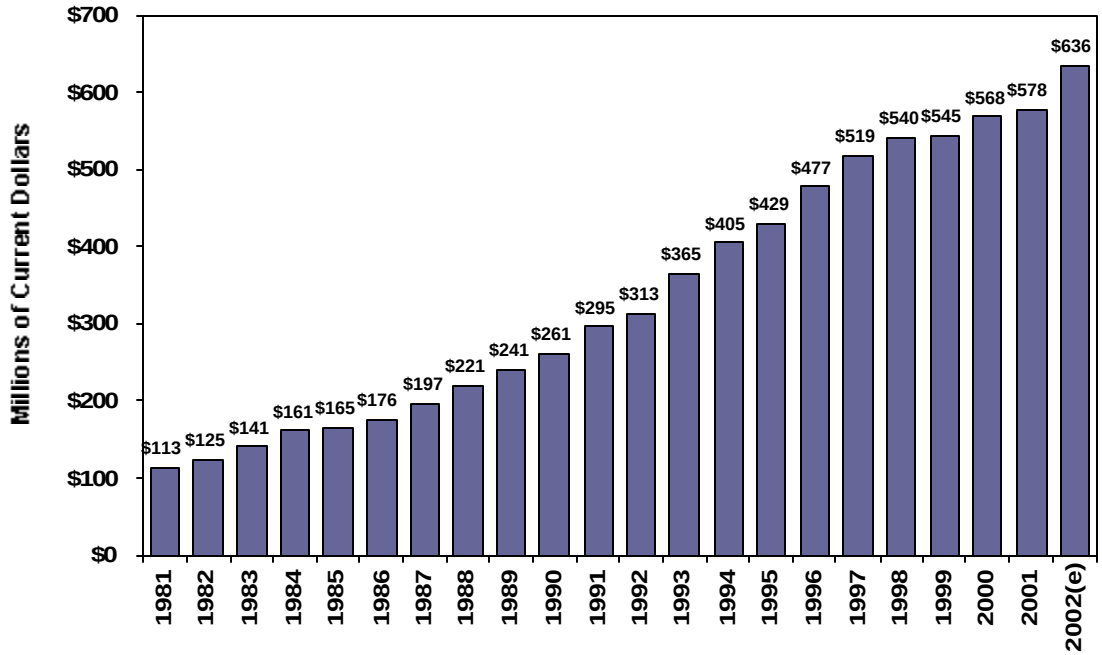
Capital investments in ski resorts, Olympic attractions, hotel construction, and infrastructure development bode well for the future. National trends highlight opportunities in key segments of the travel market including adventure travel, cultural and heritage tourism, nature-based travel, and family travel. Utah is well positioned to attract visitors seeking a higher quality, more unique experience.

Figure 62
Utah Tourism Indicators -- Travel-Related Employment (Thousands of Jobs)



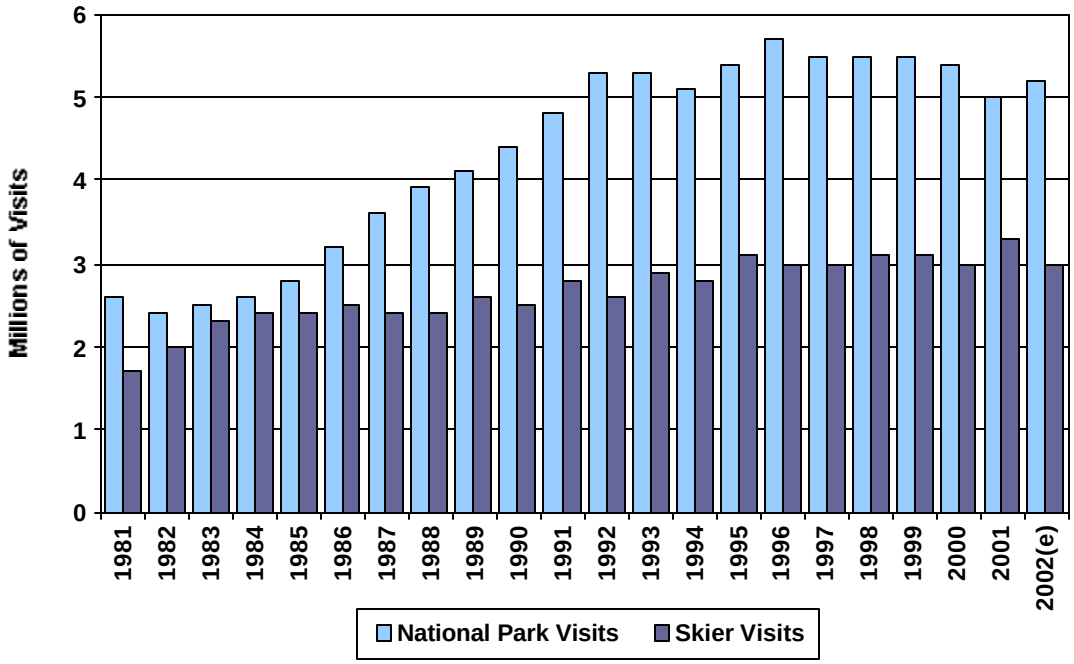
Source: Utah Department of Workforce Services, adapted by the Utah Travel Council

Figure 63
Utah Tourism Indicators -- Hotel Room Rents (Millions of Current Dollars)



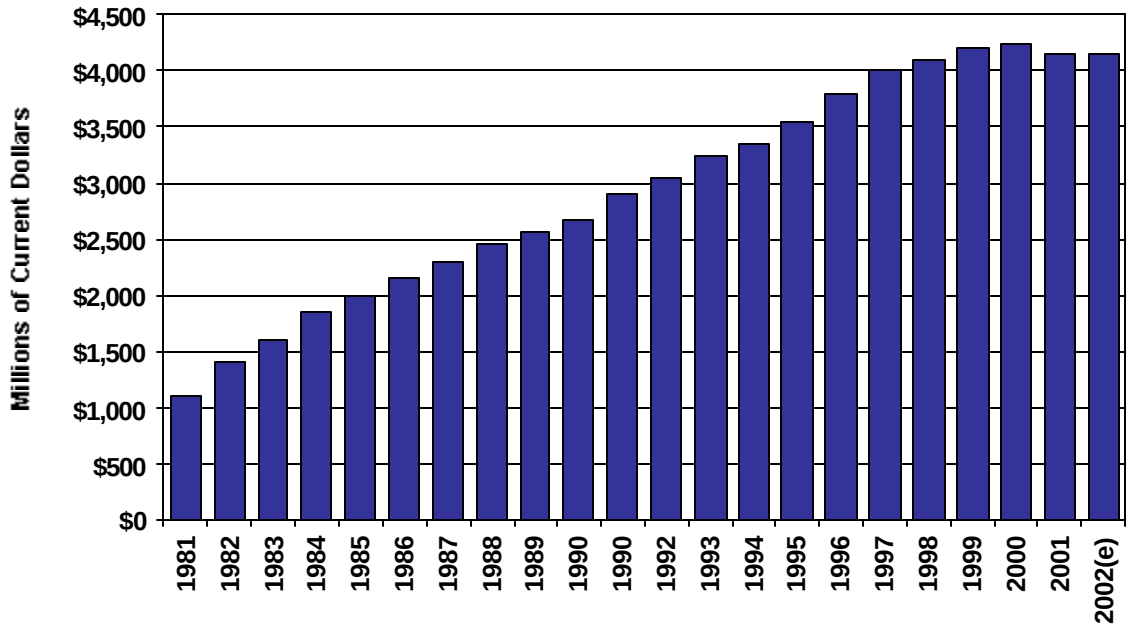
Source: Utah State Tax Commission

Figure 64
Utah Tourism Indicators -- National Park and Skier Visits (Millions of Visits)



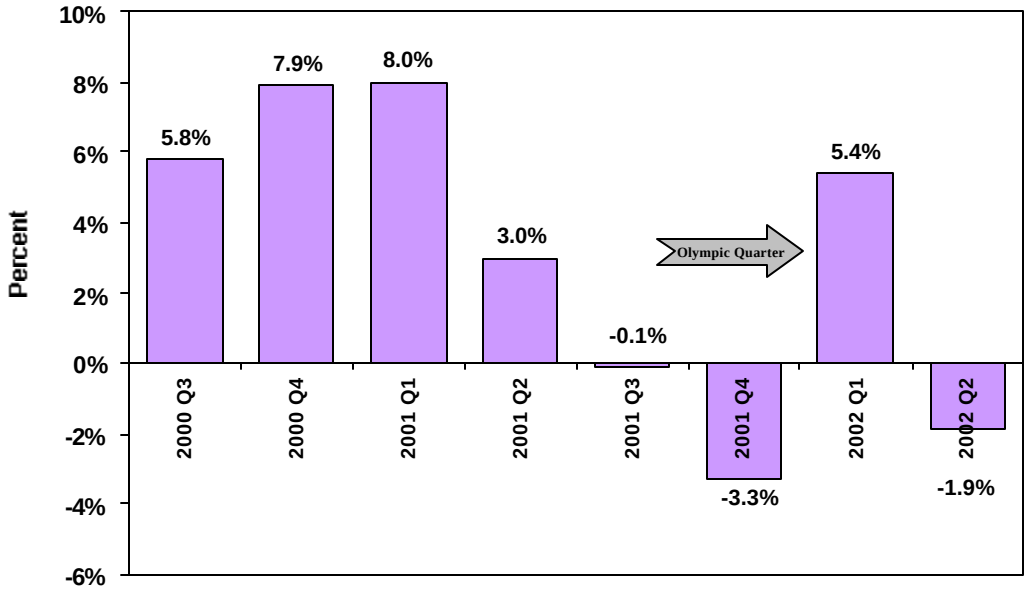
Sources: National Park Service; Ski Utah

Figure 65
Utah Tourism Indicators -- Traveler Spending (Millions of Current Dollars)



Source: Utah Division of Travel Development

Figure 66
Utah Tourism Indicators -- Tourism Sector Taxable Sales, Percent Change: FY 2001 - FY 2002



Source: State Tax Commission

Table 82
Tourism Indicators -- Impacts of the 2002 Olympic Winter Games

ECONOMIC INDICATORS	2001 Q3	2001 Q4	2002 Q1	2002 Q2
Transportation	4%	-17%	-25%	-30%
Eating & Drinking	1%	-1%	6%	3%
Auto Rentals	-4%	-1%	-15%	-25%
Hotels & Lodging	-4%	-7%	31%	6%
Amusement & Recreation	1%	-6%	1%	3%
Total Tourism Sector	**0%**	**-3%**	**5%**	**-2%**

VOLUME INDICATORS	2001 Q3	2001 Q4	2002 Q1	2002 Q4
Airport Passengers	-9%	-8%	-6%	-5%
National Park Visitors	-7%	-9%	30%	12%
National Mon. & Rec. Area Visitors	-5%	0%	-6%	-12%
State Park Visitors	-7%	-8%	42%	-11%
Welcome Center Visitors	-15%	1%	11%	0%
Stateline Interstate Traffic	3%	5%	8%	6%
Statewide Hotel Occupancy Rate	-3%	-2%	4%	2%
Utah.com Website Visits	17%	8%	108%	58%

Note: Percent changes are for the same quarter of the previous year.

Source: Utah Division of Travel Development, compiled from reporting agencies.

Table 83

Profile of the Utah Travel Industry

Category	1996	1997	1998	1999	2000	2001(r)	2002(e)	% Change 2001-2002	AAPC
Total Spending by Travelers and Tourists (millions)	$3,800	$4,000	$4,100	$4,200	$4,250	$4,150	$4,150	0.0%	1.5%
Total Number of Foreign and Domestic Visits (millions)	17.0	17.4	17.8	18.2	17.7	17.3	17.5	1.2%	0.5%
Number of U.S. Visits	16.1	16.7	17.2	17.5	17.1	16.7	17.0	1.6%	0.8%
Number of Foreign Visits	0.88	0.72	0.64	0.69	0.70	0.60	0.54	-10.0%	-7.8%
Total Travel and Recreation-Related Employment	107,000	112,000	117,000	121,500	125,500	128,500	130,000	1.2%	3.3%
Direct Travel and Recreation-Related Employment	60,000	62,500	65,500	68,100	70,400	72,000	72,800	1.1%	3.3%
Indirect Travel and Recreation-Related Employment	47,000	49,500	51,500	53,400	55,100	56,500	57,200	1.2%	3.3%
Percent of All Utah Non-Agricultural Jobs	11.2%	11.3%	11.4%	11.6%	11.7%	11.8%	11.8%	0.0%	0.9%
Total State and Local Taxes Generated by Travel Spending (millions)	$304	$320	$328	$336	$340	$332	$332	0.0%	1.5%
State Government Portion	$225	$237	$243	$249	$252	$246	$246	0.0%	1.5%
Local Government Portion	$79	$83	$85	$87	$88	$86	$86	0.0%	1.4%
Total Airline Passengers at Salt Lake International Airport (millions)	21.1	21.1	20.3	19.9	19.9	18.4	18.1	-1.6%	-2.5%
Total Traffic Count at Interstate Borders (millions)	18.0	18.7	19.6	20.7	21.2	21.7	22.9	5.5%	4.1%
Total National Park Recreation Visits (millions)	5.7	5.5	5.5	5.5	5.4	5.0	5.2	4.0%	-1.5%
Total Skier Visits (millions)	2.9	3.0	3.1	3.1	3.0	3.3	3.0	-9.1%	0.6%
Total State Park Visits (millions)	7.5	7.2	6.9	6.8	6.6	6.1	5.8	-4.9%	-4.1%
Taxable Room Rents (millions)	$477	$519	$540	$545	$568	$578	$636	10.0%	4.9%
Hotel/Motel Occupancy Rates	73.1%	68.0%	63.8%	61.6%	60.9%	59.9%	61.9%	2.0%	-1.9%

r = revised
e = estimate

AAPC = Average Annual Percent Change

Sources: Estimates based on information gathered from a variety of sources including National Park Service, Utah State Tax Commission, Utah Department of Transportation, Utah Department of Workforce Services, Utah Department of Natural Resources, Salt Lake International Airport, U.S. Departmet of Commerce, Ski Utah, Rocky Mountain Lodging Report

Table 84
Utah Tourism Indicators

Year	Hotel Room Rents (Current $)	National Park Visits	State Park Visits	Salt Lake Int'l. Airport Passengers	Skier Visits	Stateline Vehicle Crossings	Hotel Occupancy Rate	Travel-Related Employment	Traveler Spending (Millions)
1981	$113,273,174	2,577,112	6,430,174	4,149,316	1,726,000	na	na	50,000	$1,100
1982	124,787,207	2,443,787	6,436,488	5,861,477	2,038,544	na	na	52,000	1,400
1983	140,728,877	2,465,294	5,214,498	7,059,964	2,317,255	na	na	54,000	1,600
1984	161,217,797	2,616,301	4,400,103	7,514,113	2,369,901	na	na	58,000	1,850
1985	165,280,248	2,804,693	4,846,637	8,984,780	2,436,544	na	na	60,700	2,000
1986	175,807,344	3,224,694	5,387,791	9,990,986	2,491,191	na	na	62,500	2,150
1987	196,960,612	3,566,069	5,489,539	10,163,883	2,440,668	na	na	64,500	2,300
1988	220,687,694	3,941,791	5,072,123	10,408,233	2,368,985	na	na	67,000	2,450
1989	240,959,095	4,135,399	4,917,615	11,898,847	2,572,154	na	na	71,000	2,570
1990	261,017,079	4,425,086	5,033,776	11,982,276	2,500,134	14,135,400	63.8%	79,000	2,660
1991	295,490,324	4,829,317	5,425,129	12,477,926	2,751,551	14,886,000	69.4%	82,000	2,900
1992	312,895,967	5,280,100	5,908,000	13,870,609	2,560,805	15,510,600	70.3%	86,000	3,050
1993	352,445,691	5,338,707	6,950,063	15,894,404	2,850,000	15,669,500	71.9%	91,000	3,250
1994	378,024,547	5,111,400	6,953,400	17,564,149	2,800,000	16,589,300	73.7%	96,000	3,350
1995	429,189,045	5,381,717	7,070,702	18,460,000	3,113,800	17,301,000	73.5%	100,000	3,550
1996	477,409,577	5,749,110	7,478,764	21,088,482	2,954,690	17,963,500	73.1%	107,000	3,800
1997	519,160,181	5,537,260	7,184,639	21,068,314	3,042,767	18,696,400	68.0%	112,000	4,000
1998	540,424,182	5,466,090	6,943,780	20,297,371	3,101,735	19,590,300	63.8%	117,000	4,100
1999	545,328,875	5,527,478	6,768,016	19,944,556	3,144,328	20,675,000	61.6%	121,500	4,200
2000	567,708,954	5,322,266	6,555,299	19,900,770	2,976,769	21,191,900	60.9%	125,500	4,250
2001(r)	578,445,705	4,946,487	6,075,456	18,367,961	3,278,291	21,721,698	59.9%	128,500	4,150
2002(e)	636,290,276	5,189,187	5,802,060	18,092,442	2,974,574	22,916,391	61.9%	130,000	4,150
Percent Change									
1981-2002	461.7%	101.4%	-9.8%	336.0%	72.3%	62.1%	-1.9%	160.0%	277.3%
2001-2002	10.0%	4.9%	-4.5%	-1.5%	-9.3%	5.5%	2.0%	1.2%	0.0%
Average Annual Rate of Change									
1981-2002	8.6%	3.4%	-0.5%	7.3%	2.6%	4.1%	67.1%	4.7%	6.5%

r = revised
e = estimate

Sources: National Park Service, Utah State Tax Commission, Utah Department of Transportation, Utah Department of Workforce Services, Utah Department of Natural Resources, Salt Lake International Airport, Ski Utah, adapted by Utah Division of Travel Development

Table 85
National Parks' Recreation Visits

Year	Arches	Bryce Canyon	Canyonlands	Capitol Reef	Zions	Total National Parks
1981	326,508	474,092	89,915	397,789	1,288,808	2,577,112
1982	339,415	471,517	97,079	289,486	1,246,290	2,443,787
1983	287,875	472,633	100,022	331,734	1,273,030	2,465,294
1984	345,180	495,104	102,533	296,230	1,377,254	2,616,301
1985	363,464	500,782	116,672	320,503	1,503,272	2,804,693
1986	419,444	578,018	172,987	383,742	1,670,503	3,224,694
1987	468,916	718,342	172,384	428,808	1,777,619	3,566,069
1988	520,455	791,348	212,100	469,556	1,948,332	3,941,791
1989	555,809	808,045	257,411	515,278	1,998,856	4,135,399
1990	620,719	862,659	276,831	562,477	2,102,400	4,425,086
1991	705,882	929,067	339,315	618,056	2,236,997	4,829,317
1992	799,831	1,018,174	395,698	675,837	2,390,626	5,280,166
1993	773,678	1,107,951	434,844	610,707	2,392,580	5,319,760
1994	777,178	1,028,134	429,921	605,324	2,270,871	5,111,428
1995	859,374	994,548	448,769	648,864	2,430,162	5,381,717
1996	856,016	1,269,600	447,527	678,012	2,498,001	5,749,156
1997	858,525	1,174,824	432,697	625,680	2,445,534	5,537,260
1998	837,161	1,166,331	436,524	656,026	2,370,048	5,466,090
1999	869,980	1,081,521	446,160	680,153	2,449,664	5,527,478
2000	786,429	1,099,275	401,558	612,656	2,432,348	5,332,266
2001(r)	754,026	1,068,619	368,592	527,760	2,227,490	4,946,487
2002(e)	769,740	886,954	370,435	522,482	2,639,576	5,189,187
Percent Change						
1981-2002	135.7%	87.1%	312.0%	31.3%	104.8%	101.4%
2001-2002	2.1%	-17.0%	0.5%	-1.0%	18.5%	4.9%
Average Annual Rate of Change						
1981-2002	4.2%	3.0%	7.0%	1.3%	3.5%	3.4%

r = revised
e = estimate

Sources: National Park Service

Special Topics

Income Distribution and Poverty Trends

Overview

Utah's Census 2000 economic indicators confirm that the 1990s was a decade of significant economic growth for the state. Many of the state's indicators surpass even those of the nation, attesting to its remarkable economic success during that period. Although these measures demonstrate economic growth for Utah as a whole, they tell us little about whether or not the economic expansion of the 1990s benefited all sectors within the state. Income distribution and poverty trends show that, although not ideal, Utah's economic growth was more equitable than the nation's, as well as most states. Significant income growth occurred in all of Utah's income groups, with the state's lowest-fifth households reflecting the second highest income growth between 1989 and 1999. Utah ranked highest[1] among all states in its proportion of households with "middle range" incomes, a strong testimony to its substantive middle class. The state's poverty data further demonstrates that the trend of increasing economic disparity that characterized most of the 1980s, slowed down in the 1990s. The proportion of "severely poor," "near poor," and "officially non-poor, but needy" Utahns declined, as did the state's overall poverty rate. Various poverty measures place the state at much lower rankings than a majority of other states, since the 1990 census. Utah fares especially well in the alleviation of poverty among its most vulnerable populations -- children, the elderly, as well as female-headed households.

Standard Census Economic Measures - How Has Utah Fared?

Census 2000 income and poverty data reveal several notable trends on Utah's economic growth that confirm the state's success vis-à-vis other states as well as the nation. While Utah's median household income was 15th among all states in 1999, it ranked 4th in terms of growth since 1989. Comparisons with the national average placed Utah's median household income below the United States in 1989 (98% of the national median household income) and superseding it (102% of the national median household income) a decade later. Utah's median family income ($51,022) also superseded the national average ($50,046), reflecting an increase of 14.2%, 4th highest in growth, since 1989. While Utah ranked 40th in per capita income in the 2000 census, it ranked first among all states in terms of growth in per capita income since the 1990 census.[2] Poverty rates among all categories -- individuals (9.4%), families (6.5%), and female-headed households (22.1%) -- also declined since 1989, placing Utah among the 13 lowest states in poverty.

Measuring Economic Equality

While changes in these standard census measures help us gauge a region's overall economic growth over any given period of time,[3] they tell us little about whether or not this growth was holistic in nature. That is, did it benefit all of the income groups within the state, or only a few? Did it result in greater income disparity or equality between groups? In order to answer these questions, we need to take a closer look at Utah's income distribution trends over the past two censuses. Two methods have been used to assess Utah's income distribution trends between the 1990 and 2000 censuses,[4] as well as to compare Utah's trends with those of the nation. One approach is to compare the 1989 and 1999 aggregate shares of income received by each fifth of Utah's households, as a proportion of Utah's total aggregate income. In this method, households are ranked from lowest to highest on the basis of income and then divided into equal groups of fifths, or quintiles. The average income of each -- lowest-fifth, second-fifth, third-fifth, fourth-fifth, and highest fifth -- quintile is then derived, and aggregate incomes of each of the quintiles are calculated on the basis of these derived incomes. An ideal income distribution trend (reflecting 100% equality) occurs when each quintile (20% or fifth) of households receives a quintile (20% or fifth) share of the aggregate income. The closer the distribution pattern to this ideal, the more equitable the income distribution. The purpose of this approach is to see whether income distribution trends have become closer, or further apart from this ideal over time. Another method is to compare the growth rate of the average income of each of the quintiles over time.[5] Did the average income of each of the quintiles grow at more or less the same rate, or were there significant differences? Comparisons of income distribution trends between states have been made by computing the following income categories of households as a proportion of the total number of households in the state: "low," "middle-range," and "high."

Income Distribution Trends in Utah

Income distribution data over the past two censuses show that, although not ideal, Utah's economic growth was more equal than that of the nation, as well as most states. Significant income growth occurred in all of Utah's income groups, with Utah's lowest fifth households reflecting the second highest income growth between 1989 and 1999. In 1999, only five other states had a smaller proportion of "low-income" households (with incomes less than $25,000) than Utah. Moreover, Utah's lower income households averaged significantly higher incomes than their national counterparts. Utah's income distribution trends in 1989[6] and 1999 also reflect the presence of a substantive middle-class. The state ranked first in the proportion of households with "middle range" incomes in both years.

Utah's 1999 Income Distribution More Equal Than the Nation.

Utah's income distribution is more equitable than that of the United States. Utah's lowest-fifth, second-fifth, as well as the middle-fifth households demonstrated higher proportions of the state aggregate income (8.0%, 13.4%, and 19.5%, respectively), than did their national counterparts (6.4%, 11.9%, and 18.6% of national aggregate income, respectively). These trends were reversed for the higher household quintiles, where the state's fourth-fifth and highest-fifth households had lower proportions of the aggregate income (28.0% and 31.1%, and respectively) than their national counterparts (28.7% and 34.4% respectively). Utah's greater equality across the different income groups is further demonstrated when we compare the average incomes of each of Utah's household quintiles to those of the nation's. In 1999, the average income of Utah's lowest-fifth households was 124% of the nation's lowest-fifth households. In fact, in each of the three lower household quintiles, Utah's average incomes ($22,756, $38,218, and $55,616) were higher than those of their national counterparts ($18,328,

[1] State rankings throughout this chapter include the District of Columbia.

[2] Utah's low per capita income ranking can be attributed to the fact that the state has the highest number of children per household. Per capita income is a poor measure for comparing incomes between places, or over time, when there are major differences in the number of children per household. This indicator makes the places with more children look poorer.

[3] All analyses of income growth rates are based on inflation-adjusted data.

[4] Income data collected in the 1990 and 2000 censuses are for the years 1989 and 1999.

[5] In some instances, trends among the top 5% of households have also been analyzed.

[6] For the 1989 analysis, see Hachman, Frank. 1993. Utah is Not a State of Low-Income Households: It is a State With Relatively Few High Income Households." Utah Economic and Business Review. Vol. 53. No. 1. pp. 1-12.

$33,842, and $52,552 respectively). In the fourth and highest household quintiles, these trends are reversed, with Utah's incomes ($80,293 and $81,167) averaging lower than those of their national counterparts ($88,336 and $97,418 respectively).

Has Utah Become More, or Less Equal Over the Years? An analysis of the distribution of Utah's aggregate income in 1989 and 1999 reveals that income distribution trends across the state's household quintiles have more or less remained the same over time. With the exception of the highest fifth households (that showed an increase of 1.2%, from 29.9% to 31.1% of the total state aggregate income), changes in the proportion of the state aggregate income across each of the household quintiles were less than 1%. While these figures don't show a narrowing of the income gap, they do demonstrate that the trend towards growing income inequality that characterized much of the 1980s leveled off during the 1990s.

Income Growth Trends Among Utah's Households. All of Utah's household quintiles experienced significant income growth between 1989 and 1999. Income growth ranged from a low of 17% (for Utah's second-fifth households) to a high of 26% (Utah's highest-fifth households), after adjusting for inflation. Utah's lowest-fifth households saw the second highest growth (22%). The economic expansion of the 1990s benefited all of Utah's income groups, with Utah's poorest fifth households experiencing significant gains when compared to the other income groups. However, the highest income growth did occur among Utah's richest households. Utah's top 5% of households show an even higher income growth rate of 27%. Inequality in income growth rates can primarily be attributed to the growth in wage inequality. Research demonstrates that wages at the lower and middle range of the wage scale have not grown as rapidly as those at the higher end.[7]

How Does Utah Compare to Other States? Utah is more equal than most other states when we compare their income and poverty data. The state's income distribution data reveals a substantive "middle class," as well as significantly smaller "low-income," "very high," and "highest" household income groups. Utah has the highest proportion of households with "middle-range" incomes among all states. It ranks first (54.8% of all households) in the proportion of households that fall under the broad "middle-range" ($25,000-$74,999) income category, as well as in the high "middle range" ($35,000-$74,999) income category (41.6% of all households). Furthermore, Utah has a relatively lower proportion of households in the "low" income category (income less than $25,000). The state ranks sixth lowest in the nation in its proportion (22.7%) of low-income households, and ranks among the lower half of states in its proportion of households that fall under "very high" and "highest" income categories.

[7] Bernstein, J., et. al. 2002. "Pulling Apart. A State-by-State Analysis of Income Trends." Washington D.C., Center on Budget and Policy Priorities and the Economic Policy Institute.

[8] The U.S. Census Bureau uses established federal guidelines to determine the official measure of poverty in any given year. The federal poverty thresholds for any year are based on certain money income levels and vary by the size and composition of a family. "If a family's total income is less than the family's threshold, then that family and every individual within it is considered poor. Official poverty thresholds do not vary by geography, but they are updated annually for inflation using the Consumer Price Index (CPI-U). The official poverty definition counts money income before taxes and does not include capital gains, and non-cash benefits (such as public housing, Medicaid, and food stamps). While the thresholds in some sense represent families' needs, the official poverty measure should be interpreted as a statistical yardstick rather than as a complete description of what people and families need to live." (Poverty in the United States: 2001. U.S. Census Bureau. Current Population Reports. September, 2002).

Poverty Data - Measuring Changes in the Depth of Income Inequality

Census poverty data is another source for analyzing changing trends in income inequality. Standard census poverty rates are based on the official federal poverty threshold in any year, and depict the proportion of those officially 'poor' vs. 'non-poor' in any region.[8] While the poverty rate provides us with some measure of the degree of income inequality and economic well-being, in reality the income situations of people fall into a much broader spectrum of economic need. The Census Bureau's ratio of income-to-poverty level data are a more comprehensive measure of the distribution of a region's economic growth. This data compares a family's income to its poverty threshold, and provides a more detailed picture of the composition of the low-income population, in terms of relative economic need. The most commonly used ratios of income-to-poverty are 50% of FPL (families with incomes less than half of their Federal Poverty Level), 125% of FPL (families with incomes at or above their poverty threshold, but below 125% of their FPL) and 200% of FPL (families with incomes at or above their poverty threshold, but below 200% of their FPL). These determine the "severely poor," "near poor" and "officially non-poor, but needy" population respectively.

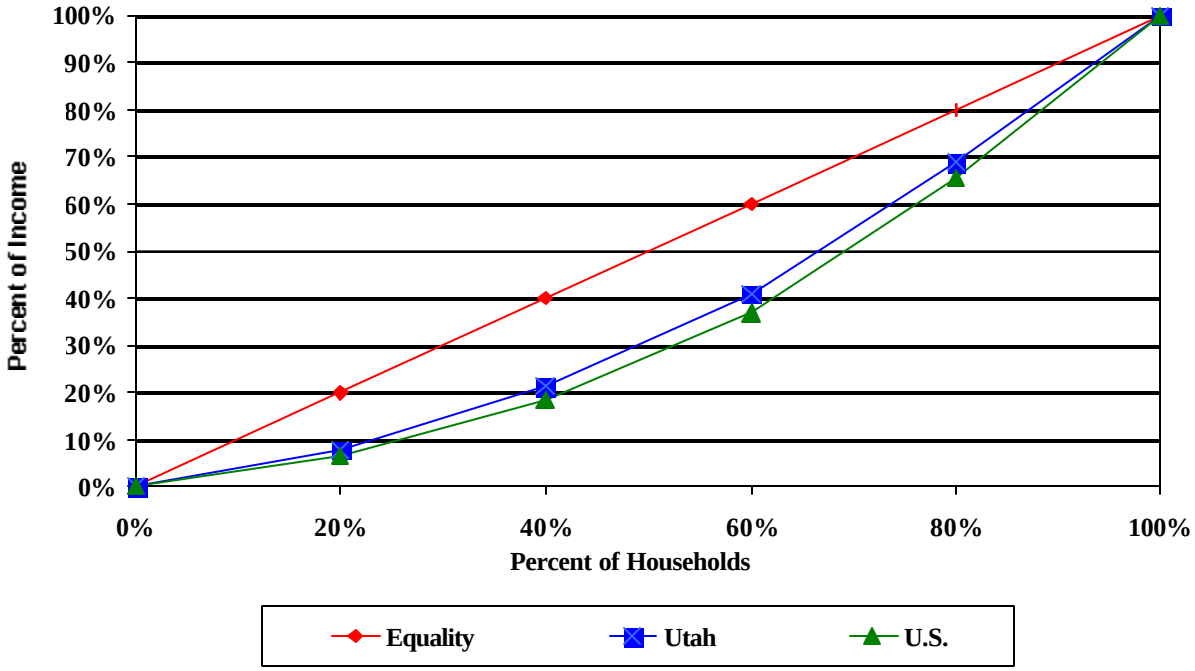
Poverty Rates Decline Among All of Utah's Poor. Utah's "severely poor," "near poor" and "officially non-poor, but needy" populations showed across-the-board declines between 1989 and 1999. The percentage of "severely poor" Utahns (50% of FPL) dropped from 4.6% to 3.9%, making Utah the seventh lowest state in this category. Utah's "near poor" (125% of FPL) population declined from 16.2% to 13.1%. Between these years, Utah's ranking for its proportion of the "near poor" dropped from 28th to 39th. Utah ranked third highest among all states in the decrease of its "officially non-poor, but needy" population. The percentage of Utahns below the 200% FPL dropped from 34.6% to 27.7%, reflecting a -6.9% absolute change.

Finally, Utah has fared especially well in the alleviation of poverty among its most vulnerable populations -- children, the elderly, as well as female-headed households. Poverty among the elderly declined from 8.8% in 1989 to 5.8% in 1999, making Utah the lowest among all states in this category. Utah's poverty rates for the 0-17 year age group dropped from 12.5% in 1989 to 10.1% in 1999, making Utah the third lowest state in child poverty. Among female-headed households, a group that is considered to be especially vulnerable to poverty, Utah's poverty rate dropped from 30.3% to 22.1%, reflecting the ninth largest decrease among all states for this category.

Conclusion

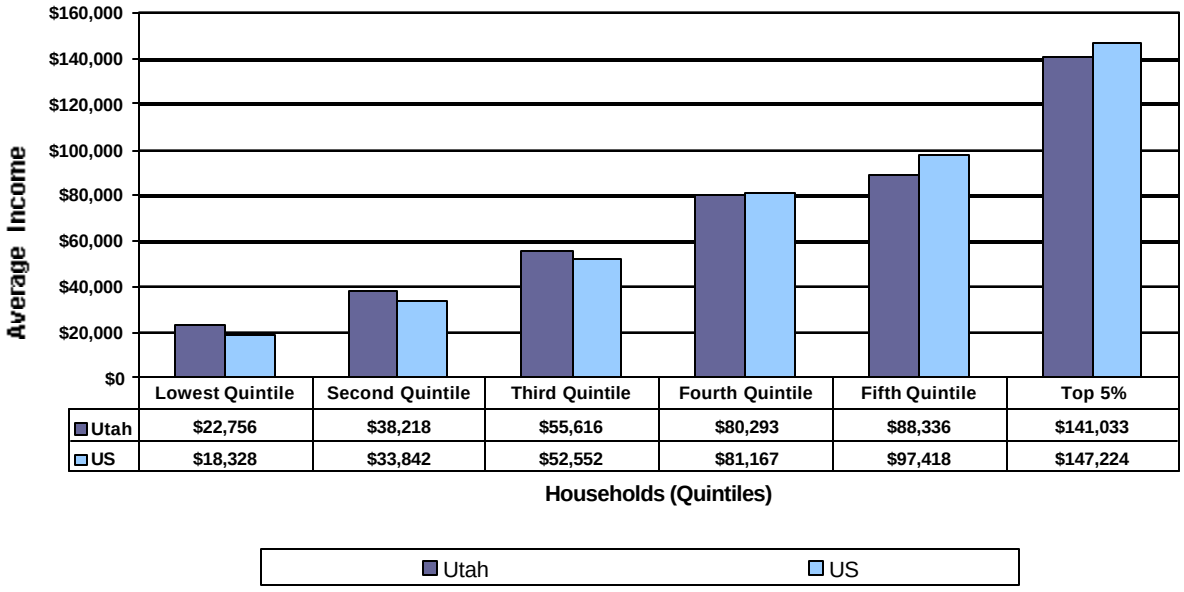
Utah's economic growth of the 1990s was more equitable than the nation's, as well as most states. There has been significant income growth in all of Utah's income groups, with the state's lowest-fifth households showing impressive economic gains in the 1990s. Persistent low unemployment, increase in the minimum wage, and a healthy growth in productivity have resulted in some real wage gains at the bottom end of the wage scale. However, the income gap between the state's richest and poorest households continued to exist. Some factors that possibly contribute to this are an increasing global economy resulting in a comptetitive wage market, expansion of the low-wage service sector, as well as rapidly increasing wages at the higher end of the wage scale. Overall, the 1990s witnessed a slowing down of the increasing economic gap that characterized much of the 1980s.

Figure 67
1999 Income Distribution Estimates in Utah and the U.S.



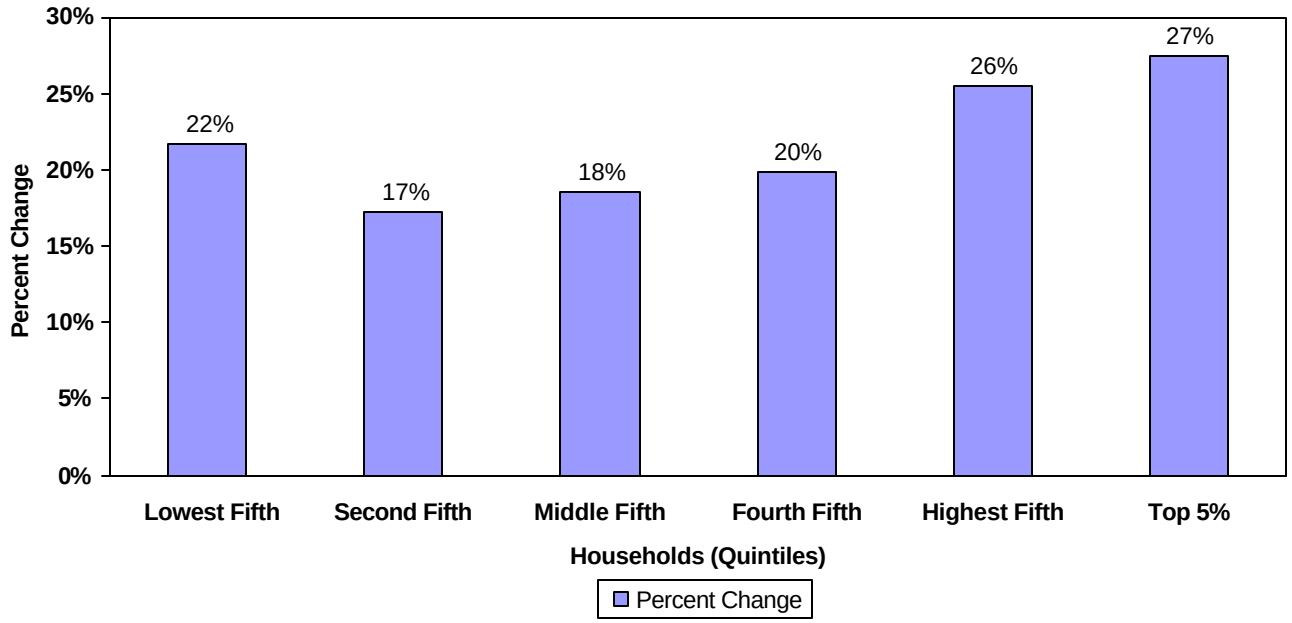
Source: U.S. Census Bureau and the Governor's Office of Planning and Budget

Figure 68
1999 Average Income in Lowest to Highest Fifths and Top 5% of Households in the U.S. and Utah



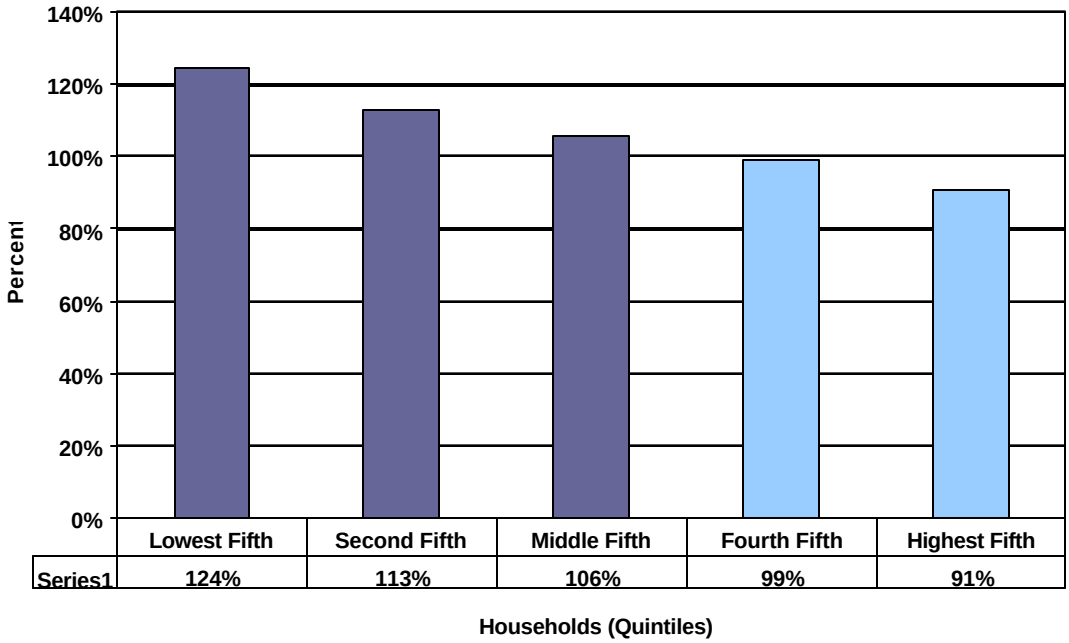
Source: U.S. Census Bureau and the Governor's Office of Planning and Budget

Figure 69
Growth Rates of Utah's Average Incomes between 1989 and 1999



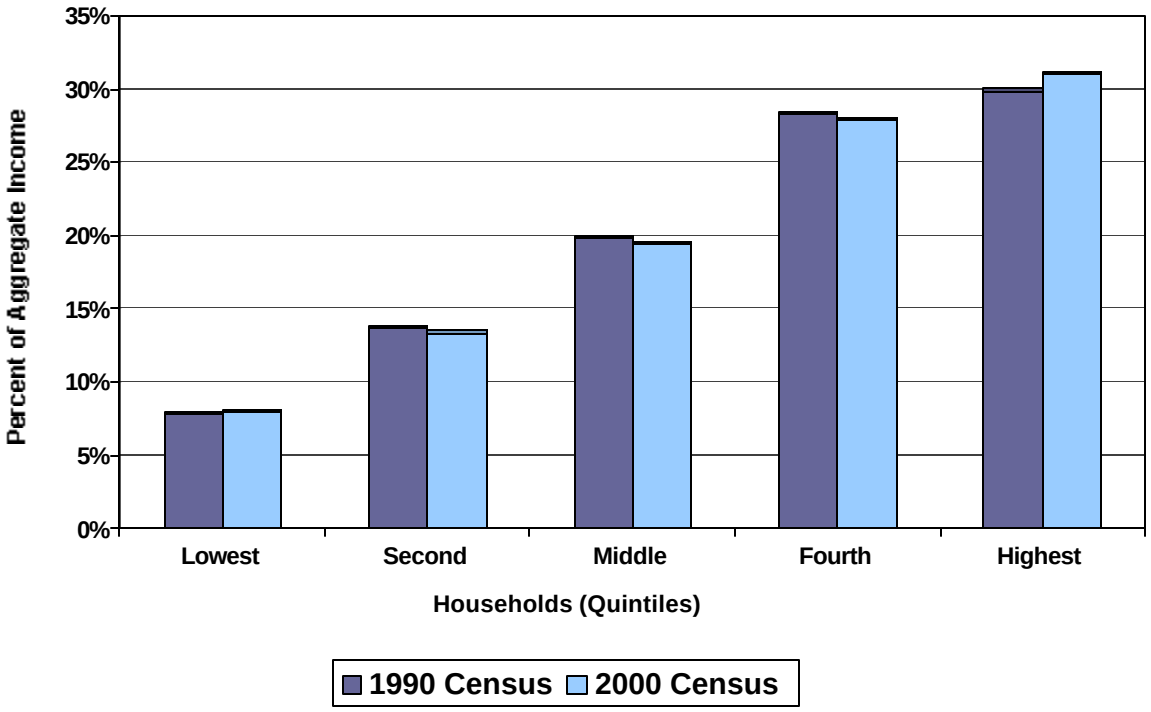
Source: U.S. Census Bureau and the Governor's Office of Planning and Budget

Figure 70
Utah's 1999 Incomes As a Percent of U.S. Incomes



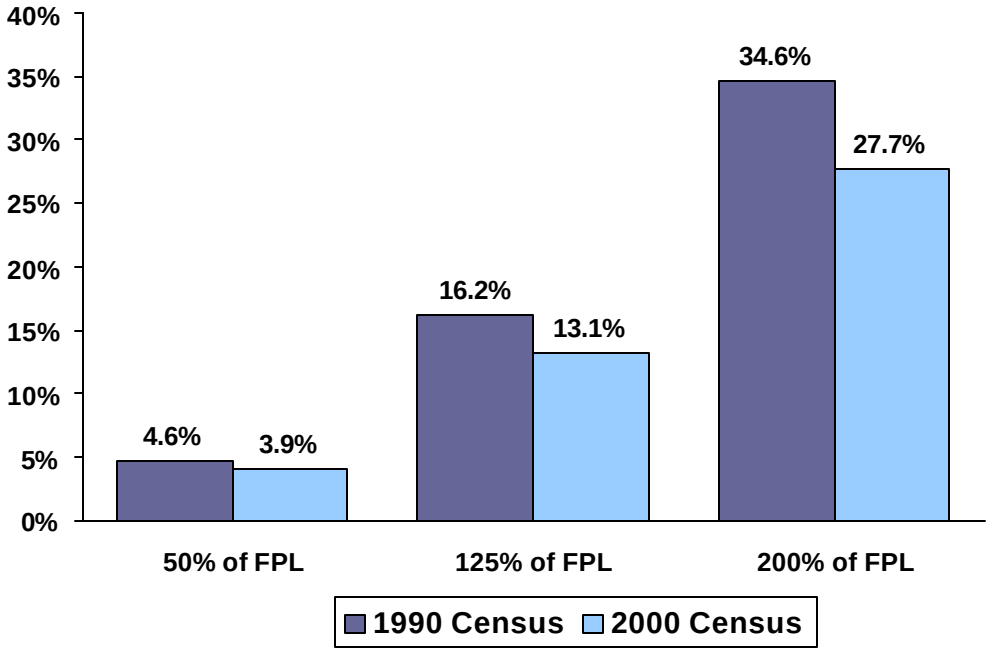
Source: U.S. Census Bureau and the Governor's Office of Planning and Budget

Figure 71
Utah's Income Distribution Trends: 1990 and 2000 Census



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

Figure 72
Utah's Ratio of Income-to-Poverty Levels: 1989-1999



FPL: Federal Poverty Level
Source: U.S. Census Bureau, Census 2000 - Summary File 3

Table 86
Selected Income Distributions for All States With Rankings (Households)

Geographic Level	"Low" Under $25000		"Middle Range" (Low) ($25,000-$49,999)		"Middle Range" (High) ($35,000-74,999)		"Middle Range" (Broad) ($25,000-$74,999)		"High" Over $75,000		"Very High" Over $100,000		"Highest" Over $150,000	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank		Rank
United States	28.7%	(X)	29.3%	(X)	36.0%	(X)	48.8%	(X)	27.1%	(X)	16.9%	(X)	4.6%	(X)
Alabama	37.3%	6	30.1%	30	33.7%	45	47.3%	42	18.1%	40	10.3%	37	2.7%	36
Alaska	20.9%	50	27.3%	43	38.1%	16	49.3%	30	34.4%	7	20.7%	10	4.6%	13
Arizona	28.8%	28	31.5%	21	36.7%	27	50.7%	23	24.4%	23	14.7%	23	3.9%	21
Arkansas	38.7%	4	32.6%	7	33.9%	43	48.9%	34	14.6%	48	8.2%	46	2.2%	46
California	25.5%	36	26.6%	45	34.3%	40	45.7%	46	35.7%	5	24.2%	6	6.9%	4
Colorado	23.1%	44	29.6%	33	38.2%	15	50.8%	21	31.3%	12	19.4%	12	5.2%	11
Connecticut	21.7%	47	24.5%	50	34.8%	38	44.9%	48	41.9%	2	28.6%	2	8.5%	2
Delaware	23.5%	43	29.1%	37	38.2%	14	50.4%	24	30.7%	14	18.6%	13	4.6%	14
Dist. of Columbia	32.2%	15	26.5%	46	30.1%	51	42.4%	51	33.4%	8	24.4%	5	8.0%	3
Florida	30.8%	19	31.6%	16	35.9%	33	50.1%	26	23.3%	26	14.5%	24	4.1%	19
Georgia	28.3%	32	29.3%	35	36.4%	29	49.0%	32	27.3%	18	16.9%	16	4.6%	15
Hawaii	23.0%	45	27.2%	44	36.3%	32	47.8%	38	34.7%	6	22.0%	7	5.4%	9
Idaho	31.1%	18	34.0%	2	38.3%	13	53.3%	5	18.1%	38	9.8%	40	2.5%	41
Illinois	25.1%	37	28.1%	41	37.0%	25	48.9%	35	31.4%	11	19.8%	11	5.4%	10
Indiana	27.8%	33	31.5%	19	39.2%	8	52.9%	7	22.1%	29	12.0%	31	2.8%	34
Iowa	29.2%	26	33.6%	4	40.0%	4	54.7%	2	18.5%	37	9.7%	42	2.4%	43
Kansas	28.7%	29	32.1%	13	38.4%	12	52.4%	12	22.1%	30	12.5%	29	3.2%	29
Kentucky	37.7%	5	30.3%	28	33.7%	44	47.5%	41	17.4%	44	9.7%	41	2.6%	40
Louisiana	39.1%	3	29.2%	36	32.3%	49	45.8%	45	17.7%	43	10.0%	39	2.6%	39
Maine	32.6%	14	32.5%	10	37.7%	19	51.9%	14	17.9%	41	9.6%	43	2.4%	42
Maryland	20.6%	51	26.1%	48	37.0%	24	47.7%	40	38.2%	3	24.6%	3	6.5%	6
Massachusetts	24.5%	41	24.9%	49	34.6%	39	45.0%	47	37.2%	4	24.4%	4	6.8%	5
Michigan	26.5%	34	28.9%	38	37.0%	23	49.4%	29	28.2%	17	16.8%	18	4.1%	20
Minnesota	23.5%	42	29.4%	34	39.4%	6	51.8%	16	29.1%	15	17.0%	15	4.4%	16
Mississippi	40.7%	2	30.5%	27	32.4%	48	46.6%	43	14.9%	47	8.2%	47	2.2%	47
Missouri	31.7%	16	31.9%	14	36.5%	28	50.8%	20	20.6%	33	11.8%	32	3.0%	31
Montana	37.3%	7	33.6%	5	35.3%	36	50.7%	22	13.9%	50	7.5%	50	1.9%	49
Nebraska	29.7%	24	33.1%	6	38.8%	9	53.5%	4	19.5%	35	10.7%	36	2.6%	37
Nevada	24.7%	38	31.2%	24	39.8%	5	52.9%	8	26.3%	19	15.2%	21	3.9%	22
New Hampshire	21.6%	48	28.9%	39	40.3%	3	51.9%	13	31.1%	13	18.5%	14	4.7%	12
New Jersey	21.1%	49	24.2%	51	34.1%	42	44.1%	50	43.4%	1	29.9%	1	8.6%	1
New Mexico	36.7%	9	31.4%	22	33.5%	46	47.9%	37	18.1%	39	10.2%	38	2.6%	38
New York	29.5%	25	26.3%	47	33.2%	47	44.6%	49	32.0%	10	21.5%	8	6.2%	7
North Carolina	30.7%	20	31.6%	18	37.1%	21	51.0%	19	21.7%	31	12.8%	28	3.4%	27
North Dakota	35.1%	10	34.0%	3	37.1%	22	52.5%	11	14.3%	49	7.5%	49	1.9%	50
Ohio	28.9%	27	30.9%	26	37.7%	18	51.3%	17	23.1%	28	13.1%	27	3.3%	28
Oklahoma	37.0%	8	32.1%	12	34.1%	41	49.1%	31	16.2%	45	9.0%	44	2.3%	44
Oregon	28.5%	30	31.6%	17	37.9%	17	51.8%	15	23.1%	27	13.4%	26	3.5%	26
Pennsylvania	30.5%	22	30.2%	29	36.4%	31	49.7%	28	23.5%	24	14.0%	25	3.7%	24
Rhode Island	30.1%	23	27.5%	42	35.9%	34	47.7%	39	26.1%	21	15.4%	20	3.9%	23
South Carolina	33.1%	13	31.5%	20	36.4%	30	50.3%	25	19.3%	36	10.9%	35	2.8%	35
South Dakota	34.5%	11	34.1%	1	37.5%	20	52.6%	10	15.0%	46	8.0%	48	2.1%	48
Tennessee	33.8%	12	31.7%	15	35.5%	35	49.8%	27	19.5%	34	11.4%	34	3.1%	30
Texas	30.6%	21	30.0%	31	34.9%	37	48.3%	36	25.4%	22	15.8%	19	4.3%	17
Utah	22.7%	46	32.3%	11	41.6%	1	54.8%	1	26.2%	20	14.8%	22	3.7%	25
Vermont	28.5%	31	32.5%	9	39.3%	7	53.2%	6	21.3%	32	11.7%	33	3.0%	33
Virginia	24.6%	40	28.6%	40	36.8%	26	48.9%	33	32.1%	9	20.8%	9	5.7%	8
Washington	24.7%	39	29.7%	32	38.5%	10	51.1%	18	28.5%	16	16.8%	17	4.3%	18
West Virginia	42.8%	1	31.0%	25	31.5%	50	46.1%	44	12.8%	51	6.8%	51	1.8%	51
Wisconsin	25.7%	35	31.3%	23	40.8%	2	54.1%	3	23.3%	25	12.4%	30	3.0%	32
Wyoming	31.6%	17	32.6%	8	38.4%	11	52.7%	9	17.9%	42	8.9%	45	2.2%	45

Source: U.S. Census Bureau, Census 2000 - Summary File 3, calculations by the Governor's Office of Planning and Budget

Table 87

Ratios of Income-to-Poverty Level

	1990 Census						Census 2000						1990-2000 Absolute Percent Change					
Geographic Level	Percent of Persons Below 50% Poverty Level	Rank	Percent of Persons Below 125% Poverty Level	Rank	Percent of Persons Below 200% Poverty Level	Rank	Persons Below 50% Poverty Level	Rank	Percent of Persons Below 125% Poverty Level	Rank	Percent of Persons Below 200% Poverty Level	Rank	Percent of Persons Below 50% Poverty Level	Rank	Percent of Persons Below 125% Poverty Level	Rank	Percent of Persons Below 200% Poverty Level	Rank
United States	5.8%	(X)	17.5%	(X)	31.0%	(X)	5.6%	(X)	16.5%	(X)	29.6%	(X)	-0.2%	(X)	-1.0%	(X)	-1.3%	(X)
Alabama	8.0%	8	23.9%	7	40.2%	8	7.3%	7	21.1%	7	36.1%	8	-0.7%	35	-2.8%	37	-4.1%	37
Alaska	3.9%	40	12.5%	44	23.8%	44	4.0%	43	13.1%	38	25.6%	39	0.1%	15	0.6%	8	1.8%	8
Arizona	7.5%	10	20.8%	14	35.8%	16	6.2%	13	18.7%	14	33.5%	14	-1.3%	45	-2.1%	29	-2.3%	21
Arkansas	7.6%	9	25.6%	5	44.4%	3	6.6%	10	21.4%	6	38.6%	5	-1.0%	42	-4.2%	49	-5.8%	47
California	5.2%	25	17.1%	22	30.1%	29	6.3%	12	19.2%	12	33.1%	16	1.1%	4	2.1%	4	2.9%	4
Colorado	5.1%	26	15.9%	32	29.3%	31	4.1%	42	12.6%	43	24.2%	43	-1.0%	41	-3.3%	45	-5.1%	43
Connecticut	2.9%	50	8.9%	51	16.3%	51	3.9%	46	10.4%	50	19.3%	50	1.0%	6	1.5%	6	3.0%	3
Delaware	3.8%	41	11.9%	46	23.0%	45	4.4%	35	12.3%	44	23.2%	45	0.6%	11	0.4%	9	0.2%	11
District of Columbia	9.5%	3	20.9%	13	32.4%	23	11.8%	1	24.4%	4	35.9%	10	2.3%	1	3.4%	1	3.5%	1
Florida	5.6%	22	17.4%	21	32.0%	25	5.7%	19	16.9%	19	31.1%	19	0.1%	18	-0.5%	16	-0.8%	15
Georgia	6.6%	14	19.3%	17	33.3%	19	6.1%	14	17.2%	18	30.5%	23	-0.5%	28	-2.1%	27	-2.8%	26
Hawaii	3.3%	48	11.4%	47	22.7%	46	5.0%	26	14.1%	30	25.9%	37	1.7%	3	2.8%	2	3.2%	2
Idaho	4.9%	30	19.1%	18	38.8%	12	4.6%	32	16.8%	20	33.9%	12	-0.2%	25	-2.3%	33	-4.9%	41
Illinois	6.0%	19	15.4%	33	27.1%	40	5.1%	22	14.1%	33	25.4%	41	-0.9%	40	-1.3%	23	-1.7%	20
Indiana	4.8%	33	14.8%	37	29.0%	32	4.2%	37	13.0%	40	25.8%	38	-0.6%	29	-1.8%	24	-3.2%	33
Iowa	4.6%	35	16.0%	29	31.7%	26	3.8%	47	12.7%	42	26.3%	35	-0.8%	36	-3.3%	44	-5.4%	46
Kansas	4.8%	31	16.0%	30	31.2%	27	4.1%	40	13.6%	35	27.2%	31	-0.7%	33	-2.3%	34	-4.0%	36
Kentucky	8.5%	6	24.8%	6	41.1%	6	6.6%	9	20.8%	8	35.9%	11	-1.9%	49	-4.0%	48	-5.2%	44
Louisiana	11.8%	1	29.6%	2	45.7%	2	9.4%	2	25.0%	2	40.4%	3	-2.4%	51	-4.6%	50	-5.3%	45
Maine	3.5%	45	15.3%	34	30.5%	28	4.1%	41	15.3%	27	29.5%	26	0.6%	9	0.0%	13	-0.9%	16
Maryland	4.1%	38	10.8%	48	20.1%	48	4.2%	38	11.2%	48	20.6%	48	0.1%	16	0.3%	10	0.5%	10
Massachusetts	3.6%	44	12.0%	45	21.0%	47	4.4%	34	12.3%	45	21.7%	46	0.9%	7	0.3%	11	0.6%	9
Michigan	5.6%	23	16.9%	24	28.9%	33	4.8%	30	14.0%	34	25.4%	40	-0.8%	37	-2.9%	38	-3.5%	35
Minnesota	3.4%	47	13.9%	42	26.5%	41	3.2%	50	10.9%	49	21.6%	47	-0.1%	23	-3.0%	41	-4.9%	42
Mississippi	11.3%	2	32.1%	1	49.8%	1	9.1%	3	25.8%	1	42.7%	1	-2.2%	50	-6.3%	51	-7.1%	50
Missouri	5.7%	20	18.0%	19	33.1%	21	5.1%	23	15.9%	23	30.0%	24	-0.6%	30	-2.1%	28	-3.1%	32
Montana	6.7%	13	21.9%	10	39.9%	9	5.8%	16	19.9%	11	37.1%	6	-0.9%	39	-2.0%	25	-2.8%	28
Nebraska	4.2%	37	15.9%	31	32.7%	22	4.0%	44	13.6%	36	27.8%	27	-0.3%	26	-2.4%	35	-4.9%	40
Nevada	4.8%	32	14.2%	39	28.0%	37	4.9%	28	14.4%	29	27.7%	29	0.1%	17	0.1%	12	-0.3%	13
New Hampshire	2.6%	51	9.1%	50	19.3%	49	2.8%	51	9.2%	51	19.0%	51	0.2%	14	0.0%	14	-0.3%	12
New Jersey	3.8%	43	10.0%	49	18.5%	50	4.2%	39	11.2%	47	20.4%	49	0.4%	12	1.2%	7	1.9%	7
New Mexico	9.2%	4	26.8%	3	44.2%	4	7.8%	4	24.5%	3	41.4%	2	-1.4%	47	-2.3%	31	-2.8%	27
New York	6.3%	17	16.7%	26	27.9%	38	7.4%	6	18.6%	15	30.5%	21	1.0%	5	1.9%	5	2.7%	5
North Carolina	5.2%	24	17.8%	20	33.2%	20	5.5%	20	16.5%	21	30.5%	22	0.3%	13	-1.3%	22	-2.7%	25
North Dakota	5.6%	21	19.9%	16	37.8%	13	4.9%	27	16.2%	22	31.5%	18	-0.7%	32	-3.7%	46	-6.3%	48
Ohio	6.2%	18	16.4%	27	29.5%	30	4.8%	29	14.1%	31	26.4%	34	-1.4%	46	-2.3%	30	-3.1%	31
Oklahoma	7.0%	11	22.5%	9	39.4%	10	6.1%	15	20.1%	10	36.9%	7	-0.8%	38	-2.4%	36	-2.5%	22
Oregon	5.0%	28	17.0%	23	32.2%	24	5.0%	25	15.7%	25	29.6%	25	0.0%	19	-1.3%	21	-2.6%	23
Pennsylvania	5.1%	27	14.9%	35	28.2%	35	5.1%	24	14.6%	28	27.4%	30	-0.1%	20	-0.2%	15	-0.8%	14
Rhode Island	3.4%	46	12.9%	43	24.3%	43	5.4%	21	15.5%	26	26.9%	32	2.0%	2	2.6%	3	2.7%	6
South Carolina	6.5%	15	20.8%	15	36.9%	15	6.5%	11	18.7%	13	33.5%	13	-0.1%	21	-2.0%	26	-3.3%	34
South Dakota	6.9%	12	21.7%	11	40.9%	7	5.8%	18	17.9%	17	33.1%	15	-1.2%	43	-3.8%	47	-7.8%	51
Tennessee	6.5%	16	21.0%	12	37.0%	14	5.8%	17	18.1%	16	32.7%	17	-0.7%	34	-3.0%	40	-4.3%	38
Texas	8.2%	7	23.6%	8	39.0%	11	6.7%	8	20.6%	9	36.0%	9	-1.5%	48	-3.0%	42	-3.0%	30
Utah	4.6%	34	16.2%	28	34.6%	17	3.9%	45	13.1%	39	27.7%	28	-0.7%	31	-3.2%	43	-6.9%	49
Vermont	3.0%	49	14.1%	40	28.2%	34	3.6%	49	13.3%	37	26.7%	33	0.6%	10	-0.9%	18	-1.5%	18
Virginia	4.5%	36	13.9%	41	26.2%	42	4.3%	36	13.0%	41	24.7%	42	-0.2%	24	-0.9%	20	-1.5%	17
Washington	4.0%	39	14.8%	36	27.5%	39	4.6%	31	14.1%	32	25.9%	36	0.6%	8	-0.7%	17	-1.6%	19
West Virginia	8.8%	5	25.8%	4	43.3%	5	7.6%	5	23.5%	5	40.3%	4	-1.2%	44	-2.3%	32	-3.0%	29
Wisconsin	3.8%	42	14.7%	38	28.1%	36	3.7%	48	11.8%	46	23.3%	44	-0.1%	22	-2.9%	39	-4.8%	39
Wyoming	5.0%	29	16.7%	25	33.3%	18	4.5%	33	15.8%	24	30.7%	20	-0.5%	27	-0.9%	19	-2.7%	24

Source: US Census Bureau, 1990 census - Summary Tape File 3, and Census 2000 - Summary File 3

Table 88
Poverty by Age: 1989 and 1999

Geographic Level	Poverty Among Senior Citizens (65 Years and Over)						Poverty Among Children (0-17 Years)					
	1989 Percent Below Poverty Level	Rank	1999 Percent Below Poverty Level	Rank	1989-1999 Absolute Percent Change	Rank	1989 Percent Below Poverty Level	Rank	1999 Percent Below Poverty Level	Rank	1989-1999 Absolute Percent Change	Rank
United States	12.8%	(X)	9.9%	(X)	-2.9%	(X)	18.3%	(X)	16.6%	(X)	-1.7%	(X)
Alabama	24.0%	3	15.5%	4	-8.4%	49	24.2%	9	21.5%	7	-2.7%	34
Alaska	7.6%	50	6.8%	50	-0.8%	7	11.4%	47	11.8%	41	0.4%	7
Arizona	10.8%	32	8.4%	29	-2.4%	18	22.0%	10	19.3%	13	-2.8%	36
Arkansas	22.9%	4	13.8%	7	-9.1%	50	25.3%	6	21.8%	6	-3.5%	44
California	7.6%	49	8.1%	36	0.4%	1	18.2%	20	19.5%	12	1.2%	4
Colorado	11.0%	29	7.4%	44	-3.6%	30	15.3%	29	11.3%	43	-4.0%	48
Connecticut	7.2%	51	7.0%	49	-0.2%	2	10.7%	50	10.4%	48	-0.3%	13
Delaware	10.1%	41	7.9%	38	-2.2%	16	12.0%	45	12.3%	37	0.3%	9
District of Columbia	17.2%	12	16.4%	3	-0.9%	8	25.5%	5	31.7%	1	6.2%	1
Florida	10.8%	31	9.1%	23	-1.7%	13	18.7%	18	17.6%	17	-1.1%	20
Georgia	20.4%	8	13.5%	8	-6.8%	46	20.1%	16	17.1%	19	-3.0%	37
Hawaii	8.0%	48	7.4%	46	-0.6%	5	11.6%	46	14.1%	29	2.5%	3
Idaho	11.5%	27	8.3%	31	-3.2%	26	16.2%	26	14.3%	28	-1.9%	26
Illinois	10.7%	34	8.3%	30	-2.4%	17	17.0%	25	14.3%	27	-2.7%	33
Indiana	10.8%	33	7.7%	41	-3.1%	25	14.2%	35	12.2%	38	-2.0%	28
Iowa	11.2%	28	7.7%	40	-3.5%	27	14.3%	33	11.0%	46	-3.3%	42
Kansas	12.0%	24	8.1%	35	-3.9%	34	14.3%	34	12.0%	40	-2.3%	31
Kentucky	20.6%	6	14.2%	5	-6.5%	43	24.8%	7	20.8%	8	-4.0%	47
Louisiana	24.1%	2	16.7%	2	-7.4%	47	31.4%	2	26.6%	3	-4.8%	50
Maine	14.0%	19	10.2%	19	-3.8%	32	13.8%	37	13.7%	34	-0.1%	11
Maryland	10.5%	38	8.5%	27	-2.0%	15	11.3%	49	10.7%	47	-0.6%	14
Massachusetts	9.4%	43	8.9%	26	-0.6%	4	13.2%	41	12.0%	39	-1.2%	22
Michigan	10.8%	30	8.2%	32	-2.6%	22	18.6%	19	13.9%	32	-4.7%	49
Minnesota	12.1%	23	8.2%	33	-3.9%	35	12.7%	42	9.6%	50	-3.1%	39
Mississippi	29.4%	1	18.8%	1	-10.6%	51	33.6%	1	27.0%	2	-6.6%	51
Missouri	14.8%	16	9.9%	20	-4.9%	40	17.7%	22	15.7%	22	-2.0%	27
Montana	12.5%	20	9.1%	24	-3.5%	28	20.5%	14	19.0%	14	-1.4%	23
Nebraska	12.2%	22	8.0%	37	-4.2%	36	13.8%	38	12.3%	35	-1.5%	24
Nevada	9.6%	42	7.1%	48	-2.5%	19	13.3%	40	14.0%	30	0.7%	6
New Hampshire	10.2%	39	7.2%	47	-3.0%	23	7.4%	51	7.8%	51	0.3%	8
New Jersey	8.5%	47	7.8%	39	-0.7%	6	11.3%	48	11.1%	45	-0.2%	12
New Mexico	16.5%	14	12.8%	11	-3.7%	31	27.8%	3	25.0%	4	-2.8%	35
New York	11.9%	25	11.3%	14	-0.5%	3	19.1%	17	20.0%	10	0.9%	5
North Carolina	19.5%	9	13.2%	10	-6.3%	42	17.2%	23	16.1%	21	-1.1%	21
North Dakota	14.6%	17	11.1%	16	-3.5%	29	17.1%	24	14.0%	31	-3.2%	40
Ohio	10.7%	36	8.1%	34	-2.5%	20	17.8%	21	14.4%	26	-3.4%	43
Oklahoma	17.9%	11	11.1%	17	-6.8%	45	21.7%	11	19.6%	11	-2.1%	29
Oregon	10.1%	40	7.6%	42	-2.5%	21	15.8%	27	14.7%	23	-1.0%	18
Pennsylvania	10.6%	37	9.1%	22	-1.5%	10	15.7%	28	14.7%	24	-1.0%	17
Rhode Island	11.6%	26	10.6%	18	-1.0%	9	13.8%	36	16.9%	20	3.1%	2
South Carolina	20.5%	7	13.9%	6	-6.7%	44	21.0%	12	18.8%	15	-2.1%	30
South Dakota	15.5%	15	11.1%	15	-4.3%	37	20.4%	15	17.2%	18	-3.2%	41
Tennessee	20.9%	5	13.5%	9	-7.5%	48	21.0%	13	18.0%	16	-3.0%	38
Texas	18.4%	10	12.8%	12	-5.6%	41	24.3%	8	20.5%	9	-3.8%	46
Utah	8.8%	46	5.8%	51	-3.0%	24	12.5%	43	10.1%	49	-2.4%	32
Vermont	12.4%	21	8.5%	28	-3.9%	33	12.0%	44	11.4%	42	-0.6%	15
Virginia	14.1%	18	9.5%	21	-4.6%	38	13.3%	39	12.3%	36	-1.1%	19
Washington	9.1%	44	7.5%	43	-1.6%	11	14.5%	31	13.7%	33	-0.9%	16
West Virginia	16.7%	13	11.9%	13	-4.9%	39	26.2%	4	24.3%	5	-1.9%	25
Wisconsin	9.1%	45	7.4%	45	-1.6%	12	14.9%	30	11.2%	44	-3.7%	45
Wyoming	10.7%	35	8.9%	25	-1.8%	14	14.4%	32	14.5%	25	0.1%	10

Source: US Census Bureau, 1990 census - Summary Tape File 3, and Census 2000 - Summary File 3

Utah's School Age and College Age Population Boom

Overview
After a decade of flat to slow growth, the Utah school age population (5 through 17 years old) will increase substantially beginning in 2004 and continue for at least another ten years. This increase in the number of school age persons is an echo boom from Utah's last baby boom that peaked around 1980. This cohort will enter the college age group (18 through 24) beginning in about 2016. Even if the economy slows significantly below trend and fertility rates converge towards national rates, this school age population boom will occur because of the large number of young women who are entering childbearing years. Importantly, growth of the working age population (ages 18 to 65) is projected to increase such that the school age dependency ratio does not increase beyond recent historical experience.

Population analysts have for some time anticipated a significant increase in the school age population (5 through 17 years of age) of Utah beginning around 2004 and extending for at least a decade. At this point the question is not whether the boom will materialize, but rather, the exact timing, magnitude, and geographical distribution of the increases in the school age and college age (18 through 24 years old) populations within the state. This chapter is an exploration of these issues.[1]

The acceleration in the growth rate of the school age population, which follows a decade of flat-to-slow growth during the 1990s, is primarily attributable to an increase in the number of women in childbearing years. Utah's last baby boom peaked in the early 1980s and this generation is now coming of age. In addition, the economic growth of the 1990s created a demand for labor that attracted workers to the state and many of these migrants were young.[2] Consequently, the annual number of state births has set new records for each of the last five years, surpassing the number of births in the early 1980s. Importantly, the record level births, and the associated subsequent increases in the school age population, are not the result of a rising fertility rate, but rather the shear size of this cohort of young women.[3]

Predicted scenarios based on the effects of various fertility rate and economic growth assumptions are:

- The school age boom will occur even if fertility and economic growth rates decline.
- The school age dependency ratio (the number of school age persons per 100 working age persons) will rise and fall with the wave, but will not rise above recently experienced levels.

State Level Analysis

The 30-year baseline projections discussed here are the official State of Utah projections produced by the Governor's Office of Planning and Budget (GOPB) using the Utah Process Economic and Demographic Projection (UPED) Model system. The various scenarios discussed here have been generated with the UPED model as well. State scenarios were constructed using combinations of economic growth and fertility assumptions. These were selected because of the strong influence they exert on the size and age composition of the population, particularly the school age population. Three economic growth paths (high, medium (baseline), and low) were combined with three fertility assumptions (high, medium (baseline), and low) to produce nine scenarios. The baseline scenario essentially assumes conservative long-term trend demographic and economic rates.

State Level Results

Total Population. According to the baseline projections, the population of the state, which was estimated to be 2,246,553 on July 1, 2000, should reach 2,786,216 by 2010, and 3,760,058 by 2030. The high growth/high fertility scenario sets the upper limit (projected population of just over 4.13 million in 2030) while the low economic growth and low fertility scenario produces a projected population of 3,421,516 in 2030. The scenario ranges expand around the baseline, both absolutely and in percentage terms, further into the future.

School Age Population. The statewide school age population boom begins in 2004 for all scenarios. In the baseline case, the projected number of persons aged 5 through 17 increases to 515,339 in 2004 from 507,778 in 2003. From 2006 through 2018, this age group is projected to increase by over 10,000 per year, with annual increments peaking in 2012, with an increase of over 20,000. The boom occurs in all scenarios -- only the magnitude differs. For example, in the high economic growth/high fertility case, the school age population reaches 700,000 in the year 2014, while the baseline case does not reach this level until 2015, and the low growth/low fertility reaches it by 2018. Importantly, in all scenarios the school age population boom mostly runs its course by 2020 as the children of Utah's 1980s baby boom move out of the school age group.

College Age Population. The projected college age population (18 through 24 years old) is also affected by the early 1980s baby boom cohort, and eventually by their children. People in this age group inevitably migrate to and from the state for a variety of reasons including religious missions, college attendance, and employment. However, the fundamental dynamic determining the size of this population is this internally generated demographic wave. In the short term, the college age population is projected to decline as the peak of the 1980s Utah baby boom ages beyond these years. The children of this cohort enter the college age group roughly 12 years after the start of the school age population boom. All scenarios project a rapid increase in the college age group from about 2016 to 2025, with increases extending through the end of the projection period (2030). Because college and university attendance are not restricted to this "traditional" age group, this presents only a partial measurement of the projected demand for higher education in Utah.

Per Worker Burden. The number of employed workers is primarily determined by the size and growth rate of the economy, rather than

[1] This topic is explored in greater detail in T. Ross Reeve and Pam Perlich, "The Coming Boom in Utah's School Age and College Age Populations: State and County Scenarios." Utah Economic and Business Review. Volume 62. Numbers 9 and 10. September/October 2002.

[2] Migration rates for employment purposes are highest among people in their early to mid-twenties.

[3] See Pamela S. Perlich, "Demographic Trends Affecting Public Education in Utah." Utah Economic and Business Review. Volume 60. Numbers 11 and 12. November/December 2000.

[4] Again, because college and university attendance extends beyond the age of 24, this is a partial measure.

purely demographic factors. When economic growth results in the demand for labor exceeding the pool of internally generated workers, employment related net in-migration to the state occurs. Conversely, if economic growth does not create adequate employment for the internally generated labor force, net out-migration of the labor force results. If we compare the relatively steady baseline trend projection of employed workers with the numbers of projected school age and college age persons, we can derive a proxy measure of economic burden to each working taxpayer. The school age population per employed worker increases as the school age population boom progresses and then diminishes as that cohort ages. It peaks in 2018 at 0.495 school age persons per employed worker, then declines to 0.46 by 2030. The number of college age persons per employed worker declines in the short run as the cohort born in the early 1980s ages beyond college age to a low of 0.224 in 2017. Then, as the children of this cohort (those being born in our current record-level births) enter the college age, the ratio again rises, particularly from 2018 to 2025.[4] The combined effect is a decline in the projected number of 5 through 24-year-old persons per employed worker from 0.81 in 2000 to 0.71 in 2011, and an increase to 0.729 in 2024.

School Age Population Dependency Ratio. The school age dependency ratio, which is the number of school age persons per 100 working age (18 through 64 years old) persons, is a standard measure of age structure. Utah has for many years had the highest school age dependency ratio among all states. Projected growth in the working age population nearly keeps pace with that of the school age population during the projected boom years. In fact, the cumulative growth of the school age population from 2000 to 2020 (with 2020 marking the end of the boom) is projected to be about 240,000 or a 47% increase while the increase in the working age population is projected to be about 626,000 or 47%. Consequently, the baseline projected dependency ratio is projected to actually fall until 2006 then increase until 2019 when it again reaches the 2000 level.

County Level Results

Statewide, the school age population (5 through 17 years old) is projected (baseline) to increase by 264,894 or 51.7% from 2000 to 2030. Nearly 60% (58.8%) of the increase is projected to occur in Salt Lake and Utah counties. In the baseline case, the school age population in Salt Lake County is projected to increase by 86,705 persons (44.5% increase) and the school age population in Utah County is projected to increase by 69,130 persons (80.5% increase) from 2000 to 2030. The projected increase for Washington County is 26,208, more than double the increase (130 %) from 2000 to 2030. Other counties with large projected increases are Weber (24,067 or 55.4% increase), Davis (18,210 or 29.9% increase), Cache (11,026 or 56.1% increase), Tooele (9,814 or 98.4 % increase), Iron (5,700 or 76.5% increase), and Summit (4,578 or 67.2% increase) counties. Counties in the Uintah Basin, southeastern, and central portions of the state are either somewhat affected by the boom, or not at all affected. The counties with economies based on natural resources have historically been quite difficult to project because natural resource cycles most often cannot be anticipated. Even in those counties projected to have little growth or actual declines in the school age population, there are often demographic waves from this statewide population event (Duchesne, Emery, Millard, San Juan, and Uintah). Some counties are projected to have school age population decline from 2000 to 2010 before the trend reverses (Box Elder, Carbon, Duchesne, Garfield, Morgan, Sanpete, and Sevier). There are also counties in which the school age population is projected to stay constant or actually decline after a run-up from the school age boom (Box Elder, Cache, Carbon, Duchesne, Emery, Grand, Iron, Millard, Rich, San Juan, Sanpete, Sevier, and Uintah counties).

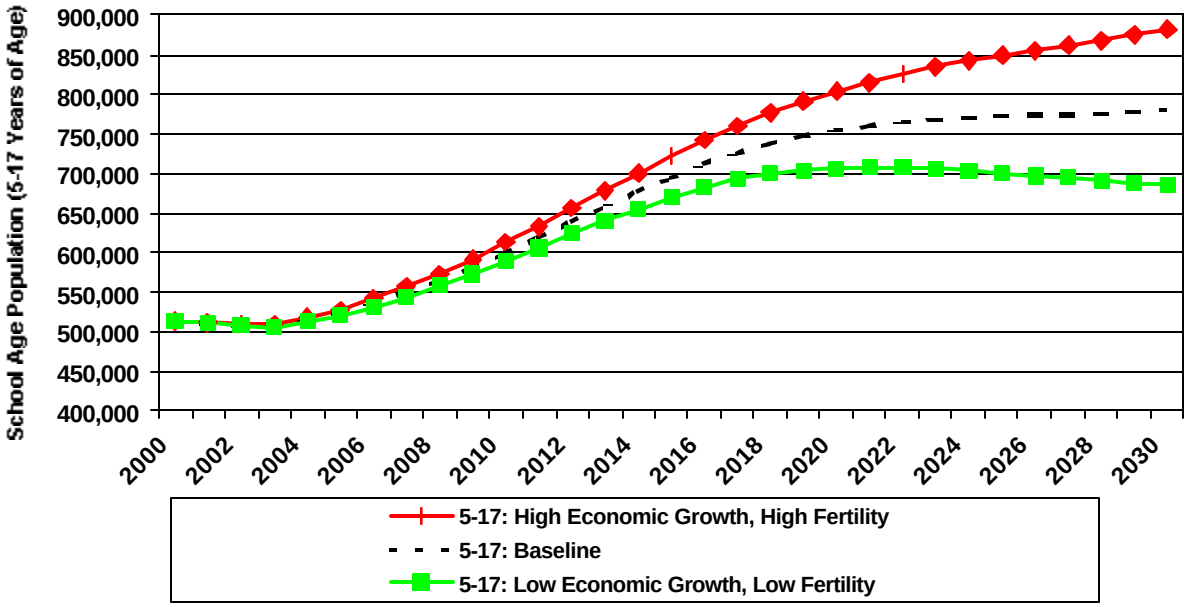
Conclusion

The statewide school age population (5-17 age group) is projected to increase significantly, particularly from 2004 to 2020. The growth is an "echo boom" of Utah's last baby boom, which peaked in the early 1980s. Utah's “1980s baby boomers” are coming of age and beginning to have children. Their children will begin to reach school age in 2004, and college age (ages 18-24) from around 2016 through 2025. The school age population boom is anticipated to occur for a variety of reasonable assumptions for economic growth, fertility, and migration. However, the timing and magnitude of the boom will vary with the alternate scenarios that will emerge as a consequence of changes in any of these assumptions. In all scenarios, the school age population boom mostly runs its course by 2020, when the children of Utah's 1980s baby boom move out of the school age group. The number of school age persons per employed worker is projected to decrease in the short term, increase until 2018, and then eventually decline for the duration of the projection period (2030).

The demographic wave impacts the 18-24 age group, especially from 2016 to 2025, with slower but continued growth thereafter. This is a subset of the adult population attending college or universities. The number of college persons (18-24 age group) per employed worker is projected to decrease until 2017, and then begin to rise for the duration of the projection period (2030).

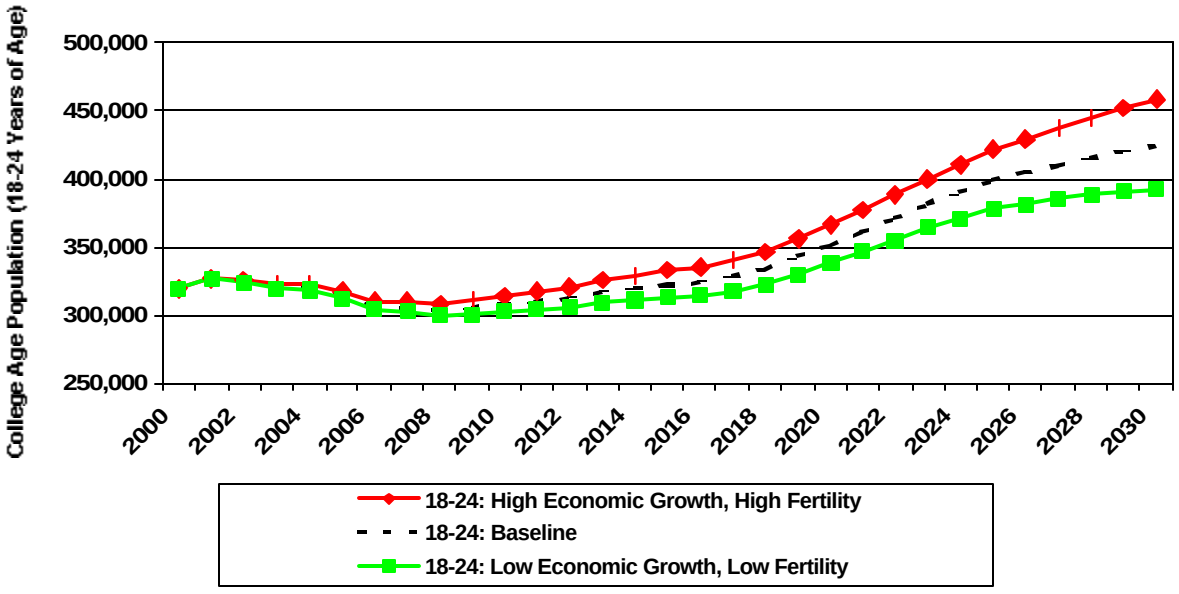
Salt Lake and Utah counties are projected to have nearly 60% of the increased school age population from 2000 to 2030. Washington County is projected to have the third largest increase in school age population, as well as the highest projected percentage increase (130% increase from 2000 to 2030). Other highly impacted counties in absolute numbers include Weber, Davis, Cache, Tooele, Iron, Summit, Wasatch, and Box Elder counties. Impacted counties in percentage increase include Kane, Wayne, and Juab counties. This research validates the anticipated statewide school age population boom and indicates the possible timing, magnitude, and location of impacts. The projected educational burdens per working taxpayer, although rising and falling with the demographic waves, are not outside recent historical experience.

Figure 73
State of Utah: Projected School Age Population Scenarios



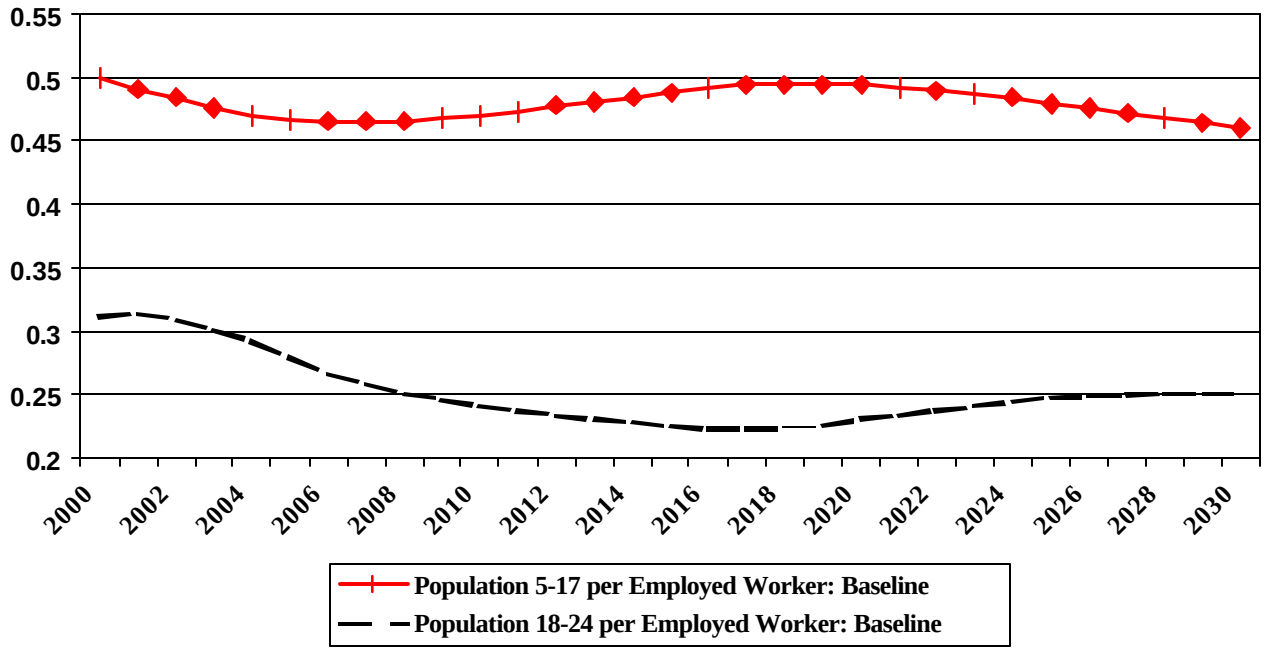
Source: UPED Model System, BEBR calculations

Figure 74
State of Utah: College Age Population Scenarios



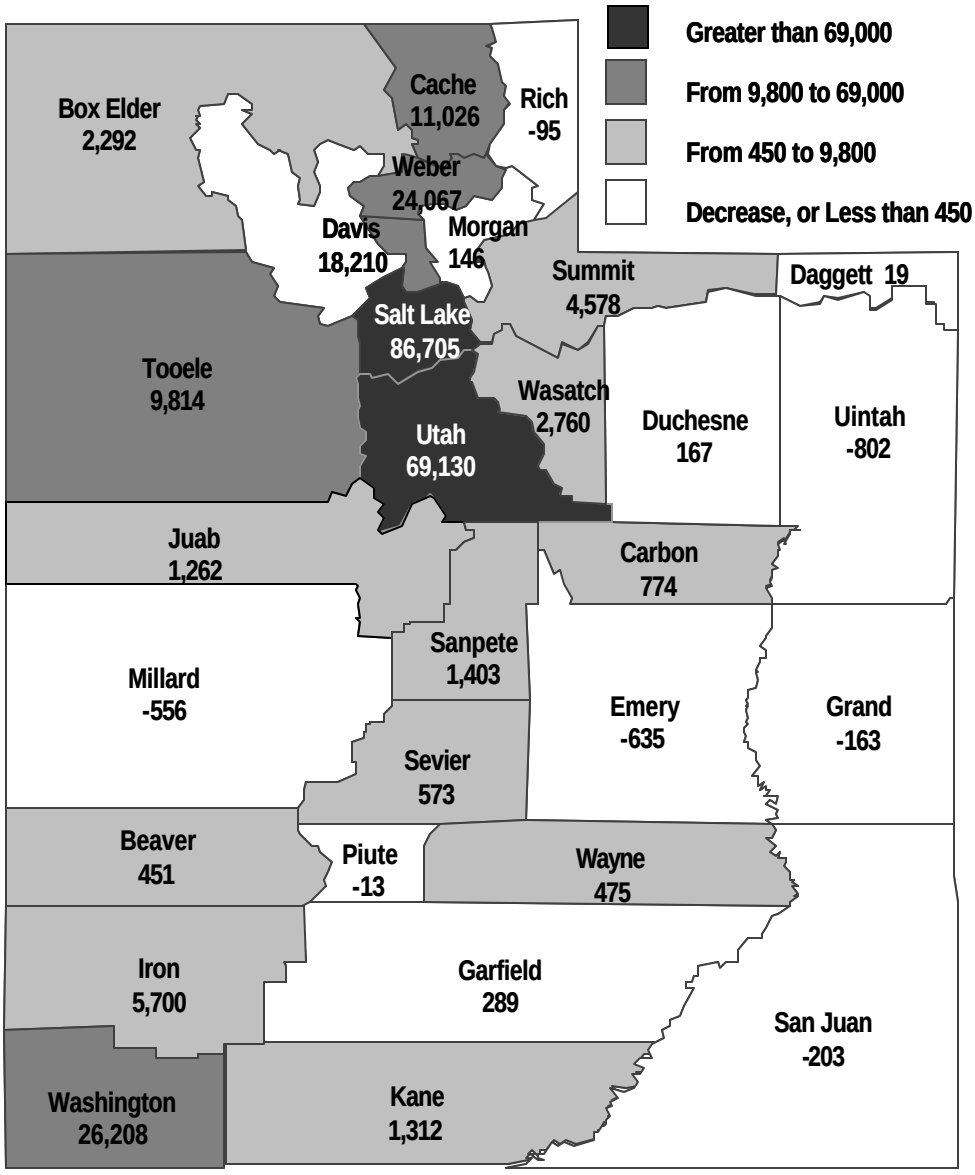
Source: UPED Model System, BEBR calculations

Figure 75
State of Utah: Projected School Age (5-17) Population and College Age (18-24) Population per Employed Worker



Source: UPED Model System, BEBR calculations

Figure 76
Projected Cumulative School Age Population Increase: 2000 to 2030



Source: BEBR Analysis of UPED Model System data

Table 89

State of Utah Projections: Baseline and Scenarios

	2000	2001	2002	2003	2004	2005	2010	2015	2020	2025	2030	Cumulative Increase (2000-2020) Amount	Cumulative Increase (2000-2020) Percent	Cumulative Increase 2000-2030 Amount	Cumulative Increase 2000-2030 Percent
Total Population															
High Economic Growth, High Fertility	2,246,553	2,295,962	2,322,928	2,360,857	2,423,059	2,481,881	2,848,747	3,250,165	3,566,442	3,846,158	4,130,408	1,319,889	59	1,883,855	84
Baseline	2,246,553	2,295,962	2,318,120	2,350,832	2,407,421	2,460,078	2,786,216	3,129,214	3,371,388	3,566,790	3,760,058	1,124,835	50	1,513,505	67
Low Economic Growth, Low Fertility	2,246,553	2,295,962	2,313,309	2,340,766	2,340,766	2,438,345	2,724,783	3,012,169	3,184,134	3,304,131	3,421,516	937,581	42	1,174,963	52
State School Age Population (Ages 5-17)															
High Economic Growth, High Fertility	512,372	510,966	508,394	509,614	518,123	528,064	612,252	721,799	802,879	848,608	881,953	290,507	57	369,581	72
Baseline	512,372	510,966	507,490	507,778	515,339	524,267	600,612	695,304	753,950	773,291	779,971	241,578	47	267,599	52
Low Economic Growth, Low Fertility	512,372	510,966	506,584	505,927	512,545	520,467	589,111	669,477	705,998	700,725	685,793	193,626	38	173,421	34
College Age Population (Ages18-24)															
High Economic Growth, High Fertility	319,333	326,584	325,563	323,422	322,852	317,892	314,441	332,833	366,156	421,460	458,434	46,823	15	139,101	44
Baseline	319,333	326,584	324,623	321,677	320,581	315,129	308,754	322,986	352,091	399,525	424,798	32,758	10	105,465	33
Low Economic Growth, Low Fertility	319,333	326,584	323,683	319,882	318,275	312,358	303,186	313,490	338,366	377,944	392,527	19,033	6	73,194	23
Working Age Population (Ages 18-64)															
High Economic Growth, High Fertility	1,332,186	1,371,206	1,391,794	1,417,381	1,458,005	1,493,818	1,706,904	1,913,772	2,062,972	2,201,593	2,349,594	730,786	55	1,017,408	76
Baseline	1,332,186	1,371,206	1,388,605	1,410,856	1,447,967	1,480,035	1,669,820	1,845,506	1,957,917	2,055,566	2,159,265	625,731	47	827,079	62
Low Economic Growth, Low Fertility	1,332,186	1,371,206	1,385,415	1,404,316	1,437,941	1,466,320	1,633,406	1,779,404	1,857,169	1,917,909	1,983,589	524,983	39	651,403	49
School Age Dependency Ratio (1)															
High Economic Growth, High Fertility	38.5	37.3	36.5	36.0	35.5	35.3	35.9	37.7	38.9	38.5	37.5				
Baseline	38.5	37.3	36.5	36.0	35.6	35.4	36.0	37.7	38.5	37.6	36.1				
Low Economic Growth, Low Fertility	38.5	37.3	36.6	36.0	35.6	35.5	36.1	37.6	38.0	36.5	34.6				

Notes: All populations are July 1. Because of computational procedures, there is a slight difference with the official 2002 state baseline.

(1) The school age dependency ratio is the number of school age persons per 100 working age persons.

Source: UPED Model System

Figure 90
School Age Population Change: 2000 to 2030
Baseline Projections

County (In order of ranking)	Amount Change	Percent Change	Share of State Increase (Percent)
Salt Lake	86,705	44.5	32.7
Utah	69,130	80.5	26.1
Washington	26,208	130.2	9.9
Weber	24,067	55.4	9.1
Davis	18,210	29.9	6.9
Cache	11,026	56.1	4.2
Tooele	9,814	98.4	3.7
Iron	5,700	76.5	2.2
Summit	4,578	67.2	1.7
Wasatch	2,760	71.5	1.0
Box Elder	2,292	19.9	0.9
Sanpete	1,403	24.7	0.5
Kane	1,312	95.3	0.5
Juab	1,262	55.4	0.5
Carbon	774	17.6	0.3
Sevier	573	11.8	0.2
Wayne	475	80.1	0.2
Beaver	451	31.0	0.2
Garfield	289	25.2	0.1
Duchesne	167	4.2	0.1
Morgan	146	7.0	0.1
Daggett	19	12.3	0.0
Piute	-13	-4.0	N/A
Rich	-95	-17.8	N/A
Grand	-163	-9.6	N/A
San Juan	-203	-4.8	N/A
Millard	-556	-15.3	N/A
Emery	-635	-21.6	N/A
Uintah	-802	-12.1	N/A
State of Utah	264,894	51.7	100.0%

Source: UPED Model System, BEBR calculations

Future Challenges for K-12 Education

Overview

Providing adequate funding for public education is difficult in Utah. Although taxpayers pay relatively high taxes, with a large share of that tax revenue dedicated to education, the size of Utah's student population results in the lowest per-pupil funding in the nation. The past ten years brought very favorable conditions to Utah's state and local governments. With a booming economy, tax revenues increased rapidly. Public school enrollment slowed dramatically, and the combination of slow enrollment growth with high revenue growth allowed a greater investment in education, even as the state focused resources in other budget areas, such as infrastructure development. However, the current decade is bringing in a much different socio-economic landscape -- with a formidable enrollment boom, prospects of slower economic growth, and new federal rules that will require a higher level of performance from public schools. These challenges will certainly need the attention of policymakers at all levels of government if Utah's schools are to be able to improve quality, or even just maintain the current level of quality.

Utah's Education Paradox -- High Effort But Low Spending Results

Utahns exercise a significant funding effort for K-12 and higher education, but that effort yields low per-pupil funding because of the unusually large number of children in Utah. One measure of the state's effort for funding government programs is the tax burden. When measured in proportion to statewide personal income, Utah has a high tax burden. In 1998-99 (the most recent year with comparable data on all states), this burden was 15.2% of personal income, ranking ninth highest among the 50 states. Through the 1990s, the tax burden grew in most years, although efforts were made at least at the state level to reduce taxes.

Furthermore, the tax burden is higher at the state level than the local level. Income tax and property tax affect education the most. Utah's individual income tax, which is constitutionally earmarked for public and higher education funding, ranks 16th highest in the nation. Property tax, on the other hand, ranks fairly low compared to other states at 36th highest. This is a local tax, levied by cities, counties, special districts, and school districts.

Utahns have a history of dedicating a large share of tax revenues to education. In the mid-1990s, Utah's budget effort for K-12 schools was among the highest in the nation, ranking fifth highest in 1996. By 1999, however, Utah had fallen below the national average and ranked 32nd. This decline for K-12 education does not mean that schools actually dealt with reductions in their budgets; school budgets continued to grow during this period, but they did not grow as fast as other components of state and local spending. A leveling off of public education enrollment growth in the late 1990s, and the need for the state to dedicate large amounts of money to capital projects, such as highway construction, contributed to this.

Despite this effort, Utah's per-pupil funding has remained the lowest in the country at $4,200 per pupil, and class sizes have remained the highest at 22.1 pupils per teacher. These ratios improved during the 1990s. However other states were increasing per-pupil funding and decreasing class size as well. This is the result of a remarkably young population, which is expected to grow significantly in the coming decade.

Utah's Unique Demographics

According to the 2000 census, Utah has approximately 500,000 residents that are school aged. This is 22.8% of the state's total population, the highest percentage in the nation. When comparing the number of school aged children to the adult working population between the ages of 18-64, Utah again ranks first in the nation. Our dependency ratio is also high. For every 100 working age adults, there are 38.5 children. The state also has the highest fertility rate of any state at 91.4 live births per 1,000 women of childbearing years. Arizona is second, with a considerably lower rate of 78.2 per 1,000 women.

Enrollment projections from the Utah State Office of Education show school enrollments increasing by 102,434 over the period of 2001-2011. This number is approximately even with the enrollment boom of the 1980s, when the student population increased by approximately 101,800 from 1980-1990. This new enrollment boom would be a 21.5% increase over the ten-year period, compared to an almost 30% increase in the 1980s.

Discussions with state demographers reveal that two-thirds of the expected enrollment growth is derived from the natural increase of the state's population. The 70,000 projected students are the direct result of the state's high fertility rate and the number of women in their prime childbearing years. The other 32,000 projected students are anticipated to be the result of migration to Utah from other states. This is where Utah's economic growth becomes critical. If Utah's economy does not outperform neighboring states, the enrollment projections might be overstated.

Utah Foundation calculates that, with moderate in-migration (half the official estimate), if the economy grows slowly (2% real annual growth), state funding per pupil will not be able to keep up with the growth in enrollments, even if a higher level of budget effort is assumed. However, if the economy grows at a moderately fast pace (4.2% real annual growth), state funds will grow sufficiently to increase per-pupil funding from state sources.

Utah's Economy

While there are large numbers of public school children requiring support through tax funds, the state has few resources with which to meet that demand because of its small economy and low wages. According to 2001 personal income figures, Utah has the 35th largest economy in the nation, placing it amidst Arkansas, Mississippi, Nebraska and New Hampshire. However, when that income is divided by the population, Utah drops to 44th in the nation, with a per capita personal income of $24,202. This is also the result of our high dependency ratio. Wages, the largest component of personal income, also highlight the difficulty that Utah has in meeting the demands of the education system. In 2000, the average annual salary in the state was $29,229, placing Utah's workers 32nd in the nation. This wage is about 83% of the national average, a figure which has been in decline since 1981. When adjusted for inflation, average pay did grow in the 1990s, but it did not grow as fast as the national average.

Test Scores

Utah's students have maintained average levels of achievement in most subject areas. Science and writing are exceptions to this trend. In

science, Utah's students have done well on national tests, such as the National Assessment for Educational Progress (NAEP), where fourth graders rank 12th. This routinely above-average performance is bolstered by SAT 9 results, where Utahns score above the 50th percentile routinely. Writing skills have consistently lagged behind the national average. Our eighth graders ranked 24th out of 35 states in 1998 and were five points below the national average. These data offer either encouragement or disappointment, depending on the reader's expectations. Some Utahns, having heard the often-repeated assertion that the state has a highly educated workforce, will view these results as disappointing. Utah's performance on most of these tests is average, not outstanding. On the other hand, those who focus on Utah's low level of per-pupil funding and high class sizes may be encouraged to know that, with the nation's worst funding level, our students do not perform anywhere near the worst in the nation. Utah's students have maintained average levels of achievement.

Economic Growth in This Decade

Once the current recession is over, Utah's economy will recover. However, it is unlikely to grow as it did in the 1990s, when Utahns saw a unique convergence of forces that made this state one of the strongest economies in the nation. The major reasons for this growth were: the significant pent-up demand that was left over from a slow economy in the 1980s; a ripe American corporate climate that resulted in greater investment in Utah; a housing boom that was fueled by healthy growth, and resulted in increasing home values. Finally, while the early 1990s brought a recession to much of the country (especially California), Utah was able to bypass the recession and attract many workers and companies into the state. These factors, which were so prominent in the 1990s boom for Utah, have all but evaporated. During the current recession, consumers have continued to spend at surprising levels. This will not provide the pent-up demand expected at the end of most recessions. Corporate America is no longer growing like it was in the last decade, and some aspects of Utah's attractiveness, such as low property prices, have diminished. Also, the wealth effect of the 1990s is reversing, as investors have lost large sums in the stock market, and some economists are predicting a bursting real estate price "bubble."

No Child Left Behind

Even if the economy grows at a healthy rate and funding is able to keep pace with enrollment growth, new federal rules will place an additional strain on Utah's public education system. On January 8, 2002, President Bush signed into law the *No Child Left Behind* Act of 2001 (NCLB). NCLB aims to increase accountability through emphasis on standards and assessments. Furthermore, it penalizes schools that do not make adequate yearly progress on those assessments.

Two fiscal problems arise from NCLB. First, NCLB was designed as top-down legislation. Utah's State Board of Education has traditionally been of an oversight agency rather than a regulatory one. The regulatory role of Utah's State Board of Education is relatively weak. This reflects Utahns' preference for local control and administration of education. Historically, the state board has only developed recommendations regarding curricula and administration. Eventually, various school districts determine how these recommendations are implemented. This presents some serious organizational difficulties that need to be overcome in order to effectively administer NCLB in Utah. The Utah State Office of Education (USOE) will have to develop the ability to regulate school districts and schools. For example, in the event that a school fails for five consecutive years, it must undergo state restructuring. This will require changes both at the administrative and legislative level.

Furthermore, USOE will need to appoint individuals who will oversee the testing programs associated with NCLB and the disaggregation of data by race, income, and other factors for the purpose of federal reporting. Rather than establish a new division at USOE, NCLB oversight and reporting will be integrated into the existing structure and programs. Finally, a preliminary look at Utah's disaggregated test scores shows that while Utah students perform at or above the national average as a group, most of Utah's racial groups perform below the level of the same racial groups nationally. Additionally, Hispanic students are the fastest growing student group, suggesting that Utah's ethnic mix is about to change significantly. This growth will create a downward pressure on Utah's overall test scores unless the achievement gap between minorities and white students is lowered significantly. This downward pressure will make it difficult to comply with NCLB, which is linked to federal funding and creates another fiscal pressure for Utah's education system.

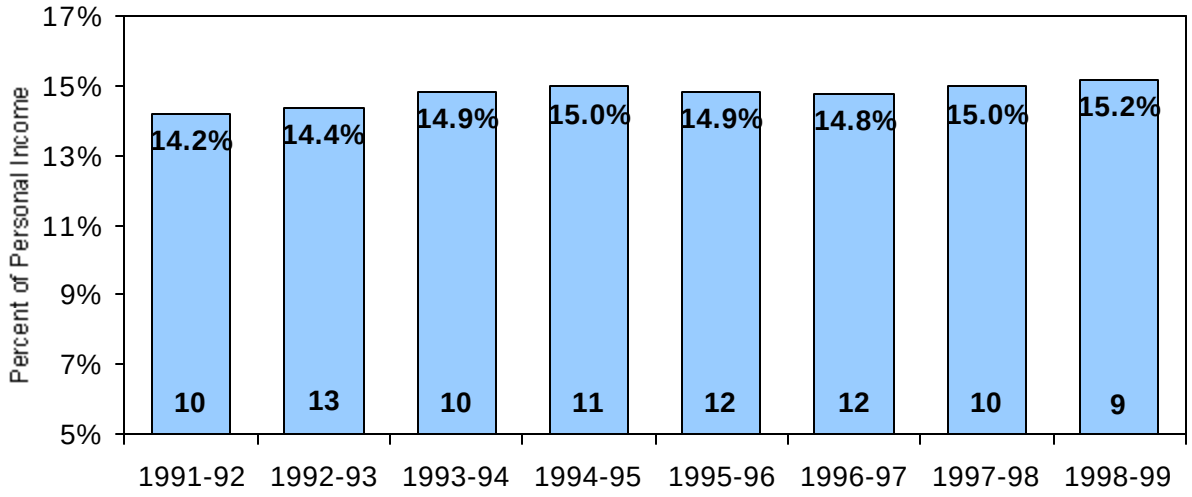
Conclusion

Utahns exert a significant funding effort for K-12 and higher education. While Utah's budget effort on K-12 education had been among the highest in the nation, it fell in the 1990s. Since K-12 enrollment growth was flat for much of the 1990s, and economic growth brought strong revenue increases, this change in funding priorities did not harm per-pupil funding, which increased at a healthy rate. Along with the rise in per-pupil spending, class size was reduced. Now that enrollment growth is accelerating and the economy will likely grow at a slower pace, a reassessment of spending priorities may be needed to keep K-12 education funded at an adequate level. However, it appears that the most important factor in determining whether per-pupil funding will grow is the rate of economic growth. If the economy is reasonably strong and the state's K-12 budget effort is maintained at recent levels, per-pupil funding will increase even with rapid enrollment growth.

Utah currently ranks in the middle tier in student performance on standardized tests. Increasing minority populations, which have greater prevalence of low income, lower levels of parental education, and English language challenges will bring Utah's test scores below average unless educators can succeed in bridging the achievement gaps for minorities. New federal requirements in the *No Child Left Behind* legislation will require extraordinary effort by Utah's public education system to keep Utah schools from being classified as failing. It is not clear whether Utah's public education system is prepared to succeed under the new law. Some structural changes may be needed, including strengthening the authority of the State Board of Education so that it can provide the oversight of local schools envisioned in the new federal law.

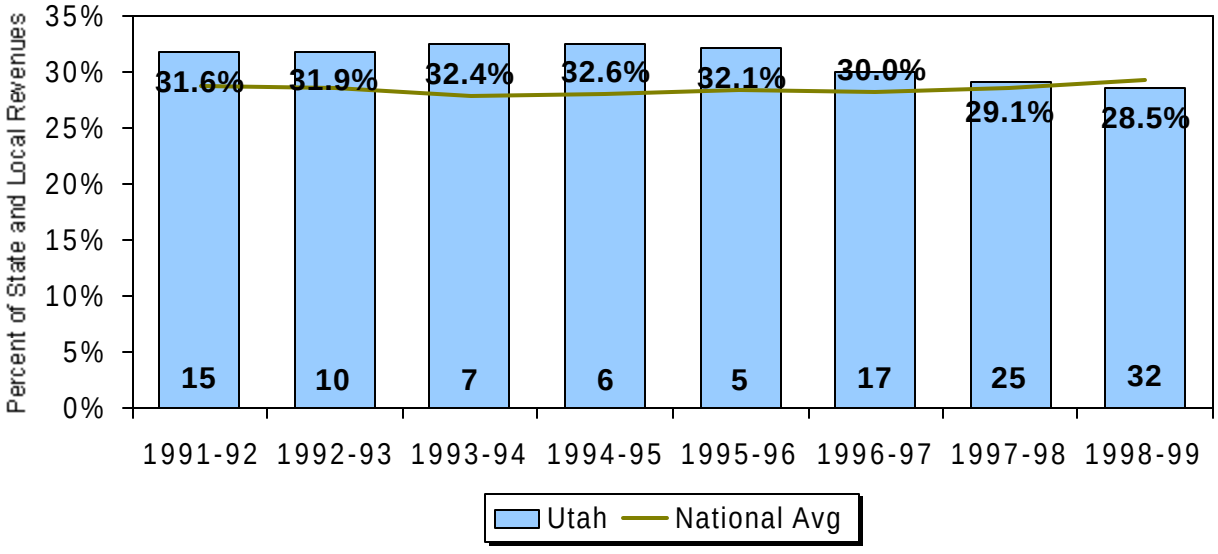
The challenges of the coming ten years will require thoughtful attention of policymakers at all levels of government. This decade will not provide the favorable environment that existed in the 1990s, and concerted effort will be required to ensure that Utah meets these challenges and succeeds.

Figure 77
Utah's Tax Burden: State and Local Taxes and Fees as a Percent of Personal Income (National Rank Shown at Bottom of Bars)



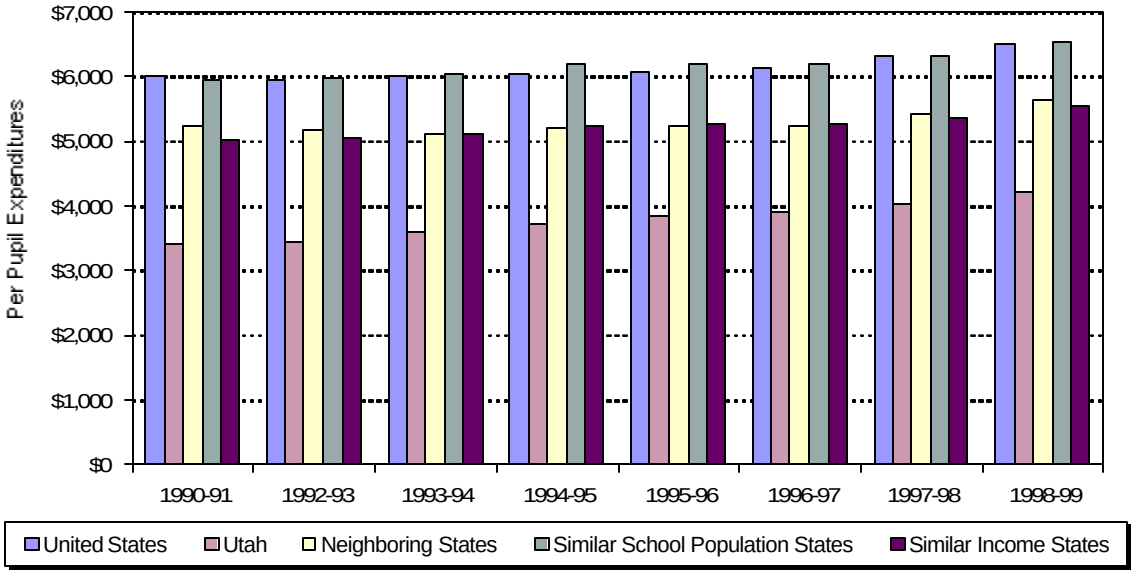
Sources: U.S. Census Bureau, Bureau of Economic Analysis, and Utah Foundation

Figure 78
Utah K-12 Education Spending As a Percent of Total State and Local Own-Source Revenues (National Rank Shown at Bottom of Bars)



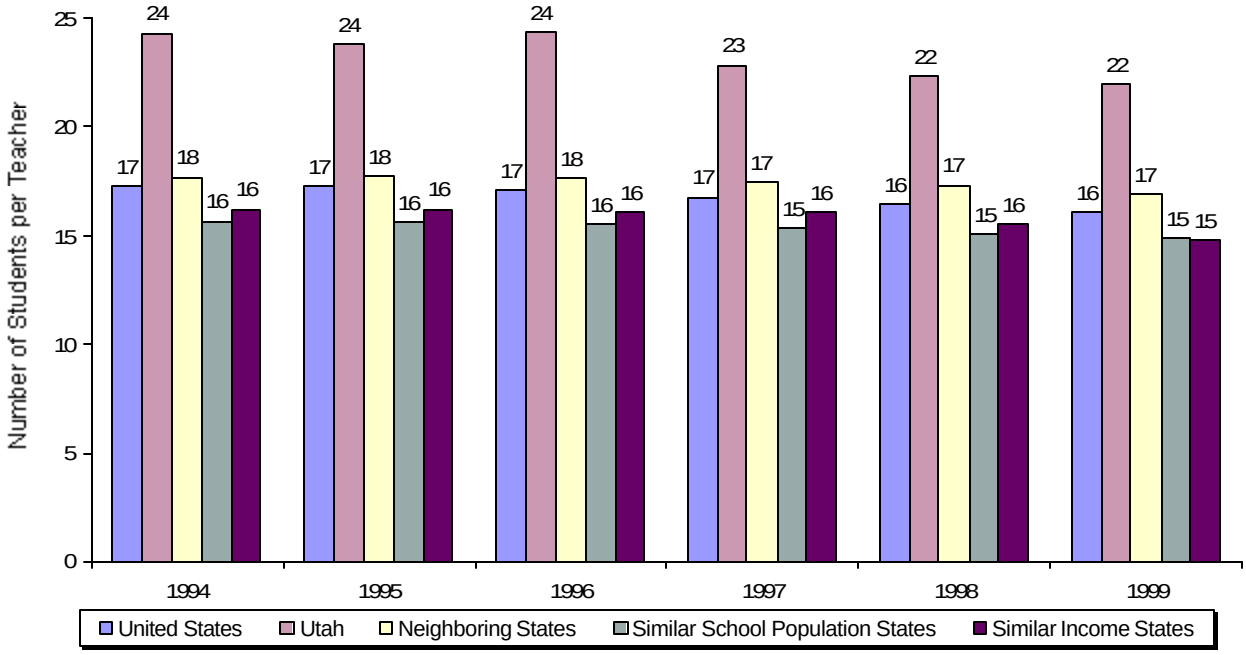
Source: U.S. Census Bureau

Figure 79
K-12 Public Education Per Pupil Expenditures in 1999 Dollars for Utah, its Cohort States and the U.S.: 1990-1999



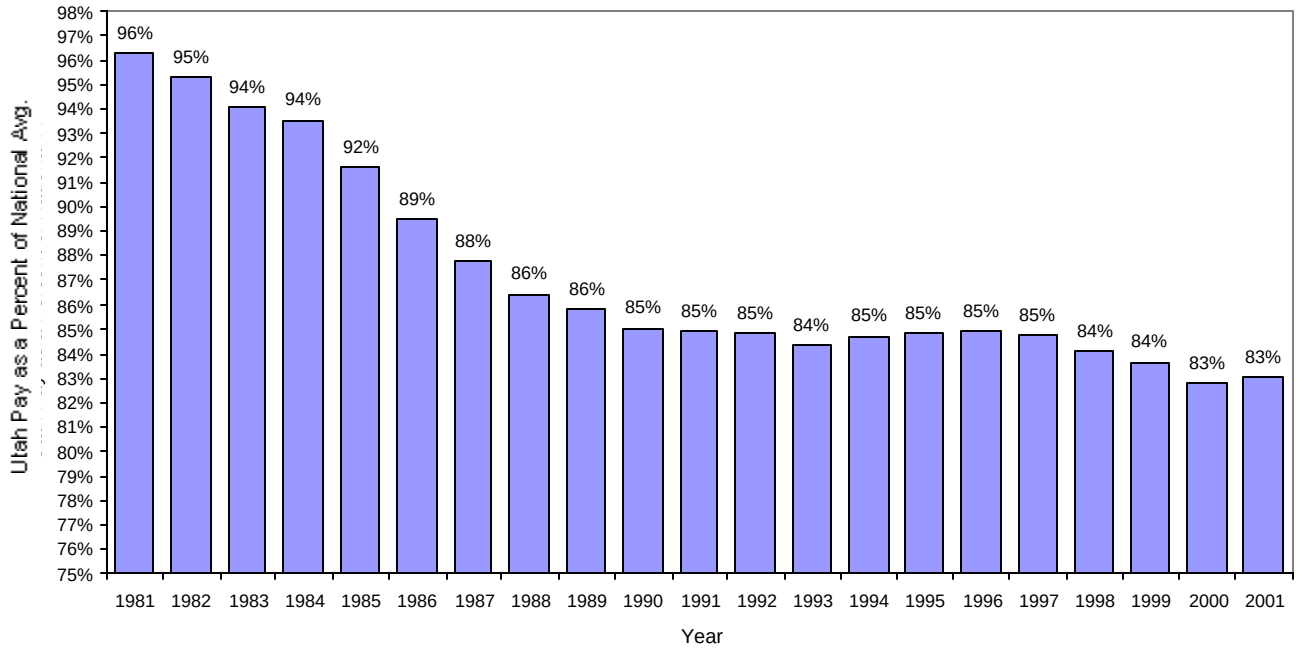
Source: National Center for Education Statistics

Figure 80
K-12 Public School Pupil Teacher Ratios for Utah, its Cohort States and the U.S.: 1994-1999



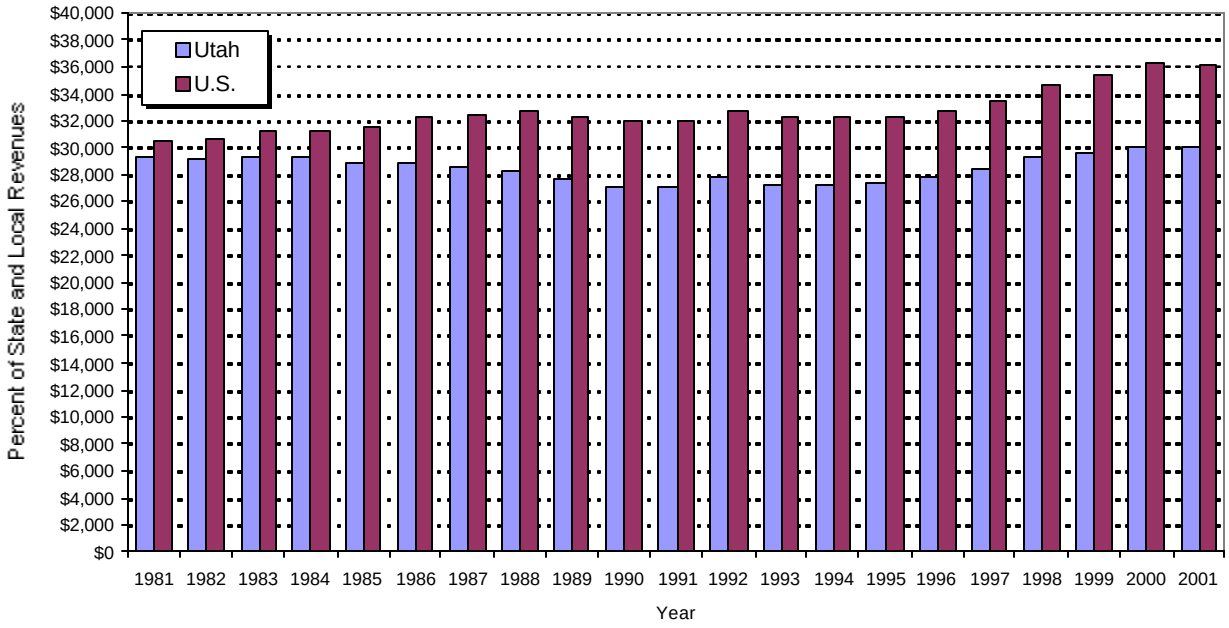
Source: National Center for Education Statistics

Figure 81
Utah Average Annual Pay as a Percent of the U.S. Average: 1981-2001



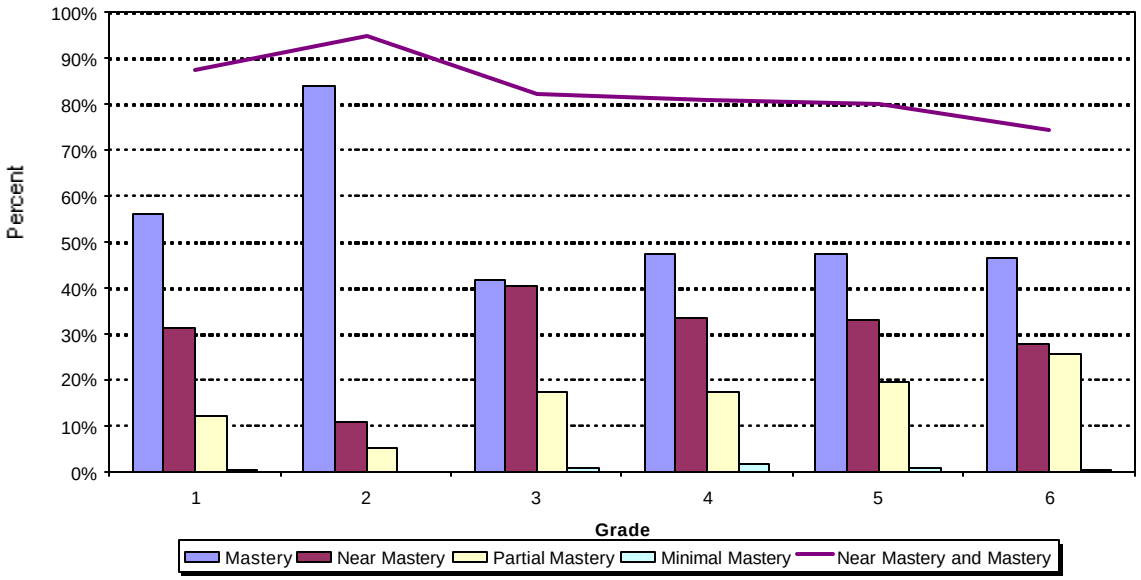
Sources: Bureau of Labor Statistics, Governor's Office of Planning and Budget, Utah Foundation

Figure 82
Average Annual Pay: Utah & the U.S. (adjusted for inflation in 2001 dollars): 1981-2001



Sources: Bureau of Labor Statistics, Governor's Office of Planning and Budget

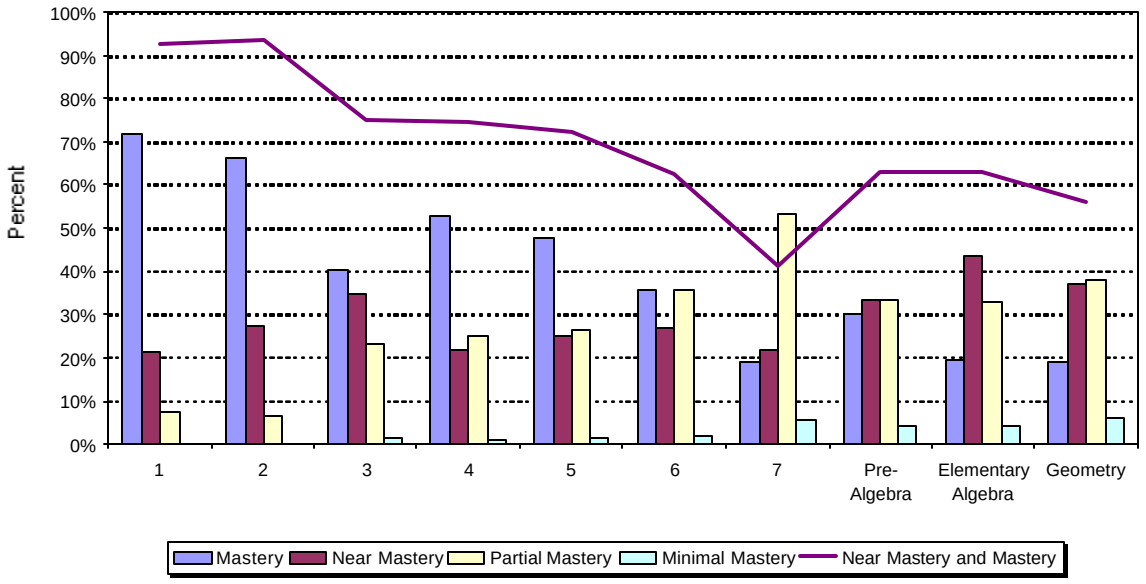
Figure 83
CRT* Statewide Language Arts Results by Grade: 2001



* Core Reference Criterion Test

Source: Utah State Office of Education

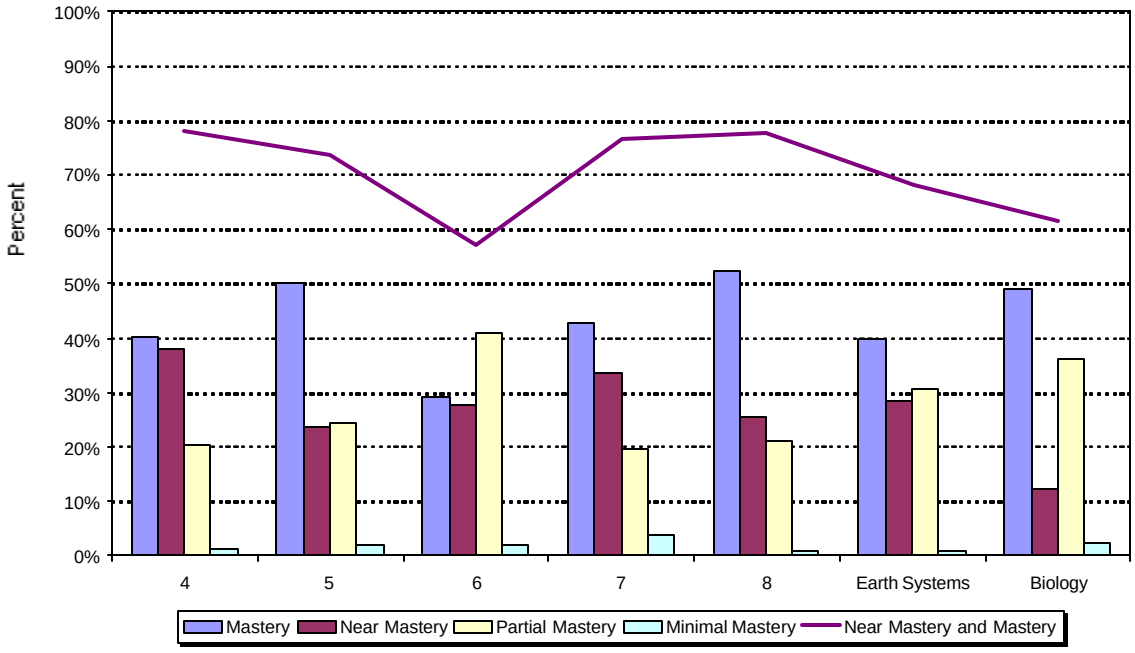
Figure 84
CRT* Statewide Math Results by Grade/Subject: 2001



* Core Reference Criterion Test

Source: Utah State Office of Education

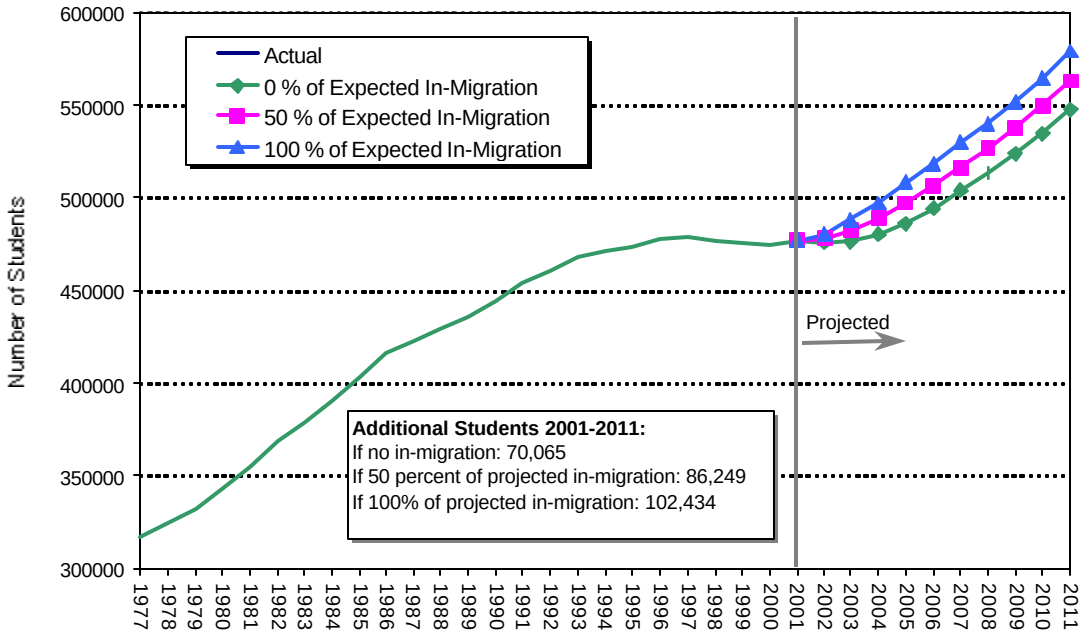
Figure 85
CRT* Statewide Science Results by Grade: 2001



* Core Reference Criterion Test

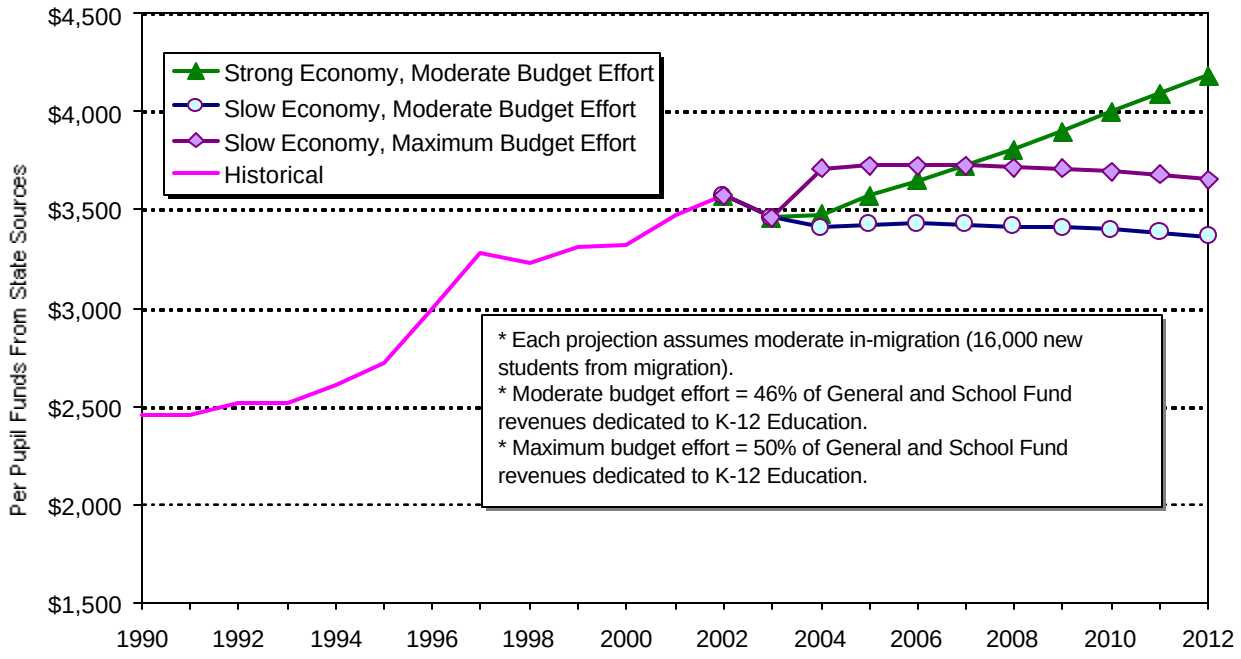
Source: Utah State Office of Education

Figure 86
Utah K-12 Public Education Enrollment, Actual and Projected: 1977-2001



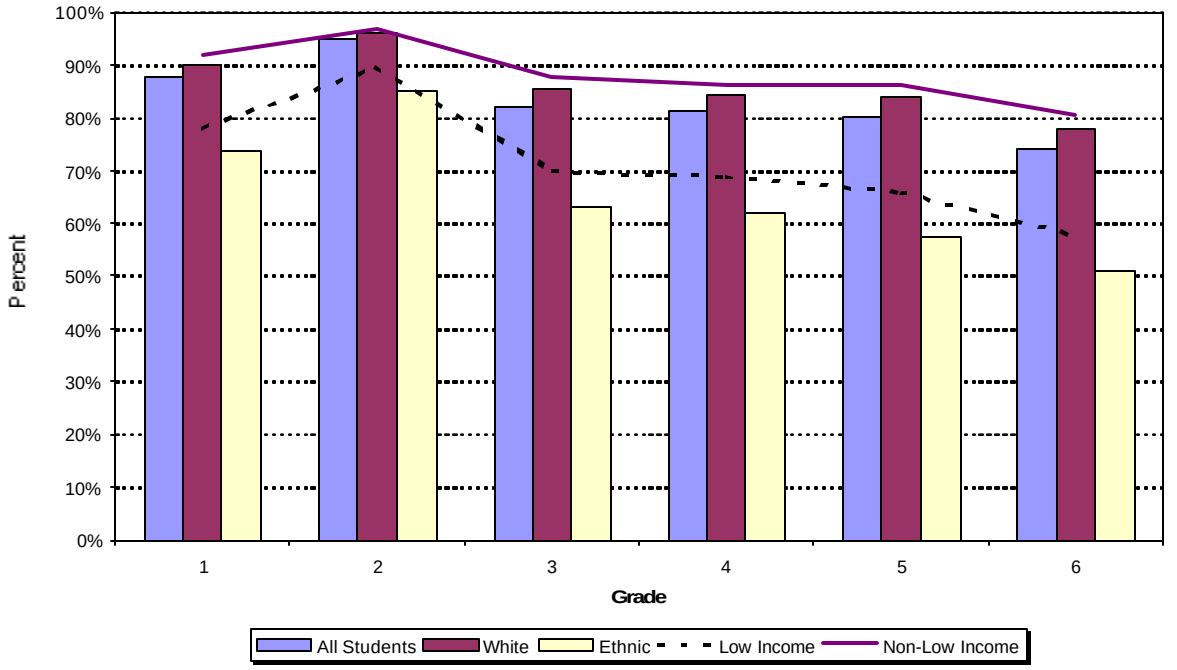
Source: Utah State Office of Education

Figure 87
K-12 Real Operating Funds Per Pupil From State Sources Projected With Varying Economic and Budget Assumptions



Sources: Utah State Office of Education, Bureau of Economic and Business Research, Governor's Office of Planning and Budget, Utah Foundation

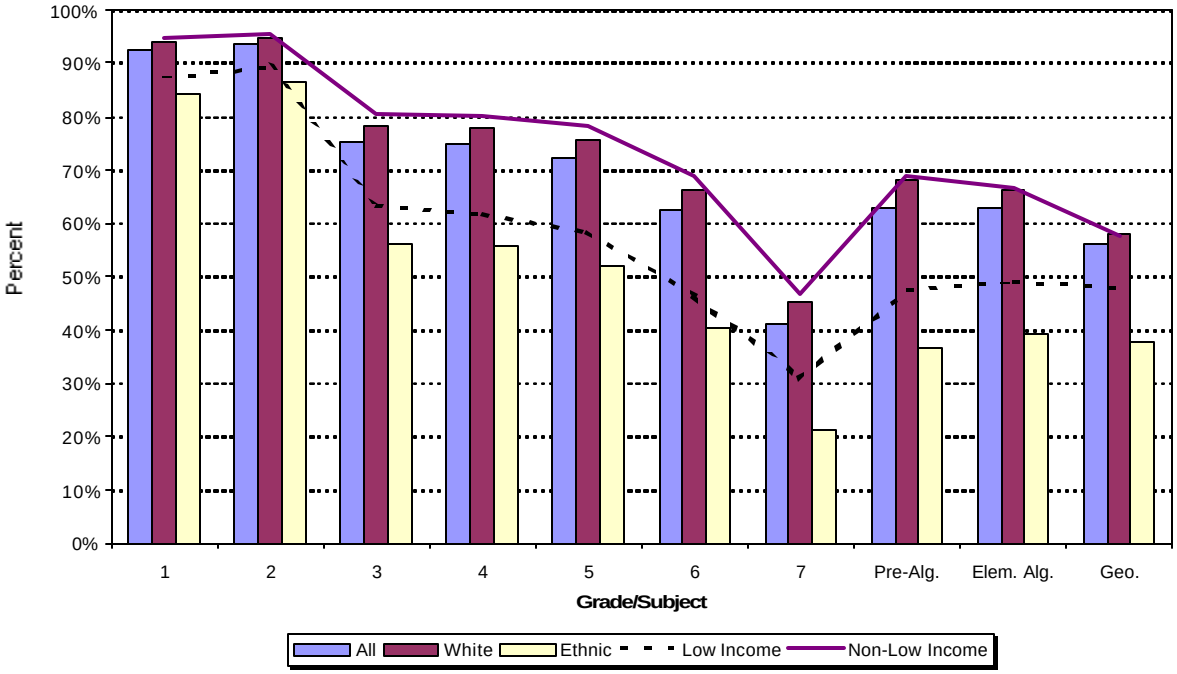
Figure 88
CRT* Statewide Language Arts Percent of Students At or Above Near Mastery by Ethnicity, Income Level & Grade: 2001



* Core Reference Criterion Test

Sources: Utah State Office of Education, Bureau of Economic and Business Research, Governor's Office of Planning and Budget, Utah Foundation

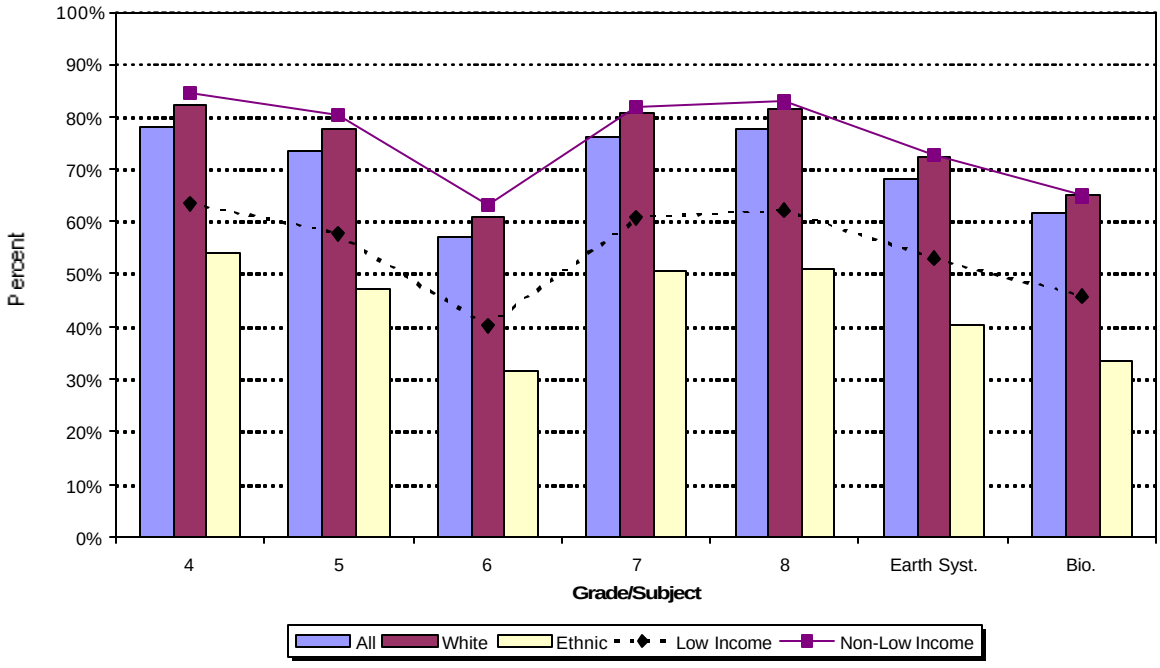
Figure 89
CRT* Statewide Math Percent of Students At or Above Near Mastery by Ethnicity, Income Level & Grade: 2001



* Core Reference Critereon Test

Source: Utah State Office of Education

Figure 90
CRT* Statewide Science Percent of Students At or Above Near Mastery by Ethnicity, Income Level & Grade: 2001



* Core Reference Critereon Test

Source: Utah State Office of Education

Table 91
Tax Burden by Type of Tax

Tax	Utah	U.S. Avg	Utah % of U.S.	Utah Rank
All Taxes & Fees	15.22%	13.51%	113%	9
Individual Income Tax	3.05%	2.49%	122%	16
Corporate Income Tax	0.38%	0.45%	84%	25
General Sales Tax	3.68%	2.64%	139%	8
Property Tax	2.48%	3.16%	79%	36
Other Taxes	1.82%	2.00%	91%	37
Fees	3.82%	2.78%	138%	10

Sources: U.S. Census Bureau, Bureau of Economic Analysis, and Utah Foundation.

Table 92
Utah's NAEP Results by Subject, Grade, and Year

Test	UT Score	U.S. Avg.	UT Rank	Number of States Participating
4th Math 2000	227	226	18	40
8th Math 2000	275	274	21	39
4th Science 2000	155	148	12	39
8th Science 2000	155	149	14	38
8th Writing 1998	143	148	24	36
4th Reading 1998	220	215	10	33
8th Reading 1998	265	261	11	35

Source: "Nation's Report Card," various years, National Center for Education Statistics (NCES).

Table 93
Demographic Indicators of Utah's School Age Population: 2000

State	Median Age 4/1/00	Rank Youngest to Oldest	Fertility Rate (# of Live Births per 1,000 Women Ages 15-44)	Rank Highest to Lowest	% of the Population 0-5 Years of Age	Rank Highest to Lowest	% of the Population 5-17 Years of Age	Rank Highest to Lowest	Shool-Age Dependency Ratio	Rank Highest to Lowest
Alabama	35.8	25	63.2	26	6.7%	26	18.6%	30	30.2	26
Alaska	32.4	3	73.1	5	7.6%	3	22.8%	2	35.7	2
Arizona	34.2	9	78.2	2	7.5%	5	19.1%	17	31.7	14
Arkansas	36.0	29	67.5	13	6.8%	18	18.6%	32	30.7	23
California	33.3	5	70.7	8	7.3%	6	20.0%	9	32.1	11
Colorado	34.3	10	67.2	14	6.9%	15	18.7%	28	28.9	40
Connecticut	37.4	44	61.3	33	6.6%	33	18.1%	38	29.5	32
Delaware	36.0	29	61.2	35	6.6%	32	18.2%	35	29.3	35
Florida	38.7	49	65.1	20	5.9%	47	16.9%	49	28.3	45
Georgia	33.4	6	67.2	14	7.3%	8	19.2%	16	30.1	27
Hawaii	36.2	34	69.6	9	6.5%	37	17.9%	44	28.8	42
Idaho	33.2	4	72.3	6	7.5%	4	21.0%	3	34.8	3
Illinois	34.7	12	68.3	11	7.1%	12	19.0%	20	30.8	22
Indiana	35.2	14	64.3	23	7.0%	14	18.9%	22	30.7	23
Iowa	36.6	40	61.4	32	6.4%	38	18.7%	29	31.1	19
Kansas	35.2	14	67.1	16	7.0%	13	19.5%	12	32.4	9
Kentucky	35.9	26	61.6	31	6.6%	31	18.0%	42	28.7	43
Louisiana	34.0	8	66.7	17	7.1%	11	20.2%	6	33.1	7
Maine	38.6	48	49.7	49	5.5%	50	18.1%	41	29.1	37
Maryland	36.0	29	60.1	39	6.7%	25	18.9%	23	30.0	29
Massachusetts	36.5	39	58.5	42	6.3%	41	17.3%	48	27.6	49
Michigan	35.5	21	60.4	38	6.8%	20	19.3%	15	31.4	16
Minnesota	35.4	19	61.8	30	6.7%	23	19.5%	11	31.6	15
Mississippi	33.8	7	68.3	11	7.2%	9	20.1%	7	33.2	6
Missouri	36.1	33	62.9	28	6.6%	28	18.9%	24	31.0	21
Montana	37.5	45	59.0	41	6.1%	45	19.4%	14	31.8	13
Nebraska	35.3	16	65.2	19	6.8%	17	19.5%	13	32.4	9
Nevada	35.0	13	77.9	3	7.3%	7	18.3%	34	28.9	40
New Hampshire	37.1	43	52.3	48	6.1%	43	18.9%	25	30.0	29
New Jersey	36.7	41	64.3	23	6.7%	22	18.1%	39	29.2	36
New Mexico	34.6	11	72.2	7	7.2%	10	20.8%	4	34.5	4
New York	35.9	26	63.9	25	6.5%	34	18.2%	37	29.1	37
North Carolina	35.3	16	66.6	18	6.7%	21	17.7%	46	27.8	48
North Dakota	36.2	34	58.3	44	6.1%	42	18.9%	26	31.3	17
Ohio	36.2	34	61.2	35	6.6%	27	18.8%	27	30.6	25
Oklahoma	35.5	21	69.0	10	6.8%	16	19.1%	19	31.3	17
Oregon	36.3	38	64.7	22	6.5%	36	18.2%	36	29.1	37
Pennsylvania	38.0	47	56.9	46	5.9%	46	17.9%	45	29.5	32
Rhode Island	36.7	41	57.5	45	6.1%	44	17.5%	47	28.3	45
South Carolina	35.4	19	61.3	33	6.6%	29	18.6%	33	29.7	31
South Dakota	35.6	23	65.1	20	6.8%	19	20.0%	8	34.0	5
Tennesse	35.9	26	63.1	27	6.6%	30	18.0%	43	28.6	44
Texas	32.3	2	76.2	4	7.8%	2	20.4%	5	33.0	8
Utah	**27.1**	**1**	**91.4**	**1**	**9.4%**	**1**	**22.8%**	**1**	**38.5**	**1**
Vermont	37.7	46	49.1	50	5.6%	49	18.6%	31	29.5	32
Virginia	35.7	24	59.1	40	6.5%	35	18.1%	40	28.2	47
Washington	35.3	16	62.3	29	6.7%	24	19.0%	21	30.1	27
West Virginia	38.9	50	53.7	47	5.6%	48	16.7%	50	26.7	50
Wisconsin	36.0	29	58.5	42	6.4%	39	19.1%	18	31.1	19
Wyoming	36.2	34	60.9	37	6.3%	40	19.8%	10	31.9	12

Source: US Census Bureau, Census 2000. Calculations by Utah Foundation.

The Economic Impact of Utah's Drought

Overview

Some parts of the Western United States have been in drought for the past five years. The four corners area of Utah, Arizona, New Mexico, and Colorado is the center of the drought and has experienced the most severe consequences. Utah's drought is compounding the state's economic difficulties. The drought appears to have reduced employment change by 0.4%. During 2002, job change was -1.0%. Without the drought, job change might have been -0.6%, 0.4% higher than what actually occurred. The hardest hit sector was agriculture, where 2,600 jobs and almost $40 million in income were lost.

2002 Summary

Athough not yet at the dust bowl stage of the 1930s, some parts of the Western United States have been in drought for five years. The four corners area of Utah, Arizona, New Mexico, and Colorado is the center of the drought and has experienced the most severe consequences. Without a return to normal precipitation, vegetation will slowly die off, ultimately changing the area from arid grassland to desert. Though impacts are less severe in other areas of the West, the lack of water in this region is harming agriculture, natural vegetation, and wildlife. At their June 2002 meeting, the Western Governors Association called for a change in the management of the drought. Specifically, the governors want the country to move from our current costly, ad-hoc, response-oriented approach to a proactive, "preparedness" approach.

Utah's drought is compounding the state's economic difficulties. The drought appears to have reduced employment change by 0.4%. During 2002, job change was -1.0%. Without the drought, job change might have been -0.6%, 0.4% higher than what actually occurred. The drought is making the recession even more difficult. Best estimates are that livestock sales are down $100 million due to the drought; hay sales are down $50 million; and, because of drought related fires, tourism sales are down $50 million. The combined effects of the drought in these three sectors resulted in a loss of over 6,100 jobs during 2002, and over $120 million in lost income.

The hardest hit sector was agriculture, where 2,600 jobs and almost $40 million in income were lost. The sectors serving tourists -- retail trade and services (primarily hotels) -- were the next hardest hit sectors. Services lost about 1,300 jobs and $25 million in income. Retail trade lost over 1,000 jobs and almost $15 million in income. Construction, manufacturing, and wholesale trade have all been impacted by the drought.

Drought is an extended period of low precipitation, often accompanied by higher temperature. The weather has normal variation in the amounts of precipitation recorded during given periods of time. A drought is beyond these norms in terms of low precipitation for an extended period, typically several years, over a large area. The Utah State Drought Committee is charged with monitoring drought conditions in Utah and recommending policy action to the Governor. In addition to precipitation, the Drought Committee focuses on reservoir capacity, soil moisture, snow pack, and stream flow, which are critical indicators of water availability.

In a typical year, water demand begins to build in late March, peaks in July and August, and tapers off during September and October. The measure of concern for the Drought Committee changes as the watering season progresses and ends. Storage relative to capacity is always a concern, but October 1 storage and soil moisture are the critical indicators of what sort of winter is necessary to avoid water shortage the following summer. April 1 storage is the critical indicator of how difficult the summer is likely to be. During winter, the focus shifts from storage to snow pack. During spring and summer, the focus shifts to stream flow.

Statewide, the water situation began to deteriorate between 2000 and 2001. April 1 storage during 1998, 1999, and 2000 was just above 85% of capacity. From 2000 to 2001, April 1 storage declined from 85% to 75%, and by 2002 it had declined to 63%. Precipitation will have to be much higher than normal across the state this winter for the April 1, 2003 storage to return to 63%. It appears the water situation during 2003 may be worse than 2002.

Many reservoirs hold water that is not available for human use. The capacity of a reservoir is the amount of water available for human use when full. In some cases, a reservoir's capacity is nearly the same as when the reservoir is full, in others, it is significantly less. For example, when Bear Lake is empty from a storage perspective, it contains 5 million acre-feet of water, almost a decade's worth of residential water use statewide.

For Utah, storage was 44% of capacity as of October 1, 2002. On that date, the statewide storage deficit was over 3.0 million acre-feet, while average flow into storage is just 1.8 million acre-feet per year. With no water withdrawals from storage, almost two recharge seasons would be required to fill the state's reservoirs. With normal withdrawals and average recharge, it may be years before the reservoirs are refilled. With below average recharge, as will occur if the drought persists, less water will be available than has normally been used, and some water users will have access to less water. The hay crop was off $50 million because hay irrigators couldn't obtain water.

At 12% of capacity on October 1, 2002, the Sevier River Basin which supplies water to Richfield, Salina, Delta and other communities in west-central Utah, is the area with the least available water supply. However, in terms of visible impact to the land from lack of precipitation, Southeastern Utah, particularly Four Corners, probably has the worst drought in the state, if not the nation. Reservoir storage in Southeastern Utah is primarily in the Wasatch Plateau area west of Price City. While reservoir storage in Southeastern Utah (30%) is more than twice the Sevier, parts of Southeastern Utah are faring worse than the Sevier Basin area. The Bear River Basin and Southern Utah are both at less than 30% of capacity.

Storage in the Provo River Basin, which provides water to the highly populated Provo/Orem and Salt Lake urbanized areas, is 62%. This is 18 percentage points, or 40% greater than the state average. Storage in the Weber River Basin, which provides water to the urbanized areas in Davis and Weber Counties, is just below the state average. Through a complex set of water works, water consumption throughout the Wasatch Front is interconnected. Much of the Salt Lake Valley's water is supplied with run-off from the Wasatch Mountains. Normal snow pack in the Wasatch mountains has reduced the need for Provo River water. A poor snow year in the Wasatch will increase the strain on the Provo River system.

Storage as a percent of capacity is a good indicator of the water situation, because some reservoirs are designed to fill more rapidly than others. However, storage deficit compared to average stream flow presents a better measure. By this measure, even though storage is just 12% of capacity in the Sevier River Basin, less than two years will be required to return the Basin to capacity, with normal stream flow. Reservoirs in Southern Utah, Southeastern Utah, and the Weber River Basin require less than a year to reach capacity, which puts them in better shape than the state as a whole. Provo River Basin reservoirs may require more than two years to refill.

The Bear River Basin may have the most dire water situation in the state. With normal stream flow and normal withdrawals, it may take close to a decade for this basin's reservoirs to fill. Although Bear Lake is a natural lake, it is by far the largest reservoir in this basin and the main influence on storage. Because of its size, Bear Lake is also the largest source of the state's storage deficit. With an October 1, 2002 storage deficit of 1.1 million acre-feet, Bear Lake accounts for over one-third of the state's 3.0 million acre-feet deficit, and is the single largest source of the deficit. Bear Lake's storage (370,000 acre-feet) is just 25% of its 1.5 million acre-feet capacity.

The good news is that the public is willing to cut water use. Because of the wise water use campaign, especially the 10am to 6pm no-watering promotion, water use declined substantially during 2002 relative to 2001. Along the Wasatch Front, water use declined 13% during 2002, from 97 billion gallons to 84 billion gallons. This was despite the fact that summer 2002 was actually hotter and dryer than summer 2001.

Conclusion

No area of the state has been spared from the drought, athough the highly populated Wasatch Front is faring well. Reservoir storage deficits in the Provo and Weber Basins which supply the Wasatch Front, mean the water supply situation for most Utah residents will be tight. While storage appears low in several river basins, normal winter precipitation could remove a large portion of the deficit.

Drought Conditions in the United States: Autumn 2002

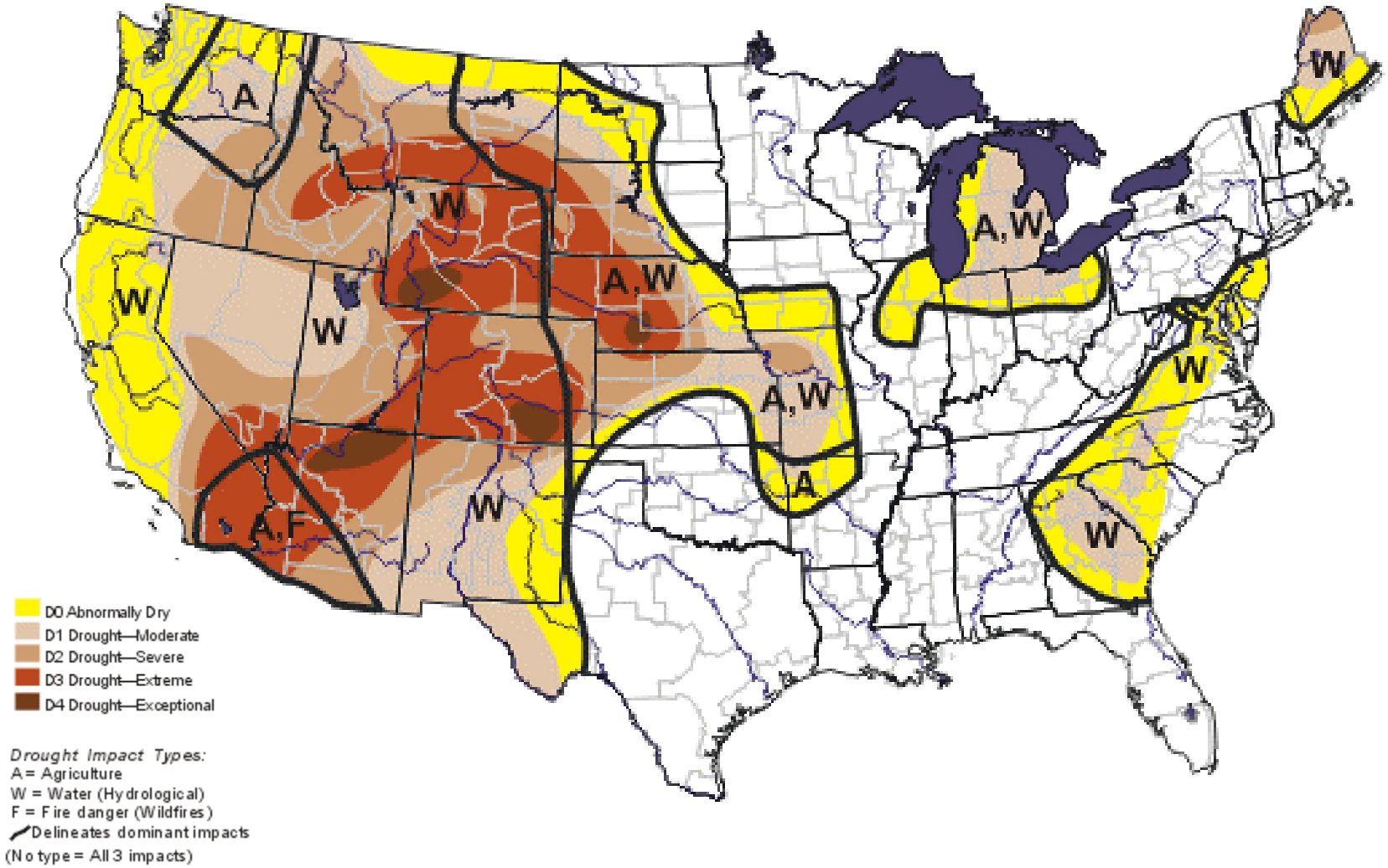
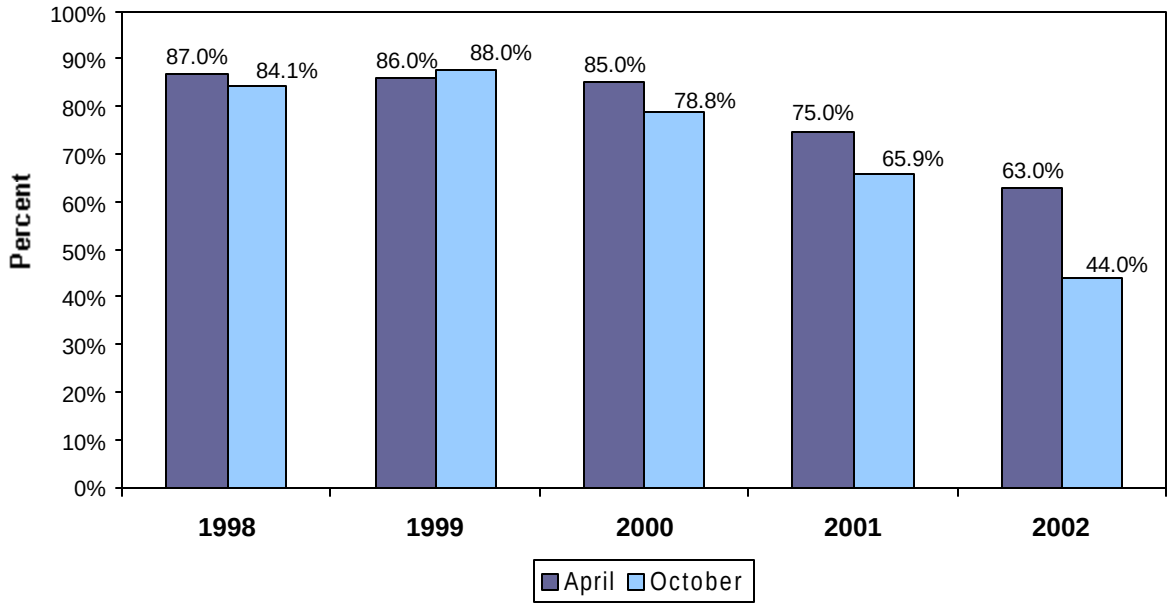
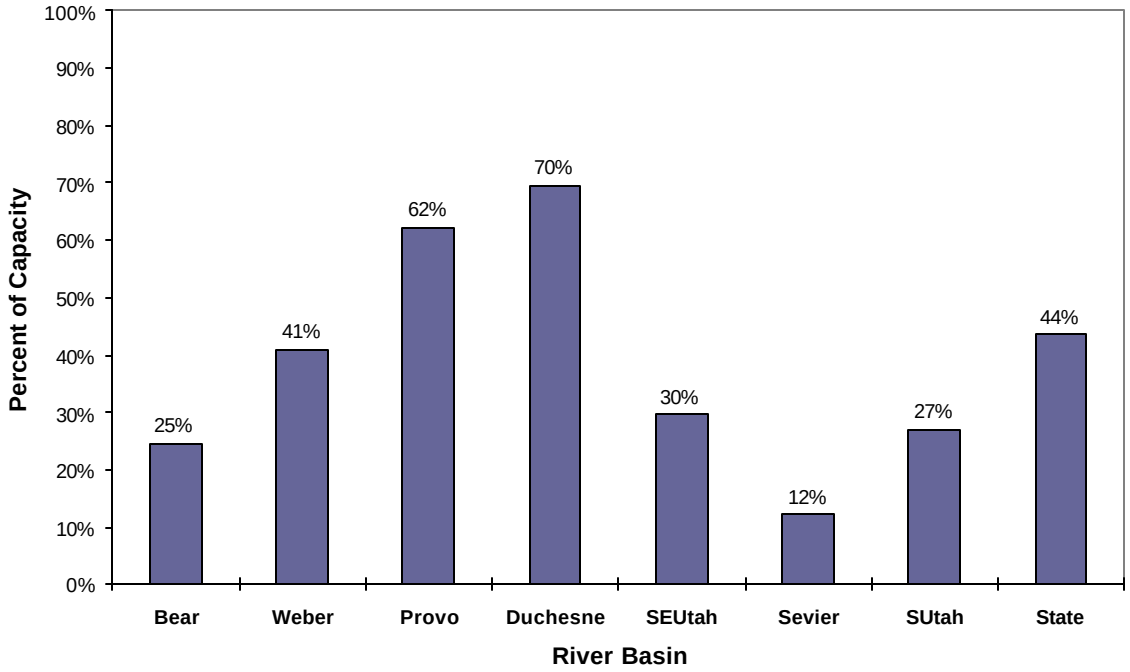


Figure 92
Statewide Reservoir Storage as a Percent of Capacity: April and October, 1998 to 2002



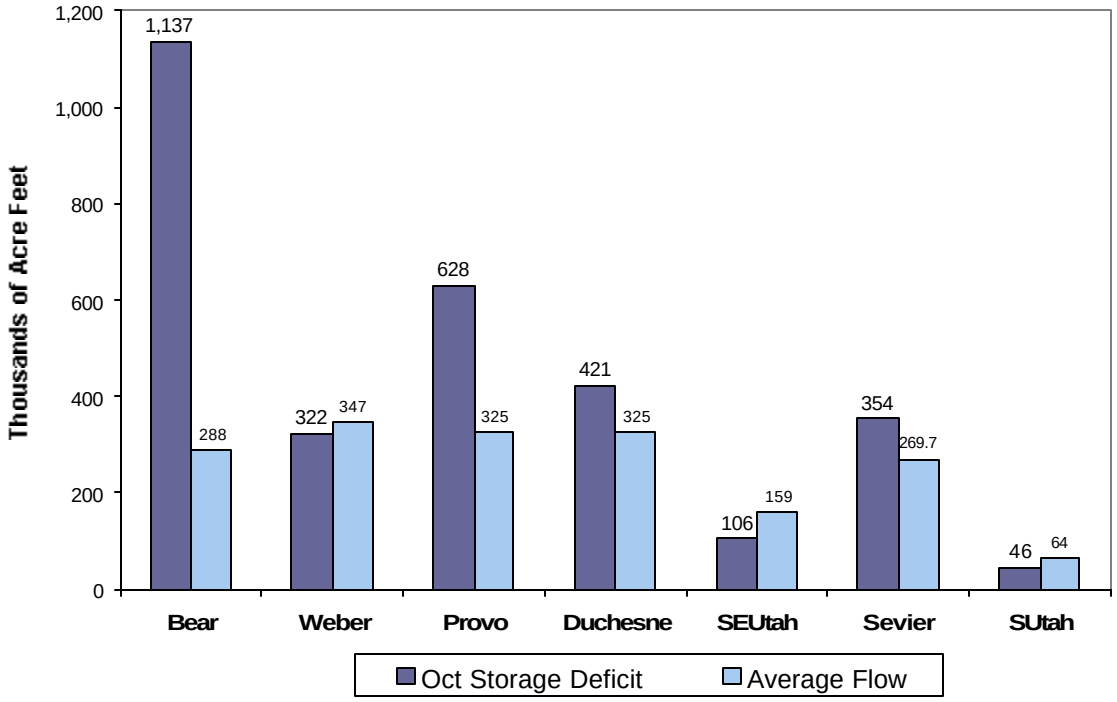
Source: Utah State Drought Committee

Figure 93
Statewide Reservoir Storage by River Basin: October 2002



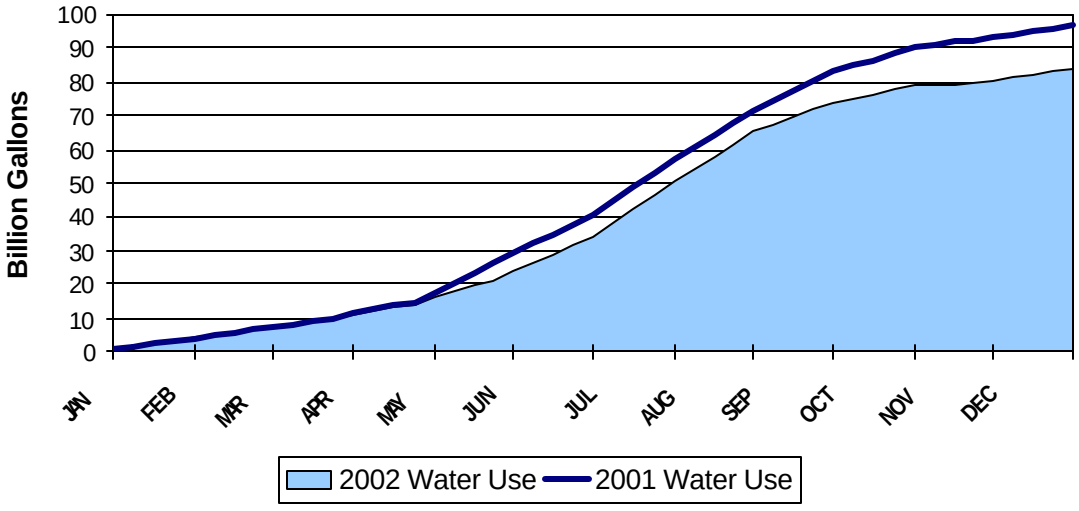
Source: Utah State Drought Committee

Figure 94
Resevoir Storage Deficit by River Basin Compared with Average April to July River Flow: October 2002



Source: Utah State Drought Committee

Figure 95
Comparison of Wasatch Front Total Water Use from 2001 to 2002



Source: Utah Division of Water Resources

Table 94
Economic Impacts of the Drought during 2002

Economic Sector	Employment (Jobs)	Income ($ Millions)
Farm	-2,602	-$38.6
Ag Services	-112	-1.9
Construction	-465	-16.1
Manufacturing	-114	-4.7
Trans. & Utilities	-97	-4.6
Wholesale Trade	-152	-6.7
Retail Trade	-1,035	-14.8
Finance	-201	-5.4
Services	-1,291	-25.1
State Government	-37	-1.5
Local Government	-56	-2.0
Total	-6,162	-121.4
Total as a percent of economy	-0.4%	-0.3%

Estimates Based on:
1. $50 million reduction in hay sales
2. $100 million reduction in livestock and product sales
3. $50 million reduction in tourism sales

Source: Governor's Office of Planning and Budget