ECONOMIC REPORT
to the
GOVERNOR

PREPARED BY THE
UTAH ECONOMIC COUNCIL

2020

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

FIGURES
Figure 1.1: State of Utah Components of Population Change

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

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

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

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

Source: Kem C. Gardner Policy Institute analysis of U.S. Census Bureau Decennial Census and Population Division data
Figure 1.5: Utah Dependency Ratios: 1970–2060

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

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

Figure 1.6: Natural Increase Annual Rate of Change: July 1, 2018 to July 1, 2019
Figure 1.7: Total Fertility for Utah and the United States

Note: The Replacement Level is the fertility level at which the current population is replaced.
Source: National Center for Health Statistics.
Figure 2.1: Hachman Index for States, 2018

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

Figure 2.2: Hachman Index for Utah Counties, 2018

Source: Gardner Policy Institute analysis of Bureau of Labor Statistics (United States) and Utah Department of Workforce Services (Utah counties) employment data
Figure 3.1: Annual Average Job Growth Rate for Utah and the United States

Source: Utah Department of Workforce Services

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

Source: Utah Department of Workforce Services
Figure 3.3: Annual Average Unemployment Rate and Wage Growth

Source: Utah Department of Workforce Services

Figure 3.4: Unemployment Rates by Educational Attainment

Note: e=estimate
Source: Utah Department of Workforce Services
Figure 3.5: Utah Labor Force Participation Rate

Source: Utah Department of Workforce Services
Figure 4.1: Utah Per Capita Income as Percent of U.S. Per Capita Income

![Figure 4.1: Utah Per Capita Income as Percent of U.S. Per Capita Income](image)

Note: e = estimate, f = forecast
Source: U.S. Bureau of Economic Analysis and Utah Revenue Assumptions Working Group

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

![Figure 4.2: Utah vs. U.S. Total Personal Income Growth](image)

Note: e = estimate, f = forecast
Source: U.S. Bureau of Economic Analysis and Utah Revenue Assumptions Working Group
Figure 5.1: Percent of Gross Domestic Product by Industry: 2018

![Bar chart showing the percent of Gross Domestic Product by industry for 2018.](image)

Source: Bureau of Economic Analysis

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

![Line graph showing the growth of Real Gross Domestic Product for Utah and the United States.](image)

Source: Bureau of Economic Analysis
Figure 6.1: Annual Percent Change in Utah Taxable Sales by Component

- Retail Sales
- Business Investment Purchases
- Taxable Services

Source: Utah State Tax Commission
Figure 7.1: Unrestricted General and Education Fund Revenues  
Inflation-Adjusted Percentage Change

The annual average rate of growth in inflation-adjusted (GDP Deflator) unrestricted revenues from FY 1980 to FY 2018 was 3.9%.

Figure 7.2: Actual and Inflation-Adjusted Unrestricted Revenues  
Surplus/Deficit for the General and Education Fund

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

Source: Governor’s Office of Management and Budget
Figure 7.3: Sales and Use Taxes, Income Tax, and All Other Unrestricted Revenues

Percent of Total State Unrestricted Revenues

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

f = forecast prior to 2019 second special session SB2001, Tax Restructuring Revisions (does not include impacts of this bill).
Source: Utah State Tax Commission and Governor’s Office of Management and Budget
2020 OUTLOOK

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

The prolonged trade dispute with China is problematic. Utah’s exports to China and Hong Kong (much of which is ultimately directed to the mainland) fell by 44.0% in 2018, a loss of $1.3 billion in export value. This is particularly concerning given that China has been a high growth export market, and also one to which Utah’s exports have been relatively diverse along the sectoral dimension (as opposed to the United Kingdom, with which trade is almost entirely in gold).

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

Figure 8.1: Utah Merchandise Exports

![Figure 8.1: Utah Merchandise Exports](source: U.S. Census Bureau, USA Trade Online)
Figure 8.2: Utah Merchandise Exports of Top Ten Export Industries

- **Primary Metals**: $6,423 (2018), $389 (2017)
- **Computers and Electronics**: $1,569 (2018), $1,848 (2017)
- **Chemicals**: $1,238 (2018), $1,110 (2017)
- **Food**: $1,000 (2018), $911 (2017)
- **Transportation Equipment**: $884 (2018), $946 (2017)
- **Miscellaneous Manufactures**: $782 (2018), $740 (2017)
- **Machinery**: $612 (2018), $523 (2017)

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

Figure 8.3: Utah Merchandise Exports to Top Ten Purchasing Countries

- **United Kingdom**: $5,096 (2018), $2,319 (2017)
- **Canada**: $1,213 (2018), $1,791 (2017)
- **Japan**: $611 (2018), $811 (2017)
- **Hong Kong**: $738 (2018), $1,618 (2017)
- **Mexico**: $725 (2018), $675 (2017)
- **Taiwan**: $712 (2018), $636 (2017)
- **China**: $576 (2018), $738 (2017)
- **Germany**: $404 (2018), $394 (2017)
- **South Korea**: $402 (2018), $347 (2017)

Source: U.S. Census Bureau, USA Trade Online
Figure 8.4: Utah Monthly Exports: With and Without Gold

Source: U.S. Census Bureau, USA Trade Online
Figure 9.1: Cumulative Percent Change in Consumer Price Index (CPI) this Decade

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

The same groceries (i.e., a general good) that one paid $12 for in the 1960s, or the $45 spent in the 1980s, would cost about $100 to buy today.
Figure 10.1: Share of Population Age 25 Years or Older with Bachelor's Degrees or Higher, 2002-2017

Figure 11.1: Economic Development Project Summary

![Bar chart showing Economic Development Project Summary for FY2017, FY2018, and FY2019. The chart displays the number of opened projects, site visits, and project wins for each fiscal year.]

Source: Economic Development Corporation of Utah

Figure 11.2: EDTIF Project Summary

![Bar chart showing EDTIF Project Summary for FY2017, FY2018, and FY2019. The chart displays the number of board-approved projects for each fiscal year.]

Source: Utah Governor’s Office of Economic Development
2020–2021 OUTLOOK

Enrollment

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

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

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

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

Note: f = forecast

Source: Utah State Board of Education, School Finance & Data and Statistics
Figure 12.2: Percent Change in Public Education Enrollment FY 1985 – FY 2021

Note: f = forecast
Source: Utah State Board of Education, School Finance & Data and Statistics

Figure 12.3: Largest Enrollment by District, FY 2020

Source: Utah State Board of Education, School Finance & Data and Statistics
Figure 12.4: Largest Enrollment Growth by District, FY 2019 to FY 2020

Washington 9.0%
Daggett 6.2%
Tooele 4.2%
Cache 2.9%
Provo 2.7%
Jordan 2.7%
Juab 2.6%
Murray 2.6%
Alpine 2.2%
Piute 2.2%

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

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

Source: Utah State Board of Education - School Finance & Data and Statistics, Interagency Common Data Committee, and Utah Department of Health
Figure 12.6: U.S. and Utah Current Expenditures per Pupil in Enrollment, FY 2002 – FY 2019

Note: U.S. expenditures are in constant 2018-19 dollars based on the Consumer Price Index adjusted to a school-year basis.
* For Fiscal Years 2017-2019*, U.S. data is projected at time of publication.
Source: USBE, School Finance, and U.S. Department of Education, National Center for Education Statistics

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

Source: USBE, School Finance, and U.S. Department of Education, National Center for Education Statistics
Figure 12.8: Current Expenditures as a Percentage of Personal Income, by State, FY 2016

U.S. 3.70%
Utah 3.52%


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

Source: USBE, School Finance
Figure 14.1: Average Annual Price Received in Major Utah Agricultural Sectors

[Graph showing the average annual price received in major Utah agricultural sectors from 2008 to 2018 for Hay, Feeder Cattle, and Milk.]

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

Figure 14.2: Farmers’ Share of Food Spending

[Graph showing the farmers’ share of food spending from 1993 to 2017.]

Source: U.S. Department of Agriculture
Figure 15.1: Utah Residential Construction Activity

Note: e=estimate

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

Figure 15.2: Value of Permit Authorized Construction in Utah

Note: e=estimate

Source: Ivory-Boyer Construction Database. Kem C. Gardner Policy Institute, University of Utah.
Figure 17.1: Utah’s Crude Oil Production, Pipeline Imports, Refinery Receipts, and Wellhead Price, 1980-2019
Figure 17.2: Utah's Petroleum Product Production, Consumption, Motor Gasoline, and Diesel Prices, 1980-2019

Figure 17.3: Natural Gas Production, Consumption, Wellhead, and Residential Prices, 1980-2019
Figure 17.4: Utah’s Coal Production, Consumption, Exports, and Mine-Mouth Price, 1980-2019

Figure 17.5: Utah’s Electricity Net Generation, Consumption, and End-Use Residential Price, 1980-2019
Figure 18.1: Total Value of Utah's Annual Metallic and Industrial Mineral Production

Note: The value presented for 2019 is an estimate.
Source: Utah Geological Survey.

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

Note: The value presented for 2019 is an estimate.
Source: Utah Geological Survey.
Figure 18.3: Value of Utah's Annual Precious Metal Production

Note: The value presented for 2019 is an estimate.
Source: Utah Geological Survey.

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

Note: The value presented for 2019 is an estimate.
Source: Utah Geological Survey.
Figure 19.1: Accommodations Taxable Sales, 2009-2018 (2018 Dollars in Millions)

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

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

Source: U.S. National Park Service and Ski Utah
2020 OUTLOOK

Defense supports many high paying quality jobs in Utah, and nearly two billion in federal contracts and grants. However, recent history shows a declining trend for both total defense employment and contract and grants. While we expect this trend to continue through the end of 2020, the growth in depot maintenance work associated with procurement and fielding of additional F-35 aircraft, award of the $80 billion Ground Based Strategic Deterrent (GBSD) contract in late 2020, and continued growth in software work are anticipated to add 2,500 mostly federal civilian jobs to the Hill AFB workforce over the next five years. Further, with the GBSD contract being managed at Hill, defense contractors are already relocating to the community around the base which will increase the value of Utah’s DoD contracts over that period and beyond.

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

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

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


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

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

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

Source: USAspending.gov by the U.S. Department of Treasury.
Figure 21.1: America’s Health Rankings, 2019

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

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

Source: Utah Youth Risk Behavior Surveillance System, Utah State Office of Education.
Figure 21.3: Rate of Utah Drug Deaths by Age and Sex, 2016-2018 Average

![Figure 21.3: Rate of Utah Drug Deaths by Age and Sex, 2016-2018 Average](image)

Note: Rate per 100,000 population.


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

![Figure 21.4: Electronic Cigarette Use and Experimentation in Utah by Grade and Age, 2018 & 2019](image)

Note: Experimentation is defined as "ever tried"; current use is defined as use in the past 30 days. Current smoker is defined as currently using "every day" or "some days."

*Use caution in interpreting; the estimate has a coefficient of variation > 30% and is therefore deemed unreliable by Utah Department of Health standards.

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

![Bar chart showing the percentage of Utah's population with health insurance by coverage type in 2018.](chart)

- Employer Sponsored Insurance: 61% (Utah), 49% (US)
- Non-Group: 9% (Utah), 6% (US)
- Medicaid: 18% (Utah), 9% (US)
- Medicare: 12% (Utah), 16% (US)
- Military (VA): 1% (Utah), 1% (US)
- Uninsured: 9% (Utah), 9% (US)

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


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

![Bar chart showing the average annual growth in Utah's family income compared to health insurance costs from 2006 to 2017.](chart)

- Individual Plan: 7.9%
- Family Plan: 7.4%
- Premiums: 2.9%
- Deductibles: 0.5%

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

Source: Kem C. Gardner Policy Institute analysis of Medical Expenditure Panel Survey data and Census Bureau, Current Population Survey data.
Note: Health care expenditures includes spending for all privately and publicly funded personal health care services and products.


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

Figure 22.3: Life Sciences Growth in the Top 20 States, 2012 to 2017
(Five-Year Average Annual Employment Growth Rate)

Note: This chart follows an adapted life sciences definition compatible with historical data limitations.
Source: Utah Department of Workforce Services
Figure 23.1: Tech Industry Share of County Employment, 2018

Note: Map does not include self-employment. Jobs not disclosed for counties with one to five tech establishments.
Source: Utah Department of Workforce Services and State of Utah, State Geographic Information Database

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

Note: Percentage labels for the tech industry indicate the percent difference compared to industries besides tech. In the tech industry, wages and compensation are for its 83,892 employee jobs, and proprietors’ income is for its 34,729 self-employed workers.
Source: Utah Department of Workforce Services and U.S. Bureau of Economic Analysis
Figure 23.3: Tech Industry’s Share of Utah’s Private Sector Employment, 2001-2018

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

Figure 24.1: Number of Utah Tax Exempt Nonprofit Organizations


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

Sources: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File
**Figure 24.3: Utah Tax Exempt Nonprofit Organization Assets**

![Graph showing the growth of Utah's nonprofit sector's assets from 2014 to 2019 in billions of dollars.]


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

![Pie chart showing the distribution of nonprofit organizations by IRS subsection designation.]

Other: 1,007 (9.7%)
501(c)(6) Organizations: 490 (4.7%)
501(c)(4) Organizations: 296 (2.8%)
501(c)(3) Organizations: 8,602 (82.8%)

Sources: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File
Figure 24.5: Utah’s Nonprofit Sector by NTEE Major Groups

- Unknown, Unclassified: 3105 (30.2%)
- Public, Societal Benefit: 1566 (15.2%)
- Human Services: 2074 (20.1%)
- Mutual/Membership Benefit: 96 (0.9%)
- International, Foreign Affairs: 202 (2.0%)
- Environment and Animals: 369 (3.6%)
- Religion-Related: 419 (4.1%)
- Health: 550 (5.3%)
- Arts, Culture, Humanities: 866 (8.4%)
- Education: 1051 (10.2%)

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

Figure 24.6: Utah’s Nonprofit Sector by County

Source: Internal Revenue Service, (October 2019) Exempt Organizations Business Master File
Table 20.1: Utah’s Nonprofit Sector by Reported Income

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

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

Table 24.2: Utah’s Nonprofit Sector by Filing Type

<table>
<thead>
<tr>
<th>IRS Form 990 Filers</th>
<th>Organizations Not Required to File</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required to File</td>
<td>Total</td>
</tr>
<tr>
<td>990/990-EZ</td>
<td>2,691</td>
</tr>
<tr>
<td>990-PF</td>
<td>1,120</td>
</tr>
<tr>
<td>990-N</td>
<td>5,764</td>
</tr>
<tr>
<td>990-Group Return</td>
<td>9</td>
</tr>
<tr>
<td>990-Gov’t 501(c)(1)</td>
<td>4</td>
</tr>
<tr>
<td>990-BL</td>
<td>0</td>
</tr>
<tr>
<td>Grand Total</td>
<td>9,588</td>
</tr>
<tr>
<td>Filers Reporting Revenue, Income, and Assets</td>
<td>8,833</td>
</tr>
</tbody>
</table>

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