Industry Snapshot
February 2019

Utah’s Tech Industry

The tech industry develops digital platforms that enable the ubiquitous information economy. Tech companies provide software for many applications. They manufacture and distribute computers and devices used by individuals and organizations. The industry also encompasses e-commerce and IT support.

This document and the companion research brief present preliminary results of the Kem C. Gardner Policy Institute’s research program for 2018 and 2019 on Utah’s innovation economy. We are preparing a more comprehensive report for publication in July 2019.

- Total economic impacts during 2017 exceeded 302,000 jobs at companies that paid $20.1 billion in earnings and generated $29.9 billion in GDP.
- In-state spending by tech companies and workers supported nearly 186,000 Utah jobs outside the tech industry.
- Tech companies in Utah directly and indirectly supported more than one in seven Utah jobs (15.2 percent) and over one-sixth of state GDP (17.6 percent).

Tech industry job growth averaged 3.6 percent per year from 2007 to 2017, more than double employment growth in the tech industry nationwide.

### Average Annual Job Growth, 2007–2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Job Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>0.5%</td>
</tr>
<tr>
<td>2008</td>
<td>1.5%</td>
</tr>
<tr>
<td>2009</td>
<td>2.0%</td>
</tr>
<tr>
<td>2010</td>
<td>2.5%</td>
</tr>
<tr>
<td>2011</td>
<td>3.0%</td>
</tr>
<tr>
<td>2012</td>
<td>3.5%</td>
</tr>
<tr>
<td>2013</td>
<td>4.0%</td>
</tr>
<tr>
<td>2014</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

### Employment (Jobs)

- **Tech Industry**: 116,000
- **Other Industries**: 186,000

### Earnings ($ Billions)

- **Tech Industry**: $9.0
- **Other Industries**: $20.1

### GDP ($ Billions)

- **Tech Industry**: $12.9
- **Other Industries**: $29.9

Note: Includes most tech industry employment, 91.1 percent of 2017 Utah tech jobs. Source: Bureau of Labor Statistics, Bureau of Economic Analysis.

Tech companies are building upon the foundations laid by past generations with a focus on art, science, and technology. They are also on the cutting edge of new technologies that will change our lives in ways that are only now beginning to be understood. This industry is the driving force behind Utah’s economic growth.

The Kem C. Gardner Policy Institute is dedicated to supporting evidence-based policy and decision-making. This report is part of our ongoing commitment to providing valuable research and analysis on a wide range of topics, including the tech industry.

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- Clint Betts, Silicon Slopes

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**Executive Partners**

- Mark and Karen Bouchard
- The Boyer Company
- Ivy Home
- Salt Lake Chamber
- Sorenson Impact Center
- WCF Insurance

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**Sustaining Partners**

- Clyde Companies
- Dominion Energy
- Staker Parson Companies

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- Salt Lake County
- Salt Lake City Corporation
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- Family Foundation
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- Shelley Kruger, Accounting and Finance Manager
- Colleen Larson, Administrative Manager
- Dianne Meppen, Director of Survey Research
- Pamela S. Perlich, Director of Demographic Research
- Juliette Tennant, Director of Economic and Public Policy Research
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Outside money flowing into it from sales by tech companies to the state would lose earnings data for the state’s tech industry. Our tailored economic model measured economic activity in other industries resulting from spending by tech companies and workers.

**Earnings ($ Billions)**

<table>
<thead>
<tr>
<th>IT Support</th>
<th>Information</th>
<th>Trade</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.7</td>
<td>$2.8</td>
<td>$1.4</td>
<td>$1.0</td>
</tr>
</tbody>
</table>

IT Support
- Custom computer programming
- Systems management and support
- Computer training
- Electronics repair and maintenance
- Custom computer programming

Information
- Software
- Telecommunications
- Data processing and hosting
- Internet publishing

Trade
- Computer and software wholesale
- E-Commerce wholesale
- E-Commerce retail

Manufacturing
- Semiconductor machinery
- Computer and peripheral equipment
- Instruments and devices
- Communications equipment
- Electronic components and media
- Semiconductor machinery

Background: The Utah State Legislature appropriated fiscal year 2019 funding to the Kem C. Gardner Policy Institute for a pathbreaking economic study of Utah’s innovation economy. The Gardner Policy Institute convened its Tech Industry Advisory Council, with participation from three Utah trade associations—Silicon Slopes, Utah Technology Council, and Women Tech Council—as well as the Utah Governor’s Office of Economic Development and Economic Development Corporation of Utah.

Research Overview: With input from advisory council members, the Gardner Policy Institute reviewed best practices for identifying Utah tech companies. We analyzed detailed employment and earnings data for the state’s tech industry. Our tailored economic model measured economic activity in other industries resulting from spending by tech companies and workers.

This study addresses the question, “What would Utah’s economy look like without its tech industry?” The state would lose outside money flowing into it from sales by tech companies to buyers in other states and countries. Utah would also lose in-state purchases of tech products and services as Utah buyers switch to out-of-state tech companies. We use economic impact analysis to measure the cross-section of Utah’s economic activity that depends on the tech industry.

**Economic Impacts:** Total economic impacts include direct, indirect, and induced effects. Direct economic impacts are from companies within Utah’s tech industry. Indirect economic impacts are from in-state suppliers to tech industry companies. Induced economic impacts result from in-state personal spending by workers who earn income from tech companies or their suppliers. Most induced activity supports companies that are neither tech companies nor their suppliers.

**Average Earnings per Job in Utah, 2017**

Average earnings were $77,200 per job in the tech industry, 53 percent higher than in other industries.

Utah jobs, the tech industry was similar to the real estate industry in terms of employment.

**Utah Tech Employment Compared with Selected Industries, 2017**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and insurance</td>
<td>127,300</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>125,700</td>
</tr>
<tr>
<td>Local government</td>
<td>126,100</td>
</tr>
<tr>
<td>Construction</td>
<td>112,500</td>
</tr>
<tr>
<td>Tech</td>
<td>116,100</td>
</tr>
<tr>
<td>Real estate</td>
<td>112,000</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>102,000</td>
</tr>
<tr>
<td>Other services</td>
<td></td>
</tr>
</tbody>
</table>

Note: Of 21 major sectors in Utah’s economy, we include the nine with employment within 20,000 jobs of tech industry employment. Source: Utah Department of Workforce Services and Bureau of Labor Statistics.