

What's Driving the Utah Economy?

Presentation for WSATA

September 2018

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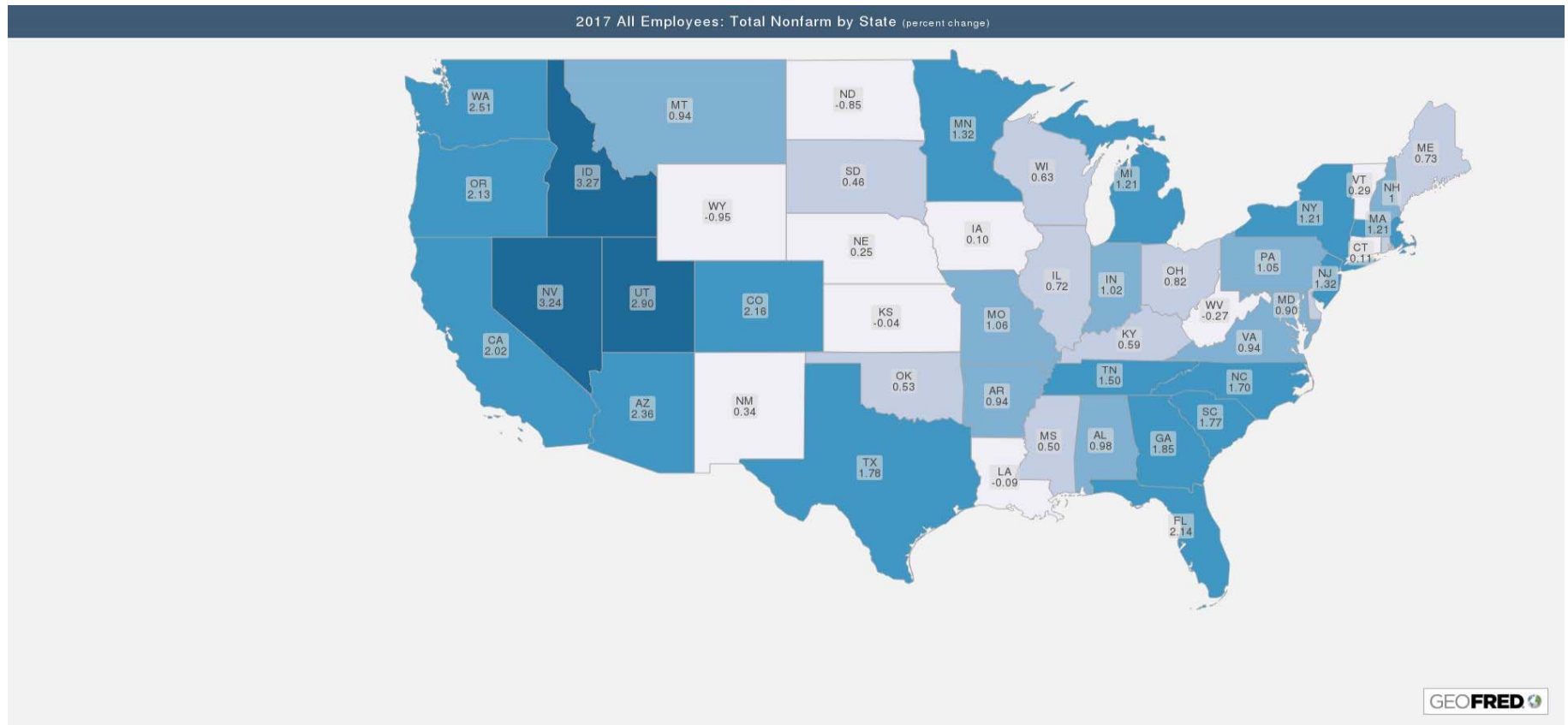
Senior Economist

Utah State Tax Commission

e·con·o·my
/ə'känəmē/

noun The wealth and resources of a region, measured in terms of the production and consumption of goods and services

2017 Total Non Farm Employment (Percent Change)

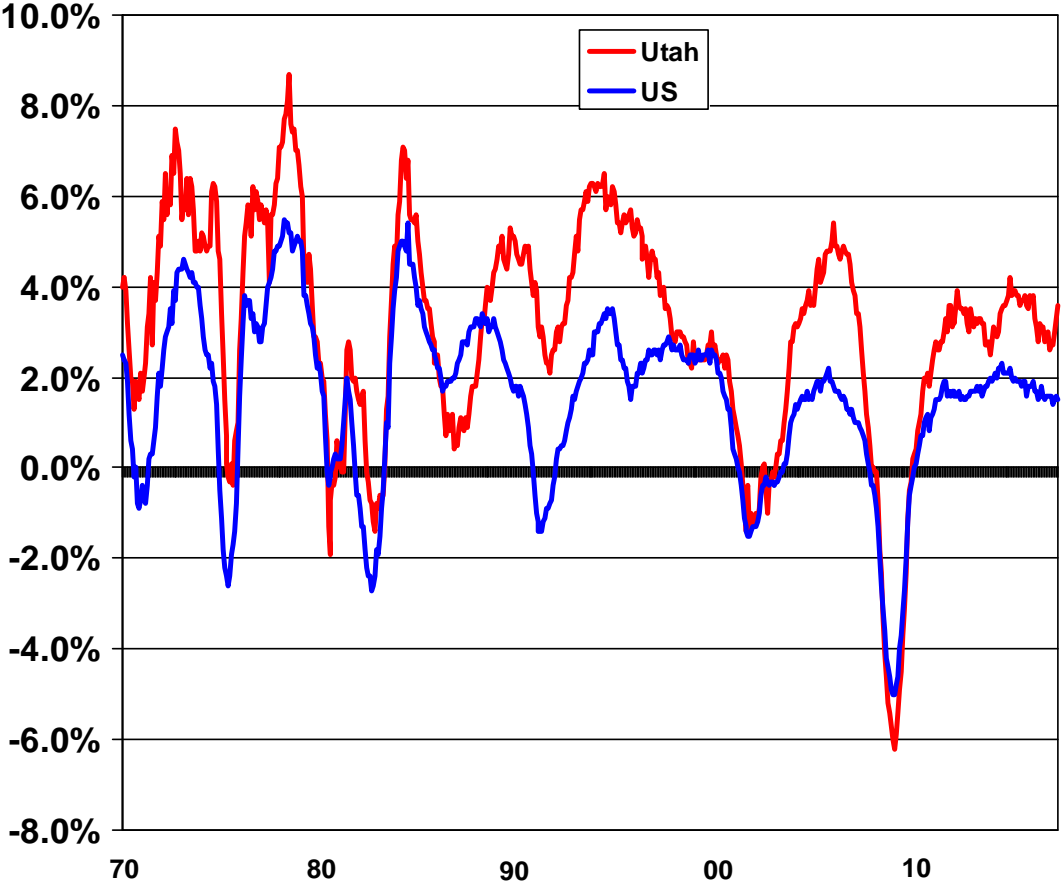


Top 10 States Employment Growth (2010-2017)

Top 10 States	Growth in Total Non Farm Employment	Compound Annual Growth Rate in Total Non Farm Employment
Utah	24.15%	3.14%
Nevada	19.97%	2.63%
Colorado	19.68%	2.60%
Florida	19.43%	2.57%
Idaho	18.86%	2.50%
Texas	17.84%	2.37%
California	17.68%	2.35%
Washington	17.27%	2.30%
Oregon	16.92%	2.26%
Arizona	16.19%	2.17%

Source: Bureau of Labor Statistics

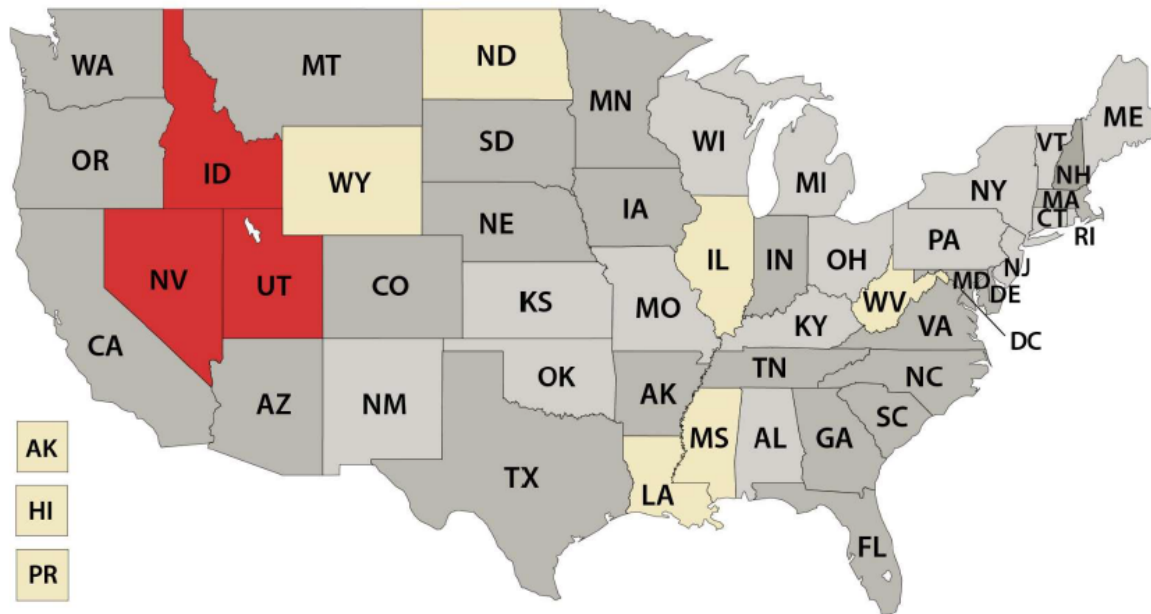
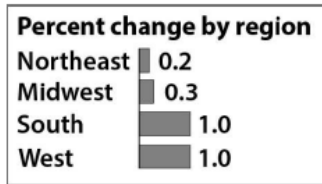
Rate of Employment Change U.S. and Utah



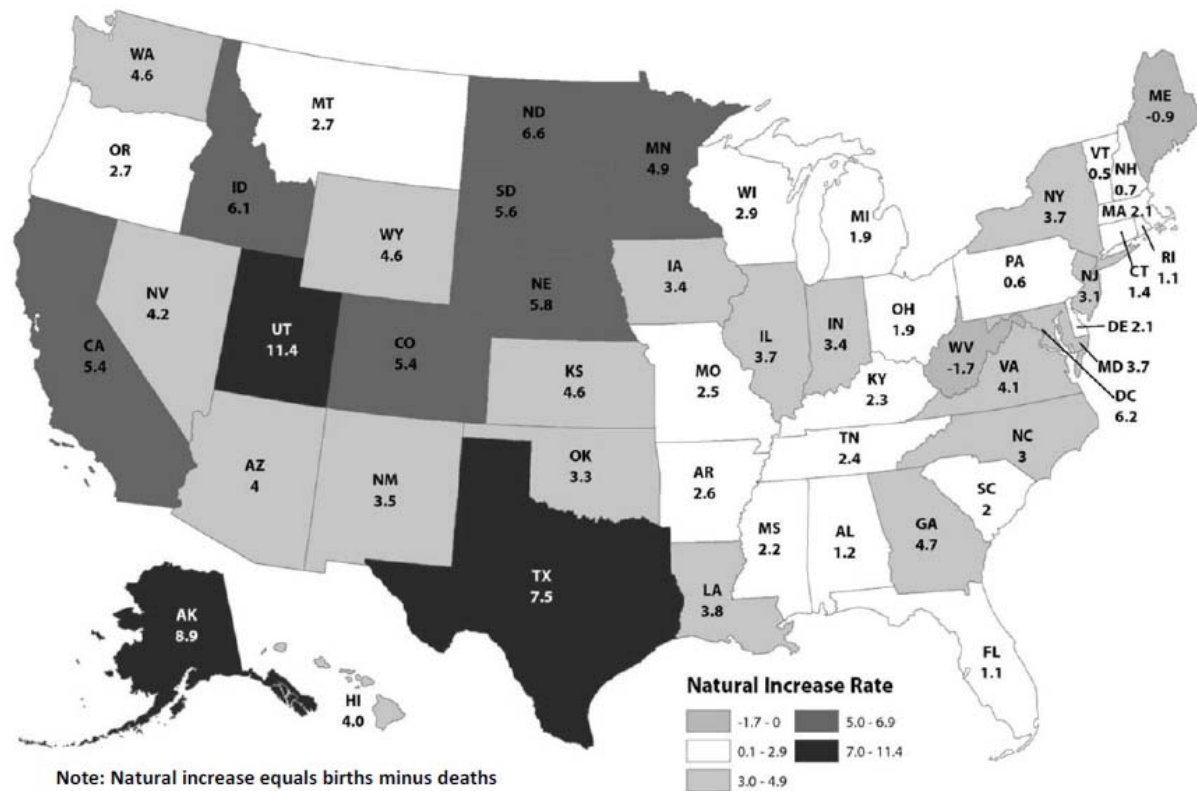
What is Driving Utah's Employment Growth?

- Unique Demographics
- Diversified Economy
- Strong Tourism Industry
- Clusters of High Growth Companies
- Business Friendly Tax/Regulatory Climate

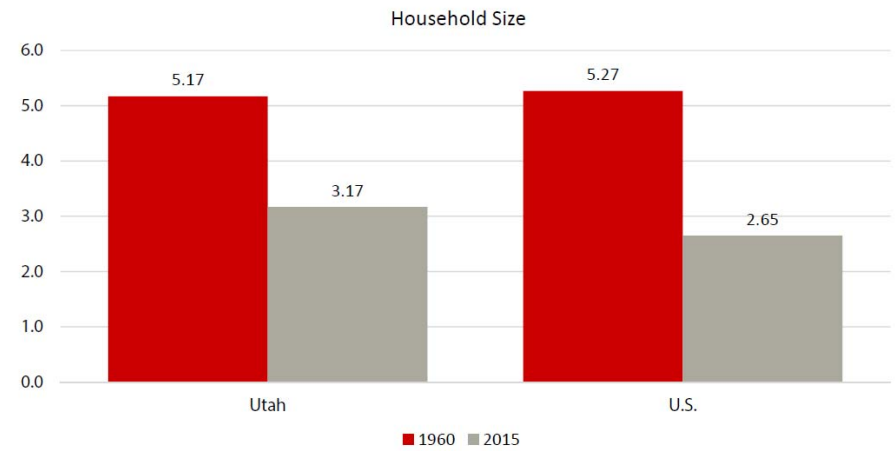
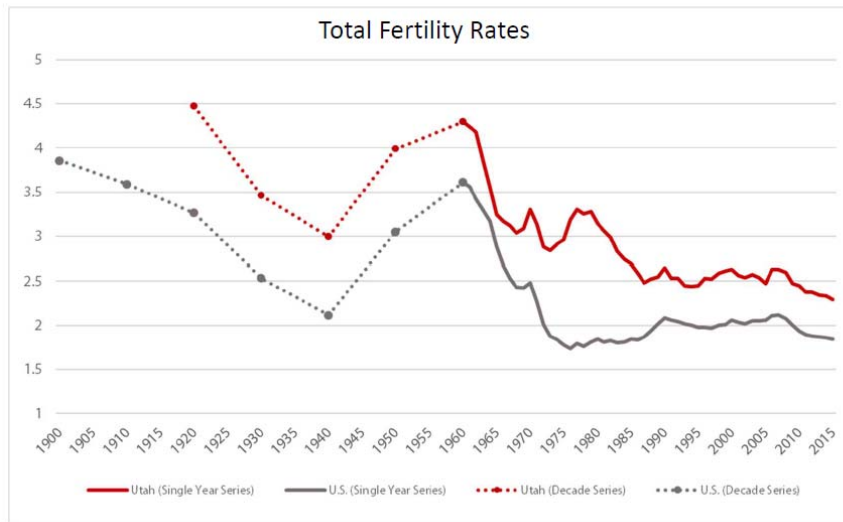
Population Change: 2016 to 2017



Annual Rate of Population Change - Natural Increase (July 1, 2016 to July 1, 2017)



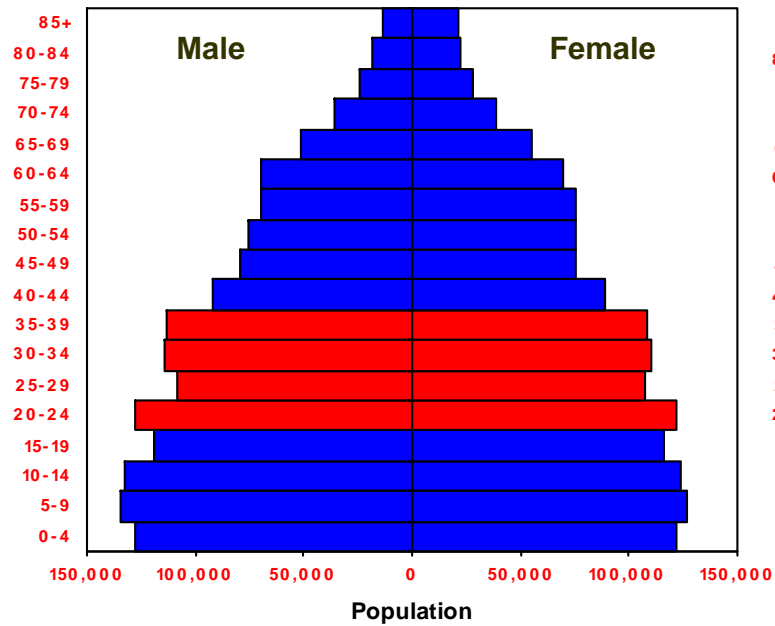
Fertility Rate and Household Size – Utah & U.S.



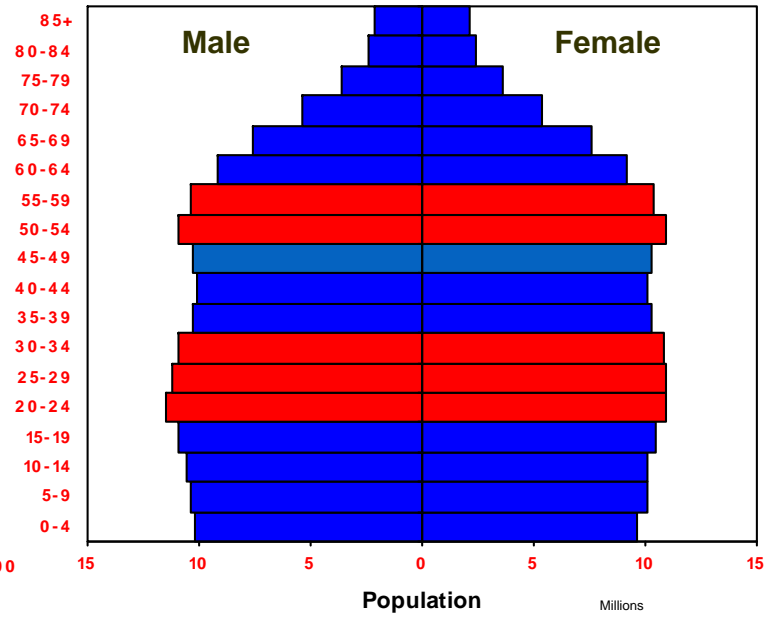
Source: Decennial Census and 2015 American Community Survey

Source: NCHS - National Vital Statistics Reports, Volume 64, Number 1 January 15, 2015

Utah's Population by Age and Sex: 2016



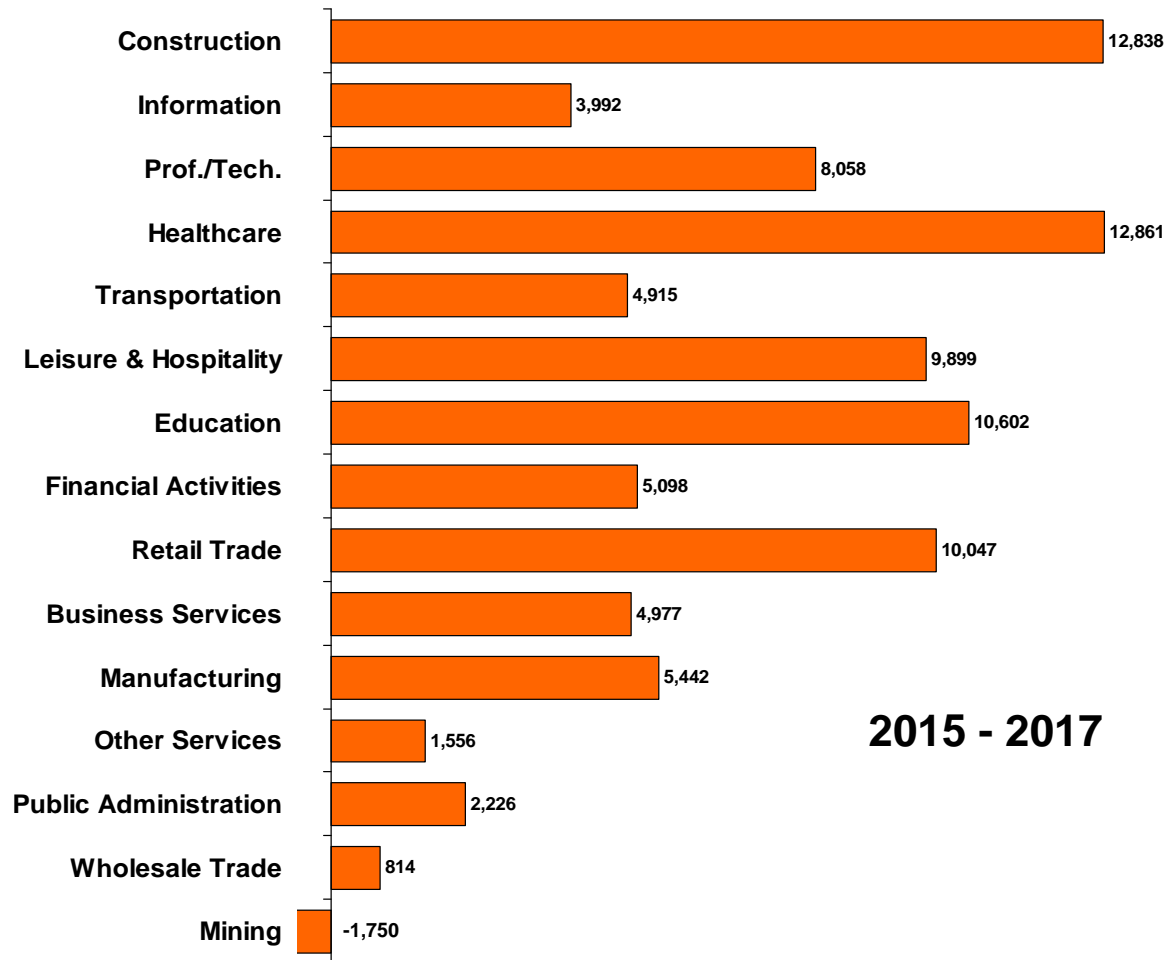
U.S. Population by Age and Sex: 2016



■ Dominating the Labor Force

Source: U.S. Bureau of the Census

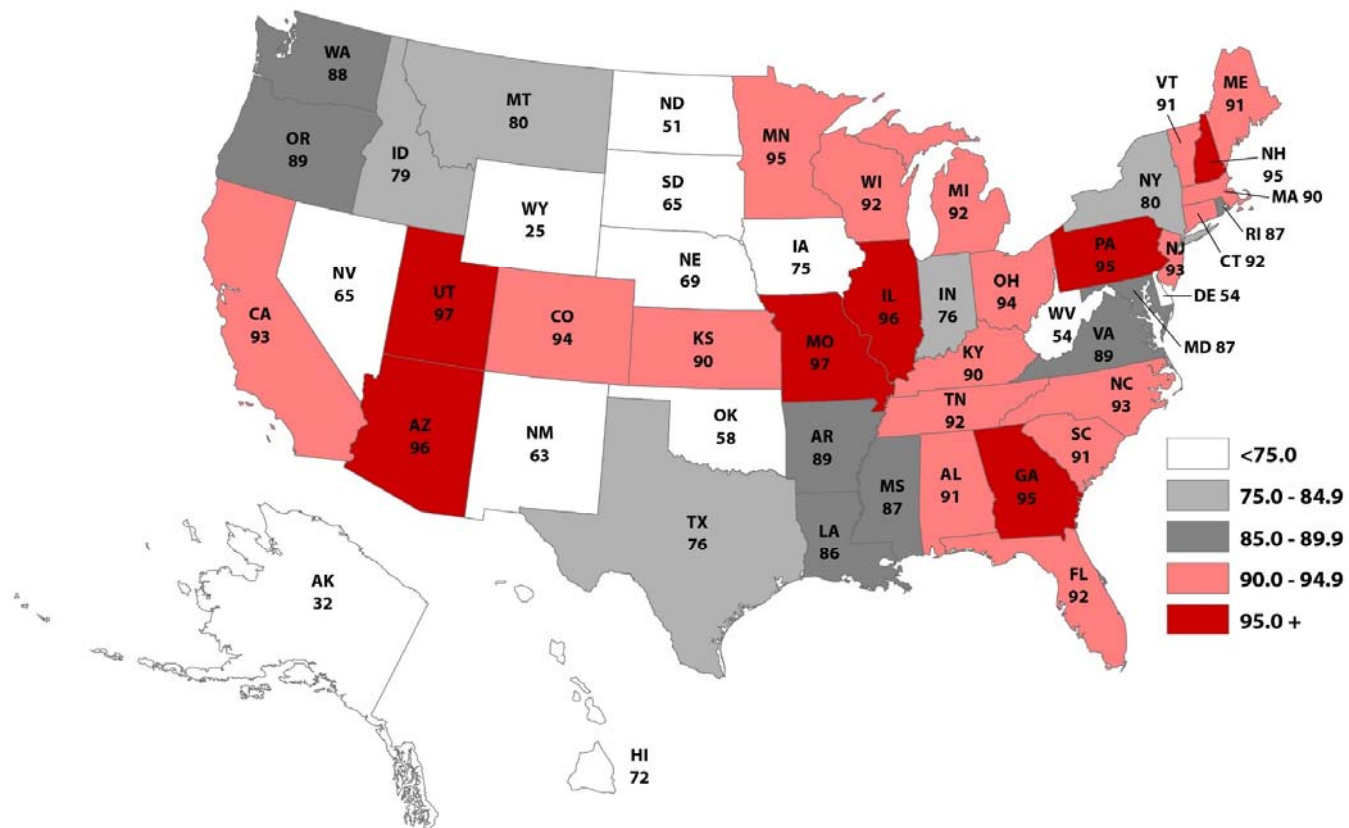
Employment Change by Industrial Sector



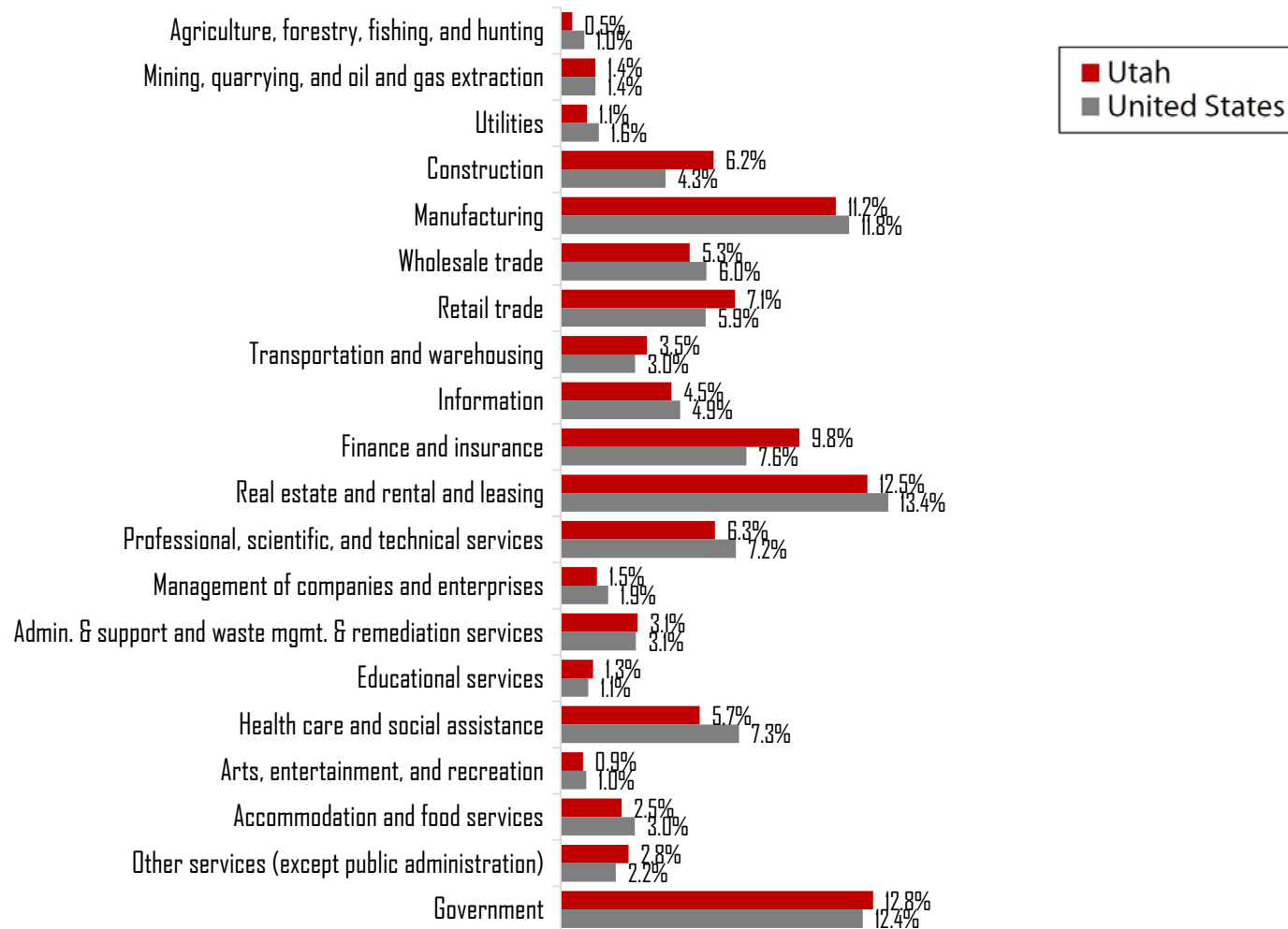
2015 - 2017

Measuring Diversity

Hachman Index for United States, 2017

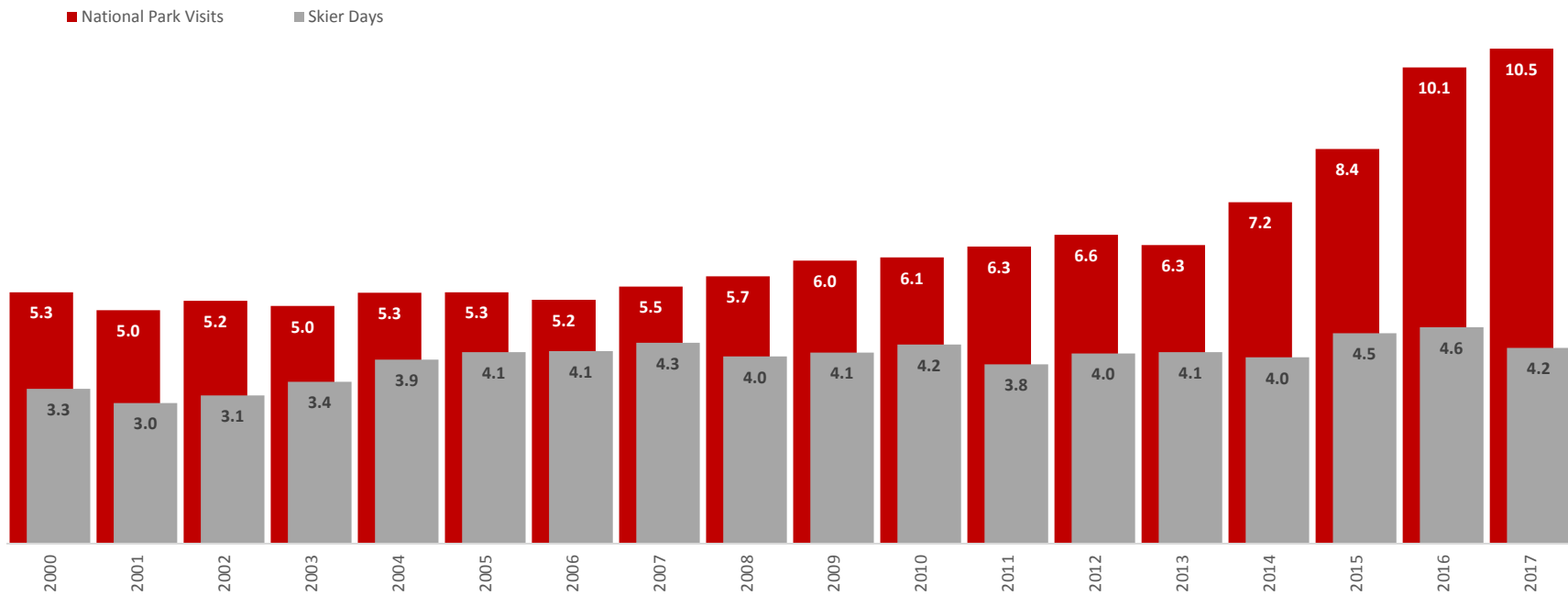


What Utah Produces – Utah & U.S. GDP - 2016



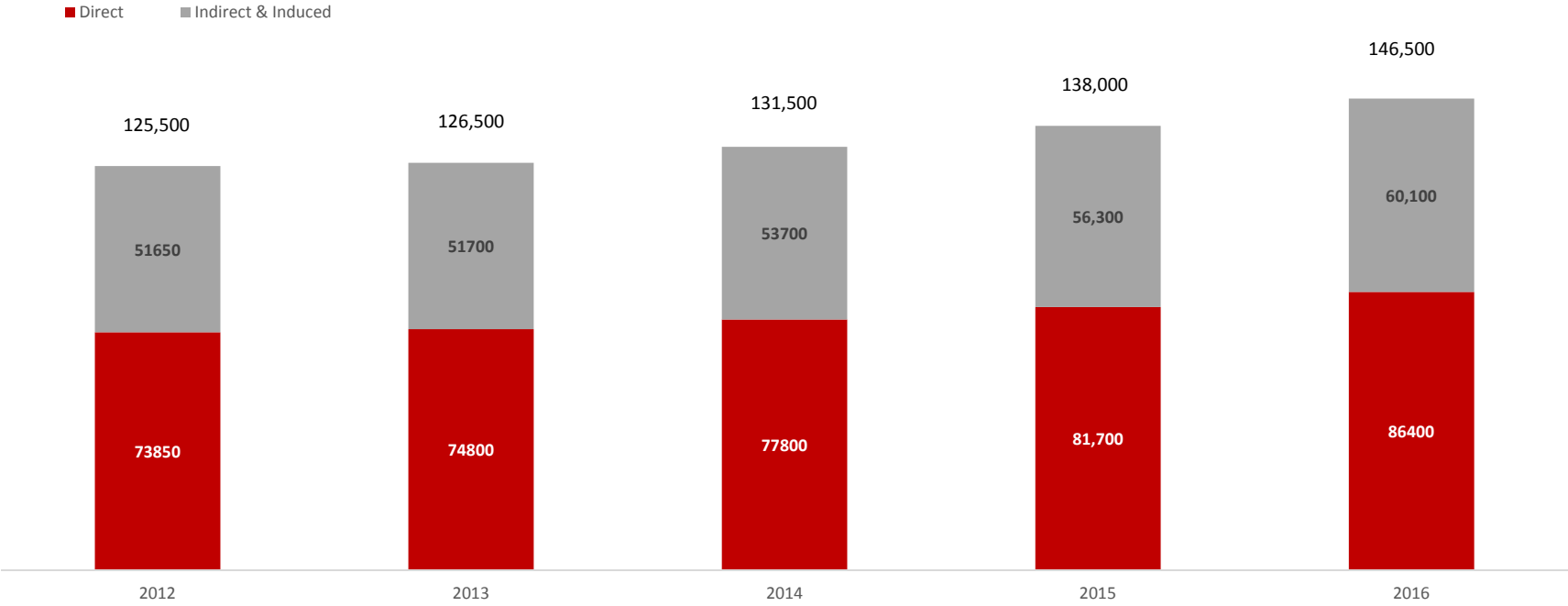
Source: Kem C. Gardner Policy Institute analysis of Bureau of Economic Analysis (BEA) Regional Accounts data

Utah Total Skier Days and National Park Recreation Visits (millions)



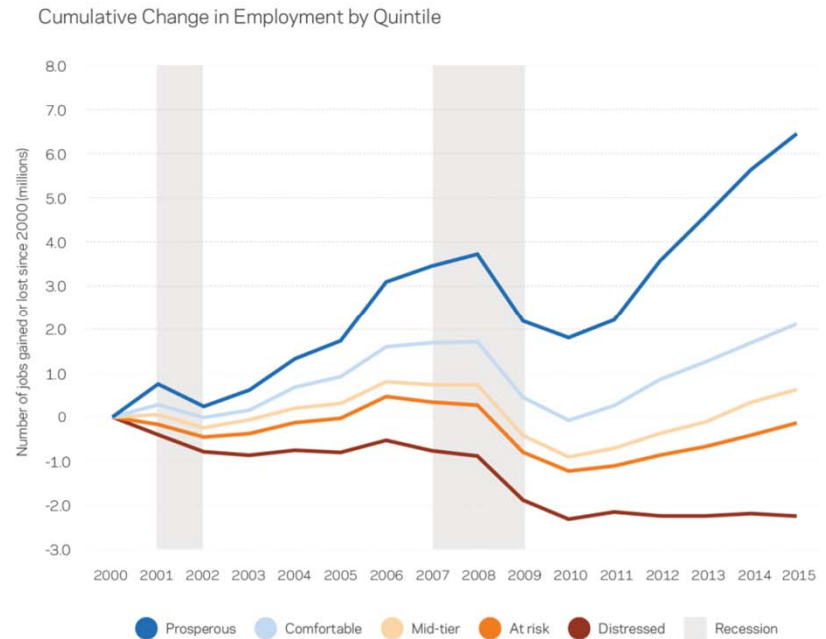
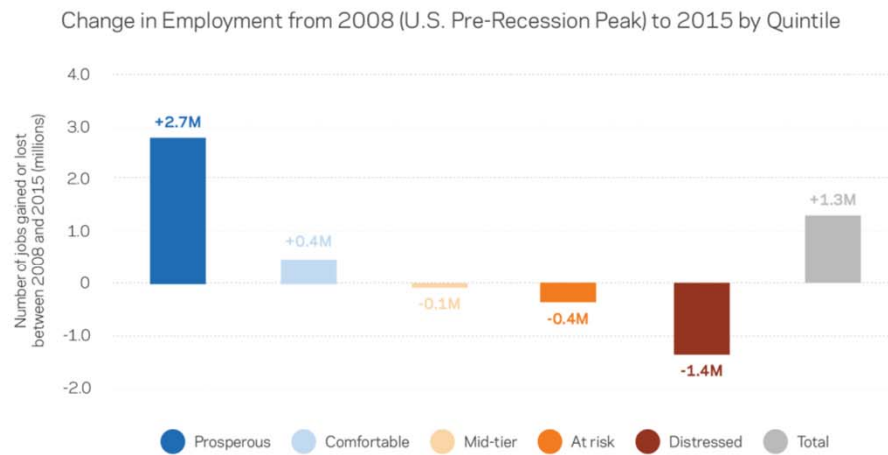
Source: Ski Utah and the U.S. National Park Service Compiled by Kem C. Gardner Policy Institute analysis of U.S. Travel Association data

Total Travel & Tourism Jobs - Utah



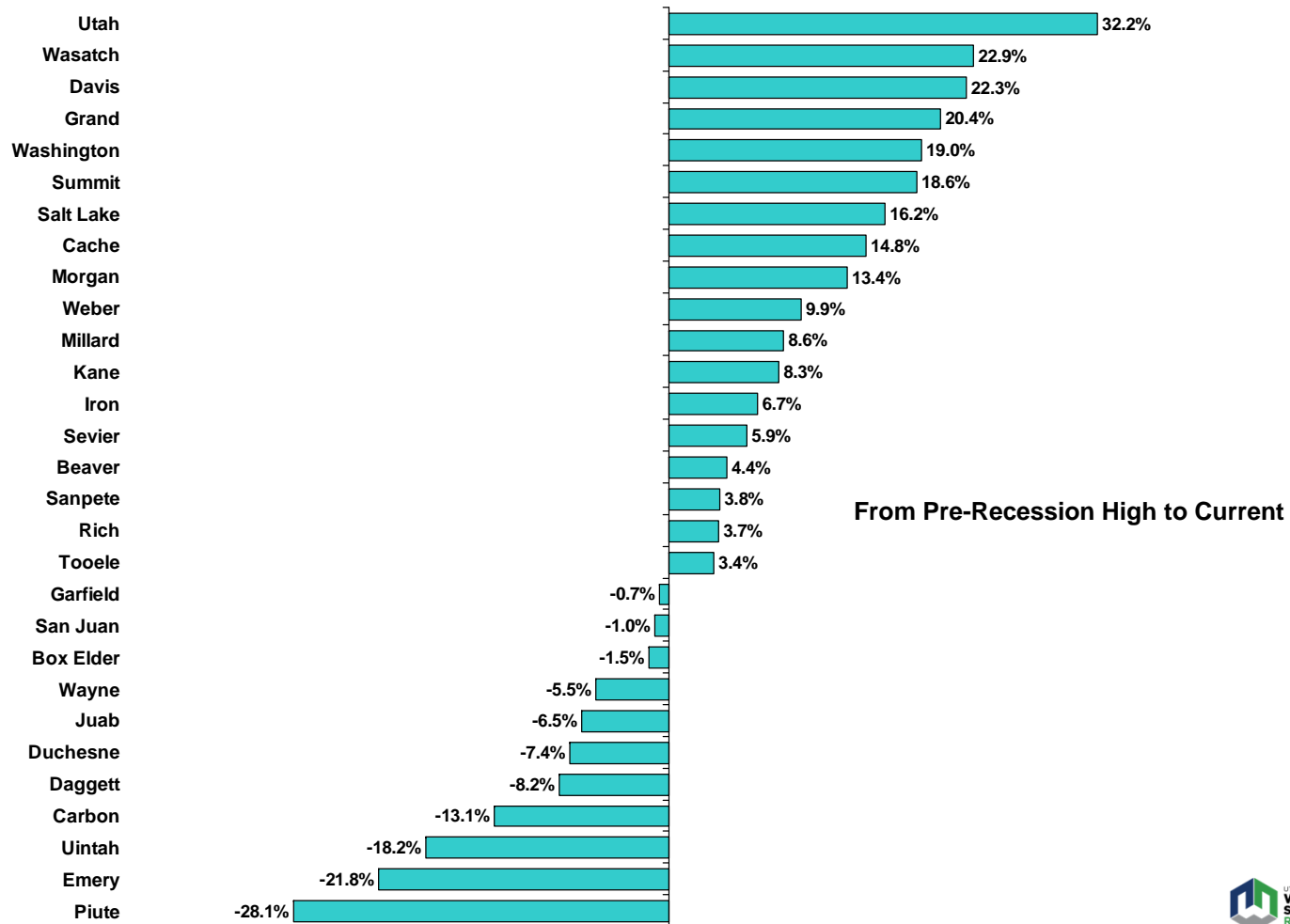
Source: Kem C. Gardner Policy Institute analysis of U.S. Travel Association data

US Change in Employment by Zip Code Quintile



Source: Economic Innovation Group - <https://eig.org/dci/escape-velocity#interactives>

Utah's County Employment Expansion



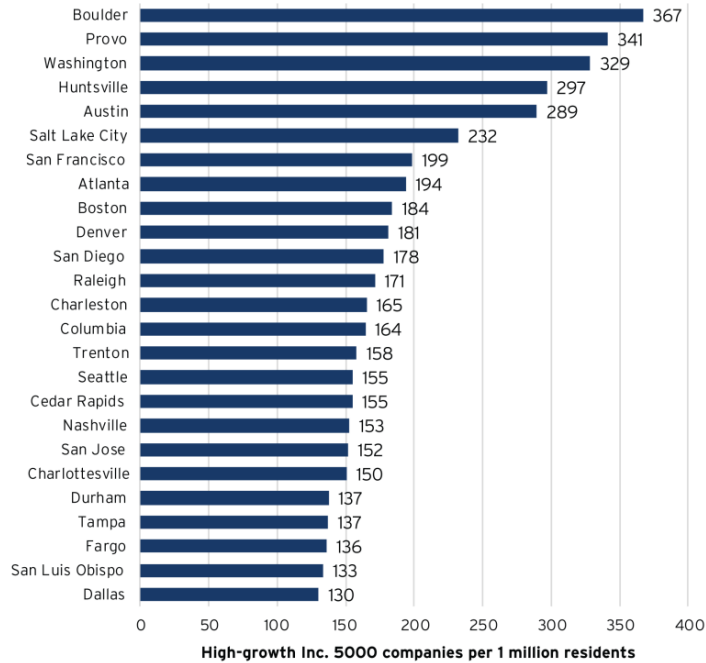
Source: U.S. Bureau of Labor Statistics



High Growth Companies

FIGURE 3

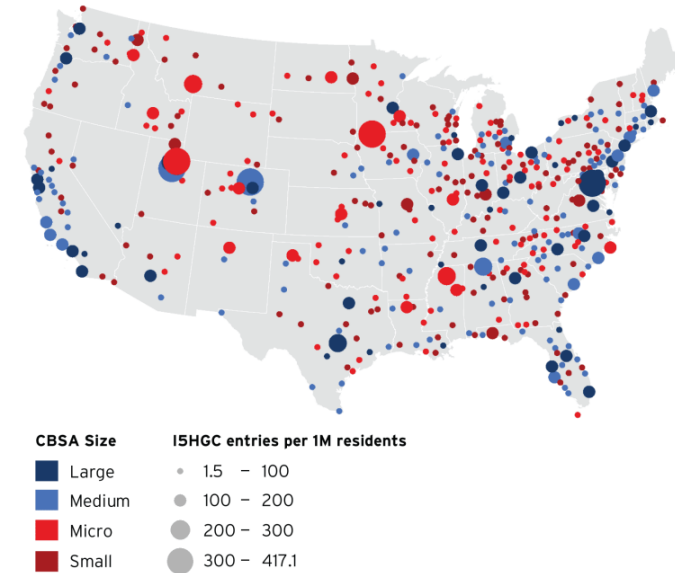
Inc. 5000 high-growth company density, by metropolitan area
Top 25, 2011-2017



Source: Brookings analysis of Inc. Magazine and Center for American Entrepreneurship data

FIGURE 4

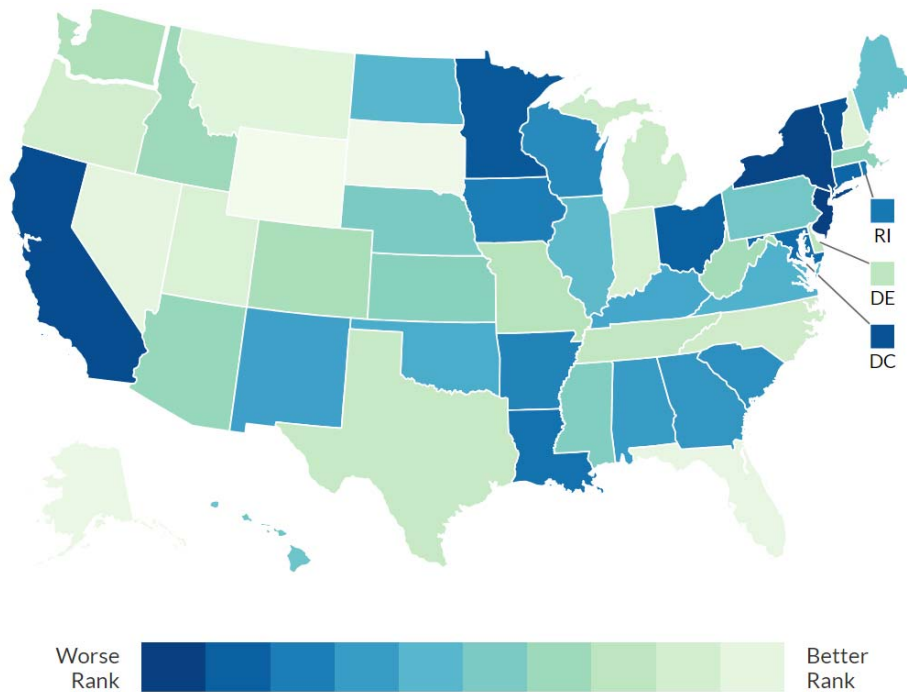
Inc. 5000 high-growth company density, by metropolitan or micropolitan area
2011-2017



Large metros have more than 1 million residents; medium metros have between 250,000 and 1 million residents; small metros have fewer than 250,000 residents; micropolitan areas generally have between 10,000 and 50,000 residents.

Source: Brookings analysis of Inc. Magazine and Center for American Entrepreneurship data

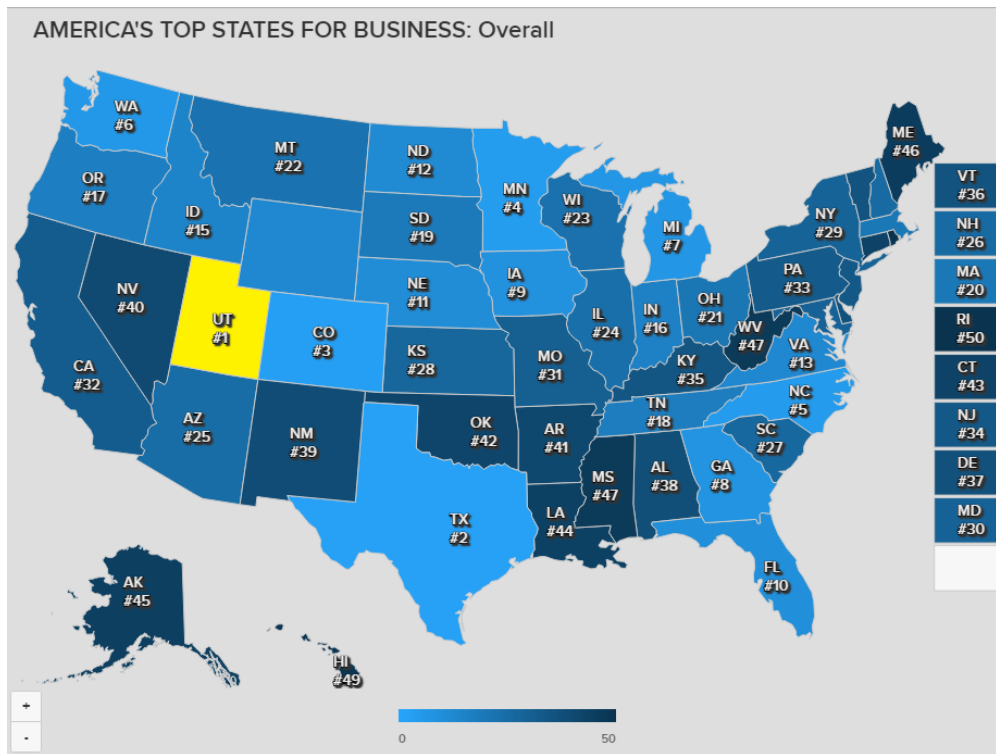
2018 State Business Tax Climate Index



Utah	
Tax Type	Rank
Overall Rank	8
Corporate Taxes	4
Individual Taxes	11
Sales Taxes	17
Property Taxes	5
Unemp. Insur. Taxes	21

Source: Tax Foundation - <https://taxfoundation.org/publications/state-business-tax-climate-index/>

America's Top States for Business 2016



OVERALL	STATE	WORKFORCE	COST OF DOING BUSINESS	INFRA-STRUCTURE	ECONOMY	QUALITY OF LIFE
1	Utah	12	19	13	3	13
2	Texas	8	23	2	1	37
3	Colorado	1	37	29	2	12
4	Minnesota	15	35	5	17	2
5	North Carolina	9	18	30	11	30
6	Washington	11	30	39	6	8
7	Michigan	29	12	27	7	32
8	Georgia	7	31	4	9	37
9	Iowa	37	2	16	29	9
10	Florida	14	32	10	4	26
11	Nebraska	19	15	20	19	18
12	North Dakota	4	29	6	26	7
13	Virginia	3	36	32	30	16
13	Wyoming	6	21	12	14	11
15	Idaho	28	6	25	12	20

Source: <https://www.cnbc.com/2016/07/12/americas-top-states-for-business-2016-the-list-and-ranking.html>

Well Managed and Fiscally Sound State

- Utah is one of only 10 states to hold a AAA bond rating from all three rating agencies
- Ranked as the best state for business by Forbes in 6 of the last 8 years
- Consistently ranked among the top states in best for business and best managed states

Conclusion

- Unique Demographics
- Diversified Economy
- Strong Tourism Industry
- Clusters of High Growth Companies
- Business Friendly Tax/Regulatory Climate

