

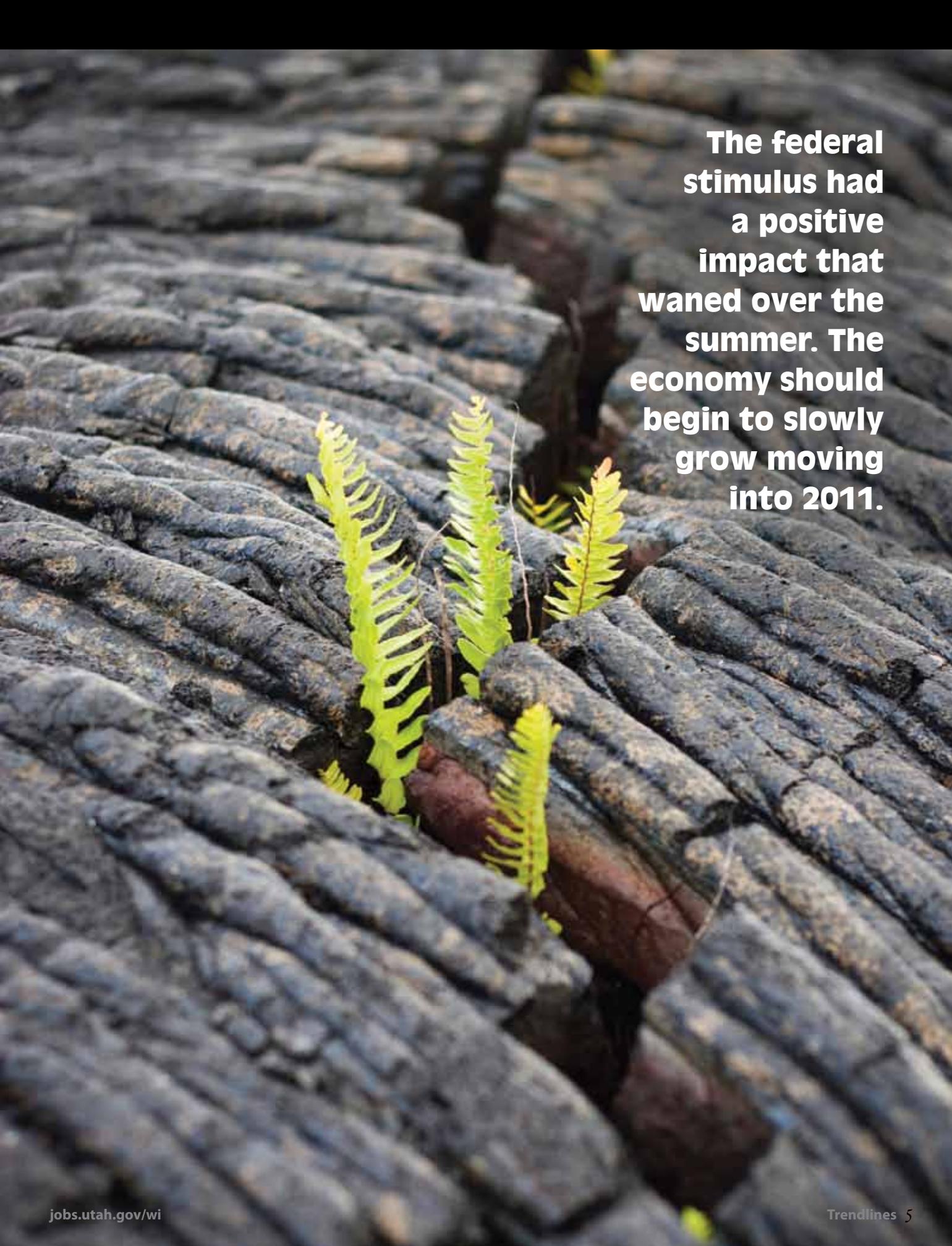
The End to Net Job Losses

No more net job losses. That is where I see the Utah economy here at late summer 2010. This coincides with the U.S. Bureau of Labor Statistics (BLS) estimates for Utah, which already place year-over job growth above 1 percent by late summer. I feel that is a bit optimistic, yet I also feel the message of an improving economy holds just the same.

I am comfortable with believing the BLS survey is overly optimistic, for two reasons. One, my lower estimate is built upon more comprehensive BLS data that comes in several months after BLS' initial survey. My estimate is anchored off of, and extrapolated from, that more comprehensive data (called the Quarterly Census of Employment and Wages; QCEW). Second, that very QCEW data, when it became available, has shown that the monthly survey job estimates over the past two years have been too optimistic. (That might be a confusing use of language, as the survey did project large job losses for Utah for the past two years. But the losses turned out to be even deeper than the survey was suggesting.)

What do I expect going forward? I believe the federal stimulus did have a positive impact upon the economy in late 2009 into early 2010. Its impact waned over the summer, and the economy seemed to go into a pause. Could the economy stand without that original stimulus help? I believe that is what the markets were trying to determine throughout the wavering summer months. I now believe that the answer is a just-barely yes. Therefore, the economy should begin to slowly grow as we move into and through 2011. Yet it may only be baby steps in terms of adding jobs to the Utah economy. The painful impact from the recent recession is not easily removed, and is anticipated to continue negatively influencing the economy for several more years. ●

What should we expect from the economy going forward?



The federal stimulus had a positive impact that waned over the summer. The economy should begin to slowly grow moving into 2011.