

Utah Labor Market update

Ben Crabb, Chief Economist

Utah Department of Workforce Services

September 2024

Overview

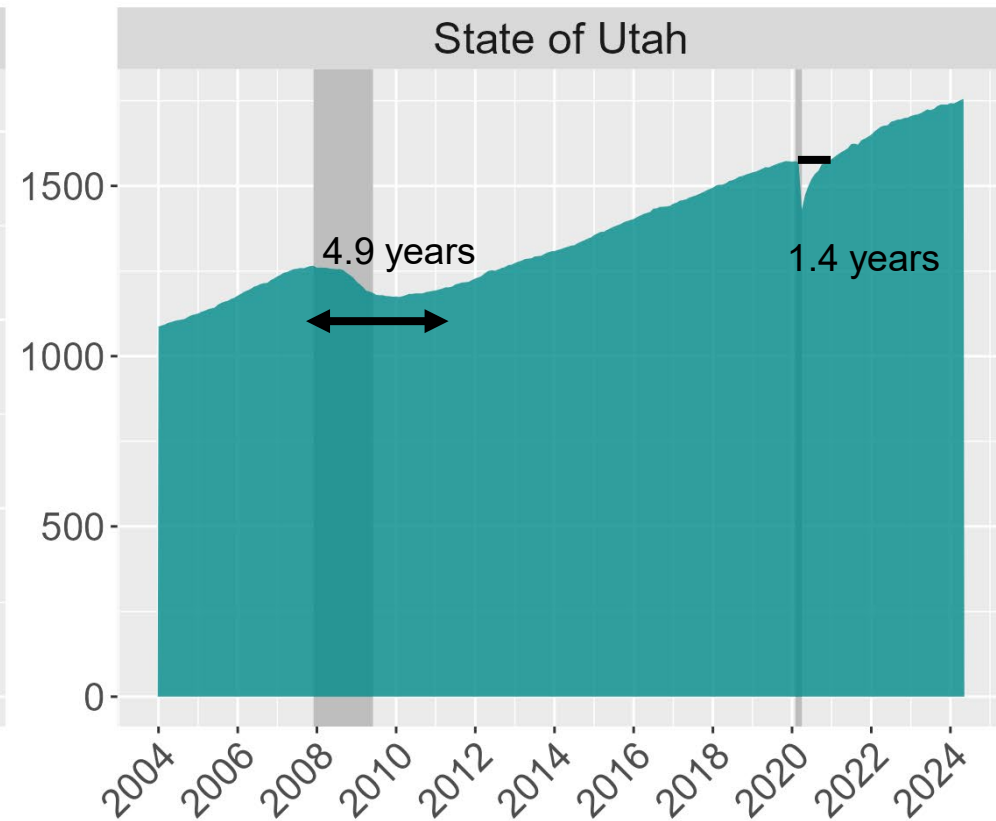
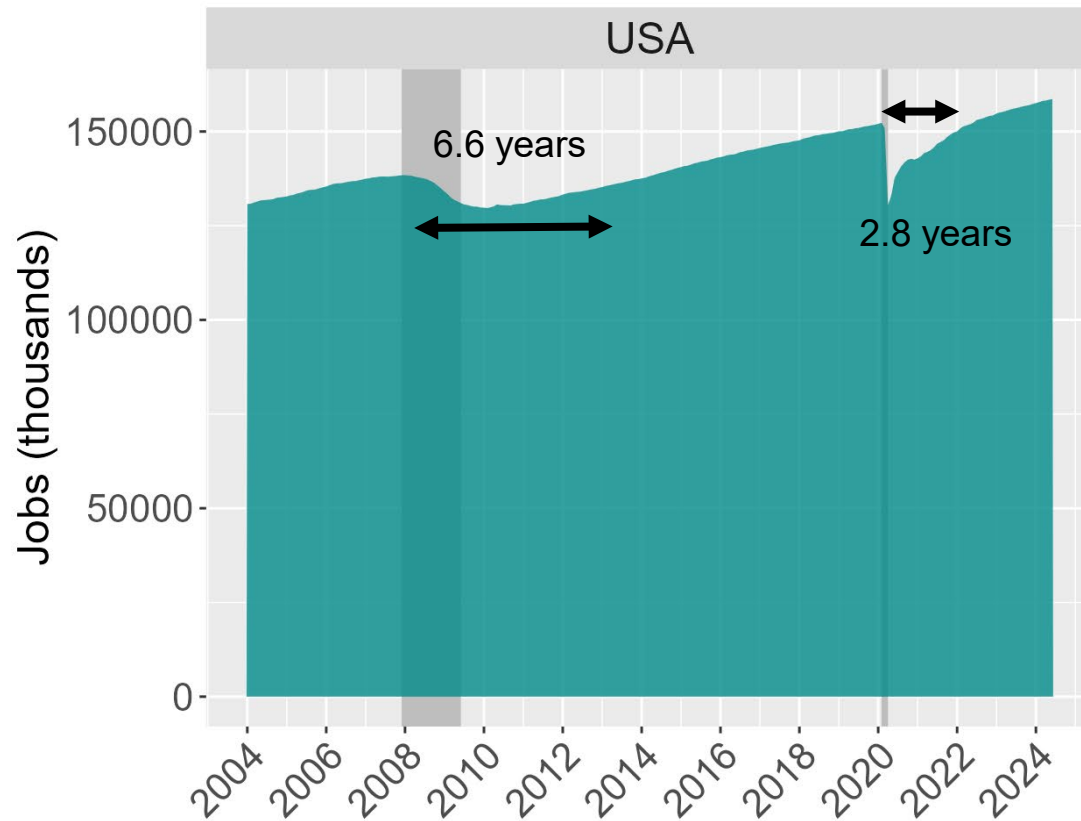
- **Labor Market Trends**
- **Population Trends**
- **Inflation & Cost of Living**
- **Future Outlook**



Utah's economy continues to grow.

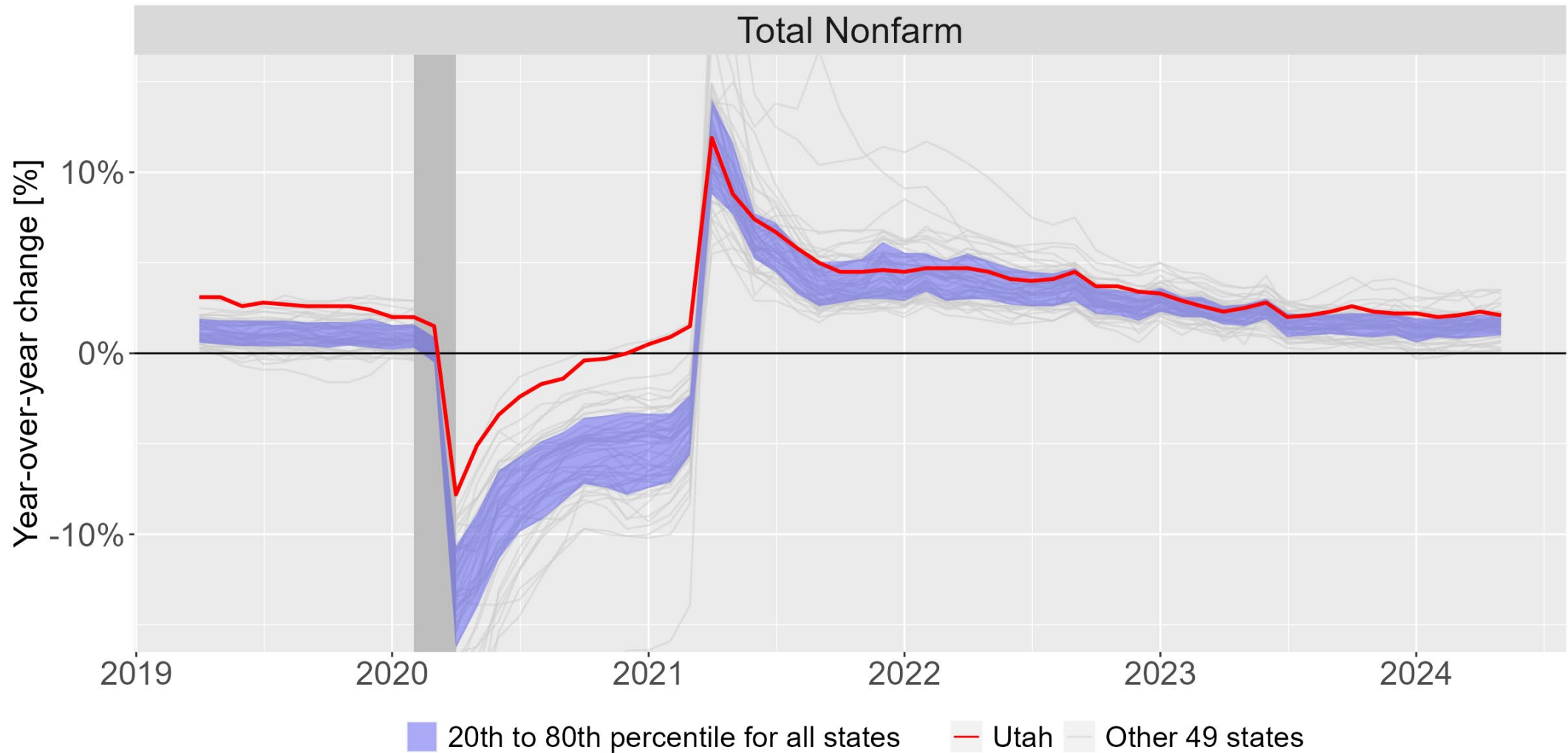
Employment is above pre-2020 levels.

- Utah has gained around 190,000 jobs since 2020.
- Utah's growth outpaces the USA.



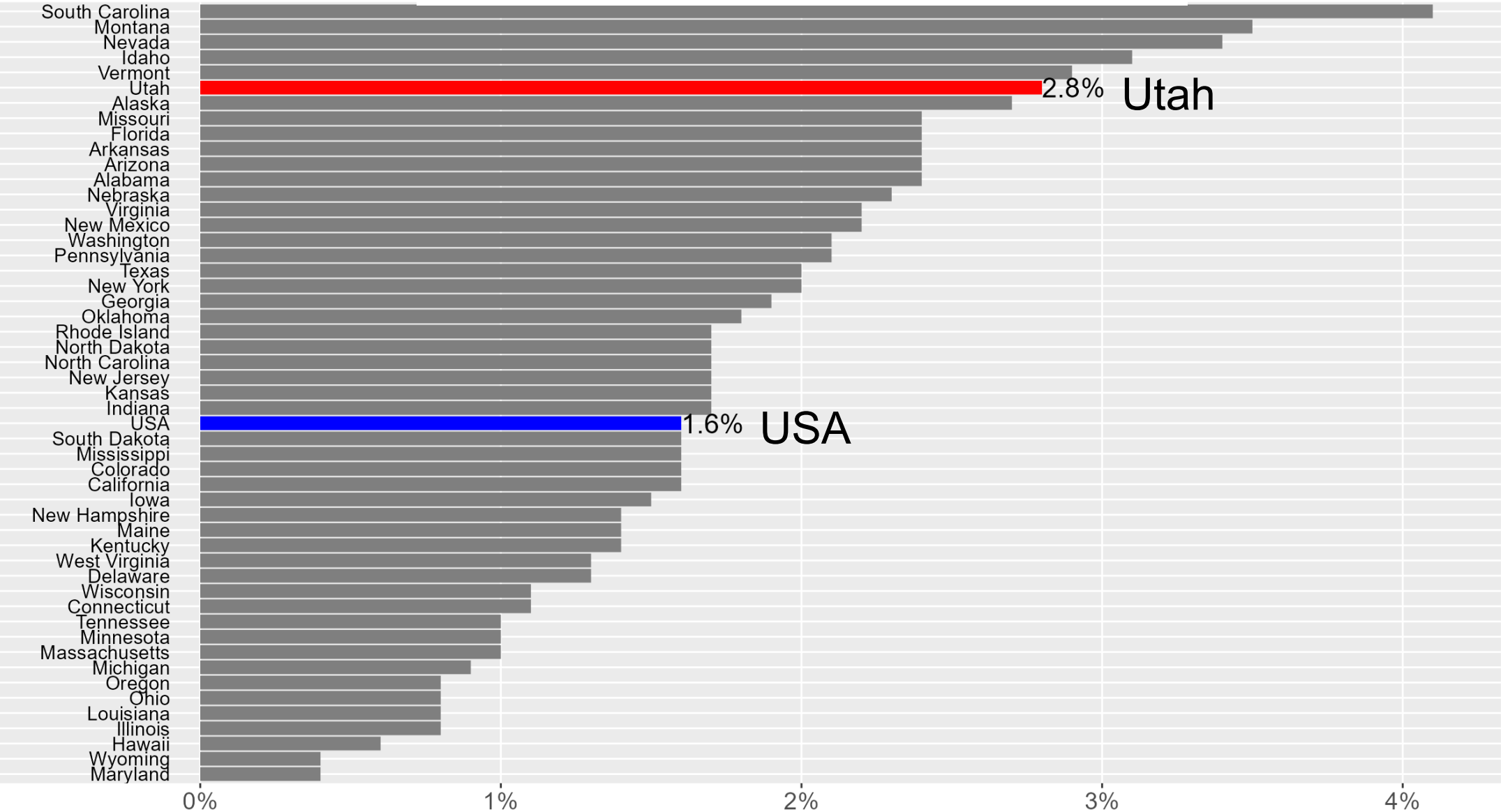
Source: Bureau of Labor Statistics

Job growth, Utah & Other states



Source: Bureau of Labor Statistics, Current Employment Statistics (CES)

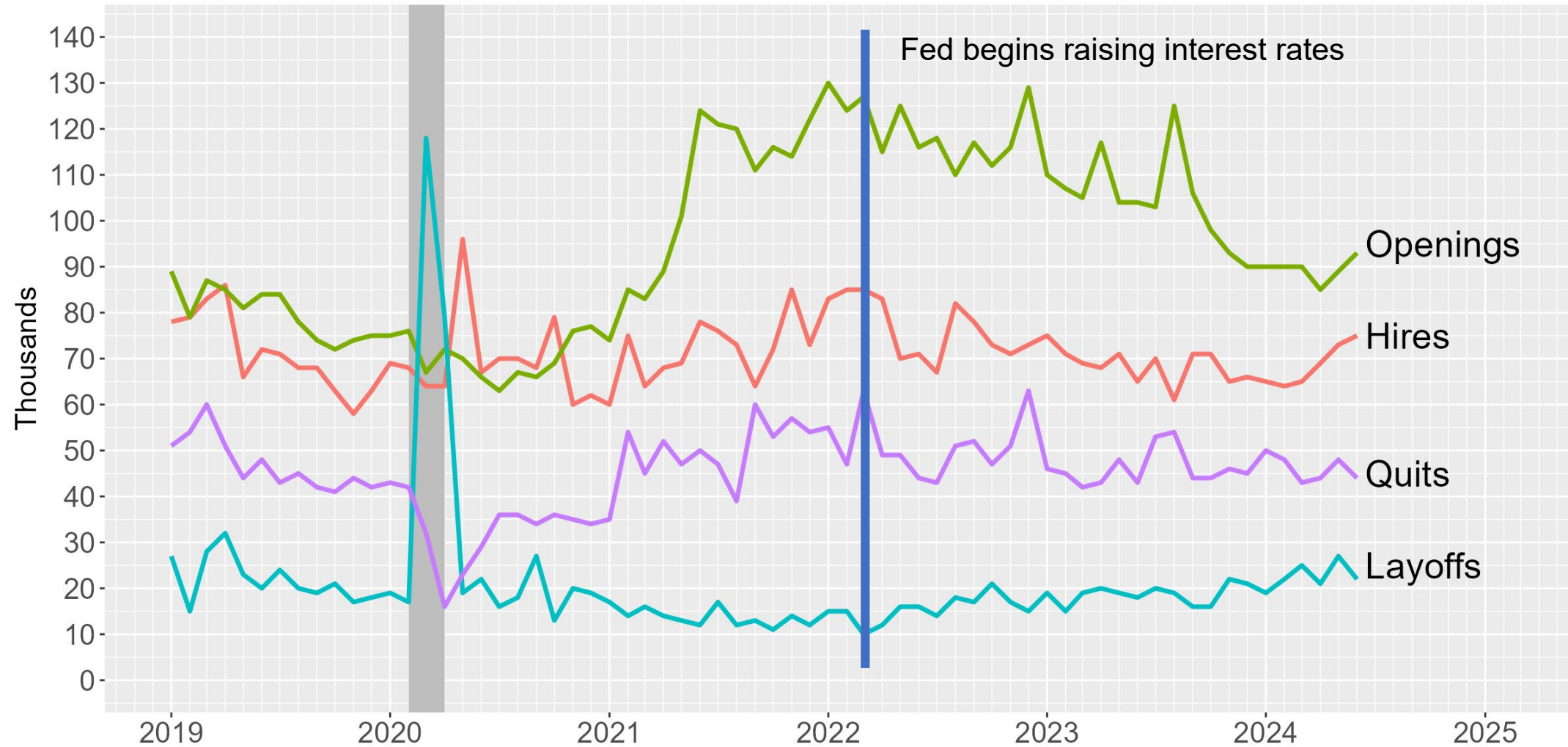
Change in Nonfarm Jobs: July 2023 to July 2024



Source: Bureau of Labor Statistics

Labor market showing some cooling

Job Openings trending downward

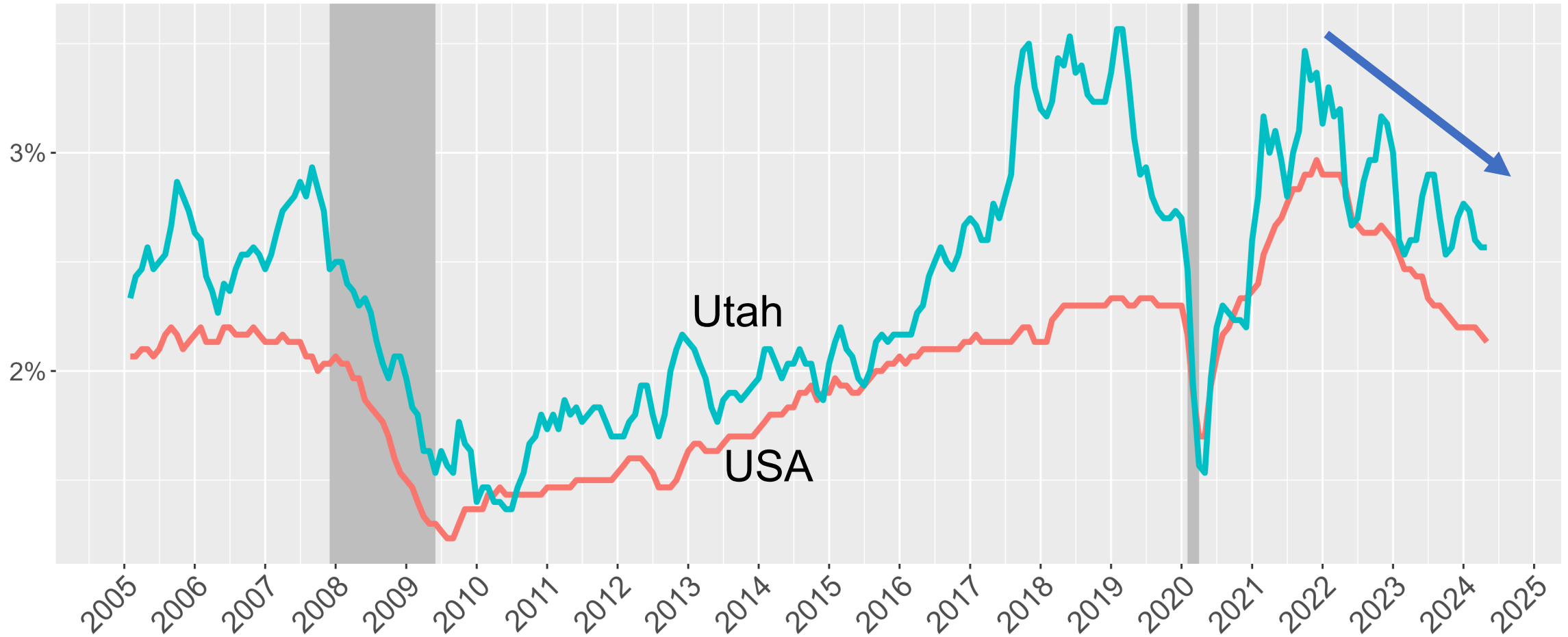


Source: Bureau of Labor Statistics

Labor market showing some cooling

Quits rate, Total nonfarm employment

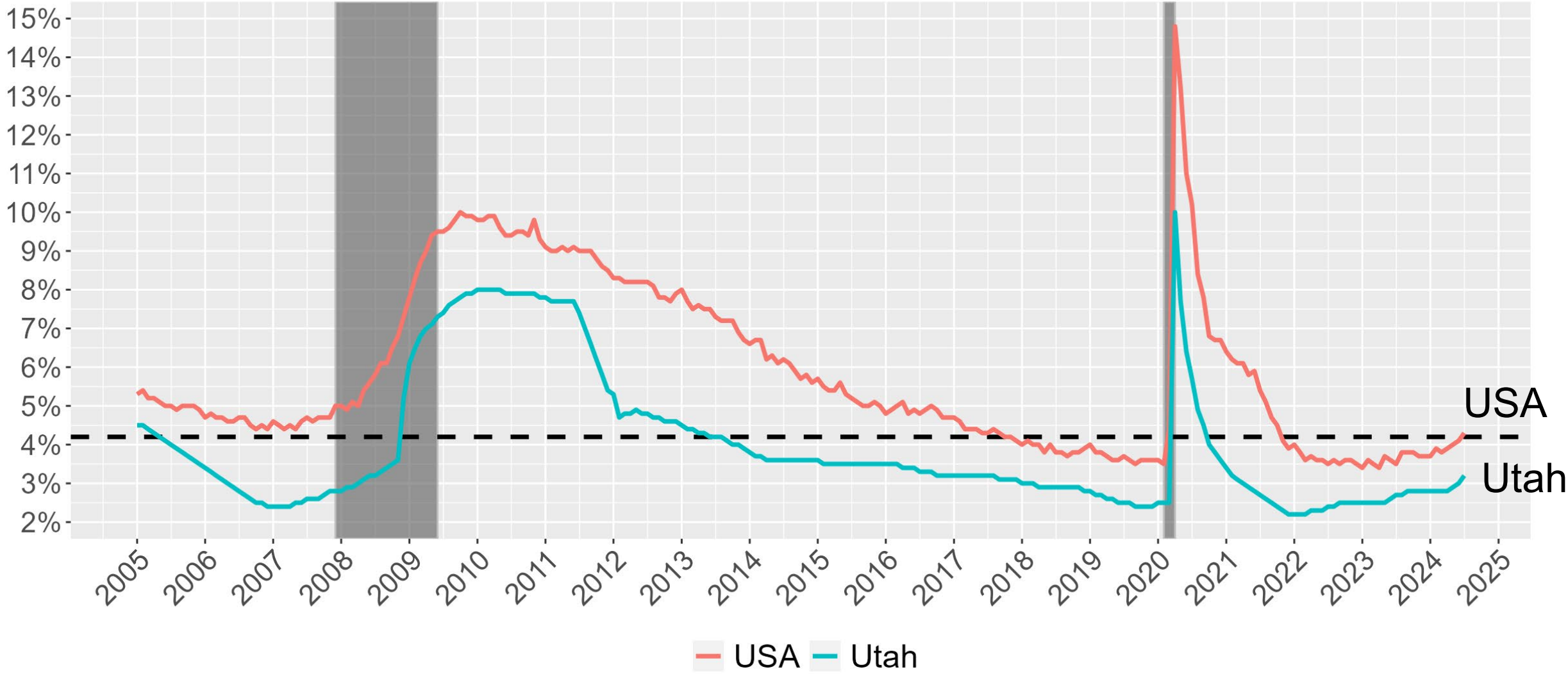
Voluntary quits, excluding retirements, 3-month average



Note: Voluntary quits, excluding retirements, seasonally adjusted.

Source: Bureau of Labor Statistics

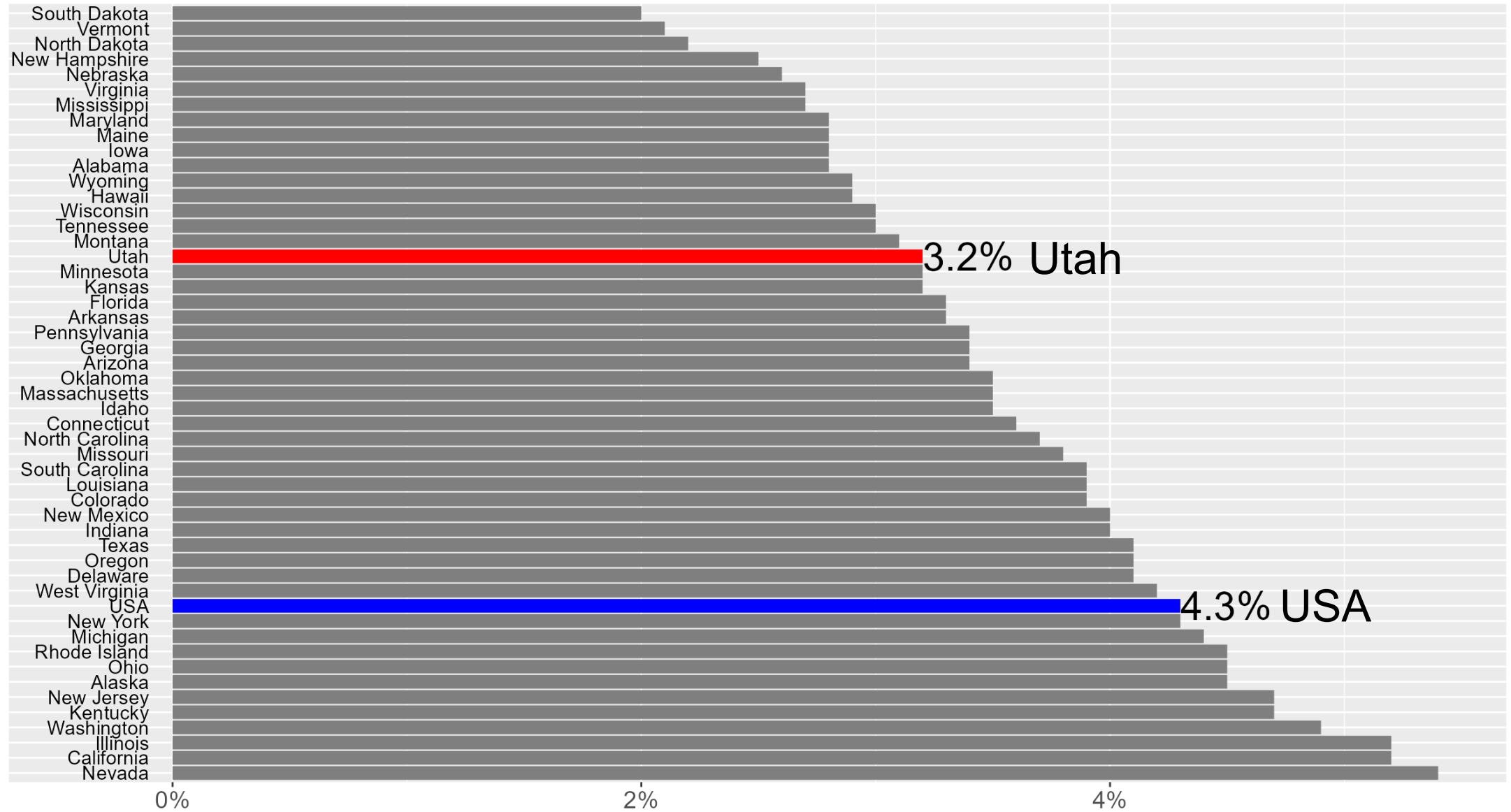
Unemployment rates: Utah and USA



Source: Bureau of Labor Statistics

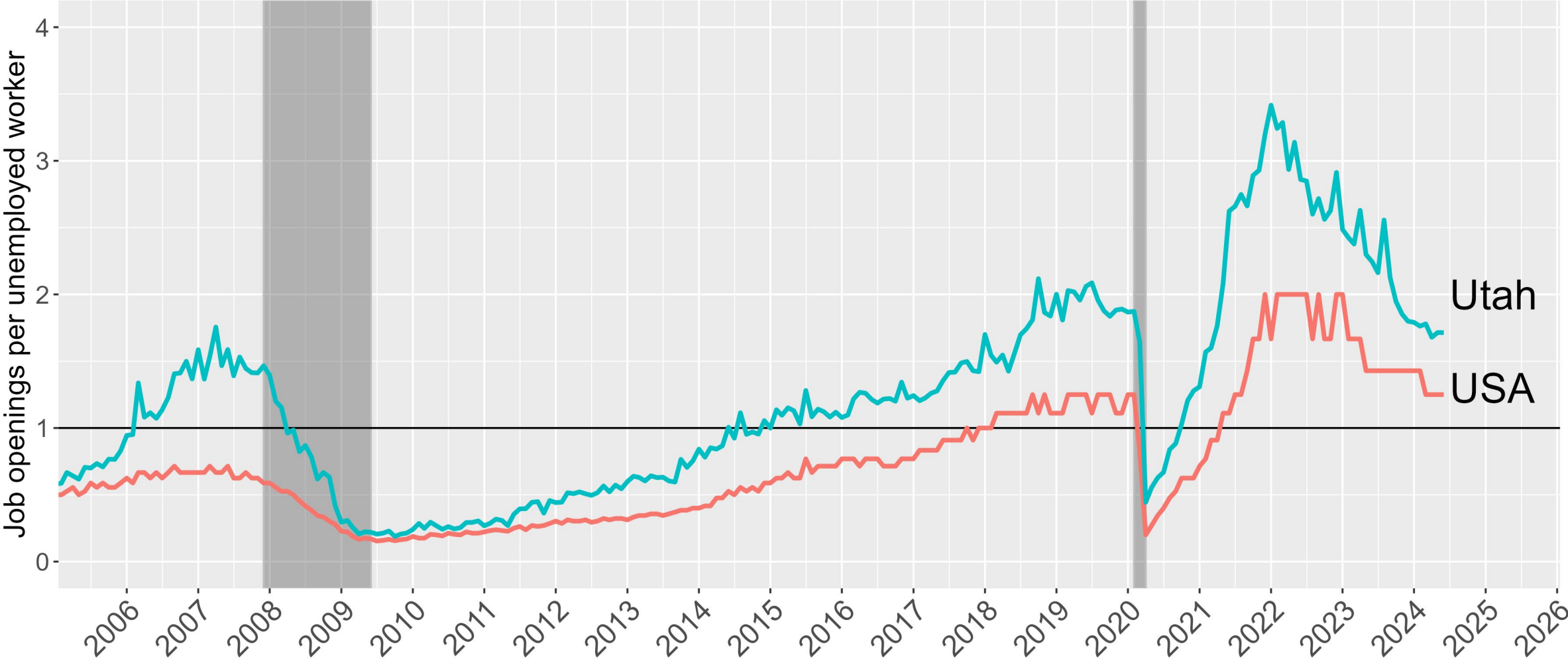


Unemployment rates, July 2024



Source: Bureau of Labor Statistics

Job openings per unemployed worker

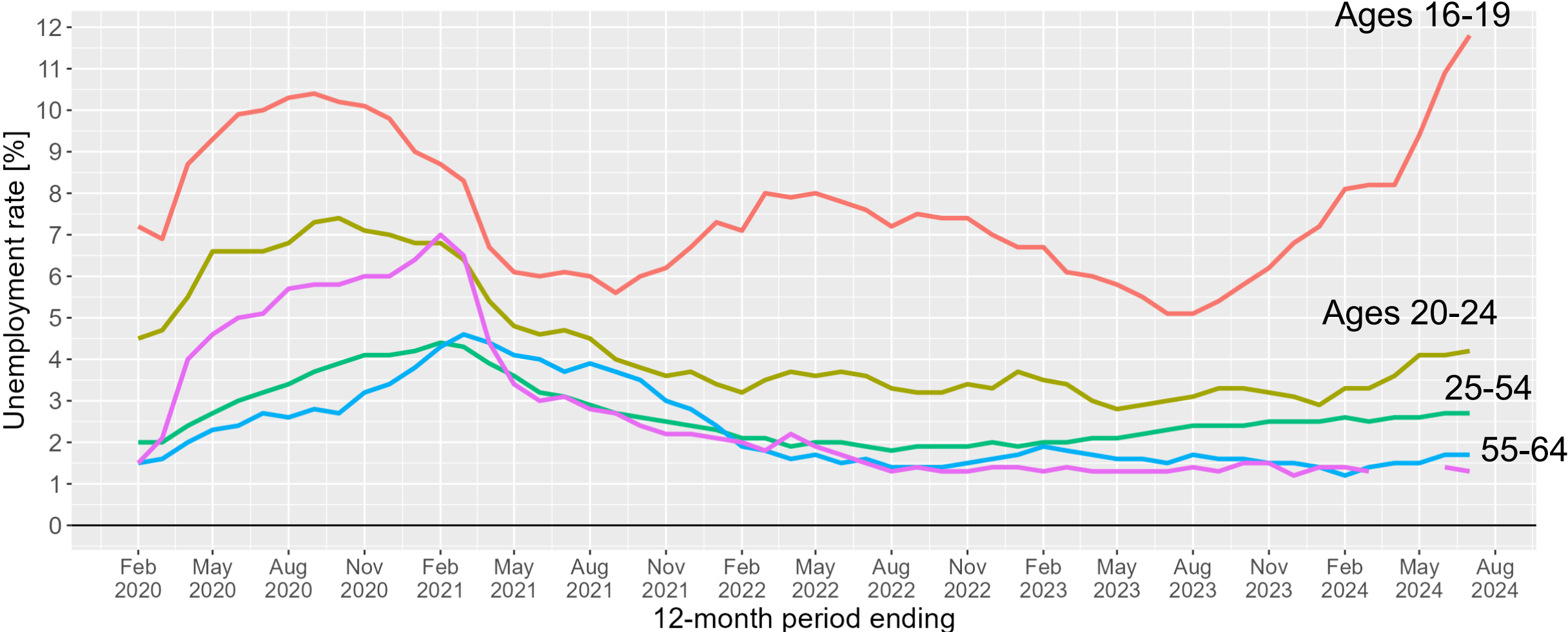


Source: Bureau of Labor Statistics



Utah unemployment rates by age group

Age 16-19 Age 20-24 Age 25-54 Age 55-64 Age 65+

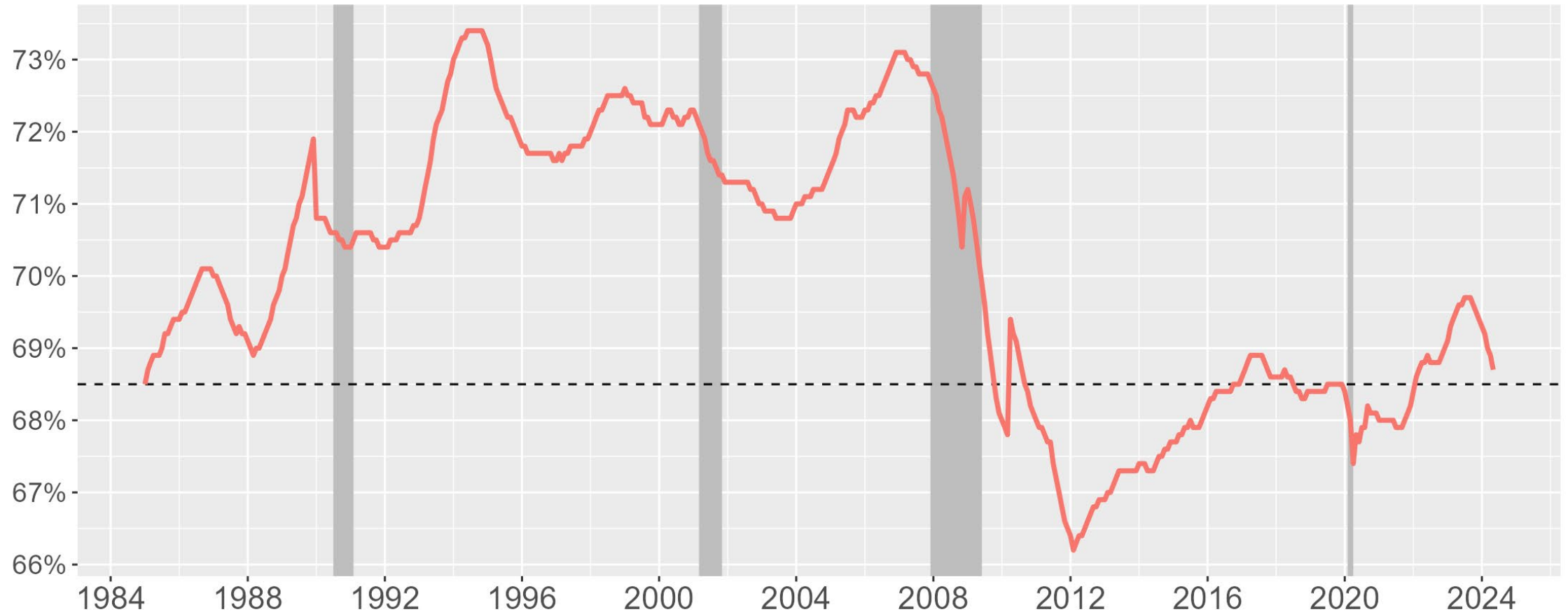


Source: Current Population Survey & Bureau of Labor Statistics



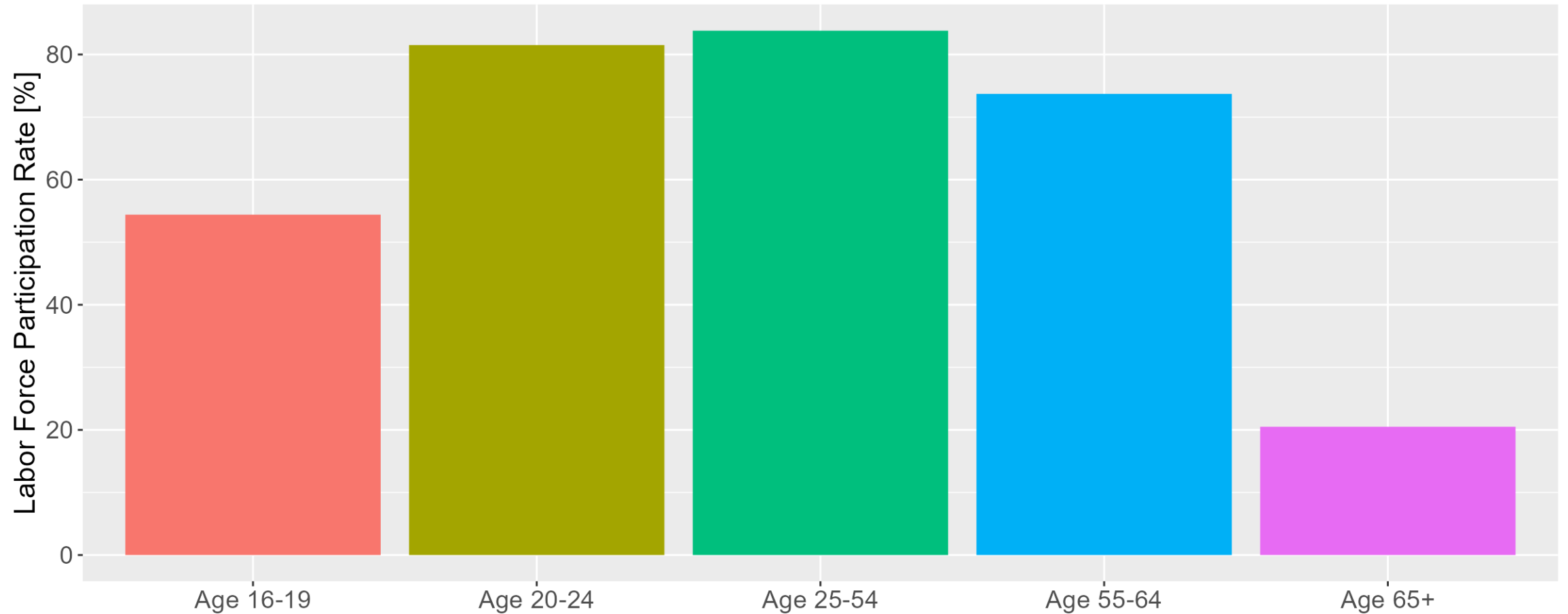
Labor Force Participation Rates

- Dipped post-2020 due to labor force exits.
- Now above 2019 levels but unlikely to move much higher.



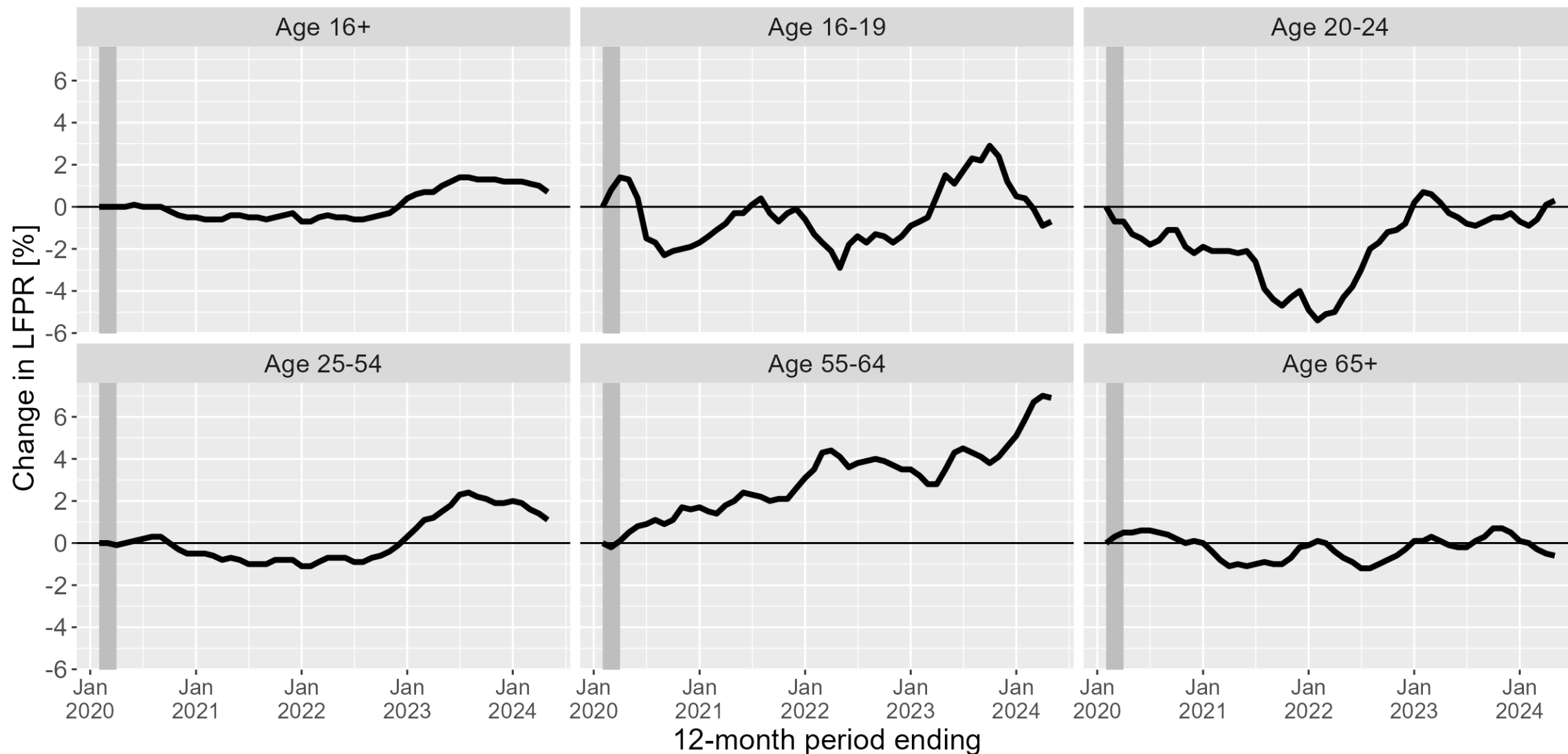
Source: Bureau of Labor Statistics

Labor Force Participation Rates



Source: Bureau of Labor Statistics

Labor Force Participation Rates

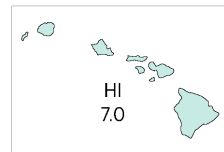
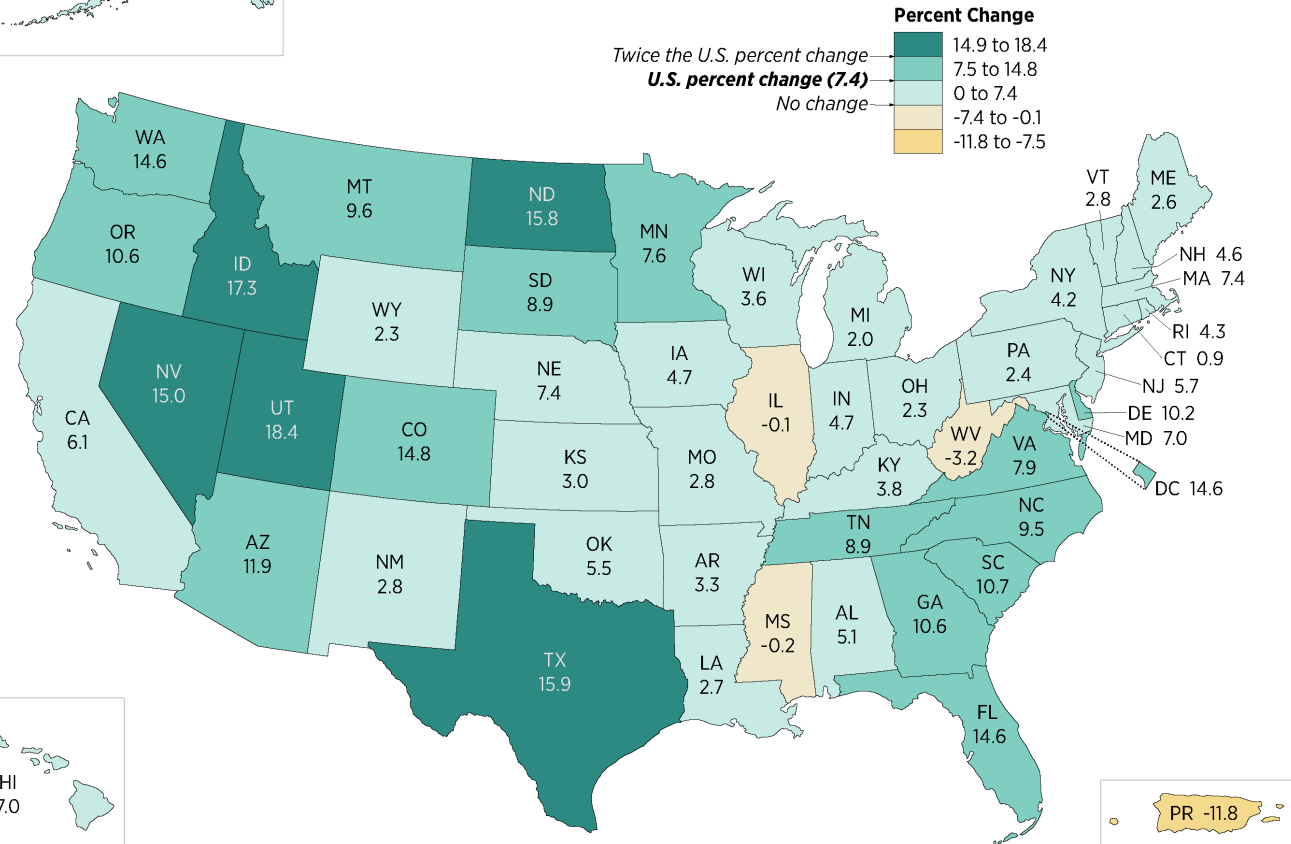
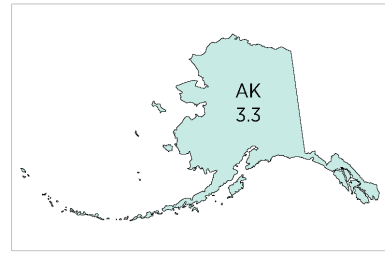


Source: Bureau of Labor Statistics

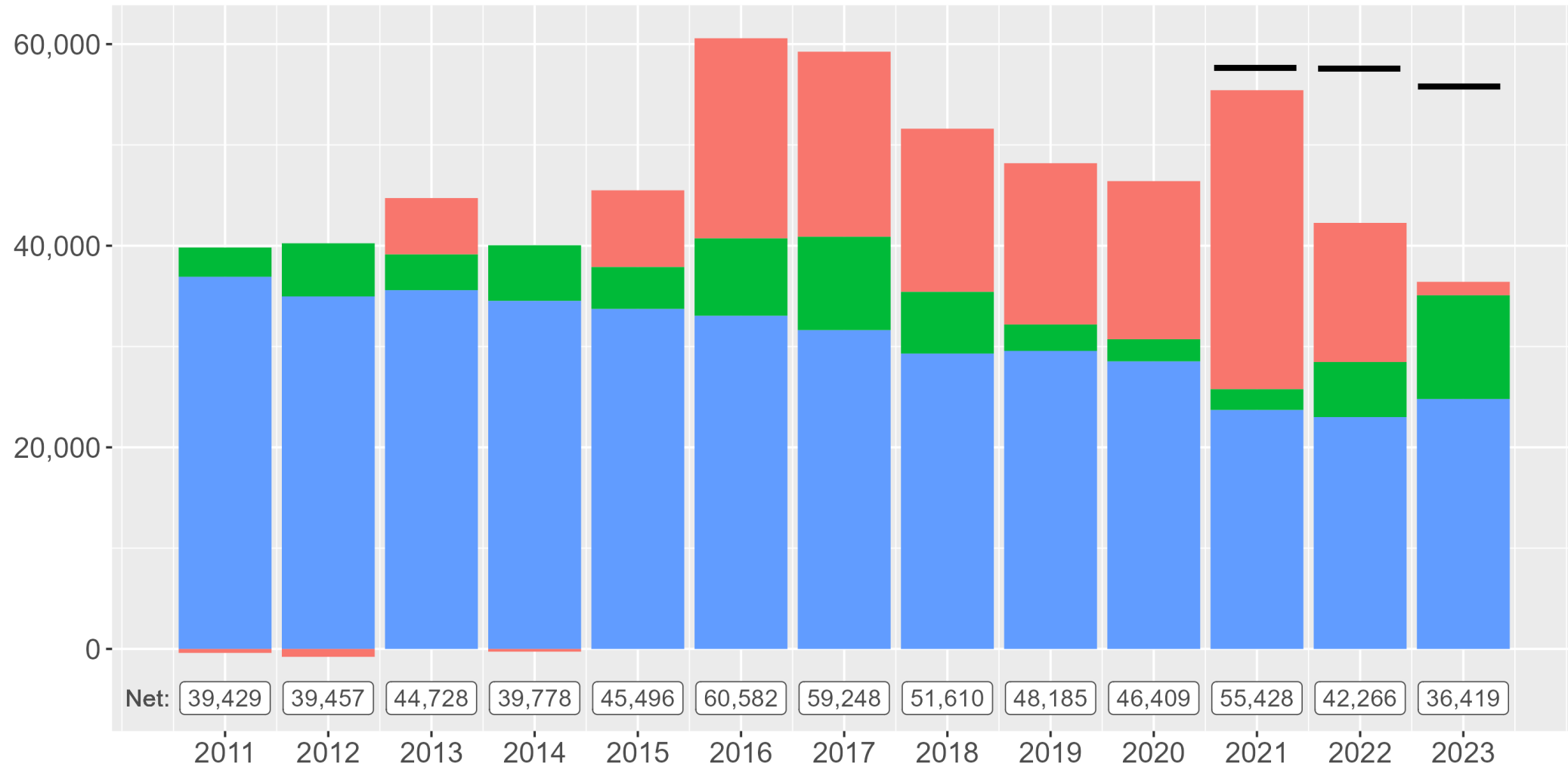
Population Trends

Population Trends

Percent Change in Resident Population for the 50 States, the District of Columbia, and Puerto Rico: 2010 to 2020



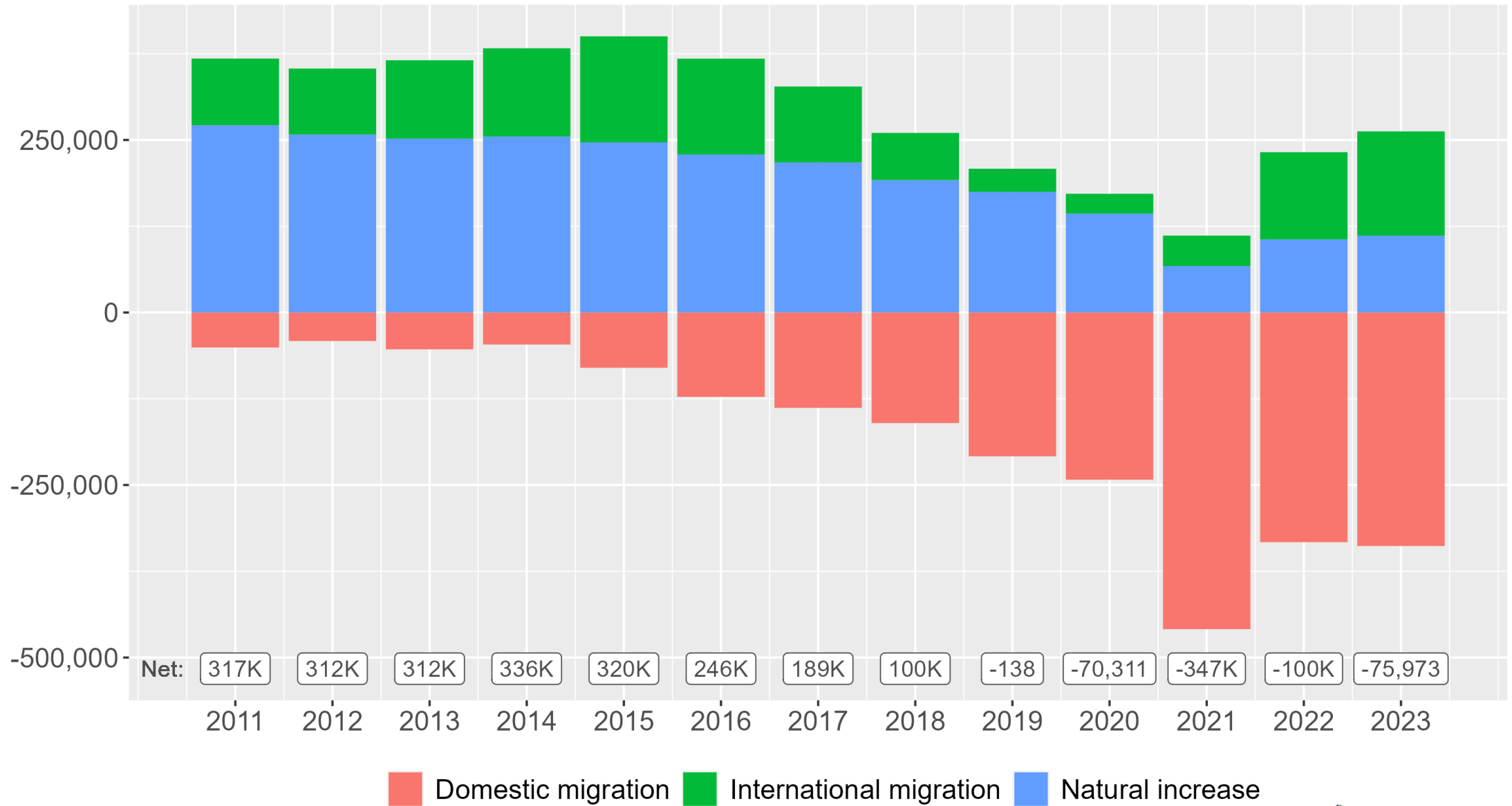
Utah: Components of population change



■ Domestic migration
 ■ International migration
 ■ Natural increase

Source: U.S. Census Bureau, Population Division

California: Components of population change



■ Domestic migration
 ■ International migration
 ■ Natural increase

Utah's unique demographics

Median age:

32.1 years (US: 39.0)

Old-age dependency ratio:

19.7 (US: 28.5)

Child dependency ratio:

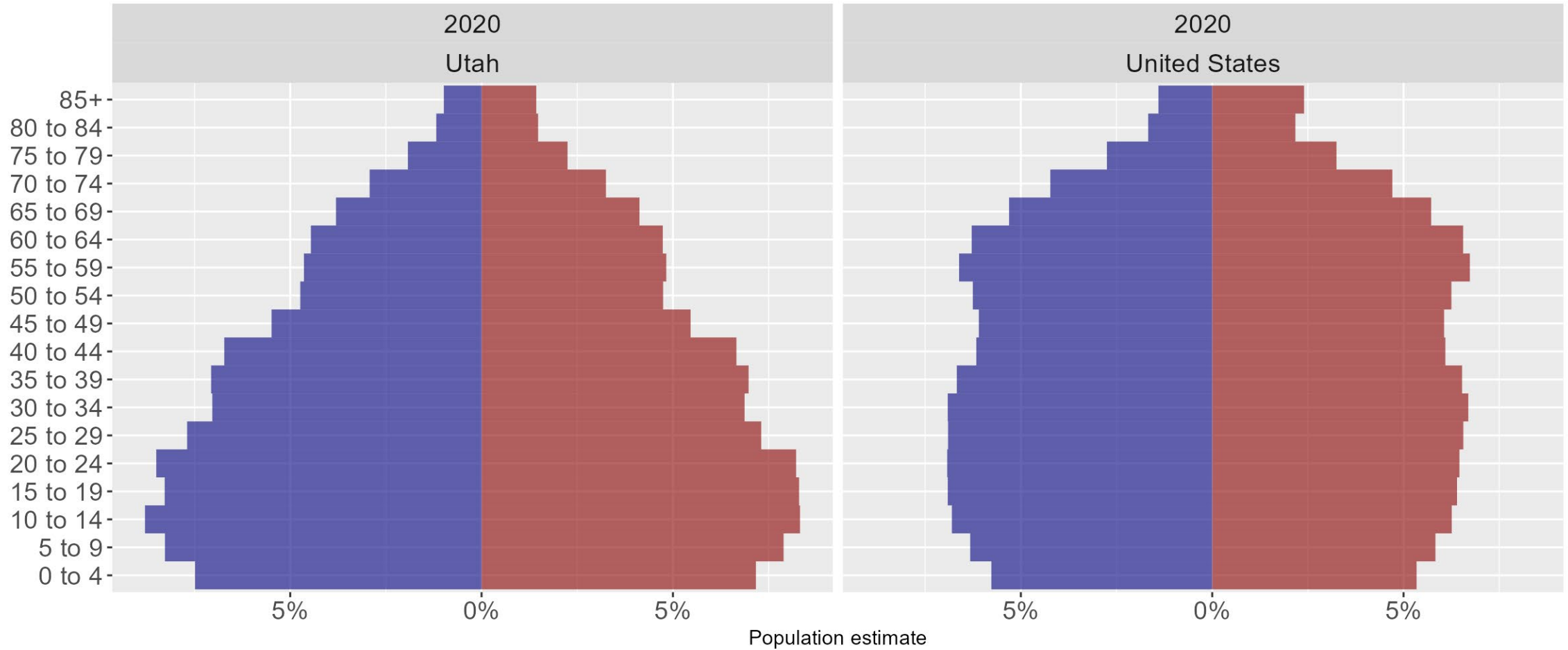
45.5 (US: 35.6)



<https://cdn.who.int/media/images/default-source/youth-engagement/hackathon/youth-hackathon-cover.tmb-1920v.jpg>

Population structure

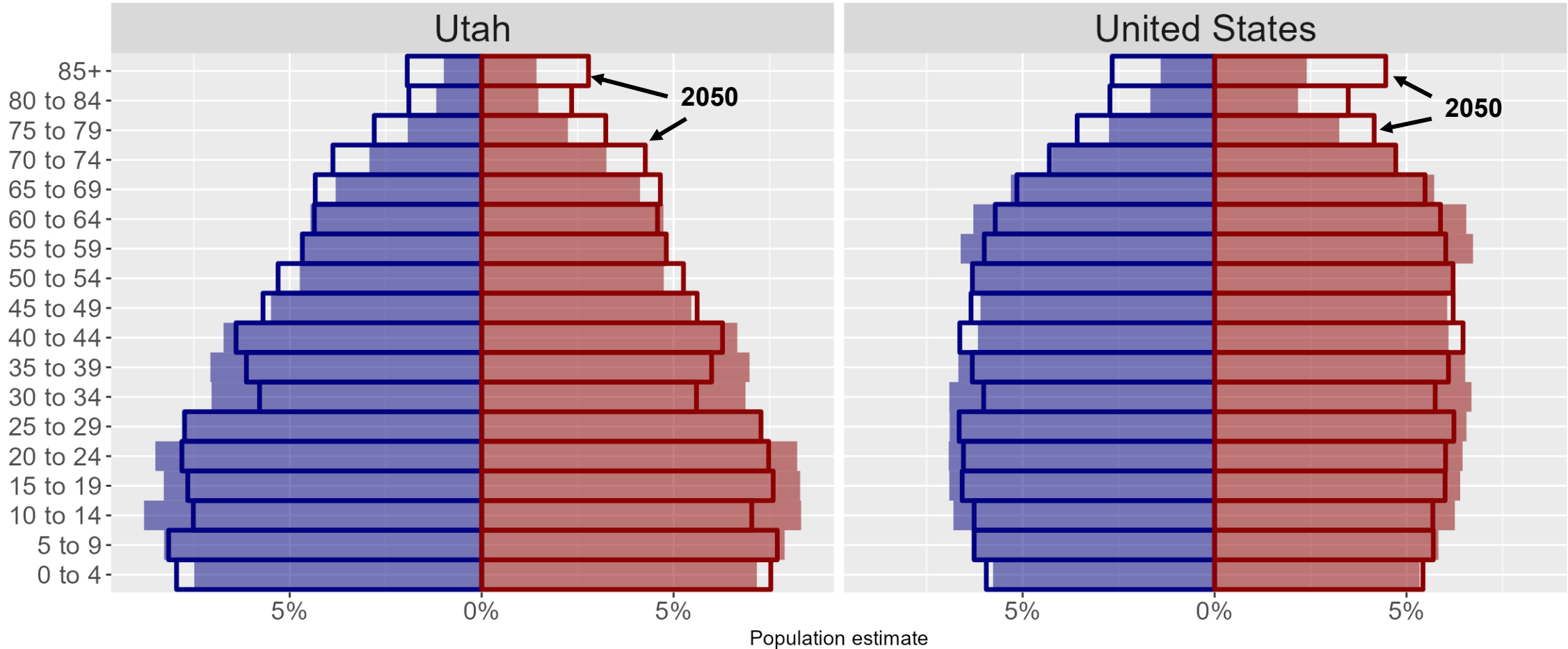
Female Male



Data source: University of Virginia Weldon Cooper Center, Demographics Research Group

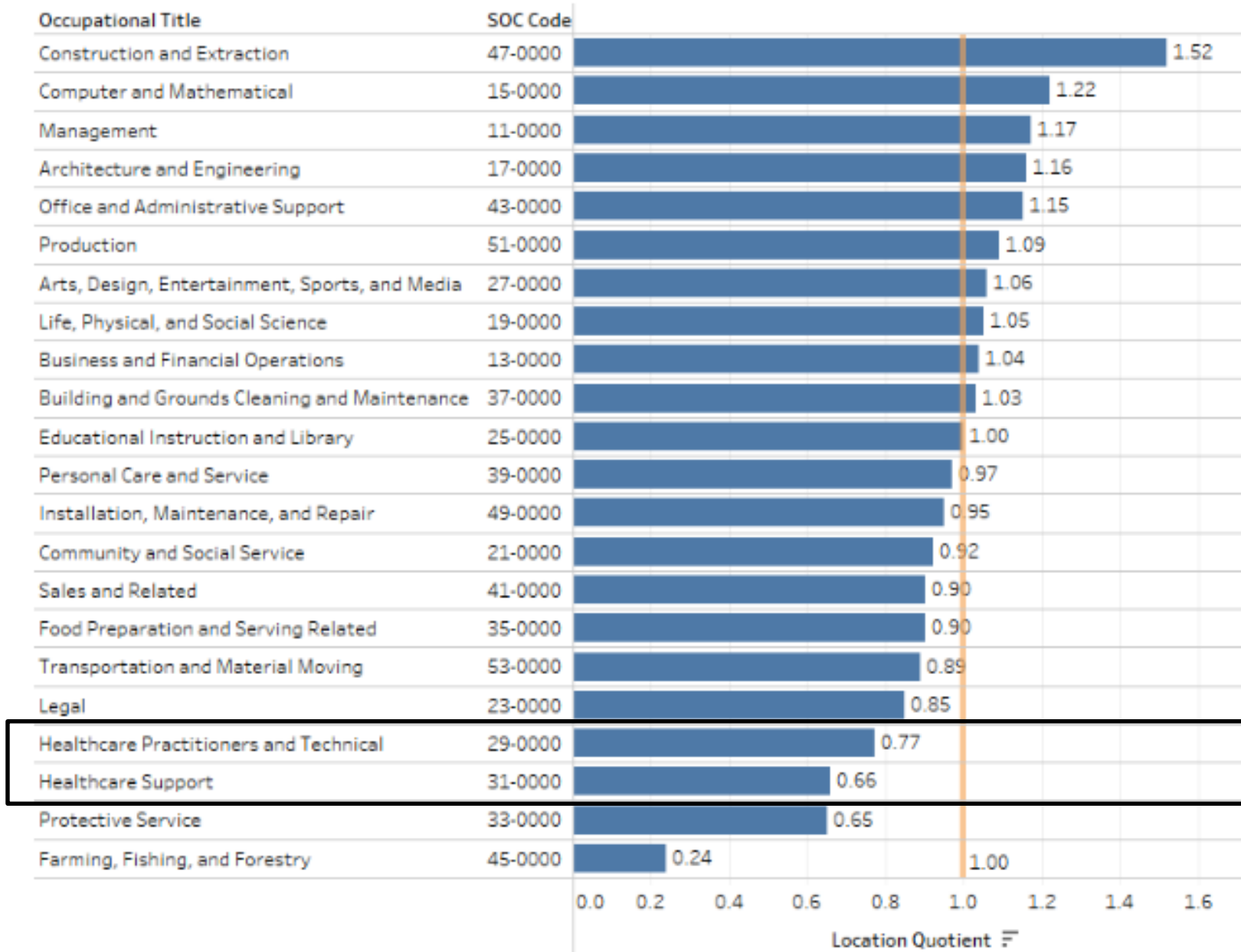
Population structure, 2020 vs 2050

Female 2050
 Male 2050
 Female 2020
 Male 2020



Data source: University of Virginia Weldon Cooper Center, Demographics Research Group

Location Quotients of Major Occupations in Utah, 2022

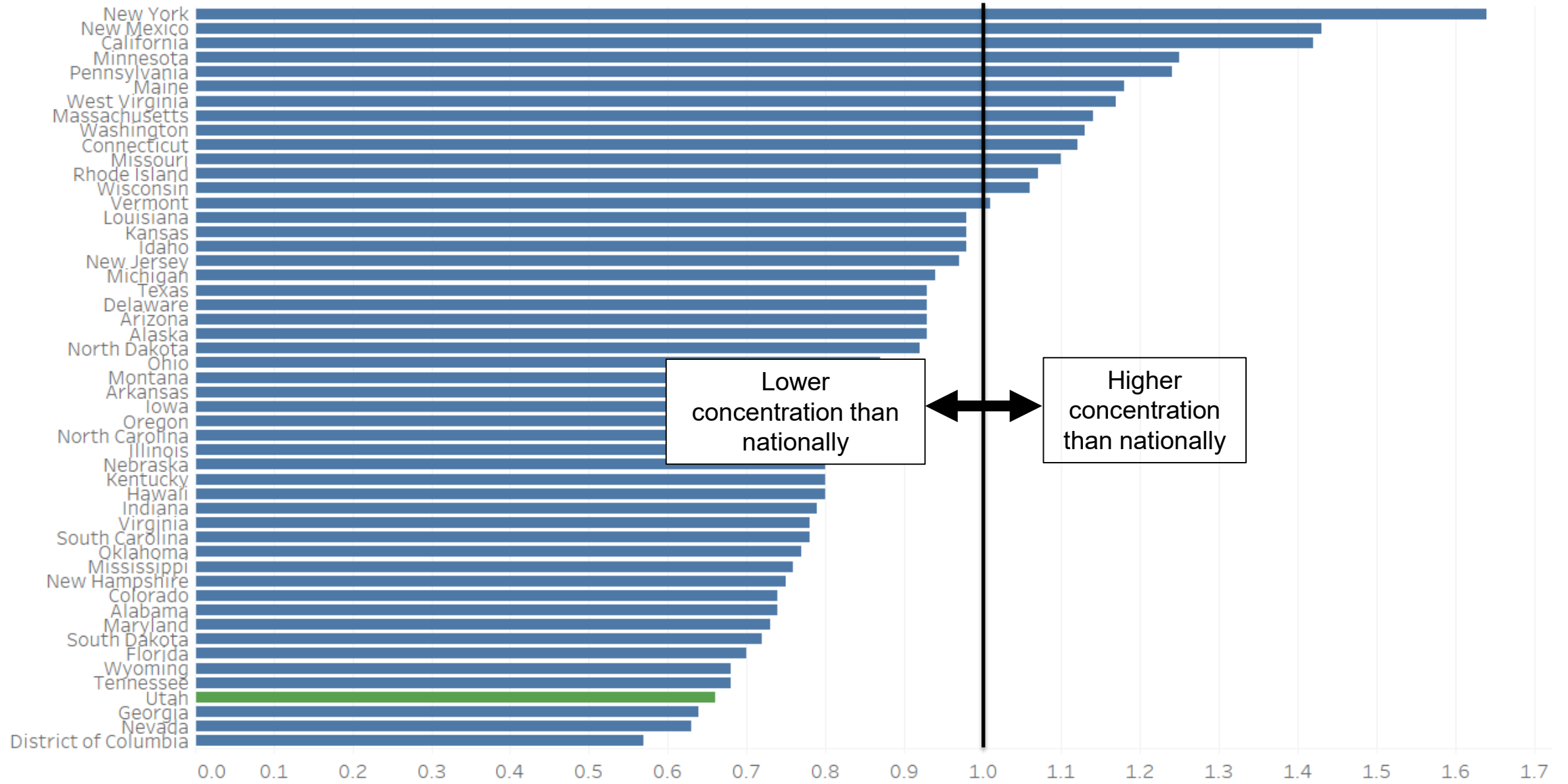


Location Quotient =

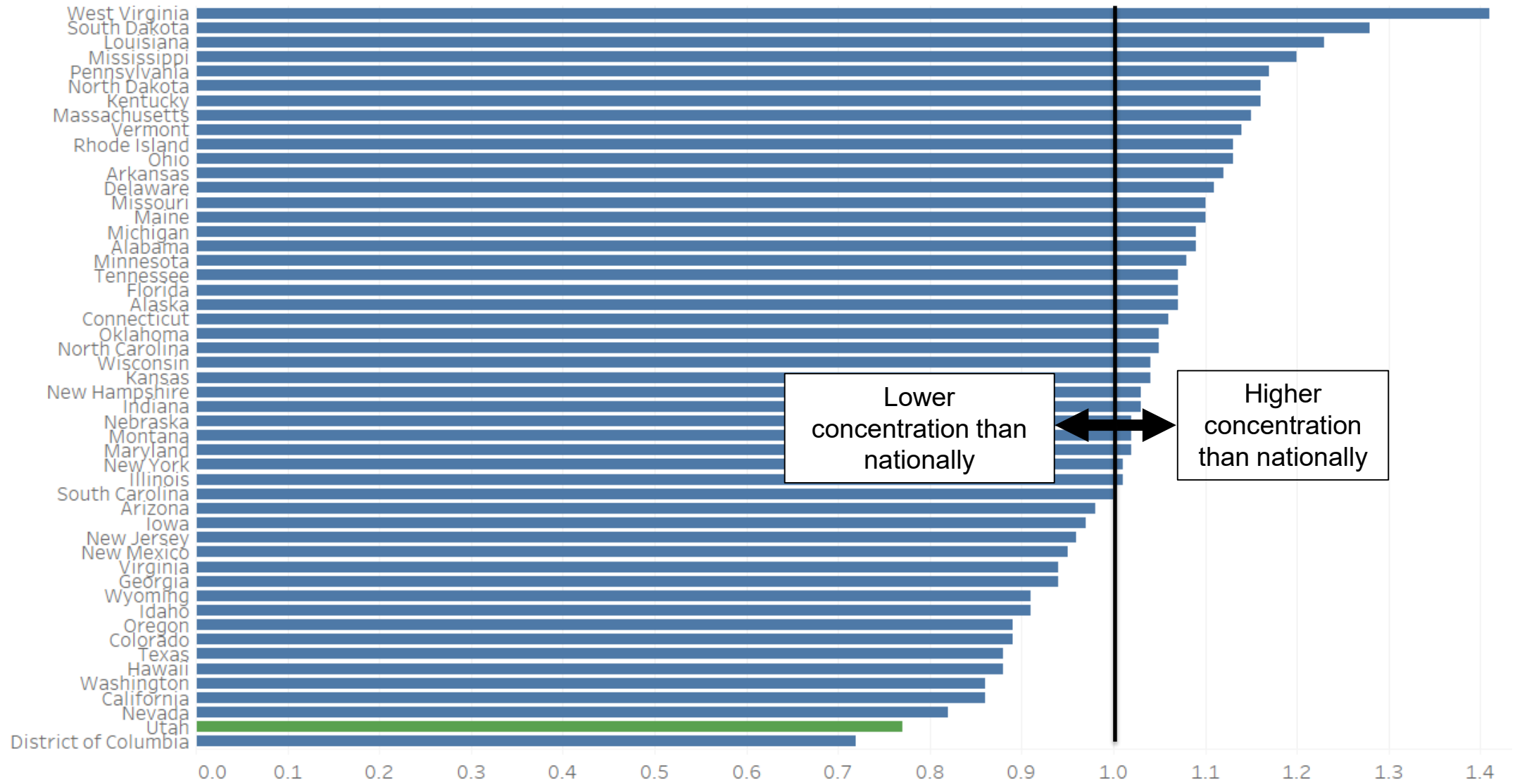
*Proportion of
occupation locally*

*Proportion of
occupation nationally*

Healthcare Support Occupations

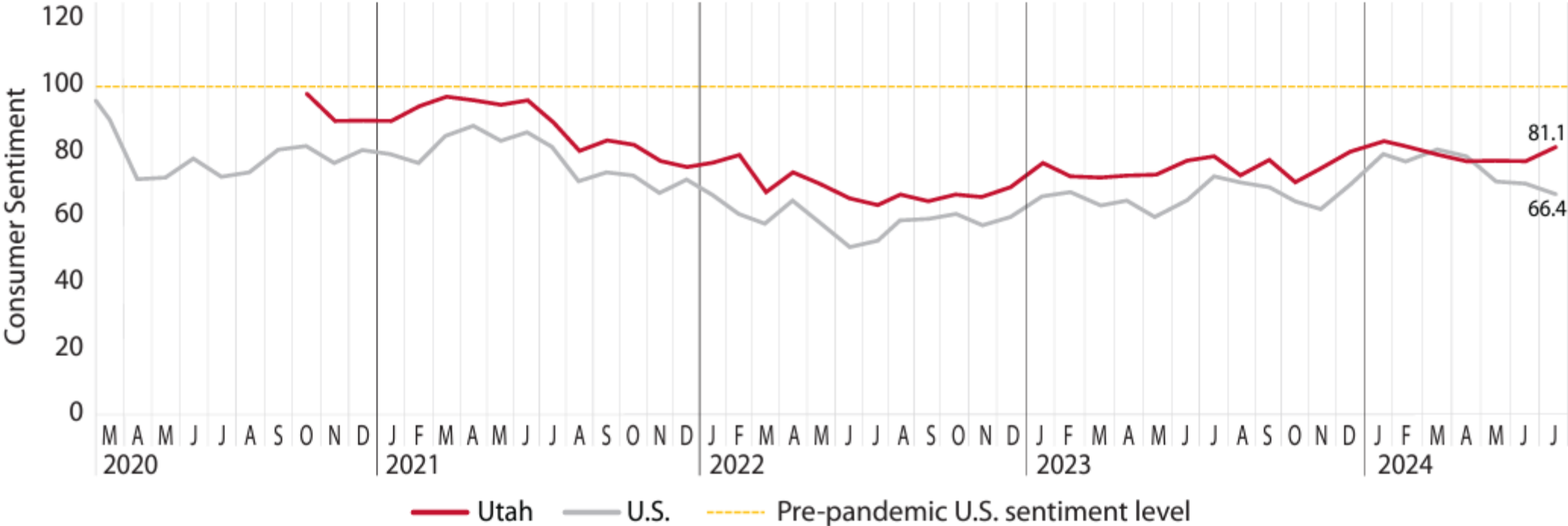


Healthcare Practitioners & Technical Occupations



Inflation and cost of living

Consumer Sentiment Index: Utah and U.S.



Source: Kem C. Gardner Policy Institute and University of Michigan

* The University of Michigan survey's May consumer sentiment estimate falls inside the Gardner Institute's May consumer sentiment estimate's 95% confidence interval.

Under Pressure

Historic Inflation

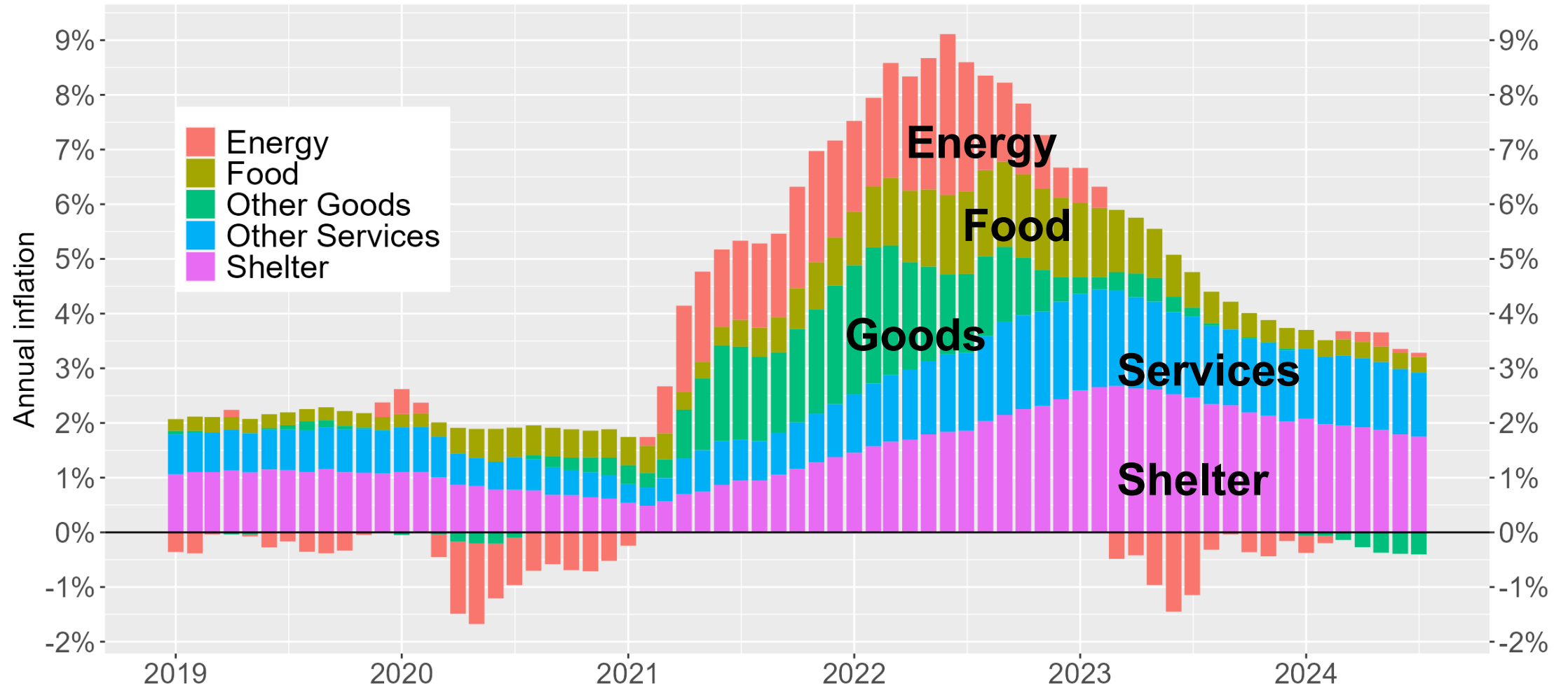
More money chasing
fewer goods → **Inflation**

- Multiple sources....
 1. Federal aid from pandemic
 2. High demand for goods
 3. Supply chain disruption / Ukraine War
 4. Labor shortage

Peak (March 2022) : 9.0%
Now (July 2024): 2.9%



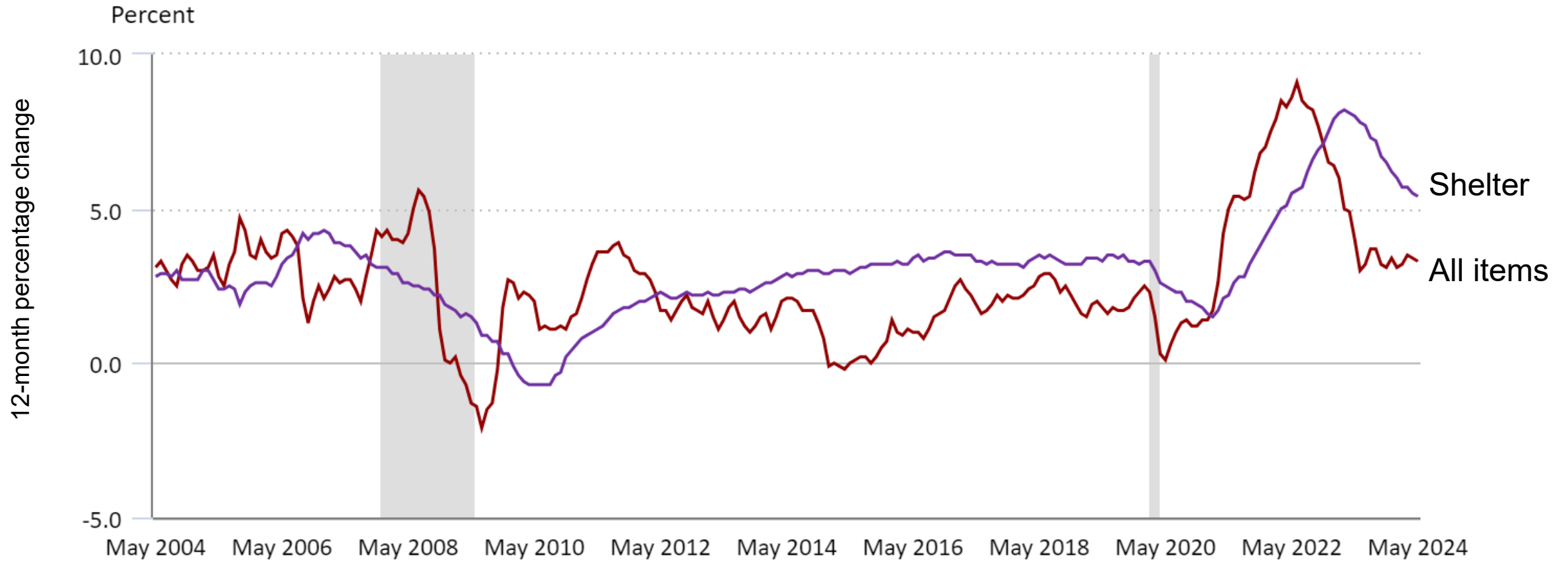
Components of Inflation



Source: Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average

Source: Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U)

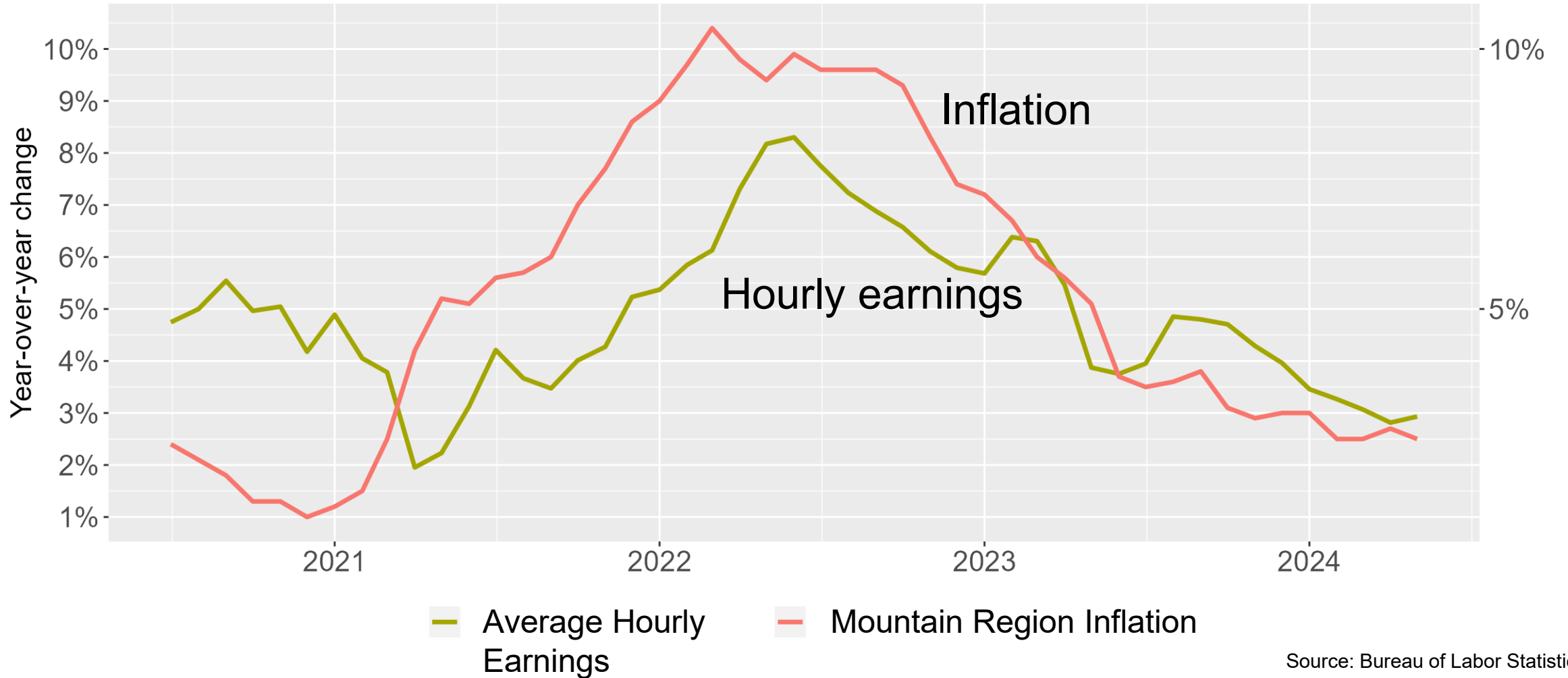
Inflation: Still above target, shelter is big contributor



Source: Bureau of Labor Statistics

Inflation versus Earnings

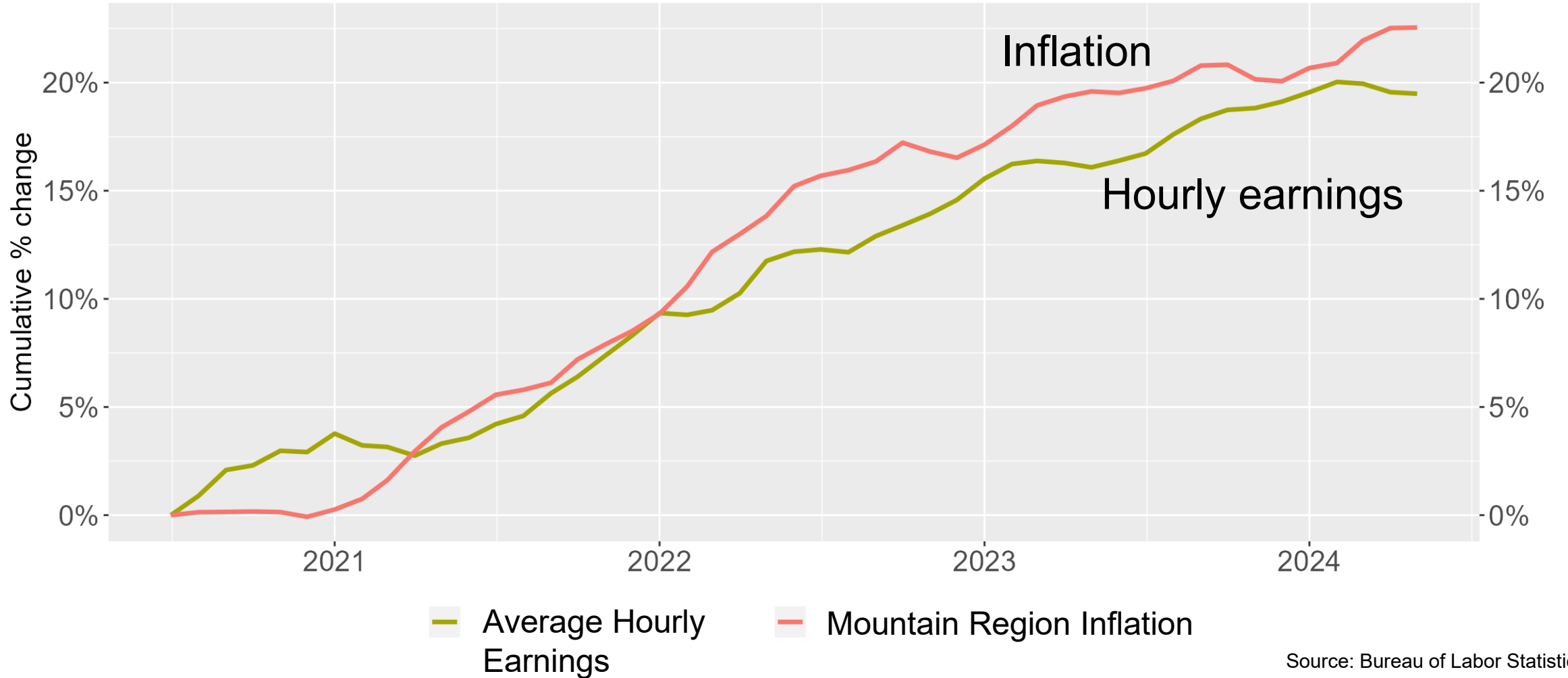
Mountain Region Inflation versus Utah Earnings



Source: Bureau of Labor Statistics

Inflation versus Earnings

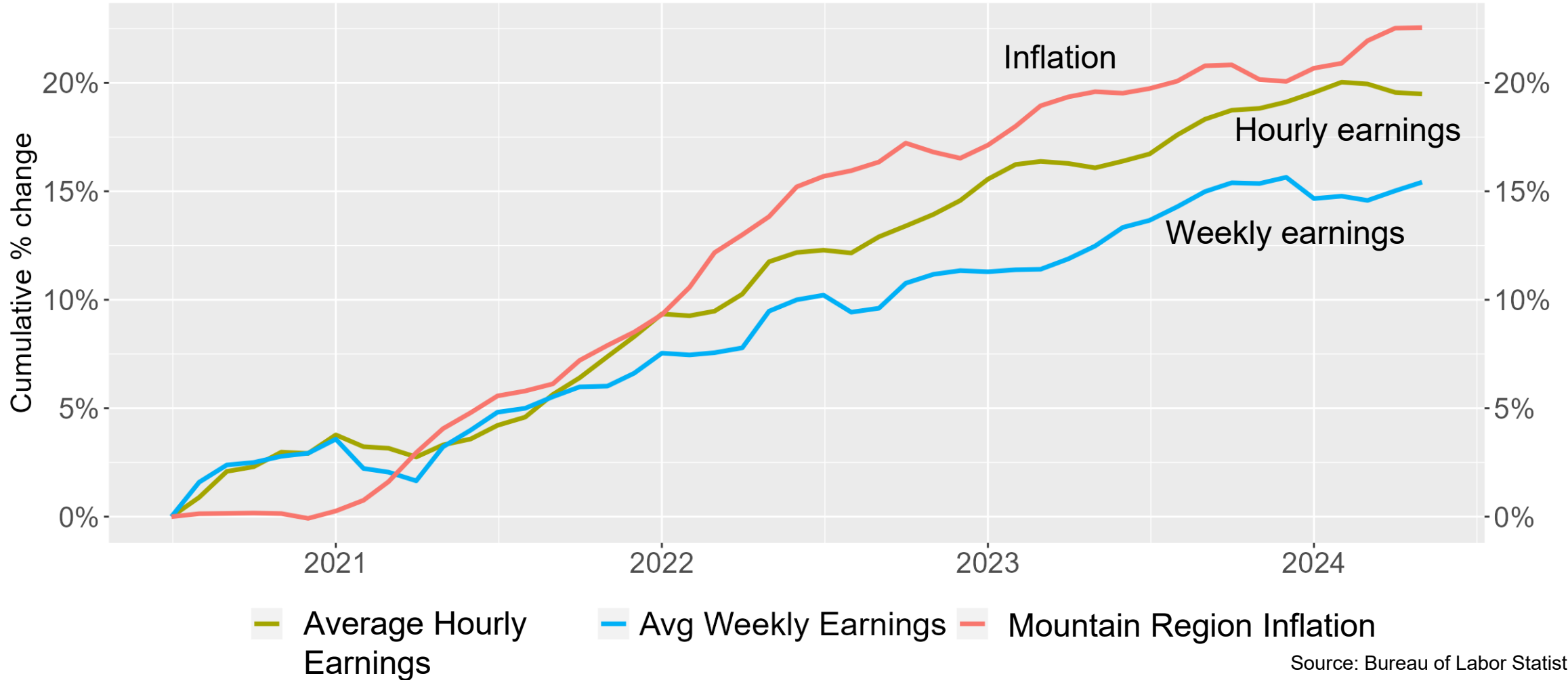
Mountain Region Inflation versus Utah Earnings



Source: Bureau of Labor Statistics

Inflation versus Earnings

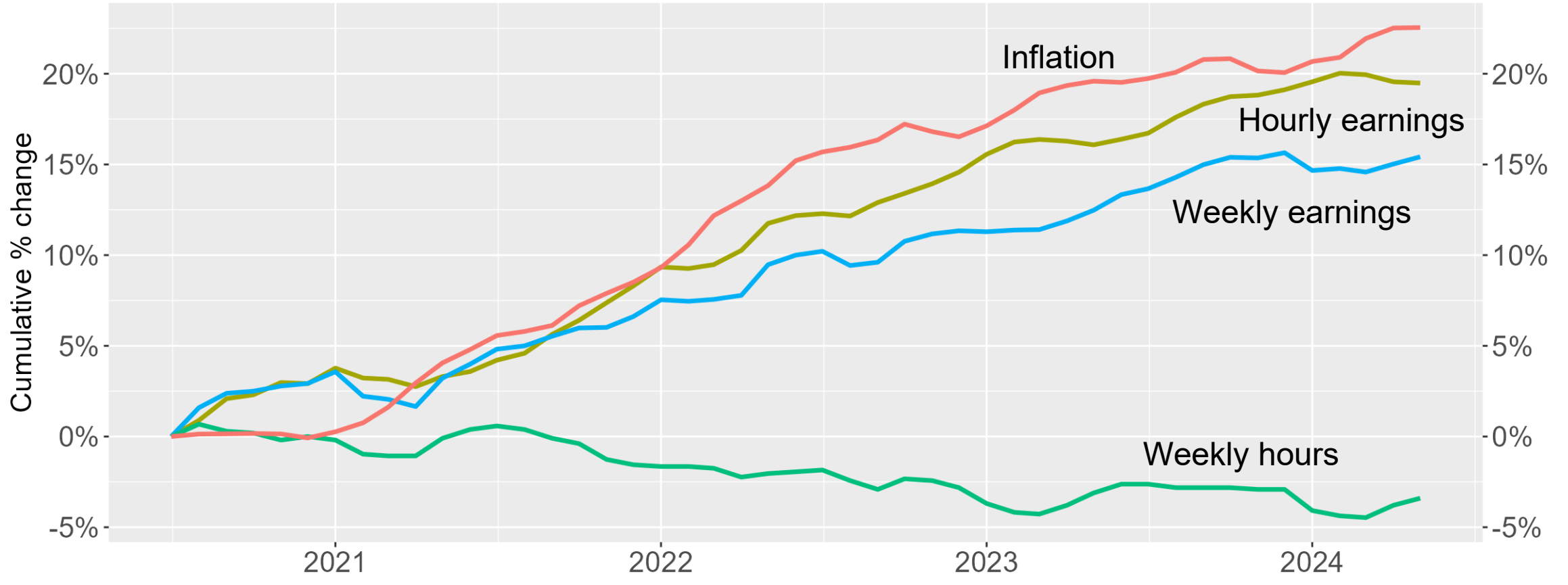
Mountain Region Inflation versus Utah Earnings



Source: Bureau of Labor Statistics

Inflation versus Earnings

Mountain Region Inflation versus Utah Earnings



— Average Hourly Earnings
 — Avg Weekly Earnings
 — Avg Weekly Hours
 — Mountain Region Inflation

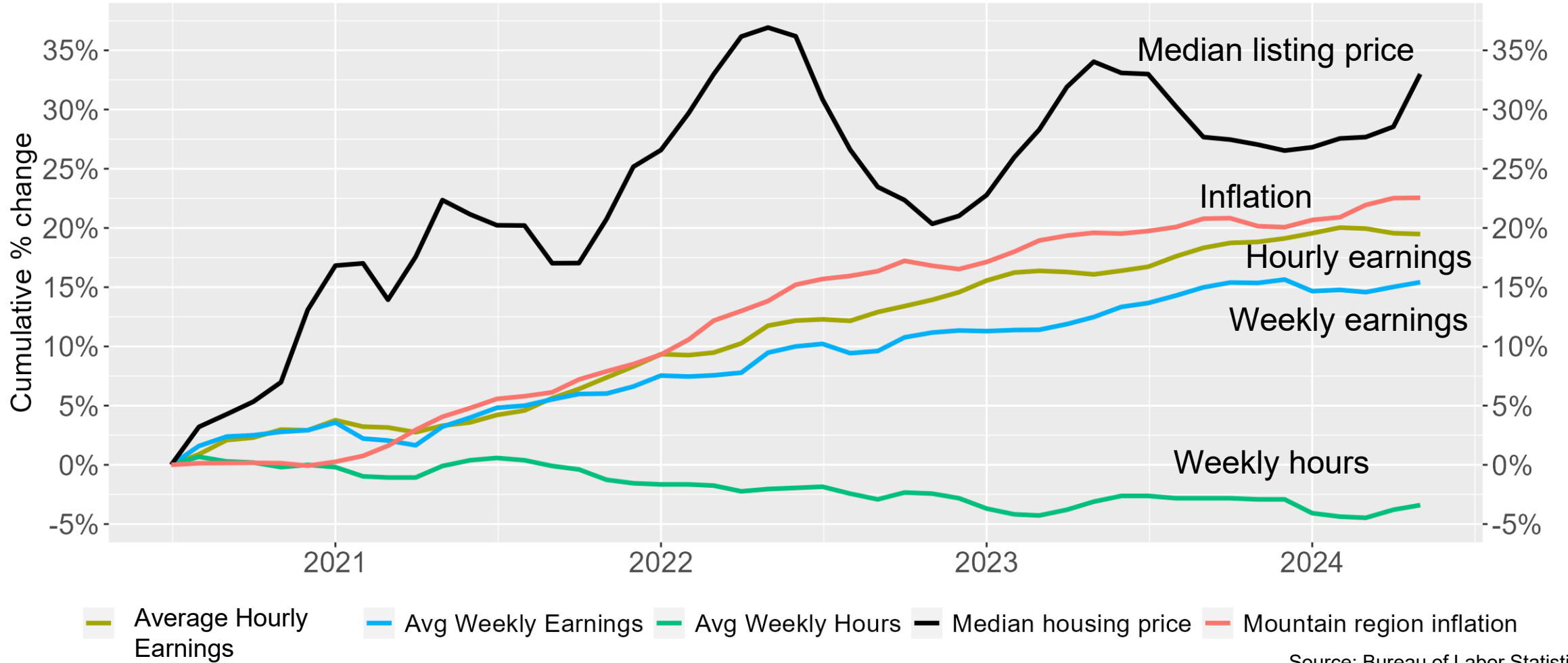
Source: Bureau of Labor Statistics



Inflation versus Earnings

Mountain Region Inflation versus Utah Earnings

S&P: +79%
Dow Jones: +53%



Source: Bureau of Labor Statistics



Rising Credit Card Delinquencies

Source: Board of Governors of the Federal Reserve System (US)

fred.stlouisfed.org

Looking ahead

The New York Times

Fed Minutes Show a Cut 'Likely' to Come in September

Even before a disappointing July jobs report, Federal Reserve officials thought they would probably cut rates at their Sept. 17-18 meeting.

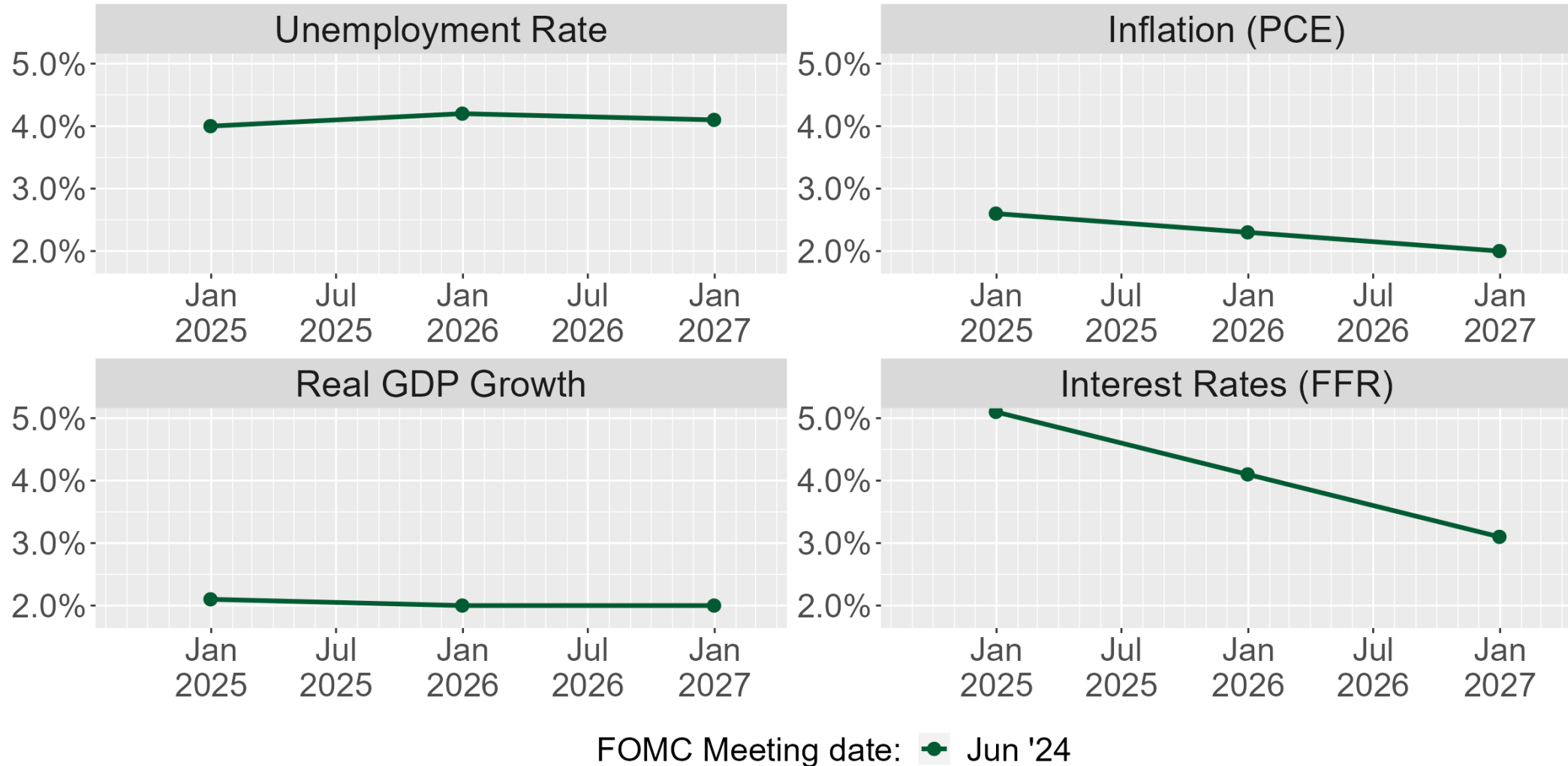


By Jeanna Smialek

Aug. 21, 2024

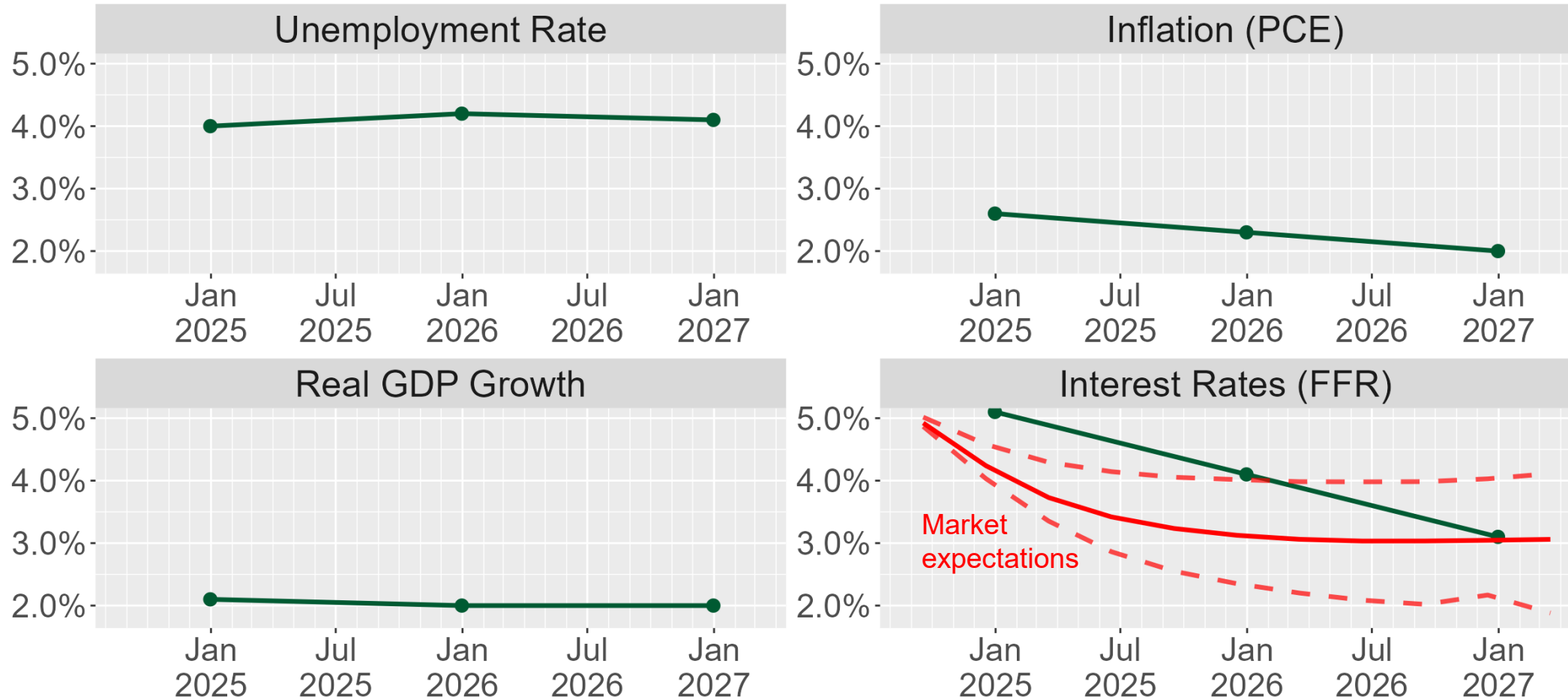
<https://www.nytimes.com/2024/08/21/business/economy/fed-minutes-cut-likely.html>

Looking ahead: Federal Reserve outlook



Source: Board of Governors of the Federal Reserve System, June 2024 Summary of Economic Projections

Looking ahead: Federal Reserve outlook



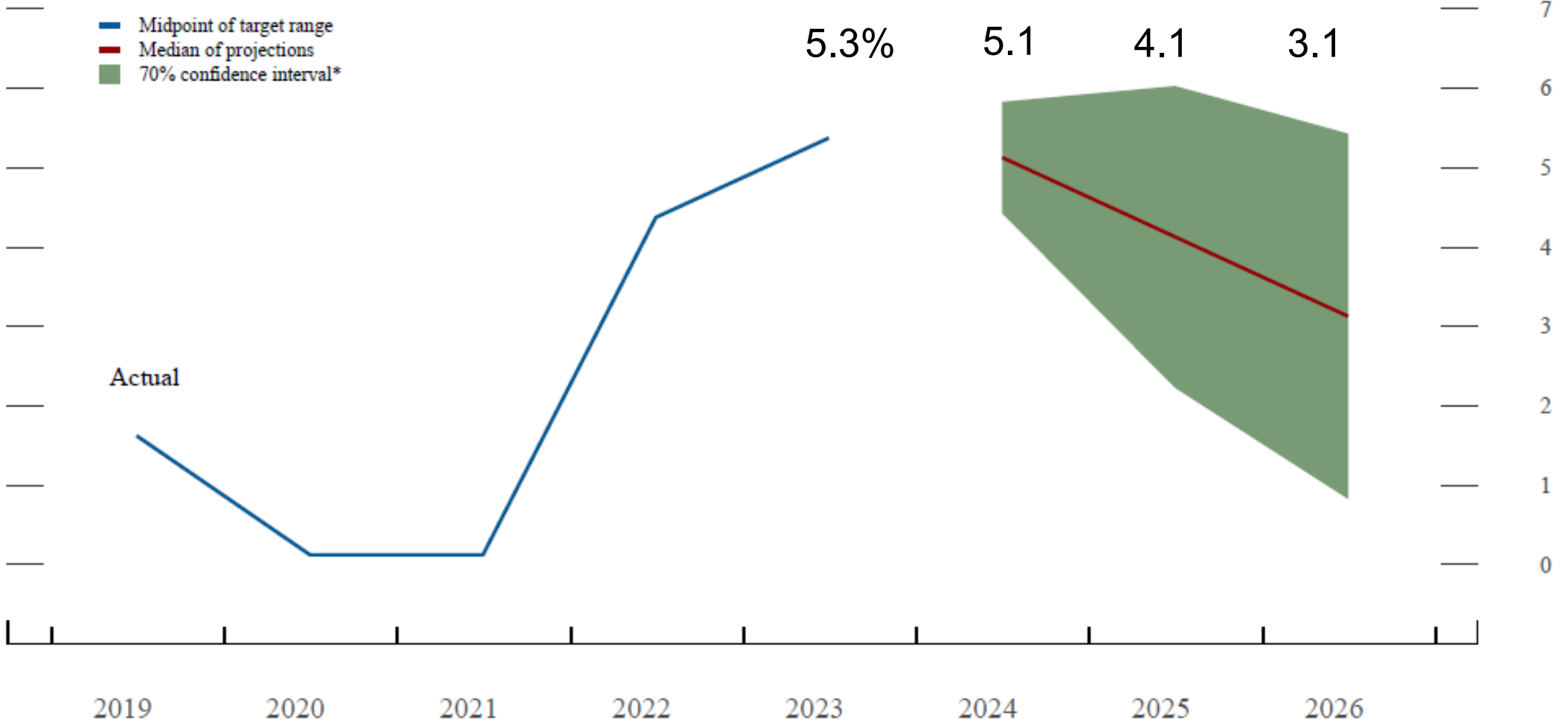
FOMC Meeting date: ● Jun '24

Source: Board of Governors of the Federal Reserve System, June 2024 Summary of Economic Projections and Atlanta Fed

Interest Rates

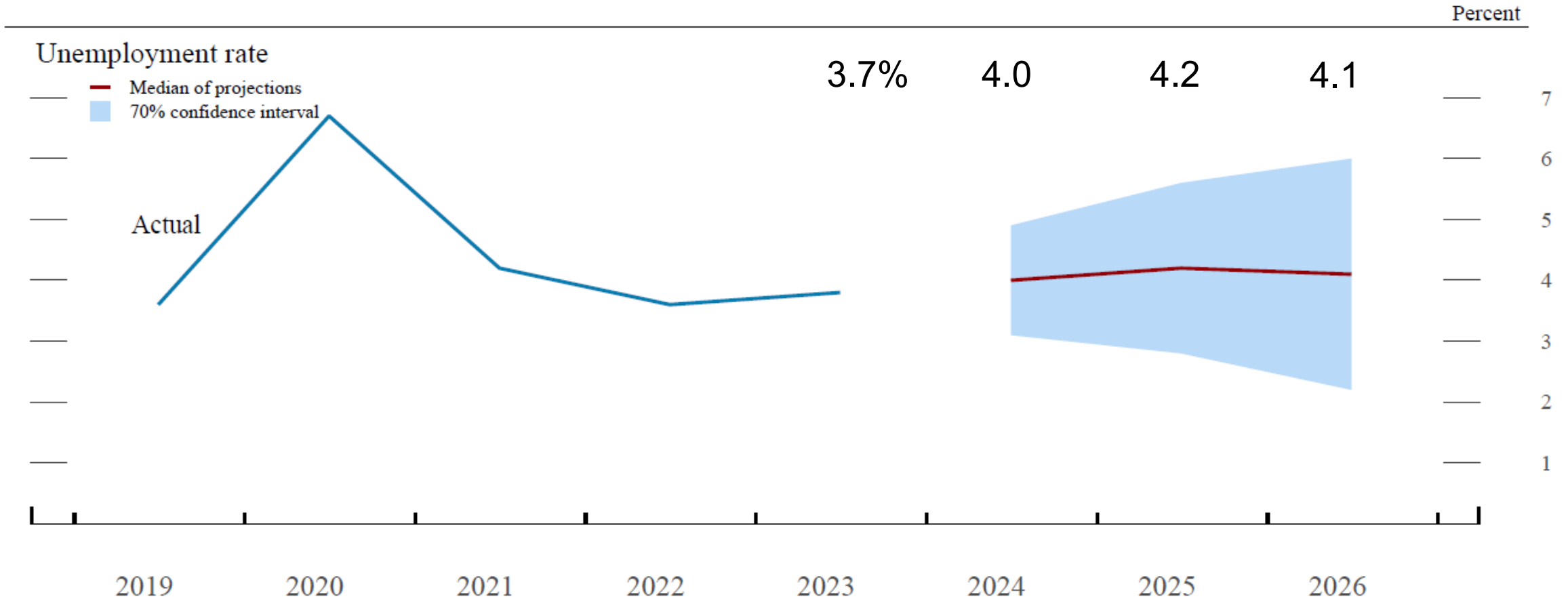
Percent

Federal funds rate



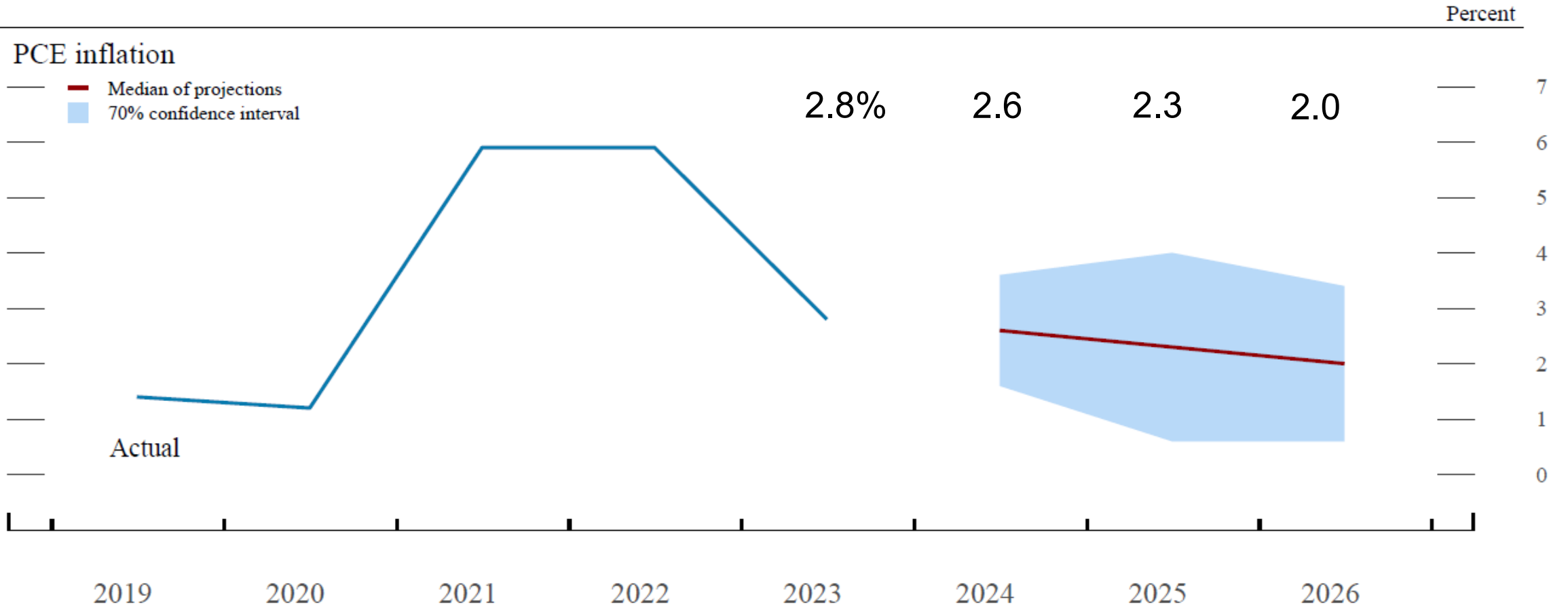
Source: Board of Governors of the Federal Reserve System, June 2024 Summary of Economic Projections

Unemployment Rate



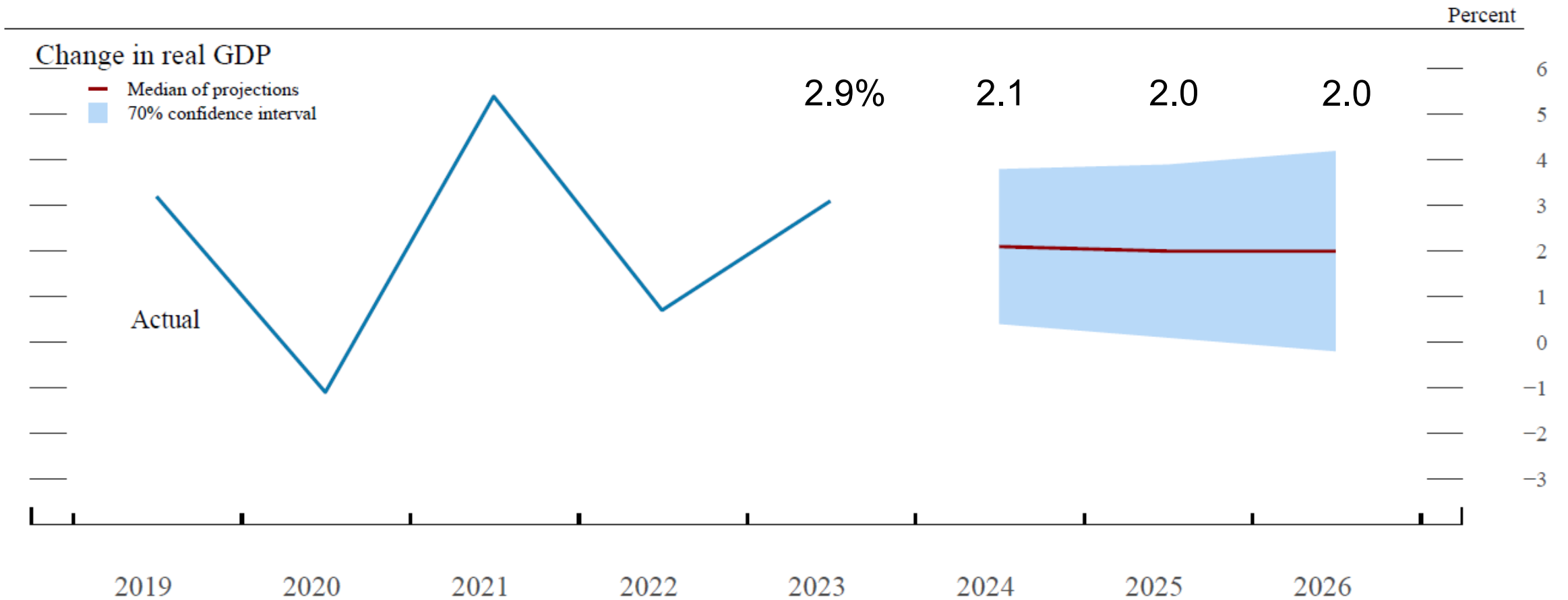
Source: Board of Governors of the Federal Reserve System, June 2024 Summary of Economic Projections

Inflation



Source: Board of Governors of the Federal Reserve System, June 2024 Summary of Economic Projections

Real GDP Growth



Source: Board of Governors of the Federal Reserve System, June 2024 Summary of Economic Projections

Future Outlook

- **Nonfarm jobs payrolls in Utah will continue to grow in 2024, likely around 2% year-over-year.**
- **Unemployment rate likely to inch upward but remain in low territory.**
- **Growth in wages and hours worked will be sensitive to Fed decisions on interest rates.**
- **Inflation likely to continue moderating as shelter price growth slows.**
- **Federal Reserve expected to begin interest rate cuts in 2024.**

Contact Information:

Ben Crabb

Chief Economist

Utah Department of Workforce Services

bcrabb@utah.gov

jobs.utah.gov/wra