

Trends & Such for Utah's Economy

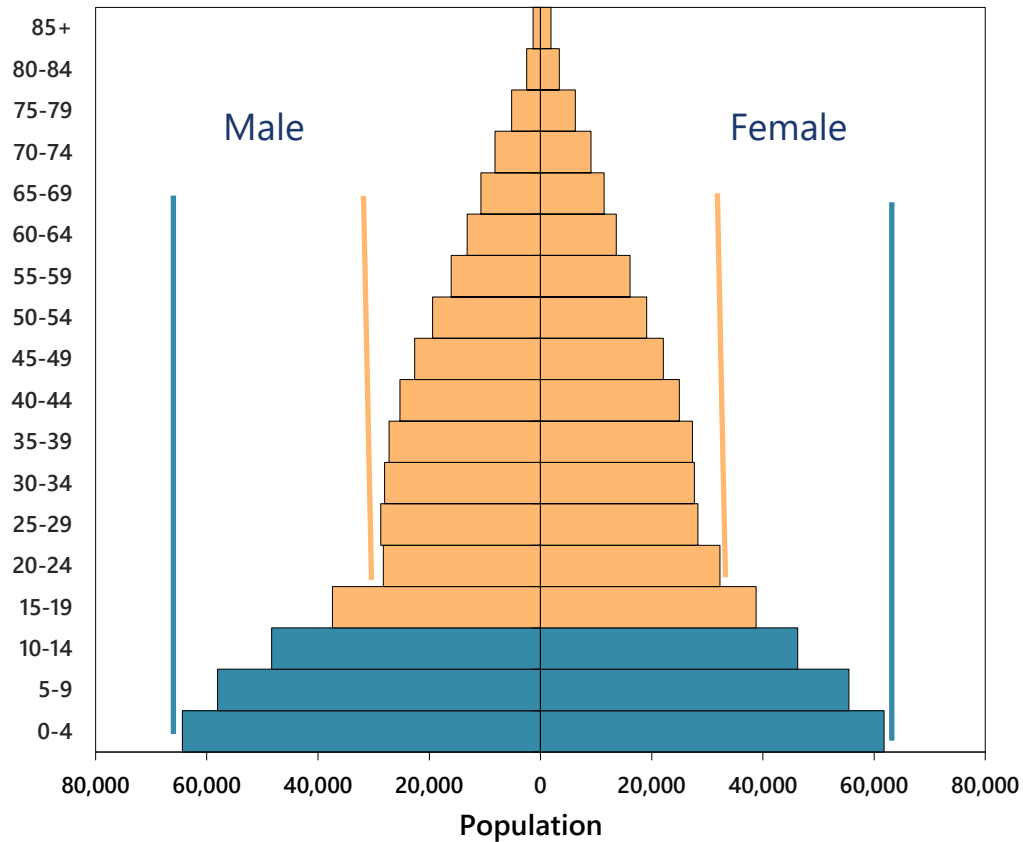
Labor, and a Coming Recession?


April 2023

Why Does the Nation Have a Labor Shortage?

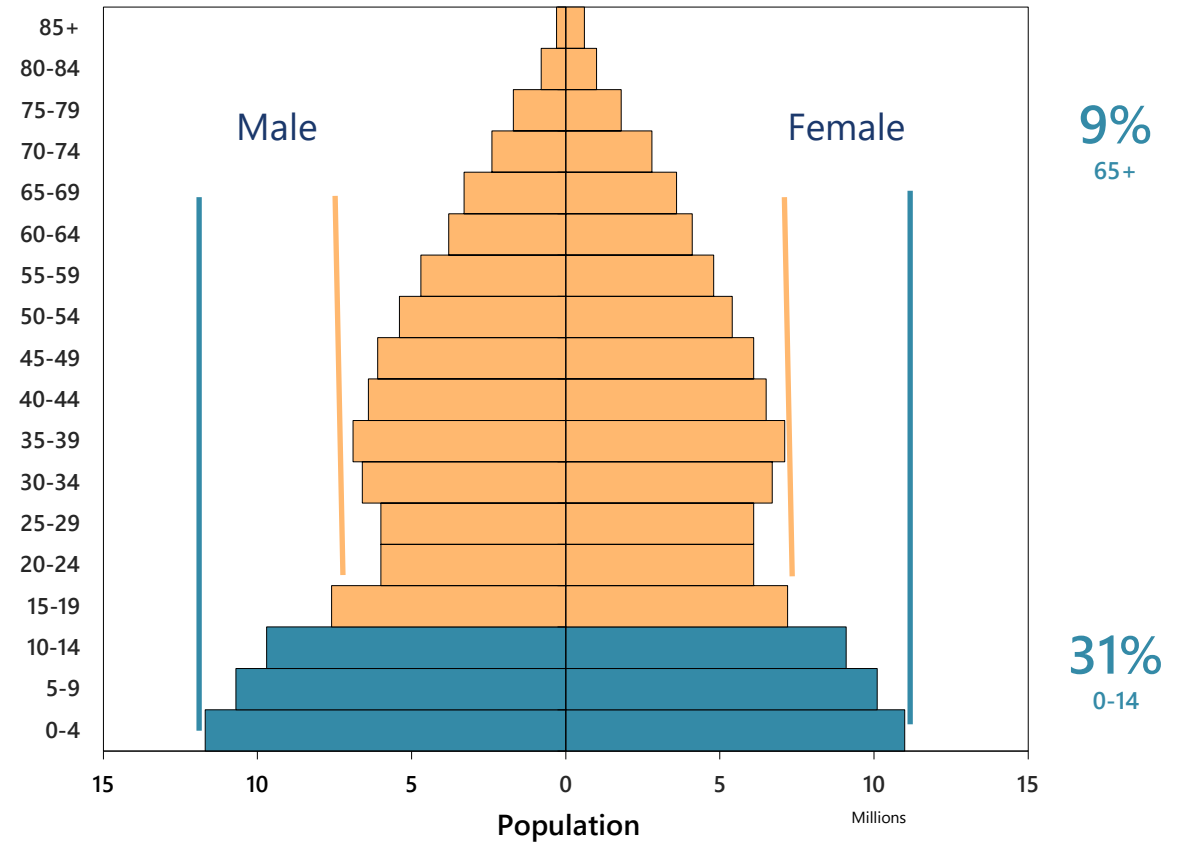
The answer has been 60 to 70 years in the making.


Utah's Population by Age and Sex: 1960



 Baby Boom Generation

U.S. Population by Age and Sex: 1960



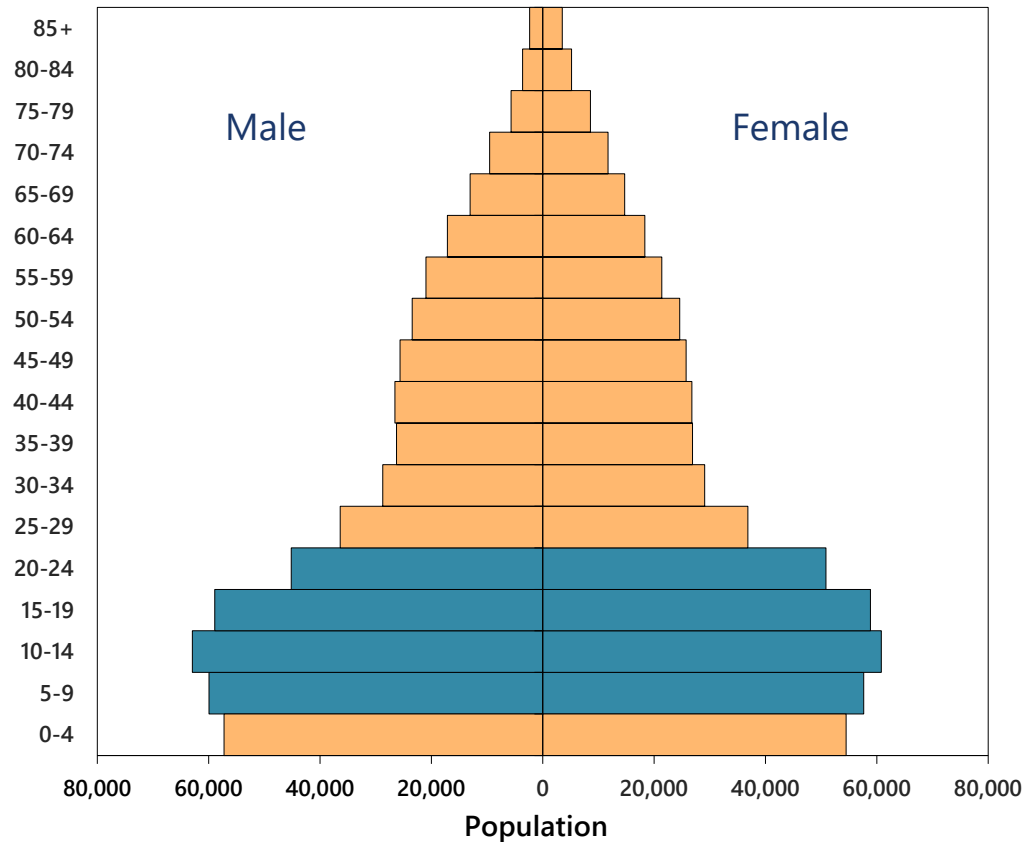
 Baby Boom Generation


9%
65+

31%
0-14

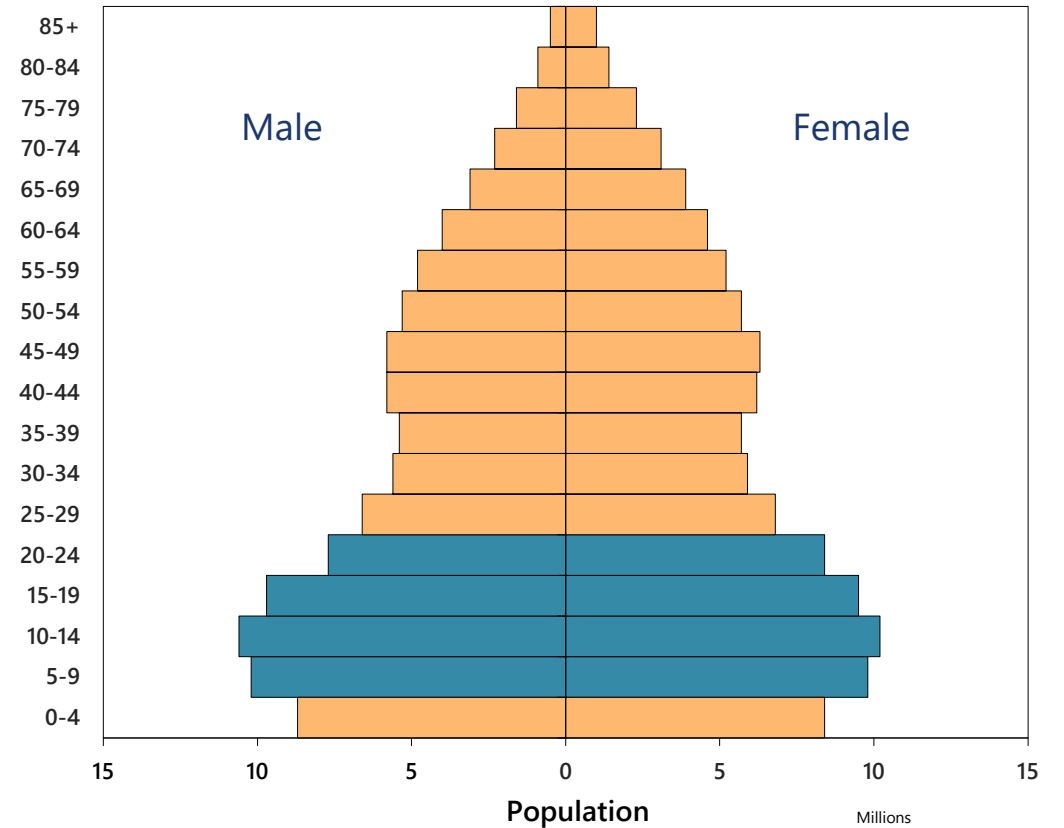
Source: United States Census Bureau


Utah's Population by Age and Sex: 1970



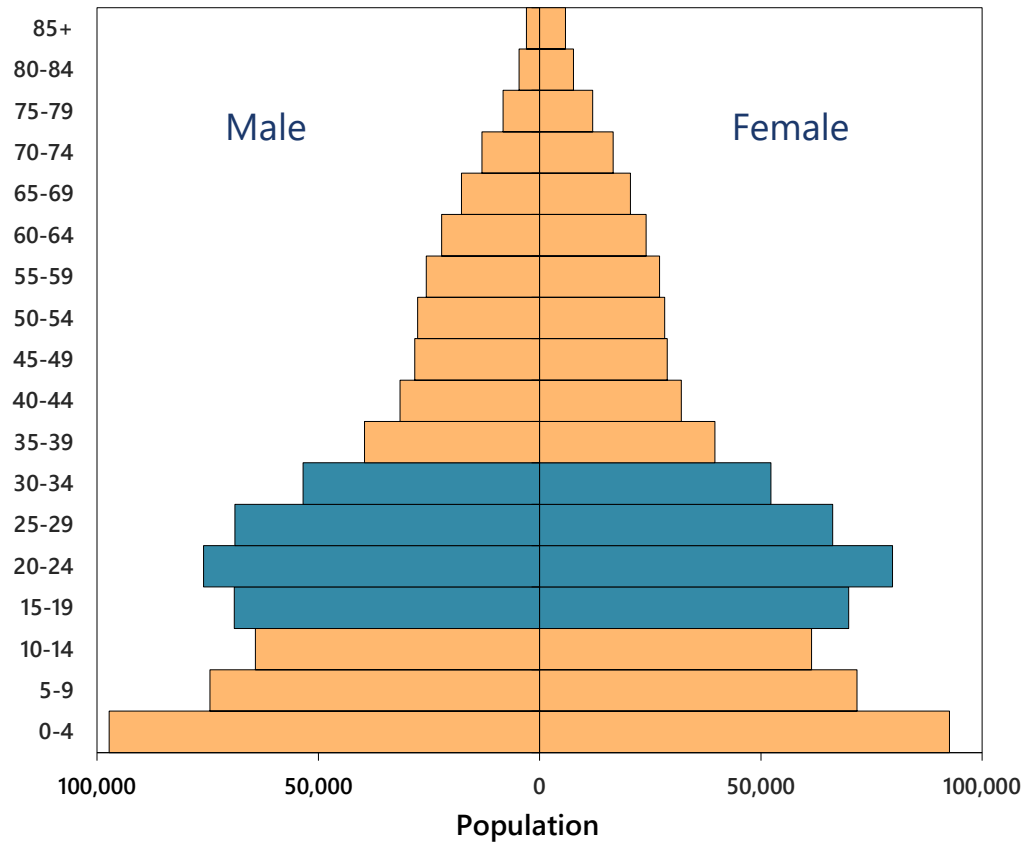
 Baby Boom Generation


U.S. Population by Age and Sex: 1970



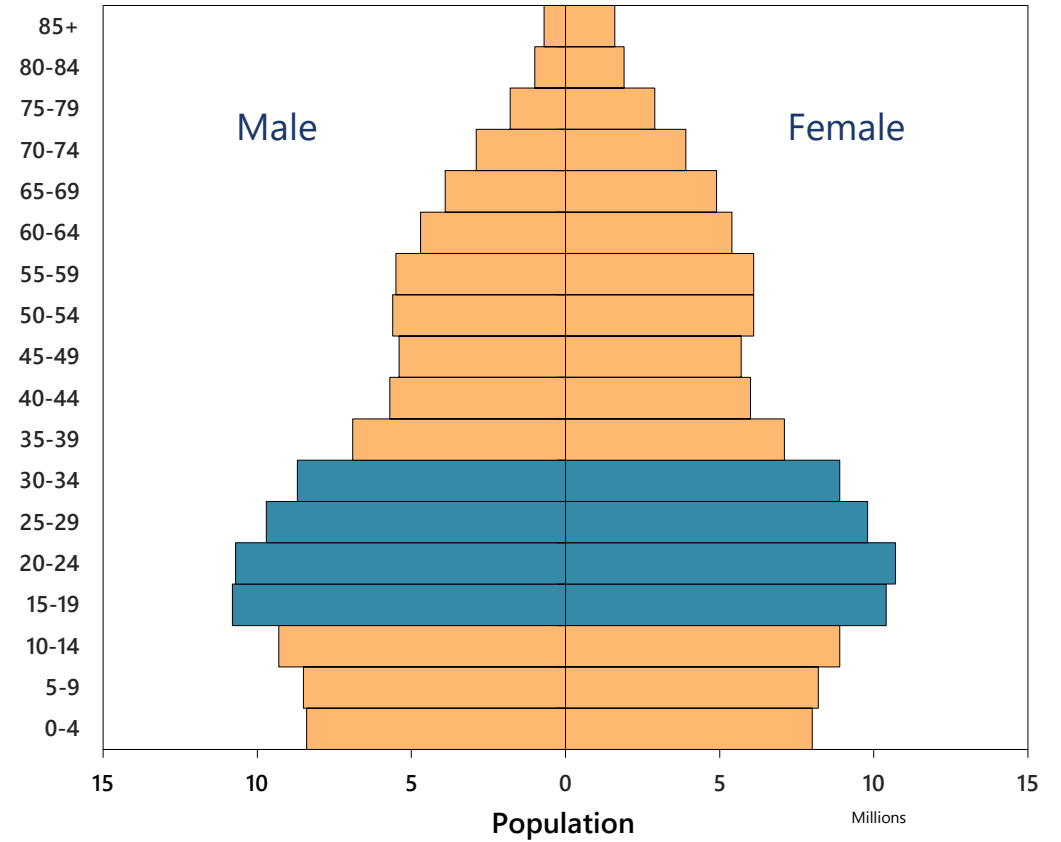
 Baby Boom Generation


Utah's Population by Age and Sex: 1980



 Baby Boom Generation

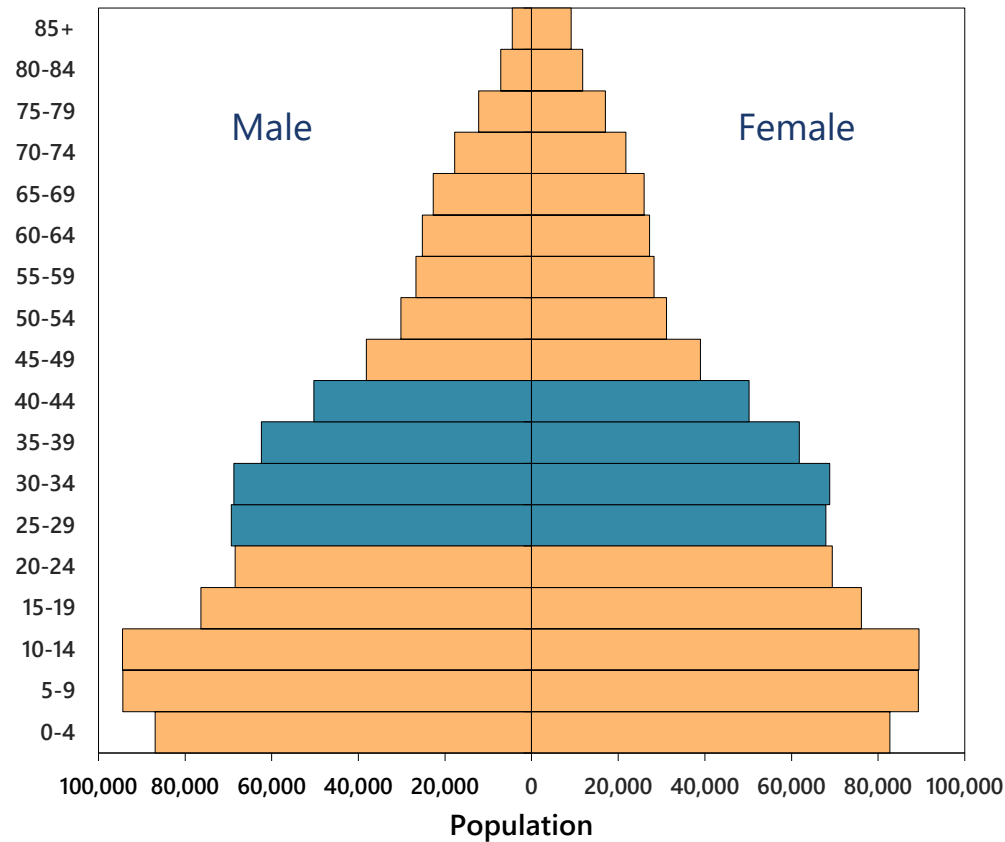
U.S. Population by Age and Sex: 1980




 Baby Boom Generation

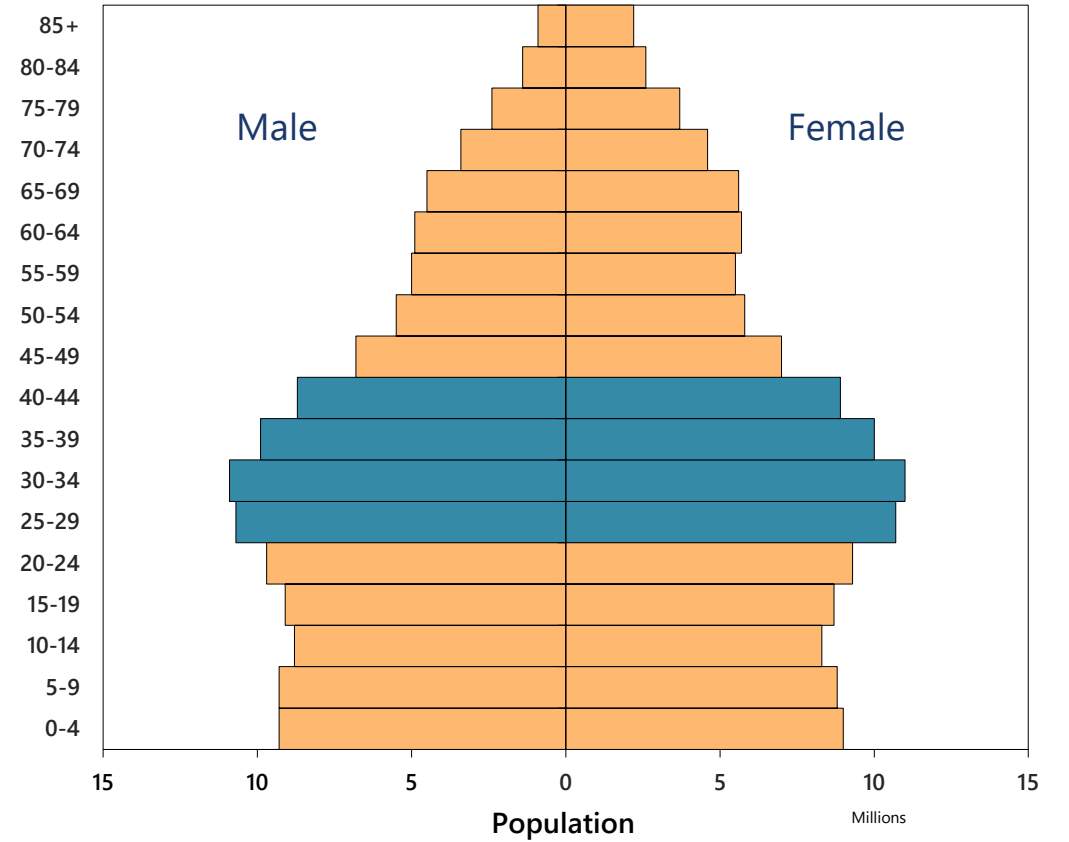
Source: United States Census Bureau


Utah's Population by Age and Sex: 1990



 Baby Boom Generation

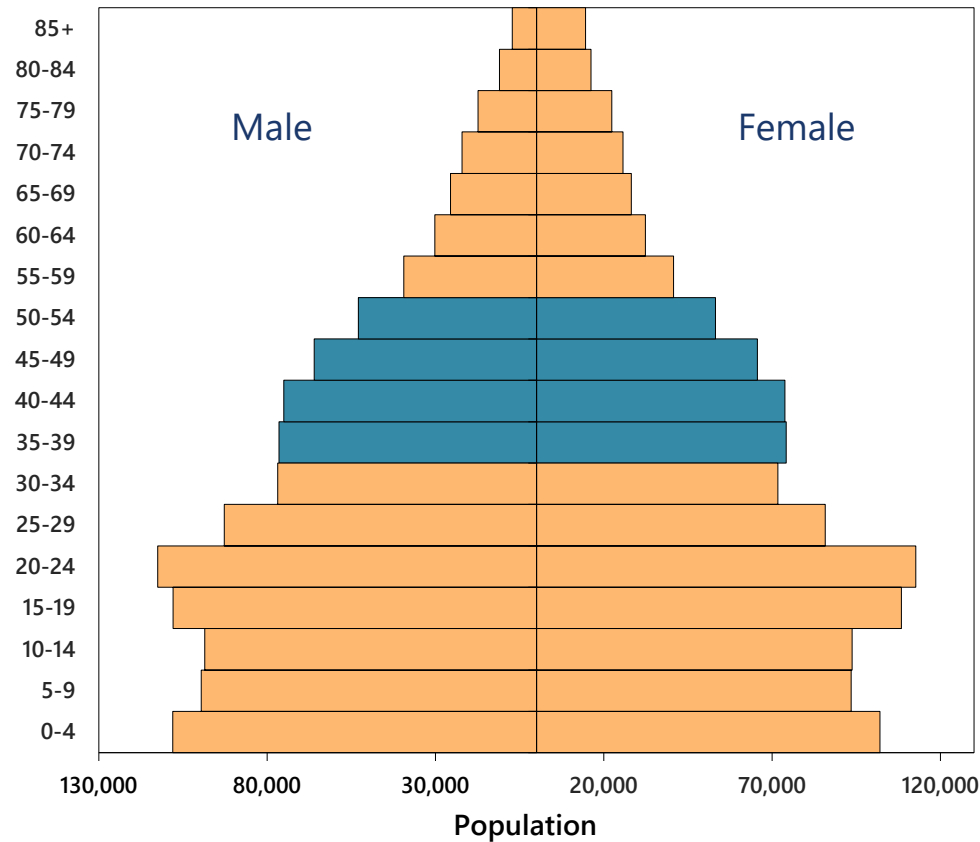
U.S. Population by Age and Sex: 1990




 Baby Boom Generation

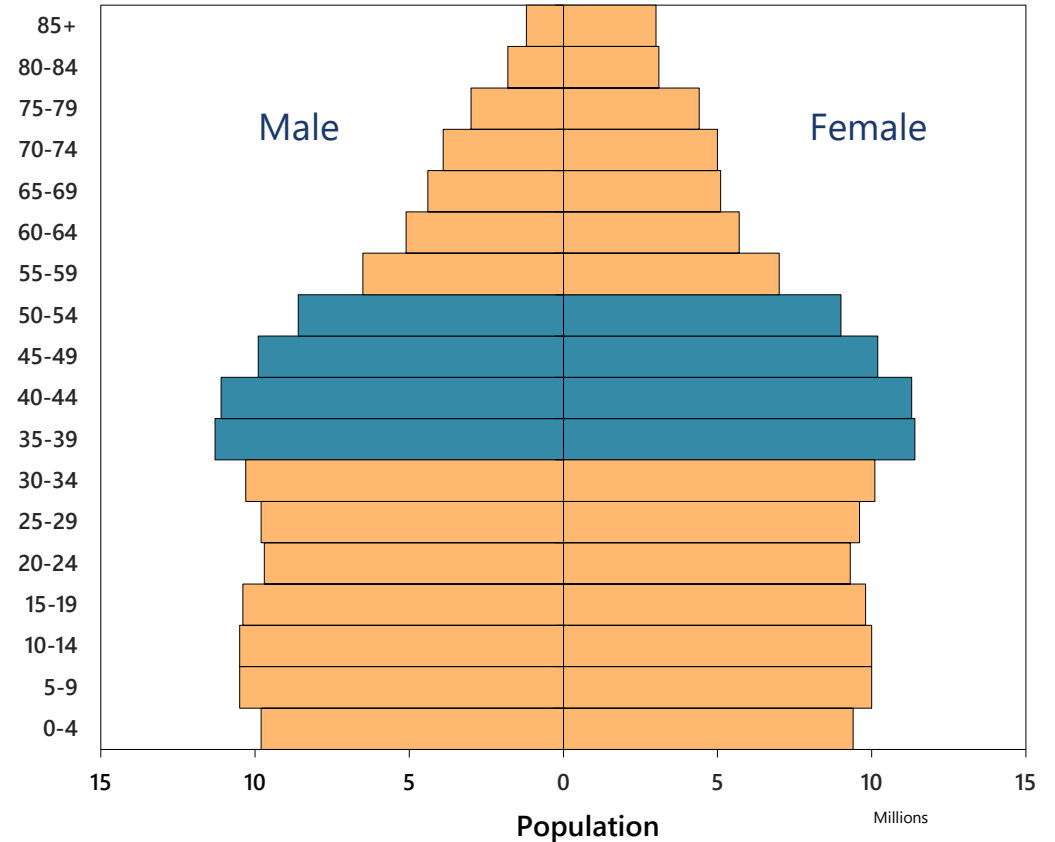
Source: United States Census Bureau


Utah's Population by Age and Sex: 2000



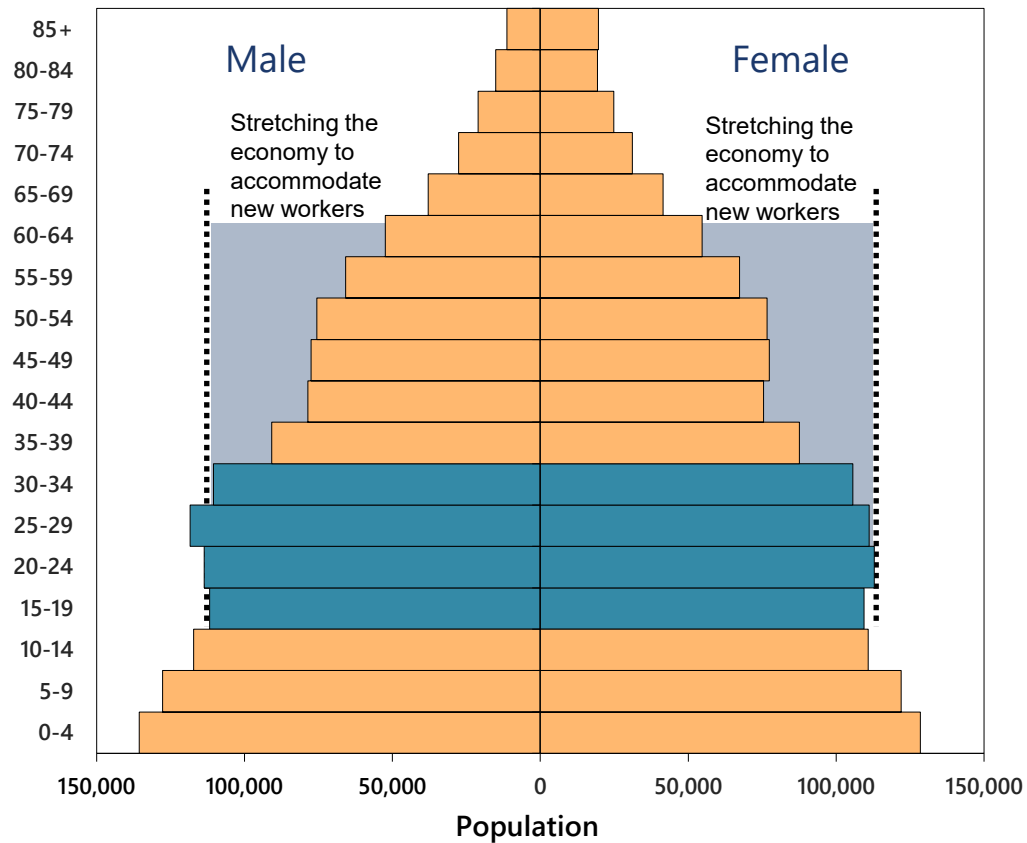
 Baby Boom Generation

U.S. Population by Age and Sex: 2000



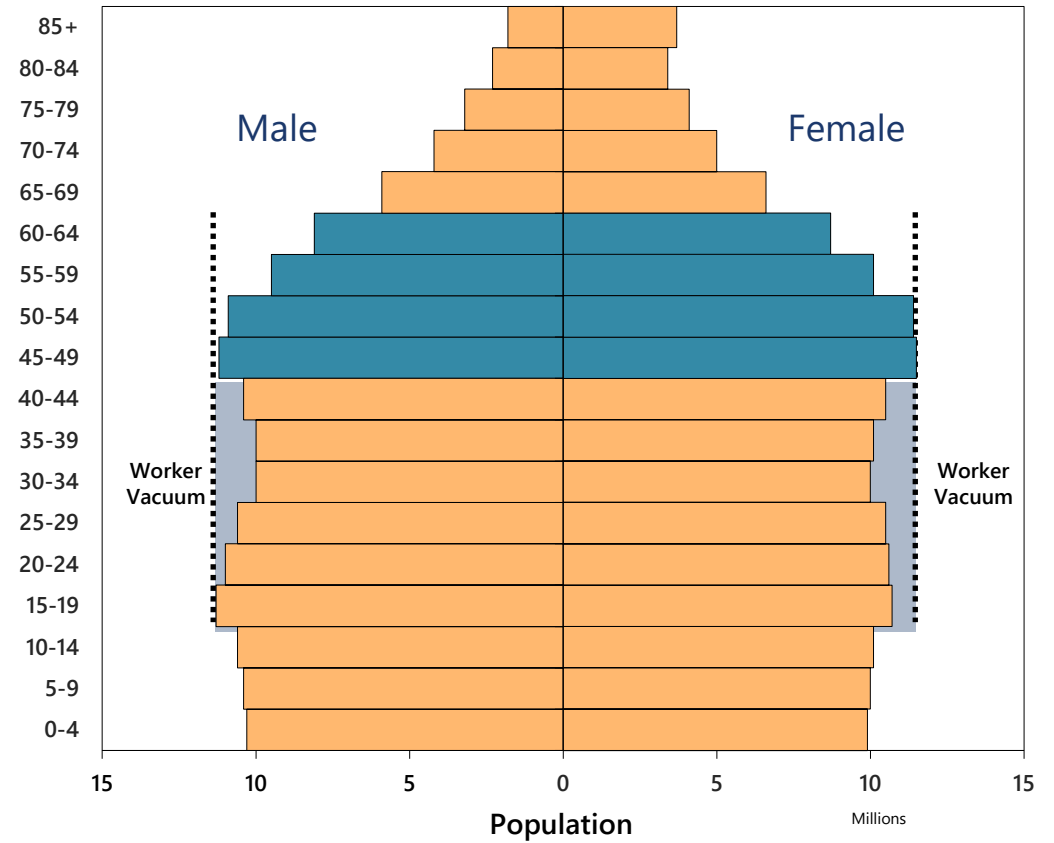
 Baby Boom Generation

Utah's Population by Age and Sex: 2010



Labor Force Dominance

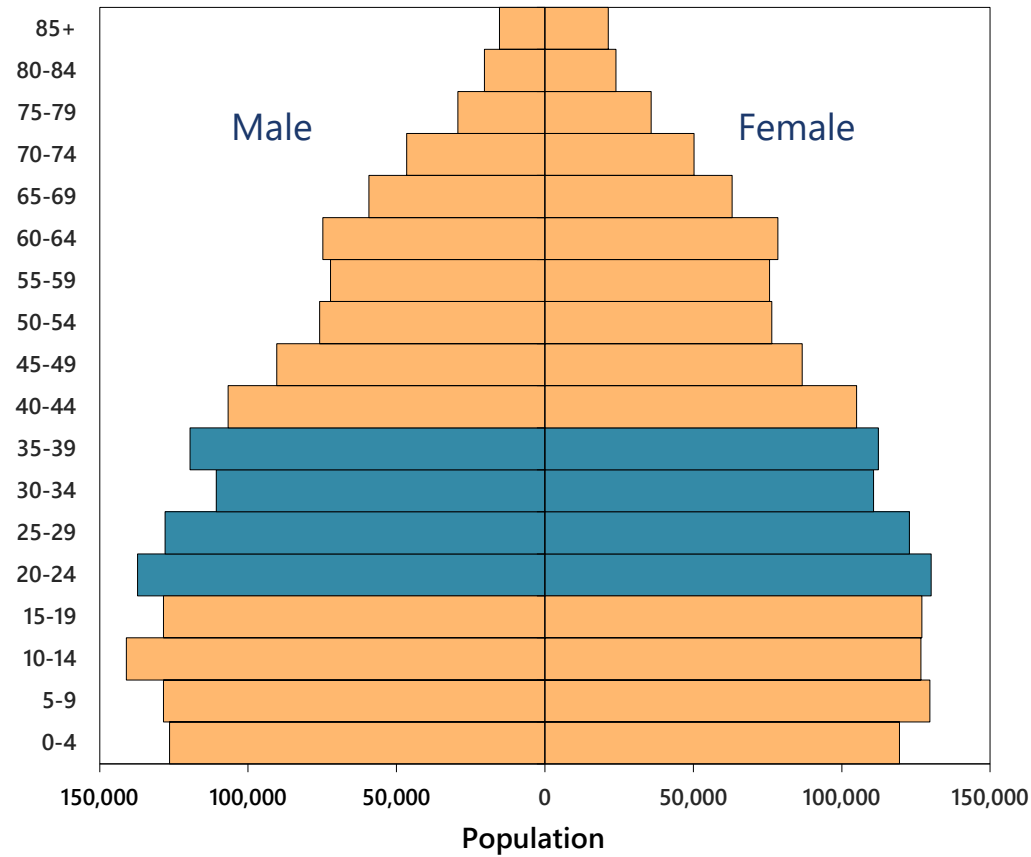
U.S. Population by Age and Sex: 2010



Baby Boom Generation

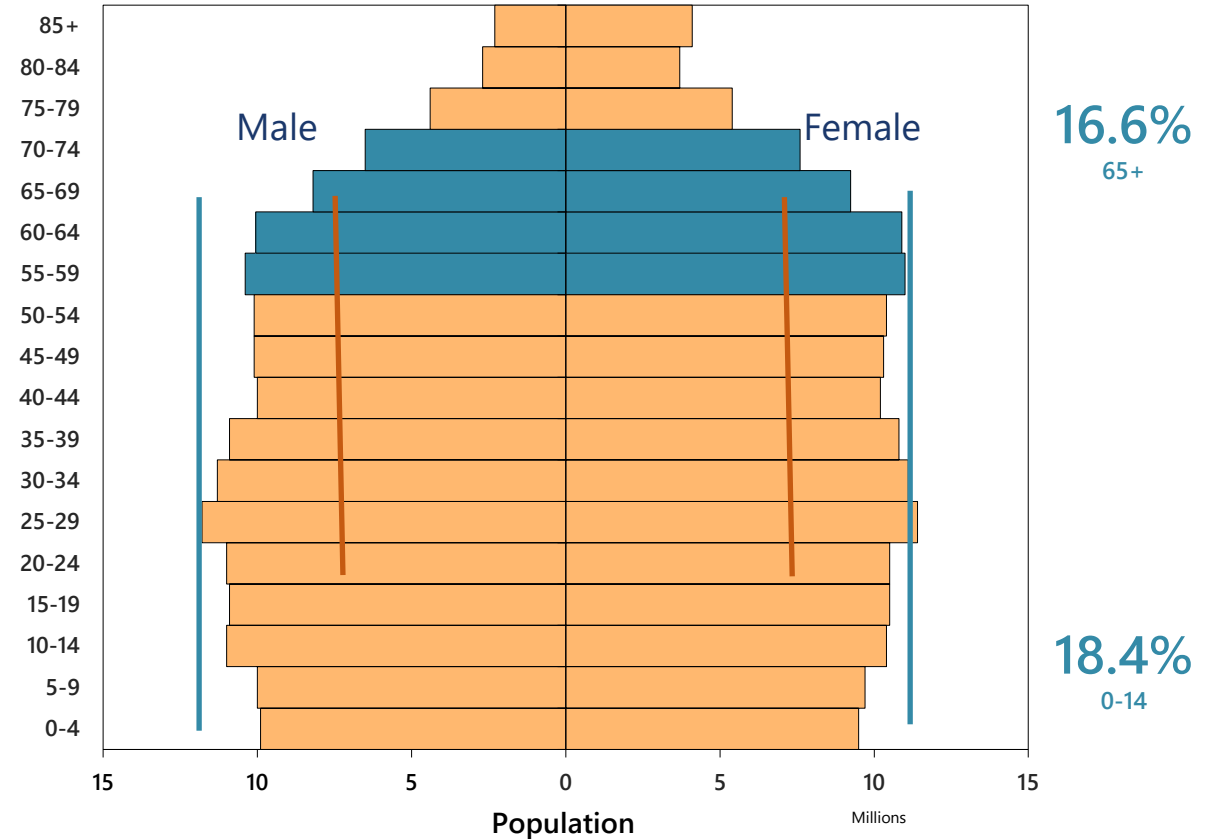
Source: United States Census Bureau


Utah's Population by Age and Sex: 2020



 Labor Force Dominance

U.S. Population by Age and Sex: 2020



 Baby Boom Generation

Recent Census Bureau Articles Highlight This Phenomenon



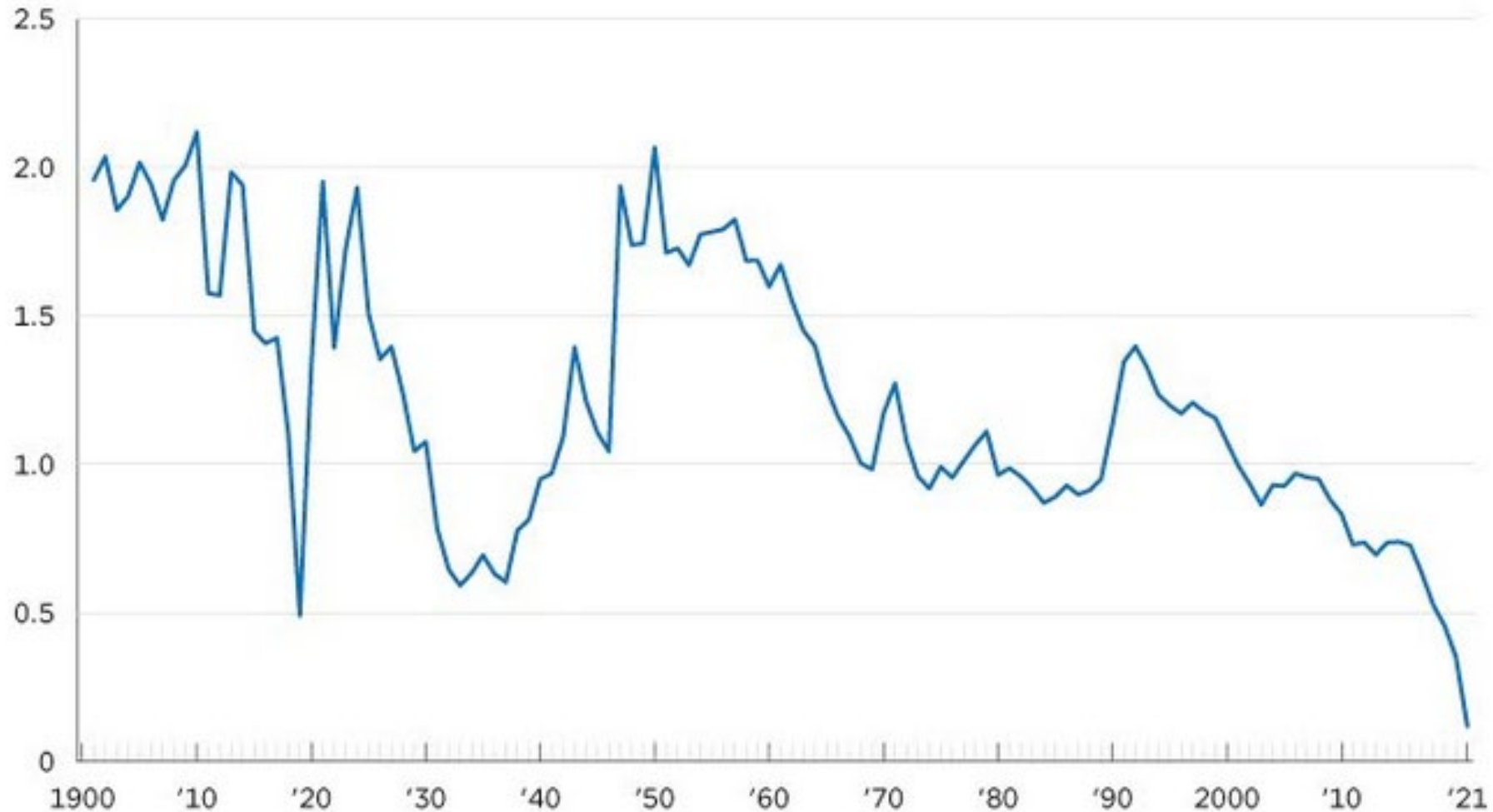
**U.S. Population Grew
0.1% in 2021,
Slowest Rate Since
Founding of the
Nation**



**Net International
Migration at Lowest
Levels in Decades**

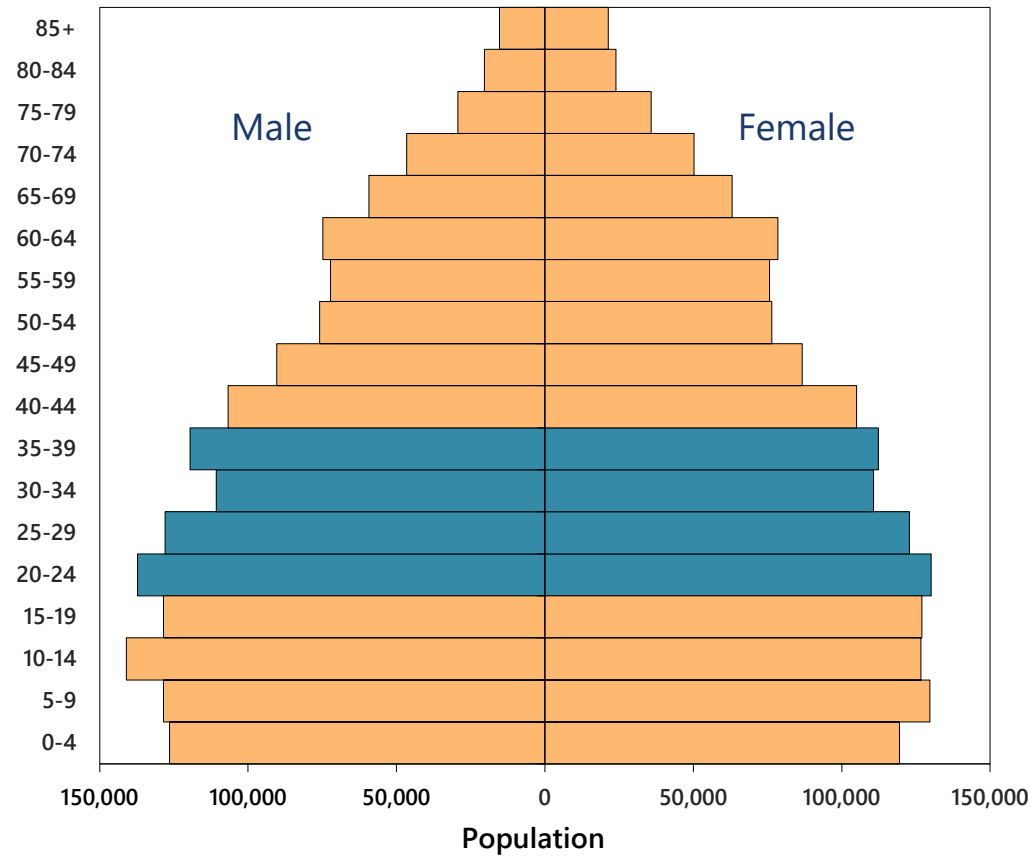


Annual Percent Change in the U.S. Population 1900-2021



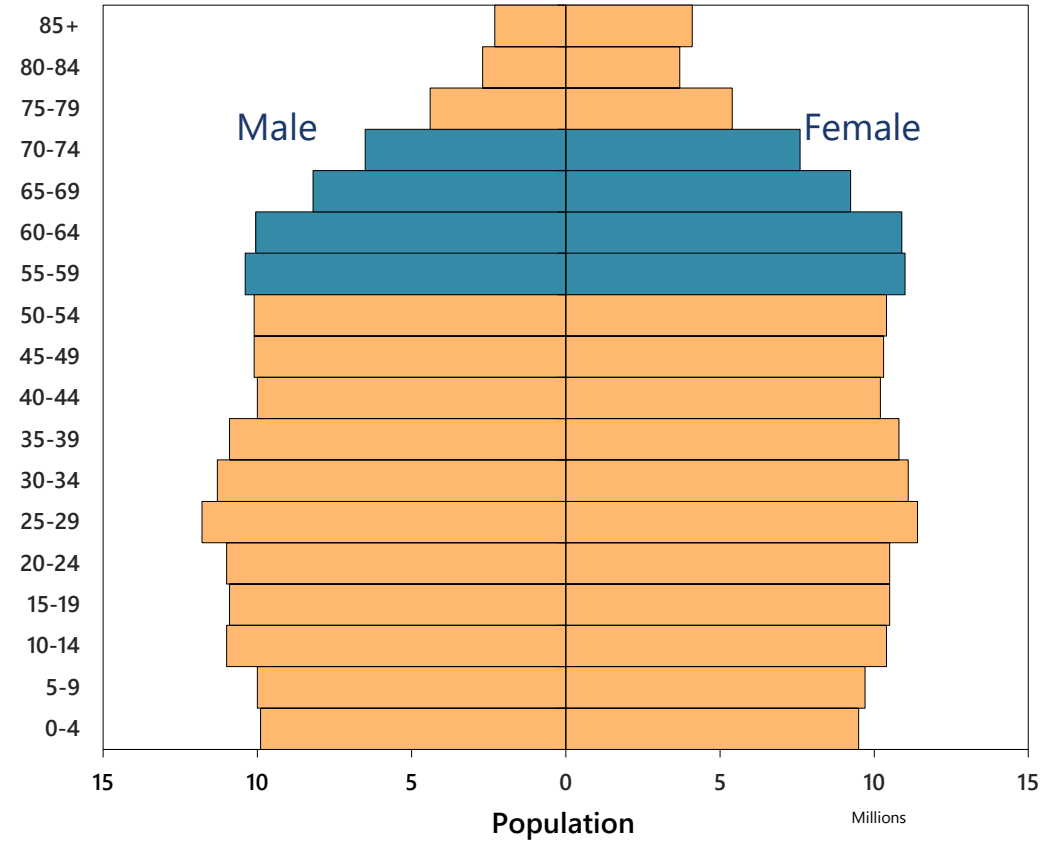
Note: 1917-1919 includes U.S. Armed Forces overseas.


Utah's Population by Age and Sex: 2020



 Labor Force Dominance

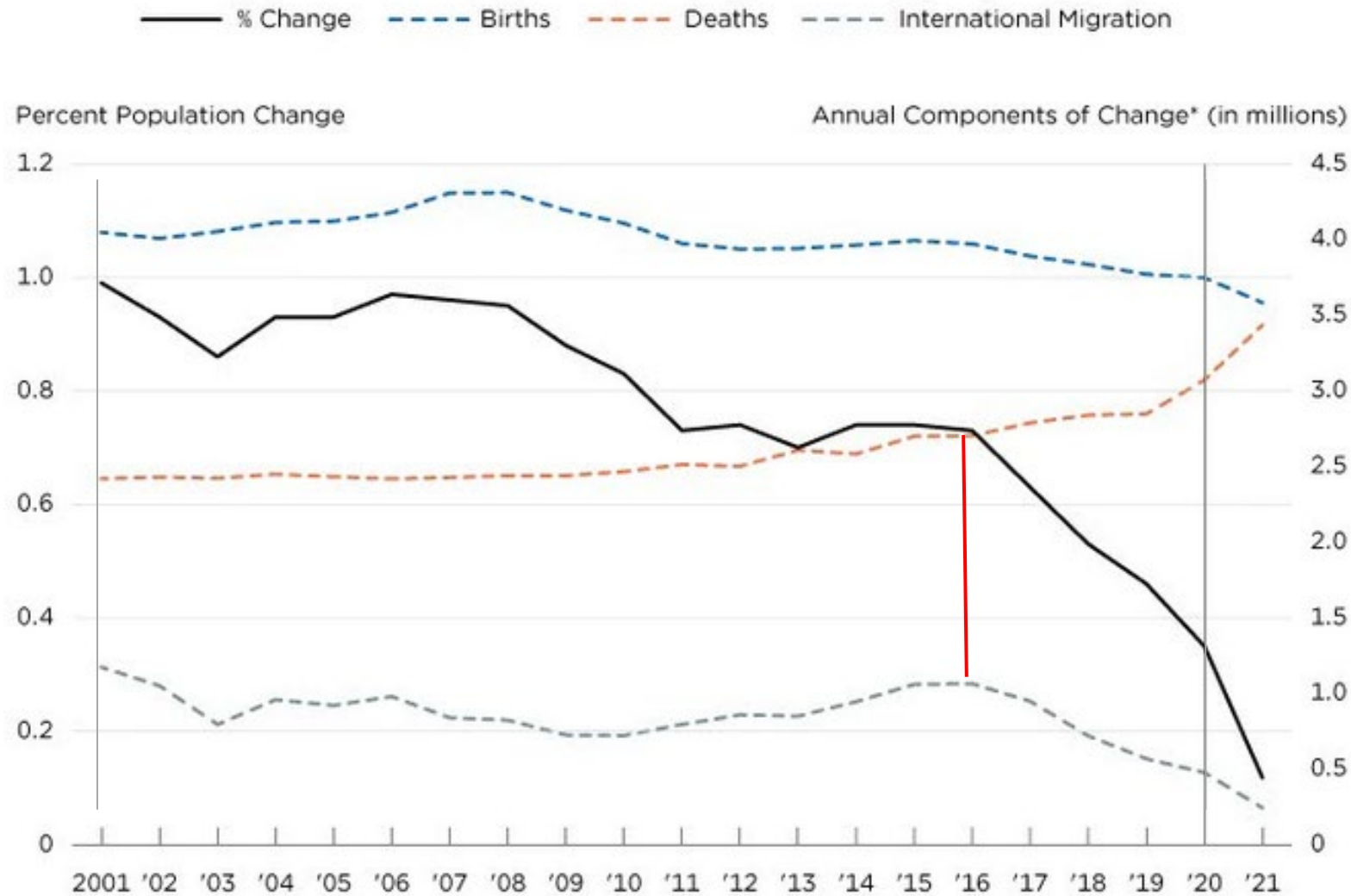
U.S. Population by Age and Sex: 2020



 Baby Boom Generation

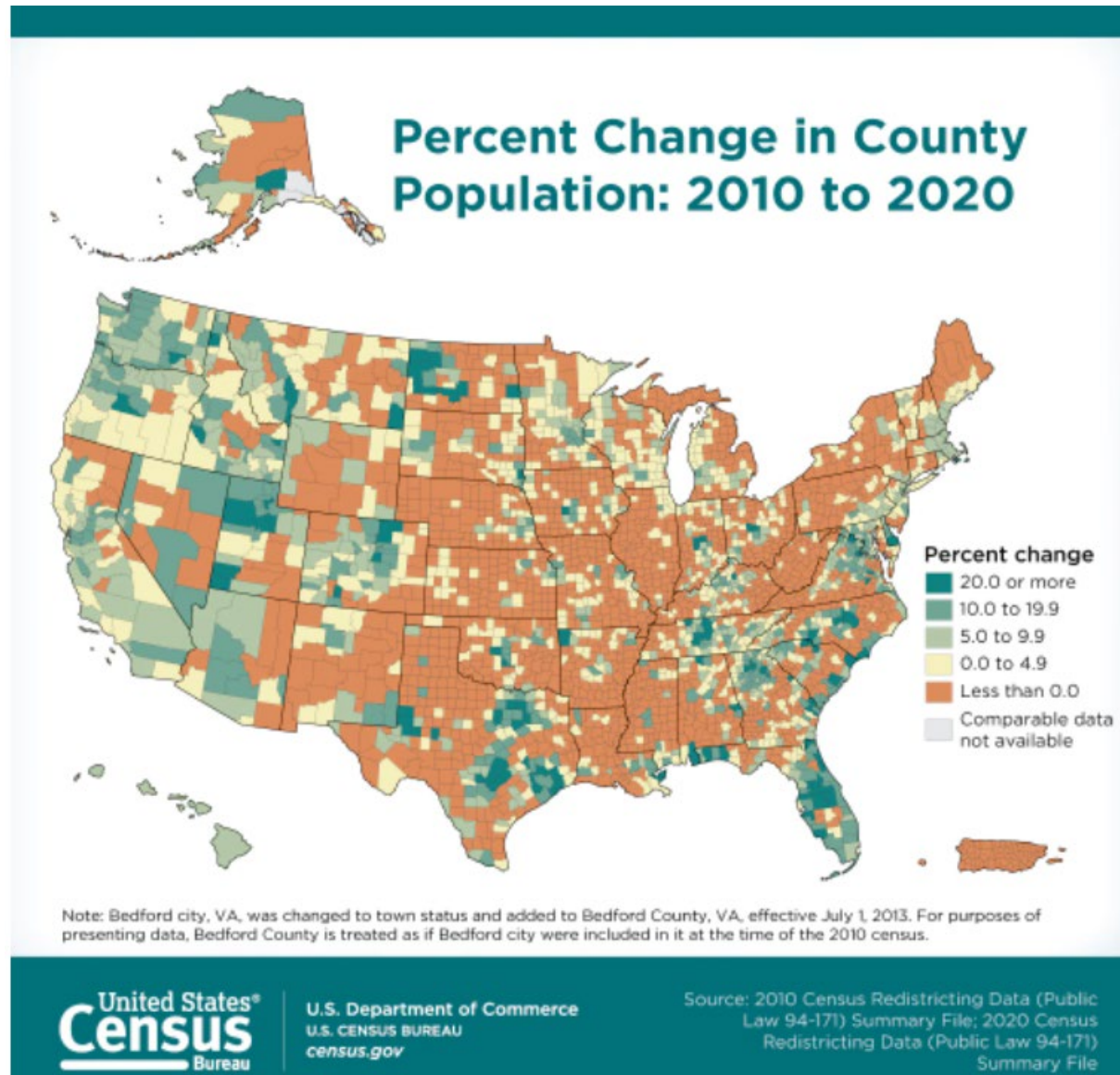
Source: United States Census Bureau

Population Change and the Components Change 2001-2021



* Components of change include births, deaths and net international migration.
Note: Only data to the right of the line are from Vintage 2021.

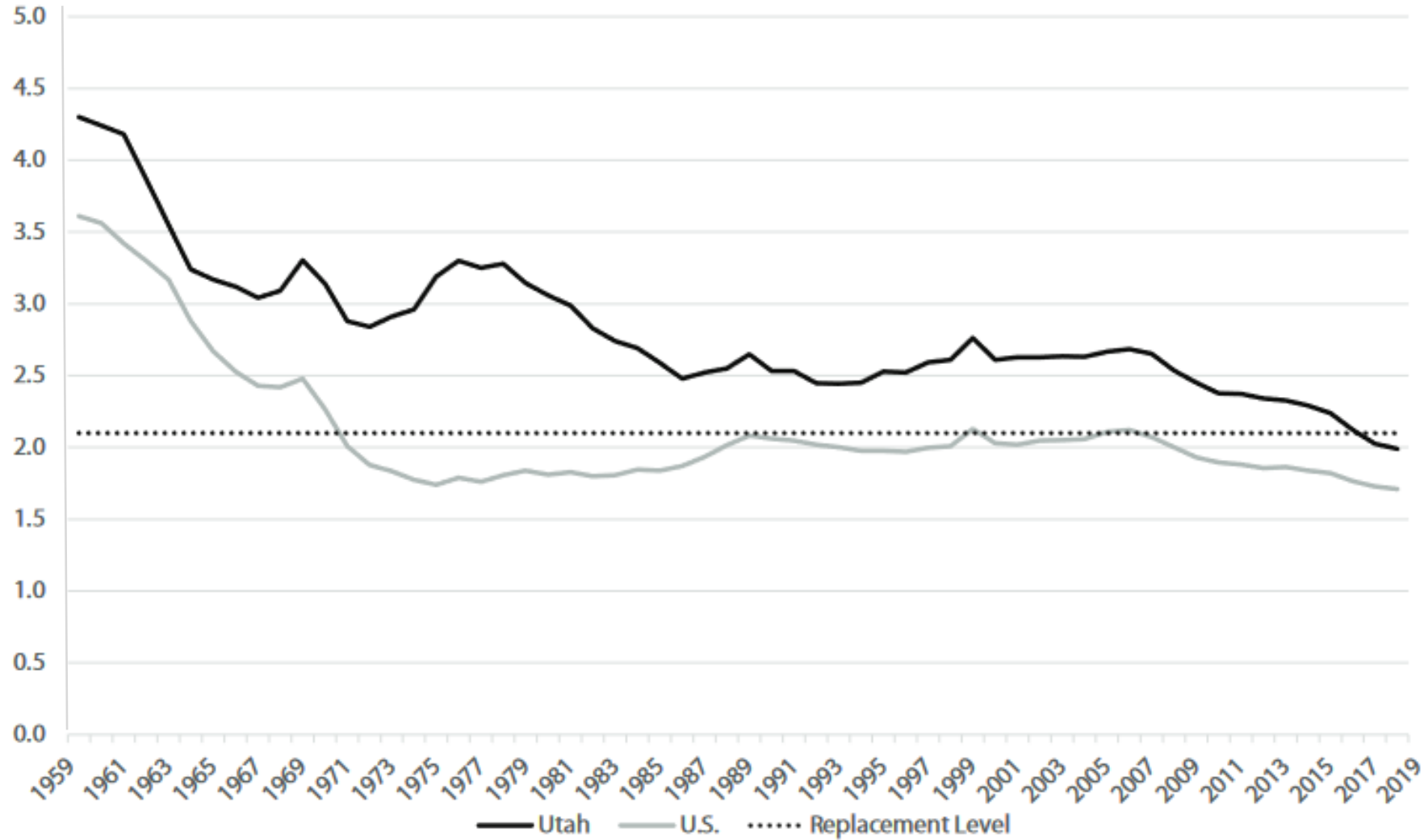
County Population Change



Source: United States Census Bureau



Total Fertility for Utah and the United States



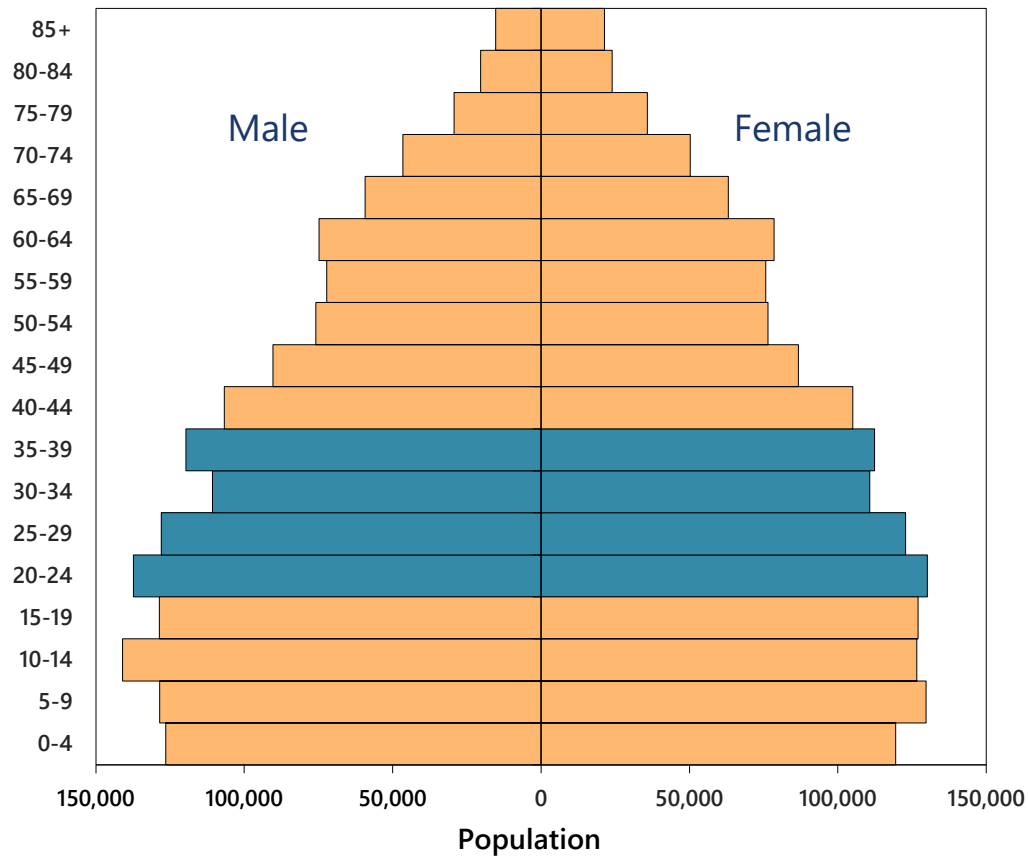
Note: The Replacement Level is the fertility level at which the current population is replaced.

The Perfect Demographic, Political, Phenomenal, and Economic Storm



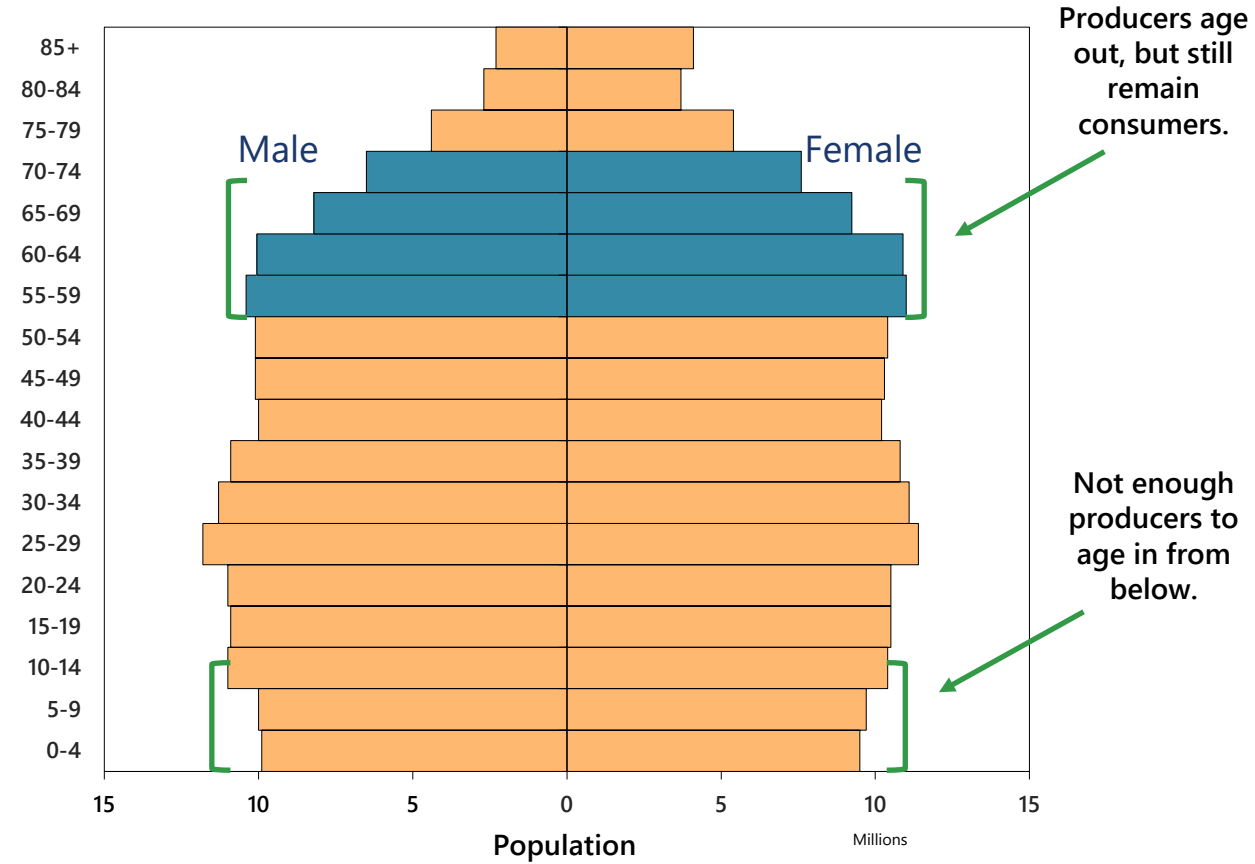
- **Demographic:** Stagnated population growth – little to no labor force growth. Cusp of massive Baby Boom retirements.
- **Political:** International in-migration is high in the political dialogue. In-migration has diminished.
- **Phenomenal:** A world-wide pandemic hits and massively disrupts the normal interaction of labor in the economy.
- **Economic:** Labor is in short supply. Existing labor moves up the ladder. Dearth of labor at the bottom.
- **Economic:** The production and flow of goods and services across national borders is deeply restricted.

Utah's Population by Age and Sex: 2020



Labor Force Dominance

U.S. Population by Age and Sex: 2020



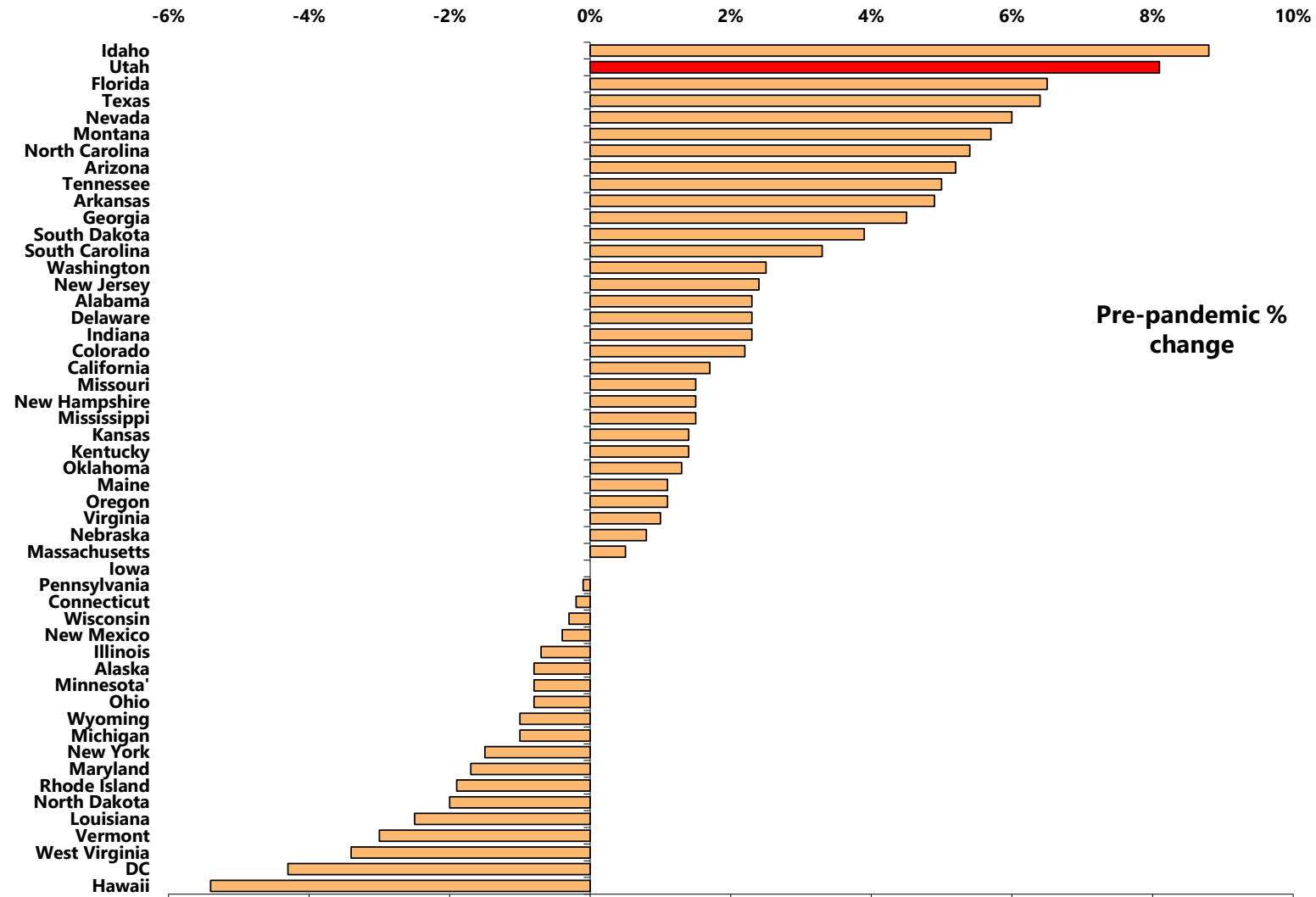
Baby Boom Generation

Source: United States Census Bureau

Six Plausible/Combined Macro Solutions

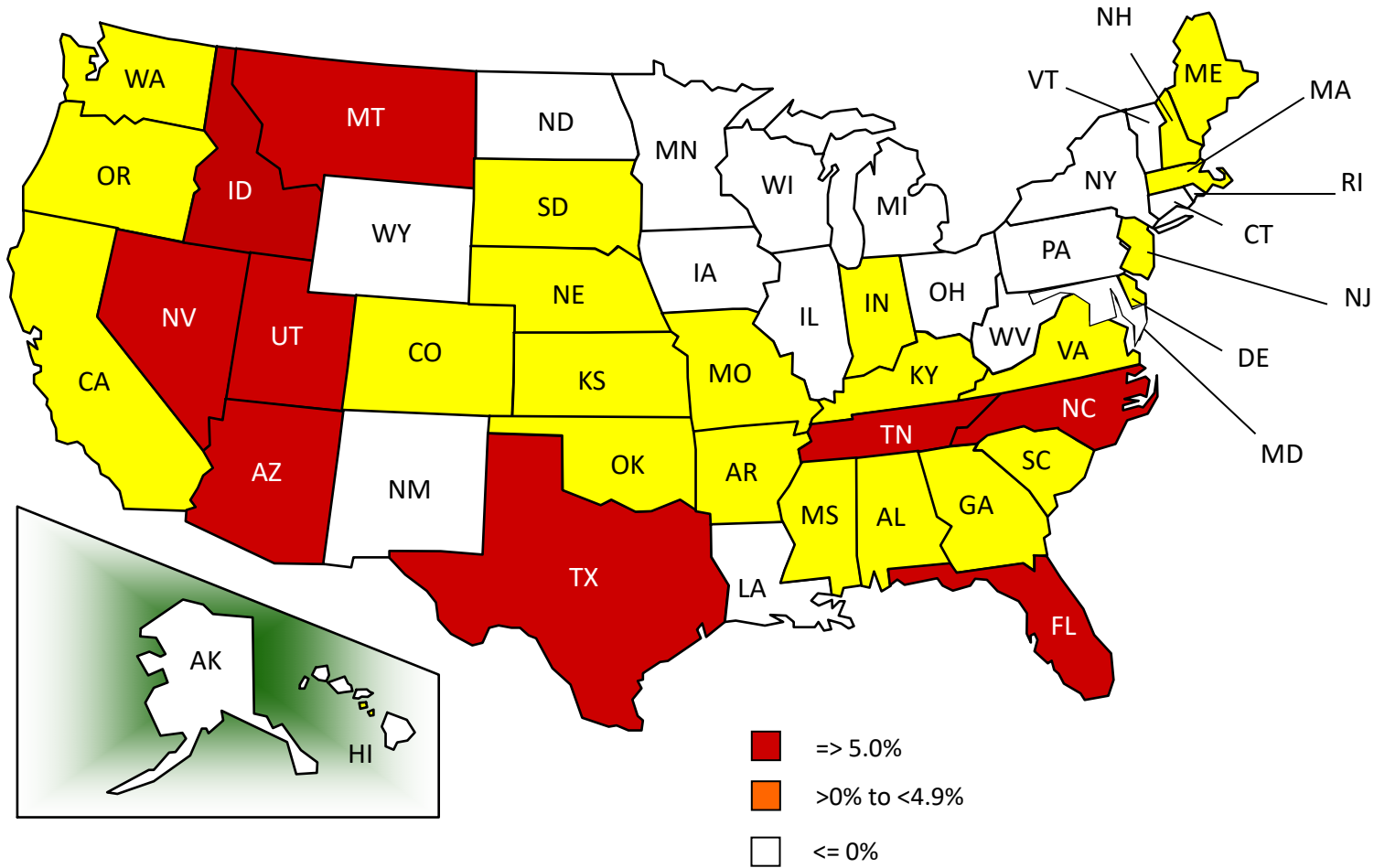
1. Incentivize or pressure the Baby Boomers to remain in the labor force.
2. Import products.
3. Import labor from other countries.
4. Offset the departing labor with automation and artificial intelligence.
5. Incentivize births.
6. Let the economy naturally shrink.

State by State Employment Change January 2020-January 2023

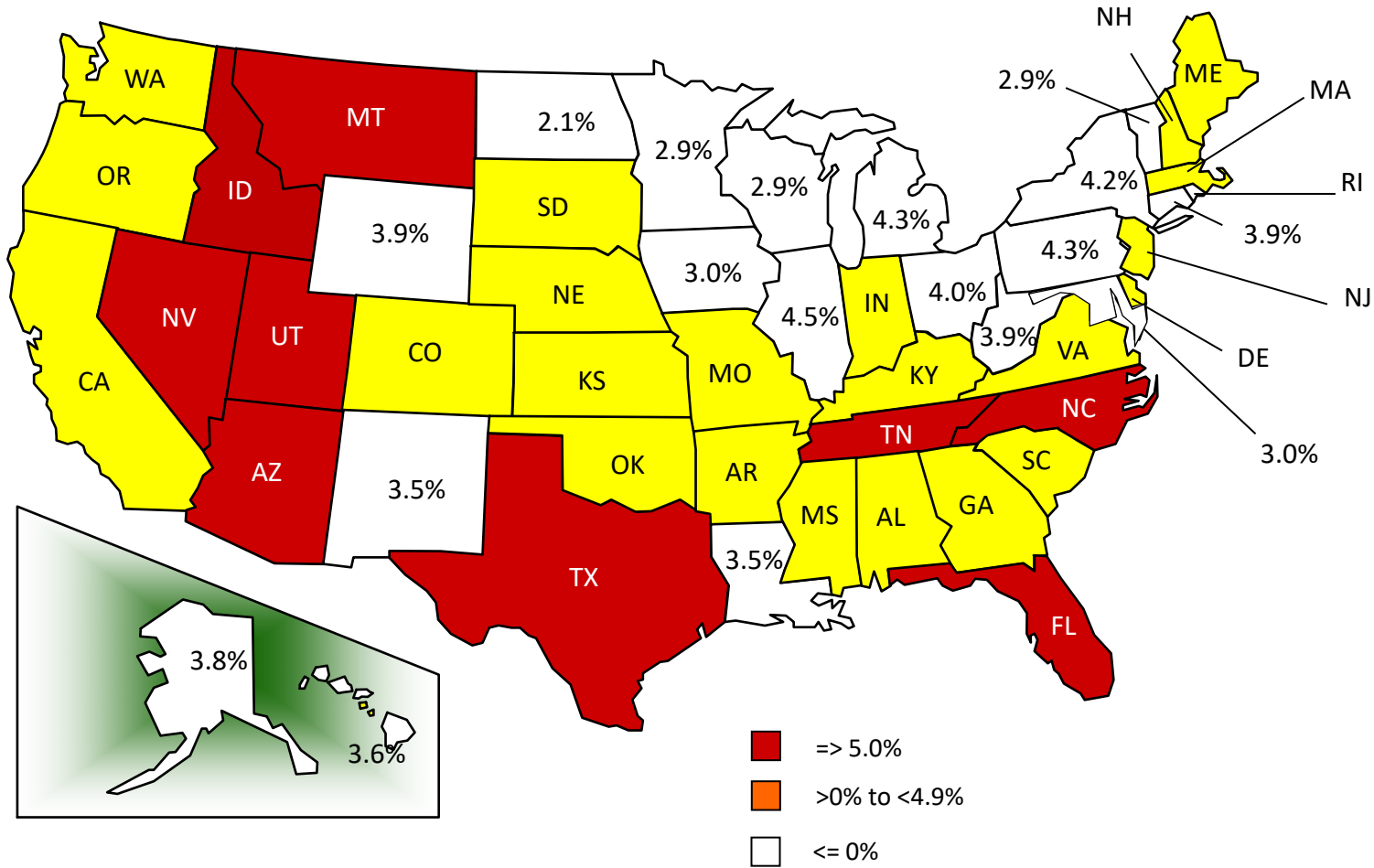


Source: United States Bureau of Labor Statistics; Utah Department of Workforce Services

Employment Change Since January 2020



Current Unemployment Rates



Source: U. S. Bureau of Labor Statistics

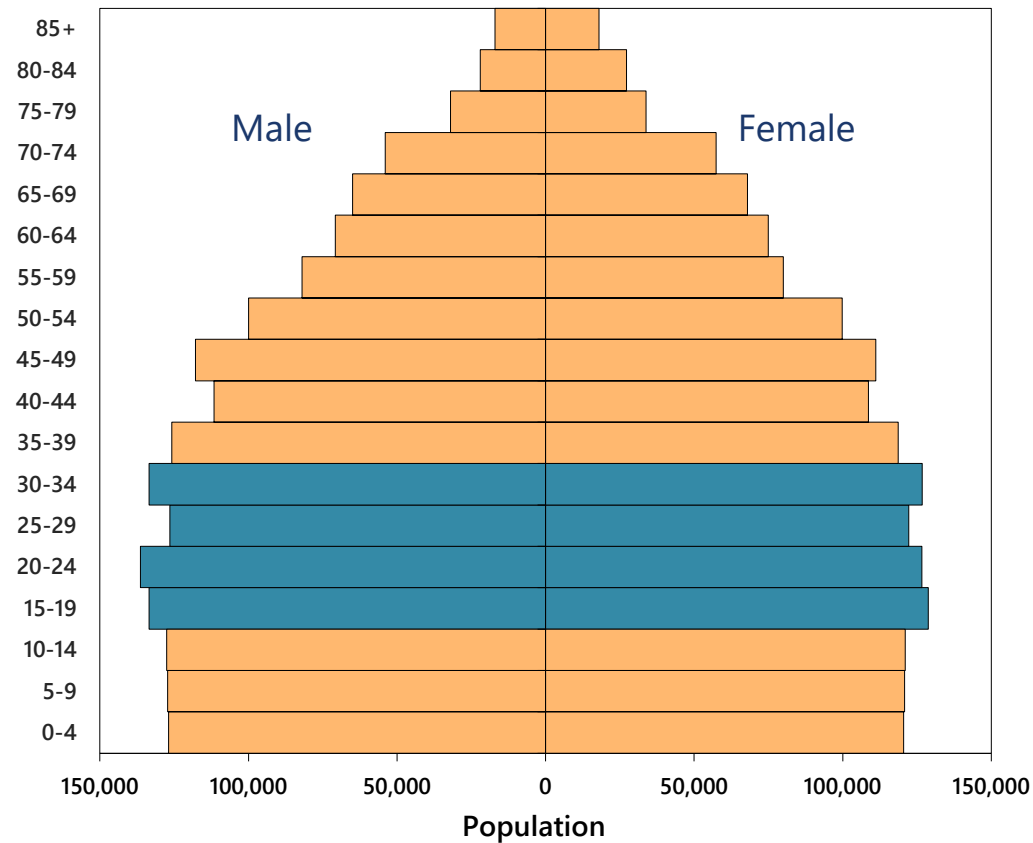
Economic Slowdowns Have a Job-Demand Cushion to Work Through



Note: The represented volume distributions are not exact and are meant for a demonstration purpose only.

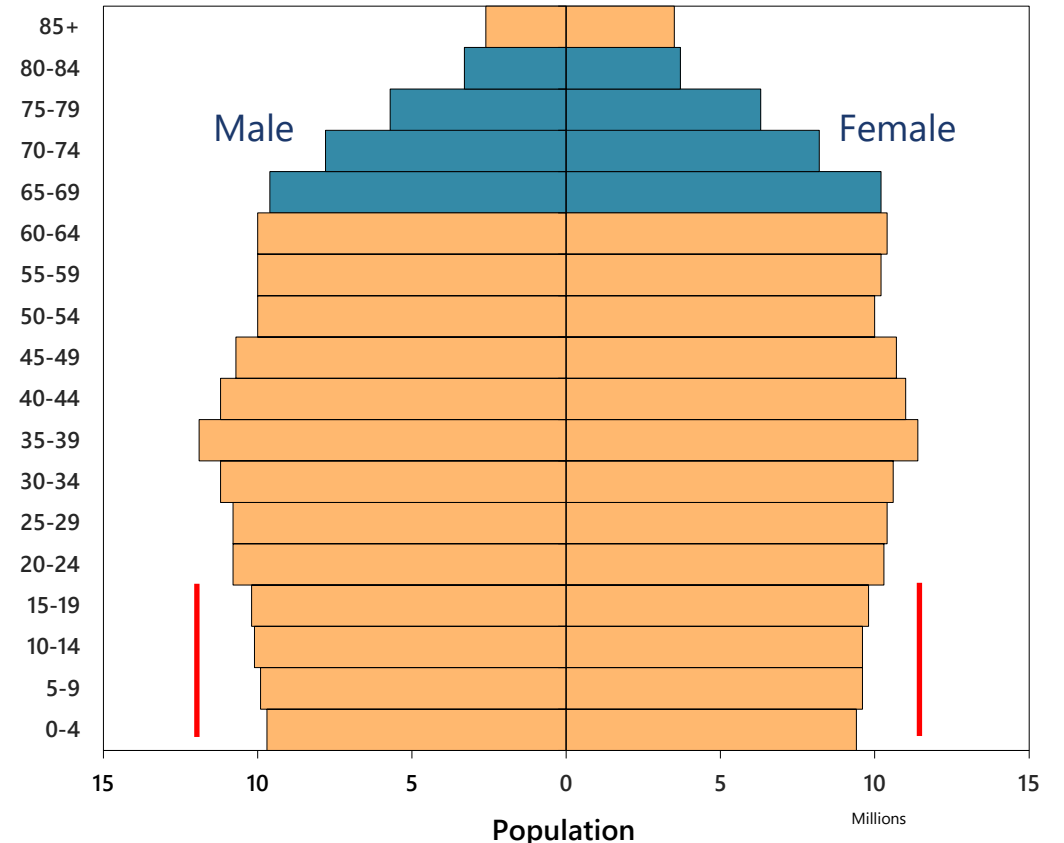
Looking to the Future


Utah's Population by Age and Sex: 2030



 Labor Force Dominance

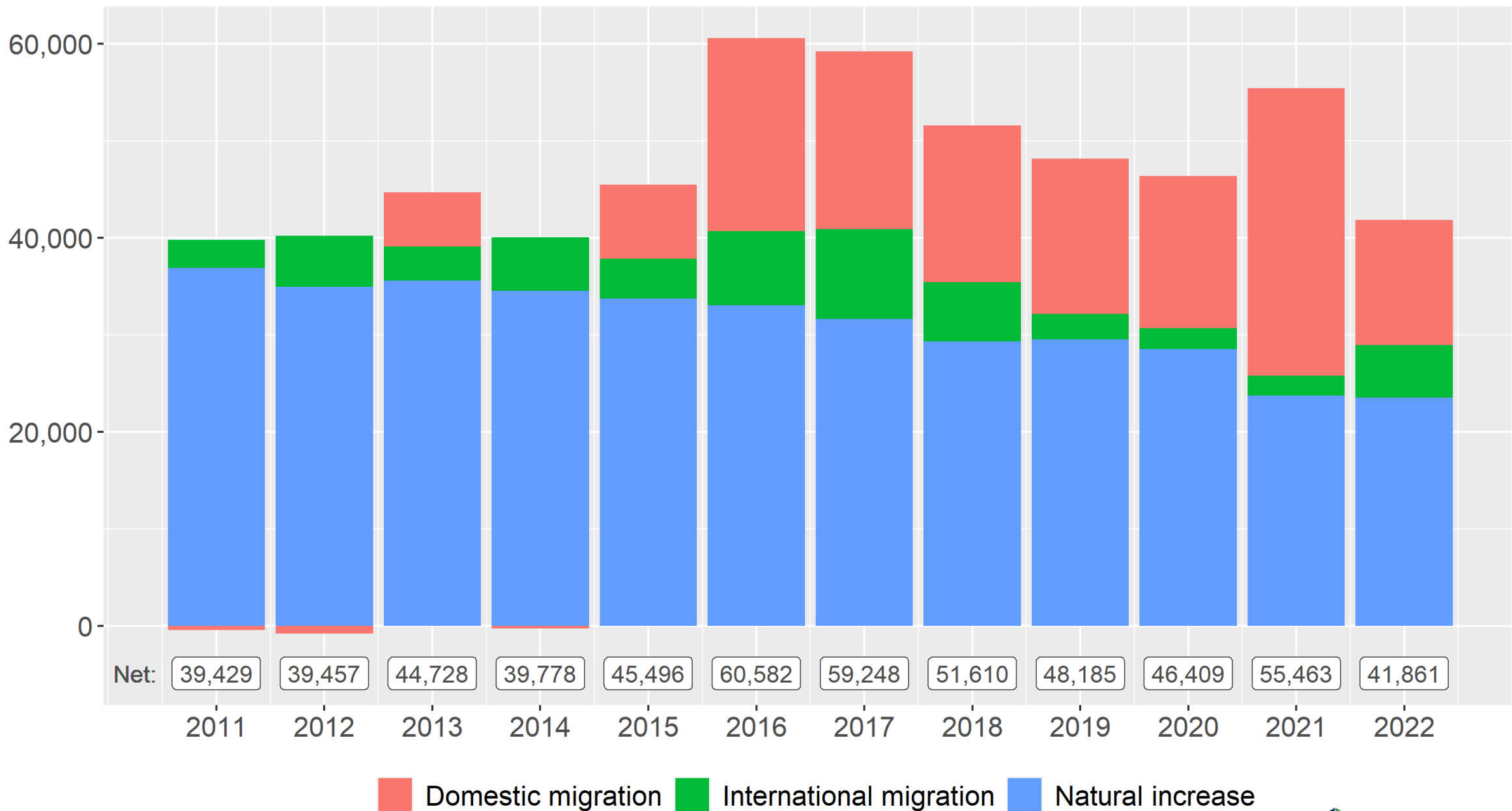
U.S. Population by Age and Sex: 2030



 Baby Boom Generation

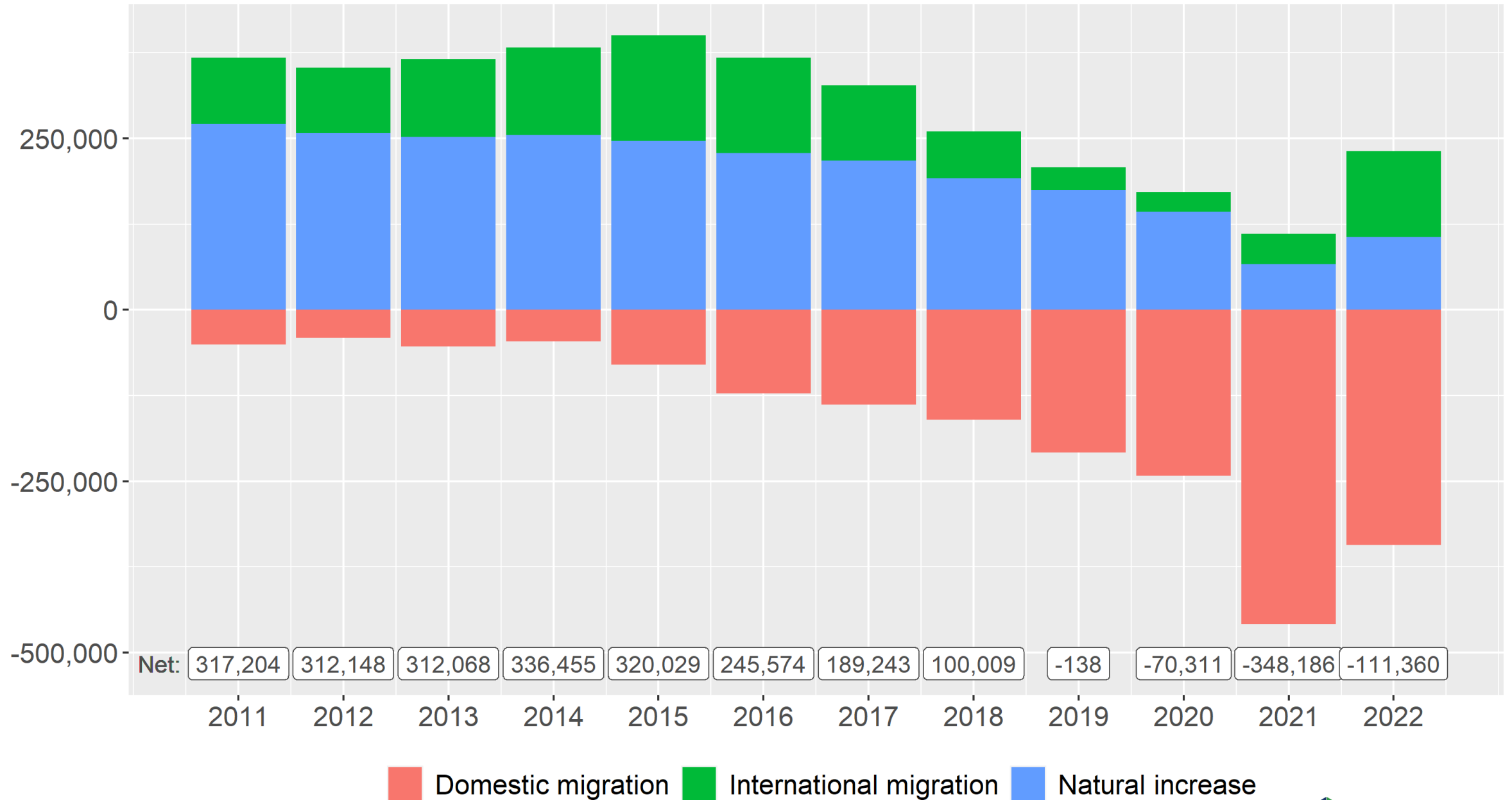
Source: Workforce Services Estimates

Utah: Components of population change

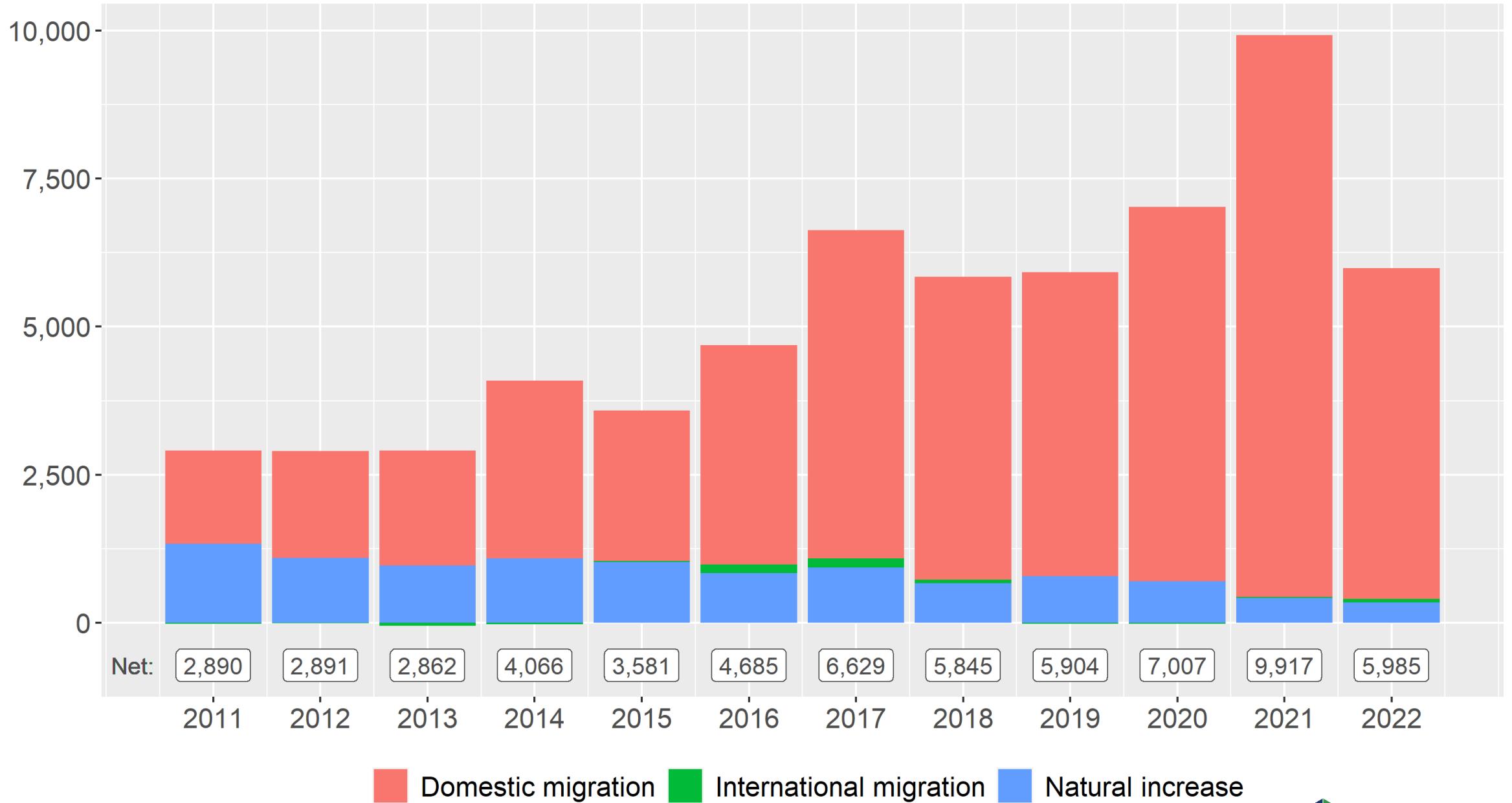


Source: U.S. Census Bureau, Population Division

California: Components of population change

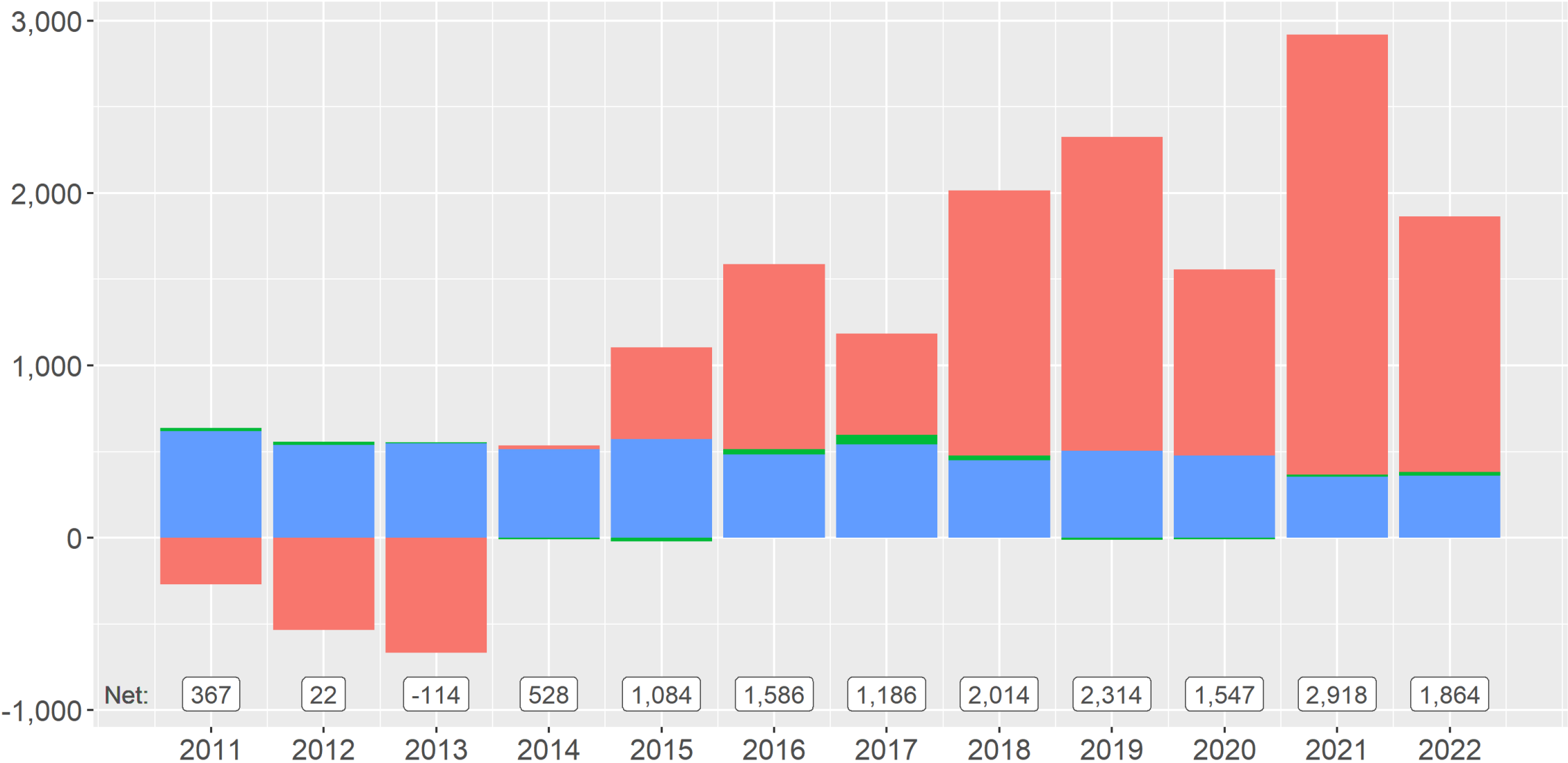


Washington County: Components of population change



Source: U.S. Census Bureau, Population Division

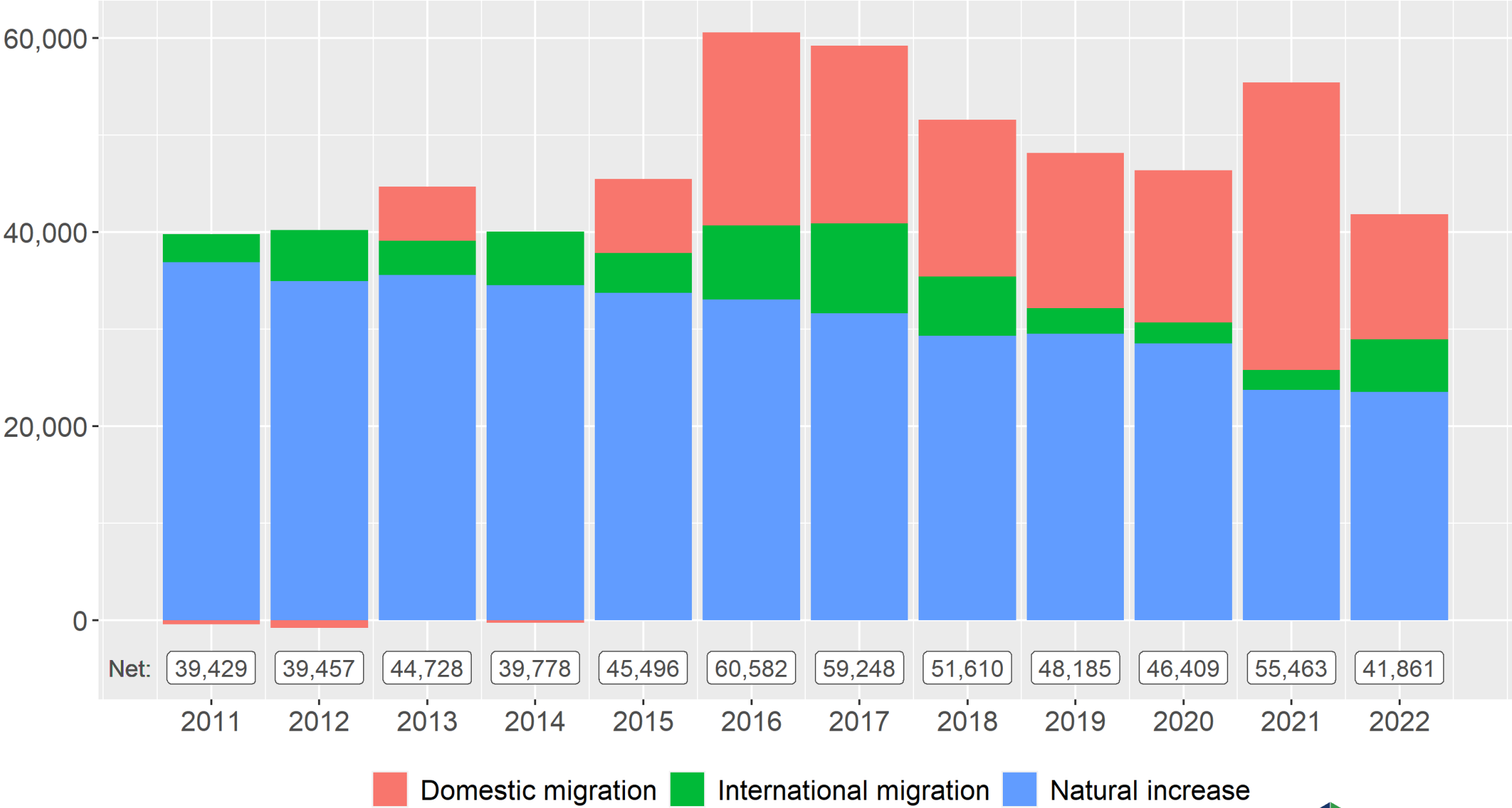
Iron County: Components of population change



■ Domestic migration
 ■ International migration
 ■ Natural increase

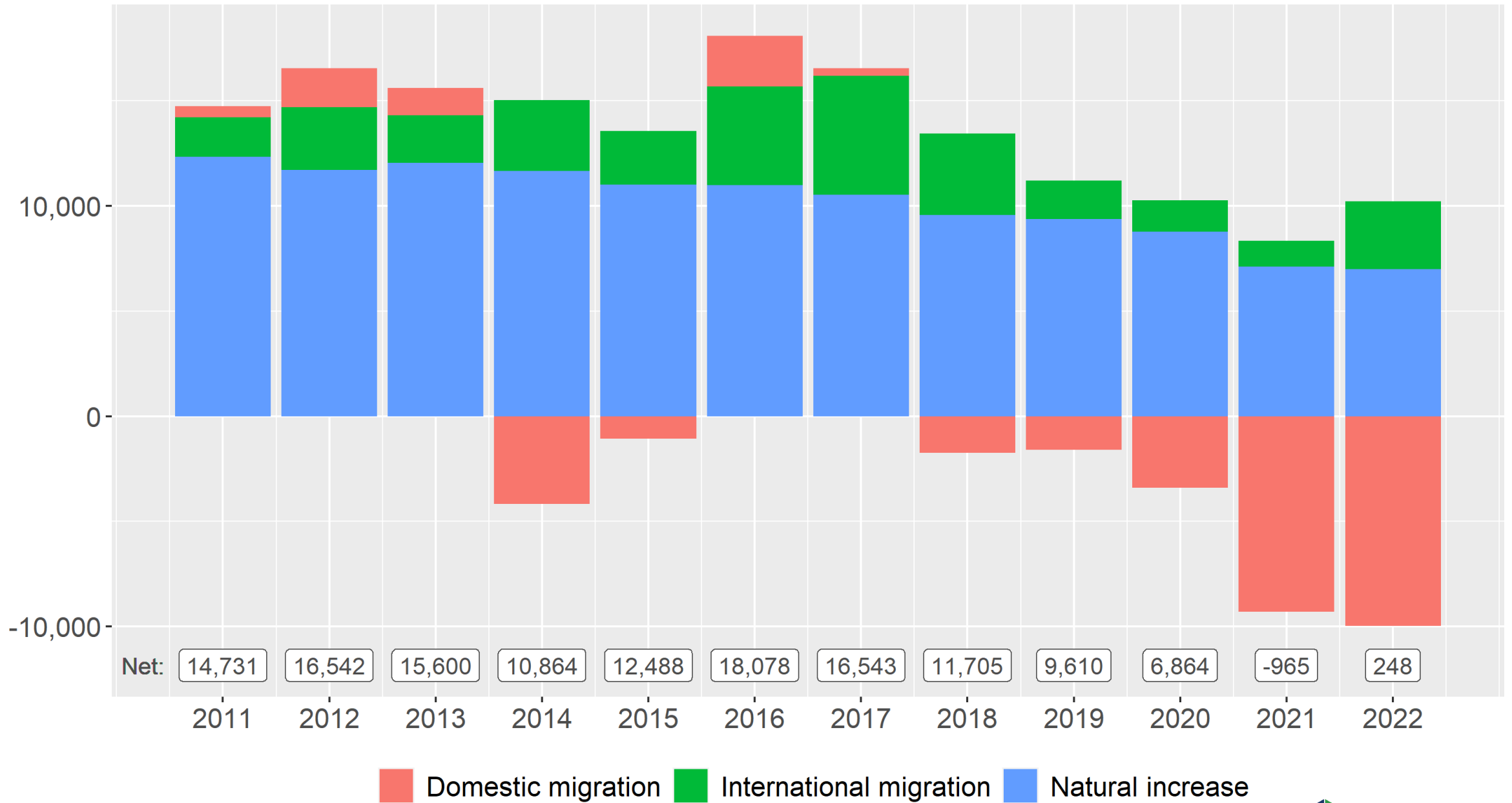
Source: U.S. Census Bureau, Population Division

Utah: Components of population change



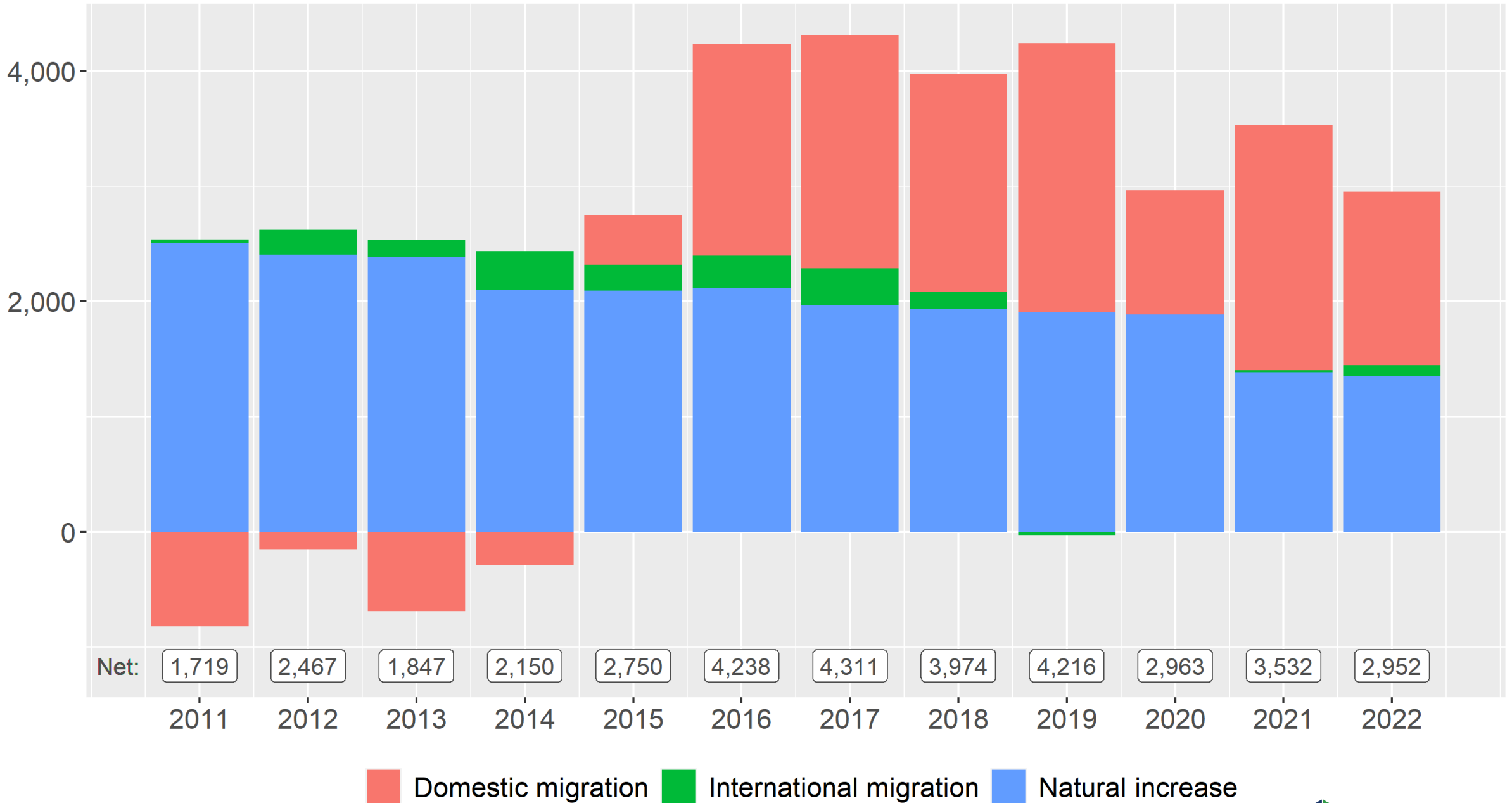
Source: U.S. Census Bureau, Population Division

Salt Lake County: Components of population change



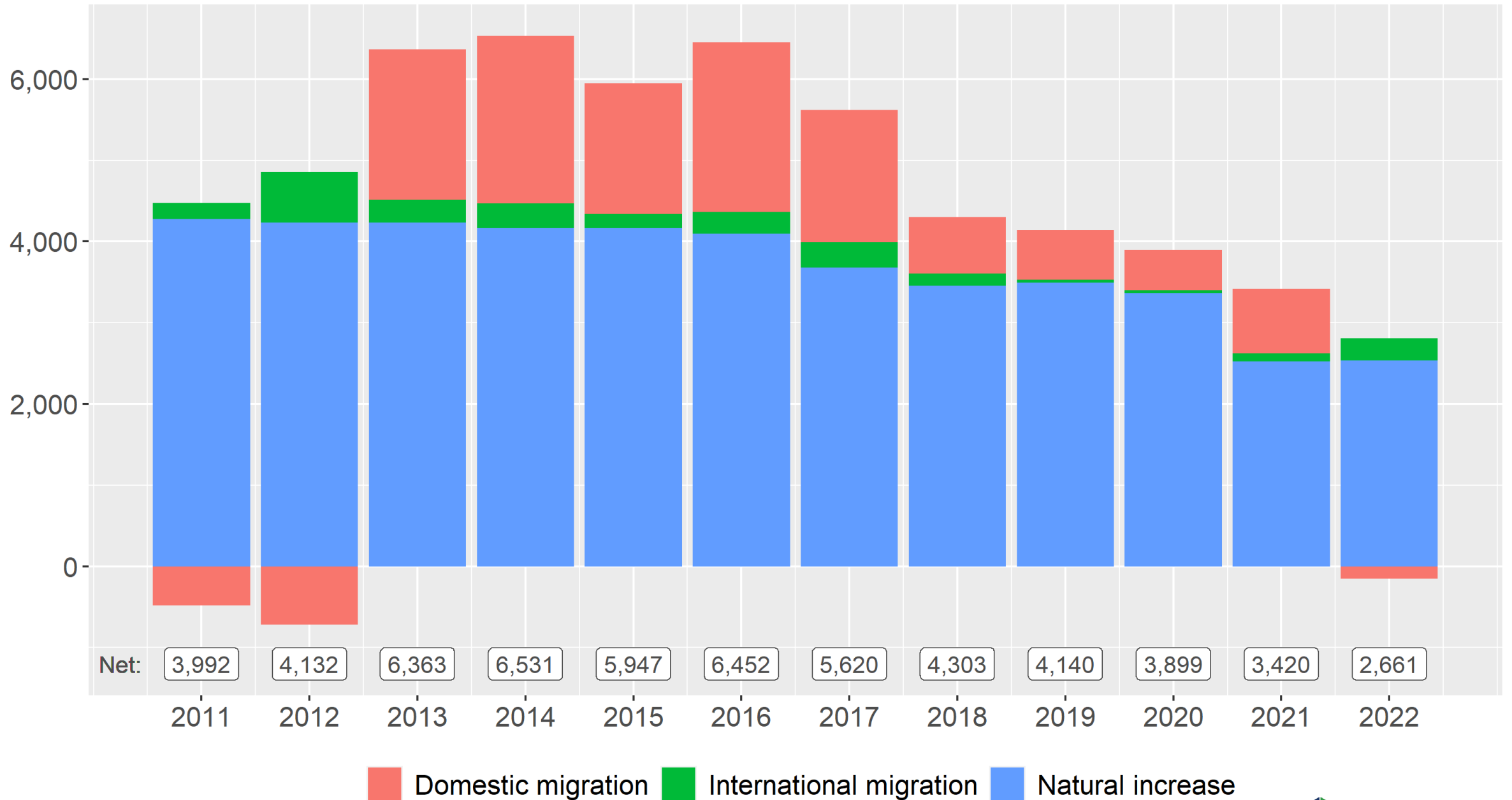
Source: U.S. Census Bureau, Population Division

Weber County: Components of population change



Source: U.S. Census Bureau, Population Division

Davis County: Components of population change

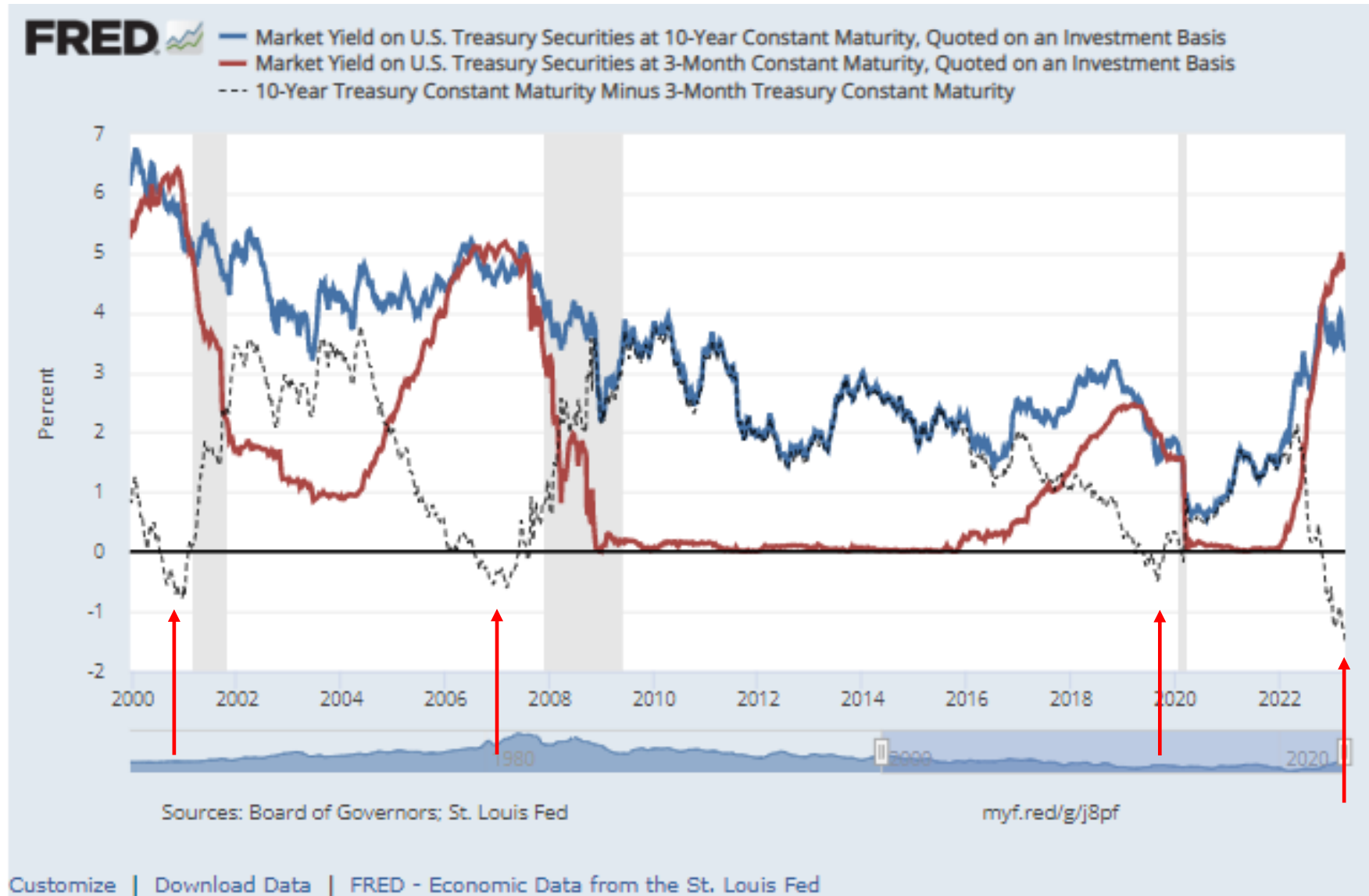


Source: U.S. Census Bureau, Population Division

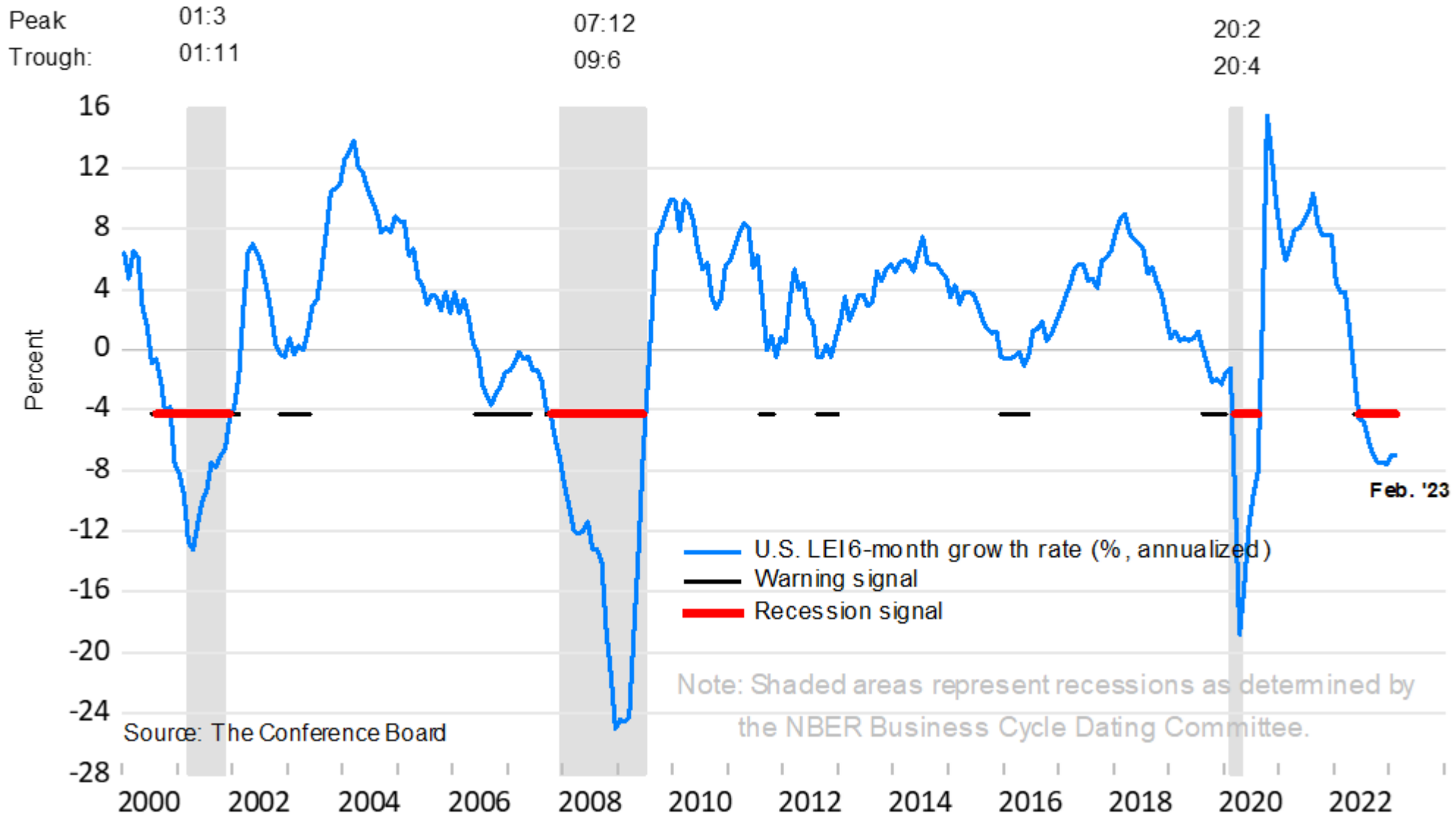
A Recession is Coming

**But with labor markets so tight and job filling in deficit,
how disruptive will a recession be?**

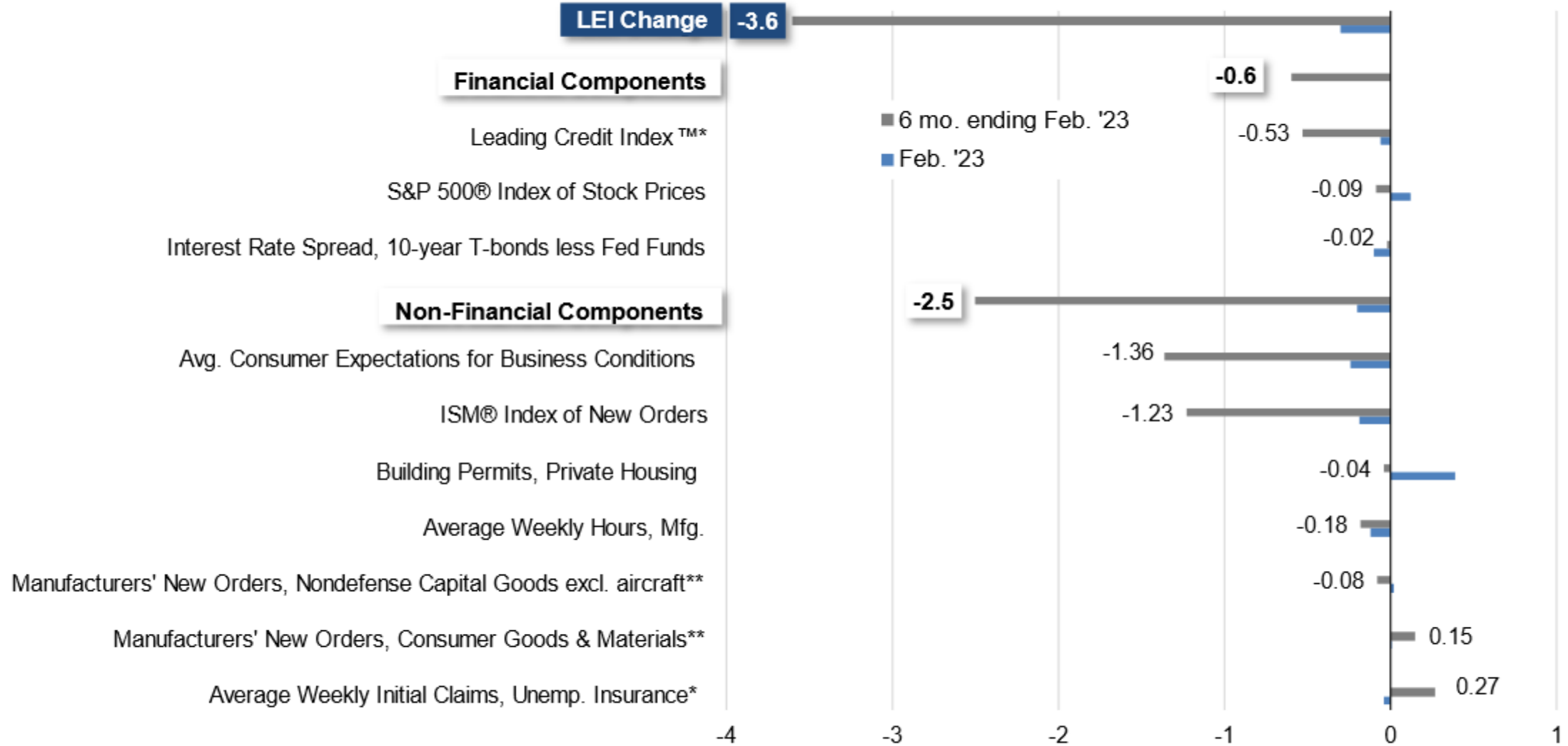
10 Year – 3 Month Treasury Yield Spread



While the US LEI may be bottoming, it still signals a recession over the next 12 months



The Conference Board Leading Economic Index® and Component Contributions (Percent)



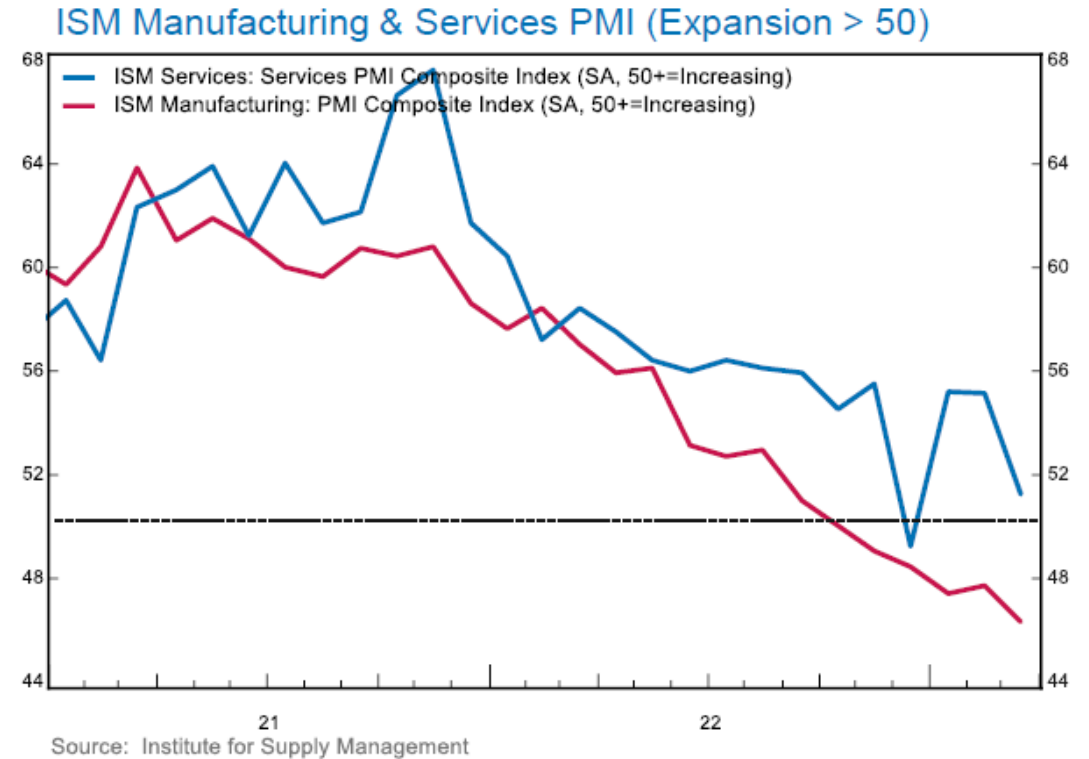
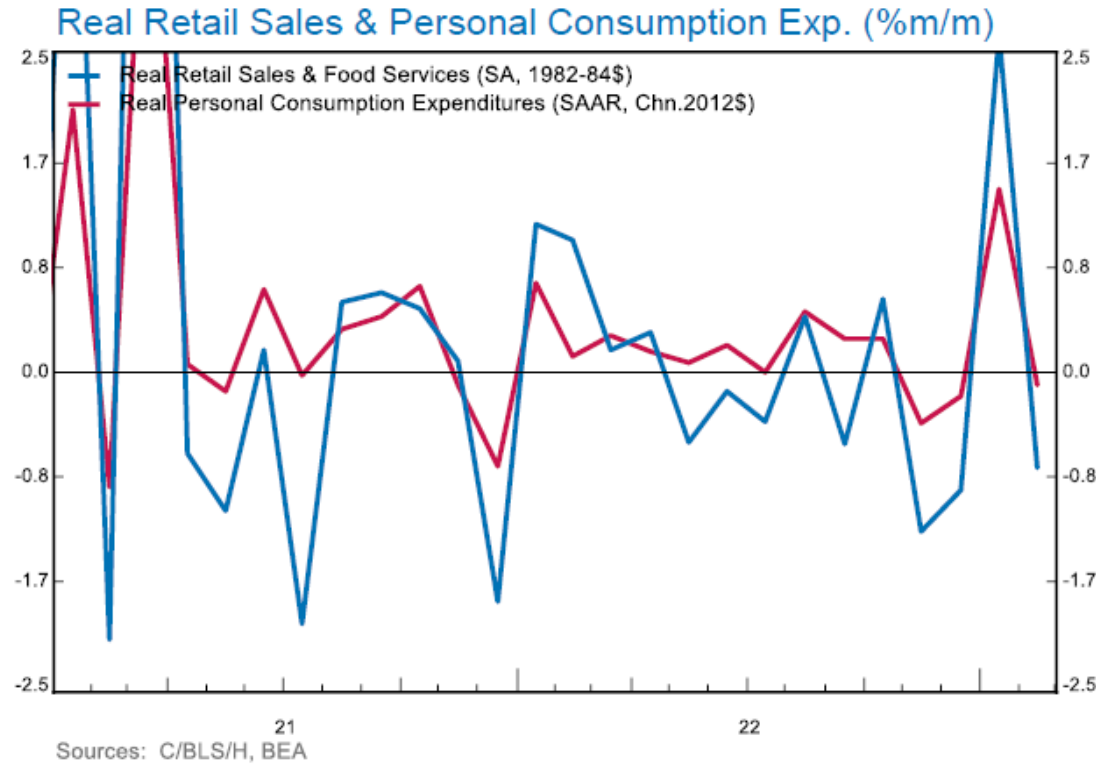
Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution.

** Statistical Imputation

LEI change might not equal sum of its contributions due to application of trend adjustment factor

Consumption and manufacturing activity resume slowing trend



- Following months of negative month-over-month consumption growth, both Retail Sales and Personal Consumption Expenditures spiked in January. However, February spending data showed that weakness has returned.
- Businesses in both manufacturing and services reported deteriorating business activity in March.





UTAH DEPARTMENT OF
**WORKFORCE
SERVICES**
RESEARCH & ANALYSIS

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