

# Review of the Economy and Impact on Unemployment

Unemployment and Workers' Compensation (UWC)

National UI Issues Conference

Salt Lake City

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Utah Department of Workforce Services

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# Overview

- 1 Labor Force and Job Market
- 2 Demographic Shifts
- 3 AI and the Workplace
- 4 Looking Ahead



# Labor Force and Job Market

- Cooling labor market
- Low-hire, low-fire

# LABOR MARKETS

March 2026

State of Utah

0.6%

Job growth rate

3.8%

Unemployment rate

United States

0.2%

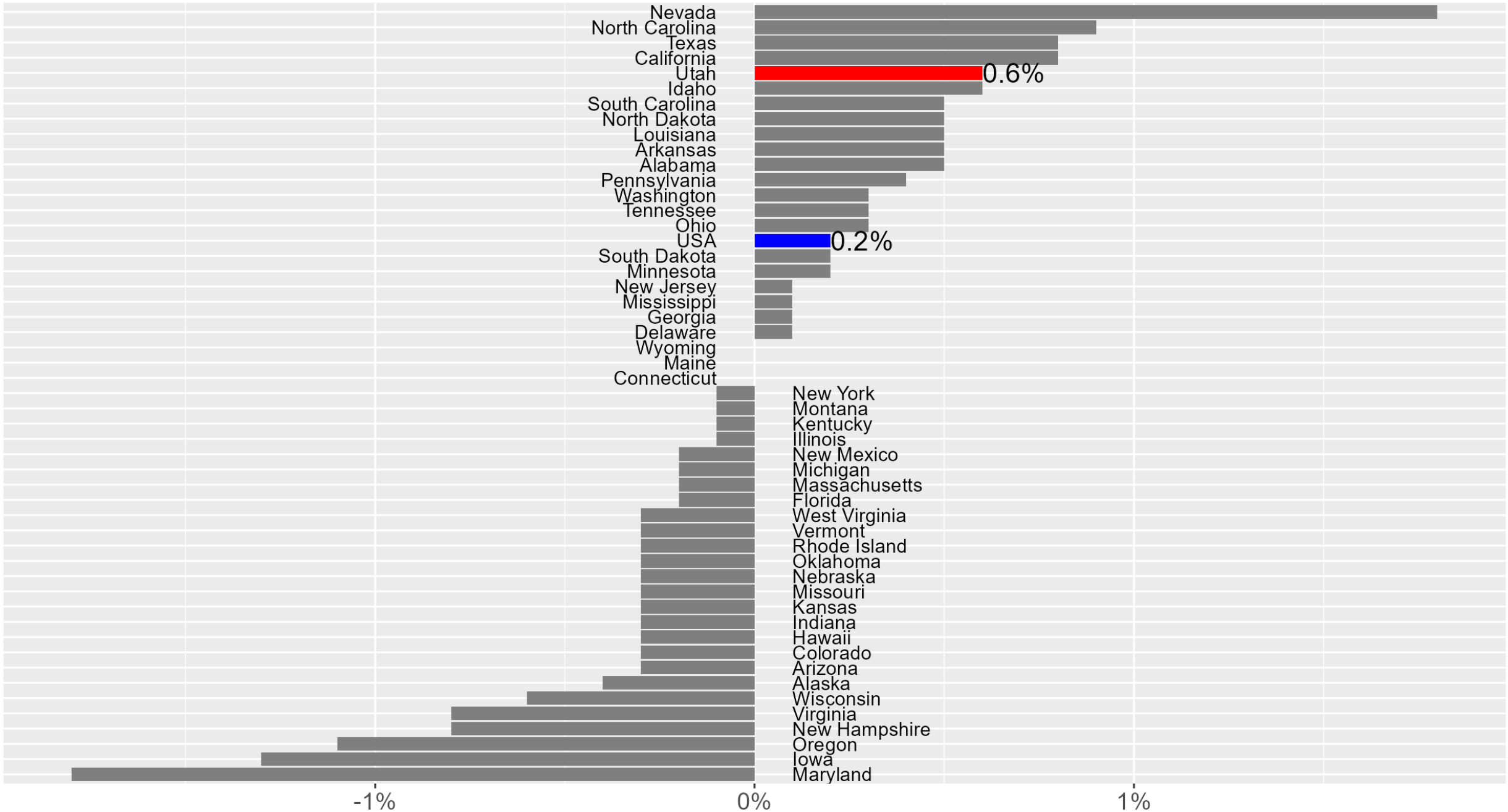
Job growth rate

4.3%

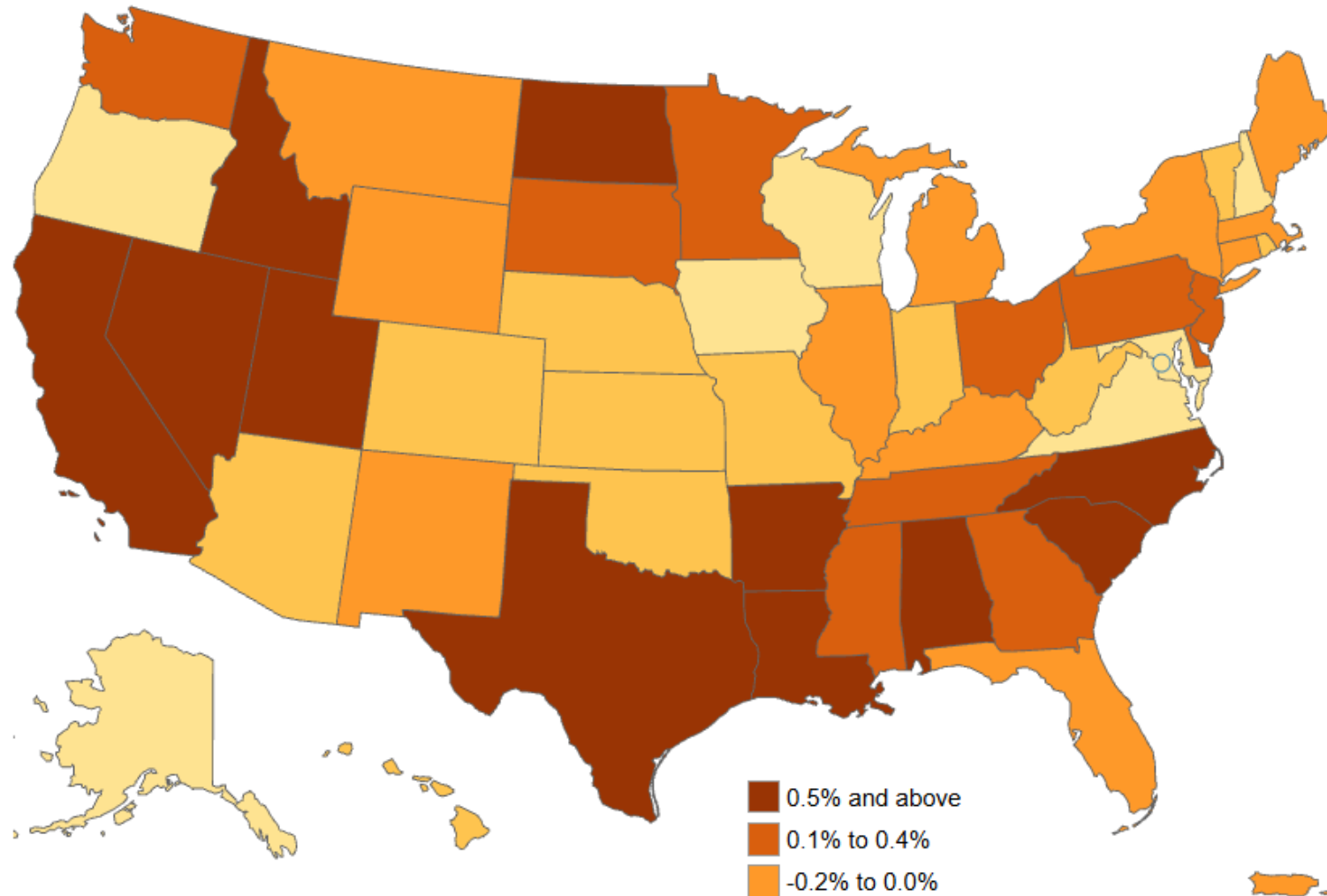
Unemployment rate



# Change in Nonfarm Jobs: March 2025 to March 2026



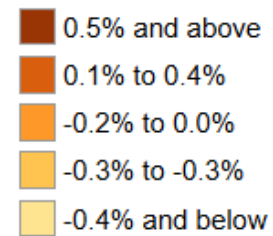
## Change in nonfarm employment by state, March 2025 to March 2026, seasonally adjusted



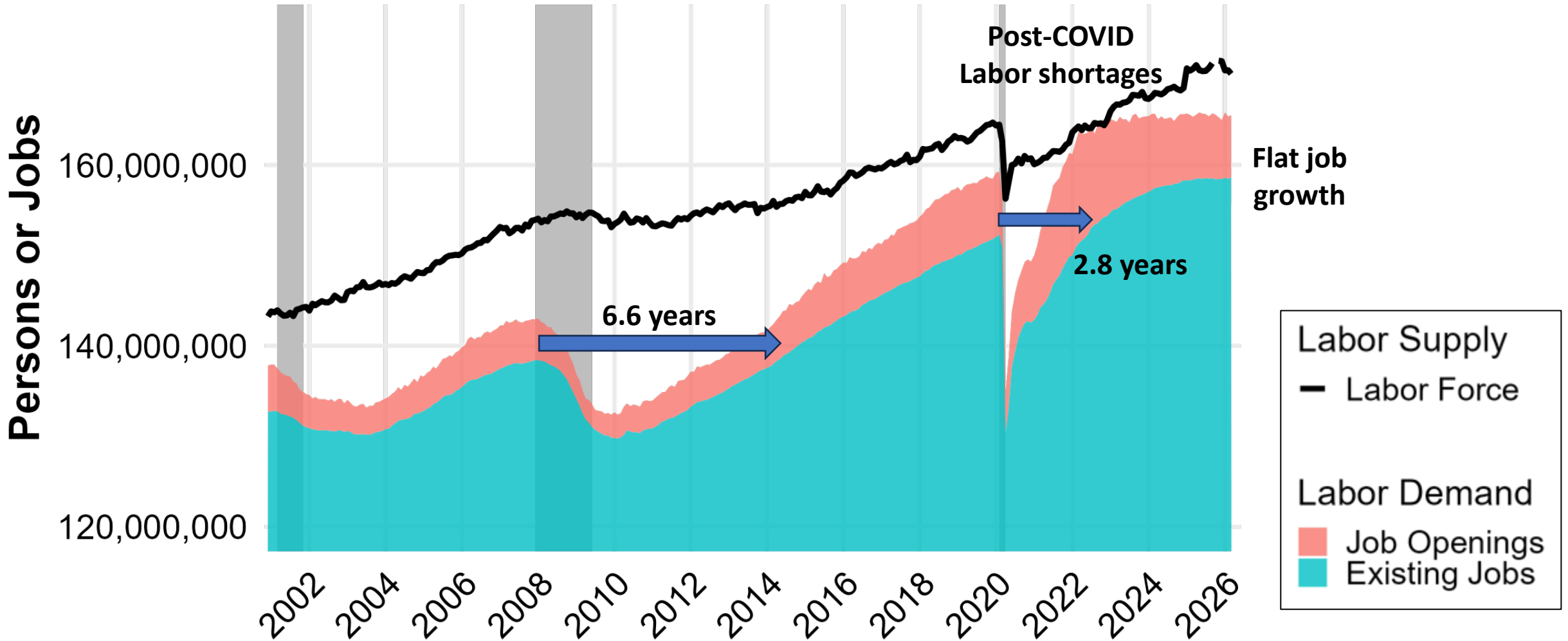
Hover over a state to see data.

Hover over legend items to see states in a category.

Source: U.S. Bureau of Labor Statistics.

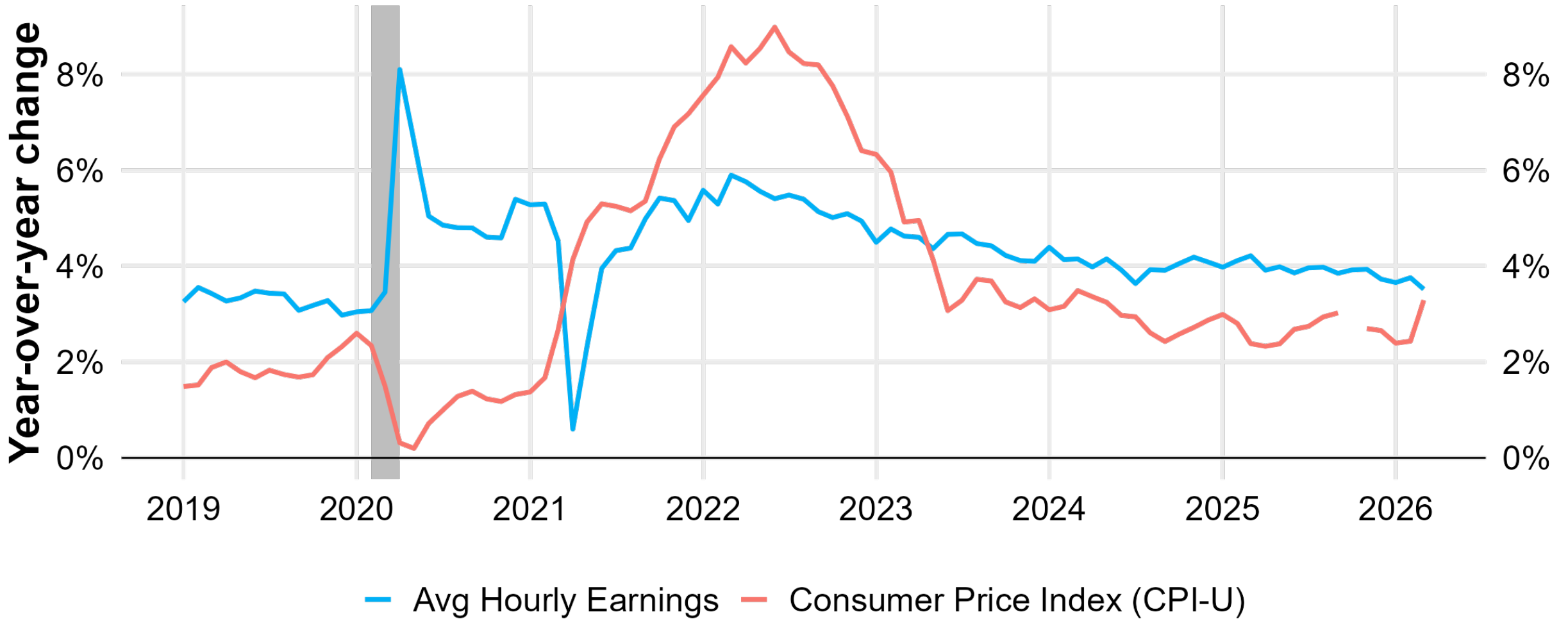


# Labor Supply and Demand



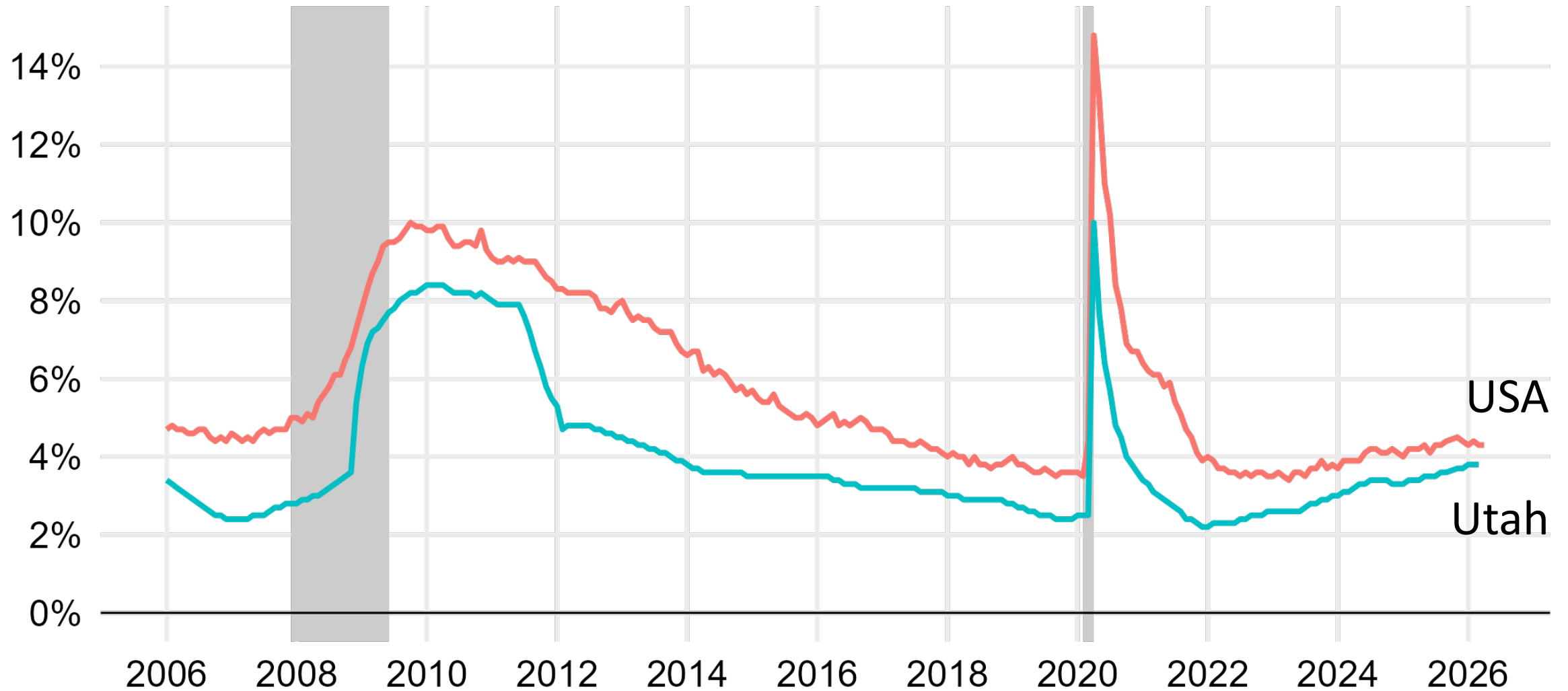
Source: Bureau of Labor Statistics

# Inflation vs. Earnings



Source: Bureau of Labor Statistics

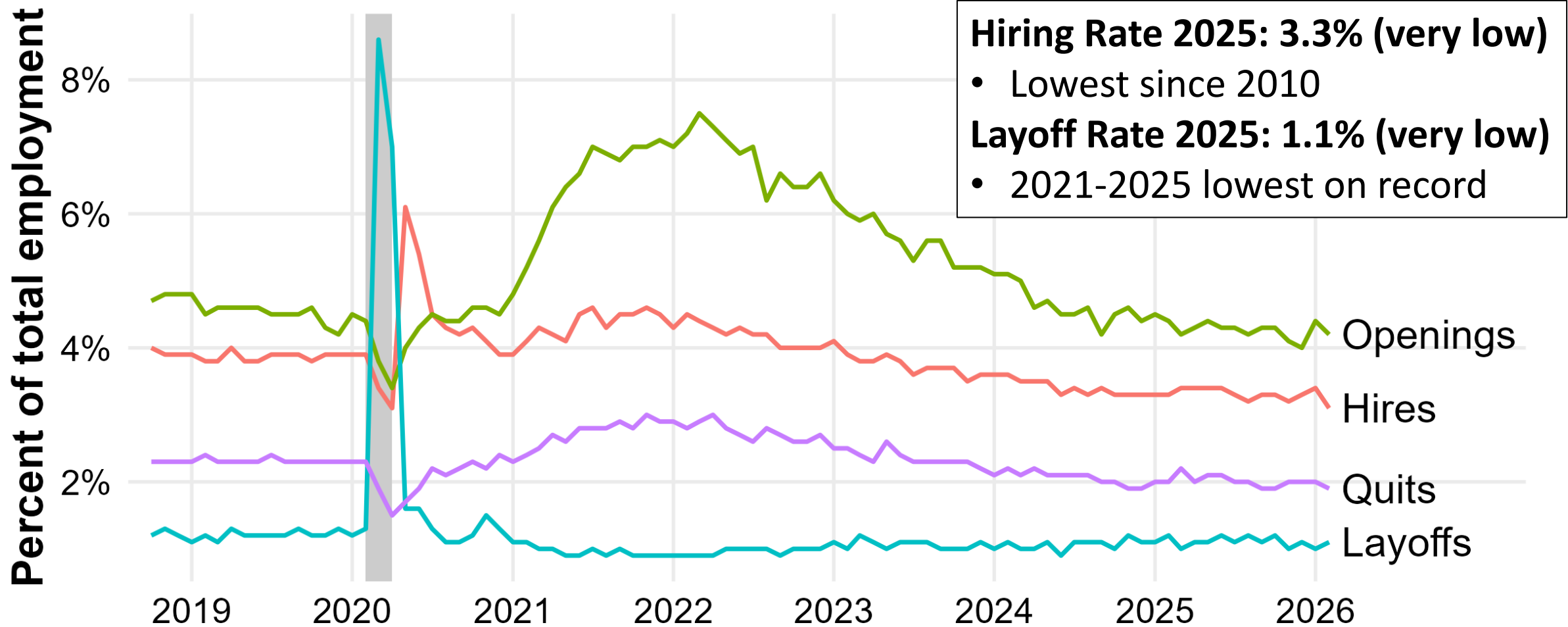
# Seasonally Adjusted Unemployment Rates



Source: Bureau of Labor Statistics

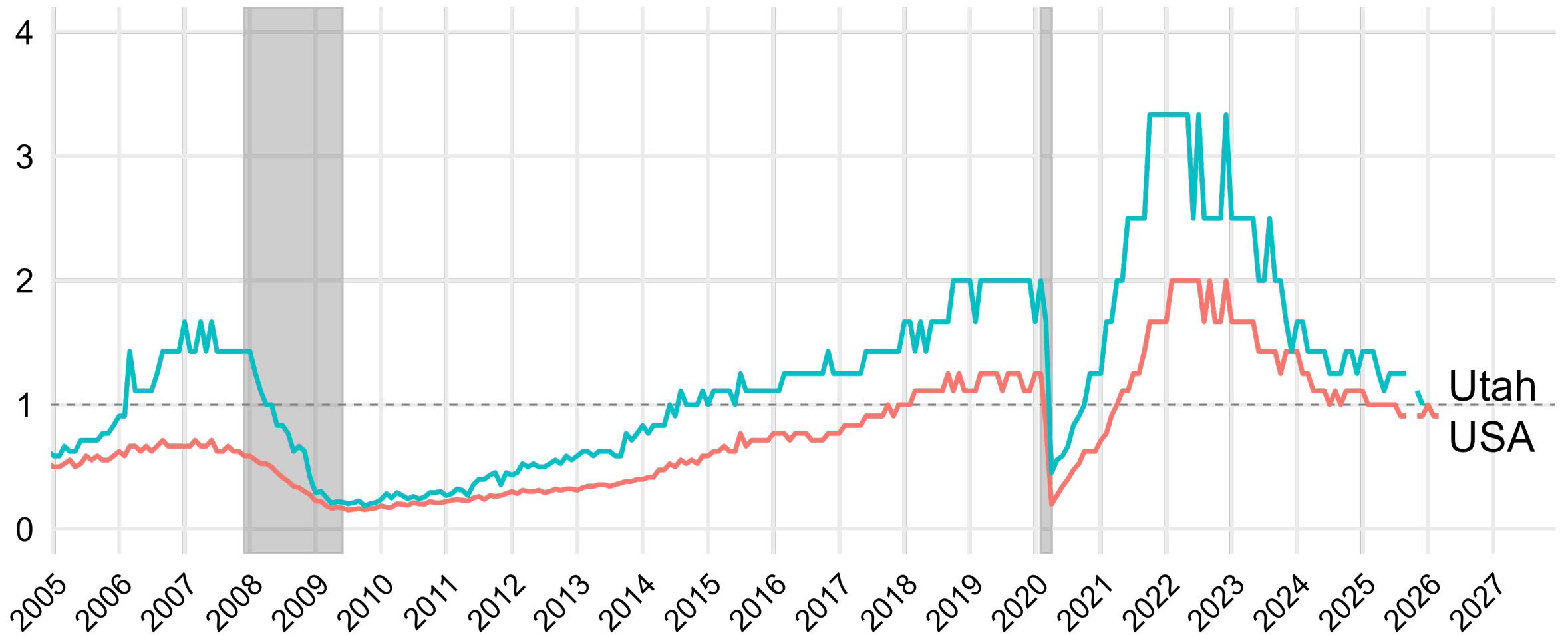


# U.S. Labor Market Continues to Cool



Source: Bureau of Labor Statistics, US JOLTS (seasonally adjusted)

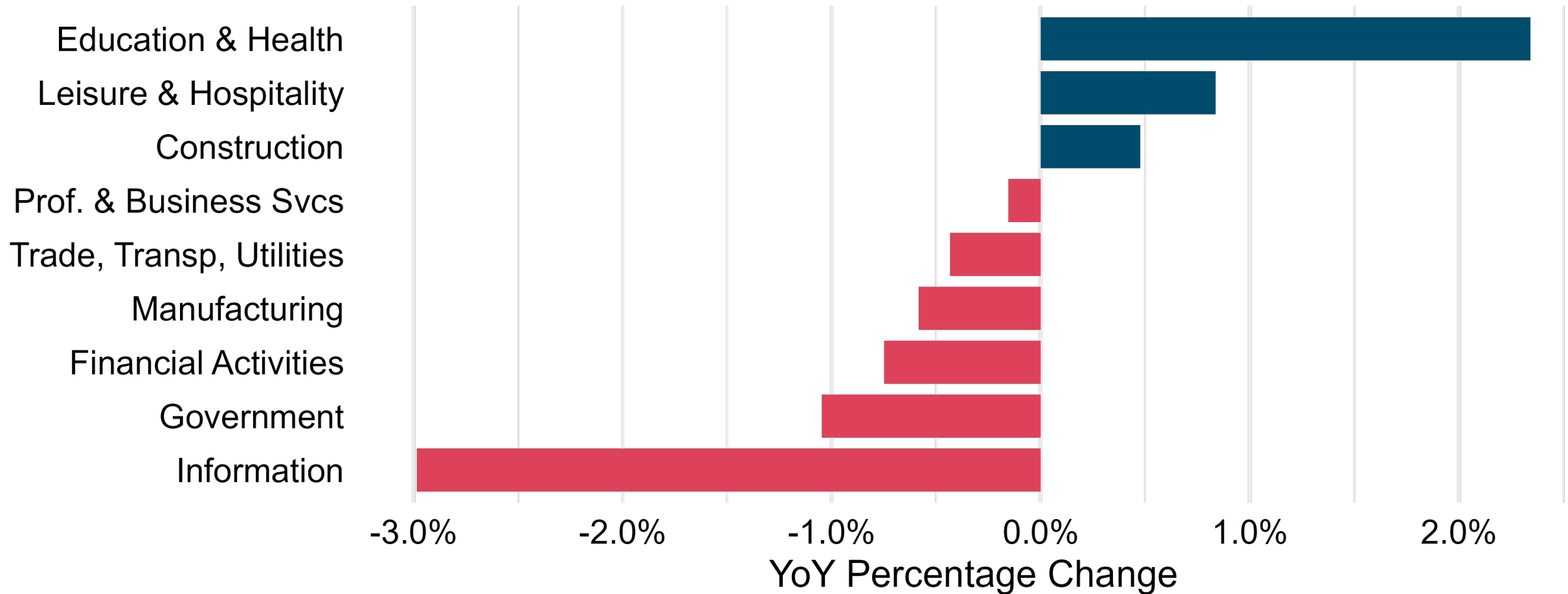
# Job openings per unemployed worker



Source: Bureau of Labor Statistics

# Employment Growth by Supersector (Year-over-Year)

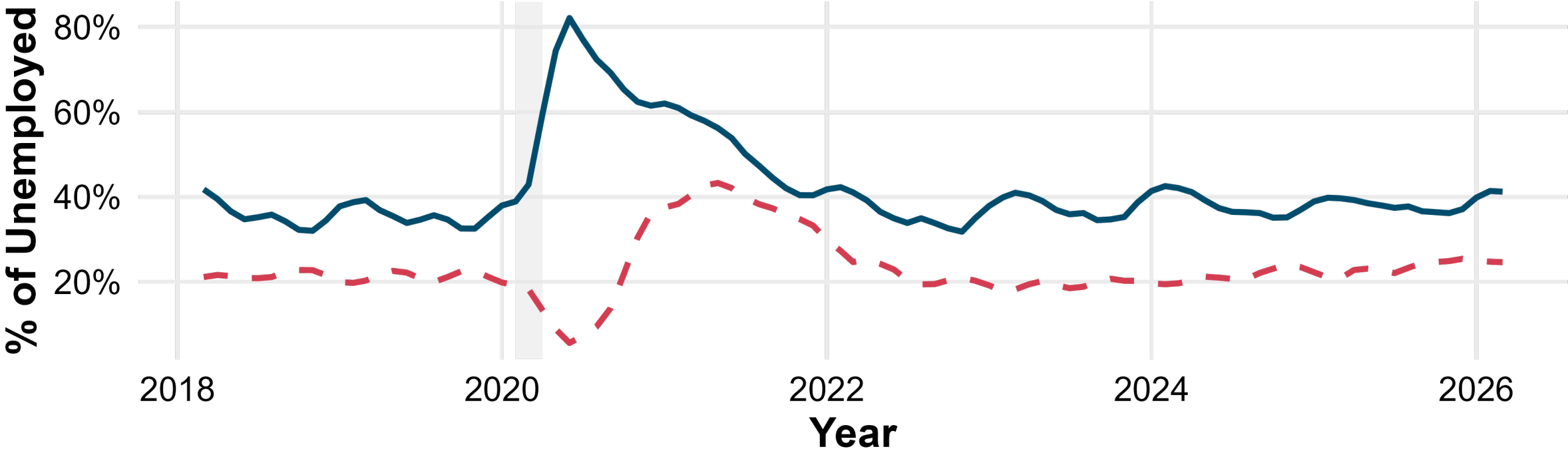
3-Month Smoothed Trends | Data through April 2026



Source: Bureau of Labor Statistics

# UI System Pressure: Eligibility vs. Exhaustion

3-Month Smoothed Share of National Unemployed Population

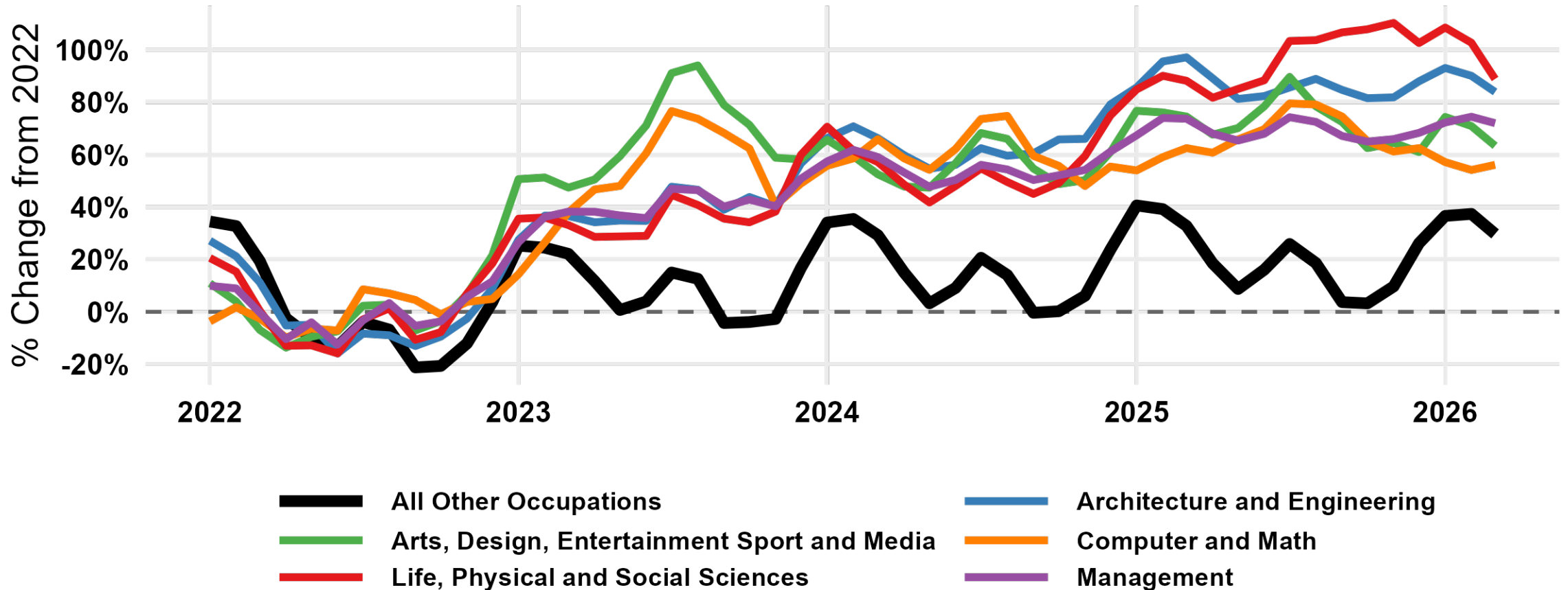


— Exhaustion Risk (27+ Weeks) — Job Losers (Potentially Eligible)

IPUMS CPS, University of Minnesota, [www.ipums.org](http://www.ipums.org)

# Relative Surge in Professional Claims (Occupations)

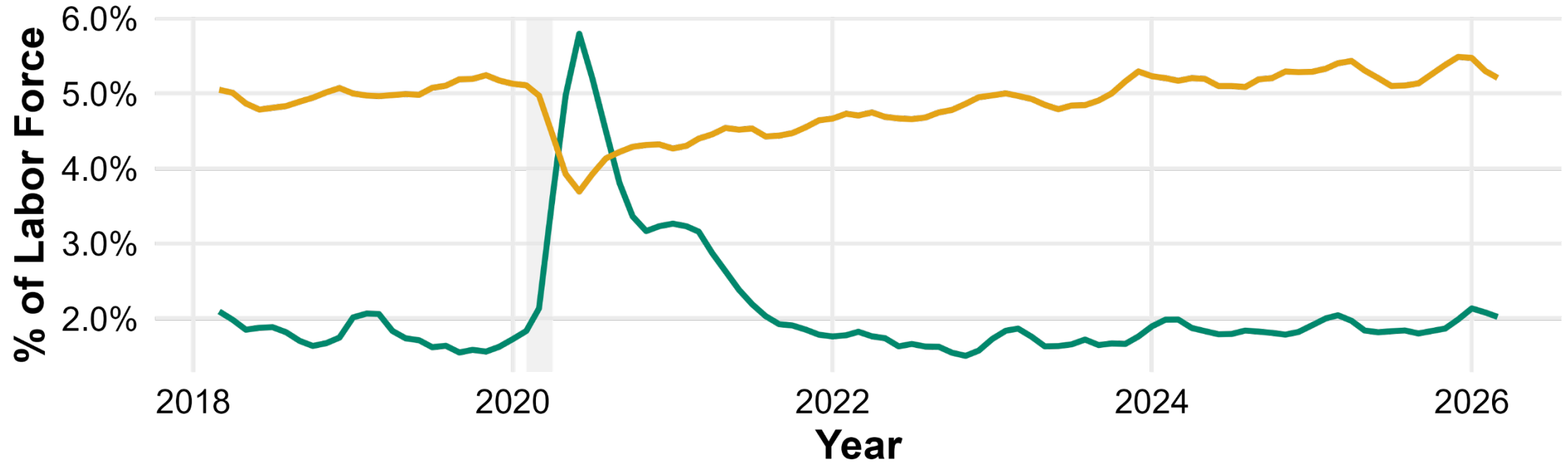
Growth Indexed to Full-Year 2022 Average



Source: US Department of Labor, ETA Form 203

# Safety Net Gaps in the Labor Force

3-Month Smoothed Share of the U.S. Labor Force

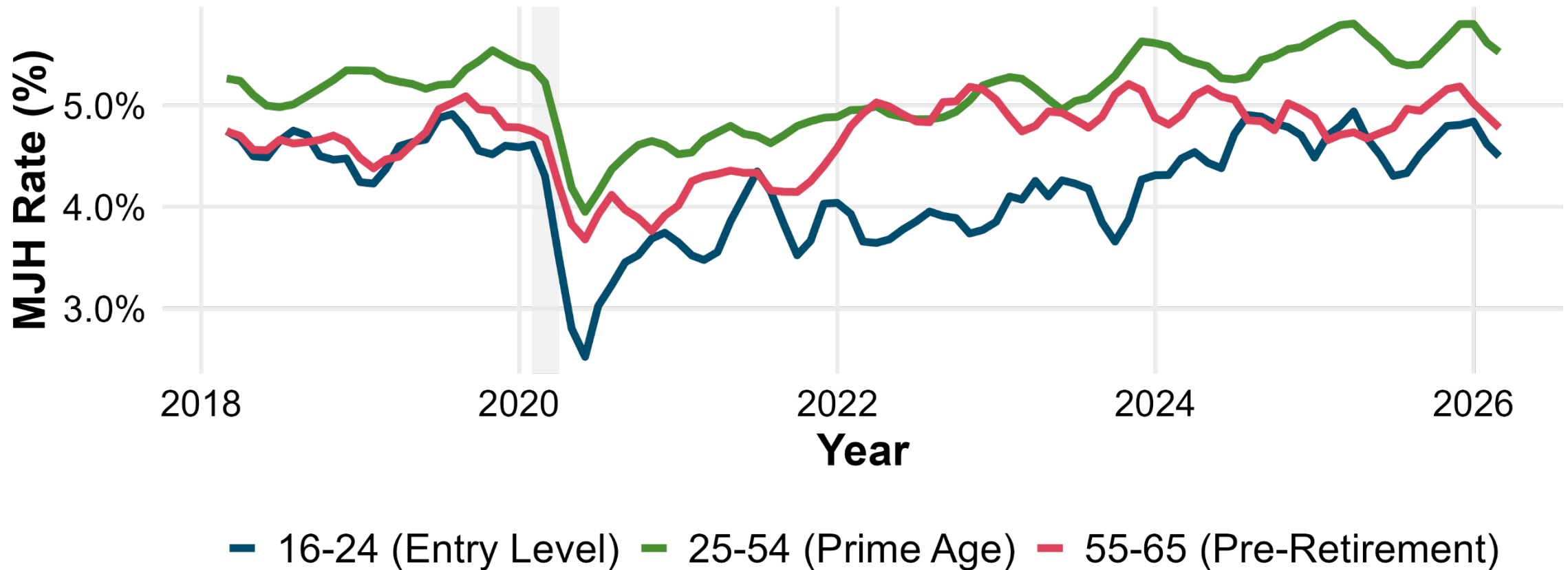


— Involuntary Part-Time Rate — Multiple Job Holding Rate

IPUMS CPS, University of Minnesota, [www.ipums.org](http://www.ipums.org)

# Multiple Job Holding Rate by Age Group

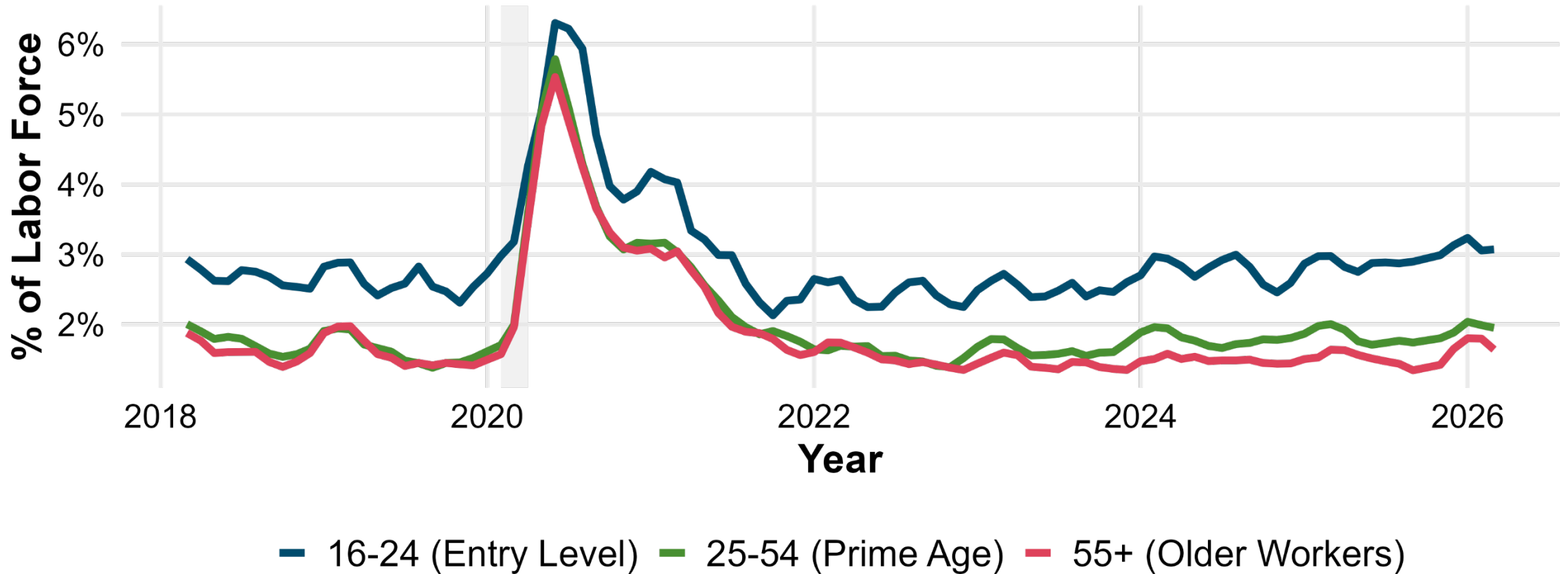
3-Month Smoothed: Percentage of Labor Force Holding More Than One Job



Source: IPUMS CPS, University of Minnesota, [www.ipums.org](http://www.ipums.org)

# Involuntary Part-Time Rate by Age Group

3-Month Smoothed: Share of Labor Force Working PT for Economic Reasons



IPUMS CPS, University of Minnesota, [www.ipums.org](http://www.ipums.org)

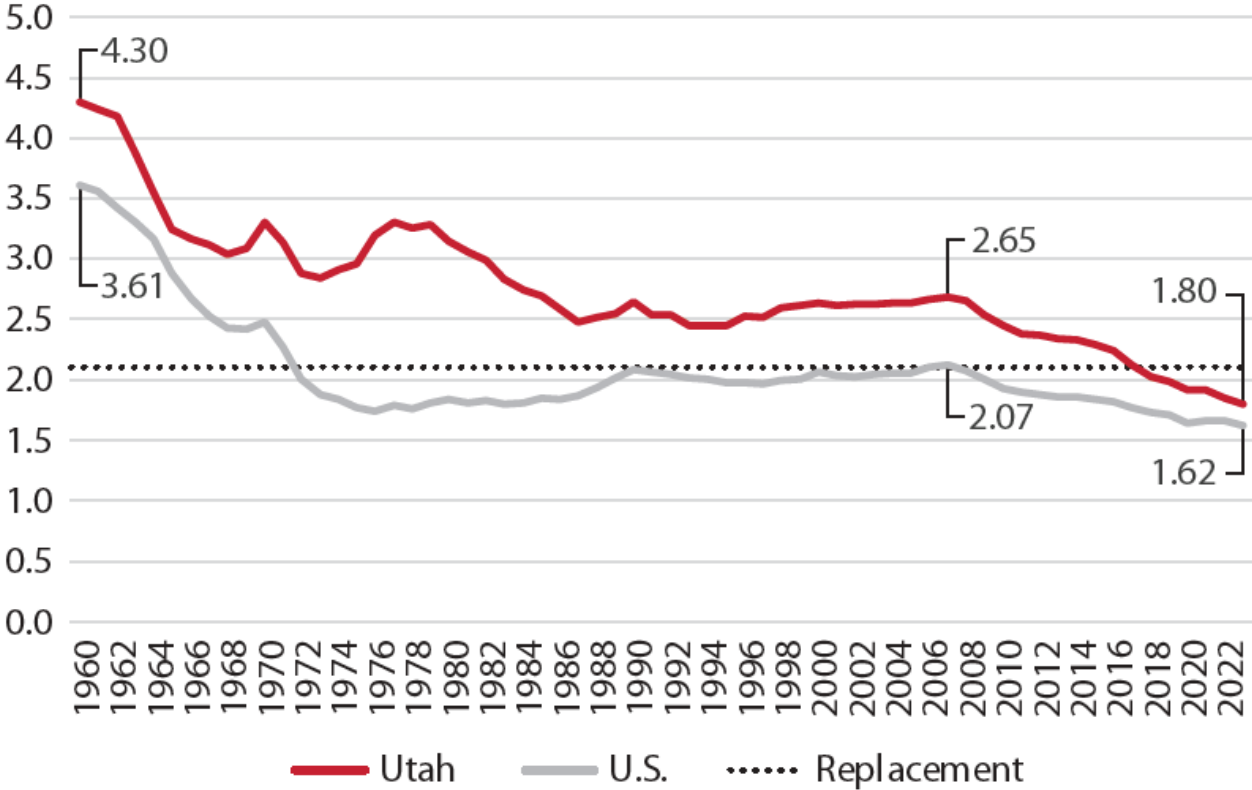


Photograph by Wyoming Department of Health

# Demographic Shifts

- **Aging Population**
- **Low Fertility**
- **Sources of Population Growth**

# Total Fertility Rate 1960-2022



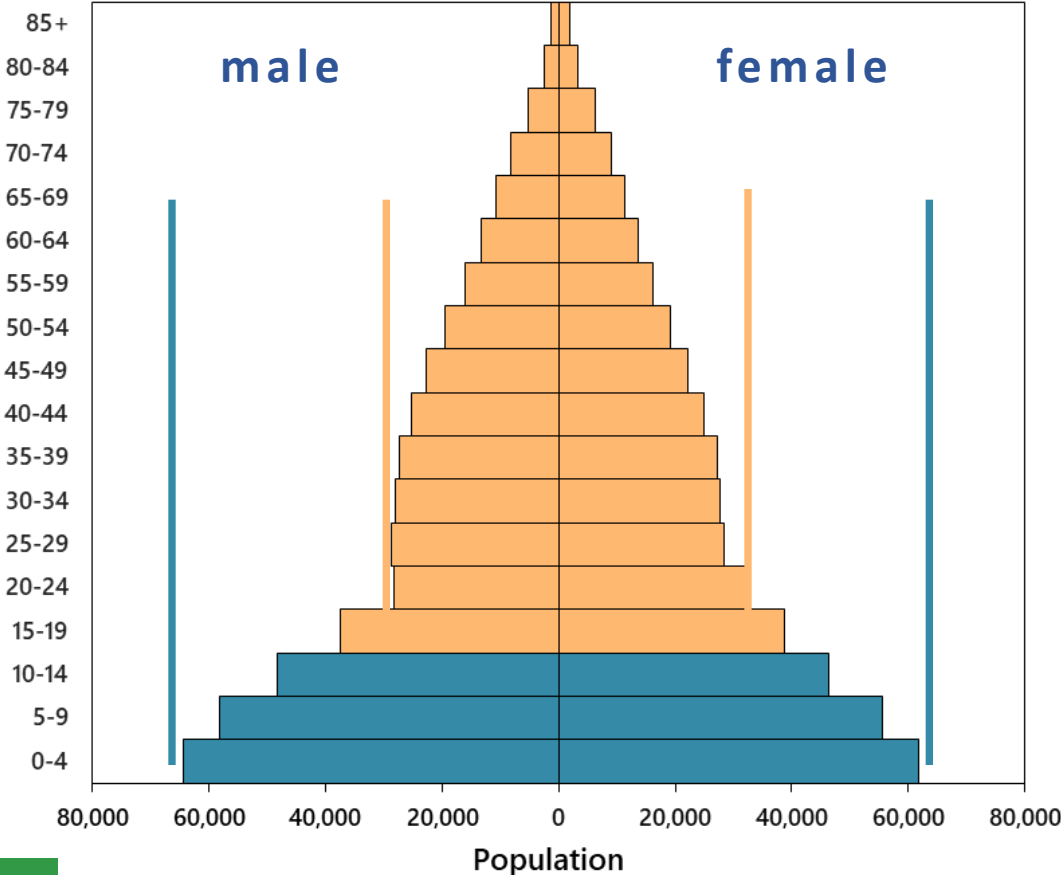
Note: Replacement (TFR of 2.1) is the theoretical fertility level at which the current population is replaced.

Source: National Center for Health Statistics

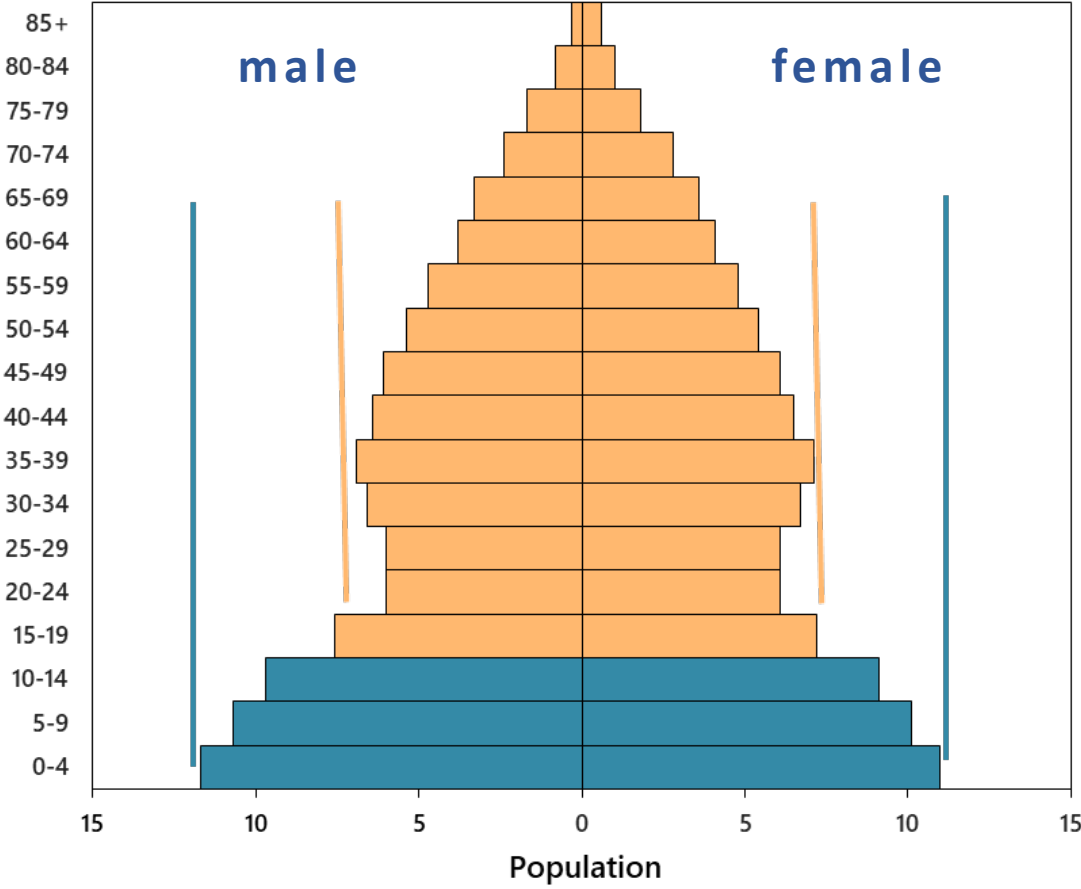
# 1960 Population

## Utah

## U.S.



Baby Boom Generation



Baby Boom Generation

9%  
65+

31%  
0-14

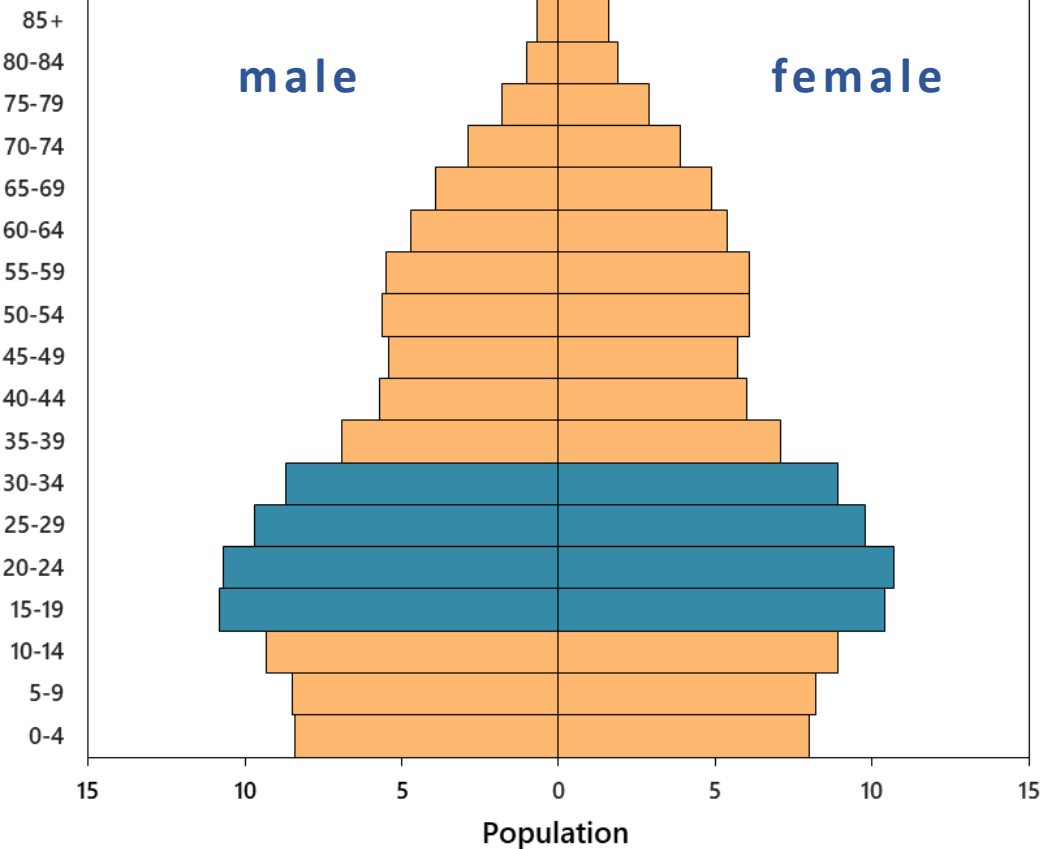
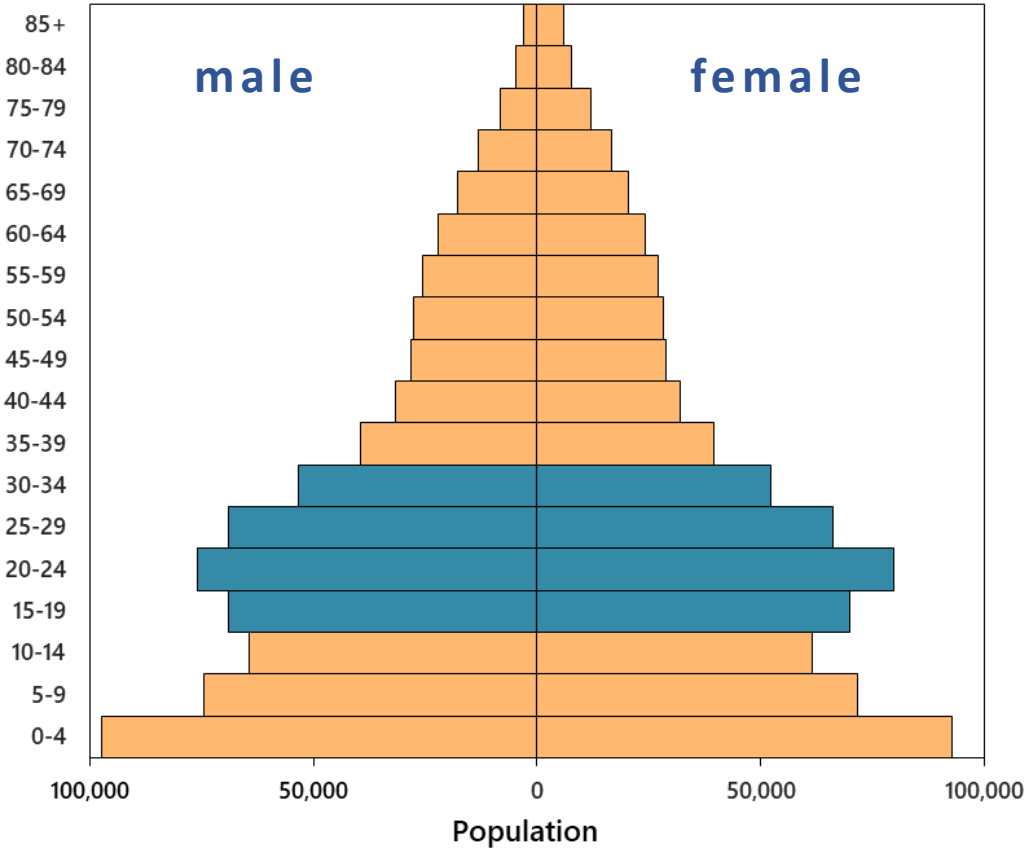



Source: United States Census Bureau


# 1980 Population

## Utah

## U.S.



 Baby Boom Generation

 Baby Boom Generation

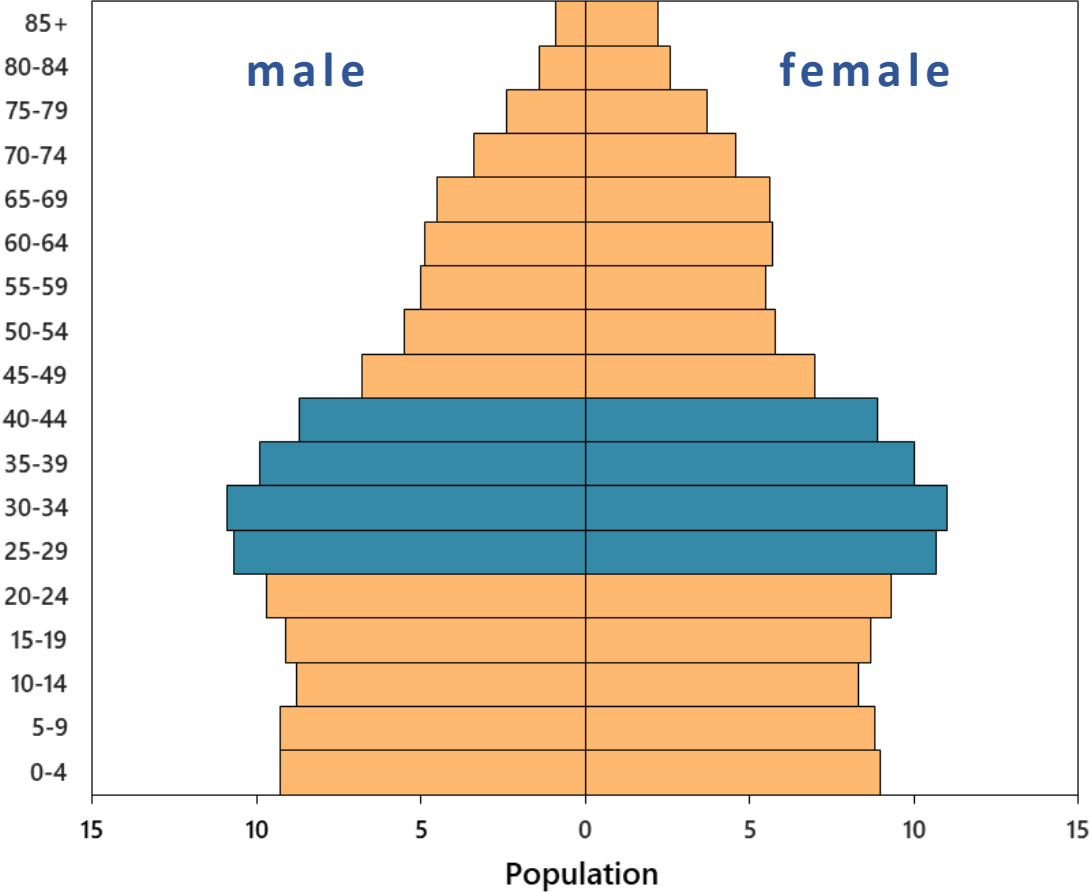
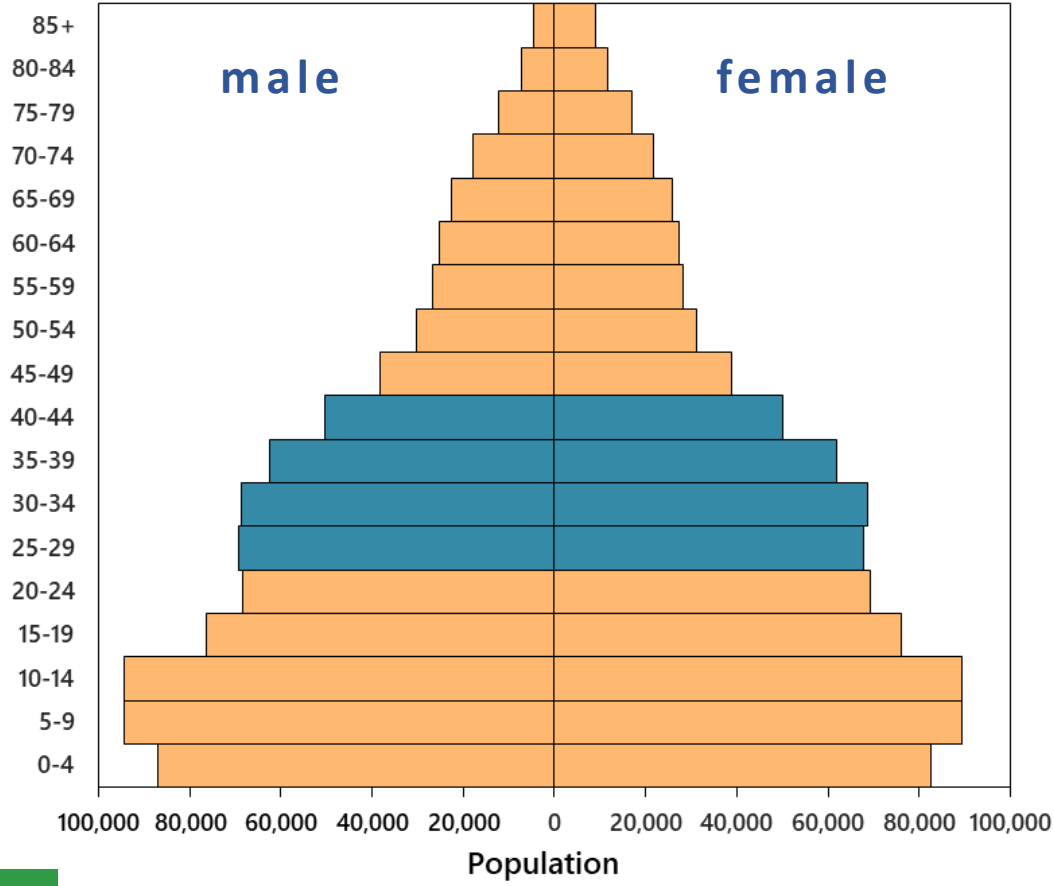


Source: United States Census Bureau

# 1990 Population

## Utah

## U.S.



■ Baby Boom Generation

■ Baby Boom Generation

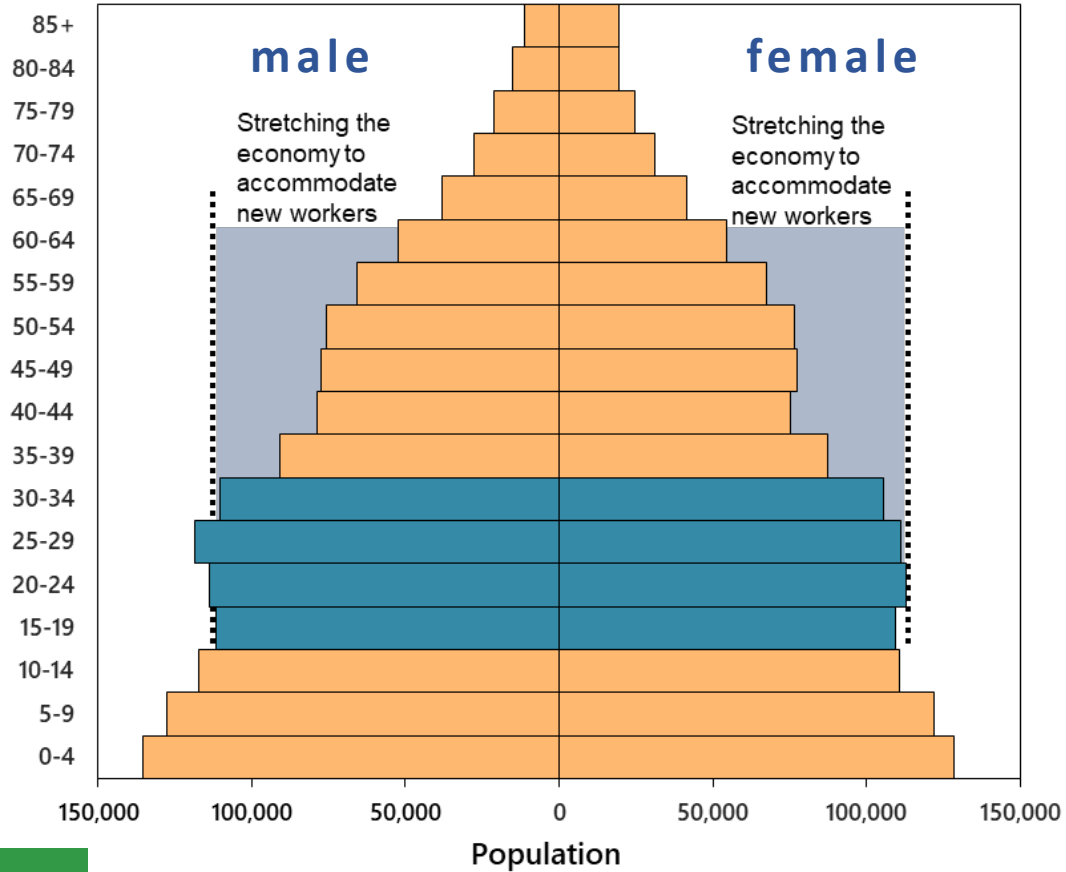


Source: United States Census Bureau

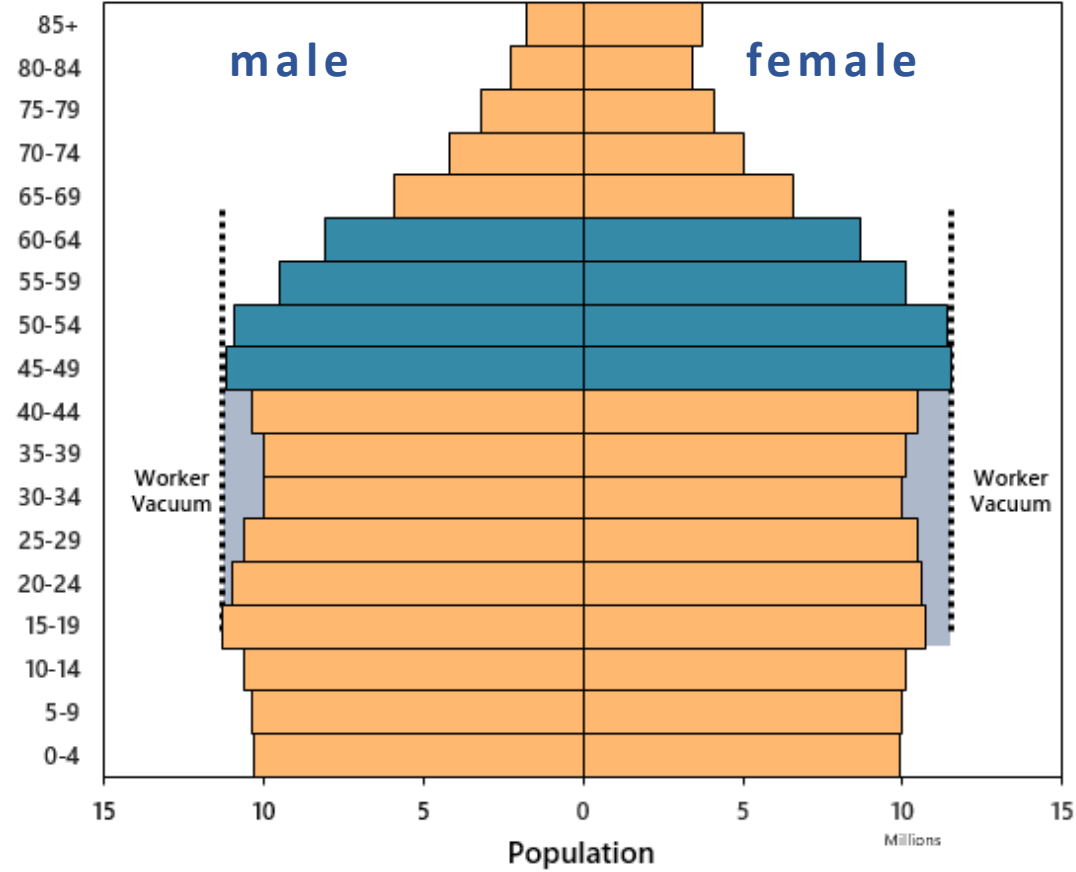
# 2010 Population

## Utah

## U.S.



■ Labor Force Dominance

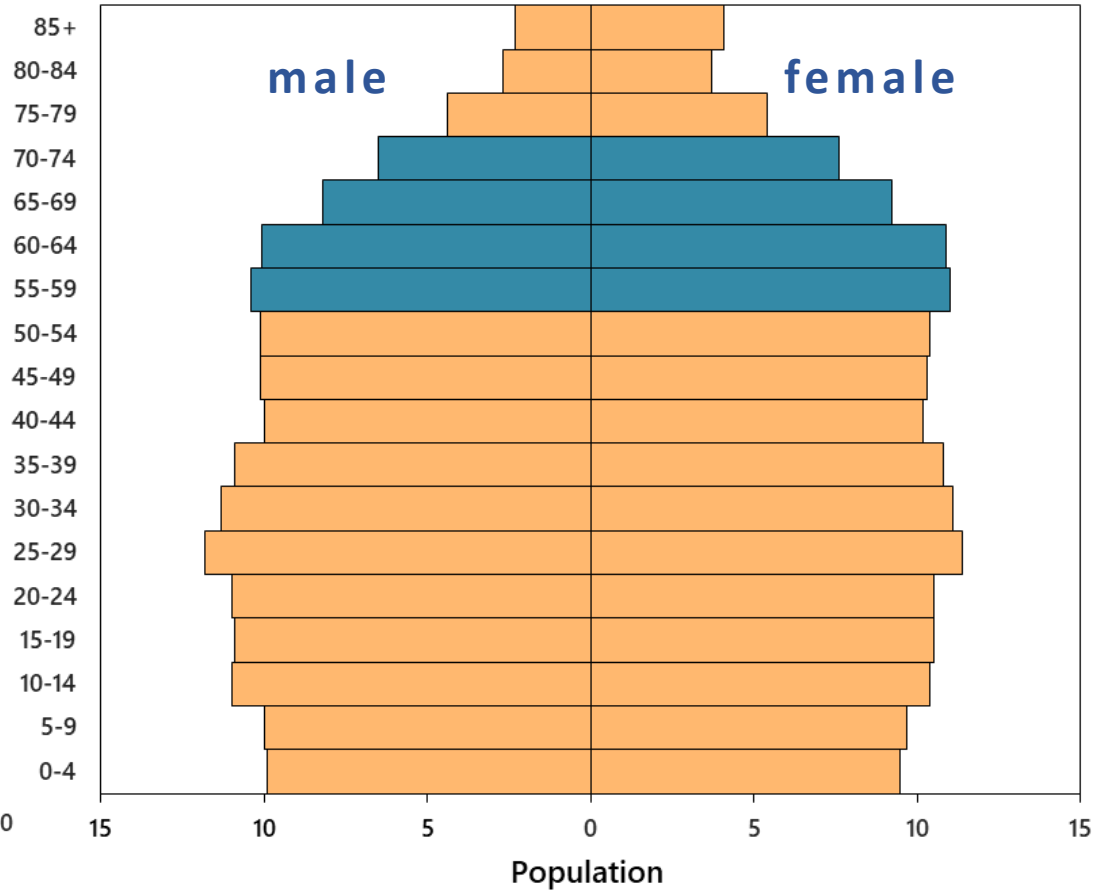
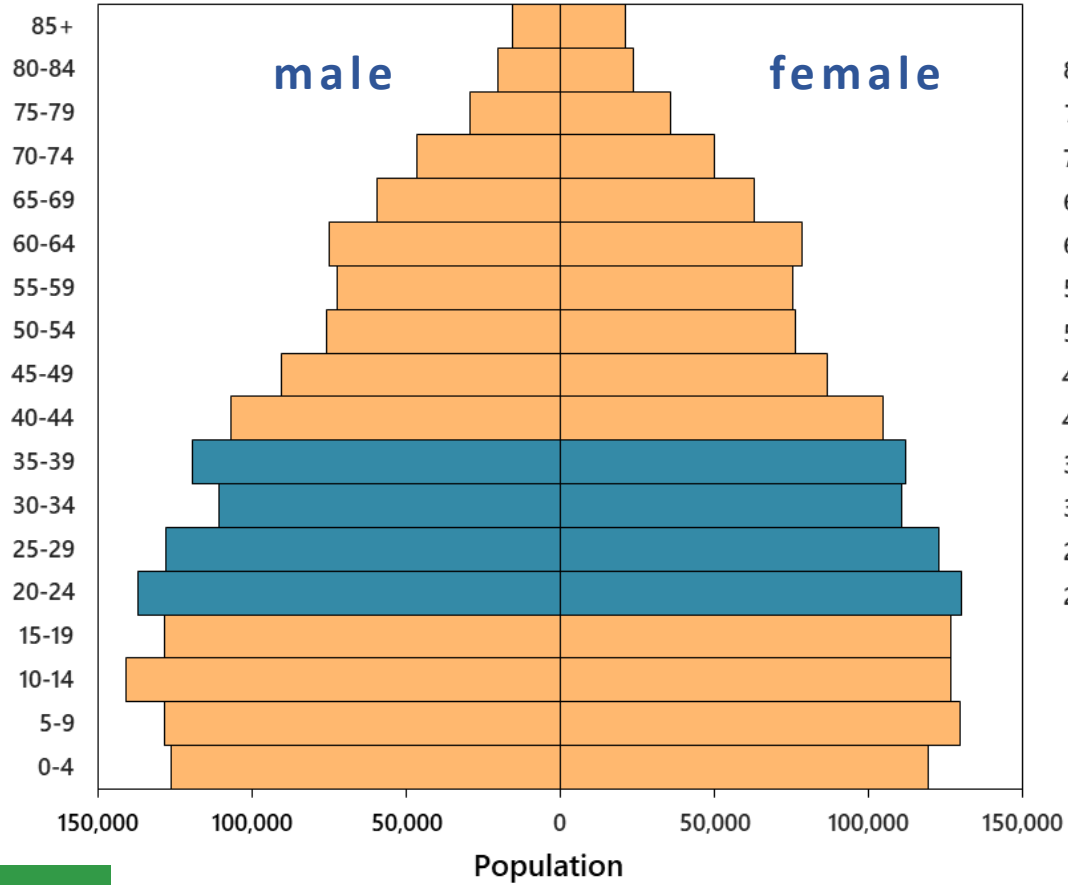


■ Baby Boom Generation

# 2020 Population

## Utah

## U.S.



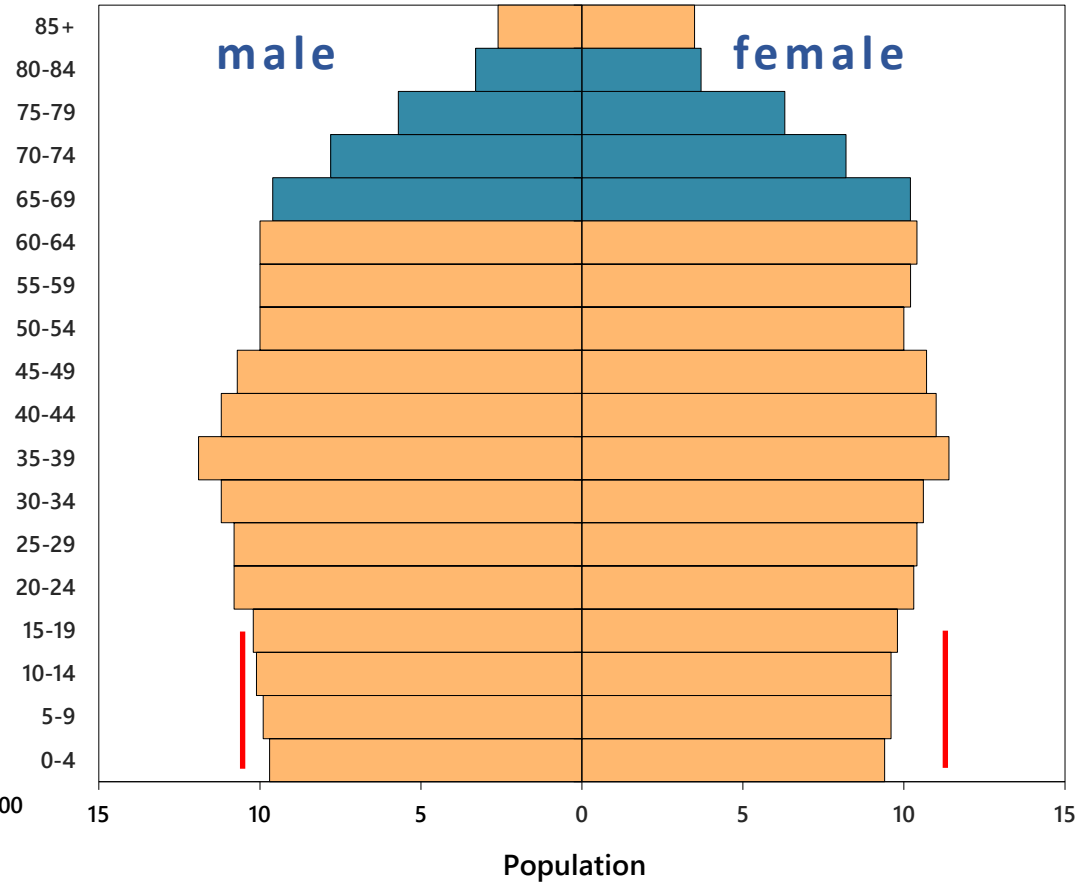
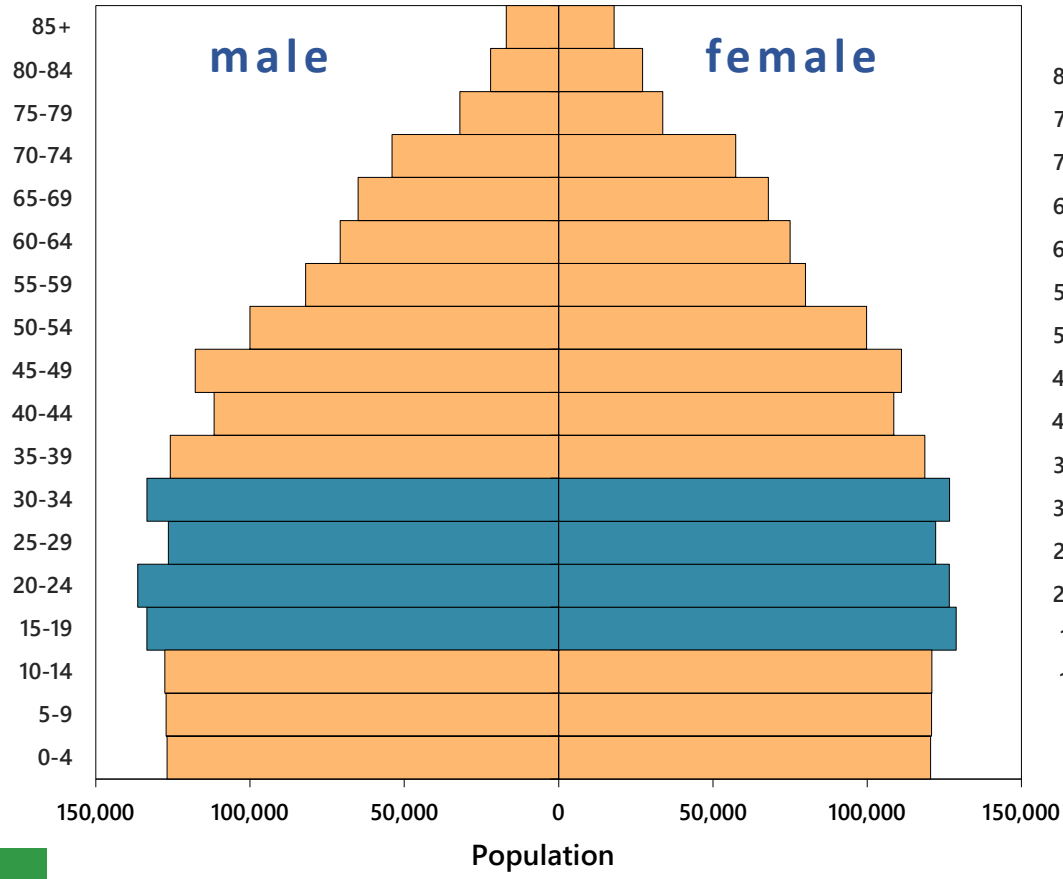
■ Labor Force Dominance

■ Baby Boom Generation

# Projected 2030 Population

## Utah

## U.S.



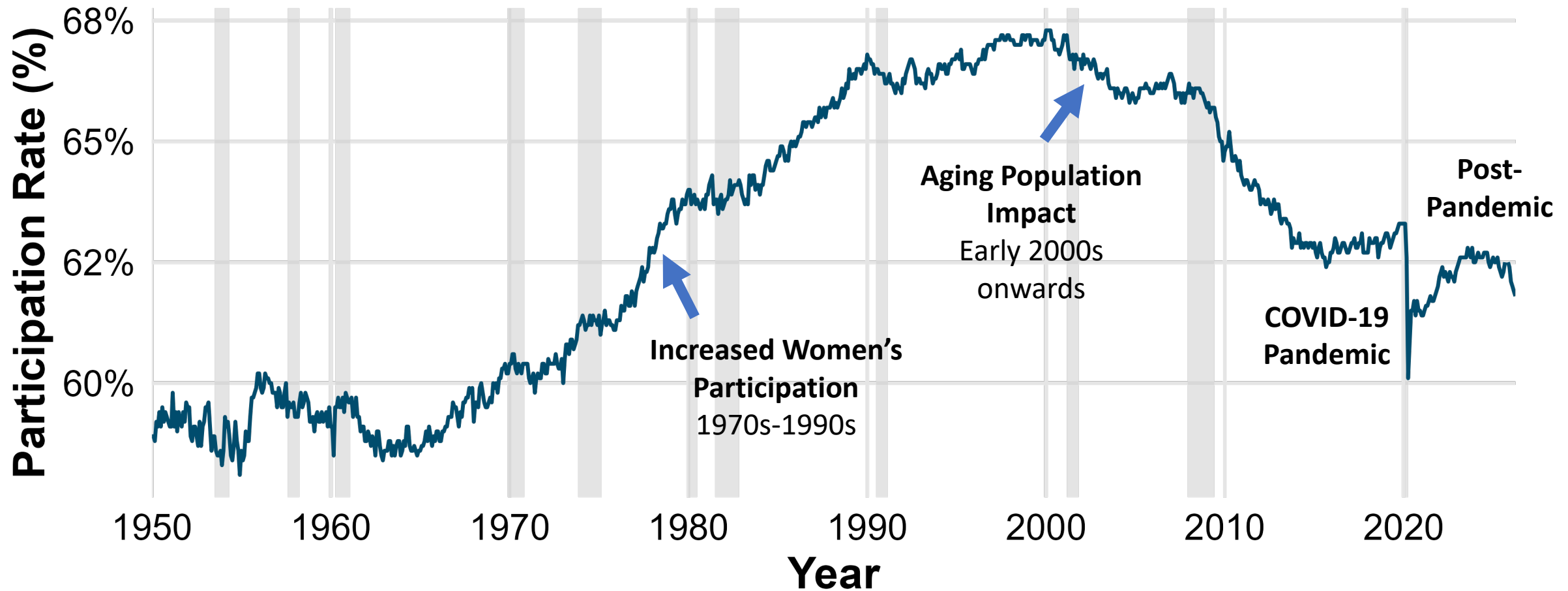
■ Labor Force Dominance

■ Baby Boom Generation



Source: United States Census Bureau

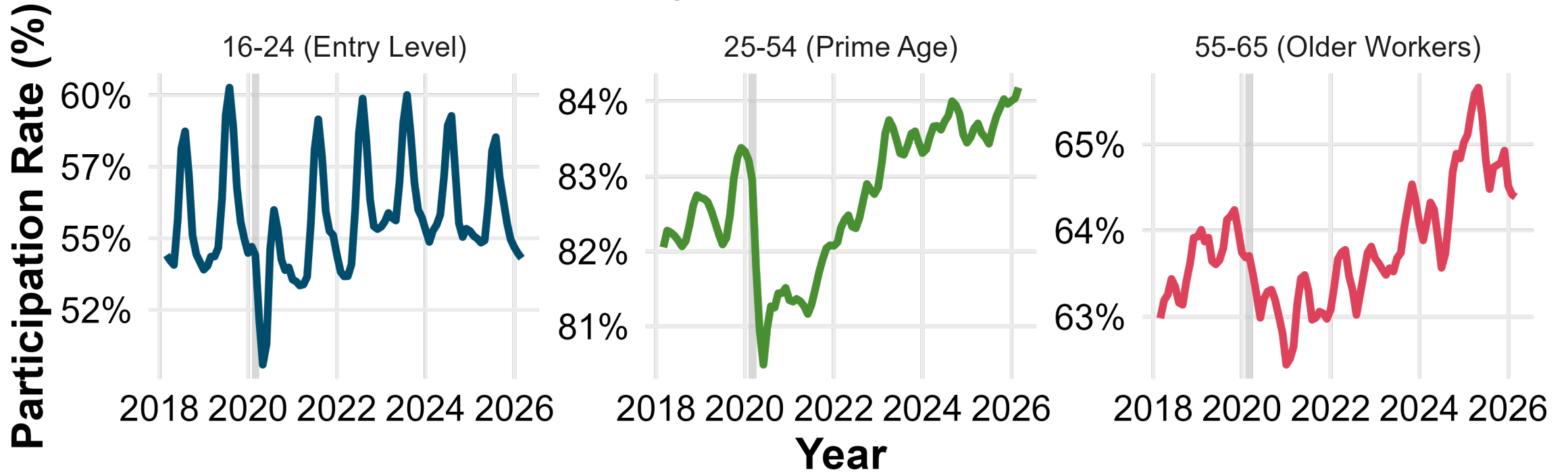
# U.S. Labor Force Participation Rate (1950-2026)



Source: Bureau of Labor Statistics

# Labor Force Participation Rate by Age Group

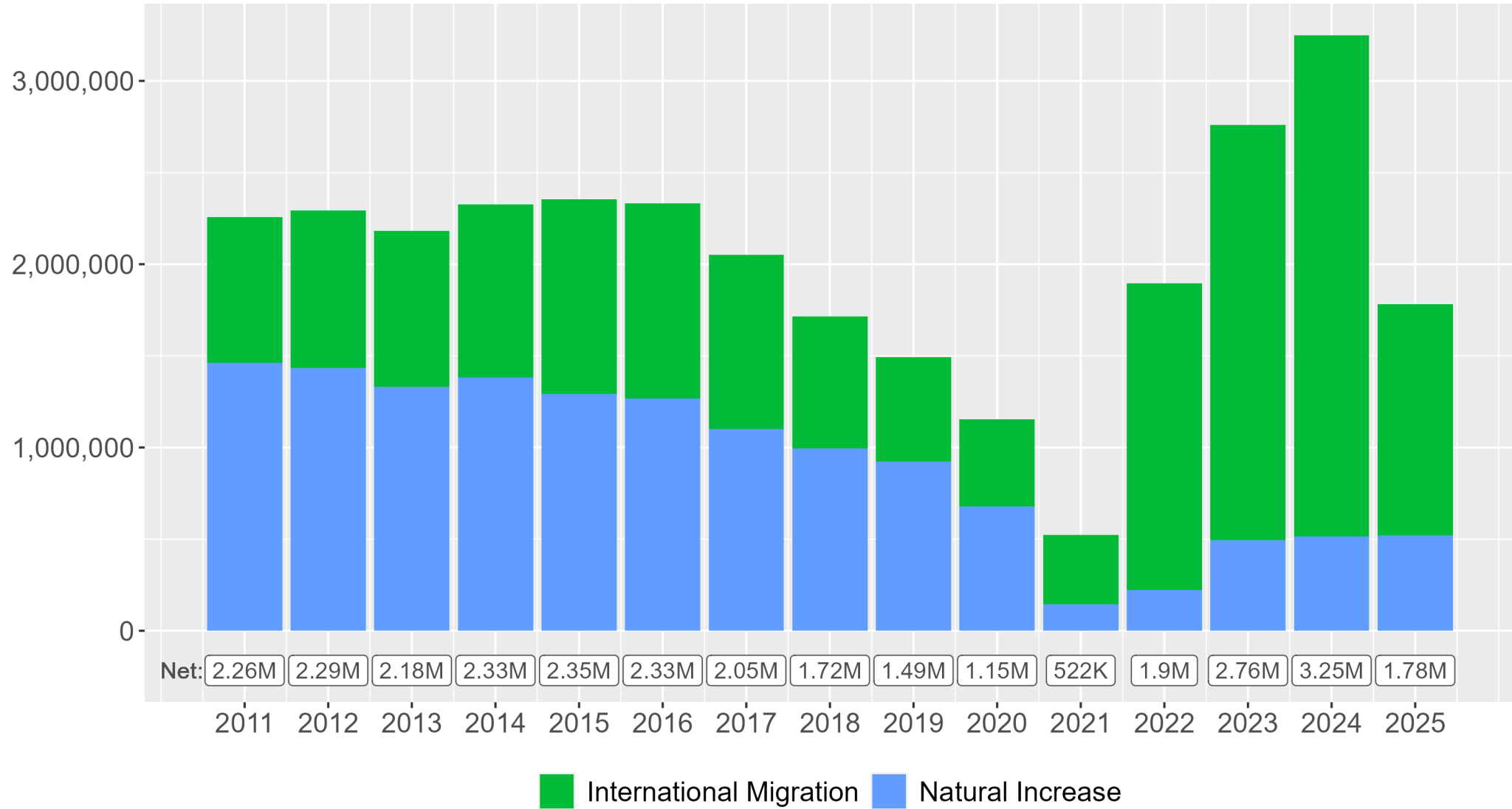
3-Month Smoothed: Percentage of Population Active in the Labor Market



— 16-24 (Entry Level) — 25-54 (Prime Age) — 55-65 (Older Workers)

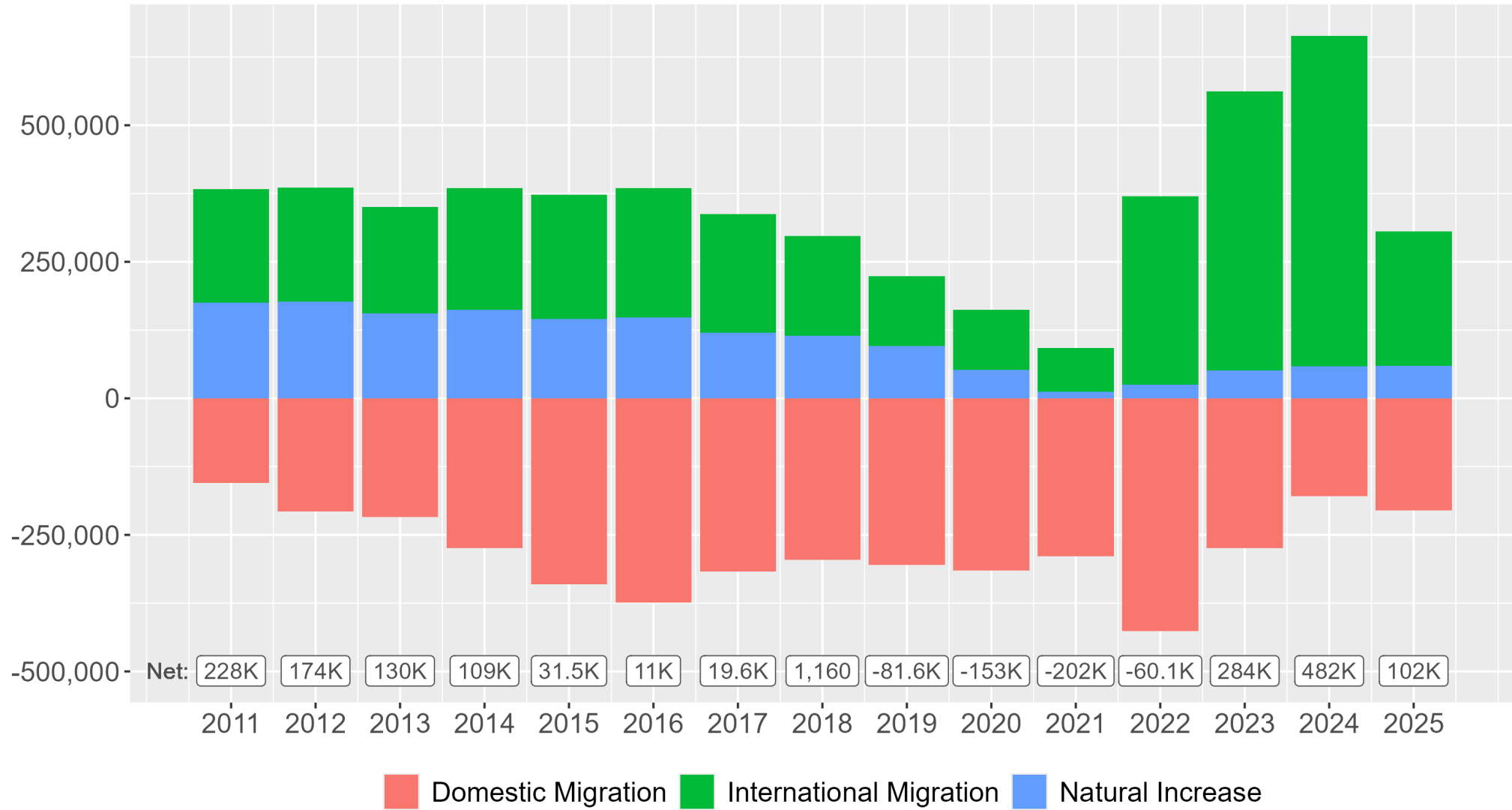
IPUMS CPS, University of Minnesota, [www.ipums.org](http://www.ipums.org)

# United States: Components of Population Change



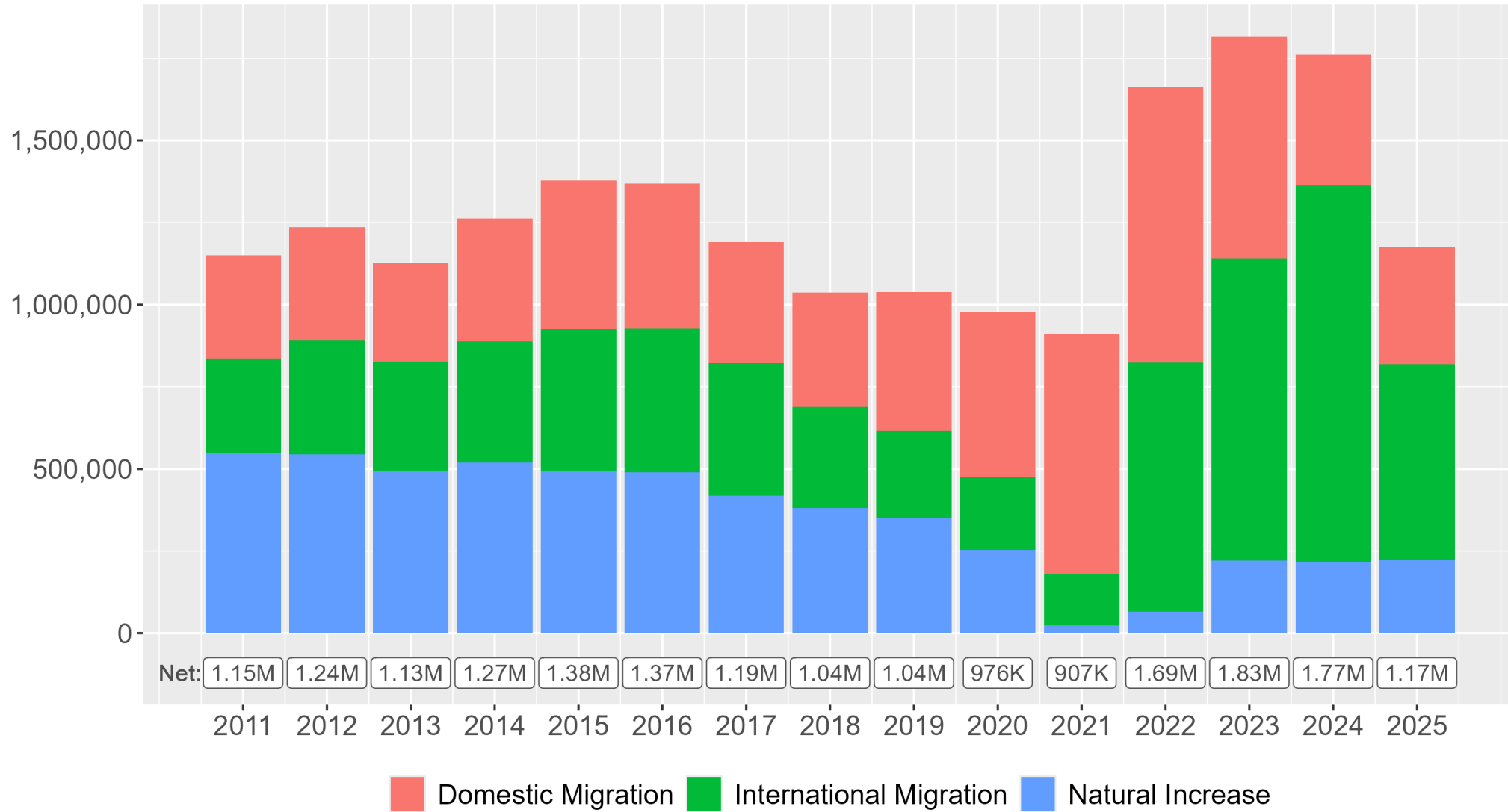
Source: U.S. Census Bureau

# Northeast Region: Components of Population Change



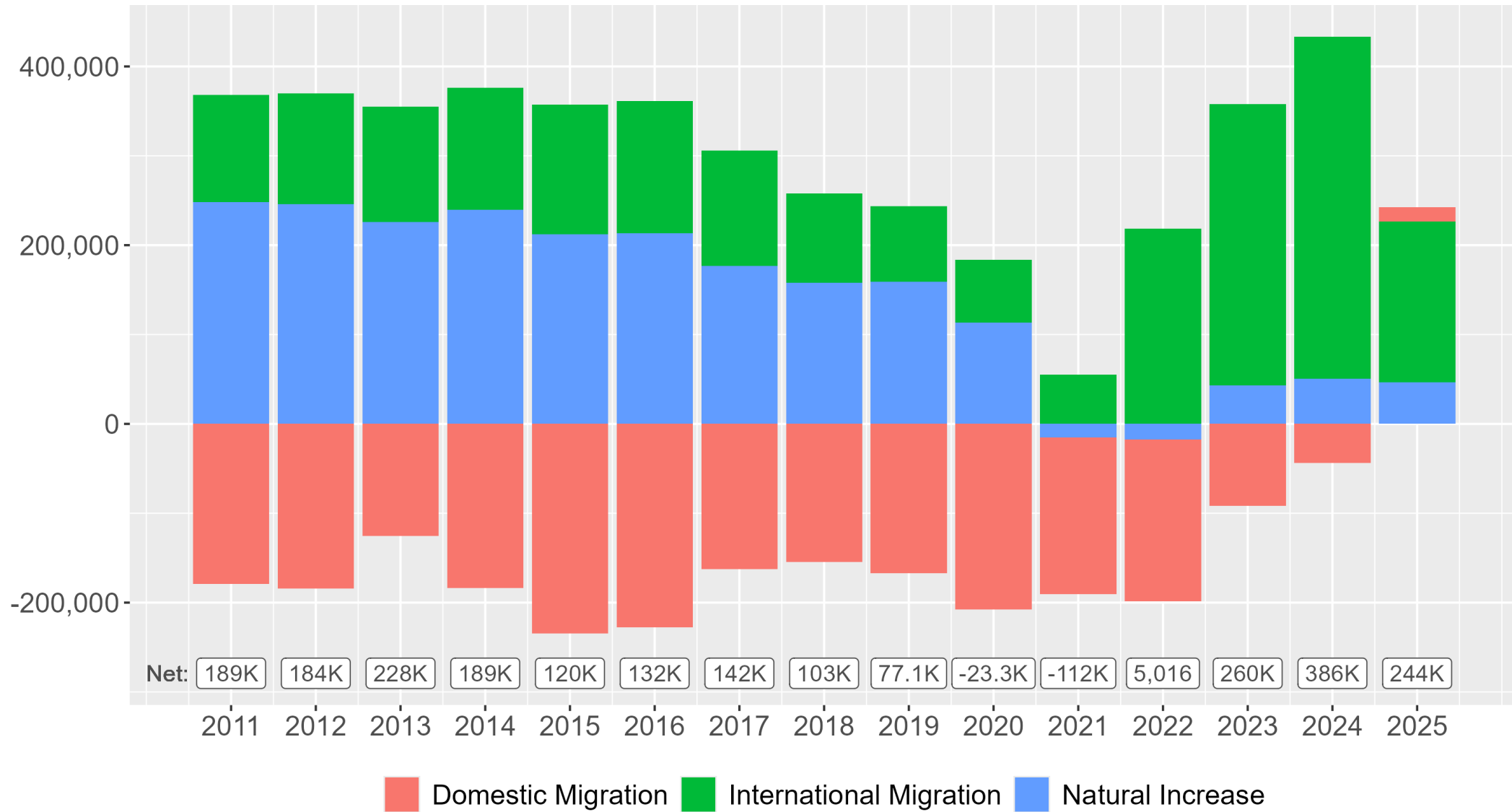
Source: U.S. Census Bureau

## South Region: Components of Population Change



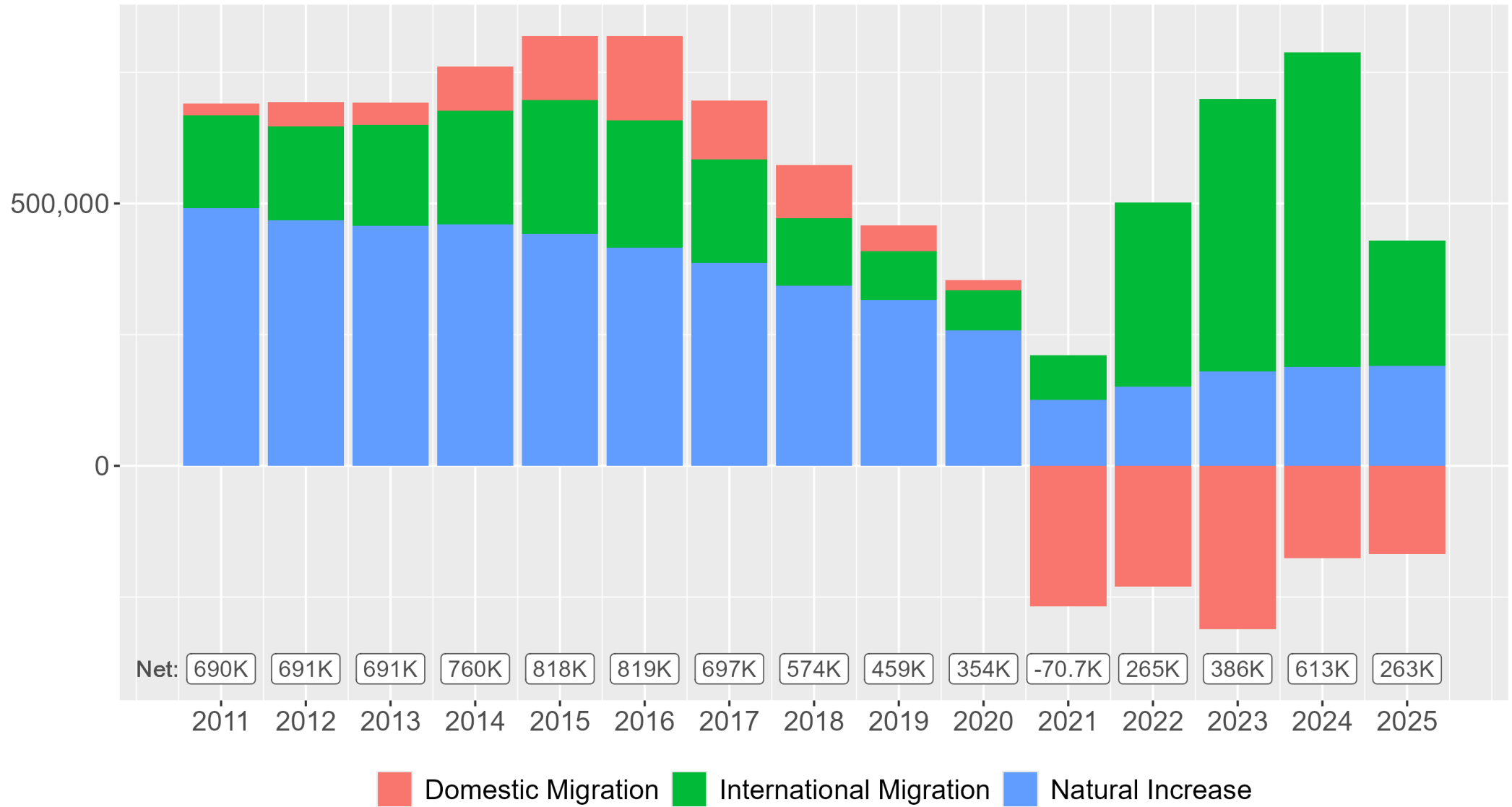
Source: U.S. Census Bureau

# Midwest Region: Components of Population Change



Source: U.S. Census Bureau

# West Region: Components of Population Change



Source: U.S. Census Bureau



# AI and the Workplace

- AI Impact on Job Postings
- “At Risk” Jobs
- Technology’s Impact on the Labor Force

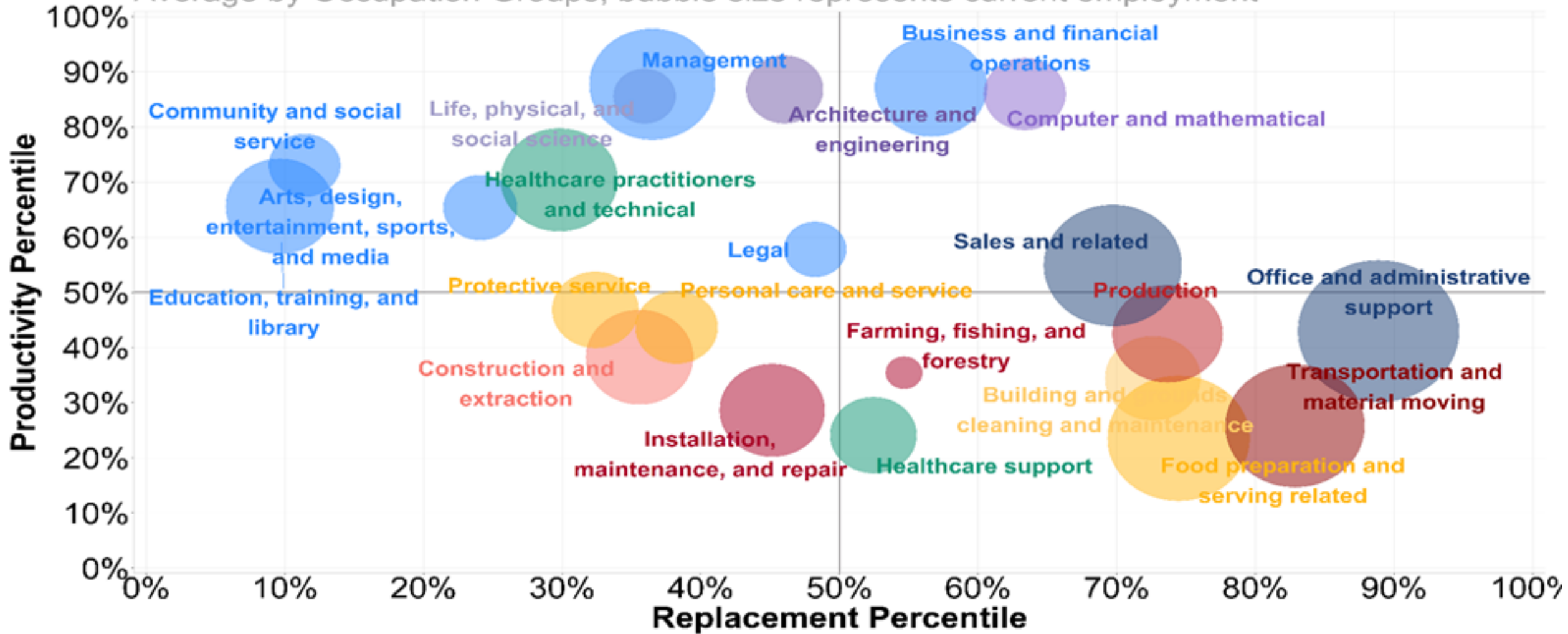
# THE IMPACT OF AI & AUTOMATION

- The percentage of businesses using AI is growing
- AI skills are increasingly in demand across industries
- Businesses and researchers expect AI to reshape occupations rather than eliminate them outright, although this depends on the occupation.



# AI & Automation Risk Index - Aggregated Groups

Average by Occupation Groups, bubble size represents current employment

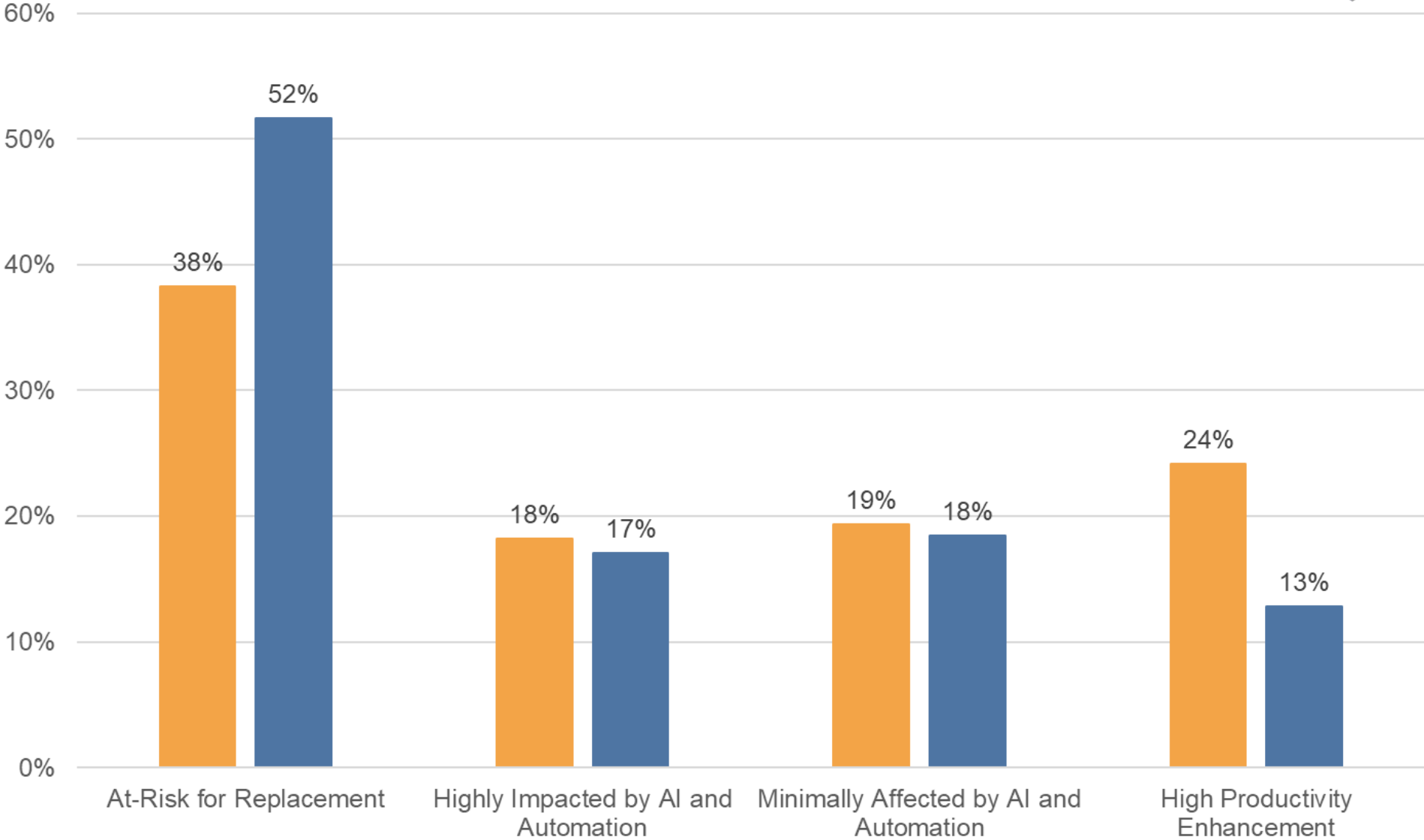


Source: AI & Automation Risk Index from The Conference Board.



# Impact of AI & Automation, State and National

Share of 2024 Employment



Source: BLS, Occupational Employment and Wage Statistics (OEWS); Conference Board AI and Automation Index

# Unemployment Rates for Recent College Graduates versus Other Groups



Source: U.S. Census Bureau and U.S. Bureau of Labor Statistics, Current Population Survey (IPUMS), NY Fed

# ATM's and Tellers/Bankers

## “The Rise of Robots”

### Tellers vs. ATM Installations (1990s–Today)

- **ATM Explosion:** ~400,000 ATMs installed; assumed to eliminate tellers—but teller jobs rose.
- **Branch Strategy Shift:** ATMs cut average tellers/branch from 21 to 13, making branches cheaper to run. Banks opened more branches, netting more teller positions overall.
- **Evolving Job Role:** Tellers now focus on marketing and customer relations, often requiring higher skills and offering better wages.
- **General Trend:** Similar outcomes seen with scanning tech (cashiers) and e-discovery (paralegals)—tech often reshapes jobs rather than eliminating them.

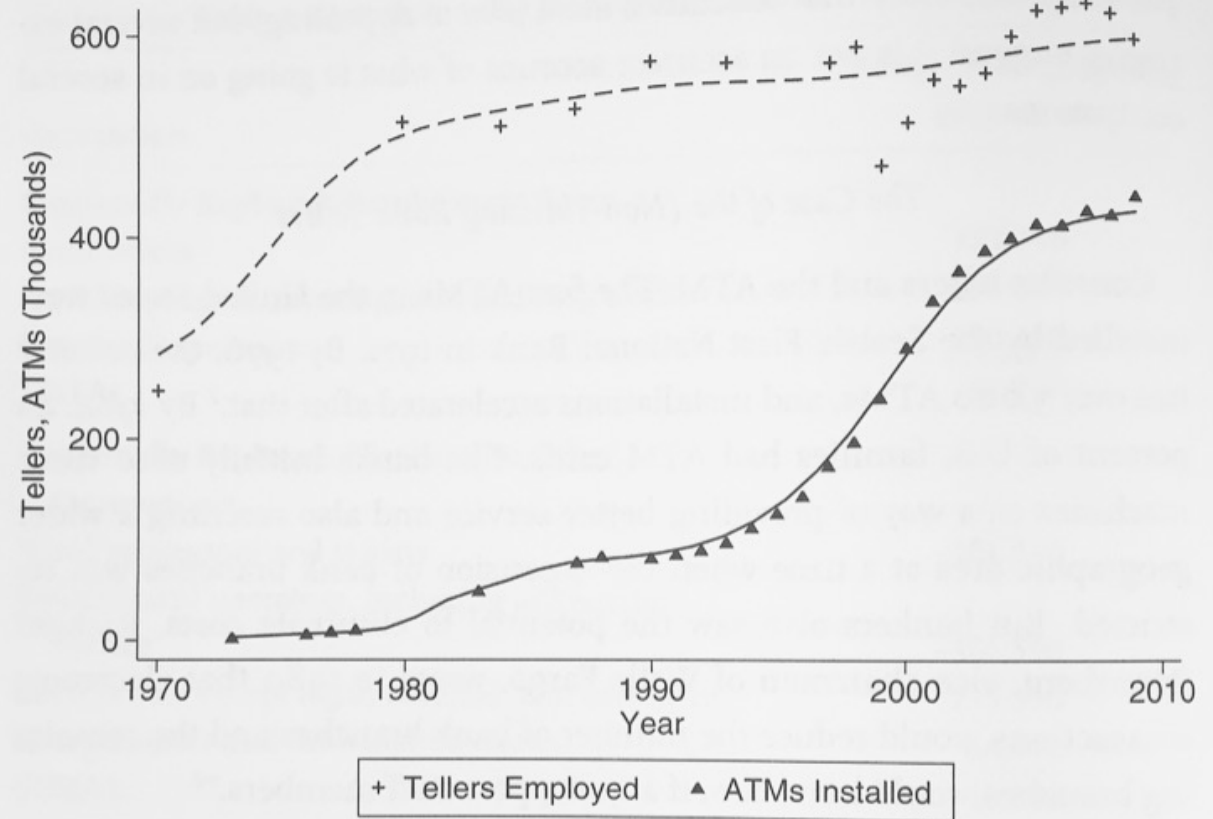


Figure 7.1. Adoption of automated teller machines did not reduce teller jobs. (Ruggles et al., Integrated Public Use Microdata Series: Version 5.0; Bureau of Labor Statistics, Occupational Employment Survey, <http://www.bls.gov/oes/>; Bank for International Settlements, Committee on Payment and Settlement Systems, various publications [see p. 243, note 9]).



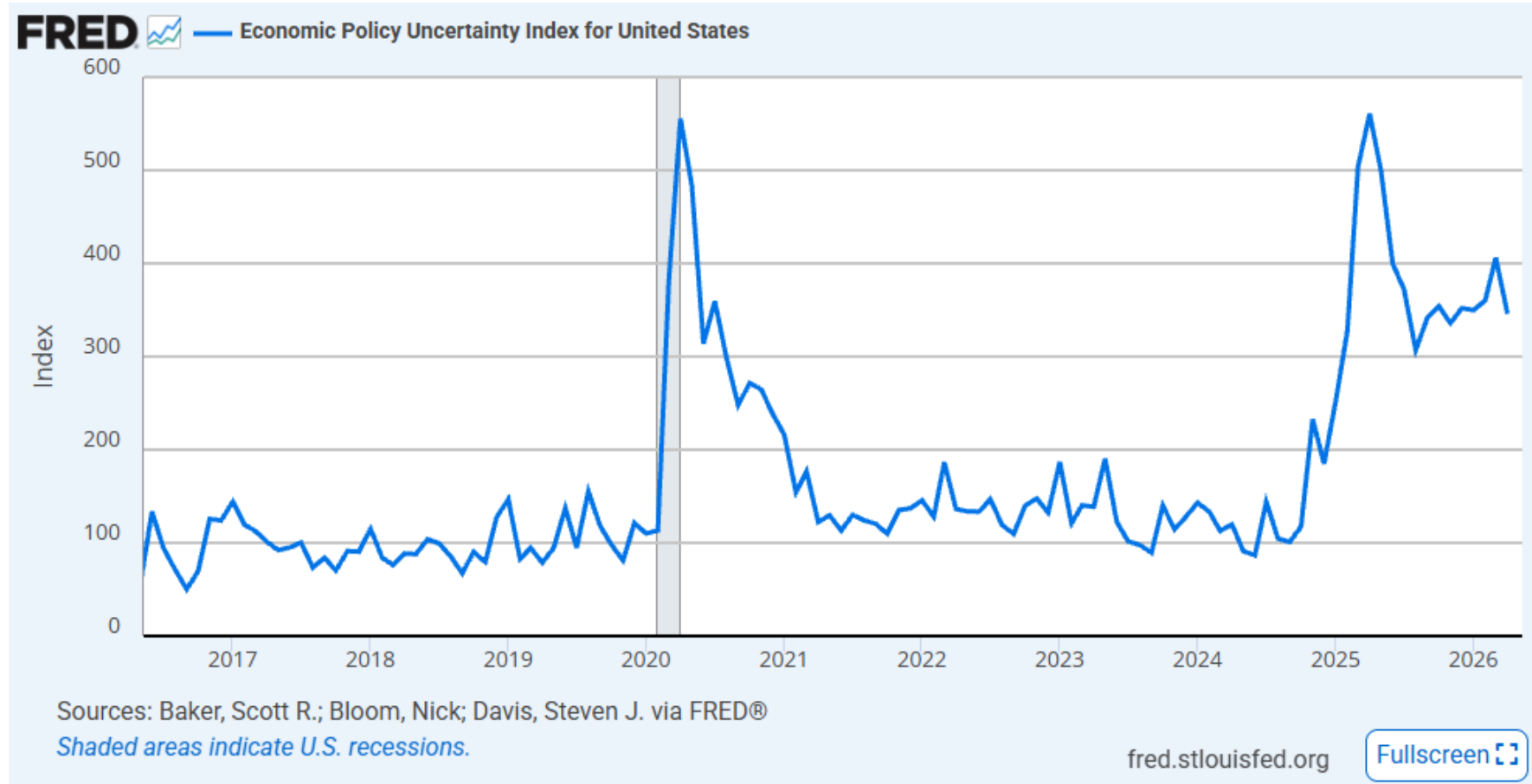
# What Does the Future Hold

- **Uncertainty**
- **State Strengths**
- **Outlook**

# ECONOMIC POLICY UNCERTAINTY INDEX

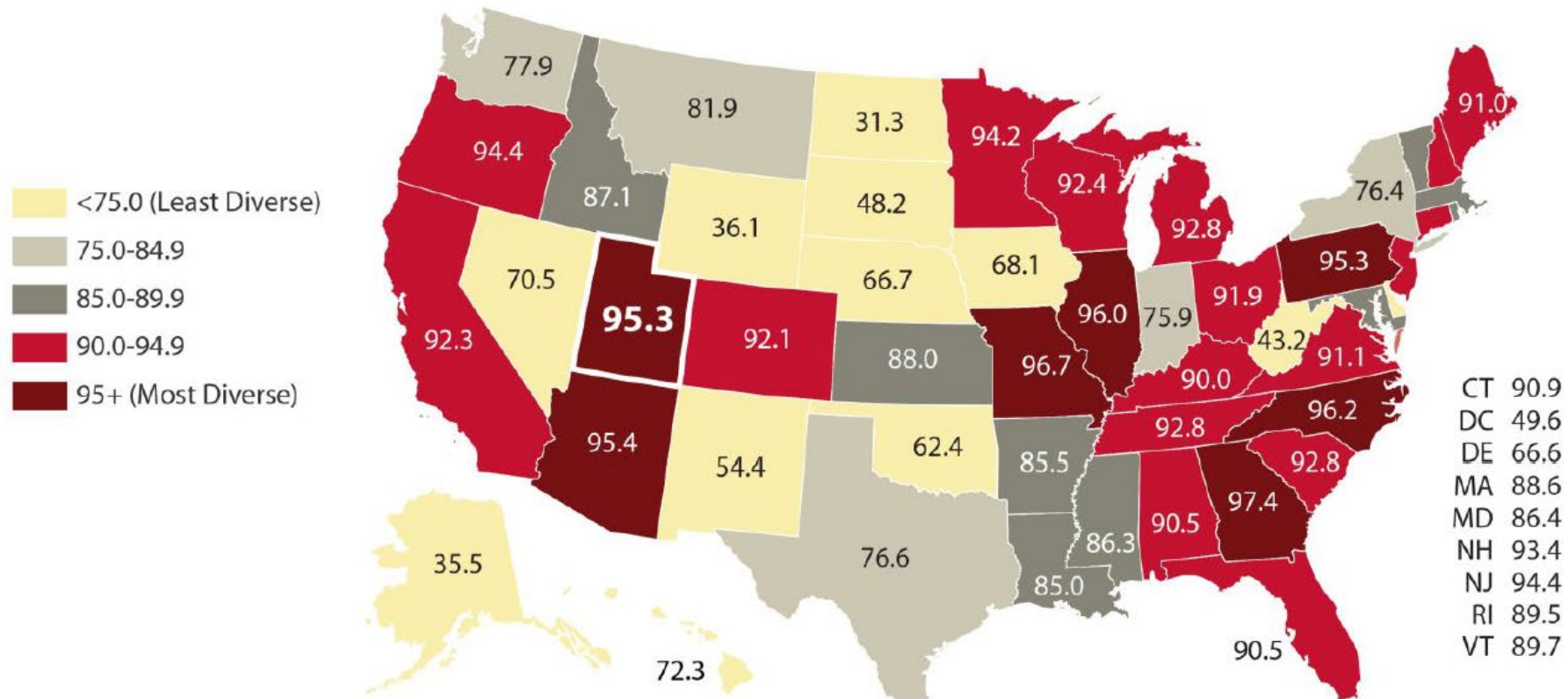
Uncertainty slows growth as businesses and consumers reduce spending amid unclear economic outlook

- Delays business investment
- Disrupts financial markets



# State Strengths

## Utah Among Most Diverse Economies Measured by GDP



# ONE BIG BEAUTIFUL BILL ACT (OBBBA)

OBBA was signed into law July 4, 2025

Yale Budget Lab forecast of OBBBA effects:

- **Short run (2025-27)**: Stimulates aggregate demand
  - Lower tax rates
  - Real GDP, income and employment are higher
- **Long run**: Crowds out growth
  - Higher debt-to-GDP ratio
  - Higher interest rates
  - Crowds out investment spending
  - Lower path of GDP growth
  - Little effect on labor force participation rate

# U.S. Economic Outlook

## The Conference Board Economic Outlook

	<b>2025</b>	<b>2026</b>	<b>2027</b>
Real GDP	2.1%	1.6%	1.7%
Unemployment rate	4.3%	4.6%	4.4%
Labor Force Participation Rate	62.5%	62.0%	61.7%

## Contact Information:

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