Navigating Utah's Evolving Labor Economy

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Utah Department of Workforce Services

Wasatch Peaks Credit Union Board Retreat
September 28, 2026

AGENDA

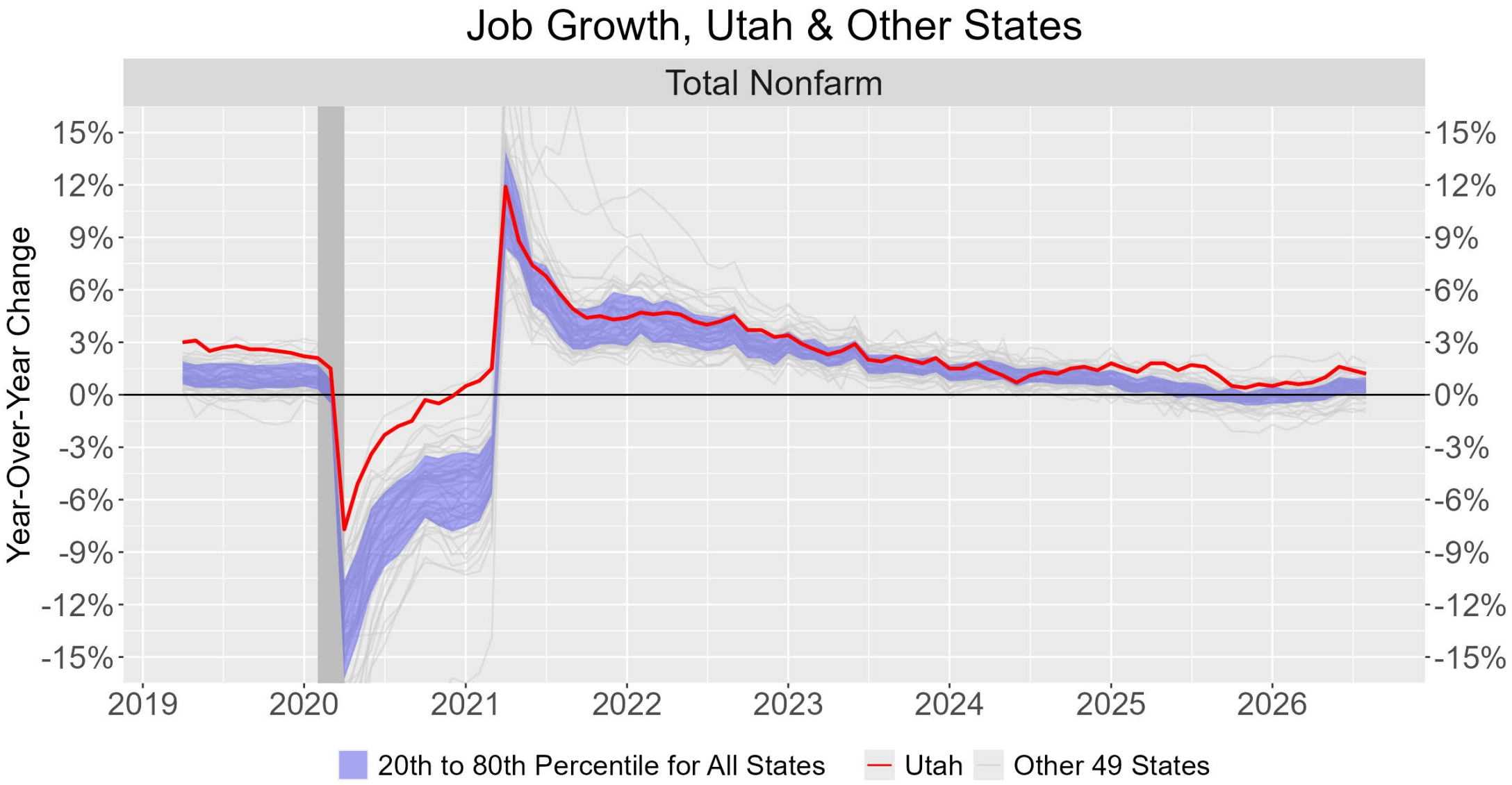
1. Labor Market and Economic Update
2. The Workforce of Tomorrow
3. Looking Forward

Labor Market and Economic Update



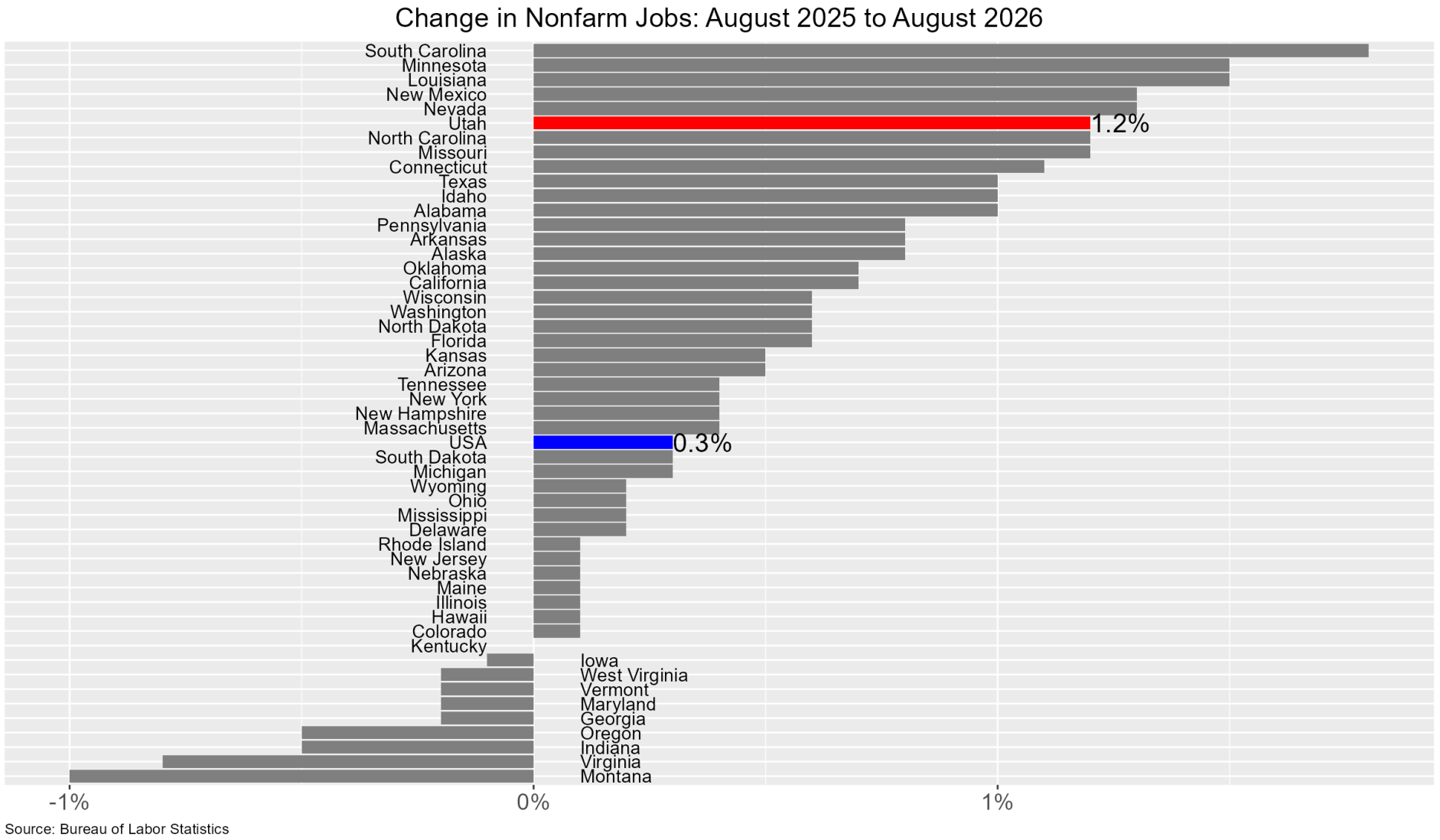
Photograph by airbnb

State and Nation CES Comparison



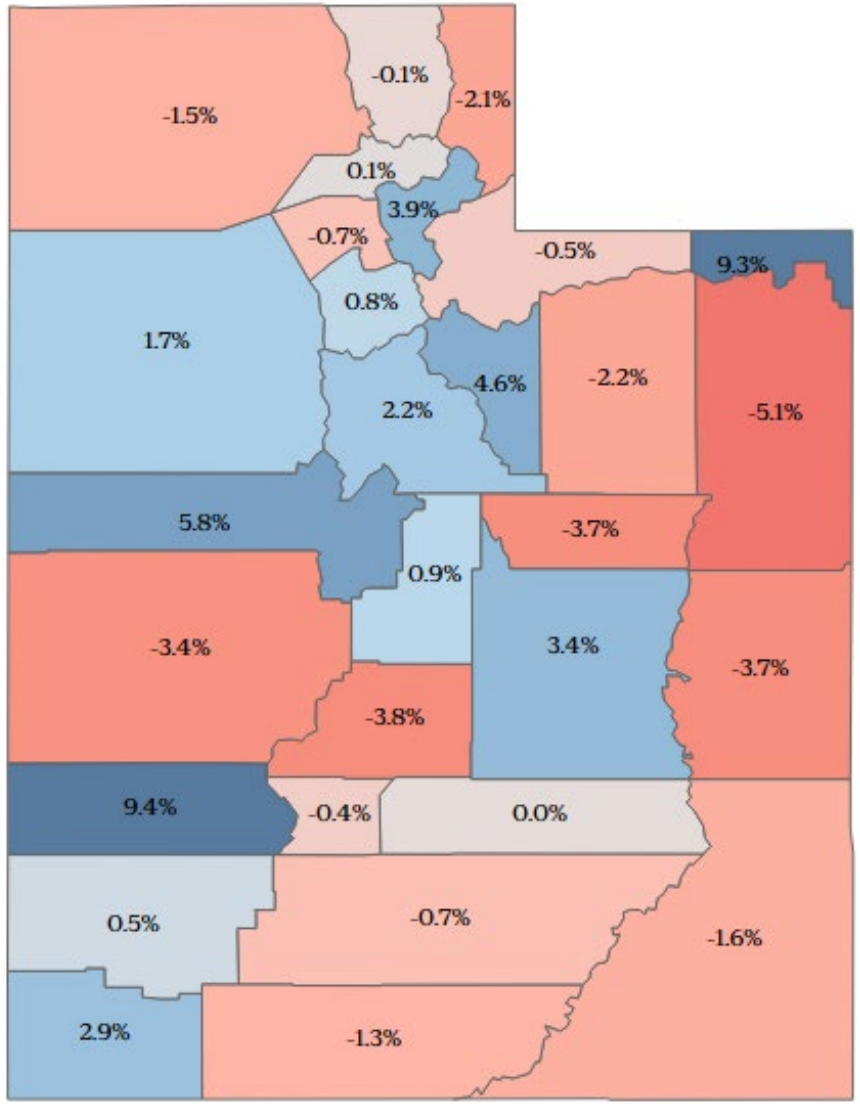
Source: Bureau of Labor Statistics

State and Nation CES Comparison



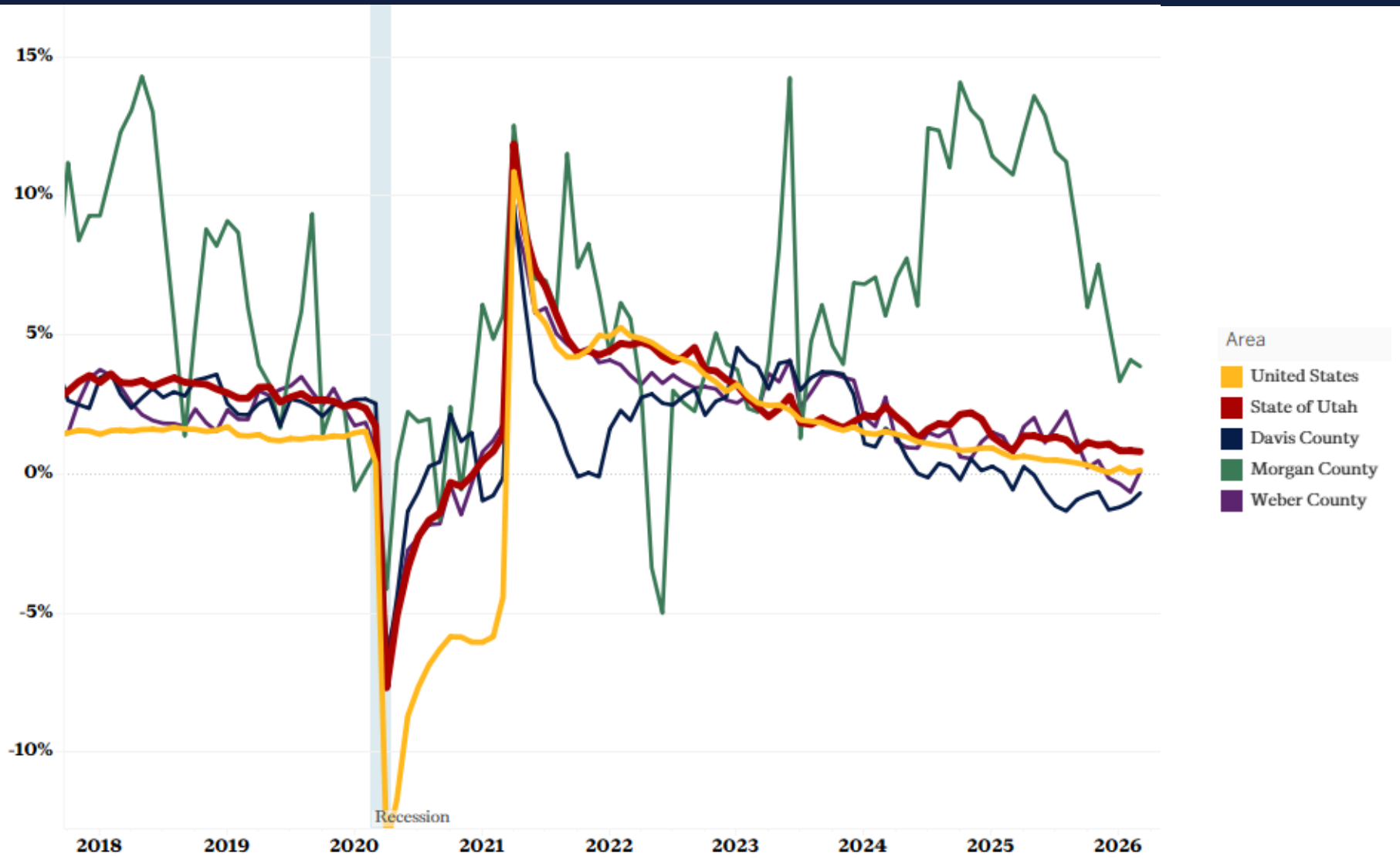
Source: Bureau of Labor Statistics

Employment Growth – March 2026 YO



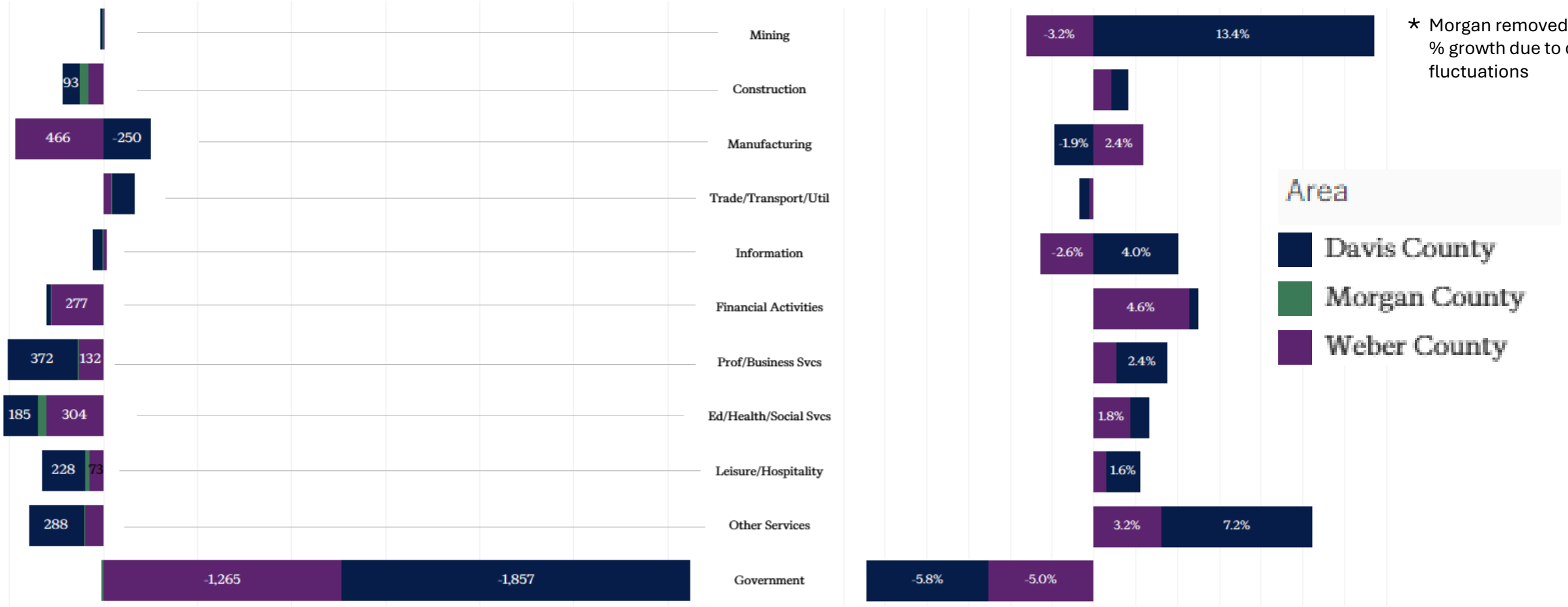
Source: Bureau of Labor Statistics

Employment Growth – Nonfarm Employment



Source: Bureau of Labor Statistics

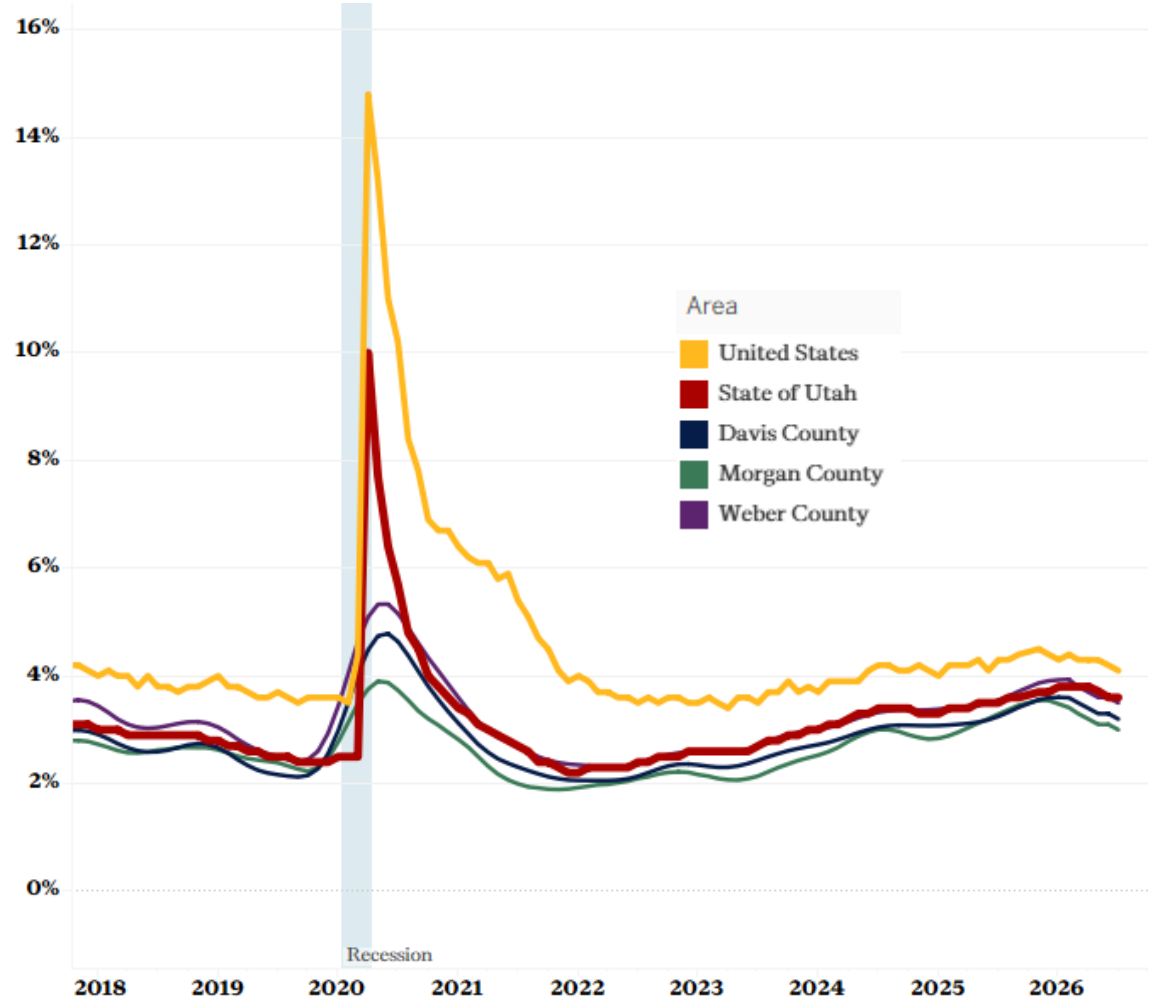
Northern Utah Nonfarm Industry Profiles
March 2025 – March 2026



* Morgan removed from % growth due to data fluctuations

Source: Bureau of Labor Statistics

Northern Utah Unemployment Rates, August 2026

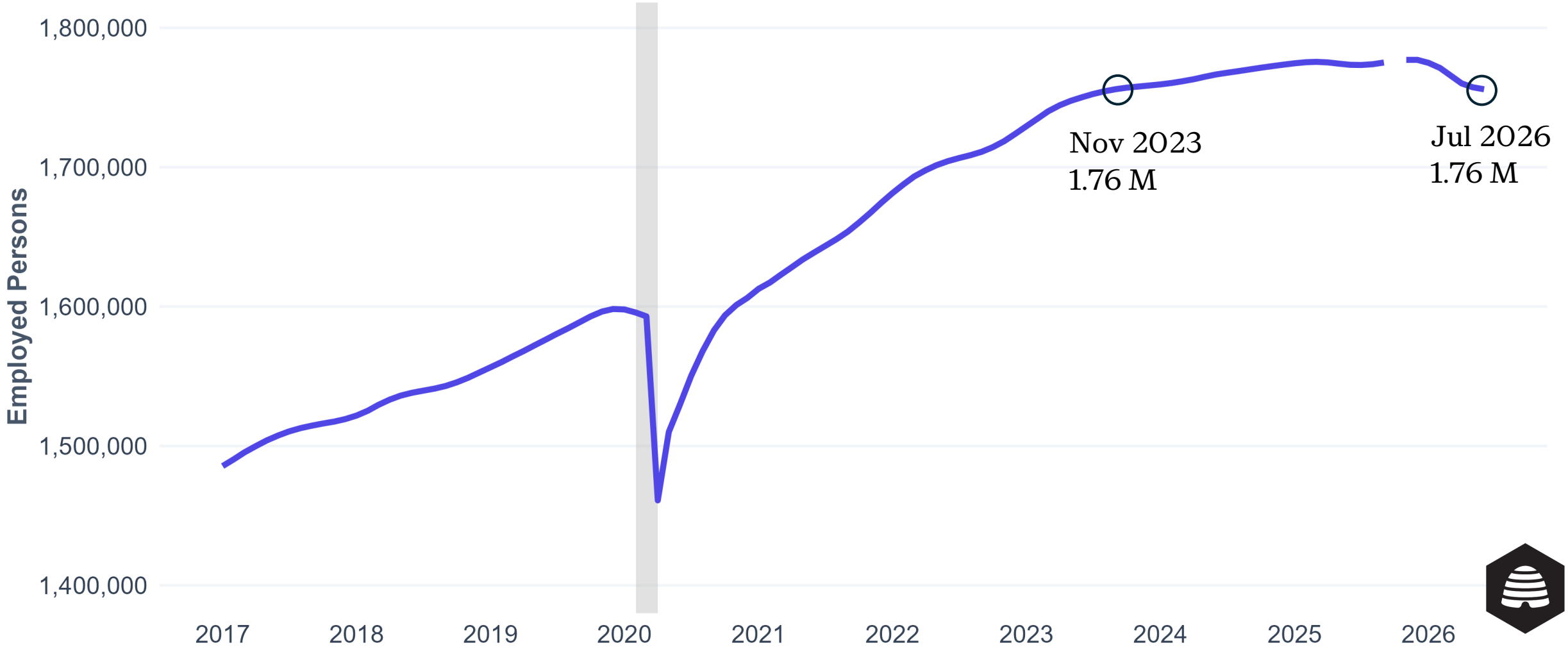


Area	Rate
United States	4.1%
State of Utah	3.6%
Weber County	3.5%
Davis	3.2%
Morgan	3.0%

Source: Bureau of Labor Statistics

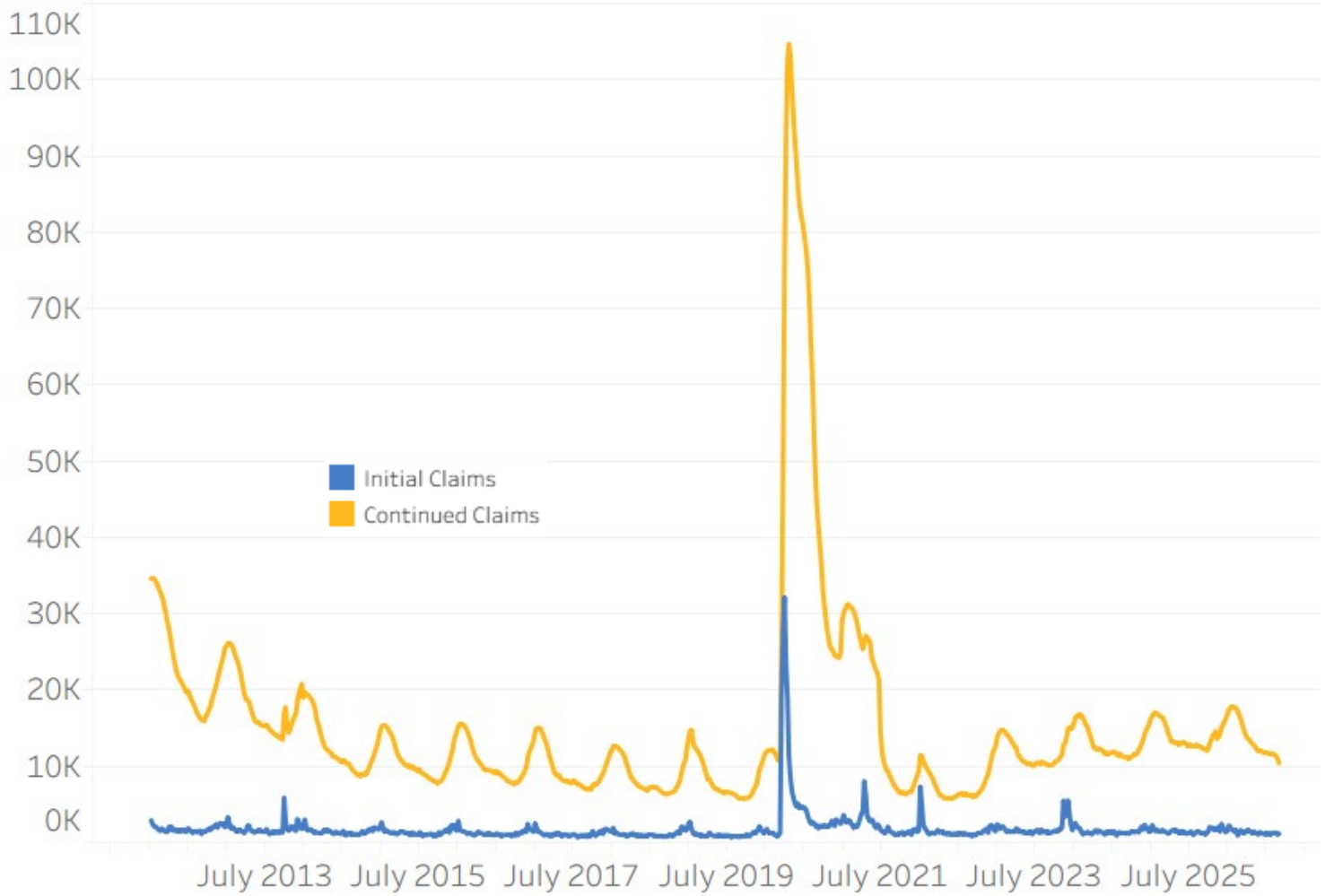
Total Number of Employed Utahns

A Recent Plateau



Source: Bureau of Labor Statistics

Utah's Unemployment Insurance Claims



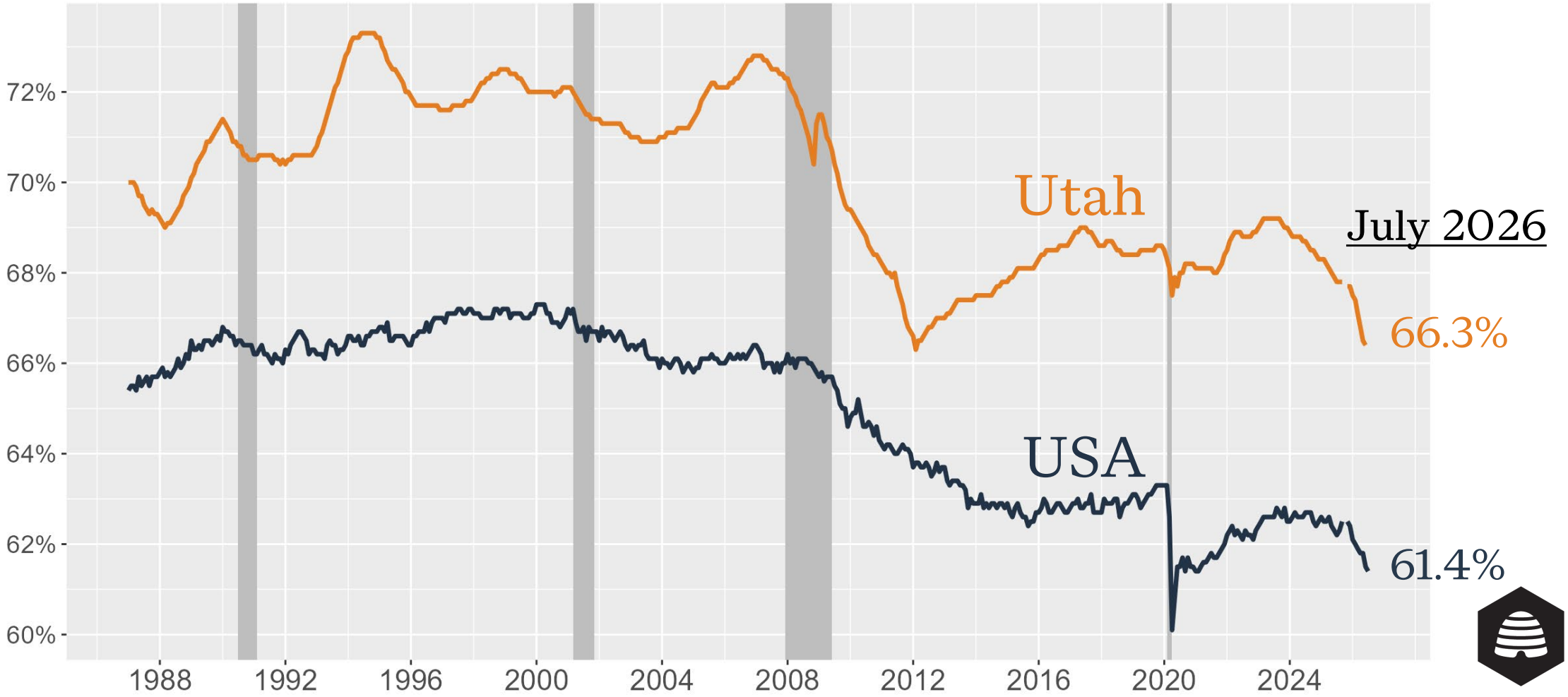
Low Hire, Low Fire

- No huge spikes in initial claims
- Steadily increasing continued claims.

Source: Bureau of Labor Statistics

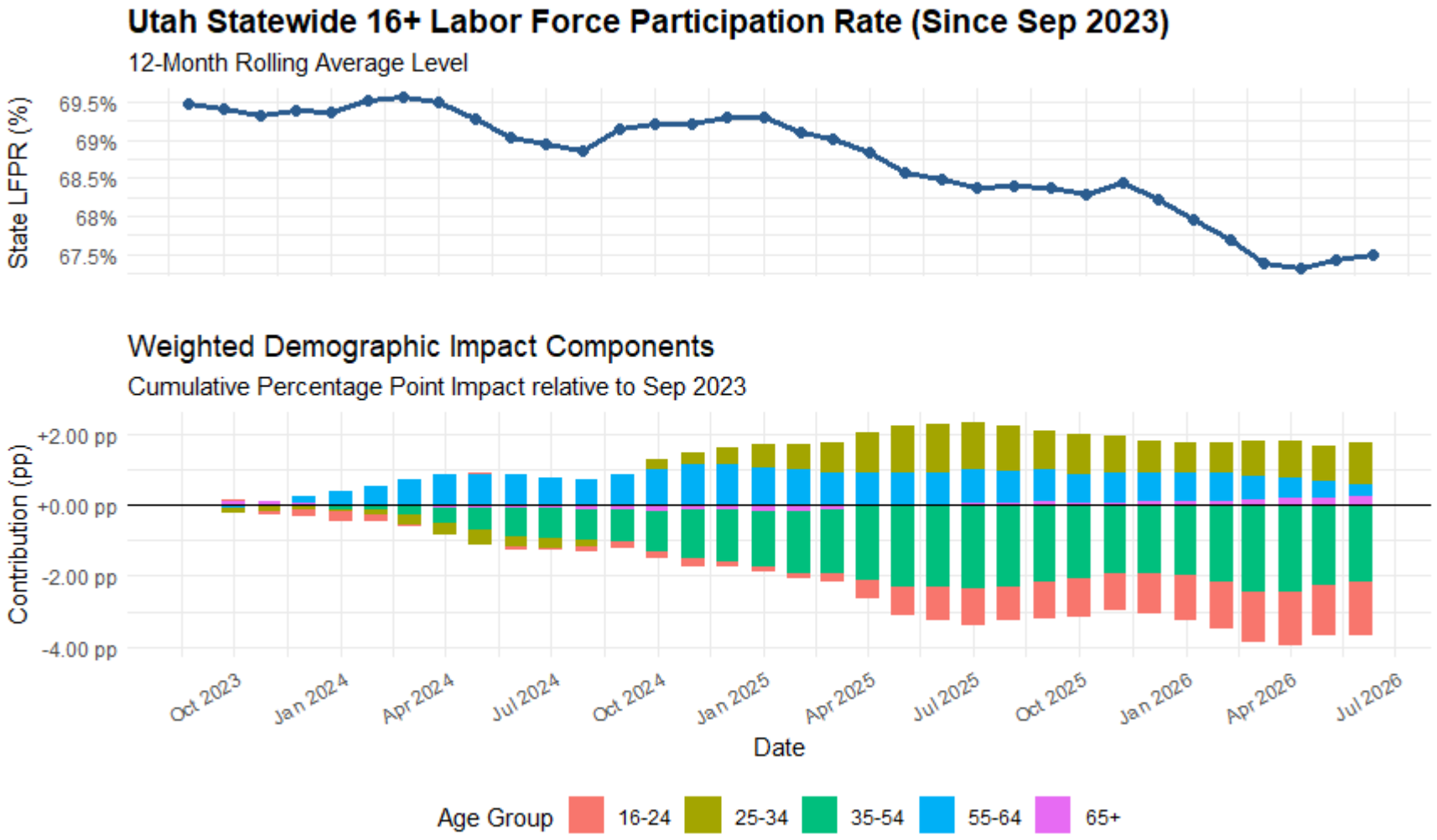
Labor Force Participation Rate

On the Decline



Source: Bureau of Labor Statistics

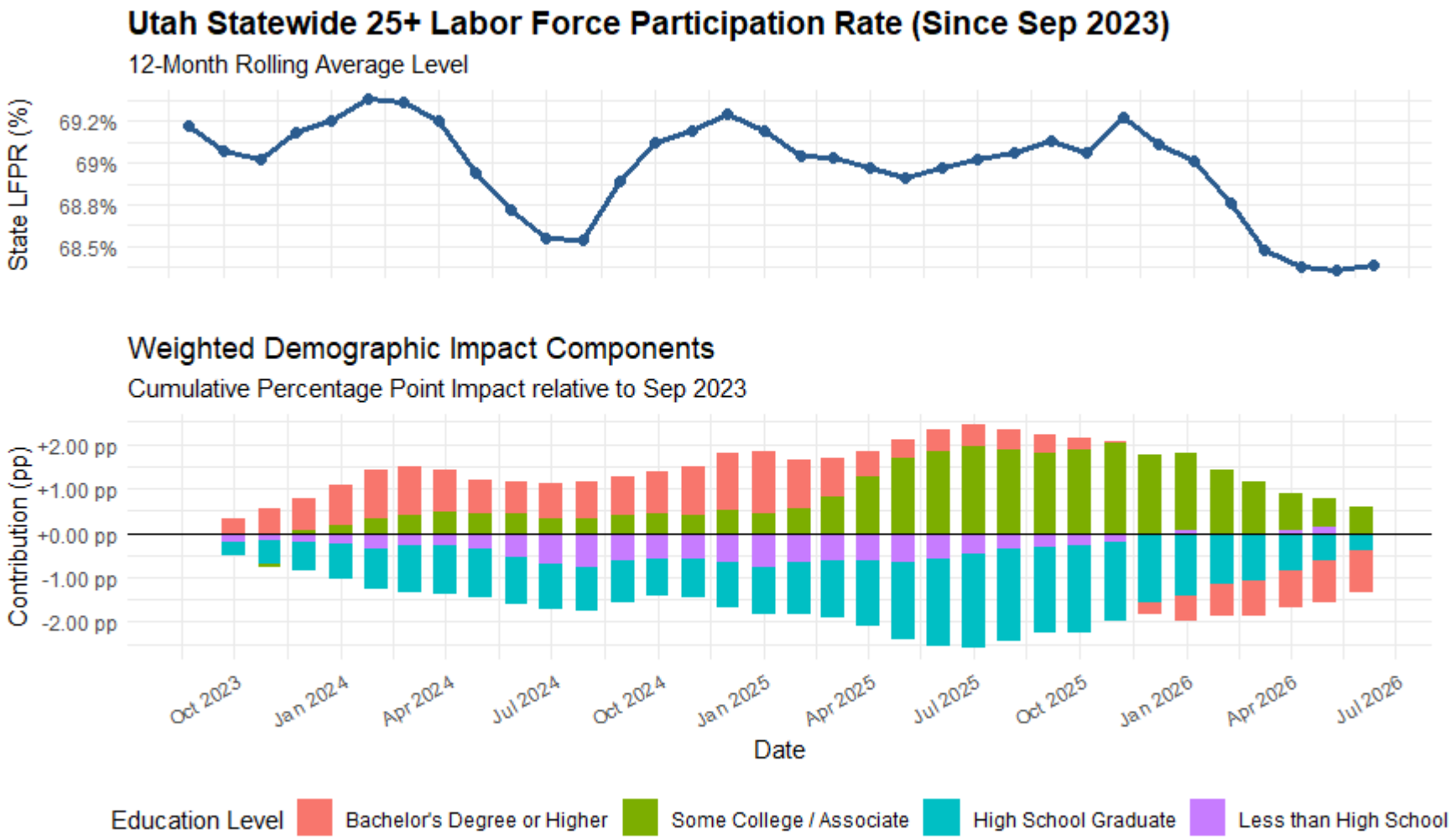
LABOR FORCE PARTICIPATION RATES BY AGE



- Participation rates among youth (16-24) and prime age (35-54) workers fell
- Older workers (55+) increased participation rates
- Despite a temporary dip in mid-2024, participation rates among younger prime age workers (25–34) rebounded

Source: Bureau of Labor Statistics

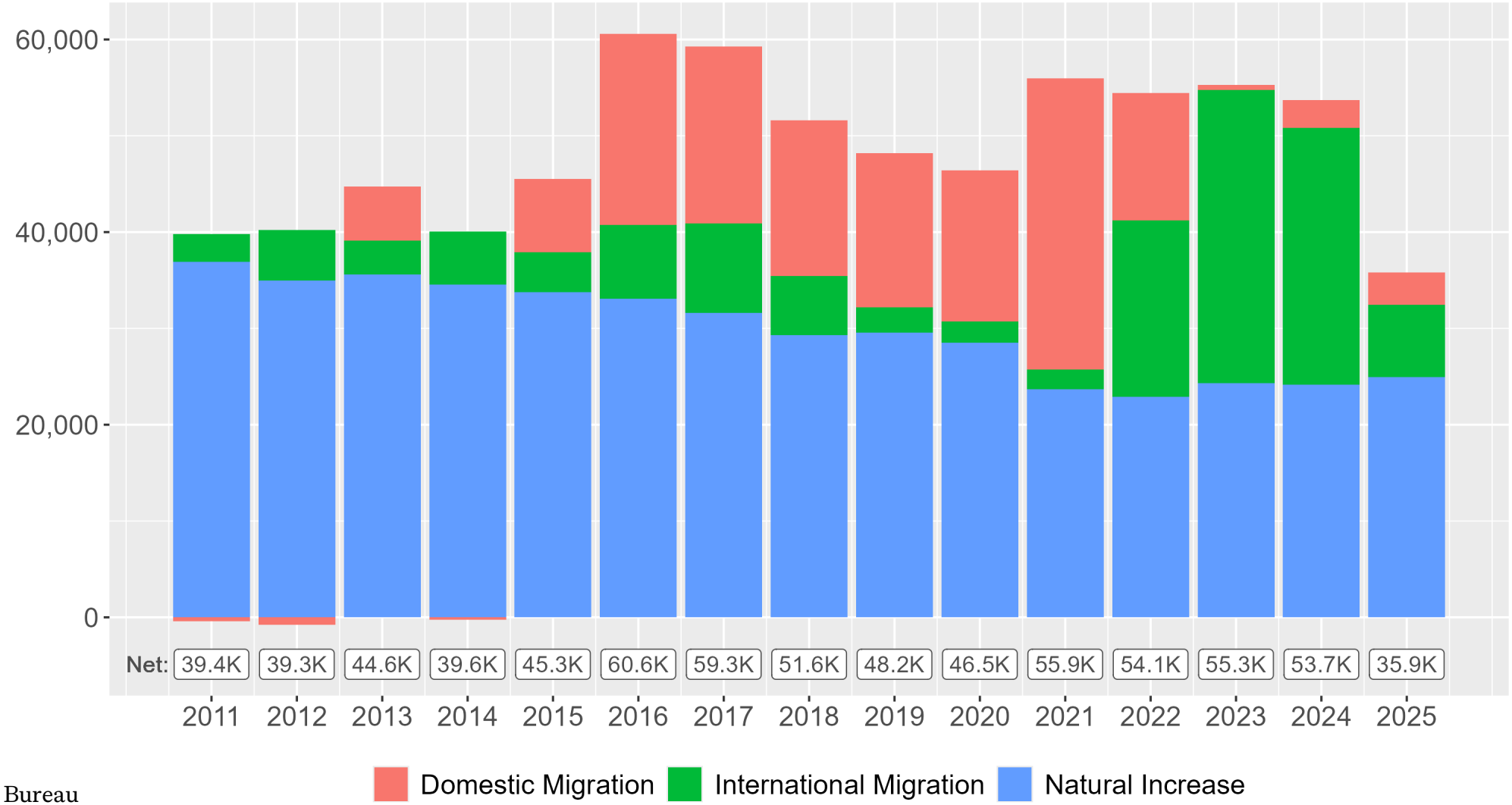
LABOR FORCE PARTICIPATION RATES BY EDUCATION LEVEL



- High school graduates were the largest negative drag (this was largely a normalization following the high post-pandemic participation rates
- Workers with some college or an associates degree were the primary buffer in 2025
- Bachelor's degree holders shifted from a positive to a negative overall impact (this group has the highest participation rates)

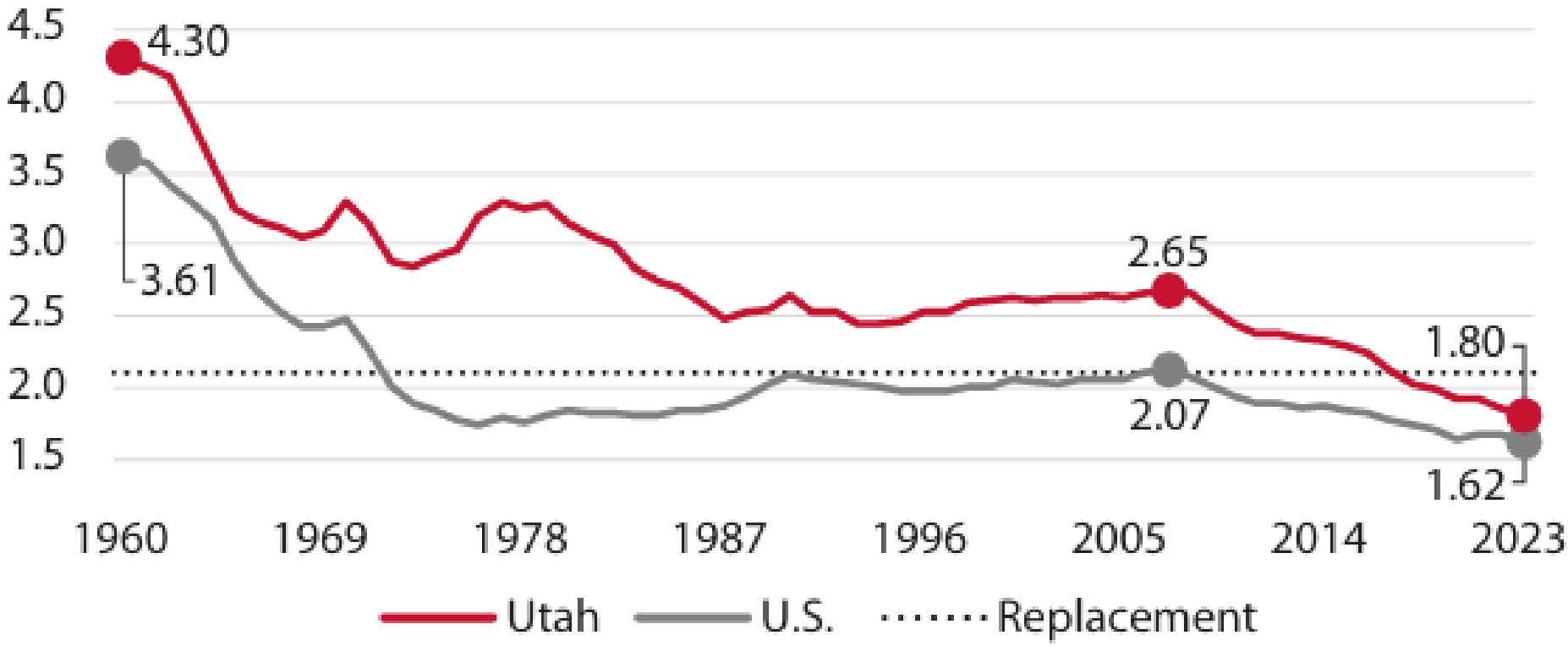
Source: Bureau of Labor Statistics

State of Utah
Components of Population Change



Source: U.S. Census Bureau

Total Fertility Rate
1960-2023



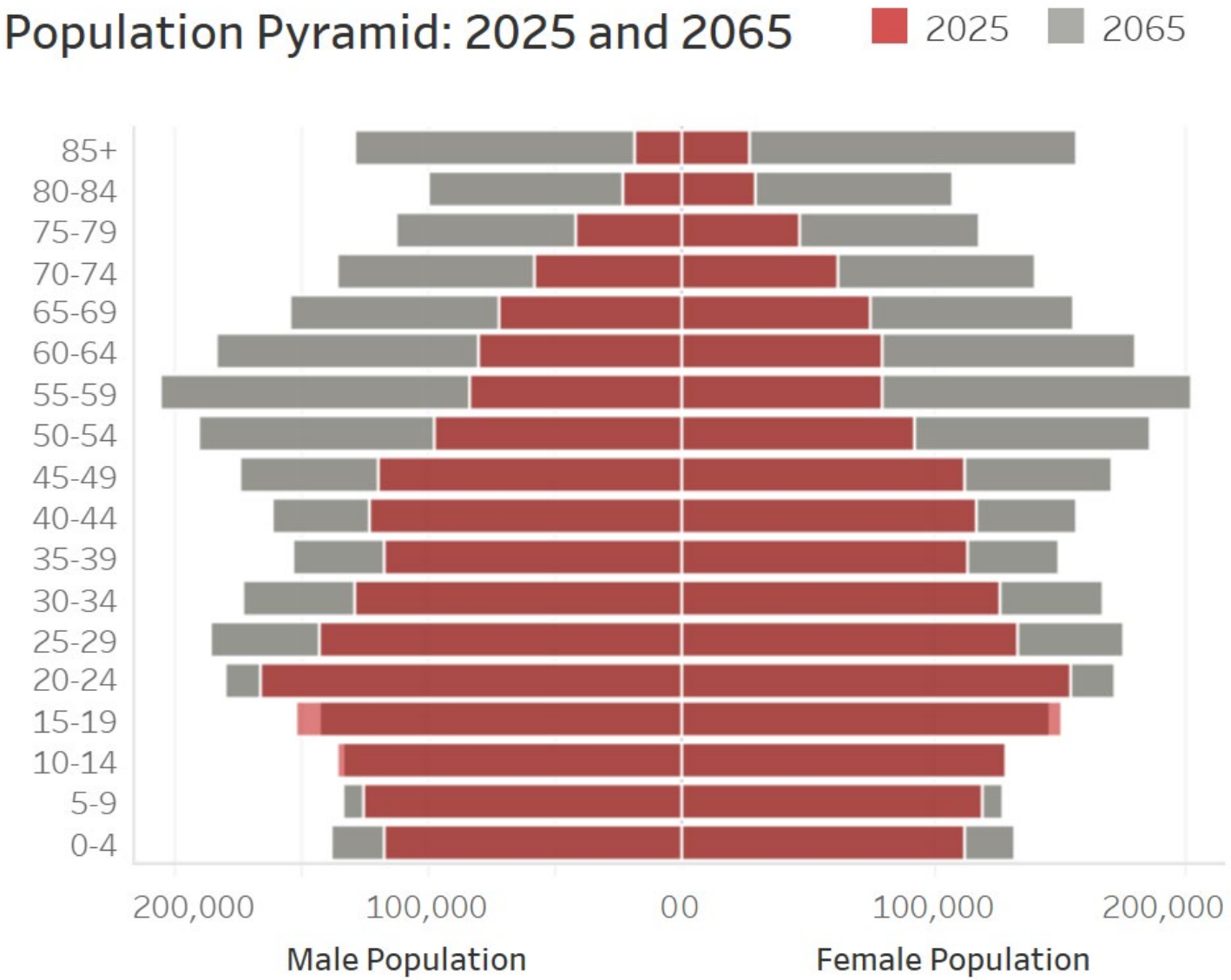
Both US and Utah fertility rates have fallen below the Replacement Rate.

Source: Kem C. Gardner Policy Institute, National Center for Health Statistics

Utah

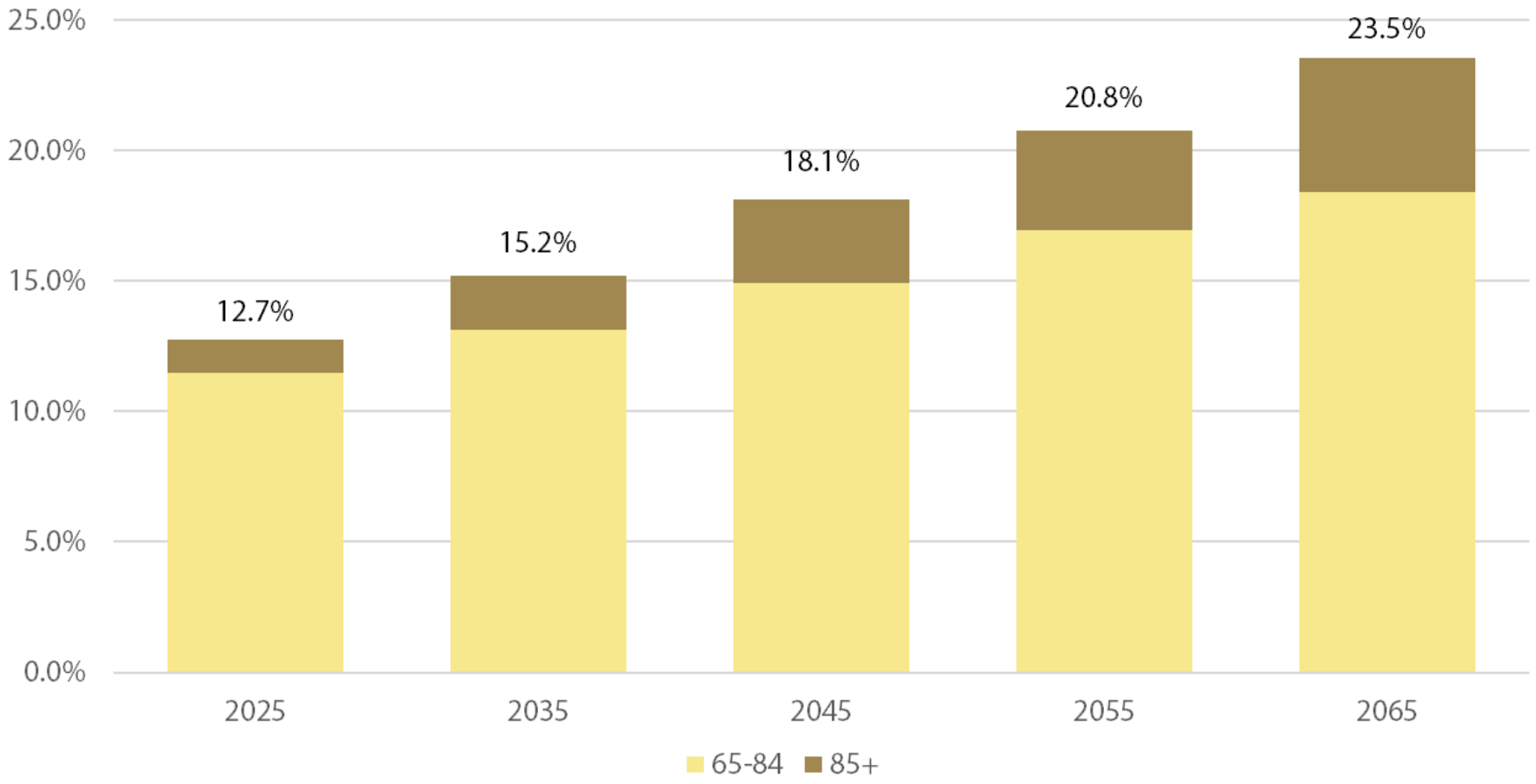
Population Projections

2025-2065



Source: Kem C. Gardner Policy Institute, 2025-2065 Projections

UTAH
Projected Population Aged 65+



Source: Kem C. Gardner Policy Institute, 2025-2065 Projections

Utah's Aging Population

- Labor markets will remain tight as Utah's older population ages out of the workforce.
- Health care sector will continue to grow to support the aging population.
- Industries that support elderly consumers (home delivery, landscaping, home care services, etc.) will grow to support a larger customer base.
- Adds to inflation as there's more consumption but a smaller workforce to produce goods and services.

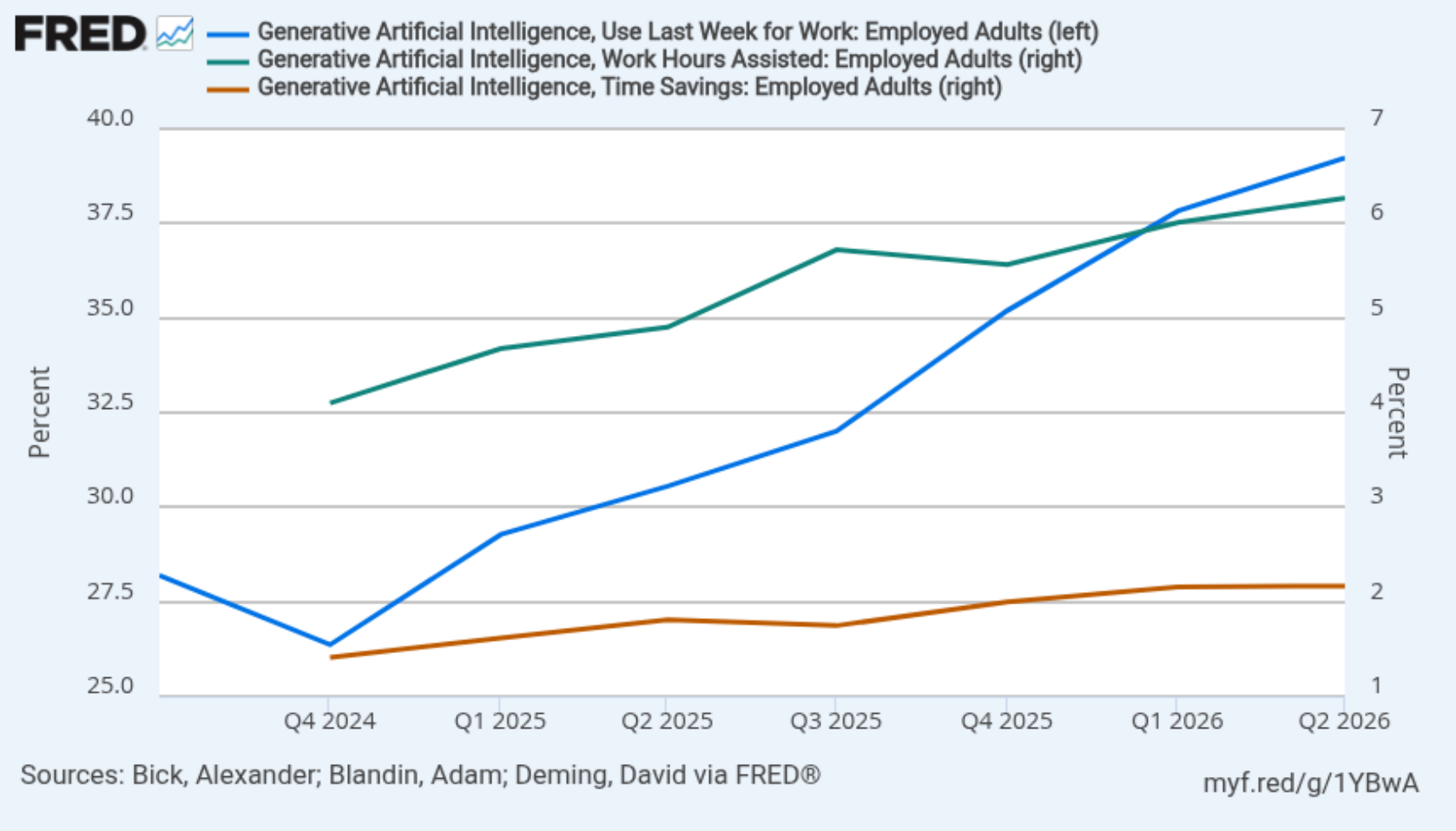


Photograph by Bruno Aguirre



The Workforce of Tomorrow

Business Trends and Outlook Survey, September 2026

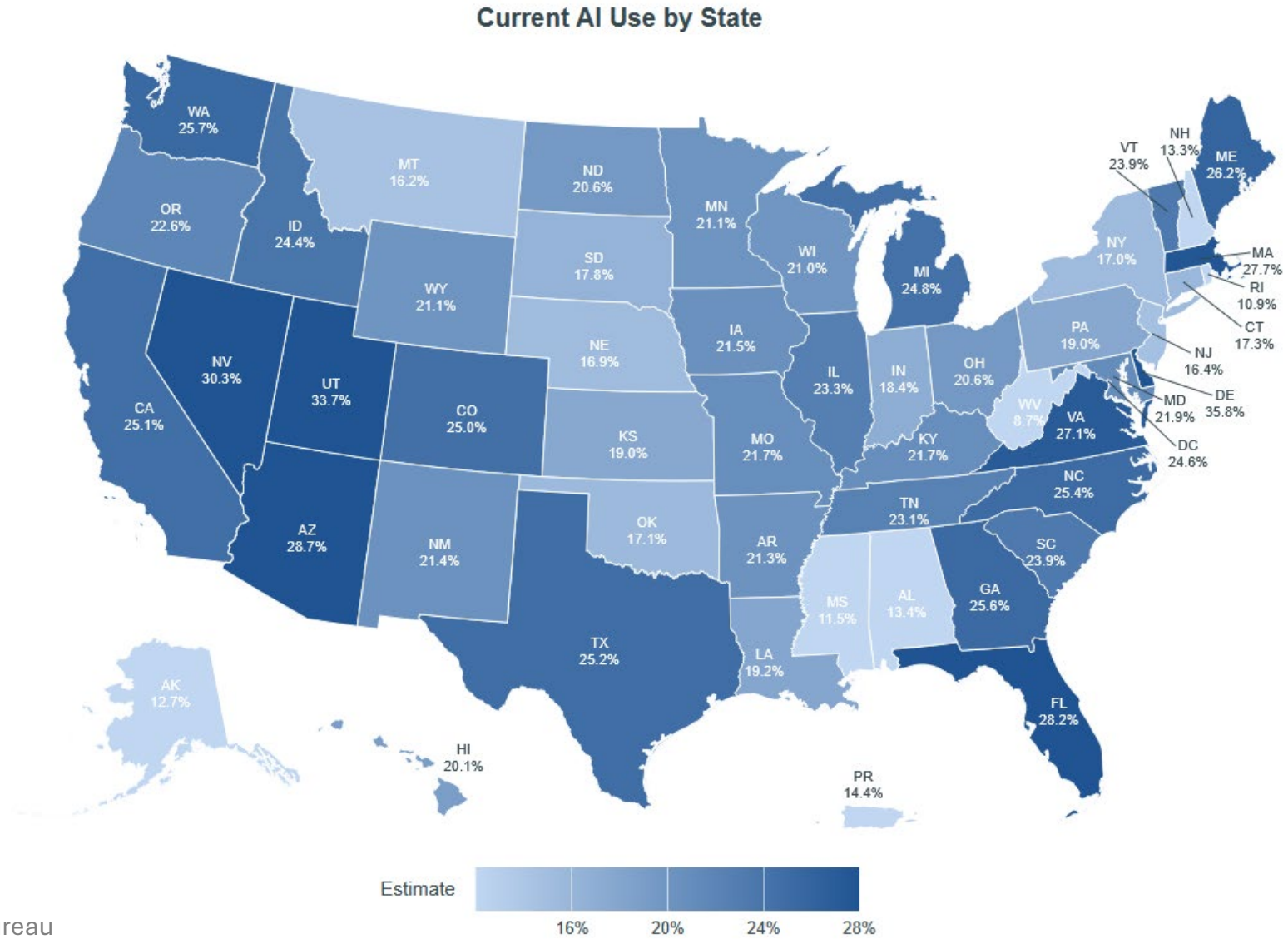


Weekly Adoption (Blue)
Nearly 40% of U.S. workers now use generative AI on the job at least once a week, jumping more than 12 percentage points since late 2024 as access spreads across industries.

Work Hours Assisted (Green)
Active hands-on time with AI tools has climbed to over 6% of all hours worked nationwide, showing that employees aren't just testing the tech—they're integrating it into daily routines.

Net Time Saved (Orange)
Actual hours saved hover at just over 2% of total work time, growing much more slowly than adoption because prompt writing, fact-checking, and editing still require meaningful human effort.

Business Trends and Outlook Survey, September 2026



Source: U.S. Census Bureau

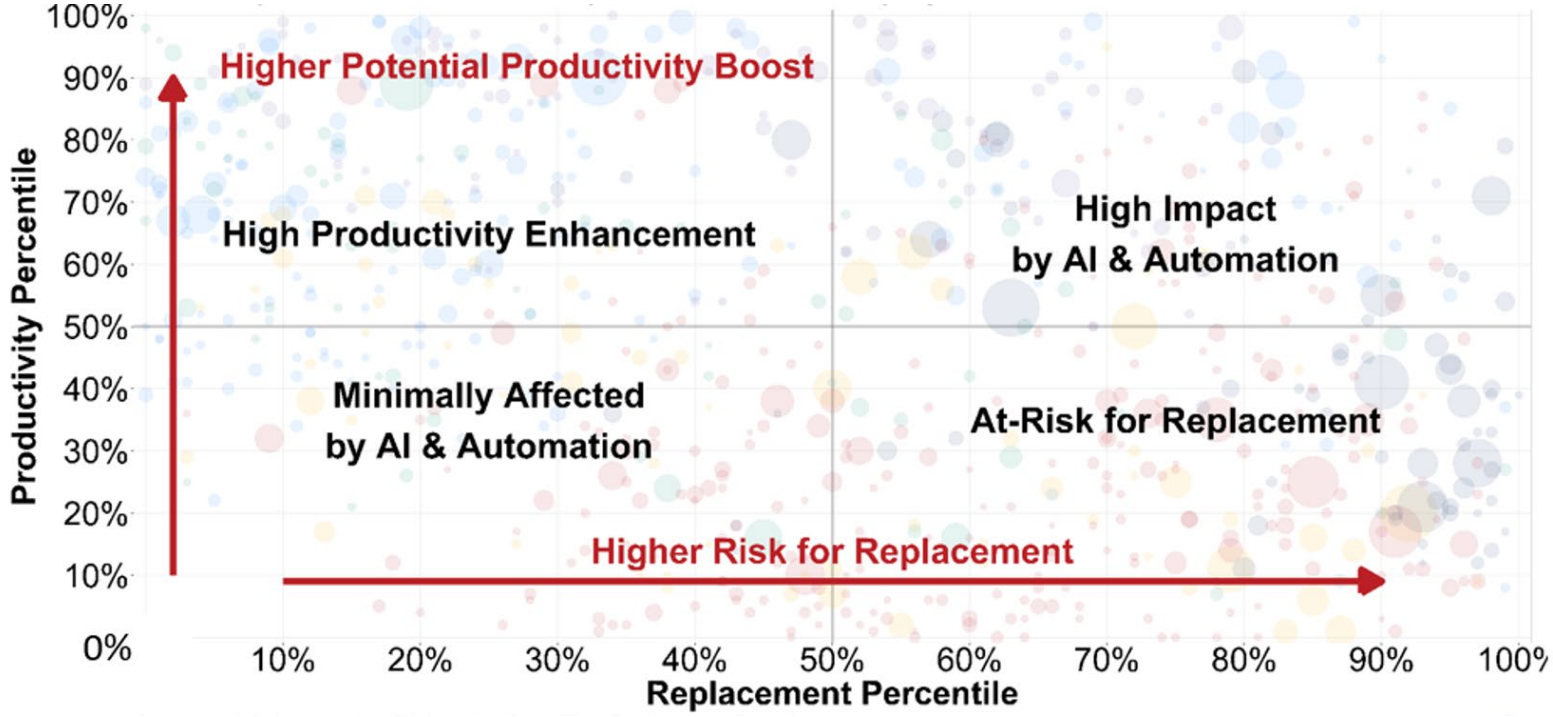
How Will Jobs be Affected?

Conference Board AI & Automation Index

Gauges the approximate labor market impact of current AI capabilities

- Compares 734 occupations across two factors
  1. Labor displacement
  2. Productivity Enhancement

- These factors are used to categorize each occupation into four categories
  - At-Risk for Replacement
  - Minimally Affected
  - High Impact by AI & Automation
  - High Productivity Enhancement

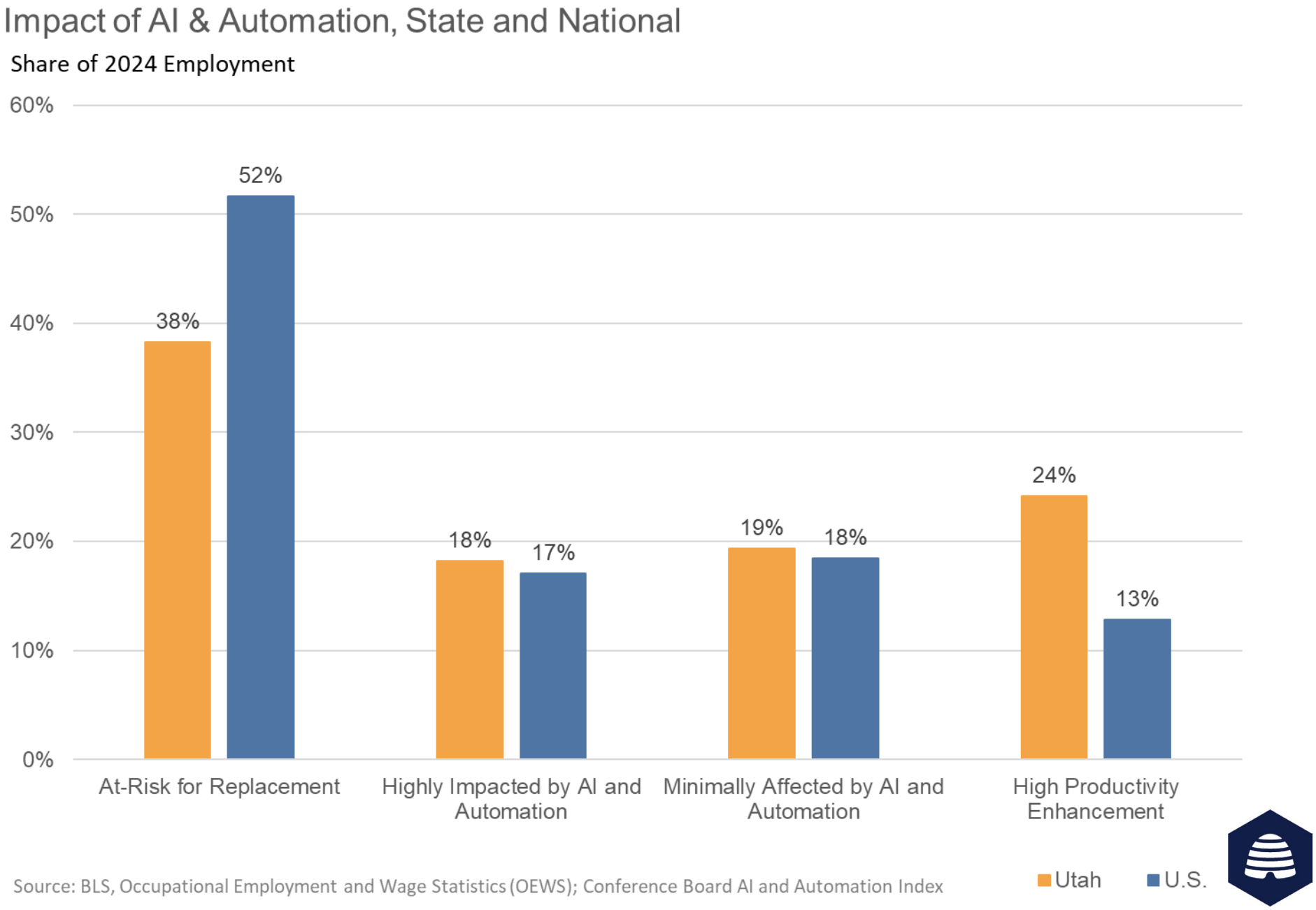


Source: AI & Automation Index, Conference Board

- Utah has a **smaller portion of employment in the at-risk** bucket and a **higher portion in the productivity-benefiting**

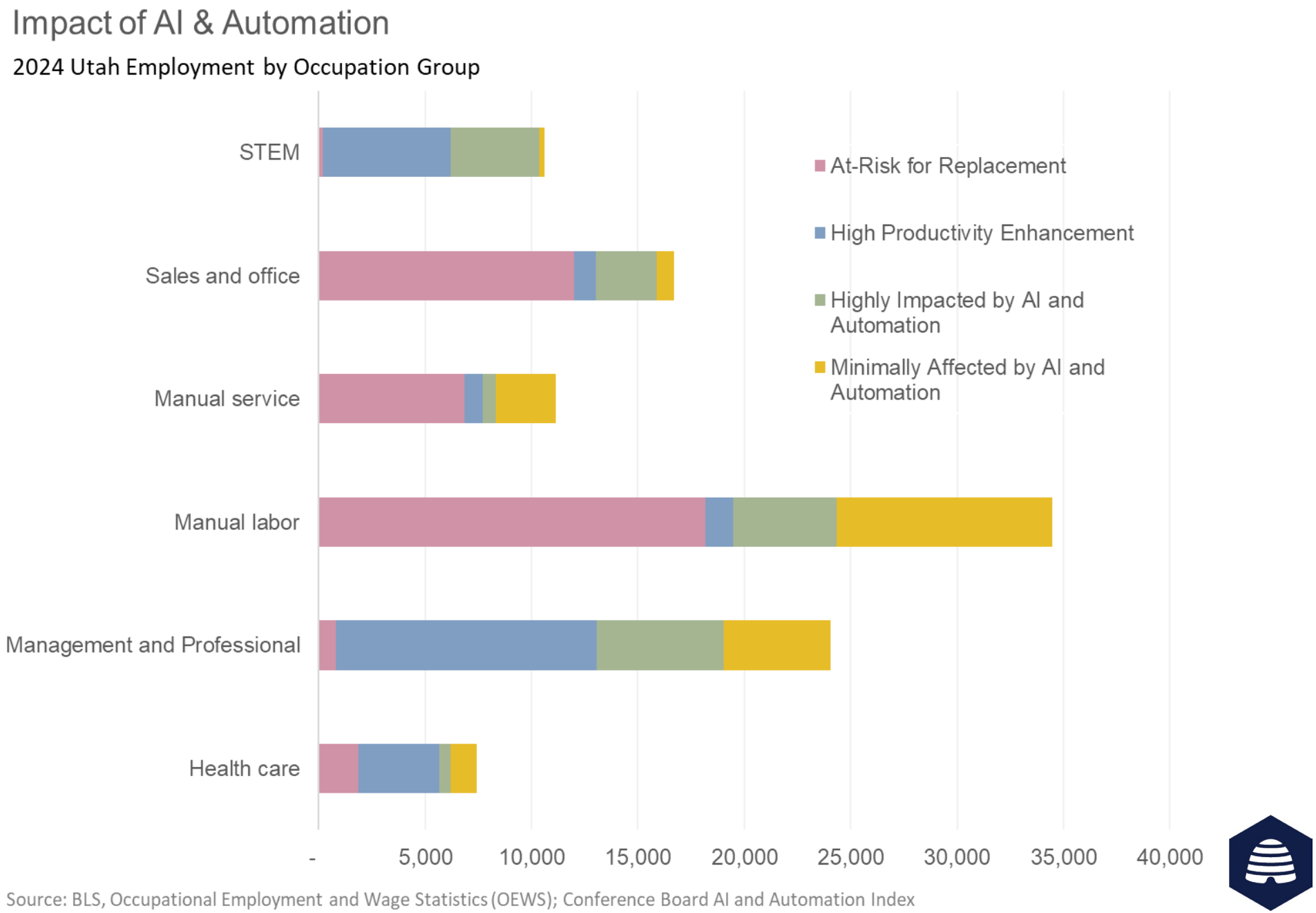
- **Utah has a lower proportion of people working in many of the at-risk occupations,** including
  - cashiers
  - waiters
  - retail salespeople

- **Utah has a larger share of occupations that are expected to benefit from AI and automation**
  - middle school teachers
  - computer and information research scientists
  - electrical engineers



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

- **Manual labor** occupations at the **highest risk** for employment loss
  - Packers
  - Laborers
  - Material movers
  - Slaughterhouse meat packers
- **Manual labor** jobs **minimally impacted** tend to involve non-routine tasks, high manual dexterity, complex problem-solving, and adaptability
  - Oil and gas service operators
  - Aircraft mechanics
- **Management and professional** jobs make up the largest portion of **productivity-benefitting jobs**
  - Teachers
  - Managers
  - Personal finance advisors
  - Market analysts



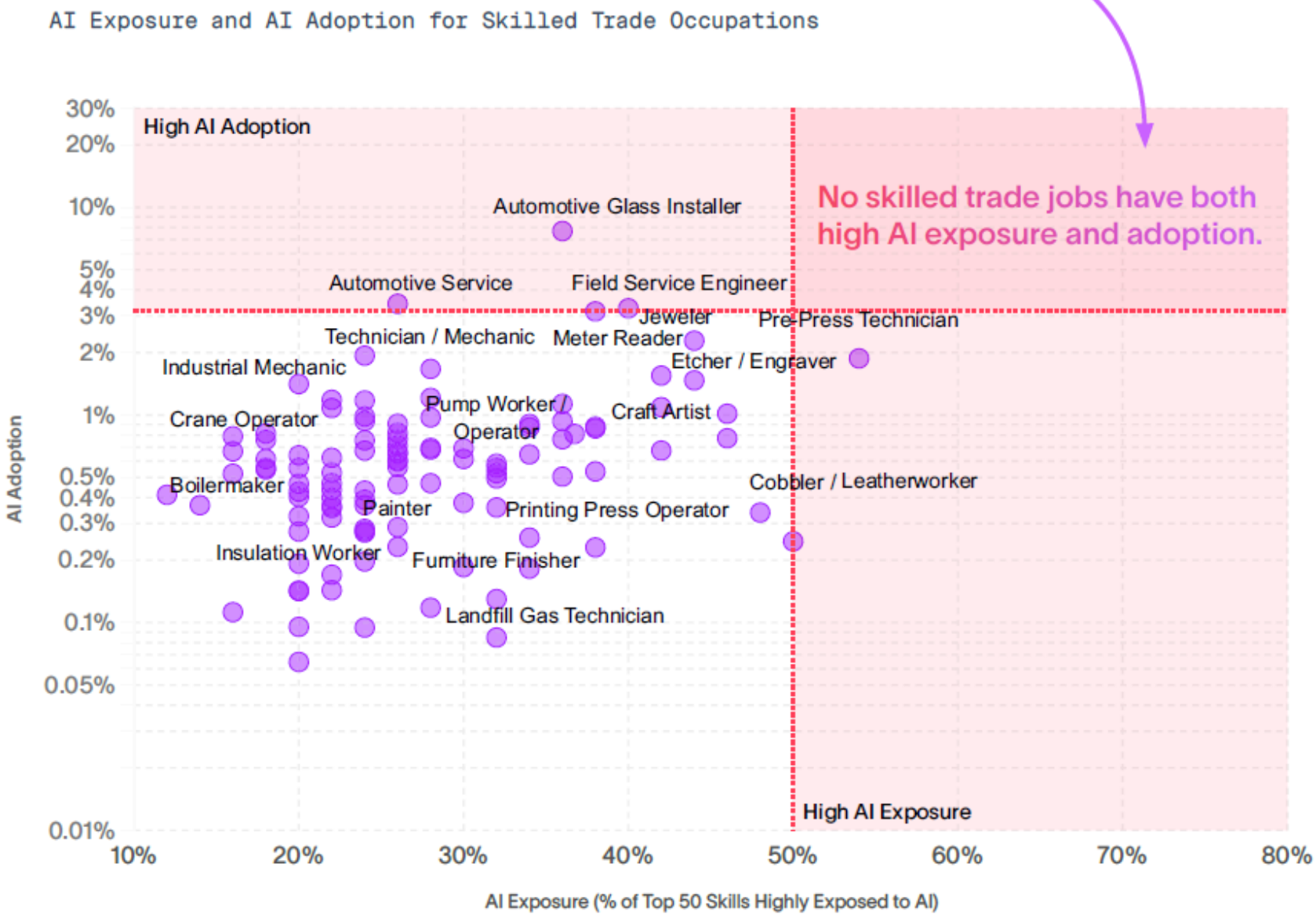
AI advancements aren't reducing labor demand for skilled trades

Not only is AI not replacing the trades, it is accelerating the demand. Data centers are a major job growth driver.

Nationally, the skilled trades have three jobs openings for each person completing a training program.

Source: Lightcast 2026 "Defining the Skilled Trades."

Skilled trade occupations are less likely to be replaced or reshaped by AI.



Source: Lightcast Job Postings Data

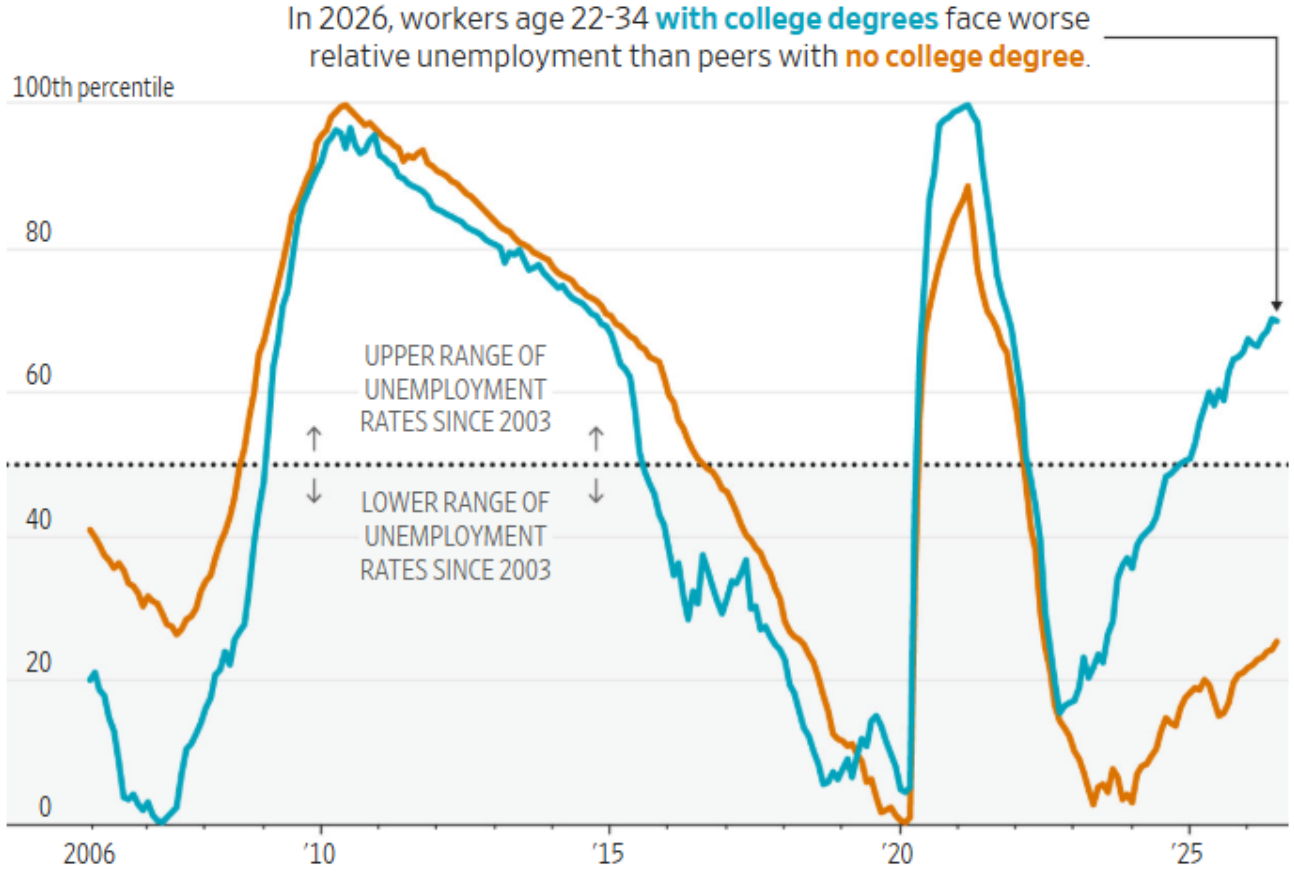
Wall Street Journal:

Americans Without College Degrees Are Having One of the Best Job Markets in Years

"...There aren't enough skilled tradespeople to go around, for example, as older generations retire and immigration drops."

Source: Wall Street Journal 9/6/26: "Americans Without College Degrees Are Having One of the Best Job Markets in Years" by Theo Francis, Ray Smith

Unemployment rates for workers ages 22-34 by education level, with each group ranked against its own unemployment history since 2003



Note: 12-month moving average unemployment rate for ages 16+ by education level, comparing each group with its own unemployment history since 2003; October 2025 data interpolated.
Source: Burning Glass Institute

Drew An-Pham/WSJ

ATM’s, Tellers, and 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.

Productivity is anti-inflationary.

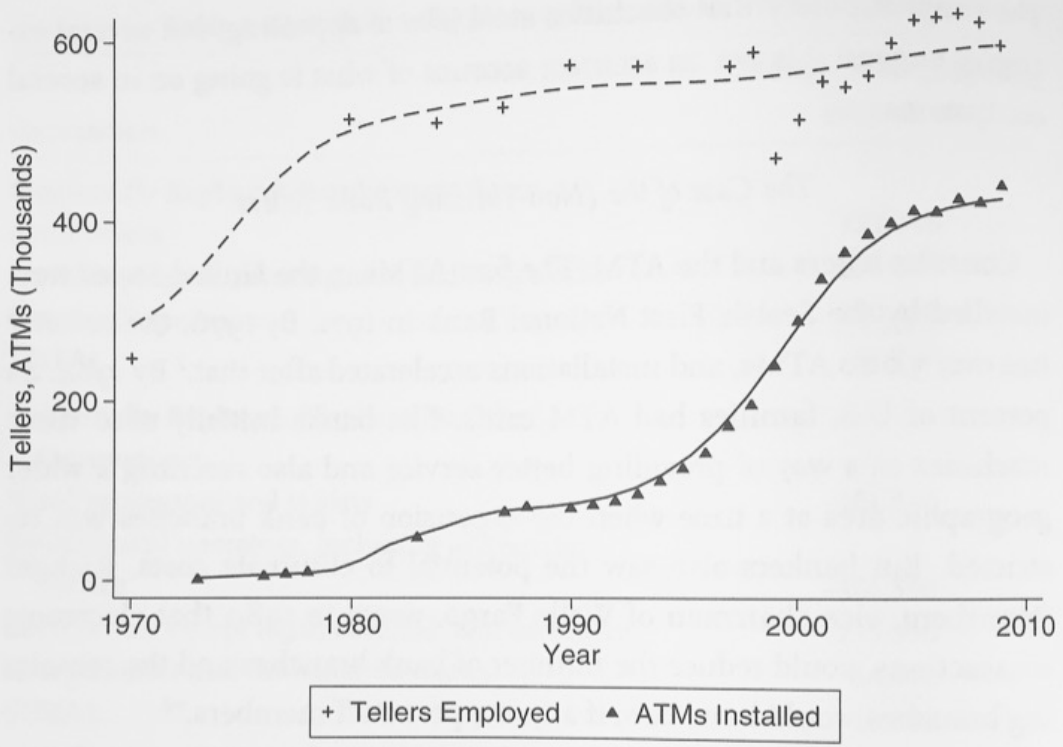


Figure 7.1. Adoption of automated teller machines did not reduce teller jobs. (Ruggles et al., Integrated Public Use Microdata Series: Version 5.0; Bureau of Labor Statistics, Occupational Employment Survey, http://www.bls.gov/oes/; Bank for International Settlements, Committee on Payment and Settlement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

Source: AEIDeas, “Learning by Doing: The Real Connection between Innovation, Wages, and Wealth” by James Bessen

AI and Productivity in Practice

Dentacor

Office of Artificial Intelligence Policy

Using AI to responsibly expand access to essential dental care

Dentacor Mitigation Agreement

Dentacor is addressing one of the most overlooked gaps in healthcare: access to oral health for Utah's most vulnerable populations. Many individuals experiencing homelessness or financial hardship live for years with untreated dental disease — not because treatment is complex, but because access is limited.

Dentacor's mobile dental hygiene model brings care directly to shelters, recovery programs, and transitional housing. Through a pilot with the Utah Office of Artificial Intelligence Policy (OAIP), Dentacor is testing whether AI can safely support this work by increasing clinical capacity without compromising patient safety.

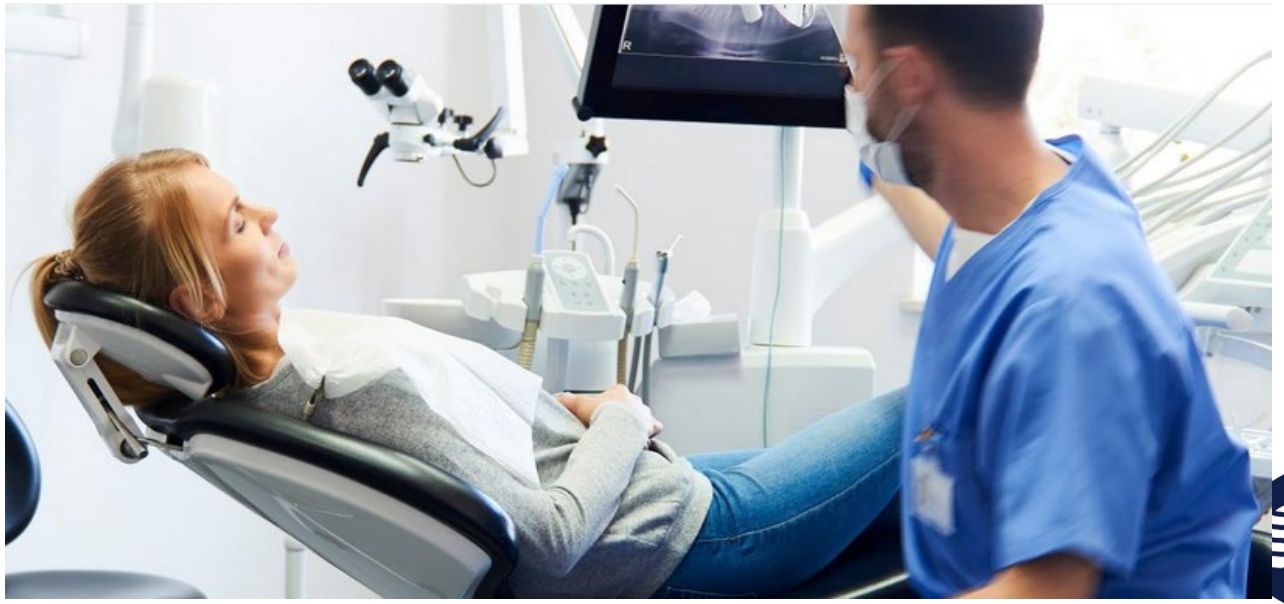
The Approach

OAIP granted Dentacor a 12-month regulatory mitigation under the AI Learning Laboratory program to test a narrowly defined use of an AI-assisted radiograph diagnostic tool.

Under this pilot:

- Licensed dental hygienists may use AI to assist in diagnosing specific dental conditions
- Diagnoses must be confirmed by both the hygienist and the AI system
- Any disagreement is escalated to a licensed dentist
- Only a limited set of procedures is permitted
- All patients provide informed consent and receive full transparency

AI functions as a clinical support tool, not a replacement for professional judgment.



Source: Utah Department of Commerce, Office of Artificial Intelligence Policy



Photograph by EnvisionUtah

Looking Forward

Under Pressure

Historic Inflation

More money **chasing** ***fewer goods*** **→ Inflation**

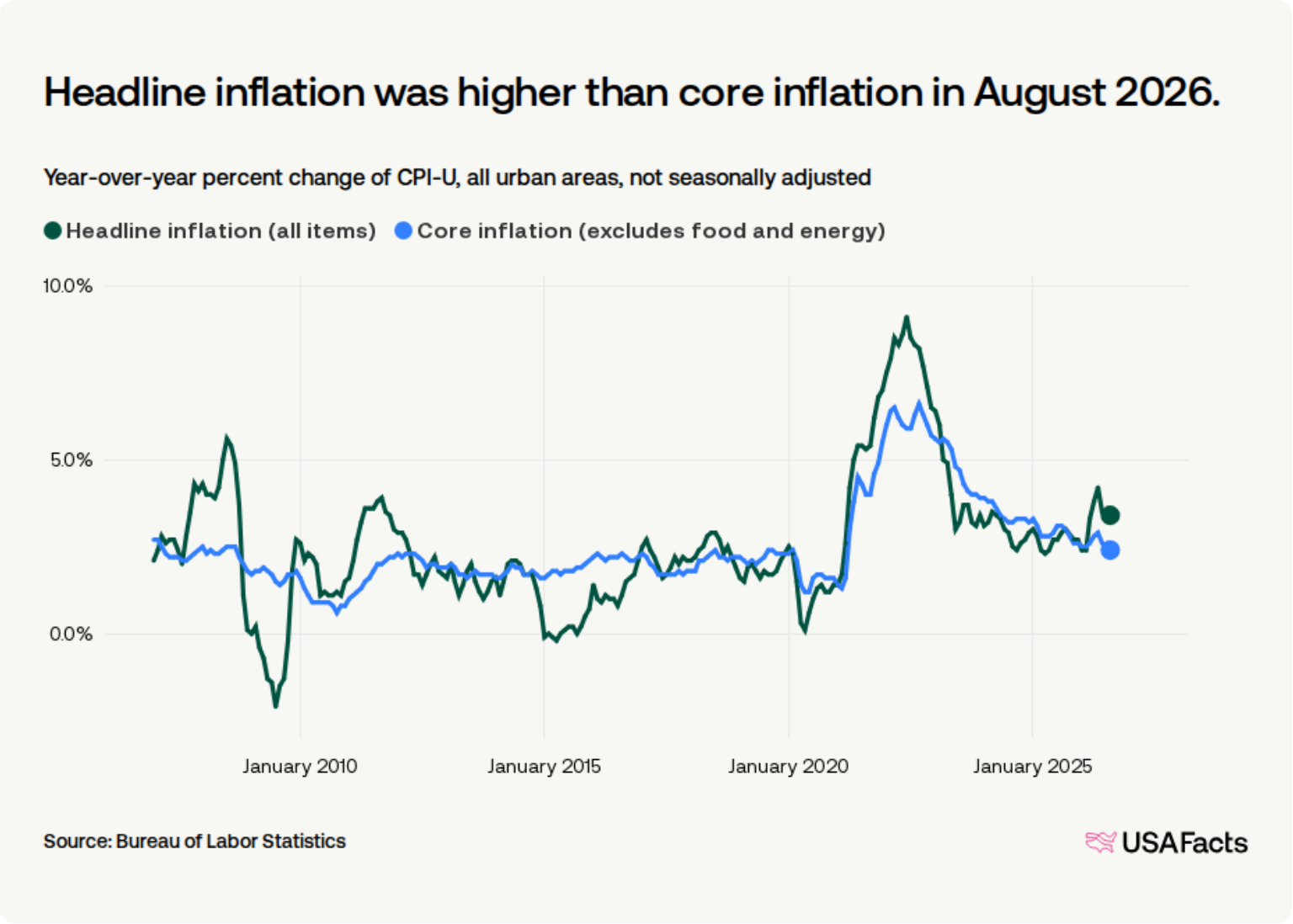
August 2026 inflation at 3.4% year-over-year

“The disinflation process during the last mile will be more uncertain, slower, and bumpier.”

– Isabel Schnabel, European Central Bank



Inflation

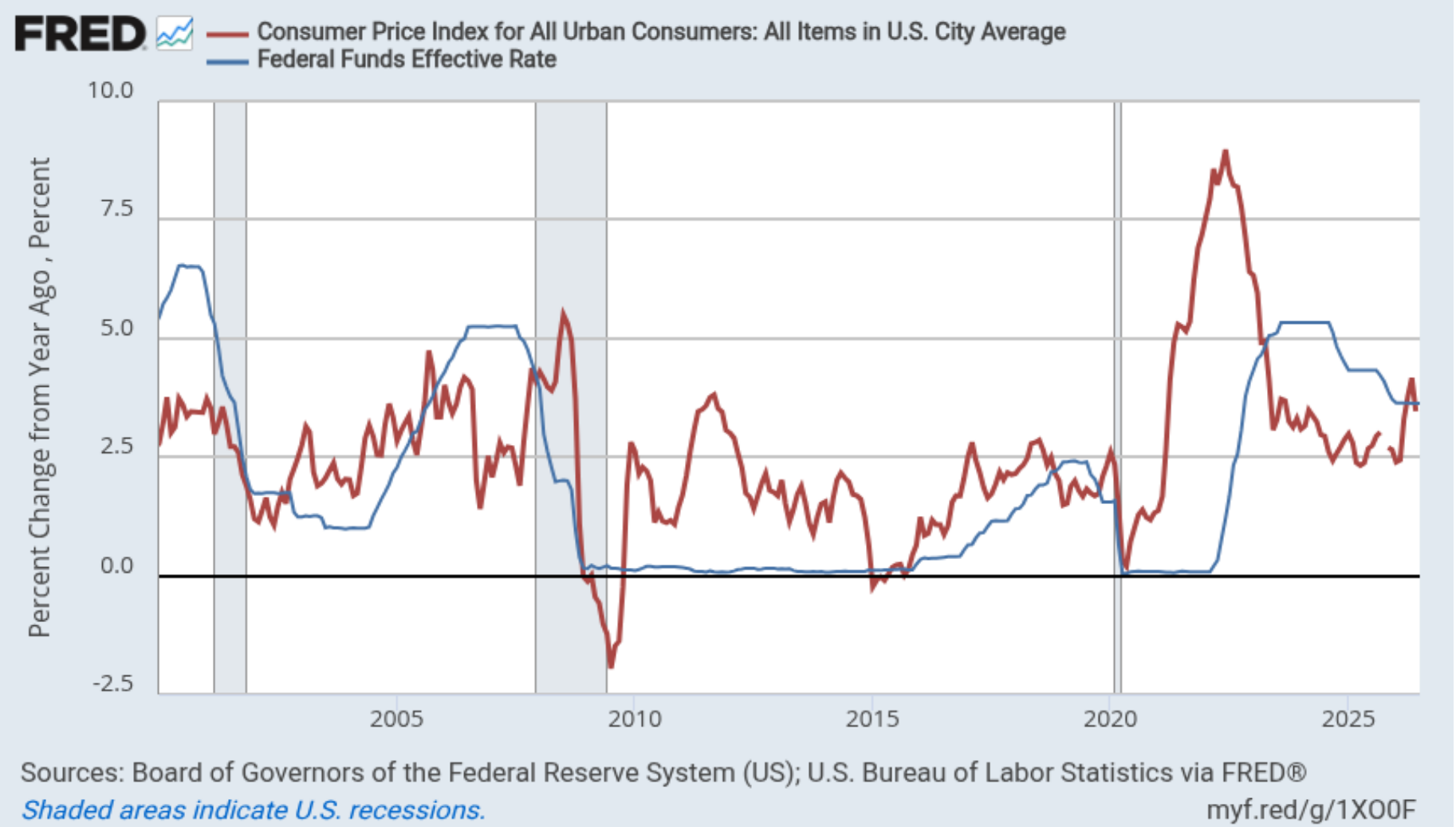


3.4% annual inflation rate, all items nationwide (August 2025 to August 2026)

Much of the inflation rate was driven by price changes in transportation (energy).

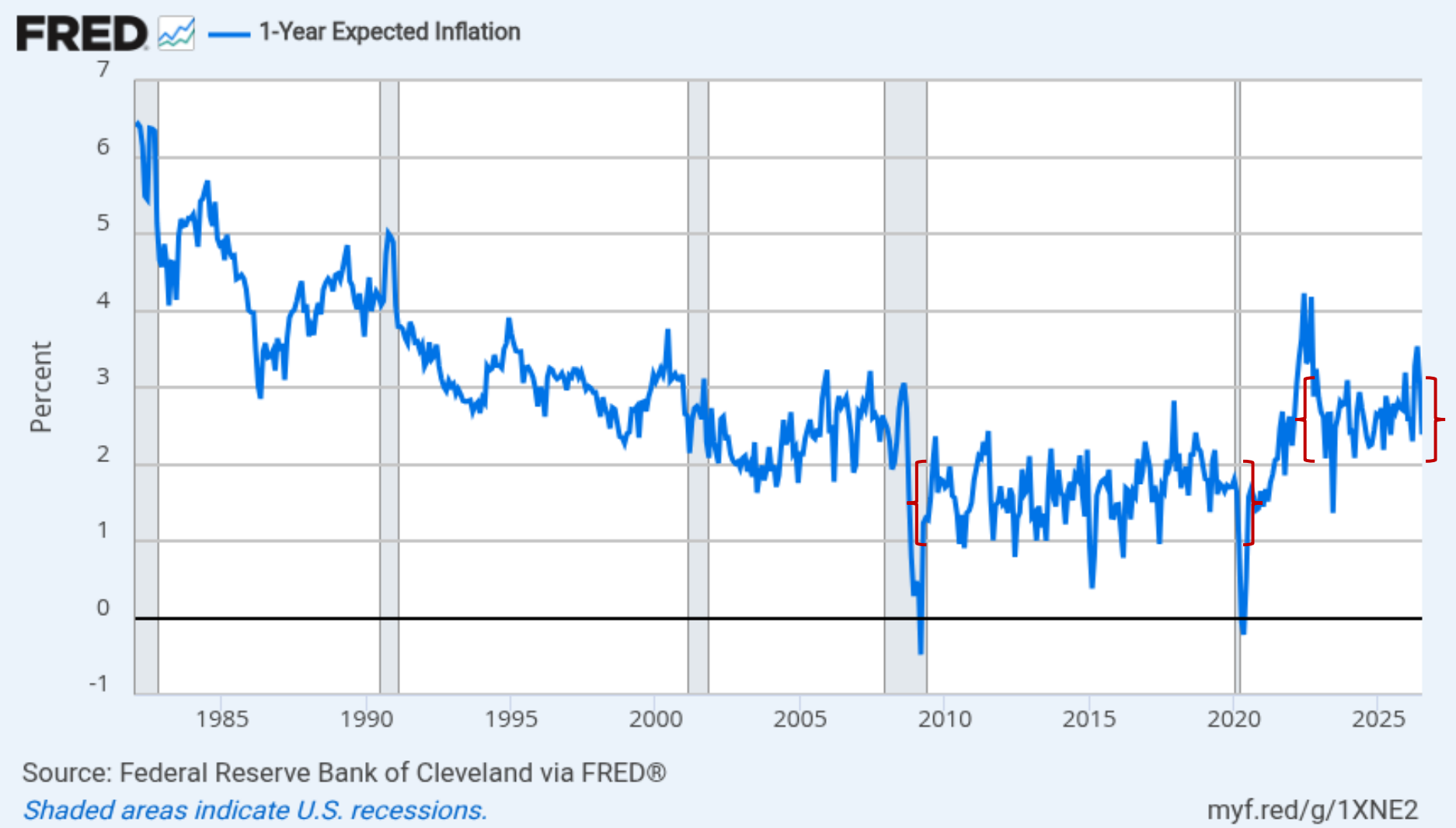
Source: Bureau of Labor Statistics

Inflation and the FFR



On September 16, FOMC voted to increase interest rates by 25 basis points to a target of 3.75% to 4.00%.

Inflation Expectations



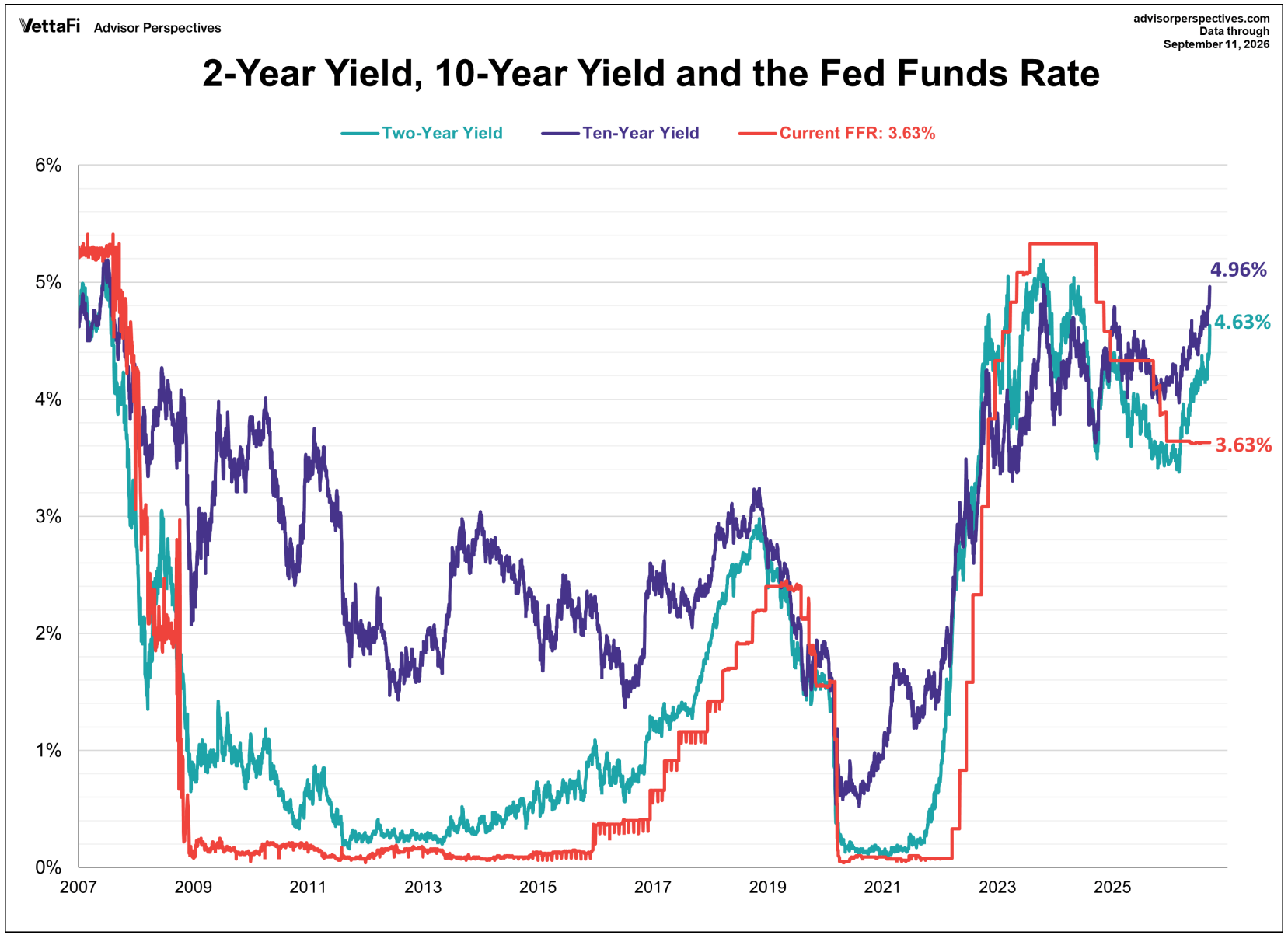
Bond Market in Distress

Why do you care?

Bonds, historically, are the safest asset.

Thus, yields (read interest rates) on bonds set the underlying rate for all long-term loans.

Investors are demanding higher return since the opportunity cost is increasing.



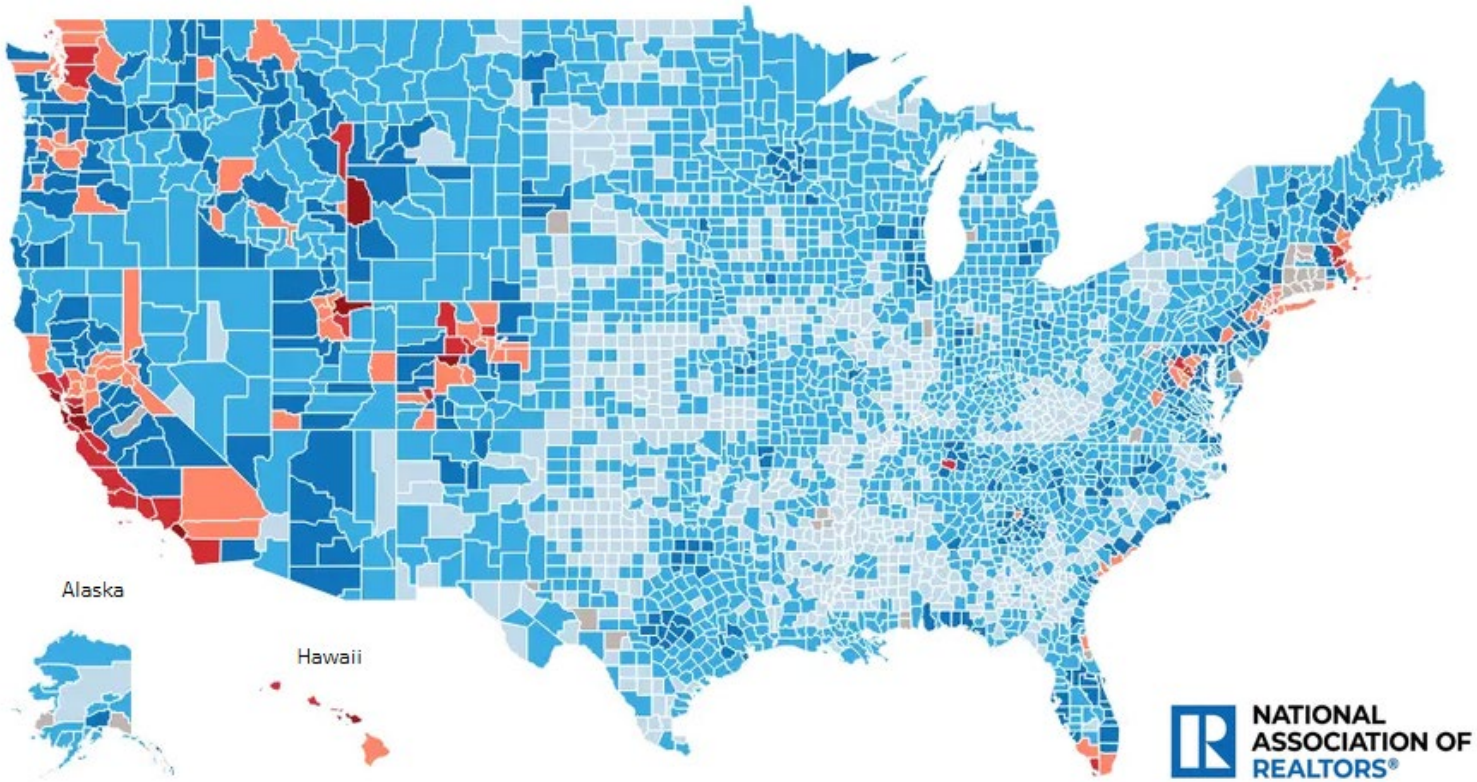
Source: Advisor Perspectives

Housing Prices

County Median Home Prices

Q4 2025

25.6%	57.6%	12.3%	3.0%	1.1%	0.5%
Less than $150,000	$150,000-$350,000	$350,000-$550,000	$550,000-$750,000	$750,000-$1,000,000	$1,000,000 and more



NATIONAL ASSOCIATION OF REALTORS®

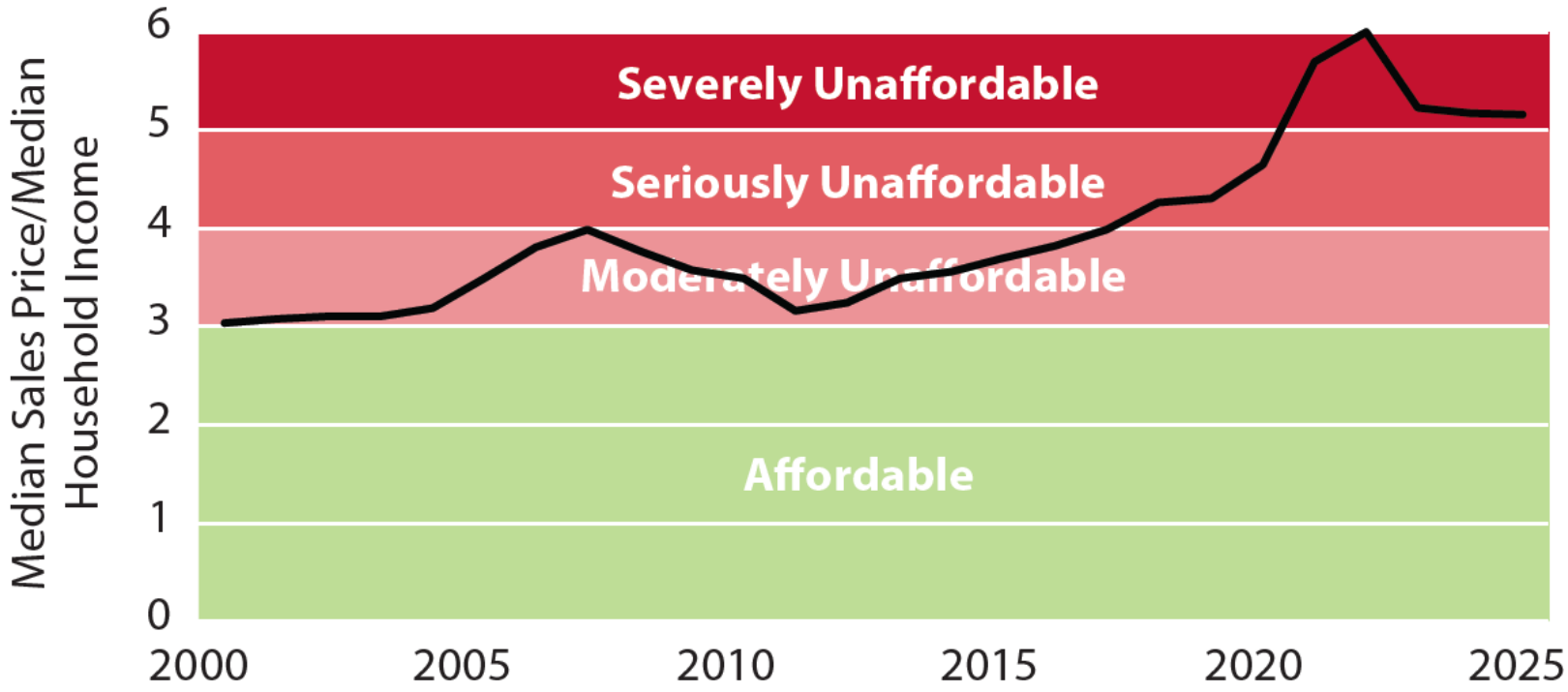
Note: NAR Calculations of American Community Survey data; Federal Housing Finance Agency data.
See Methodology.

Click below to download the map in pdf

Utah More Unaffordable for Home Buyers

- Ratio of median home price to median household income – metric for affordability
- Peaked in 2022 at just over 6

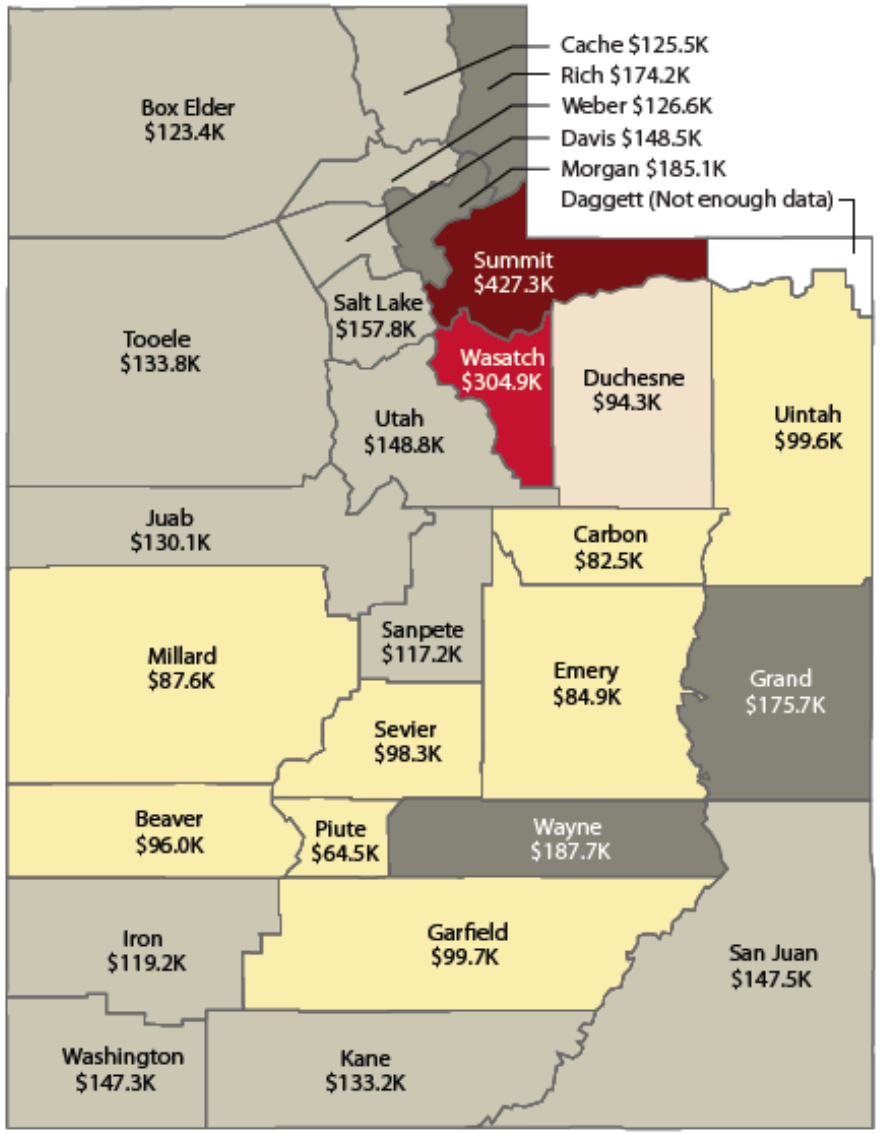
Figure 17: Utah's Median Multiple, 2000-2025



Source: Kem C. Gardner Policy Institute

Income Needed to Buy a Home

Figure 26: Income Needed to Afford the Median Priced Home With a 10% Downpayment by County, 2026 Q1



Note: The income required utilizes a 30% monthly mortgage payment to income ratio. In addition to principal and interest, the payment also accounts for property taxes, homeowners' insurance, and primary mortgage insurance.
Source: Kem C. Gardner Policy Institute

UTAH MORE UNAFFORDABLE FOR NEW BUYERS

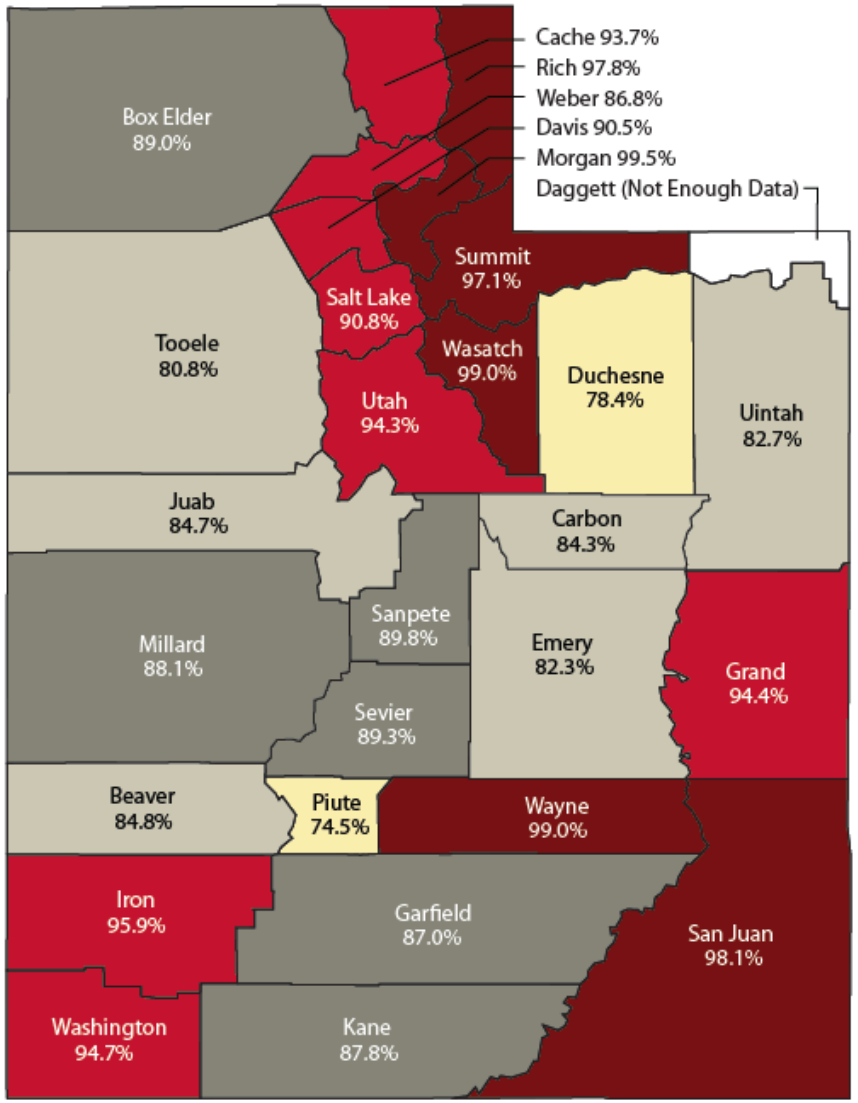
Figure 27: Wasatch Front Single-Family Modeled Monthly Mortgage Payment (10% downpayment) vs. Average Monthly Asking Rent, 2010 to March 2026 Q1



Note: In addition to principal and interest , the monthly mortgage payment also accounts for property taxes, homeowners' insurance, and primary mortgage insurance.
Source: Kem C. Gardner Policy Institute analysis of UtahRealEstate.com and RentRange Altisource data

Share of Utah Renters Priced Out of a Median-Priced Home

Figure 29: Share of Utah Renters Priced Out of a Median Priced Home, 2026 Q2



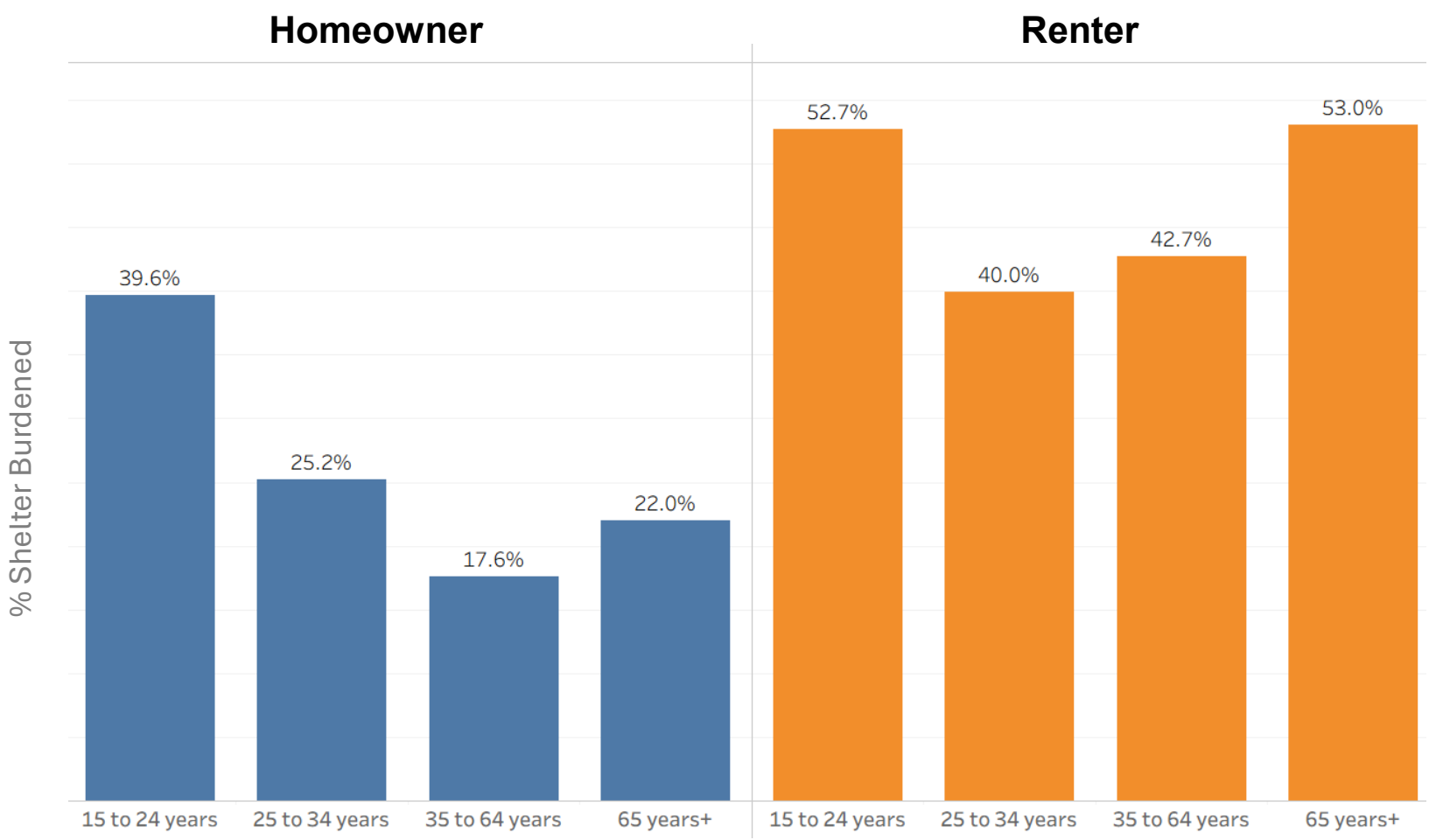
Note: Share is calculated based number of renters that cannot afford the monthly modeled mortgage payment that is calculated based on the median sales price, average 30-year fixed mortgage rate, a 10% downpayment, average property tax rate from Utah State Tax Commission, private mortgage insurance of 1% of the loan amount, and homeowners' insurance.

Source: Kem C. Gardner Policy Institute

Source: U.S. Census Bureau, American Community Survey, UtahRealEstate.com, Kem C. Gardner Policy Institute

HOUSING AFFORDABILITY

Share of households with housing cost burden above 30% income

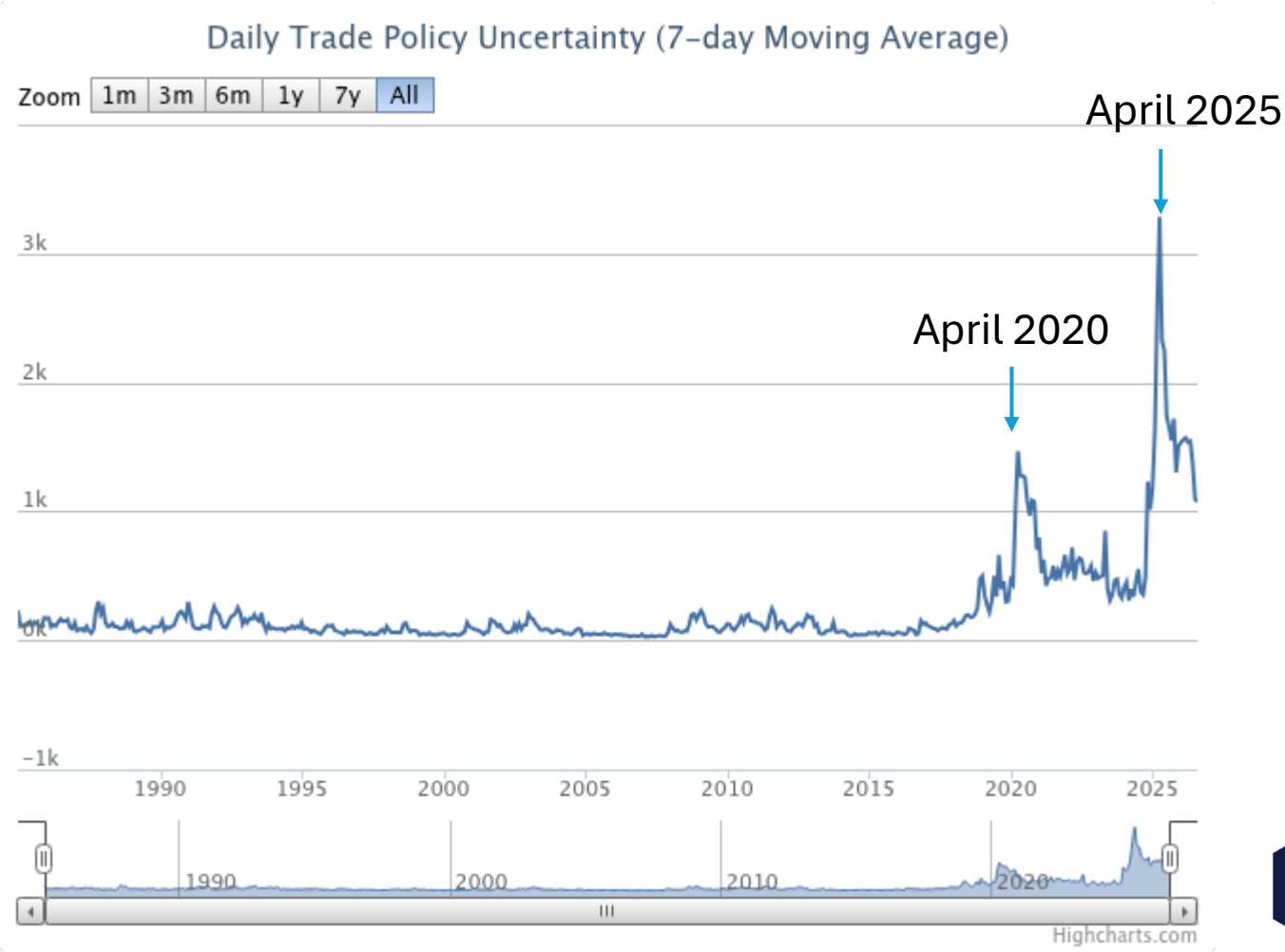


Source: American Community Survey, 5-Year, 2024

Uncertainty Index

Uncertainty is anathema to the economy…

- **Freezes Capital:** Businesses hoard cash and halt hiring, expansion, and long-term investments.
- **Depresses Valuations:** Higher required risk premiums raise discount rates, dragging down asset prices.
- **Drains Liquidity:** Market makers pull back and widen bid-ask spreads, triggering violent volatility.
- **Breaks Price Discovery:** Masked fundamentals prevent markets from accurately pricing assets and directing capital.



Source: Trade Policy Uncertainty Index

Crude Oil Price

Every $10 jump per barrel of crude adds roughly 0.2% directly to consumer inflation.

Governments executed a historic release of 400 million barrels from strategic reserves to stabilize wild price swings.

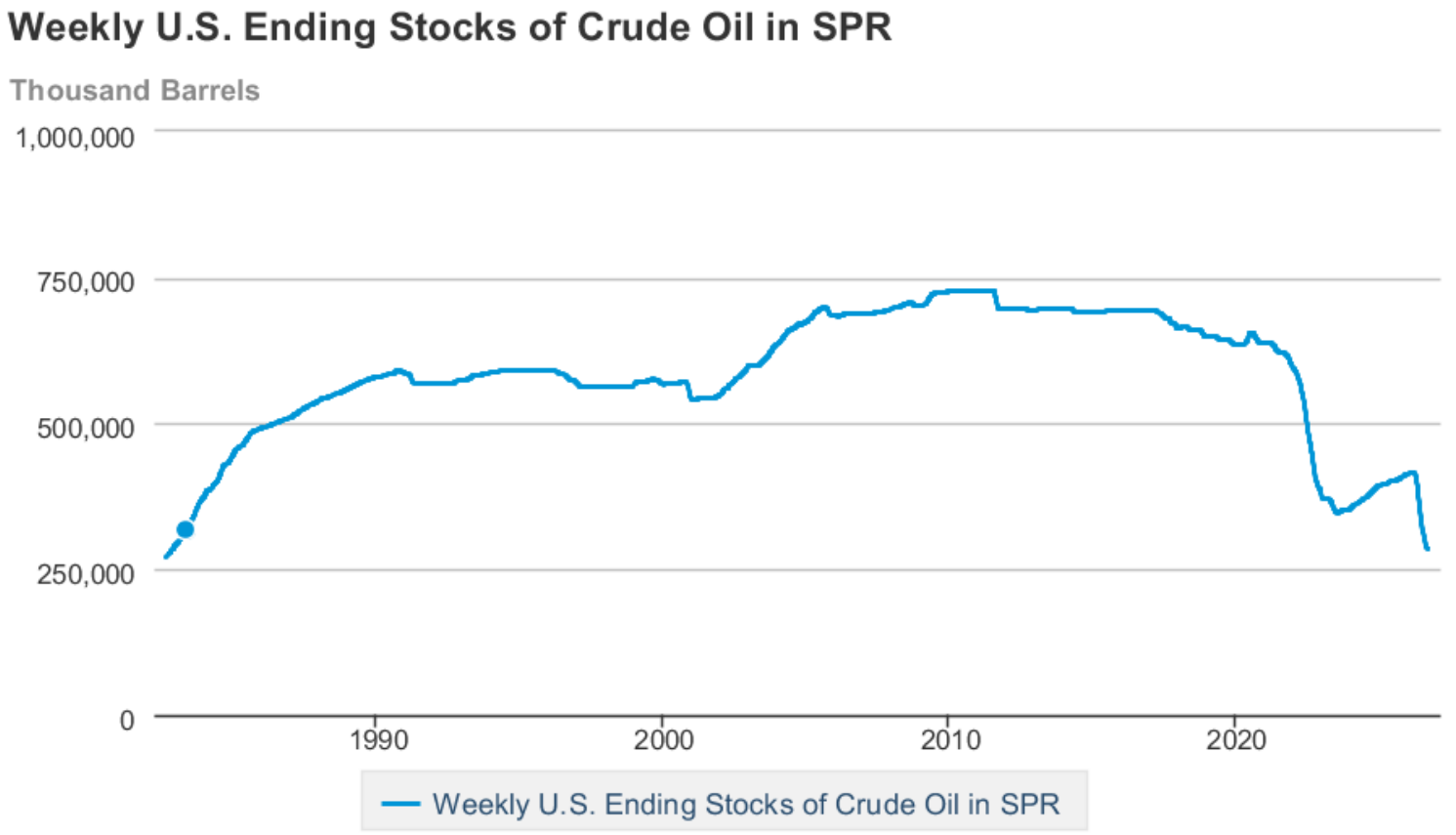


Source: Trade Policy Uncertainty Index

U.S. Strategic Petroleum Reserve

Current inventory sits around 285 million barrels—down nearly 60% from the 2010 peak of 727 million, leaving the nation at 40-year inventory lows.

Already sitting right inside the operational bottleneck (~250 to 300 million barrels). Below this range, salt cavern pressure drops significantly, forcing drawdown rates to slow to a crawl and making fast, high-volume releases... difficult.



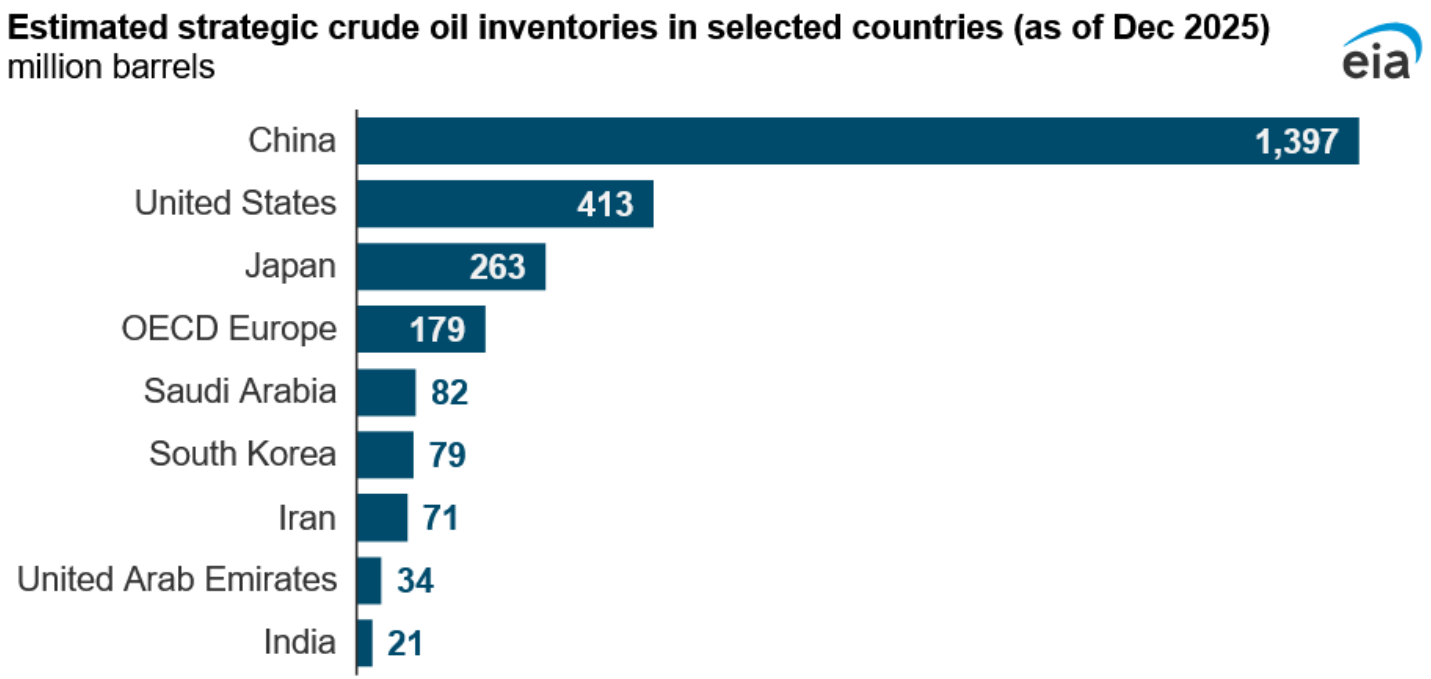
eia Data source: U.S. Energy Information Administration

International Reserves

Independent Statistics and Analysis
U.S. Energy Information Administration

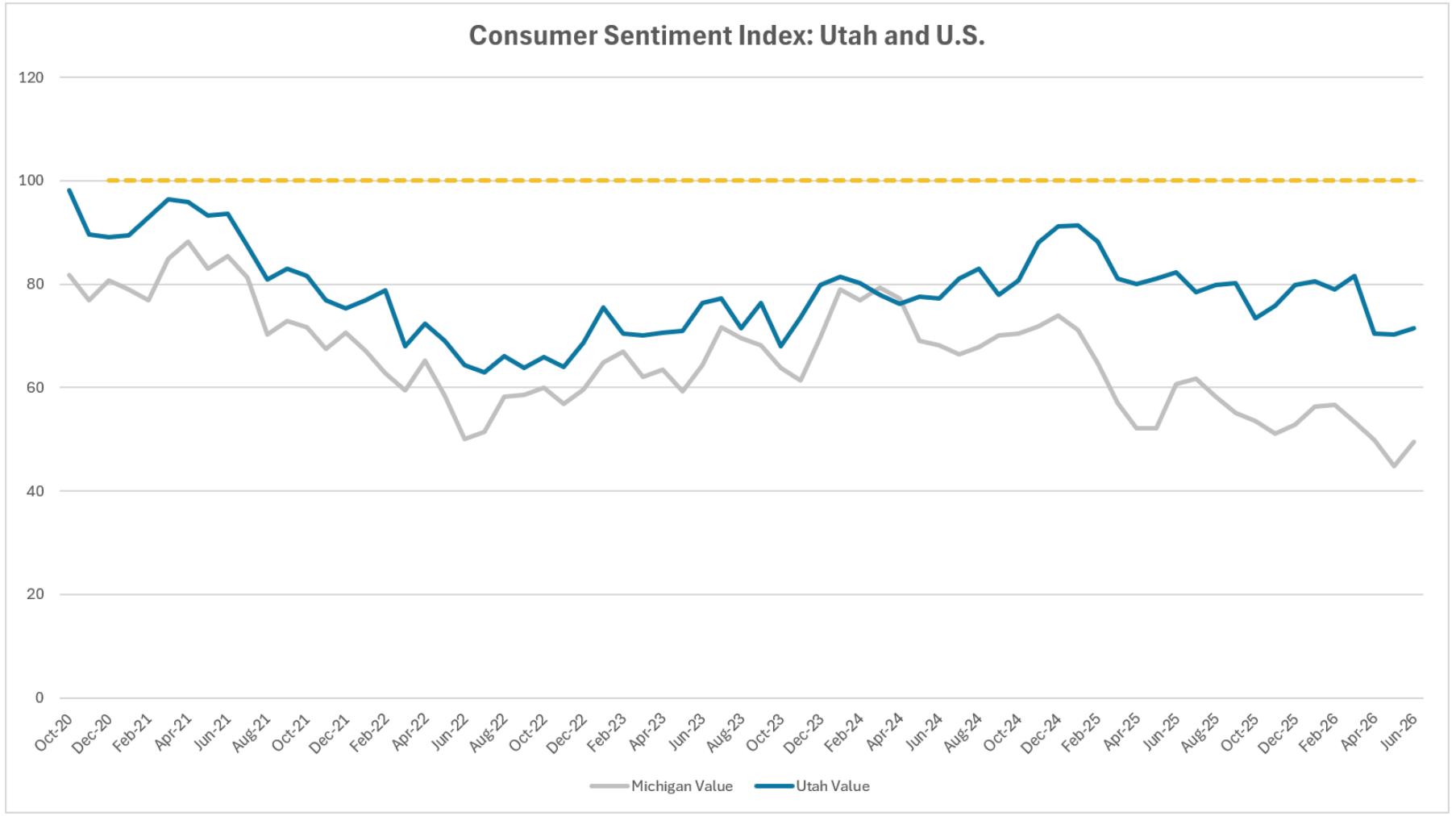
APRIL 20, 2026

China, the United States, and Japan hold most strategic oil inventories in 2025



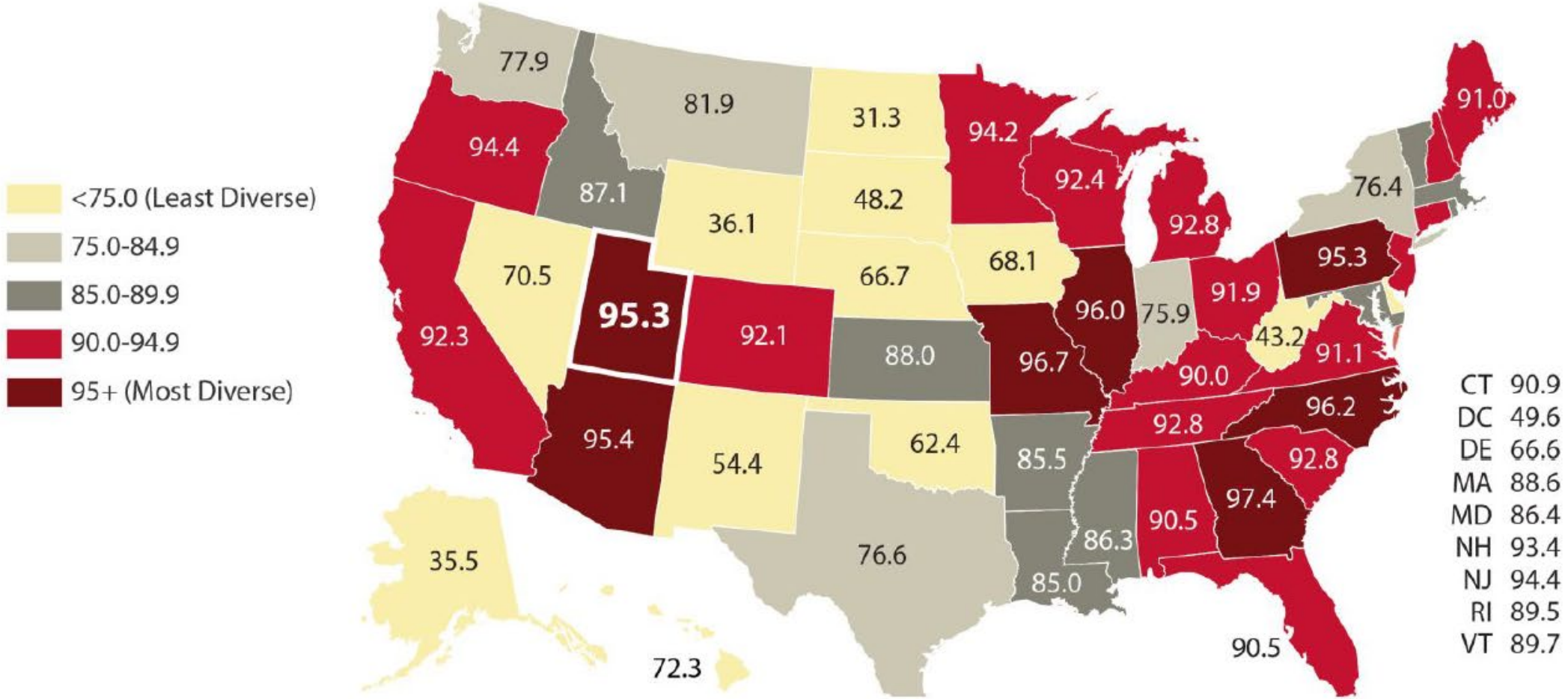
Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook* (STEO), March 2026
Note: Other estimates derived from the International Energy Agency, China National Bureau of Statistics, Vortexa Analytics, Kayrros, Kpler, Argus Media, and Global Trade Tracker.

Utah Consumer Sentiment Remains Positive

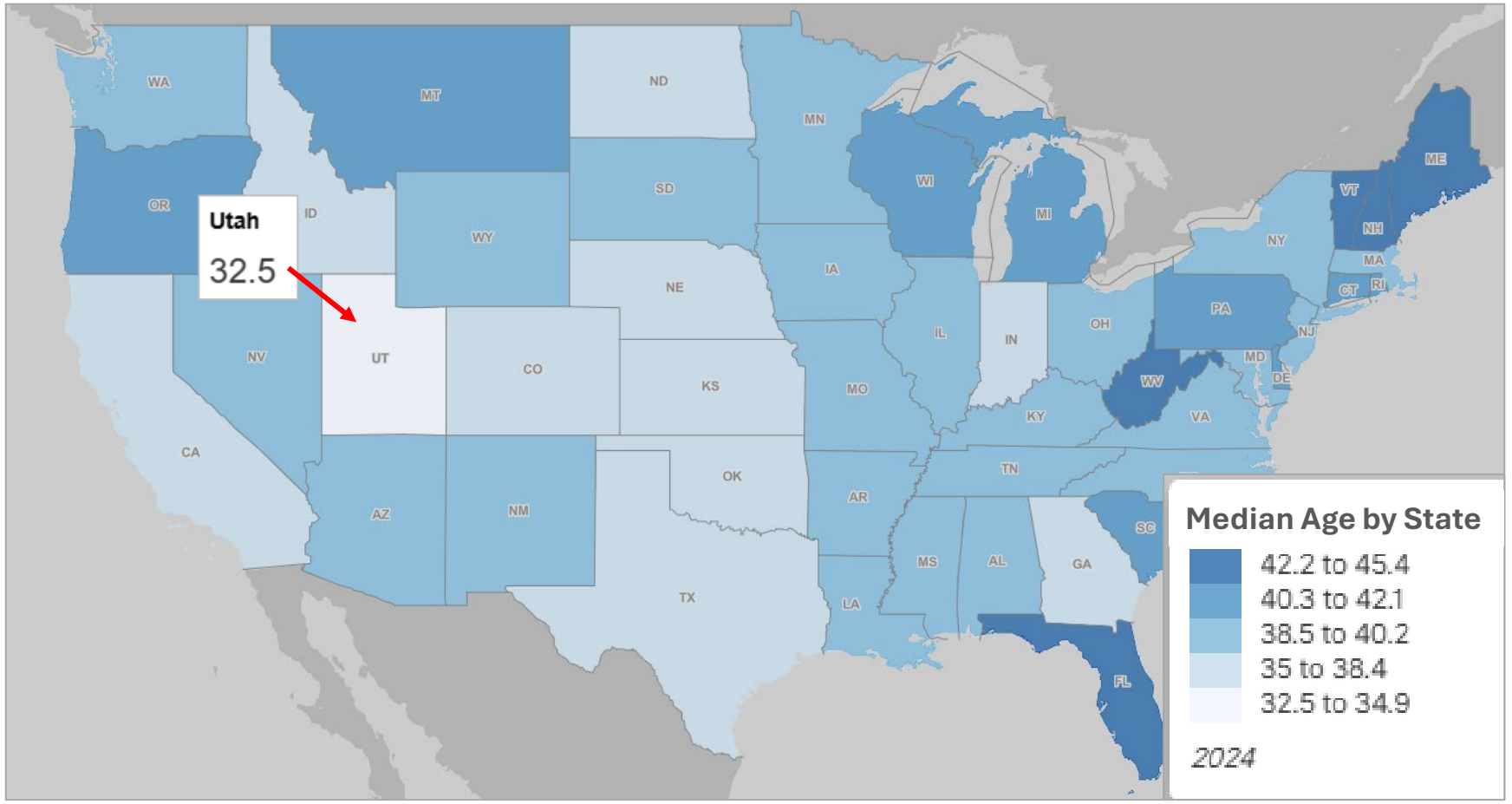


Source: Joseph Politano, Apricitas

Utah Among Most Diverse Economist Measured by GDP

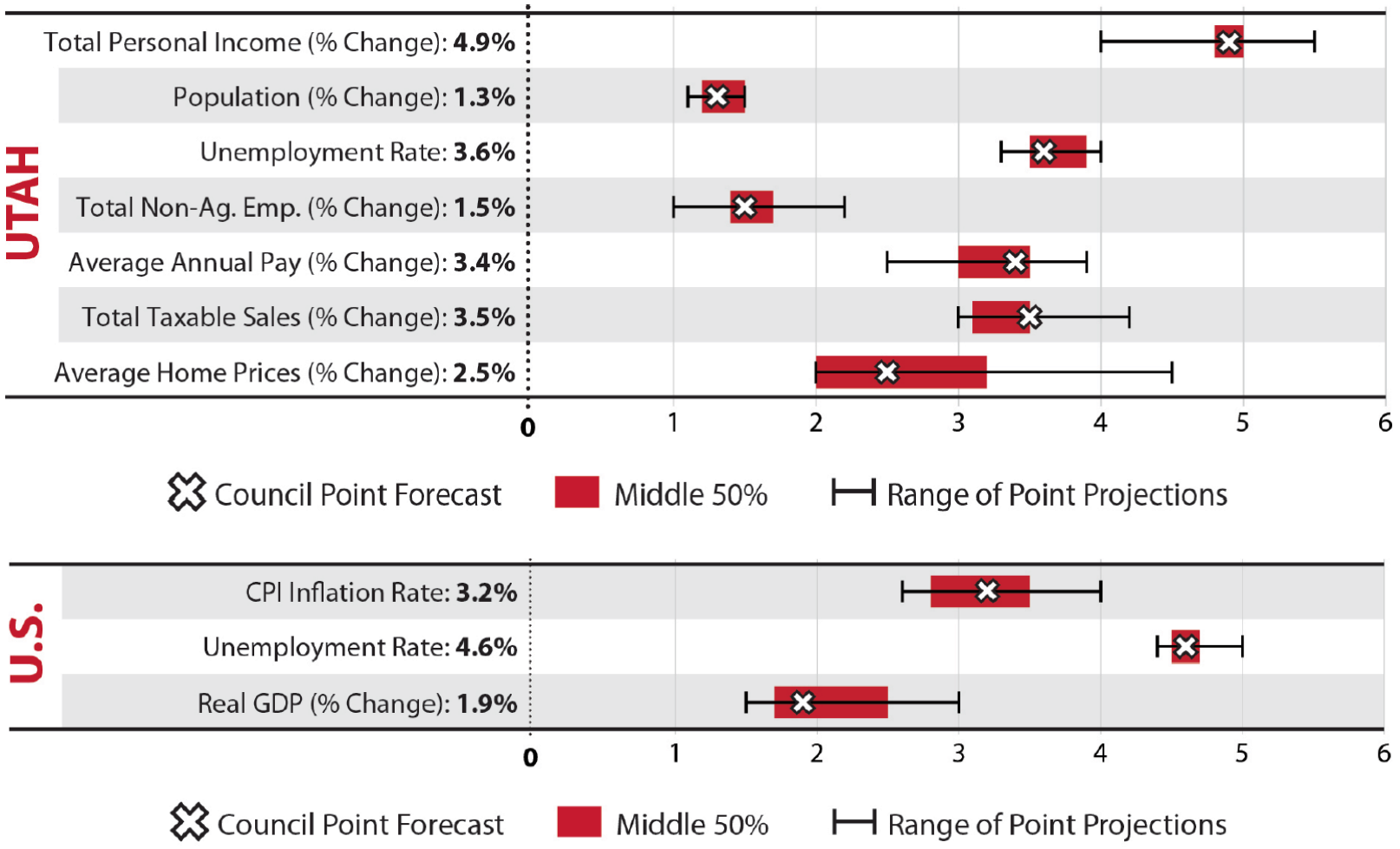


Utah is by far the
Youngest State in the Nation



Source: US Census Bureau

Utah **Economic Outlook** 2025-2026



Source: Utah Economic Council

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Questions.

