

Revising Utah's 2009 Economic Performance

Q: *How is the Utah economy currently performing compared to what we forecast six months ago?*

A: It is basically acting as was forecast. The large-scale employment losses have come to an end, and the economy appears to be, at worse, stabilizing—not yet showing any significant amount of job gains or reversals of previous job losses—or at best, starting to finally add jobs again. That is pretty much what the forecast was for this time period as of six months ago, so thus far, all seems on track.

Previously, we read the economy by assuming the bottom of the recession to have occurred in late summer 2009. Although the national panel of economists who determine the beginning and end of recessions has not yet said so, I believe they will eventually put the bottom of the 2007-2009 recession in that late-summer 2009 period. That is the low point of both the United States' and Utah's employment slide. Historically, the bottom of the employment slide lines up amazingly close to when this

panel of economists has named previous recessions over.

Maybe a case can be made that the recession is over, but the affects and psychology of that recession are not yet behind us; not until the economy reawakens and starts to aggressively add jobs again. Unfortunately, that may not happen in 2010. There are still too many residual and hangover affects from the deepest recession in the post-World War II era to just say; "Okay, all gone, I feel better now, let's party again." The party leading up to that downturn was lavish, and there are industries and institutions still hurting, and possibly not destined to feel better for quite some time.

So what should we do? The only thing to do is hang in there, be patient, be thankful for the job you have, and wait until the medicine kicks in and relieves this hangover. But sometimes time and rest are the only cure for a "good" hangover. 🍷



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Did you know...

- Utah's home construction is on the rise, according to data released by the Bureau of Economic and Business Research at the University of Utah. <http://www.deseretnews.com/article/700031298/Home-construction-on-the-rise-in-Utah.html>
- Pinnacle Security, an Orem-based company that sells residential and commercial security systems, is looking to hire 300 people for its call center operations. http://www.sltrib.com/business/ci_15055779
- City officials are hoping to lure a commercial airline to the underused Provo Municipal Airport in the next 18 months. <http://www.deseretnews.com/article/700031546/Provo-airport-hopes-to-land-commercial-airline.html>