

Thoughts on the **Utah Economy**

...to keep in mind when evaluating the direction of economic affairs:

IT LOOKS LIKE THE UTAH ECONOMY may get some help from the new home building market this year, although it will be modest. Approved home building permits remain at only half of what they were throughout most of the 1990s and early 2000s, but they are running better through the first half of this year than last year. Both the homebuilders and realtor communities are more upbeat about the Utah housing market than they have been for several years. Builders have nearly cleared their excess inventory, and realtors are speaking of more traffic and multiple offers for existing homes. Population has continued to grow throughout the recession period, so one would surmise that pent-up demand is building and will eventually spring forth at some time in a new home-building surge, but probably not in 2012.



IT IS ESTIMATED THAT THE UTAH population grew by just under 40,000 people in 2011. Of that, only 2,500 are estimated to have come from in-migration. The long-term economic structure is such that Utah could easily be receiving much higher levels of in-migration (Utah was averaging around 20,000 per year before the recession), but the short-term national economic woes are holding back this potential enhancement.



EVERY JUNE, A NEW POPULATION SURGE ENTERS the Utah labor force. Schools let out and spill their contents upon the Utah labor market—both teens and college age. Some are only temporary entrants, others permanent. The volume depends upon the availability of jobs. For example, in the strong job environment of 2007, nearly 22,000 additional workers were counted in the labor force between April and June. In the depressed economic environment of 2010 it was only 3,000. Numbers improved to 7,000 in 2011 and are estimated at 10,000 for 2012.

