

# LOOKING AHEAD

## FOR UTAH'S ECONOMY



**T**he Utah economy did comparatively well in 2012. Yes, we are still being impacted by the broad shadow of the Great Recession, but the economy began making aggressive progress beyond that shadow in 2012.

The recession's cloud spread from 2008 through 2011. Employment losses had accumulated through 2010, followed by a middling Utah employment expansion beginning in 2011. In 2012 it rose above mediocre, as employment gains moved above 3.0 percent. The change is that jobs increased in 2012 (projected at 40,200) faster than the 2012 labor force growth (new labor force growth in Utah usually runs around 20,000 to 25,000 per year). This was the first year since 2007 that the economy outpaced new labor force growth. We created more jobs than the number of new workers.

2012 was the first year the economy began to reach back into the recession shortfall and re-employ people. By the end of 2012, Utah had as many jobs as it did before the recession. The deficit that remains is about 100,000 fewer jobs than what otherwise would have developed had the economy kept up with labor force growth. Therefore, we still have relatively high unemployment and remain in the recession's shadow.

When 2012 final job counts are in, the Utah economy will probably have grown around 3.3 percent, or 40,200 jobs. Projections show

that 2013 will largely be a repeat performance with growth around 3.2 percent, or another 40,000 jobs. If those numbers aren't accurate, it will probably be on account of a better economic performance than anticipated, not worse.

The Utah economy will still lag behind accumulated labor force growth for quite some time. Depending on the pace of job growth, it could take five to eight more years for Utah to employ its internal labor force growth that otherwise would have been employed had we not gone through the Great Recession.

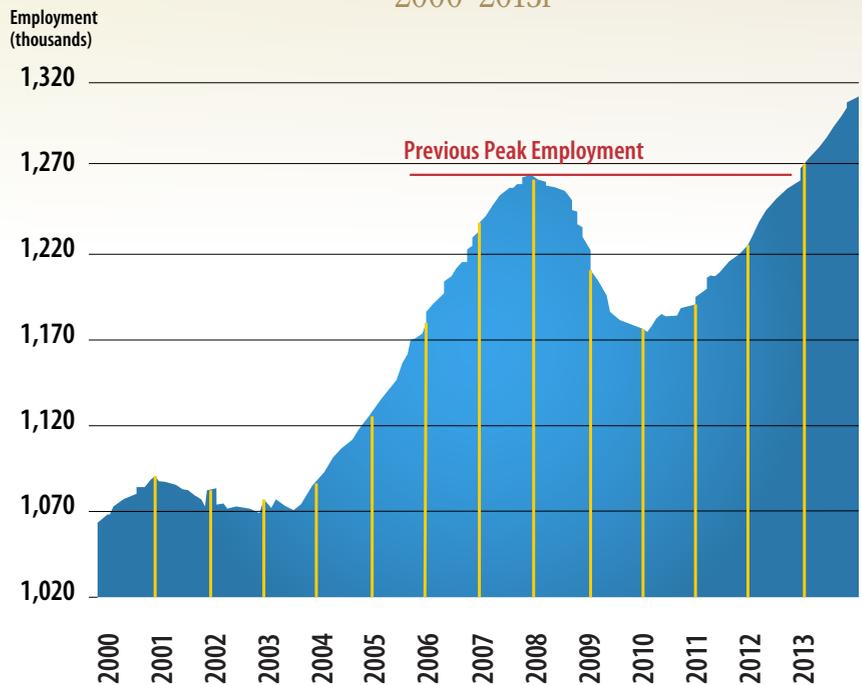
There is a potential revolutionary economic transformation underway in America that could help Utah move more rapidly toward closing this employment gap. It is the shale gas boom that has emerged across the country over the past five years. This is not likely to fade anytime soon. Shale rock formations are giving America cheaper, abundant and comparatively clean energy. Because of this, America's industrial base could surge, particularly in industries that were fading — namely manufacturing.

This energy boom is expected to be a major spur to the United States' economy. Citigroup has estimated that the payoff for America over the next decade may be 3.6 million new jobs. Utah has generally enjoyed a position where it performs parallel with yet better than the national economy. Therefore, if this revolution is going to spur the national economy to new heights, then it stands to reason it will also spur the Utah economy onto a stronger and more rapidly repairing path as this decade progresses. ●

BY THE END of 2012, Utah had as many jobs as it did before the recession.

## UTAH EMPLOYMENT\*

2000–2013<sup>f</sup>



Source: U.S. Bureau of Labor Statistics; November 2012.  
<sup>f</sup> = forecast; Utah Department of Workforce Services.  
 \* = Seasonally Adjusted