

Judicial Council FY 2024 Budget Planning Meeting

Utah Economic Update

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Governor's Office of Planning & Budget
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Planning & Budget

Prospects for a Soft Landing?

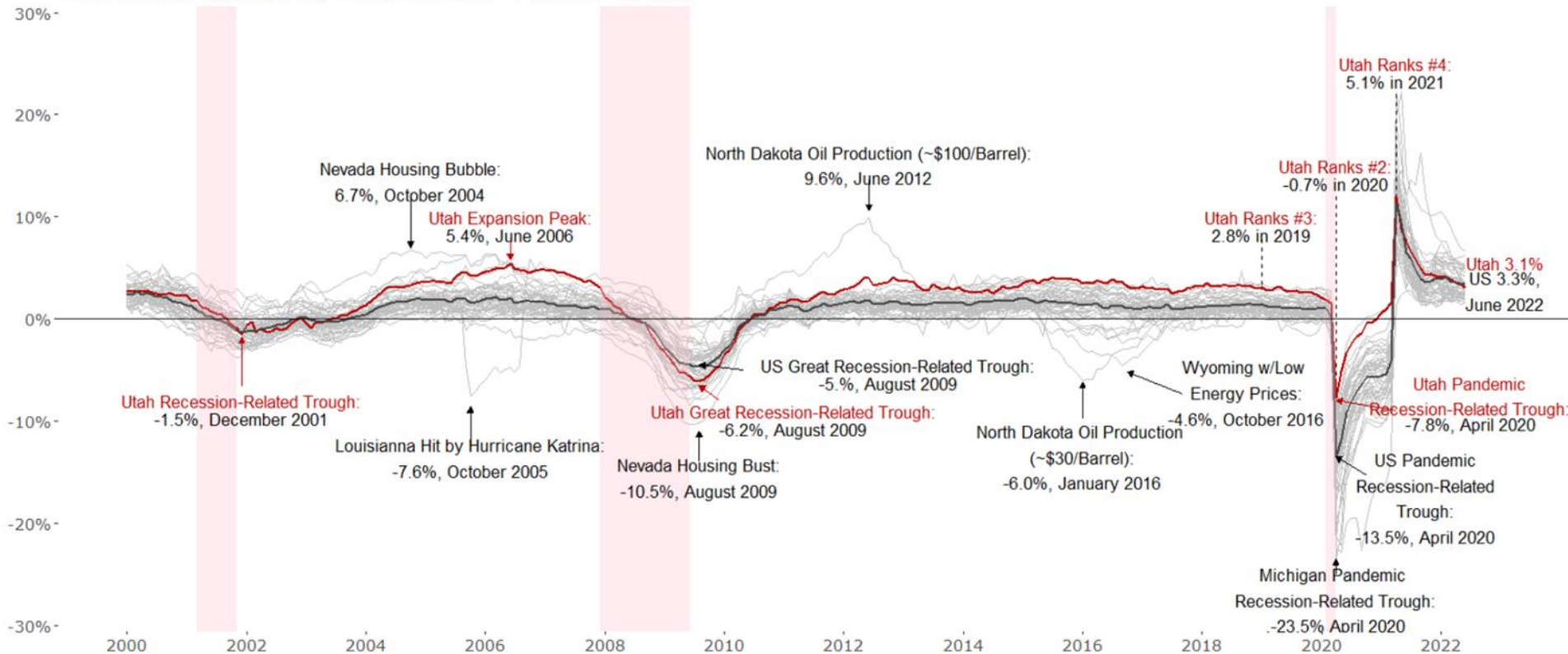


Positive Indicators	Measure	Level	Trend
Utah Job Growth	3.5% (y/y)	High	Moderating
Utah LFP	68.1% (rate)	High	Increasing
Utah Private Wage Growth	7.5% (y/y)	High	Moderating
Utah State Gov't Revenue	24.0% (y/y)	High	Moderating

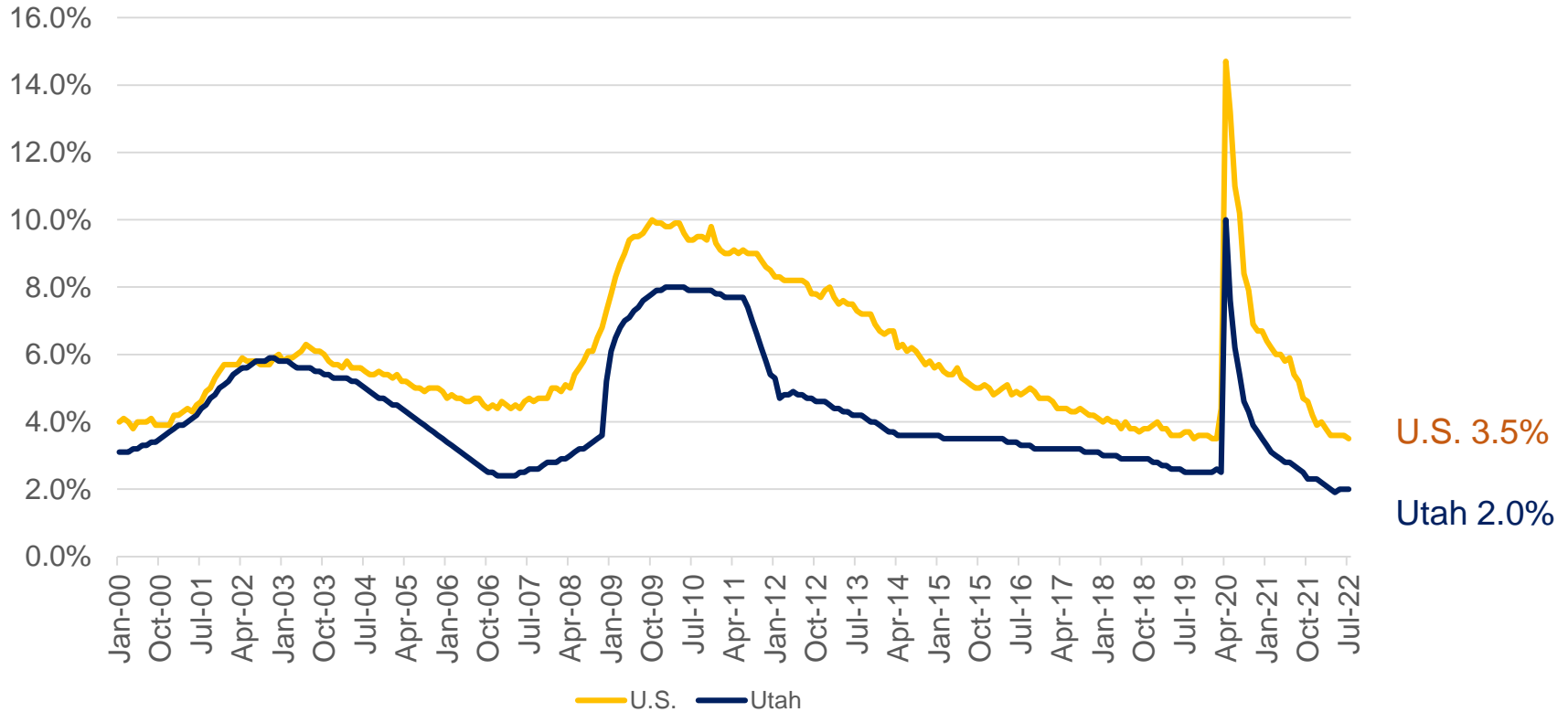
Mixed Indicators	Measure	Level	Trend
Utah Unemployment Rate	2% (rate)	Low	Even
Utah Job Openings	6.5% (rate)	High	Even
U.S. Gross Domestic Product	-0.9% (SAAR)	High	Decreasing

Negative Indicators	Measure	Level	Trend
U.S. Inflation	0% (m/m), 8.5% (y/y)	High	Even
Utah Housing Prices	\$530k (price), -1.4% (m/m)	High	Decreasing
U.S. & Utah Consumer Confidence	51.5/62.9 (index)	Low	Decreasing
Upper Limit Federal Funds Rate	2.5% (rate)	Low	Increasing

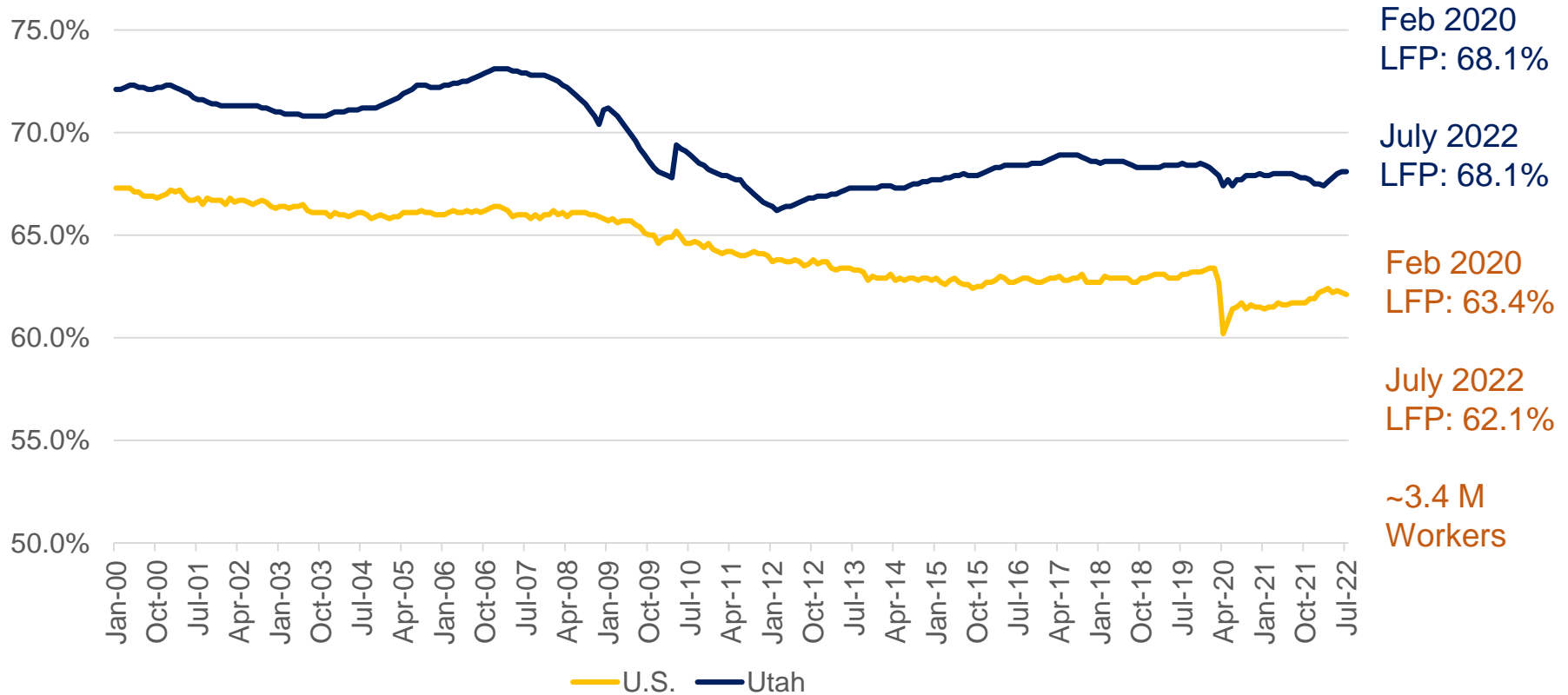
Utah Trends Among Top States in Year-Over Job Growth



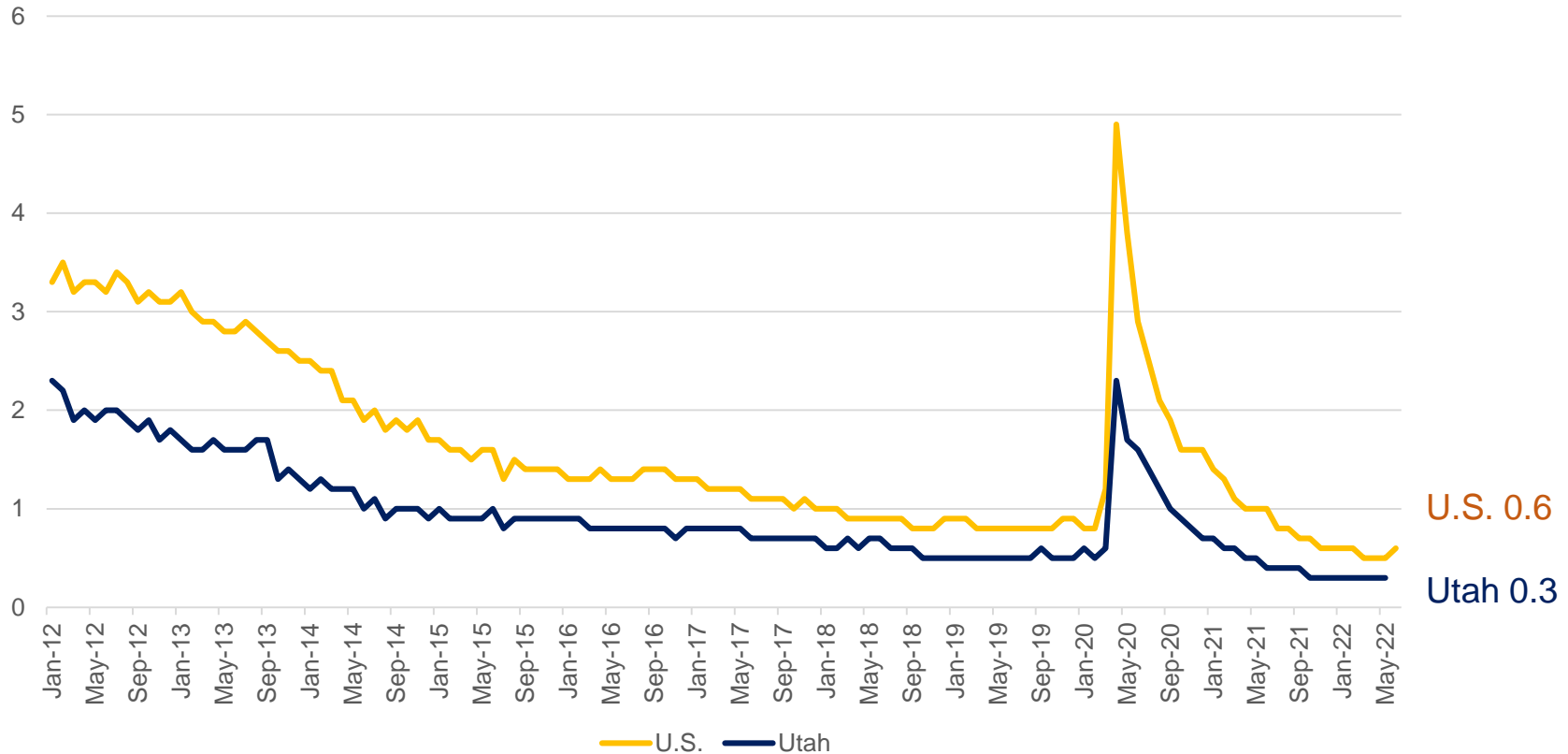
Unemployment Rate: U.S. & Utah



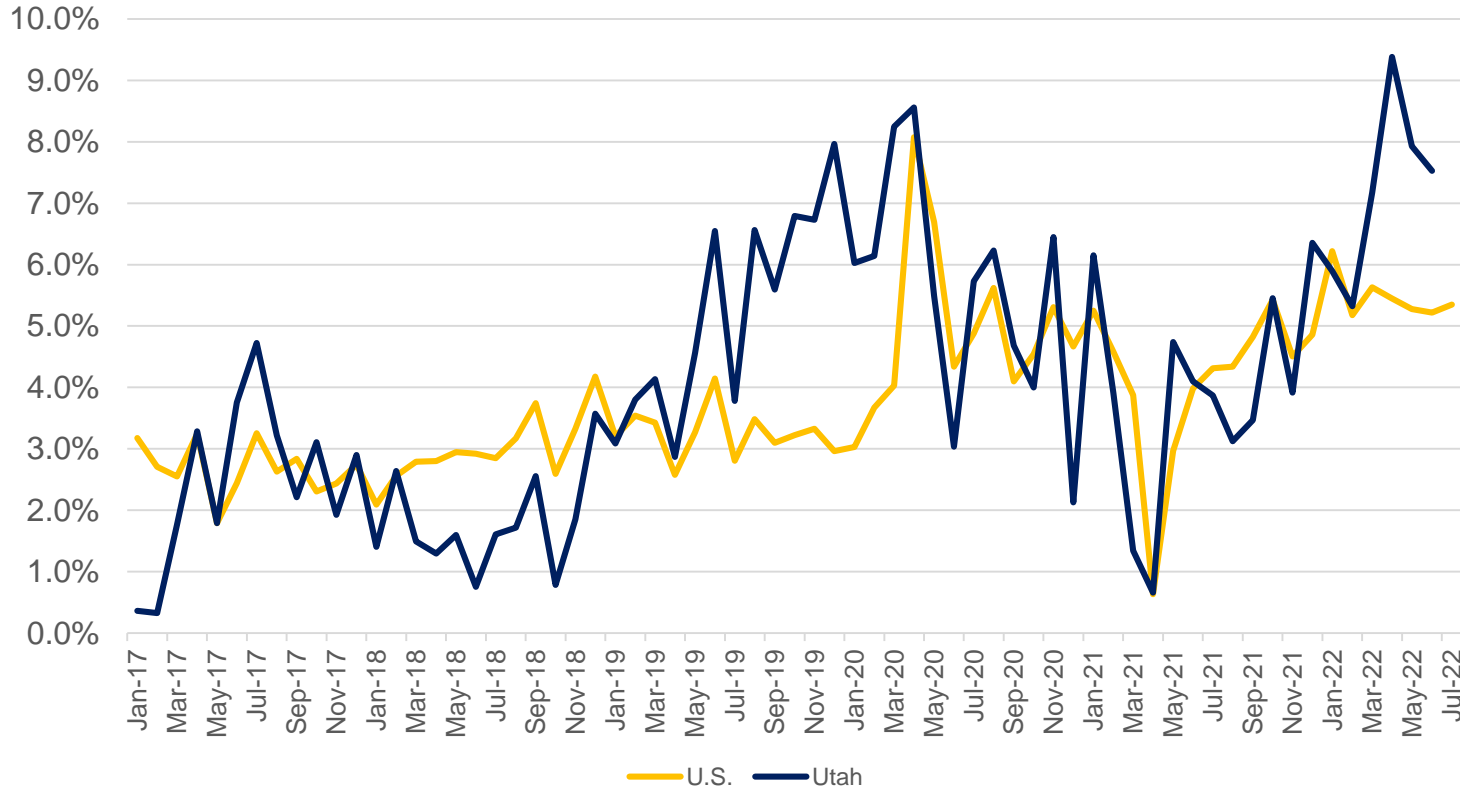
Labor Force Participation Rate: U.S. & Utah



Unemployed per Job Opening: U.S. & Utah



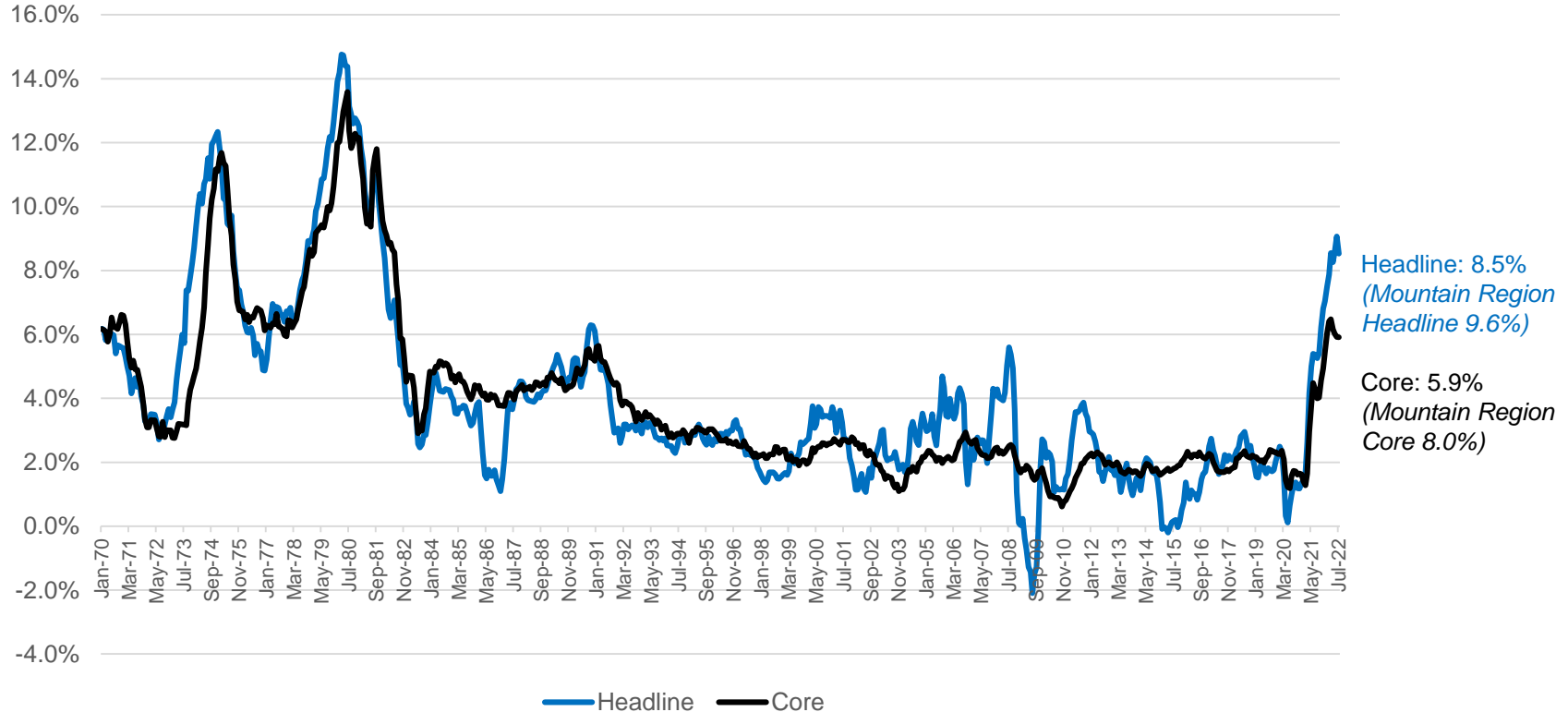
Private Wage Growth: U.S. & Utah



Utah: 7.5% y/y,
ranks #7 in the
U.S.

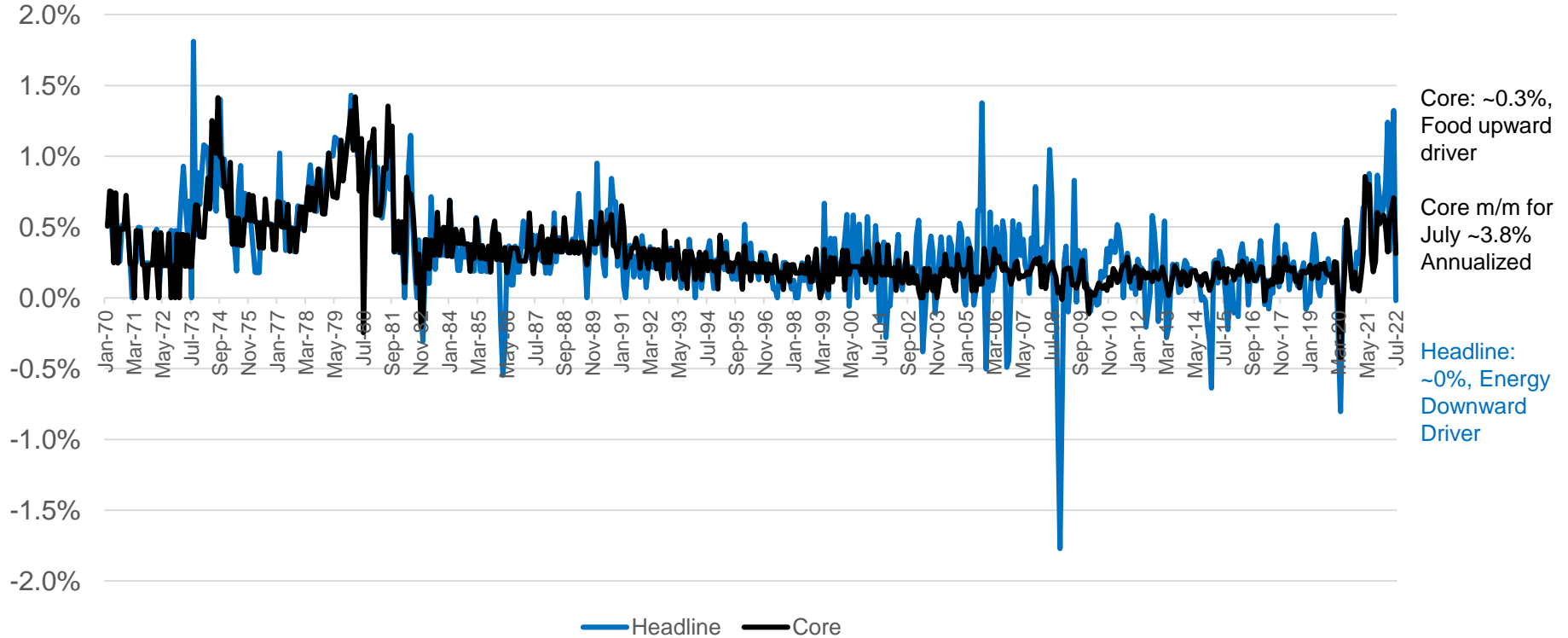
U.S. Consumer Price Index

Year-Over Change

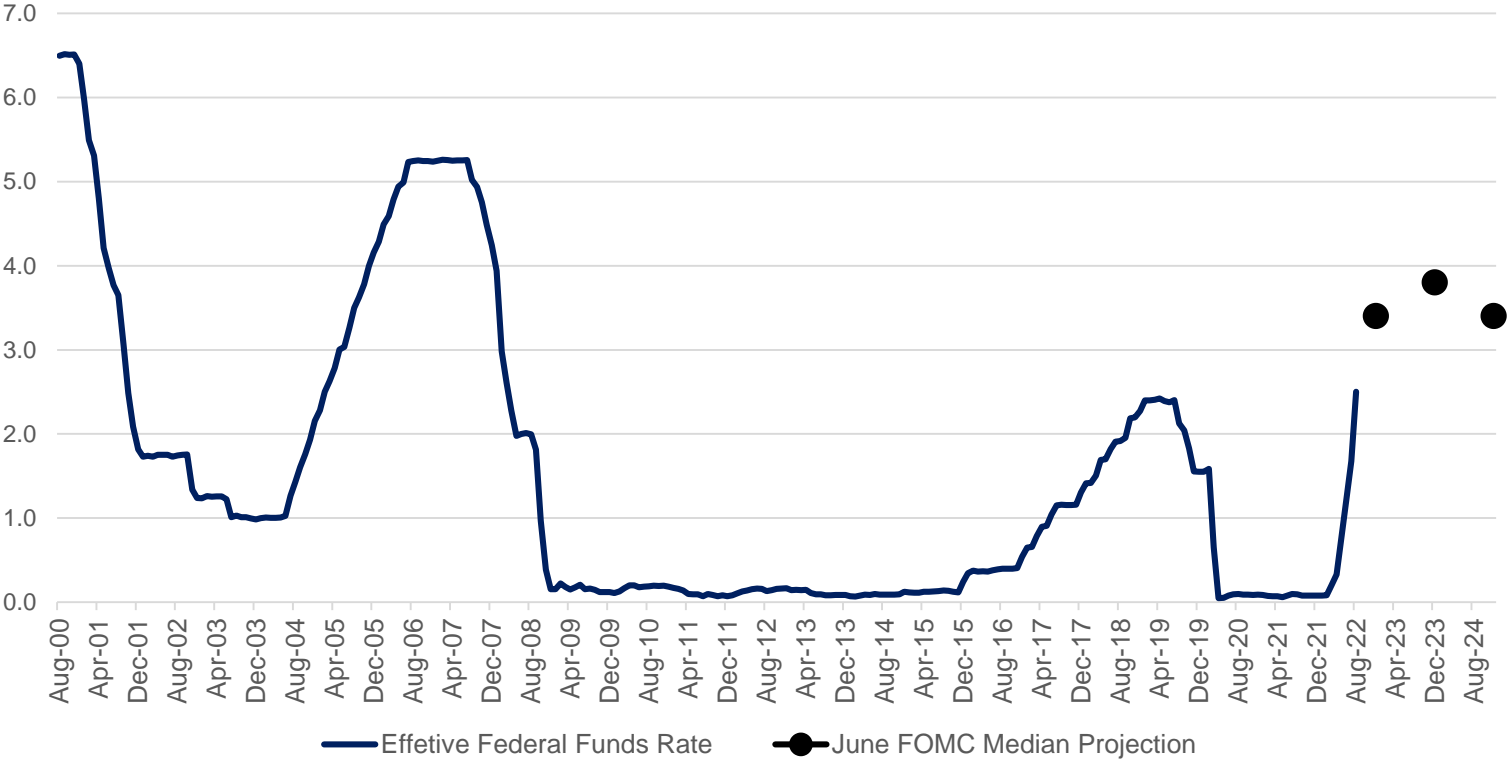


U.S. Consumer Price Index

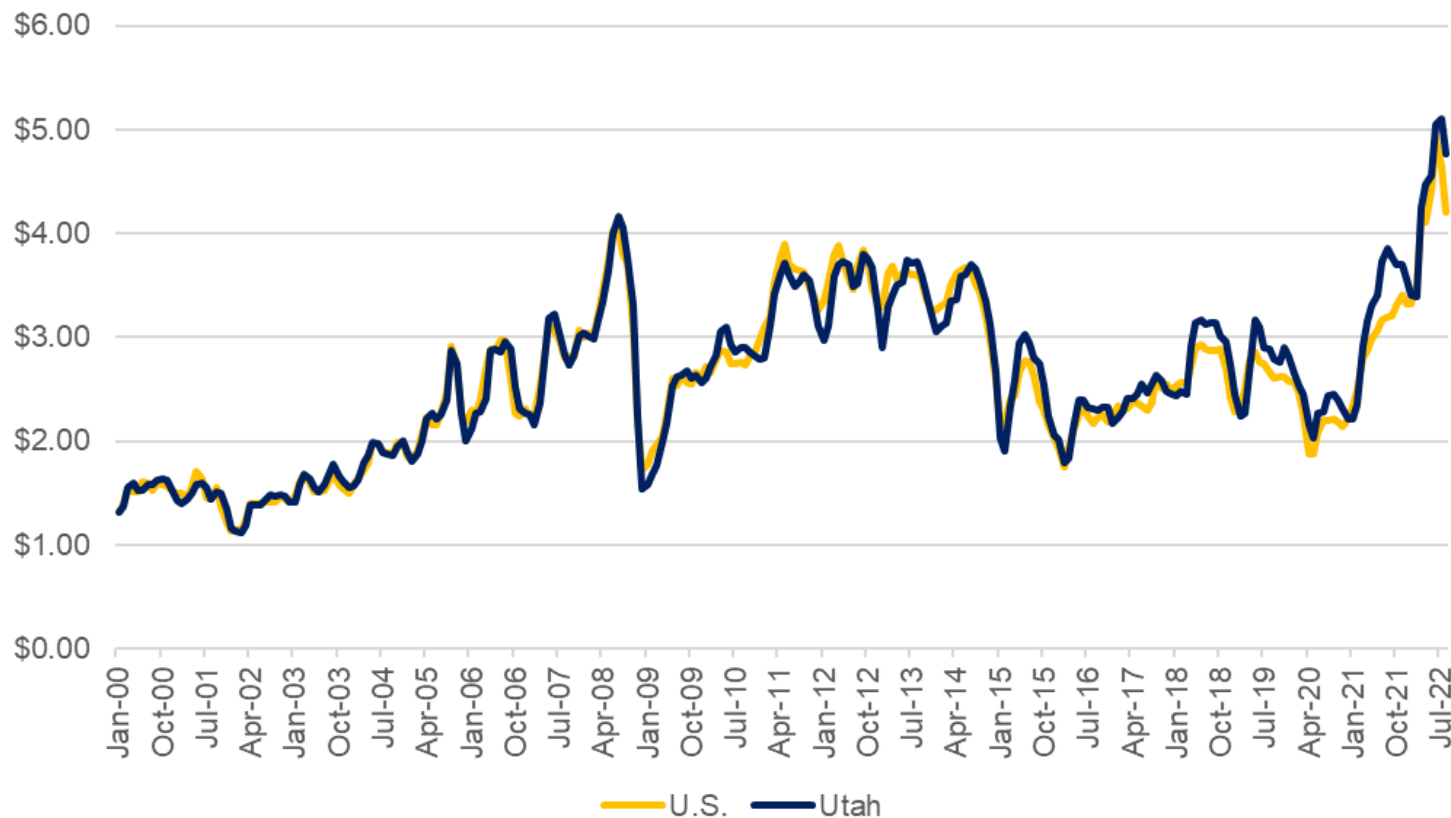
Month-Over Change



Federal Funds Rate



Unleaded Gasoline \$ per Gallon: U.S. & Utah



As of 8/15

Utah: \$4.62, + 19.6% y/y

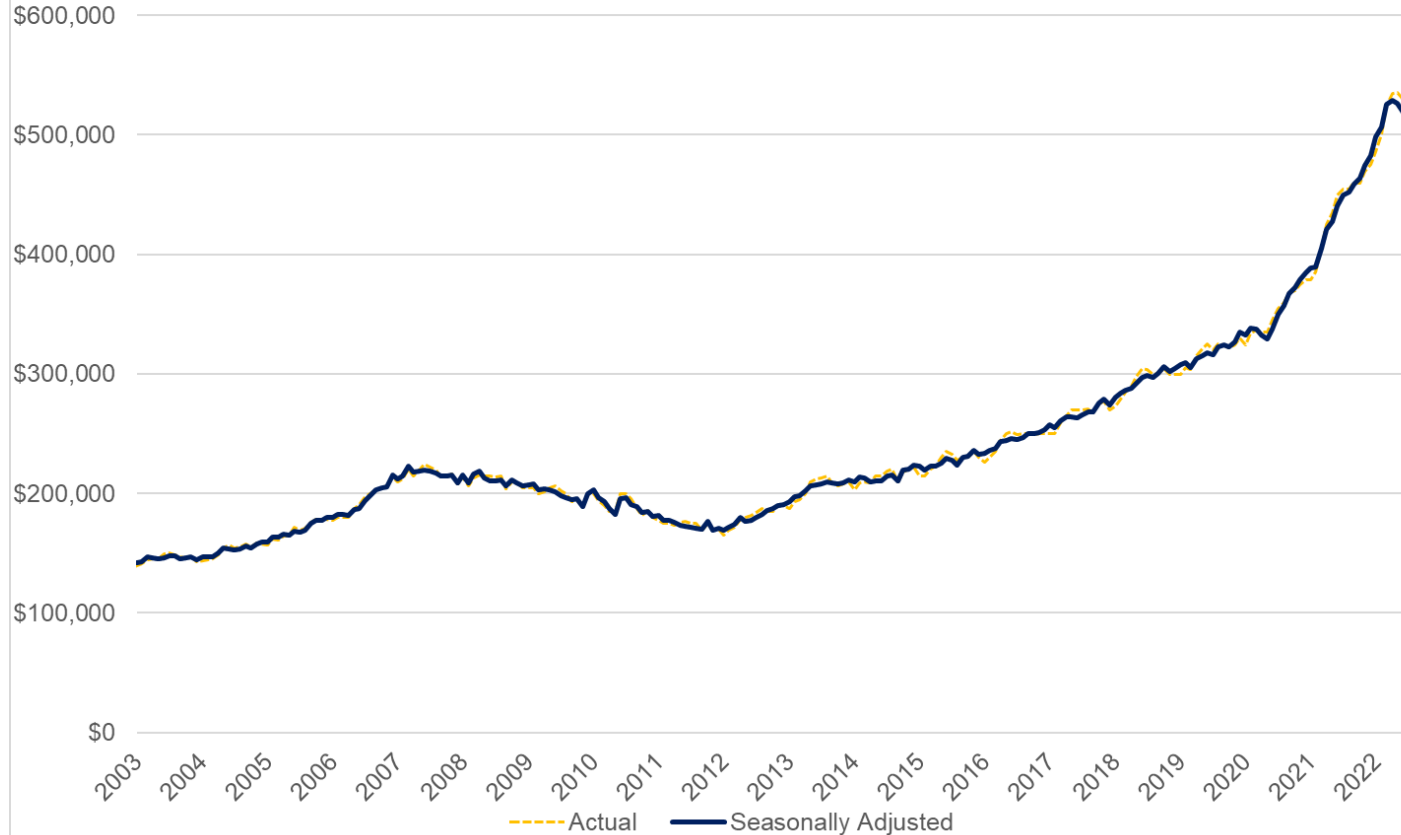
U.S.: \$3.96, + 25% y/y



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Utah Median Home Price Through June 2022

Utah Association of Realtors



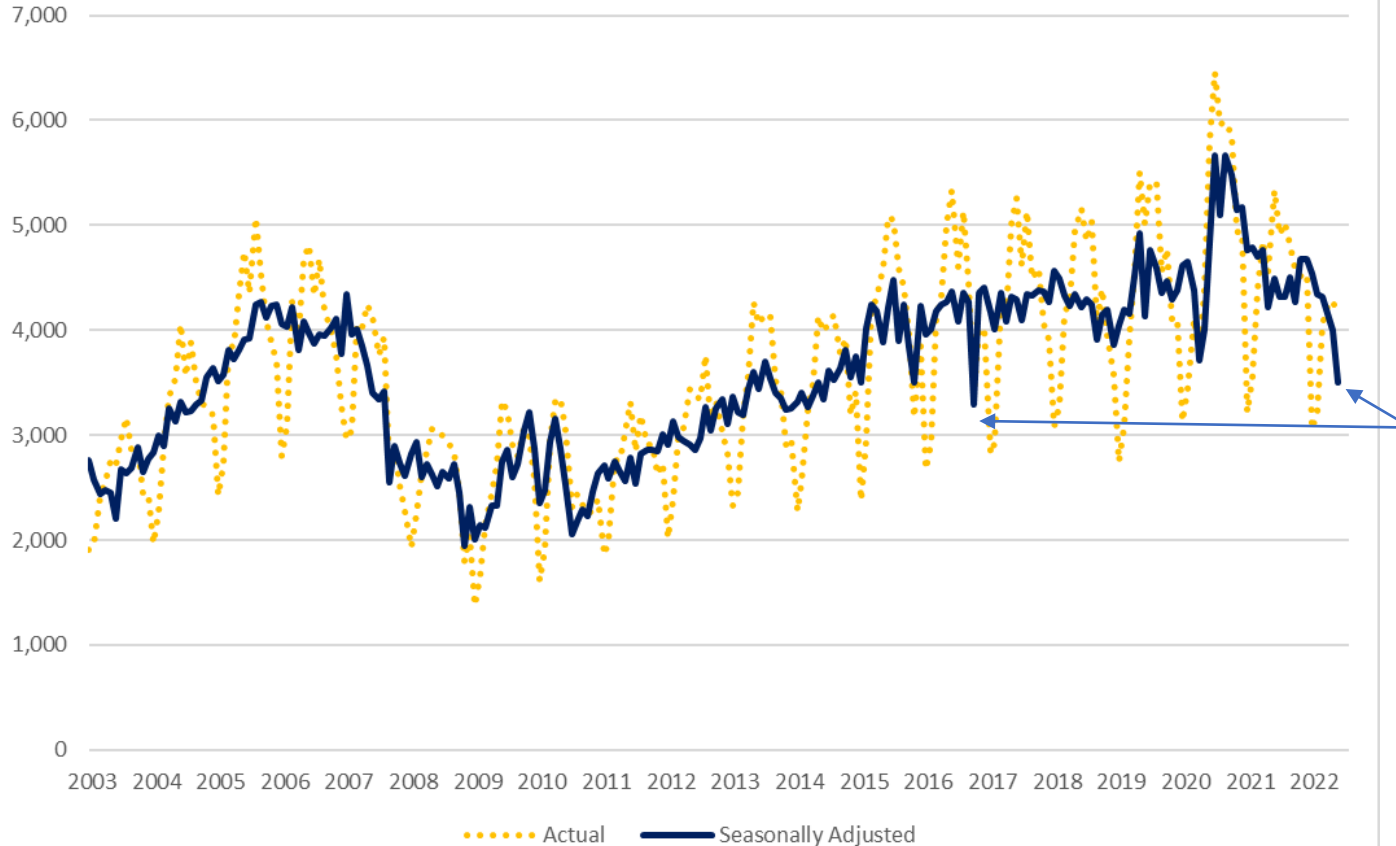
Utah m/m
Median
Home Sale
price -1.4%



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Utah Home Sales Through June 2022

Utah Association of Realtors



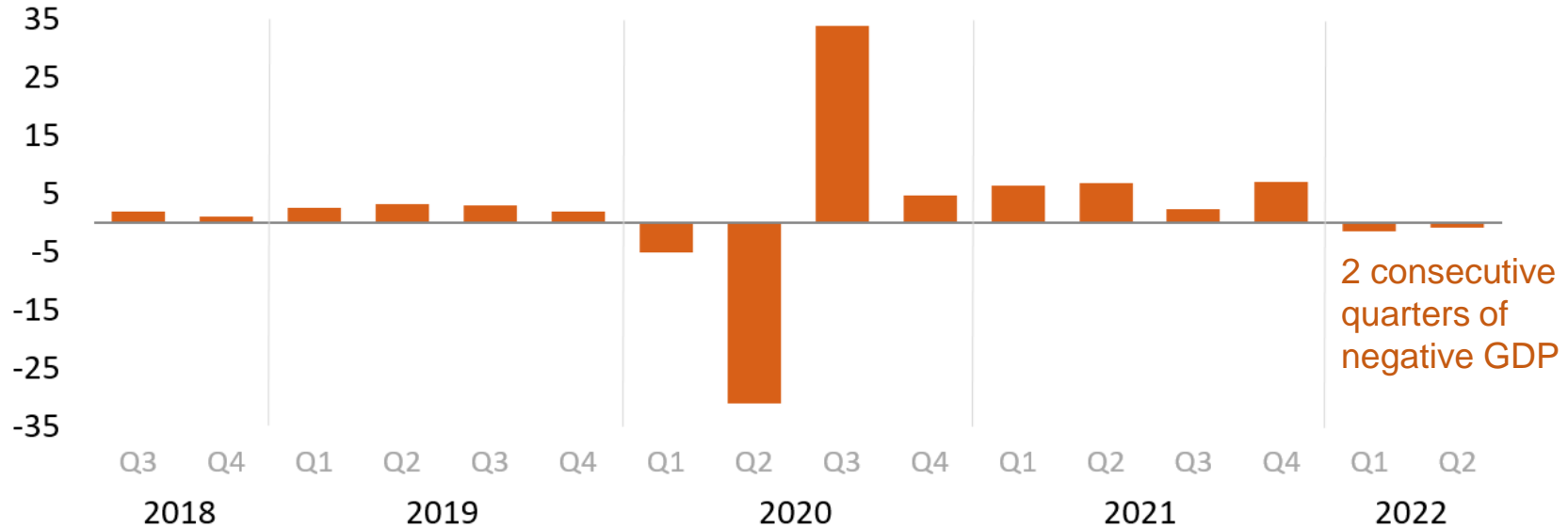
Utah June 2022
Sales down to
2015 levels



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U.S. Gross Domestic Product

Real GDP: Percent change from preceding quarter

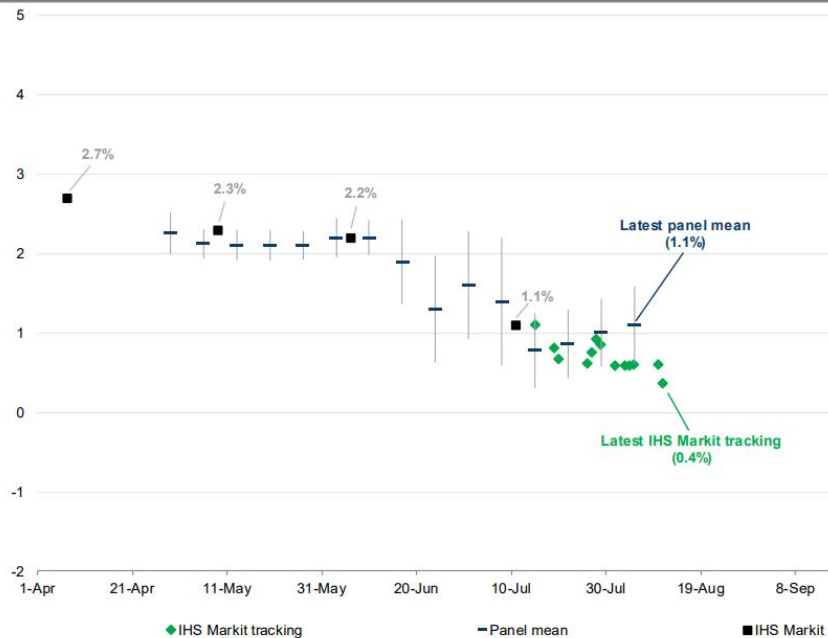


U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

Q3 2022 U.S. Gross Domestic Product Forecast Trackers

Third quarter 2022

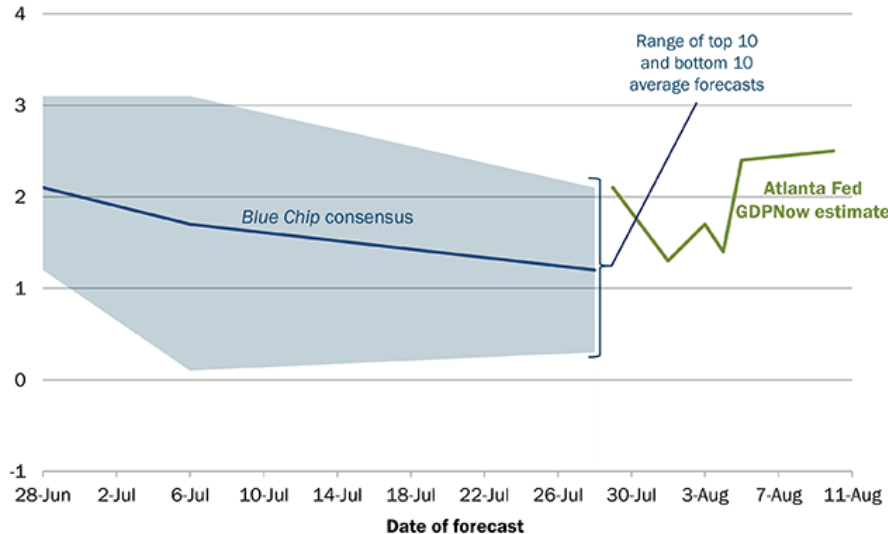


Shown is the history of our GDP tracking for the indicated quarter.
Also shown is the history of the mean estimate of our Consensus Panel, along with a +/- 1 standard deviation range.
Source: IHS Markit

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Evolution of Atlanta Fed GDPNow real GDP estimate for 2022: Q3

Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.



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Key Near-Term Dates

National Economic Releases

August 25th: U.S. Gross Domestic Product 2nd Quarter (Second Estimate)

September 2nd: U.S. Jobs Report for August and July Revision

September 13th: U.S. Consumer Price Index for August

September 20th-21st: Federal Open Market Committee Meeting

October 27th: U.S. Gross Domestic Product 3rd Quarter (Advanced Estimate)

Gov Budget Cycle

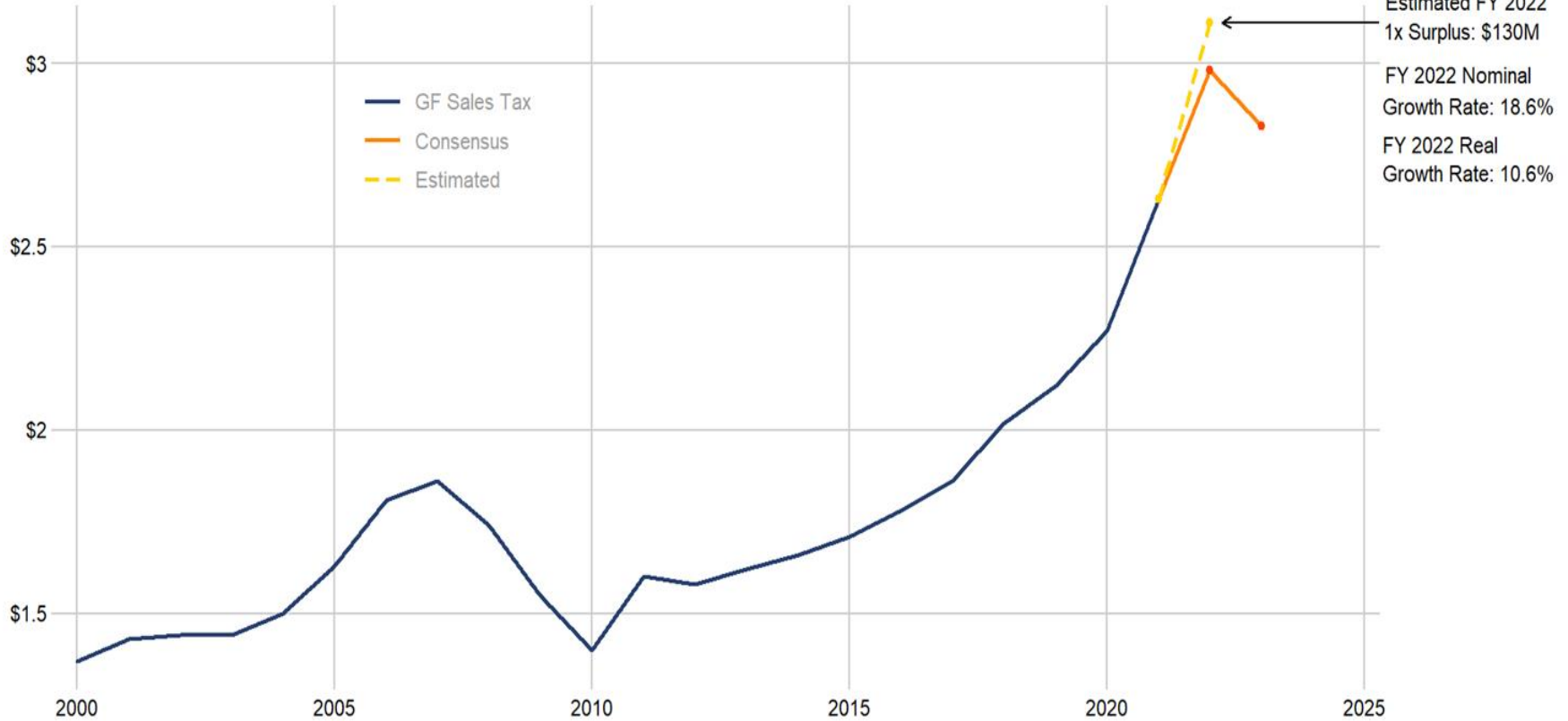
September 21st: GOPB Budget Requests Due

October: Updated Revenue Assumptions Workgroup Economic Indicators

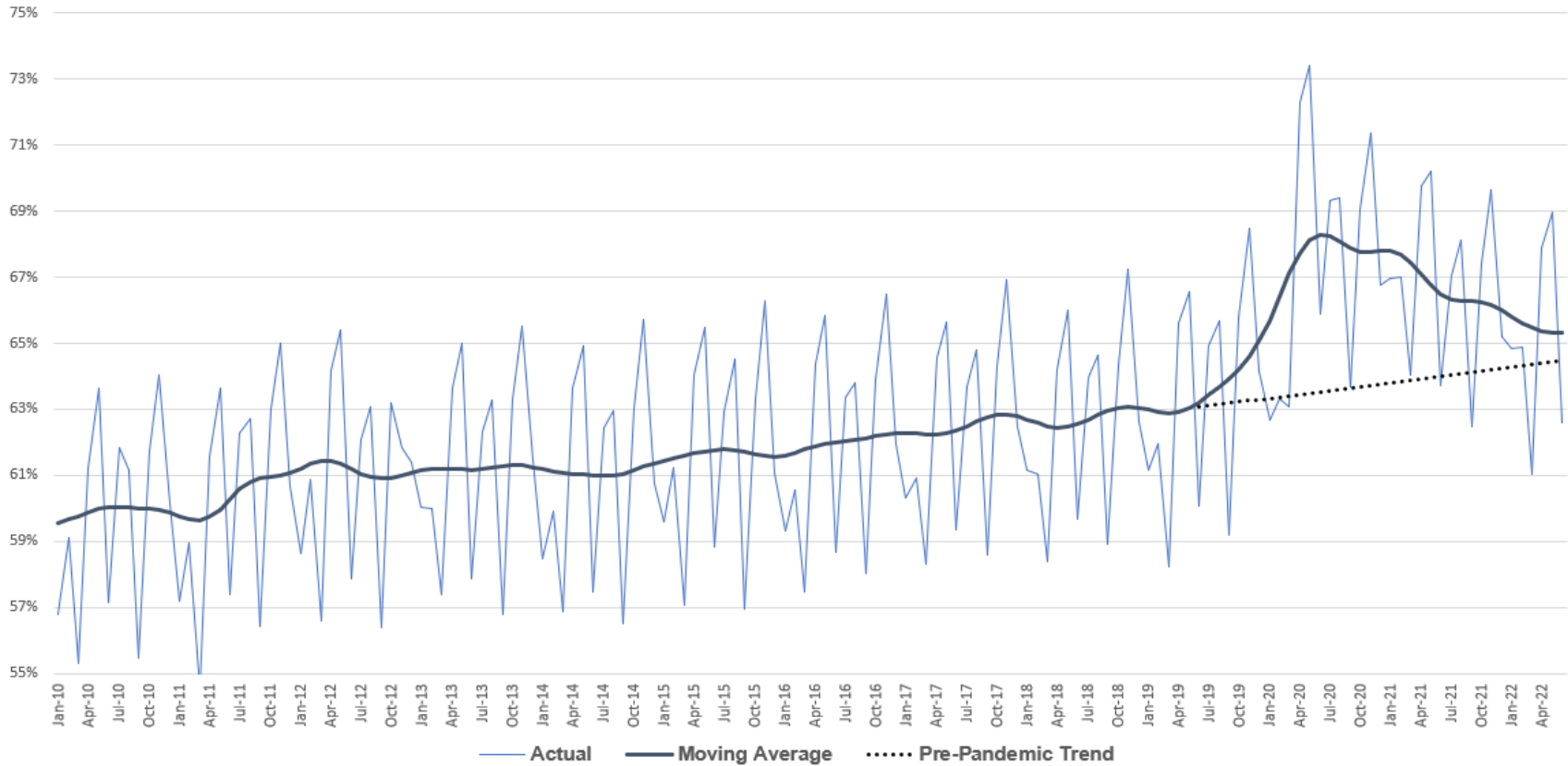
November: Revenue Consensus

Revenue Update

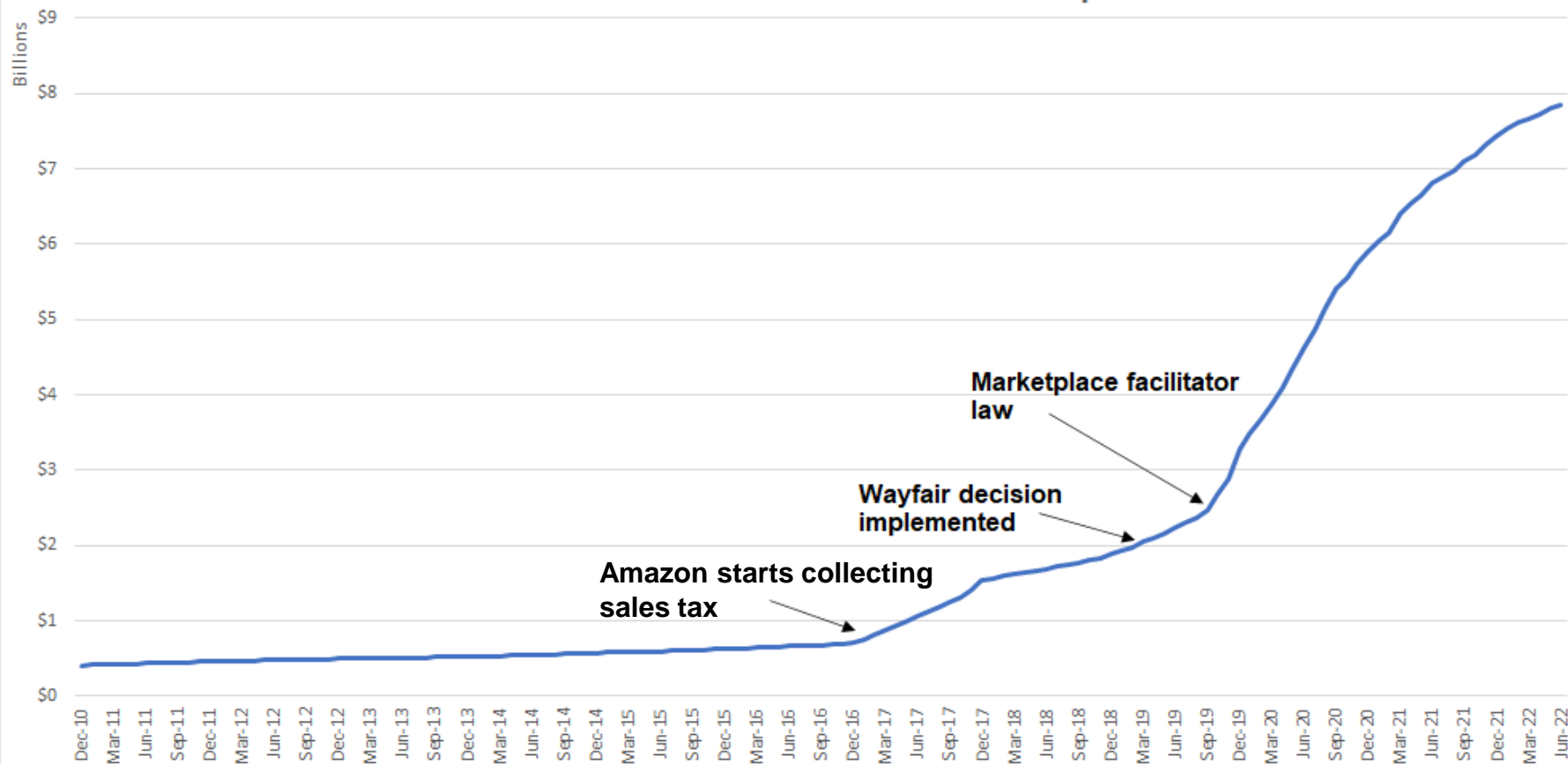
General Fund Sales Tax Collections (\$ Billions)



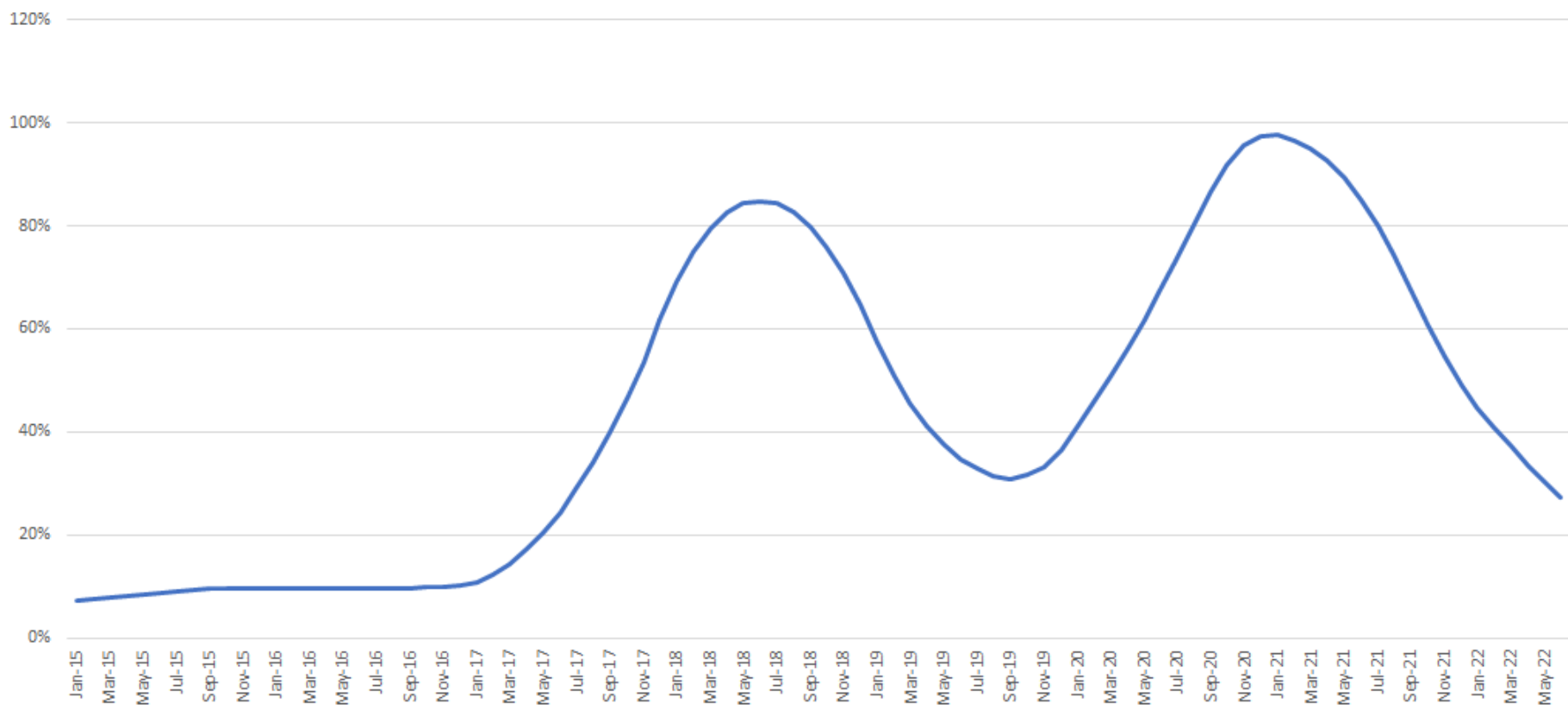
Wholesale and Retail Goods as a Share of Total Taxable Sales



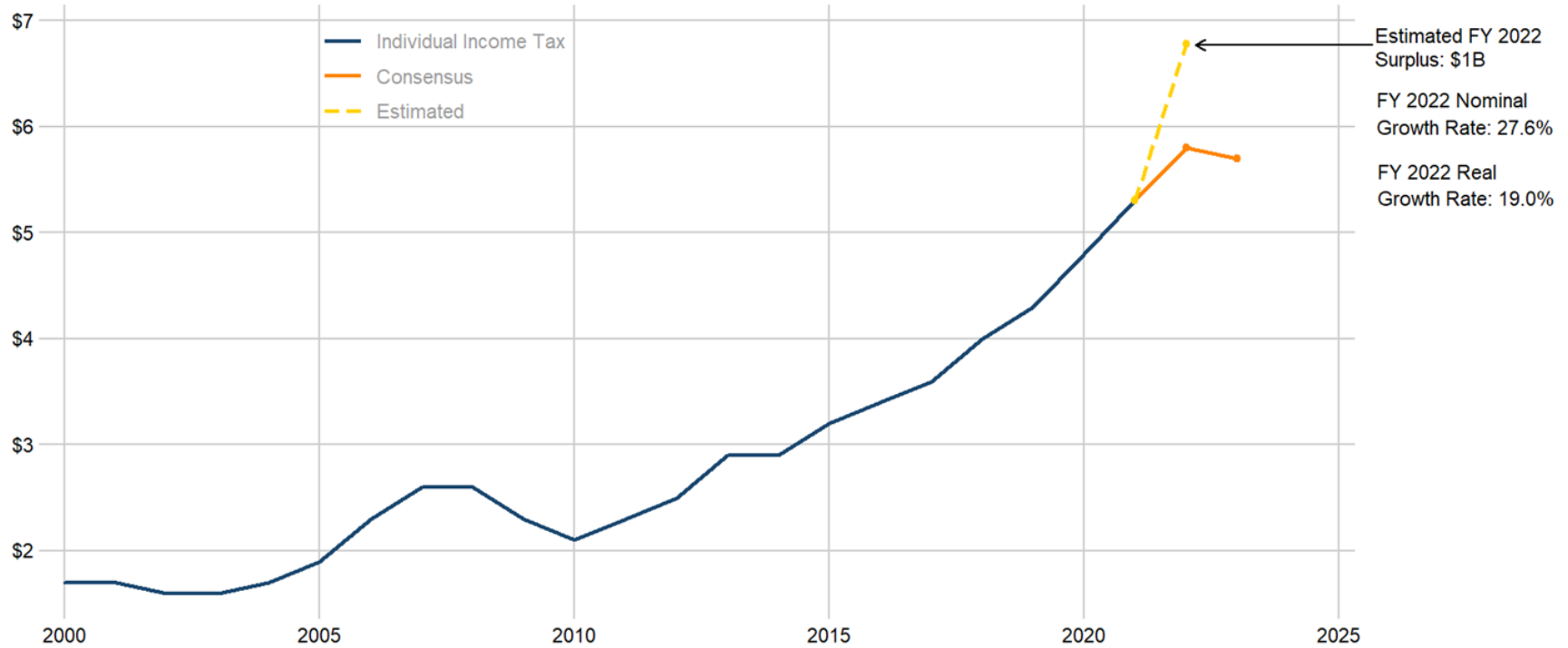
Taxable Sales from Non-store Retailers and Marketplace Facilitators



Online Taxable Sales Year-Over-Year Growth Rate (12-month moving average)



Individual Income Tax Collections (\$ Billions)



Why so much Income Tax?

Payments:

- Skyrocketing Home Prices
- Booming Stock Market in 2021
- Strong business profits
- Possible shifting tax liability into tax year 2021

Withholding:

- Tight labor market and inflation → Strong nominal wage growth

GPB Hypothetical Pre-Stress Testing Downturn Revenue Scenario

