Economic Insights

U.S., Utah, and Salt Lake County

Salt Lake County Council

October 15, 2024

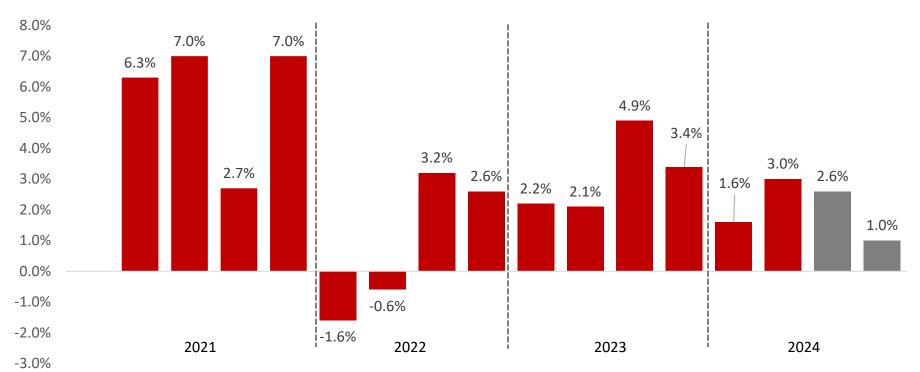
INFORMED DECISIONS™

Summary

- **Economic expansion** U.S. economy remains intact and is now on the other side of the interest rate curve.
- **Soft landing?** Inflation and unemployment within or close to "target range." The FED had to act even with "long and variable" lags. Probability of a recession in the next 12 months now below 30%.
- Utah and SLCO outlook Utah economy strong but moderating. The state's job growth now ranks seventh among states (August 2024). Four industries are flat or contracting. Salt Lake County follows a similar path.
- Outlook Expect the Utah economy to avoid a recession, but slowdown in 2025.

U.S. Real GDP Growth

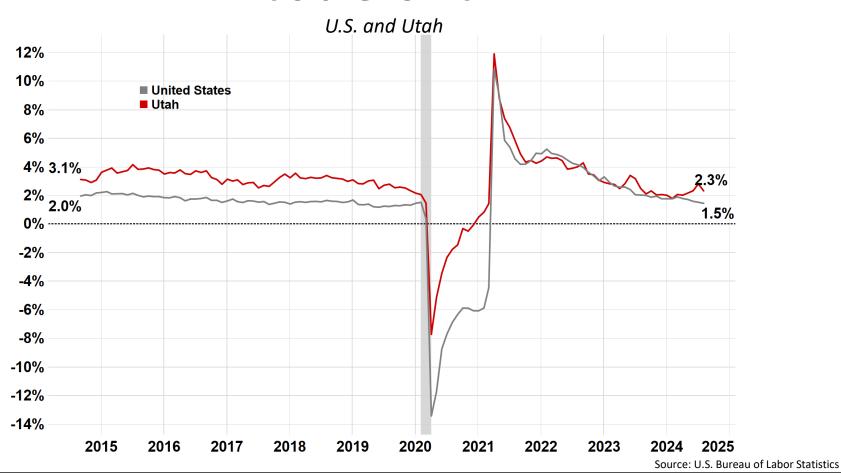
Quarter-over, seasonally adjusted annual rate



2021 1Q 2021 2Q 2021 3Q 2021 4Q 2022 1Q 2022 2Q 2022 3Q 2022 4Q 2023 1Q 2023 2Q 2023 3Q 2023 4Q 2024 1Q 2024 2Qf 2024 3Qf 2024 4Qf

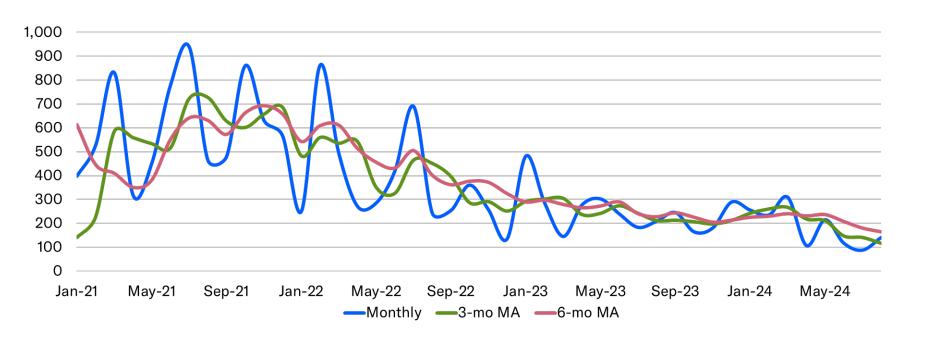
Source: Bureau of Economic Analysis, Gardner Institute, and Wells Fargo Economics

Job Growth



FED Had to Act

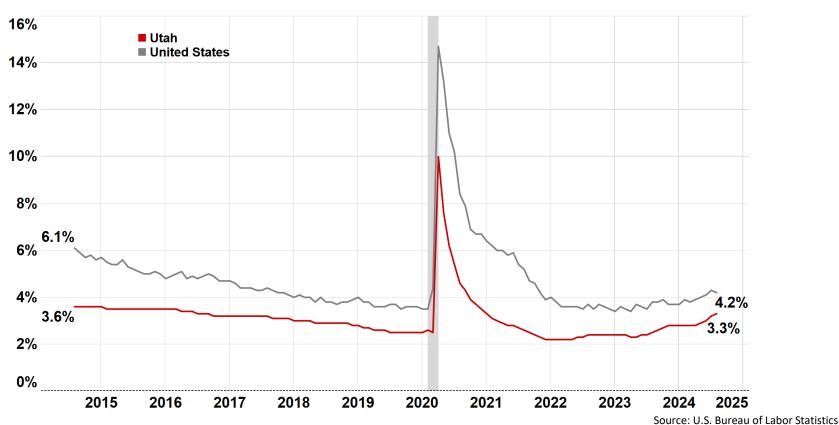
Monthly change in U.S. nonfarm payroll employment, thousands



Source: U.S. Bureau of Labor Statistics, Moody's Analytics

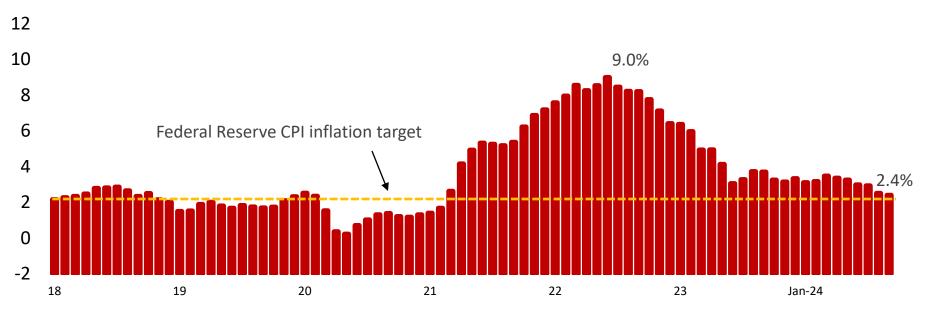
Unemployment Rate

U.S. and Utah



U.S. Consumer Price Inflation

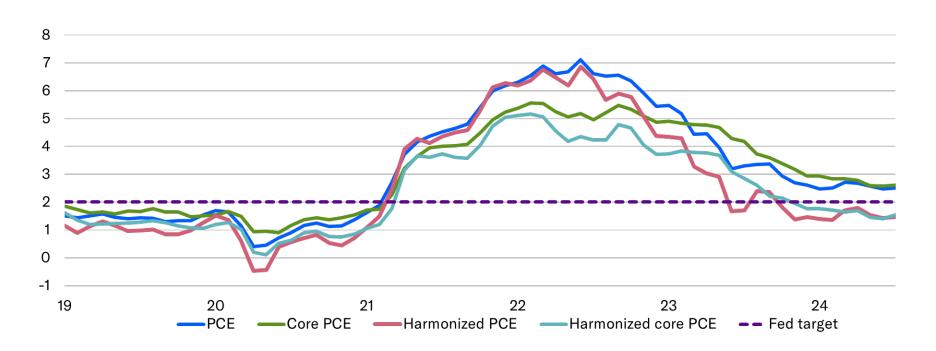




Source: U.S. Bureau of Labor Statistics

Inflation Just About There

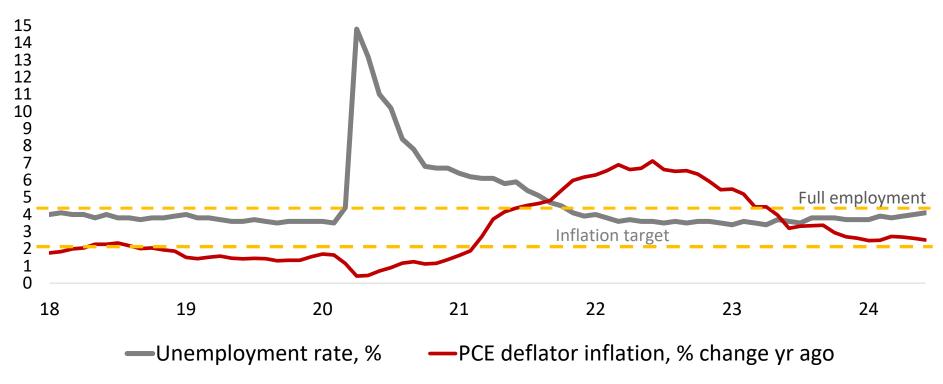
Year-Over Percent Change



Sources: BEA, Moody's Analytics

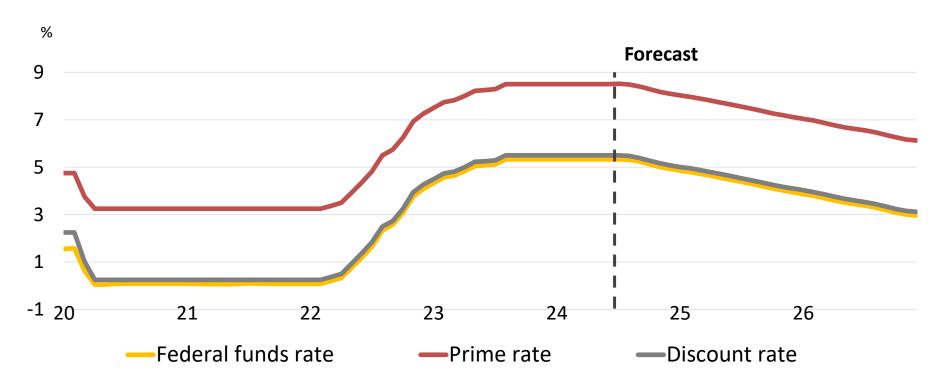
Federal Reserve Dual Mandate

Full Employment and ~2% Inflation



Source: U.S. Bureau of Labor Statistics and Moody's

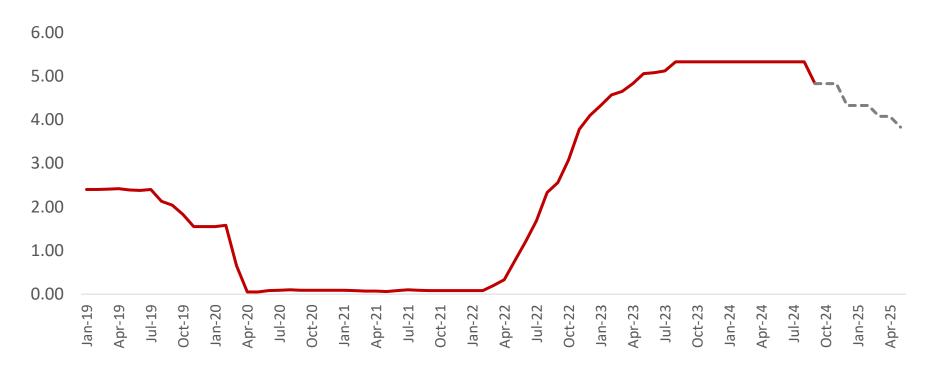
Monetary Policy



Sources: Federal Reserve, Moody's Analytics

Effective Federal Funds Rate

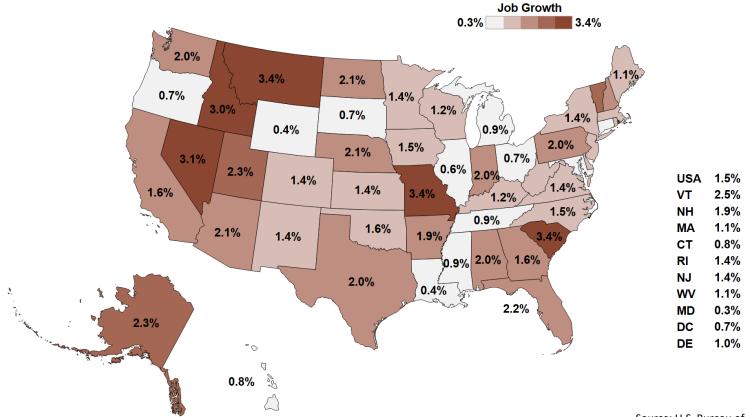
Percent, Not Seasonally Adjusted, Including Forecast



Source: Federal Reserve and Kem C. Gardner Policy Institute

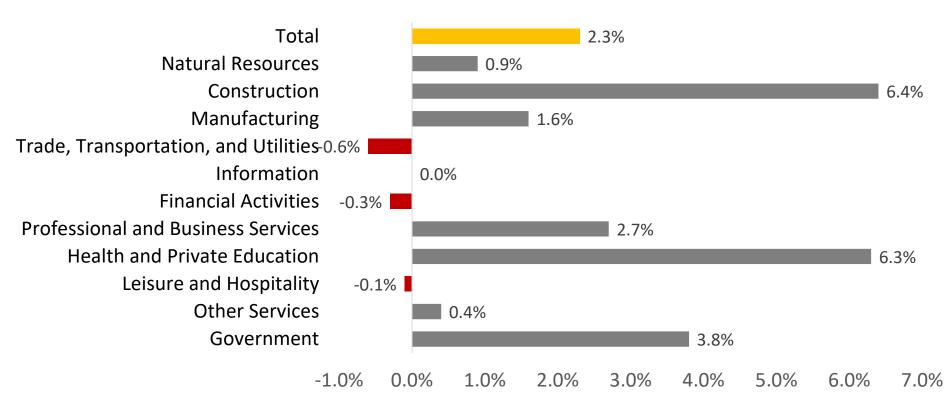
Job Growth

Year-over, August 2024



Utah Job Growth

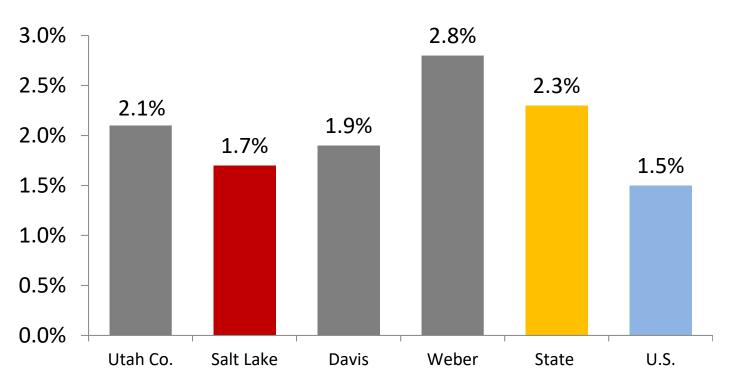
Year-over percent change, August 2024



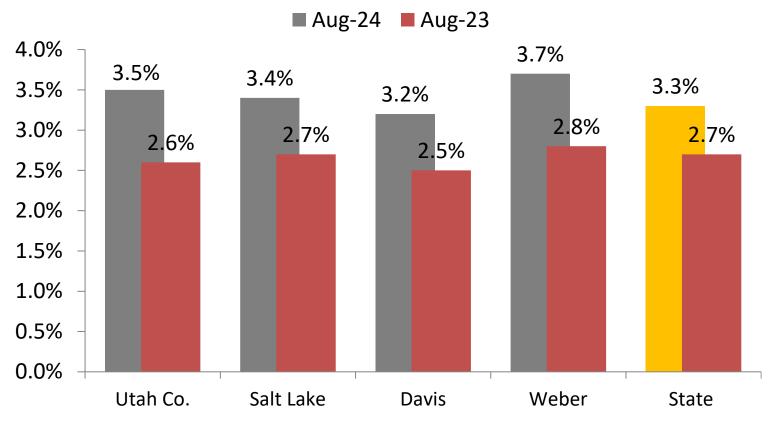
Source: U.S. Bureau of Labor Statistics

Job Growth

August 2023-2024



Unemployment Rate



Source: Utah Dept. of Workforce Services

Utah Economic Outlook

August 2023-2024

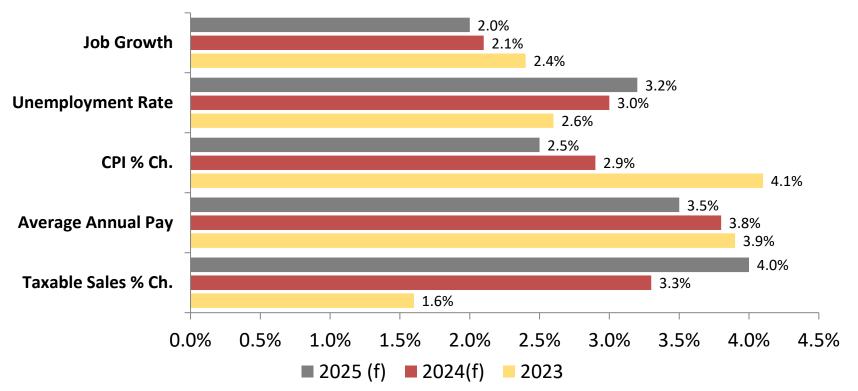




Photo credit: Mike Segar | Reuters

"Geopolitical instability is my biggest concern."

- Jamie Dimon, CNBC, September 24, 2024

In a Nutshell...

- Inflation and interest rates Move from headwinds to tailwinds.
- **Utah's decelerating growth** The Beehive State no longer has the nation's best economy, but avoids a recession.
- Salt Lake County Performing at about the state average. Expect moderating growth moving forward.
- **Issues** Keep an eye on monetary policy, housing, and consumer sentiment. Be mindful of social unrest and geopolitical conflicts.