Kem C. Gardner
POLICY INSTITUTE
THE UNIVERSITY OF UTAH
DAVID ECCLES SCHOOL OF BUSINESS

10 YEARS OF IMPACT 2015-2025

Economic Insights

An Economy in Transition

September 25, 2025

INFORMED DECISIONS™

Kem C. Gardner Policy Institute | 411 East South Temple Street, Salt Lake City, Utah 84111 | 801-585-5618 | gardner.utah.edu

Our purpose is to help
UTAH'S LEADERS MAKE

INFORMED DECISIONS™

10
YEARS OF
IMPACT
2015-2025

Today's Economic Playlist

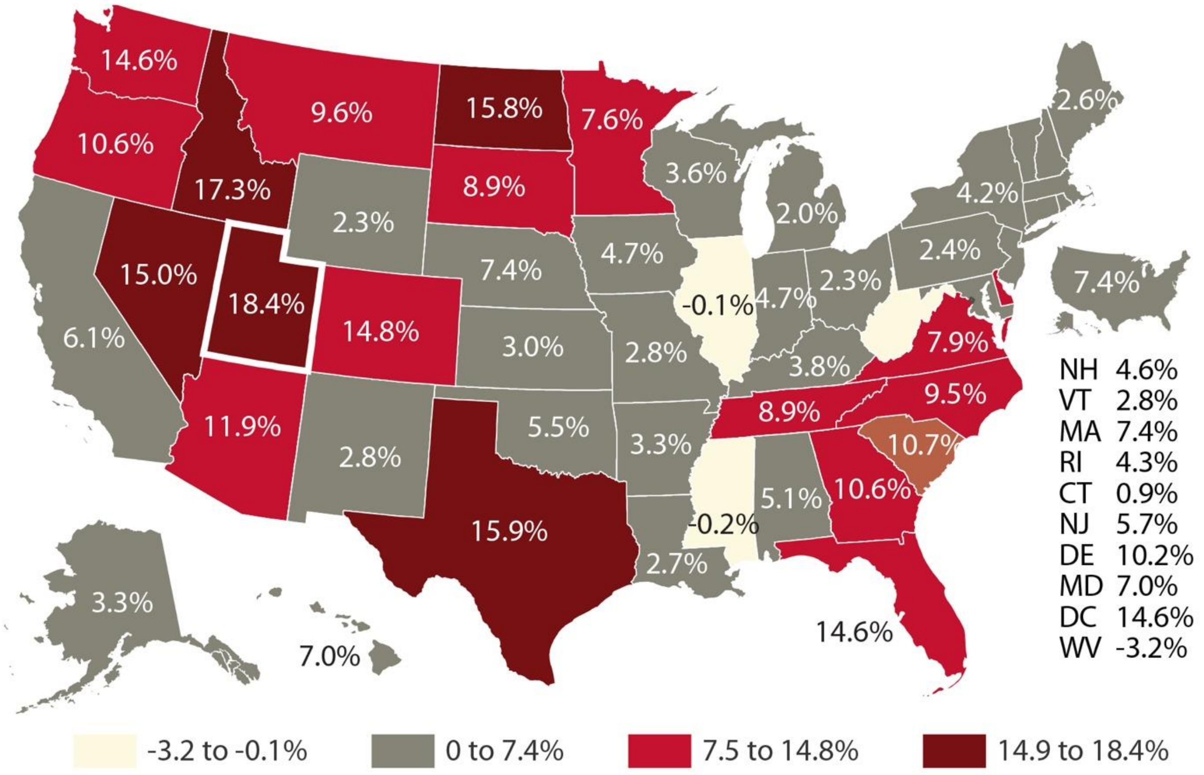
1. **2025 YTD Review** – Mixed Signals

2. **Near-term Outlook** – Uncertainty Amid Cross-Currents

3. **Long-term Outlook** – Generational Legacies

Rocky Mountain High, Part I

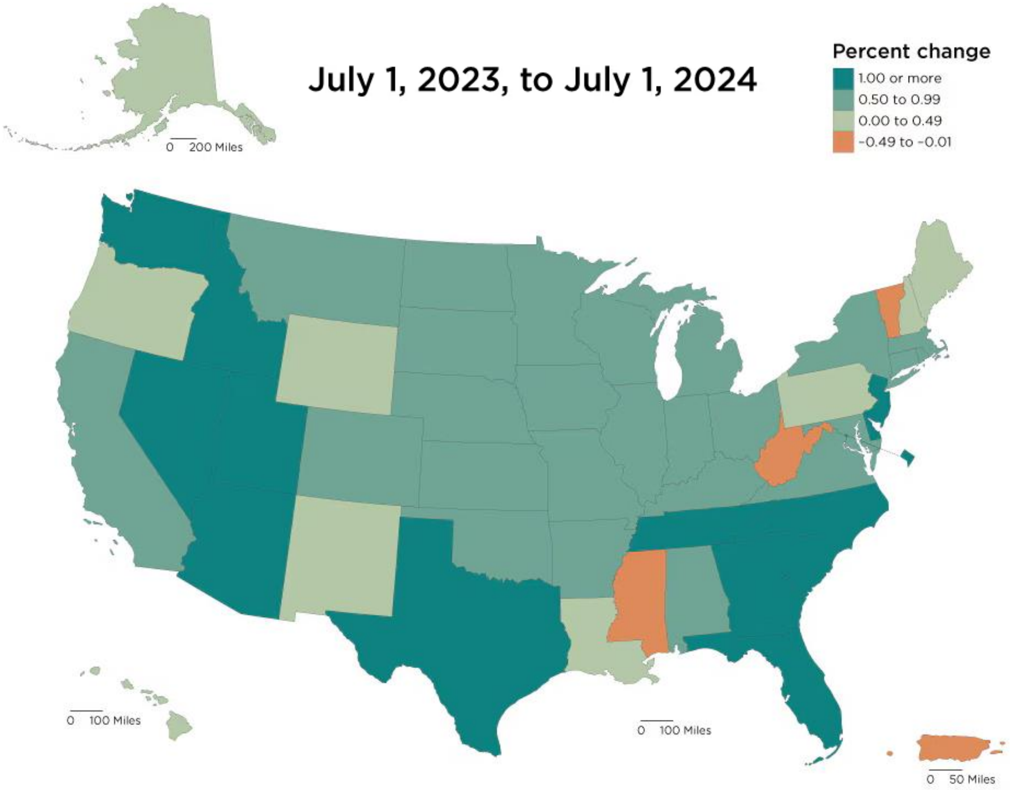
Percent Change, 2010 to 2020 Census



Source: 2020 Apportionment Data, U.S. Census Bureau

Rocky Mountain High, Part II

Mountain Region and South Continue to Lead Population Growth



State/District	Population Growth Rate
DC	2.2
Florida	2.0
Texas	1.8
Utah	1.8
South Carolina	1.7
Nevada	1.7
Idaho	1.5
North Carolina	1.5
Delaware	1.5
Arizona	1.5

Source: U.S. Census Bureau

Like A Rock

Declining Fertility Rates

The economy is moving us back into the 19th century as fertility rates plunge

BY SYDNEY LAKE
April 26, 2024 at 2:31 PM MDT
FORTUNE

U.S. Fertility Rate Falls to Record Low

Fewer babies were born in the U.S. in 2023 than any year since 1979

THE WALL STREET JOURNAL.

US fertility rate dropped to lowest in a century as births dipped in 2023 CNN Health

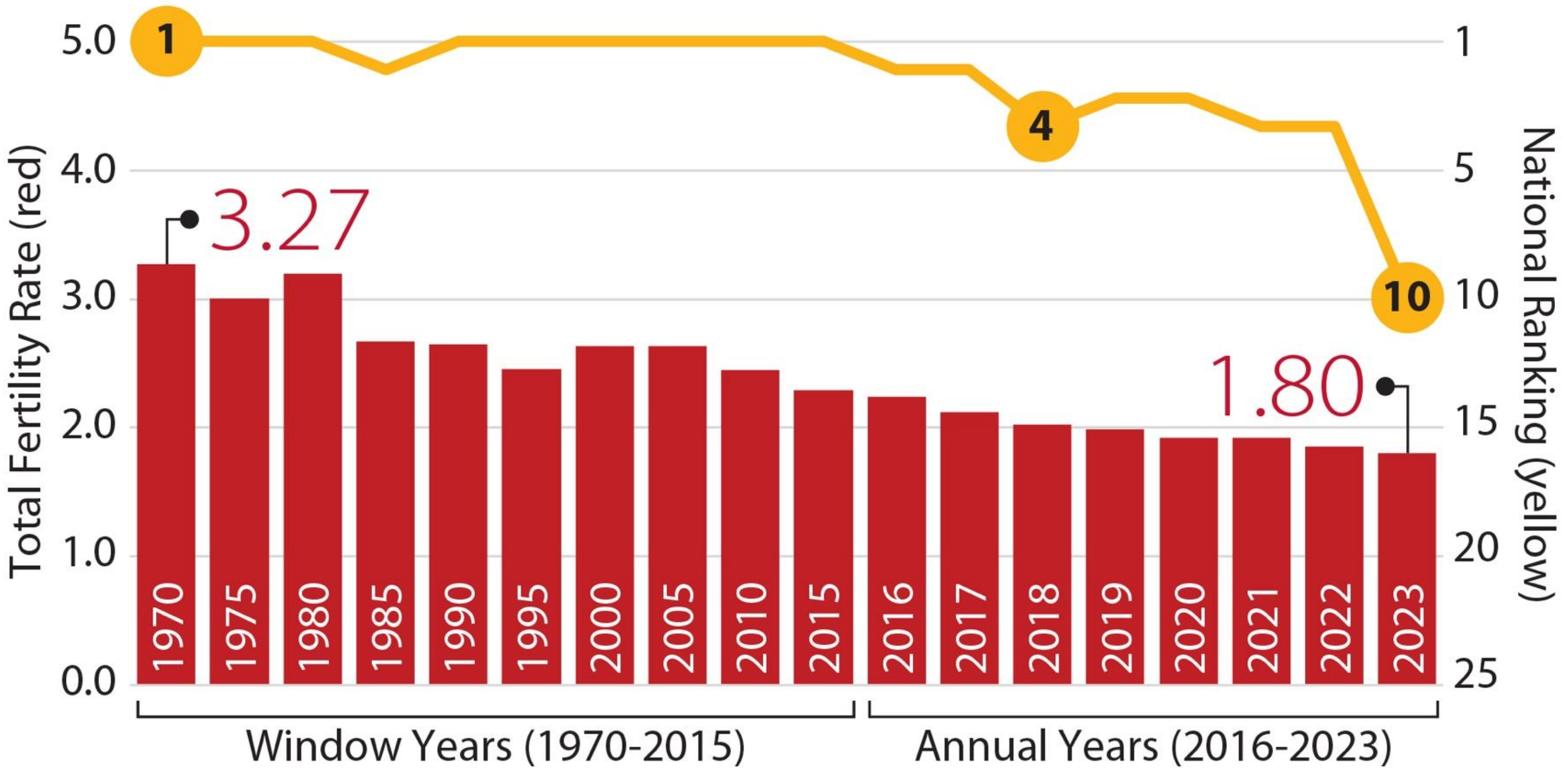
The Lancet: Dramatic declines in global fertility rates set to transform global population patterns by 2100

Published March 20, 2024

Declining fertility rates will transform global economy, report says FINANCIAL TIMES

Sweet Child O' Mine

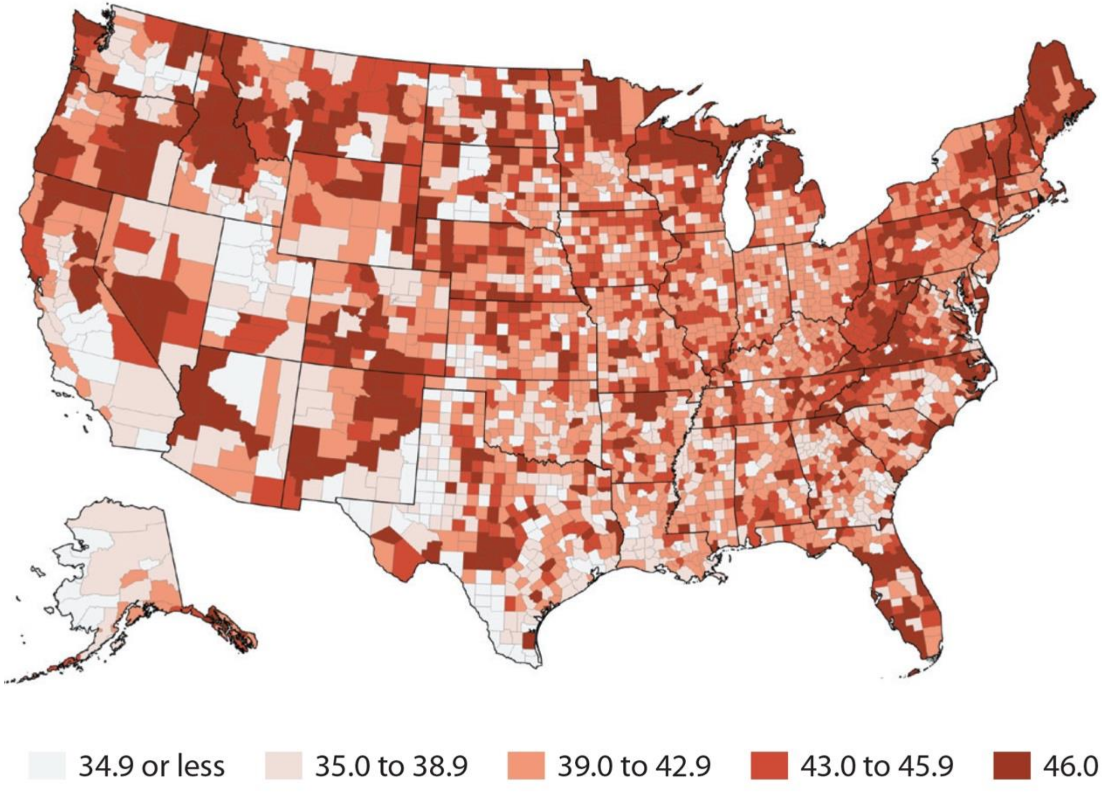
Fertility Rates Well Below Replacement



Source: National Center for Health Statistics

Forever Young

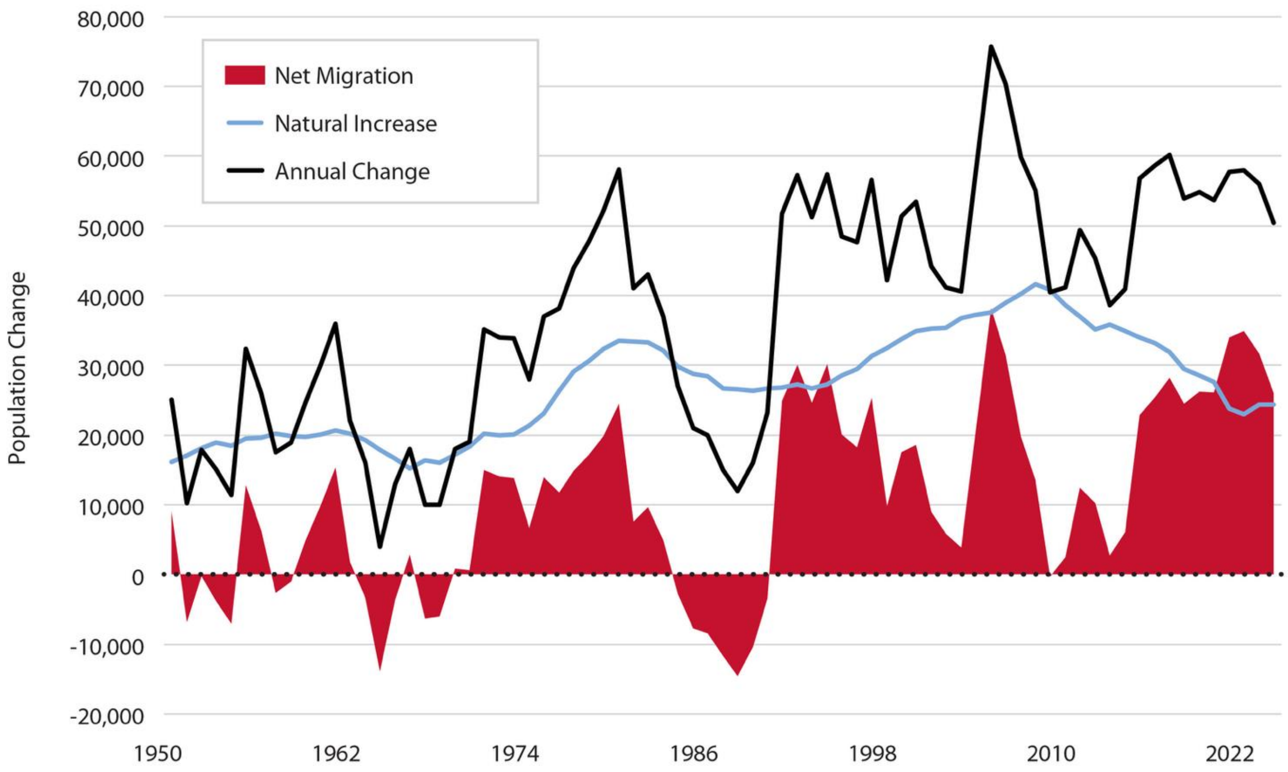
Utah Remains the Youngest State (By Far)...



Note: Utah's median age of 32.4 ranks youngest in the nation. U.S. median age: 39.1
Source: U.S. Census Bureau

Hello

Utah's Strong In-Migration Continues



Source: Kem C. Gardner Policy Institute

Makin' Plans

Trump Administration Overarching Goals

1. **Trade deficit** – Reduce the U.S. trade deficit & rebalance global trade

2. **Deficits** – Lower U.S. federal fiscal deficits (tariff revenue)

3. **Labor** – Reverse decades-long decline in labor's share of income

✓ **Taxes** – Make permanent Trump 1.0 tax cuts & other (OBBA)

Sources: PIMCO Macro Signposts and Kem C. Gardner Policy Institute

Big Time

U.S. World's

Largest Economy (By Far)

VISUAL CAPITALIST

*2024 estimates

voronoi

BY VISUAL CAPITALIST

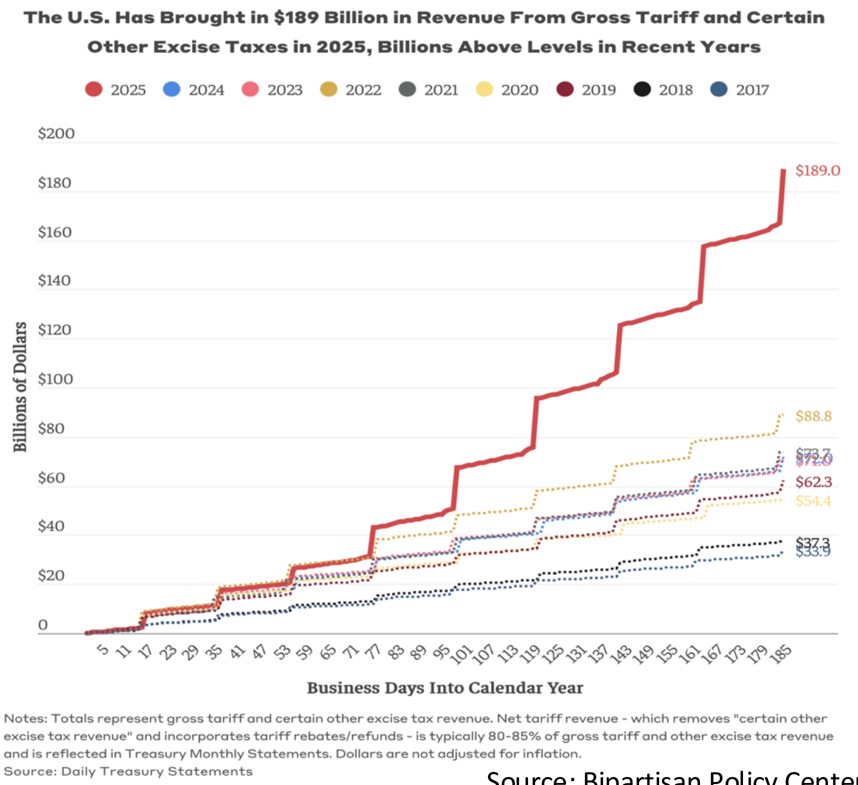
Where Data Tells the Story

Rise Up

Sizable Tariff Revenue

Congressional Budget Office
Nonpartisan Analysis for the U.S. Congress
Since 1975
About CBO Topics Cost Estimates

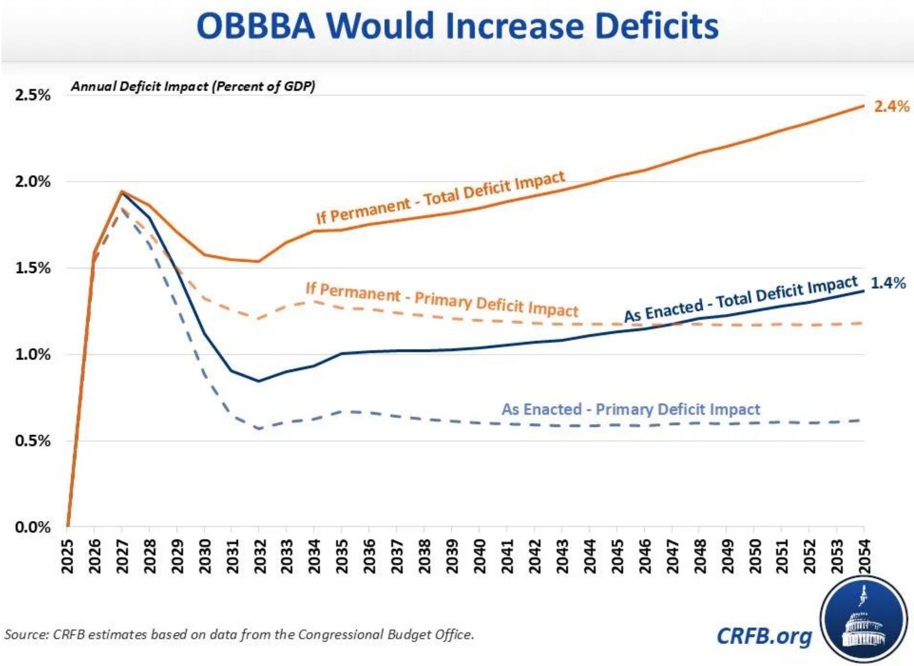
- Tariffs implemented January 6 – August 19 would decrease primary deficits by $3.3 trillion across the 2025-2035 period
- Tariffs would also reduce federal outlays for interest by an additional $0.7 trillion
- As a result, tariffs would reduce total deficits by $4.0 trillion

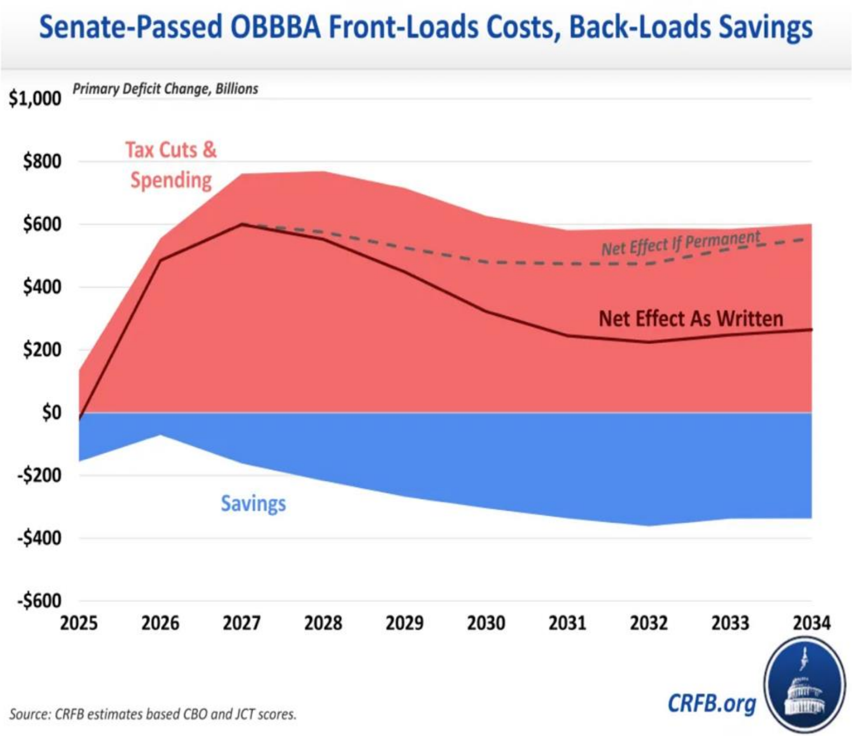


Source: Bipartisan Policy Center

Big, Big Plans

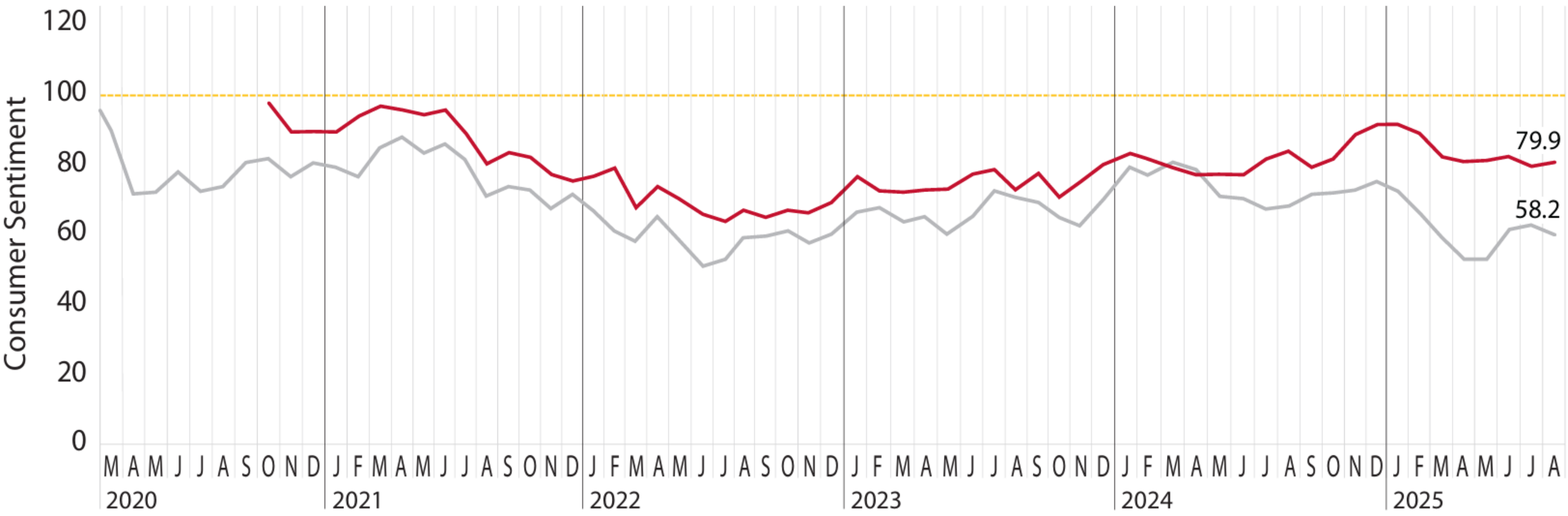
One Big Beautiful Bill Act





If You Go Down, I'm Going Down Too

Utah and U.S. Consumer Sentiment Index



Source: University of Michigan and Kem C. Gardner Institute

Navigating Federal Uncertainty

Recent Publications Highlight Federal / State Relationship

Data Summaries

- Federal Employment
- Federal Debt and Deficit
- Federal Funds in Utah's State Budget
- Public Lands
- Defense
- Travel and Tourism
- Medicaid
- Balance of Payments
- Research Funding

Nearly 130 years ago, Utah became the 45th state in the nation. This long battle for statehood set in motion a beneficial and, at times, tumultuous relationship between the U.S. government and the Beehive State. Among other national contributions, Utah settled vast acreages of land, led out on women's suffrage, provided raw materials for the building of the nation, served as the connection point for the transcontinental railroad, supported two World Wars, and, more recently, emerged as one of the nation's most successful and dynamic economies. As the federal government reinvents itself through significant policy changes and cost-cutting measures, Utah decision-makers will benefit from a data summary of many of the key economic linkages between Utah and the federal government.

Source: Gardner Policy Institute

Navigating Federal Uncertainty

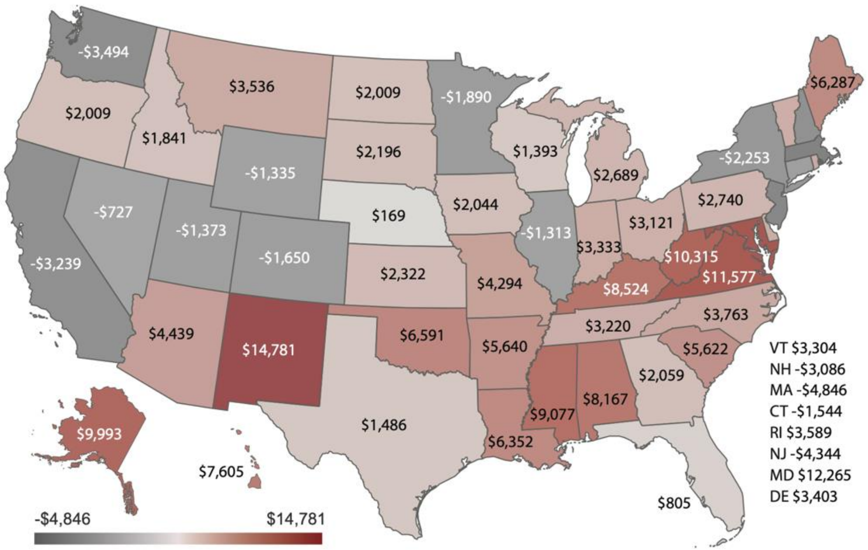
Balance of Payments

Size and Composition

Utah consistently places in the bottom quarter of states in per capita federal balance of payments (taxes paid less funds received by Utahns) in various measures over time and using different methodologies. This comes in large part due to Utah ranking among the states least reliant on federal payments received per capita, while paying near-average per capita levels of federal taxes.

Utahns paid an estimated $42.8 billion in federal taxes and received an estimated $38.1 billion in federal dollars in Federal Fiscal Year (FFY) 2022, resulting in a negative $4.7 billion balance of payments.[1] Federal funds flow directly to federal employees through wages and benefits, to individuals and companies through direct program payments (such as Social Security and Medicare),

Figure 1: Per Capita Federal Balance of Payments by State, FFY 2022



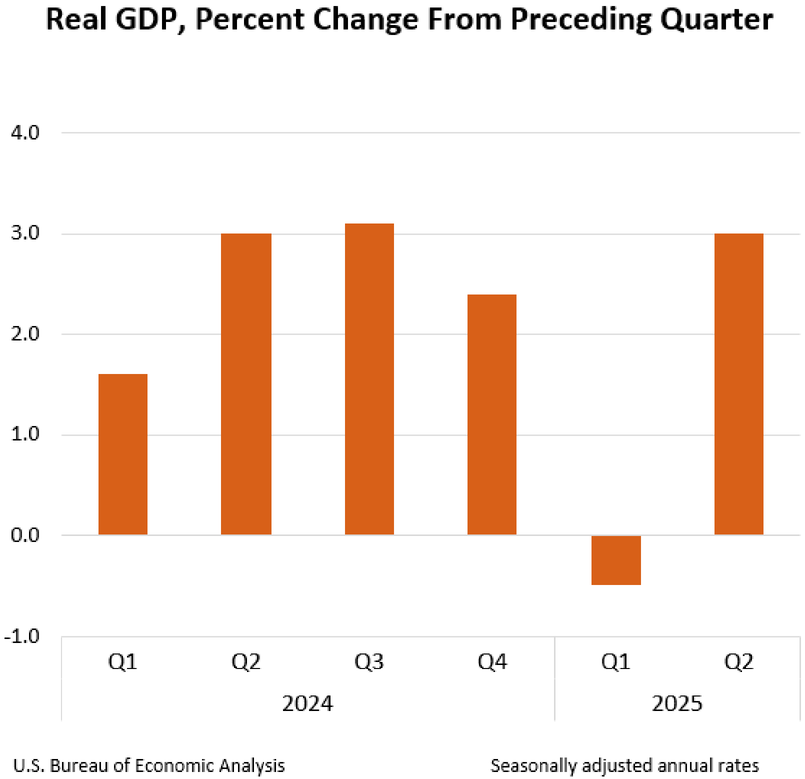
Note: Excludes COVID-19 related funds.
Source: Rockefeller Institute of Government

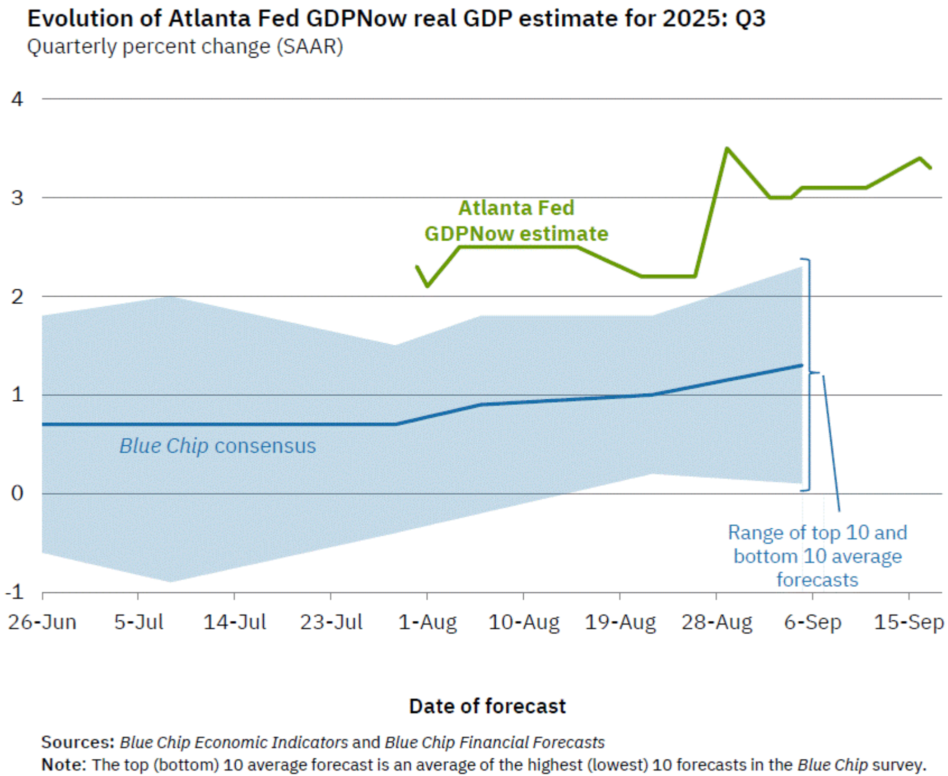
Source: Gardner Policy Institute

Federal Nexus Series

Slow Down then Rise Up

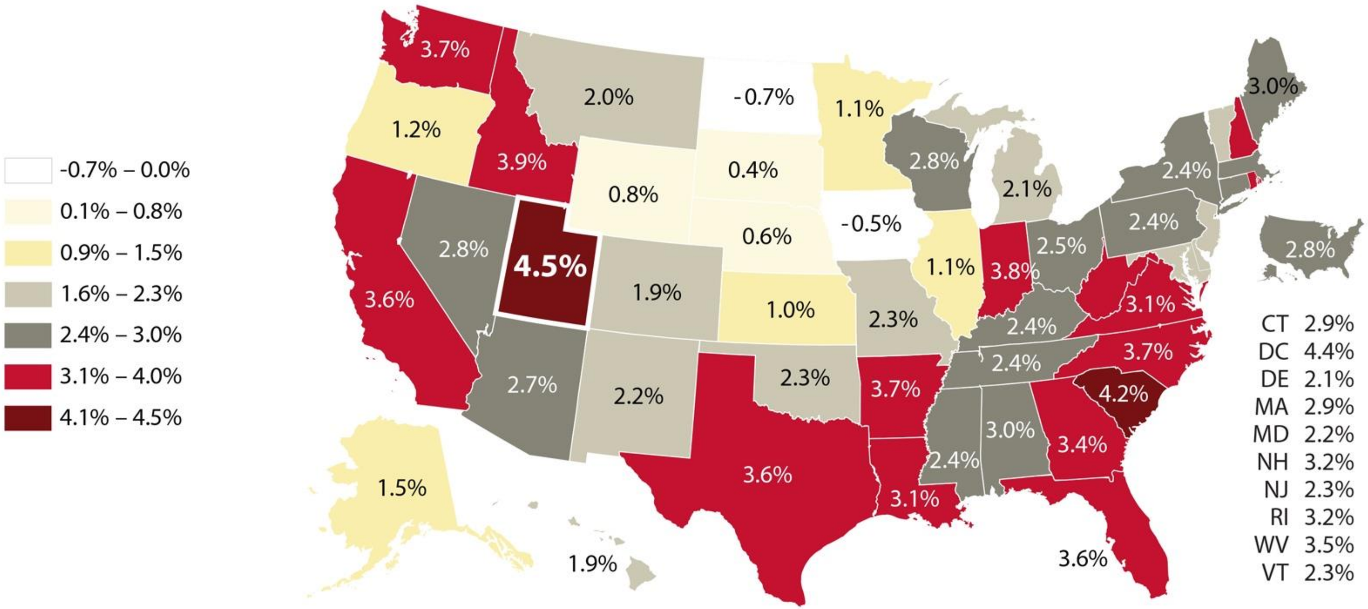
U.S. GDP Declined Slightly in Q1, then Returned to Growth in Q2 & Q3





On Top of the World

Utah GDP Growth Led the Nation in 2024

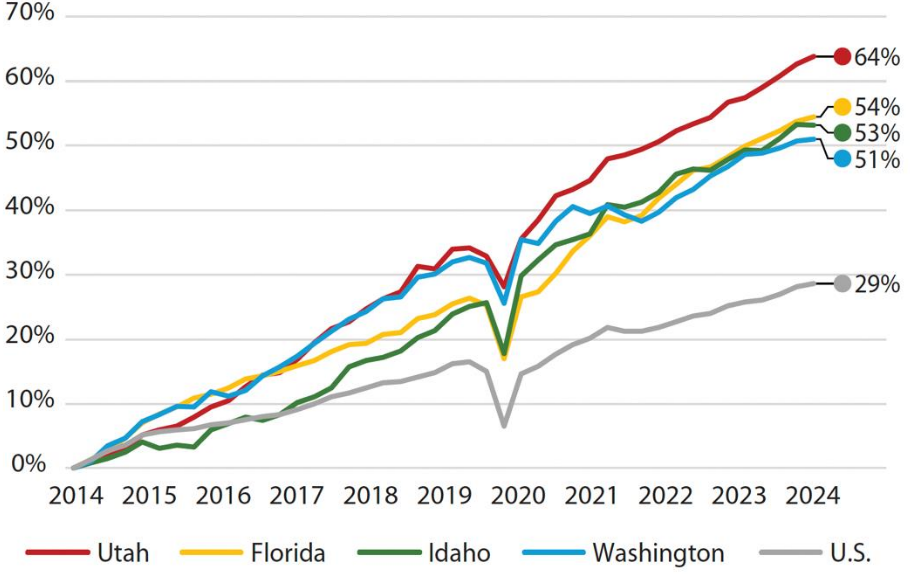


Source: U.S. Bureau of Economic Analysis

Higher Ground

Utah GDP Growth Led the Nation Over Past Decade

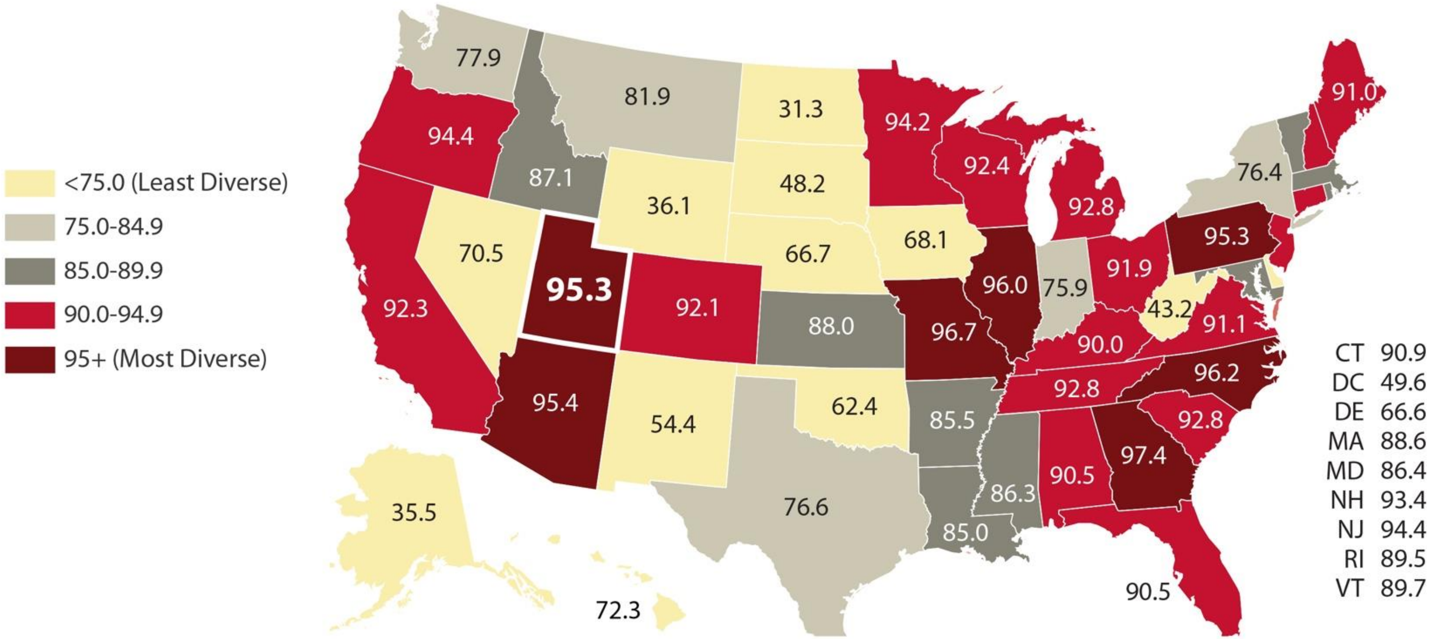
Figure 4: Real GDP Growth, U.S. and Top Four States, Cumulative Percent Change, 2014-2024



Note: Estimates adjusted to 2024 dollars.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Mirror Mirror

Utah Among Most Diverse Economies



Circles

Softer U.S. Labor Markets (Pre-revision 9/9)

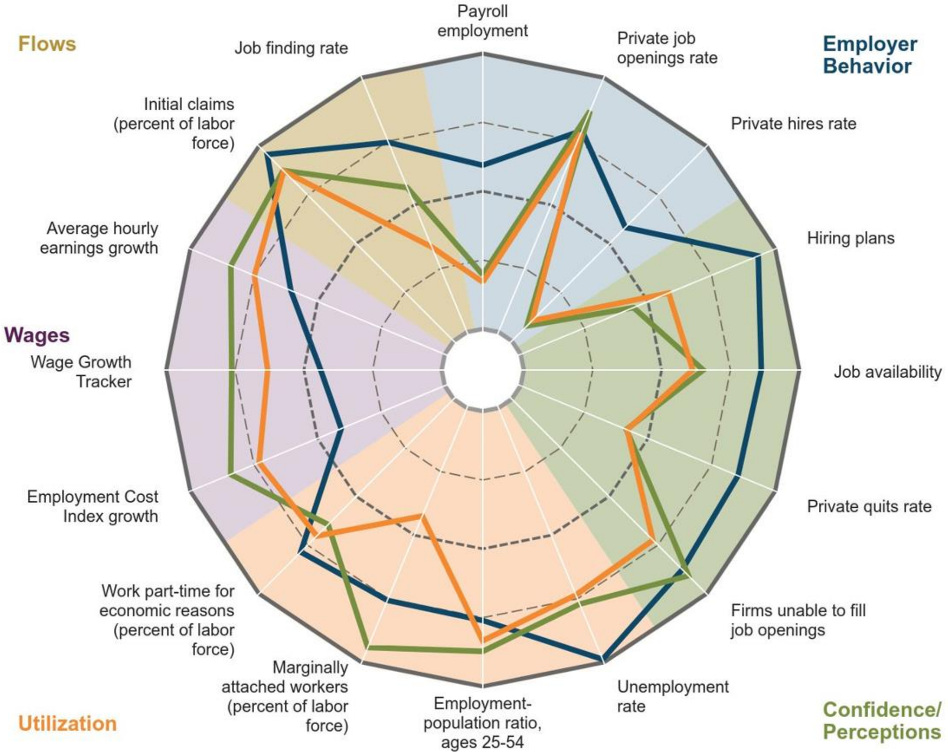
Labor Market Distributions Spider Chart

Data since March 1994

February 2020
maximum (outer ring)

August 2024
minimum (inner ring)

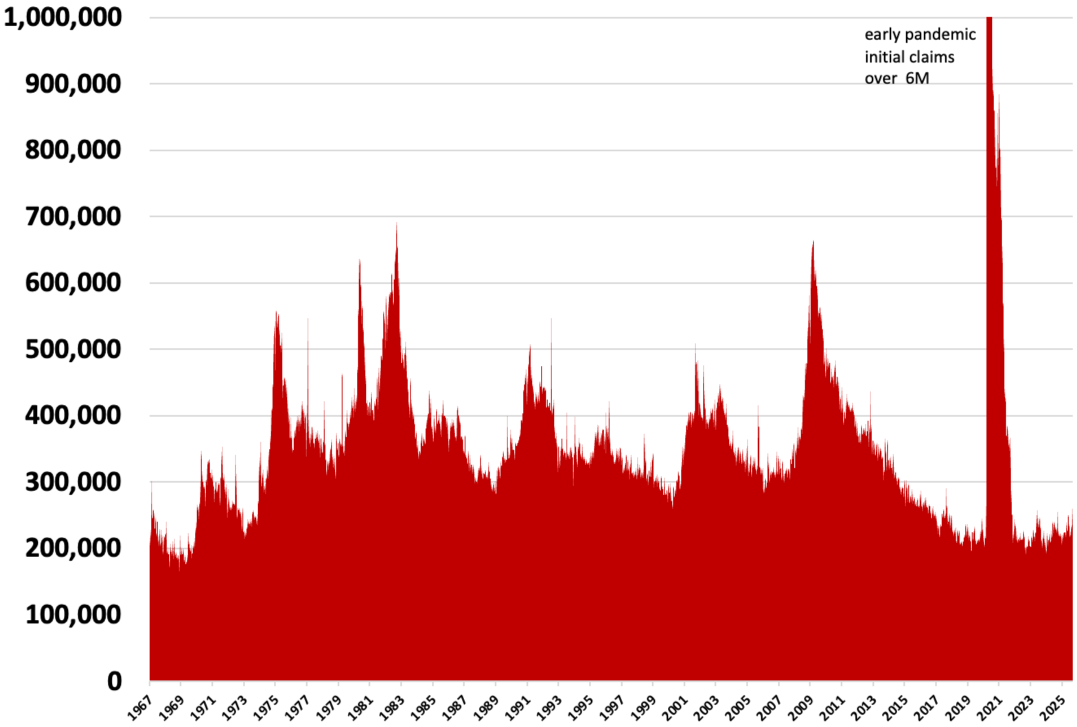
August 2025
median (middle ring)



Flat on the Floor

Weekly U.S. Unemployment Insurance Claims

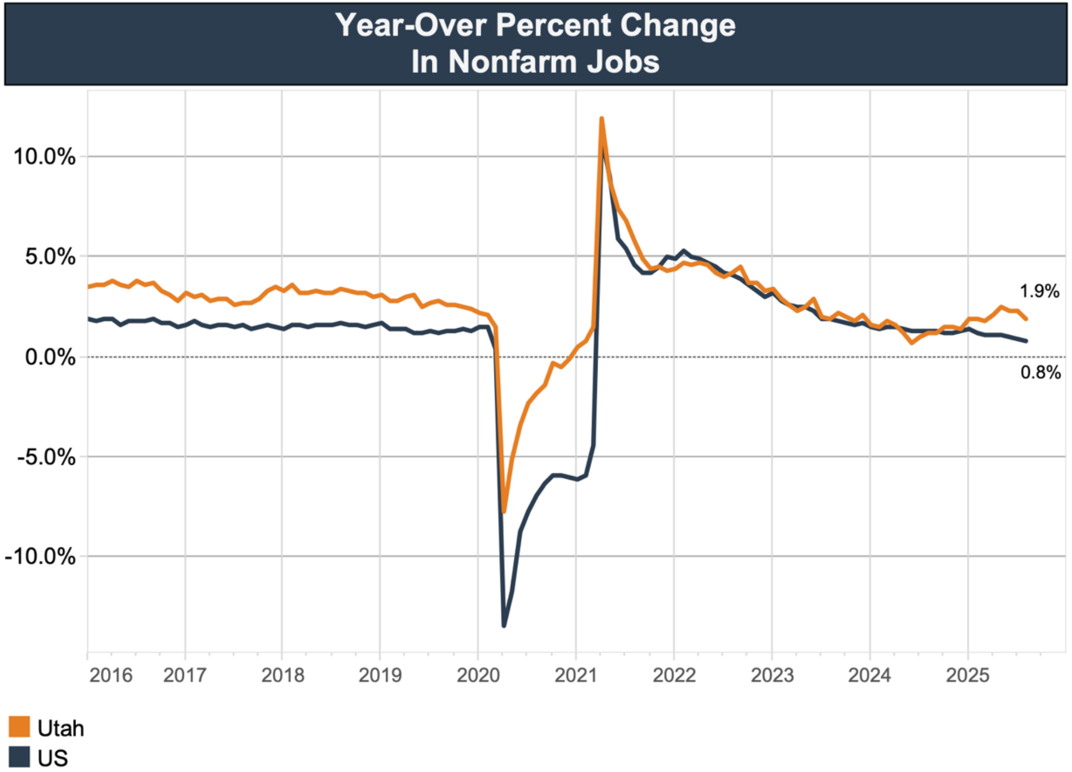
Initial U.S. Unemployment Insurance Claims



U.S. Employment and Training Administration, Initial Claims [ICSA], retrieved from FRED, Federal Reserve Bank of St. Louis

The Git Up

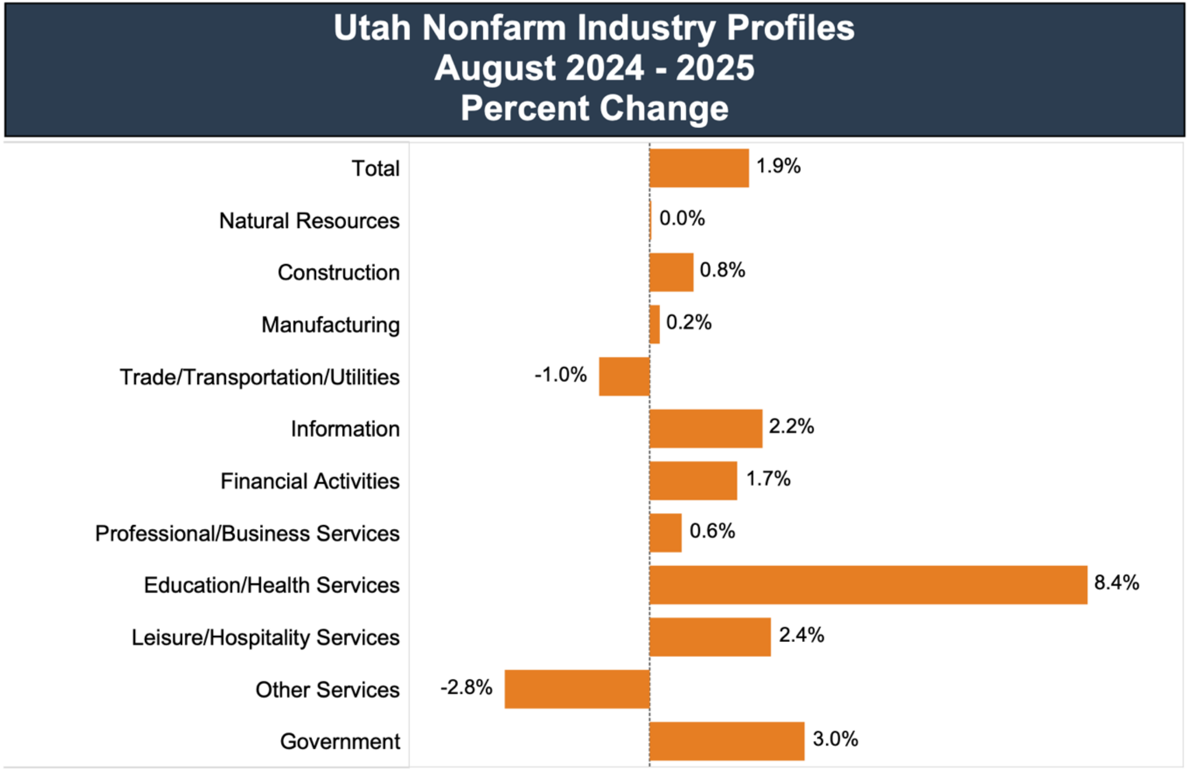
Utah Job Growth Rate Diverging from U.S. in 2025



Source: Utah Department of Workforce Services

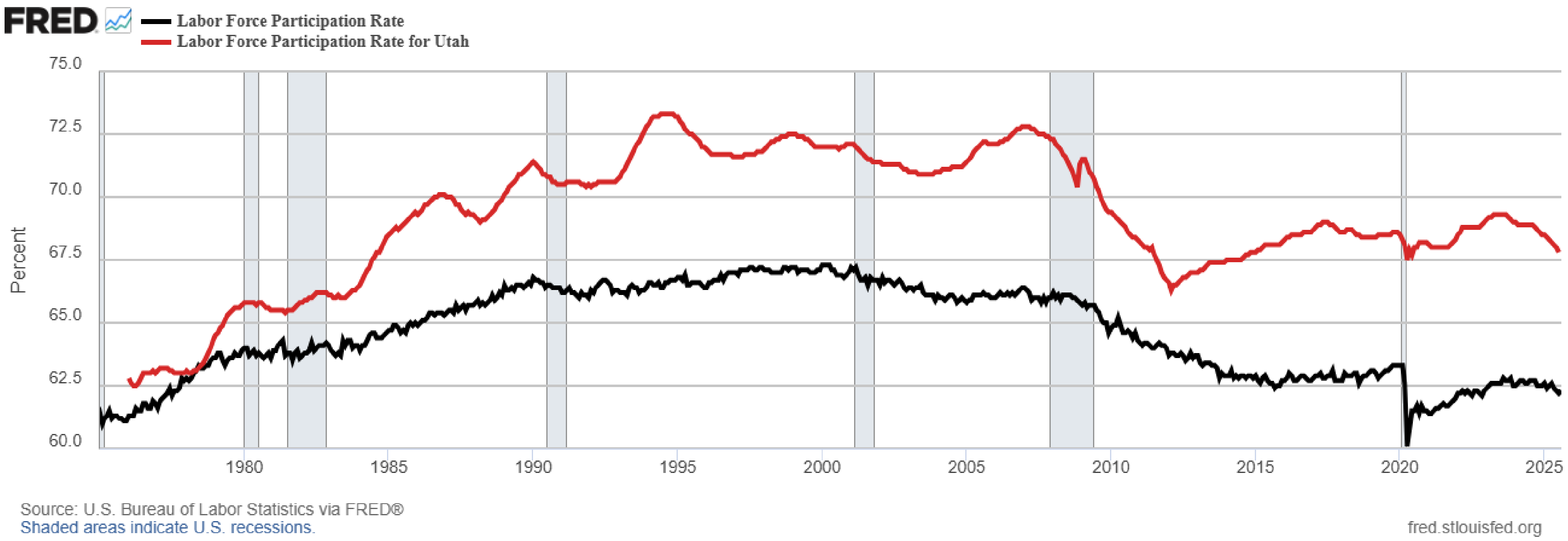
When I'm 64

Health Care Industry Jobs Growing Fast in Utah

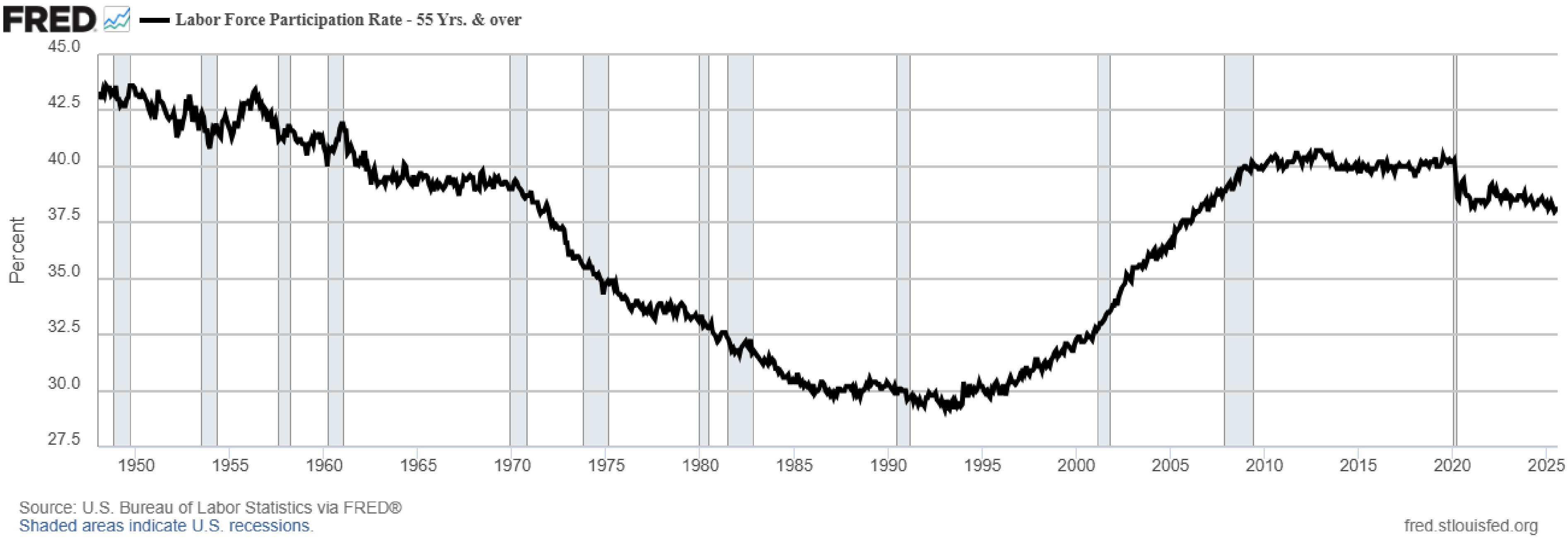


Source: Utah Department of Workforce Services

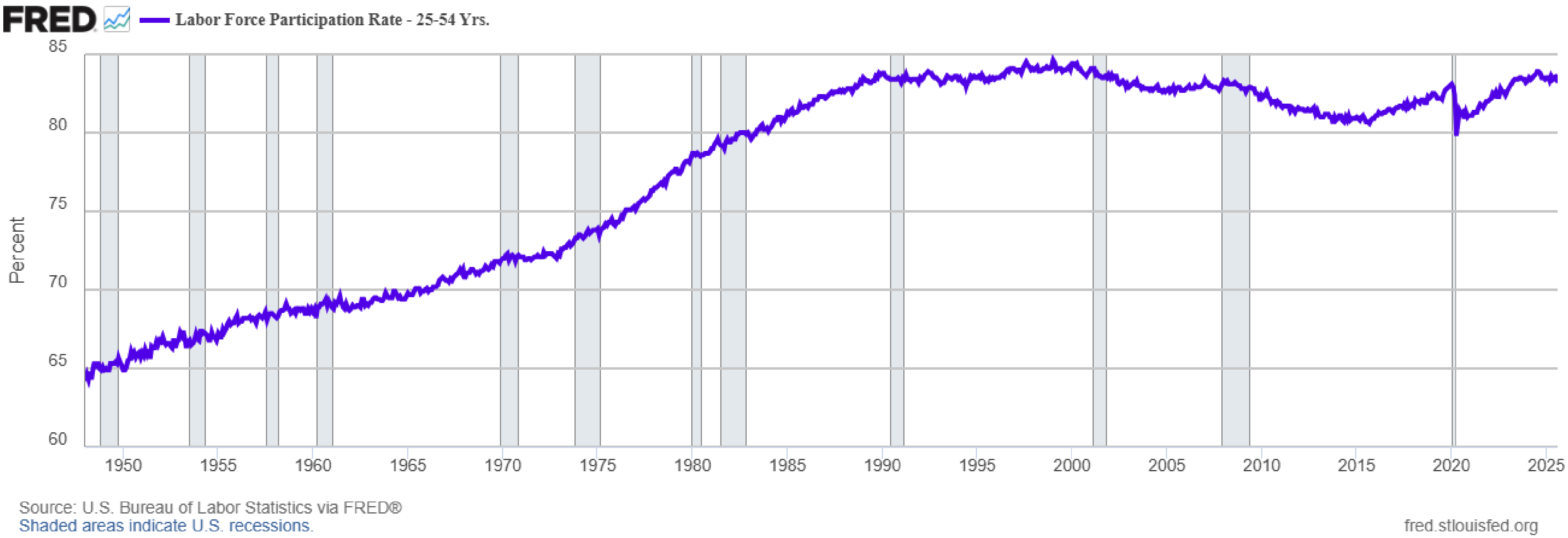
Workin' for a Livin'



The Older I Get

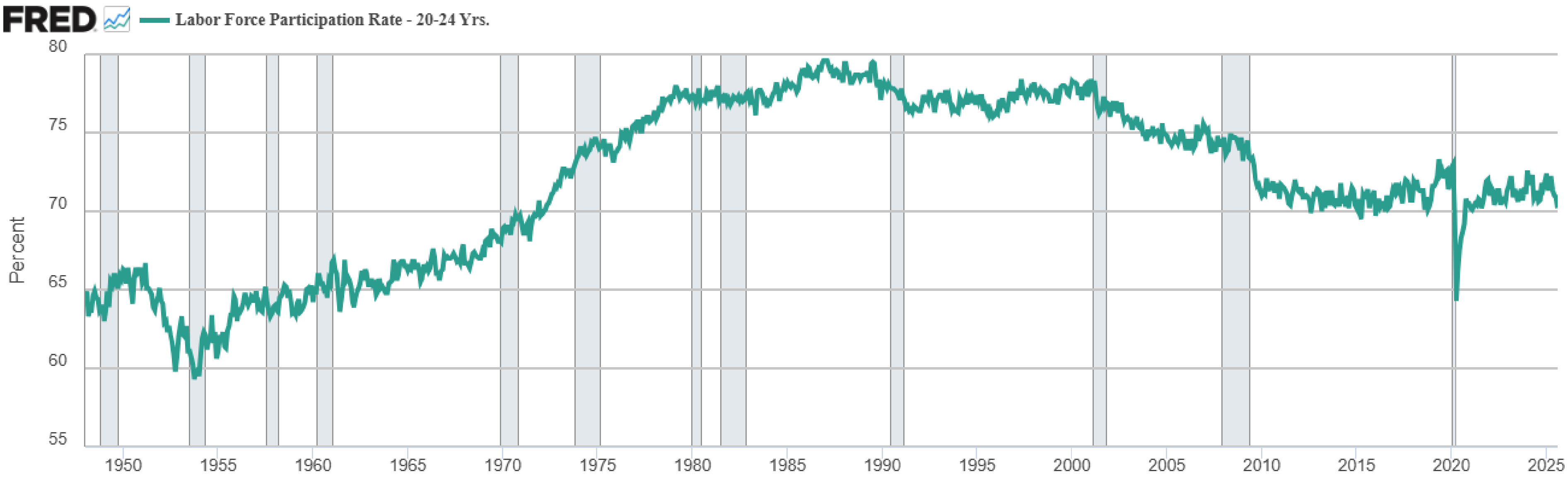


Glory Days



FRED
Labor Force Participation Rate - 25-54 Yrs.
85
80
75
70
65
60
Percent
1950
1955
1960
1965
1970
1975
1980
1985
1990
1995
2000
2005
2010
2015
2020
2025
Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.
fred.stlouisfed.org

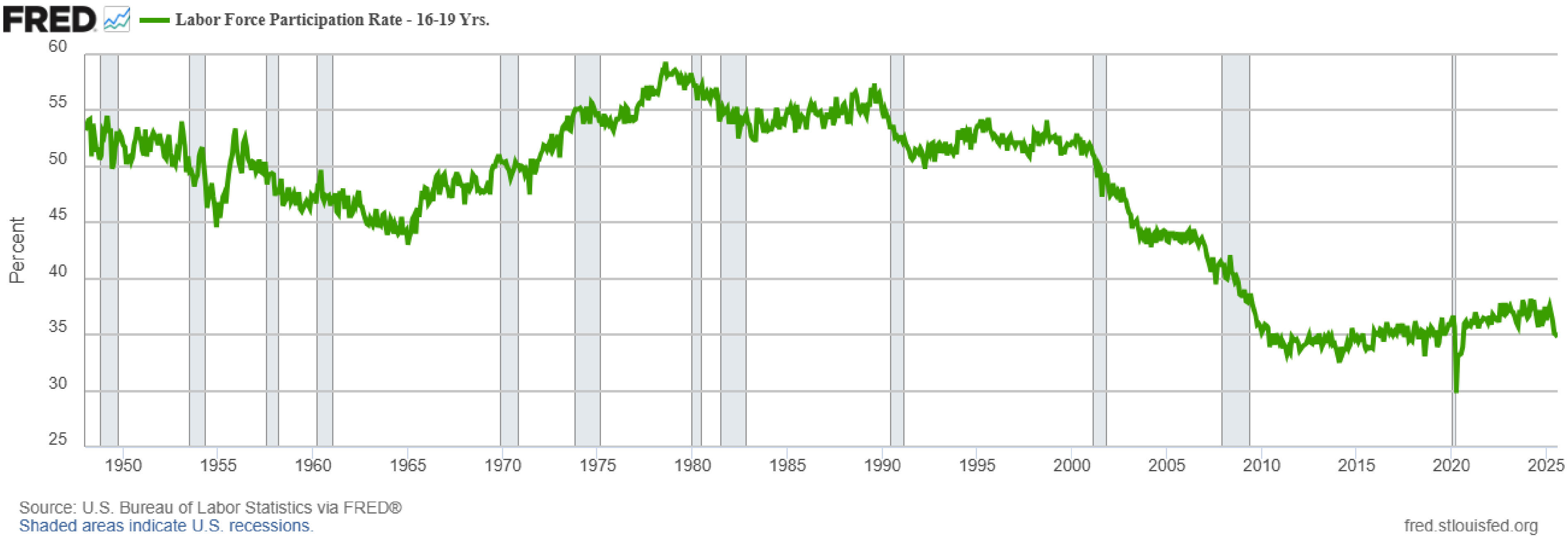
I Love College



Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

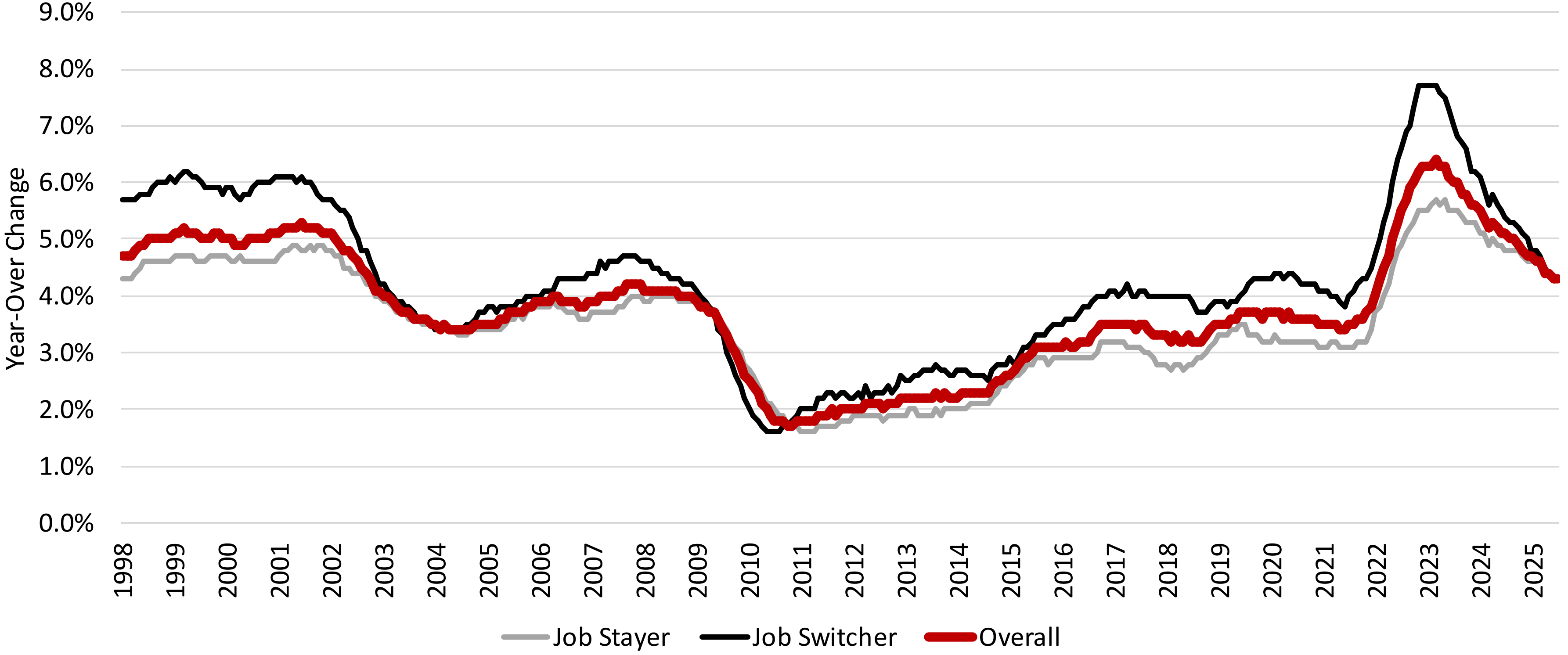
fred.stlouisfed.org

Smells Like Teen Spirit



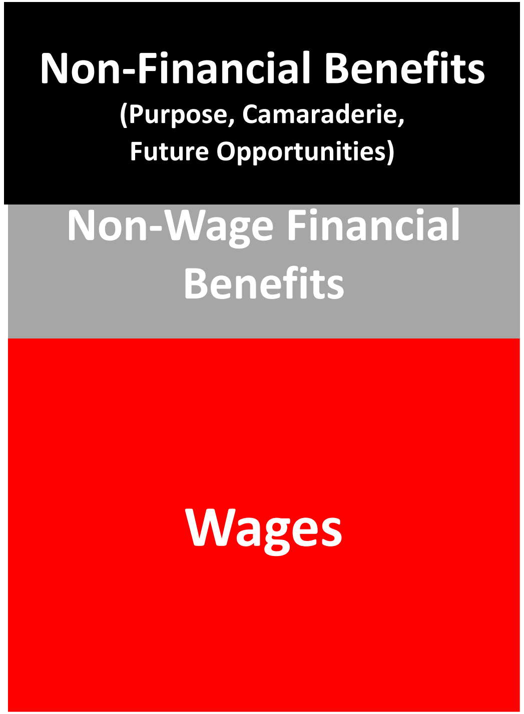
Money, Money, Money

U.S. Wage Growth Rate



Source: Federal Reserve Bank of Atlanta

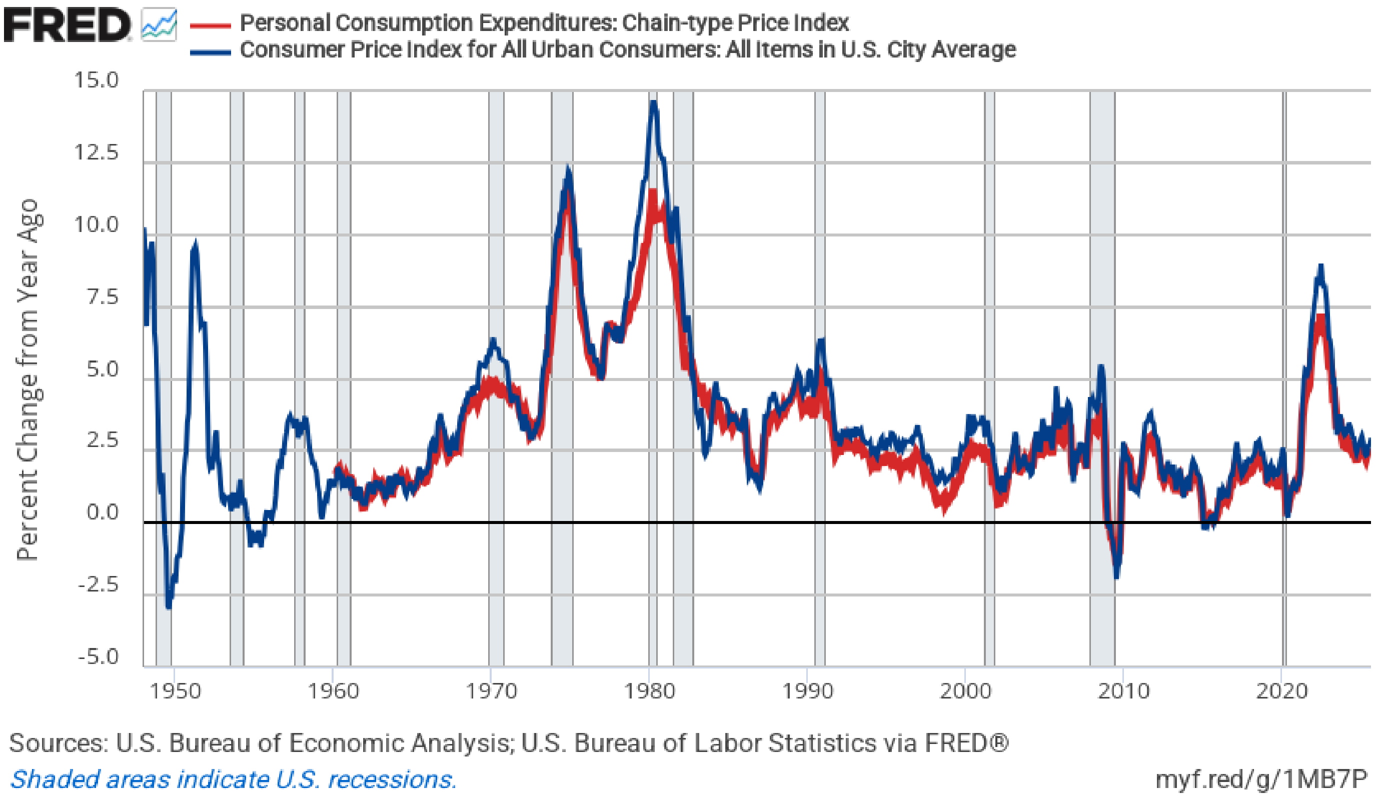
Money for Nothing



- The days of always having cheap, readily available labor are over!
- If needed, change your business model to strategically plan to attract and RETAIN great employees using:
  - Wages
  - Other Financial Benefits
  - Non-Financial Benefits

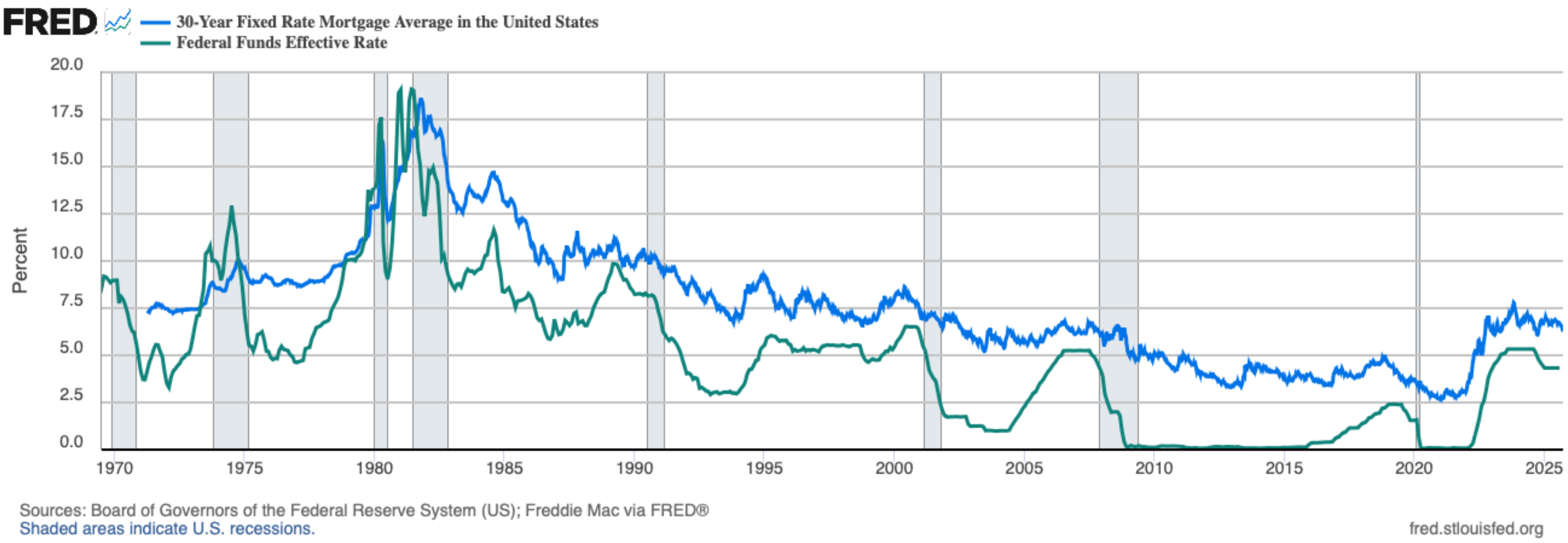
High Cost of Living

Will Inflation Return to 2% Target?



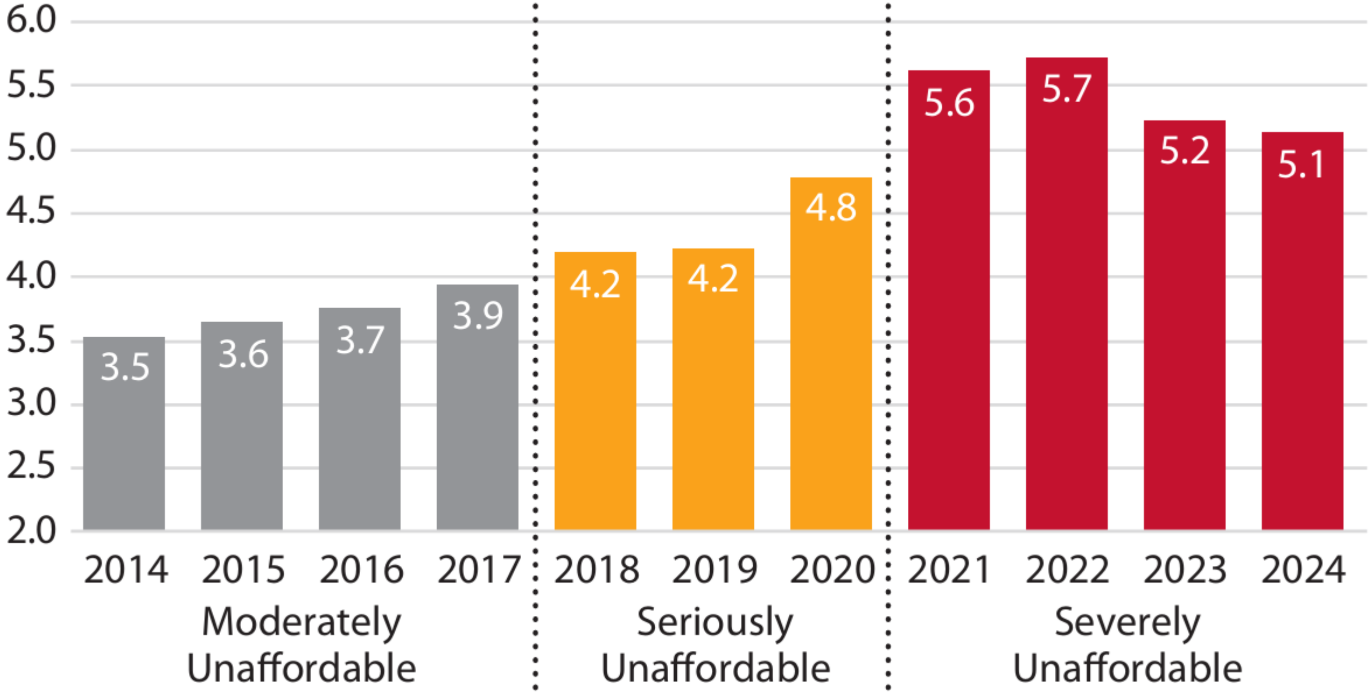
Long Time…Perspective

Interest Rates Higher than Recent History but Not Longer-Term History



Under Pressure

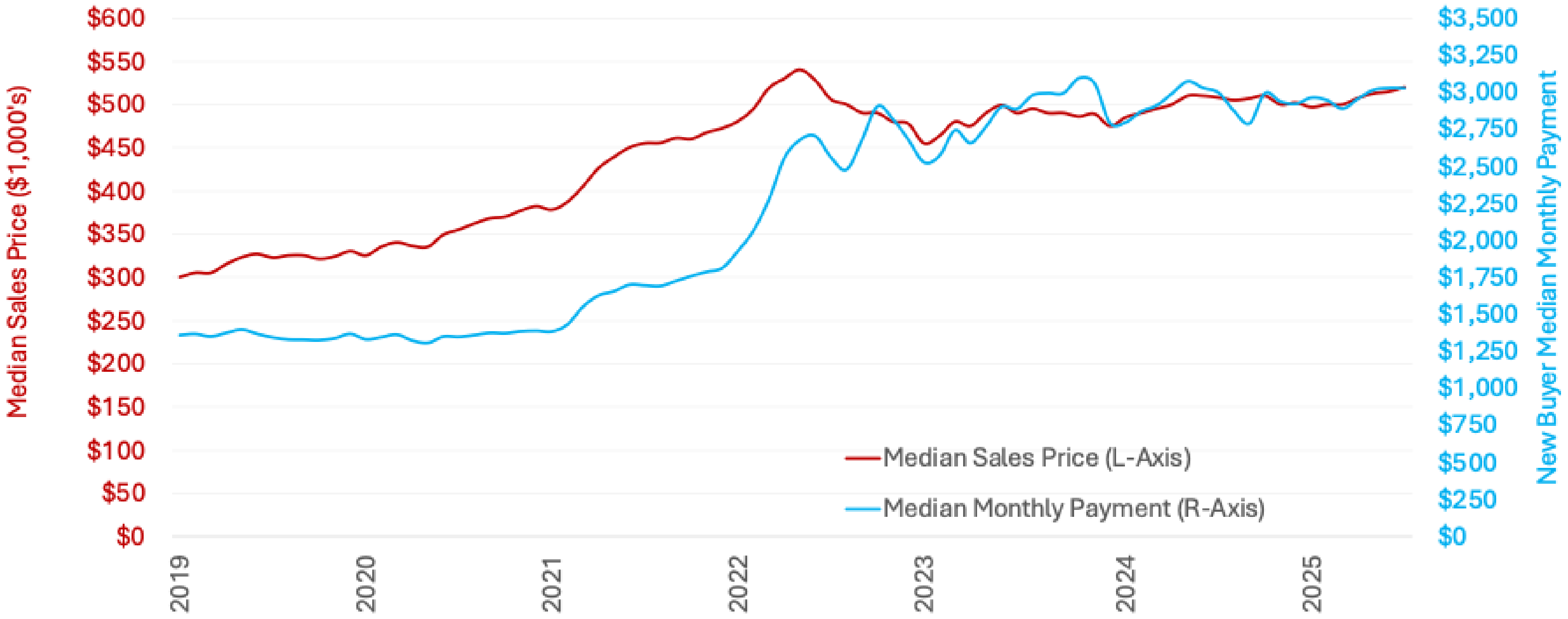
Median Multiple – Utah More Unaffordable for New Buyers



Source: U.S. Census Bureau, American Community Survey and UtahRealEstate.com

Brick House

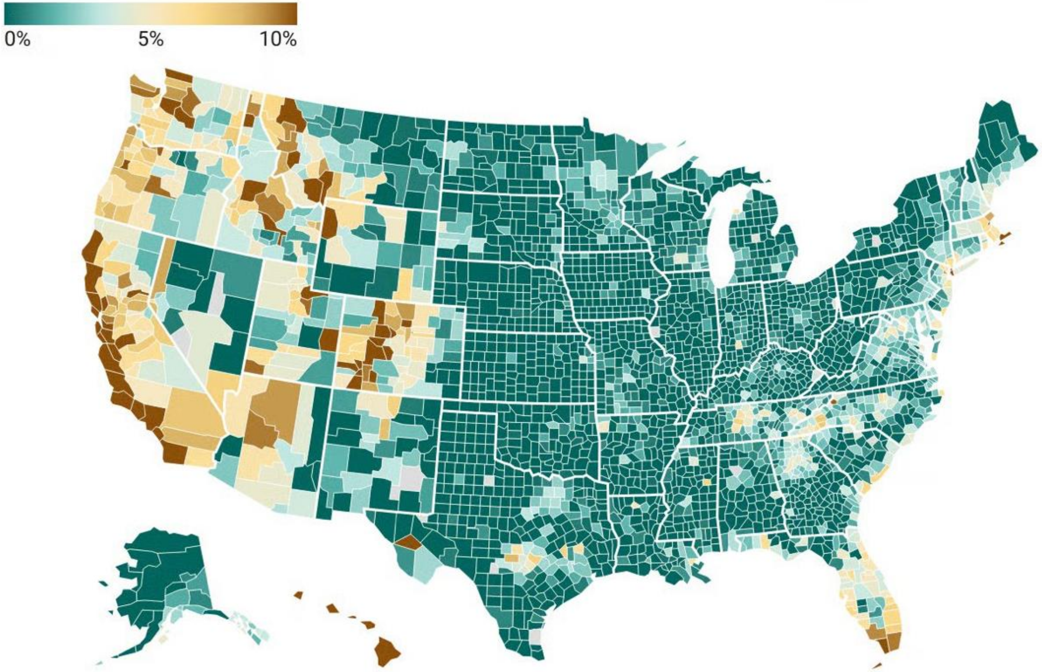
Utah Median Home Sales Price & New Buyer Payment



Short Stack

Housing “shortage” as a percent of current stock, according to AEI Housing Center's analysis

Dark green indicates limited or no “shortage”; dark brown indicates a larger “shortage”



Hold On with Patience? Turbulence?

Piecing Together 2025's Price Uncertainty Puzzle

- **Overall price level** – Sticky inflation or fully normalized?

- **Interest rates (price of borrowing money)**
  - Remain at current levels or drop?
  - Continuing short-term and long-term rate divergence or re-alignment?

- **Wages (price of labor)** – Continued high growth to recoup previously-lost real wages or slowing job growth reducing wage pressures? How does immigration policy impact wages?

- **Home prices** – Interest rate lock-in effect and excess demand driving continued growth or slowing job growth minimizing increases?

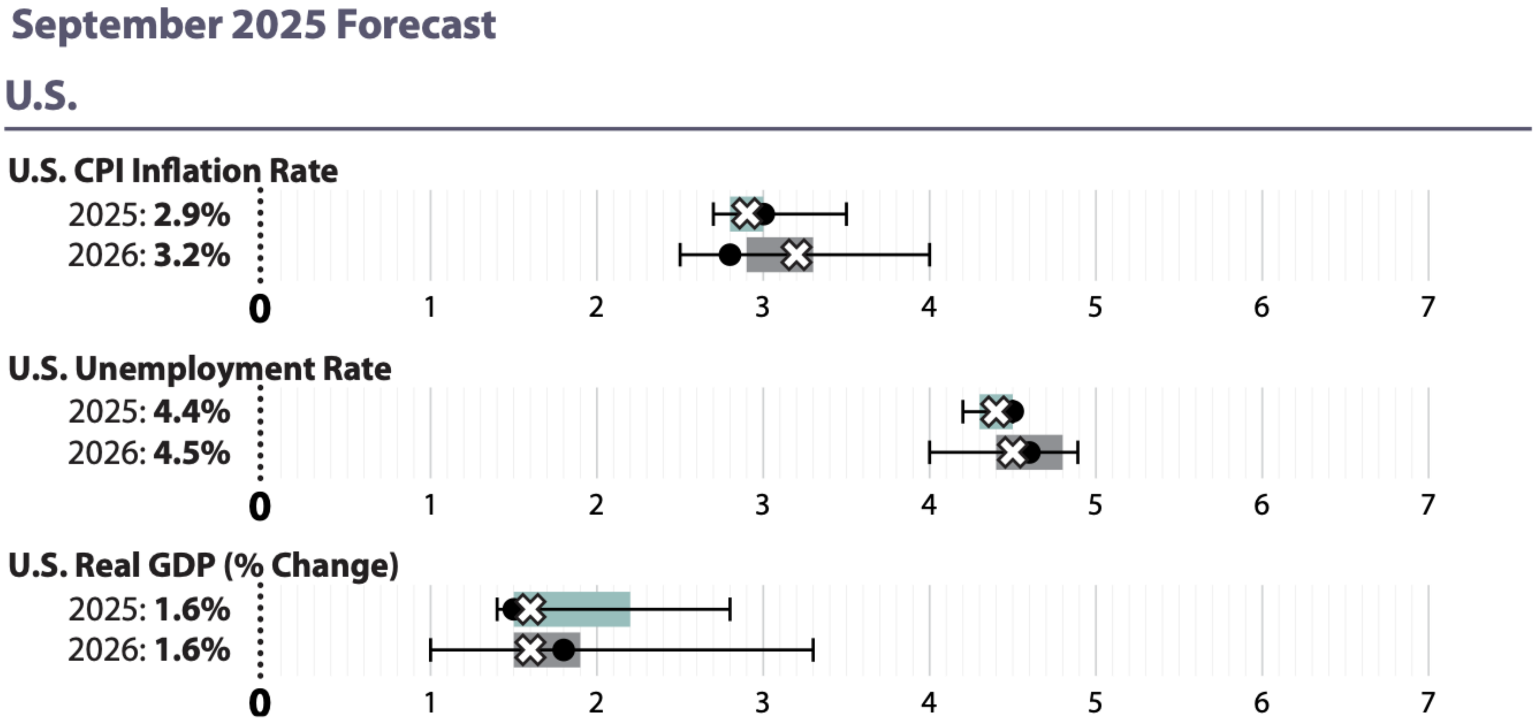
- **Energy prices** – Will energy prices decrease with a new administration that quickly facilitates fossil fuel expansion?

- **Business input prices** – Will tariff policy changes impact business inputs?

"Economics is a dance between social science, mathematics, and fortune telling."

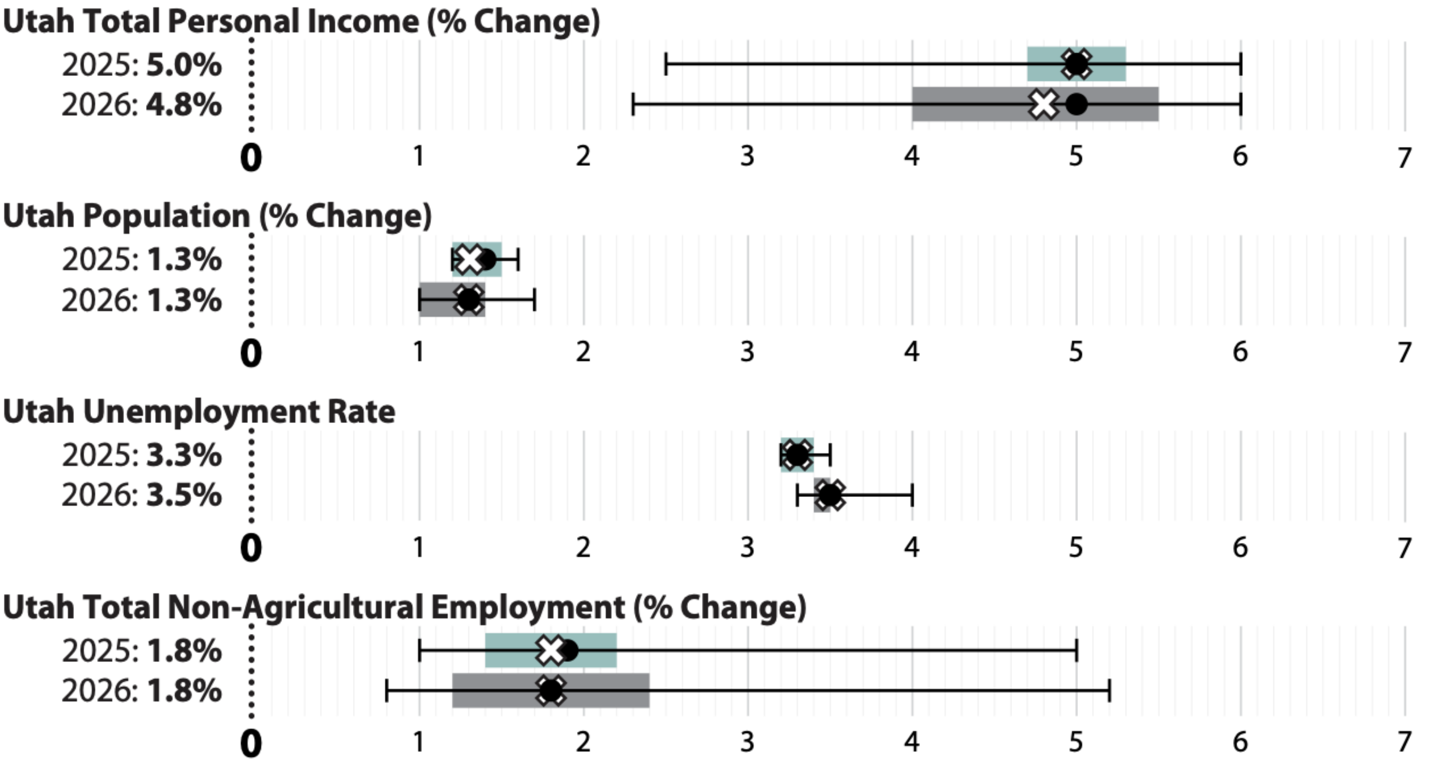
Ally Atchley
Student

Ten Day Forecast
Utah Economic Council 2025 Forecast

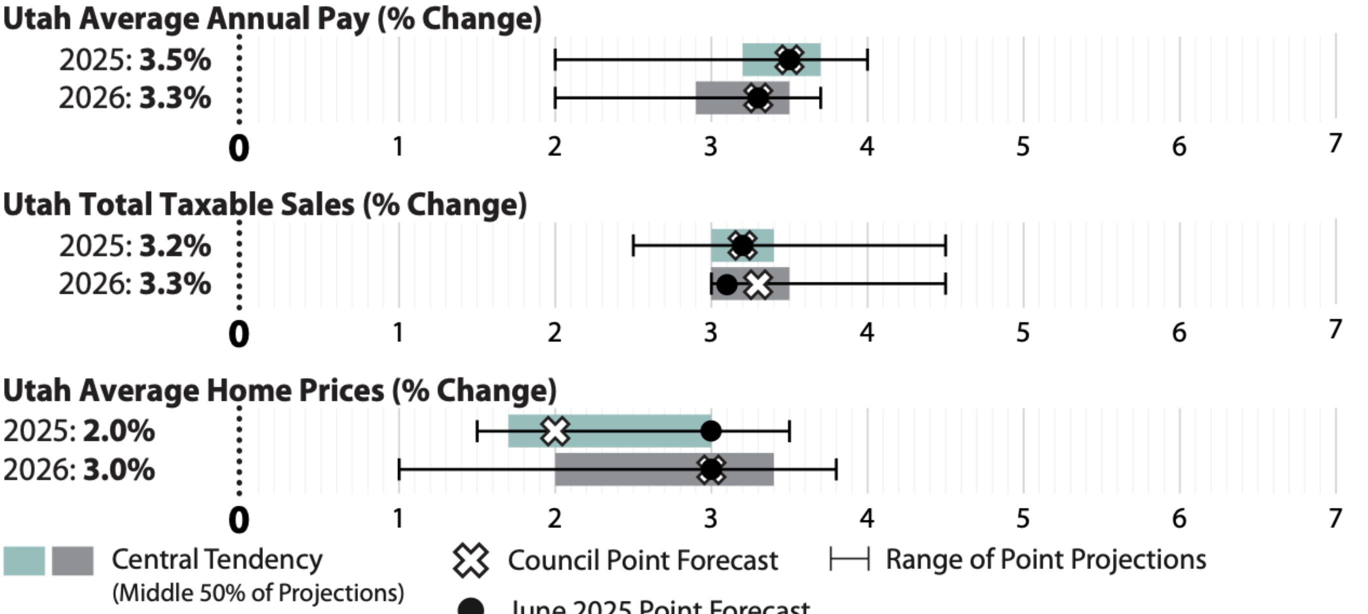


2025 Forecast

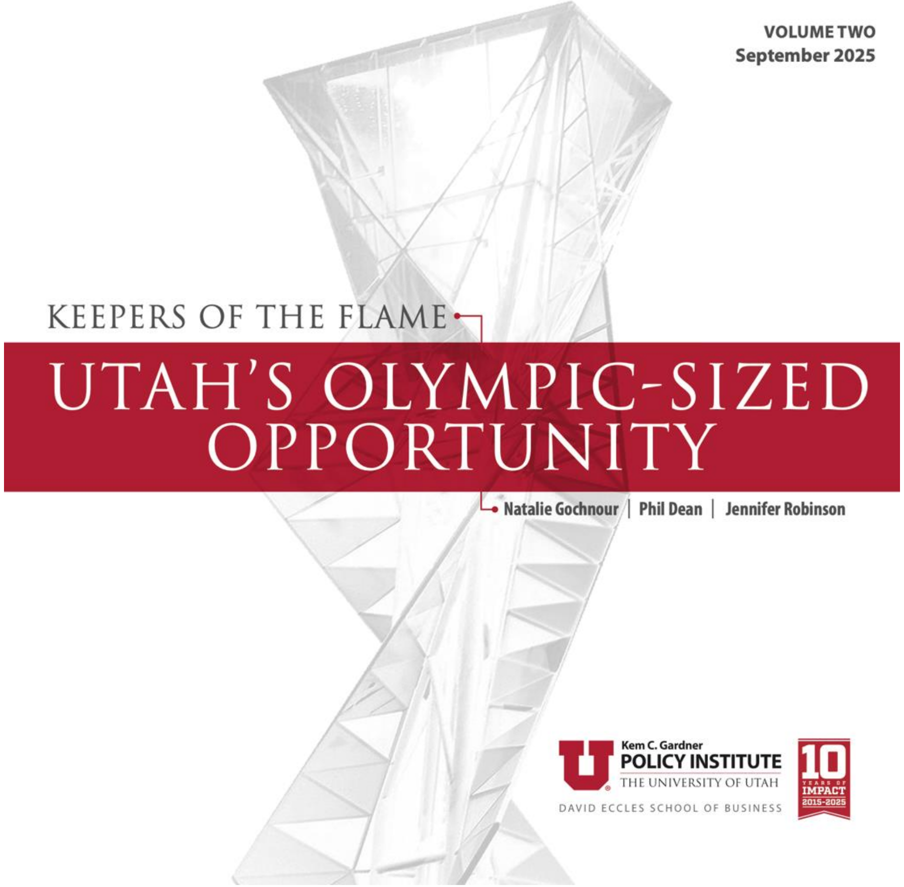
Utah



2025 Forecast



Note: "Council Point Forecast" (X) represents the median value. "Middle 50%" (grey box) represents the 25th to 75th percentile range of values. "Range of Point Projections" (whiskers) represents the full range of values.
Source: Utah Economic Council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KEEPERS OF THE FLAME
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Natalie Gochnour | Phil Dean | Jennifer Robinson
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Utah's Magnificent Seven

Major Achievements in Utah's Economic Success Story

1. Economic dynamism and diversity
2. High household income and low poverty
3. Upward mobility
4. Widespread prosperity
5. Well-trained and educated workforce
6. Fast growing population and youthfulness
7. Social cohesion

Utah's Troubling Seven

Challenges Threaten Utah's Long-term Success

1. Housing affordability and homelessness
2. Traffic congestion
3. Third grade reading proficiency
4. College graduation rates
5. Water and Great Salt Lake
6. Energy supply
7. Behavioral health

I Had Some Help

How Can We Bring Light and Hope to Future Generations?

1. Forego some consumption today to plant seeds for tomorrow
   - Invest in infrastructure
   - Invest in our future and current workforce
   - Invest in our youth

2. Fix major housing challenges
   - Increase accessible housing supply
   - This means change our approach to housing

3. Work with policymakers to pragmatically address federal budget
   - Decrease annual deficit
   - This means change our federal government's approach
   - This means changing ourselves

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