

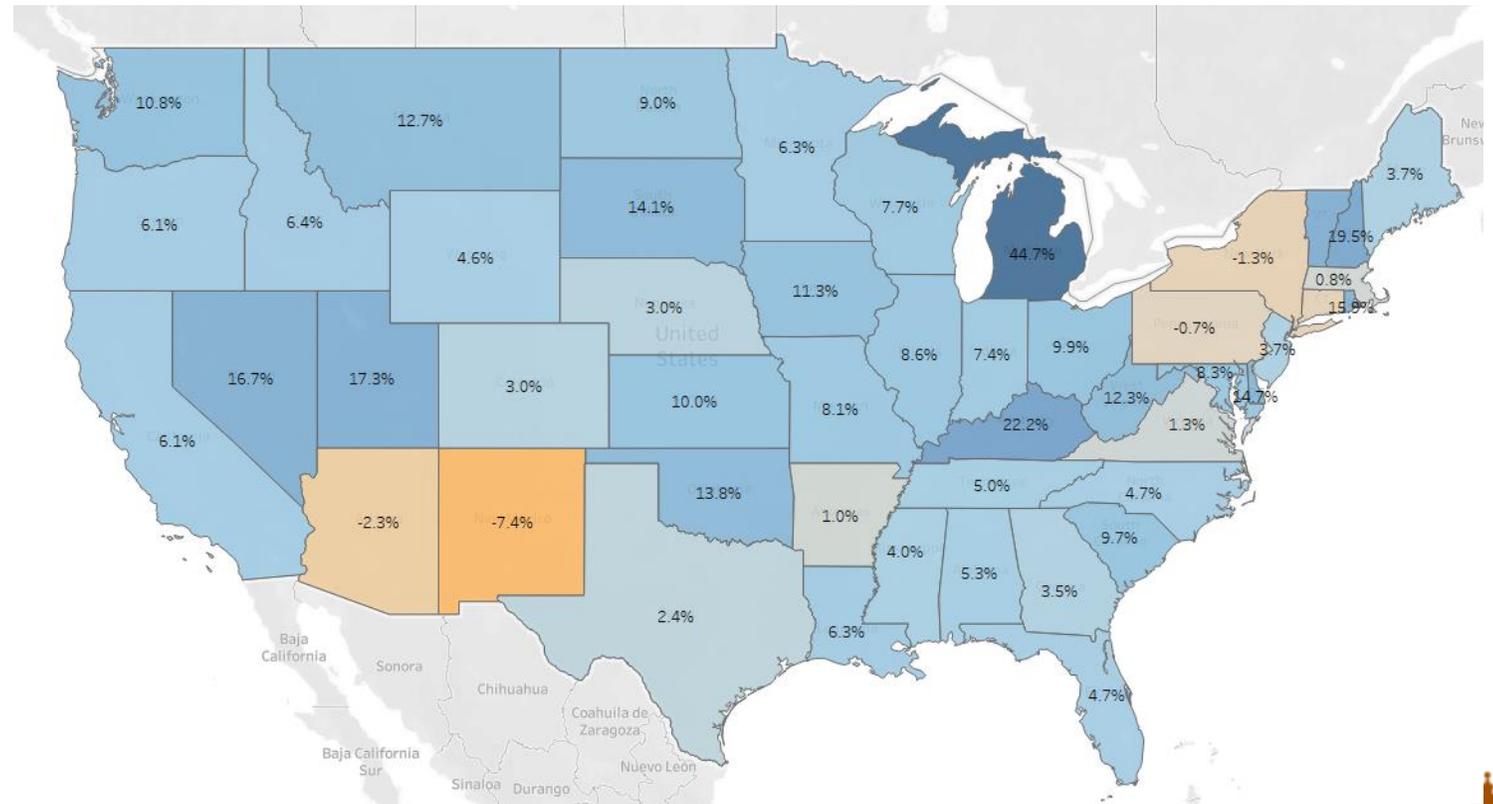
ECONOMIC INDICATORS UPDATE

Andrea Wilko, PhD
Thomas Young, PhD
Maddy Oritt



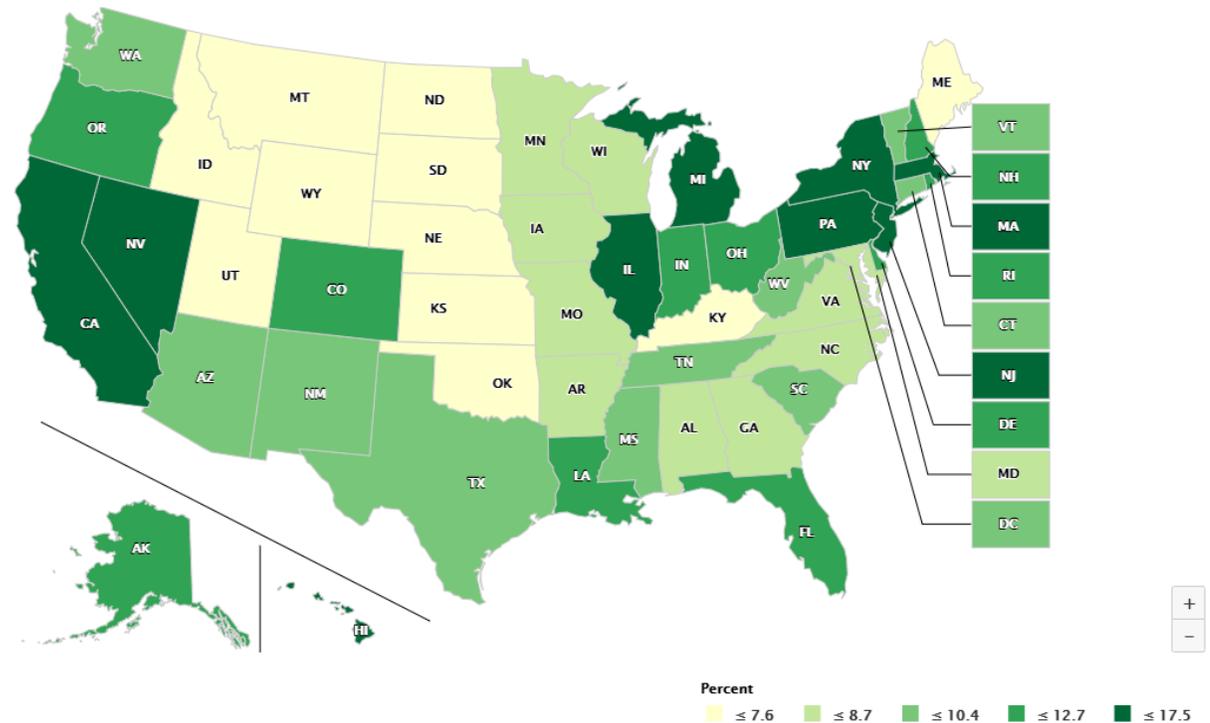
COINCIDENT INDEXES

- The map shows the change in coincident index from May to July.
- The coincident index, produced by the Philadelphia Fed, combines four state-level indicators to summarize current economic conditions:
 - Nonfarm payroll employment
 - Average hours worked in manufacturing by production workers
 - Unemployment rate
 - Wage and salary disbursements deflated by CPI.



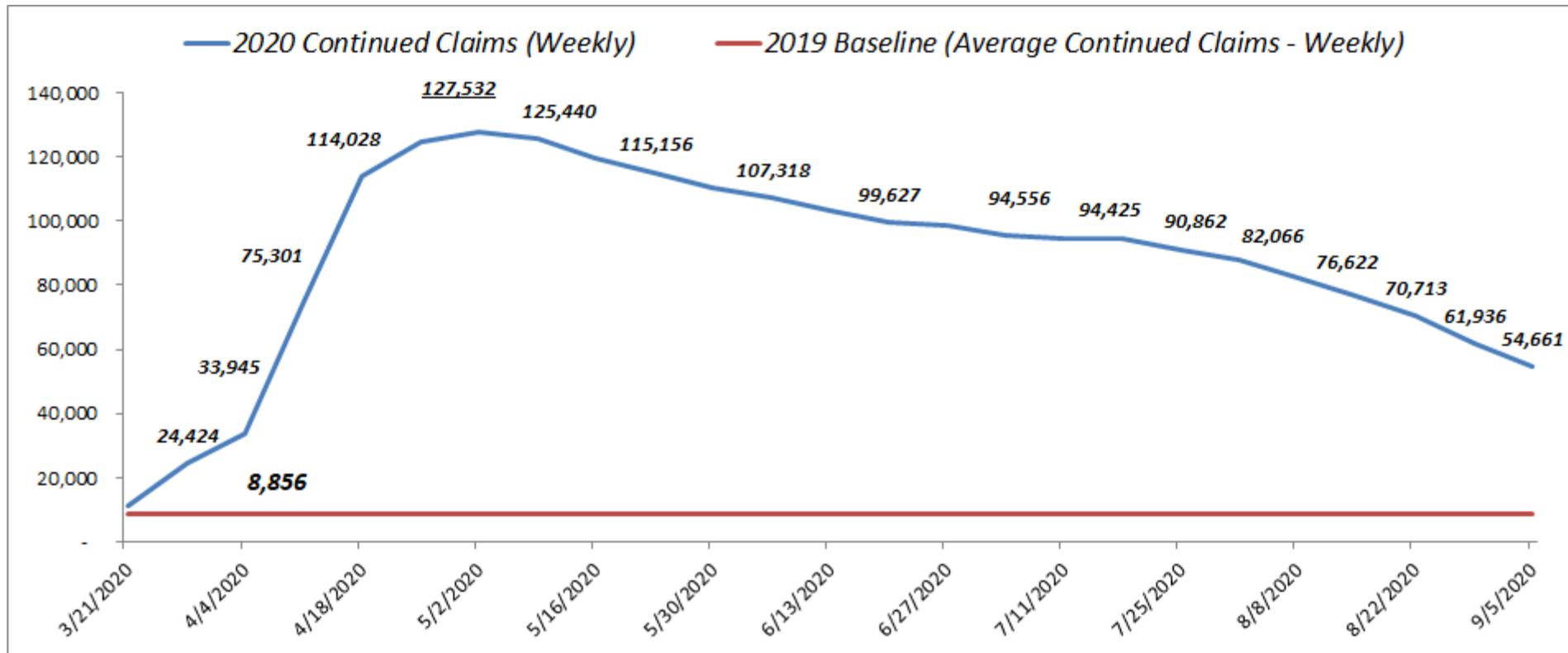
UNEMPLOYMENT

- Utah's unemployment rate of 4.5% is lowest in the U.S.
- New weekly claims average approximately 4,600, down from the peak of 33,000 in April
- On August 15, furloughed individuals were required to actively search for work to remain eligible for unemployment
- The extra \$600 weekly unemployment benefit expired on July 31. However it was replaced with a \$300 benefit for an additional 3 weeks.

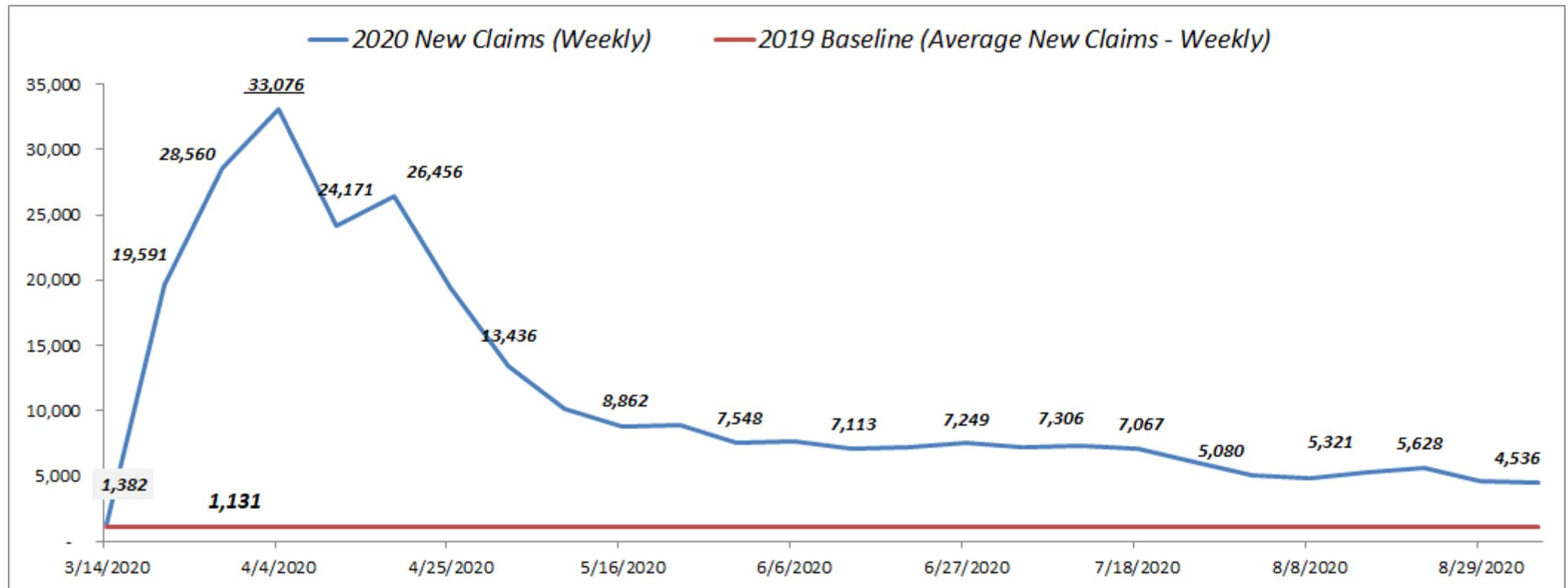


Source: U.S. Bureau of Labor Statistics

CONTINUED UNEMPLOYMENT CLAIMS DURING PANDEMIC



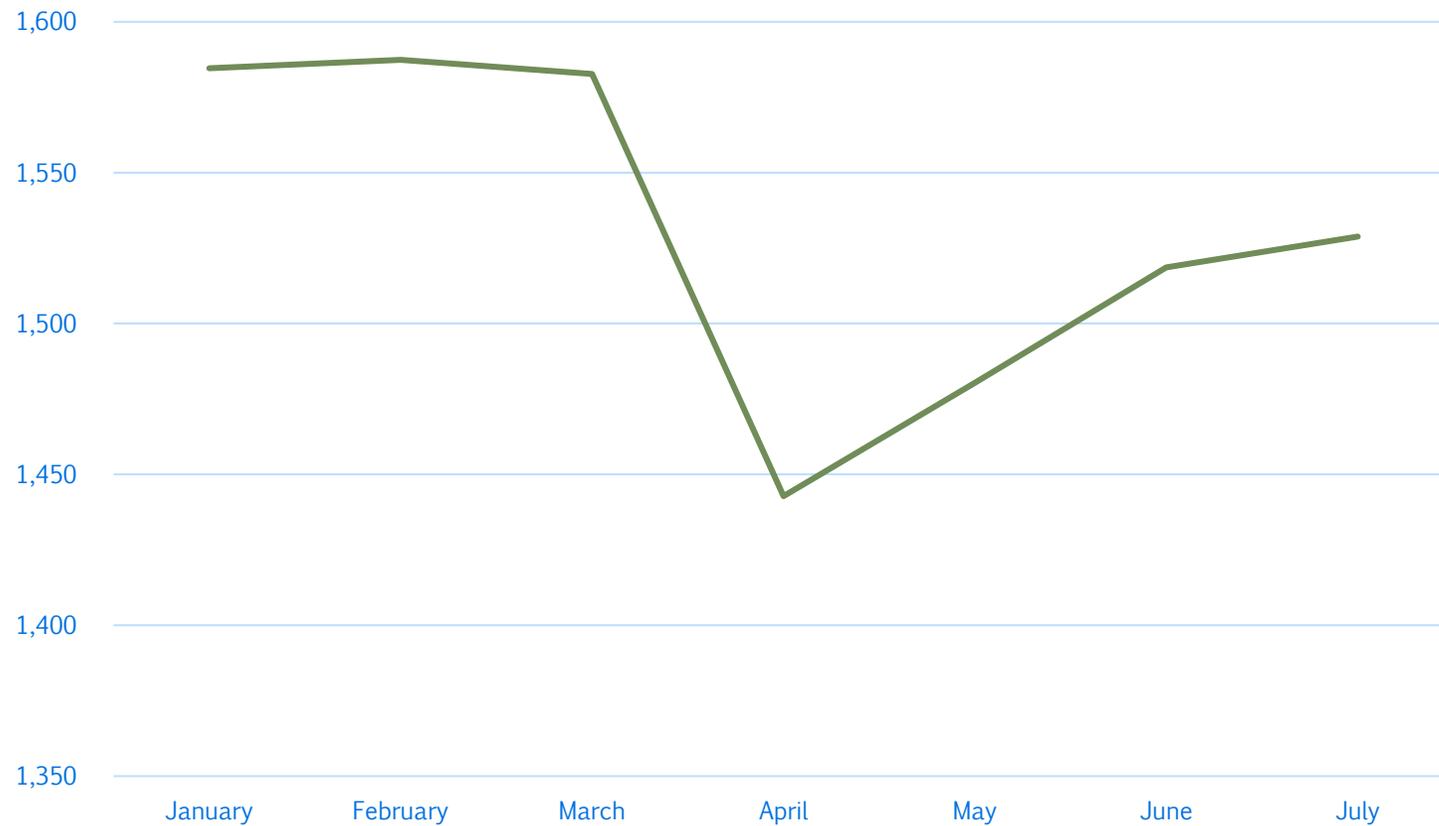
NEW UNEMPLOYMENT CLAIMS



EMPLOYMENT

- Non-farm employment decreased 1.8% July 2019 to July 2020 a total of 27,500 jobs.
- The July job growth rate is an improvement from the 2.6% job loss rate in June and a significant improvement from the peak loss of 7.3% in April.
- Utah's employment growth rate ranks second in the nation.

2020 UTAH NONFARM EMPLOYMENT BY MONTH (THOUSANDS)

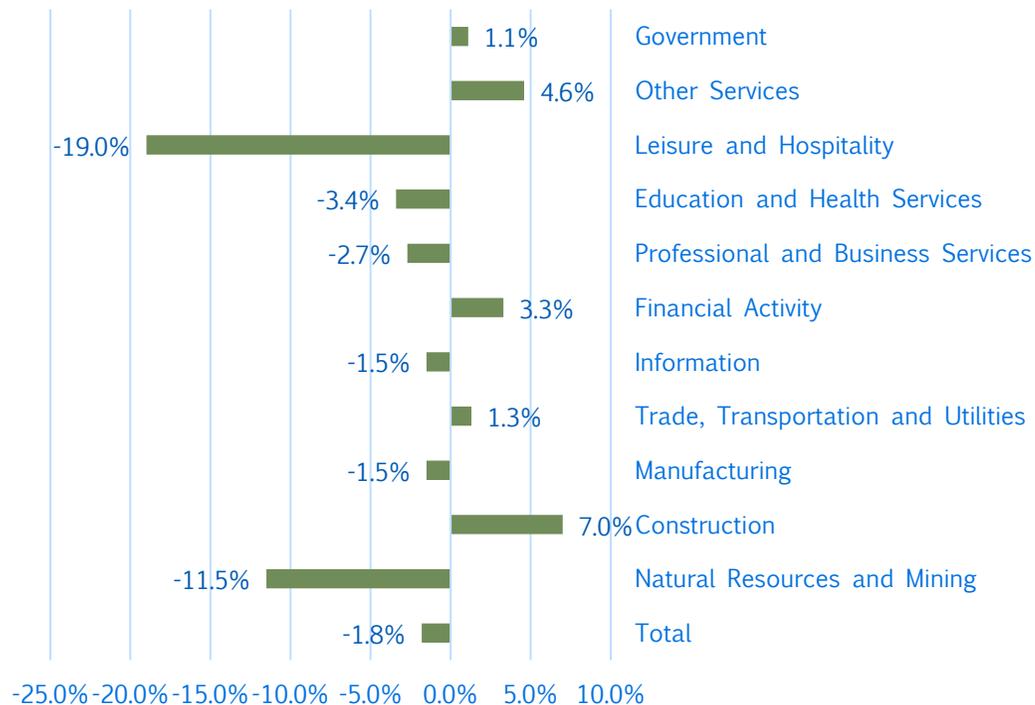


Source: BLS

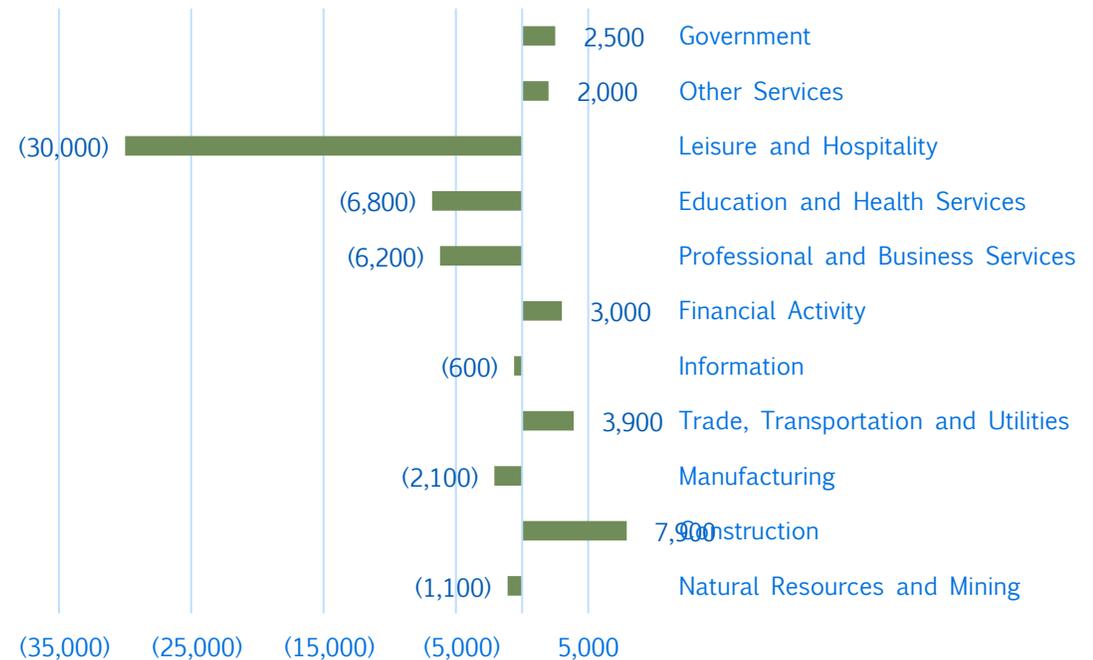


NON-FARM EMPLOYMENT CHANGE

Non-Farm Employment Percent Change, July 2019 - 2020



Non-Farm Employment Numeric Change, July 2019 - 2020

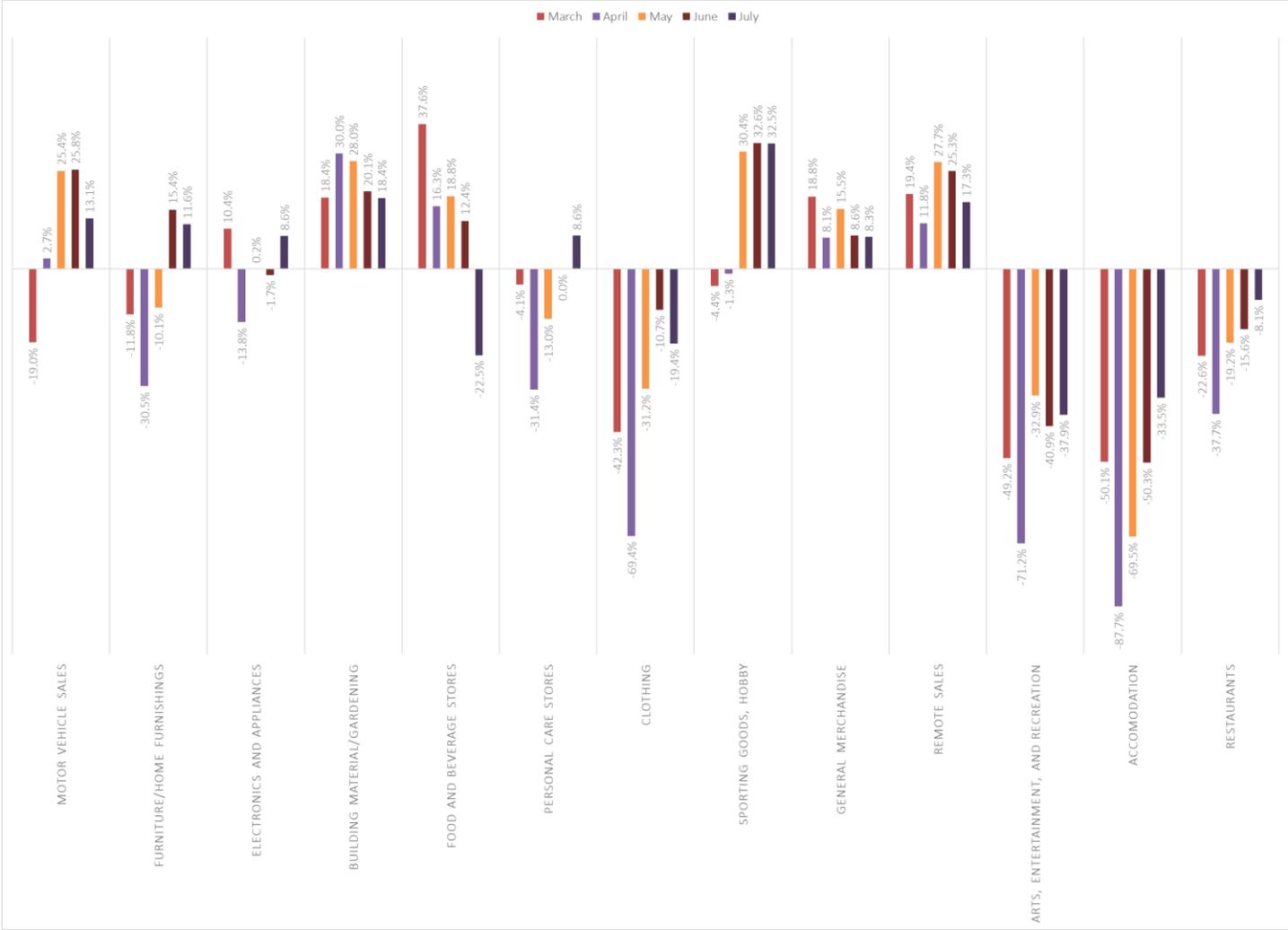


Source: BLS

TAXABLE SALES

- Taxable sales remain strong in total.
- Remote sales remain strong.
- Taxable sales are seeing significant shifts in consumption.

TAXABLE SALES CHANGE BY INDUSTRY



YEAR OVER YEAR SALES – JULY 2019 TO JULY 2020

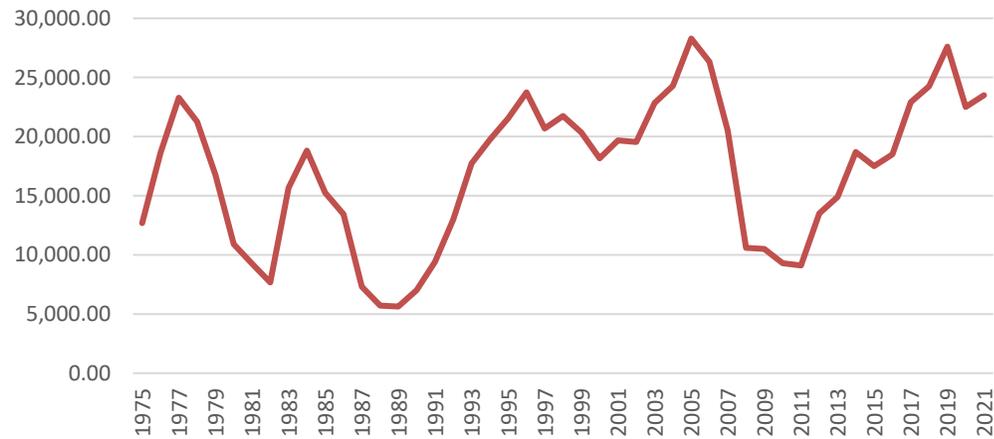
- Motor fuel taxable gallons are down 4.2%
- Undyed diesel taxable gallons are up 1.3%
- Transient room taxable charges are down 24.5%
- Restaurant taxable charges are down 11.6%

CONSTRUCTION SECTOR

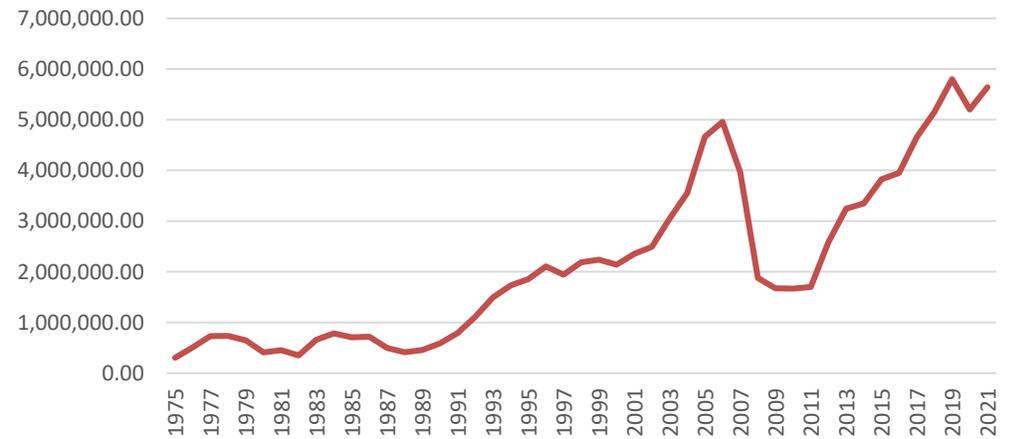
- Utah's construction industry has shown the strongest employment growth in terms of total numbers.
- Median home sales prices is up 8.6% year over year.
- Utah's foreclosure rate is second lowest in the nation through 2020 Q1.
- Highest number of housing construction permits on record through June at 13,792.

RESIDENTIAL CONSTRUCTION

New Dwelling Unit Permits



New Residential Value



DOWNSIDE RISK

- Sluggish Growth
- Persistent Unemployment
- Depressed Consumer Sentiment
- Second Wave of Lockdowns

UPSIDE POTENTIAL

- Retail Sales have a rapid recovery
- Employment grows faster than anticipated
- Continuing claims continue to decline