

SEPTEMBER 2021 ECONOMIC UPDATE

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1

UPSIDE/DOWNSIDE

Upside Potential

- Falling unemployment
- Slowing growth in inflation
- Federal stimulus aiding collections

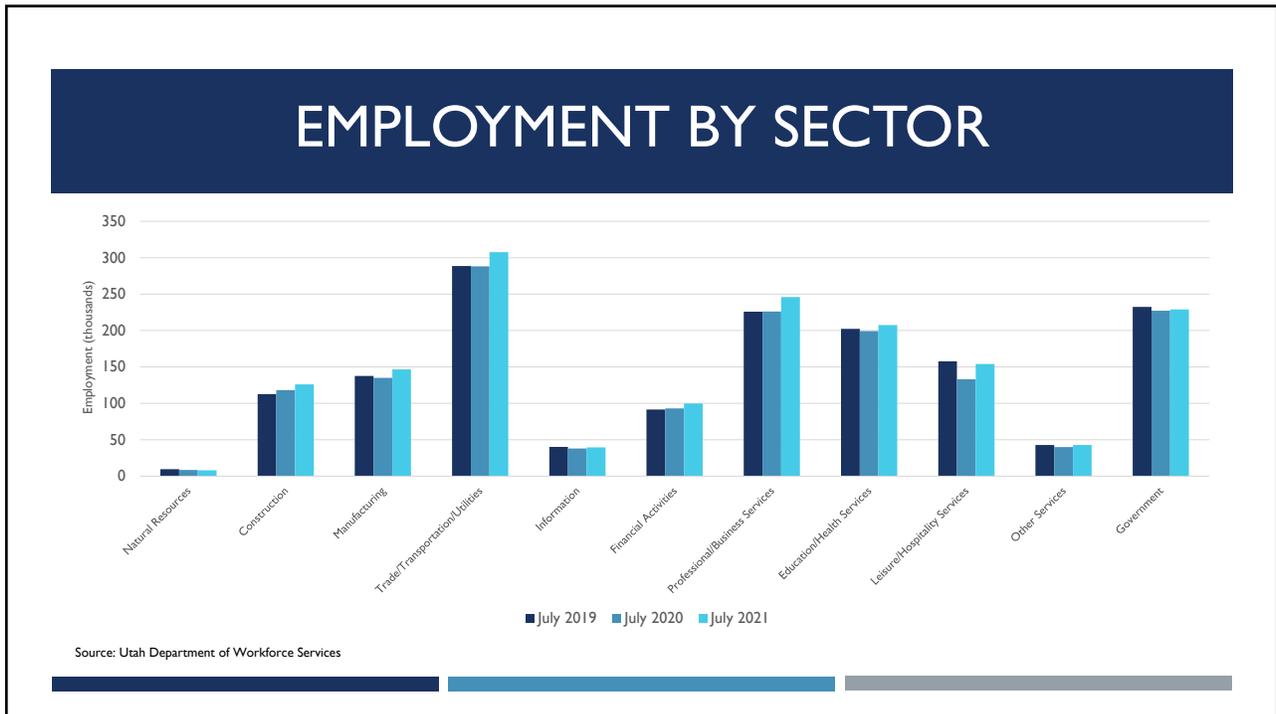
Downside Risk

- Spread of variants
- Sticky labor force participation
- End of fiscal intervention
- Inflation
- Supply chain disruptions
- Shaky consumer confidence

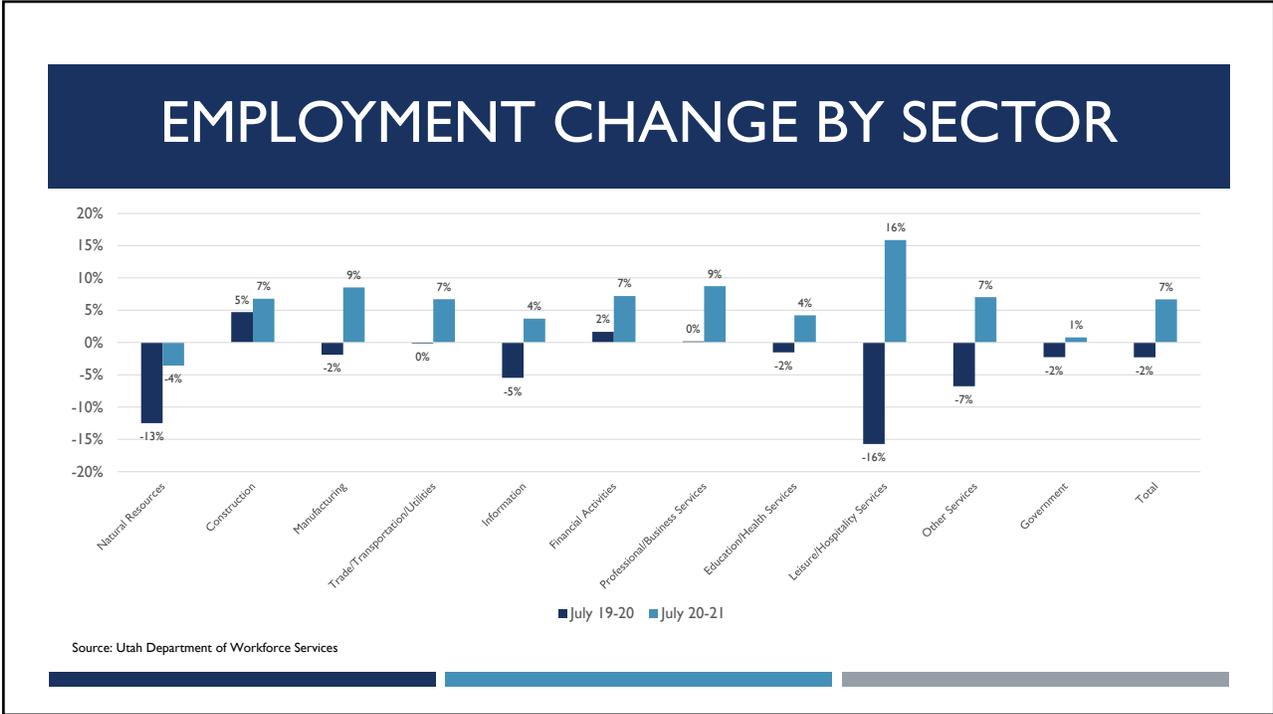
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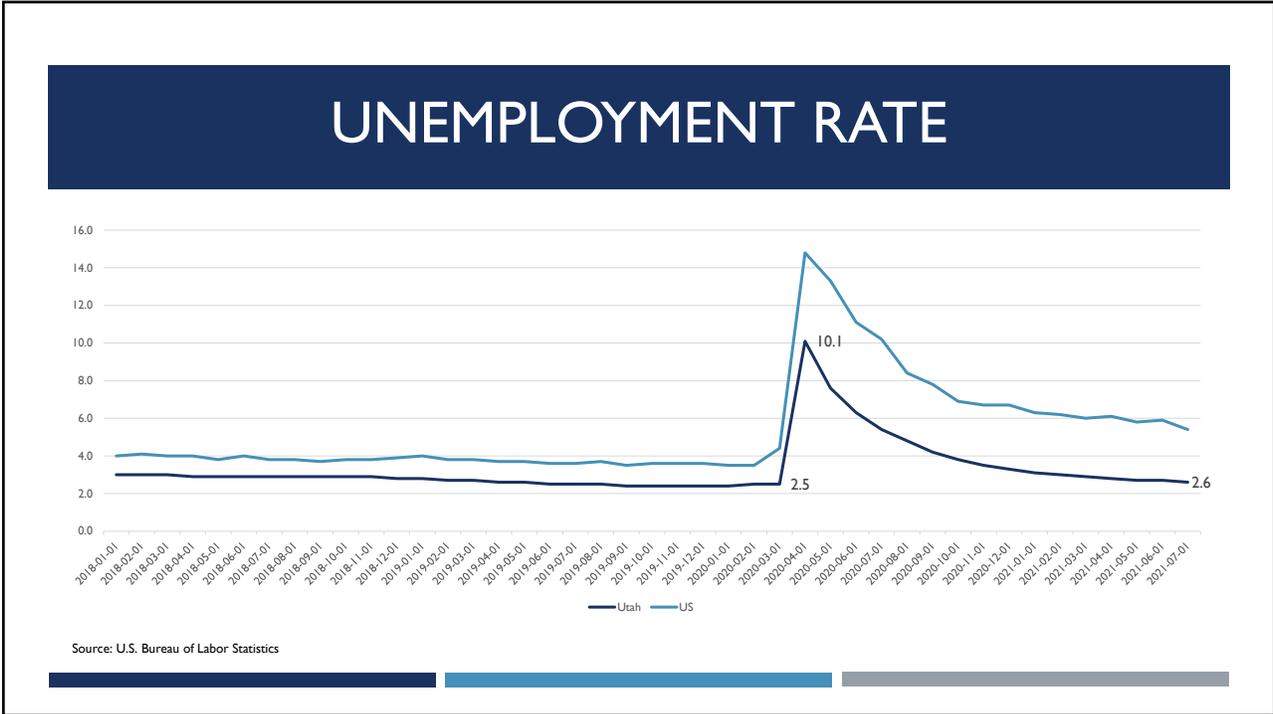
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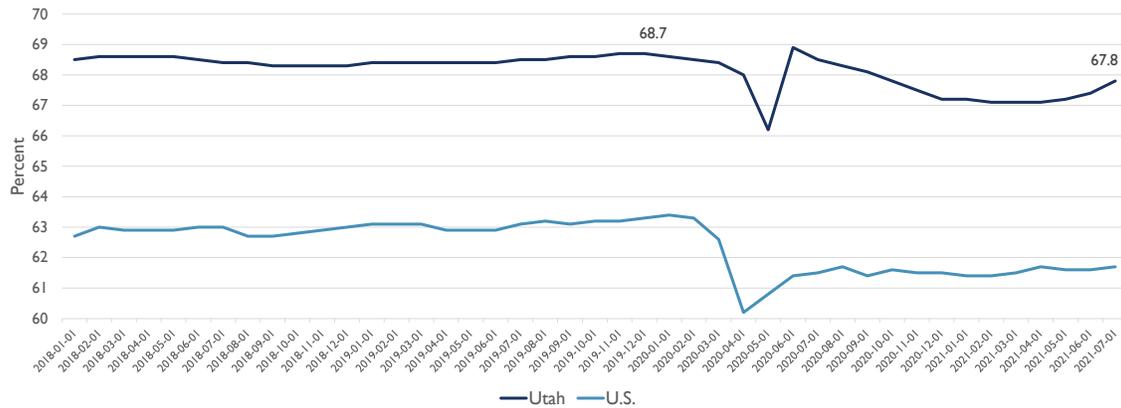


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LABOR FORCE PARTICIPATION



Source: U.S. Bureau of Labor Statistics

7

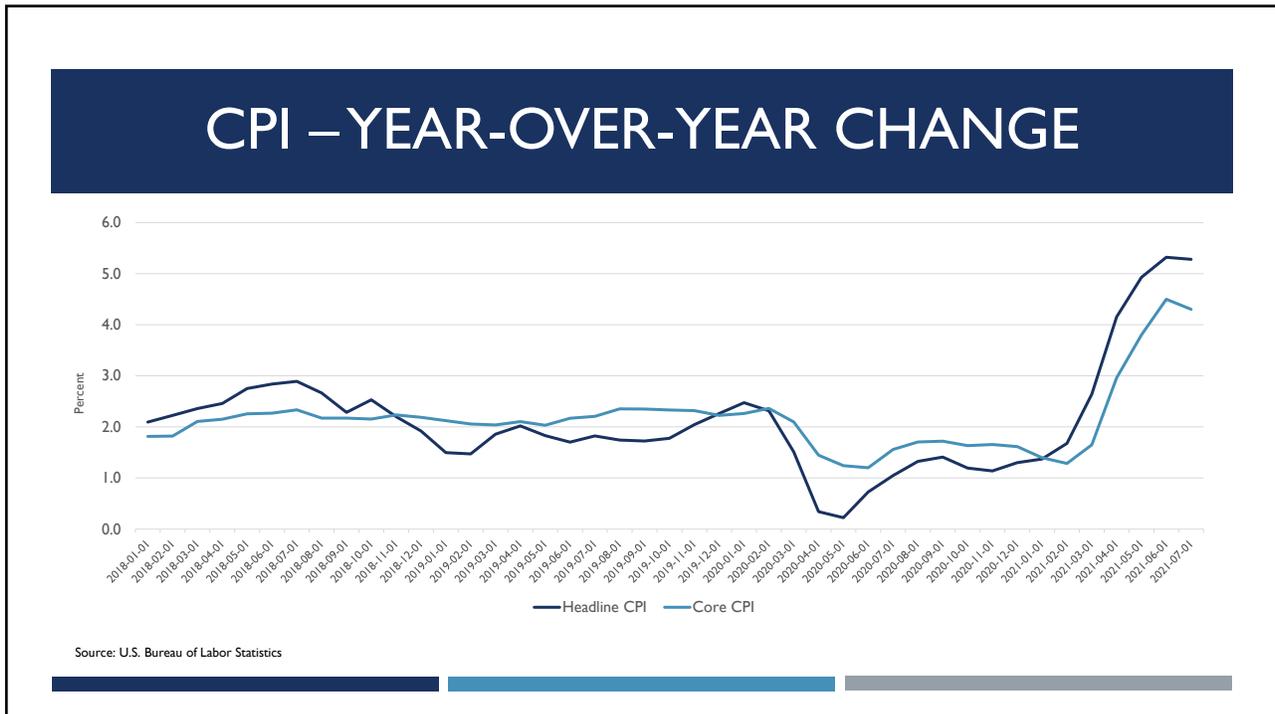
FACTORS IN LABOR PARTICIPATION

- Labor market can lag economy
- Reallocation
- Covid spread
- Childcare/schooling

8

INFLATION

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10

MARKET EXPECTATIONS FOR INFLATION



Source: Federal Reserve Bank of St. Louis

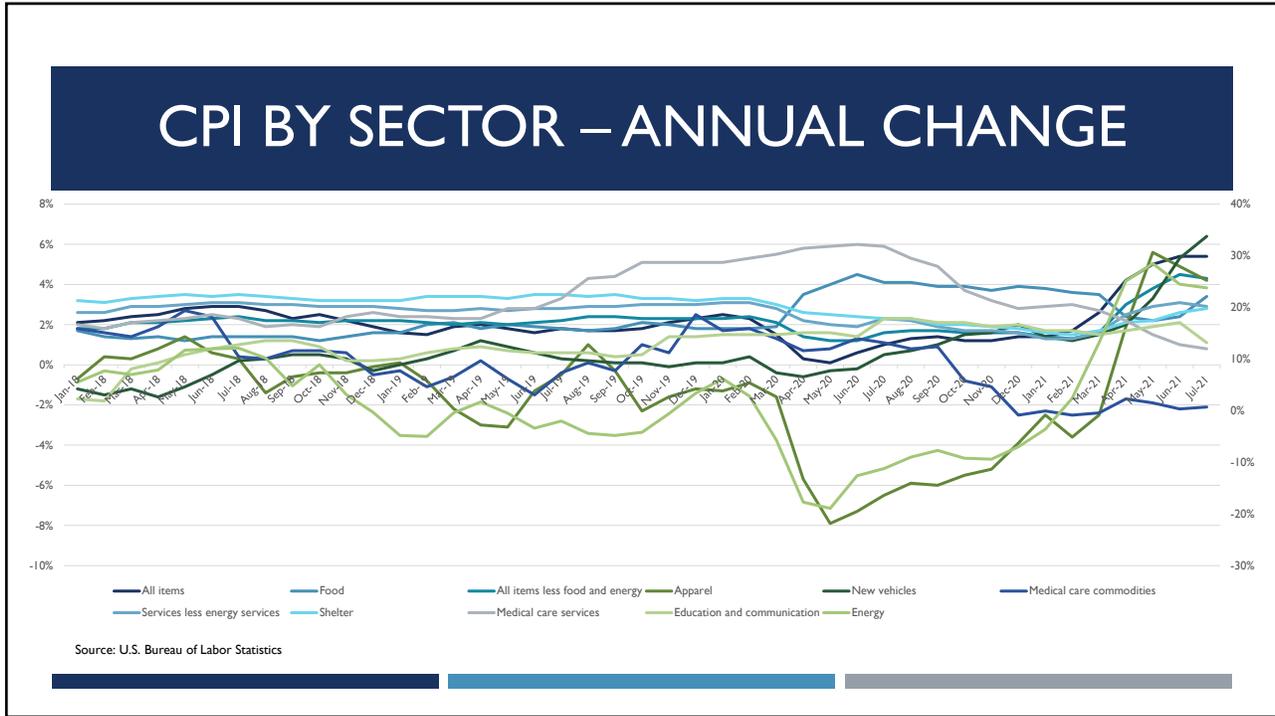
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INFLATION CONSIDERATIONS

- Disruptions to supply chains
- Surge in demand for certain goods
- Sector-specific
- Transitory?



12

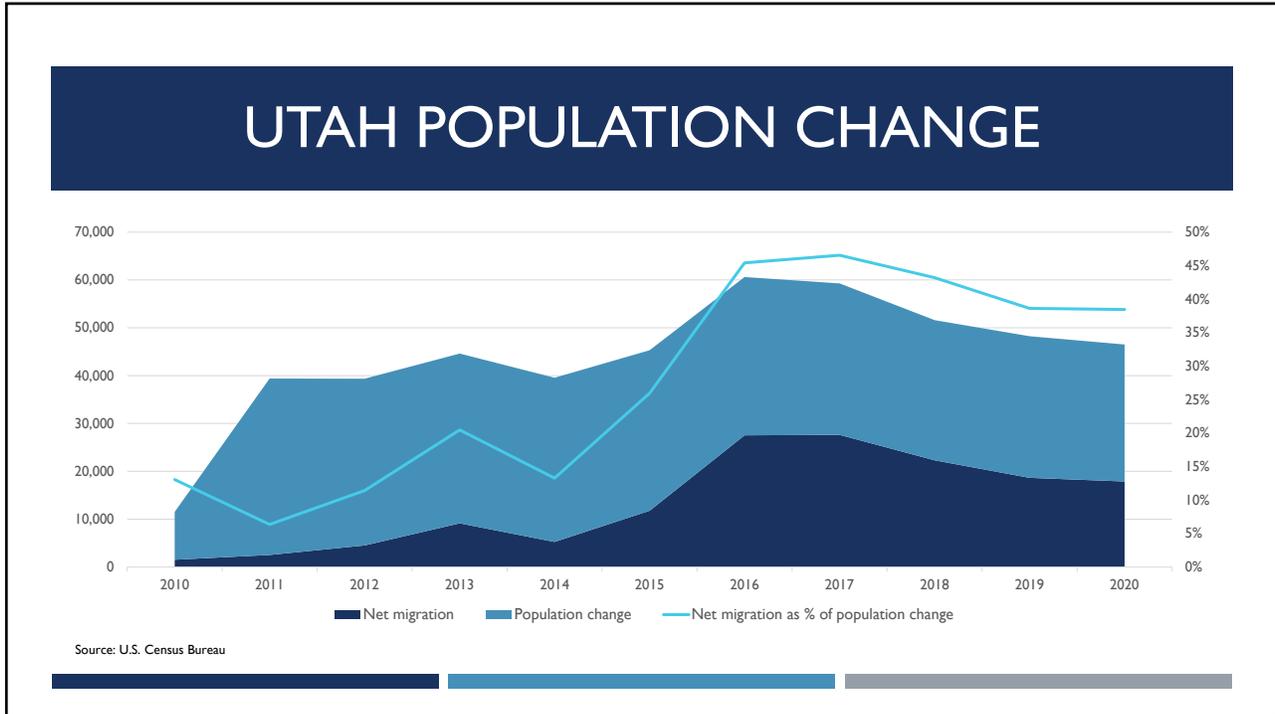


13

OTHER FACTORS DRIVING ECONOMIC UNCERTAINTY

The graphic consists of a large blue rectangular area at the top containing the text 'OTHER FACTORS DRIVING ECONOMIC UNCERTAINTY'. Below this is a large grey rectangular area. A dark blue vertical bar is positioned on the left side of the graphic, extending from the top to the bottom.

14



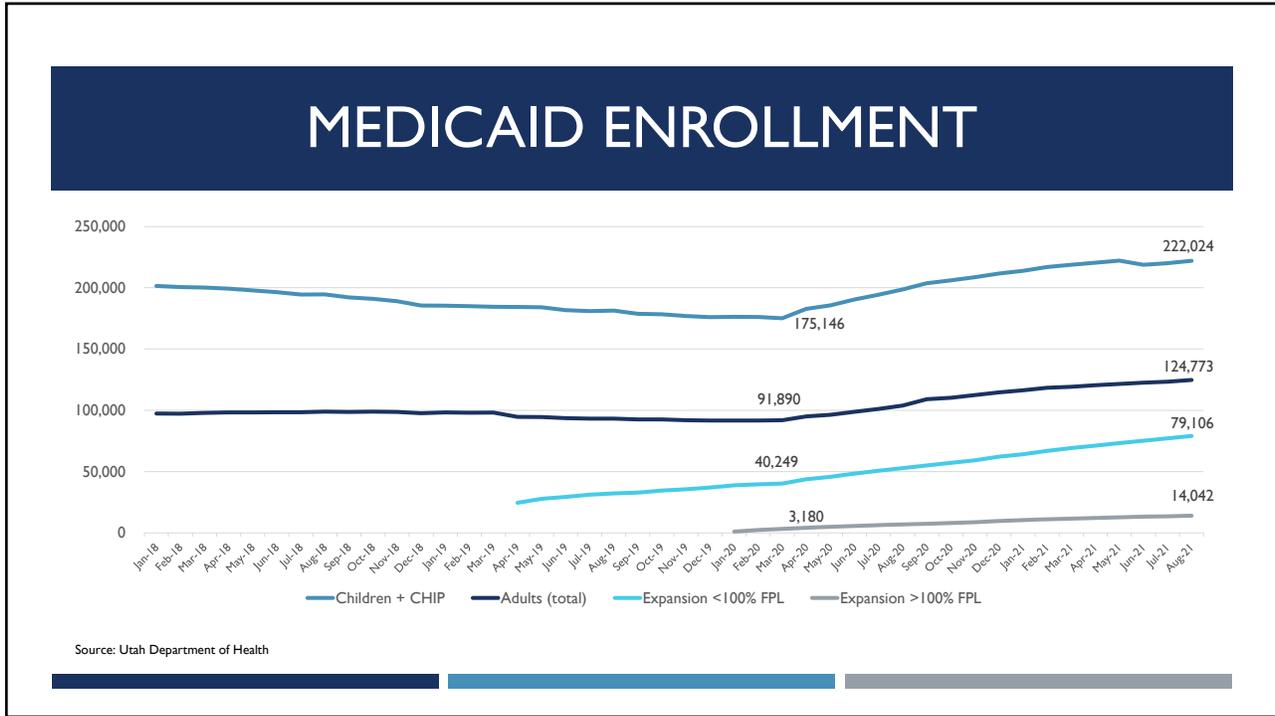
15

COVID MOVERS

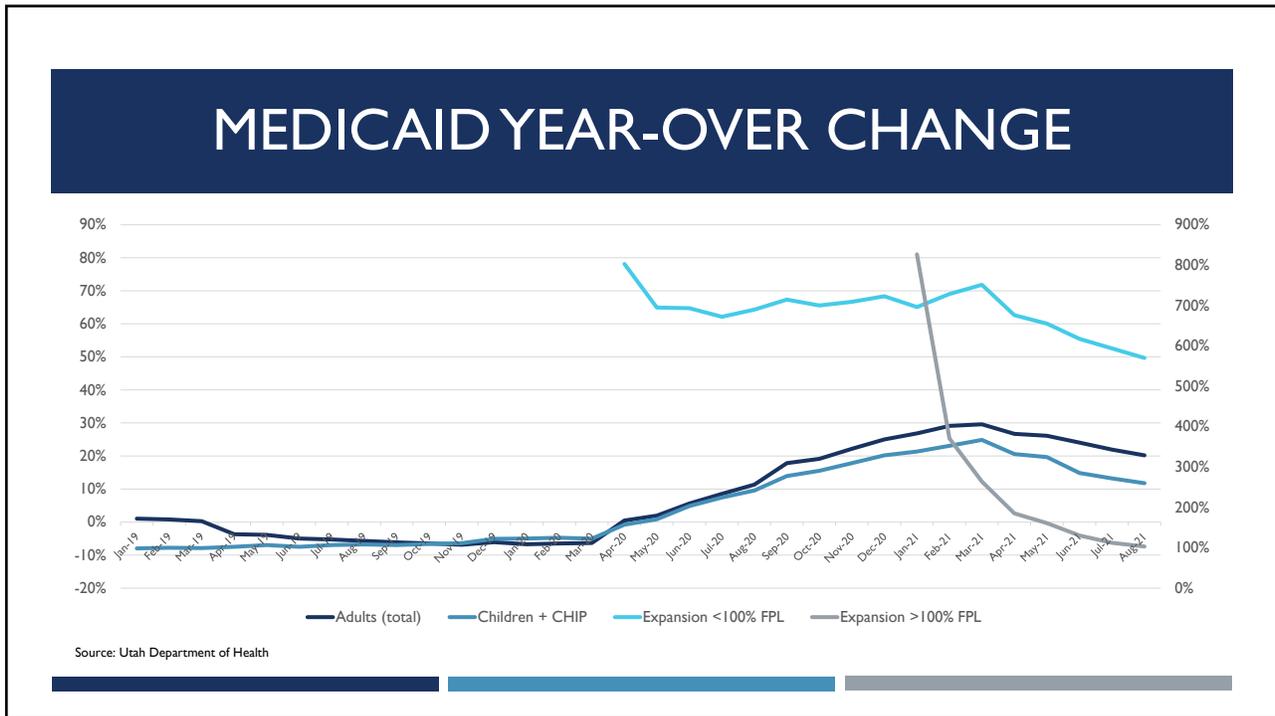
- 1,828 more part-year filers in TY20 compared to TY19
- For filers 25+ years of age, average AGI \$10,481 higher for part-time compared to full-time resident filers
- 25+ part-time average AGI \$5,750 higher in TY20 compared to TY19

Source: Utah State Tax Commission (analysis conducted using only returns processed as of August 25 of the filing year)

16



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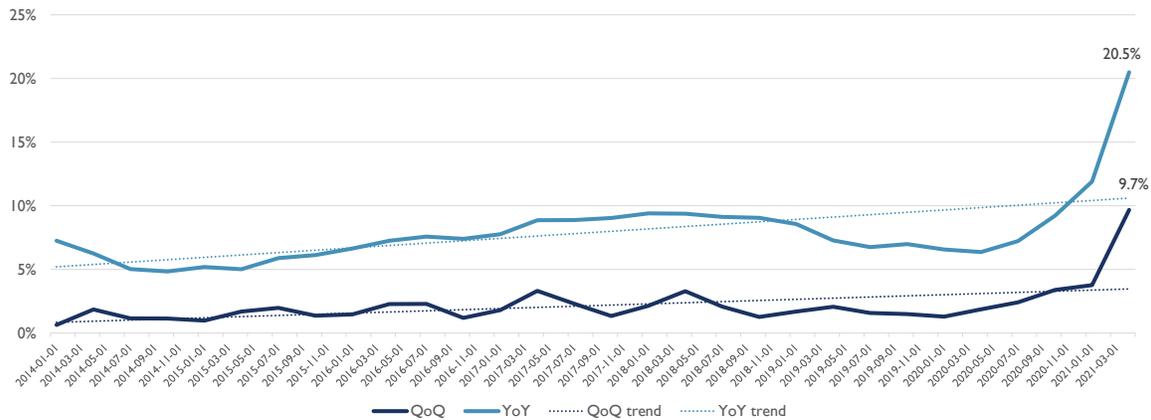
HOUSING MARKET

- 17% increase in home prices (Q1 2020 to Q1 2021, Wasatch Front)
 - \$341,900 to \$400,000
- Decrease in median days on market
 - 27 days to five days
- Current price escalation most prolonged in Utah history
- Mortgage rates remain low
- New construction at record levels, sales of existing homes down slightly
- Salt Lake County apartment vacancy rate less than 2%
- Utah markets overvalued
 - Ogden (3) – 49.7%
 - Provo (4) – 46.2%
 - SLC (7) – 42.4%

Source: Kem C. Gardner Policy Institute, FAU/FIU

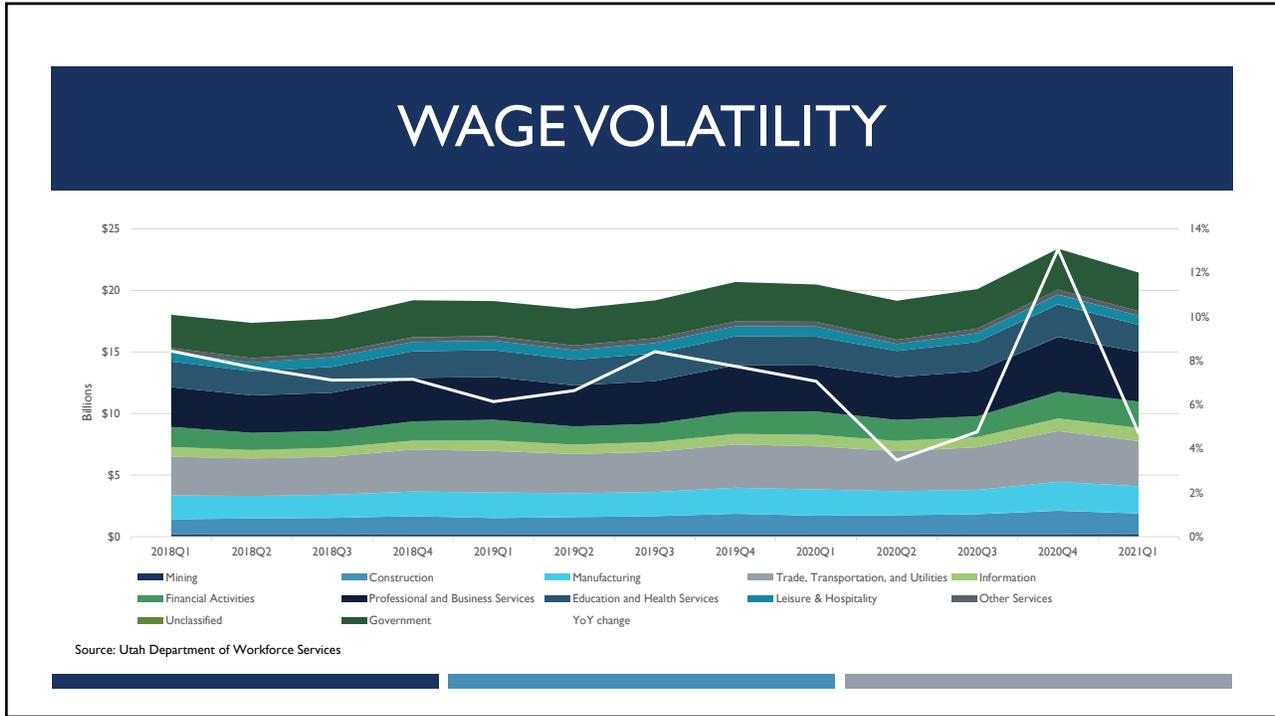
19

UTAH HOUSING PRICE GROWTH

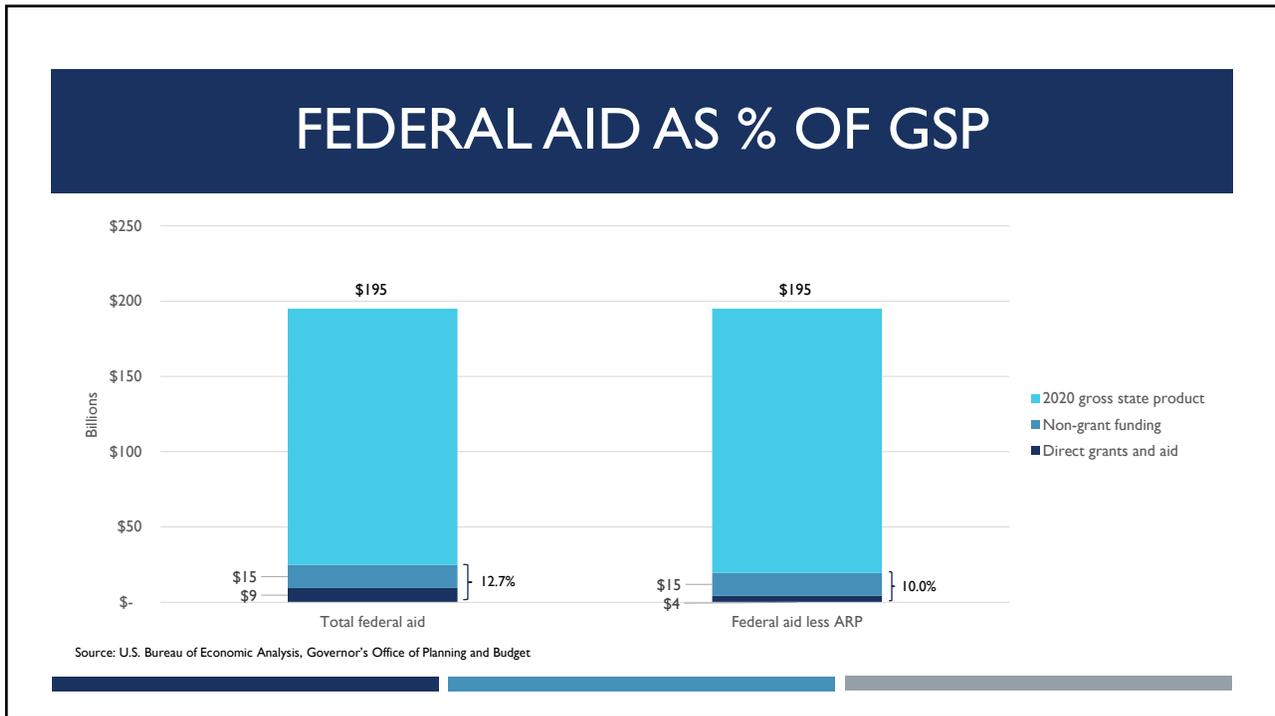


Source: U.S. Federal Housing Finance Agency

20



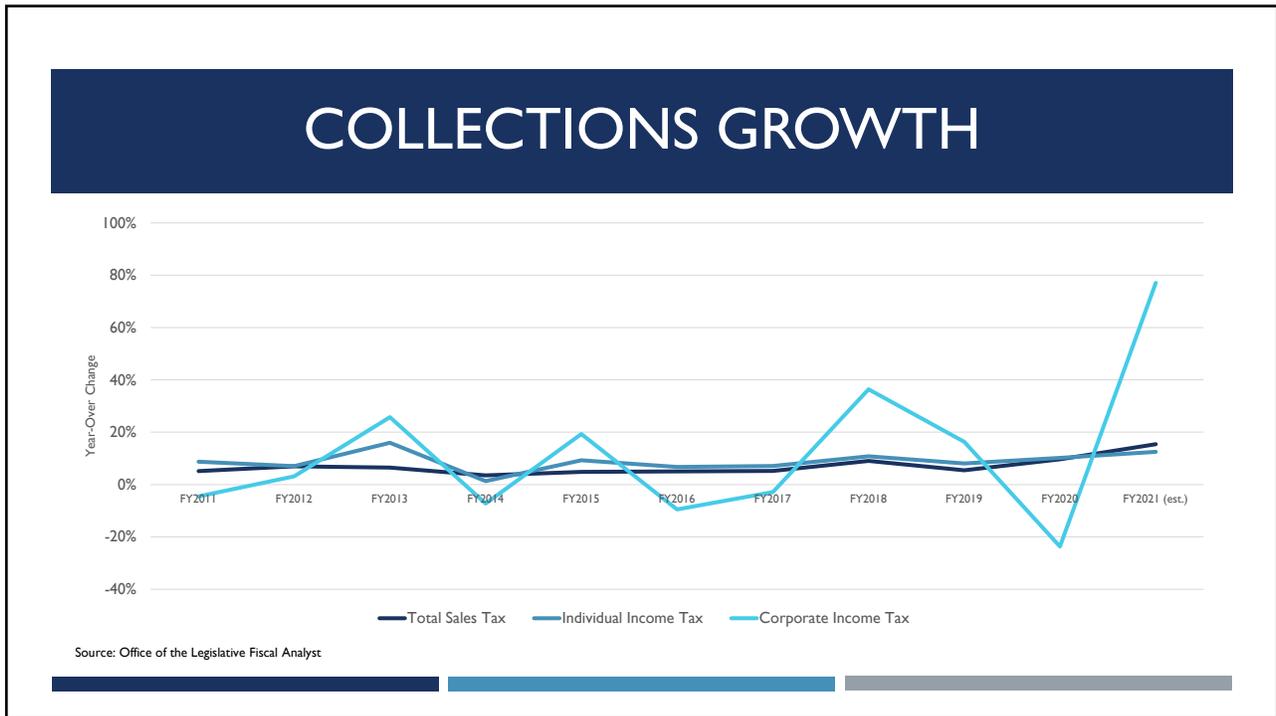
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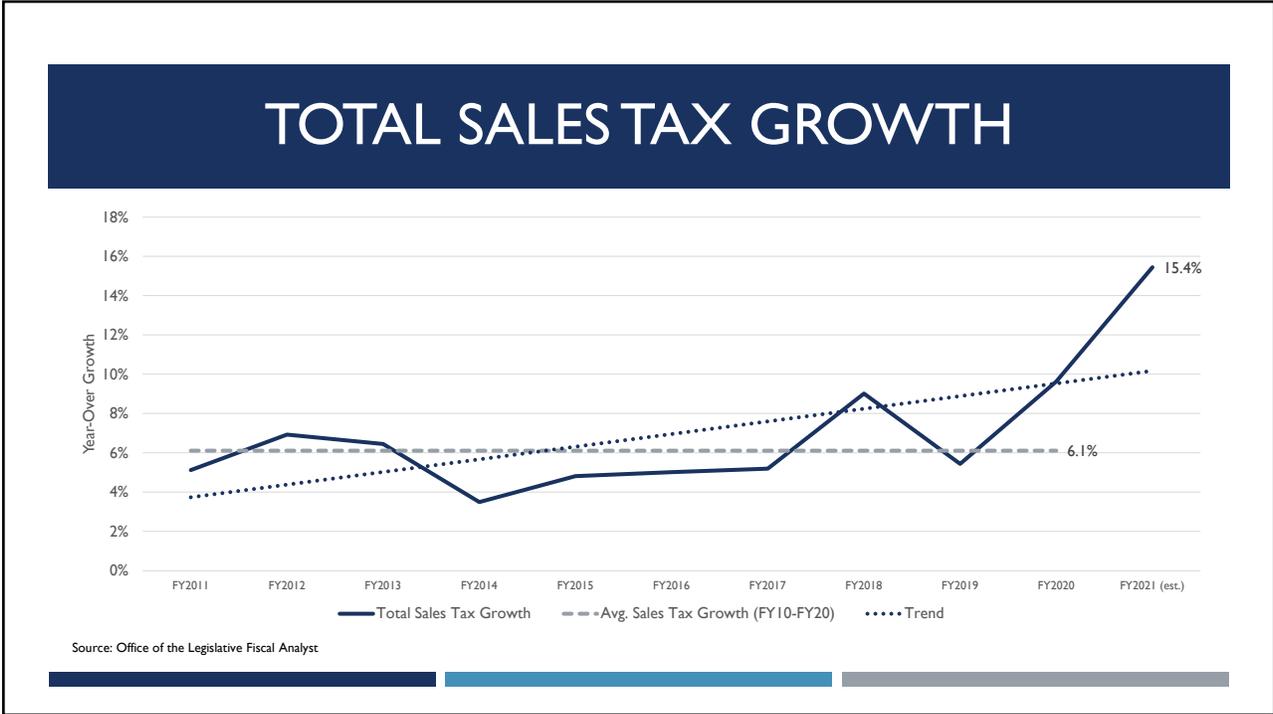
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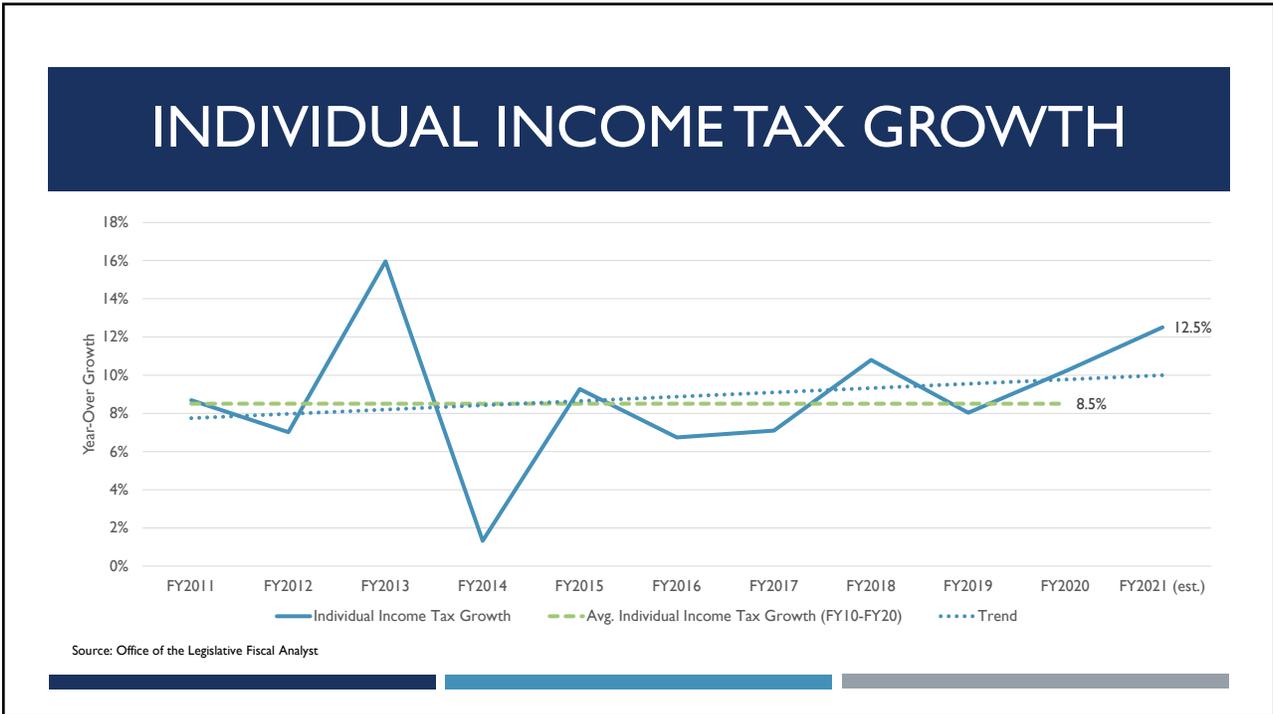
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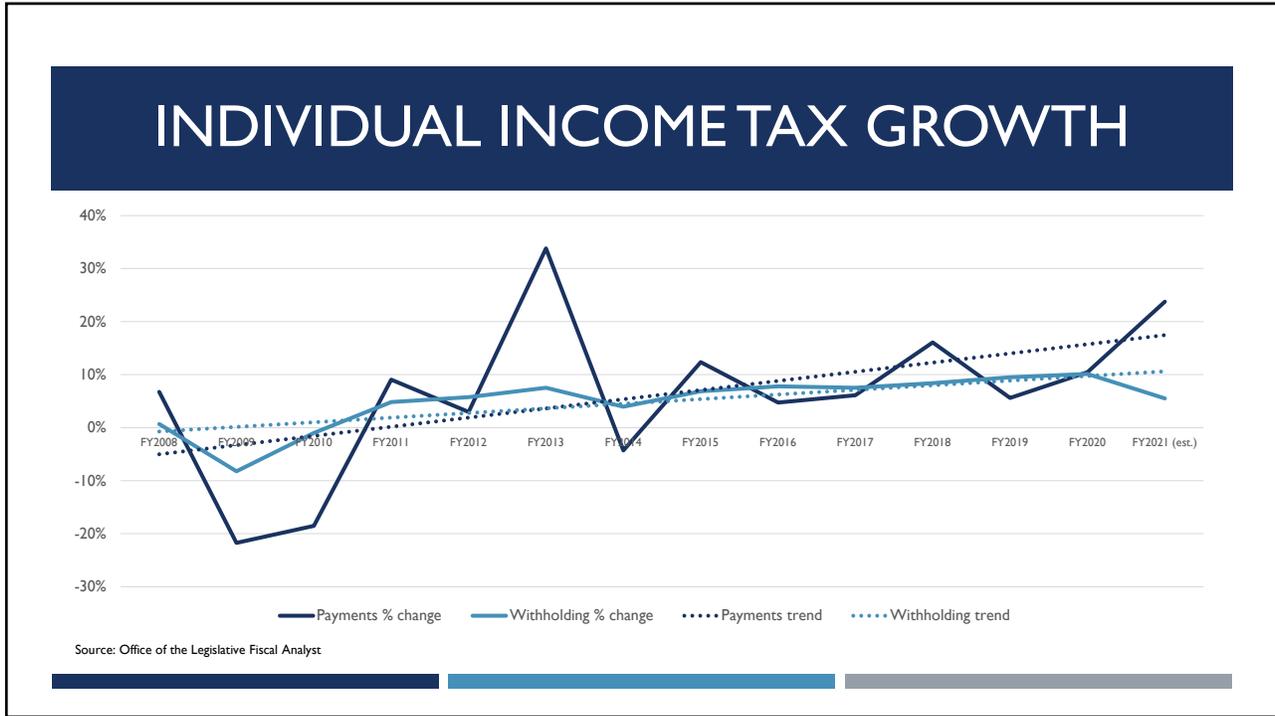
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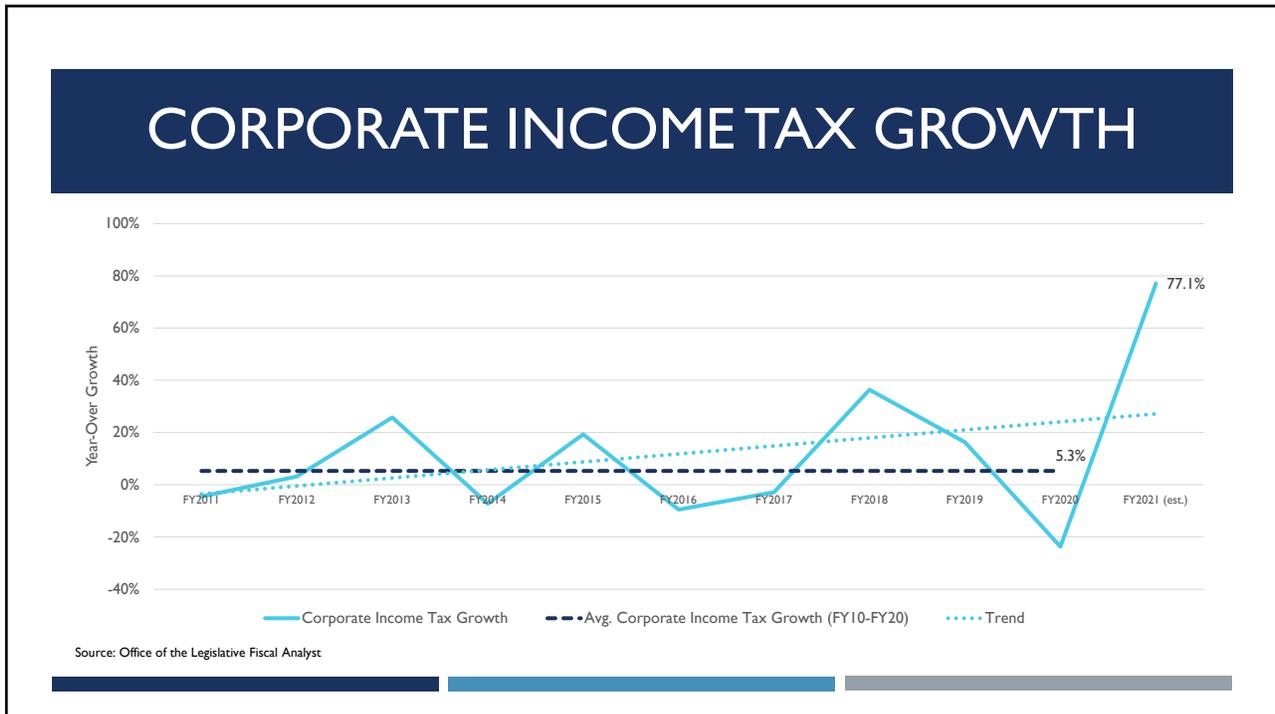
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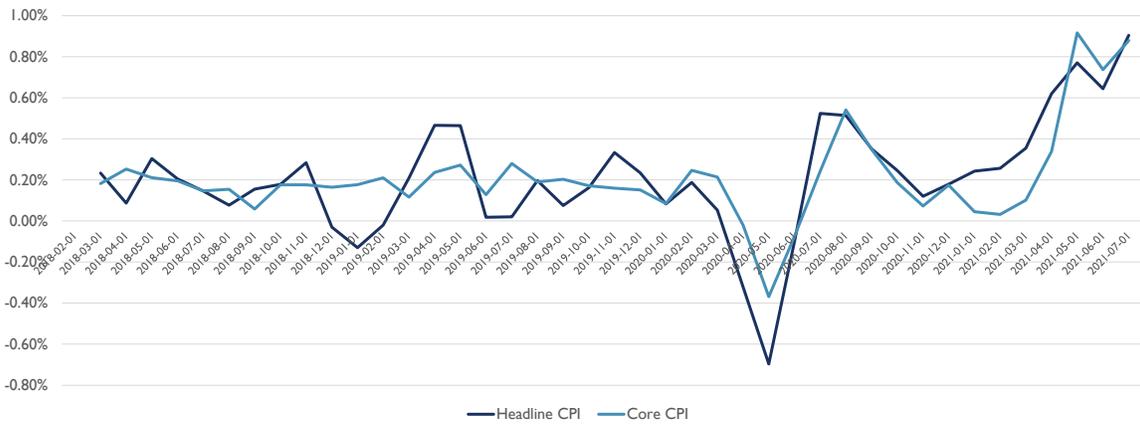
QUESTIONS?

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29

CPI – MONTH-OVER-MONTH CHANGE



Source: U.S. Bureau of Labor Statistics

30

