



Economic Insights

Revenue and Taxation Interim Committee
May 20, 2026

INFORMED DECISIONS™

Today's Playlist

- 1. Utah's Economic Fundamentals**
- 2. 2025 – Hardiness Amid Policy Change**
- 3. 2026 – Slower but Continuing Growth**

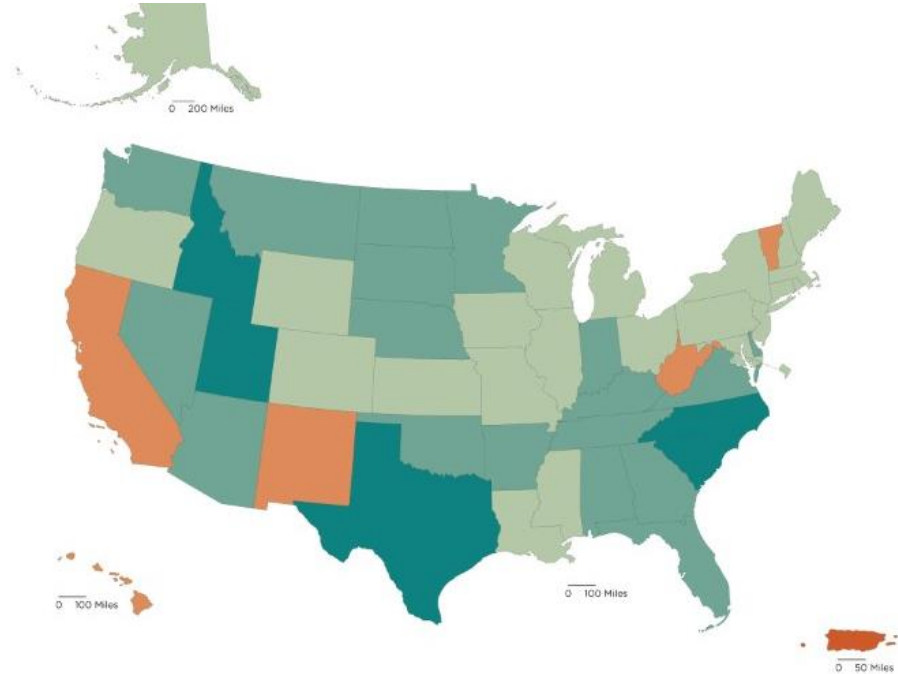
Mountain Music & Heading South

Mountain Region and South Continue to Lead U.S. Population Growth

Percent Change in State Population:

July 1, 2024 to July 1, 2025

Percent change



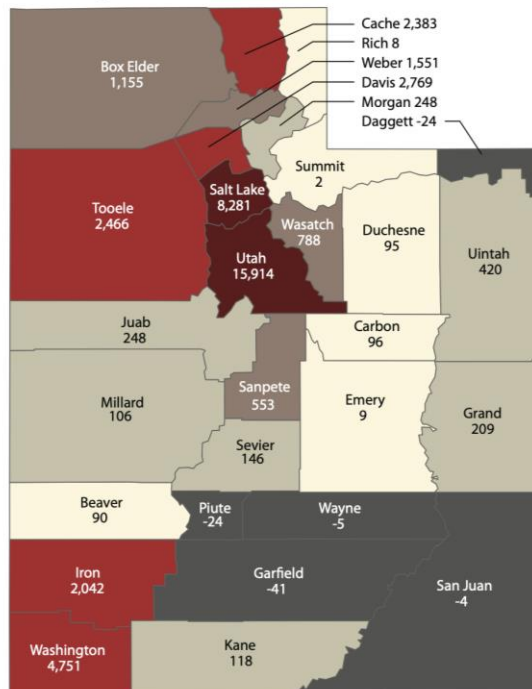
Source: U.S.
Census Bureau

Grow As We Go

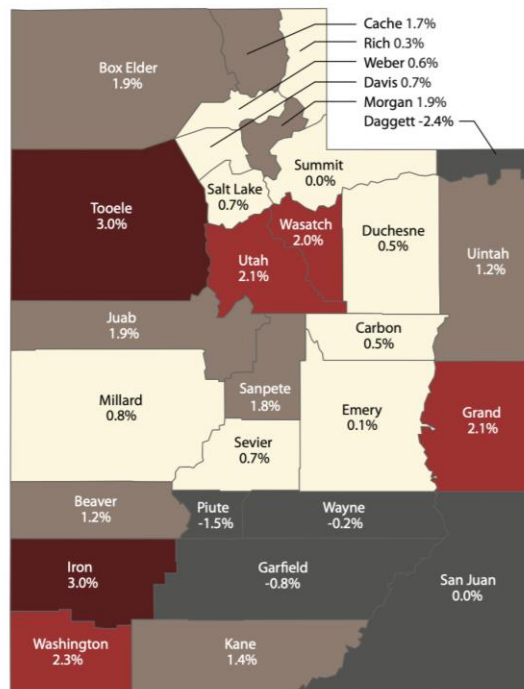
Utah's Population Growth Moderates but Continues

Figure 7: Absolute and Percentage Changes in County Population, 2024-2025

Absolute Change



Percent Change



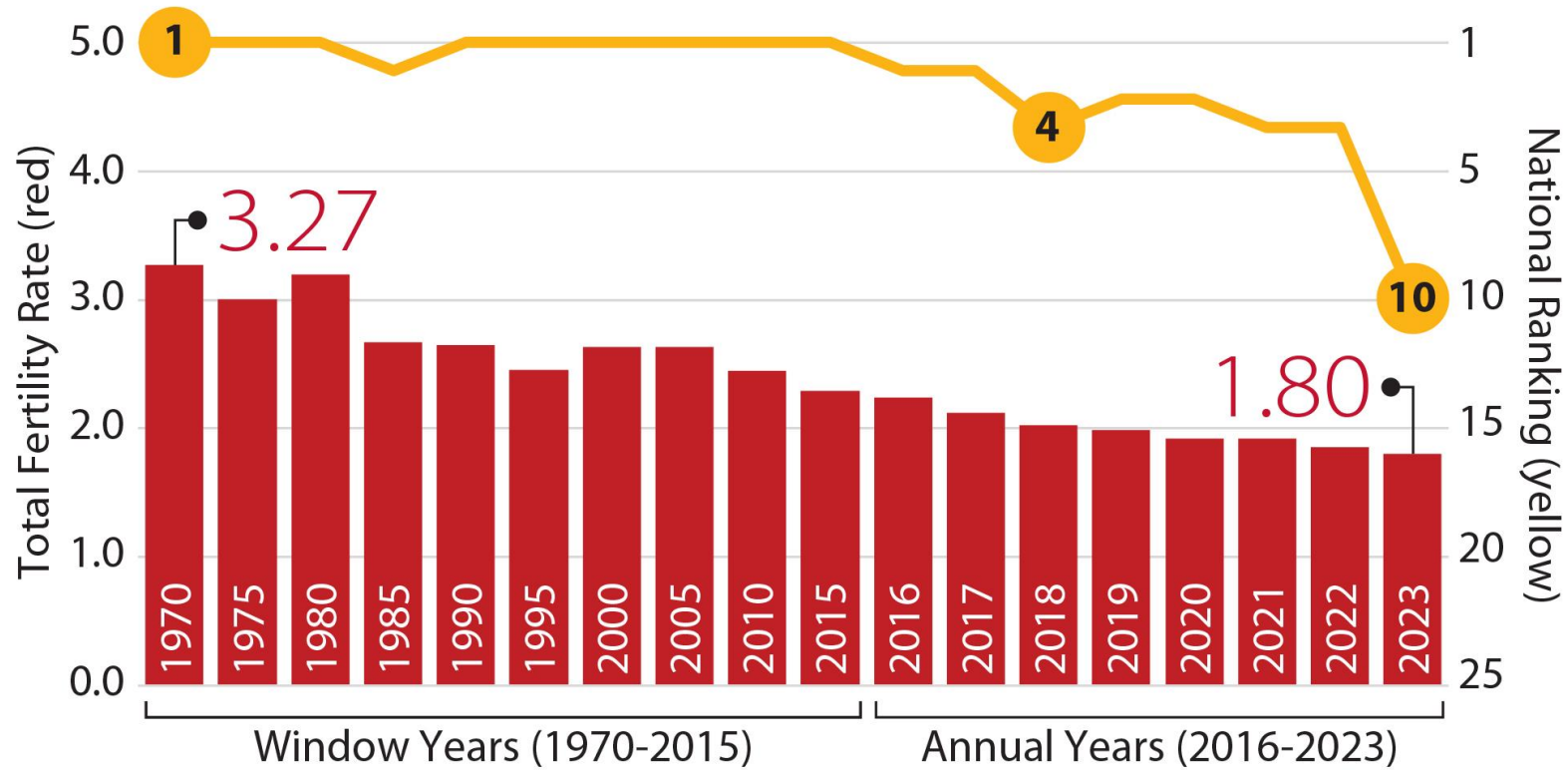
5,000 or more
 2,000 to 5,000
 500 to 1,999
 100 to 499
 0 to 99
 Population Decline

2.5% or more
 2.0% to 2.4%
 1.0% to 1.9%
 0% to 0.9%
 Population Decline

Source: Utah Population Committee, Kem C. Gardner Policy Institute

When the Children Cry

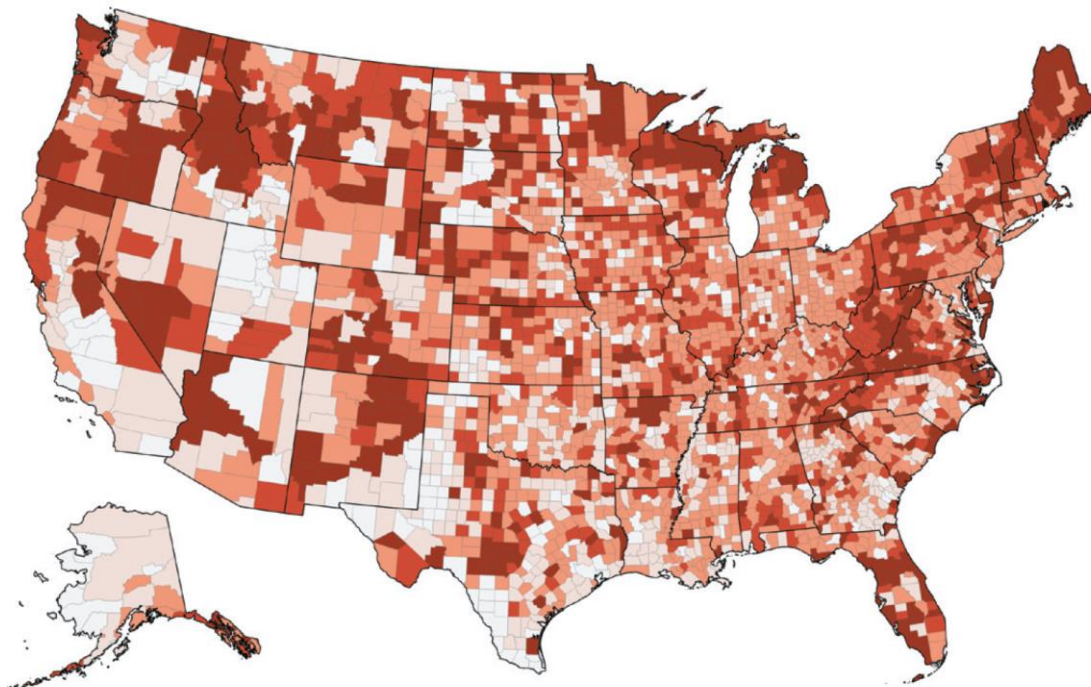
Utah Fertility Rate Well Below Replacement



Source: National Center for Health Statistics

Forever Young

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

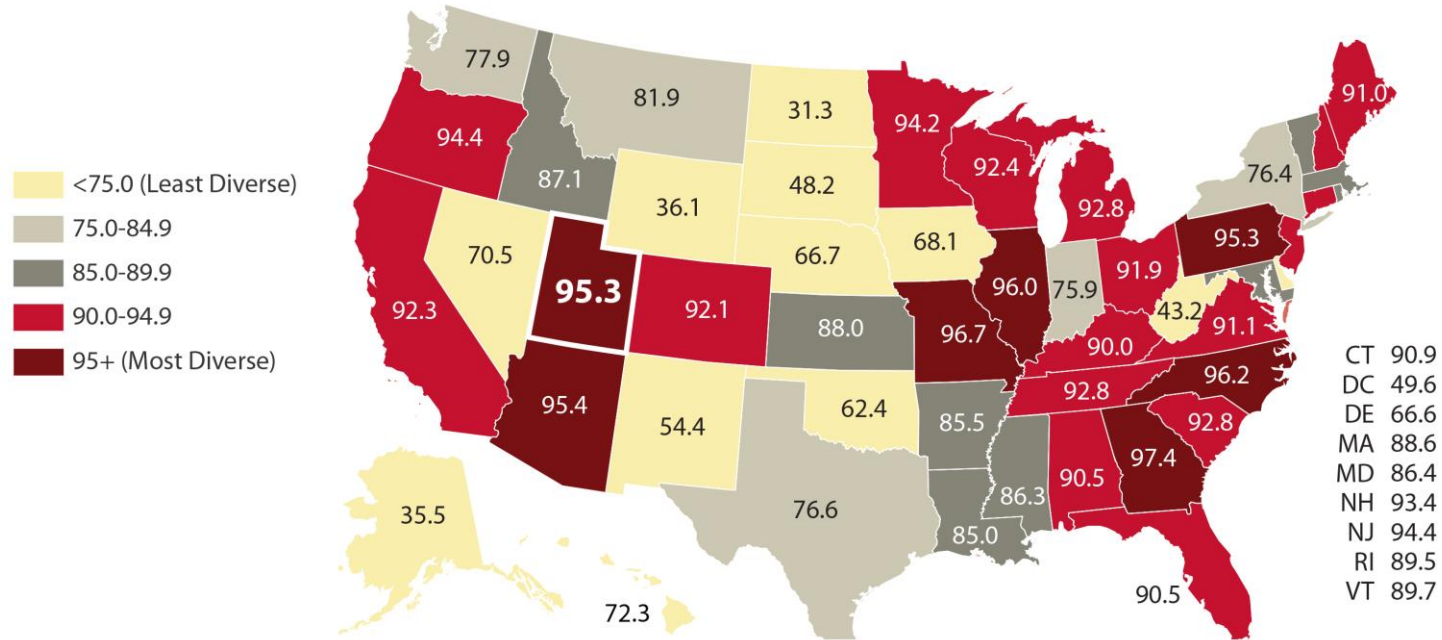


Note: Utah's median age of 32.4 ranks youngest in the nation. U.S. median age: 39.1
Source: U.S. Census Bureau

34.9 or less 35.0 to 38.9 39.0 to 42.9 43.0 to 45.9 46.0 or more

Mirror Mirror

Utah Economy Composition Measured by GDP Similar to U.S.

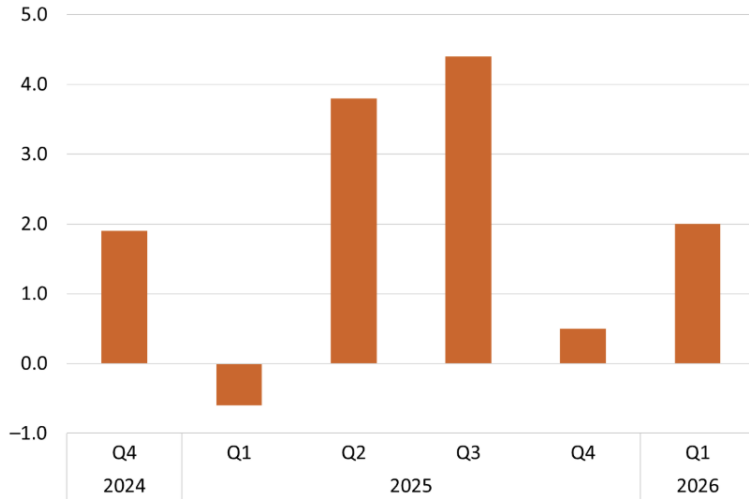


Source: Kem C. Gardner Policy Institute

Better Now?

U.S. GDP Growth Moderate but Continuing

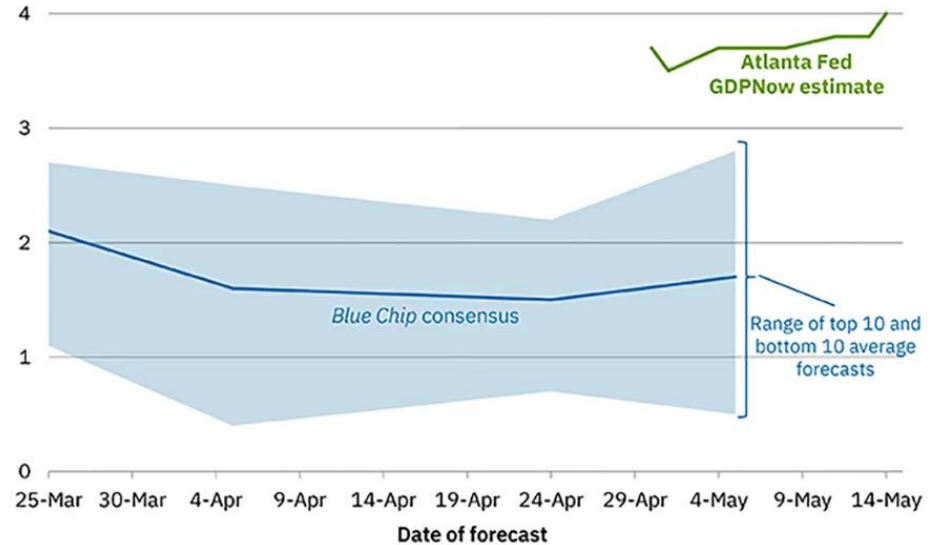
Real GDP, Percent Change From Preceding Quarter



GDP Gross domestic product
U.S. Bureau of Economic Analysis

Evolution of Atlanta Fed GDPNow real GDP estimate for 2026:Q2

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.

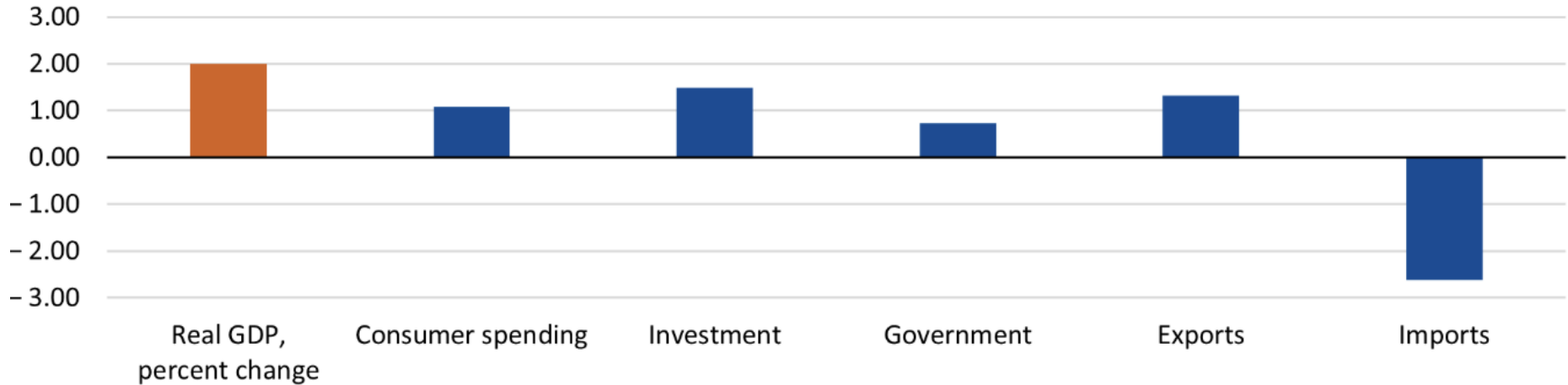
Better Now?

Contributions to the Percent Change in Real GDP, 2026:Q1

Real GDP increased 2.0 percent

Percentage points

Seasonally adjusted annual rates



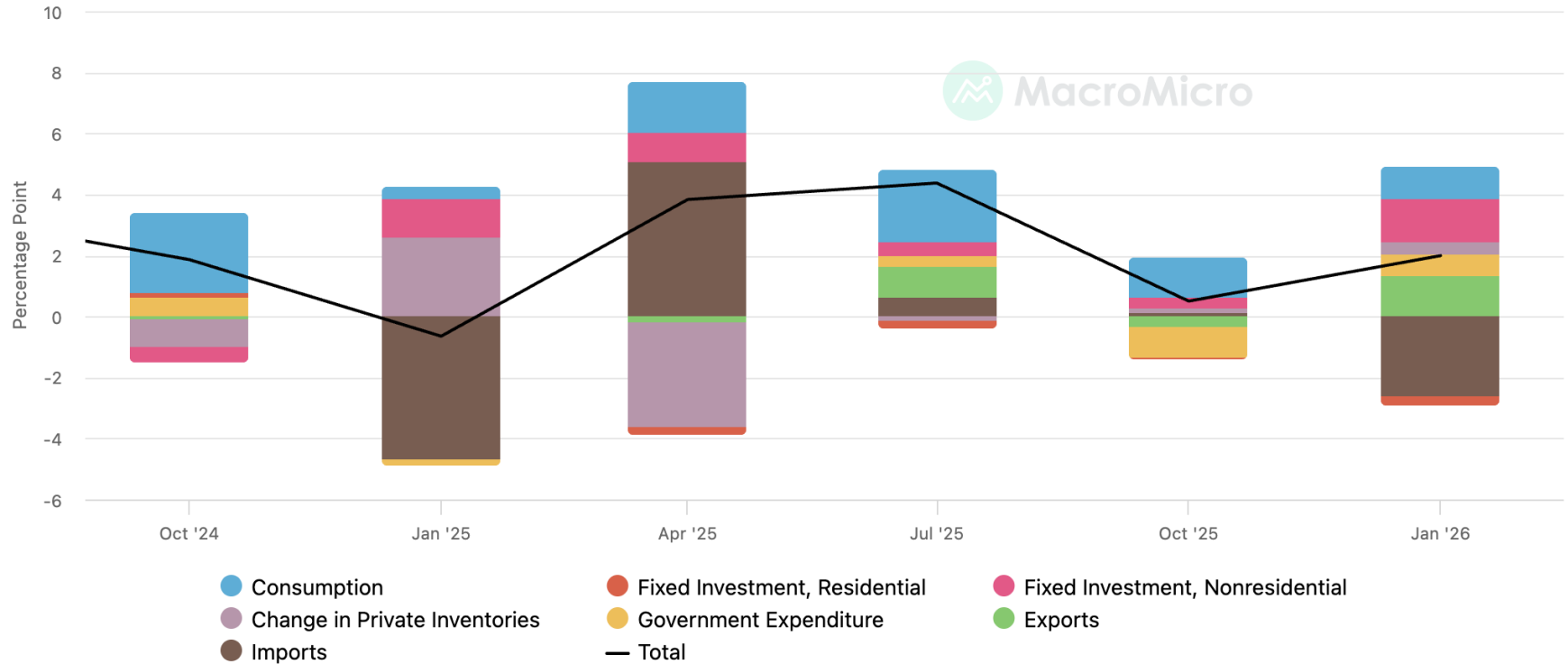
GDP Gross domestic product

Note. Imports are a subtraction in the calculation of GDP. An increase in imports results in a negative contribution, and a decrease in imports results in a positive contribution to GDP.

U.S. Bureau of Economic Analysis

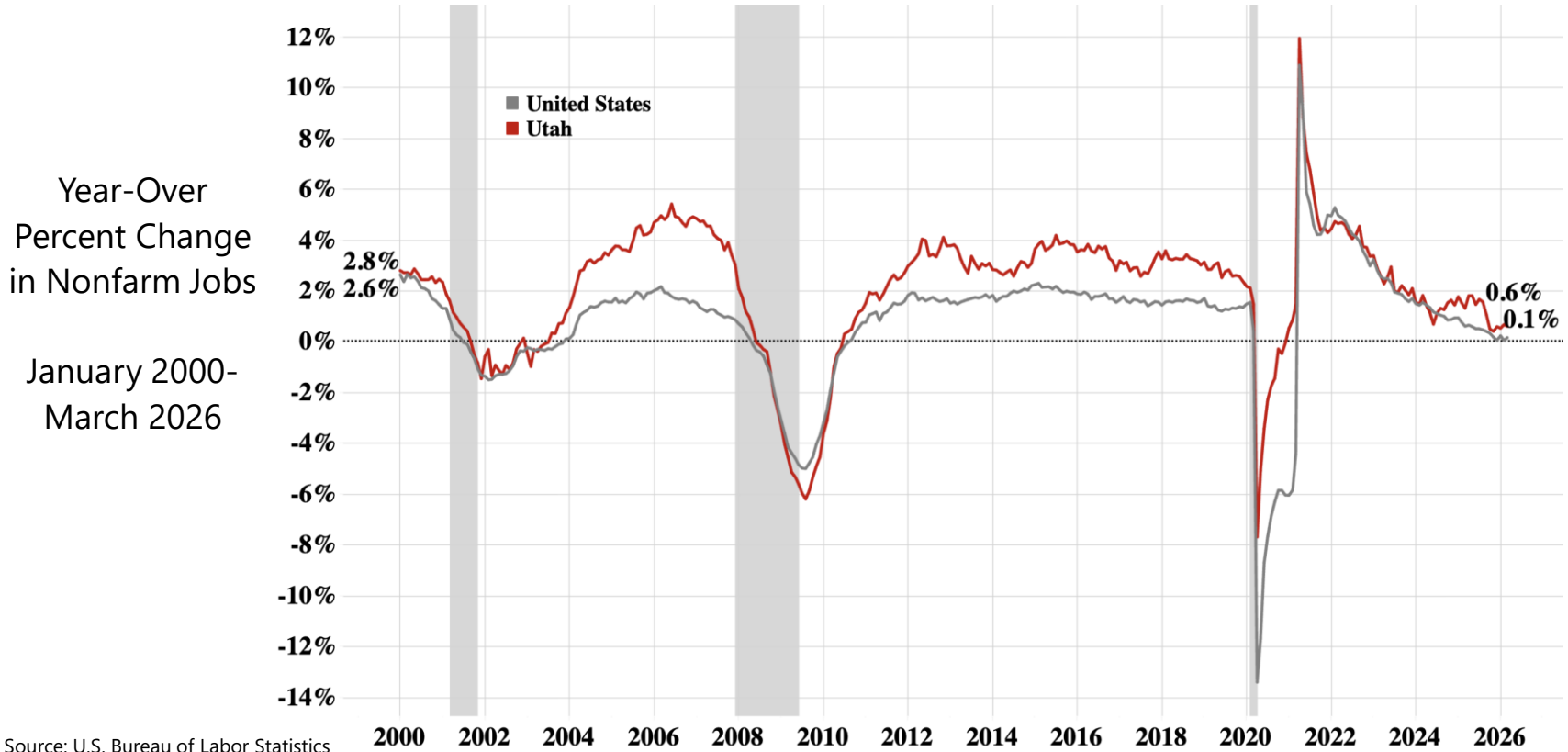
Better Now?

US - Contribution to Real GDP Growth by Component (Cumulative Total)



Slow Down

Moderating Job Growth



Source: U.S. Bureau of Labor Statistics

Kem C. Gardner Policy Institute

DAVID ECCLES SCHOOL OF BUSINESS

UNIVERSITY OF UTAH

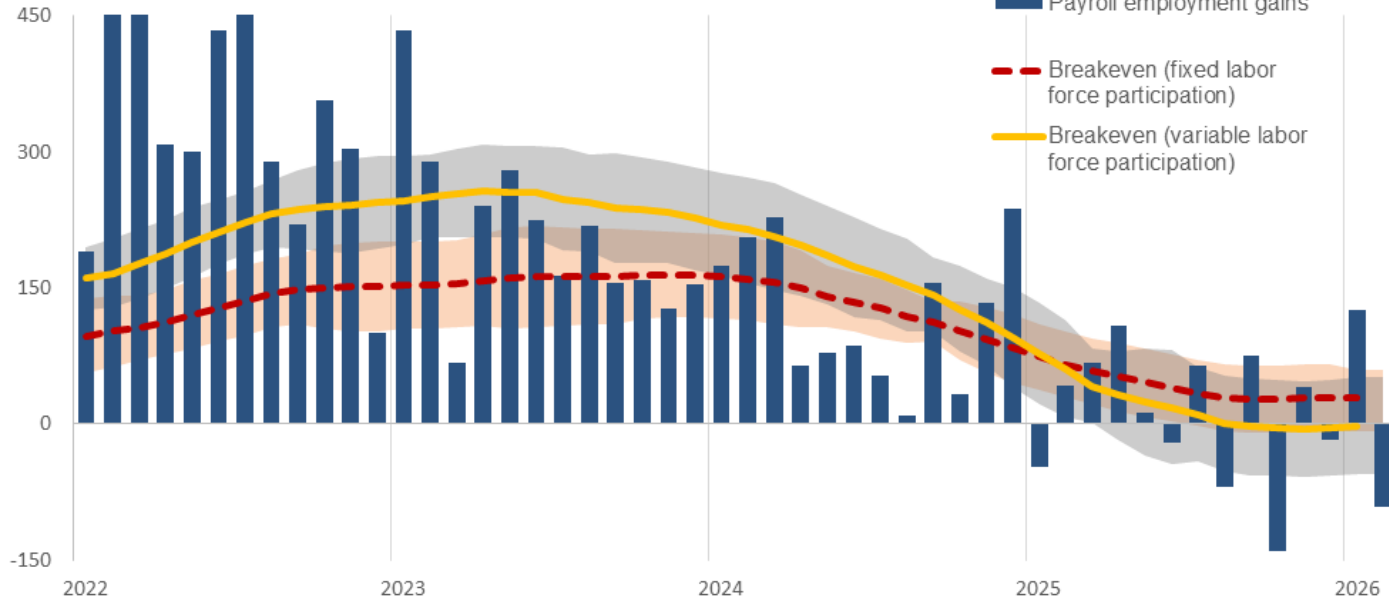
The Times They Are a Changin'

Lower Immigration Demands Less Job Growth to Pace

Chart 2

Payroll employment consistent with lower breakevens

Thousands, monthly



NOTE: Shaded areas show two-standard-deviation error bands.

SOURCES: Bureau of Labor Statistics; authors' calculations.

Federal Reserve Bank of Dallas

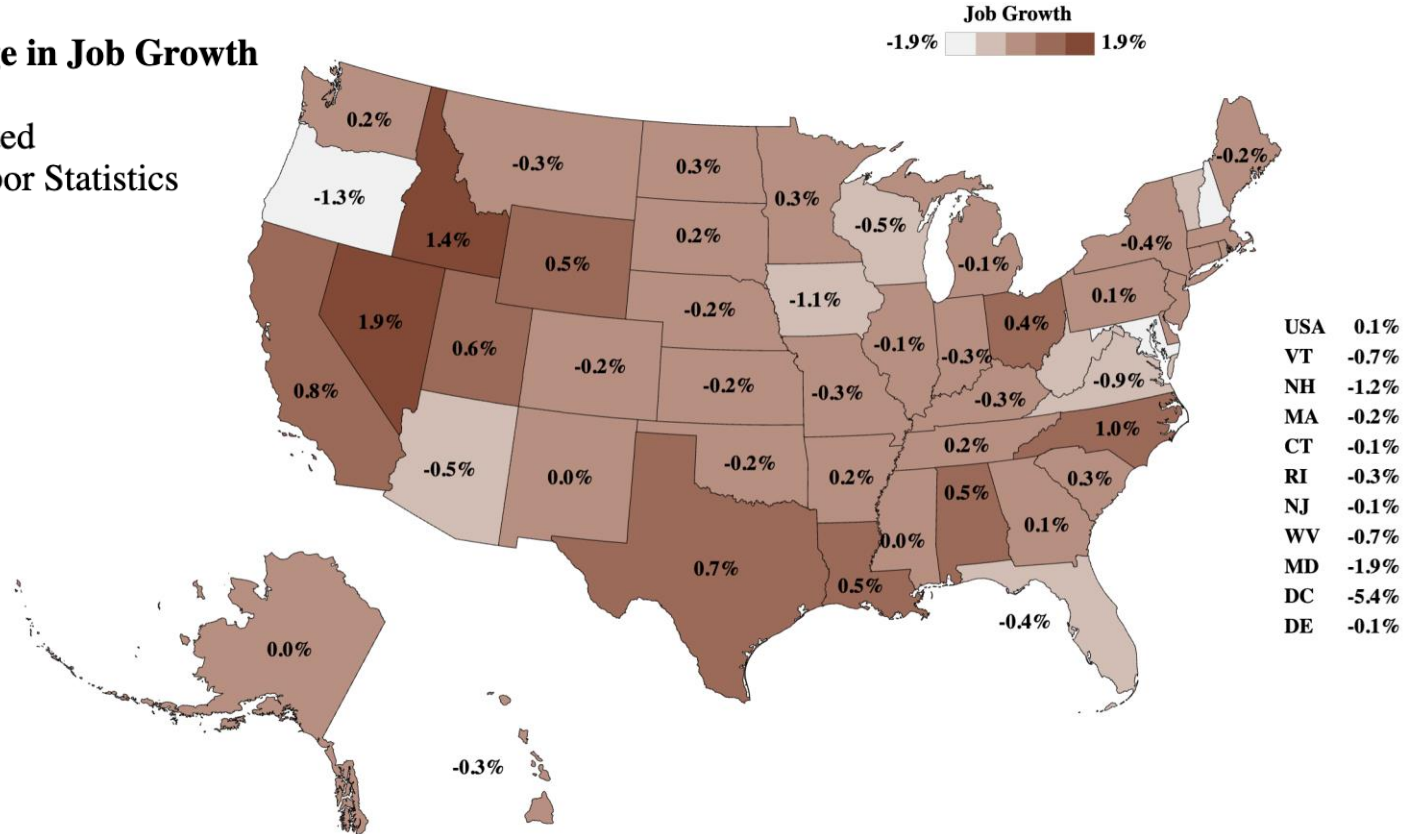
Good Things Grow

Even Amid Slower Job Growth, Utah Remains Among Nation's Leaders

Year-Over Percent Change in Job Growth March 2026

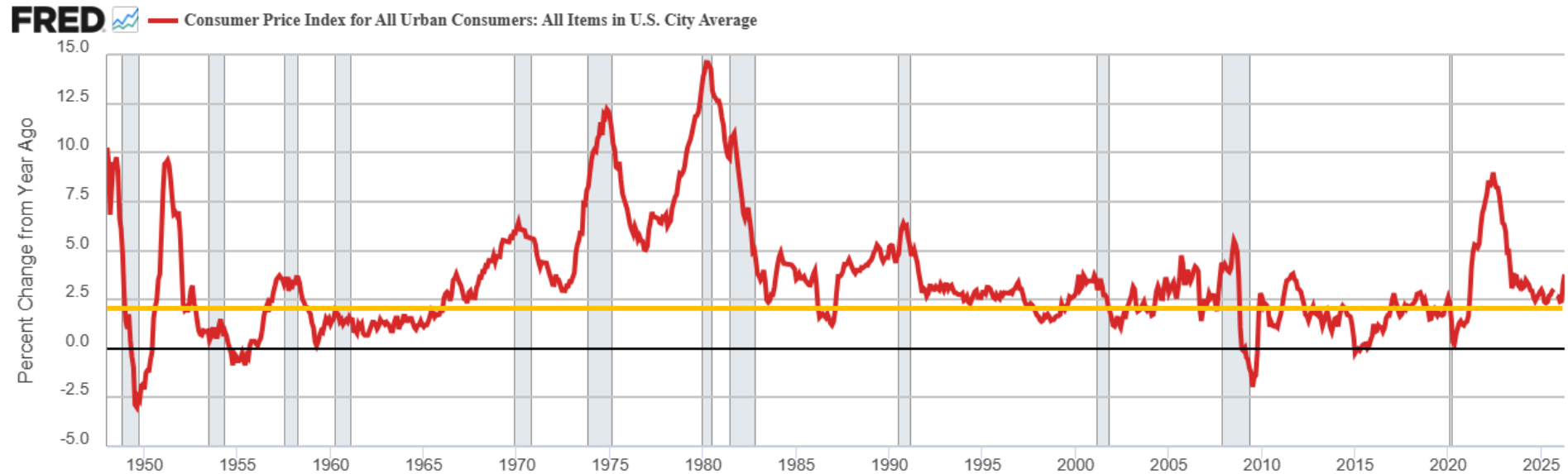
Note: Not seasonally adjusted

Source: U.S. Bureau of Labor Statistics



High Cost of Living

Will Inflation Return to 2% Target?



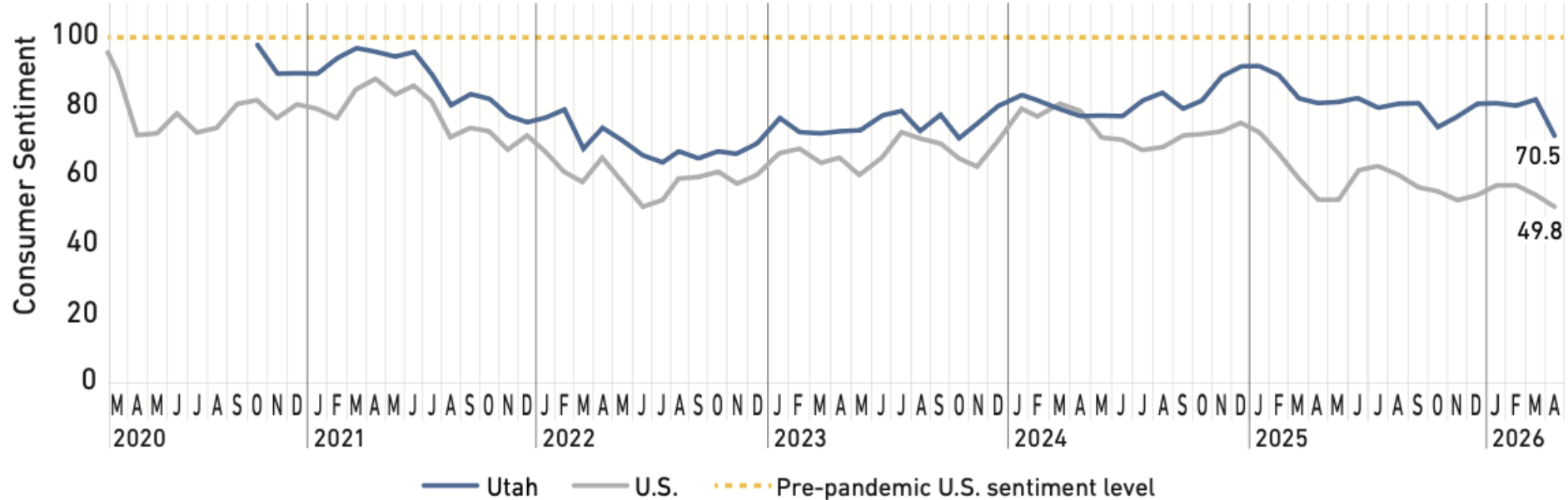
Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

Anxiety

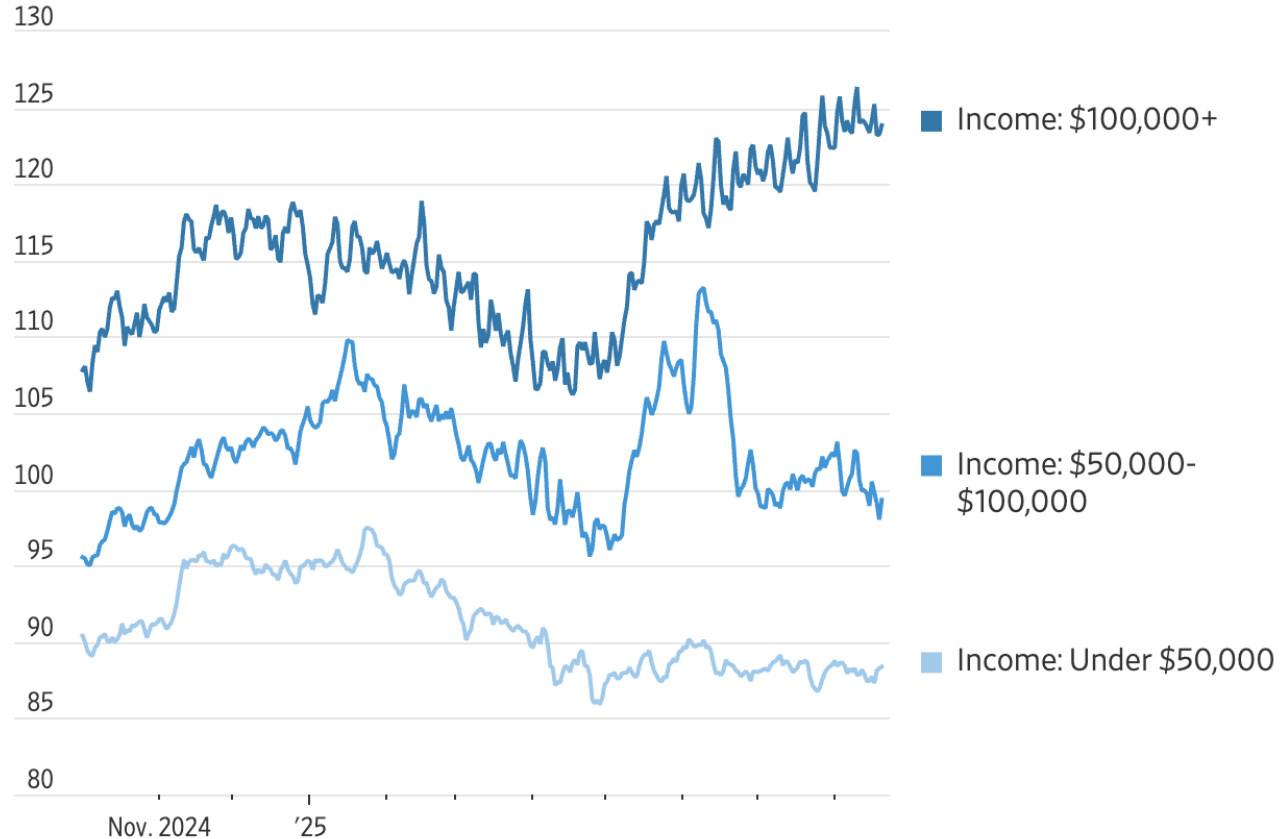
Utah and U.S. Consumer Sentiment Index

Consumer Sentiment Index: Utah and U.S.



Source: Zions Bank, University of Michigan, and Kem C. Gardner Institute

Anxiety

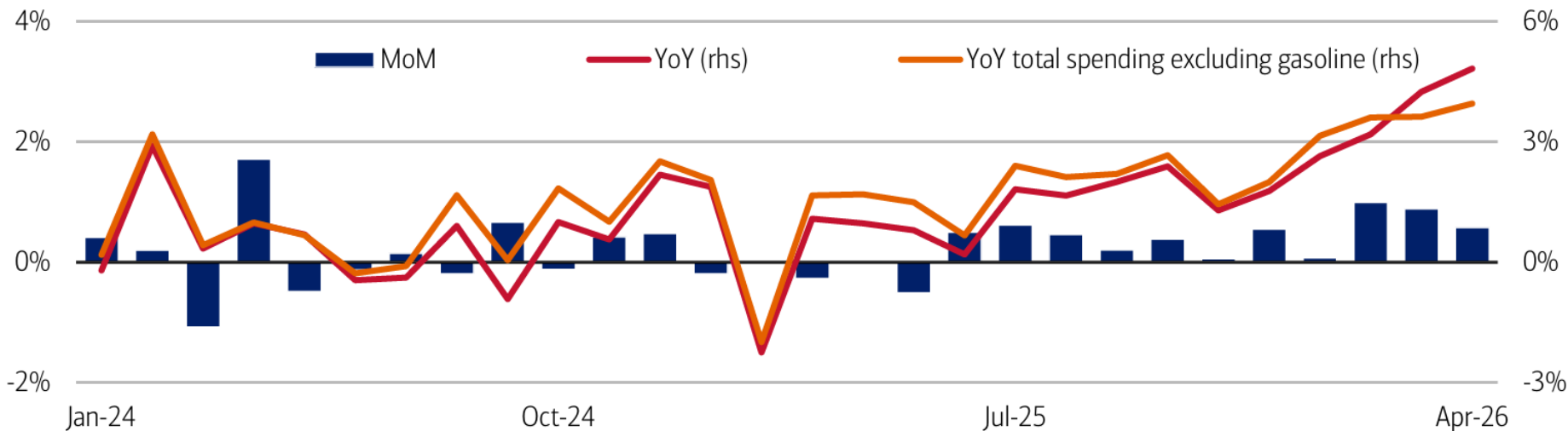


Source: Morning Consult, Wall Street Journal

Stronger Growing U.S. Household Spending in 2026

Exhibit 1: Spending growth, both including and excluding gasoline, continued to strengthen YoY in April

Total card spending growth per household, based on Bank of America aggregated credit and debit card data (monthly, MoM%, SA) and (monthly, YoY%, non-SA, right-hand side (rhs))



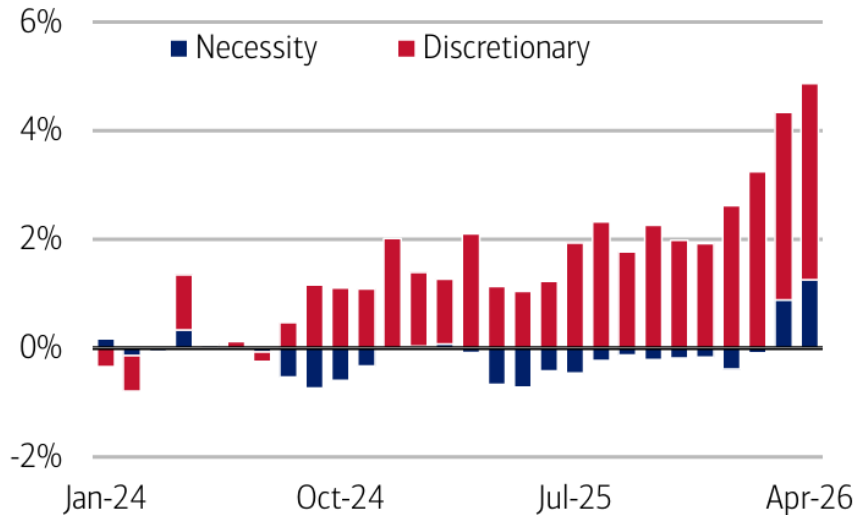
Source: Bank of America internal data

Good News

Discretionary Spending Driving Growth

Exhibit 2: Before March 2026, discretionary spending contributed all of the positive growth in spending since April 2024

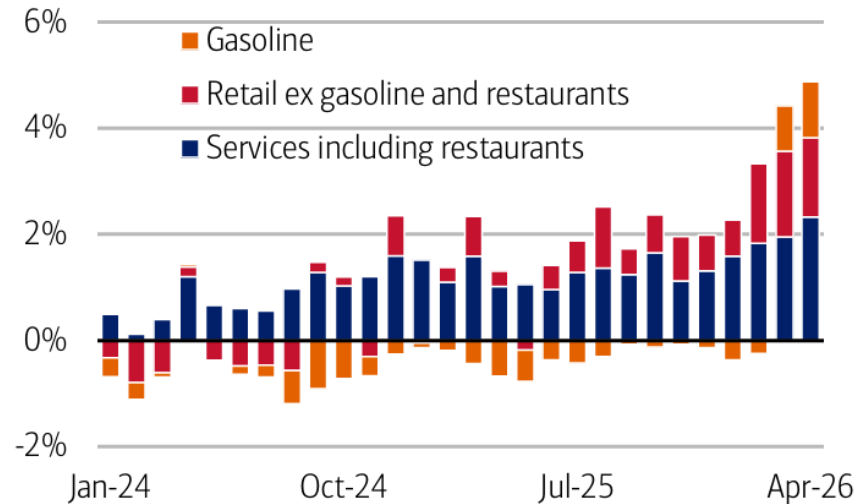
Contribution to YoY total credit and debit card spending growth by category, based on Bank of America card data (monthly, SA, percentage points contribution)



Source: Bank of America internal data

Exhibit 3: Services accounted for the majority of spending growth over the past two years

Contribution to YoY total credit and debit card spending growth by category, based on Bank of America card data (monthly, SA, percentage points contribution)



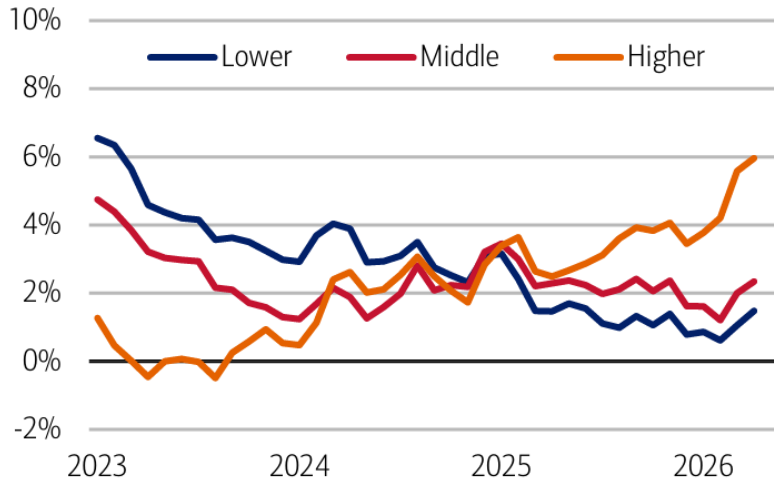
Source: Bank of America internal data

Break Up

Emerging K-shaped Economy

Exhibit 11: In April, higher-income households' after-tax wage growth rose to 6.0% YoY, while lower-income households' wage growth was 1.5% YoY

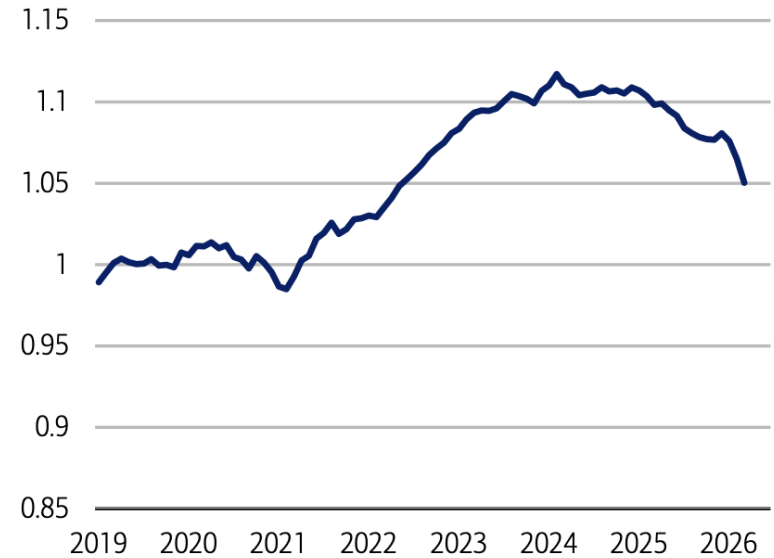
After-tax wage and salary growth by household income terciles, based on Bank of America aggregated consumer deposit account data (3-month moving average, YoY%, SA)



Source: Bank of America internal data

Exhibit 7: The current “K” shape in wage growth has unwound some of the previous relative gains of lower-income households

Lower-income households' after-tax wages and salaries relative to those of higher-income households (yearly, index 2019=1)

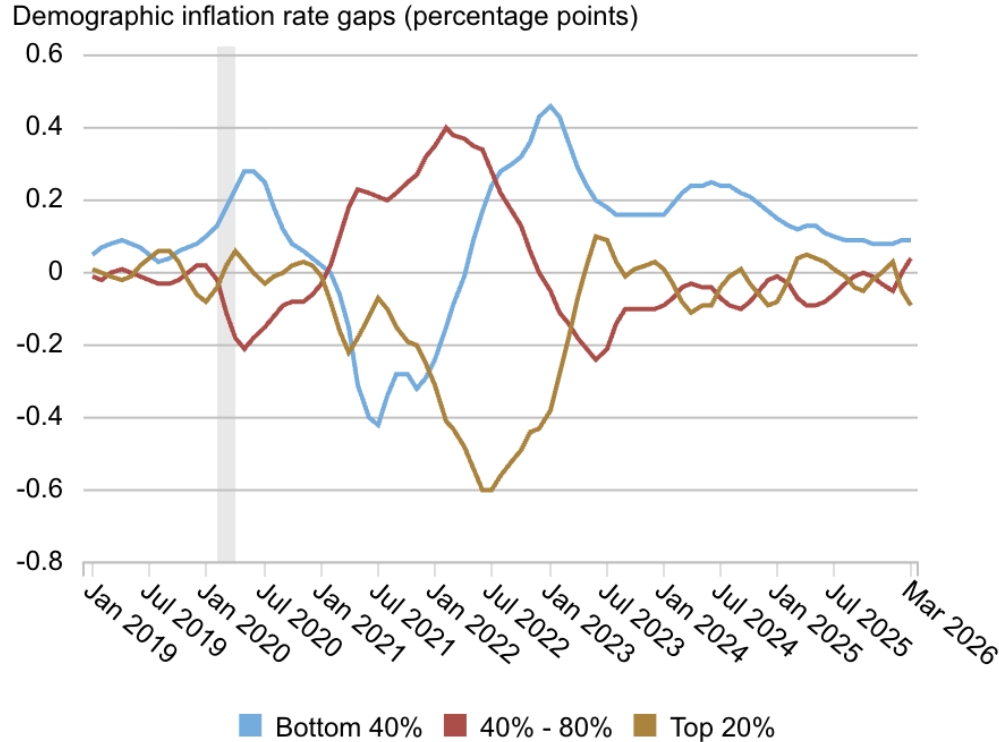


Source: Bank of America internal data

Separate Ways

Emerging K-shaped Economy

Lower-Income Households Impacted More Heavily by Inflation



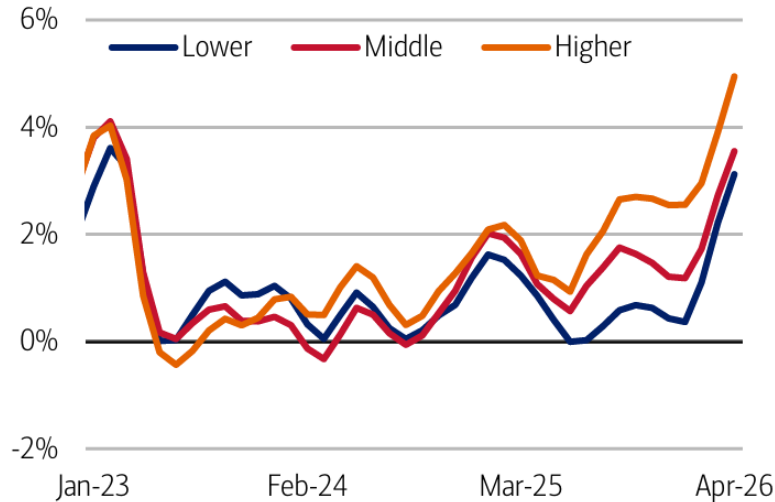
Source: BLS CE Survey; BLS Consumer Price Indexes. Note: Demographic inflation gaps calculated as demographic inflation less overall inflation. Three-month moving averages.

Separate Ways

Emerging K-shaped Economy

Exhibit 7: Higher-income households' spending rose to 4.9% YoY in April compared to 3.1% YoY for lower-income households

Total credit and debit card spending per household, according to Bank of America card data, by household income terciles (3-month moving average, YoY%, SA)

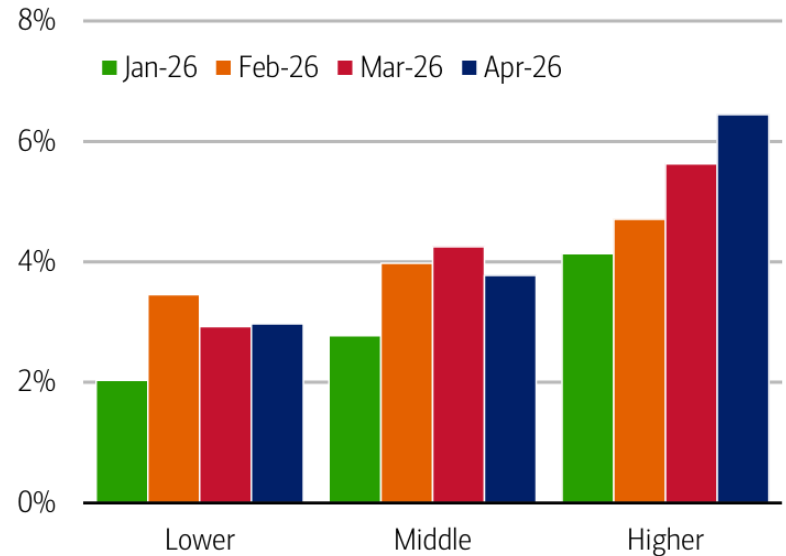


Source: Bank of America internal data

BANK OF AMERICA INSTITUTE

Exhibit 8: Discretionary spending growth was more muted for lower- and middle-income households

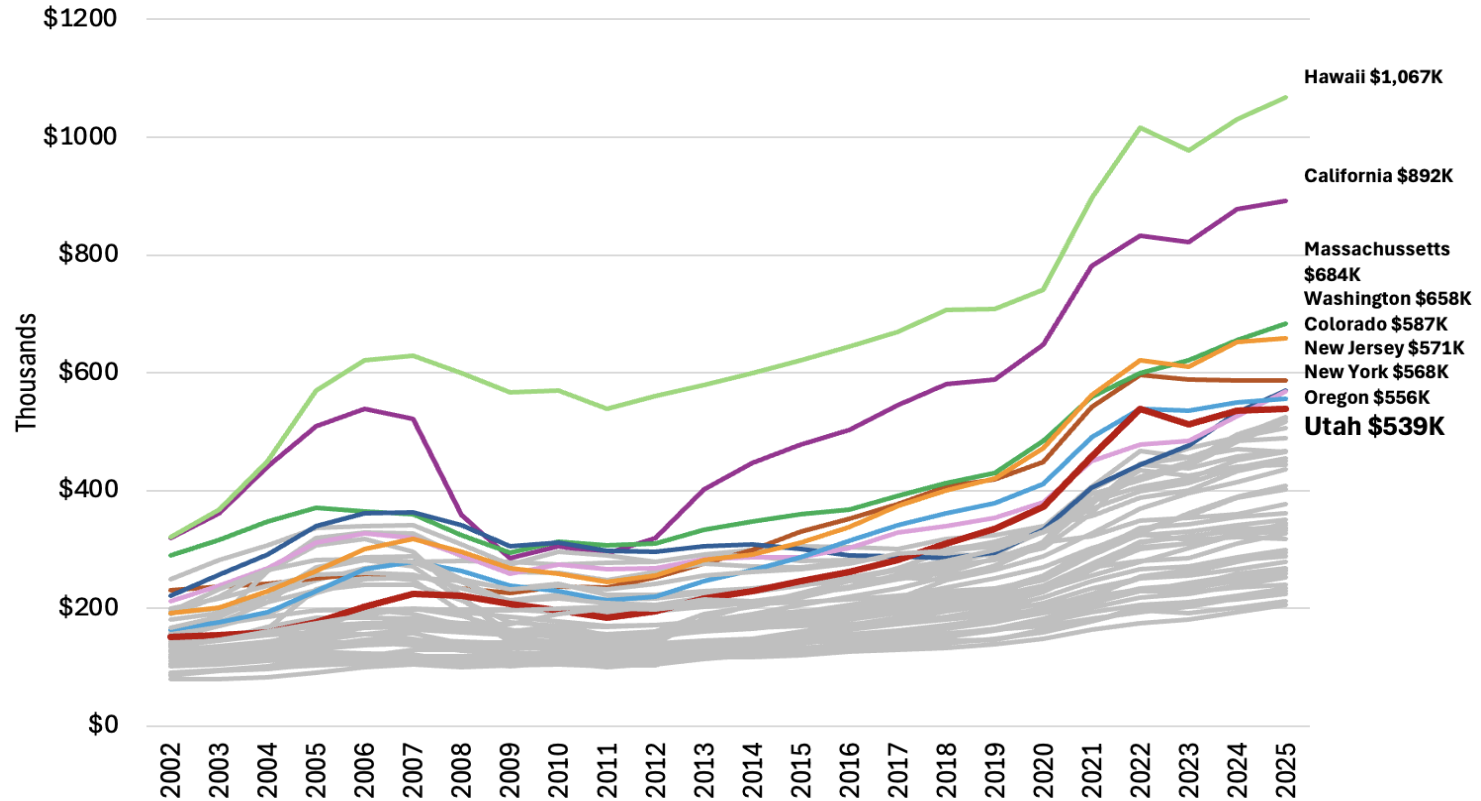
Discretionary card spending per household, according to Bank of America card data, by household income terciles (monthly, YoY%, SA)



Source: Bank of America internal data

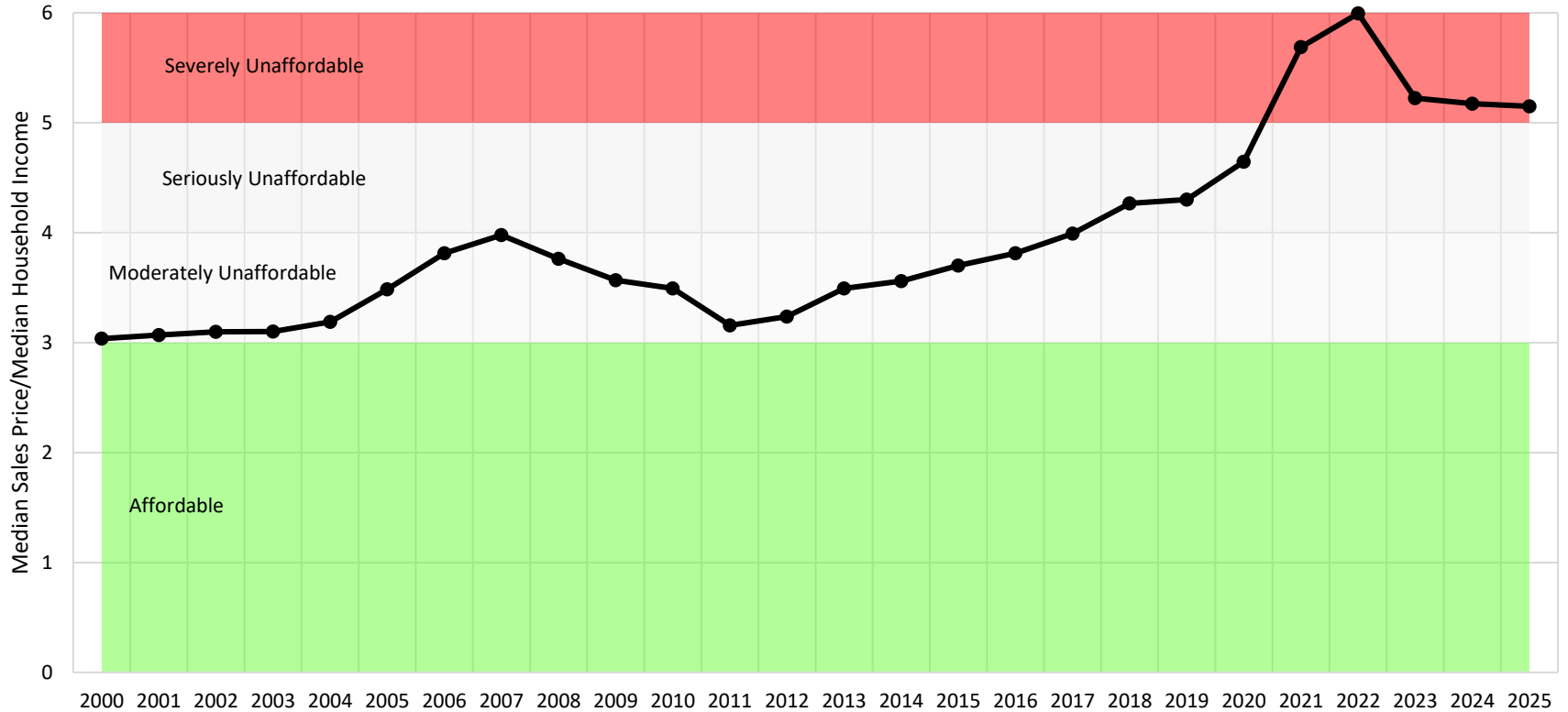
House of Gold

9th Highest Median Home Sales Price in 2025



Under Pressure

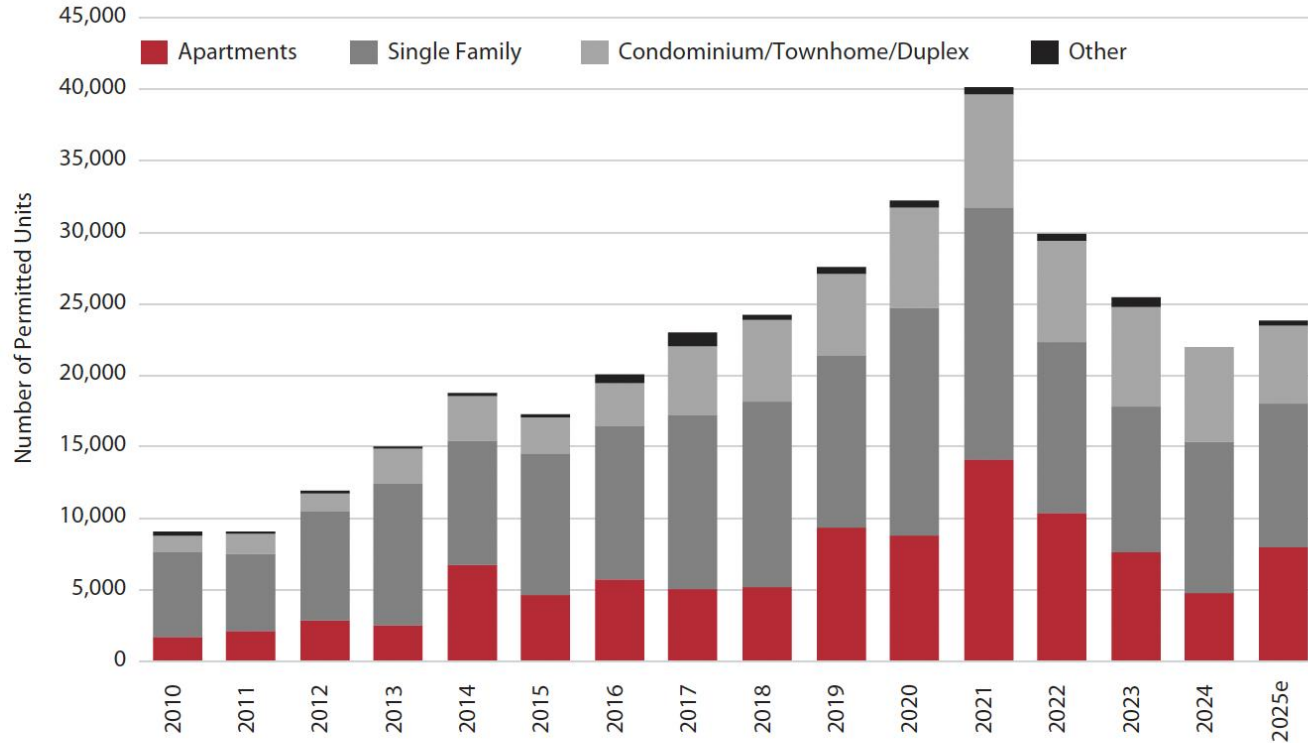
Median Multiple – Utah More Unaffordable for New Buyers



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

Build Me Up Buttercup

Residential Construction Permits Increased, but When Will They Become Occupied Units?

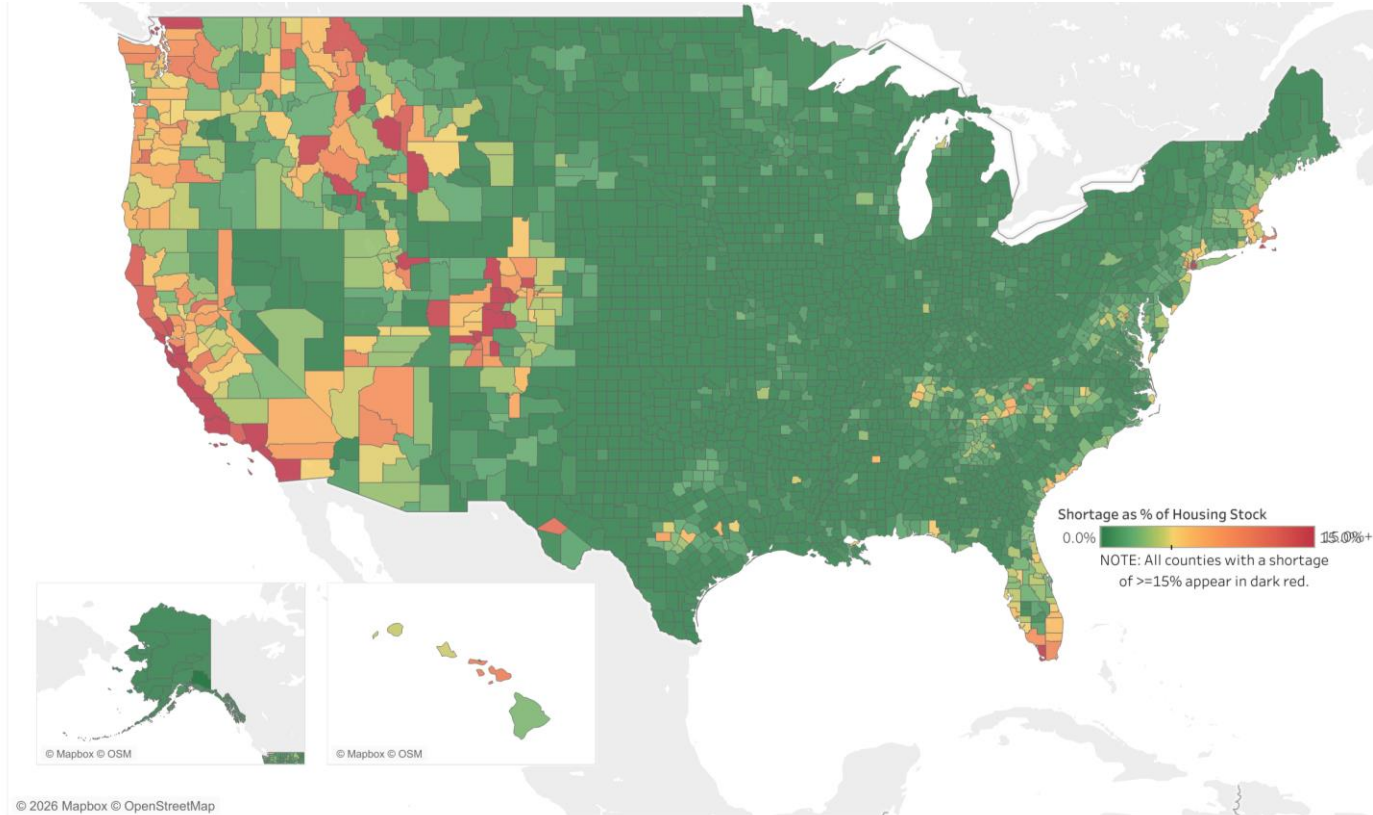


Note: e=estimate. "Other" includes group quarters, mobile homes and cabins, and other residential units.

Source: Ivory-Boyer Construction Database, Kem C. Gardner Policy Institute

Long Story Short

Estimated Housing Shortage by County



Source:
American
Enterprise
Institute

Sideways

Utah Economic Council March 2026 Forecast

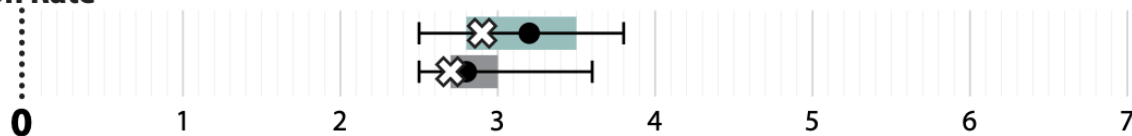
March 2026 Forecast

U.S.

U.S. CPI Inflation Rate

2026: 2.9%

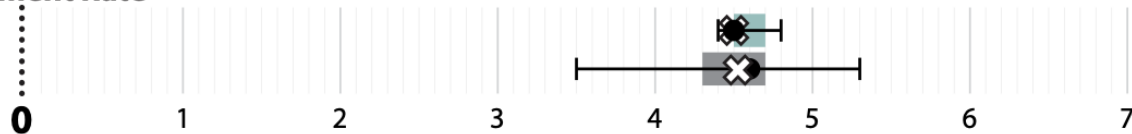
2027: 2.7%



U.S. Unemployment Rate

2026: 4.5%

2027: 4.5%



U.S. Real GDP (% Change)

2026: 1.8%

2027: 1.8%



Sideways

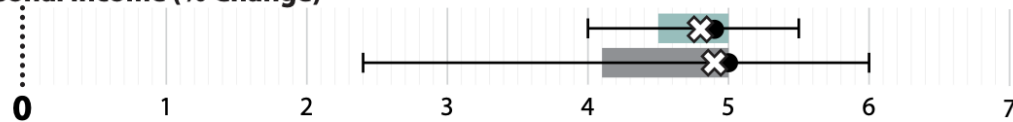
Utah Economic Council March 2026 Forecast

Utah

Utah Total Personal Income (% Change)

2026: 4.8%

2027: 4.9%



Utah Population (% Change)

2026: 1.2%

2027: 1.3%



Utah Unemployment Rate

2026: 3.7%

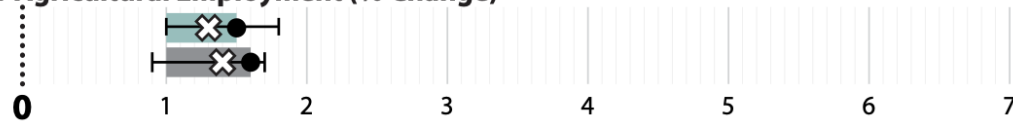
2027: 3.7%



Utah Total Non-Agricultural Employment (% Change)

2026: 1.3%

2027: 1.4%



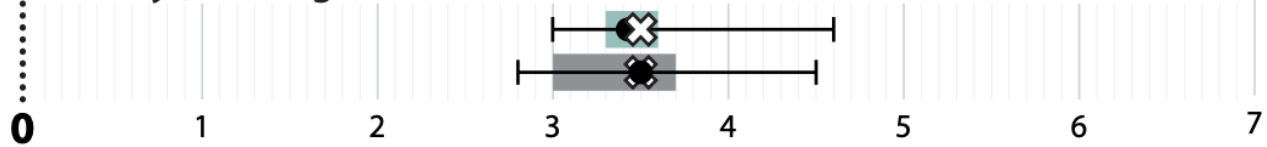
Sideways

Utah Economic Council March 2026 Forecast

Utah Average Annual Pay (% Change)

2026: 3.5%

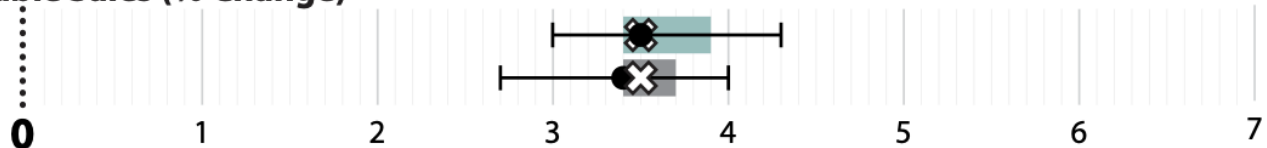
2027: 3.5%



Utah Total Taxable Sales (% Change)

2026: 3.5%

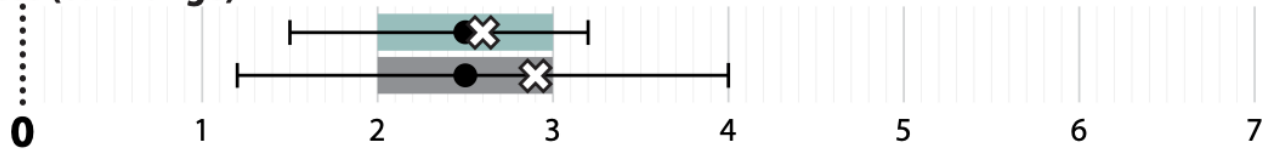
2027: 3.5%



Utah Home Prices (% Change)

2026: 2.6%

2027: 2.9%



Central Tendency
(Middle 50% of Projections)



Council Point Forecast



December 2025 Point Forecast



Range of Point Projections

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