
UTAH FOUNDATION

Research Report

Report Number 639

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Economic Report to the Governor 2001

Executive Summary

Utah's economy performed well in 2000, with growth continuing on a moderate track.

The decline in Utah's job growth rates bottomed out in the third quarter of 1999. Since 1994, the peak year of the current cycle, the annual rate of job growth has fallen gradually from 6.2% to 2.4% in 1999 (see **Figure A**). This orderly deceleration has now stabilized, and the rate of job growth increased slightly in 2000 to 2.6%, and is expected to be 2.7% in 2001. These increases are largely due to preparations for the 2002 Olympic Winter Games, and favorable growth in information technology, the heart of the "New Economy."

activity, a major catalyst for growth over the past decade, began to contract in 2000.

Note: This is a reprint of the "Executive Summary" of the *2001 Economic Report to the Governor* produced by the **Governor's Council of Economic Advisors** and published by the **Governor's Office of Planning and Budget**. The following 13 organizations contributed to the content of the 2001 report.

Governor's Office of Planning and Budget
Utah Department of Workforce Services
Utah State Tax Commission
Utah Department of Natural Resources
Utah Dept of Community and Economic Development
Utah Dept of Environmental Quality
Utah Office of the Legislative Fiscal Analyst
Utah Transit Authority
Utah Foundation
Bureau of Economic and Business Research, Univ of Utah
Federal Reserve Bank of San Francisco, Salt Lake City Branch
Economics Department, Utah State University
First Security Corporation

The report was presented to Governor Michael Leavitt on January 10, 2001 at the Wasatch Front Economic Forum Annual Review. The executive summary of the report highlights the major economic trends in Utah. The full report consists of 98 tables, 66 figures and a total of 190 pages of fact filled information and analysis on the Utah economy. Copies are available from the Governor's Office of Planning and Budget (538-1036) for \$15 or can be downloaded from the internet at no cost from the following web site: www.governor.state.ut.us/dea/publications/ERG2001/erg2001.html.

During 2000, the pattern of Utah's economic activity began to change. Construction

This decline is expected to continue into 2001 as higher mortgage rates dampen

UTAH FOUNDATION is a private, nonprofit public service agency established to study and encourage the study of state and local government in Utah, and the relation of taxes and public expenditures to the Utah economy.

residential construction, and many large projects are completed, some of which were accelerated for hosting the Winter Olympics. Nonetheless, construction jobs in 2001 are expected to remain well above the long-run average of 5.5% of total non-farm jobs. As the national economy slows, it won't bolster the Utah economy to the extent of the 1990s. Likewise, Utah's merchandise exports, flat in the range of \$3.6 billion since 1995, won't be a force for growth. Services are the main driving force in the economy now.

The outlook calls for moderate growth as the state moves past the 2002 Olympic Winter Games. Population, job, and income growth rates in Utah are expected to continue to outpace those of the nation going into 2001. And, unlike the nation, the rate of non-farm job growth should increase slightly in 2001. Utah's economy remains prosperous with low unemployment and high income growth despite the slowdown in construction.

International, National, and Regional Context

Utah's current prosperity occurs against a backdrop of a healthy international economy, and cooling national and regional economies. The world economy is recovering from the troubles of the late 1990s. Though Asia is on a more stable growth path, Utah's merchandise exports there have not picked up.

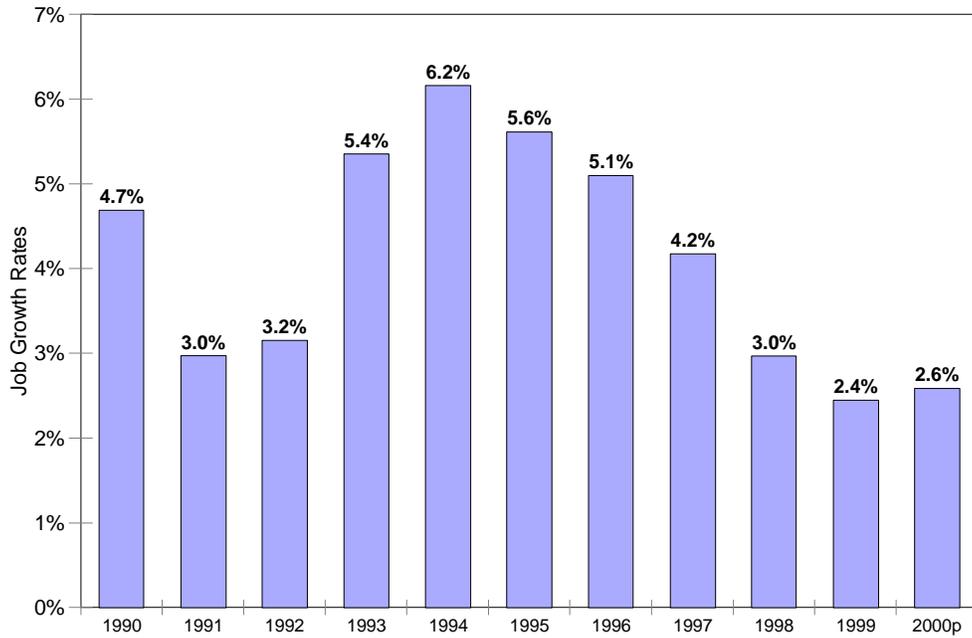
The national economy is cooling down from the rapid pace of the past four years, but continues with steady growth. The current expansion, now almost ten years old, is the longest on record. Jobs remain plentiful, real wages are rising, and inflation is low. Worker productivity continues to grow.

Though inflation-adjusted gross domestic product increased by a blistering 5.2% during 2000, it slowed in the second half of 2000 and is expected to grow 3.2% in 2001. The main concerns at present are the potential downside risks of tight labor markets, a widening trade deficit, low household savings rates, a severe correction in the stock market, and accelerating prices and wages if productivity does not keep pace. Still, the U.S. economy appears to have more to give and federal budget surpluses, productivity gains, low inflation, relatively confident consumers, and a resilient global marketplace bode well for the U.S. economy during 2001.

For more than a decade the Mountain West has had sustained and strong economic growth. The eight mountain states show population, employment, average annual pay, and per capita personal income growth rates above national averages. Among the mountain states, Utah ranked above the national average in population, employment, and personal income growth rates for the 1990s. While Utah's growth rates have been slowing, Utah remains economically healthy as 2001 begins.

A special feature in this year's Report analyzes the economic relationship between California and Utah. For most of the past 50 years, employment growth in Utah and California has been closely correlated. Although there is a significant relationship between employment growth in California and growth in Utah, Utah's economy is far more dependent on changes in its own economic conditions and those in the rest of the U.S., than it is on changes in conditions in California.

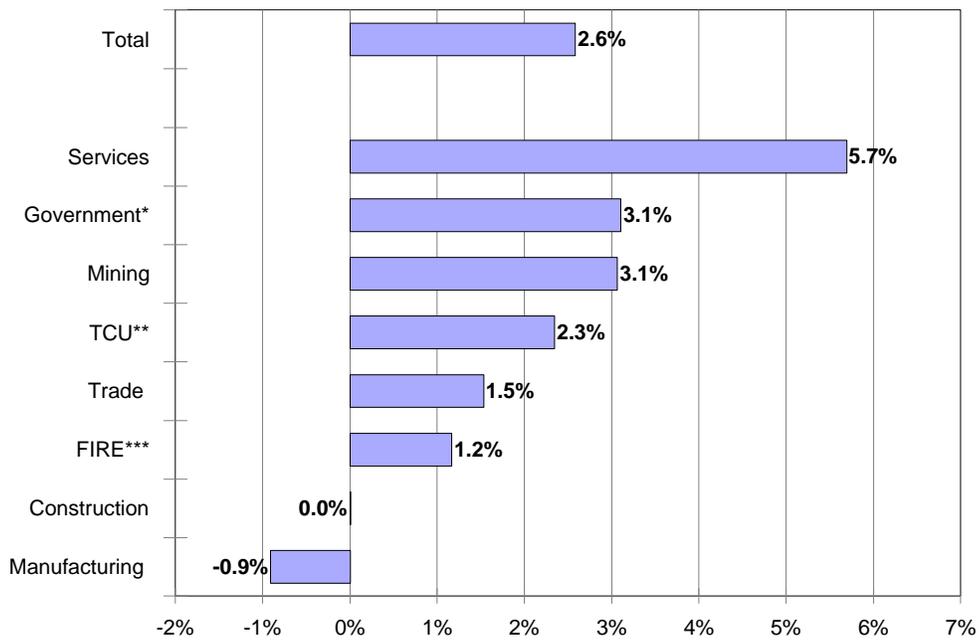
Figure A. The Five Year Decline in Utah's Job Growth Rate has Bottomed Out



Source: Utah Department of Workforce Services

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Figure B. Services are the Main Driving Force in the Economy Now



Percent Change in Employment: 1999-2000

*Government employment in 2000 was temporarily bolstered by the hiring of Census 2000 workers.

**Transportation, Communication and Utilities.

***Finance, Insurance and Real Estate.

Source: Utah Department of Workforce Services

Themes of the Past Year

In many respects, 2000 represented a change from recent years. Although the economy remains strong, it appears to be on a moderate growth path. With construction cycling lower, rapid growth in the economy at large is unlikely. Despite the tempering of activity, growth remains a dominant theme of the past year. Even though the economy is slowing, growth is still occurring and the economy remains prosperous.

Sub-themes involve the performance of various sectors: defense and high tech are up; merchandise exports, agriculture, energy and minerals are level; and construction and tourism are down.

Growth Continues

Population

On April 1, 2000, the U.S. Census Bureau conducted the 22nd national census. The Census Bureau released national and state unadjusted population totals on December 28, 2000. This is the first set of data released from the 2000 decennial census. Data for smaller geographical areas (down to the block level), along with more detail, will be released beginning March 31, 2001, and will continue through 2003.

The total 2000 population count for the U.S. was 281,421,906. This represents a population increase of 32,712,033 persons, or 13.2% from 1990.

Utah's population reached 2,233,169 in 2000. This represents a population increase of 510,319 persons, or 29.6% from 1990, ranking Utah fourth among states in population growth increase from 1990 to

2000. Utah grew more than twice as fast as the U.S. during this ten year period.

And, over the longer term, economic and demographic projections also confirm Utah's growth trajectory. It is expected that Utah's population will reach approximately 2.7 million in 2010, surpass 3.0 million by 2020, and tally roughly 3.7 million by 2030.

Jobs and Wages

Economic activity in Utah, as measured by the rate of job growth, slowed from 6.2% in 1994 to 2.4% in 1999, before increasing slightly to 2.6% in 2000. Despite this moderation, Utah is currently the 11th fastest growing state in terms of job creation (November 1999-November 2000). During 2000, Utah added 27,100 net new jobs, and the unemployment rate fell to 3.3%. The majority of these new jobs were in the service sector which now comprises slightly more than one in every four jobs in the state (see **Figure B**).

The average Utah wage increased 5.1% in 2000, to \$28,900. This is up from 1999's 3.8% increase, and higher than the consumer price increase of 3.4%. Wages have now increased faster than inflation for six consecutive years.

Defense and High Tech Up

Defense

Utah's defense industry continued to rebound in 2000, as base closures and realignments in other states shifted jobs and military spending to Utah. Hill Air Force Base has become the Air Force's new "center of excellence" for low-observable technology. This new classification, the result of a prime military contractor

relocating to Hill, will help ensure the viability of this large Utah employer. Although the defense industry in Utah and in the US as a whole has decreased significantly since the end of the Cold War, in the past few years this trend has shown signs of leveling. Defense spending in Utah in 1999 totaled \$1.42 billion, rising nearly 12% from the previous year (see **Figure C**).

High Tech

Utah's high tech sector continues to grow, albeit slowly, despite downturns in its early successes such as Novell, WordPerfect, Evans & Sutherland and Iomega. At present, the state's technology sector is characterized by numerous small firms, a few medium-sized firms, and almost no large firms. With 65,000 workers, it represents 6.0% of the state's nonagricultural worker base.

There are bright spots on the horizon for Utah's high tech sector. One is the possible continued expansion of activities at the Micron facility in Lehi. Plans at the Micron facility include the installation of a new line to manufacture 12 inch wafers. If this process is successful and the demand for chips remains strong, employment at the Lehi plant could reach 3,000 by 2003.

An even broader impact on the state's technology sector could be the Intel research facility in Riverton. At present, Intel is putting in place its administrative infrastructure and should begin hiring its first R&D workers in 2002. Intel's current plans call for the addition of 600 R&D workers per year at the Utah facility up through 2009. The importance of Intel is not limited to potential size of its work force. Rather, Intel could create new synergies within the

technology sector, encouraging both the development and possibly the relocation of new technology companies.

Exports, Agriculture, Energy and Minerals Level

Merchandise Exports

International merchandise exports from Utah have remained at approximately \$3.6 billion for six consecutive years (see **Figure D**). This measure of exports excludes business services (such as financial services or computer software), educational services (international students studying in Utah), and tourist services (an estimated 750,000 foreigners visited Utah during 2000). Still, exports of primary metals, transportation equipment, electric and industrial machinery, instruments, chemicals, food, coal, and other manufactured merchandise have not been a source of new growth for Utah since 1995.

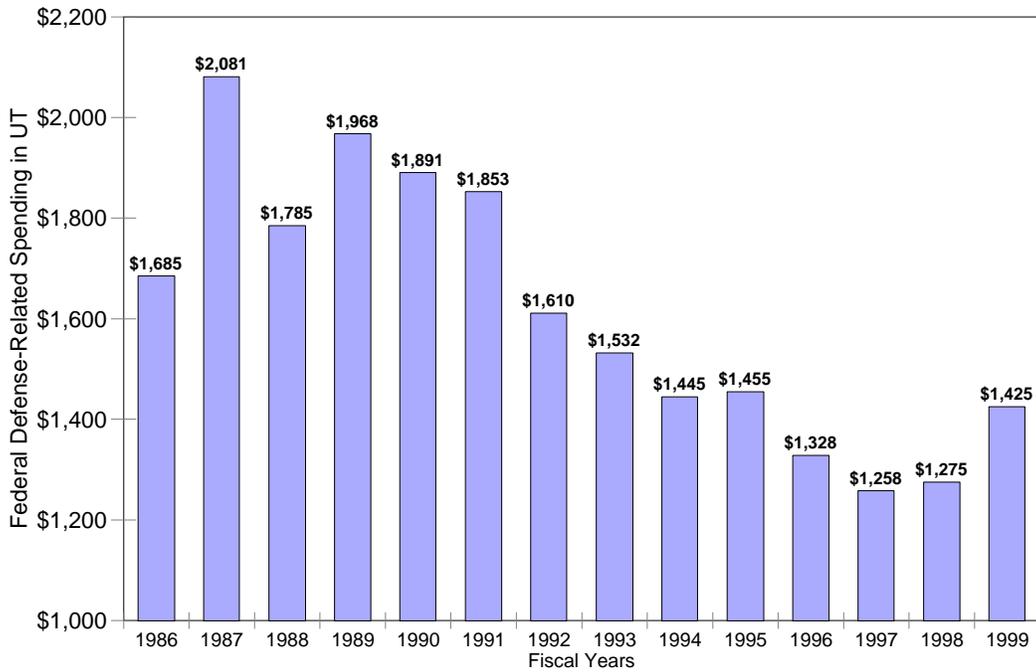
Agriculture

While incomes received by farmers and ranchers have varied over time, the financial position of Utah agriculture is healthy—the value of farm assets (primarily real estate) and farm equity has increased. This trend will likely continue in the future but, some sectors of Utah agriculture are facing troubled times.

Energy

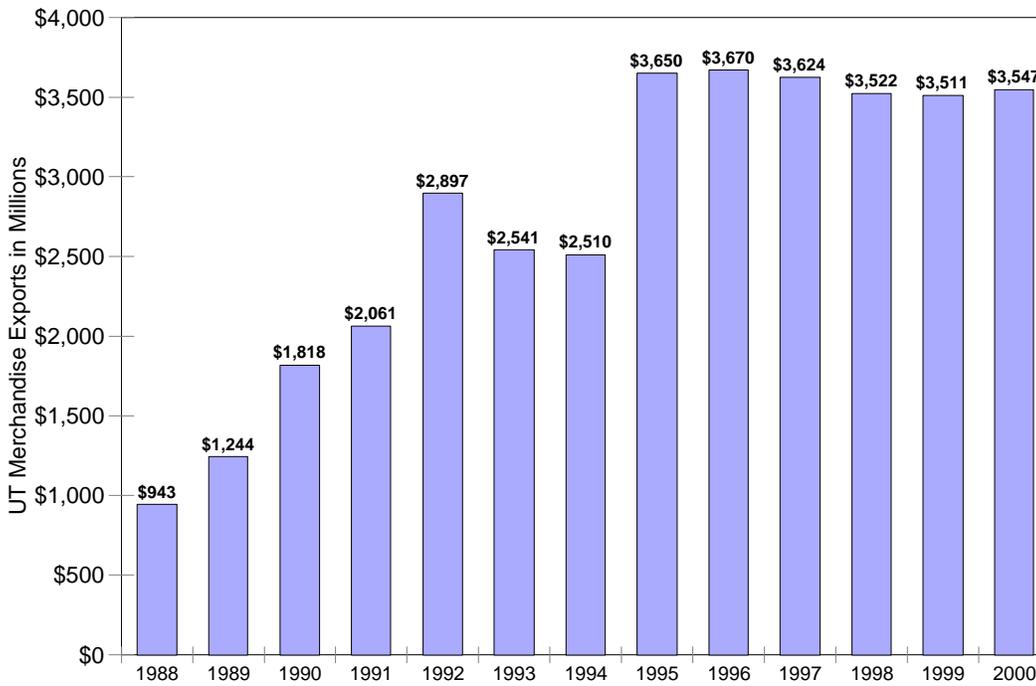
Crude oil production declined slightly in 2000, although natural gas production increased. Crude oil production is estimated to be about 15.5 million barrels in 2000, some 4.5% below the 1999 level. Wellhead prices were much higher in 2000 than in recent years and will encourage oil

Figure C. Defense Spending Up



Source: U.S. Department of Commerce, Bureau of the Census, Department of Defense

Figure D. Merchandise Exports Flat



Source: U.S. Department of Commerce, Bureau of the Census, Department of Defense

Note: 2000 exports are estimated.

and gas drilling. Coal production was near 27 million tons, as it has been for the past few years.

Minerals

Utah's mineral industry continues to maintain near record-level valuations, although some slowdown in the production of industrial minerals occurred in 2000. The estimated value of mineral production was \$1.9 billion in 2000, an increase of \$70 million from 1999. The value of base metal production, which includes copper, magnesium, molybdenum, and the like, was \$770 million; coal production was \$465 million; industrial minerals production, which includes sand, gravel, crushed stone, potash, lime, gypsum, and others, was \$450 million; and precious metals production, gold and silver, was \$210 million. In 2001, the value of mineral production in Utah is expected to remain relatively high.

Construction and Tourism Down

Construction

In 2000, the value of permit authorized construction in Utah was \$3.93 billion, less than 2% below last year's record high of \$3.97 billion. This near record pace is due, in part, to the continued strength of the nonresidential sector, which in 2000 generated \$1.2 billion in new construction activity. The nonresidential sector was led by two major projects: McKay Dee Hospital in Ogden City (\$104 million) and The Gateway a mixed-use commercial development in downtown Salt Lake City (to date, \$92.6 million).

The residential sector, this past year, has not fared quite as well as the nonresidential sector. In terms of residential construction

value, 2000 ranks as one of the best years ever, recording nearly \$2.2 billion in new construction. However, when measured in terms of the number of new dwelling units, residential construction activity is down 10%, dropping from 20,400 in 1999 to about 18,300 units in 2000 (see **Figure E**).

Tourism

Tourism arrivals to Utah decreased in 2000 for the first time in several years. Visitation declined at both national and state parks. Skier days were down nearly 5% over the 1998/99 season due to marginal snow conditions and Y2K fears. Passenger counts at Salt Lake City International Airport and visitation to Utah's Welcome Centers remained largely unchanged for the year. Vehicle traffic along Utah's major highways and Interstates registered positive growth, although slower than in recent years.

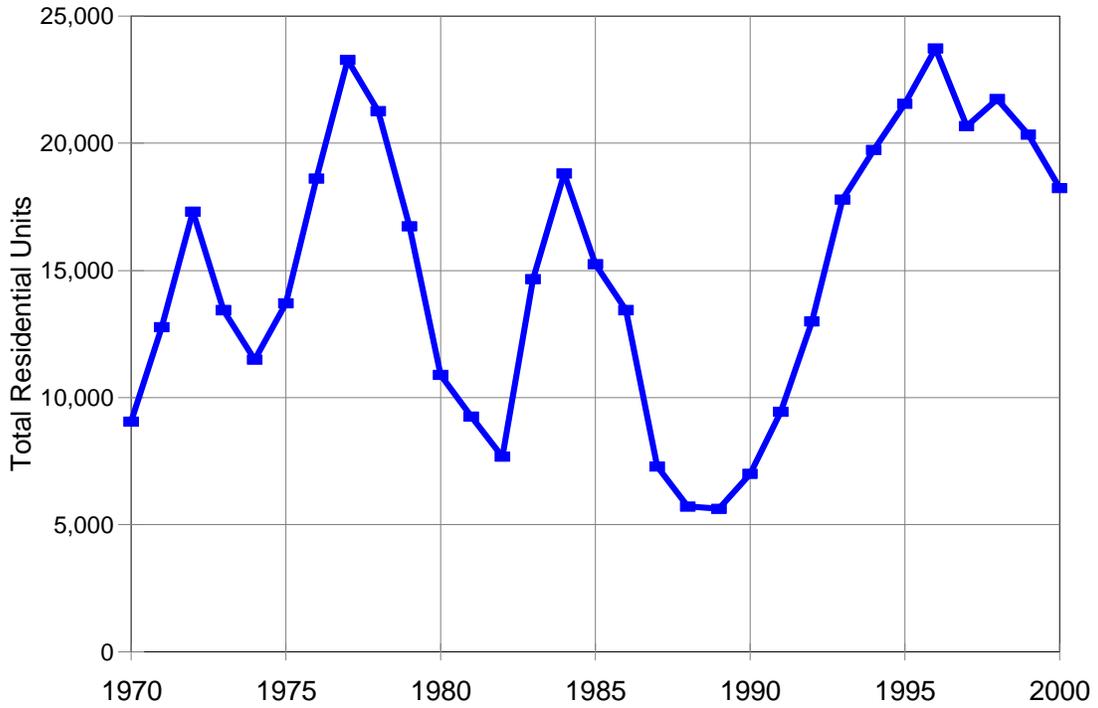
During 2000, an estimated 17.8 million non-resident visitors traveled to Utah for leisure and/or business purposes, a 2% decrease from 1999. Notwithstanding the decline in the number of tourist arrivals to Utah, visitor spending actually increased by 1%, to \$4.25 billion.

Significant Issue: The Coming Boom in School-Age Population

Utah's long term prosperity depends on providing the highest quality education for the dramatic increase in school children over the next two decades. Educating these children while maintaining a reasonable tax burden will be a major challenge for policy makers.

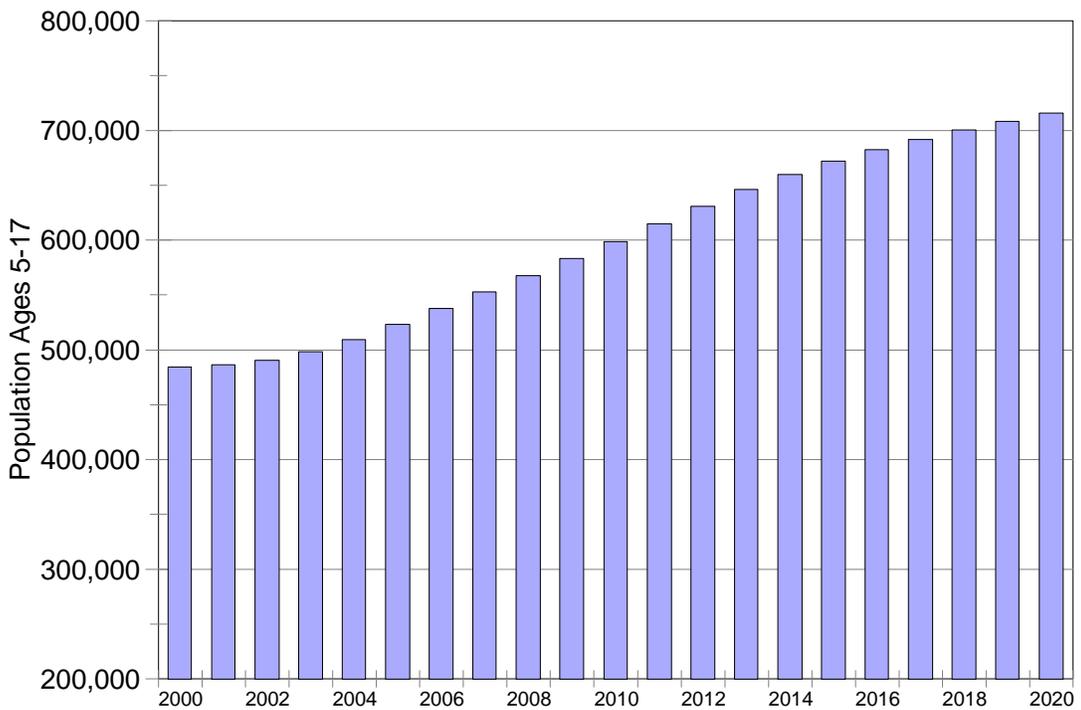
Utah consistently ranks among the youngest

Figure E. Construction Cycling Down



Source: Bureau of Economic and Business Research

Figure F. Utah School-Age Population Projections



Source: Utah Governor's Office of Planning and Budget, UPED Model System

and fastest growing populations with the highest fertility rates and largest household sizes among all states. These distinguishing demographic characteristics should continue into the foreseeable future.

Among the most significant of the long-term demographic trends confronting the state is the expected substantial increase in the school-age population, (those aged 5 to 17), beginning in 2004 and extending to at least 2015 (see **Figure F**). This acceleration in the growth rate of the school-age population is largely explained by the pattern of births in the state over time, especially the large number of births in the early 1980s. The number of births is determined by the number, age structure, and fertility patterns of women in Utah, which is further influenced by the cycles of in and out migration.

After over a decade of decelerating growth rates in the number of school-age persons in Utah, this trend will soon reverse. Growth rates of the school-age population will accelerate significantly over the next five years and remain high for the subsequent ten years. According to projections from the Utah Governor's Office of Planning and Budget, the school-age population is expected to increase to 523,000 by 2005 and to about 600,000 ten years from now.

From 2005 through 2015, an average of nearly 15,000 school-age persons will be added to the Utah population each year. There will be 114,000 more school-age persons in the state in 2010 as compared to 2000, which is an increase of 24%. The total

population is expected to grow by roughly the same rate to 2010, so that the school-age population share of the total population is expected to remain constant at about 22.5%.

Looking Ahead

Utah's economy should continue on a moderate growth track during 2001. Because of the build-up for the Olympics, job growth should accelerate a bit to 2.7%. The unemployment rate is expected to remain low, 3.5%, which, though slightly higher than 2000, will still be lower than the previous few years. The average wage should once again increase just above inflation. Because of the beginning decline in construction, the pattern of growth is changing.

Over the next few years, Utah's population and economy will continue to grow. During this period the growth in school-age population will begin to challenge educators and policy makers. Finding the resources to fund the highest quality education without hampering other programs, such as transportation, and while maintaining a healthy tax climate, will be a delicate balancing act.

Note: Following are two tables and a figure from the *Utah Outlook* chapter of the *Economic Report to the Governor 2001*. This information provides economic indicators and important new construction and employment activity for 2000 and 2001.

Table 1: 2000 and 2001 Construction and Employment Summary

Announced 2000 and 2001 Additions:*Additions of 100 or more jobs*

Alorica Inc. (call center for computers)
Brigade Corp. (internet call center)
Buyersonline.com (internet call center)
Center 7/Inc. (computer application service provider)
Cerro Copper (copper tube manufacturer)
Convergys (telemarketing sales and service)
Communications & Commerce Inc. (high-tech support call center)
DLJdirect Inc. (online brokerage call center)
Ebay Inc (online auction call center)
Fairchild Semiconductor International Inc.(power control chips)
First USA Paymentech (commercial credit card)
Fresenius Medical Care (kidney dialysis products)
Goldman Sachs (investment call center)
Gossner Foods Inc. (cheese plant)
Hill Air Force Base (defense)
Ikano (internet call and service center)
Ingenix (health-care software/consulting)
Intel (administrative and research personnel)
Jet Blue Airways (reservations center)
Lineo Inc. (Linux software for embedded devices)
Malt-O-Meal (cereal manufacturing)
MarketStar Corp. (marketing company)
Medicity (physician's internet communications)
Merit Distribution Services (trucking for Wall-Mart)
Micron Technology Inc. (chip testing and production)
Neighborhood Box Office (gift certificates call center)
NextPage Inc. (computer business to business networking)
Riverstone Inc. (internet products distribution center)
Rocky Mountain Medical Center (hospital)
Salt Lake County Jail (incarceration center)
Salt Lake Organizing Committee (full/part-time Olympics staff)
SkyWest (pilots and mechanics)
Star Bridge (reconfigurable super computers)
STSN (internet access to hotel rooms)
Sysco Intermountain Foods (food distribution facility)
U. S. West (tele-communications)
Wall-Mart (distribution and retail)
Wells Fargo's (banking operations and internet call center)

Announced 2000 and 2001 Reductions:*Reductions of 100 or more jobs*

Associated Foods (food distribution)
Autoliv (wire business to Mexico)
CrossLand Mortgage Corporation (home mortgage loans)
Elk Meadows (ski resort)
Franklin Covey Co. (day planners)
Granny Goose Foods (potato chip plant)
JC Penney (retail)
JDS Services (prepaid calling cards)
Novell (computer software)
O'Sullivan Industries (furniture maker)
Packard Bell (call center)
PointClick (pay-to-surf the internet)
Rite Aid (distribution center)
Trail Mountain Mine (coal mining)
University of Utah Health Network (medical services)
Utah Power (electric power)
Williams Energy (energy research engineers)
Willow Creek (coal mining)
ZCMI (retail)

Projects in 2000 Begun Before 2000:*Construction projects of \$30 million or more*

Canyons Hotel and Village (\$202 million)
Davis County Interstate-15 Expansion (\$50 million)
Deer Mountain Project (\$150 million)
Heritage Industrial Park (\$30 million)
Hill Air Force Base mobile hospital facility (\$31 million)
Intel research campus Phase I (\$60 million)
Interstate-15 (\$1.6316 billion)
Jordan Landing mixed use (\$800 million)
Latter Day Saints Conference Center (\$240 million)
Little America Hotel (\$185 million)
Logan Canyon Highway renovation (\$60 million)
Marriott Hotel (\$50 million)
McKay-Dee Hospital Complex (\$180 million)
Oquirrh Park Speedskating Oval (\$32 million)
Park City Ski Resort Expansion (\$150 million)
Providence Center (\$78 million)
Salt Palace Expansion (\$47 million)
SnowBasin Resort (\$100 million)
Solitude Resort Expansion (\$100 million)
South Jordan South Gate Project (\$130 million)
SouthTowne Convention Center (\$65 million)
Stien Eriksen Lodge (\$30 million)
Sysco International plant (\$30 million)
Thanksgiving Point Phase 2 (\$250 million)
Tooele Army Depot Endeavor business park (\$56 million)
University of Utah Olympic Village (\$120 million)
Wal-Mart Distribution Center (\$30 million)
Zermatt Swiss Resort (\$40 million)

Projects in 2000 Begun in 2000:*Construction projects of \$30 million or more*

American Fork Hospital (\$32 million)
Canyon River Corporate Center (\$65 million)
Cerro Copper tube manufacturing plant (\$50 million)
Diamond Fork Central Utah Project (\$50 million)
Gateway Project (\$375 million)
Huntsman Cancer Institute Research Hospital (\$100 million)
Interstate-80 Silver Creek/Kimball Junction (\$52 million)
Light Rail West/East (\$118.5 million)
NAMDAR Business Park (\$30 million)
NorthShore Corporate Center (\$100 million)
One Airport Center (\$100 million)
Pioneer Pipe Line Co. sinclair/conoco (\$100 million)
Renaissance Town Center (\$100 million)
RiverPark Corporate Center (\$300 million)
Round Valley Golf Resort (\$100 million)
Salt Lake City Library (\$84 million)
Sand Hollow Reservoir (\$35 million)
Salt Lake Community College 90th South Campus (\$143 million)
University of Utah chill water plant (\$50 million)

Projects in 2001 to Begin in 2001:*Construction projects of \$30 million or more*

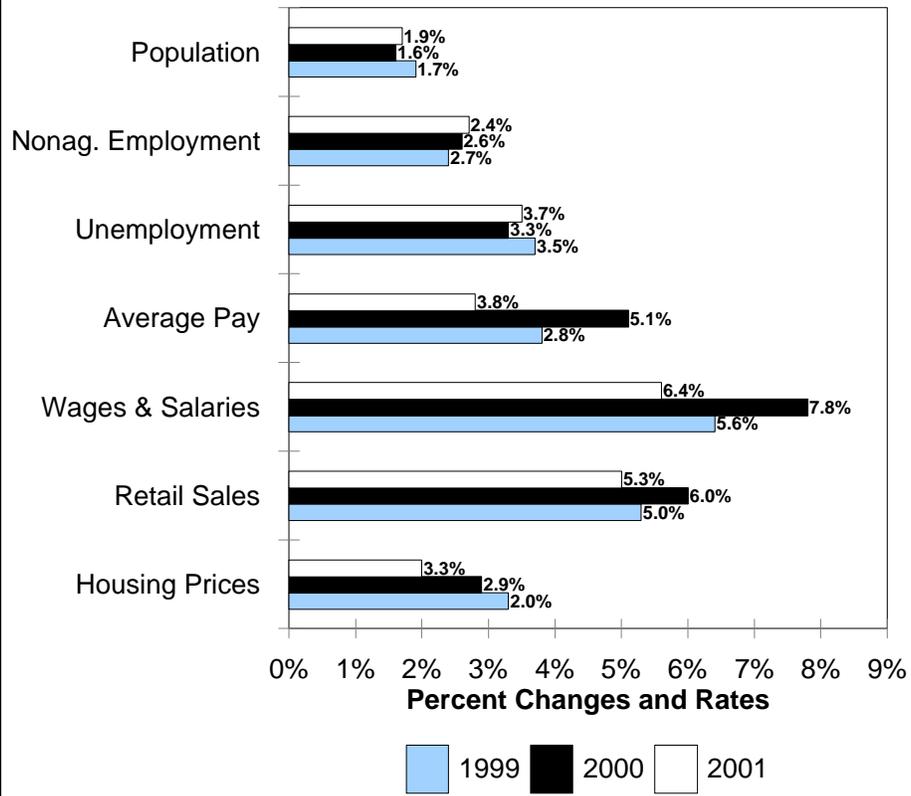
Intermountain Health Care Murray Hospital (\$300 million)
Legacy Highway (\$400 million)
Murray High School (\$30 million)
Nebo and Weber School District schools (\$85 million)
Salt Lake City and Tooele School District schools (\$186 million)
Traverse Mountain (Fox Ridge) (\$2 billion)

Table 2: Actual and Estimated Indicators for Utah and the U.S.

ECONOMIC INDICATORS	UNITS	1998 ACTUAL	1999 ACTUAL	2000 ESTIMATE	2001 FORECAST	% CHG 1998-99	% CHG 1999-00	% CHG 2000-01
PRODUCTION AND SPENDING								
U.S. Real Gross Domestic Product	Billion Chained \$96	8,515.7	8,873.4	9,334.8	9,633.5	4.2	5.2	3.2
U.S. Real Personal Consumption	Billion Chained \$96	5,678.7	5,979.7	6,296.6	6,498.1	5.3	5.3	3.2
U.S. Real Fixed Investment	Billion Chained \$96	1,485.3	1,621.9	1,777.7	1,877.2	9.2	9.6	5.6
U.S. Real Defense Spending	Billion Chained \$96	341.7	348.5	347.1	348.9	2.0	-0.4	0.5
U.S. Real Exports	Billion Chained \$96	1,003.6	1,032.7	1,143.2	1,271.2	2.9	10.7	11.2
Utah Coal Production	Million Tons	26.6	26.5	26.4	26.9	-0.4	-0.4	1.9
Utah Oil Production Sales	Million Barrels	19.2	16.3	15.5	14.9	-15.3	-4.6	-4.0
Utah Natural Gas Production Sales	Billion Cubic Feet	201.4	205.0	217.8	223.3	1.8	6.2	2.5
Utah Copper Mined Production	Million Pounds	657.4	615.7	615.0	620.0	-6.3	-0.1	0.8
SALES AND CONSTRUCTION								
U.S. New Auto and Truck Sales	Millions	15.4	16.8	17.4	15.9	9.1	3.6	-8.6
U.S. Housing Starts	Millions	1.63	1.70	1.58	1.45	4.3	-7.1	-8.2
U.S. Residential Investment	Billion Dollars	365.4	403.8	415.9	415.5	10.5	3.0	-0.1
U.S. Nonresidential Structures	Billion Dollars	283.2	285.5	315.7	323.0	0.8	10.6	2.3
U.S. Repeat-Sales House Price Index	1980Q1=100	216.7	229.4	241.4	250.9	5.9	5.2	4.0
U.S. Existing S.F. Home Prices (NAR)	Thousand Dollars	128.4	133.3	138.4	143.8	3.8	3.8	4.0
U.S. Retail Sales	Billion Dollars	2,745.7	2,994.0	3,236.5	3,359.5	9.0	8.1	3.8
Utah New Auto and Truck Sales	Thousands	84.1	83.8	85.5	84.6	-0.3	2.0	-1.0
Utah Dwelling Unit Permits	Thousands	21.7	20.4	18.3	17.0	-6.4	-10.1	-7.1
Utah Residential Permit Value	Million Dollars	2,188.7	2,238.1	2,150.0	1,990.0	2.3	-3.9	-7.4
Utah Nonresidential Permit Value	Million Dollars	1,148.4	1,195.4	1,200.0	1,000.0	4.1	0.4	-16.7
Utah Additions, Alterations and Repairs	Million Dollars	461.3	537.4	575.0	550.0	16.5	7.0	-4.3
Utah Repeat-Sales House Price Index	1980Q1=100	236.6	242.4	247.8	252.7	2.5	2.2	2.0
Utah Existing S.F. Home Prices (NAR)	Thousand Dollars	133.5	137.9	141.9	144.7	3.3	2.9	2.0
Utah Taxable Retail Sales	Million Dollars	15,657	16,493	17,490	18,368	5.3	6.0	5.0
DEMOGRAPHICS AND SENTIMENT								
U.S. July 1st Population (BEA/Census)	Millions	270.2	272.7	274.9	277.1	0.9	0.8	0.8
U.S. Consumer Sentiment of U.S.	1966=100	104.6	105.8	107.6	109.6	1.1	1.7	1.9
Utah July 1st Population (UPEC)	Thousands	2,082.5	2,121.6	2,155.9	2,193.4	1.9	1.6	1.7
Utah July 1st Net Migration (UPEC)	Thousands	1.3	5.3	0.5	2.7	na	na	na
Utah July 1st Population (BEA/Census)	Thousands	2,100.6	2,129.8	2,164.1	2,201.6	1.4	1.6	1.7
Utah Consumer Sentiment of Utah	1966=100	107.0	106.1	107.6	109.5	-0.9	1.4	1.9
PROFITS AND RESOURCE PRICES								
U.S. Corporate Before Tax Profits	Billion Dollars	758.2	822.647	947.7	999.8	8.5	15.2	5.5
U.S. Before Tax Profits Less Fed. Res.	Billion Dollars	733.5	796.847	917.0	966.3	8.6	15.1	5.4
U.S. Oil Refinery Acquisition Cost	\$ Per Barrel	12.6	17.4	27.9	21.1	38.2	60.4	-24.4
U.S. Coal Price Index	1982=100	93.6	90.7	88.1	85.5	-3.1	-2.9	-3.0
Utah Coal Prices	\$ Per Short Ton	17.8	17.4	17.6	18.2	-2.6	1.2	3.4
Utah Oil Prices	\$ Per Barrel	12.5	17.7	29.0	28.5	41.2	64.1	-2.0
Utah Natural Gas Prices	\$ Per MCF	1.73	1.92	3.25	3.41	11.0	69.3	4.9
Utah Copper Prices	\$ Per Pound	0.75	0.72	0.84	0.84	-4.0	16.3	0.3
INFLATION AND INTEREST RATES								
U.S. CPI Urban Consumers (BLS)	1982-84=100	163.0	166.6	172.2	176.9	2.2	3.4	2.7
U.S. GDP Chained Price Indexes	1996=100	103.2	104.8	107.0	109.2	1.6	2.1	2.1
U.S. Federal Funds Rate	Percent	5.35	4.95	6.25	6.50	na	na	na
U.S. 3-Month Treasury Bills	Percent	4.80	4.63	5.83	6.00	na	na	na
U.S. T-Bond Rate, 10-Year	Percent	5.28	5.63	6.10	6.33	na	na	na
U.S. Mortgage Rates, Fixed FHLMC	Percent	6.9	7.4	8.1	8.1	na	na	na
EMPLOYMENT AND WAGES								
U.S. Establishment Employment (BLS)	Millions	125.9	128.8	131.5	133.1	2.3	2.1	1.2
U.S. Average Annual Pay (BLS)	Dollars	31,945	33,313	34,814	36,190	4.3	4.5	4.0
U.S. Total Wages & Salaries (BLS)	Billion Dollars	4,022	4,291	4,578	4,816	6.7	6.7	5.2
Utah Nonagricultural Employment (WS)	Thousands	1023.5	1048.5	1075.6	1104.5	2.4	2.6	2.7
Utah Average Annual Pay (WS)	Dollars	26,483	27,495	28,896	29,715	3.8	5.1	2.8
Utah Total Nonagriculture Wages (WS)	Million Dollars	27,105	28,828	31,080	32,820	6.4	7.8	5.6
INCOME AND UNEMPLOYMENT								
U.S. Personal Income (BEA)	Billion Dollars	7,384	7,783	8,281	8,737	5.4	6.4	5.5
U.S. Unemployment Rate (BLS)	Percent	4.5	4.2	4.1	4.3	na	na	na
Utah Personal Income (BEA)	Million Dollars	46,831	49,600	53,100	56,100	5.9	7.1	5.6
Utah Unemployment Rate (WS)	Percent	3.8	3.7	3.3	3.5	na	na	na

Source: Council of Economic Advisors' Revenue Assumptions Committee.

Figure - Utah Economic Indicators: 1999 - 2001



Source: Council of Economic Advisors' Revenue Assumptions Committee