

# Economy Check In

## Utah League of Cities and Towns

### July 27, 2020

**Juliette Tennert, Chief Economist**

INFORMED DECISIONS™

***THIS WEEK:***



 **PennIUR**  
PENN INSTITUTE *for* URBAN RESEARCH

 **THE VOLCKER ALLIANCE**

**The COVID-19 Crisis Economy:  
The Role of Federal Dollars to Address  
Unprecedented State and Local Needs**

**Wednesday, July 29, 2020  
10:00 AM – 1:00 PM EDT**

<https://www.volckeralliance.org/news/role-federal-dollars-address-unprecedented-state-and-local-needs>

## Utah's economic strength at home and in the nation described in 6 charts

Economist Natalie Gochnour, head of the Kem C. Gardner Policy Institute, takes us through the economic forecast and says the 'worst is over' ... if we do our part


By Deseret News | Jul 23, 2020, 10:00pm MDT |

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Natalie Gochnour, director of the Kem C. Gardner Policy Institute at the University of Utah, speaks during the daily COVID-19 briefing at the Capitol in Salt Lake City on Wednesday, May 20, 2020. | Steve Griffin, Deseret News

**Editor's note:** We invited economist Natalie Gochnour to the Deseret News editorial board to help us understand more clearly the state of Utah's economy as it works through the ongoing impact of COVID-19. She took us through the numbers and we share that with you today.


Today's Refinance Rate 

2.46% APR 15 Year Fixed

Select Loan Amount

\$

\$225,000

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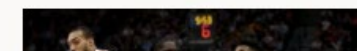
[Calculate Payment](#)

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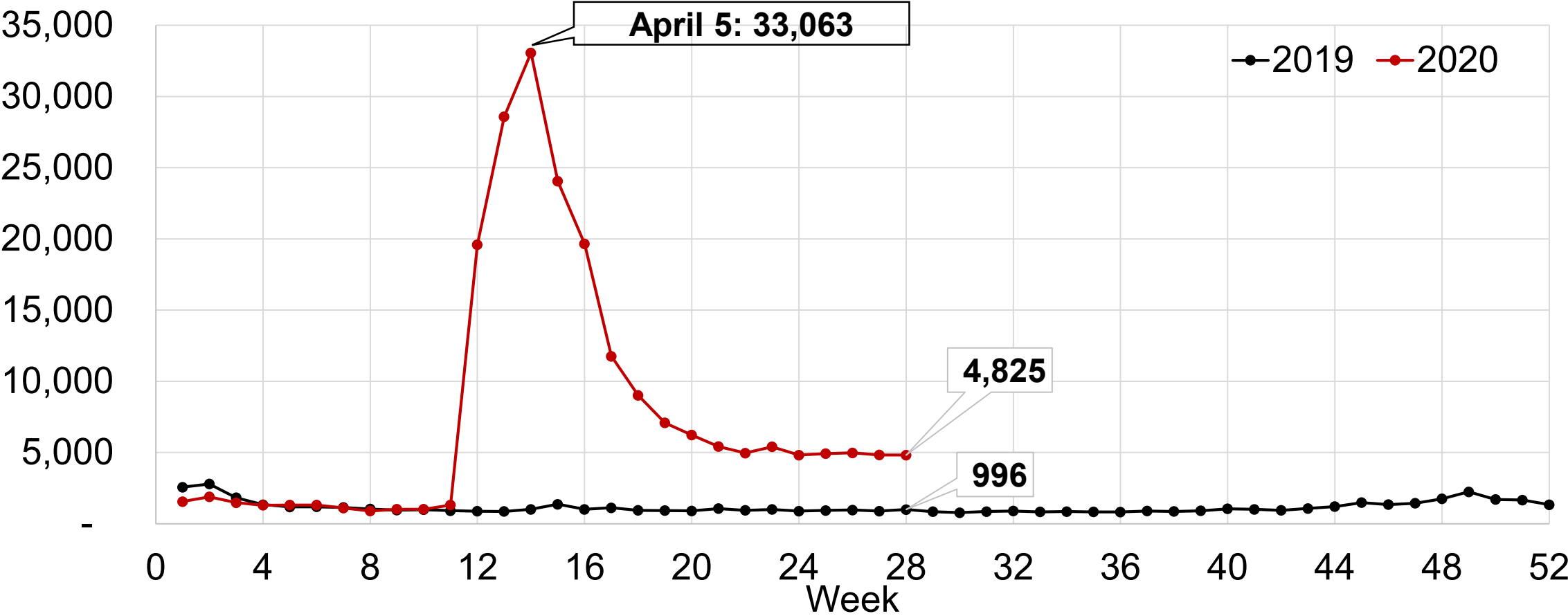


Family members, friends mourn in aftermath of fatal West Jordan plane crash



*Economic hemorrhaging has stopped*

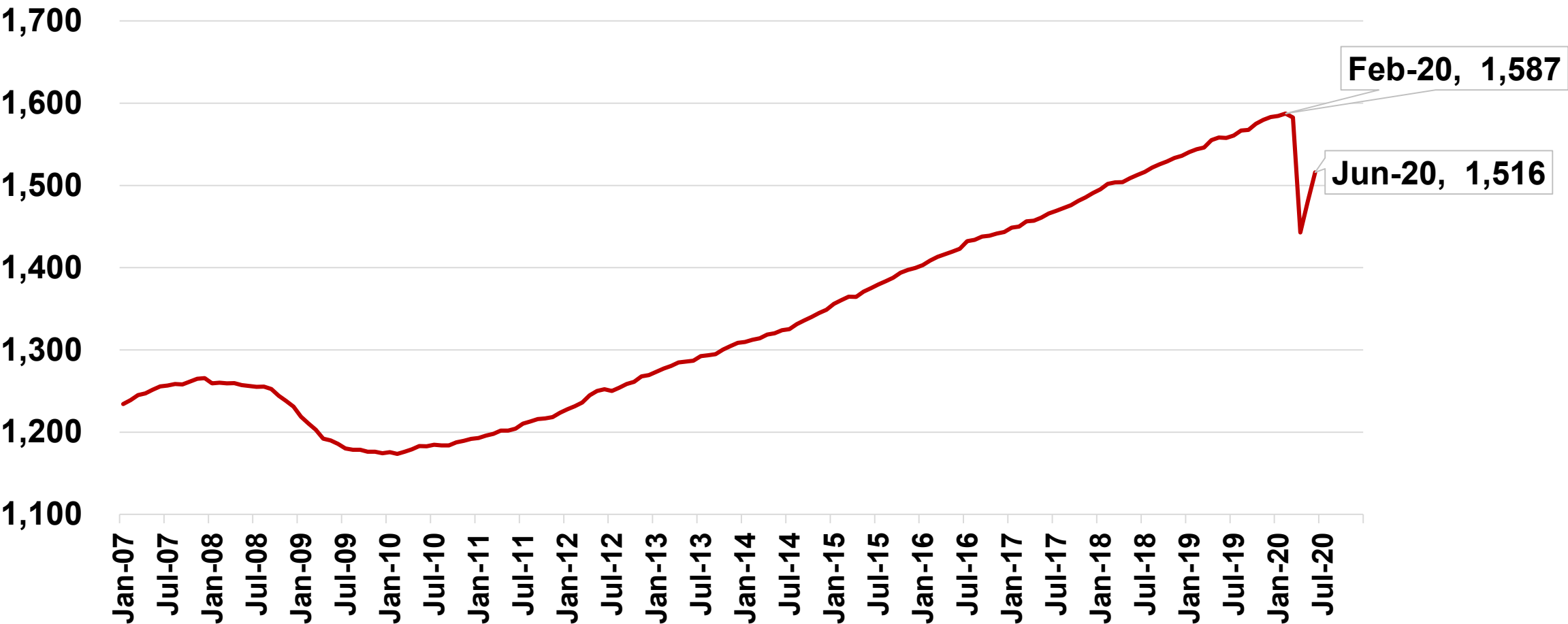
COVID-19 Initial Weekly Unemployment Insurance Claims



Source: Utah Department of Workforce Services

*Job growth has returned, employment at 2018 levels*

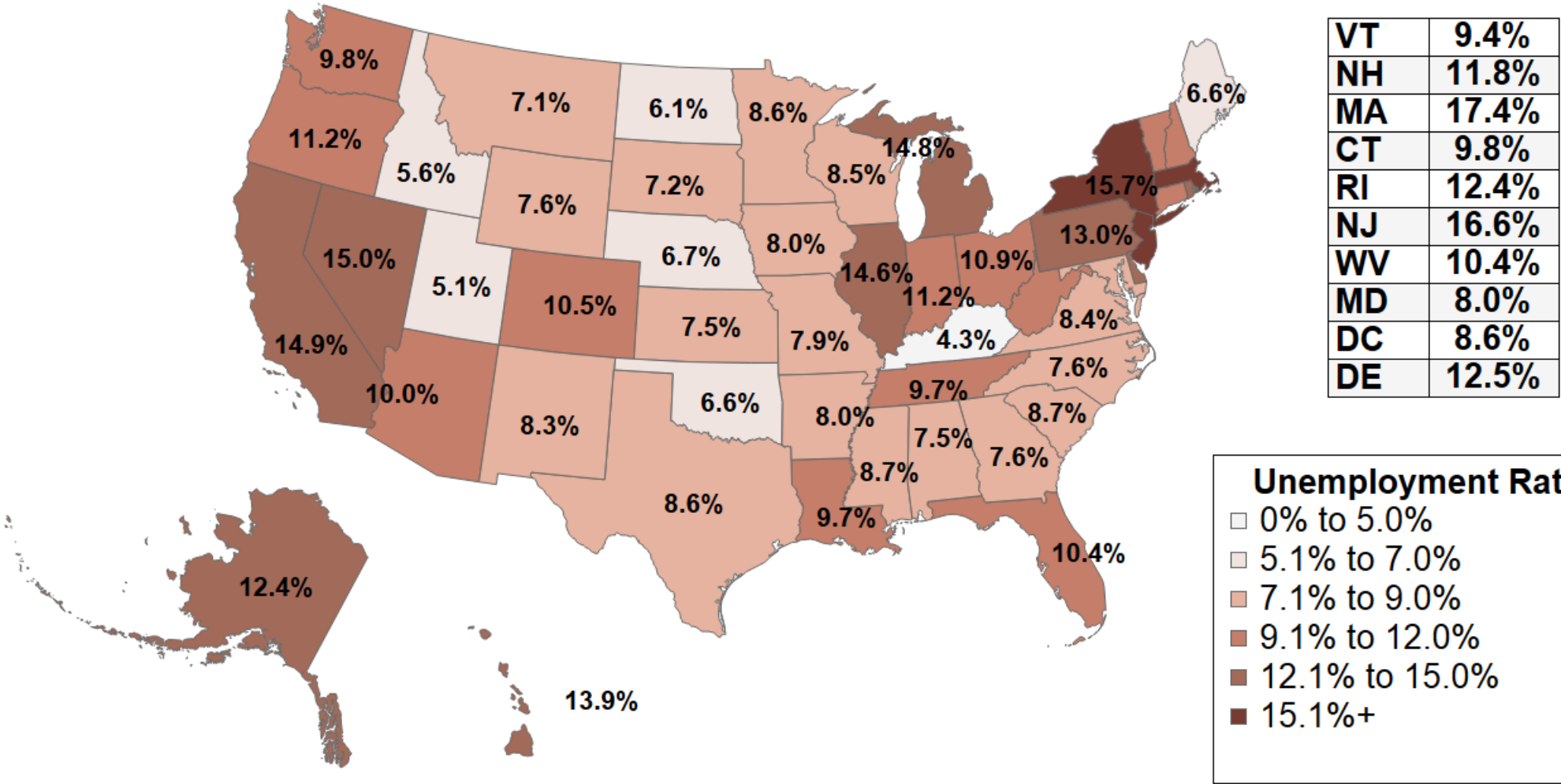
Total Nonfarm Utah Jobs, Seasonally Adjusted



Source: Bureau of Labor Statistics

# Utah's unemployment rate has doubled, is the lowest in nation

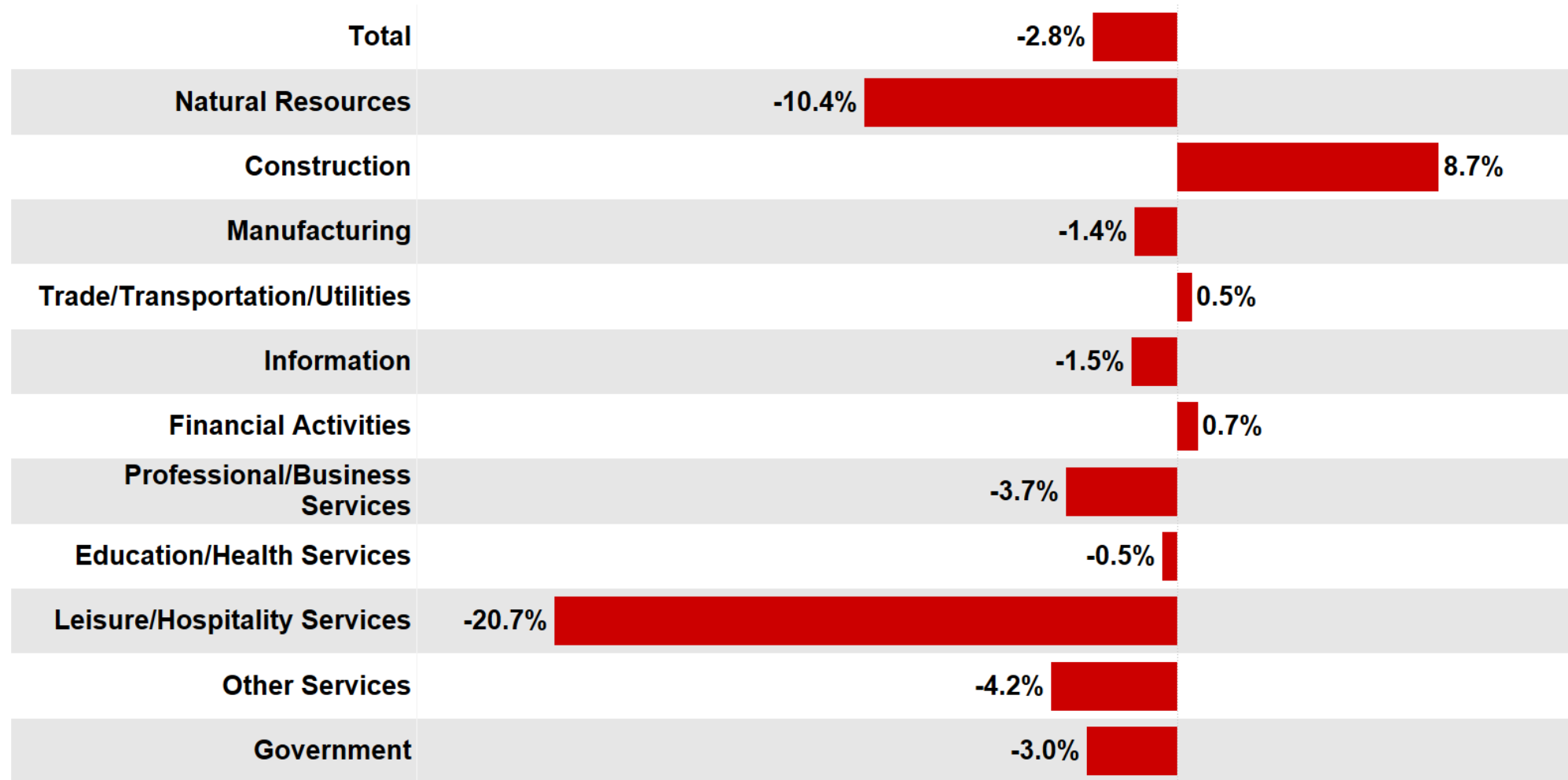
## June 2020 Unemployment Rates, Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

# *Every corner of the economy has been impacted, to different degrees*

## Utah Job Change by Industry June 2019 – June 2020



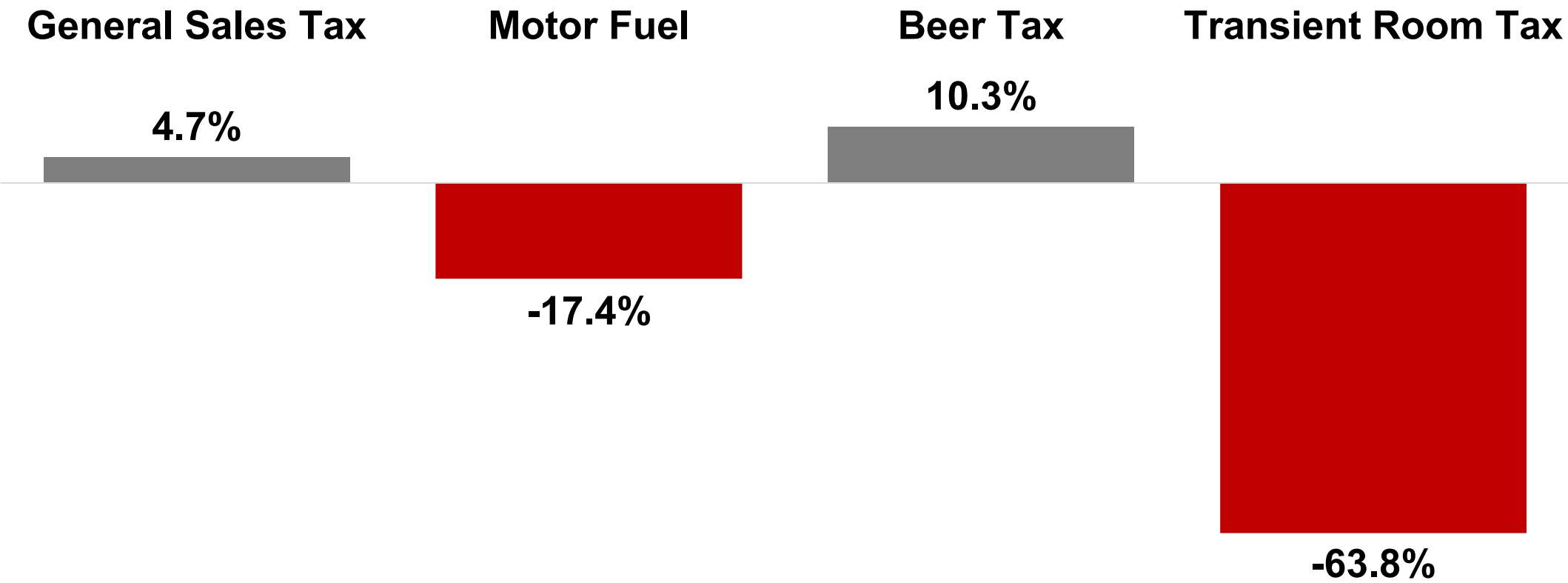
Source: Utah Department of Workforce Services



*Every corner of the economy has been impacted, to different degrees*

**\*\*Preliminary\*\***

**Revenue Collections Change FY19 Q4 – FY 20 Q4**



Source: Gardner Institute analysis of Utah Tax Commission data



# *Every corner of the economy has been impacted, to different degrees*

## **Change in July Week 1 Continuing Unemployment Insurance Claims 2019 - 2020**

Garfield County	4450%	Iron County	899%
Grand County	2383%	Uintah County	888%
Summit County	2040%	Millard County	883%
Wasatch County	2022%	Tooele County	747%
Wayne County	1700%	Weber County	708%
Kane County	1656%	Carbon County	677%
Piute County	1300%	Morgan County	528%
Salt Lake County	1192%	Emery County	433%
San Juan County	1188%	Sanpete County	412%
Box Elder County	1182%	Sevier County	403%
Cache County	1161%	Juab County	343%
Duchesne County	1077%	Beaver County	274%
Washington County	1055%	Rich County	233%
Utah County	1052%	Daggett County	(nd)
Davis County	1028%	State of Utah	1069%

Source: Gardner Institute analysis of Utah Department of Workforce Services Data

# ***What it all means: Current Utah Expectations\****

- **The worst is over** – Peak job losses reached in April 2020.
- **Gradual reactivation** – Full recovery won't occur until a treatment/vaccine...think swoosh, not a V.
- **Unequal and uneven impacts** – Reactivation will continue to vary by industry and geography. Plan for additional disruptions, though not as severe.
- **Recovery** – Recovery depends on adaptations, policy interventions, and medical science.
- **No back to normal** – Structural changes create a new economy.

\* Assumes second federal stimulus and no major second wave and economic shutdown

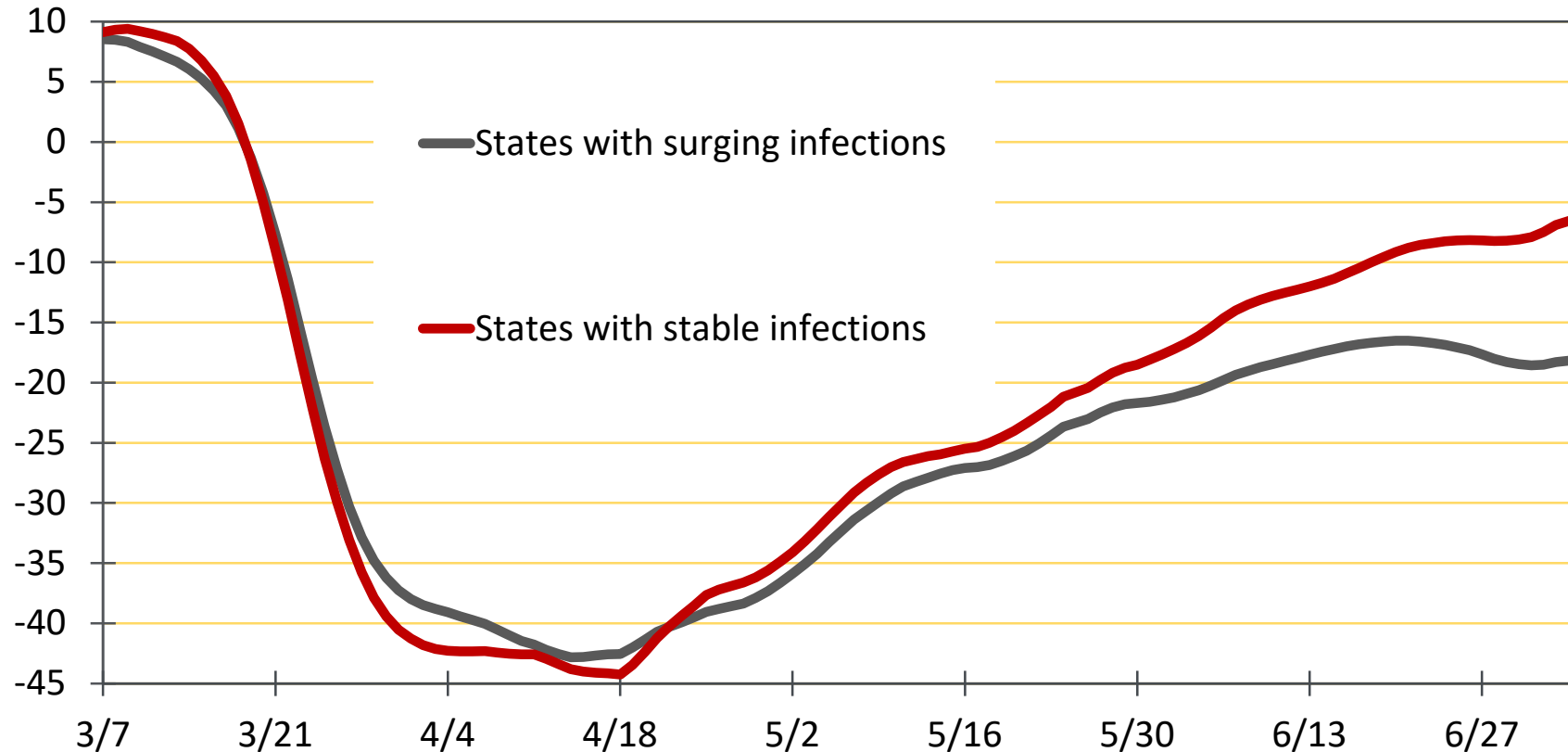
# ***What it all means: considering structural and behavioral changes***

- New banking paradigm
  - Zero interest rates and flat yield curve
- De-globalization
- Data-enabled services
  - Remote work
  - Telemedicine
  - Online education
- Regionalization of supply chains
- Commercial real estate reckoning
- Consolidation of economic power
- Delivery services
- Virus screening
- Climate change intensification
- Debt management

# *The path forward: economy and health completely linked*

## Re-Intensified Virus Damage

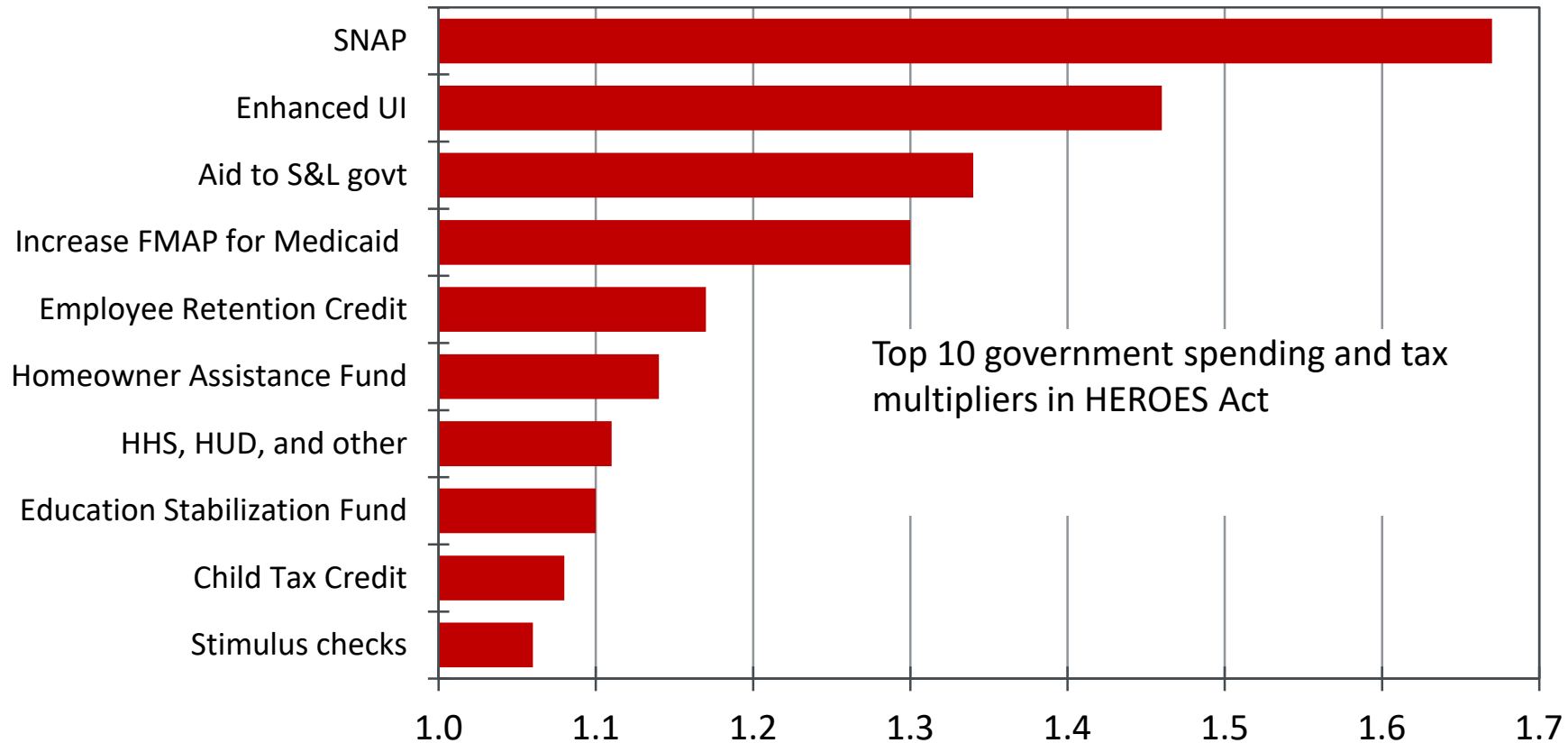
Retail & recreation, % change from pre-pandemic, 7-day MA, 2020



Sources: Google, Moody's Analytics

# *The path forward: considering future stimulus*

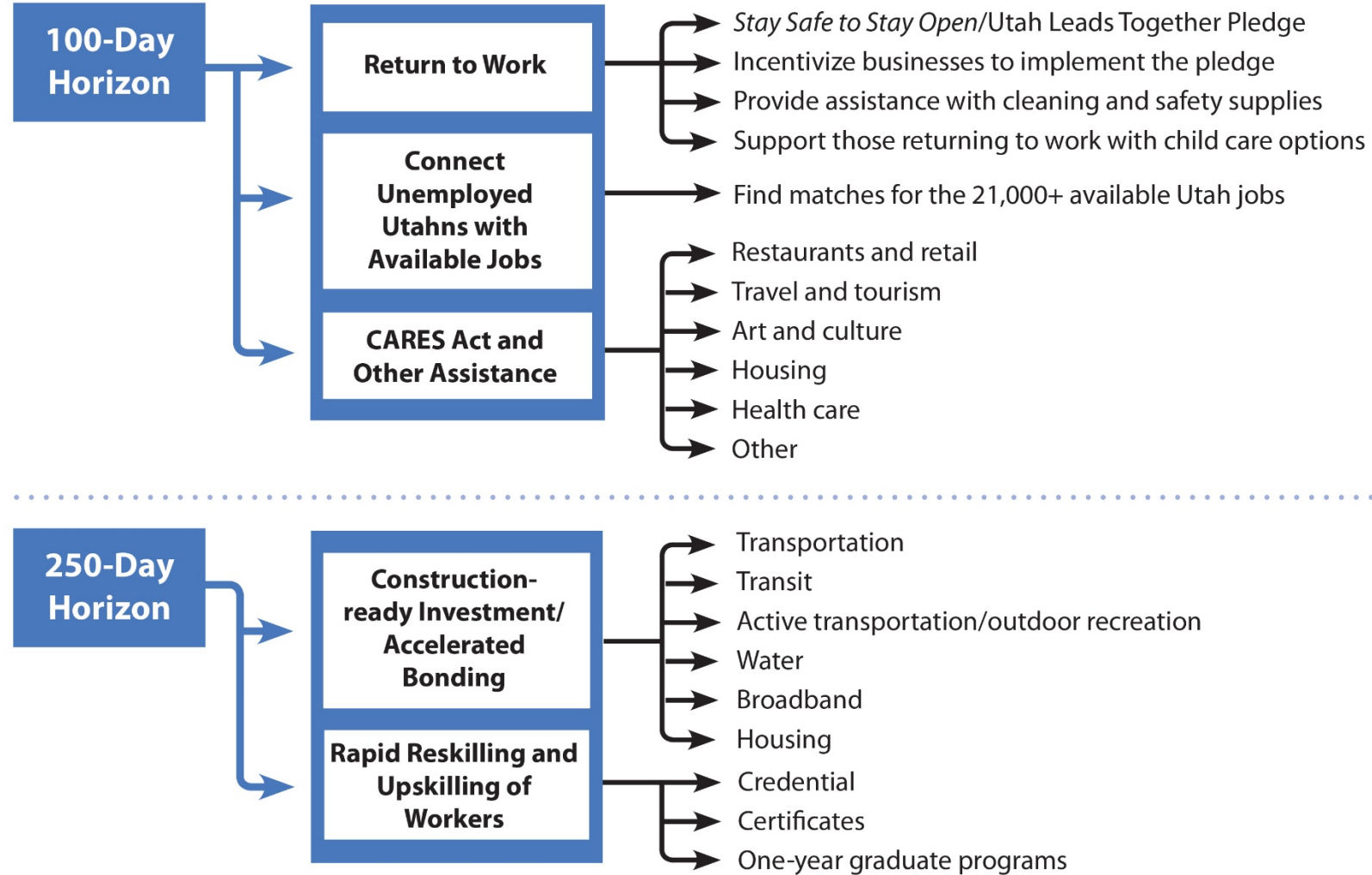
## Economic Bang for the Buck: GDP multipliers



Sources: CBO, JCT, Moody's Analytics

# The path forward: Utah Leads Together

All Utahns asked to follow public health guidance and practice risk management



Source: Utah Leads Together







# [gardner.utah.edu](http://gardner.utah.edu)

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