

It Ain't All Bad Out There¹

“We often hear the phrase ‘this is the worst since the Great Depression’. This is like comparing a headache to a brain tumor. We don’t want to understate the current economic challenges, but we don’t want to overstate them either. Let us have an appropriate perspective, particularly here in Utah.”- Gary Herbert - Lieutenant Governor, State of Utah

- Home Foreclosures
 - i. Utah foreclosure rate (1.4%) is less than half the national rate (2.9%). Utah homeownership rate is 4th highest in the nation.
 - 1. Four states (CA, FL, AZ, NV) account for approximately half of all foreclosures.
 - 2. Major factors that led to the rise of foreclosures are subprime lenders and speculation
 - ii. During the Great Depression foreclosure rates neared 50%
- Bank Failures
 - i. According to the FDIC, there have been a total of 28 bank failures in 2007 and 2008.
 - ii. In recession-free 1988-89, there were 1,004 failures.
 - iii. Since the Great Depression, the average number of bank failures per year has been 94.
- Mortgage interest rates
 - i. Currently at 5% for 30 year fixed rate mortgages.
 - ii. Business mortgages have doubled because of low interest rates.
- Housing
 - i. Bargain prices are bringing buyers back to the market. The number of existing homes sold in December rose 6.5% from the previous month. In the West homes surged 13.6%.
- GOED
 - i. The Governor’s Office of Economic Development has more than 120 companies in active discussions with the state about moving or expanding in Utah.
- Utah Exports
 - i. International exports from Utah during the first three quarters of 2008 was \$8.1 billion. Over 50% higher than the value during the same period last year. This rate of growth ranks 4th among all states.
- Unemployment:
 - i. 4.3% Utah (U.S. 7.2%) –Dec. 2008

¹ Source: These numbers were compiled by the Office of the Lieutenant Governor, State of Utah

- ii. During the Great Depression unemployment was 25%
- AAA Bonding Rating in Utah
 - i. This rating saves taxpayers money on interest costs.
- Utah Best Managed State
 - i. Pew Research Institute named Utah “Best Managed State in the nation.
- Growth in Utah
 - i. Almost flat (Year-over job change in Utah was –1.9% in December 2008)
 - ii. Energy and Natural Resources had 7.2% positive growth in December and has potential for continued growth.
- Population in Utah
 - i. Utah's population was an estimated 2,757,779 on July 1, 2008 - up 58,225 or 2.2% from July 1, 2007.
 - ii. The Committee estimated that net in-migration in 2008 was 16,648, or about 29% of total population growth.
- Mineral Lease Money
 - i. Has increased by 109% since 2005
- Affordable Fuel
 - i. Gasoline in Utah is at \$1.60 a gallon
- Tourism
 - Zion National Park - 2.7 million tourists visited the park in 2008 setting a new record for Zion.