

2013 ECONOMIC FORECAST

ECONOMIC OVERVIEW AND OUTLOOK

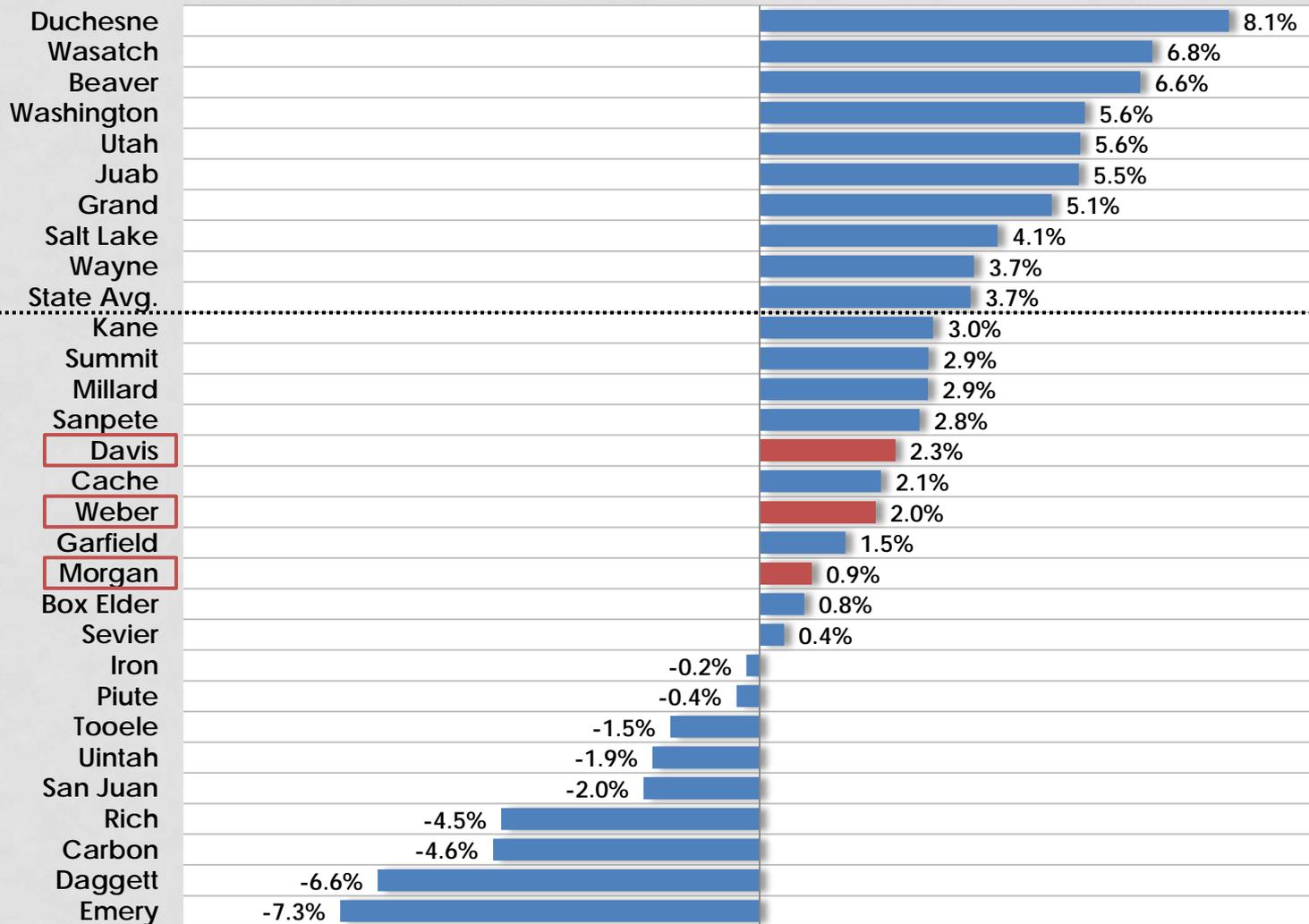
THE NORTHERN UTAH ECONOMY

EMPLOYMENT TRENDS

HOW HAS EMPLOYMENT CHANGED?

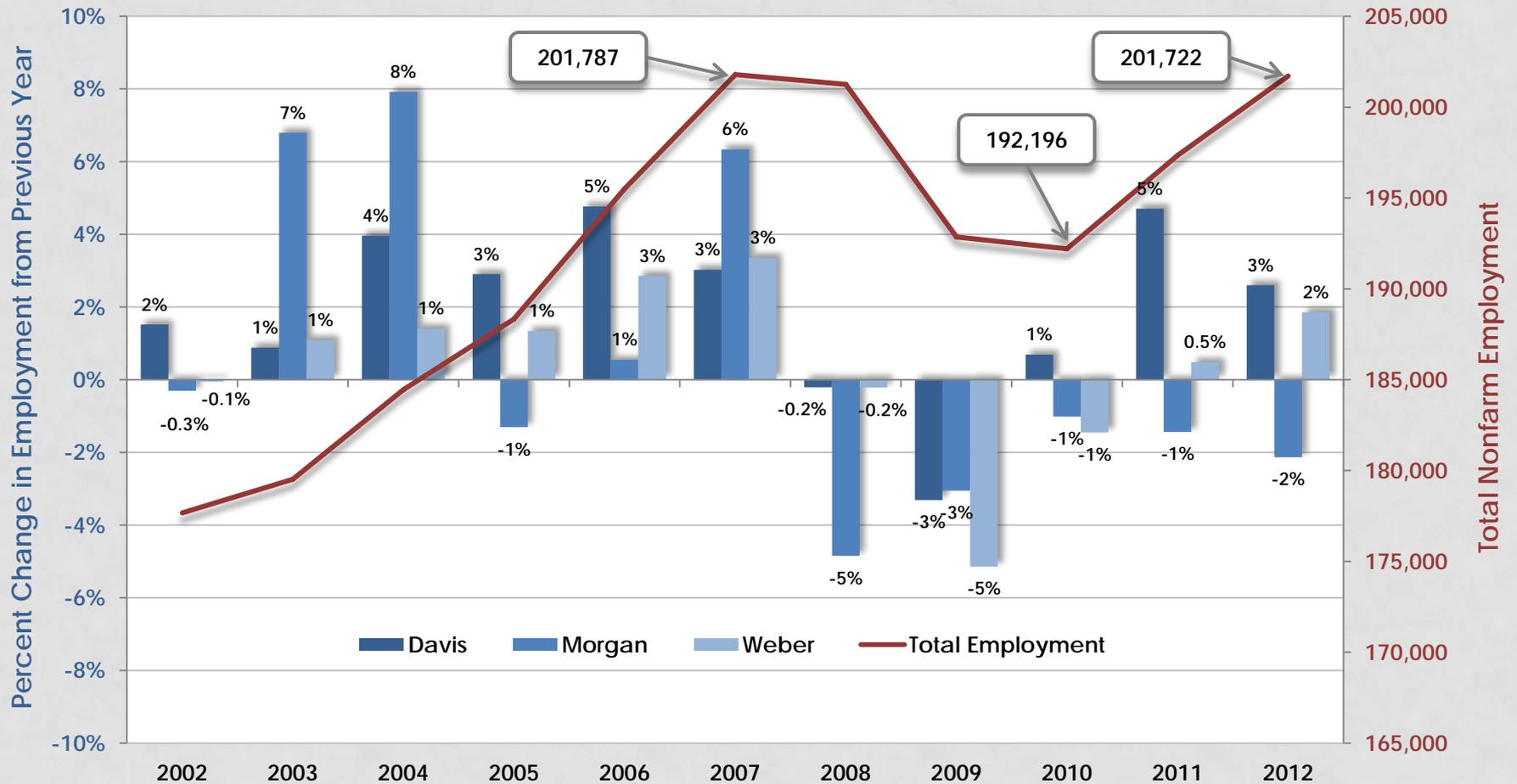
UTAH YEAR-OVER CHANGE IN TOTAL NONFARM JOBS BY COUNTY

(DEC. 2011 - DEC. 2012)



WASATCH FRONT NORTH RECENT EMPLOYMENT TRENDS BY COUNTY

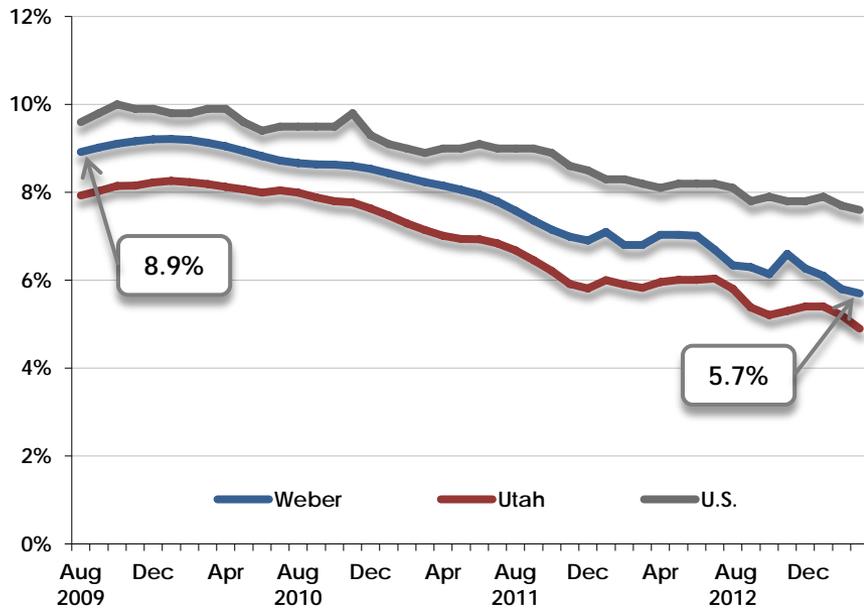
(2002 - 2012)



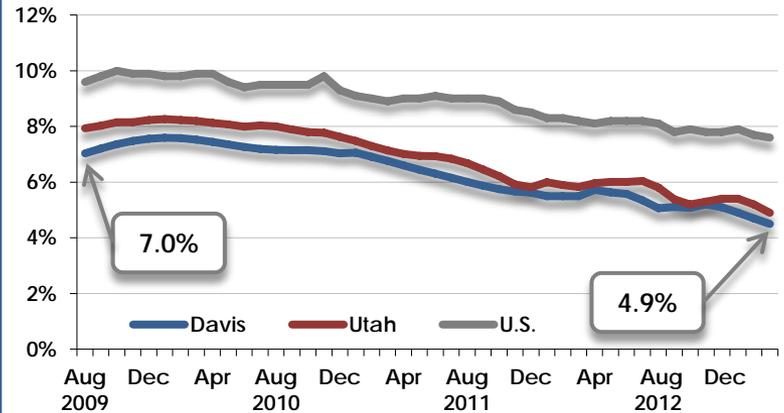
WASATCH FRONT NORTH UNEMPLOYMENT RATES BY COUNTY

(SEASONALLY ADJUSTED)

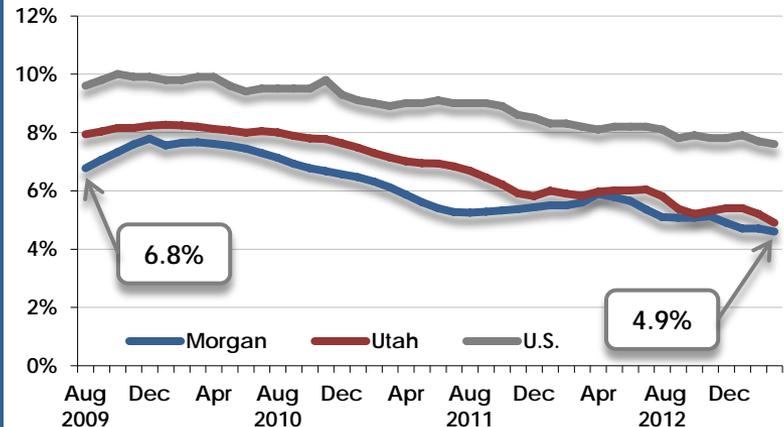
Weber County



Davis County

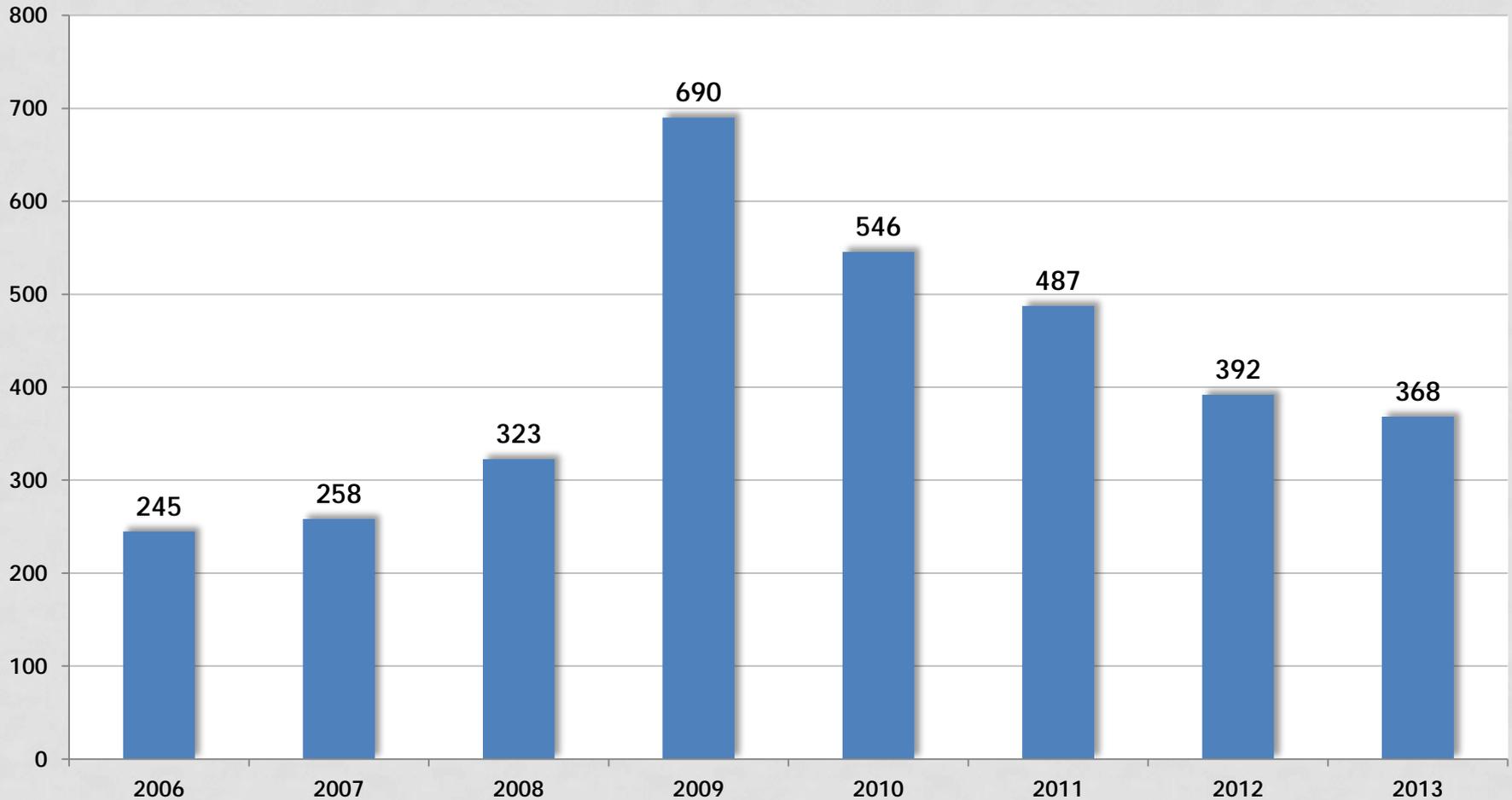


Morgan County



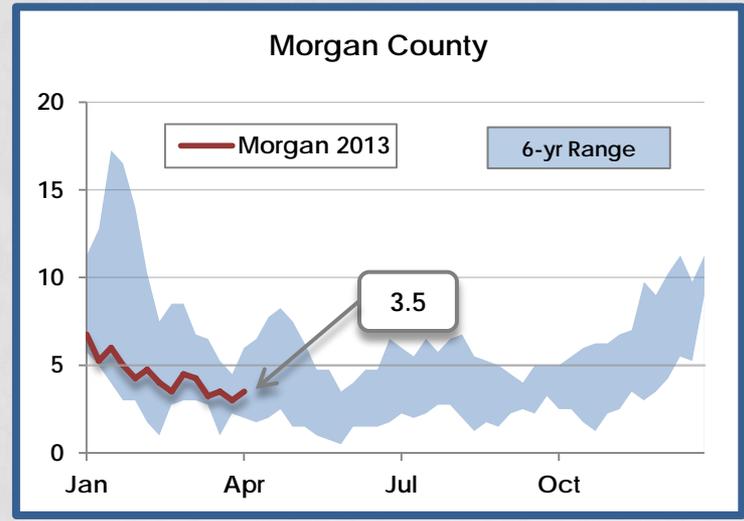
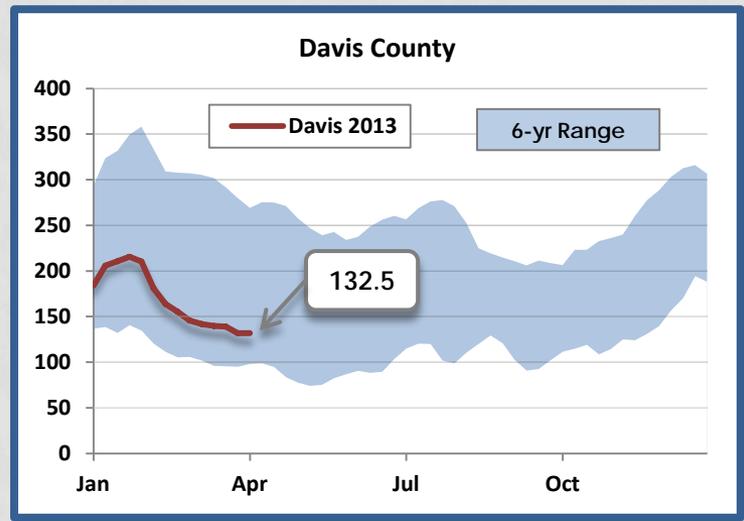
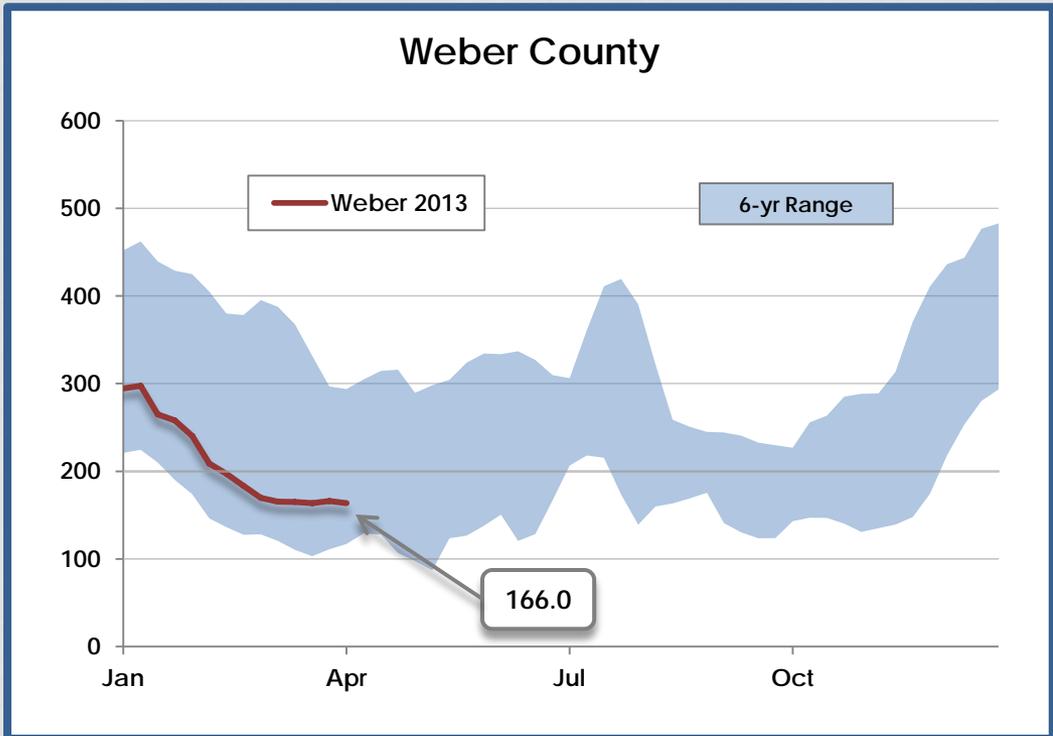
WASATCH FRONT NORTH INITIAL UNEMPLOYMENT CLAIMS WEEKLY AVERAGE

(1ST QUARTER OF EACH YEAR)



WASATCH FRONT NORTH INITIAL UNEMPLOYMENT CLAIMS BY COUNTY

(FOUR-WEEK MOVING AVERAGE)



Source: Department of Workforce Services

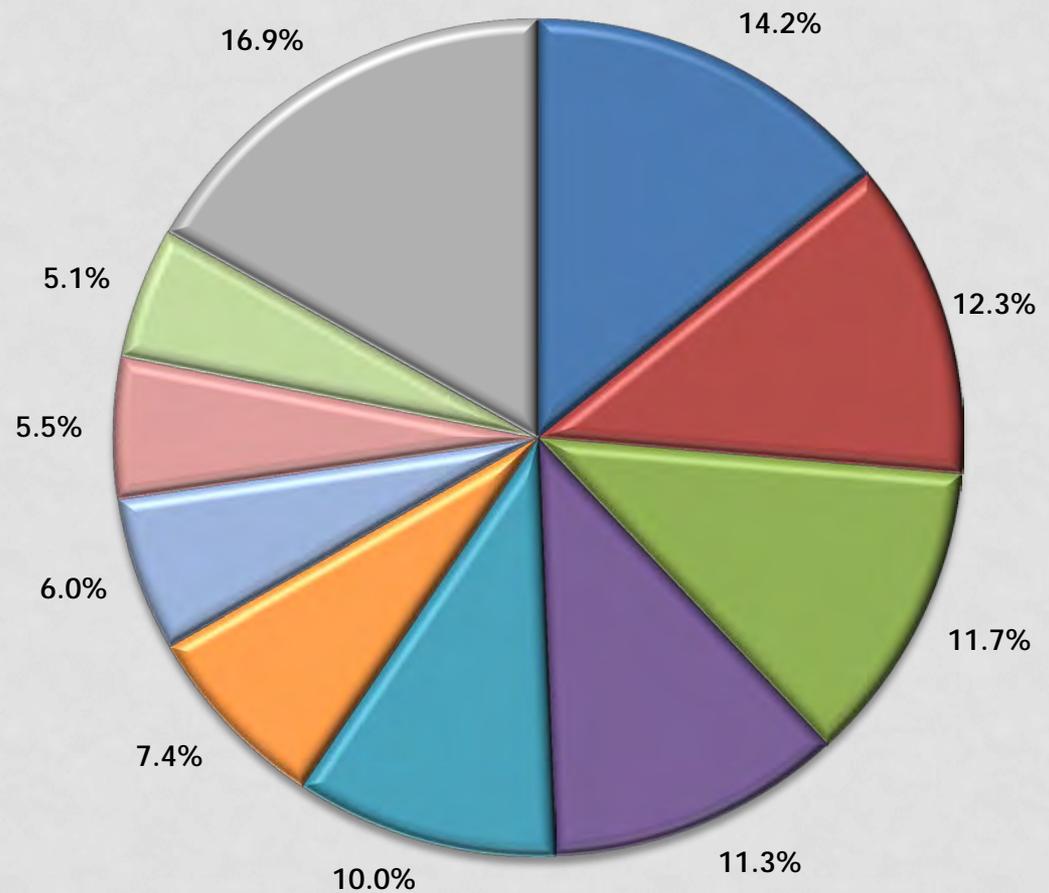
IMPORTANT INDUSTRIES

WHAT DRIVES THE ECONOMY?

WASATCH FRONT NORTH EMPLOYMENT DISTRIBUTION BY INDUSTRY 2012

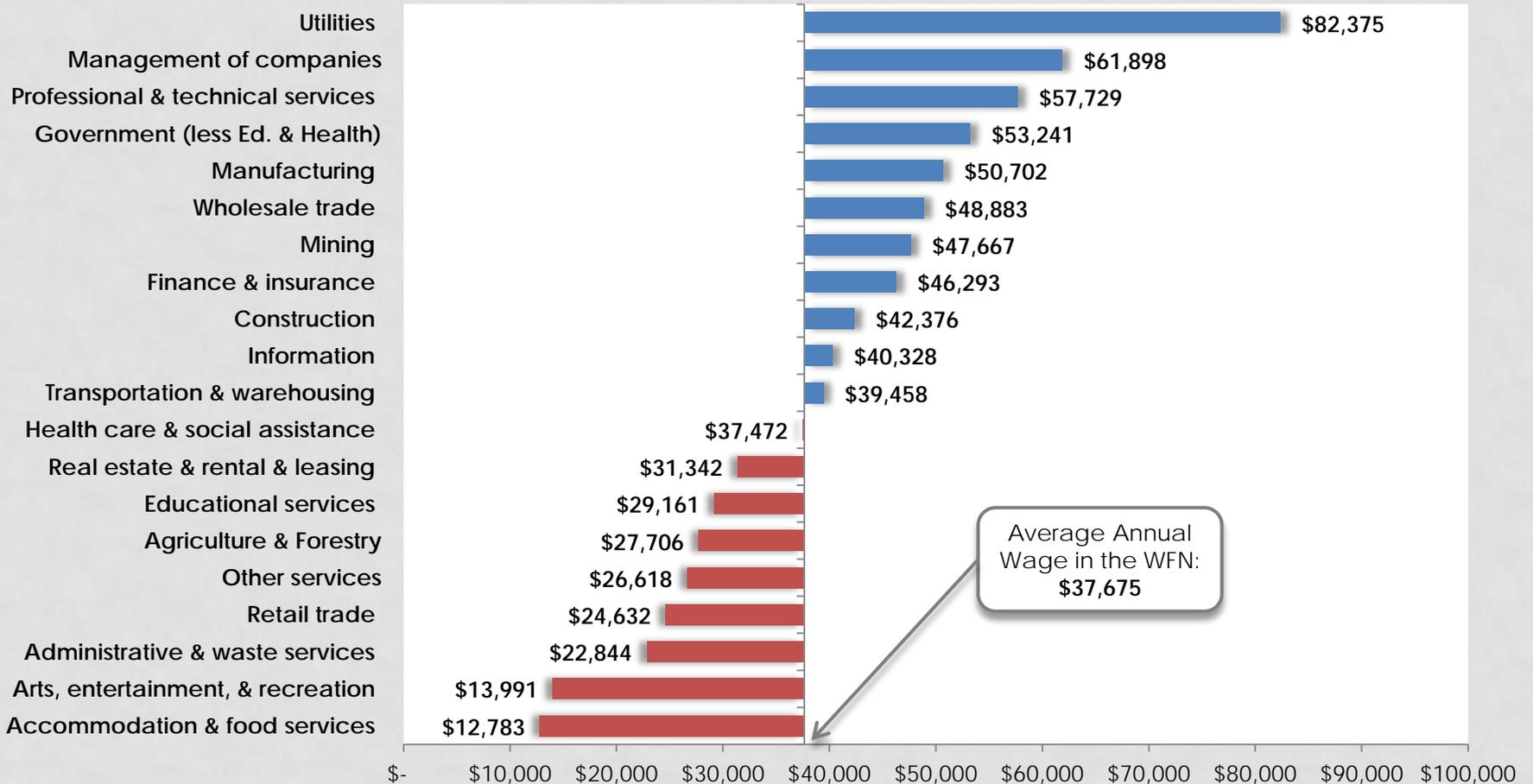
(AS A PERCENT OF TOTAL NONFARM EMPLOYMENT)

- Government (Excluding Education & Health Care)
- Retail Trade (Private)
- Health Care & Social Assistance (Public & Private)
- Manufacturing (Private)
- Educational Services (Public & Private)
- Accommodation & Food Services (Private)
- Construction (Private)
- Administrative & Waste Services (Private)
- Professional & Technical Services (Private)
- Other Industries (Private)



WASATCH FRONT NORTH WAGES

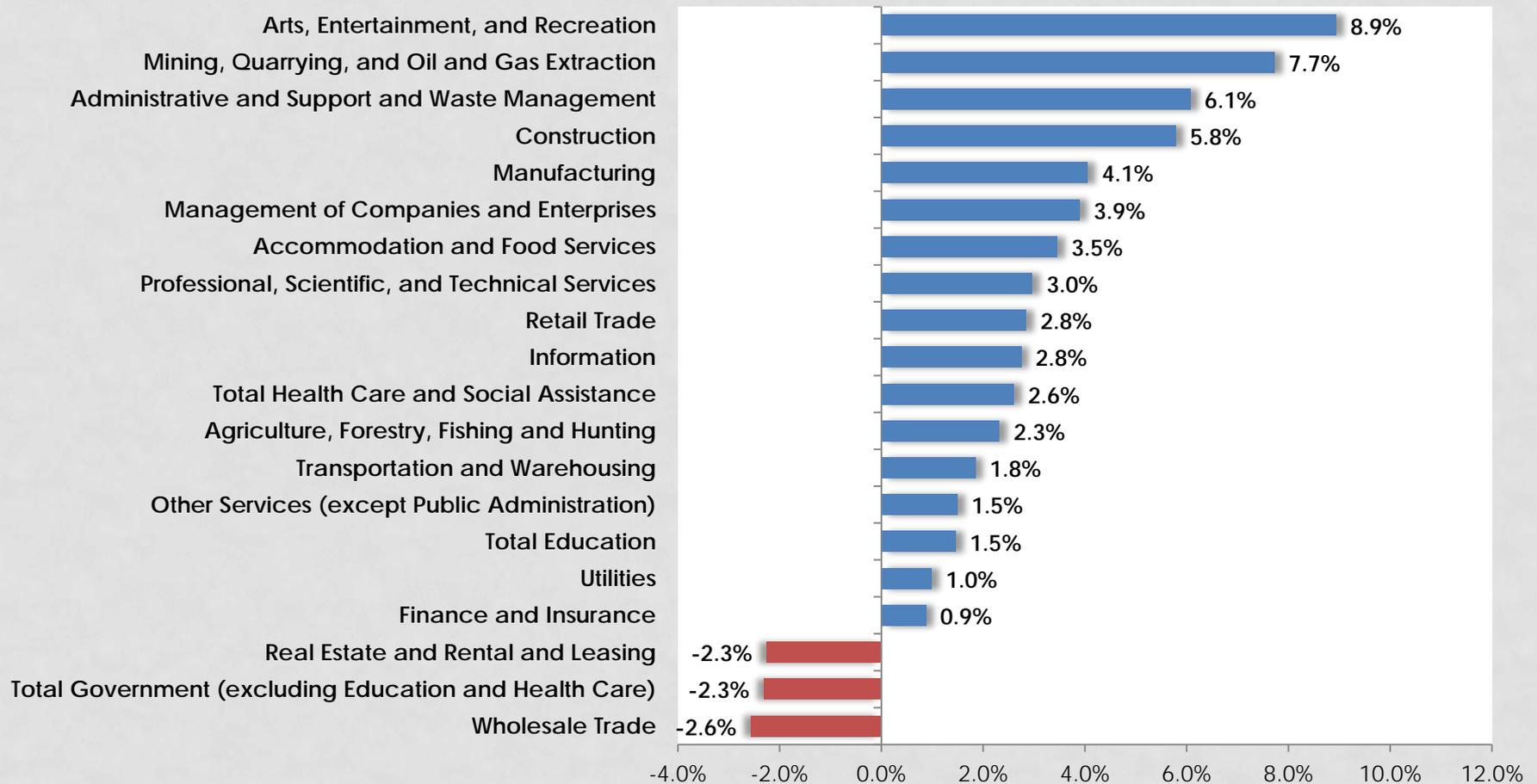
(BY INDUSTRY)



WASATCH FRONT NORTH

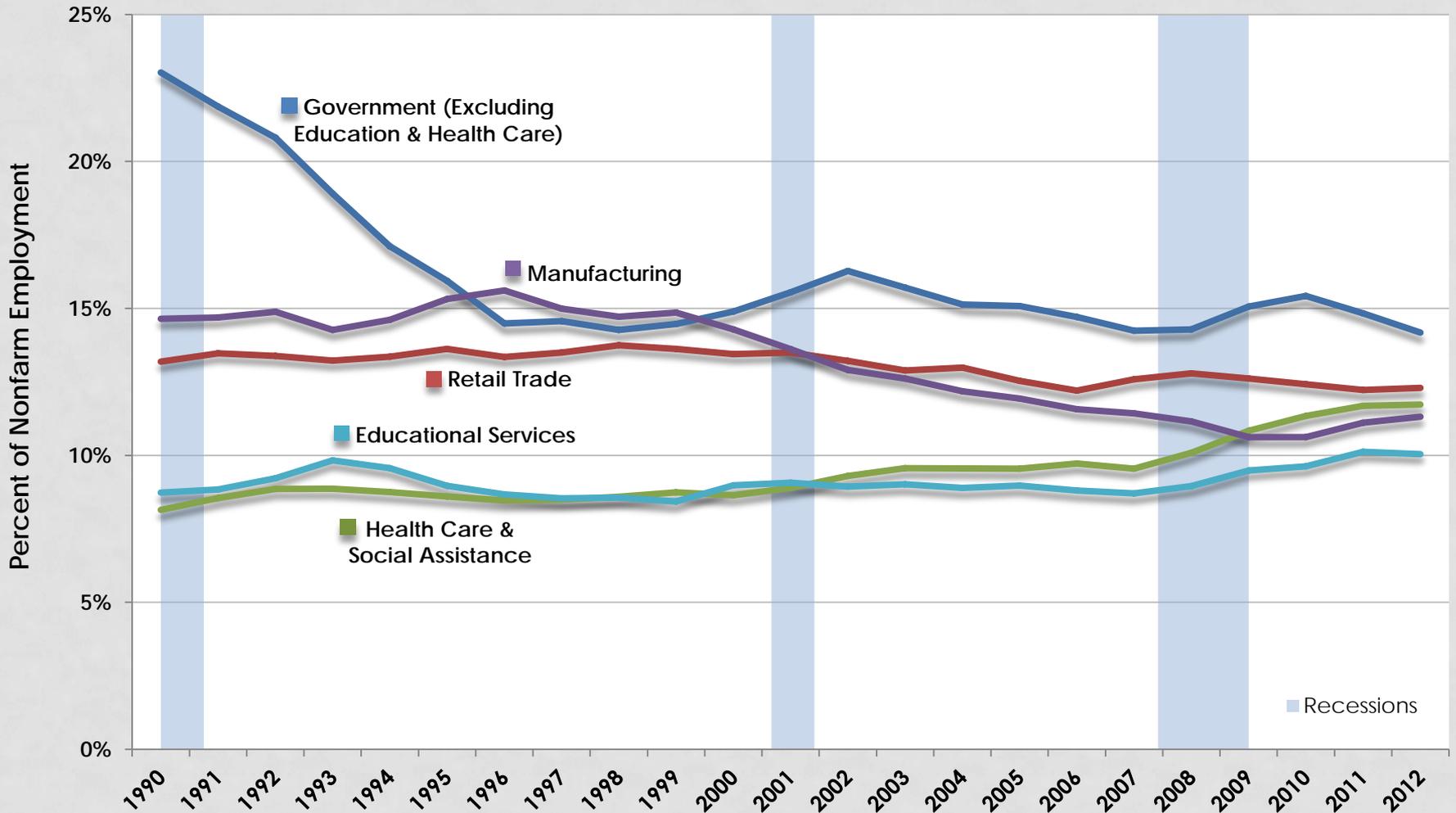
YEAR-OVER CHANGE IN NONFARM JOBS

(BY INDUSTRY)

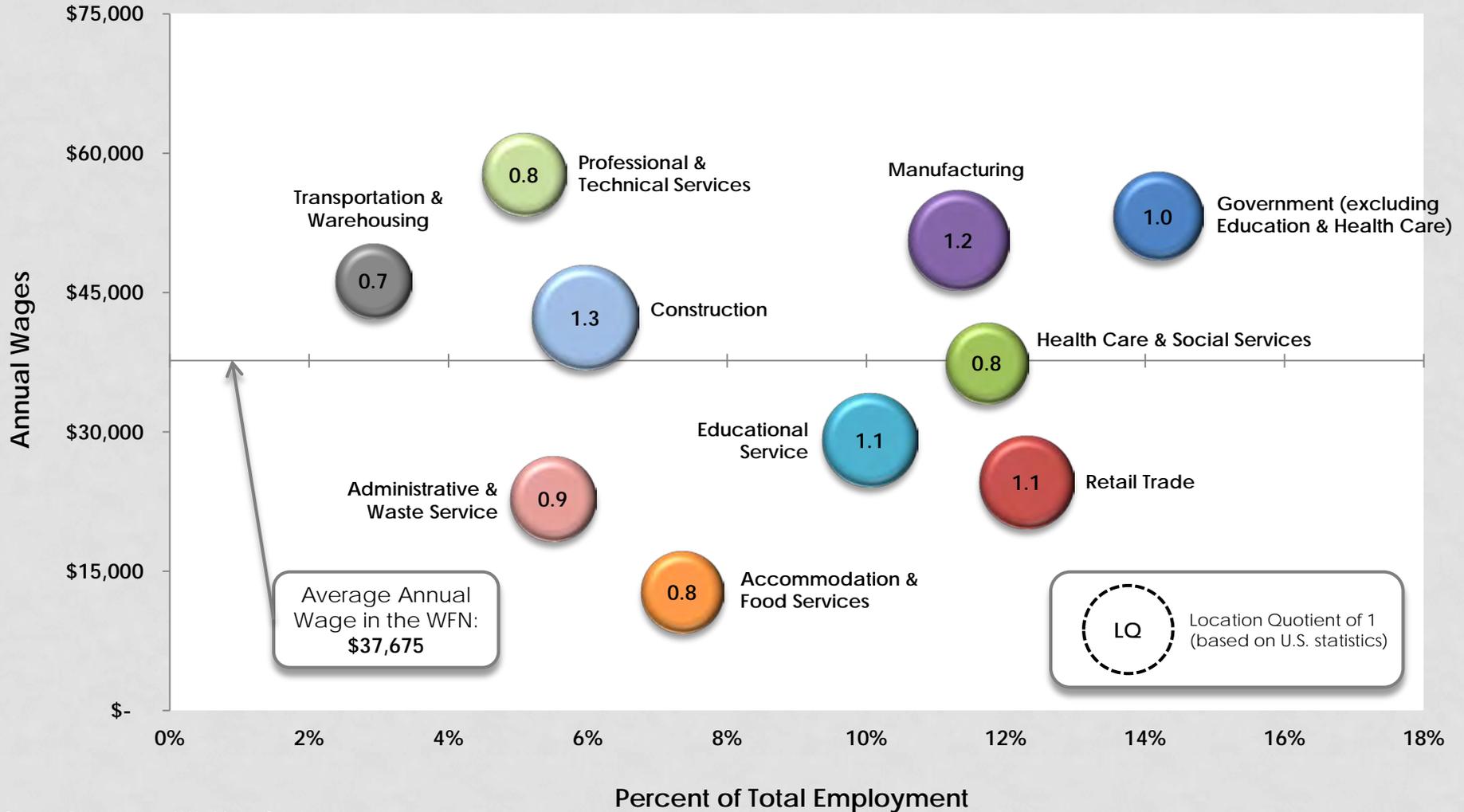


WASATCH FRONT NORTH INDUSTRY TRENDS

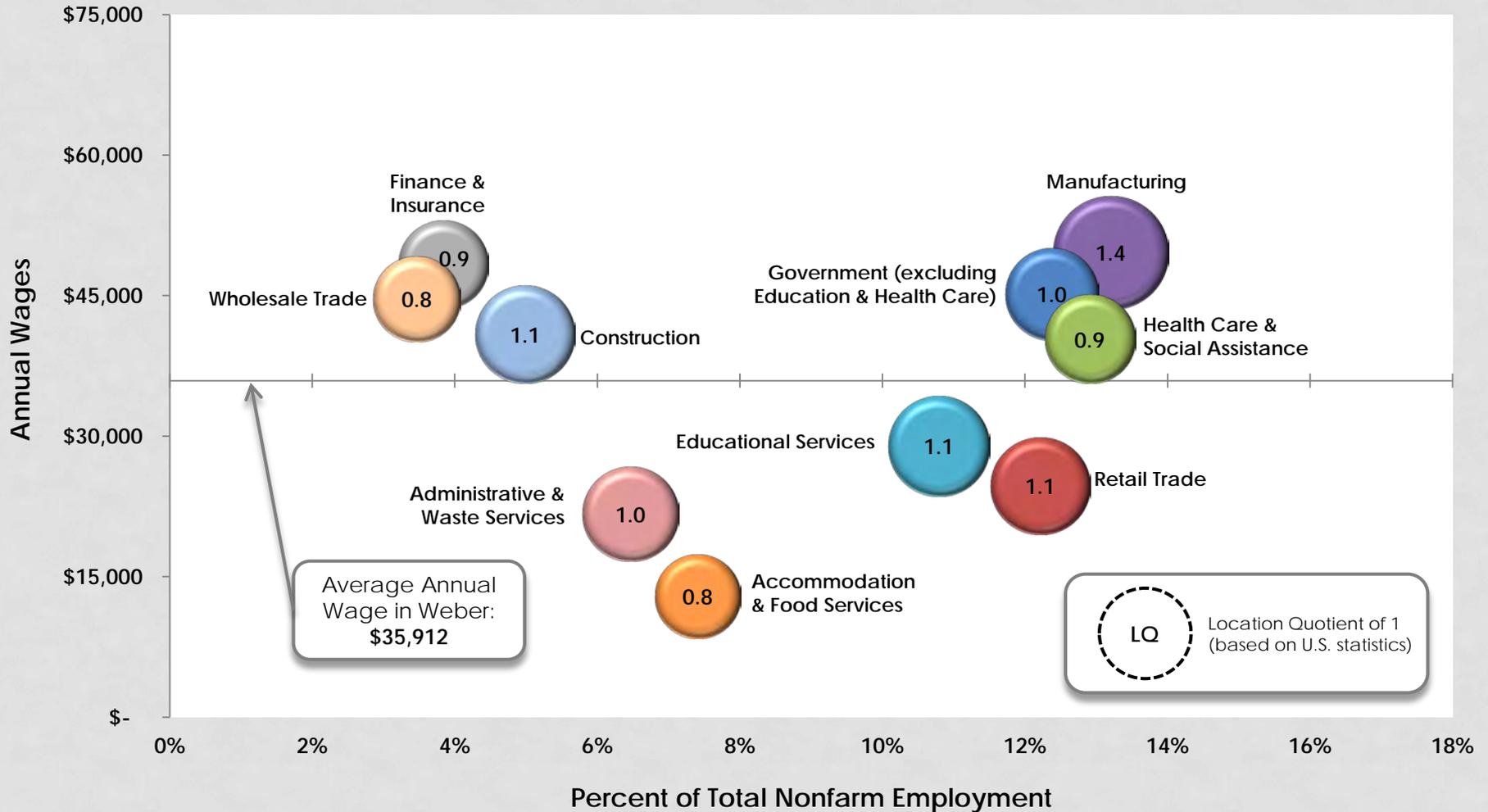
(TOP FIVE INDUSTRIES)



WASATCH FRONT NORTH WAGES AND LOCATION QUOTIENTS (TOP 10 INDUSTRIES)

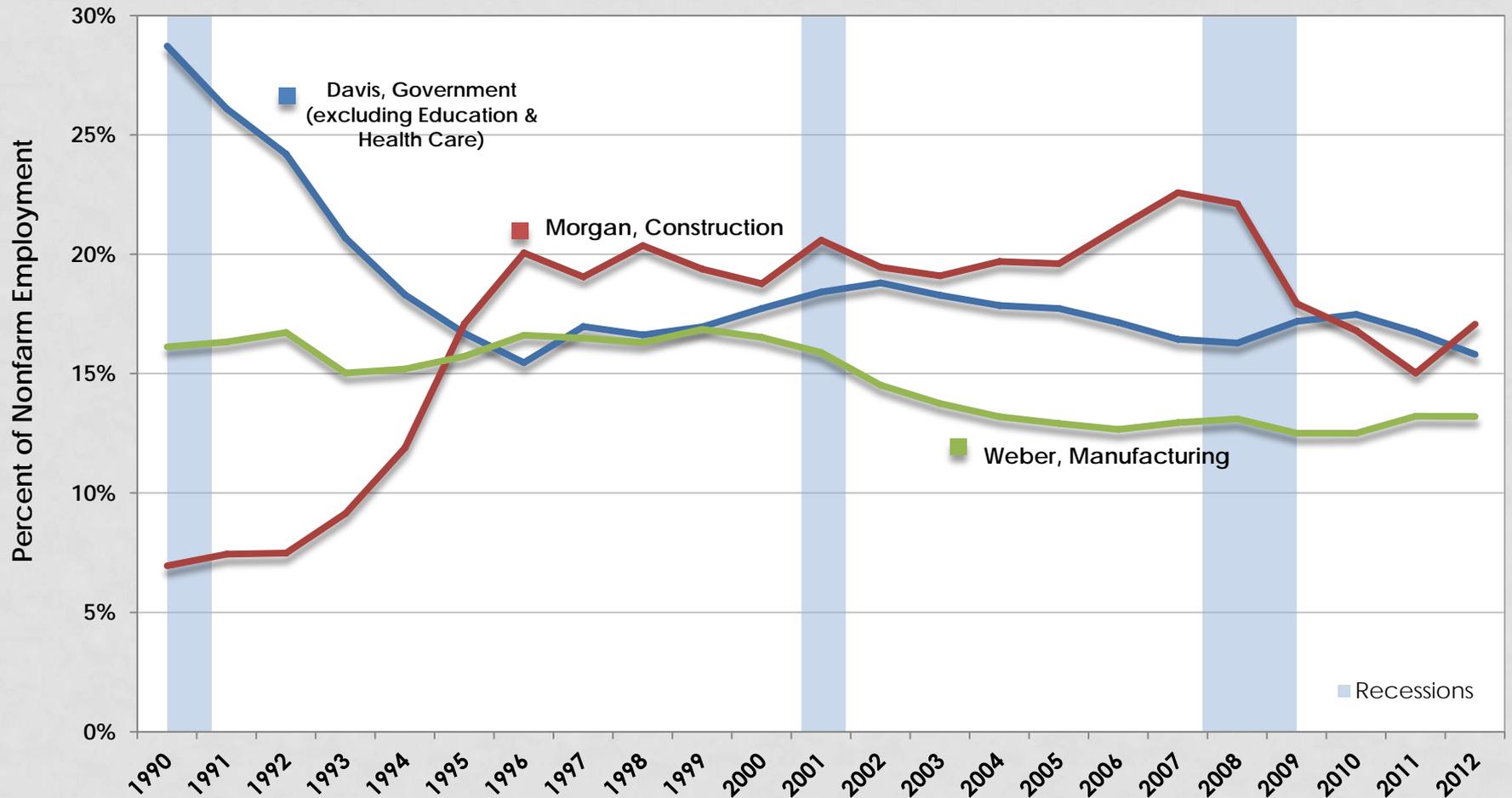


WEBER COUNTY WAGES AND LOCATION QUOTIENTS (TOP 10 INDUSTRIES)



WASATCH FRONT NORTH INDUSTRY TRENDS

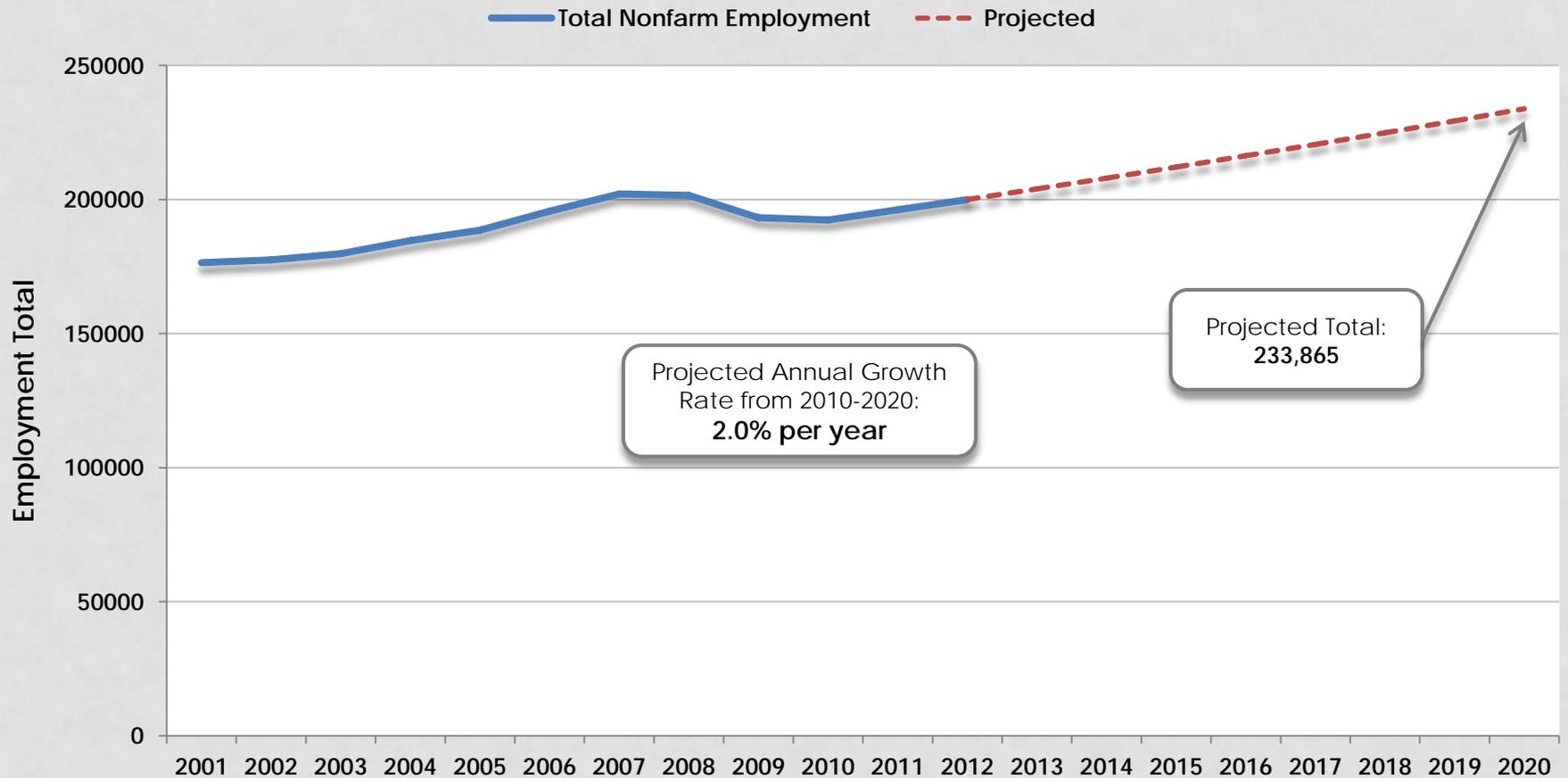
(LARGEST INDUSTRY BY COUNTY)



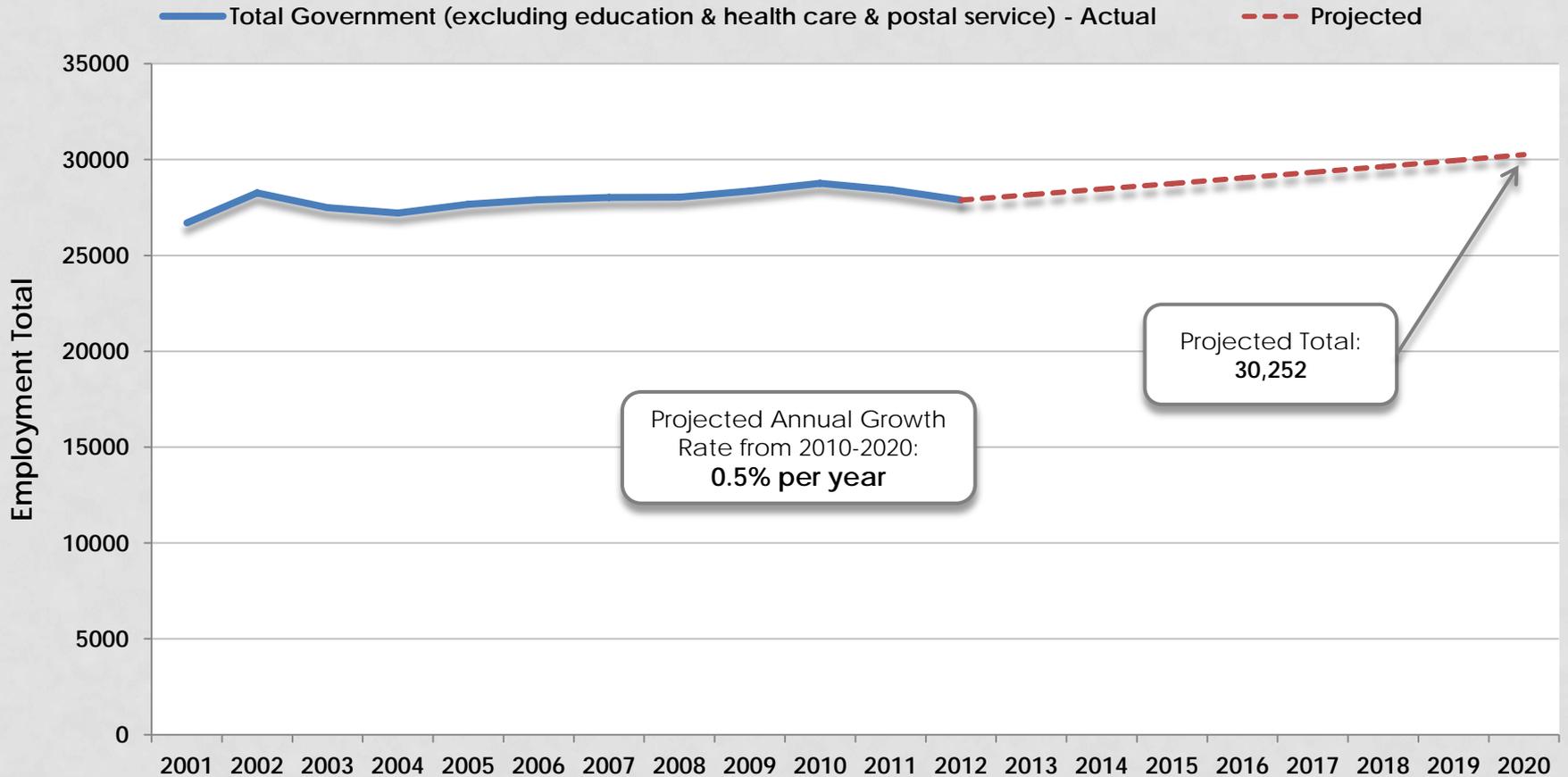
EMPLOYMENT OUTLOOK

HOW WILL THE ECONOMY GROW?

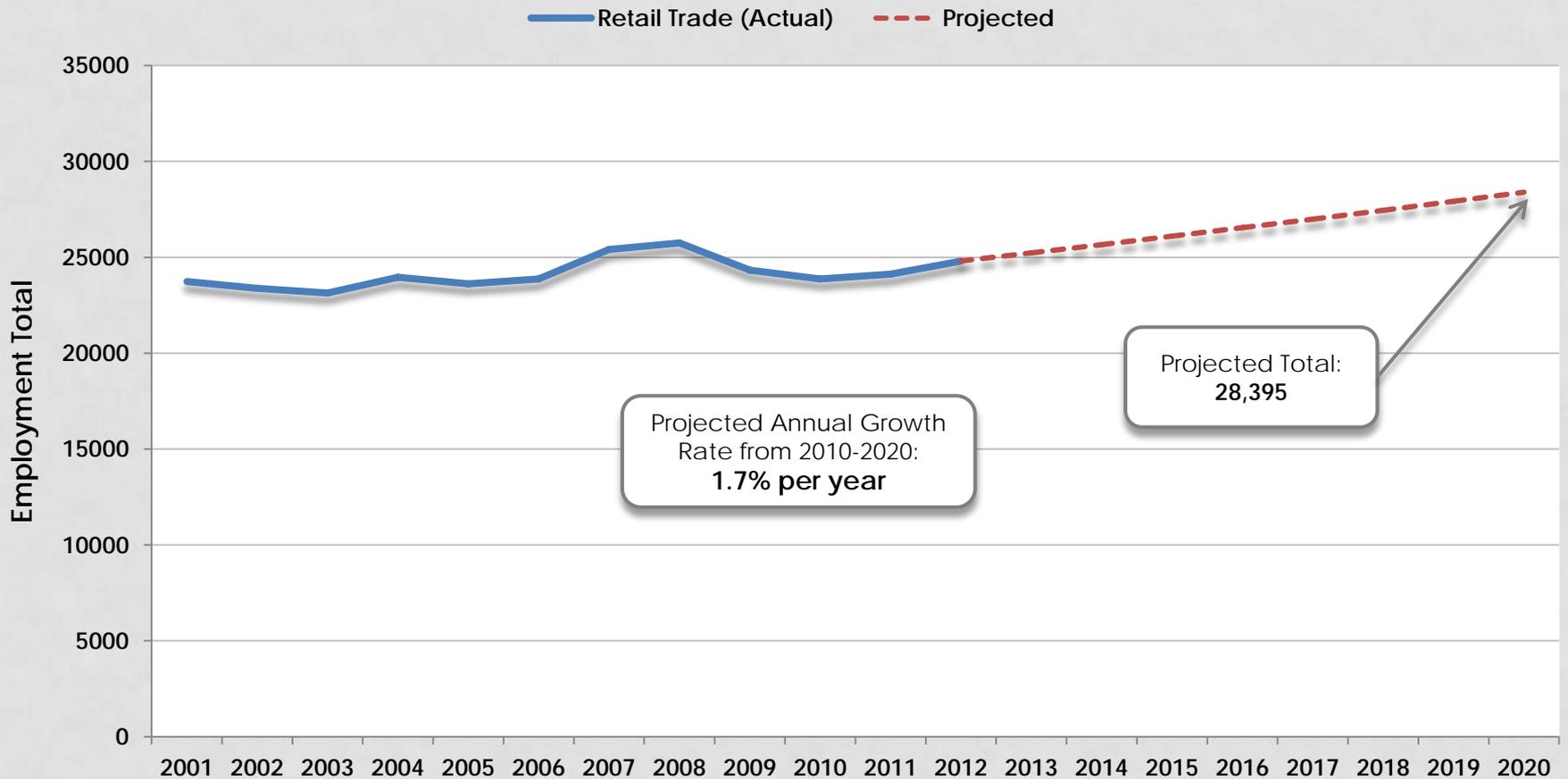
WASATCH FRONT NORTH TOTAL NONFARM EMPLOYMENT



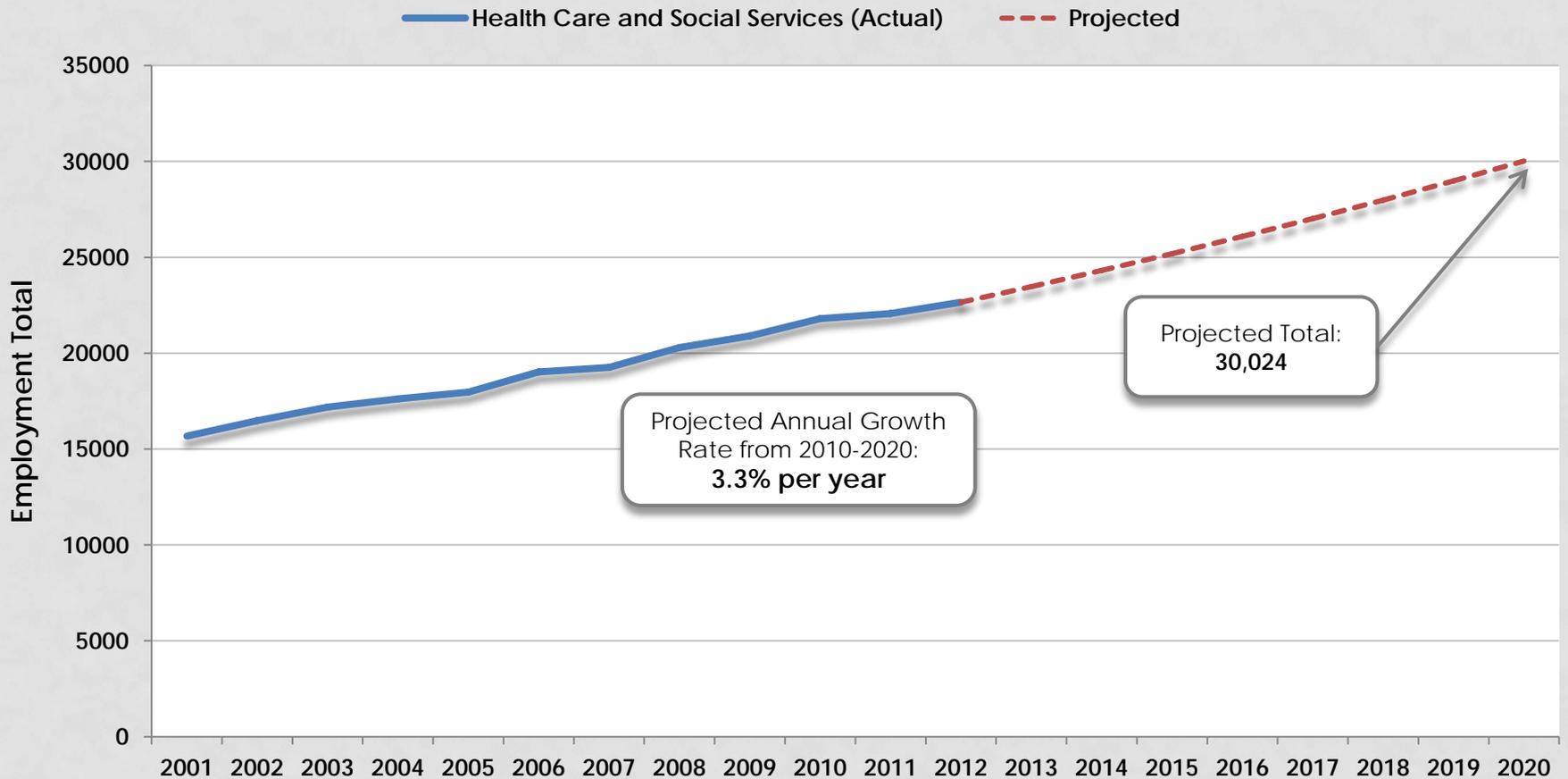
WASATCH FRONT NORTH GOVERNMENT



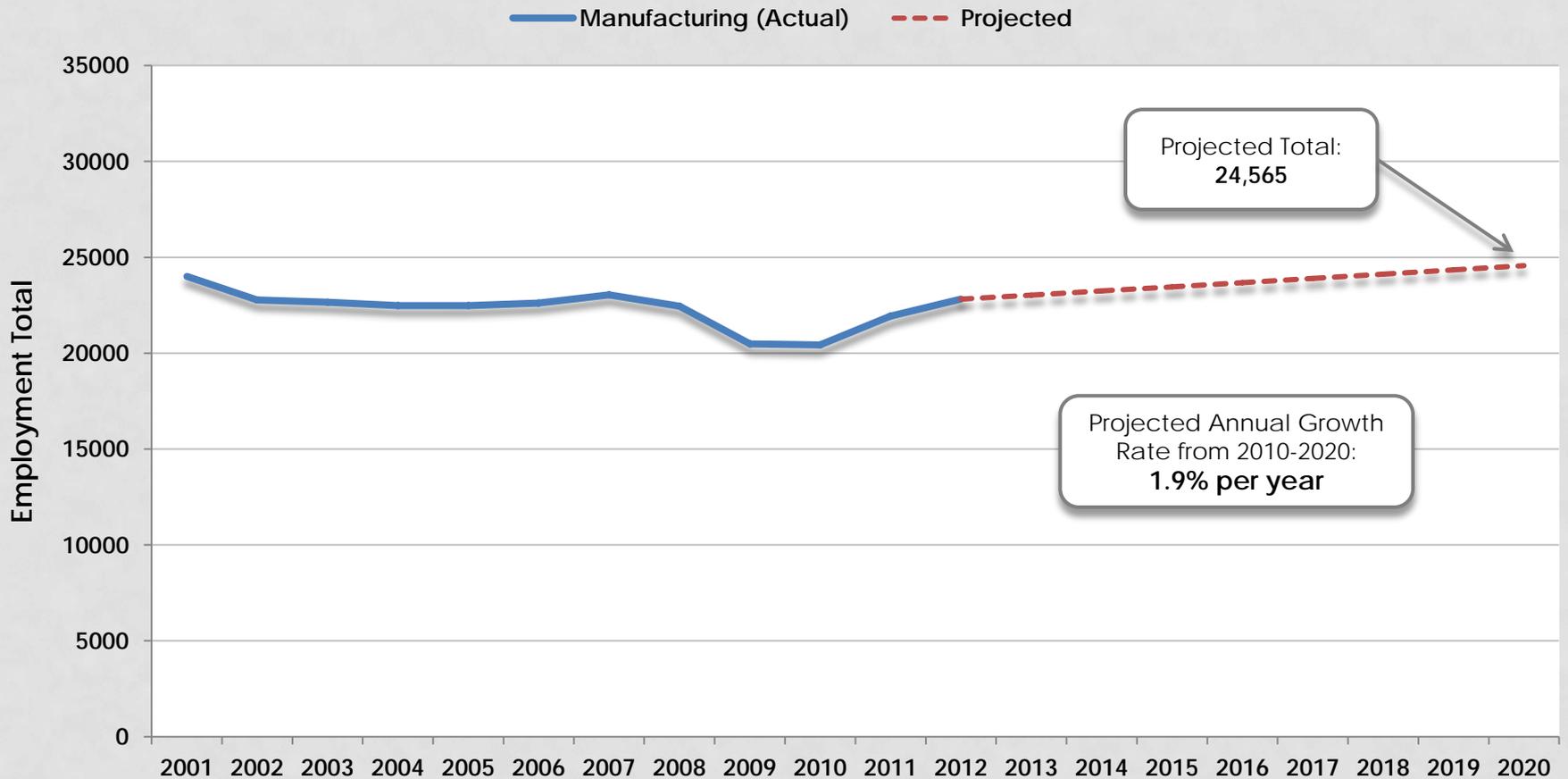
WASATCH FRONT NORTH RETAIL TRADE



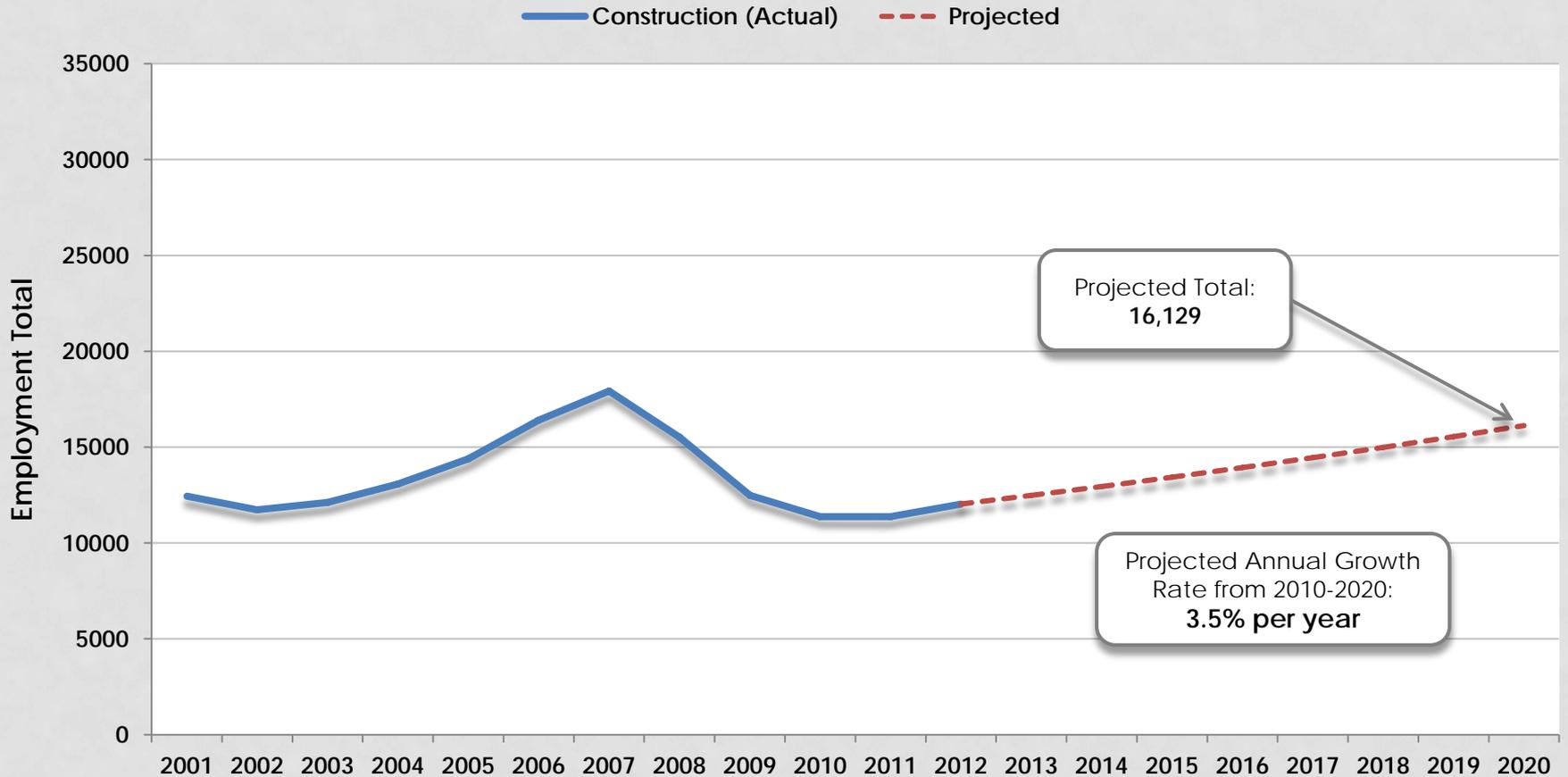
WASATCH FRONT NORTH HEALTH CARE & SOCIAL SERVICES



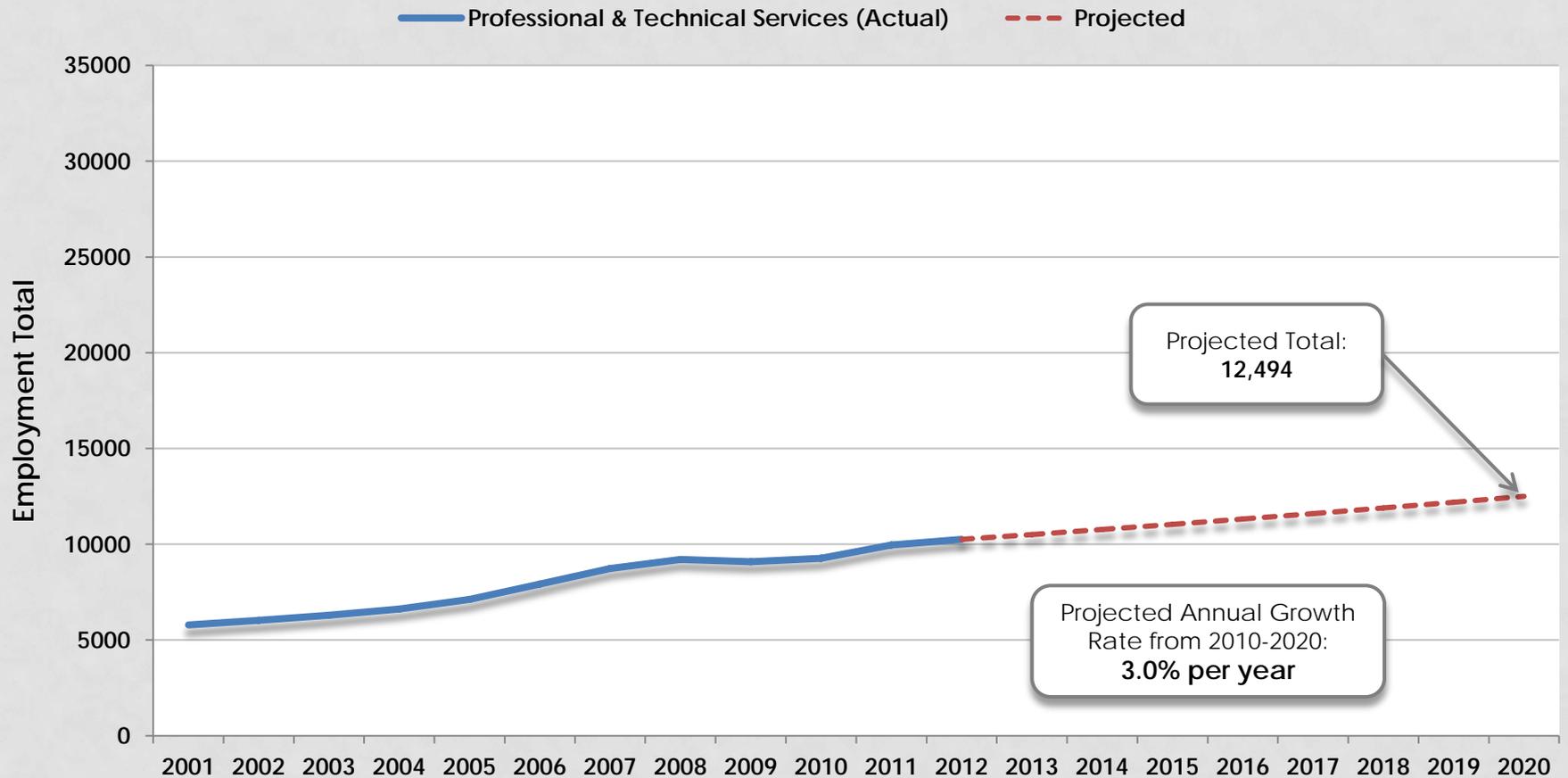
WASATCH FRONT NORTH MANUFACTURING



WASATCH FRONT NORTH CONSTRUCTION



WASATCH FRONT NORTH PROFESSIONAL & TECHNICAL SERVICES



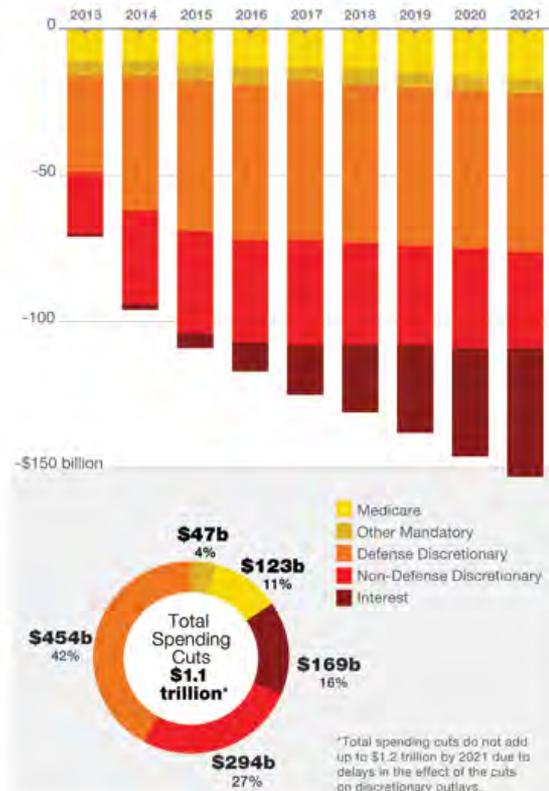
OTHER ECONOMIC ISSUES

WHAT ELSE IS IMPACTING ECONOMIC GROWTH?

SEQUESTRATION

The Automatic Sequester

Annual and Cumulative Spending Cuts Under \$1.2 Trillion BCA Sequester, Fiscal Years 2013–2021



SOURCE: Pew analysis of Congressional Budget Office data.

NOTES: See chart 8 in the notes section of 10 Essential Fiscal Charts at pewtrusts.org



EDUCATION AND TRAINING

MILITARY READINESS

HELPING VULNERABLE

ENVIRONMENTAL PROTECTIONS

PUBLIC HEALTH

15,000

Civilian Department of Defense employees furloughed

\$16,000,000

Cut in Army base operation funding

UTAH

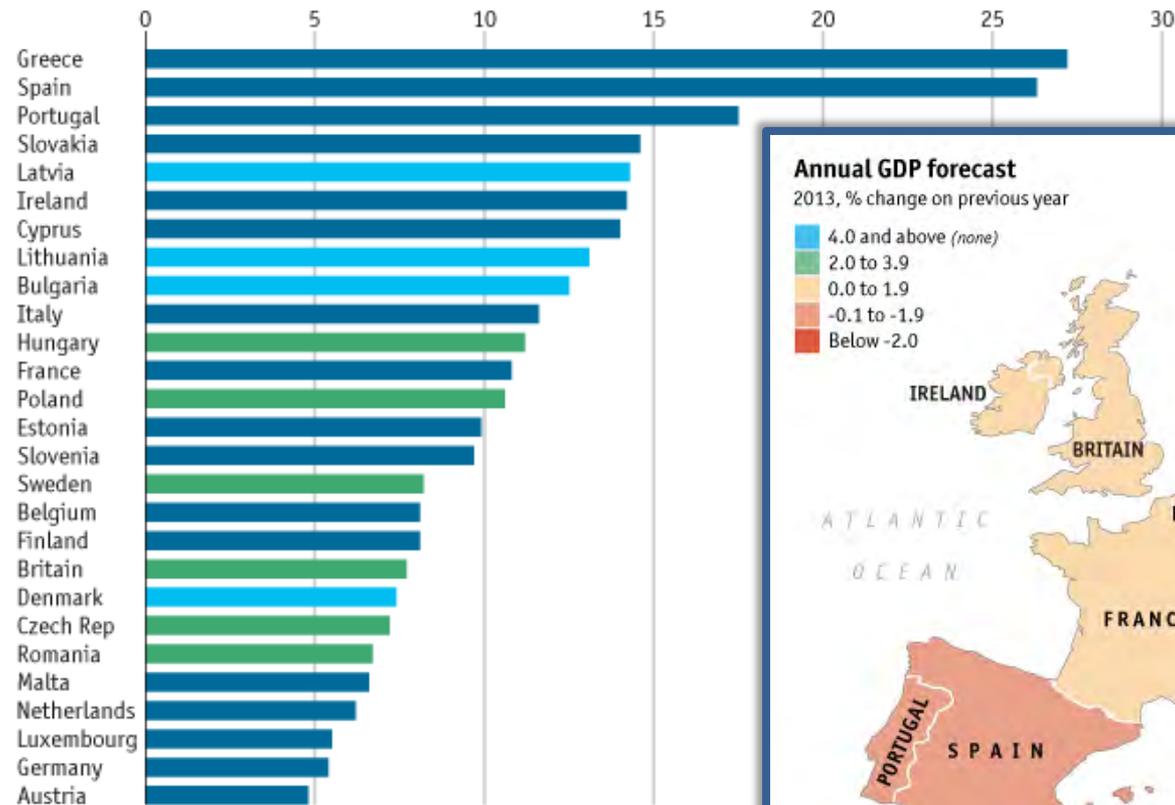
- The sequester could affect as many as 11,000 people in Utah, resulting in \$86 million in lost wages.
- The automatic spending cuts of the Sequester will affect employment differently in different industries and occupations. Regions with high levels of federal government employment, like Weber County and Davis County, will be impacted more than other counties in the state.
- The Department of Defense estimates that the furloughs at Hill Air Force Base will equate to a 20 percent pay cut. The personal income of individuals that have to take mandatory unpaid furloughs will decrease, which will negatively impact spending in these areas.
- The potential exists for 16,430 Utah workers to lose access to job training.
- The largest negative consequence of the Sequester is that it breeds uncertainty in the market, leading businesses and individuals to be less confident in the future of the economy. Uncertainty depresses business investment and consumer spending, which negatively impacts economic growth.
- The consensus amount economists and policymakers is that the majority of the spending cuts in the Sequester will be averted making Sequestration a short-term issue.

EUROPEAN DEBT CRISIS

Unemployment rate

February 2013 or latest, %

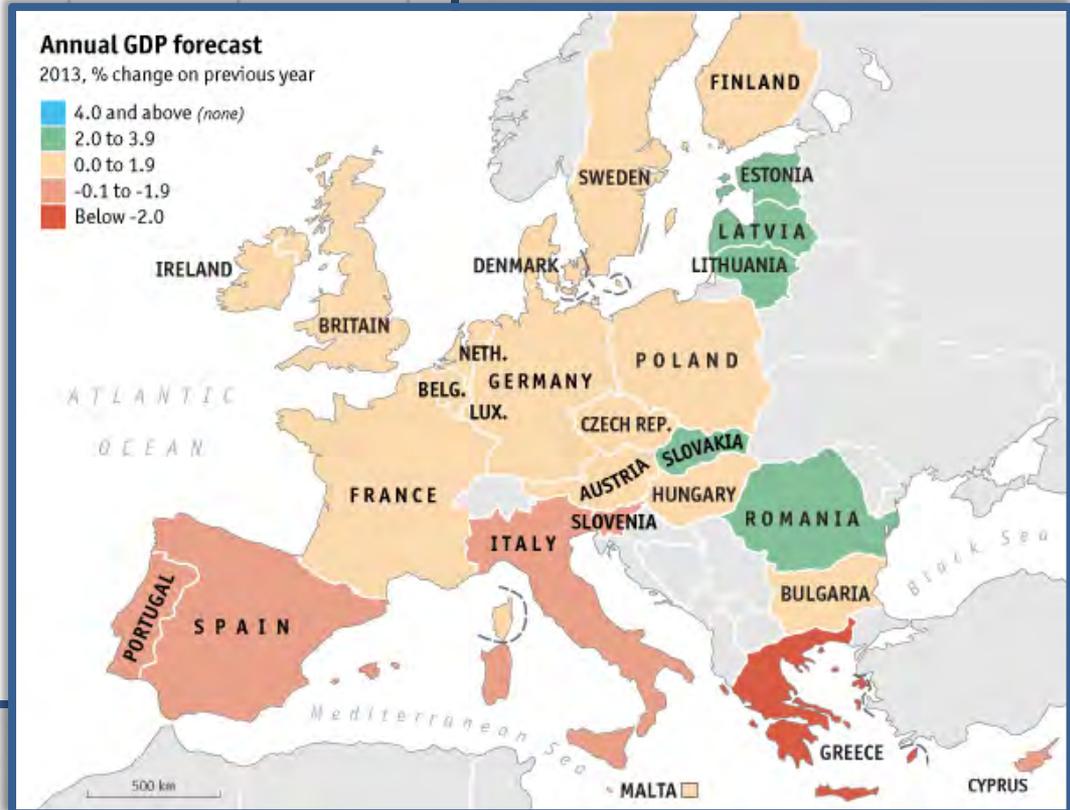
■ Euro area ■ Currency pegged to euro ■ Floating currency



Annual GDP forecast

2013, % change on previous year

■ 4.0 and above (none)
 ■ 2.0 to 3.9
 ■ 0.0 to 1.9
 ■ -0.1 to -1.9
 ■ Below -2.0



THANK YOU!

QUESTIONS?

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