



**BANK OF
UTAH®**



Cache Valley
CHAMBER OF COMMERCE

2025 Economic Outlook

April 29, 2025 | Riverwoods Conference Center



MICHAEL JEANFREAU

*Senior Economist,
Utah Department of Workforce Services*

Economic Outlook

Greater Cache Valley Business Summit

Michael Jeanfreau, Senior Economist

April 29, 2025

A faded, grayscale background image of a city skyline, likely San Francisco, featuring prominent skyscrapers like the Transamerica Pyramid and the Salesforce Tower. The image is positioned on the left side of the slide, behind the agenda text.

AGENDA

- 1 Where are we now?
- 2 What challenges do we face?
- 3 How did we get here?
- 4 What does the future hold?

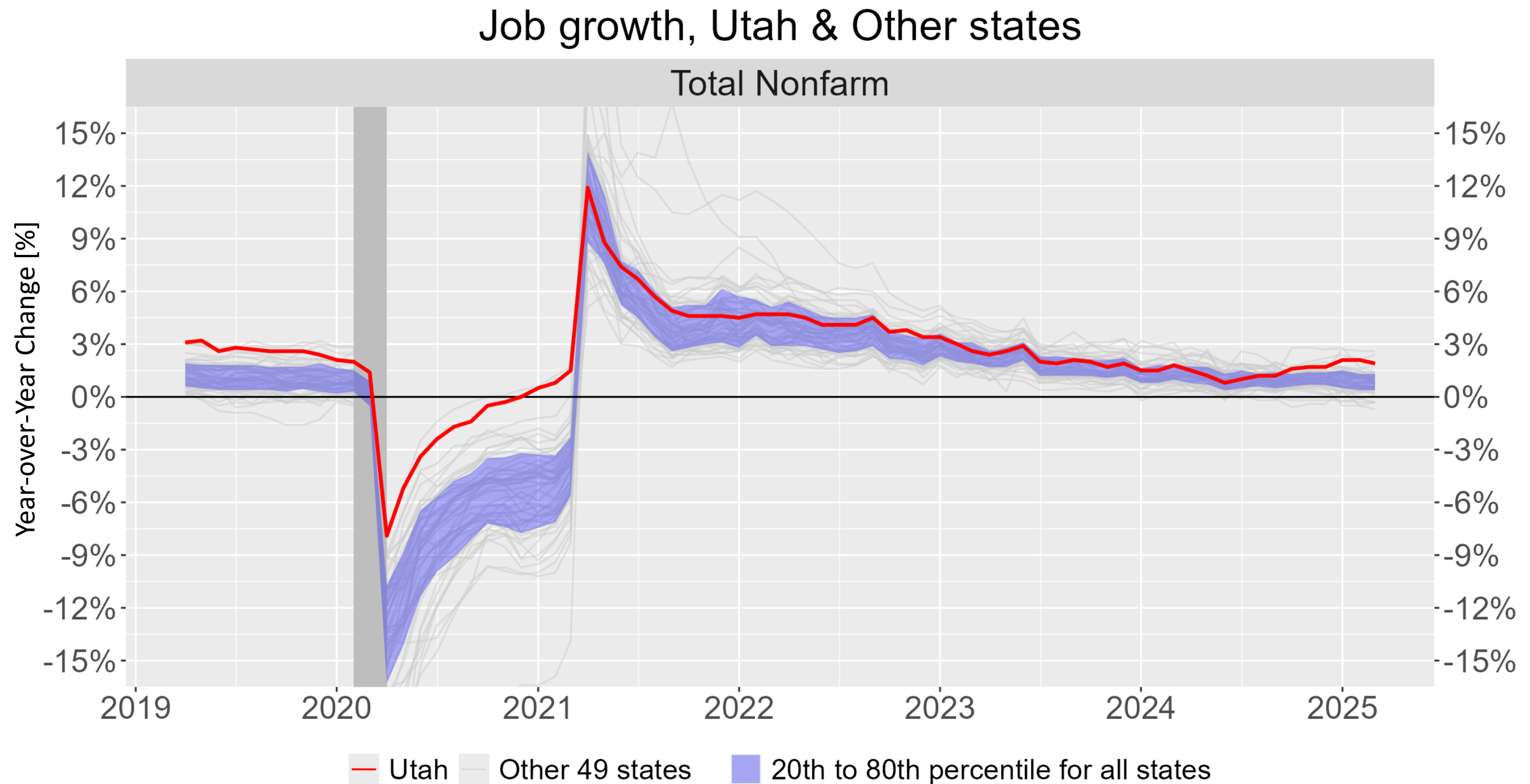
Where are we **NOW**

1. **EMPLOYMENT GROWTH**
2. **LABOR MARKET COOLING**
3. **OUTSOURCING JOBS**



JOB GROWTH

All States



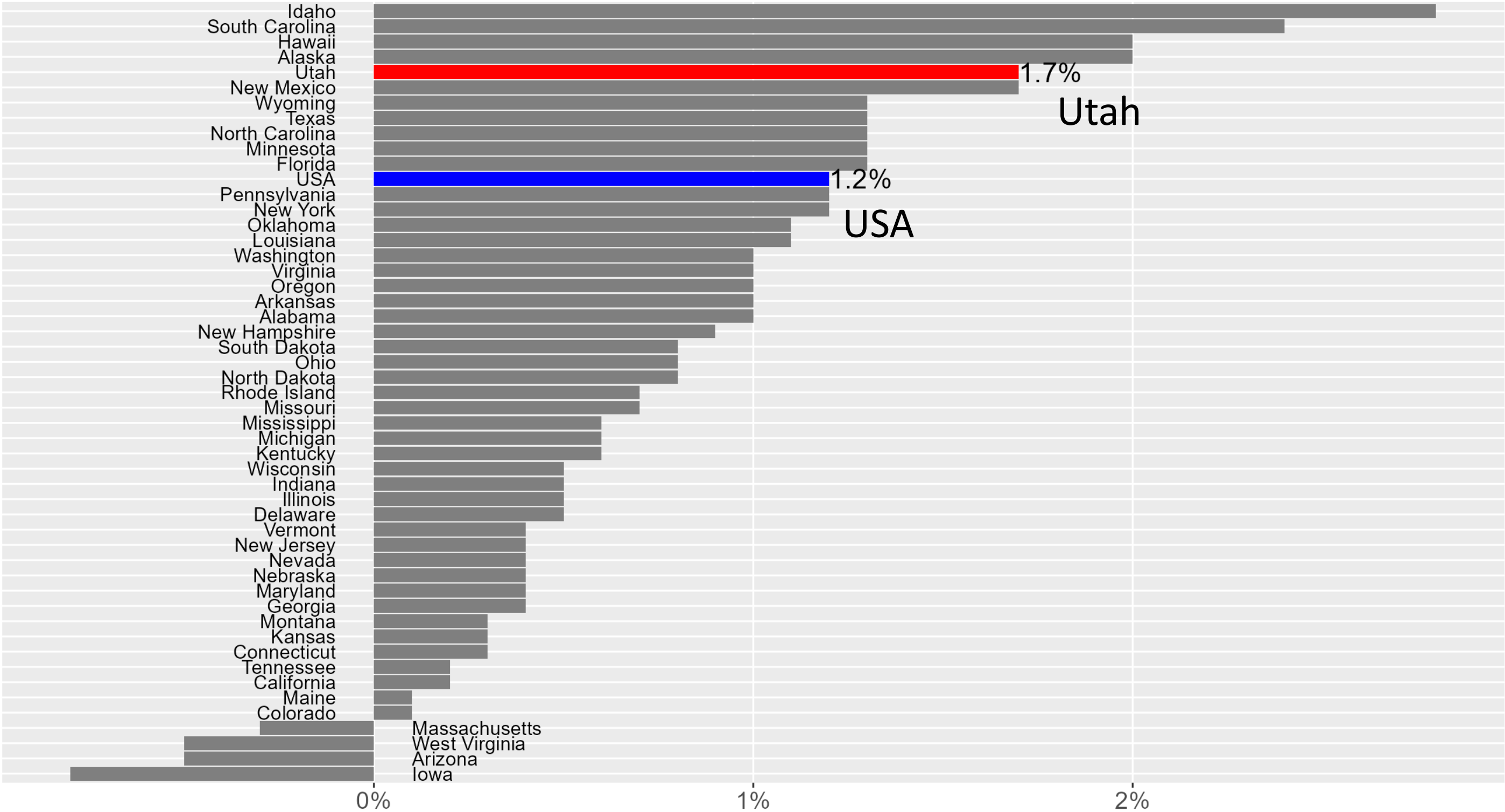
YEAR-OVER JOB GROWTH, STATE COMPARISON

March 2025



Utah is 5th in the nation for year-over job growth.

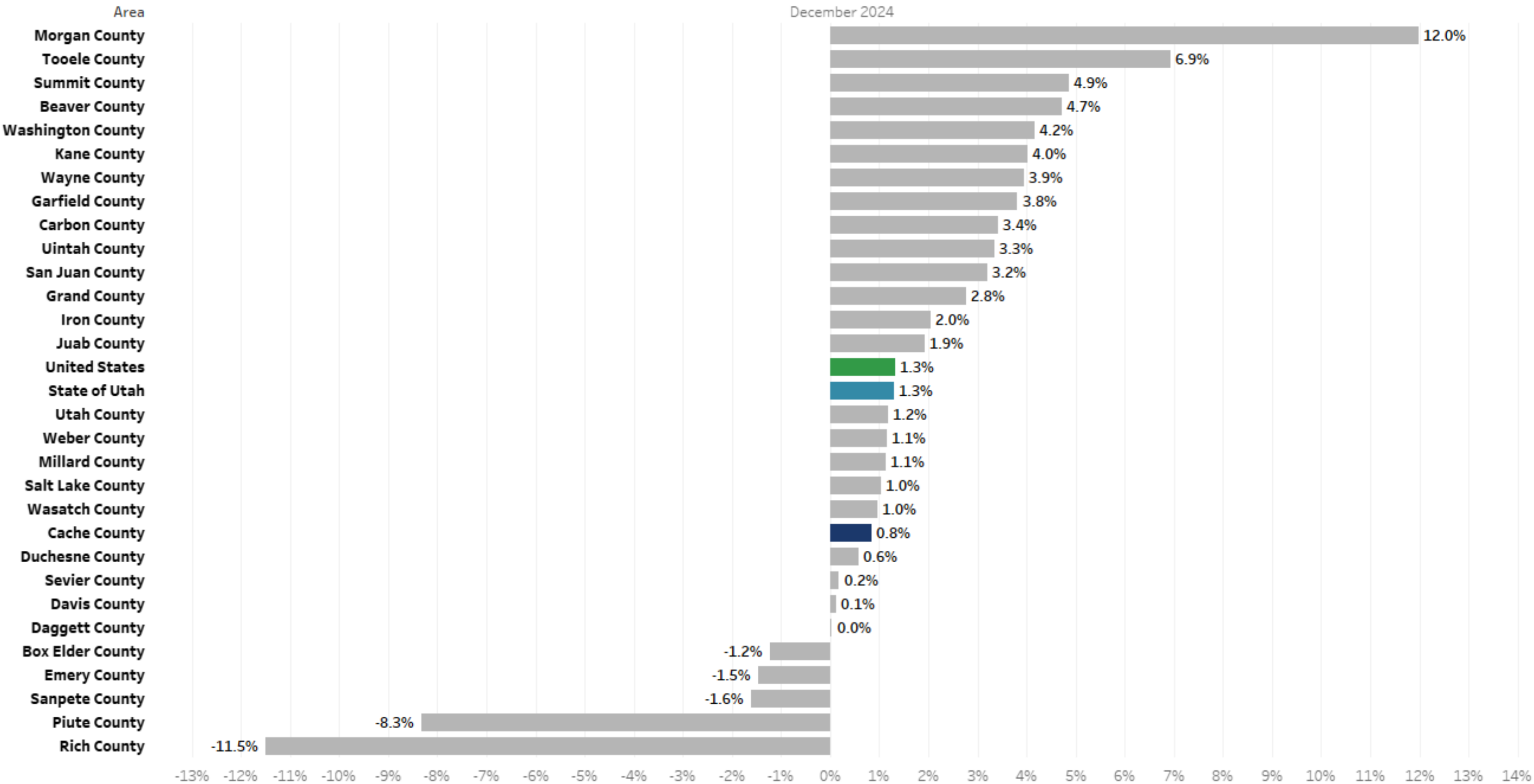
Starting to slow from tremendous post-2020 growth.



Source: Bureau of Labor Statistics

YEAR-OVER JOB GROWTH, COUNTY COMPARISON

December 2024

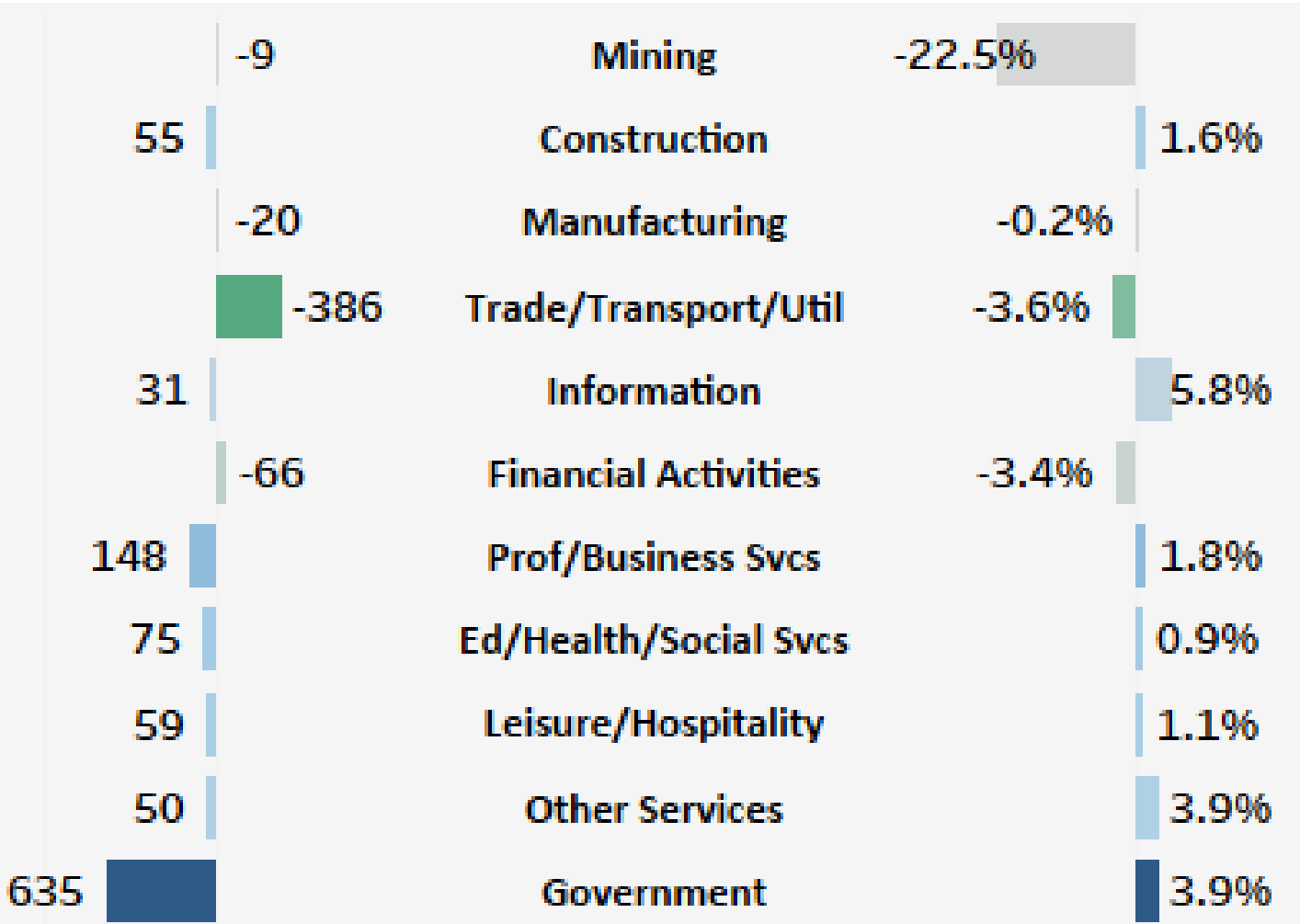


Source: Utah Department of Workforce Services

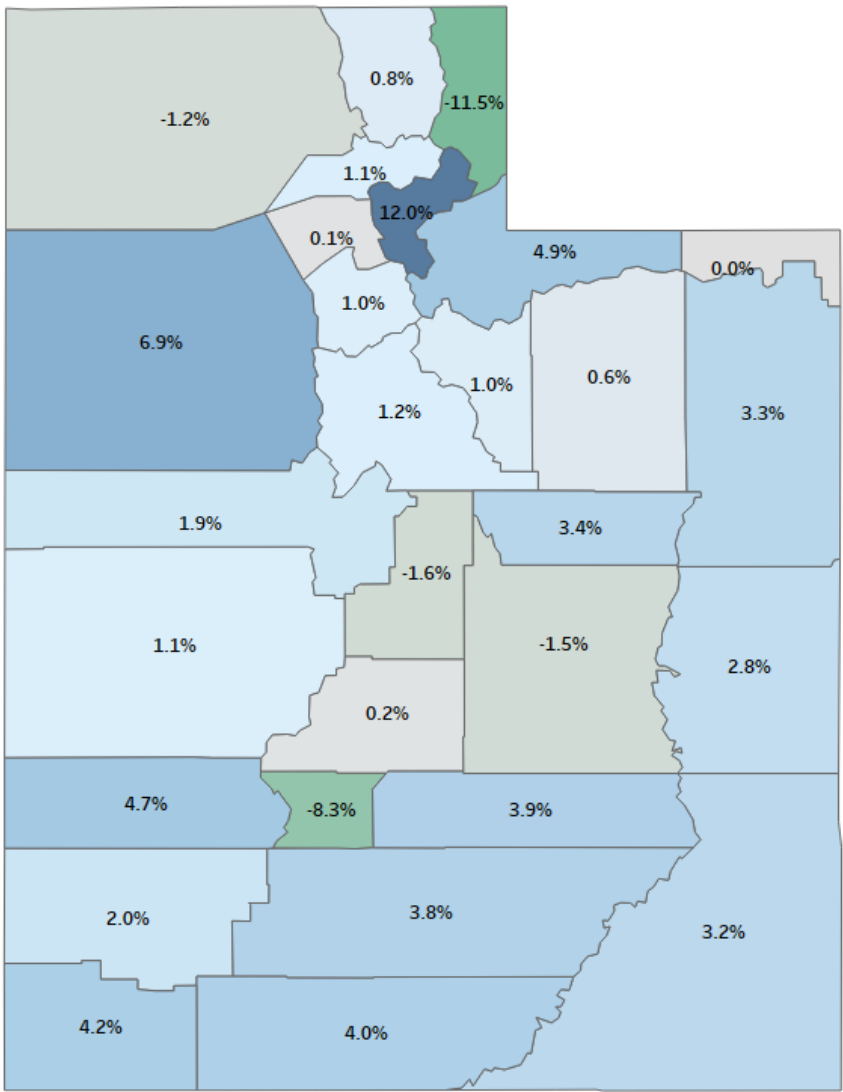
YEAR OVER JOB GROWTH 2024



Cache Industry Change



Utah Counties

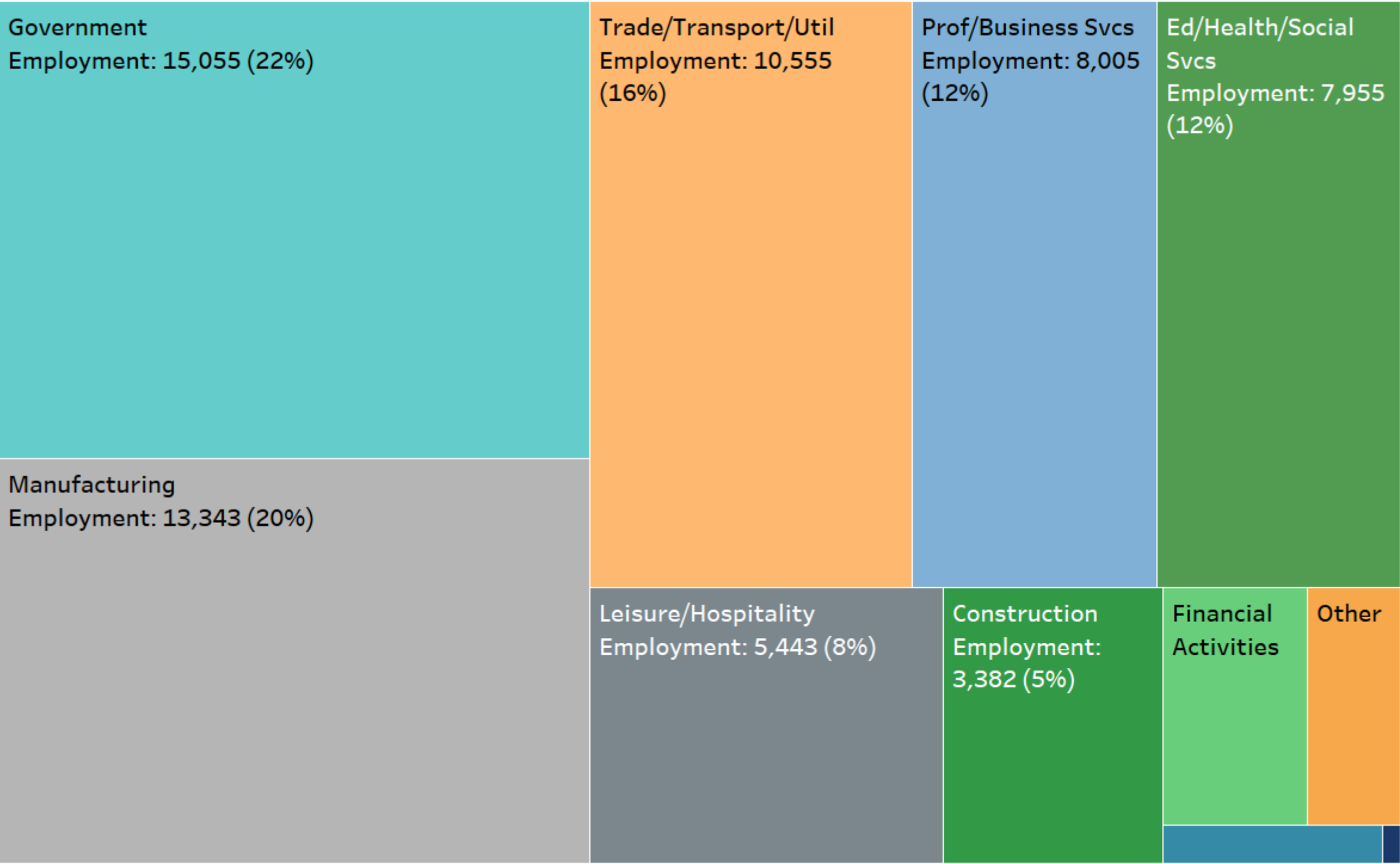


CACHE COUNTY EMPLOYMENT

2024



Employment Share 12 Months ending December 2024**



Government is the largest employer, almost entirely due to USU and Cache School District being the two largest employers in the county.

Manufacturing includes a diverse spread of goods, including food, electronics, healthcare, chemicals, and plastics.

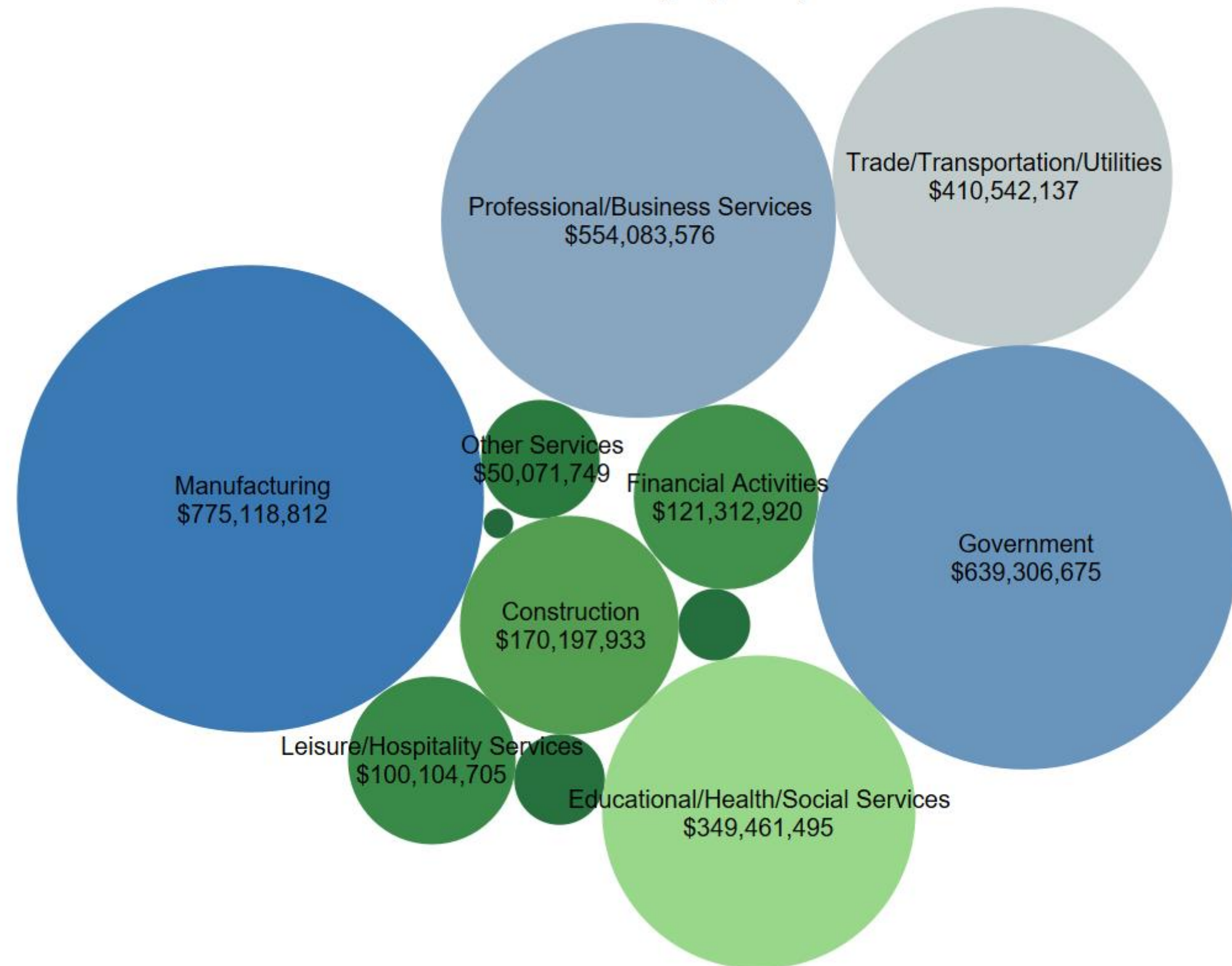
Source: Utah Department of Workforce Services

CACHE PAYROLL WAGES BY INDUSTRY

2023



2023 Total Nonfarm Wages by Industry*



Manufacturing pays a disproportionate amount of the county's wages.

Professional/business services and trade/transport/utility also swap: the former pays more while it employs less.

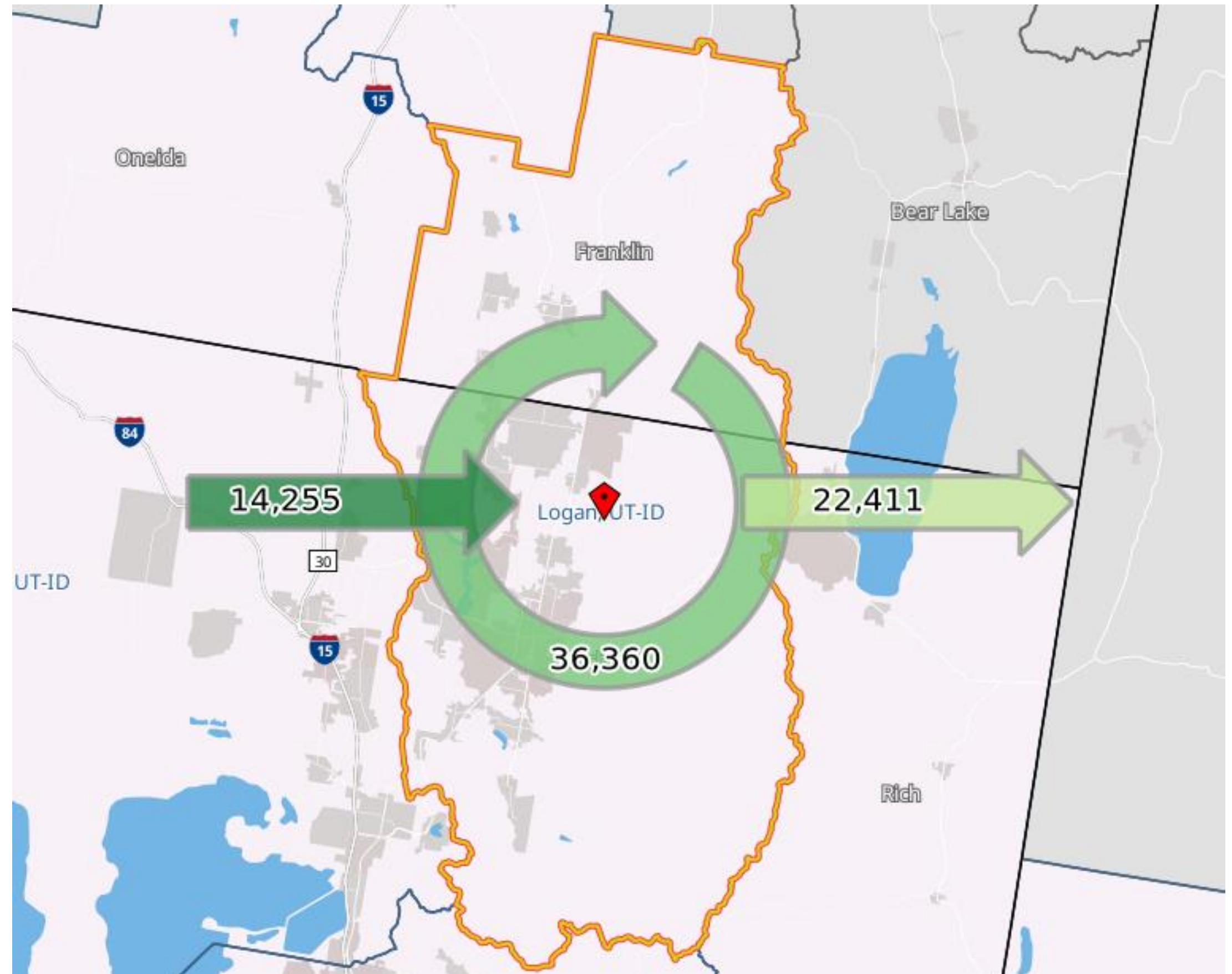
OnTheMap

A Look at Commuting

Cache County is a net exporter of workers while being one of the few counties to have the majority of their jobs filled by residents of the same county.

In other words, Cache is unique in that the people living there are largely the people working there.

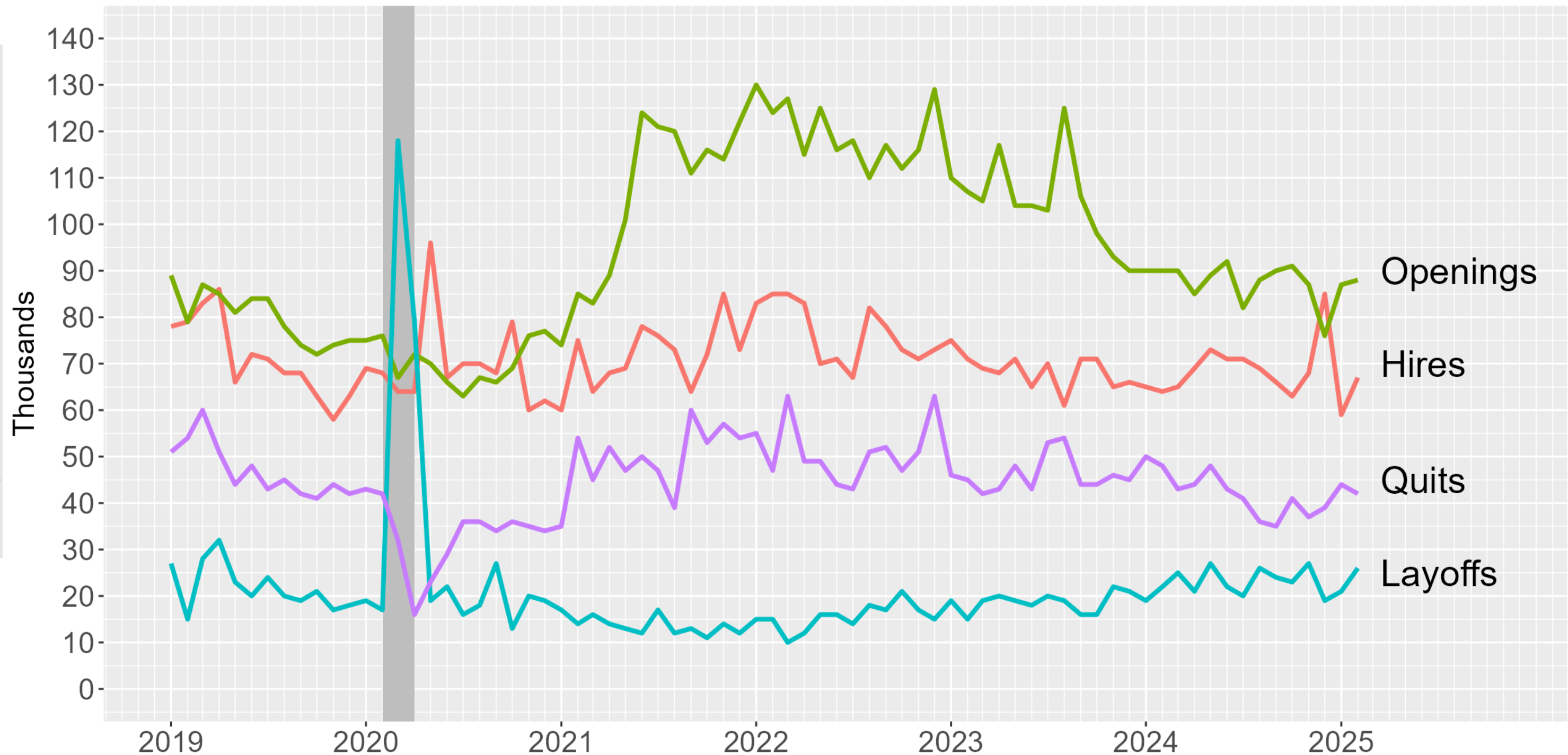
Out commuters tend to work a slightly higher paying job than their non-commuting counterparts.



UTAH'S LABOR MARKET IS COOLING

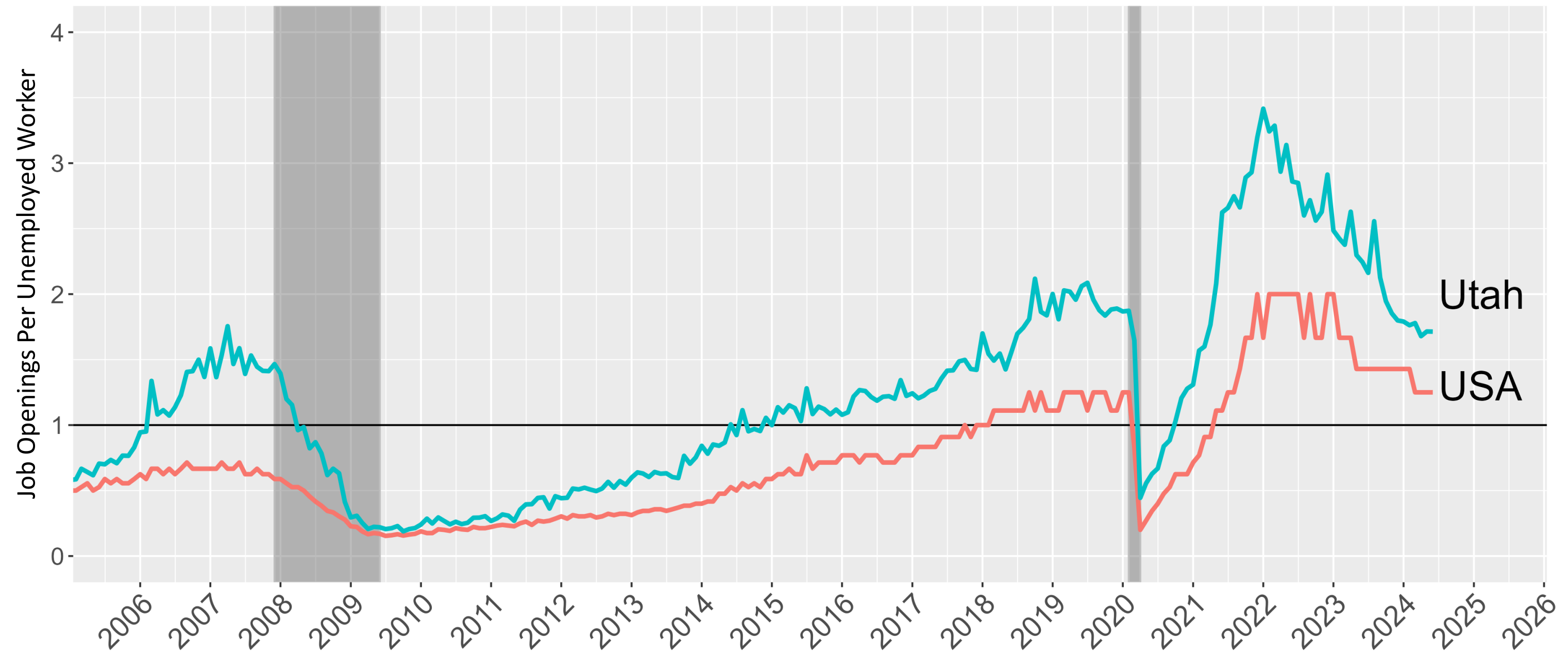


- As the economy slows from the heightened levels seen in 2022, job openings decline.
- Similarly, the quit rate declines as the certainty of finding another job decreases.
- Layoffs, which were low following the pandemic have begun to increase.



JOB OPENINGS PER UNEMPLOYED WORKER

Utah & U.S.

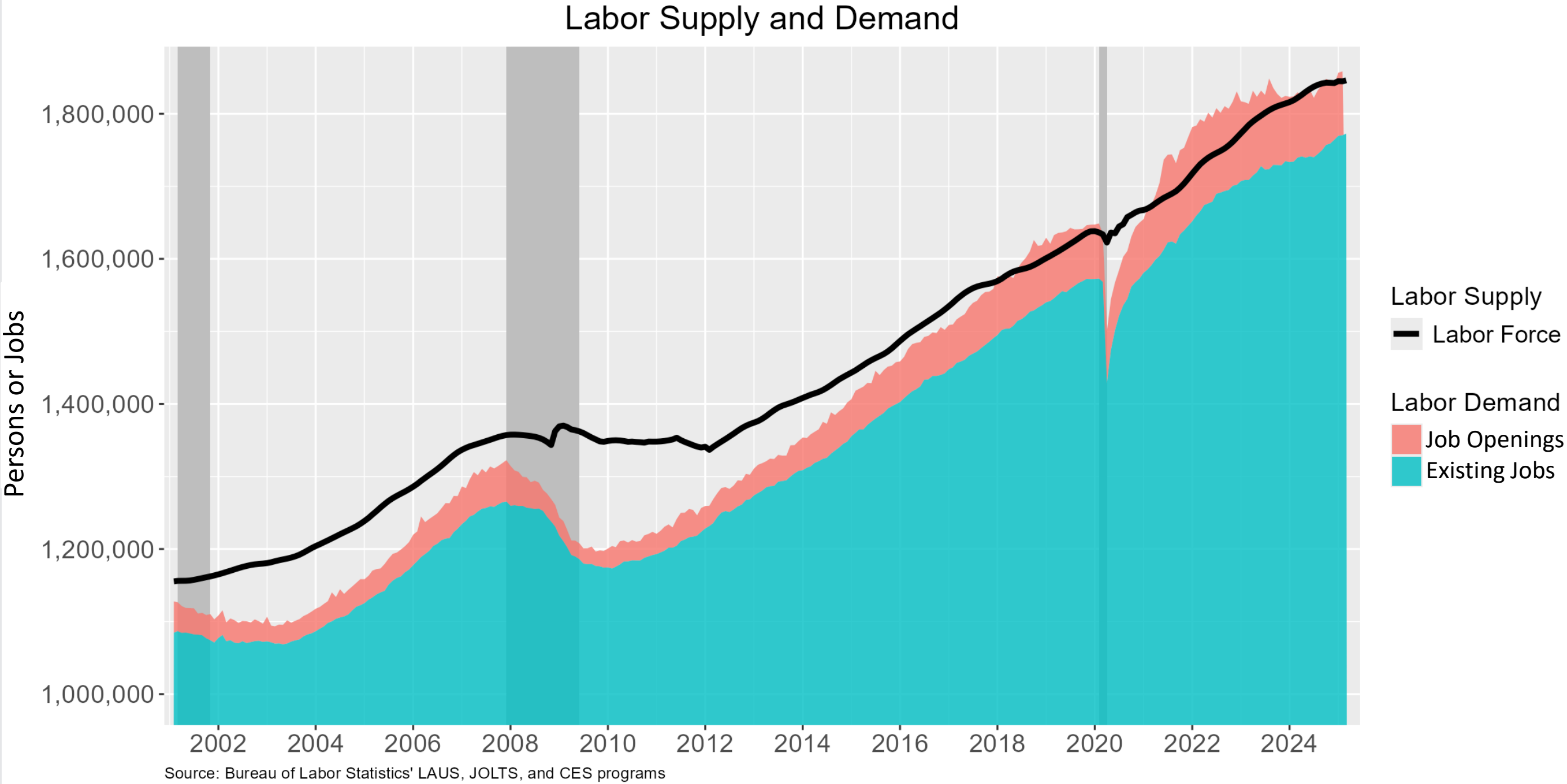


Source: Bureau of Labor Statistics

LABOR SUPPLY AND DEMAND

Available labor force has historically been ample for the Utah workforce.

Pressure began to build pre-2020 and has resumed since, lessening recently.



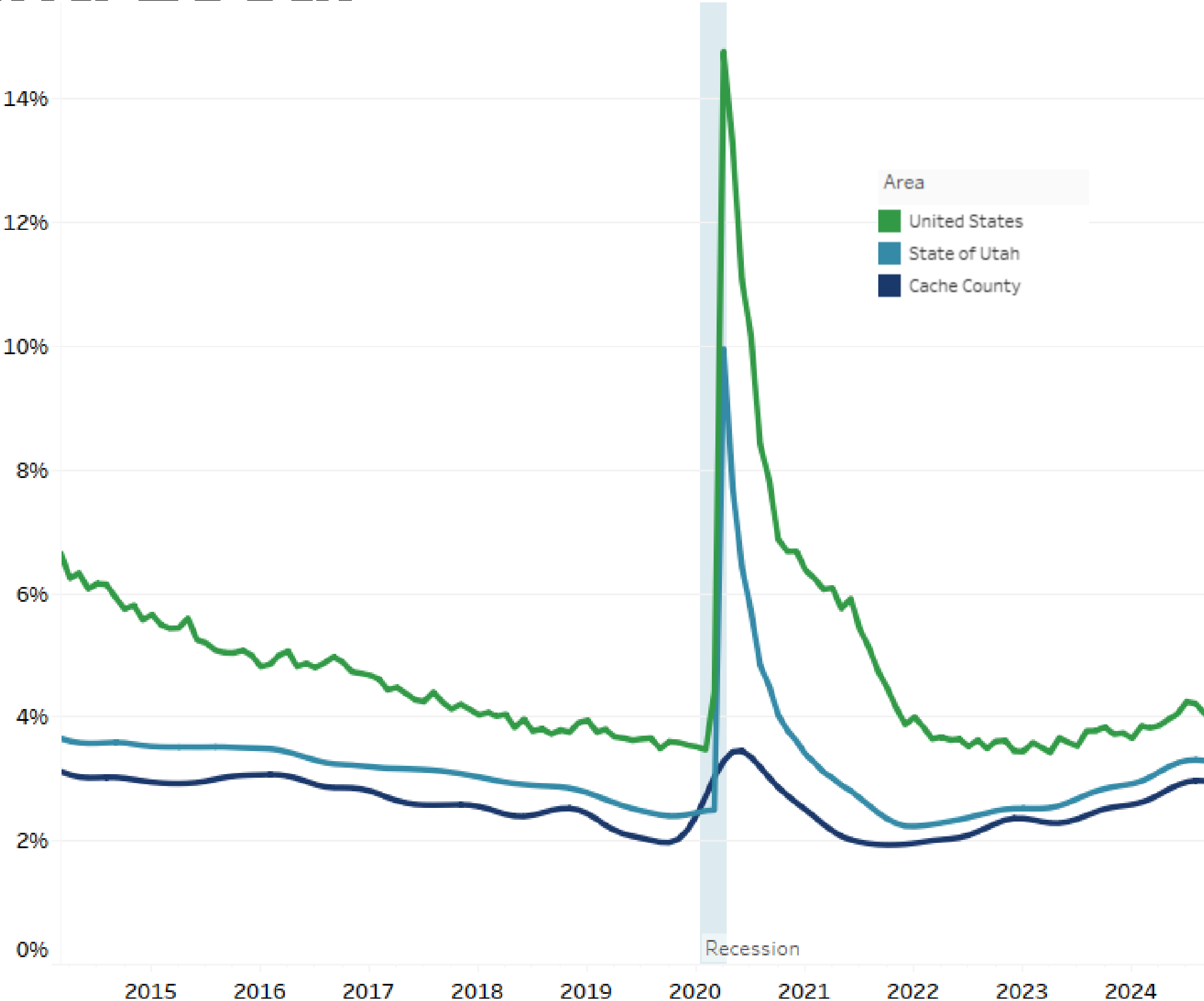
UNEMPLOYMENT RATE

National, State, and Local



Full employment is usually around 4-4.5%.

Continued job openings have drawn most available workers into the labor force. Nontraditional workers become more appealing: part-time, flexible shifts, on-the-job training.



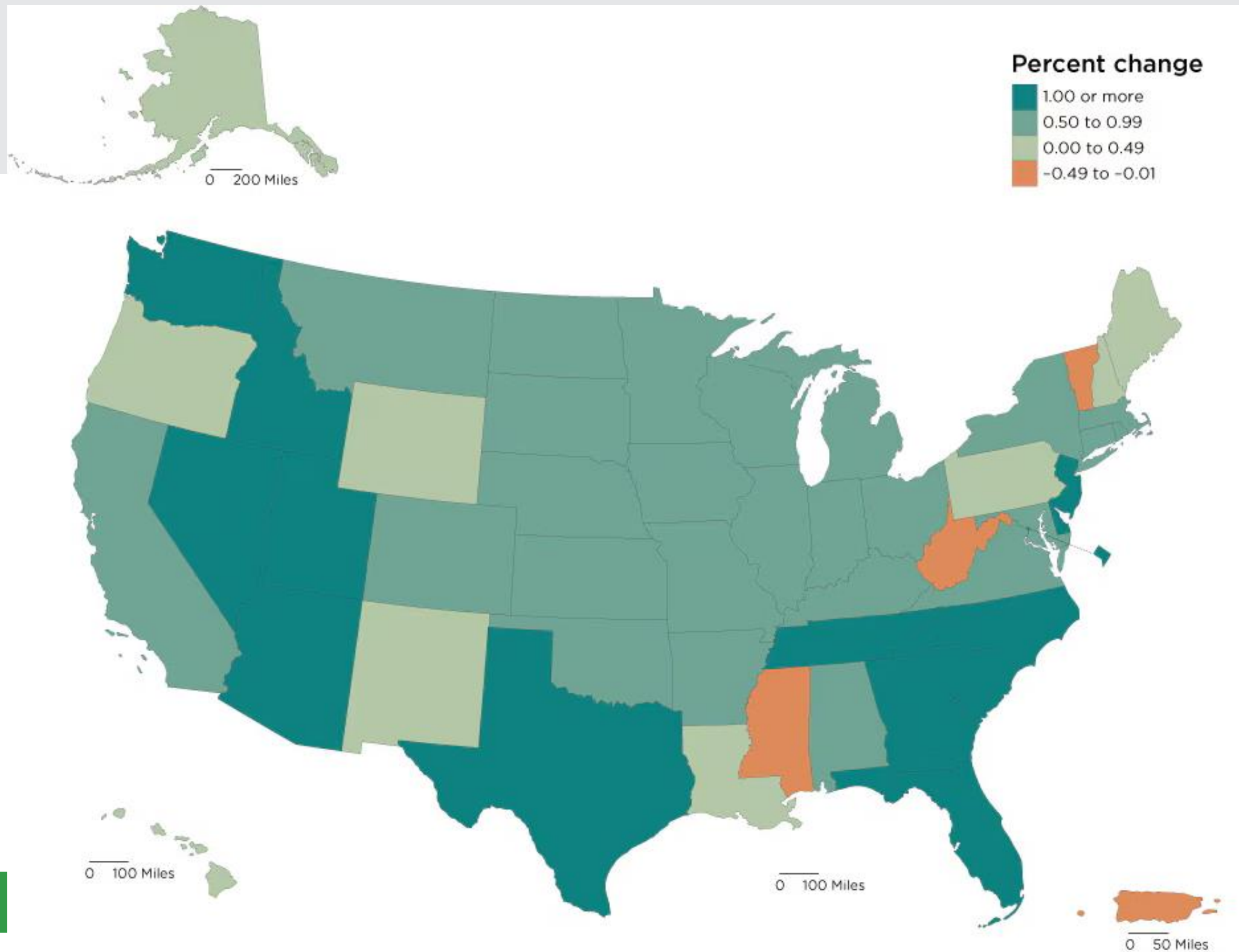
What **CHALLENGES** do we **FACE**

1. **CHANGING DEMOGRAPHICS
OF GROWTH**
2. **HOUSING AFFORDABILITY**
3. **INFLATION**



STATE GROWTH

2010-2020 U.S. Census



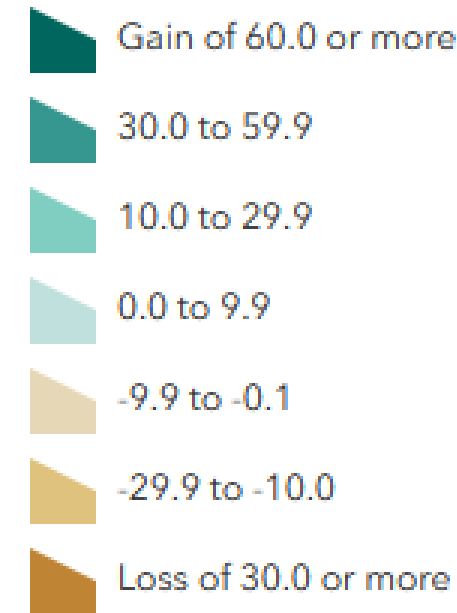
State/District	Population Growth Rate
DC	2.2
Florida	2.0
Texas	1.8
Utah	1.8
South Carolina	1.7
Nevada	1.7
Idaho	1.5
North Carolina	1.5
Delaware	1.5
Arizona	1.5

Source: U.S. Census Bureau

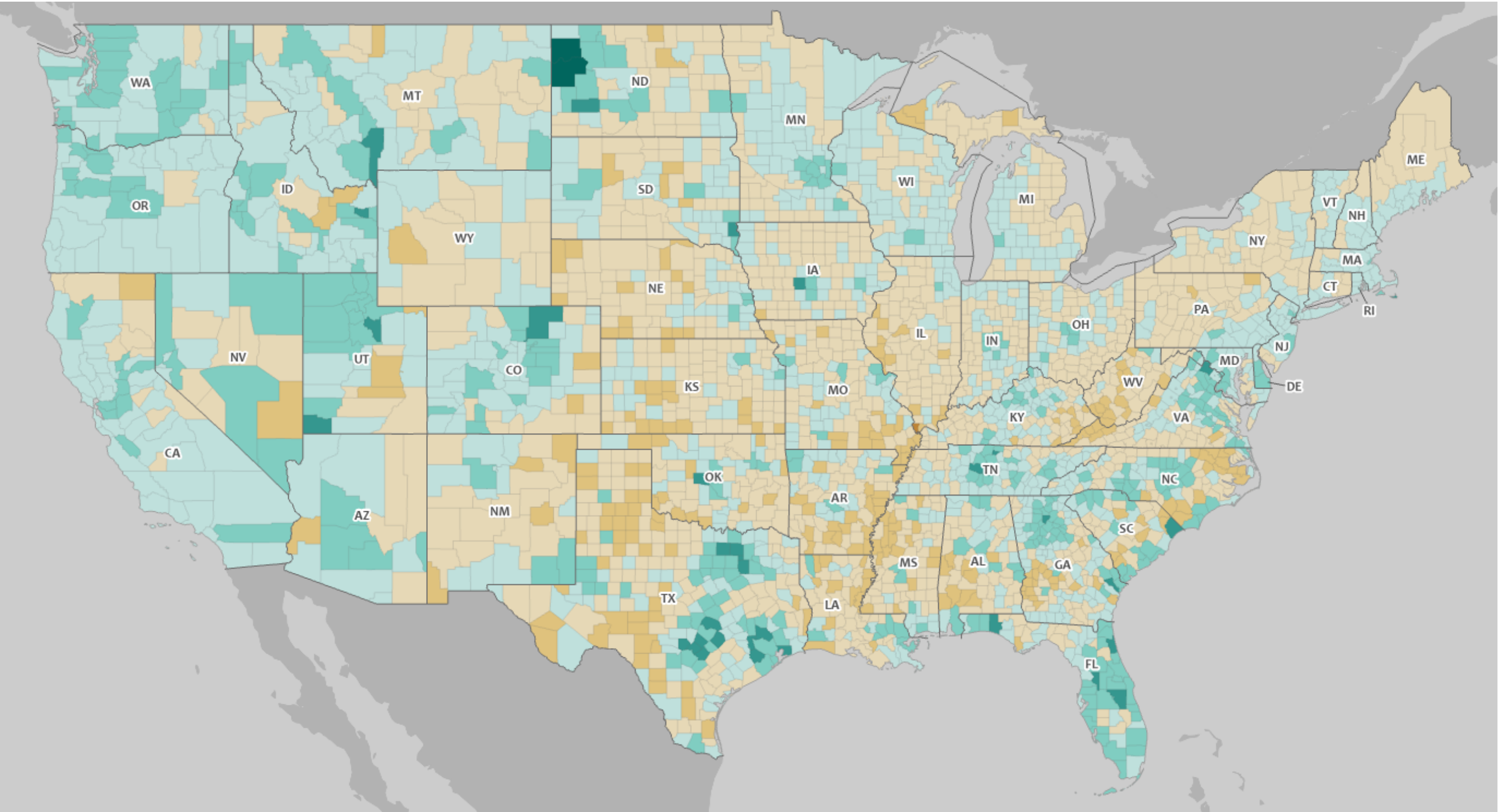
POPULATION GROWTH

Centered on Metro Areas

Percent change by county (or county equivalent)



U.S. percent = 7.4



UTAH

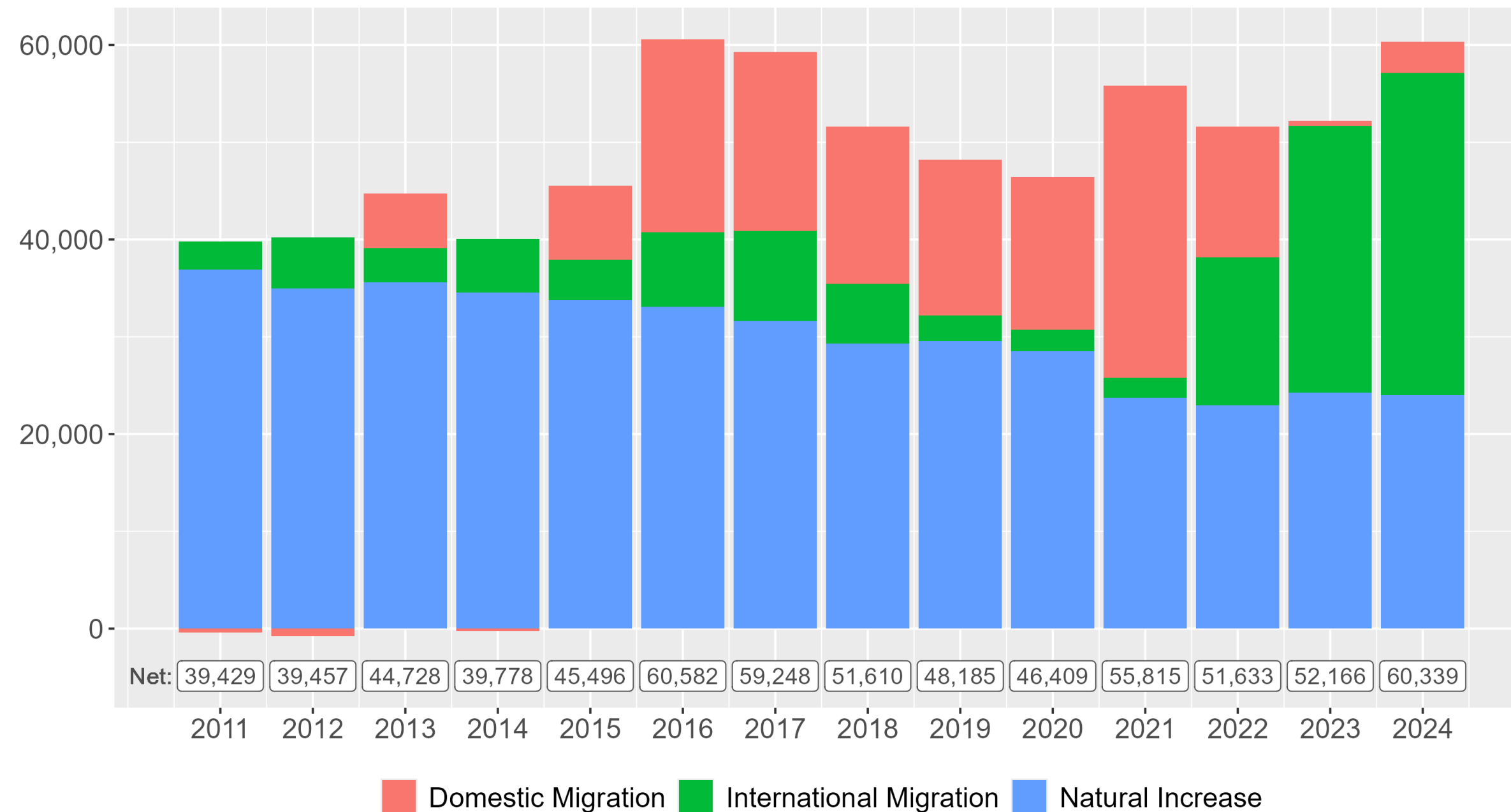
Components of Population Change

Natural increase consistently decreasing year-over.

In-migration increases in the '10's, fueled by positive economic growth.

Post 2020, in-migration has become the largest component of population growth.

Utah: Components of Population Change



UTAH COMPONENTS OF POPULATION CHANGE

2000-2020

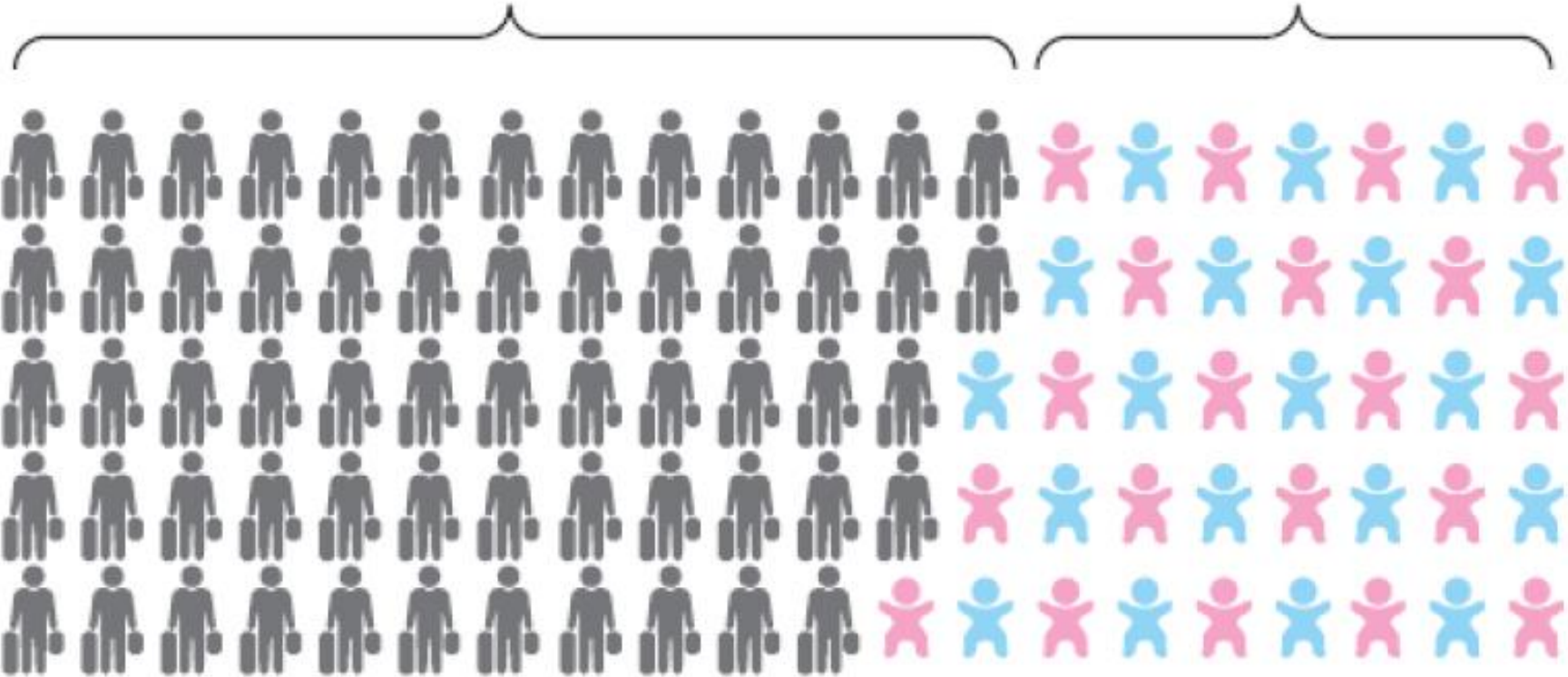
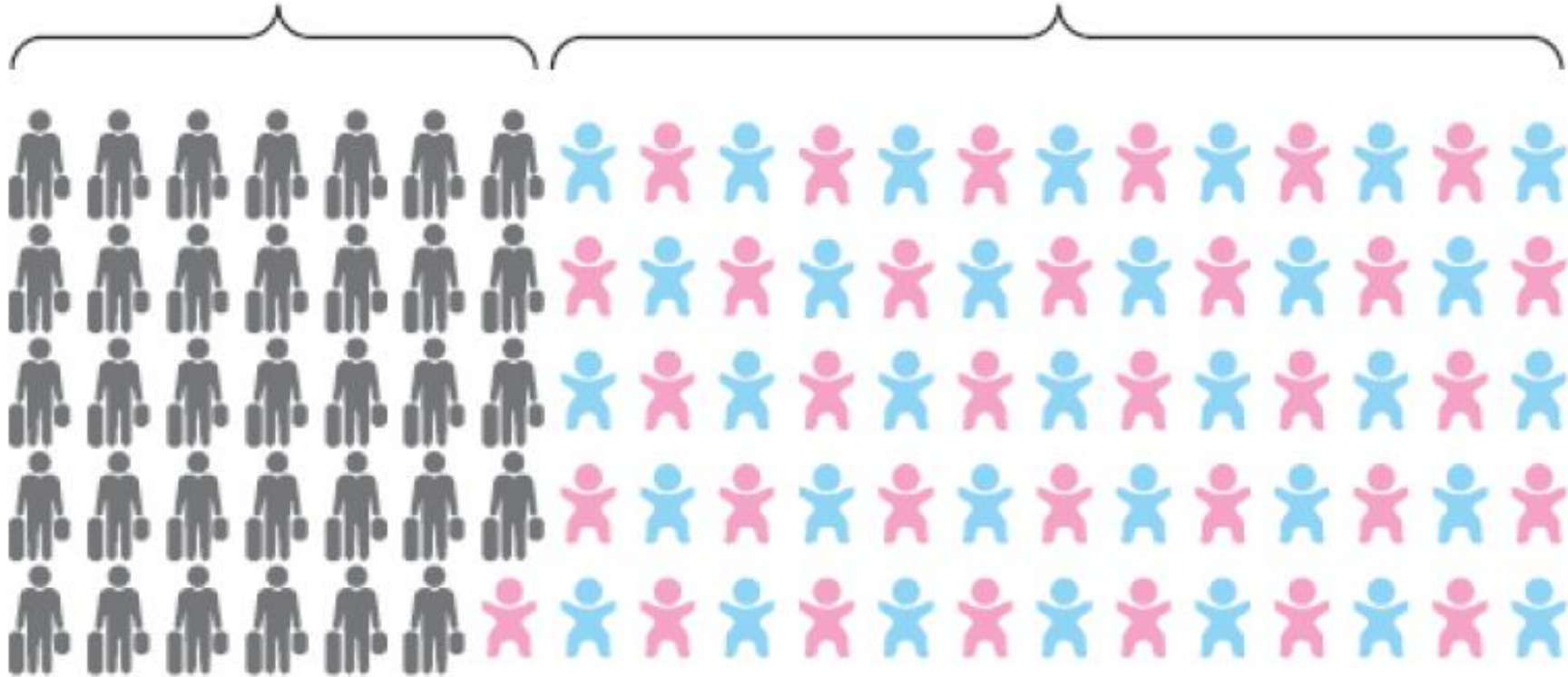
2021-2022

34%

66%

61%

39%



 Migration   Natural Increase

CACHE COUNTY

Components of Population Change

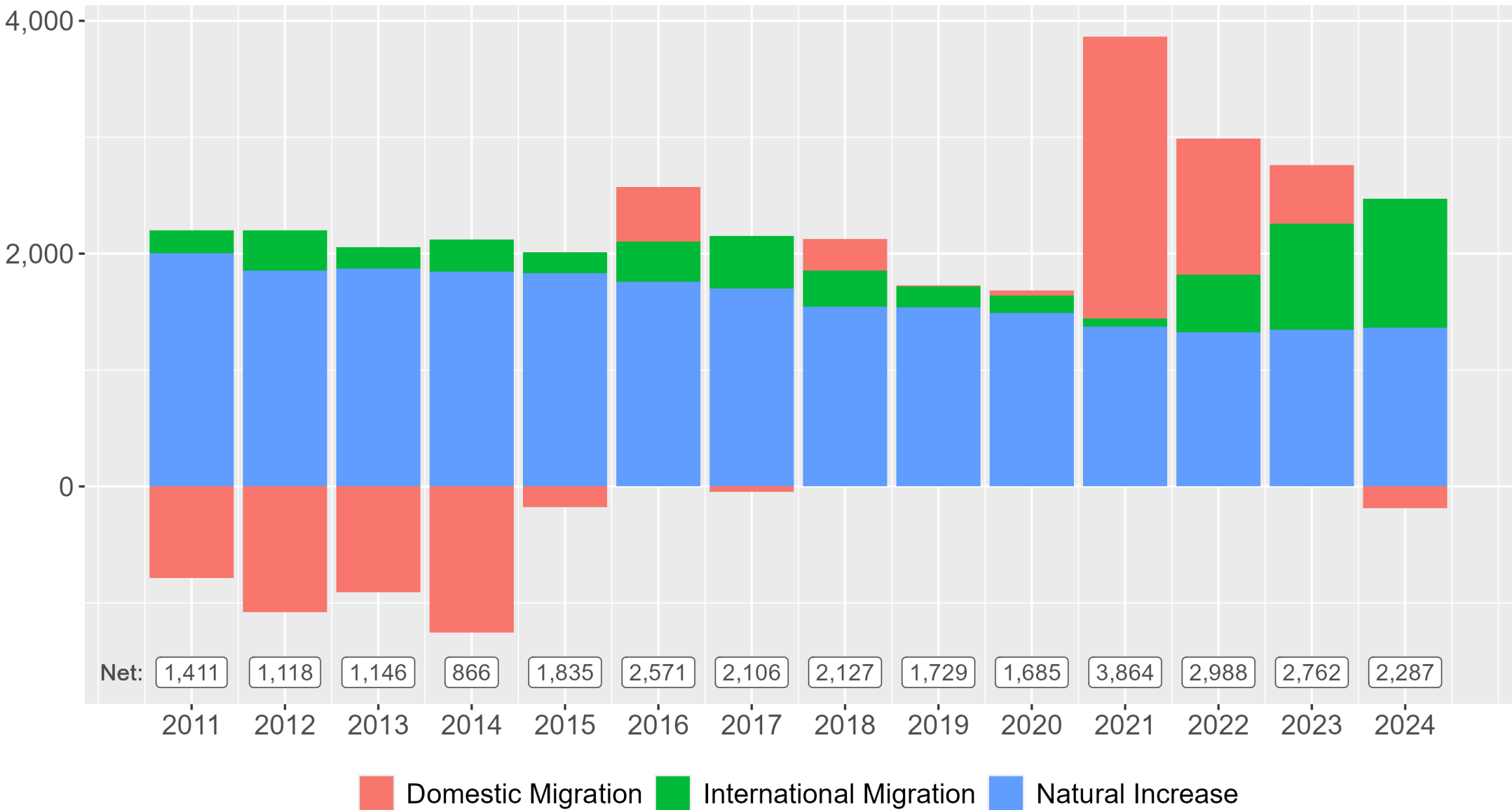
Local population has had outflow periods due to labor force opportunities.

In-migration increased during and post-COVID, with recent outflow.

Long-term projections for Cache County show uniqueness: in the long run, natural increase should be the largest driver of growth.



Cache County: Components of Population Change



UTAH

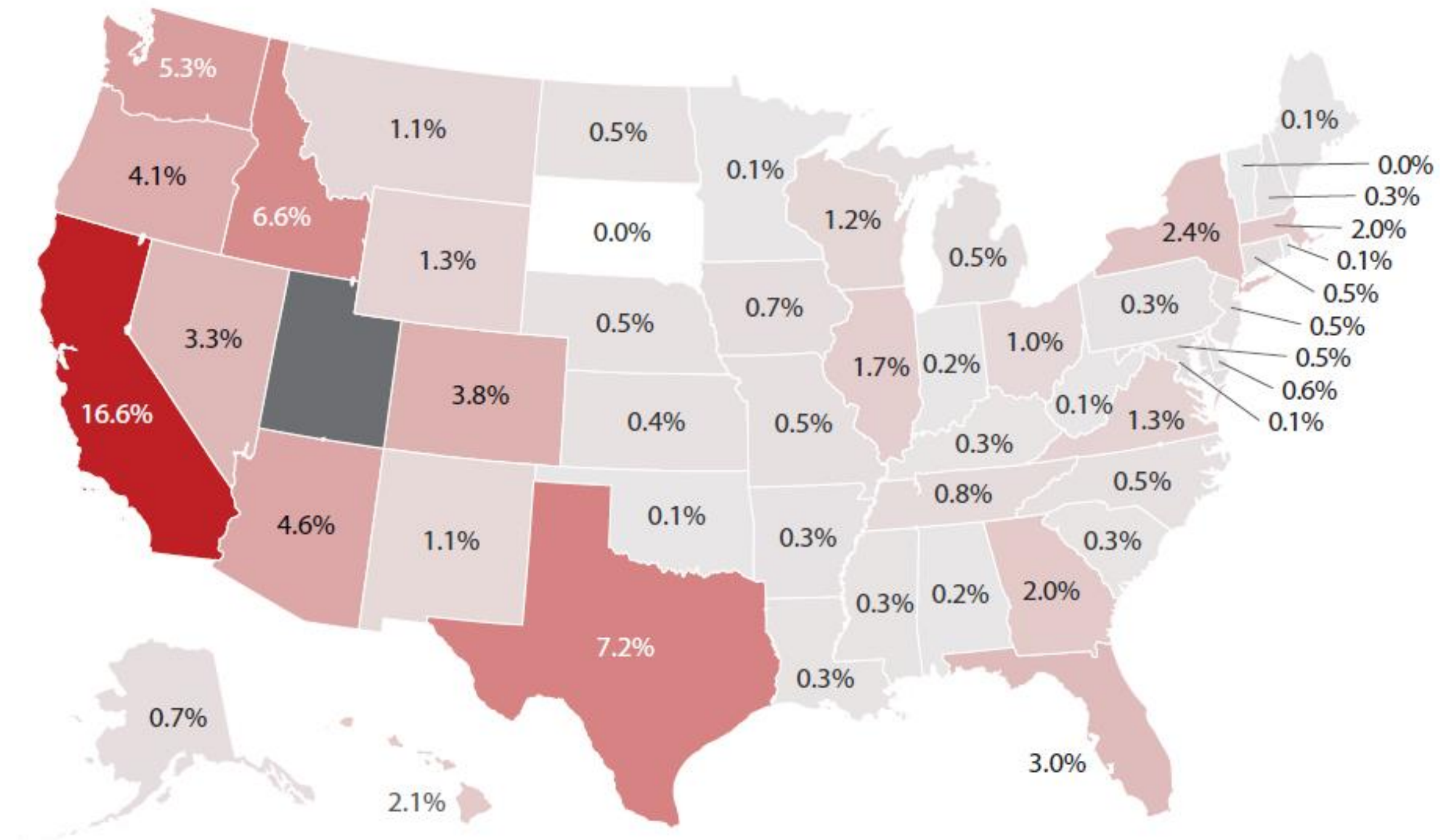
IN-MIGRANT DOMESTIC ORIGINS, 2021

The largest share of Utah's in-migration comes from California (16.6%), followed by Texas (7.2%) and Idaho (6.6%).

Approximately 14.6% of migrants are international.

In-migrants are an asset in a tight labor market.

Utah's growing economy will continue to encourage employment-related migration.



Source: Kem C. Gardner Policy Institute, U.S. Census Bureau

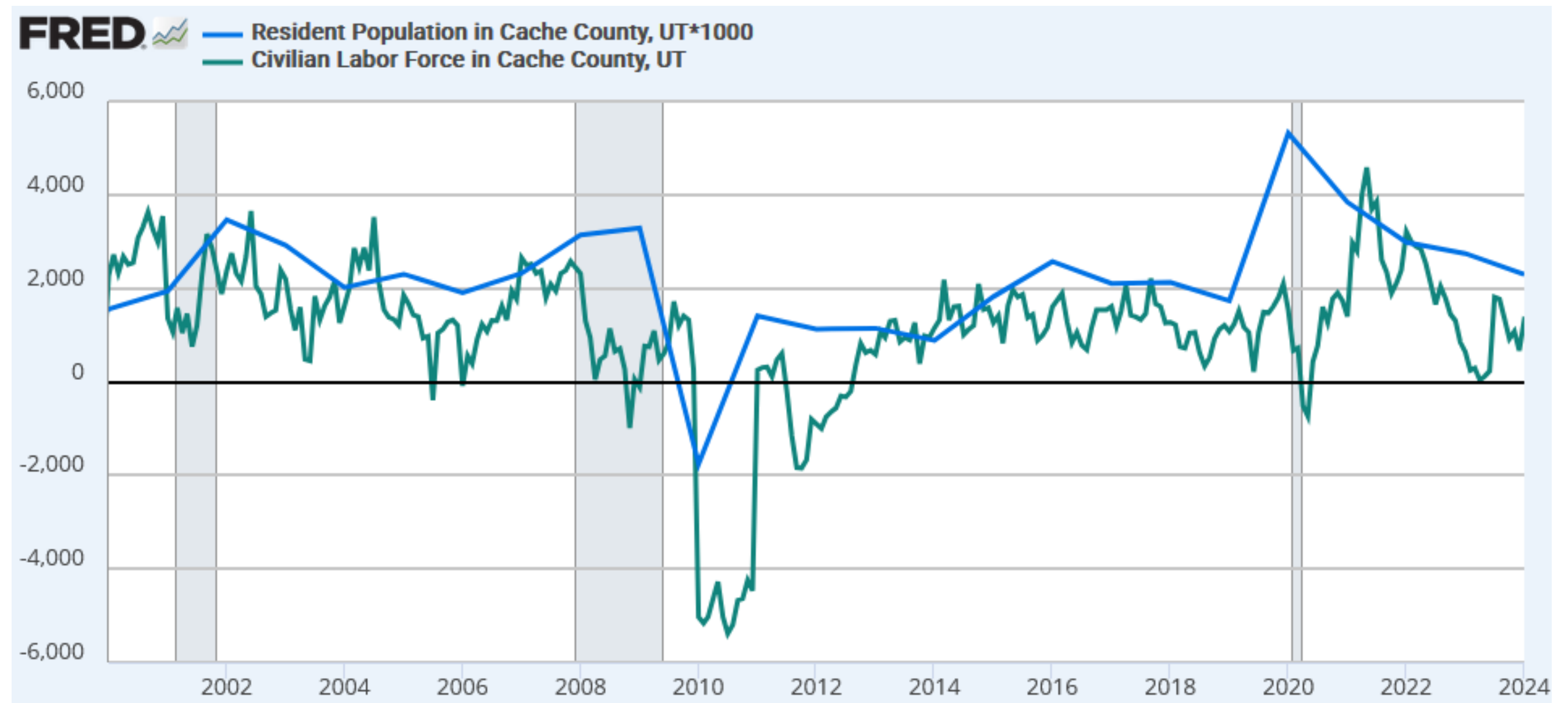
GROWTH IN CACHE

Labor Force & Population Estimates



Population is growing slightly faster than labor force.

Household composition and economic pressure impact this.



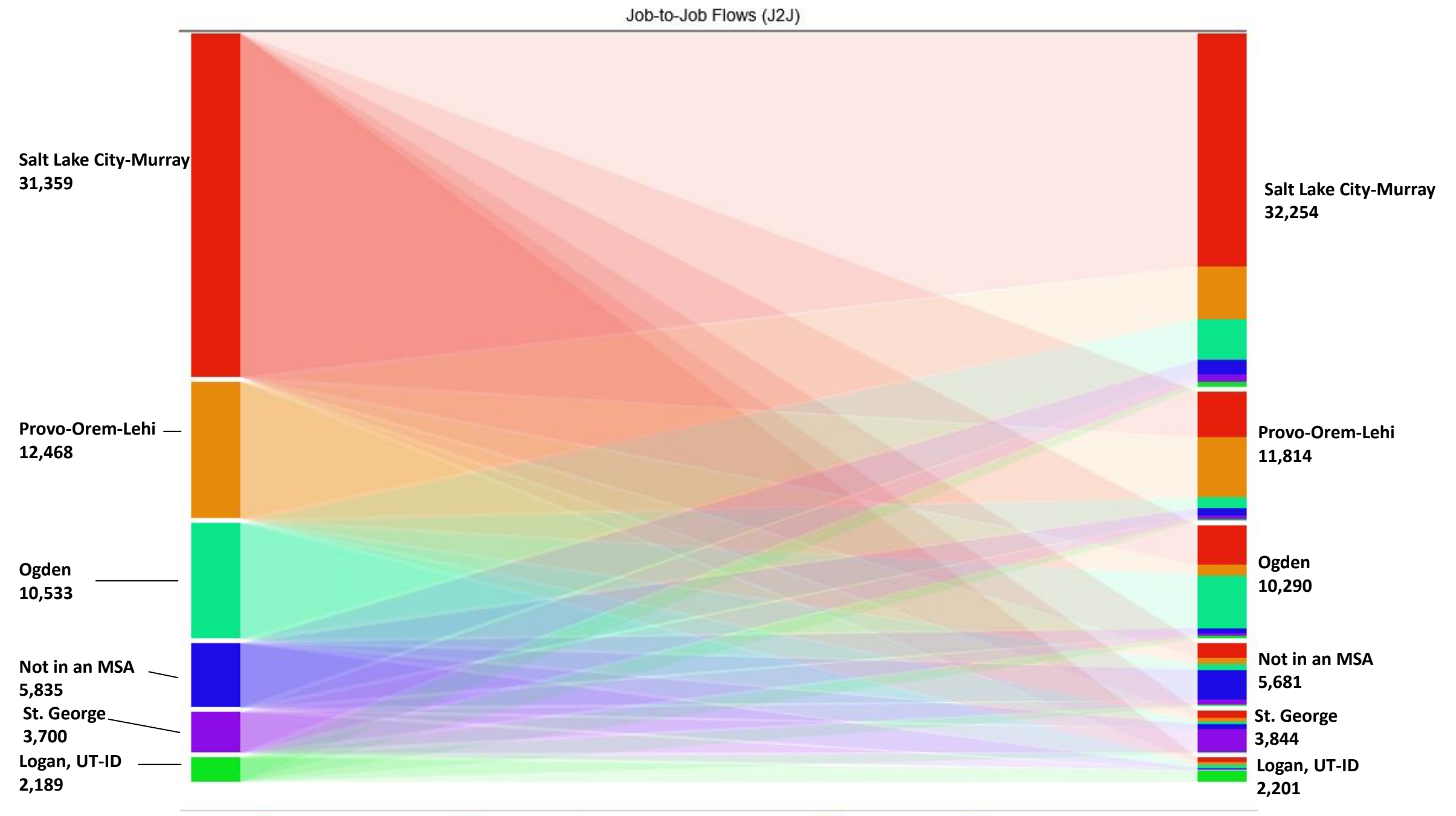
J2J FLOW

Where are job switchers going to?

Over half of job changers in Cache Valley get a job outside of Cache Valley.

Students moving into full-time positions and employees looking for more diverse industries than are available in Cache Valley add pressure.

People leave or commute for jobs that pay higher than local wages.



Source: U.S. Census Bureau

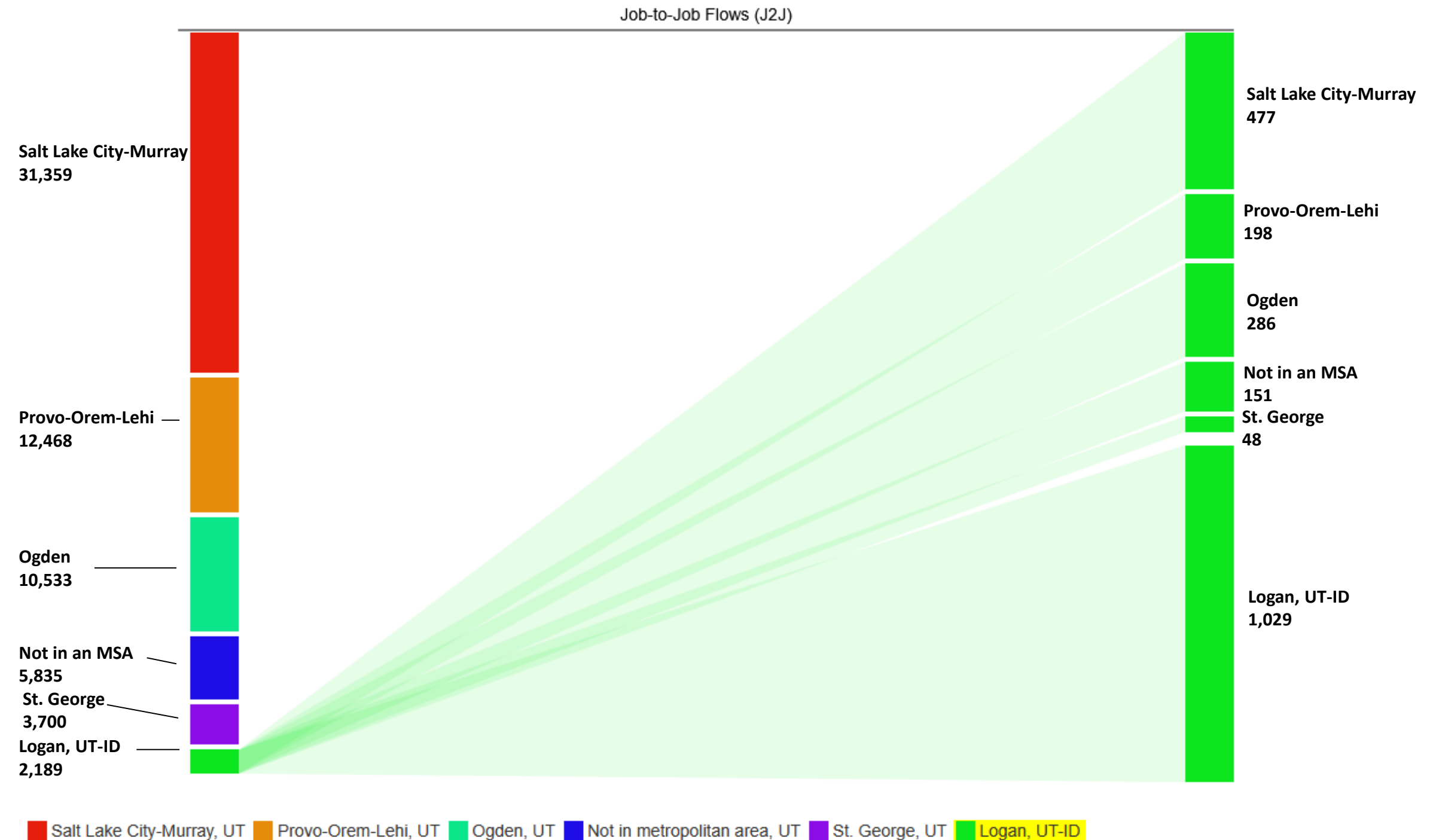
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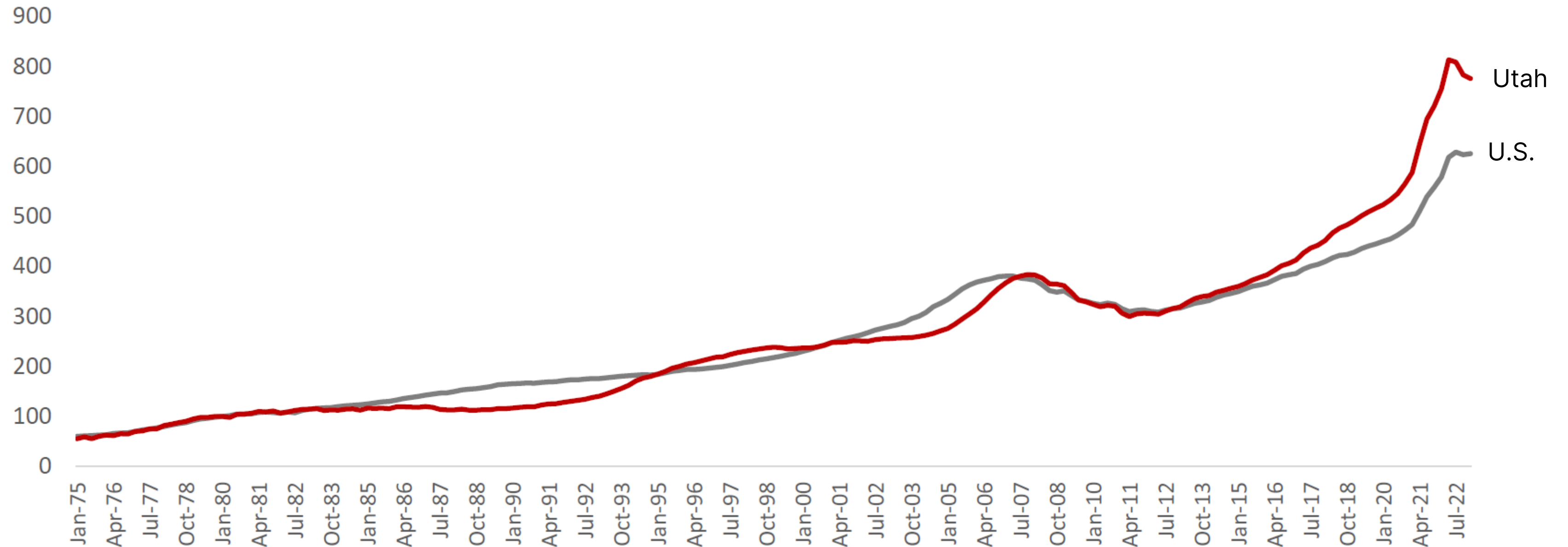
People leave or commute for jobs that pay higher than local wages.



Source: U.S. Census Bureau

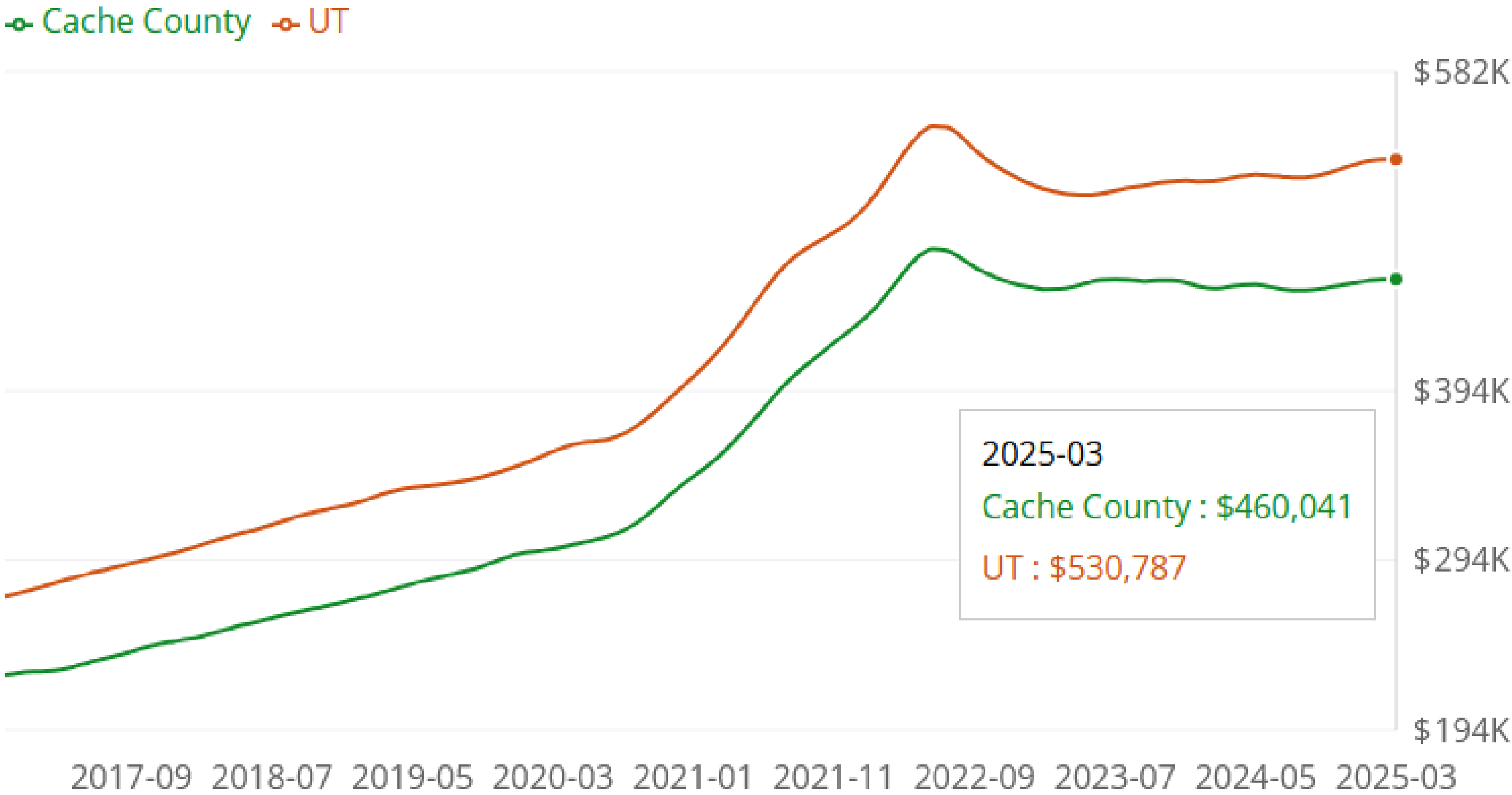
HOUSING PRICE INDEX

Utah & U.S.

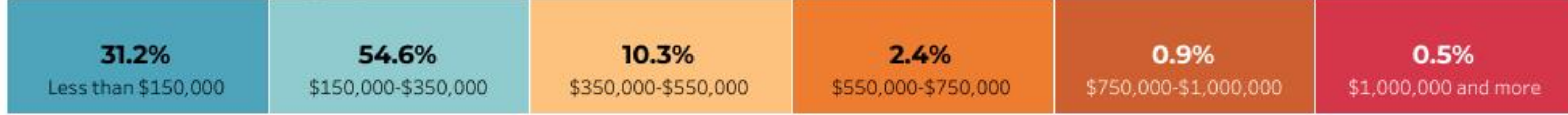


MEDIAN HOUSE PRICE

Cache County and Utah

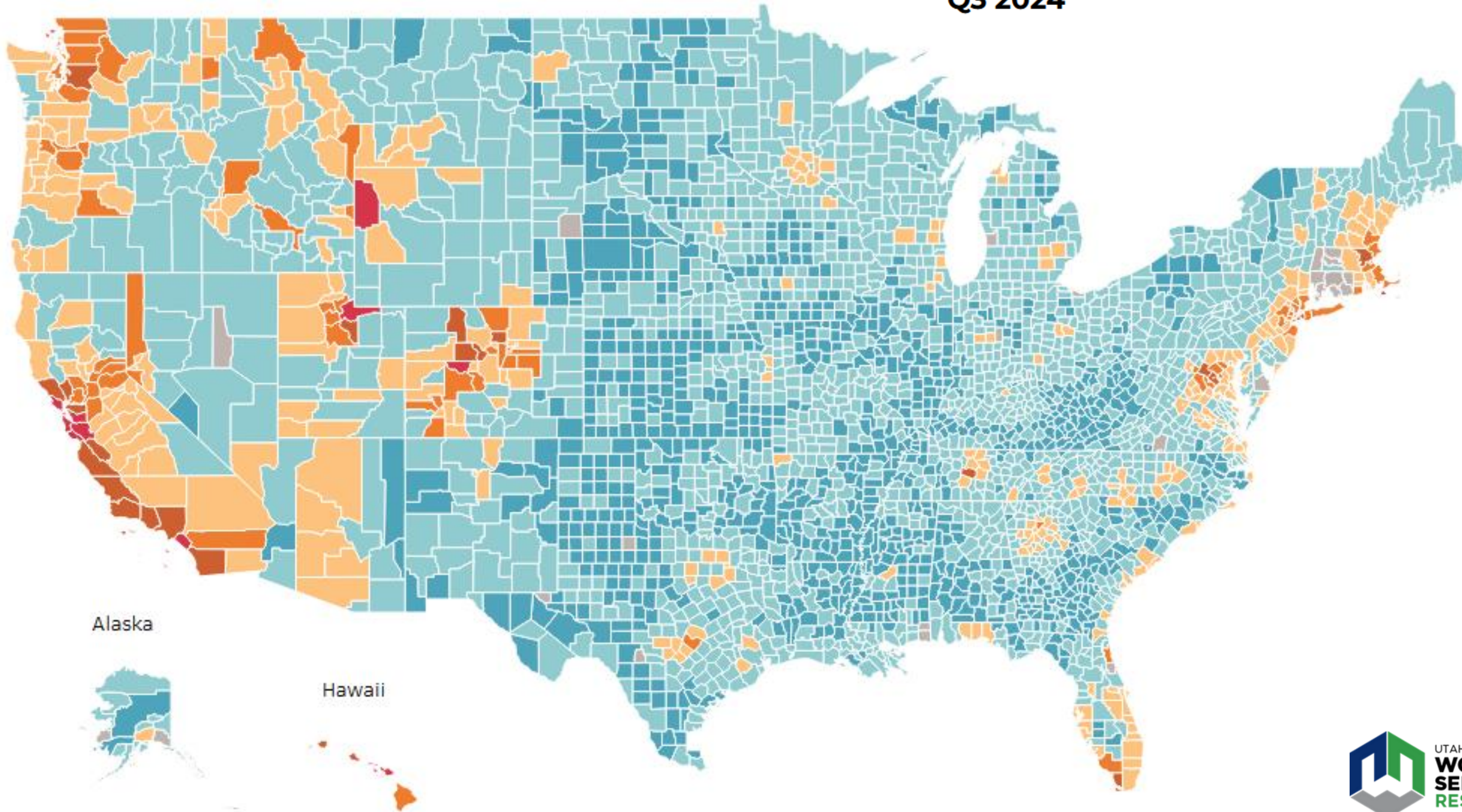


Source: Zillow



County Median Home Prices

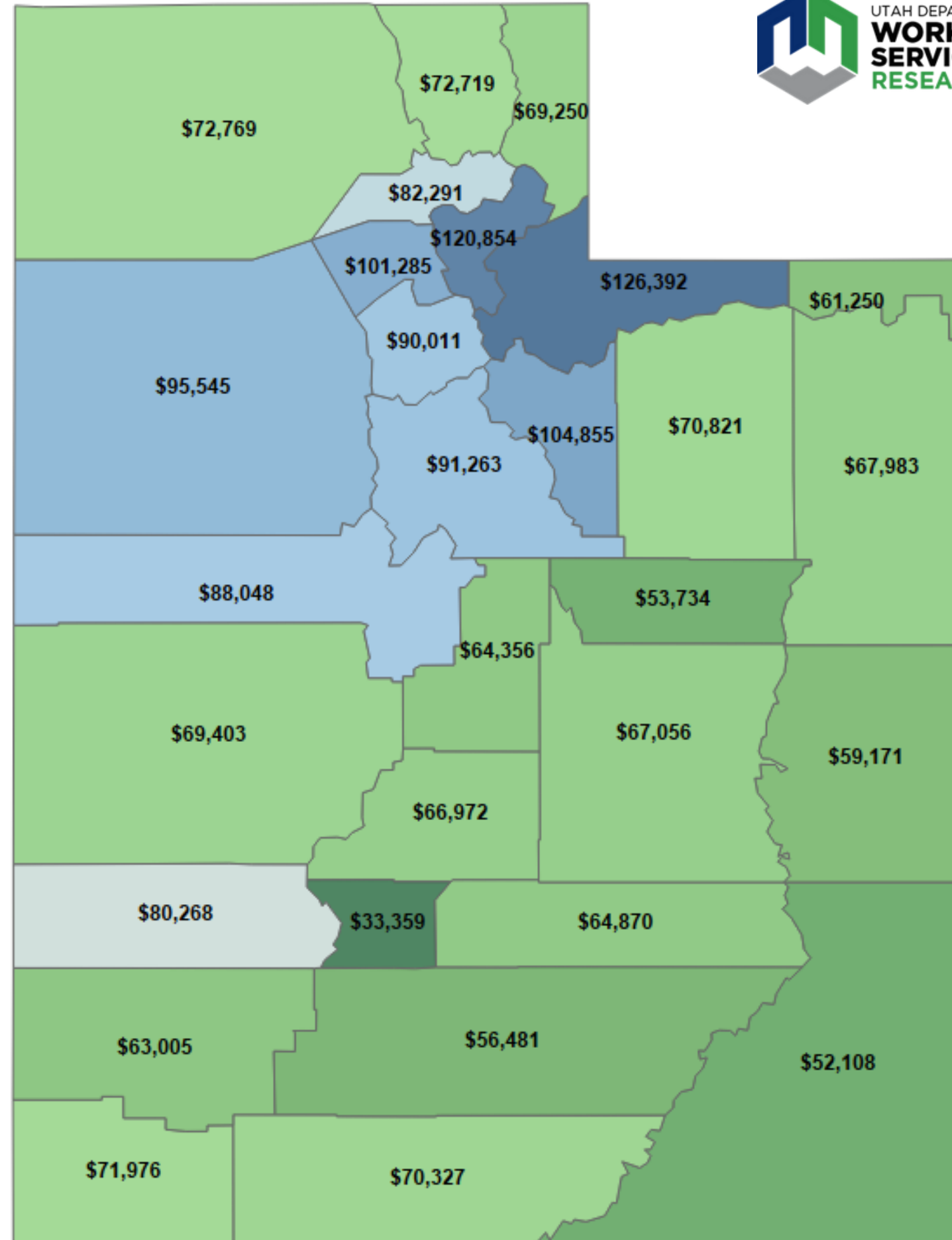
Q3 2024



MEDIAN HOUSEHOLD INCOME

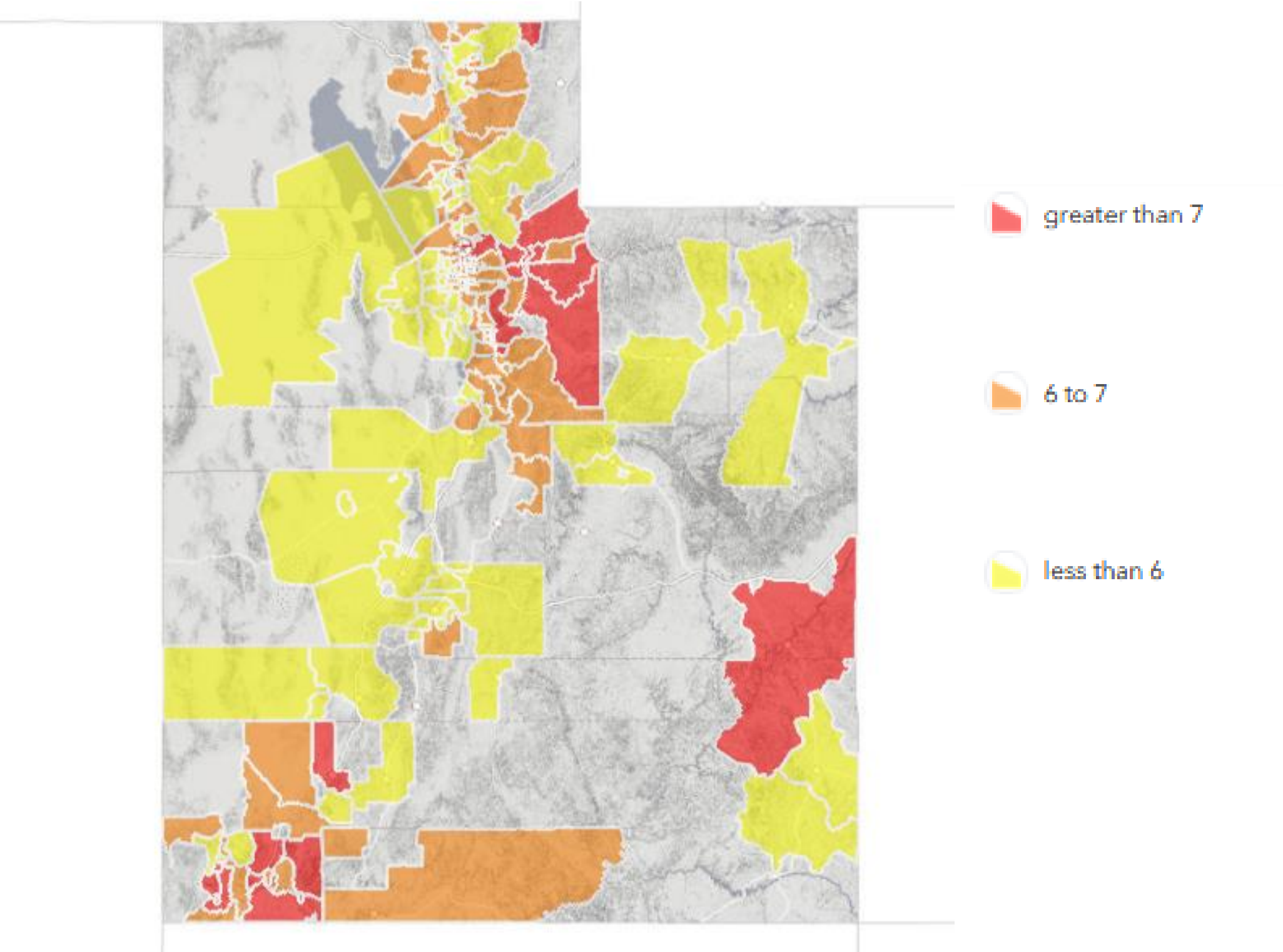
Utah Counties

Source: U.S. Census Bureau



HOUSING AFFORDABILITY

Home-Price-to-Income



Source: Utah Geospatial Resource Center

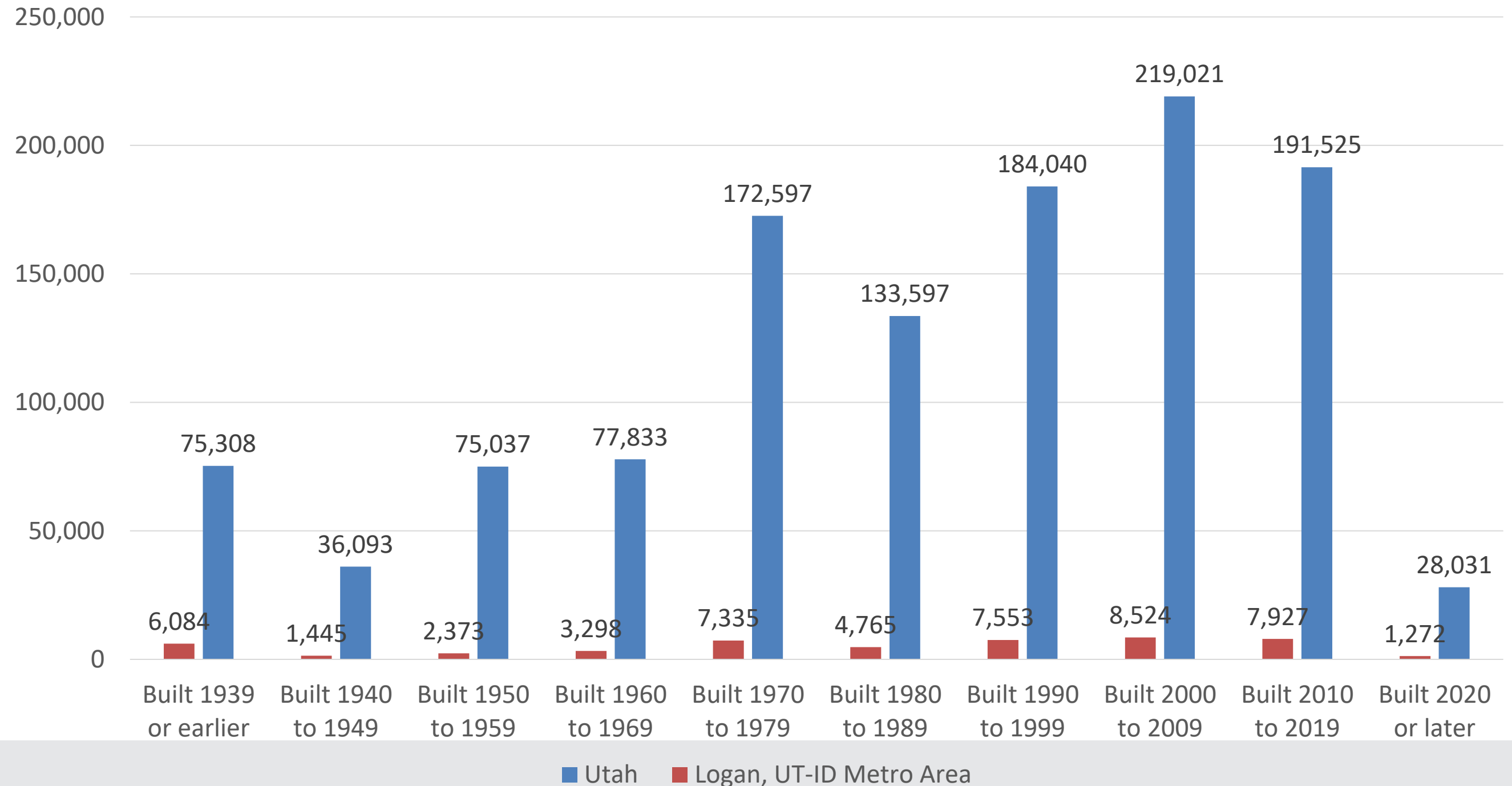
HOUSING UNIT CONSTRUCTION

By Decade (Through 2023)



Note: The Census Bureau defines a housing unit as a separate and independent living space that is intended for human habitation. It must meet the following criteria:

- Separate Entrance
- Living Facilities
- Independence



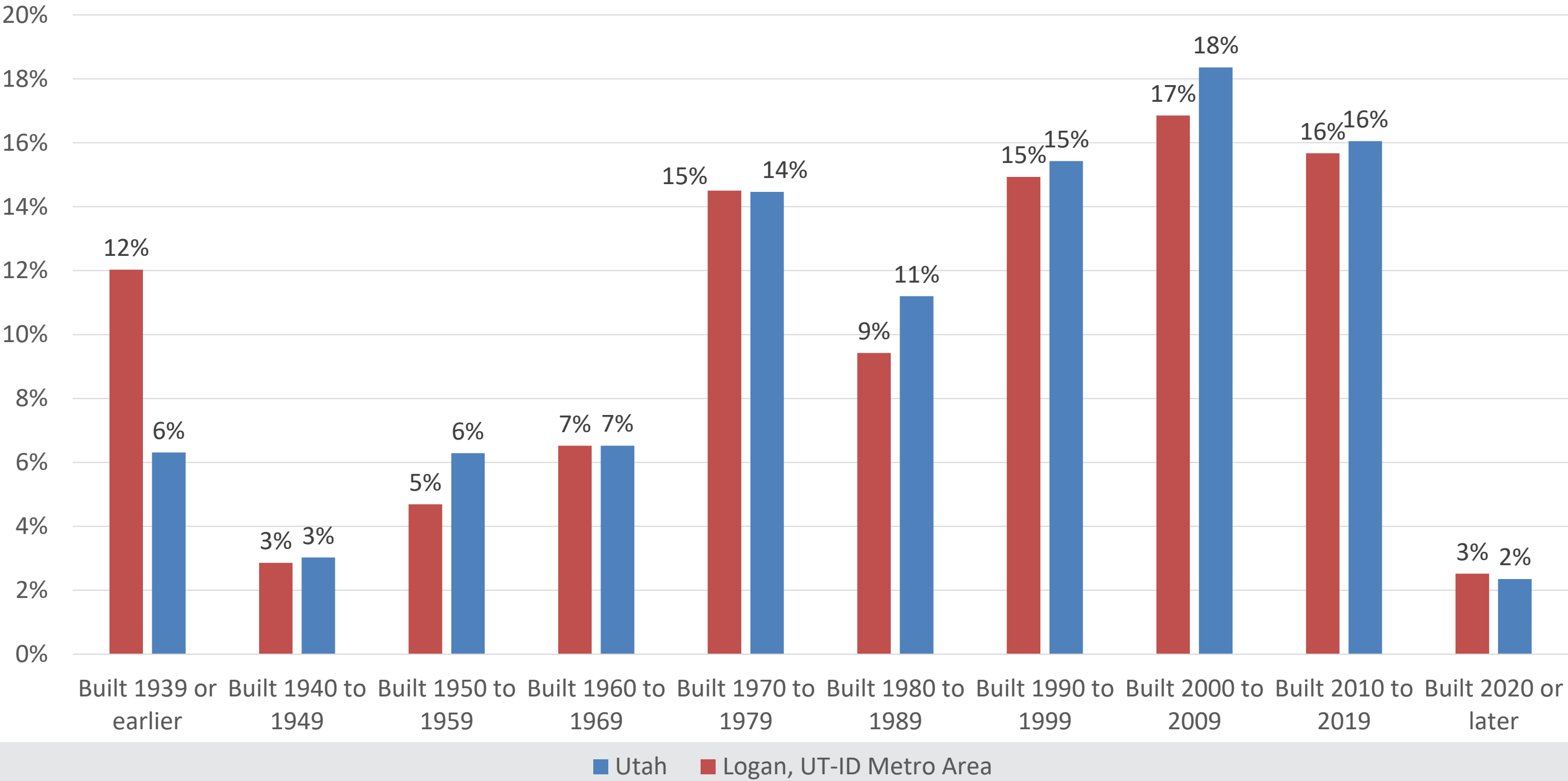
HOUSING UNIT CONSTRUCTION

By Decade (Through 2023)



Cache Valley is building at a slightly faster rate than the rest of the state.

Logan's history is also shown in its comparatively old housing inventory.



Source: U.S. Census Bureau

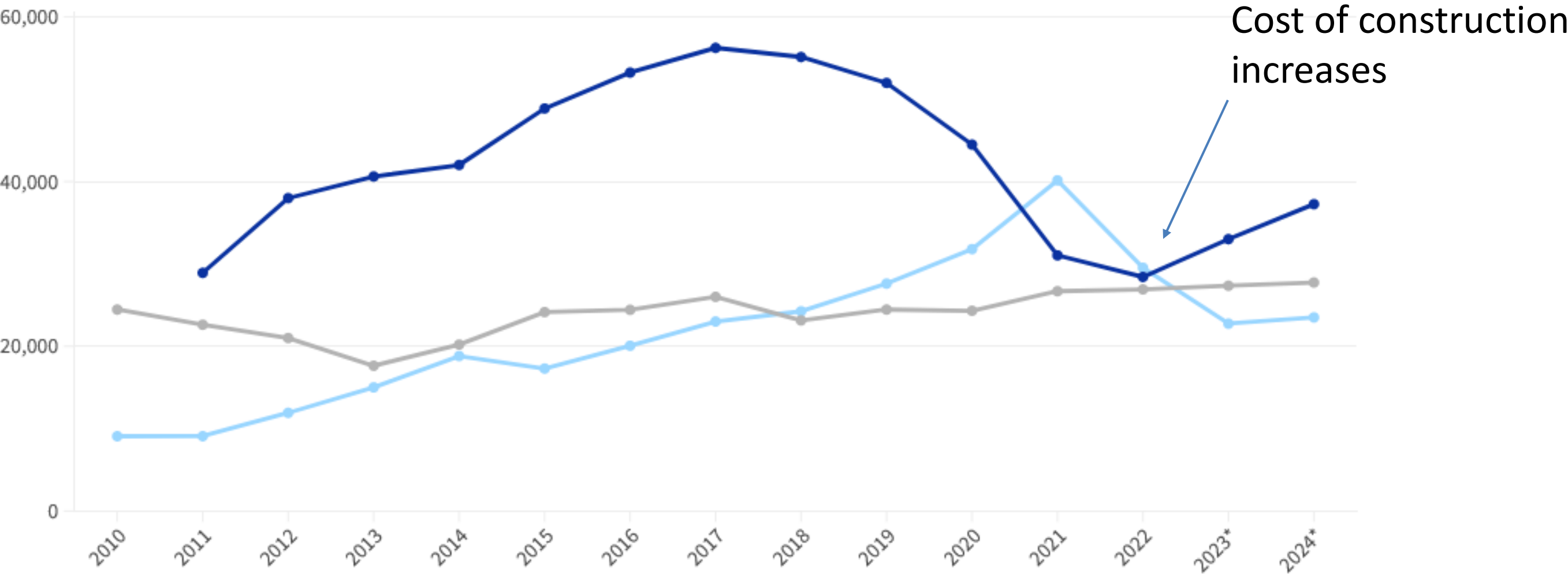
UTAH'S HOUSING DEFICIT

Household Formations Outpacing Home Construction

Utah's housing shortage

The rapid rise in mortgage rates threatens to undo recent progress addressing the state's housing shortage, two researchers said. Numbers for 2023 and 2024 are projected.

■ Increase in Housing Units ■ Increase in Households ■ Cumulative Shortage



*forecast

Source: Kem C. Gardner Policy Institute, The Salt Lake Tribune

HOUSING NEEDS

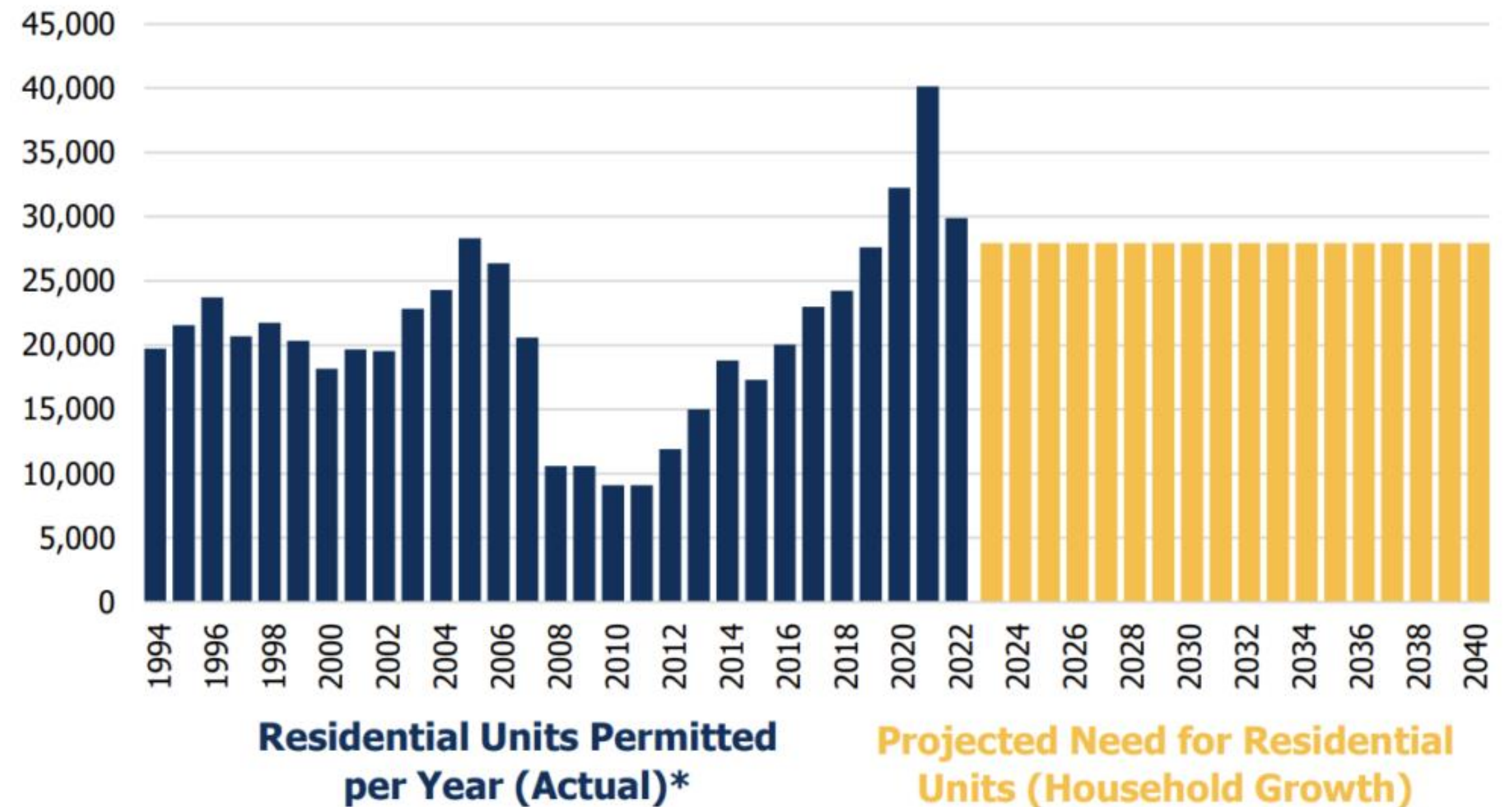
Statewide Projections

Utah's household formation rate is outpacing housing construction.

Population projections and historical residential unit permitting data show Utah will need to build 27,900 housing units per year.



Figure 1.3: Going Forward, Utah Needs to Build 27,900 Housing Units per Year to Keep Up with Forecasted Population Growth. More housing units per year are needed than have been built in any prior year since 1994 (except for 2005 and the period from 2020 to 2022).

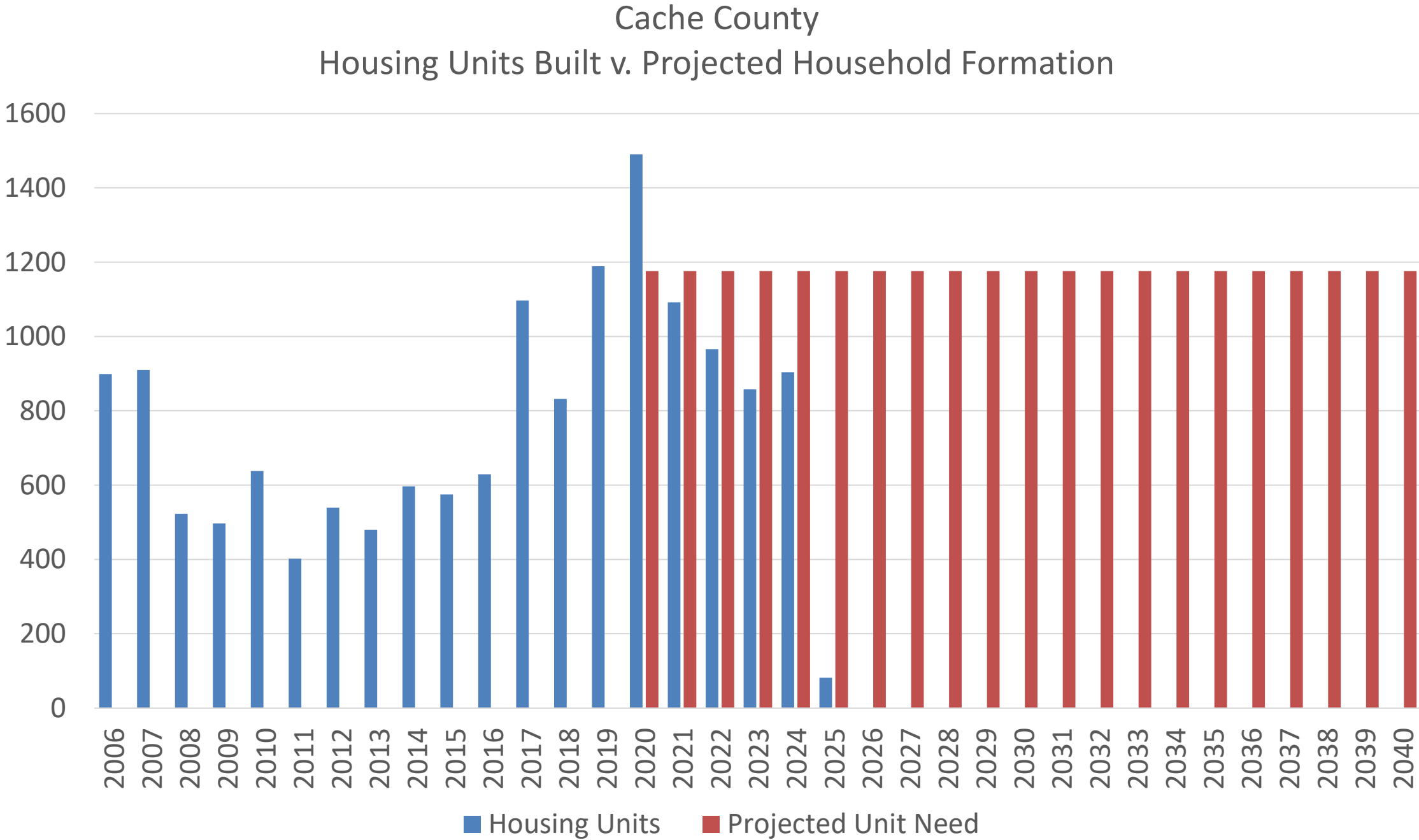


HOUSING NEEDS

Cache County Projections

1,176 household per year are forming 2020-2040 in Cache County.

Average new housing units per year from 2006-2024 was 795.



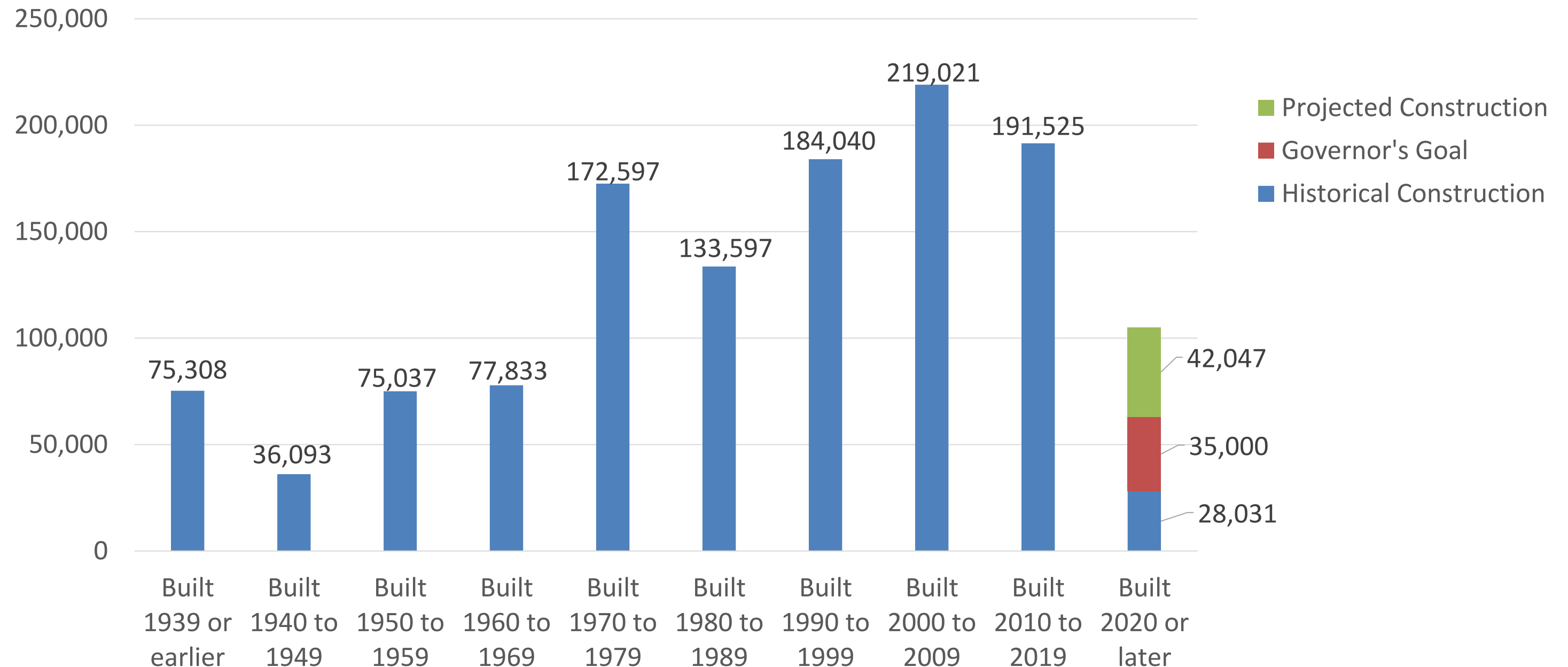
Source: Kem C. Gardner Institute, Utah Department of Workforce Services

HOUSING UNIT CONSTRUCTION

Through 2030



Using the current trend of housing to predict the rest of the decade and adding in the Governor's goal as an independent addition, 2020 will have the fewest homes built since the 1960's.



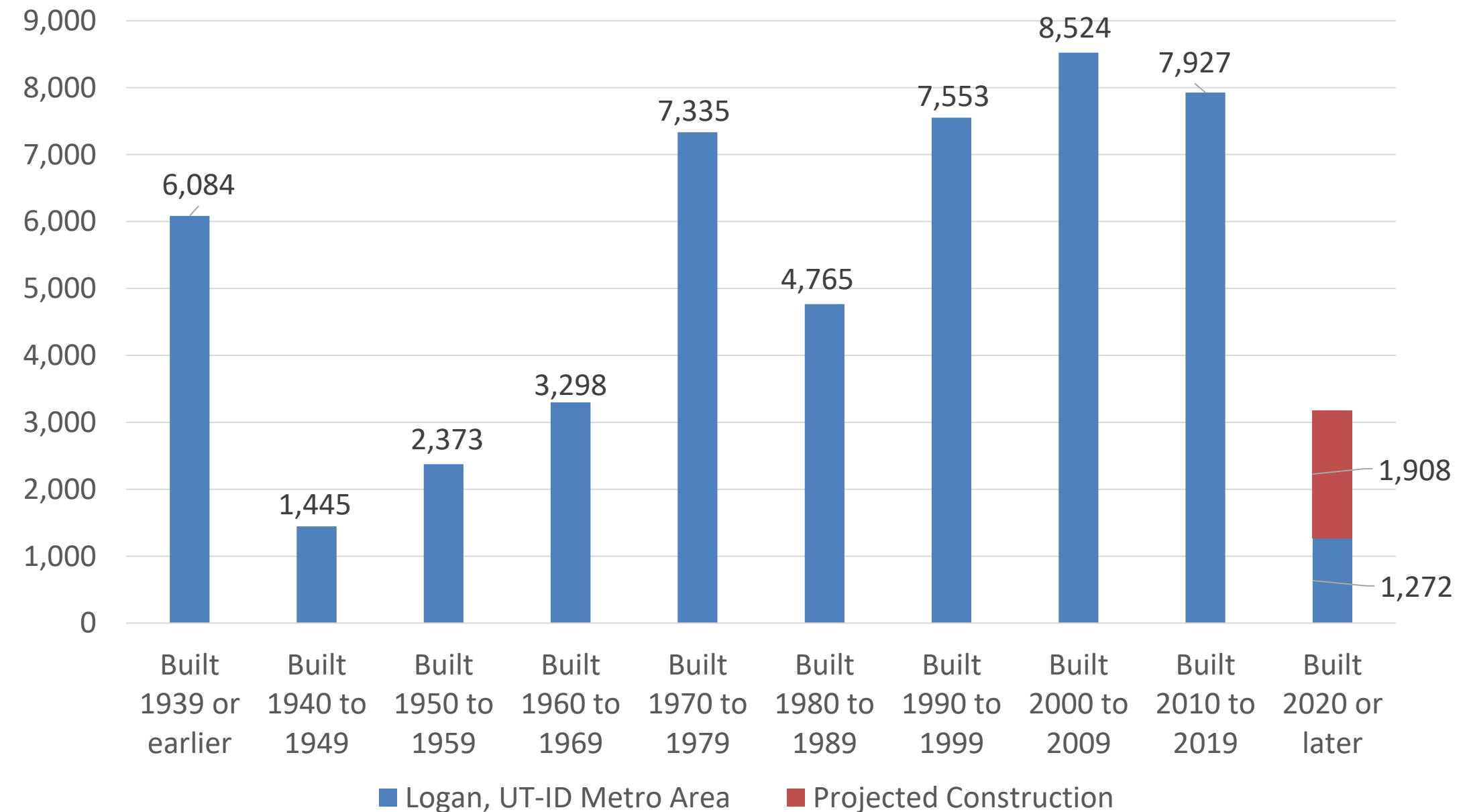
HOUSING UNIT CONSTRUCTION

Through 2030



Using the current trend of housing to predict the rest of the decade, 2020 will have the fewest homes built since the 1950's.

In the '00s and the '10s, the majority of houses were built in the latter half of the decade. Not expected this decade.



Under Pressure

HISTORIC INFLATION

More money chasing fewer goods → Inflation

Multiple sources....

1. Federal aid from pandemic
2. High demand for goods
3. Supply chain disruption / Ukraine War
4. Labor shortage
5. Tariffs

February 2025 inflation at 2.8% year-over-year.

“The disinflation process during the last mile will be more uncertain, slower, and bumpier.”

– Isabel Schnabel, European Central Bank



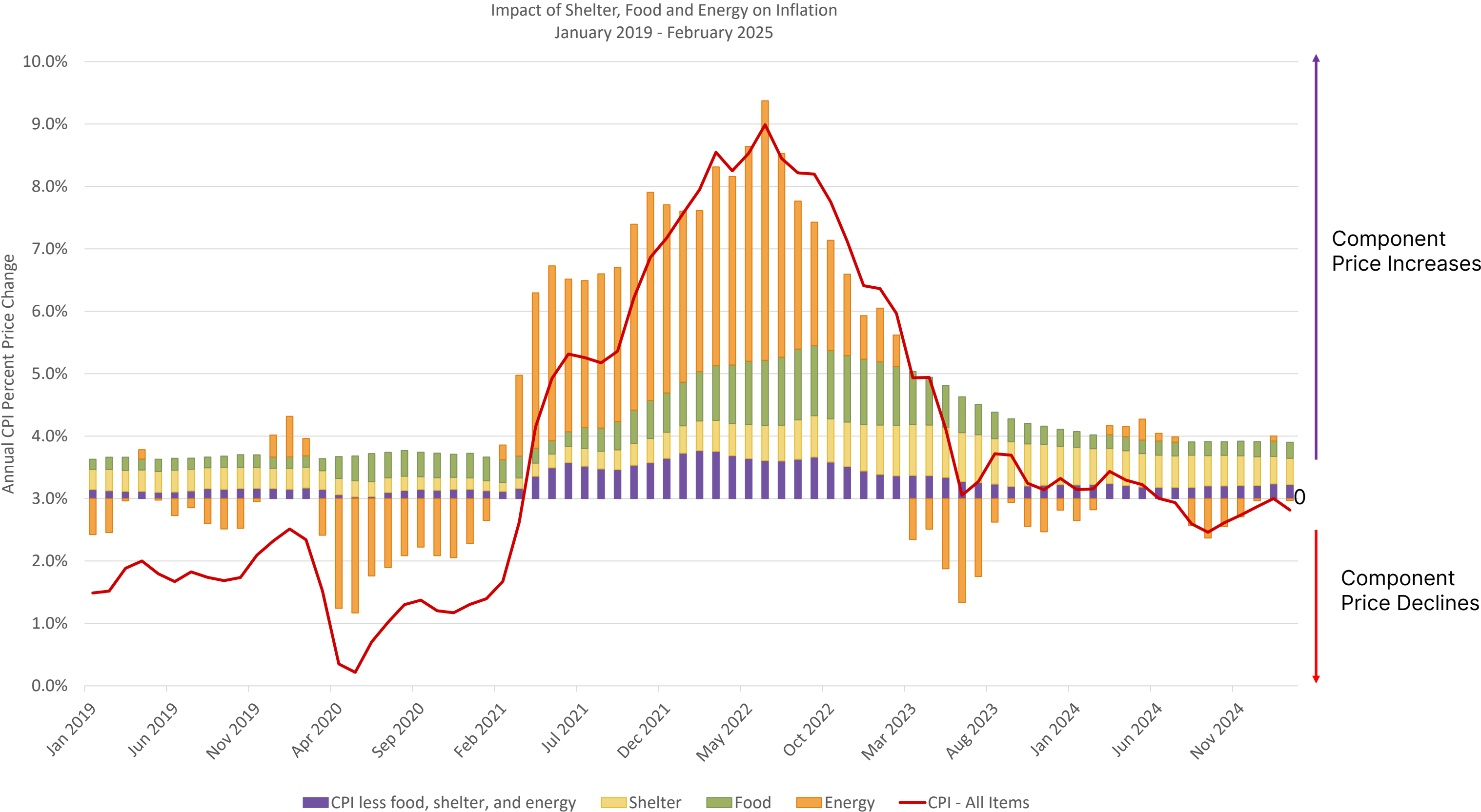
COMPONENTS OF INFLATION

March 2022

Federal Reserve begins raising interest rates.

September 2024

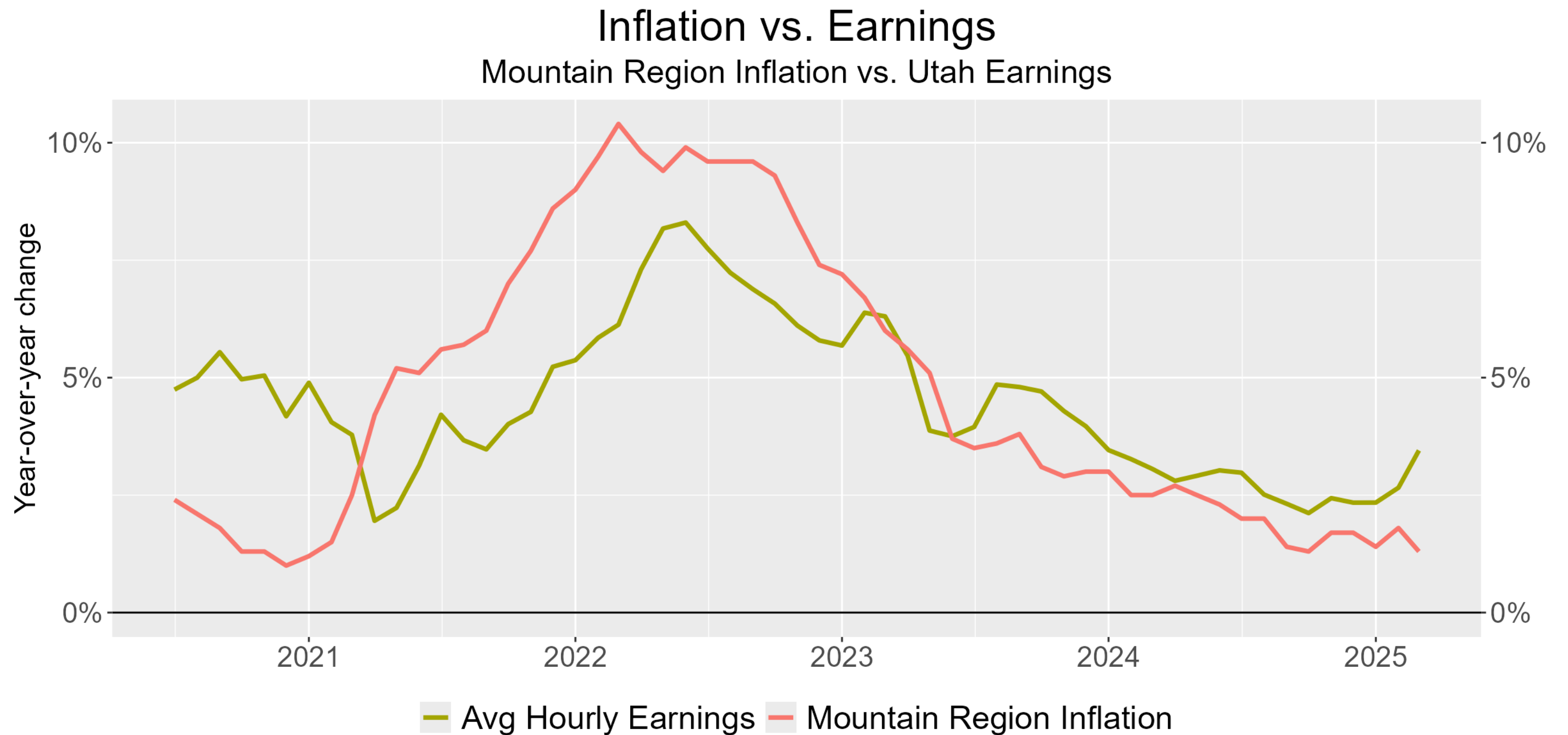
Federal Reserve begins cutting interest rates.



Source: Bureau of Labor Statistics

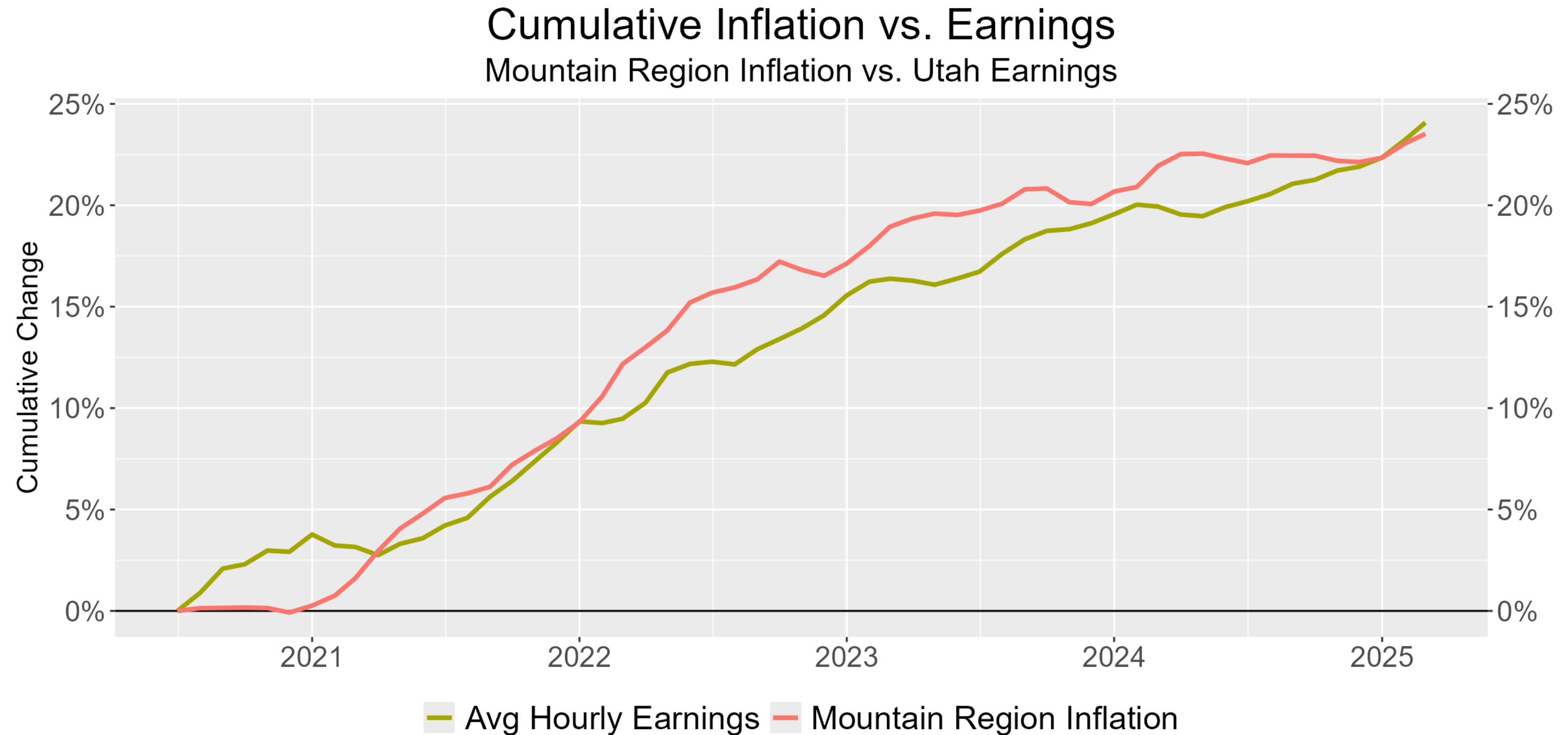
LOCAL INFLATION

UTAH EARNINGS



LOCAL INFLATION

UTAH EARNINGS

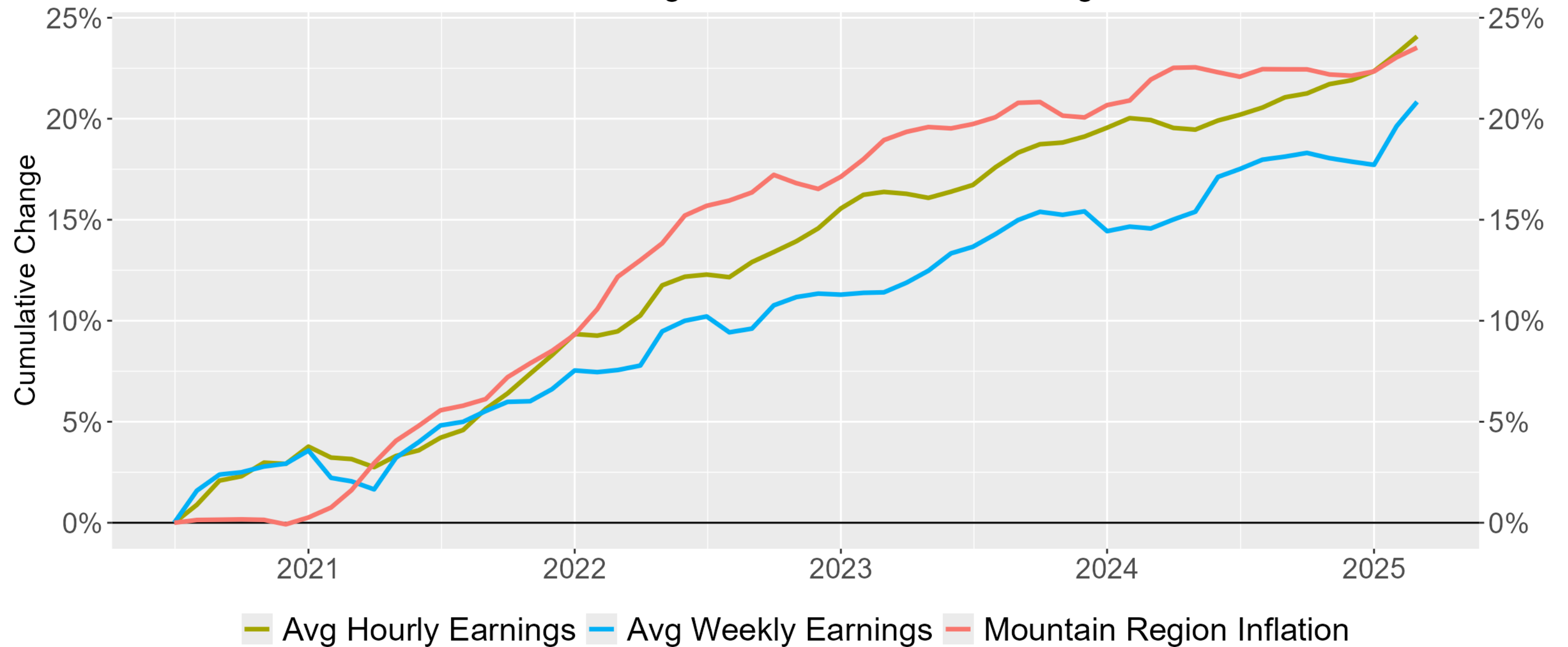


LOCAL INFLATION

UTAH EARNINGS



Cumulative Inflation vs. Earnings
Mountain Region Inflation vs. Utah Earnings

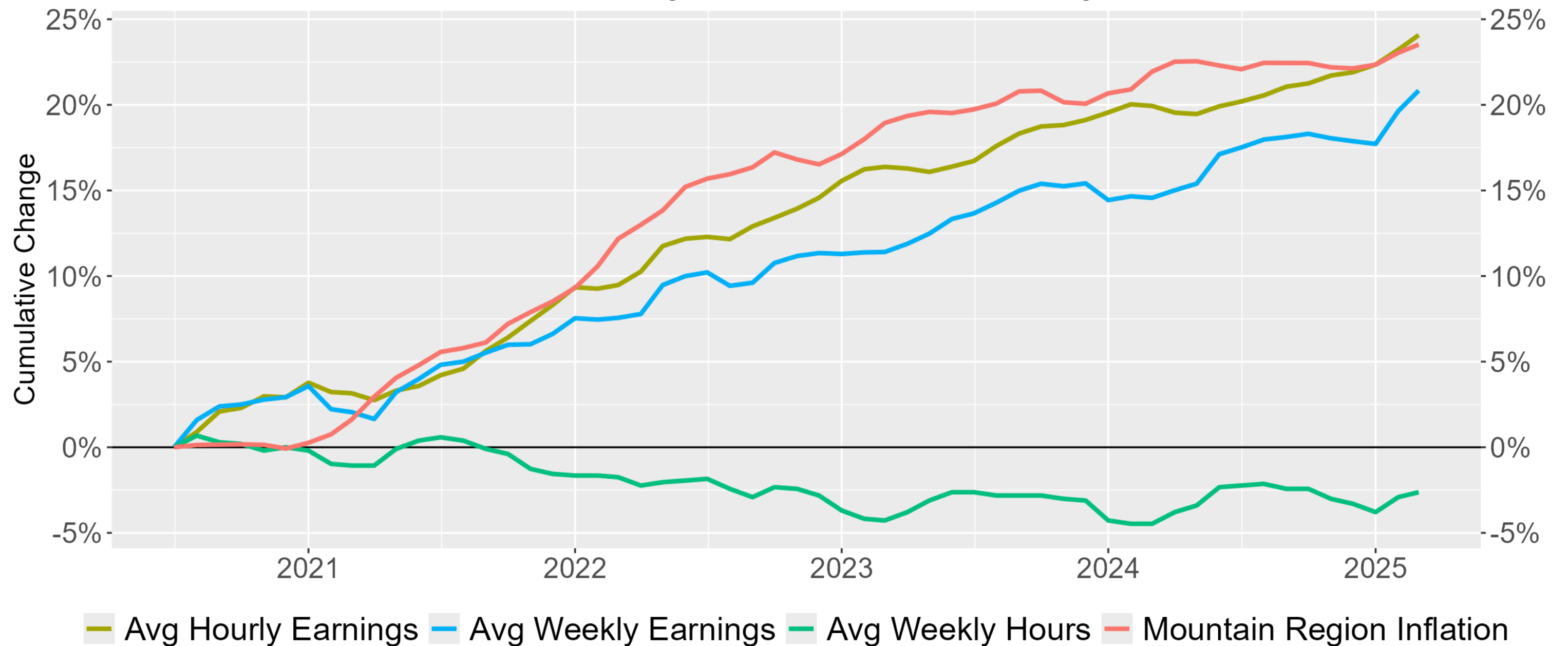


LOCAL INFLATION

UTAH EARNINGS



Cumulative Inflation vs. Earnings
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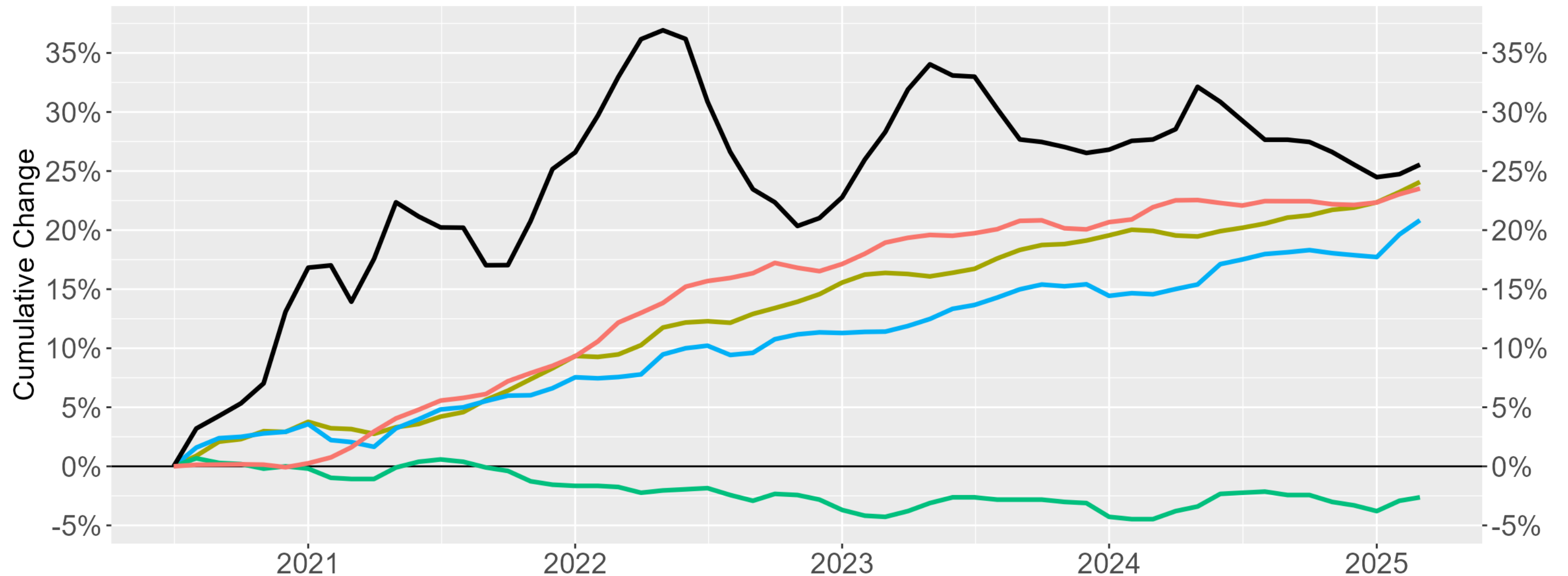


LOCAL INFLATION

UTAH EARNINGS



Cumulative Inflation vs. Earnings
Mountain Region Inflation vs. Utah Earnings



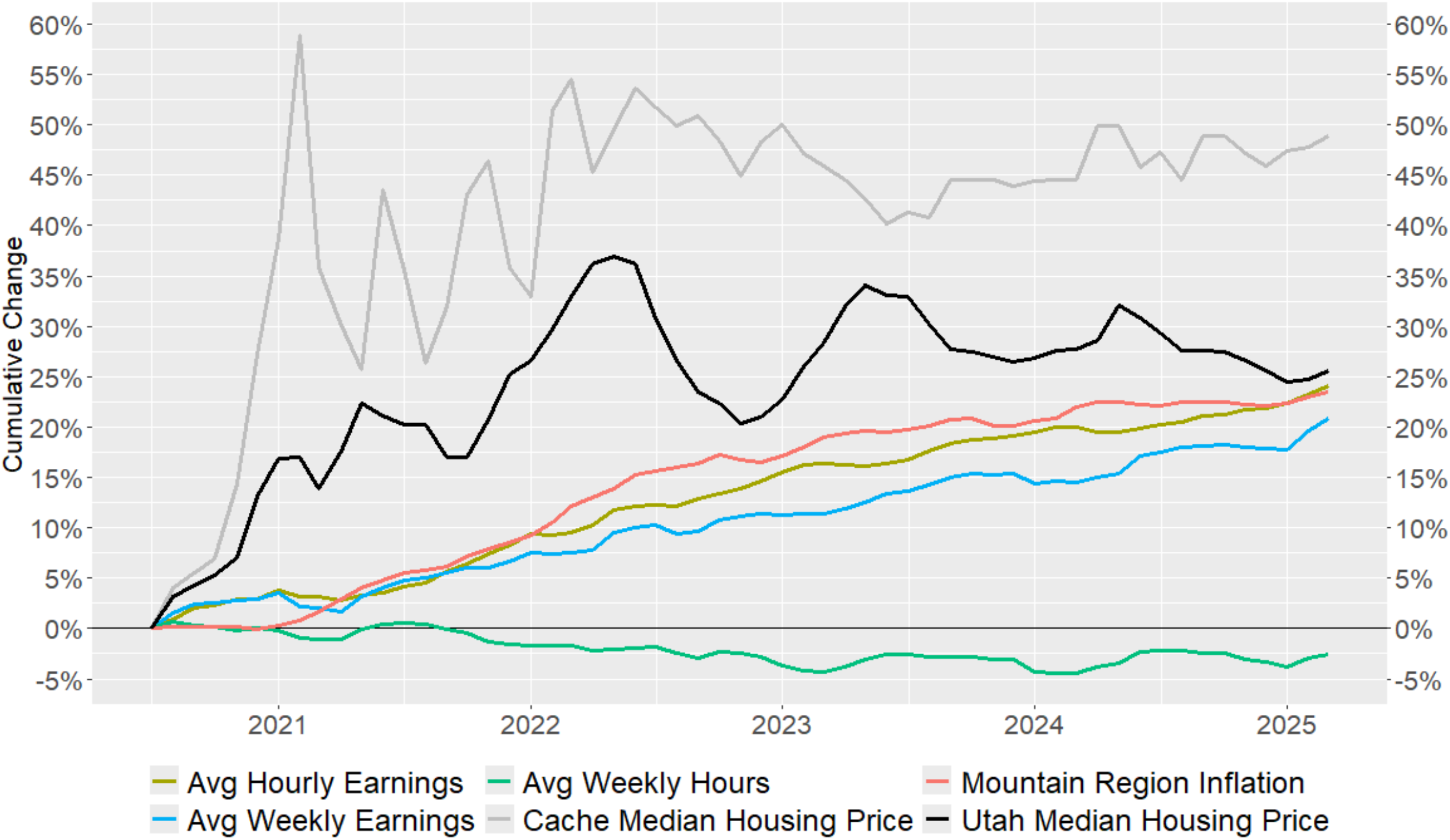
Hourly Earnings — Avg Weekly Earnings — Avg Weekly Hours — Median housing price — Mountain Region

LOCAL INFLATION

UTAH EARNINGS



Cumulative Inflation vs. Earnings
Mountain Region Inflation vs. Utah Earnings



Source: Bureau of Labor Statistics, Mountain Region Inflation v. Utah Earnings

CUMULATIVE % CHANGE IN U.S. GROCERY PRICES



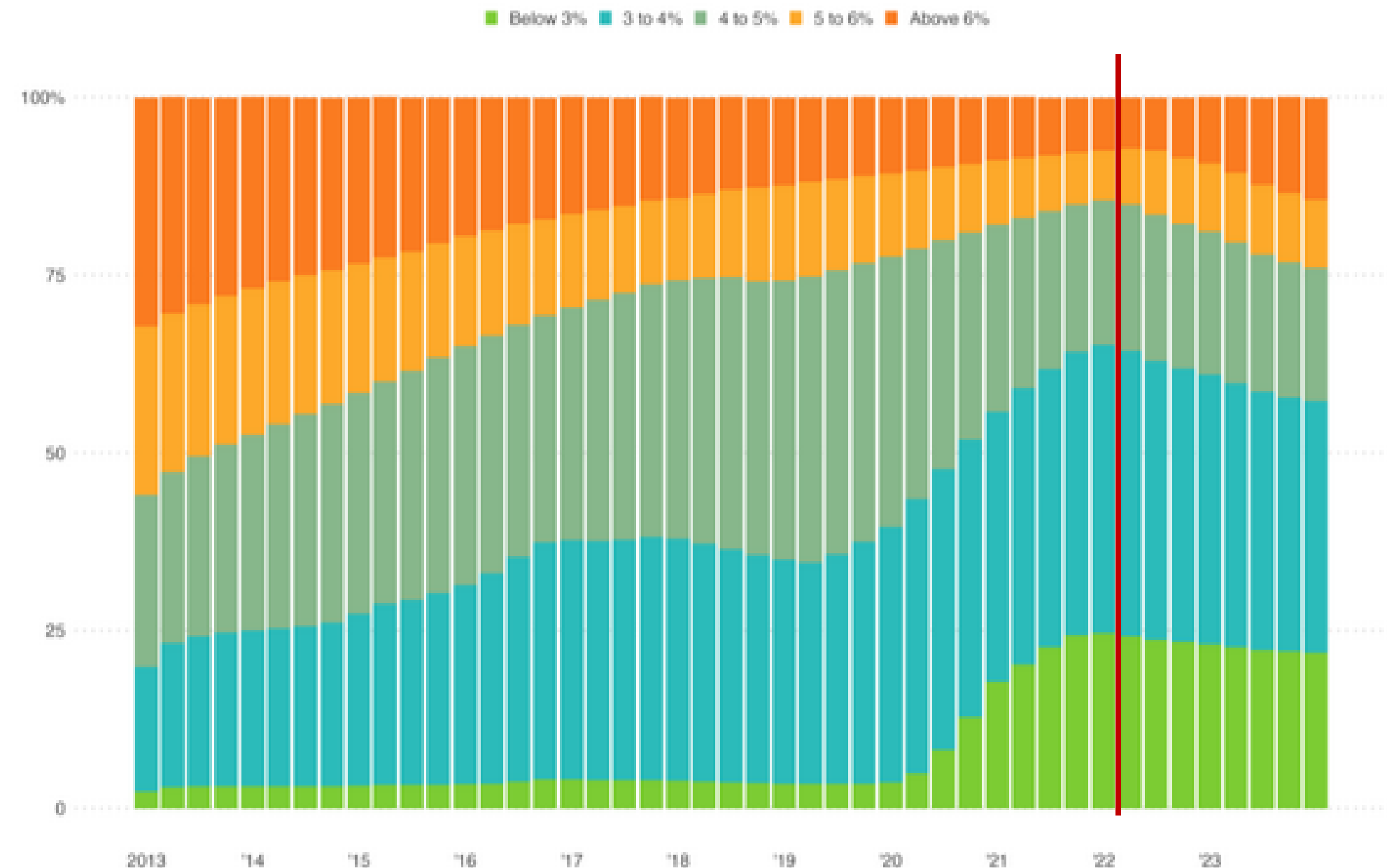
HOUSING MARKET CALCIFICATION

Interest Rates on Existing Mortgages



Nearly 9 in 10 U.S. Mortgage Holders Have a Rate Below 6%

Share of mortgage loans outstanding by mortgage rate



Mortgage rates below 3% increased dramatically during 2020 and 2021 until slowing in growth after the 2022 Fed rate hike.

Since 2022, the largest growth has been in mortgages with rates above 6%.

HOUSING MARKET CALCIFICATION

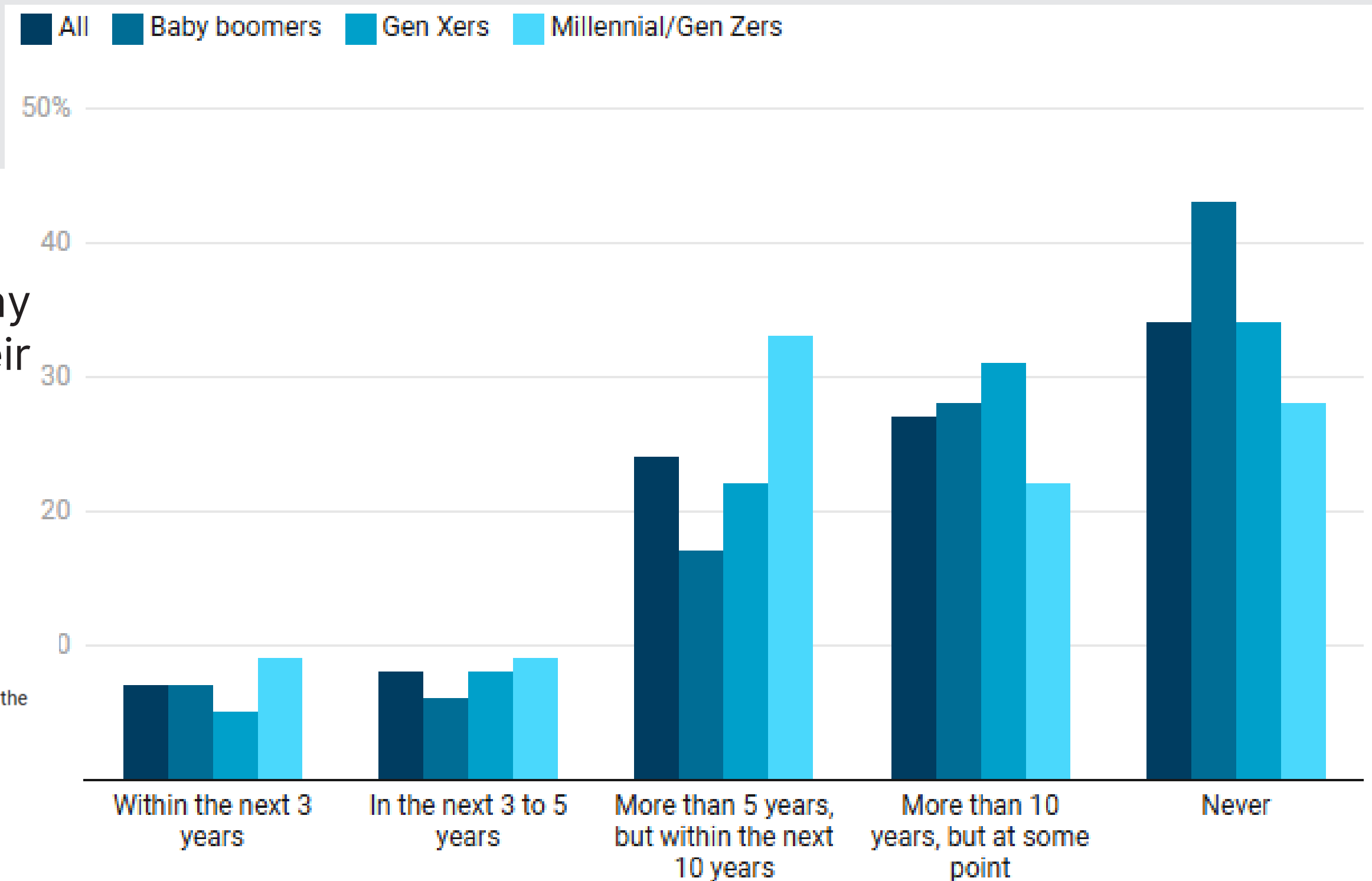
RedFin Survey

43% of Baby Boomers say they'll never sell their home.

43% of Baby Boomers Say They'll Never Sell Their Home

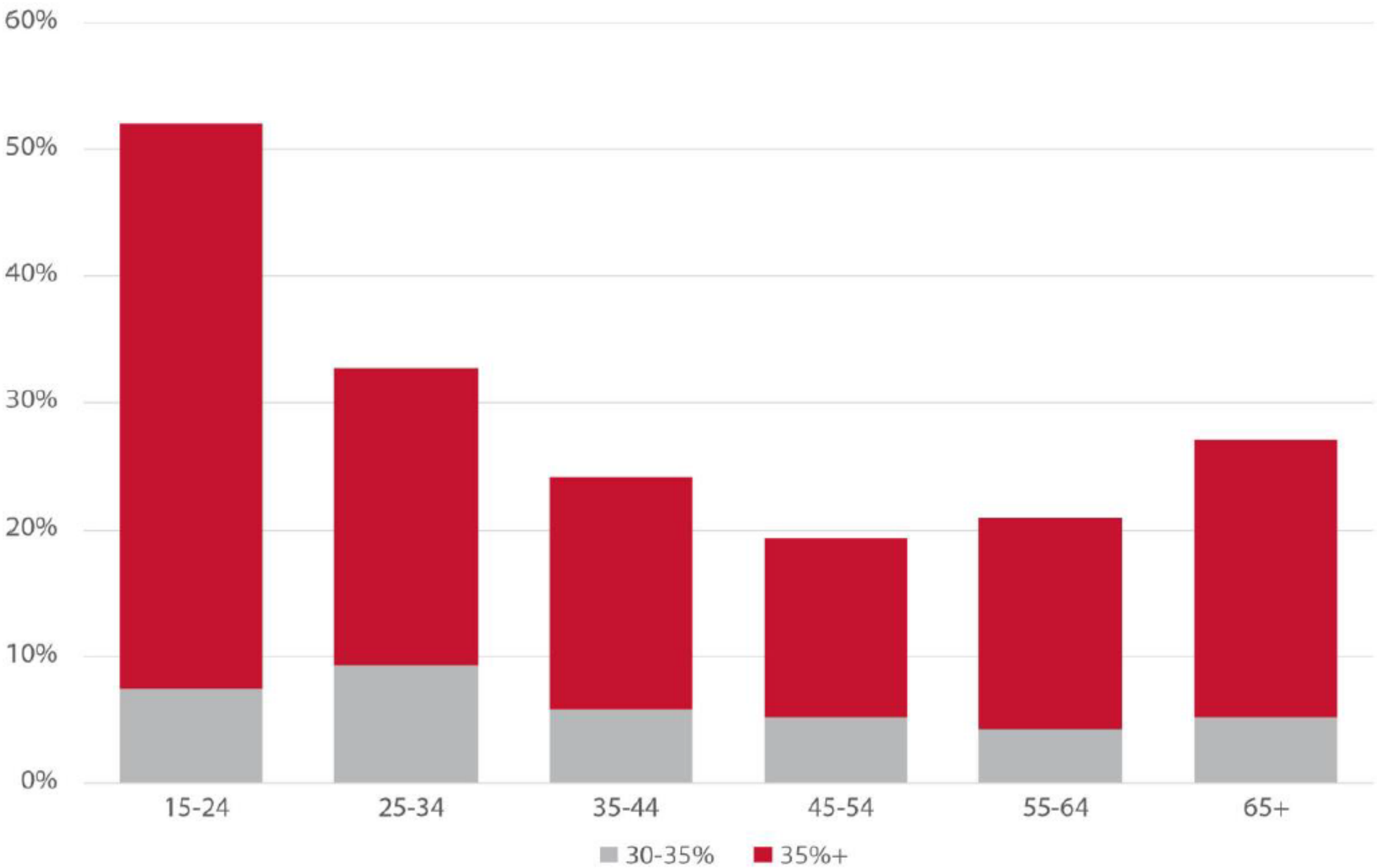
Share of homeowners, by generation, who would consider selling their current home within the specified timeframe

■ All ■ Baby boomers ■ Gen Xers ■ Millennial/Gen Zers



HOUSING AFFORDABILITY

Share of households with housing cost burden above 30% income by age



Source: Kem C. Gardner Policy Institute

What does the future **HOLD**

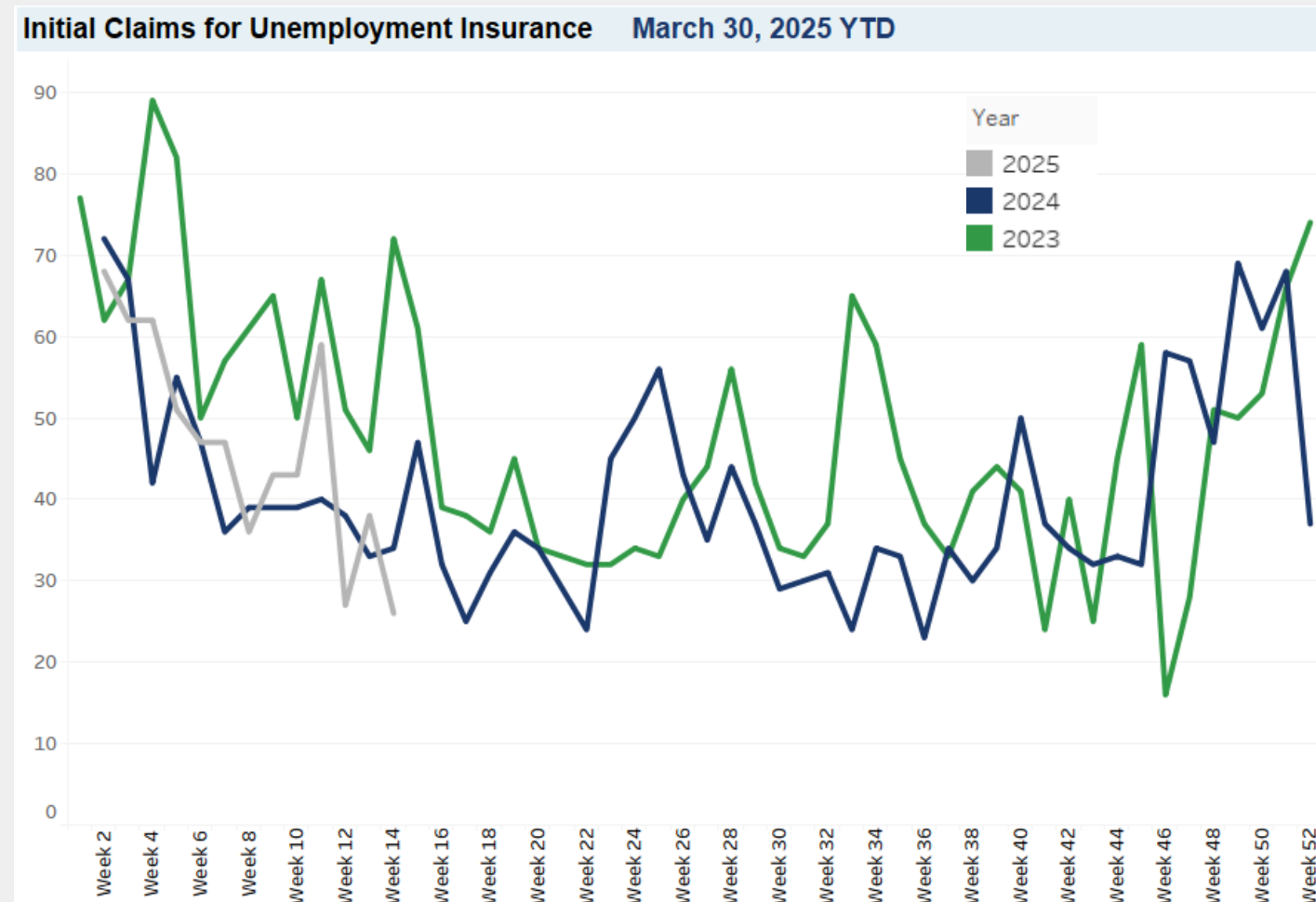
1. **UNEMPLOYMENT CLAIMS IN CACHE**
2. **LONG- AND SHORT-TERM PROJECTIONS**
3. **AI, UNCERTAINTY AND FUTURE EXPECTATIONS**



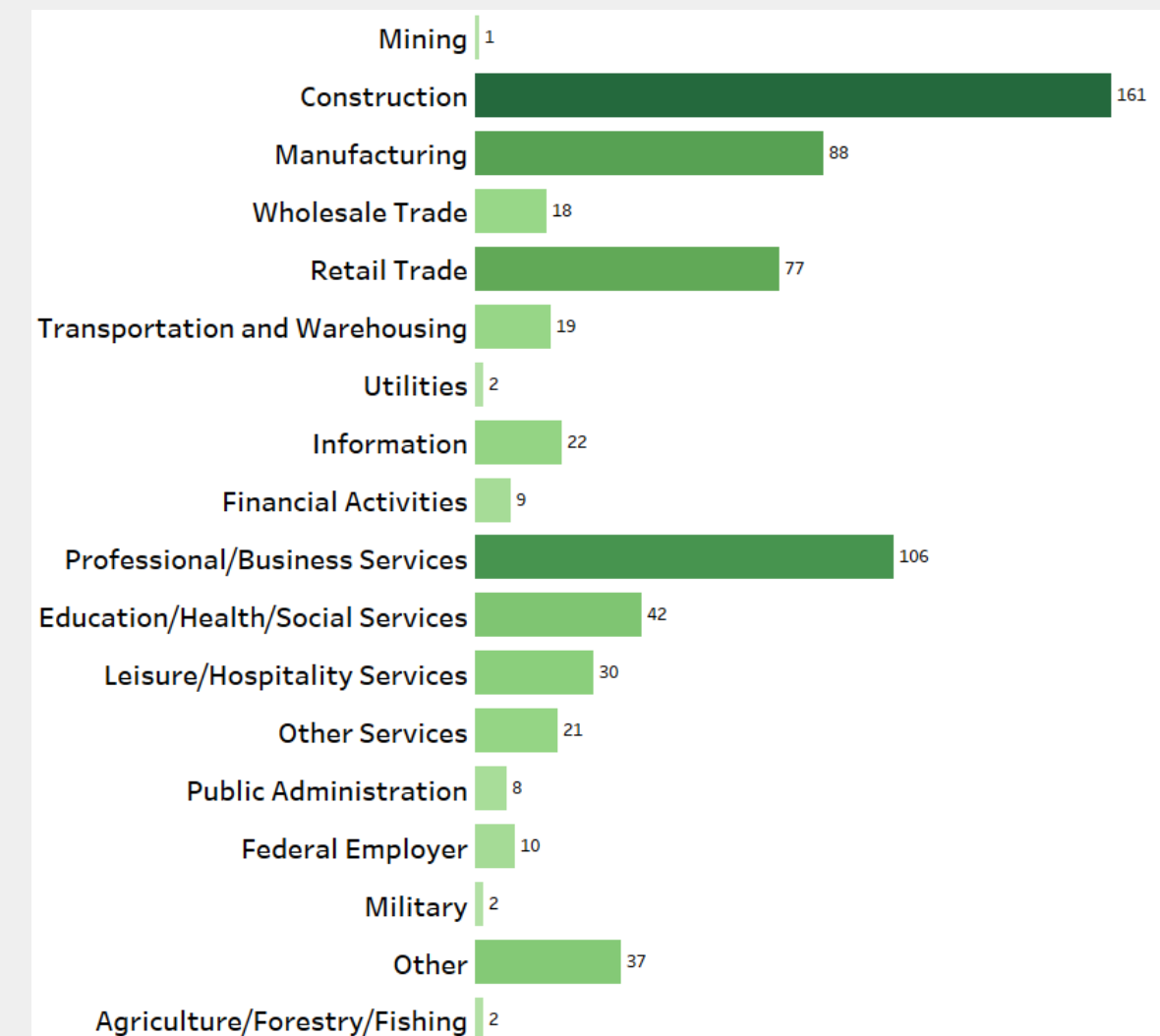
INITIAL UNEMPLOYMENT INSURANCE CLAIMS IN CACHE



Historical Trends



Claims by Industry



UTAH LONG TERM Occupational Projections 2022-2032

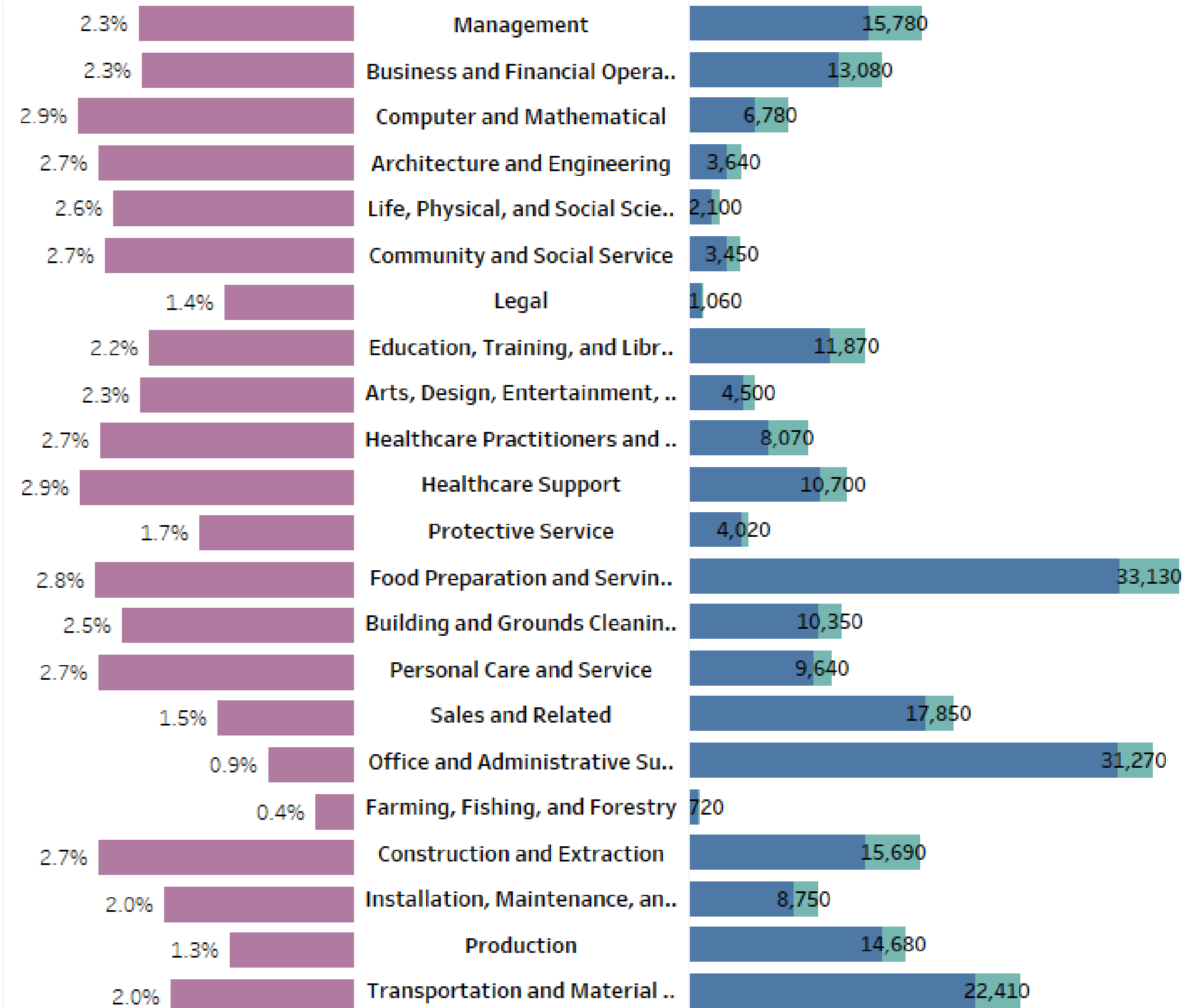
2.1%

Annual growth rate

249,530

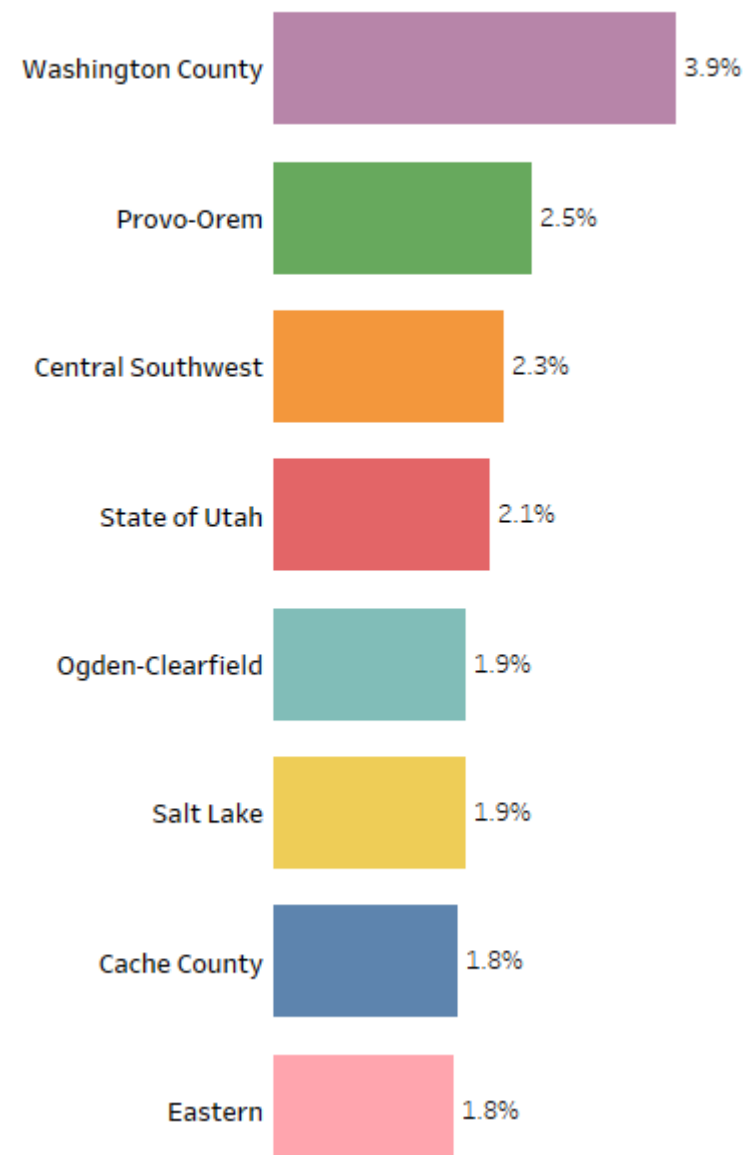
Annual openings

Source: Utah Department of Workforce Services

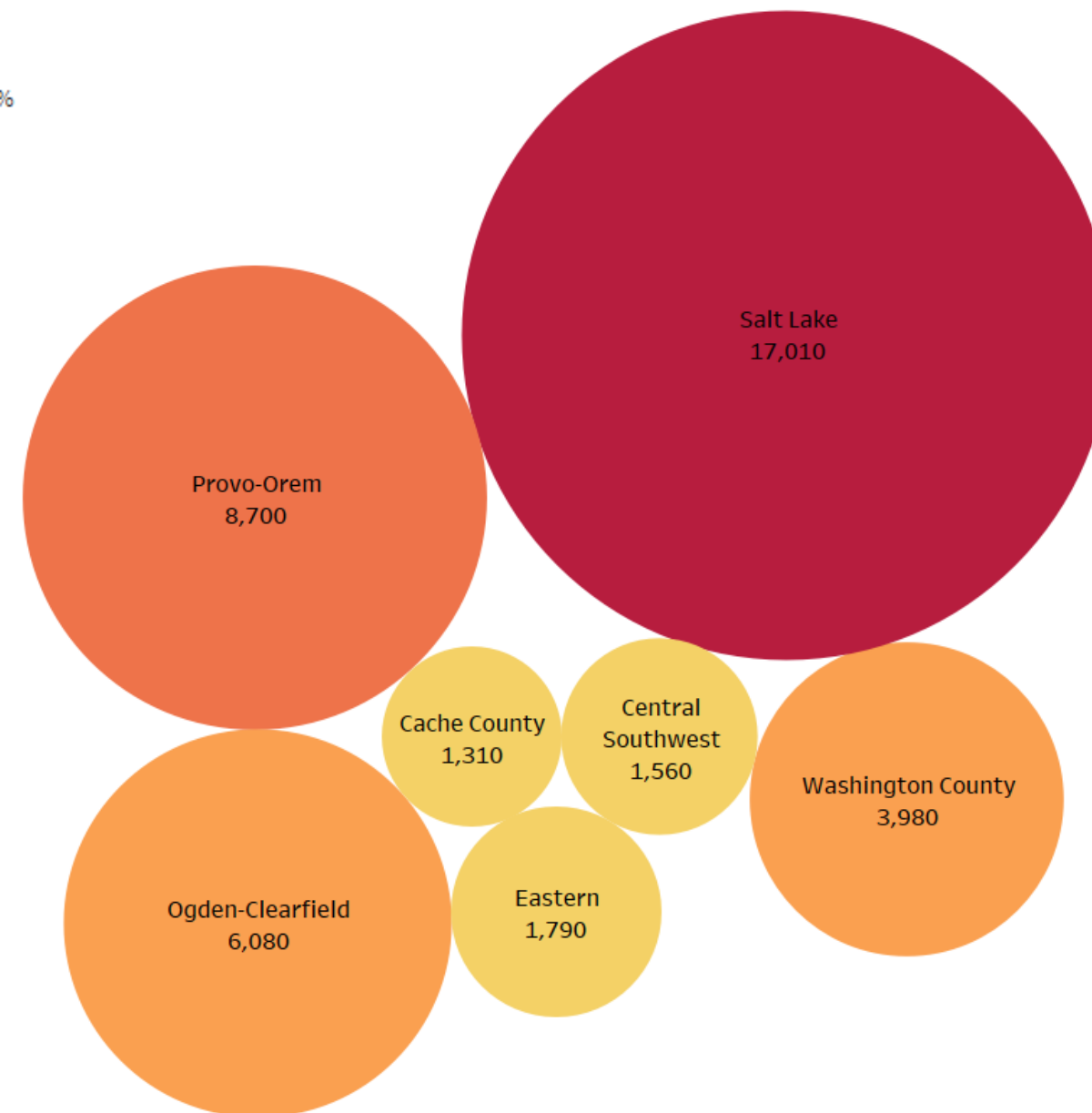


Annual Growth Rate

Annual Average Growth Rate



Average Annual Openings



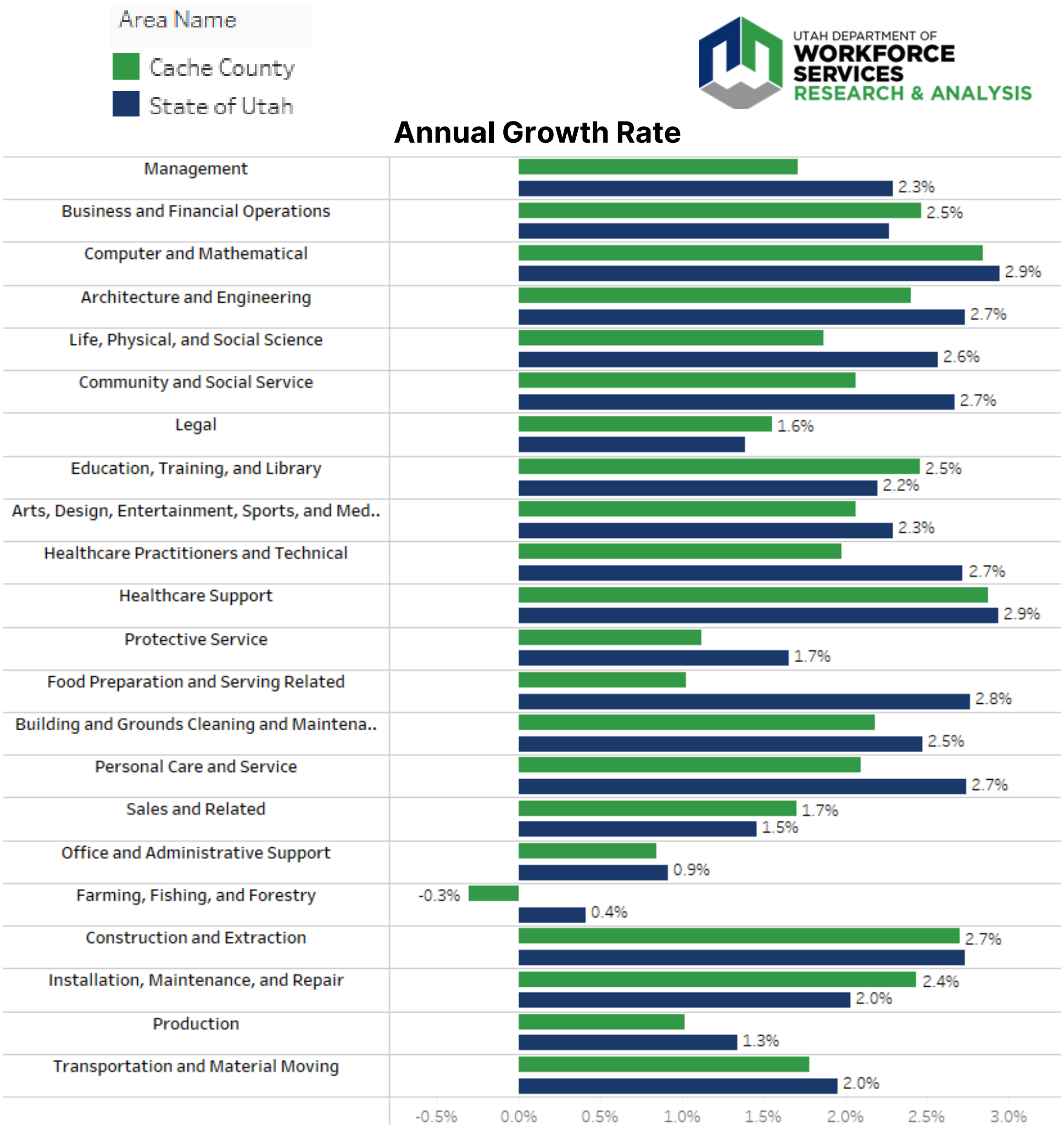
UTAH LONG TERM Industrial Projections 2022-2032 Area Growth Comparisons

CACHE & UTAH LONG TERM Occupational Projections 2022-2032

1.8%
Annual growth rate

1,310
Annual openings

Source: Utah Department of Workforce Services



ATM's AND TELLERS

“THE RISE OF ROBOTS”

Tellers vs. ATM Installations (1990s–Today)

- **ATM Explosion:** ~400,000 ATMs installed; assumed to eliminate tellers—but teller jobs rose.
- **Branch Strategy Shift:** ATMs cut average tellers/branch from 21 to 13, making branches cheaper to run. Banks opened more branches, netting more teller positions overall.
- **Evolving Job Role:** Tellers now focus on marketing and customer relations, often requiring higher skills and offering better wages.
- **General Trend:** Similar outcomes seen with scanning tech (cashiers) and e-discovery (paralegals)—tech often reshapes jobs rather than eliminating them.

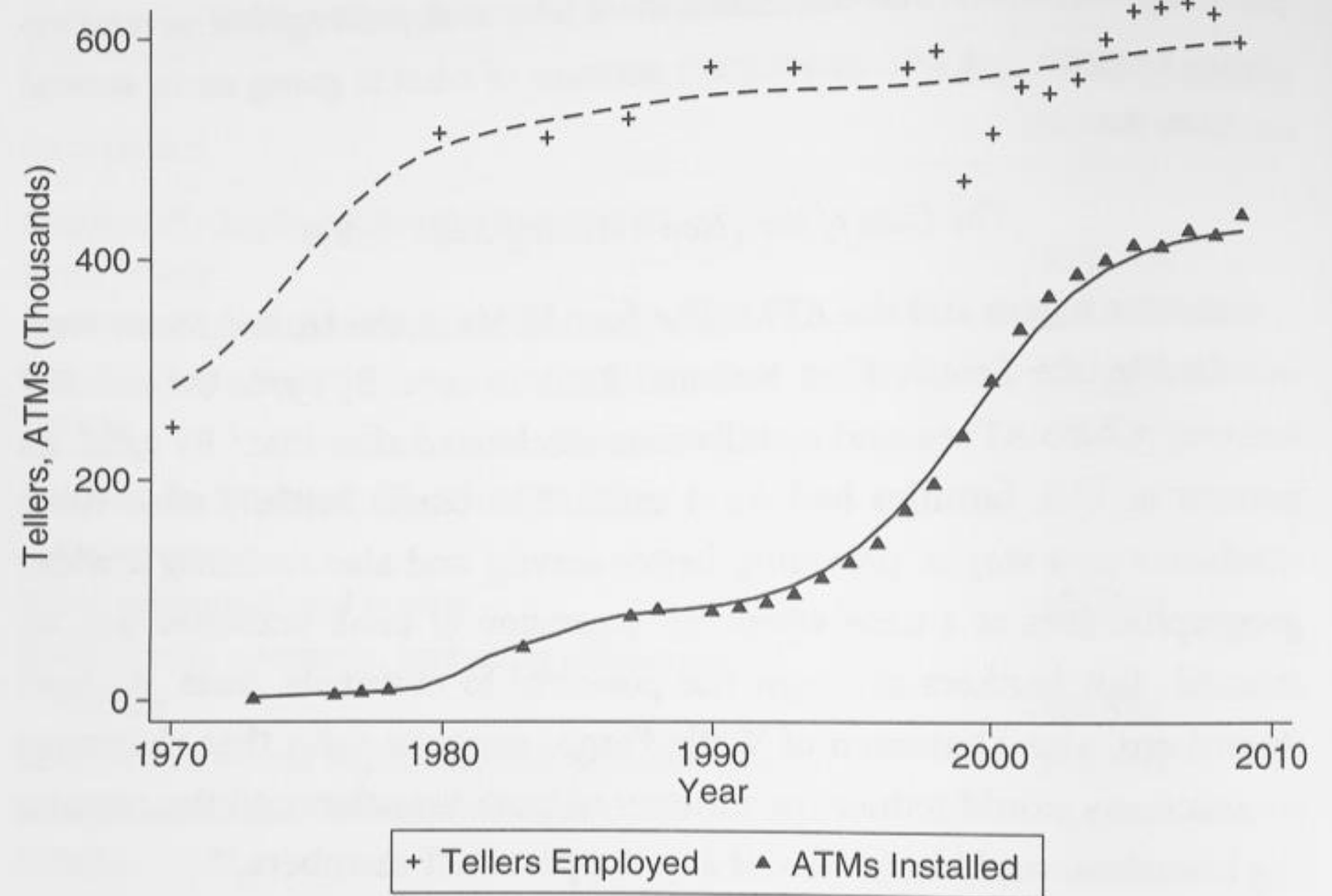
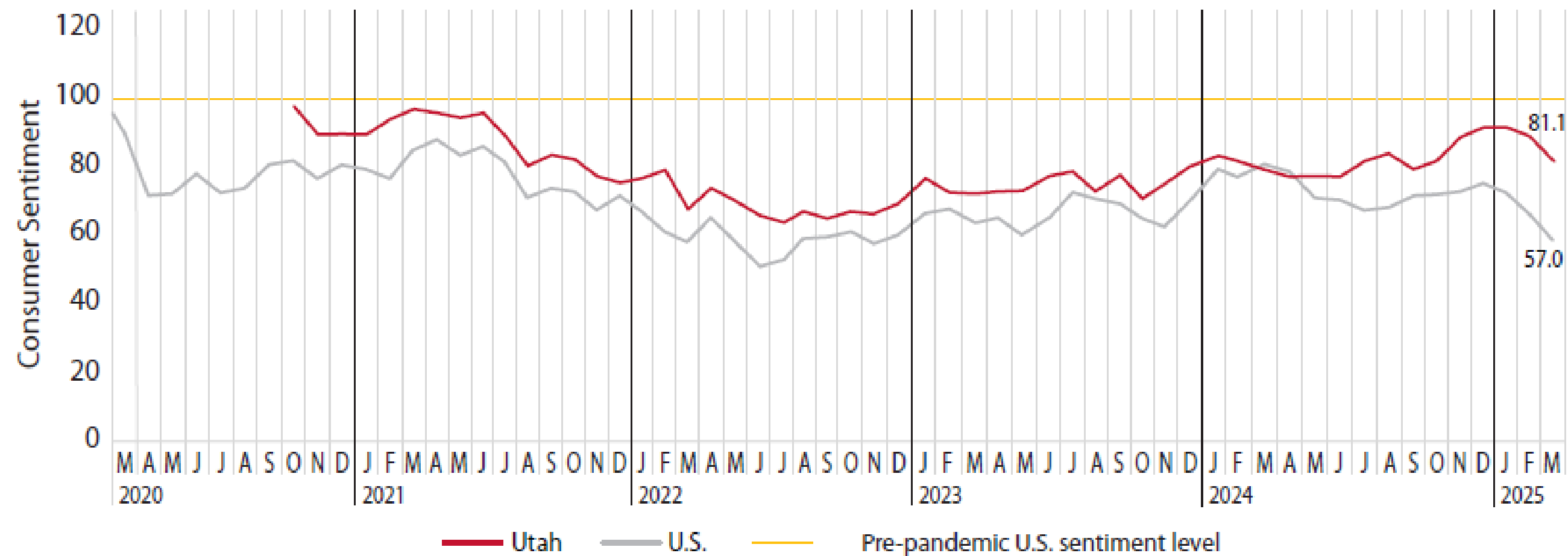


Figure 7.1. Adoption of automated teller machines did not reduce teller jobs. (Ruggles et al., Integrated Public Use Microdata Series: Version 5.0; Bureau of Labor Statistics, Occupational Employment Survey, <http://www.bls.gov/oes/>; Bank for International Settlements, Committee on Payment and Settlement Systems, various publications [see p. 243, note 9]).

MARKET UNCERTAINTY

Utahn's Sentiment is Positive But In Decline

Consumer Sentiment Index: Utah and U.S.



THE CONFERENCE BOARD

U.S. Economic Outlook



The Conference Board US Economic Outlook, 2024-2026

March forecasts

	2024	2025	2026
Real GDP	2.8	2.0	1.6
Fed Funds* (%)	4.375	3.625	3.125
PCE Inflation (%Y/Y)	2.5	2.5	2.4
Unemployment rate (%)	4.0	4.3	4.3
Real Disposable Income	2.7	1.8	1.8

Updated April 4th

	2024	2025	2026
Real GDP	2.8	1.6	1.4
Fed Funds* (%)	4.375	3.625	3.125
PCE Inflation (%Y/Y)	2.5	2.9	2.9
Unemployment rate (%)	4.0	4.4	4.5
Real Disposable Income	2.7	1.6	1.7

* Midpoint, Period End

Kiplinger March forecasts

Economic Forecasts
GDP growth 2.0% in '25, down from 2.8% in '24
Interest rates 10-year rate rising later in year as progress on inflation stalls
Inflation 3.6% at end '25, up from 2.9% at end '24
Unemployment 4.3% at end '25, up from 4.1% at end '24
Crude oil Trading from \$70 to \$75 per barrel this spring
After-tax income Rising 2.1% in '25 (adj. for inflation), down from 2.7% in '24
Complete economic outlook at kiplinger.com/outlooks

Updated April 3rd

Economic Forecasts
GDP growth NEW 1.7% in '25, down from 2.8% in '24
Interest rates NEW 10-year yield dipping below 4.0% as economy slows
Inflation NEW 5.0% at end '25, up from 2.9% at end '24
Unemployment NEW 4.5% at end '25, up from 4.1% at end '24
Crude oil NEW Trading around \$70 per barrel this spring
Motor vehicle sales 15.4 million cars & light trucks in '25, down from 15.8 million in '24
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THANK YOU

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