

Economic Update

Utah State Board of Education
September 4, 2025



Economic Update:

- Monthly State Revenue Snapshot
 - June 2025(based on Utah State Tax Commission Monthly Revenue Summary Report (Report TC-23)).
- Utah Economic Council – Economic and Business Indicators (Utah Economic Council and Gardner Institute)
 - Based on Utah Economic Council and Business Indicators Report – June 2025.

Economic Update:

- Latest GDP Report – 2nd Quarter (Advance Estimate)
- Based on U.S. Bureau of Economic Analysis (BEA) News Release, July 30, 2025.
- “Soft landing”?

June 2025 – Monthly State Revenue Snapshot

- Revenue Highlights:
 - General and Income Tax Funds (GF/ITF/USF)
 - Revenues - \$10.9 billion:
 - Represents Year-Over-Year (YOY) increase of 4.2 %.
 - Target rate 1.2 %.

June 2025 – Monthly State Revenue Snapshot

- Revenue Highlights:
 - Income Tax Funds (ITF):
 - Revenues - \$6.157 billion:
 - Represents Year-Over-Year (YOY) increase of 6.4 %.
 - Target rate – 4.4 %.

June 2025 – Monthly State Revenue Snapshot

- Revenue Highlights:
 - Growth indicated across multiple categories.
 - Income Tax Fund (ITF):
 - Revenue collections (Individual Income Tax):
 - Above the projected range.
 - Some stabilization compared to previous years.

June 2025 – Monthly State Revenue Snapshot

- Overall Commentary:
 - ‘Summary’:
 - “Looking at the total General Fund, Income Tax Fund, and Transportation Fund together, collections increased by 4.5 percent compared to the same period last year, above the 1.6 percent projected growth rate.”
 - ‘Income Tax Fund’:
 - “Income Tax Fund collections were over \$7.0 billion in the first 11 months of FY 2025 - a change of 6.2 percent compared to last year. This growth was driven by robust growth in all the major income tax sources. Individual income tax grew at 6.4 percent, above the 4.4 percent projected growth rate.”

June 2025– Monthly State Revenue Snapshot

MONTHLY STATE REVENUE SNAPSHOT JUNE 2025

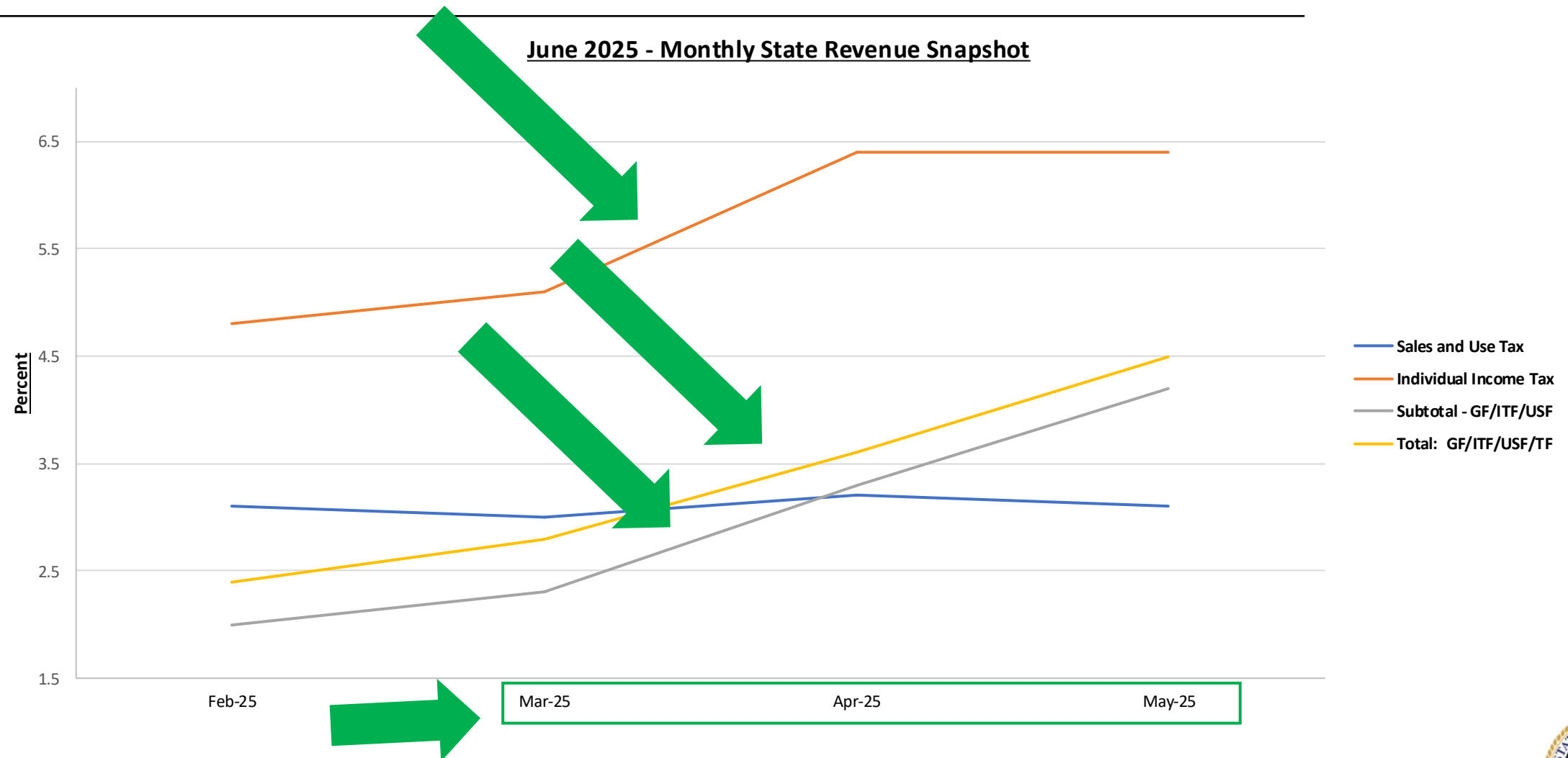
based on the Utah State Tax Commission Monthly Revenue Summary (Report TC-23)

	Projected Growth Rate - February Estimates (Annual)	YoY Growth Rate	Projected Range in Collections Through 11 Months	FY 2025 Actual Collections	FY 2025 Year-End Forecast	Feb-25	Mar-25	Apr-25	May-25
General Fund									
Sales & Use Tax	2.4%	3.1%	\$2,956,000,000 - \$3,268,000,000	\$3,185,798,968	\$3,394,946,667	3.1%	3.0%	3.2%	3.1%
All Other Sources	-9.5%	-7.5%	\$650,000,000 - \$794,000,000	\$764,906,430	\$787,784,000	-6.9%	-7.0%	-6.7%	-7.5%
Subtotal General Fund	-0.1%	0.9%		\$3,950,705,398	\$4,182,730,667	1.2%	0.9%	1.2%	0.9%
Sales & Use Tax Set-Asides	2.9%	1.4%	\$1,040,000,000 - \$1,272,000,000	\$1,113,247,035	\$1,261,144,062	-0.2%	0.0%	-0.9%	1.4%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	4.4%	6.4%	\$5,887,000,000 - \$6,006,000,000	\$6,157,051,587	\$6,486,707,667	4.8%	5.1%	6.4%	6.4%
Withholding		3.2%		\$4,855,237,953		4.8%	4.6%	3.0%	3.2%
Final Payments (plus SALT Passthrough)		20.0%		\$1,301,813,633		4.7%	9.2%	19.9%	20.0%
Corporate Tax	-11.7%	5.3%	\$645,000,000 - \$788,000,000	\$811,177,518	\$781,871,667	-20.0%	-13.4%	-8.3%	5.3%
All Other Sources	-14.2%	0.2%	\$63,000,000 - \$77,000,000	\$79,368,455	\$152,073,000	4.4%	-1.5%	-7.8%	0.2%
Subtotal Income Tax Fund	2.0%	6.2%		\$7,047,597,560	\$7,420,652,333	2.5%	3.2%	4.5%	6.2%
Subtotal GF/ITF/USF	1.2%	4.2%		\$10,998,302,958	\$11,603,383,000	2.0%	2.3%	3.3%	4.2%
Transportation Fund									
Motor Fuel Tax	8.5%	8.7%	\$399,000,000 - \$488,000,000	\$438,377,679	\$484,101,250	9.2%	8.5%	8.2%	8.7%
Special Fuel Tax	3.3%	1.9%	\$168,000,000 - \$205,000,000	\$172,202,012	\$203,510,667	2.0%	4.7%	3.3%	1.9%
Other	8.9%	15.2%	\$135,000,000 - \$165,000,000	\$162,174,974	\$204,431,333	18.2%	18.8%	17.0%	15.2%
Subtotal Transportation Fund	7.4%	8.4%		\$772,754,665	\$892,043,250	9.1%	9.5%	8.8%	8.4%
Total, GF/ITF/USF/TF	1.6%	4.5%		\$11,771,057,623		2.4%	2.8%	3.6%	4.5%

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June 2025 – Monthly State Revenue Snapshot

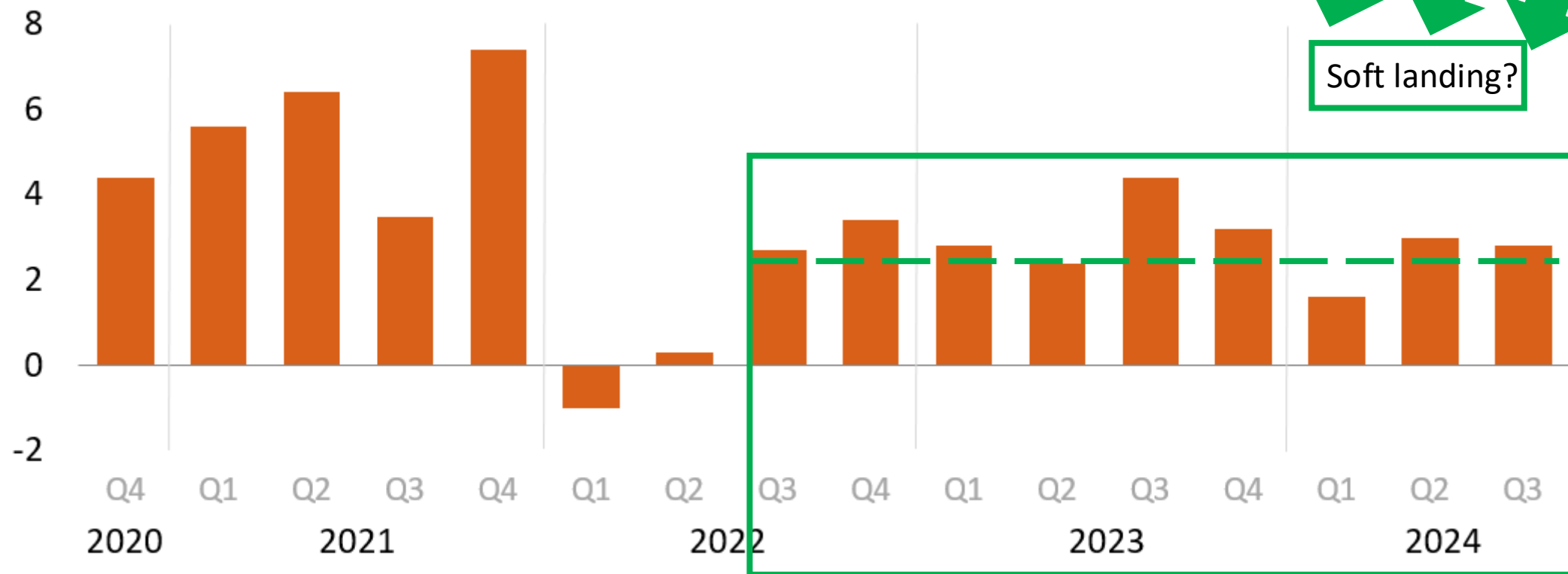


**** January 2025 Presentation Slide ****

United States - Latest GDP Report – 3rd Quarter(Second Estimate)

**** January 2025 Presentation Slide ****

Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

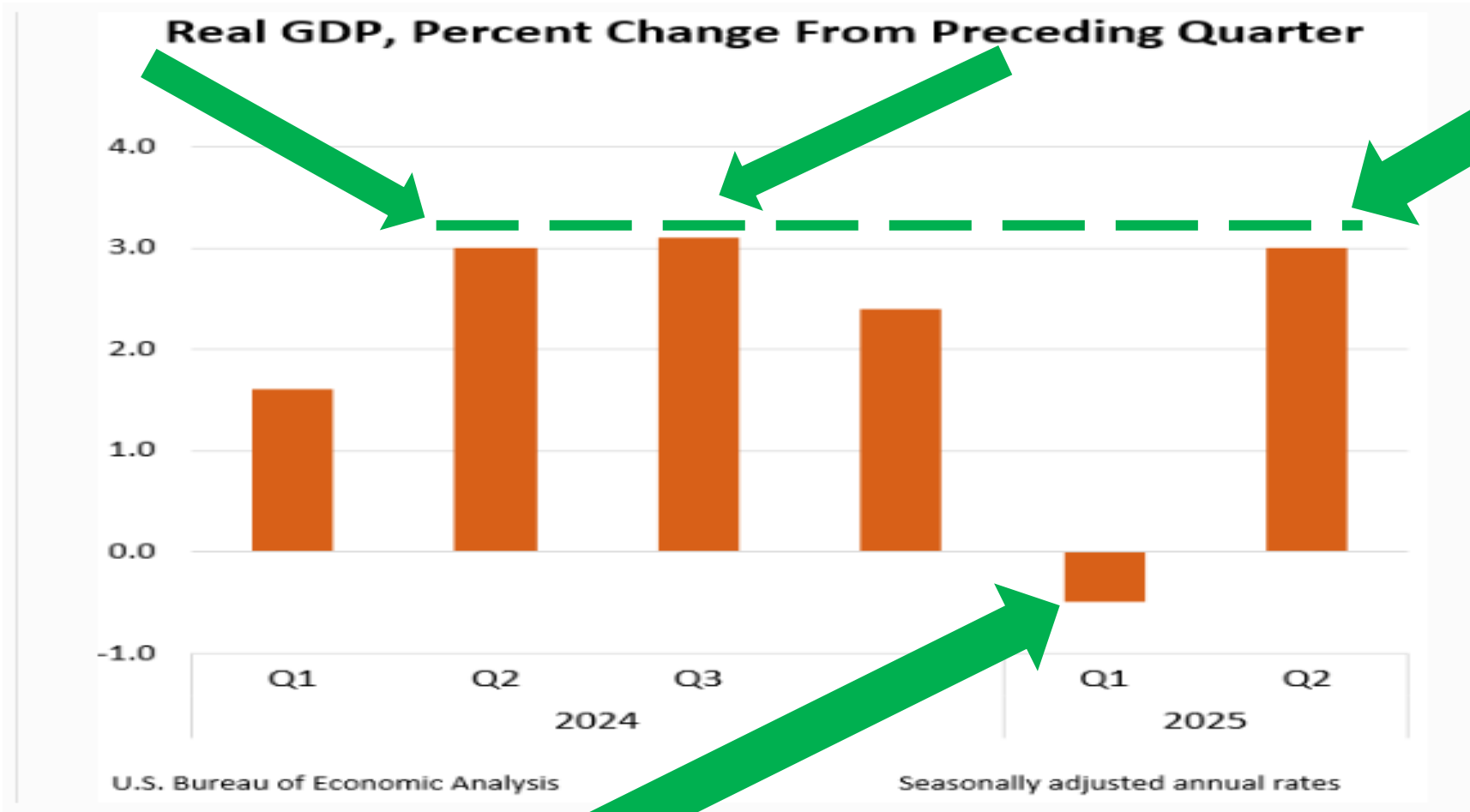
Seasonally adjusted annual rates

9 quarters of steady economic growth

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- United States - Latest GDP Report – 2nd Quarter (Advanced Estimate)**

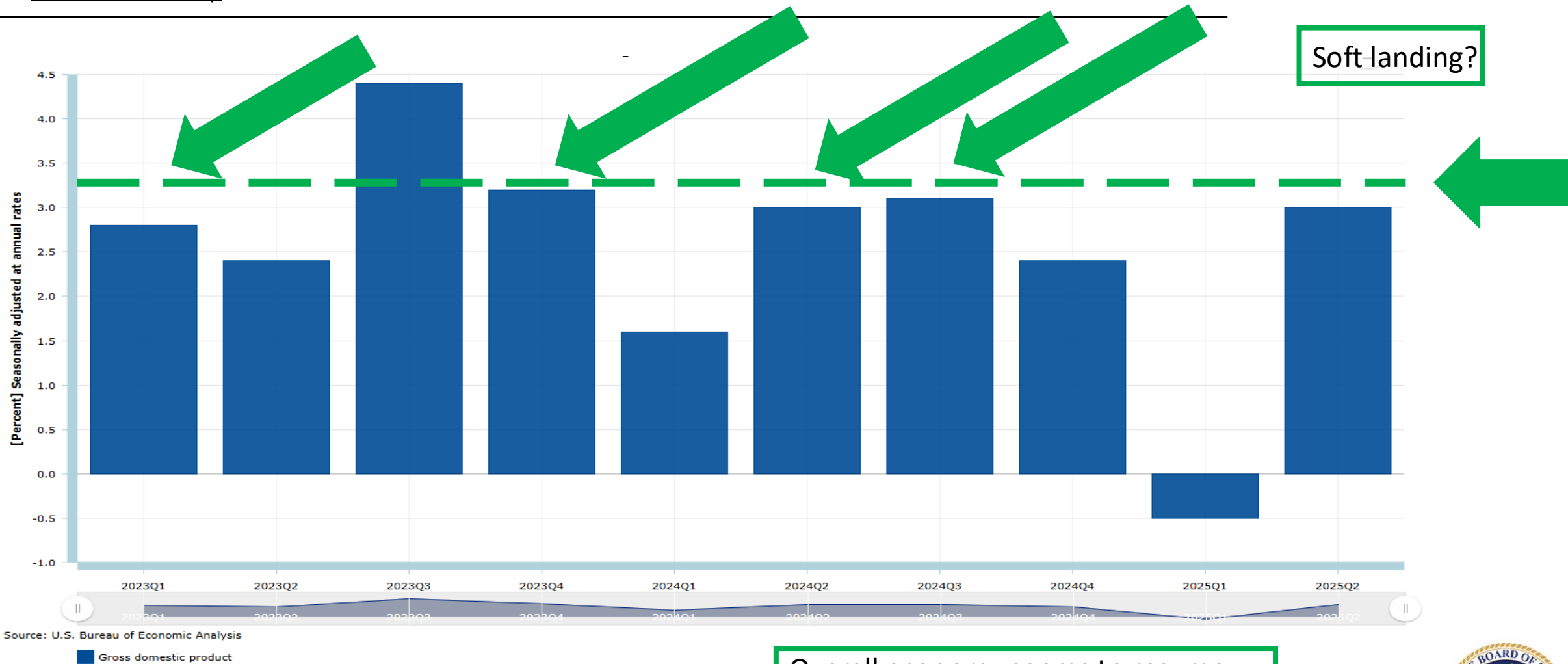


Soft landing?

Overall economy seems to resume growth – back in 'soft landing mode'?

Tariff "news" shock

- United States - Latest GDP Report – 2nd Quarter (Advanced Estimate)**



Source: U.S. Bureau of Economic Analysis

Overall economy seems to resume steady growth

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- **Utah Economic Council – Economic and Business Indicators**

- Indicators: Percent Change 2024-25
 - Note:
 - US Real GDP: 1.5%
 - Utah Real GDP: 3.3%
- Indicators: Percent Change 2025-26
 - Note:
 - US Real GDP: 1.8%
 - Utah Real GDP: 3.1%

- **Utah Economic Council – Economic and Business Indicators**
- **(June 2025)**

Utah Economic Council Economic and Business Indicators

Utah and the United States, June 2025

	2021 Actual	2022 Actual	2023 Actual	2024 Estimate	Percent Change		
DEMOGRAPHICS					21-22	22-23	23-24
Utah July 1st Population (Thousands)	3,343	3,401	3,456	3,507	1.7%	1.6%	1.5%
Utah Net Migration (Thousands)	34.0	34.9	31.6	26.0	2.9%	-9.5%	-17.7%
U.S. July 1st Population (Millions)	333	335	337	341	0.6%	0.9%	0.9%

EMPLOYMENT, WAGES, AND INCOME

Utah Nonagricultural Employment (DWS) (Thousands)	1,617	1,685	1,724	1,748	4.2%	2.3%	1.4%
Utah Total Nonagriculture Wages (DWS) (Millions)	\$92,037	\$101,797	\$108,493	\$115,532	10.6%	6.6%	6.5%
Utah Average Annual Pay (DWS) (Dollars)	\$56,928	\$60,406	\$62,922	\$66,094	6.1%	4.2%	5.0%
Utah Unemployment Rate (DWS) (Percent)	2.7	2.4	2.6	3.2	–	–	–
Utah Personal Income (BEA) (Millions)	\$194,316	\$205,519	\$219,332	\$232,792	5.8%	6.7%	6.1%
U.S. Establishment Employment (BLS) (Millions)	146.3	152.5	155.9	158.0	4.3%	2.2%	1.3%
U.S. Total Wages & Salaries (BEA) (Billions)	\$10,316	\$11,123	\$11,725	\$12,401	7.8%	5.4%	5.8%
U.S. Average Annual Pay (BEA)	\$70,521	\$72,921	\$75,220	\$78,507	3.4%	3.2%	4.4%
U.S. Unemployment Rate (BLS) (Percent)	5.4	3.7	3.6	4.0	–	–	–
U.S. Personal Income (BEA) (Billions)	\$21,419	\$22,089	\$23,403	\$24,669	3.1%	5.9%	5.4%

PRODUCTION AND SALES

Utah Real GDP (2017 Chained, Millions)	\$210,447	\$217,443	\$225,459	\$235,407	3.3%	3.7%	4.4%
Utah Taxable Sales (Millions)	\$90,105	\$100,894	\$102,657	\$105,191	12.0%	1.7%	2.5%
Utah Exports (Millions)	\$18,060	\$16,542	\$17,388	\$18,213	-8.4%	5.1%	4.7%
U.S. Real GDP (2017 Chained, Billions)	\$21,495	\$22,035	\$22,671	\$23,305	2.5%	2.9%	2.8%
U.S. Total Retail Sales (Billions)	\$7,214	\$7,872	\$8,149	\$8,361	9.1%	3.5%	2.6%
U.S. Real Exports (2017 Chained, Billions)	\$2,284	\$2,456	\$2,524	\$2,606	7.5%	2.8%	3.3%

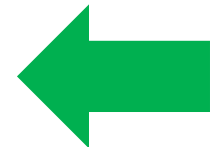
Utah Economic Council Forecast

2025	2026	Percent Change	
		24-25	25-26
3,556	3,602	1.4%	1.3%
25.3	23.8	-2.7%	-5.9%
342	343	0.5%	0.3%

1,781	1,813	1.9%	1.8%
\$121,848	\$128,134	5.5%	5.2%
\$68,407	\$70,665	3.5%	3.3%
3.3	3.5	–	–
\$244,432	\$256,653	5.0%	5.0%
159.6	160.1	1.0%	0.3%
\$13,004	\$13,543	4.9%	4.1%
\$81,488	\$84,613	3.8%	3.8%
4.5	4.6	–	–
\$25,938	\$27,194	5.1%	4.8%

\$243,102	\$250,530	3.3%	3.1%
\$108,557	\$111,922	3.2%	3.1%
\$19,216	\$19,780	5.5%	2.9%
\$23,655	\$24,080	1.5%	1.8%
\$8,702	\$8,944	4.1%	2.8%
\$2,618	\$2,683	0.4%	2.5%

Utah forecasts were increased whereas U.S. forecasts were lowered.



**** January 2025 Presentation Slide ****

United States - Latest GDP Report – 3rd Quarter(Second Estimate)

**** January 2025 Presentation Slide ****

Utah Economic Council Economic and Business Indicators

Utah and the United States, September 2024

DEMOGRAPHICS	2020	2021	2022	2023	Percent Change		
	Actual	Actual	Actual	Estimate	20-21	21-22	22-23
Utah July 1st Population (Thousands)	3,285	3,343	3,400	3,456	1.8%	1.7%	1.6%
Utah Net Migration (Thousands)	26.1	34.0	34.9	31.6	29.9%	2.9%	-9.7%
U.S. July 1st Population (Millions)	332	333	335	338	0.2%	0.7%	1.1%

EMPLOYMENT, WAGES, AND INCOME

Utah Nonagricultural Employment (DWS) (Thousands)	1,539	1,617	1,685	1,726	5.1%	4.2%	2.4%
Utah Total Nonagriculture Wages (DWS) (Millions)	\$83,223	\$92,040	\$101,800	\$108,301	10.6%	10.6%	6.4%
Utah Average Annual Pay (DWS) (Dollars)	\$54,079	\$56,930	\$60,408	\$62,747	5.3%	6.1%	3.9%
Utah Unemployment Rate (DWS) (Percent)	4.7	2.7	2.3	2.6	–	–	–
Utah Personal Income (BEA) (Millions)	\$171,385	\$190,468	\$201,012	\$213,159	11.1%	5.5%	6.0%
U.S. Establishment Employment (BLS) (Millions)	142.2	146.3	152.5	156.1	2.9%	4.3%	2.3%
U.S. Total Wages & Salaries (BEA) (Billions)	\$9,465	\$10,313	\$11,116	\$11,798	9.0%	7.8%	6.1%
U.S. Average Annual Pay (BEA)	\$66,575	\$70,501	\$72,877	\$75,597	5.9%	3.4%	3.7%
U.S. Unemployment Rate (BLS) (Percent)	8.1	5.4	3.6	3.6	–	–	–
U.S. Personal Income (BEA) (Billions)	\$19,629	\$21,408	\$21,841	\$22,961	9.1%	2.0%	5.1%

PRODUCTION AND SALES

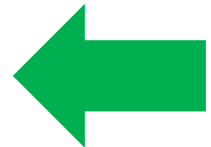
Utah Real GDP (2017 Chained, Millions)	\$194,754	\$209,975	\$213,898	\$219,180	7.8%	1.9%	2.5%
Utah Taxable Sales (Millions)	\$74,731	\$90,105	\$100,893	\$102,554	20.6%	12.0%	1.6%
Utah Exports (Millions)	\$17,713	\$18,060	\$16,542	\$17,398	2.0%	-8.4%	5.2%
U.S. Real GDP (2017 Chained, Billions)	\$20,234	\$21,408	\$21,822	\$22,385	5.8%	1.9%	2.6%
U.S. Total Retail Sales (Billions)	\$6,219	\$7,354	\$8,020	\$8,310	18.2%	9.1%	3.6%
U.S. Real Exports (2017 Chained, Billions)	\$2,145	\$2,281	\$2,440	\$2,504	6.3%	7.0%	2.6%

Utah Economic Council Forecast

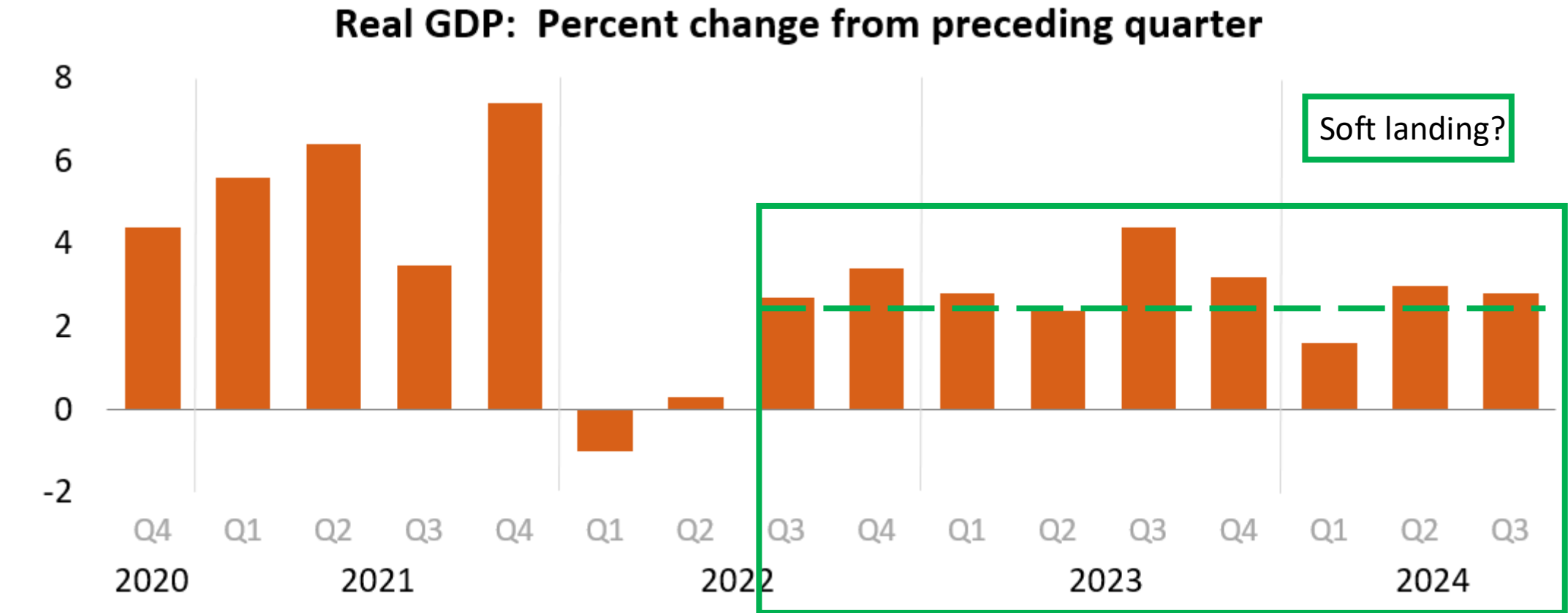
2024	2025	Percent Change	
		23-24	24-25
3,508	3,557	1.5%	1.4%
32.0	31.3	1.4%	-2.3%
342	345	1.0%	0.8%

1,762	1,797	2.1%	2.0%
\$114,777	\$121,170	6.0%	5.6%
\$65,131	\$67,411	3.8%	3.5%
3.0	3.2	–	–
\$224,883	\$236,577	5.5%	5.2%
158.6	159.6	1.6%	0.7%
\$12,362	\$12,909	4.8%	4.4%
\$77,969	\$80,873	3.1%	3.7%
4.1	4.4	–	–
\$24,004	\$25,214	4.5%	5.0%

\$225,135	\$230,997	2.7%	2.6%
\$105,938	\$110,176	3.3%	4.0%
\$18,512	\$19,594	6.4%	5.8%
\$22,945	\$23,404	2.5%	2.0%
\$8,471	\$8,650	1.9%	2.1%
\$2,566	\$2,664	2.5%	3.8%



- United States - Latest GDP Report – 3rd Quarter(Second Estimate)**



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

9 quarters of steady economic growth

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- **United States - Latest GDP Report – 2nd Quarter (Advance Estimate)**

- Real Gross Domestic Product:
 - Increased at an annual rate of 3.0 percent in the 2nd quarter of 2025 (Advance estimate).
 - “Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2025 (April, May, and June), according to the advance estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.5 percent. The increase in real GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. These movements were partly offset by decreases in investment and exports.”

- **Economic Update – Fed Chair Recent Comments**

- Federal Reserve Chair Powell – Jackson Hole Economic Symposium (August 2025):
 - Opened the door to a September rate cut.
 - Inflation risks – “tilted to the upside”.
 - Tariff-related inflation pressures “are now clearly visible”.
 - “Downside risks to employment are rising.”
 - “If those risks materialize, they can do so quickly in the form of sharply higher layoffs and rising unemployment.”

Thank you!

