SUMMIT COUNTY, UTAH

Economic Development Department

MEMORANDUM

To:	Economic Development Advisory Board
From:	Economic Development Department Staff
Date:	August 19, 2026
Re:	Summit County Demographic & Economic Setting; Using Lightcast Cluster Analysis to Target Rural County Grant Funds

I. Purpose

This memorandum provides the Economic Development Advisory Board ("Board") with a short summary of Summit County's current demographic and economic setting, drawn from Lightcast data presented to the Board, and describes how staff proposes to use Lightcast's Industry Cluster Identification ("Cluster Analysis") tool to help target Rural County Grant Program funds toward industries best positioned to benefit from them. It accompanies the staff report and draft motion that follow, recommending that the grant program be amended to add a dedicated Micro-Business tier.

II. Demographic Setting

- Population growth is slowing and is projected to crest. Summit County's population grew from 30,929 in 2001 to 43,264 in 2026. Lightcast's projections show that growth continuing only a few more years before flattening — population is projected to peak around 43,486 in 2031 and then decline slightly each year through 2036 (43,384), with net annual population change turning negative for the first time in 2032.
- The county is aging quickly. Summit County's senior (65+) population first exceeded its youth (0–14) population in 2024, and the gap has widened every year since. The working-age (15–64) share of the population has fallen from 67.5% in 2019 to 65.0% in 2026 and is projected to reach 61.8% by 2036, while the 65+ share climbs from 13.4% to a projected 21.7% over the same period. The dependency ratio (dependents per 100 working-age residents) is projected to rise from 48.2 in 2019 to 61.8 by 2036 — meaning a shrinking working-age base will be supporting a growing dependent population, with direct implications for the labor pool available to county businesses.
- Cost of living is the highest in the region and rising the fastest. Summit County's 2025 cost-of-living index (136.5, USA = 100) is 26.3 points above Morgan County, its nearest Utah/Wyoming rival, and it rose faster from 2024 to 2025 (+1.7 points) than any comparable county — more than double the next-fastest mover (Wasatch County, +0.8). The index now exceeds King County, WA (Seattle) and Sacramento County, CA, trailing only San Francisco, Los Angeles, Orange, and Santa Cruz counties among all counties compared.

III. Economic Setting

- The labor market remains historically tight. Unemployment was 3.0% in June 2026 (preliminary, seasonally adjusted) — the second-lowest rate of Utah's 29 counties, tied with Cache and Morgan — running 0.6 points below the state rate (3.6%) and 1.2 points below the national rate (4.2%).
- Job growth is increasingly proprietor-driven, not payroll-driven. Of the 13,638 net jobs Summit County added between 2019 and 2026, 7,635 (56%) were Extended Proprietors — incidental or secondary self-employment, such as a full-time employee who also sells goods or services on the side. Excluding Extended Proprietors, traditional payroll and primary self-employment grew by 6,003 jobs over the same period. Lightcast's 2026–2036 projections continue this pattern: Extended Proprietors are projected to add more net jobs (+4,359) than any other class of worker over the next decade.
- Business establishment growth has nearly stalled since 2022. The county's business base grew 18.9% from 2019 to 2025 (3,019 to 3,591 establishments, a 2.9% compound annual growth rate), but nearly all of that growth was front-loaded into 2020–2022 (+3.2% to +7.3% annually); annual growth has been under 1.0% in each of the last three years (2023–2025).

Taken together, this data describes a county with a tight labor market and increasingly proprietor-driven job growth, but slowing population growth, a rapidly aging workforce, the state's highest and fastest-rising cost of living, and a business base whose growth has nearly stalled since 2022. Staff believes this combination argues for continued, targeted support for small business formation and growth — including the county's smallest and most nontraditional business owners — which is the subject of the staff report and draft motion that follow.

IV. Using Lightcast's Cluster Analysis Tool to Target Grant Funds

Lightcast's Industry Cluster Identification tool scores the industry clusters present in a region's economy against five weighted performance metrics:

- Earnings — how high industry earnings per worker are
- Growth — how strong overall industry job growth is
- Regional Competitiveness — whether the region's job growth in that industry exceeds the national average
- Regional Specialization — whether the region's employment concentration in that industry (location quotient) exceeds the national average
- GRP — the industry's contribution to gross regional product

Staff can adjust the relative weight placed on each metric to match the Board's priorities for the grant program. For example, because Summit County already has a historically tight labor market, staff may want to place less weight on raw job-Growth and more weight on Earnings or Regional Specialization — favoring clusters that already pay well and show a genuine local advantage, rather than clusters that simply need more workers.

A preliminary run for Summit County (weighting Earnings four times as heavily as the other four metrics) identified 41 distinct industry clusters: 4 scored as “top” clusters (28 or more of 100 points), 24 scored “average,” and 13 scored “bottom” (12 or fewer). The leading clusters were Financial Services (78/100 — the clear standout), Hospitality and Tourism (52), Information Technology and Analytical Instruments (34), and

Local Government Services, with Business Services (27) and Recreational and Small Electric Goods (26) close behind.

Recommended next step: staff recommends the Board direct staff to re-run the Cluster Analysis using weights that reflect the Board's actual priorities for the grant program — for example, weighting Growth and Regional Specialization more heavily than Earnings if the goal is to support broad-based small business formation rather than only the highest-earning clusters — and then use the resulting top-tier clusters to (1) inform an optional scoring bonus within the grant's competitive scoring rubric, and (2) guide targeted outreach and technical assistance to prospective applicants, particularly for the proposed Micro-Business tier. Hospitality and Tourism and Business Services are worth early attention, since both already score above the countywide average and are sectors where 1–5 employee businesses and Extended Proprietors are especially common.

SUMMIT COUNTY, UTAH

Economic Development Department

STAFF REPORT

To:	Economic Development Advisory Board
From:	Economic Development Department Staff
Date:	August 19, 2026
Subject:	Proposed Amendment to the Rural County Grant (Small Business Grant) Program — Establishing a Micro-Business Tier

1. Background

The county's Rural County Grant Program (also referred to as the Small Business Grant Program) provides matching grants to eligible small businesses within the program's service area. As currently structured, the program evaluates all applicants under a single, unified scoring rubric and competitive pool. Staff has prepared a Program Design Reference (presented to the Board) proposing that the program instead be organized into two tiers — a Micro-Business Set-Aside and a General Pool — so that businesses with only 1–5 employees are not competing directly against larger, better-resourced applicants for the same limited pool of funds.

The program is, and would remain, a post-production (reimbursement) grant: funds are not advanced up front. An awarded business must complete the funded project and submit documentation — paid receipts or invoices covering the full project cost, including both the grant and the required match — before the county disburses the grant award. This reimbursement structure applies equally to both proposed tiers and is not changed by this proposal.

2. Rationale

- Micro-businesses and “Extended Proprietors” — Lightcast's classification for incidental or secondary self-employment, such as a full-time employee who also sells goods or services on the side — are a fast-growing but historically underserved share of the county's economy. Extended Proprietors accounted for 7,635 of the 13,638 net new jobs (56%) Summit County added between 2019 and 2026, and Lightcast projects Extended Proprietors will keep adding more net jobs than any other worker class through 2036.
- Under the current single-tier structure, a 1–5 employee business competes for the same limited grant pool as much larger applicants, who typically have stronger financials, dedicated staff capacity to prepare applications, and greater ability to front project costs while awaiting post-production reimbursement — a structural disadvantage for the smallest businesses regardless of the merits of their projects.
- Meanwhile, countywide business establishment growth has nearly stalled, at under 1% annually in each of the last three years (2023–2025), even as the county's cost of living — already the highest in the region at 136.5 (USA = 100) — rose faster in the last year (+1.7 points) than any comparable county, raising the effective cost of starting or sustaining a small business locally.

Staff believes a dedicated, lower-barrier tier for micro-businesses would help the grant program better reach this fast-growing, currently underserved segment of the county's business base. (See the accompanying memorandum for further discussion of the county's demographic and economic setting.)

3. Proposed Program Structure

3.1 Two-Tier Structure

	Tier 1 — Micro-Business Set-Aside	Tier 2 — General Pool
Share of Funds	30% of total program funds (recommended — adjust per program budget)	70% of total program funds
Maximum Award	$10,000	$20,000
Eligible Applicants	Businesses with 1–5 employees (FTEs, inclusive of owners)	All eligible businesses, including 1–5 employee businesses that opt in
Match Requirement	20% of grant award	40% of grant award
Min. Total Project Cost (at max award)	$12,000 ($10,000 grant + $2,000 match)	$28,000 ($20,000 grant + $8,000 match)
Disbursement Basis	Post-production (reimbursement): paid after project completion and submission of receipts for the full project cost	Post-production (reimbursement): paid after project completion and submission of receipts for the full project cost
Match Source / Documentation	Cash, documented by receipts	Cash, documented by receipts

3.2 Eligibility

- Both tiers share the same standing requirements — good standing, licensing, and service-area location — and the same ownership and time-in-operation requirements; employee count is the key dividing line between tiers.
- Tier 1 (Micro-Business Set-Aside): 1–5 employees, measured as FTEs inclusive of owner(s), as of the application deadline; independently owned and operated (not a subsidiary or franchise exceeding the tier threshold); in operation for at least [X months/years — threshold to be set by the program].
- Tier 2 (General Pool): open to all businesses meeting general program eligibility regardless of size, including 1–5 employee businesses that opt out of the Set-Aside.
- Single-tier entry: each business applies to only one tier, determined by employee count at the time of application. A 1–5 person business may choose to apply to the General Pool instead of the Set-Aside (for example, for a larger project), but may not apply to both tiers in the same funding cycle.

3.3 Matching Fund Requirements

Cash-match requirements are a documented barrier to participation for the smallest businesses. The proposed structure applies a reduced, more flexible match standard to the Micro-Business tier: 20% of the grant award, versus 40% for the General Pool (see table above for illustrative totals at maximum award).

3.4 Disbursement Is Post-Production (Reimbursement) for Both Tiers

All Rural County Grant Program awards — under both the Micro-Business Set-Aside and the General Pool — are post-production grants. Grant funds are not disbursed at the time of award. Instead, the applicant must first complete the funded project and submit receipts or paid invoices documenting the full total project cost shown in the table above (the grant portion and the required match together) before the county releases the grant funds. Staff flags this because the “Minimum Total Project Cost” figures in the table above represent the full amount a business must spend and document — not merely the match — before any county reimbursement is paid; this up-front cash-flow requirement is itself one of the barriers the reduced Micro-Business match percentage is intended to partially offset, and staff recommends the Board keep it in mind when weighing whether the 20%/40% match levels are adequate.

4. Fiscal Impact

The proposed amendment does not itself change the program's total appropriation; it reallocates a recommended 30% of program funds to the Micro-Business Set-Aside, with the specific dollar amount to be set through the annual program budget process. Because the Micro-Business tier carries a lower match requirement (20% vs. 40%), the dollar amount of outside match leveraged per grant dollar will be somewhat lower for Set-Aside awards than for General Pool awards; staff does not expect this to materially affect the program's overall leverage ratio given the Set-Aside's smaller share of total funds and lower per-award ceiling. Because both tiers remain reimbursement-based, the county's cash outlay in either tier still occurs only after project completion and verified expenditure, limiting the county's financial exposure under the amended structure.

5. Implementation Considerations

- The Tier 1 time-in-operation threshold has not yet been set (shown as “[X months/years]” in the Program Design Reference); staff recommends the Board provide direction, or delegate this determination to staff for inclusion in the final program guidelines.
- Staff will need to update the grant application, competitive scoring rubric, and outreach materials to reflect the two-tier structure prior to the next funding cycle, and to make the post-production reimbursement requirement clear and prominent to prospective Micro-Business applicants, for whom the up-front cash-flow requirement may be a bigger relative barrier than for larger applicants.
- Staff recommends pairing Micro-Business tier outreach with the Lightcast Cluster Analysis targeting discussed in the accompanying memorandum — particularly toward above-average-scoring clusters such as Hospitality and Tourism and Business Services, where 1–5 employee and Extended Proprietor businesses are especially common.
- Staff recommends the Set-Aside's utilization rate (target: 30% of funds) be reviewed annually and the allocation between tiers adjusted if the Micro-Business tier is consistently over- or under-subscribed relative to the General Pool.

6. Staff Recommendation

Staff recommends that the Board adopt the motion on the following page, recommending that the Summit County Economic Development Advisory Board amend the Rural County Grant Program to incorporate the two-tier Micro-Business Set-Aside / General Pool structure described above, on the existing post-production (reimbursement) disbursement basis.

DRAFT MOTION

Rural County Grant Program — Micro-Business Amendment

Meeting Date: August 20, 2026

MOTION:

Staff recommend that the Economic Development Advisory Board augment the Rural County Grant Program (Small Business Grant Program/Extended Proprietor Grant Program) and establish a two-tier eligibility, match, and scoring structure, as follows:

1. Establish a Micro-Business Set-Aside comprising 30% of program funds (or such amount as set through the annual program budget process), for businesses with 1–5 FTE employees, inclusive of owner(s), with a maximum award of $10,000 and a match requirement of 20% of the grant award.

2. Maintain a General Pool comprising the remaining program funds, open to all eligible businesses — including 1–5 employee businesses that opt in — with a maximum award of $20,000 and a match requirement of 40% of the grant award.

3. Provide that each applicant business may apply to only one tier, determined by employee count as of the application deadline, and that a 1–5 employee business electing to apply to the General Pool may not also apply to the Micro-Business Set-Aside in the same funding cycle.

4. Confirm that awards under both tiers remain post-production (reimbursement) grants: funds are disbursed only after the applicant has completed the funded project and submitted receipts or paid invoices documenting the full total project cost, including both the grant and the required match.

5. Direct staff to finalize the Tier 1 time-in-operation threshold and complete program guidelines, scoring rubric, and application materials reflecting this new two-tier structure.

Moved by: ______________________________ Seconded by: ______________________________

Vote:

☐ Aye ☐ Nay ☐ Abstain Ayes: ____ Nays: ____ Abstain: ____ Motion: ☐ Carried ☐ Failed