



An Analysis of Long-Term Economic Growth in Southwestern Utah: Past, Present and Future Conditions

Jan Elise Crispin

Bureau of Economic and Business Research
University of Utah

Washington County Economic Summit
January 9, 2008

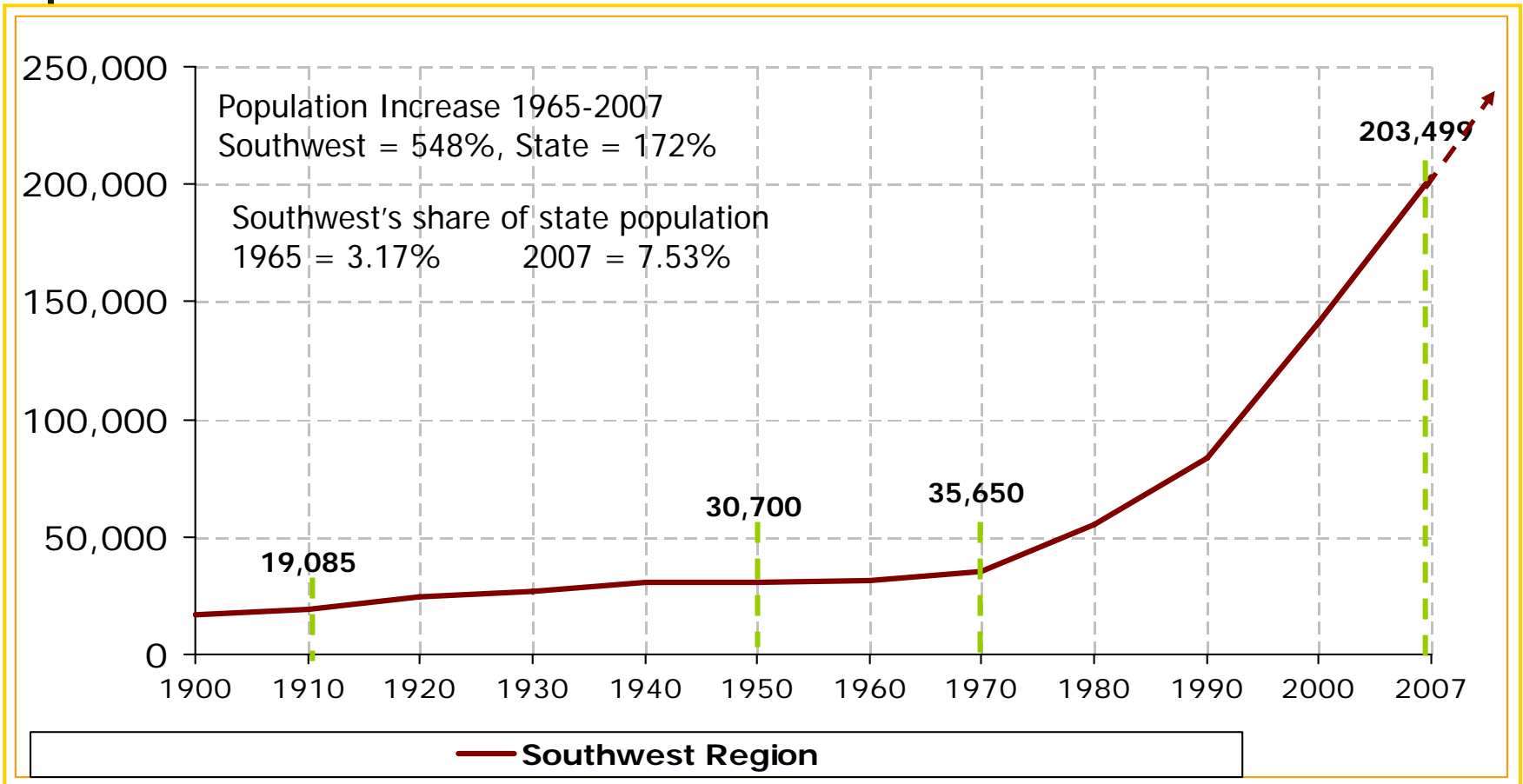




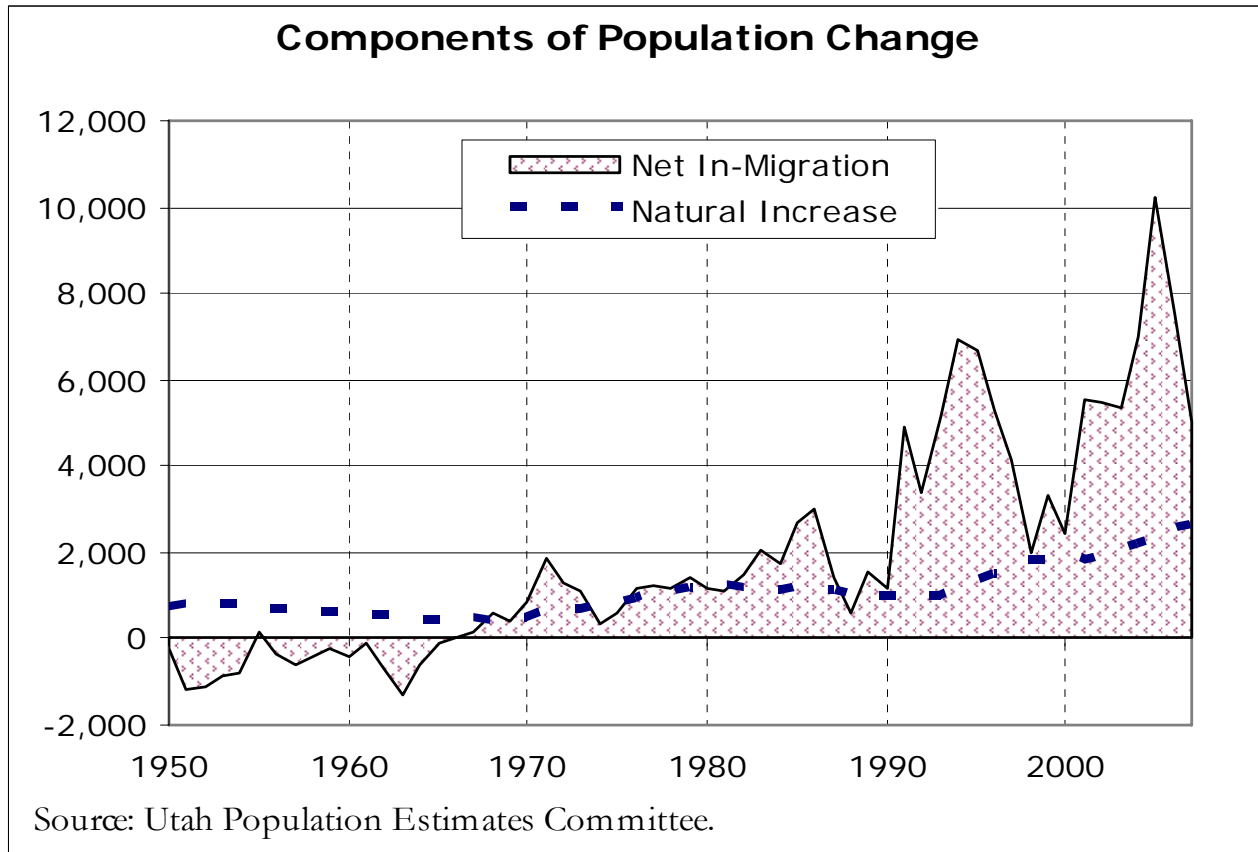
Southwest Utah Project Overview

- Detailed analysis of economic and demographic changes in the five-county region, past, present and future
- Contributors
 - Jim Wood – Director
 - Jan Crispin – Senior Economist
 - Pam Perlich – Senior Economist
 - John Downen – Research Analyst

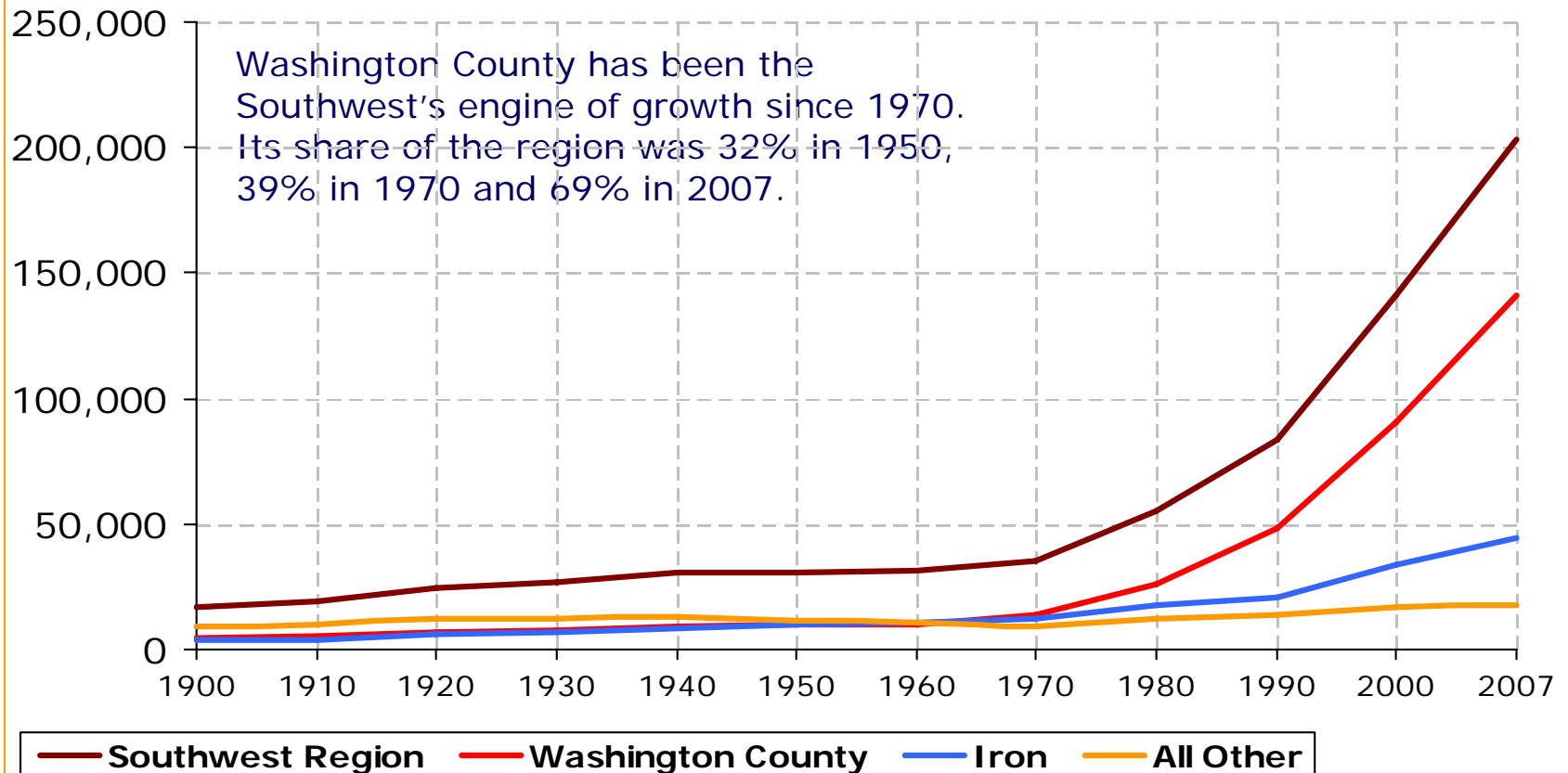
Southwest Utah Population Trends 1900-2007



Southwest Utah Migration Trends 1950-2007



Population Trends, County Specific 1900-2007



Source: Bureau of the Census and Utah Population Estimates Committee



Washington County

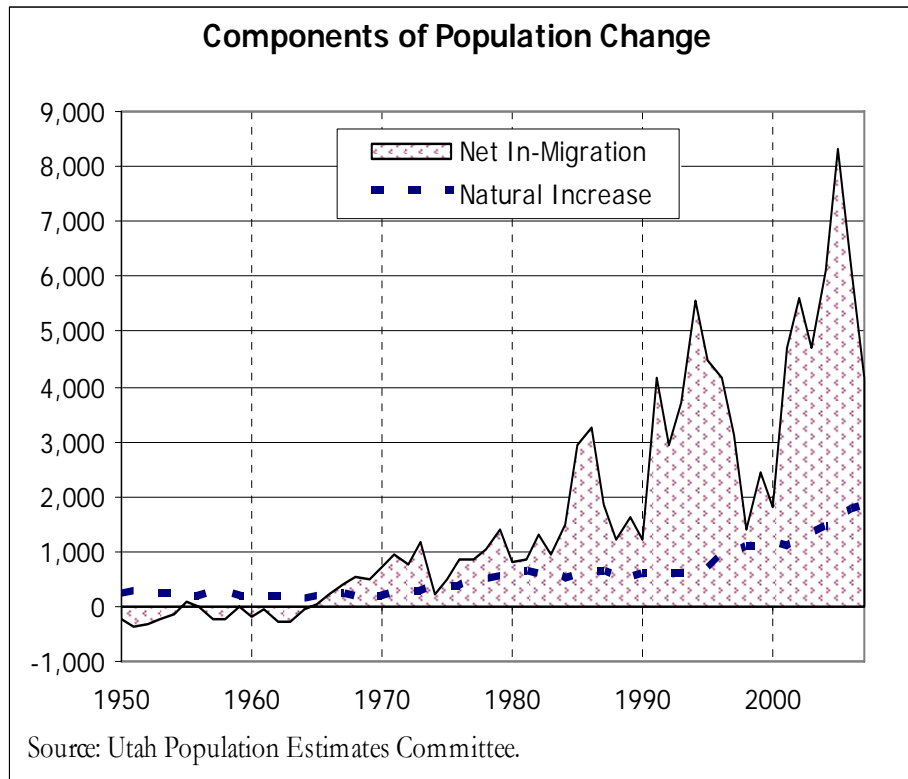
Contributing Factors to Economic and Demographic Growth

- National Trends
 - Geographic shift of population to the South and West from the Midwest and Northeast
 - Aging Baby Boomers – increased affluence
 - Migration preferences favoring nonmetropolitan areas

- Local Factors and Amenities
 - Weather
 - Rich natural resource endowment/federal land
 - Transportation – I-15 and St. George Municipal Airport
 - Establishment of the “Sun City” concept with development of Bloomington Country Club and Bloomington Ranches

Washington County Trends

Components of Population Change, 1950-2007



■ Largest Sending States:

■ Utah	12,880
■ California	3,588
■ Nevada	1,893
■ Arizona	1,242

■ Largest Outflows

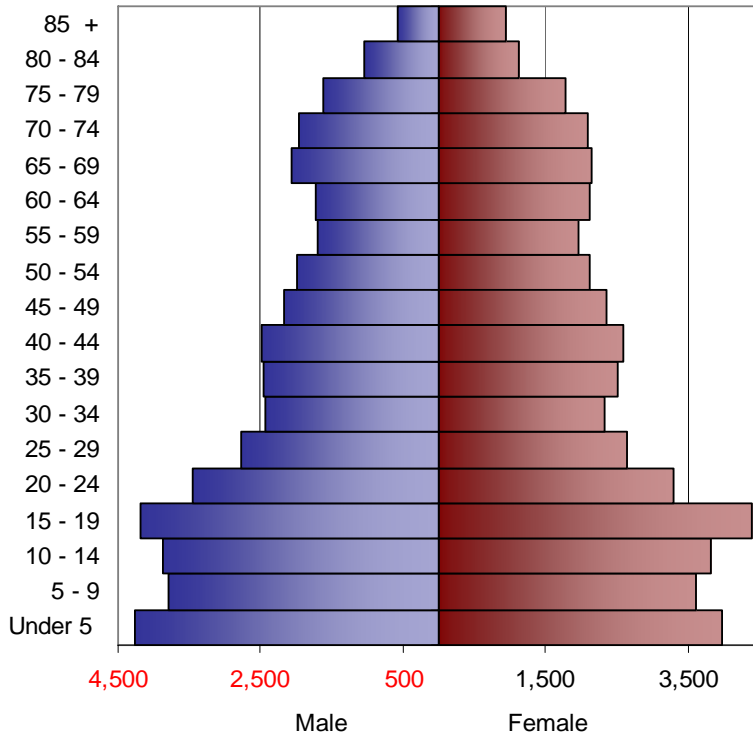
■ Utah	6,450
■ Nevada	1,803
■ Arizona	1,254
■ California	1,190

- Cumulative net in-migration since 1990 in the County = 75,000
- Since 1990 net move-in = 18% of total net migration to Utah

Washington County Population Trends

Age Structure of the Population, 2000

Population by 5-Year Age Groups and Sex



	Male	Female	Sex Ratio	Share	Share of State
Under 5	4,260	3,969	1.07	9.1%	3.9%
5 - 9	3,800	3,613	1.05	8.2%	3.8%
10 - 14	3,865	3,817	1.01	8.5%	4.0%
15 - 19	4,192	4,406	0.95	9.5%	4.0%
20 - 24	3,464	3,291	1.05	7.5%	3.0%
25 - 29	2,780	2,640	1.05	6.0%	3.0%
30 - 34	2,446	2,336	1.05	5.3%	3.2%
35 - 39	2,449	2,508	0.98	5.5%	3.3%
40 - 44	2,476	2,586	0.96	5.6%	3.4%
45 - 49	2,168	2,351	0.92	5.0%	3.4%
50 - 54	1,993	2,120	0.94	4.6%	3.9%
55 - 59	1,694	1,960	0.86	4.0%	4.6%
60 - 64	1,716	2,111	0.81	4.2%	6.1%
65 - 69	2,073	2,143	0.97	4.7%	7.8%
70 - 74	1,958	2,081	0.94	4.5%	8.4%
75 - 79	1,611	1,783	0.90	3.8%	8.5%
80 - 84	1,034	1,134	0.91	2.4%	8.0%
85 +	582	944	0.62	1.7%	7.0%
Total	44,561	45,793	0.97	100.0%	4.0%
Share 60 years+		21.2%			7.6%
Median Age		31.0			



Population Analysis

Key Points

- Regional Population in 2007 = 203,499
- Southwest growing at an exponential rate fueled by growth in Washington County
- Net in-migration more important to growth in WC than natural increase; 30% of population moved into WC since 1995
- Strong ties with Northern Utah, California, Nevada and Arizona
- Washington County is the “Sun City” of Utah, with a large relative share of population over the age of 55.



Southwest Region Employment Trends

Total Nonagricultural Employment, 1970-2006

	1970	1980	1990	2000	2005	2006	Total	Change Avg. An.	2006 % of State
State	358,654	551,833	724,013	1,074,879	1,148,320	1,203,733	235.6%	3.5%	100.0%
Southwest	9,583	16,052	26,851	54,518	70,084	75,650	689.4%	6.1%	6.3%
Beaver	929	1,052	1,283	1,886	1,944	1,972	112.3%	2.2%	0.1%
Garfield	984	1,789	1,474	2,175	2,237	2,258	129.5%	2.4%	0.2%
Iron	3,830	5,662	7,655	14,070	15,782	16,802	338.7%	4.3%	1.4%
Kane	643	1,016	1,572	2,808	2,874	3,091	380.7%	4.6%	0.3%
Washington	3,197	6,533	14,867	33,579	47,247	51,529	1511.7%	8.3%	4.3%

Source: Utah Department of Workforce Services

Southwest Region Employment Trends

Nonagricultural Employment by SIC Sector, 1970, 1980, 1990, 2000

	1970		1980		1990		2000		1970-2000 Change
	Number	Share	Number	Share	Number	Share	Number	Share	
Mining	361	3.8%	499	3.1%	279	1.0%	296	0.5%	-65
Construction	546	5.7%	1,308	8.1%	1,292	4.8%	5,187	9.5%	4,641
Manufacturing	912	9.5%	1,497	9.3%	2,638	9.8%	4,728	8.7%	3,816
TCPU	544	5.7%	1,003	6.2%	1,542	5.7%	2,365	4.3%	1,821
Trade	2,492	26.0%	4,125	25.7%	7,535	28.1%	14,969	27.5%	12,477
FIRE	237	2.5%	786	4.9%	822	3.1%	1,862	3.4%	1,625
Services	1,463	15.3%	2,210	13.8%	6,311	23.5%	14,503	26.6%	13,040
Government	3,028	31.6%	4,624	28.8%	6,432	24.0%	10,608	19.5%	7,580
Total	9,583	100%	16,052	100%	26,851	100%	54,518	100%	44,935

TCPU=Transportation, Communication and Public Utilities.

Source: Utah Department of Employment Security

Southwest Region Employment Trends

Nonagricultural Employment by NAICS Sector, 2001, 2003, 2006

	2001		2003		2006		2001-2006 Change
	Number	Share	Number	Share	Number	Share	
Mining	241	0.4%	194	0.3%	370	0.5%	129
Construction	5,338	9.4%	5,942	9.9%	10,515	13.9%	5,177
Manufacturing	4,454	7.9%	4,318	7.2%	5,417	7.2%	963
TTU	12,708	22.2%	13,256	22.2%	16,043	21.2%	3,335
Trade	901	1.6%	1,095	1.8%	1,149	1.5%	248
FIRE	2,120	3.7%	2,443	4.1%	3,232	4.3%	1,112
Prof. & Bus. Svcs.	4,129	7.3%	4,059	6.8%	5,154	6.8%	1,025
Ed. & Health Svcs.	5,571	9.8%	6,573	11.0%	8,859	11.7%	3,288
Leis. & Hospitality	8,436	14.9%	8,662	14.5%	10,385	13.7%	1,949
Other Services	1,539	2.7%	1,849	3.1%	2,214	2.9%	675
Government	11,154	19.7%	11,383	19.0%	12,322	16.3%	1,168
Total	56,591	100%	59,774	100%	75,660	100%	19,069

TTU=Trade, Transportation, Utilities Source: Utah Department of Employment Security

Washington County Employment Trends

Nonagricultural Employment by SIC Sector, 1970, 1980, 1990, 2000

	1970		1980		1990		2000		1970-2000
	Number	Share	Number	Share	Number	Share	Number	Share	Change
Mining	(D)		70	1.1%	106	0.7%	188	0.6%	na
Construction	312	9.8%	537	8.2%	1,004	6.8%	4,009	11.9%	3,697
Manufacturing	(D)		698	10.7%	1,562	10.5%	2,387	7.1%	na
TCPU	81	2.5%	231	3.5%	869	5.8%	1,627	4.8%	1,546
Trade	1,080	33.8%	1,936	29.6%	4,416	29.7%	10,296	30.7%	9,216
FIRE	82	2.6%	408	6.2%	518	3.5%	1,300	3.9%	1,218
Services	492	15.4%	967	14.8%	3,715	25.0%	8,896	26.5%	8,404
Government	906	28.3%	1,686	25.8%	2,677	18.0%	4,876	14.5%	3,970
Total	3,197	100%	6,533	100%	14,867	100%	33,579	100%	30,382

TCPU=Transportation, Communication and Public Utilities.

Source: Utah Department of Employment Security

Washington County Employment Trends

Nonagricultural Employment by NAICS Sector, 2001, 2003, 2006

	2001		2003		2006		2001-2006 Change
	Number	Share	Number	Share	Number	Share	
Mining	153	0.4%	129	0.3%	246	0.5%	93
Construction	4,160	11.6%	4,747	12.2%	8,289	16.1%	4,129
Manufacturing	2,376	6.6%	2,503	6.4%	3,276	6.4%	900
TTU	9,128	25.5%	9,605	24.6%	11,785	22.9%	2,657
Trade	672	1.9%	856	2.2%	869	1.7%	197
FIRE	1,489	4.2%	1,700	4.4%	2,248	4.4%	759
Prof. & Bus. Svcs.	2,419	6.8%	2,684	6.9%	3,786	7.3%	1,367
Ed. & Health Svcs.	4,267	11.9%	5,113	13.1%	6,923	13.4%	2,656
Leis. & Hospitality	4,878	13.6%	5,110	13.0%	6,566	12.7%	1,688
Other Services	977	2.7%	1,149	2.9%	1,402	2.7%	425
Government	5,221	14.6%	5,404	13.9%	6,139	11.9%	918
Total	35,740	100%	39,000	100%	51,529	100%	15,789

TTU=Trade, Transportation, Utilities Source: Utah Department of Employment Security



Employment Analysis

Key Points

- Regional employment in 2006 = 75,650
- Average annual growth between 1970 and 2006 was 6.1% in the region, more than double the AAGR in employment for the state as a whole
- Employment driven by growth in Washington County
- Two of every three jobs in the region are in Washington County
- Washington County's economy has moved from agriculture/tourism base to retirement/tourism with concentrations developing in construction, trade and health care services.



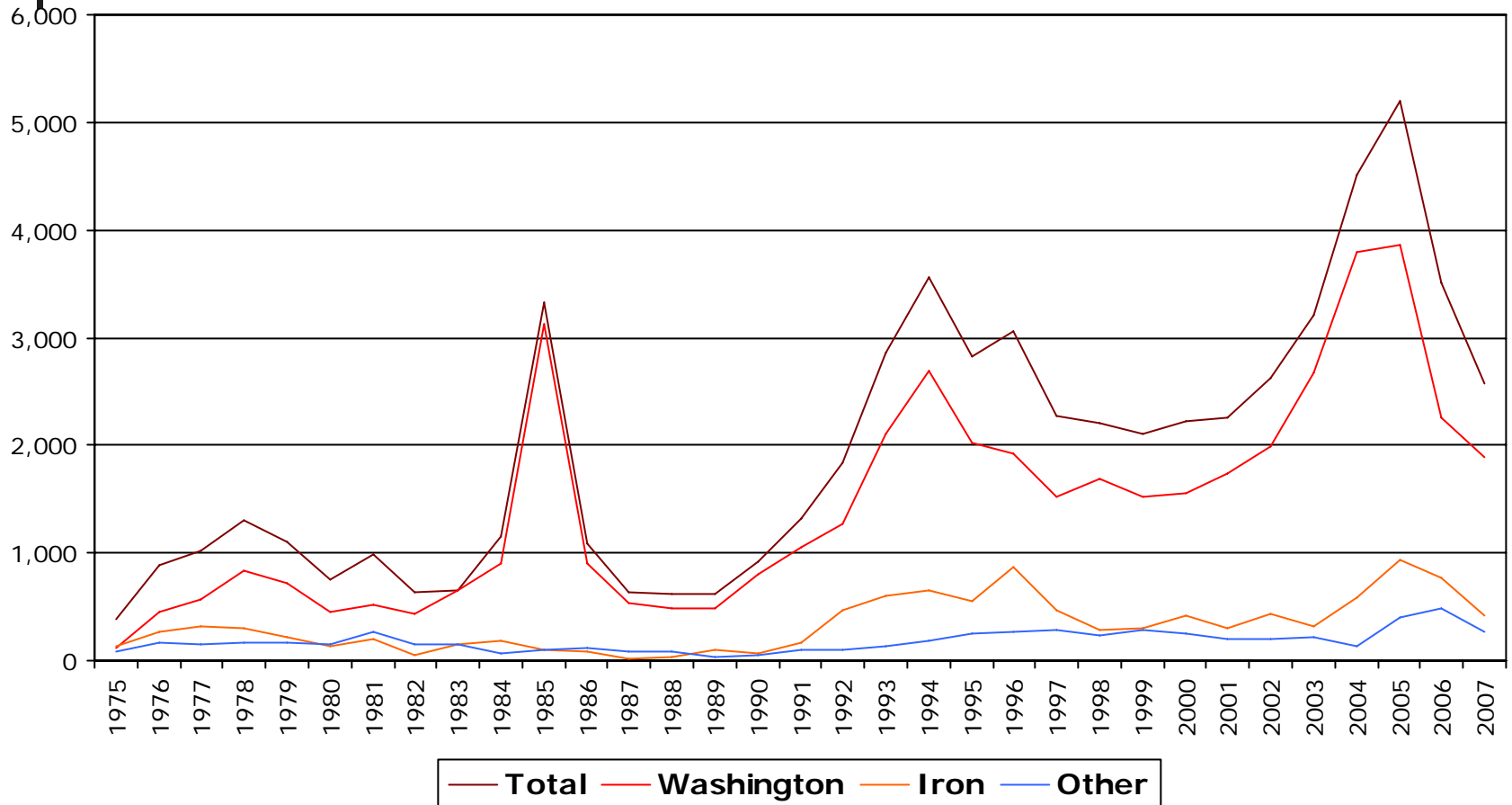
Housing Profile

Five-County Region, 2007

	Total	Washington
Total Housing Units	85,400	56,250
Vacant Units	2,500	2,250
% of Total Units	3%	4%
% Built Since 2000	31%	35%
Occupied Units	82,900	54,000
Owner Occupied	58,000	39,300
Rental Units	14,200	8,900
% of Occupied Units	17%	16%
% Built Since 2000	11%	13%
Recreation Occasional	10,700	5,800
% of Total Units	12%	10%

Permit Authorized Dwelling Units

Five-County Region, 1975-2007



Source: Bureau of Economic and Business Research, University of Utah.



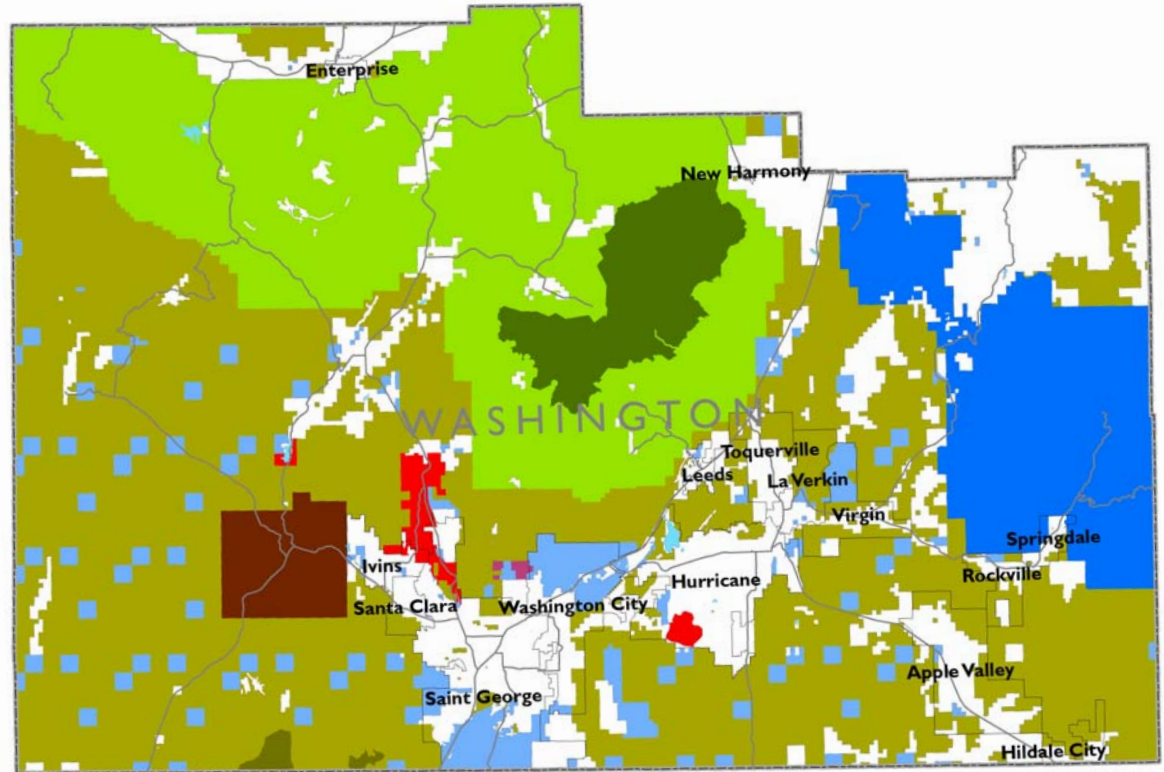
Change in the Average Sales Price of Homes in Washington County

Period	Average Sales Price of Single Family Home	Avg. Annual Price Increase for Interval
1980 to 1985	\$70,825 to \$71,578	.21%
1985 to 1990	\$71,578 to \$79,960	2.2%
1990 to 1995	\$79,960 to \$121,044	8.6%
1995 to 2000	\$121,044 to \$154,259	4.9%
2000 to 2005	\$154,259 to \$278,678	12.5%
2005 to 2006	\$278,678 to \$338,283	21.3%
2006 to 2007	\$338,283 to \$319,881	-5.4%
1980 to 2007	\$70,825 to \$310,881	5.7%

Source: Washington County Board of Realtors

Washington County Land Ownership Patterns

- Bureau of Land Management
- BLM Wilderness Area
- US Forest Service
- USFS Wilderness Area
- National Park Service
- State Trust Land
- State Parks and Recreation
- State Wildlife Reserve
- UDOT
- Paiute Tribal Lands
- Private
- Water





Housing Analysis

Key Points

- \$9 billion invested in 68,700 residential units since 1975
- One-in-three housing units has been built since 2000
- Only 17% of housing units in the region are rental
- Boom and bust cycle is alive and well
- Next boom in 6 – 8 years
- Housing price escalation in Washington County since 1980 is only slightly higher than Wasatch Front Counties
- Developable land in Washington County is limited

Southwest Region

GOPB Population Projections, 2000-2020

POPULATION

Age Group	2000	2005	2010	2015	2020	2000–2020		Shares	
						Amount	Percent	2000	2020
0–17	42,490	50,200	62,600	79,761	98,104	55,614	130.9%	31.2%	29.3%
18–64	73,610	100,637	130,569	161,228	191,700	118,090	160.4%	54.1%	57.2%
65+	19,869	25,365	30,677	37,377	45,221	25,352	127.6%	14.6%	13.5%
Total	135,969	176,202	223,846	278,366	335,025	199,056	146.4%	100%	100%
Area									
Beaver	6,023	6,335	7,575	9,682	11,549	5,526	2.8%	4.4%	3.4%
Garfield	4,763	4,645	4,955	5,469	5,973	1,210	0.6%	3.5%	1.8%
Iron	34,079	40,212	48,772	58,190	65,607	31,528	15.8%	25.1%	19.6%
Kane	6,037	6,093	6,618	7,476	8,359	2,322	1.2%	4.4%	2.5%
Washington	91,104	125,010	162,544	205,025	251,896	160,792	80.8%	67.0%	75.2%
Southwest	135,969	176,202	223,846	278,366	335,025	199,056	100%	100%	100%

‡ Figures in the 2000–2020 Percent column for the counties represent each county's contribution to the region's growth.



Washington County

GOPB Population Projections, 2000-2020

Population

Age Group	2000	2005	2010	2015	2020	2000–2020		Shares	
						Amount	Percent	2000	2020
0–17	28,326	34,495	43,690	56,714	72,213	43,887	154.9%	31.1%	28.7%
18–64	47,325	69,945	93,448	117,106	141,816	94,491	199.7%	51.9%	56.3%
65+	15,453	20,570	25,406	31,205	37,867	22,414	145.0%	17.0%	15.0%
Total	91,104	125,010	162,544	205,025	251,896	160,792	176.5%	100%	100%

Washington County

GOBP Employment Projections, 2000-2020

Employment

NAICS Sector	2005	2010	2015	2020	2005–2020		Shares	
					Amount	Percent	2005	2020
Natural Resources and Mining	1,372	1,501	1,606	1,745	373	27.2%	2.2%	1.5%
Construction	7,725	10,234	12,470	14,689	6,964	90.1%	12.4%	12.3%
Manufacturing	2,650	3,277	3,887	4,520	1,870	70.6%	4.3%	3.8%
Trade, Trans., Utilities	13,585	17,014	19,723	22,605	9,020	66.4%	21.8%	19.0%
Information	629	791	921	1,048	419	66.6%	1.0%	0.9%
Financial Activity	6,408	8,127	9,781	11,511	5,103	79.6%	10.3%	9.7%
Professional & Business Services	5,664	7,600	9,569	11,828	6,164	108.8%	9.1%	9.9%
Education & Health Services	7,036	9,686	13,298	18,489	11,453	162.8%	11.3%	15.5%
Leisure & Hospitality	6,981	8,775	10,396	12,019	5,038	72.2%	11.2%	10.1%
Other Services	3,723	4,818	5,873	6,985	3,262	87.6%	6.0%	5.9%
Government	6,555	8,680	11,099	13,527	6,972	106.4%	10.5%	11.4%
Total	62,328	80,503	98,623	118,966	56,638	90.9%	100%	100%

Note: Shading indicates the age group's or sector's share is projected to increase by 2020.

Source: Utah Governor's Office of Planning and Budget, 2005 Baseline.



Washington County Advantages

- Advantages

- Climate

- Proximity to other more expensive communities in the southwestern U.S. is an advantage for the region, but especially Washington County

- Demographics

- Aging Baby Boomers—trend towards retirement in small, rural communities



Washington County Challenges

- Water
 - Could be offset with the construction of the pipeline from Lake Powell
 - Conservation measures a possibility
- Housing affordability
 - Land costs affect housing costs
 - Largest impacts will be in rental markets



For more information

Jan Crispin:

jan.crispin@business.utah.edu

801-581-3362

Or visit our website

www.bebr.utah.edu