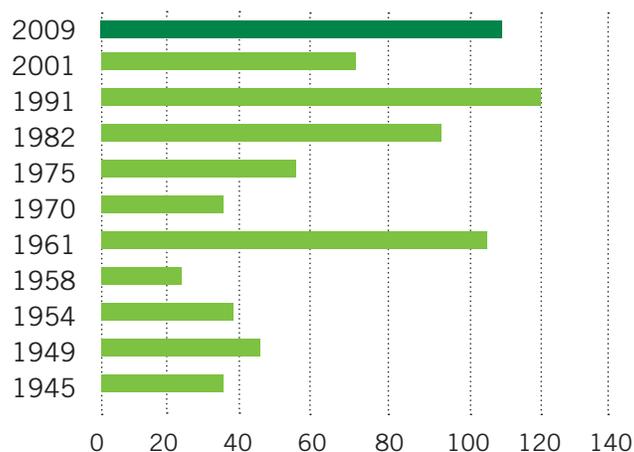




# Utah Employment Trends Report

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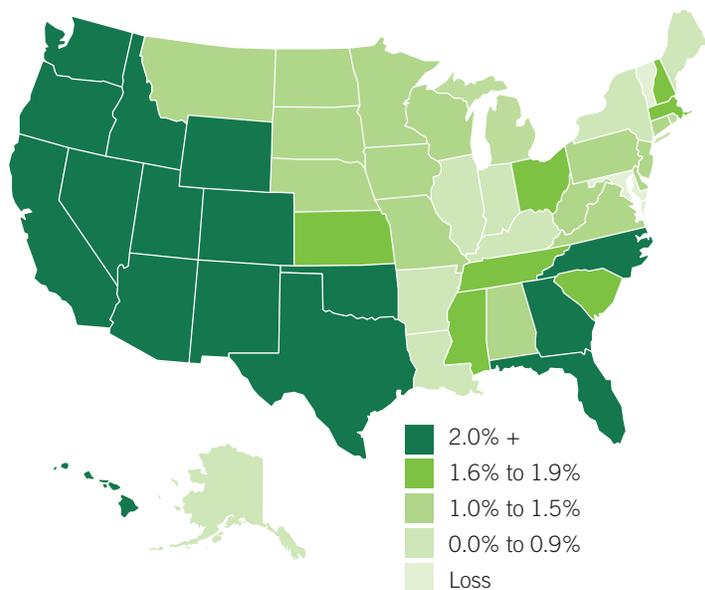
## U.S. Currently In 2nd-Longest Economic Expansion on Record



Some economic analysts predict the current economic expansion may slow in 2019 or 2020. (Source: National Bureau of Economic Research via Zions Bank)

## Utah Has Fastest Employment Growth in Nation

Percent change in Employment for States: August 2017 to August 2018. U.S. Rate = 1.6%



Utah continues to show fast employment growth and jobs resiliency. (Source: Bureau of Labor Statistics via Zions Bank)

## 2019 Economic Outlook Hints at Slowdown in the Next 24 Months; How Employers Should Prepare

December 2018 saw a few dozen state and national reports containing mixed outlooks on prospects for the next year. A common theme that emerged is a potential economic slowdown in 2019 and a further tightening in 2020.

The UCLA Anderson School of Management's [2019 Economic Forecast](#) predicts the U.S. economy will downshift from the 3-percent growth in real gross domestic product (GDP) this year to 2 percent in 2019 and 1 percent in 2020.

Along with the lowered GDP, the outlook reports that job growth is likely to drop from the 190,000 average monthly gain this year to 160,000 per month next year, then 40,000 a month in 2020.

With job growth decreasing and a possible slowdown, there are things that employers can do to prepare for a shift in the labor market.

First, it's important to remember that -- if a slowdown occurs -- employers should honor any commitments, past and future, that were made to employees such as incremental pay increases, bonus plan eligibility or eligibility for other benefits (e.g., tuition reimbursement). It may be tempting to revise or reverse these types of offerings in an effort to reduce operating expenses. However, the long-term impact could be crippling.

Employers who scaled back hiring during the 2009 downturn experienced a huge spike in turnover and a significant jump in hiring, recruiting and retention costs when the economy rebounded. Many of them even offered above-market payrates or other benefits and perks to keep employees, but their efforts fell flat. Worse, departing employees spread word about the company's untrustworthiness, causing a negative brand impact in the community for years.

During the last downturn, Utah didn't feel the impact as much as other states. When the recovery began, the state's economy rebounded at a faster pace. The result is we've had a tight labor market far longer than other states. That lack of skilled workers may continue due to the influx of new companies choosing to open an office or facility here, making the state resilient during another downturn.

However, if a downturn causes a shift to an employer market, hiring managers will need to be prepared to negotiate with candidates who are used to being in a position of power during the interview and job-offer process.

The next two years may or may not see the national economy slowing. And how it may affect Utah's economy and job market remains to be seen. Forward-thinking employers should prepare now for the possible effects that a downturn may have on their workforce and determine how they can financially support their current compensation and benefits programs.