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Ogden leading Utah recession recovery

It and Albuquerque have achieved pre-slump output peaks, study says

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Utah's "Junction City" is among the Intermountain West's metropolitan areas recovering strongest from the prolonged economic recession, according to a newly released report.

Brookings Mountain West, a new initiative of the Brookings Institution, based in Washington, D.C., and the University of Nevada at Las Vegas, has listed Ogden among the highest-rated metro areas in the region based on numerous factors, including employment, housing and education.

The fourth-quarter 2009 edition of the Mountain Monitor, a new quarterly index of Mountain region recession and recovery, shows the region's recovery spread during the fourth quarter of 2009, with all 10 of the region's large metros posting robust output growth for the second quarter in a row.

Two metros — Ogden and Albuquerque, N.M. — have fully achieved their pre-recession output peaks, the study said. Over the third and fourth quarters of last year, Ogden, Colorado Springs and Denver posted the largest gains in gross metropolitan product among large Mountain metros, with quarterly growth rates of at least 2.0 percent.

Ogden is an average metro in terms of the diversity of its economy across different sectors and its level of education attainment, the report stated. But it had exceptionally rapid export growth leading up to the recession, which is strongly associated with better gross metropolitan product performance. The metro's software publishing output increased 10-fold from 2003 to 2008 and print publishing increased almost four-fold, helping Ogden exports to Europe and East Asia.

The fact that this international export growth was largely in services also seems to have shielded Ogden.

"Ogden is an interesting case," Jonathan Rothwell, senior research analyst for the Brookings Institution Metropolitan policy program, told the Deseret News. "In some ways, it's been very resilient. … On its unemployment rate … it's done well."

Also encouraging has been the ability of metropolitan education levels to minimize distress in some metros. On balance, metropolitan education levels continued to predict better economic performance and lower unemployment rates across the Mountain West, the study said.

Among the metros with a solid performance on GMP and unemployment, Ogden is fourth among large metros on high school diploma completion, Rothwell said.

He said that Salt Lake City and Provo also excel educationally, though each has struggled in other areas, including housing.

Provo, Salt Lake City and Tucson saw accelerating housing price declines that ranked them in the bottom quintile. Ogden and Albuquerque, which had been top performers in the third quarter, saw their housing markets take a downward slide, though not as severely as their regional neighbors like Phoenix and Las Vegas.

The report showed that home prices fell an inflation-adjusted 12.6 percent in the Mountain region from the fourth quarter of 2008 to the fourth quarter of 2009, compared to 6.5 percent nationally and 7.2 percent in the nation's largest metros.

None of the region's large metro areas experienced housing appreciation during 2009, the report said.

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