

**Rural Utah Economic Investment**  
*Inspired by the Marshall Plan*

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Thank you for having me here today. I love Cedar City and always enjoy being on the campus of Southern Utah University. It's wonderful to share the day together and consider ways that we can help our state prosper.

I'm here today to inspire you to unify behind smart, targeted investments in rural communities with economic need. My thinking has been inspired by the great Marshall Plan of 1948 because it provides an excellent example of how to unite behind a common investment goal.

I will begin by making three observations:

**Observation #1: We have a great governor and lieutenant governor who understand rural Utah and its economic needs.**

Two years ago, in Gov. Herbert's State of the State Address he pledged he would not rest until all 29 counties and all 246 cities and towns in our state are full participants in our economic success.

And then last year in his 2017 State of the State Address he asked us to unite behind the goal of creating 25,000 new jobs in the 25 counties off the Wasatch Front over the next four years.

He then pledged to work with Lt. Gov. Cox, the Governor's Rural Partnership Board, the Utah Legislature, rural community leaders, and the private sector to ensure all Utahns have economic opportunity.

I applaud our good governor for this commitment.

**Observation #2: As a professional economist, I share Gov. Herbert's concerns for rural Utah economies.**

Let me share a few factoids:

The Kem C. Gardner Policy Institute has called the economic disparity between parts of rural Utah and urban Utah as "A tale of two Utahs." Since before the Great Recession in 2007 until today, we have 11 rural counties whose economies have actually CONTRACTED. I don't mean a lower rate of job growth. I mean the number of jobs in 2016 are less than they were in 2007.

We also have four rural Utah counties currently with unemployment rates in excess of 6.5 percent. Of these, Garfield, Wayne and San Juan Counties have unemployment rates that exceed 7.5 percent. A high percentage of people in these counties are unable to find jobs to support themselves and their families. Just as a comparison, the unemployment rate today in Salt Lake County is 3.4% and in the country is 4.4%. That's quite a difference.

As a final factoid, I will highlight the trend I find most troubling. Many parts of rural Utah are aging much faster than the state average. The state, Piute, Kane, Garfield, Daggett and Wayne all had about the same median age in 1960.

While all of these areas grow older over time, these rural counties get much older, much faster than the state average. For example, the median age in Kane County today is about 45 years of age. This means one-half the population in Kane County is older than 45 years old and one half is younger. Statewide, the median age is 15 years younger!

The result is that Kane County has far fewer young people and working age people to support an ever-aging generation of Baby Boomers. This is an unhealthy demographic trend.

**Observation #3: If our collective aim is to help rural Utah prosper there are a few guiding principles we should follow:**

First, vision drives progress. As the good book says, “without vision the people perish.”

Second, we are all in this together. Urban Utah has its own set of challenges – congestion, air pollution, housing affordability, and a labor shortage, to name just a few. Rural Utah can help urban Utah with many of these challenges.

In a similar way, urban Utah, which is currently experiencing its second longest expansion in our state’s modern history, can help rural Utah diversify and grow their economy. The best approach to economic development is rural and urban Utah, hand-in-hand, creating value.

Third, smart investment works. I believe investment lies at the heart of any economic development strategy. It matters how we spend our money. This isn’t about throwing money at rural Utah. It’s about making smart investment decisions that advantage the state’s economy over the long run.

And fourth, public communication matters. Public policy challenges are complicated and difficult to solve. You must have superb public communications to succeed.

As a good friend of mine once said, “Every public policy success is a triumph of communications. Every public policy failure is a failure of communications.”

So how does the Marshall Plan of 1948 figure into all of this?

About three months ago I was sitting in my office with two rural economic development professionals who are members of the Governor’s Rural Partnership Board. In an off-the-cuff way I said, “What rural Utah needs is a Marshall Plan for economic development.”

This was just sort of a fun idea until a representative from the Center for Rural Life at Southern Utah University called me and invited me to come to the Utah Rural Summit. He asked me to share what a strategy for rural Utah that is inspired by the Marshall Plan would look like.

So, I’m here to answer that question. And I didn’t think through this alone. The Gardner Policy Institute convened a group of rural Utah economic development experts and asked them to share their thoughts. Many of the ideas I’m sharing with you today stem from their feedback and insightful input.

As a starting point, let's talk about what a rural Utah Marshall Plan is not. The Marshall Plan is an imperfect metaphor. Rural Utah is NOT the war-torn areas of western and central Europe after World War II. Do I need to say that again? We are NOT talking about ruined economies, destitute people, and other effects of war.

We are talking about the part of the Marshall Plan that brought together large, bold and high-minded ideas to restore economic health to people in need.

We are talking about how targeted investment can create economic opportunity.

We are talking about how a well-led and financed endeavor can create significant success.

We are talking about urgent public-private investment that occurs over a limited time and then lets the market do its magic.

We are talking about using the success of the Marshall Plan as a unifying principle.

And, we are talking about how, by working together, people create lasting prosperity.

Let's review some Marshall Plan basics:

George Marshall was one of the most decorated military leaders in American history because of his valiant service during World War II. After the war, and out of duty to his country, George Marshall agreed to serve as President Truman's Secretary of State. He won the Nobel Peace Prize in 1953 and was a true patriot.

In 1947, Marshall announced the European Recovery Program, later called the Marshall Plan, during an address at Harvard University. The plan sought to increase industrial and agricultural production, establish and maintain financial stability, expand foreign trade, and create mechanisms for economic cooperation.

The plan was big, bold and successful. The well-known author Walter Isaacson in a book he co-authored called *The Wise Men* described the Marshall Plan as "power used to its best end." The results speak for themselves:

- Europe's GNP rose from 1947 to 1951 by 32.5 percent.
- Industrial production increased by 40 percent over pre-war levels.
- Agricultural production exceeded pre-war levels by 11 percent.

It isn't a stretch to say that the Marshall Plan provided the economic momentum Europe needed to achieve economic viability. We need a similar thrust of momentum to help communities in Utah.

So, what would an investment plan for rural Utah that is inspired by the Marshall Plan look like? One way to think of it is as a bold and urgent movement. And, to create a movement, people needed to bind themselves together in a common aim. One way to do this is something I call "A People's Proclamation."

I've brought an example with me today. Each of you should have at your table "A People's Proclamation to Invest in Rural Utah."

Let's read the first paragraph together.

We, as people who are interested in the economic vitality and security of all of Utah, proclaim the need and vision to invest in rural Utah. Inspired by the great Marshall Plan of 1948 that rebuilt the economies of Europe, we envision purposeful action that will create more economic security and sustainability, and reduce economic hardship in rural communities.

We seek a specific, immediate process to cultivate empowerment of rural leaders, greater investment in rural human and physical capital, and more urban-rural collaboration.

We believe such a movement will support Gov. Herbert's 25K JOBS initiative and other rural priorities of the administration. In keeping with these objectives, we pledge our support for investment that reflects these mutual aspirations and plans:

The proclamation then identifies nine aspirations.

First, we share a common vision for economic prosperity. Urban and rural economies achieve greater prosperity together.

Second, we view the success of rural communities as a priority of statewide significance. Gov. Herbert made this clear in his 2017 State of the State Address. We affirm that today.

Third, we believe rural economic development requires bold action. Whatever we've done in the past has not been sufficient to help 11 rural counties from contracting since before the Great Recession. We must do more.

Fourth, progress will take significant investment. Economic development occurs when you take a lower value input and create a higher value output. We do this through investing in human capital and physical capital, and supporting policies that increase productivity.

Fifth, revitalization must transcend political boundaries. Economies do not follow county lines. Communities must work together to contribute to regional economies.

Sixth, we envision a process, much of which I believe is already underway, that is led by Gov. Herbert and Lt. Gov. Spencer Cox and the Governor's Rural Partnership Board. They will need the help of state and local economic development professionals to evaluate existing programs and policies, identify new projects and policies, engage the public and execute.

Seven, the time is now. This is an urgent priority. Let's have something ready for the 2018 General Session of the Utah Legislature.

Eight, let's make smart investment in projects. There are many investment ideas worthy of consideration:

- Transportation infrastructure
- Tourism infrastructure
- Manufacturing of outdoor recreation products
- In-state trade missions
- Agricultural exports
- Urban-rural private sector partnerships
- Training in rural high schools for software coders
- Entrepreneurial training for rural business start ups
- And, many others

And finally, number nine, we encourage all Utahns to share their best, biggest and boldest ideas. The danger is not that we aim to high and miss it, but that we aim too low and meet it.

That's a quick summary of A People's Proclamation to Invest in Rural Utah.

Now for the fun part.

I mentioned early on that public communication matters. An important ingredient of the Marshall Plan's success was the way it captured the imagination of the people. They did this, in part, through visual communications.

In the fall of 1950, the leaders of the Marshall Plan held a contest inviting people throughout Europe to submit posters that represented the theme of economic renewal and cooperation. The poster contest was an extraordinary success as over 10,000 entries were submitted. The selection committee selected 100 posters and distributed them through all of Europe.<sup>1</sup>

These posters were designed to promote the idea of western and central Europe cohesion. I like that word, cohesion, when I think about some of our challenges, whether its homeless services in Salt Lake City or the loss of a county jail in Daggett County.

Many of the posters used multiple country flags to depict their new-found solidarity.

Since the people's proclamation is inspired by the Marshall Plan, we've made up a few posters of our own with a Utah touch.

The first poster highlights the "fruit of rural and urban collaboration." This poster is modeled after an original Marshall Plan poster and shows an image of a hand holding a peach. The peach represents the benefits that come from collaboration. By collaborating, the assets of rural Utah such as natural resources, agriculture, high quality work force, scenic landscapes, and recreational opportunities, merge with the assets of urban Utah to create great things.

The second poster is titled, "Building economic security." This poster emphasizes the need to invest in projects, not plans. A Marshall Plan inspired rural economic development strategy is project-based. There are other endeavors focused on planning.

The third poster is titled, "We hold the key." This is an appeal to unity and togetherness. Note the sego lily etched on the key. The key represents all of Utah.

And the last poster is a bit more provocative. It's titled, "We reap what we sow." This poster signals the imperative that we work hard, make smart decisions, and sacrifice. Investment means sacrifice. It means we give up a smaller benefit today for a larger benefit in the future.

These are just four examples of a way to communicate a unifying investment message. There are many more.

1. The posters referred to in these remarks came from the George C. Marshall Foundation website: <http://marshallfoundation.org/marshall/the-marshall-plan/marshall-plan-poster-contest/>

So, to summarize, when the Center for Rural Life asked what a Marshall Plan for rural Utah would look like, this is what came to my mind:

- It starts with vision – All Utahns deserve access to economic opportunity
- We are all in this together – Rural and urban Utah share a common destiny
- Smart investment works – We can't have wasteful spending. We need data-driven, local engaged decisions with a measurable return on investment.
- And finally, public communication matters – Every public policy success is a triumph of communications. We need simple, powerful messages that reaffirm the need and convey possible solutions.

I'd like to end with a challenge. We have several critical rural policy priorities in this state. The governor is aligning the forces to create 25K rural jobs in four years. The Lt. Gov. is leading out on an innovative and data-driven approach to address intergenerational poverty. We have the Rural Fast Track incentive program and the newly passed High Cost Infrastructure Tax Credit. We have "Rurism," or rural travel and tourism development. There are many more.

As Gov. Herbert said in his 2017 State of the State Address, and I quote, "Reaching [our] goal will require unprecedented partnerships."

If we are going to successfully bind together the economic success of the entire state, it's going to take everyone, joining hand in hand to get it done.

We can't have urban-rural squabbles. We can't have St. George-Cedar City disputes. We can't have tourism-mining quarrels. We can't have executive branch-legislative branch spat. We can't have summer-winter tourism arguments. Most of all, we can't care about who gets the credit.

If we learned one thing from the tremendous success of the great Marshall Plan of 1948, we learned that when people with common interests join together they accomplish mighty things.

Our challenge is to think big, be bold, and be visionary like General Marshall. Our challenge is to seek and exemplify continually productive partnerships.

Let's join arms, share ideas, and get it done.

Thank you.