

# A Time to Build

*Physical, Human, and Social Capital*

Salt Lake Chamber  
Board of Directors  
May 11, 2021

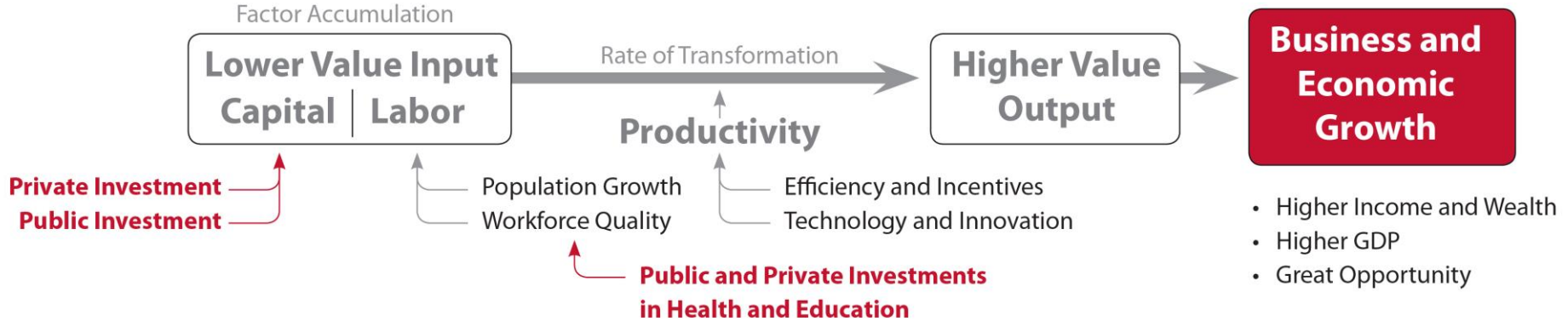


DAVID ECCLES SCHOOL OF BUSINESS

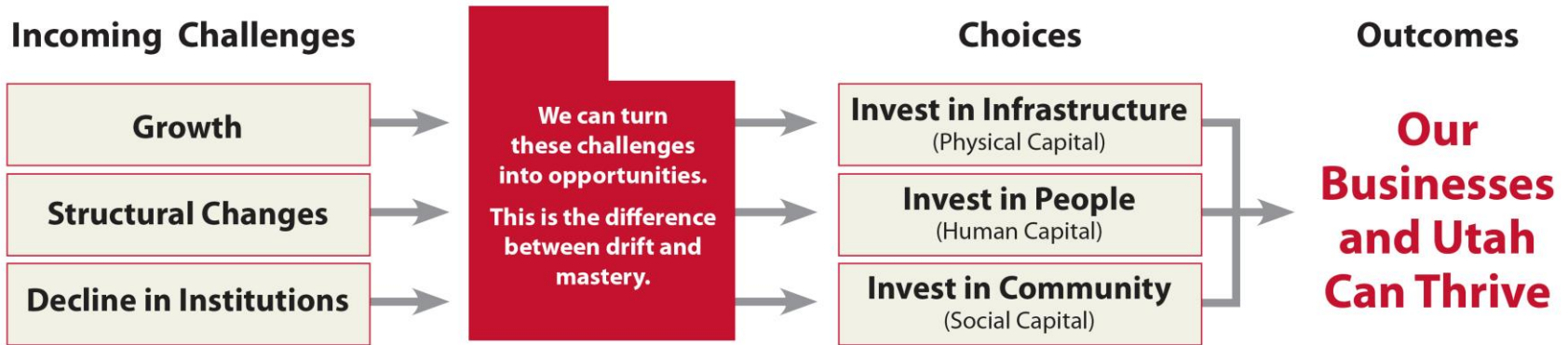
# Thesis

- Now is a **time to build** – both in our businesses and in our community.
- **Growth** means we must invest in **physical capital**.
- **Structural changes** mean we must invest in **human capital**.
- **Decline in our institutions** means we must invest in **social capital**.

# What Makes an Economy/Business Grow



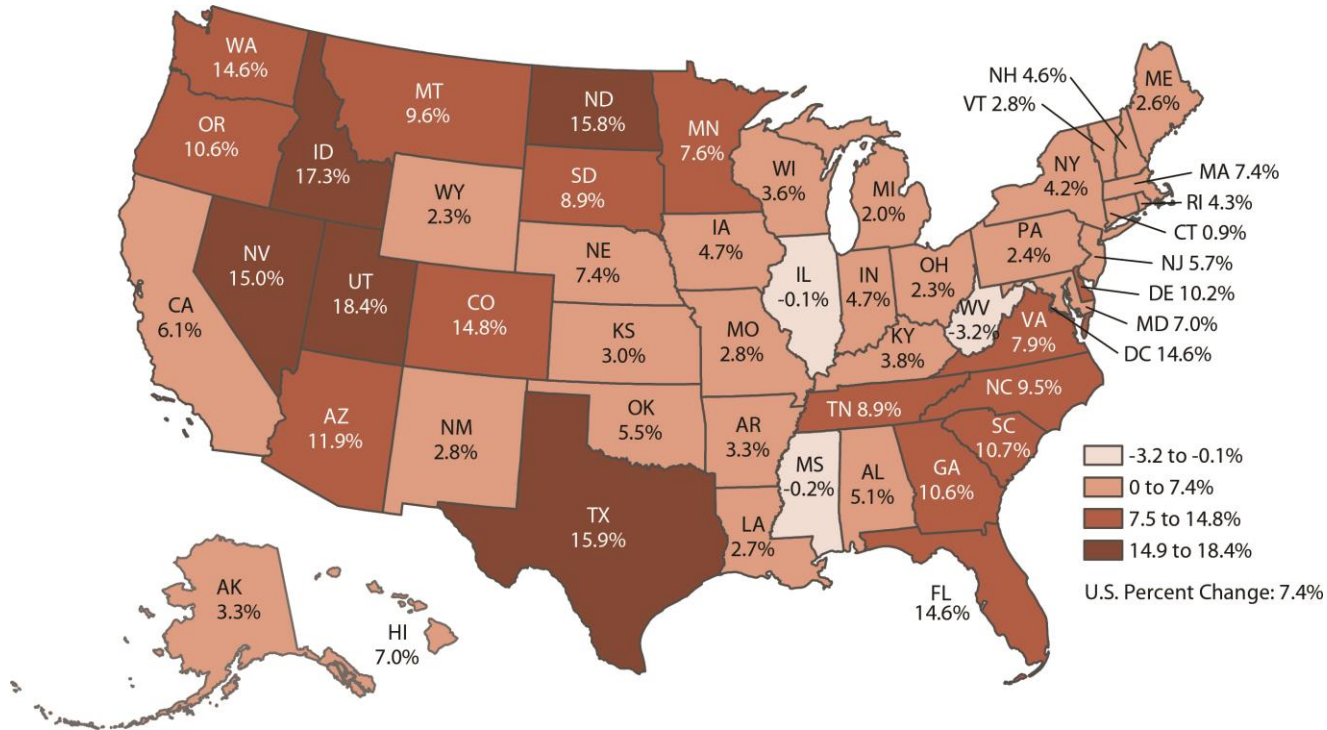
# What's on the Horizon and What Should We Do About it?



Source: Kem C. Gardner Policy Institute

# Physical Capital

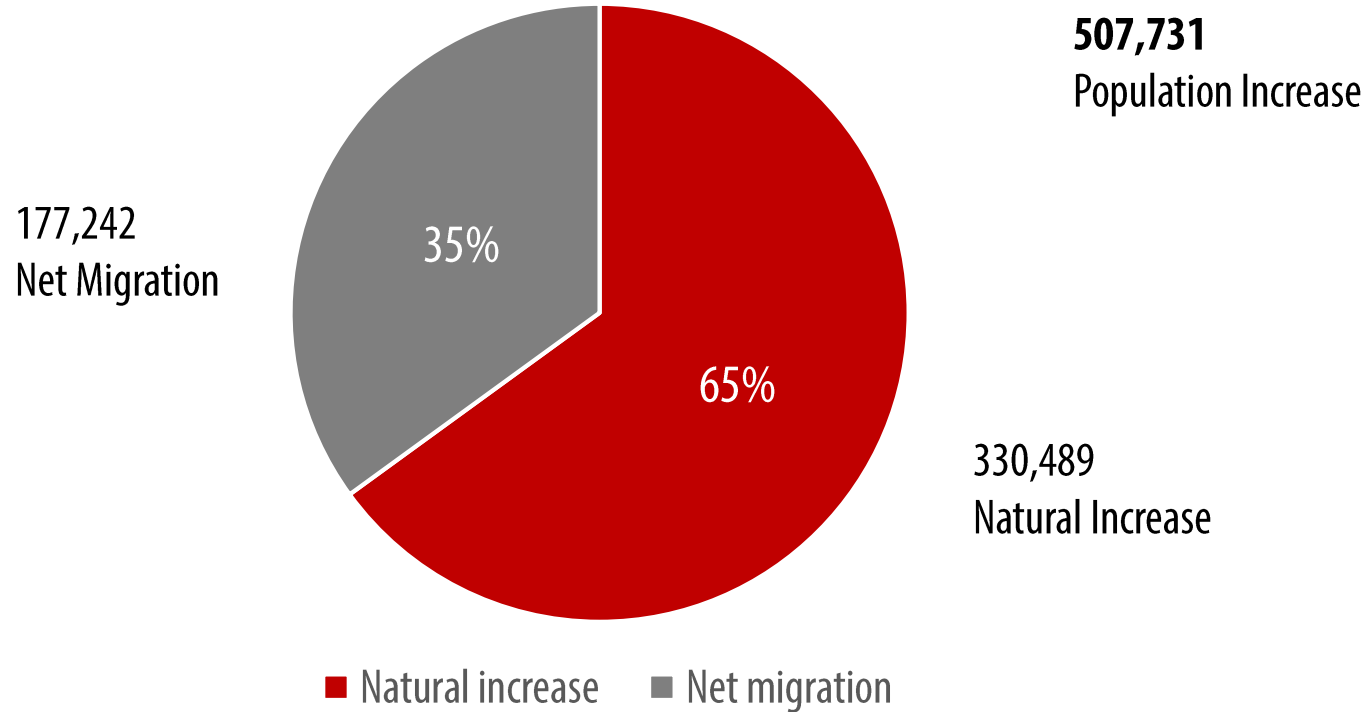
# Decadal Population Growth, 2010-2020



Source: 2020 Apportionment Data, U.S. Census Bureau

# Utah Components of Population Change

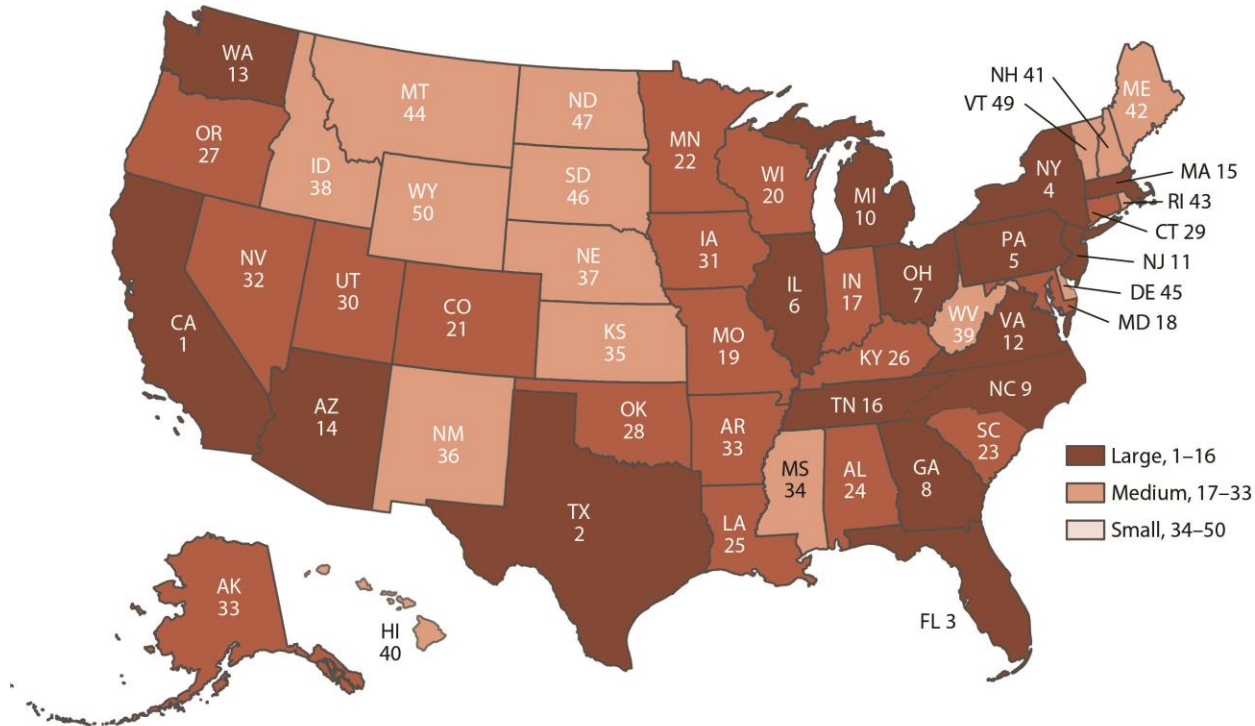
2010-2020



Source: 2020 Apportionment Data, U.S. Census Bureau

# Utah is Now a “Mid-Sized” State

### Population Rank



Source: 2020 Apportionment Data, U.S. Census Bureau



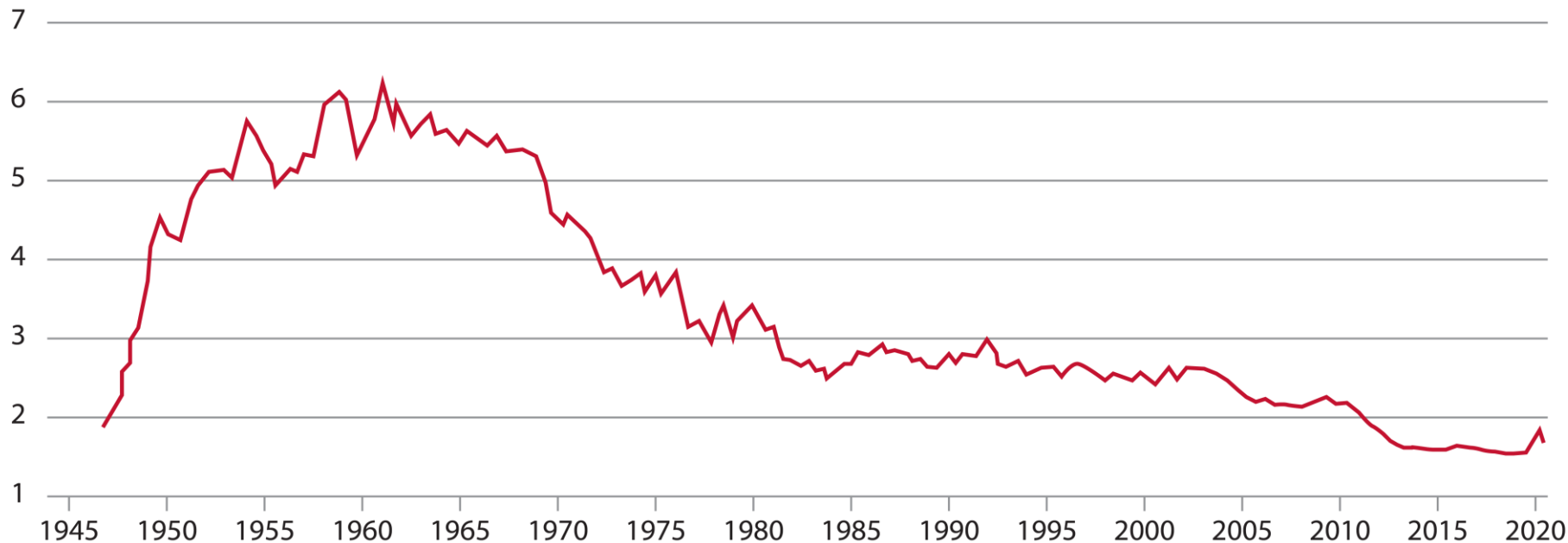
# Transportation Infrastructure

*Beam placement on U.S. 89 interchange in Layton*



# Infrastructure Spending

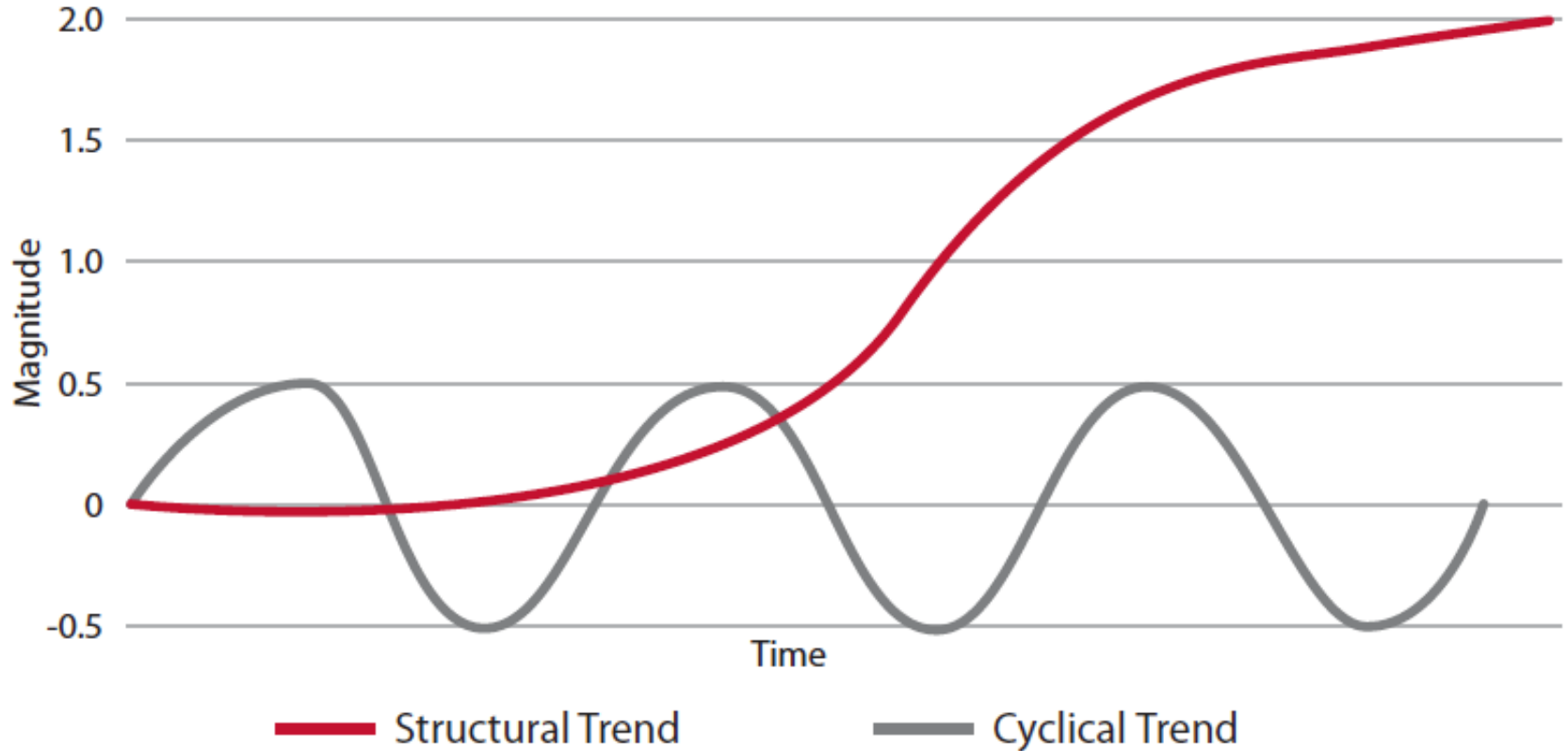
Federal, state and local government investment in structures, % of GDP



Sources: BEA, Moody's Analytics

# Human Capital

# Cyclical v. Structural Trends



# Structural Economic Changes

## 1. Behavioral changes

- Changes in preferences (work from anywhere, business travel, education, and more...)
- De-globalization/reshoring and shortening of supply chains

## 2. Technological advancements

- Ubiquitous broadband
- Tech-enabled services (online education, remote sales, online health, etc.)

## 3. Demographic changes

- Migration (Zoom Towns/quality of life)
- Aging population

## 4. New paradigms

- Increasing needs in mental health
- Banking
- Women in the workforce/pink recession
- Commercial real estate
- Business travel

Source: Kem C. Gardner Policy Institute

# Human Capital

*University of Utah graduation ceremony*

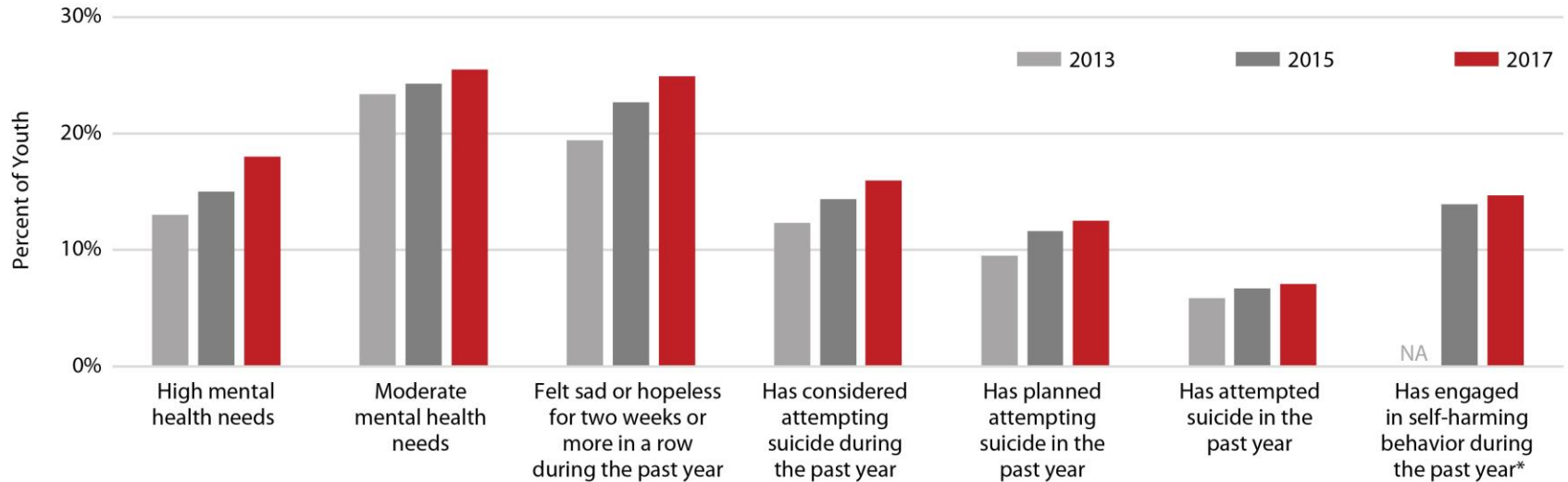


# The Benefits of Education

Individual Benefits	Societal Benefits
<ul style="list-style-type: none"><li>■ Increased earnings</li><li>■ Increased economic mobility</li><li>■ Better health outcomes</li><li>■ More likely to receive employer-provided health insurance</li><li>■ More likely to do educational activities with their children</li></ul>	<ul style="list-style-type: none"><li>■ Stronger community</li><li>■ Increased GDP</li><li>■ Decreased crime</li><li>■ Increased volunteering</li><li>■ Increased voter participation</li><li>■ Increased tax contributions</li><li>■ Lower unemployment rate</li><li>■ Reduced reliance on public assistance</li><li>■ Reduced healthcare costs</li><li>■ Decreased poverty rate</li></ul>

Source: Kem C. Gardner Policy Institute based on literature review

# Utah Youth Mental Health and Suicide Indicators



Source: 2017 Prevention Needs Assessment Survey. State of Utah Department of Human Services, Division of Substance Abuse and Mental Health.



# Social Capital

# What are society's institutions?

- The durable forms of our common life. They are frameworks and structures of what we do together. (Levin, 2020)

- They include forms of association/"common life"

Families

Churches

Universities

Clubs

Schools

Supreme Court

Media

Companies

Legislature

Systems of Governance

Health care

Military

- Evidence of declining trust, respect, faith, and confidence in institutions
- Institutions are defined by an ideal and formative in their application. Without them we experience a form of social shapelessness, a crisis of connectedness, and a need for social replenishment. (Levin, 2020)

# Indications of Institutional Decline

- **Molds to platforms** – Providing a stage, rather than shaping character
  - Act alone rather than together
  - Contribute to sense of detachment
  - Inability to agree on what's true
- **Formative to performative** – Seeking attention, rather than solving problems
  - Presidency and Congress as stages for political performance art
  - Universities serve as a venue for vain virtue signaling
  - Journalism indistinguishable from activism

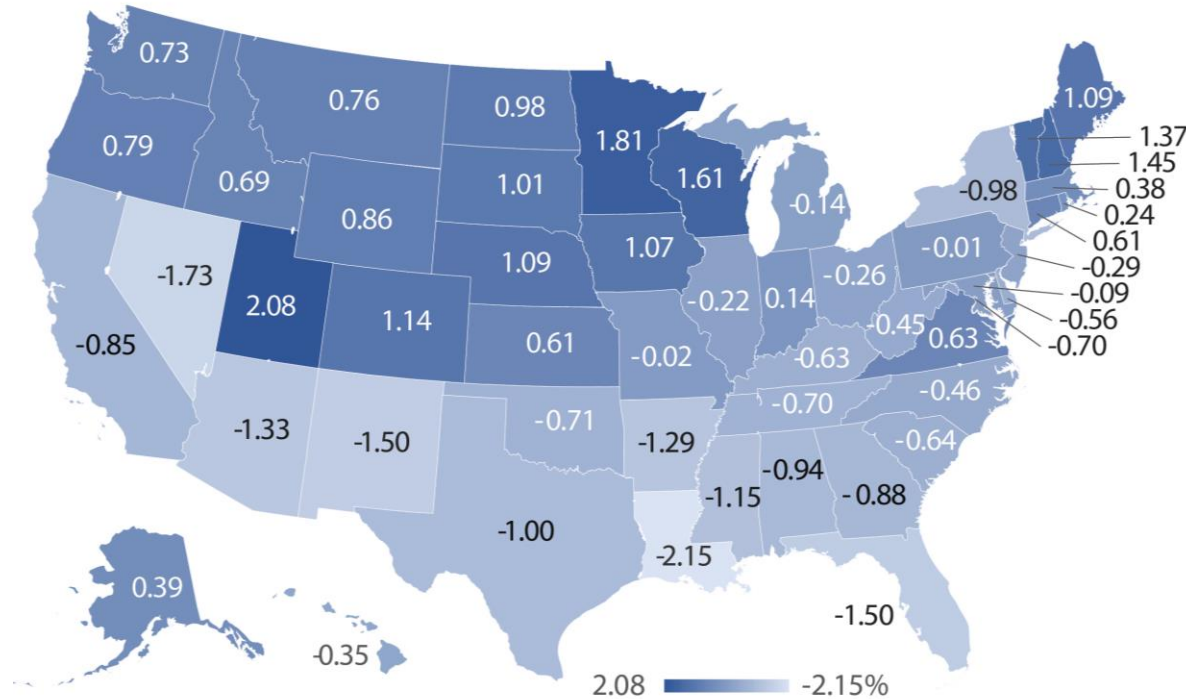
Source: *A Time to Build*, Yuval Levin

# What is social capital?

- The network of relationships in a society that allow it to function successfully
- It includes...
  - Trust between individuals and entities
  - Established forms of reciprocity and caring for one another
  - A form of empathy, goodwill, fellowship, and civic virtue
  - Institutional effectiveness
- “A philosophy of help” – Ecumenical leader Joseph Sunde
- “The community of the whole will benefit by the cooperation of its parts.” – Lyda Judson Hanifan

# Utah's Nation-Leading Social Capital

Higher number indicates a greater level of social capital



Source: U.S. Congress, Joint Economic Committee (based on 32 measures)

# The Bottom Line

*Utah can turn the incoming challenges of **growth**, **structural changes**, and **decline in institutions** into competitive advantages if we **invest in physical, human, and social capital**. If we do so effectively... we will **thrive**.*