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

- Higher Income and Wealth
- Higher GDP
- Great Opportunity

Source: Kem C. Gardner Policy Institute
What’s on the Horizon and What Should We Do About it?

Incoming Challenges

- Growth
- Structural Changes
- Decline in Institutions

We can turn these challenges into opportunities. This is the difference between drift and mastery.

Choices

- Invest in Infrastructure (Physical Capital)
- Invest in People (Human Capital)
- Invest in Community (Social Capital)

Outcomes

Our Businesses and Utah Can Thrive

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

- **507,731** Population Increase
- **330,489** Natural Increase
- **177,242** Net Migration

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
Human Capital
Cyclical v. Structural Trends

Magnitude vs. Time

- **Red**: Structural Trend
- **Gray**: Cyclical Trend
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. Gardener Policy Institute
Human Capital

University of Utah graduation ceremony
# The Benefits of Education

<table>
<thead>
<tr>
<th>Individual Benefits</th>
<th>Societal Benefits</th>
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<tbody>
<tr>
<td>- Increased earnings</td>
<td>- Stronger community</td>
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<tr>
<td>- Increased economic mobility</td>
<td>- Increased GDP</td>
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<tr>
<td>- Better health outcomes</td>
<td>- Decreased crime</td>
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<tr>
<td>- More likely to receive employer-provided health insurance</td>
<td>- Increased volunteering</td>
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<td>- More likely to do educational activities with their children</td>
<td>- Increased voter participation</td>
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<td>- Increased tax contributions</td>
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<td>- Lower unemployment rate</td>
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<td>- Reduced reliance on public assistance</td>
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<td>- Reduced healthcare costs</td>
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<td>- Decreased poverty rate</td>
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Source: Kem C. Gardner Policy Institute based on literature review
Utah Youth Mental Health and Suicide Indicators

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
  - Schools
  - Legislature
  - Churches
  - Supreme Court
  - Systems of Governance
  - Universities
  - Media
  - Health care
  - Clubs
  - Companies
  - 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
  o Act alone rather than together
  o Contribute to sense of detachment
  o Inability to agree on what’s true

• **Formative to performative** — Seeking attention, rather than solving problems
  o Presidency and Congress as stages for political performance art
  o Universities serve as a venue for vain virtue signaling
  o 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.