



THE NEW UTAH

KEEPERS OF THE FLAME

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INTRODUCTION

At the dawn of the 21st century, Utah leaders placed a time capsule below the front steps of the Utah State Capitol. The historic cache included a leather-bound book with letters to the future from 124 executive, legislative, and judicial branch leaders. Former governor Mike Leavitt's opening letter memorialized the solemn responsibility of Utah leaders to serve as "keepers of the flame." The flame symbolizes all that is great about Utah and the light Utah shares with the world.

Utah now faces a critical inflection point. Demographic and economic changes have created a New Utah.



Demographic change

The New Utah is a more populous, mid-sized state, dominated by external growth (in part due to much lower fertility). It is older and more racially and ethnically diverse.



Economic change

The New Utah features an elite economy, but also faces the challenge of unaffordable housing.

As keepers of the flame, Utahns entrust those in public service with the responsibility to keep Utah strong and flourishing. Utah leaders' guidance of the New Utah will determine the state's future success.

This summary presents evidence for the New Utah. It also shares ideas on what leaders can do today to keep Utah's flame burning bright long into the future.

NEW UTAH OVERVIEW

Utah emerged from the COVID-19 pandemic larger, more tied to in-migration, older, more racially and ethnically diverse, supported by an elite economy, and grappling with high housing costs. Much lower fertility contributes to many of these changes. While the pandemic did not cause these transitions, it accelerated many of them.

The New Utah includes six significant transitions, all associated with growth and change, and deeply interconnected.

SIX SIGNIFICANT TRANSITIONS OF THE NEW UTAH

OLD UTAH	NEW UTAH
Small State Population rank 34th (2000, 2010)	→ More Populous, Mid-Sized State Population rank 30th (2020)
Internal Growth 34% of growth from migration (2000-2020)	→ External Growth and Much Lower Fertility 61% of growth from migration (2021 and 2022) Utah fertility below replacement level since 2018
Young 9.1% age 65+ (2010)	→ Older 20% age 65+ (2050)
Less Multicultural 9.5% racial/ethnic minority (1990)	→ More Multicultural 23.3% racial/ethnic minority (2022) (<i>30+% in 2040</i>)
Strong Economy Utah job growth strong , but ebbs and flows	→ Elite Economy Utah job growth consistently best in nation and top COVID outcomes
Affordable Housing Utah housing costs to wages highly competitive	→ Unaffordable Housing Utah housing costs represent major economic risk

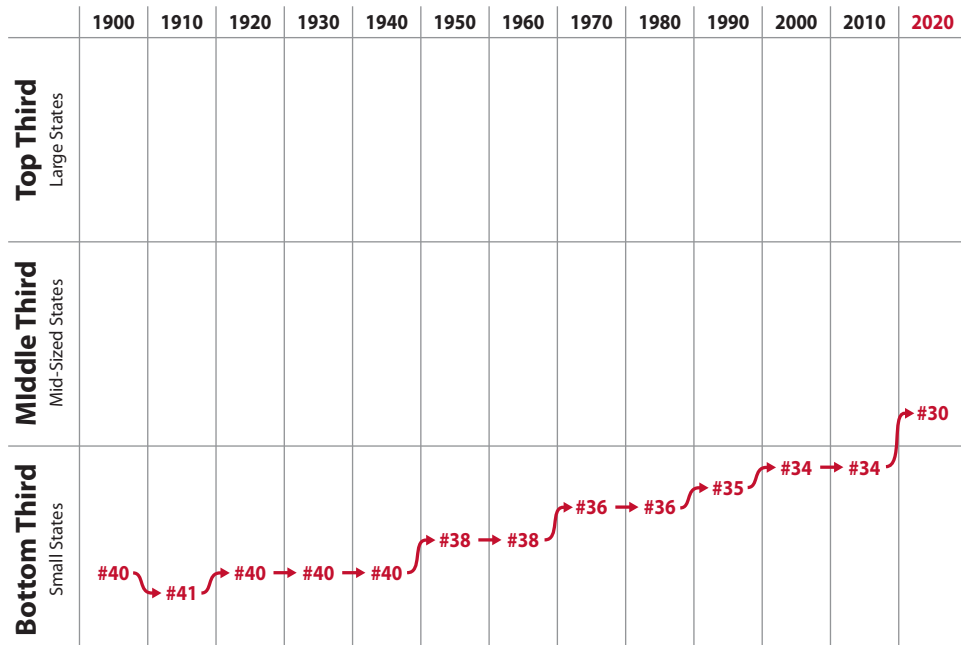
Demographic Transition

1

More populous, mid-sized state

Since 2010, Utah transitioned from a small-sized state to a medium-sized state. Between 2010 and 2020, Utah leap-frogged four states – Iowa, Arkansas, Mississippi, and Nebraska. We expect Utah’s population rank to continue climbing. Population growth in Utah is not new. What is new is a critical mass of people creating new opportunities and also bumping up against various constraints. Many ask how we can continue to grow and still maintain the attributes we love about Utah.

UTAH’S STATE RANK BY POPULATION SIZE



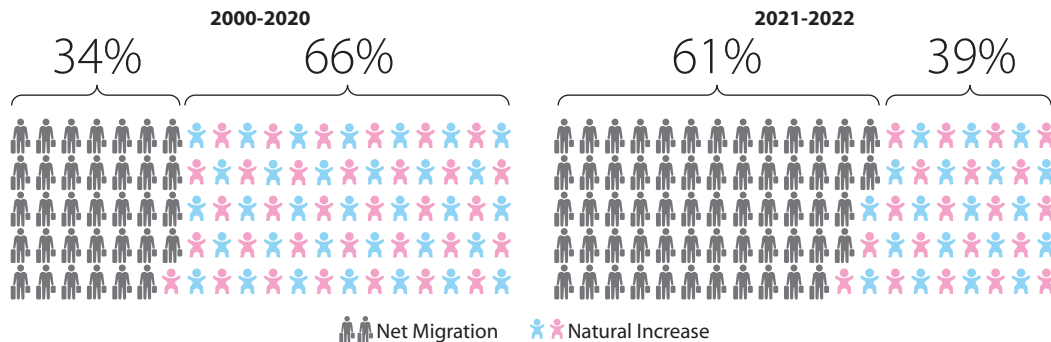
Source: U.S. Census Bureau, Decennial Census

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External growth and much lower fertility

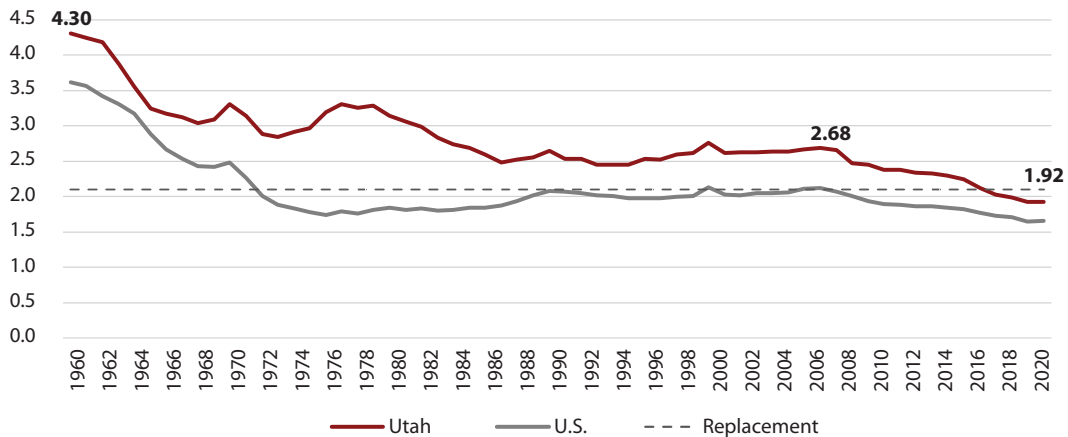
Utah gained more population from external growth (in-migration) than internal growth (births minus deaths) over the past two years. We expect migration to outpace internal growth for the foreseeable future, even as it ebbs and flows in individual years. Utah's fertility rate has declined or held steady for 14 consecutive years. The story here is Utah has both become a destination of choice for new migrants and now has significantly lower fertility rates.

UTAH COMPONENTS OF POPULATION CHANGE



Source: Utah Population Committee, Kem C. Gardner Policy Institute

TOTAL FERTILITY RATE: 1960-2021



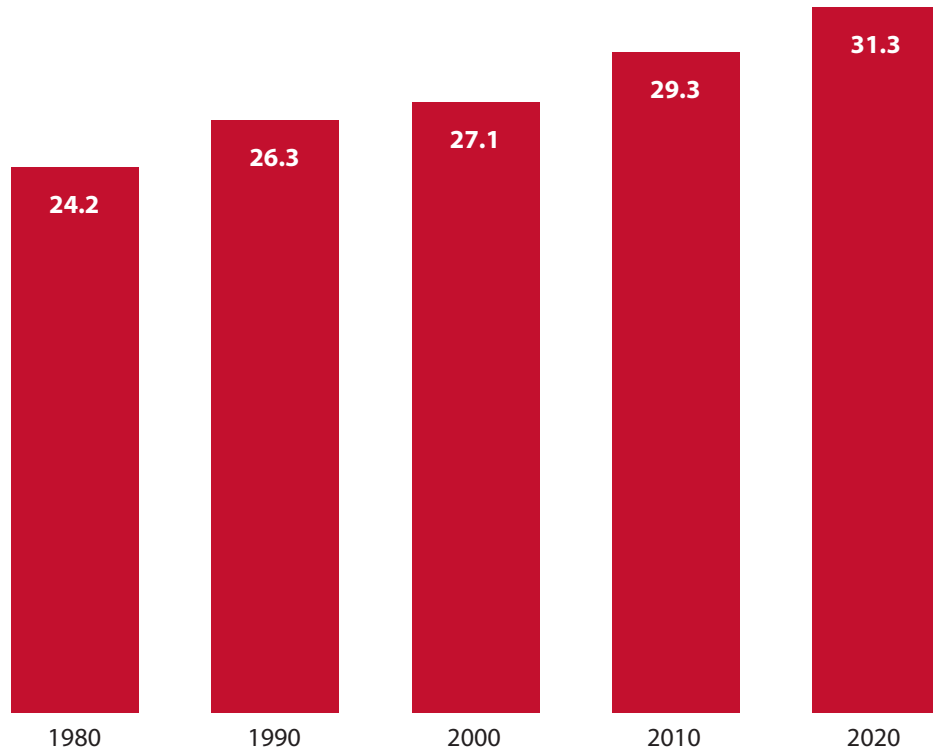
Source: National Center for Health Statistics

3

Older

Utah's population continues to age as fertility rates remain well below replacement level and existing generations age. We expect this aging trend to continue for the foreseeable future, with even greater impacts in coming decades. Modern medicine is another reason for an aging population.

UTAH MEDIAN AGE BY DECADE, 1980–2020



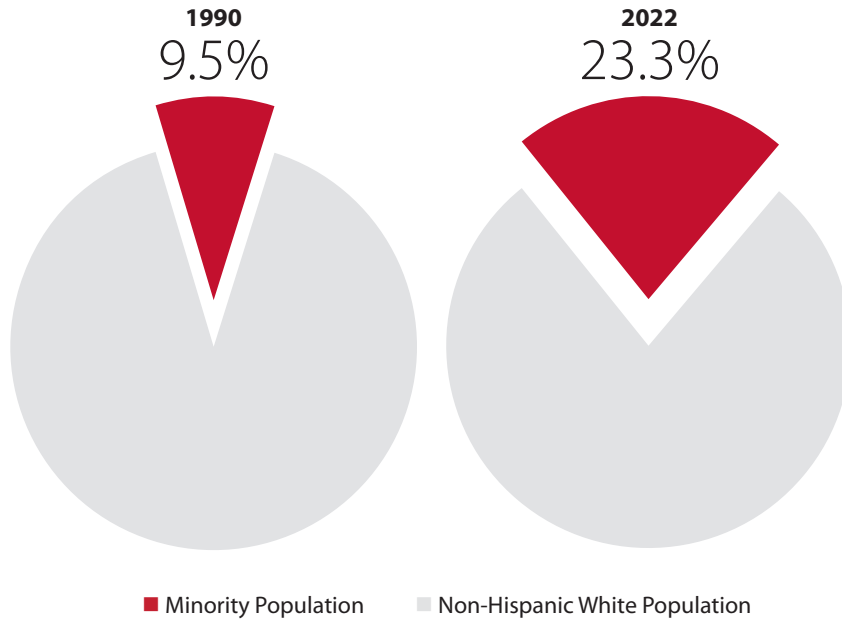
Source: Kem C. Gardner Policy Institute, 2020-2060 Projections

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More multicultural

Utah enjoys a rich multicultural heritage and has become even more multicultural over the past few decades. Today, nearly one in four Utahns is a racial/ethnic minority. As recently as 1990, this percentage was one in ten. We expect the minority share of Utah's population to continue increasing.

RACIAL/ETHNIC MINORITY POPULATION SHARES

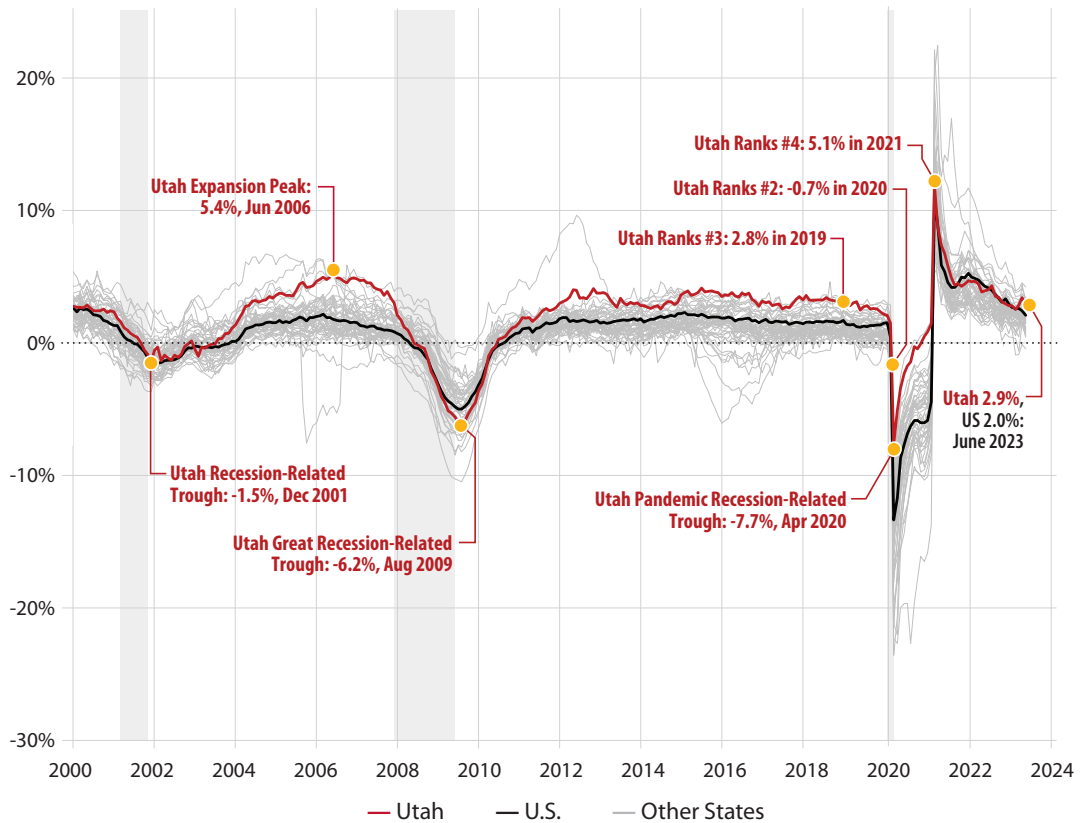


Economic Transition

5 Elite economy

Utah's traditionally strong economy has become elite relative to other states. For example, Utah's job growth consistently ranks at or near the top of states. We expect the Utah economy to continue to be among the best performing economies in the nation.

JOB GROWTH FOR ALL 50 STATES, 2000–2023



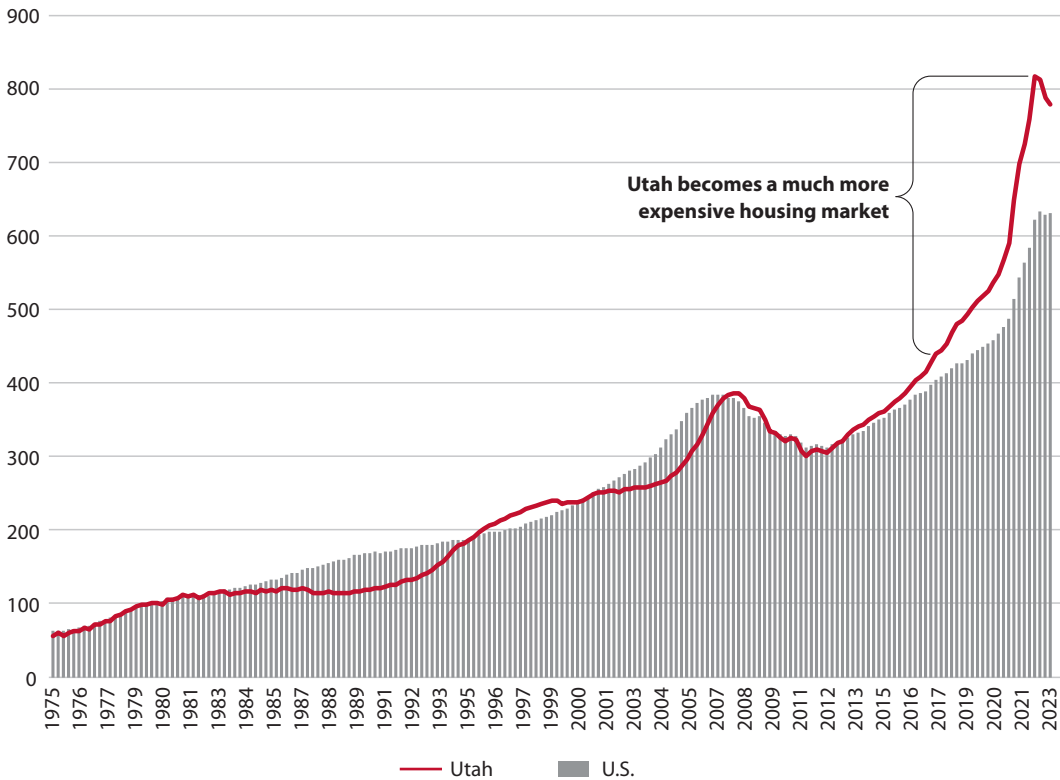
Note: Grey shaded areas indicate periods of recession.
Source: Utah Governor's Office of Planning and Budget and U.S. Bureau of Labor Statistics

6

Unaffordable housing

Utah's home prices shifted markedly in recent years from tracking roughly with U.S. prices to remaining well above the U.S. average. Utah's supply of housing has failed to keep pace with demand. Unless Utah significantly increases its housing supply, we expect high housing costs to continue for the foreseeable future, presenting a significant challenge to Utah's economic competitiveness and rising generation.

HOUSING PRICE INDEX: UTAH & UNITED STATES, 1975-2023



Source: U.S. Federal Housing Finance Agency

GUIDANCE FOR UTAH DECISION-MAKERS

A former Utah business leader once said, “Fight change and die; accept change and survive; lead change and prosper.” Utah will prosper if it leads change.

The New Utah provides an opportunity for today’s leaders to lead change by setting direction, aligning resources, and motivating action. As they do this, we recommend a bold approach that prioritizes five actions.

- 1. Keep an open mind** – If you thought a policy approach was a good or bad idea five years ago, rethink your assumptions and consider trying something different.
- 2. Listen to all Utahns** – The New Utah includes more perspectives than ever before. All voices matter.
- 3. Invest even more** – Carefully evaluate the benefits and costs of current consumption in relation to future needs.
- 4. Fortify great institutions** – The degradation of our associational life – families, schools, churches, government, and other forms of common life – requires social replenishment.
- 5. Dignify and unify** – We can disagree over ideas, but we must respect every human being and offer dignity to everyone. We can unify behind common ideals.

Context/Why it matters

Growth and change have led to an inflection point. If handled well, Utah can ascend to a new level of prosperity and continue to be a true land of opportunity. If handled poorly, future Utahns – including our children and grandchildren – may experience compromised livability, less upward mobility, and potentially lower standards of living.

Consider several flashpoints currently impacting the Beehive State.

- **Home ownership** – Owning a home is increasingly out of reach for many Utahns.
- **Water** – Municipal and industrial (M&I) water demand will require significantly more M&I water conservation combined with agricultural water optimization. This will require behavioral change.
- **Great Salt Lake** – Utah’s inland sea reached a historical low elevation level in 2023, putting at risk human health, ecological health, and lakeside industries.
- **Fertility** – Utah’s total fertility rate is now below replacement level. Many worry that higher costs of raising a family contribute to this trend.
- **Mental health** – Mental health challenges continue to mount, particularly among Utah’s youth.
- **Rural Utah** – Coal-dependent economies in rural Utah show signs of significant economic stress, including, at times, job contraction and net out-migration.
- **Traffic** – Congestion continues to increase on our major roads.
- **Air quality** – Although Utah’s air is clean much of the year, in some areas pollutants exceed air quality standards in the winter and summer months.
- **Livability** – Congestion in Big and Little Cottonwood canyons during the ski season threatens Utah’s visitor economy and diminishes life quality for residents.
- **Education disparities** – Education disparities by race and ethnicity threaten Utah’s long-term economic success.
- **Labor** – Labor shortages in critical industries like construction, education, and health care impair growth and are likely to worsen.

By creating forward-looking public policies on these and other issues, Utah can lead change and continue to flourish.

Insights from leaders

Our recommended New Utah approach of an open mind, attentive listening, enhanced investment, fortified institutions, and greater dignity and unity serves as a guide for future public policies. We find these insights from local and national leaders helpful in shaping a New Utah strategy:

“Be prepared to change.”

- **University of Utah President Taylor Randall**

Success in the New Utah will require leaders to adjust old approaches to new realities. This requires an open mind and a willingness to try new things.

If you thought a policy approach was a good or bad idea five years ago, rethink your assumptions and consider trying something different.

“The key to succeeding in the choir is to listen louder than you sing.”

- **Tabernacle at Temple Square Musical Director Mack Wilberg**

If Utah leaders sing “too loudly” it will drown out less influential but important voices. If Utah leaders sing “too quietly” critical perspectives will not be heard. If Utah leaders dwell in “discord and conflict,” we will miss opportunities and fail to prevent and solve problems. Only by “harmonizing” will Utah leaders lead change.

“Be present...proximity is incredibly important... especially with people of different cultures, different backgrounds, different ideologies.”

- **Lt. Gov. Deidre Henderson**

Put yourself in situations where you can learn about diverse life experiences.

Expand the civic tent.

Actively seek positive points of contact.

“Spending is about us, investing is about our children and grandchildren. It’s imperative we are purposeful about the future”

**- Amanda Covington, Chief Corporate Affairs Officer,
The Larry H. Miller Company**

Carefully evaluate the benefits and costs of current consumption in relation to future needs.

If Utah leaders adopt a future mindset and invest in future success, the future will be more prosperous.

“If we don’t solve the problem of division, we can’t solve any of the big problems of our time.”

- University of Utah Impact Scholar Tim Shriver

Division is not becoming of a state like Utah that possesses the secret sauce of collaboration and the social capital of a unified populace.

We can disagree, even passionately, over ideas. But we must recognize diverse life experiences, respect every human being, and offer dignity to everyone...no matter what.

“The challenge we face is a challenge of institutional revival.”

- Yuval Levin, founding editor of *National Affairs*

Institutions include the durable forms of common life, including government institutions, schools, the military, the family, churches, the courts, and other frameworks and structures we do together.

Much of the social shapelessness that exists right now occurs because of the decline in great and foundational institutions.

We need to build, not tear down, the institutions that support associational life.

“As you face the next one hundred years, you can proceed with the confidence that a nation or state acting on [Utah’s] values will be prosperous and therefore will have the capacity to care for the truly needy, fund great institutions, foster education, and improve the human condition. But be warned: prosperity can also expose a community’s soft underbelly by breeding complacency, arrogance, and social division.”

– Gov. Mike Leavitt, January 2000, from *The New Century* time capsule preserved under the steps of the Utah State Capitol

THE NEW UTAH IS HERE

