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# AMERICAN *Affairs*

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## Utah's Economic Exceptionalism

by [Natalie Gochnour](#)

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**O**n my drive home from work on March 11, 2020, I could tell something was awry. The Utah Jazz game against the Oklahoma City Thunder was set to tip off, but the radio play-by-play announcer seemed confused. Players and officials mingled on the court, but nobody walked to the center circle for tipoff. There was a long pause, and then an even longer one. Then the news broke: Utah Jazz all-star Rudy Gobert tested positive for Covid-19. The officials suspended the game and within hours the NBA suspended the season. That same day, the World Health Organization declared Covid-19 a pandemic.

As of this writing, Covid-19 remains “in the wild.” Much of the economic history is yet to be written, but an initial assessment makes clear that Utah’s economic response outperforms most, if not all, states. And it’s not just the Covid-19 economic response. Utah frequently finds itself in a favorable position across a variety of economic indicators—most notably for this article, income equality and social mobility.

This article explores potential reasons for Utah’s apparent outperformance, or what some have called Utah’s economic exceptionalism.<sup>1</sup> The evidence makes a strong case for the value of social capital not only in fighting a pandemic, but in creating and supporting an economy that creates greater opportunity for all.

## UTAH'S ECONOMIC RECORD AMID COVID-19

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Thirteen days after Gobert was diagnosed with Covid-19, Utah was the first state in the nation to publish a comprehensive economic response plan to accelerate Utah's economic recovery. The *Utah Leads Together* plan, published on March 24, 2020, has now been followed by four additional volumes that guide Utah's Covid-19 economic response. While the response has not been without its problems, the Utah economy continues to outperform other states.

The Federal Reserve Bank of Philadelphia produces a monthly index that combines four indicators of state economic health.<sup>2</sup> This coincident index—which includes employment, unemployment, manufacturing hours worked, and measures of income—provides a useful summary measure of state-level economic performance and serves as a helpful barometer of state-by-state economic activity since the onset of Covid-19.

The change in the index since March 2020 shows just how distinctive Utah's relative economic performance has been since the start of the pandemic. The national index *declined* by 5.2 percent since March, while Utah's index *increased* by 5.9 percent. (An increase in the index implies an improvement in economic conditions and a decrease signals a deterioration.) Utah is the only state to show an increase, placing the Beehive State in a class of its own by this combined measure.

Other macroeconomic measures show similar outcomes for Utah. Utah's unemployment rate in August 2020 of 4.1 percent is the second lowest in the country and registers less than half the national rate of 8.4 percent.<sup>3</sup> Utah's year-over-year contraction in jobs for the same period tallies less than one-quarter the national contraction (-1.6 percent in Utah compared with -7.0 percent in the United States).<sup>4</sup> These and other measures demonstrate that Utah has sustained significantly less economic damage during the pandemic than other states.<sup>5</sup>

Importantly, Utah's success also shows up in health data. Utah's cumulative case fatality rate—arguably the most important measure of pandemic success—measures 0.63 percent (compared to the national rate of 2.87 percent) and ranks lowest in the nation (as of this writing in October 2020).<sup>6</sup>

But Utah's distinctiveness goes well beyond its response to Covid-19. The state has consistently outperformed on key economic indicators such as income equality and social mobility.

**WELCOME TO COPENHAGEN, UTAH:  
INCOME EQUALITY AND SOCIAL MOBILITY**

In 2013 I was asked to present to the Utah Legislature at its biennial policy summit. Utah's Legislature is one of only a handful of state legislative bodies that convene bipartisan, daylong summits where elected officials discuss high priority issues and consider long-term challenges and priorities.<sup>7</sup>

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I was asked by a legislative leader to highlight in my presentation Utah's income distribution relative to other states. I knew Utah ranked favorably in equality of income, but I was surprised by just how well Utah performed at every level of geography. I concluded then, and it remains the case today, that Utah has the most equal distribution of income of any state.

The Census Bureau reports income equality at the state, metro, city, and neighborhood levels using a Gini coefficient. Gini coefficients of income inequality range between zero (every person or household has the same income) and one (one person or household has all the income). A lower Gini coefficient indicates a more equal income distribution.

For the 2019 period, Utah's income measures tell a consistent story of nation-leading income equality at all levels: Utah, with a Gini coefficient of 0.4268, ranked first for income equality among states and the District of Columbia.<sup>8</sup> The Salt Lake City metropolitan area, with a Gini coefficient of 0.4257, ranked first for income equality among metropolitan areas over one million in population. West Jordan city and West Valley City in Utah ranked first and sixth, respectively, for income equality among cities over one hundred thousand in population. Finally, a census tract in Salt Lake County (tract 1135.26) in the 2005-9 period ranked third highest for income equality<sup>9</sup> among 61,358 neighborhoods surveyed in the entire country.<sup>10</sup> Although few might expect a consistently Republican, low-tax state like Utah to lead the way in this category, clearly these results show that Utah and the Greater Salt Lake Area offer something important to people who value income equality.

Another indicator of Utah's economic exceptionalism is high rates of social mobility. Harvard economist Raj Chetty and a team of researchers in their 2014 study "Where Is the Land of Opportunity?: The Geography of Intergenerational Mobility in the United States" identified Salt Lake City (along with San Jose, California) as having the highest rate of absolute mobility in the nation.

Chetty defines absolute mobility as the odds that a child will earn more than his or her parents did at the same age. His team used deidentified IRS tax records to analyze economic mobility. They found that Salt Lake City ranks first among the fifty largest commuter zones (aggregations of counties) in the country for absolute upward mobility.<sup>11</sup>

For example, the likelihood of moving from the poorest quintile to the richest quintile is 10.8 percent in Salt Lake City (highest in the country) compared to 4.0 percent in Charlotte (lowest in the country).<sup>12</sup> Chetty's team concluded, "Some cities—such as Salt Lake City and San Jose—have rates of mobility comparable to countries with the highest rates of relative mobility, such as Denmark."<sup>13</sup>

"Copenhagen, Utah" may sound odd, but Chetty isn't the only one to make comparisons between Utah and Scandinavian countries. *Washington Post* columnist Megan McArdle once opined that the incredible levels of integration, community solidarity, and trust make Utah unique in America. She said Utah is "a bit like Sweden might be if it were run by the U.S. Chamber of Commerce."<sup>14</sup>

McArdle's observation resonates with me. I worked at the Salt Lake Chamber for six years and witnessed firsthand the comradery between business leaders who compete in the market place but seek common ground for the community, even on tax increases that are not typically supported by a conservative state.

An illustrative example of this occurred in 2006 when the Salt Lake Chamber led a ballot initiative to raise sales taxes to support rail transit serving the Greater Salt Lake Area. The initiative, which contemplated seventy miles of rail to be built in seven years, required the Chamber to broker a special session of the Utah Legislature to create the authority for local governments to place a sales tax increase for transportation on the ballot. The challenge was significant: a tax increase, during a period of budget surpluses, to be spent largely on transit, that required support from a conservative legislature. Ultimately, the legislature granted permission for the referendum to be on the ballot and voters approved it with a two-thirds majority. The Chamber took a huge risk, but successfully pushed it through. The project ended up being finished two years ahead of schedule and \$300 million under budget.<sup>15</sup>

McArdle observes that in Utah the best ideas of conservatives and liberals come together in "one delicious package: business friendly, opportunity friendly, but also highly committed to caring for the needy and helping them get back on their feet."<sup>16</sup> That "delicious package" is known locally as Utah's secret sauce.

### **"UTAH'S SECRET SAUCE"**

Spencer P. Eccles—whose great grandfather, David Eccles, immigrated from Scotland and rose to become one of America's leading industrialists, and whose son, Marriner Eccles, was Federal Reserve chairman under Franklin D. Roosevelt—coined the term "Utah's secret sauce" when he served as the

director of the Utah Governor's Office of Economic Development. This secret sauce is not the fry sauce Utahns love so much (a mixture of ketchup and mayonnaise that is said to have originated at a Utah burger shop), but rather the way Utahns collaborate to prevent and solve problems. [Already have an account? Sign In.](#)

Academics have another name for this: social capital—the network of relationships in a society that enables it to function effectively. Among the most well-known scholars of social capital is Harvard University professor Robert Putnam. In his book *Bowling Alone*, he describes social capital as a parallel concept to physical and human capital in terms of what it does for productivity. He writes:

The core idea of social capital theory is that social networks have value. . . . Just as a screwdriver (physical capital) or a college education (“human capital”) can increase productivity, so too social contacts affect the productivity of individuals and groups.<sup>17</sup>

Putnam and others describe social capital in various ways—as trust between individuals and entities; as established forms of reciprocity and caring for one another; as a form of empathy; as civic virtue, goodwill, and fellowship; as mutual support and cooperation; and as institutional effectiveness.

I like how Joseph Sunde, an ecumenical leader with the nonprofit Acton Institute, describes social capital. He calls it a “philosophy of help.”<sup>18</sup> Lyda Judson Hanifan, a West Virginia school reformer who has been credited with being the first to use the term, described social capital’s impact as what occurs when the “community as a whole will benefit by the cooperation of all its parts.”<sup>19</sup> Sunde and Hanifan’s descriptions match the way Utah Speaker of the House Brad Wilson describes Utah’s success. Wilson says:

The key to Utah’s success has been finding the right balance between caring for the individual and helping based on the data. In Utah, both are important and I see a strong drive across our community to lift those who are less fortunate and to consider how our efforts will impact individuals and families, not just numbers in a report.<sup>20</sup>

The Joint Economic Committee (JEC) of the U.S. Congress, under the leadership of Utah senator Mike Lee, sponsors the Social Capital Project. It is a multiyear research effort to investigate the “evolving nature, quality, and importance of our associational life.”<sup>21</sup> The JEC uses the term “associational life” to refer to the web of social relationships through which we pursue joint endeavors. Associational life includes families, communities, workplaces, and religious congregations.

In 2017 the JEC released “What We Do Together: The State of Associational Life in America.” In it you have reached your limit of 1 free article this month. Please [subscribe](#) to receive unlimited access to this site. You have reached your limit of 1 free article this month. Please [subscribe](#) to receive unlimited access to this site. they define associational life, share its importance, and describe how it has changed—in families, religious worship, communities, and work. This report laid the groundwork for numerous other studies to follow, including a 2018 study which included the JEC’s own social capital index. The JEC reviewed seventy county- and state-level indicators, then settled on thirty-two measures for inclusion in their state-level index, which includes indicators of family unity and interaction, social support, community health, institutional health, collective efficacy, and philanthropic health.

If Utah’s secret sauce is the real deal, you would expect Utah to rank highly in the social capital index. True to form, Utah ranked highest in the nation.<sup>22</sup>

### EXPLAINING SOCIAL CAPITAL IN UTAH: RELIGIOUS AND NONPROFIT ORGANIZATIONS

In a December 2019 episode of the NPR podcast *Hidden Brain*, Raj Chetty explained his research on economic mobility and highlighted that a person’s economic mobility changes depending on where they live. Chetty said, “So in certain parts of the U.S., for example in rural Iowa or much of the Great Plains or certain cities like Salt Lake City or San Francisco . . . your odds of rising from the bottom fifth to the top fifth are something like 14 or 15 [percent], twice as high as the national average.”<sup>23</sup>

When asked why places like Salt Lake City provide greater opportunities for social mobility, Chetty mentioned several predictors, including segregation (the more segregated by race or income the less mobility), family structure, and better schools. Chetty also highlighted social capital:

I think of the old adage that it takes a village to raise a child as a way to think about what social capital is. Will someone else help you out even if you’re not doing well? Salt Lake City, with the Mormon Church, is thought to be a canonical example of a city with a lot of social capital and correspondingly has high rates of upward mobility. And so as best we can measure it, we find that places with higher levels of social capital tend to have higher levels of upward mobility.<sup>24</sup>

His conclusion—that higher levels of social capital correspond with higher levels of social mobility—matches my own ideas and experience in Utah. And in Utah, with approximately 61 percent of the population included on the membership rolls of the Church of Jesus Christ of Latter-day Saints<sup>25</sup> (or what many call the Mormon Church<sup>26</sup>), it is important to consider the contribution of the faith community and nonprofit sector.

I am a member of the Church of Jesus Christ. My ancestors fled religious persecution and came to the Salt Lake Valley in the 1840s to pursue a dream of religious freedom and community prosperity. My own “insider perspective” might help provide some insight into just what’s going on in Utah.

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Latter-day Saints, in my experience, don’t talk about social capital in our religious life. We, like other Christian faiths, do talk about Christian love and service. Rev. Dr. Fatimah Salleh and Margaret Olsen Hemming, in their book *The Book of Mormon for the Least of These*, describe how the Book of Mormon calls people towards lives of justice work, to live with more compassion, and to ponder ways to liberate the oppressed. We read, for example, in the *Book of Mormon*, “Think of your brethren like unto yourselves, and be familiar with all and free with your substance, that they may be rich like unto you . . . and ye will seek them [riches] for the intent to do good—to clothe the naked, and to feed the hungry, to liberate the captive, and administer relief to the sick and the afflicted.”<sup>27</sup> Salleh and Olsen Hemming, echoing my own sentiments about these verses, write:

Be familiar with all. Look around you and see what folks need. . . . This is a call to relationship with those around us in order to know how to give of our substance. Be familiar with all, without discrimination or limits . . . we cannot find salvation, while others are oppressed.<sup>28</sup>

Many other religions have similar teachings in their sacred texts. Two organizational differences, however, make the Church of Jesus Christ unique. First, the Church practices a lay clergy—that is to say that local congregational leaders are unpaid. They serve as volunteers in callings, including the demanding and time-consuming role as local pastor (or bishop). This creates a much more egalitarian experience for congregants. One year you are a leader and another year you are a follower, experiencing the full range of assignments (pastor, chorister, youth leader, facilities manager, janitor, and more).

Second, the Church organizes congregations geographically rather than by personal choice. This means that congregants engage in fellowship and worship with people not by choosing a congregation that fits their preferences, but are assigned one based on geography. Certainly, because of housing choices this still creates a neighborly and common experience, but I can attest from experience that every congregation I’ve participated in includes a diverse mix of people, often sharing little in common. A great example was when I lived in Washington, D.C., meeting in what was called the Capitol Hill Branch. Here, members of Congress and their families engaged in worship services with members from inner-city D.C. neighborhoods. The experience reminds me of an oft-quoted Church of Jesus Christ scripture, “All are alike unto God.”

These organizational differences create a much more personal bond between members of the faith. In practicing your faith, you enter into the homes of your neighbors and engage in personal acts of service. You come from different interests and backgrounds, but you engage in worship together as equal followers of Christ.

Commenting on the importance of these organizational differences, the late Eugene England, a Church of Jesus Christ academic leader, writes, “The basic Church experience of almost all Mormons brings them directly and constantly into very demanding and intimate relationships with a range of people and problems in their assigned congregations that are not primarily of their own choosing but are profoundly redemptive in potential, in part because they are not consciously chosen.”<sup>29</sup>

Latter-day Saints, while often falling short of these ideals, are taught from a young age that service to others is a service to God. The *Book of Mormon* also warns about the problems arising from inequality in society:

There began to be some disputings among the people; and some were lifted up unto pride and boastings because of their exceedingly great riches . . . and the people began to be distinguished by ranks, according to their riches and their chances for learning; yea, some were ignorant because of their poverty, and others did receive great learnings because of their riches . . . and thus there became a great inequality in all the land.<sup>30</sup>

These excerpts from Church scripture provide two examples, among many, that speak to the Church of Jesus Christ’s culture of care for one another and equality of opportunity. Practitioners of the faith do not always meet these lofty goals, but in my experience, Utah’s service-based culture is a cherished state asset that residents continuously strive to perfect.

This service-based ethos extends well beyond the Church of Jesus Christ. Utah possesses a strong interfaith community and nonprofit sector. The Salt Lake Interfaith Roundtable and United Way of Salt Lake are two great examples of how Utah’s ethos of service and culture of care permeate the state.

The Interfaith Roundtable meets throughout the year to promote harmony and understanding among peoples of all faith traditions, cultures, and belief systems. And together, Utah’s faith community collaborates to assist with homeless services, refugees, immigration issues, hunger, education, and other community needs. Faith lives in Utah.<sup>31</sup>



This culture of cooperation and service is also exemplified at nonprofit entities like the United Way of Salt Lake, which has served for the betterment of the greater Salt Lake area for 116 years. Established initially as the Salt Lake Charity Association, the United Way of Salt Lake now serves as an agent for social change. For example, the organization sponsors the Promise Partnership of Salt Lake. Using a cross-sector, collective impact approach, they built a unique infrastructure that overcomes silos and the typical “service delivery chaos” found in the nonprofit sector. In nine “Promise Communities” across six school districts in four counties, individuals, schools, businesses, and nonprofit organizations work together in an aligned and focused effort that shares accountability for results along a cradle-to-career continuum for every child in the Salt Lake region.

According to Bill Crim, president and CEO of the United Way of Salt Lake, this partnership has shown significant school, community, and regionwide improvements in key indicators related to academic progress, health, and even crime reduction. Because of these and other successes, the United Way of Salt Lake is called on nationally to share their models and experiences within the United Way network and the broader field of collective impact partnerships.

Journalist Megan McArdle, a native New Yorker, offers an outsider’s perspective on many of the same phenomena. She has looked at the research, met with community leaders, spent time walking the streets of Salt Lake City, toured the Latter-day Saint social service operation (known as Welfare Square), interviewed researchers, and taken the time to get to know Utah. In a long-form article published by *Bloomberg* about how Utah keeps the American dream alive, she observed Utah’s simultaneous commitment to self-reliance and charitable works:

Utahns seem strongly committed to charitable works, by government, alongside government or outside government. Whatever tools used are infused with an ethic of self-reliance that helps prevent dependency . . . when there’s a conflict between that ethic and mercy, Utah institutions err on the side of mercy.<sup>32</sup>

She asserts that “Big Government” does not appear to have been key to Utah’s income mobility. She cites data from the Rockefeller Institute that shows Utah ranks near the bottom in fiscal capacity and ranks last in the nation in spending per pupil on education. She praises Utah’s functional bureaucracy by saying that government in Utah “is not big, but it’s also not . . . bad. The state’s compassionate conservatism goes hand-in-hand with an unusually functional bureaucracy.”<sup>33</sup>

Consider, for example, the Utah state government's track record for fiscal responsibility. Utah has a AAA bond rating from all three of the major rating agencies, a line-item veto, an appropriation limitation that prevents state government expenditures from growing faster than the growth in population and the price level, a constitutional bond limitation, a large rainy-day fund (budget reserve accounts), and regular stress testing of the state budget.

Speaking specifically about the Church of Jesus Christ's welfare system, McArdle told a national television audience the following: "They [the Church of Jesus Christ] are extremely good at investing in people. If you are in a Mormon parish . . . and something's going wrong in your life, you're going to have intensive, kind of tag-team efforts by people in your community to get you back on track."<sup>34</sup>

Both my "insider perspective" and McArdle's "outside perspective" affirm that Utah is a place where people don't just coexist; Utahns connect deeply and care for one another.

## OVERCOMING DIVISIVE ISSUES

If this "care for one another" is material, and if social capital truly has value, you would expect to see many examples of the benefits. Three recent public policy achievements serve as great examples of how Utah puts its social capital to work on difficult and divisive issues—such as immigration, poverty, and LGBTQ rights. I share these vignettes as public policy breakthroughs that required trust, reciprocity, collaboration, institutional effectiveness, and other forms of civic virtue.

*Immigration.* In 2010, the Salt Lake Chamber, after observing the enforcement-only approach to immigration reform pursued by neighboring Arizona, sought something more balanced. Business leaders wanted immigration reform that, in addition to enforcement, recognized the important values of keeping families intact and keeping the economy strong. They also reasoned that immigration is a federal policy issue and that local law enforcement should focus on criminal activities, not civil violations of federal code.

Through the talented leadership of Jason Mathis (an executive vice president at the Salt Lake Chamber at the time), and with the support of community leaders in law enforcement, business, the faith community, political leaders, and many others, Utah leaders penned and signed "The Utah Compact." The Compact (of which I am a signatory) delineated five principles to guide Utah's immigration discussion. The principles spoke to federal solutions, law enforcement, families, economy, and a free society.

The Compact accomplished two important things. First, it unified Utah leaders behind a balanced and humane approach to immigration. In the 2011 general legislative session, the legislature passed and the governor signed four immigration bills that combined, strengthened enforcement with a state-level guest worker program.<sup>35</sup> The latter of these, which contemplated state-level work permits for illegal residents, was ultimately blocked by the federal government, but it sent an important message—if you can pass a criminal background check and show you have automobile and health insurance, you are welcome to work in Utah.

Second, and most importantly, it stopped what Ali Noorani, the executive director of the National Immigration Forum, called “hateful” legislation (modeled after S.B. 1070 in Arizona) from passing in Utah.<sup>36</sup> Noorani also credits the Compact with influencing the national immigration debate in a surprising and meaningful way.

Like any true compromise, the Compact received criticism from organizations on both poles of the debate. But at the time of its signing I was struck by two supporting perspectives—one from an ordinary citizen that showed up as a letter to the editor in the local paper and one as a house editorial in the *New York Times*.

Betty Tingey, after seeing the news coverage about the Utah Compact, wrote to the *Deseret News*, “I don’t know much about politics except the sick feeling I get inside when there is constant arguing. . . . I don’t know how to settle debates, but I know a peaceful heart when I have one. I felt it when I read the Utah Compact.”<sup>37</sup> Tingey’s simple appeal serves as a vivid example of how the sentiments contained in the Utah Compact spread throughout the state.

These sentiments spread as far as New York City, where the *New York Times* editorial board—which is not known for its praise of Utah—said, “A clearer expression of good sense and sanity than Utah’s would be hard to find.”<sup>38</sup>

*Intergenerational poverty.* In 2012, Utah state senator Stuart Reid had a theory about two different types of poverty: situational and intergenerational. Situational poverty is temporary and occurs because of a job loss, major health event, divorce, or other life change. Intergenerational poverty is passed on through two or more successive generations of a family. Reid intuitively recognized that each type of poverty required different interventions.

Reid sponsored and passed (in a bipartisan vote) the Intergenerational Poverty Mitigation Act. The legislation set Utah on a course to share administrative data sets, establish a policy vision, and commit to a measurable reduction in Utah families experiencing intergenerational poverty. Change would not come easy. It required sharing data that had never been shared before, making investments that had never been made before, trying interventions that had never been tried before, and evaluating performance that had never been measured before. Collaboration, trust, and goodwill would be central to the state's success.

Utah is now in its ninth year of combating intergenerational poverty and seeing significant success. The Utah Intergenerational Welfare Reform Commission reports that the number of children experiencing poverty decreased by 42 percent from 2012 to 2017, and adults in poverty decreased by 24 percent over the same period.<sup>39</sup> Policymakers attribute this success to several innovative policies and programs, including but not limited to the following: (1) placing highly effective teachers in schools with high rates of intergenerational poverty students; (2) providing scholarships for four-year-olds facing intergenerational poverty to attend a high-quality preschool; (3) focusing on the employment needs of the entire family unit (rather than exclusively on the parents' employment needs) and other two-generation approaches to case management; (4) investing in rural counties with high rates of child intergenerational poverty; and (5) implementing ideas like the use of consent forms so early childhood liaisons can work on a family's behalf to coordinate services across state agencies.<sup>40</sup> Because of these and other intergenerational poverty success stories, other states are now replicating the Utah approach.<sup>41</sup>

*LGBTQ and religious rights.* In 2015, I received a call from my good friend Senator Jim Dabakis, a gay Utah lawmaker and cofounder of Equality Utah. He wanted me to know about a landmark compromise that had been reached pertaining to LGBTQ rights and religious freedom. He invited me to attend a news conference at the State Capitol announcing the agreement. I dropped what I was doing and headed to the State Capitol Gold Room, where elected officials, Equality Utah, and the Church of Jesus Christ shared what has come to be known as "The Utah Compromise."

I spent nineteen years on Capitol Hill and have experienced many Gold Room moments. Adorned in marble, beautiful woods, fine tapestries, and gold leafing, the Gold Room is among the most prestigious public gathering places in Utah and reserved for only the most important state occasions. But never in my experience has the feeling been as moving and the actions as pivotal as the announcement of the Utah Compromise.

At the event, Utah legislative leaders and the governor announced support for S.B. 296 (Antidiscrimination and Religious Freedom Amendments). The legislation, in what is called a “fairness for all” approach, paired antidiscrimination protections for LGBTQ Utahns with religious liberty protections for faith-based organizations in the state. The bill amended Utah’s antidiscrimination and fair housing acts to include sexual orientation and gender identity as well as to define exemptions shielding religious institutions. At the time of the bill’s passage, only seventeen other states and the District of Columbia provided these same protections. Utah found a better way forward on a major culture war issue and in doing so set a high standard of understanding and respect. The bill affirmed that discrimination is wrong. Equally wrong is the denial of a person’s right to believe as their conscience dictates. The Utah Compromise proved it is possible to act with civility, compromise, and make progress despite differences.

With brevity and plainness at the news conference, Rep. Brad Daw said, “God loves all of his children.” L. Tom Perry, now passed, but at the time a senior authority with the Church of Jesus Christ, quoted Abraham Lincoln, “With malice toward none, with charity for all.”

## **FUTURE RETURNS ON SOCIAL CAPITAL INVESTMENTS**

These public policy vignettes, coupled with Utah’s Covid-19 economic response, income equality, social mobility, and nation-leading social capital, suggest a path forward that beckons others to follow. Those who journey down the path start with the premise that social capital is like a bank account. Communities with abundant social capital make withdrawals and invest in civic virtue to prevent and solve complex problems. As this investment occurs, a variety of positive things happen.

First, people convene and learn from one another. Listening occurs; understanding blossoms; trust builds. Next, innovative ideas begin to catalyze. Human ingenuity—fueled by trust, collaboration, and goodwill—takes over. Those walking the path begin to create a better community, step by step, and mile by mile. They don’t always make the right choices. Sometimes they experience major setbacks and take a stroll down an ill-advised route. But their “associational life” brings them back.

In Utah’s case, this journey has brought tremendous and demonstrable results, including (in addition to those I’ve already highlighted) low poverty rates, strong work ethics, high rates of volunteerism, high educational attainment, trust in institutions, and positive health outcomes.

Finally, the cash that was withdrawn gets redeposited—tenfold. The social capital bank account swells and becomes an even larger community asset for challenges later on. Communities that walk this path are prosperous today and prepared for tomorrow.

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<sup>1</sup> The term “economic exceptionalism” is used here to describe a state that does not conform to the norm in several important economic indicators. I do not wish to imply that Utah performs better than other states for all or even most economic indicators. Utah continues to battle Covid-19 with mixed results. Utah also struggles with many economic challenges, including air pollution, a large female wage gap, disparities in urban and rural economic performance, and more. But when it comes to economic performance, economic equality, and social mobility, Utah has something to offer other states.

<sup>2</sup> The four state-level variables in each coincident index are nonfarm payroll employment, average hours worked in manufacturing by production workers, the unemployment rate, and wage and salary disbursements plus proprietors’ income deflated by the consumer price index (U.S. city average).

<sup>3</sup> Bureau of Labor Statistics, “State Employment and Unemployment Summary,” September 18, 2020.

<sup>4</sup> Bureau of Labor Statistics.

<sup>5</sup> For example, Utah outperforms many other states in continued unemployment claims as a percent of the workforce. An analysis by the Utah governor’s Office of Management and Budget found for the week ending August 8, 2020, that continued claims as a percent of February 2020 employed tallied 3.3 percent in Utah compared to 9.0 percent in the United States: “Utah Economic Snapshot,” Utah Governor’s Office of Management and Budget, August 24, 2020.

<sup>6</sup> “CDC Covid Data Tracker,” [Centers for Disease Control and Prevention](#), accessed September 29, 2020.

<sup>7</sup> See the State of Utah’s [Office of the Utah Legislative Fiscal Analyst](#).

<sup>8</sup> “[2019 American Community Survey Single-Year Estimates](#),” United States Census Bureau, September 17, 2020.

<sup>9</sup> Daniel H. Weinberg, “[U.S. Neighborhood Income Inequality in the 2005–2009 Period](#),” United States Census Bureau, October 2011.

<sup>10</sup> Includes 61,358 U.S. census tracts within which fifty or more interviews were conducted between January 2005 and December 2009. These tracts average 4,825 population, 1,812 households, and 2,054 housing units.

<sup>11</sup> Raj Chetty et al., “Where Is the Land of Opportunity?: The Geography of Intergenerational Mobility in the United States,” *Quarterly Journal of Economics* 129, no. 4 (January 2014): 1553–623

<sup>12</sup> Raj Chetty, “Improving Opportunities for Economic Mobility: New Evidence and Policy Lessons,” *Economic Mobility: Research and Ideas on Strengthening Families, Communities, and the Economy*, ed. Alexandra Brown et al. (St. Louis: Federal Reserve Bank of St. Louis, 2016), 35–42.

<sup>13</sup> Chetty et al., “Land of Opportunity.”

<sup>14</sup> Megan McCardle, “How Utah Keeps the American Dream Alive,” *Bloomberg*, March 28, 2017.

<sup>15</sup> *Common Ground: 30 Years of Businesses Successes* (Salt Lake City: Salt Lake Chamber, 2017), 32.

<sup>16</sup> *Common Ground*.

- <sup>17</sup> Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon and Schuster, 2000), 130. **You have reached your limit of 1 free article this month. Please [subscribe](#) to receive unlimited access to this site.**
- <sup>18</sup> Joseph Sunde, “What Christians Can Learn from Utah’s Economic Success,” Acton Institute Powerblog, April 12, 2017. **Already have an account? [Sign In](#).**
- <sup>19</sup> Lyda Judson Hanifan, “The Rural School Community Center,” *Annals of the American Academy of Political and Social Science* 67 (1916): 130.
- <sup>20</sup> Brad Wilson, conversation with author, September 30, 2020.
- <sup>21</sup> “[Social Capital Project](#),” United States Congress Joint Economic Committee, accessed October 26, 2020.
- <sup>22</sup> “The Geography of Social Capital in America,” United States Congress Joint Economic Committee, April 2018, 20–21.
- <sup>23</sup> “Zipcode Destiny: The Persistent Power Of Place And Education,” *Hidden Brain*, National Public Radio, December 9, 2019.
- <sup>24</sup> “Zipcode Destiny.”
- <sup>25</sup> Matt Canham, “Utah Sees Latter-day Saint Slowdown and Membership Numbers Drop in Salt Lake County,” *Salt Lake Tribune*, January 5, 2020.
- <sup>26</sup> While it’s common to refer to members of the Church of Jesus Christ of Latter-day Saints as Mormon (a prophet in one of the faith’s religious texts, *The Book of Mormon*), the Church prefers the official name: “The Church of Jesus Christ of Latter-day Saints” on first reference and a shortened reference of “the Church” or the “Church of Jesus Christ” on later references. Accordingly, members are accurately referred to as “Latter-day Saints.”
- <sup>27</sup> Jacob 2:17, 2:19 (The Book of Mormon).
- <sup>28</sup> Fatimah Salleh and Margaret Olsen Hemming, *The Book of Mormon for the Least of These* (Salt Lake City: Common Consent Press, 2020), 109.
- <sup>29</sup> Eugene England, *Why the Church Is as True as the Gospel* (Luso-Brazilian Books, 2007), 6.
- <sup>30</sup> 3 Nephi 6:10, 12, 14 (The Book of Mormon).
- <sup>31</sup> [Salt Lake Interfaith Roundtable](#) (website), accessed October 26, 2020.
- <sup>32</sup> McArdle.
- <sup>33</sup> McArdle.
- <sup>34</sup> “[Transcripts: Fareed Zakaria GPS](#),” CNN, August 4, 2013.
- <sup>35</sup> See the following bills passed in the 2011 General Legislative Session: HB 116: Utah Immigration Accountability and Enforcement Amendments, HB 466: Migrant Workers and Related Commission Amendments, HB 469: Immigration Related Amendments, and HB 497: Utah Illegal Immigration Enforcement Act.
- <sup>36</sup> Ali Noorani, *There Goes the Neighborhood* (Amherst, N.Y.: Prometheus Books, 2017), 62.
- <sup>37</sup> Betty Tingey, “Seek for Peace,” *Deseret News*, November 17, 2010.
- <sup>38</sup> Editorial board, “The Utah Compact,” *New York Times*, December 4, 2010.

<sup>39</sup> “2019 Fact Sheet: Eighth Annual Report on Intergenerational Poverty, Welfare Dependency and Public Assistance,” Utah Intergenerational Welfare Reform Commission.

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<sup>40</sup> Utah Intergenerational Welfare Reform Commission, *Utah’s Fifth Annual Report on Intergenerational Poverty, Welfare Dependency and the Use of Public Assistance 2016* (Utah Department of Workforce Services, 2016); Utah Intergenerational Welfare Reform Commission, *Utah’s Ninth Annual Report on Intergenerational Poverty, Welfare Dependency, and the Use of Public Assistance 2020* (Utah Department of Workforce Services, 2020).

<sup>41</sup> Tracie Gruber, Utah Department of Workforce Services, conversation with author, September 29, 2020.