Bloomberg Got Two Big Things Wrong about Utah

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INEQUALITY

How Utah Keeps the American Dream Alive

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By Megan McArdle

There's no getting around it: For a girl raised on the Upper West Side of Manhattan, Salt Lake City is a very weird place.

Here in Utah we are used to getting considerably more national attention than our 1% share of the national population might otherwise suggest, sometimes for better and sometimes for worse. The recent Bloomberg article "How Utah Keeps the American Dream Alive" was a little of both. On the negative side, the writer put the word "weird" (preceded by "very") in the very first sentence, and repeated it one sentence later. Ouch. On the plus side, the article highlighted some of the things that make us proudest to be Utahns. But the author also got us wrong on two very important points.

The article opens by pointing out that the Salt Lake metro area, comprising about half the state population, enjoys the highest rate of upward mobility of any metro area in the nation. In other words, a kid growing up in poverty is more likely here than anywhere else to be able to make it into the middle class and above in adulthood. The article looks at a number of the factors that make Utah unique – and uniquely

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able to preserve social mobility better than the rest of the nation. Our strong families, our “Beehive work ethic,” and the active engagement of citizens and private charitable institutions led by the LDS Church all contribute powerfully to the ability of lower-income kids to climb into the middle class when they become adults.

But the article made its first major error in its examination of Utah’s racial and ethnic diversity, terming us “homogeneous” and referring to our supposed “near-absence of racial diversity.” Sorry, but that is not even close. In fact, the 2010 Census found that Utah is just the 18th whitest state in the nation, and the 2015 figures show that non-Hispanic whites make up only 79% of our population. Two-thirds of Utah’s non-white population are Latinos, who make up fully one-sixth of Utah’s children.

While the article is correct that Utah doesn’t talk much about its diversity, the state’s rapid demographic transformation probably represents the greatest challenge to maintaining Utah’s leadership in social mobility. Utah has been a warm and welcoming place for immigrants and refugees, thanks largely to the pro-immigrant and pro-refugee influence of the Mormon Church and its members. The state has benefitted immeasurably from the influx of newcomers. But the different marital and workforce characteristics of the growing minority populations are leading to the development of unprecedented gaps between majority and minority in Utah in terms of poverty and standard of living. Utah also faces for the first time the growth of significant geographic concentrations of minority poverty.

Fortunately, the state’s more far-sighted leaders, including leading elements of the business community, are advocating for policy changes such as increased education investment and creation of a state EITC so as to get ahead of these changes and successfully integrate the minority population that represents such a large part of our future workforce.

The ongoing Utah discussions about possible policy changes highlight the second weakness of the Bloomberg article. The writer concluded that there is not much the rest of the nation can learn from Utah in terms of public policy. But this conclusion overlooks one of our greatest policy successes: Our school funding equalization laws are among the most effective in the nation. The most recent National Report Card on school funding fairness from the Education Law Center ranks Utah #2 in the nation for fair distribution of education funding. School funding equalization is sacrosanct, enjoying support across the political spectrum of the Utah Legislature. This is a big

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reason why Utah has until now largely avoided the development of geographic concentrations of poverty, which are a mobility-killing scourge commonly found elsewhere around the nation.

The Bloomberg article was very welcome for its attention to important aspects of Utah's winning formula. Utahns are rightly proud to lead the nation with our strong families, our charitable volunteerism, and our work ethic. In addition to these, our egalitarian ethos and welcoming spirit position us well to make the decisions needed to stay ahead of our poverty and social mobility challenges in the years to come.

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