

Reality Check

Working Families Benchmarking Project

2017 edition

Utah vs. Minnesota



New Economic Benchmarking Report Finds Utah Ahead on Some, Behind on Other Key Metrics of Economic Opportunity and Standard of Living

ONE IMPORTANT LESSON: UTAH WORKS HARDER, MINNESOTA WORKS SMARTER

Salt Lake City, November 13, 2017 - Voices for Utah Children released today its [annual economic benchmarking report](#) that evaluates how the Utah economy is experienced by median- and lower-income families by benchmarking Utah against another comparable state. This year's report compares Utah to Minnesota. Utah and Minnesota stand out nationally as high-performing states both for economic success (rapid growth and low unemployment) and social success (high household incomes, low poverty rates). Both also share similar histories of European (particularly northern European) immigration and strong indicators of social cohesion and equity, as well as growing immigrant and minority populations today. The findings in this year's report shed light on some of Utah's greatest strengths as well as where we can learn from a state like Minnesota.

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Written by: Matthew Weinstein

Utah's Top Economic Advantages: Hard Work, Strong Families Allow Utah to Enjoy High Household Incomes and Low Poverty Despite Lower Hourly Wages

As discussed on pages 13 and 16 of the report, Utahns work the 13th longest workweeks in the nation (vs 30th longest in Minnesota), and we have a much higher labor force participation rate than the national average. We also have the nation's highest rate of married-couple households and, as a result, a higher-than-average share of two-worker households. This enables us to match Minnesota -- and far exceed the national average -- for median household income, where Utah ranked #11 in 2016, and Minnesota was #13, in spite of Utah's relatively low median hourly wages compared to Minnesota.

Figure 38 – Real Median Household Income (2016\$)



Utah ranked #11 for median household income in 2016. Minnesota ranked #13.

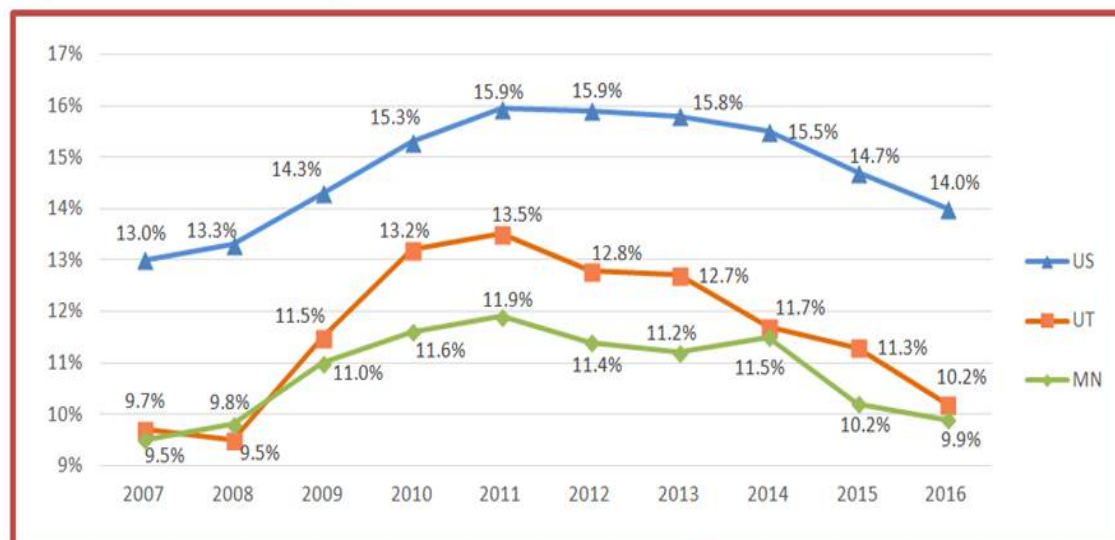
Source: Census Bureau American Community Survey (ACS) Median Household Income table B19013, 2007-2016 - UT, MN, & U.S. (available online: American Community Survey, <http://factfinder.census.gov>)

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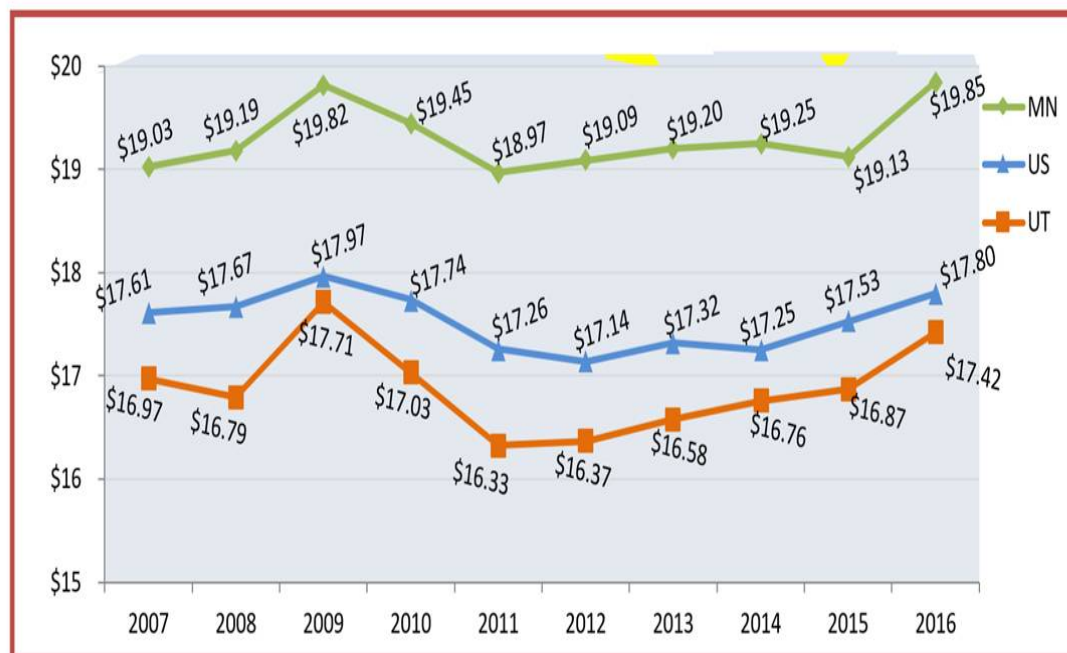
Figure 43 – Poverty Rates 2007-2016



Source: Census Bureau American Community Survey (ACS) Poverty Rates, 2007-2016 - UT, MN, & U.S. (Source: American Community Survey, <http://factfinder.census.gov>)

Utah ranked 7th lowest for poverty in 2016. Minnesota ranked #5.

Figure 40 – Real Median Hourly Wage



Source: Economic Policy Institute analysis of Current Population Survey data.

Utah does not do as well for median hourly wages, ranking #25 in 2016. Minnesota ranked #6.

Can Utah Learn Any Lessons From Minnesota So That We Can

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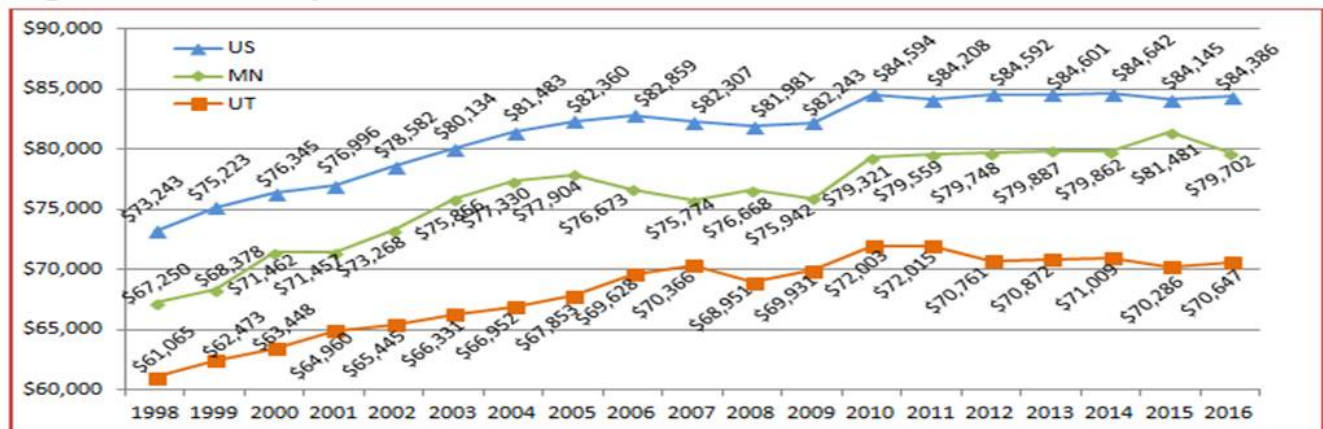
Become a High-Wage State?

Higher wages can often be achieved through a more productive workforce. As shown in the charts below from page 14 of the report, Utah workers are far less productive than Minnesota's. Worker productivity, in turn, is closely linked to education and skill levels.

Productivity

Utah continues to lag behind the U.S. average and Minnesota in productivity per worker.

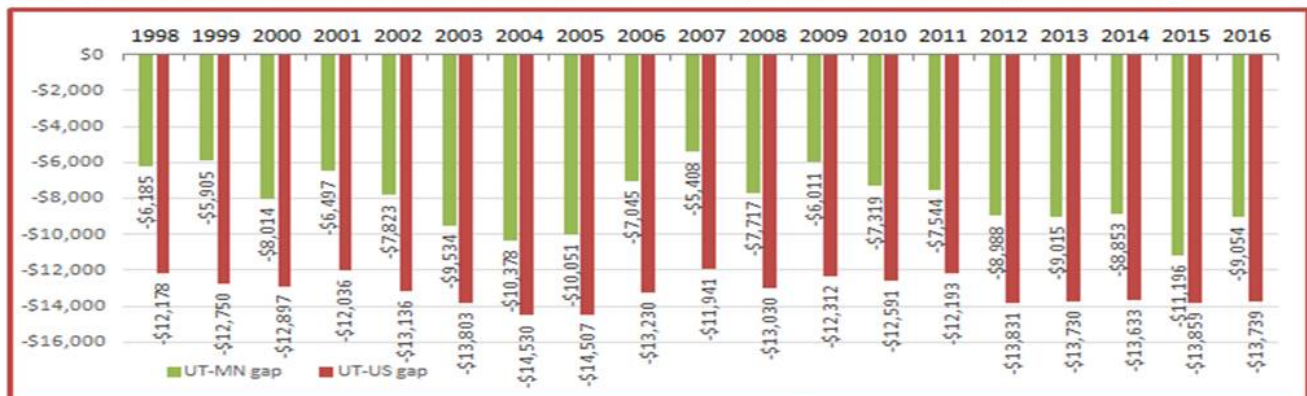
Figure 8 – Real per Worker GDP



Source: U.S. Department of Commerce Bureau of Economic Analysis, in chained 2009 dollars

Figure 9 – Real Per Worker GDP gap

As difference between UT and MN (= UT - MN), and UT and US (= UT - US)



Source: U.S. Department of Commerce Bureau of Economic Analysis, in chained 2009 dollars

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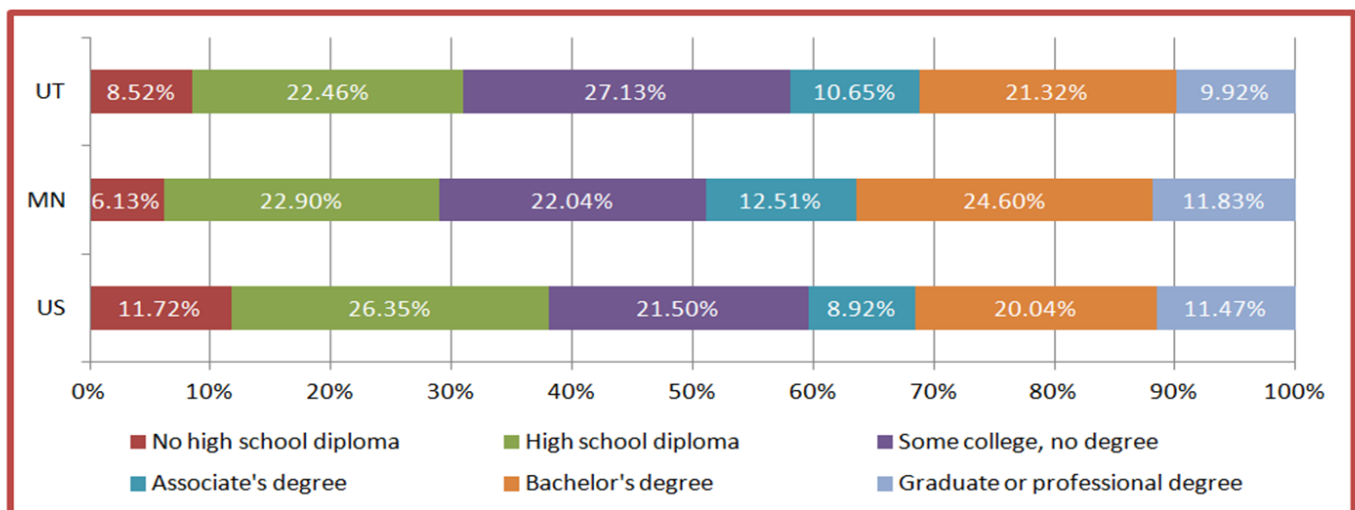
Utah's Achilles Heel:

We're Falling Behind in Educational Attainment, and It's Costing Us

The charts below from pages 24-25 of the report compare Utah and Minnesota and the nation as a whole on educational attainment. Historically Utah was well ahead of the nation, but more recently evidence has mounted that Utah is not keeping up with the nation's gains at the level of higher education. Minnesota, by contrast, is one of the best-educated states in the nation.

Utah outperforms the nation for starting college and earning Associate's degrees, matches the nation for Bachelor's degrees, and lags for graduate/professional degrees. Minnesota outperforms Utah and the nation for all four categories.

Figure 28 – Educational Attainment 2014, ages 25-64



Source: Lumina Foundation analysis of U.S. Census Bureau ACS data, available at: <http://strongernation.luminafoundation.org/report/#nation>

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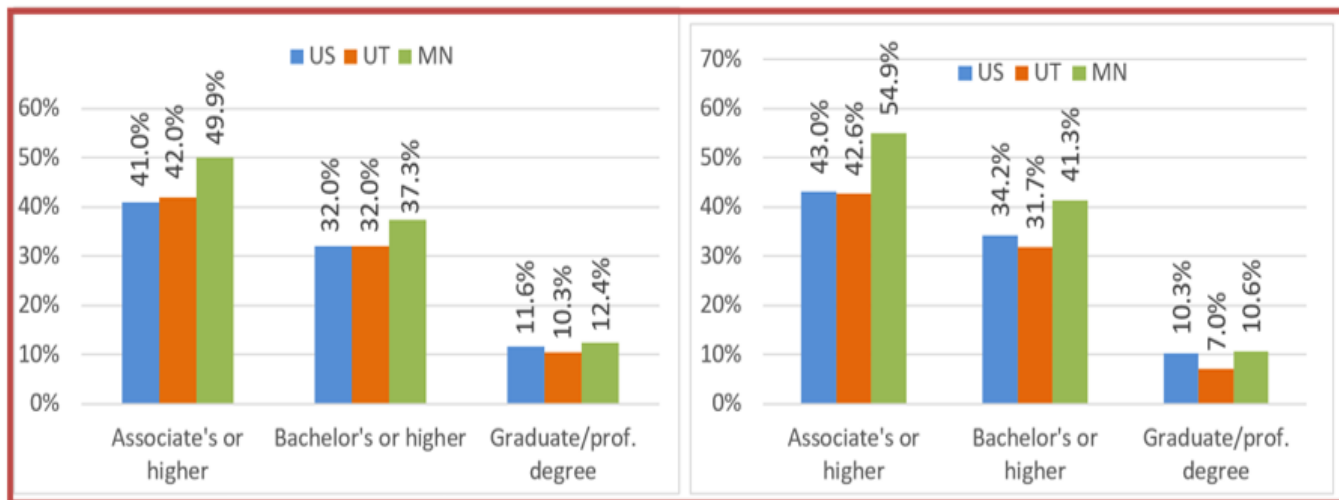
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Utah's Millennial generation has not seen the higher education gains experienced in Minnesota and the nation.

Figure 30 – Educational attainment by age group, 2015

Working Age Population (ages 25-64)

Millennial Population (ages 25-34)



Source: Voices for Utah Children analysis of U.S. Census Bureau ACS 1-year data by Anastasia Baranowska

SUMMARY CHARTS FOR ECONOMIC OPPORTUNITY AND STANDARD OF LIVING

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Working Families Benchmarking Project Summary of Key Findings		Reality Check		
Part I: Economic Opportunity (“winner” highlighted and bolded)				
		Utah		Minnesota
Business Climate Metrics				
Business climate average rank 2010-2016		3 rd		11 th
Kauffman Index 2016 startup activity indicators: startups per 1,000 firms/% of new business owners not unempl before		94/83.6%		63/75.2%
Productivity and GDP				
Real per-worker GDP 2016 (US = \$84,386) \$ and rank		\$70,647/39 th		\$79,702/19 th
Change in real GDP 2007-2016 (US = 10.4%)		15.8%		10.9%
Change in real per capita GDP 2007-16 (US = \$1,451 / 3.0%)		-\$657 / -1.5%		\$2,353/4.6%
Employment				
Unemployment rate 2016 (US = 4.9%)		3.4%		3.9%
Labor force participation rate 2016 (US = 62.8%)		68.7%		69.5%
Change in labor force participation rate 2006-2016 (US = -3.4%)		-3.1%		-3.2%
Education				
Current public K-12 spending per pupil & rank of K-12 finances per \$1,000 personal income 2015 (US = \$11,392)		\$6,570/32 nd		\$11,949/30 th
Percent/rank of 3- and 4-year-olds below 200% of poverty level not enrolled in any educ program 2011-2015 (US = 60%)		66%/38 th		60%/15 th
Percent in full-day kindergarten 2013 (US = 75%)		25%		75%
NAEP rankings: average rank of 4 th and 8 th grade math and reading scores 2013-2015		18 th		6 th
Average higher education state spending per full-time student 2015 & rank (US avg = \$6,711)		\$9,312/5 th		\$5,088/28 th
Bachelor's degree or higher, ages 25-64, 2016 (US = 32.6% all, 30.5% men, 34.7% women)		All: 32.8%	M: 33.2% F: 32.4%	All: 36.9% M: 34.0% F: 39.9%
Bachelor's degree or higher, ages 25-34, 2016 (US = 34.9% all, 31.0% men, 38.9% women)		All: 33.6%	M: 31.0% F: 36.3%	All: 40.1% M: 35.0% F: 45.4%
Associate's degree or higher 2014 ages 25-64 (US = 40.4%)		41.9%		48.9%
School-to-prison fairness index: referral to law enforcement by race, where 1 is fair, >1 is more referrals than fair and <1 is fewer referrals than fair (US = 1.06 <u>Hisp.</u> , 1.72 black, 0.8 white)		Hisp: 1.60	Black: 2.18 White: 0.76	Hisp: 1.42 Black: 2.50 White: 0.79
Income and Gender Equity + Mobility				
Income inequality (Gini) state rank 2016 (1 = lowest)		2 nd		9 th
Intergenerational mobility rank, 50 largest metros (1 is best)		1 st (SLC metro)		8 th (Mpls metro)
Status of women: Composite Index 2015 rank		39 th		10 th
Gender wage ratio (female/male) & rank 2015		70%/48 th		80%/19 th

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Part II: Standard of Living (“winner” highlighted and bolded)	Utah	Minnesota
Income & Wages		
Real median household income & rank 2016 (US = \$57,617)	\$65,977/11th	\$65,559/13 th
Average rank for median household income 2007-2016	13 th	11th
Real median hourly wage & rank 2016 (US = \$17.80)	\$17.42/25 th	\$19.85/6th
Real med hourly wage adj for cost of living 2015 (US = \$17.53)	\$17.39	\$19.64
Minimum wage, small/large employer (US = \$7.25/\$7.25)	\$7.25/\$7.25	\$7.75/\$9.50
% of workers earning below poverty wage 2015 (US = 25.9%)	26.2%	20.3%
Poverty		
Household poverty rate 2016 (US = 14.0%)	10.2%	9.9%
Child poverty rate 2016 (US = 19.5%)	11.1%	12.7%
Hispanic poverty rate 2016 (US = 21.0%)	17.6%	18.1%
Hispanic child poverty rate 2016 (US = 28.0%)	20.0%	22.0%
Single-parent family poverty rate 2015 (US = 35%)	28%	26%
Share & rank of all children/Latino children in single-parent households 2015 (US = 35%/42%) (1 is best)	All: 19% (1st) Latino: 33% (3rd)	All: 28% (6 th) Latino: 41% (21 st)
Child food insecurity rate & rank 2015 (US = 17.9%)	16.4%/9 th	13.8%/4th
Child homelessness rate & rank 2014 (US = 2.26%)	2.22%/30 th	1.57%/17th
Cost of Living		
BEA Cost of Living Level 2015 (US = 100)	97.0	97.4
Housing cost burden ranking 2015 (1 is best/lowest)	7th	14 th
Home energy costs 2016 as % of 2011 costs (US = 94.2%)	139%	91.1%
Transport. cost as % of HH inc (metro average) 2009-2013	25.3%	23.0%
State & local own-source revenue as percent of personal income & rank 2015 (1 is lowest) (US = 15.3%)	16.0%/35th	16.7%/38 th
Quality of Life Metrics		
Commute time to work in minutes, 2015 (US = 26.4)	21.3	23.4
Homeownership rate & rank 2017 (US = 63.6%)	71.2%/7 th	73.4%/3rd
Kids Count overall ranking (2017)	7 th	4th
Health		
State health system performance rank 2017 (Commonwealth Fund rank/US News rank)	15 th / 15 th	2nd / 3rd
Population without health insurance 2015 (US = 9.4%)	10.5%	4.5%
ALA State of the Air 2017, # of metros in top 20 for ozone pollution/# of metros top 10 for short-term PM2.5	1/2	0/0
Civic Engagement		
Percent of eligible adults that voted in general election 2016 & rank (US = 60.2%)	57.7%/35 th	74.8%/1st
Volunteerism rank 2015 (CNCS)	1st	24 th

The full 50-page report is 

 [available here as a pdf download.](#)