

CURRENT

*Waves, Tides, Rip Tides,
and Tide Pools*



DAVID ECCLES SCHOOL OF BUSINESS



CURRENT

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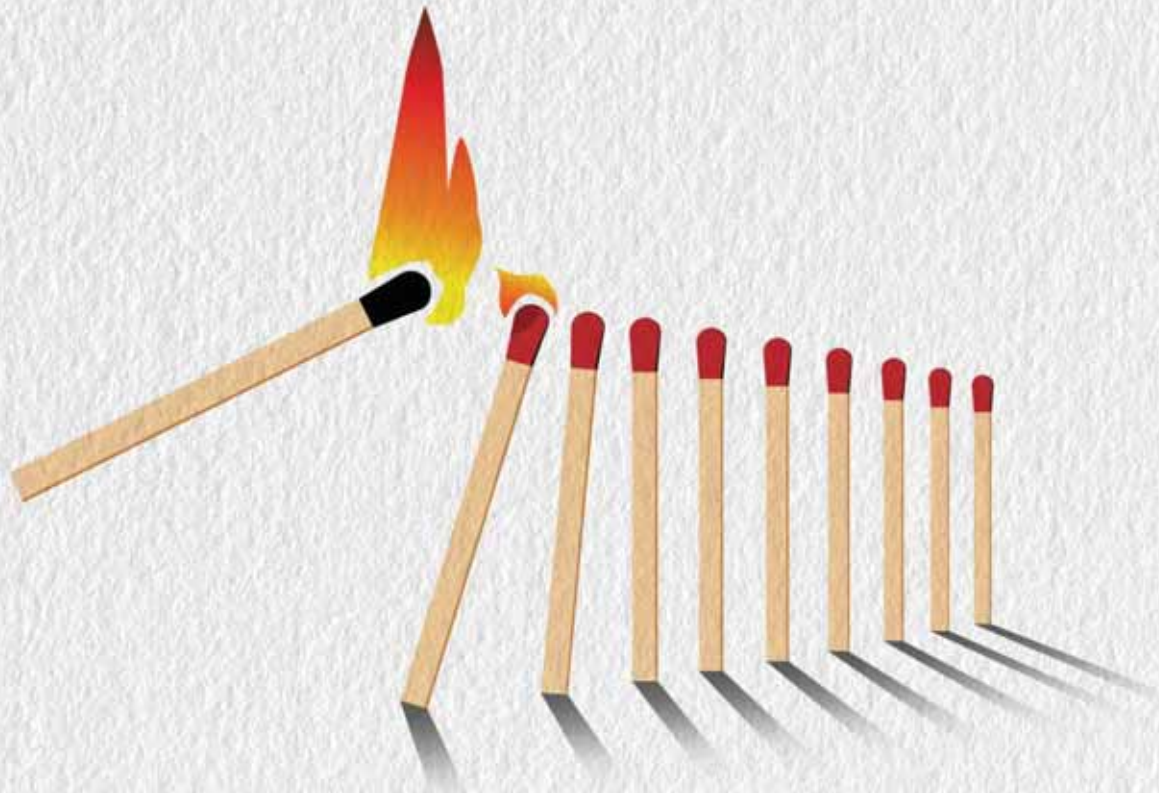
Prologue

Intentionally provocative

My job is to make you think

Reasonable people can disagree

Inflection point



“Politicians don’t start parades.
They find them, run up front,
and march in them.”

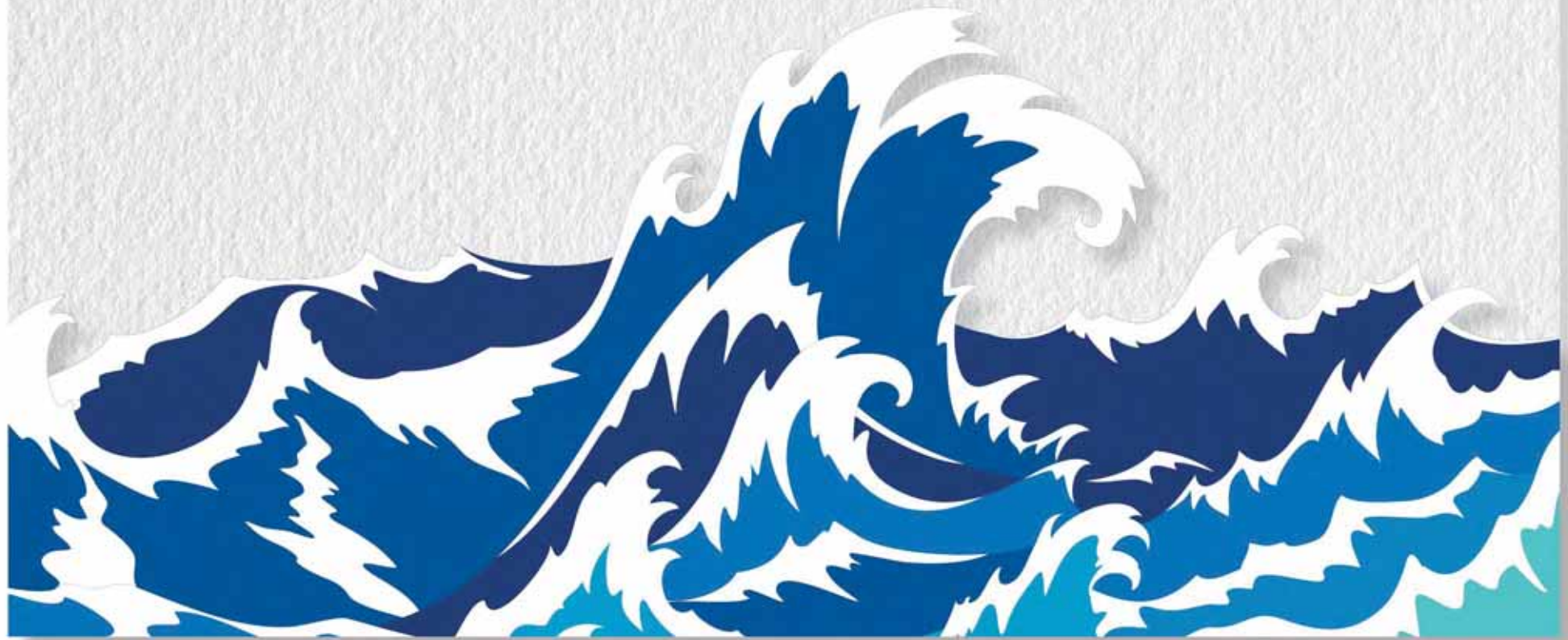
Arthur Brooks

“The thing is, change doesn't care what we decide. It comes regardless and you can no more question it than you can gravity. The toothpaste won't go back into the tube, the gay people back into the closet, the women back into the kitchen nor the African Americans back into the rear of the bus. The past will not be restored. So the only question here is how we will respond to the future. With fear or faith? With cowardice or courage? It's time for us all to take a deep breath.”

Leonard Pitts Jr., Tribune Content Agency

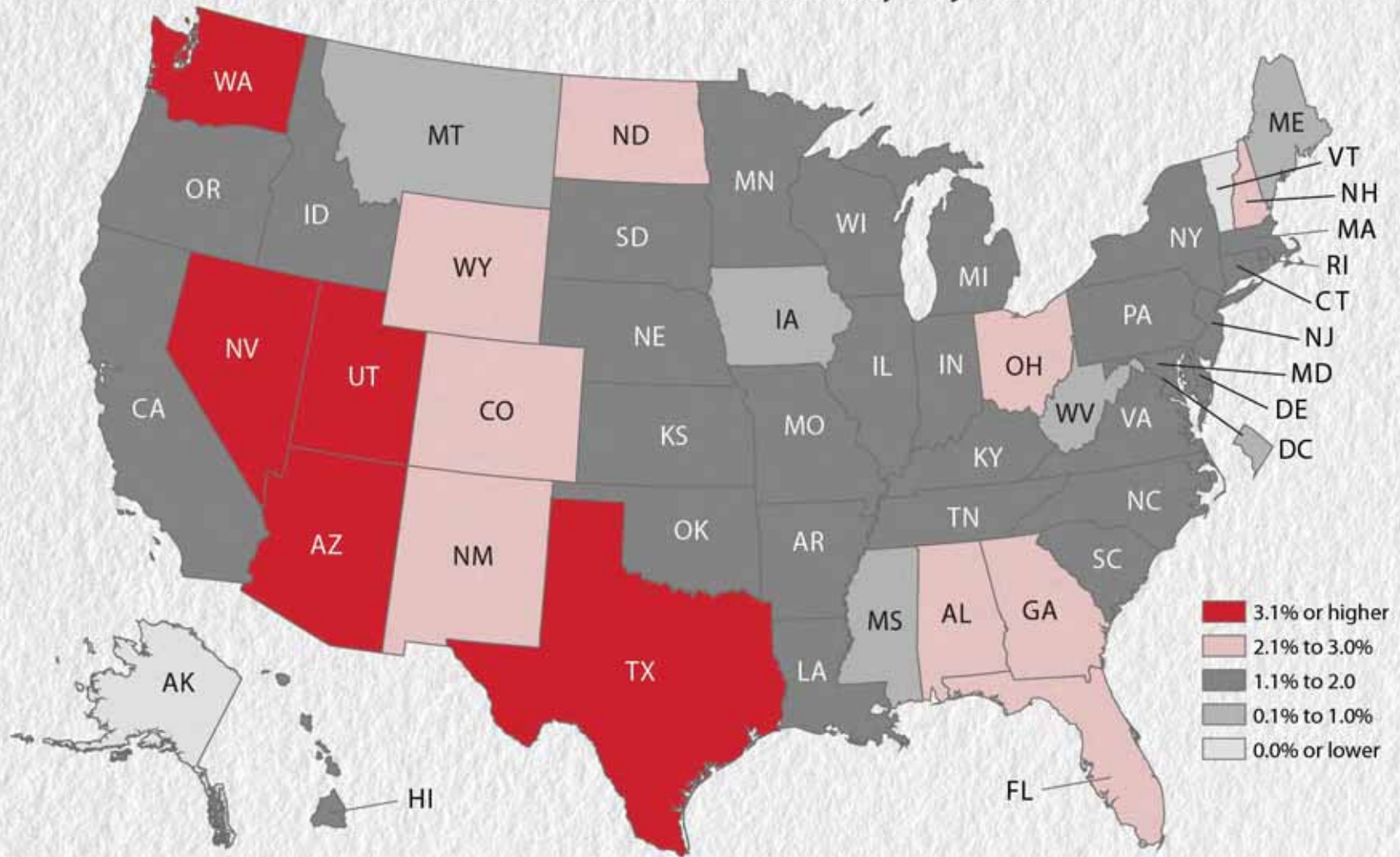
~ CHAPTER ONE ~

Waves



Job Growth by State

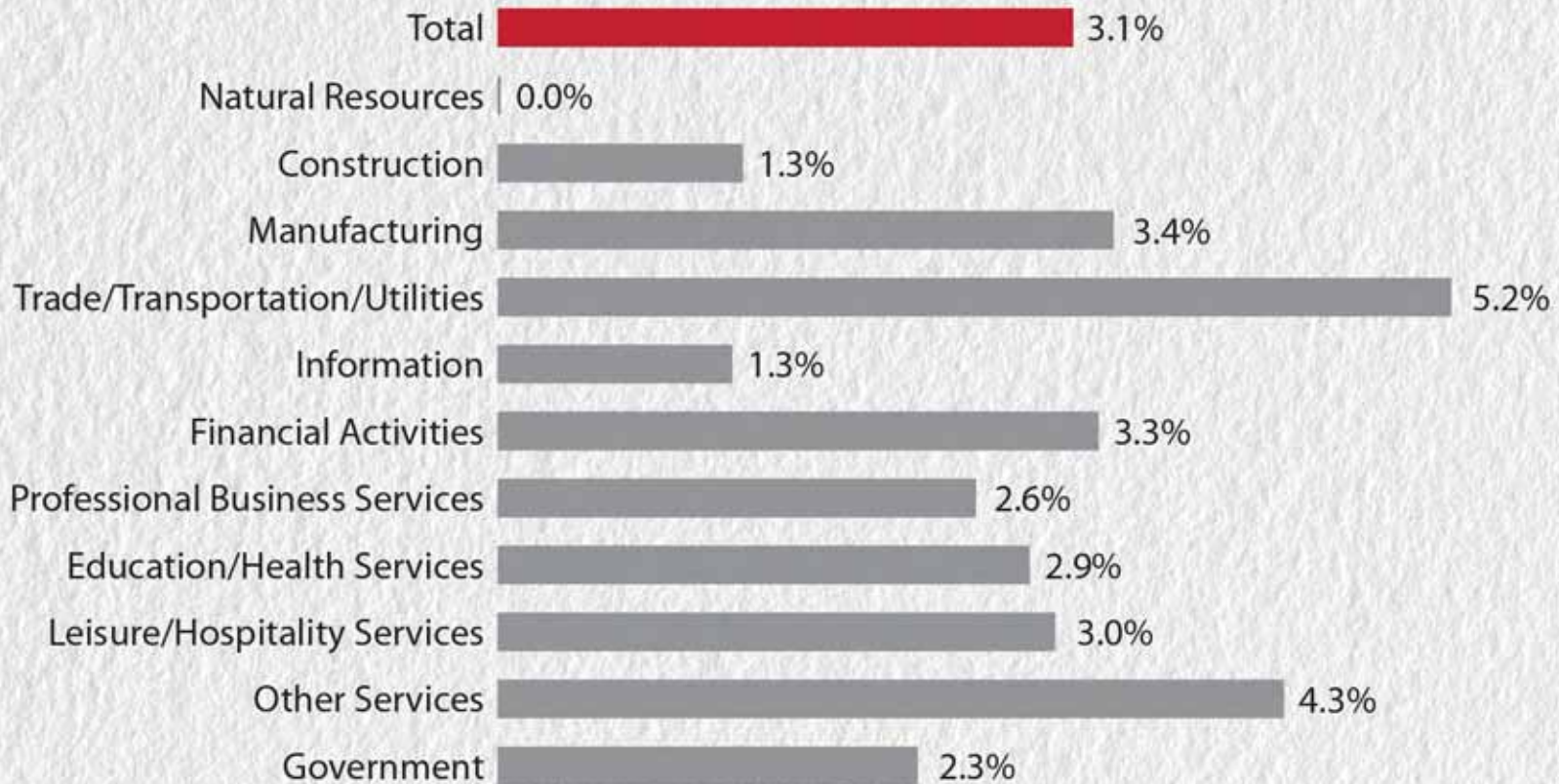
December 2017-2018, Seasonally Adjusted



Source: Bureau of Labor Statistics

Utah Job Growth by Industry

December 2017-2018



Source: Utah Dept. of Workforce Services

Major Construction Projects

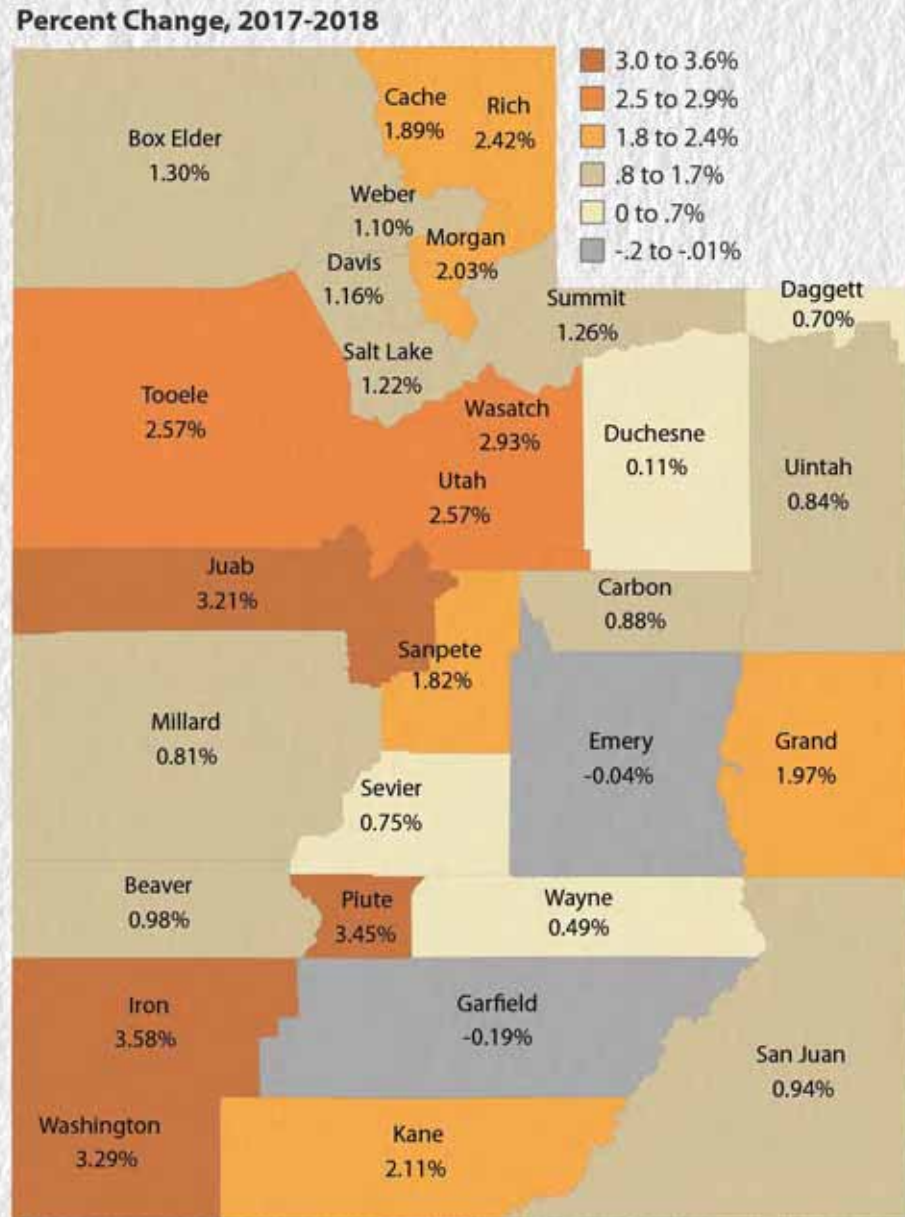
Underway or planned in Utah, 2018-2022

| Project | Estimated cost |
|---|-----------------------|
| Salt Lake City International Airport | \$3.7 billion |
| State highways and roads | \$1 billion |
| Utah State Prison | \$700 million |
| Four school districts' bonding for new and renovated schools | \$600 million |
| University of Utah Ambulatory Health and Education Complex | \$400 million |
| Convention center hotel | \$337 million |
| Park Avenue (Sugarhouse) | \$150 million |
| BioFire office building west SLC | \$99 million |

Source: Kem C. Gardner Policy Institute

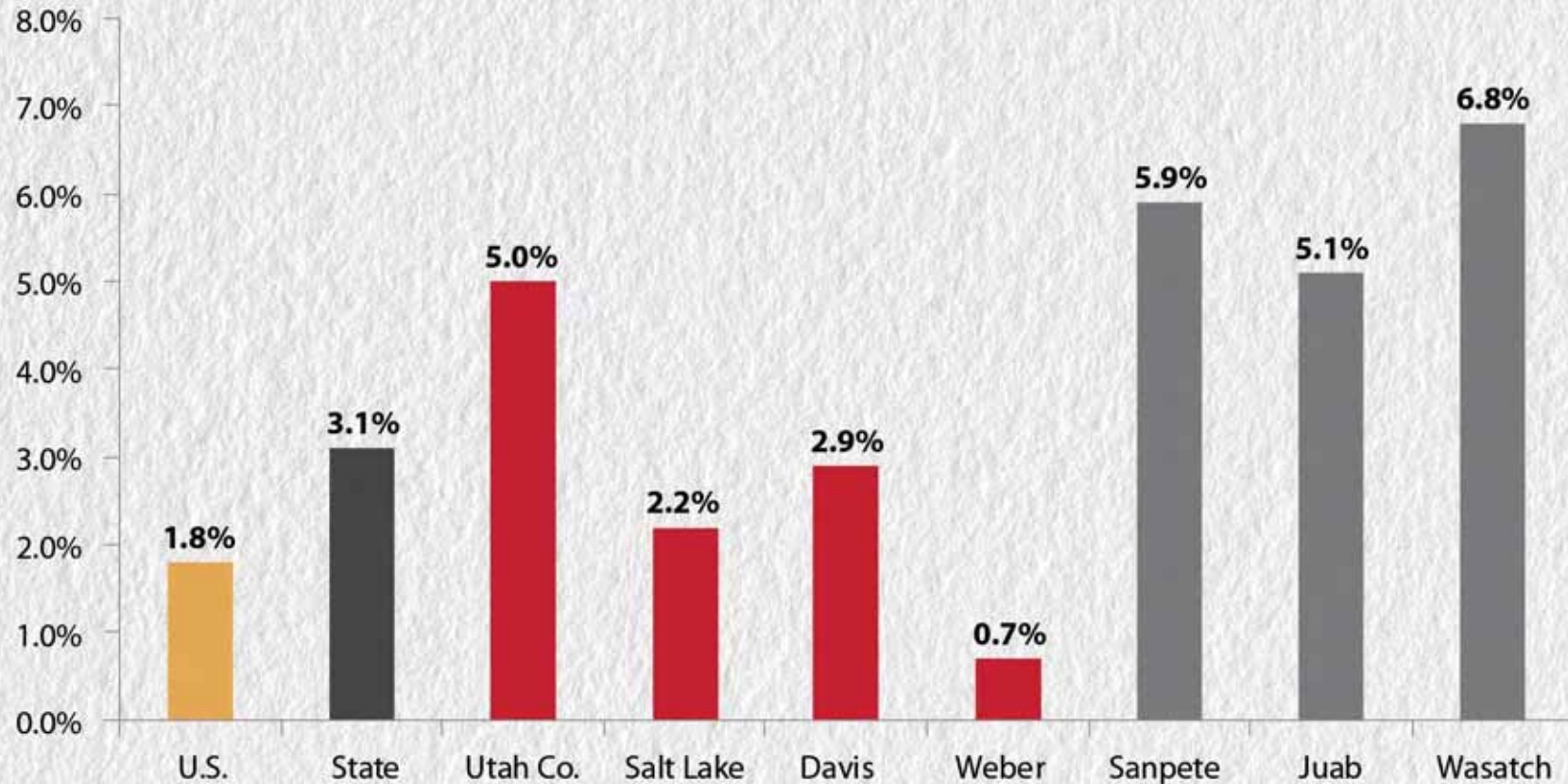
Absolute and Percentage Changes in County Population

2017-2018



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

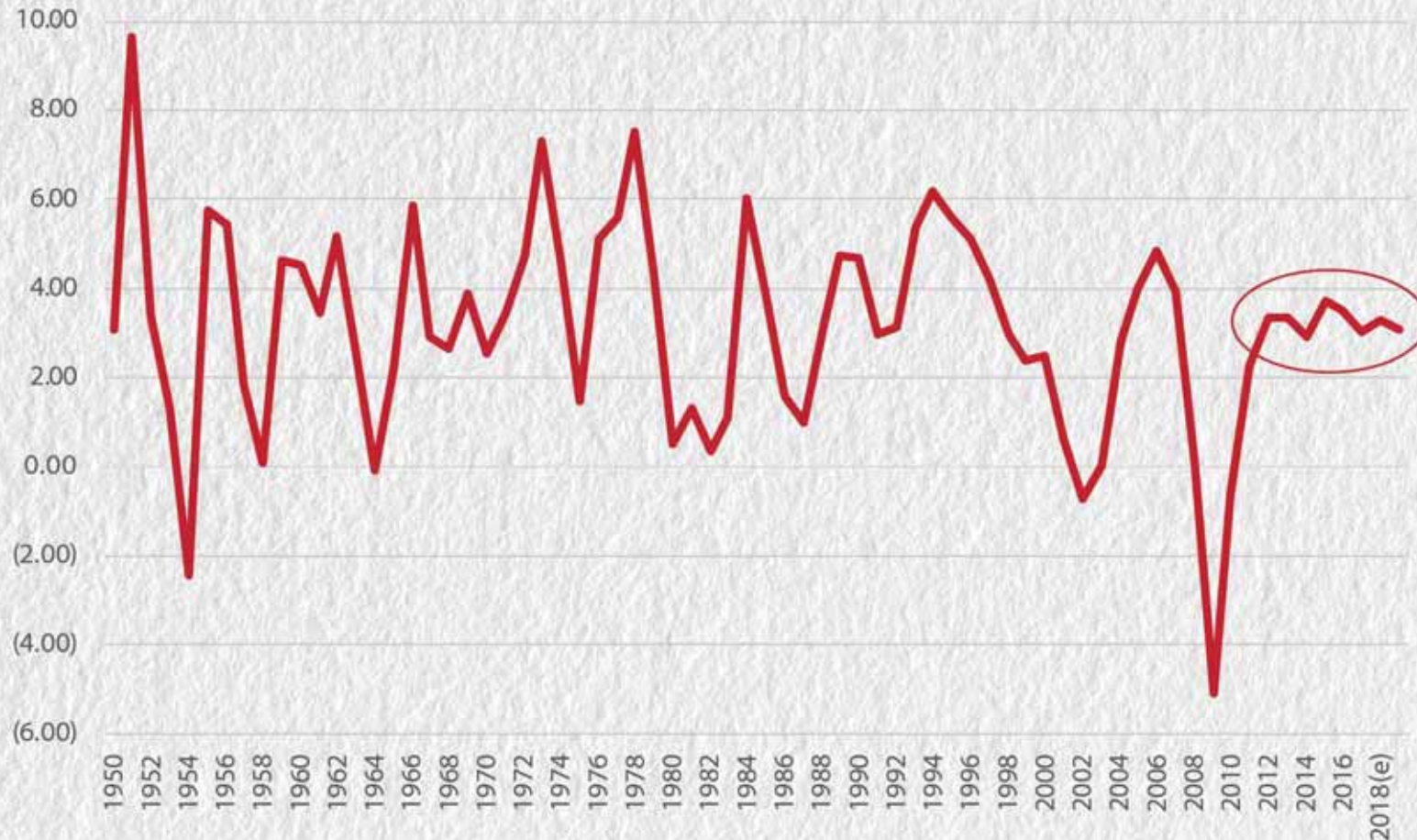
Employment Growth by Select Counties



Source: Bureau of Labor Statistics

Utah Economic Cycles

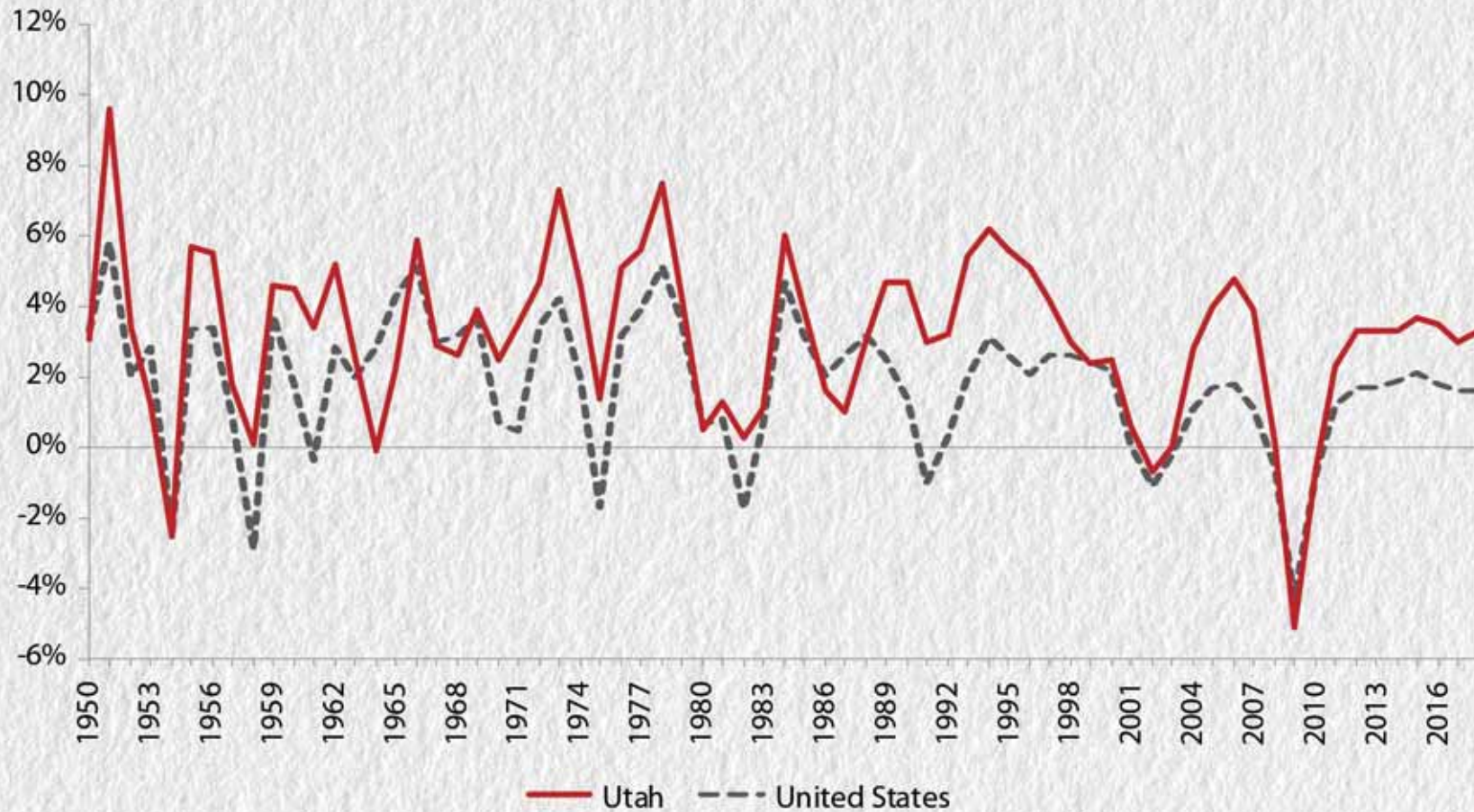
Annual percent change in jobs



Source: Utah Department of Workforce Services

Annual Job Growth

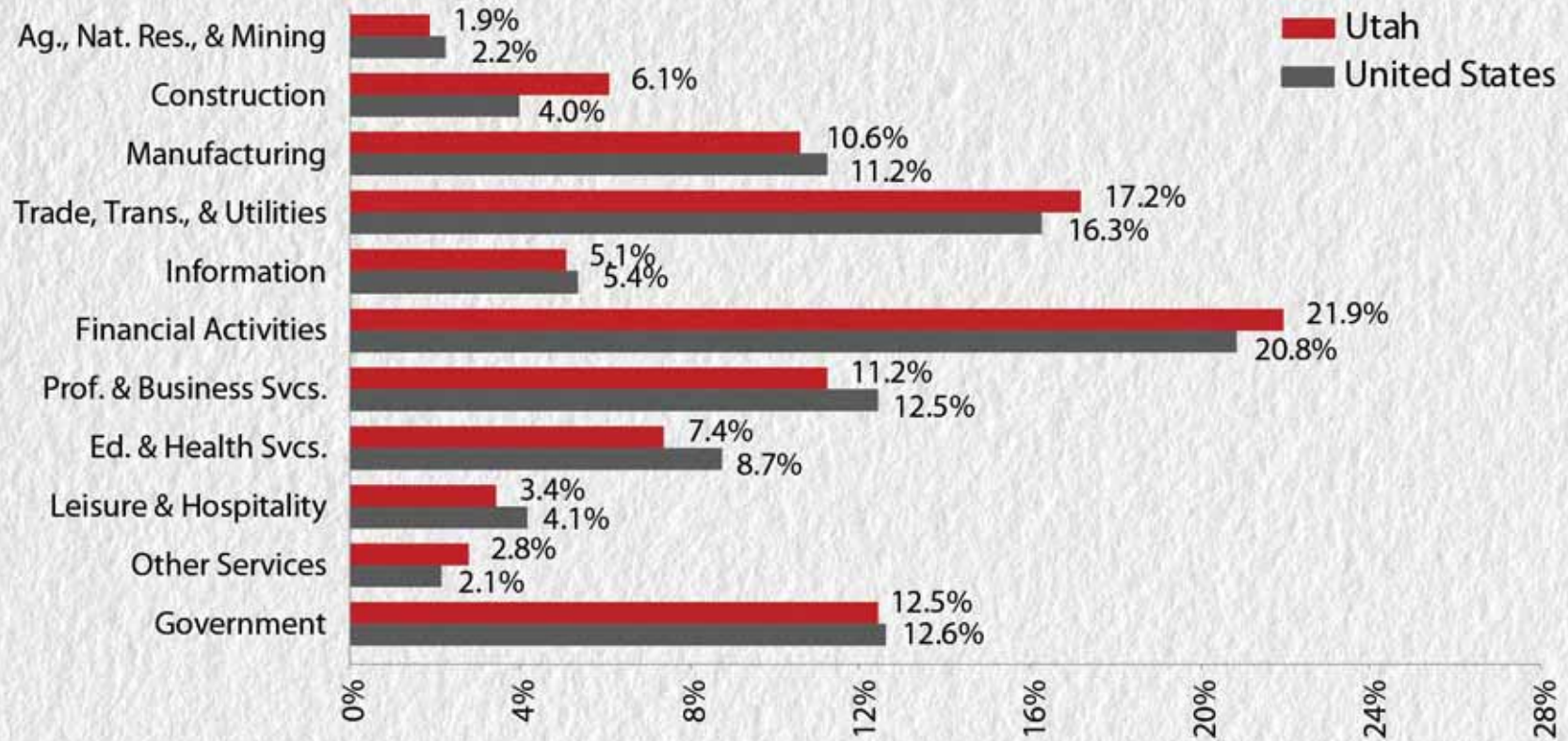
Utah and the U.S.



Source: Utah Department of Workforce Services

Gross Domestic Product by Industry

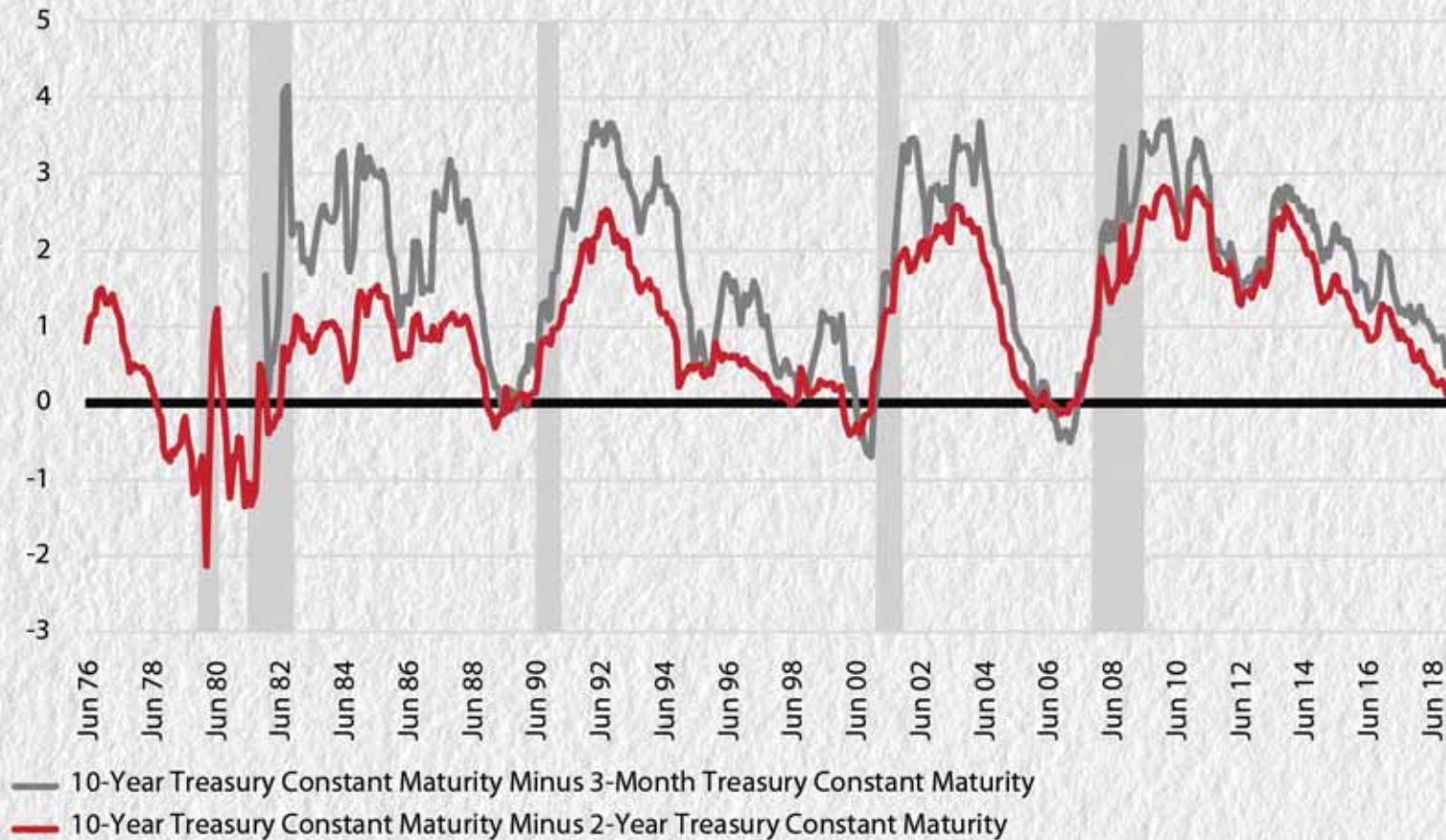
2017



Source: Bureau of Economic Analysis

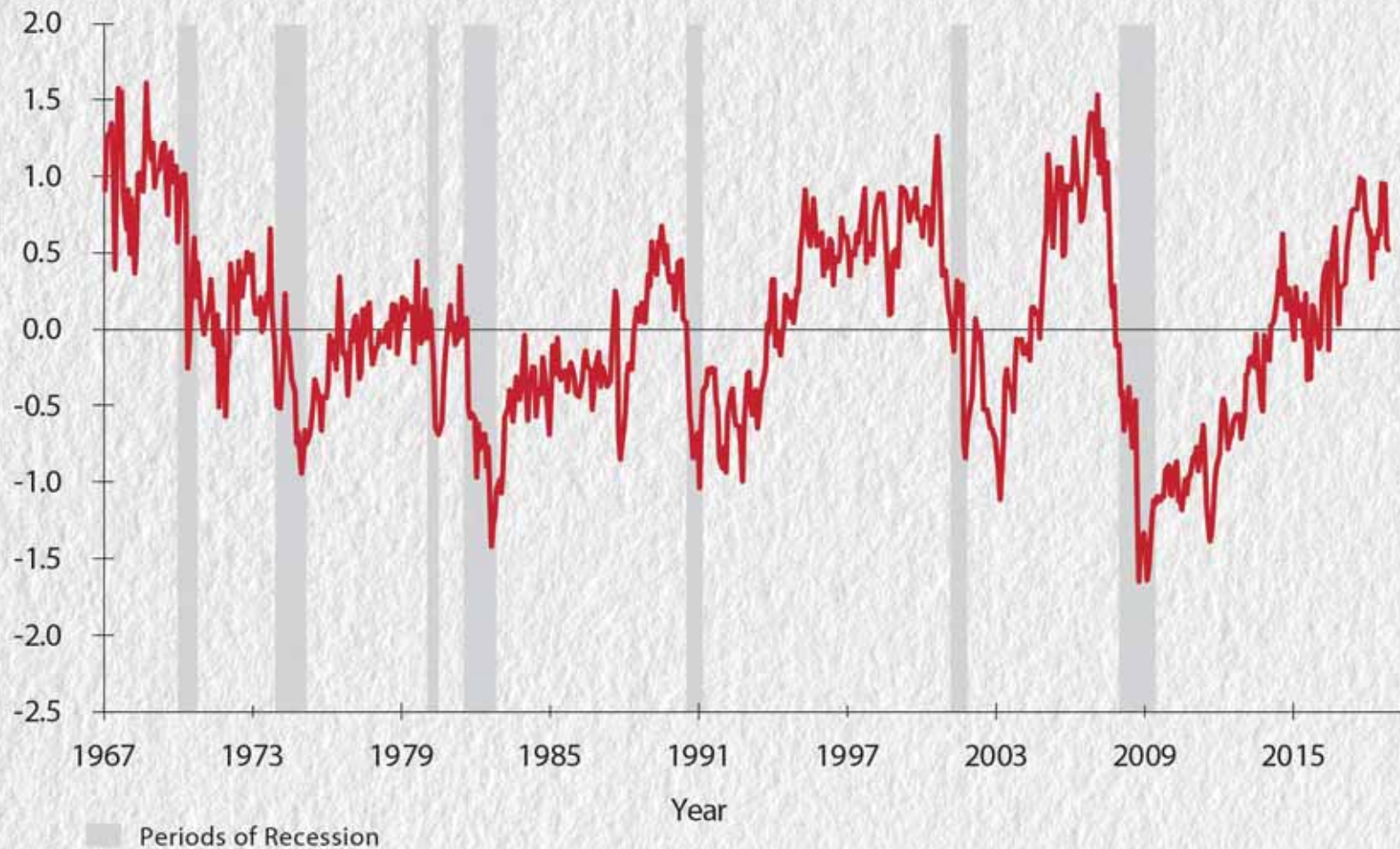
Inversion Season

Difference between short- and long-term rates



Source: Federal Reserve Bank of St. Louis

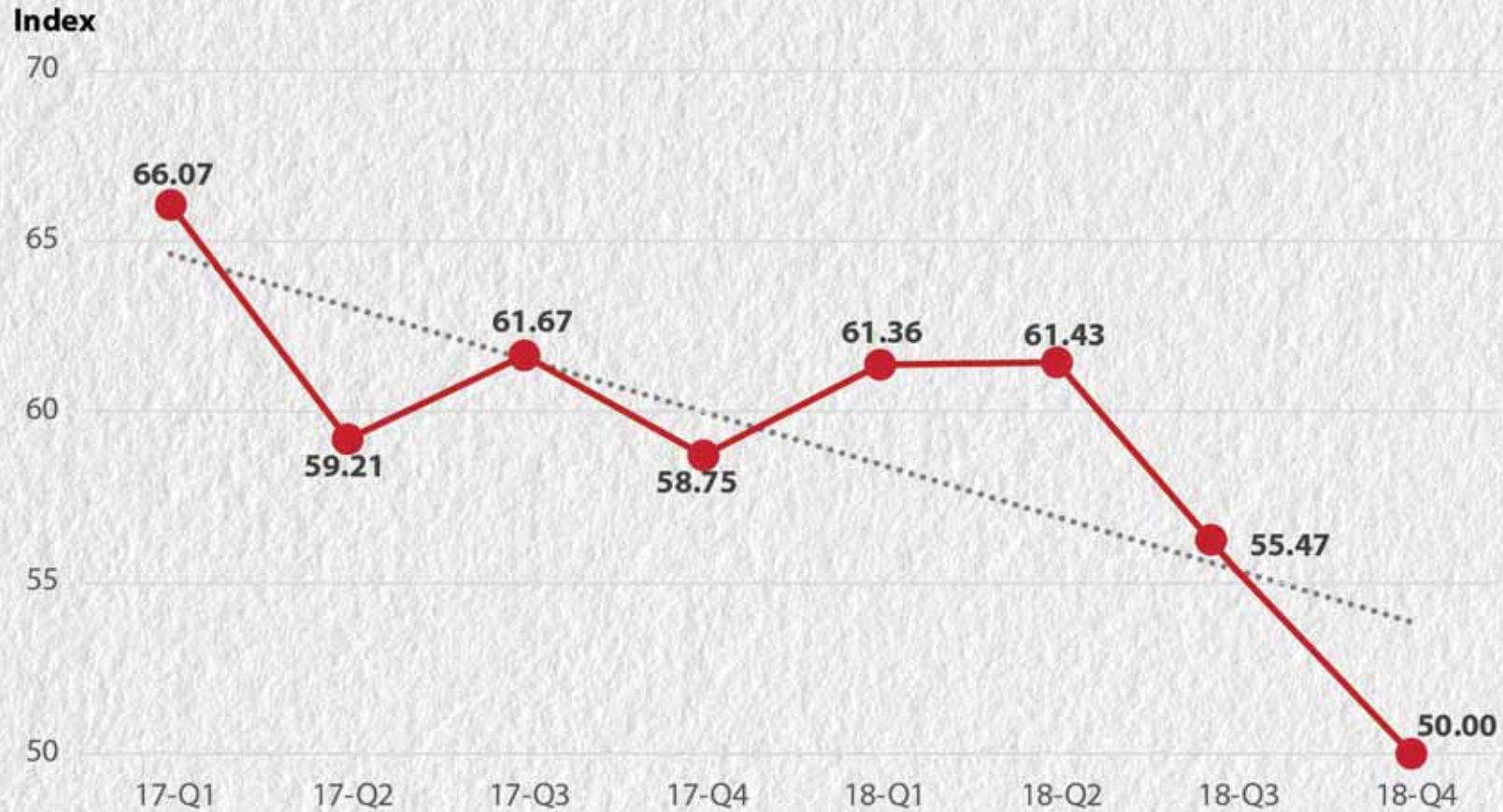
Animal Spirits Index



Note: Index includes S&P 500 index, Conference Board Consumer Confidence Index, yield spread and economic policy uncertainty index.
Source: Wells Fargo Securities.

Utah CEOs Less Optimistic

What is your expectation for the economy six months from now?



Source: Utah CEO Outlook Confidence Index

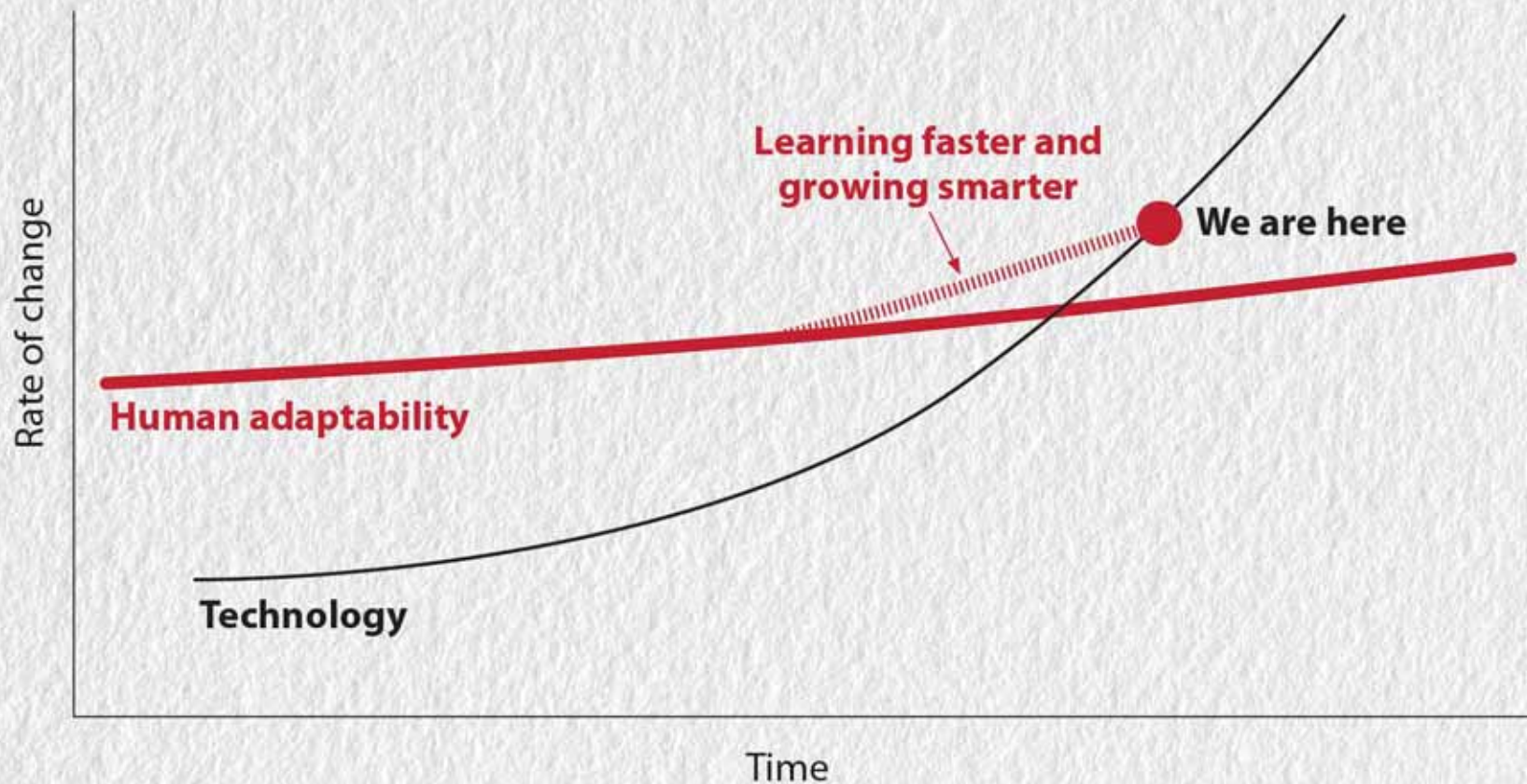
~ CHAPTER TWO ~

Tides



Dizzying and Accelerating Technological Change

If we enhance our ability to adapt even slightly it will make a significant difference.



Source: *Thank You For Being Late*, Thomas L. Friedman

Linear Progress

Chevrolet Impala, 6 cylinder

| | 1958 | 2016 |
|------------------------|--------------|-------------|
| Price (\$2016)..... | 22,231 | 28,400 |
| Horsepower | 145 | 305 |
| Top Speed | 95 mph | 155 mph |
| 0-60 | 14.2 seconds | 6.3 seconds |
| Miles per Gallon | 13.8 | 22 |

Exponential Progress

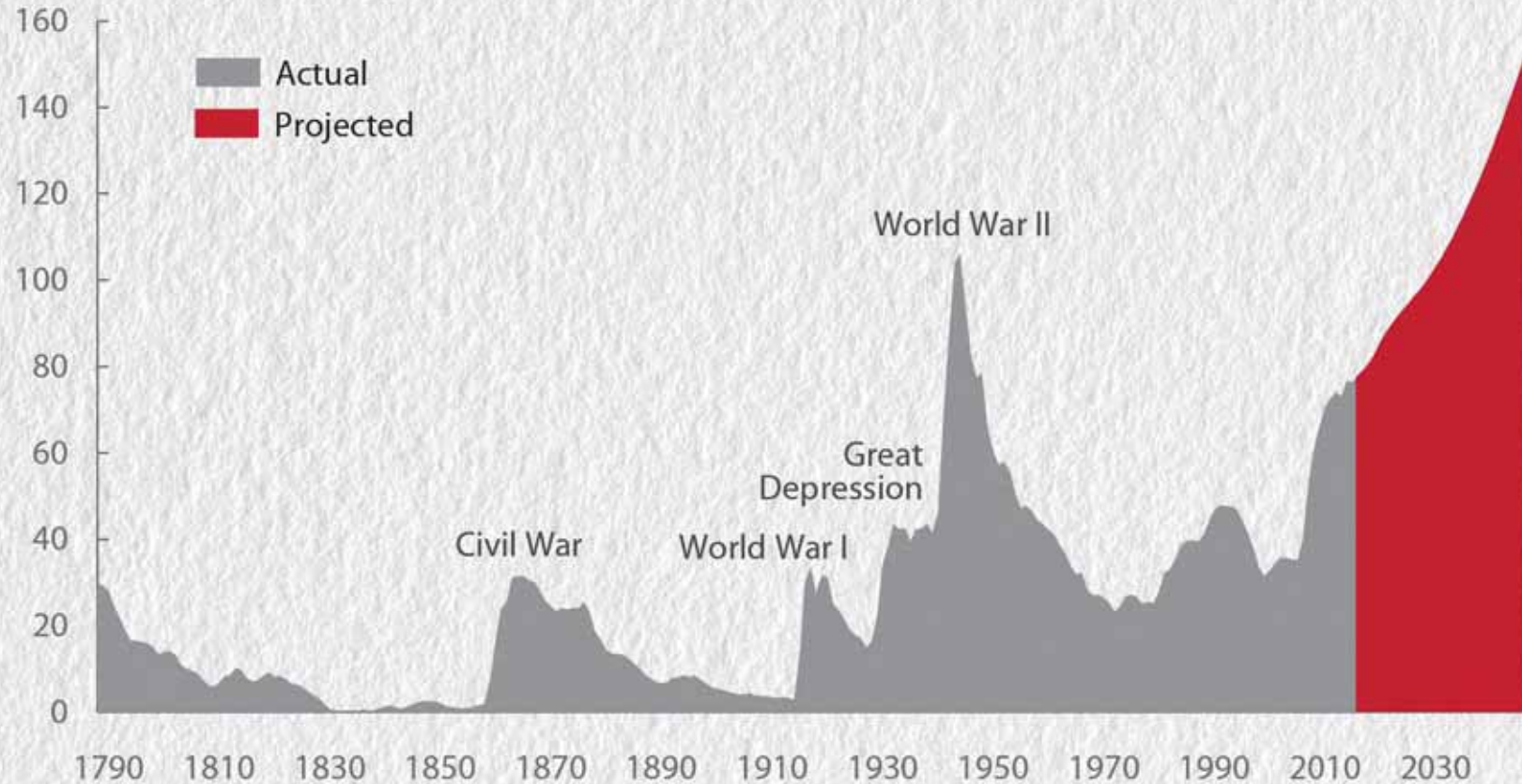
Volkswagen

| | 1971 | 2016 |
|------------------------|--------|-------------|
| Price | 2,050 | 0.04 |
| Top Speed | 90 mph | 300,000 mph |
| Miles per Gallon | 30 | 2,000,000 |

*Computing Power, Memory,
Storage, Sensors, Networking*

Crushing Burden of Debt

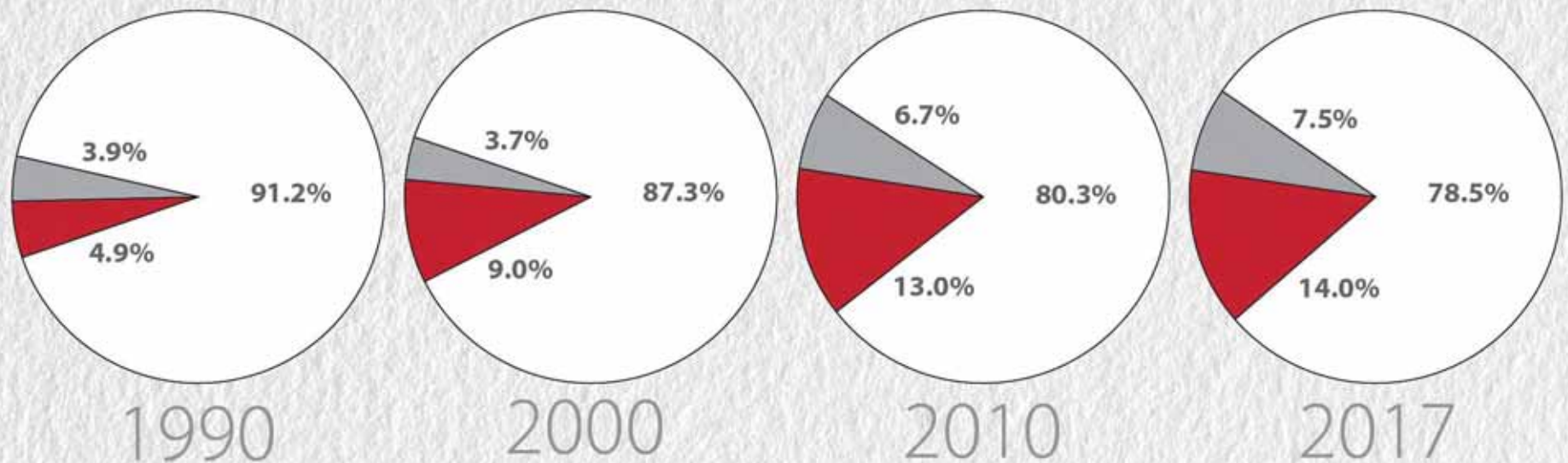
U.S. Debt held by public as a share of economy



Source: Congressional Budget Office 2018 long-term budget outlook

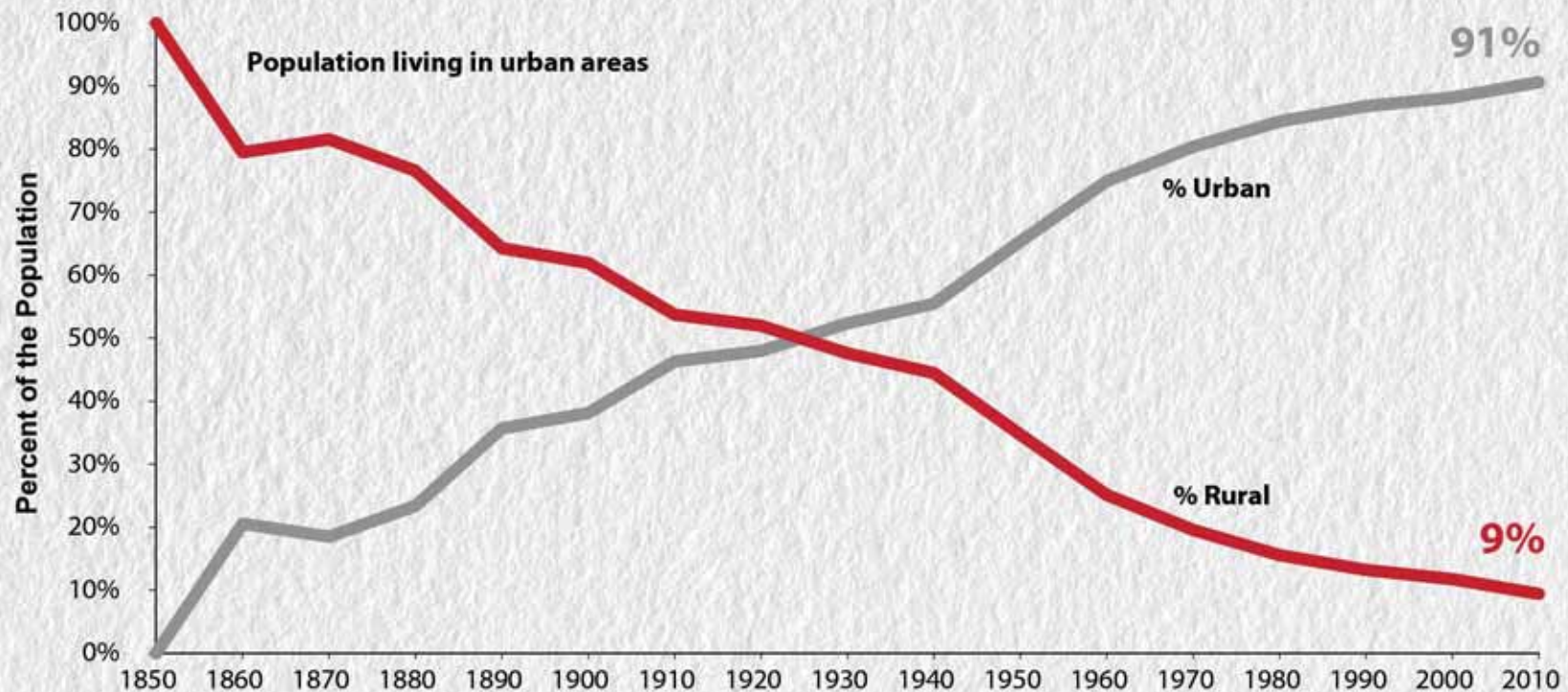
The Changing Face of Utah

Minorities' share of population more than doubled in past 25 years



Sources: U.S. Census Bureau, Population Division and U.S. Census Bureau, Decennial Census

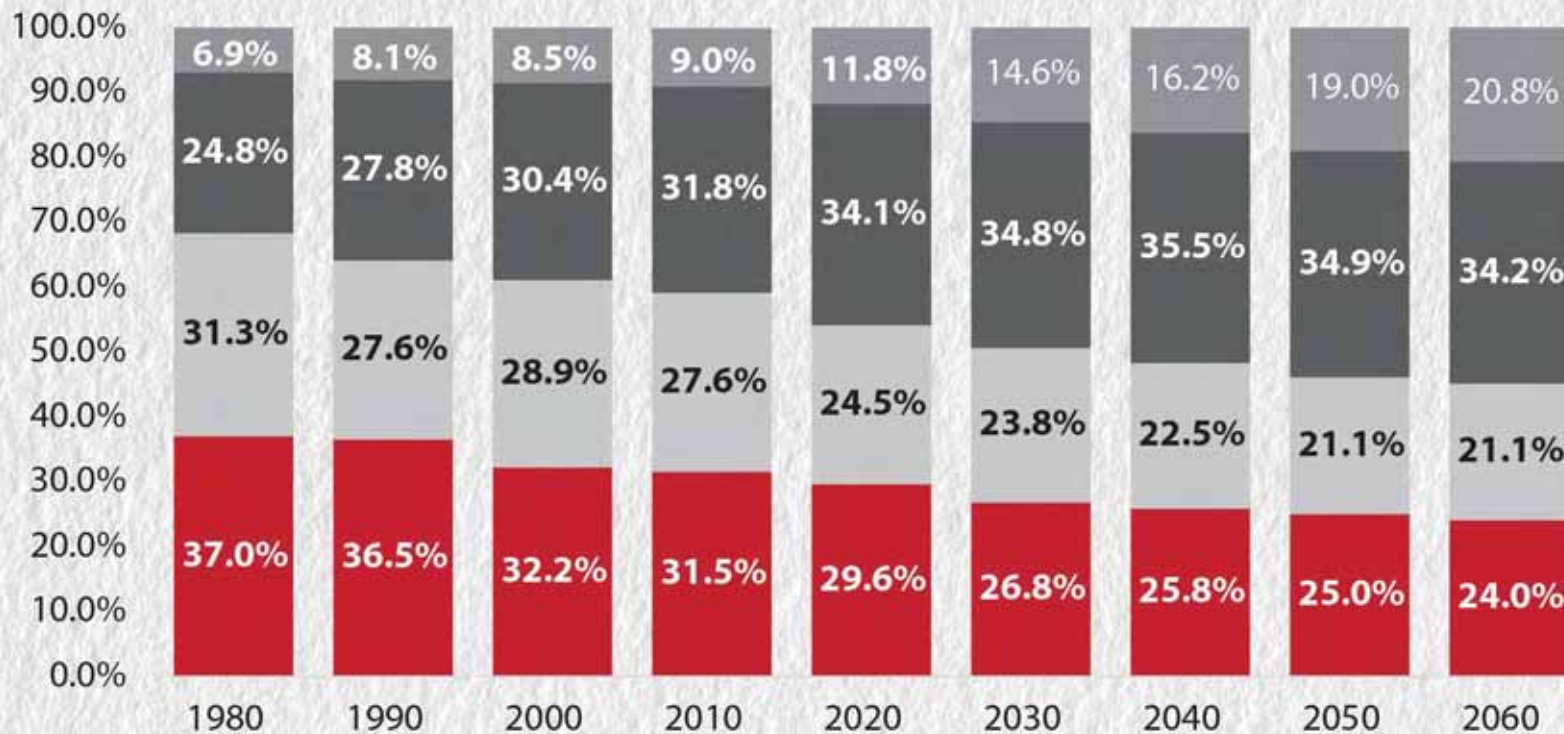
Urban States Have Urban Challenges



Source: U.S. Census Bureau

Graying of Utah

The population aged 65+ increases from approximately one in 10 today to one in five over the next 40 years.

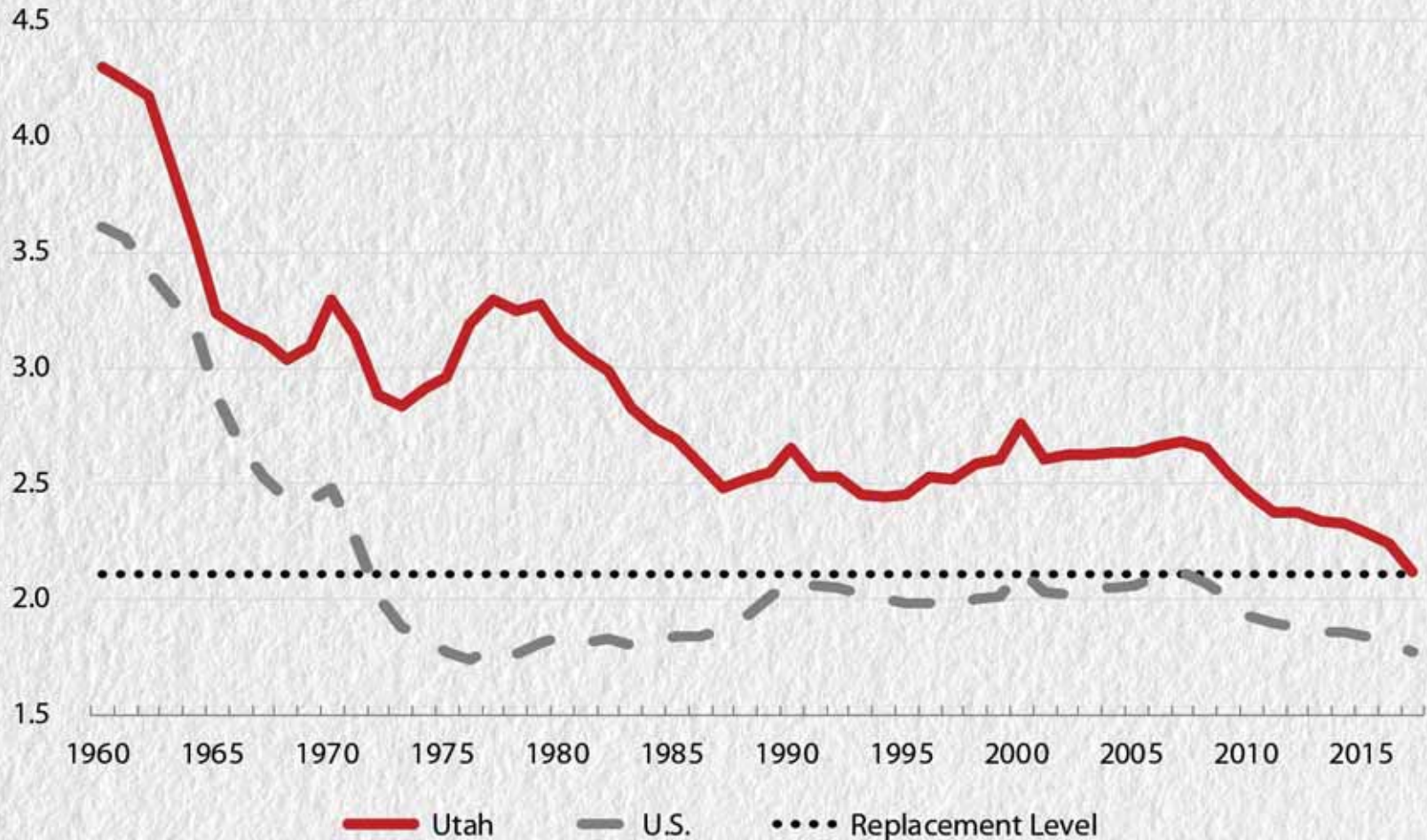


Sources: U.S. Census Bureau Decennial Census and Kem C. Gardner Policy Institute

Oh Mother, Where art thou?

Total fertility for Utah and the United States

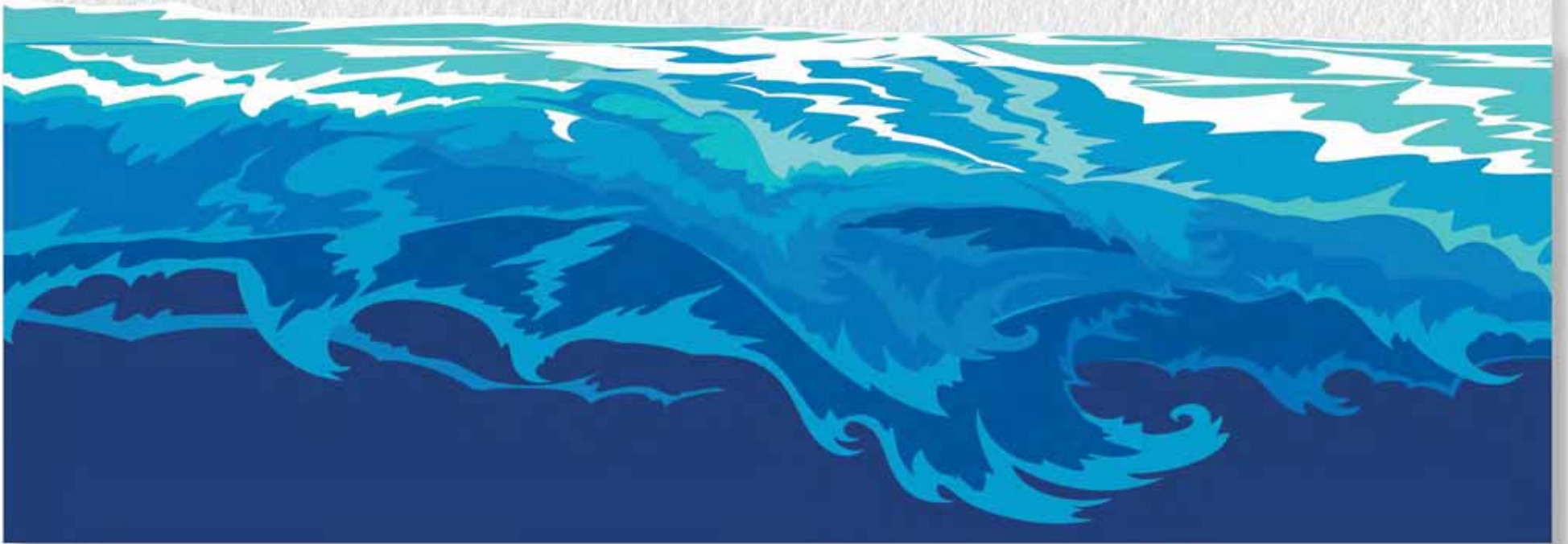
Total fertility rate



Source: National Center for Health Statistics

~ CHAPTER THREE ~

Rip Tides

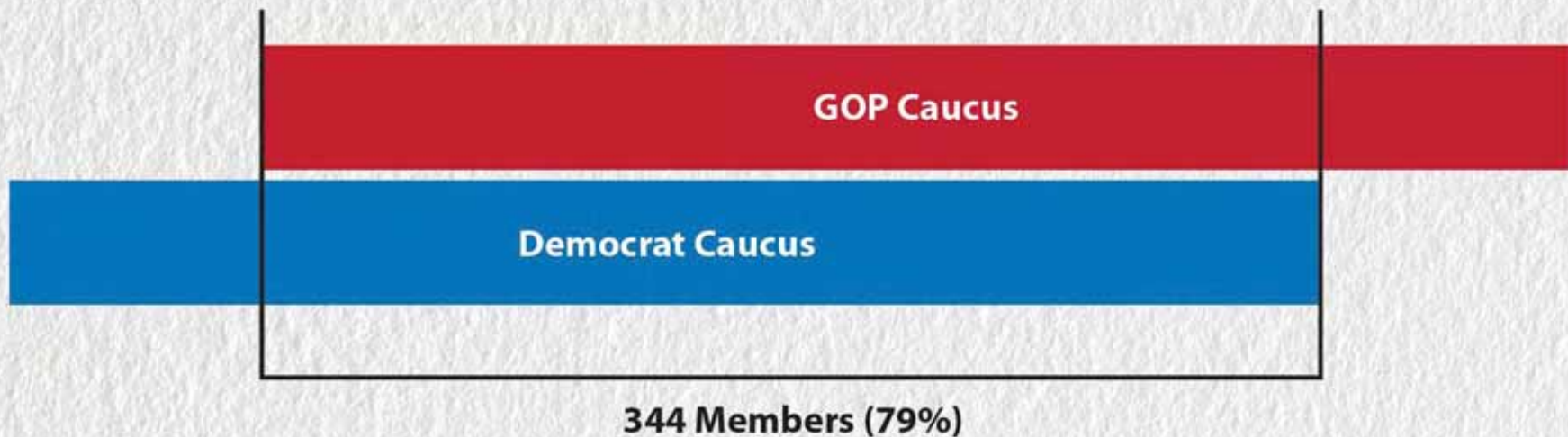


“The thing that worries me is that the attacks on these institutions...you are really attacking the rule of law and the checks and balances... the worry is do the people themselves really understand how troubling this is... where in a riptide it could really roll us over.”

Doris Kearns Goodwin, Meet the Press, 11/25/18

Make-up of House of Representatives

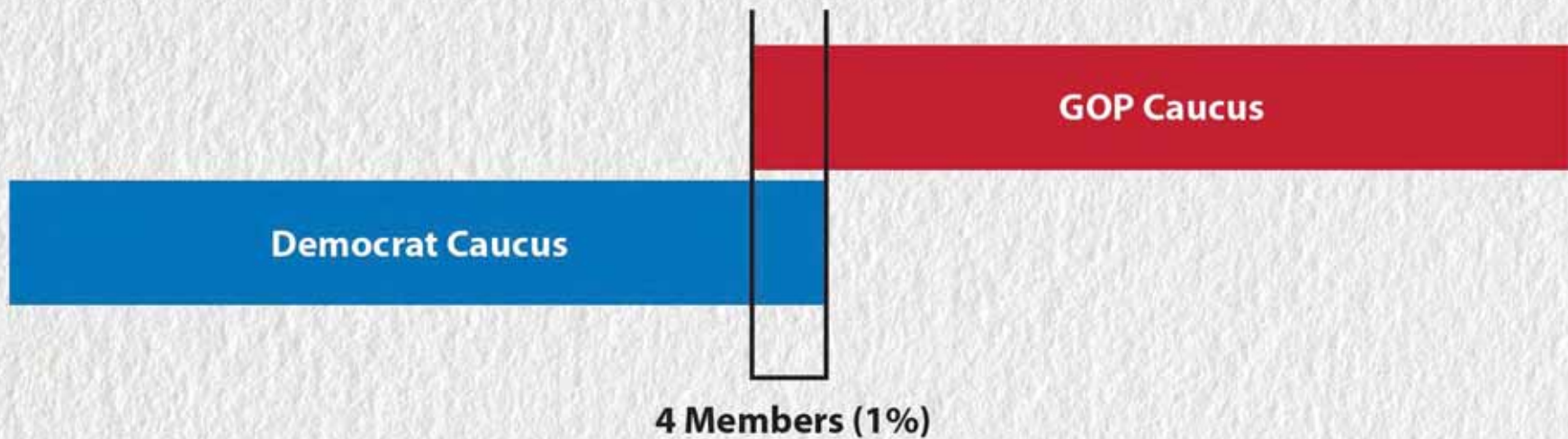
1982



Source: National Journal Vote Rankings from a presentation by Mehlman Vogel Castagnetti

Make-up of House of Representatives

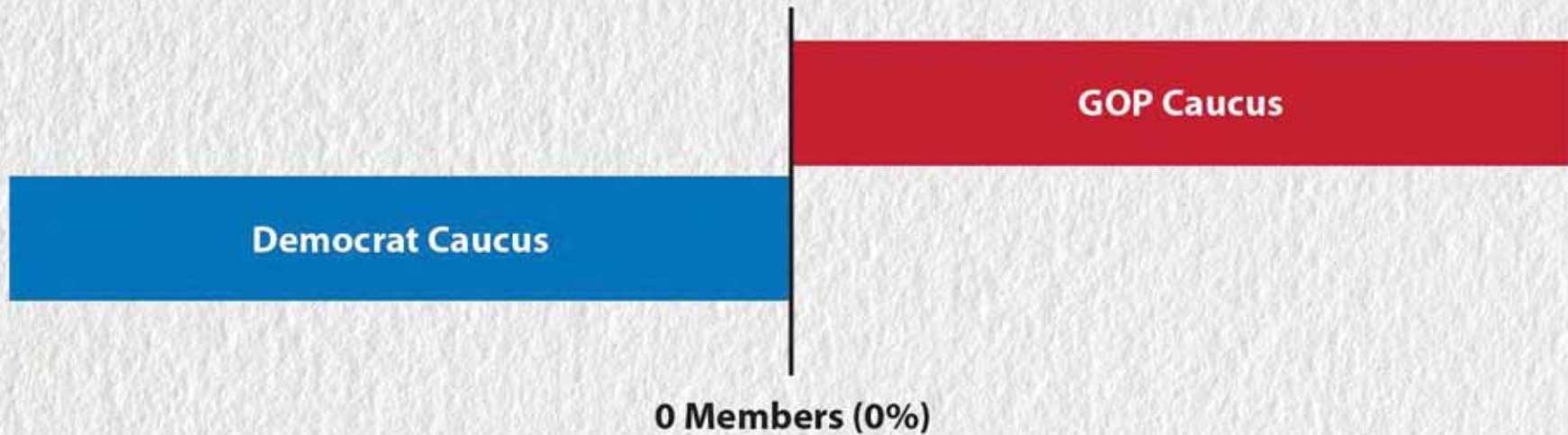
2013



Source: National Journal Vote Rankings from a presentation by Mehlman Vogel Castagnetti

Make-up of U.S. Senate

2013



Source: National Journal Vote Rankings from a presentation by Mehlman Vogel Castagnetti

“Trump is telling people something is rotten in the state of America. The message resonates because the rot is there.”

Roger Cohen, *New York Times* Columnist

“He has an advantage on me.
He can say everything he knows
about any subject in 140
characters, and I can’t.”

George Will

“If America becomes a predator on all the treaties, multilateral institutions and alliances holding the world together; if America goes from being the world’s anchor of stability to an engine of instability; if America goes from a democracy built on the twin pillars of truth and trust to a country where its acceptable for the president to attack truth and trust on a daily basis, watch out: Your kids won’t just grow up in a different America. They will grow up in a different world.”

Thomas Friedman, *New York Times*, 12/24/18

“The West is now rudderless. To be rudderless puts you at the mercy of elements. The elemental forces of politics today are tribalism, populism, authoritarianism and the sewer pipes of social media. Each contradicts the West’s foundational commitments to universalism, representation, unalienable rights, and an epistemology built on fact and reason, not clicks and feelings.”

Bret Stephens, *New York Times*, 1/17/19

~ CHAPTER FOUR ~

Tide Pools



Fourth Industrial Revolution

“The convergence of digital technologies with breakthroughs in materials science and biology means that we are seeing the emergence of entirely new ways in which to live. In both subtle and explicit ways, technology is also changing what it means to be human.”

Marc. R. Benioff, Chairman and CEO Salesforce



Airport Rebuild



Inland Port

OFFICE DISTRICT DEDICATED TRANSIT



Point of the Mountain



2030 Olympic Winter Games

“Although we come from diverse backgrounds and experiences, we can work side-by-side, sunup-to-sundown, with the spirit of cooperation to lay a foundation for our future prosperity.”

Gov. Gary Herbert

Kem C. Gardner Policy Institute

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