

U.S. Chamber of Commerce Foundation

UTAH

Collaboration as
the Foundation
for Growth



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U.S. CHAMBER OF COMMERCE FOUNDATION



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INTRODUCTION

Each year, the *Enterprising States* project compares all 50 states across a broad set of 33 metrics. The metrics cover economic performance and five broad-based policy areas important to creating an environment for job growth. Utah is the best performing state overall for two years running. In 2013 and 2014, Utah ranked in the top 10 states for economic performance and in the top 10 for each of the five major policy areas. In 2014, Colorado appeared on 5 top 10 lists; Texas, on 4; and four other states, on 3 lists.

In the 2014 *Enterprising States* study, Utah ranked 6th or better in all major categories:

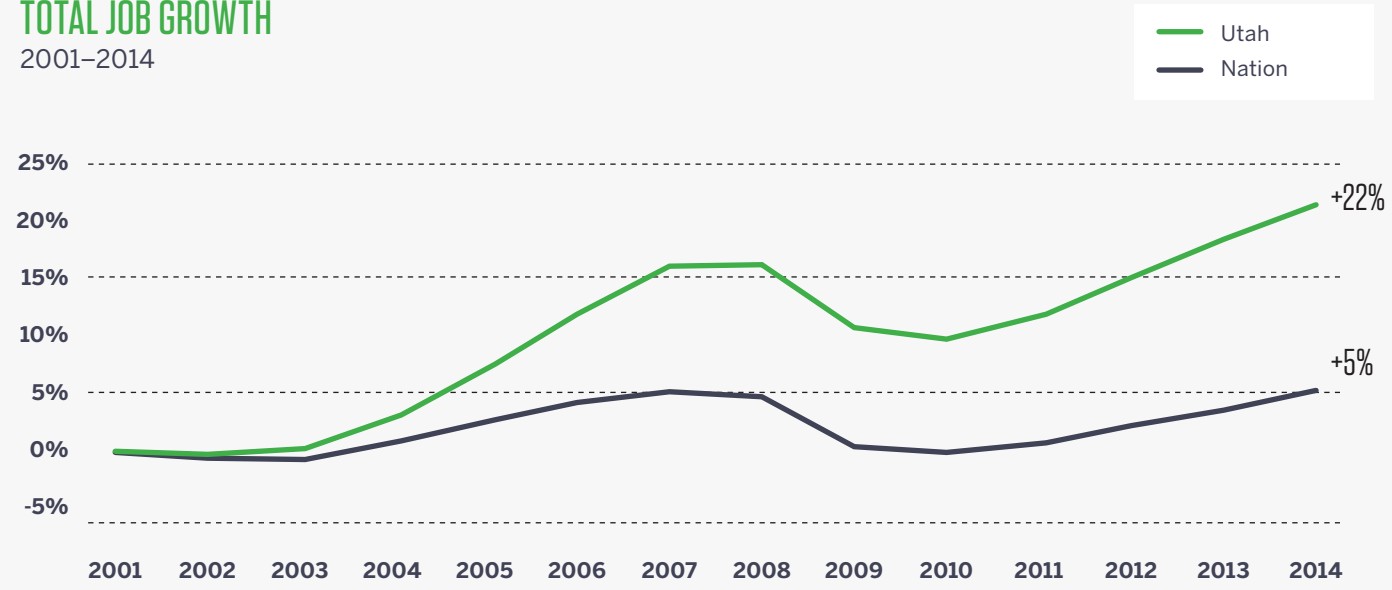
Economic Performance	3 rd	Business Climate	6 th
Exports	3 rd	Talent Pipeline	4 th
Technology and Entrepreneurship	4 th	Infrastructure	3 rd

Utah's strong economic performance is most evident in its job growth over the past decade. The state has grown its employment base 22% since 2001, more than four times faster than the nation. Growth began to take off in 2003, and the state was hit hard by the Great Recession. Utah ranked 2nd in short-term and 3rd in long-term job growth in the 2014 *Enterprising States* rankings. It rebounded sharply after the recession, with 11% job growth since 2010, ranking it second only to North Dakota.

Growth of highly visible tech and social media firms grab national headlines, but Utah is also a leader in another critical category: middle-skill jobs. The state ranks second only to energy-booming

TOTAL JOB GROWTH

2001–2014



Sources: EMSI, 2014.3 - QCEW Employees, Non-QCEW Employees, and Self-Employed

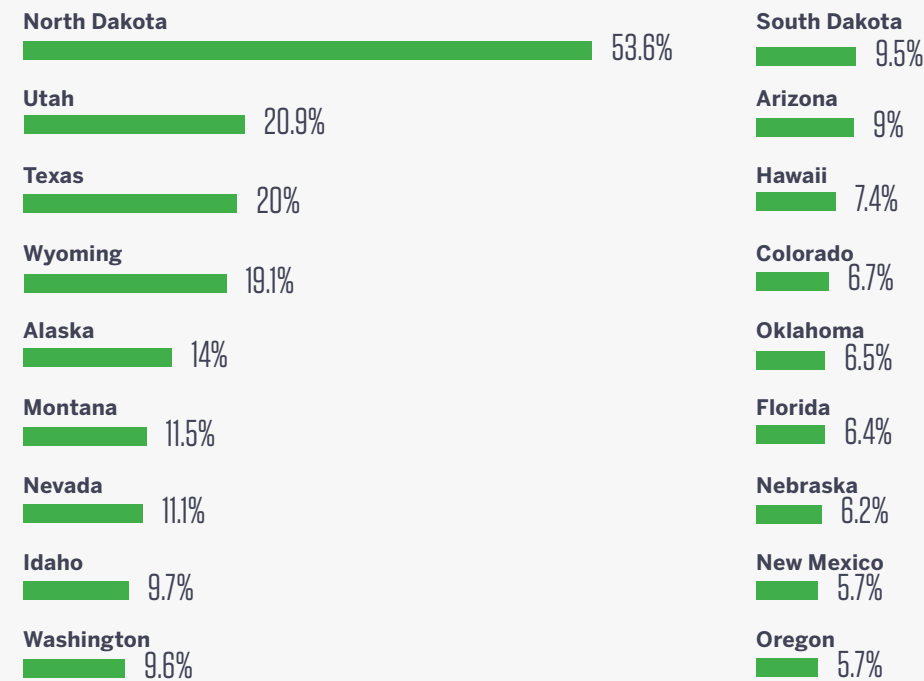
North Dakota in middle-skill job growth. Utah had 21% more middle-skill jobs in 2014 than it did in 2001, a growth rate of more than 11 times the national average.

Utah is succeeding by leveraging its strengths as a smaller, more nimble state with a strong workforce and a growing high-tech economy. Most important, Utah has created a culture of collaboration as the foundation of its job creation policy, enabling it to punch above its weight and compete with other states. The state's C2+E2 framework (Collaboration and Coordination + Efficiency and Effectiveness=Success) and *Prosperity 2020* program are two critical examples of the power of leadership setting the tone for statewide policy and collaboration.

UTAH'S MIDDLE-SKILL JOB BOOM

Middle-Skill Job Growth, 2001–2014

Nation ■ 1.9%



Sources: EMSI, 2014.3 - QCEW Employees, Non-QCEW Employees, and Self Employed

COLLABORATION AS THE FOUNDATION FOR GROWTH

COLLABORATING GETS RESULTS

Rethinking Incentives to Support Success

On the heels of a high-profile economic development project in 1998 going “horribly wrong for the state,” at the cost of millions of dollars in lost incentives, Utah’s economic development leaders embraced a new, results-oriented way of doing business.¹ Instead of using up-front, cash-laden incentive packages to attract new businesses to the state, Utah chose to emphasize collaboration between economic stakeholders and performance-based tax incentives. By tying support to results and creating a welcoming, business-friendly environment, the state protects the interests of taxpayers while offering a unified front to attract and support growing, job-creating businesses.

Under Utah’s results-driven incentives program, the state offers tax incentives awarded as businesses grow and expand. If businesses don’t make progress and grow, the state isn’t required to provide incentives. This approach leaves resources available to support homegrown businesses that are expanding, providing jobs, and helping build the economy. By ensuring that dollars invested in economic development are targeted at companies that are truly helping grow the state’s economy, Utah is able to punch above its weight, eliminating costly failures and investing resources in projects that create successful outcomes.

The state’s economic development leaders have embraced collaboration at all levels, seeking to maximize teamwork and fully leverage Utah’s economic growth toolbox. This C2+E2=Success approach is led by the Governor’s Office of Economic Development (GOED), which works with state and local economic stakeholders to build partnerships focused on creating a business-friendly,

expansion-ready environment in communities throughout the state.

C2+E2 employs a Team Utah approach to attract businesses, embracing strong collaboration as “the ‘best practice’ that defines ... economic development efforts in the State of Utah,” establishing “the heart of [the state’s] business friendly environment.”² Critically, by turning the approach into a concrete program, C2+E2 creates buy-in and uniformity statewide, improving the effectiveness of all agencies.

The C2+E2 approach looks to local governments as key players in working with state officials to support business growth and achievement. Local stakeholders, running the gamut from school leaders and public works officials to public safety officers and elected officials, have a seat at the table to help cultivate a business-friendly environment, ready to support a successful location and expansion by growing enterprises.

An example of the C2+E2 approach in action is when officials in the city of St. George and Washington County brought together dozens of local officials to meet with representatives from a company seeking a site for a distribution center, presenting the case for their community as a unified front. By showing a willingness to work with the company and by taking a coordinated approach at the community and state level to get things done, St. George successfully attracted a new business slated to employ up to 450 people.³

According to Scott Hirschi, director of Washington County’s Site Select Plus, around 25 local and state officials attended the meeting, ready to answer questions and present the benefits of doing business in Utah and St. George. Company officials later remarked on multiple occasions that they were “very impressed” by the collaboration. Hirschi says that the strong, “cooperative, friendly relationship” between officials throughout the state, including the governor’s office and the Legislature, is “pretty impressive” when communities attempt to attract a new company.⁴

Utah’s universities are also key players in the state’s collaboration-based approach to attract businesses and create jobs. Ogden City has seen enhanced collaboration between state and local officials, business leaders, and higher education to leverage research capabilities that lead to the expansion of a high-tech manufacturing firm in the community.⁵ The state’s success in building partnerships to

support high-tech industry has attracted other major players as well. Boeing has selected West Jordan, Utah, as the site of a new 850,000-square-foot advanced composites fabricating operation.

In addition to emphasizing collaboration between stakeholders as the foundation for attracting businesses, Utah can offer up to a “30 percent credit on all new income, payroll and sales taxes paid to the state, and a sales-tax exemption on new manufacturing equipment,” to enhance the attractiveness of the state to new manufacturing. The state can also make employee training grants to companies that create well-paid jobs in the state.⁶ By tying incentives to performance, measured through profitability and actual job creation, the state avoids investing in businesses that take the money and run.

While other states offer their own incentives package, Utah has doubled down on its team-based approach to economic development to set it apart from the pack, viewing the state’s collaborative spirit as its true competitive advantage in the fight for economic prosperity. By coordinating efforts and continually working to efficiently offer services and cut barriers to business growth, Utah puts its best foot forward when courting new and expanding businesses. Staying true to its Beehive State nickname, the economic stakeholders and political leaders work together to create a system that is greater than the sum of its parts.

PUTTING EDUCATION FIRST

A Foundation for the Future

Over the past several years, businesses, the community, educators, and elected leaders have partnered to put education first in Utah.

Thousands of Utahns have come together to sustain Utah’s position as an economic powerhouse and to fulfill the state’s economic potential through improving educational outcomes by combining investment with improved methods to motivate results and deploy effective management practices.

The state’s business-led, multiyear statewide movement to improve educational outcomes got a big push from the legislature and the governor’s office in 2013. *Prosperity 2020* is an effort to increase the number of Utahns with postsecondary certificates or degrees, elementary students proficient in reading and math, and high school graduation rates.

Prosperity 2020 is the largest group of business leaders and business associations ever organized to improve educational outcomes in Utah. Its purpose is to increase investment, innovation, and accountability to build the strongest economy in the nation with the best-educated workforce. As such, it is a national model for effective business advocacy in education.

On PACE – 66% by 2020 is Gov. Gary R. Herbert’s initiative (Prepare young learners, Access for all students, Complete certificates and degrees, and Economic success) that seeks to increase the state’s educational performance so that at least two-thirds of Utahns aged 20 to 64 will have earned a postsecondary degree or certificate. For those not wanting a college degree, the Utah College of Applied Technology (UCAT) plays

a critical role in meeting the goal of at least 13% of the workforce holding board-approved certificates by 2020, thereby providing quality technical programs targeting the needs of Utah employers.

Prosperity 2020’s vision is: *The largest population of young people in the country will be deployed as the best educated workforce, propelling Utah to enduring prosperity.*

The program has established several ambitious goals:

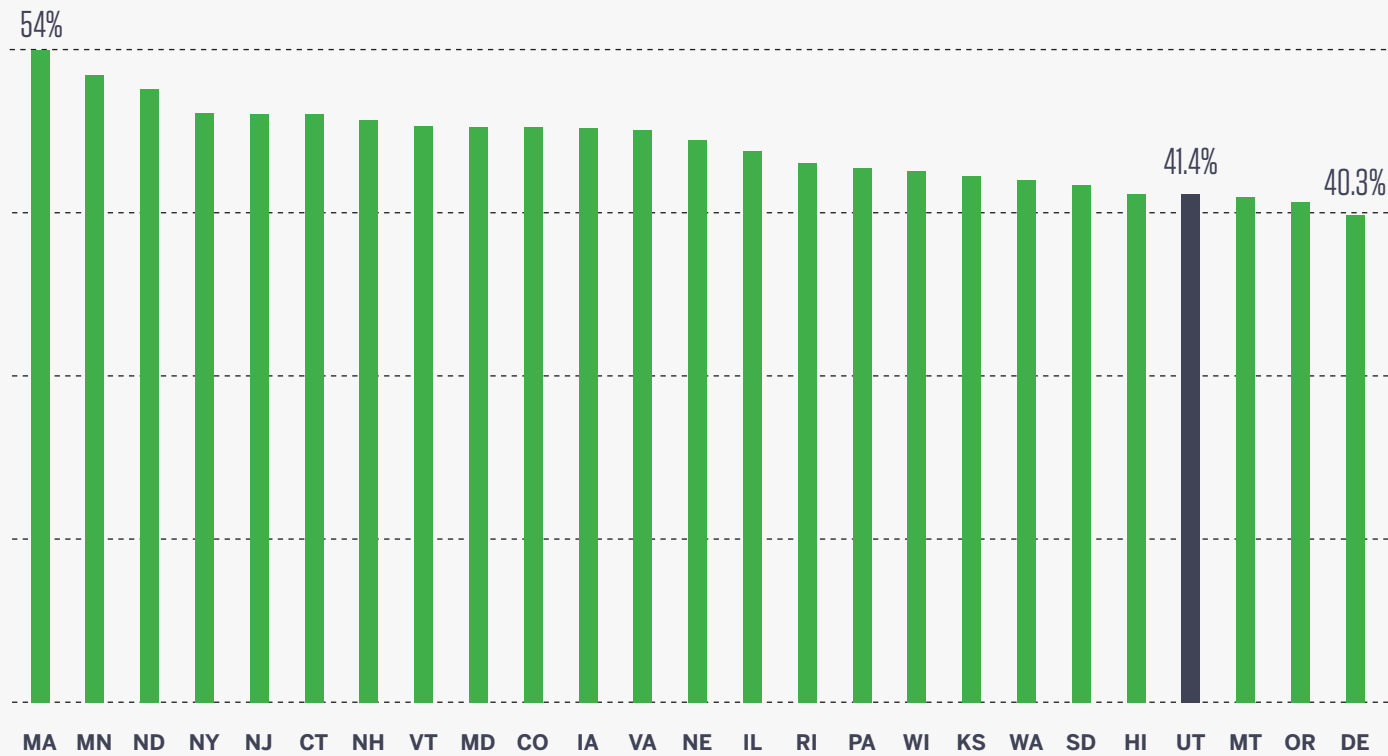
90% of 3rd, 6th, and 8th graders will be proficient in reading and mathematics. Approximately 80% meet this goal now.

66% of Utah’s adults will have postsecondary certificates or degrees. Currently, 43% meet this goal.

These goals have been officially adopted by Gov. Herbert and the Utah Legislature and have strong support from public and higher education leaders.

TOP 25 STATES : ELEVATING EDUCATION

Share of 25–44 year olds with an AA degree or higher, 2012



▲ Source: U.S. Census American Community Survey

The *Enterprising States* project uses a measure of educational attainment of each state’s young workforce as a future assessment of human capital. The metric is the share of residents aged 25 to 44 with at least a two-year degree. Utah ranked 22nd in this metric in the 2014 study, with 41% of its young residents holding degrees.

The *Prosperity 2020* movement includes a Business Promise, which brings together business and government leaders to mobilize business, education, and community partners to improve educational achievement, workforce literacy, and access to governmental and social service opportunities. It intends to deploy tutors to help students achieve success, with a goal of 20,200 volunteer-hours by 2026. A Web portal provides information about school partnerships and volunteer efforts throughout the state.

In October 2014, the state unveiled a new plan for innovation, accountability, and investment to build the strongest economy in the nation. *Prosperity Through Education* provides an overview of the relationship between education

and economic development, emphasizing the differences between communities in decline and those on the rise and the challenges needing renewed community-wide commitment.

State leaders have held discussions among educators, policymakers, parents, businesses and community leaders at the Governor’s Educational Excellence Commission, the Legislative Education Task Force, and in other groups over the past few years. Here are some key drivers of achievement that have emerged:

Parental engagement and community support

Quality teaching and professional learning communities

Targeted interventions for children at risk

Guidance in choices about college and career

High expectations

The plan includes seven objectives for K–12 and higher education that are intended to make Utah a national leader in education and create the foundation for a strong economy in the future. The seven objectives—four for K–12 and three for higher education—are examples of state leaders setting state-level goals based on citizen input.

K–12 Objectives

Objective 1: K–12 English/Language Arts Achievement

Utah will be in the Top 10 states on the 4th and 8th grade NAEP reading.

Objective 2: K–12 Math Achievement

Utah will be in the Top 10 states on the 4th and 8th grade NAEP Math.

Objective 3: High School Graduation Rate and College Readiness

Utah will be in the Top 10 states on its graduation rate, and will show substantial growth on the percentage of high school students demonstrating college readiness on the ACT.

Objective 4: K–12 Teacher Compensation and Professional Development

Utah will show real growth in teacher compensation and will demonstrate sustained commitment to professional development.

Higher Education Objectives

Objective 1: Higher Education Compensation

Utah’s higher education compensation will be competitive and attract high-quality instructors and researchers.

Objective 2: College Completion

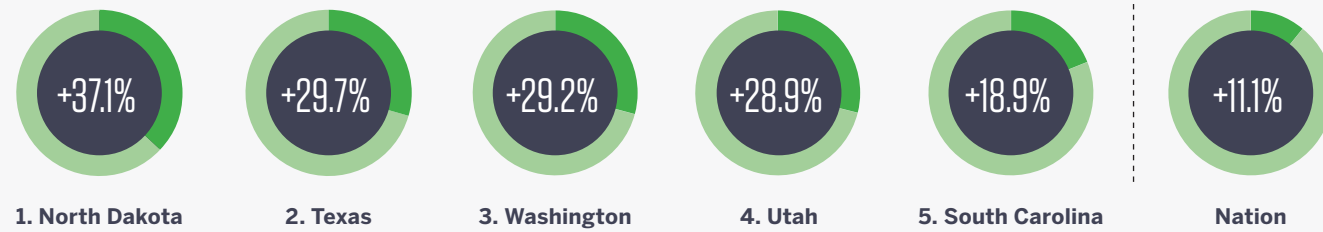
Utah will rank in the Top 10 states for the percentage of working-age adults (25–64) with a postsecondary certificate or degree.

Objective 3: Affordability of College and Financial Aid

Utah will make higher education affordable for middle- and lower-income families and students.

TOP FIVE STATES: STEM JOB GROWTH

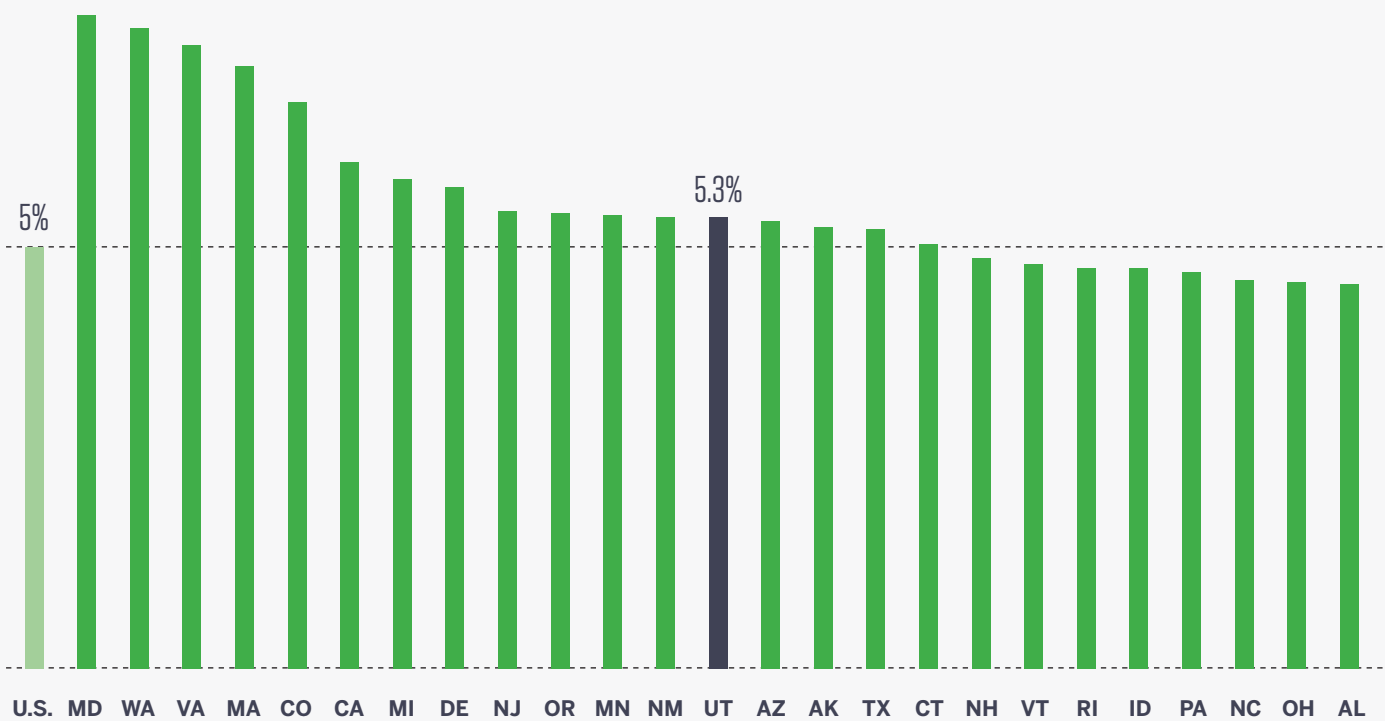
2004–2014



Sources: EMSI, 2014.3 - QCEW Employees, Non-QCEW Employees, and Self-Employed

TOP 25 STATES: STEM JOB CONCENTRATION

2014



Sources: EMSI, 2014.3 - QCEW Employees, Non-QCEW Employees, and Self-Employed

BOOSTING INTEREST IN STEM PROGRAMS

Utah is a strong science, technology, engineering, and mathematics (STEM) state with one of the fastest-growing STEM workforces in the nation. In the 2014 *Enterprising States* report, the state ranked 4th in STEM jobs growth, and 13th in concentration in 2013. According to the latest data, the state remains in the same position through 2014. Since 2004, Utah grew its STEM workforce by 29%, ranking it 4th and making it part of a group of states well ahead of the pack for growth. Across all industries, 5.3% of state jobs are in STEM occupations. The national average is 5.0%.

There are more than 76,000 STEM jobs in Utah. The state shows its strongest concentration of STEM workers in technician-level disciplines, those requiring a two-year degree or certification. Utah's concentration of life and physical science technicians is 35% higher than the national average, and its share of engineering technicians is 20% higher. The state has a 15% higher than average share of engineers in its workforce, a category up 23% over the last decade. The state also added more than 10,000 workers in computer-related occupations since 2004.

Utah's STEM job growth since 2010 is particularly strong. STEM jobs in the state are up 14%, much higher than the national growth rate of 8%. High-tech business service sectors are fueling this growth. In the last four years, the state's custom computer programming and systems design sectors added nearly 3,000 STEM jobs. Software companies added another 910, with another 748 in engineering services firms.

In early 2014, Utah business leaders launched a media campaign aimed at encouraging students to consider careers in STEM. Funded by a \$2 million private sector investment, the

STEM *Utah: Curiosity Unleashed* campaign consists of a series of television commercials and advertisements for newspaper, radio, and Internet platforms.⁷

Stan Lockhart, chairman of the *Prosperity 2020* STEM Education Initiative, said that the aim of the media campaign is to show some of the STEM-related careers in Utah that often are difficult to fill with qualified workers. STEM jobs are important, but the *Curiosity Unleashed* campaign is about more: discovery and wonder, realizing new possibilities, stretching minds, and expanding horizons. In line with STEM education trends across the country that focus on cross-disciplinary learning, *Curiosity Unleashed* hopes to seed a sense of wonder in students to boost their personal growth and fulfillment.⁸

The Utah STEM Coalition and the Utah STEM Center broadcast the first statewide STEM Utah school assembly on the Utah Education Network in October 2014. Designed to inspire students on the value of STEM education, the assembly featured Bryan Kehl, seven-season NFL linebacker and STEM advocate, as a speaker.

UTAH STEM JOB CATEGORIES

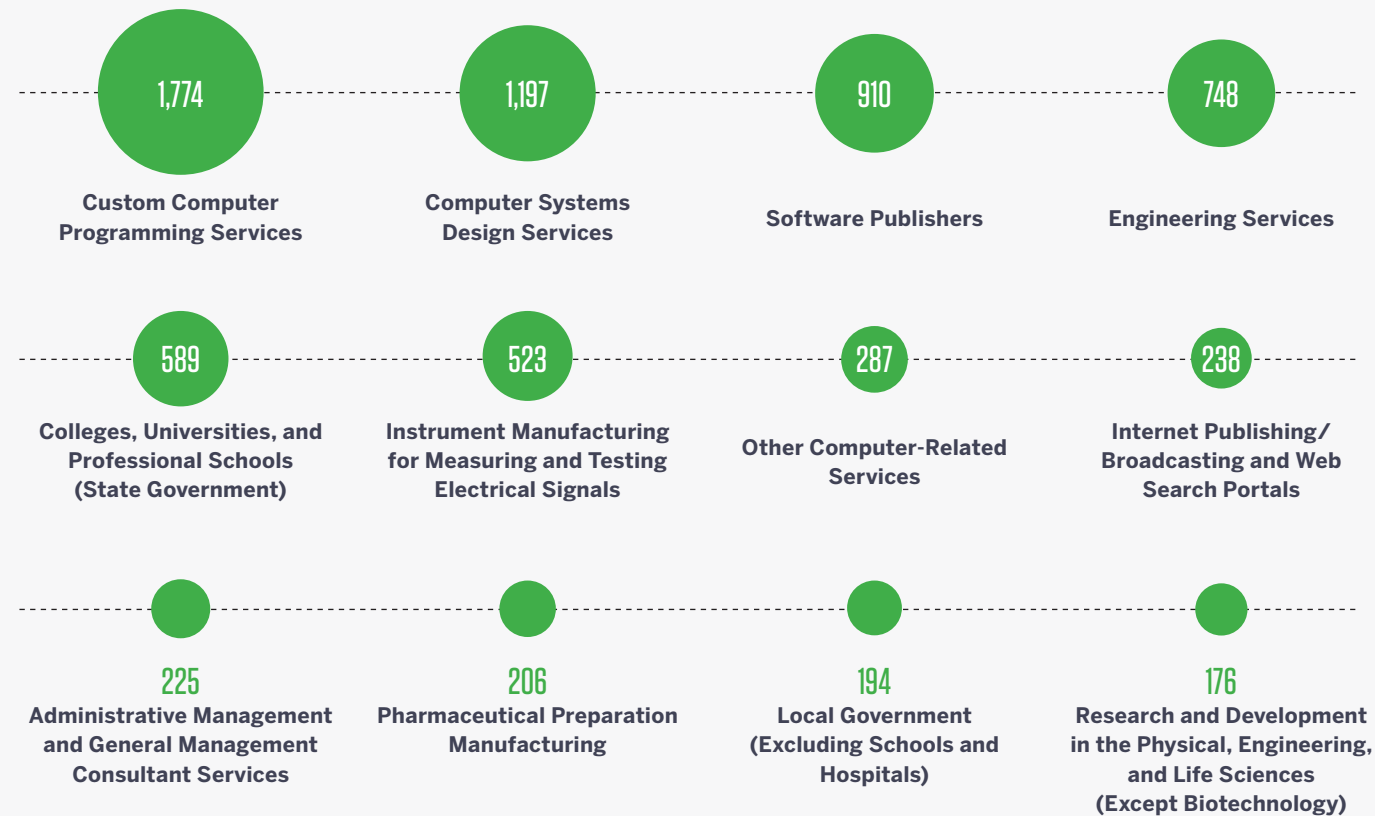
2004–2014

	Utah Jobs, 2014	Utah 2004–2014 % change	Nation 2004–2014 % change	Utah 2014 Location Quotient	Utah Annual Openings, 2012–2014
Computer Occupations	38,129	36%	16%	1.04	2,237
Engineers	17,573	23%	5%	1.15	883
Drafters, Engineering Technicians, and Mapping Technicians	8,026	17%	-3%	1.20	336
Life, Physical, and Social Science Technicians	4,552	25%	11%	1.35	270
Social Scientists and Related Workers	2,639	34%	12%	0.92	149
Physical Scientists	2,353	25%	13%	0.85	129
Life Scientists	2,046	13%	13%	0.74	103
Mathematical Science Occupations	1,028	38%	26%	0.82	76

▲ Source: EMSI, 2014.3 – QCEW Employees, Non-QCEW Employees, and Self Employed

UTAH INDUSTRIES HIRING STEM WORKERS

New STEM Workers by Industry, 2010–2014



▲ Source: EMSI, 2014.3 – QCEW Employees, Non-QCEW Employees, and Self Employed

INTEREST IN STEM ACROSS HIGH SCHOOL STUDENTS

Utah and National Statistics

	Percentage of All Graduates Tested	Percentage of All ACT-Tested Graduates	Percentage of STEM Students Meeting Benchmarks			
			English	Reading	Math	Science
Utah	100%	46%	68%	48%	47%	44%
Nation	57%	49%	68%	48%	50%	43%

▲ Source: *The Condition of STEM 2014*. Utah State Report. 2014 by ACT, Inc.

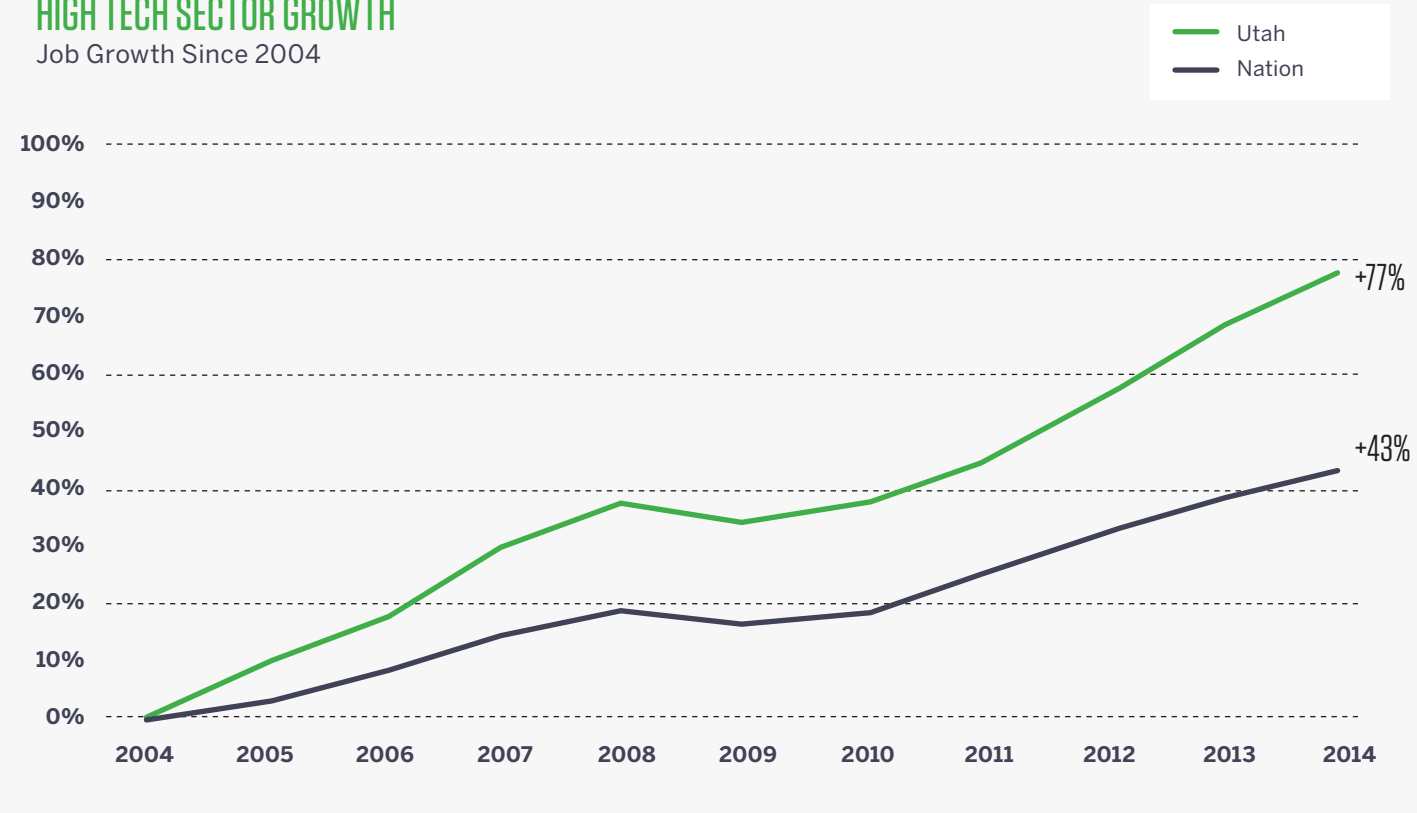
Utah's interest in STEM among high school students and its performance on meeting benchmarks in English, reading, math, and science is essentially on par with the rest of the nation.

Schools throughout Utah can receive help in offering programming for STEM projects. The Utah Department of Workforce Services (DWS) created a \$6 million *STEMLink* grant program to be awarded to schools for in-school and after-school STEM classes. The grants will focus on underserved populations, with the goal of equipping individuals with employable skills and lifting families out of a cycle of poverty. DWS anticipates that at least one school from

each of the state's 41 districts will receive funds to help students consider STEM careers. Lawmakers dedicated \$20 million to the STEM Action Center in the Governor's Office of Economic Development, providing \$15 million in one-time funds and \$5 million in ongoing money from the general fund. The center promotes best practices and is a repository of curriculum, programs, and activities, including coordinating grant opportunities, providing resources to assist students and teachers, developing industry-government partnerships, and providing more pathways to STEM-related occupations.

HIGH TECH SECTOR GROWTH

Job Growth Since 2004



▲ Sources: EMSI, 2014.3. – QCEW Employees, Non-QCEW Employees, and Self Employed

BOOMING HIGH-TECH GROWTH ON THE SILICON SLOPES

Utah's high-tech industries have exploded in the past decade, particularly a group of six key industries covering computer systems design and programming, data processing, software publishers, and Internet publishers. This group of high-tech sectors is up 77% since 2004, approaching twice the national growth rate. Collectively, these industries average \$75,000 in earnings per employee and wield a significant jobs multiplier of 3.5. This means that the economic activity generated in every job in these sectors supports an additional 2.5 jobs in other industries in Utah.

The Utah Technology Council (UTC) is at the heart of Utah's Innovation Community. Industry leaders and associate partners engage in UTC to gain access to decision makers, form strategic relationships, shape future talent, and grow into thriving, sustainable enterprises.

UTC's three top priorities are Talent Shortage, Valuable Connections, and Funding Access. Its accomplishments in those priority areas include:

UTC was a strong advocacy group that championed the School Grading System—The Transparency Act bill. This bill gives every school a letter grade for students' quality of STEM education and preparedness.

UTC's top focus in 2014 was the STEM Action Center bill. After securing a \$10 million investment in 2013, which produced astounding pilot results, a \$20 million appropriation for the STEM Action Center passed both houses in 2014.

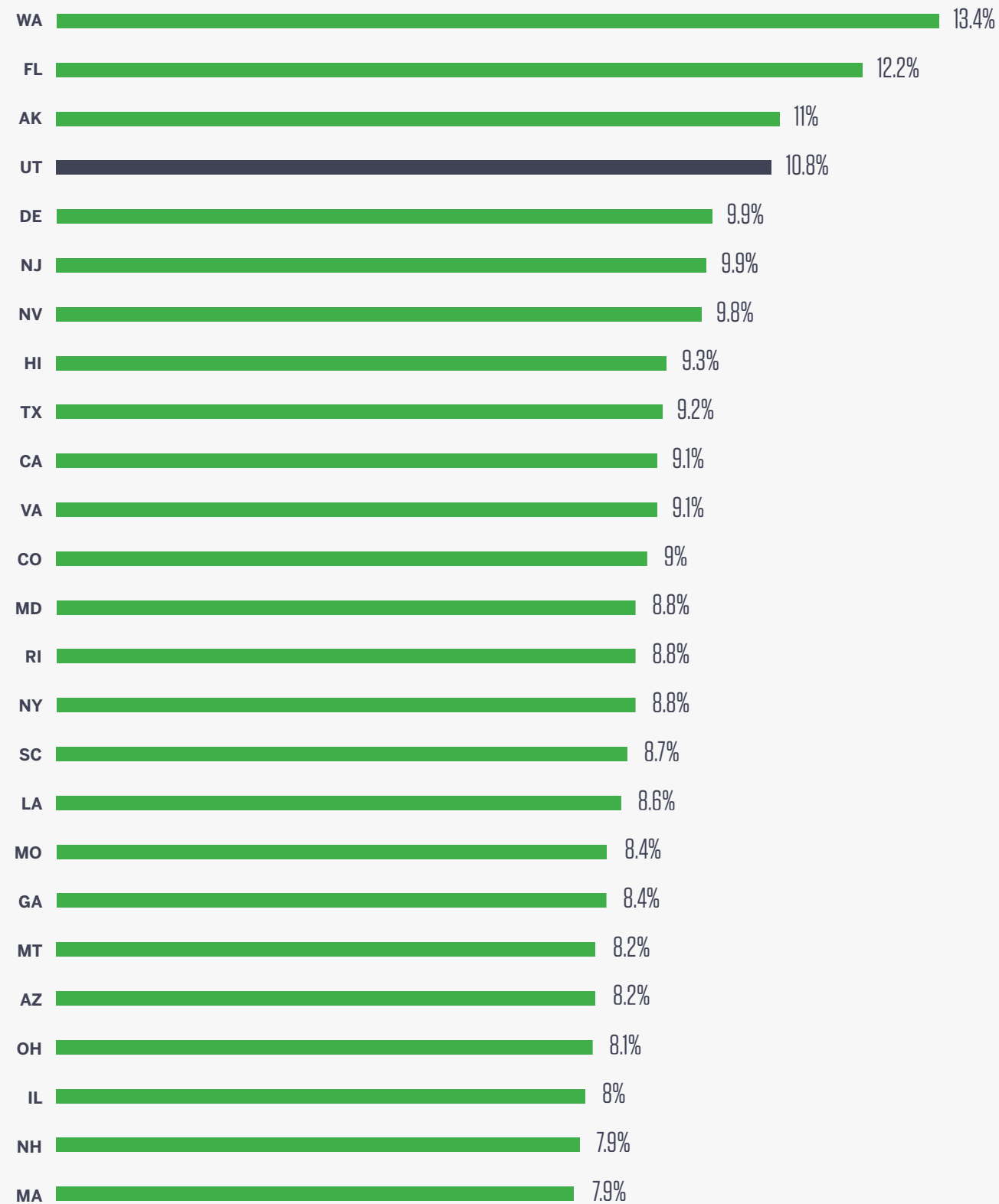
Funds were increased for technology startups with \$40,000 grants starting July 1.

Utah Science Technology and Research Initiative (USTAR) will continue to be funded at the full \$22 million ongoing level, a victory for the innovation framework of Utah.

Stop bad faith demand letters in Utah so that patent troll victims can fight these unfair demands locally.

TOP 25 STATES: SEEDING STARTUPS

New Establishment Startup Rate, 2012*



COLLABORATING TO ENGAGE ENTREPRENEURS

In 2008, Utah passed and enacted legislation creating a series of Business Resource Centers (BRCs) throughout the state.

Today, the state boasts a network of 14 of these one-stop shops catering to the needs of new and aspiring entrepreneurs. BRCs offer a site for small business support programs, including the state’s federally backed Small Business Development Centers (SBDCs) and Procurement Technical Assistance Centers, to be housed in one spot. BRCs pool resources and offer opportunities to build partnerships and collaborate in support of small businesses in their regions. Each BRC is designed to tailor its services and programming to the needs of its specific region of the state, ensuring that opportunities and challenges can be identified and dealt with from the bottom up, improving responsiveness to business needs.

BRCs, established and operated in partnership with key stakeholders by the Governor’s Office of Economic Development, embrace the state’s focus on collaboration as the key to economic success. In addition to housing the state’s SBDCs, Utah’s BRCs offer centralized access to a variety of services and support offered by the “Manufacturers Extension Partnership (MEP), Service Corps of Retired Executives (SCORE), Utah Science Technology and Research Initiative (USTAR), investors, microloan

organizations, business incubators, chambers of commerce, local economic development organizations and resources available at the local educational sponsor.”⁹

These efforts to boost business starts are paying off. Utah ranked 4th in the business startup rate in the 2014 *Enterprising States* rankings.

*Figure is creation rate of new business establishments as a share of total establishments. Source: National Establishment Time Series, YourEconomy.org

EXPANDING THE ENTREPRENEURIAL ECOSYSTEM:

Utah and Women in Business

Utah's collaborative spirit shines through in its efforts to support entrepreneurial women across the state. These efforts—including programming offered through the Salt Lake Chamber—were highlighted in the U.S. Chamber of Commerce Foundation's 2014 *Women-Owned Businesses: Carving a New American Business Landscape* report.

Led by the Salt Lake Chamber and its partners, stakeholders in Salt Lake City and throughout the state have worked to build a robust public-private collaboration focused on providing aspiring women entrepreneurs with easy access to the resources they need to launch and succeed. Utah's sole SBA-supported Women's Business Center (WBC) operates as a nonprofit organization in the Salt Lake Chamber, giving the center access to an expanded toolbox of options to support women starting or growing their businesses. Services offered span from consulting and training to networking with existing business leaders. By housing its center in a network of established businesses committed to working together, Utah's WBC is able to directly connect women entrepreneurs with existing businesses, opening up opportunities for learning, collaborating, and finding new clients and partners.

The WBC, the Salt Lake Chamber, and business leaders have built connections with the state's World Trade Center Utah. The organizations work together to ensure that women-owned businesses have access to global marketing opportunities. The state's support environment for women entrepreneurs is structured around collaboration and teamwork, seeking to leverage the state's "resources to support the women of Utah as they seek to build the next generation of women-owned businesses on the booming Wasatch Front."¹⁰

CLEARING A PATH TO GROWTH

Regulatory Reform and Government Optimization

In his 2011 State of the State Address, Governor Herbert, noting competition from other states, argued that Utah needed to continually refine and distinguish the way that state government relates to business in order to stay ahead of the pack. In addition to identifying low taxes as a way to build a business-friendly environment, he called for a set of regulatory reforms designed to ease burdens on businesses in Utah.

According to Gov. Herbert, while business regulations play an important role in maintaining "a level playing field," it is crucial for government to review regulations from time to time, to "separate regulations that serve an essential purpose, from those regulations that serve no purpose at all."¹¹ To act on this philosophy, the governor directed all members of his cabinet to review business regulations in their departments, identifying "which could be kept, which should be modified, and which will be eliminated."

As a result of this review process, Utah state government agencies identified and reviewed nearly 2,000 government regulations.¹² After the review, 385 regulations were either eliminated or modified, streamlining the regulatory environment faced by new and expanding businesses in the state.¹³ Many of these changes directly cut red tape faced by businesses, modernized agency-business interaction, simplified processes, and removed obsolete or redundant rules. The process identified multiple areas where electronic filing could replace slower, more cumbersome paper filing for permits and reports, easing compliance burdens for already busy entrepreneurs. The state's

Department of Commerce has sped up processing applications for business licenses, implementing new processes that have enabled the state government to issue licenses within three days of the applications being received. In 2013, this led to more than 200,000 licenses being issued with short turnaround times, clearing the way for entrepreneurs to focus on business, not paperwork.¹⁴

The regulatory reforms identified and enacted by Utah's government leaders built on the work done by the state's Utah Advisory Commission to Optimize State Government. Launched in 2009 by the Herbert administration, the commission was charged with identifying "ways to improve efficiency, enhance effectiveness, and optimize performance" in Utah's state government. The commission's final report, issued in 2010, led to restructuring and optimizing operations throughout the state's executive branch. In addition, the commission's work laid the foundation for a "strong culture of continuous improvement"¹⁵ in state government, focused on continually finding ways to do things better, more efficiently, with the least impact on citizens and business in Utah.

Utah is looking to take the positive results of its state-level reforms to the local level, helping communities throughout the state optimize their regulations to create a business-friendly climate. The Herbert administration has pledged to work “with local municipalities to encourage and help them to review their business regulations,” seeking to ensure that local regulations don’t pose a challenge to economic growth in the state.¹⁶

CUTTING COSTS, OPENING MARKETS

As part of its Utah Jobs Plan, the Herbert administration has called on the state to continue to reduce taxes on businesses and to take action to reduce unemployment rates, cutting the cost of doing business in Utah. The state took action to cut the maximum cap on unemployment insurance in 2012, saving businesses millions of dollars in premium costs.

Utah has also moved to expand its proactive outreach in rural Utah through the Business Expansion and Retention Program (BEAR) to support business growth and job creation in rural areas. BEAR focuses on economic gardening—helping companies established in rural Utah find ways to grow, thrive, and build their stature. Program officials conduct face-to-face meetings with businesses in their regions, learn more about their operations, and identify ways to connect them to the state and local resources they need to grow and create jobs.¹⁷ Launched in two counties in 2006, the program has proven successful in 23 out of 25 rural counties in Utah.¹⁸

In 2011, Gov. Herbert called for Utah to set a goal of doubling its exports over a five-year period, replicating the success seen over the previous five years.¹⁹ Now the state and its partners are focused on increasing the

diversity of its exports. The state supports businesses seeking to reach international markets through its International Trade and Diplomacy Office and the World Trade Center Utah. The World Trade Center offers Utah-based businesses access to a variety of support services, including networking, consultation, trade missions, and market research. Since the center’s establishment in 2006, Utah has more than tripled merchandise exports to international markets.²⁰ The state has also launched a global branding initiative focused on developing a “strategy for a unified global brand” to market Utah and its products and businesses around the world.²¹

SOUND FISCAL FOOTING, STRONG ECONOMIC RESULTS

Utah's strong economic performance, driven by its strong focus on embracing a business-friendly environment, has been built on a solid fiscal foundation. State leaders have consistently strived to keep the state's finances healthy and have been rewarded for their efforts. Utah is one of only nine states with an AAA bond rating and was ranked third in the nation in 2014 for overall "state credit quality" by Barron's.²²

Such results are the fruits of dedication by state political leaders. The state carries a moderate debt load, and legislators have made commitments to a "self-imposed" limit to keep general obligation debts below the state's constitutionally mandated cap.²³ Gov. Herbert has also made maintenance of the state's strong credit a key part of his economic plan, calling for "continuous regulatory reform and fiscally prudent management of state government" focused on building a "vibrant business environment" and maintaining the state's sterling AAA rating.²⁴

While Utah's leaders are committed to keeping the state's fiscal house in order, their actions are not a recent trend. The state is one of only four that "have held their AAA credit rating

for 46 years or more."²⁵ This stability has enabled policymakers freedom to focus on taking positive actions to support economic growth from a position of strength and steadiness. While other states have dealt with credit downgrades and fiscal instability, Utah's commitment to steady and effective fiscal policy will help place the state's economy on a solid foundation to deal with challenges and opportunities of the future.

BUILDING FROM STRENGTH AND WORKING TOGETHER PAYS OFF

Utah's balanced approach to economic development and job growth policy is evident in its performance: It is the only state to place in the top 10 rankings for all 6 major *Enterprising States* ranking categories for two years running. State leaders have achieved this success by focusing on the basics and by working together.

Utah's high-tech economy is growing, assisted by state initiatives such as USTAR and the Utah Technology Council. At the same time, the state is a leader in middle-skill job creation. Its *Prosperity 2020* initiative is one of the best examples of a broad-based focus on education and business-government collaboration. State leaders recognize that an effective, people-focused education system is perhaps the most critical element of economic success.

Utah has eschewed grandiose economic development incentives in favor of a collaborative, team-focused approach to economic development. State leaders place common interest above self-interest, a policy approach from which many states could benefit.

ENDNOTES

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