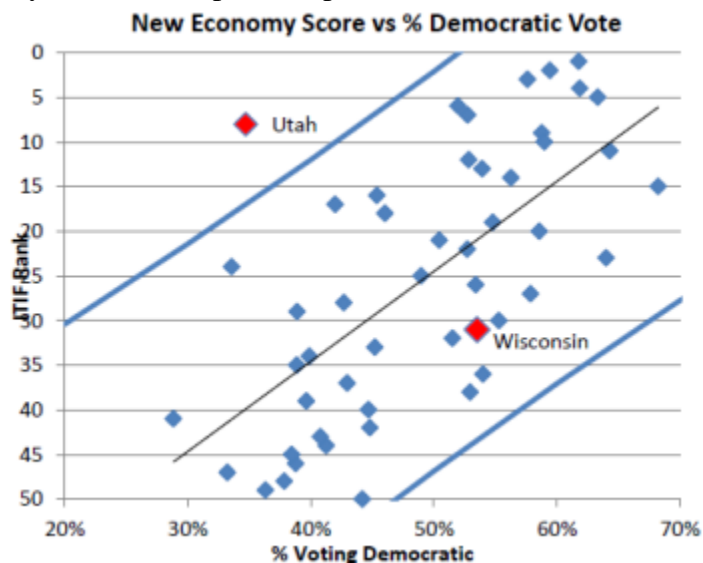




Why Utah Scores High on New Economy Rankings

Yes, it's conservative, but it strongly supports rail transit and urban living. Final story of a series.

By Bruce Thompson - April 2, 2014



New Economy Chart vs Democratic Vote

While there are many possible factors influencing whether a metro area fosters innovation and high-tech startups, experts have pointed to two key ones: a tolerance for odd ideas and a lifestyle/ambience attractive to “nerds” and investors, who typically favor trendy urban areas. Typically the nation’s more liberal areas are more likely to tolerate odd ideas, as I’ve previously written.

As you can see in this chart, states voting Democratic tend to score higher on the Information Technology and Innovation Foundation’s New Economy Index, lending support to the idea that liberal-leaning areas might create an environment more conducive to innovation. But note two exceptions in red: Utah votes heavily Republican yet scores very high on the new economy index and Wisconsin leans Democratic yet has relatively poor scores on the index.

In my second article in this series, I've suggested this state's liberal base hasn't been all that tolerant to new ideas, citing its opposition to school reform, and has also shown an antipathy towards profit-making enterprises that undercut efforts to build a new economy.

Wisconsin's liberals, however, are the epitome of tolerance compared to Wisconsin's conservative base. Numerous organizations currently exist for the prime purpose of attacking and perhaps defeating Republican office holders who stray from the party line. That has reinforced an ideological rigidity and a strong anti-urban bias by Wisconsin's conservatives. Not only is this manifested in hostility towards Milwaukee and Madison, but also in opposition to policies that would allow these and other Wisconsin cities to compete with Boston, Portland, Seattle, and San Francisco on the basis of offering an urban lifestyle. The days when Republican office holders took the lead in pushing for high-speed rail transit or making Wisconsin a leader in environmental protection are long gone.

Of course, the conservative groups pushing for ideological conformity are active throughout the United States. For example, one of the most active, the Koch-supported Americans for Prosperity, claims chapters in 38 states. Yet it is possible to resist the anti-urban philosophy of today's conservatives, as Utah has proven.

By most measures, the state is extremely conservative. As to presidential voting, Utah competes with Oklahoma, Idaho, Wyoming, and West Virginia as the state most favorable to Republican candidates. (To eliminate the skewing effect of the 2012 election, when **Mitt Romney**, a Mormon, was the candidate, I substituted the 2008 voting results for Utah; otherwise, the Democratic vote would have been even lower for Utah.) Several years ago Utah's conservative senator was ousted by a more conservative candidate. And on a variety of social issues, Utah ends up in the conservative camp.

	High-Tech Startup Density	
	1990	2010
Milwaukee-Waukesha-West Allis, WI	1.0	0.6
Madison, WI	1.4	1.0
Salt Lake City, UT	1.6	2.0
Provo-Orem, UT	1.4	1.9

Yet the state scores well on the New Economy index. It is well beyond the 95 percent prediction limit that allows it to qualify as an outlier on the above chart. And it has consistently ranked high for encouraging technology and innovation. In the twenty years between 1990 and 2010, Salt Lake City and Provo increased their score for high-tech start-up density while Milwaukee and Madison declined.

What explains Utah's role as an outlier? One possible explanation is that Mormons are abnormally entrepreneurial. For instance, the expectation that its young members spend a year or two trying to convert skeptical audiences would be excellent preparation for success in businesses.

Or perhaps Utah’s conservatives are a more pragmatic bunch than conservatives in other states. Supporting this thesis is Utah voters’ willingness to embrace rail transportation as part of the states’ transportation strategy.

In recent years, a unifying theme among Wisconsin conservatives has been opposition to any public transportation that uses rails. This opposition has been very effective, killing light rail proposals for the Milwaukee area, killing the proposed commuter line between Milwaukee and Kenosha which would have connected to Chicago, and giving up a federal grant of more than \$800 million for a rail line from Milwaukee and Madison. Now conservatives seem intent upon placing obstacles before Milwaukee’s streetcar proposal.

On most any conservative website in Wisconsin you can find articles attacking rail transportation. Often these are reworked versions of articles used to oppose light rail or streetcar proposals in other states. Two particularly prolific authors are **Randal O’Toole** of the Cato Institute and **Wendall Cox** of the Heartland Institute, who have made a cottage industry of opposing such proposals wherever they arise. The details of the arguments are not always consistent but the conclusions are: rail transport is a bad idea. For example one article argues that Milwaukee lacks the conditions that made the Portland streetcar a success while another argues that Portland’s streetcar was a fiasco.

Given the almost universal opposition to rail transportation from this array of conservative organizations, amplified by Milwaukee talk radio, Wisconsinites might expect that Utah’s conservatism would be the last place where rail transportation could take hold. Yet that perception would be wrong.

Over a period of seven years, Salt Lake City and its environs added 70 miles of tracks on five light rail and commuter rail lines. Transit riders have responded. According to the latest survey by the American Public Transportation Association, ridership on its three modes (buses, light rail, and commuter rail) approximates the total ridership on Milwaukee buses, even though Milwaukee’s population is substantially larger than Salt Lake City’s, whether measured by the city or the metropolitan area. Commuter rail ridership rose 103 percent and light rail rose nearly 7 percent in the last year.

						Population	
Salt Lake City	Average weekday	2012	2013	% Change	City	Metro	
Commuter rail	14,700	1,869.7	3,800.4	103%	189,314	1,123,712	
Light rail	68,100	17,551.8	18,740.6	6.77%			
Bus	72,200	21,222.8	19,444.8	-8.38%			
	155,000	40,644.3	41,985.8	3.30%			
Milwaukee	Bus	141,900	44,049.50	43,008.80	-2.36%	598,916	1,566,981

Back in the 1990s, voters in Salt Lake City rejected a measure to fund light rail but little more than a decade later they embraced transit. Why? Clearly there were conservatives pushing the idea. Perhaps Utah's conservatism is a throwback to the past—the old style conservatism that backed infrastructure improvements all all kinds and which was far more pragmatic than the version that has now come to dominate in Wisconsin and most other states. Whatever the reason, Salt Lake City has been allowed to become more urban, and that is likely to help it attract the kind of entrepreneurs and innovators that are needed to build a new economy.