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UTAH SOCIAL CAPITAL SERIES
PART II

THE KINDNESS OF STRANGERS

Social Trust in Utah

NOVEMBER 2021

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INTRODUCTION

Successful social interactions depend on trust. Social trust has major implications for the prosperity of an economy, the health of a democracy, the strength of the social fabric, and the support of strong social capital. No honest citizen prefers to do business with someone who might be a fraudster or in a place where the politicians demand pay-offs. Nor does anyone prefer to live in a neighborhood where the neighbors might rob or beat you.

One need only look at the economic and political turmoil in places with high levels of corruption to see the consequences of low social trust. When social trust disappears on a large scale, it can lead to civil strife and even war. For a prime example, look at the decline of Venezuela, a country rich in resources but bedeviled by low levels of social trust.[1]

Low social trust can both result from and reinforce economic stratification.[2] Unfortunately, attitude surveys indicate that social trust in the United States has declined dramatically on multiple fronts – including trust in government, trust in institutions, trust in the judgment of fellow citizens, trust of each other and trust in the mass media. In such surveys, Utah has ranked second in the nation on the percentage of adults who say they can trust all or most of their neighbors. However, surveys have also found Utah has below-average levels of trust in the media, educational institutions and corporations.[3]

Against the backdrop of ad hoc national attitude surveys, this installment in the Utah Social Capital Series seeks to measure social trust through four hard indicators that researchers can revisit with consistency at the state level over time. We look at convictions for fraud, penalties for breach of trust and public corruption convictions. We also look at violent crime rates.

BACKGROUND

Social trust can be described as the extent to which people believe that other people in their community will do the right thing most of the time. When such trust is high, people will more easily work together, collaborate in a crisis and reach productive political outcomes.

Various analyses have documented a decline in attitudes reflecting social trust. For instance, one major survey found that whereas 57% of Americans in 2007 had trust in the wisdom of the American people in making political decisions, that number

KEY FINDINGS OF THIS REPORT

- Social trust in the United States has declined dramatically on multiple fronts – including trust in government, trust in institutions, trust in the judgment of fellow citizens, trust of each other and trust in the mass media.
- Utah compares favorably on the measures of social trust employed in this report. The Beehive State outperforms the nation at large across the board.
- Fraud convictions in Utah are below the national average and trending downward. Among the Mountain States, only one other state has a lower level of convictions.
- Utah has the nation's lowest level of breach-of-trust penalties.
- When it comes to federal corruption convictions, Utah performed second best in the nation, behind only Wyoming.
- On violent crime, Utah in 2019 was part of a cluster of three Mountain States (with Wyoming and Idaho) that can boast rates far below the national average. The other five states in the region all had higher than average violent crime.
- Taken together, these measures suggest that Utah is among the better-performing states nationally in terms of social trust, and the best-performing state overall in the region.

FORMAT OF THE UTAH SOCIAL CAPITAL SERIES

Social capital refers to the bonds between neighbors and among networks, which they can use to benefit themselves and the group as a whole. Social capital takes many forms. With this series, the Utah Foundation seeks be comprehensive, gathering data on roughly 30 metrics. We sorted them into seven categories:

- Civic Engagement
- Social Trust
- Community Life
- Family Health
- Social Cohesion
- Future Focus
- Social Mobility

In determining the metrics, we explored other social capital analyses, including the indices created by Joint Economic Council and by Harvard University political scientist Robert Putnam. From these, we culled certain metrics that are not reproduced at regular intervals, which could inhibit comparisons over time. We also added a number of factors either because they would be of particular interest to Utah or because they allow us to flesh out our analysis of certain topic areas. Our analysis compares Utah to the U.S. at large and to the other Mountain States (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico and Wyoming). It also examines trends over time. There is no absolute consensus on how to measure social capital.

had plummeted to about one-third by 2015 and stayed low through 2019.[4] Trust in government itself has declined as well. After an upswing in the late 1990s, trust in government began plummeting after 2000, going from 50% believing that Washington could be trusted most of the time to 16% by 2015.[5] Trust in the news media has plummeted, particularly among conservatives and independents, and the decline in trust is only worsening: One research project's polling produced a 20% decline in its trust index for traditional media from March 2021 to July 2021 alone.[6]

Much of the discussion of social trust in recent years has focused on either a deepening values divide or diminishing trust in institutions. But the decline in trust extends to individuals as well, with interpersonal distrust particularly acute among Millennials.[7]

In this report, the Utah Foundation does not explore social trust in terms of attitudes that one would glean from population surveys. Rather, we look at social trust in terms of factors that would generally promote social trust. We look at fraud convictions to get a sense of the trustworthiness of transactions; we look at penalties for breach of trust to understand how often people used their trusted positions to a nefarious advantage; we look at corruption convictions to explore how trustworthy public officials may be; and we look at violent crime rates to understand how much people should feel safe in their interactions with strangers. We took this approach because those data points are easier to track over time and compare across geographies. Social trust surveys do not occur with sufficient consistency over time and geography for the purposes of this series. At any rate, some social capital scholars argue that social trust attitudes reflect realities and vice-versa.[8]

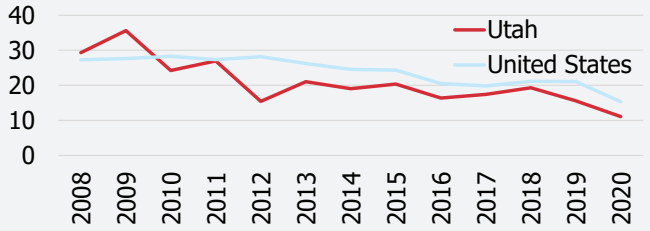
Trust in government began plummeting after 2000, going from 50% of Americans believing that Washington could be trusted most of the time to 16% by 2015.

FRAUD CONVICTIONS

Fraudsters damage social trust, creating a riskier environment for doing business. Where embezzlement or financial scams abound, social trust is eroded and will result in lower levels of social capital.[9] This section focuses solely on fraud, which includes cases of theft and embezzlement. It uses data from the U.S. Sentencing Commission, which provides sentencing statistics from each judicial district, the districts within each judicial circuit, and the districts within each state, which allow for a state-by-state comparison.[10]

Measured by convictions, fraud in Utah appears to be in decline.

Figure 1: Fraud Convictions per Million, Utah and the United States, 2008-2020



For source information on all figures, see the Appendix.

Utah Fraud Convictions Over Time

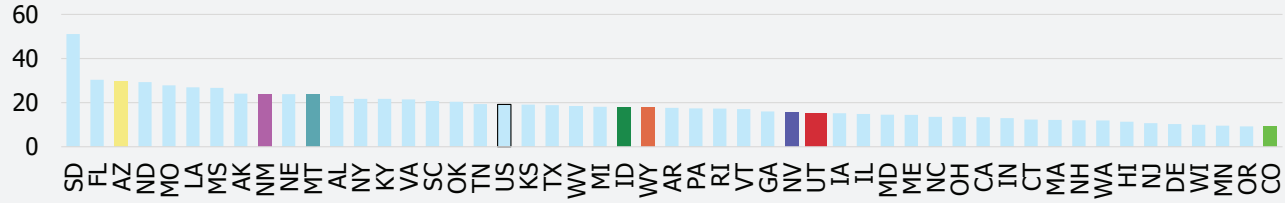
In 2018, Utah had the highest number of Ponzi schemes (a form of investment fraud) per capita in the U.S. And it wasn't close: Utah averaged 1.35 Ponzi schemes per 100,000 people; Florida, the next highest state, averaged 0.51.[11] Ironically, one observer suggested the cause might be that Utahns are too trusting.[12] Indeed, it may be a high level of social capital that facilitates fraud in Utah; one study argued that financial fraudsters exploit social networks.[13] But Ponzi schemes are just one form of fraud. Overall, fraud convictions in Utah have been in decline during the past decade-plus. Fraud convictions in 2020 were at less than one-third the level seen in 2009.

Utah and the Nation

Fraud convictions in Utah fell below the national average a decade ago and have continued to track lower ever since. Convictions in Utah are now in the lower half of U.S. states.

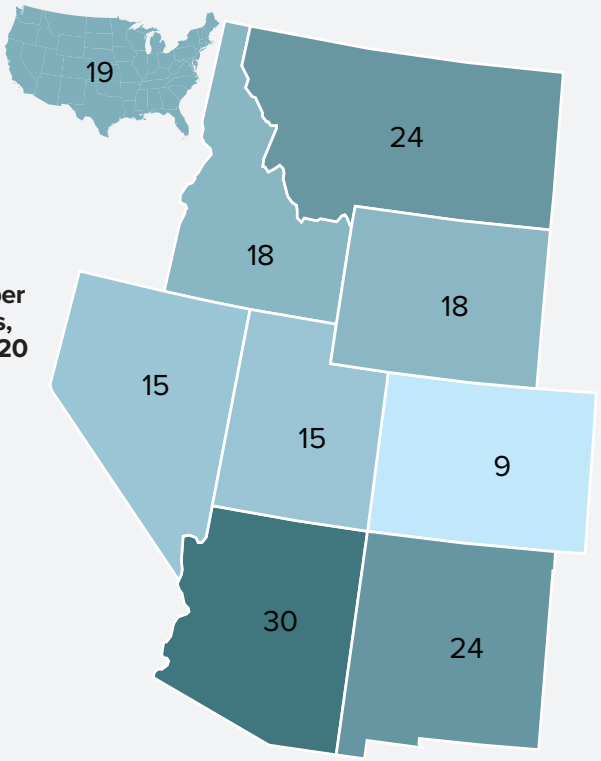
Utah has a below-average rate of fraud convictions.

Figure 2: Fraud Convictions per Million by State, Three-Year Average, 2018-2020



Utah's fraud convictions are second-lowest in the region.

Figure 3: Fraud Convictions per Million in the Mountain States, Three-Year Average, 2018-2020



Fraud Convictions in the Mountain States

Fraud convictions in the Mountain States cover the whole range nationally. Arizona had the third highest number of fraud convictions per million people from 2018 to 2020. Colorado had the nation's very lowest number, with less than one-third of Arizona's number. Fraud convictions in Utah were on the lower side of the Mountain States, at half Arizona's rate. Nevada had a very slightly higher rate than Utah (15.4 convictions per million people versus 15.3).

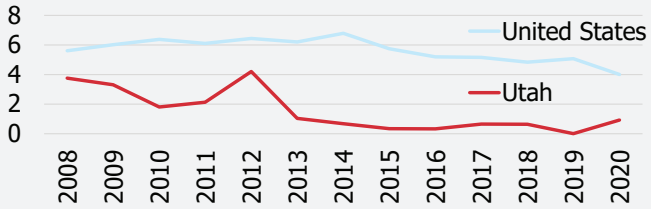
Fraud convictions in the Mountain States cover the whole range nationally. Arizona had the third highest number of fraud convictions per million people from 2018 to 2020. Colorado had the nation's very lowest number.

PENALTIES FOR BREACH OF TRUST

When considering convictions, additional penalties can be added in the cases where there was an abuse of a trusted position. This penalty is not added when the abuse of trust is the basic offense, but when a crime was committed, and the position of the offender helped complete or conceal the offence. For example, this penalty would not apply to embezzlement by a bank teller or clerk but would apply to embezzlement by an attorney acting as a guardian. Other examples could include falsely representing oneself as a legitimate investment broker, lawyer or doctor; a bank executive's fraudulent loan scheme; a teacher or physician abusing a student or patient; a postal service employee tampering with mail; a state employee providing false means of identification; a hospital orderly who misuses patient information; or a volunteer at a charity who misuses information from a donor's file.[14]

Breach-of-trust penalties in 2020 were far lower than in 2012.

Figure 4: Convictions Penalized for Breach of Trust per Million, Utah and the United States: 2008-2020



These crimes, like fraud, are designed to take advantage of individuals' trust in figures of authority such as doctors, lawyers, investment bankers, etc., or the reasonable expectation that people will not misuse the information we entrust to them to ensure they provide accurate services or to complete transactions.

Breach of Trust in Utah Over Time

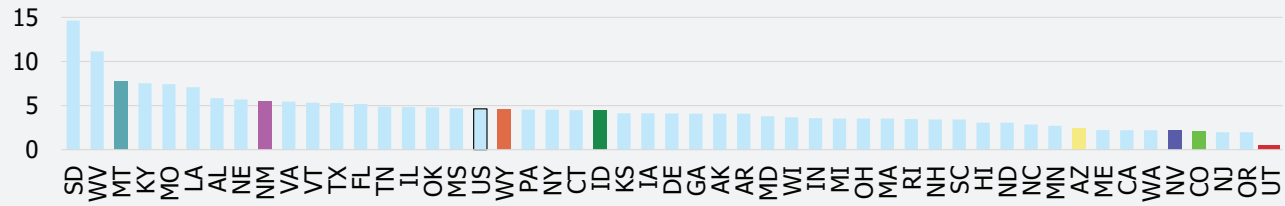
Breach-of-trust penalties in Utah have generally trended downward during the past decade-plus. From a peak of 4.2 such penalties per million people in 2012, the number fell to less than one by 2020.

Utah and the Nation

Breach-of-trust penalties in Utah were well below the national average throughout the 2010s. During the past three years, the national average was nine times higher than the number per million people in Utah. In fact, Utah had by far the lowest number of breach-of-trust penalties per million in the nation.

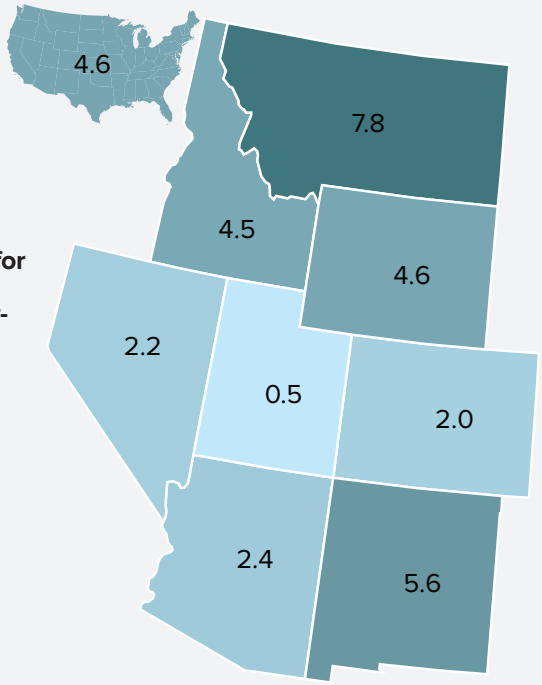
Breach-of-trust penalties in Utah are the lowest in the nation.

Figure 5: Penalties for Breach of Trust per Million by State, Three-Year Average, 2018-2020



Utah and three neighboring states have low breach-of-trust levels.

Figure 6: Convictions Penalized for Breach of Trust per Million in the Mountain States, Three-Year Average, 2018-2020



Breach of Trust in the Mountain States

Most of the Mountain States have a below-average number of breach-of-trust penalties per million people. The rates in Colorado, Nevada and Arizona join Utah well below the national average over the past three years. Only Montana (third-highest in the nation) and New Mexico (ninth-highest) had high rates.

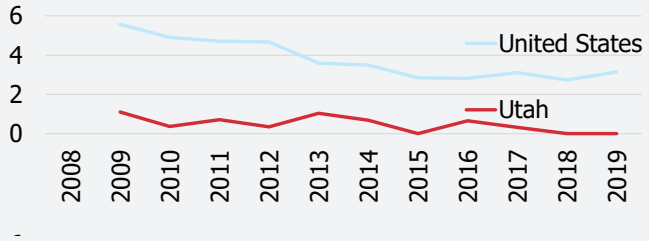
FEDERAL CORRUPTION CONVICTIONS

Corruption begets lower social capital, and lower social capital begets corruption. Corruption in government gives the impression that the society as a whole is untrustworthy and may make actors in that society less likely to cooperate in good faith.[15]

Each year, the Justice Department provides an annual report to Congress that details statistics on the nationwide federal effort against public corruption.[16] Public corruption is defined by the Justice Department as crime involving the abuse of public trust by government officials at the federal, state or local level. The report also provides information on private citizens who are involved in public corruption offenses. The offenses include extortion, bribery, election crimes and criminal conflicts of interest. It should be noted that the level of prosecutorial aggressiveness could affect the number of convictions over time and across geographies.

Utah maintained a low level of federal corruption convictions throughout the 2010s.

Figure 7: Federal Corruption Convictions per Million, Utah and the United States: 2008-2019

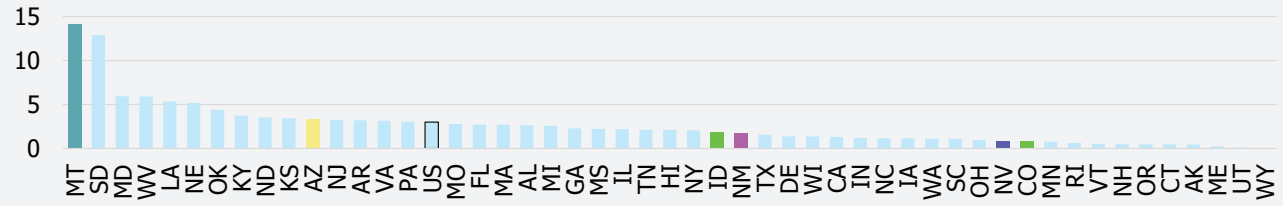


Utah Federal Corruption Convictions Over Time

Utah's federal corruption convictions remain low. In 2018 and 2019, Utah saw zero federal corruption convictions.

Utah has the nation's second lowest level of federal corruption convictions.

Figure 8: Federal Corruption Convictions per Million by State, Three-Year Average, 2017-2019



Utah and the Nation

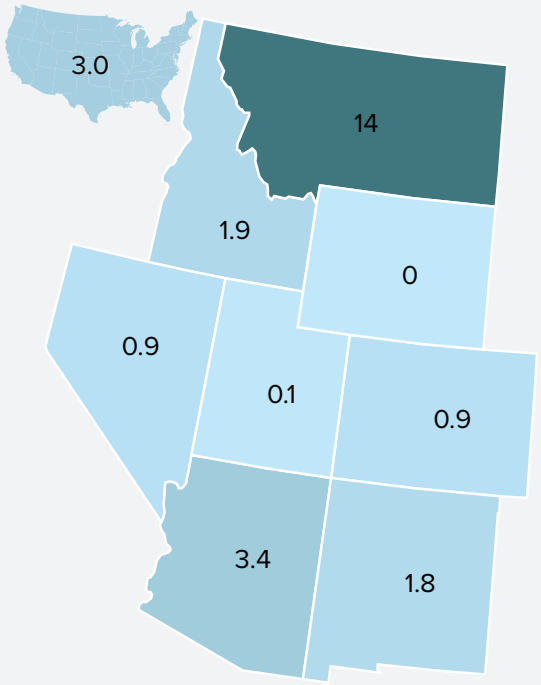
The federal public corruption convictions in Utah have remained well below national levels over time. Utah had the nation's second lowest level of convictions from 2017 to 2019.

Federal Corruption Convictions in the Mountain States

Federal corruption convictions in the Mountain States span from the nation's highest (Montana) to the nation's lowest (Wyoming and Utah). With the exception of Arizona, all of the remaining states in the region are below the national average.

Most of the Mountain States have low levels of federal corruption convictions.

Figure 9: Federal Corruption Convictions per Million in the Mountain States; Three-Year Average, 2017-2019



Low crime rates tend to be indicative of high social capital.

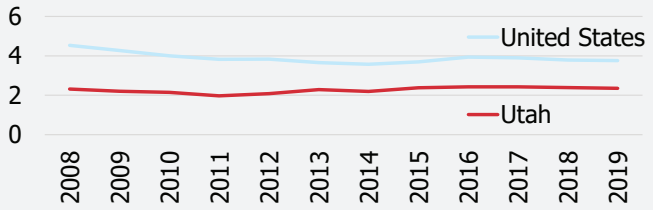
VIOLENT CRIME

There appears to be a strong connection between social capital levels and crime rates. Some posit a negative feedback loop whereby declining social capital leads to higher crime rates, which in turn increases fear of crime, leads people to withdraw psychologically and physically from the community, and reduces businesses and jobs in the community – which in turn further lowers social capital.[17] In short, high crime rates tend to be indicative of low social capital, and vice versa.

The following discussion addresses the most traumatic form of crime to a community: violent crime. These data are from the FBI's estimates based on its Uniform Crime Reporting database.

Violent crime rates in Utah have remained far lower than the national average.

Figure 10: Violent Crime per Thousand, Utah and the United States: 2008-2019



Violent Crime in Utah Over Time

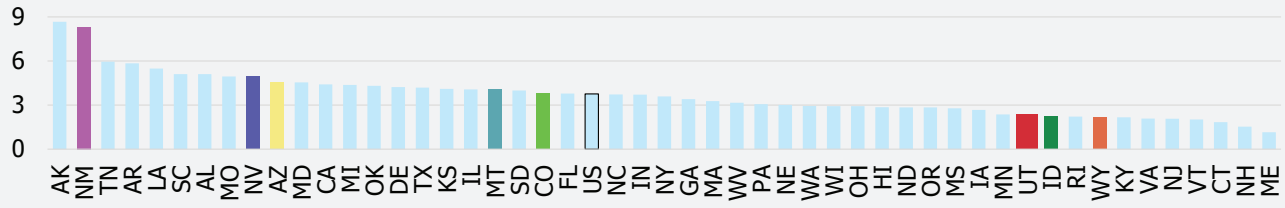
Violent crime in Utah has generally remained stable, though it did trend somewhat upward during the 2010s. From a low of 1.97 violent crimes per 1,000 people in 2011, the number stood at 2.36 by 2019. (Utah's violent crime increased slightly in 2020, though these data are not comparable with the other data in this report.[18])

Utah and the Nation

Violent crime rates in Utah have remained far lower than the national average. As of 2019, the national number of violent crimes per 1,000 people was roughly 60% higher than the Utah rate. That year, Utah had the 11th lowest violent crime rate in the nation.

Violent crime in Utah is relatively low.

Figure 11: Violent Crimes per Thousand by State, 2019

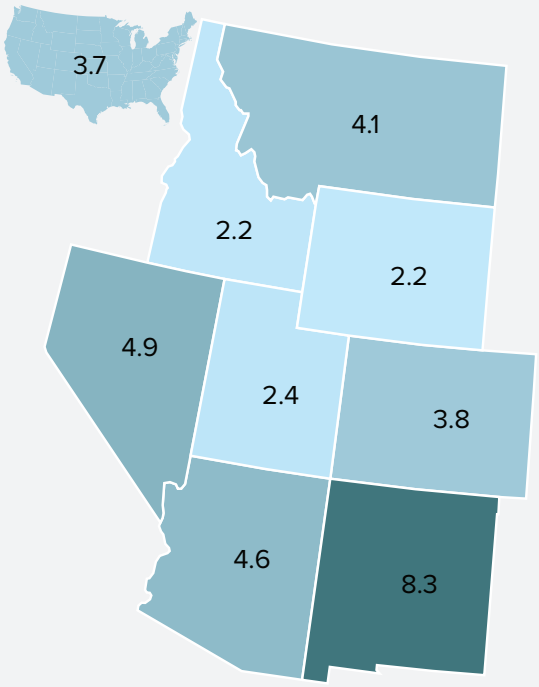


Violent Crime in the Mountain States

There is significant disparity in violent crime rates among the Mountain States. While Wyoming, Idaho and Utah all have among the lowest numbers of violent crimes per 1,000 people, the other five states were above average. Second nationally only to Alaska, New Mexico has far and away more violent crime than the rest of the region. However, Nevada and Arizona are both among the top 10, with violent crime at roughly twice the rates found in Wyoming, Idaho and Utah.

When it comes to violent crime, Utah is among the safest states in the region.

Figure 12: Violent Crime per Thousand in the Mountain States; 2019



CONCLUSION

Utah compares favorably on the measures of social trust employed in this report. The Beehive State outperforms the nation at large on all four metrics. On a couple of measures, the state looks particularly strong.

Fraud convictions in Utah are trending downward. The state performs better than all of the Mountain States, except one: Colorado, the best in the nation on this count. Arizona, on the other hand, is among the worst performing when it comes to fraud.

Utah outperforms the entire nation in terms of breach-of-trust penalties. And it's not even close: The three states tied for second-best performing had four times more breach-of-trust penalties than Utah from 2018 to 2020. At the other end, Montana was the nation's third-worst state for the breach of trust metric.

Montana again performs poorly when it comes to federal corruption convictions, with the nation's very highest number per million people from 2017 to 2019. Utah performed second best in the nation, behind only Wyoming.

On violent crime, Utah in 2019 was part of a cluster of three Mountain States (with Wyoming and Idaho) that can boast rates far below the national average. The other five states in the region all had higher than average violent crime. New Mexico stood out with sky-high violent crime, second nationally only to Alaska.

Taken together, these measures suggest that Utah is among the better-performing states nationally in terms of social trust, and the best-performing state overall in the region. This bodes well for Utah's overall level of social capital. But while three of the trends have moved in the right direction over time, the gradual increase in violent crime warrants attention.

Taken together, these measures suggest that Utah is among the better-performing states nationally in terms of social trust, and the best-performing state overall in the region. This bodes well for Utah's overall level of social capital.

APPENDIX: TECHNICAL DATA SECTION

Fraud Convictions per Capita

Fraud conviction data were taken from the United States Sentencing Commission, or USSC. The data consist of the record of federal fraud convictions only – meaning acquitted individuals and individuals who had charges dropped are not included – and were originally recorded by the federal court district where the conviction occurred before being sorted by state. The data do not include a record of any appeals or acquittals following conviction.[19] Fraud under these circumstances includes theft and embezzlement.

Convictions Including the Abuse of a Position of Trust

Data were taken from the United States Sentencing Commission, or USSC. The final dataset includes all convictions under fraud charges with any conviction flagged as including an Abuse of a Position of Trust under United States Sentencing Guidelines § 3B1.3.[20]

Federal Corruption Convictions per Million

Corruption conviction data came from the U.S. Department of Justice.[21] The data consist of the record of public corruption convictions only – meaning acquitted individuals and individuals who had charges dropped are not included – and were originally recorded by the federal court district where the conviction occurred before being sorted by state. The data do not include a record of any appeals or acquittals following conviction. In some instances, if a conviction occurs during one year and sentencing during another, the case may be recorded in the later year.[22]

Violent Crimes per Thousand

The FBI collects data on violent crime through the Uniform Crime Reporting (UCR) program and uses this and other data to estimate the level of crime across states.[23] The FBI defines violent crime as murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault.[24] In 2013, the FBI broadened the definition of rape for reporting purposes, which affects the time-series data for each state, as some state and local law enforcement agencies continue to report incidents with the former definition.

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