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UTAH SOCIAL CAPITAL SERIES

PART VII



# THE LADDER of SUCCESS

Social Mobility in Utah

JUNE 2022

# THE LADDER OF SUCCESS

Thanks to the following for providing grant support to make this project possible:

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### Research Report 801

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## INTRODUCTION

The idea of the American Dream is intimately bound to notions of opportunities for homeownership and the improvement of one's economic position. To the extent that this is achievable in a given place, people will be more likely to invest themselves there both financially and socially; a high degree of social mobility both reflects and reinforces social capital. But if people perceive that a place does not offer these possibilities, they are likely to lose faith, become alienated from the social structures or break away to seek greener pastures. In addition, some economists argue there's a strong correlation between low social mobility and high levels of economic stratification, which reduces social capital.<sup>1</sup>

This installment in the Utah Social Capital Series seeks to measure social mobility. We do so using four metrics: post-secondary attainment; homeownership levels; the extent to which people are earning more than their parents did; and the proportion of unengaged youth.

## BACKGROUND

Social mobility has received significant attention in recent years, with some economists suggesting that where a child grows up has major implications for economic mobility. Significant differences may be detectable not only at the state level, but also at the local level.

For the purposes of this series, the Utah Foundation defines social mobility as the potential for people to move into higher economic strata from one generation to the next or within an individual lifetime. It should be noted that there may be factors beyond those identified in this report, such as economic preconditions, cultural tendencies or historical circumstances, that promote or correlate with social mobility. However, those may be either conjectural or difficult to measure. The factors selected for measurement in this report do not suffer from those challenges.



### KEY FINDINGS OF THIS REPORT

- Utah is in the top third of states when it comes to educational attainment. Among the Mountain States, only the highly-educated Colorado outperforms Utah in the percentage of population with a bachelor's degree or higher.
- Utah outperforms all of the other seven Mountain States on homeownership – and indeed ranks sixth nationally on this metric.
- As to intergenerational economic mobility, Utah ranks in the top third of the U.S. Among the Mountain States, only Montana outperforms Utah.
- Along with the rest of the nation, Utah has seen a significant long-term decline in intergenerational mobility.
- When it comes to youth engagement in education, training or the work force, Utah performs among the top 10 nationally (with Colorado) and has generally been headed in the right direction.
- Utah and Montana are the most consistent Mountain State performers across all four metrics, implying that they may be the most socially mobile states in the region. By contrast, Nevada performed worst on all four metrics.

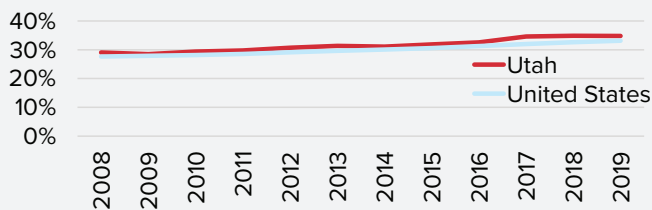
## POST-SECONDARY ATTAINMENT

For many people, a post-secondary degree offers the ticket to social mobility. For the society at large, it can serve as a core means of bolstering the middle class and decreasing economic stratification. As the Utah Foundation has documented, post-secondary attainment is not only critical to individual economic success, it also ripples across generations, as parents with higher educational attainment are more likely to have children who are academically successful.<sup>2</sup> Furthermore, the social networks represent a critical source of social capital both from mentor connections via professor-student interactions and the peer connections through clubs, sports, cohorts and alumni groups.<sup>3</sup>

To examine post-secondary attainment, the Utah Foundation focused on the share of adults over 25 with a bachelor's degree. Importantly, this does not encompass all post-secondary degrees and certifications and the social capital or social mobility advantages they confer; because of data challenges, we focus here only on the subset with a bachelor's degree or higher. Readers should not interpret this as a reflection of the Utah Foundation's preference of one degree type over another. Rather, it is simply a reflection of the difficulties in collecting and comparing the broader data.

### Utah has seen a significant increase in four-year degree attainment during the past decade.

**Figure 1: Share of Adults over 25 with Bachelor's Degrees, Utah and the United States, 2008-2019**



*For source information on the remainder of the figures, see the Appendix.*

### Utah Educational Attainment Trends

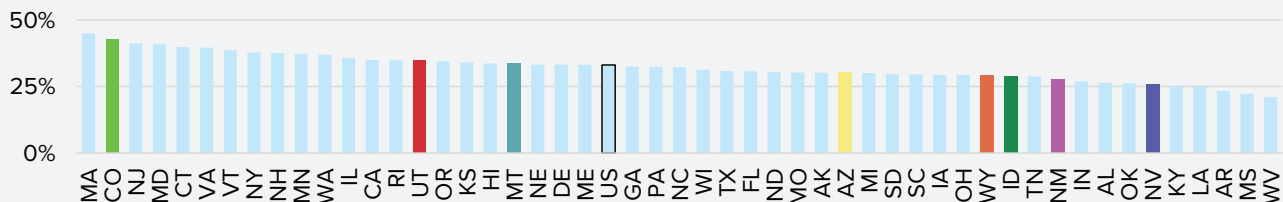
Since 2009, the proportion of Utahns 25 years or older with a bachelor's or higher has been increasing. Graduation rates generally continue to grow as the availability of financial aid and scholarships expands. Online programs also assist students who commute to campus for their education.<sup>4</sup> During the past decade, the percentage of Utahns holding bachelor's or higher degrees has increased by roughly one-fifth, settling at 35% in recent years.

### Utah and the Nation

Utah historically has consistently trended just above the national average in educational attainment. In fact, Utah performs fairly well compared to other states, ranking 15<sup>th</sup> in the percentage of those 25 years or older with a bachelor's or higher.

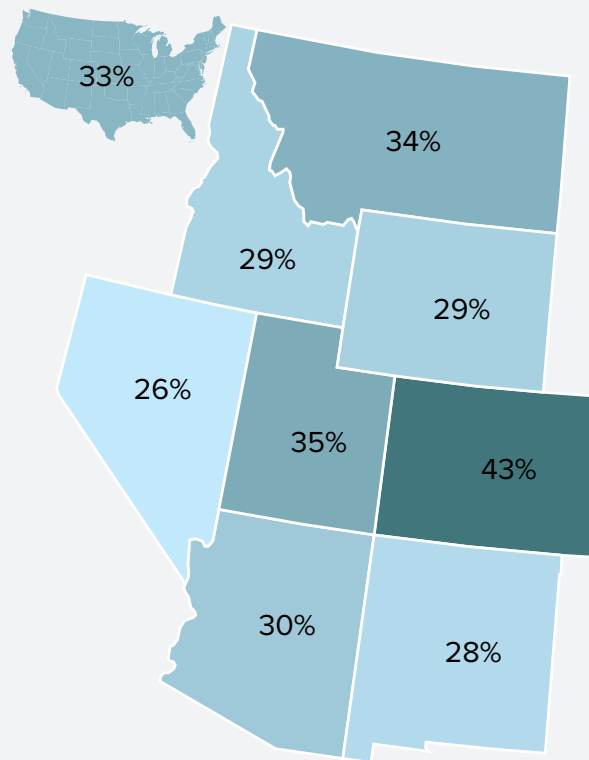
### Utah is in the top third of states in terms of four-year degree attainment.

**Figure 2: Share of Adults over 25 with Bachelor's Degrees by State, 2019**



**Utah ranks second in the region in bachelor's degree attainment.**

**Figure 3: Share of Adults over 25 with Bachelor's Degrees in the Mountain States, 2019**



### Attainment in the Mountain States

In general, the Mountain States do not perform particularly well in terms of the percentage of those 25 years or older with a bachelor's or higher. Only three – Colorado, Utah and Montana – are in the top half of the U.S. Colorado is far and away the stand-out in the region, ranking second in the U.S. behind only Massachusetts.

In 2019, Utah ranked second among the eight Mountain States. All eight saw some degree of improvement during the past decade.

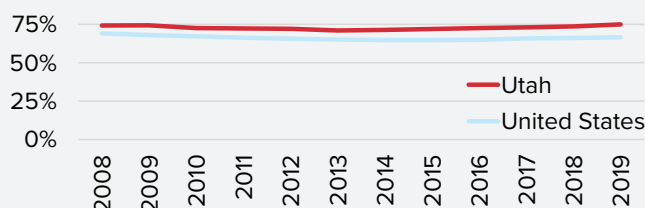
### HOMEOWNERSHIP

Homeownership is a time-tested means of wealth creation in the U.S. Purchasing a first home serves as both a signal of having arrived at middle-class status and an important rung on the economic mobility ladder. Homeowners can mark their progress through the economic ranks by trading up to pricier homes over time. From the social capital perspective, a higher rate of homeownership also suggests a higher level of psychological and physical investment in a community. Homeowners tend to pay more attention to civic affairs locally and to quality-of-life issues in their neighborhood, in part because the outcomes can affect the value of their investment; for many people in the middle class, a home may be the most significant investment they have. Because they pay property taxes, they might also pay more attention to whether tax dollars are used effectively and efficiently.

**Homeownership is a time-tested means of wealth creation in the U.S. Purchasing a first home serves as both a signal of having arrived at middle-class status and an important rung on the economic mobility ladder.**

## After 2013, Utah began a steady upward trend in homeownership.

**Figure 4: Share of Households that Own their Homes, Utah and the United States, 2008-2019**



## Utah Homeownership Over Time

Utah's share of households owning their own home dipped after the 2008 recession, but has since recovered. Homeownership dropped from about 74% in 2009 to 71% in 2013 and has since steadily climbed upward. By 2019, it had reached 75%. It will be interesting to see whether recent spikes in housing prices will arrest the upward trend.<sup>5</sup>

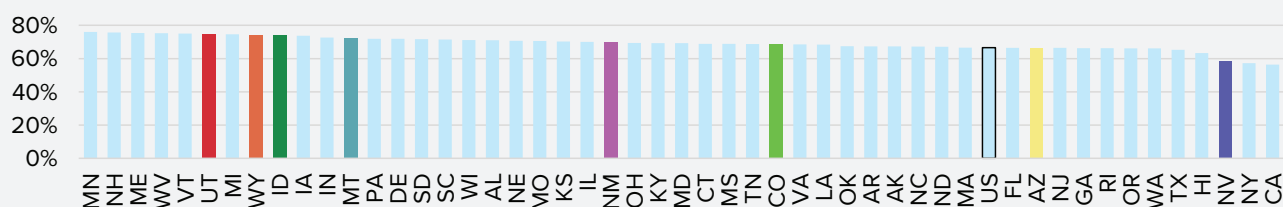
## Utah and the Nation

Utah has consistently outperformed the nation in its homeownership rate. And the gap is growing. Not only did the Great Recession hit U.S. homeowners harder, the nation at large has yet to make a full recovery. Utah, by contrast, fully recovered – and then

some. Moreover, Utah has the sixth highest level of homeownership in the nation. Three of the five states ahead of Utah are contiguous New England states.

## Utah ranks sixth in the nation when it comes to homeownership.

**Figure 5: Share of Households that Own their Homes by State, 2019**



## 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 to be comprehensive, gathering data on roughly 30 metrics. We sorted them into seven categories:

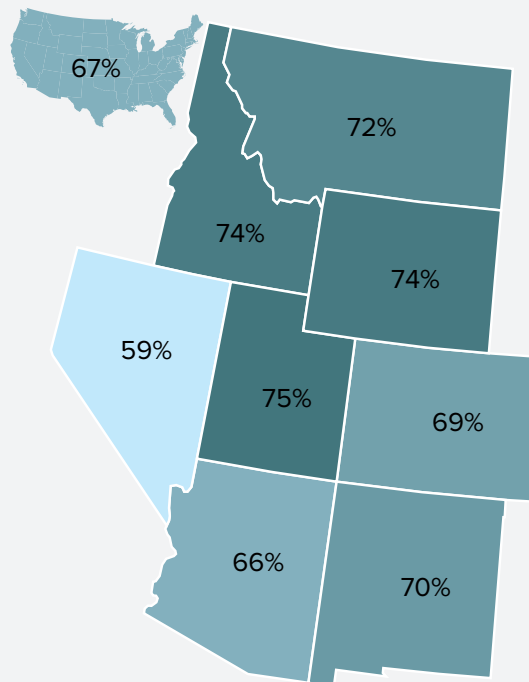
- Civic Engagement
- Social Trust
- Community Life
- Family Health
- Social Cohesion
- Future Focus
- Social Mobility

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.



**Utah is outperforming all other Mountain States on homeownership.**

**Figure 6: Share of Households that Own their Homes among Mountain States, 2019**



## Homeownership in the Mountain States

Utah is the top Mountain State in terms of homeownership, and the rates among the eight states vary widely. Along with Utah, two other states in the region – Wyoming and Idaho – are in the top 10 nationally. Montana also performs fairly well on this measure. All but Arizona and Nevada are above the national average. In fact, Nevada is a significant outlier at the bottom, and is one of only three states with homeownership below 60% (along with California and New York).

## INTERGENERATIONAL MOBILITY

The idea that one generation can outperform the prosperity of their parents' generation is at the heart of the American Dream. It's also at the core of social mobility.

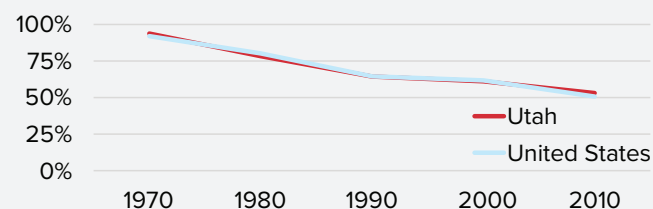
To determine intergenerational mobility, the Utah Foundation looked at the share of individuals at the age of 30 earning more than their parents at the age of 30.

### The Trend in Utah

In Utah, for the 1980 cohort (those who turned 30 in 2010), 53% made more than their parents when their parents were the same age. While this remains a bare majority, there has been a steep decline from the cohort born in 1940 (those who turned 30 in 1970), among whom more than 90% outperformed their parents. In effect, there has been a decline in economic mobility since 1970.

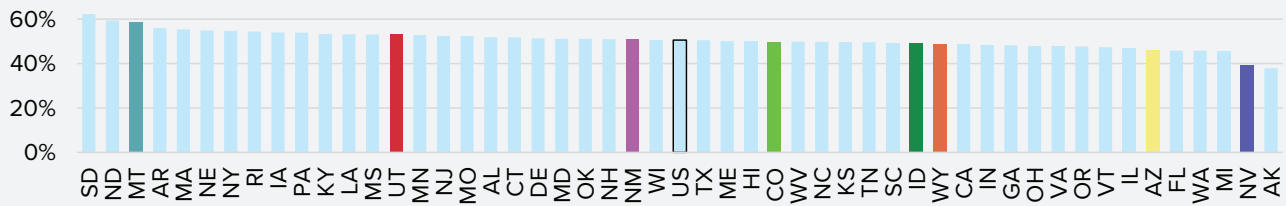
**Utah has seen a significant long-term decline in intergenerational mobility.**

**Figure 7: Intergenerational Mobility, Utah and the United States, 1970-2010 (1940-1980 cohorts)**



## Utah has performed respectably from a national perspective on intergenerational mobility.

Figure 8: Intergenerational Mobility by State, 2010 (1980 cohort)



### Utah and the Nation

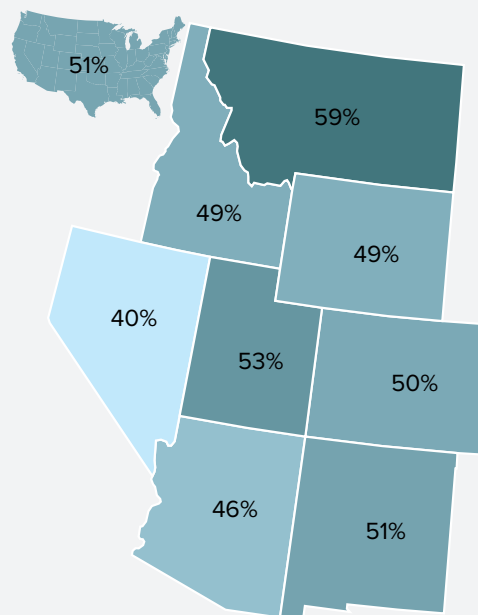
Going back to 1970 (or the 1940 cohort), Utah has generally tracked the nation in its economic mobility decline. From a U.S. perspective, Utah performs respectably, situated in the top third of the states. Interestingly, the top three performing states are contiguous: South Dakota, North Dakota and Montana.

### Intergenerational Mobility in the Mountain States

Collectively, the Mountain States match the national average, with 50% of the 1980 cohort (those who turned 30 in 2010) making more than their parents at 30. Among the Mountain States, Montana has the highest share of people earning more than their parents at the same age, at 59%. Utah and New Mexico follow with 53% and 51%, respectively.

**Among the Mountain States, only Montana outperformed Utah on intergenerational mobility.**

Figure 9: Intergenerational Mobility in the Mountain States, 2010 (1980 cohort)



Nevada comes out particularly poorly, with less than 40% outperforming their parents. The state has also seen the most precipitous decline on this metric.

While data from the 1990 cohort are not yet available, there is some recent indication that Utah and other states in the region have strong income growth. Four Mountain States ended 2020 atop the nation in personal income growth. Arizona and Montana experienced an increase of 7.1% in personal income. Utah ranked third in the country with a 6.9% increase, followed by Idaho with a 6.8% annual increase. Most of the personal income growth came from government transfers in the form of stimulus payments related to the pandemic crisis. However, Utah ranked #1 in the nation when personal income growth was calculated without government assistance – gaining 2.3%.<sup>6</sup>



Workforce participation and education are important means of building social capital for young people. Unless unengaged youth change their paths, they are likely to suffer lifelong deficits in social capital.

## UNENGAGED YOUTH

Youth engagement in employment, education and training provides indications about both their current level of social engagement and their future economic mobility. The following discussion looks at those not engaged in any of these three activities. Workforce participation and education are important means of building social capital for young people. Unless unengaged youth change their paths, they are likely to suffer lifelong deficits in social capital.

### Unengaged Utah Youth Over Time

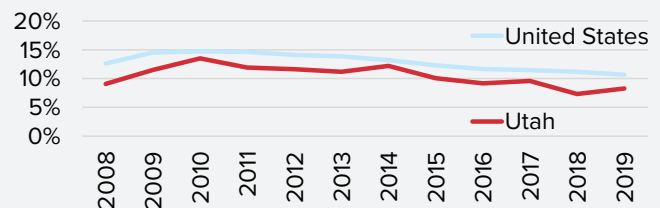
Fortunately, the share of Utah youths aged 16 to 25 not engaged in employment, education or training has seen a decline, particularly since 2014. That year, the number stood at 12%. By 2019, it stood at 8%. This improvement largely reflects an economic upswing that took root in the mid-2010s and continued through the end of the decade.

### Utah and the Nation

Utah consistently outperformed the U.S. in the share of unengaged youth throughout the 2010s. As of 2019, the number nationally was 11%, compared to only 8% in Utah.

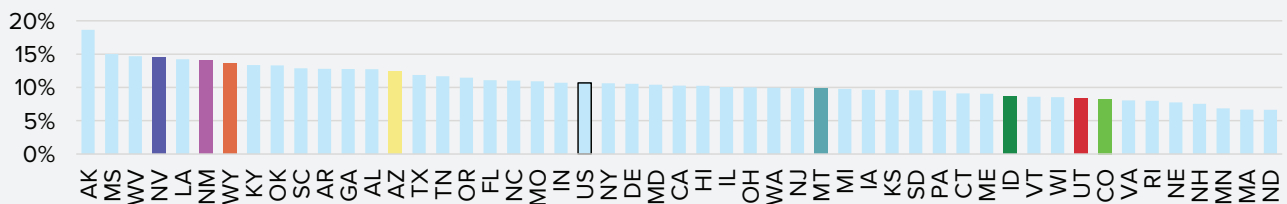
Utah has made recent strides in reducing the share of unengaged youth.

**Figure 10: Share of 16- to 24-Year-Olds Not in Employment, Education or Training, Utah and the United States, 2008-2019**



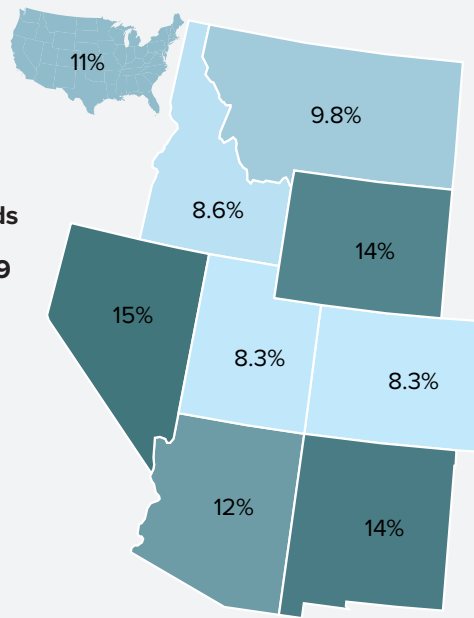
Utah is among the best-performing states when it comes to engaging youth in education, training or work.

**Figure 11: Share of 16- to 24-Year-Olds Not in Employment, Education or Training by State, 2019**



**Utah, Colorado and Idaho stand above the rest of the region on engaging youth.**

**Figure 12: Share of 16- to 24-Year-Olds Not in Employment, Education, or Training in the Mountain States, 2019**



## Unengaged Youth in the Mountain States

There is a strong divergence in the Mountain States when it comes to unengaged youth, with three states – Nevada, New Mexico and Wyoming – performing among the worst in the nation and three others – Colorado, Utah and Idaho – performing among the best. Montana was above average. As a whole, the region (along with the nation) saw notable improvements during the 2010s.

## CONCLUSION

The exploration of social mobility in this report suggests that Utah is performing comparatively well. The state stands out on two of the four measures: homeownership and youth engagement.

Utah is in the top third of states when it comes to educational attainment. Among the Mountain States, only the highly-educated Colorado outperforms Utah in the percentage of population with a bachelor's degree or higher.

As noted, homeownership is a particular strong point for Utah. The Beehive State outperforms all of the other seven Mountain States – and indeed ranks sixth nationally on this metric.

As to intergenerational economic mobility, Utah again ranks in the top third of the U.S. Among the Mountain States, only Montana outperforms Utah.

When it comes to youth engagement in education, training or the work force, Utah performs among the top 10 nationally and has generally been headed in the right direction. As of 2019, Colorado's numbers matched Utah's.

Utah and Montana are the most consistent Mountain State performers across all four metrics, implying that they may be the most socially mobile states in the region. By contrast, Nevada performed worst on all four metrics.

Looking ahead, the numbers suggest that Utah should place continued emphasis on boosting youth engagement and post-secondary attainment levels to ensure the state resumes an upward trajectory and pulls closer to the very top tier of states. It is clear that bolstering Utah's strong homeownership numbers could become an increasing challenge in the face of higher home prices. But perhaps most startling is the long-term decline in intergenerational mobility. Although it mirrors a national decline, Utah should explore underlying causes and look for opportunities to buck the downward trend.

## **APPENDIX: TECHNICAL DATA SECTION**

### **The Share of the Adults over 25 with a Bachelor's Degree**

Data on the share of residents and their educational attainment were collected from the U.S. Census Bureau's American Community Survey Datatables.<sup>7</sup> Educational attainment only measures adults 25 and older. Data were available from 2008-2019.

### **The Share of the Households that Own their Home**

Data on the share of residents born in the state in which they currently reside were collected from the U.S. Census Bureau's American Community Survey Data tables.<sup>8</sup> Data were available from 2008-2019.

### **Share of Individuals at the Age of 30 Earning More than their Parents at the Age of 30**

Opportunity Insights collects data to show how various factors impact the future opportunity of individuals. One of these collections analyzes the share of individuals at the age of 30 earning more than their parents at the age of 30. The measure is produced every 10 years, with the latest data being for 2010 (from the 1980 cohort). The 1990 cohort has now passed 30, but updated estimates are not yet available.<sup>9</sup>

### **The Share Of 16- to 24-Year-Olds Not in Employment, Education or Training**

To calculate this metric, the Utah Foundation used the public use microsample (PUMS) dataset from the American Community Survey (ACS). Individuals were classified as not in employment education or training if they fit the defined age brackets, reported as unemployed or not in the labor force, and has not attended a public or private school in the last three months. Data were available from 2008-2019.

## Endnotes

- 1 See Wilkinson, Richard, and Pickett, Kate, *The Spirit Level: Why Greater Equality Makes Societies Stronger*, New York: Bloomsbury Press, 2011. See also the Utah Foundation’s analysis of economic stratification and social cohesion in this series.
- 2 See Utah Foundation, *Beating the Odds: Post-Secondary Success for Adult, First-Generation and Lower-Income Students* (February 2021) and *Making the Grade? K-12 Outcomes and Spending in Utah* (August 2019). See also The Hamilton Project, “Thirteen Economic Facts about Social Mobility and the Role of Education,” June 26, 2013, [www.brookings.edu/research/thirteen-economic-facts-about-social-mobility-and-the-role-of-education/](http://www.brookings.edu/research/thirteen-economic-facts-about-social-mobility-and-the-role-of-education/).
- 3 Miracle, Jeffrie W., *Higher Education in the Creation of Individual Social Capital: A Student Organization Ethnography*, unpublished doctoral dissertation, University of Pittsburgh, 2013, <http://d-scholarship.pitt.edu/18705/>.
- 4 USHE, “USHE 2017 Data Book,” February 2017, <https://ushe.edu/wp-content/uploads/pdf/databook/2017/USHE2017DataBook.pdf>.
- 5 See the recent Utah Foundation releases on housing affordability at [www.utahfoundation.org/reports/upp2020-no7-housing-affordability/](http://www.utahfoundation.org/reports/upp2020-no7-housing-affordability/).
- 6 Utah Foundation, “Utah Leads the U.S. in Personal Income Growth,” *Significant Statistics*, 2020, [www.utahfoundation.org/2021/06/significant-statistics-utah-leads-the-u-s-in-personal-income-growth-during-2020/](http://www.utahfoundation.org/2021/06/significant-statistics-utah-leads-the-u-s-in-personal-income-growth-during-2020/).
- 7 U.S. Census Bureau, 2019, “Educational Attainment for the Population 25 Years and Over,” <https://data.census.gov/cedsci/table?tid=ACSDT1Y2019.B15003>
- 8 U.S. Census Bureau, 2019, “Geographical Mobility in the Past Year by Tenure for Current Residents in the United States,” <https://data.census.gov/cedsci/table?tid=ACSDT1Y2019.B07013>.
- 9 Opportunity Insights, “Absolute Income Mobility by Childbirth Cohort and State,” <https://opportunityinsights.org/data/>.



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