

SALT LAKE COUNTY

GLOBAL TRADE & INVESTMENT PLAN

The Global Cities Initiative,
a joint project of Brookings
and JPMorgan Chase

2017

SLC
SALT LAKE
COUNTY
ECONOMIC
DEVELOPMENT



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EXECUTIVE SUMMARY

Most indicators suggest that Salt Lake County's economy is thriving. In the face of low unemployment and high labor force participation when compared with the national average, Salt Lake County has seen its middle class shrink and its poverty rate increase. The combination of these economic indicators point toward stagnating wages that have not kept pace with the cost of living—even in Salt Lake County, which is more affordable than most peer metro regions. The Salt Lake County Global Trade and Investment Plan (the Plan) is premised on the understanding that globally engaged metro regions weathered the Great Recession more successfully than less-engaged regions. Furthermore, data suggest that businesses that are globally engaged tend to pay higher wages than businesses that do not engage globally.

With the desire of increasing the quality of life in the county by creating more high-wage jobs for residents of all educational and skill levels, the Plan assesses the current state of the regional economic landscape and presents a plan for the future. In doing so, the

Plan outlines a framework for regional economic development that will guide future efforts in Salt Lake County. This framework points to the necessity of balancing investments in infrastructure, workforce development, business retention, expansion, and outreach, and external investment and recruitment. Along with a framework for moving forward, the Plan presents an in-depth market assessment, a snapshot of the county's current economic landscape.

The months-long market assessment yielded nine key findings that have been organized into three discrete but interconnected categories: Exporting, Foreign Direct Investment (FDI), and Talent Recruitment. These key findings highlight a lack of diversity in Salt Lake County's export portfolio, the role of small and medium enterprises (SMEs) in the county's globally engaged market,

and challenges associated with the State's image in recruiting high-talent individuals to the region, among others. When viewed through the county's framework for economic development, these key findings inform the strategies, tactics, and policy proposals outlined herein. The proactive completion of the Plan's strategies, tactics, and recommendations will ensure that the county is well-positioned to support the private sector's offering of high-paying jobs and unparalleled quality of life to a fast-growing population.



INTRO

Through a coordinated effort led by Salt Lake County Mayor Ben McAdams, the Salt Lake metro region is addressing the opportunities and challenges brought on by globalization through the development of a data-driven plan aimed at expanding export potential and increasing international investment into the region. The Plan aims to increase SME export activity and FDI into the region in alignment with the county's "Future We Choose" strategy, which focuses on building a healthy community made up of healthy people, healthy places, expanded opportunities, and a responsive government.

The Plan details that while the county is home to 37¹ percent of the State's population, it is responsible for 48 percent of Utah's non-farm jobs² and 69 percent of Utah's goods exports.³ And while the county is responsible for an outsized share of exports, 63 percent of those exports originate from a single industry.⁴ Furthermore, despite Salt Lake County's role in helping make Utah the top state for business, wages within the county have stagnated, contributing to increasing poverty rates despite decreasing unemployment numbers.

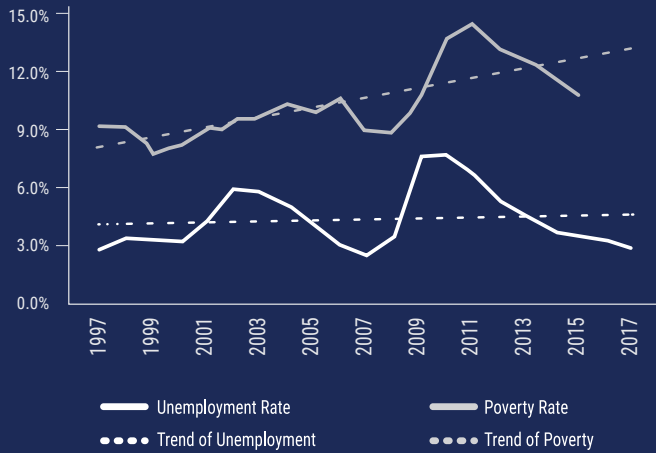
1- "Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2016," U.S. Census Bureau, 2016.

2- "County Employment and Wages in Utah – First Quarter 2016," Bureau of Labor Statistics, 2016.

3- "Salt Lake City, UT Merchandise Exports in 2015," International Trade Administration, 2016.

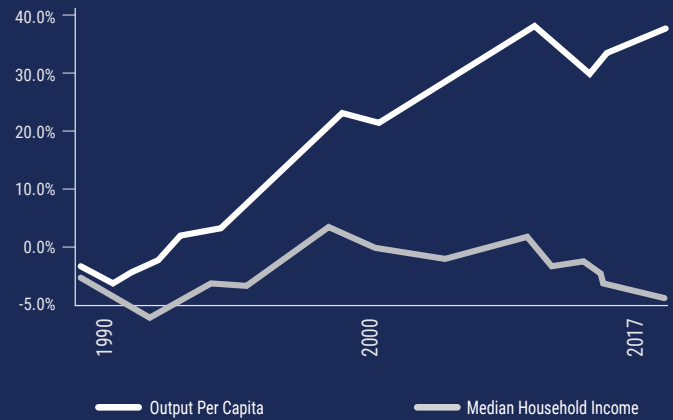
4- Ibid.

Unemployment and Poverty (Annual Averages)⁶



Salt Lake County Poverty Increases despite Lower Unemployment

Purchasing Power of Wages Has Decreased⁷



Nationwide Output Increases despite Lower Income

Salt Lake County Portion of
State Population⁵

63%

3,051,217

INTRO

continued

This trend accompanies national data suggesting that per capita expenditures are increasing at a faster rate than income growth. Such data raises the question of whether individuals and families in the United States (U.S.) are and will be better off, despite job creation and general economic recovery. The homology between local and national trends is troubling, especially considering the anticipated

population growth in the region over the next few decades.⁸

Such disparities underscore the need for action. This Plan is an attempt to simultaneously sustain Salt Lake County's positive economic characteristics while mitigating concerns that have real implications on the lives of county residents. It also aims to avoid complacency and mere back-patting, instead proactively building an economic landscape that meets the needs of current and future residents and adapts to an increasingly global marketplace.

During the 2016 presidential election cycle, much of the debate hinged upon international engagement: discussion of the Trans-Pacific Partnership, concerns over immigration, the off-shoring of American jobs. Similar discussions are happening throughout the world as protectionism has emerged in response to economic downturns, stagnating wages, and worker displacement.

The concerns and the struggles of persons whose jobs were displaced by automation, by slowing industries, and by off-shoring need to be addressed in order to create a more robust and sustainable economy that works for all people.

While Salt Lake County has not experienced worker displacement to the same extent as Rust Belt regions, we are not immune to the forces that have led to high unemployment and low workforce participation in other regions. And while we are not immune, we can be better protected. It is the purpose of this Plan to further protect the region's economy from downturn by increasing the region's fluency in and engagement with the global economy through export activity and FDI.

This Plan is based on a comprehensive assessment of Salt Lake County's market that highlights nine key findings. From these key findings, goals have emerged that inform strategies and tactics for moving forward.

37%

1,121,354

5- "Annual Estimates of the Resident Population," U.S. Census Bureau, 2016.

6- Data from U.S. Census Bureau and Utah Division of Workforce Services.

7- Data from the Brookings Institution.

8- "A Snapshot of 2050," Utah Foundation, 2014.

REMAINING RELEVANT IN AN INCREASINGLY GLOBAL ECONOMY

With protectionist sentiments dominating global and national politics, Salt Lake County is at a crossroads. The rise in protectionist sentiment in the U.S. is linked to displaced workers throughout the country whose jobs have been lost to cheaper labor markets overseas, particularly following the Great Recession. Despite the overall economic recovery, many of the manufacturing jobs have not been replaced. Instead, industry shifts led to new job creation in service and technology industries while the manufacturing sector was left gutted. This shift resulted in large-scale worker displacement and unemployment. Thus, even while unemployment is at a "healthy" level, labor force participation has declined, leading to tens of thousands of individuals throughout the country without work and unable to provide for themselves and their families.

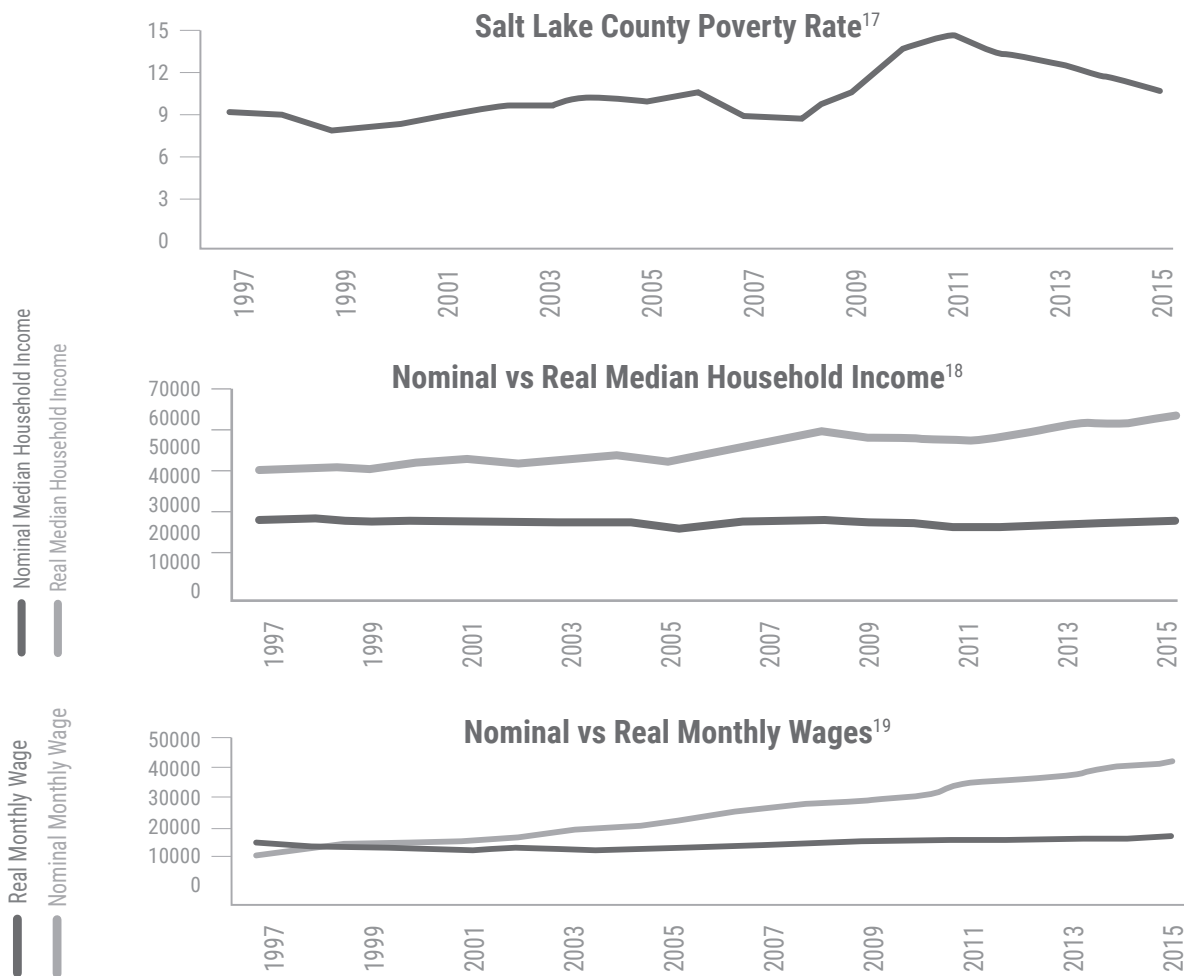
The struggles of these individuals are real and have broad social consequences. Protectionism has emerged in response to these struggles as a possible solution. However, it is impossible to return to a "simpler" pre-globalized world. Furthermore, such a world may never have existed as it is portrayed. Rather, protectionism builds from a sentimental nostalgia and presents a world that may never have existed as the ideal past to which we should return. Because of this, the answer cannot be movement backward and inward, but must be forward and outward.

This is not to suggest that increased global engagement is a panacea to the struggles of displaced workers or to the poor or the homeless. Increased global engagement cannot solve all economic problems that we are faced with; however, national data suggest that jobs at foreign-owned companies pay an average of 28 percent higher wages than jobs in domestically-owned companies.⁹ This FDI at once creates higher-wage jobs and brings foreign capital into a regional system. Furthermore, 95 percent of consumers now live outside the U.S. and 81 percent of global economic growth is projected to occur beyond U.S. borders over the next four years.¹⁰ With such growth occurring exterior to the U.S., it is essential to connect with new foreign markets, new consumers, and the new global middle class in order to remain globally relevant.

Exporting, like FDI, is a means of accessing outside capital. Nationally, increases in exporting activity have resulted in 6,000 jobs per \$1 billion in export value.¹¹ This correlation is due, in part, to the indirect impacts of companies deciding to export: the creation of transportation and warehousing jobs, for example. Firms that export goods and services also return lower unemployment, increased worker productivity, and approximately eighteen percent higher wages.¹² Furthermore, companies that export are not constrained by shifts in local seasons or markets and are protected from certain business risks.

Salt Lake County has weathered the Great Recession relatively well. Despite such resilience, however, the region has seen poverty rates climb over the past decade, despite strong job growth (3.5 percent),¹³ low unemployment (2.9 percent),¹⁴ and labor force participation rates (73.2 percent) that are more favorable than the national average (65.9 percent).¹⁵ This is due, in part, to wage stagnation that extends back decades. While median household income in Salt Lake County was \$65,549 in 2015, that is a mere 0.6 percent increase from 1997 levels when adjusted for inflation.¹⁶ Thus, while median household income has grown nearly 50 percent, this growth has been outpaced by the cost of living, resulting in a growing portion of employed persons unable to meet their basic financial obligations.

Salt Lake County needs to proactively create economic opportunity for all residents in order to meet the needs of the region's un- and underemployed populations as well as the working poor. Such activity will require looking beyond county, state, and national borders. In other words, increasing economic opportunity and resiliency within the metro region requires increasing global engagement.



Increasing global engagement can and should take advantage of Salt Lake County's position as the "Crossroads of the West" with its robust transportation infrastructure that connects the region to the rest of the world through air, rail, and interstate routes. Furthermore, the strong linguistic diversity and deep international connections found

in immigrant populations and among members of The Church of Jesus Christ of Latter-day Saints (LDS) create opportunities for increased global engagement. As these latent assets are employed, Salt Lake County can position itself as prime international business hub with an increasingly diverse and resilient economy.

9- Data from the Brookings Institution.

10- Ibid.

11- Data from the International Trade Administration, 2016.

12- David Riker, "Export-Intensive Industries Pay More on Average: An Update," U.S. International Trade Commission, 2015.

13- "Nonfarm Employment in Utah's Counties," Utah Division of Workforce Services, 2017.

14- Ibid.

15- Ibid.

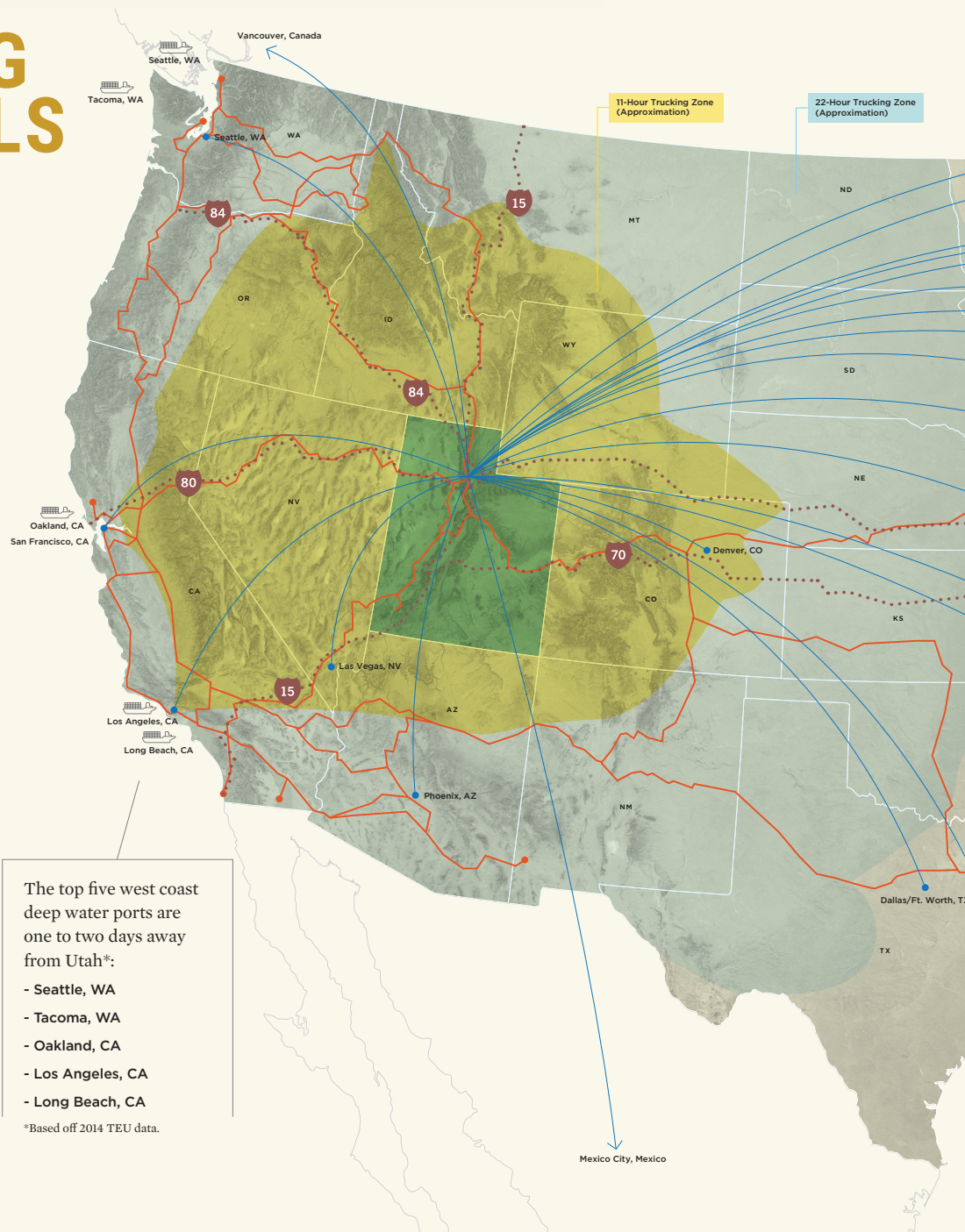
16- Ibid.

17- Data from U.S. Census Bureau, 2016.

18- Data from Utah Division of Workforce Services, 2016.

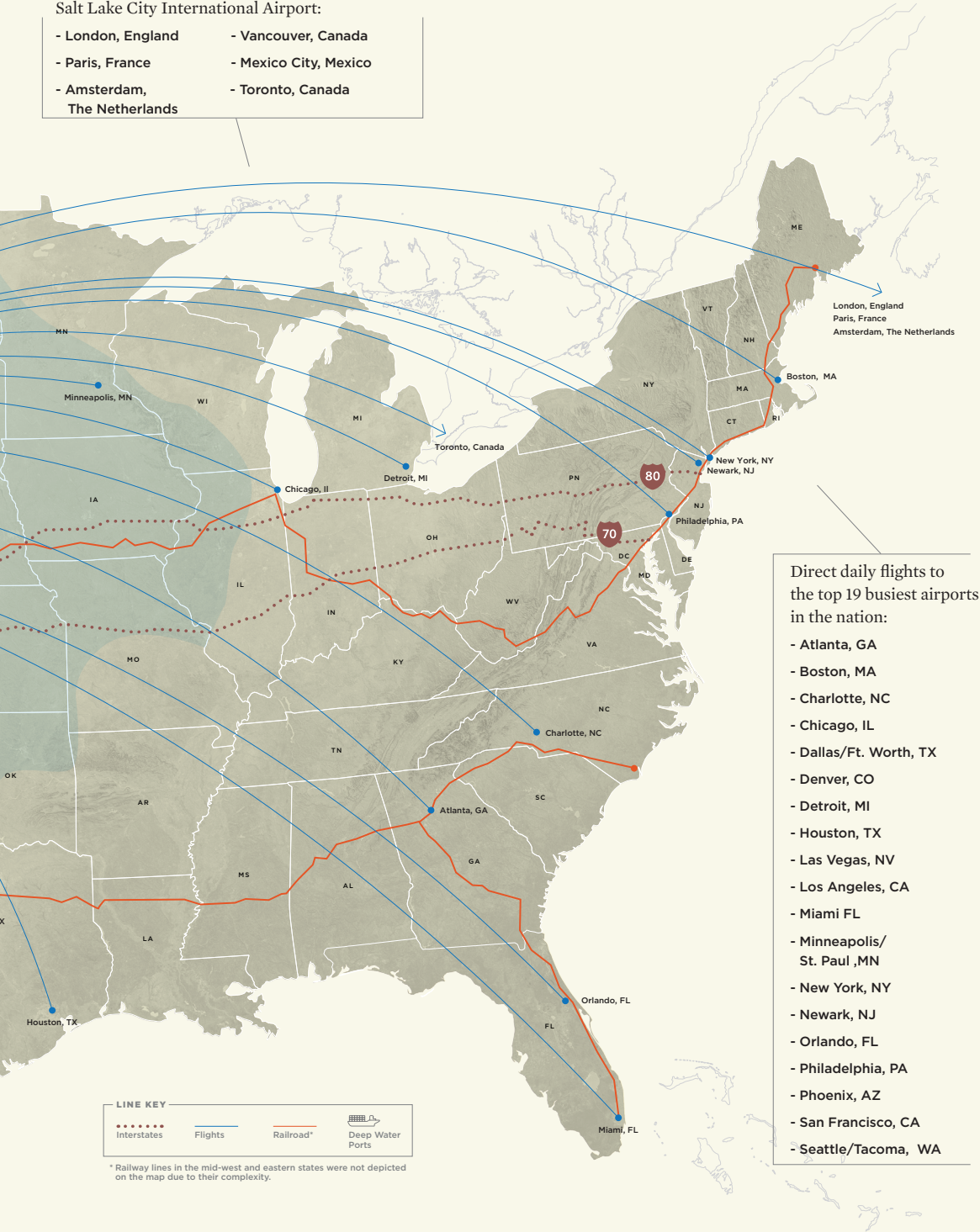
19- Ibid.

UTAH SHIPPING CHANNELS



International markets with direct flights from Salt Lake City International Airport:

- London, England
- Paris, France
- Amsterdam, The Netherlands
- Vancouver, Canada
- Mexico City, Mexico
- Toronto, Canada



GLOBAL ENGAGEMENT IN A REGIONAL ECONOMIC DEVELOPMENT CONTEXT

Modern trends toward globalization have enormous impacts in shaping the economic landscape of a region. Multinational companies, including U.S. companies that accounted for 31 percent of U.S. growth between 1990 and 2011,²¹ have an outsized influence on economies at all scales, and have the capability to dictate the terms of development. Despite the influence of global economies and multinational corporations, the unique capabilities of regions “to create and strengthen a comparative advantage are at the heart of economic development and success.”²² With the strength that resides at the regional level in mind, a regional framework for economic development should be employed to ensure that economic development works for regional residents and taxpayers.

A regional approach to economic development means working cooperatively throughout the region to meet the needs and ensure the well-being of all the region’s residents. Such an approach strives to weave economic activity into the region, tying economic activity to regional economic conditions and assets rather than relying on external forces

to drive development. Founding economic development upon regional characteristics leads to sustainable development that engenders increased economic dynamism and employment.

Understanding the labor and skills profiles within the region, a regional framework for

skill residents—that results in a less-dynamic labor force and regional economic recession. Similarly, over-emphasizing infrastructure development without simultaneously developing the labor force or seeking to meet the needs of and expand local businesses can overstrain the public sector by failing to grow the regional tax base.

“An increased capacity to respond to global challenges necessarily implies endowing individuals, firms, and territories with the factors that will allow them to place their skills, products, or services in the global marketplace and to compete with others.”

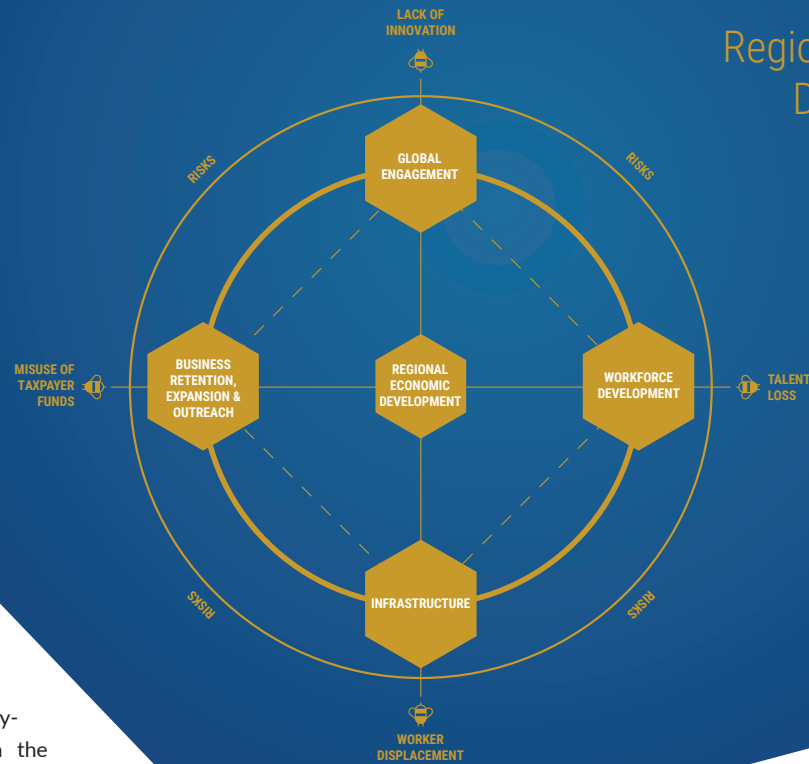
- Andrés Rodríguez-Pose
Professor of Economic Geography,
London School of Economics

Because healthy economic development requires balancing labor force needs, infrastructure investment, local business retention and expansion, and inward investment from foreign markets, it is a time-consuming endeavor. Recruitment of external investment can be a “quick fix” to a sluggish economy, but over-relying on recruitment can lead to the atrophy of local businesses, which are the foundation of a regional economy.

economic development seeks to develop a more qualified labor force in order to better match residents with jobs. Developing the regional labor pool, however, must be matched with the needs of local employers, infrastructure investment that keeps pace with population growth and needs, and inward investment from foreign countries. Failing to balance these strategies can lead to out-migration—particularly of high-

Seeking “quick fixes” can be tempting, but such “fixes” often lead to a hollow economy that is reliant on publicly-funded financial support, incentives, and subsidies.

In order to avoid such economic atrophy, economic development should be grounded in



embedded regional knowledge, values, culture, and sense of community.²³ Such a regionally-based approach “concentrates on the improvement of the basic conditions for the development and attraction of further economic activity,”²⁴ labor force development, infrastructure, business retention and expansion, and inward investment. Improving these basic conditions helps regions determine their own future rather than relying on external drivers.

A regional approach, then, is a means of ensuring that Salt Lake County remains a healthy community made up of healthy people, healthy places, expanded opportunities, and a responsive government. In doing so, regional culture and composition are not compromised. Neither, however, are opportunities for expansion inhibited. Rather, the unique aspects of the region are used as a lens through which global

engagement is understood. Through such regional economic development, residents are matched with appropriate infrastructure projects, opportunities for education and skill training, and high-wage jobs that are both internally- and externally-based, “generat[ing] sustainable employment in firms more capable to withstand changes in the global economic environment.”²⁶ As such a regional approach is taken, Salt Lake County will be better suited to facilitating the enduring success of the region.

21- Michael Spence, “The Impact of Globalization on Income and Employment: The Downside of Integrating Markets,” *Foreign Affairs* 90, no. 4 (2011): 28-41.

22- Fabrizio Barca, Philip McCann, Andrés Rodríguez-Pose, “The Case for Regional Development Intervention: Place-Based Versus Place-Neutral Approaches,” *Journal of Regional Science* 52, no. 1 (2012): 134-152.

23- Ibid.

24- Andrés Rodríguez-Pose, “The Role of the ILO in Implementing Local Economic Development Strategies in a Globalized World,” (2001).

25- Ibid.

26- Ibid.

SALT LAKE COUNTY'S ECONOMIC LANDSCAPE

Historical Legacy



● Salt Lake County was officially created on January 31, 1850—three years after Pioneers arrived in the region seeking freedom from oppression and persecution. The early settlers were a conglomerate of individuals from various eastern-U.S. and European backgrounds, which informed a cosmopolitan parochialism. Since the days of early settlement, Salt Lake County has been a globally engaged region with a small-town feel.

While the first settlers did not actively participate in the California Gold Rush, they used their location as a stop-over on the route west to bolster the local service and manufacturing industries. Aside from taking advantage of the demand for such services, early Utah settlers were also able to take advantage of the demand for fresh horses, flour, and vegetables, all of which they were able to sell at a premium to west-moving migrants.

Despite efforts by Brigham Young, an early LDS leader and the first territorial governor, to persuade railroad companies to take a southern route through Salt Lake County, the first transcontinental railroad was completed 66 miles northwest of Salt Lake City. Though the railroad did not pass through the Capital County, the nature of long-distance trade was forever changed, and the region became increasingly connected to distant economies. Thereafter, a link to the region was completed, corresponding with the discovery of rich pockets of gold and silver in the Wasatch Mountains.

By 1880 the population had doubled, with manufacturing, agriculture, and trade serving as the basis of a thriving cosmopolitan commercial center. The county's entrepreneurial, outward-facing population has become a thriving community where over 120 languages are spoken, with Spanish, Chinese, and Pacific Island languages among the most common. ²⁷

Defining Our Metro Region



Salt Lake County is home to sixteen cities including Salt Lake City, which serves as the State Capital, and five metro townships. With a total population of 1.14 million people, the county hosts 37 percent of the total population within the State of Utah. The county is part of the Salt Lake Metropolitan Statistical Area (MSA) that includes both Salt Lake and Tooele counties. Almost 60 percent of Utah's population lives along the western edge of the Wasatch Mountains, a region commonly referred to as the Wasatch Front.

The county, considered part of the "Crossroads of the West," is home to a major transportation hub. Hosting air service from the Salt Lake City International Airport, rail services from the Union Pacific Intermodal Terminal, and interstate highway service from I-15 and I-80, the region is well-connected both domestically and internationally.

At the state level, the Utah Governor's Office of Economic Development employs an industry cluster strategy that targets sectors with high growth potential. Cluster industries employed more than 193,000 Utahns, with an average wage of \$66,865, which is significantly higher than the state average of \$42,180²⁸ as well as slightly above the median household income in Salt Lake County (\$65,549).

27- Lee Davidson, "120 Languages Now Spoken in Salt Lake County Homes," The Salt Lake Tribune (Salt Lake City, UT), Nov. 3, 2015.

28- Data from the Utah Governor's Office of Economic Development.

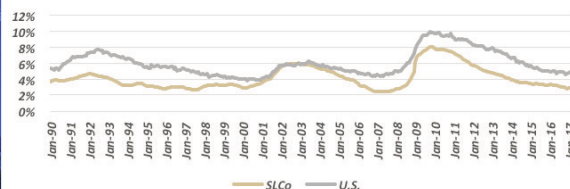
The Present State of Things

From its early beginnings, Salt Lake County has been defined by its industriousness. This industriousness has contributed to the county's economic resiliency in the face of the Great Recession. While the region was not immune to the economic downturn, it has rebounded well, returning to an unemployment rate of three percent and an adult labor force participation rate of 73.2 percent—both of which are more favorable than the U.S. national average.²⁹ Furthermore, Salt Lake County's median household income is higher than the national average, while the cost of living is lower than other large metropolitan areas. This results in dollars stretching farther in Salt Lake County than in other peer metro regions.

Job growth has also been strong in Salt Lake County, increasing by 3.5 percent between February 2016 and February 2017.³² Such growth is much stronger than the national average, which is 1.7 percent,³³ and suggests a healthy regional economy. Despite such favorable conditions, however, the region's economy shows signs of distress. In Utah, the middle class has shrunk since the 1980s,³⁴ and in Salt Lake County, the poverty rate has increased compared with 2000 levels.³⁵ Both of these concerns mirror national trends and are symptomatic of sluggish wage growth.

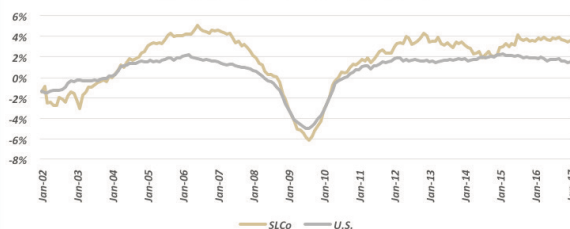
Wage growth is of particular concern, as median household income has only increased by roughly \$200 over 1997 values when adjusted for inflation. This suggests that residents do not necessarily enjoy a greater quality of life now than they did in 1997, despite average nominal wage increases of over \$21,000.³⁶ Furthermore, to secure a decent, yet modest standard of living in Salt Lake County, a three-person household needs to earn \$54,000 annually.³⁷ This is certainly favorable when compared with peer metro regions, but it highlights a point of concern regarding low-wage earners. A single person living in Salt Lake County earning minimum wage needs to work 64 hours each week in order to secure a decent, yet modest standard of living.³⁸ If individuals have children or other dependents for whom they must care, securing such a standard of living becomes increasingly difficult. Combining stagnating wages with a shortage of affordable housing options within the region poses a particular challenge, especially in light of an economy that may look vibrant.

*Unemployment Rate:
Salt Lake County and U.S.*



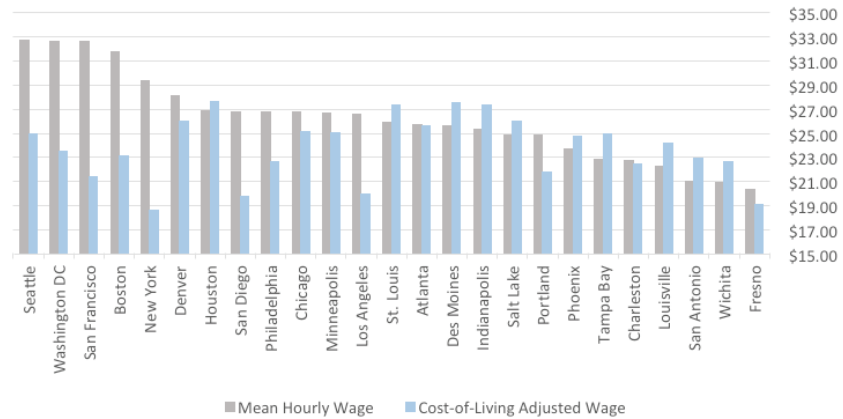
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Year-over-Year Non-Farm Job Growth

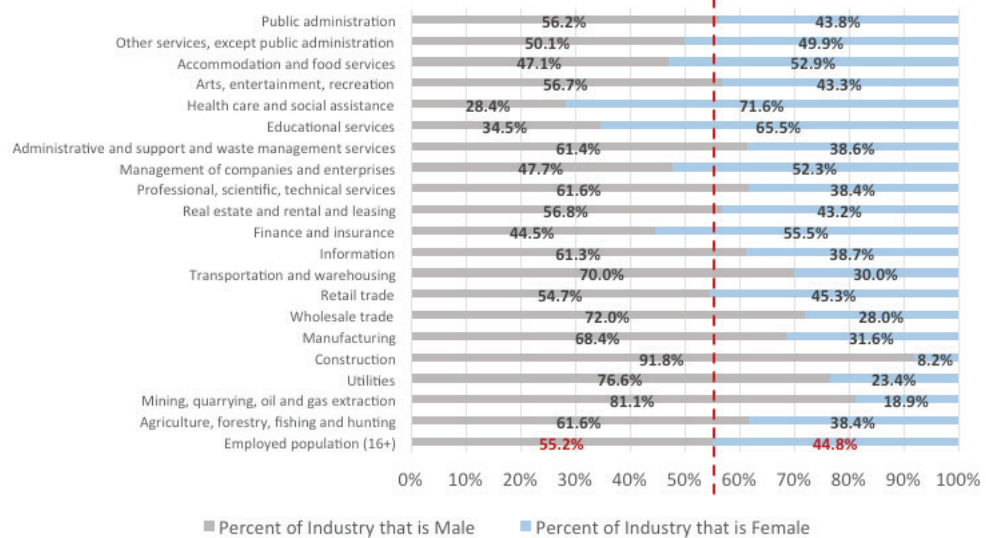


31

Wages and Cost of Living in U.S. Metro Regions



Industry Employment by Sex



29- "Salt Lake County Labor Force & Economic Profile," Utah Division of Workforce Services, 2016.

30- Ibid.

31- "Employment Update," Utah Division of Workforce Services, 2017.

32- Ibid.

33- Ibid.

34- "Utah Informed: Visual Intellection for 2017," Kem C. Gardner Policy Institute, 2017.

35- Data from U.S. Census Bureau, 2016.

36- Data from Utah Division of Workforce Services, 2016.

37- "Family Budget Calculator," Economic Policy Institute, 2015.

38- Based on data from Economic Policy Institute's "Family Budget Calculator".

39- "Cost-of-Living Adjusted Wage Data for U.S. Metro Areas," Governing, 2015.

40- "2011-2015 American Community Survey 5-Year Estimates," U.S. Census Bureau, 2015.

KEY FINDINGS

Several significant findings emerged from a comprehensive market analysis focused on interviews and survey responses. The key findings presented here, though not an exhaustive list of all findings, were consistent across data types, and reflect the regional market as it exists today. As findings were analyzed, three categories emerged, which are represented here as Exports, Foreign Direct Investment, and Talent Recruitment. From these key findings, a series of objectives, strategies, and tactics have emerged in order to further enhance regional assets and overcome market deficiencies.



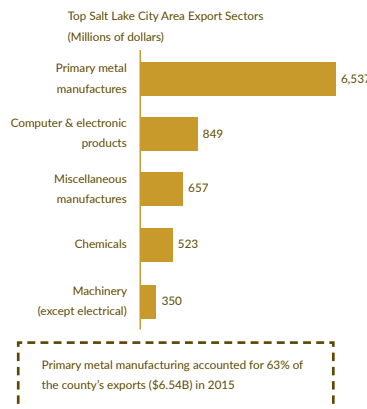
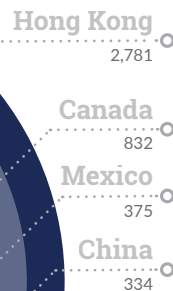
Exports

1 Primary Metal Manufacturing accounts for 63 percent of Salt Lake County goods exports (\$6.54B)

Salt Lake County exported \$10.4B worth of goods in 2015, which was 69 percent of Utah's total goods exports for the year.⁴¹ The Primary Metal Manufacturing (PMM) industry sector accounts for over half of all exports from the region.⁴² While the PMM has built a strong export foundation for the region, export diversification is needed to achieve increased market stabilization and sustainability. Continuing to promote PMM exports while simultaneously increasing exports from other industries is critical to sustaining and growing the region's trade economy and job growth.

2 Little overlap exists between countries that invest in the region and countries to which regional businesses export

Despite claiming almost one-third of all Salt Lake County exports, Hong Kong is not a significant source of direct investment into the region. Other countries, including Germany, Japan, and France, have invested heavily in the region through mergers, acquisitions, and greenfield expansion, but are not significant export markets. Canada and the United Kingdom are exceptions, both of which have been both key investors and significant export markets. More could be done to take advantage of extant and latent relationships to increase FDI from top export markets and increase export activities to countries with strong investment into the region.



41- "Salt Lake City, UT Merchandise Exports in 2015," *International Trade Administration*, 2016.

42- Ibid.

43- Lee Davidson, "120 Languages Now Spoken in Salt Lake County Homes," *The Salt Lake Tribune* (Salt Lake City, UT), Nov. 3, 2015.

44- "2011-2015 American Community Survey 5-Year Estimates," *U.S. Census Bureau*, 2015.

45- Ibid.

46- "Salt Lake County Labor Force & Economic Profile," *Utah Division of Workforce Services*, 2017.

47- "Salt Lake County Population Demographics," *Utah Division of Workforce Services*, 2017.

3 | The region has multiple hard and soft assets to support export-related activities

The county's hard infrastructure assets provide a foundation to support both existing export activities and expanded effort. In addition to these hard assets, Salt Lake County is the most linguistically diverse county in the nation with more than 120 languages spoken in Salt Lake County homes.⁴³ This linguistic diversity is complemented by a burgeoning foreign-born population with more than 133,000 foreign-born residents in the county.⁴⁴ Salt Lake County is also home to a well-educated workforce, with 32 percent of residents over 25 holding a Bachelor's degree or higher.⁴⁵

Regional Hard Assets:

Interstates 15 and 80

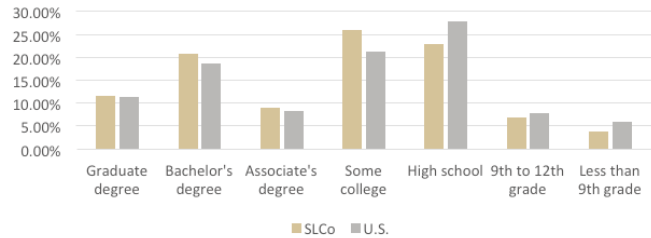
Foreign Trade Zone #30

Union Pacific Intermodal Terminal

Broad range of industrial, warehousing and Industrial facilities

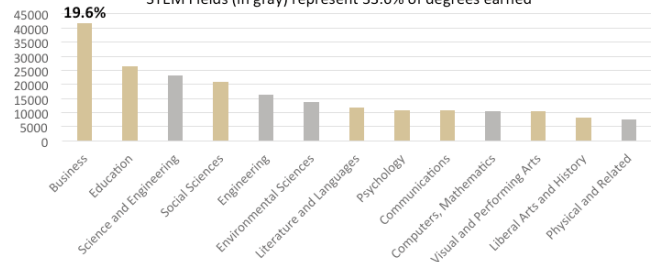
Salt Lake City International Airport

Salt Lake County Educational Attainment
(Residents 25+)

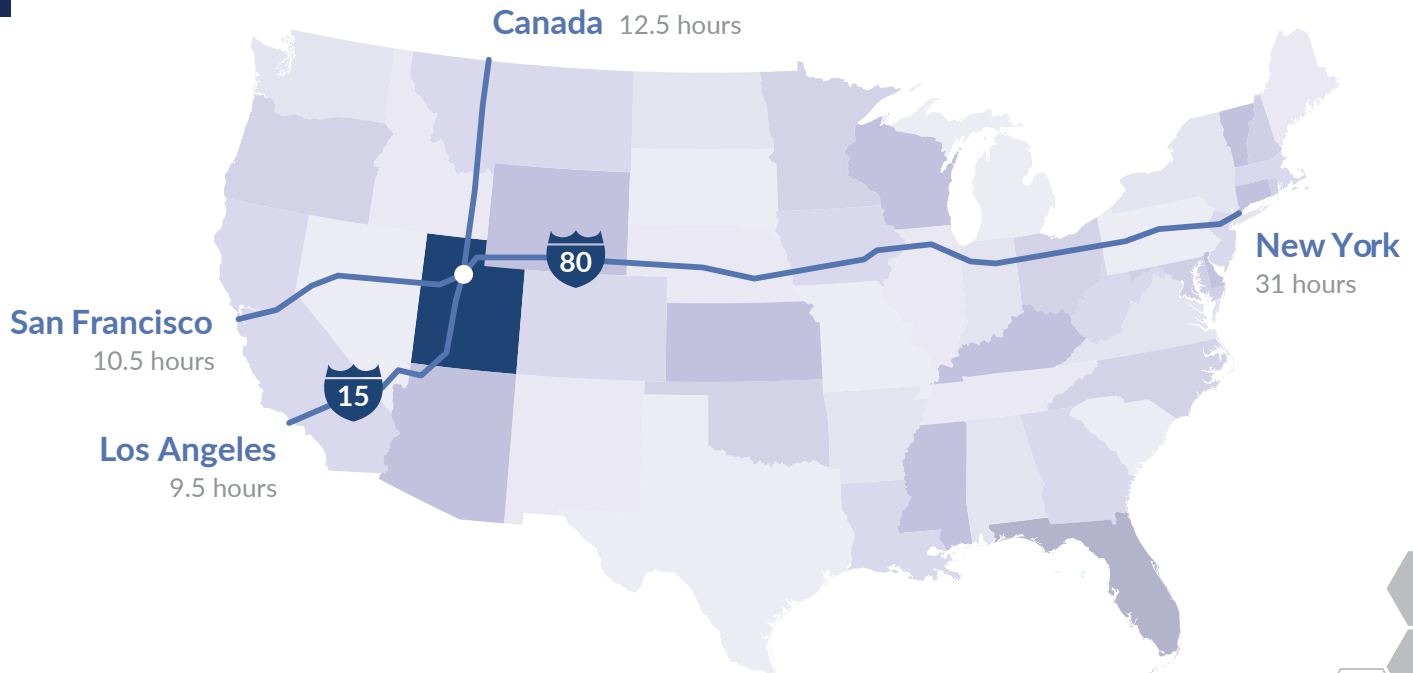


46

Salt Lake County Resident
First Degree Earned
STEM Fields (in gray) represent 33.6% of degrees earned

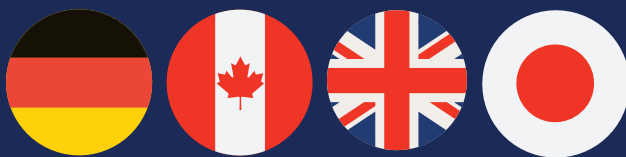


47



4 Over half of all Foreign-Owned Enterprises in Salt Lake County originate from four countries

Germany, Canada, UK, and Japan comprise half of Salt Lake County's FOEs. Nearly 75 percent of companies from these countries employ fewer than 50 employees, and they span a number of industries. Nationally, German firms tend to pay the highest wages and Japanese firms tend to invest the most in R&D and export the most goods.



Medical Manufacturing in Salt Lake

Year	Number of Establishments	Number of Employees	Average Annual Pay
2009	112	5,309	\$51,658
2010	117	5,636	\$51,677
2011	120	5,772	\$54,071
2012	127	6,050	\$54,053
2013	139	6,649	\$53,679
2014	145	7,195	\$54,752
2015	151	7,583	\$59,171
2016*	148	8,058	\$59,797

*2016 data is third quarter. All other years are annual averages.⁵³

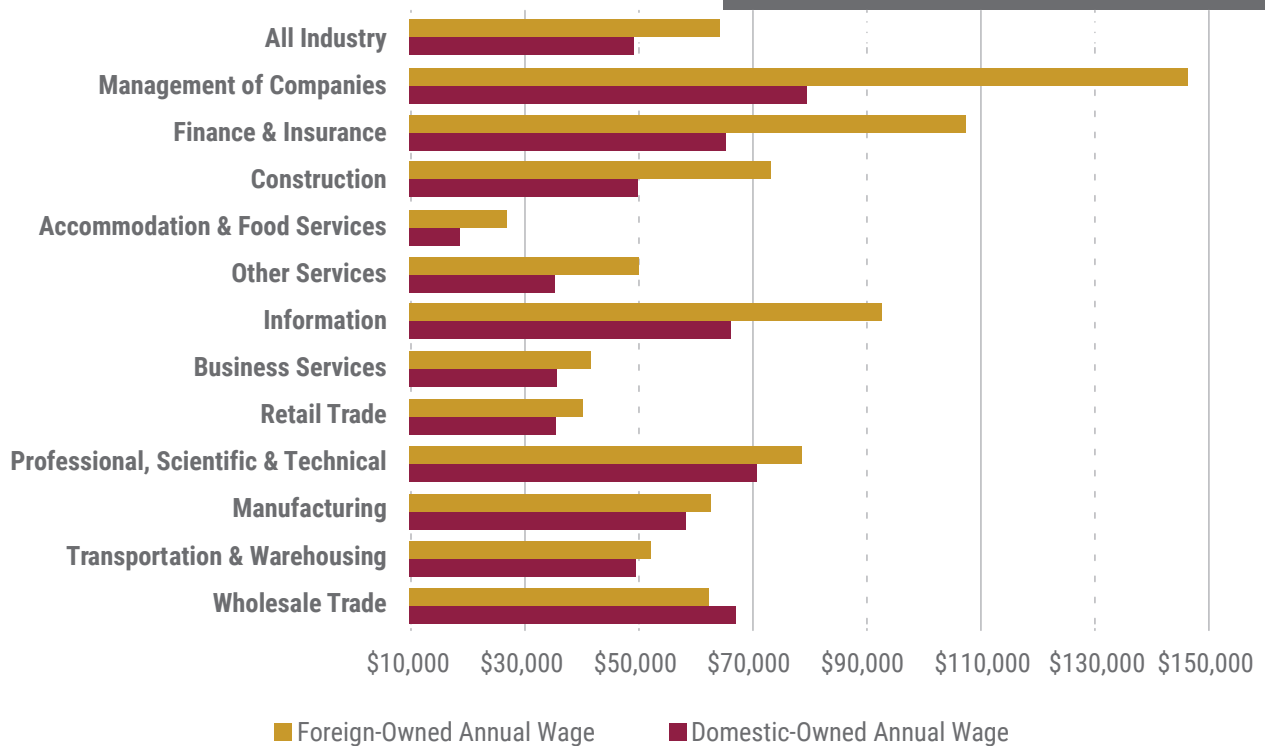
5 Medical Manufacturing is a key industry for attracting FDI

Salt Lake County is a burgeoning national hotbed for Medical Manufacturing. Since 2009, the Medical Manufacturing industry has grown 43 percent,⁴⁸ resulting in a concentration of medical manufacturing firms 5.5 times higher than the national average.⁴⁹ While 60 percent of Utah's medical manufacturing firms are located in Salt Lake County, those firms employ three-quarters of all medical manufacturing employees in the State and are responsible for 80 percent of medical manufacturing wages, totaling nearly half a billion dollars in annual wages.⁵⁰ In addition to the growth the industry is experiencing in the region, the medical manufacturing industry, with average annual wages over \$60k in Salt Lake County,⁵¹ can be an attractive career choice for graduates in STEM fields, which Salt Lake County has traditionally lost to other markets at a high rate.⁵²

6 | In Salt Lake County, Foreign-Owned Enterprises pay 32 percent higher wages than domestic-owned companies

In 2016, Foreign-Owned Enterprises in Salt Lake County paid 32 percent higher wages than domestic-owned companies,⁵⁴ which is more favorable than the national average (28 percent). While this varies by industry, FOEs in all represented industries except wholesale trade paid higher wages than their domestic counterparts. Jobs in the Management of Companies and Finance and Insurance industry sectors earned over 60 percent higher wages in foreign owned firms than in domestic firms.⁵⁵

Foreign-Owned vs. Domestic-Owned Company Wages by Industry



48- Data from the *Bureau of Labor Statistics*, 2017.

49- Ibid.

50- Ibid.

51- Ibid.

52- "2016 CEDS Comprehensive Economic Development Strategy," *Wasatch Front Regional Council*, 2016.

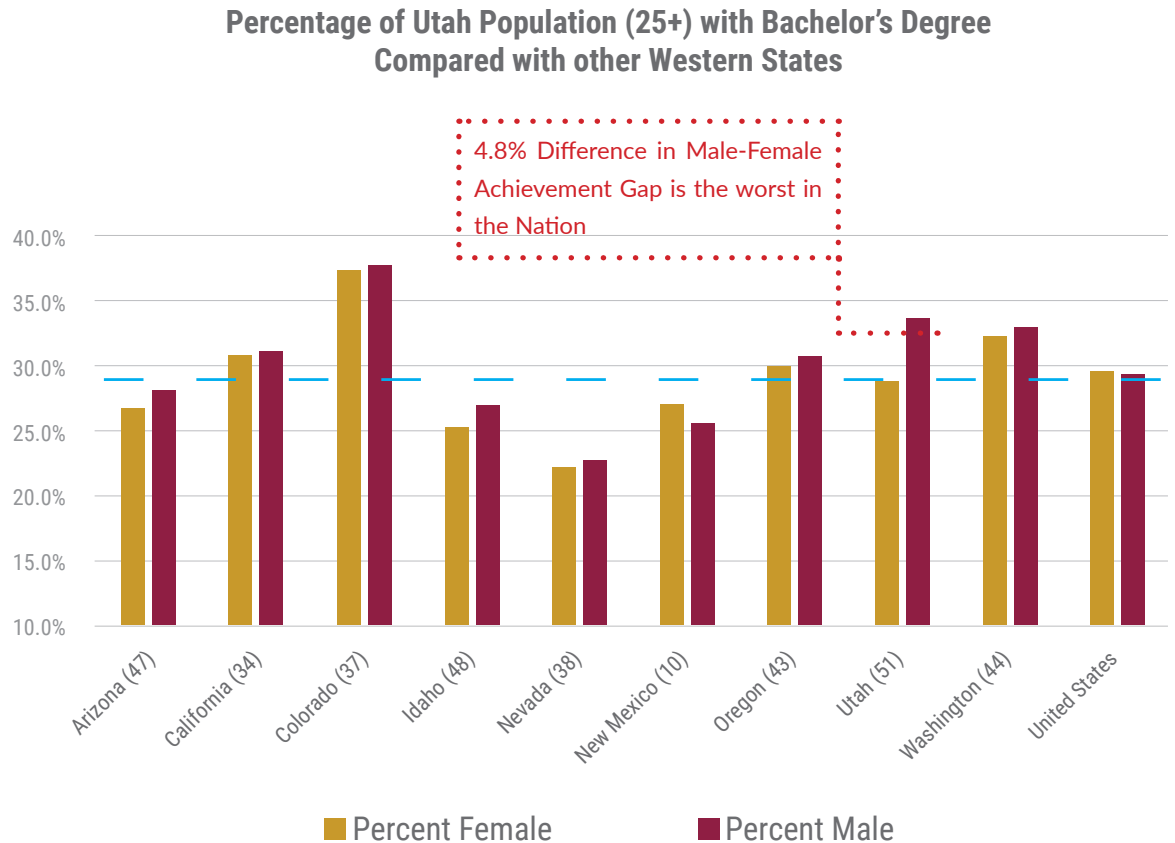
53- Based on data from Utah Division of Workforce Services, 2017.

54- Ibid.

55- Data from the *Bureau of Labor Statistics*, 2017.

7 | Out-of-state perceptions of Utah are one of the biggest challenges to recruiting talent

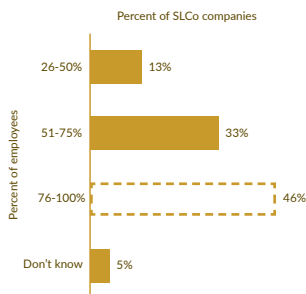
Many people from outside of Utah have a negative perception of the state, making it difficult for businesses to recruit talent from elsewhere.⁵⁶ This perception is not entirely unfounded: Utah has recently been ranked the worst state for women in leadership roles, exhibits the third largest gender pay gap in the nation,⁵⁷ and ranks dead last in disparity between male and female Bachelor's degree attainment.⁵⁸ Furthermore, Utah spends the least per-pupil for education of any state⁵⁹ and air quality along the Wasatch Front is regularly rated the worst in the nation during the winter months. Despite negative perceptions, however, individuals who relocate to the region stay because of the high quality of life, the proximity to outdoor recreation opportunities, and the family-centered culture, among other reasons. While people tend to enjoy living in the region once they are here, getting them to relocate can be a challenge.



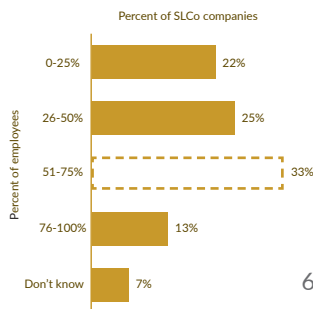
8 | Local talent is able to meet many business needs, but high-level talent is in short supply

Utah's universities train quality graduates for entry and mid-level positions. This is useful because local talent is happy to stay in Utah. However, business leaders suggest that finding high-level or niche talent from the local pool can be difficult, requiring out-of-state recruitment for the highest-paying jobs. This recruitment can be difficult due to the perception that people have of Utah. Furthermore, in certain industries, an over-abundance of competition can put a strain on employers' abilities to keep the talent they have. While this is a challenge to businesses, it allows employees to bargain for higher wages.

Percent of employees in SLCo from Utah

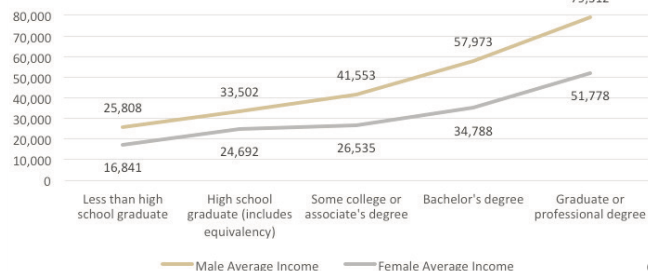


Percent of employees in SLCo who are Utah graduates



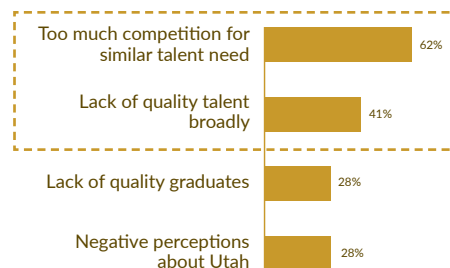
61

Salt Lake County Mean Income by Sex and Educational Attainment (2015)



62

Recruitment Challenges Faced



63

9 | Outdoor recreation is a major selling point for talent recruitment, but marketing efforts are targeted toward tourism, not business growth

Utah has world-class outdoor recreation opportunities, and Salt Lake County is home to four of the best ski resorts in the world. Business leaders state that recruiting individuals interested in outdoor recreation is easy, despite the perceptions that people have of Utah. While outdoor recreation is often cited as a top talent-recruiting tool, Utah and Salt Lake County currently do not promote outdoor recreation as a tool for recruiting talent that meets regional business needs. Instead, current outdoor recreation marketing is aimed at increasing tourism dollars, which do not necessarily translate into new businesses taking root in Utah.

56- Quote from one interviewee. Other interviewees expressed a similar sentiment.

57- "America's Women and the Wage Gap," *National Partnership for Women and Families*, 2017.

58- "Status of Women in the States," *Institute for Women's Policy Research*, 2017.

59- "The States that Spend the Most (and the Least) on Education," *Governing*, 2016.

60- "Status of Women in the States," *Institute for Women's Policy Research*, 2017.

61- Findings from local market assessment.

62- "2011-2015 American Community Survey 5-Year Estimates," *U.S. Census Bureau*, 2015.

63- Findings from local market assessment.

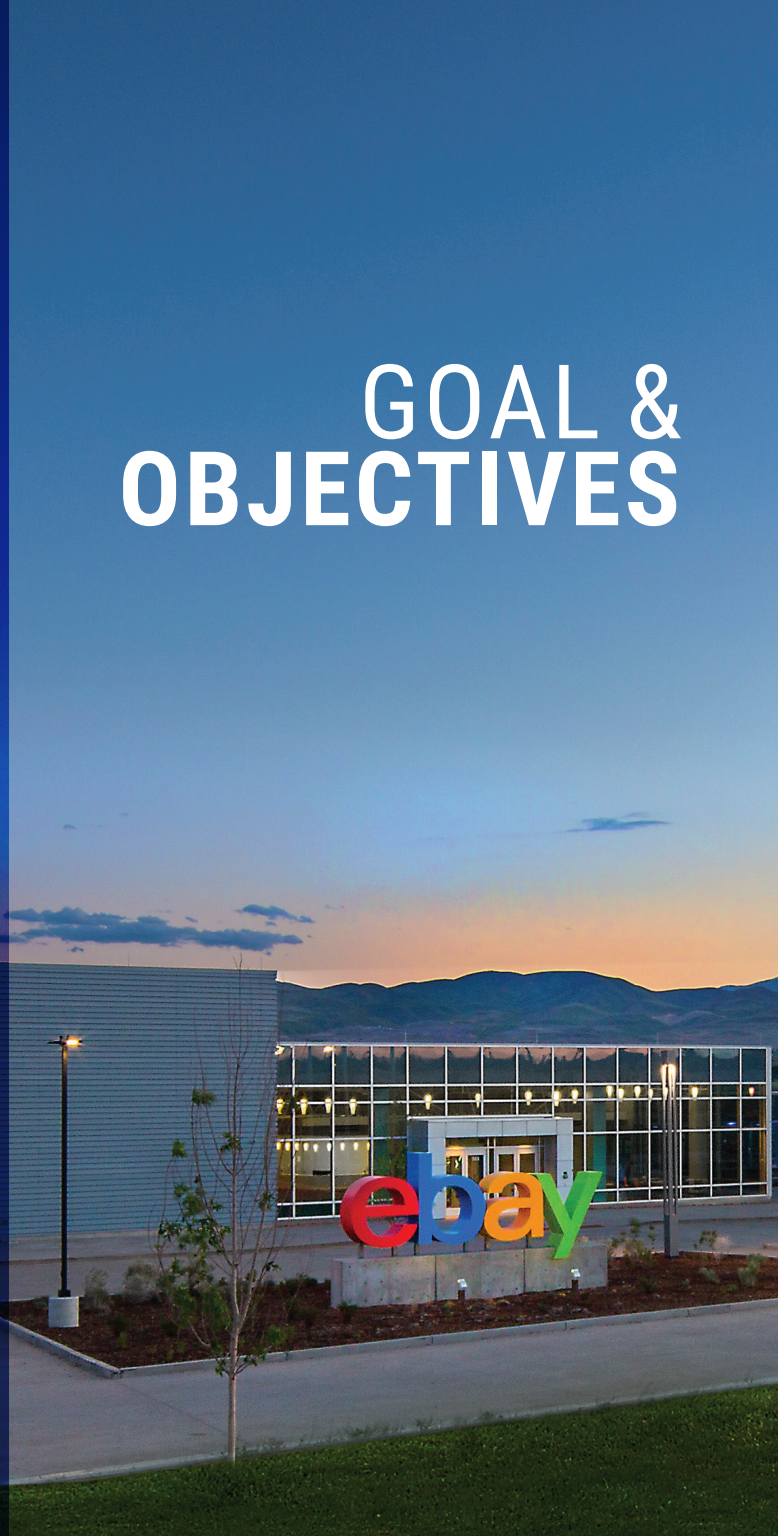
GOAL

The goal of the Salt Lake County Global Trade and Investment Plan is to develop a well-balanced economy that establishes Salt Lake County as both a premier destination for global businesses and a globally fluent hub of innovation and that creates an economic environment comprised of an expansive infrastructure, a diverse and educated workforce, and an active engagement with the global economy. This will be done in alignment with the Salt Lake County “Future We Choose” strategy, which focuses on building a healthy community made up of healthy people, healthy places, expanded opportunities, and responsive government.

OBJECTIVES

Based on our framework for regional economic development, we will use the goal to inform four categories of objectives. As outlined in the framework, these categories are necessarily woven together and must be pursued in a balanced approach in order to attain economic health and vibrancy. Emerging from our framework are the four following categories around which our objectives will be organized: External Investment and Recruitment, Workforce Development, Infrastructure, and Business Retention, Expansion, and Outreach. Using these objectives, our strategies and tactics for action will take a holistic approach to addressing the opportunities and concerns raised in the key findings section of this plan.

GOAL & OBJECTIVES





01

objective

External Investment and Recruitment

- Rebrand Utah as a globally fluent hub of culture and innovation
- Use linguistic diversity and international connections to increase foreign investment into the region and to boost export activity

02

objective

Workforce Development

- Develop a more competitive local workforce by increasing job and skills training opportunities for residents of all educational backgrounds
- Strengthen the connection between regional colleges and universities and businesses in order to better meet local employment needs

03

objective

Infrastructure

- Collectively and systematically utilize regional assets to expand export opportunities
- Increase awareness and utilization of Foreign Trade Zone (FTZ) #30
- Increase export intensity and create a more attractive location for businesses
- Increase public transit and active transportation infrastructure that will proactively address future population needs and air quality concerns

04

objective

Business Retention, Expansion & Outreach

- Identify and assist small and medium businesses within the region to expand their products and services into new international markets
- Increase regional export intensity in advanced industries by five percent annually
- Develop a more balanced export portfolio that more fully captures the diversity of Salt Lake County's economy
- Develop a global convention strategy that targets specific industry sectors

STRATEGIES & TACTICS

Based on the key findings from the market assessment and in line with Salt Lake County's goal and objectives, a series of core strategies has been developed with involvement from a core steering committee and other community stakeholders. The strategies seek to address regional deficiencies and highlight regional strengths, all while aligning with the framework presented on pages ten and eleven. Within each strategy is a suite of tactics intended to be practicable and which will serve as a guide for future economic development efforts within Salt Lake County.

1

Develop a more diverse export portfolio that exhibits the region's current economic landscape and extant international connections

Partner with World Trade Center Utah to deliver services

- Administer Export Acceleration Grant, which is funded through JPMorgan Chase

Create a regional export advisory committee to guide activities

- Committee should consist of business leaders from diverse industries, governmental representatives, and university representatives

Create an export assistance hub/center that streamlines and coordinates existing support services offered by the State of Utah, United States Commercial Service, Small Business Administration, Export Import Bank of the United States, and local universities

Expand and update FTZ #30

- Create a platform that shortens application process for companies

Establish a Salt Lake County Business Retention and Expansion program that facilitates business expansion into new domestic and international markets

- Hire a full-time Business Outreach Manager
 - Promote exporting
 - Promote FTZ #30
 - Seek to better understand business concerns

Develop an export readiness assessment system that will allow companies to self-assess and can be used by support professionals to help their clients determine readiness for international markets

- Locate this on the Salt Lake County and World Trade Center Utah websites

2

Establish workforce development programs for high- and low-skill workers that strengthen Salt Lake County's talent pool

Facilitate innovative mentorship opportunities for existing regional businesses and residents

- Develop mentorship teams with executive-level expertise
- Leverage existing mentorship groups provided by existing regional organizations
- Create new and engage with existing industry-specific programming that also targets underserved populations

Connect local colleges and universities with regional business leaders to facilitate partnerships and better fill talent gaps

Develop a business training program for foreign-born residents that leverages extant international connections and language diversity while providing job and business skills needed to succeed

Partner with Utah Manufacturer's Association, regional Manufacturing Extension Partnerships, Salt Lake Community College, and other stakeholders to connect residents with employer needs

3

Rebrand Salt Lake County as a globally fluent hub of culture and innovation

Coordinate a regional branding strategy for target industry clusters and actively recruit, retain, and expand firms in targeted industries

- Focus outreach and recruitment efforts on advanced industries such as medical manufacturing and applied technology
- Leverage Visit Salt Lake resources to coordinate a targeted marketing campaign focused on business and talent recruitment; use outdoor recreation opportunities as a key recruitment tool

Leverage legislative authority and support ballot initiatives to increase education spending

Partner with local chambers of commerce, especially chambers that target women and minority populations, to increase business and educational opportunities for underserved populations

Use county facilities, such as the Salt Palace Convention Center and Eccles Theater, to host significant cultural and innovation-driven events

4

Enhance and improve the region's transportation and freight infrastructure

Leverage legislative authority and current excitement to establish an inland port system

- Develop coast and inland port relationships for export-related trade
- Once established, use inland port infrastructure as a recruitment tool to attract foreign investment

Facilitate regional economic and transportation planning efforts to develop regionally significant economic centers in underutilized parts of Salt Lake County

- Seek funding for the development of planning commissions
- Actively research and publish case studies to guide development efforts

Prioritize public transit and active transportation infrastructure projects within the county

Leverage relationship with Delta Airlines to increase direct international flights

- Especially to: Germany and Japan, as these are two of the biggest source countries of foreign investment

POLICY SUMMARY

Salt Lake County is well-positioned to focus on a global trade and investment strategy aimed at providing high-paying jobs to the growing population. The policy recommendations below were derived during the planning process for the Salt Lake County Global Trade and Investment Plan and are intended to complement the strategies and tactics outlined above. These policies will support new and existing efforts within the region to increase global engagement and are targeted at external stakeholders.

Recommendations

- Minimize redundancy and develop an efficient network of professional support services for regional exporters by leveraging existing institutional, governmental, and NGO resources
- Establish regional finance programs specifically for exporters within the county
- Re-classify and expand Foreign Trade Zone #30
- Establish a regional inland port within the county
- Improve SME data collection methods and tools (qualitative and quantitative) at the state and regional level
- Collaborate with organizations like the Partnership for a New American Economy and Welcoming America to designate the county as a welcoming community to foreign-born individuals
- Collaborate with organizations and support efforts that seek to increase the quality of K-12 education through increased spending initiatives and improving student opportunities and facilities
- Support efforts that actively mitigate air quality concerns and improve the region's air quality
- Support initiatives that increase the supply of affordable housing within the region
- Sponsor initiatives that promote regional collaboration on economic development and planning efforts, especially along the county's west bench
- Work with business leaders and encourage efforts at Federal, State, and Municipal levels to increase the minimum wage to a living wage



IMPLEMENTATION & *PERFORMANCE*

Salt Lake County worked with strategic partners and stakeholders to develop the Salt Lake County Global Trade and Investment Plan, and their continued assistance is vital in assuring the successful implementation and evaluation of this plan. While the county bears sole responsibility for some of the strategies and tactics outlined in the Plan, such as hiring a Business Outreach Manager, some of the responsibility will fall to organizations with more specific expertise.

World Trade Center Utah served a significant role in developing the export portion of this plan, and the county has appropriated budget funds to engage their expertise further. World Trade Center Utah's work will include providing export services to companies within the county. Evaluation and reporting mechanisms will be developed from the research tools employed during the planning process in order to monitor the overall performance of this initiative. The collected information from service providers, companies, and other parties will be compiled into a reporting tool that will be made available to the public at large. The county will also form a standing committee to provide guidance and input to partners and staff responsible for the outcomes of this effort.

The county will also work with the Governor's Office of Economic Development, local Chambers of Commerce, municipalities, and other relevant stakeholders to implement the goals outlined in this plan. Such collaboration lends itself to successful implementation of the strategies and tactics outlined. Working together, various stakeholders will contribute to making Salt Lake County a healthy community made up of healthy people, healthy places, expanded opportunities, and a responsive government.



This report was developed by the Salt Lake County Department of Transportation, Housing, and Economic Development through the collaboration of political, business, and civic leaders of Salt Lake County. The conclusions and recommendations of this report are solely those of its authors and do not reflect the views of the Brookings Institution or JPMorgan Chase. The Brookings Institution is a private non-profit organization. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations for policymakers and the public. Brookings recognizes that the value it provides is in its absolute commitment to quality, independence and impact, and makes all final determinations of its own scholarly activities in the Global Cities Initiative, including the research agenda and products.

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