Winning Strategies for Job Creation & Business Attraction

Tuesday, April 12, 1 p.m. EDT
IF YOU HAVE QUESTIONS DURING THE WEBINAR:

Please type your questions in the provided window on the GoToMeeting module that appears on your screen, if you need assistance asking questions, please contact helpline@csg.org or email your question directly to questions@csg.org. We will try to answer as many of your questions as possible during the Q&A section of this presentation.
Economic Development in Hard Times: How to Spend Less and Get More

Robert Tannenwald
Center on Budget and Policy Priorities
www.cbpp.org
Fact: Tax it less, less revenue to support public services that businesses and workers value

• Good schools
• Top colleges and universities
• Roads, bridges, airports
• Low crime
• Reliable utilities
State and Local Business Taxes Are a Small Fraction of Business Costs

FY2007

- Private Sector Compensation: $7.3 trillion (24.1%)
- Total State and Local Business Taxes: $0.6 trillion (1.9%)
- All Other Expenses of Business: $22.6 trillion (74.1%)

Sources: Ernst and Young and Council on State Taxation, Bureau of Economic Analysis, Bureau of Labor Statistics, and Internal Revenue Service.

Robert Tannenwald, Center on Budget and Policy Priorities, www.cbpp.org
Economic Development in Hard Times: How to Spend Less and Get More

Greg LeRoy
Executive Director
Good Jobs First
Defining Terms: $70B/yr

- Property Tax Abatements
- TIF: Diversion of Property and Sales Tax
- Corporate Income Tax Credits
- Sales Tax Exemptions
- Enterprise Zones
- Land Write-downs
- Infrastructure Aid
- *Personal* Income Tax Diversions

Greg LeRoy, Good Jobs First, www.goodjobsfirst.org
Reform #1: Disclosure

• Annual, company-specific reporting of the deal (costs) and outcomes (benefits)

• Company names, dollars, jobs, wages, street addresses – and outcomes

• On the Web, accessible, searchable, downloadable, span of years

Greg LeRoy, Good Jobs First, www.goodjobsfirst.org
Show Us the Subsidies

- 51-State “report card” study rating major-program disclosure
- Only Illinois and Wisconsin rate “B”
- But 37 states are online... and counting!

Greg LeRoy, Good Jobs First, www.goodjobsfirst.org
Reform #2: Clawbacks

• Money-back guarantee: a subsidized company must produce a certain level of public benefit (jobs, capital investment) in a set period of time – or pay a prorated share of the subsidy back

• At least 19 states and many more cities use clawbacks

Greg LeRoy, Good Jobs First, www.goodjobsfirst.org
Reform #3: Job Quality Standards

• Require subsidized companies to pay at least a market-based wage, provide healthcare and full-time hours

• 43 States, 41 cities and 5 counties do it for at least one – or multiple – subsidies

• Avoids hidden taxpayer costs

Greg LeRoy, Good Jobs First, www.goodjobsfirst.org
Reform #4: Location Efficiency

• In areas with transit, no subsidies unless the worksite is regularly served by public transportation

• Break down state “policy silos”
50 States (+DC) Resource: Accountable USA

www.goodjobsfirst.org/accountable-usa

- Major subsidies (and tax loopholes)
- Big programs summarized, disclosure-rated
- Big/controversial deals case-studied
- Wal-Mart subsidies cataloged
- Links to non-profit research resources

Greg LeRoy, Good Jobs First,
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Bottom Line

At a time when states are making difficult budget decisions, spending for big-ticket programs like economic development should be fair, effective and transparent.

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International Business in Florida

Manuel Mencia
Senior Vice President/Chief Operating Officer, Enterprise Florida

The Florida Scenario

• Florida’s economy suffered its worst recession since – “The Great Depression”

• Traditional core industries such as construction, real estate and tourism were particularly impacted

• The result – Highest unemployment in decades and declining state revenues

• International business has been vital to Florida’s recovery

• Florida’s export sector is expanding rapidly and FDI increasing once again

Economic Impact of Int’l Business in 2010

• International business, accounts for almost 1/6 of Florida’s economy.

• One of every six jobs in Florida depend on international business – (1.3 million)

• Over 50,000 Florida companies export – (2nd largest cluster in the nation)

• 95% of Florida exporters are SME’s – (account for 62% of Florida exporters)

• Florida exports exceeded $85 billion in 2010

Why It’s Important for Florida to Engage in International Business?

- Developing economies will drive world economic growth during the coming decade
- Companies that export grow 15% faster
- Pay 18% higher wages
- Are 12% more profitable
- Better able to navigate domestic or seasonal downturns
- More competitive against both domestic and foreign rivals
- Foreign direct investors pay 31% higher wages

Export Development Services

- Counseling services and market information analysis through seven statewide offices
- International trade exhibitions, trade missions and catalog shows
- Export sales, lead generation and referral
- Identification of potential importers of Florida products or services
- Florida Export Directory on-line
- Target sector trade grants
- Florida international trade network
- Local partner mission support
- Export finance facilitation

diversifying florida’s economy
Q & A

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COMING UP NEXT:

Creating a Culture of Entrepreneurship, 3 P.M. EDT

**Attendees will use the same login information**