

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

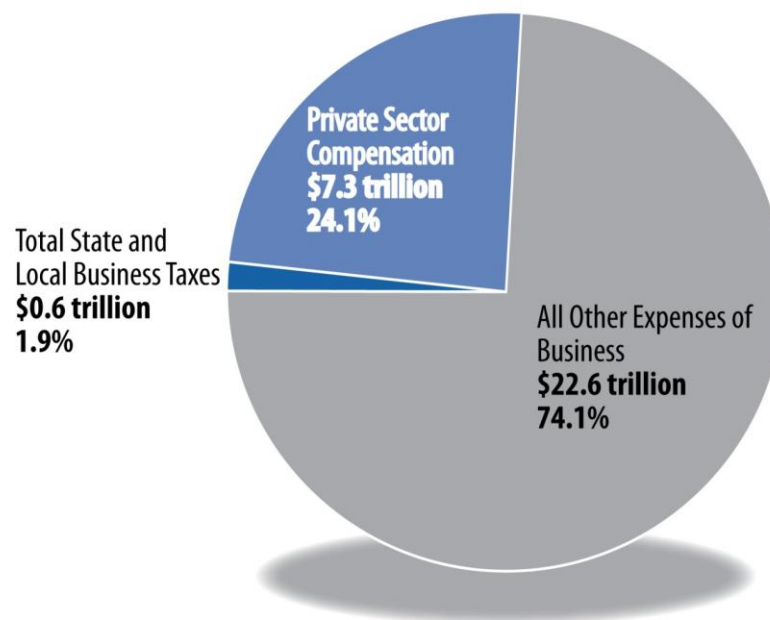
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www.cbpp.org

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



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

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

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

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!

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

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

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

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.

Contact

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International Business in Florida

Manuel Mencia
Senior Vice President/Chief Operating Officer,
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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 ****