

Enterprise zones help affluent areas, report says

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COLUMBUS | Ohio's enterprise zone program is more likely to bring jobs and investment to wealthy areas than the poor neighborhoods the program is supposed to help, according to a report by Policy Matters Ohio, a Cleveland research group.

"Poor districts are receiving fewer of the benefits claimed by the program than affluent districts," said Mark Cassell, a Kent State University assistant professor who wrote the report. "That suggests that a program designed to help economically disadvantaged areas has become an important economic development tool for high-income areas in the state."

Cassell said, "Of benefits attributed to the program, five times as much real property investment and twice as many jobs go to the highest-income (school) districts, compared to the lowest-income districts."

The enterprise zone program was created in 1982 to spur economic development and jobs in economically depressed areas. But in 1994, lawmakers expanded the program to allow enterprise zones in non-economically distressed areas, said Carrie Richards Manno, tax incentives manager for the state Department of Development. The program gives property tax breaks of up to 75 percent on new investment to companies that locate or expand in zones.

Cassell found that in school districts where the average household income was \$21,910, an enterprise zone brought in almost 15 new jobs and \$658,466 in real property investment for every 1,000 residents. But in very-high-income-level districts where household income averages \$65,340, an enterprise zone meant 29 new jobs and \$1.8 million in real property investment for every 1,000 residents.

Ohio has 339 designated enterprise zones and had 3,160 agreements with companies within those zones at the end of 2001.

Policy Matters Ohio is a nonprofit, nonpartisan research institute founded in January 2000.

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