Policy Matters Ohio

Press release

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Contact: Wendy Patton, 614.582.0048
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Ohio fails to leverage corporate subsidies for good jobs

National report studies job creation and job quality standards at state level

Key findings

- Ohio ranks 33rd among states on performance and job quality standards for subsidized companies.
- The state should insist that all subsidized firms create good jobs with family supporting wages and good benefits.

Ohio's high rate of unemployment means job creation activity gets big headlines. Lots of efforts to lure companies to the state, or keep them from leaving, have been in the news this year. The nonpartisan, not-for-profit research organization Good Jobs First took a close look at the kinds of incentive programs used in each state to encourage private firms to create or retain jobs. Their new report reveals that Ohio is among the many states that fail to leverage those subsidies for good jobs.

"Ohio has offered hundreds of millions of dollars in subsides this year," said Wendy Patton, Senior Project Director at Policy Matters Ohio. "Some of the headline grabbers have included a $93 million incentive package for American Greetings, and as much as $400 million for Sears. These kinds of offers should include a requirement that the firms provide good jobs for Ohio workers."

Good Jobs First scrutinized top incentive programs in all 50 states, totaling $11 billion in state taxpayer funds, to see how each subsidy was leveraged for performance (job creation or investment) and good wages and benefits.

How did Ohio do? Ohio ranks 33rd on performance and job quality standards (wages and benefits) required for subsidized companies. Good Jobs First looked at Ohio's Community Reinvestment Act program, under which property tax dollars are abated for private firms; the Job Creation Tax Credit; the Job Retention Tax Credit; the Workforce Guarantee and the Rapid Outreach Grant. Three have performance requirements that relate to jobs (hiring for new jobs, keeping existing jobs in danger of being moved or lost, or training). Two have requirements about length of time jobs or investment must be maintained in order to qualify for subsidy and three have provisions to prevent job shifting from an existing facility. Two have a wage requirement, although neither is market-based. There are no requirements around benefits.

With so much money at stake, the state should insist that all subsidized firms create good jobs with family supporting wages and good benefits, not the "shabby benefits" of Bob Evan's workforce, highlighted by Ohio Governor John Kasich last spring even as he provided a generous subsidy package. "The least we should do is require that these companies create good jobs that allow workers to support and care for their families," said Patton.

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