

Where Are the Jobs?

By Matt A. Mayer

One would assume that a state coming in second place for the number of projects¹ won from 2010 to 2017 would see private sector job and population growth accompany those projects. After all, with thousands of projects coming to a state there should be tens of thousands of direct, secondary, and tertiary jobs and people coming with those projects.² In contrast, one also would assume that a state that won few projects would experience weaker private sector job and population growth. When it comes to Site Selection Magazine's Governor's Cup award, one would be absolutely and utterly wrong.

Specifically, from 2010 to 2017, Site Selection Magazine gave Ohio credit for 3,926 projects, which landed the state in second place. That showing was roughly 1,000 projects less than number-one ranked Texas (4,933 projects), but 1,150 projects more than third-ranked Illinois (2,786 projects). Pennsylvania came in ranked fourth with 2,401 projects. Of the 14 states that placed in the top ten in any year from 2010 to 2017, Florida came in dead last with just 193 proj-

ects noted by Site Selection Magazine.³

So, how did those five states do in terms of private sector job and population growth? As a baseline, for the fourteen states that made the top ten list in at least one year, the average private sector net percentage job growth was 16.8% and the average population growth was 5.6% from 2010 to 2017.

Not surprisingly, Texas had the second-best private sector net percentage job growth at 24.6% and the best population growth at 14.15% from 2010 to 2017. The big surprise is that, of the fourteen states, Ohio, Illinois, and Pennsylvania had the tenth (13.1%), twelfth (10.6%), and worst (9.8%) private sector net percentage job growth and the eleventh (1.37%), worst (-0.49%), and thirteenth (0.96%) population growth from 2010 to 2017, respectively. As for Florida, it had the best private sector net percentage job growth (25.7%) and the second strongest population growth (13.4%).

[As with the record number of new business filings](#) announced by Ohio Secretary of State Jon Husted for 2017 (the eighth straight year of record filings) and the allegedly great results announced by [JobsOhio](#)

1 Site Selection Magazine "focuses on new corporate facility projects with significant impact, including headquarters, manufacturing plants, R&D operations and logistics sites, among others ... New facilities and expansions included in the analyses must meet at least one of three criteria: (a) involve a capital investment of at least US\$1 million, (b) create at least 20 new jobs or (c) add at least 20,000 sq. ft. (1,858 sq. m.) of new floor area." https://siteselection.com/press/releases/180305_GOV_CUP.html.

2 By direct, secondary, and tertiary jobs, I mean jobs added for the project itself; jobs added by businesses that serve the project (e.g., cleaning companies, payroll companies, lawyers, etc.); and jobs added by businesses that serve the people related to the project (e.g., coffee shops, grocery stores, home furnishing stores, etc.).

3 It goes without saying that the states which didn't make the top ten list in any given year had projects per the definition in Footnote 1, but not enough to make the list in that year.

over the past seven years, one has to ask: where are all of the private sector jobs to accompanying the record new business filings, JobsOhio activities, and Site Selection Magazine's consistently high ranking for Ohio? Over the last three years, Ohio's private sector has added a declining number of jobs, which indicates it is getting weaker (58,300 net jobs in 2015, 41,200 net jobs in 2016, and 30,000 net jobs in 2017), as America's private sector is getting stronger.

Something doesn't quite add up. The suspicion is that the record business filings represent little more than people moving from W-2 employee positions to 1099 independent contractor positions in order

to take advantage of the Ohio tax reform on pass-through entities, which is why few new jobs have come with the filings (i.e., it's a wash). As for JobsOhio's record, the lack of transparency surrounding that organization and the inability to gather independently verified data from a performance audit by the State Auditor's Office render its self-proclaimed record highly dubious, at best.

It is high time the Ohio media and legislature started asking Governor John Kasich and JobsOhio tougher questions. It also is time the media ignored Site Selection Magazine's meaningless annual Governor's Cup ranking.

Site Selection Rankings Not a True Metric of Ohio's Economic Growth

■ TOP 5 ■ BOTTOM 5

SITE SELECTION TOTALS			ECONOMIC INDICATORS	
	STATE	PROJECTS	NET JOB GROWTH	POPULATION GROWTH
1	Texas	4,933	24.6%	14.2%
2	Ohio	3,926	13.1%	1.4%
3	Illinois	2,786	10.6%	-0.5%
4	Pennsylvania	2,401	9.8%	1.0%
5	North Carolina	2,214	18.5%	9.0%
6	Georgia	2,174	21.5%	8.9%
7	Michigan	1,493	19.1%	1.1%
8	Virginia	1,423	11.9%	6.6%
9	Kentucky	1,416	14.1%	3.1%
10	Tennessee	803	19.6%	6.9%
11	Louisiana	728	9.9%	3.3%
12	Indiana	527	14.9%	3.3%
13	California	512	22.0%	6.8%
14	Florida	193	25.7%	13.4%

Note: Figures are for 2010 to 2017.