

No Copyright on Good Ideas

By Jan Meekcoms

The hits just keep coming for Oregon, and I'm not talking about million-sellers on America's Top 40. I'm talking about economic broadsides that cannot be sustained for much longer without bold action to reverse course.

Last month, Chief Executive magazine released its eighth annual Best/Worst States to do business in, and guess which state had the biggest plummet of all? That's right, in one year's time, Oregon's not-so-great-to-begin-with ranking of 33 dropped to 42.

Some of the anonymous remarks made by the CEO's surveyed included, "Oregon has taken the approach during the recession that since business tax revenues and personal tax revenues are down, it is not their [sic] job to help ease the burden and create easier competitive environment, but instead to increase taxes and regulatory fees to keep government in place. That attitude has crushed many businesses in Oregon and caused much of our customer base to leave the state."

My favorite, however, for its sad humor but excellent encapsulation of the situation came from the CEO who said Oregon's "only hope is based on a more suicidal California at its southern border."

And, there is more bad news. In April, the American Legislative Exchange Council issued its fifth annual Rich States, Poor States report, and it ranked Oregon in the bottom five at 45th. Measuring it by 15 legislatively influenced variables ALEC found Oregon scraping bottom in the minimum-wage rate (49), recently legislated tax changes (49), top marginal personal income tax rate (48), and top marginal corporate income tax rate (48).

But worst of all (at 50) are the state inheritance and estate taxes, which the ALEC report called "poster boys for bad tax policy." And just to throw in one final shot, Thumbtack.com, in association with Kauffman Foundation, recently surveyed small-business owners across the nation and gave Oregon an F grade for hiring costs.

Oregon is a mess and legislative nibbling at the edges will not solve it. Something bold needs to happen. Steve Buckstein, senior policy analyst, for the Cascade Policy Institute, has one idea: Make Oregon a Right-to-Work state.

According to Chief Executive's Best/Worst States, it might be worth a look at least. "It may be no accident that most of the states in the top 20 are also right-to-work states, as labor force flexibility is highly sought after when a business seeks a location."

Writing on the NFIB/Oregon website, Buckstein says, "Oregon is a small-business state. But Oregon also has the seventh highest rate of union membership in the country: 17.1 percent here, compared to 11.8 percent nationwide. Looking at just public sector unionism, Oregon stands at about 52 percent, compared to 37 percent nationwide ... The states that have not required workers to join a union and pay union dues have enjoyed, as a group, more rapid employment and income growth, better job preservation, and faster recoveries from recession ... Here, policymakers tried to pull us out of the most recent recession through greater state spending, funded by the Measure 66 and 67 tax increases on 'the rich.'

Citing research done by his Institute, Buckstein says, "If a right-to-work law were enacted in Oregon, we see:

- 50,000 more people working in five years; 110,000 more working in ten years.
- \$2.7 billion more in wage and salary income in five years; \$7.0 billion more in 10 years.
- 14 percent more taxpaying families per year moving into Oregon from non-right-to-work states."

There would be a sizable number of people vehemently opposed to making Oregon a Right-to-Work state, and this column makes no endorsement of the idea at the moment, but what is important here is that various quarters of the citizenry are starting to make rumblings about doing something really bold for the state's economy that the Legislature and governor seem unable to do.

The Legislature could seize the moment by taking the best ideas that successful states have put into play and put them to work in Oregon. These ideas are not copyrighted.

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Jan Meekoms is Oregon state director for the National Federation of Independent Business.