

The Seattle Times



INDEPENDENT AND LOCALLY OWNED SINCE 1896 | seattletimes.com

How everyone jumped off 'I'm for jobs' bandwagon

by Erin Shannon, Director, Center for Small Business

August 4, 2013

AS our economy struggles to recover from the Great Recession, our new governor and lawmakers of both parties issued a lot of sound bites and talking points before and during the recent legislative session about the importance they placed on creating jobs.

If there was one thing Democrats and Republicans seemed to agree on, it was that the fastest way out of this economic slump is to enact policies that foster job creation. In short, give small business owners the tools they need to grow their businesses and put people back to work.

Everyone was riding the "I'm for jobs" bandwagon.

There is no mystery about policies that create new jobs. The most effective way to encourage job growth is to reduce the cost of doing business.

The way to do that is to provide employers and entrepreneurs with regulatory and tax relief that encourages them to expand their businesses, hire more workers and thus generate more tax revenue for the state. Burdening employers and discouraging entrepreneurs with more government mandates and new taxes does not create more jobs.

So how did all the "I'm for jobs" talk compare to real action?

Washington Policy Center recently released a study of significant job-killer and job-creator bills considered by state lawmakers. The best way to summarize the findings is that 2013 was a session of missed opportunities.

The unique political alliance in the state Senate, where two leading Democrats joined with Republicans, resulted in

scores of solid job-creator bills that would have dramatically improved the state's small business climate.

Many of these bills have been a cornerstone of the business community's reform efforts for years. Unfortunately, almost none of these much-needed bills were supported by Gov. Jay Inslee and House leadership.

So while the word "jobs" was on the lips of every lawmaker, in reality dozens of bills would have made it easier for businesses to grow, but most of these job-creating ideas went nowhere.

At the same time, there were bills proposed that would have been so harmful to our state's business climate they can only be called job-killers. While these job-killers did not pass, the fact they were even proposed illustrates the real priorities of some lawmakers.

Some of the costly job-killer bills involved expanding mandatory paid family and medical leave, mandating paid sick leave and increasing business taxes. These were passed in the House but fortunately died in the Senate, so they didn't make the state's small-business climate any worse.

The most sweeping job-creating reform bills failed: simplifying business taxes, repealing paid family leave, allowing a temporary-training wage and lowering workers' compensation costs.

But four important regulatory-reform bills that reflected long-standing Washington Policy Center recommendations were passed by the Legislature and signed by Inslee this year.

These bills take steps to reduce the regulatory burden on businesses by reviewing and streamlining regulations

and creating a less complex way for businesses to apply for government licenses and permits and pay taxes and fees.

These common-sense reform bills will ease the burden on business and are long overdue. But they alone will not improve the policy climate so that businesses will be encouraged to create new jobs.

Such incentives can only come through significant reforms to reduce the cost of doing business. A report released by CNBC earlier this month ranked Washington as having the sixth highest cost of doing business in the nation.

Despite some regulatory reform, the overall record in improving Washington's business climate and expanding job opportunities for workers is disappointing.

Despite the near-universal "I'm for jobs" mantra issued by lawmakers of both parties, the biggest victory for our state's employers in the 2013 legislative session was the death of job-killer bills rather than passage of job-creator bills.

Small businesses and working families urgently need policy solutions that will create new jobs. If lawmakers and Gov. Inslee are sincere in their repeated statements that job creation is the key to economic prosperity and their top priority, a more serious effort will have to be made to pass and sign the core job-creator bills like the ones introduced this year.

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