

IN SEARCH OF A LEVEL PLAYING FIELD

What Leaders of Small Business Organizations Think
About Economic Development Incentives



**GOOD
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FIRST**

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What Leaders of Small Business
Organizations Think About Economic
Development Incentives

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EXECUTIVE SUMMARY

A national survey of 41 leaders of small business organizations representing 24,000 member businesses in 25 states reveals that they overwhelmingly believe that state economic development incentives favor big businesses, that states are overspending on large individual deals, and that state incentive programs are not effectively meeting the needs of small businesses seeking to grow.

By large majorities, those surveyed also say small business interests in economic development are not well represented in their respective state capitals.

Specifically:

- 92 percent believe that the spending balance on incentives between small and large businesses in their state is biased toward big businesses (69 percent strongly believe).
- 79 percent believe that their state is overspending on big incentive deals, hurting state finances (56 percent strongly).
- 77 percent believe that incentives in their state are not fair to small businesses (46 percent strongly).
- 87 percent say that small business interests in economic development issues are not effectively represented in their state's capital (36 percent strongly).
- 85 percent believe that economic development incentives in their state are not effectively addressing the current needs of small businesses that are seeking to grow (36 percent strongly).

In addition to their fairness concerns, these leaders of small business groups also have broader criticisms of the overall effectiveness of their states' economic development spending priorities:

- 72 percent do not believe their state's current incentive policies are effective in promoting economic growth (23 percent strongly).
- 62 percent say that traditional incentives like tax breaks are less valuable to small businesses than other forms of assistance (31 percent strongly).
- In addition to a near-unanimous outcry for greater access to capital, many volunteer that public goods that benefit all employers large and small—such as workforce development, education, and transportation—deserve to be a higher priority.

Most of the groups have also formally weighed in on economic development policy debates, either in support of policies more favorable to their members or sometimes against costly deals:

- 67 percent have advocated for economic development programs targeted to small businesses.
- 56 percent have advocated for changes in state tax and budget policy to benefit small businesses.
- 38 percent have even advocated against an economic development package offered to a large corporation in their state.

The respondents lead groups from 25 states (including all but one of the 15 most-populous) and one multi-state region. They belong to several small business networks that have been formed in the past 15 years, many with explicit economic development missions, using strategies such as import substitution, supply-chain networking, place-making, improved access to credit and local first consumer loyalty efforts. On average each group represents 650 businesses; in total the interviewed groups represent 24,000 individual businesses.

Young firms, where most small-firm job growth occurs, are well represented among the surveyed groups. A plurality of the respondents (13 out of 39) report that between 11 and 20 percent of their member businesses are less than five years old. Another 15 of the groups report even larger shares of their member firms being so young.

Significantly, none of the respondents is contracted by state or local governments to perform economic development functions such as outside-firm recruitment.

These findings set the stage for Good Jobs First's next study, exploring precisely how fair or unfair state economic development incentive programs are to small, local and/or entrepreneurial businesses.

SMALL BUSINESS LEADERS' VIEWS ON ECONOMIC DEVELOPMENT INCENTIVES

It is widely acknowledged that small businesses are a primary driver of employment growth in the U.S., and many public officials invoke small business interests to justify their policy positions. Indeed, small businesses are the motherhood and apple pie of most economic development speeches. But when it comes to incentive programs—that is, actual state spending priorities—what do small business leaders say? Does government rhetoric match its spending reality?

Hence this study, where we ask: how do small business groups regard economic development incentive programs that are intended to spur growth? Do they believe such programs meet their members' critical needs? Do they believe spending priorities are balanced between small/local/entrepreneurial businesses and large/multistate firms? We focus on state policies and spending because states legally enable and regulate incentive programs, even those administered by local governments.

We surveyed 41 leaders of 39 member-based small business groups across the country on these questions. Their 24,000 members create jobs in 25 states (including all but one of the 15 most populous states) and one multi-state region. These groups belong to several small business networks that have been formed in the past 15 years, often with very intentional economic development missions, using strategies such as import substitution, supply-chain networking, place-making, improved access to credit and local first consumer loyalty efforts.

The groups interviewed are primarily affiliated with four networks: Business Alliance for Local Living Economies (BALLE), American Independent Business Association (AMIBA), American Sustainable Business Council (ASBC) and Main Street Alliance (MSA). Notably, none of these groups is contracted by state or local governments to perform functions such as new-business recruitment that would lead to conflicts of interest.

The groups interviewed are primarily organized around principles of local and independent business ownership or a specific values statement. On average, each group represents some 650 businesses covering all major industry sectors. While membership criteria vary among the respondent groups, 98 percent of their member businesses have fewer than 100 employees, and 60 percent have fewer than 10 employees. See Appendix I for complete data on group characteristics.

Young firms, where most small-firm job growth occurs, are numerous among the surveyed groups. A plurality (13 out of 39 groups) report that between 11 and 20 percent of their member businesses are less than five years old. Another 15 of the groups report even larger shares of their member firms being so young.

Here is what the leaders of these groups said when asked how state economic development incentives affect their membership:

State economic development policy is not meeting the needs of small businesses

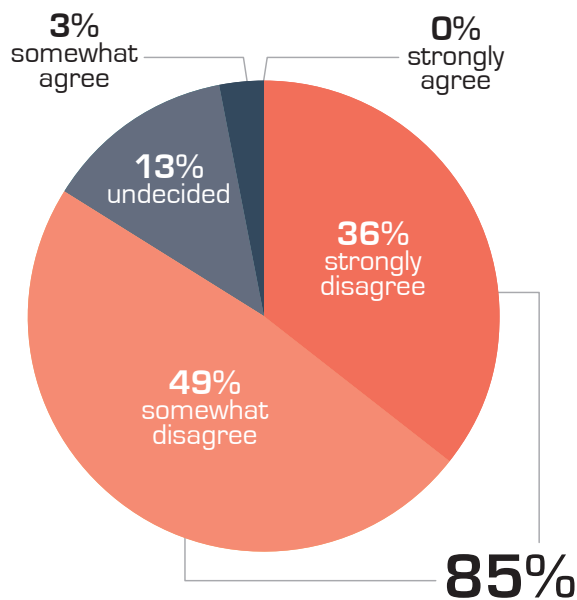
When asked their opinions of their respective states' current economic development incentive practices, leaders of small business organizations overwhelmingly stated that the needs of small businesses are not being addressed.

- 87 percent say that small business interests in economic development issues are not effectively represented in their state's capital (and 36 percent say so strongly).
- 85 percent believe that economic development incentives in their state are not effectively addressing the current needs of small businesses that are seeking to grow (36 percent strongly).
- 62 percent say that traditional incentives like tax breaks are less valuable to small businesses than other forms of assistance (31 percent strongly).

Many respondents said that policy makers do not understand the constraints faced by small business owners, and that more education for those in power is needed. "We need to concentrate on the real needs of small businesses—so many people talk about this, but half the time it actually helps big business," said one leader.

When asked what their members need most now, respondents almost unanimously named greater access to capital—not tax breaks. Almost eight years after the onset of the Great Recession, small businesses are still feeling the credit crunch and are having trouble accessing traditional sources of capital. Several respondents said government needs to step into that gap, either mediated through programs such as linked deposits in community banks or through direct lending. Additionally, many have advocated for legislation to allow crowd-sourced funding and tax incentives for non-accredited investors.

"Economic development incentives in my state effectively address the current needs of small businesses that are seeking to grow."



Beyond greater access to capital, respondents next said they favor community investments that benefit all businesses and grow the local consumer base. Of greatest benefit to their member businesses, they said, are workforce, transportation and education investments.

Even when incentives are facially available to small businesses, respondents overwhelmingly reported that it can be very difficult to access them:

"Unless there is someone who is deeply committed that really knows how to work within the existing framework then a community does not get access to funds for small/local businesses from the state. We suffer from the paradigm that it's always better to bring in a business from outside to bring new jobs rather than investing locally to grow the economy."

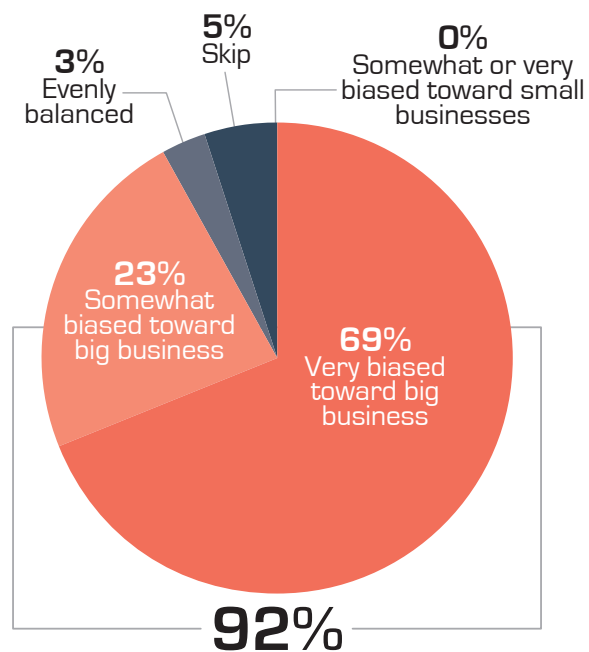
State policy favors big businesses

Leveling the playing field is a common metaphor used to describe how policy should change to help small businesses. However, an overwhelming majority of the small business leaders surveyed report that state policies are in fact further tilting the playing field in favor of large businesses.

- 92 percent believe that the spending balance on incentives between small and large businesses in their state is biased toward big businesses (69 percent strongly believe).
- 87 percent believe that economic development incentives in their state favor large businesses (62 percent strongly).
- 79 percent believe that their state is overspending on big incentive deals, hurting state finances (56 percent strongly).
- 77 percent believe that incentives in their state are not fair to small businesses (46 percent strongly).
- 38 percent have even advocated against an economic development package offered to a large corporation in their state.

Many respondents emphasized that they do not oppose incentives per se, but rather oppose this skewed distribution. As one respondent put it, “We have nothing against big businesses, but we want fairness for everybody.” “We’re not necessarily looking for any incentives from the state; we just don’t want to see incentives going to large businesses to the detriment of the state and small businesses,” said another.

“In my state, the spending balance on incentives between small and large businesses is...”



Others held that preference should be given to small and local businesses since they are not footloose and are the true job creators at the community level:

“We oppose funding that goes out of the community by attracting global corporations that will leave after their incentive is finished. We should be looking for what we have here in the community and investing there—it’s better to grow local businesses that will stick around.”

“The main problem is these huge grants which they say are for job-creation—a corporation threatens to leave and then they classify the jobs that stay in the state as new jobs created.”

While this lack of fairness could be seen as a call to reform incentive programs by redistributing funds to small businesses, interviewees emphasized the value of broadly shared community investments to their members' bottom lines (such as the aforementioned education, transportation and workforce development efforts). Few groups had actually opposed incentive programs for big businesses (though some had opposed specific big-ticket deals) and instead advocate for putting these funds toward investments that will benefit all businesses in their state.

Even if they have critical opinions, many groups reported feeling the need to stay publicly positive

in their approach, given the political landscapes they work in. Thus they shy away from activities like advocating against a large package to a specific corporation for fear that they will lose the political allies they do have. Despite this, many admitted that their members feel frustration about subsidies repeatedly going to big business:

“We spend most of our time trying to help small businesses through positive action rather than trying to change policy; that is not our sweet spot. But members are not happy when tax breaks are given to a big company that leaves five years later.”

Small Businesses See their Growth Tied to Shared Prosperity and Public Goods

“In 2013 a special legislative session was called to issue tax breaks for Nike. While multi-national corporations like Nike are calling for more tax breaks, small business owners are calling for investments in our communities. We need policies in place that ensure that all businesses take care of their employees the way Main Street businesses do. Customers who earn a living wage and receive adequate benefits fuel our businesses, not tax breaks.”

—Stephen Michael, Campaigns Manager, Main Street Alliance

“Over the past five years, we have surveyed thousands and thousands of small business owners across the country, asking the question, ‘what do you need most to help your business thrive?’ The overwhelming response that we get is not necessarily what you’d expect. Small business owners don’t call for more tax breaks or fewer workplace standards. They call for more customers. Small business owners need more customers in their stores, purchasing the products and services that they sell. For this reason, we need more investment in our communities, and policies that ensure that more customers have stable jobs, earn decent wages, and have access to the benefits they need to keep their families healthy and economically secure. Those policies ensure a strong customer base for local small businesses. We know that Main Street businesses thrive when the customers in their communities are also thriving.”

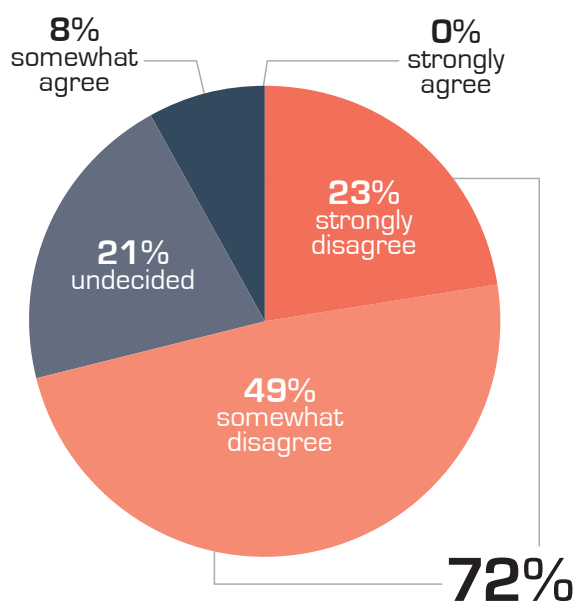
—Amanda Ballantyne, National Director, Main Street Alliance

Current incentive policy is not effective in promoting economic growth

Beyond the direct impact of state economic development practices on their constituency, leaders of small business groups also do not see current incentive policies as effective in promoting overall economic growth.

- 72 percent do not believe their state's current incentive policies are effective in promoting economic growth (23 percent strongly).

"My state's current economic development incentive practices are effective in promoting economic growth."



Small business leaders are rooted in their communities and some have watched large subsidized incentive companies come and go. While such companies may have an impact initially, they often are footloose, leaving taxpayers and small businesses on the hook and eroding public budgets. "Small businesses are really the engine that push our economy forward and we don't have the breaks that big businesses get," said one leader.

When asked how state economic development money would be better spent, there was a strong preference for community investments and pro-spending power policies over targeted incentives. In the words of one leader, "Customers coming through the door is the single biggest thing that builds a business, not a tax break.... Infrastructure that gets foot traffic in the door is a better investment than tax breaks."

Accountability and transparency are at issue here as well. In response to our question about whether incentives are effective at promoting growth, several respondents said they have no way of knowing whether current policies are effective because outcome data is not available from state agencies: "We don't know whether incentive practices are effective because the research is not being done." More and better transparency in economic development spending is key to developing policies that truly result in economic growth and broadly shared prosperity, they said.

SMALL BUSINESS GROUPS' ENGAGEMENT WITH ECONOMIC DEVELOPMENT POLICY

Having heard their opinions, we were then curious how these organizations have engaged on economic development issues in the last five years.

Small business groups focus their advocacy efforts on programs that benefit their members

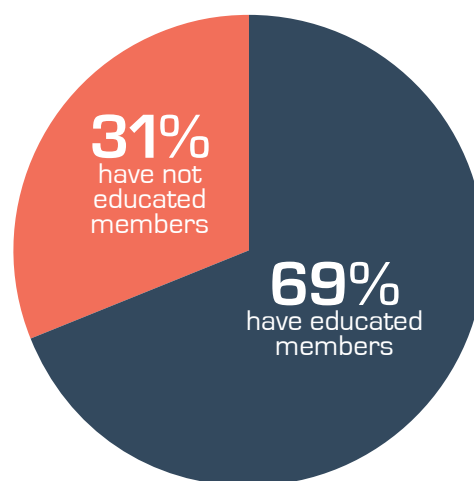
Where incentives and economic development programs intersect with small businesses, the groups surveyed are often engaged in policy debates, though such work is not a substantial part of their mission.

- 69 percent have educated their members about state incentive programs available to small businesses.
- 67 percent have advocated for economic development programs targeted to small businesses.
- 56 percent have advocated for changes in state tax and budget policy to benefit small businesses.

In their programmatic work menus, member-based small business groups have not made the issue of incentives or tax policy a large item. Although two-thirds have educated their members about available subsidies or advocated for programs targeted to small businesses, few have made advocacy work a substantial part of their mission and many have largely shunned incentive debates altogether.

For those who have not educated their members about state programs, many dismissed the question, saying, “there are no programs for us” or “economic development incentives don’t affect our members.”

“In the last five years has your group educated your members on state incentive programs available to small businesses?”



Some respondents reported a lack of knowledge about state programs and a lack of capacity for tracking changes in programs and policies. Several expressed frustration over the red tape involved in applying to such programs or engaging with state agencies. These responses point to a real opportunity for states to better connect with small businesses in order to improve and target their economic development programs.

Small business groups are occasional participants in tax and budget debates

In their history of working on economic development issues, the realm of tax and budget reform was the area where our respondents have the least experience.

- 49 percent have studied economic development programs in their state.
- 33 percent have studied the impact of their state's tax and budget policy on small businesses.

Most interviewees expressed an interest in doing more state-level policy research and advocacy but lack the staff and resources to do so. The policy work that they have done is more reactive or happens in partnership with other groups. As one respondent said:

“It’s hard to incorporate policy and advocacy work into a membership organization. I would have loved to do more of this work but really it’s a luxury that happens in ‘spare’ time.”

This is in contrast to the roles of many chambers of commerce, business and industry associations, manufacturers associations and National Federation of Independent Business chapters that often devote large shares of their resources to state advocacy.

Many of the groups surveyed focus on non-policy work such as local first consumer loyalty efforts and small business networking and promotion. They see themselves more as organizers than researchers or policy experts. However, where there is research available from other groups that can inform policy efforts they are often receptive. As such, these groups have untapped potential as allies in policy work where it speaks to the needs of small businesses.

There’s also a geographic scale mismatch that accounts for many groups’ lack of engagement. Sixteen of the 39 groups we spoke with are organized at the municipal or county level and their policy approach, if they have one, focuses at this sub-state level. One respondent exemplified this, saying: “My hands are full trying to deal just with the city—this most dramatically affects our businesses. We ask our members ‘what can the city do for local businesses?’ on an annual basis.” However, the largest economic development budgeting and program issues affecting small businesses are made at the state level.

This finding reflects the conclusions of a recent survey by Thumbtack.com of 18,000 small business owners. They found that entrepreneurs’ perceptions of their tax burdens were among the least important factors in how they perceived state governments. Instead, focusing on business training and reducing the burden of regulatory compliance had the strongest positive impact on how entrepreneurs viewed their state governments.*

*<https://thumbtack.com/survey/>

CONCLUSION

Public officials are keen to praise small businesses, but leaders of small business organizations overwhelmingly believe that economic development incentive programs favor big businesses and that the needs of small businesses—including those seeking to grow—are not being addressed. Further, they say that current policies are not effective in promoting economic growth in their states overall. Many say spending on incentives for big businesses strain the tax base for public goods such as education and infrastructure that benefit all employers and truly form the bedrock from which small businesses can grow.

This dissatisfaction with the current state of economic development policy is consistent with a 2014 poll by the Institute for Local Self-Reliance and Advocates for Independent Business. The survey reached 2,602 businesses nationwide and found that “eliminating public subsidies for big companies” was their top-rated public policy change.*

In practice, though, these member-based groups focus their efforts on services that most directly affect their members and engage less in advocacy around tax and budget debates. They direct their resources to promoting small businesses to consumers and taking a positive stance on promoting broadly shared community investments.

Our next study will test the accuracy of our respondents’ perceptions. Using our Subsidy Tracker data on program recipients, we will assess the distribution of economic development deals and dollars between small and large firms in 15 states. How fair, or not, are state incentive programs to small, local and/or entrepreneurial businesses?

*<https://ilsr.org/2014-survey/>

APPENDIX I: METHODOLOGY

A 36-question survey was conducted by Good Jobs First staff between April and July of 2015. All of the surveys were conducted by phone, each with two GJF staff participating (one to lead; the other to record answers), and each call lasting approximately 30 minutes.

The final sample contains 41 responses from 39 groups in 25 states (including 14 of the 15 most-populous) and one multi-state region. For the two groups where more than one leader was interviewed, the second interview was used only for quotes and is not double counted in the statistical tabulation of responses (survey sections 1, 2, 3 and 5, see Appendix II).

TABLE 1. Interviewed Groups by State

Organization	State
Local First Arizona	AZ
Northern California Independent Booksellers Association	CA
Small Business California	CA
Inner City Advisors	CA
Florida Main Street Alliance	FL
Iowa Main Street Alliance	IA
Local First Chicago	IL
Illinois Main Street Alliance	IL
Small Business Advocacy Council	IL
Business Alliance for a Sustainable Economy - Kansas City (BASEKC)	KS/MO
Kentucky Sustainable Business Council	KY
Louisville Independent Business Alliance	KY
Stay Local New Orleans	LA
Sustainable Business Network of Massachusetts	MA
Pioneer Valley Local First	MA
Maine Small Business Coalition	ME
Local First Michigan	MI
Latino Economic Development Center	MN
Small Business Minnesota	MN

Organization	State
Twin Cities Metro Independent Business Alliance	MN
Durham Living Wage Project	NC
Asheville Grown Business Alliance	NC
Just Economics	NC
New Jersey Main Street Alliance	NJ
New Mexico Green Chamber of Commerce	NM
Delicious New Mexico	NM
Small Business Majority	Northeast Region
Local First Ithaca	NY
Syracuse First	NY
Make the Road New York	NY
Ohio Sustainable Business Council	OH
Oregon Main Street Alliance	OR
Sustainable Business Network of Philadelphia	PA
Austin Independent Business Alliance	TX
Virginia Organizing	VA
Vermont Main Street Alliance	VT
Washington Main Street Alliance	WA
Local First Milwaukee	WI
Dane Buy Local	WI

To identify interviewees we consulted with several national networks: Advocates for Independent Business, the Institute for Local Self-Reliance, American Independent Business Alliance, American Sustainable Business Council, Business Alliance for Local Living Economies, Business for Shared Prosperity, Business for the Minimum Wage, Small Business Majority, Democracy At Work Institute, Democracy Collaborative, Main Street Alliance and the Small Business Advocacy Council (SBAC, of

Illinois). The primary affiliations of groups in our final sample are as follows (note that some groups belong to more than one network):

- Business Alliance for Local Living Economies: 15 groups
- American Independent Business Association: 13 groups
- American Sustainable Business Council: 12 groups
- Main Street Alliance: 10 groups
- Small Business Majority, the Institute for Local Self Reliance, and the Democracy Collaborative: 1-3 groups each

Characteristics of Respondents

The organizational leaders interviewed have extensive experience working with small businesses. The average organizational tenure is 6 years, with a median of 5 years.

The organizations themselves have an average age of 10 years, median of 8 years. Their membership averages 650 business members, with a median of 400 members. In total the groups represent approximately 24,000 member businesses. These member businesses fall into many industry sectors with retail as the most prominent (100 percent of the groups have retail members) and natural resources and mining as the least prominent (just two groups had members in this sector).

TABLE 2. Industry Sector Representation Across Interviewed Groups

Sector	Number of Groups
Retail	39
Professional and Business Services	38
Leisure and Hospitality	37
Education and Health Services	36
Finance, Insurance, Real Estate	35
Construction	32
Manufacturing	32
Wholesale	31
Transportation and Warehousing	22
Utilities	19
Natural Resources and Mining	2

Membership criteria varied from group to group, with the majority focusing on local and independent ownership characteristics or simply requiring that businesses share a set of values or policy goals. Just a handful of groups had strict size criteria. In practice however 98 percent of the businesses represented by these groups have fewer than 100 employees and 60 percent have fewer than 10 employees.

TABLE 3. Membership Criteria Across Interviewed Groups

Membership Criteria	Number of Groups
Independently Owned and Operated	21
Locally Owned	25
Values/Policy Sign-on	14
Member Dues	5
Business Size	8
Number of Establishments	1
Franchises Explicitly Excluded	6
Wage Standards	3

TABLE 4. Member Businesses by Size Category across Interviewed Groups

Business Size Category	Number of Member Businesses	% of Total
Zero employees	4,173	18%
2-9 employees	9,501	42%
10-19 employees	5,399	24%
20-49 employees	2,254	10%
50-99 employees	874	4%
100 or more employees	394	2%
Total	22,595	100%

Finally, in terms of the age of member firms, we asked what percentage of a group's members were young firms, of five years old or less. A plurality of the groups (13 out of 39) reported that between 11 and 20 percent of their member businesses are young firms, and another 15 of the groups reported even larger shares of their member firms being so young.

TABLE 5. Age of Member Businesses within Groups, in Response to the Question "What percentage of your member businesses are five years old or less?"

Percent of member businesses	Number of Groups
0	0
1-10	5
11-20	13
21-30	4
31-40	5
41-50	4
51 or more	2
Skip	6

APPENDIX II: SURVEY INSTRUMENT

GJF Questionnaire for State or Local Small Business Groups about Incentives

Date: _____ Interviewer(s): _____

Interviewee Name: _____

Interviewee Title: _____

Name of Small Business Organization: _____

Geographic Jurisdiction: _____

National network affiliation: _____

“Good Jobs First is conducting research on state economic development incentive programs. Specifically, we are looking at how such programs in your state interact with small, local, entrepreneurial or start-up companies. Your input will inform our research and hopefully make it of greater use to you and your member businesses.

Your responses to this survey are confidential. We are surveying about 40 groups; all answers will be reported in aggregate form so that no one’s individual responses will be disclosed.”

Section 1: Group Membership Characteristics

“First I’m going to ask you about your organization and member businesses.”

1.1 When was your organization founded? _____

1.2 How long have you personally been with the organization? _____

1.3 What are your group’s membership criteria? _____

1.4 How many businesses does your group represent? _____

1.5 What sectors do your member businesses represent (check all that apply)?

- ☐ Natural Resources and Mining
- ☐ Construction
- ☐ Manufacturing
- ☐ Wholesale
- ☐ Retail

- ☐ Transportation and Warehousing
- ☐ Utilities
- ☐ Finance, Information, Real Estate
- ☐ Professional and Business Services
- ☐ Education and Health Services
- ☐ Leisure and Hospitality

1.6 What percentage of your member businesses are five years old or less?

- ☐ 0%
- ☐ 1-10%
- ☐ 11-20%
- ☐ 21-30%
- ☐ 31-40%
- ☐ 41-50%
- ☐ 51% or more

1.7 How many of your member businesses would you estimate fall into the following size categories:

- _____ Zero employees (self-employment or non-employee company)
- _____ 2-9 employees
- _____ 10-19 employees
- _____ 20-49 employees
- _____ 50-99 employees
- _____ 100 or more employees

Section 2: Organization's History on Economic Development Incentives

2.1 “Before we get into the specifics of your organization’s history on incentives, when I say “economic development incentives,” what are the first words that come to your mind?”

“Next I’m going to ask you about your organization’s history, if any, on economic development incentives.”

“In the last five years has your group:

2.2	Studied the impact of your state's tax and budget policy on small businesses?	Yes	No
2.3	Advocated for changes in your state's tax and budget policy to benefit small businesses?	Yes	No
2.4	Researched or written about economic development programs available in your state?	Yes	No
2.5	Advocated for economic development programs targeted at small businesses?	Yes	No
2.6	Advocated against an economic development package offered to a large corporation in your state?	Yes	No
2.7	Educated your members on state incentive programs available to small businesses?"	Yes	No

“Good Jobs First maintains an online database of local, state and federal incentive deals called Subsidy Tracker.”

2.8	Were you aware of this resource before today?	Yes	No
2.9	Have you ever used Subsidy Tracker?	Yes	No
2.10	Are there any other tools that your group has used to study incentives?	If yes, which ones?	No

Section 3: Opinions on Economic Development Incentives

“Next we are curious about your group’s opinions of economic development incentives in your state. For the following statements you have a range of five answers to choose from: Strongly agree, Somewhat agree, Undecided, Somewhat disagree or Strongly disagree:”

3.1 “Economic development incentives in my state are fair to small businesses.”

strongly agree	somewhat agree	undecided	somewhat disagree	strongly disagree
1	2	3	4	5

3.2 “Economic development incentives in my state effectively address the current needs of small businesses that are seeking to grow.”

strongly agree	somewhat agree	undecided	somewhat disagree	strongly disagree
1	2	3	4	5

3.3 “Economic development incentives in my state favor large businesses.”

strongly agree	somewhat agree	undecided	somewhat disagree	strongly disagree
1	2	3	4	5

3.4 “In my state’s capital, small business interests in economic development issues are effectively represented.”

strongly agree	somewhat agree	undecided	somewhat disagree	strongly disagree
1	2	3	4	5

3.5 “Traditional incentives like tax breaks mean less to small businesses in my state than other forms of assistance such as streamlined permitting or customized training.”

strongly agree	somewhat agree	undecided	somewhat disagree	strongly disagree
1	2	3	4	5

3.6 “My state’s current economic development incentive practices are effective in promoting economic growth.”

strongly agree	somewhat agree	undecided	somewhat disagree	strongly disagree
1	2	3	4	5

3.7 “My state spends too much on big incentive deals, hurting my state’s finances.”

strongly agree	somewhat agree	undecided	somewhat disagree	strongly disagree
1	2	3	4	5

“The final question in this series has a different range of answers to choose from. The five options are: Very biased toward big businesses, Somewhat biased toward big businesses, Evenly balanced, Somewhat biased toward small businesses, or Very biased toward small businesses.”

3.8 “In my state, the spending balance on incentives between small and large businesses is:”

biased toward big businesses	somewhat biased toward big businesses	evenly balanced	somewhat biased toward small businesses	very biased toward small businesses
1	2	3	4	5

Section 4: Improving Economic Development Incentives for Small Businesses

“Next we have some open-ended questions regarding economic development incentives in your state.”

4.1 “What kinds of economic development assistance are most needed by your member businesses?”

4.2 “In your opinion, how would economic development money be better spent in your state – what programs would you shrink or eliminate and what would you start or increase?”

4.3 “Are there specific incentive programs in your state that you strongly support or oppose? Why?”

4.4 “Do you have a member who has been affected by an incentive transaction or economic development deal that would be willing to share their story with us?”

Section 5: Organization's History on Job Quality Issues

"Finally, we'd like to ask you about your group's history, if any, on job quality issues. Has your group taken a position in support of public policies in any of the following areas?"

5.1	Paid sick time	Yes	No
5.2	Paid family leave/maternity leave/paternity leave	Yes	No
5.3	Paid medical/disability leave	Yes	No
5.4	Job scheduling policy (such as advance notice, right to request schedule accommodations, reporting pay, etc.)	Yes	No
5.6	Minimum wage or living wage standards	Yes	No
2.7	Educated your members on state incentive programs available to small businesses?"	Yes	No

If yes to any of the above:

"Would it be OK for someone from the Center for Law and Social Policy (CLASP) to follow-up with you to learn more about your group's work in this area?" _____

If yes: "What is the best method of contact?" _____

Wrap-up

"Thank you for your time. Would you like us to send you a copy of our aggregate survey findings when they are ready?" _____

If yes: "Where should we send the report?" _____

The logo consists of a white square containing the text "GOOD JOBS FIRST" in a bold, blue, sans-serif font, stacked in three lines.

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