

Competing for Jobs

WHAT THE RESEARCH REVEALED

Without a competitive business climate, Missouri cannot win the global war for economic prosperity. Gallup dug deeply into key areas that impact Missouri's business climate and found that fewer than one in four employers is satisfied with Missouri's litigation climate, tax environment or government regulations.

Specifically, in the area of tax, the Gallup survey revealed that 10 percent of businesses in Missouri believe that Missouri's tax environment is their biggest obstacle to growth. A national survey conducted by Gallup and Wells Fargo put that number at 7 percent.

Gallup's research found that employers were not as concerned about the tax rate as the consistency of Missouri's tax laws. Gallup concluded that "the inconsistency of Missouri's tax policy is perceived as a major issue, with 1 in 5 business owners agreeing policies are stable enough to allow for year-to-year growth planning. Construction, wholesale trade, and health care industries reported even more concern over tax inconsistency than other industries overall."

Interviews with site selectors revealed a similar concern. While generally complimentary of Missouri's tax incentive programs, site selectors were worried that the programs' administrative complexity could be holding back some opportunities for Missouri. "The time and effort that go into applying for the incentives can normalize the value of the incentive package except in very large deals," commented one site selector.

Like taxes, a state's labor policy has a direct impact on employers' bottom lines. The Gallup survey revealed that Missouri employers are also concerned about labor policy. The majority of business leaders Gallup surveyed, 54 percent, favor Missouri becoming a

right-to-work state. Support for this policy change was even higher in some industry sectors, such as transportation, communications and utilities, where 67 percent supported becoming a right-to-work state.

Labor policy also plays a large role in a state’s ability to recruit new business. Site selectors also stated that becoming a right-to-work state would benefit Missouri. One site selector commented that “Missouri’s prospect flow on manufacturing is only 60 percent of what it would be if it was right-to-work.”

Gallup also surveyed employers about the impact of health care costs on their businesses. The vast majority (80 percent) of businesses reported that their health care costs will increase significantly in upcoming years. Seventy-one percent said that these increases will impede their companies’ abilities to grow. Yet very few businesses, only 5 percent, said health care is their biggest obstacle to growth.

“Missouri’s prospect flow on manufacturing is only 60 percent of what it would be if it was right-to-work.”
 Site Selector

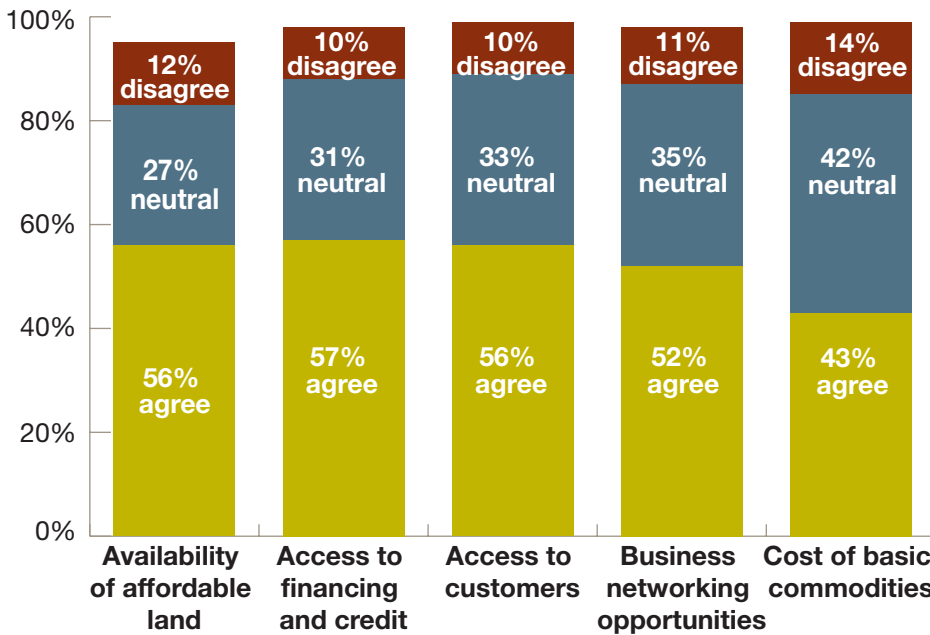
Some of Gallup’s findings identified strengths in this area. Missouri businesses rate their access to key inputs to their business’ success relatively high as compared with other questions in the survey, with over half reporting satisfaction with availability of credit, affordability of land, access to customers and business networking opportunities.

HOW MISSOURI 2030 CAN HELP MISSOURI BETTER COMPETE

Gallup’s research has identified several factors in our business climate that Missouri can address. Simplicity, predictability, transparency and efficiency should

guide future policy. The Missouri Chamber has long been considered the most influential business advocacy group in Missouri’s Capitol. [Missouri 2030](#) will make that lobbying team even stronger with additional advocacy resources and tools. More and more, due in large part to term limits, public policy is circumventing the legislature and instead is being made through government agencies and in the courts. [Missouri 2030](#) arms the Missouri Chamber with the support it needs to become a stronger presence in these areas.

Key Inputs for Missouri Businesses





Gallup

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Goal: Continue to aggressively monitor Missouri's business climate and advocate for improvements in the areas of: tax policy, legal environment, unemployment insurance and workers' compensation systems, labor, health care, and other factors impacting business competitiveness.

Action steps:

- ▶ Maintain the strongest advocacy team for business in Jefferson City by providing cutting-edge support resources.  **PROGRESS!**
- ▶ Develop targeted research studies to support advocacy efforts on key issues.
- ▶ Invest in annual statewide issue polls.
- ▶ Invest in communications tools and campaigns to keep employer members, legislators, media and the general public engaged in pro-jobs policymaking.  **PROGRESS!**

Goal: Keep Missouri's corporate taxes competitive and guarantee consistency.

Action steps:

- ▶ Conduct a comprehensive study of Missouri's state budget, including a 15-year projection of expected revenue growth and spending, to use in setting long-term tax policy.
- ▶ Commission an analysis of Missouri's tax code by leading tax professionals and present an actionable list of recommendations that can be legislated.
- ▶ Conduct annual state-by-state comparisons of tax levels.





Goal: Become a model state for fair and balanced resolution for injured workers and unemployed workers while lowering transaction costs of the workers' compensation and unemployment insurance systems.

Action steps:

- ▶ Tap into the expertise of corporate defense attorneys among Missouri Chamber membership through the Missouri Chamber Legal Foundation to help monitor legal decisions and other factors impacting Missouri's workers' compensation and unemployment insurance systems.
- ▶ Develop a method to track Missouri's real unemployment rates to use in developing more effective policy to address joblessness.
- ▶ Provide legal white papers through the Missouri Chamber Legal Foundation to help Missouri employers stay in compliance with changes in the law.


Goal: Improve Missouri’s corporate litigation environment.

Action steps:

- ▶ Expand manpower for the Missouri Chamber Legal Foundation to increase advocacy strength, engage in the judicial selection process and intervene in corporate legal cases.  **PROGRESS!**
- ▶ Perform a state-by-state analysis of key tort reforms (employment law, comparative fault, punitive judgments, evidentiary standard) and implement a plan to align Missouri with states that have more balanced, competitive litigation climates.
- ▶ Invest in a research study to analyze the impact of Missouri’s unbalanced tort system on our economy to support advocacy efforts. Compare Missouri with other states in levels of corporate suits filed, number of cases settled pretrial and number of cases filed in state and federal courts, among other data.
- ▶ Build an alliance of Missouri’s corporate counsels and convene regularly to develop a common action plan and path toward meaningful tort reforms.  **PROGRESS!**
- ▶ Establish an aggressive public relations plan to support tort reform efforts.  **PROGRESS!**
- ▶ Build a database that tracks political contributions from trial attorneys to elected officials and invest in a paid and earned media campaign and social media to publicize.  **PROGRESS!**



Goal: Implement labor reforms.

Action steps:

- ▶ Monitor labor activity in other states and build resources and support to enact competitive labor reforms in Missouri.
- ▶ Invest in a strong grassroots campaign and media plan to enact labor reforms.
- ▶ Build a database that tracks political contributions from unions to elected officials and invest in a paid and earned media campaign and social media to publicize.  **PROGRESS!**

Goal: Improve access to quality, cost-effective health care.

Action steps:

- ▶ Work to reduce the negative impact of the Affordable Care Act on Missouri employers by enacting strong Medicaid reforms.
- ▶ Build resources to support advocacy of medical malpractice caps.  **PROGRESS!**
- ▶ Research methods to provide transparency in the health care system.
- ▶ Research market-driven solutions to reduce small-employer health care costs.  **PROGRESS!**

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Goal: Foster entrepreneurs and innovation.

Action steps:

- ▶ Facilitate an alliance called Missouri 2030: Entrepreneurs to create an actionable plan to make Missouri a more attractive state for business startups.  **PROGRESS!**
- ▶ Collaborate with the SBTDC to provide effective entrepreneurial training and startup support to emerging Missouri businesses.  **PROGRESS!**
- ▶ Provide annual regional entrepreneur networking events.
- ▶ Proactively identify students and residents with entrepreneurship talent who are most likely to start a new business. Work with schools and universities to develop the interest, skills and partnerships needed to capitalize on this talent.
- ▶ Conduct an annual tax policy review to maximize the benefits for start-up and high-growth companies.
- ▶ Expand flexible capital formation through policies that encourage new market tax credits, venture capital, angel networks and crowdfunding.
- ▶ Promote collaborative industry and higher education research and development to increase our ability to commercialize research projects.

Goal: Identify economic areas of strength and leverage through collaboration and strategic policy, including agriculture, banking, energy, finance, insurance, health care, manufacturing and technology sectors.

Action step:

- ▶ Build alliances of the state's leading companies and experts for each of these sectors to collaborate and develop actionable plans for growth. 

Goal: Protect Missouri's military bases, defense contractors and defense agencies and the contribution these organizations add to our economy by taking an active role in the upcoming Base Realignment and Closure (BRAC) process.

Action steps:

- ▶ Produce educational materials that identify the economic impact of Missouri's military bases, defense contractors and defense agencies and use as tools to unify the business community, state and federal policymakers, and other stakeholders in an effort to protect our Department of Defense assets.
- ▶ Deploy a public relations campaign to shore up support and understanding of the role the military bases, defense contractors and defense agencies and companies that support the military play in Missouri's economy.
- ▶ Encourage business and community leaders to join us during the 2018 Missouri-DC Fly-in to discuss BRAC with our federal lawmakers.

Goal: Increase the number of veterans and family members that we retain in Missouri's workforce after service and encourage retired military to choose Missouri as a permanent residence.

Action steps:

- ▶ Deploy an education campaign among Missouri Chamber Federation members to enact veteran-friendly policy and programs in their communities.
- ▶ Provide educational materials to policymakers and lawmakers to build the case for more veteran-friendly policies that will encourage more veterans to stay in Missouri after service.
- ▶ Support an effort to build a statewide portal of support groups, programs and services available to veterans and their families.
- ▶ Work with military bases and the business community to strengthen communication and bridge opportunities for veterans and their families.
- ▶ Work with military bases to provide annual meetings for spouses of service men and women to make them aware of work opportunities in communities where they are stationed.