



JOHN R. KASICH  
GOVERNOR  
STATE OF OHIO

## **BUILDING OHIO'S JOBS-FRIENDLY CLIMATE**

*Improving the State's Economic Environment by Keeping Our Fiscal House in Order*

Ohio has seen an impressive turn-around in its business climate under Governor John R. Kasich, receiving strong votes of confidence from a number of national surveys for the state's work to build a strong, business-friendly environment for job creation, capital investment and economic success. By continuing to focus on areas critical to long-lasting jobs growth, Ohio witnessed the most improved business climate in the nation, creating nearly 560,000 new private sector jobs since the start of 2011 and bringing unemployment rates down to pre-recession levels.

- **Maintaining Fiscal Discipline:** After hard work and tough choices in the Kasich Administration's first budget helped Ohio avert a potential deficit and get back on its fiscal feet, some called for relaxing Ohio's budget discipline. But Gov. Kasich has been through this challenge before and held fast to his fiscally conservative principles. As chair of the U.S. House of Representatives Budget Committee in the 1990s, Kasich was the architect of the first balanced federal budget in a generation. But he had watched with frustration and amazement as, after he left Congress, Washington backslid from budget discipline and blew a projected \$5 trillion surplus in a few short years. Based on that experience, he has been committed to making sure Ohio does not go down that same path by building his state budgets with conservative revenue estimates and spending projections, tax cuts and a stronger rainy day fund. The result has been an economic climate friendly to job creators and a formula for future prosperity that helps more Ohioans participate in our state's economic revival.
- **Rebuilding Ohio's Essential Budget Reserves:** Finding a mere 89 cents in Ohio's Budget Stability Fund reserves when he came into office, Gov. Kasich was determined to rebuild that depleted rainy day fund to \$2.69 billion – the strongest emergency reserves in Ohio history and a convincing sign to taxpayers and job creators alike that Ohio's economy is back on track.
- **Driving Job Creation by Cutting Taxes:** With the belief that income tax rates are a burden on job creation, Gov. Kasich worked to reduce state income tax rates by 16 percent, the lowest rate since 1982. Ohio's top marginal income tax rate was cut from 5.925 percent when Gov. Kasich came into office in 2011 to 4.997 percent.
- **Helping Small Businesses Grow:** Understanding that small businesses are the drivers of our economy, making up roughly 98 percent of all Ohio businesses and employing half of our state's private-sector workforce, Gov. Kasich worked with the Ohio legislature to improve the state's business climate by phasing out income taxes on virtually all small businesses. As a result, Ohio set records for new business creation every year of the Kasich Administration.
- **Creating a World-Class Economic Development Model:** Ohio's economic development efforts were realigned under Gov. Kasich to make job creation and economic development a higher priority with the creation of JobsOhio, a private, not-for-profit economic development company that replaced Ohio's government-run bureaucracy. With a dedicated

stream of funding from the purchase of the state's liquor franchise to support economic development efforts, Ohio now has a more agile, respectable – and effective – economic development engine. JobsOhio helped diversify industries in Ohio, while attracting nearly 300 companies that did not have a presence before in the state, including businesses such as Amazon, Facebook and Festo.

- **Removing Burdensome Regulations:** On his first day in office, Gov. Kasich signed an Executive Order creating the “Common Sense Initiative” (CSI) to eliminate excessive or duplicative rules and regulations that stand in the way of job creation. As a result, more than 18,000 rules were reviewed with more than one-half being amended or rescinded.
- **Simplifying Municipal Tax Filing for Businesses to Encourage More Economic Growth:** Working with the Ohio General Assembly, Gov. Kasich made significant progress to address long-standing problems in Ohio's municipal tax system and help bring common sense to an outdated system and help businesses that operate in multiple jurisdictions. This included giving businesses the option of filing just one form for their municipal taxes and making a single payment.
- **Outperforming Ohio's Historical Average for Jobs Growth:** According to data from the U.S. Bureau of Labor Statistics, Ohio's job growth rate ranked 46<sup>th</sup> in the nation during the 20-year period before Gov. Kasich took office. Since January 2011, however, Ohio's ranking has jumped to 23<sup>rd</sup> place, the third most improved state in the nation.
- **Achieving the Most Improved Business Climate in America:** Ohio was named as the most improved state for business based on a nationwide survey of CEOs by *Chief Executive Magazine*. Ohio jumped into the top ten, 33 full places higher from the ranking before the governor took office – making Ohio the most improved state in the nation over that time.
- **Reducing Worker's Compensation Costs:** Through strong fiscal management and investments and an emphasis on safety, the Ohio Bureau of Workers' Compensation has saved Ohio employers \$8 billion since 2011. In addition, average workers compensation rates for private employers were reduced by 35 percent and for public employers by nearly 42 percent. During this time, workplace injury claims dropped 16.8 percent.



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