

# Toward a Business-Friendly California



## Coming up at the Chamber

[View all upcoming events on our web calendar.](#)

### WED | June 14

#### Doing Business With China Series

Topic: Intellectual Property Rights  
[more info](#)

### WED | June 14

#### Trade Briefing: Doing Business with Peru

Topic: U.S. Peru Trade Promotion Agreement featuring the Honorable Eduardo Ferrero  
[more info](#)

### THU | June 15

#### Export Seminar Session #6

Topic: Making Export Sales & Getting Paid  
[more info](#)

### THU | June 15

#### Land Use, Construction & Housing Committee Meeting

[more info](#)

### MON | June 19

#### Education & Workforce Development Committee Meeting

[more info](#)

### TUES | June 20

#### Cash for College Scholarship Awards Reception

[more info](#)

### WED | June 21

#### International Trade & Investments Committee Meeting

[more info](#)

### THU | June 22

#### Business After Hours Mixer at Kidspace Children's Museum

[more info](#)

### TUES | June 27

#### Referral Network

[more info](#)

### WED | June 28

#### Joint Environmental Quality & Transportation & Goods Movement Committee Meeting

Topic: Climate Change featuring Terry Tamminen  
[more info](#)

### WED | June 28

#### The Connection Point--Creating a Mindset for Successful Networking

[more info](#)

### THU | June 29

#### Technology Industry Council

[more info](#)

The Los Angeles Area Chamber of Commerce is the voice of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information, visit [www.lachamber.org](http://www.lachamber.org)

With last week's primary election now history, the battle for California's future begins. In five months voters will make choices up and down the ballot on issues and candidates that will impact our state for years to come. Education, health care, infrastructure and other issues are vital, but to pay for them we need a vibrant economy that is fed by growing businesses.

"Business-friendly California" does not have to be a contradiction in terms. There is no more important issue that should dominate the debate than rebuilding the business climate in California. Everything else follows from that.

A positive business climate will assure we have the jobs and growth economy to meet the projected demands, and that we create higher wage jobs.

A positive business climate will also generate more corporate income tax revenue, higher wealth individuals who pay income taxes and other revenues needed to grow our state's fiscal capabilities.

Some argue that this is a cry for wolf. It's been said that the economy is growing, so we must have a positive business climate. Sure, the economy is growing, but at rates that are hardly robust enough to fuel the growth we saw in the 1990s and in earlier years. Jobs are increasing, but not at the levels and wage rates that generate sustainable growth and quality of life.

Take the real-life experience of a company in the Sacramento area. The CEO recently told me that in the late 1990s the company was on a 10-year trajectory for nearly 4,000 employees. Not for low wage jobs, but highly skilled positions, call center operators and other occupations – all with full benefits. The company was consistently listed among the top places to work in the country.

But based on a variety of issues, including workers compensation, housing costs, over-regulation in their own industry and the lack of a qualified workforce, they decided that all future expansion would occur in Arizona. The company now has less than half of their employees from 10 years ago in California, with nearly 2,000 employees in Arizona.

Scientifically this anecdotal evidence may prove little. But the bottom line is that our environment resulted in the movement of 2,000 good, high-paying jobs with full benefits to another state.

What does the next governor and legislature need to do?

- Refrain from new corporate taxes. Businesses can't pay for everything, nor are they responsible for it all. The higher the corporate taxes go, the greater barrier those taxes are to attracting and retaining companies.
- Invest in our international infrastructure to assure that we can compete in the world economy. The ports of California could easily lose out to new ports that might be developed or expanded in other areas.
- Give employers and employees greater flexibility to manage their work schedules without violating the 40-hour work week. The company I referred to cited a major problem for them was not being able to have employees work four 10-hour days per week. Employers want it. Employees love it. Let them do it.
- Don't sack business with the uncertainty of indexed increases in the minimum wage. The state can't ignore the issue either. Regular administrative reviews of the minimum wage should be done to assure workers and employers that minimums will be set to reflect actual economic conditions.
- Candidates and elected officials need to take the time to educate themselves and talk to the public regularly about how they will work to make sure California's economy and job opportunities grow, and support the quality of life we all dream about for ourselves and our families.

Remember, several years ago a president was elected by reminding himself and voters that "It's the economy, stupid." Voters are concerned about crime, education and traffic, but they also understand the bottom line.

It's not a bad time for California to adopt this slogan and to remind all of those who made it through last week's elections that they need

*The Business Perspective* is an award-winning weekly opinion column by Rusty Hammer, President & CEO, L.A. Area Chamber

## L.A. Business THIS WEEK

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to do so as well. Let's demand that they tell us their plans for putting California's economy on a permanent growth path.

And that's *The Business Perspective*.



Russell J. Hammer  
President & CEO  
Los Angeles Area Chamber of Commerce

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