

# Opinion: California's economy better than people think

By Mike Rossi

Recently it has become popular in some circles to blame California's "business climate" when companies eliminate jobs. The inaccurate depiction of California as unfriendly toward business is a marketing narrative that was developed by other states trying to compete with our success.

Now it has been adopted by partisan media commentators who trumpet the virtues of less successful states and allow companies to avoid accountability for laying off hardworking Californians by invoking the "business climate" scapegoat.

The fact is that California is once again the national leader in job creation. In the past year, California has added 298,000 private-sector jobs – an increase of 2.1 percent, which is more than New York, New Jersey, Florida and Nevada combined.

Furthermore, the construction industry added 31,000 jobs in that same period, accounting for 6 percent job growth – that's the largest gain since before the housing crash. Our information technology jobs have surpassed pre-recession levels, and professional services, health care, education, trade and transportation have all posted significant gains this year.

Yet, in some circles, the facts are no match for anonymous surveys of CEOs that rank California at the bottom of the list. These surveys report the same findings year after year no matter how well or poorly our economy is doing. Exactly the same "findings" were reported in 2006, when California was enjoying three straight years of record growth, with close to the lowest unemployment in our state's history and a \$6

billion surplus.

California was riding a wave of economic success and yet the CEOs who were enjoying record profits still ranked California at the bottom of the list.

Meanwhile, Texas consistently ranks toward the top with states like Nevada, South Dakota and Wyoming following close behind. What do all these states have in common besides vast uninhabited areas with no population and no requirements for infrastructure?

None of them has personal or corporate income taxes. When CEOs say they are overtaxed in states like California, New York, Illinois, Massachusetts, Michigan and New Jersey (all states at the bottom of the list) what they really mean is that given the choice, they would rather pay no taxes at all.

Another oft-cited but completely misleading statistic is the number 254.

That's supposed to be the number of businesses that left California in 2011. But that number was generated solely by a "relocation specialist" who wants to move companies out of California.

That number – if it's even accurate – represents less than 0.007 percent of the total number of California firms.

Yes, companies have chosen to expand elsewhere, but we have also seen companies moving and expanding in California like Samsung, Dell, Bluhomes, Altec, Zollner and Advanced Call Center Technologies. All of these companies performed nationwide searches for places to relocate or expand and ultimately chose California.

While these are great acquisitions, the Public Policy Institute of California noted most job gains are due to the expansion of existing companies.

Just this week Sutter Health announced it is opening a new facility in Roseville that will employ upward of 1,000 people, and Amazon announced the opening of a San Bernardino facility that will create 700 jobs, in addition to the 350 jobs it created in Patterson earlier this year.

And, of course, California now gets \$1 of every \$2 in new venture capital funding as our leading innovators and entrepreneurs choose California as the place to be.

The bottom line is our competitors built a narrative while California was enduring the most disruptive economic crisis in our state's history. They did this to try to usurp our position as the nation's leader. Don't help our competitors carry out their scavengery by rehashing the same tired talking points that are not supported by facts.

No one is denying that our state has challenges that need to be addressed. But encouraging companies to leave only further erodes confidence and contributes to job losses.

There was once a time when someone took a shot at the home team and the fans would rally to defend the honor of the franchise.

It's time for Californians to recognize the state's positive momentum and do whatever it takes to keep it going.

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