

Why are businesses leaving America?



- Second highest corporate tax rate in the world
- Excessive regulations and laws that beat companies down
- Labor unions which stranglehold businesses
- The most litigious society in the world



You have finally done it! After working late into the night, night after night, week after week, month after month, you have finally finished developing your winning idea for a new product. What is your incentive for sacrificing so much time and effort? You can feed your family and enjoy the fruits of your hard work. You are ready to start your own business by investing your savings, mortgaging your house, and sacrificing most of your leisure time. You are now taking all the risks. So, in a global marketplace, where you can start a business anywhere on the planet, where should you start your business?

In a global marketplace where you can start a business anywhere on the planet, ask yourself ...

Do any of the below disincentives create jobs or keep jobs alive here in America?



1. The United States has over 100,000 pages of tax laws, labor laws, OSHA laws, EPA laws, consumer laws, trade laws, patent laws, cap-and-trade laws (coming!), and 75,000 pages of new laws passed every year ... you must comply with all. **(too many laws = job killer)**



2. The United States has the most litigious society in the world with more lawsuits than anybody.



In America, anyone can sue you for anything at anytime ... and if you are found innocent, you still have to pay the expensive attorneys. America has the most expensive and only legal system in the world that punishes winners in lawsuits, favors attackers, kills innovation, turns its citizens against each other, stifles freedom to make informed choices, et cetera. **(most lawsuits in the world = job killer)**



3. U.S. government writes laws in favor of special interests and big campaign donors (some of whom may be your competition). **(corrupt government = job killer)**



4. U.S. government cronyism based on political donations could establish government grants or discounts that help your competition and harm you. **(corrupt government = job killer)**



5. In the U.S., the government wants to limit your profit and your pay. **(diminished profit incentive = job killer)**



6. Government is considering raising taxes on small businesses that make over \$250,000, \$200,000, \$150,000 or whatever is the current number (“[Barack Obama’s Comprehensive Tax Plan](#),” n.d.).^{see references} Okay, we have raised your taxes, now go out and hire more people! That’s like saying, okay, you got a cut in pay, now go out and spend more money! **(higher taxes = job killer)**



7. The United States has the second highest corporate income tax on the planet, even as the rest of the world cuts their corporate taxes to remain globally competitive. “Only Japan is slightly higher overall, though if you are silly enough to base a corporation in California, Iowa, New Jersey, Pennsylvania, or other states with high corporate levies, your tax rate on business income is even higher than in Tokyo. For the first time, the U.S. statutory rate is now 50% higher than the average of our international competitors, continuing a long-term trend as the rest of the world keeps reducing corporate tax rates (“[America](#),” 2008). **(higher taxes = job killer)**

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8. Some in the U.S. government want to create extra energy costs for businesses, especially manufacturing, from a cap-and-trade bill (H.R. 2454, 2009). Subsidizing renewable energy in the U.S. may destroy two jobs for every one created if Spain's experience with windmills and solar farms is any guide (Baratti, 2009). (higher energy costs = job killer)



9. The actions of the United States government eroding the rule of law creates an uncertain business environment:

- arbitrarily throwing out legal agreements and long-established prior practice in the name of 'shared sacrifice' ("Barack Obama and the Chrysler Bankruptcy," 2009);
- government coercion intimidating creditors to give up legal rights, and cash, as part of a government-mandated tradeoff that favors a politically connected special-interest group (Neul, 2009) (Reilly, 2009) (Salas, 2009);
- attempting to pass *retroactive* laws that affect private business and their employees (Hitt, Lucchetti, 2009) ("BNY Mellon," 2009);
- "by attempting to ban incentive compensation of the 25 most highly-paid employees 'or such higher number as the Secretary of the Treasury may determine is in the public interest with respect to any TARP recipient' " (Senate approves Dodd's Amendment, 2009).
- (corrupt government = job killer; uncertain business environment = job killer)



10. In the U.S., the President could decide that he does not like you or your business and have you lose your franchise or license and be forced out of business. (corrupt government = job killer; uncertain business environment = job killer)



11. The U.S. wants to end the three offshore tax-avoidance techniques for U.S. companies such as Caterpillar Inc., General Electric Co., and Microsoft Corporation. By doing so, these companies have said that it "will make U.S. jobs more expensive ... we are better off taking lots of people and moving them out of the U.S. as opposed to keeping them inside the U.S.," Steven Ballmer, CEO, Microsoft (Donmoyer, 2009). (higher taxes = job killer)



12. The U.S. wants to tax foreign profits when they are earned, rather than waiting until the dollars are brought back to the United States. While this may raise more revenue in the short term, it also accelerates the trend of U.S. companies moving entirely offshore, or being bought out by Asians and Europeans so they can escape U.S. taxes ("America," 2008). (higher taxes = job killer)

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13. In the U.S., you could have a no skill, no experience government official telling you how to run your market and company. (**incompetent government intruding into private markets = job killer**)



14. Through several new labor laws, the U.S. government will add more strain to America's tort liability system, which is already the most expensive in the world and more than double the average cost of other industrialized nations (Council, 2002) (Pacific, 2006). (**more laws and more lawsuits = job killer**) **What good are employee rights if there is no employer?**



15. U.S. workers want and may feel *entitled* to high wages (e.g., \$20-\$30 an hour for manufacturing), but they are competing with the world in which people will work for under a dollar <http://www.545project.com/WageComparisonandTaxRates.pdf>. (**higher costs = job killer**)




16. The U.S. government is pushing for increased unionization, which tend to put a straightjacket on innovation, flexibility, and competitiveness, the very keys business needs to survive and grow. If the EFCA (Employee Free Choice Act) is passed, a *federal employee* could tell you what you will pay your workers! Good luck competing. As a side note: the federal employee may expect some sort of pay-off, as corruption is *always* in the forefront of a centralized, powerful government. (**unions = job killer**)



17. The U.S. Government is looking to increase labor law and unions. While on the surface this may sound good to workers, one has to ask, **what good are employee rights if you have run the employer out of town?** The following list name some of the legislative bills in Congress. ("The potential impact; Part I," 2008), ("The potential impact; Part II," 2008)⁴: (**more laws and more lawsuits = job killer**)

- a. Lilly Ledbetter Fair Pay Act of 2009 (Pub. L. no. 111-2, 123 Stat. 5). This **law** eliminates the statute of limitations in pay discrimination litigation, which business groups warn would allow plaintiffs to sit on their claims for several years and accumulate massive potential damage awards as well as encourage frivolous and vexatious litigation, potentially leading to windfall profits for trial lawyers⁴ (Wood, 2008). (**more complicated laws and more lawsuits = job killer**)
- b. Employee Free Choice Act (EFCA) will fundamentally change the rules in labor-management relations in the United States in two critical ways. First, it replace most secret ballot union representation elections with a process of union-solicited employee signatures on authorization cards ("card check"). Second, it would authorize federally-appointed arbitrators to *mandate* wages, benefits and other terms of employment, binding for two

years, if the parties cannot agree on a collective bargaining agreement for a first contract [H.R. 1409 (2009), S. 560 (2009)]. (more unions = job killer; federal government telling employers what to pay employees = job killer)

- c. The Re-Empowerment of Skilled and Professional Employees and Construction Tradeworkers (RESPECT) Act will reverse the current exclusion from unionization for front-line working supervisors under the National Labor Relations Act. This would mean that employers could no longer rely on the loyalty of front-line supervisors to represent them in union organizing campaigns, since such supervisors stand to become union members - in the same collective bargaining unit as the employees they supervise [H.R. 1644 (2007) and S. 969 (2007)].⁵ (more unions = job killer) 
- d. The Healthy Families Act, H.R. 2460 (2009), S. 1152 (2009) will mandate paid family and medical leave, including paid sick leave. (more expenses = job killer)
- e. The Paycheck Fairness Act of 2009, H.R. 12 (2009) and S. 182 (2009) will lift the \$300,000 cap on damage awards in employment discrimination litigation. (more lawsuits = job killer)
- f. Proposed amendments to the Equal Pay Act will make class action litigation easier. (more lawsuits = job killer)
- g. The Fair Pay Act, H.R. 2151 (2009), S. 904 (2009), introduces "comparable worth" legislation to increase pay for dissimilar jobs dominated by gender, race or ethnicity. (more complicated laws and lawsuits = job killer)
- h. The Protecting America's Workers Act, H.R. 2067 (2009), increase criminal penalties for violations of the Occupational Safety & Health Act. (more complicated laws = job killer)
- i. The Arbitration Fairness Act of 2009 (H.R. 1020, S. 931) will represent a dramatic challenge to businesses that broadly use arbitration agreements, shifting numerous disputes from arbitrators to state courts. This legislation would inhibit employers from enforcing pre-arbitration agreements in contracts with their employees and consumers. It has been said that this legislation would channel a flood of disputes, including frivolous complaints, into state court systems. Rather than arbitrating these disputes -- many of which are routine in nature and without merit -- companies would have to shoulder the burden of litigating disputes in courts, tying up valuable time and resources. (more lawsuits = job killer)

- j. The government wants to expanding FMLA to cover employers with as few as 25 employees (down from the current 50-employee threshold). (more expenses = job killer; more complicated laws = job killer)
- k. The Family Leave Insurance Act of 2009, [H.R. 1723](#) will create a federal insurance fund to provide eight weeks of pay for employees taking FMLA leave. Employees would contribute 0.2 percent of their annual earnings, and employers would match employee payments. (more expenses = job killer; more complicated laws = job killer)
- l. The Working Families Flexibility Act of 2009, [H.R. 1274](#) provides employees with the statutory right to request flexible work terms and conditions. It provides for a detailed interactive process with employees on flexible scheduling and requires employers to meet with a requesting employee and a designated representative of his or her choosing, justify any denial in writing and then meet again with any dissatisfied employee. Employees, in turn, would be given the right to make a complaint to the Department of Labor (DOL), seek an administrative hearing and appeal the administrative hearing result to a federal court of appeals. In addition, the Secretary of Labor may file a civil action for injunctive relief in District Court. (more expenses = job killer; more complicated laws = job killer)
- m. Craft an economic recovery plan aimed at creating or *saving* 3 million jobs by January 2011 through investment in infrastructure, public services, and “green” technology ([meanwhile over 23 million Americans are unemployed or underemployed, with another 82 million Americans that could be added to the unemployed at anytime simply by looking for a job!](#)) Should an increase in government jobs, including jobs due to government spending, count as new jobs? Isn’t government spending a zero sum (not a positive sum) gain: any resources controlled by the government are acquired from elsewhere in the economy, either through taxation or borrowing? Won’t increases in federal government spending simply grow the size and scope of government, putting people to work in inefficient sectors of the economy and add to our already booming deficits? Can “jobs saved” be a quantifiable number and should they be considered as an economic indicator (have they ever in the past)?

Question 1:

How do the above initiatives help motivate the world to bring money and invest in America? With businesses closing or leaving in mass, how do they help create and maintain jobs? When these initiatives are enacted, won’t they just kill stock values even more?

Question 2:

If the Congress and the President had a plan to help employers – e.g., lower the corporate tax rate without adding new government spending, regulations, cost – what effect would this have on our economy and the world’s investment in the USA?



Question 3:

What in the Congress and President's plan will create real and sustainable jobs? We seem to be losing them much more quickly than we are creating them. **Recent studies suggest that a quarter of U.S. jobs can be outsourced over time to other countries** ([Koprowski, 2009](#)).

Unbelievably, in these uncertain economic times, the government is doing everything it can to destroy jobs.

[For the true unemployment numbers, click here.](#)

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