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New Report Examines West Virginia Business Subsidies

State-financed business subsidies don't receive enough public scrutiny, according to a new report by the West Virginia Center on Budget and Policy. The state provides millions of dollars in tax credits and low-interest loans to private companies each year in hopes of creating good-paying jobs. Yet little is known – and even less is published – about the outcomes of these public investments.

“Policymakers need better information in order to make sound decisions, and taxpayers want to know how well these investments are paying off in terms of jobs,” said Paul Miller, Policy Analyst at the Center and author of the report, *Money for Nothing: Do Business Subsidies Create Jobs or Leave Workers in Dire Straits?*

The report examines ways for the state to improve the return on its job-creation investments. Two specific issues are explored: the availability of information to policymakers and the public about business subsidies (transparency), and how well the recipients of business subsidies deliver on their pledges to create jobs (accountability). Three key business subsidies are evaluated against a set of best practices gleaned from national experts and the experiences of other states.

The report reveals significant problems in the transparency and accountability of West Virginia's business subsidies, problems that earned the state an “F” on its subsidy disclosure policies from a national group, Good Jobs First.

“The most troubling finding is how little information is published about subsidy recipients and outcomes,” said Miller. “We should follow the lead of 27 other states that publish company-specific subsidy information online.”

Recommendations include creating an easy-to-use online database of business subsidy recipients; publishing more information about the number and quality of jobs actually created; and developing a unified state development budget that documents job-creation goals and investments across state agencies.

The West Virginia Center on Budget and Policy is a policy research organization that is nonpartisan, nonprofit, and statewide. It focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families. The full report can be viewed and downloaded at www.wvpolicy.org/reports.html