

FIVE YEARS TO GO

State Plan: A Look Back ... and Ahead

By Rebecca Patrick

Twenty years ago, Indiana was dead last in the country for economic momentum and job creation and growth, while also having the dubious distinctions of being the only state to suffer a net loss of technology jobs during the dot-com boom and ranking first in bankruptcies and home foreclosures.

The Indiana Chamber of Commerce's response to the state's lagging status was the *Economic Vision 2010* roadmap for the state, which it released in 2000. The organization followed up in 2012 with *Indiana Vision 2025*. Both plans brought forth specific public policy goals that, if achieved, would help reverse the state's course and make it a place employers and their workers wanted to be and where they could prosper.

"Those efforts began our march out of mediocracy," believes Indiana Chamber President and CEO Kevin Brinegar, who offers his assessment of the positive footing the state is on today, the impact of both plans and what we can expect to see the next five years leading up to the *Indiana Vision 2025* plan's conclusion.

BizVoice®: Take us back to the genesis of Indiana Vision 2025 ...

Brinegar: "The aim was to assess where we were as a state – good and bad – in a variety of key policy fronts. The process involved a task force of two dozen Indiana Chamber board members and outside allies determining what we needed to do in order to make Indiana a global leader in innovation and economic opportunities. They set their sights high.

"The plan was ambitious and it told us what we needed to be striving for each and every legislative session. As a consequence – now eight years into this – we have put a lot of score on the board. We still have work to do and there are certain goal areas where we haven't made the progress that we had hoped to make. But we're going to stay after it."

BV: What areas would you single out as ones that achieved or perhaps even exceeded expectations?

KB: "Our business tax climate has improved so much. We're now ranked 10th best by the Tax Foundation and 20 years ago we had one of the worst business tax climates in the country. We had two corporate taxes, a net income tax that was sixth highest in the country. And then we also layered on top of that a gross receipts tax. And you had to calculate both liabilities and then pay the higher of the two. We had an inventory tax, which totally undermined our strategic geographic location being eight or 10 hours away from over half the U.S. population.

"We got rid of those taxes. We also eliminated the inheritance tax. We used to run people off, who had wealth, in their retirement years. All these efforts and other tax improvements combined to significantly better the business climate; it's the most impactful thing we've done.

"In addition, much progress has been made in infrastructure with various legislation – from the long-term funding mechanism to assure we have reliable and safe roads to travel to positive water and wastewater infrastructure developments.

"We also made important strides in education and talent with standards, accountability, school choice, full-day kindergarten and pre-K for low-income families. In the workforce arena, the Next Level Jobs programs are connecting businesses with schools and helping them build out their pipeline and demonstrate that there are good paying jobs available for both the college-bound and the non-college bound students.



"The state has come such a long way since 2000 from an economic standpoint. Leaders in the business community were adamant things needed to change and drove the transformation. The Indiana Chamber couldn't be prouder to have been a catalyst."

– Kevin Brinegar

"I also want to mention making Indiana a right-to-work state in 2012. That enabled us to compete for projects and jobs that we were previously eliminated from right off the bat. The Indiana Economic Development Corporation has documented the effect and it's in the billions of dollars and hundreds of thousands of jobs, where companies stated being a right-to-work state was the reason or a key reason why they chose Indiana."

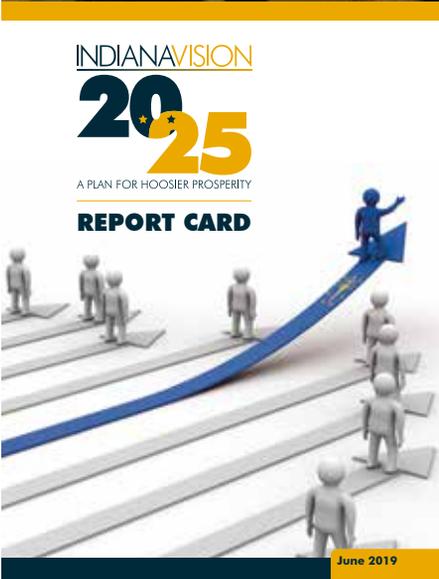
BV: Is there anything that's really surprised you and you hoped to see more done by this point?

KB: "Our health metrics. Even working in a coalition like the Alliance for a Healthier Indiana, we've not been able to get the General Assembly really to do much of anything thus far – although we have very positive signs going into the 2020 session with respect to smoking and vaping. I think that'll carry over into significant action in the 2021 session.

"But it's disappointing to see our rank as far as a percentage of population that smokes continue to get worse. And to see our obesity ranks get worse. Both results are starting to show up in other discussions such as health care and hospital costs, and employers who have facilities in multiple states are saying that Indiana is the most expensive health care state for them."



The *Indiana Vision 2025* forums held throughout the state have provided much-needed local perspective on plan goals and progress.



BV: *Indiana Vision 2025* has also been adapted, with a few goals added along the way ...

KB: “As the opioid epidemic emerged, we added a goal recently to reduce opioid deaths by 25% by the year 2025. We’ve attacked that both in the Legislature and in particular with our Indiana Workforce Recovery initiative to help employers and their employees through the process.

“We also pulled the task force back together in 2016, added some goals, evaluated the success that we had up to that early stage and tweaked the plan a bit. The updated plan reflects that we have been nimble. And given the long horizon of this plan, I think that was necessary and appropriate.”

BV: Looking ahead to the final five years of the plan, what are the big priorities?

KB: “We will continue to push for policies that will help improve the healthiness of Hoosiers and the metrics that make progress toward those goals. We also need to continue to look for ways to spur entrepreneurship, because we are in the bottom five states in terms of new business start-ups. And while our unemployment rate is low and we are high on job growth, that job growth was in older companies.

“There’s a life cycle to a company and they’ll max out on employment. We need the newer companies that are faster growing to increase their employment levels – to come in and replace that. And that’s not happening right now, at least based on our 2019 Report Card. Those are two key areas of attention.

“We’ll also continue our focus on education and workforce. We’ve made progress toward the big goal of 60% of Hoosiers having a postsecondary degree or industry-recognized credential by 2025, but we still have a long way to go and lag the national average.”

BV: How would you sum up the *Indiana Vision 2025* effort and its influence?

KB: “First off, there’s been a lot of embracing of the goals in the plan from the three governors that have overlapped with it as well as legislators. We’ve had strong reception and great dialogue with folks at the regional forums we’ve had when we presented the report cards (every other year), as well as the statewide forum when we kicked this off.

“That’s helped us drill down into priorities in different parts of the state as well as identify partners who have the same priorities that were willing to work with us to pursue policy objectives. All of that has been vitally important.

“I am absolutely convinced that *Indiana Vision 2025* has played a major role in the transformation of Indiana’s economy, rankings and our status as a top place for business growth and job growth and prosperity.

“Without it (or its predecessor), the state wouldn’t be where it is today and this far along. But the journey is not complete; we have plenty of work yet to do.”

RESOURCE: All Report Cards and plan details at www.indianachamber.com/2025. Subsequent BizVoice® issues will continue to focus on the four drivers of Outstanding Talent, Attractive Business Climate, Superior Infrastructure, and Dynamic and Creative Culture