

CALIFORNIA'S ENTERPRISE ZONES:

Creating Jobs. Building Communities. Investing in California's Future!

An Investment in Jobs

California continues to grapple with double-digit unemployment levels. The state has very few tools at its disposal to attract new businesses and help create jobs, especially in some of our most distressed communities. Unfortunately one of these tools, enterprise zones, are threatened by state budget cuts this year.

Areas in which enterprise zones are located have significantly higher unemployment rates, some reaching close to 40 percent for minority populations. At a time when many businesses cannot afford to hire new employees, enterprise zones helped create 20,000 new jobs in the past year alone.

At a time when many businesses are laying off employees, enterprise zone benefits assisted more than 92,000 employees keep their jobs.

In 2010, enterprise zones created or retained 10,000 jobs across the state every month while the rest of the economy often saw job losses.

Part of the long-term solution to California's budget woes is economic growth, enterprise zones are an important part of that path to recovery.

An Investment in Fiscal Solvency

The benefits of enterprise zones extend to other areas of the state budget. Administration of the enterprise zone program is not funded out of the state's general fund. All program funding comes from voucher fees, which alone netted \$1 million last year to run the program.

Over 18,000 employees in enterprise zones are previous recipients of some type of public assistance (CalWORKS, MediCal, unemployment, food stamps, etc.). If enterprise zones are eliminated, many businesses will downsize and employees will be forced back on government assistance, increasing the burden to California taxpayers.

An Investment in Our Communities

Enterprise zones strengthen California's most challenged communities and provide opportunities to people with significant barriers to employment. Enterprise zones encourage businesses to locate, or in some cases expand, to economically distressed areas and hire local employees. These employees in turn spend more in their local community. They spend money in local stores and at local restaurants. The far-reaching benefits of enterprise zones help revitalize every aspect of a community.

Enterprise zones provide incentives for employers who hire former felons. Several studies have demonstrated that gainful employment significantly reduces the probability that an offender will re-offend. By investing in enterprise zones, we are investing in the safety and security of our communities.

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Jobs and Safe Communities

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*In 2010,
Enterprise Zones
created 20,462
new jobs in
California at a
time when the
state is
experiencing
unprecedented
unemployment.*

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In 2010, Enterprise Zones created or retained more than **118,000** jobs in California. Eliminating Enterprise Zones would constitute not only a tax increase on the job creators in our economy, but result in job loss in California.

By the Numbers

There are 42 enterprise zones throughout California. Located in economically distressed areas, these zones typically have record-high unemployment, higher crime rates and lower levels of economic activity. Enterprise zones provide incentives for businesses to open and/or relocate to these areas, hire local employees and help revitalize the local economy.

10,000: Jobs created or retained each month in California thanks to the Enterprise Zone Program.

18,317: Employees previously on public assistance now employed by businesses taking advantage of enterprise zone tax credits.

2,415: Ex-offenders employed by businesses utilizing enterprise zone tax credits. Gainful employment is one of the largest contributing factors affecting recidivism. *(The average cost of incarceration in a California state prison is approximately \$50,000* per inmate per year. By giving these ex-offenders a job, enterprise zones saved the state over \$120 million in 2010.)*

2,337: People employed by businesses who were previously receiving unemployment benefits. The average weekly unemployment payment in California is \$293**. *(By giving these employees a job, enterprise zones saved California's burgeoning unemployment insurance fund \$32.9 million in 2010.)*

416: Veterans hired by businesses utilizing enterprise zones.

42: Number of enterprise zones in California encouraging business and job growth while helping aid the state's economic recovery.

Keep Jobs in California
Keep Businesses in California.
Keep Enterprise Zones in California.

*<http://www.kpbs.org/news/2010/jan/08/overcrowded-and-expensive-governor-addresses-calif/>

**http://www.mercurynews.com/business/ci_16745250?nclink_check=1

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*Enterprise zones
provide significant
savings to
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by stimulating
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