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What's Good for Business Must Also be Good for Ordinary People

By The Editorial Board | March 17, 2011

We've never bought the idea that what's good for people - real, living, breathing human beings - is somehow bad for business. Quite the opposite: In the long run, the best interests of both walk hand in hand.

Yet some powerful special interest groups keep trying to pit one against the other. The U.S. Chamber of Commerce, for example, recently went to the trouble of inventing a statistical index that ranked states based on policies that supposedly enhance or impede employment and job creation.

Not surprisingly, policies that attempt to level the playing field for both employers and employees are considered bad for business. So a state with laws or regulations that offer even marginal protections for workers from unfair, abusive or discriminatory treatment gets a lower ranking. U.S. states ended up in three broad categories: Missouri was among 20 states considered "fair" when it comes to such policies. Illinois was among 15 states considered "poor." Existing policies in the remaining 15 states were said to be "good" for employment and job creation.
Led by an economist who ran the GOPAC political action committee for former GOP House Speaker Newt Gingrich and later served as president of Mr. Gingrich's Progress and Freedom Foundation, the team that produced the report used highly selective criteria and highly subjective judgments to justify rankings that align quite nicely with the political and ideological priorities of the U.S. Chamber.

Those rankings quickly break down when weighed against more objective measurements from nonpartisan sources such as the U.S. Census Bureau and the U.S. Centers for Disease Control and Prevention, compiled and organized by the American Human Development Project.
The data for Illinois, a "poor" state by Chamber standards, are particularly telling, especially when compared with the Chamber's supposedly "good" states.

Illinois has a higher median income, longer life expectancy, greater percentage of college graduates, more preschool enrollment, fewer people living in poverty in all age groups and lower levels of childhood mortality (ages 1 to 4) and teenage births than most of the 15 states the Chamber calls "good."

Missouri, a "fair" Chamber state, scores worse than "poor" Illinois - and worse than the national average - when it comes to median income, life expectancy, the percentage of children living in poverty, school enrollment among students ages 3 to 24 and the percentage of residents with college degrees. Missouri also has higher percentages than Illinois does of people with diabetes and obesity, and higher rates of infant mortality, child mortality and food insecurity.

Even by the most elementary measurement of economic activity - gross domestic product per person - Illinois' $40,006 is higher than all of the Chamber's allegedly better states except Virginia's $41,769. Missouri trails substantially with $32,779. And leave us not forget that much of Virginia's prosperity is driven by its proximity to Washington, D.C.

Of the top 10 states by GDP per person, five were branded as "poor" for employment and job creation by the U.S. Chamber. Only one top-10 state - Virginia - was a "good" Chamber state.

Businesses want to operate where their executives and workers can live in healthy communities with high education standards and where residents in need can get help. The Chamber's report offers nothing helpful to the ongoing challenge of creating jobs that will improve life for Americans who desperately need and want them.