



## Principles for Creating Shared Prosperity through Economic Development Programs

The Human Services Coalition of Oregon (HSCO) was formally founded in the early 1980s by a group of advocates with the goal of establishing a place for collaboration, partnership, and dialogue between health, housing and human service providers, and to increase revenue for these critical community investments. The organization was founded on two bedrock principles:

- 1) Advocating for state services to help low-income and vulnerable populations without prioritizing one service or population over another;
- 2) Working to increase the resources supporting these services.

Through its Tax and Revenue Committee, HSCO has long advocated for increasing state revenues and for curtailing tax expenditures that consume a disproportionate and growing share of revenue that would otherwise be available to fund services. Many of these tax expenditures are promoted under the concept of “economic development.” HSCO views economic development as sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area. These actions include, but are not limited to, the development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives.

HSCO is certainly in favor of shared prosperity: economic growth that expands the number of living wage jobs, grows the middle class and benefits *everyone*, including low-income and vulnerable populations. However, it is our view that some of these programs mainly benefit wealthy investors and businesses, or stimulate the creation of jobs that are only part-time, temporary, pay substandard wages, and/or lack benefits.

We propose the following set of principles to guide our advocacy in economic development policies and programs – those that are being considered for renewal, those funded by direct appropriations, loans, grants, and tax expenditures. These principles help distinguish between proposals and programs that promote shared prosperity and those that do not.

### Economic Development Principles

- 1) The most effective economic development strategy is to help increase the resources of low- and moderate-income people. Growing their spending in local economies benefits everyone else. Helping them qualify for, find, and keep living-wage jobs is a key to long-term, sustainable growth.
- 2) Any economic development programs partly funded by government must convincingly demonstrate that they meet these criteria:
  - Promote shared prosperity by creating living-wage jobs for those residing in Oregon.
  - Be equitable in terms of population and geographic diversity.
  - Include credible cost-benefit analysis to enable comparison with other means of deploying resources through the General Fund and other funds.
  - Employ loan programs in preference to grants or tax credits when feasible.
  - Include claw back provisions to recover funds from grantees if performance goals are not met.
  - Disclose detailed information about any related incentives and subsidies on the Oregon Transparency Website.

**About HSCO:** The Human Services Coalition of Oregon (HSCO) is a coalition of Oregonians who care about promoting the well-being of all Oregonians. We play a vital role in connecting and advancing the efforts of our growing network of community organizations. [www.oregonhSCO.com](http://www.oregonhSCO.com)