

LeBron Isn't Only Ohioan to Migrate South

July 25, 2010

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Give LeBron James a break. He is like the spotted owl from the 1990s debate over clear-cutting in the Pacific Northwest: a symbol of a bigger problem that transcends the Cleveland Cavaliers and Dan Gilbert. Whether to escape Ohio's high taxes or to soak up more sun, LeBron's flight to Florida is just another sign of Ohio's decline.

Fundamentally, the South and West have replaced the North (from Missouri to Maine) as the center of America's economic growth, innovation and prosperity. It took more than 100 years, but ironically the locus of freedom and prosperity today is the very place where America's most shameful practice took place.

In 1853, The New York Times dispatched Frederick Law Olmstead, future architect of Central Park, to travel around the South and send back observations about it. Because Olmstead spent so much time in the South, staying in hotels and homes of Southerners both rich and poor, and using the roads, rivers and rails extensively, his observations provide a valuable snapshot in time. One of the most striking observations Olmstead made was the enormous economic and infrastructure difference between the Northern manufacturing states and the Southern agrarian states.

Pointedly, Olmstead noted about the "nicer" homes: "Nine times out of 10 . . . I slept in a room with others, in a bed which stank . . . I washed with utensils common to the whole household; I found no garden, no flowers, no fruit, no tea, no cream, no sugar, no bread . . . no curtains, no lifting windows . . . no couch . . . the house swarmed with vermin." Without a doubt, the economic engine of America in the 1850s resided in the North.

This concentration of power would remain geographically fixed for the next 100 years. Beginning in the 1970s, however, this concentration of power began to slowly dissipate, as the North found itself increasingly unable to compete with the South and West (and foreign markets) due to higher labor costs, increased regulatory burdens and greater workplace rigidity.

By 2010, the migration of America's economic engine had shifted from the North to the South and West. The names Edison, Wright, McMaster and Firestone have been replaced by Jobs, Smith, Dell and Walton. In 20 years, Ohio companies on the Fortune 500 list shrunk by roughly half. The people have followed the same migration pattern, illustrated by the loss of 41 electoral votes since 1972 from the North. Except for the last two years, since 1964, America's elected president has come from the South or West. Ohio's last president was Warren G. Harding in 1923.

In 1943, the average household wealth in Ohio was 13 percent above the national average. Today, we are 11 percent below the national average. In terms of jobs, since January 1990, Ohio has netted just 120,700 jobs in the private sector, which is the 47th worst in America. The pro-union North experienced less than half the job growth (16 percent) from 1990 to today -- even after the large losses in the South and West due to the housing market collapse -- than the states (36 percent) that protect the economic freedom of their workers. The rank-and-file workers in the North, including Ohio, have been left holding a fairly empty bag given that there is little the union can do for them when there are no jobs.

And, contrary to the talking points of the anti-free trade left, the jobs did not all get "shipped overseas" to cheap labor markets like China and India. Rather, many jobs that have been lost were shipped down to the more business-friendly South and West, as well as replaced by technological productivity gains. Ohio today simply manufactures more with fewer workers.

The Atlanta Journal-Constitution reported that in the last 10 years, roughly 20 companies -- most recently NCR -- moved from Ohio to Atlanta. The article noted that companies "have been heading to the Sun Belt for decades to take advantage of the balmy weather, tax breaks and nonunion workers." Ohio can't increase its share of sunlight and warm weather, but Ohio's elected officials certainly can get their heads out of the sand regarding Ohio's seventh-highest total tax burden and structurally weak labor market.

If Ohio wants to regain its status as an economic powerhouse, it must free its entrepreneurs and businesses from the burdens of high taxes, costly government and pro-union policies. With a vibrant private sector, prosperity will return to Ohio, and the revenue generated will allow us to fund necessary government services.

We can pretend these things don't matter, but Olmstead rightly noted in 1861 that more freedom means more prosperity. Shame on us for spending less time talking about the loss of NCR than on LeBron's move to Miami.

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