



Ohio Ranks 12th For Most Cronyist State

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by [Stephanie Kreuz](#)

Does Ohio play fair? Or smart? When it comes to the number of dollars spent in subsidies, Ohio ranks the 12th cronyist.

The [Mercatus Center recently illustrated](#) how states rank in providing benefits to particular companies, rather than providing better opportunity for all companies.

Known State Subsidy Deals and Amounts by Top States



Data note: Top states are those that spend more than \$1 billion in subsidies.
Source: *Subsidy Tracker Top States*, Good Jobs First, accessed September 2014.
Produced by Veronique de Rugy, Rizqi Rachmat, and Andrea Castillo, Mercatus Center at George Mason University, October 15, 2014.

Source: Mercatus Center

Ohio’s neighboring states ranked 4th (Michigan), 5th (Kentucky), 7th (Indiana), and 11th (Pennsylvania) in the number of dollars spent on subsidies. Veronique de Rugy used data from [Subsidy Tracker 2.0](#), a project of [Good Jobs First](#), to analyze how states compare.

De Ruky notes, "...established corporations, not small businesses or startups, are the overwhelming recipients of state benefits. Sometimes, subsidies are extended to subsidiary companies that appear small and unconnected at first glance."

Good Jobs First has the breakdown of the [top-ten recipients of subsidies in Ohio](#):

Top 10 Parent Companies	Total Subsidy \$	Number of Subsidies
Fiat	\$240,654,338	15
General Electric	\$228,196,578	28
Convergys	\$196,400,000	4
General Motors	\$183,366,002	30
Goodyear Tire & Rubber	\$152,000,000	3
American Greetings	\$148,966,000	8
USEC	\$125,100,000	6
Bristol-Myers Squibb	\$117,000,000	6
Ford Motor	\$115,585,811	22
Deutsche Post	\$114,714,400	5

Source: Good Jobs First

Do these subsidies really create jobs and economic growth though? "Targeted state subsidies to private businesses are often promoted as a "market-friendly" means to boost growth, jobs, and development. However, the empirical studies on state subsidies find that these programs have little to no effect in producing their intended goals," according to de Ruky.

Subsidy Tracker 2.0 provides assistance in tracking subsidiary companies to their parent companies, providing a clearer picture of what companies receive the most benefits.

The State of Ohio has provided 7,201 subsidies totaling \$4,135,021,231.00 (that's \$4.1 billion). These vary between grants, low-interest loans, and tax credits. Third Frontier, and Innovation Ohio are among the programs cited as sources for subsidies.

In addition to state agencies and initiatives, also contributing were the Cincinnati Ohio Economic Development, City of Cleveland Department of Economic Development, City of Toledo Department of Development, and Columbus Department of Development.

Nicole Kaeding and Chris Edwards of the Cato Institute [commented in the 2014 Fiscal Report Card for governors that](#), “...many governors have supported narrow breaks to particular companies and industries, called ‘tax incentives.’ *The Wall Street Journal* called the increase in tax incentives a ‘tax-credit arms race.’”