

Hiring Incentives

What were we looking for?

- Incentives that would cause a business owner to prefer to hire local residents of the area around his or her business
- These incentives did not necessarily need to be financial

Where did we look?

- Department of Labor
- Department of Community Affairs
- Department of Education
- Department of Economic Development
- Department of Housing and Urban Development
- Incentives the ADA compiled
- OneGeorgia (State level)
- Numerous case studies

Community Benefits Jobs Contract

- Agreement that is signed by a construction companies hired to build the Atlanta Beltline
- The company must make “good faith efforts to fill 50% of entry level work hours and 20% of all work hours, with people residing in BeltLine neighborhoods”
- Penalty for not following result in the withholding of 10% of project costs.

CBJC Advantages

- AWDA will prepare a list of pre-screened and qualified candidates. Many will be trained.
- AWDA can bring several job candidates to the site for interviews during arranged times
- Contractors can receive tax credits (up to \$1,500) for every employee hired from specific areas within the Atlanta Beltline

Potentially Useful Programs

- AWDA's training and hiring program
- Phoenix Fund – low interest loans available to companies making 51% of jobs available to low and moderate income persons
- Job Tax Credits (focused on Employer location)
- Urban Enterprise Zone (Employer Location)
- Opportunity Loan Fund (Employer Location)
- Work Opportunity Tax Credit (Expires 12/2011)
- Renewal Communities (Expired)

Case Studies

- While there are many studies on the effects of local businesses vs. multinationals, and dollar multiplier effects, there appear to be none that show a definitive advantage to hiring locally.
- Exception – A study by Regus found that 33% of U.S. Employees consider quitting their jobs due to hour-plus commutes. Regus, a telecommuting provider, has financial incentive to provide this data.

Conclusions

- There are no available tax incentives that specifically target hiring people around the vicinity of your business.
- There are some incentives targeting specific populations that could be useful.
- We will need to put more focus on training the employees in the area, or ways to entice workers to move into the area.
- Make a study of our own of the effects of local hiring on a business's bottom line.

Questions?