

# A Better Virginia Economy for All



THE  
COMMONWEALTH  
INSTITUTE  
*Building a Prosperous  
Virginia for All*

**We believe Virginia needs an economy that works for us all, not just a few. Where every Virginian who works hard can support their family and build a brighter future. Yet for too many in our commonwealth, that opportunity is out of reach.**

**In order to foster broad-based prosperity and a thriving middle class, to create jobs today and an economy that continues growing far into the future, our state needs to adopt these policies. Only by increasing the potential of the economy through strategic investments, integrating the economically and socially marginalized, and eliminating unnecessary barriers to employment and innovation can Virginia become a place where truly everyone who works hard can get ahead. Here are some key ideas on how to make progress.**



## **Ensure potholes, delays, and crumbling schools aren't holding back Virginia**

Improving the quality of Virginia's infrastructure, from airports and rail to schools and water systems, is essential for creating a more productive economy. And with borrowing costs near historic lows and construction employment well below pre-recession levels, there is no better time than now. The governor and legislature were right to seize this moment to make investments in Virginia's future, but more can be done. Spending on infrastructure creates construction jobs in the short run, and in the long run it supports business growth, economic productivity, efficiency, safety, and quality of life.



## **Tear down unnecessary barriers to employment**

Some occupational licenses are important for protecting employers, employees, and customers, but others are used to stifle competition and create barriers for workers trying to find jobs. A survey by the Institute for Justice found the educational/experience requirements for 102 lower-and middle-skill occupations averaged 462 days in Virginia, which is more than all but seven states. Similarly, non-compete agreements by companies like Jimmy John's can create barriers for low-skill workers looking to find different or better opportunities. Virginia should more rigorously review new and existing occupational licenses, reduce education and experience requirements where appropriate, and make it easier for licenses to transfer across state lines.



## **Feed the areas of the economy most ripe for growth**

More than 80 percent of Virginia's job growth comes from start-ups and the expansion of businesses already located in the state. Virginia should limit large and established businesses' use of tax breaks, subsidies, and regulations to discourage new competition. This behavior decreases business creation, increases prices for Virginians,

and is a drag on the economy, all while depriving the state of resources for investing in its people. Virginia should pivot its economic development efforts from attracting and subsidizing big-name, out-of-state companies to fostering the business creation and growth that drives Virginia's economy. This can be supported by providing high-quality public services that lower the cost of doing business and promoting world-class higher education and research.



## **Encourage entrepreneurship with mobile health care and an effective safety net**

Too often, people don't start new businesses or pursue better job opportunities because they don't want to jeopardize their health insurance or can't risk failure. Virginia should further promote enrollment in the insurance Marketplace in order to break the lock between jobs and health insurance. In addition, Virginia should close the coverage gap to further provide affordable health care to more Virginians. This creates a continuum of affordable options for working Virginians. Strengthening the safety net through bolstering programs like unemployment insurance also helps decrease the risks of starting or joining a small business.



## **Help employment reach the socially and economically marginalized**

Simply wanting a job is too often not enough to get a job. The under-realized potential of the long-term unemployed, low skilled and inexperienced workers, and people with criminal records is an opportunity for building the economy. Virginia should further expand earn-while-you-learn apprenticeships and subsidized employment, which empower the marginalized with skills and experience. Also, fair chance hiring practices like "ban the box" turn potential into productivity and reduce recidivism while giving rehabilitated people an opportunity to prove themselves to employers.



## **Empower immigrants to further contribute to the economy**

Immigrants play an important part in Virginia's economy and they make significant tax contributions, but stricter enforcement of wage laws and policies that allow everyone to play by Virginia's rules – such as providing access to driver's licenses for undocumented immigrants – can make sure honest employers are not undercut by wage cheats, improve public safety, grow the economy, and save Virginia money.

For more information, contact: Laura Goren, Research Director,  
[laura@thecommonwealthinstitute.org](mailto:laura@thecommonwealthinstitute.org)