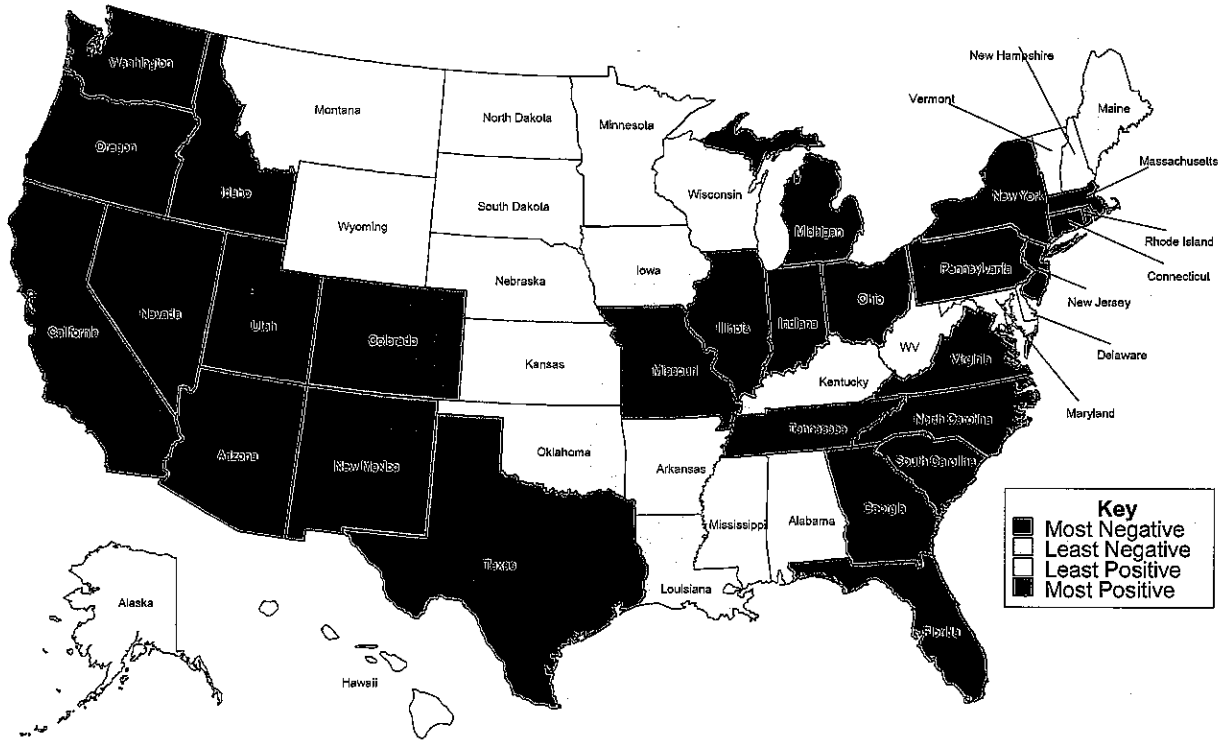


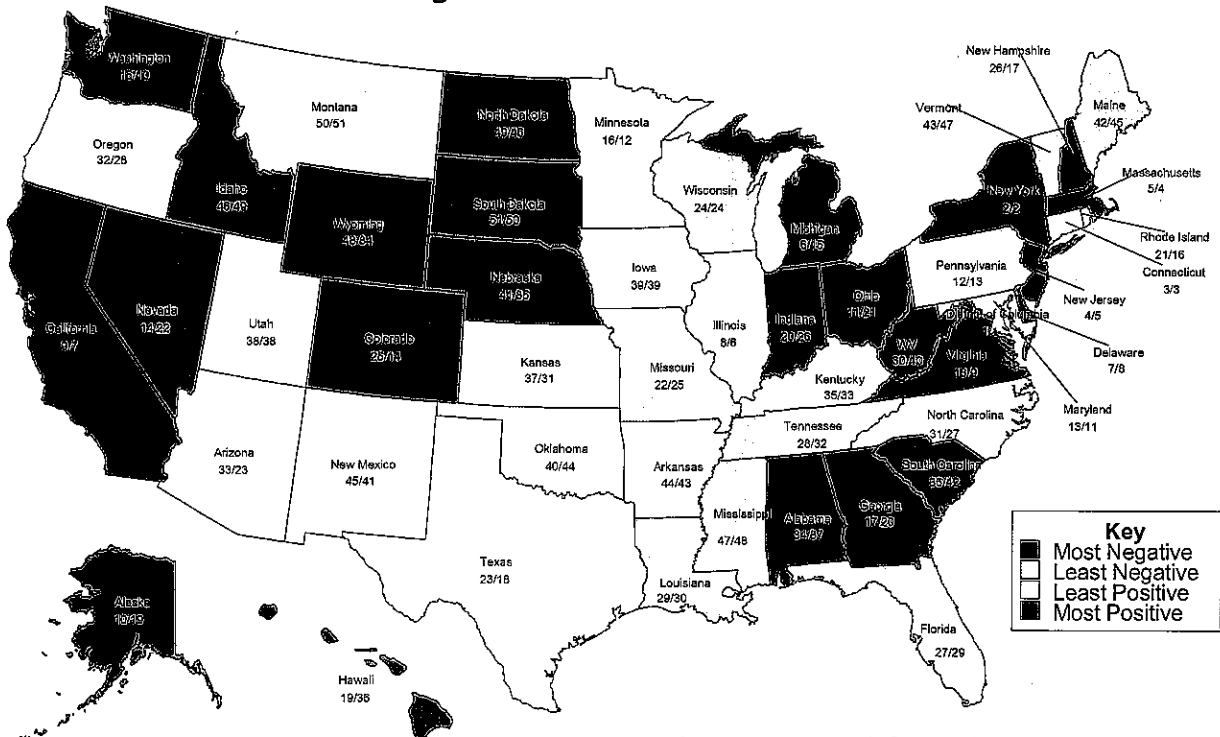
Presentation to the House Taxation Committee
 Art Hall, Center for Applied Economics, KU School of Business
 January 17, 2012

House Taxation
Date: 1/17/2012
Attachment:

Change in Share of Private U.S. Employment, 1990 vs. 2010



Change in Per-Employee Compensation Relative to U.S. Level, Averages for 1990-1995 vs. 2005-2010



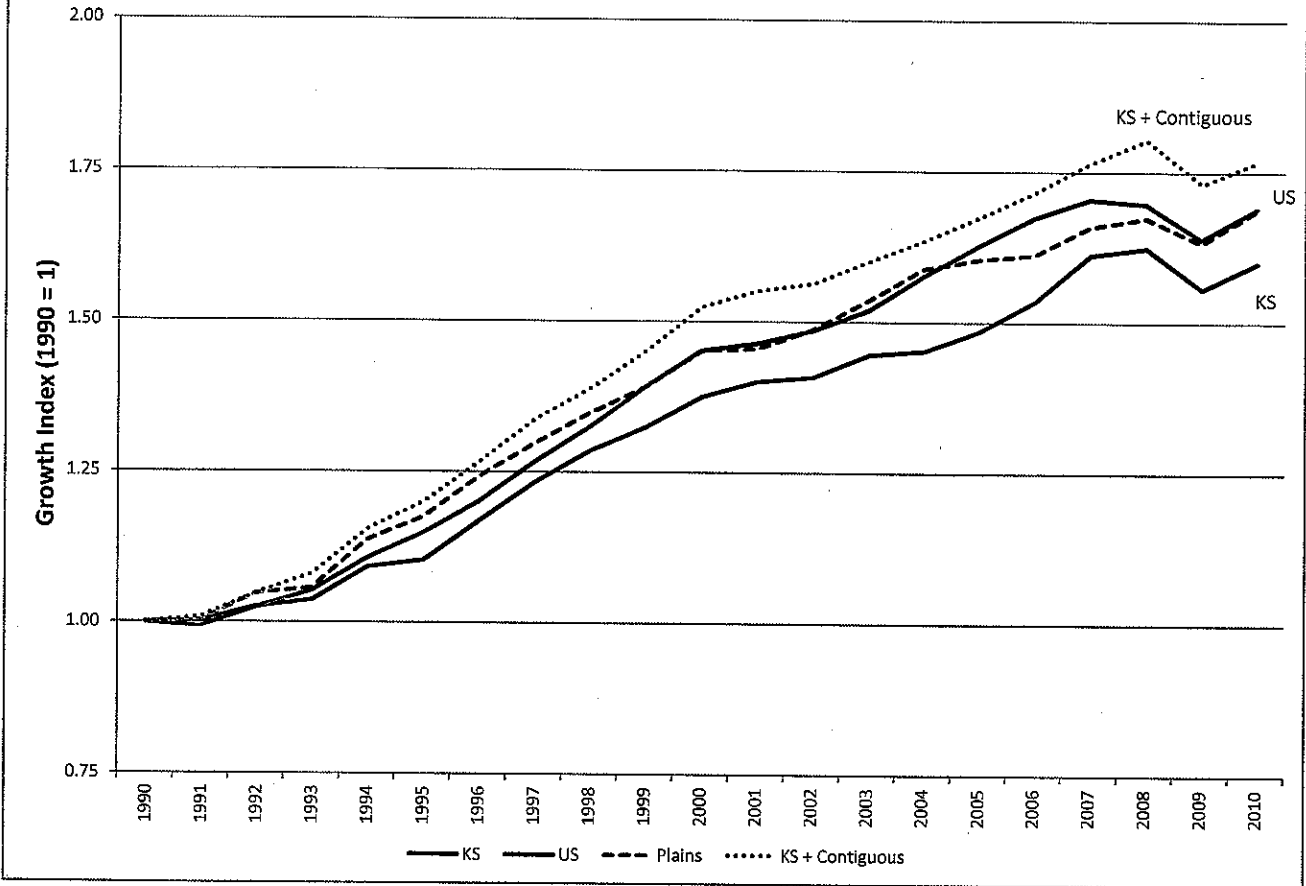
Numbers = state rank for each time period

Number of Times a State Ranked in the Top-10 and Bottom-10 from 1980 to 2010

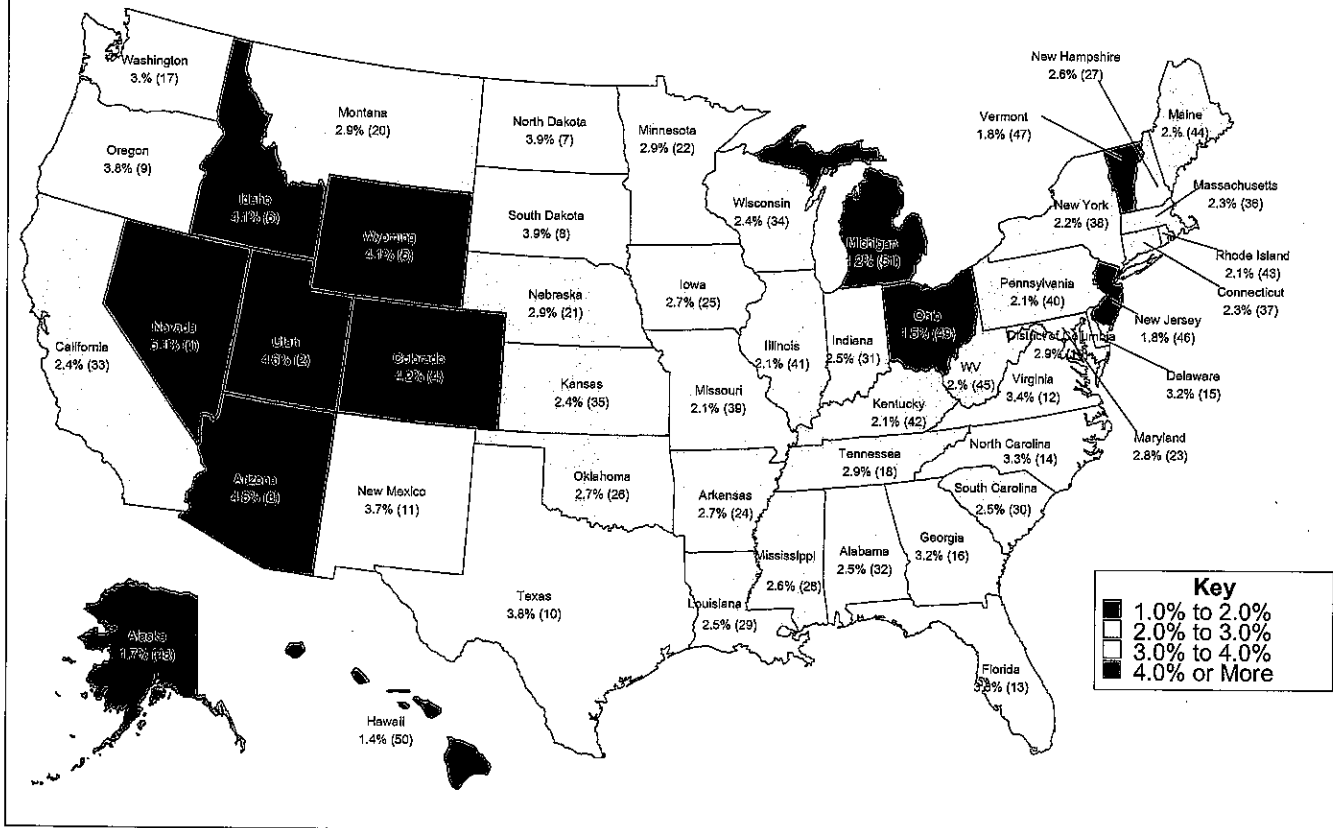
| State | Annual Private Employment Growth | | Annual Private GDP Growth | | Annual Private Per-Employee GDP | | Annual Private Per-Employee Compensation | |
|----------------------|-------------------------------------|-----------|------------------------------|-----------|------------------------------------|-----------|--|-----------|
| | Top 10 | Bottom 10 | Top 10 | Bottom 10 | Top 10 | Bottom 10 | Top 10 | Bottom 10 |
| Alabama | 0 | 8 | 1 | 3 | 0 | 15 | 0 | 0 |
| Alaska | 9 | 5 | 13 | 12 | 30 | 0 | 13 | 0 |
| Arizona | 17 | 3 | 14 | 4 | 0 | 0 | 0 | 0 |
| Arkansas | 3 | 3 | 2 | 5 | 0 | 28 | 0 | 30 |
| California | 3 | 5 | 4 | 5 | 27 | 0 | 28 | 0 |
| Colorado | 14 | 6 | 9 | 5 | 0 | 0 | 0 | 0 |
| Connecticut | 0 | 10 | 7 | 8 | 25 | 0 | 29 | 0 |
| Delaware | 11 | 2 | 10 | 5 | 30 | 0 | 30 | 0 |
| District of Columbia | 7 | 11 | 6 | 6 | 28 | 0 | 30 | 0 |
| Florida | 19 | 3 | 7 | 3 | 0 | 6 | 0 | 4 |
| Georgia | 12 | 0 | 10 | 2 | 0 | 2 | 0 | 0 |
| Hawaii | 10 | 12 | 7 | 11 | 6 | 0 | 0 | 0 |
| Idaho | 17 | 7 | 9 | 10 | 0 | 19 | 0 | 29 |
| Illinois | 0 | 9 | 0 | 4 | 14 | 0 | 30 | 0 |
| Indiana | 1 | 13 | 3 | 9 | 0 | 0 | 0 | 0 |
| Iowa | 2 | 9 | 7 | 12 | 0 | 1 | 0 | 16 |
| Kansas | 3 | 11 | 1 | 7 | 0 | 2 | 0 | 0 |
| Kentucky | 2 | 2 | 0 | 5 | 0 | 8 | 0 | 0 |
| Louisiana | 6 | 12 | 7 | 14 | 24 | 0 | 0 | 0 |
| Maine | 2 | 6 | 2 | 8 | 0 | 30 | 0 | 27 |
| Maryland | 9 | 4 | 7 | 3 | 0 | 0 | 1 | 0 |
| Massachusetts | 2 | 10 | 6 | 8 | 16 | 0 | 25 | 0 |
| Michigan | 2 | 13 | 2 | 13 | 5 | 0 | 24 | 0 |
| Minnesota | 0 | 3 | 1 | 3 | 0 | 0 | 0 | 0 |
| Mississippi | 2 | 5 | 2 | 7 | 0 | 30 | 0 | 30 |
| Missouri | 0 | 7 | 1 | 10 | 0 | 4 | 0 | 0 |
| Montana | 11 | 6 | 8 | 14 | 0 | 26 | 0 | 30 |
| Nebraska | 2 | 4 | 8 | 11 | 0 | 6 | 0 | 14 |
| Nevada | 21 | 3 | 18 | 3 | 0 | 0 | 0 | 0 |
| New Hampshire | 8 | 4 | 9 | 6 | 0 | 6 | 0 | 1 |
| New Jersey | 2 | 12 | 4 | 6 | 25 | 0 | 30 | 0 |
| New Mexico | 9 | 6 | 7 | 9 | 3 | 2 | 0 | 26 |
| New York | 3 | 14 | 3 | 8 | 30 | 0 | 30 | 0 |
| North Carolina | 4 | 4 | 4 | 2 | 0 | 7 | 0 | 2 |
| North Dakota | 6 | 8 | 12 | 12 | 4 | 19 | 0 | 29 |
| Ohio | 0 | 14 | 0 | 11 | 0 | 0 | 7 | 0 |
| Oklahoma | 4 | 12 | 5 | 12 | 2 | 12 | 0 | 21 |
| Oregon | 6 | 6 | 8 | 5 | 0 | 10 | 0 | 0 |
| Pennsylvania | 1 | 12 | 0 | 5 | 0 | 0 | 0 | 0 |
| Rhode Island | 1 | 14 | 7 | 8 | 0 | 6 | 0 | 0 |
| South Carolina | 7 | 4 | 3 | 3 | 0 | 27 | 0 | 11 |
| South Dakota | 8 | 5 | 8 | 5 | 0 | 11 | 0 | 30 |
| Tennessee | 2 | 3 | 2 | 5 | 0 | 15 | 0 | 0 |
| Texas | 10 | 4 | 10 | 6 | 5 | 0 | 0 | 0 |
| Utah | 15 | 0 | 10 | 1 | 0 | 24 | 0 | 2 |
| Vermont | 5 | 6 | 3 | 6 | 0 | 30 | 0 | 30 |
| Virginia | 6 | 2 | 9 | 0 | 0 | 2 | 7 | 0 |
| Washington | 7 | 4 | 8 | 6 | 2 | 0 | 14 | 0 |
| West Virginia | 0 | 17 | 4 | 15 | 0 | 12 | 1 | 9 |
| Wisconsin | 0 | 6 | 0 | 3 | 0 | 0 | 0 | 0 |
| Wyoming | 9 | 11 | 12 | 16 | 24 | 0 | 1 | 19 |

Source: Center for Applied Economics, KU School of Business

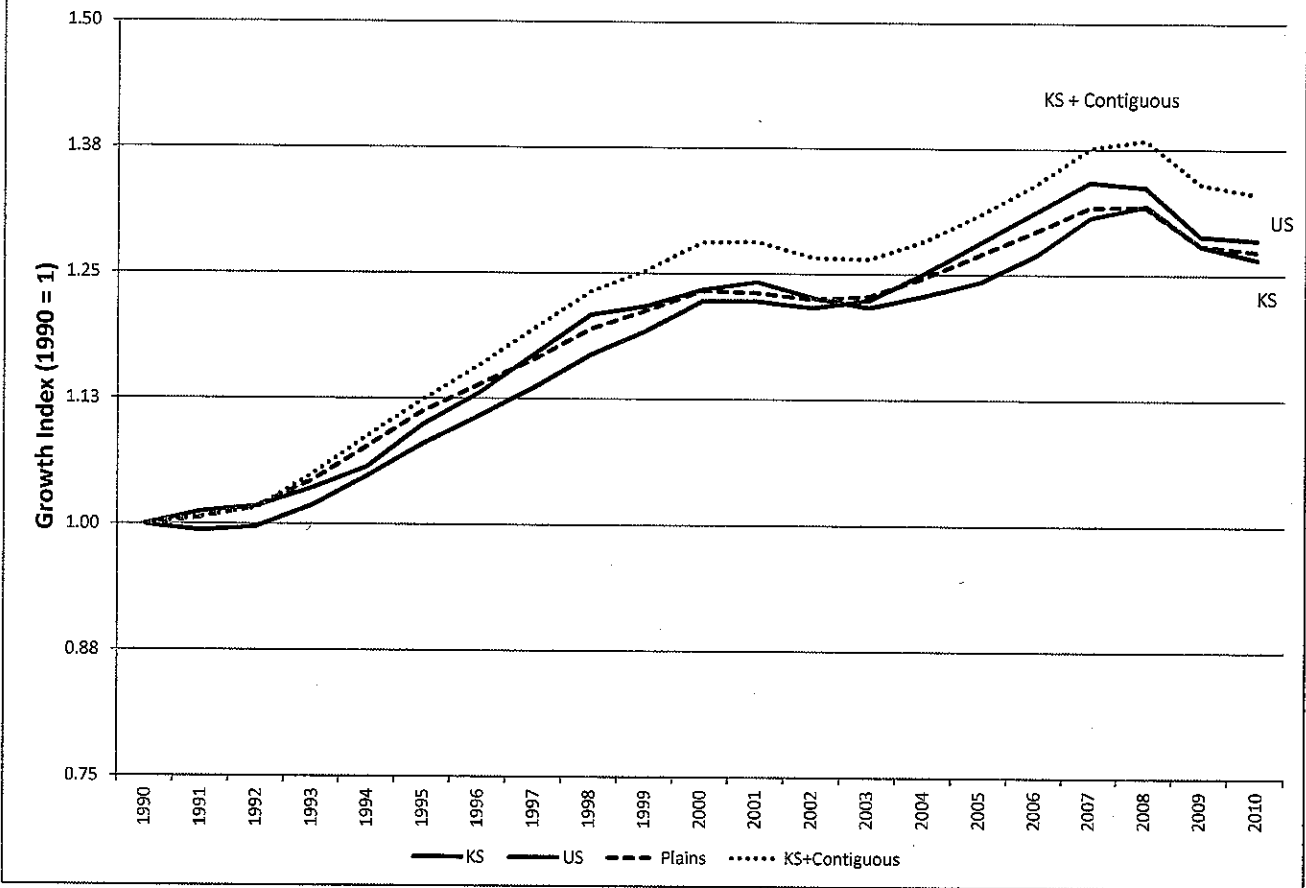
Growth of Inflation-Adjusted Private-Sector GDP



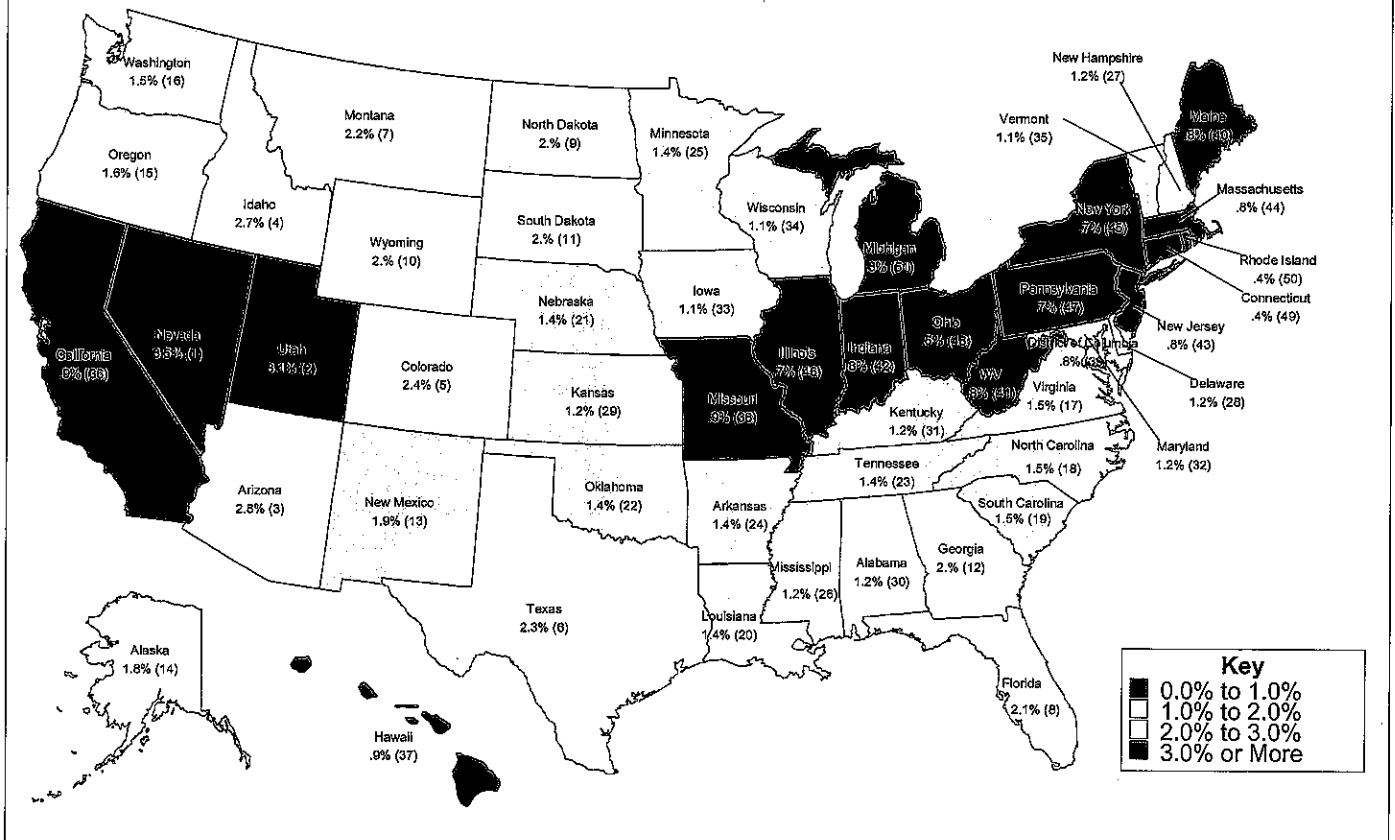
1990-2010 Avg. Annual Growth of Private-Sector GDP (and Rank)



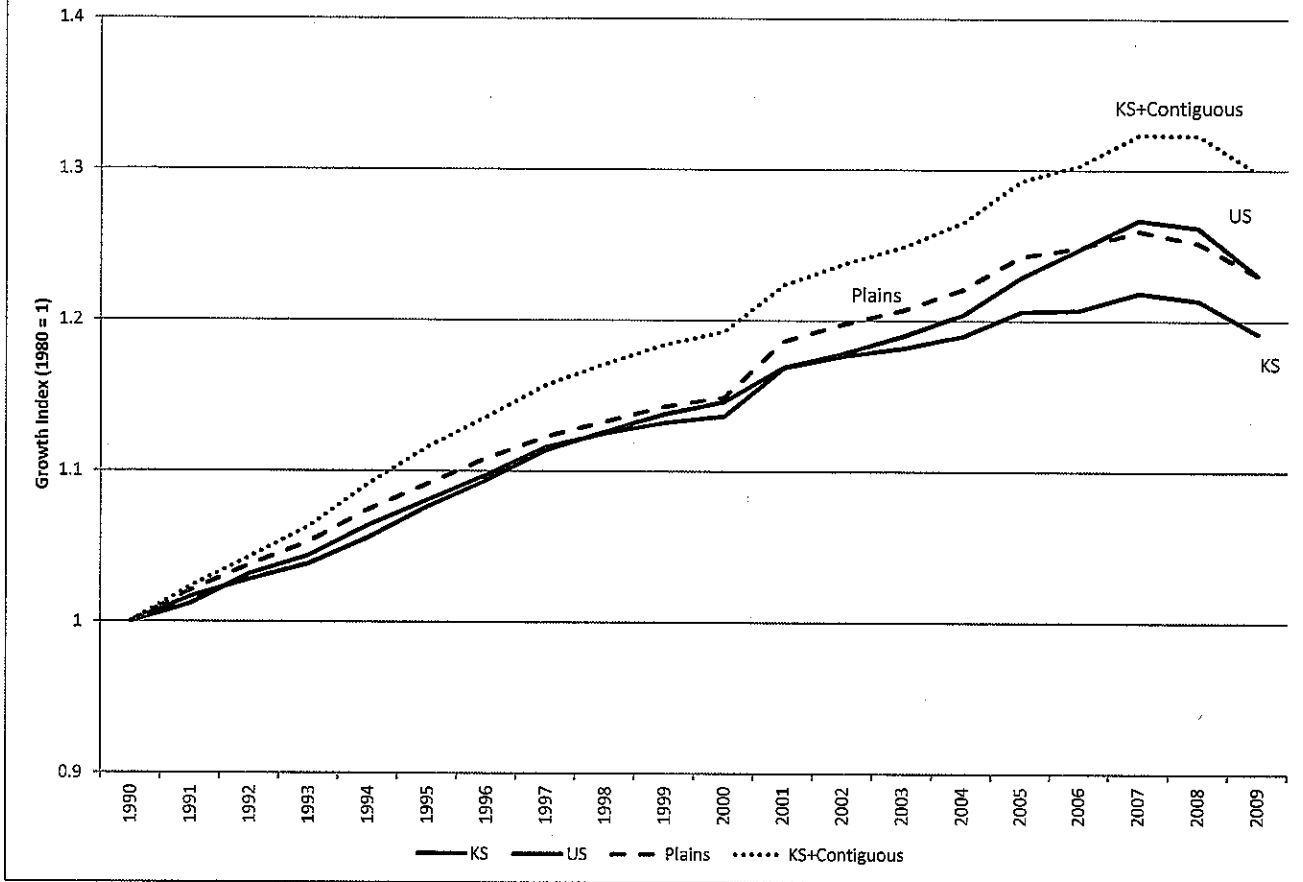
Growth of Private-Sector Employment



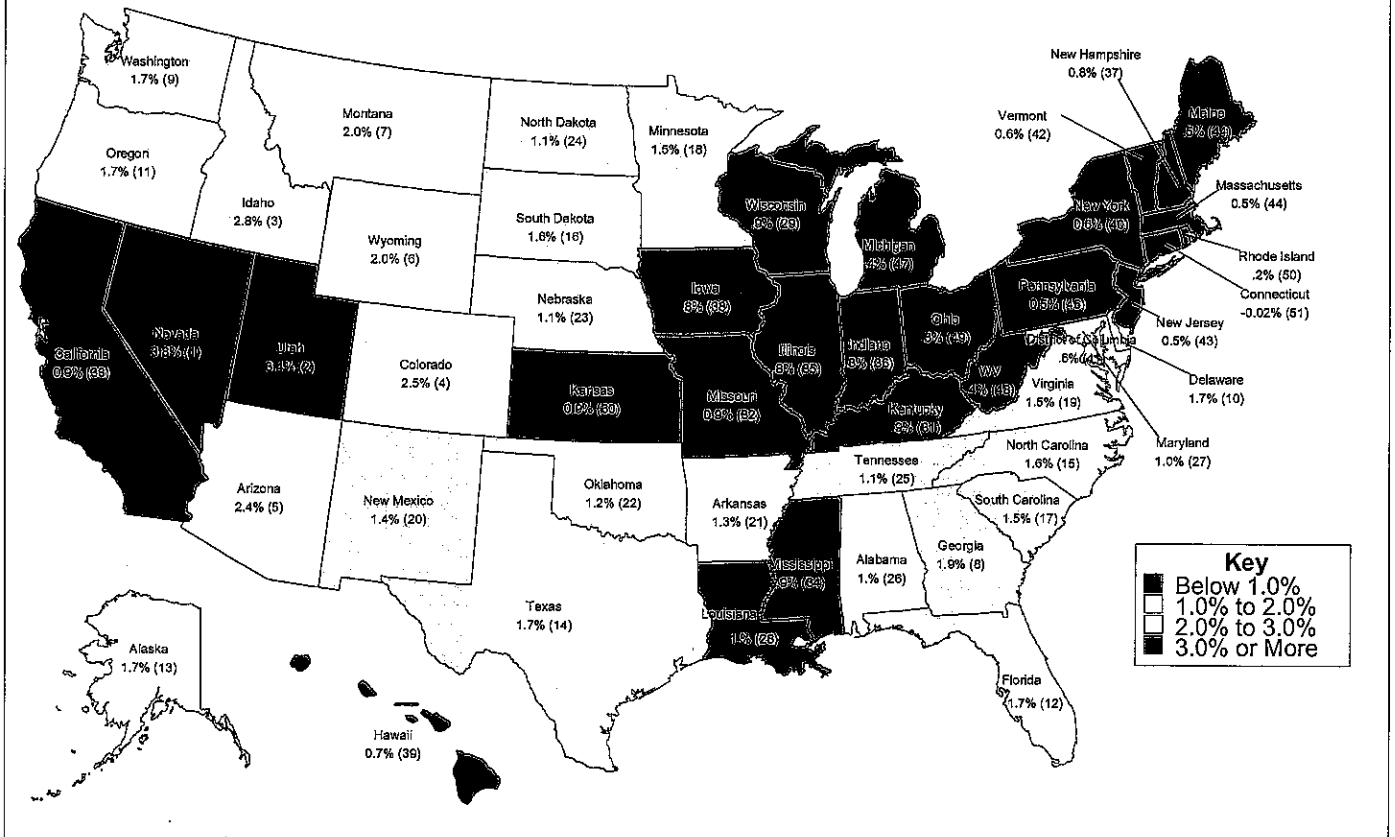
1990-2010 Avg. Annual Growth of Private-Sector Employment (and Rank)



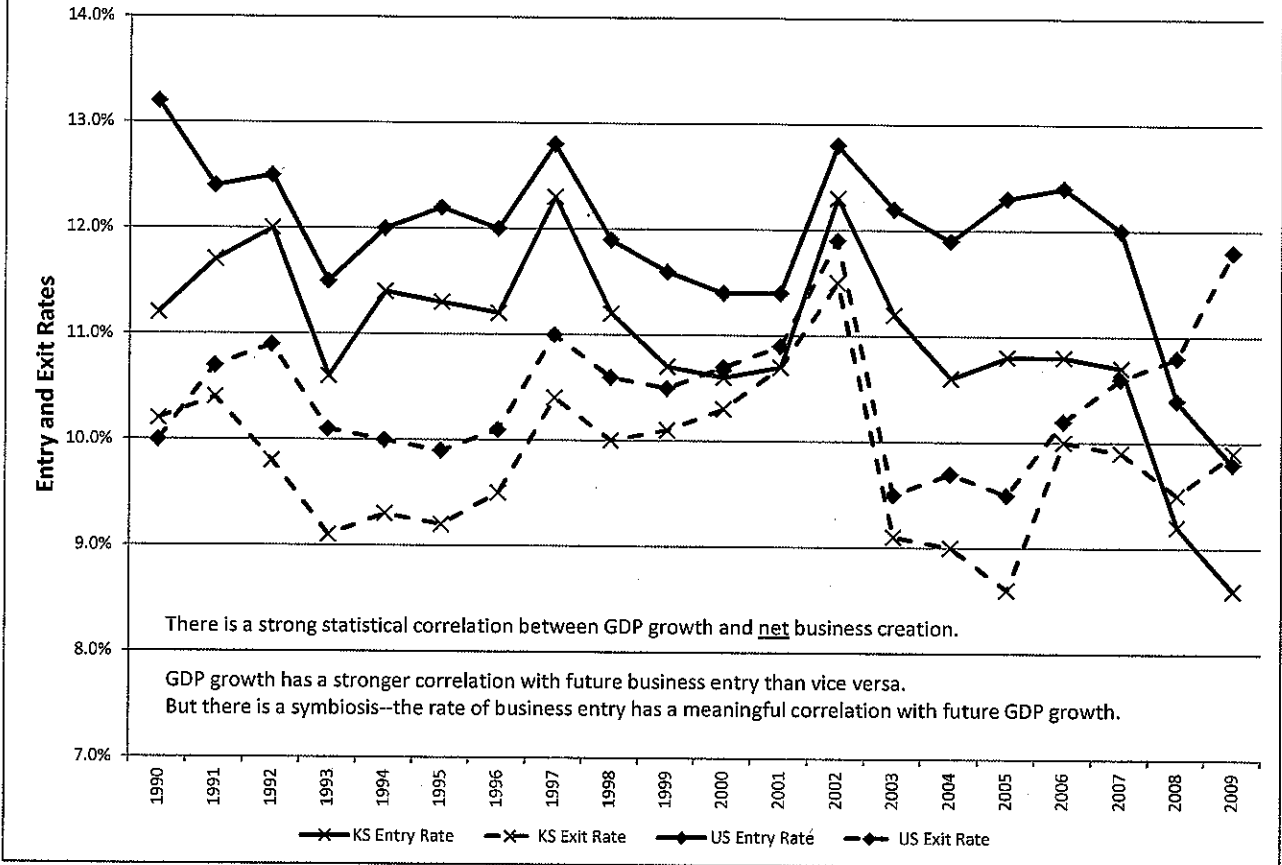
Growth of Business Establishments



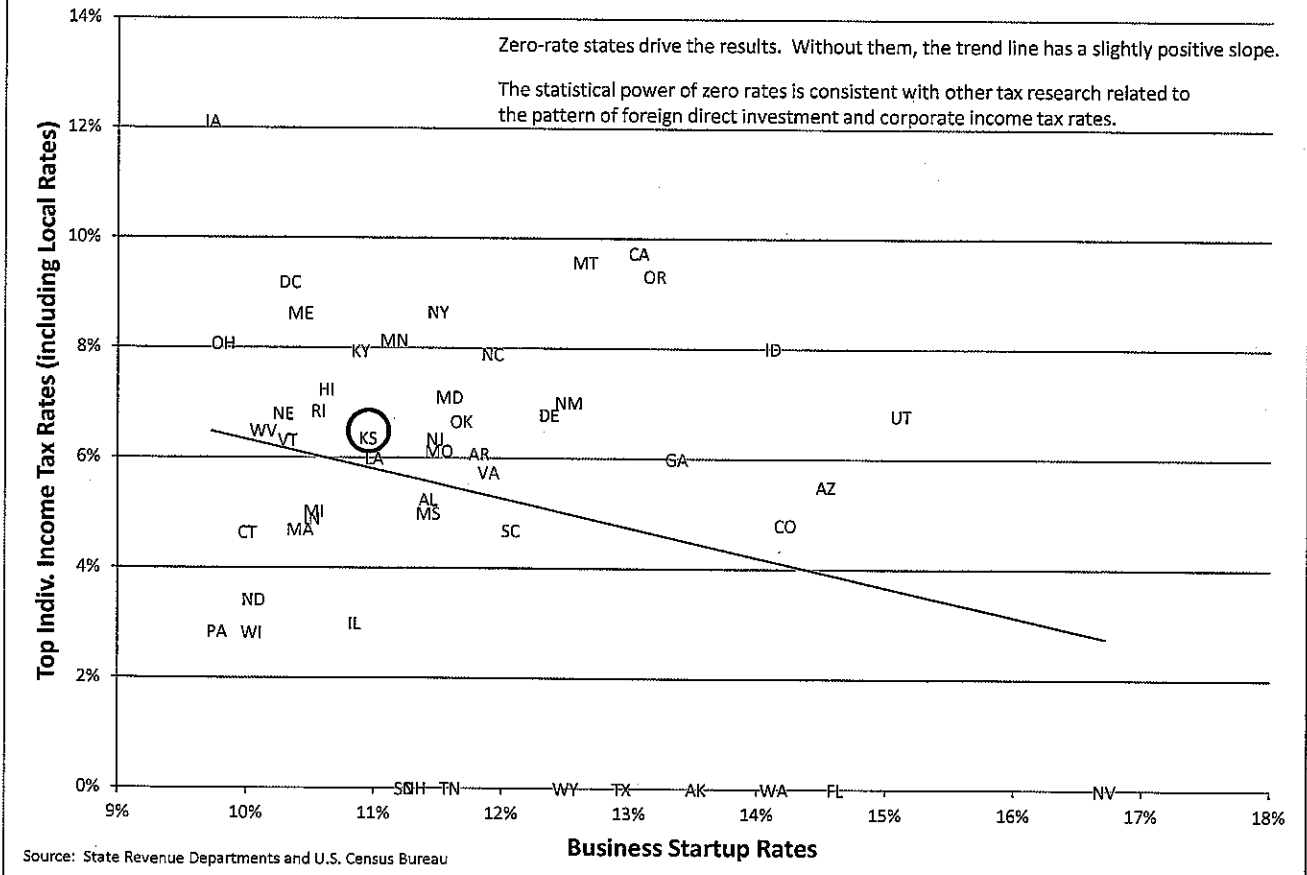
1990-2009 Average Annual Growth of Business Establishments



Trends Business Entry and Exit Rates, KS vs. US



Top State Income Tax Rates vs. Business Startup Rates (Avg. 1990-2009)



Source: State Revenue Departments and U.S. Census Bureau