



# **NEWS**

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## **Florida TaxWatch Commends Legislature for Including Needed State Economic Stimulus Package in 2009 Budget**

**TALLAHASSEE** — Florida TaxWatch applauds the Legislature for including key economic stimulus components in the proposed fiscal year 2009 budget. Last week, the legislative stimulus package – which originated from within the business community and was supported by Governor Charlie Crist and many in the Legislature – was shown to be an important priority to help Florida’s economy by an independent economic analysis by the Florida Council of Economic Advisors at Florida TaxWatch.

The Florida TaxWatch Research Report, *Economic Challenges Facing Florida’s Economy and the Benefits of Economic Stimulus*, released on April 25 concludes that economic impacts from the stimulus components now included in the budget are “substantial and timely.”

“I commend the legislature on this forward looking action, said Dominic M. Calabro, President & CEO of Florida TaxWatch, the non-partisan, non-profit research institute and government watchdog. “These targeted and timely investments will produce positive economic returns for Florida. In fact the investment of this money in the state’s economy will earn a higher rate of return than it would if it were earning minimal interest rate in a trust account *and* it will create jobs and stimulate the economy. It’s good for the state, it’s good for the economy, and it’s good for the people. I commend the Governor for his support of this package and the Legislature for their hard work including these priorities in the budget.”

The 2009 Budget, which was finalized recently and will be voted on by both houses later this week, includes most of the specific components of the stimulus package analyzed by the economists of Florida Council of Economic Advisors at Florida TaxWatch. One of the components of the package that were included in the 2009 budget is more than \$300 for affordable housing; the economic impact analysis determined that an investment of \$225 million would produce \$917.7 million in state Gross Domestic Product (GDP) – meaning that the return on investment is more than three-to-one – and more than 15,500 jobs in construction and housing related industries with an average salary of more than \$40,000.

Another important component of the stimulus package is tourism marketing. The economic impact analysis performed by the economists from the Florida Council of Economic Advisors at Florida TaxWatch determined that a \$5 million investment in international tourism marketing would result in \$62.2 million in state GDP and 1,400 jobs in Florida. The proposed budget appropriates roughly \$2

(more)

million more for tourism marketing than last year – a total budget for tourism marketing of more than \$35 million.

“The economic benefit to the state from this type of forward looking action will benefit Florida and Floridians for years to come,” explained Calabro. “It is especially important that we invest in our state’s economy now to realize the immediate benefits, but these investments will do much more than produce immediate economic gain: This is truly an investment that will keep on giving for years to come.”

Other elements of the stimulus package included in the budget are water supply projects, space center infrastructure investment, and money for port operations and modernization. All three of these projects were funded at or above the amounts used in the economic impact analysis. These projects will produce economic returns of approximately one-in-one (i.e., produce one additional dollar in state GDP for every dollar expended), will create nearly 1,500 jobs collectively, and will improve important state infrastructure in ways that will improve the quality of life for many Floridians.

“In addition to the immediate economic benefits detailed by the economists from the Florida Council of Economic Advisors at Florida TaxWatch in their independent economic analysis, there will be long-term benefits such as improved quality of life in Florida because of these projects,” Calabro added. “I would also like to commend our state’s business community for their role in exploring and supporting ideas to help stimulate our state’s economy.”

Florida’s business community has detailed the need for a stimulus package during this legislative session, and this package enjoys the support of key business leaders and organizations. A number of prominent business associations support the package, one of which is the Associated Industries of Florida, which was instrumental in crafting the proposal.

“Today I commend the Florida Legislature for their proposed budget,” said Barney Bishop, president and CEO of Associated Industries of Florida (AIF). “They have taken the recommendations of the AIF economic stimulus package the benefits of which were clearly demonstrated by the Florida TaxWatch analysis, and which is supported by the Florida Business Coalition, a group comprised of 18 statewide business organizations. In a lean budget year, their commitment to Florida’s families and businesses is both progressive and shows great leadership, and I am confident it will have a positive impact on the current economic climate.”

The stimulus package initially analyzed by the Florida Council of Economic Advisors at Florida TaxWatch included six components funded at a total of \$615 million. Not all of the components were included in the proposed 2009 budget, and more thinking about the economy may still be needed in the future. “We look forward to continuing to work on sound plans that will help the economy and benefit the state,” Calabro added. “Additionally, we look forward to monitoring the success of these investments in future years to quantify the benefits to the state and the people that result from this stimulus package.”

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The Florida Council of Economic Advisors at Florida TaxWatch was created in 2008 to bring sound economic research and sensitivity on Florida’s global competitiveness to the state’s policy debates. Its work focuses on identifying and addressing the changing factors of population, demographic shifts, and commerce crucial to the prosperity of the state and its citizens.

Florida TaxWatch is a statewide, non-profit, non-partisan research institute that over its 29 year history has become widely recognized as the watchdog of citizens’ hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida state and local government. Its support comes from homeowners and retirees, small and large businesses, philanthropic foundations, and professional associations. On the web at [www.FloridaTaxWatch.org](http://www.FloridaTaxWatch.org).