

***Keeping Businesses & People in California:  
Restoring Time-Tested Governance Principles***

**Lee E. Ohanian**

**Senior Fellow, Hoover Institution**

**Professor of Economics, UCLA**

***“The Exodus of Firms from California:  
Facts, Reasons, & Solutions”***

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# California's Economy: 1945-1975

- **Postwar California Boom – population tripled**
- **Natural amenities + effective governance**
- **35% of budget invested, remarkably efficient**
- **State budget per capita was only 1/5 of today's, BUT...**
- **Major water, transportation, hospital investments**
- **Best K-12 schools, Master Plan for higher education**
- **Affordable housing, high-paying jobs**
- **CA housing premium about 35%, 1940-1970**

# ***Governance Then - Blueprint for Success: Governor Pat Brown (1959-1967)***

- ***Principles: Prioritize, Invest, Efficiency***
- ***“We must **invest** to accommodate our magnificent growth”***
- ***“We must **prioritize** what people need.”***
- ***“We can’t abuse taxpayers. We must use their **precious tax dollars wisely.**”***
- ***Shared bipartisan vision of focused, highly functional & efficient government***

# California's Economy - Now

- **Since 1990, 3.5 million CA net outmigration**
- **Housing unaffordable - \$720,000 median price**
- **14 million near or below poverty line**
- **Some basic gov't functions not getting done**
- **Infrastructure graded "D" by civil engineers**
- **Schools ranked 39<sup>th</sup> in country**
- **Large inefficiencies within gov't depts - due to lack of accountability and poorly-designed incentives**
- **Governance effectiveness declined - for decades**
- **Tax & Regulatory policies ranked near bottom**

# *Solutions - Restore Governance*

## *Principles that Worked So Well*

- **Prioritize. Invest. Efficient. Use Market Principles**
- **(1) Increasing accountability**
- **(2) Improving incentives**
- **(3) Tax & regulatory policies competitive with other states**
- **(4) Pension Reforms & Compensation Review**
- **(5) \$140,000 Gov't Compensation is twice as high as in private sector in CA**