

Personal Opponent Testimony for HB68
House Public Health Policy Committee
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Written Comments Only

Chairman Lipps, Representative Click, and members of the House Public Health Policy Committee,

The economy is the number one voting issue for the United States today¹ and Ohio's HB68 will hurt the Ohio economy by \$1-6 million annually and cost Ohio companies \$12-52 million in recruiting and training costs. Ohio is still reeling from the economic impacts of inflation. While banning gender affirming care for transgender youth seems unlikely to impact the economy significantly, it actually would exasperate existing concerns. Ohio voters will look favorably upon a NO vote to HB68. A YES vote on HB68 will cripple Ohio's economy for years to come.

Passing HB68 will result in Ohio becoming less attractive for potential employees. I sit on the LGBTQ+ recruiting team for a fortune 500 company. I specifically joined 3 recruiting teams to bring more diversity to a primarily white male dominated manufacturing machine design expertise area. While recruiting for interns and full time positions in fall 2022, candidates anywhere on the LGBTQ+ spectrum or those with loved ones on the spectrum posed a common question: "What states do you have job openings and how safe are those states and facilities?" I can guarantee for **this upcoming recruiting season, that this question will morph into, "Do you have facilities in Minnesota or other Safe Haven States?" This question will be asked by ALL LGBTQ+ candidates, not just transgender candidates**, because they don't want to take a chance on a state that might turn against them after the state is done with transgender individuals. Ohio WILL lose future good talent from coming to the state. HB68 will scare potential candidates away from Ohio employment opportunities and should be stopped in committee.

Passing HB68 will result in Ohio losing good talent already here. Follow along with my calculation in Table 1 below. As of the 2020 census, Ohio has 2.6 million children under the age of 18.² According to the Williams Institute of Law at UCLA, Ohio's transgender population ranged from 0.5-1.15% of the total population.³ Doing that math, that equates to 13 – 30 thousand youth in Ohio will be impacted by this bill. Providing a different analysis perspective via households: as of the 2020 census, 1.35 million households have at least 1 child under 18.⁴ Therefore, 7-16 thousand households will be impacted if this bill is passed. Also referencing the 2020 census, the mean annual income for families is \$103,000⁵.

¹ <https://www.npr.org/2023/03/29/1166486046/poll-economy-inflation-transgender-rights-republicans-democrats-biden>

² <https://data.census.gov/table?q=under+18+in+ohio&tid=ACSST1Y2021.S0101>

³ <https://williamsinstitute.law.ucla.edu/wp-content/uploads/Trans-Pop-Update-Jun-2022.pdf>

⁴ <https://data.census.gov/table?q=household+ohio&tid=ACSDP1Y2021.DP02>

⁵ <https://data.census.gov/table?q=employed+ohio&tid=ACSDP1Y2021.DP03>

Ohio's tax revenue on that income would be roughly \$2318^{6,7}. We will assume a similar response as the Florida bills in that 17% of impacted families and households will decide to leave Ohio should this bill pass⁸. Calculating these values out shows that **Ohio would lose \$3-12M in annual tax revenue if this bill passes**. HB68 may force some current Ohio based employees to flee Ohio and will cause a financial hurt to Ohio's tax revenue and to Ohio companies.

Table 1: Economic Impact of Ohio's HB68

Assumptions and calculations based on two starting points (1) Number of Children and (2) Number of Households. Gray rows dimensionalize the economic impact to Ohio based on Lost Tax Revenue and Cost to Fill Vacancies should families leave Ohio due to the passage of Ohio HB68.

	Number of Children Estimate		Number of Households Estimate	
	Low Estimate	High Estimate	Low Estimate	High Estimate
Number of children under 18	2,603,410	2,603,410		
Number of households with at least 1 child under 18			1,352,498	1,352,498
Number of transgender individuals in the population	0.50%	1.15%	0.50%	1.15%
Number of transgender children under 18	13,017	29,939		
Number of households with at least 1 transgender child under 18			6,762	15,554
Ohio families' mean annual income	\$ 103,000	\$ 103,000	\$ 103,000	\$ 103,000
Ohio State Tax Revenue based on the mean family annual income	\$ 2,318	\$ 2,318	\$ 2,318	\$ 2,318
Number of households that consider leaving	17%	17%	17%	17%
Raw Lost Ohio State Tax Revenue	\$ 5,128,392	\$ 11,795,302	\$ 2,664,252	\$ 6,127,780
Realistic Lost Ohio State Tax Revenue*	\$ 2,564,196	\$ 5,897,651	\$ 1,332,126	\$ 3,063,890
Average Recruitment Cost to Rehire a Vacant Position	\$ 4,683	\$ 4,683	\$ 4,683	\$ 4,683
Average Training Cost for New Employee	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Total Cost to Fill Vacancies**	\$ 22,391,789	\$ 51,501,114	\$ 11,632,762	\$ 26,755,353
* Assuming half of all vacancies will be filled by out of state candidates and thus revenue will be recouped. Then other half will be filled by current Ohioans and thus no new revenue is generated to recoup loss.				
** Assuming 28% of transgender child have 1 working parent or guardian and 72% have 2 working parents or guardians				

⁶ <https://tax.ohio.gov/individual/resources/annual-tax-rates>

⁷ https://www.forbes.com/advisor/income-tax-calculator/ohio/?deductions=0&filing=head_of_household&income=103000&ira=0&k401=0

⁸ <https://williamsinstitute.law.ucla.edu/publications/impact-dont-say-gay-parents/>

The loss of talent caused by or exasperated by Ohio HB68 is just the start to the long-term economic woes due to the destabilization of the labor market. First let's talk about the immediate impacts of the loss of talent not already covered above. The \$3-12M lost tax revenue would be able to be recouped if these jobs were all backfilled *by out of state candidates*. If these positions are filled by Ohioans, their taxes were already being paid to Ohio and would not be recouped. Realistically, Ohio would lose \$1-6M assuming half of the vacancies are filled with current Ohioans. Those that have the financial backing to move out of state are the individuals with higher incomes. Therefore, the impact and risk is probably greater than what is calculated. By removing good talent and candidates from the labor market, companies will have to hire inferior talent which will impact their ability to maintain their success strategies, profits, and ultimately economic output. In order to find backfills, companies spend additional efforts on searching for, reviewing, and interviewing candidates, as well as completing background checks and filling out hiring paperwork. If the average recruiting cost to rehire for a vacant position is \$4683⁹ and the average training cost for a new employee is \$1200¹⁰, then **companies in Ohio would be losing \$12-52M for incremental recruiting and training costs**. This considers that of the 2.45M working parents in Ohio, 72% are in a relationship where both parents are working and 28% have a single income earner. These costs have no way of being recouped by employers in Ohio. Finally, if this bill were to pass, there would be a sudden spike in vacancies initially as families and households flee Ohio. This sudden influx of vacancies would begin a destabilization of Ohio's labor market that would add to the already destabilized US labor market.

Implementing HB68 will destabilize Ohio's labor market with lasting effects for years. All calculations above assumed a stable labor market. Now that the immediate effects have been realized, let's talk about the long term effects of a destabilized labor market. HB68's passage could shrink Ohio's population by 60-135 thousand people. Assuming transgender individuals make up 0.50-1.15% of Ohio's 11.8 million population¹¹. Remember folks currently in Ohio are leaving and future talent is being scared away. This will reduce the overall population and talent pool. This number does not include individuals that disagree with the law (i.e. LGBTQ+ individuals other than Transgender individuals, those with LGBTQ+ loved ones, and allies of Transgender individuals) and decide to look for employment in another state. Smaller talent pools lead to lower housing costs and higher wages. Higher wages may incentivize employers to move positions out of state to minimize wage costs. Higher wages may incentivize brand new companies to base their headquarters in another state that does not have a strangled talent pool. With the candidate pool shrinking, it will take longer and more resources to fill vacancies, aka the recruiting and training costs will go up. For states that provide protections for transgender individuals like Minnesota, their employers will be able to command lower wages and housing costs will go up due to a saturated talent pool. These states' populations will also increase as they absorb individuals and families fleeing from other states. Therefore, these states will see increased tax revenue. Despite the fierce employer-favorable labor market and high cost of living, LGBTQ+ minded individuals will specifically look for opportunities in these states because their safety and peace of mind takes

⁹ <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/shrm-hr-benchmarking-reports-launch-as-a-member-exclusive-benefit.aspx>

¹⁰ <https://www.forbes.com/sites/adp/2017/06/02/the-costs-of-training-new-employees-including-hidden-expenses/>

¹¹ <https://data.census.gov/table?q=under+18+in+ohio&tid=ACSST1Y2021.S0101>

precedence over an unfavorable financial situation. Ohio has the opportunity to provide protections which will improve Ohio's economic outlook. Passing HB68 will cripple Ohio for years to come.

Ohio's HB 68 bans gender affirming care to transgender youth and will significantly weaken Ohio's economy for years to come. Ohio will lose \$1-6M in tax revenue, assuming half of all vacancies will be filled by out of state candidates and half will be filled by current Ohioans. Ohio companies will be forced to spend an incremental \$12-52M on recruiting and training costs. This bill will cause an immediate impact and an impact felt for years to come due to the destabilization of the labor market. This bill is not in the best interest of Ohio's children or adults. This bill will not protect children if parents are unable to afford the necessities (not to mention the medically necessary aspect of gender affirming care for all ages). Ohio should be seeking to implement protections that attract and retain talent here *especially* with the number of states that are turning away transgender individuals. Ohio could improve our labor market with protections in place. Please preserve \$13-58M for Ohio. Send a clear message to voters that Ohio's economy is on the top of your priority list by voting NO to HB68.

Thank you for your time,

Peg, Technical Director at an Ohio Fortune 500 Company

Calculation Appendix

Note that all cells with orange color are input from a cited source. I will include formulas for the white and grey cells. Example below shoes Number of Children Estimate. Number of Household Estimate replaces C1 with C2 and C4 with C5.

Row		Column: C
		Formula
1	Number of children under 18	2,603,410
2	Number of households with at least 1 child under 18	
3	Number of transgender individuals in the population	0.50%
4	Number of transgender children under 18	=C1*C3
5	Number of households with at least 1 transgender child under 18	=C2*C3
6	Ohio families' mean annual income	\$ 103,000
7	Ohio State Tax Revenue based on the mean family annual income	\$ 2,318
8	Number of households that consider leaving	17%
9	Raw Lost Ohio State Tax Revenue	= C4*C7*C8
10	Realistic Lost Ohio State Tax Revenue*	=C9/2
11	Average Recruitment Cost to Rehire a Vacant Position	\$ 4,683
12	Average Training Cost for New Employee	\$ 1,200
13	Total Cost to Fill Vacancies**	=(C11+C12)* (28%*C4+72%*C4*2)*C8