SLI REPORT

Corporate Welfare

STATE LEADERSHIP INITIATIVE

@RedStatesLead
stateleadership.org

Dear friends,

This paper is aimed at ending corporate welfare—but through a new and necessary strategy.

Free-market conservatives and libertarians have been warning about corporate welfare for decades—often correctly, often persuasively. Yet despite those efforts, corporate subsidies have not declined. In fact, they have expanded. And uncomfortable as it may be to acknowledge, Republican-led states have been at least as aggressive—and generally more so—than Democrat-led states in dishing out corporate subsidies.

This outcome is surprising. Historically, when the conservative movement has sustained a principled critique over time, it has achieved real results: *Dobbs*, freer gun laws, lower taxes, etc. By contrast, the free-market case against corporate welfare—though economically sound—has not meaningfully altered political behavior.

Our conclusion is not that the free-market critique is wrong. It is that, standing alone, it has proven insufficient as a political strategy. Opposition to corporate welfare has largely remained confined to elite economic arguments. These arguments are rigorous and correct—but they have not generated sustained public pressure, imposed electoral consequences, or changed the political equilibrium that sustains subsidy regimes. As a result, corporate welfare has continued to grow despite near-universal acknowledgment of its failures.

This paper therefore adopts a different approach.

We frame corporate welfare not merely as a market distortion, but as a form of self-inflicted national and state-level sabotage. We focus attention on the fact that many of the largest subsidy recipients actively undermine the communities and industries that subsidize them—through ESG mandates, replacement of domestic labor with H-1B workers, DEI regimes, supply-chain favoritism toward China, and open hostility to state laws and voters.

This framing is deliberate. By translating abstract economic harms into concrete political and cultural costs, we make the consequences of corporate welfare legible to ordinary Americans. In doing so, we create a path to real constraint where years of technocratic critique have failed.

Importantly, this is not a rejection of free-market principles. The economic case against corporate welfare remains foundational to the paper, including a detailed analysis of why subsidies persist despite their failures.

The populist framing is a tool that can end corporate welfare—and thus serve free-market outcomes. If the goal is to *end* corporate welfare rather than merely denounce it, we must be willing to use arguments that impose consequences on those who perpetuate it.

Sincerely,
Thomas Murray
State Leadership Initiative

Introduction: The Betrayal

Between 2015 and 2025, Red States spent at least $148 billion on corporate subsidies. That money didn't go to local businesses or hometown employers. It went to some of the largest, most politically hostile corporations in America—companies that use taxpayer dollars to fund the very cultural and economic campaigns designed to destroy conservative communities.

Texas handed Amazon hundreds of millions in subsidies. Amazon responded by laying off thousands of Texas workers while filing for tens of thousands of H-1B visas to import cheaper foreign labor. Georgia gave film studios massive tax credits. Those studios use Georgia money to bankroll productions that attack Georgia values, then threaten to boycott the state when its legislature passes laws the entertainment industry dislikes. Louisiana subsidized tech companies that censor conservative voices. Indiana paid manufacturers that impose ESG frameworks designed to cripple the state's coal and natural gas industries.

It would be a mistake to view this as just another economic policy debate about efficiency and market distortions; Red States are not merely wasting money on corporate welfare. Red States are funding their own destruction. They are writing checks to corporations that openly despise them, and then wondering why their industries collapse and their culture is under siege.

The traditional economic arguments against corporate welfare remain sound. Subsidies drain treasuries, fail to create jobs, distort markets, and undermine the competitive process that drives genuine prosperity. These arguments are correct and helpful. But they are no longer sufficient.

The corporations now receiving the largest subsidies are not simply inefficient rent-seekers gaming the system for financial advantage. They are active combatants in a cultural and economic war against the communities subsidizing them. That is, they have made themselves our political adversaries. The problem is not just waste, but sabotage. And it demands a severe response that recognizes the overtly political agendas of these corporations. We cannot save American commerce from the talons of the leftist agenda until we recognize and punish corporations touting that agenda.

This report provides extensive evidence of the leftist politics touted by the major recipients of corporate welfare from Red States. It then unveils new data analysis showing how the vast sums of Red State corporate welfarism are being misspent. Lastly, it charts out the path forward: Zero Tolerance for Hostile Corporations.

Section 1: How Corporations Have Betrayed Red States

The biggest recipients of Red State subsidies are ideological actors waging war on the states that subsidize them. Here is what Red States are paying for.

I. INDUSTRY SABOTAGE: ESG AND CLIMATE MANDATES UNDERMINING RED-STATE ECONOMIES

The corporations receiving the most subsidies are the same ones advancing ESG (Environmental, Social, Governance) frameworks and climate mandates designed to destroy the industries that form the backbone of Red-State economies.

Major banks and investment firms that receive state deposits and tax incentives have implemented lending policies that strangle coal, oil, and natural gas projects. JPMorgan Chase, Bank of America, and Citigroup—all recipients of various state incentives—have committed to "net-zero" financing that effectively blacklists fossil fuel development. West Virginia, Louisiana, Texas, and other energy states are subsidizing the very institutions that refuse to finance their core industries.

Tech companies impose ESG requirements on their supply chains that penalize manufacturers, agriculture, and energy producers in Red States. Amazon, Google, and Microsoft—all major subsidy recipients—demand carbon accounting and "sustainable" practices from suppliers that make it harder for Red-State businesses to compete. They use their market power to export California climate policy into states that explicitly rejected it.

Food and agriculture corporations push carbon footprint mandates that target cattle ranching and traditional farming. Companies receiving agricultural subsidies and tax breaks turn around and implement supply chain requirements that advantage industrial agriculture while penalizing family farms and ranchers in states like Nebraska, Oklahoma, and Montana.

The pattern is consistent: Red States subsidize corporations that then weaponize their market position to strangle the industries those states depend on. It is economic suicide, paid for with taxpayer dollars.

II. CULTURAL WARFARE: DEPLATFORMING, DEI, AND POLITICAL HOSTILITY

Beyond economics, these corporations are waging open cultural warfare against the communities subsidizing them.

Big Tech platforms that receive data center subsidies and tax incentives systematically censor conservative voices. Facebook, Google, and Twitter (pre-Musk) banned users, throttled reach, and deplatformed organizations for expressing views perfectly mainstream in Red States. These companies took subsidies from conservative states while silencing conservative citizens.

Entertainment companies accept massive film tax credits from Georgia, Louisiana, and other Red States, then produce content actively hostile to those states' values and threaten boycotts when legislatures pass laws the industry opposes. Disney collected hundreds of millions in Florida subsidies over decades, then waged a public campaign against the state's Parental Rights in Education law.

Corporations across sectors impose internal DEI (Diversity, Equity, and Inclusion) mandates that function as compelled ideology. Employees must submit to training sessions that label conservative views as "harmful" or "oppressive." Promotion and advancement increasingly depend on demonstrated commitment to progressive orthodoxy.

Multinational corporations align themselves with foreign adversaries while taking American subsidies. Companies doing business with Chinese Communist Party-linked entities, companies that bend to CCP censorship demands, companies that relocate critical supply chains to geopolitical rivals—these same firms collect taxpayer subsidies from states they undermine.

Red States are not just tolerating cultural opposition. They are funding it. Every subsidy check is a donation to the campaign against their own citizens.

III. FOREIGN LABOR ABUSE: REPLACING AMERICAN WORKERS

The largest subsidy recipients are among the worst abusers of the H-1B visa system and the most aggressive outsourcers of American jobs. These companies accept taxpayer money with one hand while eliminating American workers with the other.

Amazon has received hundreds of millions in subsidies from Red States including Texas, Tennessee, and Georgia. In 2025 alone, Amazon laid off thousands of American workers across its operations while filing for tens of thousands of H-1B visas to import foreign labor. The company has mastered the art of gaming the Department of Labor's PERM process—posting job advertisements deliberately designed to exclude qualified Americans, ensuring they can claim no domestic workers are available and justify importing cheaper foreign replacements.

Microsoft collected massive subsidies for data centers and campuses across Red States. The company laid off 10,000 workers in 2023, another 1,900 in 2024, and continues to expand its foreign workforce through H-1B applications. Microsoft has been a vocal advocate for increasing H-1B caps while simultaneously cutting American positions.

Apple received nearly $1 billion in incentives from North Carolina for a promised campus that would employ thousands. The company then paused the project indefinitely. Apple is one of the most aggressive outsourcers in corporate America, manufacturing almost entirely overseas while using subsidies to extract maximum value from American taxpayers.

Intel secured billions in federal and state subsidies for its "Silicon Heartland" project in Ohio, promising 3,000 jobs. The company then delayed construction into the 2030s while laying off thousands of American workers and expanding foreign operations.

These are not isolated cases. They represent a business model: extract subsidies from Red States, pocket the savings, replace expensive American workers with cheaper foreign labor or offshore operations, and face no consequences. Red-State taxpayers fund their own displacement.

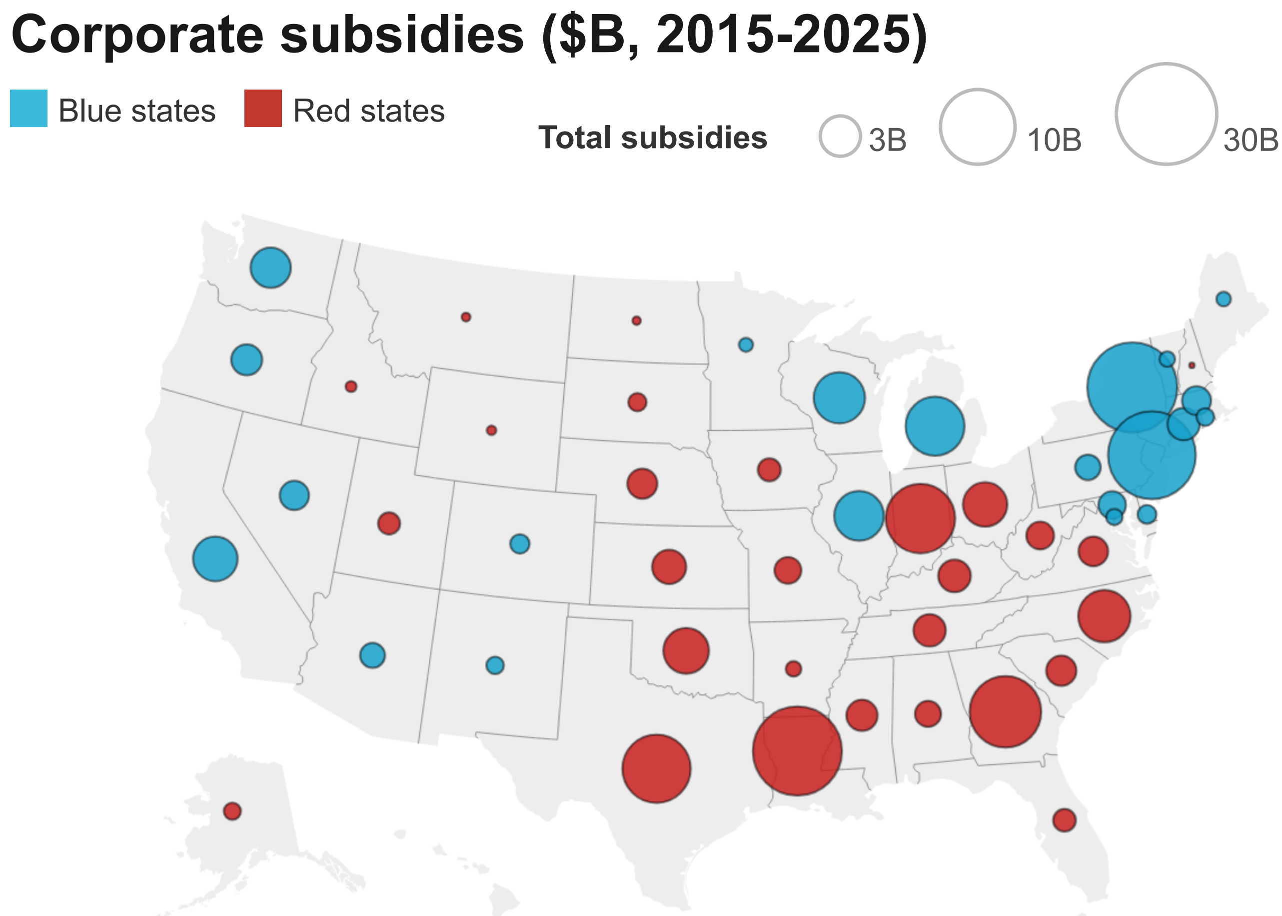
IV. BROKEN PROMISES: TAKING THE MONEY AND RUNNING

Even when subsidies come with explicit job creation promises and facility commitments, the track record of follow-through is abysmal.

- **Intel's Ohio project:** Billions in combined federal and state subsidies for a chip manufacturing facility that would supposedly anchor American semiconductor production. Intel delayed construction into the 2030s, laid off American workers, and expanded foreign operations—all while keeping the subsidies.
- **Apple's North Carolina campus:** Nearly $1 billion in state incentives for a facility promising thousands of jobs. Apple paused the project indefinitely with no clear timeline for resumption. The subsidies are not recoverable.
- **Disney's Florida expansion:** The company promised a $1 billion campus expansion in Orlando, with 2,000 new jobs. After political disputes with the state, Disney canceled the project entirely—but had already collected years of tax benefits and special regulatory treatment.
- **Foxconn's Wisconsin disaster:** Promised a $10 billion investment and 13,000 jobs in exchange for $4 billion in subsidies. The company built a fraction of the promised facility, created a small percentage of the jobs, and left Wisconsin taxpayers holding the bag.

The pattern repeats endlessly. Corporations make promises, collect subsidies, then scale back, delay, or cancel projects when political winds shift or financial calculations change. States that structured deals around job creation and economic impact are left with nothing but budget holes and broken commitments.

Section 2: Red States Lead the Race to the Bottom



Includes all publicly available state & local corporate subsidies. Much (likely most) corporate welfare is not publicly released; numbers are not indicative of the full scope. Red states tend to have worse transparency than blue states.

Map: Analysis by State Leadership Initiative • Source: Good Jobs First • Created with Datawrapper

If corporate welfare is both economically indefensible and funding progressive political adversaries, one might expect conservative states to lead the resistance against it. The opposite is true. Red States are not merely participants in this failed system—they are its most aggressive practitioners. The states that campaign on limited government and fiscal responsibility are writing the biggest checks to the most leftist corporations.

Note on data: The figures in this section rely on publicly available state and local corporate subsidy data from 2015–2025. The true scale is almost certainly larger. The majority of corporate subsidies are not publicly disclosed, and Red States tend to have worse transparency requirements than blue states. ***What follows is the floor, not the ceiling, of the problem***

I. RED STATES OUTSPEND BLUE STATES

Total (public) corporate subsidies ($, 2015-2025)

Includes all publicly available state & local corporate subsidies. Much (likely most) corporate welfare is not publicly released; numbers are not indicative of the full scope. Red states tend to have worse transparency than blue states.

Chart: Analysis by State Leadership Initiative • Source: Good Jobs First • Created with Datawrapper

From 2015 to 2025, Red States publicly recorded $148 billion on corporate subsidies, compared to $130 billion in blue states. This does not include the many billions that were not publicly recorded but passed along to companies sub rosa, with no transparency.

This is not a rounding error or a matter of interpretation.

The states most opposed to government intervention in the economy are intervening more aggressively than their progressive counterparts. The contradiction could not be starker. Red-State politicians campaign against picking winners and losers, then govern by handing out billions to corporations. They promise fiscal restraint, then blow holes in state budgets to fund subsidies that don't work. They claim to defend free markets, then rig the game in favor of the largest and most politically connected firms.

II. RED STATES WRITE BIGGER CHECKS

Average size per corporate subsidy ($, 2015-2025)

Includes all publicly available state & local corporate subsidies. Much (likely most) corporate welfare is not publicly released; numbers are not indicative of the full scope. Red states tend to have worse transparency than blue states.

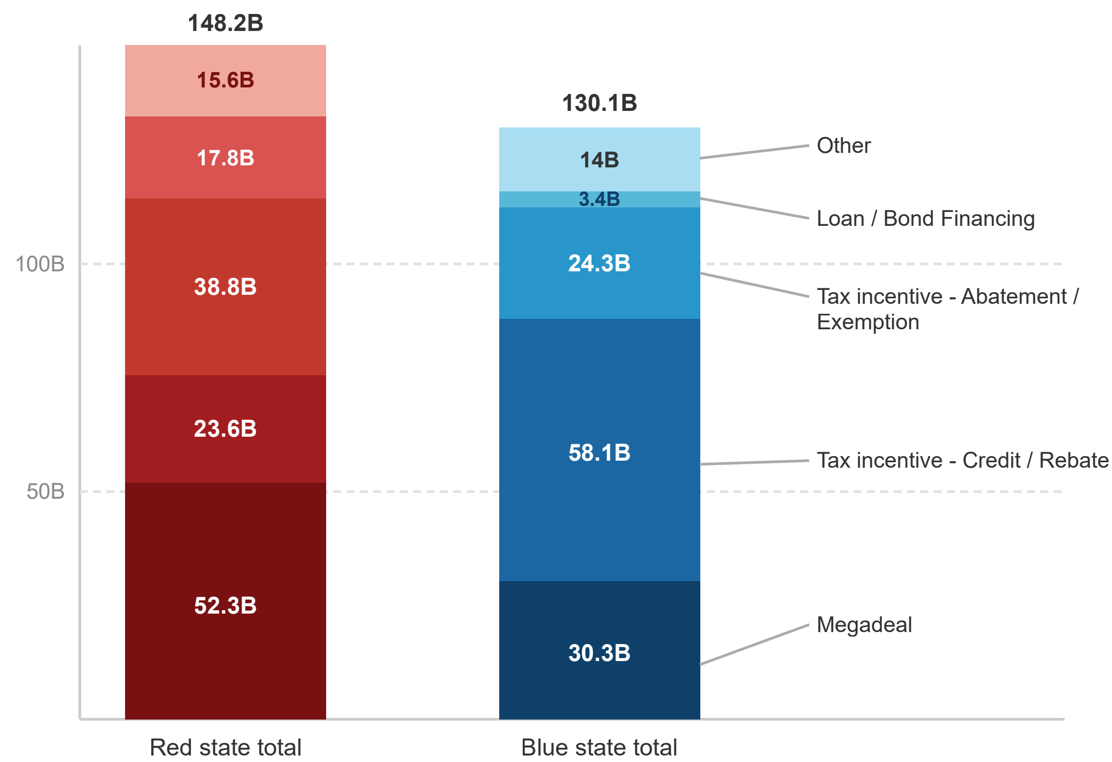
Chart: Analysis by State Leadership Initiative • Source: Good Jobs First • Created with Datawrapper

The pattern becomes more troubling when measured by average subsidy size. In Red States, the typical corporate welfare package was $4.3 million—more than double the $1.9 million average in blue states. This reveals a strategic choice: Red States concentrate their subsidies on a small number of massive corporations rather than spreading incentives more broadly.

The largest corporations are precisely those least likely to base location decisions on subsidies, most likely to impose hostile ESG and DEI mandates, and quickest to replace American workers with H-1B visa holders or offshore operations. Red States are writing the biggest checks to their biggest enemies.

III. RED STATES DOMINATE MEGADEALS

Corporate subsidies by type ($, 2015-2025)



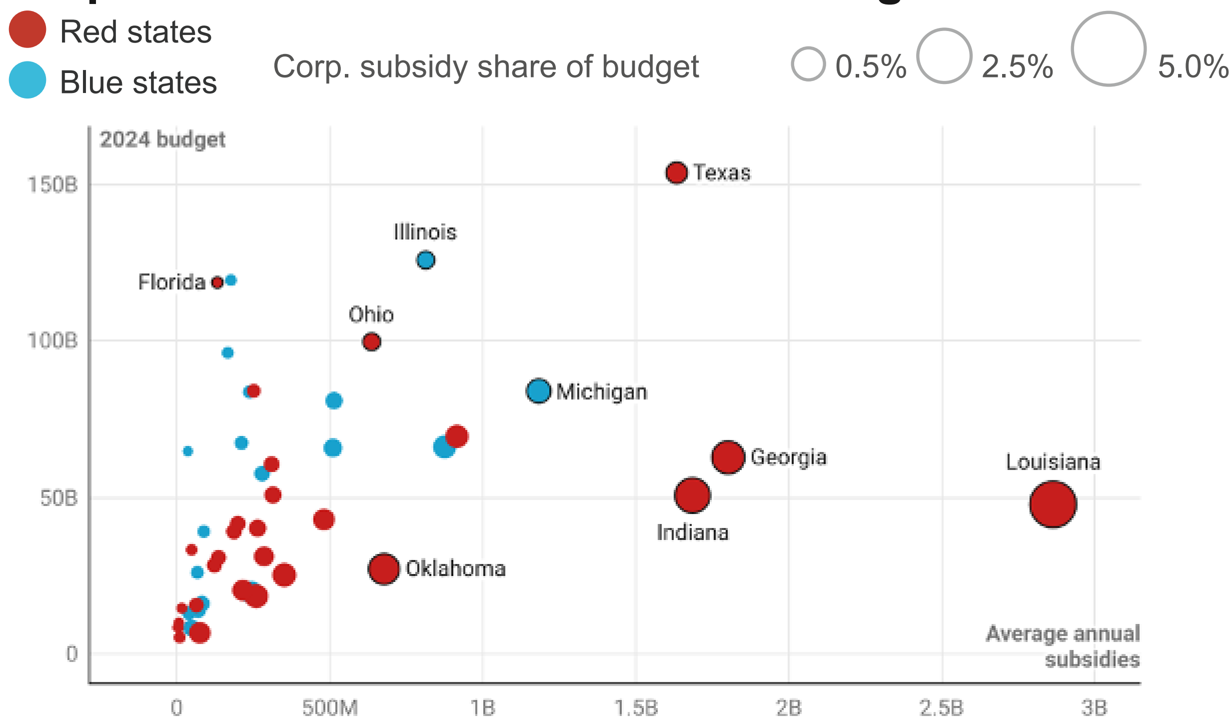
Includes all publicly available state & local corporate subsidies. Much (likely most) corporate welfare is not publicly released; numbers are not indicative of the full scope. Red states tend to have worse transparency than blue states.

Chart: Analysis by State Leadership Initiative • Source: Good Jobs First • Created with Datawrapper

The most damning evidence comes from megadeals—subsidy packages of $100 million or more. Between 2015 and 2025, Red States spent $52 billion on megadeals, compared to $30 billion in blue states. These are the flashiest, most politically useful, and least economically effective subsidies. They generate headlines and ribbon-cutting ceremonies, but they rarely deliver promised jobs or growth. And they go overwhelmingly to massive companies that are hostile to Red State values.

IV. THE BURDEN RELATIVE TO STATE BUDGETS

Corporate subsidies vs total state budget



Annual subsidies averaged over 2015-2025. Graph excludes outliers (CA, CT, NY, NJ). Includes all publicly available state & local corporate subsidies. Much (likely most) corporate welfare is not publicly released; numbers are not indicative of the full scope. Red states tend to have worse transparency than blue states.

Chart: Analysis by State Leadership Initiative • Source: Good Jobs First, NASBO • Created with Datawrapper

The fiscal impact of corporate welfare becomes clearer when measured against total state spending. In states like Texas, Louisiana, Georgia, and Indiana, corporate subsidies consume a significant share of annual budgets. These are line items large enough to shape fiscal priorities and crowd out other investments, not mere side projects or experimental programs.

Every dollar spent on corporate welfare is a dollar not invested in infrastructure that benefits all businesses, education that prepares citizens for productive work, or tax relief that puts money back in taxpayers' pockets. The opportunity cost is enormous. Studies consistently show that broad-based infrastructure investment and tax relief generate far higher economic returns than targeted corporate subsidies.

Yet Red States continue choosing subsidies over strategies that would actually work.[1]

But the central point is not the inefficiency; it is the self-sabotage. Red States are spending an inordinate amount of their budget in handouts to corporations that have made themselves our political adversaries.

[1]Morrison, Richard. "Corporate Social Irresponsibility." CEI, July 15, 2025; Center on Budget and Policy Priorities, Feb 26, 2016; Bivens, Josh. EPI, 2017; CRFB, Oct 6, 2020.

V. THE TRANSPARENCY PROBLEM

What makes this particularly galling is that the true scale is likely far worse than these numbers suggest. Much corporate welfare spending is never publicly disclosed. States negotiate deals in secret, announce them with vague promises, and rarely audit whether companies delivered on commitments. When Good Jobs First analyzed state transparency on economic development subsidies, Red States consistently scored lower than blue states on disclosure and accountability requirements.[2]

These data are appalling—the $148 billion that Red States have handed out to largely hostile corporations, the plurality of it being in mega-deals that bring little to no measurable economic benefit, the significant portion of Red State budgets consumed by corporate welfare handouts—and they are all considerable understatements. Due to poor transparency requirements, we do not know the true size of the financial catastrophe that is corporate welfare.

[2]Tarczynska et al. "Financial Exposure: Rating the States on Economic Development Transparency." Good Jobs First, April 2022.

Section 3: Why This Keeps Happening

If the disaster of corporate welfare is so obvious, why does it continue? The answer lies in the political economy of corporate welfare, mistaken arguments about "economic benefits," and the structural factors that make it resistant to reform.

I. POLITICAL SIGNALING

Corporate welfare persists because it produces political theater, not because it produces economic value.

Large subsidy deals generate immediate, visible signals: press conferences, ribbon cuttings, headline job numbers, and flattering media coverage. These signals are politically valuable even when the underlying promises are never fulfilled.

Empirical research consistently shows that subsidy announcements—not actual job creation—are what matter electorally. States with governors facing reelection are significantly more likely to approve large subsidy packages, particularly megadeals announced in the 12–24 months preceding an election. The timing is not accidental. Announcing a deal promising 1,000 jobs delivers an immediate political boost, even though those jobs—if they materialize at all—will not appear for years. By the time failure becomes obvious, the political benefit has already been realized and the responsible officials have often moved on.[3]

Crucially, there is no comparable political reward for restraint. A governor who refuses a subsidy deal receives no press conference, no headline, and no visible credit for protecting taxpayers. In a media environment that rewards action over discipline, restraint is politically invisible.

II. IGNORANCE EXAGGERATING THE BENEFITS

Corporate welfare persists in large part because many policymakers—especially in Red States—misunderstand its economic effects.

First, state policymakers often believe subsidies meaningfully influence corporate decisions. In fact, research consistently shows that factors like workforce quality, infrastructure, energy costs, and market access dominate siting decisions. Subsidies typically reward investments that would have occurred anyway.[4]

Second, state policymakers believe in large multiplier effects that do not exist in practice. Promised spillovers are based on optimistic models, not observed outcomes, and often fail to materialize once displacement and crowd-out effects are considered.[5]

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[3]Slattery, Cailin. "The Political Economy of Subsidy-Giving." UC Berkeley Haas, Oct 16, 2024; Gabe & Kraybill, Journal of Regional Science, 2002; Slattery & Zidar, NBER, 2020.
[4]Peters & Fisher. "The Failures of Economic Development Incentives." JAPA, 2004; Bartik, Upjohn Institute, 2018; Slattery & Zidar, NBER, 2020.
[5]Moretti. "Local Multipliers." AER, 2010; Greenstone, Hornbeck & Moretti. JPE, 2010; Neumark & Kolko, NBER, 2009.

Finally, state policymakers do not know whether they are getting their money's worth. Job promises are poorly audited, outcomes are rarely measured, and failures do not produce institutional learning.[6]

Corporate welfare survives not because it works, but because policymakers are operating under false perceptions that are rarely challenged.

III. THE TRANSPARENCY GAP

The vast majority of corporate welfare is not publicly reported. The deals are left opaque; tax benefits, subsidies, waived fees, and other donations from the public to corporations are left unrecorded most often. Red States, in particular, suffer from poor transparency in economic development programs. Deals are often negotiated behind closed doors, shielded from public records laws under claims of "competitive sensitivity." Disclosure—when it occurs—is delayed, incomplete, and difficult to interpret.[7]

The result is a policy area with massive fiscal consequences and minimal democratic oversight. Without transparency, there can be no sustained political pressure for reform, because voters never see the full balance sheet.

IV. CORPORATE CAPTURE & CRONYISM

Corporate welfare is not driven by "the market." It is driven by organized political interests.

Research consistently finds that firms making political donations and employing lobbyists are far more likely to receive subsidies than firms that do not. Industries with permanent lobbying presence near state capitals capture disproportionate shares of incentive spending, regardless of economic performance or public benefit.[8]

Economic development agencies themselves become defenders of the system. Their budgets, staff size, prestige, and political relevance depend on deal-making. Measuring success honestly would expose failure; announcing large deals sustains institutional power. Over time, these agencies come to identify more with corporate partners than with taxpayers.[9]

Diffuse taxpayers, by contrast, bear small individual costs and face high information barriers. No voter loses an election over a subsidy line item they cannot see, understand, or trace to a concrete harm. Capture persists because the beneficiaries are concentrated and organized, while the costs are diffuse and hidden.[10]

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[6] Donegan, Lester & Lowe. "Striking a Balance." Urban Affairs Review, 2019; Slattery & Zidar, NBER, 2020.
[7] Tarczynska et al. "Financial Exposure." Good Jobs First, April 2022.
[8] Aobdia, Koester & Petacchi. Political Connections and Government Subsidies. March 2018.
[9] Clingermayer & Feiock. "Client-Group Influence." Economic Development Quarterly, 2001; Niskanen. "The Peculiar Economics of Bureaucracy." AER, 1968.
[10] Olson, Mancur. The Logic of Collective Action. Harvard, 1965; Becker. "A Theory of Competition among Pressure Groups." QJE, 1983.

V. LARGE CORPORATIONS ARE TREATED AS UNTOUCHABLE

Finally, corporate welfare persists because major corporations are treated as systemically important actors that must never be disciplined.

Policymakers fear retaliation: relocation threats, hiring freezes, negative media campaigns, or investment slowdowns. This fear creates a moral hazard. Corporations learn that size confers immunity—that they can violate commitments, impose hostile policies, and abandon projects without meaningful consequences.

This dynamic is especially dangerous in Red States. Corporations that actively undermine local industries, replace American workers, or attack state laws are still treated as indispensable partners. Political leaders convince themselves that punishment would be "too risky," even as continued indulgence guarantees further abuse.

The result is a perverse inversion of authority: elected governments subordinate themselves to subsidized corporations, rather than enforcing conditions on the public's behalf. But as the adage goes, spare the rod, spoil the child. We must be willing to punish these corporations if we want to save our nation and our economy from these leftist boardrooms.

Section 4: The Path Forward

Red States face a choice. They can continue funding corporations that despise them, or they can fight back. The path forward requires both immediate action and a longer-term commitment to ending the cycle of corporate welfare entirely.

I. IMMEDIATE LEGISLATIVE ACTION: "ZERO TOLERANCE" LEGISLATION FOR HOSTILE CORPORATIONS

Red States cannot wait for comprehensive reform. They must act now to stop subsidizing their enemies. State legislatures should pass legislation establishing that corporations are temporarily ineligible for state or local subsidies for a period of three years following any of these actions:

- **Workforce displacement:** Laying off 100 or more American workers within the state while simultaneously increasing H-1B visa applications or offshore outsourcing by 10% or more in the same fiscal year.
- **Industry discrimination:** Implementing lending restrictions, investment screens, or supply chain requirements that categorically exclude or penalize the state's coal, oil and gas, cattle, agriculture, or manufacturing sectors based on ESG criteria rather than creditworthiness or business merit.
- **Economic retaliation:** Publicly threatening to relocate operations, cancel investments, or organize boycotts against the state in response to democratically enacted legislation.
- **Compelled ideology in state operations:** Requiring state employees, contractors, or vendors to participate in political or ideological training, or conditioning promotion or contract renewal on demonstrated commitment to specific political viewpoints, as a condition of doing business with the state.

- **Broken commitments:** Failing to meet job creation, wage, or facility investment commitments made in exchange for previous subsidies, unless the shortfall is due to documented economic conditions beyond the company's control.
- **Foreign adversary compromise:** Being designated by federal agencies as posing national security risks due to ownership, control, or substantial business relationships with entities controlled by the governments of China, Russia, Iran, or North Korea.

Reinstatement pathway: Corporations may petition for early reinstatement of subsidy eligibility after 18 months by demonstrating concrete remedial action: reversing the triggering conduct, making affected employees whole, or providing documented evidence that policies have permanently changed. The state economic development authority must approve reinstatement with a published finding of fact.

These standards are enforceable, time-limited, and based on observable conduct rather than subjective judgments. They create real consequences for hostile behavior while preserving the possibility of reform. Most importantly, they prevent taxpayers from subsidizing corporations actively working against their interests.

II. IMMEDIATE LEGISLATIVE ACTION: TRANSPARENCY AND ACCOUNTABILITY LEGISLATION

Even where subsidies remain permissible, Red States must impose far stricter standards. State legislatures should pass comprehensive transparency legislation requiring:

- **Full public disclosure:** Every subsidy above $25,000 must be disclosed in a publicly accessible, searchable online database within 30 days of award, including: company name, subsidy amount, promised jobs, actual jobs created, wages, facility commitments, and whether the company met its obligations.
- **Independent auditing:** Annual audits conducted by an independent Inspector General must track whether companies met their commitments. Did they create the jobs? Did they build the facilities? Are the workers American citizens? The results must be public.
- **Automatic clawbacks:** Subsidies must include enforceable clawback provisions that activate immediately when companies fail to deliver. No negotiations. No extensions. No excuses. If the jobs don't materialize, the money comes back—100% of subsidies received, plus interest.
- **Legislative approval for large deals:** Governors should be prohibited from negotiating deals above $10 million without legislative approval. Subsidy packages above $50 million should require supermajority votes (60% or two-thirds).

III. ULTIMATE GOAL: END CORPORATE WELFARE ENTIRELY

These reforms are necessary and urgent, but they are not sufficient. The ultimate goal must be the complete elimination of state and local corporate subsidies. The traditional economic case for this remains overwhelming and should not be abandoned in the urgency of addressing hostile corporations.

Conclusion: Beyond Traditional Reform

The traditional free-market critique of corporate welfare is strong: Government should not pick winners and losers. Subsidies distort capital allocation, encourage rent-seeking over value creation, and substitute political connections for market competition. These arguments remain as valid and important as ever.

But the current crisis in Red States demands we recognize that the problem has evolved beyond what traditional economic analysis anticipated. The corporations now receiving the largest subsidies take taxpayer dollars and use them to replace American workers, destroy American industries, and assault American culture. The economic argument against corporate welfare is necessary but no longer sufficient. The stakes are now both economic and civilizational.

For conservative leaders, the question is direct: will you continue funding corporations that are working to dismantle everything your constituents value?

Every subsidy check to a hostile corporation is a choice. It is a choice to prioritize political theater over economic results and corporate interests over citizens' welfare.

The path forward requires both traditional free-market reform and a new understanding of the threat. Red States should, ideally, restore market discipline by ending subsidies entirely. But where political realities make immediate elimination impossible, they must at minimum refuse to subsidize active enemies. No corporate welfare for firms that replace Americans with foreign workers. No subsidies for corporations imposing ESG mandates that strangle Red-State industries. No taxpayer support for companies that censor conservatives or enforce ideological conformity. This is not protectionism or industrial policy—it is refusing to fund one's own destruction.

Most importantly, it requires defending the citizens who trusted their leaders to stand for them. Those citizens are not asking their governments to centrally plan the economy. They are asking not to be forced to subsidize corporations actively working to replace them, impoverish them, and silence them. That is a reasonable and minimal request.

Red States can end this betrayal. They can embrace genuine free-market principles by eliminating corporate welfare. And where that proves politically difficult, they can at minimum refuse to subsidize declared enemies. They can prove that conservative principles—both economic and cultural—are not just campaign rhetoric but governing commitments.

The alternative is the current path: funding corporate adversaries, weakening productive industries, subsidizing the replacement of American workers, and watching everything they claim to defend lose ground. This amounts to being a neutral arbiter of a preventable decline.

It is time to choose differently. Red States must punish these corporations, not fund them.

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@RedStatesLead
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