

# BUSINESS

NORTH CAROLINA

## Upfront: Reputational risk



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That North Carolina has a pro-business climate envied by other states is a viewpoint widely held across the political divide, from Phil Berger to Roy Cooper. A story on page 78 describes how state ratings work.

Now, some influencers say that reputation is at risk. Lt. Gov. Mark Robinson's Republican March primary victory set off punditry suggesting that his views on social issues could threaten decision makers' perception of the state.

National columnists quickly castigated North Carolina voters for favoring Robinson. They paint him as a bigot lacking respect for women and the LGBTQ and Jewish communities, among other things.

Robinson calls that criticism nonsense, arguing his working-stiff career and life experience makes him a great choice. Many likely N.C. voters apparently agree: Polls show he is in a tight race with Attorney General Josh Stein, the Democratic Party nominee and an experienced government official.

**Strong caveat here:** Our magazine doesn't endorse candidates or take political stands. I'm not credible enough to tell anyone how to vote.

But how much a governor matters for economic performance is an interesting issue. Probably not much, especially in a state with the nation's weakest gubernatorial powers, says Western Carolina University political science professor Chris Cooper.

"At the end of the day, it is a state's business climate, labor climate and tax code that carries the day — not the particular person occupying the governor's mansion," says site-selection consultant John Boyd, whose New Jersey company has advised businesses for decades. "I see the state not skipping a beat on the business attraction front should outspoken conservative Mark Robinson win in November."

Boyd notes that progressive-leaning West Coast businesses, such as Apple, Intel, Meta and Microsoft, have expanded in conservative states such as Arizona, Nevada, Ohio and Tennessee. Apple, of course, has big plans for the Triangle.

Boyd cites JPMorgan Chase CEO Jamie Dimon as an outspoken critic of "anti-woke" legislation, which passed in Florida, North Carolina and Texas. He also notes the New York megabank is nearing 20,000 employees in Texas and building big operations in Florida and North Carolina.

North Carolina's HB2 controversy in 2016 is often cited as how social-issue legislation can hurt an economy. Backlash to the since-repealed law cost the state hundreds of millions of dollars in lost tourism, convention and corporate investment, Cooper contends. Others say the impact was exaggerated.

Eight years later, CEOs understand the dangers of taking controversial political stands, and have toned down the rhetoric, says former Gov. Pat McCrory, whose failed re-election bid in 2016 was probably affected by his HB2 stand.

"The days of corporations falling for well-coordinated political campaigns are past. Can you spell Bud Light," he says, citing plummeting sales of the top-selling beer brand after a controversial ad campaign.

"CEOs have learned you can't make short-term political decisions for business purposes. People realize how hypocritical and inconsistent that is," McCrory adds.

The NC Chamber made news with a post-primary statement contending that several populists in Council of State and legislative races defeated candidates with superior qualifications. More extreme candidates make it harder “to move our state forward,” it said.

No reference was made to the gubernatorial race, suggesting the business lobbying group knows where the key decisions are made in North Carolina and that there is no upside to riling up a potential future governor.