Hire Here First

How U.S. policy quietly incentivizes hiring abroad--and what it's costing American workers.



ROBERT JONES

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American workers should come first—but our policies don't always reflect that.

We've built an economic system where companies are often rewarded more for moving jobs overseas than creating them at home.

That isn't simply the result of market forces. It's the result of how we've structured incentives—particularly in the tax code. When those

incentives tilt in one direction, behavior follows. And for decades, the direction has been clear.

If we want more jobs in the United States, we don't need mandates. We need to fix the incentives.

A simple principle captures the idea: **Hire Here First**—not by requirement, but by making it the most rational economic choice.

Today, the tax system is built around complexity and exceptions. It attempts to encourage, discourage, and fine-tune behavior across a wide range of goals. The result is predictable: a system that is difficult to understand, easy to manipulate, and increasingly disconnected from how value is actually created.

In that environment, decisions about where to hire are influenced not just by wages or productivity, but by layers of tax treatment, accounting rules, and structural advantages that can favor moving operations elsewhere.

That's not a neutral system. It's one that shapes outcomes.

A better approach is to simplify and realign.

Instead of trying to engineer countless targeted outcomes, the tax system should focus on a clear structure: raise revenue in a way that is broad, predictable, and difficult to game. Within that structure, one adjustment can make a meaningful difference.

Recognize labor directly.

In practical terms, that means allowing businesses to deduct wages tied to **formal payroll employment in the United States**—wages reported through standard payroll systems and subject to U.S. payroll taxes.

This isn’t about favoring specific individuals or industries. It’s about recognizing where economic activity is taking place and aligning incentives accordingly.

When hiring domestically becomes more economically attractive, companies respond. Not out of obligation, but because the system points them in that direction.

That distinction matters.

Policies that rely on mandates tend to create distortions of their own. Policies that adjust incentives tend to produce more durable results, because they work with the grain of decision-making rather than against it.

Critics will argue that global supply chains are essential and that companies must remain competitive. That’s true. Nothing in a “Hire Here First” framework prevents firms from operating globally or sourcing internationally.

What it does is remove a structural bias that has quietly accumulated over time—a bias that often makes it easier to move jobs away than to build them here.

The goal isn’t to eliminate offshoring. It’s to ensure that it is a genuine business decision, not one tilted by the tax code.

There’s a broader benefit as well.

Employment is not just another economic variable. It is the foundation of income, consumption, and long-term revenue stability. A system that supports broad-based employment strengthens the tax base itself.

That’s not social policy embedded in taxation. It’s structural balance.

As automation and artificial intelligence continue to reshape the economy, the relationship between capital and labor will only become more important. Systems that rely heavily on taxing income alone will face increasing pressure. Systems that recognize output—and the role of labor within it—will be better positioned to adapt.

No tax system is perfect. Tradeoffs are inevitable. But complexity creates its own costs—costs that are often larger than the problems it attempts to solve.

A simpler system, built on clear principles and aligned incentives, will outperform one that tries to do everything at once.

If we want a stronger, more resilient economy, we don’t need to micromanage outcomes. We need to design a system that produces better ones.

Markets follow incentives.

If we want more jobs here, we should build a system that rewards them.