



## Leaving Illinois for Wisconsin

*Wisconsin's pro-growth, fiscally responsible policies are drawing an increasing number of Illinois residents to the state*

*June 26, 2019*

*FOR IMMEDIATE RELEASE*

CONTACT: Michael Jahr, Badger Institute senior vice president at 414-225-9940 or at Michael@badgerinstitute.org.

As residents and businesses flee the fiscal basket case that is Illinois, the Badger State has become an increasingly attractive destination due to advantages in the labor market, economic growth and business climate, according to "[Leaving Illinois for Wisconsin](#)," a Badger Institute policy brief released today. On net, Wisconsin has gained 116,000 Illinois residents between 2006 and 2017, an average of nearly 40 residents every day from 2014-'17.

The key to maintaining this migration pattern is for Wisconsin to continue to pursue the formula that made it attractive in the first place: low tax burdens, less regulation, greater fiscal stability, right-to-work laws and resisting calls for higher minimum wages, according to the brief's author, University of Michigan-Flint economist and American Enterprise Institute scholar [Mark J. Perry](#).

Perry conducted a state-to-state comparison of Illinois and Wisconsin using 14 different measures of fiscal health, economic growth, various tax burdens,

business climate and labor markets. In 13 of the 14 comparisons, Wisconsin came out ahead.

<b>Comparison of neighboring states on 14 measures</b>			
<b>ILLINOIS vs. WISCONSIN</b>	<b>ILLINOIS</b>	<b>WISCONSIN</b>	<b>WINNER</b>
Right to work	No	Yes	<b>Wisconsin</b>
State minimum wage (per hour)	\$8.25 (\$9.25 on 1/1/2020 and \$10 on 7/1/2020)	\$7.25	<b>Wisconsin</b>
Unemployment rate, 2018	4.3%	3%	<b>Wisconsin</b>
Employment growth, 2017 to 2018	0.89%	1.13%	<b>Wisconsin</b>
Real GDP growth rate, 2018	2.1%	2.5%	<b>Wisconsin</b>
Total taxes paid as percent of income	10.08%	9.26%	<b>Wisconsin</b>
Top state individual income tax rate	4.95%	7.65%	Illinois
Top corporate tax rate	9.5%	7.9%	<b>Wisconsin</b>
Average state and local sales tax rate	8.74%	5.44%	<b>Wisconsin</b>
Gas tax (per gallon)	37.5 cents	32.9 cents	<b>Wisconsin</b>
Forbes' "Best States for Business" rankings, 2018	39th	32nd	<b>Wisconsin</b>
Tax Foundation's State Business Tax Climate rankings	36th	32nd	<b>Wisconsin</b>
Mercatus state rankings for fiscal condition	50th (last)	26th	<b>Wisconsin</b>
Credit rating (Standard and Poor's)	BBB-	AA	<b>Wisconsin</b>

The one exception was the top state individual income tax rate. Wisconsin's top rate is 7.65% compared with Illinois' top rate of 4.95%. Perry recommended that Wisconsin reduce its income tax burden overall to give it a further competitive advantage in attracting businesses and residents from not just Illinois but from other high-tax, business-unfriendly states.

"These state-to-state migration patterns clearly illustrate why public policy matters," said Perry. "Illinois has layers of burdensome policies that make it unattractive to businesses and workers. In contrast, Wisconsin has benefited from common-sense reforms in recent years that contributed to economic growth and overall fiscal health. If Wisconsin wants to attract even more businesses and workers, it should reduce its income tax burden, the one area we compared where Illinois actually has an advantage."

Read the entire [brief](#).

*Founded in 1987, the Badger Institute (formerly the Wisconsin Policy Research Institute) is a nonprofit, nonpartisan 501(c)(3) guided by the belief that free markets, individual initiative, limited and efficient government and educational opportunity are the keys to economic prosperity and human dignity.*