



BOB KULP

STATE REPRESENTATIVE • 69TH ASSEMBLY DISTRICT

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Rep. Kulp Letter to the Editor

Foxconn Project will be an economic boost to Wisconsin

After Governor Walker announced the deal with Taiwanese manufacturer Foxconn to build a factory in Wisconsin, there were some misleading headlines published about the project. Many of you reached out to me with the following questions: Why would we spend \$3 Billion in incentives? Why should we be subsidize a foreign company? How will this benefit Wisconsin?

I believe those questions can be answered. Economists know, and the real economy verifies, that every dollar invested turns over 7 times. If Foxconn invests \$10 billion dollars into Wisconsin, that will turn into \$70 billion dollars in the economy. This is due to the supporting businesses, suppliers, vendors, customers, construction crews, travel, employee's homes, and the list could go on and on. This is NEW money in to our state from a foreign source that we do not have now.

Let me break it down for you the way I see the Foxconn Project in three basic principles:

- 1.) If we do nothing, we get nothing.
- 2.) Something that isn't yours doesn't cost you anything when you allow the owner to keep it.
- 3.) Completely unique industries that are thriving, profitable, and in high demand are the kind we want in the State.

If we (the State) do nothing to lure Foxconn, we get nothing...no Foxconn, no additional jobs, no spinoff businesses supplying, distributing, shipping, and consuming the products Foxconn produces. All of the tax money from that economic activity will go into a pot of money that doesn't exist currently, and wouldn't exist unless this company came to our State.

The taxes on the goods and services that the employees as well as the supporting businesses and their employees will pay is a very big number. This all goes into the "pot of money that doesn't exist right now". Projections on this can vary somewhat, but even the most pessimistic economist or business person can see that Foxconn will bring in far more than the \$3 billion dollars in 15 years that are promised in tax credits and incentives.

Our ability to invest internationally and others ability to invest in our country has been a good thing for the global economy and has helped lift the people of many nations out of poverty, while increasing our own standard of living in the USA.

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Foxconn could have chosen to locate anywhere. They could have chosen California, Texas, Mexico or even Canada. This is hard evidence our state is headed in the right direction.

Sure, we could let this company invest elsewhere. The bottom line is that it will "cost" the taxpayers of our State very little, if anything. The rewards of doing this will be a vibrant 21st century economy throughout our State.

Make it a great day!

Bob Kulp

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