Wisconsin Business Climate Vastly Improved With Walker
- Steve Kohlmann, Executive Director, Independent Business Association of Wisconsin

In the 2010 State of Wisconsin Governor’s race, then Candidate Scott Walker established a lofty goal for the State to create 250,000 private sector jobs within his first term. The number was big, it was bold, and more than anything, the statement put private sector businesses on notice that the State was going to do better. Some are critical of the Governor for “only” creating 102,800 private sector jobs so far. Would those same people be critical if Green Bay Packer coach Mike McCarthy promised to deliver two Super Bowl titles in as many years and only delivered one?

To be sure, with 102,800 jobs created over the past three and a half years job growth in the State has been tepid, however the turnaround in the State’s overall business climate has been nothing short of remarkable. During the same campaign, Candidate Walker often stated “Government doesn’t create jobs, people do.” Much like a start-up business that is in the beginning stages of executing the correct strategy, economic development in the State of Wisconsin is breaking loose and “people” are once again creating jobs. The Independent Business Association of Wisconsin (IBAW) believes that the State of Wisconsin is headed in the right direction and the foundation that has been established to improve the business climate in the State is starting to bear fruit.

Why has there been such a disconnect between private sector job creation when measured against the vastly improved business climate of the State?

Despite the abundant amount of opinions as to the singular answer to this dilemma, this is a very difficult question to answer without considering multiple dynamics. Lacking a robust technology cluster that produces scalable start-up businesses, or the oil and gas resources of a State like Texas, a State like Wisconsin needs to compete on the merits of its’ business climate in order to entice employer’s to invest in their enterprises. One only needs to look at the performance of Indiana over the past decade to understand how a State can compete with its’ overall business climate as being the top deliverable to a company. By this metric, the Walker administration has performed far better than anyone operating a private enterprise could have ever expected.

The following is a brief listing of high level accomplishments from the Walker administration:

- Qualified Production tax credit which will effectively eliminate State Income Tax for Manufacturing and Agriculture companies by 2016.
- Three Property tax cuts totaling $1.6 billion dollars.
- Personal Income tax reductions totaling $750 million dollars.
- Investments of $100 million in dedicated Workforce development and training programs.
- The “Better Bottom Line” program helping hire more people with disabilities for Wisconsin companies.
- Development of the Wisconsin Workforce Partnership Grant.
- A balanced State budget, sustainability of a fully funded pension, and improved bond rating.
- Across the board State agency reform.
- Regulatory and permitting reform within the WDNR.
- Significant tort reform benefiting manufacturers and healthcare providers.
- Elimination of punitive and compensatory damages against employers.
- A public/private transformation of the Department of Commerce into the Wisconsin Economic Development Corporation.
- Proactive Mining Legislation to promote development of mining resources that could produce an annual benefit to Wisconsin of $1.2 billion dollars.
- $25 million dollar Venture Capital Bill.
The reforms are starting to produce results. With the 102,800 jobs added during the Governor’s first term, Wisconsin’s unemployment rate has fallen from 7.7% to 5.7%, which is below the national unemployment rate of 6.2%. A recent Manpower Group survey also noted Wisconsin as being one of the States to watch for the best prospects of private sector job growth over the next year. Local businesses and national media outlets are paying attention:

- A Recent WMC (Largest Chamber of Commerce in the State of WI) survey indicated 96% of employers within the organization think the state is headed in the right direction. Only 10% of the participants in this annual survey thought the same prior to Governor Walker taking office.
- 71% of participants in the WMC survey expect to see growth in their companies over the next 6 months.
- In CEO Magazine, the State of Wisconsin has moved to the 14th Best State to Do Business in 2014 from 42nd in 2010.
- CNBC’s Best Places to Do Business has Wisconsin ranked #17 in 2014 from 29th in 2010.
- Site Selection Magazine ranked Wisconsin the 13th best place to do business. Previously Wisconsin did not make the cut for the top 25.
- Wisconsin was just named Number 1 in the Midwest in year over year personal income growth (Q1 2014 over Q1 2013) with a 3.33% increase.

With recent big wins of the 1,100 employee Amazon fulfillment centers, the commitment from Uline to add an additional 1,000 jobs and multiple manufacturers throughout the State that are either putting additions on their plant or constructing new facilities, the hard fought legislative victories of the past three and one half years are starting to translate into private sector investments.

Rather than focusing on an arbitrary number of 250,000 jobs, a more fitting judgment of the Governor’s record moving forward should be considered against his promise in his 2014 State of the State address “We want to ensure everyone who wants a job can find a job.”

IBAW believes that with the continued implementation of the Governor’s strategic vision, the residents of the State of Wisconsin, especially residents who are down on their luck and searching for a job, will be able to benefit from a much more substantive metric of economic success as stated in the Governor’s 2014 State of the State address.

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