



## Competitive Wisconsin, Inc.

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### **Competitive Wisconsin, Inc. Releases 10<sup>th</sup> Annual Benchmarks Survey *Concerns over Wisconsin's competitive position versus national average seen in latest report***

MADISON— Wisconsin has moved further away from the national average in per capita income, number of new jobs created and the number of new private businesses according to the state's annual benchmarks, released today. The report—*Measuring Success: Benchmarks for a Competitive Wisconsin*—is released annually by Competitive Wisconsin, Inc. (CWI), a nonpartisan consortium of state agriculture, business, education and labor leaders. *Measuring Success* grades Wisconsin in 33 areas of interstate competitiveness. Compared to our performance in past years, 17 benchmarks changed this year—eight improvements and nine declines.

One of the most troubling indicators in the *Measuring Success* report is the continued decline in Wisconsin's per capita income, \$34,476, compared to the national average of \$36,629. Personal per capita income is often cited as a measure of a state's relative economic health. In 2006, Wisconsin's per capita personal income continued to trail the national average, sinking to 5.9% below the national average, the lowest since 1991 when it was 6.7% below the national average. Wisconsin's per capita income also continues to significantly trail that of its neighbors, Illinois (\$38,297) and Minnesota (\$38,751).

In addition to personal per capita income, job growth is an important measure of a state's economic health. In 2006, the number of Wisconsin jobs increased 0.7%, a drop from 1.1% in 2004 and 1.2% in 2005. Wisconsin trails the national average of 1.8%.

And finally, another measure of the health of a state's economy is the number of new private businesses being created. The number of new private businesses in Wisconsin dropped 0.4% in 2006, while the number of businesses grew nationally 2.5%. Even more troubling is that all of Wisconsin's neighbors had increases in 2006.

In October of 2007, CWI released its "Competitive Mandate," a bold new vision for economic development in Wisconsin, which, when fully implemented, has the potential to grow Wisconsin's economy by \$22 billion and generate \$1.32 billion in new tax revenue each year, without a tax increase.

"The *CWI Competitive Mandate* identifies several solutions to some of the troubling indicators highlighted in the *Measuring Success* report," said Bill McCoshen, former Wisconsin Commerce Secretary and Executive Director of Competitive Wisconsin.

“The goal of the *CWI Competitive Mandate* is to raise Wisconsin’s per capita income to the level of Minnesota’s – an increase of \$4,275 per year to \$38,751,” continued McCoshen. “We can accomplish this by focusing on education as a key to growth, getting our state’s fiscal house in order and creating an environment that is receptive to the creation and growth of start-up companies.”

The *CWI Competitive Mandate* contains 33 specific strategies to grow Wisconsin’s economy and can be found on the CWI website at <http://www.competitivewi.com/Mandate/cwimandate.html>

There is good news for Wisconsin in the report. The eight indicators that improved in 2006 include increases in venture capital and export share, and decreases in unemployment and the percentage of uninsured residents.

For the third year in a row, venture capital investments per worker rose in Wisconsin from a low of \$13.57 per worker in 2003 to \$25.27 per worker in 2006. “Wisconsin is moving in the right direction,” said CWI President Tom O’Neill, senior vice president, Marshall & Ilsley Corporation, Milwaukee. “In three years, Wisconsin nearly doubled its venture capital investment per worker.”

One of the key components of the mandate is a goal to double the venture capital dispersed per worker to \$50.00 by 2012. Wisconsin trails the national average (\$194.23 per worker) and its neighboring states of Minnesota (\$130.08 per worker) and Illinois (\$69.21 per worker).

“Even after increasing the venture capital dispersed per worker to \$50.00, Wisconsin will still trail its neighbors, but the continuous increases in available venture capital will send a strong signal that we are interested in growing businesses in this state,” continued O’Neill.

Other positive signs in the *Measuring Success* report include:

- **Wisconsin exports continued to grow.** Wisconsin’s export sector grew for the fifth straight year, climbing 15% in 2006. As a share of output from manufacturing, mining and farms, exports were 34%.
- **Rate of uninsured continued to decline.** For the third straight year, Wisconsin’s uninsured rate declined, dropping to 8.8% in 2006 – the lowest since 2001 (7.3%). Wisconsin’s rate remains well below the national average of 15.8% and below the rates of its neighboring states, with Minnesota as the next closest and the only other state with a rate in the single digits (9.2%).

CWI originated the *Measuring Success* report card after a 1997 gubernatorial commission urged the state to track its economic progress and the growth of quality jobs, education and training. The series of reports has been prepared annually by the professional research staff at the Wisconsin Taxpayers Alliance (WISTAX). WISTAX is a nonprofit, nonpartisan organization devoted to public-policy research and citizen education.

The 2007 edition of *Measuring Success* is available at <http://www.competitivewi.com>

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