

# BROKEN PROMISES, LAGGING GROWTH: WALKER'S DISMAL ECONOMIC RECORD IN WISCONSIN

## Walker Failed to Deliver On Jobs and Business Growth Promises

- ✓ Walker infamously failed to deliver on his promise to create 250,000 Wisconsin jobs in his first term. Nearly six years into his administration, Wisconsin still fell short.
- ✓ Walker also failed to meet his promise to create 10,000 new businesses in Wisconsin. Walker claimed he met his goal, but 80% of the so-called “new” businesses were merely LLC companies that existed on paper and did not have any Wisconsin employees.
- ✓ A 2014 study found that under Walker Wisconsin’s job growth stalled behind its neighbors, and that if historic trends prior to Walker’s assumption of office had held true, Wisconsin should have had 43,000 more jobs. The study blamed consumer uncertainty caused by Walker’s disruptive policy shifts.
- ✓ In 2016, Federal Bureau of Labor survey found Wisconsin saw its slowest levels of job growth since Walker took office – adding less than half the jobs added in previous years. That same survey found that Wisconsin wages declined by 2 percent between 2015 – 2016.

## FAILED TO FULFILL HIS JOBS PROMISE MADE DURING HIS 2010 RUN FOR OFFICE

### Walker Pledged To Create 250,000 New Jobs By The End Of His First Term

**February 2010: Walker Announced A Plan To Create 250,000 Jobs And Bring 10,000 New Businesses To The State By The End Of His First Term As Governor.** According to Milwaukee Business Journal, “Milwaukee County Executive Scott Walker announced Tuesday that he has a plan to create 250,000 jobs and bring 10,000 new businesses to the state by the end of his first term as governor.” [Milwaukee Business Journal, 2/23/10]

### Six Years Into Walker’s Administration, Wisconsin Still Had Not Hit Walker’s Jobs Goal – Fell 64,792 Jobs Short

**Milwaukee Journal Sentinel HEADLINE: “Gov Scott Walker’s Promise To Create 250,000 Jobs In Wisconsin Remains Elusive.”** [Milwaukee Journal Sentinel, [3/12/17](#)]

**Six Years Into His Term As Governor, Wisconsin Still Fell Over 64,792 Jobs Short Of The 250,000 Goal He Promised.** According to Milwaukee Journal Sentinel, “More than six years ago as a candidate for governor, Republican Scott Walker promised that if he was elected, the state would add 250,000 private-sector jobs in four years. That goal continues to be elusive. A report issued Thursday by the state Department of Workforce Development includes the final job creation tally for 2016, allowing a look at six complete years under Walker. The latest report showed that the state lost 4,000 jobs in December, putting total state private-sector employment at 2,516,100. For all of 2016, state reports show that employers added 17,200 jobs, by far the lowest annual tally since Walker took office in January 2011. The total number of jobs created since Walker took office is 185,208, or 64,792 short of Walker’s goal of 250,000.” [Milwaukee Journal Sentinel, [3/12/17](#)]

*2014: Politifact Rated Walker’s Promise As “Broken”*

**PolitiFact, 2014: “We’re Moving This Rating To Promise Broken.”** According to PolitiFact, “In May 2014, as it became evident that there has not been a massive surge in private sector hiring, we moved the 250,000 jobs promise from In the Works to Stalled. In the three months since that change, the number of private sector jobs has fallen by 900. We’re moving this rating to Promise Broken.” [PolitiFact, [9/18/14](#)]

- **Walker Only Hit 59 Percent Of His Jobs Promise By End Of First Term.** According to PolitiFact, “Gov. Scott Walker fell short when it came to his top 2010 campaign promise -- that the state would add 250,000 private-sector jobs in his first term. But he would have finished much closer had there been four years with the jobs growth seen in 2014 -- especially the final four months of the year. State employers added an estimated 53,400 jobs in 2014, pushing the total for his four-year term to 146,795. That’s about 59 percent of the total Walker promised as a candidate.” [PolitiFact, [1/22/15](#)]
- **While Rest Of Country Had Returned To Pre-Recession Employment, Wisconsin Lagged.** According to the Wisconsin State Journal, “It took seven years but the national labor market is finally back to pre-recession employment levels of 2007, a UW-Madison nonprofit, nonpartisan think tank says. Wisconsin, though, has not kept up, says the UW-Madison Center on Wisconsin Strategy (COWS). The COWS report, ‘The State of Working Wisconsin 2014,’ says 2.86 million Wisconsin residents were employed as of July 2014, up from 2.71 million at the lowest point following the recession in February 2010. But the state is still 21,900 jobs below the number in 2007, and if population growth is factored in, Wisconsin needs 130,400 jobs to return to 2007 employment levels, the report says.” [Wisconsin State Journal, [9/7/14](#)]

## **FAILED TO FULFILL HIS PROMISE OF 10,000 NEW BUSINESSES**

### **Walker promised 10,000 New Business During His First Term; Claimed To Have Been Successful**

**Walker Promised 10,000 New Businesses Would Be Created.** According to the Milwaukee Journal Sentinel, “It went with less notice, but Walker also promised 10, 000 new businesses would be created.” [Milwaukee Journal Sentinel, 1/2/11]

**[Video] Walker: “Instead Of Losing 133,000 Jobs We’ve Gained More Than 100,000 Jobs. Instead Of Losing 27,000 Businesses We’ve Gained Almost 17,000 Net New Businesses In This State.”** Speaking to the Door County EDC Meeting in April 2014, Walker said “When you think about the change today. The unemployment rate is more than 3 points lower than it was 4 years ago. Instead of losing 133,000 jobs we’ve gained more than 100,000 jobs. Instead of losing 27,000 businesses we’ve gained almost 17,000 net new businesses in this state.” [Door County EDC Meeting, [4/14/14](#)]

### **Walker’s Claim Of Success “Didn’t Hold Up”**

**Milwaukee Journal Sentinel Editorial Headline: “Gov. Scott Walker’s Business Claim Doesn’t Hold Up To Scrutiny.”** According to the headline of a Milwaukee Journal Sentinel Editorial, “Gov. Scott Walker’s business claim doesn’t hold up to scrutiny.” [Editorial – Milwaukee Journal Sentinel, [5/19/14](#)]

- **Milwaukee Journal Sentinel Editorial: “Many Of The Organizations In Walker’s Count Have No Workers At All — And Aren’t Likely To Have Any.”** According an editorial in the Milwaukee Journal Sentinel, “Walker has taken to pointing to the number of newly registered “business entities” to show that his conservative policies are boosting the state’s economy. But many of the organizations in Walker’s count have no workers at all — and aren’t likely to have any.” [Editorial – Milwaukee Journal Sentinel, [5/19/14](#)]

**PolitiFact: “Even If Walker Were Right, And Every New Filing Represented A Job-Producing Business...This Small Army Of Eager Entrepreneurs Would Have To Create New Jobs At A Pace Five Times Faster Than The Average For The Last Three Years.”** According to PolitiFact, “Even if Walker were right, and every new filing represented a job-producing business, the PolitiFact Wisconsin analysis found this small army of eager entrepreneurs would have to create new jobs at a pace five times faster than the average for the last three years.” [PolitiFact, [5/17/14](#)]

### **Walker’s Newly Registered Business Entities Count Included Thousands Without Workers On The Payroll And No Prospects Of Hires To Come**

**Walker’s Newly Registered “Business Entities” Count Included Thousands With No Workers On The Payroll And Little If Any Prospect Of Hires To Come.** According to PolitiFact, “But his impressive-sounding talking point -- that 17,000 new ready-to-hire businesses have sprung up on his watch -- crumbles upon examination. The count of newly registered ‘business entities’ that Walker touts includes not only new ventures that bring new jobs, but thousands with no workers on the payroll at all -- and little if any prospect of hires to come.” [PolitiFact, [5/17/14](#)]

## Walker's Claim Of Success Was To "Deflect Attention" From Failed Jobs Pledge

**Milwaukee Journal Sentinel: "Walker's Goal, Of Course, Is To Deflect Attention From His Most High-Profile Campaign Promise...That Wisconsin Companies Would Create 250,000 Net New Jobs."** According to the Milwaukee Journal Sentinel, "Walker's goal, of course, is to deflect attention from his most high-profile campaign promise: The governor promised that Wisconsin companies would create 250,000 net new jobs during his first term. The latest scorecard shows 105,800 jobs have been created, and even the governor's most ardent supporters realize that he won't be able to fulfill his promise by the end of his term in January." [Milwaukee Journal Sentinel, [5/19/14](#)]

## **JOB GROWTH STALLED AFTER WALKER TOOK OFFICE**

### 2014 Study Showed That Wisconsin Created 43,000 Fewer Jobs On Average Under Walker And Lagged Behind Its Neighboring States

**University Of Wisconsin Report Measured Wisconsin's "Jobs Gap" Compared To Other Midwestern Neighbors.** According to the Stevens Point Journal, "The report, published in March by professor Kevin McGee, attempts to measure Wisconsin's 'job gap' compared to other Midwestern neighbors." [Stevens Point Journal, [6/9/14](#)]

**Professor Kevin McGee, 2014: Wisconsin Was About "43,000 Jobs Behind Where We should Be To Just Have Stayed Even With Our Neighbors."** According to Milwaukee Journal Sentinel, "It's now beyond dispute: Wisconsin has a job gap. The latest numbers rank Wisconsin at 35th, 36th and 37th in job creation over the past three years. That accords closely with my estimate that we are about 43,000 jobs behind where we should be to have just stayed even with our neighbors." [Milwaukee Journal Sentinel, [7/8/14](#)]

*By 2014, Wisconsin Recovered Only 42 Percent Of The Jobs It Lost During The Recession – Below The National Average*

**Since Walker Took Over, Wisconsin Only Recovered An Additional 42% Of Its Jobs, Close To Last Among Its Neighbors And Below The National Average.** According to the report Measuring Wisconsin's Job Gap, "Since then however, it has only recovered an additional 42% of its lost jobs, close to last among its peers, and well below the 66% nationally during that same time period." [Measuring Wisconsin's Job Gap – University of Wisconsin Oshkosh, [March 2014](#)]

**Wisconsin's Neighbors Recovered Over 50% Of Their Total Job Losses Between December 2010 And September 2013; Wisconsin's 42.3% Was Just Under 84% Of The Group's Performance.** According to the report Measuring Wisconsin's Job Gap, "As a group, the 6 peers states recovered over 50% of their total job losses between Dec. 2010 and September 2013. Wisconsin's 42.3% was just under 84% of the group's performance." [Measuring Wisconsin's Job Gap – University of Wisconsin Oshkosh, [March 2014](#)]

**March 2014: Wisconsin Only Created About 70% To 75% As Many Jobs As Its Neighbors Have Since December 2010.** According to the report Measuring Wisconsin's Job Gap, "My various measures generally suggest that Wisconsin has only created about 70 to 75% as many jobs as its peers have over the last 33 months. This can only be described as a far from satisfactory performance." [Measuring Wisconsin's Job Gap – University of Wisconsin Oshkosh, [March 2014](#)]

### Under Walker, Wisconsin Lagged Neighbors In Job Growth

**March 2015: Wisconsin Tied For Dead Last In Midwest Job Growth.** According to PolitiFact, "Pocan said Wisconsin is 'dead last in the Midwest for job creation.' Among 10 Midwestern states in terms of percentage growth in private sector jobs the latest figures show Wisconsin is tied for ninth. So, not quite 'dead last.' We rate Pocan's statement Mostly True." [PolitiFact, [3/16/15](#)]

*Wisconsin Trailed Its Neighbors In Private Sector Job Growth*

**Bloomberg View: Private Sector Job Growth Grew At Median Rate, But Trailed Minnesota, Michigan And Iowa.** According to Bloomberg View "Wisconsin's private-sector job growth has also been lackluster -- a 5.6 percent increase since

2011, smack in the middle of the states but trailing Minnesota (6.8 percent), Michigan (6.7 percent) and Iowa (5.7 percent):” [Bloomberg View, [2/24/15](#)]

## **Report’s Author Blamed Walker’s Disruptive Pension Policies For Consumer Uncertainty**

**McGee Attributed The Lagging Job Growth To Consumer Uncertainty And Pay Cuts Caused In Part By Governor Walker’s Pension Policies.** In a Milwaukee Journal Sentinel op-ed Kevin McGee wrote, “The \$64,000 question, as Randy Cray, chief economist for the Central Wisconsin Economic Research Bureau at the University of Wisconsin-Stevens Point, so aptly put it, is: Why has this job gap occurred?[...] The only explanation that fits the data involves consumer spending. Under Gov. Jim Doyle, state workers absorbed pay cuts in the form of temporary furloughs. According to Milton Friedman’s permanent income hypothesis, those furloughs would reduce consumer spending only a little. Under Gov. Scott Walker, the furloughs were replaced by significant permanent pay cuts, in the form of higher pension and insurance contributions. By the permanent income hypothesis, those cuts would reduce spending nearly dollar for dollar. In addition, fiscal limits on cities and counties spread those pay cuts to local public employees as well. And at the same time, there were significant permanent decreases in private-sector wages, often also in the form of wage and benefit concessions. So well over 400,000 Wisconsin workers were forced to cut their spending significantly. Some of that reduced spending would have been on goods produced elsewhere — Detroit automobiles, foreign-made electronics, California wine — reducing job growth elsewhere.” [Milwaukee Journal Sentinel, [7/8/14](#)]

## **WISCONSIN’S LAGGING JOB GROWTH CONTINUED INTO THE END OF HIS SECOND TERM**

### **2016: Wisconsin Saw Its Slowest Levels Of Job Growth Since Walker Took Office**

**Fox 6 HEADLINE: “Job Growth In Wisconsin Slowed In 2016 To Lowest Level Since Walker Took Office.”** [Fox 6, [5/30/17](#)]

**2016: Wisconsin Job Growth Slowed Significantly In 2016, Adding Less Than Half The Jobs Gained In Previous Years.** According to Fox 6, “Job growth in Wisconsin slowed significantly in 2016, and Gov. Scott Walker said on Tuesday, May 30th that employers are struggling to find qualified people to take available jobs. Wisconsin added 11,590 jobs in 2016, according to data from the Quarterly Census of Employment and Wages, which state officials have long considered the most accurate marker of Wisconsin’s jobs picture. Over Walker’s first five years in office, the state always gained at least 28,400 jobs per year, previously released data indicate.” [Fox 6, [5/30/17](#)]

### **2016: Wages In Wisconsin Declined 2 Percent In One Year**

**September 2015- 2016: Federal Bureau Of Labor Survey Found Wisconsin Wages Drop By 2 Percent.** According to Milwaukee Business Journal, “In comparison, in the same survey measuring growth from September 2015 to September 2016, employment grew 1 percent, with the state ranking 30th. Wisconsin has long been in the bottom half of states for job growth. In addition, the new survey indicated that Wisconsin wages dropped 2 percent to an average weekly wage of \$924. Nationally, employment grew by 1.2 percent, while wages dropped 1.5 percent. Only two states, Montana (0.5%) and Washington (1.7%), along with the District of Columbia (0.6%), saw increases in wages.” [Milwaukee BizTimes, [6/7/17](#)]

## **Wisconsin Rankings And Metrics Lagged Under Walker**

### **Key Metrics:**

- ✓ In 2016 Wisconsin ranked 33<sup>rd</sup> in job creation, based on federal data.
- ✓ In 2017, U.S. News ranked Wisconsin 42<sup>nd</sup> in economic growth and 47<sup>th</sup> in economic growth of the state’s young population, ages 25 – 29.

- ✓ In 2017, Wisconsin ranked last among the 25 largest states on the Kauffman Entrepreneurial Index for startup activity.
- ✓ According to CNBC rankings, Wisconsin dropped 5 spots in quality of life measures between 2013 – 2017.
- ✓ In 2017, U.S. News ranked Wisconsin 37<sup>th</sup> in infrastructure; CNBC ranked Wisconsin five spots lower on infrastructure ratings than in 2013.

## **2017: WISCONSIN RANKED IN THE BOTTOM TENTH FOR ECONOMIC GROWTH, AND GROWTH FOR THE STATE'S YOUNG POPULATION**

**2017: U.S. News Ranked Wisconsin 42<sup>nd</sup> In Economic Growth And 47<sup>th</sup> In Economic Growth Of The State's Young Population, Ages 25 -29.** [U.S. News Rankings, Accessed [9/27/17](#)]

**2017: U.S. News Ranked Wisconsin 36<sup>th</sup> In Entrepreneurship.** [U.S. News Rankings, Accessed [9/27/17](#)]

### **Federal Data Showed Wisconsin Ranked 33<sup>rd</sup> In Private Sector Employment Growth**

**2015 -2016: Wisconsin's Private Sector Employment Grew At A Rate Of 0.5 Percent, Ranking It 33<sup>rd</sup> Among 50 States, According To Federal Bureau Of Labor Statistics Data.** According to Milwaukee Business Journal, "Wisconsin's unemployment rate has continued to drop, but it's job growth rate has slowed, according to new data from the Bureau of Labor Statistics. From December 2015 to December 2016, private-sector employment grew at a rate of 0.5 percent in Wisconsin, ranking 33rd among the 50 states, according to the federal Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW), considered to be the 'gold standard' of American jobs data as it uses records from more than 96 percent of business establishments. In comparison, in the same survey measuring growth from September 2015 to September 2016, employment grew 1 percent, with the state ranking 30th. Wisconsin has long been in the bottom half of states for job growth." [Milwaukee BizTimes, [6/7/17](#)]

## **WISCONSIN LAGGED BEHIND OTHER STATES IN BUSINESS CLIMATE AND STARTUP ACTIVITY**

### **Wisconsin Ranked Below Three Of Its Neighboring States On The Economic Climate For Business Scorecard**

**2017: CNBC Ranked Wisconsin's Overall State Economic Climate For Business Below That Of Its Neighboring States Michigan, Iowa, And Minnesota.** [CNBC, Accessed [9/27/17](#)]

### **2017: Of The 25 Largest States, Wisconsin Ranked Last In Startup Activity**

**2017: Of The 25 Largest States, Wisconsin Ranked Last In Startup Activity.** According to the Kauffman Entrepreneurial Index, "Among the 25 "Large" States in the United States, the state of Wisconsin ranked 25 in Startup Activity, 2 in Main Street Entrepreneurship, and 23 in Growth Entrepreneurship. Compared to itself in the previous year, Wisconsin's entrepreneurial community is experiencing a slight decrease in startup activity, a slight increase in main street entrepreneurship, and basically no changes in growth entrepreneurship." [Kauffman Entrepreneurial Index, [2017](#)]

### **2016: Bloomberg Rated Wisconsin 31<sup>st</sup> in Innovation, Down Three Spots From 2015.**

**2016: Bloomberg Rated Wisconsin 31<sup>st</sup> in Innovation, Down from 28<sup>th</sup> In 2015.** [Bloomberg, [12/22/16](#)]

## **WISCONSIN'S INFRASTRUCTURE RANKINGS LAGGED UNDER WALKER**

**2017: U.S. News Reported Wisconsin Ranked 37<sup>th</sup> In Infrastructure**



**2017: U.S. News Ranked Wisconsin 37<sup>th</sup> In The Nation For Infrastructure, With A Ranking Of 49<sup>th</sup> For Road Quality, 36<sup>th</sup> For Electricity Price, And 32<sup>nd</sup> For Internet Access.** [U.S. News Rankings, Accessed [9/27/17](#)]

**CNBC Downgraded It's Ranking Of Wisconsin's Infrastructure From 19<sup>th</sup> In The Nation In 2016 To 26<sup>th</sup> In The Nation In 2017**

**2017: CNBC Ranked Wisconsin's Infrastructure 26<sup>th</sup> In The Nation, Down From 19<sup>th</sup> In 2016.** [CNBC, Accessed [9/27/17](#)]

**QUALITY OF LIFE DROPPED UNDER WALKER**

**CNBC: In 2017 Wisconsin's Quality Of Life Ranked 24th, Down 5 From 19th Place In 2013.** [CNBC, [6/24/14](#);CNBC, Accessed [9/27/17](#)]

**UNDER WALKER, WISCONSIN HAD 45<sup>TH</sup> HIGHEST INCOME INEQUALITY AMONG THE STATES**

**June 2014: Pew States Ranked Wisconsin 45<sup>th</sup> Highest In Income Inequality.** [Pew Stateline, [6/12/14](#)]

**2015 – 2016: The Milwaukee-West Allis-Waukesha Metro Area Recently Ranked As America's "Least Equal Metro Area" Between Black-White Unemployment Gap.** According to Milwaukee Business Journal, "The Milwaukee-West Allis-Waukesha metro area recently ranked as America's 'least equal metro area' with the worst black-white unemployment gap out of 71 cities. The report shows double-digit unemployment for blacks (13.8%) and 'an exceptionally low rate' for whites (2.7%) in the region." [Milwaukee BizTimes, [6/7/17](#)]