



For Immediate Release

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Contact: Representative Gordon Hintz

608-266-2254

ICYMI: What They're Saying About Governor Walker's Foxconn Proposal

"Such incentives are generally an awful way to lure jobs -- expensive, inefficient and fraught with unintended consequences. They can prompt costly bidding wars between states and impede other budget priorities. They have little effect on employment, growth or wages. They may induce unwise borrowing. Companies often come back again and again, as blackmailers tend to, seeking yet more blandishments. And nothing stops them from walking away when times get tough."

"And what type of jobs, exactly? Mainly, the new plant will churn out LCD flat-panel screens -- a business beset by sluggish demand, rising competition and changing consumer tastes. Worse, such jobs are highly likely to be automated. Foxconn had better hope so, at any rate, if it wants its investment to be viable."

-The Bloomberg Editorial Board – "[Foxconn's Dubious Deal](#)", August 3, 2017

"In a market economy, companies taking risk and hiring workers is a necessary ingredient to prosperity. That is not what is happening here. Foxconn bears no meaningful risk in this deal. All the risk and all the labor costs for the next decade and a half are borne by the beleaguered taxpayers of Wisconsin. This isn't free-market economics, or making America great again. This isn't even cost-effective socialism."

"This isn't simply a bad deal. It is an over-the-top bad deal for Wisconsin."

-Michael J. Hicks, Director of the Center for Business and Economic Research at Ball State University, [MarketWatch](#), August 4, 2017

"With enough subsidies, you could get orange growers to relocate to Wisconsin."

"The last thing a region wants in order to prosper is a bunch of firms that aren't really suited for the region."

-Matthew Mitchell, senior researcher, Mercatus Center at George Mason University, August 1, 2017

"Friends in the Wisconsin Legislature, we beg you: Sign that bad deal with Foxconn."

"Best we can tell, it's a crap shoot as to whether luring the giant electronics company to Wisconsin would work out well for you, given the billions of dollars in tax breaks your governor has promised, but it would be terrific for Illinois. It would cost our state nothing, yet up to half of the new jobs could go to our residents, while O'Hare Airport would get the new international travel business."

"Wisconsin would be taking all the risks, even as Illinois enjoyed a nice share of the benefits."

-The [Chicago Sun-Times Editorial Board](#), August 10, 2017

“We can only describe this as a gift from Wisconsin taxpayers to Foxconn shareholders.”

“This is a guaranteed loser for the state.”

-Greg LeRoy, executive director of Good Jobs First, a nonpartisan nonprofit research group, July 27, 2017

“It’s a very, very costly package, and I’m skeptical that the benefits justify such big incentives. This is well beyond the typical deal.”

-Timothy J. Bartik, senior economist, W.E. Upjohn Institute for Employment Research, July 27, 2017

“Obviously, there is a strong desire for the state to land a company as big as Foxconn. But they’re also forgoing the opportunity to make a more competitive landscape for other businesses.”

-Jared Walczak, senior policy analyst at the Tax Foundation July 27, 2017

“It doesn’t fit with a governor that said we can’t spend much money. This is a guy who decimated the University of Wisconsin by budget cuts. On the one hand, he’s saying we can spend billions to pay Foxconn, but what about our own prized educational institution?”

-Martin Baily, senior fellow at the Brookings Institution, July 27, 2017

“Yet, despite an ever-growing pile of evidence that chasing jobs with tax incentives and relaxed regulations doesn’t work, that’s still the default strategy for many state and local government leaders. It might create a few jobs, but rarely good ones. The communities whose leaders figure this out first are going to be the ones that win the jobs war.”

-Mark Funkhouser, Governing Magazine, July 2017

“And compared to what Wisconsin is prepared to ante up to win the biggest Foxconn prize — a \$10 billion plant that initially will employ 3,000 — Michigan looks like a savvy shopper.”

“Wisconsin is losing all perspective in pursuing Foxconn.”

-The Detroit News August 10, 2017

“For the majority of Wisconsin citizens who are more interested in doing what’s best for the state than scoring political points, more information is needed. And that will require more time to discover and digest details. The Legislature absolutely should give the public — and individual lawmakers — more time to consider the facts. This is too important to rush. Wisconsin needs to get this right.”

-Wisconsin State Journal Editorial, August 6, 2017

“What the people of Wisconsin needed was a cost-benefit analysis to answer that question. What they got was Foxconn’s economic impact study — and few things are as useless as one of those when trying to make a good decision.”

“But these impact studies are enduringly popular. A huge number is exactly what promoters are eager to pitch when they go looking for taxpayer money.”

-Lee Schafer, Minneapolis Star Tribune business writer, August 5, 2017

*“These are going to be high-level engineering jobs, but we have a shortage of engineers,” says Stefanie Lenway, dean of the Opus College of Business at the University of St. Thomas and author of *Managing New Industry Creation*. ‘It’s a job for physicists, for electrical engineers, and mechanical engineers.’ And, Lenway adds, for robots.”*

“What concerns Lenway even more than all of this is the fact that \$10 billion will take a long time for Foxconn to spend, and by the time it does, she says, “the plant they’re running could be obsolete.” That could lead to layoffs or people training for jobs that don’t exist.”

-Issie Lapowsky, [Wired](#), July 26, 2017

“The deal between Foxconn and the state of Wisconsin announced on Wednesday is symbolic in many ways. Among them is that the deal epitomizes what is short-sighted and problematic about economic development in the United States today...”

“Here’s to hoping that one of the largest economic development deals ever also proves to be one of the last of its kind.”

- [Kenan Fikri](#), Manager for Research and Policy Development, Economic Innovation Group, July 28, 2017

“Could the money promised to Foxconn be better spent elsewhere — on public goods such as bridges or educational initiatives? The Institute on Taxation and Economic Policy, a nonprofit research group, argues that while the long-term economic benefits of education and infrastructure investments may not be as flashy as incentive-backed ribbon-cutting ceremonies, these investments are even more fundamental to any successful economy.”

-[Abdur Chowdhury](#) is professor of economics at Marquette University, August 13, 2017

“And what guarantee is there that Foxconn will create 13,000 jobs? None. The company could collect \$345 million of the maximum \$1.5 billion payroll credit for just the 3,000 jobs it promises to start with and grab the sales tax exemptions and TIF subsidies while using the \$1.35 billion tax credit on capital expenditures to automate the factory and gradually lower the employment even further. With no penalty. And given the company’s reputation for embracing robotics at every opportunity, that is surely the most likely result.”

“Walker’s willingness to hand this company \$3 billion suggests a desperation to wipe away his failed promise to create 250,000 new jobs and the state’s chronic below-average ranking in job creation.”

-Bruce Murphy, Editor, [Urban Milwaukee](#), August 10, 2017

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