



# Resurgent Midwest, Insurgent Growth

A Project of  
The Council of State Governments  
and  
GrowthEconomics, Inc.

In Collaboration with the Institute for Work and the Economy's Midwestern  
Innovation Initiative  
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*Next Dance: return to growth*



# Outline

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1. Commonalities
2. Vulnerabilities
3. Difference Between East and West  
Midwestern States
4. Wisconsin and its Neighbors



# 1. Commonalities

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- ❑ Generalizations about the Midwestern Region.
- ❑ Economic Performance and Growth: sub par.
- ❑ Education scores better than workforce --some notable improvements in education e.g. IN,OH; some exceptional education e.g. IA,KS,MN,WI
- ❑ Good education may not mean good economic performance; good workforce may not result in superior economic performance. e.g. KS,WI. Its more complex than 'workforce = economic development'
- ❑ Business climate varies considerably. But much of the Midwest retains strengths in general business climate: cost of doing business, legal climate and economic freedom. But similar to workforce, superior business climate alone does not ensure superior growth.



## 2. Vulnerabilites

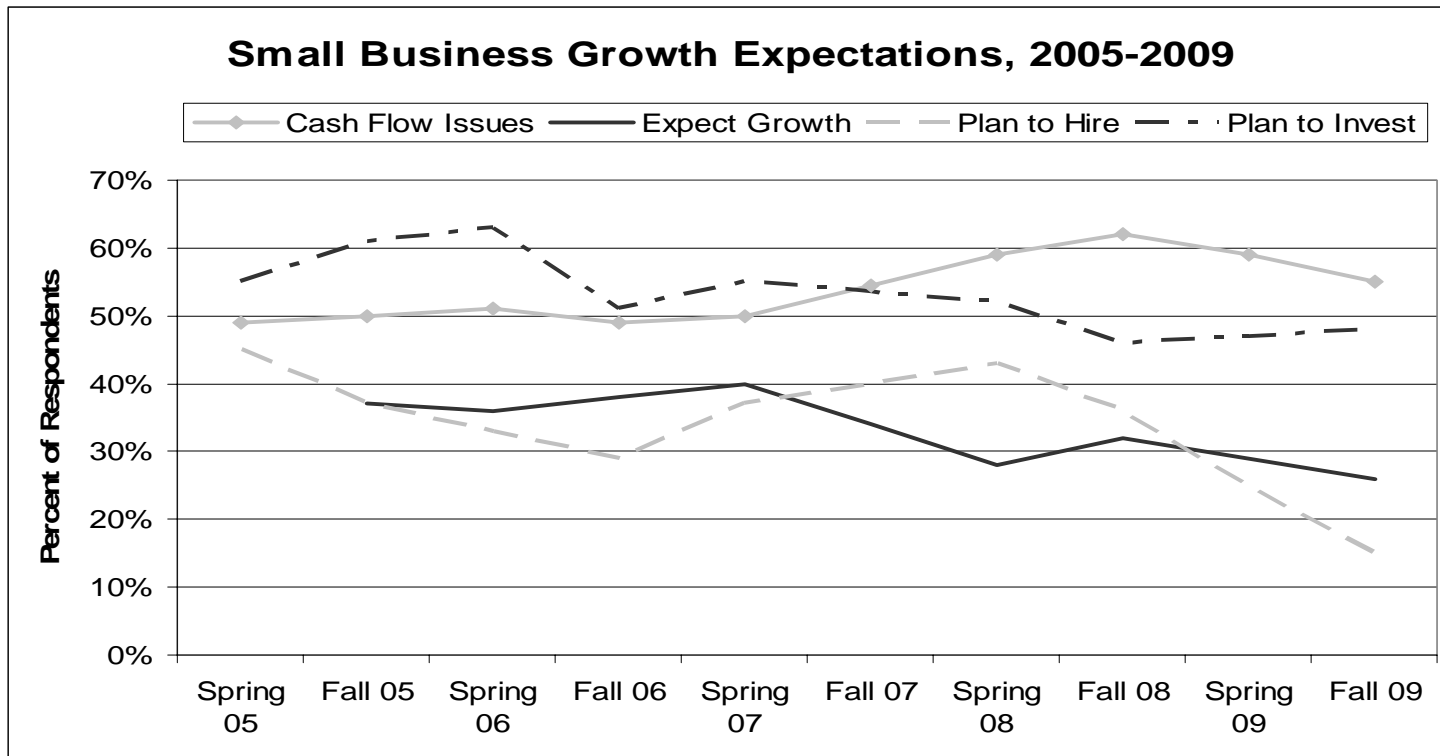
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- ❑ In short, the growth equation is far from 'all we need is better workforce' or 'all we need is better financing'. We don't yet know the right/ideal combination of economic foundations and agents for the Midwest—further research is needed +it varies by state.
- ❑ **We do know two missing ingredients in most Midwestern states are technology competitiveness, entrepreneurial dynamism and international business activity.**
- ❑ Its all about innovation, productivity improvement and international trade/market expansion in the next growth phase of the business cycle.



## 2. Vulnerabilities cont'd

- Amex semi-annual Small Biz Survey Midwestern States.

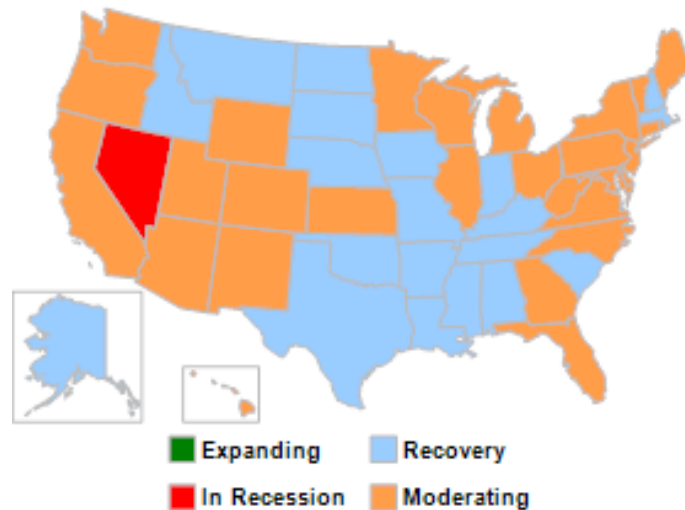




## 3. East and West Midwestern States

- States in recession Dec.2009 Moody's [economy.com/dismalscientist](http://economy.com/dismalscientist)

States in Recession  
Based on Employment and IP Growth, Dec 2009





## 4. Wisconsin and Its Neighbors

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rank order (best to worst, GrowthEconomics ScoreCard):

- ❑ Entrepreneurial Dyn.: MI, IN, IL, OH, **WI**
- ❑ Research & Innov.: **WI**, MI, OH, IL, IN
- ❑ Biz Costs: IN, OH, **WI**, MI, IL
- ❑ Legal Climate : OH, IN, MI, **WI**, IL
- ❑ Financial Capital: OH, **WI**, IL, MI, IN,
- ❑ K-12: **WI**, OH, IL, IN, MI,
- ❑ Post-Sec: IN, **WI**, MI, IL, OH
- ❑ Workforce: MI, IL, OH, **WI**, IN

**TWELVE-STATE SUMMARY REPORT CARD COMPARISON**

	ILLINOIS	INDIANA	IOWA	KANSAS	MICHIGAN	MINNESOTA	MISSOURI	NEBRASKA	NORTH DAKOTA	OHIO	SOUTH DAKOTA	WISCONSIN
<b>OVERALL ECONOMIC PERFORMANCE</b>	variable performer	low/very low performer	mid/low performer	low performer	very low performer	low performer	low/very low performer	mid/low performer	high/mid performer	very low performer	high/very high performer	mid/low performer
<b>BUSINESS ATTRACTION / GOOD PLACE TO DO BUSINESS</b>												
<b>Cost of Doing Business</b>	low/very low performer	high/very high performer	very high performer	mid performer	low performer	low performer	high/very high performer	high/very high performer	very high performer	mid/low performer	very high performer	low performer
<b>Access to Capital</b>	high performer	low performer	very low performer	low performer	mid/low performer	high performer	low performer	low/very low performer	low performer	high performer	variable performer	mid/low performer
<b>Legal Climate</b>	low/very low performer	high performer	high performer	high/very high performer	mid/high performer	high performer	variable performer	mid/high performer	very high performer	very high performer	high/very high performer	high performer
<b>Regulatory Climate</b>	variable performer	variable performer	high/very high performer	high/very high performer	variable performer	low performer	mid performer	mid/high performer	variable performer	variable performer	variable performer	mid/low performer
<b>Tax and Fiscal Climate</b>	low performer	high performer	variable performer	variable performer	mid/low performer	variable performer	mid/high performer	variable performer	high performer	variable performer	high/very high performer	low performer
<b>BUSINESS DYNAMISM</b>												
<b>Technology &amp; Innovation Indices</b>	high/very performer	mid/low performer	mid/low performer	low performer	high performer	high/very performer	low performer	low performer	variable performer	variable performer	low/very low performer	mid performer
<b>Entrepreneurial Economy</b>	high performer	low/very low performer	low/very low performer	variable performer	low/very low performer	mid/low performer	low/very low performer	low performer	variable performer	low performer	low/very low performer	low performer
<b>International Business Activity</b>	high performer	mid/high performer	low/very low performer	mid/low performer	mid/high performer	low performer	low performer	very low performer	low performer	mid/high performer	very low performer	low performer
<b>OVERALL WORKFORCE/EDUCATION</b>												
<b>General</b>	variable performer	mid/low performer	mid/high performer	high performer	low performer	high performer	mid performer	mid/high performer	mid performer	low performer	mid performer	variable performer
<b>Innovation Workforce</b>	high/very high performer	low/very low performer	mid/low performer	high performer	high performer	high performer	mid performer	mid/low performer	low performer	mid/low performer	low performer	low performer
<b>K-12</b>	variable performer	mid performer	high performer	mid/high performer	low performer	high/very high performer	mid/low performer	mid/high performer	mid performer	mid performer	high performer	high/very high performer
<b>Postsecondary</b>	mid/low performer	variable performer	high performer	variable performer	mid/high performer	variable performer	mid performer	high performer	variable performer	low performer	mid/low performer	high performer
<b>OVERALL GOVERNMENT PERFORMANCE</b>	mid performer	high performer	high performer	high performer	high performer	high performer	high performer	high performer	high performer	high performer	low performer	high performer





# Discussion

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