

Governor Walker's Failed Jobs Agency Should be Scrapped

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STATEWIDE - After the release of [yet another devastating state audit](#) showing that the Wisconsin Economic Development Corporation (WEDC) has failed to document that companies receiving grants, tax credits, and loans are actually creating jobs, Governor Walker abruptly announced that he is pulling the plug on his controversial plan to merge the troubled agency with the Wisconsin Housing and Economic Development Authority (WHEDA).

While the cancellation of the proposed merger is welcome news for economic opportunity advocates, it fails to address the fundamental problem. WEDC is not just badly mismanaged, it is a flawed model. The notion that our scarce job creation resources should be doled out to business without real accountability is one of the worst ideas in modern Wisconsin legislative history.

The failure to close [loopholes that allow companies receiving WEDC support to outsource](#) Wisconsin jobs is only the tip of the iceberg. Wisconsin job growth has lagged behind the rest of the nation, and even worse [the majority of jobs generated have been in low income occupations](#) where poverty wages predominate.

The structure of WEDC itself, which by design has less accountability and transparency than a traditional public agency, raises questions about undue influence, further undermining public's trust in their own government. In an environment where massive corporate election expenditures have been legalized, the public deserves ironclad guarantees that the process of handing out public economic development dollars is above politics.

The only permanent solution that can restore public confidence is to disband WEDC, and create a fully accountable department. The new department should focus its resources on

creating the maximum number of family supporting jobs, not poverty jobs, and should place a special emphasis on areas with the greatest shortage of good jobs. There should be clear publicly known benchmarks for any company receiving assistance, a transparent process fully insulated from political considerations, and clawbacks from companies that fail to create the family supporting jobs that were promised. It should adopt Senator Hansen's proposal to stop providing funds to companies [engaged in outsourcing of jobs](#). It should also cease WEDC's failed strategy of [wasting money on poaching jobs](#) from neighboring states, rather than investing in new economic opportunity.

Given recent research that shows the Wisconsin middle class has [contracted more than any state in the country](#), it is critical that Wisconsin create an effective public agency that can make real progress on opening opportunity to more Wisconsin families.

"What is good for CEOs is not necessarily good for workers. Handing over our state's economic policies to multinational corporations engaged in outsourcing and converting middle class jobs into poverty wage jobs is driving Wisconsin's economy into the ground," said Robert Kraig, Executive Director of Citizen Action of Wisconsin. "The only way we can halt the decline of the middle class, and expand opportunity to all those who are currently shut out, is to make creating good family supporting jobs the singular purpose of Wisconsin economic policy. No large corporation or CEO has any rightful claim on public dollars, unless they are in turn expanding real economic opportunity for Wisconsin workers."

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