

## **Decoding Wisconsin's Middling GDP Growth (2017–2024)**

The 38th ranking tells a clear story. Real GDP growth averaged about 1.8% yearly in Wisconsin over those years. The U.S. hit 2.5% on average. This gap adds up. By 2024, the state missed out on billions in extra output. Factors like slow sector gains and weak productivity pull it down.

### **Benchmarking Real GDP Against Peer States**

Wisconsin's 1.8% yearly growth pales next to the national 2.5%. Look at neighbors. Minnesota grew at 2.2%. Michigan bounced back to 2.0% after auto slumps. Illinois stuck close at 1.7%, but it started from a deeper hole. The lag isn't new. Wisconsin ranked low in the 2010s too. From 2017 on, it stayed mid-pack. This shows no big speedup post-recession. Other states used tech booms or energy shifts to pull ahead.

- National average: 2.5% annual real GDP growth.
- Wisconsin: 1.8%.
- Top Midwest peer, Minnesota: 2.2%.

These numbers come from Bureau of Economic Analysis reports. They highlight a steady but unexciting path.

### **The Role of Sectoral Contributions in Stagnation**

Key industries drive the slowdown. Manufacturing, a Wisconsin staple, grew just 1.2% yearly. It employs many but adds little new output. Agriculture faced weather hits and trade fights. Output there rose only 0.9%. Healthcare expanded faster at 2.8%, but it couldn't lift the whole boat. Tourism and retail stayed flat amid online shifts. These sectors make up over 60% of GDP. Their tame gains cap overall real GDP growth in Wisconsin.

Slower expansion in goods production hurts most. Services pick up some slack. Still, the mix keeps the state from faster paces.

### **Employment Versus Output: Analyzing Labor Productivity**

Jobs grew 1.1% per year in Wisconsin. That's solid for the Midwest. Unemployment fell below 3% by 2024. But real GDP didn't match. Why? Workers produce less per hour. Labor productivity rose only 0.7% annually. Nationally, it hit 1.2%. This gap means more hires but less bang for the buck.

Think of it like a factory. You add shifts but keep old machines. Output creeps up slow. In Wisconsin, outdated skills and tools play a role. Firms invest less in upgrades. This ties back to the 38th ranking. Strong employment hides weak productivity gains.

## **Structural Headwinds: Long-Term Economic Challenges**

Deeper issues hold Wisconsin back. These aren't quick fixes. They stem from years of trends. Population changes and old rules slow the engine. Infrastructure gaps add drag. Real GDP growth in Wisconsin suffers from these roots.

### **Demographic Shifts and Workforce Availability**

Wisconsin's people are getting older. The over-65 crowd grew 20% from 2017 to 2024. Young workers shrank by 5%. Labor force participation sits at 63%. That's below the U.S. 65%. Skill gaps hurt too. Many jobs need tech know-how. But training lags.

Fewer hands mean less output. Businesses can't fill roles fast. This caps real GDP growth. Rural areas feel it worst. Cities like Madison draw youth, but not enough.

- Aging boosts healthcare jobs.
- But it shrinks manufacturing pools.
- Immigration stays low, unlike growing states.

Reports from the state labor department back this. They show a tight workforce squeezing expansion.

### **Regulatory Environment and Business Climate Perceptions**

Wisconsin ranks middling in ease of business. Tax Foundation scores put it 28th. Rules on permits and zoning add time. New firms wait months for approvals. High-growth states like Utah cut red tape. They rank top 5.

Perceptions matter. Surveys show bosses see Wisconsin as steady but stiff. Environmental regs protect lakes but slow factories. Labor laws raise costs for hires. This deters big investments. Over 2017-2024, it kept real GDP growth in Wisconsin tame.

Business groups push for tweaks. Lighter rules could spark more starts.

### **Infrastructure Investment and Capital Stock**

Roads and bridges in Wisconsin need work. The state spent 1.2% of GDP on infra yearly. National average: 1.5%. Broadband reaches 85% of homes, but rural spots lag. This hurts supply chains. Trucks idle on bad highways. Factories miss fast deliveries.

Old capital stock drags productivity. Machines from the 2000s still run. New plants go to states with better grids. By 2024, these gaps cost billions in lost output. Real GDP growth suffers when basics falter.

Fixes like federal aid help. But state plans move slow.

## **Sectoral Deep Dive: Where Growth Opportunities Are Being Missed**

Some areas boom elsewhere. Wisconsin misses out. Tech and services surge nationally. Here, they stall. Advanced manufacturing could shine but doesn't. This widens the real GDP growth gap from 2017 to 2024.

### **The Innovation Ecosystem: Venture Capital and Tech Adoption**

Venture cash flows light in Wisconsin. It got \$2 billion total from 2017-2024. California snagged \$500 billion. Local startups struggle. Universities like UW-Madison patent ideas. But few turn to firms. Commercialization rates sit at 15%. National average: 25%.

Tech adoption lags too. Only 40% of small businesses use AI tools. Big states push grants for this. Wisconsin's ecosystem feels stuck. Missed deals mean less innovation. That caps real GDP growth.

- VC per capita: Wisconsin \$350, vs. U.S. \$800.
- Startup density low in Milwaukee.
- R&D spending at 2.1% of GDP, below 2.5% national.

These stats from PitchBook show the gap.

### **Advanced Manufacturing vs. Traditional Base**

Old manufacturing rules Wisconsin. It makes paper and cheese. Growth there: 1.0% yearly. Advanced types, like robotics, grow 3% nationally. Wisconsin hits 1.5%. Clusters in Green Bay focus on basics. Not enough shift to high-tech.

Why the miss? Training shortfalls and low R&D. States like Ohio build advanced hubs. They pull firms. Wisconsin loses talent to them. This keeps real GDP growth subdued.

Firms stick to what they know. Change needs bold steps.

### **The Service Economy Lag**

Services drive U.S. growth. Finance and consulting boom. Wisconsin's services grew 2.0%. National: 2.8%. Professional jobs cluster in cities. But rural areas miss out. Business services add little.

High-value work like software lags. Only 8% of jobs in tech services. U.S. average: 12%. Trade barriers and skills hold it back. This sector could lift real GDP growth in Wisconsin. It doesn't now.

More remote work helps. But local ties weaken it.

## **Policy Levers: Analyzing Recent Economic Development Strategies**

State leaders tried boosts since 2017. Tax cuts and grants aimed high. Results? Mixed. Real GDP growth stayed at 38th. Let's check key moves.

### **Effectiveness of Targeted Industry Incentives**

Incentives targeted manufacturing. Foxconn got \$4 billion in credits. It promised 13,000 jobs. By 2024, only 1,000 came. ROI looks poor. Other grants for biotech hit 20% of goals. Data from state audits show low bang.

Smaller programs work better. Grants to startups created 5,000 jobs. But overall, incentives didn't speed real GDP growth in Wisconsin. Billions spent with little lift.

Focus on quick wins. Long bets flop often.

### **Workforce Development Programs and Education Alignment**

Tech colleges train welders. But industries need coders. UW outputs 4,000 engineers yearly. Demand hits 6,000. Gaps persist.

Programs like apprenticeships grew 15%. They help trades. But STEM fields lag. Alignment scores low in reports. This ties to slow productivity.

Better matches could add 0.5% to growth.

### **Comparative Analysis of State Tax Structures**

Wisconsin cut corporate taxes to 7.9% in 2017. It matched neighbors. But income taxes stay high at 7.65%. Economists say this chases away firms. Low-tax states like South Dakota grow faster.

Shifts helped a bit. Investment rose 10%. But not enough for real GDP growth jump. Comparisons show tax tweaks alone fall short.

### **Pathways Forward: Strategies for Breaking the Mid-Tier Performance Trap**

Time to shift gears. Data points to clear paths. Invest smart. Draw talent. Cut hurdles. These could push Wisconsin past 38th in real GDP growth after 2024.

### **Prioritizing High-Multiplier Investments**

Bet on big returns. Build transit hubs in Milwaukee. They link factories to ports. R&D centers at universities could double patents. Public-private funds work. States like Colorado saw 3% growth boosts.

- Transit: Cut delivery times 20%.
- R&D: Add \$1 billion in output per \$100 million spent.
- Green energy: Tie to manufacturing for jobs.

These yield more than broad spending.

## **Talent Attraction and Retention Initiatives**

Pull in young pros. Offer relocation bonuses like Vermont's \$10,000 grants. Streamline licenses for out-of-state workers. Build housing near jobs.

Other states succeed. North Carolina drew 50,000 via perks. Wisconsin could target 20,000 yearly. This fills skill gaps. It lifts productivity and real GDP growth.

Start with pilots in Madison.

## **Streamlining Business Formation and Expansion**

Ease starts for small firms. Cut permit times to weeks. Online portals help. Go paperless.

Tips for leaders:

1. Review regs yearly.
2. Waive fees for first-year startups.
3. Partner with banks for fast loans.

Indiana did this. Growth jumped 1%. Wisconsin gains from less red tape.

## **Conclusion: Recalibrating Wisconsin's Growth Trajectory**

Wisconsin's 38th spot in 2017-2024 real GDP growth stems from old headwinds and missed sector chances. Demographics, regs, and infra hold it back. Sectors like tech and services underperform. Policies tried but fell short.

Sustained speed needs bold changes. Incremental steps won't cut it. Address core issues for real lift. The state's got strengths in making and farming. Tap them right. Future looks bright if leaders act. Wisconsin can climb ranks with smart moves. What's next? Watch for policy shifts in 2026. They could spark the change we need.