

WILL, Maclver Institute, Badger Institute: Senate Was Right to Reject Kimberly-Clark Bailout

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Last week, a proposal to give paper manufacturer Kimberly-Clark the same tax credit package as was given to Foxconn died in the state Senate. The death of this “pay-to-stay” proposal is a victory for free market principles, and we applaud senators who stood up and refused to support it.

In a previous statement, we explained why we opposed the proposal:

- We believe it is misguided policy; it would make no sense for taxpayer money to be used to pay a company to retain workers when the state’s unemployment rate is so low – now at an all-time low of 2.9 percent.
- We believe it is bad economics; larger trends are affecting the company’s long-term trajectory, and no amount of state money could change that.
- We also believe it would have set a troubling precedent by risking the mainstreaming of taxpayer-funded bailouts using the Foxconn template.

The reality is that the state simply cannot and should not try to prop up companies struggling in the face of changing demographics. The reality is also that Wisconsin needs skilled manufacturing workers now more than ever. So while it’s never welcome news when a company announces layoffs, employers across the Badger

State are in desperate need of workers. Connecting displaced workers to new opportunities ought to remain a top priority.

It is our understanding that a group of senators agreed with our position and refused to support the Kimberly-Clark bill, leading to its exclusion from the Senate calendar. We thank those senators for putting their free market principles ahead of politics and for thinking about what's best for taxpayers.