

ISSUE BRIEF : Q1 2020

# WISCONSIN IS NOT FULL

---

## STATE REPORT



**BUSINESSFORWARD**  
FOUNDATION



# TOPLINE

President Trump argues we cannot accommodate more immigrants because “our country is full.”

In fact, America has an aging problem, declining birthrates, and thousands of underpopulated cities and towns struggling with falling home prices and dwindling tax revenue. We need immigrants to keep our economy growing.

“Our country is full.  
Our area is full.  
The sector is full...  
Can’t take you anymore.  
I’m sorry, turn around,  
that’s the way it is.”

- PRESIDENT DONALD TRUMP

## U.S.

1. The U.S. has plenty of land, water, food, and energy.
2. America’s problem is fewer babies, fewer workers, and migration from small towns to big cities.
3. Trump’s restrictive immigration policies are bad for business, property values, pensions, and social security.
4. Over 10 years, restrictive immigration policies could cost \$1.5 trillion in GDP and 15.3 million jobs.<sup>2</sup>
5. Countries currently on the track Trump recommends are struggling.

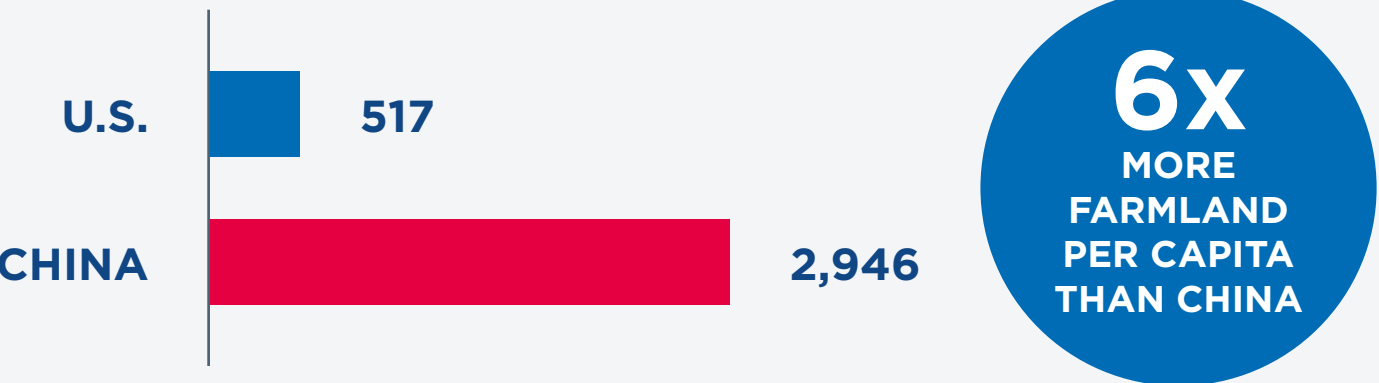
## WISCONSIN

1. Wisconsin’s population is among the oldest in the U.S., and it is aging faster than the rest of the country.
2. Its aging population is slowing business formation and job growth. It’s also increasing health care costs and encouraging younger workers to leave.
3. Immigrants already contribute \$696 million to Wisconsin’s economy each year.<sup>3</sup> Continued immigration could prevent its economy from spiraling.
4. A balanced immigration policy would grow Wisconsin’s GDP by \$8.2 billion over ten years. Restrictive policies would reduce its GDP by \$7.2 billion.<sup>4</sup>

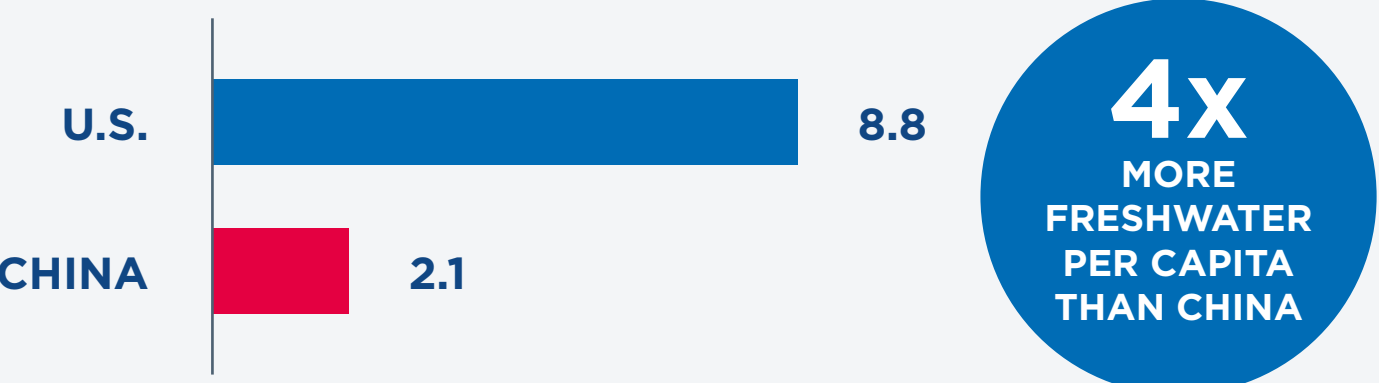
# THE U.S. HAS PLENTY OF LAND, WATER, FOOD, AND ENERGY FOR MILLIONS OF NEW AMERICANS

## FARMABLE LAND & FRESHWATER

PEOPLE PER SQUARE MILE  
OF FARMABLE LAND<sup>5</sup>



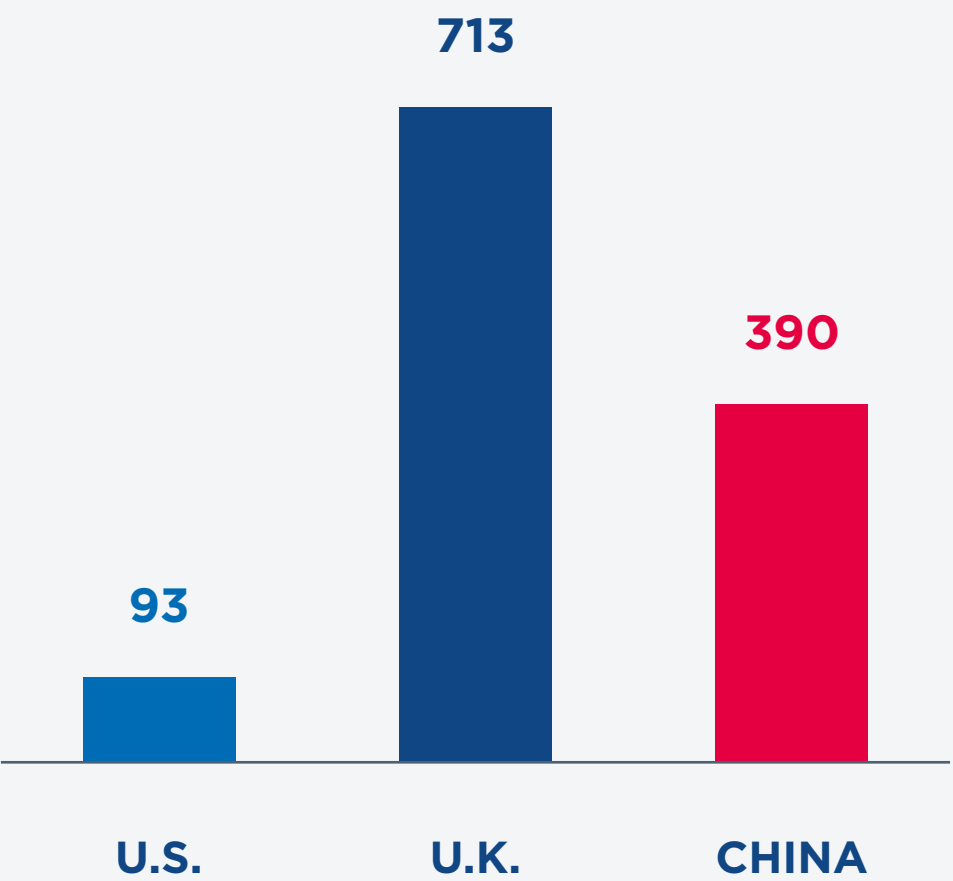
RENEWABLE INTERNAL FRESHWATER,  
PER CAPITA, IN THOUSANDS OF CUBIC METERS<sup>6</sup>



## POPULATION DENSITY

The U.S. has room. In 2018, the UN reported that the U.S. had seven times fewer people per square mile than the UK and four times fewer than China.

PEOPLE PER SQUARE MILE<sup>7</sup>



## U.S. FOOD PRODUCTION

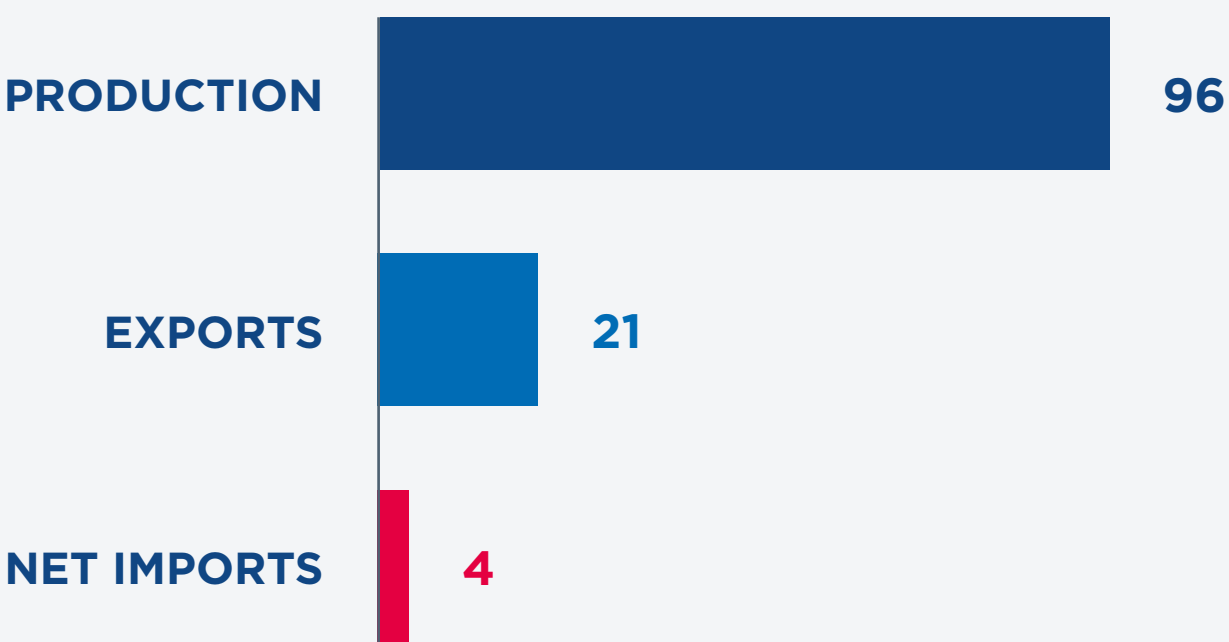
THE U.S. EXPORTS

**\$140 BILLION**

IN AGRICULTURAL PRODUCTS PER YEAR.<sup>8</sup>

## U.S. ENERGY PRODUCTION

(QUADRILLION BTUS, 2018)<sup>9</sup>



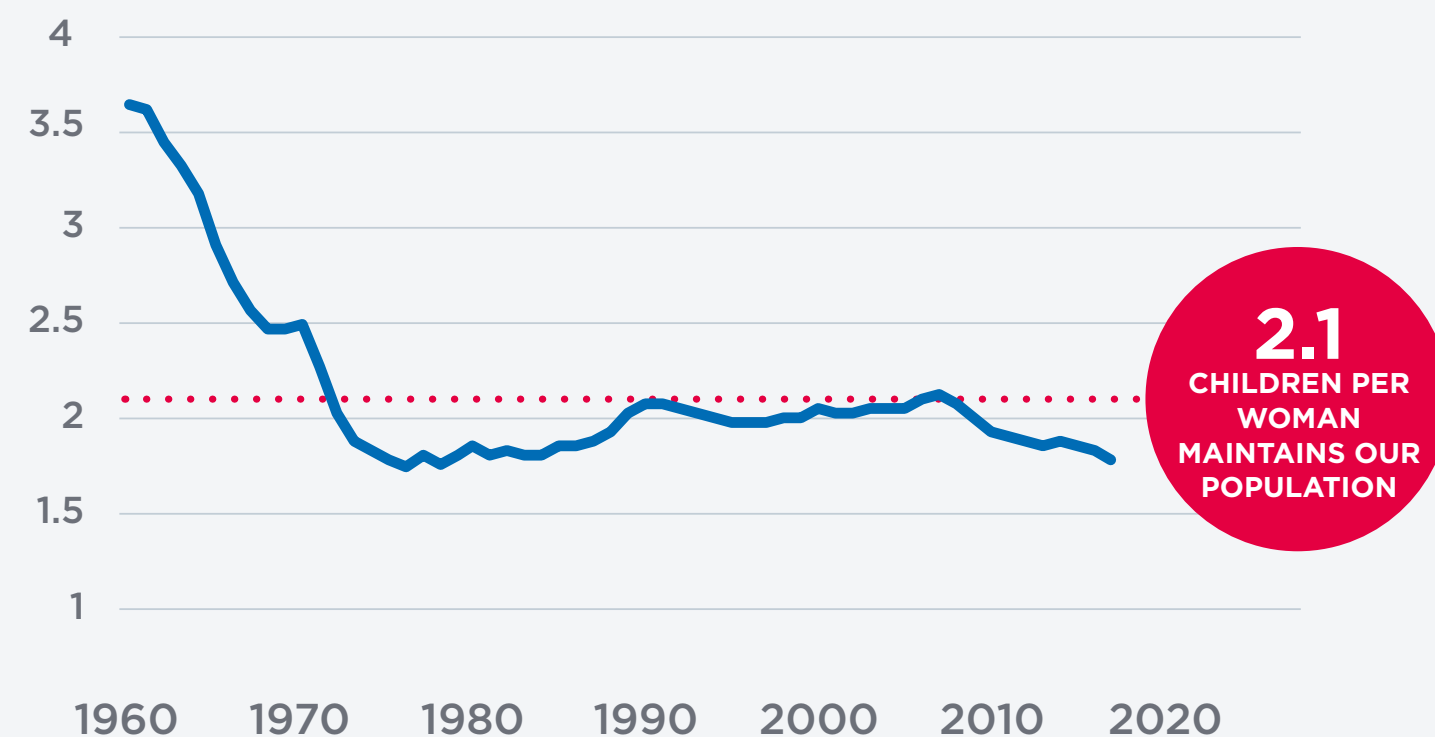
# OUR REAL PROBLEM: FEWER BABIES, FEWER WORKERS, AND MIGRATION FROM SMALLER CITIES TO BIGGER ONES

The U.S. has two problems that, together, are putting enormous pressure on half of the country. 1) Americans are having fewer kids, and 2) they are leaving less-populated areas for jobs and opportunities in major cities, mostly on the East and West Coasts.

## DECLINING FERTILITY RATE

U.S. fertility is at a record low. To maintain our population, each woman must have 2.1 children on average; today, they are having 1.8. Without immigration, the U.S. population will shrink. Economists predict our birth rate will fall to 1.5 or 1.4 children per woman.

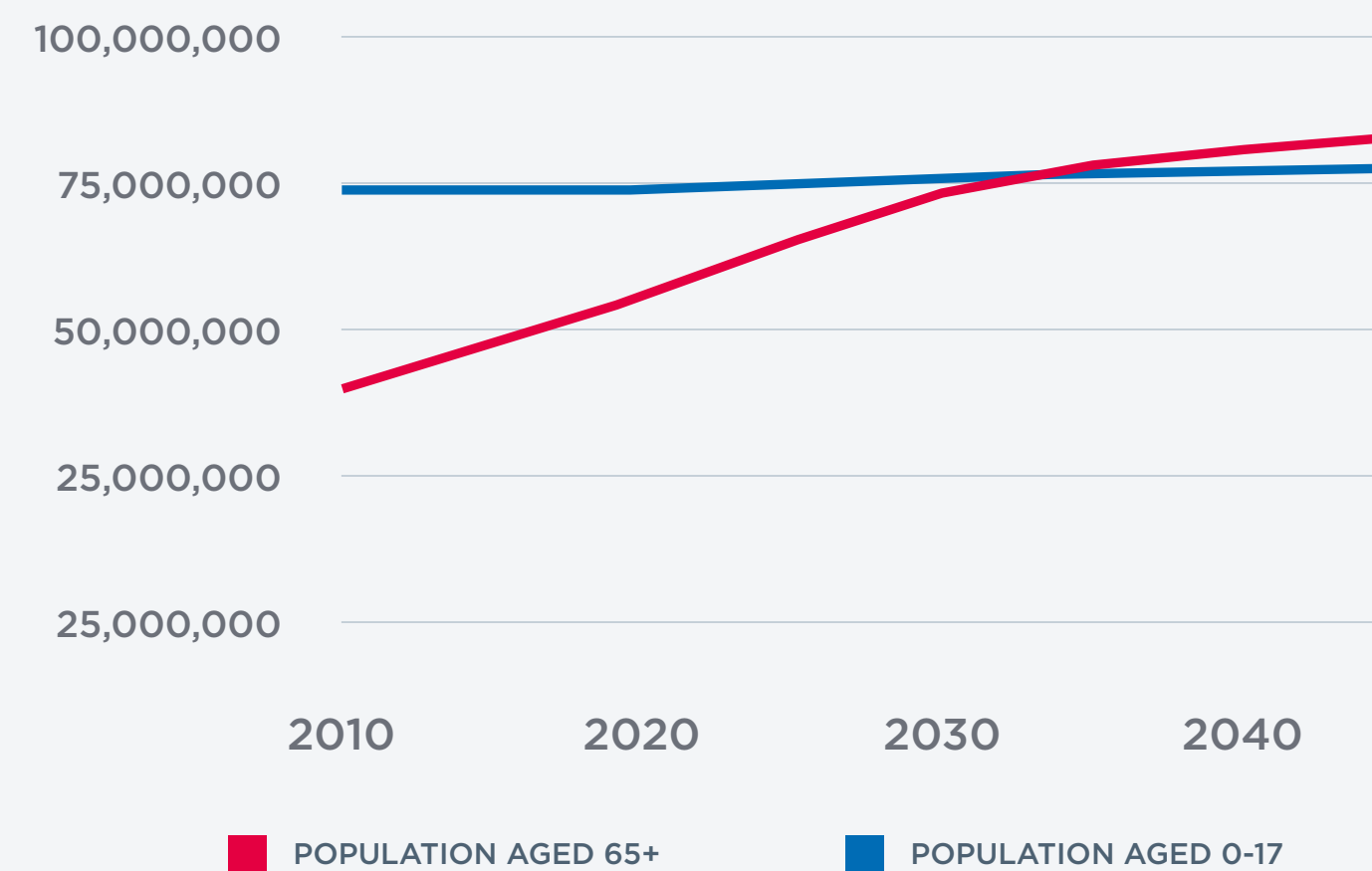
U.S. FERTILITY RATE<sup>10</sup>



## BY 2035, SENIORS WILL OUTNUMBER MINORS IN THE U.S.

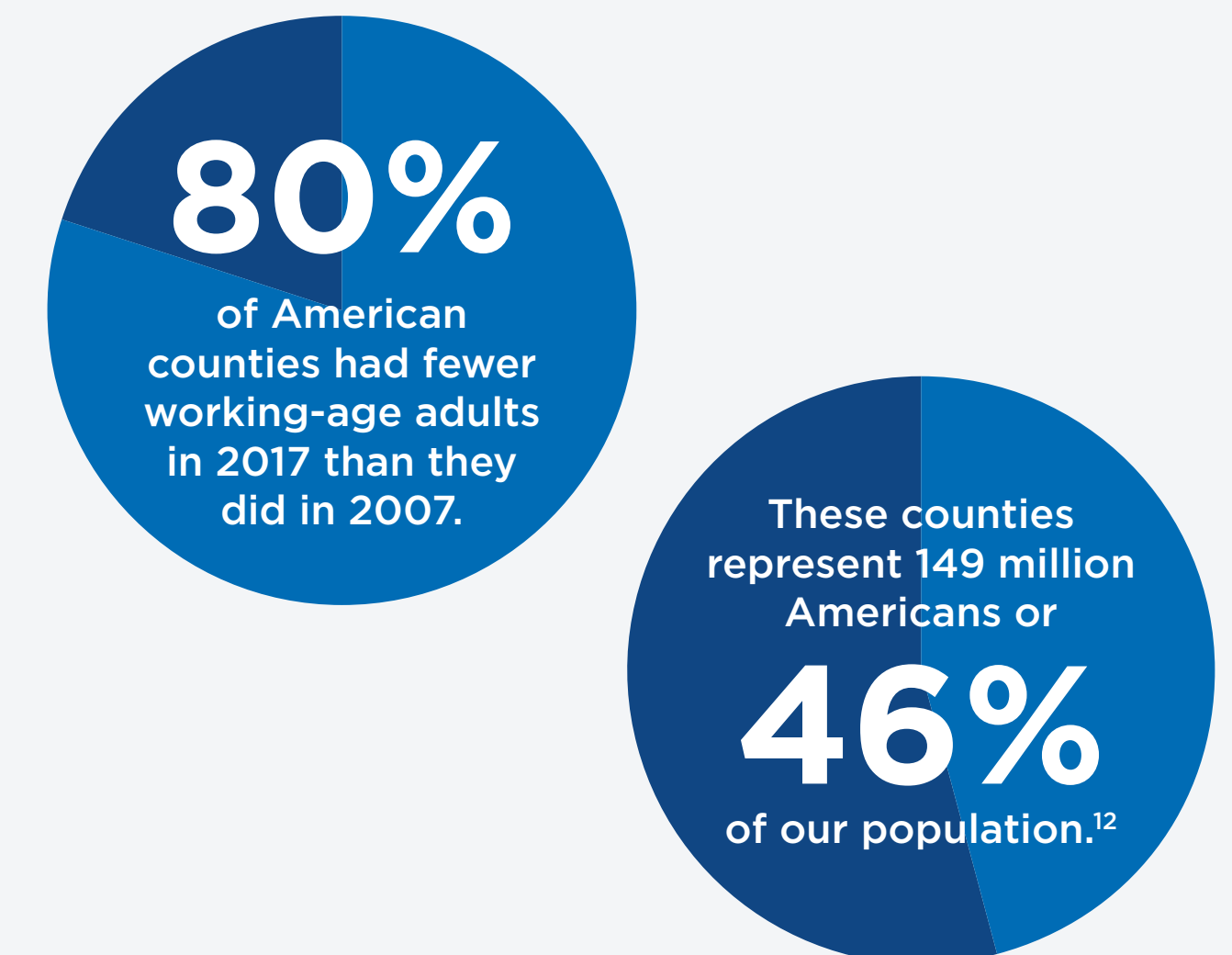
The number of seniors in the U.S. is on track to double by 2060. To maintain a substantial labor force, the U.S. needs more babies and immigrants.

U.S. POPULATION AGED 0-17 & AGED 65+<sup>11</sup>



## MIGRATION TO CITIES

Superstar cities such as New York City, Los Angeles, and San Francisco have attracted highly skilled workers to knowledge industries.

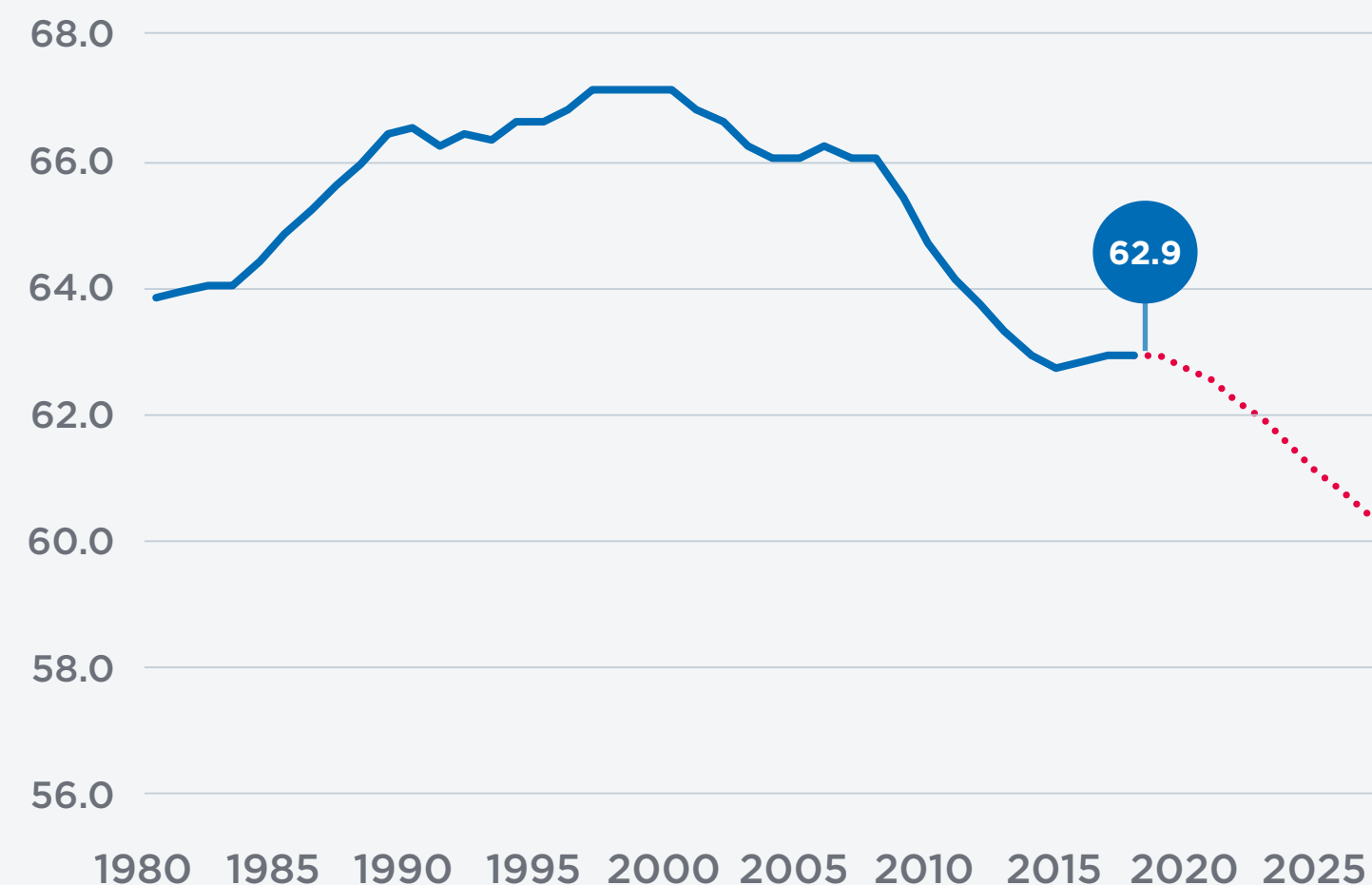


# SLOWING LABOR GROWTH IS BAD FOR BUSINESS AND WORSE FOR SOCIAL SECURITY

## DECLINING LFP = LESS ECONOMIC GROWTH

In 2018, the Congressional Budget Office reported that the labor force participation rate would decrease over the next ten years as a result of baby boomers aging into retirement.

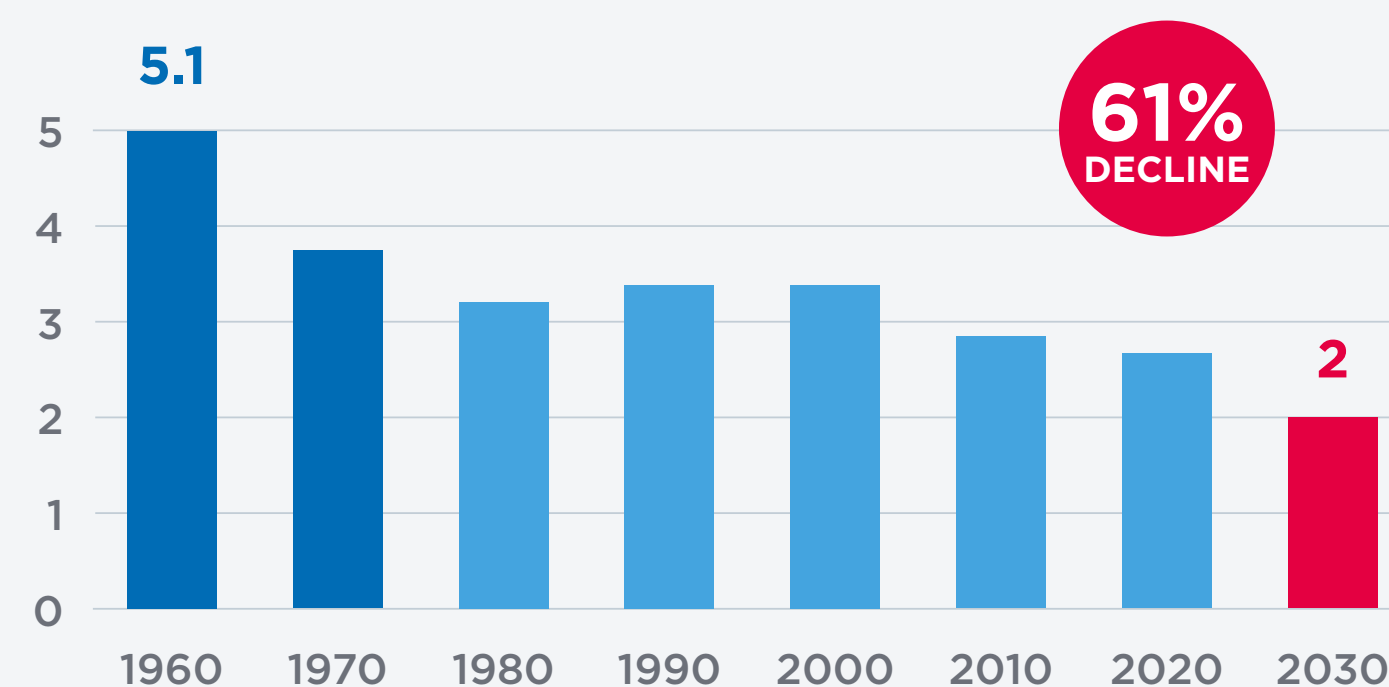
HISTORICAL AND PROJECTED LABOR FORCE PARTICIPATION RATE<sup>13</sup>



## DEPLETING SOCIAL SECURITY AND OTHER PENSIONS

The ratio of contributing workers to Social Security beneficiaries has dropped drastically since 1960.

NUMBER OF WORKERS SUPPORTING EACH SOCIAL SECURITY RETIREE<sup>14</sup>



THE SOCIAL SECURITY TRUST FUND WILL RUN OUT OF MONEY BY 2033.

APRIL 25, 2019  
ELIZABETH DOHMS

## WISCONSIN IS LOSING WORKERS. CAN IMMIGRANTS HELP?



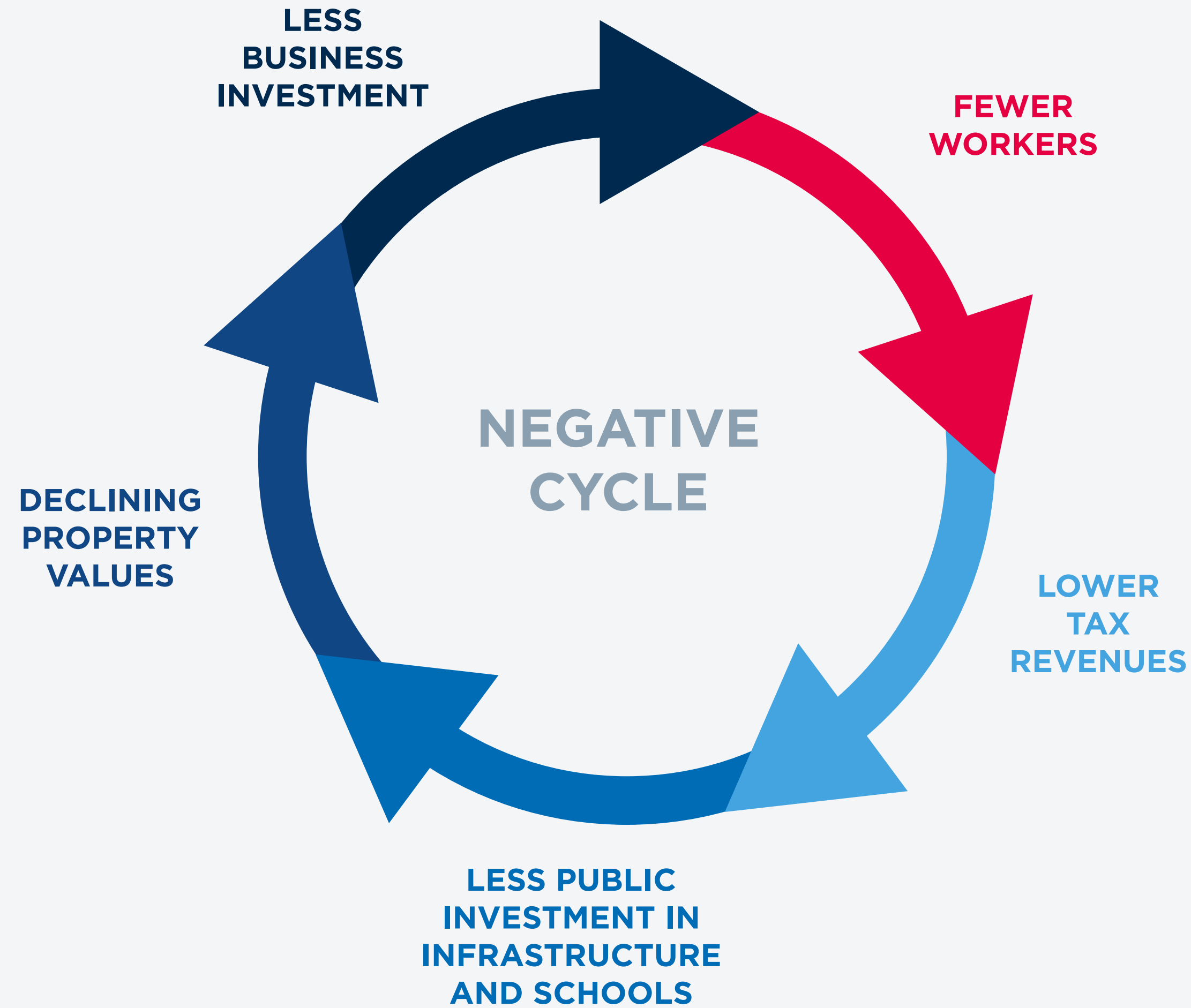
## OLDER WORKERS HELPED FUEL RECENT U.S. GROWTH. CAN IT LAST?

“From healthcare to manufacturing, companies in places like Wisconsin are taking longer to hire as they struggle to find workers; some have delayed projects, others have become more willing to hire ex-convicts and less experienced workers bypassed when labor markets were looser, local officials say.”<sup>15</sup>

BY HOWARD SCHNEIDER  
APRIL 24, 2019



# WHEN A COMMUNITY AGES AND SHRINKS, IT CREATES A NEGATIVE CYCLE THAT'S HARD TO BREAK



DECEMBER 9, 2018  
DAVID WAHLBERG

WISCONSIN TRAINING  
HEALTH PROVIDERS TO CARE  
FOR AGING POPULATION



AUGUST 5, 2019  
MALIA JONES

WISCONSIN IS GETTING  
OLD

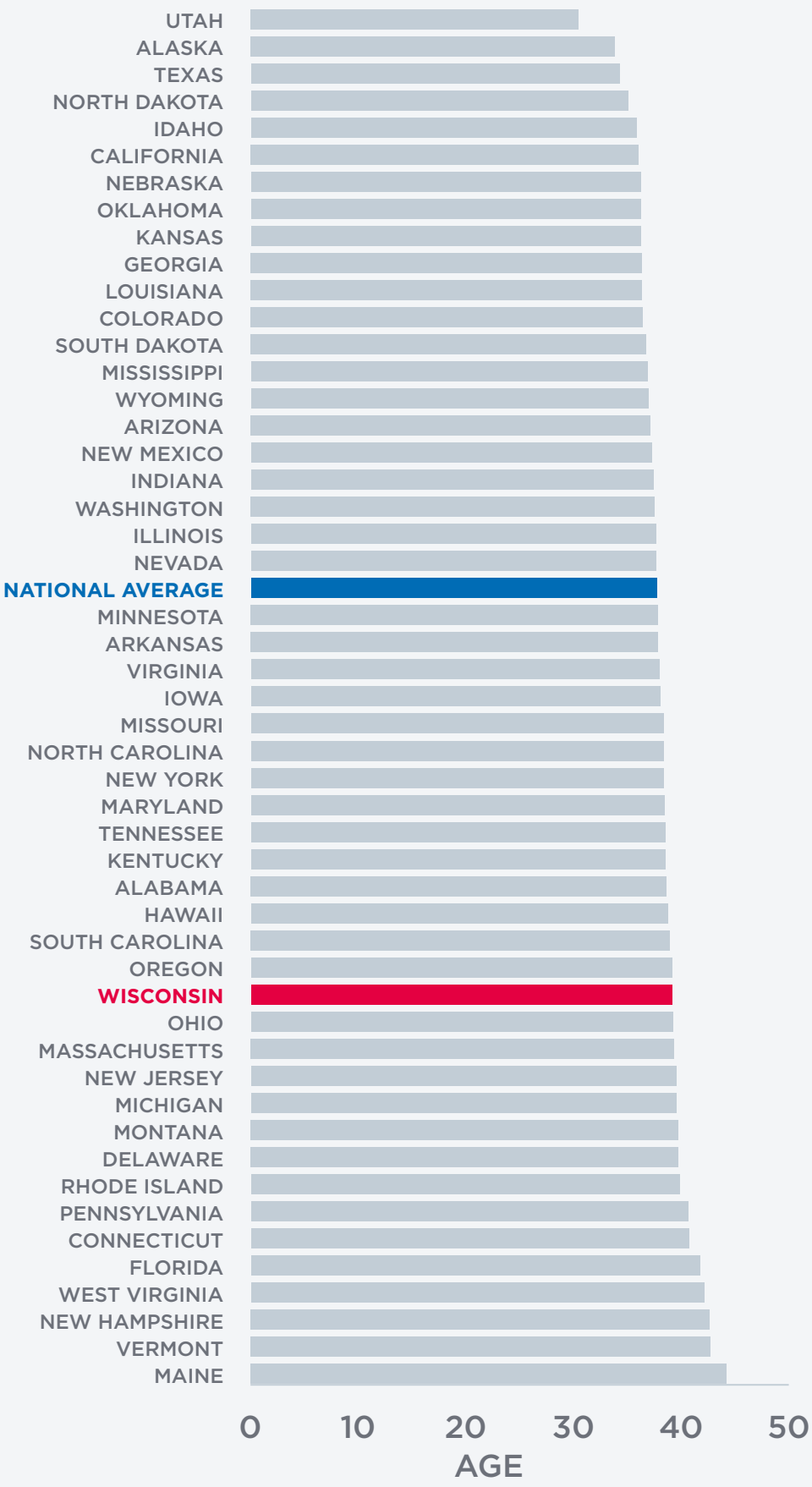




# WISCONSIN, ALREADY OLD, IS AGING FASTER THAN OTHER STATES

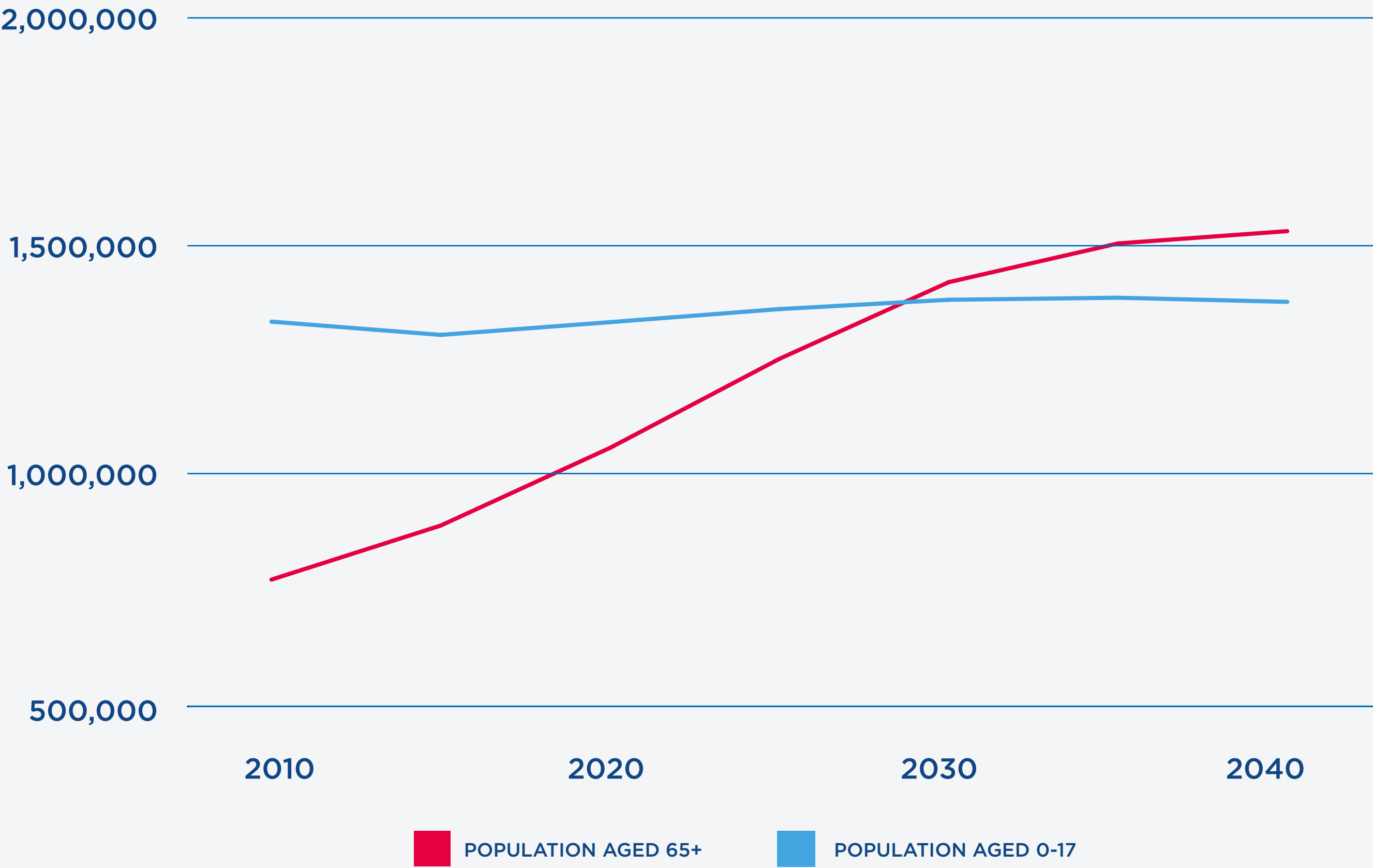
## WISCONSIN'S POPULATION IS ALREADY OLD

### MEDIAN AGE RANKINGS<sup>16</sup>



## WISCONSINITES ARE AGING FASTER

### WISCONSIN POPULATION AGED 0-17 & AGED 65+<sup>17</sup>

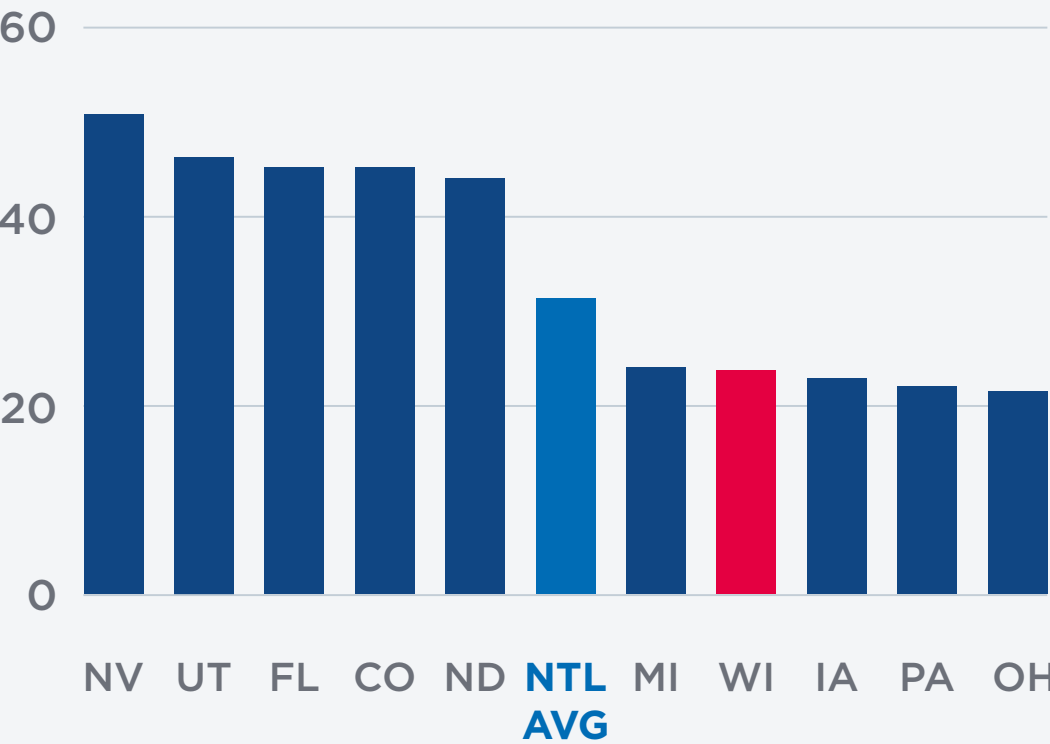


# WISCONSIN IS ENTERING A NEGATIVE CYCLE

## AGING SLOWS BUSINESS FORMATION AND JOB GROWTH

### BUSINESS DYNAMISM RANKINGS (EIG)<sup>18</sup>

EIG's ranking reflects the rate of new business formation, frequency of labor market turnover, the geographic mobility of the workforce.

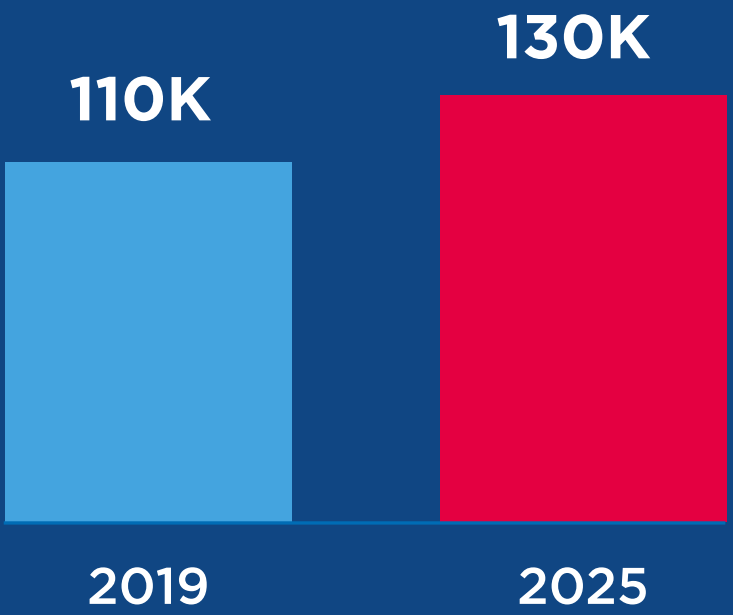


WISCONSIN RANKS  
**#44**

## AGING INCREASES HEALTH CARE COSTS

As Wisconsin ages, the cost of caring for its population will increase. The greatest risk factor for developing Alzheimer's is old age. In 2019, Medicaid costs associated with caring for people with Alzheimer's added up to more than \$752M.<sup>19</sup>

### NUMBER OF ALZHEIMER'S PATIENTS IN WISCONSIN (65+)<sup>20</sup>



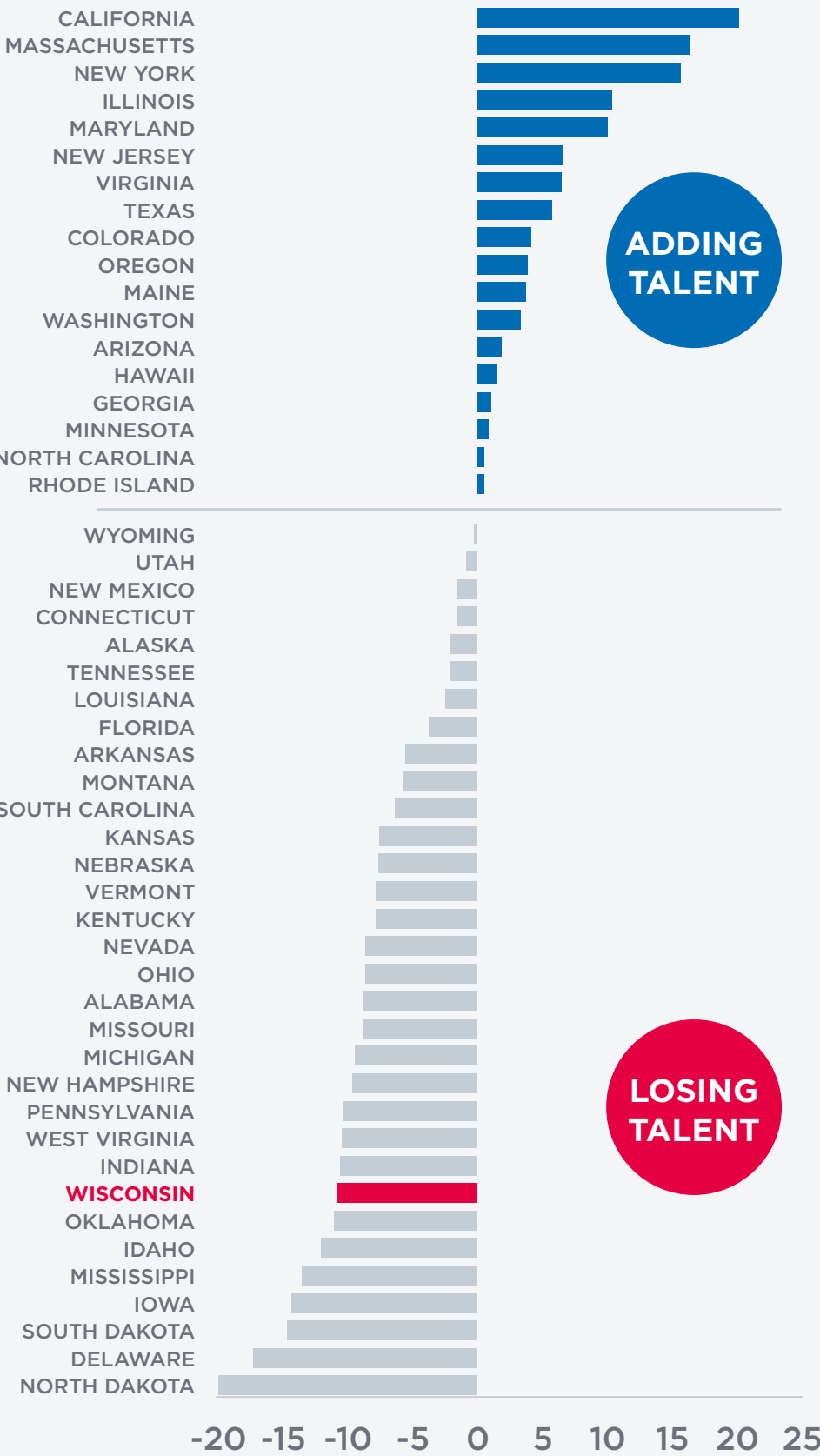
SEPTEMBER 8, 2019  
DENISE ALLABAUGH

ALZHEIMER'S REPORT  
FORECASTS MORE  
SUFFERERS IN WISCONSIN

WUWM 89.7  
MILWAUKEE'S npr

## WISCONSIN IS LOSING YOUNG TALENT

### BRAIN DRAIN (GAP IN PERCENT OF HIGHLY EDUCATED BETWEEN ENTRANTS AND LEAVERS)<sup>21</sup>





# IMMIGRANTS CAN BREAK THE NEGATIVE CYCLE IN WISCONSIN

## RECENT IMMIGRANTS ALREADY CONTRIBUTE \$696 MILLION TO WISCONSIN EACH YEAR<sup>22</sup>

The net economic impact of immigrants to Wisconsin includes household income and tax contributions minus the cost of services like schools, police protection, and health care.



**+\$696M**  
WISCONSIN

## IMMIGRANTS START NEW BUSINESSES<sup>23</sup>

New jobs tend to come from new businesses, but business creation in Wisconsin is down. Immigrants are an exception.

**MORE THAN  
11,000  
IMMIGRANT  
ENTREPRENEURS**

across Wisconsin

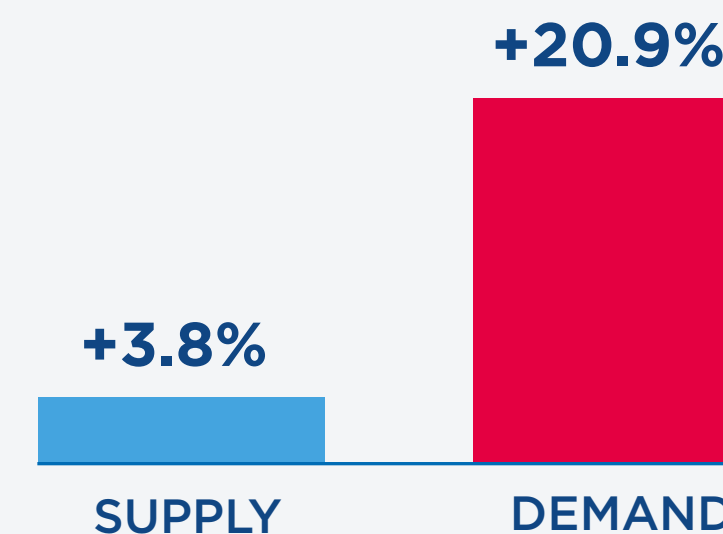
**HAVE CREATED  
55,000  
NEW JOBS**

Immigrants are both more likely to hold an advanced degree and more likely to be of working age.<sup>24</sup>

## IMMIGRANTS CAN HELP FILL THE HEALTH CARE LABOR GAP

Across the U.S., and in Wisconsin specifically, there aren't enough doctors to serve the aging population. Rural areas, which already have fewer resources, will experience a more severe shortage of doctors.

SUPPLY VS. DEMAND FOR PRIMARY  
CARE DOCTORS, 2018-2035<sup>25</sup>

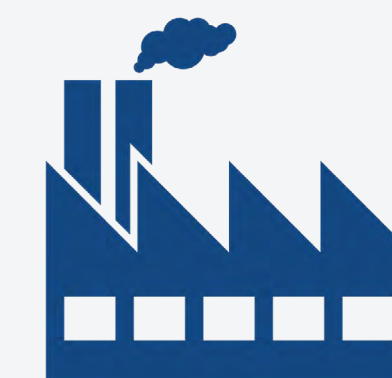


IMMIGRANTS MAKE UP 5% OF  
WISCONSIN'S POPULATION, BUT  
23% OF ITS DOCTORS.<sup>26</sup>

## IMMIGRANTS CONTRIBUTE TO THE MANUFACTURING SECTOR

When foreign-born workers move to the U.S., they reduce costs for firms and make it less attractive for them to move their operations abroad. Studies found that for every 1,000 immigrants that relocate to a given county, 46 manufacturing jobs are preserved or created.<sup>27</sup>

**250K**  
IMMIGRANT RESIDENTS  
OF WISCONSIN  
IN 2010

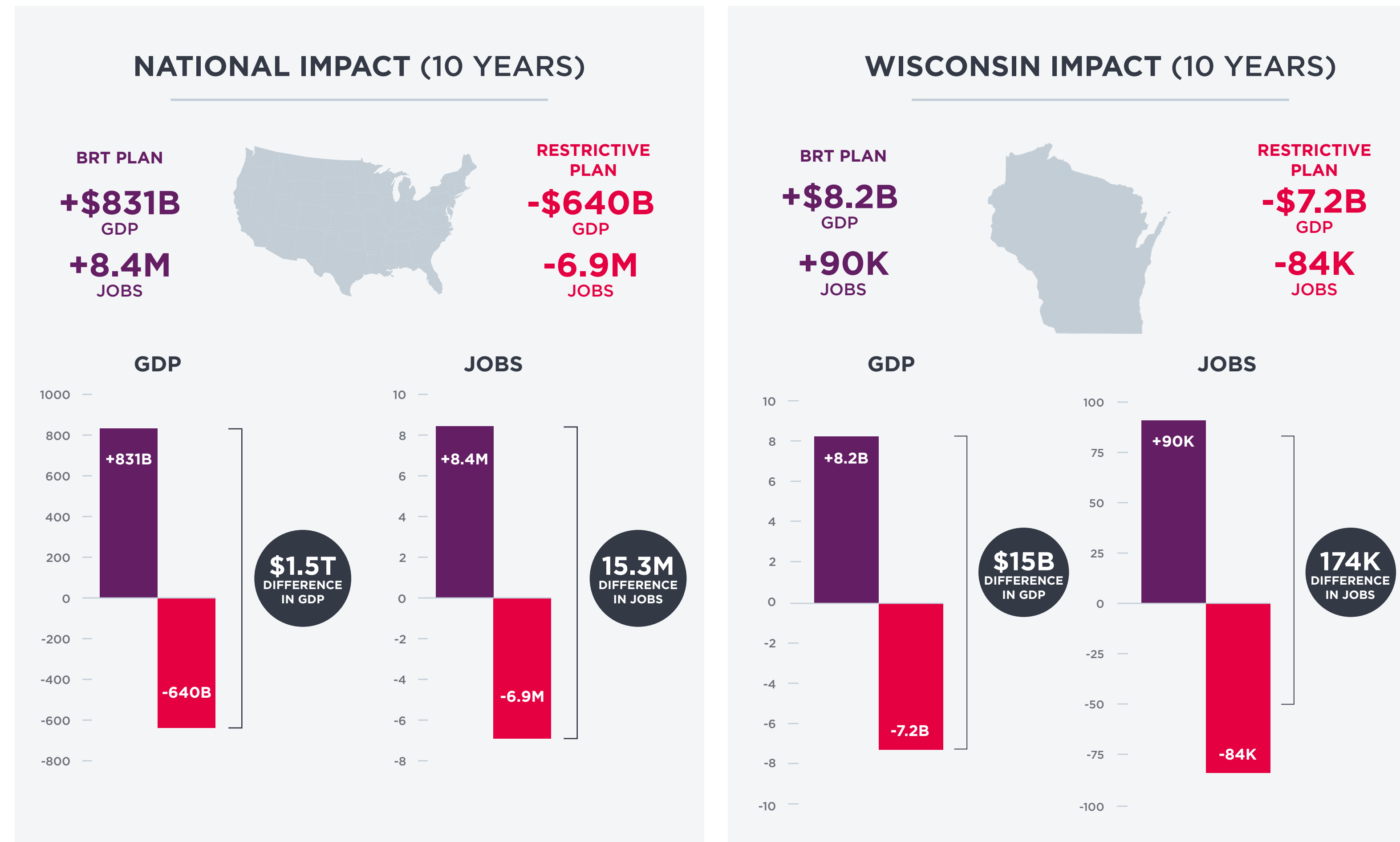


CREATED OR  
PRESERVED MORE  
THAN  
**11.6K**  
MANUFACTURING  
JOBS<sup>28</sup>

MANUFACTURING IS  
WISCONSIN'S LARGEST INDUSTRY  
BASED ON ITS CONTRIBUTION TO STATE GDP<sup>29</sup>

# TO APPRECIATE HOW RADICAL AND COSTLY RESTRICTIVE IMMIGRATION POLICIES ARE, COMPARE THEM TO WHAT MODERATE REPUBLICANS HAVE PROPOSED

The Business Roundtable is a non-partisan national trade group that generally supports Republican policies. It has proposed a balanced immigration plan that will help grow our population and workforce, in sharp contrast to 'restrictive' policies, which will accelerate negative trends nationwide -- but particularly in Wisconsin.<sup>30</sup>



## POPULATION GROWTH - OR LACK THEREOF - HAS IMPLICATIONS FOR ECONOMY

“Most obviously, a smaller working-age population puts stress on public pensions, including Social Security. ... Addressing [an] imbalance could require lower benefits and higher taxes, either of which would reduce the amount of money available for consumer spending, which accounts for two-thirds of economic output.”<sup>31</sup>

BY TOM SALER  
MARCH 1, 2019

**journal sentinel**  
PART OF THE USA TODAY NETWORK



# COUNTRIES CURRENTLY ON THE TRACK TRUMP RECOMMENDS ARE STRUGGLING

## ITALY



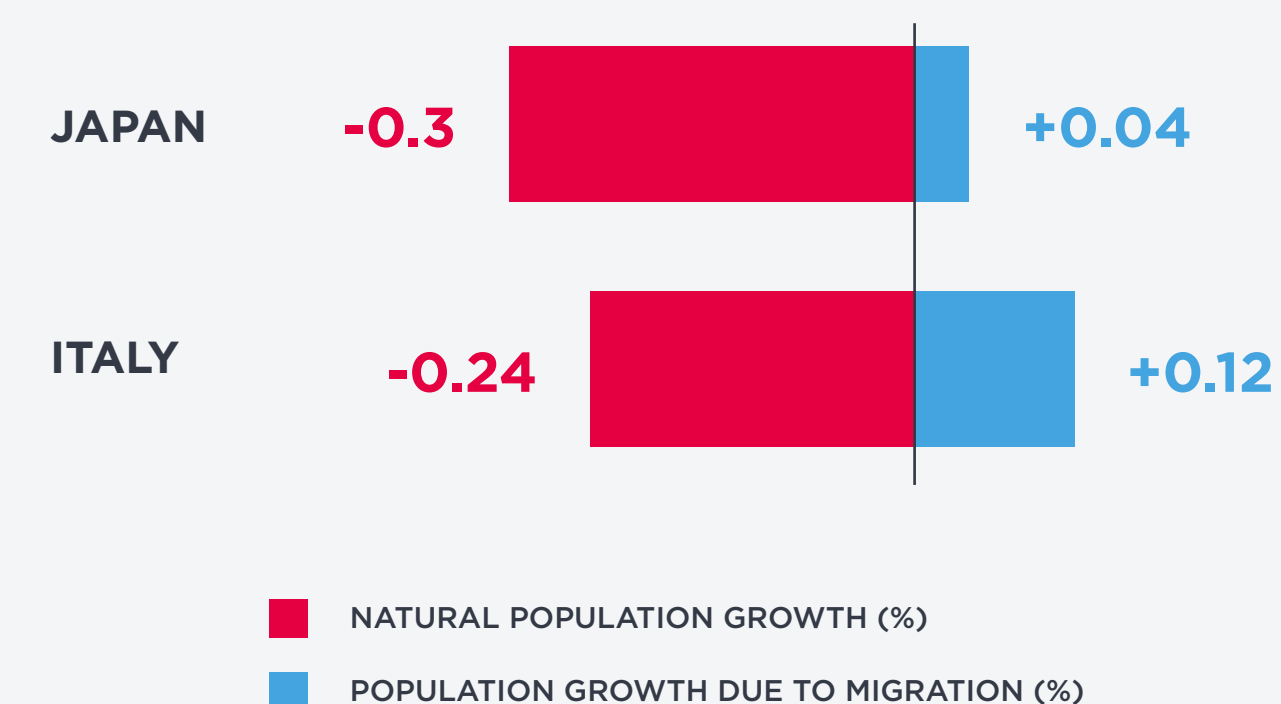
The OECD predicts that Italy's public debt to GDP ratio will rise from 133% to 144% by 2030 due to slow growth, low inflation, and rising interest costs. Italy also has a rapidly aging population, which will require more government spending and affect economic output.<sup>32</sup>

## JAPAN



The IMF reported that Japan's aging population could decrease GDP growth by one percentage point over the next three decades. By 2040, experts predict that one in three Japanese people will be over the age of 65. This would be the highest proportion in the world.<sup>33</sup>

## POPULATION GROWTH BASED ON UN ESTIMATES, 2019<sup>34</sup>



Overall, Japan's population decreased by .26% and Italy's population decreased by .13%.

# WELL-RUN STATES AND CITIES ARE WELCOMING IMMIGRANTS

Launched in 2009, **Welcoming America** supports communities by creating a network of governments, organizations, and individuals and providing them with the tools and resources they need to support immigrants. Welcoming Economies Global Network is a regional network of organizations across the Midwest.<sup>35</sup>



“

[O]ur research shows that immigration has been and will continue to be key to regional recovery, as immigrants bring with them the talent, labor, entrepreneurial spirit, and spending power needed to help fix the Great Lakes' economic engine.<sup>36</sup>

”

- NEW AMERICANS AND A NEW DIRECTION:  
THE ROLE OF IMMIGRANTS IN REVIVING THE  
GREAT LAKES REGION,  
NEW AMERICAN ECONOMY REPORT

“

It's not a mystery that whenever you see a place that's really thriving, it's because, and this is increasingly true in the last decade or so, these are places that skilled and educated workers are congregating.<sup>37</sup>

”

- JOHN LETTIERI  
PRESIDENT,  
ECONOMIC INNOVATION GROUP



# ENDNOTES

1. Smith, Noah. “Demographic Decline Is the Real Threat to the U.S.” Bloomberg News, April 10, 2019. <https://www.bloomberg.com/opinion/articles/2019-04-10/trump-says-u-s-is-full-but-demographic-decline-is-real-threat>

2. Business Roundtable. “How the Future of American Immigration Can Impact the Economy.” <https://www.businessroundtable.org/policy-perspectives/immigration/how-the-future-of-american-immigration-can-make-or-break-the-economy-2>

3. New American Economy. “Map the Impact.” <https://www.newamericaneconomy.org/locations/>

4. Business Roundtable. “How the Future of American Immigration Can Impact the Economy.” <https://www.businessroundtable.org/policy-perspectives/immigration/how-the-future-of-american-immigration-can-make-or-break-the-economy-2>

5. Smith, Noah. “Demographic Decline Is the Real Threat to the U.S.” Bloomberg News, April 10, 2019. <https://www.bloomberg.com/opinion/articles/2019-04-10/trump-says-u-s-is-full-but-demographic-decline-is-real-threat>

6. Index Mundi. “Renewable internal freshwater resources per capita – country ranking.” Accessed 2019. <https://www.indexmundi.com/facts/indicators/ER.H2O.INTR.PC/rankings>

7. Statistics Times. “List of countries by population density.” Accessed 2019.

8. United States Department of Agriculture Economic Research Service. “Agricultural Trade.” Last modified August 20, 2019. <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/agricultural-trade/>

9. U.S. Energy Information Administration. Annual Energy Outlook 2019. January 24, 2019. <https://www.eia.gov/outlooks/aeo/>

10. Smith, Noah. “Demographic Decline Is the Real Threat to the U.S.” Bloomberg News, April 10, 2019. <https://www.bloomberg.com/opinion/articles/2019-04-10/trump-says-u-s-is-full-but-demographic-decline-is-real-threat>

11. Metzger, Kurt, and the University of Michigan.

12. Ozimek, Adam, Kenan Fikri, and John Lettieri. From Managing Decline to Building the Future: Could a Heartland Visa Help Struggling Regions? Washington, DC: Economic Innovation Group, April 2019. <https://eig.org/wp-content/uploads/2019/04/Heartland-Visas-Report.pdf>

13. Montes, Joshua. “CBO’s Projection of Labor Force Participation Rates.” Working Paper, Congressional Budget Office, March 2018. <https://www.cbo.gov/publication/53616>

14. de Rugy, Veronique. “How Many Workers Support One Social Security Retiree?” Mercatus Center, May 22, 2012. <https://www.mercatus.org/publication/how-many-workers-support-one-social-security-retiree>

15. Schneider, Howard. “Older workers helped fuel recent U.S. growth. Can it last?” Reuters, April 24, 2019. <https://www.reuters.com/article/us-usa-economy-labor-insight/older-workers-helped-fuel-recent-u-s-growth-can-it-last-idUSKCN1S01BR>

16. United States Census Bureau. [https://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml)

17. Egan-Robertson, David. Wisconsin’s Future Population. Madison: Wisconsin Department of Administration Demographic Services Center, December 2013. <https://www.nrc.gov/docs/ML1404/ML14042A022.pdf>

18. Economic Innovation Group. “Index of State Dynamism.” May, 2017. <https://eig.org/index-state-dynamism>

19. Alzheimer’s Statistics: Wisconsin. Chicago: Alzheimer’s Association, 2019. [https://www.alz.org/getmedia/f2211492-1426-43c3-a19a-4d058fa76a9a/statesheet\\_wisconsin](https://www.alz.org/getmedia/f2211492-1426-43c3-a19a-4d058fa76a9a/statesheet_wisconsin)

20. Ibid.

21. United States Congress Joint Economic Committee. “Losing Our Minds: Brain Drain across the United States.” April 24, 2019. <https://www.jec.senate.gov/public/index.cfm/republicans/2019/4/losing-our-minds-brain-drain-across-the-united-states>

22. New American Economy. “Map the Impact.” <https://www.newamericaneconomy.org/locations/>

23. Ibid.

24. Ibid.

25. Mapping Our Way to Success: Wisconsin’s Physician Workforce. Wisconsin Council on Medical Education and Workforce 2018. <https://static1.squarespace.com/static/5a3ac16af14aa15aede6d0ed/t/5b48b65faa4a997984be0b1c/1531491941742/WCMEW+2018+Workforce+Report.pdf>

26. “The Contributions of New Americans in Wisconsin.” New American Economy, August 2016. <http://research.newamericaneconomy.org/wp-content/uploads/2017/02/nae-wi-report.pdf>

27. Ibid.

28. Ibid.

29. Ibid.

30. Business Roundtable. “How the Future of American Immigration Can Impact the Economy.” <https://www.businessroundtable.org/policy-perspectives/immigration/how-the-future-of-american-immigration-can-make-or-break-the-economy-2>

31. Saler, Tom. “Tom Saler: Population growth -- or lack thereof -- has implications for economy.” Journal Sentinel, March 1, 2019. <https://www.jsonline.com/story/money/business/2019/03/01/tom-saler-falling-population-rates-could-hamper-economic-growth/3018661002/>

32. Romei, Valentina. “Italy’s public debt set to rise again amid lack of growth.” Financial Times, April 1, 2019. <https://www.ft.com/content/ee-85c9ea-5492-11e9-91f9-b6515a54c5b1>

33. Romei, Valentina. “How Japan’s ageing population is shrinking GDP.” Financial Times, May 16, 2018. <https://www.ft.com/content/7ce47bd0-545f-11e8-b3ee-41e0209208ec>

34. Worldometers. “Countries in the world by population (2019).” Accessed May 10, 2019. <https://www.worldometers.info/world-population/population-by-country/>

35. Welcoming Economies Global Network. <https://www.weglobalnetwork.org/>

36. New Americans and a New Direction: The Role of Immigrants in Reviving the Great Lakes Region. New American Economy. October 2017. [http://www.newamericaneconomy.org/wp-content/uploads/2017/10/NAE\\_Great-Lakes\\_V9\\_FINAL.pdf](http://www.newamericaneconomy.org/wp-content/uploads/2017/10/NAE_Great-Lakes_V9_FINAL.pdf)

37. Dohms, Elizabeth. “Wisconsin is Losing Workers. Can Immigrants Help?” Wisconsin Public Radio, April 25, 2019. <https://www.wpr.org/wisconsin-losing-workers-can-immigrants-help>



INFO@BUSINESSFWD.ORG

---

BUSINESSFWD.ORG/FOUNDATION

---

1155 CONNECTICUT AVENUE NW  
SUITE 1000  
WASHINGTON, D.C. 20036

---

202.861.1270

