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Brainy plan will build economy

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If you want to make it in the new economy, get educated.

The days when a person could make a decent living in a low-skilled trade or on a factory line are gone. Most of those jobs crossed the border to cheaper environs quite a while ago - and now some skilled jobs, like clerical and bookkeeping tasks, are migrating overseas as well.

Let's forget about competing with low-wage labor in Mexico or India. That's a losing battle destined to curtail economic opportunity and wealth in Wisconsin.

Instead, Wisconsin should look to more lucrative horizons where it already is developing a slim edge: higher-tech businesses and information-based occupations. Building a healthy economy rests on promoting knowledge-based industries.

What drives this new economy? People. We have plenty. But to shift toward a knowledge economy, Wisconsin folks need to be more highly educated and specially trained. Many current workers will have to make a transition from "old economy" jobs to new ones.

Education will build the bridge to new prosperity. Right now, Wisconsin ranks 31st among the states in the percentage of population with college degrees. Nationally, 25.6 percent of adults have a college degree; in Wisconsin, it's 23.8 percent.

If Wisconsin could achieve the modest goal of reaching the national average, we'd have 150,000 newly degreed workers. With appropriate jobs, these workers would add an estimated \$7 billion to Wisconsin's tax base - and put even more money into their own pockets.

Wisconsin tech colleges, private colleges and the UW System all have taken some steps to produce more "knowledge-based" workers. But Wisconsin needs a bolder reorganization - and some additional investment to create an education system that meshes more effectively with a high-tech job creation strategy. And workers around the state, not just in metropolitan areas, need affordable access to higher education and retraining that keeps them moving up the economic ladder.

That ambitious overhaul will take a while. But other important strides require only political will to move ahead. To make better use of existing education options, for example, state lawmakers should enact new education tax credits for business and create new incentives to help business find, develop and retain skilled workers.

An education tax credit should give employers credit equal to 50 percent of tuition paid for workers at any Wisconsin college, university or technical college. Tuition should be paid for current or prospective employees.

Such a credit would encourage private investment in education and apply much-needed market principles to educational decision-making by letting employers drive more of the demand for educational programs. The credit also might help lure more "brain workers" to Wisconsin with the promise of furthering their education.

One current proposal would help lift up lower-income workers by increasing the tax credit to 75 percent of tuition paid for individuals whose income is less than 185 percent of the federal poverty level. The state also may need to bolster student aid programs to make sure lower-income families aren't shut out of new economic opportunities.

But lawmakers shouldn't be duped into considering "forgivable loan" programs meant to keep brain-fattened graduates in the state by offering them breaks on loan repayment. These costly programs don't work.

Some far-off day, technology may allow educated workers from Madison to Mellen to report to work via virtual networks. But for now, we need to lure more of these companies to our communities.

But they'll move to Wisconsin or expand here only if we can guarantee plenty of their essential fuel: brain workers. It's time to get smart.

Tomorrow: Investing in ideas.

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