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Charting a Path to Prosperity in Wisconsin: American Conservative Union Foundation and Wisconsin Family Council Unveil Report on Underlying Reasons for State's Rank (18th) on Family Prosperity Index

State's Lackluster Entrepreneurial Activity, Low Marriage Rate Contribute to Migration of Residents to Other States, Create Drag on Family Prosperity

Madison, WI, (June 28, 2016) -- The American Conservative Union Foundation, along with its state partner, Wisconsin Family Council, today unveiled an in-depth analysis of factors contributing to Wisconsin's mid-range score on the Family Prosperity Index (FPI) and their recommendations for improving the prosperity of families and businesses in the state. The report – the first "deep dive" state study following the national introduction of the FPI at CPAC earlier this year – highlights Wisconsin's poor score on entrepreneurship and its low marriage rate, compounded by its significant out-migration rate, as the determinant factors in the state's overall FPI rank of 18th in the nation.

The <u>Family Prosperity Index</u>, created by ACU Foundation economists Wendy Warcholik, Ph.D., and J. Scott Moody, M.A., is an entirely new tool that does what no resource has done before – demonstrate quantitatively the undeniable link between economic and social policy in determining family prosperity. The Index provides a road map for finding real solutions to the cultural and financial problems that keep families – and the nation – from flourishing. A more holistic measure than the one-dimensional GDP, which only considers economic data, the FPI makes it possible to measure U.S. progress every year and rate states against each other according to how well they are providing an environment for families to flourish.

The FPI provides the credible data that state policymakers, civic and religious leaders, think tanks and activists need in order to develop and <u>advocate effectively</u> for policies that improve the prosperity of families and the communities where they live.

"The Family Prosperity Index is game-changing," said Julaine Appling, president of Wisconsin Family Council. "For the first time, decision makers have reliable data that shows how social and economic issues are dynamically inter-related. It is an honor to have Wisconsin be the first state with a specific report generated from an in-depth look at the data contained in the FPI. We understand that strong families make for a strong Wisconsin. This report gives us the data and some excellent ideas for how to strengthen families by improving the economy and, conversely, how to strengthen the economy by improving in areas such as marriage and fertility rates. I am looking forward to meeting with legislators to talk about how we can use this report to move Wisconsin into the top 10. There's no reason we shouldn't be there right along with Minnesota and Iowa."

The FPI assesses the economic and social status of six discrete index categories – economics, demographics, family structure, family self-sufficiency, family culture and family health. The categories are supported by 57 datasets from publicly accessible data and backed up by current documentable research. In the inaugural 2016 edition of the FPI, in which Utah was ranked first and New Mexico last overall, Wisconsin scored well in family health, culture and self-sufficiency but low in economics, demographics and family structure.

According to the Wisconsin report released today, "Close inspection of the 57 variables used as the basis for the FPI reveals that two measures are particularly responsible for weighing down Wisconsin's overall score – entrepreneurship (50th) and marriage (44th).... [These] are intertwined with three other measures that show troubling signs of worsening – the fertility rate (rank 27th), net natural population rate (rank 28th), and domestic migration (rank 31st)."

Further analysis shows that "these factors are self-reinforcing as Wisconsin suffers from outmigration of its community and business leaders, who are the most entrepreneurial, have the highest marriage rates, and have the largest families."

The report provides direction for a path forward for Wisconsin. "A study of the reasons for Wisconsin's high rate of out-migration offers a starting point for state policymakers, activists, civic leaders and private individuals and institutions to attack the root of the problem. These reasons include Wisconsin's higher state and local tax burden and its business-strangling union presence, both of which contribute to lower private sector job growth.

"Progress has been made in addressing the obstacles posed by growth-suppressing union activity; the next step on Wisconsin's path to prosperity is to tackle the tax issue. Lowering the state and local tax burden on families (to help, on the margin, to reverse out-migration and improve fertility rates) and on businesses (to help, on the margin, to increase entrepreneurship and boost job creation) should be a major policy priority sooner rather than later."

The FPI, which will be published annually and ranks each of the 50 states according to their respective scores, is the basis for a multi-year effort of the ACU Foundation's Family Prosperity Initiative. The Initiative includes a deeper analysis of each state and its performance on the Index, providing potentially county-by-county guidance for possible policy changes. The state reports – of which Wisconsin's is the first – will occur on a rolling basis. Rhode Island and Utah will be released over this summer.

"Part of our mission is to help states and our nation develop, advocate for and implement positive social change that helps families, and thereby helps society," said American Conservative Union Chairman Matt Schlapp. "The Family Prosperity Initiative and its FPI fit perfectly with our focus as an organization and will be exceptionally beneficial to states and our country. I hope Wisconsin's leaders will take to heart the recommendations in the report released today to put the state's families on a path to greater prosperity."

The Lynde and Harry Bradley Foundation in Milwaukee substantially supports the Family Prosperity Initiative, of which the Index is the principal project.

About the Family Prosperity Initiative

The <u>Family Prosperity Initiative</u> is a project of the American Conservative Union Foundation's Center for Human Dignity, which serves as an educational outreach program fostering positive social change in areas such as job preparation, the dignity of work, welfare reform, the role of faith in society, and prisoner re-entry, as well as foster care and adoption. While fully integrated with the ACU Foundation, the Initiative has a distinct mission, a grant-funding source and its own advisory board.

About the Family Prosperity Index

The Family Prosperity Index (FPI) is designed to be a broader measure of prosperity unlike GDP, which is the current standard measurement of the nation's economy. Recognizing that the family is America's core economic engine, the FPI is the first resource to provide comprehensive and integrated state-by-state data that demonstrates the link between economic policy, social policy and family prosperity variables at the state level. The tool provides state and local policy-makers – as well as advocates and community-minded citizens – the roadmap needed for the development of economic and social policies that improve the wellbeing and prosperity of American families and the communities in which they live. No other measure provides more credible insights into how the economy affects families and how families affect the economy. ACU Foundation economists, and creators of the FPI, Wendy P. Warcholik, Ph.D., and J. Scott Moody, M.A., are also the creators of The Tax Foundation's State Business Tax Climate Index, an authoritative measure of the impact of tax policy on business, now in its fourteenth year of publication.