

Senator Alberta Darling's Email Club

September 2, 2010

Dear Friends and Neighbors,

As the Labor Day holiday approaches, I would like to wish everyone a wonderful weekend, a rewarding school year and enjoyment throughout the remaining days of what has been a difficult summer for so many.

Labor Day seems an opportune time to share some news on the economic front, where government at all levels must focus its efforts to create a climate for private sector growth and job opportunities.

Alberta

Economic Challenges Continue

It's difficult to sort through the mixed economic signals and contrasting forecasts by economists to get a clear picture of the direction in which the economy is heading. Still, the hope for a "recovery summer" has given way to a different reality as autumn nears.

There was good news with reports of U.S. manufacturing strengthening last month, an industry that continues to be a vital sector of the Wisconsin economy. Although economic uncertainty is creating a hesitation to add jobs, some manufacturers have told me that they are positioned to expand but encounter a shortage in the labor market of employees with a background in skilled manufacturing. This underscores the need for Wisconsin, both in the technical college system and high schools, to realign the education system with the real world of work to match students' skill sets with the jobs employers need to expand both their operations and the state economy as a whole.

Unemployment and Growth Estimates Updated

Meanwhile, the economic indicator that matters most to working people is their own employment situation, with many looking for work or underemployed. The latest figures show Wisconsin's unemployment rate at 7.8%, compared to a national rate of 9.5%.

The most recent forecasts by the Wisconsin Department of Revenue estimate an increase in state personal income growth of 2.5% in 2010, and 4.4% in 2011, below the national rate of 4.8%. From a state government perspective, reconciling sluggish revenue growth with a \$2.5 billion state budget deficit will be the biggest issue confronting the next governor and legislature in 2011. It is imperative that we meet that challenge not by further burdening taxpayers and continuing to lag behind other states, but by positioning our state to take full advantage of an economic recovery that gives families and employers the opportunity to prosper.

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State Capitol - Room 131 South - Post Office Box 7882 - Madison, Wisconsin 53708
Phone 608-266-5830 - Fax 608-267-0588 - Toll Free: 800-863-1113 sen.darling@legis.wisconsin.gov
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