



Tool, Die & Machining Association of Wisconsin
W175 N11117 Stonewood Dr., Suite 204
Germantown, WI 53022
262-532-2440 (phone)
262-532-2430 (fax)
toolmaker@tdmaw.org

The Tool, Die and Manufacturing Association of Wisconsin (TDMAW) was formed in 1937 and is made up of over 140 Wisconsin-owned and Wisconsin-based, Tier II & III manufacturers. Most members employ fewer than 50 people, and collectively, we have over 1,400 employees with revenues in excess of \$200 million dollars. Since we view ourselves as an important part of “putting Wisconsin back to work” we are offering the following suggestions to State policymakers.

Legislation that improves the manufacturing, mineral extraction and agricultural sectors of our economy should receive the immediate attention of our policymakers in Madison. The stand alone “service” economy is a myth. Businesses that manufacture it, mine it or grow it, create the wealth producing jobs that drive the service sectors of our economy.

Legislative action should target small Wisconsin manufacturers where many new jobs are created. In addition, programs should be designed and directed by people with business experience who know what it takes to create a job and know what it means to meet a payroll.

Thank you for your time and consideration,

Greg Grambow, *President*

Kathy Rogers, *Vice President*

Mike Mallwitz, *Treasurer*

Theo Hicks, *Secretary*

Brett Reich, *Chairman of the Board*

Tool, Die & Machining Association of Wisconsin

2011 Legislative Agenda



State Spending

First and foremost, all aspects of State spending must be reduced. Small manufacturers can simply not afford to pay the high levels of taxes and fees in Wisconsin and hope to remain competitive.

Tier II & III Marketing Associations

Most Tier II & III manufacturing companies cannot afford to market themselves beyond State borders because of their size. However, this can be overcome by providing funding to non-profit Associations representing Wisconsin owned and based Tier II & III manufacturers. By creating a marketing and sales entity the member services can be sold on a national basis. For most of our members, a sales increase of as little as \$150,000 can generate a job for highly skilled/highly paid worker.

Unemployment Compensation

Most small manufacturing owners will tell you that this is a failed program. It rewards many who are not seeking or accepting new jobs. In addition, unemployment payments last too long, with little or no oversight. Adjustments to consider are: drug testing and employer verification that an unemployed worker has applied for a job.

Make Wisconsin a "Right to Work" State

This will allow manufacturers and their employees the flexibility to compete in a world market. As a "Right to Work" state, more OEMs will look to locate more of their subcontract work here. Every Wisconsin citizen should have the right to choose what organizations he/she wishes to belong to.

Workers Compensation

Like Unemployment Compensation, Workers Compensation is out of control. Employers have no say in the amount of care or services provided but, they are required to pay 100% of the fees without any redress.

Technical Schools

Technical schools are the life-blood of our industry. They provide flexible, targeted training to the business community, retraining for laid-off individuals and are the source of classroom training for skilled trades. In addition, the technical schools are involved in teaching soft skills that employers identify as necessary in successful employees. According to the Center of Wisconsin Strategy (COWS), ninety percent (90%) of tech school students remain in Wisconsin and pay taxes here, thus the economic investment in the tech schools remains here also. Our current technical workforce is aging and the demand for skilled technical workers is increasing. The combination of replacing retirees and meeting the growing employment needs requires a vibrant technical college system. Small Wisconsin manufacturing companies depend on the technical colleges for affordable training that increases our ability to compete in the global economy.

Tax Incentives

Expand the tax credits recently enacted in Wisconsin Act 267 to include all manufacturers that use Wisconsin-based Tier II and Tier III manufacturers. In addition, create a new tax credit for Tier II and Tier III suppliers that recognize the cost of transporting products in and out of the state on new out-of-state sales.

Capital Regeneration

The State should consider a financial mechanism to allow Wisconsin-based small manufacturers greater access to capital.

Almost all states have capital for “new markets & new products” but, we are not aware of any that have focused on maximizing proven markets. Instead of being a “me too”, Wisconsin should look to dominate markets where we have a strong presence and historic success. The reality is the products Wisconsin has been making for years from paper to small engines have incorporated huge amounts of technology and they are selling into existing markets that have longevity. As a State, we should capitalize on these opportunities to promote Tier II & III levels as well as OEMs.

Wisconsin is at a crossroads. We have been blessed with manufacturing companies that produce real wealth. However, these companies have been severely hurt over the past several decades. Governments at all levels have taken the approach “manufacturers are so healthy that the government can continue to take a little bit more from them”. Well, as in a perfect storm, these past actions (taxes, social programs, combined with national and international competition, etc.) have gone too far and tipped the balance against manufacturing. Wisconsin-based Tier II & III manufacturers need immediate economic relief to survive, thrive and help provide the wealth producing jobs we all want.