



July 23, 2019

TO: Interested Parties

FR: DNC Research Department

RE: Trump's Broken Economic Promises In Wisconsin

Donald Trump's broken promises on the economy is a major weakness for his campaign in Wisconsin. His health care agenda spikes costs and guts coverage protections for people with preexisting conditions, factories continue to close and lay off workers, and his tax scam is only helping the wealthiest few.

Recent polling confirms Trump's vulnerability on this critical issue: a recent [AP poll](#) found that few voters approve of his handling of the economy, [only 5%](#) say Trump's economic policies help "people like me," a [majority](#) say the president's policies help "people with more money" or "no one," [only 11%](#) say their salaries have outpaced their costs and [four in 10](#) say they could not afford an emergency expense of \$1,000.

The following research brief details major economic vulnerabilities for Trump in Wisconsin -- including how Kimberly-Clark used their windfall from Trump's tax scam to enrich their wealthy shareholders while closing factories and laying off workers.

**TRUMP PROMISED WISCONSINITES THAT HE WOULD "SUBSTANTIALLY" LOWER THEIR TAXES, BUT HIS TAX SCAM WILL ACTUALLY INCREASE THEIR TAX BURDEN WHILE CORPORATIONS GET A WINDFALL:**

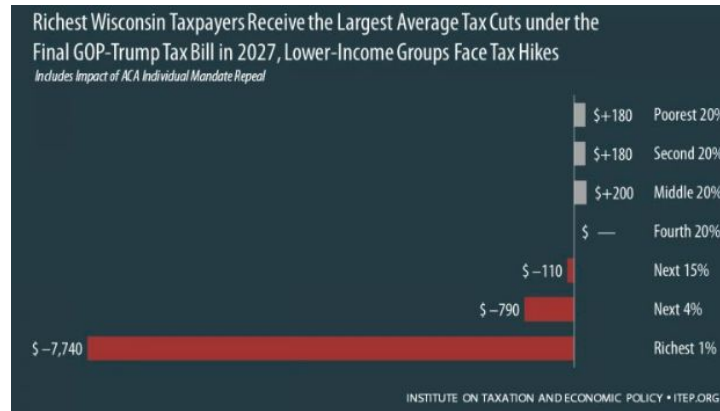
**Trump: "My Tax Plan Lowers Taxes Very Substantially For Middle Income People."** "In the meantime, we're paying taxes, we're the highest taxed nation in the world. By the way, my tax plan lowers taxes very substantially for middle income people. They're getting killed. They're getting killed. Very, very substantially." [Trump Campaign Rally, Appleton, WI, 3/30/16]

**In 2019, The Richest 1% Of Wisconsin Taxpayers Will Receive 28% Of The State's Share Of The Tax Cuts Under The Republican Tax Bill.** [Institute on Taxation and Economic Policy, [12/16/17](#)]

**2018: Nationwide, Corporations Paid \$91 Billion Less In Taxes Than In 2017.** "And while some corporations managed to pay \$0 under the new tax law, it was unclear what kind of financial blow that would deal to the U.S. But according to recently released data

from the IRS, in 2018 – the first year that the TCJA was in effect – the Treasury Department collected \$91 billion less than it did in 2017.” [Yahoo Finance, [5/31/19](#)]

**The GOP-Trump Tax Bill Would Raise Taxes On Low-And Middle-Income Wisconsin Residents By 2027.** [Institute on Taxation and Economic Policy, [12/16/17](#)]



WI EMPLOYER KIMBERLY-CLARK USED ITS TRUMP TAX WINDFALL TO LAY OFF THOUSANDS OF WORKERS AND CLOSE FACTORIES WHILE DIRECTING MORE MONEY TO THE COMPANY'S WEALTHY SHAREHOLDERS:

**HEADLINE: “Kimberly-Clark, Maker Of Kleenex And Huggies, Says Tax Bill Helps Fund Plan That Includes More Than 5,000 Layoffs.”** [Washington Post, [1/23/18](#)]

**HEADLINE: “Kimberly-Clark To Use Savings From Tax Cuts To Pay For Layoffs”** [The Hill, [1/24/18](#)]

**Kimberly-Clark Planned To Use Savings From The GOP Tax Law For A Restructuring That Included Laying Off Over 5,000 Workers And Closing Or Selling 10 Manufacturing Plants.** “Kimberly-Clark — maker of brands such as Kleenex, Scott and Huggies — said the savings it receives from the new tax-cut law will help them pay for a restructuring program that includes layoffs. The company said the restructuring initiative, which the company was planning to undertake regardless of the tax law’s passage, will involve reducing its number of employees by about 5,000 to 5,500 people, or 12 to 13 percent of its workforce. Kimberly-Clark also said it plans to close or sell about 10 manufacturing facilities.” [The Hill, [1/24/18](#)]

- **Spring 2019: Kimberly-Clark Closed Its Facility In Neenah, Laying Off 74 Employees.** “Kimberly-Clark Corporation said late Thursday that its Neenah Nonwovens Facility will close March 31. It gave a formal notice to Wisconsin’s Department of Workforce Development saying 74 employees are affected.” [Appleton Post-Crescent, [1/10/19](#)]

**Kimberly-Clark Increased Dividend Payments For Shareholders And Planned To Spend \$700 To \$900 Million On Stock Buybacks.** “But at the same time, the company said it was raising its quarterly dividend to \$1.00 a share from 97 cents a share, which based on 353.4 million shares outstanding as of Dec. 31, could cost the company an additional \$42.4 million this year. The company also said it planned to spend between \$700 million and \$900 million to buy back its stock this year, after repurchasing \$900 million worth of shares in 2017.” [MarketWatch, [1/23/18](#)]

### **DESPITE TRUMP’S PROMISES, WISCONSIN COUNTIES LOST MANUFACTURING JOBS UNDER TRUMP:**

**Trump: “Twenty Percent Of Manufacturing Jobs Have Left Since 2000... We’ll Get You A Lot Of Jobs. We’re Bringing Our Jobs Back From China. We’re Bringing Out Jobs Back From Mexico. We’re Going To Stop People From Moving To Mexico.”** TRUMP: “I just had this written out and this is about Wisconsin trade facts. Twenty percent of manufacturing jobs have left since 2000. Nobody knows that. We’ll get you a job. We’ll get you a lot of jobs. We’re bringing our jobs back from China. We’re bringing out jobs back from Mexico. We’re going to stop people from moving to Mexico.” [Trump Campaign Rally, Racine WI, 4/2/16]

**10 Wisconsin Counties That Trump Carried In 2016 Experienced Manufacturing Job Losses During Trump’s First Two Years In Office.** “More troubling for Mr. Trump, some of the same forces are at work in the two other states that were critical to his Electoral College victory — Wisconsin, where 10 counties that he won in 2016 lost manufacturing jobs, and Pennsylvania, where eight counties that he carried faced manufacturing job losses.” [New York Times, [6/24/19](#)]

### **TRUMP TOUTED A JOBS DEAL WITH FOXCONN THAT COULD COST WISCONSIN TAXPAYERS BILLIONS AND IS NOT DELIVERING ON ITS PROMISES:**

**Trump: “Thank You Foxconn, For Investing \$10 BILLION DOLLARS With The Potential For Up To 13K New Jobs In Wisconsin! MadeInTheUSA”** [@realDonaldTrump, Twitter, [7/26/17](#)]

**Trump Attended The Ceremonial Groundbreaking Of Foxconn In Wisconsin, Calling The Plan “The Eighth Wonder Of The World” And Touting It As A “Wonderful Trade Deal For The U.S.”** “Touting trade, defending tariffs and shoveling Wisconsin dirt, President Donald Trump dominated Thursday’s groundbreaking of the Foxconn Technology Group facility. He called plans to build a sprawling high-tech campus on what last year were soybean, corn and cabbage fields ‘the eighth wonder of the world,’ and touched on a range of issues during a speech to hundreds of business and political leaders inside a Foxconn building ... Moments after the ceremonial groundbreaking, Trump told the news media, ‘This is great, we’re making wonderful trade deals for the U.S.’” [Milwaukee Journal Sentinel, [6/28/18](#)]

**Foxconn Subsidies Will Cost Taxpayers \$4.5 Billion, Amounting To \$346,000 Per Job Created, Even If The Factory Eventually Increases Its Employment To 13,000.**

“About \$4.5 billion to be exact. Since the state already has very low tax rates for manufacturers, much of this subsidy will be paid directly in cash rather than as tax credits. This is a staggering amount of money — about \$1,800 per Wisconsin taxpayer — for a factory like this. The Foxconn plant will initially employ 3,000 workers, at a salary of about \$54,000 a person. Even if the factory eventually increases its employment to 13,000 — as Wisconsin Governor Scott Walker has promised that it will — the cost per job created would be about \$346,000. If the number of jobs turns out to be lower, the cost per job will be higher. Estimates that the state could break even on its investment by 2043 are almost certainly overoptimistic.” [Bloomberg, [11/6/18](#)]

**CNBC: “Since Then, No Factory Has Been Built, But The State And Local Governments Already Have Spent Tens Of Millions Of Dollars On Land Acquisition And Road And Utility Improvements. The Company Only Recently Began Laying The Foundation For A Vastly Scaled-Down Manufacturing Plant, More Than A Year Behind Schedule.”** [CNBC, [7/8/19](#)]

**TRUMP RECKLESSLY SOUGHT TO OVERTURN THE ENTIRE ACA, INCLUDING PREEXISTING CONDITION AND CONSUMER PROTECTIONS THAT LOWER OUT OF POCKET COVERAGE AND PRESCRIPTION DRUG COSTS:**

**March 2019: The Trump Admin. Formally Supported A Lower-Court Ruling On Texas V. United States That Found The Entire ACA Unconstitutional.** “The Trump administration told a federal court late Monday that it would ask judges to toss out the entire Affordable Care Act, a decision that cast further uncertainty over the future of a federal law that has extended health insurance to millions of Americans. Justice Department attorneys said in a letter filed with the U.S. Court of Appeals for the Fifth Circuit in New Orleans that a lower court’s ruling the health law is unconstitutional ‘should be affirmed’ and that the ‘United States is not urging that any portion of the district court’s judgement be reversed.” [USA Today, [3/26/19](#)]

- **Urban Institute: The Number Of People Uninsured In Wisconsin Would Increase By 153,000 If The Affordable Care Act Ceased To Exist.** [Urban Institute, [March 2019](#)]
- **2019: 176,908 Marketplace Enrollees From Wisconsin Received Advanced Premium Tax Credits To Help Make Their Coverage More Affordable.** [Marketplace Plan Selections with Financial Assistance, Kaiser Family Foundation, Open Enrollment [2019](#)]
- **As Many As 2,489,279 People With Pre-Existing Conditions In WI Could Have Been Denied Coverage Before The ACA Went Into Effect.** [Compilation of State Data on the ACA, Health And Human Services, [December 2016](#)]

**Without The ACA, Insurers Would Not Have A Federal Requirement To Provide Coverage For Prescription Drugs, Substance Abuse Treatment And Maternity Care, And They Could Charge Women More.** “Insurers in the non-group and small group market may not vary premiums based on health status or gender [...] All ACA compliant health plans in the individual and small group market must cover 10 categories of essential health benefits (EHB), including hospitalization, outpatient medical care, maternity care, mental health and substance abuse treatment, prescription drugs, habilitative and rehabilitative services, and pediatric dental and vision services” [Kaiser Family Foundation, [3/26/19](#)]

