



Wisconsin Technology Council

Keep Your Money Riding on State Economy in 2018

By Tom Still, WTC President

I may hop the next plane to Las Vegas to play the roulette tables. My winning streak of late could win me some money.

In this space in 2017, I predicted the broadband logjam would be broken. The Information Technology and Innovation Foundation just ranked Wisconsin 11th among the 50 states in that category, a surprising jump. I also forecast that BigCo's would invest in southeast Wisconsin. Little did I know it wouldn't be homegrown companies but a little Taiwanese outfit called Foxconn.

The 2016 forecast talked about the importance of wooing and keeping millennials, a topic that is currently all the rage.

My crystal ball for 2015 laid out four tech goals for policymakers: enhancing Wisconsin's startup and scale-up business climate, building the state's supply of knowledge-based human capital, improving access to capital for Wisconsin entrepreneurs, and improving technology development, delivery, and transfer from the lab bench to the marketplace. Check, check, check, and check.

I could quit while I'm ahead, which would be the smart Vegas thing to do,

but I might as well double down on Red 23 and let the wheel spin again.

1. The incredibly shrinking stock market will continue to help small- to mid-sized private companies. Fewer companies are going public, which means more dollars are chasing fewer deals on the New York Stock Exchange and the NASDAQ. Major companies are sitting on plenty of cash and some invest it by paying attention to smaller firms, especially those in the same industry space. That's happening in Wisconsin, where corporate investors are adopting young tech companies to speed internal innovation. Big company executives no longer think "entrepreneur" is French for "unemployed dreamer."

2. The Foxconn deal will look better as China gets stronger. Will the rest of the 21st century be the Next American Century... or will the world's most populous nation use its huge trade imbalance, tech investments, and buying power to make it the Chinese Century? States such as Wisconsin that invest in a strategic advantage, such as a \$10 billion liquid crystal display factory, are prepared to move either way.

3. The I-Q Corridor will become more of a reality. That's the name I coined years ago for the interstate corridor connecting the powerhouses of Chicago, Milwaukee, and Madison with points north and west. Foxconn will anchor the southern link with its plant near Racine and more companies are shortening the 85-mile link between Milwaukee and Madison. There was a time when the Milwaukee "old guard" looked on Madison with a mix of envy and disdain, but a younger crew in the state's largest city doesn't seem to carry those grudges.

4. Startup fever will spread in Wisconsin. To date, it's been largely a function of the Big Two cities, but Wisconsin has always been a state of mid-sized cities. Progress will continue in places such as Janesville, Beloit, Eau Claire, Kenosha, Racine, La Crosse, Appleton, and Green Bay as young companies and workers emerge.

I'm packing light for that Vegas trip, where the roulette tables await, and I'm placing my 2018 bet on Wisconsin.

The Wisconsin Technology Council includes the Wisconsin Innovation Network, the Wisconsin Angel Network, and the annual Governor's Business Plan Contest.

Wisconsin Bankers Assn.

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needs. I expect M&A activity in 2018 to affect closer to 10% of our state's headquartered financial institutions.

Our financial institutions power Wisconsin for the betterment of individuals, businesses, and communities. Financial institutions uniquely help local communities grow and thrive through the loans they make to, and the trusted wealth management advice they share

with, individuals and businesses. In addition, the banking industry contributes significant financial and human resources to countless local causes and charities. It is in the interest of our entire state to support state and federal legislative policies that keep diverse financial institutions healthy and operating in Wisconsin. Meaningful regulatory and tax reform are two key legislative agenda items that must be passed at the state and federal level to help our industry.

With the continued strong economy moving into the new year, and the assumption that legislation will pass which starts to ease regulatory and tax burdens, I expect financial institutions to have another successful year in 2018.

Founded in 1892, the Wisconsin Bankers Association is the state's largest financial industry trade association, representing nearly 250 commercial banks and savings institutions and their almost 2,300 branch offices and 23,000 employees.