**Fiscal Facts: Worker Incentives Gaining Popularity in Midwest, But Still Rare in Wisconsin**

For decades, programs that offer public dollars to businesses as incentives to create jobs have played a prominent role in state and local economic development strategies. Now a new approach has begun to gain popularity: offering incentives to individual workers instead.

As remote work becomes more prevalent, more communities are offering financial incentives to workers to entice them to relocate. These programs appear to be surfacing most frequently in Midwest states, but thus far, in relatively few Wisconsin communities.

Such incentives are often, though not always, aimed at enticing workers untethered to a specific location who work remotely, most of whom are employed in higher-earning white-collar occupations.

These programs are established and administered locally across 29 states. A few have statewide programs or models for their localities to enact worker relocation incentives. In most cases, these incentives are provided for workers who agree to relocate to the community from out of state to live and work there for a minimum period of time, along with other conditions.

The incentive could be a cash payment, with amounts ranging from $1,000 to $15,000, or an amount that can be applied toward the purchase or construction of a home or toward a down payment or student loans. Other communities offer incentives of property, such as a land lot.

Our research looking at the national landscape finds Midwest states have the most communities offering these incentives. The demographic headwinds and labor shortages affecting many parts of the Midwest may make them more willing to experiment with novel policies to reverse or at least blunt those trends.

Compared to its Midwest peers, however, Wisconsin has been slower to embrace this approach. But at least one Wisconsin community, Fond du Lac County, recently began offering worker relocation incentives; another, the city of Merrill, is offering financial incentives for new housing construction to individuals and families as well as developers – with current and new residents both eligible. City of Milwaukee officials also are exploring the possibility of creating a worker relocation incentive.

Like other economic development incentives, this approach can be controversial since it targets benefits to a relatively small number of individuals while potentially delivering minimal benefits for the population as a whole. Proponents say these incentives can help some communities take advantage of changing workplace norms to entice workers to places with lower costs of living. Critics may question the frequency with which these incentives are the deciding factor in a worker’s choice to relocate.

But notwithstanding one’s views on the merits of such programs, the challenges they are intended to address – shortages of qualified workers caused by stagnant or declining populations or broader economic circumstances – are only projected to mount in the coming years. That may make state and local policymakers more likely to consider these incentives, as well as other outside-the-box policies.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at* [*wispolicyforum.org*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*