Socio-Economic Analysis of Issues Facing Children and Families in Milwaukee Public Schools

Research Brief for Milwaukee Public Schools

by Lois M. Quinn, Employment and Training Institute, University of Wisconsin-Milwaukee, October 26, 2009.
Background on the ETI Indicators Research

The indicators research was developed for local foundations in 1998 to measure neighborhood need during welfare reform. Examples include:

- The Forest County Potawatomi Community Foundation funded outreach programs to increase the number of Milwaukee families claiming the earned income tax credit, based on the ETI claim rate indicators.

- Zip code 53206 was selected for the Zilber Neighborhood Initiative.
The **City of Milwaukee** used the indicators to identify assets and problems in Community Development Block Grant neighborhoods. The city has promoted “purchasing power profiles” detailing advantages of retail businesses in dense central city neighborhoods.

### Purchasing Power Profile: Cesar E. Chavez and National

**Milwaukee, Wisconsin**

### Within a 3-Mile Radius of Chavez & National

- Estimated $675.1 million spent on retail expenditures annually
  - $251 million for food at home
  - $90 million for food away from home
  - $110 million for apparel and related services
  - $115 million for entertainment
  - $84 million for household furnishings and equipment
  - $25 million for personal care products and services
- 63,408 working age income tax filers with $1.76 billion of adjusted gross income in 1999
- 16,434 elderly persons
- 97,501 active residential postal deliveries and 9,040 active business deliveries
- 77,491 registered vehicles
- 82,368 licensed drivers
The **Milwaukee Area Workforce Investment Board** collaborates on monthly drilldowns to track employer and labor force needs.
The Brookings Institution identified the ETI indicators as an urban research model. National interest has developed in zip code 53206 as a bellwether for urban poverty.
Issues Facing Milwaukee Public Schools

- Housing Crisis, Foreclosures
- Earnings of Milwaukee Families
- Recession/Job Gap
- Crime, Traffic Accidents
- Incarceration Rates
- Subsidized Child Care
- Public Assistance Policies
- Drivers’ License Policies

Children and Families in MPS
Milwaukee’s Housing and Foreclosure Crisis

Prior to 2002 relatively few housing sales were recorded in many inner city neighborhoods.

In 2005 and 2006 over 60 mostly out-of-state subprime lenders targeted the inner city for mortgage lending. Families made first-time home purchases and refinanced existing homes.

By 2008, regular housing sales had significantly declined, but sheriff sales of properties in foreclosure have increased dramatically.
Regular housing sales peaked in 2005 and 2006: 9 inner city zip codes

- Regular housing sales
Sheriff sales escalated in 2007 and 2008: 9 inner city zip codes

- Regular housing sales
- Sheriff sales
Houses up for sheriff sale can be found on nearly every block in some neighborhoods – often leading to abandoned housing, delayed repairs, vandalism, and tenants displaced.

(Zip code 53218, Jan. 2007-May 2009)
An apparent immediate impact of the housing crisis was a drop in home ownership (a long-time strength of Milwaukee’s housing stock) in the central city.
In 2006 **even before the recession** the Census Bureau estimated that of 51,000 Milwaukee children on public assistance (including food stamps and SSI):

- 48% were in households spending at least HALF of their income on housing (i.e., rent and utilities).
- 24% were in households spending more than 75% of their income on housing.

The Census Bureau estimated that one of every 5 Milwaukee homeowners with a mortgage was spending over HALF of their income on housing in 2006.
Student mobility can be expected to continue at high rates given Milwaukee families (both renters and homeowners) displaced by foreclosures and unable to meet their mortgage and rent payments.
Child Care Concerns

Wisconsin spends $200 million a year in federal and state funds for subsidized children care in Milwaukee County under the Wisconsin Shares program.

A major concern is the number of Shares-subsidized parents who for a variety of reasons may be keeping their children in full-time day care rather than enrolling them in early childhood education in the public and private schools.
Many **Milwaukee** children are not in early childhood education.

![Bar chart showing estimated number of children not in school and in school by age as of July 1 before start of 2008-09 school year.]

**MPS Students by Grade (Jan. 2009) % not in MPS 2007-08**

<table>
<thead>
<tr>
<th>Grade</th>
<th>% Not in MPS</th>
</tr>
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<tbody>
<tr>
<td>1st Grade</td>
<td>14%</td>
</tr>
<tr>
<td>K5</td>
<td>23%</td>
</tr>
<tr>
<td>K4</td>
<td>76%</td>
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</table>
Licensed **day care capacity** has more than tripled in the central city.

Most child care centers in the inner city draw all or nearly all of their clients from the Shares program.

(Licensed family and group child care centers, April 2009)
Wisconsin Shares subsidies averaged $7,040 per child ($8,800 including overhead appropriations) in 2008-09.

There is little oversight of expenditures or data required on:

- expected educational and developmental outcomes
- wages paid to child care staff and administrators
- qualifications of staff ("lead teacher" = 80 hours training)
- curricula used
- planned activities
- transportation costs.
Transportation of children is a safety concern.

Most parents in Shares are dependent on their child care provider for transportation.

Only half of subsidized family providers have a valid driver’s license.

Deaths have resulted from infants and toddlers left unattended in vehicles.
Lack of Jobs/Unemployment

Poverty among working families was a citywide problem even before the recession.

In the predominantly city of Milwaukee zip codes, a majority of non-elderly families (with dependents) had income below or near poverty, according to 2007 state income tax returns.

**Predominantly City Zip Codes**

- Above 185% of poverty: 38%
- 100%-185% of poverty: 42%
- Below poverty: 20%

**9 Inner City Zip Codes**

- Above 185% of poverty: 27%
- 100%-185% of poverty: 58%
- Below poverty: 15%
Given their limited income, **single parents** are more likely to live in the city of Milwaukee than in the suburbs and far more likely to live in poverty. In the city zip codes, 15,829 single parents with dependents earned less than $10,000 in 2007, and another 21,174 earned less than $20,000.
The economic recession has had devastating effects throughout southeastern Wisconsin, and particularly in Milwaukee. The city of Milwaukee unemployment rate has risen from 6.9% last summer to over 12% in summer of 2009.

Monthly Unemployment Rates: City of Milwaukee
The May 2009 job openings survey conducted by ETI found 25 job seekers for every 1 full-time job openings in the 9 inner city zip codes.

Central city residents have faced severe job shortages for the last two decades.

### Inner City Milwaukee Job Gap
(job seekers compared to available full-time jobs)

- **7:1**
  - May 2006

- **25:1**
  - May 2009
The Milwaukee area labor market has also shown a large decline in blue collar (traditionally male) jobs.

10-Year Changes in Private Sector Employment: Milwaukee Metro Area
Companies with 100+ Employees, 1996-2006
High-Poverty MPS Schools

The consequences of the lower earning power of Milwaukee parents can be seen in the MPS classrooms, where a majority of students are poor.

Milwaukee Public Schools now educates 25% of all Wisconsin students (public and private) from low-income families of poverty, but only 3% of middle income children in the state.

Over the last six years, even as its total enrollment has declined, MPS has enrolled a higher number (and percentage) of poor children.
Milwaukee Public Schools

• 92% of MPS students attended a school where **over half** of the children were poor (as measured by eligibility for free lunch, or family income below 130% of poverty) in 2008-09.

• 67% of MPS students attended a school where over 75% of students were poor (i.e., **extreme concentrations of poverty**).
Suburban Schools

• The suburban and outer ring public school districts in the Milwaukee metropolitan area largely educate the middle class (with 86% of their students not eligible for subsidized meals).

• Only 4% of suburban students attend a school where half of the children are poor and only 1% attend a high-concentration poverty school.
Child Safety: Crime and Traffic Accidents

Safety of children is a primary concern for parents in neighborhoods where crime remains at high levels and large numbers of traffic accidents are reported daily.

In the 9 inner city zip codes the Police Department reported 30,633 Class A crimes in 2008.
<table>
<thead>
<tr>
<th>Crimes Reported in 9 Inner City Zip Codes, 2008</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destruction/damage/vandalism of property</td>
<td>4,172</td>
</tr>
<tr>
<td>Simple assault</td>
<td>4,124</td>
</tr>
<tr>
<td>Burglary/breaking and entering</td>
<td>3,378</td>
</tr>
<tr>
<td>All other larceny</td>
<td>2,930</td>
</tr>
<tr>
<td>Robbery</td>
<td>2,214</td>
</tr>
<tr>
<td>Aggravated assault</td>
<td>2,048</td>
</tr>
<tr>
<td>Shoplifting</td>
<td>332</td>
</tr>
<tr>
<td>Theft from building</td>
<td>208</td>
</tr>
<tr>
<td>Arson</td>
<td>206</td>
</tr>
<tr>
<td>Forcible rape</td>
<td>141</td>
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Even parking near schools in high-poverty neighborhoods is an issue, with 4,003 car thefts (or an average of 11 a day) in the 9 inner city zip codes.

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<tr>
<th>Crimes Reported in 9 Inner City Zip Codes, 2008</th>
<th>Total</th>
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<tr>
<td>Motor vehicle theft</td>
<td>4,003</td>
</tr>
<tr>
<td>Theft of motor vehicle parts/accessories</td>
<td>3,403</td>
</tr>
<tr>
<td>Theft from motor vehicle</td>
<td>2,781</td>
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</tbody>
</table>
Concerns about the safety of children are heightened by the number of traffic accidents reported in the inner city (12,438 in 2008). Over a third of the accidents were “hit and run” where the driver didn’t stop to aid victims or to report damages.

In zip code 53204, 46% of traffic accidents were “hit and run.”
High Incarceration Rates/ Returning Ex-Offenders

Wisconsin has the second highest incarceration rate of African Americans in the U.S., according to the Department of Justice. High-poverty Milwaukee neighborhoods are rife with hardened criminals, drug violence, and lack of safety for children.

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<th>United States</th>
<th>Wisconsin</th>
<th>Difference</th>
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<tbody>
<tr>
<td>Whites</td>
<td>412</td>
<td>415</td>
<td>+3</td>
</tr>
<tr>
<td>Blacks</td>
<td>2,290</td>
<td>4,416</td>
<td>+2,126</td>
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</table>
A total of 22,559 adults from the 9 inner city zip codes were in the state corrections system. These include:

• 5,861 adults incarcerated in state facilities
• 12,541 adults on probation and parole
• 4,157 adults who had previously been incarcerated.

In 5 Milwaukee zip codes (53206, 53205, 53212, 53209 and 53210) over 500 state prisoners are released into the neighborhood each year. Many ex-offenders and current prisoners are themselves parents of MPS students.
Released Ex-Offenders (1 dot=5)

Adults on Probation and Parole
Returning offenders usually lack driver’s licenses. Only 6% of Milwaukee County ex-cons have valid driver’s licenses that would allow them to legally drive to jobs.
Driver’s License Policies

A critical issue facing central city Milwaukee residents is access to jobs – jobs that are increasingly beyond the county bus lines. Possession of a working vehicle and a valid driver’s license are employment assets for securing work.

A series of government policies make it more difficult for low-income residents to secure and maintain a license.

• School-age youth must complete driver’s education or commercial driving courses, but state aid for driver’s ed has been eliminated.

• School-age high school dropouts are not allowed to obtain licenses.
• The municipal courts use the Department of Transportation (DOT) as a collection agency for unpaid fines.

• The city uses the DOT as a collection agency for unpaid parking tickets.

• Minor vehicle infractions observed on older cars ("driving while poor") may turn into felony violations if the individual is stopped repeatedly while driving with a suspended license.

An estimated 11,855 Milwaukee youth ages 16 and 17 did not have driver’s licenses or learning permits, and over 5,600 of these teens lived in the poorest neighborhoods (as of April 2008).
Driver’s License Status of 16- and 17-Year Olds in Inner City Milwaukee Neighborhoods

- 91% No License
- 5% Probationary License
- 4% Learner’s Permit

(April 2008)
Driver’s License Status of 16- and 17-Year Olds in the Milwaukee County Suburbs

(April 2008)
Public Assistance

The state is making substantial efforts to increase enrollment of low-income children and families in federal/state medical insurance and FoodShare programs during the economic recession. In the 9 inner city zip codes as of March 2009:

- 59,365 children were enrolled in BadgerCare Plus
- 51,230 children were receiving FoodShare benefits
In spite of the high unemployment rates, only 6,140 children were in families receiving W-2 income support in the 9 inner city zip codes.

(as of March 2009)
One in 5 Milwaukee County residents is now using FoodShare/food stamps. (194,584 in 8/09)

One in 5 Milwaukee County residents is now enrolled in BadgerCare Plus subsidized medical insurance. (187,727 in 9/09)
The full report on “Socio-Economic Analysis of Issues Facing Children and Families in Milwaukee Public Schools” and 9 individual zip code reports are available online at www.eti.uwm.edu/2009/Indicators.htm.

For more information, contact:

Lois Quinn, Sr. Scientist, Employment and Training Institute, University of Wisconsin-Milwaukee, 161 W. Wisconsin Avenue, Suite 6000, Milwaukee, WI 53203. 414-227-3380. Email: lquinn@uwm.edu

Deborah L. Lindsey, Director, Research and Assessment, Milwaukee Public Schools, 5225 W. Vliet Street, Milwaukee, WI 53208. 414-475-8751. Email: lindsedl@milwaukee.k12.wi.us