State of the Central City

Presentation for the Community Relations Committee, Boys & Girls Clubs of Greater Milwaukee, November 4, 2009

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

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

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.
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.
The Milwaukee Area Workforce Investment Board collaborates on monthly drilldowns to track employer and labor force needs.
The 2009 indicators were commissioned by **Milwaukee Public Schools** to identify issues facing Milwaukee children and families and impacting on the classroom.
Impact of the Recession

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: 52%
- Below poverty: 10%

**9 Inner City Zip Codes**
- Above 185% of poverty: 27%
- 100%-185% of poverty: 43%
- Below poverty: 30%
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.
The May 2009 job openings survey conducted by ETI found 25 job seekers for every 1 full-time job opening in the 9 inner city zip codes. Job losses hurt the central city more than the rest of the region.

<table>
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<tr>
<th>Milwaukee Region</th>
<th>Job Gap</th>
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<tbody>
<tr>
<td>Central city Milwaukee neighborhoods*</td>
<td>25 to 1</td>
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<tr>
<td>Rest of Milwaukee County</td>
<td>9 to 1</td>
</tr>
<tr>
<td>Waukesha, Ozaukee, Washington counties</td>
<td>12 to 1</td>
</tr>
<tr>
<td>Racine, Kenosha, Walworth counties</td>
<td>19 to 1</td>
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<tr>
<td>TOTAL 7-county region</td>
<td>13 to 1</td>
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*Zip codes 53204, 53205, 53206, 53208, 53210, 53212, 53216, 53218 and 53233.
Over the last decade the Milwaukee area labor market has shown a large decline in skilled, semi-skilled and unskilled manual labor work (traditionally male jobs).

**Job Shifts in Private Companies with 100+ Workers:**

**1996-2006**

- **Professionals**: Gain of 15,000
- **Managers**: Gain of 10,000
- **Sales**: Gain of 5,000
- **Technicians**: Gain of 0
- **Office**: Gain of 0
- **Laborers**: Loss of 15,000
- **Service**: Loss of 10,000
- **Craft**: Loss of 5,000
- **Operatives**: Loss of 0
Job demand for **blue collar entry-level** workers took the greatest hits in the May 2009 job openings survey.

- **Handlers, Helpers, Laborers**: 1,609 May 2006 FT Openings, 95 May 2009 FT Openings
- **Transportation & Material Moving**: 1,092 May 2006 FT Openings, 322 May 2009 FT Openings
- **Machine Operators**: 888 May 2006 FT Openings, 134 May 2009 FT Openings
- **Fabricators & Assemblers**: 794 May 2006 FT Openings, 130 May 2009 FT Openings
- **Precision Production & Repair**: 728 May 2006 FT Openings, 196 May 2009 FT Openings
- **Construction Trades**: 503 May 2006 FT Openings, 198 May 2009 FT Openings
- **Mechanics & Repairers**: 267 May 2006 FT Openings, 110 May 2009 FT Openings
Over 45,000 **laid-off workers in Milwaukee County** are receiving weekly unemployment insurance payments.
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.

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<th>Incarceration Rates Per 100,000 Population: 2005</th>
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<tr>
<td>United States</td>
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<tr>
<td>Whites</td>
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<tr>
<td>Blacks</td>
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Milwaukee County has 42,046 adults in the state Department of Corrections (DOC) system -- incarcerated, previously incarcerated, or on probation and parole.
There has been a sharp increase in Milwaukee County adults admitted to DOC correctional facilities since 2001.
A total of 22,559 adults from the 9 inner city zip codes were in the state corrections system as of June 2008, including:

- 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 parents.
In some of the poorest neighborhoods a **majority** of men of prime working age have been in state prison.

As of June 2006, 62% of men (ages 30-34) in zip code 53206 had been or were incarcerated by the state DOC.
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.
Milwaukee’s Housing and Foreclosure Crisis

In 2006 even before the recession the Census Bureau estimated that of 51,000 Milwaukee children on 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.
Over 60 subprime lenders targeted Milwaukee’s inner city neighborhoods. The housing crisis is not over.

Prior to 2002 relatively few housing sales were recorded in many central city zip codes.

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, **sheriff sales** escalated in 2007 and 2008: 9 inner city zip codes
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.

An apparent immediate impact of the housing crisis is a **decline in home ownership** (a long-time strength of Milwaukee’s housing stock) in the central city.
Implications for MPS and Youth-Serving Agencies

Student mobility can be expected to continue at high rates given Milwaukee families (both renters and homeowners) unable to meet their mortgage and rent payments and/or displaced by foreclosures.
Concentrations of Poverty among Milwaukee Youth

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.
High-Poverty Public Schools

Low-Poverty Public Schools

(2008-09 school year)
Poverty Status of School Children in the 4-County Metro Area

- Milwaukee Public Schools: 78% poor
- Choice + City/UWM charters: 78% poor
- Suburban public schools: 84% not poor
- Suburban private schools: 86% not poor

(October 2007)
Child Safety: Crime and Traffic Accidents

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

Even parking for school and community events 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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<th>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>
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<tr>
<td>Theft from motor vehicle</td>
<td>2,781</td>
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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.”
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% Learner’s Permit
- 4% Probationary license

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

- 39% Probationary license
- 10% Learner’s Permit
- 51% No License

(April 2008)
Public Assistance

The state is making substantial efforts to increase enrollment of low-income children and families in govt. medical insurance and FoodShare programs. Only 6,140 children, however, are in families receiving W-2 income support in the 9 inner city zip codes. (as of March 2009)
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 Wisconsin Shares child care subsidy program.**

(Licensed family and group child care centers, April 2009)
Child Care Concerns

Wisconsin Shares child care 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
- coordination with school enrollment
- wages paid to child care staff and administrators
- qualifications of staff (“lead teacher”=only 80 hrs training)
- curricula and planned activities
- transportation safety and costs.
For more information, see the Employment and Training Institute website at www.eti.uwm.edu.